

The Week Gone By **Weekly Newsletter**



Parag's View ▼

Few of the mistakes to be avoided when investing in stocks

Buying into company whose business you don't understand

The lesson to be learnt here is that one should not invest in something which one does not fully understand, and this includes companies which are in fast-paced and ever-changing industries in which future demand and prospects cannot be ascertained confidently. In this way, we invest within our circle of competence and ensure that there are no unpleasant "surprises" which will crop up to cause our investment to stumble. Also, do not forget to buy with a wider margin of safety for investments which you do not 100% understand, in order to build a better safety cushion in case something goes wrong.

Selling too early

One of the most classic investment mistakes is selling too early, in what is also known as "short-termism". This occurs when one does not take a long-term view of a company, and attempts to "trade" a small gain, or maybe one sets a specific target price which is 10-20% higher than their buy price, and subsequently sells when it hits the trigger point. Both methods are price-dependent, rather than being business-dependent. Again, I reiterate that if you have bought into a good company at a fair price, then why in the world would you want to sell?

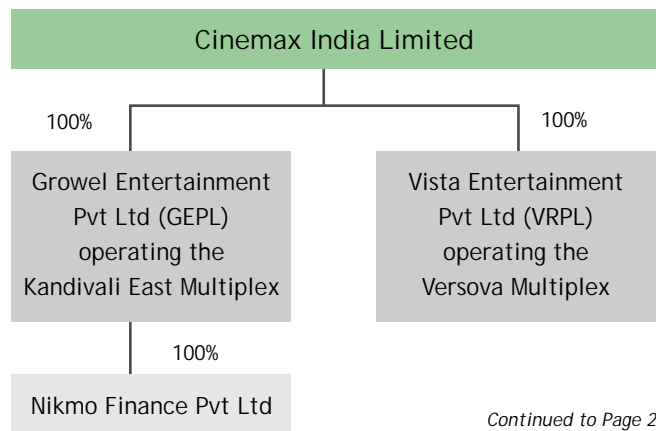
Trying to time the market

Do not try to contra unless you are an expert at reading charts and graphs. Value investors do not try to time the market, neither do they react to price trends. What to look for is value, and valuations are what drives the company's share price. Always apply proper valuation techniques, if you wish to assess whether a company is worth investing in.

Cinemax India Limited ▼
Research Associate : Jugal Shah

Cinemax India is a part of Kanakia group, leading real-estate developers having a track record of over 20 years & has built over 8 mn. sq.ft of commercial & residential property. The company is primarily present in the exhibition space with limited interest in mall development & gaming. As of April 2008, it operates 19 properties having 56 screens with a total of 15,041 seats. The company started its operations in 1997 and were the pioneers to adopt the strategy of acquiring single screen cinema halls and revamping them into multiplexes. Since then, the company is on an expansion mode & has dominance in the Mumbai territory.

As a part of arrangements, Cinemax has formed 3 wholly owned subsidiaries :



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Visit Highlights

We recently met the management of Cinemax India and the key takeaways of the meeting are as follows:

Exhibition Business -

- Box office collections continue to be the main source of revenues.
- Out of its 56 operational screens, 34 of them are located in and around Mumbai. The company feels this is an advantage as the Mumbai territory accounts for 15% of total box office collections.
- The company has managed to hike up its average spend per head over the years which is presently Rs. 155, above the industry average of Rs. 135-Rs140. The management is of the opinion that ATP would come down and settle around Rs. 140 levels going ahead, as it ventures into TIER-II & TIER-III cities, competition heats up & exemptions get removed.
- Spends per head on food & ticket..

	2006	2007	2008E
ATP	105	125	130
F&B per head	21	26	30
Total Spend	126	151	160

- The company operates at an average occupancy of 35% which is estimated to drop to 31%-33% by FY09 as players roll out their screens & patrons get divided.
- Out of its 19 operational properties, 8 of them are self owned by the company. These 8 properties account for 21 screens with an area of over 120,000 sq.ft. On an average, multiplex players pay a rent of Rs.30-Rs.45 per sqft, where one seat requires an area of approximately 25-30sq.ft. With this self owned model, the company has been able to save huge rental cost.
- Cinemax has lined up an ambitious expansion plan like other players in the next 2 years. The company wishes to scale up its operations from 56 screens in FY08 to 299 screens by FY10. However, on account of factors beyond the control of management, there might be delays in roll outs of screens.

Planned				
Actual Box Office Collection	2007	2008E	2009E	2010E
Multiplex	10	29	49	77
Incremental Multiplexes Planned	2	19	20	28
Screens	33	86	165	299
Incremental screens Planned	8	53	79	134
Seats	9,220	23,456	42,483	75,695
Incremental seats Planned	2,315	14,236	19,027	33,212

PPFAS Estimates				
Actual Box Office Collection	2007	2008E	2009E	2010E
Multiplex	10	18	30	45
Actual Increase	2	8	12	15
Screens	33	52	87	132
Actual Increase	8	19	35	45
Average screens per multiplex	3	3	3	3
Seats	9,220	14,030	26,030	42,030
Actual Increase	2,315	4,810	12,000	16,000

- Regulatory hurdles, possession of properties, availability of funds & timely completion of fit outs continue to be the concerns for roll out of screens.
- The company has signed MOU's for most of its upcoming properties which would be on a leased model. This model would reduce the need for initial capex and facilitate faster expansion. However, the rental cost on these properties would go up, which can affect margins.

Mall development

- The company has recently sold the 30,000 sq.ft. FSI it had at its Thane property, ...i.e Eternity Mall in the past quarter.
- In addition to this, the company plans to complete the development of its Nagpur Mall & start up its multiplex, food court & gaming operations. The company would be leasing out the additional space to other retailers and intend to earn Rs. 50mn as rent per annum.
- The Nagpur property is estimated to be worth Rs. 70-Rs. 80 crores which can be sold in the future, the proceeds of which can be used to fund Cinemax's expansion plans.
On an overall basis, the worth of its total self owned properties is estimated to be around Rs.250 crores.
- However, the company would not be in a position to sell off, as it has to operate multiplexes on those respective properties for a period of 10 years from its commencement.
The company has no other plans in its Real Estate division for the next full year.

Gaming

- As of April 2008, the company has only 1 gaming parlour operational at Thane Eternity Mall spread across 12,500 sq.ft which is operated under the brand "Giggles".
- The company plans to come up with 7 more parlours in the near future at its other properties. It had planned to launch a parlour each at Nagpur, Ahmedabad & Rajkot by Feb 2008 which got delayed on account of construction & regulatory hurdles.
- The company estimates to earn a topline of Rs.20 mn from its parlours going ahead which would operate at 40% EBITDA levels.
- The company is of the opinion, that gaming parlours & exhibition screens along with food courts compliment each other which would increase foot falls.

Our View

Despite having a strong group background in real estate, we are sceptical on the roll outs of the planned screens. The company had planned 86 screens by the end of FY08 where they have been able to manage only 52. This is on account of some external factors which are beyond the control of the management.

On the financial side, the company has strong EBITDA & PAT margins. It has been consistently operating over 28% EBITDA & 12% PAT margins in the past. However, going ahead, the margins can take a hit as company would start paying rent for its upcoming screens & capex which would be incurred for fit-outs can affect its return ratios. On 9 months basis, the company has reported sales of Rs.783 Mn and PAT of Rs115 Mn against Rs.1000 Mn sales & Rs.114 Mn PAT for the entire FY07. However, FY07 sales included income of Rs.158 mn from its real estate division which if excluded we get a comparative figure of Rs.842 Mn for FY07 compared to Rs.783 Mn on 9 month basis. At CMP of Rs.115, the stock is currently trading at 22 times its TTM earnings. We have not rated Cinemax as of now and would be doing a detailed study soon.

Cinemax India Limited - Financials

Earnings Statement				
Particulars (Rs Mn)	FY04	FY05	FY06	FY07
Total Revenues	26.5	151.8	423.6	1,001.6
- Growth (%)		473.12%	179.03%	136.43%
Total Expenditure	19.2	79.5	305.5	746.6
Operating Profit	7.3	72.3	118.2	255.0
Other Income	1.3	2.9	15.0	22.4
EBITDA	8.6	75.2	133.1	277.4
Depreciation	8.5	24.7	(12.6)	55.2
EBIT	0.1	50.5	145.8	222.2
Interest	1.1	3.5	24.5	49.2
Extra-ordinary Items	0.0	0.0	0.0	5.1
PBT	(1.0)	47.0	121.3	167.9
Tax	0.0	8.5	31.6	53.1
PAT Before EI	(1.0)	38.5	89.7	114.8
- Growth (%)			133.00%	27.99%
PAT	(1.0)	38.5	89.7	114.8

Balance Sheet				
Particulars (Rs Mn)	FY04	FY05	FY06	FY07
Equity Capital	60.0	60.0	60.0	281.7
ESOP Outstanding	0.0	0.0	0.0	0.0
Reserves	3.0	52.1	127.2	1,088.3
Shareholders Funds	63.0	112.1	187.2	1,370.0
Borrowed Funds	135.1	301.9	432.1	638.8
Deferred Tax Liability	2.2	7.4	9.2	39.6
Total Liabilities	200.2	421.5	628.5	2,048.4
Fixed Assets	231.7	253.7	308.9	1,248.2
Investments	6.8	16.9	60.1	648.5
Current Assets				
Inventory	0.2	68.9	157.1	10.4
Sundry Debtors	0.3	0.0	31.8	79.5
Loans & Advances	7.6	80.7	271.4	161.1
Cash & Bank Balance	2.7	152.6	21.1	167.6
Current Liabilities				
Sundry Creditors	49.5	143.2	190.9	233.4
Provisions	0.0	8.5	31.1	33.7
Net Current Assets	(38.7)	150.5	259.4	151.5
Miscellaneous Expenditure	0.4	0.4	0.2	0.3
Total Assets	200.2	421.5	628.5	2,048.4

Ratio Analysis				
Particulars	FY04	FY05	FY06	FY07
OPM (%)	27.6%	47.6%	27.9%	25.5%
EBITDA (%)	32.4%	49.5%	31.4%	27.7%
PBIT (%)	0.5%	33.3%	34.4%	22.2%
PAT (%)	-3.7%	25.4%	21.2%	11.5%
Interest Cover (x)	0.1	14.3	6.0	4.5
EPS (Rs.)	(0.2)	6.4	14.9	4.1
P/E (x)	(661.2)	16.7	7.2	26.2
P/BV (x)	10.2	5.7	3.4	2.2
BVPS (Rs.)	10.4	18.6	31.2	48.6
Market Cap (Rs. Mn.)	641.4	641.4	641.4	3,011.4
M Cap/Sales (x)	24.2	4.2	1.5	3.0
EV (Rs. Mn.)	773.7	790.8	1,052.4	3,482.6
EV/EBITDA (x)	90.2	10.5	7.9	12.6
EV/Sales (x)	29.2	5.2	2.5	3.5
ROCE (%)	0.1%	12.0%	23.2%	10.8%
RONW (%)	-1.5%	34.4%	48.0%	8.4%
Debt/Equity Ratio (x)	0.5	0.4	0.4	2.1
Inventory T/o Days	2.9	165.6	135.4	3.8
Debtors T/o Days	4.1	0.0	27.4	29.0
Advances T/o Days	104.7	194.1	233.8	58.7
Creditors T/o Days	682.0	344.2	164.5	85.1
Working Cap T/o Days	(532.8)	361.8	223.5	55.2
Fixed Assets T/o (Gross)	0.2	0.7	2.1	1.1
DPS (Rs.)	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0%	0.0%	0.0%	0.0%
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%

Cash Flow				
Particulars (Rs Mn)	FY04	FY05	FY06	FY07
Opening Cash & Bank	0.1	2.7	152.6	21.1
Profit After Tax	(1.0)	38.5	89.7	114.8
Invnt Income	(1.3)	(2.9)	(15.0)	(22.4)
Interest Paid	1.1	3.5	24.5	49.2
Miscellaneous Exp W/Off	(0.0)	0.2	(0.1)	0.3
Depreciation	8.5	24.7	(12.6)	55.2
Deferred Taxation	0.0	0.0	9.2	13.2
Others	73.3	(59.7)	0.4	1,147.8
Change in Working Cap	41.6	(39.3)	(240.4)	254.4
CF - Operating Activities	122.2	(35.0)	(144.3)	1,612.5
Change in Fixed Assets	(212.4)	(30.8)	(64.6)	(1,057.5)
Change in Investments	(6.8)	(10.1)	(43.2)	(588.4)
Investment Income	1.3	2.9	15.0	22.4
CF - Investing Activities	(217.9)	(38.0)	(92.8)	(1,623.5)
Increase in Equity	0.1	59.5	0.0	0.0
Changes in Borrowings	99.4	166.9	130.2	206.8
Interest Paid	(1.1)	(3.5)	(24.5)	(49.2)
Dividend Paid	0.0	0.0	0.0	0.0
CF - Financing Activities	98.4	222.8	105.7	157.5
Net Change in Cash	2.6	149.8	(131.5)	146.5
Closing Cash & Bank Bal	2.7	152.6	21.1	167.6

Jindal Steel and Power Limited is the part of Jindal Organisation and is a leading producer of Steel and Power. Its core strengths are world's largest Coal based Sponge Iron plant with a capacity of 1.37 MTPA and Power. The company is well integrated w.r.t. proximity to raw materials and producing diversified final products. JSPL strengthened its backward integration by getting the mining rights for 20 Bn tonnes of iron ore reserves from El Mutun, Bolivia, which is one of the largest iron ore reserves in the world. The proposed capex for this project is \$2.1bn having plan to set up 1.7MTPA capacity steel plant (long products) through a subsidiary company Jindal Steel Bolivia SA (JSB) and will also have DRI (Direct Reduced Iron/Sponge iron) Plant of capacity 6MTPA and a pellet plant of capacity 10MTPA. The company will also be setting up supporting infrastructure for the proposed plant including a 450 MW Power Plant.

The major achievement in our view is the successful commissioning of plate mill (1MTPA) in the last financial year. It is providing a significant boost to its top line and we can expect better results in next few years from it.

After commissioning of the 2*25MW power plants, its current power generation capacity is 333MW. Around 75% of the generation is used for captive use and rest is being sold. This is providing a major advantage in reducing the manufacturing expenses.

The stand alone result of JSPL comprises of

1. JSPL Raigarh
2. JSPL Raipur

Subsidiaries -

1. Jindal Power Limited
2. Jindal Minerals & Metals Africa Limited
3. Jindal Steel & Power (Mauritius) Limited
4. Jindal Steel Bolivia SA
5. Jindal Minerals and Metals Africa Congo SPRL.
6. Trans Atlantic Trading Limited

Current Capacities -

Sponge Iron	1.37 MTPA
Pig Iron	1.5 MTPA
Mild Steel	2.4 MTPA
Plate Mill	1 MTPA
Rail and Universal Beam Mill	0.75 MTPA
Power	333MW
Ferro Alloys	36000TPA
Coal washery	6MTPA
Machinery and Casting	11500 TPA
Ingots	30000 TPA
CF Casting	3000 TPA

Capacity Expansion Plans

1. 6MTPA integrated Steel Plant and Captive Power Plant (1080MW) in Anugul Orissa with a proposed Capex Rs. 16560/- Crores. The project is in initial stage.
2. 6MTPA integrated Steel Plant and Captive Power Plant (1000MW) in Patratu Jharkhand. It also planned to set up two more power plants with capacity 2500MW. The Proposed Capex is Rs. 25000/- Crores. This project is also in its initial stage.
3. Jindal Power Limited (JPL) the promoted company of JSPL is setting up a 4*250MW Power Plant at Raigarh, Chattishgarh in four phases with a proposed of investment of \$4.4bn. From the above one 250MW Power Plant is functional from Dec.07 and others will come into operation soon.

SWOT Analysis

Strength	Weakness
<ol style="list-style-type: none"> 1. High backward and forward integration. 2. Proximity to Raw Material. 	<ol style="list-style-type: none"> 1. Less Specialized products. 2. Capacity utilization is low.
Opportunity	Threat
<ol style="list-style-type: none"> 1. High Economic growth. 2. Infrastructure boom. 3. Demand of Stainless Steel from growing Automobile sector and other end use requirements (Retail Sector). 4. Less domestic per capita consumption of Steel. 	<ol style="list-style-type: none"> 1. Increase in supply of Stainless Steel due to capacity expansion by competitors. 2. Cyclical nature of Steel industry. 3. Restriction on export of Steel. 4 Increase in Raw Material price.

Financials

1. Increase in sales and PAT in Q408 is 38.12% and 17.62% than Q308 resp.
2. The sales and PAT increase in FY08 than FY07 is 59.11% and 44.03% resp.
3. P/E is 7.69 which is considerable low than previous year.
4. For Q408 the ratios are - OPM% - 42.7%, EBITDA% - 43.4%, PBIT% - 32.8% and PAT% - 22.9%.

Jindal Steel & Power Limited - Financials

Earnings Statement					Balance Sheet				
Particulars (Rs Mn)	FY05	FY06	FY07	FY08	Particulars (Rs Mn)	FY05	FY06	FY07	FY08
Total Revenues	22647.2	25901.3	35198.1	56003.0	Equity Capital	164.0	164.0	164.0	164.0
- Growth (%)	59.6%	14.4%	35.9%	59.1%	Stock options outstanding	0.0	369.4	371.4	371.4
Total Expenditure	13861.4	15834.2	21209.2	34749.4	Def. Emp. Compensation Exp.	0.0	318.9	188.2	188.2
Operating Profit	8785.8	10067.1	13988.9	21253.6	Reserves	13029.8	18824.0	25243.3	34485.0
Other Income	174.3	275.1	289.9	300.0	Shareholders Funds	13193.8	19038.5	25590.5	34832.2
EBITDA	8960.1	10342.2	14278.8	21553.6	Minority Interest	0.0	6.5	53.9	60.0
Depreciation	1524.8	2191.7	3365.5	5374.1	Borrowed Funds	14958.6	33289.0	54360.2	64360.2
EBIT	7435.3	8150.5	10913.3	16179.5	Deferred Tax Liability	2142.6	2802.9	4150.4	4150.4
Interest	657.6	868.9	1504.3	2574.4	Total Liabilities	30295.0	55136.9	84155.0	103402.8
PBT	6777.7	7281.6	9409.0	13605.1	Fixed Assets	25142.2	46537.7	79058.0	87054.0
Tax	1620.6	1549.1	2418.5	3537.3	Investments	333.8	1276.3	1087.3	2000.0
PAT Before MI	5157.1	5732.5	6990.5	10067.8	Goodwill on Consolidation	0.0		57.3	57.3
Minority Interest	0.0	96.8	69.0	100.0	Current Assets	10362.9	18364.6	19928.5	38687.7
PAT After MI	5157.1	5829.3	7059.5	10167.8	Current Liabilities	5554.2	11049.1	16008.5	24446.3
- Growth (%)	68.8%	13.0%	21.1%	44.0%	Net Current Assets	4808.7	7315.5	3920.0	14241.4
Extra-ordinary Items	0.0	0.0	0.0	0.0	Miscellaneous Expenditure	10.3	7.4	32.4	50.0
Reported PAT	5157.1	5829.3	7059.5	10167.8	Total Assets	30295.0	55136.9	84155.0	103402.8

Ratio Analysis					Ratio Analysis				
Particulars (Rs Mn)	FY05	FY06	FY07	FY08	Particulars (Rs Mn)	FY05	FY06	FY07	FY08
OPM (%)	38.79%	38.87%	39.74%	37.95%	EV/Sales (x)	4.10	3.97	3.74	2.39
EBITDA (%)	39.56%	39.93%	40.57%	38.49%	ROCE (%)	24.54%	14.78%	12.97%	15.65%
PBIT (%)	32.83%	31.47%	31.01%	28.89%	RONW (%)	39.12%	30.63%	27.62%	29.23%
PAT (%)	22.77%	22.51%	20.06%	18.16%	Debt/Equity Ratio (x)	1.13	1.75	2.12	1.85
Interest Cover (x)	11.31	9.38	7.25	6.28	Inventory T/o Days	41.51	80.14	66.62	65.00
EPS (Rs.)	158.19	178.81	216.55	311.89	Debtors T/o Days	27.87	42.09	33.22	35.00
P/E (x)	15.15	13.41	11.07	7.69	Advances T/o Days	92.28	14.12	96.59	95.00
P/BV (x)	5.22	2.35	1.44	1.21	Creditors T/o Days	60.51	117.26	125.79	130.00
BVPS (Rs.)	458.85	1021.33	1669.14	1976.08	Working Cap T/o Days	77.50	103.09	40.65	92.82
Market Cap (Rs. Mn.)	78142.20	78142.20	78142.20	78142.20	Fixed Assets T/o (Gross)	0.90	0.79	0.70	0.80
M Cap/Sales (x)	3.45	3.02	2.22	1.40	DPS (Rs.)	14.17	14.17	17.00	24.49
EV (Rs. Mn.)	92767.90	102741.60	131516.30	133734.09	Dividend Payout (%)	8.96%	7.92%	7.85%	7.85%
EV/EBITDA (x)	10.35	9.93	9.21	6.20	Dividend Yield (%)	0.59%	0.59%	0.71%	1.02%

The US \$3.7 billion group has diversified interests in Steel, Energy, Minerals and Mining, Aluminium, Infrastructure and logistic, cement and information Technology. The final products of this group are Hot Rolled Coils and Plates, Galvanised Coils and Sheets, Cold Rolled Coils and Sheets, Hot Rolled Steel Plates, Colour Coating Coils and Sheets, Billets, Blooms and Mild Steel Slabs. This group had specialization in flat products but very less experience in long products. To cater the high steel demand, it made its movement to long products by merging with SISCOL. This merger strengthens its product diversification goal with a rise in the top line and bottom line.

With sharp rise in raw material prices compared to the final steel prices, the operating profit was squeezed in the last quarter. JSW Steel Ltd has gone for high Capacity expansion to increase the profit, as the margin is quite less. The first step to the capacity expansion is to increase the crude steel capacity from 3.4 MTPA to 5.4 MTPA in the FY09. This is to be achieved by adding 0.4 MTPA to the existing plant at Vijayanagar and setting up new capacity of 1.1 MTPA. The rest 0.5 MTPA is to achieved by increasing capacity in SISCOL. In FY08 one significant capacity expansion was the increase of Hot Rolled Coils/Plates/Sheets capacity from 2.5 MTPA to 3.2 MTPA.

The backward integration is also quite significant for JSW Steel Ltd. The captive Coke is 60% and Iron Ore is 30%. It has also long term contract with NMDC which is contributing another 20% to the requirement. The rest is being taken from Spot Market basis with high price volatility. For power 60% was captive and 40% was brought up. The company also taking initiative to develop iron mines in Chile, coal mines at Mozambique, Coal mines at Jharkhand, Orissa and West Bengal to increase the self sufficiency.

Current Capacities

Mild Steel Slabs	3.8MTPA	Hot Rolled Steel Plates	0.28 MTPA
Hot Rolled Coils and Plates	3.2MTPA	Colour Coating Coils and Sheets	0.1 MTPA
Galvanised Coils and Sheets	1 MTPA	Billets Mill	0.3 MTPA
Cold Rolled Coils and Sheets	1 MTPA	Blooms Mill	0.45 MTPA

SWOT Analysis

Strength	Weakness
<ol style="list-style-type: none"> 1. High backward and forward integration. 2. Proximity to Raw Material. 	<ol style="list-style-type: none"> 1. Less Specialized products.
Opportunity	Threat
<ol style="list-style-type: none"> 1. High Economic growth. 2. Infrastructure boom. 3. Demand of Stainless steel from growing Automobile sector and other end use requirements (Retail Sector). 4. Less domestic per capita consumption of Steel. 	<ol style="list-style-type: none"> 1. Increase in supply of Steel due to capacity expansion by competitors. 2. Cyclical nature of Steel industry. 3. Restriction on export of Steel. 4. High Raw material price.

Financials

OPM (%) - 27.9, EBITDA (%) - 30.0, PBIT (%) - 24.1 and PAT (%) - 13.2 are lower than the previous year. This decrease is due to high increase in Raw Material prices compared to finished product prices.

But EPS is higher due to high PAT than previous year. P/E is 12.33 is lower than last year but higher than the competitors.

JSW Steel Limited - Financials

Earnings Statement					Balance Sheet				
Particulars (Rs Mn)	FY05	FY06	FY07	FY08	Particulars (Rs Mn)	FY05	FY06	FY07	FY08
Total Revenues	66,793.6	61,801.0	85,944.4	124,566.5	Equity Capital	4,691.3	4,970.6	5,258.0	5,258.0
- Growth (%)		-7.47%	39.07%	44.94%	Equity Capital	1,901.0	2,180.3	2,250.1	2,250.1
Total Expenditure	43,930.0	44,957.8	58,866.1	89,786.1	Preference Capital	2,790.3	2,790.3	2,790.3	2,790.3
Operating Profit	22,863.6	16,843.2	27,078.3	34,780.4	Share Application Money			217.6	217.6
Other Income	189.8	3,829.6	1,051.5	2,611.5	Reserves	26,805.9	38,591.6	51,330.2	64,380.2
EBITDA	23,053.4	20,672.8	28,129.8	37,391.9	Shareholders Funds	31,497.2	43,562.2	56,588.2	69,638.2
Depreciation	3,595.4	4,058.2	4,982.5	7,419.4	Borrowed Funds	38,364.1	40,960.5	41,730.3	76,400.0
EBIT	19,458.0	16,614.6	23,147.3	29,972.5	Deferred Tax Liability	3,054.9	7,420.3	10,125.3	10,125.3
Interest	4,698.7	3,603.2	3,995.9	5,730.0	Total Liabilities	72,916.2	91,943.0	108,443.8	156,163.5
PBT	14,759.3	13,011.4	19,151.4	24,242.5	Fixed Assets	64,256.9	83,798.8	102,019.6	126,471.4
Tax	6,025.0	4,368.5	6,232.5	7,657.8	Investments	2,295.7	850.8	2,450.0	3,000.0
PAT Before MI	8,734.3	8,642.9	12,918.9	16,584.7	Current Assets	18,940.0	27,454.1	24,858.1	32,793.2
Minority Interest	-	-	120.0	184.3	Current Liabilities	16,082.6	23,201.2	22,873.1	13,651.1
PAT After MI	8,734.3	8,642.9	13,038.9	16,400.4	Net Current Assets	2,857.4	4,252.9	1,985.0	2,730.2
- Growth (%)		-1.06%	33.71%	20.50%	Miscellaneous Expenditure	3,506.2	3,040.5	1,950.1	10,238.3
Extra-ordinary Items	- 33.2	-	-	-	Good Will on consolidation			39.1	3,500.0
Reported PAT	8,701.1	8,642.9	13,038.9	16,400.4	Total Assets	72,916.2	91,943.0	108,443.8	2,673.5

Ratio Analysis					Ratio Analysis				
Particulars	FY05	FY06	FY07	FY08	Particulars	FY05	FY06	FY07	FY08
OPM (%)	34.2%	27.3%	31.5%	27.9%	EV/Sales (x)	8.35	9.57	7.24	5.27
EBITDA (%)	34.5%	33.5%	32.7%	30.0%	ROCE (%)	26.69%	18.07%	21.34%	19.19%
PBIT (%)	29.1%	26.9%	26.9%	24.1%	RONW (%)	31.20%	21.33%	23.86%	24.25%
PAT (%)	13.0%	14.0%	15.2%	13.2%	Debt/Equity Ratio (x)	1.22	0.94	0.74	1.10
Interest Cover (x)	4.14	4.61	5.79	5.23	Inventory T/o Days	40.62	54.59	42.98	40.00
EPS (Rs.)	45.95	39.64	57.95	72.89	Debtors T/o Days	14.57	13.54	10.45	8.00
P/E (x)	24.16	28.00	19.16	15.23	Advances T/o Days	41.61	57.85	23.20	30.00
P/BV (x)	82.66	63.33	51.57	41.91	Creditors T/o Days	75.19	113.80	93.94	100.00
BVPS (Rs.)	16.36	16.48	15.87	29.06	Working Cap T/o Days	15.61	25.12	8.43	-7.31
Market Cap (Rs. Mn.)	520734.3	551736.6	583638.0	583638.0	Fixed Assets T/o (Gross)	1.13	1.35	1.22	1.20
M Cap/Sales (x)	7.80	8.93	6.79	4.69	DPS (Rs.)	0.64	0.62	0.89	1.11
EV (Rs. Mn.)	557873.5	591708.4	621973.7	656538.0	Dividend Payout (%)	17.32%	17.76%	17.86%	17.86%
EV/EBITDA (x)	24.20	28.62	22.11	17.56	Dividend Yield (%)	0.06%	0.06%	0.08%	0.10%

Local Equity Market					
INDICES	17-May-08	Week Ago	% Chng	Month Ago	% Chng
Sensex	17,434.94	16,737.07	4.17	16,481.20	5.79
Nifty	5,157.70	4,982.60	3.51	4,958.40	4.02
CNX Nifty Junior	9,014.90	8,661.00	4.09	8,573.35	5.15
S&P CNX500	4,198.10	4,064.10	3.30	4,027.90	4.23
CNX Midcap 200	6,952.70	6,782.45	2.51	6,691.30	3.91
CNX IT	4,552.65	4,334.45	5.03	4,304.20	5.77

International Equity Market					
INDICES	17-May-08	Week Ago	% Chng	Month Ago	% Chng
DJIA	12,986.80	12,745.88	1.89	12,620.49	2.90
Nasdaq	2,528.85	2,445.52	3.41	2,341.83	7.99
S&P 500	1,425.35	1,388.28	2.67	1,365.56	4.38
FTSE 100	6,304.30	6,204.70	1.61	5,980.40	5.42
Nikkei 225	14,219.48	13,655.34	4.13	13,398.30	6.13
Hang Seng	25,618.86	25,063.17	2.22	24,258.96	5.61
HSCEI	14,185.98	13,662.58	3.83	12,887.76	10.07

MSCI Indices					
MSCI Indices	17-May-08	Week Ago	% Chng	Month Ago	% Chng
The World Index	1,555.61	1,513.69	2.77	1,504.56	3.39
Emerging Market	1,240.31	1,188.61	4.35	1,175.85	5.48
EM Asia	474.63	458.38	3.55	459.96	3.19
EM India	517.85	508.07	1.92	522.26	(0.85)

Commodities					
Commodities	17-May-08	Week Ago	% Chng	Month Ago	% Chng
GOLD (\$/oz)	902.40	884.85	1.98	938.80	(3.88)
SILVER (\$/oz)	16.96	16.82	0.86	18.25	(7.04)
ALUMINIUM (\$/t)	3,040.00	2,885.00	5.37	3,060.00	(0.65)
COPPER (\$/t)	8,439.00	8,100.00	4.19	8,610.00	(1.99)
CRUDE - BRENT (\$/bbl)	124.99	125.49	(0.40)	112.32	11.28
CRUDE - WTI (\$/bbl)	126.29	125.96	0.26	114.45	10.35

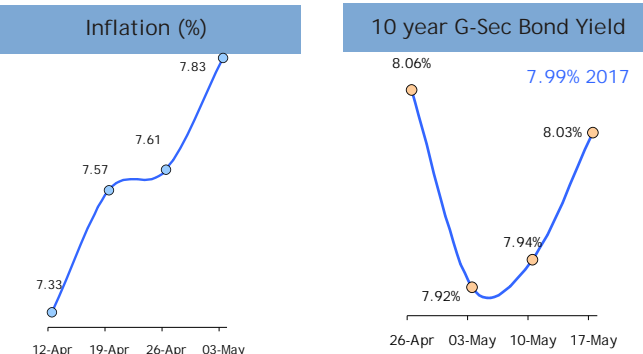
Transportation					
Commodities	17-May-08	Week Ago	% Chng	Month Ago	% Chng
World SCALE	212.50	210.00	1.19	125.00	70.00
BALTIC FREIGHT INDEX1	4,459.00	10,237.00	11.94	8,038.00	42.56

Forex					
FOREX	17-May-08	Week Ago	% Chng	Month Ago	% Chng
USD	42.54	41.59	2.28	39.79	6.92
GBP	83.28	81.26	2.48	79.23	5.11
EURO	66.27	64.39	2.93	63.29	4.70
YEN	40.88	40.45	1.06	38.81	5.33

Global Listings					
Scripts	15-May-08	Week Chng	Month Chng	Premium/D iscount	Share per ADR/GDR
Infosys ADR	46.01	7.22	4.97	4.59%	1
Wipro ADR	13.27	2.16	8.89	11.62%	1
ICICI Bank ADR	44.46	4.66	1.36	0.30%	2
Satyam ADR	26.41	1.50	5.77	15.26%	2
HDFC Bank ADR	108.05	1.10	3.74	2.12%	3
MTNL ADR	5.05	1.00	(2.91)	3.13%	2
Dr. Reddy ADR	15.22	(0.20)	(0.46)	-0.59%	1
Reliance GDR	122.75	(0.20)	(7.34)	-0.94%	2
ITC GDR	5.50	-	5.16	3.03%	1
Ranbaxy GDR	11.90	6.25	(8.87)	-0.90%	1
L & T GDR	71.10	3.64	(0.58)	0.86%	1

Top Gainers & Losers of the Week		
Top Gainers	May 17, 08	% Chng
L.G. Balakrishnan & Bros Ltd.	28.40	37.86
JSW Steel Ltd.	1,109.25	23.35
Chambal Fertilizers & Chemicals Ltd.	79.15	22.05
Tamilnadu Petroproducts Ltd.	19.20	21.14
Harrisons Malayalam Ltd.	104.90	20.99
Lupin Ltd.	675.70	20.75
IL&FS Investsmart Ltd.	198.20	20.38
National Aluminium Co. Ltd.	525.45	18.96
Top Losers		
SSI Ltd.	143.25	(8.87)
Crest Animation Studios Ltd.	68.80	(8.45)
HCL Infosystems Ltd.	186.65	(8.44)
Samtel Color Ltd.	18.40	(8.23)
BPL Ltd.	57.30	(7.80)
Oil & Natural Gas Corporation Ltd.	951.15	(7.80)
Elgitreed (India) Ltd.	17.70	(7.57)
Voltas Ltd.	163.40	(7.19)

Sectoral Performance			
Sectors	Week	Month	3 Months
Aluminium	18.15	21.78	29.43
Shipping	11.58	27.64	22.34
Tea And Coffee	9.43	22.23	31.49
Metals	7.62	18.96	17.08
Gems Jewellery And Watches	7.24	14.23	(5.88)
Fertilisers	7.15	12.06	(5.21)
Electronics - Industrial	6.62	4.28	(23.25)
Cycles	6.43	(6.54)	(17.74)
Petrochemicals	5.86	12.97	(0.72)
Solvent Extraction	4.97	12.80	(4.98)
Chemicals - Speciality	4.93	14.32	1.69
Telecommunication - Services	4.62	5.68	(4.72)
Steel And Steel Products	4.35	11.29	(8.50)
Refractories	4.30	(2.51)	(1.85)
Pesticides And Agrochemicals	4.29	9.69	8.87
Mining	4.00	10.47	12.61
Cables - Telecom	3.88	(4.99)	(9.34)
Computers - Software	3.69	6.03	10.13
Sugar	3.64	15.95	5.77
Pharmaceuticals	2.98	3.49	8.76



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