

Initiating Coverage

Market Outperformer

May 27, 2011

Price: Rs. 119

S&P CNX 500: 4410

PIRAMAL GLASS LIMITED

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Year to March (Cons. figs)	FY11A	FY12E	FY13E
Net Sales (Rs. Mn)	12184.6	13979.5	16213.3
Net Profit (Rs. Mn)	930.2	1119.9	1705.1
Shares O/s (Mn)	80.4	80.4	80.4
EPS (Rs.)	11.6	13.9	21.2
P/E (X)	10.3	8.5	5.6
EPS Change (%)	-	20.4	52.3
Cash Flow/Share	26.5	32.9	43.0
Price/Cash Flow	4.5	3.6	2.8
Dividend Rate (Rs.)	3.5	4.0	6.0
Dividend Yield (%)	2.9	3.4	5.0
RoNW (%)	36.9	33.4	39.5
RoCE (%)	15.0	17.4	21.6

Financial Data

Mkt. Value	Rs.9.6bn
Book Value/Share	Rs.50.8 (FY12E)
Price/Book Value (x)	2.3X
12 Month Price Range	Rs.142/ Rs.80

Share Holding Pattern (%) (as on 31/03/2011)

Promoters	72.7
Companies/FIs/ MFs	15.4
Public	11.9

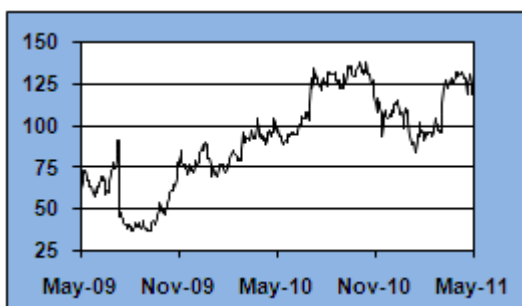
Quarterly Performance (Consolidated)

Rs. in mn	3Q10	4Q10	3Q11	4Q11
Net Sales	2818.9	2835.5	3106.2	3288.6
Other Income	43.4	64.1	63.5	50.8
PBDIT	668.7	723.3	780.4	941.8
Depreciation	272.3	263.9	269.5	274.0
PBIT	396.4	459.4	510.9	567.8
Interest	196.7	177.0	190.3	189.1
Forex (Gain)/Loss	71.5	121.8	(4.4)	(62.7)
PBT	128.2	160.6	325.0	441.4
Tax	15.2	38.6	59.4	83.2
PAT	113.0	122.0	265.6	358.2
Minority Interest	5.2	7.5	34.3	31.1
Net Profit	107.8	114.5	231.3	327.1
EPS (Rs.)	1.4	1.5	3.3	4.5
OPM (%)	22.2	23.2	23.1	24.1
NPM (%)	4.0	4.3	8.6	10.9

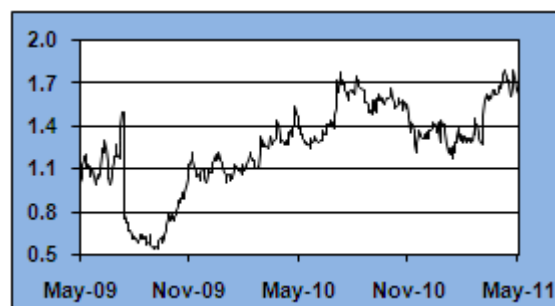
Key Issues:

- Revenue mix to shift further towards C&P:** PGL is the world's largest manufacturer of *colour cosmetics (nail polish bottles)* & an *exclusive supplier of high end flacons (sole Asian player) for select brands to 17 out of top 20 premium C&P (Cosmetics & Perfumery) companies globally (~80% industry turnover)*. Increasing C&P revenues (~58% FY13E from 44% FY10) should anchor its medium term topline growth (assumed ~15% CAGR FY11-13) (PGL~5% of US \$2.3 bn C&P market).
- Sustainable growth through significant cost arbitrage:** *Glass forms a key cost element for C&P players globally & the industry has remained labour intensive for decoration, inspection, etc.* High entry barriers (customer approvals, etc) & lower cost of operations (esp. labour) should ensure market share gains for PGL & *secure revenues even if the segment faces growth headwinds.*
- Capex in line with strategic intent:** To support the demand in C&P, the Company is realigning 4 furnaces (for premium) at Kosamba & setting up a greenfield unit (for mass) at Jambusar (*overall capex ~Rs.2.6 bn to be funded internally*). Operating margins would further expand (FY11-13) on the *back of a profitable mix & reduced scale of operations at USA (part capacity diversion to India)*.
- Stronger Balance Sheet with improving return ratios:** PGL's growth strategy should *strengthen its cash flows significantly*-providing leeway to deleverage the Balance Sheet (debt-equity ~ 1.4X FY13E from 2.8X FY11) & undertake minimal capex from internal accruals. This is backed by a *steadily improving ROCE (~21.6% FY13E)* – important in the light of an asset heavy model.
- C&P offtake, cost pressures are the main risks:** Discretionary nature of C&P spending, overruns in furnace realignment (*45 days production stoppage over FY11-13 at Kosamba*), inability to pass on labour & energy prices are key risks to our estimates. Monetization of its land bank (*21 acre worth ~Rs.400 mn*) at Ratmalana (old plant location at Sri Lanka) could however surprise us positively.
- Valuation:** PGL lags in valuation against global peers despite gaining market share from them. The current price we believe does not factor in the strong earnings outlook (*PAT nearly doubling in next 2 years without any equity dilution*) & the rare, unwavering commitment by the promoters towards the business. **Recommend Buy** with a one year target of **Rs.200** (~6X FY13E EV/EBITDA in line with average multiple of players).

Piramal Glass - Share Price Movement

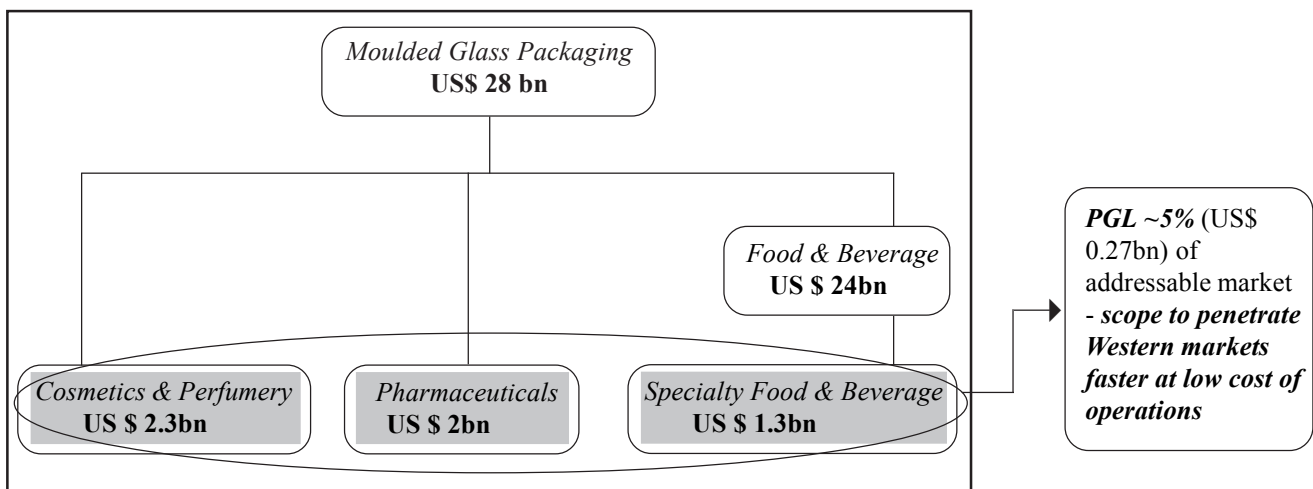


Piramal Glass - price relative to the S & P CNX 500



Promoted by Ajay Piramal Group, **Piramal Glass Limited** (PGL) (erstwhile *Gujarat Glass Limited*) is a leading global manufacturer cum solutions provider of glass flacons (small to medium sized bottles-2ml to 2.5 litres) catering to *Cosmetics & Perfumery (C&P)*, *Pharmaceuticals & Specialty Food & Beverage (F&B)* industries. With six subsidiaries & manufacturing operations in India, Sri Lanka & USA, the Company markets its products in more than 54 nations. Its business suffered mainly in the past due to huge debt (capacity expansion), mounting forex losses & US operations taking a longer time to revive. These problems behind & a large addressable market that can easily support growth (Exhibit 1), the Company is poised to benefit strongly on the back of better product mix, ongoing restructuring of business & a much cleaner Balance Sheet.

Exhibit 1: Addressable Market

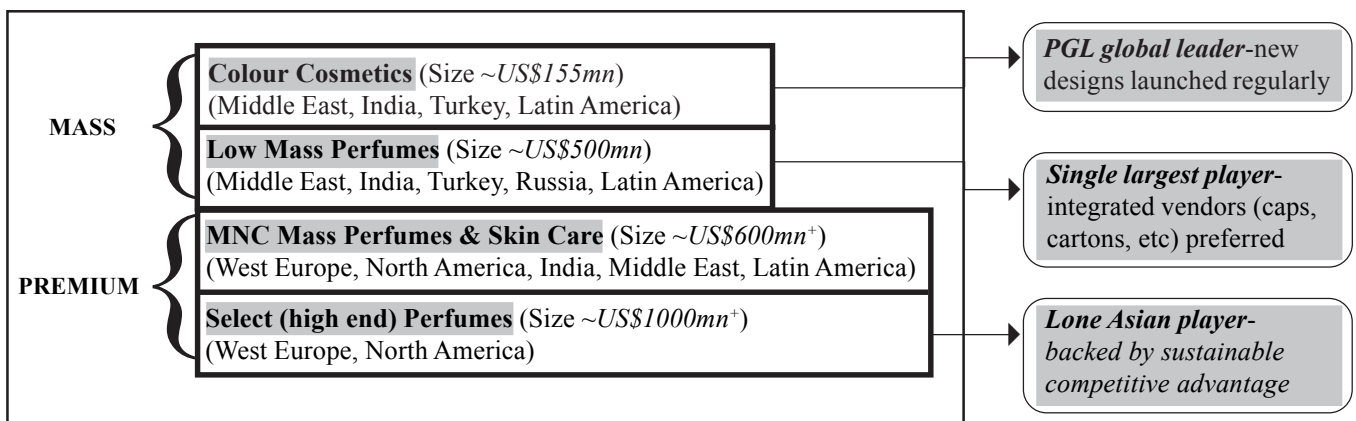


Source : Euromonitor, Industry

Increasing C&P revenues - key driver of topline

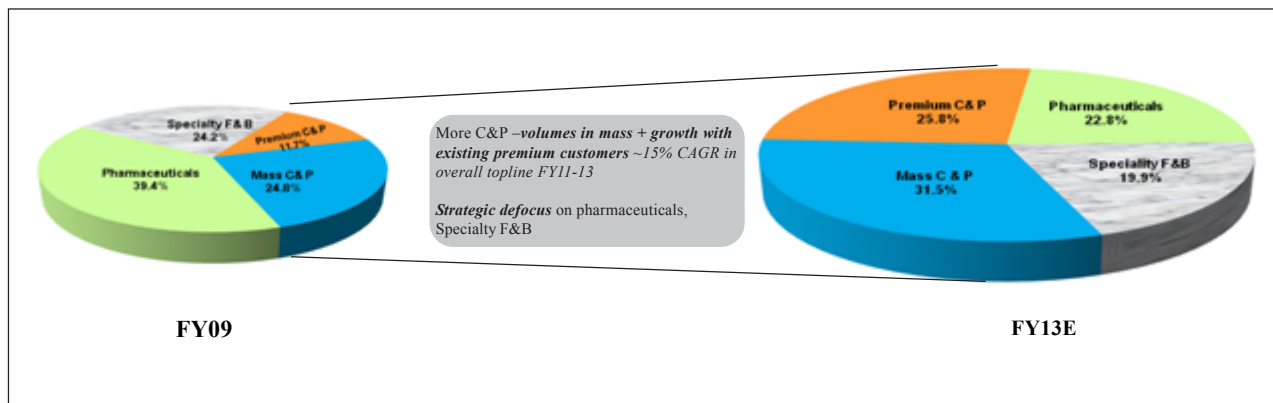
In the recent past, PGL has shifted its focus from catering to the pharmaceutical industry (standardized products) to making inroads in the C&P segment in view of a scalable business opportunity. *The C&P market is broadly categorized into four segments based on quality & pricing parameters.*

Exhibit 2: Overview of C&P segments



Source: Company, Industry

Exhibit 3: Changing revenue mix



Source: Company, own estimates

Exhibit 4: Pricing dynamics (an illustration)

Category	Inspection Quality	MRP (US\$)	Manufacturing Cost of bare bottle	Bottle Price (US\$ per 1000 pieces)	Median Bottle Price (US\$)	% of Manufacturing cost
Colour Cosmetics	C type sorting	1.5	0.225	20-40	0.03	13.33%
Low Mass perfumes	C type sorting	8	1.2	85-160	0.1225	10.21%
MNC Mass Perfumes & Skin Care	B type sorting	15	1.8	160-330	0.245	13.61%
Select Perfumes	A type sorting	60	4.8	330-1000	0.665	13.85%

Source: Company, Industry

[*Including decoration costs, the bottle cost as a proportion of manufacturing cost would be much greater in the premium segment. MRP of premium C&P also include a high component of endorsement fees & dealer margins]

The contribution of the premium C&P segment (~70% of overall market) to PGL’s revenues has steadily increased from 12.1% in FY07 to 22.1% in FY11. PGL’s foray into this niche space resulted from its tactical buyout of the cosmetics moulded glass division of Glass Group Inc (in October 2005) - both manufacturing knowhow & leading clients (Elizabeth Arden, Estee Lauder, etc) coming readily to its fold. After a successful turnaround in US subsidiary in FY10, operations have now stabilized. We understand that the average realization in the premium segment is ~2X that of mass (average realization in C&P ~4X that of Pharmaceuticals & Specialty F&B). The better profitability (Exhibit 5) factors in sophisticated designs & higher rejects in manufacturing (~40% in the first run*) - which we believe can improve with growing process expertise (PGL being a new entrant). With every extra bottle accepted, the benefits of operating leverage tend to play out (tolerance levels for acceptance of premium C&P bottles is very low from customers).

[*Pack-to-Melt ratio is an important efficiency parameter in the container glass manufacturing industry - it indicates the weight of glass packed in relation to the amount of glass melted over a defined period of time (balance is glass rejected which is normally crushed for recycling). 40% rejection would therefore imply 60% pack-to-melt.]

PGL has established commercial relationships with almost 17 out of 20 players (Coty, P&G, etc) who account for ~80% turnover in the premium C&P industry. The top 5 clients accounted for ~27% FY11 revenues – this concentration bound to increase going forward as a lot of consolidation is gradually happening at the customer’s end. Depending upon their requirement, PGL supplies both bare & decorated bottles to them. Decoration (~40% of base price) is a very high margin process by itself. Clients typically are known to source the entire demand of their high-end products from one vendor - the scope to grow is thus significant by adding every important brand.

Exhibit 5: EBITDA margin profile

Premium Cosmetics & Perfumery *	35%	→ Growing share leading to improved profitability
Mass Cosmetics & Perfumery	22-25%	
Pharmaceuticals	20-25%	
Specialty Food & Beverages	22-25%	

Source: Company

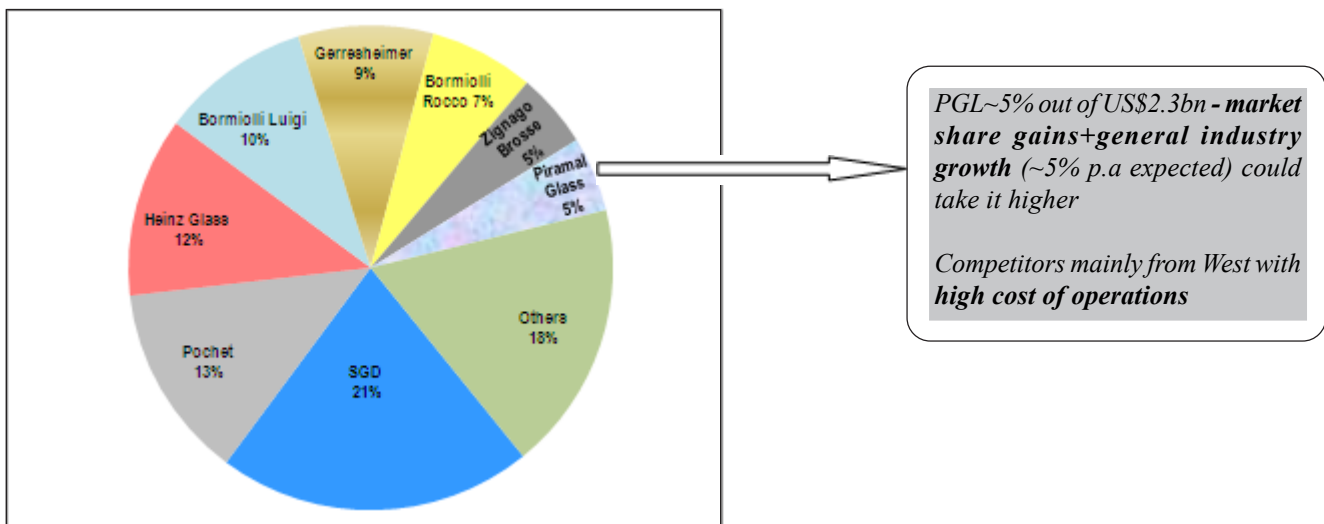
*Premium C&P EBITDA includes decoration EBITDA~50% - implying bare bottle sales enjoy ~25% EBITDA.

Sustainable growth - significant labour cost arbitrage, high entry barriers

PGL is the newest entrant & the only Asian player in the premium C&P segment where capacities are largely concentrated in Western Europe (France, Germany, Italy, etc) & USA. *Stringent client audits (including social audit) & regular copyright checks make customer approval easily a 5-7 year process - a steep entry barrier itself. Officially it is allowed in the West to replicate a perfume after its launch – the liquid fragrance part only but not in the same bottle. Thus the client’s IPR largely resides on the design of the glass packaging.* Customers most often pay the vendor for developing the high end mould which is not easily changed. *In the light of its existing relationship with ~500 C&P companies globally, this we believe makes PGL more than a me-too flacon maker.*

The container glass manufacturing industry for C&P has remained labour intensive & numerous process parameters need to be adhered to without any scientific thumbrule. For aesthetic issues, critical processes like quality inspection,decoration, etc require significant human expertise at the cold end after the glass is formed. *This nature of the industry we understand has deterred players like SGD, Gerresheimer to set up manufacturing operations in low cost destinations.* China is not preferred due to potential threat of copyright violation .

Exhibit 6: Global C&P market shares



PGL~5% out of US\$2.3bn - market share gains+general industry growth (~5% p.a expected) could take it higher
Competitors mainly from West with high cost of operations

Source: Company

Glass forms a key cost element for C&P companies (P&G for instance buys €125 mn glass annually, Coty €150 mn & so on). *Players like PGL enjoy significant cost arbitrage especially with respect to manpower over its global peers.* With counterparts in Western Europe, USA still reeling under high cost of operations (recent recessionary trend in luxury goods) plus demand being driven mainly by BRIC nations, this could gradually lead to market share gains for PGL through shift in business - a trend that should ensure steady increase in its C&P revenues even if the industry faces growth headwinds.

Exhibit 7: Comparative cost structure

Cost Head	France	India
Raw Material	6	6
Packing Material	4	4
Energy	8	8
Labour	53	4
Mould	4	1
Overheads	12	10
Freight	1	6
Depreciation	12	7

Source : McKinsey Study of the C&P industry

Significant labour cost advantage for PGL-
sustainable as industry in manpower intensive

Customers looking to cut costs in key brands to prolong product life cycle

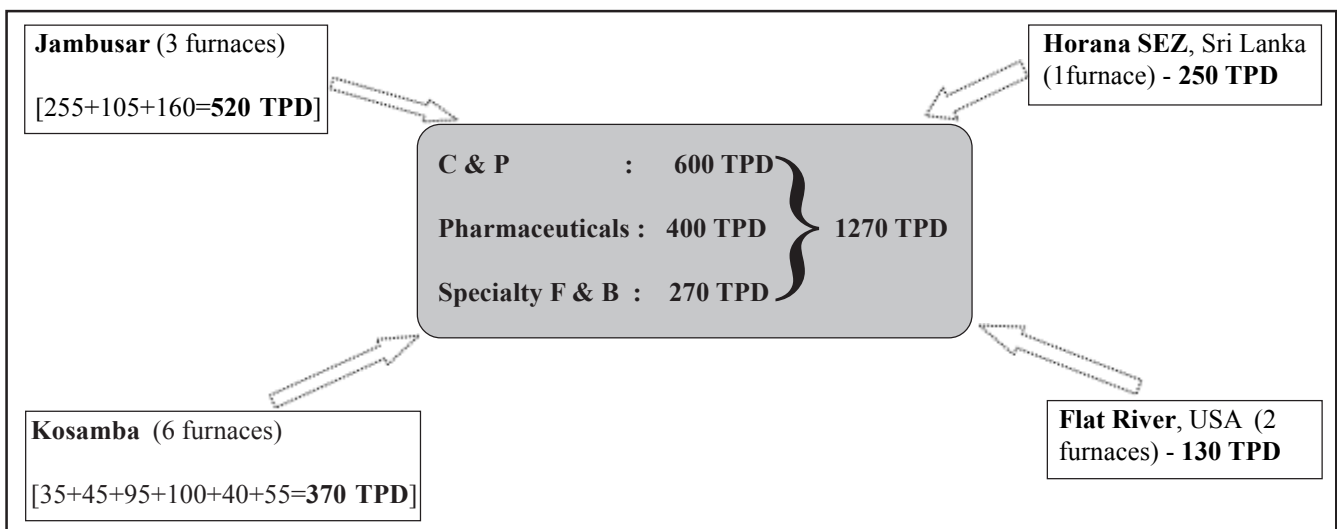
In-house mould design/manufacturing capabilities - Others rely on purchase

Capex in line with strategic intent

To meet the growing demand in the premium C&P space, PGL would be realigning 4 furnaces at Kosamba by diverting capacities catering to the pharmaceutical industry from US & India. This would be a onetime irreversible process entailing an outlay of ~Rs.1.6 bn for change in machinery configuration. This strategy should also help the Company to manage the risk arising from increasing substitution of PET bottles (mainly in liquid orals) & focus mostly on niche Type I injectables (least reactive to glass) in pharmaceuticals. In addition, it is in the process of setting up a greenfield unit of 160 TPD at Jambusar for Rs.1 bn to support its leadership position in the colour cosmetic segment (nail polish bottles, etc). The overall capex would be funded entirely through internal accruals. While capacities are fungible to an extent, we understand that it is necessary to have a presence in both segments as furnaces need to be run on a continuous basis to recover fixed costs.

The US operations are back in the black & would cater to the Specialty F&B industry which is more localized due to freight considerations. Transfer of such capacities (large bottles ~2 litres) to India may not be economically viable & PGL expects to grow through increased volume substitution from suppliers in EU (cater to ~75% of US demand). We note that labour costs for PGL's US operations ~30% of sales compares heavily at ~10% of revenues in India & Sri Lanka. Reduced scale of operations in US & growing C&P revenues from India should therefore drive improvement in EBITDA margins from FY13 (by when the realignment should be over). This would result in PAT growing at a faster clip (~40 % CAGR) than topline (~15 % CAGR) over FY11-13.

Exhibit 8: Capacities (likely) post realignment & expansion



Source: Company

Piramal Glass Ceylon (listed entity with 54.5% stake) should maintain the momentum seen in FY11 on the back of growing local & international Specialty F&B sales (we have not factored any major improvement in profitability though). *Given the demand-supply mismatch in Sri Lanka (~160 TPD against its 250 TPD capacity), we do not anticipate creation of new capacities to threaten its domestic monopoly (~90%+ market share).*

More cleaner, stronger Balance Sheet

Having invested heavily during FY05-08 in acquisition & subsequent expansion-upgradation of capacities, we believe PGL is now poised to reap the benefits. *The strategy of increasing C&P revenues & shifting operations to India should improve cash flow position significantly - sufficient leeway to deleverage the Balance Sheet & undertake minimal capex through internal accruals.* Debt-equity (already on a reducing trend) is expected to come down to a more manageable ~ 1.4X FY13E from ~4.4X FY10 (post rights issue) *without any risk of equity dilution.* Interest cost ~7.5% p.a. looks sustainable in view of forex loans (~40% of Secured Loans) & strong credit terms with bankers for the parent.

The changing mix should improve ROCE (~21.6 % FY13E) – an important parameter in the light of an asset heavy model (~1X Asset Turnover). Without any further capex beyond FY13, the Company expects to grow revenues easily ~10-15% annually & but is striving to attain 30%+ EBITDA margins (seen prior to FY05) - implying further scope to strengthen cash flows & return ratios. For this, growth has to be led by more high end (premium) brands & better productivity at lines - two key monitorables to our mind. *Verreries Pochet SA (privately held French entity) at 6X Asset Turnover & 40%+ ROCE is regarded as the industry benchmark for important financial parameters.*

Risks to earnings - C&P offtake, cost pressures & exchange rate

C&P being a luxury item is *prone to discretionary demand.* Lower offtake of brands would negatively impact PGL's topline growth. *Also the furnace realignment exercise is likely to result in production stoppage of ~45 days at Kosamba. Delay beyond this would be a key risk to our estimates.*

Inability to pass on variation in input, labour & energy prices to clients would threaten the likely improvement in PGL's profitability. However it has so far been successful in doing that with a lag of 1-3 months.

Having hedged receivables at US\$/INR 39 over a three year period (reason for high forex losses in FY09, FY10), PGL is now resorting to forward covers on a regular basis (monthly). *Based on the naked exposure that the Company has, we understand that EBITDA margins could be impacted either way by ~0.5% based on US\$/INR fluctuating by ~1%.*

Successful monetization of Piramal Glass Ceylon's 21 acre land at Ratmalana (old manufacturing site) could surprise us positively. Based on recent transactions in that area, we understand the property could be valued at ~Rs.400 mn (~Rs.20 mn per acre) -35% of FY12E post tax profit.

Re-rating on the cards-high earnings visibility

PGL offers a unique play on the premium glass packing space. *A scalable business model with sustainable competitive advantage, the Company enjoys high earnings visibility in the medium term – the likely growth resulting in a much better quality Balance Sheet.* Despite gaining market share from them, the stock is at a discount to global peers - which we believe could partly be on account of their long existence (each over 50 years) in the industry & a rub off from the proposed restructuring in the flagship group company Piramal Healthcare.

Exhibit 9: Peer valuation (snapshot)

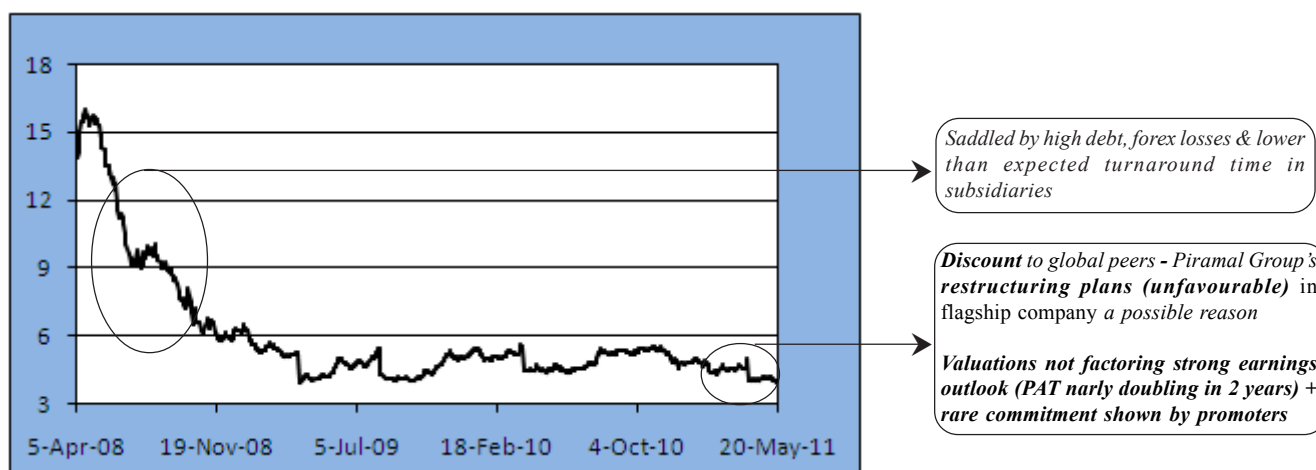
Company	EBITDA (%)		ROE (%)		P/BV		P/E		EV/EBITDA	
	CY11 / FY12E	CY12 / FY13E	CY11 / FY12E	CY12 / FY13E	CY11 / FY12E	CY12 / FY13E	CY11 / FY12E	CY12 / FY13E	CY11 / FY12E	CY12 / FY13E
Vetropack	23.7%	24.0%	12.1%	12.3%	1.3	1.2	11.5	10.1	5.2	5.0
Vidrala	25.1%	25.8%	16.1%	15.8%	1.6	1.4	10.0	9.1	6.9	6.4
Zignago	26.7%	26.9%	31.7%	29.8%	3.8	3.4	12.4	11.7	6.7	6.3
Gerresheimer	20.4%	21.2%	12.5%	14.0%	2.0	1.8	14.6	12.3	6.2	5.6
Piramal Glass	24.8%	25.9%	33.4%	39.5%	2.3	1.8	8.5	5.6	5.1	4.0

Source: Bloomberg, own estimates

**Hindustan National Glass & Industries (HNGI) has not been considered since it does not have a presence in the C&P segment. Over 50% of its revenues are from the liquor industry.*

As seen above, players enjoy similar Operating Margins despite PGL being a new entrant (~4 years) in the C&P segment. *Since sourcing of glass offers the maximum room for cost reduction for clients worldwide, the risk factors should not disturb the underlying demand conditions which in turn would drive PGL's topline.* Given its low cost of operations, the scope to improve EBITDA margins on the same asset base is significant – implying return ratios could further increase beyond FY13. This should also compensate for the smaller size of PGL - peers command ~2-3X higher sales. *We note that PGL has been a rare group company in which the parent has shown unwavering commitment to grow the business (turnaround of Glass Group - an entity that changed ownership 5 times in a span of 12 years, etc).* We therefore expect valuations to catch up & PGL to trade in line with other players ~6X average **FY13E EV/EBITDA** (EV/EBITDA multiple factors the nature of the industry & improvement in PGL's operating performance). **Recommend Buy** with a one year price target of **Rs.200**.

Exhibit 10: EV/EBITDA band



Income Statement Analysis (Consolidated)

<i>Rs. in million</i>	FY2009	FY2010	FY2011	FY2012E	FY2013E
Premium Cosmetics & Perfumery	1175.7	2072.6	2686.7	3358.4	4179.5
Mass Cosmetics & Perfumery	2498.4	2747.4	3283.8	4071.9	5108.3
Pharmaceuticals	3977.1	3389.1	3411.7	3522.6	3698.7
Specialty Food & Beverages	2437.2	2830.0	2802.4	3026.6	3226.7
Net Sales	10088.4	11039.1	12184.6	13979.5	16213.3
Other Operating Income	206.6	218.5	215.4	250.0	250.0
Gross Income from Operations	10295.0	11257.6	12400.0	14229.5	16463.3
Material Cost	2200.2	2588.1	2457.1	2774.7	3210.3
<i>as a % of Net Sales</i>	<i>21.8%</i>	<i>23.4%</i>	<i>20.2%</i>	<i>19.8%</i>	<i>19.8%</i>
Stores, Spares, Moulds, Lubricants	562.4	573.5	600.0	700.0	800.0
<i>as a % of Net Sales</i>	<i>5.6%</i>	<i>5.2%</i>	<i>4.9%</i>	<i>5.0%</i>	<i>4.9%</i>
Staff Cost	2350.7	2183.1	2368.6	2650.0	3000.0
<i>as a % of Net Sales</i>	<i>23.3%</i>	<i>19.8%</i>	<i>19.4%</i>	<i>19.0%</i>	<i>18.5%</i>
Power & Fuel	1949.2	1693.9	1884.4	2170.0	2500.0
<i>as a % of Net Sales</i>	<i>19.3%</i>	<i>15.3%</i>	<i>15.5%</i>	<i>15.5%</i>	<i>15.4%</i>
Freight Outward	712.4	692.9	859.3	1000.0	1100.0
<i>as a % of Net Sales</i>	<i>7.1%</i>	<i>6.3%</i>	<i>7.1%</i>	<i>7.2%</i>	<i>6.8%</i>
Other exp.	1033.9	1147.6	1234.5	1470.0	1650.0
<i>as a % of Net Sales</i>	<i>10.2%</i>	<i>10.4%</i>	<i>10.1%</i>	<i>10.5%</i>	<i>10.2%</i>
Operating profit	1486.2	2378.5	2996.1	3464.7	4202.9
Other Income	2.1	2.2	-	2.0	2.1
PBDIT	1488.3	2380.7	2996.1	3466.7	4205.0
Depreciation & Amortization	892.5	906.6	1069.0	1150.0	1220.0
PBIT	595.8	1474.1	1927.1	2316.7	2985.0
Interest	1313.7	1049.1	720.4	680.0	600.0
PBT & Extraordinary	(718.0)	425.0	1206.7	1636.7	2385.0
Foreign Exchange Variation (Gain)/Loss	539.6	338.6	(70.6)	84.0	84.0
PBT	(1257.6)	86.4	1277.3	1552.7	2301.0
Current Tax	0.3	32.7	214.1	360.5	360.2
MAT Credit	-	(31.4)	-	(300.0)	(300.0)
Deferred Tax	(188.9)	52.8	29.7	250.0	400.0
Fringe Benefit Tax	2.8	-	-	-	-
Profit after Tax	(1071.7)	32.3	1033.5	1242.2	1840.8
Minority Interest	(46.5)	(12.0)	103.3	122.3	135.7
Net Profit	(1025.2)	44.3	930.2	1119.9	1705.1
Cash Profits	(368.1)	991.7	2132.2	2642.2	3460.8
Equity Shares (mn)	18.0	80.4	80.4	80.4	80.4
Dividend per share (Rs.)	-	1.0	3.5	4.0	6.0
EPS (Rs.)	(57.0)	0.6	11.6	13.9	21.2
CEPS (Rs.)	(20.5)	12.3	26.5	32.9	43.0
<i>Operating Margin</i>	<i>14.7%</i>	<i>21.5%</i>	<i>24.6%</i>	<i>24.8%</i>	<i>25.9%</i>
<i>Net Margin</i>	<i>(10.4%)</i>	<i>0.3%</i>	<i>8.3%</i>	<i>8.7%</i>	<i>11.2%</i>

*Effective tax rate ~20%. Profits at Piramal Glass Ceylon (located at Horana SEZ) taxed at 10% till FY14, accumulated losses at US subsidiary.

Balance Sheet Analysis (Consolidated)

<i>Rs. in million</i>	FY2009	FY2010	FY2011	FY2012E	FY2013E
Equity Share Capital	179.8	804.4	804.4	804.4	804.4
Reserves & Surplus	84.2	1447.6	2542.8	3283.2	4419.1
Secured Loans	5321.4	8266.2	7641.8	7000.0	6100.0
Unsecured Loan	8249.3	1558.1	1558.1	1400.0	1300.0
Minority Interest	447.3	376.2	498.8	621.1	756.8
Deferred Tax (net)	92.6	113.2	142.9	392.9	792.9
Total Liabilities	14374.6	12565.7	13188.8	13501.6	14173.2
Net Fixed Assets	9392.4	8274.0	8151.9	9001.9	8781.9
Capital W-I-P	147.6	140.8	843.8	200.0	300.0
Investments	1.1	1.1	1.2	1.1	1.1
Current Assets					
<i>Inventories</i>	2854.8	2542.1	2504.4	2700.0	2950.0
<i>Sundry Debtors</i>	2688.1	2635.2	2779.3	2850.0	3200.0
<i>Cash/Bank Balances</i>	118.4	71.0	132.6	98.6	40.2
<i>Loans & Advances</i>	766.5	624.7	932.6	1100.0	1400.0
	6427.8	5873.0	6348.9	6748.6	7590.2
Current Liabilities & Provisions	1594.3	1723.2	2157.0	2450.0	2500.0
Net Current Assets	4833.5	4149.8	4191.9	4298.6	5090.2
Total Assets	14374.6	12565.7	13188.8	13501.6	14173.2
Capital Employed	14373.5	12564.6	13187.6	13500.5	14172.1
Net Worth	264.0	2252.0	3347.2	4087.6	5223.5
RoCE	4.4%	10.9%	15.0%	17.4%	21.6%
RoNW	-	2.6%	36.9%	33.4%	39.5%
Book Value (Rs.)	14.7	28.0	41.6	50.8	65.0

Cash Flow Analysis (Consolidated)

<i>Rs. in million</i>	FY2009	FY2010	FY2011	FY2012E	FY2013E
PBT	(1257.6)	86.4	1277.3	1552.7	2301.0
+Depreciation	892.5	906.6	1069.0	1150.0	1220.0
-Change in Working Cap	1192.9	(636.3)	(19.5)	140.7	850.0
-Tax	(185.9)	54.1	243.8	310.5	460.2
=Operating Cash Flow	(1372.1)	1575.2	2122.0	2251.5	2210.8
-Capital Expenditure	1509.9	(218.6)	1649.9	1356.2	1100.0
-Change in Investments	1.0	-	0.1	(0.1)	-
=Free Cash Flow	(2883.0)	1793.8	472.0	895.4	1110.8
+Increase in Equity & Reserves	(103.9)	2050.6	393.8	(122.3)	(135.6)
+Increase in Debt	3019.7	(3796.9)	(472.1)	(427.6)	(464.3)
-Dividend	-	94.9	332.1	379.5	569.2
=Net Cash Flow	32.8	(47.4)	61.6	(34.0)	(58.4)
Opening Net Cash	85.6	118.4	71.0	132.6	98.6
Closing Net Cash	118.4	71.0	132.6	98.6	40.2

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