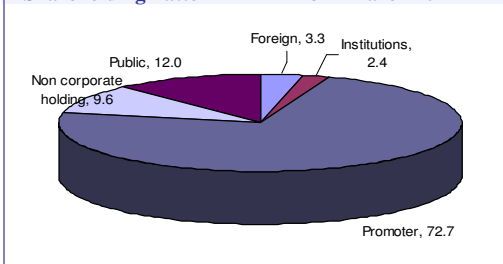


Key Share Data

Face Value (Rs.)	10.00
Equity Capital (Rs. crs)	80.43
Market Capitalization (Rs. crs)	1063.69
52-wk High / Low (Rs.)	142 / 79
Average Yearly Volume	149090
BSE code	532949
NSE code	PIRGLASS
Reuters code	PRML.BO
Bloomberg code	PIRA IN

Company Profile

PGL is a leading glass flaconage manufacturers supplying to the Cosmetics & Perfumery, Pharmaceutical and Food & Beverage industries. Company provides end-to-end solutions which include decoration (colouring, etching, finishing, lacquering etc.), designing, in-house mould design & manufacturing and have third party ancillary units for accessories like caps, cartons and brushes. PGL has its manufacturing facilities in India, US and Sri Lanka with 11 furnaces having a combined capacity of 1140 TPD.

Shareholding Pattern – 31st March 2011

Q4FY11 RESULTS UPDATE
Strong operating performance in Q4FY11

- PGL Ltd recorded total income of Rs.333.94 cr in Q4FY11, registering a growth of 15% Y-o-Y basis led by better product mix.
- EBITDA margin improved by 634 basis points to 27.1% as compared to 20.7% in same period last year largely due to company shifting its gear towards high margin premium cosmetics and perfumery business.
- Net profit grew by whopping 186% to Rs. 32.71 crore after accounting for forex gain of Rs. 6.27 crore as compared to forex loss of Rs. 12.18 crore in Q4FY10.

Financials (Consolidated) (Rs. crore)

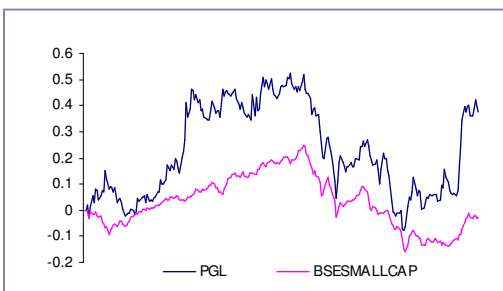
	FY10	FY11	FY12E	FY13E
Net Sales	1103.9	1218.5	1364.7	1611.1
Sales Gr	9%	10%	12%	18%
EBIDTA	182.2	285.1	324.9	407.6
PAT	4.5	93.0	113.4	171.2
PAT Gr	-104%	1984%	22%	51%
EPS (Rs.)	0.6	11.6	14.1	21.3
CEPS	11.8	24.9	28.8	37.5

Focus on premium C&P segment continues

- Currently PGL's main focus is to shift from low end pharma segment to high margin driven premium segment which derives ROCE of approx 25-30%. Total market size of premium segment is US\$ 1632 million, mostly dominated by EU manufacturers and PGL is the only Asian player with 2% market share.
- For Q4FY11, C&P segment grew by 25%. **We expect C&P segment to grow at a CAGR of 26.6% over FY11-13E, leading to widening EBITDA margin, C&P segment is expected to contribute around 59% in company's total revenue by FY13E.**

Key Financial Ratios

	FY10	FY11E	FY12E	FY13E
Div. yield	0.8%	2.7%	1.9%	1.9%
P/E	-	11.2	9.2	6.1
P/BV	4.4	3.1	2.5	1.8
P/Cash EPS	11.0	5.2	4.5	3.5
MCap/Sales	0.9	0.8	0.7	0.6
EV/EBIDTA	11.1	6.8	5.9	4.3
ROCE	9%	15%	16%	21%
ROE	2%	28%	27%	30%
EBITDM(%)	17%	23%	24%	25%
NPM (%)	0%	8%	8%	11%
Debt-Equity	4.1	2.7	2.1	1.4

Price comparison PGL v/s BSE Smallcap

Analyst: Kamna Jain

Tel No.: +91 22 2281 9012, Mobile - +91 9892526784
Email: kamna.jain@skpmoneywise.com

Capacity expansion plans- will add topline growth in next two years

- In order to support the robust demand in the C&P segment and leverage the established network with its client base, Piramal Glass is planning a strategic expansion plan with a capital outlay of Rs. 260 crore over next two years.
- PGL is setting up a Greenfield C&P facility at Jambusar, Gujarat with a capacity of 160 TPD, operational by Q4FY12. Company is also looking at the relining of furnaces to expand the capacities in C&P segment. **The aforesaid expansion plan will add 15% CAGR growth in topline for FY11-FY13E.**

Valuation

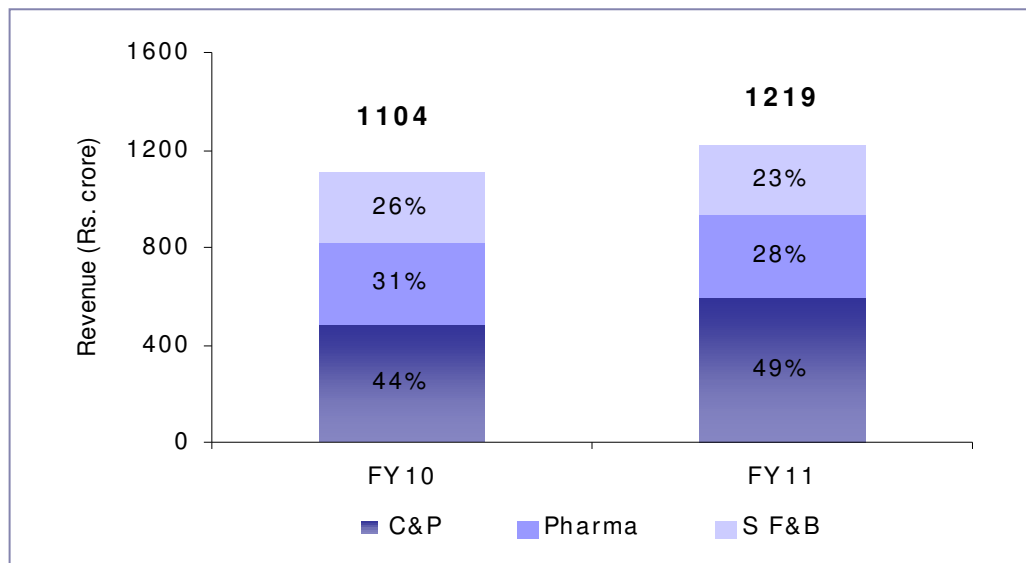
PGL's strategy of capacity expansion and elevated growth in C&P segment, we estimate revenue to grow at a CAGR of 15% over FY11-FY13E. At current market price of Rs. 130/-, PGL is trading at P/E of 9.2x and 6.1x for FY 12E and FY13E respectively. We have revised our FY12E and FY13E EPS to Rs. 14.1 and Rs. 21.3 respectively and arrived at a target price of Rs. 181 /- (39 % upside) in 15 months, implying a PE of 8.5 x to EPS of FY13E.

Q4FY11 RESULTS REVIEW

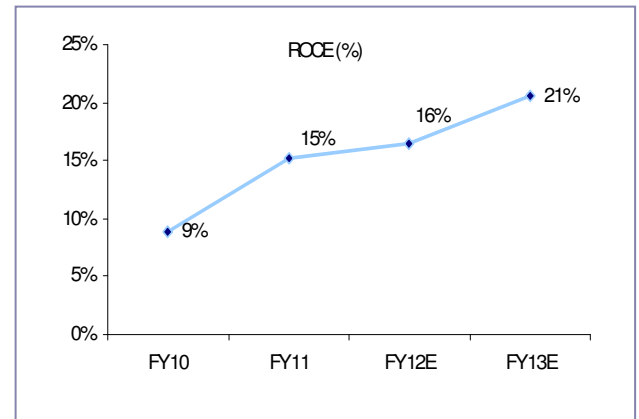
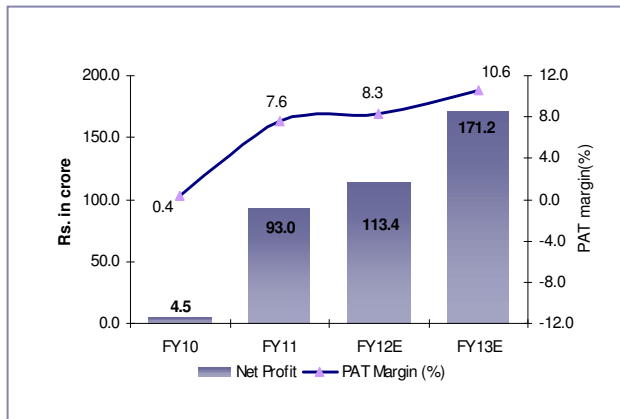
(All data in Rs. Crore unless specified, Y/e March)

Particulars	Q4 FY11	Q4 FY10	YoY(%)	Q3FY11	QoQ(%)	FY11	FY10	YoY(%)
Net Sales	333.94	289.96	15.17	316.97	5.35%	1240.00	1125.98	10.13
Raw Material Consumed	66.41	56.43	17.69	59.79	11.07%	259.99	213.82	21.59
Stock Adjustment	6.40	8.91	28.17	1.75	265.71%	-18.94	34.82	-154.39
Purchase of finished goods	1.16	1.12	3.57	1.39	-16.55%	4.66	10.17	-54.18
Employee Expenses	60.25	53.70	12.20	58.04	3.81%	236.86	214.17	10.59
Power, Oil & Fuel	70.56	62.26	13.33	46.51	51.71%	274.37	237.67	15.44
Other Expenses	38.71	47.39	-18.32	71.01	-45.49%	176.39	194.72	-9.41
Total Expenditure	243.49	229.81	5.95	238.49	2.10%	933.33	905.37	3.09
EBIDTA	90.45	60.15	50.37	78.48	15.25%	306.67	220.61	39.01
EBIDTA Margin (%)	27.09	20.74	30.57	24.76	9.40%	24.73	19.59	26.23
Interest	18.91	17.70	6.84	19.03	-0.63%	72.04	104.91	-31.33
Other Income	0.00	0.00	-	0.00	-	0.00	0.00	-
PBDT	71.54	42.45	68.53	59.45	20.34%	234.63	115.70	102.79
Depreciation	27.40	26.39	3.83	26.95	1.67%	106.90	107.05	-0.14
Tax	8.32	3.86	115.54	5.94	40.07%	24.38	5.42	349.82
Minority interest	3.11	0.75	314.67	3.43	-9.33%	10.33	-1.20	960.83
Adjusted Profit After Tax	32.71	11.45	185.68	23.13	41.42%	93.02	4.43	1999.77
PAT Margin (%)	9.80	3.95	148.05	7.30	34.23%	7.50	0.39	1806.70
EPS	4.07	1.42		2.88		11.57	0.55	

REVENUE MIX : C&P segment to be a major growth driver



Source: Company and SKP Research



Source: Company and SKP Research

Key Concerns

- Substitute threat: Glass packaging face the risk of replacement by other packaging solutions such as plastic, metal can etc.
- Changes in C&P product mix: We have forecasted the growth in revenue and margin of PGL for coming years owing to increased focus towards premium C&P business. Any changes in business mix may adversely affect company's profitability.

Valuations & Outlook

PGL is a leading player among flaconage solution provider and in C&P capacity it is 3rd largest in the world. PGL is best poised to recuperate its profitability with appropriate business mix, superior technology, inferior cost and extensive global presence. We expect by FY13E C&P will constitute about 59% of total sales; Pharma about 21% and about 19% sales will come from Speciality F&B business.

At current market price of Rs. 130/-, PGL is trading at P/E of 9.2x and 6.1x for FY 12E and FY13E respectively. We have revised our FY12E and FY13E EPS to Rs. 14.1 and Rs. 21.3 respectively and arrived at a target price of Rs. 181 /- (39 % upside) in 15 months, implying a PE of 8.5 x to EPS of FY13E.

Consolidated Financials

(All data in Rs. Crore unless specified, Y/e March)

Income Statement

Financial Year	FY10	FY11	FY12E	FY13E
Net Sales	1103.9	1218.5	1364.7	1611.1
Growth (%)	9.4%	10.4%	12.0%	18.1%
Total Expenditure	921.7	933.3	1039.9	1203.5
Operating profit	182.2	285.1	324.9	407.6
Growth (%)	146.2%	56.5%	13.9%	25.5%
Depreciation	90.7	106.9	118.5	130.8
EBIT	91.5	178.2	206.4	276.8
Interest	104.9	72.0	71.5	65.1
Interest Coverage (x)	0.9	2.5	2.9	4.3
Other Income	22.1	21.5	22.6	23.3
PBT	8.7	127.7	157.5	235.0
Tax	5.4	24.4	30.7	47.0
PAT	3.3	103.4	126.8	188.0
Less : Minority interest	-1.2	10.3	13.4	16.8
Adjusted PAT	4.5	93.0	113.4	171.2
O/S shares	8.0	8.0	8.0	8.0
EPS (Rs.)	0.6	11.6	14.1	21.3
Cash EPS (Rs.)	11.8	24.9	28.8	37.5
DPS (Rs.)	1.0	3.5	2.5	2.5

Balance Sheet

Year End March	FY10	FY11E	FY12E	FY13E
Equity capital	80.4	80.4	80.4	80.4
Reserves & Surplus	159.5	254.3	344.1	491.8
Shareholder's Fund	239.9	334.7	424.5	572.3
Total debt	982.4	920.0	893.5	794.0
Deferred tax liability	11.3	14.3	14.3	14.3
Minority interest	37.6	49.9	63.3	80.1
Sources of funds	1271.3	1318.8	1395.6	1460.6
Net Block	856.2	899.1	966.6	909.9
Investments	0.0	0.0	0.0	0.0
Total Current Assets	587.3	635.4	673.0	826.2
Inventories	254.2	250.4	269.1	297.7
Debtors	263.5	277.9	301.8	340.7
Cash & Bank Balance	7.1	13.8	12.4	96.6
Loans & Advances	62.5	93.3	89.7	91.1
Total Current Liabilities	172.3	215.7	244.0	275.4
Net Current Assets	415.0	419.7	429.0	550.7
Misc. Expenses	0.1	0.0	0.0	0.0
Uses of funds	1271.3	1318.8	1395.6	1460.6
Book value per share	29.8	41.6	52.8	71.1

Ratios

Year End March	FY10	FY11E	FY12E	FY13E
Valuation Ratios				
Price Earning (P/E)	-	11.2	9.2	6.1
Price / Book Value	4.4	3.1	2.5	1.8
Price / Cash EPS	11.0	5.2	4.5	3.5
EV / EBIDTA	11.1	6.8	5.9	4.3
Market Cap / Sales	0.9	0.8	0.7	0.6
Earning Ratios				
OPM (%)	16.5%	23.4%	23.8%	25.3%
NPM (%)	0.4%	7.6%	8.3%	10.6%
RoNW (%)	1.9%	27.8%	26.7%	29.9%
RoCE (%)	8.9%	15.1%	16.4%	20.5%
DPR	180.2%	30.3%	17.7%	11.7%
Balance Sheet Ratios				
Debt-Equity	4.1	2.7	2.1	1.4
Current Ratio	3.4	2.9	2.8	0.0
Debtors Days	86.8	80.0	76.5	71.8
Creditors days	118.6	112.9	120.6	118.1
Inventory Days	85.8	72.0	65.5	63.3
FA/Turnover	1.3	1.4	1.4	1.8

Cash Flow Statement

Year End March	FY10	FY11E	FY12E	FY13E
Profit before tax	8.7	127.7	157.5	235.0
Add: Depreciation, Int. & other expenses	196.1	185.7	190.0	195.9
Net changes in working capital	57.3	1.9	-10.7	-37.5
Direct taxes paid	-4.0	-24.4	-30.7	-47.0
Cash Flow from Operating activities	258.1	291.0	306.1	346.4
Capital expenditure	-20.8	-149.8	-186.0	-74.0
Change in Investments	0.0	0.0	0.0	0.0
Dividend, Interest & others	0.0	0.0	0.0	0.0
Cash flow from investing activities	-20.8	-149.8	-186.0	-74.0
Cash Flow from Financing activities	-235.2	-134.5	-121.5	-188.1
Cash Flow during the year	2.1	6.7	-1.4	84.2
Opening Cash	11.8	7.1	13.8	12.4
Cash & cash equivalent	7.1	13.8	12.4	96.6

The above analysis and data are based on last available prices and not official closing rates. SKP Research is also available on Bloomberg, Thomson First Call & Investext Myiris, Moneycontrol, Tickerplant and ISI Securities

DISCLAIMER: This document has been issued by SKP Securities Ltd (SKP), a stock broker registered with and regulated by Securities & Exchange Board of India, for the information of its clients/potential clients and business associates/affiliates only and is for private circulation only, disseminated and available electronically and in printed form. Additional information on recommended securities may be made available on request. This document is supplied to you solely for your information and no matter contained herein may be reproduced, reprinted, sold, copied in whole or in part, redistributed or passed on, directly or indirectly, to any other person for any purpose, in India or into any other country without prior written consent of SKP. The distribution of this document in other jurisdictions may be strictly restricted and/ or prohibited by law, and persons into whose possession this document comes should inform themselves about such restriction and/ or prohibition, and observe any such restrictions and/ or prohibition. If you are dissatisfied with the contents of this complimentary document or with the terms of this Disclaimer, your sole and exclusive remedy is to stop using the document and SKP shall not be responsible and/ or liable in any manner. Neither this document nor the information or any opinion expressed therein should be construed as an investment advice or offer to anybody to acquire, subscribe, purchase, sell, dispose of, retain any securities or derivatives related to such securities or an offer to sell or the solicitation of an offer to purchase or subscribe for any investment or as an official endorsement of any investment. Any recommendation or view or opinion expressed on investments in this document is not intended to constitute investment advice and should not be intended or treated as a substitute for necessary review or validation or any professional advice. The views expressed in this document are those of the analyst which are subject to change and do not represent to be an authority on the subject. SKP may or may not subscribe to any and/ or all the views expressed herein. It is the endeavor of SKP to ensure that the analyst(s) use current, reliable, comprehensive information and obtain such information from sources, which the analyst(s) believes to be reliable. However, such information may not have been independently verified by SKP or the analyst(s). The information, opinions and views contained within this document are based upon publicly available information, considered reliable at the time of publication, which are subject to change from time to time without any prior notice. The Document may be updated anytime without any prior notice to anybody. SKP makes no guarantee, representation or warranty, express or implied; and accepts no responsibility or liability as to the accuracy or completeness or correctness of the information in this Report. SKP, its Directors, affiliates and employees do not accept any liability whatsoever, direct or indirect, that may arise from the use of the information or recommendations herein. Please note that past performance is not necessarily a guide to evaluate future performance. SKP or its affiliates, may, from time to time render advisory and other services to companies being referred to in this document and receive compensation for the same. SKP and/or its affiliates, directors and employees may trade for their own account or may also perform or seek to perform investment banking or underwriting services for or relating to those companies and may also be represented in the supervisory board or on any other committee of those companies or may sell or buy any securities or make any investment, which may be contrary to or inconsistent with this document. This document should be read and relied upon at the sole discretion and risk of the reader. The value of any investment made at your discretion based on this document or income there from may be affected by changes in economic, financial and/ or political factors and may go down as well as up and you may not get back the full or the expected amount invested. Some securities and/ or investments involve substantial risk and are not suitable for all investors. Neither SKP nor its affiliates or their directors, employees, agents or representatives/associates, shall be responsible or liable in any manner, directly or indirectly, for information, views or opinions expressed in this document or the contents or any errors or discrepancies herein or for any decisions or actions taken in reliance on the document or inability to use or access our service or this document or for any loss or damages whether direct or indirect, incidental, special or consequential including without limitation loss of revenue or profits or any loss or damage that may arise from or in connection with the use of or reliance on this document or inability to use or access our service or this document.

SKP Securities Ltd

Contacts	Research		Sales	
	Mumbai	Kolkata	Mumbai	Kolkata
Phone	022 2281 9012	033 4007 7000	022 2281 1015	033 4007 7400
Fax	022 2283 0932	033 4007 7007	022 2283 0932	033 4007 7007
E-mail	researchmum@skpmoneywise.com	research@skpmoneywise.com	dealingdesk@skpmoneywise.com	

Entities

Member: NSE BSE NSDL CDSL NCDEX* MCX* MCX-SX FPSB
 INB/INF: 230707532, BSE INB: 010707538, CDSL IN-DP-CDSL-132-2000, DPID: 021800, NSDL IN-DP-NSDL: 222-2001, DP ID: IN302646, ARN: 0006, NCDEX: 00715, MCX: 31705, MCX-SX: INE
 *Group
 260707532