

INEOS ABS (India)

Ineos ABS India (INEOS), an 83% subsidiary of Ineos Global Group, is India's leading manufacturer of an engineering plastic named acrylonitrile butadiene styrene (ABS). On the back of capacity expansion and product development, the top line of the company is expected to grow at a CAGR of 19% during CY2010-12E. The business of the company is to be transferred to 'Styrolution', a 50/50 JV between BASF and INEOS and as specified in the company release on BSE, 'an indirect change in control of INEOS ABS India Limited is expected', which may trigger an 'Open Offer' in the next one year, in our view. The stock is attractive at 12.7x PE and 0.9x EV/Sales for CY2012E. We recommend Buy on INEOS ABS India with a target price of ₹702, based on a target P/E of 16x and implied EV/Sales of 1.1x for CY2012E.

Investment rationale

Transfer of business to 'Styrolution' to act as a key trigger

Ineos Group and BASF have agreed to form a 50/50 joint venture, which is to include INEOS ABS, INEOS NOVA (sister concern) and Styrene, ABS, polystyrene businesses of BASF to form a new company as 'Styrolution'. The deal is expected to be completed by 4QCY2011. As announced in the company release on BSE that "an indirect change in control of INEOS ABS India Limited is expected", which we believe may trigger an 'Open Offer' in the next one year. Since Ineos group holds 83% stake in INEOS ABS Ltd, a successful open offer may lead to delisting of the company.

Capacity expansion to help tap the unfulfilled demand

As there is a gap between supply and demand of ABS, CRISIL Research estimates supply would grow at a 17% CAGR to meet the demand of a 10% CAGR during CY2010-15E. Assuming the market share of INEOS to remain constant at 60%, volumes for INEOS ABS resin is likely to grow by 17% over the same period. Considering the slowdown in the economy we have assumed that the volumes will grow at 9% yoy and 10% yoy in CY2011E and CY2012E, for which the company has already expanded its capacity by ~ 33% to 80,000 TPA in 2011.

Outlook and valuation

Net sales of the company is expected to grow at 19% CAGR during CY2010-12E. The company's EBITDA margin is expected to fall to 11.2% due to high raw-material prices in CY2011E and CY2012E. We expect Net Profit to dip in CY2011E by 3% yoy but rise by 14% yoy in CY2012E to ₹77cr. At the CMP of ₹559, the stock is trading at PE of 12.7x and EV/Sales of 0.9x of CY2012E. **We recommend Buy on INEOS ABS India with a target price of ₹702, offering an upside of 25% from current levels.**

Key financials

INEOS	Net sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
CY2010	742	15.2	70	40	21	14.0	2.9	7.3	1.1
CY2011E	896	11.3	68	39	17	14.5	2.5	8.5	1.0
CY2012E	1,049	11.2	77	44	17	12.7	2.1	7.7	0.9

Source: Company, Angel Research

BUY

CMP	₹559
Target Price	₹702
Investment Period	12 Months

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Investment arguments

Transfer of business to 'Styrolution' to act as a key trigger

Ineos Group and BASF have agreed to form a 50/50 joint venture, which is to include INEOS ABS, INEOS NOVA (sister concern) and Styrene, ABS, polystyrene businesses of BASF to form a new company as 'Styrolution'. Since, as announced in the news release on BSE that "an indirect change in control of INEOS ABS India Limited is expected", we believe that this may trigger an 'Open Offer' in the next one year. As Ineos group holds 83% stake in INEOS ABS Ltd, a successful open offer may lead to delisting of the company. The new entity 'Styrolution' is forecasted to have annual sales of more than €5bn. The JV will be launched on a global scale and will be a globally competitive producer of Styrene, ABS and polystyrene, with a leading position in North America, Asia and Europe.

There have been quite a few merger and acquisition activities carried on in the company in the past, as listed in the following exhibit:

Exhibit 2: History of M&A activities

1973	Incorporated as ABS Plastics Ltd.
1992	Name changed to ABS Industries Ltd.
1997	Bayer acquired 51% stake, name changed to Bayer ABS Ltd.
2004	Styrenic-based polymer business became part of Lanxess, name changed to Lanxess ABS
2008	83.3% acquired by INEOS ABS Ltd., open offer at ₹201, name changed to INEOS ABS India Ltd.
2011	Talks to transfer INEOS ABS to Styrolution, 50/50 JV of INEOS Group and BASF.

Source: Company

Capacity expansion to help tap the unfulfilled demand

Considering the industry demand for ABS vis-a-vis the supply, the gap has persisted for long and continues to exist. The unfulfilled demand is being met by the imports of ABS. Moreover, even domestic players have started expansion of the capacity in order to tap the unfulfilled demand.

Exhibit 3: ABS Volumes in India

Particulars (TPA)	2007	2008	2009	2010	2011E	2012E
ABS production	72,403	77,350	69,581	82,162	91,090	107,607
ABS import	12,383	13,365	21,073	30,368	34,928	39,000
ABS export	1,687	1,307	1,539	60	4,753	11,000
ABS demand	85,000	95,000	88,859	106,329	116,983	128,705
INEOS capacity	50,000	60,000	60,000	60,000	80,000	110,000
INEOS production	49,427	48,053	50,515	54,904	65,053	76,849
INEOS volume	49,194	47,336	51,495	55,068	65,053	76,849

Source: CRISIL Research, Company, Department of Commerce

CRISIL Research estimates that the supply of ABS would grow at 17% CAGR to meet the demand of a 10% CAGR during CY2010-15E. Assuming the market share of INEOS to remain constant at 60%, volumes for ABS are likely to grow by 17% over this period. Company has already made capacity expansion from 60,000 TPA to 80,000 TPA in 2011 and also has plans to further augment the

capacity to 110,000 TPA by the end of CY2012. Since SAN is an intermediate product in the production of ABS, to assist and support increased ABS resins production, the company has also started capacity expansion for SAN from the existing 60,000 TPA to 100,000 TPA.

Financials

Key assumptions

CRISIL Research has estimated the supply of ABS to grow at a 17% CAGR during CY2010-15E. However, considering the slowdown in the economy, we have assumed volume to grow at 9% yoy and 10% yoy in CY2011E and CY2012E, respectively. On the back of increased feedstock prices, raw-material prices are assumed to grow at weighted average of 20% yoy and 9% yoy in CY2011E and CY2012E, respectively. Increased raw-material prices will raise the price of ABS by 13% yoy in CY2011E and 2% yoy in CY2012E, resulting in realization growth of 24% yoy in CY2011E and 14% yoy in CY2012E.

Exhibit 4: Key assumptions

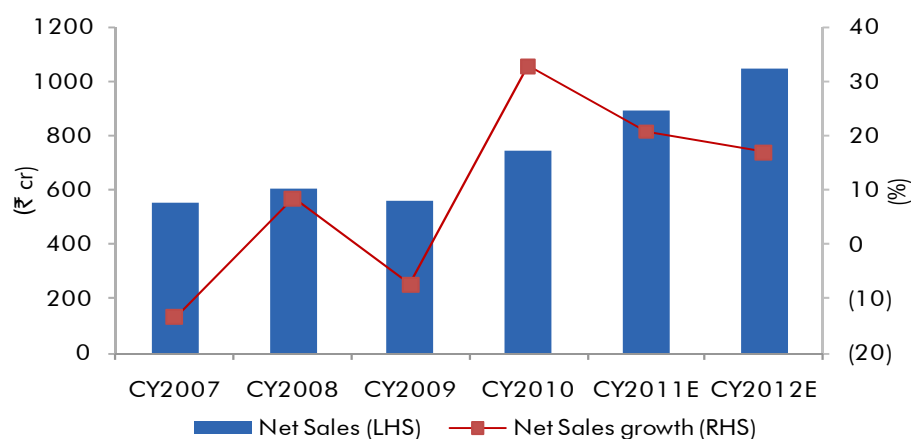
	CY2011E	CY2012E
Total volume growth (ABS+SAN) (%)	9	10
Total realization growth (%)	24	14
Change in weighted raw material prices (%)	20	9

Source: Angel Research

Net sales to grow at a 19% CAGR for CY2010-12E

Considering the capacity expansion and revived demand for ABS from the automobile and home appliances sector, the company's net sales are expected to grow at a CAGR of 19% over CY2010-12E to ₹1,049cr.

Exhibit 5: Net sales & net sales growth

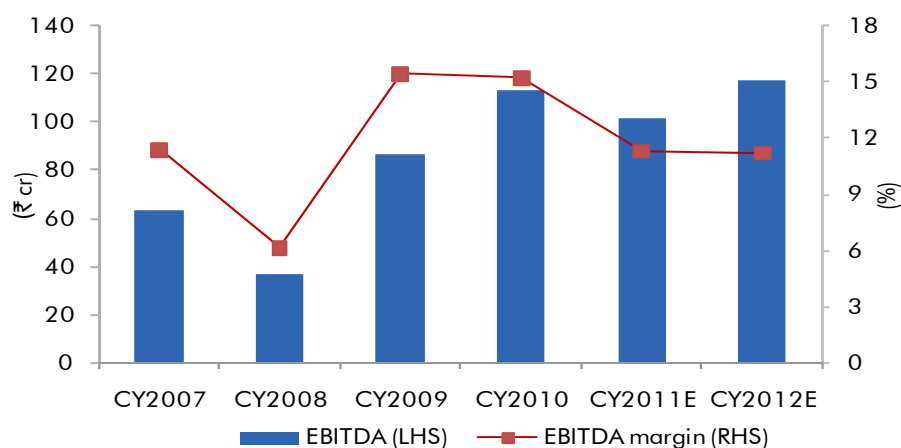


Source: Company, Angel Research

EBITDA margin to fall to 11.2% during CY2010–12E

Despite increased sales, improved operational efficiency through process development and power generation through wind mills, on the back of high growth in raw-material prices, the company's EBITDA margin is expected to fall from 15.2% in CY2010 to 11.2% in CY2011E and CY2012E. The company's EBITDA is expected to be around ₹117cr in CY2012E.

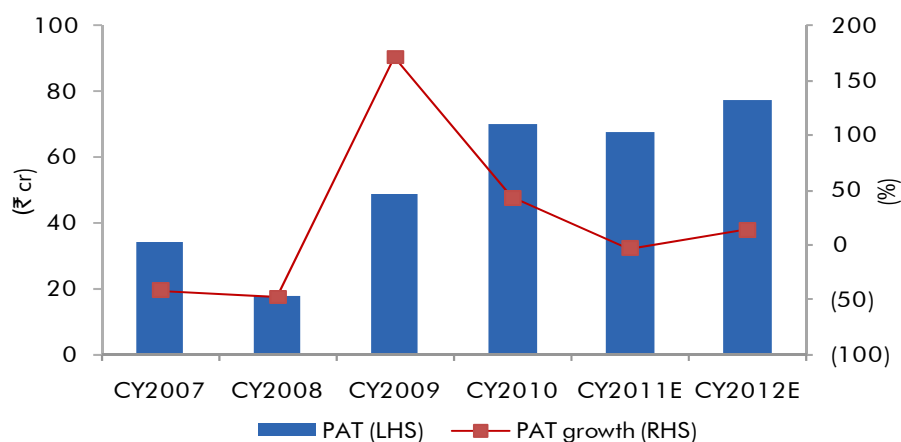
Exhibit 6: EBITDA & EBITDA margin



Source: Company, Angel Research

With capacity expansion, the gross block is expected to grow by 15% yoy and 25% yoy in CY2011E and CY2012E, respectively, with a subsequent increase in the depreciation from ₹14cr in CY2010 to ₹23cr in CY2012E. With zero debt and cash surplus, the company's other income is expected to rise from ₹5cr in CY2010 to ₹16cr in CY2012E. We expect Net Profit to dip in CY2011E by 3% yoy but rise by 14% yoy in CY2012E to ₹77cr.

Exhibit 7: PAT & PAT growth



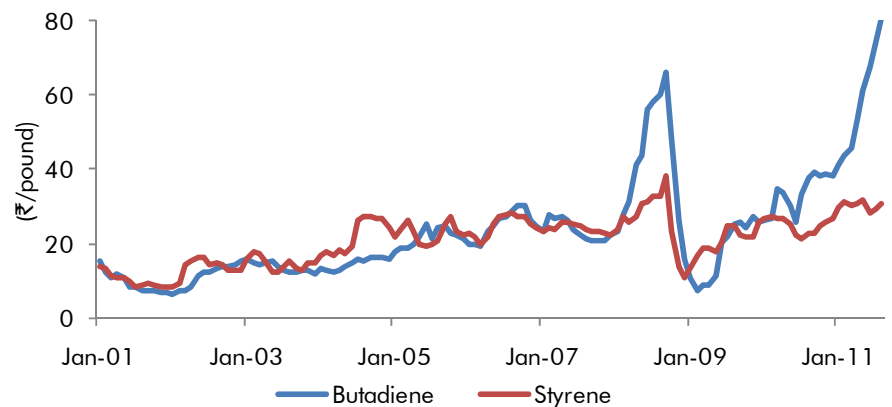
Source: Company, Angel Research

Risks

Raw-material supply and price volatility

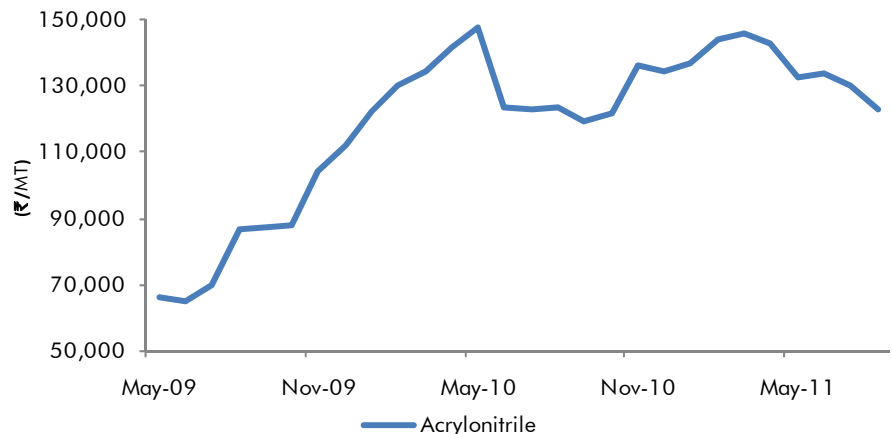
Acrylonitrile, butadiene and styrene are the key raw materials for production of ABS and SAN. About 81% of the total raw material used for the production is imported. Supply of these raw materials is quite tight and inflexible. Moreover, their prices have been fluctuating in a wide range, which in turn is likely to negatively affect the company's margins. On the back of high feedstock prices, prices for ABS are also expected to rise.

Exhibit 8: Butadiene and Styrene price trend



Source: Bloomberg

Exhibit 9: Acrylonitrile price trend

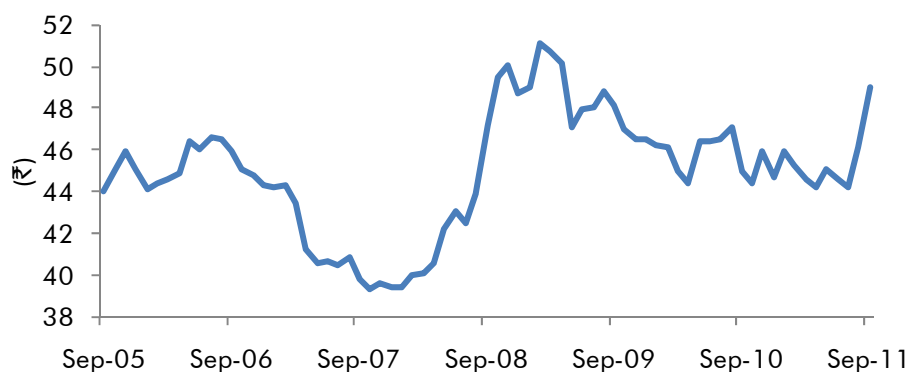


Source: Bloomberg

Exchange rate fluctuations

Raw materials form nearly 80% of the total operating cost, of which 81% is imported. The exchange rate fluctuation can have an adverse effect on cost and, thereby, the margins, so is a risk factor.

Exhibit 10: INR/USD Exchange Rate



Source: Bloomberg

Imports cheap as compared to domestic ABS

Imported ABS is available at a cheaper rate as compared to domestically available ABS. Though the percentage price difference between international and domestic ABS has narrowed, there is still a gap of around 18%.

Exhibit 11: International and domestic price variation of ABS

Particulars	2006	2007	2008	2009	2010	2011
International ABS price (₹)	80,745	83,596	83,820	92,905	84,773	107,686
INEOS ABS price (₹)	96,838	104,262	108,822	122,879	101,097	127,226
Price difference (%)	20	25	30	32	19	18

Source: Company, Department of Commerce

Sensitivity analysis of EPS

a) Realisation & Butadiene prices

The sensitivity analysis reflects the changes in EPS with respect to the percentage change in realisation and butadiene prices. We have assumed realisation to grow at 14.4% yoy in CY2012E and butadiene prices to grow at 10% yoy in CY2012E which will lead to EPS of ₹44.

Exhibit 12: Impact on EPS w.r.t. % chg. in realisation & butadiene prices

		(% chg. in Butadiene prices)					
		(10)%	0%	10%	20%	30%	50%
(% chg. in Realisation)	(10)%	(23.2)	(28.7)	(34.1)	(39.6)	(45.0)	(56.0)
	0%	8.8	3.3	(2.1)	(7.6)	(13.0)	(24.0)
	10%	40.8	35.4	29.9	24.4	19.0	8.0
	14.4%	54.9	49.4	44.0	38.5	33.1	22.1
	20%	72.8	67.4	61.9	56.4	51.0	40.1
	25%	88.8	83.4	77.9	72.4	67.0	56.1

Source: Angel Research

b) Volume & Butadiene prices

A 10% yoy growth in CY2012E in volume and 10% yoy growth in butadiene prices in CY2012E would deliver EPS of ₹44.

Exhibit 13: Impact on EPS w.r.t. % chg. in volume & butadiene prices

		(% chg. in Butadiene prices)				
		(10)%	0%	10%	20%	30%
(% chg. in Volume)	(10)%	105.5	101.1	96.6	92.1	87.7
	0%	80.2	75.2	70.2	65.3	60.3
	5%	67.5	62.3	57.0	51.8	46.6
	10%	54.8	49.3	43.9	38.4	32.9
	15%	42.1	36.4	30.7	25.0	19.3
	20%	29.4	23.5	17.5	11.5	5.6

Source: Angel Research

c) Volume & Realisation

A growth of 10% yoy in CY2012E in volume and 14.4% yoy in CY2012E in realisation would raise the EPS to ₹44.

Exhibit 14: Impact on EPS w.r.t. % chg. in volume & realisation

		(% chg. in Realisation)					
		(10)%	0%	10%	14.4%	20%	25%
(% chg. in Volume)	(10)%	18.6	50.6	82.6	96.7	114.6	130.6
	0%	(7.8)	24.3	56.3	70.3	88.3	104.3
	5%	(20.9)	11.1	43.1	57.2	75.1	91.1
	10%	(34.1)	(2.1)	29.9	44.0	61.9	77.9
	15%	(47.3)	(15.3)	16.7	30.8	48.7	64.7
	20%	(60.5)	(28.5)	3.5	17.6	35.5	51.5

Source: Angel Research

Competition

In the domestic market, INEOS ABS Ltd. holds 60% market share in ABS resins segment and 68% in SAN resins segment while the remaining 40% in ABS resins and 32% in SAN resins is held by Bhansali Engg. Ltd. As per CRISIL Research, total demand for ABS is expected to grow by 10% CAGR during CY2010-15E to ~177,400 TPA. Assuming the market share of existing players to remain constant, sales volume of INEOS is expected to almost double from 55,068 TPA in CY2010 to 106,440 TPA in CY2015E.

Exhibit 15: ABS volume growth

ABS trend	2008-09		2009-10		2014-15E		CAGR % 2010-2015E
	Volume (TPA)	Market share (%)	Volume (TPA)	Market share (%)	Volume (TPA)	Market share (%)	
INEOS ABS Ltd.	51,495	63	55,068	60	106,440	60	17
Bhansali Engg. Ltd.	30,667	37	36,022	40	70,960	40	17

Source: CRISIL Research, Angel Research

On the valuation front, the company is trading at attractive PE of 13.6x and P/BV of 2.7x on TTM basis. Even on the ROE front, INEOS has delivered better returns of around 20% compared to peer average of 16%.

Exhibit 16: Relative valuation

Y/E June 2011 (TTM)	Net Sales (₹ cr)	OPM (%)	PAT (₹ cr)	EPS (₹)	ROE (%)	P/E (x)	P/BV (x)	EV/EBITDA (x)	EV/Sales (x)
INEOS ABS	804	14.1	72	40	20	13.6	2.7	7.4	1.0
Bhansali Engg.	450	12.3	38	2	17	10.9	1.9	8.2	1.0
BASF India	3,056	7.1	134	31	14	19.3	2.7	12.4	0.9
Clariant Chemicals	1,003	14.9	114	43	18	16.6	3.1	12.9	1.9

Source: Capital Line

Petrochemicals – Polymers industry

According to CRISIL Research, global demand for polymers is expected to grow by 4-4.5% CAGR during CY2010-15E, while domestic demand is expected to increase at a CAGR of 10% during the same period.

ABS is an engineering or performance plastic product with applications in home appliances, electronics and automobiles. According to CRISIL Research, the domestic ABS industry is expected to grow by 17% yoy to 127,000 TPA in CY2011 due to healthy demand from the automobiles and home appliances segments.

The domestic ABS market is duopolistic in nature. INEOS ABS and Bhansali Engineering are the major players in the ABS segment.

Exhibit 17: Capacity structure of ABS (TPA)

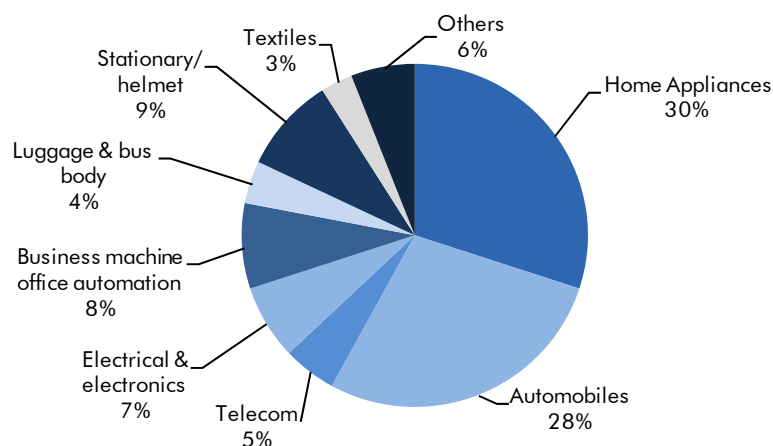
Company	Location	2009-10	2010-11	2011-12E
INEOS ABS India	Baroda, Gujarat	60,000	80,000	110,000
Bhansali Engg.	Aburoad, MP	50,000	51,000	75,000

Source: Industry, CRISIL Research

End-user industry and uses of ABS

ABS resins are composed of 50% styrene and varying amounts of butadiene and acrylonitrile. Styrene provides rigidity and ease of processing, acrylonitrile offers chemical resistance and heat stability and butadiene gives toughness and impact strength. ABS applications are based on its properties such as lightweight, ability to comprise various colors, good product finish and strength in withstanding vibrations.

Exhibit 18: Use of ABS in various sectors in India



Source: Industry, CRISIL Research

Growth will continue to come from home appliances (including refrigerators, washing machines and air conditioners), automobiles and business machines and office automation segments. These three segments alone account for around 70% of total demand in CY2010-11.

Exhibit 19: ABS – End-use market trend

End-use market	2010-11E (TPA)	2010-11E (% share)	2015-16 E (TPA)	2015-16 E (% share)
Automobiles	41,224	32.5	70,723	30.8
Home appliances	37,424	29.5	77,254	33.7
Telecom	5,226	4.1	8,417	3.7
Electrical and electronics	8,330	6.6	16,304	7.1
Business machine office automation	11,254	8.9	18,792	8.2
Luggage and bus body	3,625	2.9	5,838	2.5
Stationary/helmet	9,652	7.6	16,264	7.1
Textiles	3,333	2.6	4,661	2
Others	6,893	5.4	11,101	4.8

Source: Industry, CRISIL Research

INEOS Group

INEOS Group, the holding company of INEOS ABS India Ltd., is a leading and global manufacturer of petrochemicals, specialty chemicals and oil products. The company has a turnover of around US\$28.4bn and comprises 15 businesses (all these businesses have a major chemical heritage). Leading market positions allow INEOS Group to be the supplier of choice for many of the largest customers in our markets. The company's production network spans 61 manufacturing facilities in 13 countries throughout the world; the group produces more than 40mn TPA of petrochemicals and 20mn TPA of crude oil refined products (fuels) each year.

Company background

Incorporated in 1973 as ABS Plastics Ltd., the company is now known as INEOS ABS India Ltd. Ineos Group holds an 83% share in the company. INEOS is a leading manufacturer of an engineering plastic named ABS.

The company has three manufacturing plants in Gujarat at Nandesari, Katol and Moxi. The Nandesari plant manufactures ABSOLAC (ABS polymer), while the Katol plant produces ABSOLAN (SAN polymer). The Moxi plant blends the resins manufactured at the above two plants in the required proportion to get the desired grade of output. At Moxi, the company has a research and application development cell to meet R&D requirements of global LANXESS activities in areas of a) process and product development b) polymer characterisation c) tailor-made grades and special color development.

Windmill Farm

The company has installed wind turbine generators (WTG) at Lamba, Dhank and Pransala in Gujarat. Wind farms have been an important source of energy generation, which in turn has reduced the power consumption worth 8 mio units. Power generated by the windmills has enabled the company to rationalise its power cost, which constitutes around 4% of the total operating cost.

Debt-free and cash-rich position

The company has zero debt with a cash surplus (including investments) of around ₹147cr in June 2011, which will enable the company to finance the extended capacity through internal accruals.

Tailor-made products as per market & consumer demand

ABS can be easily used in specific applications by co-polymerising i.e., changing polymer composition and blending. Thus, taking advantage of its flexibility of composition and structure, allowing its use in diverse applications, the company has launched various tailor-made products.

Exhibit 20: Product development

Product development	End-use products
Blend of ABS/PMMA	LCD TV market
Low gloss ABS	Bus roof and automotive body interior
Nylon/ABS blend	Indian automotive markets
ESCR grade extrusion grade ABS	Refrigerator application
Glass filled ABS	AC blower application

Source: Company

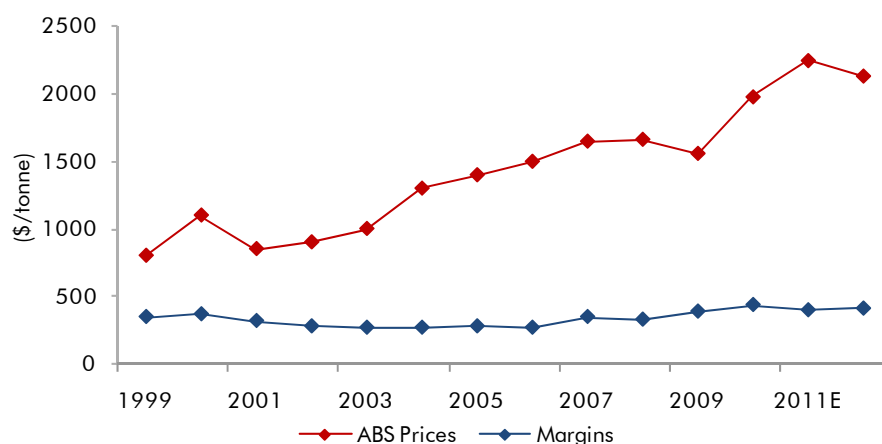
Products

The company manufactures two products ABSOLAC (ABS) and ABSOLYN (SAN). ABS constitutes nearly 86% of the company's total revenue, while SAN constitutes 14% of revenue.

ABSOLAC

ABS (acrylonitrile butadiene styrene) polymer is a versatile engineering plastic accepted as a substitute for conventional materials. The mechanical and thermal properties of ABS are comparable to metals. It is a high performance plastic, used predominantly in automobiles and consumer durables. ABS also has its application in refrigerator liners, telecommunications, consumer electronics, computer cabinets and cameras.

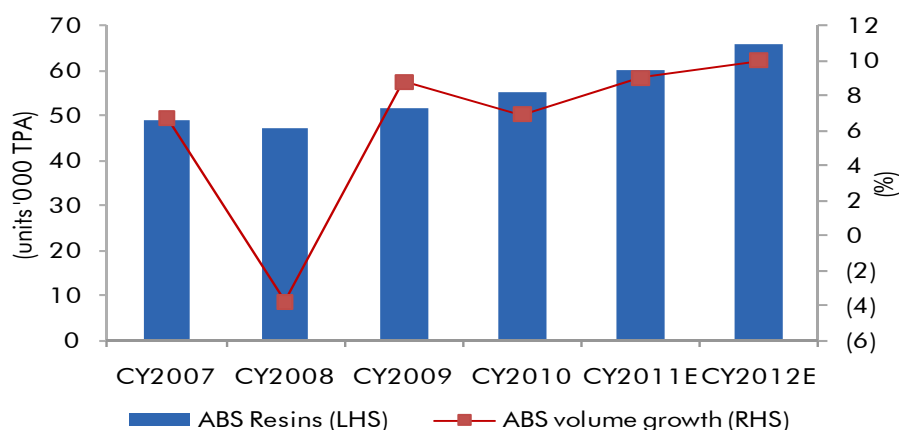
Exhibit 21: International prices & margins of ABS



Source: CRISIL Research

Considering the industry volume growth of ABS to reach ~177,400 TPA in CY2014-15E and assuming the market share to remain constant, ABS sales volume for INEOS is expected to grow at a CAGR of 17% during CY2010-15E.

Exhibit 22: ABS volume & value growth

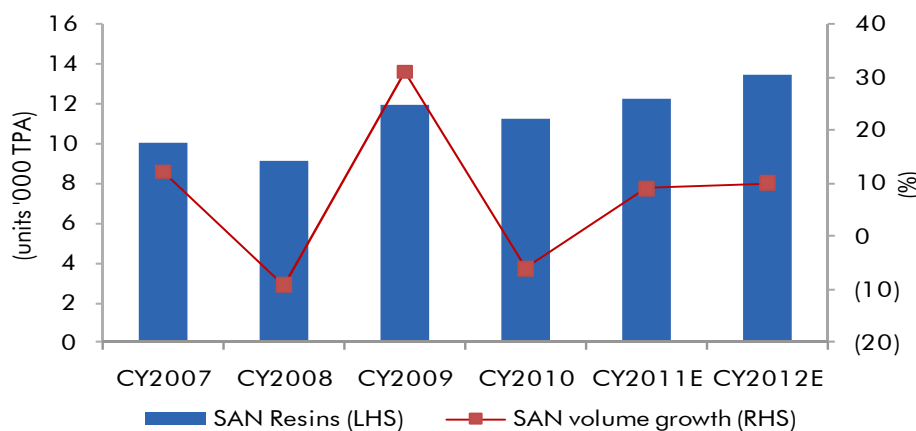


Source: Company, Angel Research

ABSOLAN

SAN (styrene acrylonitrile) is a polymerised plastic resin giving 95% transparent finish. It has its applications in lightings, stationeries and novelties, refrigerators and cosmetic packing.

Exhibit 23: SAN volume & value growth



Source: Company, Angel Research

ABS segment has capacity of 60,000 TPA and the utilisation rate is 91.5%, while the SAN segment is equipped with 60,000 TPA capacity utilised at 82.4%. Additional capacity of 20,000 TPA for ABS is operational since early 2011, while the company has plans to further augment the capacity to 110,000 TPA. To support the additions in ABS production, SAN capacity is also planned to be extended to 100,000 TPA.

Standalone profit & loss account

Y/E December (₹ cr)	CY2007	CY2008	CY2009	CY2010	CY2011E	CY2012E
Gross sales	644	689	606	816	1008	1153
Less: Excise duty	87	85	47	74	112	104
Net Sales	557	604	559	742	896	1049
Other operating income	-	-	-	-	-	-
Total operating income	557	604	559	742	896	1049
% chg	-	8	(7)	33	21	17
Net Raw Materials	410	467	360	522	663	787
% chg	-	14	(23)	45	27	19
Other Mfg costs	29	33	34	36	44	49
% chg	-	12	6	6	21	12
Personnel	14	17	18	20	26	26
% chg	-	15	6	16	28	1
Other	41	51	61	51	62	69
% chg	-	25	19	(16)	21	12
Total Expenditure	494	495	496	497	498	499
EBITDA	63	37	86	113	101	117
% chg	-	(42)	133	31	(10)	16
(% of Net Sales)	11	6	15	15	11	11
Depreciation & Amortisation	14	15	14	14	16	23
EBIT	50	22	72	99	85	94
% chg	-	(55)	222	38	(14)	11
(% of Net Sales)	9	4	13	13	10	9
Interest & other charges	1	2	1	2	0	0
Other Income	6	7	4	5	12	16
(% of Net Sales)	1	1	1	1	1	2
Extraordinary Expense/(Inc.)	1	-	-	-	-	-
PBT (reported)	54	27	75	103	97	110
Tax	19	9	26	33	29	33
(% of PBT)	35	34	35	32	30	30
PAT (reported)	34	18	49	70	68	77
PAT after MI (reported)	34	18	49	70	68	77
ADJ. PAT	34	18	49	70	68	77
% chg	0	(48)	171	43	(3)	14
(% of Net Sales)	6	3	9	9	8	7
Basic EPS (₹)	20	10	28	40	39	44
Fully Diluted EPS (₹)	20	10	28	40	39	44
% chg	0	(48)	171	43	(3)	14
Dividend	5	4	6	7	8	10
Retained Earning	29	14	43	63	59	67

Standalone balance sheet

Y/E December (₹ cr)	CY2007	CY2008	CY2009	CY2010	CY2011E	CY2012E
SOURCES OF FUNDS						
Equity Share Capital	18	18	18	18	18	18
Preference Capital	-	-	-	-	-	-
Reserves & Surplus	200	213	255	317	376	443
Shareholders' Funds	218	231	272	334	394	461
Minority Interest	-	-	-	-	-	-
Total Loans	-	-	-	-	-	-
Deferred Tax Liability	30	29	27	25	25	25
Total Liabilities	247	259	300	360	419	486
APPLICATION OF FUNDS						
Gross Block	280	307	310	318	365	457
Less: Acc. Depreciation	140	154	168	181	198	220
Net Block	140	153	142	136	168	236
Capital Work-in-Progress	24	8	11	12	13	14
Lease adjustment	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Investments	24	45	71	93	93	93
Current Assets	213	179	199	281	358	391
Cash	40	32	37	60	27	(15)
Loans & Advances	15	18	19	41	108	147
Inventory	69	56	57	71	89	102
Debtors	89	74	85	109	134	157
Current liabilities	155	127	128	166	212	249
Net Current Assets	58	52	71	115	145	143
Misc. Exp. not written off	-	-	-	-	-	-
Total Assets	247	259	300	360	419	486

Key ratios

Y/E December	CY2007	CY2008	CY2009	CY2010	CY2011E	CY2012E
Valuation Ratio (x)						
P/E (on FDEPS)	28.5	54.4	20.1	14.0	14.5	12.7
P/CEPS	20.5	30.0	15.5	11.7	11.7	9.8
P/BV	4.5	4.3	3.6	2.9	2.5	2.1
Dividend yield (%)	0.5	0.4	0.6	0.7	0.9	1.0
EV/Net sales	1.6	1.5	1.6	1.1	1.0	0.9
EV/EBITDA	14.5	24.5	10.1	7.3	8.5	7.7
EV / Total Assets	3.7	3.5	2.9	2.3	2.1	1.9
Per Share Data (₹)						
EPS (Basic)	19.6	10.3	27.9	39.8	38.5	43.9
EPS (fully diluted)	19.6	10.3	27.9	39.8	38.5	43.9
Cash EPS	27.3	18.6	36.1	47.8	47.7	56.8
DPS	3.0	2.5	3.5	4.0	4.8	5.8
Book Value	123.9	131.2	154.9	190.1	223.8	261.9
DuPont Analysis						
EBIT margin	8.9	3.7	12.8	13.3	9.5	9.0
Tax retention ratio	0.6	0.7	0.7	0.7	0.7	0.7
Asset turnover (x)	3.5	3.5	3.1	3.8	3.1	2.7
ROIC (Post-tax)	20.2	8.5	26.1	34.6	20.8	16.8
Cost of Debt (Post Tax)	-	-	-	-	-	-
Leverage (x)	(0.3)	(0.3)	(0.4)	(0.5)	(0.3)	(0.2)
Operating ROE	14.3	5.7	15.7	18.8	14.5	14.0
Returns (%)						
ROCE (Pre-tax)	20.1	8.6	24.0	27.5	20.3	19.4
Angel ROIC (Pre-tax)	31.3	12.8	39.9	50.7	29.7	24.0
ROE	15.8	7.8	18.0	21.0	17.2	16.7
Turnover ratios (x)						
Asset TO (Gross Block)	2.0	2.0	1.8	2.3	2.5	2.3
Inventory / Net sales (days)	45	34	38	35	36	36
Receivables (days)	58	44	56	54	55	55
Payables (days)	114	81	99	96	97	97
WC cycle (ex-cash) (days)	12	12	22	27	48	55
Solvency ratios (x)						
Net debt to Equity	(0.3)	(0.3)	(0.4)	(0.5)	(0.3)	(0.2)
Net debt to EBITDA	(1.0)	(2.1)	(1.3)	(1.3)	(1.2)	(0.7)
Int. Coverage (EBIT/ Int.)	42.6	11.6	55.6	55.0	-	-

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Disclosure of Interest Statement

INEOS ABS (India) Ltd

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 (> 15%)

Reduce (-5% to 15%)

Accumulate (5% to 15%)

Sell (< -15%)

Neutral (-5 to 5%)