

## Reliance Industries

### Performance Highlights

Y/E March (₹ cr)	2QFY2013	2QFY2012	% chg (yoy)	1QFY2013	% chg (qoq)
<b>Net operating income</b>	<b>90,335</b>	<b>78,569</b>	<b>15.0</b>	<b>91,875</b>	<b>(1.7)</b>
EBITDA	7,705	9,844	(21.7)	6,747	14.2
EBITDA margin (%)	8.5	12.5	(400)bp	7.3	119bp
<b>PAT</b>	<b>5,376</b>	<b>5,703</b>	<b>(5.7)</b>	<b>4,473</b>	<b>20.2</b>

Source: Company, Angel Research

For 2QFY2013, Reliance Industries (RIL) reported a better-than-expected net profit, mainly due to higher-than-expected other income. **We maintain our Neutral view on the stock.**

**Petchem and Refining segment drives top-line growth:** RIL's 2QFY2013 net sales increased by 15.0% yoy to ₹90,335cr, below our estimate of ₹93,934cr. The growth in net sales was mainly driven by the Petrochemicals segment (+4.7% yoy to ₹22,058cr) and the Refining segment (+23.1% yoy to ₹83,878cr). However, RIL's KG-D6 gas production fell to 29mmscmd in 2QFY2013 (45mmscmd in 2QFY2012).

**EBITDA declines by 21.7% yoy:** The EBITDA decreased by 21.7% yoy to ₹7,705cr on account of lower profits from the Petrochemicals segment where the EBIT decreased 28.2% yoy to ₹1,740cr, and the Oil and Gas segment where the EBIT decreased 43.4% yoy to ₹866cr during the quarter. RIL's GRM stood at US\$9.5/bbl in 2QFY2013 compared to US\$10.1/bbl in 2QFY2012.

**Higher other income and lower depreciation mutes decline in PAT:** During the quarter, the company's other income rose by 91.7% yoy to ₹2,112cr due to higher treasury income. The depreciation (including depletion) expense decreased by 23.3% yoy to ₹2,277cr due to lower oil and gas production. Hence, despite a 21.7% decline in the EBITDA, the company's PAT decreased by only 5.7% yoy to ₹5,376cr (above our estimate of ₹5,013cr).

**Outlook and valuation:** RIL's profits continued to decline from Petrochemicals and Oil and Gas segments during 2QFY2013. Further, there are concerns of declining gas production from the KG D6 block. RIL has stated that additional investments are required to increase production from KG D6. However, production is unlikely to increase during FY2013-14 in our view. Hence, **we maintain our Neutral view on the stock.**

#### Key financials (Consolidated)

Y/E March (₹ cr)	FY2011	FY2012	FY2013E	FY2014E
<b>Net sales</b>	<b>265,811</b>	<b>358,501</b>	<b>362,700</b>	<b>380,031</b>
% chg	30.5	34.9	1.2	4.8
<b>Net profit</b>	<b>19,294</b>	<b>19,724</b>	<b>19,640</b>	<b>20,715</b>
% chg	21.4	2.2	(0.4)	5.5
<b>EPS (₹)</b>	<b>67.8</b>	<b>67.2</b>	<b>60.0</b>	<b>63.3</b>
EBITDA margin (%)	14.3	9.6	7.9	8.0
P/E (x)	12.1	12.3	13.7	13.0
RoE (%)	13.1	12.2	11.0	10.6
RoCE (%)	10.3	8.7	7.4	7.7
P/BV (x)	1.6	1.4	1.3	1.2
EV/ Sales (x)	1.1	0.7	0.7	0.6
EV/ EBITDA (x)	7.4	6.8	8.6	7.9

Source: Company, Angel Research

## NEUTRAL

CMP	₹823
Target Price	-

Investment Period	-
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#### Stock Info

Sector	Oil & Gas
Market Cap (₹ cr)	269,561
Net Debt (₹ cr)	(1,800)
Beta	1.1
52 Week High / Low	902/674
Avg. Daily Volume	440,817
Face Value (₹)	10
BSE Sensex	18,714
Nifty	5,687
Reuters Code	RELI.BO
Bloomberg Code	RIL@IN

#### Shareholding Pattern (%)

Promoters	45.2
MF / Banks / Indian Fls	11.1
FII / NRIs / OCBs	17.7
Indian Public / Others	26.1

Abs. (%)	3m	1yr	3yr
Sensex	8.7	9.5	8.0
RIL	14.5	(5.0)	(25.7)

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**Exhibit 1: 2QFY2013 Performance (Standalone)**

Y/E March (₹ cr)	2QFY2013	2QFY2012	% chg (yoy)	1QFY2013	% chg (qoq)	1HFY13	1HFY12	% chg (yoy)
<b>Net Operating Income</b>	<b>90,335</b>	<b>78,569</b>	<b>15.0</b>	<b>91,875</b>	<b>(1.7)</b>	<b>182,210</b>	<b>159,587</b>	<b>14.2</b>
COGS	77,796	64,661	20.3	79,335	(1.9)	157,131	129,104	21.7
Total operating expenditure	82,630	68,725	20.2	85,128	(2.9)	167,758	139,517	20.2
<b>EBITDA</b>	<b>7,705</b>	<b>9,844</b>	<b>(21.7)</b>	<b>6,747</b>	<b>14.2</b>	<b>14,452</b>	<b>20,070</b>	<b>(28.0)</b>
EBITDA Margin (%)	8.5	12.5		7.3		7.9	12.6	
Other Income	2,112	1,102	91.7	1,904	10.9	4,016	2,180	84.2
Depreciation	2,277	2,969	(23.3)	2,434	(6.5)	4,711	6,164	(23.6)
Interest	737	660	11.7	784	(6.0)	1,521	1,205	26.2
Extraordinary Items	-	-	-	-	-	-	-	-
<b>PBT</b>	<b>6,803</b>	<b>7,317</b>	<b>(7.0)</b>	<b>5,433</b>	<b>25.2</b>	<b>12,236</b>	<b>14,581</b>	<b>(16.1)</b>
PBT Margin (%)	7.5	9.3		5.9		6.7	9.1	
Total Tax	1,427	1,614	(11.6)	960	48.6	2,387	3,217	(25.8)
% of PBT	21.0	22.1		17.7		19.5	22.1	
<b>PAT</b>	<b>5,376</b>	<b>5,703</b>	<b>(5.7)</b>	<b>4,473</b>	<b>20.2</b>	<b>9,849</b>	<b>11,364</b>	<b>(13.3)</b>
Exceptional items	-	-	-	-	-	-	-	-
<b>Adj. PAT</b>	<b>5,376</b>	<b>5,703</b>	<b>(5.7)</b>	<b>4,473</b>	<b>20.2</b>	<b>9,849</b>	<b>11,364</b>	<b>(13.3)</b>
PAT Margin (%)	6.0	7.3		4.9		5.4	7.1	

Source: Company, Angel Research

**Exhibit 2: Segmental break-up (Standalone)**

(₹ Cr)	4QFY11	1QFY12	2QFY12	3QFY12	4QFY12	1QFY13	2QFY13
<b>Revenues</b>							
Petrochemicals	18,194	18,366	21,066	19,781	21,412	21,839	22,058
Refining & Marketing	62,704	73,689	68,096	76,738	76,211	85,383	83,878
Oil & Gas	4,104	3,894	3,563	2,832	2,609	2,508	2,254
Others	173	235	510	208	260	248	168
<b>Gross Revenue</b>	<b>85,175</b>	<b>96,184</b>	<b>93,235</b>	<b>99,559</b>	<b>100,492</b>	<b>109,978</b>	<b>108,358</b>
<b>EBIT</b>							
Petrochemicals	2,626	2,215	2,422	2,157	2,174	1,756	1,740
Refining & Marketing	2,509	3,199	3,075	1,685	1,696	2,151	3,544
Oil & Gas	1,569	1,473	1,531	1,294	951	972	866
Others	7	8	10	9	9	1	8
<b>Total EBIT</b>	<b>6,711</b>	<b>6,895</b>	<b>7,038</b>	<b>5,145</b>	<b>4,830</b>	<b>4,880</b>	<b>6,158</b>
<b>EBIT Margin (%)</b>							
Petrochemicals	14.4	12.1	11.5	10.9	10.2	8.0	7.9
Refining & Marketing	4.0	4.3	4.5	2.2	2.2	2.5	4.2
Oil & Gas	38.2	37.8	43.0	45.7	36.5	38.8	38.4
Others	4.0	3.4	2.0	4.3	3.5	0.4	4.8
<b>Total</b>	<b>7.9</b>	<b>7.2</b>	<b>7.5</b>	<b>5.2</b>	<b>4.8</b>	<b>4.4</b>	<b>5.7</b>

Source: Company, Angel Research

**Exhibit 3: 2QFY2013 actual vs estimates**

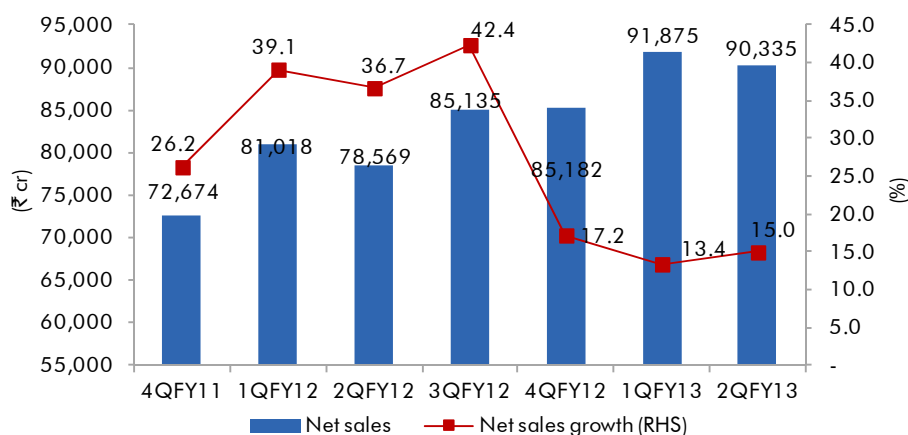
(₹ cr)	Estimates	Actual	Variation (%)
Net sales	93,934	90,335	(3.8)
EBITDA	7,316	7,705	5.3
EBITDA margin (%)	7.8	8.5	(0.7)
Adj. PAT	5,013	5,376	7.2

Source: Company, Angel Research

**Petrochemicals and Refining segments drive top-line growth**

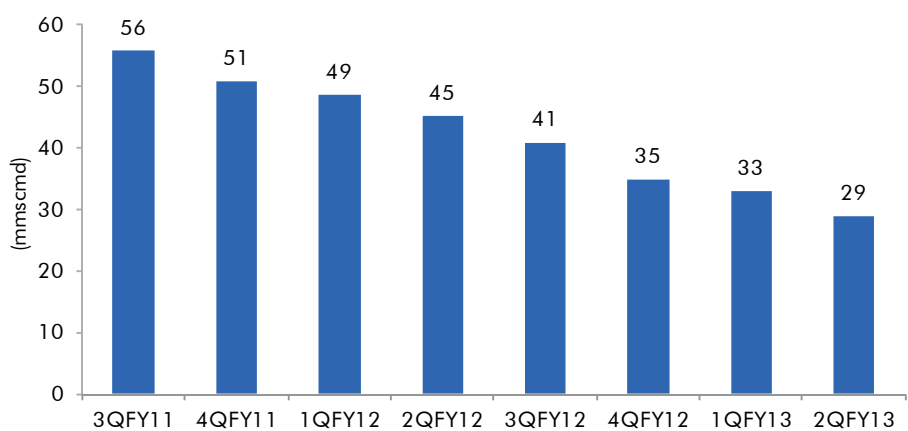
RIL's 2QFY2013 net sales increased by 15.0% yoy to ₹90,335cr, below our estimate of ₹93,934cr. The growth in net sales was mainly driven by the petrochemicals segment (+4.7% yoy to ₹22,058cr) and the refining segment (+23.1% yoy to ₹83,878cr). However, RIL's KG-D6 gas production fell to 29mmscmd in 2QFY2013, compared to 45mmscmd in 2QFY2012.

**Exhibit 4: Sales growth trend**



Source: Company, Angel Research

**Exhibit 5: KG D6 production continued to slide in 2QFY2013**

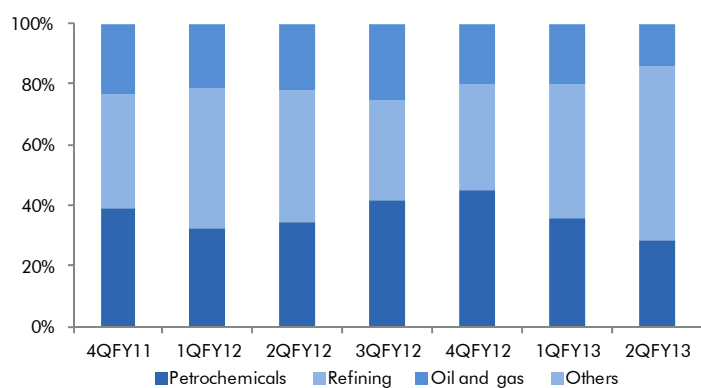


Source: Company, Angel Research

### EBITDA declines by 21.7% yoy

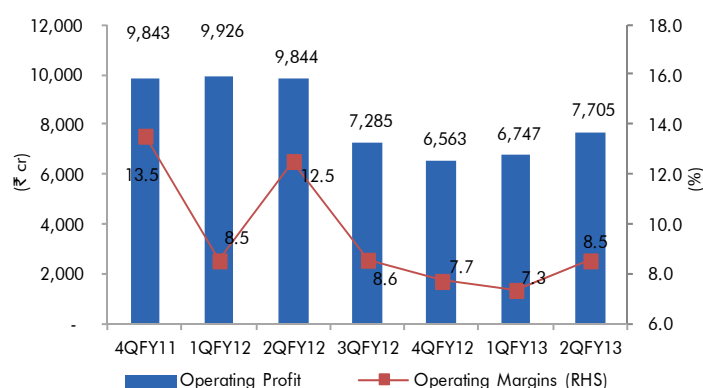
RIL's EBITDA decreased by 21.7% yoy to ₹7,705cr on account of lower profits from the Petrochemicals segment where the EBIT decreased 28.2% yoy to ₹1,740cr and the Oil and Gas segment where the EBIT decreased 43.4% yoy to ₹866cr during the quarter. RIL's GRM stood at US\$9.5/bbl in 2QFY2013 compared to US\$10.1/bbl in 2QFY2012.

**Exhibit 6: EBIT break up**



Source: Company, Angel Research

**Exhibit 7: Operating margin trend**

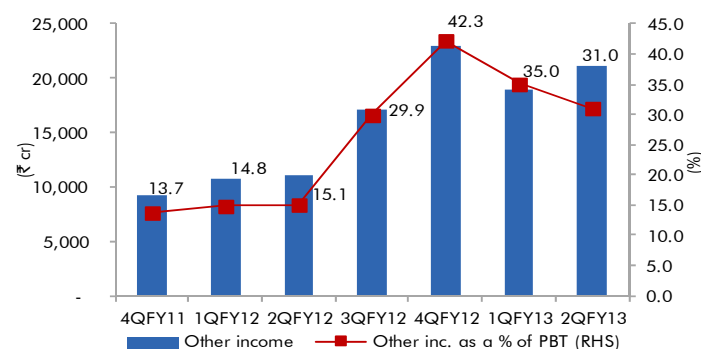


Source: Company, Angel Research

### Higher other income and lower depreciation mutes decline in PAT

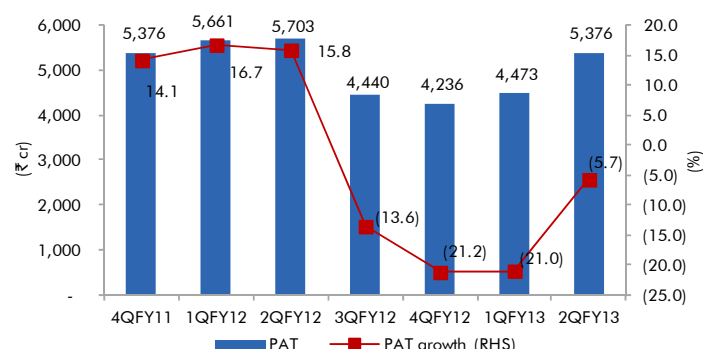
During the quarter, the company's other income rose by 91.7% yoy to ₹2,112cr due to higher treasury income. The depreciation expense (including depletion) decreased by 23.3% yoy to ₹2,277cr due to lower oil and gas production. The tax rate stood at 21.0% in 2QFY2013 compared to 22.1% in 2QFY2012. Hence, despite a 21.7% decline in EBITDA, the company's PAT decreased by only 5.7% yoy to ₹5,376cr (above our estimate of ₹5,013cr).

**Exhibit 8: Other income growth trend**



Source: Company, Angel Research

**Exhibit 9: PAT growth trend**

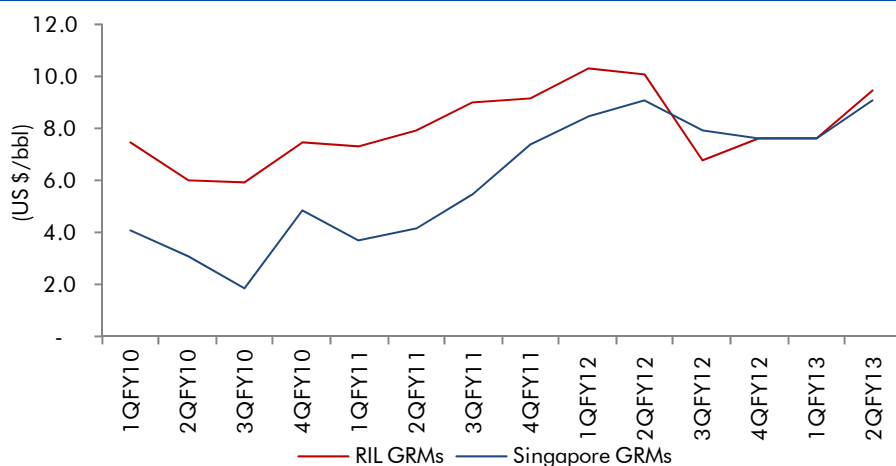


Source: Company, Angel Research

## Segment-wise performance

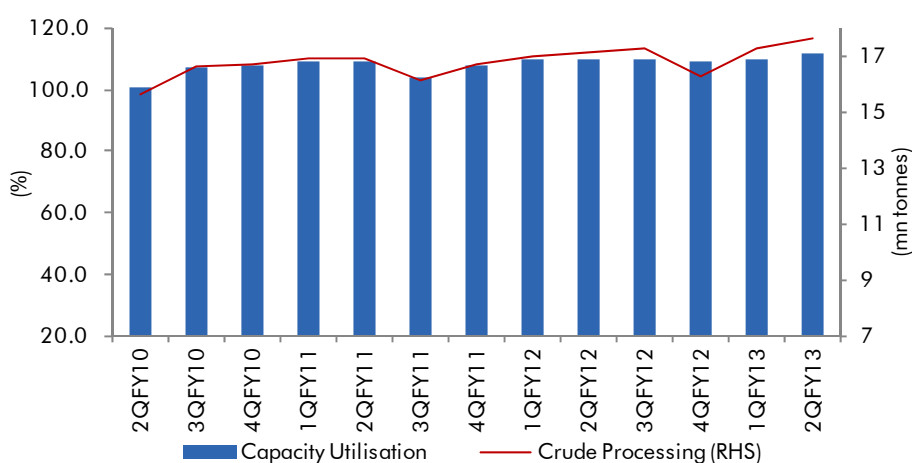
**Refining:** During the quarter, crude processing stood at 17.6mn tonne (compared to 17.1mn tonne in 2QFY2012), with its refinery reporting capacity utilization of 112%. The Refining segment revenues grew by 23.1% yoy to 83,878cr due to increase in volumes (+1.4% yoy) and prices (+18.0% yoy). The gross refining margin (GRM) declined 5.9% yoy to US\$9.5/bbl in 2QFY2013 although it was up 25.0% on a qoq basis. The Refining segment's EBIT increased by 15.2% yoy to ₹3,544cr, mapping the increase in revenues.

**Exhibit 10: RIL's GRM vs Benchmark Singapore GRM**



Source: Company, Angel Research

**Exhibit 11: Capacity utilization trend**



Source: Company, Angel Research

**Petrochemicals:** During 2QFY2013, the Petrochemicals segment's revenue grew by 4.7% yoy to ₹22,058cr due to higher prices. However, the segment's EBIT margin declined by 361bp yoy to 7.9% and EBIT declined by 28.2% yoy to ₹1,740cr.

**Oil and gas:** The Oil and Gas segment's revenue decreased by 36.7% yoy to ₹2,254cr due to lower production from the KG D6 block. The production from KG D6 declined to 29mmscmd in 2QFY2013 compared to 45mmscmd in 2QFY2012 mainly due to reservoir complexity. Consequently, the segment's EBIT declined by 43.4% yoy to ₹866cr during the quarter.

### **Investment arguments**

**Foray into newer businesses:** RIL has been eyeing inorganic routes for diversifying its asset portfolio by entering into newer ventures, such as retail and telecom, on the back of significant cash pile (₹79,159cr as on September 30, 2012) and treasury stocks. Initiatives such as shale gas acquisitions could prove to be a potential trigger for the stock in the long term.

**Declining KG D6 production remains a key concern:** RIL's KG D6 production has declined from 59mmscmd in 1QFY2011 to 29mmscmd in 2QFY2013. Going forward, RIL has stated that additional investments are required to increase production from KG D6. However, production is unlikely to increase during FY2013-14, in our view.

## Outlook and valuation

RIL's profits continued to decline from Petrochemicals and Oil and Gas segments during 2QFY2013. Further, there are concerns of declining gas production from the KG D6 block. RIL has stated that additional investments are required to increase production from KG D6. However, production is unlikely to increase during FY2013-14 in our view. Hence, **we maintain our Neutral view on the stock.**

### Exhibit 12: SOTP valuation (FY2014E)

Business segment (₹ cr)	₹/share
Refining (EV/EBITDA 6.0x)	190
Petrochemical (EV/EBITDA 6.0x)	264
KG-D6 gas (DCF)	51
KG-MA oil (DCF)	45
NEC-25 (EV/boe 4.5x)	54
D3 (EV/boe 4.5x)	60
D9 (EV/boe 4.5x)	35
Shale gas ventures (EV/boe 3.0x)	60
Other prospective basins	20
Retail	23
Investment/Others	104
<b>Total EV</b>	<b>904</b>
Net debt	(84)
<b>Equity value (₹)</b>	<b>820</b>

Source: Company, Angel Research

### Exhibit 13: Angel EPS forecast vs consensus

	Angel forecast	Bloomberg consensus	Variation (%)
<b>FY2013E</b>	60.0	63.1	(4.9)
<b>FY2014E</b>	63.3	66.9	(5.4)

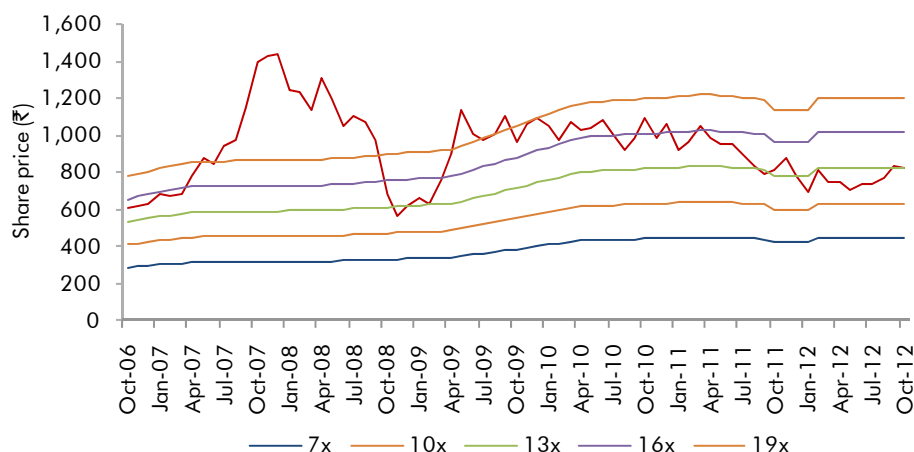
Source: Company, Angel Research

### Exhibit 14: Recommendation summary

Company	CMP (₹)	TP (₹)	Reco.	Mcap (₹ cr)	Upside (%)	P/E (x)		P/BV (x)		EV/EBITDA (x)		RoE (%)		RoCE (%)	
						FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E
RIL	823	-	Neutral	269,561	-	13.7	13.0	1.3	1.2	8.6	7.9	11.0	10.6	7.4	7.7
ONGC	280	312	Accum.	237,928	11	9.1	8.7	1.5	1.4	4.0	3.7	18.3	17.2	19.3	18.4
Cairn India	330	380	Buy	63,894	15	5.8	6.0	1.1	0.9	3.7	3.0	20.2	16.3	19.7	15.9
GAIL	380	-	Neutral	48,075	-	10.7	10.4	1.9	1.7	5.5	4.6	18.9	17.0	23.5	20.7

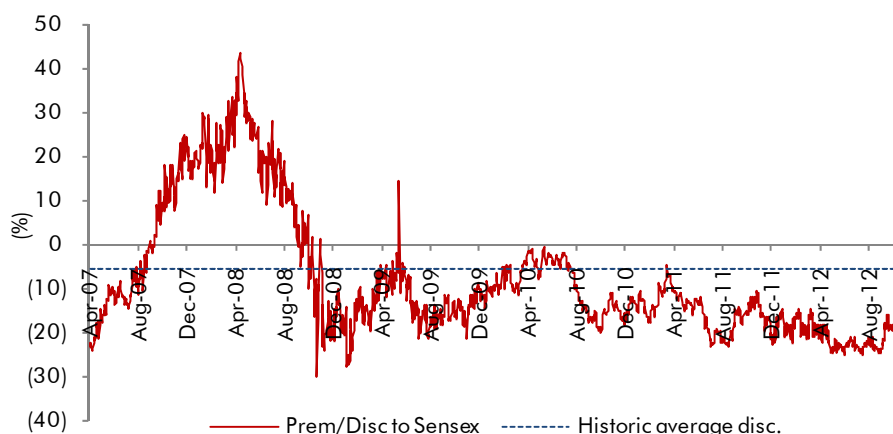
Source: Angel Research

**Exhibit 15: One-year forward P/E**



Source: Company, Angel Research

**Exhibit 16: Premium/Discount in RIL (P/E) vs Sensex (P/E)**



Source: Company, Angel Research

### Company background

RIL, one of India's largest listed companies, ranks amongst the biggest petrochemical companies in Asia. The company is also the world's largest polyester producer and has the world's largest refinery in Jamnagar. RIL operates in three business segments: petrochemicals, refining, and oil and gas. During 2002, RIL discovered huge natural gas reserves in the KG D6 block of Andhra Pradesh. In February 2011, RIL sold 30% stake in 23 oil and gas blocks to UK-based BP for US\$7.2bn.



**Profit and loss (Consolidated)**

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
<b>Total operating income</b>	<b>151,224</b>	<b>203,740</b>	<b>265,811</b>	<b>358,501</b>	<b>362,700</b>	<b>380,031</b>
% chg	10.3	34.7	30.5	34.9	1.2	4.8
Total Expenditure	127,802	172,846	227,767	323,993	333,945	349,571
Net Raw Materials	105,224	147,065	197,392	288,956	297,832	311,768
Purchases of finished goods	7,202	7,538	7,032	9,235	9,519	9,964
Personnel	3,018	2,791	3,324	3,955	4,076	4,267
Other	12,358	15,452	20,019	21,847	22,518	23,572
<b>EBITDA</b>	<b>23,422</b>	<b>30,894</b>	<b>38,044</b>	<b>34,508</b>	<b>28,755</b>	<b>30,460</b>
% chg	1.2	31.9	23.1	(9.3)	(16.7)	5.9
(% of Net Sales)	15.5	15.2	14.3	9.6	7.9	8.0
Depreciation & Amortisation	5,651	10,946	14,121	12,401	9,238	9,637
<b>EBIT</b>	<b>17,771</b>	<b>19,948</b>	<b>23,923</b>	<b>22,107</b>	<b>19,517</b>	<b>20,823</b>
% chg	(2.0)	12.2	19.9	(7.6)	(11.7)	6.7
(% of Net Sales)	11.8	9.8	9.0	6.2	5.4	5.5
Interest & other Charges	1,816	2,060	2,411	2,893	3,009	2,858
Other Income	1,914	2,185	2,543	6,194	8,300	8,881
(% of PBT)	10.9	7.6	10.6	24.4	33.5	33.1
<b>Recurring PBT</b>	<b>17,869</b>	<b>20,074</b>	<b>24,055</b>	<b>25,408</b>	<b>24,808</b>	<b>26,846</b>
% chg	(2.2)	12.3	19.8	5.6	(2.4)	8.2
Extraordinary Income/Exp	(370)	8,606	-	-	-	-
<b>PBT (reported)</b>	<b>17,499</b>	<b>28,680</b>	<b>24,055</b>	<b>25,408</b>	<b>24,808</b>	<b>26,846</b>
Tax	2,919	4,256	4,783	5,691	5,210	6,175
(% of PBT)	20.0	17.4	24.8	28.9	21.0	23.0
<b>PAT (reported)</b>	<b>14,580</b>	<b>24,424</b>	<b>19,272</b>	<b>19,717</b>	<b>19,599</b>	<b>20,671</b>
Share of (profit) / loss to MI	18	80	-	-	41	44
<b>PAT after MI (reported)</b>	<b>14,599</b>	<b>24,503</b>	<b>19,272</b>	<b>19,717</b>	<b>19,640</b>	<b>20,715</b>
Share of Loss transfr. to MI	-	-	22	7	-	-
<b>ADJ. PAT(core)</b>	<b>14,969</b>	<b>15,897</b>	<b>19,294</b>	<b>19,724</b>	<b>19,640</b>	<b>20,715</b>
% chg	1.2	6.2	21.4	2.2	(0.4)	5.5
(% of Net Sales)	9.9	7.8	7.3	5.5	5.4	5.5
<b>Basic EPS (₹)</b>	<b>44.6</b>	<b>74.9</b>	<b>64.6</b>	<b>66.2</b>	<b>60.0</b>	<b>63.3</b>
<b>Fully Diluted EPS (₹)</b>	<b>44.6</b>	<b>74.9</b>	<b>67.8</b>	<b>67.2</b>	<b>60.0</b>	<b>63.3</b>
% chg	(25.2)	67.8	(9.4)	(1.0)	(10.7)	5.5

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

**Balance Sheet (Consolidated)**

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
<b>SOURCES OF FUNDS</b>						
Equity Share Capital	1,444	2,978	2,981	2,979	2,979	2,979
Reserves & Surplus	119,952	138,598	151,112	166,466	183,086	200,480
<b>Shareholders' Funds</b>	<b>121,396</b>	<b>141,576</b>	<b>154,093</b>	<b>169,445</b>	<b>186,066</b>	<b>203,460</b>
Minority Interest	-	-	802	799	799	799
Total Loans	76,257	64,606	79,988	82,635	65,390	60,390
Deferred Tax Liability	9,551	10,678	11,071	11,567	11,567	11,567
Long term provisions	-	-	214	421	420	420
<b>Total Liabilities</b>	<b>207,203</b>	<b>216,860</b>	<b>246,177</b>	<b>264,870</b>	<b>264,245</b>	<b>276,640</b>
<b>APPLICATION OF FUNDS</b>						
Gross Block	157,182	224,125	238,293	233,475	252,153	272,325
Less: Acc. Depreciation	50,138	63,934	80,193	94,661	103,899	113,535
<b>Net Block</b>	<b>107,044</b>	<b>160,191</b>	<b>158,100</b>	<b>138,814</b>	<b>148,254</b>	<b>158,790</b>
Intangible Assets under Dev.	-	-	22,835	18,868	18,868	18,868
Capital Work-in-Progress	73,846	17,034	5,339	6,495	17,172	16,512
<b>Investments</b>	<b>6,436</b>	<b>13,112</b>	<b>21,596</b>	<b>38,598</b>	<b>38,598</b>	<b>38,598</b>
<b>LT Loans and advances</b>	<b>-</b>	<b>-</b>	<b>6,839</b>	<b>6,741</b>	<b>6,741</b>	<b>6,741</b>
Current Assets	58,746	69,106	92,808	117,677	106,924	112,654
Cash	22,742	13,891	30,139	40,731	32,580	35,223
Loans & Advances	11,002	10,647	5,891	9,754	9,754	9,754
Other	25,002	44,568	56,778	67,192	64,590	67,677
Current liabilities and prov.	38,872	42,586	61,342	62,324	72,314	75,525
<b>Net Current Assets</b>	<b>19,874</b>	<b>26,520</b>	<b>31,466</b>	<b>55,353</b>	<b>34,610</b>	<b>37,129</b>
Mis. Exp. not written off	4	2	1	1	1	1
<b>Total Assets</b>	<b>207,203</b>	<b>216,860</b>	<b>246,177</b>	<b>264,870</b>	<b>264,245</b>	<b>276,640</b>

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

**Cash flow statement (Consolidated)**

Y/E March (₹ cr)	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
Profit before tax	17,869	28,680	24,055	25,408	24,808	26,846
Depreciation	7,713	14,001	16,820	14,827	9,238	9,637
Change in Working Capital	(5,771)	(5,939)	(13,501)	(6,748)	12,591	124
Others	(1,330)	(1,786)	(1,722)	(4,123)	-	-
Less: Other income	-	-	-	-	(8,300)	(8,881)
Direct taxes paid	(1,926)	(3,140)	(4,243)	(4,881)	(5,210)	(6,175)
<b>Cash Flow from Operations</b>	<b>16,555</b>	<b>31,815</b>	<b>33,338</b>	<b>24,483</b>	<b>33,128</b>	<b>21,552</b>
(Inc.)/ Dec. in Fixed Assets	(27,732)	(23,017)	(33,604)	6,936	(29,355)	(19,512)
(Inc.)/ Dec. in Investments	3,366	2,645	(8,102)	(14,992)	-	-
(Inc.)/ Dec. in loans and adv.	(102)	(19)	-	676	-	-
Other income	-	-	-	1,079	8,300	8,881
Others	1,364	2,160	9,666	-	-	-
<b>Cash Flow from Investing</b>	<b>(23,103)</b>	<b>(18,231)</b>	<b>(32,040)</b>	<b>(6,301)</b>	<b>(21,055)</b>	<b>(10,631)</b>
Issue of Equity	15,165	513	196	(185)	-	-
Inc./ (Dec.) in loans	16,514	(5,822)	20,701	(1,048)	(17,245)	(5,000)
Dividend Paid (Incl. Tax)	(1,908)	(2,219)	(2,431)	(2,772)	(2,979)	(3,277)
Others	(4,954)	(14,907)	(8,378)	(3,585)	-	-
<b>Cash Flow from Financing</b>	<b>24,817</b>	<b>(22,436)</b>	<b>14,950</b>	<b>(7,590)</b>	<b>(20,224)</b>	<b>(8,277)</b>
Inc./ (Dec.) in Cash	18,268	(8,851)	16,248	10,592	(8,151)	2,644
<b>Opening Cash balances</b>	<b>4,474</b>	<b>22,742</b>	<b>13,891</b>	<b>30,139</b>	<b>40,731</b>	<b>32,580</b>
<b>Closing Cash balances</b>	<b>22,742</b>	<b>13,891</b>	<b>30,139</b>	<b>40,731</b>	<b>32,580</b>	<b>35,223</b>

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

**Key ratios**

Y/E March	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	18.5	11.0	12.1	12.3	13.7	13.0
P/CEPS	11.9	9.1	7.3	7.6	8.5	8.1
P/BV	2.0	1.7	1.6	1.4	1.3	1.2
Dividend yield (%)	0.8	0.9	1.0	1.1	1.2	1.3
EV/Sales	1.9	1.4	1.1	0.7	0.7	0.6
EV/EBITDA	12.0	9.5	7.4	6.8	8.6	7.9
EV/Total Assets	1.4	1.3	1.1	0.9	0.9	0.9
<b>Per Share Data (₹)</b>						
EPS (Basic)	44.6	74.9	64.6	66.2	60.0	63.3
EPS (fully diluted)	44.6	74.9	67.8	67.2	60.0	63.3
Cash EPS	69.2	90.1	112.2	107.8	96.9	101.9
DPS	6.4	7.0	8.5	9.0	10.0	11.0
Book Value	408	475	517	569	625	683
<b>Returns (%)</b>						
RoCE (Pre-tax)	10.0	9.4	10.3	8.7	7.4	7.7
Angel RoIC (Pre-tax)	17.4	13.5	12.1	10.3	9.0	9.5
RoE	14.2	12.1	13.1	12.2	11.0	10.6
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block)	1.1	1.1	1.1	1.5	1.5	1.4
Inventory / Sales (days)	47	49	49	44	50	49
Receivables (days)	13	13	14	14	15	15
Payables (days)	85	79	70	65	74	73
WC cycle (ex-cash) (days)	21	9	10	8	8	2
<b>Solvency ratios (x)</b>						
Net debt to equity	0.4	0.3	0.2	0.0	(0.0)	(0.1)
Net debt to EBITDA	2.0	1.2	0.7	0.1	(0.2)	(0.4)
Int. Coverage (EBIT/Int.)	9.8	9.7	9.9	7.6	6.5	7.3

Note: Some of the figures from FY2011 onwards are reclassified; hence some ratios may not be comparable with previous year ratios

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	RIL
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

Ratings (Returns):	Buy (> 15%)	Accumulate (5% to 15%)	Neutral (-5 to 5%)
	Reduce (-5% to 15%)	Sell (< -15%)	