

Asian Paints

Painting the town red





Contents

	Page No.
Investment thesis	4
Strong leadership position in a growing market	4
Structural growth story with strong linkages to economy.....	8
Industrial Paints.....	12
International division.....	14
Financials.....	17
Valuations	20
Investment Risks	20
Financial Tables	21

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Asian Paints

Rating	BUY
Price	Rs2,386
Target Price	Rs2,600
Implied Upside	9.0%
Sensex	17,843

(Prices as on July 9, 2010)

Trading Data

Market Cap. (Rs bn)	228.8
Shares o/s (m)	95.6
Free Float	49.47%
3M Avg. Daily Vol ('000)	65.2
3M Avg. Daily Value (Rs m)	143.9

Major Shareholders

Promoters	50.53%
Foreign	15.38%
Domestic Inst.	12.49%
Public & Others	21.60%

Stock Performance

(%)	1M	6M	12M
Absolute	4.4	32.9	102.9
Relative	(2.7)	31.2	73.3

Price Performance (RIC: ASPN.BO, BB: APNT IN)



Source: Bloomberg

We initiate coverage on Asian Paints with 'BUY' rating and a target price of Rs2,600, an upside of 9%. Healthy earnings growth CAGR of 19% for FY10-12E, continued pick-up in urban discretionary demand and leadership position in a growing market with relatively benign competitive intensity, underline our positive investment thesis on Asian Paints.

- **Continued robust demand to drive healthy 18% earnings CAGR:** Asian Paints is an undisputed leader in the Indian paints market (55% market share of the organized segment), with more than 2x the share of its next competitor. Pick-up in urban discretionary demand and continued healthy volume growth in semi-urban and rural markets will result in robust 18% earnings CAGR for FY10-12e, in our view.
- **Expect 80bps EBITDA contraction in FY11e:** We model for 80bps contraction in FY11e EBITDA margin, given the high base (highest EBITDA margin of 18.4% in FY10) and sequential increase in input costs. We believe that Asian Paints has enough pricing power to pass on any adverse input cost hike (~4% price hike in May 2010).
- **Favourable macro catalysts:** We believe that Asian Paints is a direct play on the growing economy and India consumption story. Apart from consumption and penetration-led opportunity, several favourable demographic catalysts viz. rising income levels, increasing urbanisation and nuclear families can act as structural growth drivers for decorative paints demand growth.
- **Valuation and Outlook:** We value Asian Paints at a P/E of 23x (3 year average) to arrive at target price of Rs2,600, an upside of 9%. We expect the valuations to sustain, given our expectations of healthy earnings CAGR of 19% for FY10-12E, led by a pick-up in urban discretionary consumption. Asian Paints has the pricing power to pass on input cost inflation (price hike of 4.15% in May and 2.8% in July). We initiate with 'BUY'. Upside risk includes better-than-expected margin performance (we model for 100bps decline in FY11e) and downside risk including moderation in rural demand on account of poor monsoon.

Key financials (Y/e March)	FY09	FY10	FY11E	FY12E
Revenues (Rs m)	54,632	66,809	79,576	94,168
Growth (%)	24.0	22.3	19.1	18.3
EBITDA (Rs m)	6,694	12,276	13,835	16,372
PAT (Rs m)	3,972	7,620	9,138	10,871
EPS (Rs)	41.4	79.4	95.3	113.3
Growth (%)	(2.9)	91.9	19.9	19.0
Net DPS (Rs)	17.5	27.0	38.1	45.3

Source: Company Data; PL Research

Profitability & valuation	FY09	FY10	FY11E	FY12E
EBITDA margin (%)	12.3	18.4	17.4	17.4
RoE (%)	34.4	49.0	46.8	43.7
RoCE (%)	39.7	61.3	56.7	56.0
EV / sales (x)	5.2	4.2	3.4	2.8
EV / EBITDA (x)	34.6	34.3	18.3	16.1
PE (x)	55.9	57.6	30.0	25.0
P / BV (x)	23.3	19.0	13.4	10.4
Net dividend yield (%)	0.7	1.1	1.6	1.9

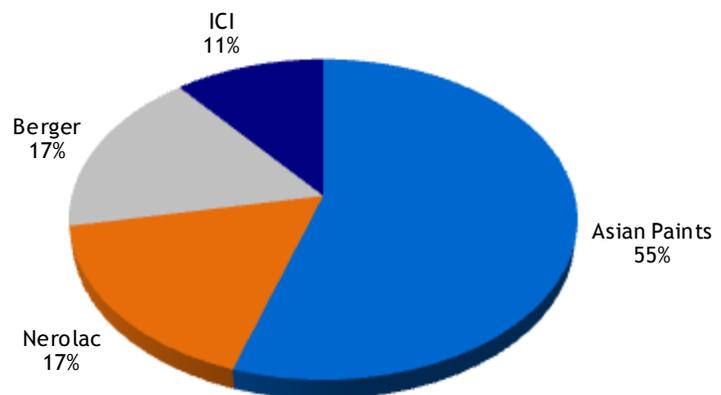
Source: Company Data; PL Research

Investment thesis

Strong leadership position in a growing market

Asian Paints enjoys leadership position in the Indian Paints industry, with nearly 55% share of the organized segment. Over the last 10 years, Asian Paints has gained a market share every year owing to its strong brand equity and innovative marketing tactics, with customer centricity being the key cornerstone of every strategy.

Asian Paints market share is 3.2x of the next competitor



Source: Company annual reports, PL Research

Some of the key attributes of its market leading position are:

a) Comprehensive product portfolio across segments and price points

Asian Paints has the most comprehensive product portfolio across price points. It is a leader across all the segments of decorative paints e.g. Exterior Emulsions, Interior Emulsions (water-based paints), Enamels (solvent-based paints), Wood Finishes and Distempers.

**Asian Paints' Decorative Paints portfolio**

Category	Sub-Category	Brand name	Cost range	
Interior Walls	Distempers	Tractor Acrylic	Mid-Range	
		Tractor Synthetic	Mid-Range	
		Utsav Acrylic	Economy	
		Utsav Synthetic	Economy	
	Emulsions	Royale Play	Premium	
		Tractor Emulsion	Economy	
	Enamels	Apolite Premium Satin	Premium	
		Apolite Premium Gloss	Premium	
		Utsav	Economy	
	Exterior Walls	Emulsions	Apex Ultima	Premium
			Apex Duracast Rough Tex	Premium
			Apex Duracast Fine Tex	Premium
Apex			Mid-Range	
Apex Stretch			Mid-Range	
Ace			Economy	
Wood Surfaces		PU Exterior Glossy	Premium	
		PU Exterior Matt	Premium	
		PU Interior Glossy	Premium	
		PU Interior Matt	Premium	
		Melamyne Glossy	Mid-Range	
		Melamyne Matt	Mid-Range	

Source: Company Data, PL Research

Presence across the price points enables it to capture any up/down trading and retain the consumer in its folds.

b) Strong distribution reach: strong competitive advantage

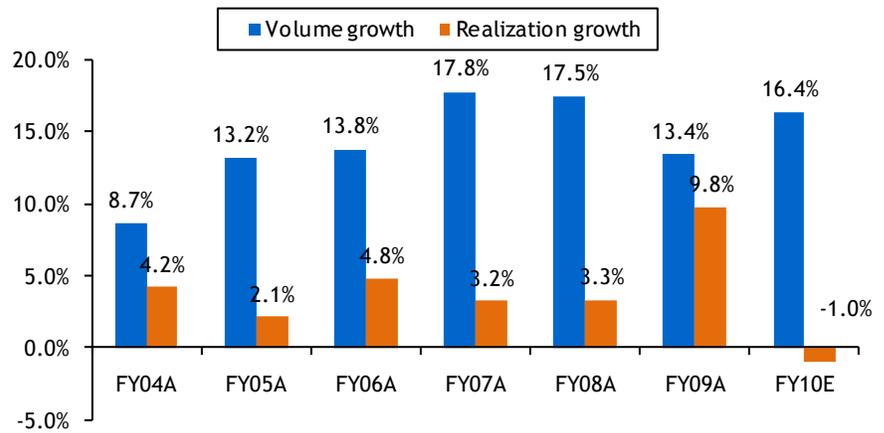
Asian Paints has the largest distribution footprint, with nearly 23,000 dealers (more than 15,000 'Colour World' outlets) spread across the length and breadth of the country. It is pertinent to note that paints category, unlike consumer staples, doesn't have distributors and stockists structure of distribution. Companies need to have direct supply chain engagement with dealers owing to the complexity of the storage and transportation of paints. It has bestowed significant competitive advantage to Asian Paints owing to its long relationships with paint dealers. This acts as an entry barrier for the existing players as well as those looking at increasing penetration.

c) Robust pricing power: to aid the 18% EPS CAGR for FY10-12e

Asian Paints is the pricing leader in the Indian Paints industry. Nearly 75% of its revenues accrue from Decorative paints, where pricing power is superior compared to Industrial paints. In Industrial paints, pricing power is limited, given the bargaining power of buyers.

Strong brand equity of Asian Paints also helps in sustaining the pricing power. Over the years, Asian Paints has been able to maintain volume growth in double digits, despite taking necessary price increases to pass on the input cost inflation.

Domestic Paints volumes have remained resilient in the last 5 years



Source: Company Data, PL Research

Volume growth decelerated in FY09 to 13.4% as Asian Paints had to implement price hikes to pass on the sharp spike in input costs. Factors like slowdown in economy and uncertainty in disposable income growth also played a partial role in volume growth deceleration. Despite the macro slowdown and price hikes, it could manage a 13% volume growth which we believe is extremely healthy and underscores the strong brand equity which Asian Paints enjoys. With the economic recovery beginning FY10, discretionary demand too made a bounce back and Asian Paints posted 16% volume growth in domestic paints in FY10. We expect this demand momentum to continue and model for 15-16% volume growth for FY11e and FY12E.

Asian Paints has recently implemented a 4.15% price hike in May 2010 to pass on the input cost hike. Prices of key inputs like Monomers, Rutile etc. have witnessed a sequential rise. Material price index of Asian Paints has moved up to 94.37 in Q4FY10 from 92.72 in Q3FY10 (Base of FY09=100). Competition, too, has taken similar price hikes underscoring the relatively benign competitive dynamics prevailing in the Paints industry.

d) Innovation in product offerings and marketing strategies

Asian Paints' ability to innovate product offering has been well complimented by its marketing strategies and desire to establish deeper consumer connect. Asian Paints is credited for introducing many innovative concepts in the Indian Paints industry. Some examples are as follows:

- a) Colour World (Tinting Machines)
- b) Signature Stores
- c) Small Packs
- d) Home Solutions (painting solution service)
- e) Special Effects/Textured paints
- f) Colour Next (prediction of Colour Trends)
- g) Colour Ideas Stores

'*Colour World*' outlets today stand at 14,600. Essentially, a *Colour World* outlet has a tinting machine which costs Rs2.5 lakhs and is paid for by the distributor. It requires a dealer to stock base paint and provides shades by mixing the base paint with various pigments. It reduces the inventory investment by distributor as it doesn't need to carry host of sku's. Also, it reduces space cost incurred by the distributor.

As for customer, it provides various shades on the screen; thus, expanding the range of offerings.

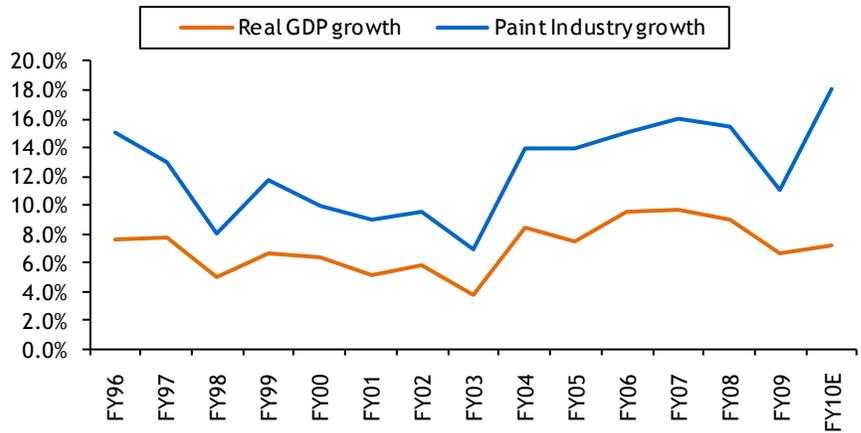
It also eases the complexity in the entire supply chain as the distributor now has to carry fewer sku's.

Colour World and other such initiatives have helped in increasing the customer participation in the buying process and also strengthens the customer connect of Asian Paints, while enhancing the brand equity.

Structural growth story with strong linkages to economy

We believe Asian Paints is a direct play on the growing India Consumption story. Analysis of the past data trends suggest strong correlation between paints volume growth and India GDP growth. Volume growth of paints is typically 1.5-2x of GDP growth.

Paints demand has strong correlation with GDP growth



Source: Company Data, CMIE, PL Research

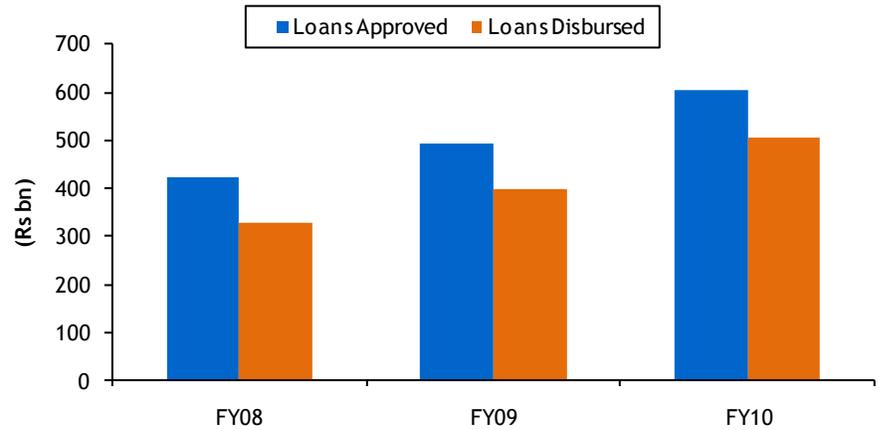
Paints industry suffered in the second half of FY09 on account of a slowdown in the domestic economy. Paints being a discretionary item, purchases tend to get postponed in an environment of income uncertainty as well as weak consumer sentiment. FY09 also witnessed a spurt in the raw material prices; thus, aggravating the impact. Paints volume growth for FY09 slowed down to 13.4% in FY09 compared to 17.8% and 17.5% in FY07 and FY08, respectively.

Given expectations of strong GDP growth for FY11E and FY12E, we expect paints demand to continue to witness robust demand momentum. We forecast volume growth of 15% and 14% for FY11E and FY12E, respectively, on the back of improving consumer sentiments and pick-up in urban discretionary demand.

70% of the decorative paints demand is on account of re-painting, while 30% comes from fresh painting; thus, dependent on the health and buoyancy of the property sector. Given the expectations of revival in residential property markets after the weakness in H2CY08 and H1CY09, we expect construction of new homes to provide an additional catalyst for paint demand.

In the absence of any authentic data on construction of new homes, we take housing loan disbursement from HDFC, India’s largest mortgage lender, as a proxy for demand from new construction. Following chart shows the growth in housing loan disbursement from HDFC:

Home loan disbursals points toward healthy demand for new construction

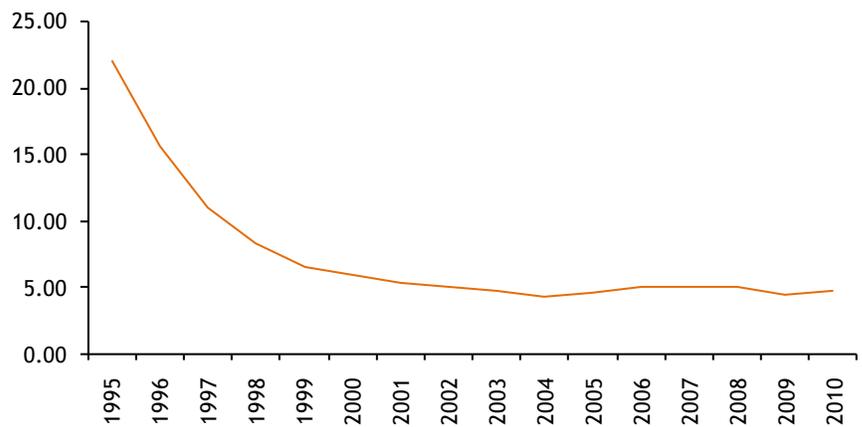


Source: HDFC*, PL Research
 *- HDFC's home loan disbursals taken as proxy

According to the census data, housing shortage is estimated at 24.7m units, out of which Rural contributes 14.1m units and rest 10.6m units in Urban.

As a consequence of rising incomes, affordability (affordability = price of property/annual income), too, has improved.

Mortgage affordability has improved significantly in the last 15 years

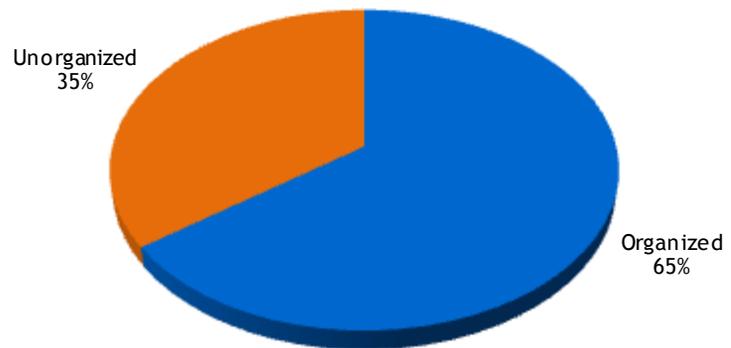


Source: HDFC, PL Research
 *Affordability = property prices by annual income

Consumption and penetration-led opportunity

Indian paints industry is Rs150bn market, growing at nearly 1.5-2x GDP growth. Out of this, Decorative paints contribute nearly 75% of the pie with Industrial paints accounting for the rest. Nearly 65% of the market is accounted by organised players. Within the organised segment, Asian Paints has ~55% share.

Un-organized sector contributes to 35% of Decorative Paints industry



Source: Industry, PL Research

Per capita consumption at 1.5kg is way below the developed (20kgs) as well as the developing market standards. Usage of lime extracts (*chuna*) in rural and semi-urban markets as well as lesser awareness of the protective attributes of paints can be one of the reasons for lower consumption levels.

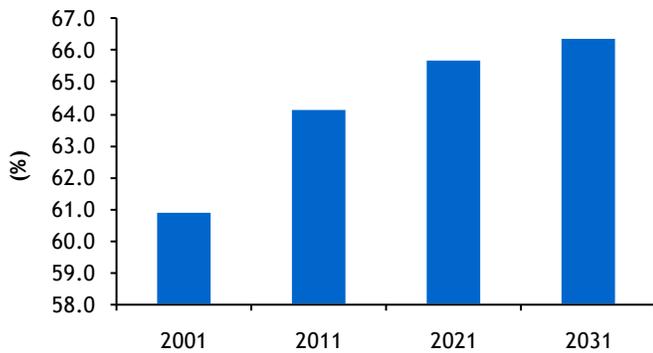
With growing income levels, both in urban as well as rural India on the back of various government initiatives like NREGS, Farm loan waivers, pay commission led salary hikes etc, we expect the per capita consumption to improve in the medium as well as long term.

Some of the structural growth drivers for Indian paints industry are as follows:

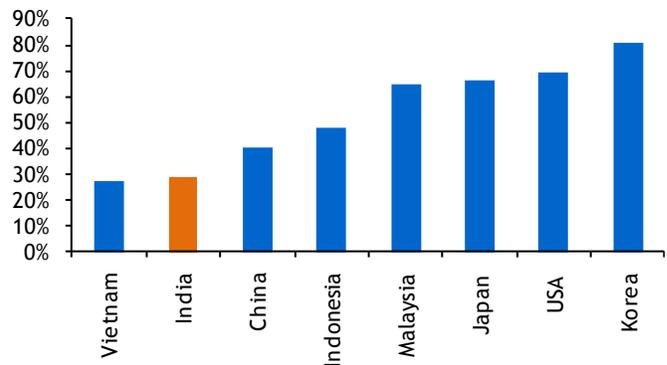
- 1) **Rising income levels:** According to McKinsey, proportion of low income groups is expected to decline from 24% in FY05 to 10% in FY10e. This will act as a significant catalyst for demand growth in decorative paints.
- 2) **Rising urbanisation:** This will lead to creation of new homes, in-turn, fuelling incremental demand. Currently, only 28% of Indian population is urban.

- 3) **Increase in nuclear families:** This is a consequence of younger demographics (60% of India’s population is below 30 years of age), with proportion of working population expected to increase from 40% in FY05 to 48% in FY15e.
- 4) **Increasing media exposure:** With better awareness levels, we expect a gradual shift from unbranded to branded segment as well as improvement in product mix for players like Asian Paints as demand for emulsions continues to outpace enamels and distempers.

% of population in 15-64 age group

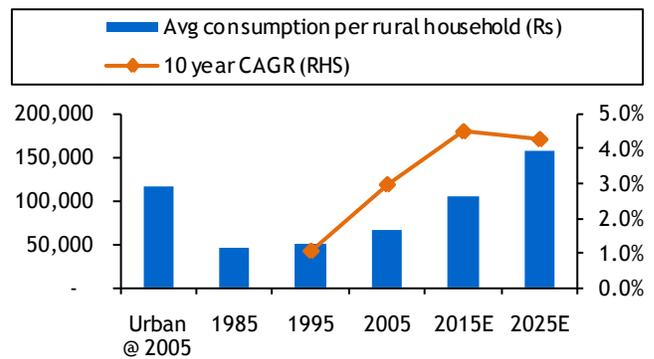
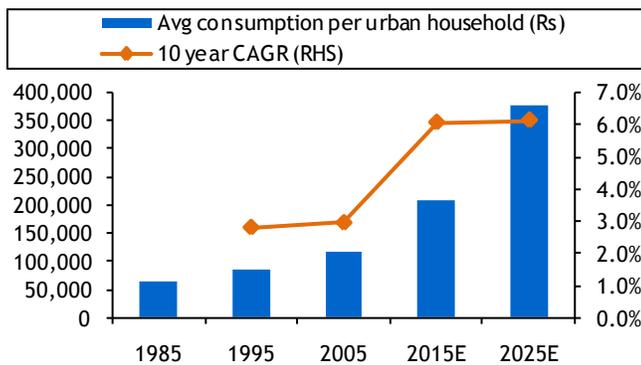


Urban Share of total population, 2005



Source: McKinsey, PL Research

Healthy growth in consumption levels expected for both, urban and rural India



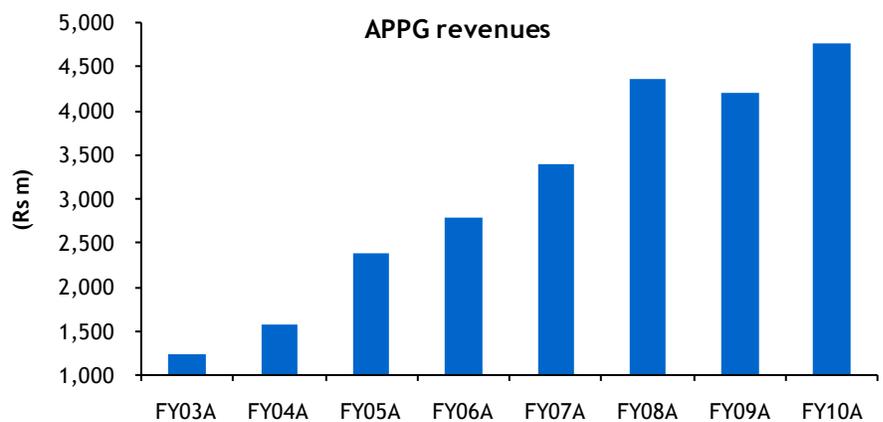
Source: McKinsey, PL Research

Industrial Paints

Industrial Paints contribute nearly 5-7% of Asian Paints’ consolidated sales. It is present in the Industrial segment through following three vehicles:

APPG: It’s a 50:50 JV between Asian Paint and PPG industries, USA and offers automotive paints; this contributes nearly 50% to the revenues from Industrial paints. Asian Paints is the second largest supplier to the auto segment in India.

Strong growth in Auto sales propelled Industrial paints segment

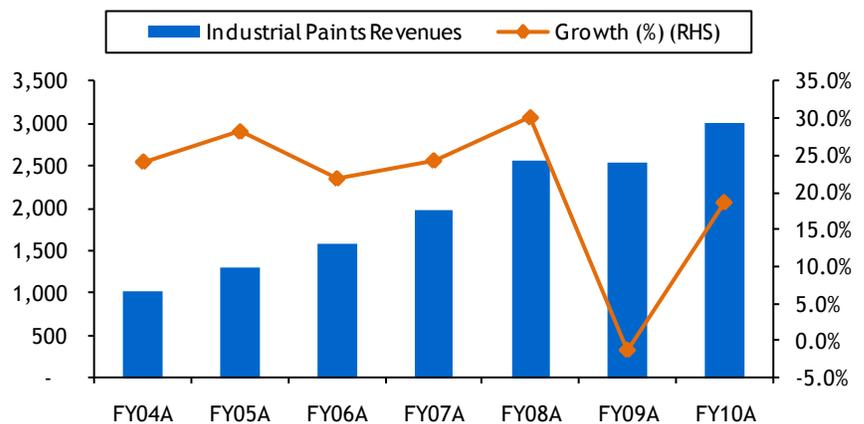


Source: Company Data, PL Research

Asian Paints Industrial Coatings: 100% subsidiary for powder coatings.

Asian Paints Industrial Paints business: Operates directly in the protective coatings, floor coatings and road marking paints through the standalone entity.

Industrial paints bounced back in FY10



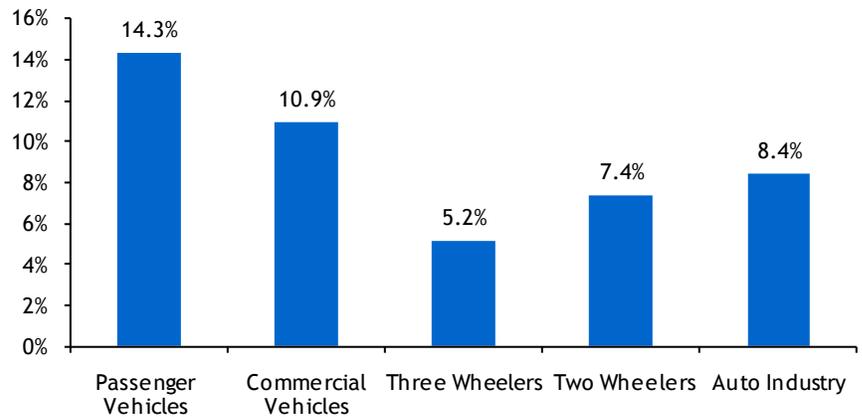
Source: Company Data, PL Research



Industrial paints revenue has witnessed 26% CAGR in FY04-08A on account of a strong growth in the auto segment as well as focussed investments in infrastructure from government as well as private players. However, in FY09, revenues declined by 1.4% on account of a slowdown in economy as well as postponement of capital expenditures by Indian corporates.

However, recovery in Auto sales as well as commencement of corporate capex, has helped recovery in Industrial paints demand. We expect Asian Paints to post 10% sales growth in this segment for FY10-12E.

Growth in Auto Segments (FY06-10)



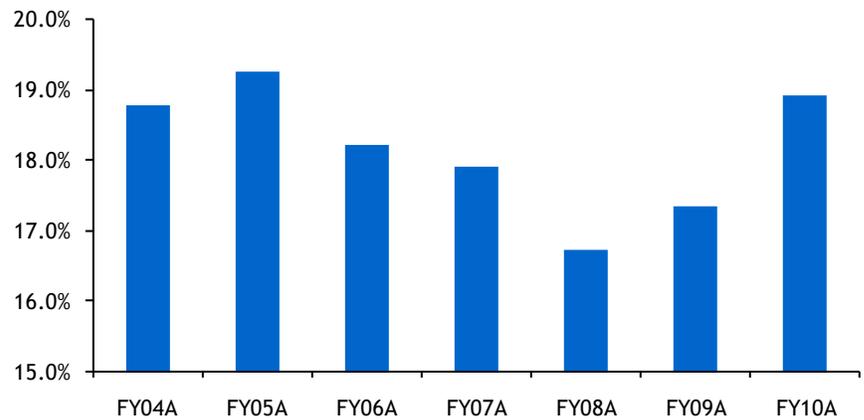
Source: Industry, PL Research

International division

International division of Asian Paints contribute nearly 17-18% of consolidated revenues. Asian Paints is primarily present in 17 countries spread over following 5 key regions:

- 1) Middle East
- 2) Caribbean
- 3) South Asia
- 4) South East Asia
- 5) South Pacific

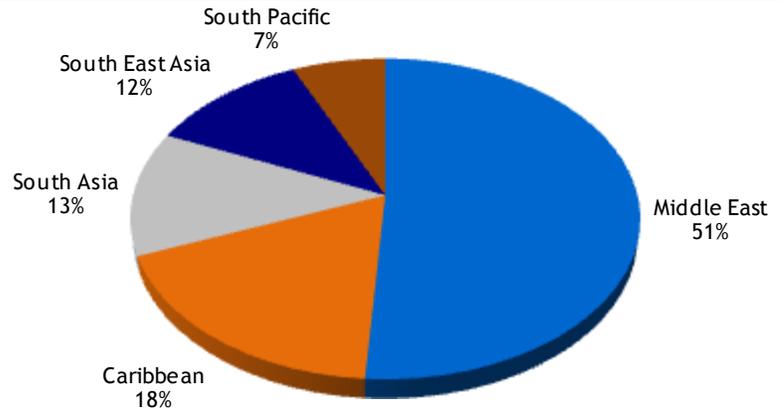
International division contributes nearly 19% of consolidated sales



Source: Company Data, PL Research

Middle East is the single biggest contributor to the international revenues, with 51% and 81% revenue and EBIT contribution, respectively.

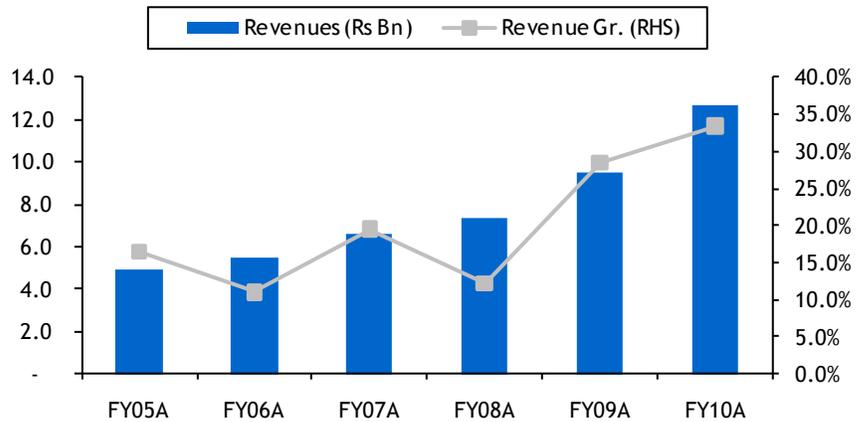
Middle East remains the key driver of international sales



Source: Company Data, PL Research

Over the years, international paints volumes have shown volume CAGR of 20% (FY04-FY09) and revenue CAGR of 17.4%. Profitability of international operations has improved significantly from EBIT margins of 0.4% in FY06 to 7.3% in FY09.

International division to see full recovery in FY11e



Source: Company Data, PL Research

Interestingly, despite the global economy facing a major slowdown in FY09, international division of Asian Paints has posted 28.5% revenue growth, higher than the 24.4% witnessed in domestic decorative business.

Middle East and South Asia contribute nearly 93% of International EBIT. Profitability of South East Asia continues to remain a drag. Management has intermittently reviewed the viability of certain international units and exited from some of the South East Asian markets like Hong Kong, Thailand, Malaysia etc.



Asian Paints strategy in international markets is divided into two parts:

Leadership regions (Caribbean, South Pacific): a) Focus on improving cash flows b) Increase market share by 100bps each year.

Growth regions (Middle East, South Asia, South East Asia): a) Focus on top-line growth b) Aims to be amongst the top three players in every market where it is present.

We expect the International division to post 16% revenue growth for FY10-12E.

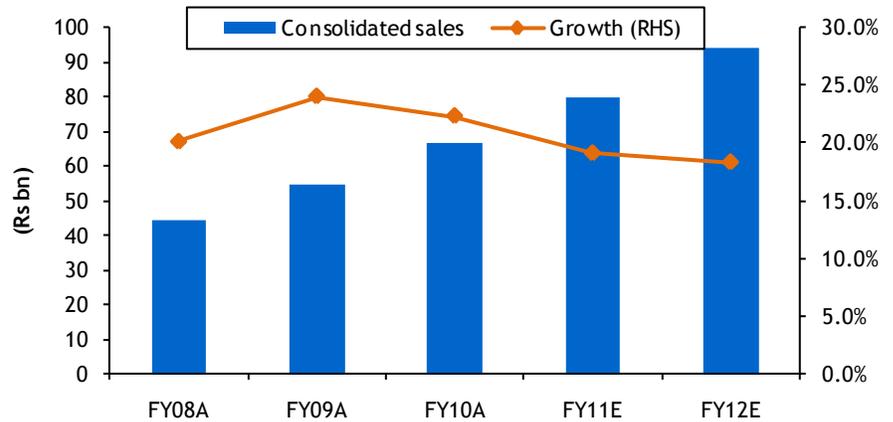
Financials

We expect Asian Paints sales to grow by 19% CAGR for FY10-12E, led by 16% volume CAGR in FY10-12E.

While EBITDA margins expanded nearly 610bps in FY10 led by correction in raw material prices and lower base, we believe FY11E will witness margin compression on account of a rise in the input costs as well as roll back of excise duty cuts announced as a part of stimulus package in December 2008 and February 2009. FY10-11 budget has increased the excise duties by 200bps.

We forecast EBITDA margin compression of 100bps in FY11e owing to hardening of input costs. Management, too, has articulated the difficulty in sustaining the all-time high EBITDA margins of 18.4% delivered in FY10.

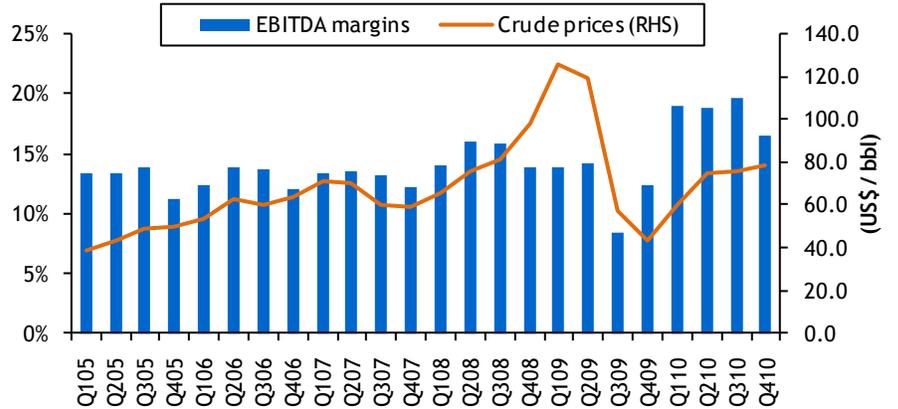
We forecast 19% revenue CAGR for FY10-12E



Source: Company Data, PL Research

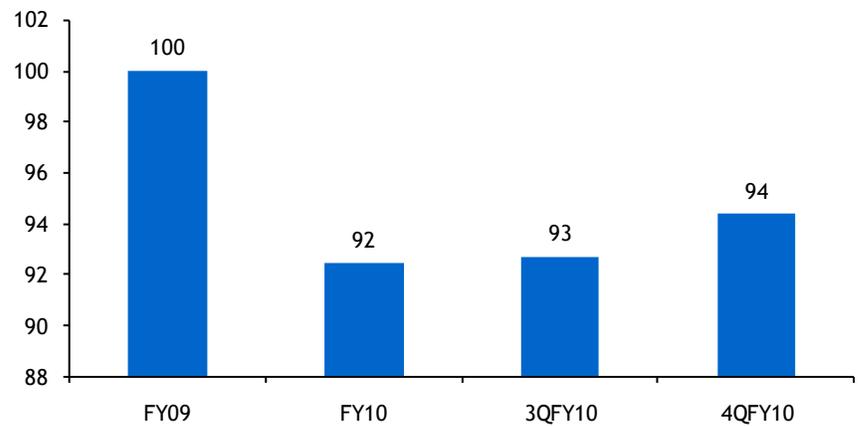
While we remain confident about Asian Paints’ pricing power in the Decorative paints segment, risk to our EBITDA margin forecasts comes from a sharp spurt in input costs. Asian Paints has already taken two price hikes in May (4.15%) and July (2.8%) to pass on the input cost inflation witnessed in Q1FY11. Competition, too, has responded with similar price hikes. This gives us comfort as regards the prevailing competitive intensity in the Paints industry. This also raises the possibility of upside surprise on operating margins front.

Operating margins to come off high base owing to higher input costs



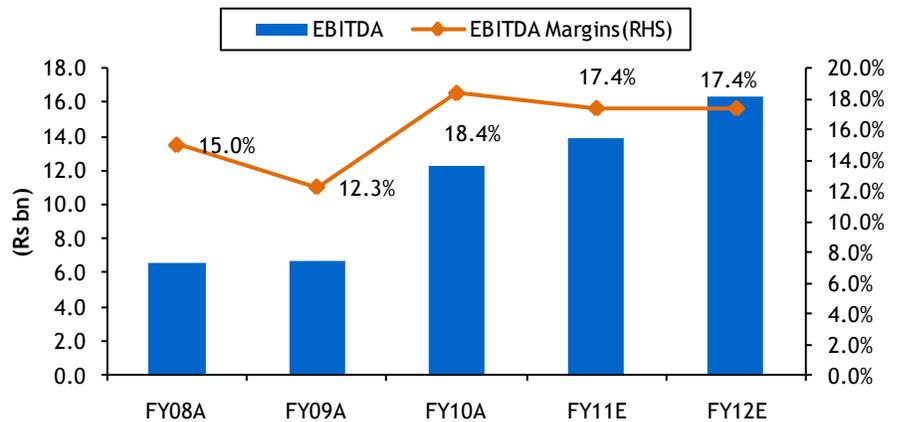
Source: Company Data, PL Research

Raw material index of Asian Paints : 6% QoQ inflation in input costs



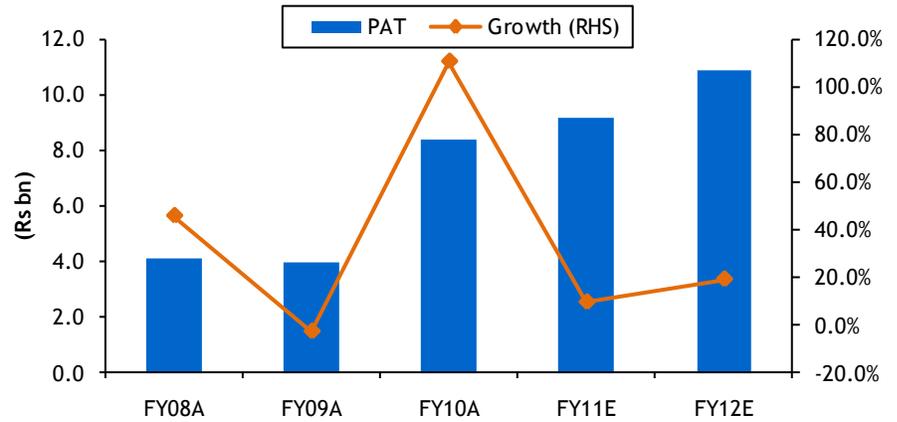
Source: Company Data, PL Research

EBITDA margins to decline 80 bps in FY11e



Source: Company Data, PL Research

Healthy 18% expected PAT growth for FY10-12e

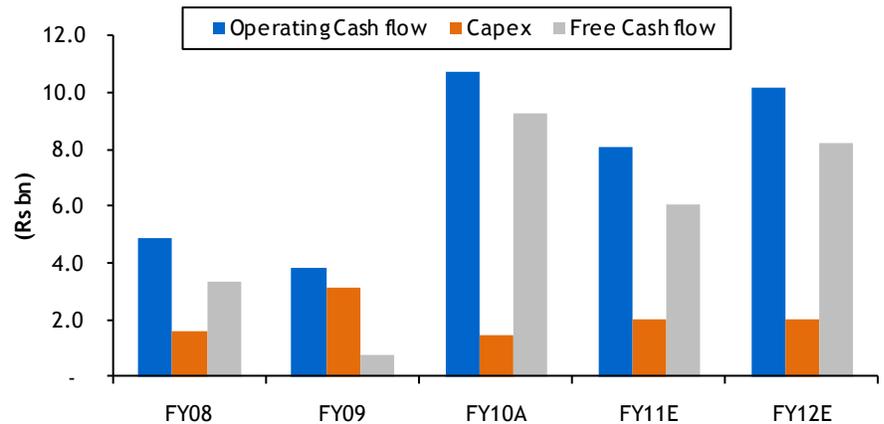


Source: Company Data, PL Research

Asian Paints has recently commissioned the Rohtak Plant in April 2010, with an initial capacity of 1,50,000 KL. Capacity of Sriperumbudur plant was also raised to 1,40,000 KL. We don't expect any significant capex for the next two years as land for the 7th plant at Kesurdi in Maharashtra is already procured and Rohtak plant has already commenced its first phase. Management has guided for capex spend of Rs3bn as against Rs3.5bn in FY10. Out of this Rs3bn, Rs1bn will be spent on Kesurdi and Rs170m on the new plant in Egypt.

Asian Paints' return ratios are expected to remain strong on account of robust free cash flow generation. We expect the operating free cash flow to improve nearly 4x in FY10E on account of an improvement in profitability and robust growth in FY10E PAT.

Strong free cash generation to continue



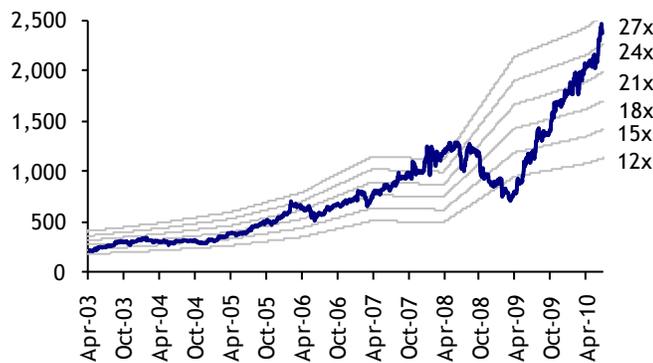
Source: Company Data, PL Research

As most of the major capex commitments are behind, we expect the free cash flows to remain stable post FY10.

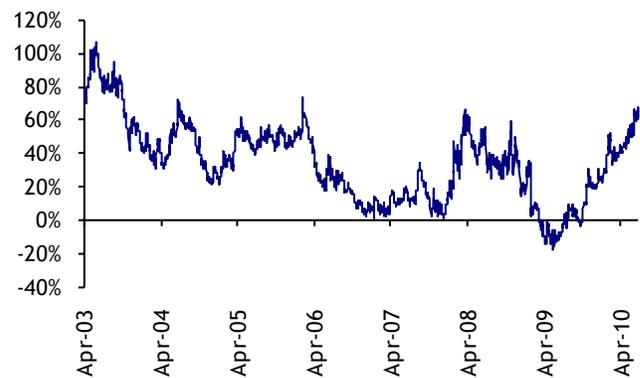
Valuations

We value Asian Paints at a 3 year average P/E of 23x to arrive at March-11 target price of Rs2,600, an upside of 9%. We expect the valuations to sustain, given our expectations of healthy earnings CAGR of 19% for FY10-12E, led by a pick-up in urban discretionary consumption. Asian Paints has the pricing power to pass on input cost inflation (price hike of 4.15% in May and 2.8% in July). We initiate with 'BUY'. Upside risk include better-than-expected margin performance (we model for 100bps decline in FY11e) and downside risk include moderation in rural demand on account of poor monsoon as well as sharp spurt in input costs.

P/E band chart of Asian Paints



P/E premium vs Sensex



Source: Bloomberg, PL Research

Investment Risks

- Slowdown in the economy can impact the demand growth of paints, its demand being discretionary in nature. Also, demand for Industrial paints is linked to the macro environment. Any deterioration in macro environment can potentially result in slowdown in revenue growth for Asian Paints.
- Spurt in input costs, like in FY09, can have an adverse impact on the operating margins of Asian Paints.
- Any severe volatility in exchange rates can impact Asian Paints as it derives nearly 17% of its top-line from International operations. Also, 25% of its raw materials are imported.



Financial Tables

Income Statement

(Rs m)

Y/e March	FY06	FY07	FY08	FY09	FY10	FY11E	FY12E
Net Sales	30,210	36,700	44,072	54,632	66,809	79,576	94,168
Expenses	26,293	31,919	37,467	47,938	54,533	65,741	77,796
Direct Costs	19,101	23,294	27,757	36,097	40,574	49,258	58,384
Raw materials	17,921	21,994	25,776	33,706	37,580	45,836	54,241
Advertising	1,180	1,300	1,980	2,390	2,994	3,422	4,143
Staff Costs	2,233	2,621	3,067	3,715	4,363	5,104	6,040
Miscellaneous Expenses	4,959	6,005	6,643	8,127	9,597	11,379	13,372
EBITDA	3,917	4,781	6,606	6,694	12,276	13,835	16,372
Other income	303	358	551	453	1,294	590	616
Depreciation	606	611	592	744	836	864	954
PBIT	3,613	4,528	6,565	6,403	12,735	13,561	16,034
Interest	97	175	167	206	174	142	71
PBT	3,431	4,271	6,330	6,185	12,572	13,419	15,963
Tax	1,323	1,467	2,034	1,974	3,731	4,281	5,092
<i>Tax rate (%)</i>	<i>38.6</i>	<i>34.3</i>	<i>32.1</i>	<i>31.9</i>	<i>29.7</i>	<i>31.9</i>	<i>31.9</i>
Adjusted PAT	2,121	2,810	4,092	3,972	8,356	9,138	10,871
Recurring PAT	2,121	2,810	4,092	3,972	7,620	9,138	10,871

Source: Company Data, PL Research

Balance Sheet

(Rs m)

Y/e March	FY06	FY07	FY08	FY09	FY10	FY11E	FY12E
Total Liabilities	9,676	11,440	13,150	15,874	20,337	24,312	29,663
Capital	959	959	959	959	959	959	959
Reserves & Surplus	5,503	6,819	8,865	11,073	16,141	21,016	26,817
Shareholder's Funds	6,463	7,778	9,824	12,032	17,100	21,976	27,776
Debt	3,213	3,663	3,326	3,842	3,237	2,337	1,887
Total Assets	9,676	11,440	13,150	15,874	20,337	24,312	29,663
Gross Block	9,766	10,832	12,112	14,614	15,004	17,004	19,004
Net Block	4,181	4,794	5,776	8,130	8,728	9,864	10,910
CWIP	337	138	1,142	921	4,072	4,072	4,072
Fixed Assets	4,519	4,932	6,917	9,051	12,801	13,936	14,982
Investments	1,641	1,927	2,767	784	6,241	6,241	6,241
Current Assets	10,454	12,913	14,936	17,987	18,437	23,556	29,993
Inventories	4,889	5,980	7,140	7,690	9,559	11,511	13,398
Debtors	3,475	4,206	4,603	5,719	5,425	6,899	8,164
Cash & Bank Balance	734	1,054	1,107	2,104	1,058	2,646	5,828
Int. accrued on investments / deposits	-	0	1	6	2	2	2
Loans & Advances	1,356	1,673	2,085	2,469	2,393	2,499	2,601
Less : Current Liabilities	7,046	8,532	11,523	11,921	16,947	19,226	21,358
Current Liabilities	5,871	7,870	9,859	10,147	13,797	15,375	16,981
Provisions	1,175	662	1,664	1,775	3,150	3,852	4,377
Net Current Assets	3,408	4,381	3,413	6,066	1,490	4,330	8,634

Source: Company Data, PL Research

Cash Flow

(Rs m)

Y/e March	FY06	FY07	FY08	FY09	FY10	FY11E	FY12E
Net Cash from Operations	2,383	2,611	5,412	2,467	11,675	8,750	10,703
Net Cash from Investing	1,145	1,153	3,124	299	8,998	2,000	2,000
Net Cash from Investments	502	287	839	(1,983)	5,457	-	-
Net Cash from Financing	(1,191)	(978)	(2,244)	(1,451)	(3,628)	(5,162)	(5,520)
Opening cash balance	608	734	1,054	1,107	2,104	1,058	2,646
Closing cash balance	656	1,214	1,098	1,824	1,153	2,646	5,828
Actual cash (EOY)	734	1,054	1,107	2,104	1,058	2,646	5,828

Source: Company Data, PL Research

**Key Ratios**

Y/e March	FY06	FY07	FY08	FY09	FY10	FY11E	FY12E
Return Ratio (%)							
RoCE	34.7	38.4	47.6	39.7	61.3	56.7	56.0
RoE	35.4	39.2	44.3	34.4	49.0	46.8	43.7
Growth (%)							
Sales	17.4	21.5	20.1	24.0	22.3	19.1	18.3
EBITDA	16.3	22.1	38.2	1.3	83.4	12.7	18.3
PAT	15.3	31.9	51.5	(3.2)	109.1	3.5	19.0
EPS	21.9	32.5	45.6	(2.9)	91.9	19.9	19.0
Liquidity							
Current Ratio	1.5	1.5	1.3	1.5	1.1	1.2	1.4
Balance Sheet Ratio							
Debtors Days	38.9	38.2	36.5	34.5	30.4	28.3	29.2
Creditor Days	96.1	90.2	92.9	80.3	83.8	83.9	83.8
Debt-Equity (x)	0.4	0.4	0.3	0.3	0.1	0.1	0.0
Per Share Ratio (Rs)							
EPS	22.1	29.3	42.7	41.4	79.4	95.3	113.3
BV	67.4	81.1	102.4	125.4	178.3	229.1	289.6
CEPS	29.2	35.9	50.8	51.2	96.3	104.3	123.3
DPS	12.5	13.0	17.0	17.5	27.0	38.1	45.3
FCPS	12.8	14.7	34.4	7.6	96.4	63.1	85.3
Margins (%)							
EBITDA							
PAT	13.0	13.0	15.0	12.3	18.4	17.4	17.4
Tax Rate	7.2	7.9	9.9	7.7	13.2	11.5	11.5
	38.6	34.3	32.1	31.9	29.7	31.9	31.9
Valuations (x)							
PER							
P/CEPS	107.9	81.4	55.9	57.6	30.0	25.0	21.1
P/BV	81.8	66.4	47.0	46.6	24.8	22.9	19.4
EV/EBITDA	35.4	29.4	23.3	19.0	13.4	10.4	8.2
EV/Sales	58.6	48.0	34.6	34.3	18.3	16.1	13.4
Market Cap/Sales	7.6	6.3	5.2	4.2	3.4	2.8	2.3

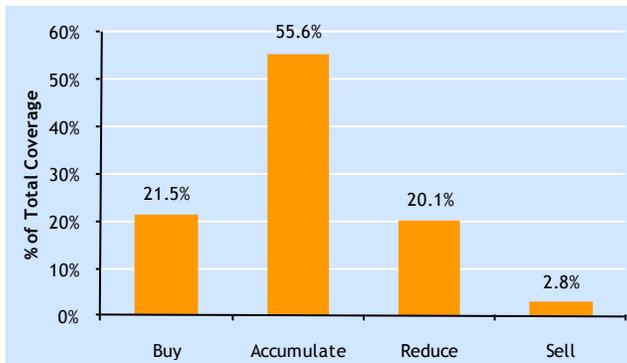
Source: Company Data, PL Research

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