

The Week Gone By

Weekly Newsletter

Parag's Views

Bottom-picking Mentality

When interviewed on CNBC earlier this year, Buffett was asked when the market will bottom. He answered: "I don't know. And even knowing where the bottom is, you don't want to go there".

These words from Buffett can sound confusing. But, a book on Charlier Munger, answers this confusion.

The answer is simple: trying to pick the bottom is a terrible investment philosophy, because it is not based on the value of the investment project, but based on the emotions of the sellers.

It is easier to figure out the value of an asset than to predict the mood your wife next week. That's why "bottom seeking" mentality is wrong and should be avoided.

And knowing where the bottom is will only reinforce the desire to pick the bottom. That's why Buffett said you shouldn't go there even knowing where it is-- because you will destroy your investment principle which is far more valuable than some one-time windfall gain.

Tax Corner

Ashish Shah | ashish@ppfas.com

1. Under what head the income earned through intra-day and short-term trading activity can be taxed? Can intra-day and short-term trading profits be set off against futures and options (F&O) trading losses? Can we claim deductions for expenses incurred during the course of trading?

Any income from trading in derivatives on the stock market is taxed under the head "business income". It is no longer treated as speculation business. Thus, profit on intra-day trading can be set-off against loss made in F&O.

You can also claim deduction of the securities transaction tax (STT) paid on intra-day and F&O contracts as business expense along with any other expenditure. The net result of the exercise will constitute your business income.

2. Up to how many years short-term capital loss (STCL) can be carried forward? What about carry forward of long-term capital loss (LTCG)?

The short-term capital loss can be carried forward to the next eight assessment years if it cannot be set-off against the current year's short-term capital gain. But the long-term capital loss cannot be carried forward or set-off, since income from long-term capital gain are exempt from tax.

3. Investment of Rs 3,600 in DDBs of Sardar Sarovar Narmada Nigam (issued in January, 1994) will mature (Put option) in January 2009 and the redemption amount is Rs 50,000. There is a capital gain of Rs 46,400. Will this amount get taxed as interest income or as capital gains?

The Central Board of Direct Taxes (CBDT) has clarified that the difference between the original amount invested in deep discount bonds and the maturity proceeds will be deemed as income by way of the interest. It will be considered as income in the year of redemption and will not constitute capital gains.

The issuer (SSNL) will deduct income tax at source from the interest income while giving you the redemption proceeds. You can claim credit for such tax deducted at source in your assessment while filing the return of income for the year.

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Garware Offshore Services Ltd

BUY | CMP Rs. 195.0
Target Rs. 210.0

Q1 FY09
Result Update

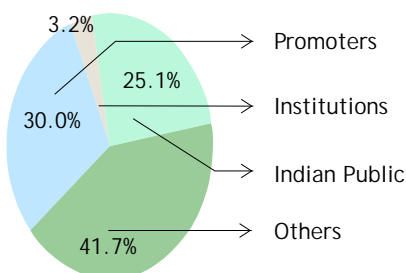
Stock Data

Bloomberg : GWOS.IN
Reuters : GRSH.BO
BSE Code : 501848
NSE Code : GARWOFFS
BSE Group : S

Stock Codes

Benchmark : BSEMLCAP
52 W High : Rs. 310.0
52 W Low : Rs. 134.0
Market Cap : Rs. 4,644 Mn
Face Value : Rs. 10.0

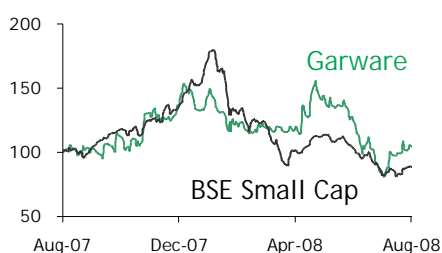
Shareholding Pattern (as on June 08)



Stock Returns

	1 Mth	3 Mths	6 Mths
Garware	27.68	-26.52	-12.81
BSE SML	6.24	-21.43	-31.37

Price Comparison



Hiren Samani - hiren@ppfas.com

Q1 FY09 Standalone Performance Review

Constant surge in demand for offshore support services have helped Garware Offshore Services Ltd. (GOSL) report handsome results for the first quarter ended June 2008. the company registered a growth of 25.8% in Operating Revenues from Rs. 234 Mn. in Q4FY08 to Rs. 294.3 Mn. in Q1FY09. With a sharp Q-o-Q rise of 130% in Other Expenses due to increase of spares & consumables procured by the company for the deliveries of new vessels taken, the Operating profits of the company rose by 17.3% Q-o-Q. However, the Operating Profit Margins dipped by over 400 bps. With the contribution coming from the rise in Other Income, the company reported a growth of 53% in PAT (Before Extraordinary) levels, from Rs. 58 Mn. in Q4FY08 to Rs. 88.8 Mn. in Q1FY09. During the quarter ended June 2008, the offshore company earned a Profit on Sale of Vessel of Rs. 10.7 Mn. on sale of its asset M. V. Garware II. Besides this, GOSL reported a Non-Cash Foreign Exchange Loss of Rs. 154.7 Mn. in compliance of AS-11.

GOSL reported much better results in comparison to the same quarter last year. The Operating Revenues for the company grew by more than 50% over Q1FY08. This, to some extent, has been due to the fact that its vessel M. V. Kamet operated for the full quarter this time as against only a part of the quarter last year. Correspondingly, all expenses (including depreciation) have registered an increase to that extent. At PAT (Before Extraordinary) levels, the company registered a growth of 71% on a Y-o-Y basis. [Quarterly Financials](#)

Operational Highlights

- During April 2008, the company sold one of its Anchor Handling Tugs-cum-Supply vessel (AHTSV) - "M. V. Garware II" for around Rs. 120 Mn., earning a Profit on sale of Vessel of Rs. 10.7 Mn.
- On 27th June 2008, the company took delivery of a new Platform Support Vessel (PSV), named as "M. V. Mana". This vessel has been deployed in the North Sea spot market, earning a day rate of around US\$ 40,000.
- Further to this, the company took delivery of a new AHTSV, named as "M. V. Poorna" on 21st July 2008 & has deployed this vessel with a company in Vietnam on a Bareboat Charter contract through a Singapore Bank, earning a day rate of US\$ 13,500.
- GOSL expects to take further deliveries of 2 AHTSVs & 1 PSV in the coming 9-12 months time.
- The company is also taking a Construction Barge & an AHTSV on a Bareboat Charter basis during second quarter FY10.

Company Profile	<p>Garware Offshore Services Ltd. (GOSL) which was formerly known as Garware Shipping Corporation Ltd., was incorporated in the year 1976. It owns & operates offshore supply vessels that cater to the offshore oil and gas drilling companies, largely in India. GOSL currently operates a fleet of eight vessels that it charters out on hire basis to well-known clients across the globe, like ONGC, British Gas, RIL, Transocean, Sedco Forex & Cairn Energy. GOSL currently has a wholly owned subsidiary incorporated in Singapore, 'Garware Offshore International Shipping Pte. Ltd.'</p>
Our View	<p>Looking at the crude oil demand & the consequential surge in global E&P activities, the demand for offshore support services has been very encouraging. We expect this demand to last for a couple of years & have a positive outlook for the offshore sector. We believe that companies within the offshore segment would report good set of numbers going forward. The scrip is trading at 8.4x our FY09E earnings & 5x FY10E earnings. We maintain a BUY on Garware Offshore Services Ltd. with our DCF based target of Rs. 210.</p>

Garware : Quarterly Financials

Earnings Statement					
YE March (Rs. Mn.)	Q109	Q408	Q-Q(%)	Q108	Y-Y(%)
Net Revenues	294.3	234.0	25.8%	194.1	51.7%
Raw Material	(58.8)	(17.6)	233.3%	(31.4)	87.3%
Gross Profit	353.1	251.6	40.3%	225.4	56.6%
Staff Costs	49.8	50.0	-0.3%	38.0	31.1%
Other Expenses	136.0	59.1	130.3%	72.2	88.5%
Total Expenditure	185.8	109.0	70.4%	110.2	68.7%
Operating Profit	167.3	142.6	17.3%	115.3	45.1%
OPM (%)	56.83%	60.94%	(411.0)	59.40%	(257.1)
Other Income	3.1	2.4	33.4%	2.7	18.3%
EBITDA	170.4	145.0	17.5%	117.9	44.5%
Depreciation	39.2	42.8	-8.4%	29.6	32.4%
EBIT	131.2	102.2	28.4%	88.3	48.5%
Interest	40.3	43.3	-6.8%	34.8	15.7%
PBT	90.9	58.9	54.3%	53.5	69.9%
Tax	2.1	0.9	143.3%	1.6	30.5%
PAT	88.8	58.0	53.0%	51.9	71.1%
Extraordinary Items	(144.0)	(0.3)	43533.0%	0.0	
Profit on Sale of Assets	10.7	0.0		0.0	
Forex Gain / (Loss)	(154.7)	(0.3)		0.0	
Excess/(Short) Provision for earlier years	0.0	0.0		0.0	
Reported PAT	(55.2)	57.7	-195.7%	51.9	-206.4%
Equity Capital	238.2	238.2		192.7	
EPS	-2.32	2.42	-195.7%	2.69	-186.0%
Ratio Analysis					
Profitability					
YE March (Rs. Mn.)	Q109	Q408	Q-Q(bps)	Q108	Y-Y(bps)
OPM (%)	56.83%	60.94%	(411.0)	59.40%	(257.1)
EBITDA (%)	57.89%	61.94%	(404.9)	60.77%	(287.1)
EBIT (%)	44.57%	43.65%	92.1	45.51%	(93.8)
PAT (%)	-18.75%	24.65%	(4,340.9)	26.74%	(4,549.6)
Operational Parameters					
YE March (Rs. Mn.)	Q109	Q408	Q-Q(bps)	Q108	Y-Y(bps)
Raw Material	-19.97%	-7.53%	(1,243.3)	-16.17%	(380.2)
Staff Cost	16.94%	21.36%	(442.7)	19.58%	(265.0)
Other Expenditure	46.20%	25.23%	2,096.9	37.18%	902.2
Effective Tax Rate	2.28%	1.44%	83.2	2.96%	(68.8)

Garware : Consolidated Financials

Earnings Statement									
Particulars (Rs Mn)	CY05	CY06	FY08A (15months)	FY09E	FY10E	FY11E	FY12E	FY13E	FY14E
Total Revenues	308.6	523.8	1,194.9	1,459.6	2,416.7	2,600.2	2,574.5	2,597.9	2,504.7
- Growth (%)	-3.2%	69.7%	128.1%	22.2%	65.6%	7.6%	-1.0%	0.9%	-3.6%
Total Expenditure	172.0	229.2	505.5	450.7	847.2	1,001.0	944.6	921.0	968.6
Operating Profit	136.6	294.6	689.4	1,009.0	1,569.5	1,599.2	1,629.9	1,676.9	1,536.1
Other Income	3.1	10.7	10.0	4.9	5.5	7.0	9.0	7.6	7.4
EBITDA	139.7	305.2	699.4	1,013.9	1,575.1	1,606.2	1,639.0	1,684.5	1,543.5
Depreciation	35.7	76.2	180.2	213.3	304.6	338.9	388.1	421.3	435.3
EBIT	104.0	229.0	519.2	800.6	1,270.4	1,267.2	1,250.9	1,263.2	1,108.1
Interest	5.4	67.6	211.2	265.8	318.3	270.0	257.1	210.6	141.3
PBT	98.6	161.4	308.0	534.8	952.1	997.2	993.7	1,052.6	966.8
Tax	8.2	8.5	7.2	19.8	22.1	23.5	24.2	24.9	23.1
PAT Before EI	90.4	152.8	300.8	514.9	930.0	973.7	969.6	1,027.7	943.7
- Growth (%)	-26.9%	69.1%	96.8%	71.2%	80.6%	4.7%	-0.4%	6.0%	-8.2%
Extra-ordinary Items	15.4	3.0	195.4	35.0	0.0	0.0	0.0	0.0	0.0
PAT	105.8	155.8	496.2	549.9	930.0	973.7	969.6	1,027.7	943.7
Ratio Analysis									
Particulars	CY05	CY06	FY08E (15 months)	FY09E	FY10E	FY11E	FY12E	FY13E	FY14E
OPM (%)	44.3%	56.2%	57.7%	69.1%	64.9%	61.5%	63.3%	64.5%	61.3%
EBITDA (%)	45.3%	58.3%	58.5%	69.5%	65.2%	61.8%	63.7%	64.8%	61.6%
PBIT (%)	33.7%	43.7%	43.4%	54.8%	52.6%	48.7%	48.6%	48.6%	44.2%
PAT (%)	29.3%	29.2%	25.2%	35.3%	38.5%	37.4%	37.7%	39.6%	37.7%
Interest Cover (x)	19.4	3.4	2.5	3.0	4.0	4.7	4.9	6.0	7.8
EPS (Rs.)	7.3	8.3	20.8	23.1	39.0	40.9	40.7	43.1	39.6
P/E (x)	26.6	23.6	9.4	8.4	5.0	4.8	4.8	4.5	4.9
P/BV (x)	3.8	3.2	2.3	1.8	1.4	1.1	0.9	0.8	0.7
BVPS (Rs.)	51.7	60.5	85.9	106.7	143.3	181.4	219.2	259.4	296.1
Market Cap (Rs. Mn.)	2,812.2	3,671.4	4,644.7	4,644.7	4,644.7	4,644.7	4,644.7	4,644.7	4,644.7
M Cap/Sales (x)	9.1	7.0	3.9	3.2	1.9	1.8	1.8	1.8	1.9
EV (Rs. Mn.)	3,593.8	5,410.1	7,143.9	8,331.5	9,052.0	8,321.3	8,165.1	7,506.4	6,493.6
EV/EBITDA (x)	25.7	17.7	10.2	8.2	5.7	5.2	5.0	4.5	4.2
EV/Sales (x)	11.6	10.3	6.0	5.7	3.7	3.2	3.2	2.9	2.6
ROCE (%)	6.7%	7.7%	11.2%	12.6%	16.0%	15.5%	14.1%	13.7%	12.2%
RONW (%)	12.1%	13.4%	14.7%	20.3%	27.3%	22.5%	18.6%	16.6%	13.4%
Debt/Equity Ratio (x)	1.1	1.6	1.3	1.5	1.3	0.9	0.7	0.5	0.3
Inventory T/o Days	36.8	41.9	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Debtors T/o Days	172.7	78.1	65.0	65.0	65.0	65.0	65.0	65.0	65.0
Advances T/o Days	153.7	87.0	110.0	87.5	9.3	30.2	20.6	8.6	8.9
Creditors T/o Days	40.2	36.5	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Working Cap T/o Days	317.5	219.2	190.2	165.0	84.0	107.3	90.5	73.6	71.9
Fixed Assets T/o (Gross)	0.2	0.2	0.3	0.2	0.3	0.3	0.3	0.2	0.2
DPS (Rs.)	1.2	1.8	1.8	2.0	2.1	2.3	2.5	2.5	2.5
Dividend Payout (%)	16.4%	21.8%	8.6%	8.7%	5.4%	5.6%	6.1%	5.8%	6.3%
Dividend Yield (%)	0.6%	0.9%	0.9%	1.0%	1.1%	1.2%	1.3%	1.3%	1.3%

Garware : Consolidated Financials

Balance Sheet									
Particulars (Rs Mn)	CY05	CY06	FY08E (15 months)	FY09E	FY10E	FY11E	FY12E	FY13E	FY14E
Equity Capital	144.2	188.3	238.2	238.2	238.2	238.2	238.2	238.2	238.2
Share Warrant	13.7	32.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reserves	587.9	918.5	1,808.4	2,302.6	3,174.1	4,083.7	4,983.6	5,941.6	6,815.7
Shareholders Funds	745.8	1,139.5	2,046.6	2,540.8	3,412.3	4,321.9	5,221.8	6,179.8	7,053.9
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Borrowed Funds	810.8	1,847.2	2,597.2	3,797.2	4,547.2	3,857.2	3,673.2	3,009.2	2,019.2
Deferred Tax Liability	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	1,556.7	2,986.7	4,643.8	6,338.1	7,959.5	8,179.1	8,895.0	9,189.0	9,073.1
Fixed Assets	1,283.6	2,666.5	4,015.7	5,672.4	7,397.8	7,408.9	8,250.8	8,659.4	8,574.1
Investments	4.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Current Assets									
Inventory	31.1	60.1	130.9	160.0	264.8	285.0	282.1	284.7	274.5
Sundry Debtors	146.0	112.1	212.8	259.9	430.4	463.0	458.5	462.6	446.0
Loans & Advances	130.0	124.8	360.0	350.0	61.3	215.3	145.3	61.3	61.3
Cash & Bank Balance	29.2	108.6	98.0	110.5	139.9	180.7	152.8	147.5	170.4
Current Liabilities									
Sundry Creditors	34.0	52.4	130.9	160.0	264.8	285.0	282.1	284.7	274.5
Provisions	33.9	38.7	48.3	60.4	75.5	94.4	118.0	147.4	184.3
Net Current Assets	268.4	314.5	622.5	660.0	556.1	764.6	638.6	524.0	493.3
Miscellaneous Expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets	1,556.7	2,986.7	4,643.8	6,338.1	7,959.5	8,179.1	8,895.0	9,189.0	9,073.1
Cash Flow									
Particulars (Rs Mn)	CY05	CY06	FY08E (15 months)	FY09E	FY10E	FY11E	FY12E	FY13E	FY14E
Opening Cash & Bank	19.0	29.2	108.6	98.0	110.5	139.9	180.7	152.8	147.5
Profit After Tax	105.8	155.8	496.2	549.9	930.0	973.7	969.6	1,027.7	943.7
Investment Income	(3.1)	(10.7)	(10.0)	(4.9)	(5.5)	(7.0)	(9.0)	(7.6)	(7.4)
Interest Paid	5.4	67.6	211.2	265.8	318.3	270.0	257.1	210.6	141.3
Depreciation	35.7	76.2	180.2	128.3	304.6	338.9	388.1	421.3	435.3
Others	(94.8)	(3.9)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Change in Working Cap	(10.7)	33.2	(318.5)	(25.1)	133.4	(167.8)	98.2	109.3	53.5
CF - Operating Activities	38.3	318.4	559.0	914.0	1,680.8	1,407.8	1,703.9	1,761.4	1,566.5
Change in Fixed Assets	(869.3)	(1,455.3)	(1,529.3)	(1,785.0)	(2,030.0)	(350.0)	(1,230.0)	(830.0)	(350.0)
Change in Investments	(0.3)	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment Income	3.1	10.7	10.0	4.9	5.5	7.0	9.0	7.6	7.4
CF - Investing Activities	(866.5)	(1,445.7)	(1,519.4)	(1,780.1)	(2,024.5)	(343.0)	(1,221.0)	(822.4)	(342.6)
Increase in Equity	72.3	257.8	493.9	(0.0)	0.0	(0.0)	0.0	(0.0)	(0.0)
Changes in Share Warrants	13.7	19.1	(32.7)	0.0	0.0	0.0	0.0	0.0	0.0
Changes in Borrowings	777.5	1,036.4	750.0	1,200.0	750.0	(690.0)	(184.0)	(664.0)	(990.0)
Interest Paid	(5.4)	(67.6)	(211.2)	(265.8)	(318.3)	(270.0)	(257.1)	(210.6)	(141.3)
Dividend Paid	(19.8)	(39.1)	(50.2)	(55.7)	(58.5)	(64.1)	(69.7)	(69.7)	(69.7)
CF - Financing Activities	838.4	1,206.6	949.8	878.5	373.2	(1,024.1)	(510.8)	(944.3)	(1,201.0)
Net Change in Cash	10.2	79.3	(10.5)	12.4	29.5	40.7	(27.8)	(5.3)	22.8
Closing Cash & Bank Balance	29.2	108.6	98.0	110.5	139.9	180.7	152.8	147.5	170.4

Godrej Consumer Products Ltd BUY | CMP Rs. 120.0 Q1 FY09 Result Update

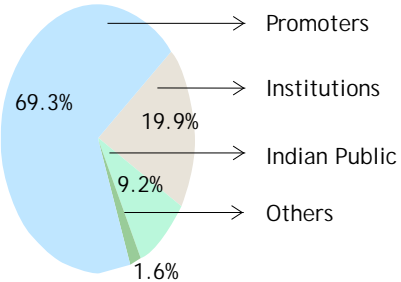
Stock Data

Bloomberg : GCPL.IN
 Reuters : GOCP.BO
 BSE Code : 532424
 NSE Code : GODREJCP
 BSE Group : B

Stock Codes

Benchmark : BSESMLCAP
 52 W High : 160.1
 52 W Low : 95.0
 Market Cap : Rs. 27,123 Mn
 Face Value : Rs. 1.0

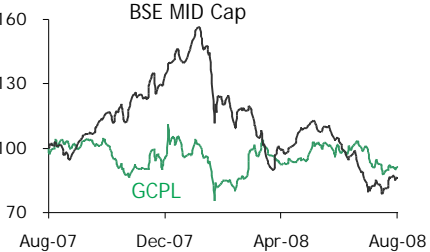
Shareholding Pattern (as on June 08)



Stock Returns

	1 Mth	3 Mths	6 Mths
GCPL	-6.32	-7.83	7.70
BSESML	6.24	-21.43	-31.37

Price Comparison



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Performance Highlights:

Impressive Topline and subdued Bottomline growth: Revenues have grown at ~17% (Y-Y) on a standalone basis and 26% (Y-Y) on a consolidated basis. The current quarter sales figure stands at 361.63 crores on a consolidated basis. That indicates a 33.05% increase on a Q-Q basis.

The bottomline growth was under pressure during the current quarter. On a yearly basis, PAT grew at 1.19% on a consolidated basis and declined by ~ 4 % on standalone basis. On the quarterly basis as well the bottomline performance has been equally dismal. PAT declined 4.21 % on a consolidated basis and 7.73% on the standalone basis. The EPS is 1.5 for the current quarter .

Pressure on Margins: The margins have been under pressure on both standalone and consolidated basis. On the consolidated basis:

- EBITDA margins at 14.67% lower by 617 bps Q-Q.
- NPM at 10.81% v/s 15.02% in Q4FY08.
- RM costs increase by ~13%.
- Staff Costs increase by 21.35%.

Higher vegetable oil prices resulted in lower than expected EBITDA growth. Advertisement cost increased by 63% to Rs. 34.3 crore compared to Rs. 21.1 crore on the back of an extensive relaunch of flagship brand, Cinthol. We however expect the raw material prices to subside on account of correcting crude oil prices and palm oil prices. The company is also planning another price hike in soaps in the Q2FY09 which should result in better margins next quarter.

Dividends: Godrej Consumer Products Ltd has declared an interim dividend @ Rs 0.75/- per share (75% on the shares of the face value of Re 1/- each for the financial year 2008-09). This would result in total outflow of Rs 22.65 crore including dividend distribution tax

Ad spends: Advertisement & promotions spend has increased to 9.49% of turnover in the current quarter from 7.36% of turnover last year (on account of relaunch of Cinthol brand). The ad spends are however in line with topline growths and the re-launched Cinthol brand has been well received by the consumer. Hrithik Roshan is the new brand ambassador for Cinthol Brand.

Segmental Performance
(Consolidated)

Particluars (Rs. Mn)	Jun-08	Mar-08	Q-Q(%)	Jun-07	Y-Y(%)
Soaps	1853	1260.4	47.02%	1628.1	13.81%
Hair Colours	733.4	697.3	5.18%	637.5	15.04%
Toiletries	908.5	623.9	45.62%	547.1	66.06%
Liquid Detergents	15.6	66.8	-76.65%	11.1	40.54%
By - Products	105.8	69.7	51.79%	39.1	170.59%
Total	3616.3	2718.1		2862.9	

Soaps: Soaps segment grew by 13% in the current quarter while the industry grew at 9%. The company has maintained its market share of 9.1% for Q1FY2008-09 and position of being the 2nd largest player in the industry. Though we are confident about GCPL's position in the Soaps market, the competition has increased with ITC entering the market (and immediately capturing 1.4 % market share) and HUL getting aggressive in this segment. The segment is also under margin pressure on account of higher vegetable oil prices and much higher advertising. The company is therefore planning another price hike in soaps in the Q2FY09 in the range of 5-7% , which should aid margin improvement.

Hair Colour: This segment grew by 15% in the current quarter on the back of improved performance from Godrej Expert Powder Hair Dye, Godrej Kesh Kala and Renew. No price hikes are expected and the business is volume driven. GCPL's market share in Hair Colour stood at 34.2% for the quarter. Rapidols growth was muted in this quarter, registering a decline in topline by 2.5% Y-Y (affected due to depreciation of rand to rupee). Katrina Kaif is the new brand ambassador for Godrej Renew.

Toiletries: This segment grew by an impressive 66% in the current quarter. All offerings including the Cinthol range of talc and deo sprays and Godrej Deluxe shaving cream continue to deliver strong growth. This segment should continue to perform well on account of re-launch of the Cinthol range.

Others: Liquid Detergents maintain a market share of 75.6 % for Q1 FY09. Godrej SCA Hygiene's recently introduced "Libero" baby diapers continue to receive an encouraging response. This was Kinky Group's first quarter of performance of the Company as a subsidiary of GCPL. For the quarter under review the Company's sales amounted to ZAR 20.39. Kinky sells a variety of products which include hair braids, hair pieces, wigs and wefted pieces along with hair accessories like styling gels, hair sprays and oil free shampoo.

About the Company

Godrej Consumer Products Ltd. (GCPL) is a major player in the Indian FMCG market with leadership in personal, hair, household and fabric care segments. The company operates in two segments namely soaps and personal care. They are among the largest marketer of toilet soaps in the country with leading brands such as Cinthol , Evita, Crowning Glory, Vigil, Shikakai, Fairglow , Godrej No. 1. They are the leader in the hair colour category in India and have a vast product range from Godrej Renew Coloursoft Liquid Hair Colours, Godrej Liquid & Powder Hair Dyes to Godrej Kesh Kala oil, Nupur based Hair Dyes. Their personal care segment also includes shaving cream and gel, talcum powder and deodorant. Their Liquid Detergent brand EZEE is the market leader in its category. They are also the preferred supplier for contract manufacturing of toilet soaps for some of the most well-known brands in the country.

Our View

GCPL is a play on the expected consumption boom in India. The rising proportion of middle-income families will translate into a strong demand for products like soaps, hair colour and toiletries. GCPL has targeted the mass market with value for money products in high growth low penetration segments like Hair Colour and Toiletries. With its dominant position, GCPL is one of the best plays on the consumption boom in India. At Rs. 120, the stock is trading at 17x Fy08 earnings. This compared to its peers seems underpriced and a buy. However, investors will have to watch out for slowing growth rates or setbacks in market share, as these will be the key triggers to exit the stock.

GCPL : Quarterly Financials

Earnings Statement								
YE March (Rs. Mn.)	Q109	Q408	Q-Q(%)	Q108	Y-Y(%)	9M08	9M07	Y-Y(%)
Net Revenues	3,616.3	2,718.1	33.05%	2,862.9	26.32%	8,330.6	7,074.8	17.75%
Cost of Materials	1,391.2	1,231.9	12.93%	1,282.2	8.50%	3,561.1	3,355.5	6.13%
Gross Profit	2,225.1	1,486.2	49.72%	1,580.7	40.77%	4,769.5	3,719.3	28.24%
Staff Costs	222.2	183.1	21.35%	207.3	7.19%	542.0	416.1	30.26%
Other Expenses	1,507.1	736.2	104.71%	862.0	74.84%	2,646.4	1,970.3	34.31%
Total Expenditure	1,729.3	919.3	88.11%	1,069.3	61.72%	3,188.4	2,386.4	33.61%
Operating Profit	495.8	566.9	-12.54%	511.4	-3.05%	1,581.1	1,332.9	18.62%
OPM (%)	13.71%	20.86%	-34.26%	17.86%	-23.25%	18.98%	18.84%	0.74%
Other Income	34.6	(0.5)	-7020.00%	12.6	174.60%	40.8	53.5	-23.74%
EBITDA	530.4	566.4	-6.36%	524.0	1.22%	1,621.9	1,386.4	16.99%
Depreciation	55.0	43.4	26.73%	44.2	24.43%	138.3	97.1	42.43%
EBIT	475.4	523.0	-9.10%	479.8	-0.92%	1,483.6	1,289.3	15.07%
Interest	(11.5)	33.6	-134.23%	34.9	-132.95%	95.1	76.3	24.64%
PBT	486.9	489.4	-0.51%	444.9	9.44%	1,388.5	1,213.0	14.47%
Tax	95.9	81.2	18.10%	58.5	63.93%	201.3	166.1	21.19%
PAT	391.0	408.2	-4.21%	386.4	1.19%	1,187.2	1,046.9	13.40%
Equity Capital	258.1	225.8	14.30%	225.8	14.30%			
EPS	1.5	1.8	-16.20%	1.7	-11.47%			
Ratio Analysis								
Profitability								
YE March (Rs. Mn.)	Q109	Q408	Q-Q(bps)	Q108	Y-Y(bps)	9M08	9M07	Y-Y(bps)
OPM (%)	13.71%	20.86%	(714.63)	17.86%	(415.29)	18.98%	18.84%	13.93
EBITDA (%)	14.67%	20.84%	(617.12)	18.30%	(363.62)	19.47%	19.60%	(12.71)
EBIT (%)	13.15%	19.24%	(609.53)	16.76%	(361.32)	17.81%	18.22%	(41.48)
PAT (%)	10.81%	15.02%	(420.57)	13.50%	(268.46)	14.25%	14.80%	(54.65)

GCPL : Financials

Earnings Statement					Balance Sheet				
Particulars	FY05	FY06	FY07	FY08	Particulars	FY05	FY06	FY07	FY08
Total Revenues	5,626.7	6,997.2	9,532.3	11,025.7	Equity Capital	226.4	225.8	225.8	225.8
- Growth (%)	14.4%	24.4%	36.2%	15.7%	Reserves	272.1	561.0	994.1	1,489.8
Total Expenditure	4,622.1	5,570.0	7,735.4	8,880.7	Shareholders Funds	498.6	786.8	1,220.0	1,715.6
Operating Profit	1,004.6	1,427.2	1,796.9	2,145.0	Borrowed Funds	61.3	687.2	1,736.1	1,871.0
Other Income	64.1	73.1	26.5	40.3	Deferred Tax Liability	79.4	65.7	79.8	89.1
EBITDA	1,068.7	1,500.3	1,823.4	2,185.3	Total Liabilities	639.3	1,539.7	3,035.9	3,675.7
Depreciation	106.6	114.7	142.1	181.7	Fixed Assets	1,014.1	849.6	1,992.1	2,399.1
EBIT	962.2	1,385.6	1,681.3	2,003.6	Goodwill	0.0	851.4	885.7	956.0
Interest	24.6	64.7	96.3	128.7	Investments	0.0	10.1	0.1	0.1
PBT	937.6	1,320.8	1,585.0	1,874.9	Current Assets				
Tax	41.6	107.8	195.4	282.5	Inventory	738.1	1,004.7	1,352.3	1,915.6
PAT Before EI	895.9	1,213.0	1,389.7	1,592.4	Sundry Debtors	51.8	303.3	483.2	509.6
- Growth (%)	38.2%	35.4%	14.6%	14.6%	Loans & Advances	151.6	142.8	464.8	667.7
Extra-ordinary Items	0.0	0.0	50.6	0.0	Cash & Bank Balance	89.7	263.4	474.9	425.9
Reported PAT	895.9	1,213.0	1,440.3	1,592.4	Current Liabilities				
					Sundry Creditors	1,329.8	1,787.3	2,520.0	2,904.5
					Provisions	76.1	98.1	97.3	322.4
					Net Current Assets	(374.8)	(171.3)	158.1	291.8
					Misc. Expenditure	0.0	0.0	0.0	28.7
					Total Assets	639.3	1,539.7	3,035.9	3,675.7
Ratio Analysis					Cash Flow				
Particulars	FY05	FY06	FY07	FY08	Particulars	FY05	FY06	FY07	FY08
OPM (%)	17.9%	20.4%	18.9%	19.5%	Opening Cash & Bank	139.6	89.7	263.4	474.9
EBITDA (%)	19.0%	21.4%	19.1%	19.8%	Profit After Tax	895.9	1,213.0	1,389.7	1,592.4
PBIT (%)	17.1%	19.8%	17.6%	18.2%	Invt Income	(64.1)	(73.1)	(26.5)	(40.3)
PAT (%)	15.9%	17.3%	14.6%	14.4%	Interest Paid	24.6	64.7	96.3	128.7
Interest Cover (x)	39.1	21.4	17.5	15.6	Misc. Exp W/Off	0.0	0.0	0.0	(28.7)
EPS (Rs.)	15.8	21.5	6.2	7.1	Depreciation	106.6	114.7	142.1	181.7
P/E (x)	7.6	5.6	19.5	17.0	Deferred Taxation	3.4	(13.8)	13.1	9.2
P/BV (x)	13.6	8.6	22.2	16.1	Others	(7.1)	110.2	(10.1)	(67.4)
BVPS (Rs.)	8.8	13.9	5.4	7.5	Change in Working Cap	26.7	(29.8)	(117.8)	(182.8)
Mkt Cap (Rs. Mn.)	6,798.2	6,781.0	27,123.9	27,123.9	CF - Operating Activities	985.9	1,386.0	1,486.7	1,592.8
M Cap/Sales (x)	1.2	1.0	2.8	2.5	Change in Fixed Assets	(75.6)	(36.0)	(1,255.9)	(555.4)
EV (Rs. Mn.)	6,769.9	7,194.7	28,384.9	28,568.9	Change in Goodwill	0.0	(851.4)	(34.3)	(34.3)
EV/EBITDA (x)	6.3	4.8	15.6	13.1	Change in Investments	0.0	(10.1)	10.0	0.0
EV/Sales (x)	1.2	1.0	3.0	2.6	Investment Income	64.1	73.1	26.5	40.3
ROCE (%)	171.8%	94.0%	56.9%	56.3%	CF - Investing Activities	(11.5)	(824.4)	(1,253.7)	(549.4)
RONW (%)	179.7%	154.2%	113.9%	94.4%	Increase in Equity	(48.4)	(47.7)	0.0	0.0
Debt/Equity Ratio (x)	0.1	0.9	1.4	1.1	Changes in Borrowings	(180.8)	625.9	1,048.9	134.9
Inventory T/o Days	47.9	52.4	51.8	63.4	Interest Paid	(24.6)	(64.7)	(96.3)	(128.7)
Debtors T/o Days	3.4	15.8	18.5	16.9	Dividend Paid	(770.5)	(901.3)	(974.1)	(1,098.8)
Advances T/o Days	9.8	7.4	17.8	22.1	CF - Financing Activities	(1,024.4)	(387.9)	(21.5)	(1,092.6)
Creditors T/o Days	86.3	93.2	96.5	96.2	Net Change in Cash	(49.9)	173.8	211.5	(49.1)
Working Cap T/o Days	(24.3)	(8.9)	6.1	9.7	Closing Cash & Bank Bal	89.7	263.4	474.9	425.9
Fixed Assets T/o (Gross)	3.1	4.0	3.5	3.8					
DPS (Rs.)	12.0	14.0	3.8	4.2					
Dividend Payout (%)	75.8%	65.2%	60.9%	60.0%					
Dividend Yield (%)	10.0%	11.7%	3.1%	3.5%					

Jet Airways Limited	CMP Rs. 483.0 Not Rated	Q1 FY09 Result Update
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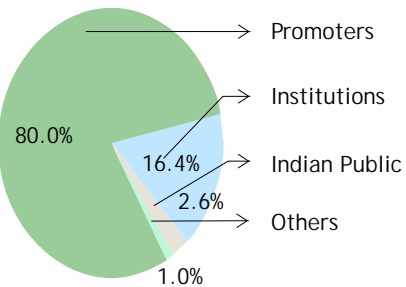
Stock Data

Bloomberg : JETIN.IN
Reuters : JET.BO
BSE Code : 532617
NSE Code : JETAIRWAYS
BSE Group : A

Stock Codes

Benchmark : BSE MID CAP
52 W High : 1049.8
52 W Low : 308.0
Mkt Cap : Rs. 41,679 Mn
Face Value : Rs. 10.0

Shareholding Pattern (as on June 08)

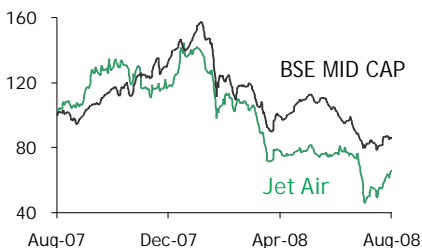


Promoters	80.0%
Institutions	16.4%
Indian Public	2.6%
Others	1.0%

Stock Returns

	1 Mth	3 Mths	6 Mths
Jet	34.08	-17.16	-41.46
BSEMID	8.54	-21.82	-28.14

Price Comparison



Aug-07 Dec-07 Apr-08 Aug-08

Hiren Samani - hiren@ppfas.com

Q1 FY09 Standalone Performance Review

As expected, Jet Airways Ltd. reported very poor set of numbers for the first quarter ended June 2008. India's largest private sector airline saw its Operating Revenues increase marginally by -4% on a Q-o-Q basis. However, with the steep rise in global crude oil prices & the consequential impact it has had on the Aviation Turbine Fuel (ATF) costs, can be clearly seen from Jet's performance. The company witnessed its Fuel Costs rise by 42.5% from Rs. 10,802.1 MN. in Q4FY08 to Rs. 15,392.3 Mn. in Q1FY09. With more than quadruple jump in Selling & Distribution costs over the previous quarter, Jet reported a Operating Loss of Rs. 2,445.7 Mn. for Q1FY09 vis-a-vis an Operating Profit of Rs. 2,121.7 Mn. for Q4FY08. The airline reported a pre-exceptional Net Loss of Rs. 7,724.9 Mn. for the quarter ended June 2008.

During this quarter, the company has changed its method of charging depreciation on Narrow Body Aircrafts from Written Down Value (WDV) to Straight Line Method (SLM). The surplus arising on retrospective computation has aggregated to Rs. 9,158.7 Mn. that has been grouped under Extraordinary Item. Taking this into account, the airline company has reported a positive PAT of Rs. 1,433.8 Mn. for the quarter ended June 2008.

On a Y-o-Y comparison, Jet Airways reported a rise of 58.7% in Operating Revenues from Rs. 18,066.7 Mn. for Q1FY08 to Rs. 28,671.6 Mn. for Q1FY09. The company witnessed a significant rise of 156.7% in Aircraft Fuel Costs & almost 271% in Selling & Distribution Expenses for Q1FY09 over the same quarter last year. The company has also seen its Interest Cost more than double over that of the same quarter last year from Rs. 644.3 Mn. to Rs. 1,346.2 Mn. At pre-exceptional PAT levels, the airline suffered a Net Loss of Rs. 7,724.9 MN. for Q1FY09 vis-a-vis a Profit of Rs. 308.8 Mn. for Q1FY08. The EPS of the company increased from Rs. 3.58 for quarter ended June 2007 to Rs. 16.61 for the quarter ended June 2008, largely due to the Exceptional Item coming from the change in method of charging Depreciation.

Operational Highlights for Q1FY09

- System-wide Average Seat Kilometers (ASKMs) of 8,154 Mn., up 71.4% over Q1FY08;
- System-wide Revenue Passenger Kilometers (RPKMs) of 5,498 Mn., up 67.2% over Q1FY08;

- System-wide Passenger Load Factors (PLFs) achieved - 67.4% v/s 69.1% for Q1FY08;
- 3.15 Mn. Revenue Passengers carried, up 18% over Q1FY08;
- Domestic Operations accounted for 52% of Operating Revenues vis-a-vis 76% for the same quarter last year;
- International Operations accounted for 48% of Operating Revenues vis-a-vis 24% for the same quarter last year;
- The company incurred a cost of Rs. 309 Mn. towards idle aircraft capacity for the quarter, due to the delay in the start of its flights to Shanghai/San Francisco.

Company Profile

Jet Airways is India's largest private sector airline operating both domestic & international services. Jet Airways currently operates 385 flights daily flying to 62 destinations within India & across the globe. It operates a fleet of 85 aircrafts with an average fleet age of 4.3 years, making it the youngest aircraft fleet operator in the world.

Jet currently flies to 18 international destinations including New York (JFK & Newark), Toronto, Brussels, London Heathrow, Singapore, Kuala Lumpur, Colombo, Bangkok among others. It recently started operations to Shanghai & San Francisco. The airline further plans to launch flights to Dubai in August 2008 & to Saudi Arabia by October 2008, completing the first phase of its international expansion.

Since the acquisition of Air Sahara (renamed as Jet Lite) in April 2007, Jet Lite is a wholly owned subsidiary of the company. Jet Lite currently operates a fleet size of 24 aircrafts flying to 31 destinations within India & operating around 127 flights daily. It also flies to Colombo & Kathmandu.

Outlook going forward

The domestic aviation industry in India, which was characterized by huge growth rate over the past few years, is in a consolidation phase with airlines controlling & reducing capacity. Airlines are reportedly going slow on capacity induction & some airlines are pulling out of certain markets/areas. Rising inflation rates & increasing air fares have led to a slowdown in demand for air travel. With ATF prices in India rising every month on the trot for the past few months, including an increase in July & August, the airline companies are expected to have a tough time going forward. The aviation industry in India is expected to report huge losses for the current year. We believe that Jet Airways would not be an exception to this phenomenon, which can be seen in the first quarter results. We maintain our negative stance for the stock.

Jet Airways : Quarterly Standalone Financials

Earnings Statement								
YE March (Rs. Mn.)	Q109	Q408	Q-Q(%)	Q108	Y-Y(%)	FY08	FY07	Y-Y(%)
Net Revenues	28,671.6	27,599.0	3.9%	18,066.7	58.7%	88,111.0	70,577.8	24.8%
Gross Profit	28,671.6	27,599.0	3.9%	18,066.7	58.7%	88,111.0	70,577.8	24.8%
Aircraft Fuel Expenses	15,392.3	10,802.1	42.5%	5,995.6	156.7%	32,930.3	24,276.4	35.6%
Commission	0.0	2,071.9		1,285.6		6,466.8	5,589.0	15.7%
Employee Remuneration & Benefits	552.2	3,527.8	0.7%	2,634.4	34.8%	12,051.8	9,381.2	28.5%
Other Operating Expenditure	8,998.9	8,386.0	7.3%	5,060.8	77.8%	25,792.0	18,832.9	37.0%
Selling & Distribution Expenses	3,173.9	689.5	360.3%	854.8	271.3%	3,361.8	2,419.5	38.9%
Other Expenses								
Total Expenditure	31,117.3	25,477.3	22.1%	15,831.2	96.6%	80,602.7	60,499.0	33.2%
Operating Profit	(2,445.7)	2,121.7		2,235.5		7,508.3	10,078.8	-25.5%
OPM (%)	-8.53%	7.69%		12.37%		8.52%	14.28%	
Forex Gain/(Loss)	0.0	(110.6)		1,289.9		2,307.7	0.0	
Other Income	319.9	(218.2)		473.7	-32.5%	1,248.0	1,324.6	-5.8%
EBITDAR	(2,125.8)	1,792.9		3,999.1		11,064.0	11,403.4	-3.0%
Aircraft Lease Rentals	1,505.7	1,482.7	1.6%	1,532.2	-1.7%	5,632.8	6,458.0	-12.8%
EBITDA	(3,631.5)	310.2		2,466.9		5,431.2	4,945.4	9.8%
Depreciation	1,989.9	2,502.9	-20.5%	1,327.8	49.9%	7,778.0	4,141.0	87.8%
EBIT	(5,621.4)	(2,192.7)	156.4%	1,139.1		(2,346.8)	804.4	
Interest	1,346.2	1,549.2	-13.1%	644.3	108.9%	4,927.5	2,401.5	105.2%
PBT	(6,967.6)	(3,741.9)	86.2%	494.8		(7,274.3)	(1,597.1)	355.5%
Tax	757.3	(1,530.1)	-149.5%	186.0	307.2%	(1,595.3)	234.2	
PAT before EI	(7,724.9)	(2,211.8)	249.3%	308.8		(5,679.0)	(1,831.3)	210.1%
Extra-ordinary Income	9,158.7	0.0		0.0		3,148.4	2,110.7	49.2%
Profit on Sale & Lease Back	0.0	0.0		0.0		3,148.4	2,110.7	49.2%
Other EI	9,158.7	0.0		0.0		0.0	0.0	
Reported PAT	1,433.8	(2,211.8)		308.8	364.3%	(2,530.6)	279.4	
Equity Capital	863.3	863.3		863.3		863.3	863.3	
EPS	16.61	-25.62		3.58	364.3%	-29.31	3.24	
Ratio Analysis								
Profitability								
YE March (Rs. Mn.)	Q109	Q408	Q-Q(bps)	Q108	Y-Y(bps)	FY08	FY07	Y-Y(bps)
OPM (%)	-8.53%	7.69%		12.37%		8.52%	14.28%	(575.9)
EBITDA (%)	-12.67%	1.12%		13.65%		6.16%	7.01%	(84.3)
EBIT (%)	-19.61%	-7.94%	(1,166.1)	6.30%		-2.66%	1.14%	
PAT (%)	-26.94%	-8.01%	(1,892.9)	1.71%		-6.45%	-2.59%	(385.1)
Operational Parameters								
YE March (Rs. Mn.)	Q109	Q408	Q-Q(bps)	Q108	Y-Y(bps)	FY08	FY07	Y-Y(bps)
RM Consumed	0.00%	0.00%	0.0	0.00%	0.0	0.00%	0.00%	0.0
Aircraft Fuel Expenses	53.68%	39.14%	1,454.5	33.19%	2,049.9	37.37%	34.40%	297.7
Aircraft Lease Rentals	5.25%	5.37%	(12.1)	8.48%	(322.9)	6.39%	9.15%	(275.7)
Commission	0.00%	7.51%	(750.7)	7.12%	(711.6)	7.34%	7.92%	(58.0)
Employee Remuneration & Benefits	12.39%	12.78%	(39.3)	14.58%	(219.2)	13.68%	13.29%	38.6
Other Operating Expenditure	31.39%	30.39%	100.1	28.01%	337.4	29.27%	26.68%	258.8
Selling & Distribution Expenses	11.07%	2.50%	857.2	4.73%	633.8	3.82%	3.43%	38.7
Other Expenses	0.00%	0.00%	0.0	0.00%	0.0	0.00%	0.00%	0.0
Effective Tax Rate	-10.87%	40.89%		37.59%		21.93%	-14.66%	

Jet Airways : Consolidated Financials

Earnings Statement						Balance Sheet				
Particulars (Rs Mn)	FY04	FY05	FY06	FY07	FY08A	Particulars (Rs Mn)	FY04	FY05	FY06	FY07
Total Revenues	34,474.2	43,380.1	56,937.3	70,577.8	102,455.5	Equity Capital	720.9	863.3	863.3	863.3
- Growth (%)		25.8%	31.3%	24.0%	45.2%	Preference Capital	698.3	0.0	0.0	0.0
Total Expenditure	22,543.0	28,592.6	41,930.9	58,457.8	95,869.5	Reserves	2,754.9	19,238.3	22,195.5	21,509.2
Operating Profit	11,931.2	14,787.5	15,006.4	12,120.0	6,586.0	Shareholders Funds	4,174.1	20,101.6	23,058.8	22,372.5
Non Operating Income	746.4	821.6	1,570.6	1,324.6	3,608.8	Minority Interest	0.0	0.0	0.0	0.0
EBITDAR	12,677.6	15,609.1	16,577.0	13,444.6	10,194.8	Borrowed Funds	32,099.9	29,648.4	48,956.0	60,563.0
Aircraft Lease Rentals	3,289.9	2,680.9	5,580.7	8,499.2	8,215.7	Deferred Tax Liability	507.5	1,948.5	3,206.6	3,310.6
EBITDA	9,387.7	12,928.2	10,996.3	4,945.4	1,979.1	Total Liabilities	36,781.5	51,698.5	75,221.4	86,246.1
Depreciation	5,151.5	4,570.0	4,064.1	4,141.0	8,018.0	Fixed Assets	31,267.9	26,406.5	47,881.5	72,920.1
EBIT	4,236.2	8,358.2	6,932.2	804.4	(6,038.9)	Investments	2,334.2	15,957.3	1,872.3	689.3
Interest	2,891.4	2,536.9	2,416.0	2,401.5	5,224.7	Current Assets				
PBT	1,344.8	5,821.3	4,516.2	(1,597.1)	(11,263.6)	Inventory	3,474.4	3,325.2	4,052.5	4,389.9
Tax	150.3	1,901.4	2,702.2	234.2	(1,576.5)	Sundry Debtors	2,344.4	2,523.1	4,331.5	6,039.0
PAT Before EI	1,194.5	3,919.9	1,814.0	(1,831.3)	(9,687.1)	Loans & Advances	1,803.4	2,353.3	11,348.8	12,249.4
- Growth (%)		228.2%	-53.7%	-201.0%	429.0%	Cash & Bank Balance	3,699.4	12,242.4	21,042.5	10,966.4
Extra-ordinary Items	437.0	0.0	2,706.4	2,110.7	3,148.4	Other Current Assets	0.0	0.0	0.0	0.0
PAT	1,631.5	3,919.9	4,520.4	279.4	(6,538.7)	Current Liabilities				
						Sundry Creditors	5,356.9	7,731.7	10,656.2	18,526.4
						Provisions	2,785.3	3,377.6	4,651.5	2,481.6
						Net Current Assets	3,179.4	9,334.7	25,467.6	12,636.7
						Misc. Expenditure	0.0	0.0	0.0	0.0
						Total Assets	36,781.5	51,698.5	75,221.4	86,246.1
Ratio Analysis						Cash Flow				
Particulars	FY04	FY05	FY06	FY07		Particulars (Rs Mn)	FY04	FY05	FY06	FY07
OPM (%)	34.6%	34.1%	26.4%	17.2%		Opening Cash & Bank	484.8	3,699.4	12,242.4	21,042.5
EBITDA (%)	27.2%	29.8%	19.3%	7.0%		Profit After Tax	1,194.5	3,919.9	1,814.0	(1,831.3)
PBIT (%)	12.3%	19.3%	12.2%	1.1%		Invnt Income	(746.4)	(821.6)	(1,570.6)	(1,324.6)
PAT (%)	4.7%	9.0%	7.9%	0.4%		Interest Paid	2,891.4	2,536.9	2,416.0	2,401.5
Interest Cover (x)	1.5	3.3	2.9	0.3		Miscellaneous Exp W/Off	0.0	0.0	0.0	0.0
EPS (Rs.)	22.6	45.4	52.4	3.2		Depreciation	5,151.5	4,570.0	4,064.1	4,141.0
P/E (x)	21.3	10.6	9.2	149.2		Deferred Taxation	0.0	1,441.0	1,258.1	136.9
P/BV (x)	8.3	2.1	1.8	1.9		Others	3,872.2	862.5	(4,796.5)	(395.6)
BVPS (Rs.)	57.9	232.8	267.1	259.2		Change in Working Cap	890.5	2,387.7	(7,332.8)	2,754.8
Mkt Cap (Rs. Mn.)	34,819.5	41,697.4	41,697.4	41,697.4		CF - Operating Activities	13,253.7	14,896.4	(4,147.7)	5,882.7
M Cap/Sales (x)	1.0	1.0	0.7	0.6		Change in Fixed Assets	(1,503.2)	(571.1)	(18,036.2)	(26,706.2)
EV (Rs. Mn.)	63,220.0	59,103.4	69,610.9	91,294.0		Change in Investments	(1,713.4)	(13,623.1)	14,085.0	1,183.0
EV/EBITDA (x)	6.7	4.6	6.3	18.5		Investment Income	746.4	821.6	1,570.6	1,324.6
EV/EBITDAR (x)	5.0	3.8	4.2	6.8		CF - Investing Activities	(2,470.2)	(13,372.6)	(2,380.6)	(24,198.6)
EV/Sales (x)	1.8	1.4	1.2	1.3		Increase in Equity	0.0	13,001.2	(972.5)	(359.7)
ROCE (%)	11.7%	16.8%	9.6%	1.0%		Changes in Preference Capital	0.0	(698.3)	0.0	0.0
RONW (%)	28.6%	19.5%	7.9%	-8.2%		Changes in Borrowings	(4,677.5)	(2,451.5)	19,307.6	11,607.0
Debt/Equity Ratio (x)	7.7	1.5	2.1	2.7		Interest Paid	(2,891.4)	(2,536.9)	(2,416.0)	(2,401.5)
Inventory T/o Days	36.8	28.0	26.0	22.7		Dividend Paid	0.0	(295.3)	(590.7)	(606.0)
Debtors T/o Days	24.8	21.2	27.8	31.2		CF - Financing Activities	(7,568.9)	7,019.2	15,328.4	8,239.8
Advances T/o Days	19.1	19.8	72.8	63.3						
Creditors T/o Days	56.7	65.1	68.3	95.8						
Working Cap T/o Days	33.7	78.5	163.3	65.4						
Fixed Assets T/o (Gross)	0.7	0.8	1.3	1.2						
DPS (Rs.)	0.0	3.0	6.0	6.0						

Local Equity Market						Top Gainers & Losers of the Week			
INDICES	02-Aug-08	Week Ago	% Chng	Month Ago	% Chng	Top Gainers		Aug 2, 08	% Chng
Sensex	14,656.69	14,274.94	2.67	13,094.11	11.93	Sakthi Sugars Ltd.	100.80	36.22	
Nifty	4,413.55	4,311.85	2.36	3,925.75	12.43	PNB Gilts Ltd.	25.85	35.34	
CNX Nifty Junior	7,166.20	6,985.40	2.59	5,982.50	19.79	Uttam Sugar Mills Ltd.	75.30	32.22	
S&P CNX500	3,524.25	3,452.45	2.08	3,098.70	13.73	Samtel Color Ltd.	15.95	30.20	
CNX Midcap 200	5,637.55	5,564.40	1.31	5,019.50	12.31	Harrisons Malayalam Ltd.	105.35	27.54	
CNX IT	3,851.85	3,657.05	5.33	3,982.95	(3.29)	Automotive Axles Ltd.	271.50	26.78	
International Equity Market						Top Losers			
INDICES	02-Aug-08	Week Ago	% Chng	Month Ago	% Chng	Zandu Pharmaceutical Works Ltd.	18,213.85	(22.27)	
DJIA	11,326.32	11,370.69	(0.39)	11,288.54	0.33	Punjab Tractors Ltd.	167.80	(21.35)	
Nasdaq	2,310.96	2,310.53	0.02	2,245.38	2.92	Bharat Electronics Ltd.	971.50	(15.85)	
S&P 500	1,260.31	1,257.76	0.20	1,262.90	(0.21)	Reliance Communications Ltd.	436.00	(13.48)	
FTSE 100	5,354.70	5,352.60	0.04	5,476.60	(2.23)	Lanco Infratech Ltd.	324.45	(12.05)	
Nikkei 225	13,094.59	13,334.76	(1.80)	13,265.40	(1.29)	Nagarjuna Construction Co. Ltd.	125.95	(11.33)	
Hang Seng	22,862.60	22,740.71	0.54	21,242.78	7.63	Sun TV Network Ltd.	237.70	(11.21)	
HSCEI	12,545.22	12,421.67	0.99	11,139.92	12.61	IL&FS Investsmart Ltd.	176.45	(10.34)	
MSCI Indices						Sectoral Performance			
MSCI Indices	02-Aug-08	Week Ago	% Chng	Month Ago	% Chng	Sectors	Week	Month	3 Months
The World Index	1,351.91	1,360.69	(0.65)	1,367.04	(1.11)	Cycles	17.81	14.70	(9.51)
Emerging Market	1,029.81	1,024.52	0.52	1,030.32	(0.05)	Sugar	16.46	26.71	(4.87)
EM Asia	390.21	393.33	(0.79)	379.41	2.85	Compressors / Pumps	13.36	18.78	(6.19)
EM India	426.11	416.04	2.42	387.30	10.02	Tea And Coffee	10.22	23.83	1.17
Commodities						Diversified	9.04	17.75	(9.51)
Commodities	02-Aug-08	Week Ago	% Chng	Month Ago	% Chng	Fasteners	8.72	5.65	(31.84)
GOLD (\$/oz)	910.95	929.85	(2.03)	934.45	(2.51)	Consumer Durables	8.49	12.45	(23.58)
SILVER (\$/oz)	17.48	17.41	0.40	18.26	(4.27)	Chemicals - Organic	8.26	21.76	9.11
ALUMINIUM (\$/t)	2,934.00	2,969.50	(1.20)	3,184.00	(7.85)	Fertilisers	8.18	23.49	(6.90)
COPPER (\$/t)	7,900.00	7,956.00	(0.70)	8,645.00	(8.62)	Travel And Transport	7.36	20.43	(11.23)
CRUDE - BRENT (\$/bbl)	124.18	124.52	(0.27)	146.60	(15.29)	Plastic And Plastic Products	7.22	13.03	(21.99)
CRUDE - WTI (\$/bbl)	125.10	123.26	1.49	145.86	(14.23)	Automobiles - 2 And 3 Wheelers	6.89	19.68	(18.56)
Transportation						Transmission Towers	6.72	10.93	(28.54)
Transportation	02-Aug-08	Week Ago	% Chng	Month Ago	% Chng	Finance - Housing	6.44	14.57	(7.11)
World SCALE	160.00	232.50	(31.18)	242.50	(34.02)	Cables - Telecom	6.21	10.90	(15.10)
BALTIC FREIGHT INDEX	8,280.00	8,637.00	(4.13)	8,925.00	(7.23)	Mining	5.92	0.01	(21.78)
Forex						Castings/Forgings	5.79	8.84	(26.35)
FOREX	02-Aug-08	Week Ago	% Chng	Month Ago	% Chng	Pesticides And Agrochemicals	5.24	9.59	0.03
USD	42.35	42.27	0.21	43.30	(2.19)	Steel And Steel Products	5.11	8.48	(12.00)
GBP	83.72	84.25	(0.63)	85.68	(2.29)	Gems Jewellery And Watches	4.53	17.40	(20.45)
EURO	65.98	66.46	(0.72)	67.84	(2.75)	Inflation (%)			
YEN	39.36	39.22	0.36	40.47	(2.74)	10 year G-Sec Bond Yield			
Global Listings									
Scripts	31-Jul-08	Week Chng	Month Chng	Premium/D iscount	Share per ADR/GDR				
Infosys ADR	40.45	5.61	(12.16)	4.50%	1				
Wipro ADR	11.44	4.57	(6.01)	11.68%	1				
ICICI Bank ADR	30.40	(5.27)	17.25	0.21%	2				
Satyam ADR	22.31	5.73	(14.19)	20.81%	2				
HDFC Bank ADR	79.67	(4.02)	17.90	1.48%	3				
MTNL ADR	5.10	(2.67)	26.57	0.23%	2				
Dr. Reddy ADR	13.75	(9.54)	(2.06)	-0.43%	1				
Reliance GDR	106.75	4.40	2.66	-1.61%	2				
ITC GDR	4.33	(5.87)	12.20	-1.98%	1				
Ranbaxy GDR	11.80	4.89	(7.41)	-2.04%	1				
L & T GDR	62.20	(1.58)	14.91	-2.07%	1				

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