WAY2WEALTH

Initiating Coverage

Ruchi Soya

April 15, 2008

Key Take Away

Recommended Price	Rs 86
Target Price	Rs141
Expected Upside	64%

Market Data

Nifty Code	RUCHISOYA
Sensex	15,807.6
Nifty	4,777.8
52 week range (Rs)	165.2/61
Market Cap (Rs crore)	1570

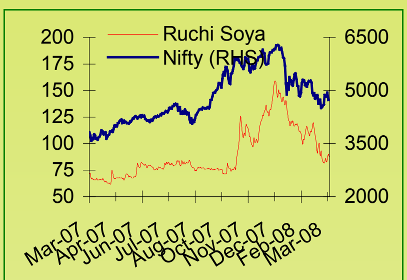
Shareholding Pattern (%)

As on Dec 2007	
Promoters	36.0
MFs, FIs & Banks	4.5
FIIs	28.2
Other Bodies corporate	22.3
Public and others	9.0

Price Performance

(%)	3M	6M	12M
Price (Rs)	148	75.9	62.2
Absolute	-42	13.3	38.2
Rel to Nifty	-19	22	9

Comparative Price Movement



Nisha Harchekar

Analyst - FMCG, Pharma & Entertainment

Theme

Ruchi Soya ***is expected to benefit from favorable macro environment for edible oils and is all set to take advantage from the same with its capacity expansion in place. The company has consistently delivered as its net sales and PAT have grown at CAGR of 23% and 36% respectively during the last 5 years. Its transformation from a commodity player to branded products company along with other drivers like entering mustard oil segment and palm & jatropha plantation will strengthen its financials further. At the CMP of Rs 86, the stock trades at commodity-like valuation, quoting at market cap/branded sales of 0.4 and EV/EBITDA of 5.3x and PE of 6.8x its FY09 financials. Our fair price based on DCF valuation is Rs 141. At our target price, the stock will be valued at 5.3x EV/EBIDTA and 11x P/E on the basis of FY09E earnings of Rs 12.6. Our target price provides an upside of 64%. We recommend*** **BUY.**

Shift in business model from trading to manufacturing to branding . . . Ruchi Soya has been moving away from low margin trading activity towards manufacturing and branding. The share of trading has been declining from 67% in FY02 to 29% in FY07, it is expected to decline further to less than 20% in next 2-3 years. The company has started focusing on the branded segment. This emphasis on branded products has resulted in the company clocking robust 35% CAGR in branded sales over FY03-FY07 to Rs 2,279 crores. Branded sales are expected to continue growing at a healthy pace and form ~35% of net sales by FY10.

. . .thus resulting in improving margins: The margins for manufacturing activity (4.25%) are higher than that of trading (1%). With the focus now on branding, the margins are set to improve substantially as the margins in branding at 7.8% are substantially higher. Thus the profitability of the company is set to improve considerably in the coming years with this strategic shift in the business model.

Backward integration into Palm and Jatropha plantation: As a result of the bio-fuel movement across the world, lot of soya crop has been diverted for this purpose, which has resulted in significant increase in soya bean prices. Palm oil is relatively cheaper to soya oil; also the freight cost is less for palm oil imports. Palm oil thus provides a good alternative to other types of edible oils, as it is the only oil that does not face any production problem. The company has also tied up with farmers of Vidarbha in Maharashtra for contract farming of Jatropha thus to vertically integrating its Jatropha-based bio-diesel business.

Diversification into low-cost, high margin mustard oil business: The company has acquired a 150 tones/day plant in Ganganagar which it will expand to 1000 tones/day by next fiscal year which will make them the largest mustard oil plant in the country. The Company recently acquired another plant in Rajasthan for processing mustard oil near Kota. This completes integration in terms of mustard processing. It hopes to attain leadership position in mustard oil soon in next 1-2 years with a market share of 5-10%.

Key Financials

Year to March (Rs crore)	FY07	FY08E	FY09E	FY10E
Sales	8,976.3	10,685.9	12,609.3	14,752.9
Growth (%)	*18.8*	*19.0*	*18.0*	*17.0*
EBITDA	232.9	340.9	447.6	593.1
Growth (%)	*31.3*	*46.4*	*31.3*	*32.5*
PAT	103.7	161.7	230.3	322.8
Growth (%)	*21.7*	*56.0*	*42.4*	*40.2*
Equity Capital (FV-Rs 2)	36.5	36.5	36.5	43.5
EPS (Rs)	5.7	8.9	12.6	14.8
PE (x)	15.1	9.7	6.8	5.8
Market cap/sales	0.2	0.1	0.1	0.1
EV/EBITDA	10.2	7.0	5.3	4.0
RoCE (%)	13.8	14.9	16.8	19.7
RoE (%)	11.5	12.2	15.0	17.6

Company Background

Largest player in India's branded edible oil category

Ruchi Soya Industries, the flagship company of Ruchi Group of Industries is the largest player in India's branded edible oil category accounting for 19% of the Indian market. The company is a pioneer in soya processing and is also the first exporter of soya bean meal from India. Ruchi is one of the largest crushers of soya beans in India, and has installed a crushing capacity of 2500 mts/day in Indore, which is the largest crushing capacity at a single location. Ruchi crushes 25% of soya crop in India. It is a leading manufacturer of Textured Soya Protein and Vanaspati marketed under the Nutrela and Soyumm brands respectively.

Ruchi Soya is the largest company in edible oil & oilseed industry with -

Procurement of soya seeds over 1.47 MT (~21% of Indian industry)
Soya DOC Export around 1 MT (~23% of Industry)
Sale of Soya Oil around 1 MT (~ 39% of Indian industry)
Sale of Palm Oil over half MT (~ 18% of Indian industry)
Sale of Edible Oils around 1.5 MT (~ 12% of Indian industry)

Strong portfolio of brands

Strong brand equity

Ruchi's wide range of food products include healthy cooking oils, nutritional Soya foods, top grade vanaspati and bakery fats. Ruchi is the undisputed market leader in the edible oils, as well as Soya foods categories. The edible oil range includes many top brands like Soyumm, Soyabean oil, Ruchi Gold Palmoline oil and Sunrich sunflower oil. Nutrela is the largest selling Soya foods brand in the country, with more than 50% market share. Nutrela and Ruchi No. 1 vanaspati are regional leaders in their respective categories.

Restructuring of business

Recently, Ruchi Group of Industries restructured its business whereby its companies, viz., Anik Industries, General Foods, Madhya Pradesh Glychem Industries, Ruchi Health Foods, Ruchi Private Ltd., Nutrela Marketing, Aneja Solvex, and Ruchi Credit Corporation were merged with Ruchi Soya.

Majority of capex is over

Capacity Expansion ahead of times

The company has undertaken major expansion over the last 5 years at its various plants and has increased its capacity in all the segments namely, solvent extraction, refinery, vanaspati and texturised soya proteins. As such the majority of the capacity expansion has taken place giving the company large economies of scale.

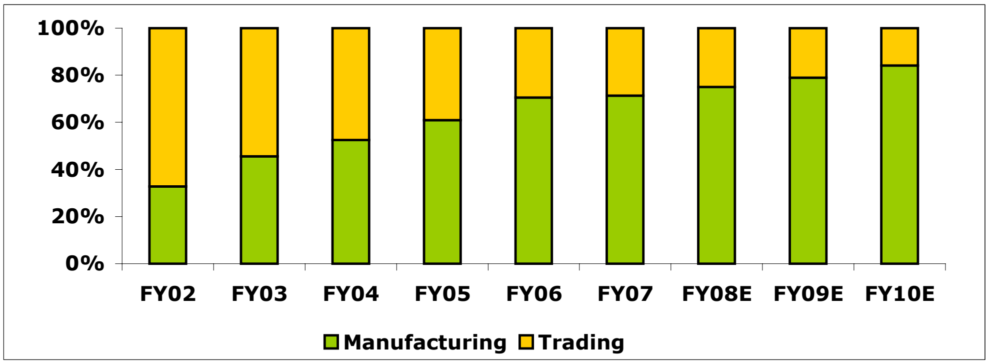
Capacity ('000 MTPA)	2002	2003	2004	2005	2006	2007	Multiplier from 2002-2007
Solvent extraction	600	750	750	1200	1468	2668	4x
Refinery	180	630	930	1035	1077	2112	12x
Vanaspati/bakery fats	112	172	232	232	238	470	4x
Texturised soya proteins	24	54	69	84	56	140	6x

Investment Rationale

- **Shift in business model from trading to manufacturing to branding . . .**

Ruchi Soya's trading function primarily consists of import of edible oil like CPO (crude palm oil), soya degum and export of DOC. The company imports CPO from Malaysia and Indonesia while sunflower and soya oils are imported from Brazil, Argentina, and USA. Manufacturing activity of the company represents oil seed crushing, refinery, vanaspati and texturised soya proteins (TSP).

Share of trading is expected to decline further to less than 20% in next 2-3 years.



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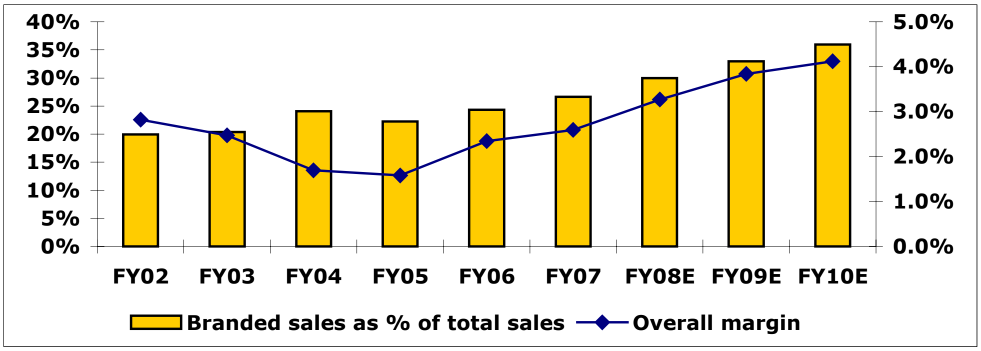
- **. . .thus resulting in improving margins**

The margins for manufacturing activity (4.25%) are higher than that of trading (1%). With the focus now on branding, the margins are set to improve substantially as the margins in branding at 7.8% are substantially higher. Thus the profitability of the company is set to improve substantially in the coming years with this strategic shift in the business model.

Higher Margins in Branding to improve profitability



- **Foray into bio-fuel and backward integration into Jatropha plantation**

Cashing on the biofuel movement

Increasing crude oil prices have resulted in several countries opting for bio-fuel as an alternative fuel. While developed countries use edible oils for bio-fuel production, developing countries have opted for cost effective non-edible oils. Though it is widely claimed that soya, rapeseed etc. will offer higher returns than Jatropha, however, it cannot be diverted into the energy sector because of high cost of seeds and also on account of the fact that India is already deficient in edible oil. This makes a good case for Jatropha as a source of bio-fuel. The government of India is encouraging contract farming and the conversion of wastelands in Madhya Pradesh and Maharashtra for Jatropha farming.

Ruchi Soya possesses the necessary infrastructure and abilities to venture into this field. It has tied up with farmers of Vidarbha in Maharashtra for contract farming of Jatropha thus vertically integrating its Jatropha-based bio-diesel business. The success of this venture is likely to result in an addition to the revenue stream of the company.

- **Vertical integration into oil palm plantations**

Palm oil provides a good alternative to other types of edible oils

As a result of the bio-fuel movement across the world, lot of soya crop has been diverted for this purpose, which has resulted in significant increase in soya bean prices. Palm oil is relatively cheaper to soya oil; also the freight cost is less for palm oil imports. Palm oil thus provides a good alternative to other types of edible oils, as it is the only oil, which does not face any production problem.

Import of palm oil forms a major part of edible oil imports of Ruchi Soya, the company is the largest processor of palm oil in India. The company is in the process of acquiring palm plantations in Indonesia and Malaysia for its palm plantation business, which would ensure consistent raw material supply at reasonable prices for its edible palm oil business.

- **Diversification into low-cost, high margin mustard oil business**

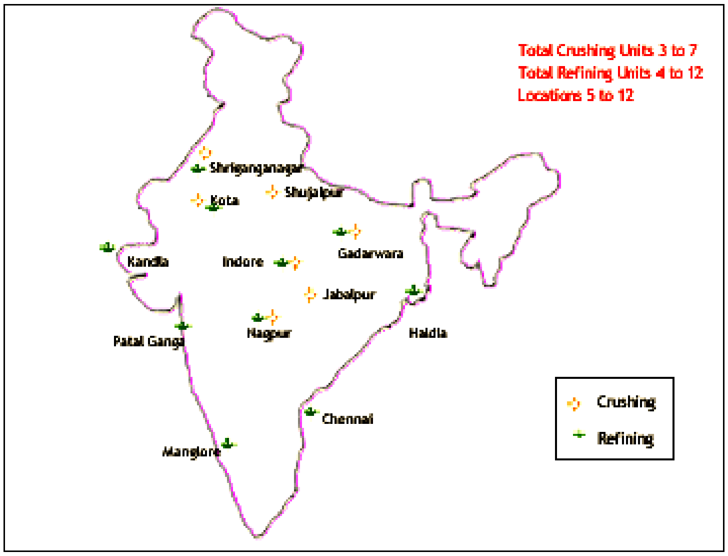
Aims at attaining leadership position in mustard oil in 1-2 years

The company has acquired a 150 tones/day plant in Ganganagar, which it will expand to 1000 tones/day by next fiscal year which will make them the largest mustard oil plant in the country. The Company recently acquired another plant in Rajasthan for processing mustard oil near Kota. This completes integration in terms of mustard processing. It hopes to attain leadership position in mustard oil soon in next 1-2 years with a market share of 5-10%.

- **Wide distribution network and logistically well-placed**

The strategic location of plants facilitates future expansion and growth in 1-2 years

Ruchi has expanded its distribution network over the years, which remains a major strength of the company. It has pan India presence through more than 3 lakh retail stores with 38 company depots, 36 super stockiest with over 200 sales staff.



Its plants are strategically located in the soya producing states like Madhya Pradesh and Maharashtra and port based locations (Mangalore). The strategic location of plants facilitates future expansion and growth as the company can go for capacity enhancement or set up new facilities in soya producing states and save on procurement cost. Given its long-standing relationship with farmers, it has created an infrastructure that ensures sustained availability of raw materials; whether through direct procurement or through mandis. Moreover, the low margins in the business act as a natural entry barrier. Also, for a new entrant, it would be difficult to replicate the existing distribution network and logistic strengths of Ruchi Soya. In addition, procurement cost being substantial in solvent extraction, it makes economic sense to put a plant in soya producing states only.

Soy meal potential

Good overseas demand to keep prices firm

Soya meal is the main product derived from soya bean crushing and constitutes about 82-83% by weight. It is one of the important fodders for cattle, poultry. Ruchi is the major soya meal exporter. Vietnam, Japan, Indonesia, Malaysia, South Korea, Europe and Middle East are the major countries where soya meal is exported. It is expected that soya meal exports from India may touch 5 million tones in the year ending September 2008, up 47.1%, helped by strong global demand and a fall in domestic consumption due to outbreak of bird flu. There is increasing demand of soya meal from China. Good overseas demand is likely to keep prices firm. Thus soya meal can potentially emerge as a major driver for margin expansion of the company.

Tie up with retail players

Sees a huge scope for packaged food segment

Higher growth of packaged oil as compared to bulk oil in the past 4-5 years, growing health consciousness, increase in the disposable income, growth in the retail industry and various Government initiatives augurs well for packaged food segment. Ruchi Soya sees huge scope for the packaged food segment and expects that it could grow faster in the coming years and gobble up the share of the unorganized sector. To tap this huge opportunity, Ruchi has entered into tie-ups with retail players like Pantaloon Retail, Reliance Retail, Aditya Birla Group, Shoprite, Hypercity, Subhiksha, and Aditya Birla Group. The tie-up with Pantaloon is strategic in nature, which would make it a preferred partner in the edible oil category. This will give Ruchi a ready shelf space for its brands across Pantaloon's Food Bazaar and Big Bazaars. It will also manufacture Pantaloon's private label – Fresh and Pure. Ruchi has an advantage over other players as it is the largest maker of edible oil and has a pan-India presence. This direct tie-up with retailer will reduce the channel cost improve the profit margin significantly.

Expansion in food products

With rise in lifestyle diseases like diabetes, blood pressure etc., there is an increasing need for wellness and health products. Ruchi has a long-standing and firm presence in the industry and is better placed to cash-in from this opportunity. It sells soya nuggets, chunks, granules, mini chunks, bakery fats and soya flour under its Nutrella brand, which enjoys a 55% share of the domestic market. It recently introduced N'rich a health beverage drink under the Nutrella brand.

Recently introduced N'rich a health beverage drink under the Nutrella brand

It has entered technology license agreement with NutriJoy Inc of Kansas, for its patented functional beverages and snack foods technology. Under the agreement, NutriJoy will provide technical assistance in the commercialisation of these products. This will provide the company with world-class nutrition technology and a pipeline of commercialised, patented market-tested products to further add value to Ruchi core brands in India and other products worldwide.

Concerns

- The business is exposed to price fluctuations on its major raw material. Prices of these commodities are linked to domestic and international prices, which depend on external factors such as monsoon, international crop size etc.
- Government policies play an important role in the edible oil and oil seed sector. After much deliberation, the government recently removed the import duty on crude edible oil and reduced the duty on refined edible oil to 7.5%.

Financial Analysis

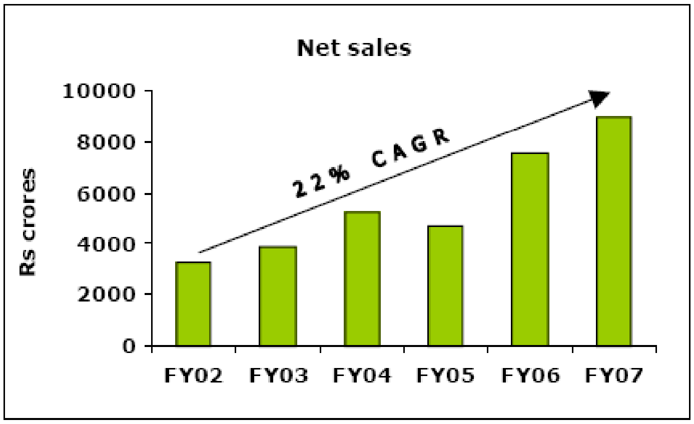
Consistent performance

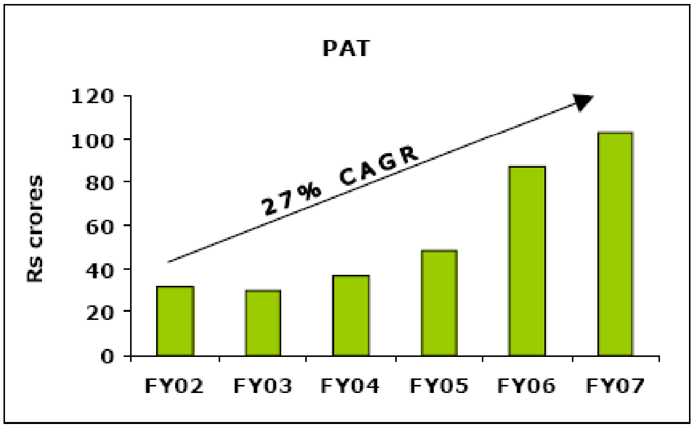
CAGR % (FY07-FY10E)

Net sales	18
EBITDA	37
PAT	46

Financials of Ruchi Soya over the last 15 years have been quite impressive. Its topline has witnessed a CAGR of 35%; its EBITDA and PAT have grown at 24% and 22% CAGR respectively. The margins have historically remained low as trading remained the dominant activity. With the strategic shift from trading to manufacturing and branding, the margins are likely to witness a marked improvement. Its branded sales are poised to grow and expect to comprise 30% of net sales in FY08.

Multiple growth drivers in the form of shift in business model, foray into bio-fuel and backward integration into Jatropha plantation, vertical integration into oil palm plantations, foray into mustard oil business will see the company in different growth trajectory. The margin profile will see a change as manufacturing/branding takes the front seat. We expect the net sales to post a CAGR of 18% during FY07-FY10 period. EBITDA and PAT are likely to witness a CAGR of 37% and 46% respectively during the same period.





Consolidated segment

Rs crores	FY07	FY06	FY05	FY04	FY03
Revenue					
Extractions	1650.3	1792.1	750.7	739.3	429.2
Vanaspati	604.8	446.6	347.0	452.4	391.6
Oils	6509.5	5203.0	3514.8	3117.9	3015.8
Others	304.6	192.1	143.0	935.0	44.9
PBIT					
Extractions	55.4	18.6	19.4	29.8	11.5
Vanaspati	8.6	4.8	2.0	6.4	5.5
Oils	166.4	155.5	69.3	63.5	53.2
Others	7.6	2.1	5.3	-11.3	2.7
PBIT margin (%)					
Extractions	3.4	1.0	2.6	4.0	2.7
Vanaspati	1.4	1.1	0.6	1.4	1.4
Oils	2.6	3.0	2.0	2.0	1.8
Others	2.5	1.1	3.7	-1.2	5.9

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Valuation

Ruchi Soya is expected to benefit from favorable macro environment for edible oils and is all set to take advantage from the same with its capacity expansion in place. The company has consistently delivered as its net sales and PAT have grown at CAGR of 23% and 36% respectively during the last 5 years. Its transformation from a commodity player to branded products company along with other drivers like mustard oil, palm and Jatropha plantation will strengthen its financials further. At the CMP of Rs 86, the stock trades at commodity-like valuation, quoting at Market Cap/branded sales of 0.4 and EV/EBITDA of 5.3x and PE of 6.8x its FY09 financials.

Free Cash Flow

Rs crores	2008	2009	2010	2011	2012
Net Sales	10,685.9	12,609.3	14,752.9	17,408.4	20,542.0
Operating expenses	10,423.0	12,253.7	14,266.1	16,781.7	19,761.4
Operating profits (EBIT)	262.9	355.6	486.8	626.7	780.6
Cash taxes	86.7	117.3	160.7	206.8	257.6
NOPLAT	176.1	238.2	326.2	419.9	523.0
Depreciation	78.0	92.0	106.2	79.7	94.0
Gross cash flow	254.1	330.3	432.4	499.6	617.0
Less capital expenditures	100.0	75.0	50.0	106.2	125.3
Less working capital investments	161.4	168.9	265.7	106.2	125.3
Free cash flow	**-6.5**	**70.2**	**85.3**	**189.1**	**217.4**

DCF Valuation per share

Total FCFF	555.5
Continuing Value	2821.6
Value of operations	3377.1
Plus: value of non operating assets	799.1
Value of firm	**4176.2**
Less: market value of obligations	1609.2
Shareholder value	**2567.1**
Shareholder value per share	**140.7**

Cost of equity	14%
Post Tax cost of debt	6%
Debt/Equity ratio	1.58
WACC	9%

Peer Comparison

Peer comparison of Ruchi Soya in strict sense in not possible due to variation in the business models. No other listed company is solely based on soya complex for its business. KS Oils in mainly into mustard oil business and Marico is a pure FMCG player having diverse interest apart from its edible oil business and its main business driver is Parachute, which is coconut oil based.

Recommendation

Our fair price based on DCF valuation is Rs 141. At our target price, the stock will be valued at 5.3x EV/EBIDTA and 11x P/E on the basis of FY09E earnings of Rs 12.6. Our target price provides an upside of 64%. We recommend BUY.

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W2W Ratings

Quantitative models of valuation are firmly established as well as practiced as taught in B-schools. However as we all know there are severe limitations in conventional quantitative models. DCF captures time value of money and is as good as its assumptions. Wish a price for scrip and behold! DCF will give you the desired estimation. P/E does not capture quality of earnings and rate of growth objectively. What is baffling is that P/E is more like one size fits all strategy and therefore in the market P/E range is remarkably high from 5 to 50. Even after discounting growth there is a huge variation in P/E within a sector. Amongst peers P/E vary as though underlying scrips are as different as oranges and apples. This provide enough evidence that major qualitative factors, like management quality, strength of business model and investor perception, any inherent strength etc, which writes the market movements gets largely ignored in historic valuation techniques.

We pondered over intensely and wondered if we can evolve a research process encompassing qualitative as well as quantitative factors such that there is more transparency in valuation. Whilst subjective element cannot be avoided it is possible to assign weightage such that there is objectivity in assessment. The subjective element is viewed more as an art of evaluation married with the science of methodology providing 360^{o} perspective of the targeted script.

We hereby introduce this methodology for evaluating Ruchi Soya.

W2W Ratings		Weightage (%)	Scorecard
Management quality/Promoter background		15	**12**
Business Model		10	**8**
Soft factors (corporate governance, certification/awards, corporate social responsibility, employee benefits etc)		5	**4**
Macro Factors		10	**7**
	Competitive Advantage		
	Industry Attractiveness		
	Event Risk		
Product - Markets position		10	**7**
	Brands/ Market Share		
	Technology/Capacity		
	Distribution Reach		
	Exports		
Quality of earnings		20	**15**
	Sales Growth		
	Margin Growth		
	PBT Growth		
	EPS Growth		
Financial Health		20	**16**
	Balance Sheet Strength		
	Liquidity/Resources		
	ROCE		
	ROE		
Investor Perception		5	**3**
	P/E Relative to Sensex		
	P/E Relative to Sector		
	GDR Vs Local		
	Stock liquidity		
	FII fancy		
Future Prospects		5	**4**
	TOTAL	**100**	**76**

	W2W Cut Off Criteria	Action
1	**>80%**	**Strong Buy**
2	**65-79%**	**Buy**
3	**50-64%**	**Hold**
4	**<49%**	**Reduce**

W2W Recommendation: BUY

* Disclaimer: The above analysis is highly subjective in nature, as the analyst has used his/her judgment in exercising ratings. Readers and users are cautioned to verify the information before using it for any personal or business purpose

Financial Statements

INCOME STATEMENT	FY06	FY07	FY08E	FY09E	FY10E
Revenues	**7557.6**	**8976.3**	**10685.9**	**12609.3**	**14752.9**
Total Expenditure	7380.2	8743.5	10345.0	12161.7	14159.8
Operating Profit	**177.4**	**232.9**	**340.9**	**447.6**	**593.1**
Dep. & Amortisations	55.5	65.6	78.0	92.0	106.2
EBIT	**121.9**	**167.2**	**262.9**	**355.6**	**486.8**
Interest	123.7	153.1	171.5	161.9	155.0
EBT	**-1.7**	**14.1**	**91.4**	**193.7**	**331.8**
Other Income	124.7	147.0	150.0	150.0	150.0
Extraordinary Items	0.0	0.0	0.0	0.0	0.0
PBT	**123.0**	**161.1**	**241.4**	**343.7**	**481.8**
Tax	37.8	57.4	79.7	113.4	159.0
PAT	**85.2**	**103.7**	**161.7**	**230.3**	**322.8**
Net profit	**85.2**	**103.7**	**161.7**	**230.3**	**322.8**
Revenue Growth %	*60.3*	*18.8*	*19.0*	*18.0*	*17.0*
Op. Profit Growth %	*138.5*	*31.3*	*46.4*	*31.3*	*32.5*
PAT Growth %	*75.9*	*21.7*	*56.0*	*42.4*	*40.2*

BALANCE SHEET	FY06	FY07	FY08E	FY09E	FY10E
Equity Share Capital	36.5	36.5	36.5	36.5	43.5
Reserves & Surplus	730.7	821.9	969.1	1181.0	1744.7
Networth	**812.4**	**903.7**	**1324.6**	**1536.5**	**1833.4**
Total debt	1097.2	1609.2	1509.2	1434.2	1384.2
Deferred tax liability	55.7	71.8	91.1	118.6	157.2
Minority Interest	0.0	9.0	8.9	8.4	5.7
Capital Employed	**1965.3**	**2593.6**	**2933.7**	**3097.6**	**3380.4**
Gross Fixed Assets	1189.2	1308.0	1408.0	1483.0	1533.0
Net Fixed Assets	1004.2	1057.9	1079.9	1062.8	1006.6
Capital WIP	17.6	20.1	20.1	20.1	20.1
Investments	16.3	32.5	32.5	32.5	32.5
Current Assets	2557.1	3218.5	3677.3	4173.3	4867.5
Current Liabilities	1620.5	1725.2	1865.8	2180.4	2532.8
Net Current Assets	**926.7**	**1482.8**	**1800.9**	**1981.8**	**2320.8**
Misc exp not w/off	0.5	0.3	0.3	0.3	0.3
Total Assets	**1965.3**	**2593.6**	**2933.7**	**3097.6**	**3380.4**

CASH FLOW	FY06	FY07	FY08E	FY09E	FY10E
Operating cash earnings	126.0	160.3	241.4	343.7	481.8
Depreciation	55.5	65.6	78.0	92.0	106.2
Interest	55.3	76.7	171.5	161.9	155.0
Change in WC	-80.5	-361.6	-161.5	-169.3	-268.5
Tax paid	22.5	45.2	60.3	85.9	120.5
CFO	**133.8**	**-104.2**	**269.1**	**342.4**	**354.1**
Net Capex	310.4	121.2	100.0	75.0	50.0
Net Borrowings	17.2	511.9	-100.0	-75.0	-50.0
FCFE	**-159.4**	**286.6**	**69.1**	**192.4**	**254.1**

RATIOS	FY06	FY07	FY08E	FY09E	FY10E
Gearing (%)	1.7	1.6	1.4	1.0	0.8
Current Ratio	1.6	1.9	2.0	1.9	1.9
Inventory turnover	11.1	9.7	10.4	10.7	10.7
Debtors (sale days)	32	35	36	37	38
Asset Turnover	3.38	3.31	3.61	3.96	8.87
RONW(%)	14.3	12.1	14.5	16.1	19.2
ROCE (%)	15.0	13.8	14.9	16.8	19.7
RoE (%)	10.5	11.5	12.2	15.0	17.6
OPM (%)	2.3	2.6	3.2	3.5	4.0
NPM (%)	1.1	1.2	1.5	1.8	2.2

VALUATION PARAMETERS (fully diluted for all yrs)	FY06	FY07	FY08E	FY09E	FY10E
EPS (Rs)	4.7	5.7	8.9	12.6	14.8
P/E Ratio		15.1	9.7	6.8	5.8
Book Value	44.6	49.6	72.6	84.2	84.3
P/BV		1.74	1.18	1.02	1.02
CEPS (Rs)	41.0	50.8	71.0	95.8	107.5
Dividend %	27.0	24.0	24.7	24.7	25.3
DPS	0.5	0.5	0.5	0.5	0.5
Dividend Yield		0.4	0.4	0.4	0.5

DuPont Analysis	FY07	FY08	FY09	FY10
Profit margin (PAT/Sales)	1.2	1.5	1.8	2.2
Total Asset turnover (Sales/TA)	3.5	3.7	4.1	4.4
Equity multiplier (TA/TE)	2.8	2.2	2.0	1.8
RoE	11.5	12.2	15.0	17.6

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