

## Siyaram Silk Mills

### Performance Highlights

Y/E March (₹ cr)	2QFY13	1QFY13	% chg. (qoq)	2QFY12	% chg. (yoy)
<b>Net Sales</b>	<b>267</b>	<b>206</b>	<b>30.0</b>	<b>244</b>	<b>9.3</b>
Operating profit	26	23	11.4	33	(21.9)
OPM (%)	9.6	11.2	(160)	13.4	(383)
<b>Adj. PAT</b>	<b>18</b>	<b>10</b>	<b>73.8</b>	<b>17</b>	<b>5.5</b>

Source: Company, Angel Research

Siyaram Silk Mills (SSM) reported a mixed set of numbers for 2QFY2103. The revenue grew 9.3% yoy and came in at ₹267cr, in line with our estimate of ₹268cr. However, the operating margin showed contraction of 383bp yoy to 9.6% for the quarter. The company reported other income of ₹10cr which included a one-time insurance premium payment from the directors, leading to a bottom-line of ₹18cr, a growth of 5.5% yoy. Following the tradition, the company is expected to post strong numbers in the 2HY2013 with the festive and wedding season coming in.

**Leadership in blended fabrics, wide distribution channel and strong branding to drive growth:** Being the largest manufacturer of blended fabric in India, SSM enjoys 4% market share in this segment. Polyester viscous fabric, which has become a cheaper substitute of cotton fabric, is the major contributor to SSM's revenue (~₹700-800cr in FY2012). With a portfolio of strong and value for money brands like *Siyaram's*, *J Hampstead* and *Mistair* in its fabric segment, SSM is well placed to cater to the increasing demand for polyester viscose fabrics. The company is engaged in aggressive marketing with celebrity brand ambassadors like M S Dhoni, Neil Nitin Mukesh and Hrithik Roshan. Moreover, the company has one of the largest distribution networks in the country. These factors together are expected to drive the sales at a 12.0% CAGR over FY2012-14E.

**Outlook and valuation:** We expect SSM to post a revenue CAGR of 12.0% over FY2012-14E to ₹1,149cr with an operating margin of 12.9% in FY2014E. On the profitability front, the company is expected to post a profit of ₹62cr and ₹69cr for FY2013E and FY2014E respectively. The stock is currently trading at a reasonable valuation of 4.2x FY2014E earnings. **We continue to maintain our Buy rating on the stock with a revised target price of ₹366, valuing the stock at 5x FY2014E earnings.**

#### Key financials

Y/E March (₹ cr)	FY2010	FY2011	FY2012	FY2013E	FY2014E
<b>Net sales</b>	<b>660</b>	<b>860</b>	<b>916</b>	<b>1,043</b>	<b>1,149</b>
% chg	24.4	30.3	6.5	13.9	10.2
<b>Net profit</b>	<b>34</b>	<b>58</b>	<b>57</b>	<b>62</b>	<b>69</b>
% chg	195.8	70.6	(1.4)	8.5	11.6
<b>FDEPS (₹)</b>	<b>10.6</b>	<b>12.8</b>	<b>12.7</b>	<b>12.3</b>	<b>12.9</b>
EBITDA margin (%)	36.0	61.4	60.5	65.7	73.3
P/E (x)	8.6	5.1	5.1	4.7	4.2
RoE (%)	1.7	1.3	1.1	0.9	0.8
RoCE (%)	21.6	29.5	23.3	21.0	19.6
P/BV (x)	0.1	0.2	0.2	0.2	0.2
EV/Sales (x)	0.7	0.6	0.5	0.5	0.5
EV/EBITDA (x)	6.4	4.7	4.3	4.3	3.9

Source: Company, Angel Research

## BUY

CMP	₹310
Target Price	₹366

Investment Period	12 Months
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#### Stock Info

Sector	Textile
Market Cap (₹ cr)	291
Net debt (₹ cr)	210
Beta	0.5
52 Week High / Low	339 / 224
Avg. Daily Volume	1,995
Face Value (₹)	10
BSE Sensex	18,431
Nifty	5,598
Reuters Code	SIYR.BO
Bloomberg Code	SIYA IN

#### Shareholding Pattern (%)

Promoters	67.1
MF / Banks / Indian Fls	10.2
FII / NRIs / OCBs	0.1
Indian Public / Others	22.7

Abs.(%)	3m	1yr	3yr
Sensex	7.5	4.1	15.9
SSM	12.8	5.8	152.3

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**Exhibit 1: 2QFY2013 performance**

Y/E March (₹ cr)	2QFY13	2QFY12	% chg. (yoy)	1QFY13	% chg. (qoq)	HY2013	HY2012	% chg
<b>Net Sales</b>	<b>267</b>	<b>244</b>	<b>9.3</b>	<b>206</b>	<b>30.0</b>	<b>473</b>	<b>426</b>	<b>11.1</b>
Net raw material	140	119	17.3	99	40.7	239	204	17.4
(% of Sales)	52.3	48.7		48.3		50.6	47.9	
Employee Cost	23	16	38.0	19	21.2	41	30	37.6
(% of Sales)	8.5	6.7		9.1		8.7	7.1	
Other Expenses	79	76	4.1	65	22.7	144	137	4.8
(% of Sales)	29.7	31.1		31.4		30.4	32.3	
<b>Total Expenditure</b>	<b>242</b>	<b>212</b>	<b>14.2</b>	<b>183</b>	<b>32.3</b>	<b>424</b>	<b>371</b>	<b>14.4</b>
<b>Operating Profit</b>	<b>26</b>	<b>33</b>	<b>(21.9)</b>	<b>23</b>	<b>11.4</b>	<b>49</b>	<b>55</b>	<b>(11)</b>
OPM (%)	9.6	13.4	(383)bp	11.2	(160)bp	10.3	12.8	(255)bp
Interest	7	6	13.0	5	29.2	12	11	14.9
Depreciation	5	5	(2.9)	5	(3.5)	10	10	(0.5)
Other Income	10	4	161.0	3	268.7	13	6	137.3
<b>PBT</b>	<b>24</b>	<b>26</b>	<b>(5.6)</b>	<b>15</b>	<b>57.4</b>	<b>39</b>	<b>39</b>	<b>0.2</b>
(% of Sales)	9.0	10.4		7.5		8.3	9.2	
Tax	6	9	(27.6)	5	23.6	11	13	(12.8)
(% of PBT)	25.7	33.5		32.7		28.4	32.6	
<b>Reported PAT</b>	<b>18</b>	<b>17</b>	<b>5.5</b>	<b>10</b>	<b>73.8</b>	<b>28</b>	<b>27</b>	<b>6.5</b>
Extraordinary Expense/(Inc.)	-	-		-		-	-	
<b>Adjusted PAT</b>	<b>18</b>	<b>17</b>	<b>5.5</b>	<b>10</b>	<b>73.8</b>	<b>28</b>	<b>27</b>	<b>6.5</b>
PATM (%)	6.7	6.9		5.0		6.0	6.2	

Source: Company, Angel Research

**Revenue in-line, margin disappointed**

SSM reported a mixed set of numbers for 2QFY2013. The company reported revenue of ₹267cr in-line with our estimate of ₹268cr. The major disappointment came at the operating margin front as the margin contracted by 383bp yoy to 9.6% for the quarter. This was mainly because of utilization of high cost inventory from previous quarters, which led to an increase in net raw material cost as a percent of net sales from 48.7% in 2QFY2012 to 52.3% in 2QFY2013.

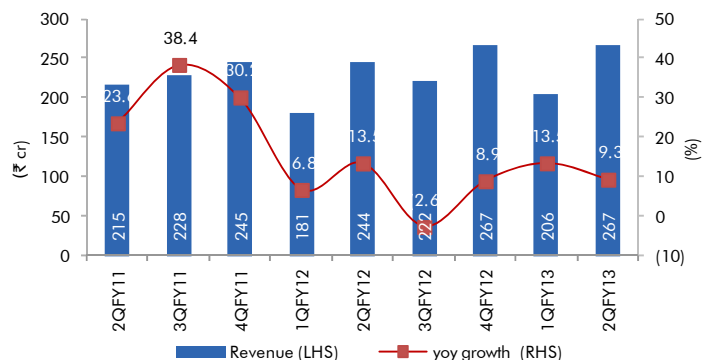
The bottom-line surprised at ₹18cr, a 5.5% yoy growth, but the same is attributed to the other income of ₹10cr which included one-time insurance premium payment from the directors.

**Exhibit 2: Actual vs estimates**

Y/E March (₹ cr)	2QFY13	Angel est.	% diff
<b>Net sales</b>	<b>267</b>	<b>268</b>	<b>(0.3)</b>
EBITDA	26	33	(23.2)
EBITDA margin (%)	9.6	12.4	(285.7)
<b>Reported PAT</b>	<b>18</b>	<b>13</b>	<b>33.6</b>

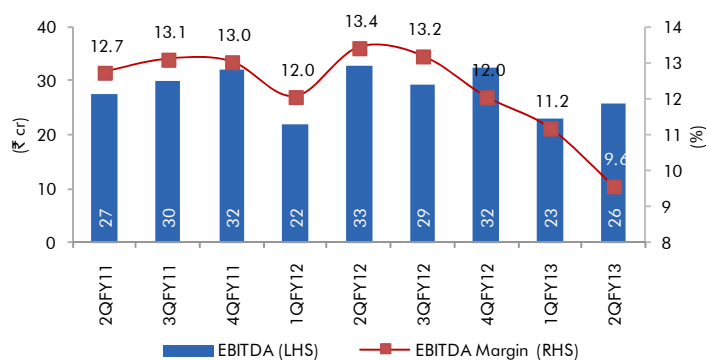
Source: Company, Angel Research

**Exhibit 3: Revenue came in-line**



Source: Company, Angel Research

**Exhibit 4: ...however, margin contracted**



Source: Company, Angel Research

**Expansion plan:** The company plans to add 286 looms (517 looms in FY2012) in the fabric segment and 400 machines (746 in FY2011) in its RMG segment in a phased manner, with a capex of ~₹200cr in a span of two to three years. This expansion will lead to an increase in its capacity to 125 lakh metres per year in a phased manner and 3.2 lakh pieces of garments per month by FY2013E from the existing annual capacity of 550 lakh metres of fabric and 2.5 lakh pieces of readymade garments. The company has already installed 72 looms in 1HFY2013 and expects to add another 50 looms by the end of FY2013.

## Investment arguments

### Increasing demand for blended fabric (poly viscous) to drive growth

According to industry reports, the blended fabrics market in India is largely dominated by the unorganised sector, which commands 94% market share (FY20011) and rest by the organised players. Being the largest manufacturer of blended fabric in India, SSM enjoys 4% market share in this segment. Polyester viscous fabric, which has become a cheaper substitute of cotton fabric, is the major contributor to SSM's revenue (~₹700-800cr in FY2012). In addition to the increasing demand for polyester viscous fabric, the tier II and tier III cities have also witnessed a shift from unbranded fabric to branded blended fabrics on the back of improved standard of living and rising disposable income. With a portfolio of strong and value for money brands like *Siyaram's*, *J Hampstead* & *Mistair* in its fabric segment, SSM is well placed to cater to the increasing demand for polyester viscose fabrics. We expect this to drive the revenue at a CAGR of 12.0% over FY2012-14E to ₹1,149cr in FY2014E.

### Strong brand positioning and diverse product portfolio

SSM has built a strong brand presence in the country through continuous advertisement and brand-building efforts over the past 30 years. The company is engaged in aggressive marketing with celebrity brand ambassadors like M S Dhoni (*Siyaram's* and *MSD*), Neil Nitin Mukesh (*Mistair* and *Oxemberg*) and Hrithik Roshan (*J. Hampstead*). The company recently launched three brands - *Royal Linen* (linen fabrics for men and women), *Moretti* (cotton shirting) and *Zenesis* (cotton suitings).

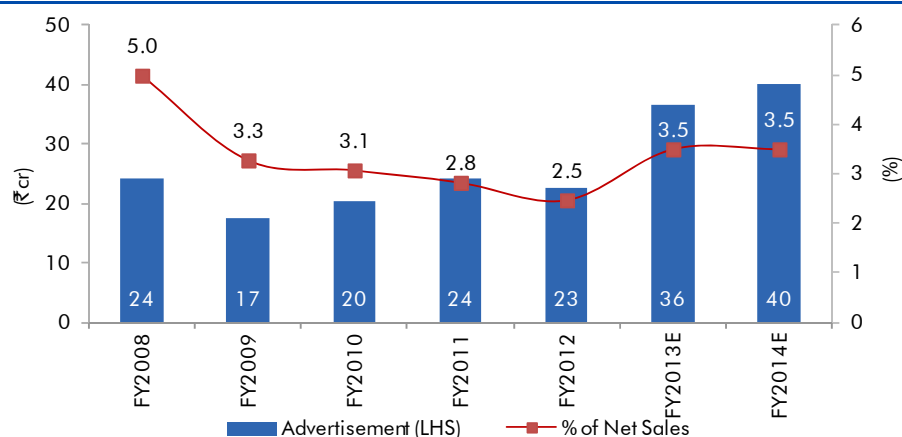
#### Exhibit 5: Strong brand presence across segments

Brands	Division	Brand ambassador	Segment	Description
<i>Siyaram's</i>	Textile	M. S. Dhoni	Middle	Comprehensive range in suiting and shirting
<i>Mistair</i>	Textile	Neil Nitin Mukesh	Higher middle	Fashion fabrics for suiting and shirting
<i>MSD</i>	Apparel	M. S. Dhoni	Middle	Youth casual wear garments comprising of casual shirts and jeans
<i>Oxemberg</i>	Apparel	Neil Nitin Mukesh	Higher middle	Formal and semi formal men's readymade garments
<i>J.Hampstead</i>	Both textile and apparel	Hrithik Roshan	Premium	Finest clothing in the world in suiting and shirting

Source: Company, Angel Research

The company has been spending rigorously on advertising for the recognition of its brands. In FY2012, the company spent ₹23cr on advertisement (including conferences, publicity and business promotion activities). We expect the company's advertising spend to increase to ₹40cr by FY2014E.

**Exhibit 6: Advertisement spending**



Source: Company, Angel Research

SSM's emphasis on latest fabrics, innovative and latest designs and affordable pricing points gives it an edge in the market and the segment it caters to. Every brand holds a distinct position in the consumers' minds which has helped the company in creating a niche for itself in a highly competitive industry.

### **Pan-India distribution network – Major advantage**

SSM has one of the largest distribution networks in the country. The company has a strong network of over 1,600 dealers and 500 agents supplying to more than 40,000 outlets across India. This enables the company to launch new products with a high success ratio and low marketing cost, giving it an edge over competitors. The company further plans to increase the number of exclusive shops from 125 presently to 300 in the next two to three years. It plans to do so through franchisees, each offering the entire range of Siyaram products in an average store size ranging between 500 -1,500 sq ft. Since it will be through the franchise route, the company will not have to incur any capex for it.

## Financials

### Exhibit 7: Assumptions

	FY2009	FY2010	FY2011	FY2012	FY2013E	FY2014E	CAGR*
Rural GDP (at factor cost) growth (%)	16.0	16.0	17.9	14.7	14.5	14.7	14.6
<b>Sales growth for SSM (%)</b>	<b>9.1</b>	<b>24.4</b>	<b>30.3</b>	<b>6.5</b>	<b>13.9</b>	<b>10.2</b>	<b>12.0</b>
Finish Cloth	9.7	24.3	31.0	4.4	13.9	10.2	12.0
Readymade Garments	13.0	30.4	24.4	29.8	16.2	10.2	13.2
Yarn	(10.3)	21.7	16.9	(11.7)	9.1	10.2	9.6
Others	12.1	7.8	67.0	8.7	7.7	10.2	8.9

Source: Company, Angel Research; \*(2012-14E)

### Exhibit 8: Change in estimates

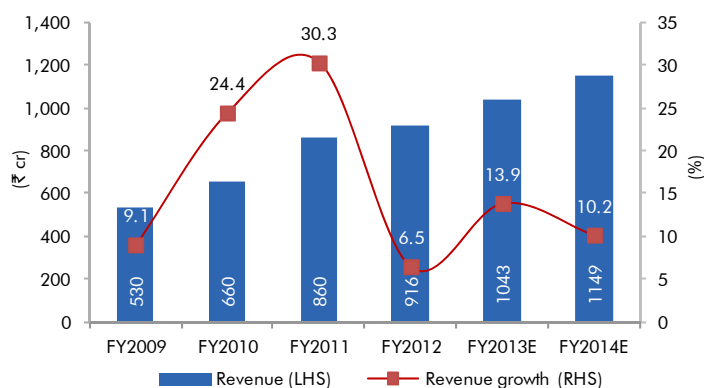
Y/E March	Earlier estimates		Revised estimates		% chg	
	FY2013E	FY2014E	FY2013E	FY2014E	FY2013E	FY2014E
Net sales (₹ cr)	1,043	1,149	1,043	1,149	-	-
OPM (%)	12.3	12.5	12.3	12.9	(2)bp	37bp
Adj. PAT (₹ cr)	59	68	62	69	5.2	1.1

Source: Company, Angel Research

### Leadership in blended fabrics, strong branding to drive revenue

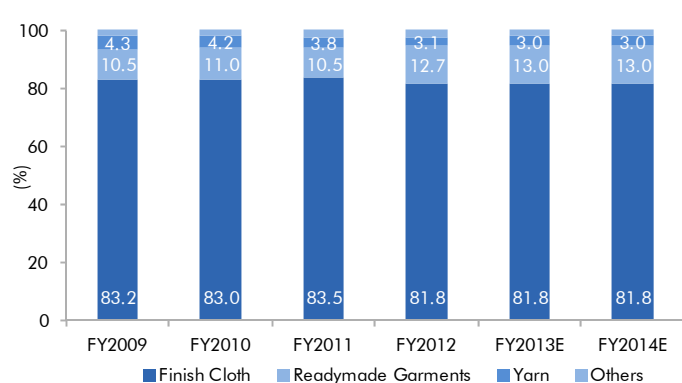
Being the largest manufacturer of blended fabric in India, SSM enjoys 4% market share in this segment. Polyester viscous fabric, which has become a cheaper substitute of cotton fabric, is the major contributor to SSM's revenue (~₹700-800cr in FY2012). With increasing demand for polyester viscous fabric and shift from unbranded fabric to branded ones in tier II and tier III cities, we expect SSM to capitalize on the opportunities and strengthen its position in this segment. With a portfolio of strong and value for money brands like Siyaram's, J Hampstead & Mistair in its fabric segment, SSM is well placed to cater to the increasing demand for polyester viscose fabrics. We expect this to drive the revenue at a CAGR of 12.0% over FY2012-14E to ₹1,149cr in FY2014E.

### Exhibit 9: Revenue to grow at a CAGR of 12.0%



Source: Company, Angel Research

### Exhibit 10: Segmental breakup

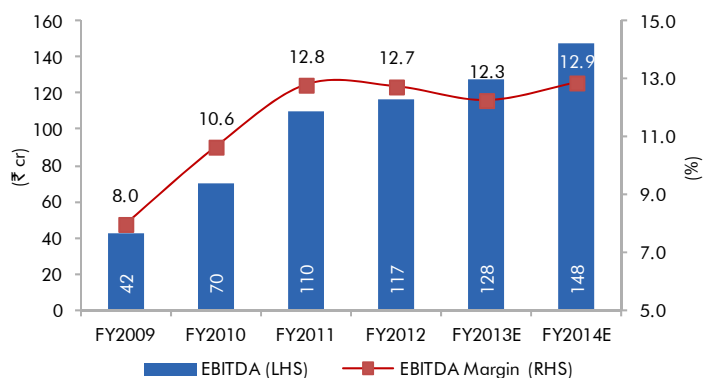


Source: Company, Angel Research

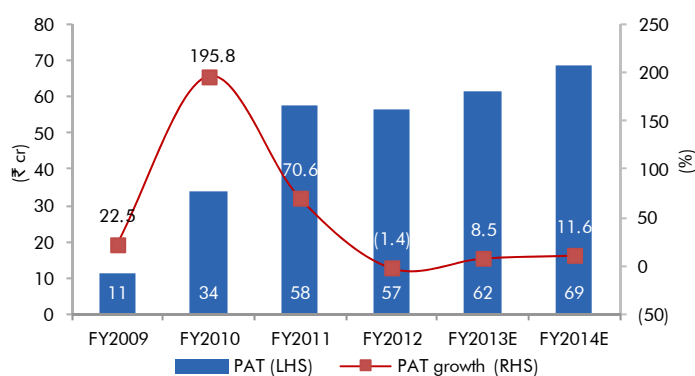
### Margin to improve with stabilizing raw material cost

We expect the company's operating margin to contract in FY2013E due to the utilization of high cost inventory. However, the raw material prices are now stabilizing and we expect the margin to rebound to 12.9% in FY2014E. Moreover, for FY2013E, the power cost is expected to be elevated due to concerns on power supply shortage. Also, the employee cost will witness an increase on account of the expansion plan.

For FY2013E, there is a one-time high other income which includes insurance premium payment from the directors, which will help the bottom-line to be at ₹62cr. Further, for FY2014, we expect the bottom-line to be at ₹69cr.

**Exhibit 11: Margin to improve with cooling off of RM prices**


Source: Company, Angel Research

**Exhibit 12: ...leading to improved PAT in FY2014E**


Source: Company, Angel Research

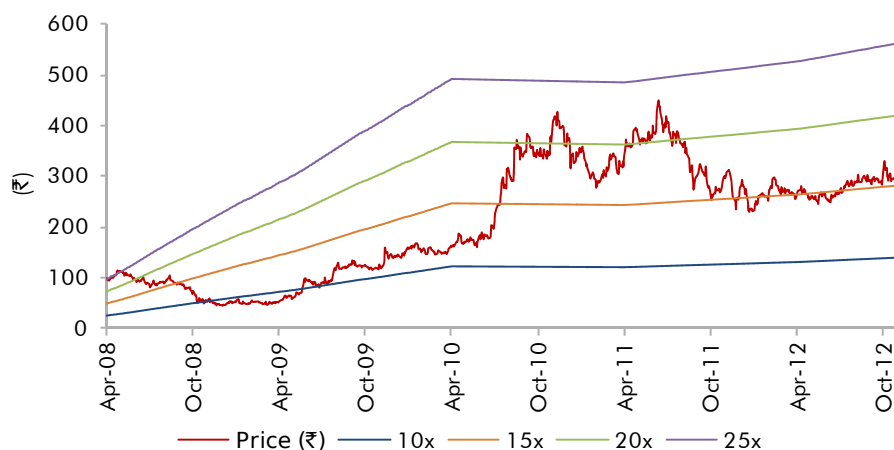
**Exhibit 13: Relative valuation**

Company	Year end	Mcap (₹ cr)	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	RoE (%)	P/E (x)	P/BV (x)	EV/Sales (x)	EV/EBITDA (x)
SSM	FY2013E	291	1,043	12.3	62	65.7	21.0	4.7	0.9	0.5	4.3
	FY2014E	291	1,149	12.9	69	73.3	19.6	4.2	0.8	0.5	3.9
Alok Industries*	FY2013E	947	11,730	25.0	213	2.6	13.2	2.3	0.3	1.4	5.6
	FY2014E	947	13,022	24.6	670	8.1	17.7	1.5	0.2	1.3	5.1
Arvind Ltd.*	FY2013E	2,120	5,401	12.7	261	10.1	12.1	8.1	0.9	0.8	6.2
	FY2014E	2,120	5,950	12.9	340	13.2	13.6	6.2	0.8	0.7	5.6
Raymond*	FY2013E	2,335	4,153	12.3	163	26.5	11.2	14.4	1.6	0.8	6.8
	FY2014E	2,335	4,727	12.9	219	35.7	13.9	10.7	1.4	0.7	5.7

Source: Company, Angel Research; \* Bloomberg estimates

**Outlook and valuation:** With market leadership in the blended fabrics, strong brand building, wide distribution channel and strong presence in Tier II and Tier III cities, we expect SSM to post a revenue CAGR of 12.0% over FY2012-14E. The stock is currently trading at a reasonable valuation of 4.2x FY2014E earnings. **We continue to maintain our Buy rating on the stock with a revised target price of ₹366, valuing the stock at 5x FY2014E earnings.**

#### Exhibit 14: One-year forward P/E band



Source: Company, Angel Research

#### Concerns

**Competition from the unorganised sector:** SSM, being in a highly unorganised sector, faces intense competition from unorganised players as they usually sell their products at a much cheaper rate compared to SSM. However, in the organised sector, due to strong branding efforts, huge distribution network and affordable price points, the company is easily being able to differentiate its products from those of competitors.

**Fluctuations in raw-material prices:** SSM operates in a highly price-sensitive market. Any fluctuation in raw-material prices can lead to margin compression, as the company may not be able to pass on the entire increase to the end-user. Also, Polyviscose is a crude derivative, so any wide fluctuation in crude prices may affect the operating margin of the company.



## Company background

SSM is the largest manufacturer of blended fabrics in India. The company enjoys a strong brand presence across the country, with brands such as *Siyaram's*, *Mistair*, *MSD*, *J. Hampstead* and *Oxemberg* in its kitty. The company recently launched three brands - *Royal Linen* (linen fabrics for men and women), *Moretti* (cotton shirting) and *Zenesis* (cotton suitings). SSM has built a strong brand presence in the country through continuous advertisement and brand-building efforts over the past 30 years. The company has created a niche for itself in a highly competitive industry.

It has a wide distribution network comprising 1,600 dealers and 500 agents supplying to more than 40,000 outlets across India and has over 125 franchise stores with plans to increase the network to 300 stores over the next two to three years. The company operates four plants at Tarapur near Mumbai for weaving and yarn dyeing, two at Daman for garments and one at Silvassa for weaving.

**Profit and loss statement**

Y/E Mar. (₹ cr)	FY2010	FY2011	FY2012	FY2013E	FY2014E
Net Sales	660	860	916	1,043	1,149
Other operating income	-	-	-	-	-
<b>Total operating income</b>	<b>660</b>	<b>860</b>	<b>916</b>	<b>1,043</b>	<b>1,149</b>
% chg	24.4	30.3	6.5	13.9	10.2
Net Raw Materials	338	435	460	520	567
% chg	25.9	28.6	5.7	13.0	9.1
Power and Fuel	12	14	16	20	21
% chg	20.0	16.9	18.4	23.5	4.4
Personnel	39	47	63	83	92
% chg	16.1	21.2	34.5	32.8	10.2
Other	201	254	260	292	322
% chg	14.1	26.4	2.3	12.2	10.2
Total Expenditure	589	750	799	915	1,001
<b>EBITDA</b>	<b>70</b>	<b>110</b>	<b>117</b>	<b>128</b>	<b>148</b>
% chg	66.0	56.5	6.0	9.6	15.7
(% of Net Sales)	10.6	12.8	12.7	12.3	12.9
Depreciation	20	21	22	27	31
<b>EBIT</b>	<b>50</b>	<b>89</b>	<b>94</b>	<b>101</b>	<b>117</b>
% chg	116.4	77.9	5.9	7.4	15.9
(% of Net Sales)	7.6	10.4	10.3	9.7	10.2
<b>Interest &amp; other Charges</b>	<b>12</b>	<b>15</b>	<b>24</b>	<b>30</b>	<b>33</b>
Other Income	9	9	11	19	16
(% of Net Sales)	1.4	1.0	1.2	1.8	1.4
<b>Recurring PBT</b>	<b>38</b>	<b>74</b>	<b>70</b>	<b>71</b>	<b>84</b>
% chg	505.3	94.2	(5.1)	1.3	18.4
<b>PBT (reported)</b>	<b>47</b>	<b>83</b>	<b>81</b>	<b>90</b>	<b>100</b>
Tax	15	25	24	28	32
(% of PBT)	32.4	30.6	30.1	31.5	31.5
<b>PAT (reported)</b>	<b>32</b>	<b>58</b>	<b>57</b>	<b>62</b>	<b>69</b>
Extraordinary Expense/(Inc.)	1.69	0	-	-	-
<b>ADJ. PAT</b>	<b>34</b>	<b>58</b>	<b>57</b>	<b>62</b>	<b>69</b>
% chg	195.8	70.6	(1.4)	8.5	11.6
(% of Net Sales)	5.1	6.7	6.2	5.9	6.0
<b>Basic EPS (₹)</b>	<b>36.0</b>	<b>61.4</b>	<b>60.5</b>	<b>65.7</b>	<b>73.3</b>
<b>Fully Diluted EPS (₹)</b>	<b>36.0</b>	<b>61.4</b>	<b>60.5</b>	<b>65.7</b>	<b>73.3</b>
% chg	195.8	70.6	(1.4)	8.5	11.6

**Balance sheet**

Y/E Mar. (₹ cr)	FY2010	FY2011	FY2012	FY2013E	FY2014E
<b>SOURCES OF FUNDS</b>					
Equity Share Capital	9	9	9	9	9
Reserves & Surplus	160	211	258	311	372
<b>Shareholders' Funds</b>	<b>170</b>	<b>220</b>	<b>267</b>	<b>321</b>	<b>381</b>
Total Loans	190	244	215	269	295
Other Long Term Liabilities	-	19	23	23	23
Long Term Provisions	-	3	3	3	3
Deferred Tax (Net)	18	17	16	16	16
<b>Total liabilities</b>	<b>378</b>	<b>503</b>	<b>525</b>	<b>632</b>	<b>719</b>
<b>APPLICATION OF FUNDS</b>					
Gross Block	337	387	403	484	556
Less: Acc. Depreciation	137	157	173	199	230
<b>Net Block</b>	<b>200</b>	<b>231</b>	<b>230</b>	<b>284</b>	<b>326</b>
Capital Work-in-Progress	0	1	15	18	18
Goodwill	-	-	-	-	-
Investments	28	18	3	3	3
Long Term Loans and advances	-	21	20	20	20
Other Non-current asset	-	-	-	-	-
Current Assets	251	397	458	525	591
Cash	3	3	2	2	6
Loans & Advances	42	50	78	109	121
Inventory	89	149	188	207	237
Debtors	117	195	190	206	227
Other current assets	-	-	-	-	-
Current liabilities	102	165	201	218	239
<b>Net Current Assets</b>	<b>149</b>	<b>232</b>	<b>257</b>	<b>307</b>	<b>352</b>
Misc. Exp. not written off	-	-	-	-	-
<b>Total Assets</b>	<b>378</b>	<b>503</b>	<b>525</b>	<b>632</b>	<b>719</b>

**Cash flow statement**

Y/E Mar. (₹ cr)	FY2010	FY2011	FY2012	FY2013E	FY2014E
Profit before tax	47	83	81	90	100
Depreciation	20	21	22	27	31
Change in Working Capital	38	(83)	(26)	(50)	(41)
Direct taxes paid	(15)	(25)	(24)	(28)	(32)
Others	13	(19)	8	(19)	(16)
<b>Cash Flow from Operations</b>	<b>103</b>	<b>(23)</b>	<b>61</b>	<b>20</b>	<b>42</b>
(Inc.)/Dec. in Fixed Assets	(11)	(51)	(30)	(84)	(73)
(Inc.)/Dec. in Investments	(28)	10	15	-	-
(Incr)/Decr In LT loans & adv.	-	(21)	1	-	-
Others	(1)	10	5	19	16
<b>Cash Flow from Investing</b>	<b>(40)</b>	<b>(51)</b>	<b>(8)</b>	<b>(65)</b>	<b>(56)</b>
Issue of Equity	-	-	-	-	-
Inc./Dec. in loans	(43)	55	(30)	54	27
Dividend Paid (Incl. Tax)	(7)	(8)	(8)	(8)	(8)
Others	(13)	27	(16)	-	-
<b>Cash Flow from Financing</b>	<b>(63)</b>	<b>75</b>	<b>(54)</b>	<b>46</b>	<b>19</b>
Inc./Dec. in Cash	1	(0)	(1)	0	4
<b>Opening Cash balances</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>
<b>Closing Cash balances</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>6</b>

**Key ratios**

Y/E Mar.	FY2010	FY2011	FY2012	FY2013E	FY2014E
<b>Valuation Ratio (x)</b>					
P/E (on FDEPS)	8.6	5.1	5.1	4.7	4.2
P/CEPS	5.4	3.7	3.7	3.3	2.9
P/BV	1.7	1.3	1.1	0.9	0.8
EV/Net sales	0.7	0.6	0.5	0.5	0.5
EV/EBITDA	6.4	4.7	4.3	4.3	3.9
EV / Total Assets	1.2	1.1	1.0	0.9	0.8
<b>Per Share Data (₹)</b>					
EPS (Basic)	36.0	61.4	60.5	65.7	73.3
EPS (fully diluted)	36.0	61.4	60.5	65.7	73.3
Cash EPS	57.5	83.7	84.3	94.1	105.9
DPS	6.0	7.0	7.5	7.5	7.5
Book Value	181.2	234.6	285.0	342.0	406.6
<b>DuPont Analysis</b>					
EBIT margin	7.6	10.4	10.3	9.7	10.2
Tax retention ratio	0.7	0.7	0.7	0.7	0.7
Asset turnover (x)	2.0	1.9	1.9	1.8	1.7
ROIC (Post-tax)	10.3	13.3	13.5	11.7	11.9
Cost of Debt (Post Tax)	3.8	4.8	7.3	8.5	8.0
Leverage (x)	0.9	1.0	0.8	0.8	0.8
Operating ROE	16.4	22.0	18.3	14.3	14.8
<b>Returns (%)</b>					
ROCE (Pre-tax)	0.1	0.2	0.2	0.2	0.2
Angel ROIC (Pre-tax)	15.3	19.2	19.3	17.1	17.4
ROE	21.6	29.5	23.3	21.0	19.6
<b>Turnover ratios (x)</b>					
Asset TO (Gross Block)	2.0	2.4	2.3	2.4	2.2
Inventory / Net sales (days)	52	51	67	69	71
Receivables (days)	64	66	77	72	72
Payables (days)	51	65	84	87	87
WC cycle (ex-cash) (days)	81	97	102	107	110
<b>Solvency ratios (x)</b>					
Net debt to equity	0.9	1.0	0.8	0.8	0.8
Net debt to EBITDA	2.3	2.0	1.8	2.1	1.9
Int. Coverage (EBIT/ Int.)	4.2	5.9	3.9	3.4	3.5

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Disclosure of Interest Statement	Siyaram Silk Mills
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	Yes
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*

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