

February 28, 2012

**RESPONSIVE INDUSTRIES LTD. (RESPONSIVE)**

**CMP: Rs. 97**

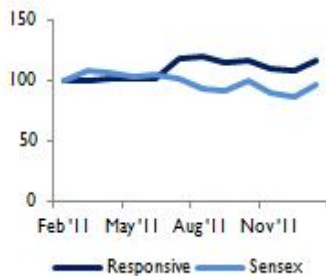
**Target Price: Rs.130**  
**Management Meet Note**

Reuters code	RSPO.BO
Bloomberg Code	RESP IN
BSE	505509
Sensex	17,923
52week H/L (Rs)	135/85
Monthly H/L (Rs)	135/93
MktCap (Rs mn)	25,462
MktCap (US\$ mn)	519
EV (Rs mn)	31,808

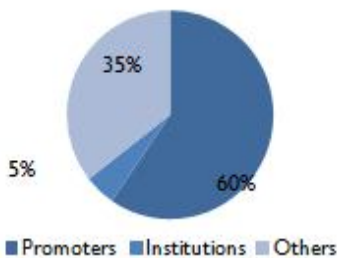
**Valuation Parameters (FY 14)**

EV/EBITDA	7.1
MktCap/EBITDA	5.9
EV/Sales	1.3
MktCap/Sales	1.1

**Price Chart**



**Shareholding Pattern**



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**MANAGEMENT MEET**

We met the management of Responsive Industries which is into manufacture of PVC flooring solutions, seat covering, upholstery, pharmaceutical packaging and transparent sheeting. The company through its subsidiary Axiom Cordages Ltd. manufactures ropes used in shipping and other industries. The key takeaways from our interaction were:

**Capacity expansion to drive growth**

The company is near doubling its PVC business from 47,700 MT to 90,000 MT by end March, 2012. This expansion will drive the topline growth and will also enable the company to enjoy economies of scale thereby also driving EBITDA margin expansion. The company also has a subsidiary Axiom which is into manufacture of ropes and has a capacity of 40,000 MT.

**Strong Brand Recognition**

Responsive is a recognised brand in the vinyl flooring and PVC leather goods segment. Product brands like Garnet, Vega, Spica, Talitha, Canopus, Regor and others are well known in the market. The company caters to a wide array of clients in government, transportation, commercial and hospitals. It has reputed customer base like Indian Railways, Mercedes Benz, Tata Motors, Volvo, SevenHills Hospital, Big Bazaar, etc.

**Dominant Market Share**

The company is a leading supplier to Indian railways for flooring and seat covers for their coaches. Responsive has a market share around 98% in this business line. The company also has 95% market share in auto canopy and 85% market share in domestic bus-body manufacturing industry. The company is also one of the largest player in global shipping ropes industry.

**Greater Manufacturing Efficiency And Scale Lead To Pricing Power**

The company faces very little competition from domestic players as most of them are unorganized and do not match with the quality and scale that Responsive can provide. Foreign competition is easily negotiated by the company as its efficiency in manufacturing lead to lower cost which it can pass on to the consumers.

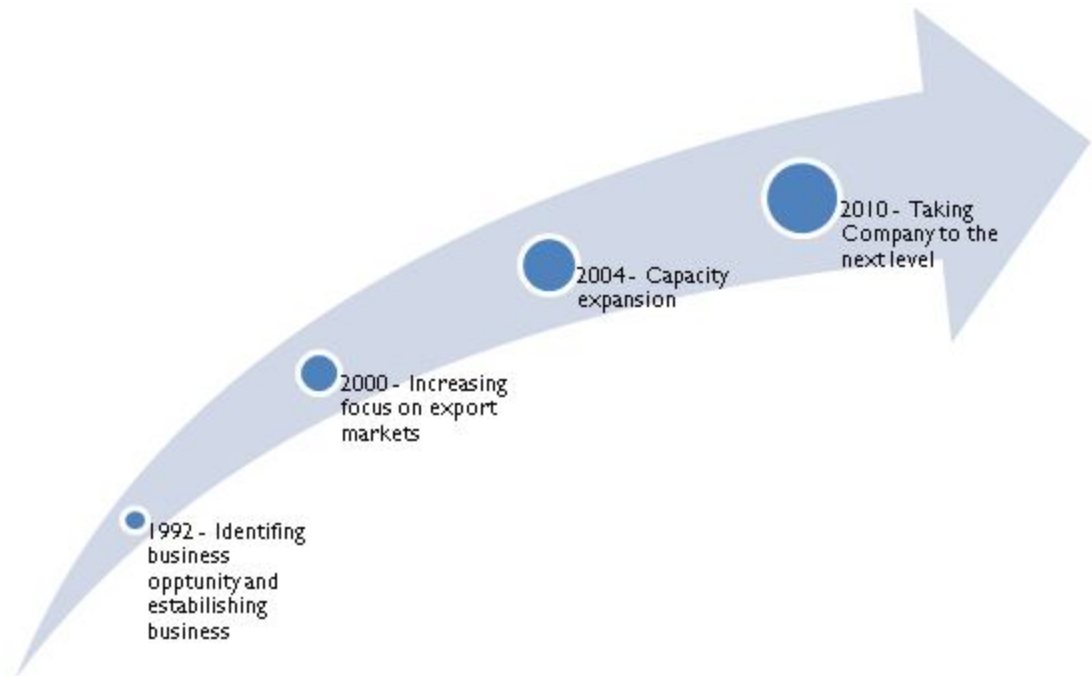
**Strong Financials**

As per FY11 annual report the company has ROCE of 15.2%, ROE of 24.9% and Debt to Equity of 0.78. The company has inventory turnover of around 16 days and receivables cycle of 31 days and a very comfortable current ratio of 2.7.

## COMPANY BACKGROUND

The Company is into manufacturing of wide varieties of PVC flooring solutions, seat covering and upholstery solutions, pharmaceutical packaging and transparent sheeting; servicing clients across diverse sectors. It has a total manufacturing capacity of 47,700 MTPA in PVC. The company is planning to triple its capacity in vinyl flooring and doubling in PVC leather cloth. Its export-oriented subsidiary company, Axiom Cordages Ltd, is into manufacturing of synthetic ropes used in the oil-rigs and shipping industry. It has well-established overseas presence with exports comprising more than majority of its total revenues. The Company has presence in over 70 countries through 11 sales offices and 300+ distribution agents and retailers. It supplies to well-known clients in different industry verticals including healthcare, hospitality, retail, transportation, sports and fitness centres, specialty and commercial office spaces and other real estate developers. Besides the company is also member of prestigious industry associations like US Green Building Council, World Floor Covering Association, Star Net Association (USA), and Indian Green Building Council.

### Exhibit I: Milestone



Source: Corporate Presentation; Prime Broking

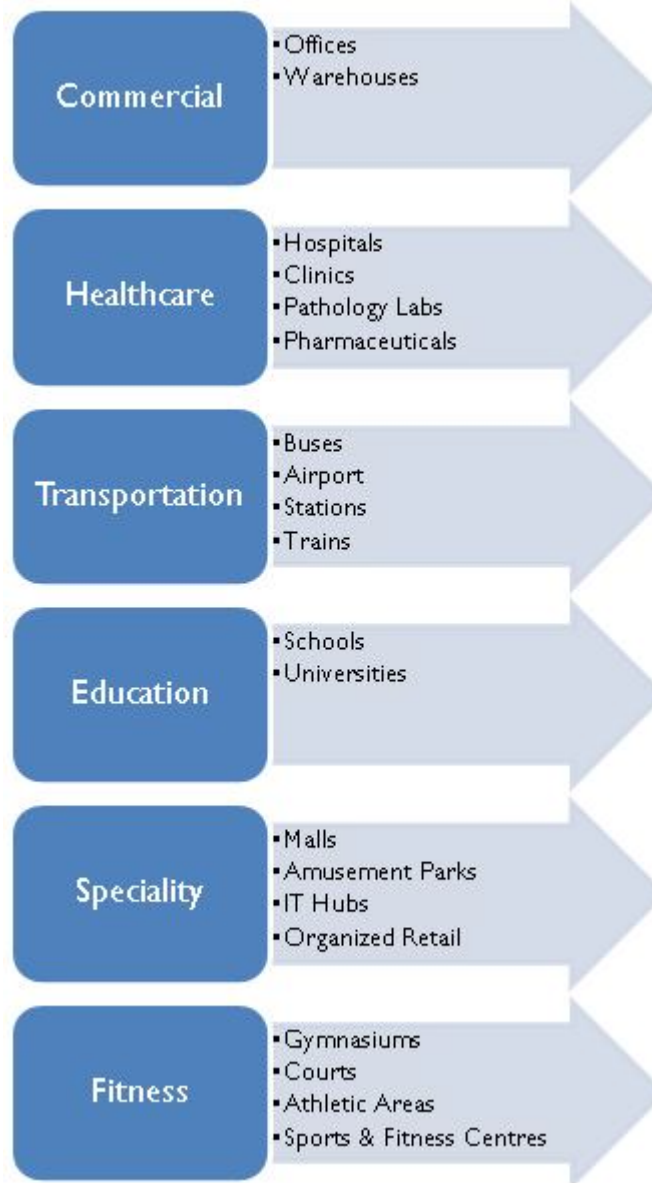
As per the Exhibit I:

- In 1992 the first high grade vinyl and PVC processing plant was conceptualized and designed. The first machinery was imported for setting up of the plant and operations were begun with a focus on domestic market where there was plenty of unmet demand. The Company acquired land for the plant and undertook expansion of facilities to cater to increasing demand.
- In 2000 the company increased focus on export markets. In that process it undertook international certifications of products and processes.
- In 2004 it undertook significant up-gradation of machinery and production capabilities. Investment was made in Axiom Cordages for capacity expansion and product innovation.
- By 2010 with established and certified products and processes in place, company expands its production lines to cater to growing demand. It will increase global footprint to 130 countries by FY13 and successfully cater to fast-growing domestic demand.

## DOMINANT MARKET SHARE

The company enjoys 85% market share in domestic bus body manufacturing industry and 95% market share in auto-canopy new use and replacement market in India. The company is also leading supplier to Indian Railways for floors and seat covers in their coaches. The products of the company are used in places attracting high traffic like malls, shopping complexes and commercial spaces and also fulfilling specialty flooring requirements (like anti-bacterial, anti-static, etc) in hospitals, hotels, sports centres and gymnasiums. The following exhibit shows various industries that the company caters to:

## Exhibit II: User Industries



Source: Corporate Presentation; Prime Broking

# PRIME BROKING

PRIME

## Exhibit III: Major Clients Across Sectors GOVERNMENT



United Arab Emirates



## TRANSPORTATION



Mercedes-Benz



## COMMERCIAL



## OTHERS



Is se *sasta* aur *accha* kahin nahi!

Source: Company

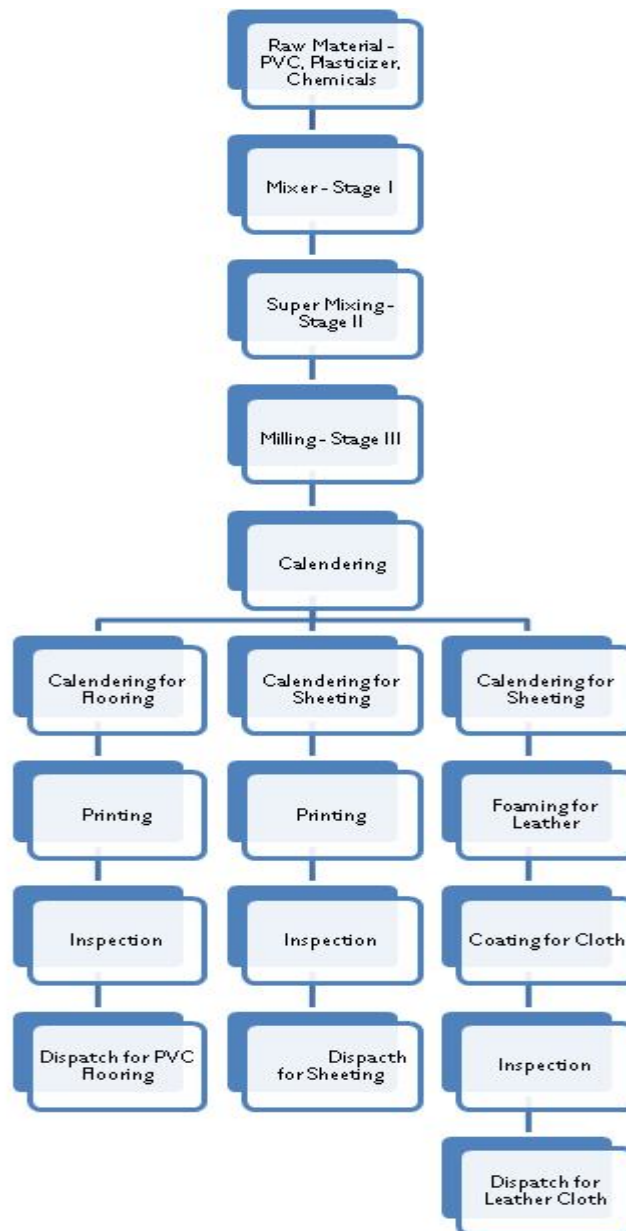


## MANUFACTURING FACILITY

The company's manufacturing facility is located at Tarapur (i.e. outskirts of Mumbai) in Thane District, Maharashtra. The company has best-of-the-line machinery in place, with latest technology in its production lines. It has adaptable machinery to suit current market requirements and consumer demand along with well-experienced plant managers and operating engineers to supervise and manage the operations. Besides, it also has laboratory with testing and research personnel, for quality testing and assurance and new product development and in-house logistics support is in place for critical delivery.

The production process can be summarized as Exhibit IV

**Exhibit IV: Production Process**



Source: Corporate Presentation; Prime Broking

## PRODUCT PORTFOLIO

The products of the company are classified as Exhibit V:

### Exhibit V: Product Portfolio



Vinyl Flooring



PVC Leather Cloth



Rigid Blister Film



Soft Sheeting

Source: Corporate Presentation; Prime Broking

### Vinyl Flooring

- It is one of the major contributors to the top line & is a high growth product segment.
- It is available in two forms – sheets & tiles, which can be easily customized & installed.
- The products are cost effective & is a time saving option for flooring in high traffic areas like malls, restaurant, offices, gyms, etc.
- The flooring solution is used in transportation, healthcare, sports and fitness industry, retail and other industries.

The types of Vinyl Flooring are as per Exhibit VI:

## Exhibit VI: Types of Vinyl Flooring

<b>Homogeneous</b> <ul style="list-style-type: none"><li>• <b>Applications:</b><ul style="list-style-type: none"><li>• Healthcare</li><li>• Education</li></ul></li><li>• <b>Brands:</b><ul style="list-style-type: none"><li>• Garnet</li><li>• Spica</li><li>• Vega Plus</li><li>• Talitha</li></ul></li></ul>	<b>Safety and Transport</b> <ul style="list-style-type: none"><li>• <b>Applications:</b><ul style="list-style-type: none"><li>• Transportation (Buses, Railways)</li><li>• High Foot Traffic Areas (Airports, Stations)</li><li>• Wet Areas</li></ul></li><li>• <b>Brands:</b><ul style="list-style-type: none"><li>• Canopus</li><li>• Canopus Plus</li><li>• Regor</li></ul></li></ul>	<b>Antistatic &amp; Conductive</b> <ul style="list-style-type: none"><li>• <b>Applications:</b><ul style="list-style-type: none"><li>• Healthcare (OT Rooms)</li><li>• IT and Telecom</li><li>• Raised Floor Manufacturers</li></ul></li><li>• <b>Brands:</b><ul style="list-style-type: none"><li>• Electra</li><li>• Electra Plus</li></ul></li></ul>	
<b>Heterogeneous</b> <ul style="list-style-type: none"><li>• <b>Applications:</b><ul style="list-style-type: none"><li>• Commercial Office Buildings/Offices</li><li>• Miscellaneous (Health, Education, Retail)</li></ul></li><li>• <b>Brands:</b><ul style="list-style-type: none"><li>• Naos</li><li>• Spectra</li><li>• Wood Essence</li><li>• Taurus</li></ul></li></ul>	<b>Sports</b> <ul style="list-style-type: none"><li>• <b>Applications:</b><ul style="list-style-type: none"><li>• Fitness</li><li>• Courts and Athletic Facilities</li></ul></li><li>• <b>Brands:</b><ul style="list-style-type: none"><li>• Polaris Punch</li><li>• Polaris Footwork</li></ul></li></ul>	<b>Printed</b> <ul style="list-style-type: none"><li>• <b>Applications:</b><ul style="list-style-type: none"><li>• Retail</li><li>• Budget Hotels/Office Areas</li><li>• Temporary Covering</li></ul></li></ul>	<b>Compact Vinyl Flooring</b> <ul style="list-style-type: none"><li>• <b>Applications:</b><ul style="list-style-type: none"><li>• Retail</li><li>• Commercial (Malls, Showrooms)</li><li>• Education</li></ul></li><li>• <b>Brands:</b><ul style="list-style-type: none"><li>• Aquaris</li></ul></li></ul>

Source: Corporate Presentation; Prime Broking



## PVC Leather Cloth

- It is also one of the major contributors to the top line & is a high growth segment.
- Synthetic leather cloth fast replacing natural leather for many product lines.
- It is used in railways, automobiles, footwear, sports goods, garment, luggage, furniture.

### **Its key features are:**

- **Sponge Leather:** Long lasting properties, large array of colors, wide array of uses such as automobile upholstery, material for furniture, etc
- **Un-foamed Leather:** Extra superior tear strength, used in making soft luggage, shoes, bags, diary covers, etc
- **Coated Leather Cloth:** Process of coating is unique to RIL and mastered by us. Its applications are numerous retail items such as purses, bags, shoes, etc

### **Major applications of PVC Leather Cloth are:**

- Buses/Trains Seat Covers
- Car Paneling
- Retail Items (Jackets, wallets, cushion covers, etc)

## Rigid Blister Film

- PVC Rigid Blister Films are used in the pharmaceutical industry for blister packaging of medicines.
- These films are extremely versatile and can be thermoformed, welded, printed and laminated.

The various types of Rigid Blister Films are as per Exhibit VII

### **Exhibit VII: Rigid Blister Films**



Source: Corporate Presentation; Prime Broking

## Soft Sheeting

- Soft sheeting or transparent sheeting has multiple usages across industries.
- Opaque soft sheets are used for diary and pass book covers.
- Printed films are used for raincoats, tablemats, covers, etc.
- Transparent films are used for stationery items.

The various types of Soft Sheeting are as per Exhibit VIII

### Exhibit VIII: Soft Sheeting

#### Opaque Sheeting

- This product is used for diary and passbook covers, files, folders and other stationery items, soft lug, etc.

#### Printed Film

- Available in over 50 designs and 500 combinations, Responsive Printed Film is used in tablemats, raincoats, covers for fridge, television and washing machines, shower curtains

#### Clear Transparent Film

- Available as embossed and un-embossed, this film finds use in making of stationery items, diary covers, files, folders, raincoats, shower curtains, table mats and several other applications

#### 'Chill Man'

- brand for raincoats, shower curtains, and table mats; 'Toy Lamina' brand for inflatable toys and aprons; 'Insulation Tape Film' for electric insulation and other uses and 'Clinical Film' for urine bags and medical kits.

Source: Corporate Presentation; Prime Broking



## INTERNATIONAL ACCREDITATIONS AND MEMBERSHIPS

### **ISO 9001:2000**

It certifies that company consistently provides quality products to satisfy customer needs & ensure that is enhanced continuously.

### **ISO 14001:2004**

It is awarded for establishment and implementation of environmental management system and assurance of adherence to environmental policy.

### **World Floor Covering Association**

It provides practical solutions and tools to its members to streamline the business & has as its other member organizations associated with the manufacture, sale and services segments.

### **Star Net Association of USA**

It enables the company to become the preferred vendor for top notch U.S. contractors.

### **USFDA**

It is awarded for DMF Registration under US FDA for Rigid Blister Films used in pharmaceutical packaging.

### **U.S. Green Building Council**

It is a source to provide education & training mainly to the employees of member organization in green initiatives related to constructions.

### **Indian Green Building Council**

It aims to usher in a green building movement and facilitate India's emergence as one of the world leaders in green buildings by 2010.

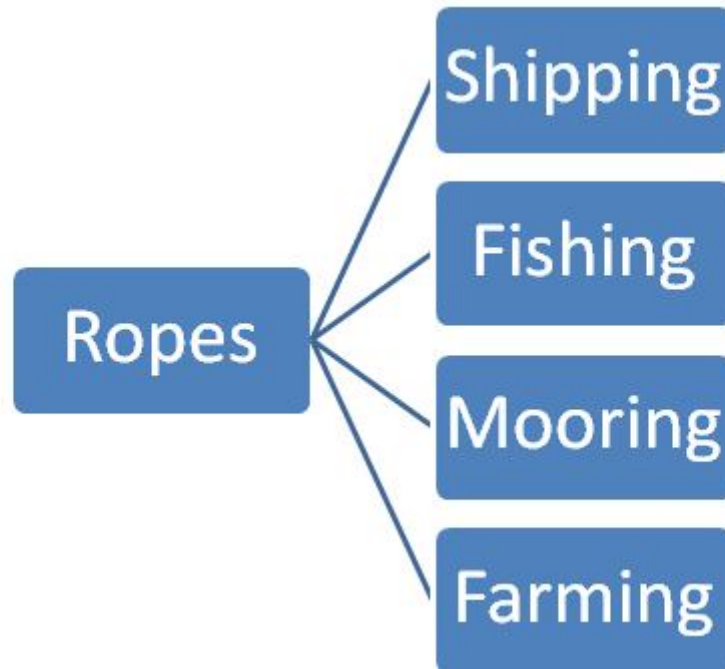
### **International Maritime Organisation**

It develops and maintains regulatory framework for shipping and remits safety, environmental concerns, legal matters, technical co-operation, maritime security and efficiency of shipping.

## AXIOM CORDAGES LIMITED

Axiom Cordages Ltd (formerly known as Axiom Impex International Ltd) is among India's largest exporters of **new generation synthetic ropes**, possessing outstanding technical knowhow to deliver next generation ropes to clients globally. A subsidiary of Responsive Industries Ltd and a 100% export oriented unit (EOU) engaged in manufacturing wide range of synthetic ropes using Polypropylene (PP), Polyethylene (PE), Nylon and Polyester. It caters to the requirements of shipping, transport, oil exploration and telecom industries across 65 countries globally. The ropes are classified into the user based industries that they serve and are shown in Exhibit IX:

### Exhibit IX: User Industries



Source: Corporate Presentation; Prime Broking

The company through its processes has cost-advantages which are passed onto customers and its constant innovation is the key driver of lower cost. The company has sophisticated machinery which allows the company to make efficient use of its resources. The new formulations result in better product with higher breaking strengths, longer life span and lower production cost. The ropes are custom made to customer requirements and its characteristics regularly adjusted for geographical differences. The properties can be adjusted – ex: higher breaking strength requirement, etc. The products of the company can further be classified as per Exhibit X:

## Exhibit X: Types of Ropes

### Shipping

- DAN - STRONG (Polypropylene Polysteel)
- MARINA MAXI (Combination Dual Fiber)
- POLYAMIDE (Nylon Ropes)
- AOXI FLEX (Polydacron Polyester)
- TUSKER (Polypropylene / Split Film)
- CARGONETS (Ports & Heavy Cargo)

### Mooring

- MOORINGTAILS (Slings)
- SUPER FLEX (PP/PES)
- MAXI FLEX (PP/PES)

### Fishing

- POLYETHYLENEFLEXI (HDPE/PE/Coloured)
- LONG LINES (Specialized)

### Farming

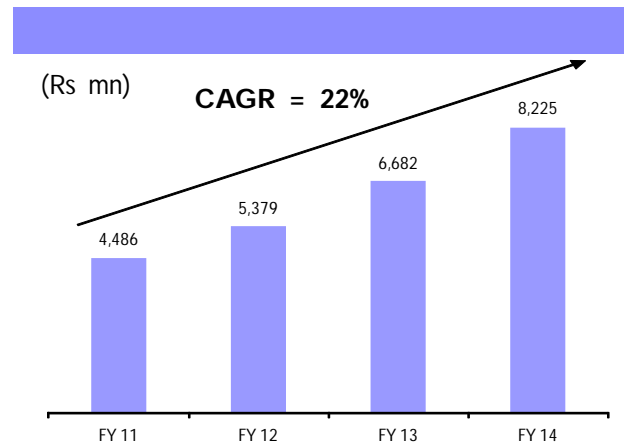
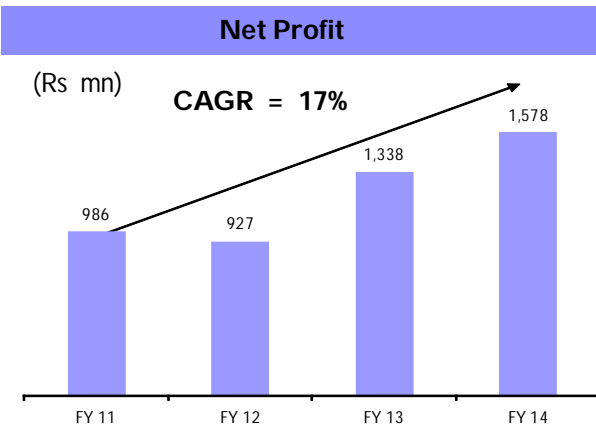
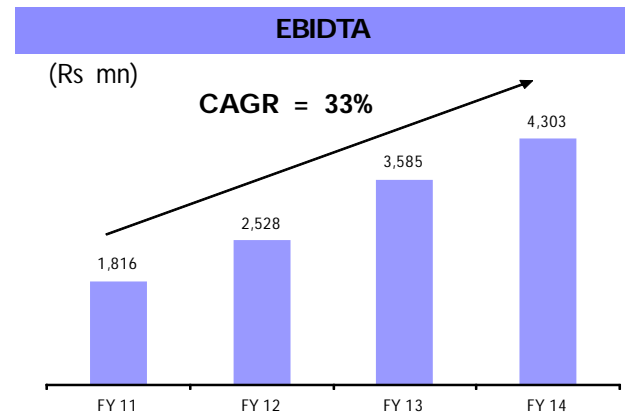
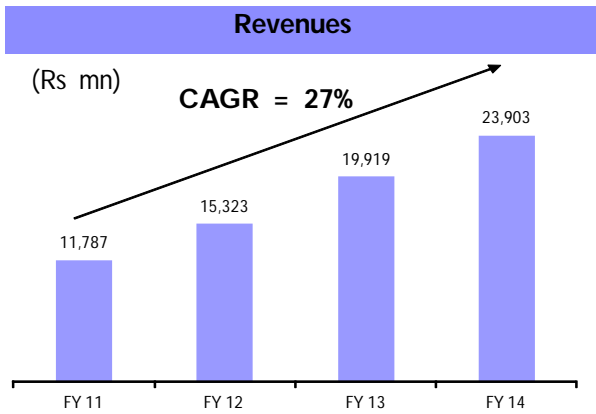
- BALER TWINES (Crop Packing)

Source: Corporate Presentation; Prime Broking

## PERFORMANCE

The company is expected to grow at 27% CAGR in revenue terms, 33% CAGR in EBIDTA terms and 17% CAGR on the bottom line. (Exhibit XI)

**Exhibit XI: Performance Outlook**



Source: Company, Prime Broking

## INDUSTRY SCENARIO

### Global PVC Scenario

The Demand for PVC is driven by fast growing developing countries viz. China, India and Brazil. Their demand is largely compensating the slowdown in the developing economies of North America and Europe. PVC Demand from developing countries is estimated at 61% of the total demand by 2020. Chinese demand will be the major driver in 2020, with Chinese Government estimating an expenditure of USD 600 bn towards investment in infrastructure. It is estimated that China will account for 44% of the global PVC demand by 2020, growing at 15% p.a. over the years.

### Global Vinyl Flooring Scenario:

The Vinyl Flooring industry is a part of a USD 150 bn global flooring & carpet sector of which Vinyl accounts for 10%. The global flooring market grew by 4.6% from 2000 to 2005 & is projected to grow at 4.1% upto 2015 with increasing demand in China, India, Indonesia, Turkey, Iran, Ukraine and Saudi Arabia.

### Domestic Flooring Scenario:

The Indian flooring market is the third largest in the Asia. Due to large, low income & agricultural population, there is low base flooring in India. The total flooring demand in the year 2015 would be around 705 mn sq. mtrs, with 5% of the demand by Vinyl floorings would work out to 35 Mn sq. mtrs (turnover Rs. 5000 mn). The domestic market would increase from the present Rs. 1500 mn to about Rs.6000 mn by 2015.

### Domestic PVC Synthetic Leather Scenario:

The PVC synthetic leather is fast replacing natural leather for many products all over the world due to its distinct properties such as durability, broad plasticity range, excellent resistance to sunlight & degradation, greater wash ability, water-vapor permeability, weather resistance, printability & competitive prices. Domestic demand for PVC synthetic leather primarily comes from railways, automobile industry, footwear industry, sports goods industry, garments industry, luggage industry and furniture & furnishings. Indian Railways will replace all wooden seats in the trains with cushioned ones and add third berth on the aisle side in all 14000 AC-3 tier and sleeper coaches and replace the floorings in these new coaches, which will result in increase in demand for PVC Leather Cloth in the domestic market.

## VALUATION

We expect a 27% CAGR in topline growth and 33% EBIDTA growth over the period FY11A to FY14E. The EPS estimates for FY12E, FY13E and FY14E are at Rs. 3.5, Rs. 5.1 and Rs. 6.0 respectively.

The stock is currently trading at an P/E multiple of 27.5x, 19.0x and 16.1x times & EV / EBIDTA of 12.6x, 8.8x and 7.1x its FY12E, FY13E and FY14 numbers. In our EV calculation we have reduced the Compulsory Convertible Debentures (CCD) from net debt.

**We are bullish on the stock with a price target of Rs. 130 on an P/E multiple of 21.5x times FY14E numbers.**

Fiscal Year	FY09 (A)	FY10 (A)	FY11 (A)	FY12 (E)	FY13 (E)	FY 14(E)
Revenues (Rs. mn)	6,502	8,393	11,787	15,323	19,919	23,903
EBITDA (Rs. mn)	889	1,287	1,816	2,528	3,585	4,303
EBITDA (%)	13.7%	15.3%	15.4%	16.5%	18.0%	18.0%
PAT (Rs. mn)	494	667	986	927	1,338	1,578
Net Profit (%)	7.6%	7.9%	8.4%	6.1%	6.7%	6.6%
No. of Shares (mn)	218	244	257	262	262	262
EPS (Rs.)	1.9	2.6	3.5	3.5	5.1	6.0
P/E	-	-	-	27.5	19.0	16.1
EV/EBITDA	-	-	-	12.6	8.8	7.1

## KEY RISKS

The key downside risks are as follows:

- i) Volatility in PVC prices could affect the performance of the company drastically.
- ii) Exposure to foreign exchange fluctuations



## Annexure I: Consolidated Profit & Loss Statement

Rs mn	FY09 (A)	FY10 (A)	FY11 (A)	FY12 (E)	FY13 (E)	FY14 (E)
<b>Total Income (incl. Other Income)</b>	<b>6,525</b>	<b>8,491</b>	<b>11,912</b>	<b>15,348</b>	<b>19,944</b>	<b>23,928</b>
Total Expenses	5,613	7,106	9,971	12,794	16,334	19,601
<b>PBITDA</b>	<b>912</b>	<b>1,385</b>	<b>1,941</b>	<b>2,553</b>	<b>3,611</b>	<b>4,328</b>
<i>PBITDA Margin (%)</i>	14.0%	16.3%	16.3%	16.6%	18.1%	18.1%
Depreciation	272	373	531	898	1,243	1,315
<b>PBIT</b>	<b>639</b>	<b>1,011</b>	<b>1,410</b>	<b>1,655</b>	<b>2,368</b>	<b>3,013</b>
<i>PBIT Margin (%)</i>	9.8%	11.9%	11.8%	10.8%	11.9%	12.6%
Interest	24	95	111	330	456	468
EO	(1)	0	(4)	0	0	0
<b>PBT</b>	<b>617</b>	<b>916</b>	<b>1,303</b>	<b>1,325</b>	<b>1,912</b>	<b>2,545</b>
<i>PBT Margin (%)</i>	9.4%	10.8%	10.9%	8.6%	9.6%	10.6%
Tax	120	249	308	397	574	967
<b>PAT</b>	<b>496</b>	<b>667</b>	<b>995</b>	<b>927</b>	<b>1,338</b>	<b>1,578</b>
Less: Minority Interest	32	41	76	0	0	0
Add: Share of Profit from Associates	(46)	0	0	0	0	0
<b>Adjusted PAT</b>	<b>418</b>	<b>626</b>	<b>918</b>	<b>927</b>	<b>1,338</b>	<b>1,578</b>
<i>Net Profit Margin</i>	6.4%	7.4%	7.7%	6.0%	6.7%	6.6%
<b>No. of shares</b>	<b>218</b>	<b>244</b>	<b>257</b>	<b>262</b>	<b>262</b>	<b>262</b>
<b>EPS</b>	<b>1.9</b>	<b>2.6</b>	<b>3.6</b>	<b>3.5</b>	<b>5.1</b>	<b>6.0</b>

Source: Company, Prime Broking; (A) Audited; (E) Estimated

## Annexure II: Consolidated Balance Sheet Statement

Rs mn	FY09 (A)	FY10 (A)	FY11 (A)	FY12 (E)	FY13 (E)	FY14 (E)
Share Capital & Application Money	244	1,004	842	262	262	262
Reserves & Surplus	1,491	2,083	3,644	5,116	6,420	7,963
<b>Networth</b>	<b>1,734</b>	<b>3,087</b>	<b>4,486</b>	<b>5,379</b>	<b>6,682</b>	<b>8,225</b>
Loan Funds	1,273	3,820	3,504	7,504	7,704	7,904
Deferred Tax Liability (Net)	143	224	264	396	492	619
Minority Interest	95	136	213	213	213	213
<b>Total Liabilities</b>	<b>3,245</b>	<b>7,267</b>	<b>8,467</b>	<b>13,492</b>	<b>15,091</b>	<b>16,961</b>
Net Fixed Assets	3,128	5,494	7,172	11,780	12,537	13,223
Investments	45	340	163	163	163	163
Cash and Bank Balances	351	364	205	146	573	1,631
Debtors	191	1,067	903	1,770	2,300	2,761
Inventory	277	449	535	596	761	913
Loan, Advances & Other Current Assets	586	162	157	204	265	318
Current Liabilities	1,333	608	668	1,166	1,508	2,047
<b>Net Current Assets</b>	<b>72</b>	<b>1,433</b>	<b>1,132</b>	<b>1,549</b>	<b>2,390</b>	<b>3,575</b>
<b>Total Assets</b>	<b>3,245</b>	<b>7,267</b>	<b>8,467</b>	<b>13,492</b>	<b>15,091</b>	<b>16,961</b>

Source: Company, Prime Broking; (A) Audited; (E) Estimated

## Annexure III: Consolidated Cash Flow Statement

Rs mn	FY09 (A)	FY10 (A)	FY11 (A)	FY12 (E)	FY13 (E)	FY14 (E)
Profit Before Tax	615	916	1,299	1,325	1,912	2,545
Depreciation	272	373	531	898	1,243	1,315
Interest	21	95	111	330	456	468
Other Items	-44	-200	-100	-86	-190	-177
Change in Working Capital	150	-1,341	211	-415	-250	25
Income Tax Paid & Other Adjustments	-84	-17	-268	-265	-478	-840
<b>Cash Flow from Operations</b>	<b>931</b>	<b>-174</b>	<b>1,784</b>	<b>1,787</b>	<b>2,693</b>	<b>3,336</b>
Change in Net Fixed Assets	-1,100	-2,740	-2,209	-5,507	-2,000	-2,000
Change in Investments & Interest Received	3	-295	0	0	0	0
Dividend Received	0	4	4	25	25	25
Other Items	6	25	184	1	0	0
<b>Cash Flow from Investing</b>	<b>-1,090</b>	<b>-3,006</b>	<b>-2,021</b>	<b>-5,480</b>	<b>-1,975</b>	<b>-1,975</b>
Change in Capital	899	760	524	0	0	0
Debt Raised	-415	2,560	-303	4,000	200	200
Interest Paid	-21	-33	-33	-35	-35	-35
Dividend Paid	-20	-95	-111	-330	-456	-468
<b>Cash Flow from Financing</b>	<b>444</b>	<b>3,192</b>	<b>77</b>	<b>3,635</b>	<b>-291</b>	<b>-303</b>
<b>Change in Cash</b>	<b>284</b>	<b>12</b>	<b>-160</b>	<b>-58</b>	<b>427</b>	<b>1,058</b>
Opening Cash & Bank Balance and others	79	443	345	204	146	573
<b>Closing Cash &amp; Bank Balance</b>	<b>363</b>	<b>456</b>	<b>185</b>	<b>146</b>	<b>573</b>	<b>1,631</b>

Source: Company, Prime Broking; (A) Audited; (E) Estimated

## Annexure IV: Key Financial Ratios

	FY09 (A)	FY10 (A)	FY11 (A)	FY12 (E)	FY13 (E)	FY14 (E)
Net Sales Growth	59.7%	29.1%	40.4%	30.0%	30.0%	20.0%
EBITDA Growth	42.8%	44.8%	41.1%	39.2%	41.8%	20.0%
EBIT Margin	9.5%	10.9%	10.9%	10.6%	11.8%	12.5%
Net Profit Margin	7.6%	7.9%	8.4%	6.1%	6.7%	6.6%
Debt to Equity Ratio	0.7	1.2	0.8	1.4	1.2	1.0
Interest Coverage Ratio	25.7	9.6	11.5	4.9	5.1	6.4
Inventory Turnover (Days)	15	16	16	13	12	13
Debtor Turnover (Days)	10	27	31	32	37	39
Return on Asset	15.2%	9.2%	11.7%	6.9%	8.9%	9.3%
Return on CE	19.0%	12.6%	15.2%	12.1%	15.5%	17.6%

Source: Company, Prime Broking; (A) Audited; (E) Estimated

## EQUITY SALES / DEALING

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## STOCK OWNERSHIP / CONFLICT DISCLOSURE

<b>Prime / Prime Subsidiaries</b>	<b>No</b>
<b>Key Prime Management &amp;/or Other Employees</b>	<b>No</b>
<b>Any Other Corporate Finance Conflict of Interest</b>	<b>No</b>

## ANALYSTS' RATINGS DEFINITIONS

<b>STRONG BUY</b>	Expect $\geq$ 25% CAGR return
<b>BUY</b>	Expect a CAGR return $\geq$ 15% and $<$ 25%
<b>HOLD</b>	Expect $<$ 15% CAGR return
<b>SELL</b>	Expect $\leq$ 5% CAGR return

## CONTACT NUMBERS

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