

Panama Petrochem Ltd

Industry	CMP	Recommendation	Add on dips to	Sequential Targets	Time Horizon
Petrochem	Rs. 209.30	Buy at CMP and add on declines	Rs. 180-184	Rs. 251-294	3-4 quarters

HDFC Scrip Code	PANPETEQNR
BSE Code	524820
NSE Code	PANAMAPET
Bloomberg	PNPC IN
CMP Sep 07 2017	Rs. 209.30
Equity Capital (Rs cr)	8.5
Face Value (Rs)	2.0
Eq Share O/S(crs)	4.03
Market Cap (Rs.crs)	844.1
Book Value (Rs)	76.7
Avg. 52 Wk Volumes	16043
52 Week High	223.5
52 Week Low	64.4

Panama Petrochem Ltd (PPL) was incorporated in year 1982 and is one of the leading manufacturers and exporters of petroleum based specialty chemicals. PPL has more than 80 variants of petroleum specialty products for various industries like inks and resins, textiles, rubber, pharmaceuticals, cosmetics, power, cables and other industrial purposes. PPL's diverse range of products includes Mineral Oils, Liquid Paraffins, Transformer Oils, Petroleum Jellies, Ink Oils and other Petroleum Specialty Products. PPL has four manufacturing facilities in India, located at Ankleshwar (Gujarat), Daman (Union Territory), Dahej (Gujarat, SEZ) and Talaja (Dist. Raigadh) having infrastructure, with state-of-the-art technology and storing capacities. It also has a wholly owned subsidiary Panol Industries RMC FZE in UAE. As on 31st March 2017, company has installed capacity of 180,000 MTPA on consolidated basis.

Investment Rationale:

- Robust financials with low leverage and comfortable debt servicing metrics:
- PPL's subsidiary Panol enjoys logistic advantage and easy access to raw materials:
- Continuous capacity expansions could help provide revenue growth visibility:
- Low and stable crude oil prices, more discretionary spending and growing power sector could boost demand for PPL's products going forward:
- Strong product portfolio, wide customer base with strong positioning and improving margin profile.

Concerns:

- No major entry barriers with technology easily available and capex requirements being low
- Foreign exchange fluctuation risk:
- Price fluctuations in raw materials:
- Competition with local organized and unorganized players and from imports
- Dividend payout ratio cut from FY16.

View and Valuation:

PPL has advantage of experienced management with over three decades of presence in petrochemicals business with a diverse product portfolio, wide customer base and favorable capital structure with low leverage. It has been expanding capacities in India regularly over last two years and has set up a unit in UAE to benefit out of locational advantages and raw material availability. Its margins have started to rise from Q1FY17 and are at higher levels compared to its past signifying diversifying or focusing on value added products. Going forward, we expect better growth in sales, healthy growth in margins in next couple of years. PPL is well positioned to capitalize on the increasing shift towards specialty petrochemicals in India and globally, led by diverse product portfolio and capacity expansion plans. PPL has also announced bonus shares in the ratio of 1:2.

Shareholding Pattern % (June30, 2017)	
Promoters	71.1
Institutions	2.6
Non Institutions	26.3
Total	100.0

Fundamental Research Analyst

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We feel investors could buy the stock at the CMP and add on dips to Rs. 180-184 band (~10.5x FY19E EPS) for sequential targets of Rs 251 (14.5x FY19E EPS) and Rs 294 (17.0x FY19E EPS). At the CMP of Rs 209.30 the stock trades at 12.1x FY19E EPS.

Financial Summary:

Particulars (Rs cr)	Q1FY18	Q1FY17	YoY-%	Q4FY17	QoQ-%	FY16	FY17	FY18E	FY19E
Net Sales	276.36	182.75	51.2%	220.05	25.6%	751.7	833.5	1024.6	1173.9
EBITDA	26.84	16.89	58.9%	20.74	29.4%	47.7	76.6	101.3	117.1
APAT	14.58	9.29	57.0%	12.57	16.0%	25.1	43.2	57.2	69.6
Diluted EPS (Rs)	3.61	2.31	56.3%	3.12	15.7%	6.2	10.7	14.2	17.3
P/E (x)						47.7	33.6	19.5	14.8
EV/EBITDA (x)						18.6	11.1	8.6	7.5
RoE (%)						9.2%	14.0%	16.1%	16.7%

(Source: Company, HDFC sec)

Company Profile:

Panama Petrochem Ltd (PPL) was incorporated in year 1982 and is one of the leading manufacturers and exporters of petroleum based specialty chemicals. PPL has more than 80 variants of petroleum specialty products for various industries like inks and resins, textiles, rubber, pharmaceuticals, cosmetics, power, cables and other industrial purposes. PPL's diverse range of products includes Mineral Oils, Liquid Paraffins, Transformer Oils, Petroleum Jellies, Ink Oils and other Petroleum Specialty Products. PPL has four manufacturing facilities in India, located at Ankleshwar (Gujarat), Daman (Union Territory), Dahej (Gujarat, SEZ) and Taloja (Dist. Raigadh) having infrastructure, with state-of-the-art technology and storing capacities. It also has a wholly owned subsidiary Panol Industries RMC FZE in UAE. As on 31st March 2017, company has installed capacity of 180,000 MTPA on consolidated basis.

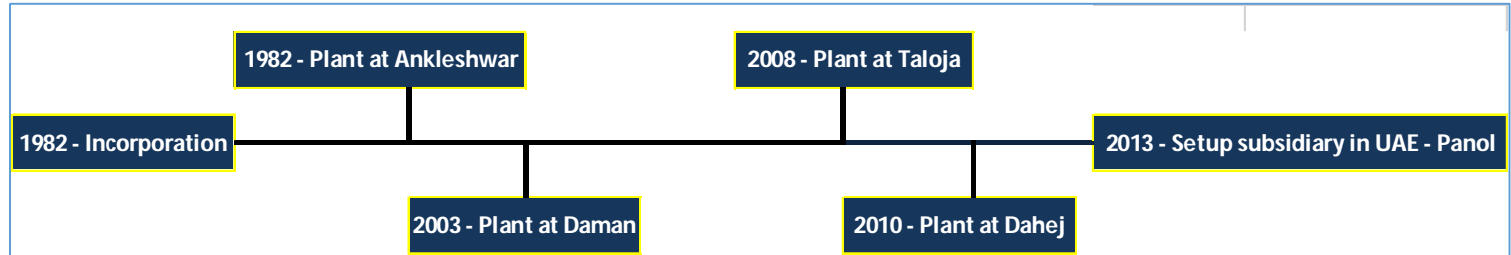
The Company manufactures more than 80 product variants used across 7-8 broad industry segments. The company's products are exported to over 40 countries globally comprising South America, Africa, Europe and Far East. The Company is promoted by Rayani family. Amirali Rayani, the MD and CEO, has experience of more than 35 years in the petroleum industry, and is also supported by an experienced and efficient management team.

The Company has adequate manufacturing capacity to cater to the domestic as well as International requirements. The Company has a fully equipped state-of-the-art Research and Development Center at its Ankleshwar unit where it formulates new and value-added products. The Company develops customized products as per client specification in the field of petroleum and feeds to various industries like Printing Ink, Resin, Cosmetics, Rubber products, Pharmaceuticals, Engineering, and Chemicals including Petro Chemicals.

Over the years, the Company has formed strong relations with its clientele, comprising of leading names across sectors. Its ability to offer customized products complying with global quality standards has enabled to generate not only repeat business from existing clients, but also general referral business from new clients.

Subsidiary Company:

PPL has a wholly owned subsidiary Company Panoil Industries RMC, FZE situated at Ras Al Khaimah, UAE. . Panoil has set up a manufacturing facility at Ras Al Khaimah Maritime City for manufacture of Transformer Oils, Industrial Lubricants, Rubber Process Oils, etc. with an estimated installed capacity of 30,000 MT per year. The company caters to the GCC and MENA regions and enjoys logistic advantage as it is situated on the port and Company has direct dedicated pipeline arrangements.

Growth Story- so far


(Source: Company, HDFC sec)

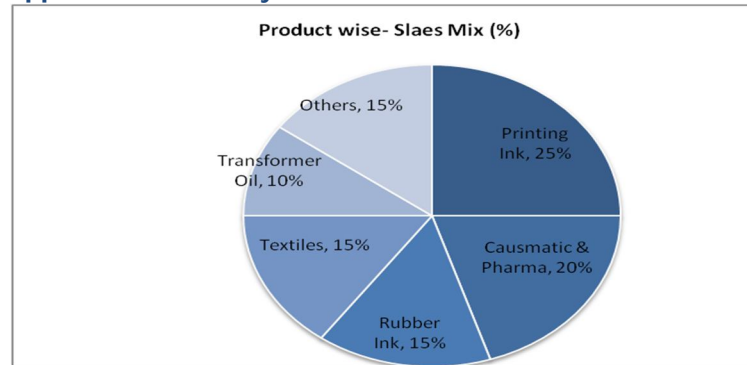
Product Overview:

Panoil is the key product of the Company, it has various variants depending upon its end use application

Products	Discriptions
White Oil/ Liquid Paraffin Oil	Used as a blending base for Pharmaceutical and Cosmetic Products such as creams, lotions, hair oils, petroleum jelly, ointments, laxatives etc. It also find application in many other segments such as polystyrene manufacturing, food packaging industries, protective coatings for fruits and vegetables, food preservatives, veterinary preparations etc.
Petroleum Jelly	used as base for ointments, personal care, veterinary and other pharmaceutical and cosmetic applications.
Rubber Process Oil	Used in the manufacture of automotive tyres and tubes, bicycle tyres, belting, hoses, battery containers, light coloured non back footwear products, extruded products and technical moulded goods
Ink & Coatings	Used across industries like publishing, packaging, FMCG, Industrial Goods, etc.
Transformer Oil	Caters to power industry, Clients include state electricity boards
Textile Oil	Panoil-KNT is a needle lubricant for large diameter circular knitting machines as well as for various other types of knitting machines. Antistatic Conning Oils are used for texturing synthetic yarns such as viscose, acetate rayon, nylon and polyester.
Power & Cable	Used in manufacturing electrical and telecommunication cables
Automotive and Industrial Oil	Products available for hydraulic Oils, Gear Oils, Compressor Oils, Long Life Turbine Oils, Cylinder Oils, Refrigeration Oils, Metal Working Fluids, Marine Oils, Wire Drawing Compounds, Automotive Engine Oils, Gear Oils, Transmission Fluids, Glass Mould Oils, Mould Release Oils, Quenching Oils, Thermic Fluids, Industrial and Automotive Greases, and speciality Industrial Oils.
Drilling Fluids/Waxes	Used for very specific drilling applications of OBM. These are customised product developed and approved by ONGC & international drilling service providers.

(Source: Company, HDFC sec)

Approximate Industry wise Sales Mix-%



(Source: Company, HDFC sec)

Plant wise Installed Capacity

MTPA	FY17
Ankleshwar	30000
Daman	40000
Taloja	50000
Dahej SEZ	30000
Total Standalone	150000
Panol	30000
Total Capacity	180000

(Source: Company, HDFC sec)

Industry Overview:

Over the last few years, India's specialty Petrochem industry has witnessed strong growth, led by rapid industrialization backed by strong economic growth, which in turn is driving the end-user industries like mining, telecom, power, textile, pharmaceuticals, etc. Further, lower manpower cost and relatively less stringent environmental regulations in India are also favorable parameters. Main specialty Petrochemicals are rubber chemicals, water treatment chemicals, polymer additives,

Lubricating additives, specialty pigments etc. These Petrochemicals are mainly based on organic chemicals.

- With increasing industrialization, focus on infrastructural development and outsourcing boom, the demand for the petroleum products manufactured by the Company is likely to further improve in the coming years.
- Demand for intermediates, dyes, specialty chemicals etc. will increase the demand for petroleum specialty products. This will result in a significant growth in this industry.
- Growing demand from the rubber industry, personal care industry, and power sector will lead to a strong demand in petroleum products.

Investment Rationale:

Strong product portfolio, Wider Customer base with strong positioning:

PPL manufactures over 80 product variants of base oil, products are used across broad industry segments such as printing ink, resin, cosmetics, rubber products, pharmaceuticals, engineering, textiles, machinery manufacturing, chemical and petrochemical industries. Its product portfolio comprises of Transformer Oil, Liquid Paraffin, Petroleum Jelly, Cable Jelly, Ink Oil, Rubber Process Oil, and Antistatic Coning Oil.

Over the years, PPL has established strong relationships with leaders in their respective segments. The company's clientele includes BPCL, Micro Inks, Alok Industries, Merck, Cipla and Government Ordinance factories. The company also exports its products to various countries including USA, UK, UAE, Saudi Arabia, Australia, Sri Lanka, Egypt, Italy, Turkey, Tanzania, Syria, Nigeria and other African countries. The established relationship by the company with the clientele would help in further growth in its business. Moreover, the company has been increasing its presence in the export markets like USA, Africa, Europe and Asia.

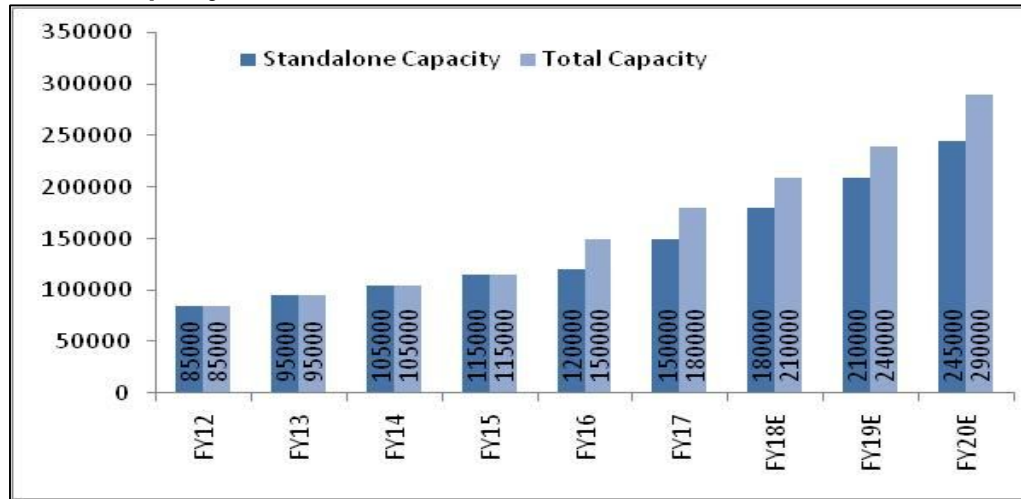
Given the heightened competition and brand building requirements in Auto and Industrial lubricant space, PPL has so far gone slow in these two segments.

Low and stable crude oil prices, more discretionary spending and growing power sector could boost PPL's products demand going forward:

Low and stable crude oil prices in recent past coupled with recovery in auto sector especially the passenger vehicle and commercial vehicle segments augurs well for the growth of lubricant products. Discretionary spending capacity of people is expected to witness some recovery going ahead with recovery in the overall economic scenario, which in turn is estimated to have a positive impact on the demand for liquid paraffin and white oils. Considering the fact that the power sector continues to show growing demand, the demand for transformer oil is expected to exhibit a strong growth going ahead.

Plans for capacity expansions could help to generate more revenue going forward:

With increasing industrialization, focus on infrastructural development and outsourcing boom, the demand for the petroleum products manufactured by the Company is likely to further improve in the coming years. The local units of the company are running at close to 95% capacity utilization and hence the company has been adding capacities every year to take advantage of the rising demand for products. In FY18, it will increase capacities at Ankleshwar and Taloja units by 15000 tpa each taking the Indian capacity to 1.8 lacstpa. The UAE plant operated at 90% capacity in FY17 after gradually ramping it up. Expansion in UAE plant will be taken up in FY19/FY20.

Installed Capacity (MTPA):


(Source: Company, HDFC sec)

PPL has added capacity of 30000 MTPA at Taloja plant in FY17 and adding 30000MTPA more (15000 MTPA at Taloja and 15000 MTPA at Ankleshwar in current fiscal. Company also plans to add capacity of 30000 MTPA in FY19E and 50000 to 290000 MTPA in FY20E.

Company has capex plans of Rs 60cr in next 2-3 years including Rs 45 cr of FY20 final phase, and it has no fund raising plan or borrowing plan. It has sufficient land available in Ankleshwar and has bought more land in Taloja in FY17.

Continued expansion in capacities provides visibility to revenues over the next 2-3 years.

PPL's subsidiary Panol enjoys logistic advantage and easy access to raw materials:

Panol Industries RMC FZE, UAE, is a wholly owned subsidiary of the Company. The Company had built a brand new manufacturing facility at Ras Al Khaimah (UAE) in Jan 2013 with an installed capacity of 30,000 metric tonne. At this new facility the Company manufactures petroleum specialty products to cater to the GCC & MENA regions.

The plant enjoys logistic advantage since it is situated on the port and has direct dedicated pipelines to receive and discharge raw material and finished products directly to bulk vessels.

Panol Industries has very modern infrastructure and going forward, it could help to provide higher contribution and better utilization going forward because of a lot of base oil refineries which are coming up in that region. Availability of raw materials and higher industrial demand could result in higher revenue and profitability going forward.

The UAE facility has ramped up its capacity utilization over the last few years and is now operating at 90%+ levels.

Sales and profit (Rs in Cr) of Panol:

Rs in Cr	FY14	FY15	FY16	FY17	Q1FY18
Sales	43.7	75.5	87.1	108.1	39.9
Profit	3.0	4.0	4.9	2.9	0.6

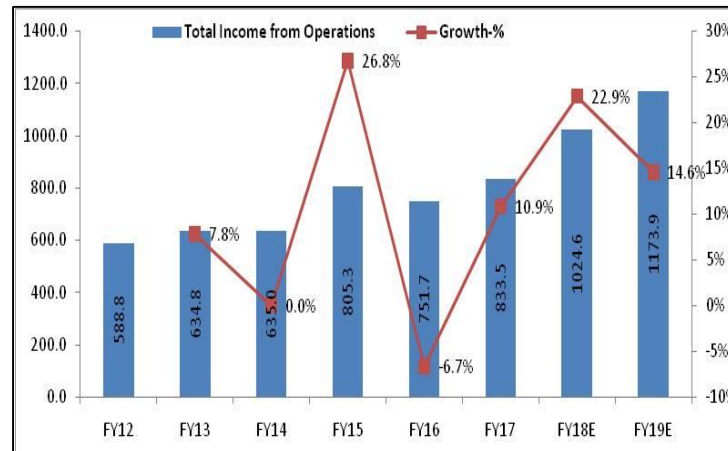
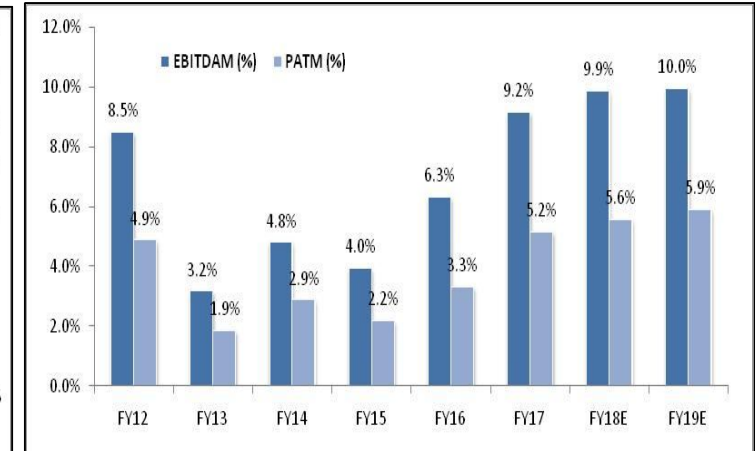
(Source: Company, HDFC sec)

Robust financials with Low leverage and comfortable debt servicing metrics:

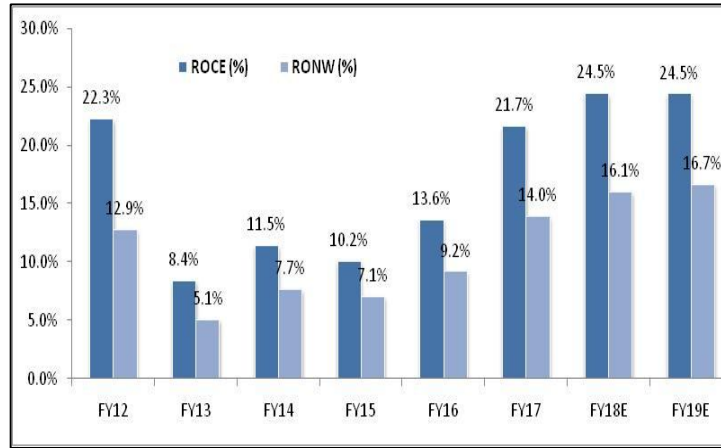
PPL reported 11 percent (YoY) consolidated sales growth of Rs 833cr in FY17 compared to previous year led by capacity addition in Taloja plant and higher utilization at all plants (despite lower prices due to base oil price impact). PPL reported 71.8% (YoY) of PAT growth at Rs 43.2cr in FY17 compared to previous year on account of operational improvements, and favorable currency movement. EBITDA was up by 60.5% (YoY) to Rs 76.6cr in FY17, EBITDA margin ramped up to 9.2 per cent in FY17 compared to 6.3 per cent in FY16. On standalone basis, company has utilization ratio of almost 100%, while, Panol has utilization ratio of 93%, as on 31st March 2017.

Absence of term debt coupled with use of internal accruals for expansions in the past has helped the debt profile of the company to continue to remain comfortable. Overall gearing including acceptances was at about 0.12 times as on March 31, 2017. Average operating cycle decreased to 78 days in FY17 compared to 81 days in FY16. Both average collection period and average inventory period increased to 80 days from 75 days and to 132 days from 80 days, respectively. However, the working capital cycle continued to remain moderate.

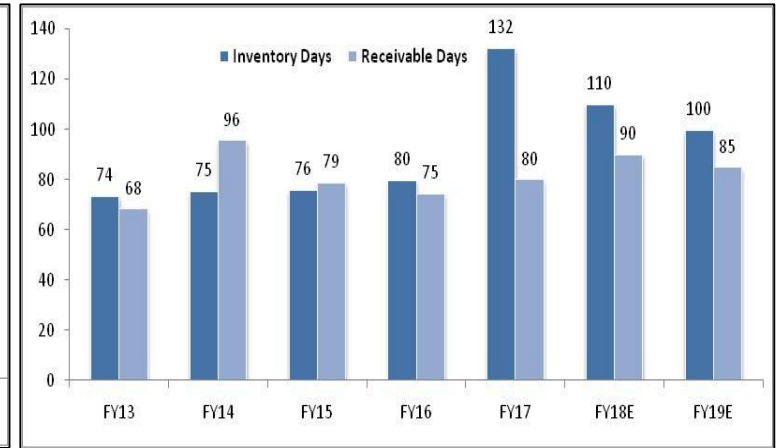
Taking into the consideration of its aggressive expansion plans and higher utilization levels, we expect ~23% and ~15% revenue growth in FY18E and FY19E respectively. We expect EBITDA margin at 10-11% in near future due to strong improvement in utilization ratio going forward. Better profitability could help to improve return ratios going into future from 14% ROE in FY17.

Revenue and growth (%)

Margins (%)


Return Ratio (%):



Debtor days and Inventory days

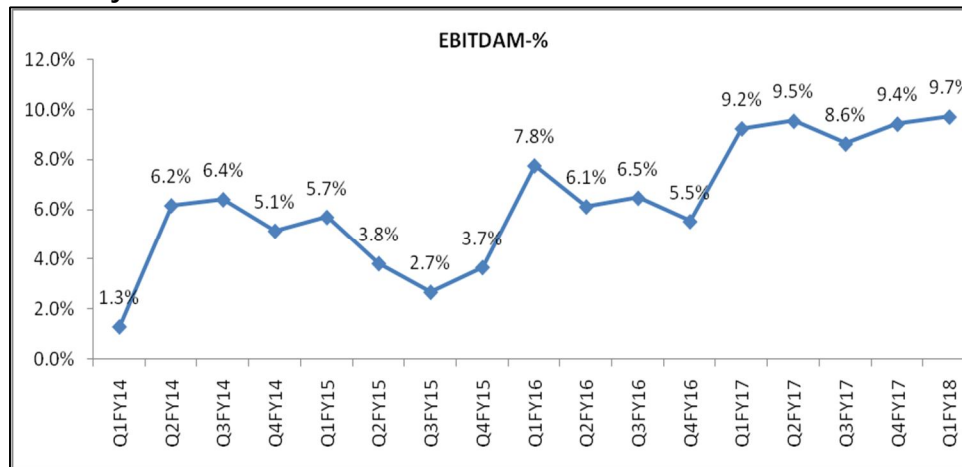


(Source: Company, HDFC sec)

Operating margin on the up due to better product mix:

PPL has seen a dramatic rise in OPM from Q1FY17 when it registered 9.2% OPM compared to 6.3% in FY16. It continued to report high margins in FY17 and has further improved them in Q1FY18 to 9.7%. This has been due to a combination of factors including focus on value add products, softer raw material prices, benign currency and cost optimization measures adopted. We think that the margins have scope to rise further to ~10-10.5% over the next 2-3 years. This will be achieved as more sales will be targeted to Inks, Rubber and Textile segments which are more profitable and increasing the share of speciality products from current ~50% to ~75% over next 2-3 years.

Quarterly OPM trend chart



(Source: Company, HDFC sec)

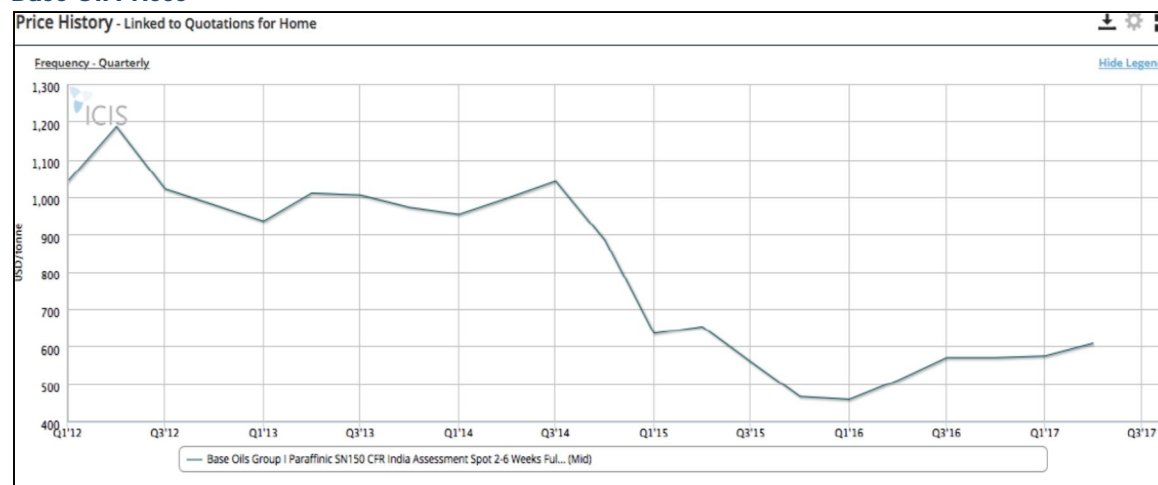
Risk and Concerns:
No major entry barriers with technology easily available and capex requirements being low:

PPL is in an industry where technology requirements are not very intense and capex for setting up capacities is not too large. Hence it has limited entry barriers other than product approvals and customer relations.

Foreign exchange fluctuation risk: The company benefits from natural hedge upto 40% and takes forward contracts at various intervals to cover another 30%. The balance 30% remains unhedged. Accordingly, the PPL's margins are susceptible to exchange fluctuation. PPL reported forex gain of Rs.1.74 cr in FY17 vs. forex losses (MTM) of Rs.5.71 crore in FY16 as against a forex loss of Rs.1.83 crore in FY15. Its imports in FY17 were Rs.513 cr while exports were Rs.216 cr.

Price fluctuations in raw materials:

PPL's raw material is base oil which is extracted out of crude oil. Fluctuations in crude oil prices depends on demand and supply, OPEC members strategy, and geo political conditions. Although in terms of direction the base oil prices move in tandem with crude oil prices, the proportion of rise or fall may be different depending on a number of factors like refinery configuration, shutdowns, demand for base oil etc. Adverse price fluctuation of crude oil in future could result higher raw material prices for PPL and could impact its profitability going forward. The Company is hopeful to override the adverse effects of the price fluctuations in the petroleum industry by resorting to bulk purchases and cost control measures.

Base Oil Prices


(Source: Company, HDFC sec)

Competition with local organized and unorganized players and from imports

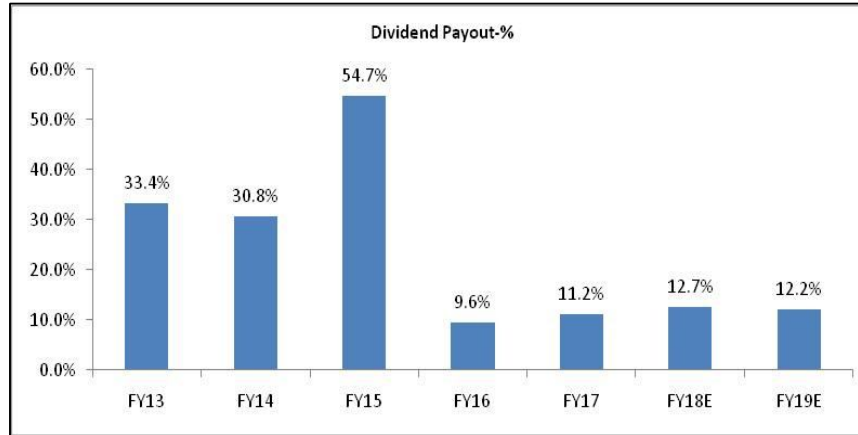
PPL is comparatively small in size than other competitors like Castrol, Gulf Oil Lubricants, and OMCs. Savita Oil, Raj Lubricants, Apar Industries are major competitors in transformer oil and white oil segments. IOCL, HPCL and Apar Industries are major

competitors in Rubber process oil. Further imports from countries like China also compete with PPL in select segments though small and just-in-time requirements from customers' means that imports cannot be a very large threat.

Dividend payout ratio cut from FY16.

Despite rising profits, dividend payout was cut by PPL in FY16 to conserve resources for expansion plans. Going forward also dividend payout may not rise materially.

Dividend Payouts over the years



(Source: Company, HDFC sec)

View and Valuation:

PPL has advantage of experienced management with over three decades of presence in petrochemicals business with a diverse product portfolio, wide customer base and favorable capital structure with low leverage. It has been expanding capacities in India regularly over last two years and has set up a unit in UAE to benefit out of locational advantages and raw material availability. Its margins have started to rise from Q1FY17 and are at higher levels compared to its past signifying diversifying or focusing on value added products. Going forward, we expect better growth in sales, healthy growth in margins in next couple of years. PPL is well positioned to capitalize on the increasing shift towards specialty petrochemicals in India and globally, led by diverse product portfolio and capacity expansion plans. PPL has also announced bonus shares in the ratio of 1:2.

We feel investors could buy the stock at the CMP and add on dips to Rs. 180-184 band (~10.5x FY19E EPS) for sequential targets of Rs 251 (14.5x FY19E EPS) and Rs 294 (17.0x FY19E EPS). At the CMP of Rs 209.30 the stock trades at 12.1x FY19E EPS.

Quarterly Financials:

Particulars (Rs cr)	Q1FY18	Q1FY17	YoY-%	Q4FY17	QoQ-%
Total Income from Operations	276.36	182.75	51.2%	220.05	25.6%
Raw Material Consumed	188.58	136.18	38.5%	158.91	18.7%
Stock Adjustment	45.12	13.12	243.9%	-5.30	-951.3%
Purchase of Finished Goods	1.89	4.34	-56.5%	30.01	-93.7%
Employee Expenses	1.58	1.55	2.0%	1.80	-12.2%
Loss on Forex Transaction	-0.34	2.18	-115.8%	-4.01	-91.4%
Other Expenses	12.70	8.49	49.5%	17.90	-29.1%
Total Expenditure	249.52	165.86	50.4%	199.31	25.2%
EBITDA	26.84	16.89	58.9%	20.74	29.4%
Depreciation	1.31	1.20	9.2%	1.19	10.1%
EBIT	25.53	15.69	62.7%	19.55	30.6%
Other Income	0.14	0.33	-57.6%	1.11	-87.4%
Interest	3.28	2.08	57.7%	1.96	67.3%
PBT	22.39	13.94	60.6%	18.70	19.7%
Tax	7.81	4.65	68.0%	6.13	27.4%
Reported PAT	14.58	9.29	57.0%	12.57	16.0%
Adjusted PAT	14.58	9.29	57.0%	12.57	16.0%
EPS (Adj) (Unit Curr.)	3.61	2.31	56.3%	3.12	15.7%

(Source: Company, HDFC sec)

Consolidated Financials
Income Statement

Particulars, Rs in Cr	FY15	FY16	FY17	FY18E	FY19E
Income from Operations	805.3	751.7	833.5	1024.6	1173.9
Raw Material Consumed	651.3	573.3	603.6	740.8	839.4
Stock Adjustment	-10.4	-15.4	-53.4	-46.1	-50.5
Purchase of Finished Goods	89.2	91.7	154.0	163.9	193.7
Employee Expenses	4.1	5.5	7.1	8.4	9.7
Loss on Forex Transaction	1.9	5.8	-1.7	-1.0	1.2
Other Expenses	37.4	43.1	47.3	57.4	63.4
Total Expenditure	773.5	704.0	756.9	923.3	1056.8
EBITDA	31.9	47.7	76.6	101.3	117.1
Depreciation	3.4	4.6	4.9	5.2	5.2
EBIT	28.4	43.1	71.7	96.1	111.9
Other Income	1.1	1.8	2.4	2.6	2.9
Interest	8.0	8.3	8.6	11.9	10.0
EBT	21.6	36.6	65.6	86.8	104.8
Tax	3.9	11.5	22.4	29.6	35.2
Reported Profit After Tax	17.7	25.1	43.2	57.2	69.6
Adjusted Profit After EOI	17.7	25.1	43.2	57.2	69.6
EPS (Adj) (Unit Curr.)	4.4	6.2	10.7	14.2	17.3

Balance Sheet

Particulars Rs in Cr	FY15	FY16	FY17	FY18E	FY19E
Equity and liabilities					
Share capital	8.1	8.1	8.1	4.0	4.0
Reserves and surplus	241.0	264.3	301.3	351.2	412.4
Shareholders' funds	249.1	272.4	309.4	355.3	416.4
Deferred tax liabilities (net)	3.0	3.8	5.4	7.0	6.3
Long-term provisions	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	3.0	3.8	5.4	7.0	6.3
Short-term borrowings	41.8	57.4	32.6	47.6	52.6
Trade payables	188.9	150.9	307.7	336.8	305.5
Other current liabilities	5.0	3.2	6.4	7.1	6.7

Cash Flow

Particulars, Rs in Cr	FY15	FY16	FY17	FY18E	FY19E
EBT	21.6	36.7	65.6	86.8	104.8
Depreciation and Amort-	3.4	4.6	4.9	5.2	5.2
Interest /Dividend paid	8.0	9.3	8.6	11.9	10.0
Other Adjustment	4.4	0.4	-3.5	-2.5	-2.2
(Inc)/Dec in working Capital	-45.2	-23.0	2.4	-50.6	-62.7
Tax Paid	-3.8	-8.7	-19.4	-29.6	-35.2
CF from Operating Activities	-11.7	19.2	58.6	21.2	19.9
Capital expenditure	-13.1	-11.0	-18.7	-15.0	-16.0
Proceeds from sale of f.a	0.0	0.1	0.7	0.2	0.1
(Purchase)/Sale of Invest	-1.1	-1.8	-4.0	0.1	-0.1
Others	0.6	0.7	1.2	9.3	1.5
CF from Investing Activities	-13.6	-12.0	-20.9	-5.5	-14.4
Inc/(Dec) in Debt	25.0	15.7	-24.8	15.0	5.0
Dividend and Interest Paid	-13.7	-18.7	-11.2	-19.2	-18.5
CF from Financing Activities	11.3	-3.1	-36.0	-4.2	-13.5
Net Cash Flow	-14.0	4.2	1.7	11.6	-8.0
Opening Balance	21.5	7.8	11.7	13.3	25.0
Adjust-, Effect of exchange	0.3	-0.3	0.0	0.0	0.0
Closing Balance	7.8	11.7	13.3	25.0	17.0

(Source: Company, HDFC sec)

Key Ratios

Particulars	FY15	FY16	FY17	FY18E	FY19E
No of Equity Shares-cr	4.0	4.0	4.0	4.0	4.0
Enterprise Value-cr	873.8	886.2	853.9	866.7	879.7
EPS	4.4	6.2	10.7	14.2	17.3
Cash EPS (PAT + Depr-)	5.2	7.4	11.9	15.5	18.6
Book Value Per Share(Rs.)	61.8	67.5	76.7	88.1	103.3
PE(x)	45.9	47.7	33.6	19.5	14.8
P/BV (x)	0.1	0.1	0.1	0.0	0.0
Mcap/Sales(x)	1.0	1.1	1.0	0.8	0.7

Short-term provisions	10.1	3.8	7.6	9.1	8.6
Current liabilities	245.7	215.4	354.2	400.6	373.5
TOTAL	497.7	491.6	669.0	762.9	796.2
Assets					
Fixed assets	119.0	122.6	129.6	139.4	150.2
Capital work-in-progress	0.0	0.2	0.0	0.0	0.0
Non-current investments	0.0	2.5	1.0	1.1	1.0
Long-term loans and adv	6.8	9.3	16.3	17.9	17.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Non-current assets	125.8	134.5	146.9	158.4	168.2
Inventories	167.2	164.8	302.2	308.8	321.6
Trade receivables	173.9	153.5	183.0	252.6	273.4
Cash and bank balances	12.0	15.3	22.8	24.9	17.0
Short-term loans and adv	18.5	23.4	13.4	17.4	15.4
Other current assets	0.2	0.2	0.8	0.7	0.6
Current assets	371.9	357.1	522.2	604.5	628.0
TOTAL	497.7	491.6	669.0	762.9	796.2

EV/EBITDA	27.4	18.6	11.1	8.6	7.5
EBITDAM (%)	4.0%	6.3%	9.2%	9.9%	10.0%
EBITM (%)	3.5%	5.7%	8.6%	9.4%	9.5%
PATM (%)	2.2%	3.3%	5.2%	5.6%	5.9%
ROCE (%)	10.2%	13.6%	21.7%	24.5%	24.5%
RONW (%)	7.1%	9.2%	14.0%	16.1%	16.7%
Current Ratio	1.5	1.7	1.5	1.5	1.7
Quick Ratio	0.8	0.9	0.6	0.7	0.8
Debt-Equity (x)	0.2	0.2	0.1	0.1	0.1

(Source: Company, HDFC sec)

One Year Daily Price Chart



(Source: Company, HDFC sec)

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