

POTENTIAL WINNERS

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MOSER BAER

Moser Baer (India) Limited is among the top three media manufacturers in India. The company's business model remains predominantly OEM-centric with more than 80 per cent of revenues accruing from sales to OEM in the global markets. Over the years the company has leveraged its strong R&D and engineering capabilities to deliver higher value-added products. Moser Baer is headquartered in New Delhi and has four state-of-art plants in Noida (Uttar Pradesh). The company has a strong marketing network with offices located across India (Mumbai, Bangalore, Kolkata) as well as across the globe in Japan, Taiwan, USA, The Netherlands and Dubai. The company has the world's largest Thin Film solar fab used by energy farms, rural applications and Building Integrated Photovoltaic markets. The demand for the same is expected to grow from 250 MW currently to 2GW with a market size of \$ 5 bn by 2010.

Moser Baer India Ltd a wholly owned subsidiary of the Company, announced that it has acquired a 40% strategic equity stake in the Slovenia-based Solarvalue Proizvodnja. The acquisition will enable the company to have an assured supply of high grade solar grade silicon and aid in its objective of becoming a significant Player in the photo voltaic space. Solarvalue Proizvodnja d.d plans to set up a capacity of 4,400 tonnes of solar grade silicon by end 2008. Also it plans to clearly straddle multiple future technologies and emerge as an engineering & technology driven company. The first phase of the 80MW crystalline silicon plant of MBPV has already commenced trial production and is well on its way to commence commercial production in April 2007.

Financials: For the fiscal ended March 2006 sales were Rs.1663.7 crore, OPM was 21.2%, net profit was Rs.4.6 crore and the EPS was

Rs.0.3. For the quarter ended December 2006 sales were Rs.501.5 crore, OPM was 29.9% and net profit was Rs.37.6 crore.

Recommendation: Hold

IVRCL INFRASTRUCTURE.

IVRCL Infrastructure has a presence in the irrigation, water supply, roads, industrial structures and power transmission segments. Its core business is in the area of water segment; it undertakes irrigation works, desalination projects and also builds sewerage systems. Orders from this segment constitute more than half the company's total order book position. IVRCL can be credited with implementing India's first seawater desalination facility for the Chennai Municipal Corporation. The BOT portfolio includes the Jalandhar-Amritsar tollway, Kumarapalayam-Chenagmpali and Salem-Kumarapalayam projects. Recently, the company's 80% subsidiary, IVR Prime Urban Developers, filed its DRHP with Sebi for an Initial Public Offer, a move that should lead to unlocking of value in its real estate business. Cushman & Wakefield (international property consultants) has valued the land reserves and development profits of the company at Rs 5,000-5,520 crore, and after deducting the developer's margins, the net present value (NPV) stands at Rs 2,890-3,190 crore. There is potential for unlocking value through the listing of IVRCL's real estate arm once issues regarding disclosures are clarified by SEBI. The Government has announced certain taxation issues in the Budget. The Section 80 IA implications for IVRCL will subdue the company's future earnings. There is no non-payment of taxes in earlier assessment years.

Financials: For the fiscal ended March 2006 sales were Rs.1521.4 crore, OPM was 8.8%, net profit was Rs.93.1 crore and the EPS was Rs.7.1. For the quarter ended December 2006 sales were Rs.533.5 crore, OPM was 10.4% and net profit was Rs.32.1 crore.

Recommendation: Hold

NIIT

NIIT, the global IT Learning Solutions Corporation which offers knowledge and learning solutions It has great potential from the corporate learning segment as well as the institutional business. The individual business segment continues to post strong numbers. NIIT has recently acquired Element K, US headquartered learning solutions provider which will drive growth in future. The company has recently partnered with the Government of Egypt for building a pool of skilled professionals. NIIT has recently launched NetworkLABS and IAE (Integrated ANIIT for Engineers) in Chennai and Delhi. NIIT NetworkLABS is a one year course covering networking and infrastructure management technologies. This program also has options of pursuing certification programmes such as A+, Network+, MCDST (Microsoft Certified Desktop Support Technician), MCSE (Microsoft Certified Systems Engineer), and CCNA (Cisco Certified Network Associate). IAE (Integrated ANIIT for Engineers) is a newer version of AAE (Accelerate ANIIT for Engineers) and is a five-semester-long dual-qualification program launched in Chennai, Hyderabad, Bangalore, Pune and Delhi. Also its US business is gaining traction and SkillSoft is expected to close NETg acquisition by May/June 2007.

Financials: For the fiscal ended March 2006 sales were Rs.337.8 crore, OPM was 13.2%, net profit was Rs.26.1 crore and the EPS was Rs.12.5. For the quarter ended December 2006 sales were Rs.93.5 crore, OPM was 12% and net profit was Rs.8.1 crore.

Recommendation: Buy

DECCAN GOLD MINES LTD.

Deccan Gold Mines is the first private sector Gold Exploration company to be listed company on the Indian bourses. The company has been promoted by Australian Indian Resources Pty. Ltd. (AIR) through its Mauritius subsidiary – Rama Mines (Mauritius) Ltd. The

promoters hold roughly 70% in the company. Deccan Gold has entered into agreements with its associated companies, Geomysore Services (India) Pvt Ltd and Indophil Resources Exploration Services Pvt Ltd for the transfer of Prospecting Licences to Deccan Gold in the Dharwar Shimoga, North and South Hutti, Ramagiri and Mangalur pr ospecting blocks.

Deccan Gold is currently working on the following projects. Mangalur Belt – The Mangalur Belt is 25 km long and 4-5 km wide. It is composed of metamorphosed basalt, gabbro, ultramafic rocks, felsic volcanic rocks and coarse clastic sedimentary units like at Hutti, Kolar and Sonakhan belts. The Mangalur belt has been known for gold mineralization. North Hutti- The Hutti Greenstone belt is host to the world class gold deposit being mined by The Hutti Gold Mines Ltd (HGML), a Government of Karnataka undertaking. Gold mining activity in the belt has been known since pre-Ashokan time, about 3000 years ago. The company has two Reconnaissance exploration licences (RPs) covering 851sq km area of the most prospective part of the Hutti belt. South Hutti – The South Hutti project extends into a 315 sq.km block covering the South Hutti greenstone belt. This tract contains several promising prospects. The company has been working on a few prospects in the South Hutti project based on highly encouraging gold values obtained during preliminary geochemical sampling. Dharwar –Shimoga Belt – The company has 5,329 sq km area under 3 Reconnaissance Permits blocks which cover a major portion of this belt that is 155km long and 100km across. Ramgiri Gold Field - The Ramagiri RP block comprises the well known 13 km long Ramagiri Gold Field (RGF) that was a scene of intensive underground mining activity by the Britishers in the early part of the last century.

Financials: For the fiscal ended March 2006 sales were Rs.0.4 crore, OPM was loss 74.4%, net loss was Rs.0.5. For the quarter ended December 2006 net loss was Rs.0.1 crore.

Recommendation: Buy

PUNJ LLOYD

Punj Lloyd (PL) is a Delhi-based engineering construction company. Its main lines of business are offshore and onsite pipelines, oil & gas terminals, process facilities for the oil & gas industry and civil infrastructure construction. The company executes projects mainly in the Middle East, the Caspian Sea, South-East Asia and South Asia. It is gradually increasing its geographic presence and has recently won large orders in Africa. The Company, has entered into agreement with Riffa Golf and Residential Development Company of Kingdom of Bahrain to construct 325 villas of a residential community, Riffa Views, adjacent to the existing Riffa Golf Club. Sembawang along with its Joint Venture partner, G.P. Zachariades, a prominent local contractor, will build 325 villas under the Lagoons package. The Company has received approval of extension of their existing contract with New Doha International Airport (NDIA). The extension will enhance the capacity of the fuel system to take care of phase II expansion of the new airport. The extension order is valued at Rs 258 crore. With this approval, the contract value for the extended scope becomes Rs 618 Crores. The project would be completed by December 2008.

The Company, a global EPC services provider in energy and infrastructure domains, has been engaged by the Ensus Group to design and construct the world's largest wheat based bio-ethanol production facilities. The plant will be the first world scale facility to be built in UK and marks a major step in meeting the EU bio-fuel obligations. The full production from the plant is likely to commence in early 2009, with the construction work starting in the second quarter of this year. The facility will be built at the Wilton International site in Teesside, an integrated petrochemical complex in the North East of England. This contract is expected to expedite the turnaround process of the subsidiary.

Financials: For the fiscal ended March 2006 sales were Rs.1410.9 crore, OPM was 8.7%, net profit was Rs.31.4 crore and the EPS was Rs.5.9. For the quarter ended December 2006 sales were Rs.650.7 crore, OPM was 7.5% and net profit was Rs.19 crore.

Recommendation: Buy

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