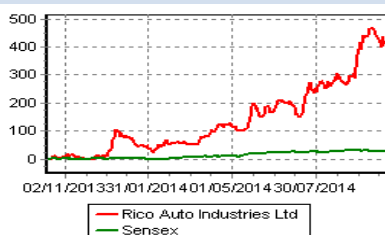


Rico Auto Industries Ltd (RAIL)

Scrip Code	Industry	CMP	Recommendation	Sequential Targets	Time Horizon
RICAUTEQNR	Auto - ancillaries	Rs.32.30	Buy at CMP and add on dips to Rs.24.2-26	Rs.40.8 & Rs.44.2	1-2 quarters

Price Chart



Stock Details

BSE Code	520008
NSE Code	RICOAUTO
Bloomberg	RAI IN
Price (Rs) as on Oct 21, 2014	32.30
Equity Capital (Rs Cr)	13.53
Face Value (Rs)	1.00
Eq. Shares O/s (Cr)	13.53
Market Cap (Rs Mn.)	434.31
Book Value (Rs)	25.78
Avg. Volume (52 Week)	152028
52 wk H/L (Rs)	37.05/5.75
Shareholding Pattern	
(As on June 30, 2014)	% Holding
Promoters	50.04
Institutions	0.81
Non Institutions	49.08
Total	100.00

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Research Analyst

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Rico Auto Industries Limited (RAIL), an engineering company, incorporated in 1983 started commercial production from 1986 and supplies a range of high precision fully machined aluminum, and ferrous components and assemblies to automotive original equipment manufacturers (OEM) worldwide. It engages in designing, developing, tooling, casting, machining and assembling aluminum and ferrous products. Its exposure in terms of sales to 4W is ~45% (incl 10-15% to CV) and the rest is to 2W. Aluminium castings contribute about 75% of sales while the rest is ferrous.

INVESTMENT RATIONALE

- Focus on exports to drive growth
- Proceeds from JV stake sale will help repay debt - is likely to improve its financial risk profile
- Reputed clients and diverse product profile; orders won in FY14 to start contributing from Q4FY15.
- Expansion plan of facilities

CONCERN

- High financial leverage and stretched liquidity
- Currency fluctuation risk
- High client concentration - 45% revenues from HMCL

VALUATION

We feel investors could buy the stock at the CMP and add on dips to Rs.24.2-26 (7-7.5x FY16E EPS) for sequential target prices of Rs.40.8 & Rs.44.2 (12.0-13.0x FY16E EPS). This excludes cash per share of Rs.6.1 in FY16.

FINANCIAL SUMMARY

Year to March (Rs Crs)	FY13	FY14	FY15E	FY16E
Net rev.	1481.18	1442.93	1464.57	1654.97
EBITDA	156.56	175.98	169.30	202.30
EBIDTA Margin %	10.6	12.2	11.6	12.2
PAT	5.37	2.70	399.96	46.17
Normalized PAT	5.37	2.70	18.80	46.17
PATM %	0.4	0.2	27.3	2.8
Normalized PATM %	0.4	0.2	1.3	2.8
EPS (Rs)	0.40	0.20	29.63	3.42
Normalized EPS	0.40	0.20	1.39	3.42
P/E (x)	81.20	161.50	23.19	9.44

(Source: Company, HDFC sec Research)

COMPANY DESCRIPTION

- Incorporated in March 1983, Rico manufactures and sells high-pressure aluminum die cast components and spheroidal graphite (SG) iron castings for the automotive sector. The company currently operates from four locations at Dharuhera, Haridwar, Sanand and Gurgaon, manufacturing automotive components for both the 2-wheelers and 4-wheeler segments like wheel hubs, panels, clutch assemblies, cylinder covers, cylinder head, cylinder block, center housing, exhaust manifolds, fly wheels and brake drum among others.
- The company offers oil pump assemblies, fuel system parts, lube oil filter heads, exhaust manifolds, turbine housings, center housings, back plates, crank cases and covers, cylinder head covers, oil pans, intake manifold covers, front covers, valve covers, side covers, balance shafts assemblies, gear housings, main bearing caps, flywheels, timing cases, and oil filter adapters. It also provides engine brackets, cylinder blocks, cylinder heads, clutch assemblies, automatic transmission bracket assemblies, differential case housings, gear shift forks, wheel hubs assemblies, brake panel assemblies, brake discs, drums, and steering knuckles, as well as water and air connections and pressure plates.
- Its main competitors in Aluminium castings are Amtek Auto and Sundaram Clayton while DCM and Amtek Auto compete with Rico in Ferrous castings.

Aluminum Products – Motorcycles

Aluminum Casting:

- Rico has over 76 HPDC (High Pressure Die Casting Machines) from 135 tns to 1800 tns locking force.
- Rico has the largest high pressure die casting capacity in India.
- Rico is currently producing 45 million high pressure die cast components per annum.
- Current HPDC machines are from Buhler, Toshiba, UBE etc.

Ferrous casting:

- **4 Automatic Moulding Lines**
- (2 Disamatic size 650 * 535)
- (2 Horizontal size 610 * 510)
- **Alloys**
- Gray Iron (FC) , Ductile Iron (FCD), SiMo, SiMo Cr
- **Core making**
- Rico has in house core making facility with over 17 machines(Cold box and Shell process)
- Continuous Shot Blasting and Real time X Ray

Facilities :

- **Dharuhera Plant:** For Die and design, only aluminum casting and machining
 - **Gurgaon:** For both Aluminum and ferrous castings. Also R&D and Dies and mould facility. A major facility for Rico. Over the next few years production may be gradually shifted to Bhiwadi and Bawal.
 - **Haridwar:** Set up mainly for Hero Motocorp (HMCL) –Aluminum casting & machining
 - **Bhiwandi (I):** Only machining facility currently. Running out of rented place. Rico Auto has additional 12 acre land where it is planning to set up other plants.
 - **Bawal Plant (New):** This plant has been set up for High Tonnage High Pressure Die Casting work with full automation and controls and high precision machining for Auto parts and assembly. Production commenced in March, 2013 and now gearing up for higher volumes for esteemed customers like Eaton, Renault and Tata Motors. Three JVs for Aluminum die casting have separate plants. Rico has 15 acre land at Bawal.
 - **Manesar:** Ferrous die casting. Also JV for Alloy wheels operating from a separate unit.
 - **Sanand (new Plant):** Aluminium castings and machining. At present, in view of low demand from Tata Motors Limited for the components for the Nano Car, supply is being made from the Company's Gurgaon Plant. Efforts are being made to add more customers so the Plant capacity can be utilized. Re-starting of the Sanand Plant by last quarter of this financial year is under discussion with Tata Motors by supplying parts for their running Ace Pick up model. Further discussions are in progress with M/s. Hero Motocorp and Maruti Suzuki for supplies to their up-coming plants in Gujarat and other states.
 - **Chennai Plant (New):** The Company has been awarded orders for manufacturing of automotive parts from Renault-Nissan in Chennai. Manufacturing equipments are under installation and commissioning. Commercial Production is planned to start in the last quarter of FY15.
 - **Pathredi Bhiwandi (2) Plant (New):** Site development work has been completed. The building construction has been deferred and is now expected to commence in FY16.
- On a blended basis, the current capacity utilization is ~55%.




Shareholding Pattern

Share Holder Category	Share Holding %					
	Mar-13	June-13	Sep-13	Dec-13	Mar-14	June-14
Promoters Stake	50.10	50.10	50.10	50.10	50.10	50.04
Institutional Holdings	0.01	0.00	0.00	0.00	0.00	0.81
Non Institutional Holdings	49.89	49.89	49.89	49.89	49.89	49.08
Total	100.00	100.00	100.00	100.00	100.00	100.00

The listed parent company Rico Auto Industries is promoted by Arvind Kapur and is backed by Ashish Dhawan, who was founder and senior managing director of private equity fund ChrysCapital. Dhawan owns 5.38% in the company in his personal capacity. Promoter holding is at present 50%. The promoters have pledged total 52.3% of their holding which is expected to be released soon.

RICO Group Joint Venture & Subsidiaries

(amount in Rs.Cr.)

	Stake (%)	Revenues	PAT	Status	
FCC RICO	Joint venture of F.C.C. Co. Ltd Japan and Rico Auto Industries Ltd. India established in February 1997 with 50:50 share in equity.	1089.22	-14.3	Clutch Assembly Two wheelers & Four Wheelers	
MAGNA Powertrain RICO	50% MAGNA Powertrain, 50% RICO	51.36	1.74	Oil Pump, Water Pump, (Automotive Engines) (India & Europe)	
RICO JINFEI Wheels Ltd	7.5% JINFEI, 92.5% RICO - Established in 1959, started production of Two Wheeler Aluminum Alloy Wheels in 1995 Among top three motorcycle Al Alloy Wheel Manufacturer in China Main customers: Honda, Yamaha, Suzuki, Piaggio	56.22	(12.81)	Aluminum Alloy Wheels for Two Wheelers	
RICO USA	Wholly owned Subsidiary, 100% RICO. Engaged in the business of trading of Auto Components and providing warehousing and logistics support to Rico's OEMs and Tier-I Customers in the North American and Brazilian Markets.	85.44	1.02	Assembly, Logistic, Customer support	The Subsidiary is expecting significant growth during the remaining part of the current financial year based on the demand of OEMs and Tier-I Customers.
RICO UK	Wholly owned Subsidiary, 100% RICO. Engaged in the business of trading of Auto Components and providing warehousing and logistics	56.29	0.35	Assembly, Logistic, Customer support	The Subsidiary, despite decrease in turnover in first quarter, is expecting significant growth during the

	support to OEMs and Tier-I Customers for the European Markets.				remaining part of the current financial year based on the demand of OEMs and Tier-I Customers.
RASA Autocom Ltd	Incorporated on Sep, 2007. Engaged in the business of manufacturing of high pressure and gravity die cast Auto Components.	14.50	-8.33		Manufacturing, assembling, buying, selling, exporting, importing and dealing in wholesale and in retail of Automobile parts
Uttarakhand Automotives Ltd	Wholly owned subsidiary. The company has not started manufacturing yet.	NIL	NIL		
RAA Autocom Ltd	Wholly owned subsidiary. The company has not started manufacturing yet.	NIL	NIL		
AAN Engineering Industries Ltd	Company is trying to get orders from defense and Aerospace sector. 100% subsidiary. Parent has not invested much yet. Management expect commencement to start after 2-3 years.	NIL	-0.11		

What went wrong in the recent past?

Poor performance of Subsidiaries

- **RICO JINFEI Wheels Ltd (92.5% stake):** The company was in start up phase and the capacity was underutilized so far. HMSI was the only client so far for them till FY14. However in FY15 it will supply higher quantities to HMSI and also start supply to Bajaj Auto. Sales are now expected to rise to ~Rs.100 cr in FY15 from Rs.56 cr in FY14 and the company may reach break even level in FY15 (though more likely in FY16) vs a loss of Rs.13 cr in FY14.
- **RASA Autocom Ltd (100% stake):** This Company is engaged in the business of manufacturing of high pressure and gravity die cast Auto Components. Its plant is being equipped for automation and better controls to produce high quality parts in large volume for export. The Company has recorded a turnover of Rs.16.89 crores during FY14 as against Rs.10.94 crores in the previous year. The Company has incurred loss of Rs.7.52 crores in FY14 as against the loss of Rs.8.63 crores in the previous year. A large part of the sales by

this company is to the parent. Rico is considering ways to turnaround this company including the option of merging it with the parent.

- Higher leverage: As of FY13, Rico had borrowings of Rs.409 cr on a networth of RS.344 cr. This has been brought down to Rs.267 cr as of FY14 on a networth of Rs.349 cr. The company had **defaulted** in repayment of its installment on time by one day. However management feels that this was the first and last time of delay in repayment as post the sale of stake in the JV its cash situation will be much better.
- Auto industry slowdown: A number of factor including high inflation, poor industrial sector growth, high energy cost and high interest cost have been limiting growth which have severely affected the automobile industry. Dependence on one industry is also hurting the company.
- In FY14 sales suffered as Rico was short of working capital as it was facing financial crunch.

However now, Rico Auto to sell 50% stake in joint venture to raise Rs.495 cr

- Rico Auto Industries Ltd has divested its 50% stake in one of its joint venture companies called FCC RICO Ltd to its Japanese partner, FCC Co. Ltd for Rs.495 crore. The company manufactures and supplies automobile clutch assemblies to original equipment manufacturers (OEMs) of two-wheelers and four-wheelers. The joint venture was formed in 1997 with investment of Rs.4.5cr to cater to Honda Group's two-wheeler business. Its other clients include Bajaj, Suzuki and Yamaha. The deal is of significant value in the auto component space. More so it indicates Japan being bullish on India growth story.
- Management in its next board meeting will decide about the utilization of this cash. Net amount receivable will be around more than Rs.400 after deducting long term capital gain tax. 2-3 conditions are required to be met by the end of November and Management expect to receive cash before end of December 2014.
- This cash will enable the company to repay its entire debt (though it may not repay the whole of short term debt) and also enable it to undertake some expansions.

RICO Auto focuses on exports to drive growth

- Management has been focusing more on export revenues and has been successful in getting some very good export orders from existing and new clients. Currently domestic revenue is almost about 78-80% and export is ~20% (including export through OEM in India).
- The exports market in US and Europe is stabilizing and expected to grow by mid single digits in FY15. Company is working towards leveraging this uptrend and will keep launching critical programs to strengthen its position.
- RICO has won a new Differential Housing Business order from GKN and BMW. Also ramp up in exports to Jatco and Renault is expected to add to FY16 sales. All customers have continued to show their keen intent to engage with RICO as their preferred supplier and work as a long term strategic partner. This intent is based on the demonstrated ability to supply superior quality critical and complex parts at most competitive

prices and manage an extended supply chain to deliver just in time. RICO is building capability and infrastructure to produce more complex and higher value parts in order to build a competitive position in this segment.

Reputed clients and diverse product profile

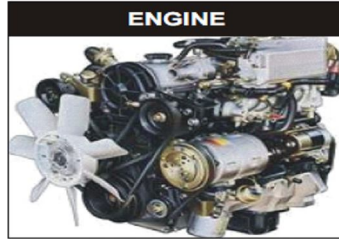
RICO has marquee clientele. Rico has been successful to win new business from key customers like GKN, BMW, Renault and Honeywell.

	North America	Europe	India	Japan/ ASEAN
Two Wheelers			 	
Passenger Cars	 	 	 	
Commercial Vehicles	 	 	 	
System Suppliers		 	 	

Further RICO has diverse product range. Rico supplies a broad range of high-precision fully machined aluminum and ferrous components and assemblies to Original Equipment Manufacturers across the globe. Its integrated services include design, development, tooling, casting, machining, assembly and research and development across aluminium and ferrous products. The Company is in the business of manufacturing and sale of auto components for two wheelers and four wheelers. RICO is well poised to benefit from opportunities available to the auto component industry on account of its reputation of being a reliable source of complex components and assemblies, multiple fully integrated production facilities, equipped to offer the complete spectrum of services from designing of components to development of tools, casting and precision machining and assembly of auto components.

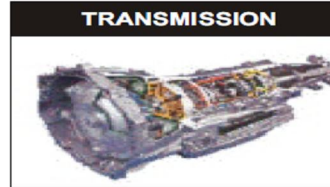
Product Range: Components & Assemblies

ENGINE



- ◆ Fuel System Parts
- ◆ Lube Oil Filter Heads
- ◆ Exhaust Manifolds
- ◆ Turbine Housings
- ◆ Center Housings
- ◆ Crank Cases & Covers
- ◆ Cylinder Head Cover
- ◆ Oil Pump Assembly
- ◆ Oil Pan
- ◆ Intake Manifold Cover
- ◆ Front Cover
- ◆ Valve Cover
- ◆ Side Cover
- ◆ Balance Shaft Assembly
- ◆ Gear Housing
- ◆ Main Bearing Caps
- ◆ Water & Air Connections
- ◆ Flywheel Assembly
- ◆ Timing Cases
- ◆ Oil Filter Adaptor
- ◆ Engine Brackets
- ◆ Cylinder Block (Ferrous)
- ◆ Cylinder Head (Aluminum)
- ◆ Cylinder Block (Aluminum)

TRANSMISSION



- ◆ Clutch Assembly
- ◆ Transmission Support Assembly
- ◆ Differential Case
- ◆ Gear Shift Forks
- ◆ Intermediate Plate
- ◆ Pressure Plate
- ◆ Rear Case
- ◆ Transmission Case

CHASSIS SUSPENSION & BRAKING SYSTEM



- ◆ Wheel Hub Assembly
- ◆ Brake Panel Assembly
- ◆ Brake Disc
- ◆ Brake Drums & Rotors
- ◆ Knuckles

Volume jump possible over FY16 and FY17 without much capex

All the current plants of Rico are currently working at 55-60% capacity and can easily be ramped up to 80-85% capacity once working capital becomes easily available and orders pour in. RICO is working extensively towards expanding operations by way of commissioning new plants and adding production capacity and latest technology to the existing facilities. In this regard, the production facilities at Bawal plant were upgraded to provide a better output to handle growing global demands. Similarly, Chennai plant is soon to start operations which will further add production capacity, contributing to a wider consumer and product portfolio. RICO is also in the process of attaining new corporate contracts to better utilize the capacity of Sanand plant which are not utilizing this days since Tata Nano demand is sluggish.

Over the last 2 years Rico has won orders from new and existing clients, developed new products resulting in better visibility of sales over FY16 and FY17 as supplies are ramped up. The initial indications for this will be visible in Q4FY15.

Rico has incurred capex of Rs.66 cr in FY14 and could do another capex of Rs.15-20 cr in FY15.

INDUSTRY OVERVIEW – Auto Industry



The year 2013-14 was undoubtedly one of the most challenging ones for the automobile industry. Both, vehicle and auto component sales saw a decline during the fiscal year that ended in March, 2014. During a press conference about the auto component industry's performance review for the fiscal 2013-14, Automotive Component Manufacturing Association of India (ACMA) said that the industry recorded a decline of 2 per cent, with overall turnover standing at Rs. 2,11,765 crores (USD 35.13 billion) against last year's 2,16,000 crores. The compound annual growth rate (CAGR) for the industry has been 14 per cent for the last six years. However, the auto component industry expects a growth of 4-6 per cent in the 2014-15 fiscal, if the vehicle sales continue to grow like they have in the last couple of months. Also, some positive initiatives taken by the Modi-led government during the union budget will also help the industry record growth, says ACMA.

There is a greater need for collaboration between the component manufacturers, OEMs, machine tool supplies and the raw material industry. The government has taken a pragmatic approach of encouraging the MSMEs and investing in social and infrastructure sectors.

QUARTERLY REVIEW (Rs. In Crs) - Consolidated

Particulars	Q1FY15	Q1FY14	VAR [%]	Q4FY14	VAR [%]
Gross Sales	402.3	425.1	-5.3	421.0	-4.4
Net Sales	346.1	371.0	-6.7	352.7	-1.9
Other Operating Income	10.9	5.8	87.2	15.6	-30.4
Total Income	356.9	376.8	-5.3	368.3	-3.1
Total Expenditure	327.0	341.6	-4.3	331.0	-1.2
Raw Material Consumed	216.5	221.8	-2.4	211.1	2.5
Stock Adjustment	-2.5	5.0	-149.2	11.6	-121.3
Employee Expenses	37.8	37.4	1.0	35.9	5.1
Power & Fuels	28.1	24.9	12.8	22.3	26.0
Other Expenses	47.2	52.5	-10.2	50.1	-5.7
Operating Profit	29.9	35.3	-15.2	37.2	-19.8
Other Income	7.7	9.9	-22.8	11.4	-32.8
PBIDT	37.6	45.2	-16.9	48.6	-22.8
Interest	12.9	22.9	-43.7	17.7	-27.2
PBDT	24.7	22.3	10.7	31.0	-20.3
Depreciation	22.0	23.7	-7.2	23.6	-6.8
PBT	2.7	-1.4	-	7.4	-63.6
Exceptional Item	1.5	0.0	NA	1.7	-11.5
PBT	1.2	-1.4	-	5.7	-78.7
Tax (including DT & FBT)	2.5	0.6	346.4	4.1	-38.3
Reported Profit After Tax	-1.3	-2.0	-	1.7	-
EPS (Rs.)	-0.1	-0.1	-	0.1	-
Equity	13.5	13.5	0.0	13.5	0.0
FV	1	1	0.0	1	0.0
OPM (%)	8.6	9.5	-9.1	10.6	-18.2
PATM (%)	-0.4	-0.5	-29.6	0.5	-178.1

Rico Auto reported net revenues of Rs.346.1 cr, down by 6.7% YoY and 1.9% QoQ. Employee expense rose by 1% yoy and 5.1% QoQ to Rs. 37.8 cr. Power & fuel cost rose by 12.8% YoY and 26% QoQ to Rs. 28.1 cr. EBITDA was lower by 15.2% YoY and 19.8% QoQ to Rs. 29.9 cr. Other income includes amount received from insurance as final settlement of the claim (a fire broke out on 7th December 2012, at one section of the company's ferrous Foundry unit located at the Gurgaon plant). Owing to change in estimate, depreciation charge for the quarter is lower by Rs.1.6 Cr. Exceptional item of Rs. 1.5 cr represents expenditure incurred pursuant to Voluntary Retirement Scheme of the Company. Due to lower other income and exceptional item, RICO auto reported loss of Rs. 1.3 cr.

RISK & CONCERNS

- Higher leverage: As of FY13, Rico had borrowings of Rs.409 cr on a networth of RS.344 cr. This has been brought down to Rs.267 cr as of FY14 on a networth of Rs.349 cr. The company had **defaulted** in repayment of its installment on time by one day. However management feels that this was the first and last time of delay in repayment as post the sale of stake in the JV its cash situation will be much better.
- Auto industry slowdown: A number of factor including high inflation, poor industrial sector growth, high energy cost and high interest cost have been limiting growth which have severely affected the automobile industry. Dependence on one industry is also hurting the company.
- In FY14 sales suffered as Rico was short of working capital as it was facing financial crunch.
- Currency fluctuation: Rico has forex exposure in export of ~20% of revenues. Any adverse movement of currency could have significant effect on revenues.
- High client concentration: Rico has significant client concentration on Hero Motocorp Limited (HMCL) (~49% in FY13), however the risk is partially mitigated by the leadership position enjoyed by HMCL in the domestic two-wheeler market and Rico's stable share of business with the OEM over the years.
- The two loss making subsidiary/JV could pull down the consolidated profits of Rico unless they turn around quickly and sustainably.
- Working capital intensive nature of operations.
- The return ratios of Rico are poor due to low PAT margins (in turn due to high interest and depreciation costs). Rico is yet to benefit fully out of capex spent over the last few years.
- Timely completion of stake sale in FCC JV without any hiccups is crucial The monies received from sale of stake in FICC JV have to prudently used/utilized; otherwise return ratios could continue to be depressed.

CONCLUSION

Rico Auto is engaged in manufacturing and selling of pressure aluminium die cast components and spheroidal graphite (SG) iron castings for the automotive sector.

Rico is divesting its 50% stake in JV company, FCC RICO Limited to its JV Japanese partner FCC Co. Ltd for a consideration of Rs. 4,950 Mn. Rico had invested ~Rs.3.95 cr in 1997 and now it is selling this stake at Rs.495 cr making a neat profit. We believe the completion of stake sale in FCC RICO could be done by Dec 2014.

Exports are the next big strategy for the RICO. Management has been betting on higher exports next year led by higher current outstanding export order book. Rico Auto expects exports to contribute around 23-24 percent to revenue this year from 20 percent in the previous year.

Improvement in the financial performance would depend on a sustainable improvement in liquidity and credit profile of the company. We expect liquidity profile to improve led by recent proposed divestment of company's entire 50% stake in FCC Rico Limited for a gross consideration of about Rs. 495.0 cr is likely to help improve its financial risk profile.

Rico has more than sufficient capacity to cater to expected higher demand from auto industry in India and abroad. Management has indicated that no additional/major capax is required in the near term as its current utilisation is around 55 percent and expects improvement going ahead on the back of high growth.

Rico is technologically superior company in niche area of auto components and its near term troubles can be mitigated once the stake sale in FCC Rico is completed.

We feel investors could buy the stock at the CMP and add on dips to Rs.24.2-26 (7-7.5x FY16E EPS) for sequential target prices of Rs.40.8 & Rs.44.2 (12.0-13.0x FY16E EPS). This excludes cash per share of Rs.6.1 in FY16.

Consolidated Financials

INCOME STATEMENT (Rs. In Crs)

Particulars	FY13	FY14	FY15E	FY16E
Net Sales	1481.2	1442.9	1464.6	1655.0
Other operating income	24.8	37.2	41.1	47.3
Total Operating Income	1506.0	1480.1	1505.7	1702.2
Materials Cost	979.9	891.4	893.0	1012.0
Employee Cost	141.2	149.7	159.0	173.8
Power & Fuel	97.5	96.1	111.5	121.6
Other Expenditure	170.1	193.0	199.0	222.6
Total Operating Exp	1388.7	1330.2	1362.5	1529.9
Operating Profit	117.3	149.9	143.2	172.3
Other Income	39.3	26.1	26.1	30.0
EBITDA	156.56	175.9	169.3	202.3
Interest	69.12	67.4	35.5	22.1
Depreciation	87.07	94.3	98.0	99.2
PBT	0.37	14.3	35.8	81.0
Exceptional Item	13.38	-1.7	495.0	0.0
Profit Before Tax	13.75	12.6	530.8	81.0
Tax	8.38	9.9	130.8	34.8
Reported PAT	5.37	2.7	399.9	46.2
Normalized PAT	5.37	2.7	18.8	46.2
EPS	0.4	0.2	29.6	3.4
Normalized EPS	0.40	0.20	1.39	3.42
OPM (%)	7.92	10.39	9.78	10.41
PATM (%)	0.4	0.2	27.3	2.8
Normalized PATM (%)	0.4	0.2	1.3	2.8

BALANCE SHEET (Rs. In Crs)

Particulars	FY13	FY14	FY15E	FY16E
Shareholders' Funds	344.0	348.8	715.6	760.2
Share Capital	13.5	13.5	13.5	13.5
Reserves & Surplus	330.5	335.3	702.1	746.7
Non-Current Liabilities	214.2	144.7	52.5	56.7
Long Term borrowings	163.5	95.8	0.0	0.0
Deferred Tax Liabilities (Net)	40.4	37.5	38.9	42.7
Other Long Term Liabilities	2.1	1.2	1.7	1.9
Long Term Provisions	8.1	10.3	11.9	12.1
Current Liabilities	662.8	676.5	652.7	688.2
Short Term Borrowings	245.0	170.7	120.0	75.0
Trade Payables	209.2	267.5	286.9	323.1
Other Current Liabilities	174.5	199.8	205.7	245.9
Short Term Provisions	34.0	38.5	40.1	44.2
Total Equity & Liabilities	1221.0	1170.1	1420.8	1505.0
Assets				
Non-Current Assets	768.7	749.3	849.7	927.9
Net Block (Tangible Assets)	675.0	670.1	759.0	829.8
Intangible Assets	2.6	2.1	2.3	2.4
Capital Work-in-Progress	51.4	34.9	43.1	47.2
Long -term Loans and Advances	39.4	41.9	44.9	48.1
Other Non-Current Assets	0.4	0.3	0.4	0.4
Current Assets	452.3	420.8	571.1	577.2
Inventories	174.7	158.5	179.0	194.2
Trade Receivables	160.1	167.0	179.8	195.6
Cash & Cash Equivalents	11.1	10.7	116.8	82.5
Short Term Loans & Advances	99.1	69.7	84.4	91.8
Other Current Assets	7.3	14.9	11.1	13.0
Total Assets	1221.0	1170.1	1420.8	1505.1

RATIO ANALYSIS

Particulars	FY13	FY14	FY15E	FY16E
FD EPS	0.4	0.2	29.6	3.4
Normalized EPS	0.40	0.20	1.39	3.42
PE(x)	81.4	161.9	1.1	9.4
Book Value (Rs.)	25.4	25.8	53.0	56.3
P/BV (x)	1.3	1.3	0.6	0.6
OPM (%)	7.9	10.4	9.8	10.4
NPM (%)	0.4	0.2	27.3	2.8
Normalized NPM (%)	0.4	0.2	1.3	2.8
ROCE (%)	9.2	13.3	8.5	12.3
RONW (%)	1.6	0.8	2.6	6.1
Debt-Equity	1.2	0.8	0.2	0.1
Current Ratio	0.7	0.6	0.9	0.8
Mcap/Sales(x)	0.3	0.3	0.3	0.3
EV/EBITDA	5.3	3.9	2.6	2.1

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