



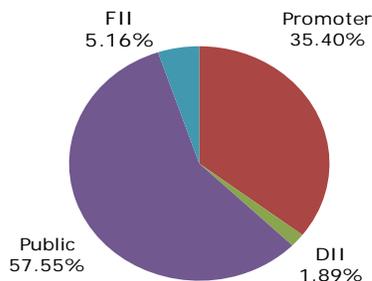
Stock Details

BSE Code	: 526853
NSE Code	: NA
Market Cap (Rs.mn)	: 15746.86
Sector	: Packaging
Year End	: March
52 w. High/ Low	: 712.80/352.00
Listed On	: BSE
Shs. In Issue (Mn.)	: 22.69 Mn.
BSE Sensex	: 20069.12
Nifty	: 6029.95

Cons Summary Table

Rs. In Mn.	FY10	FY11E	FY12E
Sales	10478	13412	16765
OP. Profit	2419	3224	4078
EBIDTA	23.1%	24.0%	24.3%
PBT	1625	2230	2950
PAT	1169	1561	2065
PAT %	11%	12%	12%
EPS	51.5	68.8	91.0
CEPS	80.9	94.4	120.3
P/E (X)	13.5	10.1	7.6

Share Holding Pattern



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Sep 30, 2010

Bilcare Ltd. (Bilcare)

CMP	: 694.05	Recommendation	: BUY
Target Price	: 1050.00		

We are initiating coverage on Bilcare Limited; a niche player in global pharma packaging industry with expertise in delivering research-based packaging solutions to global pharma players. Bilcare also provides complete infrastructure and project management services to drug innovators and bio-pharmaceutical players, during their clinical trial phase, thereby establishing its presence across the entire pharmaceutical value chain.

Investment Rationales:-

Macro opportunities:-

➤ Over the next 5 years, global pharma industry is expected to grow by about \$300 bn. to \$1.1 trln. Emerging markets in particular, are expected to grow by 14% to 17%. We believe, Bilcare with its leading position in the Asian pharma packaging industry and ~62% market share in Indian barrier blister market will achieve sizeable leap in its earnings.

➤ Globally, pharma companies spend ~2% to 2.5% of their revenues on packaging. With the expected \$300 bn. growth in pharma industry, Bilcare will get natural fillip to its earnings.

➤ Over the next 5 years, medicines with sales turnover of over \$ 140 bn. are expected to shift under the generic umbrella in major developed markets. We anticipate this to prompt parent companies to resort to brand protection where Bilcare will play major role due to its expertise in innovative solution based package offerings.

Extra Edge over competitors: - Bilcare's PPI division is beyond commodity/material supplies. Unlike other material suppliers who have their presence either in "foils" or "films", Bilcare has its presence in both the segments. Also, Bilcare provides a complete project management services under its GCS division for new drug discovery, thereby marking its presence across entire pharma value chain.

Synergies with Ineos buyout: - Ineos has 50 years long experience in the rigid film segment with long standing relations with over 1500 customers globally. For Bilcare, Ineos will be a steady and captive source of films for blister making. We believe, the acquisition will further strengthen Bilcare's position in global pharma packaging industry with access to over 1500 new customers and opportunity to cross- market its patented packaging solutions and GCS offerings.

Valuations: - At current price of Rs. 694, Bilcare is trading at 10x of its FY2011E EPS of Rs.68.8 and 7.6x of its FY2012E EPS of Rs. 91. **(Excluding EPS contribution from Ineos)**

We recommend **BUY** on Bilcare with a **price target of Rs. 1050**, implying a potential upside of 51%. **Our target price is based on expected synergies from Ineos and estimated EPS contribution of ~Rs. 35 from it.** Hence Bilcare is trading at just 5.51x of its consolidated FY2012E EPS of Rs. 126 (Rs. 91+Rs. 35).



Company Introduction:-

Competency in providing research based packaging solutions.....

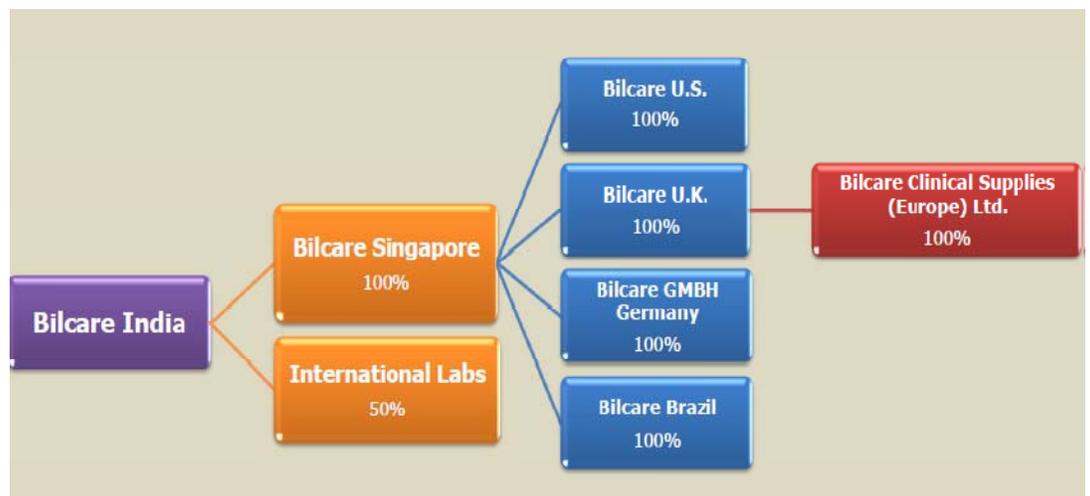
Speedy drug delivery

Business partner with renowned global players....

Bilcare is a pioneer in global pharma packaging industry with its core competency in providing innovative research-based packaging solution to renowned global pharma players. Bilcare helps them in delivering authenticated drugs with full efficacy to the end consumers.

Bilcare is focused on ensuring efficacy of drug delivery from plant to the consumer through its customized packaging solutions. **Bilcare's packaging expertise, along with innovative packaging solutions also enhances the speed and quality of drug discovery and helps building and protecting brands by ensuring the safe delivery of original medicines to end users. Bilcare Technologies' nonClonableID™ solution has potential application across 80 billion packs worldwide, with an advantage of authenticity for usage.**

Bilcare is a global organization with its R&D facilities located across US, Europe, India and Singapore. It is a trusted partner for various global pharmaceutical giants like **Novartis, Merck, Pfizer, Sanofi-Avantis, GlaxoSmithKline, Jonson and Jonson et al**, with long term contracts and 100% customer retention.



What is the Business of Bilcare?

Bilcare is a leading player in Asia for blister barrier packaging, with 62% market share in India. Bilcare has presence across the entire pharmaceutical value chain through its three dedicated cells, viz.

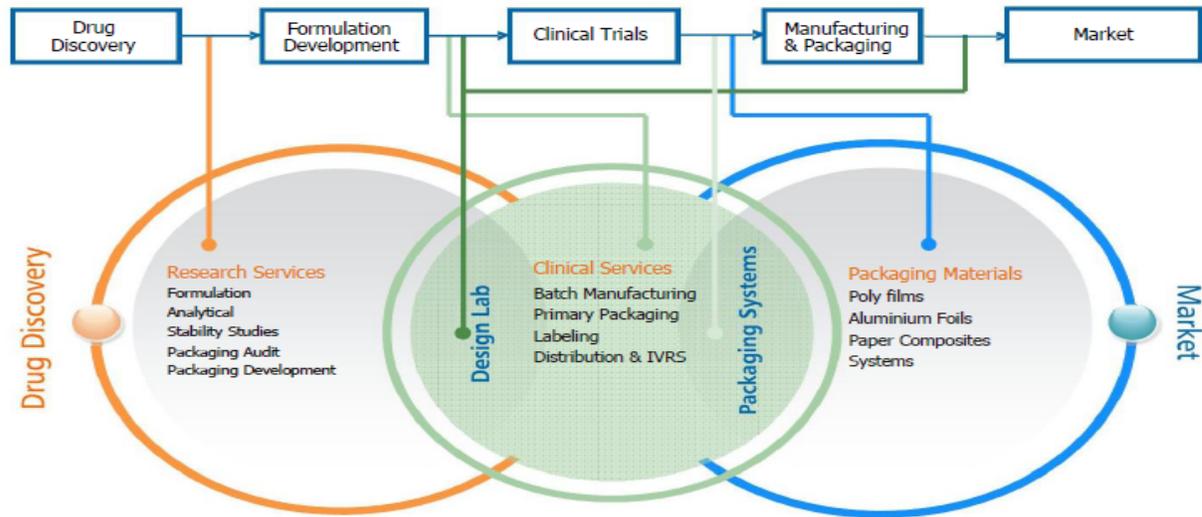
Leading player in Asia in blister barrier packaging market with 62% market share in India.....

1. Pharma packaging and Innovation (PPI)
2. Global Clinical Supplies (GCS) and
3. Bilcare Technology for brand Authentication and Security.

With these three dedicated cells; Bilcare provides an entire spectrum of infrastructure, which is required by pharma players to launch their drugs commercially to end users. Thus Bilcare helps speedy and qualitative drug discovery, building and protecting brands and providing genuine drugs to end users.



Pharmaceutical Value Chain



Bilcare's Pharma Packaging and Innovation cell (PPI): -

Bilcare provides comprehensive range of packaging solutions.....

Bilcare's Pharma Packaging division is beyond commodity/materials supply. Its facilities are compliant with stringent regulatory norms (GMP Certified, USFDA DMF and Canadian DMF Certified) and customer requirements. It provides comprehensive range of pharmaceutical packaging solutions from product specific research to brand building materials and design. Bilcare's expertise in drug stabilization and protection enables its clients to focus on their core business of developing new drug molecules, formulation development and manufacturing & marketing.

Have presence in both foils and blister segments....

Bilcare is one of the largest players in Indian pharma packaging industry with its presence in foil and blister segments. It offers a complete range of film and foil packaging materials to protect even the most sensitive pharmaceutical products. Its coating, lamination and printing plants are equipped with online process control and quality inspection tools that meet all global regulatory, functional and application requirements.

Apart from addressing the issues related to retention of drug shelf life and patient compliance, PPI division also helps concerns like brand communication and counterfeit drugs being delivered to the markets. Its solution enables product differentiation and marketing by providing a unique brand identity to products. Bilcare work in close association with product owners and its marketing team to understand their marketing issues and provides solutions for distribution and unique packaging for brand identity. Bilcare has developed its expertise in innovative packaging which is evident from its understanding about different age group of consumers. Its packaging solution, in addition to being secured also protects against mistaken and wrongful consumption by children and blinds



Bilcare's packaging divisions have capabilities of addressing compliance, quality and stability concerns from customers, regulators and end users. Bilcare develops innovative methodologies, customized equipments and testing protocols for understanding and optimizing the drug protection process, complying with the regulatory and quality concerns, mitigating drug stability issues **and accelerating speed-to-market while moderating costs. Bilcare has experience of over 2000 molecules for its stability study. Thus, Bilcare enjoys an extra edge over pure package suppliers due to its ability to deliver customer centric solutions which place lower demands and require lesser resources in the form of material, space and time.**

Bilcare's Offerings:

Bilcare Optima™:

It is a scientific packaging development and sensitivity profiling method which helps in understanding product sensitivity and developing optimum packaging solutions for pharmaceutical formulations throughout its shelf life in desired climatic conditions.

Packaging Analytical Services:

Bilcare's state-of-the-art analytical equipment and testing protocols help in ensuring and understanding packaging efficiency and packaging material quality.

Packaging Audit Services:

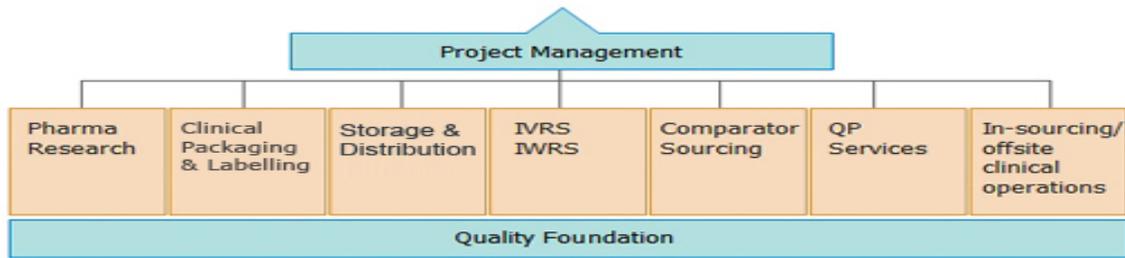
Packaging Audits provide comprehensive insights into the current status of packaging operations and solutions to meet global standards and streamline operations. The cost and process/productivity optimization potential in packaging operations is normally overlooked. Auditing this process can not only save costs, but also prevent quality hazards once the product is in the market.

Bilcare's Global Clinical Supplies (GCS): -

Bilcare's GCS division serves global pharmaceutical and bio-pharmaceutical industries by providing complete infrastructure/project management support during their clinical trial phase by providing clinical trial materials, supports and services. Bilcare GCS division is a research process outsourcing for new drug discovery in clinical trials.

With best-in-class manufacturing plants and facilities in three continents, Bilcare GCS delivers end-to-end solutions that support a client's drug through the entire clinical trial life cycle. Its services for solid, semi-solid, liquid, DEA (CI-V) and biotech clinical trial materials (CTM) satisfy a broad range of requirements from pre-formulation research and development, manufacturing, analytical services and clinical supplies packaging and labeling to IVRS, QP services, controlled-temperature (cold chain) CTM storage, worldwide distribution and returns and destructions accountability.

Bilcare GCS provides a complete infrastructure and project management for New Drug discovery...



Bilcare Technology for brand Authentication and Security:-

***nonClonableID™
an authenticated
technology,
helping to
protect brand
and prevent
misuse.....***

This division of Bilcare is focused on creating next generation solution for anti-counterfeiting, security and brand protection across different industries, sectors and products. Bilcare has innovated nanotechnology-based unique security technology, **nonClonableID™**. It enables article to be authenticated as they move through the supply chain to the end consumer, thus helping to protect brand and prevent misuse.

The technology comprises a nonClonableID™ fingerprint that can be seamlessly integrated into any Supply Chain system, thereby providing a complete, secured and real-time product identification and authentication. It also provides reliable means for effective track-n-trace and e-pedigree of products across the supply chain - from manufacturer to consumer.

nonClonableID™ employs unique materials-based fingerprints, which are near impossible to be replicated or copied. These tamper-evident fingerprints cannot be duplicated or reused even by Bilcare.



Acquisition -INEOS Global Film Business:-

A cohesive opportunity, grabbed.....

Bilcare, through its wholly owned subsidiary, Bilcare AG has recently acquired Global Films business of INEOS Group for a consideration of ~ €100 mn. (Rs. 6.07bn.). Ineos has employee strength of ~1300 people across its manufacturing sites in Germany, Italy, India and North America. It has an annual production capacity of around 140000 tpa. of films. Ineos reported a turnover of around €240 mn. (Rs.14.58 bn.) for 2009.

Ineos is a leading global producer of rigid films. Its manufacturing and marketing activities are concentrated in the production of rigid PVC and PVC-PE films and include the finishing of films and coating, stentering, laminating and metalizing. It is also involved in the extrusion, of PET and PET-PE films. **It has over 50years experience in rigid PVC films. Ineos is an established player in pharmaceutical blister packaging, film-printing and decoration, shrink films for sleeves, capsules and plastic credit cards.**

The total acquisition cost of Rs. 6.07 bn. will be funded by debt (2/3) and internal accrual (1/3). As at 31st March 2010, Bilcare had a total debt of Rs. 6 bn. and net-worth of Rs. 8.73 bn. transpiring into a D/E of 0.69X. Ineos' acquisition will add Rs. 4 bn. to existing debt and D/E ratio will jump to ~ 1.15X, which we believe is reasonable. The management is anticipating payback period of ~6 to 7 years for this acquisition.

With this acquisition, Ineos' Indian listed arm, Caprihans India (with 51% stake) will automatically become subsidiary of Bilcare AG.

According to the management the debt would be raised in the books of its German subsidiary at LIBOR+3.5%. In our view, the company will stay insulated from forex fluctuations to that extent. In our present estimates we have not considered Ineos' revenues and profitability figures, as we are awaiting announcement by the management about accounting policies. The company is expected to provide consolidated numbers from Q3FY11 onwards; hence we will revised our estimates, based on announcement by the management.



EPS Catalyst:-

Based on our discussion with the management, we have estimated the PAT contribution from Ineos buyout as follows. We have assumed 5% revenue growth over €240 mn. (during CY 2009) with stable margins for CY2010 and 200 bps improvement in CY2011 and relevant interest cost (assumed higher Interest cost of 6%) on debt. Euro rate taken as Rs. 61.08.

Further guidelines from the management are awaited and would be incorporated in our future estimates.

Particulars	CY2010	Margins	CY2011	
Revenues	€252 mn.		€265 mn.	
EBIDTA	€18.14mn.	7.20%	€24 mn.	9.20%
Interest	€3.93mn.		€3.93 mn.	
Depreciation	€5.40 mn.		€5.40 mn.	
PAT	€7.71 mn.	3.05%	€13.13 mn.	4.95%
Assumed Exchg. Rate	61.08		61.08	
PAT INR Mn.	471		802.23	
Eqty. INR Mn.	227		227	
EPS INR	20.74		35.34	

Sources: - Company, Indsec Research.



Industry Overview:-

Since Bilcare is a leading provider of research-based packaging solutions with sole focus on the pharmaceutical industry, its revenue and profitability growth are aligned to the growth and developments in the global pharmaceutical industry.

Global pharma market to grow by \$300 bn. over the next 5 years....

As per IMS Health, the total size of the global pharmaceutical market is expected to grow by nearly \$300 bn. over the next 5 years to reach \$ 1.1 trln. in 2014 from the current \$ 837 bn. (during 2009). The compounded annual growth rate of around 5% to 8% during this period reflects the impact of leading products losing patent protection in developed markets as well as overall strong growth in the world's emerging countries. In 2009, the global pharmaceutical market grew by 7% to \$837 bn. as compared to 4.8% growth rate in 2008. The following are the major highlights of the IMS Health's report.

Emerging markets to contribute more to global pharmaceutical markets:-

Emerging markets are expected to grow at a 14% to 17% pace...while developed markets to grow at 3% to 6% rate...

As per IMS Health Pharemerging markets are expected to grow at a 14% to 17% rate through 2014, while major developed nations will grow at 3% to 6%. Hence, aggregate growth through 2014 from Pharmerging markets will be similar to the growth registered in developed markets, about \$120 to \$140 bn. This compared to aggregate growth over the past 5 years of \$69 bn. in Pharmerging markets and \$126 bn. in developed markets. The U.S. will remain the single largest market, with 3% to 6% growth expected annually in the next 5 years, reaching to \$360 to \$390 bn. in 2014, up from \$300 bn. in 2009.

Major Patent expiries to enlarge Generic Umbrella: -

Over \$ 142bn, drugs are expected to face competition from Generic segment...

Over the next 5 years, many therapeutic drugs with the sales over \$142 bn. are expected to face competition from generic segment in major developed markets. **Collectively, the shift to lower-cost generics in major therapy areas such as cholesterol regulators, antipsychotics and anti-ulcerants will reduce total drug spending by about \$80 to \$100 bn. worldwide through 2014. This impact particularly will be felt in the U.S., where nearly two-thirds of the total value of patent expiries will occur. Patent expiries in the U.S. will peak in 2011 and 2012 when six of today's ten largest products are expected to face generic competition.**

Healthcare Budget cut by public players: -

Aftermath of the global financial crisis suggests that, public funded health systems are facing pressure to reduce health care spending. Countries like Turkey, Spain, Germany and France already have announced plans to apply across-the-board restrictions on access or reductions in reimbursements to reduce drug spending growth.



Around 10% of the global pharma sales is from counterfeit market.....

US and Europe spends around 16% of their GDP on healthcare, and are under criticisms to trim their budgets.

It is estimated that, around 10% of the global pharmaceutical sales is from counterfeit market which transpires into a loss of over \$ 83 bn. to mother pharma companies.

Company's Financials:-

Particulars	FY2010		FY2009	
	Standalone	Consolidated	Standalone	Consolidated
Revenue	5496.52	10478.26	4713.28	8560.25
--Exports	519.44	-	468.04	-
--Domestic	4977.07	-	4245.24	-
EBIDTA	1657.54	2599.12	1308.33	1942.12
EBT	1128.86	1624.74	923.18	1171.17
PAT	754.73	1169.48	606.97	829.35
EPS	33.27	51.55	35.27	48.20
Debt	4408.33	5993.18	4690.92	9504.54
Equity	7816.68	8727.09	4277.58	4959.81
D/E	0.56	0.69	1.10	1.92
EBIDTA %	30.16	24.80	27.76	22.69
PAT %	13.73	11.16	12.88	9.69
Exports%	9.45%	--	9.93%	--

O/s FCCBs:-

Bilcare has outstanding FCCBs worth \$ 11.83 mn. convertible into fully paid up equity shares prior to 22nd November 2010 or redeem the same at 145.27% of its principal amount on the maturity date – 22nd December 2010. The bonds will be converted with a fixed rate of exchange of Rs. 45.7325= \$1 on conversion.

During FY2010 Bilcare has allotted 2,493,484 mn. equity shares of Rs. 10 each @ Rs. 483.28 on conversion of 2635 FCCBs.

GDR Issue:-

On 12th January 2010, Bilcare allotted 2,986,341 GDRs at \$ 11.15 per GDR (i.e. Rs. 515 per share at the exchange rate of Rs. 46.20 per \$ and each representing 1 equity share of Rs. 10 each in the share capital of the company).



Investment rationales:-

Bilcare, an apt vendor to global pharma players:

A core focus on building and protecting brands....

Bilcare is a niche player in global pharma packaging industry with prowess in providing innovative research-based packaging solution to pharma players. **Bilcare's innovative packaging solution ensures delivery of authenticated drugs with full efficacy to the end consumer.**

Facilities are in compliance with quality and stability concerns from clients, consumers and regulators....

Bilcare through its three dedicated cells **provides an entire spectrum of infrastructure, which is required by drug innovators to launch their drugs commercially.** Bilcare, in addition to addressing the packaging requirements, also enhances speed and quality of new drug discovery and helps in building and protecting brands for pharma players. Bilcare's PPI divisions are in compliance with quality and stability concerns of its clients, regulators and end users. **Bilcare provides packaging solutions after considering stringent regulatory requirements alongside arresting counterfeit markets. This facilitates global pharma players with savings in the form of straight bottom-line expansion and the much needed brand building.**

Macro opportunities unfolding to Bilcare:

Growth of global pharma market to provide natural fillip to Bilcare's earnings.....

Over the next five years, global pharmaceutical market is expected to grow by about \$300 bn. to \$1.1 trln from the present size of \$ 837 bn. thereby implying a CAGR of ~ 5% to 6%. Within global market, emerging markets are expected to grow at 14% to 17% through 2014, while developed markets are expected to grow at 3% to 6%. US will maintain its number one position with expected annual growth of ~ 3% to 6% and will reach to \$360 to \$390 levels by 2014 from the current size of ~ \$300 bn. Hence, over the next five years, aggregate growth from emerging markets will be in the range of ~\$ 120 to \$ 140 bn. **We believe, Bilcare being the leader in pharma packaging industry in Asia and with ~62% market share in Indian barrier blister market will achieve sizeable leap in its revenues and profitability.**

Over \$140 bn. drugs will shift to generic umbrella, which will require unique packaging solutions from mother companies, for brand protection....

Globally pharmaceutical companies spend ~ 2% to 2.5% of their revenues on packaging. We believe, with global pharma market is expected to reach at \$ 1.1 trln. over the next 5 years. As a result Bilcare will get a natural fillip to its revenue and profitability with its presence across entire pharmaceutical value chain.

Over the next 5 years, medicines with sales of over \$140 bn. are expected to shift under generic umbrella in major developed markets. Particularly in the US, around two-third of patent expiries will take place and it will peak in 2011 and 2012, when ~60% of the largest patented products are expected to come under generic umbrella. We anticipate, this will prompt parent companies to resort for brand protection and Bilcare will have a major role to play due to its expertise into innovative solution based packaging technology.



Bilcare is beyond commodity /material supplies.....

A One Stop Shop for Foils, Films, Solutions and Project management for new drugs...

Ineos to give access to over 1500 new customers.....

Cross selling opportunity...

148 patent filings in the name of Bilcare....

Experience of over 2000 formulation study....

nonClonableID™ Technology: Bilcare has come out with a novel technology, nonClonableID™, which is targeted towards arresting counterfeit markets (estimated size of counterfeit market is about \$670 bn.). It has numerous applications with potential to be deployed across 80 bn. packs world over. Currently the technology is at concept selling stage. However, we believe that once the technology will get acceptance and visibility it will give major boost to Bilcare's earnings.

To develop mass visibility, Bilcare has made technical presentation to RBI for mitigating the problem of fake currency and is also targeting agro-chemical, FMCG and liquor companies in India and abroad.

Bilcare has an extra edge over others:

Bilcare's PPI division is beyond commodity/material supplies. It provides comprehensive range of pharma packaging solutions from product specific research to brand building material and design. Unlike other material suppliers who have their presence either in "foils" or "films", Bilcare has its presence in both the segments. Also, Bilcare provides a complete infrastructure and project management services under its GCS division for new drug discovery, thereby marking its presence across entire pharmaceutical value chain as a **one-stop-shop**.

What are the possible synergies with Ineos buyout?

Ineos is a leading player in the pharmaceutical blister packaging, films for printing and decoration, shrink films for sleeves, capsules and plastic cards. It has an experience of over 50 years in the rigid film segment with long standing relations with global pharma players. Ineos has global customer pool of over 1500. For Bilcare, Ineos will be a steady and captive source of films for blister making.

We believe, the acquisition will further strengthen Bilcare's position in global pharma packaging industry with access to over 1500 new customers. Also, Bilcare will have an opportunity to cross market its patented packaging solutions and GCS offerings to this new pool of customers.

The intrinsic strengths of Bilcare:

Bilcare has deep domain knowledge in pharma packaging and infrastructure provision required by drug innovators. To its credential, Bilcare has 148 patent filings and has experience of stability study for over 2000 molecules. Bilcare has capability to provide optimum packaging solutions in the shortest possible time (as short as 4 weeks) through its patented process. Historically, to derive optimum packaging has taken a prolonged time, as high as 2 years. Hence, Bilcare helps drug innovators to expedite their product launch and advance the payback period.



Valuations: - At current price of Rs. 694, Bilcare is trading at 10x of its FY11E EPS of Rs.68.8 and 7.6x of its FY12E EPS of Rs. 91. (**Excluding EPS contribution from Ineos**)

We recommend BUY on Bilcare with a price target of Rs. 1050, implying a potential upside of 51%. **Our target price is based on expected synergies from Ineos and estimated EPS contribution of ~Rs. 35 from it.** Hence Bilcare is trading at just 5.51x of its consolidated FY12E EPS of Rs. 126 (Rs. 91+Rs. 35).

	FY2011E	FY2012E
EPS (Ex Ineos)	Rs. 68.80	Rs. 91.00
Ineos' Contribution.		
	CY2010E	CY2011E
EPS	Rs. 20.74	Rs. 35.34
Consolidated EPS (Approx)	--	Rs. 126



Income Statement				
Rs. in Mn	FY 09A	FY 10A	FY 11P	FY 12P
Net Sales	8560	10478	13412	16765
% Growth	32%	22%	28%	25%
Expenditure	6695	8059	10188	12687
EBIDTA	1865	2419	3224	4078
% Growth	30%	30%	33%	26%
Other Income	77	180	138	138
Depreciation	378	535	580	664
Interest	393	439	552	602
PBT	1171	1625	2230	2950
% Growth	-6%	39%	37%	32%
Prov. for tax	342	455	669	885
PAT	829	1169	1561	2065
% Growth	2%	41%	33%	32%
Exceptional Item	0.00	0.00	0.00	0.00
Reported PAT	829	1169	1561	2065
% Growth	2%	41%	33%	32%

Balance Sheet				
Rs. in Mn	FY 09A	FY 10A	FY 11P	FY 12P
SOURCES OF FUNDS :				
Eqty Share Cap	172	227	227	227
Reserves and Surplus	4788	8500	10061	12126
Shareholders' funds	4960	8727	10288	12353
Total Debt	9505	5993	6493	6693
Deferred Tax Liab.	984	1171	1171	1171
Total Liabilities	15448	15891	17952	20217
APPLICATION OF FUNDS :				
Gross Block	9269	10013	11048	12198
Less. Depreciation	985	1466	2019	2658
Net Block	8444	8879	9361	9872
Capital WIP	160	332	332	332
Investments	1455	0	0	0
Current Assets				
Inventories	1415	1705	2177	2714
Sundry Debtors	3295	3530	4593	5742
Cash & Bank Bal.	1053	1516	1825	2242
Loans & Advances	720	1469	1469	1469
Other cur assets	0	0	0	0
Current Liab & Prov				
Current Liabilities	1110	1384	1687	2011
Provisions	58	97	31	31
Net Current Assets	5315	6740	8346	10125
Misc. expenses	235	272	245	221
Total Assets	15448	15891	17952	20217



Indsec Securities & Finance Ltd.

Rs. in Mn	Cash Flow			
	FY 09A	FY 10A	FY 11P	FY 12P
Cash flow from operating activities:				
PBT	829.4	1169.5	1560.9	2064.9
Add: Non-cash items				
Depreciation	357.8	481.0	580.1	663.8
Investments/Int/Div.	341.4	418.1	551.9	602.4
Interest Paid	-361.2	-455.3	-551.9	-602.4
Changes in Working Capital	-1350	-1022	-1231	-1362
Tax paid	-28.0	22.8	0.0	0.0
Others	242.4	114.6	0.0	0.0
Operating Cashflow	31.4	728.9	910.4	1366.8
Cash flow form Investing Activities				
Purchase/Sale of Fixed Assets	-3118.2	-913.3	-1035.0	-1150.0
Purchase/Sale of Investments	-226.9	1454.6	0.0	0.0
Interest/ Dividend Received	51.2	20.8	0.0	0.0
	-3293.8	562.1	-1035.0	-1150.0
Cash Flow from Financing Activities				
Proceeds from Share Capital	363.1	2733.3	0.0	0.0
Proceeds from borrowings	2467.7	-3511.4	500.0	200.0
Dividend paid	-81.3	-50.3	-66.1	0.0
	2749.5	-828.4	433.9	200.0
Net Change	-512.9	462.6	309.3	416.8
Cash and Equivalent Opening	1566.1	1053.2	1515.8	1825.1
Cash and Equivalent Closing	1053.2	1515.8	1825.1	2241.8

	Key Ratios			
	FY 09A	FY 10A	FY 11P	FY 12P
Profitability Ratios				
OP Margins (%)	21.8	23.1	24.0	24.3
GP Margins (%)	18.3	19.7	20.7	21.2
NP Margins (%)	9.7	11.2	11.6	12.3
ROCE (%)	9.6	11.0	13.4	14.9
ROE (%)	18.7	17.1	16.4	18.2
Valuation ratios				
P/E	14.4	13.5	10.1	7.6
P/BV	2.5	1.9	1.6	1.3
EV/EBIDTA	10.8	8.4	6.3	5.0
EV/Sales	2.4	1.9	1.5	1.2
Market cap / Sales	1.4	1.5	1.2	0.9
Liquidity ratios : Current Ratio	5.5	5.6	5.9	6.0
Coverage ratios : Int Coverage Ratio	3.8	4.3	4.8	5.7
Leverage ratios : Debt-Equity Ratio	1.92	0.69	0.63	0.54
Turnover ratios : Asset turnover	0.6	0.7	0.7	0.8
Working Capital to Sales	0.5	0.5	0.5	0.5
Per share ratios				
EPS	48.2	51.5	68.8	91.0
Cash EPS	80.3	80.9	94.4	120.3
Book value per share	274.6	372.7	442.7	534.8



INDSEC Rating Distribution

BUY	Expected total return of over 25% within the next 12 months.
ACCUMULATE	Expected total return between 10 to 25% within the next 12 months.
REDUCE	Expected total return below 10% within the next 12 months.
SELL	Expected total return is below the market return within the next 12 months.
NEUTRAL	No investment opinion on the stock under review.

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