

Cement Sector

Earnings to rebound with strong pricing

PhillipCapital (India) Pvt. Ltd.

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This note brings out:

- Potential of demand growth with new state formations (Telangana). Proven with historical evidence - South India likely to be a major beneficiary.
- Why we believe that recent price hikes in North India may not see a sharp fall even with re-commissioning of a temporarily shut capacity.
- Possible estimate upgrades for the sector and hence price targets.

The Past

- **Disappointing operating performance:** EBITDA failed to grow 10 times YoY and 9 times QoQ in the last 15 quarters. In the same period, realizations CAGR was only 1%, opex CAGR was 2%, and hence EBITDA/tonne CAGR for industry was at -3%.
- **Biggest industry concern:** Low demand and disappointing sales.
- **Costs have been a major worry:** Rising fuel costs and freight costs continue to haunt the industry consistently.

Risks

- Fluctuating cement prices and differences in opinions of cement manufacturers with regards pricing is the key risk to the industry in the near future.
- If demand fails to rise, it will increase the risk of a price war in the industry.

Opportunities

- South continues to remain impacted by spoilage of pricing and production discipline in Andhra Pradesh. Volumes are yet to see the recovery trend there. With a demand recovery expected, there is a near term opportunity for the industry to reestablish pricing discipline.
- Pet coke costs have gone up by ~Rs400-600/tonne in February 2014. Increasing freight cost continues to haunt the industry. Any increase in variable cost will make the possibility of price hikes much stronger.
- Though in North, price hikes are likely to boost earnings in Q4FY14, the same is not the case with largest region of the country – South India. Valuations of South India companies are still greatly discounted to the current replacement costs on EV/tonne.
- Even in case with North, though most stocks have seen a reasonable recovery, upgrade of estimates with price surge is likely. Valuations may hence turn out to be attractive

Road Forward

- **Demand up-tick with creation of Telangana:** Our research showed that when new states were formed (in most cases) demand creations was phenomenal.
- **Good possibility of stable government:** This will lead to fast-track execution of new infrastructure projects.
- It is very likely that both pricing and volumes surprise us positively from 3QFY15 - a welcome turnaround point for the industry.

Recent developments that support our positive stance on the sector

- Prices have surged in North India with production disruptions / a temporary freeze of despatches at a large manufacturing site. Prices have increased by >30% in the previous couple of months. Utilizations are at their peak in the North - this is also seen in West India, especially in Gujarat where many North players have a significant share.
- Government has earmarked Rs 200bn per annum for the next five years to create Telangana — this implies a minimum incremental demand of ~6mn tonnes. This will lead to a +10% demand growth for South India per annum for next few years.
- Manufacturers have delayed/deferred capacity creation, allowing demand-supply equation to turn more favorable. Also creating new capacity has become a much more tedious task with more stringent rules and regulations (environmental clearance, land acquisition with 100% surface rights for mining operations and mine allocations).
- Seeing consolidation (organic/inorganic) in the industry across regions and with larger capacities at stake, players are behaving more mature and responsible.

We currently have ~60% of industry's installed capacity share under our coverage. This is referred as Industry in this note. (ACC Ltd., Ambuja Cements, UltraTech Cement, Shree Cement, The India Cements, HeidelbergCement India, JK Cement, JK Lakshmi Cement, Dalmia Bharat, OCL India & Mangalam Cement).

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Market sentiments drive pricing: Production discipline (+) Similar manufacturer expectations = Stable pricing.

Cement prices in North India have unexpectedly surged by +30% in the last couple of months.

It is unlikely that price may correct sharply in North India. Moreover, with demand support, it is possible that the North may perform even better...

On pan-India level, even 10% demand growth seems low for industry to achieve the crucial 85% capacity utilisation mark.

Market sentiment – A key driver of cement prices:

- It is now proven that cement prices are not always necessarily a function of economics - prices failed to rise in the North till early February 2014, despite North India operating at almost full capacity utilisations. Production discipline and manufacturer expectations are also important factors that drive cement prices. What we have seen in South India for past few years is a classic and proven example of this theory - production discipline and similar manufacturer expectations leads to stable pricing. However, in the longer term, fundamental support of reasonable demand growth and a balanced demand-supply matrix are also necessary. In sentiment driven pricing, intermittent price fluctuations are inevitable as manufacturer sentiments remains psychological.

Performance of North manufacturers likely to be exemplary in 1HCY15:

- Cement prices in North India have unexpectedly surged by +30% in the last couple of months - we believe the rise is likely to continue / unlikely to be rolled back sharply at least until the end of June 2014. Utilisations have been at their peak in the North (most capacities are operating at full).
- West India (especially Gujarat) has also seen a similar price surge. This is another region where many of the North manufacturers have a significant market share and is thus likely to benefit the most. Industry's operating performance in these regions should remain great in 1HCY15E driven by surging cement prices.

Manufacturer feedback on possibilities (if any) of price corrections in North:

- We spoke to a number of cement manufacturers in the North recently and based on their feedback we believe that the current price surge will not see a sharp fall even when the capacity that is currently (temporarily) shut down resumes operations.
- Despite the surge in cement prices, North manufacturers still say it is too early to draw conclusions about demand. Therefore, if demand support comes in, the scenario can improve even further.
- Relatively better incentives given to new capacities in the North provide them with a competitive edge - allow them to price their product at lower prices and still earn better margins - this hinders pricing discipline. This was also a key reason why we saw North prices correcting till early February 2014. Notably, a couple of new cement manufacturers debuted in this region recently.

What makes us rely on industry feedback for our take on pricing?

- India now has a ~350mn-tonne cement capacity while demand is ~250mn tonnes, implying utilisation of ~70%. Though additions have toned down, capacity is set to reach 400mn tonnes. Even at 10% demand growth p.a., it will take ~3 years for industry to touch the crucial 85% utilisation mark. Thus we do not foresee any major fundamental support for pricing yet (barring rising cost push) and hence we believe industry sentiments will continue to play a crucial role to drive cement prices over the next few years.

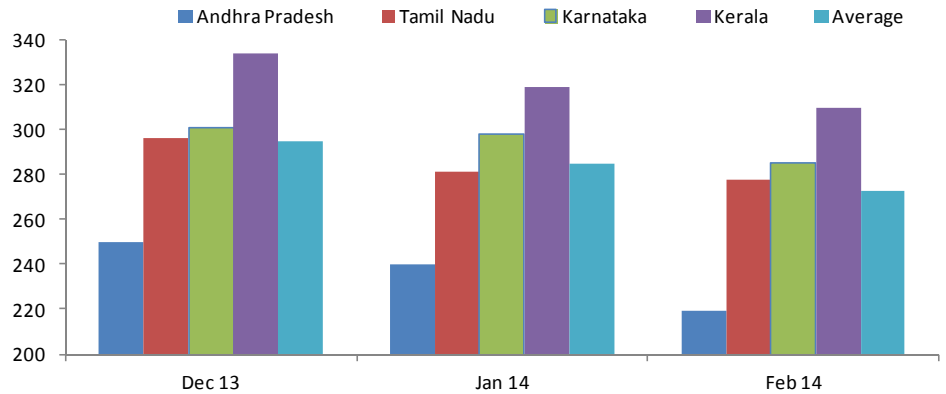
Instability in pricing in South brings in an opportunity of price hikes once again and thereby triggering earnings.

About South India

- South India has been operating at nearly 55-60% capacity utilisation for the past few years and cement prices there have been a function of regional discipline for a long time. With few players (sometimes) not adhering to production discipline, we have seen pricing fluctuating here at regular intervals. South India’s installed capacity today is at ~130mn tonnes. Prices have corrected by nearly 8% in past couple of months. The following graphs show the price trends in South India in recent past.

Average prices in South corrected by nearly 8% in past couple of months. As always, Andhra Pradesh led the fall.

Average price (Rs/bag) - South India



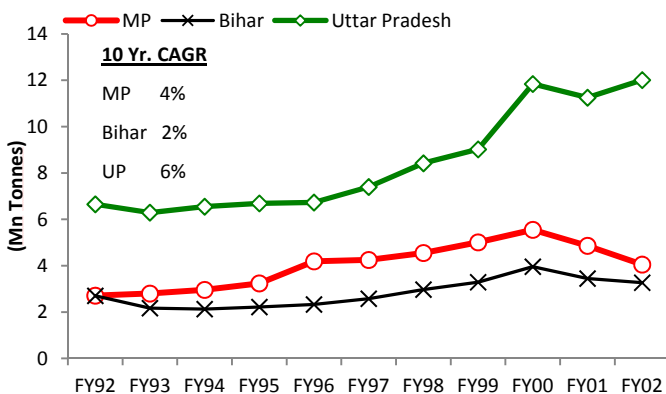
At price/bag of Rs250; Rs30bn of annual cement spends converts to 6mn tonnes of incremental cement consumption.

Demand increase seems on the cards with formation of Telangana:

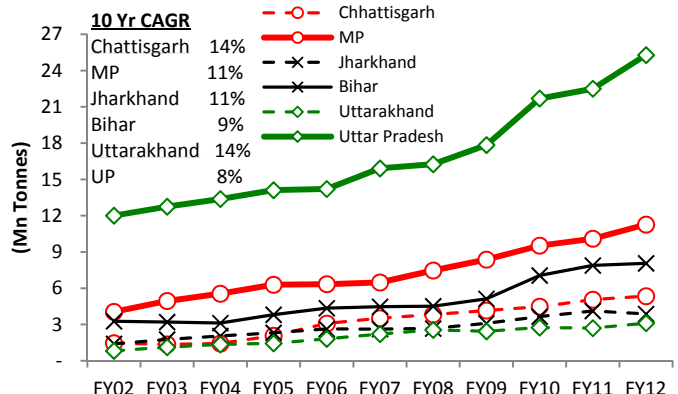
- Historically, we have seen that new state formations result in a significant increase in demand.
- With the formation of Telangana (for which Rs200bn per annum has been earmarked for the next five years), cement demand is sure to takeoff in this region - we believe 15% of the sum earmarked is likely to be spent for cement consumption (thereby meaning ~6mn tonnes of additional cement demand p.a.).
- Currently, Andhra Pradesh (the biggest surplus capacity state of the country dragging overall pan-India industry capacity utilisations) operates at ~50-55% capacity utilisation. This is likely to be addressed soon with demand pull from creation of new States.
- Spends on the formation of Telangana will mean a +10% demand growth in South India (incremental 6 mn tonnes on consumption base of 50mn tonnes). The growth number will be much higher (~50% on consumption base) for Andhra Pradesh on standalone basis.

The two graphs below compare the consumption CAGR in three different cases: States of Chhattisgarh, Jharkhand and Uttarakhand coming out of States of Madhya Pradesh (MP), Bihar and Uttar Pradesh, respectively. Consumption CAGR’s in all cases have seen a significant growth after the new states were created — this is strong evidence and we believe this will recur when Telangana is created.

Cement Consumption – Before formation of New States



Cement Consumption – After formation of New States



Our take on stocks under our coverage

Earnings may see major upgrades.

We highlight here the potential price targets with likely estimate upgrades given the recent surge in cement prices in few regions / potential increase in cement prices in other regions with demand recovery in near future.

Current target price - Rs 1,301 (+1%)

ACC Limited (ACC IN)

Building in an average price hike of 10% (as against current estimate of 6.5%) for CY14E, our earnings see an upgrade of ~24% implying [potential price target of Rs1,524/- \(+20%\)](#).

- Likely to gain on efficiencies given consolidation with Ambuja Cements.
- Strong possibility of volume increase (better than Ambuja Cements) given near term commissioning of new expansions.

Current target price - Rs 153 (-20%)

Ambuja Cements (ACEM IN)

Building in an average price hike of 12% (as against current estimate of 5%) for CY14E, our earnings see an upgrade of ~36% implying [potential price target of Rs191/- \(+3%\)](#).

- Not much potential upside based on already rich valuations.
- Given the consolidation, it's likely to sacrifice volumes for efficiency gain of ACC, safeguarding its consolidated earnings.

Current target price - Rs 2,189 (+11%)

UltraTech Cement (UTCEM IN)

Building in an average price hike of 10% (as against current estimate of 6%) for FY15E, our earnings see an upgrade of ~20% implying [potential price target of Rs2,535/- \(+28%\)](#).

- Confident of a revival and deliberately shifting its focus now to volume growth.
- Consistent and aggressive on efficiencies improvement.
- Only major with added advantage of White Cement.

Current target price - Rs 4,754 (-9%)

Shree Cement (SRCM IN)

Building in an average price hike of 15% (as against current estimate of 6%) for FY15E, our earnings see an upgrade of ~46% implying [potential price target of Rs6,169/- \(+18%\)](#).

- Key beneficiary of price surge in North with largest market share.
- Very likely to continue its outperformance on volume growth.
- Going East shortly with units in Chhattisgarh and Bihar.

Current target price - Rs 64 (+14%)

The India Cements (ICEM IN)

Building in an average price hike of 8% (as against current estimate of 5%) for FY15E, our earnings see an upgrade of ~170% implying [potential price target of Rs100/- \(+77%\)](#).

- Largest share in Andhra Pradesh - likely to be key beneficiary in South with creation of new states.
- Analysing multiple options to reduce its high debt.

Current target price - Rs 225 (+14%)

JK Cement (JKCE IN)

Building in an average price hike of 10% (as against current estimate of 7%) for FY15E, our earnings see an upgrade of ~40% implying [potential price target of Rs279/- \(+34%\)](#).

- Commissioning multiple expansions at various locations shortly.
- Only mid-cap manufacturer with white cement advantage.
- 30% EBITDA guidance for UAE; North India / wall putty volumes to trigger & South utilisations also likely to improve.

Current target price - Rs 96 (-1%)**JK Lakshmi Cement (JKLC IN)**

Building in an average price hike of 10% (as against current estimate of 5.5%) for FY15E, our earnings see an upgrade of ~115% implying [potential price target of Rs152/- \(+56%\)](#).

- Confident of delivering performance with better efficiencies.
- Multiple expansions underway.
- Amongst the few North players to have exposure to West. Spreading to East Soon.

Current target price - Rs 260 (+4%)**Dalmia Bharat Ltd. (DBEL IN)**

Building in an average price hike of 7% (as against current estimate of 4%) for FY15E, our earnings see an upgrade of ~50% implying [potential price target of Rs379/- \(+52%\)](#).

- Most aggressive mid-cap cement in terms of capacity expansion. OCL consolidation seems likely soon.
- A value pick in mid-caps for a longer horizon. Exposed to South, North-East, East and West (shortly). Aiming pan-India.

Current target price - Rs 222 (+24%)**OCL India (OSC IN)**

Building in an average price hike of 7% (as against current estimate of 5%) for FY15E, our earnings see an upgrade of ~37% implying [potential price target of Rs267/- \(+50%\)](#).

- Most attractive amongst small-cap cement. Leader in State of Odisha.
- EBITDA margins amongst the highest in industry. 85% slag cement manufacturer; commissioning an expansion in State of West Bengal this fiscal.
- No other cement plant nearby (within 500kms) also gives OCL a competitive edge.

Current target price – Rs 40 (+0%)**HeidelbergCement India Ltd. (HEIM IN)**

Building in an average price hike of 7% (as against current estimate 5%) for CY14E, our earnings see an upgrade of ~208% implying [potential price target of Rs56/- \(+38%\)](#).

- Likely to gain on volumes & efficiencies with recent expansion. Hived off its inefficient unit in West.
- Efficiency gap may sustain vis-à-vis others but still a lot of scope here for improvement.

Current target price – Rs 103 (-7%)**Mangalam Cement (MGC IN)**

Building in average price hike of 9% (as against current estimate 5%) for FY15E, our earnings see an upgrade of ~75% implying [potential price target of Rs193/- \(+74%\)](#).

- Suffering with low execution.
- Volume improvement to begin Q4FY14 onwards.
- An attractive North Indian small-cap.

Summary

We like ACC, JK Cement, JK Lakshmi Cement from a near term perspective. See UltraTech Cement, Shree Cement and Dalmia Bharat as value picks in the longer term. India Cements seems the most attractive play on Telangana.

Though cement stocks have performed well in the recent past (especially North India), we still foresee significant upsides given that the recent price hikes stick-on. Though South has not yet participated here, we believe, it is unlikely that South India will not participate in near future also. Concerns of high debt may look valid (especially for mid caps) but with surge in prices, we believe, the earnings and estimates will see an upgrade for FY15E, eventually addressing the debt service / burden concerns and also re-rating valuation multiples.

Near term, we like stocks such as ACC, JK Cement, JK Lakshmi Cement, OCL India and HeidelbergCement. Longer term, we like UltraTech Cement, Shree Cement and Dalmia Bharat. India Cements is likely to be a key beneficiary (more of an event-based play) with creation of new states in South India.

Valuation Matrix

Company	EPS (Rs)			P/E (x)		EV/EBITDA (x)		EV/Tonne (US\$)	
	FY14E	FY15E	FY16E	FY15E	FY16E	FY15E	FY16E	FY15E	FY16E
ACC Ltd.*	58.2	63.2	76.2	20.3	16.9	11.8	9.5	135	123
Ambuja Cements Ltd.*	8.1	9.0	10.7	21.0	17.7	10.4	8.2	148	144
UltraTech Cement Ltd.	77.4	105.5	137.9	18.7	14.3	11.0	8.5	157	149
India Cements Ltd.	0.1	2.2	6.8	25.3	8.3	5.5	4.1	45	45
Shree Cement Ltd.	179.5	216.5	280.3	24.1	18.6	12.0	9.7	179	141
JK Cement Ltd.	10.8	19.5	46.3	10.7	4.5	6.9	3.9	45	41
Mangalam Cement Ltd.	5.8	14.5	35.7	7.6	3.1	5.8	3.4	38	38
JK Lakshmi Cement Ltd.	4.0	5.4	16.5	18.1	5.9	7.3	4.6	47	47
HeidelbergCement India Ltd.*	-1.8	0.6	2.6	68.6	15.9	8.7	6.1	56	57
Dalmia Bharat Enterprises Ltd.	0.4	14.6	30.3	17.1	8.2	8.9	6.5	53	53
OCL India Limited	18.4	12.9	29.6	13.8	6.0	5.7	3.8	48	49

A look at Valuation Matrix with price hikes

Company	EPS (Rs)			P/E (x)		EV/EBITDA (x)		EV/Tonne (US\$)	
	FY14E	FY15E	FY16E	FY15E	FY16E	FY15E	FY16E	FY15E	FY16E
ACC Ltd.*	58.2	78.4	93.7	16.4	13.7	9.9	8.0	134	122
Ambuja Cements Ltd.*	8.1	12.3	14.4	15.4	13.1	8.0	6.4	146	140
UltraTech Cement Ltd.	77.4	125.7	161.2	15.7	12.3	9.7	7.4	156	146
India Cements Ltd.	0.1	6.0	10.9	9.4	5.2	4.4	3.2	44	42
Shree Cement Ltd.	179.5	316.9	396.8	16.4	13.1	9.2	7.3	177	136
JK Cement Ltd.	10.8	27.0	55.1	7.7	3.8	6.0	3.4	44	40
Mangalam Cement Ltd.	5.8	25.4	48.4	4.4	2.3	4.3	2.6	37	35
JK Lakshmi Cement Ltd.	4.0	11.6	25.6	8.4	3.8	5.9	3.6	47	45
HeidelbergCement India Ltd.*	-1.8	1.8	4.0	22.2	10.3	7.4	5.1	55	54
Dalmia Bharat Enterprises Ltd.	0.4	21.9	38.8	11.4	6.4	7.6	5.6	53	52
OCL India Limited	18.4	17.7	35.3	10.1	5.0	5.1	3.3	47	48

* Calendar year end

ACC Ltd. - Financials

Income Statement

Y/E Dec, Rs mn	CY12	CY13	CY14E	CY15E
Net sales	113,582	109,084	124,747	142,606
Growth, %	13	-4	14	14
Total income	113,582	109,084	124,747	142,606
Raw material expenses	-16,254	-16,955	-19,039	-22,762
Employee expenses	-6,179	-6,626	-7,515	-8,627
Other Operating expenses	-69,183	-71,814	-78,292	-86,481
EBITDA (Core)	21,966	13,690	19,901	24,737
Growth, %	29.5	(37.7)	45.4	24.3
Margin, %	19.3	12.5	16.0	17.3
Depreciation	-5,689	-5,838	-6,429	-7,168
EBIT	16,277	7,852	13,473	17,569
Growth, %	29.5	(37.7)	45.4	24.3
Margin, %	19.3	12.5	16.0	17.3
Interest paid	-1,147	-517	-672	-1,642
Other Non-Operating Income	2,633	4,801	2,903	3,048
Pre-tax profit	17,858	12,267	15,834	19,106
Tax provided	-3,911	-1,319	-3,959	-4,776
Profit after tax	13,948	10,948	11,876	14,329
Net Profit	13,947	10,947	11,876	14,329
Growth, %	7.2	(21.5)	8.5	20.7
Net Profit (adjusted)	13,947	10,947	11,876	14,329
Unadj. shares (m)	188	188	188	188
Wtd avg shares (m)	188	188	188	188

Balance Sheet

Y/E Dec, Rs mn	CY12	CY13	CY14E	CY15E
Cash & bank	6,807	5,057	5,057	5,057
Debtors	3,028	3,972	4,542	5,192
Inventory	11,344	11,223	12,835	14,672
Loans & advances	8,907	12,204	13,956	15,954
Other current assets	289	195	223	255
Total current assets	30,374	32,651	36,613	41,131
Investments	26,445	20,389	20,389	20,389
Gross fixed assets	101,293	115,755	123,255	143,255
Less: Depreciation	-41,947	-47,785	-54,213	-61,381
Add: Capital WIP	3,116	0	20,000	5,000
Net fixed assets	62,463	67,971	89,042	86,874
Total assets	119,282	121,011	146,044	148,393
Current liabilities	21,804	26,023	25,108	22,962
Provisions	13,841	11,698	13,378	12,235
Total current liabilities	35,645	37,721	38,486	35,197
Non-current liabilities	9,887	5,128	24,636	24,530
Total liabilities	45,532	42,850	63,122	59,727
Paid-up capital	1,880	1,880	1,880	1,880
Reserves & surplus	71,845	76,254	81,015	86,760
Shareholders' equity	73,750	78,161	82,922	88,666
Total equity & liabilities	119,282	121,011	146,044	148,393

Source: Company, PhillipCapital India Research Estimates

Cash Flow

Y/E Dec, Rs mn	CY12	CY13	CY14E	CY15E
Pre-tax profit	17,858	12,267	15,834	19,106
Depreciation	5,689	5,838	6,429	7,168
Chg in working capital	-5,767	-1,950	-3,197	-7,807
Total tax paid	-3,923	-1,417	-3,959	-4,776
Other operating activities	-3,354	0	0	0
Cash flow from operating activities	10,503	14,739	15,107	13,690
Capital expenditure	320	-11,346	-27,500	-5,000
Chg in investments	-13,514	6,056	0	0
Cash flow from investing activities	-13,771	-5,269	-27,500	-5,000
Free cash flow	-3,268	9,470	-12,393	8,690
Equity raised/(repaid)	4	0	0	0
Debt raised/(repaid)	-446	-4,661	19,508	-106
Dividend (incl. tax)	-6,082	-6,558	-7,115	-8,585
Cash flow from financing activities	-6,524	-11,219	12,393	-8,690
Net chg in cash	-9,792	-1,750	0	0

Ratios & Per Share Data

	CY12	CY13	CY14E	CY15E
Per Share data				
EPS (INR)	74.2	58.2	63.2	76.2
Growth, %	7.2	(21.5)	8.5	20.7
Book NAV/share (INR)	392.3	415.7	441.0	471.6
FDEPS (INR)	74.2	58.3	63.2	76.3
CEPS (INR)	104.5	89.3	97.4	114.4
CFPS (INR)	59.2	52.2	64.2	55.9
DPS (INR)	27.8	30.0	32.5	39.3
Return ratios				
Return on assets (%)	12.4	9.4	9.2	10.4
Return on equity (%)	18.9	14.0	14.3	16.2
Return on capital employed (%)	15.6	11.7	11.4	12.5
Turnover ratios				
Asset turnover (x)	1.8	1.6	1.5	1.5
Sales/Total assets (x)	1.0	0.9	0.9	1.0
Sales/Net FA (x)	1.7	1.7	1.6	1.6
Working capital/Sales (x)	0.0	0.0	0.1	0.1
Working capital days	5.7	5.3	18.9	33.6
Liquidity ratios				
Current ratio (x)	1.4	1.3	1.5	1.8
Quick ratio (x)	0.9	0.8	0.9	1.2
Interest cover (x)	14.2	15.2	20.0	10.7
Dividend cover (x)	2.7	1.9	1.9	1.9
Total debt/Equity (%)	6.3	-	23.5	21.9
Net debt/Equity (%)	(38.8)	(32.6)	(7.2)	(6.8)

Ambuja Cements - Financials

Income Statement

Y/E Dec, Rs mn	CY12	CY13	CY14E	CY15E
Net sales	97,395	91,180	226,620	257,231
Growth, %	14	-6	149	14
Total income	97,395	91,180	226,620	257,231
Raw material expenses	-4,804	-7,727	-24,287	-28,785
Employee expenses	-4,879	-5,087	-13,760	-15,786
Other Operating expenses	-63,533	-62,678	-149,685	-164,705
EBITDA (Core)	24,179	15,689	38,888	47,954
Growth, %	26.8	(35.1)	147.9	23.3
Margin, %	24.8	17.2	17.2	18.6
Depreciation	-5,687	-4,937	-11,813	-12,917
EBIT	18,493	10,752	27,075	35,037
Growth, %	26.8	(35.1)	147.9	23.3
Margin, %	24.8	17.2	17.2	18.6
Interest paid	-785	-668	-1,837	-3,055
Other Non-Operating Income	4,040	4,651	6,686	6,155
Pre-tax profit	21,748	14,736	31,925	38,138
Tax provided	-6,039	-2,199	-8,144	-9,759
Profit after tax	15,710	12,538	23,782	28,379
Net Profit	15,723	12,538	17,845	21,216
Growth, %	25.6	(20.3)	42.3	18.9
Net Profit (adjusted)	15,723	12,538	17,845	21,216
Unadj. shares (m)	1,542	1,546	1,979	1,979
Wtd avg shares (m)	1,538	1,544	1,979	1,979

Balance Sheet

Y/E Dec, Rs mn	CY12	CY13	CY14E	CY15E
Cash & bank	22,602	23,450	6,932	6,932
Debtors	2,205	2,351	7,169	8,148
Inventory	9,869	9,364	23,297	26,444
Loans & advances	8,923	2,714	16,987	19,365
Other current assets	304	555	843	953
Total current assets	43,903	38,433	55,228	61,841
Investments	15,917	16,839	45,212	44,729
Gross fixed assets	100,472	117,119	243,447	276,447
Less: Depreciation	-40,965	-45,901	-105,498	-118,415
Add: Capital WIP	5,237	3,072	50,000	25,000
Net fixed assets	64,745	74,290	187,948	183,031
Total assets	124,564	129,563	288,388	289,601
Current liabilities	16,137	17,769	34,714	31,518
Provisions	14,424	11,019	20,551	18,653
Total current liabilities	30,561	28,788	55,265	50,171
Non-current liabilities	6,020	6,149	41,861	30,521
Total liabilities	36,582	34,937	97,125	80,692
Paid-up capital	3,084	3,092	3,959	3,959
Reserves & surplus	84,890	91,527	181,360	191,844
Shareholders' equity	87,983	94,626	191,263	208,909
Total equity & liabilities	124,564	129,563	288,388	289,601

Source: Company, PhillipCapital India Research Estimates

Cash Flow

Y/E Dec, Rs mn	CY12	CY13	CY14E	CY15E
Pre-tax profit	21,748	14,736	31,925	38,138
Depreciation	5,687	4,937	11,813	12,917
Chg in working capital	-205	4,544	-6,836	-11,707
Total tax paid	-7,002	-2,035	-8,144	-9,759
Other operating activities	-2,791	0	0	0
Cash flow from operating activities	17,437	22,183	28,758	29,589
Capital expenditure	-1,978	-14,482	-125,471	-8,000
Chg in investments	-7,856	-923	-28,372	483
Other investing activities	1,163	567	82,458	1,716
Cash flow from investing activities	-8,672	-14,837	-71,384	-5,800
Free cash flow	8,766	7,346	-42,625	23,789
Equity raised/(repaid)	-303	7	867	0
Debt raised/(repaid)	-150	-35	35,712	-11,340
Dividend (incl. tax)	-6,448	-6,468	-10,471	-12,449
Cash flow from financing activities	-6,903	-6,497	26,107	-23,789
Net chg in cash	1,862	849	-16,518	0

Ratios & Per Share Data

	CY12	CY13	CY14E	CY15E
Per Share data				
EPS (INR)	10.2	8.1	9.0	10.7
Growth, %	25.1	(20.6)	11.0	18.9
Book NAV/share (INR)	57.2	61.3	93.6	98.9
FDEPS (INR)	10.2	8.1	9.0	10.7
CEPS (INR)	13.9	11.3	15.0	17.2
CFPS (INR)	10.5	11.4	11.2	11.8
DPS (INR)	3.6	3.6	4.6	5.4
Return ratios				
Return on assets (%)	13.5	10.2	11.9	10.5
Return on equity (%)	17.9	13.3	9.6	10.8
Return on capital employed (%)	15.6	11.8	13.7	11.9
Turnover ratios				
Asset turnover (x)	1.4	1.3	1.7	1.3
Sales/Total assets (x)	0.8	0.7	1.1	0.9
Sales/Net FA (x)	1.5	1.3	1.7	1.4
Working capital/Sales (x)	0.1	(0.0)	0.1	0.1
Working capital days	19.4	(11.2)	21.9	33.2
Liquidity ratios				
Current ratio (x)	2.7	2.2	1.6	2.0
Quick ratio (x)	2.1	1.6	0.9	1.1
Interest cover (x)	23.6	16.1	14.7	11.5
Dividend cover (x)	2.8	2.3	2.0	2.0
Total debt/Equity (%)	0.6	0.5	19.5	12.7
Net debt/Equity (%)	(43.2)	(42.0)	(8.6)	(13.7)

UltraTech Cement - Financials

Income Statement

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Net sales	211,561	229,854	270,893	323,945
Growth, %	11	9	18	20
Total income	211,561	229,854	270,893	323,945
Raw material expenses	-28,950	-33,172	-38,479	-44,909
Employee expenses	-9,963	-12,213	-15,815	-20,875
Other Operating expenses	-125,885	-143,787	-159,024	-188,534
EBITDA (Core)	46,764	40,682	57,575	69,626
Growth, %	16.1	(13.0)	41.5	20.9
Margin, %	22.1	17.7	21.3	21.5
Depreciation	-10,234	-11,229	-13,689	-15,310
EBIT	36,530	29,453	43,886	54,316
Growth, %	16.1	(13.0)	41.5	20.9
Margin, %	22.1	17.7	21.3	21.5
Interest paid	-2,523	-6,281	-10,481	-9,062
Other Non-Operating Income	4,666	5,843	6,125	6,420
Pre-tax profit	38,672	29,016	39,529	51,675
Tax provided	-11,791	-7,834	-10,673	-13,952
Profit after tax	26,881	21,181	28,856	37,723
Others (Minorities, Associates)	-103	53	72	94
Net Profit	26,777	21,234	28,929	37,817
Growth, %	12.1	(20.7)	36.2	30.7
Net Profit (adjusted)	26,777	21,234	28,929	37,817
Unadj. shares (m)	274	274	274	274
Wtd avg shares (m)	274	274	274	274

Balance Sheet

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Cash & bank	1,848	1,848	1,848	1,848
Debtors	13,763	14,953	17,623	21,074
Inventory	25,407	27,603	32,532	38,903
Loans & advances	21,142	22,970	27,072	32,373
Total current assets	62,160	67,375	79,074	94,198
Investments	47,146	47,146	47,146	47,146
Gross fixed assets	230,765	288,162	320,222	360,222
Less: Depreciation	-87,604	-98,832	-112,521	-127,831
Add: Capital WIP	36,011	32,060	40,000	1,000
Net fixed assets	179,173	221,389	247,701	233,391
Non-current assets	7,337	7,337	7,337	7,337
Total assets	295,814	343,246	381,257	382,071
Current liabilities	26,307	28,461	33,340	39,646
Provisions	10,840	11,777	13,879	16,598
Total current liabilities	37,146	40,237	47,219	56,244
Non-current liabilities	106,372	131,729	136,897	94,879
Total liabilities	143,519	171,966	184,116	151,123
Paid-up capital	2,742	2,743	2,743	2,743
Reserves & surplus	149,554	168,537	194,398	228,205
Shareholders' equity	152,296	171,280	197,141	230,948
Total equity & liabilities	295,814	343,246	381,257	382,071

Source: Company, PhillipCapital India Research Estimates

Cash Flow

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Pre-tax profit	38,672	29,016	39,529	51,675
Depreciation	10,234	11,229	13,689	15,310
Chg in working capital	-17,929	-2,124	-4,718	-6,099
Total tax paid	-10,116	-7,834	-10,673	-13,952
Cash flow from operating activities	20,861	30,287	37,827	46,933
Capital expenditure	-42,306	-53,446	-40,000	-1,000
Chg in investments	3,210	0	0	0
Other investing activities	131	0	0	0
Cash flow from investing activities	-38,965	-53,446	-40,000	-1,000
Free cash flow	-18,104	-23,159	-2,173	45,933
Equity raised/(repaid)	1	1	0	0
Debt raised/(repaid)	20,783	25,357	5,168	-42,018
Dividend (incl. tax)	-2,857	-2,252	-3,067	-4,010
Cash flow from financing activities	17,823	23,159	2,173	-45,933
Net chg in cash	-281	0	0	0

Ratios & Per Share Data

	FY13	FY14E	FY15E	FY16E
Per Share data				
EPS (INR)	97.7	77.4	105.5	137.9
Growth, %	12.0	(20.7)	36.2	30.7
Book NAV/share (INR)	555.5	624.5	718.8	842.1
FDEPS (INR)	97.7	77.4	105.5	137.9
CEPS (INR)	135.0	118.4	155.4	193.7
CFPS (INR)	66.0	89.1	115.6	147.7
DPS (INR)	9.0	7.1	9.6	12.6
Return ratios				
Return on assets (%)	10.5	7.9	9.9	11.4
Return on equity (%)	17.6	12.4	14.7	16.4
Return on capital employed (%)	11.7	8.7	10.8	12.6
Turnover ratios				
Asset turnover (x)	1.1	1.0	1.0	1.1
Sales/Total assets (x)	0.8	0.7	0.7	0.8
Sales/Net FA (x)	1.3	1.1	1.2	1.3
Working capital/Sales (x)	0.2	0.2	0.2	0.2
Working capital days	58.7	58.9	59.1	59.4
Liquidity ratios				
Current ratio (x)	2.4	2.4	2.4	2.4
Quick ratio (x)	1.4	1.4	1.4	1.4
Interest cover (x)	14.5	4.7	4.2	6.0
Dividend cover (x)	10.9	11.0	11.0	11.0
Total debt/Equity (%)	57.4	65.8	59.8	32.9
Net debt/Equity (%)	39.5	49.9	46.0	21.0

Shree Cement - Financials

Income Statement

Y/E June, Rs mn	FY13	FY14E	FY15E	FY16E
Net sales	55,671	59,036	68,020	77,388
Growth, %	18%	6	15	14
Total income	55,671	59,036	68,020	77,388
Raw material expenses	-5,354	-5,859	-6,521	-7,499
Employee expenses	-3,784	-4,483	-5,310	-6,289
Other Operating expenses	-31,155	-35,442	-39,975	-44,255
EBITDA (Core)	15,378	13,252	16,215	19,345
Growth, %	17%	-13.8%	22.4%	19.3%
Margin, %	27.6	22.4	23.8	25.0
Depreciation	-4,356	-5,019	-5,824	-6,590
EBIT	11,022	8,233	10,391	12,755
Growth, %	78%	-25.3%	26.2%	22.7%
Margin, %	27.6	22.4	23.8	25.0
Interest paid	-1,931	-1,735	-1,845	-1,485
Other Non-Operating Income	2,114	1,330	1,524	1,766
Pre-tax profit	11,194	7,817	10,059	13,026
Tax provided	-1,155	-1,566	-2,517	-3,259
Profit after tax	10,039	6,252	7,542	9,767
Net Profit	10,039	6,252	7,542	9,767
Growth, %	102.9%	(37.7)	20.6	29.5
Net Profit (adjusted)	10,039	6,252	7,542	9,767
Unadj. shares (m)	35	35	35	35
Wtd avg shares (m)	35	35	35	35

Balance Sheet

Y/E June, Rs mn	FY13	FY14E	FY15E	FY16E
Cash & bank	3,694	3,694	3,694	3,694
Debtors	3,147	3,337	3,845	4,374
Inventory	5,305	5,625	6,481	7,374
Loans & advances	7,040	7,466	8,602	9,786
Total current assets	19,186	20,122	22,622	25,228
Gross fixed assets	60,990	69,990	81,990	89,990
Less: Depreciation	-41,837	-46,857	-52,680	-59,271
Add: Capital WIP	0	3,000	3,000	3,000
Net fixed assets	19,153	26,134	32,310	33,719
Non-current assets	22,325	22,325	22,325	22,325
Total assets	60,663	68,580	77,256	81,273
Current liabilities	8,200	9,050	10,400	11,737
Provisions	808	503	607	786
Total current liabilities	9,009	9,553	11,007	12,523
Non-current liabilities	13,218	14,832	15,109	8,619
Total liabilities	22,227	24,385	26,116	21,141
Paid-up capital	348	348	348	348
Reserves & surplus	38,088	43,847	50,792	59,783
Shareholders' equity	38,436	44,195	51,141	60,131
Total equity & liabilities	60,663	68,580	77,256	81,273

Source: Company, PhillipCapital India Research Estimates

Cash Flow

Y/E June, Rs mn	FY13	FY14E	FY15E	FY16E
Pre-tax profit	11,194	7,817	10,059	13,026
Depreciation	4,356	5,019	5,824	6,590
Chg in working capital	-3,783	-87	-1,150	-1,270
Total tax paid	-1,395	-1,566	-2,517	-3,259
Cash flow from operating activities	10,372	11,184	12,216	15,087
Capital expenditure	-7,331	-12,000	-12,000	-8,000
Other investing activities	1,866	11	11	11
Cash flow from investing activities	-5,465	-11,989	-11,989	-7,989
Free cash flow	4,907	-805	227	7,098
Debt raised/(repaid)	-4,994	1,614	277	-6,490
Dividend (incl. tax)	-808	-808	-503	-607
Cash flow from financing activities	-5,803	805	-226	-7,098
Net chg in cash	-896	0	0	0

Ratios & Per Share Data

Y/E June, Rs mn	FY13	FY14E	FY15E	FY16E
Per Share data				
EPS (INR)	288.2	179.5	216.5	280.3
Growth, %	103%	63.7	-	(33.3)
Book NAV/share (INR)	1,103.3	1,268.6	1,468.0	1,726.1
FDEPS (INR)	288.2	179.5	216.5	280.3
CEPS (INR)	413.2	323.5	383.7	469.5
CFPS (INR)	139.4	283.2	307.2	382.7
DPS (INR)	23.2	14.4	17.4	22.6
Return ratios				
Return on assets (%)	18.8	11.4	12.0	13.5
Return on equity (%)	26.1	14.1	14.7	16.2
Return on capital employed (%)	23.1	13.3	13.9	15.9
Turnover ratios				
Asset turnover (x)	2.6	2.0	1.8	1.8
Sales/Total assets (x)	0.9	0.9	0.9	1.0
Sales/Net FA (x)	3.2	2.6	2.3	2.3
Working capital/Sales (x)	0.1	0.1	0.1	0.1
Working capital days	42.5	42.5	42.5	42.5
Liquidity ratios				
Current ratio (x)	2.1	2.1	2.1	2.0
Quick ratio (x)	1.5	1.5	1.5	1.4
Interest cover (x)	5.7	4.7	5.6	8.6
Dividend cover (x)	12.4	12.4	12.4	12.4
Total debt/Equity (%)	36.8	35.7	31.4	15.9
Net debt/Equity (%)	(20.2)	(13.9)	(11.5)	(20.5)

The India Cements - Financials

Income Statement

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Net sales	51,595	53,635	59,954	66,378
Growth, %	15	4	12	11
Total income	51,595	53,635	59,954	66,378
Raw material expenses	-7,027	-7,716	-8,632	-9,573
Employee expenses	-3,618	-3,762	-3,951	-4,148
Other Operating expenses	-31,387	-35,301	-39,594	-43,111
EBITDA (Core)	9,563	6,856	7,778	9,546
Growth, %	18.8	(28.3)	13.4	22.7
Margin, %	18.5	12.8	13.0	14.4
Depreciation	-3,240	-3,416	-3,501	-3,586
EBIT	6,323	3,440	4,277	5,961
Growth, %	18.8	(28.3)	13.4	22.7
Margin, %	18.5	12.8	13.0	14.4
Interest paid	-3,691	-3,396	-3,196	-2,868
Other Non-Operating Income	238	259	284	311
Pre-tax profit	2,871	303	1,365	3,404
Tax provided	-884	-45	-410	-1,021
Profit after tax	1,986	258	956	2,383
Others (Minorities, Associates)	94	-240	-270	-300
Net Profit	2,080	18	686	2,083
Growth, %	(18.6)	(99.2)	3,807.3	203.7
Net Profit (adjusted)	2,080	18	686	2,083
Unadj. shares (m)	307	307	307	307
Wtd avg shares (m)	307	307	307	307

Balance Sheet

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Cash & bank	102	102	102	102
Debtors	4,915	5,109	5,711	6,323
Inventory	5,561	5,781	6,462	7,155
Loans & advances	21,629	22,129	22,629	23,129
Other current assets	0	0	0	0
Total current assets	32,207	33,121	34,904	36,708
Investments	4,460	4,460	4,460	4,460
Gross fixed assets	81,912	83,912	85,412	87,412
Less: Depreciation	-28,361	-32,370	-36,464	-40,642
Add: Capital WIP	2,000	500	1,000	1,000
Net fixed assets	55,551	52,042	49,948	47,770
Total assets	92,218	89,623	89,312	88,938
Current liabilities	15,682	16,303	18,223	20,176
Total current liabilities	17,235	16,303	18,223	20,176
Non-current liabilities	34,859	33,571	31,206	27,706
Total liabilities	52,093	49,874	49,429	47,881
Paid-up capital	3,072	3,072	3,072	3,072
Reserves & surplus	36,840	36,224	36,088	36,962
Shareholders' equity	40,125	39,750	39,883	41,057
Total equity & liabilities	92,218	89,623	89,312	88,938

Source: Company, PhillipCapital India Research Estimates

Cash Flow

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Pre-tax profit	2,871	303	1,365	3,404
Depreciation	3,240	3,416	3,501	3,586
Chg in working capital	-2,110	-1,886	165	216
Total tax paid	-884	-45	-410	-1,021
Cash flow from operating activities	3,116	1,788	4,622	6,184
Capital expenditure	-5,582	-470	-1,970	-1,970
Chg in investments	-147	0	0	0
Other investing activities	-536	0	0	0
Cash flow from investing activities	-6,266	-470	-1,970	-1,970
Equity raised/(repaid)	0	0	0	0
Debt raised/(repaid)	3,497	-1,248	-2,392	-3,568
Dividend (incl. tax)	-538	-70	-259	-646
Cash flow from financing activities	3,130	-1,318	-2,651	-4,214
Net chg in cash	-20	0	0	0

Ratios & Per Share Data

	FY13	FY14E	FY15E	FY16E
Per Share data				
EPS (INR)	6.8	0.1	2.2	6.8
Growth, %	(18.6)	(99.2)	3,807.3	203.7
Book NAV/share (INR)	130.6	129.4	129.8	133.7
FDEPS (INR)	6.8	0.1	2.2	6.8
CEPS (INR)	17.3	11.2	13.6	18.5
CFPS (INR)	9.4	5.0	14.1	19.1
DPS (INR)	1.8	0.2	0.8	2.1
Return ratios				
Return on assets (%)	4.9	2.7	3.4	4.7
Return on equity (%)	5.2	0.0	1.7	5.1
Return on capital employed (%)	5.9	3.2	4.2	6.0
Turnover ratios				
Asset turnover (x)	0.8	0.8	0.9	1.1
Sales/Total assets (x)	0.6	0.6	0.7	0.7
Sales/Net FA (x)	0.9	1.0	1.2	1.4
Working capital/Sales (x)	0.3	0.3	0.3	0.2
Working capital days	116.2	113.8	100.9	90.3
Liquidity ratios				
Current ratio (x)	2.1	2.0	1.9	1.8
Quick ratio (x)	1.7	1.7	1.6	1.5
Interest cover (x)	1.7	1.0	1.3	2.1
Dividend cover (x)	3.9	0.3	2.6	3.2
Total debt/Equity (%)	78.5	76.1	69.9	59.2
Net debt/Equity (%)	78.2	75.8	69.6	58.9

JK Cement - Financials

Income Statement

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Net sales	29,120	28,178	38,394	49,551
Growth, %	15	-3	36	29
Total income	29,120	28,178	38,394	49,551
Raw material expenses	-3,978	-4,276	-6,469	-8,448
Employee expenses	-1,590	-2,040	-2,592	-3,425
Other Operating expenses	-17,978	-18,413	-24,596	-30,575
EBITDA (Core)	5,573	3,449	4,737	7,103
Growth, %	10.4	(38.1)	37.3	49.9
Margin, %	19.1	12.2	12.3	14.3
Depreciation	-1,287	-1,540	-2,101	-2,144
EBIT	4,286	1,910	2,636	4,958
Growth, %	10.4	(38.1)	37.3	49.9
Margin, %	19.1	12.2	12.3	14.3
Interest paid	-1,398	-1,588	-2,101	-2,179
Other Non-Operating Income	488	768	907	1,090
Pre-tax profit	3,375	1,089	1,443	3,869
Tax provided	-1,071	-272	-289	-1,161
Profit after tax	2,305	817	1,154	2,708
Net Profit	2,305	817	1,154	2,708
Growth, %	26.4	(64.5)	41.3	134.7
Net Profit (adjusted)	2,305	817	1,154	2,708
Unadj. shares (m)	70	70	70	70
Wtd avg shares (m)	70	70	70	70

Balance Sheet

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Cash & bank	3,753	3,951	4,835	6,381
Debtors	1,153	1,213	1,485	1,960
Inventory	4,614	4,856	5,944	7,844
Loans & advances	3,930	4,137	5,063	6,681
Other current assets	68	71	87	115
Total current assets	13,518	14,228	17,414	22,981
Investments	324	324	324	324
Gross fixed assets	30,714	35,668	48,668	49,668
Less: Depreciation	-7,024	-8,564	-10,665	-12,809
Add: Capital WIP	2,546	11,000	1,000	1,000
Net fixed assets	26,236	38,104	39,003	37,859
Total assets	40,078	52,657	56,741	61,164
Current liabilities	4,784	5,406	6,581	8,412
Provisions	532	189	266	625
Total current liabilities	5,315	5,595	6,848	9,037
Non-current liabilities	17,809	29,528	31,472	31,622
Total liabilities	23,124	35,123	38,320	40,658
Paid-up capital	699	699	699	699
Reserves & surplus	16,206	16,835	17,723	19,806
Shareholders' equity	16,905	17,534	18,422	20,505
Total equity & liabilities	40,030	52,657	56,741	61,164

Source: Company, PhillipCapital India Research Estimates

Cash Flow

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Pre-tax profit	3,375	1,089	1,443	3,869
Depreciation	1,287	1,540	2,101	2,144
Chg in working capital	-1,493	109	-1,126	-2,191
Total tax paid	-1,071	-272	-289	-1,161
Cash flow from operating activities	2,099	2,466	2,129	2,662
Capital expenditure	-3,452	-13,408	-3,000	-1,000
Chg in investments	-232	0	0	0
Cash flow from investing activities	-3,725	-13,456	-3,000	-1,000
Debt raised/(repaid)	1,453	11,719	1,944	150
Dividend (incl. tax)	-406	-532	-189	-266
Cash flow from financing activities	1,047	11,187	1,756	-116
Net chg in cash	-579	197	885	1,546

Ratios & Per Share Data

	FY13	FY14E	FY15E	FY16E
Per Share data				
EPS (INR)	33.0	11.7	16.5	38.7
Growth, %	26.4	(64.5)	41.3	134.7
Book NAV/share (INR)	241.8	250.7	263.4	293.2
FDEPS (INR)	33.0	11.7	16.5	38.7
CEPS (INR)	51.4	33.7	46.6	69.4
CFPS (INR)	44.4	22.7	33.6	53.8
DPS (INR)	6.5	2.3	3.3	7.6
Return ratios				
Return on assets (%)	8.4	4.0	4.6	7.0
Return on equity (%)	13.6	4.7	6.3	13.2
Return on capital employed (%)	9.7	4.5	5.2	8.0
Turnover ratios				
Asset turnover (x)	1.1	0.8	0.9	1.2
Sales/Total assets (x)	0.8	0.6	0.7	0.8
Sales/Net FA (x)	1.2	0.9	1.0	1.3
Working capital/Sales (x)	0.2	0.2	0.1	0.2
Working capital days	55.8	60.7	54.5	55.7
Liquidity ratios				
Current ratio (x)	2.5	2.5	2.5	2.5
Quick ratio (x)	1.7	1.7	1.7	1.7
Interest cover (x)	3.1	1.2	1.3	2.3
Dividend cover (x)	5.1	5.1	5.1	5.1
Total debt/Equity (%)	90.6	154.2	157.3	142.1
Net debt/Equity (%)	66.5	131.7	131.1	110.9

JK Lakshmi Cement - Financials

Income Statement

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Net sales	20,550	20,290	22,694	31,986
Growth, %	20	-1	12	41
Total income	20,550	20,290	22,694	31,986
Raw material expenses	-3,540	-3,694	-3,862	-5,414
Employee expenses	-1,132	-1,377	-1,511	-2,123
Other Operating expenses	-11,591	-12,271	-13,423	-18,741
EBITDA (Core)	4,287	2,948	3,898	5,708
Growth, %	30.7	(31.2)	32.2	46.4
Margin, %	20.9	14.5	17.2	17.8
Depreciation	-1,490	-1,797	-2,325	-2,679
EBIT	2,798	1,151	1,573	3,029
Growth, %	41.1	(58.9)	36.7	92.5
Margin, %	13.6	5.7	6.9	9.5
Interest paid	-835	-950	-1,285	-1,125
Other Non-Operating Income	548	347	459	383
Pre-tax profit	2,510	547	747	2,287
Tax provided	-596	-82	-112	-343
Profit after tax	1,914	465	635	1,944
Net Profit	1,914	465	635	1,944
Growth, %	29.3	(75.7)	36.5	206.1
Net Profit (adjusted)	1,914	465	635	1,944
Unadj. shares (m)	118	118	118	118
Wtd avg shares (m)	118	118	118	118

Balance Sheet

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Cash & bank	127	127	127	127
Debtors	501	504	564	795
Inventory	1,148	1,156	1,293	1,822
Loans & advances	4,335	4,363	4,880	6,879
Total current assets	6,112	6,150	6,864	9,623
Investments	4,081	2,041	1,020	510
Gross fixed assets	26,519	34,399	44,399	46,399
Less: Depreciation	-12,163	-13,960	-16,285	-18,964
Add: Capital WIP	6,881	6,000	1,000	1,000
Net fixed assets	21,236	26,439	29,114	28,435
Total assets	31,430	34,630	36,999	38,568
Current liabilities	6,289	6,758	7,468	9,076
Provisions	439	442	495	697
Total current liabilities	6,728	7,201	7,963	9,773
Non-current liabilities	12,111	14,465	15,560	13,756
Total liabilities	18,839	21,665	23,523	23,530
Paid-up capital	589	588	588	588
Reserves & surplus	12,002	12,377	12,887	14,450
Shareholders' equity	12,591	12,965	13,476	15,039
Total equity & liabilities	31,430	34,630	36,999	38,568

Source: Company, PhillipCapital India Research Estimates

Cash Flow

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Pre-tax profit	2,510	547	747	2,287
Depreciation	1,490	1,797	2,325	2,679
Chg in working capital	1,125	434	48	-948
Total tax paid	-696	-82	-112	-343
Cash flow from operating activities	4,429	2,697	3,008	3,675
Capital expenditure	-6,492	-7,000	-5,000	-2,000
Chg in investments	480	2,041	1,020	510
Other investing activities	-708	0	0	0
Cash flow from investing activities	-6,720	-4,959	-3,980	-1,490
Free cash flow	-2,291	-2,263	-971	2,185
Equity raised/(repaid)	-23	0	0	0
Debt raised/(repaid)	1,895	2,354	1,096	-1,804
Dividend (incl. tax)	-343	-91	-124	-381
Cash flow from financing activities	1,528	2,263	971	-2,185
Net chg in cash	-763	0	0	0

Ratios & Per Share Data

	FY13	FY14E	FY15E	FY16E
Per Share data				
EPS (INR)	16.3	4.0	5.4	16.5
Growth, %	34.4	(75.7)	36.5	206.1
Book NAV/share (INR)	107.0	110.2	114.5	127.8
FDEPS (INR)	16.3	4.0	5.4	16.5
CEPS (INR)	28.9	19.2	25.2	39.3
CFPS (INR)	27.5	16.2	19.9	30.9
DPS (INR)	2.5	0.7	0.9	2.8
Return ratios				
Return on assets (%)	8.3	3.2	4.1	7.0
Return on equity (%)	15.2	3.6	4.7	12.9
Return on capital employed (%)	10.3	4.0	5.1	9.0
Turnover ratios				
Asset turnover (x)	1.0	0.8	0.8	1.0
Sales/Total assets (x)	0.7	0.6	0.6	0.8
Sales/Net FA (x)	1.1	0.9	0.8	1.1
Working capital/Sales (x)	(0.0)	(0.0)	(0.0)	0.0
Working capital days	(5.4)	(13.2)	(11.8)	4.8
Liquidity ratios				
Current ratio (x)	1.0	0.9	0.9	1.1
Quick ratio (x)	0.8	0.7	0.7	0.9
Interest cover (x)	3.3	1.2	1.2	2.7
Dividend cover (x)	6.5	6.0	6.0	6.0
Total debt/Equity (%)	103.6	122.2	127.2	99.7
Net debt/Equity (%)	70.1	105.4	118.7	95.5

Dalmia Bharat Limited - Financials

Income Statement

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Net sales	27,906	27,439	36,197	41,639
Growth, %	20	-2	32	15
Total income	27,906	27,439	36,197	41,639
Raw material expenses	-2,955	-2,906	-3,836	-4,317
Employee expenses	-1,977	-2,173	-1,980	-2,185
Other Operating expenses	-16,632	-17,949	-23,723	-26,722
EBITDA (Core)	6,342	4,411	6,659	8,414
Growth, %	14.1	(30.4)	51.0	26.4
Margin, %	22.7	16.1	18.4	20.2
Depreciation	-2,059	-2,890	-2,871	-3,318
EBIT	4,282	1,521	3,788	5,096
Growth, %	14.1	(30.4)	51.0	26.4
Margin, %	22.7	16.1	18.4	20.2
Interest paid	-2,314	-3,359	-4,051	-3,992
Other Non-Operating Income	769	1,069	1,258	1,491
Pre-tax profit	3,460	-349	1,290	3,270
Tax provided	-1,336	294	0	-517
Profit after tax	2,125	-54	1,290	2,752
Others (Minorities, Associates)	-154	83	-103	-294
Net Profit	1,971	29	1,186	2,458
Growth, %	7.7	(98.5)	3,982.7	107.2
Net Profit (adjusted)	1,971	29	1,186	2,458
Unadj. shares (m)	81	81	81	81
Wtd avg shares (m)	81	81	81	81

Balance Sheet

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Cash & bank	999	731	1,804	2,284
Debtors	2,416	2,161	2,474	2,797
Inventory	3,520	2,891	3,806	4,372
Loans & advances	9,048	7,483	9,050	10,297
Total current assets	16,030	13,266	17,135	19,750
Investments	11,804	21,220	21,220	21,220
Gross fixed assets	52,372	46,880	62,880	65,880
Less: Depreciation	-5,723	-8,613	-11,484	-14,802
Add: Capital WIP	5,503	16,000	5,000	3,000
Net fixed assets	52,152	54,267	56,396	54,078
Total assets	79,986	88,753	94,751	95,048
Current liabilities	9,818	6,835	9,066	10,422
Provisions	658	652	865	995
Total current liabilities	10,476	7,488	9,932	11,417
Non-current liabilities	33,332	45,145	47,523	43,820
Total liabilities	43,808	52,632	57,455	55,237
Paid-up capital	162	162	162	162
Reserves & surplus	30,841	30,867	31,939	34,160
Shareholders' equity	36,178	36,121	37,296	39,811
Total equity & liabilities	79,986	88,753	94,751	95,048

Source: Company, PhillipCapital India Research Estimates

Cash Flow

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Pre-tax profit	3,460	-349	1,290	3,270
Depreciation	2,059	2,890	2,871	3,318
Chg in working capital	-2,879	-493	-352	-650
Total tax paid	-950	294	0	-517
Cash flow from operating activities	1,691	2,343	3,809	5,420
Capital expenditure	-18,498	-5,005	-5,000	-1,000
Chg in investments	132	-9,417	0	0
Other investing activities	314	0	0	0
Cash flow from investing activities	-18,052	-14,421	-5,000	-1,000
Free cash flow	-16,361	-12,078	-1,191	4,420
Debt raised/(repaid)	16,138	11,812	2,379	-3,703
Dividend (incl. tax)	-190	-3	-114	-237
Cash flow from financing activities	16,697	11,810	2,264	-3,940
Net chg in cash	335	-268	1,073	480

Ratios & Per Share Data

	FY13	FY14E	FY15E	FY16E
Per Share data				
EPS (INR)	24.3	0.4	14.6	30.3
Growth, %	7.7	(98.5)	3,982.7	107.2
Book NAV/share (INR)	381.8	382.1	395.3	422.7
FDEPS (INR)	24.3	0.4	14.6	30.3
CEPS (INR)	49.6	35.9	50.0	71.1
CFPS (INR)	(5.8)	46.5	27.8	40.1
DPS (INR)	2.0	0.0	1.2	2.5
Return ratios				
Return on assets (%)	5.4	2.6	4.3	5.6
Return on equity (%)	6.4	0.1	3.7	7.2
Return on capital employed (%)	6.1	2.8	4.7	6.2
Turnover ratios				
Asset turnover (x)	0.6	0.5	0.6	0.7
Sales/Total assets (x)	0.4	0.3	0.4	0.4
Sales/Net FA (x)	0.6	0.5	0.7	0.8
Working capital/Sales (x)	0.2	0.2	0.2	0.2
Working capital days	68.2	75.8	63.2	61.7
Liquidity ratios				
Current ratio (x)	1.6	1.9	1.9	1.9
Quick ratio (x)	1.3	1.5	1.5	1.5
Interest cover (x)	1.9	0.5	0.9	1.3
Dividend cover (x)	12.1	12.1	12.1	12.1
Total debt/Equity (%)	112.7	141.3	143.9	123.8
Net debt/Equity (%)	91.4	120.8	120.9	100.9

OCL India Limited - Financials

Income Statement

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Net sales	18,486	19,195	22,072	26,039
Growth, %	26	4	15	18
Total income	18,486	19,195	22,072	26,039
Raw material expenses	-3,613	-5,667	-6,514	-7,066
Employee expenses	-971	-1,087	-1,264	-1,510
Other Operating expenses	-9,691	-9,517	-10,870	-12,521
EBITDA (Core)	4,213	2,924	3,424	4,942
Growth, %	103.2	(30.6)	17.1	44.3
Margin, %	22.8	15.2	15.5	19.0
Depreciation	-1,395	-1,136	-1,388	-1,531
EBIT	2,818	1,788	2,036	3,411
Growth, %	103.2	(30.6)	17.1	44.3
Margin, %	22.8	15.2	15.5	19.0
Interest paid	-777	-590	-1,292	-1,302
Other Non-Operating Income	254	313	313	313
Pre-tax profit	2,295	1,511	1,057	2,422
Tax provided	-701	-461	-323	-739
Profit after tax	1,595	1,050	734	1,683
Net Profit	1,595	1,050	734	1,683
Growth, %	401.3	(34.2)	(30.1)	129.2
Net Profit (adjusted)	1,595	1,050	734	1,683
Unadj. shares (m)	57	57	57	57
Wtd avg shares (m)	57	57	57	57

Balance Sheet

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Cash & bank	1,452	1,452	1,452	1,452
Debtors	2,067	2,146	2,468	2,912
Inventory	3,739	3,882	4,464	5,267
Loans & advances	1,672	1,736	1,996	2,355
Other current assets	44	45	52	61
Total current assets	8,974	9,262	10,433	12,047
Investments	2,693	2,693	2,693	2,693
Gross fixed assets	20,279	25,667	29,867	31,367
Less: Depreciation	-9,040	-10,176	-11,564	-13,095
Add: Capital WIP	1,418	3,000	1,500	1,500
Net fixed assets	12,657	18,491	19,803	19,772
Total assets	24,325	30,447	32,929	34,512
Current liabilities	7,708	5,040	5,796	6,837
Provisions	135	140	161	190
Total current liabilities	7,842	5,180	5,957	7,027
Non-current liabilities	5,763	13,672	14,765	13,875
Total liabilities	13,605	18,852	20,722	20,902
Paid-up capital	114	114	114	114
Reserves & surplus	10,573	11,449	12,061	13,464
Shareholders' equity	10,719	11,595	12,207	13,611
Total equity & liabilities	24,325	30,447	32,929	34,512

Source: Company, PhillipCapital India Research Estimates

Cash Flow

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Pre-tax profit	2,295	1,511	1,057	2,422
Depreciation	1,395	1,136	1,388	1,531
Chg in working capital	668	-2,951	-394	-544
Total tax paid	-604	-461	-323	-739
Cash flow from operating activities	3,753	-765	1,728	2,670
Capital expenditure	-1,930	-6,970	-2,700	-1,500
Chg in investments	-930	0	0	0
Cash flow from investing activities	-2,860	-6,970	-2,700	-1,500
Free cash flow	893	-7,735	-972	1,170
Debt raised/(repaid)	-863	7,909	1,094	-891
Dividend (incl. tax)	-265	-174	-122	-279
Cash flow from financing activities	-1,095	7,735	972	-1,170
Net chg in cash	-202	0	0	0

Ratios & Per Share Data

	FY13	FY14E	FY15E	FY16E
Per Share data				
EPS (INR)	28.0	18.4	12.9	29.6
Growth, %	401.3	(34.2)	(30.1)	129.2
Book NAV/share (INR)	187.7	203.1	213.9	238.5
FDEPS (INR)	28.0	18.4	12.9	29.6
CEPS (INR)	52.5	38.4	37.3	56.4
CFPS (INR)	28.8	31.2	24.9	41.4
DPS (INR)	4.0	2.6	1.8	4.2
Return ratios				
Return on assets (%)	9.4	5.3	5.0	7.5
Return on equity (%)	14.9	9.1	6.0	12.4
Return on capital employed (%)	13.0	6.8	6.0	9.2
Turnover ratios				
Asset turnover (x)	1.3	1.0	1.0	1.1
Sales/Total assets (x)	0.8	0.7	0.7	0.8
Sales/Net FA (x)	1.5	1.2	1.2	1.3
Working capital/Sales (x)	(0.0)	0.1	0.1	0.1
Working capital days	(3.7)	52.7	52.7	52.7
Liquidity ratios				
Current ratio (x)	1.2	1.8	1.8	1.8
Quick ratio (x)	0.7	1.1	1.0	1.0
Interest cover (x)	3.6	3.0	1.6	2.6
Dividend cover (x)	7.0	7.0	7.0	7.0
Total debt/Equity (%)	68.4	107.0	110.6	92.6
Net debt/Equity (%)	42.9	83.4	88.2	62.1

HeidelbergCement India Ltd - Financials

Income Statement

Y/E Dec, Rs mn	CY12	CY13	CY14E	CY15E
Net sales	11,040	13,648	16,925	19,215
Growth, %	12	24	24	14
Total income	11,040	13,648	16,925	19,215
Raw material expenses	-2,876	-2,765	-3,245	-3,536
Employee expenses	-924	-1,273	-1,464	-1,852
Other Operating expenses	-10,267	-8,746	-10,134	-11,009
EBITDA (Core)	772	864	2,082	2,819
Growth, %	27.7	11.9	141.0	35.4
Margin, %	7.0	6.3	12.3	14.7
Depreciation	-315	-970	-1,137	-1,193
EBIT	457	-107	945	1,626
Growth, %	27.7	11.9	141.0	35.4
Margin, %	7.0	6.3	12.3	14.7
Interest paid	-105	-1,059	-1,144	-1,297
Other Non-Operating Income	105	358	358	358
Pre-tax profit	457	-807	159	688
Tax provided	-148	399	-24	-103
Profit after tax	308	-407	136	585
Net Profit	308	-407	136	585
Growth, %	5.7	(232.1)	(133.3)	331.3
Net Profit (adjusted)	308	(407)	136	585
Unadj. shares (m)	227	227	227	227
Wtd avg shares (m)	227	227	227	227

Balance Sheet

Y/E Dec, Rs mn	CY12	CY13	CY14E	CY15E
Cash & bank	732	1,141	3,075	5,152
Debtors	216	306	379	431
Inventory	1,650	1,989	2,467	2,801
Loans & advances	2,201	2,306	2,860	3,247
Other current assets	3	5	6	6
Total current assets	4,802	5,747	8,787	11,637
Gross fixed assets	11,342	27,277	29,572	30,072
Less: Depreciation	-6,763	-7,734	-8,871	-10,063
Add: Capital WIP	15,171	2,296	1,500	2,000
Net fixed assets	19,750	21,839	22,202	22,009
Total assets	24,551	27,586	30,989	33,646
Current liabilities	4,442	4,612	5,662	6,428
Provisions	1,407	1,664	2,064	2,343
Total current liabilities	5,849	6,277	7,726	8,771
Non-current liabilities	10,236	12,976	14,794	15,820
Total liabilities	16,085	19,253	22,520	24,592
Paid-up capital	2,266	2,266	2,266	2,266
Reserves & surplus	6,200	6,067	6,203	6,787
Shareholders' equity	8,466	8,334	8,469	9,054
Total equity & liabilities	24,551	27,586	30,989	33,646

Source: Company, PhillipCapital India Research Estimates

Cash Flow

Y/E Dec, Rs mn	CY12	CY13	CY14E	CY15E
Pre-tax profit	457	-807	159	688
Depreciation	315	970	1,137	1,193
Chg in working capital	369	-108	343	273
Total tax paid	-101	71	-24	-103
Cash flow from operating activities	1,039	127	1,616	2,050
Capital expenditure	-5,505	-3,060	-1,500	-1,000
Other investing activities	20	275	8	68
Cash flow from investing activities	-5,485	-2,785	-1,492	-932
Free cash flow	0	0	0	0
Dividend (incl. tax)	-18	0	-8	-68
Cash flow from financing activities	2,071	3,068	1,811	958
Net chg in cash	-2,375	410	1,934	2,076

Ratios & Per Share Data

	CY12	CY13	CY14E	CY15E
Per Share data				
EPS (INR)	1.4	(1.8)	0.6	2.6
Growth, %	5.7	(232.1)	(133.3)	331.3
Book NAV/share (INR)	37.4	36.8	37.4	40.0
FDEPS (INR)	1.4	(1.8)	0.6	2.6
CEPS (INR)	2.8	2.5	5.6	7.8
CFPS (INR)	3.9	(1.0)	5.8	7.5
DPS (INR)	0.1	-	0.0	0.3
Return ratios				
Return on assets (%)	1.6	1.0	3.0	4.4
Return on equity (%)	3.6	(4.9)	1.6	6.5
Return on capital employed (%)	2.0	1.3	3.6	5.4
Turnover ratios				
Asset turnover (x)	0.7	0.7	0.8	0.9
Sales/Total assets (x)	0.5	0.5	0.6	0.6
Sales/Net FA (x)	0.6	0.7	0.8	0.9
Working capital/Sales (x)	(0.0)	(0.0)	0.0	0.0
Working capital days	(12.3)	(0.2)	1.1	1.1
Liquidity ratios				
Current ratio (x)	1.1	1.2	1.6	1.8
Quick ratio (x)	0.7	0.8	1.1	1.4
Interest cover (x)	4.3	(0.1)	0.8	1.3
Dividend cover (x)	20.0		20.0	10.0
Total debt/Equity (%)	117.0	155.7	174.1	174.2
Net debt/Equity (%)	108.4	142.0	137.8	117.3

Mangalam Cement - Financials

Income Statement

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Net sales	7,060	7,117	10,171	11,837
Growth, %	12	1	43	16
Total income	7,060	7,117	10,171	11,837
Raw material expenses	-763	-1,402	-1,547	-1,651
Employee expenses	-381	-456	-525	-604
Other Operating expenses	-4,610	-4,775	-6,810	-7,581
EBITDA (Core)	1,306	484	1,289	2,002
Growth, %	26.3	(62.9)	166.1	55.3
Margin, %	18.5	6.8	12.7	16.9
Depreciation	-251	-295	-468	-484
EBIT	1,055	190	821	1,518
Growth, %	26.3	(62.9)	166.1	55.3
Margin, %	18.5	6.8	12.7	16.9
Interest paid	-48	-116	-367	-342
Other Non-Operating Income	71	82	63	93
Pre-tax profit	1,078	156	518	1,270
Tax provided	-304	0	-129	-317
Profit after tax	774	156	388	952
Net Profit	774	156	388	952
Growth, %	38.2	(79.9)	149.2	145.3
Net Profit (adjusted)	774	156	388	952
Unadj. shares (m)	27	27	27	27
Wtd avg shares (m)	27	27	27	27

Balance Sheet

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Cash & bank	923	223	223	223
Debtors	302	274	391	455
Inventory	1,366	1,239	1,239	1,239
Loans & advances	1,463	1,518	2,033	2,251
Total current assets	4,054	3,254	3,887	4,169
Investments	0	0	0	0
Gross fixed assets	6,839	11,589	11,789	12,389
Less: Depreciation	-3,347	-3,642	-4,109	-4,593
Add: Capital WIP	2,141	200	600	600
Net fixed assets	5,632	8,147	8,279	8,396
Total assets	9,687	11,401	12,166	12,565
Current liabilities	1,035	939	1,342	1,562
Provisions	259	235	336	391
Total current liabilities	1,294	1,174	1,678	1,953
Non-current liabilities	3,469	5,186	5,152	4,554
Total liabilities	4,764	6,360	6,830	6,507
Paid-up capital	267	267	267	267
Reserves & surplus	4,656	4,774	5,069	5,790
Shareholders' equity	4,923	5,041	5,336	6,057
Total equity & liabilities	9,687	11,401	12,166	12,565

Cash Flow

Y/E Mar, Rs mn	FY13	FY14E	FY15E	FY16E
Pre-tax profit	1,078	156	518	1,270
Depreciation	251	295	468	484
Chg in working capital	-817	-20	-128	-7
Total tax paid	-339	0	-129	-317
Cash flow from operating activities	173	431	727	1,429
Capital expenditure	-2,169	-2,809	-600	-600
Cash flow from investing activities	-2,144	-2,809	-600	-600
Free cash flow	-1,971	-2,379	127	829
Equity raised/(repaid)	0	0	0	0
Debt raised/(repaid)	2,646	1,716	-33	-598
Dividend (incl. tax)	-187	-38	-94	-231
Cash flow from financing activities	2,458	1,679	-127	-829
Net chg in cash	487	-700	0	0

Ratios & Per Share Data

	FY13	FY14E	FY15E	FY16E
Per Share data				
EPS (INR)	29.0	5.8	14.5	35.7
Growth, %	38.2	(79.9)	149.2	145.3
Book NAV/share (INR)	184.4	188.9	199.9	226.9
FDEPS (INR)	29.0	5.8	14.5	35.7
CEPS (INR)	38.4	16.9	32.1	53.8
CFPS (INR)	3.8	13.1	24.9	50.0
DPS (INR)	6.0	1.2	3.0	7.4
Return ratios				
Return on assets (%)	9.5	2.2	5.3	9.5
Return on equity (%)	15.7	3.1	7.3	15.7
Return on capital employed (%)	10.7	2.4	5.9	10.7
Turnover ratios				
Asset turnover (x)	1.0	0.8	1.0	1.1
Sales/Total assets (x)	0.8	0.7	0.9	1.0
Sales/Net FA (x)	1.5	1.0	1.2	1.4
Working capital/Sales (x)	0.3	0.3	0.2	0.2
Working capital days	108.4	107.3	83.3	73.5
Liquidity ratios				
Current ratio (x)	3.9	3.5	2.9	2.7
Quick ratio (x)	2.6	2.1	2.0	1.9
Interest cover (x)	21.8	1.6	2.2	4.4
Dividend cover (x)	4.8	4.8	4.8	4.8
Total debt/Equity (%)	58.6	91.3	85.6	65.6
Net debt/Equity (%)	39.9	86.9	81.4	61.9

Source: Company, PhillipCapital India Research Estimates

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