INDIA

Infrastructure

CENTRUM

Ahluwalia Contracts Ltd

Q4FY11/ Target price change **3 June 2011**

Buy

Target Price: Rs140

CMP: Rs122*

Upside: 15%

**as on 2 June 2011*

Maintain Buy Despite Q4 Margin Shock

Overall mixed results. We were taken aback with the 5.4% EBIDTA margin Ahluwalia Contracts reported in Q4FY11. This is on account of orders observing cost over-runs and delays. As per management, this situation is likely to persist over H1FY12, before margins get back to normal of ~11%. Revenue at Rs5.7bn was higher than our estimate of Rs5.1bn, but adjusted for Rs600mn on Commonwealth Games (CWG) projects, which was booked in Q4, revenue was inline. We continue to trust the company's execution skills and superior financial management. Management guided Rs21bn sales in FY12, but we have factored in Rs19bn and our margins are lower than guidance. We have also cut our FY12 and FY13 earnings estimates on updates received during the con-call mainly on account of lower operating margins. Even then, we maintain Buy for 15% upside with a caveat of potentially large contingent liability hangover (around 50% of net-worth) possible in the near future. We believe, the stock present a decent upside even on lower-than-consensus numbers. Target Rs140. Buy.

- **Mixed Results:** Revenue surprised but margin disappointed. Order-intake has been maintained with book-to-bill at 2x, giving enough visibility. But, residential segment which forms 43% of order-book, reduce that comfort.
- **Guidance:** Sales was guided at Rs21bn sales for FY12. We have modeled Rs19bn on execution issues of real estate orders and operating margins at 7.7%/8.8% for FY12/ FY13.
- **Maintain Buy:** We maintain Buy despite lower margins guided for FY12. FY13 is expected to be normal. Over and above that, working-capital investments have been better-than-expected in FY11. Risk remains on CWG money write-off, real-estate order execution, and contingent liability possibility in near future (forming around 50% of net-worth).

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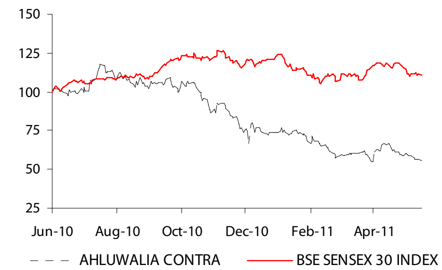
Key Data

Bloomberg Code	AHLU IN
Reuters Code	AHLU.BO
Current Shares O/S (mn)	62.8
Diluted Shares O/S(mn)	62.8
Mkt Cap (Rsbn/USDmn)	7.5/167.8
52 Wk H / L (Rs)	243/101
Daily Vol. (3M NSE Avg.)	39,808
Face Value (Rs)	2
1 USD = Rs44.8	

One Year Indexed Stock Performance



Price Performance (%)

	1M	6M	1Yr
Ahluwalia	(0.8)	(11.7)	(42.0)
NIFTY	(0.9)	(8.0)	8.0

Source: Bloomberg, Centrum Research
**as on 3 June 2011*

Y/E March (Rsmn) (Standalone)	Q4FY11A	Q4FY10A	YoY%	Q3FY11A	QoQ%	Q4FY11E	Variance %	FY11A	FY10A	YoY%
Net sales	**5,752**	**4,822**	**19.3**	**3,796**	**51.5**	**5,057**	**13.7**	**16,896**	**15,677**	**7.8**
Consumption of RM	4,843	4,659	3.9	2,941	64.6	3,808	27.2	13,192	12,192	8.2
% of sales / bps	84.2	96.6	(1,242)	77.5	670	75.3		78.1	77.8	30
Employee costs & SG&A	600	(146)	(510.8)	519	15.8	691	(13.2)	2,195	1,797	22.2
% of sales / bps	10.4	(3.0)	1,347	13.7	(323)	13.7		13.0	11.5	153
EBITDA	**309**	**309**	**(0.2)**	**336**	**(7.9)**	**557**	**(44.6)**	**1,509**	**1,688**	**(10.6)**
EBITDA Margin (%)/ bps	5.4	6.4	(105)	8.8	(347)	11.0		8.9	10.8	(184)
Dep and amortisation	95	67	42.2	87	9.0	103	(8.0)	338	331	2.3
Interest	42	42	(1.4)	48	(11.8)	59	(29.2)	158	163	(3.0)
EBT	**172**	**200**	**(14.0)**	**201**	**(14.4)**	**395**	**(56.4)**	**1,013**	**1,195**	**(15.2)**
Other income	20	18	9.5	15	33.8	15	31.1	62	57	8.1
PBT	**192**	**218**	**(12.1)**	**216**	**(11.1)**	**410**	**(53.2)**	**1,075**	**1,252**	**(14.1)**
Exceptional item (reported)										
Provision for tax	70	81	(13.6)	74	(6.0)	139	(49.9)	367	434	(15.4)
Effective Tax Rate %/bps	36.4	37.0	(63)	34.4	195	34.0		34.2	34.7	(52)
JV partner's share in profit										
PAT (reported)	**122**	**137**	**(11.2)**	**141**	**(13.7)**	**271**	**(54.9)**	**708**	**818**	**(13.4)**
PAT (adjusted)	**122**	**137**	**(11.2)**	**141**	**(13.7)**	**271**	**(54.9)**	**708**	**818**	**(13.4)**
NPM (%)/ bps	**2.1**	**2.9**		**3.7**	**(160)**	**5.4**		**4.2**	**5.2**	
EPS (adjusted)	**1.9**	**2.2**	**(11.2)**	**2.3**	**(13.7)**	**4.3**	**(54.9)**	**11.3**	**13.0**	**(13.4)**

Y/E Mar (Rsmn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj PAT	YoY (%)	EPS (Rs)	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY09	11,641	32.3	1,411	12.1	577	11.8	9.2	38.2	47.1	13.3	6.0
FY10	15,677	34.7	1,688	10.8	818	41.7	13.0	37.9	44.8	9.4	5.3
FY11E	16,896	7.8	1,509	8.9	708	(13.4)	11.3	24.8	28.7	10.8	6.2
FY12E	19,118	13.2	1,479	7.7	613	(13.4)	9.8	17.7	21.6	12.5	6.6
FY13E	22,250	16.4	1,964	8.8	863	40.8	13.7	20.9	24.0	8.9	5.3

Source: Company, Centrum Research Estimates

Q4FY11 Results Review

Overall, Q4FY11 results were mixed with revenue coming higher by 14%, but operating margins surprising on the downside. Overall profit was impacted by lower margins.

- Order-book for FY11 was Rs34bn and the order-intake during Q4FY11 was Rs5.35bn, taking the year total to Rs21bn. The book-to-bill ratio is intact at 2x.
- Revenue for the quarter surprised us. Actual revenue was Rs5.8bn vs our expectation of Rs5.1bn. However, if we take the impact of Rs600mn/Rs700mn of the EMAAR MGF's CWG games revenue booking, the adjusted revenue was inline.
- Operating margin like other construction companies was a shock. Operating margin was 5.4%, almost half of what management has guided (11%). We also had estimated 11%.
- Other Income, Depreciation, and interest expenses mutually off-set each other.
- Net profit for Q4FY11 came at Rs122mn, less than half of our estimate of Rs271mn. This is mainly due to lower operating margin.

Exhibit 1: Ahluwalia Contracts Q4FY11 Result Review

Particulars	Q4FY11	Q4FY10	YoY%	Q3FY11	QoQ%	Q4FY11E	Variance %	FY11	FY10	YoY%	Comments
Net sales	**5,752**	**4,822**	***19.3***	**3,796**	***51.5***	**5,057**	***13.7***	**16,896**	**15,677**	***7.8***	*Surprisingly higher than expectation, though inline with guidance*
Consumption of RM	4,843	4,659	*3.9*	2,941	*64.6*	3,808	*27.2*	13,192	12,192	*8.2*	
% of sales	*84.2*	*96.6*	*(1,242)*	*77.5*	*670*	*75.3*		*78.1*	*77.8*	*30*	
Employee costs & SG&A	*600*	*(146)*	*(510.8)*	*519*	*15.8*	*691*	*(13.2)*	*2,195*	*1,797*	*22.2*	
% of sales	*10.4*	*(3.0)*	*1,347*	*13.7*	*(323)*	*13.7*		*13.0*	*11.5*	*153*	
EBITDA	**309**	**309**	***(0.2)***	**336**	***(7.9)***	**557**	***(44.6)***	**1,509**	**1,688**	***(10.6)***	*Hit by lower site margins*
EBITDA Margin (%)	*5.4*	*6.4*	*(105)*	*8.8*	*(347)*	*11.0*		*8.9*	*10.8*	*(184)*	
Dep and amortisation	95	67	*42.2*	87	*9.0*	103	*(8.0)*	338	331	*2.3*	*Better than expectation*
Interest	*42*	*42*	*(1.4)*	*48*	*(11.8)*	*59*	*(29.2)*	*158*	*163*	*(3.0)*	*Better than expectation*
EBT	**172**	**200**	***(14.0)***	**201**	***(14.4)***	**395**	***(56.4)***	**1,013**	**1,195**	***(15.2)***	
Other income	20	18	*9.5*	15	*33.8*	15	*31.1*	62	57	*8.1*	*Better than expectation*
PBT	**192**	**218**	***(12.1)***	**216**	***(11.1)***	**410**	***(53.2)***	**1,075**	**1,252**	***(14.1)***	
Exceptional item (reported)											
Provision for tax	70	81	(13.6)	74	(6.0)	139	(49.9)	367	434	(15.4)	
Effective Tax Rate %	*36.4*	*37.0*	*(63)*	*34.4*	*195*	*34.0*		*34.2*	*34.7*	*(52)*	
JV partner's share in profit											
PAT (reported)	***122***	***137***	***(11.2)***	***141***	***(13.7)***	***271***	***(54.9)***	***708***	***818***	***(13.4)***	*The overall deficit in operating margins could not cover-up the better numbers on interest, depreciation, & other income.*
PAT (adjusted)	***122***	***137***	***(11.2)***	***141***	***(13.7)***	***271***	***(54.9)***	***708***	***818***	***(13.4)***	
NPM (%)	***2.1***	***2.9***		***3.7***	***(160)***	***5.4***		***4.2***	***5.2***		
EPS (adjusted)	**1.9**	**2.2**	***(11.2)***	**2.3**	***(13.7)***	**4.3**	***(54.9)***	**11.3**	**13.0**	***(13.4)***	

Source: Company, Centrum Research

Key Takeaways from Conference Call

Order-book details

- Order-intake in FY11 was Rs21bn vs Rs16bn in FY10. The management expects FY12 order-intake to be at Rs26bn. We believe this would give reasonable visibility on the revenue. However, it must be noted that residential orders contribute 43% of the total unexecuted orders
- We don't think that getting orders would be a big issue, going forward, as the company is strong in segments like hotels, hospitals, commercial, etc
- Management seemed bullish on many sectors like Urban Infra, Railways, Thermal Power, etc for future order-intake; we however, don't take it as it is.
- Management also cited good order tendering activity from states of West Bengal, Orissa, etc. and is bidding for it.

Revenue details

- Company has guided for Rs21bn of revenue for FY12 (growth of 25% YoY). We factor in 13% YoY or FY12 given that the project execution is prone to delay on account of residential clients forming 43% of current order-book
- Revenue for the quarter includes revenue of Rs600mn which was classified as inventory till Q3FY11. Since, the client has certified the work, Ahluwalia has booked the amount as revenue and reclassified from inventory to debtors in the balance sheet.

Operating margin

- Operating margin for the quarter was way below the company's guidance of 11%. This was attributed to cost overruns & time delays in execution of orders.
- Though, fixed price orders contribute 20% of the total order-book, we however believe that the impact of this magnitude should not have been there. However, we would be cautious factoring margins which are guided by the company.

Balance Sheet Analysis

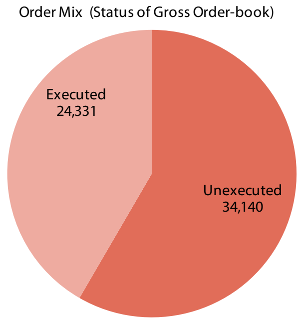
- The financial position of the company in FY11 has not deteriorated as expected by us on account of lower revenue booking.
- Debt/Equity is still comfortable at 0.5x. The company has been able to maintain this ratio despite tough condition in FY11.
- Excluding Rs600mn of EMAAR-MGF client from debtors, we see FY11 working level maintained vs FY10 levels.
- Company has re-classified the EMAAR-MGF's pending amount of Rs600mn from inventory to Debtors. Though the company is still in talks with the clients, management does not expect any write-offs as yet. We initially took a stance favoring the company, but we are increasingly getting uncomfortable on the recovery of this amount.

FY11 Profitability Analysis

- FY11 operating margin was a comfortable 8.9%. Had Q4 been better, margin would have been couple of percentage points higher.
- Even after a disappointing FY11 in terms of revenue booking and consequent profitability, Ahluwalia has been able to generate ROE's of 25% (FY10 ROE was 38%), much higher than peers range of high single digits.

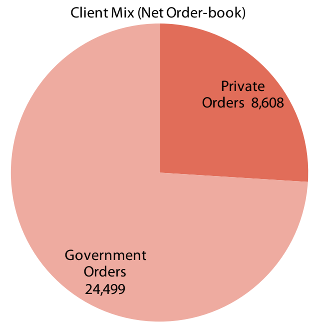
Key Charts & Tables

Exhibit 2: Q4FY11 Order-book Status (Rsmn)



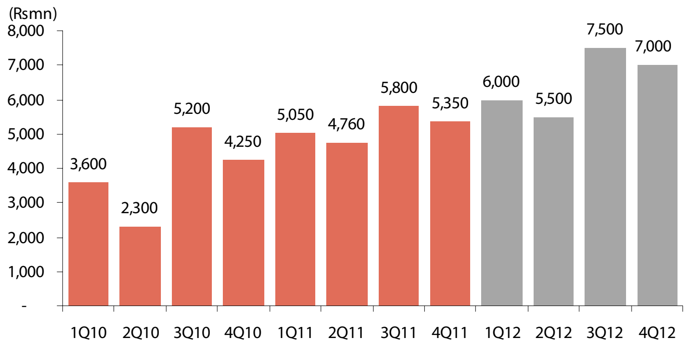
Source: Company, Centrum Research

Exhibit 3: Order-Book Client Mix (Rsmn)



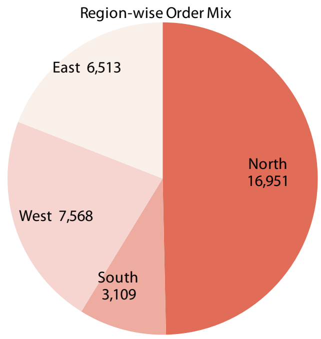
Source: Company, Centrum Research

Exhibit 4: Order-Intake (Past & Expected) (Rsmn)



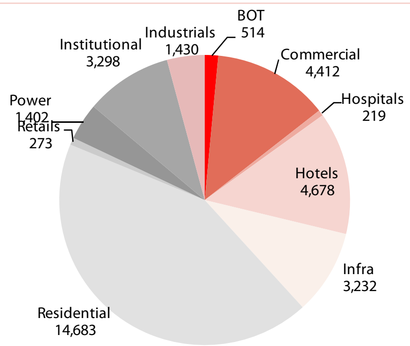
Source: Company, Centrum Research

Exhibit 5: Order-Book Region Mix (Net, Rsmn)



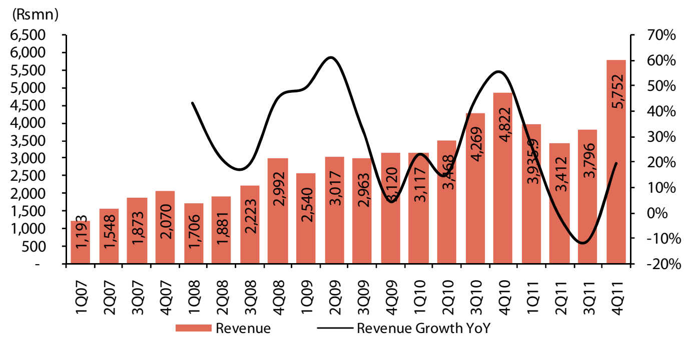
Source: Company , Centrum Research

Exhibit 6: Order-book break-up (Unexecuted, Rsmn)



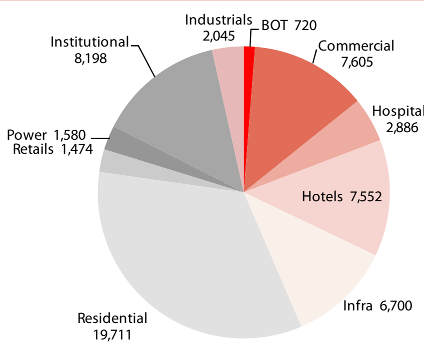
Source: Company, Centrum Research

Exhibit 7: Revenue trend over last 5 Years



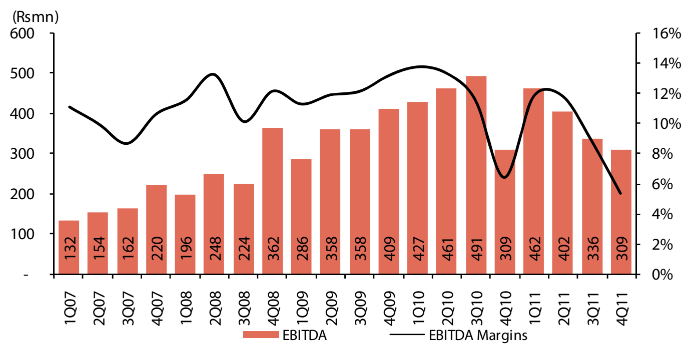
Source: Company, Centrum Research

Exhibit 8: Order-book break-up (Gross, Rsmn)



Source: Company, Centrum Research

Exhibit 9: EBITDA Margin trend over last 5 Years



Source: Company, Centrum Research

Earning estimates reduced, But Not in a Major Way As Happened in other construction stocks

We have lowered our earning estimates sharply for FY12 on account of reduced margin guidance. However, FY13 estimates remains more or less the same. We would however be cautious on the execution progress of the 43%/Rs15bn residential orders.

- Though the company guided Rs21bn revenue in FY12, we have factored in Rs19bn. We believe the execution scenario would improve in FY13 and hence factor a higher revenue growth of 16%.
- The major change would be in operating margins. As per the management, there are orders which are facing cost overruns and delays and hence FY12 margins would be under pressure. Though the comments on con-call on margin were not clear, we factor FY12 operating margins of 7.7% which would improve to 8.8% for FY13.
- Interest expenses have been surprisingly revised downwards by 38%. It should be noted that we were factoring in conservative assumption on working capital investment for FY11. This would have increased it's the company's debt-equity ratio from 0.5x in H1FY11 to 0.7x by FY11-end, which was proved to be wrong. We still factor in slightly higher working capital investment due to scenario prevailing on its client's financial position. However, that is not enough to stop downward revision in interest expense.
- The overall impact of our revision is that earning estimates have been lowered by 28% for FY12 & 11% for FY13. Note that we were already factoring in moderate growth for FY12 and FY13 and higher investment in working capital. Hence, there are no major changes in these parameters.

Exhibit 10: Revised estimates for FY12 and FY13

Particulars	Old Estimates		New Estimates			
	FY12E	FY13E	FY12E	Var (%)	FY13E	Var (%)
Total Income from Operations	**18,658**	**22,068**	**19,118**	**2.5**	**22,250**	**0.8**
EBITDA (Rsmn)	**1,931**	**2,262**	**1,479**	**(23.4)**	**1,964**	**(13.2)**
EBITDA Margins (in %)	10.3	10.2	7.7	*NA*	8.8	*NA*
Depreciation	384	441	400	4.2	452	2.5
Interest Expenses	332	441	216	(34.8)	274	(37.9)
Other Income	68	88	66	(3.0)	69	(21.9)
Profit Before Tax (Rsmn)	**1,283**	**1,467**	**928**	**(27.7)**	**1,307**	**(10.9)**
PBT Margin	6.9	6.6	4.9		5.9	
Tax Expenses	436	499	316	(27.7)	444	(10.9)
Effective Tax Rate (in %)	*34.0*	*34.0*	*34.0*	*NA*	*34.0*	*NA*
Profit After Tax (Rsmn)	**847**	**968**	**613**	**(27.7)**	**863**	**(10.9)**
Net Profit Margin (in %)	*4.5*	*4.4*	*3.2*	*NA*	*3.9*	*NA*
EPS - Diluted	**13.5**	**15.4**	**9.8**	**(27.7)**	**13.7**	**(10.9)**

Source: Company, Centrum Research Estimates

Q4FY11 Performance Does Not Change Our Buy Rating, but Higher Contingent Liability Reduces Our Comfort on the Stock

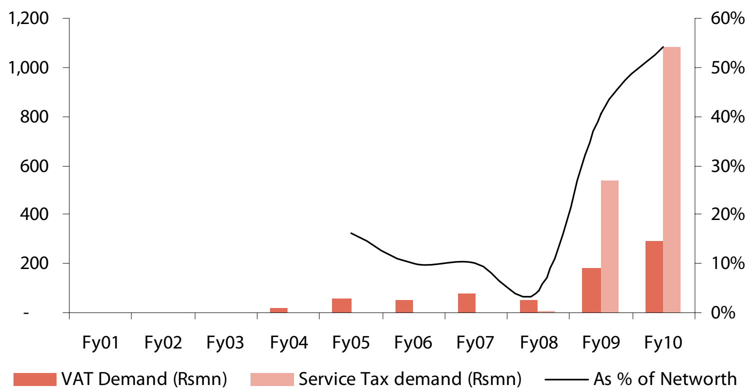
Q4FY11 performance does not alter our Buy rating on the stock, because …

- Q4FY11 margin was a shock, but revenue was better than expectation
- Consistent book-to-bill of 2x
- No single client have more than 10% of exposure to order-book
- Our valuation is based on FY13 numbers, which we hope to be a normal year. FY12 numbers will be disappointing on account of lower margins guided. But even then the debt-equity ratio would not go beyond 0.6x by FY13.
- ROE's despite moderate growth in earnings b/w FY11-13 is still above 17% almost double the levels of peers in the construction industry (18% for FY12 & 21% for FY13).

… However, we would alert investors on risks not observed by the street

- Contingent liabilities of Rs1.1bn on account of **Service Tax** & **Delhi Value Added Tax** Assessment Order passed by DVAT Officer in March'11 raising demand of Rs1.3bn (Tax amount Rs483mn, Interest Amount Rs168mn & Penalty Amount Rs609mn).

Exhibit 11: Trend of Contingent Liabilities (Ex-business related bank guarantee's, etc)



Source: Company, Centrum Research

We believe that after this VAT order against the company (though contestable), the risk-reward ratio skews negatively along with pending receivables from EMAAR MGF (for CWG Village project) of Rs600mn. **We believe, these contingent liabilities would offset any of stock's upside triggers in the near term**.

Impact on valuation: There would not be any impact on our valuations since this is extra-ordinary & contingent event. We base our target price based on FY13 P/E of 10x to EPS of Rs13.7 at Rs140 (stock currently trading at 9X FY13 on our EPS). **We maintain our Buy rating, but would be skeptical on the above uncertainties of contingent liabilities**.

Ex-Contingent Liability Issue, Play for 15% Upside

Exhibit 12: Ahluwalia Contracts - Valuation Summary

Valuation of ACIL	Method	Stake	P/E Multiple	FY13 EPS	Value / Share
Standalone business	P/E	100%	10.0	13.7	137
RMC Business	P/E	100%	6.0	0.5	3
Total Fair Value					**140**
Current Price					122
Upside / Downside					**15%**

Source: Company, Centrum Research Estimates

Financials (Standalone)

Exhibit 2: Income Statement

Y/E March (Rsmn)	FY09	FY10	FY11E	FY12E	FY13E
Revenues	**11,641**	**15,677**	**16,896**	**19,118**	**22,250**
Growth in revenue	*32.3*	*34.7*	*7.8*	*13.2*	*16.4*
Cost of Raw Material	8,832	12,192	13,192	15,431	17,627
% of Revenue	*75.9*	*77.8*	*78.1*	*80.7*	*79.2*
Employee cost	592	685	843	918	1,113
% of Sales	*5.1*	*4.4*	*5.0*	*4.8*	*5.0*
O&M expenses	805	1,112	1,352	1,290	1,546
% of Sales	*6.9*	*7.1*	*8.0*	*6.7*	*6.9*
EBITDA	**1,411**	**1,688**	**1,509**	**1,479**	**1,964**
EBITDA Margin	*12.1*	*10.8*	*8.9*	*7.7*	*8.8*
Depreciation	464	331	338	400	452
PBIT	**947**	**1,357**	**1,171**	**1,079**	**1,512**
Interest expenses	146	163	158	216	274
PBIT from operations	**801**	**1,195**	**1,013**	**863**	**1,238**
Other non operating income	79	57	62	66	69
PBT before ext.od items	**880**	**1,252**	**1,075**	**928**	**1,307**
Extra-ordinary income/ (exp)	-	-	-	-	-
PBT	**880**	**1,252**	**1,075**	**928**	**1,307**
Provision for tax	302	434	367	316	444
Effective tax rate	*34.4*	*34.7*	*34.2*	*34.0*	*34.0*
Minority interest					
PAT	**577**	**818**	**708**	**613**	**863**
Adjustment for Ext.Od items					
Adjusted PAT	**577**	**818**	**708**	**613**	**863**
Growth in PAT (%)	*11.8*	*41.7*	*(13.4)*	*(13.4)*	*40.8*
PAT margin	5.0	5.2	4.2	3.2	3.9

Source: Company, Centrum Research Estimates

Exhibit 3: Balance Sheet

Y/E March (Rsmn)	FY09	FY10	FY11E	FY12E	FY13E
Share Capital	126	126	126	126	126
Stock Options / Warrants					
Reserves	1,650	2,409	3,054	3,612	4,398
Shareholders' fund	**1,776**	**2,535**	**3,179**	**3,738**	**4,523**
Debt	762	1,238	1,645	2,045	2,845
Deferred Tax Liability	(125)	(150)	(166)	(166)	(166)
Total Capital Employed	**2,412**	**3,622**	**4,658**	**5,617**	**7,202**
Gross Block	**2,329**	**2,295**	**2,843**	**3,525**	**4,285**
Accumulated dep.	1,119	1,028	1,374	1,774	2,226
Net Block	**1,210**	**1,268**	**1,469**	**1,751**	**2,059**
Capital WIP	1	10	12	14	16
Total Fixed Assets	**1,211**	**1,278**	**1,481**	**1,765**	**2,075**
Investments	**15**	**80**	**130**	**330**	**530**
Deferred Tax Asset					
Inventories	1,347	1,539	1,686	2,158	2,798
Debtors	3,089	3,338	5,038	6,135	7,460
Cash & bank balances	897	1,708	1,537	1,168	1,013
Loans and Advances	396	466	669	876	1,140
Other Current Assets	62	68	94	101	117
Total current assets	**5,792**	**7,119**	**9,023**	**10,438**	**12,528**
Current lia & provisions	4,605	4,855	5,976	6,917	7,931
Net current assets	**1,187**	**2,264**	**3,047**	**3,521**	**4,597**
Total Assets	**2,412**	**3,622**	**4,658**	**5,617**	**7,202**

Source: Company, Centrum Research Estimates

Exhibit 4: Cash flow Statement

Y/E March (Rsmn)	FY09	FY10	FY11E	FY12E	FY13E
CF from operating					
Profit before tax	**880**	**1,252**	**1,075**	**928**	**1,307**
Depreciation	464	331	338	400	452
Interest expenses	135	158	158	216	274
OP profit before WC change	**1,415**	**1,691**	**1,571**	**1,544**	**2,033**
Working capital adjustment	(942)	(274)	(954)	(843)	(1,231)
Gross cash from operations	**473**	**1,417**	**617**	**702**	**802**
Direct taxes paid	**(376)**	**(458)**	**(383)**	**(316)**	**(444)**
Cash from operations	**97**	**958**	**233**	**386**	**358**
CF from investing					
Capex	(470)	(399)	(549)	(684)	(762)
Investment	41	(65)	(50)	(200)	(200)
Others	54	50	-	-	-
Cash from investment	**(375)**	**(414)**	**(599)**	**(884)**	**(962)**
CF from financing					
Proceeds from sh cap & prem.	-	-	-	-	-
Borrowings/ (Repayments)	197	475	408	400	800
Interest paid	(135)	(158)	(158)	(216)	(274)
Dividend paid	(51)	(51)	(63)	(55)	(77)
Others	-	-	-	-	-
Cash from financing	**10**	**266**	**187**	**129**	**449**
Net cash increase/ (dec)	**(268)**	**811**	**(179)**	**(369)**	**(155)**

Source: Company, Centrum Research Estimates

Exhibit 5: Key Ratios

Y/E March	FY09	FY10	FY11E	FY12E	FY13E
Margin Ratios					
EBITDA Margin	*12.1*	*10.8*	*8.9*	*7.7*	*8.8*
PBIT Margin	*6.9*	*7.6*	*6.0*	*4.5*	*5.6*
PBT Margin	*7.6*	*8.0*	*6.4*	*4.9*	*5.9*
PAT Margin	*5.0*	*5.2*	*4.2*	*3.2*	*3.9*
Growth Ratios (%)					
Revenues	*32.3*	*34.7*	*7.8*	*13.2*	*16.4*
EBITDA	*36.9*	*19.6*	*(10.6)*	*(2.0)*	*32.8*
Net Profit	*11.8*	*41.7*	*(13.4)*	*(13.4)*	*40.8*
Return Ratios (%)					
ROCE	*47.1*	*44.8*	*28.7*	*21.6*	*24.0*
ROIC	*43.6*	*43.0*	*27.2*	*20.3*	*23.0*
ROE	*38.2*	*37.9*	*24.8*	*17.7*	*20.9*
Turnover Ratios					
Asset turnover ratio (x)	10.1	12.7	12.3	11.9	11.7
Working Capital Turnover (x)	13.6	9.1	6.4	5.8	5.5
Avg collection period (days)	96.9	77.7	108.8	117.1	123.1
Avg payment period (days)	173.0	134.9	152.8	151.9	151.9
Per share (Rs)					
Fully diluted EPS	9.2	13.0	11.3	9.8	13.7
CEPS	16.6	18.3	16.7	16.1	20.9
Book Value	28.3	40.4	50.7	59.6	72.1
Solvency ratios (x)					
Debt/ Equity	0.4	0.5	0.5	0.5	0.6
Interest coverage ratio	5.0	6.0	5.5	3.8	4.1
Valuation parameters (x)					
P/E	13.3	9.4	10.8	12.5	8.9
P/BV	4.3	3.0	2.4	2.0	1.7
EV/ EBITDA	6.0	5.3	6.2	6.6	5.3
EV/ Sales	0.7	0.6	0.6	0.5	0.5
M-Cap/ Sales	0.7	0.5	0.5	0.4	0.3

Source: Company, Centrum Research Estimates

Appendix

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