

**KALPATARU POWER TRANSMISSION****INR 988****Darkest before dawn****BUY**

May 28, 2008

Kalpataru Power Transmission's (KPP) Q4FY08 and FY08 results were below expectations. For FY08, revenue growth was only marginally below expectations, but decline in margins was sharper than expected.

Given the high level of growth and increasing profitability in the industry from FY05 to FY08, increase in competition was inevitable. If we look closely at the developments in the power transmission EPC industry over FY05-08, it has gradually moved from one with low competition and high demand in FY05 to high competition and low demand in FY08. Increase in steel price was the final jaw breaker.

However, a high growth industry has its own dynamics. We believe working capital management and project management are key to success in the power transmission EPC industry, which KPP has mastered. Though the past two quarters of KPP have been disappointing, we draw comfort from the fact that the company has begun the year with a robust order backlog of ~INR 34 bn. Even if we assume higher execution cycle of ~18 months, KPP is likely to achieve ~30% revenues growth over FY08 at the standalone level. Further, upsides exist to our numbers if the execution cycle is lower than our expectations. Additionally, the logistics business is likely to contribute ~INR 100 mn at the PBT level, which is not included in our estimates.

We have downgraded our estimates on the company owing to margin concerns. At our revised consolidated EPS estimates of INR 75.2 and INR 97.8, the stock is trading at P/E of ~13.1x and ~10.1x FY09E and FY10E earnings, respectively. We believe upsides exist to current valuations, which are likely to be triggered by above-expected quarterly results and key order wins. We continue to maintain our 'BUY' recommendation on the stock.

**Key highlights**

- For FY08, consolidated revenues grew ~67% Y-o-Y, to ~INR 27 bn, driven by strong performance in JMC Projects. Consolidated EBITDA grew ~21%, to INR 3.1 bn, and PAT grew ~2% Y-o-Y, to INR 1.6 bn.
- Consolidated EBITDA margins for the year declined ~440bps Y-o-Y, to ~11.6%. Consolidated PAT margins declined ~390bps Y-o-Y, to ~6.2%.
- For FY08, standalone revenues grew ~14% Y-o-Y, to INR 17.4 bn, while EBITDA declined ~9%, to INR 2.4 bn, and PAT fell ~6% Y-o-Y, to INR 1.5 bn.
- For FY08, standalone EBITDA margins were down by ~350 bps Y-o-Y to ~14%, while the PAT margins were down ~200 bps Y-o-Y to ~8.6%

**Financials (Standalone)**

Year to March	Q4FY08	Q4FY07	% change	Q3FY08	% change	FY08	FY09E
Net rev. (INR mn)	6,295	5,222	20.6	3,519	78.9	17,376	22,669
EBITDA (INR mn)	758	947	(20.0)	522	45.1	2,416	2,946
Net profit (INR mn)	504	644	(21.7)	303	66.4	1,500	1,770
Diluted EPS (INR)	19.0	24.3	(21.7)	11.4	66.4	56.6	66.8
P/E (x)						17.5	14.8
EV/EBITDA (x)						10.7	8.8
ROAE (%)						21.6	21.5

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Bloomberg : KPP IN

**Market Data**

52-week range (INR) : 2,039/ 968  
Share in issue (mn) : 26.5  
M cap (INR bn/USD mn) : 26.4 / 611.6  
Avg. Daily Vol. BSE/NSE ('000) : 29.4

**Share Holding Pattern (%)**

Promoters : 63.7  
MFs, FIs & Banks : 21.4  
FIIs : 6.6  
Others : 8.3

**Relative Performance (%)**

	Sensex	Stock	Stock over Sensex
1 month	(2.9)	(9.3)	(6.4)
3 months	(7.3)	(97.5)	(90.2)
12 months	14.8	(25.7)	(40.5)

- For the quarter, standalone revenue grew ~21% Y-o-Y, to INR 6.3 bn. Standalone EBITDA fell ~20% Y-o-Y, to ~INR 758 mn, while standalone PAT declined ~22% Y-o-Y, to ~INR 504 mn.
- For Q4FY08, standalone EBITDA margins declined ~600bps Y-o-Y, to 12%. Adjusted net margins, which declined ~430bps at ~8%, were the lowest in the past eight quarters.

### Segmental details

While the transmission and distribution (T&D) division contributed ~81% to standalone revenues, the infrastructure division contributed ~14% and the biomass energy division ~5%, in FY08. Growth in the pipeline and power T&D businesses has been below expectations. Operating margins in the power T&D segment declined ~370bps Y-o-Y during FY08, which impacted the overall performance. The quarterly segmental performance is given in the table below.

### Segmental break-up

Segmental revenue	Q1 FY08	Q2 FY08	Q3 FY08	Q4FY08	FY08	FY07
Power T&D	3,038	3,406	3,032	5,713	15,189	13,521
Y-o-Y growth (%)	11.1	20.6	(6.1)	20.7	12.3	78.1
Real estate	1	5	0	(0)	6	5
Y-o-Y growth (%)	NM	NM	(97.7)	NM	23.9	(98.4)
Biomass energy	75	66	108	148	396	284
Y-o-Y growth (%)	55.9	39.1	47.2	28.2	39.6	56.2
Infrastructure	575	379	384	495	1,833	1,465
Y-o-Y growth (%)	133.3	93.7	(39.2)	26.6	25.1	295.0

### Segmental EBIT margin (%)

Power T&D	13.5	11.6	12.8	11.3	12.1	15.8
Real estate	41.7	84.4	0.0	NM	40.4	NM
Biomass energy	42.0	27.0	19.9	26.2	27.6	29.1
Infrastructure	20.4	18.7	16.7	12.8	17.2	8.5

Source: Edelweiss research

### Capacity expansion for tower manufacturing

KPP plans to expand its transmission tower manufacturing capacity by 24,000 MT, which will take its total capacity to 108,000 MT. The additional capacity is likely to be operational September 2008 onwards. The planned capex for the above expansion is ~INR 200 mn. Additionally, KPP has planned a capex of ~INR 100 mn for its pipeline business in FY09E.

### Robust order book, despite a slow year

KPP's standalone order book (including L1) stood at ~INR 34 bn, which translates into an order intake of ~INR 32 bn (representing 106% Y-o-Y growth) during the year. The transmission, distribution, and infrastructure divisions contributed ~71%, ~26%, ~3%, respectively, to order backlog at the end of FY08. Although FY08 has turned out to be a slow year in terms of revenue and profitability growth, the company has begun FY09E with a strong order book position. In FY06, the company had a growth of ~89% in order intake, which enabled it to clock ~81% growth in revenue in FY07. Hence, we believe the case for high revenue growth in FY09E is strong.

**Historical trend in order intake and execution**

Year to March	FY06	FY07	FY08
Order backlog beginning	11,000	20,000	20,000
Order intake	17,404	15,248	31,376
Y-o-Y growth (%)	88.8	(12.4)	105.8
Orders executed	8,404	15,248	17,376
Y-o-Y growth (%)	55.1	81.4	14.0
Order backlog end	20,000	20,000	34,000

Source: Edelweiss research

**Expanding geographical footprint**

KPP plans to cover more countries to capture the growth opportunities in the international markets. With plans to expand capacities and geographies, faster execution of projects is the company's key focus area. KPP is also exploring growth opportunities in the BOOT projects in the infrastructure sector.

**Key revision in estimates**

For the standalone entity, we are downgrading our estimates for FY09E and FY10E on account of increasing competition in the power transmission EPC space, rising raw material costs, and higher expected execution period. Our standalone FY09 and FY10 revenue estimates stand downgraded by ~4% and ~1%, to ~INR 23 bn and ~INR 30 bn, respectively. We have downgraded our standalone EBITDA and PAT estimates for FY09 and FY10 by ~17% and ~13% and ~22% and ~21%, respectively, due to margin decline at the standalone level. The key revisions are given in the table below:

**Revised standalone estimates post FY08 results**

	Previous estimates		Revised estimates		Remarks
	FY09E	FY10E	FY09E	FY10E	
Revenues (INR mn)	23,585	30,429	22,669	30,182	Downgrading on account higher execution period expected in Kalpataru Power
EBITDA (INR mn)	3,548	4,416	2,946	3,865	Lower margin expected in the transmission segment on account of fixed price contracts and rising raw material costs
EBITDA margin (%)	15.0	14.5	13.0	12.8	
PAT (INR mn)	2,256	2,860	1,770	2,260	
Net margin (%)	9.6	9.4	7.8	7.5	
EPS (INR)	85.1	107.9	66.8	85.3	

Source: Edelweiss research

Our consolidated revenues for FY09E and FY10E stand revised down by ~3% and ~1%, respectively, whereas consolidated EBITDA and PAT estimates stand reduced by ~13% and ~9% and ~20% and ~19%, respectively. The key revisions are given in the table below:

**Revised consolidated estimates post FY08 results**

	Previous estimates		Revised estimates		Remarks
	FY09E	FY10E	FY09E	FY10E	
Revenues (INR mn)	36,623	48,522	35,708	48,275	Downgrading on account higher execution period expected in Kalpataru Power
EBITDA (INR mn)	4,526	5,855	3,924	5,304	Lower margin expected in the transmission segment on account of fixed price contracts and rising raw material costs
EBITDA margin (%)	12.4	12.1	11.0	11.0	
PAT (INR mn)	2,479	3,191	1,992	2,591	
Net margin (%)	6.8	6.6	5.6	5.4	
EPS (INR)	93.5	120.4	75.2	97.8	

Source: Edelweiss research

We believe our revised estimates are conservative in the light of historical growth in order intake and execution period, along with the ongoing growth in the power sector. We have assumed a meager 10% and 20% growth in transmission order intake for FY09E and FY10E respectively. Further, execution period across all the business segments have been assumed at highest levels. Additionally, upsides exist to our estimates, as we have not factored in revenues from the company's logistics business. Our key assumptions are stated in the table below.

**Key assumptions over the next two years**

	FY07	FY08	FY09E	FY10E
<b>Transmission towers incl exports</b>				
Order intake	7,506	20,873	22,960	27,552
Y-o-Y growth (%)	(37.2)	178.1	10.0	20.0
Implied execution period (months)	18.9	15.8	20.0	20.0
<b>Pipeline division</b>				
Order intake	1,865	1,833	1,925	2,117
Y-o-Y growth (%)	116.7	(1.7)	5.0	10.0
Implied execution period (months)	4.9	6.5	10.0	10.0
<b>Rural electrification/distribution</b>				
Order intake	6,000	8,316	9,148	10,520
Y-o-Y growth (%)	36.4	38.6	10.0	15.0
Implied execution period (months)	12.0	13.5	15.0	15.0

Source: Edelweiss research

**Outlook and valuations: Strong order book to drive growth; maintain 'BUY'**

We believe KPP's H2FY08 performance has been an aberration, primarily due to slowdown in execution in distribution orders due to inspection delays by a few select utilities. We believe the company is a leading contractor in the power sector and has higher capital efficiency than its peers. Further, we continue to like KPP's expansion plans in project management and utilities segments in the power sector, as further diversification is likely to reduce the risk profile of the business model (which, otherwise, is primarily driven by expansion in the power transmission and distribution segment). On our consolidated EPS estimates of ~INR 75.2 and ~INR 97.8, the stock is trading at P/E of ~13.1x and ~10.1x FY09E and FY10E earnings, respectively. We continue to maintain our 'BUY' recommendation on the stock.

**Financial snapshot: Standalone****(INR mn)**

<b>Year to March</b>	<b>Q4FY08</b>	<b>Q4FY07</b>	<b>% change</b>	<b>Q3FY08</b>	<b>% change</b>	<b>FY08</b>	<b>FY09E</b>	<b>FY10E</b>
Revenues	6,295	5,222	20.6	3,519	78.9	17,376	22,669	30,182
Raw material	3,633	2,681	35.5	1,634	122.3	8,687	12,573	16,873
Staff costs	312	240	30.3	202	54.6	906	1,061	1,410
Other operating expenses	1,592	1,353	17.7	1,161	37.2	5,367	6,089	8,034
Total expenditure	5,538	4,274	29.6	2,997	84.8	14,960	19,723	26,317
EBITDA	758	947	(20.0)	522	45.1	2,416	2,946	3,865
Interest	113	91	24.9	100	13.1	397	504	653
Depreciation	70	54	30.6	54	30.1	218	239	302
Other income	66	64	2.7	43	53.4	215	228	209
PBT	640	867	(26.2)	411	55.7	2,016	2,430	3,120
Tax	136	222	(38.8)	108	25.8	516	660	860
Core Profit	504	645	(21.8)	303	66.4	1,500	1,770	2,260
Extraordinary income/(loss)	0	(1)	NM	0	NM	0	0	0
Net profit	504	644	(21.7)	303	66.4	1,500	1,770	2,260
Equity capital (FV INR 10)	265	265		265		265	265	265
No. of shares (mn)	27	27		27		27	27	27
Basic EPS (INR)	19.0	24.3	(21.7)	11.4	66.4	56.6	66.8	85.3
P/E (x)						17.5	14.8	11.6
EV/EBITDA (x)						10.7	8.8	6.7
Market cap / Revenues (x)						1.5	1.2	0.9

**as % of net revenues**

Raw material	57.7	51.3		46.4		50.0	55.5	55.9
Staff expenses	5.0	4.6		5.7		5.2	4.7	4.7
Other operating expenses	25.3	25.9		33.0		30.9	26.9	26.6
EBITDA	12.0	18.1		14.8		13.9	13.0	12.8
Net profit	8.0	12.3		8.6		8.6	7.8	7.5

NM: Not meaningful

## Company Description

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Kalpataru Power Transmission (KPP), located at Gandhinagar, Gujarat, was promoted by Mr Mofatraj Munot, Mr. Mahendra Punatar, and Mr. Imtiaz Kanga. All the promoters have rich experience in the transmission line industry. The company has three business divisions viz. transmission line division, biomass energy division, and infrastructure division. It has an in-house tower testing station with a capacity to test square/rectangular base towers up to 800 kV D/C as well as multi-circuit towers. KPP also ventured into the construction segment with the acquisition of ~51% stake in JMC Projects (JMC); JMC is primarily engaged in the construction of industrial buildings, and residential and commercial complexes. Off late, JMC has ventured into the infrastructure segment with projects in the roads, bridges, flyovers, and transportation structures.

## Investment Theme

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India's inter-regional power transmission capacity is likely to increase from ~17,000 MW currently (FY07-end) to ~37,700 MW at the end of the Eleventh Plan (FY12-end). Power Grid Corporation of India (PGCIL) is likely to invest ~INR 85 bn in FY09E and ~INR 300 bn over FY10-12E period to upgrade India's power transmission network. Besides PGCIL, Damodar Valley Corporation (DVC) and various other state electricity boards (SEBs) are planning transmission capacity expansion in India. Also, expansion in regional transmission network in Africa and Middle East is likely to supplement domestic demand and present a large business opportunity. KPP is the front-runner in the power T&D EPC sector, and hence, is well-placed to leverage from the opportunity. Further, KPP's pipeline business is easily scalable. We expect the company to become a strong player in the pipeline business, going forward.

## Key Risks

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Power T&D investments are executed by state utilities, which, in turn, are mandated by the government. Hence, any change in the political environment can potentially impact the pace of execution in the industry, thus impacting the timing of revenue growth. Additionally, customer concentration risk is high in the business, which in turn, impacts the bargaining power of transmission tower companies. Further, higher than expected rise in steel prices is likely to negatively impact KPP's margins.

## Financial Statements (Consolidated)

<b>Income statement</b>		<b>(INR mn)</b>				
<b>Year to March</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09E</b>	<b>FY10E</b>	
Income from operations	8,404	15,987	26,749	35,708	48,275	
Materials costs	6,188	8,037	16,355	22,796	30,978	
Employee cost	389	777	1,522	2,033	2,758	
Other manufacturing expenses	517	4,609	5,766	6,954	9,234	
Total operating expenses	7,094	13,424	23,643	31,783	42,971	
EBITDA	1,310	2,563	3,106	3,924	5,304	
Depreciation and amortisation	88	182	387	501	662	
EBIT	1,222	2,381	2,719	3,424	4,642	
Interest expense	310	284	485	619	810	
Other income	33	123	251	262	234	
Profit before tax	944	2,220	2,485	3,066	4,065	
Provision for tax	279	590	689	870	1,172	
Core profit	665	1,630	1,797	2,196	2,894	
Extraordinary income/(loss)	0	0	(1)	0	0	
Profit after tax	665	1,630	1,796	2,196	2,894	
Less: Minority interest	0	17	148	204	303	
Profit after minority interest	665	1,613	1,648	1,992	2,591	
Equity shares outstanding (mn)	11	26	27	27	27	
EPS (INR) basic	61	61	62	75	98	
Diluted shares (mn)	11	26	27	27	27	
EPS (INR) fully diluted	61	61	62	75	98	
CEPS (INR)	70	72	74	94	123	
DPS	10.0	7.5	7.5	7.5	7.5	
Dividend payout (%)	16.3	12.2	11.1	9.0	6.9	

### Common size metrics- as % of net revenues

<b>Year to March</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09E</b>	<b>FY10E</b>
Operating expenses	84.4	84.0	88.4	89.0	89.0
Material cost	73.6	50.3	61.1	63.8	64.2
Employee cost	4.6	4.9	5.7	5.7	5.7
Other manufacturing expenses	6.2	28.8	21.6	19.5	19.1
Depreciation and amortisation	1.0	1.1	1.4	1.4	1.4
Interest expenditure	3.7	1.8	1.8	1.7	1.7
EBITDA margins	15.6	16.0	11.6	11.0	11.0
Net profit margins	7.9	10.1	6.2	5.6	5.4

### Growth metrics (%)

<b>Year to March</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09E</b>	<b>FY10E</b>
Revenues	55.1	90.2	67.3	33.5	35.2
EBITDA	107.0	95.7	21.2	26.4	35.2
Net profit	131.7	142.4	2.2	20.9	30.0
EPS	131.7	(0.6)	2.2	20.8	30.0

**Balance sheet****(INR mn)**

<b>As on 31st March</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08E</b>	<b>FY09E</b>	<b>FY10E</b>
Equity capital	109	265	265	265	265
Reserves & surplus	1,571	6,178	7,200	9,310	11,618
Shareholders funds	1,679	6,443	7,465	9,575	11,883
Secured loans	2,328	3,954	3,539	3,539	3,539
Unsecured loans	0	32	356	656	1,156
Borrowings	2,328	3,986	3,896	4,196	4,696
Minority interest	0	625	760	961	1,259
Deferred tax (Net)	58	158	76	76	76
<b>Sources of funds</b>	<b>4,065</b>	<b>11,212</b>	<b>12,197</b>	<b>14,808</b>	<b>17,914</b>
Gross block	1,594	3,998	4,816	6,016	7,116
Depreciation	354	817	1,174	1,675	2,336
Net block	1,240	3,181	3,642	4,341	4,780
Capital work in progress	284	51	0	0	0
Investments	294	1,392	1,397	1,397	1,397
Inventories	1,387	1,890	2,244	3,074	4,133
Sundry debtors	2,973	6,999	8,924	12,348	16,685
Cash and bank balances	166	1,367	1,579	1,294	1,041
Loans and advances	1,482	1,458	1,889	2,604	3,513
Other current assets	0	1,747	1,934	2,598	3,459
Total current assets	6,009	13,463	16,570	21,918	28,831
Sundry creditors and others	3,402	6,096	8,471	11,613	15,484
Provisions	361	780	859	1,153	1,528
Total current liabilities & provisions	3,763	6,875	9,330	12,767	17,012
Net current assets	2,246	6,587	7,239	9,152	11,819
Others	1	0	(82)	(82)	(82)
<b>Uses of funds</b>	<b>4,065</b>	<b>11,212</b>	<b>12,197</b>	<b>14,808</b>	<b>17,914</b>
Book value per share (BV) (INR)	155	243	285	364	451

**Free cash flow**

<b>Year to March</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08E</b>	<b>FY09E</b>	<b>FY10E</b>
Net profit	665	1,630	1,796	2,196	2,894
Add: Depreciation	88	182	387	501	662
Add: Deferred tax	3	100	(82)	0	0
Add: Others	(314)	78	(414)	(468)	(46)
Gross cash flow	442	1,990	1,686	2,229	3,510
Less: Changes in working capital	656	3,141	441	2,197	2,921
Operating cash flow	(214)	(1,151)	1,245	33	589
Less: Capex	899	2,172	767	1,200	1,100
Free cash flow	(1,112)	(3,322)	478	(1,167)	(511)

**Cash flow metrics**

<b>Year to March</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08E</b>	<b>FY09E</b>	<b>FY10E</b>
Operating cash flow	(214)	(1,151)	1,245	33	589
Financing cash flow	1,408	5,621	(258)	883	258
Investing cash flow	1,092	3,269	772	1,200	1,100
Net cash flow	103	1,201	216	(284)	(253)
Capex	899	2,172	767	1,200	1,100
Dividend paid	(124)	(233)	(167)	(190)	(242)
Share issuance/(Buyback)	310	4,195	0	773	0



**Profitability & liquidity ratios**

Year to March	FY06	FY07	FY08E	FY09E	FY10E
ROAE (%)	47.3	39.7	23.6	23.2	24.0
ROACE (%)	40.9	35.0	26.4	28.3	31.0
Inventory (days)	77	74	46	43	42
Debtors (days)	92	114	109	109	110
Payable (days)	151	216	163	161	160
Cash conversion cycle	18.3	(27.4)	(7.8)	(9.5)	(7.4)
Current ratio	1.6	2.0	1.8	1.7	1.7
Debt/EBITDA	1.8	1.6	1.3	1.1	0.9
Interest cover (x)	3.9	8.4	5.6	5.5	5.7
Debt/Equity (x)	1.4	0.6	0.5	0.4	0.4
Adjusted debt/Equity	1.4	0.6	0.5	0.4	0.4

**Operating ratios**

Year to March	FY06	FY07	FY08E	FY09E	FY10E
Fixed assets turnover (x)	8.6	7.2	7.8	8.9	10.6
Total asset turnover(x)	2.6	2.1	2.3	2.6	3.0
Equity turnover(x)	6.0	3.9	3.8	4.2	4.5

**Du pont analysis**

Year to March	FY06	FY07	FY08E	FY09E	FY10E
NP margin %	7.9	10.1	6.2	5.6	5.4
Total assets turnover	2.6	2.1	2.3	2.6	3.0
Leverage multiplier	2.3	1.9	1.7	1.6	1.5
ROAE %	47.3	39.7	23.6	23.2	24.0

**Valuation parameters**

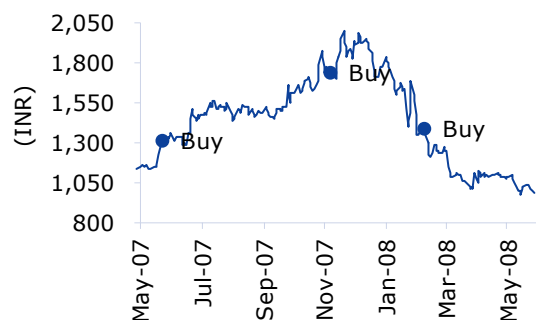
Year to March	FY06	FY07	FY08E	FY09E	FY10E
EPS (INR)	61.3	60.9	62.2	75.2	97.8
Y-o-Y growth (%)	131.7	(0.6)	2.2	20.8	30.0
CEPS (INR)	69.7	71.5	73.7	94.1	122.7
P/E (x)	16.1	16.2	15.9	13.1	10.1
Price/BV(x)	6.4	4.1	3.5	2.7	2.2
EV/Sales (x)	1.5	1.8	1.0	0.8	0.6
EV/EBITDA (x)	9.6	10.9	9.0	7.3	5.6
Dividend yield %	1.0	0.8	0.8	0.8	0.8

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### Coverage group(s) of stocks by primary analyst(s): Engineering and Power:

Thermax, AIA Eng., BEML, Elecon Eng., McNally Bharat Eng., TIL, TRF, Suzlon Energy, KEI Industries, Apar Industries, Emco, Kalpataru Power Transmission, KEC International, Jyoti Structures, Kernex Microsystems India, Stone India, Texmaco, Sanghvi Movers, EIL, Kirloskar Oil Engines, Cummins India, ABB, BHEL, Voltas, L & T, Siemens and Crompton Greaves

#### Kalpataru Power Transmission



#### Recent Research

Date	Company	Title	Price (INR)	Recos
27-May-08	<b>Emco</b>	Robust performance; <i>Result Update</i>	172	Accum.
27-May-08	<b>Elecon Engineering</b>	MHE disappoints; <i>Result Update</i>	125	Buy
26-May-08	<b>BHEL</b>	Keep the faith; <i>Result Update</i>	1,655	Buy
23-May-08	<b>Crompton Greaves</b>	For the long haul <i>Result Update</i>	232	Buy

#### Distribution of Ratings / Market Cap

##### Edelweiss Research Coverage Universe

	Buy	Accumulate	Reduce	Sell	Total
Rating Distribution*	105	59	14	2	194

\* 14 stocks under review / 0 rating withheld

	> 50bn	Between 10bn and 50 bn	< 10bn
Market Cap (INR)	94	68	32

#### Rating Interpretation

Rating	Expected to
<b>Buy</b>	appreciate more than 20% over a 12-month period
<b>Accumulate</b>	appreciate up to 20% over a 12-month period
<b>Reduce</b>	depreciate up to 10% over a 12-month period
<b>Sell</b>	depreciate more than 10% over a 12-month period

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