

Institutional Equities
 India Research

Tata Motor

RESULT REVIEW

 Bloomberg: TTMT IN
 Reuters: TAMO.BO

BUY

Domestic Loss Erodes Overall Profitability

Tata Motors has reported dismal performance as its net profit declined by over 50% YoY & 21% QoQ to Rs. 16.3 bn (our estimate of Rs. 29 bn) in Q3FY13. Its standalone business reported Rs. 4.58 bn net loss, impacting its overall performance. Tata Motors' consolidated EBIDTAM declined by 281 bps YoY to 12.3%, while EBIDTAM at JLR declined 303 bps YoY & 77 bps QoQ to 14%, despite JLR volume rising 9.9% YoY to 94,864 units in Q3FY13. Adverse currency coupled with poor product mix impacted JLR's financials. Discontinuation of old Range Rover, initial small volume of newly-launched Range Rover, higher volume of low-end Evoque, and launching expenses acted negatively for JLR. JLR's average vehicle price fell 8% YoY & 5.5% QoQ, while it reported £296 mn net profit (down 24.7% YoY & 3% QoQ) on revenue of £3.8 bn (up 1.5% YoY & 15.7% QoQ). Its PAT was boosted by forex gain of £11 mn and gain on bond option ~£37 mn. Its consolidated tax rate rose to 39%, as huge loss at its standalone entity did not yield similar tax benefit in the quarter.

We expect near-term challenges for Tata Motors on standalone operations with ongoing pain in PV & CV business with no near-term sign of recovery in M&HCV space. Hence we believe that pain on standalone financial to continue. However, its JLR business has been gaining good traction on the back of success of new launches. We expect JLR's volume growth of 15% CAGR over FY12-FY15 and improvement in its operating margin from current low level. We are cautious on sharp decline in average selling price at JLR & JLR's huge capex plan of £2.75 bn in FY14 & ~£2.5 bn in FY15E, which would put pressure on Company's cash-flow and NPM, going forward.

Outlook & Valuation

In view of margin erosion at JLR and standalone business, we lower our FY13E, FY14E & FY15E EPS by 16.7%, 10.7% & 11.8% to Rs. 29.2, Rs. 37.6 & Rs. 44, respectively. On SOTP basis, Tata Motors' standalone business is valued at Rs. 80, JLR at Rs. 313 and other subsidiaries at Rs. 18 per share based on FY15E EBITDA, post excluding net debt of Rs. 83 per share. As we believe that the recent stock price correction provides room for an upside, we reiterate our "BUY" recommendation on the stock with downwardly revised target price of Rs. 328 (from Rs. 358).

Key Financials (Consolidated)

Y/E Mar (Rs.mn)	FY10	FY11	FY12	FY13E	FY14E	FY15E
Net Sales	925,193	1,221,279	1,656,545	1,850,560	2,127,134	2,467,425
EBITDA	78,682	168,175	223,112	236,244	276,681	322,470
Net Profit	12,739	90,014	113,687	93,827	120,813	141,157
EPS (Rs.)	4.4	28.0	34.2	29.2	37.6	44.0
PER (x)	68.2	10.6	8.7	10.2	7.9	6.8
P/BV	10.8	5.0	3.0	2.3	1.8	1.5
EV/EBITDA	13.3	6.4	5.1	5.0	4.5	3.9
ROCE (%)	6.6	22.9	23.5	15.0	15.7	15.7
ROE (%)	17.3	63.1	42.5	24.8	25.6	24.0

Source: Company, Karvy Institutional Research

Recommendation

CMP:	Rs297
Target Price:	Rs328
Upside (%)	10%

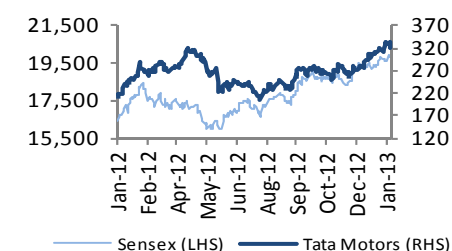
Stock Information

Market Cap. (Rs bn / US\$ mn)	872/16,186
52-week High/Low (Rs)	337/203
3m ADV (Rs mn /US\$ mn)	3,381/62.7
Beta	1.4
Sensex/ Nifty	19,497/5,897
Share outstanding (mn)	2,665

Stock Performance (%)

	1M	3M	12M	YTD
Absolute	(9.3)	7.1	10.9	(4.9)
Rel. to Sensex	(7.4)	2.5	1.5	(5.3)

Performance



Source: Bloomberg

Earning Revision

(%)	FY13E	FY14E	FY15E
Revenue	↓2.2	↓0.1	↓0.2
EBITDA	↓5.7	↓5.3	↓5.8
EPS	↓16.7	↓10.7	↓11.8

Source: Karvy Institutional Research

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Results Review

Revenue Analysis

Tata Motors' consolidated revenues grew 1.8% YoY & 6.2% QoQ to Rs. 460.8 bn in Q3FY13, as JLR's volume rose 9.9% YoY & 22.4% QoQ to 94,864 units. Adverse currency and poor product mix impacted the Company on realization front. JLR's average selling price per vehicle declined 7.7% YoY & 5.5% QoQ. Increased volume contribution from China partially negated the impact of currency, as the Company's products in the region are priced relatively higher.

- **JLR:** The net revenue at JLR rose 1.5% YoY & 15.7% QoQ to £3.8 bn in Q3FY13. Its reported PAT stood at £296 mn due to forex gain of £11 mn and gain of ~£37 mn on bond option.
- **Standalone:** Its standalone revenues fell 20.3% YoY & 14.8% QoQ to Rs. 106.3 bn, as its domestic M&HCV volume declined 38.4% YoY & 26.4% QoQ to 31,481 units, dragging the average realization for the quarter. Tata Motors' overall volume at India operation declined 10.2% YoY & 7.8% QoQ to 203,852 units in Q3FY13.

EBIDTA Margin

Tata Motors' consolidated EBITDA declined 17.1% YoY (up 6.1% QoQ) to Rs. 56.5 bn in Q3FY13. Its EBIDTA margins decreased 281 bps YoY & flat QoQ to 12.3%, as it was able to control its raw material cost, which as a percentage of sales declined 189 bps YoY (up 51 bps QoQ) to 64.4%. Though higher contribution from China benefitted the Company on margin front, poor performance at standalone business dragged overall profitability of the Company.

- **JLR:** JLR's EBIDTA margin fell 303 bps YoY & 77 bps QoQ to 14% in Q3FY13, mainly due to increasing Other Expenses/Sales ratio (up 80 bps YoY & 110 bps QoQ) to 12.2%, while its Employee Cost/Sales rose 250 bps YoY to 9.3%.
- **Standalone:** Its standalone EBIDTA margins plummeted 502 bps YoY & 387 bps QoQ to 1.4% and reported EBIDTA declined 83% YoY & 78% QoQ to Rs. 1.4 bn in Q3FY13.

Net Profit Growth

Tata Motors has posted Rs. 16.5 bn consolidated net profit in Q3FY13, impacted by net forex loss of Rs. 1.7 bn. Tata Motors' adjusted PAT – *post adjusting forex loss* – stood at Rs. 17.5 bn in Q3FY13. The Company reported Rs 4.58 bn standalone loss in Q3FY13, as against Rs. 1.7 bn net profit in Q3FY12. Tax credit of Rs. 1.4 bn lowered its reported loss, while the standalone loss at PBT level recorded at Rs. 6 bn. Deterioration in its domestic PV & CV business continued to affect the Company.

Capex

- **JLR:** Tata Motors' Management plans to spend £2.75 bn annual capex for JLR, we expect its capex to fall marginally in FY15 to ~£2.5 bn.
- **Standalone:** Its Management also plans to spend standalone capex of Rs. 30 bn in FY14E & ~Rs25-30 bn in FY15E.

Key Takeaways of Conference Call:

- **Tax Rate to Remain High:** JLR's tax rate was higher in Q3FY13 due to deferred tax credit, while its Management expects tax rate to remain high in 25-29% range vis-à-vis below 15% in past two years.
- **Multiple Factors Dragged Overall Performance:** JLR's revenues were impacted due to adverse currency movement, poor product mix with higher contribution of low-end Evoque, lower initial volume of new Range Rover post discontinuation of old Range Rover, launch expenses of new Range Rover and higher discount across geographies.
- **Rise in China's Contribution to Overall Market Mix:** China's contribution to overall market mix rose to 21.1% in Q3FY13 (vs. 17.5% in Q3FY12). Pricing premium on vehicles over past few months in China has stabilized and likely to remain around same level, going forward.
- **Capex to Remain Elevated – Pressure Expected on Cash-flow & Return Ratios:** Its Management maintains its annual capex guidance of £2.75 bn at JLR in FY14E, while standalone annual capex is seen at Rs. 30 bn for FY14E & FY15E. We expect JLR capex to decline marginally to ~£2.5 bn in FY15E. Hence, its combined capex for next two years stands at ~Rs. 500 bn, which will put pressure on its cash-flow as well as return ratios going forward.
- **Warm Response to New Range Rover – New JLR Models on Cards:** Tata Motors has launched new Range Rover in Oct'12 and begun its dispatches. Its Management indicated very strong initial response on the geographies where it launched, it plans to launch it in balance geographies over next 2-3 months. It also plans to refresh few existing JLR models with launch of new Jaguar F-type slated in FY14.
- **Domestic Market Share declined across Segment – To Launch New Prima Range of Trucks:** In domestic market, Tata Motors' market share declined across the segments in Q3FY13. The Company plans to launch new Prima range of trucks to trap fall in market shares.
- **Expect Launch of Refurbished Models in Passenger Car Segment:** It also indicated a launch of refreshes across its passenger vehicles, particularly in passenger car segment in FY14E, which would primarily include variants of Nano, Ace & Indica / Indigo family.
- **Current Utilization Level:** Tata Motors' current utilization level in both business PV & CV segment stands at ~50% with no change in Q4FY13 also.
- **Price Hike:** The Company took the price hike of ~1% in Q3FY13 as well as in Q4FY13 on its CV segment.
- **Similar Slowdown to Continue in Domestic Market:** Management indicated similar level of slowdown in its domestic business in Q4FY13 so far and expects near-term pain to continue for next 2-3 months. There is no immediate sign of recovery in M&HCV space. The Company has been taking various steps to curb decline in market share in terms of new products, focus on marketing initiatives & dealership.
- **Automotive D/E Ratio:** Tata Motors' net automotive D/E ratio stood at 0.37, while JLR's Cash & Cash Equivalent stood at ~£2 bn at Q3FY13-end.
- **Strong JLR Volume Expected in Coming Months:** Its Management expects very strong JLR volume in coming months backed by new launches, supported by implementing third shift at its Halewood & Solihul plants.

Tata Motor
Exhibit 1: Tata Motors Consolidated P&L

Y/E Mar (Rs. mn)	Q3 FY13	Q3 FY12	YoY (%)	Q2 FY13	QoQ (%)	YTD FY13 (9M)	YTD FY12 (9M)	YoY (%)
Net Sales	458,213	451,993	1.4	428,189	7.0	1,318,113	1,142,459	15.4
Other Operating Income	2,682	610	339.9	5,840	(54.1)	10,047	5,007	100.6
Total Revenue	460,895	452,603	1.8	434,029	6.2	1,328,160	1,147,466	15.7
Less:								
Net Raw Material consumed	296,714	299,944	(1.1)	277,213	7.0	851,420	760,684	11.9
Other Expenses	64,079	52,317	22.5	63,290	1.2	187,665	144,462	29.9
Personnel	43,529	32,072	35.7	40,191	8.3	121,617	86,652	40.3
Total Expenditure	404,322	384,333	5.2	380,693	6.2	1,160,702	991,798	17.0
EBIDTA	56,573	68,270	(17.1)	53,336	6.1	167,458	155,668	7.6
Less: Depreciation	20,700	16,159	28.1	15,944	29.8	52,302	40,900	27.9
EBIT	35,873	52,110	(31.2)	37,392	(4.1)	115,156	114,768	0.3
Less: Interest	9,346	7,204	29.7	8,474	10.3	25,863	22,101	17.0
Add: Other income	1,886	1,675	12.6	2,068	(8.8)	6,341	5,032	26.0
Extraordinary Expense (net)	(1,735)	(1,643)	NA	(101)	NA	(6,242)	(6,603)	NA
Profit Before Tax	26,679	44,938	(40.6)	30,886	(13.6)	89,391	91,096	(1.9)
Less: Total Tax	10,318	10,711	(3.7)	9,876	4.5	28,883	17,860	61.7
Profit After Tax before Minority Interest	16,360	34,227	(52.2)	21,010	(22.1)	60,508	73,235	(17.4)
Minority Interest	85	172	(50.4)	262	(67.6)	1,037	410	152.9
Profit After Tax	16,275	34,055	(52.2)	20,747	(21.6)	59,471	72,825	(18.3)
Profit After Tax Excl. extra-ordinaries	17,509	35,307	(50.4)	21,341	(18.0)	65,881	78,134	(15.7)
Reported EPS (Rs.)	5.07	10.24	(50.5)	6.46	(21.5)	18.56	21.91	(15.3)
Adj. EPS (Rs.)	5.45	10.62	(48.6)	6.64	(17.9)	20.57	23.51	(12.5)
Margin Analysis (%)			Change in BPS		Change in BPS			Change in BPS
EBIDTA Margin	12.3	15.1	(281)	12.3	(1)	12.6	13.6	(96)
Adj. NPM	3.8	7.8	(400)	4.9	(112)	5.0	6.8	(185)
Effective Tax Rate	38.7	23.8	1,484	32.0	670	32.3	19.6	1,270
Cost Analysis								
RM/Net Sales	64.4	66.3	(189)	63.9	51	64.1	66.3	(219)
Other Expenses	13.9	11.6	234	14.6	(68)	14.1	12.6	154
Personnel/Net Sales	9.4	7.1	236	9.3	18	9.2	7.6	161

Source: Company, Karvy Institutional Research; NA: Not Applicable

Exhibit 2: Jaguar Land Rover - P&L

GBP Million	Q3FY13	Q2FY13	Q3FY12	QoQ	YoY
Net Revenue	3,804	3,288	3,749	15.7	1.5
EBITDA	533	486	639	9.7	16.6
EBITDA margin	14.0	14.8	17.0	-77 bps	-303 bps
PBT	393	364	495	8.0	-20.6
Exchange Gain	11	67	14	-84.0	-21.0
PAT	296	305	393	-3.0	-24.7

Source: Company, Karvy Institutional Research

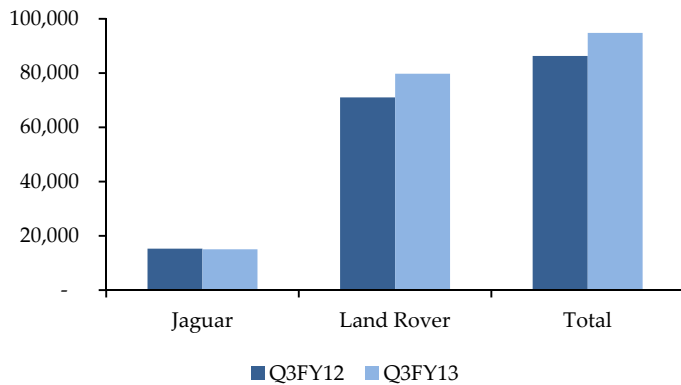
Exhibit 3: Tata Motors Standalone P&L

Y/E Mar (Rs. mn)	Q3 FY13	Q3 FY12	YoY (%)	Q2 FY13	QoQ (%)	YTD FY13 (9M)	YTD FY12 (9M)	YoY (%)
Domestic	192,198	212,976	(9.8)	206,412	(6.9)	574,313	582,393	(1.4)
Exports	11,654	14,135	(17.6)	14,678	(20.6)	39,403	44,738	(11.9)
Total Volume (units)	203,852	227,111	(10.2)	221,090	(7.8)	613,716	627,131	(2.1)
Net Sales	105,287	132,627	(20.6)	123,965	(15.1)	334,358	377,083	(11.3)
Other Operating Income	1,014	753	34.8	850	19.8	2,622	2,076	26.3
Total Revenue	106,301	133,379	(20.3)	124,814	(14.8)	336,979	379,159	(11.1)
Less:								
Net Raw Material consumed	80,073	98,600	(18.8)	92,749	(13.7)	247,150	276,673	(10.7)
Other Expenses	17,461	19,311	(9.6)	18,038	(3.2)	52,968	55,583	(4.7)
Personnel	7,314	6,950	5.2	7,492	(2.4)	21,875	19,990	9.4
Total Expenditure	104,848	124,861	(16.0)	118,279	(11.4)	321,993	352,246	(8.6)
EBIDTA	1,453	8,518	(82.9)	6,536	(77.8)	14,986	26,913	(44.3)
Less: Depreciation	4,824	4,213	14.5	4,472	7.9	13,589	11,733	15.8
EBIT	(3,371)	4,305	NA	2,064	NA	1,397	15,180	(90.8)
Less: Interest	3,678	2,936	25.3	3,668	0.3	10,538	8,938	17.9
Add: Other income	1,118	1,326	(15.7)	14,393	(92.2)	19,982	4,398	354.3
Extraordinary Expense (net)	(82)	(833)	NA	(2,549)	NA	(4,240)	(3,750)	NA
Profit Before Tax	(6,013)	1,862	NA	10,241	NA	6,602	6,890	(4.2)
Less: Total Tax	(1,428)	125	NA	1,570	NA	462	120	285.1
Profit After Tax	(4,585)	1,737	NA	8,671	NA	6,140	6,770	(9.3)
Profit After Tax Excl. extra-ordinaries	(4,523)	2,513	NA	10,829	NA	9,752	9,568	1.9
Reported EPS (Rs.)	(1.44)	0.53	NA	2.70	NA	1.91	2.01	(4.9)
Adj. EPS (Rs.)	(1.42)	0.77	NA	3.37	NA	3.03	2.83	6.9
Margin Analysis (%)			<i>Change in BPS</i>		<i>Change in BPS</i>			<i>Change in BPS</i>
<i>EBIDTA Margin</i>	1.4	6.4	(502)	5.2	(387)	4.4	7.1	(265)
<i>Adj. NPM</i>	(4.3)	1.9	(614)	8.7	(1,293)	2.9	2.5	37
<i>Effective Tax Rate</i>	NA	6.7	NA	15.3	NA	7.0	1.7	526
Cost Analysis								
<i>RM/Net Sales</i>	75.3	73.9	140	74.3	102	73.3	73.0	37
<i>Adv. & Sales Promotion Expenses./Net Sales</i>	16.4	14.5	195	14.5	197	15.7	14.7	106
<i>Personnel/Net Sales</i>	6.9	5.2	167	6.0	88	6.5	5.3	122

Source: Company, Karvy Institutional Research; NA: Not Applicable

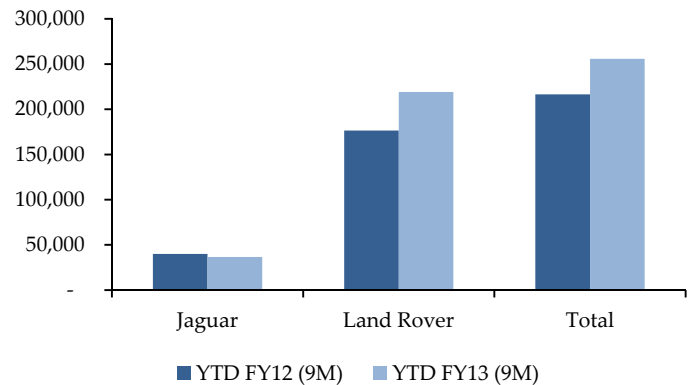
JLR's Volumes Analysis

Exhibit 4: Quarterly Wholesale Volume



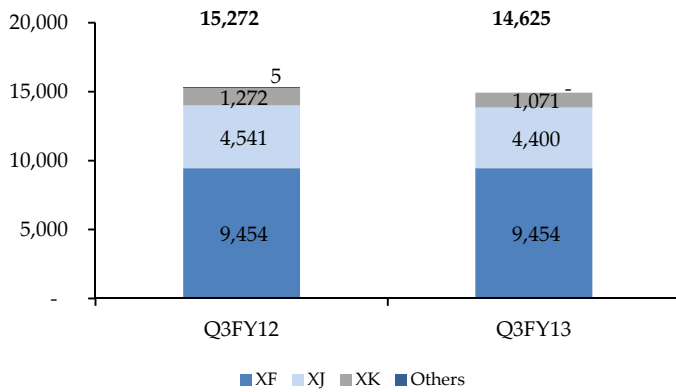
Source: Company, Karvy Institutional Research

Exhibit 5: 9M Wholesale Volume



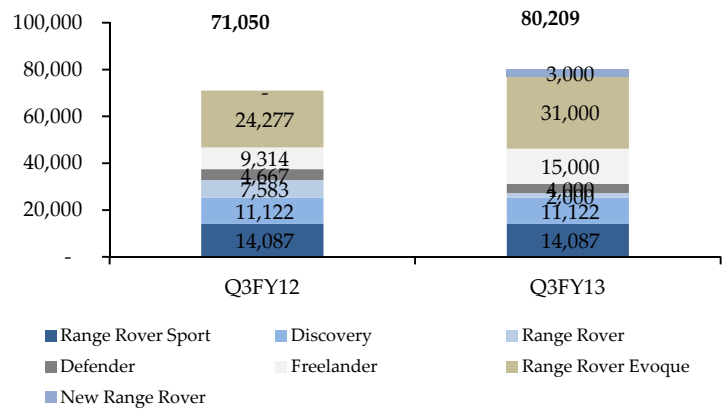
Source: Company, Karvy Institutional Research

Exhibit 6: Jaguar Product Mix- Quarterly



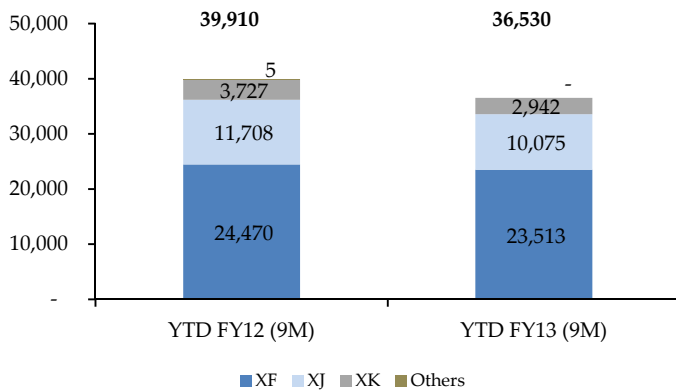
Source: Company, Karvy Institutional Research

Exhibit 7: Land Rover Product Mix - Quarterly



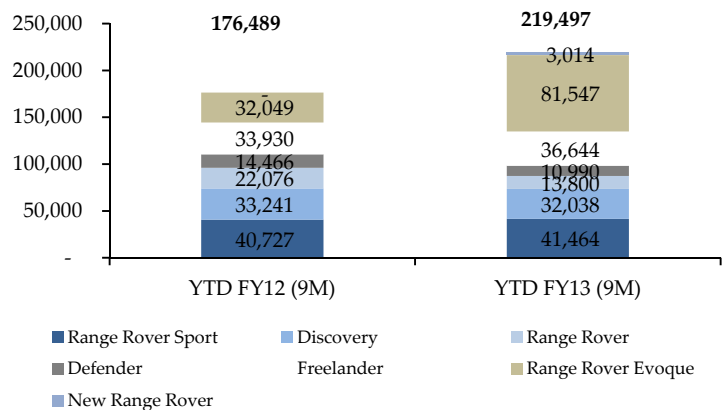
Source: Company, Karvy Institutional Research

Exhibit 8: Jaguar Product Mix – 9M



Source: Company, Karvy Institutional Research

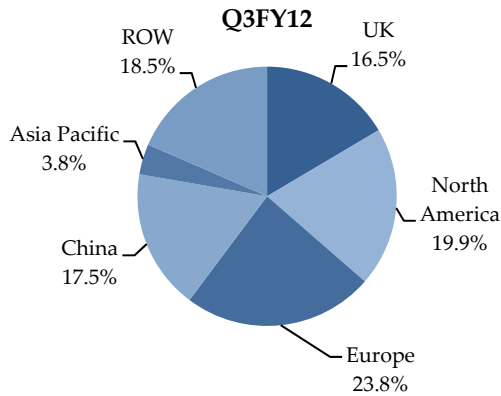
Exhibit 9: Land Rover Product Mix – 9M



Source: Company, Karvy Institutional Research

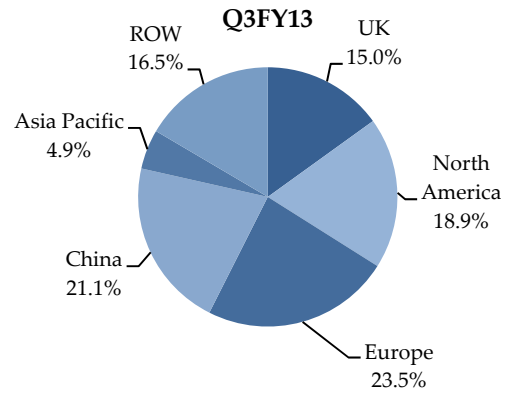
JLR's Market-Mix

Exhibit 10: JLR's Geographical Mix

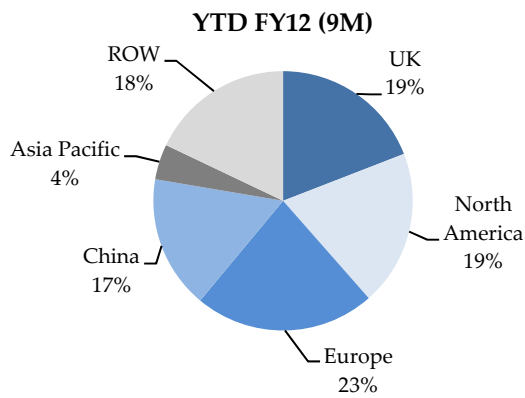


Source: Company, Karvy Institutional Research

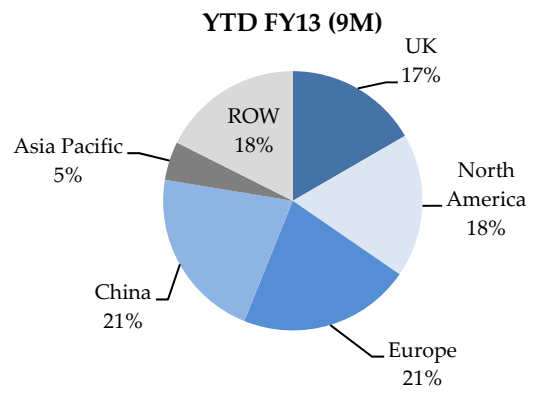
Exhibit 11: JLR's Geographical Mix



Source: Company, Karvy Institutional Research



Source: Company, Karvy Institutional Research



Source: Company, Karvy Institutional Research

Domestic Volumes and Market Share

Exhibit 12: Volume trend – Tata Motors

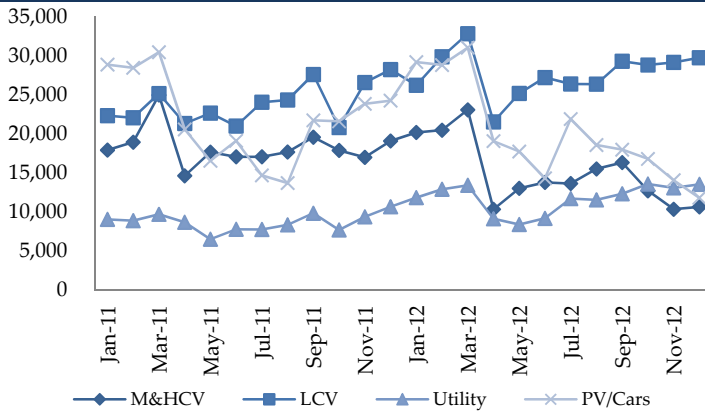
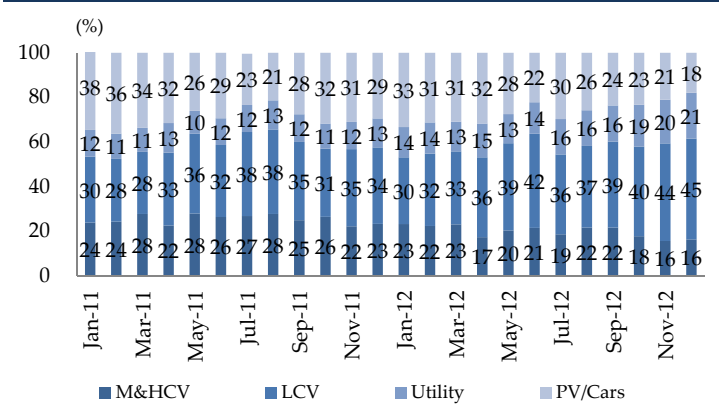


Exhibit 13: Product mix – Tata Motors



Source: SIAM, Karvy Institutional Research

Source: SIAM, Karvy Institutional Research

Exhibit 14: Market share Trend: Passenger Car

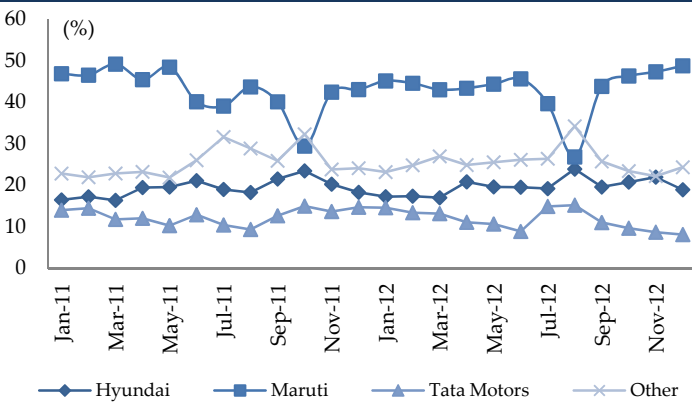
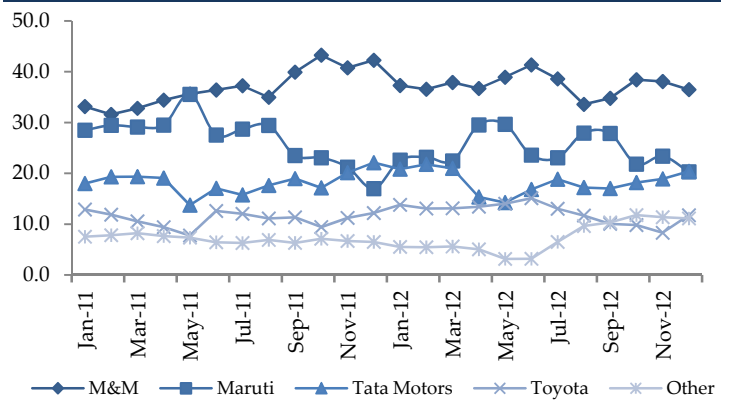


Exhibit 15: Market share Trend: UV + Vans



Source: SIAM, Karvy Institutional Research

Source: SIAM, Karvy Institutional Research

Exhibit 16: Market share Trend: MHCV Goods

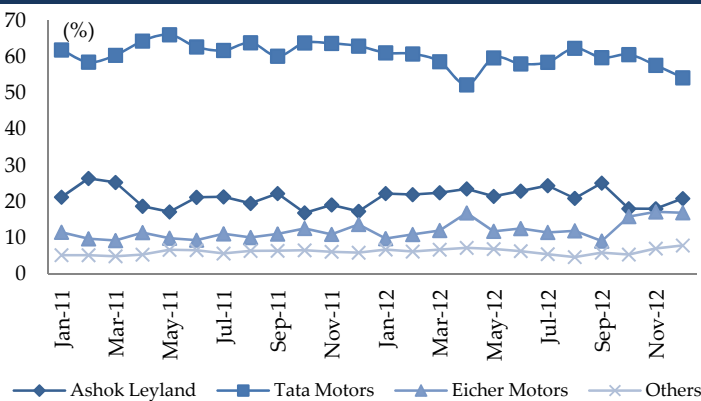
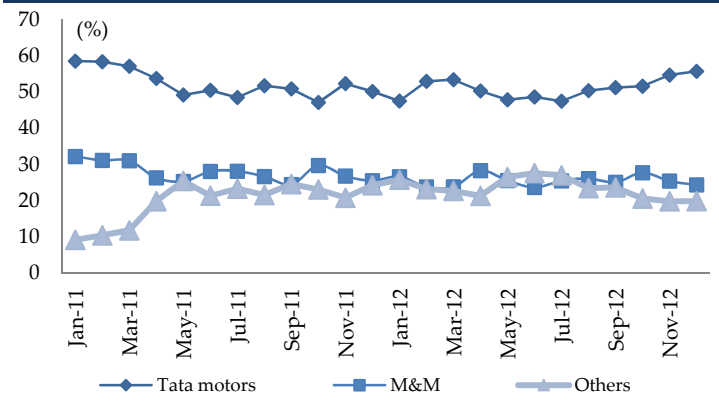


Exhibit 17: Market share Trend: LCV

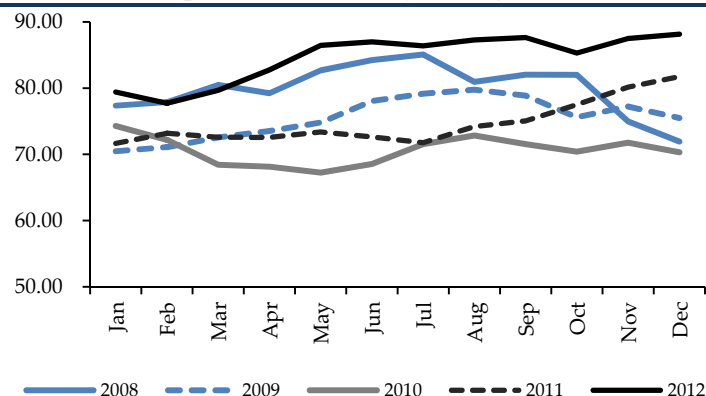


Source: SIAM, Karvy Institutional Research

Source: SIAM, Karvy Institutional Research

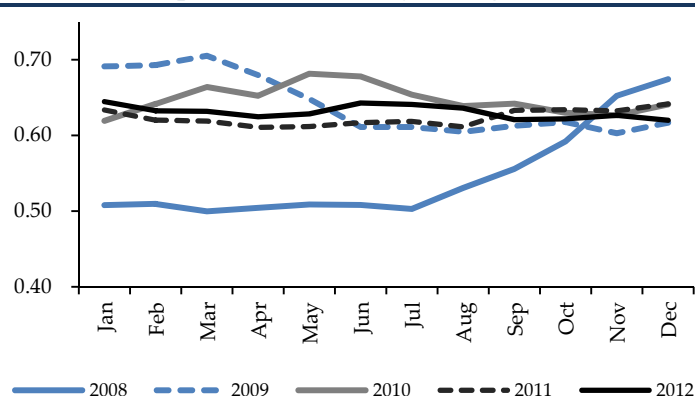
Currency Movements

Exhibit 18: INR per 1 GBP Monthly average



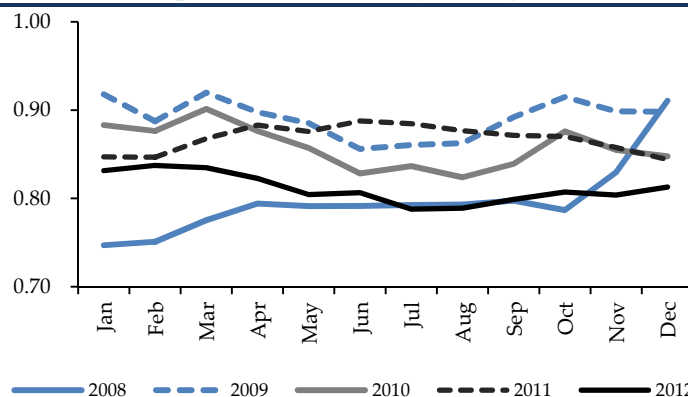
Source: X-rate, Karvy Institutional Research

Exhibit 19: GBP per 1 USD Monthly average



Source: X-rate, Karvy Institutional Research

Exhibit 20: GBP per 1 EURO Monthly average



Source: X-rate, Karvy Institutional Research

Exhibit 21: SOTP Valuation

Y/E Mar (Rs mn)	Multiple	Measure	EBITDA FY15E	value/share
Tata Motors Standalone	6	EV/EBITDA FY15E	43,065	80
JLR	GBP		2,987	
JLR	INR	EV/EBITDA FY15E	250,873	313
Other Business	2	EV/EBITDA FY15E	28,532	18
Net Debt			266,141	83
Target price				328

Source: Company, Karvy Institutional Research

Financials

Exhibit 22: Profit & Loss- Consolidated

Y/E Mar (Rs.mn)	FY10	FY11	FY12	FY13E	FY14E	FY15E
Net revenues	925,193	1,221,279	1,656,545	1,850,560	2,127,134	2,467,425
Operating expenses	846,511	1,053,104	1,433,433	1,614,316	1,850,453	2,144,955
EBIDTA	78,682	168,175	223,112	236,244	276,681	322,470
EBIDTA margin (%)	8.5	13.8	13.5	12.8	13.0	13.1
Other income	416	4,121	5,660	7,804	8,008	8,767
Interest	22,397	23,853	29,822	34,129	32,157	33,024
Depreciation	38,871	46,555	56,254	72,845	86,629	104,283
Profit Before Tax	35,226	104,372	135,339	130,833	165,902	193,930
Tax	10,058	12,164	(400)	42,559	46,453	54,300
Minority Interest	(542)	(528)	574	(1,217)	(1,363)	(1,527)
Reported Net Profit	25,711	92,736	135,165	89,492	120,813	141,157
Net Margin (%)	2.8	7.6	8.2	4.8	5.7	5.7
Extra ord. Income	17,397	2,484	-7,357	-6,242	0	0
Adjusted Net Profit*	12,739	90,014	113,687	93,827	120,813	141,157
Adj. Net Margin (%)	1.4	7.4	6.9	5.1	5.7	5.7

Source: Company, Karvy Institutional Research, We have not factored in any tax credit effect on estimated financials.

Exhibit 23: Balance Sheet- Consolidated

Y/E Mar (Rs. mn)	FY10	FY11	FY12	FY13E	FY14E	FY15E
Equity capital	5,706	6,377	6,348	6,348	6,795	6,795
Reserves & surplus	76,359	185,338	325,152	406,004	511,172	636,685
Shareholders funds	82,065	191,715	331,499	412,351	517,968	643,480
Minority Int.	2,135	2,466	3,071	3,071	3,071	3,071
Total Loans	351,084	303,622	387,041	446,777	456,777	471,777
Deferred tax liability	11,536	14,638	-23,743	-11,871	-5,936	-2,968
Total Liabilities and Equity	446,820	512,440	697,869	850,328	971,880	1,115,360
Gross block	670,545	753,800	948,990	1,196,542	1,457,045	1,706,998
Depreciation	342,324	396,987	495,125	582,037	712,597	837,547
Net block	328,221	356,813	453,865	614,505	744,448	869,451
Capital WIP	89,159	114,568	159,458	126,000	130,000	115,000
Investments	22,191	25,443	89,177	97,560	106,770	116,891
Inventory	113,120	140,705	182,160	199,025	228,138	264,447
Debtors	71,912	65,257	82,368	90,642	104,407	121,188
Cash & Bank Bal	87,433	114,096	182,381	212,955	174,171	176,123
Loans & Advances	151,991	186,937	259,023	275,702	317,570	368,614
Current Assets	424,456	506,995	705,933	778,324	824,286	930,372
Sundry Creditors	291,666	279,031	366,863	415,742	476,555	552,399
Other Current Liability	125,542	212,348	343,701	350,319	357,069	363,955
Current Liability & Provisions	417,208	491,378	710,564	766,061	833,624	916,354
Net current assets	7,248	15,616	-4,632	12,263	-9,338	14,018
Total Assets	446,820	512,440	697,869	850,328	971,880	1,115,360

Source: Company, Karvy Institutional Research

Tata Motor
Exhibit 24: Cash Flow Statement- Consolidated

Y/E Mar (Rs. mn)	FY2010	FY2011	FY2012E	FY2013E	FY2014E	FY2015E
EBIT	39,811	121,620	166,859	163,399	190,052	218,187
Other Income	416	4,121	5,660	7,804	8,008	8,767
Depreciation & Amortisation	38,871	46,555	56,254	72,845	86,629	104,283
Interest paid(-)	(22,397)	(23,853)	(29,822)	(34,129)	(32,157)	(33,024)
Dividends paid(-)	(9,889)	(14,668)	(14,743)	(14,614)	(15,644)	(16,675)
Tax paid(-)	(10,058)	(12,164)	400	(42,559)	(46,453)	(54,300)
Extra Ord Income	17,397	2,484	(7,357)	(6,242)	0	0
Operating Cash Flow	54,151	124,095	177,250	146,506	190,435	227,237
Change in Working Capital	44,630	18,295	88,534	13,678	(17,182)	(21,404)
Cash flow from Operations	98,781	142,389	265,784	160,184	173,253	205,833
Capex	(54,506)	(100,556)	(198,196)	(200,026)	(220,573)	(214,286)
Investment	(9,617)	(3,251)	(63,735)	(8,383)	(9,210)	(10,121)
Cash flow from Investing	(64,124)	(103,807)	(261,931)	(208,409)	(229,783)	(224,407)
Change in borrowing	1,345	(47,462)	83,419	59,736	10,000	15,000
Change in Equity	10,217	35,543	(18,987)	19,062	7,747	4,943
Cash flow from Financial Activities	11,562	(11,920)	64,432	78,798	17,747	19,943
Change in Cash	46,220	26,663	68,285	30,574	(38,784)	1,369
Opening cash	41,213	87,433	114,096	182,381	212,955	174,171
Closing cash	87,433	114,096	182,381	212,955	174,171	175,540

Source: Company, Karvy Institutional Research

Exhibit 25: Key Ratios

Y/E Mar	FY10	FY11	FY12	FY13E	FY14E	FY15E
Revenue Growth	30.5	32.0	35.6	11.7	14.9	16.0
EBITDA Margin	8.5	13.8	13.5	12.8	13.0	13.1
Net Profit Margin	1.4	7.4	6.9	5.1	5.7	5.7
ROCE (%)	6.6	22.9	23.5	15.0	15.7	15.7
ROE (%)	17.3	63.1	42.5	24.8	25.6	24.0

Source: Company, Karvy Institutional Research

Exhibit 26: Valuation Parameters

Y/E Mar	FY10	FY11	FY12	FY13E	FY14E	FY15E
EPS(Rs)	4.4	28.0	34.2	29.2	37.6	44.0
P/E (x)	68.2	10.6	8.7	10.2	7.9	6.8
P/ BV (x)	10.8	5.0	3.0	2.3	1.8	1.5
EV/ EBITDA (x)	13.3	6.4	5.1	5.0	4.5	3.9
Fixed Assets Turnover Ratio (x)	2.2	2.6	2.7	2.5	2.4	2.5
Debt / Equity (x)	4.4	1.6	1.2	1.1	0.9	0.7
EV/ Sales (x)	1.1	0.9	0.7	0.6	0.6	0.5

Source: Company, Karvy Institutional Research

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