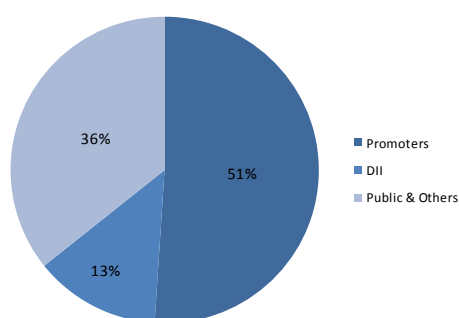


**Key Share Data**

Face Value (INR)	10.0
Equity Capital (INR mn)	103.1
M.Cap (INR mn)	4640.0
52-wk High/Low (INR)	675/381
Avg. Daily Vol	7516
BSE Code	506579
NSE Code	--
Reuters Code	ORCR.BO
Bloomberg Code	OTCC:IN

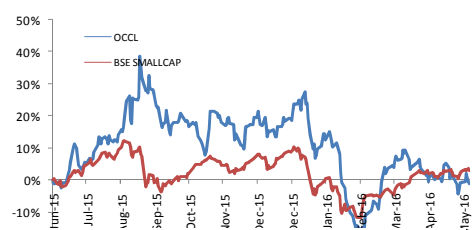
**Share Holding Pattern (as on Mar 31, 2016)**

**Key Financials (INR Million)**

Particulars	FY15	FY16	FY17E	FY18E
Net Sales	3,468.0	3,381.5	3,380.9	3,887.1
Growth (%)	4.8%	-2.5%	0.0%	15.0%
EBITDA	681.9	817.9	945.1	1,100.9
PAT	482.9	495.4	546.0	581.7
Growth (%)	13.9%	14.7%	16.1%	15.0%
EPS (INR)	46.9	48.1	53.0	56.5
BVPS (INR)	237.1	275.0	320.2	367.7

**Key Financials Ratios**

Particulars	FY14	FY15	FY16	FY17E	FY18E
P/E (x)	11.4	9.6	9.4	8.5	8.0
P/BVPS (x)	2.2	1.9	1.6	1.4	1.2
Mcap/Sales (x)	1.4	1.3	1.4	1.4	1.2
EV/EBITDA (x)	7.9	7.8	6.3	5.7	5.0
ROCE (%)	18.5%	15.8%	17.8%	17.5%	15.8%
ROE (%)	19.6%	19.8%	17.5%	16.6%	15.4%
EBITDA Mar (%)	20.8%	19.7%	24.2%	28.0%	28.3%
PAT Mar (%)	12.3%	13.1%	13.6%	16.1%	15.0%
Debt - Equity (x)	0.5	0.3	0.2	0.3	0.4

Source: Company, SKP Research

**Price Performance OCCL vs BSE SMALLCAP**

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**Company Background**

Oriental Carbon & Chemicals Ltd (OCCL), part of Duncan JP Goenka Group led by Mr Arvind Goenka, Managing Director, entered into manufacturing of Insoluble Sulfur (IS), a rubber vulcanizing agent used by radial tyre manufacturers and sold under 'Diamond Sulf' brand, in 1994. Currently, it has a capacity to produce 23,000 MTPA of IS at its plants at Dharuhera, Haryana and Mundra, Gujarat. Not only OCCL is India's only producer of IS, it commands a ~50% domestic market share and is amongst the only three globally recognised players in IS, with ~10% market share. Sulfuric Acid and Oleum are its other products. Schrader Duncan Ltd, its subsidiary, is engaged in the manufacturing of automotive tyre valves and pneumatic products such as hydraulic and pneumatic cylinders, pneumatic valves and accessories.

**Investment Rationale**
**Chemical business topline to grow at a CAGR of ~9.4% over FY16-FY18E:**

- OCCL's topline from chemical business witnessed a de-growth of 8.3% during Q4FY16 to Rs 693.7 mn vis-à-vis Rs 756.3 mn during corresponding quarter last year on the back lower offtake, lower realisation due to sustained reduction in input cost & unfavourable exchange fluctuations. The Company's standalone revenue de-grew by 2.8% to Rs 2,747.2 mn during FY16. SDL also reported de-growth of 1% in the revenues to Rs 635.1 mn during FY16. **The Company discontinued its loss making business of tyres and auto valves w.e.f April 01, 2016.**
- Going forward, we expect OCCL's standalone revenue to touch Rs 3,411 mn by FY18E growing at a CAGR of ~11.4%

**Margins set to scale-up with improving utilization and low fuel cost:**

- During Q4FY16, OCCL's chemical business reported a marginal de-growth in EBITDA margin by 90 bps on q-o-q basis to 27.5% due rise in employee cost and other expenses. Power & fuel cost as a percentage of sales declined by 140 bps q-o-q to 11.2%. SDL has posted loss of Rs 4.8 mn at EBITDA level during the quarter vis-à-vis Rs 18.4 mn reported during corresponding period last year.

- OCCL is set to improve its capacity utilization to 87% by FY18, on its incremental capacity of 28,500 MTPA. We expect EBITDA margins from chemical business of ~30% by FY18E from 29.5% in FY16.

**Capacity Expansion in-line with growth in market and opportunities:**

- With radialisation of tyres for commercial vehicles yet to start in India, domestic demand for IS is likely to grow faster than tyres.
- OCCL is incrementally enjoying a favourable market positioning as the 'Second Alternate Supplier' in global markets; particularly in the West. With visibility of ~95% capacity utilization, OCCL is proposing to add 11,000 MTPA IS capacity at Mundra with an investment of ~Rs1,400 mn, through mix of debt and internal accruals, to cater to export market. Expansion comprises of two equal phases of 5,500 MTPA each, which are expected to get commissioned in April, 2017 and April, 2018, respectively.
- The Company has successfully commissioned the new boiler with the capex of ~Rs 150 mn, which will result in lower power and fuel cost going forward.

**Valuation**

Given the above factors and a strong and growing customer base with long-term relations augurs well for OCCL. We have valued the stock on the basis of P/E - of 11x of FY18E earnings and **recommend a BUY on the stock with a target price of Rs 621/- (38% upside).**

**Q4FY16 & FY16 Standalone OCCL Result Review**
*(All data in Rs mn unless specified, Y/e March)*

Particulars	Q4 FY16	Q4 FY15	% Change	Q3 FY16	% Change	FY16	FY15	% Change
<b>Net Sales</b>	<b>693.7</b>	<b>756.3</b>	<b>-8.3%</b>	<b>625.7</b>	<b>10.9%</b>	<b>2747.2</b>	<b>2825.7</b>	<b>-2.8%</b>
<b>TOTAL EXPENDITURE</b>	<b>502.9</b>	<b>574.3</b>	<b>-12.4%</b>	<b>448.0</b>	<b>12.3%</b>	<b>1936.5</b>	<b>2112.9</b>	<b>-8.4%</b>
<b>Raw Material Consumed</b>	<b>158.8</b>	<b>241.3</b>	<b>-34.2%</b>	<b>154.7</b>	<b>2.6%</b>	<b>692.2</b>	<b>849.1</b>	<b>-18.5%</b>
% to Sales	22.9%	31.9%	--	24.7%	--	25.2%	30.0%	--
<b>Purchase of traded goods</b>	<b>0.0</b>	<b>1.6</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>1.6</b>	<b>--</b>
% to Sales	0.0%	0.2%	--	0.0%	--	0.0%	0.1%	--
<b>Employee Expenses</b>	<b>97.0</b>	<b>71.6</b>	<b>35.4%</b>	<b>80.6</b>	<b>20.3%</b>	<b>327.8</b>	<b>279.5</b>	<b>17.3%</b>
% to Sales	14.0%	9.5%	--	12.9%	--	11.9%	9.9%	--
<b>Fuel Cost</b>	<b>77.7</b>	<b>83.7</b>	<b>-7.2%</b>	<b>79.0</b>	<b>-1.7%</b>	<b>340.3</b>	<b>403.8</b>	<b>-15.7%</b>
% to Sales	11.2%	11.1%	--	12.6%	--	12.4%	14.3%	--
<b>Other Expenses</b>	<b>169.5</b>	<b>176.1</b>	<b>-3.7%</b>	<b>133.7</b>	<b>26.8%</b>	<b>576.2</b>	<b>578.9</b>	<b>-0.5%</b>
% to Sales	24.4%	23.3%	--	21.4%	--	21.0%	20.5%	--
<b>EBIDTA</b>	<b>190.7</b>	<b>181.9</b>	<b>4.8%</b>	<b>177.6</b>	<b>7.4%</b>	<b>810.7</b>	<b>712.8</b>	<b>13.7%</b>
<b>EBIDTA Margin</b>	<b>27.5%</b>	<b>24.1%</b>	<b>--</b>	<b>28.4%</b>	<b>--</b>	<b>29.5%</b>	<b>25.2%</b>	<b>--</b>
Depreciation	33.8	34.1	-1.0%	33.7	0.1%	156.5	130.8	19.6%
<b>EBIT</b>	<b>156.99</b>	<b>147.8</b>	<b>6.2%</b>	<b>143.93</b>	<b>9.1%</b>	<b>654.2</b>	<b>582.0</b>	<b>12.4%</b>
<b>EBIT Margin</b>	<b>22.6%</b>	<b>19.5%</b>	<b>--</b>	<b>23.0%</b>	<b>--</b>	<b>23.8%</b>	<b>20.6%</b>	<b>--</b>
Other Income	7.1	52.5	-86.5%	27.6	-74.3%	56.9	128.6	-55.8%
Interest	17.6	20.9	-15.5%	16.2	8.8%	63.5	81.0	-21.6%
<b>EBT Before Exceptional Items</b>	<b>146.5</b>	<b>179.5</b>	<b>-18.4%</b>	<b>155.4</b>	<b>-5.7%</b>	<b>647.6</b>	<b>629.6</b>	<b>2.8%</b>
<b>EBT Margin</b>	<b>21.1%</b>	<b>23.7%</b>	<b>--</b>	<b>24.8%</b>	<b>--</b>	<b>23.6%</b>	<b>22.3%</b>	<b>--</b>
Exceptional Items	0.0	0.0	--	0.0	--	0.0	0.0	--
Forex Difference	0.0	0.0	--	0.0	--	0.0	0.0	--
<b>EBT After Exceptional items</b>	<b>146.47</b>	<b>179.5</b>	<b>-18.4%</b>	<b>155.35</b>	<b>-5.7%</b>	<b>647.6</b>	<b>629.6</b>	<b>2.8%</b>
<b>EBT Margin</b>	<b>21.1%</b>	<b>23.7%</b>	<b>--</b>	<b>24.8%</b>	<b>--</b>	<b>23.6%</b>	<b>22.3%</b>	<b>--</b>
Tax	26.3	23.8	10.5%	18.5	41.6%	117.8	116.5	1.1%
Extraordinary Items	0.0	0.0	--	0.0	--	0.0	0.0	--
Prior period taxes written bk.	0.0	0.0	--	0.0	--	0.0	0.0	--
Minority Interest	0.0	0.0	--	0.0	--	0.0	0.0	--
Share of Associate Company	0.0	0.0	--	0.0	--	0.0	0.0	--
<b>Reported Profit After Tax</b>	<b>120.2</b>	<b>155.7</b>	<b>-22.8%</b>	<b>136.8</b>	<b>-12.1%</b>	<b>529.8</b>	<b>513.2</b>	<b>3.2%</b>
<b>PAT Margin</b>	<b>17.3%</b>	<b>20.6%</b>	<b>--</b>	<b>21.9%</b>	<b>--</b>	<b>19.3%</b>	<b>18.2%</b>	<b>--</b>
Diluted EPS (Rs)	11.7	15.1	-22.8%	13.3	-12.2%	51.5	48.8	5.4%

*Source: Company*

**Q4FY16 & FY16 Standalone SDL Result Review**  
(All data in Rs mn unless specified, Y/e March)

Particulars	Q4 FY16	Q4 FY15	% Change	Q3 FY16	% Change	FY16	FY15	% Change
<b>Net Sales</b>	<b>147.9</b>	<b>168.8</b>	<b>-12.4%</b>	<b>138.5</b>	<b>6.7%</b>	<b>635.1</b>	<b>641.4</b>	<b>-1.0%</b>
<b>TOTAL EXPENDITURE</b>	<b>152.7</b>	<b>187.2</b>	<b>-18.4%</b>	<b>139.0</b>	<b>9.9%</b>	<b>629.5</b>	<b>672.4</b>	<b>-6.4%</b>
<b>Raw Material Consumed</b>	<b>100.9</b>	<b>116.3</b>	<b>-13.2%</b>	<b>92.1</b>	<b>9.5%</b>	<b>436.8</b>	<b>446.1</b>	<b>-2.1%</b>
% to Sales	68.2%	68.9%	--	66.5%	--	68.8%	69.5%	--
<b>Purchase of traded goods</b>	<b>0.5</b>	<b>1.8</b>	<b>--</b>	<b>2.1</b>	<b>--</b>	<b>4.3</b>	<b>4.7</b>	<b>--</b>
% to Sales	0.3%	1.1%	--	1.5%	--	0.7%	0.7%	--
<b>Employee Expenses</b>	<b>26.4</b>	<b>31.2</b>	<b>-15.4%</b>	<b>27.5</b>	<b>-3.9%</b>	<b>107.7</b>	<b>114.6</b>	<b>-6.0%</b>
% to Sales	17.9%	18.5%	--	19.8%	--	17.0%	17.9%	--
<b>Fuel Cost</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>--</b>	<b>0.0</b>	<b>0.0</b>	<b>--</b>
% to Sales	0.0%	0.0%	--	0.0%	--	0.0%	0.0%	--
<b>Other Expenses</b>	<b>24.9</b>	<b>38.0</b>	<b>-34.4%</b>	<b>17.4</b>	<b>43.5%</b>	<b>80.6</b>	<b>107.1</b>	<b>-24.7%</b>
% to Sales	16.9%	22.5%	--	12.5%	--	12.7%	16.7%	--
<b>EBIDTA</b>	<b>-4.8</b>	<b>-18.4</b>	<b>-73.7%</b>	<b>-0.5</b>	<b>931.9%</b>	<b>5.7</b>	<b>-31.0</b>	<b>-118.3%</b>
<b>EBIDTA Margin</b>	<b>-3.3%</b>	<b>-10.9%</b>	<b>--</b>	<b>-0.3%</b>	<b>--</b>	<b>0.9%</b>	<b>-4.8%</b>	<b>--</b>
Depreciation	30.5	8.5	260.9%	5.6	450.1%	46.9	33.0	42.3%
<b>EBIT</b>	<b>-35.38</b>	<b>-26.9</b>	<b>31.7%</b>	<b>-6.02</b>	<b>487.7%</b>	<b>-41.3</b>	<b>-64.0</b>	<b>-35.5%</b>
<b>EBIT Margin</b>	<b>-23.9%</b>	<b>-15.9%</b>	<b>--</b>	<b>-4.3%</b>	<b>--</b>	<b>-6.5%</b>	<b>-10.0%</b>	<b>--</b>
Other Income	3.2	4.5	-28.3%	0.5	568.8%	4.9	8.1	-39.2%
Interest	5.8	6.0	-2.7%	5.2	13.0%	24.4	22.9	6.4%
<b>EBT Before Exceptional Items</b>	<b>-38.0</b>	<b>-28.4</b>	<b>33.9%</b>	<b>-10.7</b>	<b>255.1%</b>	<b>-60.8</b>	<b>-78.8</b>	<b>-22.9%</b>
<b>EBT Margin</b>	<b>-25.7%</b>	<b>-16.8%</b>	<b>--</b>	<b>-7.7%</b>	<b>--</b>	<b>-9.6%</b>	<b>-12.3%</b>	<b>--</b>
Exceptional Items	0.0	0.0	--	0.0	--	0.0	0.0	--
Forex Difference	0.0	0.0	--	0.0	--	0.0	0.0	--
<b>EBT After Exceptional items</b>	<b>-38.00</b>	<b>-28.4</b>	<b>33.9%</b>	<b>-10.70</b>	<b>255.1%</b>	<b>-60.8</b>	<b>-78.8</b>	<b>-22.9%</b>
<b>EBT Margin</b>	<b>-25.7%</b>	<b>-16.8%</b>	<b>--</b>	<b>-7.7%</b>	<b>--</b>	<b>-9.6%</b>	<b>-12.3%</b>	<b>--</b>
Tax	8.6	-18.3	--	0.0	--	8.6	-18.3	--
Extraordinary Items	0.0	0.0	--	0.0	--	0.0	0.0	--
Prior period taxes written bk.	0.0	0.0	--	0.0	--	0.0	0.0	--
Minority Interest	0.0	0.0	--	0.0	--	0.0	0.0	--
Share of Associate Company	0.0	0.0	--	0.0	--	0.0	0.0	--
<b>Reported Profit After Tax</b>	<b>-46.6</b>	<b>-10.1</b>	<b>362.3%</b>	<b>-10.7</b>	<b>335.0%</b>	<b>-69.3</b>	<b>-60.5</b>	<b>14.6%</b>
<b>PAT Margin</b>	<b>-31.5%</b>	<b>-6.0%</b>	<b>--</b>	<b>-7.7%</b>	<b>--</b>	<b>-10.9%</b>	<b>-9.4%</b>	<b>--</b>
Diluted EPS (Rs)	-12.6	2.7	-561.2%	-2.9	335.6%	-18.8	-16.4	14.6%

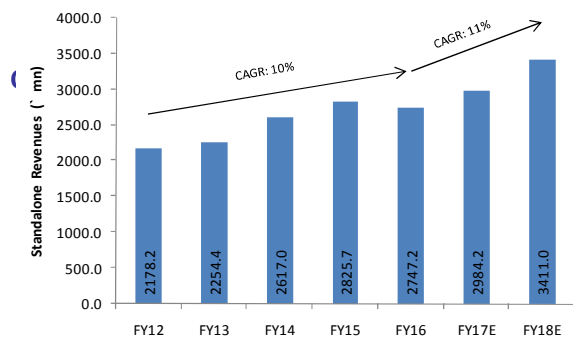
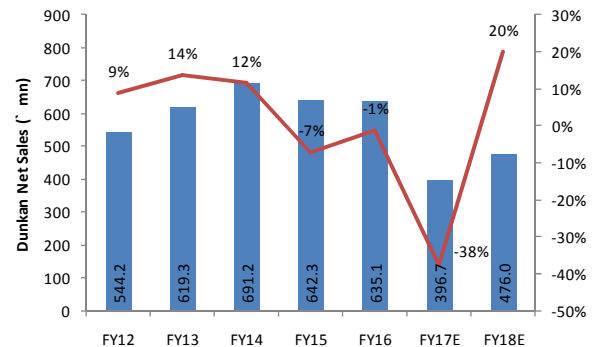
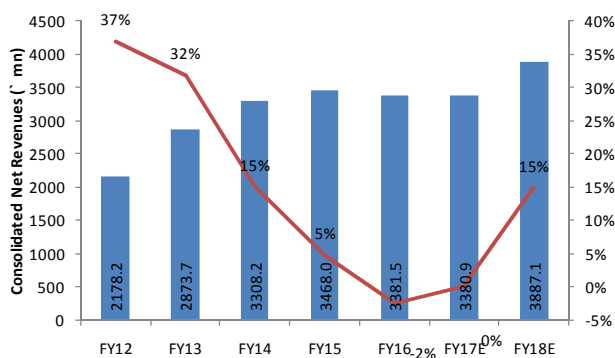
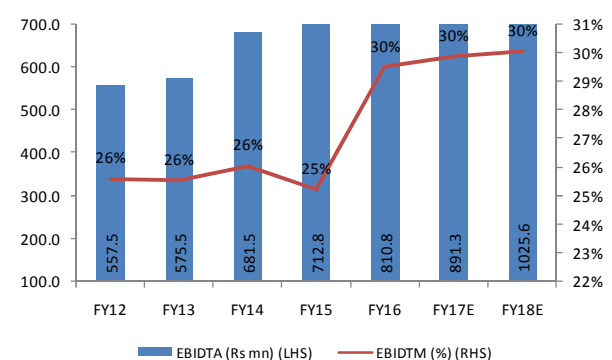
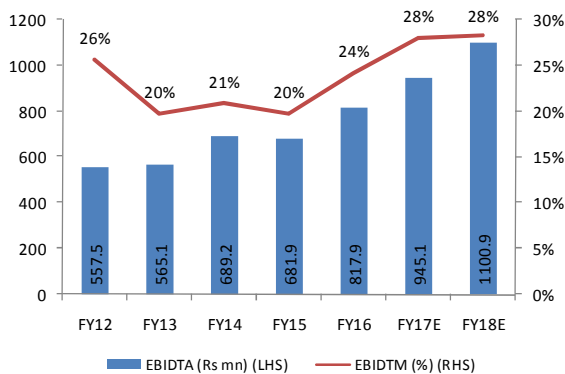
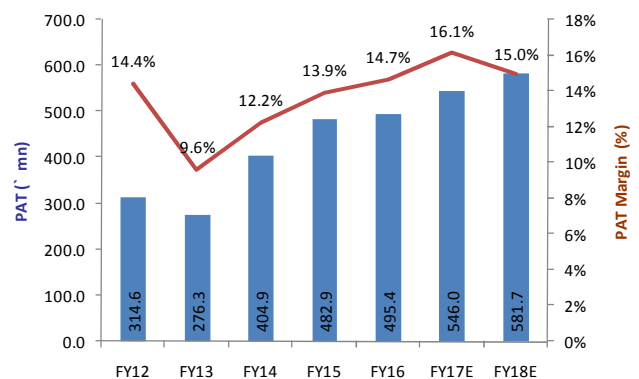
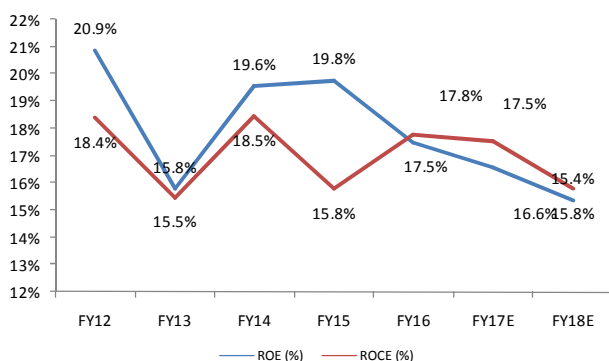
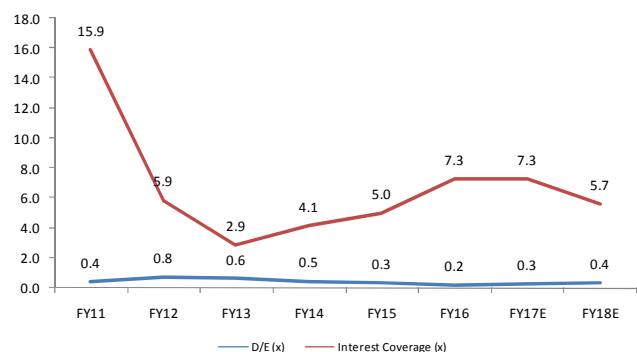
**SDL - Segment Wise Results - Sales**

Particulars	Q4 FY16	Q4 FY15	% Change	Q3 FY16	% Change	FY16	FY15	% Change
<b>Automotive Tyre Valves</b>	<b>57.25</b>	<b>86.93</b>	<b>-34.1%</b>	<b>70.86</b>	<b>-19.2%</b>	<b>304.56</b>	<b>351.2</b>	<b>-15.3%</b>
<b>Revenue Contribution (%)</b>	<b>38.7%</b>	<b>51.5%</b>	<b>--</b>	<b>51.1%</b>	<b>--</b>	<b>48.0%</b>	<b>54.8%</b>	<b>--</b>
<b>Fluid Power &amp; Automation</b>	<b>90.61</b>	<b>81.89</b>	<b>10.6%</b>	<b>67.68</b>	<b>33.9%</b>	<b>330.58</b>	<b>290.24</b>	<b>12.2%</b>
<b>Revenue Contribution (%)</b>	<b>61.3%</b>	<b>48.5%</b>	<b>--</b>	<b>48.9%</b>	<b>--</b>	<b>52.0%</b>	<b>45.2%</b>	<b>--</b>
<b>Total Gross Sales</b>	<b>147.86</b>	<b>168.82</b>	<b>-12.4%</b>	<b>138.54</b>	<b>6.7%</b>	<b>635.14</b>	<b>641.44</b>	<b>-1.0%</b>

**SDL - Segment Wise Results - EBIT**

Particulars	Q4 FY16	Q4 FY15	% Change	Q3 FY16	% Change	FY16	FY15	% Change
<b>Automotive Tyre Valves</b>	<b>-30.64</b>	<b>-3.13</b>	<b>878.9%</b>	<b>-0.31</b>	<b>9783.9%</b>	<b>-32.38</b>	<b>-40.31</b>	<b>-24.5%</b>
<b>EBIT Margin (%)</b>	<b>-53.5%</b>	<b>-3.6%</b>	<b>--</b>	<b>-0.4%</b>	<b>--</b>	<b>-10.6%</b>	<b>-11.5%</b>	<b>--</b>
<b>Fluid Power &amp; Automation</b>	<b>9.56</b>	<b>5.38</b>	<b>77.7%</b>	<b>5.38</b>	<b>77.7%</b>	<b>37.31</b>	<b>36.33</b>	<b>2.6%</b>
<b>EBIT Margin (%)</b>	<b>10.6%</b>	<b>6.6%</b>	<b>--</b>	<b>7.9%</b>	<b>--</b>	<b>11.3%</b>	<b>12.5%</b>	<b>--</b>
<b>Total Gross Sales</b>	<b>-21.08</b>	<b>2.25</b>	<b>-1036.9%</b>	<b>5.07</b>	<b>-515.8%</b>	<b>4.93</b>	<b>-3.98</b>	<b>-223.9%</b>

Source: Company

**Chart 1: Standalone OCCL Revenues**

**Chart 2: Standalone SDL Revenues**

**Chart 3: Consolidated Revenues**

**Chart 4: EBITDA & EBITDM – Standalone OCCL**

**Chart 5: EBITDA & EBITDM – Consolidated**

**Chart 6: PAT & PATM – Consolidated**

**Chart 7: ROE & ROCE**

**Chart 8: Debt Equity and Interest Coverage**


Source: SKP Research Desk

## KEY CONCERNS

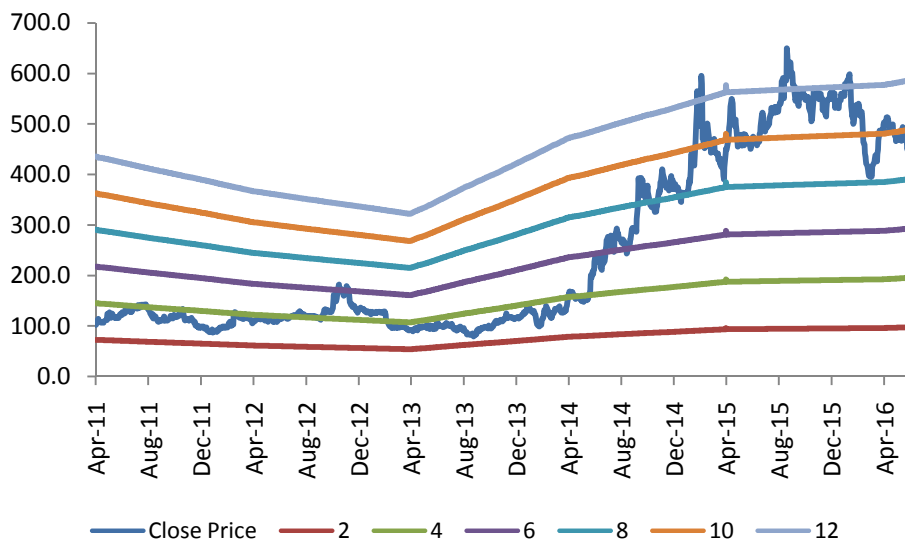
1. **Volatile foreign exchange rate:** Export contributes ~71% of OCCL total revenues from IS; there is a perennial risk of foreign exchange currency fluctuations which could negatively affect the company's margins going forward.
2. **Price volatility of raw material:** Sulfur, Carbon-di-sulfide, coating oil, rubber, and metals like brass are the major raw materials for OCCL, which is highly price volatile. Any adverse movement in the prices may put negative impact on the margins going forward.

## VALUATION

As use of radial tyres rise, so will the market for IS. With established market position and recognition as 'Second Alternate Supplier' coupled with strong entry barriers, increase in scale of operations and strong customer base with long-term relations augurs well for OCCL.

We have valued the stock on the basis of P/E - of 11x of FY18E earnings. Although the stock has recently witnessed a sharp rise, a re-rating, we recommend a BUY on the stock with a target price of Rs 621/- (38% upside).

### One Year Forward Looking P/E Band



Source: SKP Research Desk

## Consolidated Financials

### Exhibit: Income Statement

*Figures in INR Million*

Particulars	FY15	FY16E	FY17E	FY18E
<b>Total Income</b>	<b>3,468.0</b>	<b>3,381.5</b>	<b>3,380.9</b>	<b>3,887.1</b>
Growth (%)	4.8%	-2.5%	0.0%	15.0%
<b>Expenditure</b>	<b>2,786.2</b>	<b>2,563.6</b>	<b>2,435.8</b>	<b>2,786.2</b>
Material Cost	1,286.6	1,130.3	976.1	1,126.5
Pur of Traded Goods	6.3	4.3	2.7	3.2
Employee Benefit Exp	394.1	435.6	423.6	483.2
Other Expenses	1,099.2	993.4	1,033.4	1,173.2
<b>EBITDA</b>	<b>681.9</b>	<b>817.9</b>	<b>945.1</b>	<b>1,100.9</b>
Depreciation	163.8	203.4	204.7	278.5
<b>EBIT</b>	<b>518.1</b>	<b>614.4</b>	<b>740.4</b>	<b>822.4</b>
Other Income	136.3	56.8	56.8	65.3
Interest Expense	103.5	84.1	101.5	145.4
<b>Profit Before Tax (PBT)</b>	<b>550.8</b>	<b>587.1</b>	<b>695.6</b>	<b>742.2</b>
Extraordinary Items	0.0	0.0	0.0	0.0
<b>Income Tax</b>	<b>98.2</b>	<b>126.3</b>	<b>149.7</b>	<b>159.5</b>
Profit After Tax (PAT)	452.7	460.8	546.0	582.7
Growth (%)	19.3%	2.6%	10.2%	6.6%
Diluted EPS	46.9	48.1	53.0	56.5

### Exhibit: Balance Sheet

*Figures in INR Million*

Particulars	FY15	FY16E	FY17E	FY18E
Share Capital	103.1	103.1	103.1	103.1
Reserve & Surplus	2,339.1	2,729.2	3,194.7	3,684.6
<b>Shareholders Funds</b>	<b>2,442.2</b>	<b>2,832.3</b>	<b>3,297.8</b>	<b>3,787.7</b>
Term Loan	440.9	213.9	502.3	957.8
Short Term Loan	397.9	410.8	420.8	460.8
<b>Total Debt</b>	<b>838.8</b>	<b>624.7</b>	<b>923.1</b>	<b>1,418.6</b>
Deferred Tax (Net)	211.2	211.4	211.4	211.4
<b>Minority Interest</b>	<b>145.7</b>	<b>111.0</b>	<b>111.0</b>	<b>111.0</b>
<b>Other Long Term Liab</b>	<b>4.0</b>	<b>4.3</b>	<b>4.3</b>	<b>5.0</b>
<b>Total Liabilities</b>	<b>3,641.8</b>	<b>3,783.7</b>	<b>4,547.6</b>	<b>5,533.6</b>
<b>Net Block inc. Capital WIP</b>	<b>2191.2</b>	<b>2463.1</b>	<b>3000.5</b>	<b>3221.9</b>
<b>Investments</b>	<b>267.8</b>	<b>156.6</b>	<b>156.6</b>	<b>156.6</b>
Inventories	530.3	508.1	473.3	660.8
Sundry Debtors	675.8	609.1	710.0	816.3
Cash & Bank Balance	182.5	109.7	194.5	536.8
Loans & Advances	500.0	614.3	642.4	816.3
<b>Other Current Assets</b>	<b>45.5</b>	<b>52.9</b>	<b>67.6</b>	<b>116.6</b>
Current Liabilities & Prov	751.3	730.1	697.3	791.8
<b>Total Assets</b>	<b>3,641.8</b>	<b>3,783.7</b>	<b>4,547.6</b>	<b>5,533.6</b>

### Exhibit: Cash Flow Statement

*Figures in INR Million*

Particulars	FY15	FY16E	FY17E	FY18E
<b>Profit Before Tax (PBT)</b>	<b>550.8</b>	<b>587.1</b>	<b>695.6</b>	<b>741.2</b>
Depreciation	163.8	203.4	204.7	278.5
Interest Provided	103.5	84.1	101.5	145.4
Chg. in Working Capital	16.0	69.7	(98.9)	(199.3)
Direct Taxes Paid	(114.4)	(126.3)	(149.7)	(159.5)
Other Charges	(16.3)	(121.4)	(42.8)	(222.3)
<b>Operating Cash Flows</b>	<b>703.4</b>	<b>696.7</b>	<b>710.5</b>	<b>584.1</b>
Capital Expenditure	(185.1)	(475.3)	(742.1)	(500.0)
Investments	(154.5)	111.2	-	-
Others	27.2	-	-	-
<b>Investing Cash Flows</b>	<b>(312.4)</b>	<b>(364.1)</b>	<b>(742.1)</b>	<b>(500.0)</b>
Changes in Equity	-	-	-	-
Inc / (Dec) in Debt	(131.9)	(214.1)	298.4	495.5
Dividend Paid (inc tax)	(97.3)	(68.1)	(80.5)	(92.9)
Interest Paid & Others	(108.4)	(123.3)	(101.5)	(145.4)
<b>Financing Cash Flows</b>	<b>(337.6)</b>	<b>(405.4)</b>	<b>116.4</b>	<b>257.2</b>
<b>Chg. in Cash &amp; Cash Eqv</b>	<b>53.4</b>	<b>(72.8)</b>	<b>84.8</b>	<b>341.4</b>
Opening Cash Balance	129.1	182.5	109.7	194.5
<b>Closing Cash Balance</b>	<b>182.5</b>	<b>109.7</b>	<b>194.5</b>	<b>535.8</b>

Source: Company Data, SKP Research

### Exhibit: Ratio Analysis

Particulars	FY15	FY16E	FY17E	FY18E
<b>Earning Ratios (%)</b>				
EBITDA Margin (%)	19.7%	24.2%	28.0%	28.3%
PAT Margins (%)	13.1%	13.6%	16.1%	15.0%
ROCE (%)	15.8%	17.8%	17.5%	15.8%
ROE (%)	19.8%	17.5%	16.6%	15.4%
<b>Per Share Data (INR)</b>				
Diluted EPS	46.9	48.1	53.0	56.5
Cash EPS (CEPS)	62.8	67.8	72.9	83.5
BVPS	237.1	275.0	320.2	367.7
<b>Valuation Ratios (x)</b>				
P/E	9.6	9.4	8.5	8.0
Price/BVPS	1.9	1.6	1.4	1.2
EV/Sales	1.5	1.5	1.6	1.4
EV/EBITDA	7.8	6.3	5.7	5.0
Dividend Yield (%)	1.9%	1.2%	1.4%	1.7%
<b>Balance Sheet Ratios</b>				
Debt - Equity	0.3	0.2	0.3	0.4
Current Ratio	2.6	2.6	3.0	3.7
Fixed Asset Turn. Ratios	1.6	1.6	1.7	1.4

## Notes:

The above analysis and data are based on last available prices and not official closing rates. SKP Research is also available on Bloomberg and Thomson First Call.

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Served as an officer, director or employee	NIL

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