

June 24, 2011

HOLD

HIGH RISK

PRICE Rs.167

TARGET Rs.193

## METAL

### SHARE HOLDING (%)

Promoters	32.1
FII	42.4
FI / MF	13.0
Body Corporates	4.9
Public & Others	7.8

### STOCK DATA

Bloomberg Code	HNDL IN
Reuters Code	HALC.BO
NSE Symbol	HINDALCO
BSE Code	500440

Market Capitalization*	Rs.319.4 bn US\$ 7.1 bn
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Shares Outstanding*	1914.6 mn
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52 Weeks (H/L)	Rs.252 / 140
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Avg. Daily Volume (6m)	973,299 Shares
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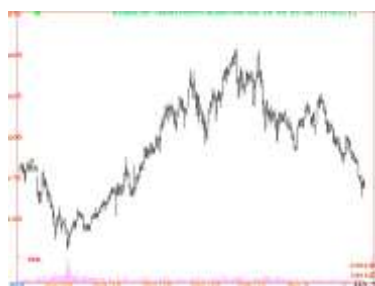
#### Price Performance (%)

1M	3M	6M
(11)	(15)	(34)

200 Days EMA: Rs.198

\*On fully diluted equity shares

Part of  Bonanza



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**STRENGTH:** Strong domestic as well as International Market Share, Backward Integrated Operations (Domestic), Presence across value chain. **WEAKNESS:** Exposed to cyclicality of Metal Business, Dependence upon global economy. **OPPORTUNITIES:** Huge Expansion plans, Strong Domestic Demand. **THREAT:** Volatile Metal Price, Rise in Interest Rate, Exchange rate risk.

### Huge Expansion Plans – “to drive volume growth”

Hindalco, the industry leader in aluminum is on an expansion spree to capture further market share. The company has huge expansion plans, doubling its domestic aluminum smelting capacity to 1.29MTPA (current 5LTPA), and tripling its domestic refining capacity to 4.5MTPA (current 1.5MTPA). This expansion is likely to be completed by FY15 in a phased manner at a cost of ~Rs.43,580Cr. By FY12 the company is likely to see a smelting capacity of 917,000 TPA. It is also expanding its global operations by increasing Novelis capacity from the current 3MTPA to 4MTPA. This is likely to be commissioned in a phased manner by FY16 at a cost of \$1.5bn. The company is thus likely to post robust numbers going ahead on the back of strong volume growth.

### India at an inflection point-“Strong domestic demand”

According to the general observation, economies witness a strong metal consumption growth pattern once the GDP per capita on a PPP basis reaches a level of ~\$3000. This trend was observed with China, Japan, Taiwan and Korea. After China’s GDP per capita PPP reached \$3195 in 2004, its aluminum consumption grew at a very rapid pace for the first 4-5 years. We therefore believe that India will not be an exception to this thumb rule, and is likely to witness stupendous growth in metal consumption as it has just crossed \$3000 mark in 2010 according to IMF estimates.

### Novelis – “to post encouraging numbers going ahead”

Novelis which has its presence in the four most strategically placed locations like North and South America, Europe and Asia, has posted good set of numbers for the fourth quarter of FY11. The company has witnessed rise in the volumes, the Shipments of flat-rolled aluminum products increased by 7% on a YoY basis to 771 KT. For the full year its shipments have increased by 8.5% YoY to 3097,000 tonnes. The Sales and EBITDA are up by 21% & 22% YoY to \$3bn and \$280mn respectively. Its EBITDA/tonne has also stabilized at above \$300 levels. We therefore believe that with the expansion, restructuring and debottlenecking activities taken up by Novelis, it is likely to post encouraging numbers going ahead.

### OUTLOOK & VALUATION

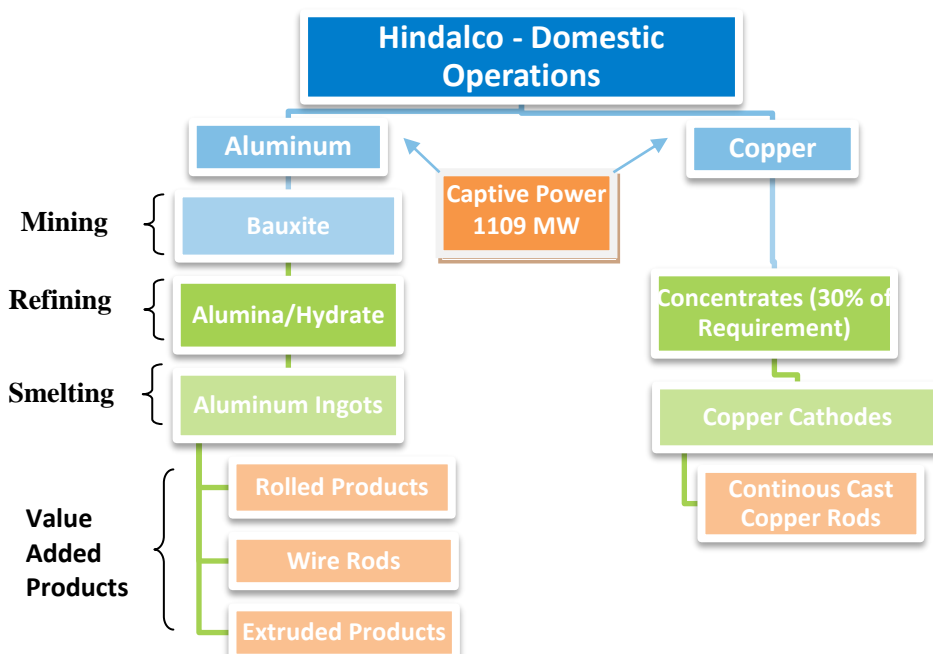
Hindalco one of the largest aluminum producing company, is likely to post encouraging numbers going ahead on the back of huge expansion plans. The company’s Indian operations fetch in far higher margins than its overseas operations. Thus additional capacity in India, would result in higher profitability margins on a consolidated basis. Secondly India being a developing country having aggressive infrastructure & power plans, is likely to have higher demand. It will thus have a margin of safety- “a protective shield” from its Indian operations in next metal down cycle. Its standalone revenue and PAT is likely to grow at a CAGR of 12.2% and 14.6% respectively for the next two years, while consolidated is likely to grow at 6% and 20% respectively. Considering the growth potential we have a positive stance on the company and recommend “HOLD” with a target price of Rs.193. We have valued the domestic business at 7x FY13E earnings, and Novelis at 6x FY13E EV/EBITDA.

### KEY FINANCIALS

Y/E	Revenue (Rs mn)	RPAT (Rs mn)	EPS (Rs)	EPS (% Ch.)	P/E (x)	ROCE (%)	ROE (%)	P/BV (x)
Mar.								
FY10	606221.3	38633.7	20.1	570.0	8.3	14.5	20.6	1.5
FY11	720778.7	24563.7	12.8	-36.2	13.0	9.9	9.7	1.1
<b>FY12E</b>	<b>750624.7</b>	<b>31561.7</b>	<b>16.5</b>	<b>28.5</b>	<b>10.1</b>	<b>9.6</b>	<b>10.4</b>	<b>1.0</b>
<b>FY13E</b>	<b>808630.4</b>	<b>35944.7</b>	<b>18.8</b>	<b>13.9</b>	<b>8.9</b>	<b>9.9</b>	<b>10.7</b>	<b>0.9</b>

## COMPANY OVERVIEW

An industry leader in aluminium, Hindalco Industries Limited, the metals Flagship Company of the Aditya Birla Group is the world's largest aluminium rolling company and one of the biggest producers of primary aluminium in Asia. Its copper smelter is the world's largest custom smelter at a single location. Hindalco is a leading domestic player in two metal segments- Aluminum and Copper.



Source: Company

### Aluminum – “Presence across the Value Chain”

The company has complete backward integrated operations in its Aluminum segment. Its major products include standard and speciality grade aluminas and hydrates, aluminium ingots, billets, wire rods, flat rolled products, extrusions and foil. The plant is backed by a captive power plant of 1109 MW to ensure the continuous supply of power for smelter and other operations. A strong presence across the value chain and synergies between operations has given it a dominant share in the value-added products market.

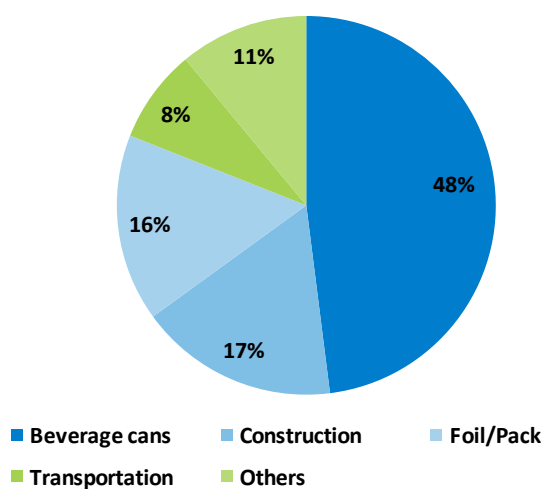
### Copper

Hindalco's copper unit, is located at Dahej in Gujarat, India. The unit has the unique distinction of being the largest single-location copper smelter in the world. The smelter uses state-of-the-art technology and has a capacity of 500,000 tpa. It also produces precious metals (Gold & Silver), fertilisers and sulphuric and phosphoric acid. The unit has captive power plants for continuous power generation. In Copper the company sells Copper Cathodes and Continuous Cast Copper Rods.

### Novelis

Hindalco had acquired Novelis in 2007, post which Hindalco became the world’s largest aluminum rolling company and one of the biggest producers of primary aluminum in Asia. Novelis is the global leader in aluminum rolled products and beverage can recycling. With world-class rolling mills and advanced manufacturing technology, Novelis produces aluminum sheet and foil products for high-value market applications. It has a rolling mill capacity of 3MTPA. The company serves to a wide range of sectors including: automotive, transportation, packaging, construction, industrial and printing.

**Shipments by end-user market**



Source: Company

The company derives 48% of its revenue from the beverage can segment, 17% from Construction and 16% from the Foil and Packaging space. Novelis operates six recycling centres around the world, primarily focused on the recycling of used beverage cans. It Recycles over 40 billion used beverage cans annually, thereby providing an important source of metal and also participating in the green wave by consuming lesser energy. It produces an estimated 20% of the world's total flat-rolled aluminum products. It has spread its business operations in four main regional business units- North and South America, Europe and Asia. It is the number one Rolled Products producer in Europe and South America, and stands in the number two position in both North America and Asia. It has 32 manufacturing facilities spread across 11 countries.

Hindalco, thus has a very diversified end user segment in terms of sectoral and geographical diversification, thereby mitigating the risk faced by the company.

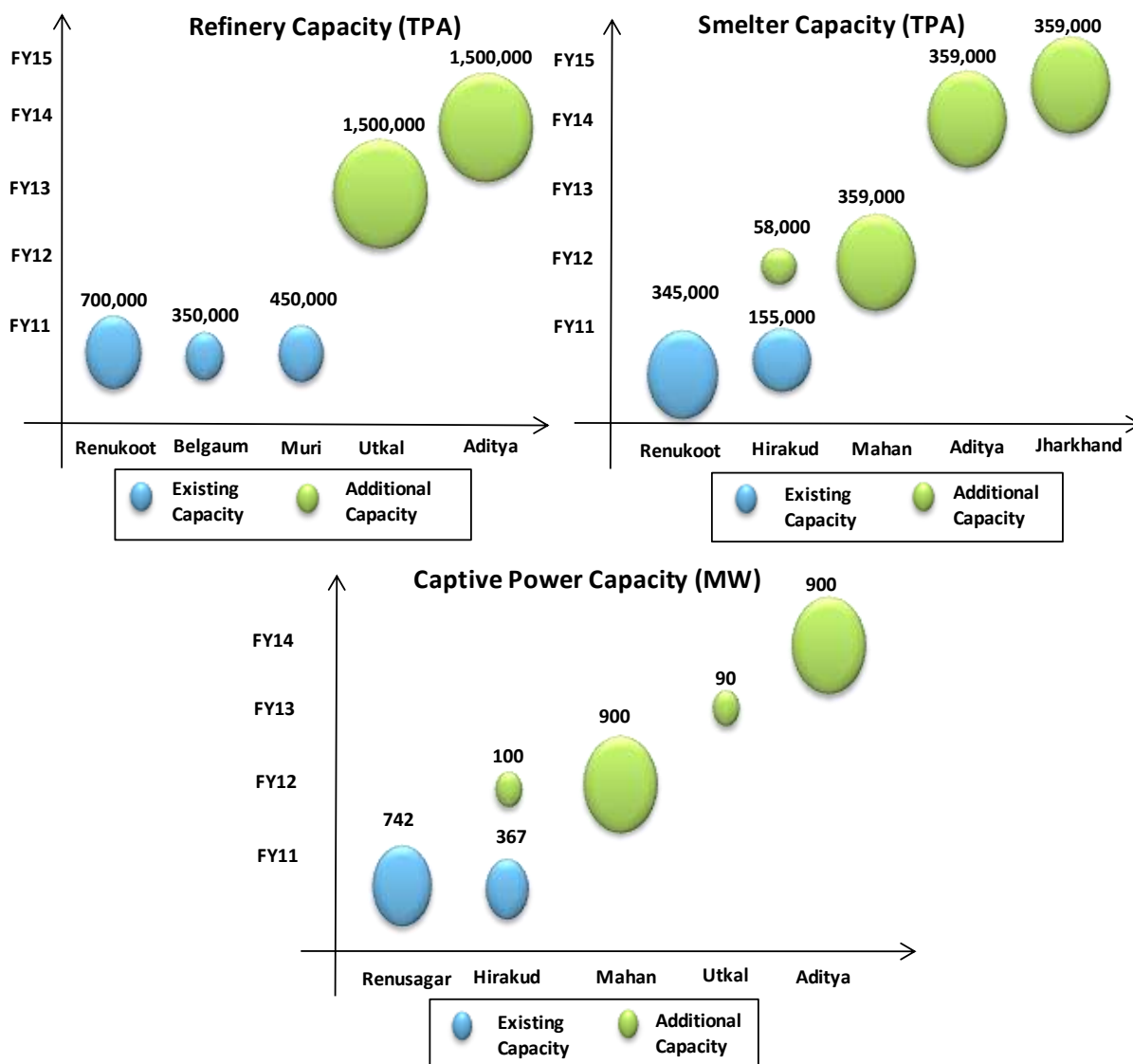
## INVESTMENT ARGUMENTS

### Huge Expansion Plans – “to drive volume growth”

Hindalco, the industry leader in aluminum is on an expansion spree to capture further market share. The company has huge expansion plans adding in capacity in a phased manner both in Indian operations as well as Novelis.

### Domestic Expansion – “Expansion across value chain”

Hindalco is adding in capacity across the value chain in its domestic operations, making it even the more profitable. The company is expanding its refining, smelting as well as value added products capacity. It is also increasing its captive power capacity with the respective plants as shown in the figure below:



Source: Company

It is doubling its domestic aluminum smelting capacity from current 5LTPA to 1.29MTPA, while tripling its domestic refining capacity from current 1.5MTPA to 4.5MTPA. This expansion is likely to be completed by FY15 in a phased manner at a cost of ~Rs.43,580Cr. By FY12 the company is likely to see a smelter capacity of 917,000TPA. The Mahan Smelter is likely to be completed by Q3FY12 with capacity of 359,000 TPA and also the brownfield expansion at Hirakud from 155,000 TPA to 213,000 TPA.

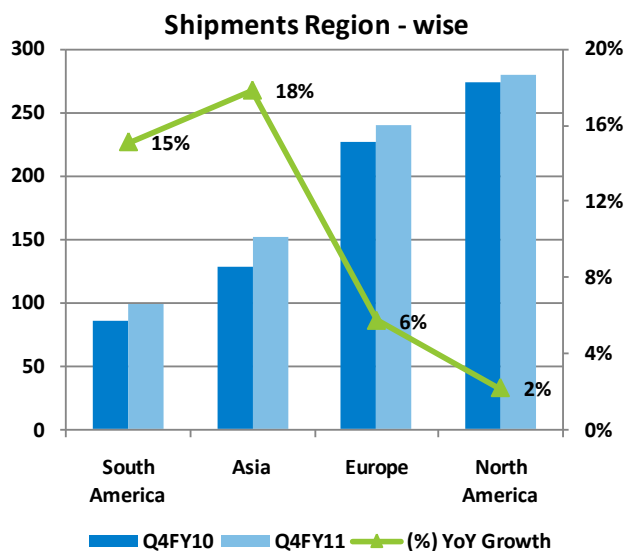
### Novelis Expansion

Hindalco has started certain global strategic initiatives which would enable the company to expand its EBITDA/tonne and increase its market share. A significant element of its strategy is to invest in opportunities to increase the production capacity of its operating facilities through modifications and investments in existing facilities and equipments. Depending upon the demand scenario in various segments at various locations, it is increasing its capacity accordingly. It is expanding its global operations, increasing Novelis capacity from the current 3MTPA to 4MTPA through brownfield as well as de-bottle necking exercise. This expansion is likely to be commissioned in a phased manner by FY16 at a cost of \$1.5bn.

### Novelis Long Term strategy – “Capitalizing on Strong Market Growth and Solidifying Market Leadership Through Expansion”

- Brazil Mill Expansion
- Asia Mill Expansion
- Strategic Automotive Capacity Increase
- Global Recycling Investments
- Global Business Process and System Redesign
- Sustainability Initiatives: 80% of Products will be Made from Recycled Metal by 2020 from current 30%

The company is focusing to capitalize on strong growth markets. As seen by the shipments by region of Q4FY11, the company is seeing good potential in Asia and South America market.



Source: Company

Novelis is increasing its capacity in Asia by 66% from 600 KTPA to 1000 KTPA – Brownfield expansion - 350 KTPA catering to Can, Auto and Electronics segments and De-bottle necking of 50 KTPA. The company is seeing strong growth potential in this region. In the next 4 years it sees the Auto segment growing by 20%, Electronics by 14% and beverage can segment by 8%. It is expending \$400mn for this expansion. Similarly depending upon the growth segments the company is expanding its capacity accordingly, as shown in the table below:

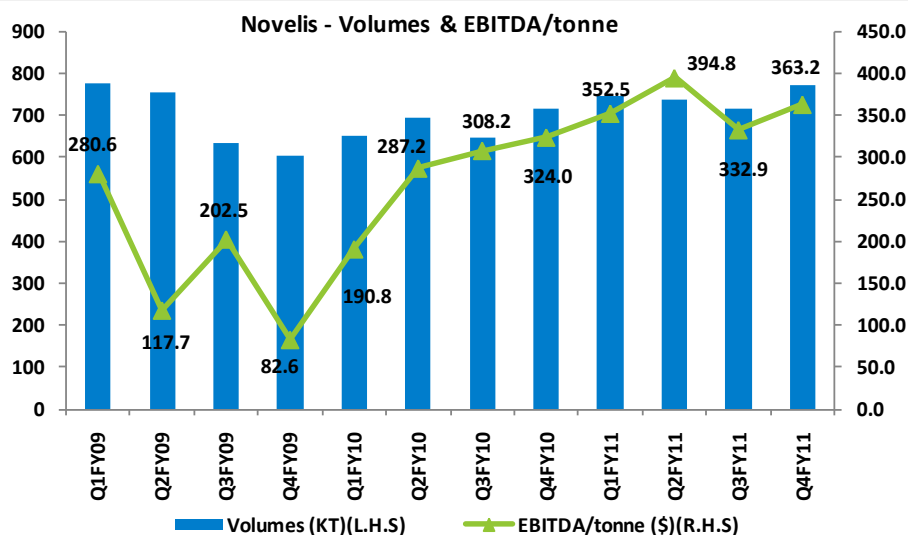
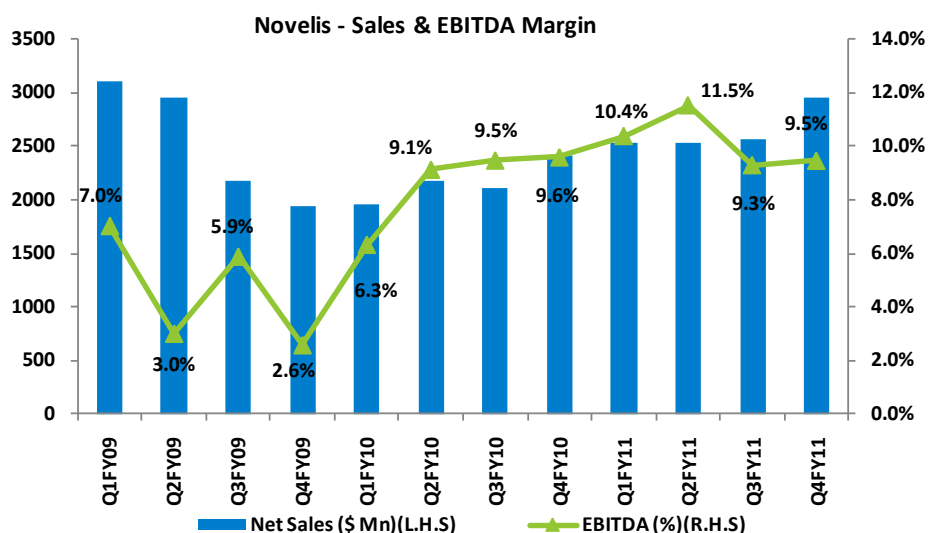
Location	Current Capacity (KTPA)	Expanded Capacity (KTPA)	Capex (\$ Mn)	Growth Drivers Demand Outlook (CY10-15)	Strategic Initiatives
North America	1100	1360	\$200Mn	Can – 0% Auto > 25% Overall 4-5%	1) 200KTPA Auto Exp 2) 60 KTPA De-bottle Necking
Brazil	400	650	\$300Mn	Can – 9% Overall – 6%	1) 220KTPA Can Sheet Exp 2) 30 KTPA De-bottle Necking
Europe	900	990	-	Can – 6% Auto – 20% Overall 3-4%	1) 90 KTPA De-bottle Necking
Asia	600	1000	\$400Mn	Can – 8% Auto – 20% Electronics – 14% Overall – 8%	1) 350KTPA Exp to serve all segments 2) 50 KTPA De-bottle Necking
<b>Total</b>	<b>3000</b>	<b>4000</b>			

Source: Company

The company is thus likely to post robust numbers going ahead on the back of strong volume growth.

### Novelis – “to post encouraging numbers going ahead”

Novelis which has its presence in the four most strategically placed locations like North and South America, Europe and Asia, has posted decent set of numbers for the fourth quarter of FY11. The company has witnessed rise in the volumes, the Shipments of flat-rolled aluminum products increased by 7% on a YoY basis to 771 KT in Q4FY11. The company’s EBITDA/tonne also seems to have stabilized at above \$300 levels, as shown in the diagram below. For Q4FY11 the EBITDA/tonne has increased by 12.1% YoY and 9.1% QoQ to \$363/tonne.



Source: Company

For the full year its shipments have increased by 8.5% YoY to 3097,000 tonnes. The Sales and EBITDA is up by 21% and 22% YoY to \$3bn and \$280mn respectively.

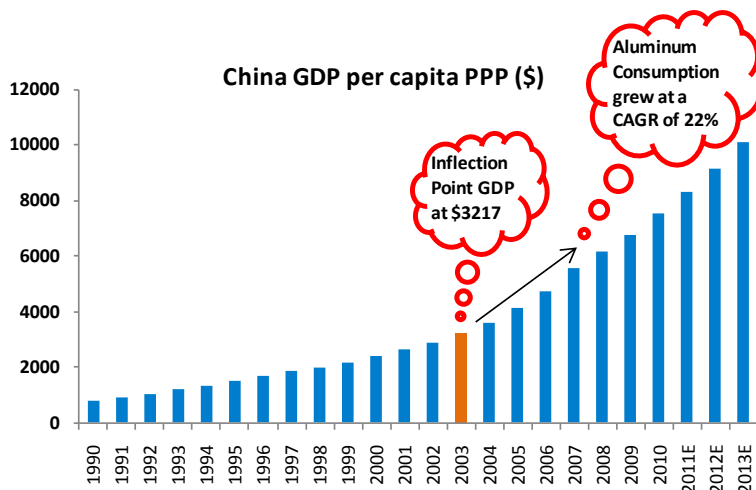
Region	Details	FY11	FY10	YoY (%)
North America	Shipments	1121	1063	5.5%
	<b>Sales</b>	<b>3922</b>	<b>3292</b>	<b>19.1%</b>
	Realization/tonne	3498	3096	13%
South America	Shipments	419	373	12.3%
	<b>Sales</b>	<b>1214</b>	<b>948</b>	<b>28.1%</b>
	Realization/tonne	2897	2541	14.0%
Asia	Shipments	581	534	8.8%
	<b>Sales</b>	<b>1866</b>	<b>1501</b>	<b>24.3%</b>
	Realization/tonne	3211	2810	14.3%
Europe	Shipments	976	884	10.4%
	<b>Sales</b>	<b>3589</b>	<b>2975</b>	<b>20.6%</b>
	Realization/tonne	3677	3365	9.3%
Total	Shipments	3097	2854	8.5%
	<b>Sales</b>	<b>10577</b>	<b>8673</b>	<b>22.0%</b>
	Realization/tonne	3415	3038	12.3%

Source: Company

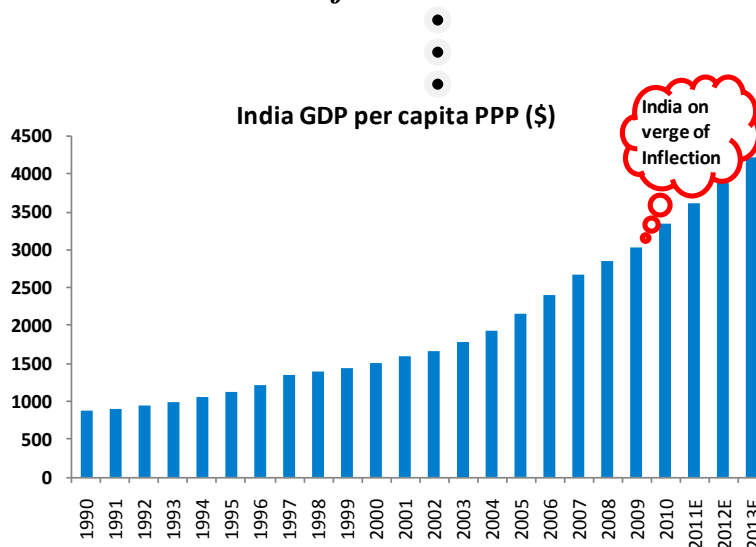
We therefore believe that with the expansion, restructuring and debottlenecking activities taken up by Novelis, it is likely to post encouraging numbers going ahead. We believe its EBITDA/tonne is likely to stabilize at ~\$350/tonne.

### India at an inflection point-“Strong domestic demand”

According to the general observation, economies witness a strong metal consumption growth pattern once the GDP per capita on a PPP basis reaches a level of ~\$3000. This trend was observed with China, Japan, Taiwan and Korea.



### India to follow a similar trend



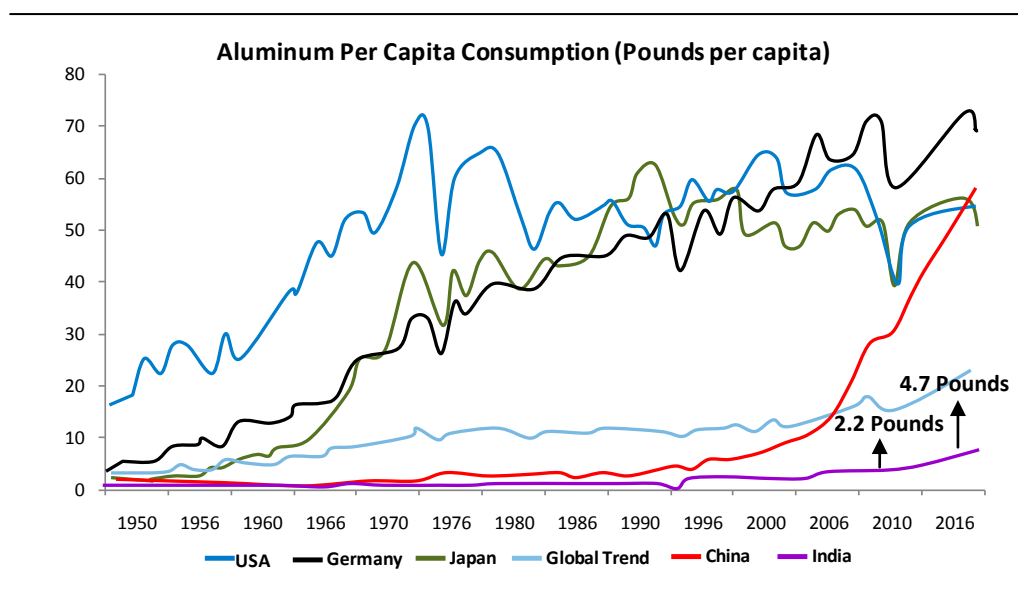
Source: Bloomberg

After China’s GDP per capita PPP reached \$3217 in 2003, its aluminum consumption grew at a very rapid pace for the first 4-5 years. Thus the thumb rule that -“Higher metal consumption is observed once the economy’s GDP per capita on a PPP basis reaches a level of \$3000” is well tested. We therefore believe that India will not be an exception to this thumb rule, and is likely to witness stupendous growth in metal going ahead, as it has just crossed the \$3000 level. We therefore believe that India is at an inflection point- “at the brink of higher metal consumption.”

### India: "The next China?"

The Indian aluminium market is growing at a rapid pace and it is one metallic industry where India can emerge as a powerhouse within the next decade. According to industry sources, India with total bauxite reserves of about 3 billion accounts for almost 7.5% of the world's 65 billion bauxite reserves and is ranked sixth among the countries with highest bauxite reserves. Indian bauxite reserves are expected to last over 350 year with proven and probable reserves estimated at ~1200 MT. The worldwide alumina production competence is around 58MT in which India has 2.7MT, being the fifth largest producer, after Australia, Guinea, Brazil and Jamaica.

The Indian aluminium market is growing at a rapid pace, strong growth in industrial, infrastructure, automobile, transportation and power sectors are the key drivers for the demand. Still the per capita consumption of aluminum in India is remarkably low, ~1 kg (2.2 pounds) as against nearly 25kgs (55 pounds) in US and Europe, 18 kgs (40 pounds) in Japan, and ~12 kgs (26 pounds) in China. A 1Kg increase in per capita consumption would translate into 1MTPA of new demand. According to Alcoa the aluminum giant, India's per capita consumption is likely to double to 2.1kgs (4.7 pounds) in the next 5 years.

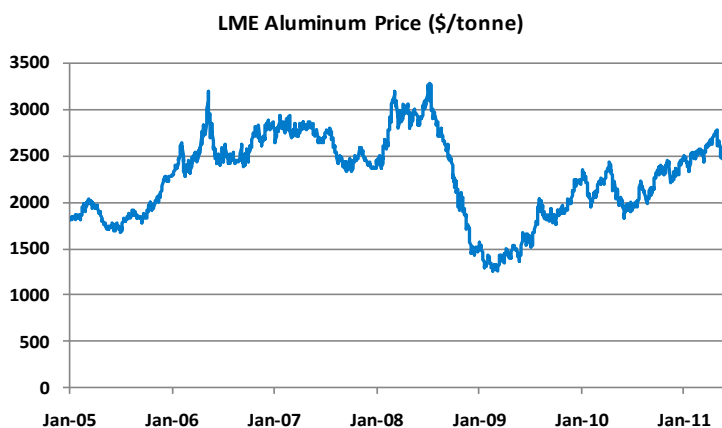


Source: Alcoa, Brook Hunt

As the Indian economy is at an inflection point, the consumption of base metals and steel is likely to see a strong growth momentum. This strong growth is on the back of huge infrastructure spending and rapid urbanization plans. Urbanization is likely to drive the demand for metals in India. According to the United Nations, currently (2008) 29% of Indian population resides in urban areas, however this figure is likely to grow to 41% by 2030. In absolute terms this would mean an increase of 86% in urban population. We therefore believe that India's per capita aluminum consumption is likely to grow exorbitantly on the back of such rapid urbanization, as in India aluminum is mainly used for power, transportation and construction. In Power sector, Aluminum is mainly used in conductor wire rods and transformer motor wiring. Thus power is thus likely to be the major demand driver for aluminum going ahead.

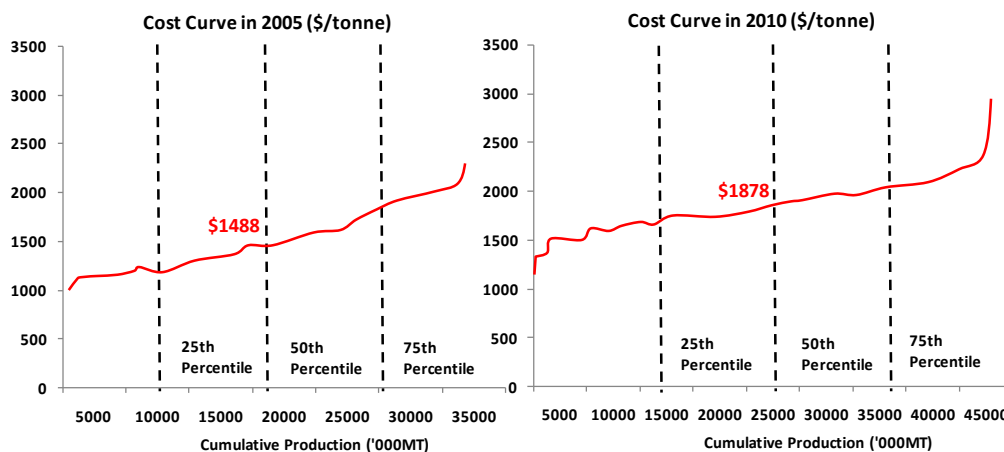
### Aluminum Prices – “likely to stabilize at \$2250-2350/tonne”

The Aluminum prices have almost doubled from the lows of 2009. Currently the aluminum prices are at ~\$2500/tonne up by 31% YoY. The aluminum prices have improved on the back of both the factors - demand pull and cost push



Source: Bloomberg

There has been an increase in marginal cost of production witnessed world over. The marginal cost of production has increased from \$1488/tonne to \$1878/tonne in the last five years which is an increase of 26%, as shown in the diagram below.



Source: Alcoa, Brook Hunt

In 2010, the Chinese Smelters have predominantly seen higher cost – comprising of more than 80% of the 4<sup>th</sup> quartile and more than 60% of the 3<sup>rd</sup> quartile. China being the largest producer of aluminum is likely to have a hold on the aluminum pricing. With the Chinese smelters witnessing higher cost, the aluminum prices are likely to stabilize at higher levels. We believe that the aluminum prices should settle at around \$2250-2350/tonne.

## OUTLOOK & VALUATION

Hindalco one of the largest aluminum producing company, is likely to post encouraging numbers going ahead on the back of huge expansion plans. The company's Indian operations fetch in far higher margins than its overseas operations. Thus additional capacity in India, would result in higher profitability margins on a consolidated basis. Secondly India being a developing country having aggressive infrastructure & power plans, is likely to have higher demand. It will thus have a margin of safety- "a protective shield" from its Indian operations in next metal down cycle. Its standalone revenue and PAT is likely to grow at a CAGR of 12.2% and 14.6% respectively for the next two years, while consolidated is likely to grow at 6% and 20% respectively. Considering the growth potential we have a positive stance on the company and recommend "HOLD" with a target price of Rs.193. We have valued the domestic business at 7x FY13E earnings, and Novelis at 6x FY13E EV/EBITDA.

### VALUATION

Domestic	
Std. EPS (Rs.) (FY13E)	14.7
P/E Multiple	7
<b>Domestic Value - (a)</b>	<b>102.6</b>
Novelis	
EBITDA	53,052.4
Multiple	6.0
EV	318,314.4
MCAP	173,928.9
<b>Novelis Value - (b)</b>	<b>90.8</b>
<b>Target - (a+b)</b>	<b>193.5</b>

Source: Sushil Finance

Assumptions	FY12E	FY13E
Domestic		
Aluminum Realization (\$/tonne)	2331	2337
Aluminum Volumes (MT)	559,452	783,233
Copper Volumes (MT)	362,880	391,910
Novelis		
Volumes (KTPA)	3,158	3,222
EBITDA/tonne (\$)	347	365

Source: Sushil Finance

## PROFIT & LOSS STATEMENT

(Rs.mn)

Y/E March	FY10	FY11	FY12E	FY13E
<b>Total Sales</b>	<b>606221.3</b>	<b>720778.7</b>	<b>750624.7</b>	<b>808630.4</b>
Total RM	386633.0	470452.8	497709.5	523913.9
Power & Fuel Cost	33451.4	36868.0	44858.0	56378.6
<b>COGS</b>	<b>430292.9</b>	<b>520244.9</b>	<b>556025.0</b>	<b>594789.9</b>
Personnel Cost	50650.1	55932.8	56072.6	60405.7
SG&A Cost	21422.1	25848.3	26167.2	28189.3
<b>EBITDA</b>	<b>95005.2</b>	<b>80016.9</b>	<b>87688.0</b>	<b>98667.0</b>
Depreciation	27815.0	27500.1	28410.1	31410.9
Interest	11041.4	18393.4	18690.9	20940.6
Other Income	5431.6	4308.5	4485.8	4832.5
Extraordinary items	227.2	0.0	0.0	0.0
<b>EBT (as reported)</b>	<b>61807.6</b>	<b>38431.9</b>	<b>45072.8</b>	<b>51147.9</b>
Tax	18289.1	9638.4	11268.2	12787.0
<b>PAT</b>	<b>42897.5</b>	<b>28793.5</b>	<b>33804.6</b>	<b>38360.9</b>
Min. Int.	4237.0	3658.7	2242.9	2416.2
<b>RPAT</b>	<b>38633.7</b>	<b>24563.7</b>	<b>31561.7</b>	<b>35944.7</b>

## BALANCE SHEET STATEMENT

(Rs.mn)

As on 31 <sup>st</sup> March	FY10	FY11	FY12E	FY13E
Equity Share Capital	1913.7	1914.6	1914.6	1914.6
Reserves	213462.0	288242.9	316932.7	350005.5
<b>Net worth</b>	<b>215450.8</b>	<b>290232.9</b>	<b>318922.7</b>	<b>351995.5</b>
Minority Interest	17371.8	22169.4	24412.3	26828.5
<b>Total loans</b>	<b>239987.0</b>	<b>276919.7</b>	<b>296919.7</b>	<b>333919.7</b>
Deferred tax liability	39382.0	37595.9	39395.9	41295.9
<b>Capital Employed</b>	<b>512191.6</b>	<b>626917.9</b>	<b>679650.6</b>	<b>754039.7</b>
Gross Block	317468.8	402316.5	512316.5	622316.5
Depreciation	120433.3	147933.4	176343.5	207754.4
<b>Net block</b>	<b>197035.5</b>	<b>254383.1</b>	<b>335973.0</b>	<b>414562.1</b>
CWIP	58008.0	108008.0	98008.0	88008.0
Investments	112455.4	108548.9	108548.9	108548.9
Inventories	112754.1	140955.8	146242.2	156437.9
Sundry debtors	65436.9	79995.7	82260.2	88617.0
Cash and bank	21953.9	25563.4	12187.6	13819.2
Loans and advances	20417.2	31988.9	32904.1	35446.8
<b>Current assets</b>	<b>231884.1</b>	<b>279848.4</b>	<b>274938.7</b>	<b>295665.5</b>
Current Liabilities	130991.8	164691.6	169092.5	179251.7
Provisions	49169.6	52148.7	61695.2	66462.8
<b>Current liabilities</b>	<b>180161.4</b>	<b>216840.3</b>	<b>230787.7</b>	<b>245714.5</b>
<b>Net Current assets</b>	<b>51722.7</b>	<b>63008.1</b>	<b>44151.0</b>	<b>49951.0</b>
<b>Capital Deployed</b>	<b>512191.6</b>	<b>626917.9</b>	<b>679650.6</b>	<b>754039.7</b>

## FINANCIAL RATIO STATEMENT

Y/E March	FY10	FY11	FY12E	FY13E
<b>Growth (%)</b>				
Net Sales	-7.9	18.9	4.1	7.7
EBITDA	254.8	-15.8	9.6	12.5
Reported Net Profit	669.4	-36.2	28.5	13.9
<b>Profitability (%)</b>				
EBITDA Margin (%)	15.7	11.1	11.7	12.2
Net Profit Margin (%)	6.3	3.4	4.2	4.4
ROCE (%)	14.5	9.9	9.6	9.9
ROE (%)	20.6	9.7	10.4	10.7
<b>Per Share Data (Rs.)</b>				
EPS (Rs.)	20.1	12.8	16.5	18.8
CEPS (Rs.)	41.9	27.1	31.3	35.2
BVPS (Rs)	112.6	151.6	166.6	183.8
<b>Valuation</b>				
PER (x)	8.3	13.0	10.1	8.9
PEG (x)	-	-	0.4	0.6
P/BV (x)	1.5	1.1	1.0	0.9
EV/EBITDA (x)	6.1	7.7	7.3	6.9
EV/Net Sales (x)	1.0	0.9	0.9	0.8
<b>Gearing Ratio</b>				
D/E	1.1	1.0	0.9	0.9

## CASH FLOW STATEMENT

(Rs.mn)

Y/E March	FY10	FY11	FY12E	FY13E
<b>PAT</b>	<b>42897.5</b>	<b>28793.5</b>	<b>33804.6</b>	<b>38360.9</b>
Depreciation & Amortization	20887.6	27500.1	28410.1	31410.9
Chg. in Deferred Tax Liability	11276.4	-1786.1	1800.0	1900.0
Chg. in Working Cap.	-21575.1	-7675.9	5481.3	-4168.4
<b>Cash Flow from Operating</b>	<b>57727.2</b>	<b>50490.5</b>	<b>71739.0</b>	<b>69919.7</b>
Chg. in Gross PP&E	7690.7	-84847.7	-110000.0	-110000.0
Chg. In Work in Prog.	-28513.5	-50000.0	10000.0	10000.0
Chg. In Investments	-8562.1	3906.5	0.0	0.0
<b>Cash Flow from Investing</b>	<b>-29811.6</b>	<b>-130941.2</b>	<b>-100000.0</b>	<b>-100000.0</b>
Chg. in Debt	-43110.6	36932.7	20000.0	37000.0
Chg. in Share Capital	213.2	0.9	0.0	0.0
Chg. in Other Res.	-7867.2	-205579.8	-30444.5	-35000.8
Dividend	-3012.2	-3360.1	-3360.1	-3360.1
<b>Cash Flow from Financing</b>	<b>-27879.3</b>	<b>84060.2</b>	<b>14885.2</b>	<b>31711.9</b>
<b>Cash at the End of Yr</b>	<b>21953.9</b>	<b>25563.4</b>	<b>12187.6</b>	<b>13819.2</b>

Source: Company, Sushil Finance Research Estimates

## Rating Scale

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of six rating categories, with a corresponding risk rating.

### Risk Rating

Risk Description	Predictability of Earnings / Dividends; Price Volatility
Low Risk	High predictability / Low volatility
Medium Risk	Moderate predictability / volatility
High Risk	Low predictability / High volatility

### Total Expected Return Matrix

Rating	Low Risk	Medium Risk	High Risk
Buy	Over 15 %	Over 20%	Over 25%
Accumulate	10 % to 15 %	15% to 20%	20% to 25%
Hold	0% to 10 %	0% to 15%	0% to 20%
Sell	Negative Returns	Negative Returns	Negative Returns
Neutral	Not Applicable	Not Applicable	Not Applicable
Not Rated	Not Applicable	Not Applicable	Not Applicable

#### Please Note

- Recommendations with "Neutral" Rating imply reversal of our earlier opinion (i.e. Book Profits / Losses).
- \*\* Indicates that the stock is illiquid With a view to combat the higher acquisition cost for illiquid stocks, we have enhanced our return criteria for such stocks by five percentage points.
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