MOTILAL OSWAL

Nicholas Piramal

STOCK INFO.	BLOOMBERG
BSE Sensex: 8,069	NP IN
	REUTERS CODE
S&P CNX: 2,444	NICH.BO

Equity Shares (m)	209.0
52-Week Range	311/175
1,6,12 Rel. Perf. (%)	-11/-13/-11
M.Cap. (Rs b)	49.2
M.Cap. (US$ b)	1.1

21 October 2005

Buy

Previous Recommendation: Buy

Rs235

YEAR END	NET SALES (RS M)	PAT (RS M)	EPS (RS)	EPS GROWTH (%)	P/E (X)	P/BV (X)	ROE (%)	ROCE (%)	EV/ SALES	EV/ EBITDA
03/05A	13,082	924	4.9	-58.9	48.4	8.9	20.4	18.3	4.0	31.1
03/06E	14,772	1,516	7.3	49.2	32.4	5.5	21.9	17.9	3.4	20.6
03/07E	16,819	2,903	13.9	91.5	16.9	4.7	29.9	24.4	2.9	12.7

Nicholas Piramal 2QFY06 results were significantly below our expectation with 3.4% YoY decline in sales to Rs.3.6b and a 41% decline in recurring PAT to Rs340m. Key highlights of result and analyst meet includes:

- Domestic sales has been impacted due to loss of *Phensedyl* sales (Rs240m during 2QFY06), withdrawal of Valdecoxib due to side-effect concerns (annualized loss of sales of Rs114m), loss of sales due to selling off of Carex division (annualized loss of sales of Rs.93m) and lower than expected ramp-up in supplies to AMO.
- EBITDA margins declined by 510bp YoY to 17.1% primarily on account of loss of sale of high-margin *Phensedyl*, higher spend on R&D (up by 45% YoY) and due to introduction of MRP based excise duty.
- We have downgraded our FY06 and FY07 earnings estimates, by 31.6% and 27.4% respectively, so as to factor in the delay in execution of CRAMS project and impact of *Phensedyl* issue.

2QFY06 was an aberration, with things expected to return to normal in FY07. Partial recovery of lost *Phensedyl* sales and full impact of commencement of CRAMS revenues would drive earnings growth in FY07, while FY08 would fully reflect positive impact of CRAMS business. Although valuations at 32.4x FY06E and 16.9x FY07E consolidated earnings appear rich, we remain positive about the scaling up of the CRAMS business over the next couple of years. Our price target stands downgraded to Rs270 (~19.5x FY07E EPS) we maintain long-term **Buy**.

QUARTERLY PERFORMANCE (Rs Million)

Y/E MARCH	FY05				FY06				FY05	FY06E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	**3,589**	**3,757**	**3,431**	**2,304**	**3,950**	**3,629**	**3,551**	**3,642**	**13,082**	**14,772**
YoY Change (%)	*-4.8*	*2.0*	*8.7*	*-30.3*	*10.0*	*-3.4*	*3.5*	*58.1*	*-6.0*	*12.9*
EBITDA	**656**	**835**	**537**	**-318**	**722**	**622**	**541**	**839**	**1,694**	**2,435**
Margins (%)	*18.3*	*22.2*	*15.6*	*-13.8*	*18.3*	*17.1*	*15.2*	*23.0*	*12.9*	*16.5*
Depreciation	113	132	118	178	151	154	169	120	524	593
Interest	23	49	44	76	48	58	39	104	192	250
Other Income	37	64	42	192	51	52	113	7	335	223
PBT before EO expense	**557**	**717**	**417**	**-379**	**574**	**462**	**446**	**622**	**1,312**	**1,815**
Extra-Ord expense	0	23	-523	-296	5	-116	0	0	-796	-111
PBT after EO expense	**557**	**695**	**940**	**-83**	**569**	**578**	**446**	**622**	**2,108**	**1,926**
Tax	70	75	83	17	73	123	32	-77	248	**151**
Deferred Tax	45	62	77	33	-6	-2	35	136	217	162
Rate (%)	*20.7*	*19.7*	*17.0*	*-61.1*	*11.7*	*20.9*	*15.0*	*9.5*	*22.0*	*16.3*
PAT	**442**	**558**	**780**	**-133**	**503**	**457**	**380**	**563**	**1,644**	**1,613**
Less: Minority Interest	1	0	0	1	1	1	1	1	3	4
Reported PAT	**440**	**558**	**780**	**-134**	**502**	**456**	**379**	**562**	**1,641**	**1,609**
Adj PAT	**440**	**578**	**309**	**-401**	**506**	**340**	**379**	**562**	**924**	**1,509**
YoY Change (%)	*23.3*	*4.8*	*-21.7*	-141.2	*15.0*	*-41.2*	*22.5*	-	*-58.9*	*63.3*

E: MOSt Estimates; Quarterly numbers don't add up to full year numbers due to restatement

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Multiple factors impact sales…

NPIL reported a 3.4% decline in revenues in 2QFY06 impacted by 7.5% decline in domestic formulations sales. Domestic formulation revenues were impacted by loss of Phensedyl sales, withdrawal of Valdecoxib and divestment of hospital product division. On the other hand export sales grew by 20% to Rs534m, primarily driven by exports of formulations which included Rs87.5m of sales from Rhodia IA acquisition. Export sales now constitute 14.7% of net sales (v/s 11.8% in 2QFY05). On like-to-like basis, revenue during 1HFY05 grew by 5.3% YoY (excluding revenues of Rhodia IA, Roche Diagnostics, Phensedyl, Valdecoxib, Carex and Boots Piramal)

PRODUCT MIX (RS M)

	2QFY06	2QFY05	% CH.	1QFY06	% CH.
Domestic Sales	**3,095**	**3,313**	**(6.6)**	**3,385**	**(8.6)**
Branded Form.	2,677	2,895	(7.5)	2,978	(10.1)
APIs	7	3	143.3	13	(43.4)
VFC	125	131	(4.1)	130	(3.8)
Diagnostics	28	27	3.3	36	(22.9)
Pathlabs	110	99	10.6	105	4.1
Generics & Others	148	159	(6.9)	123	19.9
Export Sales	**534**	**444**	**20.2**	**564**	**(5.4)**
Branded Form.	180	101	78.6	233	(22.8)
APIs	255	215	18.5	236	7.9
VFC	55	95	(42.0)	59	(6.1)
Others	44	34	N.A.	36	21.0
Total Sales (net)	**3,629**	**3,757**	**(3.4)**	**3,950**	**(8.1)**
Other Oper. Income	22	34	(34.2)	33	(33.0)
Total Revenues	**3,651**	**3,791**	**(3.7)**	**3,983**	**(8.3)**

Source: Company/Motilal Oswal Securities

Phensedyl imbroglio results in loss of sales: Sales of Phensedyl, NPIL's top-selling product with approximate sales of about Rs1.43b in FY05, were adversely impacted due to investigations initiated by Narcotics Control Bureau (NCB) as Phensedyl contains codeine which is derived from narcotics. In July 2005, NCB initiated wide spread investigations into stockists and chemists records across the country, as a result there were apprehensions among trade to stock Phensedyl. NPIL successfully contested the action of NCB in the courts. However, due to the court case, prescription growth for Phensedyl, which was in the range of 20% for last one year, stagnated and retail sales crashed. As a result, NPIL lost Phensedyl sales to the tune of Rs240m during 2QFY06. Although NPIL has initiated extensive confidence building initiatives among the trade channel, and has also actively commenced brand-rebuilding measures, the management expects loss of Phensedyl sales during 3QFY06 to the extent of Rs200-250m, before normalcy is restored gradually.

Withdrawal of Valdecoxib brand: Pfizer's withdrawal of Bextra (Valdecoxib) globally due to adverse side-effects, resulted in discontinuation of Valdecoxib by players in domestic market too. NPIL was one of the leading players with number two position in Valdecoxib through brands Vah and Valto. NPIL discontinued the brands in July 2005. As a result, NPIL will lose annual sales of Rs114m.

Sell-off of hospital product division: NPIL has sold its hospital product division CAREX for Rs37.5m. The division had two main product groups viz., hospital products (Rs93m) and inhalation anesthetics (Rs61m). Hospital products were very low margin products. On inhalation anesthetics, NPIL's global model is to sell through distributors and hence this deal achieves both objectives. This transaction will result in annual loss of sales of Rs93m.

…and EBITDA margins too…

NPIL's EBITDA during 2QFY06 declined by 25.5% YoY to Rs622m. EBITDA margins dropped to 510bp to 17.1% from a healthy 21.7% in 2QFY05. Loss of domestic market revenues was again the primary reason for the sharp deterioration in margins during the quarter. *Phensedyl* enjoys very high gross margins of around 60% and hence loss of sales of *Phensedyl* impacted the margins. Also, withdrawal of Valdecoxib, where NPIL enjoys market leadership, impacted EBITDA. On the other hand, its exports business is still at a lower stage in the value chain and enjoys relatively lower profitability. The adverse shift in product-mix saw material cost/sales ratio increase to 41.6% from 38.7% in 2QFY05. At the same time, NPIL continued to scale up R&D expenses, which were higher by 45% YoY and now stood at 4.3% of net sales (v/s 2.8% in 2QFY05).

... translating into decline in profits

The combination of pressure on topline as well as profitability trickled down to bottom-line with recurring profit declining by 41% YoY to Rs340m. Reported net profit was however higher at Rs456m, on account of extraordinary income of Rs151.6m on account of dividend from joint venture from Allergan.

CRAMS business gaining traction

We are witnessing increased traction in NPIL's CRAMS business. The company has already announced three contracts till date and has guided announcement of 5 more contracts by November 2005. We believe that it has one of the strongest CRAMS pipelines, which will bring in long-term benefits. The table below indicates the progress made by the company on the CRAMS front in the last one year:

CRAMS BUSINESS GAINING TRACTION

STAGE	SEP-04	OCT-05
Universe of customers targeted	55	85
Customers met till date	33	57
Customers interested till date	26	40
Customer visits till date	16	29
Customer trials till date	11	24
Contracts announced till date	3	3

Source: Company/Motilal Oswal Securities

NPIL is targeting revenues of US$1b by FY10 with exports expected to contribute about 50% of sales. The CRAMS business is expected to contribute about 80% of export revenues by FY10.

CRAMS REVENUE MODEL (US$)

	FY05	FY06E	FY07E	FY08E
AMO (Formulation)	-	7.0	20.0	20.0
Fortune 500 Co. (Formulation)	-	0.0	5.0	20.0
Allergan (API)	-	3.8	5.0	10.0
Other CRAMS Projects	-	0.0	0.0	25.0
Total CRAMS Sales	**-**	**10.8**	**30.0**	**75.0**
Total CRAMS Sales (Rs m)	**-**	**473.0**	**1,320.0**	**3,300.0**
CRAMS Contribution (% of Net Rev.)	-	3.2	7.8	16.8
No of CRAMS Projects	-	2	3	8

Source: Company/Motilal Oswal Securities

Announcement of contracts has been delayed

NPIL had guided announcement of two more CRAMS contracts (taking the total to five) by March 2005. There has been a significant delay in closing these contracts due to the legal complexities involved. The company is expecting to announce additional 5 contracts by November 2005. We expect long-term annuity based revenues from NPIL's CRAMS business in the coming years since these contracts will be valid for at least five years. We estimate 25-30% EBITDA margins and net margins of 20+% for the company from such contracts.

Scale-down in CRAMS revenue highlights execution risks

NPIL has indicated a significant scale-down in its CRAMS sales for FY06 and FY07. Lower than expected ramp-up in AMO supplies has forced the company to scale down revenue target from this contract to US$7m compared to the initial target of US$13m. It has however, retained its target of US$20m in sales for FY07. In the case of the contract with the Fortune 500 pharmaceutical company, NPIL has indicated that the sales contribution will be only US$4-5m compared to our estimates of US$18m. We have accordingly downgraded our estimates. The scale-down in targeted revenues for FY06 and FY07 highlights the risks associated with the time-consuming process of obtaining regulatory approvals. It also reflects the inertia on the part of first-time customers to out-source significant quantities from new partners.

CRAMS business has long gestation period...

The CRAMS business has a long gestation period since the Indian CRAMS industry is still evolving. Hence, potential customers take a long time to award contracts. Secondly, as a test case, the initial off-take by the customer may not be very high. It should also be noted that post the announcement of the contract it takes at least 18-24 months for the supplies to begin. This is due to the time-consuming registration process with various countries before which supplies cannot commence. Hence although, NPIL has indicated signing of 5 additional contracts by November 2005, the supplies for these contracts are likely to begin only in FY08.

... resulting in back-ended upsides

We had expected revenue upsides from 5 contracts for FY07 (3 already announced and two potential contracts). However, the scale-down in revenues from the 3 existing contracts and the possibility of the 18-24 month gestation period for the other 5 contracts (which company expects to sign shortly) is likely to shift the year of traction from FY07 to FY08. However, it should be noted that NPIL has ready API facilities at its Hyderabad unit. Hence, if some of these potential contracts are for API supplies, the company may be able to execute them earlier than the normal time-frame of 18-24 months. We currently do not have any visibility on these 5 potential contracts and hence have not included any upsides from them in our FY07 estimates.

Baddi plant to yield significant fiscal benefits

NPIL is in the process of setting up a large formulations facility to cater to its domestic operations at Baddi (HP). The government, in order to encourage investments at Baddi, has granted the following benefits to all new units coming up at Baddi:

- Income tax exemption of 100% for the first five years of operations and of 30% for the next five years
- Exemption from payment of excise duty for the first 10 years of operations
- Sales tax exemption, which is available only for local (within the state) sales, and hence may not benefit NPIL significantly

NPIL expects to commission its Baddi facility by July 2006 at a total capex of Rs1.4b. It intends to shift about 60% of its domestic production (excluding that of the JVs) to Baddi to take advantage of the fiscal incentives granted by the government.

The fiscal benefits regarding savings in excise duty and income tax will be visible from FY07 onwards. We present below our sensitivity analysis of the benefits from Baddi:

It should be noted that the above estimates are based on the current excise duty of 16%. If the government were to reduce the excise duty in future, the benefits may not be as significant.

Revising estimates downwards

We have downgraded our revenue and earnings estimates for FY06 and FY07 to reflect the following:

1) Downward revision in guidance for CRAMS revenues for FY06 and FY07 from existing contracts
2) Possibility of increased gestation period for other potential (yet to be announced) contracts
3) Decline in Phensedyl sales due to the controversy on alleged diversion of the product for manufacturing Codeine
4) Withdrawal of Vah and Valto (Valdecoxib brands)
5) Sales of Carex division (related to hospital products).

It should be noted that our estimates take into account the adverse impact of VAT implementation, MRP-based excise and lower shipments to AMO. Our estimates (for FY07E) also factor in the positive impact of the fiscal incentives available to NPIL for its Baddi facility.

REVISED FORECAST (RS M)

	FY06			FY07		
	REV	OLD	CHG (%)	REV	OLD	CHG (%)
Net Sales	14,772	16,858	-12.4	16,819	20,207	-16.8
Net Profit	1,516	2,214	-31.5	2,903	3,997	-27.3
EPS (Rs)	7.3	10.6	-31.5	13.9	19.1	-27.3

Source: Motilal Oswal Securities

BADDI BENEFITS - SENSITIVITY ANALYSIS (RS M)

	FISCAL INCENTIVE	SAVINGS	INCREMENTAL EPS (RS)
Income Tax##	100% exemption for first five years and 30% for the next five years	300.00	1.58
Excise Duty	Exempt for the first ten years	889.70	4.68
Less: Adjustment for MODVAT Credit on Inputs	N.A.	205.70	1.08
Sales Tax	Exemption for local sales	Nil	Nil
Total		984.00	5.18

- Includes the net impact of sales from all facilities; *Source: Company/Motilal Oswal Securities*

Well-funded for future growth

NPIL has recently raised about Rs3.3b through a 1:10 rights issue for funding future capex and acquisitions. It has stated that the proceeds of the issue will be utilized for:

- Funding the acquisition of Rhodia's inhalation anesthetic business
- Funding the setting up of formulations unit at Baddi (HP)
- Any other capital expenditure including potential acquisitions

We believe that NPIL needs to enhance its presence in the CRAMS space with focus on strengthening the CRAMS pipeline and developing the front-end (customer relationships). We believe that acquiring existing CRAMS players in Europe and shifting their manufacturing to India offers a good value proposition to Indian companies. The Rs3.3b raised through the rights issue coupled with additional debt leverage has strengthened the company's balance sheet for potential acquisitions.

NPIL's target of achieving CRAMS revenues of about US$400m by FY10 can only be achieved through a combination of organic and inorganic routes. We believe that any potential acquisition in the CRAMS space will be driven by the following factors:

- Strengthening of CRAMS pipeline by acquiring players with existing contracts on hand
- Strengthening the front-end of the CRAMS business by acquiring players with existing relationships with innovator pharmaceutical companies
- Access to critical technologies

Valuation and outlook

Although, we have significantly downgraded our estimates for FY06 and FY07, we remain positive on NPIL's long-term prospects (given it strong CRAMS pipeline). We also believe that the current valuations already discount the above negatives. While we do not expect any major short-term positive triggers as far as earnings are concerned, we believe that NPIL has one of strongest CRAMS pipelines. Investors need to take a long-term view on companies like NPIL, since, CRAMS business has long gestation periods. We maintain our long-term **Buy** rating on the stock.

Nicholas Piramal: an investment profile

Company description

Nicholas Piramal (NPIL) is one of the best plays on custom manufacturing and the domestic opportunity post 2005. The company's approach to the domestic and export markets is unique among Indian mid-tier companies. NPIL has leveraged its strength in manufacturing and relationships with global majors to position itself as a 'partner of choice' for innovator companies.

Key investment arguments

- Differentiated business model focused on aggressive execution enables it to achieve healthy growth at much lower risk levels than its peers
- Pioneer in custom manufacturing; positioned as 'partner of choice' for multi-national innovator companies
- Best prepared amongst Indian pharma companies for the post-2005 patent era

Key investment risks

- Execution risks in CRAMS business
- Slowdown in domestic market growth rates
- Regulatory issues in form of price control and MRP based excise

Recent developments

- Strategic investment in Biosyntech Inc, Canada based biotech research company
- Commenced phase-1 clinical trials of its cancer drug molecule, P276-00

Valuation and view

- Has consistently been a step ahead of its peers through its aggressive execution within a differentiated framework - only custom manufacturing play among large cap pharma stocks
- Visible earnings power is higher than reported earnings due to time lag between bagging a contract and its execution – thus inflating P/E multiples
- Valuations of 32.4x FY06E and 16.9x FY07E EPS do not fully reflect traction in CRAMS business; **Buy** with a target price of Rs270.

Sector view

- Regulated markets would remain the key sales and profit drivers in the medium term
- FY06 to be year of consolidation in terms of profitability
- We are overweight on companies that are towards the end of the investment phase

COMPARATIVE VALUATIONS

		NPIL	CIPLA	SUN PHARMA
P/E(x)	FY06E	32.4	22.9	23.9
	FY07E	16.9	20.3	19.8
P/BV(x)	FY06E	5.5	5.9	7.5
	FY07E	4.7	4.8	5.7
EV/Sales(x)	FY06E	3.4	4.0	7.7
	FY07E	2.9	3.4	6.4
EV/EBITDA(x)	FY06E	20.6	17.7	21.5
	FY07E	12.7	15.3	17.2

SHAREHOLDING PATTERN (%)

	SEP.05	JUN.05	SEP.04
Promoters	50.9	50.8	51.1
Domestic Institutions	5.9	5.6	9.2
FIIs/FDIs	27.6	27.1	21.9
Others	15.6	16.6	17.8

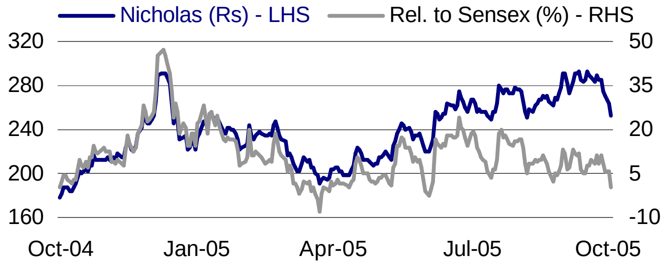
EPS: INQUIRE FORECAST VS CONSENSUS (RS)

	INQUIRE FORECAST	CONSENSUS FORECAST	VARIATION (%)
FY06	7.3	11.4	-35.8
FY07	13.9	18.0	-22.7

TARGET PRICE AND RECOMMENDATION

CURRENT PRICE (RS)	TARGET PRICE (RS)	UPSIDE (%)	RECO.
235	270	14.7	Buy

STOCK PERFORMANCE (1 YEAR)



INCOME STATEMENT					(Rs Million)
Y/E MARCH	2004	2005	2006E	2007E	2008E
Net Sales	**13,915**	**13,082**	**14,772**	**16,819**	**19,627**
Change (%)	*18*	*-6.0*	*12.9*	*13.9*	*16.7*
Total Expenditure	11,107	11,388	12,337	12,941	14,666
EBITDA	**2,809**	**1,694**	**2,435**	**3,878**	**4,961**
Margin (%)	*20.2*	*12.9*	*16.5*	*23.1*	*25.3*
Depreciation	529	524	593	672	739
Int. and Finance Charges	238	276	250	190	250
Other Income - Rec.	257	419	223	251	276
PBT before EO Expense	**2,299**	**1,312**	**1,815**	**3,268**	**4,248**
EO Expense/(Income)	256	-796	-111	0	0
PBT after EO Expense	**2,043**	**2,108**	**1,926**	**3,268**	**4,248**
Tax	41	465	313	359	573
Tax Rate (%)	*2.0*	*22.0*	*16.3*	*11.0*	*13.5*
Reported PAT	**2,002**	**1,643**	**1,613**	**2,908**	**3,674**
PAT Adj for EO Items	**2,253**	**927**	**1,520**	**2,908**	**3,674**
Change (%)	*32.4*	*-58.9*	*64.0*	*91.3*	*26.3*
Margin (%)	*16.2*	*7.1*	*10.3*	*17.3*	*18.7*
Less: Mionrity Interest & Othe	6	3	4	5	10
Net Profit	**2,248**	**924**	**1,516**	**2,903**	**3,664**

BALANCE SHEET					(Rs Million)
Y/E MARCH	2004	2005	2006E	2007E	2008E
Equity Share Capital	380	380	418	418	418
Preference Share Capital	534	534	534	0	0
Reserves	3,668	4,620	8,457	10,128	12,363
Net Worth	**4,582**	**5,533**	**9,409**	**10,546**	**12,781**
Minority Interest	41	41	45	50	60
Deferred Liabilities	379	596	758	922	1,177
Total Loans	3,573	3,680	4,500	3,924	4,622
Capital Employed	**8,575**	**9,850**	**14,713**	**15,443**	**18,640**
Gross Block	6,637	8,026	10,226	10,426	11,426
Less: Accum. Deprn.	1,392	1,799	2,393	3,065	3,804
Net Fixed Assets	**5,245**	**6,227**	**7,833**	**7,361**	**7,622**
Capital WIP	432	1,052	192	141	334
Investments	52	37	37	37	37
Curr. Assets	**5,594**	**5,705**	**10,429**	**12,303**	**16,040**
Inventory	1,952	2,755	2,954	3,364	4,389
Account Receivables	1,819	1,460	2,661	3,711	4,810
Cash and Bank Balance	254	155	3,484	3,711	4,958
Curr. Liability & Prov.	**2,748**	**3,171**	**3,779**	**4,400**	**5,394**
Account Payables	1,948	2,366	2,808	3,204	3,974
Provisions	800	804	971	1,196	1,420
Net Current Assets	**2,846**	**2,535**	**6,651**	**7,903**	**10,647**
Appl. of Funds	**8,575**	**9,850**	**14,713**	**15,443**	**18,640**

E: MOSt Estimates

RATIOS					
Y/E MARCH	2004	2005E	2006E	2007E	2008E
Basic (Rs)					
EPS	**11.8**	**4.9**	**7.3**	**13.9**	**17.5**
Cash EPS	14.6	7.6	10.1	17.1	21.1
BV/Share	21.3	26.3	42.5	50.5	61.2
DPS	3.0	3.0	3.0	5.0	6.0
Payout (%)	33.1	41.5	46.8	42.4	38.9
Valuation (x)					
P/E		48.4	32.4	16.9	13.4
Cash P/E		30.9	23.3	13.8	11.2
P/BV		8.9	5.5	4.7	3.8
EV/Sales		4.0	3.4	2.9	2.5
EV/EBITDA		31.1	20.6	12.7	9.8
Dividend Yield (%)		1.3	1.3	2.1	2.5
Return Ratios (%)					
RoE	52.9	20.4	21.9	29.9	31.4
RoCE	26.1	18.3	17.9	24.4	28.2
Working Capital Ratios					
Asset Turnover (x)	1.6	1.3	1.0	1.1	1.1
Debtor (Days)	48	41	66	81	89
Inventory (Days)	51	77	73	73	82
Working Capital (Days)	75	71	164	171	198
Leverage Ratio (x)					
Current Ratio	2.0	1.8	2.8	2.8	3.0
Debt/Equity	0.9	0.7	0.5	0.4	0.4

CASH FLOW STATEMENT					(Rs Million)
Y/E MARCH	2004	2005E	2006E	2007E	2008E
Oper. Profit/(Loss) before Ta:	3,047	1,694	2,435	3,878	4,961
Interest/Dividends Recd.	186	419	223	251	276
Direct Taxes Paid	-90	-248	-151	-196	-319
(Inc)/Dec in WC	-196	213	-787	-1,025	-1,496
CF from Operations	**2,947**	**2,078**	**1,720**	**2,908**	**3,422**
EO Expense/(income)	256	-796	-111	0	0
CF from Oper. incl EO E:	**2,691**	**2,874**	**1,831**	**2,908**	**3,422**
(Inc)/Dec in FA	-652	-2,126	-1,340	-150	-1,192
(Pur)/Sale of Investments	-689	15	0	0	0
CF from Investments	**-1,341**	**-2,112**	**-1,340**	**-150**	**-1,192**
Issue of Shares	-100	-9	3,022	-534	0
Inc/(Dec) in Debt	-332	107	820	-576	698
Interest Paid	-469	-276	-250	-190	-250
Dividend Paid	-456	-682	-755	-1,232	-1,430
CF from Fin. Activity	**-1,357**	**-861**	**2,838**	**-2,531**	**-982**
Inc/Dec of Cash	**-5**	**-99**	**3,329**	**227**	**1,247**
Add: Beginning Balance	240	254	155	3,484	3,711
Closing Balance	**254**	**155**	**3,484**	**3,711**	**4,958**

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Disclosure of Interest Statement	Nicholas Piramal
1. Analyst ownership of the stock	No
2. Group/Directors ownership of the stock	No
3. Broking relationship with company covered	No

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