

Century Plyboards (I) Ltd

ACCUMULATE

Asian Markets Securities Pvt. Ltd.
Strong performances of MDF lift margins
Institutional Research

CMP (Rs)	294
Target (Rs)	321

Nifty: 10,498; Sensex: 34,196
Key Stock Data

BSE Code	532548
NSE Code	CENTURYPLY
Bloomberg	CPBI IN
Shares O/s mn (FV Rs1)	222.5
Market cap (Rsbn)	65.9
52-week High/Low	363/212
3-m daily avg vol.	3,39,149

Price Performance

(%)	1m	3m	12m
CENTURYPL	(13.8)	1.0	36.0
NIFTY	(0.6)	0.4	19.3
Sensex	0.1	1.4	20.2

Shareholding Pattern

(%)	Jun17	Sep17	Dec17
Promoter	72.0	72.0	72.0
FII	13.2	11.4	11.2
DII	13.2	11.4	11.2
Others	1.7	5.3	5.7

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CENTURYPLYBOARDS (INDIA) LIMITED (CPIL) after posting muted 1HFY18 performance led by GST issues bounced back in 3Q with 20% topline growth and 30% bottomline growth including contribution from new MDF business. MDF plant which commenced production in Oct 17 contributed 11% to topline growth, while rest verticals combined grew single digit (9%) due to lower off take led by subdued demand and lower restocking. Plywood business was hit by dealer destocking ahead of GST rate cut in mid Nov 2017. Laminates continue the good show with topline growth of 15% benefitting from market share gains from unorganized players post GST implementation. On the margins front, Plywood and Laminates witnessed slump in margins due to high RM cost. MDF margins have come in healthy at 20%.

We remain positive on CPIL considering its multi faceted expansion in MDF, Laminate, superior brand and aggressive marketing strategy in the backdrop of promising market opportunity. ACCUMULATE.

Good performance aided by laminates, MDF business

CPIL posted 20% increase in revenue at Rs5099mn. Plywood segment suffered with inventory destocking at dealer level amid hope of lower GST (from 28% to 18%). Sainik volumes dipped 14%/29% yoy/qoq respectively and constitutes 21% of the volumes. Plywood segment witnessed 6.5% growth in volume/value to 62366CBM/Rs3204mn with flattish realization (Rs51381/CBM). The company was able to scout for cheaper face veneer from the Salomon Island (\$350/CBM) compared to earlier imports (\$600/CBM). Despite this, higher operational costs (power, employee, adhesive) led to margin dip of 250bps to 14%.

Laminates contributing 17% to revenues (Rs873mn) witnessed sales growth of 14.5%, led by volume growth of 11.8% to 1.33mn sheet and realization uptick of 2.4% to Rs654/CBM. However EBITDAM dipped 200bp to 14% impacting from higher RM prices. The company has resorted to price hike of 3% in 4Q, which might ease off a bit of pressure.

MDF plant started on October 4 contributed sales of 20,639CBM/Rs473mn volume/value at utilization levels of 52-53%. EBITDAM stood 20%. The product is well accepted by the market and has crossed 10,000CBM in Dec 2017 itself. The management is expecting to reach 80% utilization in FY19.

Higher depreciation (+76%) with MDF plant commissioning, impacted profitability though lower finance cost (-44% led by forex gain) capped PAT growth to 25% to Rs467mn, yielding an EPS of Rs2.1

Capacity increment in MDF, Laminates, new door unit

Seeing the traction for MDF, the Company has planned putting up an additional line for 400CBM/day capacity of thin sized MDF ranging (1mm to 4mm) at the existing location with a capex of Rs1000mn. Once utilization levels crosses 90%, the company plans one additional plant for MDF in Assam/UP. Laminate business which is on strong footing, commissioned one additional line in January 2018 while second line will be commissioned in FY19. The door unit (in JV, capex Rs500mn) is planned next year.

Improved visibility post commencement of MDF business, GST implementation to benefit, upgrade to ACCUMULATE

We estimate plywood /laminate volume growth of 7% and 13% CAGR over FY17/20 and strong growth in new businesses of MDF and particle board contributing 15% to the revenue in FY20. We forecast sales, EBITDA and PAT to grow at a CAGR of 15%, 18% and 13% respectively over FY17-20E. At CMP, the stock is trading 36x/30x/25x FY18/19/20 EEPS respectively. Lowering of GST rates on wood plywood, MDF and particle board and better profitability aided by commissioning of MDF plant and improved RM availability will bring incremental growth catalysts for the Company. **ACCUMULATE.**

Exhibit 1: Key Financials

Y/E Mar (Rsmn)	FY16	FY17	FY18E	FY19E	FY20E
Sales	16357	17825	19882	23973	27462
yoy (%)	4.5	9.0	11.5	20.6	14.6
EBITDA	2835	2920	3155	4056	4783
yoy (%)	13.5	3.0	8.0	28.6	17.9
PAT	1698	1856	1794	2193	2648
yoy (%)	12.6	9.3	-3.3	22.2	20.8
Equity	223	223	223	223	223
EPS (Rs)	7.6	8.3	8.1	9.9	11.9

Source: Company, AMSEC Research

Exhibit 2: Key Indicators

Y/E Mar	FY16	FY17	FY18E	FY19E	FY20E
EBITDAM (%)	17.3	16.4	15.9	16.9	17.4
NPM (%)	10.3	10.4	9.0	9.1	9.6
PER (x)	32.4	33.7	36.3	29.7	24.6
P/BV (x)	10.5	8.8	7.6	6.2	5.1
EV/Sales (x)	3.6	3.8	3.6	3.0	2.6
EV/EBITDA (x)	20.9	23.3	22.5	17.6	14.8
RoCE (%)	26.0	23.0	18.6	20.3	21.2
RoE (%)	36.0	30.1	22.9	22.9	22.7

Exhibit 3: Key Assumptions

Key Assumptions	FY16	FY17	FY18E	FY19E	FY20E
Revenue Rsmn					
Plywood	11735	12609	12929	14242	15980
yoy%	2.3%	7.4%	2.5%	10.2%	12.2%
Laminates	3353	3635	4122	4818	5701
yoy%	14.2%	8.4%	13.4%	16.9%	18.3%
MDF	105	24	958	2835	3473
yoy%	15.5%	-77.2%	3890.0%	196.1%	22.5%
Particle Board	-	165	475	545	599
yoy%			188.3%	14.8%	9.9%
EBITDA Rsmn					
Plywood	1994	2164	1810	2094	2429
Laminates	537	586	672	819	981
MDF	-	-74	182	595	764
Particle Board	-	52	109	131	150
EBITDAM%					
Plywood	17.0	17.2	14.0	14.7	15.2
Laminates	16.0	16.1	16.3	17.0	17.2
MDF	-	-	19.0	21.0	22.0
Particle Board	-	31.3	23.0	24.0	25.0

Source: Company, AMSEC Research

Exhibit 4: 3QFY18 Financials (Standalone)

Y/E Mar (Rs.mn)	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	yoy (%)	qoq (%)	9MHFY17	9MFY18	yoy%
Gross Sales	4587	5258	4734	4746	5099	11.2	7.5	13945	14579	4.5
Less: Excise Duty	332	373	348	0	0	(100.0)	-	1006	348	(65.4)
Net Sales	4255	4885	4386	4746	5099	19.9	7.5	12939	14231	10.0
Other operating income	0	0	0	0	0	-	-	0	0	-
Net Sales & Other Operating Income	4255	4885	4386	4746	5099	19.9	7.5	12939	14231	10.0
Total Expenditure	3581	4048	3775	4005	4222	17.9	5.4	10856	12002	10.6
(Increase) / Decrease In Stocks	16	14	8	57	-273	(1,806.3)	(576.3)	3	-208	(8,069.7)
Purchase of Finished Goods	737	920	892	870	840	14.0	(3.5)	2235	2603	16.5
Cost of Services & Raw Materials	1448	1597	1439	1617	2040	40.9	26.1	4413	5097	15.5
Operating & Manufacturing Exp.	743	850	747	784	892	20.0	13.7	2306	2424	5.1
Employee Cost	637	667	689	676	723	13.4	7.0	1899	2087	9.9
EBIDTA	674	838	611	741	878	30.2	18.5	2084	2229	7.0
Other Income	32	141	5	6	42	31.7	582.9	84	54	(36.0)
Operating Profit	706	979	616	747	920	30.3	23.2	2168	2283	5.3
Interest	112	26	63	79	63	(44.0)	(20.9)	261	205	(21.5)
PBDT	594	954	553	668	857	44.3	28.4	1907	2078	9.0
Depreciation	149	156	132	138	263	76.0	90.3	368	533	44.8
PBT	445	798	421	529	594	33.6	12.3	1539	1545	0.4
Tax	72	239	80	128	128	78.1	(0.2)	242	336	38.6
Profit After Tax	373	559	341	401	467	25.1	16.2	1297	1209	(6.7)
Other comprehensive	-6	-3	-5	-2	-3	(53.8)	32.2	-17	-10	(42.4)
Equity Capital	222.5	222.5	222.5	222.5	222.5			222.5	222.5	
EPS (Reported)	1.7	2.5	1.5	1.8	2.1			5.8	5.4	
EPS (Adjusted)	1.7	2.5	1.5	1.8	2.1			5.8	5.4	
EBIDTA (%)	15.8	17.1	13.9	15.6	17.2	137bp	161bp	16.1	15.7	(44bp)
PATM (%)	8.8	11.4	7.8	8.5	9.2	38bp	69bp	10.0	8.5	(152bp)
Tax / PBT (%)	16.1	30.0	19.0	24.2	21.5	536bp	(268bp)	15.7	21.7	598bp
Raw material / Net sales (%)	51.7	51.8	53.3	53.6	51.1	(59bp)	(250bp)	51.4	52.6	125bp
Other exp/Net sales	17.5	17.4	17.0	16.5	17.5	3bp	96bp	17.8	17.0	(79bp)
Employee cost / Net Sales (%)	15.0	13.7	15.7	14.2	14.2	(81bp)	(7bp)	14.7	14.7	(1bp)

Source: Company, AMSEC Research

Exhibit 5: 3QFY18 Segmental Financials (Standalone)

Particulars, Rs mn	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	yoy (%)	qoq (%)	9MHFY17	9MFY18	yoy%
Gross Segment Revenue										
Plywood and Allied Business	3235	3743	3427	3059	3227	(0.2)	5.5	9818	9713	(1.1)
Laminate and allied products	994	1099	891	1246	999	0.5	(19.8)	3023	3137	3.7
MDF	4	6	6	1	476	12,489.4	32,054.1	30	483	1,528.8
Particle Board	103	117	111	145	100	(2.5)	(30.8)	135	356	164.2
CFS	202	235	239	250	276	36.6	10.3	649	764	17.7
Others	82	91	94	110	75	(8.1)	(32.0)	344	280	(18.8)
Total segment revenue	4618	5292	4769	4811	5153	11.6	7.1	13999	14733	5.2
Less: Intersegment Revenue	31	33	35	66	53	70.5	(18.8)	23	101	338.5
Gross Sales	4587	5258	4734	4745	5099	11.2	7.5	13976	14632	4.7
Segment Result										
Plywood and Allied Business	476	740	385	403	422	(11.3)	4.6	1404	1209	(13.9)
Laminate and allied products	123	110	92	210	122	(0.6)	(41.9)	409	424	3.6
MDF	0	-6	-2	0	1	(771.0)	160.0	5	0	(107.9)
Particle Board	-24	-33	-37	2	8	(134.3)	246.3	-36	-27	(26.5)
CFS	41	60	67	68	85	110.0	25.9	175	220	25.3
Others	-28	-21	-4	1	3	(112.3)	504.6	-55	0	(100.1)
Total EBIT	587	850	500	684	642	9.4	(6.2)	1901	1826	(4.0)
Less: Finance cost	112	26	63	79	63	(44.0)	(20.9)	261	205	(21.5)
Other Unallocable Expen	30	26	16	76	-15	(151.3)	(120.2)	102	76	(25.1)
Total PBT	445	798	421	529	594	33.6	12.3	1539	1545	0.4
Capital Employed										
Plywood and Allied Business	5352	5397	5427	5715	5399	0.9	(5.5)	5352	5399	0.9
Laminate and allied products	1628	1603	1741	1919	1932	18.7	0.7	1628	1932	18.7
MDF	2110	2645	3258	3570	3307	56.8	(7.4)	2110	3307	56.8
Particle Board	607	567	542	506	502	(17.3)	(0.8)	607	502	(17.3)
CFS	547	495	446	455	428	(21.7)	(5.8)	547	428	(21.7)
Others	69	56	46	70	78	12.1	11.3	69	78	12.1
Total Capital Employed	10313	10764	11460	12235	11646	12.9	(4.8)	10313	11646	12.9
EBIT/Sales (%)										
Plywood and Allied Business	14.7	19.8	11.2	13.2	13.1	(164bp)	(11bp)	14.3	12.4	(185bp)
Laminate and allied products	12.4	10.0	10.3	16.9	12.2	(14bp)	(463bp)	13.5	13.5	(2bp)
MDF	-4.1	-108.0	-29.9	27.0	0.2	432bp	(2681bp)	16.2	-0.1	(1623bp)
Particle Board	-23.6	-28.3	-33.6	1.7	8.3	3194bp	665bp	-26.9	-7.5	-
CFS	20.1	25.5	28.1	27.1	30.9	1081bp	382bp	27.0	28.8	175bp
Others	-34.3	-23.3	-4.2	0.5	4.6	3890bp	407bp	-16.1	0.0	1614bp
Total EBIT/Sales	12.7	16.1	10.5	14.2	12.5	(25bp)	(177bp)	13.6	12.4	(119bp)
EBIT/Capital Employed (%)										
Plywood and Allied Business	8.9	13.7	7.1	7.1	7.8	(108bp)	76bp	26.2	22.4	(383bp)
Laminate and allied products	7.5	6.9	5.3	10.9	6.3	(123bp)	(463bp)	25.1	21.9	(320bp)
MDF	0.0	-0.2	-0.1	0.0	0.0	4bp	2bp	0.2	0.0	(24bp)
Particle Board	-4.0	-5.9	-6.9	0.5	1.7	564bp	118bp	-6.0	-5.3	66bp
CFS	7.4	12.1	15.1	14.9	19.9	1247bp	501bp	32.1	51.3	1927bp
Others	-40.4	-38.3	-8.5	0.8	4.4	4486bp	362bp	-80.2	0.1	8027bp
Total EBIT/Capital Employed (%)	5.7	7.9	4.4	5.6	5.5	(18bp)	(8bp)	18.4	15.7	(276bp)
Volume data										
Volume										
Plywood (CBM)	58,562	65,348	62,990	61,858	62366	6.5	0.8	186372	187214	0.5
Laminates (No's)	11,94,006	13,59,342	10,34,746	15,44,859	1334654	11.8	(13.6)	3565682	3914259	9.8
CFS (TEU's)	19,068	19,004	20,970	20,950	20866	9.4	(0.4)	61149	62786	2.7
Net sales (Rs.mn)										
Plywood	3,005	3,488	3,172	3,045	3204	6.6	5.2	9121	9421	3.3
Laminates	762	874	685	1,065	873	14.5	(18.1)	2367	2623	10.8
CFS	199	233	238	249	275	38.0	10.4	643	762	18.6
Prelam & Extra Grade laminates	115	110	99	145	111	(3.6)	(23.7)	284	355	25.1
MDF	-	-	-	-	473	-	-	0	473	-
Particle Board	65	79	73	84	54	(17.6)	(35.9)	86	211	147.0
Others	108	100	118	157	109	1.4	(30.1)	439	384	(12.5)
Total	4,255	4,885	4,386	4,746	5099	19.8	7.5	12,940	14,230	10.0
Average realization										
Plywood (Rs/CBM)	51,311	53,380	50,352	49,230	51,381	0.1	4.4	48,939	50,324	2.8
Laminates (Rs/No.)	638	643	662	689	654	2.4	(5.1)	664	670	0.9
CFS (Rs/TEU)	10,452	12,282	11,354	11,890	13,184	26.1	10.9	10,514	12,141	15.5
EBITM										
Plywood	15.8	21.2	12.1	13.2	13.2	(267bp)	(8bp)	15.4	12.8	(256bp)
Laminates *	14.0	11.2	11.7	17.4	12.4	(159bp)	(494bp)	15.4	14.2	(120bp)
CFS	20.3	25.7	28.2	27.2	30.9	1061bp	379bp	27.3	28.8	155bp
MDF					0.2	22bp	22bp	#DIV/0!	-0.1	#DIV/0!
EBIDTAM										
Plywood	16.6	20.2	12.9	14.0	14.1	(250bp)	10bp	16.0	13.7	(230bp)
Laminates *	16.0	12.4	13.3	18.4	14.0	(200bp)	(440bp)	17.1	15.9	(120bp)
CFS	34.7	37.6	38.4	37.2	40.1	540bp	290bp	39.6	38.6	(100bp)
MDF					20.0	2000bp	2000bp	0.0	20.0	2000bp

Source: Company, AMSEC Research, * Including Pre Lam & Exteria Grade Laminates

Exhibit 6: Quarterly Net Revenue Trend

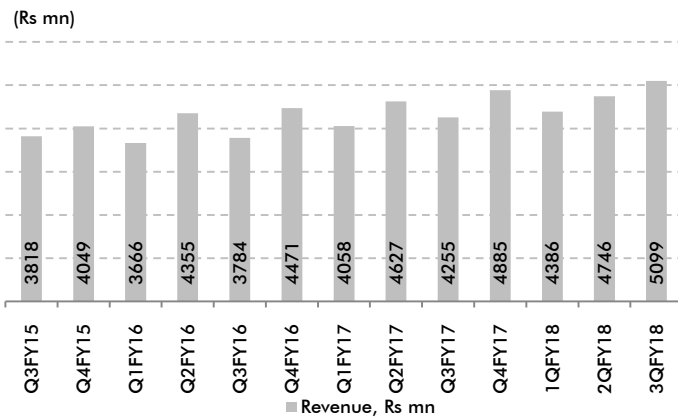


Exhibit 7: Quarterly EBITDA Trend

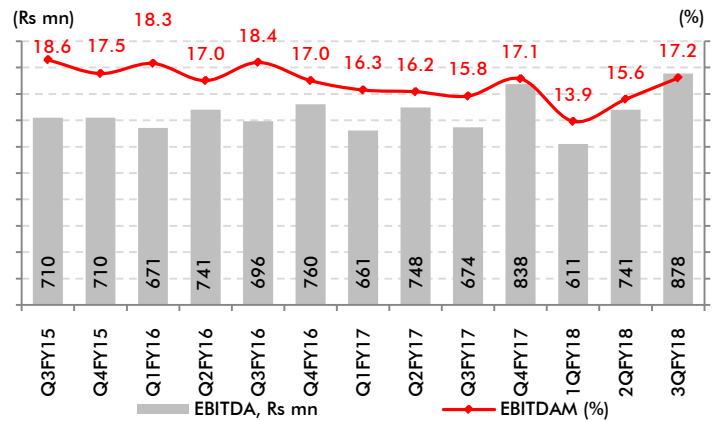


Exhibit 8: Quarterly PAT Trend

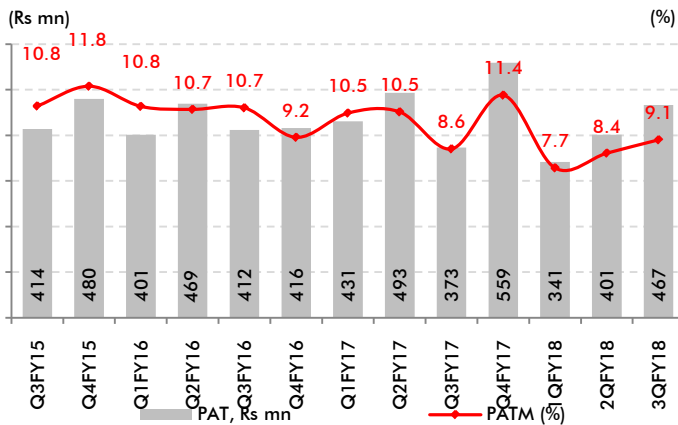
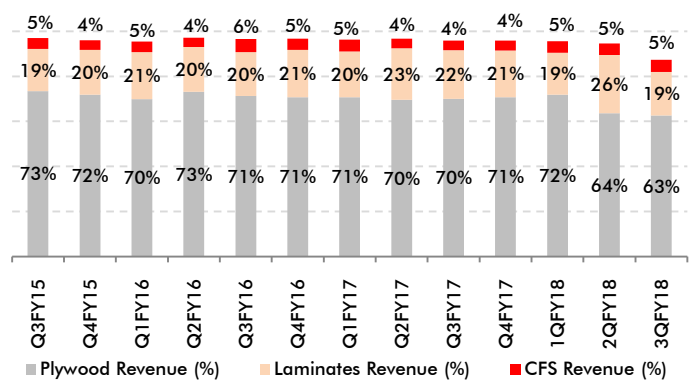


Exhibit 9: Segment Revenue Contribution



Source: Company, AMSEC Research

Quarterly Segment performance-Plywood

Exhibit 10: Net Revenue

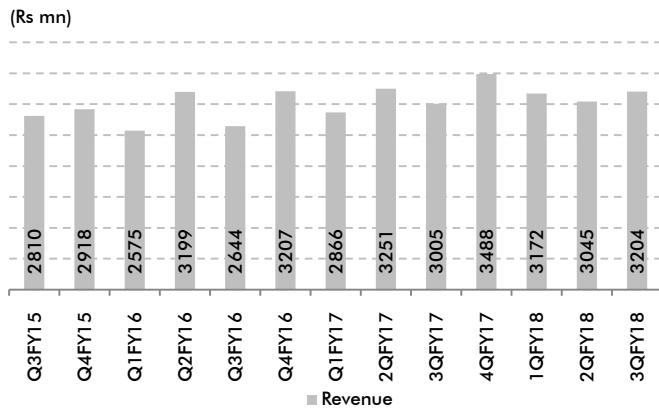


Exhibit 11: EBIT

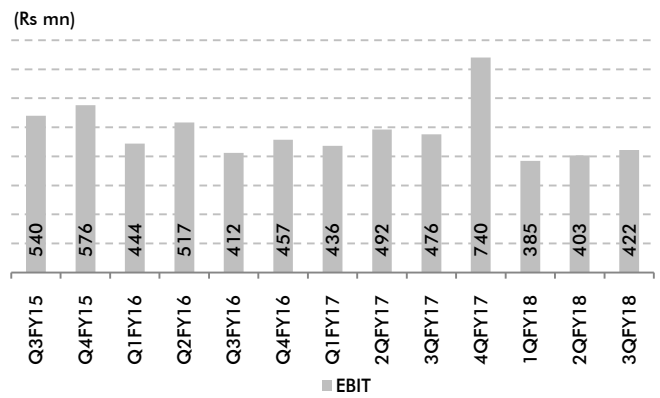


Exhibit 12: EBIT/Sales

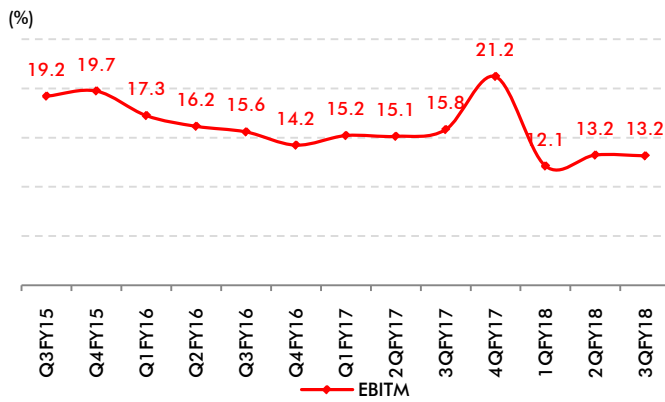
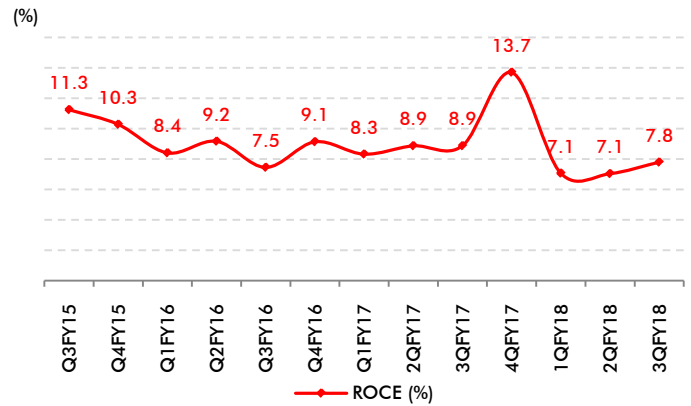


Exhibit 13: ROCE



Source: Company, AMSEC Research

Quarterly Segment performance -Laminates

Exhibit 14: Net Revenue

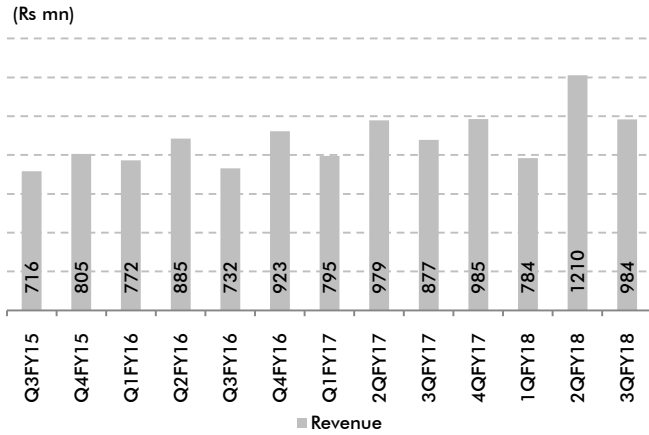


Exhibit 15: EBIT

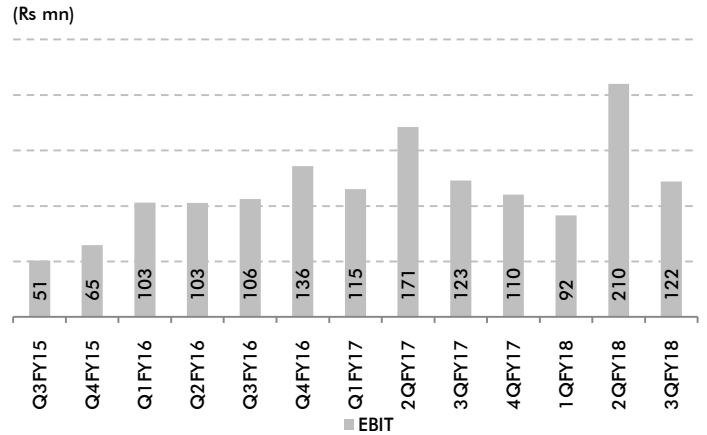


Exhibit 16: EBIT/Sales

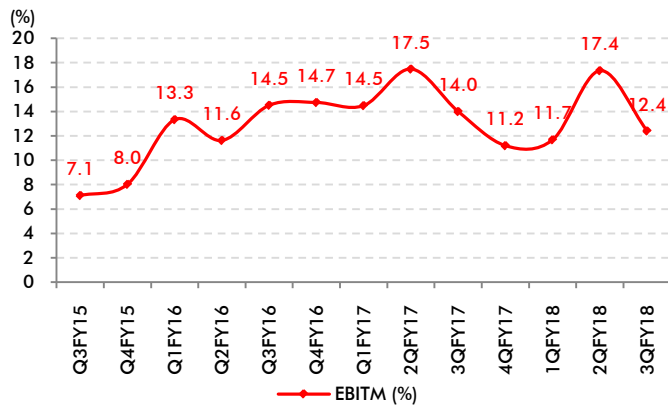
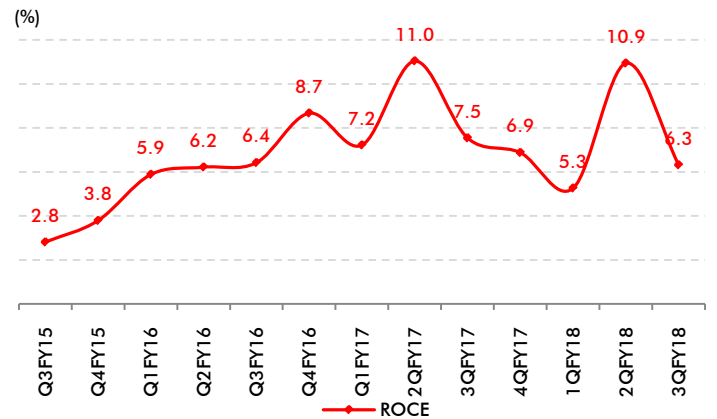


Exhibit 17: ROCE



Source: Company, AMSEC Research

Quarterly Segment performance -CFS

Exhibit 18: Net Revenue

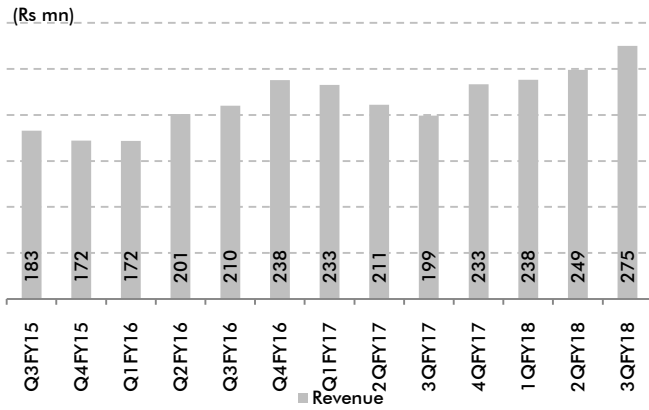


Exhibit 19: EBIT

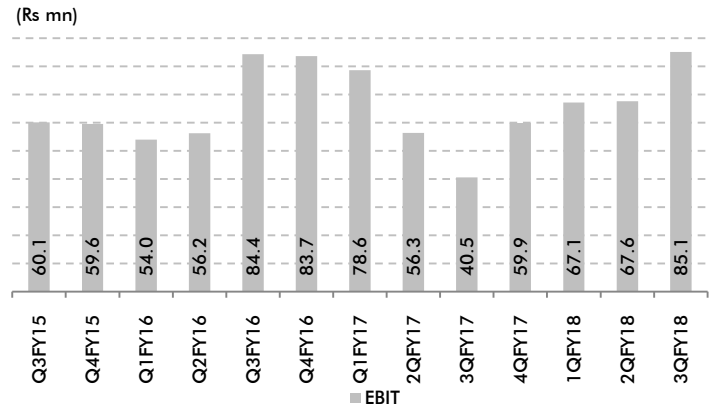


Exhibit 20: EBIT/Sales

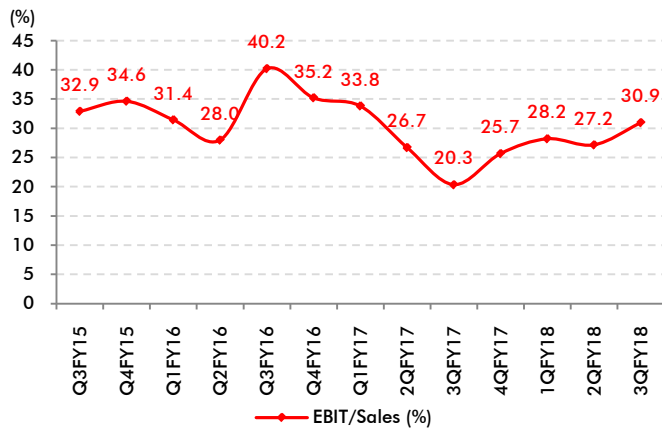
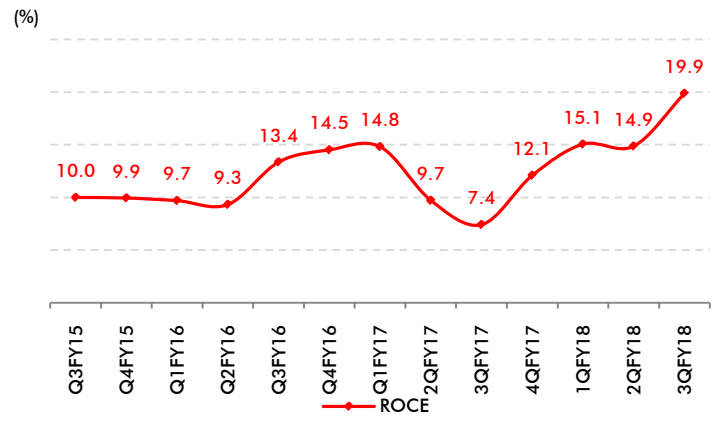


Exhibit 21: ROCE



Source: Company, AMSEC Research

Financial snapshot (Standalone)

Exhibit 22: Revenue

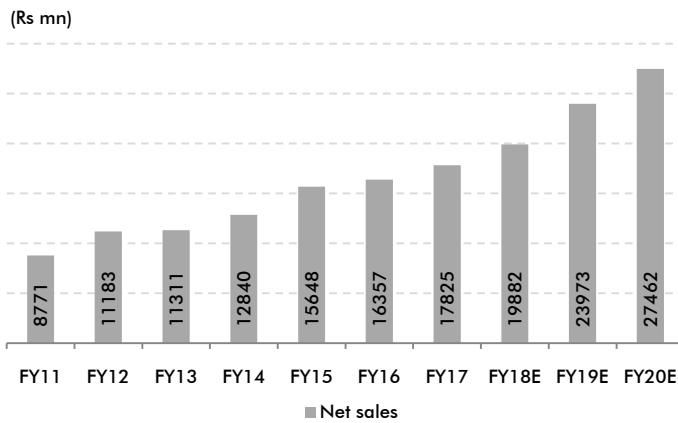


Exhibit 23: EBIDTA&EBIDTAM (%)

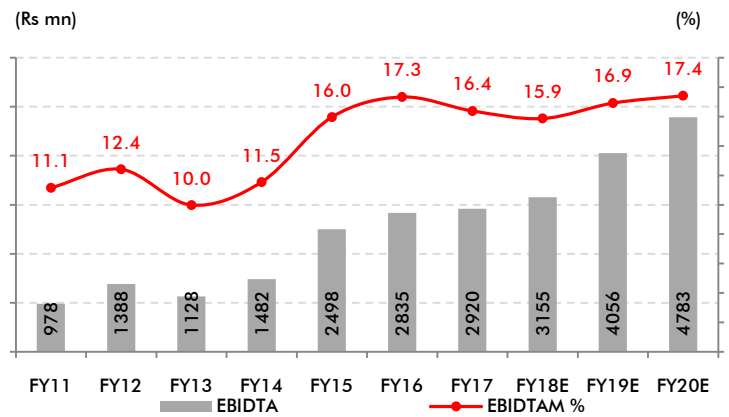


Exhibit 24: PAT & PATM (%)

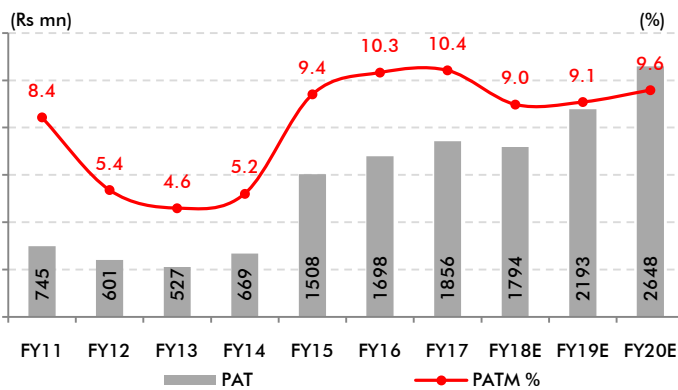


Exhibit 25: Return Ratios

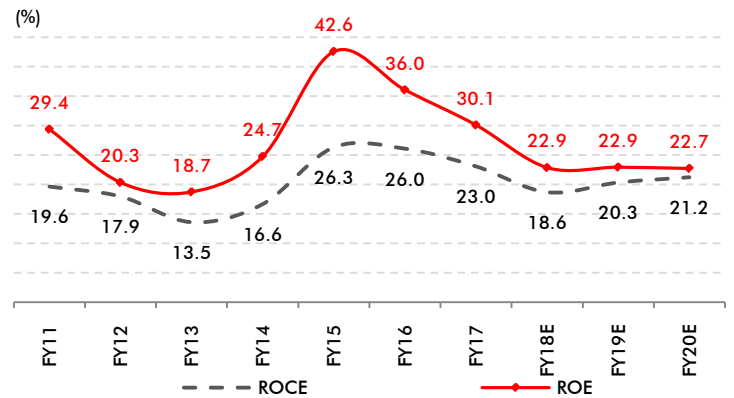


Exhibit 26: Dividend and Dividend payout ratio

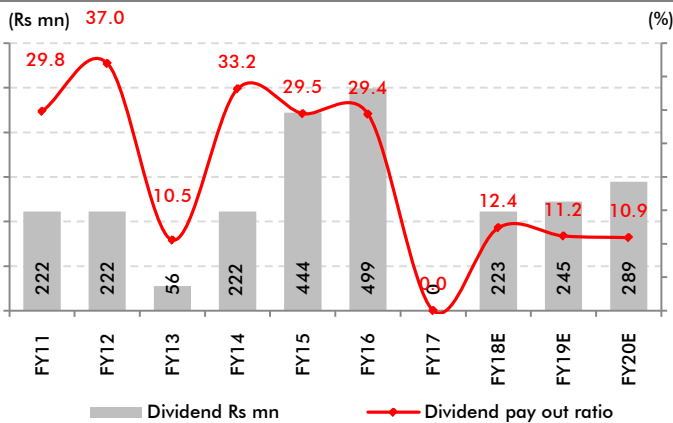
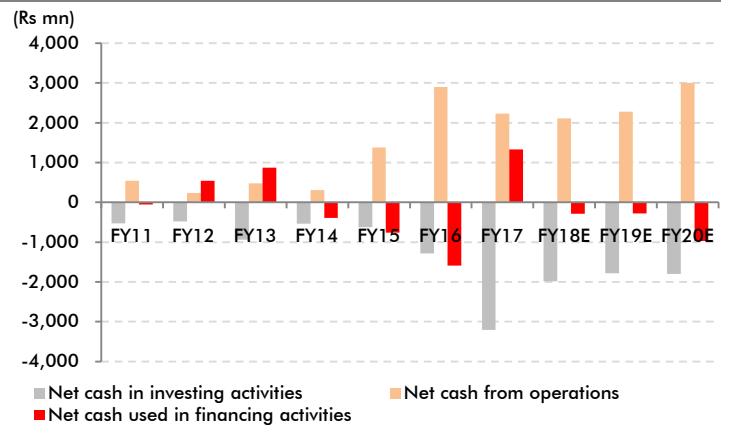


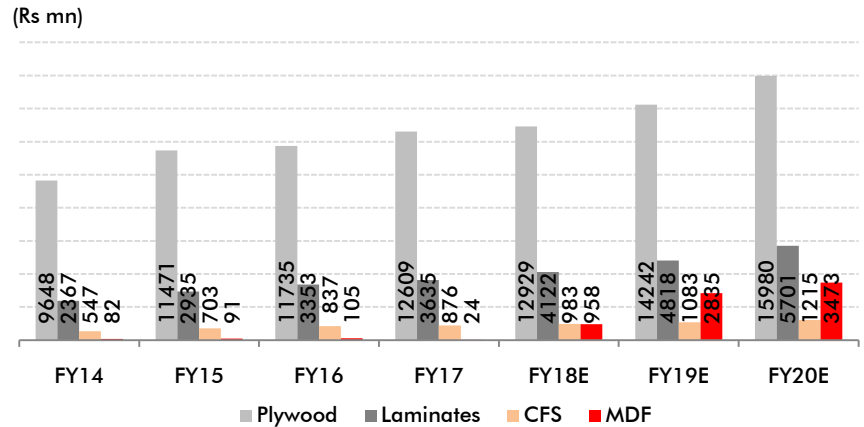
Exhibit 27: Cash Flow



Source: Company, AMSEC Research

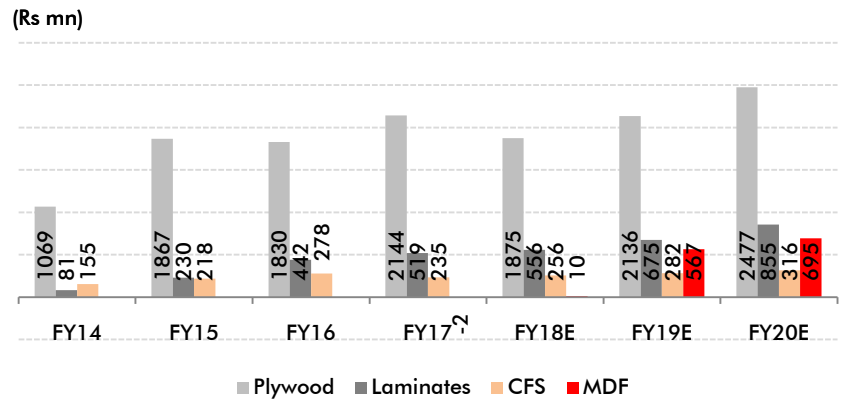
Yearly Segment performance

Exhibit 28: Segment revenue trend



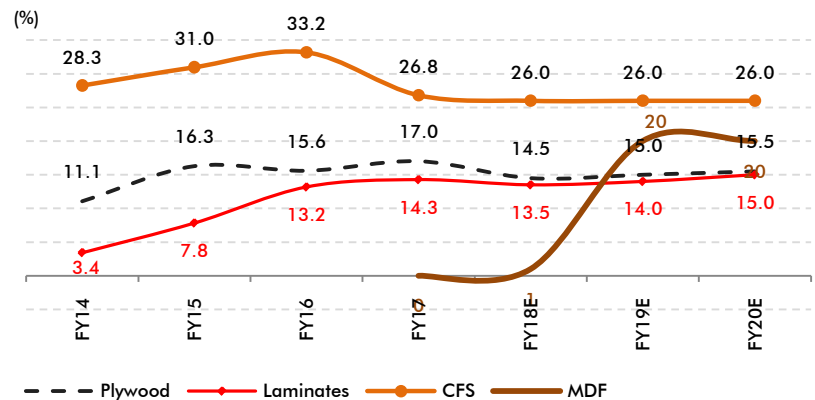
Source: Company, AMSEC Research

Exhibit 29: Segment EBIT trend



Source: Company, AMSEC Research

Exhibit 30: Segment EBITM trend



Source: Company, AMSEC Research

Century Plyboards (India) Ltd. Financials (Standalone)

(Rs mn)

Profit and Loss Account

Y/E (Mar)	FY16	FY17	FY18E	FY19E	FY20E
Net sales	16357	17825	19882	23973	27462
Inc./(Dec.) in Stock	81	-16	103	172	158
Raw material cons.	8514	9165	10279	12370	14006
Power & Fuel cost	301	374	430	516	594
Employee cost	2278	2567	2977	3513	4040
Other mfg Exp.	896	996	1145	1351	1554
General & Adm. Exp.	302	312	359	423	478
Selling & Advt. Exp.	779	907	997	1177	1353
Misc. Expenses	533	568	642	738	812
Total expenditure	13603	14888	16830	20089	22838
Operating profit	2835	2920	3155	4056	4783
Other income	65	227	181	196	212
Interest expense	465	286	296	386	391
Gross Profit	2435	2861	3040	3865	4603
Dep. & Amortization	437	524	740	1017	1163
PBT	1998	2337	2300	2848	3440
Provision for Tax	300	481	506	655	791
Reported Net Profit	1698	1856	1794	2193	2648
Share O/s mn	223	223	223	223	223
EPS Rs	7.6	8.3	8.1	9.9	11.9

Cash Flow Statement

Y/E (Mar)	FY16	FY17	FY18E	FY19E	FY20E
PBT	1998	2337	2300	2848	3440
Non-cash adjust.	995	633	1036	1404	1555
Chg. in working cap.	365	-283	-684	-1281	-1158
Tax & Interest Paid	-463	-457	-546	-695	-831
Cashflow from op.	2895	2230	2106	2275	3005
Capital expenditure	-1266	-2897	-1890	-1680	-1680
Change in invest.	1	0	-96	-106	-116
Cashflow from inv.	-1287	-3208	-1986	-1786	-1796
Issue of equity	0	0	0	0	0
Issue/repay debt	0	0	279	404	-235
Interest Paid	-261	-239	-296	-386	-391
Dividends paid	-499	0	-223	-245	-289
Other fin. Cash flow	-208	-47	0	0	0
Cash flow from fin.	-1588	1326	-285	-277	-974
Chg cash & cash eq	20	348	-165	212	235
Open. cash eq	170	190	538	374	586
Clsq cash & cash eq	191	538	374	586	821
CashFlow to firm	1629	-667	216	595	1325

Key Ratios

Y/E Mar	FY16	FY17	FY18E	FY19E	FY20E
PER SHARE					
EPS Rs	7.6	8.3	8.1	9.9	11.9
CEPS Rs	9.6	10.7	11.4	14.4	17.1
Book Value Rs	23.6	31.8	38.7	47.2	57.6
VALUATION					
EV / Net Sales	3.6	3.8	3.6	3.0	2.6
EV / EBITDA	20.9	23.3	22.5	17.6	14.8
P / E Ratio	32.4	33.7	36.3	29.7	24.6
P / BV Ratio	10.5	8.8	7.6	6.2	5.1
GROWTH YOY%					
Sales Growth	4.5	9.0	11.5	20.6	14.6
EBITDA Growth	13.5	3.0	8.0	28.6	17.9
Net Profit Growth	12.6	9.3	-3.3	22.2	20.8
Gross Fixed Asset Growth	-1.7	43.0	132.2	22.4	17.3
PROFITABILITY					
Gross Profit/ Net sales (%)	30.4	30.9	29.4	29.6	30.3
EBITDA / Net Sales (%)	17.3	16.4	15.9	16.9	17.4
NPM / Total income (%)	10.3	10.4	9.0	9.1	9.6
Raw Material/Net Sales (%)	52.0	51.4	51.7	51.6	51.0
Int/PBIT (%)	19.4	12.0	12.2	12.7	10.8
ROE (%)	36.0	30.1	22.9	22.9	22.7
ROCE (%)	26.0	23.0	18.6	20.3	21.2
ROIC (%)	26.3	22.0	18.0	19.5	20.4
Tax / PBT (%)	15.0	20.6	22.0	23.0	23.0
TURNOVER (Days)					
Net Working Cycle	106	88	86	88	90
Debtors Velocity	64	69	65	65	65
Inventory	74	65	64	64	64
Creditors Velocity	36	56	50	50	50
Gross Asset Ratio	6.8	6.1	3.5	2.7	2.6
Total Asset Ratio	1.5	1.3	1.2	1.3	1.3
LIQUIDITY (x)					
Gross Debt-Equity Ratio	0.9	0.8	0.7	0.6	0.5
Net Debt-Equity Ratio	0.8	0.8	0.7	0.6	0.4
Interest Coverage	5.2	8.4	8.2	7.9	9.3
Current Ratio (x)	1.2	1.2	1.2	1.3	1.4
Quick Ratio (x)	0.7	0.8	0.8	0.8	1.0
PAYOUT					
Payout (%)	29.4	0.0	12.4	11.2	10.9
Dividend (%)	1.0	1.0	1.1	1.3	1.5
Yield (%)	0.4	0.4	0.4	0.4	0.5

Balance Sheet

Y/E (Mar)	FY16	FY17	FY18E	FY19E	FY20E
SOURCES OF FUNDS :					
Share Capital	223	223	223	223	223
Reserves Total	5028	6864	8390	10288	12589
Total Shareh. Funds	5251	7086	8613	10511	12811
Non-Current Liab.					
Long term borrowings	640	1467	1700	1616	1536
Deferred tax liability	0	0	-40	-80	-120
Other long term liab.	3	2	3	3	3
Long-term provisions	0	0	0	0	0
Long-term trade pay.	0	0	0	0	0
Current Liabilities					
Short term borrowings	3410	4103	4103	4514	4288
Trade payables	843	1411	1408	1694	1919
Other current liabilities	873	911	1020	1204	1372
Short term provisions	68	185	226	284	347
Total Equity & Liab.	11420	15547	17460	20249	22730
APPLICATION OF FUNDS :					
Non Current Assets					
Fixed Assets					
Gross Block	2397	3427	7957	9737	11417
Less: Accum Dep.	421	931	1671	2688	3852
Net Block	1976	2497	6286	7049	7565
Capital WIP	297	396	200	100	100
Noncurrent Investment	497	960	1056	1162	1278
Long term loans & adv.	730	789	883	1042	1188
Other non-current ass.	553	343	385	454	517
Current Assets					
Current investment	0	0	0	0	0
Inventories	2752	2638	2955	3487	3975
Sundry Debtors	2868	3353	3541	4269	4891
Cash and Bank	191	538	374	586	821
Short Loans & Adv.	48	46	52	61	70
Others Current Assets	878	1543	1728	2039	2325
Total Assets	11420	15547	17460	20249	22730
Net working capital	1018	589	1091	1657	2760
Total Gross Debt	4496	5955	6233	6637	6402
Total Net debt	4306	5417	5860	6051	5581
Total capital employed	9747	13041	14806	17068	19093

Recommendation rationale

Buy: Potential upside of	> +15% (absolute returns)
Accumulate:	> +5 to +15%
Reduce:	+5 to -5%
Sell:	< -5%
Not Rated (NR):	No investment opinion on the stock

Sector rating

Overweight:	The sector is expected to outperform relative to the Sensex.
Underweight:	The sector is expected to underperform relative to the Sensex.
Neutral:	The sector is expected to perform in line with the Sensex.

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