

Index	Closing	Chg (Rs)	Chg (%)
Sensex	16737.1	-863.0	-4.9%
Nifty	4982.6	-245.6	-4.7%
Auto	4723.9	-137.3	-2.8%
Bankex	8511.7	-630.5	-6.9%
Cap.Goods	13109.4	-1135.5	-8.0%
Cons.Durables	4346.3	-222.5	-4.9%
FMCG	2458.7	-15.8	-0.6%
Healthcare	4153.0	-136.3	-3.2%
IT	4235.2	-123.3	-2.8%
Metal	15610.7	-252.5	-1.6%
Oil & Gas	11080.9	-634.5	-5.4%
Power	3199.1	-203.9	-6.0%
PSU	7745.2	-427.9	-5.2%
Realty	7891.1	-827.6	-9.5%

World Index	Closing	Chg (Rs)	Chg (%)
Dow	12745.9	-312.3	-2.4%
Nasdaq	2445.5	-31.5	-1.3%
Hang Seng	25063.2	-1177.9	-4.5%
Nikkei	13655.3	-393.9	-2.8%
FTSE 100	6204.7	-10.8	-0.2%

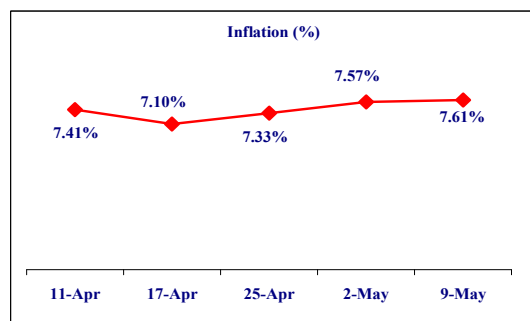
Index Futures	Closing	Chg (Rs)	Chg (%)
Nifty (NSE)	4989.7	-256.8	-4.9%
Nifty (SGX)	4974.0	-278.0	-5.3%

Top Gainers	Closing	Chg (Rs)	Chg (%)
UNITED BREWE	742.4	120.0	19.3%
GVK POWER	52.5	5.6	12.0%
UNITED PHOSH	348.3	33.1	10.5%
ESSAR SHIP	166.8	15.0	9.8%
CAIRN INDIA	274.0	22.5	8.9%

Top Losers	Closing	Chg (Rs)	Chg (%)
RCAP	1287.4	-252.8	-16.4%
RNRL	106.8	-18.3	-14.6%
RHIL	1392.7	-235.6	-14.5%
HDIL	725.9	-120.1	-14.2%
IBULLS	472.3	-70.4	-13.0%

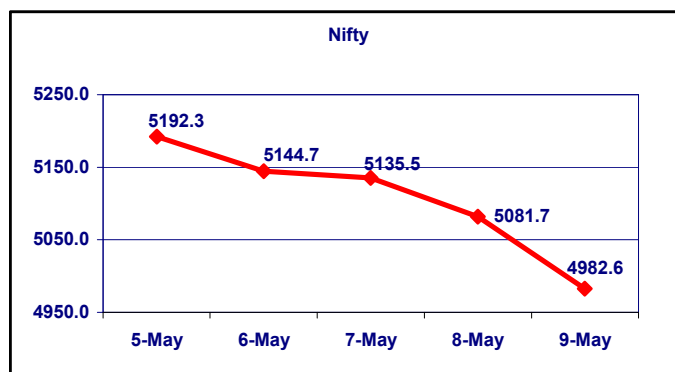
Metal	Closing	Chg (Rs)	Chg (%)
Gold (\$/oz)	884.9	28.4	3.3%
Silver (\$/oz)	16.8	0.4	2.5%
Aluminium (\$/MT)	2840.5	-36.0	-1.3%
Copper (\$/MT)	8217.0	-343.5	-4.0%
Lead (\$/MT)	2174.0	-395.0	-15.4%
Zinc (\$/MT)	2127.3	-66.3	-3.0%

Date	DII FII (Cash)	FII (FO)
5-May	-307.0	348.8
6-May	-729.0	81.2
7-May	325.0	345.4
8-May	-403.0	-84.7



## SNAP SHOT

Lack of triggers restricted any major movement on the indices. As result of that through out the week indices traded in narrow range and ended in the negative territory on all the trading days.

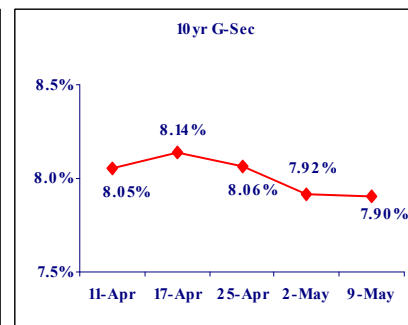
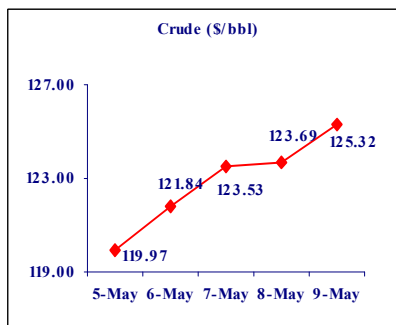
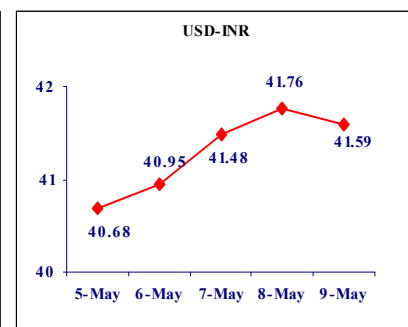
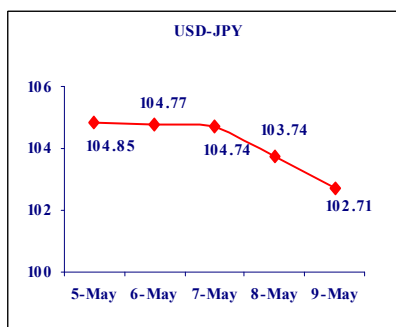


It was an eventful week when it came to the Indian Currency. Rupee depreciated by 2.81 % from Monday's closing of Rs 40.61 against the \$ to a high of Rs 41.74 against the \$. The final trading day saw some Rupee appreciation before closing at Rs 40.61 against the \$.

Rupee depreciation brought back IT companies into action. It was double whammy for the oil marketing companies on account of rising crude prices and depreciation of the currency against the Dollar.

Inflation for the week ended rose to 7.61% against market expectations of 7.67% for the last week of April 2008. A week earlier inflation stood at 7.57%.

## CURRENCY, CRUDE & G-SEC

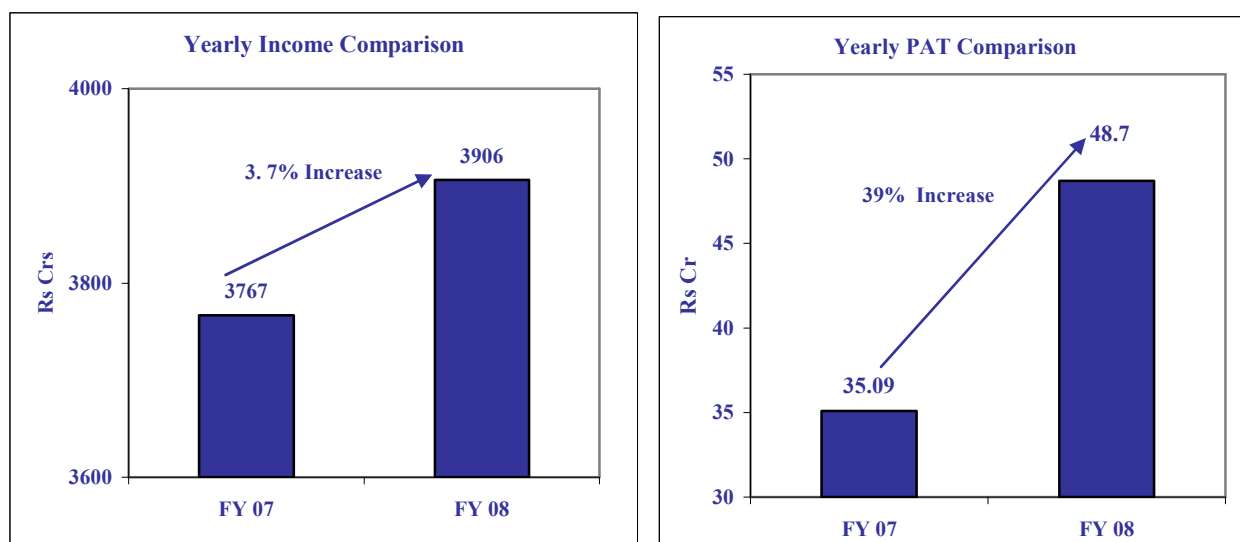


## Key take away from the Analyst meet of PTC India

PTC India Formerly called as power Trading Corporation of India is a leading provider of power trading solutions in the country. Govt of India is one of the promoter of the company and is a part of the Public – Private initiative taken by the Govt. in order to promote commercial viability of power market in the country. Following are the key take aways from the analyst meet of the company:

- For FY08 Power Trading Corporation of India (PTC) reported marginal improvement in revenues at Rs 3,906 cr. EBIDTA for the year improved by 21.56% at Rs 60 cr. Net profit improved by 40% YoY at Rs 48.7 cr.
- Realisations stood flat at Rs 3.95 per unit against Rs 3.94 per unit. Cost of purchase of power also remained flat at Rs 3.91 per unit vs Rs 3.90 per unit a year ago.
- Supply is unable to keep pace with growing demand from various states. That would leave lower power for trading purposes resulting in keeping growth muted in the near term. However, Long term scenario looks favorable.
- Company has acquired 26% stake in Indian Energy Exchange (IEX). Other partners in the exchange are Tata Power (TPC), Reliance Energy (REL), Rural Electrification (REC) and a consortium of Adani Enterprises (AEL).
- Power exchange would act like a commodity bourse and would act as a platform for buying, selling and trading of power. Currently, There are no exchanges in India and electricity is traded bilaterally at mutually agreed rates.
- Financial Technologies would provide technical know how for set up of the exchange while PTC India would provide trade related technical know how.
- Company had raised Rs 1,200 cr by issuing 77.42 million warrants to investors at Rs 155 per share. Funds would be used fund equity stakes in a number of power projects like Athena, Teestha and PFS in order to ensure long term supply of power.
- Company's first initiative in the field of renewable energy of 6 MW wind based project in Maharashtra is operational with effect from March 08.
- Going forward company intends to be a complete energy solution provider on the back of its various front and backward integration plans.
- Dialogues for development of new projects in neighboring countries like Nepal and Bhutan have gained strength after the out come of elections and shift to Democracy from Monarchy.
- Regulatory issues continue to be a cause of concern because as per CERC regulation margins on trading of power are capped to 4 paisa per unit. However, the regulations are currently being challenged in the court of law.
- Out come of the court case would hold the key to company's progress as it would have direct impact the company's margins.
- At the current market price of Rs 96, stock trades 43x its FY08 earnings. Company stands to favor from the Govt's initiatives to promote power infrastructure in the country. Well placed strategy for Forward as well as backward integration would be the key growth drivers. Regulatory issues continue to persist.

	Q4 FY 08	Q4 FY 07	YoY (%)	FY 08	FY 07	YoY (%)
Total Revenues	566.35	606.1	-7%	3948.8	3786.3	4.3%
Total Expenses	544	597	-9%	3887	3735	4.1%
Operating Profit	22.35	9.1	146%	61.8	51.3	20.5%
Interest	0.13	0.23	-43%	1.65	1.96	-15.8%
Depreciation	0.32	0.85	-62%	1.25	3.29	-62.0%
PBT	21.9	8.02	173%	58.9	46.05	27.9%
Provision for Tax	2.28	1.5	52%	10.2	10.6	-3.8%
PAT	19.62	6.52	201%	48.7	35.45	37.4%
Extra Ordinary Income	-0.04	0		-0.14	0	
Adj PAT	19.66	6.52	202%	48.84	35.45	37.8%
Equity Share Capital	227.4	150		227.4	150	
EPS (Rs) Reported	0.09	0.04		2.15	2.36	
Adj EPS (Rs)	0.09	0.04		2.15	2.36	
OPM (%)	3.9%	1.5%		1.6%	1.4%	
PBT (%)	3.9%	1.3%		1.5%	1.2%	
NPM (%)	3.5%	1.1%		1.2%	0.9%	



### Q4FY08 Results: Union Bank of India

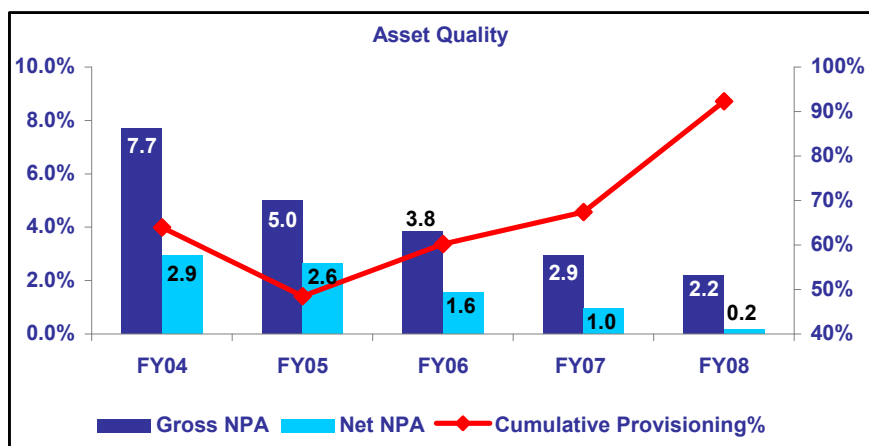
**Union Bank of India** has reported 128% jump in PAT to Rs 521 crores compared to Rs 228.6 cr in Q4FY07. However, the higher PAT growth has been due to lower tax provisions during quarter. Business growth of the bank however remained decent during the year.

**Sharp rise in interest cost results disappointing NII:** Interest Income grew by 24.2% to Rs 2602. cr compared to Rs 2095 crores in Q4FY07. The growth in interest income was driven by decent 19.2% YoY growth in loan book and a 114 bps improvement in the yield on advances to 10.12% compared to 8.98% in the previous year .

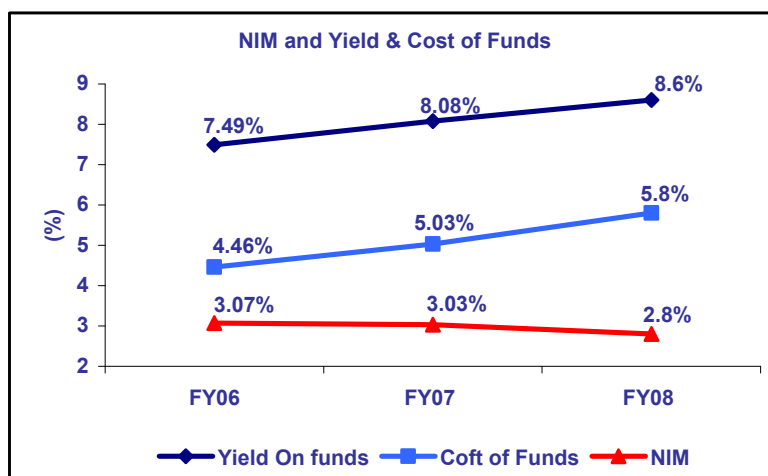
However, continuous rise in deposit rates led to 73 bps rise in cost of funds to 5.76% compared to 5.03% in FY07. During the fourth quarter the banking industry as a whole including Union Bank had to take huge bulk deposits which have resulted in sharp jump in the interest expenses to Rs 1768 cr vs Rs 1253 cr in Q4FY07 up 41% YoY.

**Decent growth in other income:** Other income reported strong growth of 28.5% YoY to Rs 310 cr vs Rs 242 crores, which helped operating profit growing by 17.5% to Rs 891 cr vs Rs 758 cr. The core fees income was up by 9.3% to Rs 94 cr compared to Rs 86 cr in Q4FY07. The bank made a very low provision of just Rs 4.37 cr during Q4FY08 as a result the PAT grew by a whopping 128% to Rs 521 crores vs Rs 228 cr. The bank had however, already made a provisions of Rs 460 crores during the 9MFY08 and hence probably had to provide for lower tax during the quarter.

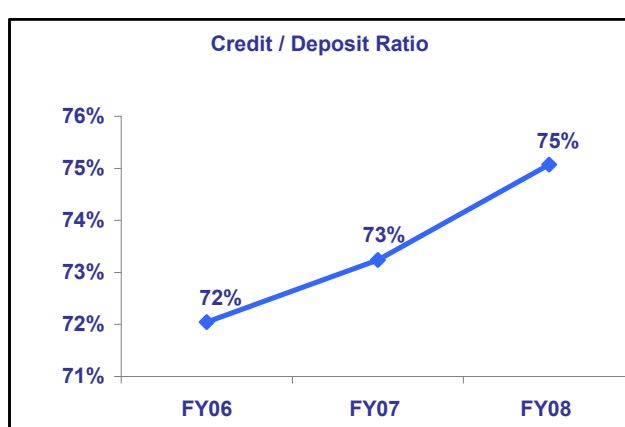
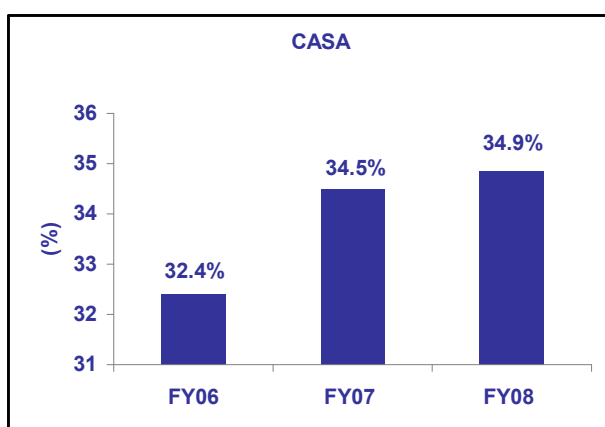
**Asset quality continued to improve:** The asset quality of Union Bank has been continuously improving over the last couple of quarters. The gross NPA% has fallen to 2.18% in FY08 from 0.17%, while the net NPA% has fallen to 0.17% from 0.96% in FY07. The coverage has improved to 92.3% from 67.9% in FY07. During the year the bank made a strong recovery of Rs 177 crores from the written off accounts. The recover from the same account was Rs 101 cr during FY07. The bank has maintained that though the same growth rate may not be achieved in terms of recovery the absolute amount of recovery from the written off account will be close to Rs 180 cr in FY09 as well.



**NIM continues to be under pressure:** Higher cost of funds has put NIM under pressure which stood at 2.8% compared to 3.05% in FY07. With recent hike in CRR by 75 bps the liquidity to the tune of Rs 28,000 will be sucked out from the market. For mobilizing higher deposits banks may have to raise their deposit rates leading to further rise in cost of funds and hence the NIM may not see any improvement in the near term.



**Business Growth in line with industry standard:** Advances grew by 19.2% to Rs 75,878 cr, while Deposits grew by 21.9% to Rs 103,859 cr. The share of low cost deposits (CASA) showed marginal improvement to 34.9% in FY08 from 34.5% in FY07. The bank has taken lot of initiatives in garnering low cost deposits; however the growth in the same has been moderate. Higher dependence on the bulk deposit and term deposits has been a cause for the lower NIM for the bank. The Credit-Deposit ratio has showed improvement to 75% from 73% a year ago. The bank expects similar growth in Advances and Deposits during FY09 as well.



**Investment Portfolio remains largely protected:** Union Bank has maintained a very safe investment portfolio. About 71% of its investment portfolio is in the HTM (Held to Maturity) category, which is not subject to any mark to market provisions, thus protecting it largely from interest rate fluctuations. The balance 29% of the portfolio is in the Available For Sale (AFS) and Held For Trading (HFT) portfolio, which is subject to MTM loss. However, the bank has maintained a very low duration of bonds (2.98 years) in the AFS portfolio which would result in less volatility in the bond prices.

Investment Duration (in years)			
	FY06	FY07	FY08
HTM	4.68	4.24	3.78
AFS	2.66	2.08	2.98
HFT	7.51	2.65	8.37
<b>Total</b>	<b>4.23</b>	<b>3.89</b>	<b>3.61</b>

**Well capitalized for short-term growth:** The banks Capital adequacy ratio at the end of the year stood at a comfortable position of 12.51%. This would be sufficient to meet the short term business growth however the bank may need to raise additional capital for meeting the incremental business growth.

Capital Adequacy (%)			
	FY06	FY07	FY08
CAR	11.41	12.8	12.51
Teir I	7.32	7.79	7.45
Teir II	4.1	5.01	5.06

**Valuations and Conclusions:** At the CMP of Rs 163 the stock is trading at a 1.51x its FY08 Book value of Rs 111. The bank has been able to improve its asset quality to a large extent with NPAs of just 0.17%. However, the banks NIM is under pressure.

## EVENTS

### Forthcoming IPO's

Company Name	Price-Band	Market Lot	Start Date	End Date
Anu's Laboratories Ltd	Rs.200 - 210	30	12th May' 08	15th May' 08

### Forthcoming Financial Results

Date	Company Name	Date	Company Name
12-May-08	INDIABULLS REAL ESTATE LIMITED	15-May-08	MOREPEN LABORATORIES LTD
	BLUE STAR LIMITED		CHAMBAL FERTILIZERS & CHEMICALS LTD
	RASHTRIYA CHEMICALS AND FERTILIZERS LTD.		TORRENT POWER LIMITED
	ASTRA MICROWAVE PRODUCTS LIMITED		CHENNAI PETROLEUM CORPORATION LIMITED
13-May-08	GAIL (INDIA) LIMITED		PUNJAB NATIONAL BANK
	USHA MARTIN LIMITED	16-May-08	EDELWEISS CAPITAL LIMITED
	VARUN SHIPPING CO. LTD.		BONGAIGAON REFINERY & PETROCHEMICALS LTD
14-May-08	SYNDICATE BANK		BANK OF INDIA
	JK LAKSHMI CEMENT LIMITED		TATA INVESTMENT CORPORATION LTD.
	MERCATOR LINES LIMITED		REDINGTON (INDIA) LIMITED
15-May-08	NELCO LIMITED		EMKAY SHARE AND STOCK BROKERS LIMITED
	ZUARI INDUSTRIES LTD.	17-May-08	INDIAN BANK
	ZYLOG SYSTEMS LIMITED		

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