

Earnings Update

Shree Renuka Sugars Ltd.

Market Performer

CMP Rs. 110

Sensex: 11,952

Price target: Rs 107

ANALYST

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Background: SRSL is the fifth largest sugar manufacturer with a capacity of 40,000tcd and the largest refiner with a capacity of 4000tpd in India. SRSL accounts for 20% of India's sugar exports and is the leader in fuel ethanol with a 20% market share. Company's current power and ethanol production capacity of 143MW and 930KLPD respectively is spread across various locations in Karnataka, Maharashtra and West Bengal. SRSL is an active corporate member on NCDEX dealing in sugar commodities to trade in spot market and in futures.

AT A GLANCE

Issued Equity Capital (Mn. shrs)	279.9
Mkt. Cap (Rs.in Mn/US\$m)	30,842/617
Major Shareholders	
Promoters (%)	41.1%
Free Float (%)	58.9%
Avg. Daily Vol.('000)	1,909
Sector:	Sugar
Bloomberg/Reuters Code:	SHRS IN/SRES.BO

FORECASTS AND VALUATION (Standalone)

YE Sept (Rs Mn)	2008	2009E	2010E
Turnover	18,242	22,275	27,649
EBITDA	2,183	3,473	3,829
Pre-tax Profit	1,137	1,797	2,353
Net Profit	928	1,179	1,543
Net Pft (Pre Ex.)	746	1,179	1,543
EPS (Rs)	2.8	4.2	5.2
DPS (Rs)	0.2	0.5	0.9
BV Per Share (Rs)	24.9	30.4	41.3
PE (X)	39.6	15.3	12.4
EV/EBITDA	18.1	11.3	10.4
P/BV (X)	4.4	3.6	2.7
ROE (%)	14.3%	15.3%	14.8%
P/S	5.2	4.3	3.1

Q2 FY09 performance review

For Q2FY09, Shree renuka sugars reported an YoY revenue de-growth of 30.7%. EBITDA registered a growth of 25.3% YoY while EBITDA margins increased by 1090bps to 24.3% during the quarter. Net profit declined by 20.7% YoY mainly led by the higher depreciation and interest expense.

Key Highlights:

Revenue below than our expectations

Net sales decreased mainly due to 97.4% YoY decline in the segment sales of trading from 2,774mn during Q2FY08 to mere 72mn during Q2FY09. Segment sales of sugar rose 84.4% YoY, on the back of increase in average net realization by 52.6% YoY from Rs. 12,366 to Rs. 18,873 per MT and up from Rs. 16,527 per MT in Q1FY09. Segment sales of power increased by 36.9% YoY while segment sales of ethanol increased by mere 7.7% YoY. The average realisation for the quarter has been Rs6.5 per unit for export of power and Rs23,991 per KL for ethanol.

EBITDA margins improved by 1086 bps

During Q2FY09, SRSL crushed 13.7lakh MT of cane, as compared to 21.1lakh MT during Q2FY08, a decline of 34.9% YoY. Despite of lower sugarcane crushed, raw material costs registered flat growth of 2.2% YoY on account of steep rise in sugarcane prices by 58% YoY from Rs1,100 per ton in Q2FY08 to Rs1,761 in Q2FY09. EBITDA increased by 25.3% YoY on the back of 39.4% YoY decline in total expenditures. EBITDA margins improved by 1086bps on YoY basis to 24.3% during Q2FY09.

However, higher interest costs is likely to pressurise bottomline

Net profit declined by 20.7% YoY mainly led by 74.2% increase in depreciation and 57.8% YoY increase in interest expense on account of capex incurred for Haldia refinery and working capital requirements. While NPM rose 144 bps YoY to 7.4% during the quarter.

Segmental Sales

- Segmental sales of manufactured sugar rose 16.7% YoY while on QoQ basis declined by 8.2%.
- Sales of ethanol decreased 4.9% on YoY basis from 16,583 KL during Q2FY08 to 15,777 KL during Q2FY09.
- Company exported 59 million KWH in Q2FY09 as compare to 57 million in Q2FY09.

Exhibit 1

	Q2FY09	Q2FY08	YoY	Q1FY09	QoQ
Manufacturing (Qty)					
Sugar (MT)	121,459	104,114	16.7%	132,237	(8.2)%
Ethanol (KL)	15,777	16,583	(4.9)%	16,845	(6.3)%
Power (Mn KWH)	59	57	3.5%	72	(18.1)%

Source: Company, Dcsec Research

Production marginally ahead of our estimates

During 1HFY09, the cane crushing at all plants totaled 33.7 lakh MT, which is slightly ahead of our estimates of 30.1 lakh MT. The company manufactured 3.57 lakh ton of cane sugar 14.1% ahead of our estimates of 3.13 MT. In 1HFY09, on account of unavailability of cane SRSL imported 327,104 MT of raw sugar to meet its refining requirements and refined sugar production was 199,192 MT during 1HFY09. Management said that company is likely to import another 450,000 ton of raw sugar during next two quarters. The total inventory of sugar (raw sugar and refined sugar) at the end of 1HFY09 was 527,438 MT.

Cost of conversion of sugar ahead of our estimates

On account of tough competition from domestic co-operative mills and lower cane production SRSL has paid Rs1,761 per ton for procuring cane (includes transportation charge and taxes) during the Q2FY09, ahead of our estimates of Rs1,510 (includes transportation charge and taxes).

Exhibit 2

Sugar Business	FY06	FY07	FY08	FY09E	FY10E
Cane cost **	2740	2974	5073	5927	7619
Total cost of production	2740	2974	5073	5927	7619
Less: Product by recoveries					
Molasses (mn)	100	191	285	364	454
Bagasses (mn)	157	227	641	628	785
Conversion Cost of sugar (mn)	2483	2647	4147	4935	6380
Cane sugar produced (Mn kg)	203.1	292.2	523.8	358	439.2
Conversion cost of sugar (Rs/kg)	12.2	9.1	7.9	13.8	14.5

**includes transportation charge, purchase tax and road cess

Source: Dcsec Research

We expect that cost of conversion would rise by whopping 74.1% on YoY basis to Rs13.8 per kg during FY09 against our earlier estimates of Rs11.2 per kg, which would pressurise the margins going forward. Considering the higher realization which farmers are getting for crops like wheat, paddy etc, they are less likely to switch to cane production even in next sugar season. We are estimating that Cost of conversion will grow at a CAGR of 35.4% between 2008-10E.

Raw sugar refining margin is likely to drive sugar business

In 1HFY09, on account of unavailability of cane SRSL imported 327,104 MT of raw sugar to meet its refining requirements and refined sugar production was 199,192 MT during 1HFY09. SRSL imported 289,764 MT of raw sugar from Brazil during Q2FY09 out of which 145,862 MT has been processed. Management said that company is likely to import another 450,000 ton of raw sugar during next two quarters. We expect SRSL would process 6 lakh tons of raw sugar, out of this 4.5 lakh ton of raw sugar would be processed at Haldia unit and the rest 1.5lac tons would be processed at its Munoli and Athani units.

Exhibit 3: Refining capacity details

Raw sugar Refining	FY08	FY09E	FY10E
Installed Capacity			
Haldia unit	2,000	2,000	2,000
Munoli unit	1,000	1,000	1,000
Athani unit	1,000	1,000	1,000
Total capacity (tpd)	4,000	4,000	4,000
Refined sugar production (ton)			
At Haldia unit		450,000	540,000
Munoli and Athani units		150,000	180,000
Total refined sugar production (ton)	67,845	600,000	720,000

Source: Dcsec Research

Exhibit 4

Raw sugar refining earnings model		
White sugar recovery rate	96%	
Molasses recovery rate	4%	
Exchange rate (USD/Rs)	50	
	FY09E	FY10E
Import Details		
Raw Sugar Import	600,000	720,000
Production Details		
Refined sugar Production	576,000	691,200
Molasses Production	24,000	28,800
Turnover		
Refined sugar realisation (Rs/ton)	21,500	23,000
Molasses production (Rs/ton)	3,000	3,000
Total Realisations (Mn Rs)	12,456	15,984
Operating Cost Details		
Freight cost (USD/ton)	30	30
Cost of raw sugar (USD/ton)	275	275
Landed cost of raw sugar (USD/ton)	305	305
Landed cost of raw sugar (Rs/ton)	15250	15250
Refining cost (Rs/ton)	2000	2000
Cost of goods sold (Rs/ton)	17250	17250
Total expenditure (Mn)	10350	12420
EBITDA	2106	3564
% Margin	13.80%	23.40%
EBITDA per unit of raw sugar (Rs/ton)	3,510	4,950
EBITDA per unit of raw sugar (Rs/kg)	3.5	5.0
EBITDA per unit of raw sugar (USD/ton)	70	99

Source: Dcsec Research

We believe the company would immensely benefit from its large refining capacity during FY09 and FY10 on account of shortfall in domestic sugar production. We have assumed that company would make refining margin of Rs3.5 per kg during FY09 and Rs5 per kg during FY10. We also estimate that with 1% rise in refined sugar price SRSL's overall EPS would grow by 9.5% in FY09 and 9.6% during FY10. For SRSL, We expect that the volume of refined sugar in total sugar production would be 61.7% during FY09.

We expect sugar prices to remain buoyant

The shortfall of sugar production in major sugar producing countries like, Australia, China, India, EU etc. would aggrandize imports demand from Brazil, which in turn is likely to keep sugar prices buoyant in international market in the short to medium term. Lower sugar production and the decreasing domestic inventories would exert pressure on the 'stock to consumption ratio' in our country and this could decline to 19.5% in FY09. This would lead to firming up of sugar prices inturn leading to improved profitability for the sugar mills.

Low coverage ratio but comfortable gearing ratio and cash flows

Despite of comfortable gearing of 1.5X, we expect coverage ratio to decrease marginally by 20bps YoY from 2.7x in FY08 to 2.5x during FY09 on account of higher capex incurred for Haldia refinery. We do not envisage serious concern on the company ability to service its interest however it will squeeze margins going forward.

Investments Risks

- **Rising ocean freight costs and raw sugar price**

The prevailing price of raw sugar and ocean freight makes imports not viable until realisation on sugar is more than Rs 23,000 per ton. And given that SRSL is embarking on huge refinery capacity, inability to import raw sugar will negatively affect bottom line.

- **Sharp correction in sugar prices**

Company's earning is highly sensitive to fall in average sugar price - with 1% decrease in average sugar price company's overall EPS would drop by 9.5% during FY09 and 9.6% during FY10.

- **Depreciation of rupee against USD**

Depreciation of rupee by 1% against dollar would drop SRSL's overall EPS by 4.8% during FY09 and 5.8% during FY10.

Sensitivity Analysis - FY09E and FY10E Earnings

A. Sugar Price and Cane Cost

Exhibit 5

FY09E						
Cane Cost (Rs/quintal)	150	155	160	170	176	180
NSR (Rs/Kg)						
20.5	4.6	4.2	3.8	3.0	2.5	2.2
21.5	6.3	5.9	5.5	4.7	4.2	3.9
22.5	8.0	7.6	7.2	6.4	5.9	5.6
23.5	9.7	9.3	8.9	8.1	7.6	7.3
24.5	11.4	11.0	10.6	9.8	9.4	9.0
25.5	13.1	12.7	12.3	11.5	11.1	10.8

Source: Dcsec Research

Exhibit 6

FY10E						
Cane cost (Rs/Quintal)	150	155	160	170	176	181
NSR (Rs/Kg)						
21	3.7	3.3	2.8	1.9	1.3	0.9
22	5.9	5.4	5	4	3.5	3
23	8.1	7.6	7.1	6.2	5.7	5.2
24	10.2	9.8	9.3	8.4	7.8	7.4
25	12.4	11.9	11.5	10.5	10	9.5
26	14.6	14.1	13.6	12.7	12.1	11.7

Source: Dcsec Research

B. Sugar Price and Exchange rate

Exhibit 7

FY09E							
Exchange rate	49	50	51	52	53	54	55
NSR (Rs/Kg)							
20.5	2.9	2.5	2.1	1.6	1.2	0.8	0.4
21.5	4.6	4.2	3.8	3.4	2.9	2.5	2.1
22.5	6.4	5.9	5.5	5.1	4.6	4.2	3.8
23.5	8.1	7.6	7.2	6.8	6.4	5.9	5.5
24.5	9.8	9.4	8.9	8.5	8.1	7.6	7.2
25.5	10.6	10.2	9.8	9.4	8.9	8.5	8.1

Source: Dcsec Research

Exhibit 8

FY10E							
Exchange rate NSR (Rs/Kg)	49	50	51	52	53	54	55
22	3.5	3	2.5	2.1	1.6	1.1	0.6
23	5.7	5.2	4.7	4.2	3.7	3.3	2.8
24	7.8	7.4	6.9	6.4	5.9	5.4	4.9
25	10.0	9.5	9	8.5	8.1	7.6	7.1
26	12.2	11.7	11.2	10.7	10.2	9.7	9.3

Source: Dcsec Research

C. Refined Sugar Volume and EBITDA margins (USD/ton)

Exhibit 9

FY09E						
EBITDA Margin (USD/tonne)	40	50	60	70	80	90
Volume						
400000	2.7	3.1	3.6	4.1	4.5	5.0
500000	2.4	3.0	3.6	4.1	4.7	5.3
600000	2.1	2.8	3.5	4.2	4.9	5.6
700000	1.8	2.6	3.5	4.3	5.1	5.9
800000	1.5	2.5	3.4	4.4	5.3	6.2
900000	1.3	2.3	3.4	4.4	5.5	6.5

Source: Dcsec Research

Exhibit 10

FY10E						
EBITDA Margin (USD/tonne)	69	79	89	99	109	119
Volume						
400000	0.6	1	1.4	1.9	2.3	2.8
500000	0.9	1.5	2	2.6	3.1	3.7
600000	2.4	3	3.7	4.3	5	5.7
720000	2.8	3.6	4.4	5.2	6	6.8
800000	3.1	4	4.9	5.8	6.6	7.5
900000	3.5	4.5	5.5	6.5	7.5	8.5

Source: Dcsec Research

Scenario Analysis

Exhibit 11

FY10E			
	Bear	Base	Bull
Cane Cost* *(Rs/ton)	1910	1810	1710
Landed Cost of raw sugar (USD/ton)	305	305	305
NSR (Rs/kg)	22	23	24
EBITDA (Mn)	2430	3833	5237
PAT (Mn)	625	1546	2467
EPS (Rs)	2.1	5.2	8.3
Recommendation	Underperformer	Market Performer	Outperformer
Target Price (Rs)	58	107	156
CMP	110	110	110
Upside (%)	(47.3)%	(2.9)%	41.6%

**Includes transportation charge, purchase tax and road cess

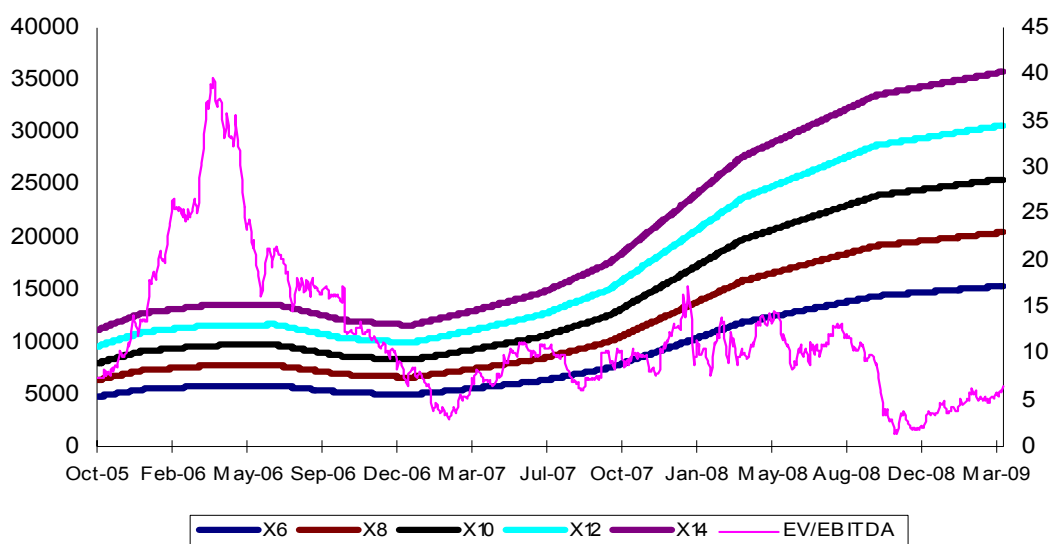
Source: Dcsec Research

Valuation

Cut FY10 EPS estimates by ~13.3%;TP reduced to Rs 107

We have tweaked our estimates to incorporate high interest costs (up 57.8% YoY) during Q2FY09 and steep 58% YoY rise in sugarcane prices from Rs1,100 per ton in Q2FY08 to Rs1,761 in Q2FY09 and now expect SRSL to report earnings of Rs4.2 in FY09 and Rs5.2 in FY10. We have valued this stock on EV/EBITDA basis. At CMP of Rs 110, the stock is currently quoting at P/E of 15.3x and 12.4x its FY09 and FY10 earnings respectively and EV/EBITDA of 11.3x and 10.4x of its FY09 and FY10 estimates respectively. We reiterate our 'Market Performer' rating with a price target of Rs107 (Rs117 earlier), based on 10x 1year rolling forward EV/EBITDA.

One Year forward EV/EBITDA chart



Source: Dcsec Research

Q2FY09 Result update

Exhibit 12

(Rs Million)

(Rs Million)	Q2FY09	Q2FY08	YoY%	1HFY09	1HFY08	YOY %
Gross Sales	3387	4834	(29.9)%	6928	6833	1.4%
Less: Excise Duty	146	157	(7.0)%	304	263	15.6%
Net Sales	3241	4677	(30.7)%	6624	6570	0.8%
Total Expenditure	2453	4048	(39.4)%	5269	5589	(5.7)%
EBITDA	788	629	25.3%	1355	981	38.1%
Other Income	24	80	(70.0)%	36	37	(2.7)%
PBIDT	812	709	14.5%	1391	1018	36.6%
Depreciation	155	89	74.2%	289	169	71.0%
Interest	292	185	57.8%	582	278	109.4%
PBT	365	435	(16.1)%	520	571	(8.9)%
Tax	124	131	(5.3)%	178	177	0.6%
Adjusted PAT	241	304	(20.7)%	342	394	(13.2)%
Reported PAT	241	304		342	576	
Paid up equity share capital (Mn)	280	270		280	270	
Basic and Diluted EPS (INR)	0.9	1.1		1.2	1.5	

Source: Company, Dcsec Research

Segmental Performance

Exhibit 13

(Rs Million)

(Rs Million)	Q2FY09	Q2FY08	YoY%	1HFY09	1HFY08	YOY %
Segment Revenue						
Sugar	2939	1594	84.4%	5621	2784	101.9%
Trading	72	2774	(97.4)%	339	3275	(89.6)%
Cogeneration	869	635	36.9%	1767	1089	62.3%
Ethanol	379	352	7.7%	791	592	33.6%
Others	10	5	100.0%	16	10	60.0%
Total	4269	5360	(20.4)%	8534	7750	10.1%
Less: Intersegment revenue	1028	683	50.5%	1910	1180	61.9%
Net sales/Income from operations	3241	4677	(30.7)%	6624	6570	0.8%
Profit before interest and tax						
Sugar	206	103	100.0%	166	78	112.8%
Trading	3	94	(96.8)%	19	113	(83.2)%
Cogeneration	380	287	32.4%	791	538	47.0%
Ethanol	129	128	0.8%	270	223	21.1%
Others	1	1	0.0%		4	(100.0)%
PBIT	719	613	17.3%	1246	956	30.3%
Unallocated Corporate expenses	86	73	17.8%	180	144	25.0%
Operating profit	633	540	17.2%	1066	812	31.3%
Less: Interest	292	185	57.8%	582	278	109.4%
Other Income	24	80	(70.0)%	36	37	(2.7)%
PBT	365	435	(16.1)%	520	571	(8.9)%
PBIT Margins %						
Sugar	7.0%	6.5%		3.0%	2.8%	
Trading	4.2%	3.4%		5.6%	3.5%	
Cogeneration	43.7%	45.2%		44.8%	49.4%	
Ethanol	34.0%	36.4%		34.1%	37.7%	
Others	10.0%	20.0%		0.0%	40.0%	

Source: Company, Dcsec Research

Detailed financial statements (Standalone)

Income Statement

Exhibit 14

(Rs Million)	FY06	FY07	FY08	FY09	FY10
Gross Sales	8347	7619	18718	22886	28447
Excise Duty	331	295	476	611	798
Net Sales	8016	7324	18242	22275	27649
Var %	25%	(9)%	149%	22%	24%
Other Income	50	162	4	72	72
Total Income	8066	7486	18246	22347	27721
Expenditure					
Raw material cost	3964	3379	5361	15905	19194
Cost of traded goods	2161	1589	8049	610	900
(Increase)/Decrease in Inventory	(128)	115	24	(2120)	(1235)
Refining cost				1200	1440
Personnel expenses	122	238	341	417	517
Operating & Administrative expenses	926	735	1562	1908	1908
Selling & distributive expenses		221	723	883	1095
Operating expenditure	7045	6277	16059	18802	23820
Var %	23.3%	(10.9)%	155.9%	17.1%	26.7%
EBITDA	971	1047	2183	3473	3829
% Margin	12.1%	14.3%	12.0%	15.6%	13.8%
Var %	42.6%	7.8%	108.4%	59.1%	10.3%
Depreciation & Amortization	88	249	365	584	642
EBIT	883	798	1818	2889	3187
PBIDT	1021	1209	2187	3545	3901
Depreciation & Amortization	88	249	365	584	642
PBIT	934	960	1822	2961	3259
Financial Expenses	188	180	685	1164	906
PBT	746	780	1137	1797	2353
Taxation	183	236	392	618	809
Reported PAT before Prior period items	563	545	746	1179	1543
% Margin	7.0%	7.4%	4.1%	5.3%	5.6%
Add: Excess provision of depreciation written back			182.0		
Less: Prior period expense	7.0				
Adjusted PAT	556	545	746	1179	1543
Var%	66.1%	(2.0)%	36.9%	58.1%	30.9%
Number of equity shares	238	248	276	280	298
Basic EPS	2.4	2.2	2.7	4.2	5.2
Diluted EPS	2.4	2.2	2.7	4.2	5.2

Source: Dcsec Research

Balance Sheet

Exhibit 15

(Rs Million)	FY06	FY07	FY08	FY09	FY10
Shareholder's Fund					
Share Capital	238	311	507	486	298
Reserve and Surplus	1986	3047	5893	7153	10470
Networth	2224	3357	6399	7639	10768
Secured Loans	3544	6211	8276	7716	6507
Unsecured Loans	167	259	1598	2556	2556
Total Debt	3711	6470	9873	10273	9063
Deferred tax liability	57	202	461	876	1533
Sources of Funds	5993	10029	16734	18788	21365
Application of Funds					
Fixed assets					
Gross Block	1630	6314	7789	13060	14851
Less: Depreciation	436	691	877	1706	2665
Net Block	1194	5623	6912	11356	12186
Capital WIP	3313	2077	5140	1455	1655
Investments	6	168	1506	2199	2199
Current assets, Loans and Advance					
Inventory	1122	1002	1869	2637	3872
Sundry debtors	539	387	486	546	621
Cash and Bank Balances	172	307	134	128	229
Other current assets	33	323	853	606	689
Loans and Advances	775	1334	1994	2239	2546
Less: Current Liabilities and Provisions					
Current Liabilities	916	822	1644	1846	2099
Provisions	319	390	531	531	531
Net current assets	1405	2140	3161	3778	5326
Deferred revenue expenditure	76	21	16	0	0
Application of Funds	5993	10029	16734	18788	21365

Source: Dcsec Research

Cash Flow Statement

Exhibit 16

(Rs Million)	FY06	FY07	FY08	FY09	FY10
Net Profit	563	545	746	1179	1543
Add:					
Depreciations	88	249	365	584	642
Increase in deferred tax liability	16	145	259	415	657
Profit before working capital changes	667	939	1370	2178	2843
Change in operating assets					
Inventory	2	120	(867)	(768)	(1235)
Sundry debtors	(341)	152	(100)	(60)	(75)
Other receivables	(401)	(826)	(1041)	247	(83)
Trade and other payables	(709)	(94)	822	202	253
Increase/Decrease in working capital	(1448)	(647)	(1186)	(378)	(1140)
Others	(75)	177	48	0	0
Cash flow from operations	(856)	469	233	1800	1703
Cash flow from investing activities					
Purchase of fixed assets	(3463)	(3448)	(4537)	(1587)	(1991)
Loss on sale of investments	0	0	3	0	0
Purchase of quoted investments	0	0	(309)	0	0
Investment in subsidiary companies	0	(2)	(805)	0	0
Acquisition cost	0	(160)	(284)	(693)	0
Net cash from investing activities	(3463)	(3611)	(5933)	(2280)	(1991)
Cash flow from financing activities					
Increase in capital	38	73	196	(21)	(188)
Share Premium	1048	616	1988	246	2041
Dividend Paid	(48)	(85)	(55)	(150)	(255)
Proceeds from borrowings	2826	2674	3399	399	(1209)
Net cash flow from financing activities	3864	3277	5527	474	388
Increase/Decrease in Cash	(455)	135	(173)	(6)	101
Opening cash Balance	627	172	307	134	128
Closing cash Balance	172	307	134	128	229
Free cash flow	(4319)	(2980)	(4305)	213	(288)

Source: Dcsec Research

Ratio Analysis

Exhibit 17

	FY06	FY07	FY08	FY09	FY10
Margin Ratios (%)					
EBITDA Margin	12.1%	14.3%	12.0%	15.6%	13.8%
EBIT Margin	11.0%	10.9%	10.0%	13.0%	11.5%
PBT Margin	9.3%	10.7%	6.2%	8.1%	8.5%
PAT Margin	7.0%	7.4%	4.1%	5.3%	5.6%
Solvency Ratios (X)					
Debt/Equity	1.8	2.0	1.6	1.3	0.8
Net debt/Equity	1.7	1.9	1.5	1.3	0.8
EBITDA/Interest	5.2	5.8	3.2	3.0	4.2
EBIT/Interest	4.7	4.4	2.7	2.5	3.5
Debt/EBITDA	4.3	6.9	4.9	3.1	2.5
Valuation Ratio					
P/E	4.6	5.2	39.6	15.3	12.4
P/BV	11.5	7.7	4.4	3.6	2.7
P/Sales	13.2	9.0	5.2	4.3	3.1
EV/EBITDA	31.1	32.5	18.1	11.3	10.4
Turnover Ratio					
Inventory Turnover	5.3	4.8	9.4	6.9	6.2
Days of Inventory on Hand	68.3	76.2	39.0	52.7	58.5
Receivable Turnover	21.7	15.8	41.8	43.1	47.4
Average Collection Period	16.8	23.1	8.7	8.5	7.7
Payable Turnover	4.7	5.7	11.6	9.4	10.6
Number of days of payable	77.3	63.9	31.5	38.9	34.4
Operating Cycle	85.1	99.3	47.7	61.2	66.2
Cash Conversion Cycle	7.8	35.4	16.3	22.3	31.8
Asset turnover ratio	2.0	0.9	1.3	1.2	1.3
Working Capital turnover	8.9	4.1	6.9	6.4	6.1
Du- Pont Analysis					
Tax Burden (%)	75.5%	69.8%	65.6%	65.6%	65.6%
Interest Burden (%)	84.4%	97.7%	62.6%	62.2%	73.8%
EBIT Margin (%)	11.0%	10.9%	10.0%	13.0%	11.5%
Asset turnover ratio (X)	2.0	0.9	1.3	1.2	1.3
Leverage ratio (X)	2.7	2.9	2.7	2.4	2.0
ROE (%)	38.0%	18.6%	14.3%	15.3%	14.8%
ROCE	12.6%	6.3%	9.4%	13.8%	12.3%
Per share (Rs)					
Basic EPS	24.0	21.0	2.8	4.2	5.2
Diluted EPS	24.0	21.0	2.8	4.2	5.2
CEPS	2.7	3.2	4.0	6.3	7.3
Book Value	9.6	14.3	24.9	30.4	41.3
DPS	0.2	0.2	0.2	0.5	0.9

Source: Dcsec Research

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