


The Week Gone By **Weekly Newsletter**



Parag's View 

Rally Ahoy? (again)

Last week's rally seems to be a short-term rally. It seems a "cheater's rally."

Maybe it's a quirk of human psychology, but it seems like far too many "investors" (or should we say speculators) buy at the high and sell at the low. It's such a common mistake that the inverse saying ("Buy high, Sell low") may be the most common in the Street's rule-book.

Many investors with cash were sitting on the sidelines over the past few weeks as the stock market moves upwards. Near the high they buy into the market, just when they can't take the pain of watching from the sidelines any longer.

We have come off a Fear-bottom now. It was "cleansing" because it knocked the weak money out of the stock market.

Now strong money remains, and the race is on again.

Why does this "Buy high and Sell low" misbehavior happen, and why is it so predictable?

Greed and Fear are the two most predictable behavioural traits followed by the investors /speculators to prove the above mentioned point.

Why Liquid funds are good for you?

Liquid funds invest in debt or Fixed Income Instruments of very short tenures. Investments are generally done in rated corporate papers as well as short term Treasury instruments (portfolios would vary between different schemes and fund houses). These funds are ideal for parking monies for short periods of time ranging from 2-3 days to 6 months.

Why choose liquid funds over bank Fds?

Let us compare a bank FD with a tenure of 3 months with Liquid Funds

	Bank FD	Liquid Funds
Rate of Interest	5.50%	7.5%*
Tax Applicable **	33.30%	NIL if Dividends are taken
Post tax yield	3.63%	7.50%
Fund transfer to Savings/Current A/c	Immediate transfer on breaking of FD or maturity	T+1 i.e transfer to account happens on the next working day^
Liquidity	Pre Redemption Penalty	Zero Penalty/loads

1) * These are current yields for Dividend option 2) ** Assuming you fall in the highest tax bracket else relevant tax slab will be applicable 3)^ It is necessary to have a bank account with an MNC or private sector bank like ICICI/ HDFC/ AXIS etc.

From the safety perspective Liquid funds come under the lowest risk category amongst debt funds. Very low duration protects these funds from interest rate risk while high quality portfolio protects from credit risk.

Most Schemes have a minimum initial investment requirement of Rs. 25000 to 100000 (1 lakh). Remember that Liquid funds returns will vary with the interest rate scenario. Rising Interest Rate will result in rising yields while falling interest rates will result in falling yields. However all in all you will still be better off in a liquid fund as compared to a bank fd due to the tax advantage.

Just imagine a sum of Rs. 1000000 can earn an interest of approximately Rs. 6500 in 30days in a liquid fund (at today's ongoing rates). Don't let your funds languish in savings accounts or bank FDs. Until you have decided on an investment strategy simply park money into a Liquid Fund.

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Maruti Suzuki India Limited

CMP : Rs. 615.0
Reco. : AVOID

Q1 FY2009
Result Update

Auto Nos.

Sales Figures									
Segment	Models	Jun 08	May 08	M-M(%)	Jun 07	Y-Y(%)	Q109	Q108	Y-Y(%)
A1	M800	5,361	6,830	-21.5%	6,214	-13.7%	16,649	17,994	-7.5%
C	Omni, Versa	6,964	6,092	14.3%	8,017	-13.1%	20,761	20,631	0.6%
A2	Alto, Wagon R, Zen, Swift	37,767	44,539	-15.2%	37,646	0.3%	125,427	110,413	13.6%
A3	SX4, Dzire*	5,807	5,946	-2.3%	3,923	48.0%	15,940	11,056	44.2%
Total Passenger Cars		55,899	63,407	-11.8%	55,800	0.2%	178,777	160,094	11.7%
MUV	Grand Vitara, Gypsy*	512	736	-30.4%	200	156.0%	1,316	510	158.0%
Domestic		56,411	64,143	-12.1%	56,000	0.7%	180,093	160,604	12.1%
Exports		4,836	4,858	-0.5%	3,917	23.5%	12,491	9,065	37.8%
TOTAL SALES		61,247	69,001	-11.2%	59,917	2.2%	192,584	169,669	13.5%
*SX4 launched in May 2007, Grand Vitara launched in July 2007, Dzire launched in March 2008, Esteem figures are for 2007-08									
Operational Parameters									
Segment (%)	Models	Jun 08	May 08	M-M(bps)	Jun 07	Y-Y(bps)	Q109	Q108	Y-Y(bps)
A1	M800	8.8%	9.9%	-114.5	10.4%	-161.8	8.6%	10.6%	-196.0
C	Omni, Versa	11.4%	8.8%	254.1	13.4%	-201.0	10.8%	12.2%	-137.9
A2	Alto, Wagon R, Zen, Swift	61.7%	64.5%	-288.5	62.8%	-116.7	65.1%	65.1%	5.3
A3	SX4, Dzire*	9.5%	8.6%	86.4	6.5%	293.4	8.3%	6.5%	176.1
Total Passenger Cars		91.3%	91.9%	-62.5	93.1%	-186.1	92.8%	94.4%	-152.6
MUV	Grand Vitara, Gypsy*	0.8%	1.1%	-23.1	0.3%	50.2	0.7%	0.3%	38.3
Domestic		92.1%	93.0%	-85.5	93.5%	-135.9	93.5%	94.7%	-114.3
Exports		7.9%	7.0%	85.5	6.5%	135.9	6.5%	5.3%	114.3

Battling a rising interest rate scenario and tight liquidity conditions, Maruti Suzuki India Ltd. (MSIL) has reported a near 13.5% growth in volumes on a Y-Y basis, a performance that we believe is impressive under the circumstances. The company's increased focus on 'A2 segment' cars has led to this segment grow by an impressive 44% on a Y-Y basis & once again emerge as the fastest growing among all the company's segments. However, it has been the 'A2 segment' that has continued to contribute the most to the company's increased volumes, growing by a decent 13.6% on a Y-Y basis. Among other segments, while the 'A1 segment' has declined 7.5% Y-Y, sales in the 'C segment' have remained virtually stagnant. MUV sales and exports have also grown impressively, registering a strong 158% and 37.5% on a Y-Y basis respectively.

Operational performance

MSIL's net sales increased by considerably by 21% to Rs.47,536Mn for the quarter ended Jun'08 from Rs. 39,308Mn for the previous quarter ended Jun'07, owing to the growth in exports & domestic sales by 38% % 12% respectively. Substantial increase in raw material input cost has had an effect on the operating front wherein, the operating profit of the company has decreased by 19% from Rs. 5,748Mn in Jun'07 to Rs. 4,636Mn in Jun'08.

As far as operating performance is concerned, the company's operating margins have tanked by a huge 490 basis points. All the cost heads have increased at a greater rate than the top line and this has led to the huge decline. While increase in raw material prices could be attributed to commodity price inflation and the company's inability to pass on the same to end consumers, increase in staff costs is seemingly a result of wage price revision and the commencement of the company's new plant.

Depreciation charges doubled for the full quarter. In view of the increasing competition in the domestic markets. MSIL has adopted a more aggressive stance on depreciation, thus leading to a huge jump in the same. It is believed that depreciation for equipment & tooling assets & for dies has been changed from 13 yrs & 5 yrs to 8 yrs & 4 yrs respectively. In that sense, last year's depreciation numbers are not strictly comparable with that of current year. Notwithstanding the higher depreciation, MSIL's bottom line decline of 7% Y-Y has been better than the 19% Y-Y decline in operating profits, thanks mainly to strong growth in other income & a lower rise in interest expenses, but impacting its net profit margins by 291 basis points.

Company Profile

Maruti Suzuki started as a government company, with Suzuki as a minor partner, to make a people's car for middle class India. Over the years, the company's product range has widened and ownership has changed hands. The product portfolio of the company consist 11 models with around 100 variants including Maruti 800, Omni, Alto, Wagon R, Swift, Zen, Gypsy, Dzire, Versa, SX4 and Grand Vitara.

The company set up a network of component vendors, dealers and service stations and facilitated around 60 technical collaborations for Indian vendors from Japanese, European and even American partners to upgrade technology and quality levels. MSIL have a sales network of 600 outlets in 393 towns and cities, and provide maintenance support to customers at 2628 workshops in over 1200 towns and cities (as on March 31,2008). The company has proposed investments till 2010 amounting Rs. 90,000Mn.

Outlook & valuations

At the CMP of Rs. 615, the scrip is trading at 10.3x times its FY08 earnings. While the company's top line growth has come in line with market estimates for the full year, greater than expected decline in operating margins is a worry. We recommend an "AVOID" on the scrip.

MSIL : Quarterly Financials

Earnings Statement								
YE March (Rs. Mn.)	Q109	Q408	Q-Q(%)	Q108	Y-Y(%)	12M08	12M07	Y-Y(%)
Domestic Sales (Nos)	180,093	187,185	-3.8%	160,604	12.1%	711,818	635,629	12.0%
Exports (Nos)	12,491	15,034	-16.9%	9,065	37.8%	53,024	39,295	34.9%
Total Vehicles Sold (Nos)	192,584	202,219	-4.8%	169,669	13.5%	764,842	674,924	13.3%
Net Revenues	47,535.8	47,629.1	-0.2%	39,308.2	20.9%	178,602.8	145,922.0	22.4%
Cost of Materials	36,900.7	36,414.5	1.3%	29,570.0	24.8%	136,467.8	108,630.0	25.6%
Gross Profit	10,635.1	11,214.6	-5.2%	9,738.2	9.2%	42,135.0	37,292.0	13.0%
Staff Costs	1,111.7	880.2	26.3%	804.6	38.2%	3,561.6	2,884.0	23.5%
Other Expenditure	4,887.0	5,778.4	-15.4%	3,185.7	53.4%	16,899.7	15,121.0	11.8%
Total Expenditure	5,998.7	6,658.6	-9.9%	3,990.3	50.3%	20,461.3	18,005.0	13.6%
Operating Profit	4,636.4	4,556.0	1.8%	5,747.9	-19.3%	21,673.7	19,287.0	12.4%
Other Income	3,287.8	3,070.3	7.1%	2,232.5	47.3%	9,634.7	6,601.0	46.0%
EBITDA	7,924.2	7,626.3	3.9%	7,980.4	-0.7%	31,308.4	25,888.0	20.9%
Depreciation	1,660.6	3,111.2	-46.6%	822.0	102.0%	5,681.7	2,714.0	109.3%
EBIT	6,263.6	4,515.1	38.7%	7,158.4	-12.5%	25,626.7	23,174.0	10.6%
Interest	168.3	161.3	4.3%	151.0	11.5%	596.2	376.0	58.6%
PBT	6,095.3	4,353.8	40.0%	7,007.4	-13.0%	25,030.5	22,798.0	9.8%
Tax	1,436.8	1,377.0	4.3%	2,011.4	-28.6%	7,722.3	7,178.0	7.6%
PAT	4,658.5	2,976.8	56.5%	4,996.0	-6.8%	17,308.2	15,620.0	10.8%
Equity Capital	1,445.0	1,445.0	0.0%	1,445.0	0.0%	1,445.0	1,445.0	0.0%
EPS	16.1	10.3	56.5%	17.3	-6.8%	59.9	54.0	10.8%
Ratio Analysis								
Profitability								
YE March (Rs. Mn.)	Q109	Q408	Q-Q(bps)	Q108	Y-Y(bps)	12M08	12M07	Y-Y(bps)
OPM (%)	9.8%	9.6%	18.8	14.6%	(486.9)	12.1%	13.2%	(108.2)
EBITDA (%)	16.7%	16.0%	65.8	20.3%	(363.2)	17.5%	17.7%	(21.1)
EBIT (%)	13.2%	9.5%	369.7	18.2%	(503.4)	14.3%	15.9%	(153.3)
PAT (%)	9.8%	6.2%	355.0	12.7%	(291.0)	9.7%	10.7%	(101.3)
Operational Parameters								
YE March (Rs. Mn.)	Q109	Q408	Q-Q(bps)	Q108	Y-Y(bps)	12M08	12M07	Y-Y(bps)
RM Consumed	77.6%	76.5%	117.3	75.2%	240.1	76.4%	74.4%	196.5
Staff Costs	2.3%	1.8%	49.1	2.0%	29.2	2.0%	2.0%	1.8
Other Expenditure	10.3%	12.1%	(185.1)	8.1%	217.6	9.5%	10.4%	(90.0)
Effective Tax Rate	23.6%	31.6%	(805.5)	28.7%	(513.2)	30.9%	31.5%	(63.4)

Gujarat Industries Power Co. Ltd.

CMP : Rs. 81.5
Reco. : BUY
Target : Rs. 114.0

Q1 FY2009
Result Update

Results Highlights

For the quarter ended June 30, 2008 Gujarat Industries Power Co. Ltd. (GIPCL) has posted 22% growth in net sales to Rs. 2,624.5Mn as compared to Rs. 2,151.4Mn for the quarter ended June 30, 2007. Power generation has decreased during the quarter by 2.2%, owing to lower PLF contributed by the Surat lignite power plant - unit-II and Vadodara Station-II. Total Income has increased from Rs. 2,223.5Mn for the quarter ended June 30, 2007 to Rs. 2,659.9Mn for the quarter ended June 30, 2008.

As a percentage of sales raw material cost & other expenses has increased to 69.6% and 7.3% respectively, with a marginal decrease in staff costs to 2%. Thus the EBIDTA margins have declined considerably to 22.5% from 36.1% for the quarter reported. Adj. Net Profit for the company also decreased by a substantial 40.5% from Rs. 377.7Mn in Q1FY08 to Rs. 224.9Mn in Q1FY09 mainly due to an increase in tariffs as compared to the previous year.

Operational Performance

For the quarter ended June 30, 2008 GIPCL's operational efficiency has taken a hit, with its 3 plants attaining less plant load factor (PLF) of 82.8%, 80.9% & 87.2% in Q1FY09 as compared to 88.7%, 81.2% & 88.4% in Q1FY08 for Vadodara station-I, Vadodara station-II & SLPP respectively.

Plant Performance							
Particulars	Units	Q109	Q108	Y-Y(%)	FY08	FY07	Y-Y(%)
Vadodara Station - I (145 MW)							
Generation	MU	262.3	281.0	-6.6%	1139.3	1109.7	2.7%
PLF	%	82.8%	88.7%	-6.6%	89.5%	87.4%	2.4%
Availability Factor	%	97.3%	95.9%	1.5%	97.5%	95.4%	2.2%
Vadodara Station - II (160 MW)							
Generation	MU	286.4	283.9	0.9%	1126.1	1043.8	7.9%
PLF	%	80.9%	81.2%	-0.4%	80.1%	74.5%	7.6%
Availability Factor	%	99.4%	93.8%	6.0%	94.3%	85.8%	9.9%
SLPP (2*125 MW)							
Generation	MU	475.9	482.9	-1.4%	1878.5	1751.9	7.2%
PLF	%	87.2%	88.4%	-1.4%	85.5%	80.0%	6.9%
Availability Factor	%	89.5%	89.5%	0.0%	87.8%	83.1%	5.6%
Total							
Generation	MU	1024.7	1047.7	-2.2%	4144.0	3905.5	6.1%
PLF	%	83.7%	86.1%	-2.9%	85.0%	80.6%	5.5%
Availability Factor	%	95.4%	93.0%	2.5%	93.2%	88.1%	5.8%

Company Profile Gujarat State Fertilizers & Chemicals (GSFC), Gujarat Alkalies & Chemicals (GACL), Gujarat Electricity Board (GEB) and Petrofils Co-operatives (PCL) jointly promoted Gujarat Industries Power Company Ltd. (GIPCL). The company was incorporated in June 1985 with the objective of setting up a coal-based power station of 120MW to cater to the captive power needs of its promoter companies. The company has massive expansion plans to increase its current installed capacity of 555 MW increasing to 805 MW by FY2009 and further to 1305 MW by FY2012.

Our View GIPCL plans to increase its capacity by 50% by March 2009, taking the total installed capacity to 805 MW. Furthermore the company is also carrying out a feasibility report for another 500 MW lignite fired power plant. Going forward, we expect the profitability of the company to increase on account of improved realizations, capacity expansion plans, which will augment the revenues by higher plant, load factor and reduced interest costs. The top and bottom line of the company is expected to increase at a CAGR of 10.5% and 8.32% respectively, over the next 4 years. We expect the company to post good numbers in the subsequent quarters of the fiscal helped by a higher PLF and lower interest outgo. GEB's improving financials would also help the company in improving its visibility and strengthening the balance sheet.

At CMP of Rs. 81.5, the scrip trades at P/E of 8.9x FY09E, 6.6x FY10E & 5.9x FY11E earnings of Rs. 9.1, Rs. 12.4 & Rs. 13.8 respectively. On P/BV basis it trades at 1.1x, 1x & 0.9x FY08, FY09E & FY10E respectively. Given the past two quarters performance & the subdued equity markets, we have revised our price target to Rs. 114 (41% upside) based on P/BV calculation at which the scrip would trade at 1.2x FY10E.

[Click here for our Full Coverage Report on GIPCL.](#)

GIPCL : Quarterly Financials

Earnings Statement								
YE March (Rs. Mn.)	Q109	Q408	Q-Q(%)	Q108	Y-Y(%)	FY08	FY07	Y-Y(%)
Net Revenues	2,624.5	2,850.3	-7.9%	2,151.4	22.0%	9,355.5	7,955.8	17.6%
Cost of Materials	1,826.4	2,012.9	-9.3%	1,294.7	41.1%	6,058.7	4,378.2	38.4%
Gross Profit	798.1	837.4	-4.7%	856.7	-6.8%	3,296.8	3,577.6	-7.8%
Staff Costs	51.8	65.0	-20.3%	51.4	0.8%	236.3	207.2	14.0%
Other Expenses	191.8	138.8	38.2%	99.8	92.2%	527.7	466.2	13.2%
Total Expenditure	243.6	203.8	19.5%	151.2	61.1%	764.0	673.4	13.5%
Operating Profit	554.5	633.6	-12.5%	705.5	-21.4%	2,532.8	2,904.2	-12.8%
Other Income	35.4	62.5	-43.4%	72.1	-50.9%	266.0	321.1	-17.2%
EBITDA	589.9	696.1	-15.3%	777.6	-24.1%	2,798.8	3,225.3	-13.2%
Depreciation	218.4	220.8	-1.1%	219.7	-0.6%	883.1	898.5	-1.7%
EBIT	371.5	475.3	-21.8%	557.9	-33.4%	1,915.7	2,326.8	-17.7%
Interest	84.4	221.6	-61.9%	99.0	-14.7%	513.2	511.8	0.3%
PBT	287.1	253.7	13.2%	458.9	-37.4%	1,402.5	1,815.0	-22.7%
Tax	62.2	190.3	-67.3%	81.2	-23.4%	379.6	(14.1)	2792.2%
PAT	224.9	63.4	254.7%	377.7	-40.5%	1,022.9	1,829.1	-44.1%
Adjustments:								
Forex Gain / (Loss)	0.0	109.1	0.0%	0.0	0.0%	109.1	0.0	0.0%
Prior Period Items / tax	0.0	71.7	0.0%	0.0	0.0%	71.7	0.0	0.0%
Adjusted PAT	224.9	244.2	-7.9%	377.7	-40.5%	1,203.7	1,829.1	-34.2%
Equity Capital	1,512.5	1,512.5	0.0%	1,512.5	0.0%	1,512.5	1,512.5	0.0%
Adjusted EPS	1.5	1.6	-7.9%	2.5	-40.5%	8.0	12.1	-34.2%
Ratio Analysis								
Profitability								
YE March	Q109	Q408	Q-Q(bps)	Q108	Y-Y(bps)	FY08	FY07	Y-Y(bps)
OPM (%)	21.1%	22.2%	(110.1)	32.8%	(1,166.5)	27.1%	36.5%	(943.1)
EBITDA (%)	22.5%	24.4%	(194.5)	36.1%	(1,366.7)	29.9%	40.5%	(1,062.4)
EBIT (%)	14.2%	16.7%	(252.0)	25.9%	(1,177.7)	20.5%	29.2%	(877.0)
PAT (%)	8.6%	2.2%	634.5	17.6%	(898.7)	10.9%	23.0%	(1,205.7)
Operational Parameters								
YE March	Q109	Q408	Q-Q(bps)	Q108	Y-Y(bps)	FY08	FY07	Y-Y(bps)
RM Consumed	69.6%	70.6%	(103.0)	60.2%	941.1	64.8%	55.0%	972.9
Staff Cost	2.0%	2.3%	(30.7)	2.4%	(41.5)	2.5%	2.6%	(7.9)
Other Expenditure	7.3%	4.9%	243.8	4.6%	266.9	5.6%	5.9%	(21.9)
Effective Tax Rate	21.7%	75.0%	(5,334.5)	17.7%	397.0	27.1%	-0.8%	2,784.3

GIPCL : Financials

Earnings Statement					Balance Sheet				
Particulars (Rs. Mn)	FY06	FY07	FY08	FY09E	Particulars (Rs. Mn)	FY06	FY07	FY08E	FY09E
Sales of Energy	7,491.2	7,933.8	9,290.9	9,879.5	Equity Capital	1,512.5	1,512.5	1,512.5	1,512.5
- Growth (%)	1.1%	5.9%	17.1%	6.3%	Preference Shares	0.0	0.0	0.0	0.0
Incentives	74.7	22.1	64.6	93.3	Reserves	7,795.0	9,276.9	10,303.7	11,506.6
Total Revenues	7,565.9	7,955.8	9,355.5	9,972.8	Shareholders Funds	9,307.5	10,789.4	11,816.2	13,019.2
Total Expenditure	4,714.0	5,051.6	6,822.7	6,987.8	Borrowed Funds	6,013.0	5,427.2	10,055.1	9,929.3
Operating Profit	2,852.0	2,904.2	2,532.8	2,985.0	Deferred Tax Liability	1,073.9	749.0	749.0	749.0
Other Income	426.3	321.1	266.0	145.7	Total Liabilities	16,394.5	16,965.7	22,620.3	23,697.5
EBITDA	3,278.2	3,225.3	2,798.8	3,130.7	Fixed Assets	12,777.3	13,141.1	19,560.5	20,455.5
Depreciation	913.8	898.5	883.1	1,038.4	Investments	1,357.2	1,357.2	1,357.2	1,357.2
EBIT	2,364.4	2,326.8	1,915.7	2,092.3	Current Assets				
Interest	639.5	511.8	513.2	468.9	Inventory	860.2	811.3	1,018.2	1,082.7
PBT	1,724.9	1,815.0	1,402.5	1,623.4	Sundry Debtors	1,145.0	1,139.2	1,400.0	1,488.7
Tax	576.8	(14.1)	379.6	243.5	Loans & Advances	1,726.0	1,164.3	1,145.5	1,218.0
Reported PAT	1,148.1	1,829.1	1,022.9	1,379.9	Cash & Bank Balance	1,031.0	1,331.1	261.9	360.9
- Growth (%)	10.7%	59.3%	-44.1%	34.9%	Current Liabilities				
Adjustments	0.0	0.0	180.8	0.0	Sundry Creditors	1,796.8	1,667.5	1,781.8	1,894.7
Adjusted PAT	1,148.1	1,829.1	1,203.7	1,379.9	Provisions	824.5	438.6	468.7	498.4
- Growth (%)	10.7%	59.3%	-34.2%	14.6%	Net Current Assets	2,140.8	2,339.8	1,575.0	1,757.2
					Miscellaneous Expenditure	119.2	127.6	127.6	127.6
					Total Assets	16,394.5	16,965.7	22,620.3	23,697.5
Ratio Analysis					Cash Flow				
Particulars	FY06	FY07	FY08	FY09E	Particulars (Rs. Mn)	FY06	FY07	FY08E	FY09E
OPM (%)	37.7%	36.5%	27.1%	29.9%	Opening Cash & Bank	78.6	1,031.0	1,331.1	261.9
EBITDA (%)	43.3%	40.5%	29.9%	31.4%					
PBIT (%)	31.3%	29.2%	20.5%	21.0%	Profit After Tax	1,148.1	1,829.1	1,022.9	1,379.9
Adj. PAT (%)	15.2%	23.0%	12.9%	13.8%	Invnt Income	(426.3)	(321.1)	(266.0)	(145.7)
Interest Cover (x)	3.7	4.5	3.7	4.5	Interest Paid	639.5	511.8	513.2	468.9
EPS (Rs.)	7.6	12.1	8.0	9.1	Miscellaneous Exp W/Off	(119.2)	(8.5)	0.0	0.0
P/E (x)	10.7	6.7	10.2	8.9	Depreciation	913.8	898.5	883.1	1,038.4
P/BV (x)	1.3	1.2	1.1	1.0	Deferred Taxation	0.0	(324.9)	0.0	0.0
BVPS (Rs.)	60.7	70.5	77.3	85.2	Others	2,778.0	10.2	0.0	0.0
Market Cap (Rs. Mn.)	12,327.0	12,327.0	12,327.0	12,327.0	Change in Working Cap	(938.4)	101.2	(304.5)	(83.2)
M Cap/Sales (x)	1.6	1.5	1.3	1.2	CF - Operating Activities	3,995.6	2,696.4	1,848.8	2,658.3
EV (Rs. Mn.)	15,951.8	15,065.8	20,762.9	20,538.2	Change in Fixed Assets	(752.4)	(1,272.5)	(7,302.5)	(1,933.4)
EV/EBITDA (x)	4.9	4.7	7.4	6.6	Change in Investments	0.0	0.0	0.0	0.0
EV/Sales (x)	2.1	1.9	2.2	2.1	Investment Income	426.3	321.1	266.0	145.7
ROCE (%)	15.6%	14.5%	8.8%	9.2%	CF - Investing Activities	(326.2)	(951.4)	(7,036.5)	(1,787.6)
RONW (%)	12.5%	17.2%	8.8%	10.7%	Increase in Equity	0.0	0.0	0.0	0.0
Debt/Equity Ratio (x)	0.7	0.5	0.9	0.8	Change in Preference Cap	0.0	0.0	0.0	0.0
Inventory T/o Days	41.5	37.2	39.7	39.6	Changes in Borrowings	(1,861.9)	(585.8)	4,627.9	(125.7)
Debtors T/o Days	55.2	52.3	54.6	54.5	Interest Paid	(639.5)	(511.8)	(513.2)	(468.9)
Advances T/o Days	83.3	53.4	44.7	44.6	Dividend Paid	(215.6)	(347.2)	(177.0)	(177.0)
Creditors T/o Days	86.7	76.5	69.5	69.3	CF - Financing Activities	(2,717.0)	(1,444.8)	3,937.7	(771.6)
Working Cap T/o Days	103.3	107.3	61.4	64.3	Net Change in Cash	952.4	300.1	(1,250.0)	99.1
Fixed Assets T/o (Gross)	0.4	0.4	0.5	0.4					
DPS (Rs.)	1.3	2.0	1.0	1.0	Closing Cash & Bank Bal	1,031.0	1,331.1	261.9	360.9
Dividend Payout (%)	16.5%	16.5%	12.6%	11.0%					
Dividend Yield (%)	1.5%	2.5%	1.2%	1.2%					

SEAMEC Limited

CMP : Rs. 122.5
Reco. : AVOID
Target : Rs. 139.3

Q2 CY2008
Result Update

Second Quarter Performance Review

SEAMEC Ltd. reported a comparatively better performance for the second quarter of calendar year 2008. The company reported a Q-o-Q jump of 74% in Operating Revenues. With reduction on Dry Docking Costs & lower Provision for Bad & Doubtful Debts for Q2CY08, the company reported a Net Profit of Rs. 75.8 Mn. as against a Loss of Rs. 170.3 Mn. for Q1CY08. The Operating Margins stood at 26.4% for the quarter. The company reported a positive earnings of Rs. 2.2 per share for the quarter ended June 2008.

The company has provided an amount of Rs. 25 Mn. to the Profit & Loss A/c for the period ended June 2008, on account of a fair estimation made by the Management about the Insurance Claim receivable from the Hull & Machinery Insurer towards the total repair cost incurred on the company's vessel - SEAMEC II.

On a Y-o-Y comparison, SEAMEC reported a growth of ~30% in its top-line, but with almost 84% increase in Total Expenditure due to increase in Staff Costs & additional Dry-docking Expenses & Provision for Bad & Doubtful Debts, the company saw its bottomline dip by 61% from Rs. 195.8 in Q2CY07 to Rs. 75.8 Mn. in Q2CY08. Besides the rise in Total Expenditure, a decrease of 44.5% in Other Income contributed to the dip in profit levels.

For the first half of CY2008, SEAMEC Ltd. has been unable to report positive results, largely on account of the Dry-docking Expenses & Provision for Bad & Doubtful Debts that were non-existent in the first half of CY2007. With a marginal dip of 7% in Operating Revenues over H1CY07, the company reported a Loss of Rs. 94.5 Mn. in H1CY08 vis-a-vis a profit of Rs. 439.8 Mn. in H1CY07. The company reported a negative EPS of Rs. 2.8 for the first half of the calendar year 2008.

Operational Highlights

The company's MSV - SEAMEC II commenced its charter with CONDUX SA DE, Mexico from 8th July, 2008, after completion of dry-dock & repair due to damage caused by Fire Accident while under dry-docking. This vessel has met with an accident on 16th July, 2008 coming into contact with the platform of the charterer. The magnitude & quantum of damage caused to the vessel are being ascertained.

SEAMEC III, after completion of its charter with Cal Dive International on 20th May, 2008 has been taken for dry-docking & is likely to complete the dry-docking around end of July 2008.

Our View ...

With only four support vessels under its fleet, it seems to be getting tougher for SEAMEC Ltd. to deliver the required results. Also since all its assets are more than 30 years old, the dry-docking expenses for the company are expected to remain high. We have a bearish stance on the company & recommend an AVOID.

SEAMEC : Quarterly Financials

Earnings Statement								
YE March (Rs. Mn.)	Q2CY08	Q1CY08	Q-Q(%)	Q2CY07	Y-Y(%)	H1CY08	H1CY07	Y-Y(%)
Net Revenues	607.2	348.5	74.20%	467.3	29.90%	955.7	1,028.40	-7.10%
Cost of Materials	59.9	56.6	5.90%	25.7	133.50%	116.5	53.5	117.70%
Gross Profit	547.3	291.9	87.50%	441.6	23.90%	839.2	974.9	-13.90%
Staff Costs	230.9	143.3	61.10%	143.6	60.80%	374.2	345.5	8.30%
Other Expenses	77.2	54.3	42.10%	67.1	15.10%	131.5	127.9	2.80%
Dry Docking Expenses	35.8	65.9	-45.70%	0		101.7	0	
Prov. for Bad & Doubtful Debts	43.4	131.1	-66.90%	0		174.5	0	
Total Expenditure	387.3	394.7	-1.90%	210.6	83.90%	782	473.4	65.20%
Operating Profit	160	-102.7		231	-30.70%	57.3	501.4	-88.60%
OPM (%)	26.40%	-29.50%		49.40%		6.00%	48.80%	
Other Income	9.4	8.4	12.40%	16.9	-44.50%	17.8	43.6	-59.30%
EBITDA	169.4	-94.4		247.9	-31.70%	75	545	-86.20%
Depreciation	65.7	50.8	29.40%	44.7	47.10%	116.5	89.2	30.60%
EBIT	103.7	-145.1		203.3	-49.00%	-41.4	455.9	
Interest	0.9	1.1		0.9	-2.20%	2	1.8	8.30%
PBT	102.8	-146.2		202.4	-49.20%	-43.4	454.1	
Tax	2	3.2	-37.50%	6.6	-69.70%	5.2	14.3	-63.60%
Current Tax	1.6	2.8	-42.90%	6.1	-73.80%	4.4	13.3	-66.90%
Fringe Benefit Tax	0.4	0.4	0.00%	0.5	-20.20%	0.8	1	-17.40%
Deferred Tax	0	0		0		0	0	
PAT	100.8	-149.4		195.8	-48.50%	-48.6	439.8	
Extra-ordinary Items	-25	-20.9	19.70%	0		-45.9	0	
Reported PAT	75.8	-170.3		195.8	-61.30%	-94.5	439.8	
Equity Capital	339	339		339		339	339	
EPS	2.2	-5		5.8	-61.30%	-2.8	13	
Ratio Analysis								
Profitability								
YE March (Rs. Mn.)	Q2CY08	Q1CY08	Q-Q(%)	Q2CY07	Y-Y(%)	H1CY08	H1CY07	Y-Y(%)
OPM (%)	26.40%	-29.50%		49.40%	-2,308.70	6.00%	48.80%	-4,276.80
EBITDA (%)	27.90%	-27.10%		53.10%	-2,516.20	7.90%	53.00%	-4,514.80
EBIT (%)	17.10%	-41.60%		43.50%	-2,642.30	-4.30%	44.30%	
PAT (%)	12.50%	-48.90%		41.90%	-2,940.80	-9.90%	42.80%	
Operational Parameters								
YE March (Rs. Mn.)	Q2CY08	Q1CY08	Q-Q(%)	Q2CY07	Y-Y(%)	H1CY08	H1CY07	Y-Y(%)
RM Consumed	9.90%	16.20%	-636.7	5.50%	437.4	12.20%	5.20%	698.4
Staff Costs	38.00%	41.10%	-310.1	30.70%	730.7	39.20%	33.60%	555.8
Other Expenses	12.70%	15.60%	-287.8	14.40%	-163.7	13.80%	12.40%	132.7
Dry Docking Expenses	5.90%	18.90%	-1,302.20	0.00%	589.6	10.60%	0.00%	1,064.50
Prov. for Bad & Doubtful Debts	7.10%	37.60%	-3,045.90	0.00%	714.8	18.30%	0.00%	1,825.50
Effective Tax Rate	1.90%	-2.20%		3.30%	-131.7	-12.00%	3.10%	

SEAMEC : Financials

Earnings Statement								
Particulars (Rs Mn)	CY06	CY07	CY08E	CY09E	CY10E	CY11E	CY12E	CY13E
Total Revenues	1591.3	1704.5	2260.5	2824.4	2769.3	2759.0	2825.6	2707.6
- Growth (%)	93.4%	7.1%	32.6%	25.0%	-2.0%	-0.4%	2.4%	-4.2%
Total Expenditure	883.5	1196.0	1874.1	1601.9	1899.7	1981.2	1750.5	1963.5
Operating Profit	707.8	508.5	386.4	1222.6	869.6	777.8	1075.1	744.2
Other Income	42.6	88.4	27.4	5.4	8.1	36.5	66.2	111.2
EBITDA	750.4	596.9	413.7	1227.9	877.7	814.3	1141.3	855.4
Depreciation	149.2	189.5	322.7	334.6	347.6	360.6	373.6	386.6
EBIT	601.3	407.4	91.0	893.3	530.1	453.7	767.7	468.7
Interest	2.7	4.2	90.0	9.0	0.0	0.0	0.0	0.0
PBT	598.5	403.2	1.0	884.3	530.1	453.7	767.7	468.7
Tax	15.3	32.5	11.4	17.2	12.8	21.3	36.1	47.0
PAT Before EI	583.3	370.6	-10.4	867.1	517.3	432.3	731.5	421.8
- Growth (%)	222.0%	-36.5%	-102.8%	-8415.4%	-40.3%	-16.4%	69.2%	-42.3%
Extra-ordinary Items	2.4	-0.3	-20.9	0.0	0.0	0.0	0.0	0.0
PAT	585.7	370.3	-31.3	867.1	517.3	432.3	731.5	421.8

Ratio Analysis								
Particulars	CY06	CY07	CY08E	CY09E	CY10E	CY11E	CY12E	CY13E
OPM (%)	44.5%	29.8%	17.1%	43.3%	31.4%	28.2%	38.0%	27.5%
EBITDA (%)	47.2%	35.0%	18.3%	43.5%	31.7%	29.5%	40.4%	31.6%
PBIT (%)	37.8%	23.9%	4.0%	31.6%	19.1%	16.4%	27.2%	17.3%
PAT (%)	36.8%	21.7%	-1.4%	30.7%	18.7%	15.7%	25.9%	15.6%
Interest Cover (x)	219.9	96.4	1.0	99.3	-	-	-	-
EPS (Rs.)	17.3	10.9	-0.9	25.6	15.3	12.8	21.6	12.4
P/E (x)	7.3	11.6	-136.9	4.9	8.3	9.9	5.9	10.2
P/BV (x)	1.8	1.6	1.6	1.2	1.0	0.9	0.8	0.8
BVPS (Rs.)	70.1	81.0	80.1	105.7	120.9	133.7	155.3	167.7
Market Cap (Rs. Mn.)	4285.0	4285.0	4285.0	4285.0	4285.0	4285.0	4285.0	4285.0
M Cap/Sales (x)	2.7	2.5	1.9	1.5	1.5	1.6	1.5	1.6
EV (Rs. Mn.)	3661.4	3737.7	5177.7	4223.8	3554.3	2960.5	2060.9	1442.5
EV/EBITDA (x)	4.9	6.3	12.5	3.4	4.0	3.6	1.8	1.7
EV/Sales (x)	2.3	2.2	2.3	1.5	1.3	1.1	0.7	0.5
ROCE (%)	25.3%	14.8%	2.4%	24.3%	12.9%	10.0%	14.6%	8.2%
RONW (%)	24.5%	13.5%	-0.4%	24.2%	12.6%	9.5%	13.9%	7.4%
Debt/Equity Ratio (x)	0.0	0.0	0.4	0.0	0.0	0.0	0.0	0.0
Inventory T/o Days	28.8	39.3	35.0	35.0	35.0	35.0	35.0	35.0
Debtors T/o Days	67.4	57.5	60.0	60.0	60.0	60.0	60.0	60.0
Advances T/o Days	8.2	8.5	9.0	9.0	9.0	9.0	9.0	9.0
Creditors T/o Days	55.4	144.1	70.0	70.0	70.0	70.0	70.0	70.0
Working Cap T/o Days	189.7	75.5	48.3	51.8	127.3	206.2	318.3	414.2
Fixed Assets T/o (Gross)	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5
DPS (Rs.)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

SEAMEC : Financials

Balance Sheet								
Particulars (Rs Mn)	CY06	CY07	CY08E	CY09E	CY10E	CY11E	CY12E	CY13E
Equity Capital	339.0	339.0	339.0	339.0	339.0	339.0	339.0	339.0
Reserves	2,037.2	2,407.5	2,376.1	3,243.3	3,760.5	4,192.8	4,924.4	5,346.1
Shareholders Funds	2,376.2	2,746.5	2,715.1	3,582.3	4,099.5	4,531.8	5,263.4	5,685.1
Borrowed Funds	-	-	1,000.0	100.0	-	-	-	-
Total Liabilities	2,376.2	2,746.5	3,715.1	3,682.3	4,099.5	4,531.8	5,263.4	5,685.1
Fixed Assets	1,549.1	2,392.6	3,415.9	3,281.3	3,133.6	2,973.0	2,799.4	2,612.8
Intangible Assets	-	1.1	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Current Assets								
Inventory	125.8	183.5	216.8	270.8	265.5	264.6	270.9	259.6
Sundry Debtors	293.8	268.6	371.6	464.3	455.2	453.5	464.5	445.1
Loans & Advances	35.7	39.5	55.7	69.6	68.3	68.0	69.7	66.8
Cash & Bank Balance	623.6	547.2	107.3	161.1	730.7	1,324.5	2,224.0	2,842.4
Current Liabilities								
Sundry Creditors	241.7	672.7	433.5	541.7	531.1	529.1	541.9	519.3
Provisions	10.1	13.4	18.6	23.2	22.8	22.7	23.2	22.3
Net Current Assets	827.1	352.7	299.3	401.0	965.9	1,558.8	2,464.0	3,072.4
Miscellaneous Expenditure	-	-	-	-	-	-	-	-
Total Assets	2,376.2	2,746.5	3,715.1	3,682.3	4,099.5	4,531.8	5,263.4	5,685.1

Cash Flow								
Particulars (Rs Mn)	CY06	CY07	CY08E	CY09E	CY10E	CY11E	CY12E	CY13E
Opening Cash & Bank	780.0	623.6	547.2	107.3	161.1	730.7	1324.5	2224.0
Profit After Tax	585.7	370.3	-31.3	867.1	517.3	432.3	731.5	421.8
Investment Income	-42.6	-88.4	-27.4	-5.4	-8.1	-36.5	-66.2	-111.2
Interest Paid	2.7	4.2	90.0	9.0	0.0	0.0	0.0	0.0
Miscellaneous Exp W/Off	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	149.2	189.5	322.7	334.6	347.6	360.6	373.6	386.6
Deferred Taxation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-3.7	-12.4	0.0	0.0	0.0	0.0	0.0	0.0
Change in Working Cap	67.2	398.0	-386.5	-47.9	4.7	0.9	-5.7	10.0
CF - Operating Activities	758.5	861.2	-32.4	1157.5	861.5	757.3	1033.3	707.2
Change in Fixed Assets	-954.8	-1020.6	-1346.0	-200.0	-200.0	-200.0	-200.0	-200.0
Change in Intangible Assets	0.0	-1.1	1.1	0.0	0.0	0.0	0.0	0.0
Change in Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment Income	42.6	88.4	27.4	5.4	8.1	36.5	66.2	111.2
CF - Investing Activities	-912.2	-933.4	-1317.5	-194.6	-191.9	-163.5	-133.8	-88.8
Increase in Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in Borrowings	0.0	0.0	1000.0	-900.0	-100.0	0.0	0.0	0.0
Interest Paid	-2.7	-4.2	-90.0	-9.0	0.0	0.0	0.0	0.0
Dividend Paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CF - Financing Activities	-2.7	-4.2	910.0	-909.0	-100.0	0.0	0.0	0.0
Net Change in Cash	-156.4	-76.4	-440.0	53.8	569.6	593.8	899.5	618.4
Closing Cash & Bank Balance	623.6	547.2	107.3	161.1	730.7	1324.5	2224.0	2842.4

Aban Offshore Limited

CMP : Rs. 2,695.0
Reco. : BUY
Target : Rs. 3,473.7

Q1 FY2009
Result Update

Q1 Performance Review

Significant rise in crude oil prices over the past six months or so have benefitted Aban Offshore to a large extent. India's largest offshore drilling company - Aban Offshore has been able to report excellent set of numbers for the first quarter FY09. On a standalone basis, the company has reported an increase of 25.7% in Operating Revenues in Q1FY09 over Q4FY08. With a rise of 10% in Total Expenditure over the last quarter, the company managed to report 41% growth in Operating Profits over Q4FY08. Even with significant increases in Interest Costs & Taxes, the company reported a growth of more than 72% in PAT (before Extraordinary) levels from Rs. 415.1 Mn. in Q4FY08 to Rs. 715.1 Mn. in Q1FY09. The company also showed great improvement in Operating Profit Margin & EBITDA Margin by more than 600 bps. EPS for the quarter stood at Rs. 18.9 vis-a-vis Rs. 9.1 for the last quarter of FY08.

On a Y-o-Y basis, Aban Offshore saw a significant jump of 93.5% in Operating Revenues from Rs. 1,276.1 Mn. in Q1FY08 to Rs. 2,469.5 Mn. in Q1FY09. It's Operating Profits more than doubled to Rs. 1,394.7 Mn. from Rs. 680.7 Mn. in the same quarter last year. In a rising interest rates scenario, with huge debt on its books, the company saw its Interest Cost rise 2.3x over Q1FY08. Aban Offshore has reported a staggering 152% jump in PAT levels from Rs. 283.7 Mn. in Q1FY08 to Rs. 715.1 Mn. in Q1FY09. The company also showed margin improvement on a Y-o-Y basis. EPS grew by 146.3% from Rs. 7.7 in Q1FY08 to Rs. 18.9 in Q1FY09.

Earnings Statement					
YE March (Rs. Mn.)	Q109	Q408	Q-Q(%)	Q108	Y-Y(%)
Net Revenues	2,469.5	1,963.9	25.7%	1,276.1	93.5%
Consumption of Stores & Spare Parts	287.2	259.2	10.8%	168.9	70.0%
Gross Profit	2,182.3	1,704.7	28.0%	1,107.2	97.1%
Staff Costs	144.2	108.7	32.8%	113.9	26.6%
Insurance	46.4	52.4	-11.4%	65.0	-28.6%
Rental Charges for Machinery	133.3	116.6	14.3%	36.1	269.4%
Repairs to Machinery	134.9	130.1	3.7%	25.0	439.2%
Other Expenditure	328.9	308.5	6.6%	186.5	76.3%
Total Expenditure	787.6	716.1	10.0%	426.5	84.7%
Operating Profit	1,394.7	988.6	41.1%	680.7	104.9%
OPM (%)	56.5%	50.3%		53.3%	
Other Income	245.4	189.2	29.7%	154.2	59.1%
EBITDA	1,640.0	1,177.8	39.3%	834.9	96.4%
Goodwill Amortized	0.0	15.7	-100.0%	15.7	-100.0%
Depreciation	244.6	244.8	-0.1%	257.8	-5.1%
EBIT	1,395.4	917.2	52.1%	561.4	148.6%
Interest	322.4	269.3	19.7%	139.4	131.3%
PBT	1,073.0	647.9	65.6%	422.0	154.3%
Tax	357.9	232.9	53.7%	138.3	158.7%
Current Tax	395.0	252.0	56.7%	165.8	138.2%
Deferred tax	(37.1)	(19.1)	93.7%	(27.5)	35.0%
PAT	715.1	415.1	72.3%	283.7	152.1%
Extra-ordinary Income	0.0	(69.6)		0.0	
Reported PAT	715.1	345.5	107.0%	283.7	152.1%
Equity Capital	75.6	75.6		73.8	
EPS	18.9	9.1	107.0%	7.7	146.3%

Consolidated Annual Performance

Aban Offshore also reported its first full year consolidated results since the acquisition of Sinvest AS last year. Though we still await for the detailed annual report, the Consolidated Operating Revenues for FY08 stood at Rs. 20,210.6 Mn. vis-a-vis Rs. 7,186.8 Mn. for FY07. This growth in top-line is due to the fact that FY2007 was not a full consolidated year. The Indian drilling major has reported a Net Profit of Rs. 1,229.9 Mn. for FY08 as compared to a Net Loss of Rs. 140 Mn. for FY07. The full year EPS for FY08 stands at Rs. 32.5. Aban Offshore also recommended an Equity Dividend of 180% (Rs. 3.60 for each fully paid shares) for the year 2007-08.

During FY2008, Aban offshore took delivery of two new jack-up rigs - Deep Driller 4 & Deep Driller 5 & were deployed at day rates of US\$ 220,000 & US\$ 205,000. It also bought a semi-submersible rig - Bulford Dolphin (renamed to Aban Pearl) for US\$ 211 Mn. during the year.

Earnings Statement			
YE March (Rs. Mn.)	FY08	FY07	Y-Y(%)
Net Revenues	20,210.6	7,186.8	181.2%
Consumption of Stores & Spare Parts	1,196.8	667.4	79.3%
Gross Profit	19,013.7	6,519.3	191.7%
Staff Costs	2,003.1	564.5	254.8%
Insurance	556.8	438.2	27.1%
Rental Charges for Machinery	637.9	230.6	176.7%
Repairs to Machinery	451.7	270.3	67.1%
Other Expenditure	2,947.7	1,704.6	72.9%
Total Expenditure	6,597.1	3,208.3	105.6%
Operating Profit	12,416.6	3,311.1	275.0%
OPM (%)	61.4%	46.1%	
Forex Gain / (Loss)	(1,943.8)	163.1	
Other Income	1,069.9	880.9	21.5%
EBITDA	11,542.8	4,355.0	165.0%
Depreciation	3,077.5	1,265.6	143.2%
EBIT	8,465.3	3,089.5	174.0%
Interest	6,658.5	2,686.4	147.9%
PBT	1,806.8	403.1	348.3%
Tax	1,430.1	746.6	91.5%
Current Tax	1,513.9	665.4	127.5%
Deferred tax	(83.8)	81.3	
PAT	376.7	(343.6)	
Share of Profit in Associates/JV	853.1	203.6	319.1%
PAT before MI	1,229.8	(140.0)	
Minority Interest (MI)	(0.1)	0.0	
Reported PAT	1,229.9	(140.0)	
Equity Capital	75.6	73.8	
EPS	32.5	(3.8)	

Our View

We maintain our positive outlook for the offshore segment & Aban Offshore in particular. We believe that the global demand - supply scenario for crude, the urge to increase Exploration & Production (E&P) activities & the consequential demand for drilling vessels will be strong going forward. We maintain BUY on the stock.

Aban : Financials

Earnings Statement									
Particulars (Rs Mn)	FY06	FY07	FY08A	FY09E	FY10E	FY11E	FY12E	FY13E	FY14E
Total Revenues	4,901.6	7,186.8	20,210.6	49,445.4	55,898.1	55,898.1	55,898.1	55,898.1	53,173.8
- Growth (%)	69.3%	46.6%	181.2%	144.7%	13.1%	0.0%	0.0%	0.0%	-4.9%
Total Expenditure	2,089.6	3,712.6	7,794.0	15,322.8	17,982.4	18,869.3	19,834.9	20,889.4	22,044.5
Operating Profit	2,812.0	3,474.1	12,416.6	34,122.7	37,915.7	37,028.8	36,063.2	35,008.7	31,129.3
Share in Associates/JV	0.0	203.6	853.1	0.0	0.0	0.0	0.0	0.0	0.0
Forex Gain/(Loss)	(8.4)	163.1	(1,943.8)	0.0	0.0	0.0	0.0	0.0	0.0
Other Income	147.8	717.9	1,069.9	322.7	61.5	54.2	81.0	85.4	74.6
EBITDA	2,951.4	4,558.6	12,395.8	34,445.3	37,977.1	37,082.9	36,144.2	35,094.0	31,204.0
Depreciation	1,014.0	1,265.6	3,077.5	5,542.1	5,682.1	5,822.1	5,962.1	6,102.1	6,242.1
EBIT	1,937.4	3,293.0	9,318.4	28,903.3	32,295.1	31,260.9	30,182.1	28,992.0	24,961.9
Interest	436.3	2,686.4	6,658.5	8,632.3	7,057.3	5,420.6	3,845.6	2,083.1	433.1
PBT	1,501.1	606.6	2,659.9	20,270.9	25,237.7	25,840.2	26,336.5	26,908.8	24,528.8
Tax	678.4	746.6	1,430.1	3,471.2	4,119.8	4,218.1	4,299.2	4,392.6	4,009.1
PAT Before EI & MI	822.6	(140.0)	1,229.8	16,799.8	21,117.9	21,622.1	22,037.4	22,516.3	20,519.7
Minority Interest (MI)	0.0	0.0	(0.1)	1,332.4	1,754.4	1,796.3	1,830.8	1,870.5	1,702.7
PAT Before EI	822.6	(140.0)	1,229.9	15,467.3	19,363.6	19,825.8	20,206.6	20,645.7	18,817.0
- Growth (%)	59.3%	-117.0%	-978.4%	1157.6%	25.2%	2.4%	1.9%	2.2%	-8.9%
Extraordinary Items (EI)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PAT	822.6	(140.0)	1,229.9	15,467.3	19,363.6	19,825.8	20,206.6	20,645.7	18,817.0
Ratio Analysis									
Particulars	FY06	FY07	FY08A	FY09E	FY10E	FY11E	FY12E	FY13E	FY14E
OPM (%)	57.4%	48.3%	61.4%	69.0%	67.8%	66.2%	64.5%	62.6%	58.5%
EBITDA (%)	60.2%	63.4%	61.3%	69.7%	67.9%	66.3%	64.7%	62.8%	58.7%
PBIT (%)	39.5%	45.8%	46.1%	58.5%	57.8%	55.9%	54.0%	51.9%	46.9%
PAT (%)	16.8%	-1.9%	6.1%	31.3%	34.6%	35.5%	36.1%	36.9%	35.4%
Interest Cover (x)	4.4	1.2	1.4	3.3	4.6	5.8	7.8	13.9	57.6
EPS (Rs.)	22.3	(3.8)	32.5	399.1	499.6	511.5	521.3	532.7	485.5
P/E (x)	121.6	(715.3)	83.4	6.8	5.4	5.3	5.2	5.1	5.6
P/BV (x)	23.2	18.9	12.6	4.4	2.6	1.8	1.4	1.1	1.0
BVPS (Rs.)	116.8	143.9	215.0	624.1	1,057.3	1,501.3	1,907.4	2,365.0	2,777.7
Market Cap (Rs. Mn.)	100,066.1	100,152.4	102,595.7	105,240.3	105,240.3	105,240.3	105,240.3	105,240.3	105,240.3
M Cap/Sales (x)	20.4	13.9	5.1	2.1	1.9	1.9	1.9	1.9	2.0
EV (Rs. Mn.)	111,028.8	195,413.8	226,576.6	219,108.8	198,255.1	175,894.5	154,807.8	131,522.5	109,728.2
EV/EBITDA (x)	37.6	42.9	18.3	6.4	5.2	4.7	4.3	3.7	3.5
EV/Sales (x)	22.7	27.2	11.2	4.4	3.5	3.1	2.8	2.4	2.1
ROCE (%)	12.6%	2.9%	6.7%	20.8%	23.9%	24.0%	24.1%	24.3%	22.0%
RONW (%)	19.1%	-2.6%	15.1%	69.5%	51.5%	37.2%	29.8%	24.6%	19.1%
Debt/Equity Ratio (x)	2.6	20.4	16.1	4.8	2.3	1.2	0.7	0.3	0.1
Inventory T/o Days	36.4	51.9	29.7	50.0	50.0	50.0	50.0	50.0	50.0
Debtors T/o Days	52.1	103.3	85.1	60.0	60.0	60.0	60.0	60.0	60.0
Advances T/o Days	13.5	145.8	23.1	20.0	20.0	20.0	20.0	20.0	20.0
Creditors T/o Days	62.2	336.4	118.6	65.0	65.0	65.0	65.0	65.0	65.0
Working Cap T/o Days	29.8	621.7	118.7	59.1	57.1	60.6	61.1	59.7	58.8
Fixed Assets T/o (Gross)	0.4	0.1	0.2	0.4	0.4	0.4	0.4	0.4	0.3
DPS (Rs.)	2.6	3.0	3.0	40.0	50.0	51.0	52.0	53.0	49.0
Dividend Payout (%)	11.7%	-79.2%	9.2%	10.0%	10.0%	10.0%	10.0%	9.9%	10.1%
Dividend Yield (%)	0.1%	0.1%	0.1%	1.5%	1.8%	1.9%	1.9%	2.0%	1.8%

Aban : Financials

Balance Sheet									
Particulars (Rs Mn)	FY06	FY07	FY08A	FY09E	FY10E	FY11E	FY12E	FY13E	FY14E
Equity Capital	73.7	73.8	75.6	77.5	77.5	77.5	77.5	77.5	77.5
Preference Capital	1,500.0	3,060.0	3,060.0	3,060.0	3,060.0	3,060.0	1,050.0	600.0	0.0
Reserves	2,730.5	2,174.4	4,987.7	21,051.1	37,842.8	55,051.5	72,801.9	90,988.2	107,583.4
Shareholders Funds	4,304.2	5,308.2	8,123.3	24,188.6	40,980.3	58,189.0	73,929.4	91,665.8	107,660.9
Minority Interest	0.0	0.0	0.0	1,332.4	3,086.8	4,883.1	6,713.8	8,584.4	10,287.0
Borrowed Funds	11,098.1	108,525.3	130,434.0	115,097.9	94,097.9	72,274.8	51,274.8	27,774.8	5,774.8
Deferred Tax Liability	655.9	737.5	653.6	1,464.5	2,474.0	3,507.6	4,561.1	5,637.4	6,618.6
Total Liabilities	16,058.1	114,571.0	139,210.9	142,083.4	140,639.0	138,854.5	136,479.1	133,662.3	130,341.3
Fixed Assets	15,466.3	97,647.5	126,246.9	127,689.9	125,507.8	123,185.7	120,723.6	118,121.6	115,379.5
Investments	192.1	4,682.5	6,390.9	6,390.9	6,390.9	6,390.9	6,390.9	6,390.9	6,390.9
Trade Investments	52.9	1,464.4	1,464.4	1,464.4	1,464.4	1,464.4	1,464.4	1,464.4	1,464.4
Current Assets									
Inventory	488.8	1,022.3	1,646.8	6,773.3	7,657.3	7,657.3	7,657.3	7,657.3	7,284.1
Sundry Debtors	699.0	2,033.1	4,712.1	8,128.0	9,188.7	9,188.7	9,188.7	9,188.7	8,740.9
Loans & Advances	181.4	2,870.8	1,277.7	2,709.3	3,062.9	3,062.9	3,062.9	3,062.9	2,913.6
Cash & Bank Balance	135.4	13,264.0	6,453.1	1,229.3	1,083.0	1,620.6	1,707.3	1,492.6	1,286.8
Current Liabilities									
Sundry Creditors	835.3	6,624.5	6,568.0	8,805.4	9,954.5	9,954.5	9,954.5	9,954.5	9,469.3
Provisions	269.7	324.7	948.6	2,032.0	2,297.2	2,297.2	2,297.2	2,297.2	2,185.2
Net Current Assets	399.7	12,241.0	6,573.1	8,002.7	8,740.3	9,277.9	9,364.6	9,149.9	8,570.9
Miscellaneous Expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets	16,058.1	114,571.0	139,210.9	142,083.4	140,639.0	138,854.5	136,479.1	133,662.3	130,341.3
Cash Flow									
Particulars (Rs Mn)	FY06	FY07	FY08A	FY09E	FY10E	FY11E	FY12E	FY13E	FY14E
Opening Cash & Bank	982.8	135.4	13,264.0	6,453.1	1,229.3	1,083.0	1,620.6	1,707.3	1,492.6
Profit After Tax	822.6	(140.0)	1,229.9	15,467.3	19,363.6	19,825.8	20,206.6	20,645.7	18,817.0
Investment Income	(147.8)	(717.9)	(1,069.9)	(322.7)	(61.5)	(54.2)	(81.0)	(85.4)	(74.6)
Interest Paid	436.3	2,686.4	6,658.5	8,632.3	7,057.3	5,420.6	3,845.6	2,083.1	433.1
Miscellaneous Exp W/Off	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	1,014.0	1,265.6	3,077.5	5,542.1	5,682.1	5,822.1	5,962.1	6,102.1	6,242.1
Deferred Taxation	91.4	81.3	(83.8)	810.8	1,009.5	1,033.6	1,053.5	1,076.4	981.2
Others	(64.4)	205.1	(48.6)	0.0	0.0	0.0	0.0	0.0	0.0
Change in Working Cap	391.6	1,287.3	(1,143.0)	(6,653.3)	(883.9)	0.0	0.0	0.0	373.2
CF - Operating Activities	2,543.9	4,667.8	8,620.5	23,476.6	32,167.1	32,048.0	30,986.7	29,821.9	26,771.9
Change in Fixed Assets	(8,339.9)	(83,651.6)	(31,628.3)	(6,985.0)	(3,500.0)	(3,500.0)	(3,500.0)	(3,500.0)	(3,500.0)
Change in Investments	39.5	(4,490.4)	(1,708.3)	0.0	0.0	0.0	0.0	0.0	0.0
Investment Income	147.8	717.9	1,069.9	322.7	61.5	54.2	81.0	85.4	74.6
CF - Investing Activities	(8,152.6)	(87,424.1)	(32,266.7)	(6,662.3)	(3,438.5)	(3,445.8)	(3,419.0)	(3,414.6)	(3,425.4)
Increase in Equity	(4.1)	(127.6)	2,022.5	2,716.4	0.0	0.0	0.0	0.0	0.0
Changes in Preference Capital	1,500.0	1,560.0	0.0	0.0	0.0	0.0	(2,010.0)	(450.0)	(600.0)
Changes in Borrowings	3,919.0	97,427.3	21,908.6	(15,336.1)	(21,000.0)	(21,823.0)	(21,000.0)	(23,500.0)	(22,000.0)
Change in Minority Interest	0.0	0.0	0.0	1,332.4	1,754.4	1,796.3	1,830.8	1,870.5	1,702.7
Interest Paid	(436.3)	(2,686.4)	(6,658.5)	(8,632.3)	(7,057.3)	(5,420.6)	(3,845.6)	(2,083.1)	(433.1)
Dividend Paid - Equity	(109.3)	(129.7)	(132.6)	(1,813.8)	(2,267.2)	(2,312.5)	(2,357.9)	(2,403.2)	(2,221.9)
Dividend Paid - Preference	(108.0)	(158.7)	(304.6)	(304.6)	(304.6)	(304.6)	(98.3)	(56.2)	0.0
CF - Financing Activities	4,761.4	95,884.9	16,835.4	(22,038.0)	(28,874.8)	(28,064.6)	(27,481.0)	(26,622.0)	(23,552.3)
Net Change in Cash	(847.4)	13,128.5	(6,810.8)	(5,223.8)	(146.3)	537.6	86.7	(214.7)	(205.8)
Closing Cash & Bank Balance	135.4	13,264.0	6,453.1	1,229.3	1,083.0	1,620.6	1,707.3	1,492.6	1,286.8

Marico Limited	CMP : Rs. 56.10 Reco.: Accumulate	Q1 FY2009 Result Update
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Marico Ltd has announced the following Unaudited Results for the quarter ended June 30, 2008:

Q1FY09 (Standalone basis)

- Revenues up 34.23% Q-Q and up 25.84 % Y-Y.
- PAT up by ~ 59% Q-Q but down by 2.22 % Y-Y.
- EBITDA margins at 12.04% higher by 2 bps Q-Q.
- NPM at 7.76% v/s 6.54% in Q4FY08.
- RM costs increase by 12.5%. (Q-Q)
- Staff Costs increase by ~33%. (Q-Q)

On a consolidated basis

- Revenues are up 28.53%. (Q-Q)
- Raw material costs have increased by 10.69% (Q-Q)
- Staff costs have increased by 18.57%. (Q-Q)
- PAT has increased by 53.34% (Q-Q) and 15.06% (Y-Y)

The Company has posted a net profit of Rs 1690.7 million during the FY08 where as the same was at Rs 1128.9 million for the FY07. Marico turned in a revenue of Rs 1907 crore during FY08. At a growth of 22%, it was another year of healthy growth over the previous year. The company has demonstrated steady growth on both the topline and bottom line. Over the last 5 years, they grew at a CAGR of 21% and 30% respectively.

About Marico

Marico is a leading Indian Group in Consumer Products and Services in the Global Beauty and Wellness space. Marico's solutions- Products and Services- in Hair care, Skin Care and Healthy Foods generated a turnover of about Rs.19.1 billion (USD 454 Million) during 2007-08. Marico markets well-known brands such as Parachute, Saffola, Sweekar, Hair & Care, Nihar, Shanti, Mediker, Revive, Manjal, Kaya, Sundari, Fiancée, Camelia, Aromatic, Caivil, Black Chic, Hercules and HairCode. Marico's brands and their extensions occupy leadership positions with significant market shares in most categories- Coconut Oil, Hair Oils, Anti-lice Treatment, Premium Refined Edible Oils, Fabric Care etc. Marico is present in the Skin Care Services segment through Kaya Skin Clinics (70 in India and the Middle East), the Sundari range of Spa skin care products (in the USA & other countries) and its nascent soap franchise in India and Bangladesh.

The company has identified its growth to be coming from the 3 strong pillars of:

- Parachute/ Coconut oil
- Food - Saffola
- Hair Oil

Parachute continued to maintain its leadership market share in India. During the 12 months to May '08, it had a volume market share of 48% in the Rs 1300 crore branded coconut oils category. During Q1FY09, Parachute coconut oil in rigid packs recorded a volume growth of 8% over Q1FY08. In Q1FY09, Nihar, Marico's second coconut oil brand with a strong equity in the Eastern region, recorded double digit volume growth compared to the same period in FY08. Marico continues to dominate the category with a 55 % market share. While Nihar is promoted in its bastion in the East, Parachute which commands better margins is prioritized in markets in the other regions.

Saffola, Marico's second flagship brand, is positioned strongly on a "good for the heart" equity. The Saffola refined edible oils franchise grew by 28% in volume over Q1FY08, led by Saffola Gold. The volume growth was also boosted by the introduction of a new variant, Saffola Active. It is expected that input prices will remain firm during FY09. The company intends to pass on cost increases so as to maintain its margin per unit volume of sale.

The Hair Oils category has been experiencing healthy growth. As in the past, the company has focused on rigid pack sales of its portfolio. Marico's hair oils in rigid packs grew 26% in volume over the corresponding quarter in the previous year. Marico has a lion's share in the perfumed coconut oils market. During the 12 months to May 2008 its share in rigid packs was at 77%.

International FMCG Business

Marico's overall international business grew by 37% during Q1FY09. In its traditional markets, namely the Middle East and Bangladesh, Marico's International FMCG business continued to grow and record share gains.

During Q1FY09, Marico's international business without South Africa grew by 15%. Marico's International Business now comprises about 15% of the group's turnover. The global input cost pressures, particularly for fuel and crude oil derivatives, are having their impact on margins in the international business too. With some of the brands positioned in the VFM (value for money) segments, the leeway for price increases may be limited.

Kaya:

Kaya Skin Clinic: During FY08 Kaya Skin Clinic clocked a turnover of Rs 100 crore. At the beginning of FY09, 65 skin clinics were operational, 56 in India and 9 in the Middle East. During Q1FY09, Kaya has opened 4 new clinics. Kaya is well on track to open about 15 clinics during the year. During Q1FY09, Kaya recorded a turnover of Rs 36 crore, a growth of 62% over Q1FY08. Revenue growth in clinics in India in Q1FY09 that were operational in Q1FY08 too was 25%.

Kaya Life : Kaya Life offering holistic weight management solution which was launched in FY08 currently has 3 centers - all in the city of Mumbai. Customers are experiencing effective results on both weight loss and inch loss. The team is working on the model to increase the pace of customer acquisition and of expanding the menu of programmes and options. These modifications to the model will be tested before a full fledged roll out of Kaya Life is undertaken.

Out take

We identify with the company's philosophy of aiming growth in the long term. The company continues to invest for the future. The brand bothers about maintaining its customers and believes that the lost margins can be regained when the economic slowdown improves. The Company aims for growth in the long term.

The group has posted a turnover of Rs. 601 crores for the current quarter. This is a steep jump over last year, which will enable them to acquire new customers. Marico identifies the current slowdown as an opportunity to enter new markets and maintain cost structures. The company is currently trading at 21.5x. This compared to the FMCG BSE index PE of 25.66 seems underpriced and can be accumulated.

Marico : Quarterly Financials

Earnings Statement					
YE March (Rs. Mn.)	Q109	Q408	Q-Q(%)	Q108	Y-Y(%)
Net Revenues	6,009.3	4,675.3	28.53%	4,691.3	28.09%
Cost of Materials	2,446.5	2,210.2	10.69%	1,988.8	23.01%
Gross Profit	3,562.8	2,465.1	44.53%	2,702.5	31.83%
Staff Costs	430.9	363.4	18.57%	341.5	26.18%
Other Expenses	2,375.2	1,646.0	44.30%	1,700.9	39.64%
Total Expenditure	2,806.1	2,009.4	39.65%	2,042.4	37.39%
Operating Profit	756.7	455.7	66.05%	660.1	14.63%
OPM (%)	12.59%	9.75%	29.19%	14.07%	-10.51%
Other Income	10.0	37.0	-72.97%	7.0	42.86%
EBITDA	766.7	492.7	55.61%	667.1	14.93%
Depreciation	74.5	79.1	-5.82%	57.4	29.79%
EBIT	692.2	413.6	67.36%	609.7	13.53%
Interest	79.9	72.6	10.06%	70.8	12.85%
PBT	612.3	341.0	79.56%	538.9	13.62%
Tax	149.2	39.0	282.56%	136.4	9.38%
PAT	463.1	302.0	53.34%	402.5	15.06%
Extra-ordinary Income	0.0	106.1	-100.00%	0.0	#DIV/0!
Reported PAT before MI	463.1	408.1	13.48%	402.5	15.06%
Minority Interest	0.2	0.1	100.00%	0.4	-50.00%
Reported PAT	462.9	408.0	13.46%	402.1	15.12%
Equity Capital	609.0	609.0	0.00%	609.0	0.00%
EPS	0.8	0.5	53.34%	0.7	15.06%
Ratio Analysis					
Profitability					
YE March (Rs. Mn.)	Q308	Q208	Q-Q(bps)	Q307	Y-Y(bps)
OPM (%)	12.59%	9.75%	29.19%	14.07%	-10.51%
EBITDA (%)	12.76%	10.54%	21.07%	14.22%	-10.28%
EBIT (%)	11.52%	8.85%	30.21%	13.00%	-11.37%
PAT (%)	7.71%	6.46%	19.30%	8.58%	-10.18%
Operational Parameters					
YE March (Rs. Mn.)	Q308	Q208	Q-Q(bps)	Q307	Y-Y(bps)
RM Consumed	40.71%	47.27%	-13.88%	42.39%	-3.97%
Staff Cost	7.17%	7.77%	-7.75%	7.28%	-1.50%
Other Expenditure	39.53%	35.21%	12.27%	36.26%	9.02%

Marico : Financials

Earnings Statement				
Particulars	FY05	FY06	FY07	FY08
Total Revenues	10,127.7	11,439.4	15,569.2	19,066.9
- Growth (%)	14.0%	13.0%	36.1%	22.5%
Total Expenditure	9,245.8	9,997.6	13,443.3	16,603.4
Operating Profit	881.9	1,441.8	2,125.9	2,463.5
Other Income	16.1	35.4	101.6	66.8
EBITDA	898.0	1,477.2	2,227.5	2,530.3
Depreciation	147.8	446.7	520.6	308.6
EBIT	750.2	1,030.5	1,706.9	2,221.7
Interest	20.0	50.5	206.1	276.6
PBT	730.2	980.0	1,500.8	1,945.1
Tax	41.5	111.2	371.9	359.5
PAT Before EI	688.7	868.8	1,128.9	1,585.6
- Growth (%)	19.7%	26.2%	29.9%	40.5%
EI (Goodwill on cons.)	(4.7)			106.1
Reported PAT before MI	693.4	868.8	1,128.9	1,691.7
Minority Interest	(8.0)			1.0
PAT after MI	701.4	868.8	1,128.9	1,690.7

Ratio Analysis				
Particulars	FY05	FY06	FY07	FY08
OPM (%)	8.7%	12.6%	13.7%	12.9%
EBITDA (%)	8.9%	12.9%	14.3%	13.3%
PBIT (%)	7.4%	9.0%	11.0%	11.7%
PAT (%)	6.8%	7.6%	7.3%	8.3%
Interest Cover (x)	37.5	20.4	8.3	8.0
EPS (Rs.)	1.2	1.5	1.9	2.6
P/E (x)	47.2	37.5	30.3	21.5
P/BV (x)	15.0	12.5	17.8	10.9
BVPS (Rs.)	3.7	4.5	3.2	5.2
Market Cap (Rs. Mn.)	32,538.0	32,538.0	34,164.9	34,164.9
M Cap/Sales (x)	3.2	2.8	2.2	1.8
EV (Rs. Mn.)	32,620.0	34,335.2	36,247.2	36,991.4
EV/EBITDA (x)	36.3	23.2	16.3	14.6
EV/Sales (x)	3.2	3.0	2.3	1.9
ROCE (%)	27.7%	20.6%	38.5%	33.0%
RONW (%)	31.8%	33.3%	58.7%	50.4%
Debt/Equity Ratio (x)	0.3	0.9	1.3	1.1
Inventory T/o Days	43.1	42.2	51.9	49.9
Debtors T/o Days	13.7	16.4	15.1	16.5
Advances T/o Days	16.9	16.9	16.8	20.3
Creditors T/o Days	38.2	47.8	62.8	49.0
Working Cap T/o Days	42.2	34.4	27.6	44.6
Fixed Assets T/o (Gross)	4.7	2.4	5.6	5.4
DPS (Rs.)	0.5	0.6	0.6	0.7
Dividend Payout (%)	45.1%	41.4%	34.6%	25.2%
Dividend Yield (%)	1.0%	1.1%	1.1%	1.2%

Balance Sheet				
Particulars	FY05	FY06	FY07	FY08
Equity Capital	580.0	580.0	609.0	609.0
Reserves	1,589.2	2,034.8	1,314.7	2,537.2
Shareholders Funds	2,169.2	2,614.8	1,923.7	3,146.2
Minority Interest	0.0	0.0	0.0	1.2
Borrowed Funds	544.3	2,396.5	2,509.7	3,579.4
Deferred Tax Liability	60.5	82.8	0.0	0.0
Total Liabilities	2,774.0	5,094.1	4,433.4	6,726.8
Fixed Assets	1,459.1	3,813.0	1,654.4	2,573.1
Goodwill	16.7	16.7	449.5	842.4
Investments	124.2	184.7	0.1	0.1
Deferred Tax Asset	0.0	0.0	1,151.5	981.7
Current Assets				
Inventory	1,196.8	1,322.9	2,214.7	2604.6
Sundry Debtors	379.0	515.3	642.6	862.7
Loans & Advances	468.2	528.8	716.6	1060.9
Cash & Bank Balance	338.1	414.6	427.3	752.8
Current Liabilities				
Sundry Creditors	1,061.3	1,498.3	2,677.2	2559.6
Provisions	150.6	206.1	147.2	391.9
Net Current Assets	1,170.2	1,077.2	1,176.8	2,329.5
Miscellaneous Expenditure	3.8	2.5	1.2	0.0
Total Assets	2,774.0	5,094.1	4,433.5	6,726.8

Cash Flow				
Particulars	FY05	FY06	FY07	FY08
Opening Cash & Bank	340.2	338.1	414.6	427.3
Profit After Tax	688.7	868.8	1,128.9	1,585.6
Invt Income	(16.1)	(35.4)	(101.6)	(66.8)
Interest Paid	20.0	50.5	206.1	276.6
Miscellaneous Exp W/Off	1.3	1.3	1.3	1.2
Depreciation	147.8	446.7	520.6	308.6
Deferred Taxation	(1.9)	31.9	158.1	202.1
Others	(50.8)	806.4	(3,600.3)	(315.9)
Change in Working Cap	(270.6)	169.5	(86.9)	(827.2)
CF - Operating Activities	518.4	2,339.7	(1,773.8)	1,164.2
Change in Fixed Assets	(475.0)	(2,778.4)	2,091.7	(1,197.6)
Change in Goodwill	0.0	(851.4)	(34.3)	(34.3)
Change in Investments	(119.4)	(60.5)	184.6	0.0
Investment Income	16.1	35.4	101.6	66.8
CF - Investing Activities	(578.3)	(3,654.9)	2,343.6	(1,165.1)
Changes in Borrowings	433.7	1,852.2	113.2	1,069.7
Interest Paid	(20.0)	(50.5)	(206.1)	(276.6)
Dividend Paid	(355.9)	(410.0)	(464.2)	(466.7)
CF - Financing Activities	57.8	1,391.7	(557.1)	326.4
Net Change in Cash	(2.1)	76.5	12.7	325.5
Closing Cash & Bank Bal	338.1	414.6	427.3	752.8

Local Equity Market					
INDICES	28-Jul-08	Week Ago	% Chng	Month Ago	% Chng
Sensex	14,274.94	13,850.04	3.07	13,802.22	3.42
Nifty	4,311.85	4,159.50	3.66	4,136.65	4.24
CNX Nifty Junior	6,985.40	6,434.35	8.56	6,488.15	7.66
S&P CNX500	3,452.45	3,289.80	4.94	3,293.65	4.82
CNX Midcap 200	5,564.40	5,173.10	7.56	5,418.75	2.69
CNX IT	3,657.05	3,590.65	1.85	4,002.60	(8.63)

International Equity Market					
INDICES	28-Jul-08	Week Ago	% Chng	Month Ago	% Chng
DJIA	11,370.69	11,467.34	(0.84)	11,346.51	0.21
Nasdaq	2,310.53	2,279.53	1.36	2,315.63	(0.22)
S&P 500	1,257.76	1,260.00	(0.18)	1,278.38	(1.61)
FTSE 100	5,352.60	5,404.30	(0.96)	5,529.90	(3.21)
Nikkei 225	13,357.84	12,803.70	4.33	13,544.36	(1.38)
Hang Seng	22,790.14	22,532.90	1.14	22,042.35	3.39
HSCEI	12,482.56	12,458.81	0.19	11,814.42	5.66

MSCI Indices					
MSCI Indices	28-Jul-08	Week Ago	% Chng	Month Ago	% Chng
The World Index	1,360.69	1,369.16	(0.62)	1,402.13	(2.96)
Emerging Market	1,024.52	1,041.50	(1.63)	1,087.12	(5.76)
EM Asia	393.33	386.82	1.68	396.65	(0.84)
EM India	416.04	397.10	4.77	390.26	6.61

Commodities					
Commodities	28-Jul-08	Week Ago	% Chng	Month Ago	% Chng
GOLD (\$/oz)	930.50	965.55	(3.63)	927.80	0.29
SILVER (\$/oz)	17.42	18.42	(5.43)	17.52	(0.57)
ALUMINIUM (\$/t)	2,969.50	3,045.00	(2.48)	3,123.00	(4.92)
COPPER (\$/t)	7,956.00	8,120.00	(2.02)	8,530.00	(6.73)
CRUDE - BRENT (\$/bbl)	124.70	132.61	(5.96)	140.91	(11.50)
CRUDE - WTI (\$/bbl)	123.39	131.82	(6.40)	140.75	(12.33)

Tranportation					
Tranportation	28-Jul-08	Week Ago	% Chng	Month Ago	% Chng
World SCALE	232.50	240.00	(3.13)	235.00	(1.06)
BALTIC FREIGHT INDEX	8,637.00	8,961.00	(3.62)	9,599.00	(10.02)

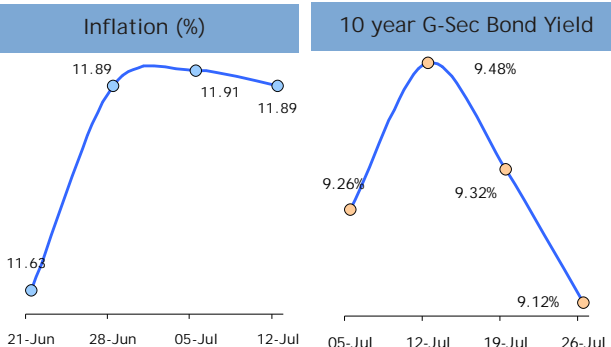
Forex					
FOREX	28-Jul-08	Week Ago	% Chng	Month Ago	% Chng
USD	42.22	42.73	(1.21)	42.88	(1.55)
GBP	83.99	85.62	(1.90)	85.55	(1.81)
EURO	66.34	68.04	(2.50)	67.72	(2.04)
YEN	39.14	40.14	(2.49)	40.40	(3.12)

Global Listings					
Scripts	26-Jul-08	Week Chng	Month Chng	Premium/D iscount	Share per ADR/GDR
Infosys ADR	38.30	2.19	(12.90)	4.27%	1
Wipro ADR	10.94	4.39	(12.74)	13.39%	1
ICICI Bank ADR	32.09	7.11	1.01	3.14%	2
Satyam ADR	21.10	1.01	(16.41)	18.94%	2
HDFC Bank ADR	83.01	6.04	9.39	3.70%	3
MTNL ADR	5.24	16.44	5.39	8.06%	2
Dr. Reddy ADR	15.20	0.13	(0.72)	1.06%	1
Reliance GDR	102.25	(0.49)	2.49	0.52%	2
ITC GDR	4.60	11.65	(0.48)	2.66%	1
Ranbaxy GDR	11.25	8.17	(13.41)	-1.28%	1
L & T GDR	63.20	8.40	11.90	1.62%	1

Top Gainers & Losers of the Week		
Top Gainers	Jul 28, 08	% Chng
State Trading Corporation of India Ltd.	334.65	42.43
HMT Ltd.	75.60	42.37
Reliance Natural Resources Ltd.	95.50	38.01
Strides Arcolab Ltd.	190.05	37.82
Rashtriya Chemicals & Fertilizers Ltd.	65.40	32.52
Engineers India Ltd.	595.10	30.18
Tourism Finance Corporation of India Ltd.	18.95	29.79
Coromandel Fertilisers Ltd.	154.75	29.17

Top Losers		
Infrastructure Development Finance Co. Ltd.	96.85	(11.67)
Ruchi Soya Industries Ltd.	76.95	(9.74)
Tata Elxsi Ltd.	172.45	(8.32)
Kirloskar Brothers Ltd	154.15	(7.78)
Swaraj Engines Ltd.	180.35	(7.49)
ABB Ltd.	834.15	(6.72)
Shoppers Stop Ltd.	296.35	(6.28)
Patni Computer Systems Ltd.	220.05	(6.00)

Sectoral Performance			
Sectors	Week	Month	3 Months
Fertilisers	17.11	6.73	(16.04)
Aluminium	14.27	11.31	(11.16)
Packaging	12.53	3.90	(7.64)
Engineering	12.21	4.22	(13.52)
Finance - Housing	11.87	2.26	(8.00)
Dyes And Pigments	11.42	6.85	(6.42)
Electronics - Industrial	11.42	(1.77)	(23.30)
Banks	10.97	6.30	(23.55)
Tea And Coffee	10.48	3.61	(7.29)
Chemicals - Inorganic	9.69	3.13	(23.27)
Automobiles - 2 And 3 Wheelers	9.50	0.07	(15.58)
Trading	9.25	(1.26)	(23.82)
Shipping	9.10	3.04	(3.35)
Power	8.96	4.32	(20.96)
Printing And Publishing	8.96	2.07	(20.69)
Gems Jewellery And Watches	8.67	(0.12)	(16.91)
Refineries	8.55	6.96	(16.77)
Media & Entertainment	8.53	(5.28)	(18.28)
Mining	8.04	(9.99)	(20.14)
Financial Institution	8.00	1.59	(29.56)



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