

The Week Gone By

Weekly Newsletter



Parag's View

When there's nothing to do, do absolutely nothing !

What is the concept of "doing nothing", which is seemingly innocuous but can be highly profitable ! Warren Buffett advises that if there's nothing to do, then just sit on your butt and wait.

This concept is, of course, totally contrary to a trader's mentality where there MUST be action every minute or hour in order to take advantage of price action, usually gleaned from careful studying of charts and indicators. Most investors cannot resist the urge to constantly buy and sell or to just do something; somehow inactivity makes us feel as though we are not doing enough to earn money from the stock market !

The problem with this feeling (of inactivity) is that it stems partly from how our brains are wired with regards to stereotypes about working hard and earning our keep. At our day jobs (in office), we know we must work hard and be constantly doing something in order to justify our salaries and to let our boss see that we are putting in hard work (so as to earn that big fat bonus or promotion); this ultimately translates into us thinking intuitively that we must always be doing something in order to make ourselves feel that we are getting ahead in life. When applied to value investing, this is totally contrary as most of the "action" occurs when one thoroughly analyzes a company and makes a decision to buy based on margin of safety. The rest of the time is just monitoring the company's progress and checking out other companies to invest in - certainly not the most exciting thing to be doing as it does not involve the heart-thumping adrenaline-pumping action of the stock market.

But what actually drives people to be constantly trading or feel that they should be doing

something? I think this can be attributed to a couple of reasons:-

- 1) Insufficient research which causes people to jump hurriedly into an investment without doing an objective and rational review of the business. This activity may have started out innocently enough but ended up in disaster should the analysis be faulty.
- 2) Emotions ruling your mind when you hear of other people making good money; hence you feel you need to jump on the bandwagon too.
- 3) Thinking you can time and beat the market by always buying low and selling high.

All these flawed concepts can make one end up a lot poorer. Thus, it is always better to exercise caution, patience and good judgement and remember that it is better to do nothing rather than the WRONG thing!

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Jyoti Structures Limited

CMP Rs. 125.0 | Target Rs. 160.0

Research Analyst : Anuj Anandwala

Investment Argument

Clear Earnings Visibility

JSL has decided to shift focus towards the projects business for which it has developed the project execution & management skills. The turnkey assignments in the substation & rural electrification projects would help the company to ramp up the sales in the years to come. The company has estimated to grow its substation & rural electrification projects share in the business from 20% in FY07 to 35% in FY09E.

Robust Order Book

Order Book as on May'08 stood at Rs. 31.2Bn up 56% Y-Y. 85% of the order book consists of domestic orders (of which 65% is from PGCIL) & remaining 15% orders include exports & deemed exports orders. Also, 65% of its order book comes from Transmission line projects, 20% from REC and 15% from substation projects. The company witnessed Rs. 4Bn+ of order inflows during 4QFY08. Domestic & deemed export orders have price escalation clause & hence only 8% of orders that is exports have the raw material price volatility risk.

India Centric Player: majorly into domestic distribution

JSL is more India centric & should emerge as the leading beneficiary in executing orders, not only from the public sector utilities, but also from the upcoming private T&D utilities. The company enjoys a healthy market share of 17-18% in the transmission lines towers business coupled with a bulging order book.

Valuations

We observe that JSL has been trading at a modest discount to its counterpart KEC International. While KEC is a larger & geographically a much diversified player, JSL has demonstrated a higher growth rate in business. At CMP of Rs. 125, the scrip is trading at P/E of 11.3 on FY09E earnings of Rs. 11.1. Considering the growth momentum, we believe that company will continue to command attractive valuations. Also the robust business environment & earnings outlook does provide us enough optimism & comfort to recommend "BUY" with a one-year price objective of Rs. 160/- per share (28% upside), at which the scrip would trade at forward P/E of <11.

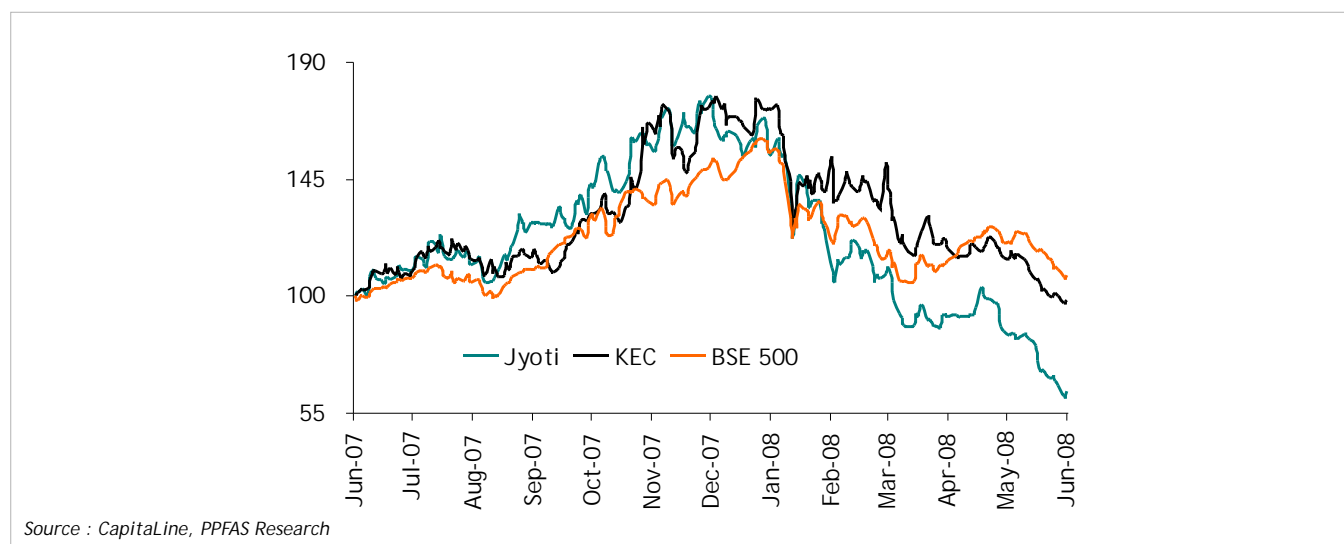
Our View

The company is one of the prime beneficiaries of increased investment in transmission and distribution sector. GOI's mission of 'Power of all by 2012' and carry forward of reforms through passage of Electricity Act 2003 has given impetus to transmission sector. Schemes like rural electrification has also lightened up investment in sagging distribution sectors auguring well for the industry players. Total investment envisaged in augmenting, strengthening, upgrading of transmission network in the country is estimated to be awesome @ Rs. 710Bn and out of this Rs. 500Bn to be mobilized by POWERGRID and balance from private sector. These expansions would directly translate to vibrant order books for companies in the industry.

Most of the power ancillary companies have had a good run up on the bourses over the past few quarters & certainly, they have delivered excellent growth in both revenues & earnings. However, the decrease in scrip prices seems to have been much faster in the recent quarters. JSL, having strong expertise in the business is well placed to take advantage of the growth in the sector. On profits front with strong order intake and healthy order book the profit growth are expected to be steady with margin stabilize around 11-12% for full year basis. Hence, there is a reasonable case for maintaining the current trend & continuance of a decent performance going ahead.

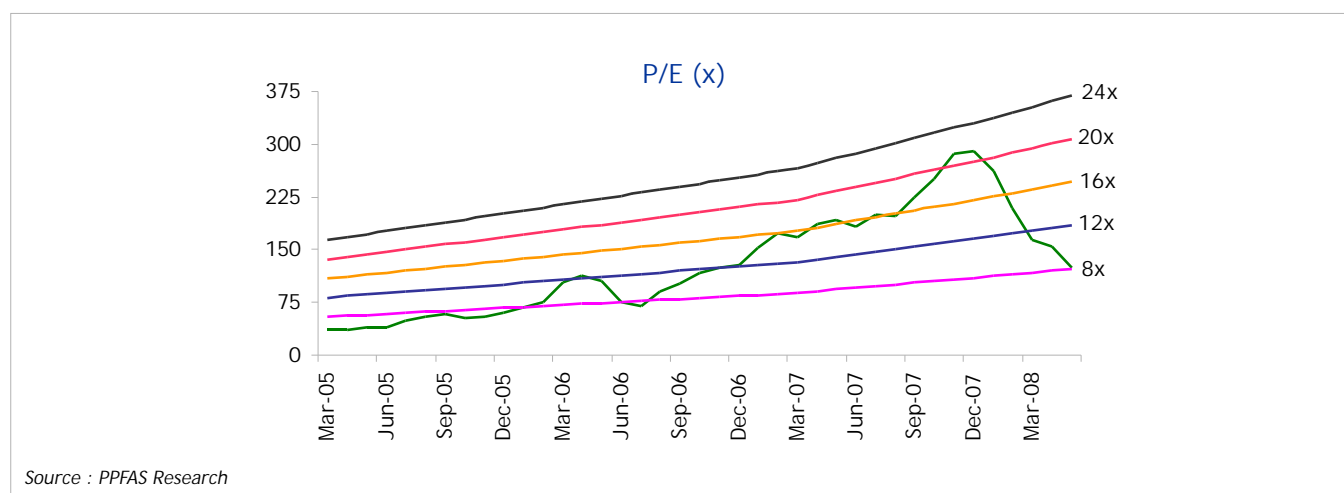
Valuations

Description (FY08)	Net Sales	EPS	P/E	P/BV	M Cap/Sales	EV/EBITDA	PBIDTM	PATM	DER	ROCE	RONW
Company	(Rs.Mn)	(Rs.)	(x)	(x)	(x)	(x)	(%)	(%)	(x)	(%)	(%)
Jyoti Structures	13,704.0	8.8	12.6	3.0	0.9	8.2	12.7	5.3	0.6	35.7	23.5
KEC International	28,144.8	34.3	14.5	5.1	1.1	9.4	12.6	6.1	1.3	43.0	46.3



Jyoti Structures is currently trading at a discount to KEC International on the basis of P/E & P/BV. This can be attributed to the fact that KEC is a much larger company and also the return ratios are much higher on account of the aggressive leverage policy of KEC. While KEC is a larger & geographically a much diversified player, JSL has demonstrated a higher growth rate in business. Also JSL has 80-85% of its orders & revenues flowing in from domestic region (these orders are covered under the price escalation clause). With no major difference between the two players qualitatively, we believe that both of them should command similar valuations.

At CMP of Rs. 125, the scrip is trading at P/E of 11.3 on FY09E earnings of Rs. 11.1. Considering the growth momentum & improved financial performance; we believe that company will continue to command attractive valuations. The robust business environment & earnings outlook does provide us enough optimism & comfort to recommend "BUY" with a price objective of Rs. 160/- per share (upside 28%).



[Click here for Full Coverage Report on Jyoti Structures Ltd.](#)

Jyoti Structures Ltd. - Financials

Earnings Statement							
Particulars (Rs Mn)	FY05	FY06	FY07	FY08	FY09E	FY10E	FY11E
Total Revenues	4,396.1	6,978.2	9,708.4	13,704.0	17,997.4	23,494.7	28,838.4
- Growth (%)	44.9%	58.7%	39.1%	41.2%	31.3%	30.5%	22.7%
Total Expenditure	3,985.7	6,230.3	8,454.5	11,985.3	15,873.7	20,722.4	25,395.1
Operating Profit	410.4	747.9	1,253.9	1,718.7	2,123.7	2,772.4	3,443.3
Other Income	4.7	20.9	8.2	15.2	10.0	6.6	6.2
EBITDA	415.1	768.8	1,262.1	1,733.9	2,133.7	2,779.0	3,449.5
Depreciation	39.3	48.3	58.2	67.0	100.6	120.7	128.4
EBIT	375.8	720.4	1,203.9	1,666.9	2,033.1	2,658.3	3,321.1
Interest	194.7	258.4	328.9	464.3	378.2	478.0	514.7
PBT	181.1	462.0	875.1	1,202.6	1,654.9	2,180.3	2,806.4
Tax	65.8	185.3	324.9	478.5	619.2	804.8	1,025.6
PAT Before MI	115.3	276.7	550.2	724.1	1,035.7	1,375.5	1,780.7
Minority Interest	0.0	0.0	0.0	0.0	138.1	183.4	237.5
PAT Before EI	115.3	276.7	550.2	724.1	897.6	1,192.1	1,543.2
- Growth (%)	110.8%	140.0%	98.8%	31.6%	24.0%	32.8%	29.5%
Extra-ordinary Items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported PAT	115.3	276.7	550.2	724.1	897.6	1,192.1	1,543.2

Ratio Analysis							
Particulars	FY05	FY06	FY07	FY08	FY09E	FY10E	FY11E
OPM (%)	9.3%	10.7%	12.9%	12.5%	11.8%	11.8%	11.9%
EBITDA (%)	9.4%	11.0%	13.0%	12.7%	11.9%	11.8%	12.0%
PBIT (%)	8.5%	10.3%	12.4%	12.2%	11.3%	11.3%	11.5%
PAT (%)	2.6%	4.0%	5.7%	5.3%	5.0%	5.1%	5.4%
Interest Cover (x)	1.9	2.8	3.7	3.6	5.4	5.6	6.5
EPS (Rs.)	1.7	4.0	6.8	8.9	11.1	14.7	19.0
P/E (x)	74.9	31.2	18.3	14.0	11.3	8.5	6.6
P/BV (x)	9.2	7.1	3.7	3.0	2.4	1.9	1.5
BVPS (Rs.)	10.5	13.6	33.9	41.8	51.8	65.1	82.5
Market Cap (Rs. Mn.)	1,727.6	1,727.6	10,086.9	10,148.1	10,148.1	10,148.1	10,148.1
M Cap/Sales (x)	0.4	0.2	1.0	0.7	0.6	0.4	0.4
Order Book/Sales (x)	2.3	1.8	2.0	2.2	2.2	2.1	2.1
EV (Rs. Mn.)	2,588.6	3,133.0	11,404.4	12,099.9	13,503.7	14,460.4	14,803.7
EV/EBITDA (x)	6.2	4.1	9.0	7.0	6.3	5.2	4.3
EV/Sales (x)	0.6	0.4	1.2	0.9	0.8	0.6	0.5
ROCE (%)	18.2%	25.5%	27.8%	29.5%	26.0%	27.0%	28.6%
RONW (%)	12.2%	22.8%	20.1%	21.3%	21.3%	22.5%	23.1%
Debt/Equity Ratio (x)	1.2	1.3	0.6	0.7	0.9	0.9	0.7
Inventory T/o Days	76.0	63.5	28.7	20.9	25.0	25.0	25.0
Debtors T/o Days	152.6	130.1	136.7	132.9	135.0	135.0	135.0
Advances T/o Days	37.8	27.0	40.0	30.6	35.0	35.0	35.0
Creditors T/o Days	189.0	133.8	98.0	76.6	80.0	80.0	80.0
Working Cap T/o Days	133.0	114.6	137.5	131.4	136.3	136.6	136.7
Fixed Assets T/o (Gross)	6.1	8.2	10.4	13.0	10.7	12.1	13.9
DPS (Rs.)	0.2	0.4	0.6	0.8	1.0	1.2	1.5
Dividend Payout (%)	14.4%	11.1%	8.8%	9.0%	9.0%	8.2%	7.9%
Dividend Yield (%)	0.2%	0.4%	0.5%	0.6%	0.8%	1.0%	1.2%

Balance Sheet							
Particulars (Rs Mn)	FY05	FY06	FY07	FY08	FY09E	FY10E	FY11E
Equity Capital	138.2	138.2	161.4	162.4	162.4	162.4	162.4
Reserves	806.0	1,063.2	2,596.7	3,249.8	4,052.4	5,130.6	6,531.3
Share Warrants Issue	0.0	14.7	0.0	0.0	0.0	0.0	0.0
Shareholders Funds	944.2	1,216.1	2,758.1	3,412.2	4,214.8	5,292.9	6,693.7
Minority Interest	0.0	0.0	0.0	0.0	138.1	321.5	559.0
Borrowed Funds	1,119.4	1,609.3	1,595.0	2,248.9	3,602.2	4,552.2	4,902.2
Deferred Tax Liability	68.8	77.7	76.8	80.7	90.7	100.7	110.7
Total Liabilities	2,132.4	2,903.1	4,429.9	5,741.8	8,045.9	10,267.4	12,265.6
Fixed Assets	441.1	546.2	563.4	630.0	1,155.9	1,310.2	1,306.7
Investments	87.1	165.7	185.1	159.7	159.7	159.7	159.7
Current Assets							
Inventory	914.9	1,213.4	763.5	785.4	1,232.7	1,609.2	1,975.2
Sundry Debtors	1,837.8	2,487.1	3,635.0	4,988.2	6,656.6	8,689.8	10,666.2
Loans & Advances	455.8	516.8	1,064.8	1,147.5	1,725.8	2,252.9	2,765.3
Cash & Bank Balance	171.4	38.2	92.4	137.4	86.8	80.2	86.9
Other Current Assets	538.5	633.3	905.2	1,183.9	1,479.2	1,931.1	2,370.3
Current Liabilities							
Sundry Creditors	2,276.5	2,557.6	2,607.1	2,876.8	3,944.6	5,149.5	6,320.7
Provisions	39.9	141.2	196.1	430.6	516.7	620.0	744.0
Net Current Assets	1,602.1	2,190.1	3,657.6	4,935.0	6,719.8	8,793.7	10,799.2
Miscellaneous Expenditure	2.2	1.1	23.9	17.2	10.5	3.7	0.0
Total Assets	2,132.4	2,903.1	4,429.9	5,741.8	8,045.9	10,267.4	12,265.6

Cash Flow							
Particulars (Rs Mn)	FY05	FY06	FY07	FY08	FY09E	FY10E	FY11E
Opening Cash & Bank	160.9	171.4	38.2	92.4	137.4	86.8	80.2
Profit after Tax	115.3	276.7	550.2	724.1	897.6	1,192.1	1,543.2
Less: Investment Income	(4.7)	(20.9)	(8.2)	(15.2)	(10.0)	(6.6)	(6.2)
Interest Paid	194.7	258.4	328.9	464.3	378.2	478.0	514.7
Miscellaneous Exp W/Off	1.7	1.1	(22.8)	6.7	6.7	6.7	3.7
Depreciation	39.3	48.3	58.2	67.0	100.6	120.7	128.4
Deferred Taxation	9.5	8.9	(0.9)	3.9	10.0	10.0	10.0
Others	(2.0)	(16.5)	(5.7)	(1.7)	0.0	0.0	0.0
Change in Working Cap	(564.5)	(721.2)	(1,413.3)	(1,232.4)	(1,835.4)	(2,080.5)	(1,998.8)
CF - Operating Activities	(210.7)	(165.2)	(513.6)	16.7	(452.2)	(279.7)	195.1
Change in Fixed Assets	(61.5)	(137.0)	(69.6)	(131.8)	(626.5)	(275.0)	(125.0)
Change in Investments	3.7	(78.6)	(19.4)	25.4	0.0	0.0	0.0
Investment Income	4.7	20.9	8.2	15.2	10.0	6.6	6.2
CF - Investing Activities	(53.0)	(194.7)	(80.8)	(91.3)	(616.5)	(268.4)	(118.8)
Increase in Equity	221.5	15.6	1,063.2	5.9	0.0	0.0	(0.0)
Share Warrants Issue	0.0	14.7	(14.7)	0.0	0.0	0.0	0.0
Changes in Borrowings	266.1	489.9	(14.3)	654.0	1,353.3	950.0	350.0
Interest Paid	(194.7)	(258.4)	(328.9)	(464.3)	(378.2)	(478.0)	(514.7)
Minority Interest	0.0	0.0	0.0	0.0	138.1	183.4	237.5
Dividend Paid	(18.8)	(35.1)	(56.7)	(76.0)	(95.0)	(114.0)	(142.5)
CF - Financing Activities	274.2	226.7	648.6	119.6	1,018.2	541.5	(69.7)
Net Change in Cash	10.5	(133.2)	54.2	45.0	(50.5)	(6.6)	6.6
Closing Cash & Bank Bal	171.4	38.2	92.4	137.4	86.8	80.2	86.9

Power Grid Corporation of India Limited

Research Analyst : Anuj Anandwala

In 1980 the Rajadhyaksha Committee on Power Sector Reforms submitted its report to the Government of India suggesting extensive reforms in the Indian power sector. Based on the recommendations of the Rajadhyaksha Committee, in 1981 the Government of India took the policy decision to form a national power grid, which would pave the way for the integrated operation of the central and regional transmission systems. Pursuant to this decision to form a national power grid, the Company was incorporated on October 23, 1989 as the National Power Transmission Corporation Limited, with the responsibility of planning, executing, owning, operating and maintaining the high voltage transmission systems in the country. Subsequently, the company name was changed to Power Grid Corporation of India Limited (PGCIL) with effect from October 23, 1992.

The company is India's principal electric power transmission company & has commenced operations in Fiscal 1992 as part of an initiative of the Government of India to consolidate all the interstate and inter-regional electric power transmission assets of the country in a single entity. Accordingly, the transmission assets of all central sector electricity generation utilities that operated on an interstate or inter-regional basis were transferred to PGCIL. It has been designated a Mini-Ratna Category-I public sector undertaking since October 1998, which provides a greater delegation of powers to undertake new projects without Government approval, subject to an investment ceiling set by the Government. The company has received the highest annual performance rating from the Gol in each year since Fiscal 1994, & the Prime Minister's award for performance for six out of the seven years to Fiscal 2006. The company is PAS 99:2006 certified, which integrates the requirements of ISO 9001:2000 for quality, ISO 14001:2004 for environment management and OHSAS 18000:1999 for health and safety management systems.

PGCIL owns and operates most of India's interstate and inter-regional electric power transmission system. In that capacity, the company owned and operated 61,875 circuit kilometres (ckm) of electrical transmission lines and 106 electrical substations. Since its inception, it has completed 101 transmission projects and schemes. The average system availability maintained by PGCIL was over 99% since FY02. The transmission losses were in the range of 3%-4%, representing mainly technical losses. As the power is transmitted over high voltage, it generally does not involve commercial losses. Nevertheless, transmission losses are factored in the tariff. As a result, it does not impact PGCIL.

Quarterly Analysis

For the quarter ended Mar 31, 2008 Power Grid Corporation of India Ltd. (PGCIL) has posted 46.7% growth in net sales to Rs. 15,192Mn as compared to Rs. 10,354Mn for the quarter ended Mar 31, 2007. Total Income has increased from Rs. 13,097Mn for the quarter ended Mar 31, 2007 to Rs. 17,285Mn for the quarter ended Mar 31, 2008 showing a rise of 32%.

The company's O&M Expenses & staff costs have increased significantly to Rs. 3,010Mn & Rs. 2,026Mn in Mar'08 as against Rs. 803Mn & Rs. 1,265Mn in Mar'07 respectively. As a percentage of sales O&M Expenses & staff costs have increased from 7.8% & 12.2% for the quarter ended Mar'07 to 19.8% & 13.3% respectively, for the quarter ended Mar'08.

Net Profit for the company has decreased to Rs. 2,408Mn in Mar'08 from Rs. 4,411Mn in Mar'07 thereby showing a decline of 45%. EPS for the reported quarter was Rs. 0.6 as against Rs. 1.2 for the corresponding quarter last year.

Power Grid Corporation of India - Quarterly Financials

Earnings Statement								
YE March (Rs. Mn.)	Q408	Q308	Q-Q(%)	Q407	Y-Y(%)	12M08	12M07	Y-Y(%)
Net Revenues	15,192.2	10,857.7	39.9%	10,353.8	46.7%	46,148.2	37,232.8	23.9%
O&M Expenses	3,010.4	840.7	258.1%	803.5	274.7%	3,468.5	2,917.7	18.9%
Gross Profit	12,181.8	10,017.0	21.6%	9,550.3	27.6%	42,679.7	34,315.1	24.4%
Staff Costs	2,026.4	1,150.0	76.2%	1,265.2	60.2%	5,190.6	3,388.8	53.2%
Provisions Write Off	34.2	4.1	734.1%	0.0	0.0%	38.3	109.4	-65.0%
Total Expenditure	2,060.6	1,154.1	78.5%	1,265.2	62.9%	5,228.9	3,498.1	49.5%
Operating Profit	10,121.2	8,862.9	14.2%	8,285.1	22.2%	37,450.8	30,817.0	21.5%
OPM (%)	66.62%	81.6%	-18.4%	80.0%	-16.7%	81.2%	82.8%	-2.0%
Other Income	2,092.7	1,080.0	93.8%	2,743.6	-23.7%	4,667.1	3,590.3	30.0%
EBITDA	12,213.9	9,942.9	22.8%	11,028.7	10.7%	42,117.9	34,407.3	22.4%
Depreciation	2,550.8	2,495.1	2.2%	2,072.8	23.1%	9,596.5	8,275.8	16.0%
EBIT	9,663.1	7,447.8	29.7%	8,955.9	7.9%	32,521.4	26,131.4	24.5%
Interest	6,868.8	2,785.5	146.6%	3,762.3	82.6%	13,395.5	11,404.2	17.5%
Exceptional Items	0.0	(18.4)	0.0%	0.0	0.0%	1,820.6	(92.8)	-2061.9%
PBT	2,794.3	4,680.7	-40.3%	5,193.6	-46.2%	17,305.3	14,820.0	16.8%
Tax	386.4	837.9	-53.9%	782.5	-50.6%	2,820.6	2,526.3	11.6%
PAT	2,407.9	3,842.8	-37.3%	4,411.1	-45.4%	14,484.7	12,293.7	17.8%
Equity Capital	42,088.4	42,088.4	0.0%	37,874.1	11.1%	42,088.4	38,262.2	10.0%
EPS	0.6	0.9	-37.3%	1.2	-50.9%	3.4	3.2	7.1%
Ratio Analysis								
Profitability								
YE March (Rs. Mn.)	Q408	Q308	Q-Q(bps)	Q407	Y-Y(bps)	12M08	12M07	Y-Y(bps)
OPM (%)	66.6%	81.6%	(1,500.7)	80.0%	(1,339.9)	81.2%	82.8%	(161.5)
EBITDA (%)	80.4%	91.6%	(1,117.9)	106.5%	(2,612.3)	91.3%	92.4%	(114.4)
EBIT (%)	63.6%	68.6%	(498.9)	86.5%	(2,289.3)	70.5%	70.2%	28.8
PAT (%)	15.8%	35.4%	(1,954.3)	42.6%	(2,675.4)	31.4%	33.0%	(163.1)
Operational Parameters								
YE March (Rs. Mn.)	Q408	Q308	Q-Q(bps)	Q407	Y-Y(bps)	12M08	12M07	Y-Y(bps)
O&M Expenses	19.8%	7.7%	1,207.3	7.8%	1,205.5	7.5%	7.8%	(32.0)
Staff Cost	13.3%	10.6%	274.7	12.2%	111.9	11.2%	9.1%	214.6
Effective Tax Rate	13.8%	17.9%	(407.3)	15.1%	(123.8)	16.3%	17.0%	(74.8)

Power Grid Corporation of India - Financials

Earnings Statement				
Particulars (Rs Mn)	FY05	FY06	FY07	FY08
Total Revenues	25,143.1	32,132.8	37,232.8	46,148.2
- Growth (%)	3.2%	27.8%	15.9%	23.9%
Total Expenditure	4,994.0	6,208.0	6,415.8	8,697.4
Operating Profit	20,149.2	25,924.8	30,817.0	37,450.8
Other Income	3,169.7	3,410.4	3,590.3	4,667.1
EBITDA	23,318.9	29,335.2	34,407.3	42,117.9
Depreciation	6,422.6	7,443.3	8,275.8	9,596.5
EBIT	16,896.3	21,891.9	26,131.4	32,521.4
Interest	8,086.8	9,474.6	11,404.2	13,395.5
PBT & adjustments	8,809.5	12,417.4	14,727.2	19,125.9
Prior period adjustments	(274.3)	727.4	(92.8)	1,820.6
PBT	9,083.7	11,690.0	14,820.0	17,305.3
Tax	1,228.5	1,600.7	2,526.3	2,820.6
PAT Before Adjustments	7,855.3	10,089.4	12,293.7	14,484.7
- Growth (%)	5.0%	28.4%	21.8%	17.8%
Total Adjustments	442.5	(575.7)	(1,417.1)	0.0
Adjusted PAT	8,297.8	9,513.6	10,876.6	14,484.7

Ratio Analysis				
Particulars	FY05	FY06	FY07	FY08
OPM (%)	80.1%	80.7%	82.8%	81.2%
EBITDA (%)	92.7%	91.3%	92.4%	91.3%
PBIT (%)	67.2%	68.1%	70.2%	70.5%
PAT (%)	31.2%	31.4%	33.0%	31.4%
Interest Cover (x)	2.1	2.3	2.3	2.4
EPS (Rs.)	2.5	2.8	3.2	3.4
P/E (x)	35.5	31.2	27.1	25.3
P/BV (x)	3.1	3.2	3.1	-
BVPS (Rs.)	27.6	27.2	28.0	-
Market Cap (Rs. Mn.)	278,593.1	315,058.2	332,689.7	365,958.6
M Cap/Sales (x)	11.1	9.8	8.9	7.9
EV (Rs. Mn.)	386,141.7	438,034.9	494,306.5	-
EV/EBITDA (x)	16.6	14.9	14.4	-
EV/Sales (x)	15.4	13.6	13.3	-
ROCE (%)	7.6%	8.8%	8.7%	-
RONW (%)	8.9%	10.2%	11.5%	-

Balance Sheet				
Particulars (Rs Mn)	FY04	FY05	FY06	FY07
Equity Capital	30,740.6	32,040.6	36,234.4	38,262.2
Reserves	50,246.6	56,440.6	62,494.4	68,763.4
Shareholders Funds	80,987.2	88,481.3	98,728.8	107,025.6
Borrowed Funds	122,663.8	133,880.4	150,261.3	193,255.0
Deferred Tax Liability	1,973.8	2,427.1	3,125.5	4,193.3
Others	8,881.4	9,005.4	10,951.9	14,656.2
Total Liabilities	214,506.1	233,794.2	263,067.4	319,130.1
Fixed Assets	187,749.2	212,946.3	249,318.5	312,715.0
Investments	19,979.2	20,292.1	21,394.1	19,670.1
Current Assets				
Inventory	1,968.7	1,842.7	1,802.4	1,841.3
Sundry Debtors	4,777.3	5,713.4	4,403.5	4,904.0
Loans & Advances	13,308.6	13,254.8	15,940.6	14,912.6
Cash & Bank Balance	7,754.5	6,039.7	5,890.5	11,968.2
Other Current Assets	3,328.6	1,785.2	1,554.4	1,470.3
Current Liabilities				
Sundry Creditors	20,710.1	24,652.6	31,761.7	40,020.9
Provisions	3,650.7	3,428.3	5,474.8	8,333.7
Net Current Assets	6,776.8	554.9	(7,645.2)	(13,258.2)
Misc. Expenditure	0.9	0.9	0.0	3.2
Total Assets	214,506.1	233,794.2	263,067.4	319,130.1

Ratio Analysis				
Particulars	FY05	FY06	FY07	FY08
Debt/Equity Ratio (x)	1.5	1.5	1.8	-
Inventory T/o Days	26.7	20.5	18.1	-
Debtors T/o Days	82.9	50.0	48.1	-
Advances T/o Days	192.4	181.1	146.2	-
Creditors T/o Days	49.8	62.2	81.7	-
Working Cap T/o Days	8.1	(86.8)	(130.0)	-
Fixed Assets T/o (Gross)	0.1	0.1	0.1	-
DPS (Rs.)	0.6	0.8	1.0	-
Dividend Payout (%)	22.2%	31.8%	33.9%	-
Dividend Yield (%)	0.7%	1.0%	1.1%	-

Local Equity Market						Top Gainers & Losers of the Week			
INDICES	21-Jun-08	Week Ago	% Chng	Month Ago	% Chng	Top Gainers		Jun 21, 08	% Chng
Sensex	14,571.29	15,189.62	(4.07)	16,907.11	(13.82)	BOC India Ltd.	196.45	20.52	
Nifty	4,347.55	4,517.10	(3.75)	5,025.45	(13.49)	State Trading Corporation of India Ltd.	277.35	18.88	
CNX Nifty Junior	7,105.95	7,404.75	(4.04)	8,705.10	(18.37)	Kohinoor Foods Ltd.	105.90	17.02	
S&P CNX500	3,510.95	3,634.80	(3.41)	4,099.85	(14.36)	Gujarat Ambuja Exports Ltd.	44.50	14.25	
CNX Midcap 200	5,890.20	6,091.10	(3.30)	6,839.55	(13.88)	Zandu Pharmaceutical Works Ltd.	14,136.85	13.33	
CNX IT	4,179.70	4,322.70	(3.31)	4,476.70	(6.63)	Asian Hotels Ltd.	629.00	11.99	
International Equity Market						Top Losers			
INDICES	21-Jun-08	Week Ago	% Chng	Month Ago	% Chng	Gammon India Ltd.	285.05	(20.57)	
DJIA	11,842.69	12,307.35	(3.78)	12,625.62	(6.20)	Rajesh Exports Ltd.	73.60	(14.67)	
Nasdaq	2,406.09	2,454.50	(1.97)	2,464.58	(2.37)	Shrenuj & Co. Ltd.	31.80	(13.47)	
S&P 500	1,317.93	1,360.03	(3.10)	1,394.35	(5.48)	Mercator Lines Ltd.	100.00	(12.78)	
FTSE 100	5,620.80	5,802.80	(3.14)	6,181.60	(9.07)	Sintex Industries Ltd.	360.40	(12.65)	
Nikkei 225	13,942.08	13,973.73	(0.23)	13,978.46	(0.26)	Taj GVK Hotels & Resorts Ltd.	117.25	(12.63)	
Hang Seng	22,745.60	22,592.30	0.68	25,043.12	(9.17)	National Aluminium Co. Ltd.	430.15	(12.38)	
HSCEI	12,343.54	12,213.12	1.07	13,820.84	(10.69)	Tata Metaliks Ltd.	145.85	(12.22)	
MSCI Indices						Sectoral Performance			
MSCI Indices	21-Jun-08	Week Ago	% Chng	Month Ago	% Chng	Sectors	Week	Month	3 Months
The World Index	1,430.44	1,459.95	(2.02)	1,517.41	(5.73)	Trading	5.67	(13.73)	2.70
Emerging Market	1,110.48	1,120.02	(0.85)	1,207.96	(8.07)	Abrasives	4.92	8.85	11.20
EM Asia	413.85	417.22	(0.81)	455.54	(9.15)	Solvent Extraction	3.41	(13.50)	10.04
EM India	424.59	441.70	(3.87)	493.19	(13.91)	Sugar	2.65	(18.56)	8.16
Commodities						Compressors / Pumps	2.02	(13.09)	0.82
Commodities	21-Jun-08	Week Ago	% Chng	Month Ago	% Chng	Media & Entertainment	1.23	(10.62)	3.57
GOLD (\$/oz)	902.30	871.55	3.53	921.85	(2.12)	Gas	1.21	(6.44)	0.72
SILVER (\$/oz)	17.37	16.57	4.83	17.99	(3.45)	Diversified	0.91	(12.79)	4.61
ALUMINIUM (\$/t)	3,140.00	2,945.00	6.62	2,995.00	4.84	Travel And Transport	0.55	(10.10)	2.05
COPPER (\$/t)	8,435.00	7,980.00	5.70	8,125.00	3.82	Chemicals - Organic	0.51	(4.94)	14.07
CRUDE - BRENT (\$/bbl)	134.86	135.11	(0.19)	130.79	3.11	Paints	0.16	(4.84)	4.87
CRUDE - WTI (\$/bbl)	135.36	135.47	(0.08)	130.90	3.41	Packaging	0.07	(7.77)	14.62
Transportation						Transmission Towers	(0.16)	(17.84)	(20.98)
Commodities	21-Jun-08	Week Ago	% Chng	Month Ago	% Chng	Cement And Cement Products	(0.29)	(12.84)	(9.29)
World SCALE	220.00	197.50	11.39	212.50	3.53	Food And Food Processing	(0.65)	(5.18)	10.87
BALTIC FREIGHT INDEX	9,428.00	9,646.00	(2.26)	11,648.00	(19.06)	Leather And Leather Products	(0.68)	(19.37)	7.45
Forex						Detergents	(0.88)	(12.28)	(0.88)
FOREX	21-Jun-08	Week Ago	% Chng	Month Ago	% Chng	Dyes And Pigments	(1.06)	(8.81)	(5.09)
USD	43.10	42.88	0.51	42.80	0.70	Electrodes	(1.07)	(10.83)	12.87
GBP	85.21	83.52	2.03	84.76	0.53	Hotels	(1.18)	(11.47)	3.55
EURO	67.30	65.95	2.03	67.32	(0.04)				
YEN	40.18	39.63	1.39	41.12	(2.29)				
Global Listings						Inflation (%)		10 year G-Sec Bond Yield	
Scripts	19-Jun-08	Week Chng	Month Chng	Premium/Discount	Share per ADR/GDR	8.10	8.24	7.99% 2017	8.70%
Infosys ADR	44.31	(6.36)	7.74	4.53%	1				
Wipro ADR	12.48	(7.76)	4.32	13.54%	1				
ICICI Bank ADR	33.54	(8.49)	(10.61)	-1.39%	2				
Satyam ADR	25.20	(7.69)	6.64	19.25%	2				
HDFC Bank ADR	79.77	(5.75)	(14.31)	4.35%	3				
MTNL ADR	4.65	3.79	(9.68)	5.98%	2				
Dr. Reddy ADR	15.52	(6.95)	10.98	2.12%	1				
Reliance GDR	98.30	(6.60)	(15.12)	0.91%	2				
ITC GDR	4.35	(3.33)	(14.29)	-5.50%	1				
Ranbaxy GDR	12.20	(6.23)	8.42	-3.05%	1				
L & T GDR	59.40	(5.11)	(11.83)	-0.16%	1				

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