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Its been a good and Positive Week for the market. In this last week many good results have been declared. This week witnessed hug buying from FII's and Mutual Funds. Big investors are coming back into the Indian stock market. Situation is getting better now, as we are 17000 Sensex. As Market is getting stable now, we don't want our investors to lag behind. This week we are coming up with such an industry that didn't got affected by Economic condition ie. Packaging industry. We recommend you to buy Radha Madhav Corporation Ltd.

### RADHA MADHAV CORPORATION LTD.

<b>CMP</b>	<b>72.15</b>
<b>52 Week High</b>	<b>150.40</b>
<b>52 Week Low</b>	<b>50.65</b>
<b>Market Cap (Rs. Cr)</b>	<b>153.97</b>
<b>Equity (Rs. Cr)</b>	<b>21.34</b>

### Outlook :

The Company has been incorporated on 7th January 2005. RMCL is a techno-driven company with state of the art facilities for production. Company has thrived on its technological edge and its extensive research and development. Activities of RMCL can be divided into two areas **Primary Packaging and Secondary Packaging**. Primary Packaging is again divided into Flexible division and Folded Carton division while secondary packaging includes products like liners, specialty thermo formable films, cartons and various profiles for varied Applications.

RMCL presently manufactures surface printed barrier films, metallized films, laminates, wrappers, overwrap films and lamination films of varied types. It also manufactures **multi colored printed mono cartons** of very high quality. **RMCL also commands a leader's position in secondary packaging** with a product portfolio of stretch cast films, BOPP tapes, masking film, soft blister films, commodity liners of various materials like PE, PVC and PP.

**RMCL plans to expand its existing capacity of Production by Strategic Acquisition.** RMCL has acquired the existing three firms' viz. Mayura Industries, Radha Madhav Industries, Metro Polyprints and **further increase the manufacturing capacities.**

### Strength:

Following are the major strength of the company: With the growing economy and urbanization, packaging industry is witnessing great boom. **Packaging is a safe industry to invest as it is least affected by any specific target industry.** Company is already in the business and has been successful in its activities till now. **Company has a great combination of high profit yielding products and low profit yielding products.** High profit products require niche marketing and higher marketing efforts and low profit yielding products are easy to sell. **Company has a portfolio of primary and secondary packaging products having a wide acceptance in the market.**

### Unique Selling Proposition (USP):

Since RMCL will have **varied manufacturing facilities, with long experience in the field, it commands unique position in the market.** It would aim at bringing newer products in the market. Also with extensive and qualified sales network, **RMCL can deliver good service, better product at competitive price. RMCL produces Flexo Printed high-end barrier films, which are relatively newer product and there is lower competition in this industry.**

### Financials:

Particulars	Dec '06	Mar '07	Jun '07	Sep '07	Dec '07
Sales Turnover	26.26	20.43	33.37	39.23	37.92
Other Income	0.02	-0.01	0.05	0.05	0.25
Total Income	26.28	20.42	33.42	39.28	38.17
Total Expenses	21.69	18.14	25.19	30.04	30.03
Operating Profit	4.57	2.29	8.18	9.19	7.89
Gross Profit	4.59	2.28	8.23	9.24	8.14
Interest	0.90	1.04	0.83	1.51	1.23
PBDT	3.68	1.24	7.40	7.74	6.91
Depreciation	0.32	0.40	0.70	1.02	1.03
PBT	3.36	0.84	6.70	6.72	5.88
Tax	-0.18	1.70	1.67	1.05	1.13
Net Profit	3.54	-0.86	5.03	5.67	4.75
Earnings Per Share	1.88	--	2.53	2.86	2.23
Equity	18.89	19.83	19.83	19.83	21.34
Reserves	30.94	33.38	67.53	73.20	85.27
Face Value	10.00	10.00	10.00	10.00	10.00

Company has so far shown Robust Growth. The sales turnover has always been growing. **Average Quarter on Quarter sales growth is this financial year has been hovering around 20 to 25%.** In comparison to that Net Profit has also been growing. The company has not declared its Q4 financial results yet. **We expect 100% growth in its Turnover and Net profit from last financial Years performance.**

### Recommendation:

**Packaging is a safe industry to invest as it is least affected by any specific target industry. RMCL has always performed well on broses. Currently it is trading at 50% low from its 52 Week High. There is huge potential of upside in this stock. Strong Monopoly, robust growth and big expansion plans, the company is well priced to buy at this level for big returns in future.**

**Thanks and Regards,  
PMS TEAM**