

# Orient Bell Ltd

Industry	CMP	Recommendation	Add on dips to	Sequential Targets	Time Horizon
Building Products- Ceramics	Rs. 262.4	Buy at CMP and add on declines	Rs. 238-241	Rs.299-329	2-3 quarters

HDFC Scrip Code	ORIBELEQNR
BSE Code	530365
NSE Code	ORIENTBELL
Bloomberg	OBL IN
CMP June 23 2017	Rs. 262.4
Equity Capital (Rscr)	14.2
Face Value (Rs)	10.0
Equity Share O/S(crs)	1.42
Market Cap (Rs.crs)	372.3
Book Value (Rs)	97.5
Avg. 52 Wk Volumes	16166
52 Week High	298.0
52 Week Low	138.8

Orient Bell Ltd (OBL, erstwhile Orient Ceramics & Industries) was incorporated on May 1977. Company is engaged in the manufacturing, trading and selling of digital, vitrified, ceramic and ultra vitrified tiles under brands Orient, Orient International, and Bell across India. Company is the first to have an in-house European designer. Company has a manufacturing capacity of 20 mnsq meters in house and an additional third party manufacturing capacity through its Joint Ventures of 4 mnSq meters. OBL has manufacturing facilities in Sikanderabad (Uttar Pradesh), Dora (Gujarat), and Hoskote (Karnataka).

## Investment Rationale:

- Capex plans could help to boost its revenues and profitability profile going forward,
- OBL's higher branding and promotion efforts could help improve the brand profile of its tiles and narrow the price realization difference.
- GST and government's initiatives to bring in consolidation in sector,
- Low prices of Gas and transportation cost could help to improve margins,
- Reduction in debt could help to add profitability and better return ratios going forward, latest sale of shares from trust holding for Rs.43.7 cr to help company.
- Financial Profile is likely to improve further assuring investors of long term sustenance of performance.

## Concerns:

- Intense Competition from local players and imports from China
- Price fluctuation of RLNG (gas) prices,
- Extended slowdown in real estate sector may dampen business sentiments,
- Need to continuously keep pace with changing preferences of customers.

## View and Valuation:

OBL's strong foothold in the domestic market with value-added product portfolio, higher penetration in rural and smaller cities and better working capital management could provide better growth opportunities going forward. Visibility of decent growth in industry wide sales, shift in share from unorganized to organized players and improvement in brand value of Orient Bell will help OBL to register good topline and bottomline growth going forward. Reduction in debt due to the latest sale of trust shares will also help cut interest costs. Gradual inching up of margins to the levels of peers will result in fast increase in PAT and rerating of the stock. Additional capacity due to the latest capex initiatives will enable faster topline growth in FY18E and FY19E.

We feel investors could buy the stock at the CMP and add on dips to Rs. 238-241 band (~12x FY19E EPS) for sequential targets of Rs 299 (15x FY19E EPS) and Rs 329 (16.5x FY19E EPS). At the CMP of Rs 262.40 the stock trades at 13.2x FY19E EPS.

Shareholding Pattern % (Mar31, 2017)	
Promoters	72.3
Institutions	0.2
Non Institutions	27.5
Total	100.0

## Fundamental Research Analyst

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**Financial Summary:**

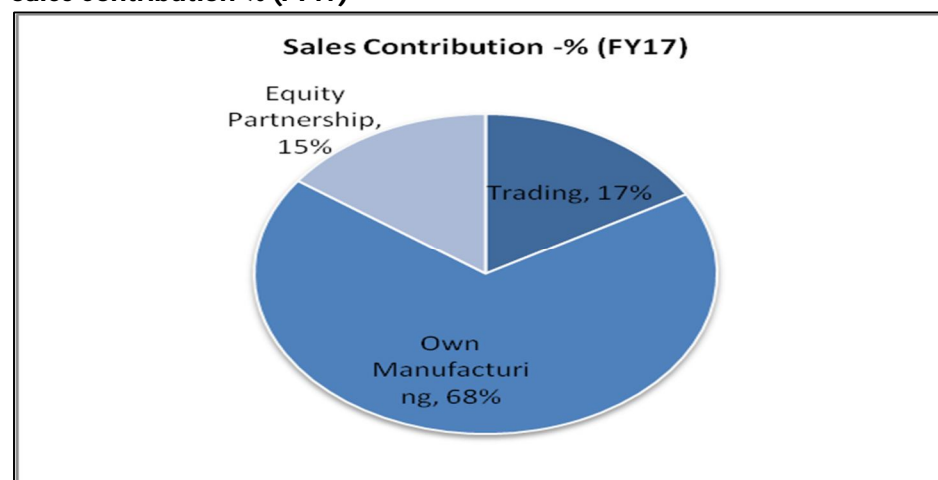
Particulars (Rscr)	Q4FY17	Q4FY16	YoY-%	Q3FY17	QoQ-%	FY16	FY17	FY18E	FY19E
Net Sales	206.8	209.9	-1.5%	145.9	41.8%	702.5	654.3	721.9	817.3
EBITDA	19.5	16.7	16.9%	10.9	78.2%	47.0	52.7	59.2	69.1
APAT	4.1	3.4	22.4%	2.6	56.5%	6.4	11.0	21.0	28.3
Diluted EPS (Rs)	2.9	2.3	26.5%	1.9	56.5%	4.6	7.8	14.8	19.9
P/E (x)						57.0	33.7	17.8	13.2
EV/EBITDA (x)						10.3	8.8	7.9	6.7
RoE (%)						3.4%	8.0%	13.3%	15.4%

(Source: Company, HDFC sec)

**Company Profile:**

Orient Bell Ltd (OBL, erstwhile Orient Ceramics & Industries) was incorporated on May 1977. Company is engaged in the manufacturing, trading and selling of digital, vitrified, ceramic and ultra vitrified tiles under brands Orient, Orient International, and Bell across India (now merged into one brand Orient Bell). Company is the first to have an in-house European designer. Company has a manufacturing capacity of 20 mnsq meters in house and an additional third party manufacturing capacity through its Joint Ventures of 4 mnSq meters. OBL has manufacturing facilities in Sikanderabad (Uttar Pradesh), Dora (Gujarat), and Hoskote (Karnataka). OBL has pan India sales network, and has 2000 authorized channel partners and 2500 retailers. The company took over Bell Ceramics in 2010 December and turned it around in a record time of 15 months.

In FY17 OBL produced 19.27 msm (21.85 msm last year) from its own manufacturing plants. Despite this in FY17 EBITDA was 551 mnvs 489 mn an increase of 12.8% while PAT was 110.4 mnvs 64.4 mn a growth of 71.5%. In FY17 6.62 msm came from equity partnership (3.35 msm) and trading (3.27 msm) while in FY16 6.02 msm came from trading.

**Sales Contribution-% (FY17)**


(Source: Company, HDFC sec)

## Sales (Volume, msm)

Particulars	FY14	FY15	FY16	FY17
Trading	5.1	5.3	6.0	3.3
Own Manufacturing	20	22.1	21.4	19.3
Equity Partnership				3.4
<b>Total</b>	<b>25.1</b>	<b>27.4</b>	<b>27.5</b>	<b>25.9</b>

## Gross Sales, Rs in Cr

Particulars, Rs in Cr	FY14	FY15	FY16	FY17
Trading	160.8	183.6	215.9	117.3
Own Manufacturing	472.7	566.1	541.3	480.3
Equity Partnership				106
<b>Total</b>	<b>633.5</b>	<b>749.7</b>	<b>757.2</b>	<b>703.6</b>

(Source: Company, HDFC sec)

## Industry Overview:

India reportedly ranks in the top three tile-producing countries worldwide (China and Brazil are the top two), and industry is growing at a CAGR of 10%. Ceramic production is a sizeable contribution to the country's GDP (with a turnover of approx Rs. 24,000 crores) at 775 million sqmts p.a. According to "India Tiles Market Forecast & Opportunities, 2017", with the increasing construction activities, the tiles market in the country is set to flourish. The demand from institutional customers is outpacing the retail demand in many regions of the country. Despite increase in consumption, per capita consumption of ceramic tiles in India is only 0.59 square metres (SQM). India is one of the fastest growing ceramic tiles markets in the world. India lags behind Brazil, China and Vietnam which have per capita consumption of 4.12, 3.33 and 2.80 SQM respectively.

## Key Growth Factors:

Despite slowdown in the real estate sector, adverse macroeconomic environment, low per capita consumption of tiles in India, Ceramic industry has seen almost stable demand over the past because of rapid urbanization, increasing disposable income of nuclear families and untapped rural market .

- Till 2013, there was anti-dumping duty on Chinese vitrified tiles. However, after the removal of duty by the Union Government, Chinese companies dumped tiles in India which exerted pressure on domestic tile manufacturers (mainly based out of Morbi) on account of lower freight rates from China to South India. After analyzing the industry wide impact and to encourage domestic manufacturers, the Union Government imposed an anti-dumping duty of USD1.37 per SQM on all vitrified tiles imported from China in March 2016. This move is expected to provide level playing field to the ceramic players operating especially in South India.
- By 2022, India could be the most populous country with majority of the population in the working age group. The demographic advantage offers India a huge potential and is expected to fuel the consumption pattern for discretionary goods including ceramic tiles. Furthermore, with rising household disposable income and lower dependency ratio, the demand for additional housing units is expected to increase substantially in coming years, thereby providing additional growth opportunities for the ICTI (Indian Ceramics and Tiles Industry).
- Rapid movement of population from towns/villages to cities for jobs/livelihood could create more demand for discretionary urban products like value-added ceramic tiles. Furthermore, the urbanization rate is envisaged to increase further during the next decade resulting in higher demand for housing units from Tier-II and Tier-III cities, which will be favorable for the ICTI.

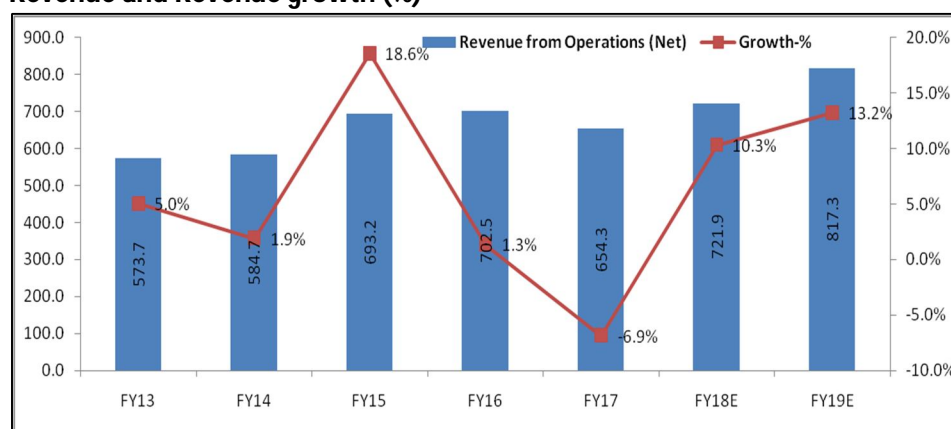
- Over the last 3 years government has launched a number of ambitious programs like Smart Cities Mission, Swachh Bharat Abhiyaan (Sanitation for All by 2019), Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Housing for All by 2022 would act as big push in demand for ceramic industry in India in years to come.

### Investment Rationale:

#### Capex plans could help boost its revenues and profitability profile going forward.

Currently OBL is operating at almost the full capacity utilization at all its plants. OBL plans to invest over Rs 40 cr to set up two Joint Venture factories and for increasing the production capacity at one of its plants. The demand for the floor and wall tiles will majorly comes from the residential & commercial real estate sector & large scale infra projects across the country. Company expects that the two joint venture companies will start their operations from 2018. The new entity will have 25% equity share by OBL, but marketing and sales will be fully carried out by OBL. OBL is expanding its production capacity in the Uttar Pradesh plant, where ceramic tiles production will be replaced with vitrified tiles. New capacity addition and working with JV for sales and marketing activities could add more revenue and profitability in FY18E and FY19E. We expect 10.3% and 13.2% revenue growth in FY18E and FY19E respectively.

#### Revenue and Revenue growth (%)



(Source: Company, HDFC sec)

#### OBL's higher branding and promotion efforts could help improve the brand profile of its tiles and narrow the price realization difference:

The Company aims to sell more of bigger size and high value tiles and to reduce the cost of production substantially. The Company also plans for tying up additional manufacturing capacities in West Zone to cater to the demands of relevant market. With the integration of Brand 'Orient' and 'Bell', Company owns only one Brand i.e. 'Orient Bell'. 'Orient Tile Boutique' and 'Bell Tile Boutique' have been replaced with 'Orient Bell Tile Boutique'.

OBL aims to substantially enhance product display across the Country through its owned Tile boutiques known as Orient Bell Tile Boutiques ("OBTB"). The designing team is constantly bringing innovative décor solutions. Every effort is being taken up

for productivity enhancement programs to improve the overall performance of the Company going forward. The image of the Company among channel partners and customers has improved due to various branding activities across the Country. Company has showcased and produced several innovative and decorative designs in all sizes. "Glitter series" and the new 600x600 mm designs have elicited excellent response from the market. The new offerings in Wall Tiles, Double Charge and PGVT/DGVT have also been liked very well.

To boost the sales, the Company plans to spend on its branding and advertising and also to have more of Orient Bell Tile Boutiques this year.

This will reduce its dependence on wholesale sales or B2B sales (currently it supplies to Airport Authority, Indian Railways and L&T among others) and enable it to increase its realization and margins.

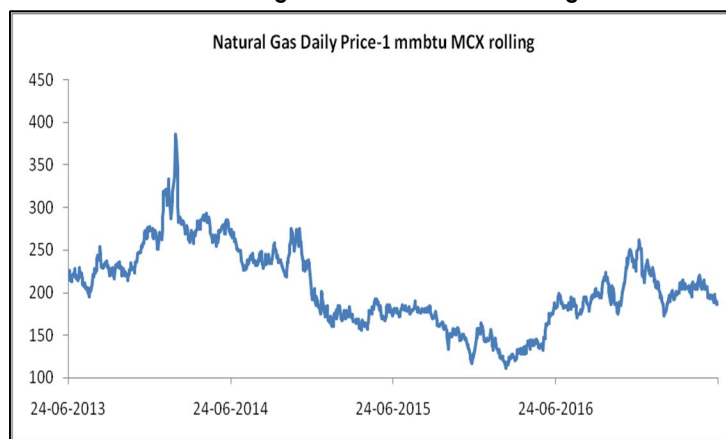
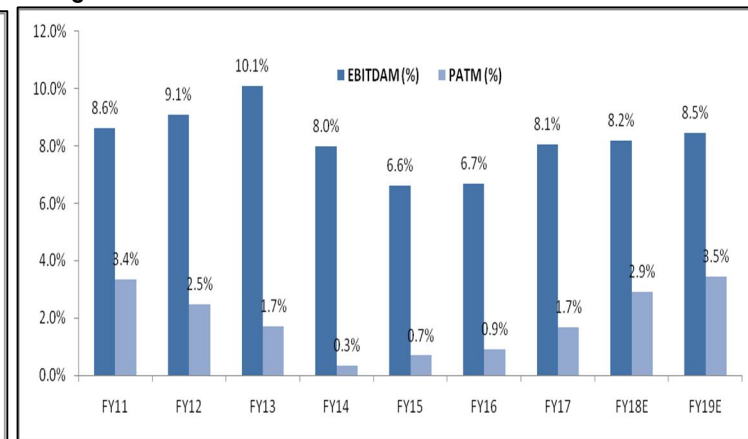
#### **GST and government initiatives to bring in consolidation in sector:**

Recent GST council decision indicates that the GST rate for ceramic tiles is fixed at 28%, which is at par of industry expectations. It is a neutral rate for most of the companies in the sector as the current incidence of indirect tax is between 26% & 33%. However, GST could help to grow the sector as it could provide a level playing field for organized players (unorganized players have a ~70% share in tiles market) and bring in consolidation in the sector.

Apart from this, ceramics industry is set to benefit from various government initiatives like 'Swachh Bharat Abhiyaan', 'Housing for All by 2022' & 'Smart City Mission' as they could drive demand for tiles. We believe OBL would be one of the major beneficiaries because of these initiatives led by attractive products portfolio and strong pan India presences. It is well placed to capture these opportunities, which bodes well for its long term growth.

#### **Low prices of Gas and transportation cost could help to improve margins:**

Tile manufacturing involves a highly energy intensive manufacturing process; gas, power and transportation cost account for a large portion of its total costs. Lower prices of Diesel and Gas compared to a couple of years back is one of the key cost-related advantage, benefitting the industry. Consistency in fuel and power availability at reasonable rates is very important for the growth of OBL. For OBL fuel & power costs comprise about 15.2% of the total FY17 sales compared to ~23-24% of the sales for most of its large peers.

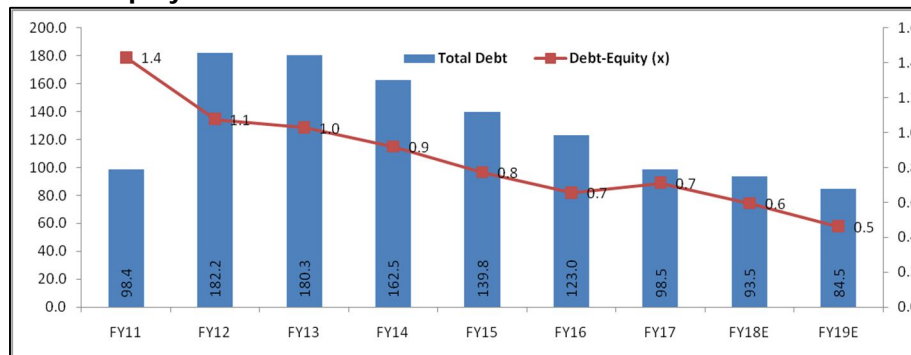
**Price chart of Natural gas 1 mmbtu MCX rolling**

**Margins-%**


(Source: Company, HDFC sec)

**Reduction in debt could help to add profitability and better return ratio going forward:**

Currently, the company has a debt to equity ratio of 0.7x, which is almost half of debt equity levels of 1.4x in FY11. The sharp improvement in debt to equity was possible through the improvement in net working capital which came down from 76 days in FY11 to 59 days in FY17. For further capex company has not taken any debt and company is using its internal accruals. We expect, OBL could maintain debt equity ratio at 0.5-0.6x in next two years as the future capacity expansion would be funded through strong internal accruals.

Recently in May 2017, Orient Bell Ltd's promoter, Orient Bell Holding Trust, sold its entire 14.65% stake in the company for 437 mn rupees to multiple investors. Post the share sale, total promoter stake in Orient Bell stands at 57.6% as against 72.28% as of Mar 31. Orient Bell Holdings Trust held the shares in the company under an earlier scheme of merger between Bell Ceramics Ltd and Orient Ceramics and Industries Ltd. The company plans to use proceeds from the stake sale for increasing manufacturing capacity and building its brand.

**Debt to Equity Ratio**


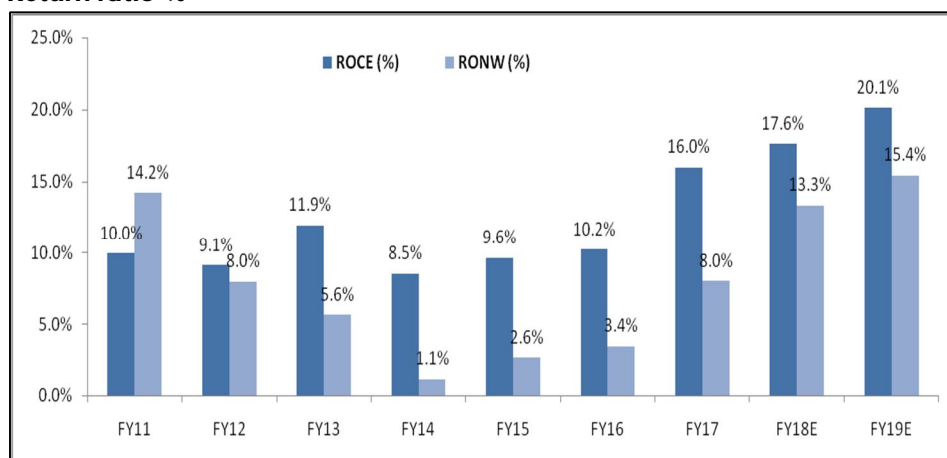
(Source: Company, HDFC sec)

### Financial Profile is likely to improve further assuring investors of long term sustenance of performance.

Wethinkworst days seem to be over for OBL. It now is witnessing soft input cost scenario and improving realization led by domestic demand. Company could report double digit revenue growth in FY18E and FY19E led by expansion plan, strategy for innovative and value added products. On the leverage side, company has been good to maintain its Debt to Equity ratio over the past and we expect it to continue the same in future also. Margins and Return ratios are on the way of recovery and are likely to register decent growth going forward.

Company has good track record to pay dividends to its shareholders, eventhough company had reported negligible profit in the year FY14. We expect OBL could pay dividend Rs 1 and Rs 1.50per share in FY18E and FY19E respectively.

### Return ratio-%



(Source: Company, HDFC sec)

### Risk and Concerns:

#### Competition:

India Ceramic Tile Industry largely consists of the Unorganized Sector producers of Tiles who constitute approx 70% of the total tile market. The import of Tiles from China is another threat to the organized sector of tile industry. Unorganized players in this sector in India are major concern for the company. In bad times even the organized players could undercut prices of OBL and eat its market share. To mitigate this risk Company's designing Team is doing efforts to produce more and more unique and innovative designs.

#### Slow execution of governments Programs:

Government's 'Make-in-India', 'Housing-for-all by 2022', 'Swachh Bharat Abhiyaan', 'Smart Cities Mission' covering 100 cities in 5 years is expected to generate a volume-driven growth in the industry resulting in economies of scale. Any delay or poor execution of these program could impact its demand going forward.



**Price fluctuation of RLNG prices:**

RLNG is a major component of cost of tile manufacturing process. Price fluctuation in RLNG (gas) is a key risk for the Company. Increase in gas prices, a key input in this energy intensive industry, poses a threat to business in terms of increase in operating cost. To mitigate this, the Company has increased the proportion of value added tiles in the sales mix.

**Extended slowdown in real estate sector may dampen business sentiments:**

OBL's tiles sales are dependent on real estate sector. Any extension of slowdown to Tier – II and Tier – III cities may dampen business prospects of OBL.

**Competition from China:**

Although currently anti dumping duty has been levied on imports from China, any dilution or early end to its tenure can result in higher import competition and lower sales/margins for Indian manufacturers including OBL.

**Low Sales to Fixed Assets ratio and low PAT margin pulls down RoNW:**

OBL registered relatively low net sales of Rs. 654.3cr (including manufactured sales of Rs.480 cr) on net fixed assets of Rs. 143.4 in FY17. Further its PAT margin was low at 1.7%; both these lead to lower Return ratios.

**Peer Comparison:**

Company Names	Sales, Rs in Cr	OPM-%	PATM-%	EPS-Rs	BV- Rs	CMP-Rs	D/E-X	RONW-%	P/E-X	P/BV-X
Somany Ceramics*	1811.0	11.2	5.1	22.0	123.0	773.9	0.5	17.9	35.3	6.3
Kajaria Ceramics*	2545.6	19.5	9.9	15.9	74.0	681.6	0.2	21.5	42.8	9.2
Orient Bell	654.3	8.1	1.7	7.9	81.7	262.7	0.7	8.0	33.3	3.2
Asian Granito*	1063.2	11.6	3.7	13.0	133.3	410.9	0.8	9.8	31.6	3.1

\*= Consolidated Nos

Orient Bell currently earns the lowest OPM and PATM; thus providing scope for improvement therein due to cost efficiency, brand building, distribution expansion and equity partnership in manufacturing capacities. Also lower debt will help in improving its PAT margins. In terms of P/BV it has scope to improve as it scales up its size and margin profile.

**View and Valuation:**

OBL's strong foothold in the domestic market with value-added product portfolio, higher penetration in rural and smaller cities and better working capital management could provide better growth opportunities going forward. Visibility of decent growth in industry wide sales, shift in share from unorganized to organized players and improvement in brand value of Orient Bell will help OBL to register good topline and bottomline growth going forward. Reduction in debt due to the latest sale of trust shares will also help cut interest costs. Gradual inching up of margins to the levels of peers will result in fast increase in PAT and rerating of the stock. Additional capacity due to the latest capex initiatives will enable faster topline growth in FY18E and FY19E.

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**Quarterly Financials:**

Particulars, Rs in Cr	Q4FY17	Q4FY16	YoY-%	Q3FY17	QoQ-%	FY17	FY16	YoY-%
Net Sales	206.8	209.9	-1.5%	145.9	41.8%	653.4	701.9	-6.9%
Other Operating Income	0.4	-0.5	-185.7%	0.2	121.1%	0.9	0.7	37.9%
Total Income from Operation	207.2	209.4	-1.0%	146.1	41.9%	654.3	702.6	-6.9%
Raw Material Consumed	26.0	28.6	-8.9%	23.0	13.4%	97.7	111.5	-12.4%
Stock Adjustment	18.2	26.0	-30.0%	-1.0	-1851.0%	13.2	12.6	4.6%
Purchase of Finished Goods	60.0	57.1	5.1%	42.0	42.9%	191.7	191.1	0.4%
Employee Expenses	17.6	16.1	9.8%	17.2	2.7%	69.1	64.5	7.2%
Power, Oil & Fuel	28.4	27.8	2.1%	22.7	25.0%	98.5	150.2	-34.4%
Other Expenses	37.5	37.2	0.8%	31.4	19.6%	131.5	125.8	4.6%
Total expenses	187.7	192.7	-2.6%	135.1	38.9%	601.6	655.5	-8.2%
EBITDA	19.5	16.7	16.9%	10.9	78.2%	52.7	47.1	12.0%
Depreciation	7.4	6.3	17.7%	3.3	121.3%	17.3	17.1	1.5%
EBIT	12.1	10.4	16.4%	7.6	59.3%	35.4	30.0	18.0%
Other Income	1.4	0.9	52.2%	0.3	337.5%	2.4	1.8	34.8%
Interest	2.6	4.4	-40.9%	3.2	-19.2%	13.4	18.8	-29.0%
Profit Before Tax	10.9	7.0	57.0%	4.7	130.8%	24.5	13.0	88.4%
Tax Paid	6.8	3.6	89.0%	2.1	222.6%	13.4	6.5	105.2%
PAT	4.1	3.4	22.4%	2.6	56.5%	11.1	6.4	71.5%
EPS (Adj)	2.9	2.3	26.5%	1.9	56.5%	7.8	4.5	70.7%

(Source: Company, HDFC sec)

**Financials**
**Income Statement**

Particulars, Rs in Cr	FY15	FY16	FY17	FY18E	FY19E
Revenue from Operations	693.2	702.5	654.3	721.9	817.3
Cost of Materials Consumed	119.8	111.5	97.7	114.8	133.2
Purchases of Stock-in-Trade	161.6	191.1	191.8	212.2	241.9
Change in Inventories	21.2	12.6	13.2	10.8	9.4
Employee Benefits Expense	61.7	64.5	69.1	72.9	80.9
Other Expenses	283.2	275.9	230.0	252.0	282.8
Total expenses	647.4	655.5	601.6	662.7	748.2
EBITDA	45.8	47.0	52.7	59.2	69.1
Depr- and Amort- Exp	17.8	17.1	17.3	17.9	18.5
EBIT	28.1	30.0	35.4	41.3	50.6

**Cash Flow**

Particulars, Rs in Cr	FY15	FY16	FY17E	FY18E	FY19E
EBT	10.3	13.0	24.4	32.0	42.8
Depreciation and Amort-	17.8	17.1	17.3	17.9	18.5
Interest /Dividend paid	20.7	18.8	13.4	12.2	11.0
Other Adjustment	1.4	4.5	-68.1	-4.2	-3.5
(Inc)/Dec in working Capital	-1.3	-17.2	5.2	-15.6	-22.1
Tax Paid	-1.8	-2.6	-13.4	-11.0	-14.6
CF from Operating Activities	46.9	33.6	-21.2	31.2	32.2
Capital expenditure	-2.8	-3.9	-2.5	-25.0	-15.0
Proceeds from sale of f.a	0.1	0.5	66.3	-7.1	3.5
(Purchase)/Sale of Invest-	1.2	-1.8	0.0	1.2	-1.1

Other Income	2.9	1.8	2.4	2.9	3.3
Finance Costs	20.7	18.8	13.4	12.2	11.0
Profit before tax and EOI	10.3	13.0	24.4	32.0	42.8
Exceptional items	0.0	0.0	0.0	0.0	0.0
Earnings before Tax	10.3	13.0	24.4	32.0	42.8
Tax Paid	5.5	6.5	13.4	11.0	14.6
PAT	4.8	6.4	11.0	21.0	28.3
EPS	3.5	4.6	7.8	14.8	19.9

Others	0.0	0.0	1.1	12.4	1.6
CF from Investing Activities	-1.5	-5.1	64.8	-18.5	-11.0
Inc/(Dec) in Share capital	0.0	0.0	0.2	0.0	0.0
Inc/(Dec) in Debt	-26.5	-8.9	-24.5	-5.0	-9.0
Dividend and Interest Paid	-21.5	-19.6	-14.2	-13.9	-13.5
CF from Financing Activities	-48.0	-28.5	-38.5	-18.9	-22.5
Net Cash Flow	-2.5	0.0	5.2	-6.2	-1.4
Opening Balance	2.9	0.3	0.3	5.4	-0.8
Closing Balance	0.3	0.3	5.4	-0.8	-2.1

(Source: Company, HDFC sec)

### Balance Sheet

Particulars, Rs in Cr	FY15	FY16	FY17	FY18E	FY19E
<b>EQUITY AND LIABILITIES</b>					
Share Capital	13.8	14.0	14.2	14.2	14.2
Reserves and Surplus	167.5	173.9	124.1	143.4	169.1
<b>Shareholders' Funds</b>	<b>181.3</b>	<b>187.9</b>	<b>138.3</b>	<b>157.6</b>	<b>183.3</b>
Long-Term Borrowings	62.0	53.1	46.6	36.6	21.6
Deferred Tax Liabilities (Net)	9.8	9.3	11.0	12.1	13.3
Other Long Term Liabilities	0.5	0.2	0.3	0.4	0.4
Long-Term Provisions	1.5	1.9	5.5	6.3	4.7
<b>Non-Current Liabilities</b>	<b>73.7</b>	<b>64.6</b>	<b>63.4</b>	<b>55.4</b>	<b>40.1</b>
Short-Term Borrowings	77.8	69.8	51.9	56.9	62.9
Trade Payables	102.9	101.8	70.9	79.1	85.1
Other Current Liabilities	44.6	26.2	29.4	32.3	35.5
Short-Term Provisions	3.1	4.6	6.2	4.9	4.7
<b>Current Liabilities</b>	<b>228.5</b>	<b>202.5</b>	<b>158.3</b>	<b>173.2</b>	<b>188.2</b>
<b>TOTAL</b>	<b>483.5</b>	<b>455.0</b>	<b>360.1</b>	<b>386.2</b>	<b>411.6</b>
<b>ASSETS</b>					
<b>Fixed Assets</b>	<b>223.6</b>	<b>209.7</b>	<b>143.4</b>	<b>150.5</b>	<b>147.0</b>
Non-Current Investments	20.2	23.3	23.4	22.2	23.3
Deferred Tax Assets (Net)	0.0	0.0	0.0	0.0	0.0
Long-Term Loans and Adv	13.0	10.5	5.2	6.3	7.5
Other Non-Current Assets	2.7	0.5	0.0	0.0	0.0
<b>Non-Current Assets</b>	<b>259.6</b>	<b>244.1</b>	<b>172.0</b>	<b>178.9</b>	<b>177.8</b>
Inventories	101.7	88.7	74.6	87.0	94.0

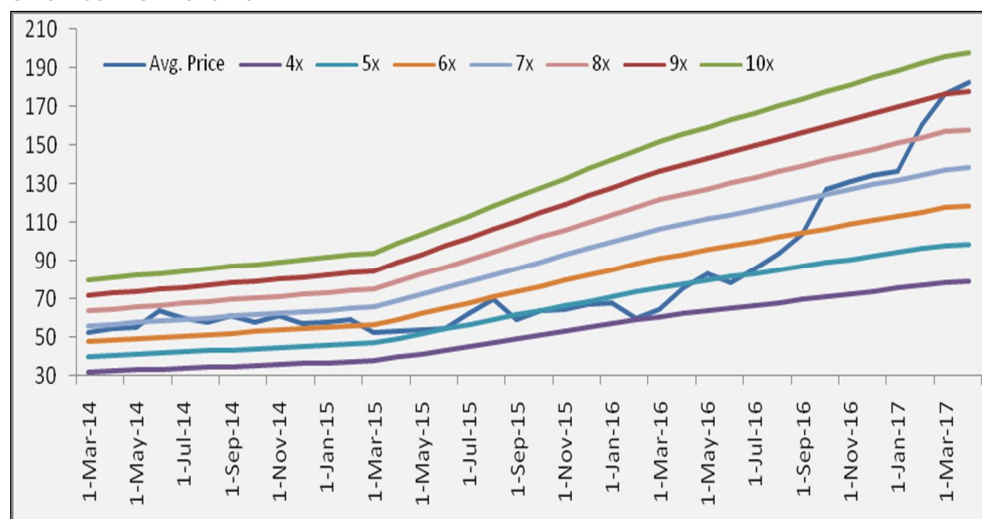
### Key Ratios

Particulars	FY15	FY16	FY17	FY18E	FY19E
No of Equity Shares-cr	1.4	1.4	1.4	1.4	1.4
Enterprise Value-cr	491.3	484.1	465.4	466.6	459.3
EPS	3.5	4.6	7.8	14.8	19.9
Cash EPS (PAT + Depr-)	16.3	16.8	20.0	27.4	33.0
Book Value Per Share(Rs.)	131.2	134.2	97.5	111.1	129.2
PE(x)	75.8	57.0	33.7	17.8	13.2
P/BV (x)	2.0	2.0	2.7	2.4	2.0
Mcap/Sales(x)	0.5	0.5	0.6	0.5	0.5
EV/EBITDA	10.7	10.3	8.8	7.9	6.7
EBITDAM (%)	6.6%	6.7%	8.1%	8.2%	8.5%
EBITM (%)	4.1%	4.3%	5.4%	5.7%	6.2%
PATM (%)	0.7%	0.9%	1.7%	2.9%	3.5%
ROCE (%)	9.6%	10.2%	16.0%	17.6%	20.1%
RONW (%)	2.6%	3.4%	8.0%	13.3%	15.4%
Current Ratio	1.0	1.0	1.2	1.2	1.2
Quick Ratio	0.5	0.6	0.7	0.7	0.7
Debt-Equity (x)	0.8	0.7	0.7	0.6	0.5

Trade Receivables	93.4	105.8	102.6	114.7	134.3
Cash and Bank Balance	11.0	6.3	5.4	-0.8	-2.5
Short-Term Loans and Adv	17.2	9.3	5.2	5.7	6.9
Other Current Assets	0.5	0.8	0.3	0.6	1.0
<b>Current Assets</b>	<b>223.9</b>	<b>210.9</b>	<b>188.1</b>	<b>207.3</b>	<b>233.8</b>
<b>TOTAL</b>	<b>483.5</b>	<b>455.0</b>	<b>360.1</b>	<b>386.2</b>	<b>411.6</b>

(Source: Company, HDFC sec)

### One Year forward P/E



### One Year Daily Price Chart



(Source: Company, HDFC sec)

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