

# EID Parry India Limited

**Target:** ₹ 282

**BUY**

*for private circulation only*

**Company Description:** Established in 1788, EID Parry India Limited (EPIL) is a leading manufacturer of Sugar with other interests in promising areas of Bio Pesticides and Nutraceuticals. The company also has a significant presence in Farm Inputs business through its subsidiary, Coromandel International Limited. EID Parry became the part of the Murugappa group in 1981, one of the largest business conglomerates in Southern India.

EID Parry together with its subsidiaries has around 9 **Sugar** factories having a capacity to crush 32,500 tons of cane per day and to generate 146 MW of power; and four distilleries having a capacity of 230 KLDP. In the **Bio Pesticides** business, the company offers a unique neem extract, Azadirachtin, having a good demand in the developed countries' bio pesticide markets. In the **Nutraceuticals** business, it holds a strong position in the growing wellness segment mainly catering to the world markets with its organic products.

It has operations mainly in South India. In Tami Nadu, it has Sugar and co-generation facilities at four locations viz. Nellikuppam, Pugalur, Pettavaittalai, and Pudukottai while sugar factory at Puducherry. In Karnataka it has Sugar and co-generation facilities at three locations viz. Bagalkot, Haliyal and Ramdurg and in Andhra Pradesh (Sankili) at one location. Its distilleries are based in Nellikuppam and Sivagangai (Tamil Nadu), Sankili (Andhra Pradesh), and Haliyal (Karnataka).

- ❖ **Subsidiaries:** The company's subsidiaries include Parry Chemicals Limited, Parry America Inc., Coromandel Bathware Limited, Coromandel International Limited, Parry Infrastructure company Pvt. Ltd., Parrys Investments Limited, Parrys Sugar Limited, Parry Phytoremedies Pvy. Ltd., CFL Mauritius Limited, Coromandel Brasil Limitada and Sadashiva Sugars Limited. In October 2009, the Company acquired 76% stake in Sadashiva Sugars Limited (SSL).
- ❖ **Joint Venture:** Silkroad Sugar Private Ltd. The company has 50% stake in Silkroad Sugar, a joint venture with Geneva based Cargill International. It is setting up a port-based, SEZ of six lakh tons a year sugar refinery and a 35 MW power plant at Kakinada.

**Initiating coverage with an FY11 earnings estimate of ₹ 24.35** - We are initiating coverage of EID Parry India Limited (EPIL) with earning estimates of ₹ 24.35 per share in FY12 and ₹30.43 per share in FY13 backed by the company's improved operational results in the latest fourth quarter and full year. The company has well established position in the sugar market in South India due to locational advantages enjoyed by its mills. The management has adopted inorganic growth route to enhance its capacity – which currently stands at about 32,500 TCD, combined with its strong operational expertise. We believe such factors and integrated operations of EPIL supports its resilience to the cyclicity associated with sugar industry and thus reduces the company's vulnerability to any adverse conditions. Asides this, with the global prices of sugar firming up, the outlook on the entire sector has vastly changed, putting India in an advantageous position. All this presents an opportunity for the company to further enhance its top-line and profitability in the longer term.

**We believe the stock offers good investment opportunity for investors looking at medium to long-term investment. At the current price, EPIL is trading at 9.25x P/E of FY12E. Considering this, we expect that the company will keep its growth story in the coming quarters also and recommend "BUY" with a target price of ₹ 282 (rounded off to nearest decimal places).**

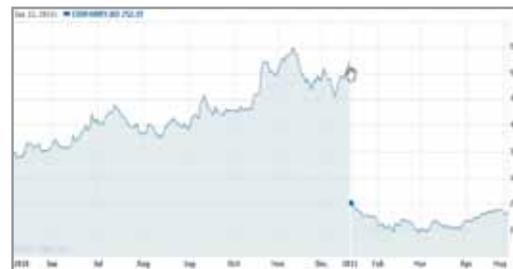
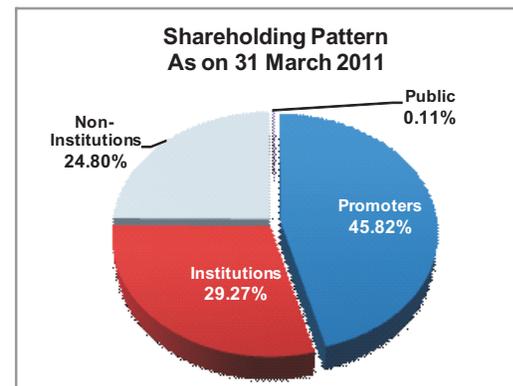
## Stock Statistics

As on May 18, 2011

CMP (₹)	220.00
Face Value (₹)	1
BSE Sensex	18,086.20

Market Cap (₹ Crore)	3,810.40
52 Wk Hi/Lo (₹)	289.90/174.50
Average Daily Vol (3 M)	25,125

<b>RATIOS (TTM)</b>	2011
Price Earning (P/E)	12.2
Price to Cash EPS	5.58
EV/Sales	0.65
EV/EBITDA	5.13



Source: Yahoo Finance

## Historical Prices

	1M	3M	12M
Price ₹	230.70	218.20	183.63
Gain/Loss	-4.64%	0.82%	19.81%

## Investment Thesis

**An opportunity to leverage from strong relationship**

**Flagship company of Murugappa Group:** EPIL is part of the US \$3-billion Murugappa group (based in Tamil Nadu), one of the largest business conglomerates in Southern India. The Group is a well known market leader in diverse areas of business including Engineering, Finance, General Insurance, Cycles, Sugar, Fertilizers, Bio-products etc; its 29 businesses have manufacturing facilities spread across 13 states in India. Leveraging on this strong relationship, EPIL has itself evolved into a well diversified high performing company with core interests in - Farm Inputs, Sugar, Bio-products and Nutraceuticals. And it has been a pioneer and trendsetter in all these business areas.

**Presence in Southern India gives EPIL a longer crushing season:** EPIL now has 9 sugar plants spread across South India with a combined capacity of 32,500 TCD. The climatic conditions in Southern India not allows EPIL to enjoy certain geographical advantages like good soil conditions, abundant water but also gives access to a longer crushing season of 240 days per annum, as against 160-175 days in the northern part of the country. This helps EPIL to achieve better capacity utilization than players in the North. The longer crushing season also results in higher production of molasses and bagasse, which are raw materials for distillery and co-generation divisions, respectively.

### EPIL Operating Days

Particulars	2007-08	2008-09	2009-10	2010-11 (est)
Cane Registration (In acres)	92,261	97,147	94,553	1,73,000
Cane crushed (Mn MT) *	4.23	3.37	2.55	5.30
Recovery %	9.06	9.52	8.89	10.30
Process loss	1.91	1.89	1.89	1.85
<b>No of Operating Days</b>				
In season	278	204	158	150 - 240
Off season			40	45 - 50

Cane crushing: EPIL 3.6, Sadashiv-0.4, PSIL-1.4

**EPIL – one of the largest sugar producers in Tamil Nadu.**

**Fast-tracked growth through synergies of operation**

**Inorganic growth route to enhance capacity:** EPIL, with the recent acquisitions of Sadashiva Sugars Ltd (SSL) and Parry Sugar Industries Ltd (PSIL) has emerged as a large integrated sugar producer, with sugarcane crushing capacity of 32,500 tons per day (TPD), co-generation capacity of 146 megawatts (MW), and distillery capacity of 230 kilolitres per day (KLPD). Going forward, the scale and integrated operations of the company will supports its resilience to the cyclicity associated with the sugar industry. The acquisition of mills of SSL in 2009 (one unit in Karnataka) and PSIL in 2010 (two units in Karnataka and one in Andhra Pradesh) will reduced EPIL's vulnerability to adverse regional agro-climatic conditions. Since company's existing units, and those of SSL and PSIL, are located close to ports, thus it enables the company to process imported raw sugar during periods of low sugarcane availability in India- keeping it profitable with its continuous operation.

### Capacities and Operating Parameters

**Sugar: 32,500 TCD**

Sugar Tons crushed per day (TCD)	2007-08	2008-09	2009-10	2010-11 (est.)
Nellikuppam	5,000	6,000	6,000	6,000
Pugalur	4,000	4,000	4,000	4,000
Pettavaithalai	2,500	3,000	3,000	3,000
Pudukottai	4,000	4,000	4,000	4,000
Puducherry	2,000	2,000	2,000	2,000
<b>Tamil Nadu &amp; Puducherry</b>	<b>17,500</b>	<b>19,000</b>	<b>19,000</b>	<b>19,000</b>
Sankili				5,000
<b>Andhra Pradesh</b>				<b>5,000</b>
Bagalkot			2,500	2,500
Haliyal				3,500
Ramdurg				2,500
<b>Karnataka</b>			<b>2,500</b>	<b>8,500</b>

Source: Company Data as per December 2010

**Operational Efficiency:** EPIL's consolidated gross income has grown at a CAGR of 26.2% between FY06 and FY11 respectively. It has also been generating positive cash flows year after year during the past three years. The company had a cash surplus of ₹1,028.16 crores as on 31 March 2011 while its debt equity ratio stood at 1.45x. We believe EPIL will ride the upturn in the sugar cycle, driven by its sound financial structure and capacity enhancements of its scale and integrated operations in a move to generate increasing profits at a longer run.

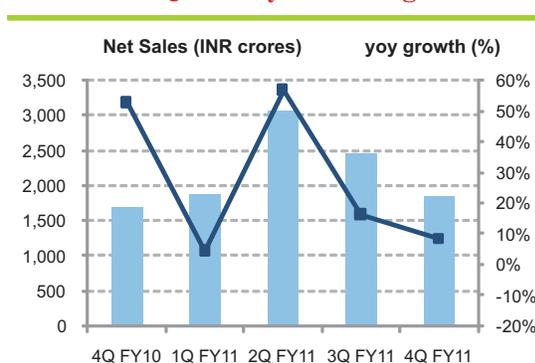
**Sound Financial health amid rising margins**

**Financial Highlights**

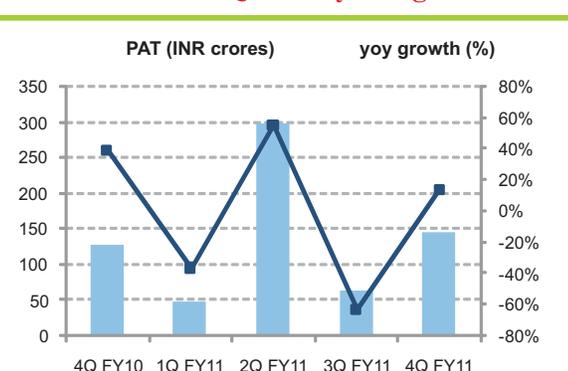
**Bottom-line improves amid operational efficiency:** EPIL's consolidated fourth quarter net profit (PAT before extraordinary items) reported a jump of 14% to ₹ 145.65 crores against INR 127.91 crores last year. Operational efficiency and increase in sale of investments (₹ 22.14 crores) and other income have resulted in the profit growth for the company. However, net profit for the full fiscal year fell marginally (2% yoy) over the previous year to ₹ 555.04 crores (₹ 567.20 crores) owing to high sugarcane prices and low sugar prices during the period under review. The company's total income in the quarter ended March 31, 2011 rose by 11% yoy to ₹ 1,919.05 crores as against ₹ 1,723.33 crores in the year-ago period. For FY11, the total income climbed 22% yoy to ₹ 9,363.10 crores.

**Fourth quarter PAT climbs 14%**

**EPIL: Quarterly Net Sales growth**



**EPIL: Quarterly PAT growth**



Source: Company

The consolidated turnover (Net Sales) for 4Q FY11 stood at ₹1,840.77 crores compared to ₹ 1,697.80 crores in the year ago period. For FY11, net sales increased from ₹ 7,555.66 crores to ₹ 9,230.77 crores.

**Margins declined at Farm Input segment**

**Segmental Performance:** Saving Farm input division, output from both Sugar division and Bio-Products division witnessed a robust increase in the fourth quarter. However, sales from Farm Inputs division fell by 15% and profit by 30%. Through its subsidiary Coromandel International Ltd., EPIL retains a significant presence in the area of Farm Inputs.

**Farm Inputs:** During the quarter, Farm Inputs division registered a gross income from operations of ₹ 1,178.57 crores as against ₹1,380.48 crores in the corresponding quarter of previous year. Simultaneously, profit (PBIT) from the division came at ₹100.63 crores as compared with ₹ 144.22 crores in the year ago period.

(Figures in INR crores)	Q4 FY11	Q4 FY10	% yoy	FY 11	FY 10	% yoy
Net Sales	1,178.57	1,380.48	-15%	7,527.95	6,453.05	17%
Profit before Tax (PBT)	100.63	144.22	-30%	1,072.54	786.78	36%
Capital Employed	3,702.03	3,633.96	2%	3,702.03	3,633.96	2%

Source: Company

**Higher realization led to growth**

**Sugar (including Subsidiaries):** Sales from the EPIL's sugar division more than doubled in the March quarter ending 2011 to ₹ 561 crores. The Sugar business reported a profit (PBT) of ₹ 61.53 crores during the period versus ₹ 34.95 crores last year. During the fourth quarter, about 22.58 lakh tons of cane was crushed as compared to 14.61 lakh tons in the corresponding period of 2009-10. Sugar production was at 2,32,702 MT (1,37,790 MT) (including processing of raw sugar). The Power exported during the quarter was 1,464 lakh units to the Grid compared to 1256 lakh units last year.

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Source: Company

**Bio-products:** The Bio-products division (comprising of Bio-Pesticides and Nutraceuticals) reported a profit (PBT) of ₹ 5.27 crores for the quarter against ₹ 5.35 crores last year. During next 2-3 years, the Company expects the revenue from Bio products to jump at ₹ 400 to ₹ 500 Crore as commented by the management during Analysts' conference call.

(Figures in INR crores)	Q4 FY11	Q4 FY10	% yoy	FY 11	FY 10	% yoy
<b>Co-generation</b>						
Net Sales	82.10	38.25	115%	212.66	118.25	80%
Profit before Tax (PBT)	31.17	5.48	469%	30.92	8.42	267%
Capital Employed	520.81	382.90	36%	520.81	382.90	36%
<b>Bio-products</b>						
Net Sales	50.34	31.85	58%	151.15	77.23	96%
Profit before Tax (PBT)	5.27	5.35	-1%	5.84	7.53	-22%
Capital Employed	169.21	101.18	67%	169.21	101.18	67%

Source: Company

**Developments during the FY11:** Some of the important highlights during the fiscal year are stated below:

- **Stock Split:** Effective from 24 December 2010, the company subdivided the nominal value of equity shares from ₹ 2 per share to ₹ 1 per share.
- **Acquisitions:** EPIL acquired 65% stake in GMR Industries Limited (GMR), the agri-business entity of GMR Group (Halyal, Ramdurg, Sankili in Karnataka & Andhra). With this acquisition, GMR becomes a subsidiary of EPIL with effect from 27 August 2010. The name has been changed to Parry Sugar Industries Ltd.

#### Brief snapshot of major subsidiaries:

##### 1) Coromandel International Limited (CIL)

##### 2) Parry Sugar Industries Limited (PSIL)

**Coromandel International Limited:** With its headquarters in Hyderabad, CIL is a leading manufacturer of farm inputs, which include fertilisers, pesticides, and specialty nutrients. The company markets around 2.9 million tons of phosphatic fertilisers, making it a leader and the second largest phosphatic fertiliser player (market share ~17% in FY10) in India after IFFCO. Besides, it has also ventured into retail business with over 425 rural retail centres (Mana Gromor Centres) in agri and lifestyle segments. CIL's fertilizer products are sold under the brand name of Gromor, Godavari, Paramfos, Parry Gold and Parry Super.

**Presence:** CIL has about eight Manufacturing facilities located in Andhra Pradesh, Tamil Nadu, Maharashtra, Gujarat and Jammu and Kashmir. Its **Fertilizer plants** are located at Kakinada and Visakhapatnam (Vizag) in Andhra Pradesh, and Ranipet and Ennore in Tamil Nadu and **Crop protection plants** are located at Ranipet in Tamil Nadu, Navi Mumbai in Maharashtra, Ankleshwar in Gujarat and Jammu in J&K.

Its products are marketed across the country through an extensive network of dealers. On the revenue front, the company clocked a turnover of ₹ 7,528 crores in FY11 (US \$ 1.68 billion as on March 31, 2011).

**Parry Sugar Industries Limited:** A subsidiary of EID Parry, Parry Sugar Industries Limited (PSIL) is a distinguished and rapidly expanding sugar producer in India. Post acquisition, the company name has been changed from GMR Industries to Parry Sugar from November 15, 2010. It operates in three business segments **Sugar, Power and Distillery**.

PSIL has three fully-integrated sugar complexes with a combined crushing capacity of 11,500 tons of cane per day (TCD), located at - Sankili in Andhra Pradesh, Haliyal and Ramdurg in Karnataka. The company is registered and incorporated at Bangalore (Karnataka).

### Key risks

**Regulation of sugar industry in India:** Sugar is regulated at the central and state levels. Hence it is also subject to conflicts that arise from diverse perspectives at the two levels. While the probability of sugar decontrol is very high currently, it remains to be seen whether it turns into a reality.

**Capacity utilization:** Sugar being a seasonal business, cane is available for crushing during 7/8 months in a year. Non-availability of cane leads to under utilization of sugar plant and cogeneration plant capacities.

### Subdivision of equity shares

### EPIL holds 62.9% stake in CIL

### EPIL has a holding of 65% in PSIL

### Cyclicality of Sugar Industry

**Government regulations – levy quota, import duty**

**Increase in prices of raw material**

**Sugar production for SS 10-11 estimated at 25 MT**

**International trade barriers:** Sugar is an agriculture commodity and as such is highly susceptible to international trade barriers and other governmental controls and regulations.

**Business risks for Bio Pesticides:** (i) Dependence on single product - A substantial proportion of the products sold by the division is made from Aza (taken from neem seed). (ii) Raw material price and procurement: Neem seed trade is unorganized, with no government support, no new plantations and unlawful felling of trees. Thus any increase in neem seed price is a cause of concern.

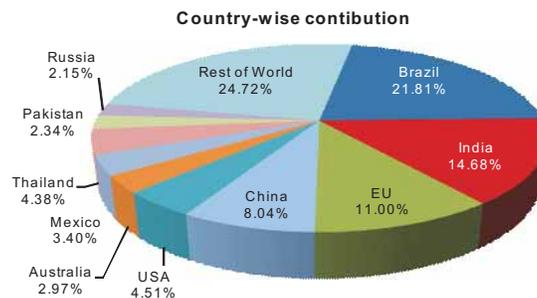
**Business risks for Nutraceuticals:** The major risks faced by the Nutraceuticals business include (i) Sourcing of raw materials, (ii) Currency risks: The Nutraceuticals business is largely export oriented. The division operates in multiple markets with multiple currencies, hence exchange fluctuations have a direct impact on the income. (iii) Increasing Regulatory Issues across the world for the Nutraceuticals products.

**Industry Outlook**

**Indian Sugar Industry:** India is one of the top producers of Sugar after Brazil and the biggest consumer of sugar in the world, with its annual consumption of about 23 million tons.

The Indian sugar industry is the 2<sup>nd</sup> largest agro based industry, next to textile in the country-with approximately 50 million sugarcane farmers and large number of agricultural laborers (7.5% of rural population) involved in sugarcane cultivation and ancillary activities.

**The Indian sugar industry enjoys an annual turnover of ₹ 700 billion and contributes more than ₹ 22.50 billion annually to the Central and state Exchequers as tax, cess and excise duty.** There are almost 582 sugar factories with an aggregate capacity of 197.97 lakh ton.



**Raw Material:** In India, sugarcane is the key raw material, planted once a year during January to March. It is the major cost driver for the production of sugar, accounting for almost 75%-80% of the operating cost of the sugar industry. The sugarcane growing areas may be broadly classified into two agro-climatic regions-subtropical and tropical.

*Maharashtra & Uttar Pradesh are the main cane producing states. These two states, together account for ~62% of the total sugar produced in India.*

**Sub Tropical zones**  
Uttar Pradesh  
Uttaranchal  
Bihar  
Punjab  
Haryana

**Tropical zones**  
Maharashtra  
Andhra Pradesh (AP)  
Tamil Nadu (TN)  
Gujarat  
Karnataka

**Reduction in levy quota from 20% to 10% to benefit sugar mills**

**Industry Structure:** About 50% of the sugar capacity is controlled by Cooperatives & Public sector mills. There are 582 sugar mills installed in the country, of which about 100 (mostly cooperatives) are not in operation. Almost half of the operational sugar cooperatives are in Maharashtra alone. Though most private players have been moving towards

larger and integrated complexes, most cooperatives are still much smaller in capacity, and are standalone sugar mills. This has resulted in their becoming uncompetitive as compared to private mills.

**Sugar Production:**

India's Sugar production has increased by 24% to 21.8 million tons (MT) till February 15 of the 2010-11 sugar season, according to the

**India Sugar Balance (million tons)**

Particulars	SS	SS	SS	SS
	2007-08	2008-09	2009-10	2010-11E
Opening Stock	11	10.5	4.4	5.0
Production	26.3	14.6	18.9	25.5
Imports	0	2.5	4.1	-
Consumption	21.9	23	21.5	23.0
Exports	4.9	0.2	0.2	
Closing Stock	10.5	4.4	5.7	
Stock to consumption ratio %	48	20	27	

Source: Indian Sugar Mills Association (ISMA), Data as on October 2010, SS: Sugar Season

industry body (ISMA). Comparatively, the Sugar output was 17.58 MT in the same period last season. The sugar season runs from October to September.

*The Industry has pegged India's sugar output at 25 MT for the 2010-11 sugar years, as against country's demand of 22 MT, while the government's production estimate is marginally lower at 24.5 MT for the same period.*

### State-wise: Mills Sugar Production

(Figures in 100,000 tons crystal weight basis)

State	2008/09 Final	2009/10 Revised	2010/11 Revised	2011/12 Forecast
Andhra Pradesh	5.9	5.2	7.0	8.0
Bihar	2.1	2.6	3.0	3.0
Gujarat	10.1	11.9	13.0	14.0
Haryana	2.3	2.5	3.0	5.0
Karnataka	16.5	25.6	33.0	34.0
Maharashtra	45.8	70.7	93.0	93.0
Punjab	2.4	1.8	3.0	4.0
Tamil Nadu	16.0	12.8	17.0	23.0
Uttar Pradesh	40.6	51.8	62.0	64.0
Others	3.5	4.4	6.0	7.0
<b>Total</b>	<b>145.38</b>	<b>189.12</b>	<b>240.00</b>	<b>255.00</b>

Source: ISMA, FAS/New Delhi Estimate

\* Excludes Khandasari sugar

### Stable outlook for Indian Sugar sector in 2011:

The year 2011 is said to bring a consolidation phase for the Indian sugar sector and expects the sector to have a stable outlook. According to a report by credit rating agency, Fitch, the Indian sugar companies will benefit from positive sugar margins as a result of lower sugarcane costs and stable sugar prices. Cash flows will also benefit from increased contribution from the sugar by-product businesses, namely distillery and co-generation

operations. However, sugarcane availability and the regulated nature of the industry are key concerns that continue to weigh on the Indian sugar sector, and could impact the sector's outlook.

**Decision on Indian sugar Industry deregulation:** The much pressed-for proposal on Indian sugar industry deregulation is under Government consideration. The decision, if positive, can pose challenges and opportunities for the sector. Currently imports are allowed in the industry but not exports. Mills sell 10% of their produce to government at a subsidy. Additionally government controls the open sugar market sales and the mills are forced to comply leaving them no chances in setting price

### Peer Comparison and Valuation

EID Parry Limited (EPIL) is the flagship company of Murugappa group and it is fully integrated sugar manufacturing company. The company has sugar operations in South India and that gives them an advantage of a longer - season of about 240 days compared to the national average.

Meanwhile, the company also has started inorganic growth process by acquiring smaller sugar manufacturing companies by adding to their capacity and the fact that it has a – capacity of about 32,500 tons of sugarcane per day, the company is well placed to take advantage in the coming future.

One of the key growth segments for EPIL is its sugar vertical-the output of which has more than doubled in the fourth quarter ending March 2011. We believe, given the positive outlook for the Sugar sector as affirmed by the Fitch credit rating agency, the company can sustained its performance in the future term. Higher domestic output and the government's determination to keep prices (levy quota reduced to 10%) under check are also the two main reasons, the company can bank upon this current sugar season (October 2010-September 2011).

More than the prospects of sugar, the main rationale behind recommending EPIL stock is the 62.9% stake it holds in Coromandel International Limited-India's largest phosphetic fertilizer manufacturer. EID Parry's investment book provides support to its valuations even if its sugar turnaround is delayed. The market capitalization (₹ 3,764 crores) of EPIL is lower than the market capitalization of (₹ 8,798 crores) its subsidiary Coromandel International (CIL). EPIL's 62.9% stake in CIL alone is valued at ₹5,530 crores at current market prices (₹ 312 per share). This alone translates into the fact that businesses of EPIL are available virtually free.

We are initiating coverage with a "BUY" rating on EPIL with a price target of ₹ 282 (rounded off two decimal places) derived using a discounted cash flow (DCF) model to value the stock. Our calculations show that the stock is trading at 28% discount from its calculated fair market value. Thus, EPIL valuations on the street appear attractive with healthy yield and growing profits. We believe the stock offers good investment opportunity for investors looking at long-term investment.

**Recovery phase  
for Sugar  
Companies**

**Huge value  
unlocking  
potential from  
subsidiary  
companies**

EID PARRY								
Company	BSE Symbol	Price	Market Cap.	Sales (INR crores)	Book Value	EPS	P/B*	P/E*
<b>EID Parry India Ltd.</b>	<b>500125</b>	<b>220.25</b>	<b>3,823.39</b>	<b>9,230.77</b>	<b>132.37</b>	<b>18.06</b>	<b>1.66</b>	<b>12.20</b>
Shree Renuka Sugars	532670	60.15	4,128.50	7,800.10	34.86	10.75	1.73	5.60
Dhampur Sugar *	500119	52.25	281.66	1,548.55	90.75	-	-	-
Bajaj Hindusthan	500032	68.65	1,567.67	3,028.98	149.68	2.70	0.46	25.43
Andhra Sugar	590062	97.60	264.57	470.03	152.25	13.05	0.64	7.48

Source: AceEquity

As per latest consolidated results available

As on 16 May 2011

\* Dhampur: Accounting yr extended till March 2011. num. yet to be filed

**note: Market price is the reflection of EID's integrated business segment; so it may not be comparable.**

## Income Statement

<b>Annual Income Statement</b>							
<i>All figures in INR crore except share data</i>							
<i>FY ending - March</i>	March FY 08	March FY 09	March FY 10	March FY 11	March FY 12E	March FY 13E	March FY 14E
Net Sales	2,785.71	2,909.03	3,986.64	0.00	0.00	0.00	0.00
Government Subsidies	1,623.31	7,249.36	3,564.20	0.00	0.00	0.00	0.00
<b>Total</b>	<b>4,409.02</b>	<b>10,158.39</b>	<b>7,550.84</b>	<b>9,230.77</b>	<b>11,861.54</b>	<b>14,826.92</b>	<b>17,569.91</b>
Income from Business Assitance Agreement	0.00	158.59	0.00	0.00	0.00	0.00	0.00
<i>Add: Sales - Share in joint venture</i>	172.59	0.00	6.67	0.00	0.00	0.00	0.00
Other income	95.09	1,015.95	198.14	132.33	145.56	160.12	176.13
<b>Total Income</b>	<b>4,676.70</b>	<b>11,332.93</b>	<b>7,755.65</b>	<b>9,363.10</b>	<b>12,007.10</b>	<b>14,987.04</b>	<b>17,746.04</b>
<b>Expenditure</b>							
Material Cost	3,365.50	8,406.13	5,503.16	6,815.60	8,765.18	11,052.94	13,132.07
Employee Cost	165.48	188.02	231.33	280.58	372.22	464.60	576.75
Other Cost	651.31	843.10	910.46	1,188.01	1,440.85	1,873.38	2,262.62
<b>Total Expenditure</b>	<b>4,182.29</b>	<b>9,437.25</b>	<b>6,644.95</b>	<b>8,284.19</b>	<b>10,578.26</b>	<b>13,390.92</b>	<b>15,971.43</b>
<b>EBITDA</b>	<b>494.41</b>	<b>1,895.68</b>	<b>1,110.70</b>	<b>1,078.91</b>	<b>1,428.85</b>	<b>1,596.12</b>	<b>1,774.60</b>
Depreciation	103.02	106.45	133.31	174.19	186.99	204.73	226.99
<b>EBIT</b>	<b>391.39</b>	<b>1,789.23</b>	<b>977.39</b>	<b>904.72</b>	<b>1,241.85</b>	<b>1,391.39</b>	<b>1,547.61</b>
Net Interest expenses	101.92	114.72	127.14	201.46	235.30	225.50	259.32
<b>PBT</b>	<b>289.47</b>	<b>1,674.51</b>	<b>850.25</b>	<b>703.26</b>	<b>1,006.55</b>	<b>1,165.90</b>	<b>1,288.29</b>
<b>Provision for tax</b>							
Current tax	133.77	453.27	261.32	268.28	342.23	396.40	444.46
<b>Total Tax</b>	<b>106.49</b>	<b>511.02</b>	<b>283.05</b>	<b>268.28</b>	<b>342.23</b>	<b>396.40</b>	<b>444.46</b>
<b>PAT</b>	<b>182.98</b>	<b>1,163.49</b>	<b>567.20</b>	<b>555.04</b>	<b>664.32</b>	<b>769.49</b>	<b>843.83</b>
<i>Share of Associates/Joint Venture of subsidiary</i>	0.00	(2.84)	(3.51)	0.00	0.00	0.00	0.00
<i>Adjustment on consolidation</i>	0.00	0.00	(0.28)	0.00	0.00	0.00	0.00
<i>Minority Interest</i>	(78.25)	(206.57)	(169.81)	(242.76)	(242.76)	(242.76)	(242.76)
<b>Reported PAT (after extraordinary items)</b>	<b>104.73</b>	<b>954.08</b>	<b>393.60</b>	<b>312.28</b>	<b>421.56</b>	<b>526.73</b>	<b>601.07</b>
Weighted average no. of shares - Basic	89,248,515	88,946,001	173,092,316	173,092,316	173,092,316	173,092,316	173,092,316
<b>EPS - Basic (After Extraordinary items)</b>	<b>INR 11.73</b>	<b>INR 107.27</b>	<b>INR 22.84</b>	<b>INR 18.06</b>	<b>INR 24.35</b>	<b>INR 30.43</b>	<b>INR 34.73</b>

## Key Ratios

Particulars	March FY10	March FY09	March FY08	Particulars	March FY10	March FY09	March FY08
<b>Key ratios</b>				<b>Valuation Ratios</b>			
Debt-Equity Ratio	1.65	1.49	1.52	Adjusted Price Earning (P/E)	7.46	1.31	14.79
Total Debt/Market Cap	2.05	3.83	2.09	Price to Book Value ( P/BV)	1.61	0.78	1.46
Current Ratio	3.6	2.37	2.38	EV/Net Sales	0.65	0.30	0.65
<b>Turnover Ratios</b>				EV/EBIDTA	4.41	1.65	6.01
Assets	1.51	2.76	1.87	Market Cap/Sales	0.39	0.12	0.34
Inventory	5.49	7.98	5.49				
Debtors	31.88	47.25	19.96				
Interest Cover Ratio	7.69	15.6	3.84				
ROCE (%)	19.41	47.71	15.74				
ROA (%)	11.25	30.96	7.34				

Source: Ace Equity

## Balance Sheet

Annual Balance Sheet All figures in INR crore FY ending -March	March FY 08	March FY 09	March FY 10	March FY 11E	March FY 12E	March FY 13E	March FY 14E
<b>Gross Block</b>	1,967.67	2,353.39	2,706.76	3,946.20	4,346.31	4,853.04	5,409.59
Acc. Depreciation	702.91	787.97	914.07	1,088.26	1,275.25	1,479.98	1,706.97
<b>Net Block</b>	1,264.76	1,565.42	1,792.69	2,857.94	3,071.06	3,373.05	3,702.62
<b>Share in joint ventures</b>	70.13	122.90	198.92	0.00	0.00	0.00	0.00
<b>Capital Work-in-Progress at cost</b>	102.08	97.89	182.15	0.00	0.00	0.00	0.00
<b>Goodwill on consolidation</b>	0.00	0.00	4.02	106.75	106.75	106.75	106.75
<b>Investments</b>	122.17	537.35	588.28	232.94	232.94	232.94	232.94
<b>Current assets:</b>							
Inventories	1,085.02	1,518.49	1,263.27	2,194.01	2,600.44	3,222.73	3,627.24
Sundry Debtors	211.32	228.54	250.23	398.98	714.94	974.92	1,107.14
Cash & Bank Balances	191.29	515.07	1,050.20	1,028.16	1,285.24	1,917.04	2,784.62
Interest accrued on deposits	0.92	0.68	1.97	9.22	9.22	9.22	9.22
Other Current Assets	279.03	880.29	859.96	436.01	436.01	436.01	436.01
Loans and Advances	761.89	1,199.78	833.89	1,392.61	1,392.61	1,392.61	1,392.61
<b>Total Current Assets</b>	2,529.47	4,342.85	4,259.52	5,458.99	6,438.46	7,952.53	9,356.84
Miscellaneous Expenditure	3.21	2.00	0.95	0.08	0.08	0.08	0.08
<b>Total Assets</b>	4,091.82	6,668.41	7,026.53	8,656.70	9,849.29	11,665.35	13,399.23
<b>Shareholders' Funds</b>							
Equity Share Capital	17.85	17.22	17.27	17.32	17.32	17.32	17.32
Reserves & Surplus	1,003.44	1,541.80	1,759.13	2,273.92	2,938.24	3,707.73	4,551.57
Capital Reserve on consolidation	50.39	50.39	50.39	0.00	0.00	0.00	0.00
<b>Total Shareholders Funds</b>	1,071.68	1,609.41	1,826.79	2,291.24	2,955.56	3,725.05	4,568.89
<b>Minority Interest</b>	297.45	534.31	718.61	731.20	731.20	731.20	731.20
<b>Loan Funds</b>							
Secured Loans	958.93	810.55	1,340.66	0.00	0.00	0.00	0.00
Unsecured Loans	656.28	1,578.29	1,665.44	0.00	0.00	0.00	0.00
<b>Total</b>	1,615.21	2,388.84	3,006.10	3,323.45	3,921.67	4,509.92	5,186.41
Deferred Tax Liability	141.94	188.35	224.22	212.80	212.80	212.80	212.80
<b>Current liabilities &amp; Provisions:</b>							
Current Liabilities	913.59	1,834.59	1,183.30	2,055.24	1,985.28	2,443.61	2,657.17
Current Liabilities	51.95	112.91	67.51	42.77	42.77	42.77	42.77
<b>Total Current Liabilities</b>	965.54	1,947.50	1,250.81	2,098.01	2,028.05	2,486.38	2,699.94
<b>Total Liabilities and SE</b>	4,091.82	6,668.41	7,026.53	8,656.70	9,849.29	11,665.35	13,399.23

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Chander Vihar	Pitampura (CD Plaza)	Hissar	Aligarh	Dehradun (Arya Nagar)
East Patel Nagar	Pitampura (KD Market)	Mahender Garh	Baghpat	Haridwar
Hauz Kazi	Pushp Vihar	Panipat	Meerut (Samrat Palace)	Kotdwar
Inder Puri - I	Rohini	Rohtak	Meerut (Delhi Road)	
Inder Puri - II	Rohtak Road	Sonepat	Varanasi	<b>West Bengal</b>
Janak Puri	Shahadra			Kolkata
Kalkaji	Shastri Nagar	<b>Punjab</b>	<b>Bihar</b>	
Karol Bagh	Sheikh Sarai	Amritsar	Balia	<b>Mumbai</b>
Najafgarh	Siddharth Extension	Barnala	Darbhanga	Borivali
Naya Bazar	Vikaspuri	Jalandhar		
Netaji Subhash Place				

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