



STOCK DETAILS

| | |
|------------------------------|---|
| BSE Code | 590005 |
| Current Market Price | Rs. 4,883.75 |
| Market Capitalization | Rs. 4,258.63 mn |
| Face Value (Rs.) | Rs. 10/- |
| Book Value (Rs.) | Rs. 1,708.58/- |
| 52 Wk High (BSE) | Rs. 5,600/- (14 th Sep 2009) |
| 52 Wk Low (BSE) | Rs. 2,900/- (17 th Feb2009) |

Standalone (Rs. in mn)

| Particulars | Q 3 FY 10 | Q3 FY 09 | YoY % change | Q2 FY 10 | QoQ % change | FY 09 | FY 08 | % change |
|------------------------------|---------------|---------------|-----------------|---------------|-----------------|----------------|---------------|--------------|
| Net Sales | 1688.2 | 1260.3 | 34 | 1408.6 | 19.85 | 5344.48 | 4331 | 23.4 |
| EBITDA | 224.6 | 107 | 110 | 213 | 5.45 | 506.35 | 370.05 | 36.83 |
| Margins (%) | 13.30 | 8.99 | 47.94 | 15.12 | (12.03) | 9.47 | 8.54 | 10.88 |
| Depreciation | 18 | 7.95 | 126.42 | 11.30 | 59.29 | 33.93 | 25.02 | 35.61 |
| Interest | 1.80 | 8.40 | (78.57) | 1.80 | - | 14.58 | 13.65 | 6.81 |
| Other Income | 15.3 | 5.85 | 161.54 | 6.70 | 128.36 | 65.35 | 40.95 | 59.58 |
| PBT | 220.1 | 96.5 | 128.08 | 199.90 | 2.45 | 457.84 | 331.38 | 38.16 |
| Tax | 75 | 44.80 | - | 68.80 | - | 182.34 | 121.36 | - |
| PAT | 145.1 | 52.15 | 178.24 | 131.10 | 10.68 | 275.50 | 210.02 | 31.18 |
| Margins (%) | 8.51 | 4.12 | 106.55 | 9.26 | (8.10) | 5.09 | 4.80 | 6.04 |
| No. of Equity Shares (mn) | 0.871 | 0.871 | - | 0.871 | - | 0.871 | 0.871 | - |
| EPS | 166.55 | 59.87 | 178.23 | 150.56 | 10.62 | 316.23 | 266.04 | 18.87 |



Q3 FY 10 Result analysis

- 1) **Growth in Net Sales:** Net sales of the company improved by 34% YoY to Rs. 1,688.2 mn in Q3FY 10 on account of higher volumes. It was mainly on account of revival in fortunes of Auto Industry.
- 2) **EBITDA:** Growth of ~110% was seen in EBITDA of Q3 FY 10 on YoY basis. The rise can be partially attributed to falling crude oil prices and volume growth and better price realisation.
Last quarter average brent crude oil prices were ~ US\$ 75.08 per barrel. Currently the crude oil prices are trading at US\$ 72.2 per barrel.
- 3) **Jump in Net Profits both YoY and QoQ basis:** Net profit of the company (QoQ) has seen a rise of ~10% to Rs. 145 mn Q3 FY 10 whereas on YoY basis net profits have increased by 178% to Rs. 145 mn.

OUTLOOK

Q3 FY 10 results are impressive and above our expectations...

| Particulars | Q3 FY 10 Results (Rs. in mn) | Q3 FY10 Projected (Rs. in mn) |
|-------------|------------------------------|-------------------------------|
| Net Sales | 1,688 | 1,634 |
| EBITDA | 224.6 | 176 |
| PAT | 145.1 | 117 |
| EPS | 166.5 | 134 |

With due consideration to impressive performance in Q3 FY 10, falling crude oil prices, improved outlook in auto industry, we have revised our EPS guidance from Rs. 597/- to Rs. 625/- for FY 10. At current market price of Rs. 4,883.00, the stock is available at a PE of 7.8x

We recommend **“Accumulate”** at current levels and maintain a price target of ~Rs. 6,489/- on 12 months horizon.



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