HDFC securities

Equity Research

Pick of the week

RETAIL **DESK**

OMAX AUTOS LTD.

PICK OF THE WEEK
Apr 09, 2018

Industry	CMP	Recommendation	Add on dips to	Sequential Targets	Time Horizon
Auto Ancillaries	Rs 158	Buy in Rs 158-162 band and add on declines	Rs 137-142	Rs 189 & Rs 209	3-4 Quarters

HDFC Scrip Code	OMAAUTEQNR
BSE Code	520021
NSE Code	OMAXAUTO
Bloomberg	OMAX IN
CMP (6-Apr-18)	158.1
Equity Capital (Rs Cr)	21.39
Face Value (Rs)	10
Eq. Shares O/S (Cr)	2.14
Market Cap (Rs Cr)	338.18
Book Val (Rs)	100.9
Avg.52 Wk Volume	186,500
52 Week High	215.9
52 Week Low	62.1

Shareholding Pattern % (Dec-2017)	
Promoters	55.0
Institutions	0.6
Non Institutions	44.4
Total	100.0

FUNDAMENTAL ANALYST
Atul Karwa
atul.karwa@hdfcsec.com

Established in 1983, Omax Autos Ltd (OAL) specialises in sheet metal components, tubular components and machined components. The company has nine fully functional manufacturing plants across India, providing a wide gamut of Assemblies, Sub-assemblies, Frames, Bus Structure Assemblies, Tools Fixtures and SPM. This range of products finds application in segments like Automotives (2W, 3W, PC & CV), Off-highway and Railways & Heavy Fabrication. With a turnover of over Rs 1,100cr in FY17, it is among the top ten automotive component manufacturers in India.

Investment rationale:

- Reducing dependence on revenues from the 2W segment
- Capacity expansion plans at Hero Motocorp to benefit Omax Auto
- Railway segment growing stronger
- Increasing CV revenues owing to economic cycle recovery
- Value unlocking from land could bring with it some upsides

Concerns:

- High dependence on the 2W segment
- Client/Geographic concentration
- Low technology-oriented products
- Minute stake sales by promoters

View and valuation:

OAL's financial performance deteriorated in FY17 owing to a slowdown in 2W volumes, as some of its clients rely on a number of suppliers, whereas OAL was the sole supplier earlier. OAL has been diversifying its revenue base and an increased contribution from Railways and the 4W segment should result in better margins and credit metrics. The closure of one plant would reduce fixed costs and lower employee expenses. HMCL is further expanding its capacity and 2W segment is likely to witness growth in the coming years backed by new capacities coming on stream. Revival in the economic cycle should also give a push to CV sales and benefit OAL. FY17 included extraordinary expenses by way of retrenchment compensation paid in Q1. This could lead to lower wage costs and higher profits going ahead. Derisking its dependence on the 2W segment could lead to better valuations for OAL.

We feel investors could buy the stock in the Rs 158-162 band and add on declines to Rs 137-142 band (7x FY20E EPS) for sequential targets of Rs 189 (9.5x FY20E EPS) and Rs 209 (10.5x FY20E EPS) in three to four quarters. At a CMP of Rs 158.1, it is trading at ~8x FY20E EPS.

KEY HIGHLIGHTS

- ***Revenue share from 2W has come down from 76% in FY14 to 60% in FY17***
- ***HMCL has commenced construction of its eighth manufacturing facility and its total capacity is likely to go up to 110 lakh units***
- ***Revenues from the Railway segment doubled in FY17 from Rs 31cr to Rs 74cr. OAL is in the process of executing an order worth Rs 250cr***
- ***OAL has also taken some initiatives for capacity expansion, and the recovery in the economic cycle would ensure in enhancing the CV business***
- ***OAL has entered into a development agreement of a commercial complex with M/s Spaze Tower Pvt Ltd for its land at Tikri, Gurgaon***

Financial Summary

Particulars (Rs Cr)	Q3FY18	Q3FY17	YoY (%)	Q2FY18	QoQ (%)	FY17	FY18E	FY19E	FY20E
Operating Income	305.6	252.8	*20.9*	288.6	*5.9*	1042.2	1142.7	1227.4	1340.7
EBITDA	22.6	4.1	*457.6*	13.7	*65.1*	35.2	60.9	92.1	104.5
Adj. PAT	12.5	-3.1	*-507.5*	3.3	*281.3*	-1.6	15.1	35.2	42.5
EPS (Rs)	5.8	-1.4		1.5		-0.8	7.0	16.4	19.9
P/E (x)						-207.6	22.5	9.6	7.9
EV/EBITDA (x)						13.5	7.7	4.7	3.8
RoNW (%)						3.4	5.3	7.5	7.8

Source: (Company, HDFC sec)

Company overview

Established in 1983, Omax Autos Ltd specialises in Sheet Metal Components, Tubular Components and Machined Components. Focused on performance, OAL is amongst prime OEM (parts and assembly) suppliers. With a turnover of over Rs 1,000cr in FY17, more than 400 executive staff and several international accreditations, it features in the list of top 10 automotive component manufacturers in India. OAL's success is powered by its advanced manufacturing facilities. Starting with its first plant in Dharuhera, Haryana, today the company has nine fully-functional manufacturing plants across India. The company has robust engineering process capabilities, and a comprehensive range of modern machines and production facilities designed to give optimum output as per customers' specifications.

OAL has expanded its reach by providing a wide gamut of Assemblies, Sub-assemblies, Frames, Bus Structure Assemblies, Tools Fixtures and SPM (Special Purpose Machines). This range of products finds application in segments like Automotive (2W, 3W, PC & CV), Homeware, Off-Highway and Railways & Heavy Fabrication.

It has 20% market share in the 2-wheeler frame in overall 2-wheeler industry in India, and 40% market share for Piston Rods of Shock absorbers in the overall Passenger Car industry in India.

Key Company Milestones

OAL was incorporated in 1983 and started commercial production in 1985.

Year	Milestone
1985	Established Dharuhera plant
1988	Established Automax plant
1999	Established Speedomax plant
2000	Established Manesar plant
2003	Established Sprocket plant
2004	Established Bangalore plant
2005	Established Binola plant

2009	Established Lucknow plant
2010	Established Bawal plant
2012	Established Pantnagar plant
2016	Sold 51% stake in subsidiary Gmax Auto to AG Industries

OAL is one of the top companies in Automotive Stampings, with 185 stamping presses in the range of 10T-1200T, covering 0.6mm to 12mm thickness. Some key strengths of OAL are:

- One of the largest and full spectrum welding facilities in India, with SPMs and Robots.
- One of the largest sprocket manufacturing and tri nickel chrome plating facilities.
- Has a fully automated plant for powder and ED coating, with six fully automatic/conveyorised plants.
- Has an in-house precision tube mill facility die of 12mm to 28mm, and a thickness ranging from 0.6mm to 2mm.
- Largest medium and heavy commercial vehicle frame assembly supplier in India.
- Approved supplier for Indian Railway products like fuel tanks, doors, bio-toilets, engine hoods, etc.

Major Customers

(Source: Company, HDFC sec)

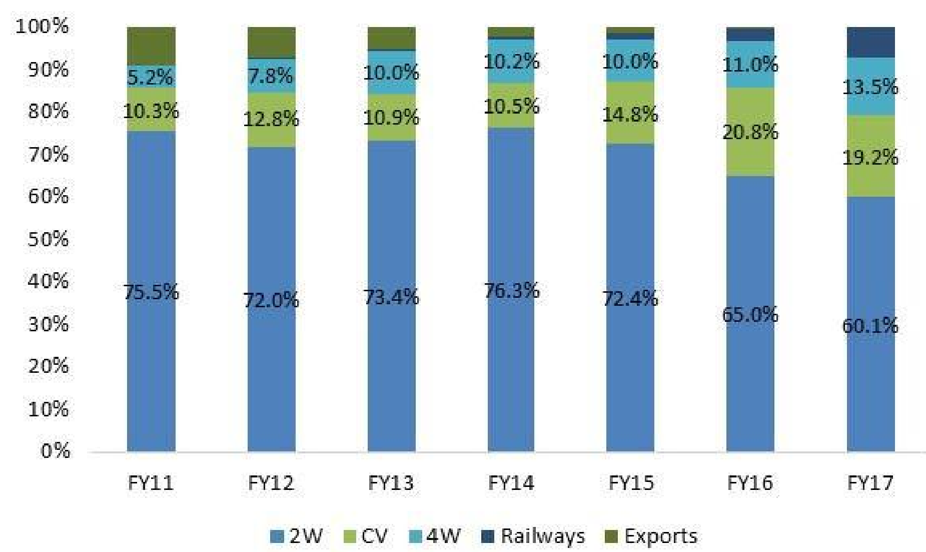
Investment rationale

Reducing dependence on revenues from 2W segment

OAL has been dependent on the 2W segment historically – especially Hero Motors – as ~60% of the revenue was generated by that segment in FY17 (down from 75% in FY11). However, the company is planning an increase in its customer base and also diversify its revenues. There is huge potential to tap businesses from other OEMs in the CV and Passenger Vehicle space. Geographically, OAL is looking to increase its footprints in additional areas to cater to the needs of OEMs. It is also planning to enter into aftermarket business. The dependence on the 2W segment has been gradually decreasing over the last three to four years, as it focusses on increasing its revenues from the CV and Railway segments. The revenue share from the 2W segment has dipped from 76% in FY14 to 60% in FY17.

Slow growth in the 2W segment and initiatives by 2W manufacturers to diversify their vendor base has resulted in flat/a slight fall in sales for OAL over FY12-FY17. Over this period, sales to the 2W segment fell from Rs 902cr in FY12 to Rs 617cr in FY17. In the meanwhile, sales to the CV segment rose from Rs 98cr in FY14 to Rs 197cr in FY17, while sales to the Railways segment rose from Rs 8cr in FY14 to Rs74cr in FY17. OPM, which was at a low of ~5% in FY14, recovered to 7.4% in Q3FY18.

Revenue Share Of 2W Segment On A Declining Trend



(Source: Industry, HDFC sec)

OAL had sown the seeds of diversification in the late 1990s and through the 2000s. These have now started bearing fruit. the company had set up its CV factory in 2007, the turnover of which has doubled from ~Rs 100cr to ~Rs 200cr from FY14-FY17. It is also focussing on the PV business, where sales remained static at ~Rs 100cr from FY12 to FY15. It aims to reach a turnover of Rs 200cr in the next two to three years. In the Railways segment, OAL has increased its revenues from Rs 6cr in

FY14 to Rs 75cr in FY17, and expects it to touch Rs 125cr in FY18. It is targetting new products like Underframe and new segments like Loco Factories, Dedicated Freight Corridors and Bullet Trains. OAL is also exploring the Defence and Aerospace segments, where huge Government spending is envisaged towards mordernisation and upgradation.

Capacity expansion plans at Hero Motocorp to benefit Omax Auto

Hero Motocorp (HMCL) is in the process of expanding its production capacity owing to an increasing demand for its 2Ws in India and also in export markets. HMCL has commenced construction of its eighth manufacturing facility in Chittoor, Andhra Pradesh in Mar-18 that will cost Rs 1600cr. The total capacity of HMCL Stands is likely to go up to 110 lakh units from 92 lakh units at the end of FY18, post the commissioning of the Chittoor plant in Dec-19. OAL, being the key supplier to HMCL, is likely to see an increase in demand for its products driven by higher sales of 2Ws by HMCL.

Sales of 2Ws at HMCL increased by 14% in FY18 to 75.9lakh units with traction in Q4FY18. We expect volumes and realisations of OAL to improve going forward, leading to higher revenues growth and better margins. HMCL accounted for 47% of OAL sales in FY17.

Railway segment growing stronger

OAL has put in lot of efforts to increase its revenues from railway segment. Its products are being supplied to Rail Coach Factory – Kapurthala, Zonal Railway workshops, Diesel Locomotive Works, Varanasi, Zonal Railway Workshops and Depots in Southern Railways, Northern Railways, Northern Frontier Railways, Western Railways and East Coast Railways, Integral Coach Factory, Chennai, Diesel Modernisation Works, Patiala. It manufactures products such as coaches, fuel tanks, retention tanks etc. It more than doubled its revenues from the Railway segment in FY17 from Rs 31cr to Rs 74cr. In 2016, the company was awarded the 'Part -1' supplier for Retention Tanks from the Indian Railways. In 2014, the Indian Railways, in collaboration with Defence Research and Development Organisation (DRDO) developed a bio-toilet. Flushing a bio-toilet discharges human waste into an underfloor retention tank, where anaerobic bacteria remove harmful pathogens and break the waste down into neutral water and methane. These harmless by-products can then be safely discharged onto the tracks without causing corrosion or foul odours. A stainless steel bio-toilet set with six chambers costs ~Rs 1 lakh.

Bio-toilets have been deployed in Indian trains for over four years till 2017, at a cost of Rs 1,305cr. The plan for the Railways is to install approximately another 80,000 bio toilets in all trains byDec-18. OAL is in the process of executing an order worth Rs 250cr that it had earlier won. This order will make OAL the largest supplier of bio-toilets for the Railway board. Further, it is also targetting customers other than the Indian Railway like Metro Railways. It is also in active discussion with major Metro Railway suppliers to source some new products. These renewed efforts would definitely push growth further, helping it to reduce dependence on 2W segment and improve its overall margin profile.

OAL is in the process of developing additionally novel products for Indian Railways that include S.S Underslung Water Tanks, Automatic Doors and Coach and Locomotive Dampers. In addition to this, it is also working on Welding Facilities that comprise of Gantry Type Robotic Welding Lines for fabrication of Railway/Metro coach heavy Engineering / fabricated parts and TIG welding automation.

Increasing CV revenue to benefit from economic cycle recovery

OAL has been one of the leading Tier One suppliers to OEMs in critical assemblies like the Frame Assembly in the CV segment. It forayed into Complete Vehicle Assembly in 2014 by getting awarded an initial order of 20 Vehicle assemblies from a renowned truck OEM. The CV segment has shown healthy growth since then as OAL is expanding its wings with its expertise in commercial vehicles to enhance value addition to its customers. Although the turnover decreased by 4% in FY17 to Rs 197cr, the CV segment is expected to do well on the back of a revival in CV sales. OAL has also taken some initiatives for capacity expansion, and the recovery in the economic cycle would aid in the growth of the CV business. .

Decline in profitability in FY17 – A one-off event

OAL's profitability declined in FY17, driven by a higher increase in staff costs (13.7%) and other expenses (9.5%Y-o-Y). OAL incurred a one-off retrenchment cost of ~Rs 4cr in FY17, while other expenses included one-off costs of Rs 3cr for the refurbishment of presses in the Lucknow unit and initial costs of Rs 1.75cr for executing orders for Eicher Motors Limited (Royal Enfield), Honda Cars India Limited and Indian Railways. However, OAL is consolidating its operating units, including the reduction of employee strength at its Binola and Dharuhera locations, owing to which employee costs might decline by Rs 30cr from FY18. In addition to this, higher contribution from the Railway business will add to the profitability.

In Q1FY18, OAL incurred a loss of Rs 21.3cr due to GST uncertainties and a write-off of Rs 14.66cr towards retrenchment compensation paid to workers in Binola and Dharuhera. It however showed a smart recovery in the two subsequent quarters in its financial performance.

Due to low business volumes, coupled with some issues regarding industrial relations and increasing fixed costs, the Board of OAL, in its meeting held on 19-4-17 decided to close its Automax Plant at Binola. Further, for rationalisation of various businesses, the company also decided to partially discontinue certain departments/manufacturing lines/wings in its Dharuhera plant.

Value unlocking from land could bring upsides

OAL has entered into an agreement of the development of a commercial complex with a built-up area of 23,185 sq mts with M/s Spaze Tower Pvt Ltd for its land at Tikri, Gurgaon. This could generate revenues/profits for OAL over the next few years. In the future, it may look to sell a part or the entire Dharuhera land, depending on its manufacturing needs.

Q3FY18 results review

OAL reported a strong quarter, with revenues increasing by 20.9% YoY to Rs 305.6cr. Raw material expenses increased by 25.2% YoY, offset partially by a decrease in employee and other expenses. OAL closed one of its plants in Q1FY18, resulting in lower fixed costs and employee expenses, leading to a 580bps YoY expansion in EBITDA margins to 7.4%. Finance costs swelled by 35.6% to Rs 7.3cr due to higher working capital borrowings. The bottomline improved from a loss of Rs 3.1cr in Q3FY17, to witness a profit of Rs 12.5cr in this quarter.

Particulars (Rs Cr)	Q3FY18	Q3FY17	YoY (%)	Q2FY18	QoQ (%)	9MFY18	9MFY17	YoY (%)
Operating Income	**305.6**	**252.8**	***20.9***	**288.6**	***5.9***	**839.6**	**783.6**	***7.1***
Material consumed	207.7	165.9	*25.2*	196.5	*5.7*	570.7	511.6	*11.5*
Employee expenses	35.1	42.0	*-16.4*	36.5	*-3.9*	126.8	125.3	*1.2*
Other expenses	40.2	40.9	*-1.6*	41.9	*-3.9*	119.5	122.0	*-2.1*
Total expenses	**283.0**	**248.8**	***13.8***	**274.9**	***2.9***	**816.9**	**758.9**	***7.6***
EBITDA	**22.6**	**4.1**	***457.6***	**13.7**	***65.1***	**22.6**	**24.7**	***-8.4***
Depreciation	5.7	6.1	*-6.7*	5.6	*2.3*	17.0	17.9	*-5.1*
Other Income	2.0	1.9	*6.3*	1.1	*90.6*	5.8	5.9	*-2.9*
Finance cost	7.3	5.4	*35.6*	7.8	*-6.4*	21.6	15.8	*37.0*
PBT	**11.6**	**-5.6**	***309.2***	**1.4**	***748.9***	**-10.2**	**-3.0**	***-237.7***
Tax expenses	-0.8	-2.5	*66.4*	-1.9	*55.8*	-4.7	-1.2	*-281.1*
Adj. PAT	**12.5**	**-3.1**	***507.5***	**3.3**	***281.3***	**9.1**	**-1.9**	***577.0***
EPS (Rs)	5.8	-1.4	*507.5*	1.5	*281.3*	4.3	-0.9	*577.0*
EBITDA (%)	7.4%	1.6%	*580 bps*	4.8%	*266 bps*	2.7%	3.2%	*-46 bps*
PAT (%)	4.1%	-1.2%	*529 bps*	1.1%	*295 bps*	1.1%	-0.2%	*133 bps*

(Source: Company, HDFC sec)

Concerns

High dependence on the 2W segment

Until recently, almost 3/4th of the company's revenues came from products for the 2W segment. Although the company is diversifying its revenue base, still ~3/5th of its revenues in FY17 came from this segment. A slowdown in the segment could hurt the revenue growth of the company.

Client concentration

A significant portion of the company's revenue comes from only one client i.e. HMCL. A slowdown in HMCL sales could impact OAL's revenues. OAL's customers in the 2W segment are now relying on more than one supplier, whereas earlier OAL was the sole supplier. This has hurt volume growth in the 2W segment. Tata Motors Limited, Honda Motorcycles, Scooters India Private Limited, Eicher Motors Limited, Piaggio Vehicles Private Limited and other Tier 1 OEM suppliers are some other clients of OAL. Omax faces significant revenue concentration, with the top 10 customers accounting for ~83% in FY17.

Low geographical spread in terms of presence
Lack of business presence in some key locations may be a concern for the company in the future. The company has a majority of its business presence in north India. OEMs spread their manufacturing base to other parts of India, due to strategic reasons. It may not always be feasible for OAL to shift its manufacturing base to other locations.

Volatile raw material prices
The company, being an auto component manufacturer, uses Steel, Aluminum and Cast Iron as major raw materials. Prices of these raw materials have become increasingly volatile in recent years. Auto component manufacturers typically have low bargaining power, and find it difficult to pass on the price increases to price-sensitive customers.

Competitive intensity
The Automotive Component sector has become very competitive and lack of diversification into new business segments may also have an impact on the future prospects of the company. If railway ordering does not rise as expected or competition increases in that segment, OAL could find it difficult to grow.

Low technology-oriented products
Most of the products manufactured by OAL involve lower complexity, due to which it has lower profitability margins. In times of fast-changing technology this could be adverse for the company if it does not spend on R&D and focus more on value-added products.

Minute sales by promoters raises concerns
Promoters have been selling shares and reducing their stake in the last three quarters. Though the quantum is not very significant, it raises some concerns. Promoter holding has reduced from 56.24% at the end of FY17 to 55.03% as on Dec-17.

View and valuation

OAL’s financial performance deteriorated in FY17 owing to a slowdown in 2W volumes, as some of its clients rely on a number of suppliers, whereas OAL was the sole supplier earlier. OAL has been diversifying its revenue base and an increased contribution from Railways and the 4W segment should result in better margins and credit metrics. The closure of one plant would reduce fixed costs and lower employee expenses. HMCL is further expanding its capacity and 2W segment is likely to witness growth in the coming years backed by new capacities coming on stream. Revival in the economic cycle should also give a push to CV sales and benefit OAL. FY17 included extraordinary expenses by way of retrenchment compensation paid in Q1. This could lead to lower wage costs and higher profits going ahead. Derisking its dependence on the 2W segment could lead to better valuations for OAL.

We feel investors could buy the stock in the Rs 158-162 band and add on declines to Rs 137-142 band (7x FY20E EPS) for sequential targets of Rs 189 (9.5x FY20E EPS) and Rs 209 (10.5x FY20E EPS) in three to four quarters. At a CMP of Rs 158.1, it is trading at ~8x FY20E EPS.

Financial Statements

Income Statement

Particulars	FY16	FY17	FY18E	FY19E	FY20E
Income from operations	**1026.9**	**1042.2**	**1142.7**	**1227.4**	**1340.7**
Cost of materials consumed	680.3	679.1	759.6	798.1	870.5
Employee Cost	144.8	164.6	151.0	153.4	166.3
Other expenses	149.0	163.2	171.1	183.8	199.5
Total expenses	974.1	1007.0	1081.7	1135.3	1236.3
EBITDA	**52.8**	**35.2**	**60.9**	**92.1**	**104.5**
Depreciation	28.4	26.5	23.9	26.1	28.5
Other Income	30.0	12.6	44.8	74.2	85.1
EBIT	5.6	3.9	7.7	8.3	9.1
Finance Cost	14.4	12.4	29.7	28.0	26.8
Profit Before Tax	15.3	0.0	0.4	46.3	58.3
Tax Expenses	7.4	1.7	0.0	11.1	15.7
Profit After Tax	**7.9**	**-1.6**	**0.4**	**35.2**	**42.5**
Adj. PAT	**7.9**	**-1.6**	**15.1**	**35.2**	**42.5**
EPS	**3.7**	**-0.8**	**7.0**	**16.4**	**19.9**

Cash Flow Statement

Particulars	FY16	FY17	FY18E	FY19E	FY20E
Profit Before Tax	15.6	0.2	0.4	46.3	58.3
Depreciation	28.4	26.5	23.9	26.1	28.5
Others	13.3	12.6	27.0	27.8	24.9
Change in working capital	-2.3	-65.8	12.4	4.6	-12.2
Tax expenses	-4.8	-5.1	0.0	-11.1	-15.7
CF from Operating activities	**50.2**	**-31.6**	**63.6**	**93.6**	**83.7**
Net Capex	-19.4	-24.6	-25.0	-25.0	-25.0
Other investing activities	0.0	0.0	0.0	0.0	0.0
CF from Investing activities	**-12.7**	**-23.0**	**-25.0**	**-25.0**	**-25.0**
Proceeds from Eq Cap	0.0	0.0	0.0	0.0	0.0
Borrowings / (Repayments)	-21.3	68.5	-20.0	-20.0	-20.0
Dividends paid	0.0	0.0	0.0	-2.6	-3.8
Interest paid	-14.4	-12.4	-29.7	-28.0	-26.8
CF from Financing activities	**-35.7**	**56.1**	**-49.7**	**-50.5**	**-50.6**
Net Cash Flow	**1.8**	**1.5**	**-11.1**	**18.1**	**8.0**

Balance Sheet

Particulars	FY16	FY17	FY18E	FY19E	FY20E
EQUITY AND LIABILITIES					
Share Capital	21.4	21.4	21.4	21.4	21.4
Reserves and Surplus	198.6	197.0	197.4	230.0	268.7
Shareholders' Funds	**220.0**	**218.4**	**218.8**	**251.4**	**290.1**
Long Term borrowings	71.7	66.4	51.4	36.4	21.4
Deferred Tax Liabilities (Net)	23.8	25.0	25.0	25.0	25.0
Other Long Term Liabilities	0.8	0.8	0.9	1.0	1.1
Long Term Provisions	0.0	0.0	0.0	0.0	0.0
Non-current Liabilities	**96.4**	**92.3**	**77.4**	**62.4**	**47.5**
Short Term Borrowings	26.2	100.1	95.1	90.1	85.1
Trade Payables	146.0	144.8	157.3	171.2	185.8
Other Current Liabilities	12.8	20.4	16.9	19.2	22.3
Short Term Provisions	23.1	20.3	22.2	25.1	26.5
Current. Liabilities	**208.2**	**285.6**	**291.4**	**305.6**	**319.8**
TOTAL	**524.5**	**596.3**	**587.6**	**619.3**	**657.3**

Financial Ratios

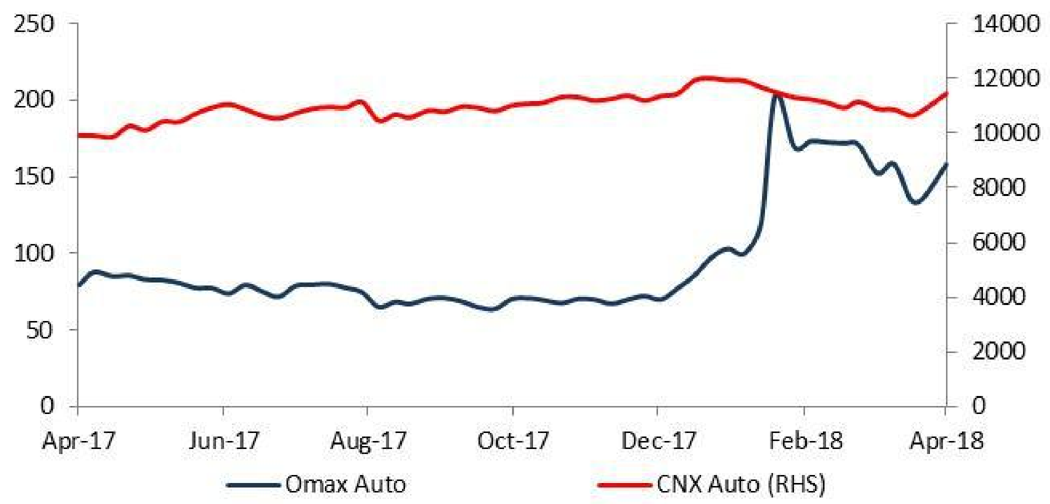
Particulars	FY16	FY17	FY18E	FY19E	FY20E
EPS (Rs)	3.7	-0.8	7.0	16.4	19.9
Cash EPS (Rs)	17.0	11.6	18.2	28.6	33.2
BVPS (Rs)	102.9	102.1	102.3	117.5	135.6
PE (x)	42.9	-207.6	22.5	9.6	7.9
P/BV (x)	1.5	1.5	1.5	1.3	1.2
Mcap/Sales (x)	0.3	0.3	0.3	0.3	0.3
EV/EBITDA	7.7	13.5	7.7	4.7	3.8
EBITDAM (%)	5.1	3.4	5.3	7.5	7.8
EBITM (%)	2.9	1.2	3.9	6.0	6.3
PATM (%)	0.8	-0.2	1.3	2.9	3.2
ROCE (%)	8.9	3.6	11.9	20.0	22.0
RONW (%)	3.6	-0.7	6.9	15.0	15.7

ASSETS					
Net Block	**282.1**	**276.3**	**277.5**	**276.3**	**272.9**
Capital work-in-progress	1.5	3.0	3.0	3.0	3.0
Non current Investments	0.0	0.0	0.0	0.0	0.0
Long-Term Loans and Advances	10.2	11.3	13.4	13.3	14.9
Other Non-current Assets	5.0	4.5	5.2	5.6	6.0
Non-current Assets	**15.2**	**15.8**	**18.6**	**18.9**	**20.9**
Current Investments	0.0	0.0	0.0	0.0	0.0
Inventories	42.3	55.1	72.6	71.5	78.0
Trade Receivables	114.2	168.6	145.5	159.2	177.5
Cash and Bank Balances	27.4	28.9	17.7	35.8	43.8
Short-Term Loans and Advances	42.0	48.5	52.7	54.6	61.3
Other Current Assets	0.0	0.0	0.0	0.0	0.0
Current Assets	**225.8**	**301.2**	**288.4**	**321.1**	**360.5**
TOTAL	**524.6**	**596.3**	**587.6**	**619.3**	**657.3**

Current Ratio (x)	1.1	1.1	1.0	1.1	1.1
Quick Ratio (x)	0.9	0.9	0.7	0.8	0.9
Debt-Equity (x)	0.4	0.8	0.7	0.5	0.4
Debtor days	41	59	46	47	48
Inventory days	15	19	23	21	21
Creditor days	52	51	50	51	51

(Source: Company, HDFC sec)

1-year Price chart



Fundamental Research Analyst: Atul Karwa (atul.karwa@hdfcsec.com)

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066
Website: www.hdfcsec.com Email: hdfcsecretailresearch@hdfcsec.com.
Compliance Officer: Binkle R. Oza Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600
