STOCK – WATCH

Date of Report: 5th February 2007

JK CEMENT LTD

JK cement was earlier a division of JK Synthetics Ltd. It produces white and grey cement. It started white cement production in 1984 in Gotan, Rajasthan. JK Cement produces grey Portland cement of 3 million MT per Year and white cement of 0.3 million MT Per year. It has three factories all in Rajasthan. JK Cement has received 5% interest subsidy from the Rajasthan Government. It will also get 50% waiver on sales tax for cement sold in Rajasthan. JK Cement Ltd acquired 100% of the paid up Equity Capital of M/s. Jaykaycem Ltd on August 01, 2006 and consequently Jaykaycem Ltd has become a wholly owned subsidiary of the Company. On December 8, 2006 it has led the foundation of the first cement plant of its subsidiary Jaykaycem Ltd at village Muddapur, dist. Bagalkot in Karnataka. Along with this two new projects at the same place were announced - - 50 MW capacity Captive Power plant and Jaykay Nagar, a residential colony. This plant will have the capacity of 3.5 ml tones and will provide employment to around 10000 people. JK Cement has acquired plant of Nihon Nirmaan LTD from IDBI which is situated near the company's plant at Gotan. The cost of the plan is Rs.420 ml and it will be used to produce grey cement approximately 0.3 – 0.35 ml tones per year.

Financials: For the fiscal ended March 2006 sales were Rs.939.8 crore, OPM was 14%, net profit was Rs.32.5 crore and the EPS was Rs.4.4. For the quarter ended September 2006 sales were Rs.268.2 crore, OPM was 23.7% and net profit was Rs.34 crore.

Recommendation: Hold

PUNJ LLOYD LTD

Punj Lloyd Limited engineering construction companies in India which provides integrated design, engineering, procurement, construction and project management services for energy industry and infrastructure sector projects. The company's major business area is in onshore and offshore pipelines, cryogenic tankage and terminals, infrastructure services, process plant, turnkey telecom solutions, engineering services, plant and facility management, power and broadband services. With in the period of 20 years it has constructed more than 8,000 km of pipelines and 6 million m^3 of tanks and terminals capacity and has executed 11 refinery modernisation and quality improvement projects. Punj Lloyd Limited has also worked on or is working on 18 highway projects in the infrastructure sector. Punj Lloyd Limited has clients from international energy companies like ADNOC, British Petroleum, Cairn Energy, Pertamina, PetroKazhakstan, Petroleum Development Oman, Shell, Total and TengizChevroil (a joint venture of Chevron) as well as energy majors in India such as BHEL, BPCL, CPCL, Dabhol Power Company, Essar Refineries, GAIL, Gujarat Gas, HPCL, IOC, Jindal Power, Kochi Refineries, Nuclear Power Corporation, OIL, ONGC and RIL. Punj Lloyd Limited has also worked on projects for major engineering construction companies including Bechtel, Parsons Fluor Daniel, Petrofac, Saipem, Siirtech Nigi, Skanska, Skoda, Snamprogetti, Technip and Toyo as well as Engineers India Limited and Lurgi and infrastructure projects includes various projects for NHAI and Delhi Metro.

The Company has presence in regions like the United Kingdom, Tunisia, Libya , Saudi Arabia , Turkey and Georgia and in the regions of Middle East, the Caspian, the Asia Pacific, Africa and South Asia. It has 13 subsidiaries which includes subsidiaries in Kazakhstan and Indonesia. As of September 30, 2005, Punj Lloyd Limited employs approximately 1,472 full time employees and more than 4,500 casual and temporary contract employees based around the world. Punj Lloyd Limited has various accreditation such as the ISO 9001:2000 QMS, the ISO 14001:1996 EMS and the OHSAS 18001:1999 OHSMS from Det Norske Veritas. It has received Export award for the year 2003-2004 and 2004-2005 for second best performance in the category of maximum value of overseas contracts secured from the Projects Exports Promotion Council of India.

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 September 2006 sales were Rs.401.9 crore, OPM was 7.2% and net profit was Rs.0.8 crore.

Recommendation: Buy

INDOCO REMEDIES

INDOCO REMEDIES, earlier known as Indo Continental Trading Company,started its business in wholesale and retail trade of pharmaceuticals but after independence it went in manufacturing and selling of pharmaceutical formulations. The core business areas of the company is contract manufacturing, licensing alliances (in-licensing and out-licensing), analytical method development and regulatory affairs. It has its presence in domestic as well as international markets. Domestic market is divided into divisions like Indoco, Spade, Warren, Radius, Surge and Warren-excel which caters to the marketing of different products in different areas within the country. Internationally the company has presence in 33 countries divided into regulated and semi-regulated which includes markets in US, Europe, Africa and South East Asian countries. Company caters to various product segments like Tablets, Liquid Orals, Creams, Ointments, Gels, Injectables, Ophthalmic & Aural Preparations and Dental Products.

Company has two plants at Goa. Plant– I is approved by MHRA-UK & German Authorities and Plant –II is approved by USFDA. OTHER Plants are at Baddi in Himachal Pradesh owned by the company's 100% subsidiary - Indoco Healthcare Limited; at Andheri and in Tarapur both approved by WHO-GMP. The company acquired API (Active Pharmaceutical Ingredient) manufacturing facility - La NOVA Chem in July 2006 and a Brand from Solvay Pharma India Ltd. - Karvol Plus in September 2004. It has opened an R&D center at

Rabale, Navi Mumbai in March, 2006 which is spread in the area of an area of 70,000 sq. ft having facilities like Synthetic Chemistry Lab, F & D, AMD Regulatory, IPR cell, latest databases with a built-in kilo-lab facility and the group of 70 scientist working there.

Financials: For the fiscal ended March 2006 sales were Rs.24 crore, OPM was 16.7%, net profit was Rs.26.7 crore and the EPS was Rs.15.4. For the quarter ended September 2006 sales were Rs.70.7 crore, OPM was 7.3% and net profit was Rs.1.6 crore.

Recommendation: Hold

SURYA PHARMA

Surya Pharma is a pharma company started its business in 1993 as manufacturers of penicillin derivatives. It is involved in manufacturing, customized development, marketing and distribution of various bulk drugs (Active pharmaceuticals Ingredients). The core competency of the company is in penicillin derivatives while Cephalosporins and antihistamines are also the other areas of its business. Earlier it was only in manufacturing of bulk drugs and intermediates but now company has tied up with other pharmaceutical companies, both in India and in foreign to carries out contract manufacturing of bulk drugs and formulations. The company has wide marketing network in India and in international markets. Its half of the production is exported to countries like Europe, South East Asia, the Far East, Middle East, Latin America and Africa. The company produces tablets and capsules in categories like Betalactum Antibiotics, Cephalosporins ORALS, Antihistamines**,** Anti-ulcerants and Non Sterile. The company is also diversifying segments like anti-histamines and cardio vascular drugs, and increasing its focus on exports for the long term. It has four manufacturing units at Panchkula, Banur and Baddi - located in the foothills of the Himalayas. It is also planning to come up with a Greenfield project in Jammu. The plant at Panchkula produces 24 tonnes of anti-histamine bulk products like loratidine and fexofenadine per year. All the plants are operating as per cGMP standards and are capable of carrying reactions at temperatures ranging from -70º C to 200º C.The total capacity of the plant is more than 400,000 litres.

Financial: For the fiscal ended March 2006 sales were Rs.238.5 crore, OPM was 19.4%, net profit was Rs.21.3 crore. For the quarter ended September 2006 sales were Rs.62.1 crore, OPM was 20.6% and net profit was Rs.6.4 crore.

Recommendation: Hold

GUJARAT INTRUX

Gujarat Intrux is presently engaged in the manufacture of steel castings. The Main products of the company are Stainless Steel, Alloy Steel and Non-Alloy Steel Castings. The company has full-fledged laboratory and having a Spectrophotometer for Analysis, having Radiographic facilities, etc. An ISO 9000: 2000 certified company.

Financials: For the fiscal ended March 2006 sales were Rs.18.6 crore, OPM was 20.8%, net profit was Rs.2.6 crore and the EPS was Rs.7.3. For the quarter ended September 2006 sales were Rs.6.1 crore, OPM was 16.9% and net profit was Rs.0.6 crore.

Recommendation: Hold

BOC INDIA

BOC India (BOCI) is the largest industrial gas producing and engineering company in India. The company is a 54.8% subsidiary of the $ 6-billion BOC Group Plc, of UK, the second largest industrial gases company in the world. BOCI specialises in setting up air separation units (ASU), which are an integral part of any large steel project, offering it direct upside from the accelerated capex up-cycle in the steel sector. BOCI had set up a special purpose vehicle, Bellary Oxygen Company Pvt Ltd, for implementing and operating long-term gas supply contracts entered by it with JSW Steel. Bellary Oxygen company is a 50:50 joint venture with Inox Air Products. BOCI's on-site plants are located in the western and eastern India. The company's business is in four major areas namely, Industrial gases, Medical gases, Special gases and Projects. Industrial gases are of two types, Atmospheric Gases like Argon, Nitrogen, Oxygen, Krypton, Xenon and Neon and Process Gases like Hydrogen, Helium, Carbon dioxide, Acetylene, and Speciality gases. It produces over 20,000 special gases and mixtures which are used in different industries like Petrochemicals, Pharmaceuticals, Electronics, Semi-conductor, Paper, Cement, Power, Refineries, Hospitals and Universities. The Projects division is a Core Engineering and Technology Centre. The company has undertaken projects in the areas like iron & steel, non ferrous, Petro chemicals and refineries, research facilities (in nuclear, defence, space, and particle physics), Electronics & semiconductor, Medical Gases Installations and Ship Building Yards.

Financials: For the fiscal ended March 2006 sales were Rs.522.2 crore, OPM was 17.1%, net profit was Rs.49.5 crore and the EPS was Rs.9.7. For the quarter ended December 2006 sales were Rs.115.3 crore, OPM was 9.4% and net profit was Rs.3.8 crore.

Recommendation: Hold

DR. REDDY'S

Dr. Anji Reddy founded Dr.Reddy's Laboratories in 1984 and is the India's second largest pharmaceutical company. It manufactures Active Pharmaceutical Ingredients (API), Generics, branded Formulations and Biologics and offers services like Custom Pharmaceutical Services (CPS). It has its presence in India as well as in international markets like United States, Europe, India and Russia. Generics are supplied in North America and European Union while Branded formulations are supplied to rest of the world. It has 950 scientist conducting R&D in the areas of diabetes, cardiovascular, inflammation and bacterial infection. The company has set up research centers at Atlanta in USA and Hyderabad in India. It undertakes alliances and Partnering for research and growth opportunities is in areas like API, Generics, Speciality Pharmaceuticals, Oncology, Biologics, Discovery research and Technology platforms. For example researchers at the University of Auckland have teamed up with Dr Reddy’s Laboratories, for the trial of a new pill ‘polypill' that could provide a vastly simpler and more effective treatment for heart disease. The Health Research Council of New Zealand invested NZ$350,000 and Dr Reddy's will invest NZ$7.5 million in developing the Polypill and providing supplies for clinical trials globally. Dr.Reddy’s has bagged the internationally reputed ‘Recruiting and Staffing Best in Class’ (RASBIC) Award for 2005. In May, 2006 Dr. Reddy's was awarded the Pharma Excellence Awards organized by Express Pharma, an Indian Express initiative in the three categories i.e. Leveraging Global Opportunity, Operational Excellence and The Editor's Choice Award - Best Business Development Deal of the Year (for the acquisition of betapharm). Recently Dr. Reddy’s Lab received approval from the U.S. Food and Drug Administration for its Abbreviated New Drug Application ("ANDA") for Ondansetron Hydrochloride Tablets, 4 mg, 8mg, 16 mg and 24 mg and it has been awarded a 180-day period for marketing the product.

Financials: For the fiscal ended March 2006 sales were Rs.2005.9 crore, OPM was 13.8%, net profit was Rs.185.9 crores and the EPS was Rs.10.8. For the quarter ended December 2006 sales were Rs.1153.39 crore, OPM was 51.63% and net profit was Rs.503.49 crore.

Recommendation: **Buy**

SHREE CEMENTS

Shree Cements is one of the largest cement companies in North region having existing capacity of 4.5mn tonnes of cement per annum located in central Rajasthan. The company primarily caters to Rajasthan, Punjab, Haryana, Delhi and Uttranchal in the Northern region and Uttar Pradesh in Central region. Rajasthan accounts for approximately majority of the company's sales while Delhi and Haryana together account for the other majority of the sales. The company has planning to expand it to 10 mn tonnes by 2010. Shree Cement has a total of 700 mn tones of limestone reserve which would be sufficient to meet its requirements for the next 40 years. Shree Cement's third unit is located at the pithead of limestone reserve unlike the other two units in Beawar, Rajasthan. Unit IV, which is expected to be commissioned in FY08, would also be located at the pithead of company's limestone reserve. As the new plants are located at the pithead of limestone reserve, the raw material cost per ton of cement is expected to go down as the company would be saving in cost of transportation. Shree Cements is expanding cement capacity from 4.50 million tones currently to 9.10 million tonnes by Dec 2007. The capacity of the captive power plant will increase to 54 MW. The company is spending Rs. 850 crores for the same.

Financials: For the fiscal ended March 2006 sales were Rs.694.8 crore, OPM was 28.5%, net profit was Rs.18.1 crore and the EPS was Rs.4.5. For the quarter ended December 2006 sales were Rs.364.5 crore, OPM was 43.9% and net profit was Rs.104.1 crore.

Recommendation: Buy

NUCLEUS SOFTWARE EXPORTS

Nucleus Software Exports Limited (NSEL) was established in 1989. The three IITians namely, Mr. Vishnu Dusad, Arun Jain and Yogesh Andle promoted the company in1983 for servicing the Citigroup.The main business of Nucleus Software Exports is to develop Computer Software. The company's plants are located in Lodhi Colony, New Delhi. It has five wholly owned subsidiaries in Singapore, US, Japan, Australia & Hong Kong and a branch office in London. NSEL's development centers are in Delhi, Noida, Chennai, Pune and Singapore. The company provides software solutions to banking and financial services. It has developed software solutions ranging from Retail Banking to Corporate Banking, Cash Management, Trade Finance, Internet Banking and Credit Cards. NSEL is SEI CMM Level 5 certified.

NSEL's flagship product FinnOne is a comprehensive suite of retail banking product and consists of various application modules like loan origination, customer acquisition, recovery management, delinquency and general accounting system.It has been ranked as the eighth highest selling product by the International Banking Systems (IBS; a leading publication house that ranks various banking software product companies in terms of the number of sales of a product globally) for 2005.The ranking has improved consecutively over the last two years, up from the 15th position in 2003 and the 10thposition in 2004. The FinnOne product has the reputation of being one of the leading universal banking solution with120 customers in all four continents, including reputed names like GE Capital, Citibank N.A, American Express Bank, Bank of America, BNP Paribas, Standard Chartered Bank, Shinsei Bank, HDFC Bank, Shensei Bank and Tokyo Star Bank amongst others. The company also has other software products like Cash@Will (cash management), FMS (fraud management), BankOnet (Internet banking), Trade Facto (trade finance) and Power Card (credit card system). By the end of FY2006, the company had implemented 250 application modules in30 countries globally. In addition to the product business, NSEL offers project oriented customized application development and maintenance services. Through its wholly-owned subsidiary, Virstra i-Technology, the company operates a dedicated development centre for one of its large clients.

In the year 2005 NSEL had landmark deal from General Motor Acceptance Corporation (GMAC) for its International operations to start in Europe, Latin America and Asia Pacific. This deal is valued for around Rs. 560 millions and will be executed by December 2008. The product business grew exponentially in FY2006 because of a GMAC deal. Apart from this, it added 21 new clients and got orders for 38 new installations in FY2006. In the first half of FY2007 also, the company added 14 new clients and continued to grow its pending order book that stood at Rs135 crore as on September 2006.

Financials: For the fiscal ended March 2006 sales were Rs.94.4 crore, OPM was 34.6%, net profit was Rs.27.7 crore and the EPS was Rs.16.7. For the quarter ended September 2006 sales were Rs.34.8 crore, OPM was 28.8% and net profit was Rs.9.2 crore.

Recommendation: Hold

OUDH SUGAR

Oudh Sugar Mills Limited (OSML) belongs to the K.K. Birla Group of Companies. It also manufactures Industrial alcohol and has a Bio-Compost plant (organic fertilizer) and a fruit and vegetable canning factory. The company has a well performing distillery operations segment. New Swadeshi Sugar Mills a unit of the company has been granted ISO: 9001:2000 certification for the manufacture and sale of sugar and its by-products. The sugarcane crushing capacity of New Swadeshi Sugar Mills, Narkatiaganj (Bihar), a unit of the Company, is being expanded from 6500 TCD to 7500 TCD with a co-generation plant of 5 MW at a cost Rs 270 million. The Company is in the process of setting up a Greenfield plant at Hatta, Gorakhpur (U.P.) at an estimated cost of Rs 3360 million with a capacity of 7000 tcd and co-generation plant of 17 MW. The plant will be fully operational by November, 2008. Presently the company has three sugar manufacturing units (two in U.P. and one in Bihar) and will achieve an aggregate crushing capacity of about 21,700 tonnes crushing per day (tcd) in the forthcoming season. It has also two distilleries at Hargaon (U.P.), Narkatiaganj (Bihar) and a fruit & vegetable processing factory at Allahabad (U.P).

Financials: For the fiscal ended March 2006 sales were Rs.507 crore, OPM was 20.1%, net profit was Rs.45.6 crore and the EPS was Rs.24.4. For the quarter ended September 2006 sales were Rs.110.1 crore, OPM was 7% and net profit was Rs.0.2 crore.

Recommendation: Hold

RAMSARUP INDUSTRIES

Ramsarup Industries Ltd (RIL) was established in 1966 as a partnership firm and later in 1973 converted into a company. It started its business with a galvanizing capacity of 500 MTPA. Presently, RIL is one of the largest manufacturers of black and galvanized steel wires and TMT bars in the country. The company is one of the few manufacturers in India to provide the whole range of TMT products which is used in the mega projects .The company has an installed capacity of producing 209000 metric tonnes of steel wire per annum and 87000 tonnes of TMT bars per annum. The company has four units:- Ramsarup Industrial Corporation (Wires),Ramsarup Utpadak (TMT bars and wire rods), Ramsarup Vidyut Ltd (Wind energy) and has started Ramsarup Infrastructure for turnkey projects. The company's manufacturing facilities are located at Kalyani and Shyamnagar in West Bengal. Despite being a single location player; the company's reach is national, mainly spread through its agents. Power sector being the primary focus of the company, contributes 40% of the topline. The company, is amongst the few manufacturers in India to provide wide range of TMT bars and is the only player in the Indian Steel Wire market, covering the entire value chain of G I Wires. Investments of an estimated Rs.900 billion are planned over the next 6-7 years in power sector. he company is planning to increase its wire capacity by 348,000 MTs. per annum including L.R.P.C. Wire and other grades of wire for power and infrastructure sector.

Financials: For the fiscal ended March 2006 sales were Rs.1018 crore, OPM was 6.5%, net profit was Rs.27.8 crore and the EPS was Rs.15.5. For the quarter ended September 2006 sales were Rs.272.1 crore, OPM was 6.7% and net profit was Rs.8.2 crore.

Recommendation: Hold

SUBHASH PROJECTS

Subhash Projects & Marketing Ltd, which is mostly engaged in the power and water related projects within the infrastructure sector, is aggressively bidding for road projects. Subhash has a major presence in the electrical transmission & distribution (T&D) segment through executing turnkey projects for setting up transmission & distribution lines under various investment programs floated by the central and state government. The orders primarily comprise of renovation & modernization (R&M) of current T & D infrastructure and rural electrification (RE) jobs backed by Power Grid Corporation Ltd (PGCL) and several SEBs. The company also has expertise in setting up hydro power plant on turnkey basis, which may translate into major opportunity in next few years. SPML has key capabilities in executing water related projects and electrical T&D projects for renovation & modernization (R&M) of current power infrastructure and rural electrification (RE) projects.
SPML has expertise in setting up hydro power plant albeit of smaller capacity (35MW Rupin Hydro Power project), which opens up huge opportunity for the company in the high margin business.

Financials: For the fiscal ended March 2006 sales were Rs.367.6 crore, OPM was 9.1%, net profit was Rs.21.4 crore and the EPS was Rs.6.8. For the quarter ended September 2006 sales were Rs.193.7 crore, OPM was 10.7% and net profit was Rs.10.1 crore.

Recommendation: Hold

BALAJI AMINES LTD

Balaji Amines Limited (BAL), one of the leading manufacturers of Aliphatic Amines in India was set up in the year 1988 to cater to the growing requirements of value based specialty chemicals. BAL commenced manufacture of Methyl Amines in the year 1989 and subsequently added facilities for manufacture of Ethyl Amines and other derivatives of Methyl Amines. BAL has been consistently adding capacities and fine tuning process to provide a quality product at a least cost to the customers. World-over, Amine technology is a closely guarded process with only a few handful companies having access to such technology. BAL for the first time in India, tested on an indigenously developed technology and developed it further over a period of time. Today, BAL's products are accepted in international markets and have gained the distinct export quality status which makes it one of the few companies in India having the potential to match the stringent international quality standards for which we have been awarded ISO-9002 Certification. BAL's state-of-the-art manufacturing facility is located at Tamalwadi village, near the town of Solapur (Maharashtra State, India). The facility is completely furnished with latest technology like digital computerized controlled systems, which facilitates the control of operations from the control room. In addition BAL possesses an excellent laboratory, which helps them in conducting basic research and also to fine tune the process. BAL's products are accepted in international markets and have gained the distinct export quality status which makes it one of the few companies in India having the potential to match the stringent international quality standards.

Financials: For the fiscal ended March 2006 sales were Rs.128.6 crore, OPM was 14.8%, net profit was Rs.9.1 crore and the EPS was Rs.27.3. For the quarter ended September 2006 sales were Rs.45.7 crore, OPM was 16% and net profit was Rs.5.2 crore.

Recommendation: Hold

GUJARAT NRE COKE

Gujarat NRE Coke Ltd (GNCL) is India's largest merchant coke manufacturer; with a consolidated capacity of 1,006,000 tonnes (including capacity of 324,000 tonnes owned by its subsidiary Company Bharat NRE Coke Ltd). GNCL started operations from its manufacturing facility at Khambalia, Jamnagar with 3 chimneys and a production capacity of 1 lac tonnes per annum. At present, the plant is operating 11 chimneys with an installed capacity of 358,000 tonnes. GNCL has also set up a Greenfield plant at Bhachau with an installed capacity of 324,000 tonnes and it became operational in March 2004. Gujarat NRE is promoted by the Jagatramka family that holds a 45.81% stake in the company. The Company has also promoted Bharat NRE Coke Limited; which has set up a unit at Dharwad, Karnataka with a capacity of 3.24 lac tonnes. GNCL has invested in wind farms close to its plant site to get low cost power and save precious natural resources. To secure the regular supply of coking coal, the key raw material in coke manufacturing, the company has made important acquisitions of mining and exploration rights in coal-rich Australia and New Zealand. It acquired the NRE No 1 Colliery (Erstwhile South Bulli Colliery) with reserves of around 300 million metric tonnes of coking coal in December 2004 which has already started production. In July 2005, it acquired the coal mining leases comprising the whole of old Avondale Colliery and part of Huntley Colliery in the Southern Coalfields of New South Wales. The company has picked up a 5 per cent stake in Resource Pacific Holdings Limited, a coal producing company which owns and operates the Newpac No 1 Colliery situated in the Hunter Valley region of New South Wales. It has made a 19.9 per cent investment in Rey Resources Limited which gives it the exploration access in Western Australia, where there is huge potential of finding commercial deposit of quality coking coal. Gujarat (NRE) has acquired an 18.63 per cent stake in Zelos Resources NL, an Australian mining company having exploration license in iron ore and other base metals like nickel and zinc.

The Company has set up a steel plant in Bhachau, Gujarat for the manufacture of steel rebars in December 2005. The plant set up with an investment of Rs 50 crore approximately having a capacity of 300,000 tonnes per annum. For the production of rolled products, the company imports scrap and purchases sponge iron from the local market. Currently, around 28% of the plant's power requirement is met through the company's 25MW wind turbine generators; and the remaining requirement for power is met from the open market. Gujarat NRE's client list is spread across sectors. It includes Steel plants and chemical plants (soda ash producers) together account for 60% of the company's sales. The company sells another 30% of its production to small foundries through dealers; cement and Ferro alloy plants account for the remaining 10%. In 2004, the company exported the first ever coke consignment from India, to Brazil and subsequently to South Africa.

Financials: For the fiscal ended March 2006 sales were Rs.553.7 crore, OPM was 29.5%, net profit was Rs.123.6 crore and the EPS was Rs.3.2. For the quarter ended September 2006 sales were Rs.94.9 crore, OPM was 6.7% and net loss was Rs.1.7 crore.

Recommendation: Hold

STERLING TOOLS

Promoted by Shri M.L.Aggarwal, Sterling Tools Ltd (STL) was incorporated in the year 1979. The company deals in high tensile fastners. STL is one of the leading original equipment (OEM) suppliers for fasteners in the country. STL has its plant in Faridabad (Haryana). The product range of the company includes Cold Forged Fasteners, Socket head cap screws, Socket head shoulder screws, Socket low head cap screws, Socket countersunk head screws, Socket button head cap screws, Flange screws, Studs, Hex bolts and nuts. From the above, Cold Forged Fasteners contribute the most to the company's revenues. A new B2B (Business Profile-to-Business Profile) portal for automotive spare parts called `sparesindia.com` has also been initiated by the company. Sparesindia will help auto component makers to web-enable their distribution and sales setups.

Financials: For the fiscal ended March 2006 sales were Rs.115.6 crore, OPM was 12.3%, net profit was Rs.5.6 crore and the EPS was Rs.7.7. For the quarter ended December 2006 sales were Rs.37.6 crore, OPM was 13.7 % and net profit was Rs.2.1 crore.

Recommendation: Hold

PHOENIX LAMPS

It is an Indo-Japanese joint venture promoted in 1991. PICUP, a state government financial corporation, is the joint sector company in this venture. The company manufactures halogen automotive lamps and compact fluorescent lamps (CFL) using automated processes. The total capital investment is over Rs 1,000 million and the facility is based at Noida Export Processing Zone. This facility is one of the best lamps manufacturing facilities in the world, which is equipped with synchronized operations and continuous online digital monitoring system. The company has a capacity to produce upto 50 million lamps per year, and all the lamps come with international product quality certification where applicable. It is the largest manufacturer and exporter of halogen automotive lamps and compact fluorescent lamps from India. Over a period of time, it has established its markets in the European Union, Japan, South Korea, Brazil, Australia, South Africa, Middle East, South East Asia, North and South American countries. Under its brand name HALONIX, Phoenix Lamps supplies Original equipment (OEM) to reputed automobile manufacturers. It is also does private labeling for several world-renowned lighting companies. Argon India Ltd, Argon South Asia Ltd along with Actis Indiafund 2 LP (`AIF) have made an open offer to the shareholders of Phoenix Lamps to acquire upto 47,69,860 equity shares of Rs 10 each, representing 20% of the voting rights in the target company, from the remaining equity shareholders of the target company, at a price of Rs 152 per share payable in cash subject to the terms and conditions. It has been revised to Rs 190/- per share as against Rs 152/- per share.

Financials: For the fiscal ended March 2006 sales were Rs.232.7 crore, OPM was17.4%, net profit was Rs.22.1 crore and the EPS was Rs.8.6. For the quarter ended September 2006 sales were Rs.72.7 crore, OPM was 17% and net profit was Rs.8.3 crore.

Recommendation: Hold

WHIRLPOOL INDIA

Whirlpool, commenced operations in 1911 as first commercial manufacturer of motorized washers to the current market position of being world's number one manufacturer and marketer of major home appliances. The parent company is headquartered at Benton Harbor, Michigan, USA with a global presence in over 170 countries and manufacturing operation in 13 countries with 11 major brand names such as Whirlpool, KitchenAid, Roper, Estate, Bauknecht, Laden and Ignis. Whirlpool initiated its international expansion in 1958 by entering Brazil. Its Indian operations commenced only in the late 1980s. It forayed into the market under a joint venture with TVS group and established the first Whirlpool manufacturing facility in Pondicherry. It acquired Kelvinator India Limited in 1995 and marked an entry into Indian refrigerator market as well. The same year also saw acquisition of major share in TVS joint venture and later in 1996, Kelvinator and TVS acquisitions were merged This expanded the company's portfolio in the Indian subcontinent to washing machines, refrigerator, microwave ovens and air conditioners. With a market share of over 25%, the company has tremendous brand value. The company manufacturing facilities are located at Faridabad, Pondicherry and Pune. Currently, Whirlpool products are available across 7500 retail outlets in over 150 cities/towns.

Financials: For the fiscal ended March 2006 sales were Rs.1252.2 crore, OPM was loss 1.1%, net loss was Rs.24.3 crore. For the quarter ended September 2006 sales were Rs.306.5 crore, OPM was loss 1% and net loss was Rs.9.7 crore.

Recommendation: Hold

VALECHA ENGINEERING

Valecha Engineering is promoted and managed by Valecha group. The company was incorporated in 1977.The company undertakes construction works involving highways, flyovers, dams, bridges, tunnels, canals, airports, water supply, buildings and pile foundations. The company started off by executing small road works for the Bombay Municipal Corporation (BMC). Today, it specializes in the areas of cement-paved roads, airport runways and piling. The company`s office is located in Andheri, Mumbai. The company is registered with leading corporations like PWD, MKVDC, VIDC, TIDC, GMIDC, Madras Port Trust etc for securing road construction and other infrastructure contracts. In September 2006, Valecha Engineering has bagged a Pachor - Sujalpur - Astha - Kannod road project at Madhya Pradesh and the Khajorao Airport Project aggregating to Rs 800 million.

Financials: For the fiscal ended March 2006 sales were Rs.151.4 crore, OPM was 7.3%, net profit was Rs.8.7 crore and the EPS was Rs.12.2. For the quarter ended September 2006 sales were Rs.45.9 crore, OPM was 7.4% and net profit was Rs.2.2 crore.

Recommendation: Hold

WANBURY LTD

Wanbury Ltd was formed with the merger of Pearl Organics and Wander Pvt Ltd on October 1, 2003. Pearl Organics is a leading bulk manufacturer of anti-diabetes bulk active, metformin hydrochloride, and anti-inflammatory and analgesic salsalate. Wander was a group company engaged in marketing of branded pharmaceutical formulations, with anticold brand Triaminic, diabetic brand Ovaltine, and nutritional supplements. With the merger, the company has an integrated business model that allows it to address several markets and revenue opportunities in parallel to mitigate risks. The company's business is into two divisions: namely, Bulk business and Formulations. Formulations are for local sales or exports especially for the European generics market, while the bulk business is export oriented and focused on regulated markets. The company has 3 API facilities in Maharashtra and Andhra Pradesh of which two are US FDA approved for multi products. The company has a strong product base.

Financials: For the fiscal ended March 2006 sales were Rs.108.8 crore, OPM was 11.9%, net profit was Rs.10.8 crore and the EPS was Rs.8.2. For the quarter ended September 2006 sales were Rs.33.9 crore, OPM was 9.8% and net profit was Rs.3.8 crore.

Recommendation: Hold

SYNGENTA INDIA

Syngenta India (Syngenta), an 84% subsidiary of Syngenta Global, was formed with the merger of Novartis' and AstraZeneca's agri businesses. Syngenta has a strong parent Syngenta Global, which is present in over 90 countries and is ranked second in Agrochemical sales globally. Syngenta India also figures among the Top-5 Agrochemical players in the Indian market. The company is present in Crop Protection products (accounts for 86% of Revenues) and Seeds business (accounts for 14% of Revenues). In crop protection, Syngenta is present in all the three categories viz., insecticides, herbicides and fungicides. In Seeds, Syngenta has a vast range of seeds ranging from vegetable seeds to field crop and flower seeds. Syngenta is focusing on its Seeds business to drive its future growth. This performance was mainly driven by sunflower, vegetable and cornseeds. Going forward, the company will be focusing on vegetable and oil seeds, which are growing at a faster clip than other seeds. The company invested US$ 822mn towards Research and Development and the company is looking at new product launches.

Financials: For the fiscal ended December 2005 sales were Rs.767.1 crore, OPM was 12.9%, net profit was Rs.80.2 crore and the EPS was Rs.23.4. For the quarter ended September 2006 sales were Rs.266.5 crore, OPM was 18.8% and net profit was Rs.34.5 crore.

Recommendation: Hold

TTK PRESTIGE

Based in Chennai, TTK Prestige Ltd, an innovative kitchenware company, which derives more than 70% of its revenues from products launched in the last three years. With a 25% market share in the Pressure Cooker market the company has now positioned as a kitchen solutions company and is the only company in this space to run branded retail outlets under the name Prestige Smart Kitchens. The Indian market size for kitchenware (cockers, non-stick cookware and kitchen appliances) is about Rs. 30 bn. In April 2006, the company started the production of pressure cooker in the new facility created at Myleripapayam village near Coimbatore. The company's planning to set up a new facility in Roorkee at a cost of Rs. 100mn.

Financials: For the fiscal ended March 2006 sales were Rs.221.9 crore, OPM was 8.9%, net profit was Rs.7.1 crore and the EPS was Rs.5.9. For the quarter ended September 2006 sales were Rs.78.4 crore, OPM was 11% and net profit was Rs.3.7 crore.

Recommendation: Hold

SOLVAY PHARMA

Solvay is an international chemical and pharmaceutical group with headquarters in Brussels. It employs more than 29,000 people in over 50 countries with 400 production centers.It has three lines of business namely - Chemicals, Pharmaceuticals and Plastics. In India, Solvay is present in the Pharmaceutical sector through its group company Solvay Pharma India Ltd. Solvay Pharma India Ltd. (previously, Duphar Pharma India Ltd.) was formed as a consequence of the demerger of Pharma business of Duphar-Interfran ltd. Solvay Pharma India Ltd. has presence in three therapeutic sectors viz. Womens Health, Gastroenterology and Mental Healthcare. Solvay Pharma India Ltd. is head quartered at

Mumbai and employs more than 450 people throughout India. It operates through two sales divisions and has over 1000 distributors to reach out its customers across the country. Solvay Pharma India Ltd manufactures its products at manufacturing facilities complying with cGMP (current Good Manufacturing Practices). The manufacturing facilities are certified by WHO authorities as WHO GMP compliant. The manufacturing facilities are located at Pithampur - Madhya Pradesh, Mahad - Maharashtra, Vapi – Gujarat, Ankleshwar – Gujarat, Kolkatta - West Bengal. In addition to WHO certification most of these facilities are accredited with ISO certification.

Financials: For the fiscal ended December 2005 sales were Rs.129.7 crore, OPM was 23.2%, net profit was Rs.18.2 crore and the EPS was Rs.35.2. For the quarter ended September 2006 sales were Rs.39.7 crore, OPM was 25.2% and net profit was Rs.6.1 crore.

Recommendation: Hold