

## GMDC

### A virtual monopoly

Gujarat Mineral Development Corporation (GMDC) is the largest merchant miner of lignite in India, supplying lignite to industrial units, including textiles, chemicals, ceramics, bricks, and captive power plants. Currently, it operates 5 lignite mines in Gujarat. Apart from lignite, it also produces bauxite, fluorspar, and manganese ore and operates a 250MW lignite-based power plant. The company also operates 150MW wind power plants.

#### Investment arguments

**Volume growth to lead net sales growth:** GMDC has increased its lignite volumes at a CAGR of 7.5% over FY2003-12, much higher compared to its peers. Although its volumes declined by 3.5% yoy in FY2013, GMDC is expanding its capacity via brownfield expansion at Mata-no-Madh and Bhavnagar mines, which are expected to add production capacities by 1mn tonne and 2.0mn tonne, respectively, during FY2014. Further, GMDC has cleared major regulatory hurdles for its upcoming Umarsar mine (production capacity -1mn tonne), which is expected to start production in the coming few months.

**Logistics advantage ensures pricing power:** GMDC has exhibited strong pricing power (realizations have grown at a 9.9% CAGR over FY2006-12) due to the prevalence of a robust demand scenario in the pro-industry state of Gujarat. For consumer industries in the state, purchasing coal from Coal India (CIL), or importing coal, stands to be expensive compared to purchasing lignite from GMDC. GMDC intends to raise prices by ₹100-150/tonne in 1QFY2014.

**GMDC scores over Coal India on operational parameters:** We compare GMDC with CIL on various operational parameters. Over the last 7-10 years, GMDC has been beating CIL in terms of achieving volume growth and taking price hikes. Moreover, unlike CIL, GMDC does not have an overhang of having to incur high staff costs.

**Outlook and valuation:** GMDC beats CIL in terms of efficiency, volume growth and ability to take price hikes. Despite these factors, GMDC is currently trading at an EV/EBITDA multiple of 3.3x FY2015E, compared to CIL, which is trading at a multiple of 4.4x, which is unwarranted in our view. GMDC ticks most boxes for a long-term view: A virtual monopoly with proven ability to increase sales volume and prices available at an inexpensive valuation. The key catalysts for the stock are likely to be: 1) lignite price hikes, 2) regulatory approvals for brownfield expansions, and 3) commencement of production from Umarsar mines. **We value GMDC at an EV/EBITDA of 4.5x FY2015E with a target price of ₹213 and initiate coverage with a Buy rating.**

#### Key Financials (Standalone)

Y/E	Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
FY2013E	1,696	51.3	613	18.7	26.7	8.6	2.1	5.4	2.8
FY2014E	1,944	49.9	681	20.7	24.2	7.8	1.7	4.5	2.3
FY2015E	2,317	51.7	842	25.6	24.6	6.3	1.4	3.3	1.7

Source: Company, Angel Research

## BUY

CMP	₹161
Target Price	₹213

Investment Period	12 Months
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Stock Info	
Sector	Mining
Market Cap (₹ cr)	5,109
Net debt (₹ cr)	(189)
Beta	0.6
52 Week High / Low	222/158
Avg. Daily Volume	38,156
Face Value (₹)	2
BSE Sensex	18,438
Nifty	5,543
Reuters Code	GMDC.BO
Bloomberg Code	GMDC@IN

Shareholding Pattern (%)	
Promoters	74.0
MF / Banks / Indian Fls	13.2
FII / NRIs / OCBs	7.0
Indian Public / Others	5.8

Abs. (%)	3m	1yr	3yr
Sensex	(6.6)	5.5	4.1
GMDC	(21.7)	(16.9)	12.8

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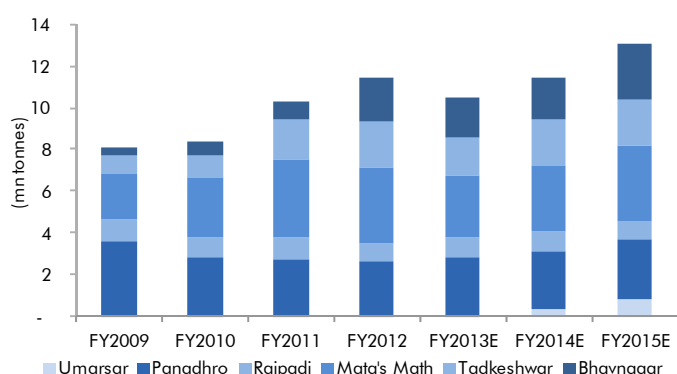
## Investment arguments

### Volume growth to lead net sales growth

GMDC has scaled up its lignite volumes at a CAGR of 7.5% over FY2003-12, which is a growth rate much higher compared to its peers. However, the company's volumes declined by 3.5% yoy due to lower production from Tadkeshwar and Mata-no-Madh mines. Nevertheless, the company is expanding its capacity via brownfield expansion at Mata-no-Madh and Bhavnagar mines, which are expected to add production capacities of 1mn tonne and 2.0mn tonne, respectively, during FY2014. Further, GMDC has got through regulatory hurdles for its upcoming Umarsar mine (production capacity -1mn tonne). The company is not required to acquire any land for this mine. Further, since the mine has very little overburden, production can be ramped up faster, once the mine goes operational. We expect the mine to start production from 2HFY2014.

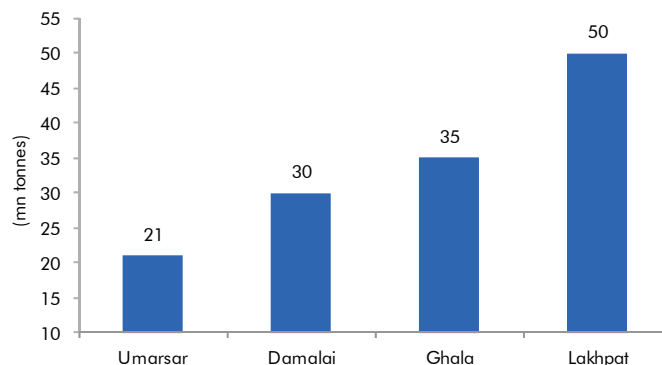
Beyond FY2015, the company's volume growth is likely to be driven by Lakhpat, Ghala and Damalai Padal mines, with capacities of 1.5mn tonne, 2.0mn tonne and 1.5mn tonne, respectively. These mines will increase GMDC's reserves and volumes significantly; however, they are currently at early stages of seeking approval from the Ministry of Environment and Forest (MoEF).

**Exhibit 1: Volume growth trend**



Source: Company, Angel Research

**Exhibit 2: Upcoming mines' estimated reserves**



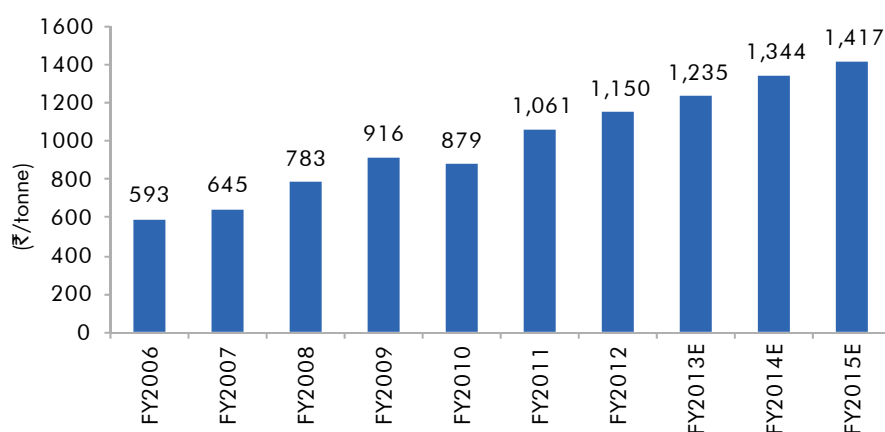
Source: Company, Angel Research

### Logistics advantage backs pricing power, monopoly-like status

GMDC has exhibited strong pricing power due to the prevalence of a robust demand scenario in the pro-industry state of Gujarat (realizations have grown at a 9.9% CAGR over FY2006-12). Moreover, absence of any other merchant miner in the state makes GMDC a virtual monopoly. For consumer industries in the state, purchasing coal from CIL (at least 700 km away), or importing coal, stands to be expensive compared to purchasing lignite from GMDC (Exhibit 4). Also, a decline in international coal prices has insignificant impact on GMDC's lignite realizations as GMDC's customers mainly comprise of small to medium players whose boilers are designed to run on domestic lignite. GMDC intends to raise prices by ₹100-150/tonne during 1QFY2014 in order to pass on the recent diesel price hike. However, on a conservative basis, we factor in a price hike of only ₹70-120/tonne (across various mines).

The company is also setting up a lignite beneficiation plant at Bhavnagar with a capacity of 1.2mn tonne, which is expected to improve its lignite realization (at Bhavnagar) by ₹400/tonne (+25%). Post the successful setting up of a pyrite plant at Bhavnagar, the company could potentially set up new pyrite plants at its other mines which have lignite grades similar to Bhavnagar.

**Exhibit 3: GMDC's blended lignite realization trend**



Source: Company, Angel Research

**Exhibit 4: Comparison of landed cost of coal/lignite for GMDC's customers**

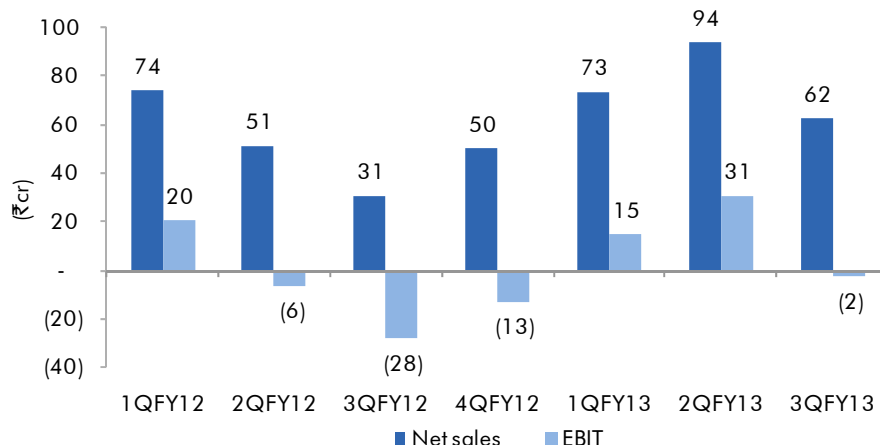
	Coal India	GMDC	Imported coal		
Imported coal price (6000-6800kcal) (US\$/tonne)	-	-	60	80	100
INRUSD	-	-	54	54	54
Imported coal price (₹/tonne)	-	-	3,240	4,320	5,400
Base price (3000-3400kcal) (₹/tonne)*	890	1,235	1,620	2,160	2,700
Taxes and royalty (₹/tonne)	531	612	-	-	-
Transportation (₹/tonne)	1,050	400	800	800	800
<b>Landed cost for customer (₹/tonne)</b>	<b>2,471</b>	<b>2,247</b>	<b>2,420</b>	<b>2,960</b>	<b>3,500</b>
Premium to GMDC coal	10%	-	8%	32%	56%

Source: Company, Angel Research; Note: \* Price adjustment for imported coal to align its grade with domestic coal

### Lignite power plant's operational performance to improve

GMDC operates a 250MW lignite power plant at Nani Chher. However, it has faced operational issues in the past, resulting in a lower plant load factor (PLF). The plant's profitability has remained volatile (even reported EBIT losses) over the past several years. Nevertheless, during FY2013, GMDC has outsourced its operations to a Korean electric company, Kepco, in order to improve its operational efficiency. Kepco will be eligible for incentives in case the PLF of the plant exceeds 75%. We await further clarity on prospective improvement of PLF before we model a turnaround.

**Exhibit 5: Power segment performance has remained erratic**

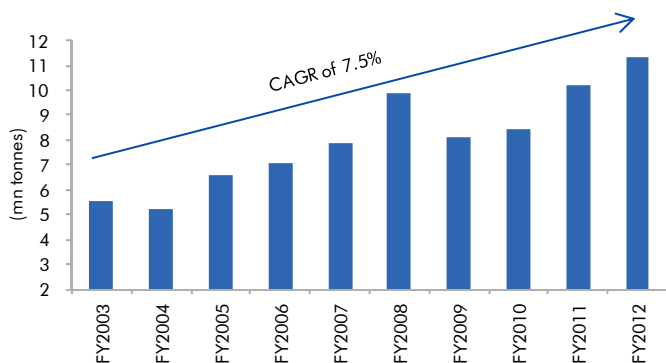


Source: Company, Angel Research

**GMDC scores over Coal India on operational parameters**

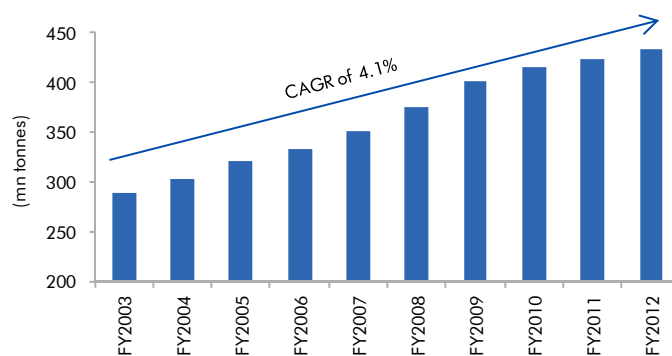
We compare GMDC with CIL on operational and financial parameters. Over FY2003-12, GMDC's volume growth has increased at a CAGR of 7.5%, compared to CIL's CAGR of 4.1%. GMDC's realization has also increased at a faster pace than CIL as socio-political concerns have hampered CIL's ability to take price hikes. Moreover, unlike CIL, GMDC does not have an overhang in terms of incurring high staff costs. With rise in mining costs due to diesel price hikes, GMDC has indicated towards increasing the price of lignite, while there has not been any hint of a potential price hike by CIL, constrained by socio-political concerns.

**Exhibit 6: Ten year volume CAGR of GMDC**



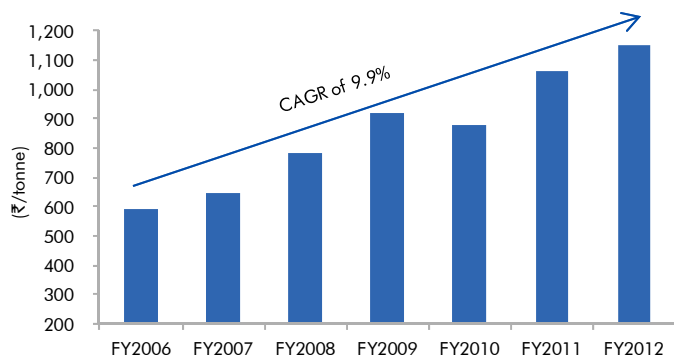
Source: Company, Angel Research

**Exhibit 7: Ten year volume CAGR of CIL**



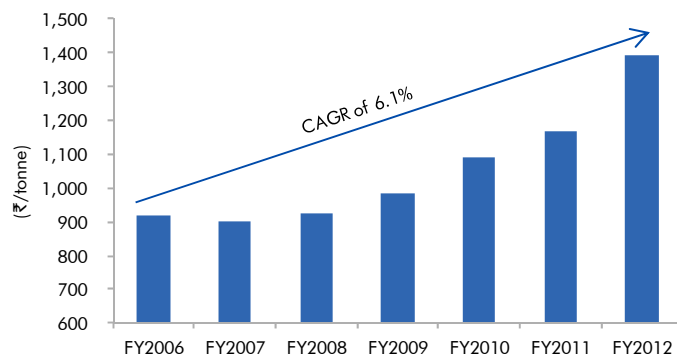
Source: Company, Angel Research

**Exhibit 8: Seven year price CAGR of GMDC**



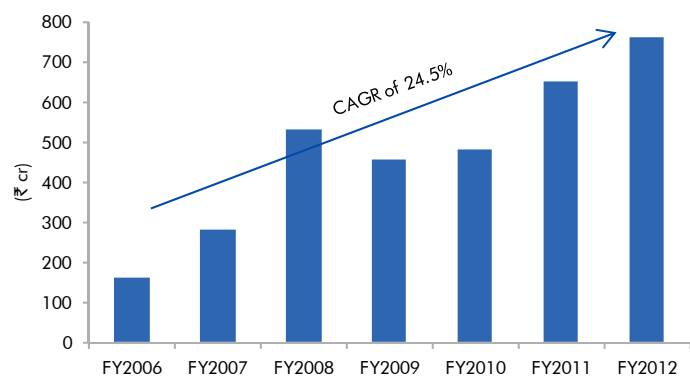
Source: Company, Angel Research

**Exhibit 9: Seven year price CAGR of CIL**



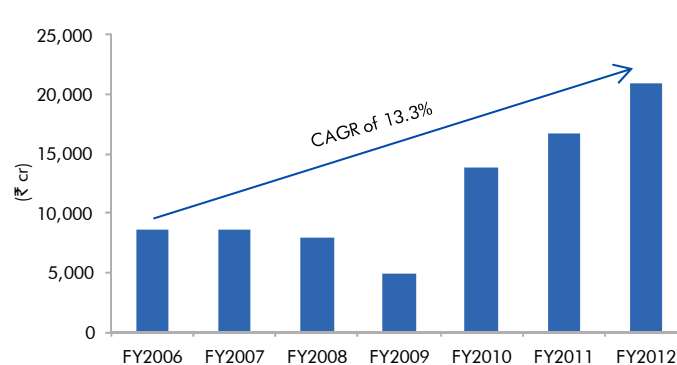
Source: Company, Angel Research

**Exhibit 10: Seven year EBITDA CAGR of GMDC**



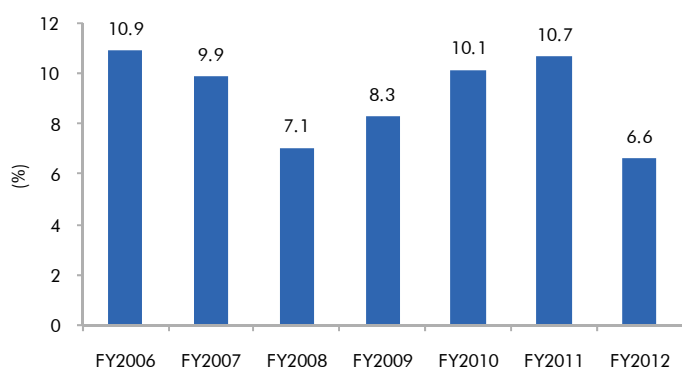
Source: Company, Angel Research

**Exhibit 11: Seven year EBITDA CAGR of CIL**



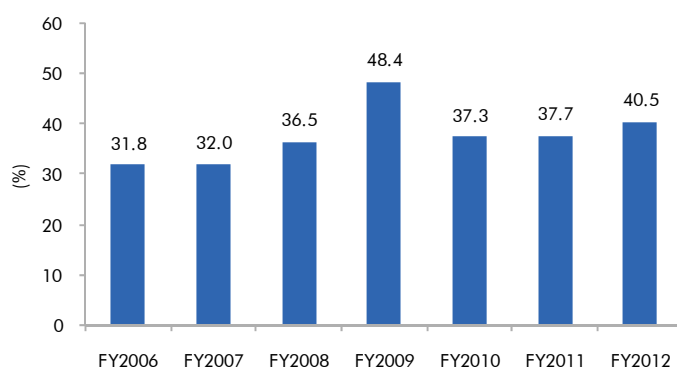
Source: Company, Angel Research

**Exhibit 12: Staff costs as a percentage of sales - GMDC**



Source: Company, Angel Research

**Exhibit 13: Staff costs as a percentage of sales - CIL**



Source: Company, Angel Research

GMDC also scores over other PSU miners on various operational, financial and valuation parameters.

**Exhibit 14: Comparison of mining companies**

Rating parameters	GMDC	CIL	NMDC	MOIL
Mine life	😊	😊	😊	😊
Ability to raise volume	😊	😞	😊	😞
Ability to raise price	😊	😊	😊	😞
Staff costs	😊	😞	😊	😞
Capital allocation	😊	😊	😞	😊
<b>Rating – Business (1)</b>	<b>12</b>	<b>10</b>	<b>11</b>	<b>7</b>
<b>Rating – Valuation (2)</b>	😊	😊	😊	😊
<b>Final rating (1+2)</b>	<b>15</b>	<b>12</b>	<b>14</b>	<b>9</b>

Source: Angel Research

**Exhibit 15: Rating scale**

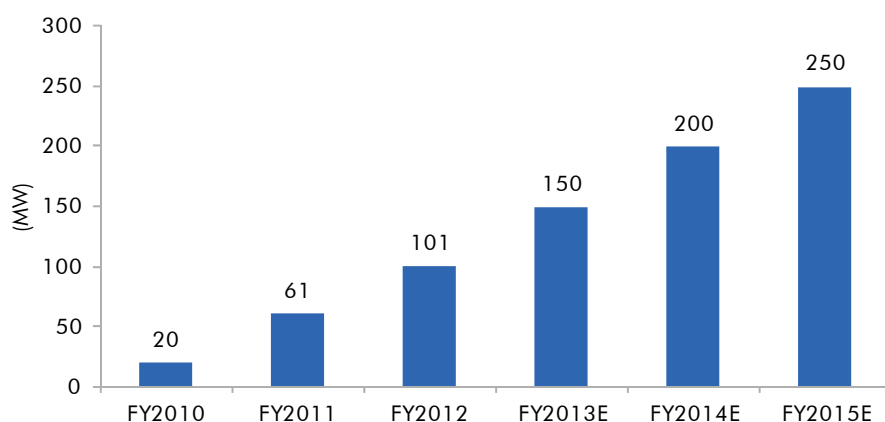
Most preferred	3	😊
Moderate	2	😊
Least preferred	1	😞

Source: Angel Research

**Wind power capacity addition – a value dilutive exercise**

GMDC has gradually increased its wind power capacity to 150MW. Further, it has announced to add another 50MW of wind power capacity each during FY2014 and FY2015 for a total capex of ₹580cr. We feel this is a value dilutive exercise as ROE of wind power plants is only 9-11%, compared to the company’s overall ROE of ~25%. In our view, stepping up dividend payout instead of setting up a wind power plant would have been better utilization of surplus cash from the shareholders’ perspective.

**Exhibit 16: Wind power based capacities**



Source: Company, Angel Research

## Capex to continue over the coming five years

In addition to setting up wind power plants, GMDC aims to diversify by taking up other projects in JV with experienced companies. These projects would include setting up an alumina refinery, a 500MW power plant, a cement plant, fluorspar beneficiation plant etc where GMDC will deploy its operating cash flow generated from mining operations. GMDC aims to remain a minority partner in these ventures. These projects could prove to be value-accretive, as against hoarding cash like some other PSU miners, thus diluting their ROEs.

## Outlook and valuation

GMDC beats CIL in terms of efficiency, volume growth and ability to take price hikes. Despite these factors, GMDC is currently trading at an EV/EBITDA multiple of 3.3x FY2015E, compared to CIL's commensurate multiple of 4.4x, which is unwarranted in our view. GMDC ticks most boxes in the positive, taking a long-term view. It is a virtual monopoly with proven ability to increase sales volume and prices; still its stock is available at an inexpensive valuation. The key catalysts for the stock are likely to be: 1) lignite price hikes, 2) regulatory approvals for brownfield expansions, and 3) commencement of production from Umarsar mines. **We value GMDC at an EV/EBITDA of 4.5x FY2015E with a target price of ₹213 and initiate coverage with a Buy rating.**

**Exhibit 17: EPS sensitivity to price and volume (FY2015)**

		Lignite realization (₹/tonne)				
		1,317	1,367	1,417	1,467	1,517
Volumes (mn tonnes)	12.0	21.8	22.7	23.5	24.4	25.2
	12.5	22.8	23.6	24.5	25.4	26.3
	13.0	23.7	24.6	25.6	26.4	27.4
	13.5	24.6	25.6	26.5	27.5	28.4
	14.0	25.6	26.5	27.5	28.5	29.5

Source: Angel Research

**Exhibit 18: TP sensitivity to price and volume (FY2015)**

		Lignite realization (₹/tonne)				
		1,317	1,367	1,417	1,467	1,517
Volumes (mn tonnes)	12.0	183	190	197	203	210
	12.5	191	198	205	211	218
	13.0	198	205	213	220	227
	13.5	205	213	220	228	235
	14.0	213	220	228	236	244

Source: Angel Research

## Exhibit 19: Key assumptions

	FY2013E	FY2014E	FY2015E
Lignite volumes (mn tonne)	10.9	11.4	13.0
Average realization (₹/tonne)	1,235	1,344	1,417

Source: Angel Research

## Exhibit 20: EPS – Angel forecast vs consensus

Year (₹)	Angel forecast	Bloomberg consensus	Variation (%)
FY2014E	20.7	23.1	(10.2)
FY2015E	25.6	25.6	0.1

Source: Bloomberg, Angel Research

## Key risks

### Delay in approvals

GMDC's Bhavnagar and Mata-no-Madh brownfield expansions have been delayed over the past one year. We expect the company to receive approvals during 2HFY2014. A delay beyond FY2014 in obtaining approvals can lead to muted growth in lignite volumes.

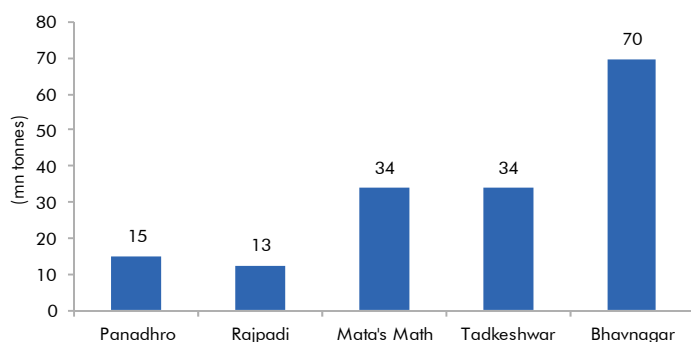
### Delay in price hike

We expect GMDC to hike product prices during FY2014 in order to pass on cost increases due to diesel price hike. However, in case the company does not (or delays) hike prices during FY2014, it could pose a downside risk to our margin estimates.

## Company overview

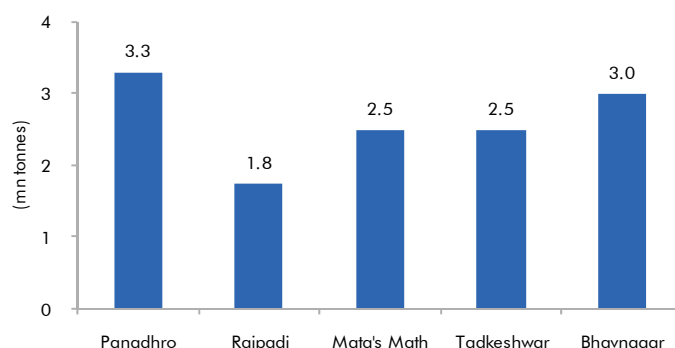
GMDC was established by the Government of Gujarat, in the year 1963, for developing major mineral resources in the state of Gujarat. GMDC is the largest merchant miner of lignite in India, supplying lignite to various industrial units, including textiles, chemicals, ceramics, bricks, and captive power plants. The company operates 5 lignite mines in Gujarat. Apart from lignite, it also produces bauxite, fluorspar, and manganese ore and operates a 250MW lignite-based power plant. The company also operates a 150MW wind power plant.

**Exhibit 21: Lignite mine reserves of GMDC**



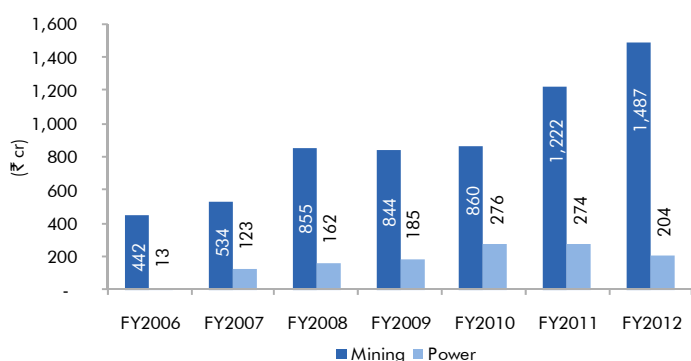
Source: Company, Angel Research

**Exhibit 22: Lignite mine capacity of GMDC**



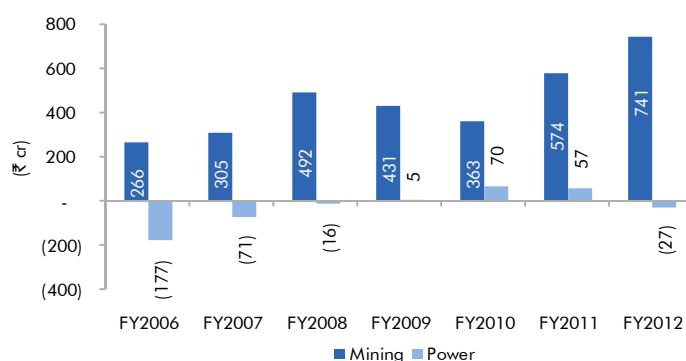
Source: Company, Angel Research

**Exhibit 23: Segmental revenue break-up**



Source: Company, Angel Research

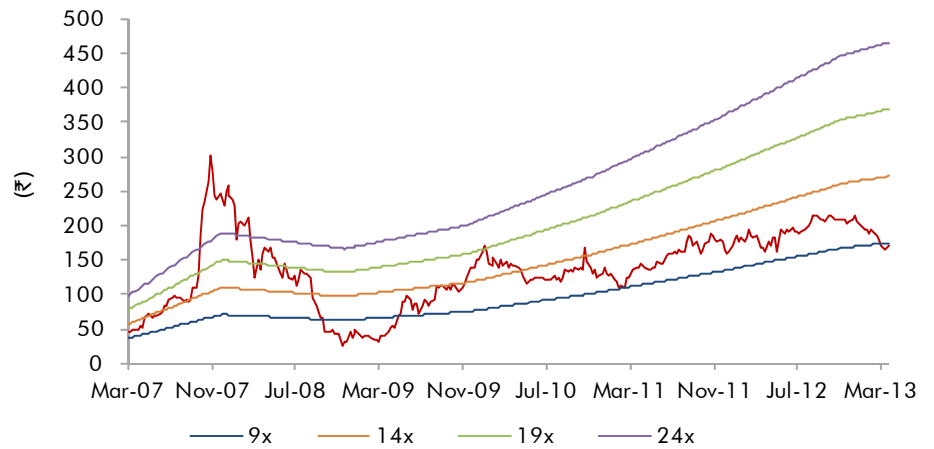
**Exhibit 24: Segmental EBIT break-up**



Source: Company, Angel Research

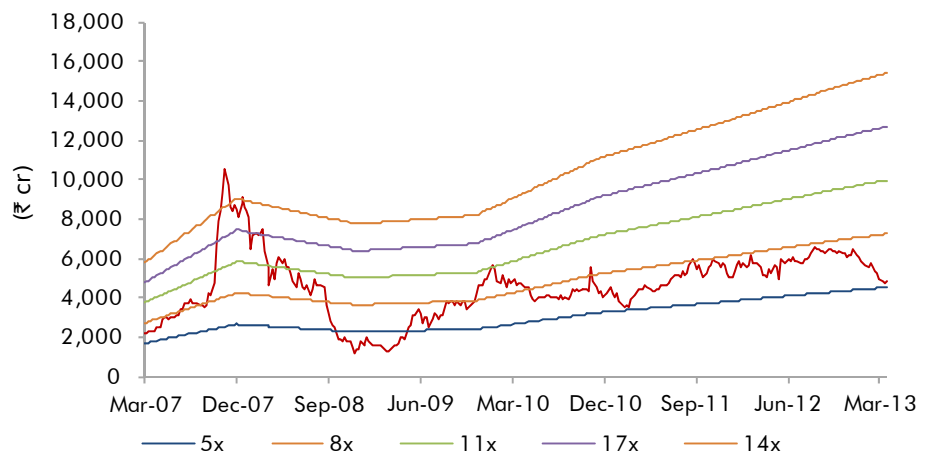


**Exhibit 25: P/E Band**



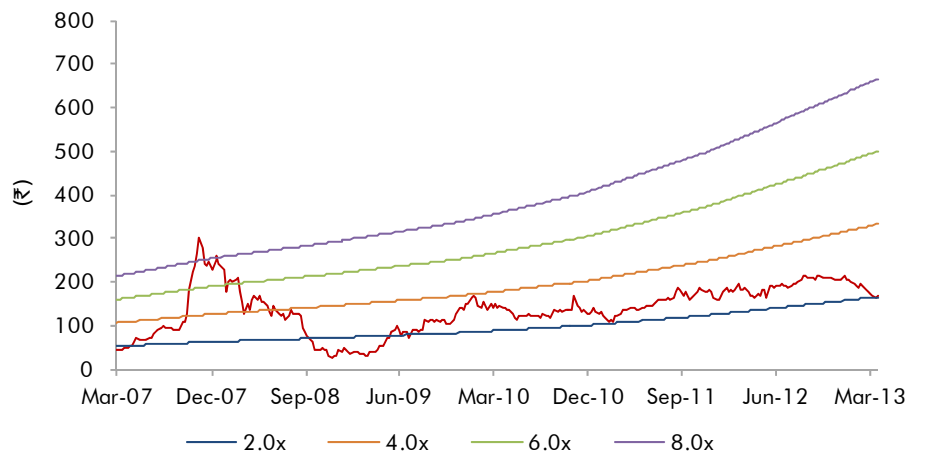
Source: Bloomberg, Angel Research

**Exhibit 26: EV/EBITDA Band**



Source: Bloomberg, Angel Research

**Exhibit 27: P/BV Band**



Source: Bloomberg, Angel Research

**Exhibit 28: Recommendation summary**

Companies	CMP	Target	Reco.	Mcap	Upside	P/E (x)		P/BV (x)		EV/EBITDA (x)		RoE (%)		RoCE (%)	
	(₹)	price (₹)				(₹ cr)	(%)	FY14E	FY15E	FY14E	FY15E	FY14E	FY15E	FY14E	FY15E
GMDC	161	213	Buy	5,109	32	7.8	6.3	1.7	1.4	4.5	3.3	24.2	24.6	30.0	31.2
NMDC	124	179	Buy	49,182	44	7.5	6.5	1.4	1.2	3.5	2.7	20.6	20.2	23.4	24.8
Coal India	308	345	Accum.	194,828	12	10.8	10.0	3.0	2.6	5.2	4.4	37.6	36.2	21.9	22.6
MOIL	228	243	Accum.	3,836	6	8.8	7.9	1.3	1.1	3.4	2.5	15.1	15.2	13.4	14.1

Source: Company, Angel Research

**Profit & loss statement (Standalone)**

Y/E March (₹ cr)	FY10	FY11	FY12	FY13E	FY14E	FY15E
<b>Net Sales</b>	<b>1,065</b>	<b>1,421</b>	<b>1,631</b>	<b>1,696</b>	<b>1,944</b>	<b>2,317</b>
Other operating income	-	-	-	-	-	-
<b>Total operating income</b>	<b>1,065</b>	<b>1,421</b>	<b>1,631</b>	<b>1,696</b>	<b>1,944</b>	<b>2,317</b>
% chg	9.0	33.4	14.7	4.0	14.6	19.2
Total Expenditure	583	770	873	826	973	1,119
Stock Adjustments	(10)	4	4	-	-	-
Other Mfg costs	390	438	549	492	603	712
Personnel	108	152	108	114	123	131
Other	95	177	212	221	248	276
<b>EBITDA</b>	<b>482</b>	<b>651</b>	<b>758</b>	<b>870</b>	<b>970</b>	<b>1,198</b>
% chg	5.8	35.1	16.3	14.8	11.6	23.5
(% of Net Sales)	45.2	45.8	46.5	51.3	49.9	51.7
Depreciation	86	90	105	120	126	132
<b>EBIT</b>	<b>396</b>	<b>561</b>	<b>652</b>	<b>750</b>	<b>844</b>	<b>1,066</b>
% chg	4.8	41.7	16.3	14.9	12.6	26.3
(% of Net Sales)	37.2	39.5	40.0	44.2	43.4	46.0
Interest & other Charges	26	15	8	-	-	-
Other Income	36	39	73	165	173	190
(% of PBT)	8.9	6.6	10.2	18.1	17.0	15.1
<b>Recurring PBT</b>	<b>406</b>	<b>585</b>	<b>718</b>	<b>915</b>	<b>1,017</b>	<b>1,256</b>
% chg	9.8	44.0	22.8	27.4	11.2	23.5
Extraordinary Inc/(Expense)	4	1	1	-	-	-
<b>PBT (reported)</b>	<b>410</b>	<b>585</b>	<b>718</b>	<b>915</b>	<b>1,017</b>	<b>1,256</b>
Tax	126	210	231	302	336	415
(% of PBT)	31.1	35.8	32.2	33.0	33.0	33.0
<b>PAT (reported)</b>	<b>284</b>	<b>376</b>	<b>488</b>	<b>613</b>	<b>681</b>	<b>842</b>
Extraordinary Inc/(Expense)	4	1	1	-	-	-
<b>Adj. PAT</b>	<b>280</b>	<b>375</b>	<b>487</b>	<b>613</b>	<b>681</b>	<b>842</b>
% chg	20.9	34.0	29.8	25.9	11.2	23.5
<b>Basic EPS (₹)</b>	<b>8.4</b>	<b>11.3</b>	<b>14.8</b>	<b>18.7</b>	<b>20.7</b>	<b>25.6</b>
<b>Fully Diluted EPS (₹)</b>	<b>8.4</b>	<b>11.3</b>	<b>14.8</b>	<b>18.7</b>	<b>20.7</b>	<b>25.6</b>
% chg	20.7	35.0	31.0	25.9	11.2	23.5

**Balance sheet (Standalone)**

Y/E March (₹ cr)	FY10	FY11	FY12	FY13E	FY14E	FY15E
<b>SOURCES OF FUNDS</b>						
Equity Share Capital	64	64	64	64	64	64
Reserves & Surplus	1,342	1,606	1,982	2,482	3,012	3,703
<b>Shareholder's Funds</b>	<b>1,406</b>	<b>1,670</b>	<b>2,046</b>	<b>2,545</b>	<b>3,076</b>	<b>3,766</b>
Total Loans	216	52	-	-	-	-
Other Long Term liabilities	-	139	369	369	369	369
Net Deferred tax liability	240	254	293	293	293	293
<b>Total Liabilities</b>	<b>1,862</b>	<b>2,115</b>	<b>2,708</b>	<b>3,207</b>	<b>3,738</b>	<b>4,428</b>
<b>APPLICATION OF FUNDS</b>						
Gross Block	1,976	2,236	2,557	2,607	2,862	3,222
Less: Acc. Depreciation	635	719	800	920	1,046	1,178
<b>Net Block</b>	<b>1,341</b>	<b>1,517</b>	<b>1,758</b>	<b>1,688</b>	<b>1,817</b>	<b>2,044</b>
Capital Work-in-Progress	10	19	6	206	306	306
Goodwill	-	-	-	-	-	-
Investments	133	133	133	133	133	133
<b>Current Assets</b>	<b>1,481</b>	<b>570</b>	<b>999</b>	<b>1,397</b>	<b>1,731</b>	<b>2,229</b>
Cash	96	35	56	459	777	1,251
Loans & Advances	1,264	441	833	833	833	833
Other	122	94	110	106	121	145
<b>Current liabilities</b>	<b>1,121</b>	<b>524</b>	<b>507</b>	<b>536</b>	<b>568</b>	<b>603</b>
<b>Net Current Assets</b>	<b>360</b>	<b>46</b>	<b>491</b>	<b>861</b>	<b>1,162</b>	<b>1,625</b>
Other Assets	-	400	320	320	320	320
Misc Exp. not w/o	18	-	-	-	-	-
<b>Total Assets</b>	<b>1,862</b>	<b>2,115</b>	<b>2,708</b>	<b>3,207</b>	<b>3,738</b>	<b>4,428</b>

**Cash flow statement (Standalone)**

Y/E March (₹ cr)	FY10	FY11	FY12	FY13E	FY14E	FY15E
Profit before tax	406	585	718	915	1,017	1,256
Depreciation	86	90	106	120	126	132
Change in Working Capital	172	(108)	14	33	16	12
Less: Other income	6	(3)	(38)	-	-	-
Others	3	10	11	-	-	-
Direct taxes paid	121	185	248	302	336	415
<b>Cash Flow from Operations</b>	<b>554</b>	<b>389</b>	<b>562</b>	<b>766</b>	<b>824</b>	<b>986</b>
(Inc.)/ Dec. in Fixed Assets	(135)	(275)	(333)	(250)	(355)	(360)
(Inc.)/ Dec. in Investments	(74)	-	-	-	-	-
Other income	20	19	46	-	-	-
<b>Cash Flow from Investing</b>	<b>(190)</b>	<b>(257)</b>	<b>(287)</b>	<b>(250)</b>	<b>(355)</b>	<b>(360)</b>
Issue of Equity	-	-	-	-	-	-
Inc./(Dec.) in loans	(263)	(83)	(133)	-	-	-
Dividend Paid (Incl. Tax)	(74)	(93)	(111)	(113)	(151)	(151)
Others	(26)	(17)	(10)	-	-	-
<b>Cash Flow from Financing</b>	<b>(363)</b>	<b>(193)</b>	<b>(254)</b>	<b>(113)</b>	<b>(151)</b>	<b>(151)</b>
Inc./(Dec.) in Cash	1	(61)	21	402	318	475
<b>Opening Cash balances</b>	<b>95</b>	<b>96</b>	<b>35</b>	<b>56</b>	<b>459</b>	<b>777</b>
<b>Closing Cash balances</b>	<b>96</b>	<b>35</b>	<b>56</b>	<b>459</b>	<b>777</b>	<b>1,251</b>

**Key ratios**

Y/E March	FY10	FY11	FY12	FY13E	FY14E	FY15E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	19.2	14.2	10.9	8.6	7.8	6.3
P/CEPS	14.5	11.5	8.9	7.2	6.5	5.4
P/BV	3.8	3.2	2.6	2.1	1.7	1.4
Dividend yield (%)	1.6	1.9	1.9	1.9	2.5	2.5
EV/Sales	5.0	3.7	3.1	2.8	2.3	1.7
EV/EBITDA	11.1	8.0	6.7	5.4	4.5	3.3
EV/Total Assets	2.9	2.5	1.9	1.5	1.2	0.9
<b>Per Share Data (₹)</b>						
EPS (Basic)	8.4	11.3	14.8	18.7	20.7	25.6
EPS (fully diluted)	8.4	11.3	14.8	18.7	20.7	25.6
Cash EPS	11.1	14.0	18.0	22.3	24.6	29.6
DPS	2.5	3.0	3.0	3.0	4.0	4.0
Book Value	42.1	50.4	62.3	77.5	93.6	114.6
<b>Returns (%)</b>						
ROCE (Pre-tax)	23.9	33.6	34.6	32.7	30.0	31.2
Angel ROIC (Pre-tax)	24.9	30.7	33.8	38.7	40.2	45.1
ROE	21.3	24.4	26.2	26.7	24.2	24.6
<b>Turnover ratios (x)</b>						
Asset Turnover (Gross Block)	15.0	38.0	46.5	41.9	49.6	50.6
Inventory (days)	23	18	15	15	15	15
Receivables (days)	24	10	8	8	8	8
Payables (days)	34	31	28	28	28	28
WCcycle (ex-cash) (days)	123	35	50	90	74	60
<b>Solvency ratios (x)</b>						
Net debt to equity	(0.0)	(0.1)	(0.1)	(0.2)	(0.3)	(0.4)
Net debt to EBITDA	(0.0)	(0.2)	(0.2)	(0.7)	(0.9)	(1.2)
Interest Coverage (EBIT / Int.)	15.2	36.7	83.1	-	-	-

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### GMDC

1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

### Ratings (Returns):

Buy (&gt; 15%)

Reduce (-5% to -15%)

Accumulate (5% to 15%)

Sell (&lt; -15%)

Neutral (-5 to 5%)

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