MOTILAL OSWAL

24 January 2012

3QFY12 Results Update | Sector: Metals

Sterlite Industries

BSE SENSEX	S&P CNX
16,752	5,046
Bloomberg	STLT IN
Equity Shares (m)	3,361.2
52-Week Range (INR)	190/86
1,6,12 Rel. Perf. (%)	11/-26/-28
M.Cap. (INR b)	362.3
M.Cap. (USD b)	7.2

CMP: INR108 **TP: INR151** **Buy**

Year End	Net Sales (INR m)	PAT (INR m)	EPS (INR)	EPS Gr. (%)	P/E (X)	P/BV (X)	RoE (%)	RoCE (%)	EV/ Sales	EV/ EBITDA
3/10A	244,103	40,407	12.0	-2.2	-	-	12.0	15.1	-	-
3/11A	302,481	50,993	15.2	26.2	7.1	0.9	13.0	15.1	1.0	5.6
3/12E	409,872	58,443	17.4	14.6	6.2	0.8	13.2	15.5	0.7	3.6
3/13E	435,992	54,464	16.2	-6.8	6.7	0.7	11.0	14.6	0.5	2.7

Consolidated

- Sterlite Industries (STLT) posted 31% YoY growth in adjusted PAT for 3QFY12 to INR14.5b (v/s our estimate of INR13b). Reported consolidated PAT was INR9.14b, including forex loss of INR4.25b in STLT standalone and subsidiaries, and 29.5% of INR3.4b in associate, Vedanta Aluminium (VAL).
- The operating performance of zinc, lead, silver and copper TcRc was robust and along expected lines. Zinc and lead mine production was down 6% due to temporary deterioration of ore grade at Rampura-Agucha. This has been reported for the second time in the last couple of years.
- Sterlite Energy's 2x600MW generated 1,559mkwh at a PLF of 59%, with 428mu generation under trial production.
- Cost of production (CoP) of aluminum for Balco and VAL reduced 12% to USD1,880/ton and 22% to USD2,004/ton, respectively, due to strengthening of USD against INR and improvement in operating efficiencies due to better availability of coal and absence of 1HFY12 breakdown losses. Balco's new smelter and CPP are further delayed by six months to 2Q and 1QFY13, respectively due to delays in starting the coal mines.
- ICD to VAL from STLT has increased by INR6.7b to INR96.12b. With complete erosion of equity, the restructuring of VAL's capital structure is overdue. STLT bought out Vedanta Plc investment in Lakomasko BV for USD37.7m, which holds 8.5% investment in Hudbay Minerals, to align all zinc businesses under the umbrella of STLT.
- STLT has initiated action to dissolve SPVs for efficiencies in dividend distribution. STLT has merged with SOVL (which holds its 64.5% in Hindustan Zinc and THL Zinc Holding BV, which holds 8.5% investment in Hudbay).
- STLT is in discussions with the Government of India for buying call options in Hindustan Zinc and Balco.
- The stock is trading at 6.7x FY13E EPS and 0.7x FY13E BV. Maintain **Buy**.

Quarterly Performance (Consolidated) **(INR Million)**

Y/E March	FY11				FY12				FY11	FY12E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Copper cathode ('000 tons)	77	68	79	80	74	87	84	82	304	327
Aluminum (BALCO, '000 tons)	63	65	65	62	61	60	63	66	255	250
Aluminum (VAL, '000 tons)	77	97	103	108	112	89	107	116	385	424
Net Sales	**59,703**	**60,844**	**83,325**	**100,561**	**98,607**	**101,957**	**103,037**	**106,271**	**304,432**	**409,872**
Change (YoY %)	30.4	-0.7	23.5	39.1	65.2	67.6	23.7	5.7	23.3	34.6
EBITDA	**14,974**	**15,289**	**19,787**	**30,585**	**27,583**	**24,820**	**23,183**	**26,255**	**80,635**	**101,841**
As % of Net Sales	25.1	25.1	23.7	30.4	28.0	24.3	22.5	24.7	26.5	24.8
Interest	1,409	-3	705	776	1,740	1,549	1,573	1,908	2,887	6,770
Depreciation	2,170	2,123	2,488	3,520	4,200	4,450	4,575	4,910	10,301	18,136
Other Income	5,455	5,567	4,776	4,756	7,646	8,002	8,768	8,810	20,554	33,226
PBT (before XO item)	**16,850**	**18,736**	**21,370**	**31,046**	**29,289**	**26,823**	**25,803**	**28,247**	**88,001**	**110,162**
Extra-ordinary Exp.	1,460	212	-41	1,917	726	-4,339	-4,318	0	3,548	-7,931
PBT (after XO item)	**18,310**	**18,948**	**21,329**	**32,963**	**30,015**	**22,485**	**21,484**	**28,247**	**91,549**	**102,231**
Total Tax	3,685	4,555	4,214	5,663	6,137	5,049	5,053	7,627	18,117	23,866
% Tax	20.1	24.0	19.8	17.2	20.4	22.5	23.5	27.0	19.8	23.3
Reported PAT	**14,625**	**14,392**	**17,115**	**27,300**	**23,878**	**17,436**	**16,431**	**20,620**	**73,432**	**78,365**
Minority interest Profit/ (Loss)	3,756	3,853	5,081	7,255	6,420	5,030	4,660	5,482	19,945	21,592
Loss/(profit) of Associates	785	247	1,023	795	1,061	1,812	1,636	1,753	2,850	6,261
Adjusted PAT	**8,624**	**10,080**	**11,052**	**17,333**	**15,672**	**14,932**	**14,453**	**13,386**	**47,089**	**58,443**
Avg LME Aluminium (USD/T)	2,122	2,110	2,357	2,531	2,618	2,450	2,090	2,250	2,280	2,352
Avg LME Copper (USD/T)	7,042	7,180	8,674	9,500	9,163	9,200	7,500	7,500	8,099	7,706
Avg LME Zinc (USD/T)	2,052	2,043	2,330	2,395	2,271	2,247	1,917	2,000	2,205	2,109

E: MOSL Estimate

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Cons Adj PAT increased 31% YoY to INR14.5b

- Reported Cons PAT of INR9.14b included forex loss of INR4.25b in STLT standalone and subsidiaries, and 29.5% of INR3.4b in associate VAL.
- The operating performance of zinc, lead, silver and copper TcRc was robust on expected lines. Zinc and lead mine production was down 6% affected by temporary deterioration of ore grade at Rampur Agucha. This has been reported 2nd time in last couple of years.
- Sterlite Energy's 2x600MW generated 1,559mkwh at PLF of 59%. 428mkwh power generation of this was under trial production. Average power rates were INR3.5/kwh, while the cost has improved to INR2.6/kwh. There was a total EBITDA of INR1.47b and PAT of INR350m from sale of power from SEL, BALCO CPP and Wind power.
- Cost of production (CoP) of Aluminum for Balco and VAL reduced 12% and 22% to USD1,880 and USD2,004 per ton, respectively, due to strengthening of USD against INR and improvement in operating efficiencies due to better availability of coal and absence of 1HFY12 break down losses. This, however, had little contribution in earnings because the total contribution to EBITDA is still insignificant due to low margins in this segment.
- Balco's new smelter and CPP are further delayed by 6 months to 2Q and 1QFY13 respectively due to delays in starting the coal mines. The captive coal block of 211m tons has received EAC in Nov, 2011. Forest stage 2 clearance is still pending.

Revenue increased 1% QoQ to INR103b, while PBT declined 4% QoQ to INR21.5b

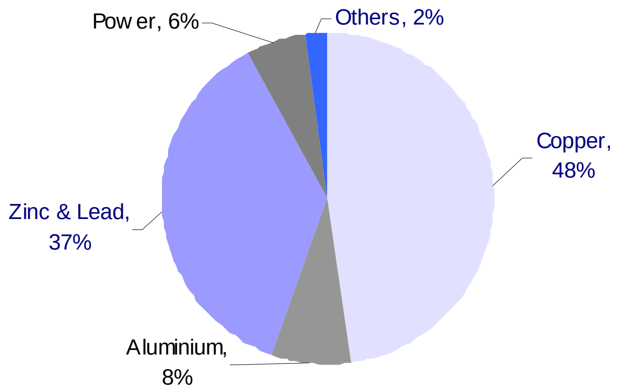
- Zinc and lead contributed 37% to the revenue and is the largest contributor to EBIT with 54% share.
- Copper contributed 48% to the revenues but only 12% to EBIT.
- Contribution from Aluminum and power was 8% and 6% to revenues and -0.8% and 2% to EBIT, respectively.
- Gross cash now stands at INR215b, out of which INR137b is invested in debt mutual funds and rest in bank FDs and current account balances.

Segmental revenue (INR m)

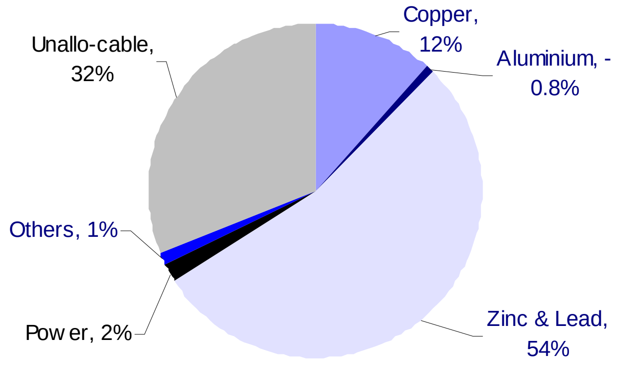
	1QFY11	2QFY11	3QFY11	4QFY11	1QFY12	2QFY12	3QFY12
a) Copper	29,059	29,070	45,302	48,156	45,039	51,294	49,351
b) Aluminium	6,659	7,180	8,023	8,382	7,567	6,855	8,009
c) Zinc & Lead	19,277	21,455	27,431	40,235	38,446	35,689	37,553
d) Power	2,587	1,628	1,323	2,231	6,146	6,223	5,910
e) Others	2,208	1,410	1,249	1,325	1,629	2,247	2,355
Gross Sales	**59,790**	**60,742**	**83,328**	**100,329**	**98,828**	**102,308**	**103,178**
Less: Inter Segment Transfers	545	452	385	326	588	970	717
External Sales	**59,245**	**60,290**	**82,943**	**100,003**	**98,240**	**101,338**	**102,462**

Source: Company/MOSL

3QFY12 Revenue composition



3QFY12 EBIT composition



Source: Company/MOSL

Segmental results (INR m)

	1QFY11	2QFY11	3QFY11	4QFY11	1QFY12	2QFY12	3QFY12
Copper	1,878	1,579	1,943	2,980	2,911	3,090	3,260
Aluminium	497	1,258	1,194	1,953	1,594	77	(230)
Zinc & Lead	9,051	10,029	14,297	21,851	18,126	16,502	14,857
Power	1,175	567	192	476	866	528	533
Others	427	117	(71)	92	162	282	297
Other unallocable inc./exp.	6,692	5,395	4,520	6,968	7,000	7,894	8,660
Total EBIT	**19,718**	**18,944**	**22,075**	**34,320**	**30,658**	**28,372**	**27,376**
Less : Interest paid	1,409	(3)	705	1,041	1,740	1,549	1,573
Profit before tax &EO	**18,310**	**18,948**	**21,370**	**33,278**	**28,918**	**26,823**	**25,803**
Less: Extra ordinary items	-1,460	-212	41	316	-1,097	4,339	4,318
Profit before Tax	**19,770**	**19,159**	**21,329**	**32,963**	**30,015**	**22,485**	**21,484**

Source: Company/MOSL

Production (tons)

	1QFY11	2QFY11	3QFY11	4QFY11	1QFY12	2QFY12	3QFY12
Alumina							
Lanjigarh	204,000	171,000	147,000	184,000	224,000	228,000	236,000
Copper							
Mined Metal Content	7,000	7,000	4,000	5,000	6,000	5,000	6,000
Cathode	77,112	67,721	78,990	80,169	74,000	87,000	84,000
Aluminium Balco	**63,000**	**65,000**	**65,459**	**62,000**	**61,000**	**60,000**	**63,000**
Change (YoY %)	-12.5	1.6	0.7	-8.8	-3.2	-7.7	-3.8
Aluminium (VAL)	77,000	97,000	103,000	108,000	112,000	89,000	107,000
Power sales (M kwh)	**480**	**414**	**454**	**687**	**1,652**	**1,615**	**1,569**
Rate (INR/kwh)	5.0	3.4	2.7	3.0	3.6	3.5	3.4
EBIT (INR/kwh)	2.4	1.4	0.4	0.7	0.5	0.6	0.4
Zinc International	**121,380**	**123,270**	**14,000**	**80,000**	**119,000**	**114,000**	**105,000**
MIC (Black Mountain & Lisheen)				44,000	80,000	77,000	71,000
Refined Zinc (Skorpion)			14,000	36,000	39,000	37,000	34,000
Zinc							
Mine production (MIC)	181,930	204,836	222,249	231,039	188,403	209,676	209,007
Change (YoY %)	-0.5	6.4	11.3	19.4	3.6	2.4	-6.0
Refined Zinc	164,519	176,239	178,254	193,460	192,980	184,816	190,946
Refined Lead	14,144	14,521	12,521	16,109	14,800	15,657	27,074
Refined Silver (Kg)	37,176	35,341	32,777	42,789	39,586	42,081	48,413

Source: Company/MOSL

Zinc: EBIT declined 10% QoQ to INR14.9b due to lower volumes from Zinc International; strong volume growth in lead and silver at HZL

- Zinc International's production declined 8% QoQ to 34k tons, while mined metal production at Black Mountain and Lisheen declined 8% QoQ to 71k tons.
- Zinc International PAT declined 41% QoQ to INR2.01b despite lower reported cost of production (CoP). CoP declined 4% QoQ to USD1,188/ton.
- Indian zinc business EBITDA declined 4% QoQ to INR14b. Impact of sharp decline in LME prices was partly compensated by higher lead and silver volumes and increase in regional premiums driven by rupee depreciation. Mine production was lower than expected due to lower volumes from RA mine and deterioration of grade.

Copper: EBIT increased 5% QoQ on higher TcRc and better by-product credits

- Copper cathode production declined 3% QoQ to 84k tons.
- Copper EBIT increased 5% QoQ to INR3.26b due to higher margins in smelting and better by-product credits.

Aluminium (Balco): Expect further delays in opening captive coal mine; CoP declined 12% QoQ to USD1,880/ton

- Balco's aluminum production increased 5% QoQ to 63k tons. Cost of production declined 12% QoQ to USD1,880/ton mainly due to lower cost of coal as coal availability from CIL increased post monsoon and improved efficiencies.
- Aluminum segment EBIT turned into INR230m losses QoQ due to lower aluminum prices. LME was down 15%, but realization decline was cushioned by 11% depreciation of INR v/s USD.
- Balco's captive coal mine is still awaiting second stage of forest clearance. We expect further delays in opening the mine and start of operation. Accordingly, company has also delayed commissioning of 1,200MW CPP by 6 months at Balco. First unit of CPP (4*300MW each) is now expected to be synchronized in 1QFY13. First metal tapping from Balco's 325ktpa aluminum smelter line is also targeted by 2QFY13 to match timeline with CPP.

Power: SEL's 3rd unit still under trial production as lower linkage coal affects profitability

- Segment EBIT of power remained flat QoQ to INR533m as volume from SEL remained flat. SEL's third unit of 600MW remains still under trail run due to unavailability of linkage coal as lower linkage coal availability affects profitability.
- SEL realization of power remained flat QoQ at INR3.5/kwh while CoP declined 10% QoQ to INR2.6/kwh.
- Total power sales declined 3% QoQ to 1,569mkwh; including 438mkwh from Balco's 270MW CPP and wind power units.

VAL: Losses increase 9% QoQ to INR8.93b; Aluminum CoP declines 22% QoQ to USD2,004/ton

- Aluminum production increased 20% QoQ to 107k tons on lower base as power outage had damaged 170 pots in 2QFY12.
- Cost of production (CoP) declined by USD550/ton QoQ to USD2,004/ton on account of decline in coal procurement costs. CoP of Alumina declined 15% QoQ to USD323/ton.

- Loans & advances from STLT in the form of quasi equity/debt to VAL increased by INR6.73b QoQ to INR96.1b for temporary funding purpose.
- STLT may convert some of its quasi equity/debt into equity in near future. However, shareholding pattern is expected to remain unchanged and no further cash flow is expected to get invested from STLT.
- VAL reported INR8.93b post tax loss which includes forex loss of INR3.4b. The attributable adjusted loss to STLT was INR1.63b.

Restructuring of VAL's capital structure is overdue

- ICD to VAL from STLT has increased by INR6.7b to INR96.12b. With complete erosion of equity (due to mounting losses), the restructuring of VAL's capital structure is overdue. There are tax inefficiencies in ICD. Management highlighted on the call that VAL's capital employed will be funded by Debt-equity of 60:40 within FY12 without any change in shareholding pattern. This implies that Vedanta Plc will have to bring in INR60-70b of equity before March 2012. Vedanta Plc being highly leveraged post Cairn acquisition, it looks like a daunting task. A more plausible option would be restructuring of VAL with STLT gaining higher shareholding, which may not please minority shareholders of latter.
- STLT has initiated action to dissolve SPVs for efficiencies in dividend distribution. STLT has merged with itself SOVL (which holds its 64.5% investment in Hindustan Zinc and THL Zinc Holding BV (which holds 8.5% investment in Hudbay).

Outlook and valuation

- Stock is trading at FY13 PE of 6.7x and P/BV of 0.7x. Valuations are attractive although earnings growth is contingent on prices and fate of various projects in aluminum, coal and power segments. We value the stock at INR151 per share based on SOTP. Maintain **Buy**.

Sum-of-the-parts valuations **(INR Billion)**

	Net Sales	EBITDA	PAT	Net Debt	Net Worth	Valuation Basis	EV	Equity Value	Stake (%)	Attrib. Equity	INR /share
Stand-alone *	180	11	11	-5	239	4.5x EBITDA	51	56	100.0	56	17
Hindustan Zinc	129	72	65	-267	179	4.5x EBITDA	323	591	64.9	383	114
Balco	41	4	-2	58	20	4.5x EBITDA	17	-40	51.0		
CMT (less intersegment)		5	1	1	-70	4.5x EBITDA	22	21	100.0	21	6
VAL	62	13	-11	320	27	4.5x EBITDA	58	-262	29.5	-77	-23
Skorpion Zinc	16	7	4	-19	42	3.5x EBITDA	24	43	100.0	43	13
Lisheen Zinc	20	6	4	-24	34	3.5x EBITDA	22	45	100.0	45	13
Black Mountain Zinc	6	2	1	-3	18	10.0x EBITDA	20	23	75.0	17	5
Sterlite Energy	44	10	2	62	15	10.0x PE		18	100.0	18	5
Total	**498**	**130**	**75**	**123**					**SOTP**	**506**	**151**

Note: - Aluminium prices USD2,250/ton, Zinc & lead prices = USD2,000/ton, Silver = USD30/oz, USD/INR = 50.1; FY13 estimates

* We are excluding ICD of INR96b to VAL in cash and equivalents Source: MOSL

Status of Investment in Associate Company (INR Crore)

	30 Sep. 2011				31-Dec-11			
	Sterlite	Vedanta	External	Total	Sterlite	Vedanta	External	Total
Equity	563	1,391	NA	1,954	563	1,391	NA	1,954
Quasi Equity/Debt	8,939	4,586	15,603	29,128	9,612	2,299	15,653	27,654
Total funding	9,502	5,977	15,603	31,082	10,175	3,690	15,653	29,518
Corporate Guarantees					4,358	26,477	-	30,835

Source: Company/MOSL

Sterlite Industries: an investment profile

Company description

Sterlite (STLT) is a diversified play on three base metals. It has recently ramped up refined zinc and lead capacities to 1.06mtpa, which will fuel significant volume growth. The company is setting up a 2,400MW power project in Orissa of which two units of 600MW each have already commissioned in FY11. The project is in close proximity to coal mines and STLT will soon replace coal linkages with coal from its captive mines. Given its low cost production and strong demand, the project will drive earnings up. STLT has planned aggressive expansion in the aluminum business through its 51% stake in Balco and 29.5% stake in Vedanta Aluminium (VAL).

Key investment arguments

- STLT's earnings are likely to be driven by volume growth in zinc and lead business. Zinc and lead capacity has been expanded to 1.064mtpa recently, which will drive the production of zinc and lead metal in. 350tpa silver refinery was commissioned in 3QFY12, which will drive silver volumes.
- Balco's 1,200MW power plant will get commissioned in the next few quarters along with opening of captive coal mine, which will lead to quantum jump in profits because of low cost of production.
- Out of the Sterlite Energy's remaining two units of 600MW, one is already under trial run while second unit is expected to be commissioned in 4QFY12, which will drive earnings.

Key investment risks

Unexpected fall in metal prices may adversely impact profitability. Delays in getting approvals for mining coal and unavailability of captive bauxite may hamper growth in earnings.

Recent developments

The new 350tpa Silver refinery under its subsidiary Hindustan Zinc has been successfully commissioned during 4QFY12. Sterlite Energy's third unit of 600MW is under trial run.

Valuation and view

Stock is trading at FY13 PE of 6.7x and P/BV of 0.7x. Maintain **Buy**.

Sector view

Base metal prices after declining sharply over the last few weeks have started to recover. Recent shutdown announced by Aluminium majors has positive impact on Aluminium prices. Higher energy costs for Aluminium will continue to support prices, as cost of production of marginal players continues to be high. While global refined Zinc and lead metal market continue to remain in surplus but constraints in supply growth due to shortage of large scale low cost mines in the world will support prices in the future. According to the ILZSG in the period Jan-Nov 2011, global refined Zinc and lead metal market continue to remain in surplus by 337kt and 157kt respectively.

Comparative valuations

		Sterlite	Hindalco	Nalco
P/E (x)	FY12E	6.2	8.3	13.1
	FY13E	6.7	7.6	8.7
P/BV (x)	FY12E	0.8	1.5	1.2
	FY13E	0.7	1.2	1.1
EV/Sales (x)	FY12E	0.7	0.7	1.1
	FY13E	0.5	0.6	0.7
EV/EBITDA (x)	FY12E	3.6	6.0	5.3
	FY13E	2.7	5.4	2.7

EPS: MOSL forecast v/s consensus (INR)

	MOSL Forecast	Consensus Forecast	Variation (%)
FY12	17.4	16.5	5.4
FY13	16.2	19.0	-14.8

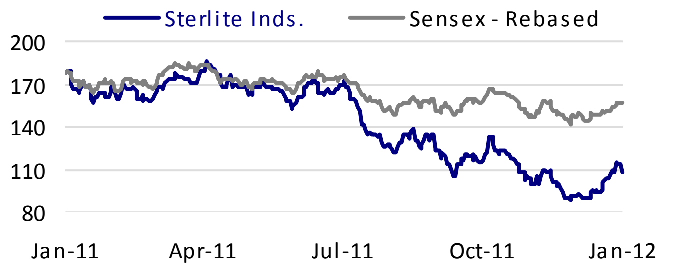
Target price and recommendation

Current Price (INR)	Target Price (INR)	Upside (%)	Reco.
108	151	39.6	Buy

Shareholding Pattern (%)

	Dec-11	Sep-11	Dec-10
Promoter	53.3	53.3	52.8
Domestic Inst	9.2	8.9	8.3
Foreign	24.8	25.4	27.0
Others	12.7	12.4	11.9

Stock performance (1 year)



Financials and Valuation

Income Statement (Consolidated)				(INR Million)
Y/E March	FY10	FY11	FY12E	FY13E
Net Sales	244,103	302,481	409,872	435,992
Change (%)	15.4	23.9	35.5	6.4
Total Expenses	183,386	223,790	308,031	318,815
EBITDA	60,718	78,690	101,841	117,177
Change (YoY %)	29.1	29.6	29.4	15.1
As % of Net Sales	24.9	26.0	24.8	26.9
Depn. & Amortizatior	7,498	10,301	18,136	20,434
EBIT	53,220	68,389	83,706	96,743
Net Interest	3,424	3,012	6,770	17,176
Other income	19,594	26,528	33,226	25,036
PBT	69,390	91,905	110,162	104,603
Tax	12,330	18,116	23,866	21,817
Rate (%)	17.8	19.7	21.7	20.9
PAT	57,060	73,789	86,296	82,786
EO Income	2,970	568		
Adj. PAT	54,091	73,220	86,296	82,786
Minority interests	17,241	19,945	21,592	24,970
Share in Asso.	588	-2,850	-6,261	-3,352
Attrib. PAT	40,407	50,993	58,443	54,464
Change (YoY %)	16.0	26.2	14.6	-6.8

Balance Sheet (Consolidated)				(INR Million)
Y/E March	FY10	FY11	FY12E	FY13E
Share Capital	1,681	3,361	3,361	3,361
Reserves	368,439	410,993	464,579	515,353
Net Worth	370,120	414,355	467,940	518,714
Minority Interest	84,096	102,913	122,068	142,049
Total Loans	92,600	117,287	152,287	166,287
Deferred Tax Liability	15,524	21,736	25,022	28,526
Capital Employed	562,340	656,291	767,317	855,576
Gross Block	181,789	311,886	338,871	419,752
Less: Accum. Deprn.	59,133	97,912	111,915	130,896
Net Fixed Assets	122,656	213,974	226,955	288,856
Capital WIP	110,844	121,501	135,803	81,864
Investments	203,045	129,553	192,318	262,339
Liquid invest (of al	198,283	127,302	185,185	258,558
Curr. Assets	175,114	279,391	289,557	305,247
Inventory	29,827	51,547	44,381	47,542
Account Receivables	5,709	15,950	18,012	19,401
Cash and Bank Balar	33,378	99,124	114,230	123,896
Loans and advances	106,200	112,770	112,934	114,408
Curr. Liability & Prov.	49,319	88,128	77,316	82,730
Account Payables	28,827	55,246	43,040	46,712
Provisions & Others	20,492	32,883	34,276	36,018
Net Curr. Assets	125,795	191,263	212,241	222,517
Appl. of Funds	562,340	656,291	767,317	855,577

E: MOSL Estimates

Ratios				
Y/E March	FY10	FY11	FY12E	FY13E
Basic (INR)				
EPS	12.0	15.2	17.4	16.2
Cash EPS	14.3	18.2	22.8	22.3
BV/Share	110.1	123.3	139.2	154.3
DPS	1.9	1.1	1.2	1.3
Payout (%)	15.6	7.3	6.9	8.0
Valuation (x)				
P/E		7.1	6.2	6.7
Cash P/E		5.9	4.7	4.8
P/BV		0.9	0.8	0.7
EV/Sales		1.0	0.7	0.5
EV/EBITDA		5.6	3.6	2.7
Dividend Yield (%)		1.0	1.1	1.2
Return Ratios (%)				
RoE	12.0	13.0	13.2	11.0
RoCE (pre-tax)	15.1	15.1	15.5	14.6
RoIC (pre-tax)	31.6	26.2	26.5	27.2
Working Capital Ratios				
Fixed Asset Turnover	1.3	1.0	1.2	1.0
Asset Turnover (x)	0.4	0.5	0.5	0.5
Debtor (Days)	9	19	16	16
Inventory (Days)	45	62	40	40
Working Capital (Day	188	231	189	186
Leverage Ratio (x)				
Current Ratio	3.6	3.2	3.7	3.7
Interest Cover Ratio	15.5	22.7	12.4	5.6
Debt/Equity	-0.2	0.0	-0.1	-0.1

Cash Flow Statement				(INR Million)
Y/E March	FY10	FY11	FY12E	FY13E
EBITDA	60,718	78,690	101,841	117,177
Non cash expenditur	1,135	357	-3,327	1,914
(Inc)/Dec in Wkg. Cap	-8,487	-3,154	-7,102	-878
Tax paid	-11,549	-17,346	-17,907	-18,313
CF from Op. Activity	41,817	58,548	73,506	99,899
(Inc)/Dec in FA + CWI	-61,819	-126,923	-41,287	-26,943
(Pur)/Sale of Investm	-36,725	99,054	-62,765	-70,021
Interest & Dividend I	12,279	14,114	23,258	17,525
Investment in subsidiaries		-109		
Loans and advances	-65,445	4,827	1,229	268
CF from Inv. Activity	-151,710	-9,038	-79,564	-79,170
Equity raised/(repaic	76,248	-16		
Debt raised/(repaid)	21,795	25,671	35,000	14,000
Dividend (incl. tax)	-4,352	-5,018	-4,719	-5,112
Interest paid	-5,469	-4,400	-6,770	-17,176
Other financing activities			-2,347	-2,774
CF from Fin. Activity	88,222	16,237	21,164	-11,062
(Inc)/Dec in Cash	-21,671	65,747	15,106	9,666
Add: Opening Balanc	55,048	33,378	99,124	114,230
Closing Balance	33,378	99,124	114,230	123,896

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