

28-Aug-08

CMP	Rs 8.40
Face value	Rs 10
Avg Vol	5504.96
52 week high/low	Rs 22.1/Rs7.6
No. outstanding shares	21521425
Mkt Cap	Rs 18.07 crore

COMPANY BACKGROUND :

The Company was incorporated on 18th October 1985, at Gujarat, and obtained the Certificate of Commencement of business on 8th November. It was promoted by R.K. Jatia and R.G.N. Swamy, a non-resident Indian. The main objective of the company is to manufacture Ceramic glazed wall and floor tiles.

The company undertook to set up a plant for the manufacture of 20,000 tonnes per annum of ceramic floor and wall tiles. Main plant and machinery were to be imported from Italy and the Company was to use the double deck roller hearth kiln technology which is well proven for single firing and fast firing technology.

An agreement for technological and technical collaboration was entered into between the Company and Societa Impianti Termoelettrici Industriali SPA, Italy (SITI). Technical drawings technology relating to fast firing and single firing roller hearth kilns with LPG and/or natural gas as fuel including technical documentation thereof apart from provision of extensive training for company's personnel with SITI and deputing ceramic technologists to the company.

COMPANY PLANT:

Bell Ceramic has two plant strategically located, one is in Vadodra, Gujrat and another plant is in Bangalore, Karnataka. Bangalore plant caters to the need of southern India and Vadodra plant located in western part can look into the demand originating from western and northern India. These are potential market.

Plant capacity:

Vadodra plant has installed capacity of 63.87 lacs square meter per annum of walls and floor tiles.

Bangalore plant has installed capacity of 82.13 lacs square meter per annum of walls and floor tiles.

PRODUCT RANGE: Bell Ceramic has wide range of product to satisfy the demand of every segment of consumers. Some of the products are:

- I. Ceramic glaze wall tiles 200mm by 300mm
- II. Ceramic glaze floor tiles
- III. Edge cut floor tiles.
- IV. Non- skid group five series

COMPANY DISTRIBUTION NETWORK:

It has wide distribution network in place to cater to the needs of the customers. 29 depots, more than 1000 dealers and over 4000 retailer for timely delivery of the products.

Company uses world class ERP software of inventory and receivable management.

COMAPANY VISION:

Homes made beautiful

Vision

To become the most preferred provider of tiling solutions.



Homes made beautiful

Mission

To delight every individual associated with Bell by providing innovative and quality products & services on an ongoing basis.



CLIENTS LIST:

Central Excise Of Baroda Building - Subhanpura - Baroda

Baroda Eye Relief Hospital (Vaduwalla) - Salatwada - Baroda

Dr Shyam Lalchandani-(Ms) - Kalawati Hospital - Harni - Warasia Rind Road – Baroda

Mes - Fathegunj

Mes - Makarpura

Bsni Office - Baroda

Pro Office - Narmada Bhavan - Baroda

Gujarat Flurochem Ltd – Halol

Dinesh Remedies (Dinesh Mill) - Baroda

Pruthvi Buildcon - C/O Hindalco - Dahej

Indian Dimond Association - Surat

Garden Vareli – Surat

RAJASTHAN

Railways – Indragarh

J.K.Tyres – Kankroli

Bramhakumari Ashram - Abu.Road

Satellite Hospital – Udaipur

M.G.Hospital – Banswara

Govt.Hospital - Chittorgarh & Kankroli

Rajasthan Spinning And Weaving Mills. - Banswara,Mordi And Bhilwara

Air Force - Mt.Abu

G.P.O. – Jaipur

Subodh College – Jaipur

Jaipur Dental College – Jaipur

Deepshikha College Of Engineering - Jaipur

R.T.D.C. – Jaipur

G.E. Call Center – Jaipur

Govt.T.B.Hospital – Jaipur

Rajiv Gandhi Shiksha Sankul - Jaipur

N A L Air Force Station - Bikaner

Indian Oil Corporation

H.P.C.L.

Air Force Staition – Uttarlai - Barmer

MANGALORE

Academy of Liberal Education - Sullia
A.J.Hospital & Research Centre - Mangalore
Puttur Education Society-Puttur
Father Muller Charitable Institution - Mangalore
Inland Builders – Mangalore
Janatha Construction - Mangalore
Karavali Education Society - Mangalore
Poojan Residency – Mangalore
Kanachur Constructions CO, - Mangalore
Mayur Residency - Mangalore.
Mothisham Complex Pvt. Ltd.
Premier Builders – Udupi
The Mysore Construction Co., - Mangalore
Yenapoya Hospital – Mangalore
Islamic Education Trust - Mangalore
Nitte Education Society - Mangalore
Sri Devi Education Trust - Mangalore
Canara Engineering College - Mangalore
P.A.Engineering College - Mangalore
Mahabaleshwara Promoters - Mangalore
Colaco Hospital – Mangalore
Inland Builders – Mangalore
Plama Citi Homes – Mangalore
Regal Developers & Promoters - Udupi

CHANDIGARH

B H E L
C P W D
DLF Delhi
L I C
P W D
N T P C
IIT Kanpur
Siemens
Unitec Limited
Godrej Properties
Hero Cycles Ludhiana.

Reliance Industries Limited

Army Institute Of Law Mohali

Appolo Hospital - Delhi

Ansal Properties & Industries Ltd.

Haryana Tourism

All India Institute Of Medical Sciences

Garrison Engineer Kanpur

Vidya Sagar institute Of Medical Health & Sciences Amritsar

I.T.B.P Hospital Chandigarh

Post Graduate Institute Of Medical Sciences (PGI)Chandigarh

IAS IPS Officers Institute Of law Chandigarh

Lake Club Chandigarh

Dayanand Medical College Ludhiana

Baba Jaswant Singh Dental College And Hospital Ludhiana

OMEX Constructions Limited - Delhi

Air Force Station 3 BRD - Chandigarh

Punjab National Bank Chandigarh, Ludhiana & Ambala

State Bank Of Patial Patiala

ICICI Bank ATM's

Regional Pass Port Office

C.T.Public School Jalandhar

Dalhousie Public School Dalhousie

Amertex Hamirpur, Chandigarh

Food Corporation Of India (FCI) Chandigarh & Panchkula

Kasuli Resorts Kasuli

Chitkara Engeneering College

Hotel Mount View Chnadigarh

Chandigarh Police Stations

Chaman Vatika School Ambala

Army Establishments

Nagarjun Construction Company Limited

Navel Public School

Himachal Hosing Board

Safderjung Hospital

Rayat deemed university

Punjab university – Chandigarh

National institute of pharmaceutical research development

J&K bank

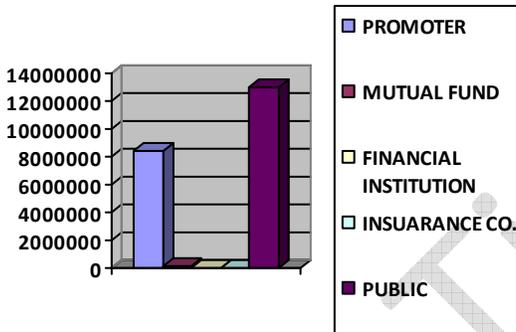
Health Systems Punjab

W D Chandigarh

Source –Bell ceramic

SHAREHOLDING PATTERN:

STAKE HOLDER	NO.OF SHARES	%OF TOTAL EQUITY
PROMOTER	8471750	39.37
MUTUAL FUND	81325	0.38
FINANCIAL INSTITUTION	11510	0.05
INSUARANCE CO.	34845	0.16
PUBLIC	13049675	60.64



FINANCIAL:

	31 MAR 2005	31 MAR 2006	31 MAR 2007	31 MAR 2008
NET SALES	1523.06	1588.56	1692.34	1737.16
OPERATING PROFIT	320.07	248.7	165.35	84.04
INTEREST	-117.18	-112.12	-125.01	-129.55
PBDT	202.89	136.59	40.34	-40.51
DEP	-106.78	-109.82	-115.42	-115.6
PBT	96.11	26.71	-75.07	-156.11
TAX	6.08	-21.83	-1.44	9.02
PAT	102.19	4.93	-76.53	-147.09
OPM	21.01%	15.66%	9.77%	5.13%
NPM	6.11%	0.7%	-3.95%	-12.55%

SOURCE.-nseindia.com

Company sales are increasing but operating profit margin has decreased drastically in recent years, this is because of increase in the input cost. This eating into the profit of the company. Company is taking various initiatives to cut the cost and make the production more efficient.

Conclusion:

As the disposable income of Indian household is increasing more and more people go tiling their floor and wall. As soon as real estate market will pick up, Bell ceramic will be one to get benefit of increased demand.

Company price corrected in the past few month. We feel it is currently undervalued. Whole of the company is available at less than 20 crore. It is very difficult to create nationwide network, establish brand and create facility with 20 crore rupees.

It is just a matter of time that company will catch up with valuation.

We are very much sure that company will come out of red and start its march towards better tomorrow.

This could be one of the turnaround stories.

Investors with patience can start accumulating Bell ceramics at these levels.

Happy investing.