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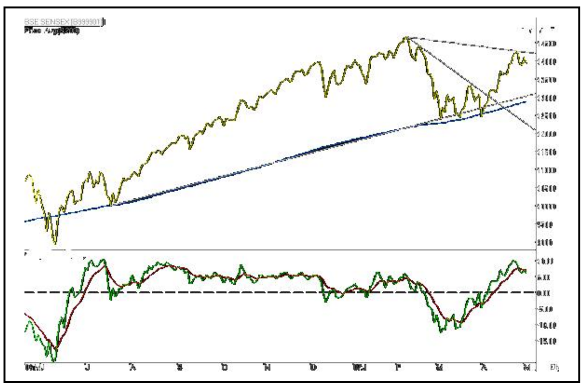
Overbought markets

may witness selling pressure

By Sanjay R. Bhatia

The uptrend continued on the bourses on the back of positive global cues. Earlier during the week, the markets displayed a range-bound trend amidst profit-booking on account of holidays but bounced with a smart rally after the holidays. The advance-decline ratio has remained positive amidst higher volumes, which is a good sign for the markets. Traders and speculators were active in auto, banks, metals, IT, telecom and oil & gas. Incidentally, FIIs have remained net buyers on the bourses in the cash segment albeit their purchases were lower. However, Mutual Funds remained net sellers using higher levels to book profits.



The global cues have remained positive with the Dow Jones Industrial Average testing its all time high successfully and softening in crude oil prices. The rupee, too, has recovered a little after falling below Rs.41 per dollar last week, which had initially helped the IT stocks to rally. The Q4 results declared have been on expected lines, which has improved the sentiment of the markets. Even fund flows have improved, which is a positive sign for the markets. Now the markets have no domestic triggers apart from the monsoon forecasts, which impact the markets as and when they are made. In the meanwhile, the markets would continue to take cues from global markets as the earning season draws to an end. The inflation figures, the rupee and crude oil prices would also be looked at carefully.

Technically, the benchmark indices witnessed some amount of selling pressure as the Nifty neared its all time high. The markets displaying signs of being overbought and selling pressure and profit booking will be witnessed at higher levels. On the upside, if the Sensex moves and sustains above the 14009 level, then it is likely to test the 14200 level. The Sensex has support at the 13619 level. If the Nifty manages to sustain above the 4047 level, then it is likely to test the 4164 level followed by the 4245 level. The 4047 level is an important support level for the Nifty. Traders and speculators can buy Bajaj Auto with a stop loss of Rs.2502 and a price target of Rs.2675.

BAZAR DOT COM

Wow! It's a trillion mark

By Fakhri H. Sabuwala

The Indian stock market capitalisation, which stood at $994 billion has now crossed the $1 trillion mark. India is the twelfth country whose market cap has crossed this coveted mark. Majority of the bourses whose market capitalization crossed this mark witnessed a rise in stock values. Going by this trend, we can hope for a handsome rise here too. Such a landmark achievement when the Indian rupee is at its four year high may be an occasion to congratulate the government and a reason to celebrate. According to a RBI report, India's GDP as of March 2007 is $41 trillion and the Market Cap: GDP ratio leaves much to be desired, which is one more reason for a grand pick-up in stock prices. This milestone may impart a sense of confidence to fence sitters and patient observers about India and its overall growth story. More and more FII inflows are expected even if the government may not so desire.

Were the Q4FY07 results and the annual FY07 results responsible for achieving this landmark? This may not be a far-fetched reason.

Some of the scrips that warrant a place of pride in portfolio are given hereunder:

IDEA: Idea Cellular, the telecom arm of the A.V. Birla group is already a billion dollar company. Operating in 11 circles, it reports a revenue of Rs.4300 cr., a 45% rise over last year's Rs.2965 cr. standing sixth by way of size and reach, it has doubled its subscriber base to 14 million during the last one year. Driven by its subscriber ramp up, the compounded annual growth rate (CAGR) in revenue shall be 45% and 47% in EBITDA says a research note by CLSA, a promising foreign broking outfit. The rise in revenue during FY07 is due to operations in new circles of Rajasthan, Himachal and eastern U.P. The company added nearly six lakh subscribers in these circles in the last four months. The current year will see its penetration in Bihar and Mumbai, which shall boost its topline handsomely.

Today, Idea has 9% market share in the Indian telecom market. It operates nine GSM and four CDMA circles. Its is among the top three mobile operators in six circles including the high per capita income states of Maharashtra, Gujarat, Haryana and Kerala. All these, id viewed at close range, spell a fantastic growth story for Idea Cellular.

Bharti Airtel: The ringtone at Bharti after the Q4 results is very pleasing. There is 58% increse in quarterly revenue at Rs.5393 cr. and 33% growth in net addition in the user base for the same quarter. A 23% increase in market share from last year and a 89% jump in net profit to Rs.4257 cr. during FY07 is the main highlight.

Buoyed by a 100% rise in Q4 profit, India's no.1 mobile service company does not seem concerned about Vodafone's entry into India. Hutch gave it the maximum competition and Vodafone will not be different in any way. Despite such strong competition, the company's market share is up to 23% from 20.4% and with better operating margins.

The company is embarking on the highest ever capital expenditure by a telecom company and will invest $3.5 bn. this fiscal for network expansion. Such a capex will be for increasing its network infrastructure by an additional 30,000 cell sites and lay a significant amount of optical fibre cables as also launch cellular services in Sri Lanka.

Bharti, which is 31% owned by Singtel (Singapore Telecom) is poised to go global and shall aggressively bid for mobile licences in West Asia, South Asia and Africa.

It is also set to participate in the auction and bid for the #G spectrum when the government frees up the requisite frequencies. India has just under 170 million mobile users and is the World's fastest growing Telecom market. Today, 7 million subscribers join this mobile fraternity each month and at this rate by 2010 we shall have 500 million mobile users. It's a fantastic growth story and the market leader shall be the biggest beneficiary.

Petronet LNG Ltd: Operating in one segment – regassified Liquefied Natural Gas, the company's turnover for FY07 shout up by 45% to Rs.5506 cr. from Rs.3837 cr. last year and the net profit gallops away by 60% at Rs.319 cr. from Rs.194 cr.

During FY07, the company processed 12 spot cargoes and was able to increase its production capacity by 30% over its installed capacity through de-bottlenecking and efficient utilization of critical equipments. Such a move shall enable the company to process 1.5 MMTPA additional LNG from the beginning of this fiscal committed entirely to three buyers – GAIL, IOC and BPCL. The company is well-poised to surpass its 52 weeks high of Rs.68 and breakout into a new zone.

Wockhardt: Buoyed by its turnover of a French company at Rs.1100 cr. and getting a strong foothold in European markets, thus pharma major looks all set for crossing its strong resistance level around Rs.480 mark. For FY07, its turnover was Rs.1900 cr. showing a 30% rise over the previous year. EBITDA, too, grew at 30% to Rs.437 cr. with a rise of 48% in operating profit at Rs.347 cr. and PAT up by 43% at Rs.302 cr. the company is consolidating its reach to USA, South American markets and Europe by filing over 40 patents. It is believed that the French acquisition shall spin profits from the third quarter of this calendar year. On surpassing the resistance of Rs.480, the scrip can scale earlier tops.

TRADING ON TECHNICALS

Struggle at higher levels

By Hitendra Vasudeo

In last week's review, we had expected a minor retracement. Last week, the Sensex opened with a downward gap and attained a low of 13693 against the minimum retracement of 13635. The Sensex last week opened at 13823.40 attained a low at 13693.59 and moved up to a weekly high of 14189.21. The Sensex finally closed the week at 13934.27 and thereby recorded a net rise of 26 points on week-to-week basis. Overall, last week's movement was flat.

The weekly trend is still up. The weekly trend is up since the weekly closing at 13285 on 23 March 2007. Since then we have witnessed a rise up to 14383. The weekly trend can turn down on fall below 13693 or if the weekly close is below 13781.

Resistance will be at 14189-14383-14538-14724. Support will be at 13823-13693. On fall and close below 13693, expect the retracement of the rise from 12481 to 14383. The retracement levels are placed at 13635-13404- 13173.

Now the Sensex must not fall below 13635 if we have to maintain hopes of its top being attained in the current rally. It would not be an easy task crossing the resistance levels. The Sensex must cross and close above the top of 14724. If that happens, then expect a strong rally to higher levels of 16215. A struggle for the Sensex would continue at higher levels till it does not cross and close above 14724.

A fall and close below 13600 would take the Sensex down into a corrective phase once again and into an overall sideways movement in a wider band.

Strategy for the week

Book profits at 14189-14384-14724 as the opportunity arise. Hold long positions in frontline stocks with a stop loss of 13600. Re-enter long on close above 14724. Traders can make use of Sensex levels and trade in Nifty.

Review of Sectoral Indices

Bullish sectors- BSE CAP/BSE METAL/BSE PSU indices

BSE MID CAP

BSE MID CAP index has resistance at higher level of 6008-6230. Expect the BSE MID CAP and mid cap stocks in action on sustained rise above 6230. Important support at 5690 and till the index is above 5690, we can expect resistance to be tested and crossed.

BSE SMALL CAP

BSE SMALL CAP index is underperforming and is still way off from the recent high range of 7630-7880. In case of rise and close above 7150, expect SMALL CAP index to test the high of 7872.

BSE TECK

BSE TECH important support is at 3660. If BSE TECH index manages to maintain above 3660 and crosses 3795 then expect fairly good movement

WEEKLY UP TREND STOCKS

Let the price move below Center Point or Level 2 and when it move back above Center Point or Level 2 then buy with what ever low registered below Center Point or Level 2 as the stop loss. After buying if the price moves to Level 3 or above then look to book profits as the opportunity arises. If the close is below Weekly Reversal Value then the trend will change from Up Trend to Down Trend. Check on Friday after 3.pm to confirm weekly reversal of the up Trend.

Scrips	Last Close	Level 1	Level 2	Center Point	Level 3	Level 4	Relative Strength	Weekly Reversal Value	Up Trend Date
		Stop Loss	Buy Price	Buy Price	Book Profit	Book Profit			
IFCI	48.55	32.9	42.6	46.3	52.3	62.0	83.4	41.3	23-03-07
SAIL	133.60	122.5	129.7	133.1	137.0	144.2	78.4	131.4	23-03-07
RELIANCE INDS	1583.00	1361.0	1508.0	1580.0	1655.0	1802.0	76.5	1518.3	23-03-07
ROLTA INDIA	439.00	369.9	412.5	428.5	455.1	497.7	76.4	392.4	13-04-07
JSW STEEL	602.80	511.9	571.9	600.9	631.9	691.9	75.8	580.9	23-03-07

WEEKLY DOWN TREND STOCKS

Let the price move above Center Point or Level 3 and when it move back below Center Point or Level 3 then sell with what ever high registered above Center Point or Level 3 as the stop loss. After selling if the prices moves to Level 2 or below then look to cover short positions as the opportunity arises. If the close is above Weekly Reversal Value then the trend will change from Down Trend to Up Trend. Check on Friday after 3.pm to confirm weekly reversal of the Down Trend.

Scrips	Last Close	Level 1	Level 2	Center Point	Level 3	Level 4	Relative Strength	Weekly Reversal Value	Down Trend Date
		Cover Short	Cover Short	Sell Price	Sell Price	Stop Loss			
CIPLA	217.45	201.6	211.6	215.8	221.6	231.6	23.80	225.46	27-04-07
P&G	770.00	744.0	762.0	772.0	780.0	798.0	31.86	778.50	27-04-07
RAYMOND	348.85	298.2	330.2	343.6	362.2	394.2	33.12	352.45	04-05-07
HOTEL LEELA VEN	53.55	50.5	52.7	54.1	54.9	57.1	33.31	57.17	27-04-07
HINDUSTAN LEV.	195.05	171.9	189.1	200.3	206.2	223.4	33.76	204.30	04-05-07

PUNTER'S PICKS

Note: Positional trade and exit at stop loss or target which ever is earlier. Not an intra-day trade. A delivery based trade for a possible time frame of 1-7 trading days. Exit at first target or above.

Scrips	BSE CODE	Last Close	Buy Price	Buy On Rise	Stop Loss	Target 1	Target 2	Risk Reward
BERGER PAINTS INDIA	509480	39.80	38.55	40.70	36.30	43.4	47.8	1.03
BIRLA VXL	503796	18.55	17.70	18.55	16.65	19.7	21.6	0.62
IGARSHI MOTRS INDIA	517380	102.60	99.00	104.95	95.60	110.7	120.1	1.16
INDIAN HUME PIPE CO.	504741	453.30	443.90	453.30	415.00	477.0	515.3	0.62
KEC INFRASTRUCTURE	504807	25.20	24.55	25.80	23.05	27.5	30.3	1.07
M.P.GLYCHEM INDUSTRI	519383	27.80	26.00	27.80	25.00	29.5	32.3	0.62
RIDDHI SIDDHI STARCH	524480	285.30	279.00	288.90	266.10	303.0	325.8	0.92
SIMPLEX REALITY	503229	209.95	200.85	210.00	194.15	219.8	235.7	0.62
SUPER SALES INDIA	512527	235.75	234.00	244.60	219.25	260.3	285.6	1.49
TVS SRICHAKRA	509243	92.45	89.00	93.25	81.25	100.7	112.7	0.73

BSE PSU

BSE PSU sector index made a new high which means a lot of strength has gathered by the stocks from BSE PSU sector index. Important support is at 6330. Till the index is above 6330, expect new high to be made. On sustained rise and close above 6561, expect a target of 7104.

BSE OIL & GAS

BSE OIL & GAS sector made a new high as the main indices struggled at higher levels. A further breakout and close above 7400, will mean a new high for the sector. Important support point is 7100-6989. Above 7400, subsequent target can be 7876.

BSE METALS

BSE METAL index made a top in May'06. When frontline index made a new high in Jan'07, BSE METAL made a lower top at 9827. A breakout and close above 9827 has been witnessed. Expect BSE METAL to test the top of 11402. Important support at 9600.

BSE IT

BSE IT is sideways and till it does not cross and close above 5084 don't expect any strong up move in IT stocks. The moment it gives a breakout and close above 5084, expect IT flavour to be back in action.

BSE HEALTHCARE

Attempts of revival have been seen. But expect pressure at higher levels and we may not have clear one way movement. The overall movement could be choppy and sideways overall apart from a couple stocks, which are outperforming this sector.

BSE FMCG

Expect confirmation of medium term reversal on weekly rise and close above 1862. If that happens, then expect lower top of 2108 to be tested. Important support is at 1774.

BSE CONSUMER DURABLES

Expect upward movement in consumer durable stocks on rise and close above 3881. The index has to maintain above 3637.

BSE CAPITAL GOODS

BSE Capital Goods is an evergreen sector. The sector made a new high last week. Important support is at 9673 and expect continuation of upmove on close above 10150.

BSE BANKEX

A weak sector index at this point and expect strength above 7280. Use spurts on broad general view to exit pending stuck-up long positions. Support will be at 6899.

BSE AUTO
The fall has been deep. Therefore, the rise is more of a pull-back rise. Important support will be at 5005-4900.
BSE DOLLEX
BSE DOLLEX made a new high on the back of stronger rupee against the dollar. Expect BSE DOLLEX to move towards 730 at least and to an outer extent to 847.
<u>Conclusion</u>
Interesting indices for bullish upmove: BSE CAPITAL GOODS, BSE OIL & GAS, BSE METAL and BSE PSU.

TOWER TALK

* **HEG** is poised to improve its margins now that it has completed its Rs.475 cr. expansion, which will mean a Rs.50 rise from the current level.
* **Tata Steel** is rising because a foreign hedge fund is caught on the wrong foot selling Tisco short by a great quantum.
* **Gujarat State Petronet** is being eyed by local mutual funds and FIIs. It may cross its Rs.58 top and head for the century mark.
* **Himachal Futuristic** is witnessing a paradigm shift in operations. Its Rs.777 cellular phones for Reliance Communications manufactured with Chinese collaboration and technology. The success of this scheme may see it touching the Rs.50 mark.
* **Magma Leasing** attracts interested buying after Reliance Capital increased its stake in the company.
* Top bosses of I-**Flex** are joining a new company floated by Oracle Corporation, USA. This company will go on an acquisition spree, which in turn will increase the demand for financial solutions of I-Flex.
* **Zenith Fibres** is available at an attractive P/E level of under 6. Further, it is a good dividend play
* Go for **telecom stocks** says a stock market watcher. Most companies in this sector plan to demerge their Tower business.
* **Flat Products** has come out with stunning numbers for the March'07 quarter. The scrip can even double from the current levels. Don't even think of booking profit
* Action is building up in **Rama Paper** once again. Scrip may hit a new 52-week high in coming week. Keep a close watch.
* **Shree Hari Chemicals** is hitting not stop upper circuits on the back of excellent results. Don't book profit in a hurry. Ride the bull run.
* Inspite of excellent results, scrips like **Bilpower, IMP Power and Kavveri Telecom** haven't moved up. It's a good opportunity to accumulate them as they are sure to rise sooner or later.
* Bargain hunting has already begun in **Pitti Lamination**. Scrip can see a handsome rally post its Q4 numbers.

BEST BETS

ICSA (India) Ltd. (Code: 531524) Rs.1065.75

Incorporated in 1994, ICSA India Ltd. (ICSA), formerly known as Innareddy Computer Software Associates (India) Ltd. is a Hyderabad based company constructing power transmission lines and substations. It has also developed products suitable for power utilities in the field of energy management, energy audit, control applications and provides versatile data acquisition systems using communications media such as GSM, CDMA and RF. Presently, its business is in three segments namely embedded solutions, electrical construction services and software solutions. In the revenue mix, more than 55% comes from infrastructure projects and the balance 45% comes from embedded solutions & products.
In embedded technology solutions, it has successfully deployed products like substation controllers, distribution transformer controllers, theft detection devices, spot billing machines and Intelligent Automatic Meter Reading systems etc. Its Remote Monitoring applications, apart from the power sector, are utilized in a number of other sectors, which include oil, gas, mining, irrigation, transport and water utilities, etc. ICSA has also developed technology solutions to identify transmission and distribution (T&D) losses and monitor power consumption using GSM Network. The Remote Switching facility designed by the company fits well with the ongoing power sector reforms. Its remote sensing applications can transfer data from power points to the control room through telephone lines and wireless including GSM technology.
Secondly, ICSA is one of the leading Indian companies offering Total/Partial turnkey services for electrical infrastructure projects in power generation, transmission and distribution sectors. It is capable in design, supply, transport, erection, testing & commissioning of 400 KV, 220KV, 132 KV Transmission Lines & Sub Stations on EPC basis. It has already entered into HVDS distribution works, Rural Electrification works and Industrial Electrification works in most of the States in India thereby emerging as a truly national level power sector company. Besides, the company has forayed into foreign countries also and is also executing a big project in Sudan.

Thirdly, ICSA provides customized solutions like software application and customer specific solutions for metering, billing and collection on per customer payment basis or variations of the BOOT model. The company supplies its products to many State Electricity Boards (SEBs) and private companies such AP Transco, APEPDCL, APCPDCL, APSPDCL, CESCO, SOUTHCO, Elmarc Ltd, Reliance Energy, NEEL, UPRNNL, MSEDCL, etc. Notably, the company has entered into an agreement with OIL India Ltd. to provide products and services in monitoring oil and gas pipelines which will forecast and control the rate of corrosion apart from addressing issues such as pilferage and thefts along the pipeline.

ICSA's goal is to bring down the cost per unit of power by optimizing critical production processes and minimize transmission, distribution and transaction losses while at the same time save valuable consumer resources by real time audit and meter reading, billing systems, accountability and transparency systems, shortages and disaster prediction applications, SCADA (Supervisory control and Data Acquisition) and management solutions using best practices. Since the last three fiscals, the company is growing at a scorching pace and has ended FY07 on a buoyant note. Both sales and profit have quadrupled to Rs.330 cr. and Rs.64 cr. respectively registering an EPS of Rs.93 on its tiny equity of Rs.6.82 cr. To fund its future growth plans, the company has recently raised approx Rs.200 cr. through FCCB route and has also issued 750,000 warrants at Rs.1135. However for FY08, it is estimated to report a topline of Rs.500 cr. with PAT of Rs.90 cr. This works out to an EPS of Rs.100 on its estimated diluted equity of Rs.9 cr. Investors are advised to accumulate this scrip at sharp declines as share price can easily appreciate 50% in 12-15 months.

Panoramic Universal (Code: 531816) Rs.148.55

Incorporated in 1991 and promoted by Sudhir Moravekar, Panoramic Universal Ltd. (PUL) is the flagship company of Panoramic group which has diversified business interest in hotels, clubs, resorts, entertainment, real estate, herbal healthcare products, specialty food, advertising, BPO and Information Technology. However PUL derives 80% of its revenue from hospitality and the balance 20% from the IT business. Earlier known as IT Microsystem, PUL was mainly a software company till 2003 with core competencies in customized software application development, e-business applications, legacy and client/server systems, supply chain management solutions, ERP, IT Education & Training. It has presence in USA, UAE, China and New Zealand and has a 100% software export unit in Mumbai equipped with state-of-the-art infrastructure. Some of the software developed by the company includes software for Payroll, Human Resource Management Software (HRMS), Co-operative Housing Society Accounting, Multilevel/Network Marketing, Sales & Distribution, Hotel/Club Management Software etc.

But interestingly in 2003, PUL diversified into hotel business and today it's a well-known hospitality company with presence in USA, New Zealand and India. Currently, through its subsidiaries it owns and operates 5 hotels in USA –The Georgian Resort, New York (164 rooms), Quality Inn, New York (142 rooms), Holiday Inn, Ohio (239 rooms), United Inn, North Carolina (125 rooms), Comfort Inn, North Carolina (126 rooms) whereas in New Zealand it owns a small motel called Sai Motels (22 rooms). Notably, PUL is the only company besides Indian Hotels and East India Hotels to own and manage star category hotels outside India. In India it has three hotels i.e. at Shirdi, Goa and Malvan. In short it has total room strength of 902 rooms. The company also owns "Pancard Club Hotel and Resort in Baner Hills along with 'Area 51', a large entertainment lounge in Pune.

For future growth, PUL has chalked out capex plans of Rs.1000 cr. for the next 3-5 years. It has plans to develop three 5 star hotels of 250-300 rooms each in Pune, Kerala and Goa. It has already bought land in Pune and Kerala for the same and is looking to finalize the land at Goa. It also intends to set up or acquire five 3 star hotels (of 150-200 rooms) in Tier II cities like Jaipur, Chandigarh, Bangalore etc. Meanwhile, it has already launched two 3 star hotel-cum-club projects one each at Thane and Durgapur to be operational within two years. Recently, the company has acquired 100% stake in M/s. Sri Vatsa Hotels Pvt. Ltd. at cost of Rs.18 cr. to construct a 3 or 4 star hotel with approximate 90 rooms at its premises located in the heart of Secunderabad. As a step towards backward integration, PUL has diversified into the realty sector by acquiring 100 % stake in Ambitious Infrastructure Pvt. Ltd. and has a land bank of more than Rs.200 cr. across Pune, Thane, Mahabaleshwar, Karjat and Durgapur. Moreover, the management wants to acquire 20 properties in USA and India in the next 3 years and has plans to enter the Europe and Australian hotel markets in future.

Besides real estate and hospitality, PUL is looking at acquisition of a travel agency and setting up travel portal for e-ticketing and hotel bookings to become an end to end player in the travel & tourism industry. In future, it wants to cash in the Medical tourism boom by setting up Ayurvedic medical cum relaxing facility. Interestingly, the company has acquired the franchise for 'The Country's Best Yoghurt' (TCBY) and has set up a manufacturing unit at Silvassa. It has also signed a MoU with Natham's Place (a US food retail chain) to open exclusive outlets in India. The promoters intend to consolidate assets of the Panoramic Group with PUL to create a single holding company and bring all its hotel properties in USA and India under the 'United Inn' brand. Thus with these strategic initiatives, PUL is on its way to emerge as a hospitality conglomerate by expanding its hotel bases across geographies.

As most the business is through subsidiaries, one should evaluate the company by its stand-alone numbers. On a consolidated basis, it is expected to end FY07 with total revenue of Rs.130 cr. and profit of Rs.35 cr. i.e. EPS of Rs.27 on its equity of Rs.6.48 cr. with FV of Rs.5 per share. This means that the scrip is trading at a P/E ratio of merely 5.5 against its current earnings. However, to fund its expansion plan, the company may take huge debt or dilute its equity substantially in future. Still 74% promoter holding gives some confidence in the group and investors are advised to buy at current levels with a price target of Rs.220 in the medium-term. If things pan out as per plans, then it may turn out to be a multi-bagger in the long run.

ANALYSIS

Mukta Arts Ltd: Buy on reaction

By Devdas Mogili

Mukta Arts Ltd. is a Mumbai-based entertainment company established in 1982. It is a complete entertainment company with presence in Film Production, Television Content production, Film Distribution and Equipment Hiring for Film Making. Presently, the company is engaged in the generation and distribution of contents for the entertainment industry. The company is headed by noted film personality, Mr. Subhash Ghai, as the chairman and managing director of the company.

The company came out with a maiden Rs.100 cr. public issue in July 2000 at an offer price of Rs.165 for a Rs.5 paid-up share. It is the first Hindi film production company to tap the capital markets. The issue evoked enthusiastic response from the investing public and the scrip was listed at Rs.220 on the Bombay Stock Exchange (BSE).

It has to its credit a long list of commercial successful Hindi films. Some of the films produced by Mukta Arts are 'Aitraj', 'Kisna', 'Ek aur ek Gyarah', 'Joggers Park' etc.

Mukta Arts is also engaged in the business of hiring out cinematic equipment and owns a modern studio 'Audeus' equipped with sophisticated state-of-the-art equipment for world-class production and postproduction operations. It has also forayed into the distribution business.

In addition, the company plans to enter the television software arena with a library of about 15 to 20 films. It has also set up a Story Development Workshops, the first of its kind for the Hindi Cinema industry. This will help in creating a bank of stories and scripts for content creation, which can be used both for the film and television medium. The company has also entered into digital cinema through a joint venture with Adlabs under the name and style of Mukta Adlabs Digital Exhibition Pvt. Ltd. This project is a pioneering effort to explore the new opportunities arising out of Digital Technologies.

The company has closely followed the growth of multiplexes and moved in aggressively to tie-up deals with multiplexes such as PVR in Delhi, Fun Republic in Chandigarh and others to programme for these cinemas thereby strengthening its distribution network. It has also set up film academy in the Film City at Goregaon in Mumbai by the name of' 'Whistling Woods' and has entered into an agreement with the Provincial Government of Western Cape, Republic of South Africa, to work out a collaborative strategy for establishment of 'Whistling Woods International', a film and media institute in Cape Town.

The company has planned to produce several new films during the current fiscal and has roped in directors like Abbas Mustan, Anees Bazmee, Anurag Basu, Nagesh Kuknoor etc.

New Deals: Mukta has signed a five-year deal with Zee Telefilms effective 26 February 2007. The deal will assign satellite rights of Mukta's library of 12 films to Zee. Another Mukta Arts film 'Good Boy, Bad Boy' is expected to be released during 2007 and it has started making original films for TV channels. Some of them include the likes of 'Apna Sapna Money, Money'. Mukta Arts has also entered into an agreement with the Dubai-based Arab Venture Corporation (AVC) to provide television content. This is Mukta Arts first foray into the television industry.

Performance: The Company garnered total revenue of Rs.101.26 cr. with a net profit of Rs.14.27 cr. netting an EPS of Rs.6.32 for the year 2005-06.

Financial Highlights: (Rs. in lakh)

Particulars	QE 31/03/07	QE 31/03/06	YE 31/03/07	YE 31/03/06
Net Sales/Income	2951.93	1237.03	9651.18	3998.83
Other Income	150.43	96.86	475.10	361.25
Total Income	3102.34	1333.89	10126.28	4360.08
Total Expenditure				
a. Cost of prod/dist/rights-sw	1270.65	1058.51	7329.99	3568.40
b. Admn. & Office exp	184.34	174.53	1049.48	1063.21
Total	1454.99	1233.04	8379.47	4631.61
PBID	1647.35	100.65	1746.81	(271.53)
Int. & Fin charges	2.86	3.79	6.24	6.02
Depreciation	56.79	77.44	226.53	299.77
Profit before tax	1587.70	19.62	1514.04	(577.32)
Prov. for taxation				
a. Current	94.25	-	94.25	-
b. Deferred	(6.35)	(5.70)	(25.17)	(22.51)
c. FBT	2.00	1.74	17.62	9.75
Net Profit	1497.79	23.58	1427.34	(564.56)
Equity (FV: Rs.5)	1129.06	1129.06	1129.06	1129.06
Reserves	-	-	-	9752.55
Basic/Diluted EPS (Rs)	-	-	6.32	-

Q4 Results: Mukta Arts has come out with a fabulous set of numbers for the quarter ended 31 March 2007. It clocked total revenue of Rs.31.02 cr. with a net profit of Rs.14.98 cr. on an equity base of Rs.11.29 cr. The basic EPS works out Rs.6.63 (FV: Rs.5) for the quarter. Going forward, the annualized EPS would work to around Rs.25.5 (FV: Rs.5). Annualizing EPS for a film producing company, however, may not be correct but it is an indication of the shape of things to come.

Financials: The company has an equity base of Rs.11.29 cr. with a book value of Rs.48.18 on the face value of Rs.5 of its share.

Share Profile: The share of Mukta Arts have a face value of Rs.5 and are listed both on BSE and NSE under the T2T segment and touched a 52-week high of Rs.98 and a low of Rs.31.

Dividends: The company has been paying dividends as shown below:

December 2001 - 30%; FY03 - 32%, FY04 - 20%.

Due to unfavourable conditions, the company could not declare dividend for FY05 and FY06 but was quick to respond to investors as soon as it was on a profitable path, it lost no time in declaring a dividend. In view of its excellent performance, the company declared and paid an interim dividend of 40% for FY07.

Shareholding Pattern: As on 31 March 2007, the promoters hold 70.25% equity while non-promoter shareholding is to the tune of 29.75%. The high promoter stake indicates the confidence of the promoters in the performance of the company going ahead.

Prospects: The key drivers of future growth in their segment is the burgeoning multiplex phenomenon, which has caused audiences return to cinema in greater numbers. Further, the advent of digital cinema has resulted in reducing the time to marketing of films in the 'B' and 'C' class centres and reducing the threat of piracy; increased the branding of films through corporate sponsorships and merchandising. Furthermore, the structured approach to film making being adopted by the industry has resulted in reduced costs and delays.

Conclusion: Currently, media scrips are hogging the limelight on the bourses. Companies like Balaji Telefilms, Adlab Films etc are eagerly sought after by funds and high net worth individuals. After initial hiccups, Mukta Arts has made a smart turnaround and is expected to go places in future following its tie-up with Adlab Films and with players in the multiplexes like PVR.

At its current market price of Rs.88, the share price is discounted less than 5 times its estimated earnings against the industry average P/E multiple of about 25. Following the announcement of the results, the MAL share has zoomed to the present level of Rs.90 crossing its previous peak of Rs.80. Investors may consider the stock on market corrections for profitable gains in the short to medium-term.

MARKET REVIEW

Sideways movement of the Sensex continues

By Ashok D. Singh

The Sensex closed 25.69 points marginally higher to end at 13934.27 for the week ended 4 May. The NSE Nifty advanced 33.85 points to close at 4117.35 in the week.

Select side-counters were in demand either due to their strong Q4 results or on expectations of good earnings. Small-cap and mid-cap stocks extended their recent gains. BSE Mid-Cap Index rose 129.63 points to 5863.16 in the week. BSE Small-Cap Index rose 90.09 points to 7031.57 in the week.

The two key indices, BSE Sensex and the CNX Nifty, witnessed a divergent trend on Monday (30 April). While the Sensex shed 36.21 points to end on 13,872.37, Nifty rose 4.40 points and settled at 4,087.90. However, the highlight of the trading session was a tremendous intra-day rebound by both. The Sensex reverted from the lower level after having plunged as many as 214.99 points in mid-morning trades.

The market remained closed on Tuesday, 1st May and Wednesday, 2nd May on account of public holidays.

Renewed buying in Reliance Industries took the Sensex up 206 points on Thursday, 3rd May. Rallying US markets and firm Asian markets aided the rally on domestic bourses. A fall in RIL caused by an unfavourable interim order of the Bombay High Court, pulled the barometer BSE Sensex below the psychologically important 14,000 mark on Friday, 4th May. IT pivotals also edged lower hit by the rupee's surge. The domestic bourses bucked a firm trend in Asian stocks and the Sensex lost 143.94 points to finish at 13,934.27.

FIIs pressed sales to the tune of Rs.304.60 cr. on Monday, 30th April but they resumed buying on Thursday, 3rd May with an inflow of Rs.56.20 cr. Mutual funds were net buyers to the tune of Rs.71.30 cr. on Monday and Rs.298 cr. on Thursday.

Index complier MSCI rejigged its Standard Index Series following an annual review. With regard to India, three stocks have found place in the Standard Index Series viz. Aditya Birla Nuvo, Unitech and Videocon Industries. Simultaneously, ten stocks have moved out viz. Arvind Mills, Bajaj Hindusthan, Bank of Baroda, Biocon, Britannia Industries, Colgate-Palmolive India, Jet Airways India, Matrix Laboratories, Moser Baer India and Nicholas Piramal.

Finance Minister, P. Chidambaram on Thursday announced changes in Finance Bill 2008 following a discussion in Parliament. Chidambaram said the government will charge an ad valorem duty of 12% on cement priced above Rs.190 per 50 kg bag as against the budget proposal of Rs.600 per tonne. After this 12% duty, the effective reduction in tax burden on cement sold above Rs.190 per bag would be up to Rs.7.

The import duty on Gems & Jewellery has been completely abolished together with duty on cut diamonds abolished. The export duty on low-grade iron ore export was slashed to Rs.50 per tonne from Rs.300 per tonne.

The Finance Minister also recast the tax on Employee Stock Options (ESOPs). Fringe Benefit Tax will now be applicable on the date of vesting. Guidelines will be issued in due course on how to arrive at the value of ESOPs. The Lok Sabha on Thursday passed the Union Budget 2007-08 by a voice vote.

Cement shares rose ahead of excise duty relief announced by the government on Thursday. ACC said on Friday its shipments rose 4.8% in April 2007 from a year earlier, to 1.74 million tonnes. ACC said production rose 6.6% to 1.77 million tonnes up from 1.66 million tonnes in April 2006.

ONGC came out of lower level on renewed buying at declines. Analysts say rising rupee against the dollar, which makes import cheaper will help bring down under-recoveries of oil marketing firms, which, in turn, will reduce the subsidy burden on ONGC. The state-run oil explorer shares subsidy burden on this count with oil marketing firms

Bajaj Auto surged 4% to Rs.2551.05 on Thursday boosted by a media report that its board meeting on 17 May 2007 is also likely to discuss a proposal for demerger. Meanwhile, Bajaj Auto continued its downward spiral in motorcycle sales for the third consecutive month this year with its April numbers, including exports, declining by 13% compared to the same month last year. The company said its bike sales in April stood down 13% at 1,64,304 units against 1,88,518 units (inclusive of exports) in the same month last year. Total two-wheeler sales also registered a dip of 13% at 1,65,692 units against 1,90,964 units last year, BAL said.

ICICI Bank lost 7.2% to Rs.865.90 on Monday after the private sector bank reported disappointing 4.45% net profit growth for Q4FY07. Concerns of equity dilution also weighed on the counter. Along with Q4 results, ICICI Bank's board also approved raising additional equity capital by way of a public issue of shares and American Depositary Shares (ADSs). The exercise is expected to generate around Rs.20,000 cr. The approval of shareholders will be sought by postal ballot, the private sector bank said.

Colgate-Palmolive India jumped 12.7% to Rs.396.45 in a single trading session on Friday after the toothpaste and grooming products maker proposed a reduction in capital, resulting in payment of deemed dividend of Rs.9 per share to shareholders and reducing the face value of each

share to 1 rupee from Rs.10 rupees.
IFCI surged ahead of its Q4FY07 results. IFCI reported a net profit of Rs.644 cr. for the quarter ended 31 March 2007 against a loss of Rs.105 cr. in Q4FY06. For the year ended 31 March 2007, its net profit was Rs.874 cr. The results were announced after trading hours on Thursday.
The outcome of the ongoing seven-phase Uttar Pradesh assembly elections is a key political event to watch out for. The assembly poll gets over early this month. The vote is seen as a barometer of national political trends. Some opinion polls show the opposition Bharatiya Janata Party (BJP) emerging second in the race further adding to the woes of the ruling Congress, which is already battling rising prices.
The Sensex gained 25.69 points to close at 13934.27 last week. The Sensex shows a mixed trend or a range bound movement for some time now moving between 12,500 to 14,500 mark. And unless either side of levels are breached, the trend for the market is likely to remain undetermined.

MARKET

Sensex & Nifty to touch new peaks

By G. S. Roongta

As indicated last week and the previous week, the BSE Sensex may pause for a while to consolidate its recent gains of nearly 1000 points. The happenings thereafter on the bourses were more or less in line with my forecast as the market witnessed movements as per my observations made last week and the previous week.
The BSE Sensex had hit a high of 14,383 and the Nifty at 4217 on Thursday, 26 April 2007, when I had penned last week's article. Thereafter, the market on Friday, 27 April and Monday, 30 April witnessed a sharp correction as the Sensex hit a low of 13,901 while the Nifty touched 4,096. Thus a fall of 482 points on the BSE Sensex and 121 points on the CNX Nifty was 50% and 40% respectively from their recent highs.


G.S. Roongta

After witnessing this sharp correction, the market bounced back on Thursday, 3 May, when it reopened after two consecutive days of holidays. I had observed about this bounce back in the previous week's article with the headline, 'Market to consolidate'. But the consolidation may sometimes be slow and sometimes it may be to sharp and too fast. In this case, the consolidation was steep but also very fast yet, the quantum of rise was fully corrected on both the benchmark indices.
This time the BSE Sensex was a bit slow to gain while the CNX Nifty and the Nifty Futures were very active and recovered much ahead of the BSE Sensex because in the last leg of the rise to its all time high, the BSE Sensex hit a high of 14,724 while the CNX Nifty just hit 4,217. But now the Nifty is near to its previous peak while the BSE Sensex is short by 790 points from its peak. This clearly shows that market players are once again playing a game to manipulate Nifty stocks as against the Sensex stocks.
On Thursday, 3 May, the market opened with a strong gap of nearly 150 points after two days of national holidays and advanced to a high of 14,107 on the Sensex and 4,161 on the Nifty recording handsome gains despite no new favourable announcements either on the economic or political fronts. This means that the undercurrent in the market is quite strong and bullish despite the sharp corrections on Friday and Monday – the previous two trading days. The market thus given a fresh signal that it is in a mood of achieving a new milestone after piercing the existing peak. The new level, according to market experts, maybe somewhere between 15,200 to 15,500 on the BSE Sensex and 4,450 to 4,500 on the CNX Nifty.
But if we were to go by a report published in a popular business daily, May 2007 may turn out to be quite different. It observes that the month of May usually starts with profit-booking which continues till October/ November and substantiated its statement with past records confirming market peaks in April which get corrected upto October/ November. The writer further observes that the fiscal year ends in March and the results are out by April/ May along with the dividend declarations where after the charm in the scrip gets over. He also observed that the monsoon, which begins next month, will slowdown all business activity all over the country.
While this reasoning is pretty sound going by the two major sharp falls during the monsoons, it cannot be taken for granted that this is bound to recur every year. But we should remain cautious, alert and careful if at all it casts its head again.
The corporate earning season is almost over with only a few companies left to declare their working results. Notable among them are Tata Steel, Tata Motors, SAIL, Hindalco, L&T and others whose performance is considered to be quite good in line with the others but the impact of which is not visible on the market sentiment.
Last time, I had observed that a few sleeping giants of yester years have started awakening beginning with the Shipping Corporation of India and whose market price just doubled from its recent low. Arvind Mills advanced by 15-20% at Rs.48 against its recent low. Alok Industries, too, advanced by 20-25% and BILT, which made a recent low at Rs.92 has also spurted to Rs.120 gaining 25-30%. Tube Investments, which made a low of Rs.48 in March 2007 has spurted to Rs.70

rising by 50-60% in just one month. Like this there are hundreds of stocks, which have yet to see the light of the bullish market.

Cement shares, as I had strongly advocated, are marching ahead and recovering their lost ground in the process. Elecon Engineering, which has yet to announce its FY07 results, is lying low at Rs.400 and might re-attain its recent peak of Rs.485 because its working results for 2006-07 will be mind-boggling. Garden Silk Mills and Modern Steels, which are languishing at half their book values, may spurt anytime as their performance is good and both of them are attractive propositions compared to IPOs, which make their offer at almost twice their book values!

Why should then Arvind Mills, Alok Industries, BILT, Modern Steels and Garden Silk Mills be on the back seat when others like Shipping Corporation have started roaring like a lion? Stock markets adjust sooner than later and while some stocks spurt early, others join the race a little later. This is because the fundamentals of a stock cannot be hidden or suppressed for long.

In view of this, Money Times readers and investors must make their own study of fundamentally strong companies, which are lying low and can get re-rated anytime hereafter to reach their deserving levels.

Priyadarshini Spinning Mills, which had issued rights shares last year at Rs.25 is languishing at Rs.17 and with a book value of nearly Rs.40. While an existing company with a good track record of profit making and paying dividends for the last 2-3 years is available at Rs.17 while a newly floated company in a similar line of business which has yet to start production is traded twice of thrice Priyadarshini's price level! How long can such disparity be tolerated in the stock market?

Despite the boom in steel prices, National Steel & Agro is languishing at Rs.21/22 as against its book value of Rs.50 plus. Thus either there is some dark spot on the company management or investors are not fully aware of this dark horse, which is still asleep in this booming market.

But such stocks may suddenly spurt as has happened with Camphor and Allied Products, which was languishing at very low levels for 2 years before its broke out to touch new peaks. This is therefore not the time to run after those stocks which have already advanced and achieved valuations more than their growth, book value, turnover or profitability can justify as they may turn out to be costly. Investors should therefore select and study dark horses whose fundamentals are strong and growth is imminent but the price has yet to be discovered by the market.

STOCK WATCH

By Saarthi

Most investors are under the impression that **Gayatri Projects Ltd. (Code: 532767) (Rs.252)** has reported very disappointing numbers for the March'07 quarter as its net profit is down by 50% to Rs.3.20 cr. compared to Rs.6.50 cr. last fiscal. But actually, the results are quite good as it has registered 40% rise in its topline at Rs.166 cr. With OPM of more than 14% for the quarter, its PBT increased by 25% to Rs.12.70 cr. However, as the company made major tax provisions of Rs.9.50 cr. in the last quarter only, it reported a lower net profit. For the entire FY07, both sales and net profit increased by 35% to Rs.502 cr. and Rs.23.50 cr. respectively leading to an EPS of Rs.23 on its equity of Rs.10 cr. Considering its huge order in hand position of Rs.2500 cr., the company is estimated to clock a turnover of Rs.750 cr. and profit of Rs.35 cr. for FY08. This translates into EPS of Rs.35 on its current equity. To fund its working capital requirement, the company has plans to raise US $30 mn. through the FCCB route in the near future. Although the promoters have a chequered history, the scrip is still a good bet at the current levels.

*****

Prithvi Information Solutions Ltd. (Code: 532675) (Rs.276) is a mid sized technology solutions company with a strong domain knowledge of Technology outsourcing, process outsourcing and networking solutions serving clients in industry verticals like embedded technology, telecom, healthcare, retail, manufacturing, hi-technology, BFSI and e-governance. For the March'07 quarter, its topline increased substantially to Rs.259 cr. against Rs.137 cr. on YOY basis whereas its bottomline grew by 55% to Rs.26 cr. For FY07, it registered 70% rise in both sales and profit to Rs.768 cr. and Rs.90 cr. respectively i.e. an EPS of Rs.50 on an equity of Rs.18 cr. To increase its presence in offshore business, the company has plans to acquire 4-5 software boutiques overseas, with software facilities in India. For this, it has recently completed placement of FCCB of $50 mn., which was subscribed to by Lehman Brothers. It is also in the process of setting up its offshore development centre in Hyderabad at an investment of Rs.30 cr. On the back of its Rs.750 cr. order book position, it is estimated to register total revenue of Rs.925 cr. with PAT of Rs.110 cr. for FY08 on a stand-alone basis. A good medium to long-term bet in the IT sector.

*****

Recently, **Lloyd Electric and Engineering Ltd. (Code: 517518) (Rs.154)** declared very encouraging result for the March'07 quarter. It recorded an all-time high sale of Rs.153 cr. compared to Rs.116 cr. last year whereas net profit increased by 55% to Rs.15 cr. For the full year FY07, sales were up 45% to Rs.496 cr. and net profit jumped 70% to Rs.47 cr. thereby registering an EPS of Rs.15 on its equity of Rs.31 cr. Recently, the company setup a new manufacturing unit in Dehradun (Uttaranchal) to manufacture room air-conditioners, components for air-conditioners and electronic goods. Besides, it is in contract with an Australian company for designing, manufacturing and supplying of AC package units to Metro Rail in India It has also tied up with a Korean company to manufacture roll bond and frost-free coils for refrigerators. Hence it may end FY08 with sales of Rs.625 cr. with profit of Rs.62 cr. i.e. EPS of Rs.20. At a reasonable discounting by 12 times, its share price has the potential to touch Rs.240 in a year's time.

*****

LT Overseas Ltd. (Code: 532783) (Rs.50) is the third largest player in the domestic basmati rice segment (after Satnam Overseas and KRBL) with 'Daawat' and 'Heritage' as its leading brands. With 40% revenue coming from exports, its products are being sold in more than 35 countries including the quality conscious markets of USA, Canada, UK and the European Union. It reported an excellent set of numbers for the March'07 quarter with sales at Rs.187 cr. and PAT of Rs.7.90 cr. i.e. EPS of Rs.3.50. However, due to one time extraordinary expense of Rs.1.32 cr. its net profit stood at Rs.6.60 cr. A few months back, the company had raised around Rs.40 cr. through an IPO at Rs.56 per share primarily for putting up a new parboiled rice processing and milling capacity of 6 TPH, a new milling line for producing value added rice with capacity of 5 TPH and to set up silos and flat storage facilities. It is also putting up a power plant of 2 MW for captive consumption. For FY08, it can clock a turnover of Rs.675 cr. with net profit of Rs.26 cr. i.e. EPS of Rs.12 on an equity of Rs.22.30 cr.

FIFTY FIFTY

By Kukku

Investment Call

***** Unistar Galvanisers & Fabricators Pvt. Ltd., a wholly-owned subsidiary of **Adhunik Metaliks Ltd. (Rs.47.3)** has bagged a major order of Rs.53 cr. from India Wireless Technology Ltd. (IWT), Mumbai. The order is for the manufacture and supply of complete Telecommunication Towers and is sufficient to occupy 4-5 months of production facility fully.

Adhunik acquired Unistar in July 2006 and has one manufacturing unit in Kolkata and another in Jamshedpur. Its products include transmission towers with capacity of 35000 MT per month**,** galvanized substation/ switchyard structures, ground based and roof top galvanized telecom towers, welded structure/ masts for Railways and lighting masts, pipe structures, foundation bolts and accessories.

Adhunik Metaliks Ltd. has acquired Orissa Manganese & Minerals Pvt. Ltd. (OMM) as its 100% subsidiary. OMM is a company with mining rights for reserves of 15 million tonnes for manganese ore and 35 million tonnes for iron ore. The company plans manganese ore mining immediately and iron ore mining within a period of 3 to 6 months.

The company makes steel through the most cost effective route of charging sponge iron and hot metal in the electric arc furnace. The stock is attracting attention of market players. Investors can stay invested for better days ahead or can take small exposure.

Market Guidance

***** Some of our recommended stocks like **IFCI (Rs.49), Indiabulls Real Estate (Rs.575), Garware Wall Ropes (Rs.132), Asian Oil Field (Rs.57.5)** and **Alkyl Amines (Rs.117)** touched new highs in last week.

*** Oswal Chemicals (Rs.38.6)** (old name was Bindal Agro and listed only on NSE) manufacturing Di Ammonium Phosphate (DAP) at Paradeep in Orissa was sold to the Indian Farmers Fertilizers Co-operative Ltd. (IFFCO), and its Urea manufacturing unit at Shahjahanpur to KRIBHCO for a consideration of Rs.1,908 cr. Both of these transactions have resulted in a net cash-in flow of Rs.2,148 cr. to the company and the company's net worth has improved to Rs.1,73,392,73 lakh from Rs.40,526.77 lakh in the last year as per the last directors report. The company plans to multiply its wealth by entering into high growth sectors like petrochemicals and petroleum products, real estate and other related investment opportunities.

The stock is attracting heavy informed buying by knowledgeable circles. Investors can stay invested or can invest at current levels on high-risk, high-gain basis. Closing above Rs.42 level should give good breakout.

*** Coal India** is likely to step up its purchase of drilling rigs in the current year. Both Atlas Copco & Revathi Equipments are likely to benefit from this.

*** Zenith Fibres (Rs.26)** has reported an EPS of around Rs.6.03 for FY07. At the current price of Rs.26, the stock is available at a P/E ratio of just 4.3 and looks attractive for investment. Its results are in line with expectations.

*** Atlas Copco's (Rs.760)** first quarter profits were less due to relocation of manufacturing units and lower sales from the drilling rigs division. As per sources, many funds managers attended its recent AGM at Pune and were quite impressed by its growth plans.

*** Finolex Cables (Rs.93)** is likely to remain in action as strong reports are pouring in about its improved performance and growth outlook. This was recommended earlier also. Investors can look forward for better times ahead with a long-term view.

* Like Elgi Tyre, **Indag Rubber (Rs.35.5)** is also into tyre Rubber Tread (Pre-cured) business and is said to be turning around. For FY07, the company has earned an EPS of around Rs.8 on sales of Rs.62 cr. on its small capital base of Rs.5.25 cr. Investors can keep watch to add this stock on reactions around Rs.32 level for good long-term growth.

* **Steelcast (Rs.295)** has reported good results but margins are declining every quarter since the last about 5 quarters. Although it is expected to do well in coming years, investors can book partial profits at higher levels.

* **Alkyl Amines (Rs.115)** is expected to fare well and investors are advised to stay invested for better times ahead. The stock has given a good breakout at the current level.

* **IFCI (Rs.49)** has been discussed right from Rs.11-13 level in this column for buying. Those holding from lower levels can book 30% stocks at every rise. They can lock such profit into good stocks like Finolex Cables for securing it and to get good long-term growth.

* Investors have earned good money in **Garware Wall Ropes (Rs.131)**, which we had been recommending from the low level of Rs.40-42. They are advised to book part profits to the extent of 30-35 % of their holding and lock the same in to Revathi Equipments at lower levels.

The best is yet to come in Garware Wall Ropes and it may touch Rs.200 mark in one year's time.

* Investors should hold **Asian Oil Fields (Rs.57.5)** as best is yet to come. They can book part of profits around Rs.65 level and lock the same in **IDBI (Rs.91)** or **Karnataka Bank (Rs.171)** or **Kojam Fininvest (Rs.180)**.

Investors are advised to remain in cash to the extent of 20-25% at such a high level of index. This will give them good benefit to buy in case of reactions.

EXPERT EYE

By V.H. Dave

Surya Pharmaceuticals Ltd. (SPL) (Code: 532516) (Rs.73.35) posted highly encouraging results for Q4FY07 posting 37% higher net profit of Rs.8.2 cr. on 43% increased sales of Rs.83 cr. The EPS for FY07 was Rs.18.8. With strong fundamentals, improving results coupled with the ongoing expansion, investment in this share offers potential for growth.

SPL is a Chandigarh-based pharmaceutical company with four manufacturing facilities spread across the three states of Himachal Pradesh, Haryana and Punjab and was incorporated in 1992 to manufacture bulk drugs and intermediaries. In 2001, it ventured into manufacturing of active pharmaceutical ingredients (APIs) and formulations and in December 2003 it came out with a public issue of equity shares at a premium of Rs.35 each aggregating Rs.13.5 cr.

SPL produces semi synthetic penicillin based products, first generation Cephalosporins, anti histamines, drug intermediaries and formulations but is predominantly a bulk drug or Active Pharmaceutical Ingredient (API) manufacturer. Currently, SPL manufactures tablets and capsules for Penicillin G based products, where it has a strong presence in the API segment. It specializes in the Betalactum and oral Cephalosporin range of anti-infectives and is ranked among the top five in the country in this segment.

SPL has reported highly encouraging results for FY07. Its net sales have surged by 20% to Rs.287 cr. and net profit ahs shot up by 23% to Rs.27.3 cr. and the EPS works out to Rs.18.8. During Q4FY06, while sales increased by 43% to Rs.83 cr., net profit advanced by 37% to Rs.8.2 cr.

SPL's equity capital is Rs.14.5 cr. and with reserves of Rs.107 cr., the book value of the share works out to Rs.84. The value of its gross block as on 31-03-2006 was Rs.125 cr. Currently, the promoters hold 25% in its equity capital, promoter associates hold another 48% leaving 27% with the investing public.

SPL is gradually phasing out one of Semi-synthetic penicillin by entering a new category called 'Macrolides', which comprise of Cephalosporins molecules has entered into strategic alliances for manufacturing of 3rd and 4th generation molecules of Cephalosporins, which include 'Cefixime', 'Cefprozil' and 'Cefdinir'. SPL has set up a new facility for manufacture of a new third generation Cephalosporins and the commercial production is expected to commence shortly. The facility also includes a captive power plant.

The commissioning of its Jammu facility at a cost of about Rs.100 cr. and upgradation of its existing four plants to the US Food and Drug Administration (USFDA) standards could lead to SPL achieving a turnover of Rs.500 cr. in FY09.

SPL is a government recognized Export House focused on manufacturers and exporters of bulk semi-synthetic penicillin antibiotics. It is among the top 5 producers of India in these segments and among the top 50 pharmaceutical companies of India. Its customer base is spread out in more than 70 countries with more than 500 customers contributing an annual business of almost US $66 mn.

With special emphasis on Research & Development at a dedicated well equipped R&D centre at Panchkula near Chandigarh and steered by highly qualified scientists from the industry, SPL assures qualities of quick time to market, quality optimization & cost effectiveness in product delivery. In future, SPL plans to enter the high value, bulk Cephalosporin (oral and sterile at its Banur Unit) and is also working to enter regulated markets by securing product registrations.

In a short span of 15 years, SPL has maintained a growing and successful track record and is well-positioned in domestic as well as international markets. It is repositioning itself as a low-cost manufacturer apart from foraying into contract manufacturing. Over the years, SPL has recorded a spectacular 45-fold growth rate as a multi-product and multi unit pharmaceutical company with an approx. turnover exceeding Rs.280 cr. and a reputation built on continuous process upgradation.
The SPL stock currently rules at Rs.76 discounting the FY07 EPS of Rs.18.8 by 4 times and a forward EPS of Rs.24 for FY08 by only 3.2 times. The average P/E of the industry in which SPL operates currently hovers around 22. This makes investment in the SPL share very prudent. Investment in this share can appreciate by more than 50% in about 6-9 months. The 52-week high/low of the share has been Rs.165/55.

*****

D & H Welding Electrodes (India) Ltd. (D & H) (Code: 517514) (Rs.27.70) engaged in the business of welding electrodes has put in excellent results for Q4FY07, which went unnoticed by marketmen.
Promoted by H H Melwani, D&H was incorporated on March 30, 1985 as a private limited company and converted into a public limited company on Aug 24, 1993. It manufactures a wide range of welding electrodes with an installed capacity of 4400 TPA at Indore and has been certified ISO 9001:2000 by International Certification Services for Quality Management System.
D & H products are now an integral part of industries like shipbuilding, petrochemicals, construction, transport, offshore, energy and repairs & maintenance. With the demand for welding equipment and machines increasing and with the improvement in its results, D & H is looking to diversify in to the manufacture of XLPE/PVC Cables. During FY06, it exported welding products worth Rs.13.3 lakh. It is planning to expand its production capacity substantially along with introducing new product lines in welding field and has chalked out an ambitious plan to grow in the export market.
During Q4FY07, while sales advanced by 27% to Rs.9 cr., profit shot up by 219% to Rs.1 cr.
For FY07, D & H registered 39% increased sales of Rs.32 cr. and posted 117% higher net profit of Rs.2.9 cr. recording an EPS of Rs.5.2.

D & H has a small equity of Rs.5.6 cr. with reserves of Rs.5.9 cr., the book value of its share works out to Rs.21. The promoters hold 37% in its equity capital, PCBs hold 22.3% and the NRI hold is 1.5% leaving 39.2% with the investing public.
Coming to future prospects, the Indian welding industry is poised to grow over the next five years as projects worth Rs.1,80,000 cr. in sectors such as steel production, oil refinery, power generation, automobile and infrastructure on the anvil. These sectors being large users of welding electrodes, its demand has remained high giving rise to a sustained rise in production. The Index of Industrial Production (IIP) of Capital Goods and the manufacturing sector have shown impressive growth in the recent past and signal stronger growth ahead.
Since manufacturing and infrastructure industries are keen to improve their global competitiveness on one side and scale up their capabilities to move up the value chain on the other, switching over to continuous welding processes for some fabrication jobs will help the domestic capital goods sector greatly.
Notably, this trend has attained significant scale in transportation, gas & oil sectors, fabrication of structures for power stations etc. As a result, domestic organized players

are able to wrest the market from the unorganized sector.
The shares of D & H are currently available at just Rs.28 of FY07E earning of Rs.5.2, discounting it only 5.4 times. Based on the above and further expansion, D & H is likely to post an EPS of Rs.7 in FY08 on sales of Rs.45 cr. Its forward P/E works out to just 4 against the industry average P/E of 9.
In view of its improving results, ensuing expansion and bright prospects of the welding industry, the shares of D & H are an excellent buy. Investment in this share is likely to fetch appreciation of more than 50% in six months. The 52-week high/low of the share has been Rs.30/13.

*****

Established in 1951, **Elecon Engineering Company Ltd. (EECL) (Code: 505700) (Rs.393)** manufactures bulk material handling equipment and industrial gears. It is one of the largest industrial gearbox manufacturers in the country with the widest range of products.
On the material handling front, EECL's product range includes design, engineering manufacture, supply, erection and commissioning of conveying equipments, wagon tipplers & dust trapping equipment, reduction gears & geared motors, wagon marshalling equipment, EOT cranes & goliath cranes and specialised conveying equipment, stacker reclaimers, blender reclaimers, rotary disc loaders etc.
EECL supplies gears and material handling equipment to core sector consumers such as steel, power stations, ports, cement, coal, lignite and iron ore mines.
During FY06, EECL registered 59% increased sales of Rs.456 cr. and earned 127% higher net profit of Rs.30 cr. yielding an EPS of Rs.9.6 on the face value of Rs.2 per share and paid a dividend of 50%.
During Q3FY07, its sales advanced by 87% to Rs.168 cr. while net profit surged by 76% to Rs.15 cr. During the first nine months ended 31 December 2006, while sales have jumped by 72% to Rs.438 cr., net profit shot up by 115% to Rs.36.3 cr.
EECL has a tiny equity capital of just Rs.6.2 cr. and with reserves of Rs.132 cr., the book value of the share works out to Rs.44.5, making it a strong bonus candidate.
The promoters hold 42.5% in the equity capital, The FIIs hold 4.7%, mutual funds/institutions hold 22% and PCBs hold 4.5% leaving 26.3% with the investing public.
EECL is on the look out for possible buyouts in material handling equipment in Europe and US and also looking to set up an unit in a Gujarat SEZ and push up exports to 30% of sales from the current 12%.
It also plans to invest in capacity for manufacturing windmill gear-boxes and setting up wind farms and fabrication of various kinds of blocks for ship building, It aims at revenues of Rs.100 cr. in FY08.
Elecon has also planned to set up a ship fabrication facility and has signed a MoU with Pipavav Shipyards. While the latter would be responsible for designing ships, the former will fabricate ship blocks. Elecon has planned a capex of about Rs.15-20 cr. to set up facility for the same. However, this revenue will depend on orders received by Pipavav Shipyards.

Backed by strong investment in industrial and infrastructure sector, engineering companies are brimming with strong order books with long delivery/completion schedule. EECL has an order book of Rs.780 cr. as on date of which Rs.450 cr. are estimated to be from the Indian Navy & Coast Guard. Apart from this, it has bagged Rs.229 cr. order for installing coal handling plant package for National Capital Thermal Power Project (NCTPP).
With an established set-up, EECL would be among the key beneficiaries of the increased investment in sectors such as power, coal and steel, which contribute significantly to its bottomline. Further, the changes in the product mix, entry into the wind energy segment, coupled with a healthy order-book, lend greater confidence to its earnings visibility.
Based on the first three quarters, EECL is all set to post a net profit of Rs.56 cr. on sales of Rs.620 cr. in FY07. EPS would work out to Rs.18 on face value of Rs.2 per share in FY07. Riding high on the infrastructure boom, EECL's sales are likely to advance by 40% to Rs.870 cr. and net profit by 42% to Rs.79 cr. in FY08, which would give an EPS of Rs.25.5.
The shares of EECL trades at a P/E of 16.4 on FY08E of Rs.25.5.making it an attractive investment with a price target of Rs.480 in the medium-term. The 52-week high/low of the share has been Rs.478/144.

INDUSTRY OUTLOOK

Biopharma: The sunrise sector

By Suryadevara

Most analysts consider the Pharma sector as a defensive sector although some, like this analyst, view it as a growth sector. However, when it comes to Biopharma or Biotech sector, it is generally accepted as a Sunrise sector in the prevailing and evolving conditions. Let us, therefore, ponder over it with facts and figures pertaining to different segments.

The industry's global biopharma revenues have risen from $23 bn. in 2000 to nearly $64 bn. in 2005. The highest growth was in Latin America but all other regions of the world reported strong growth trends. Over $350 bn. has been invested in the biotech industry globally.

Indian Scenario: The Indian biotechnology sector has taken shape through a number of scattered and sporadic academic and industrial initiatives over the last two decades. During the financial year 2005-06, the Indian biotechnology industry grew by 37.4% and registered total turnover of US$1.45 bn. (around Rs. 67 bn.). Total investment also increased by 35.8% to reach over US$ 360 mn.

Currently, several Indian companies are entering the market of bio-generics with a view to become competitive service providers in the global market – an ambition comforted by the current commercial success of Indian generic drugs. An Ernst & Young report identified 96 exclusive enterprises as biotechnology companies making the Indian biotech sector the 3rd largest in the Asian region after Australia and China. Although India is yet to introduce a novel biotechnology product, it has the potential to generate revenues of $5 bn. and a million jobs by 2010.

Growth of the industry: The 2005-06 fiscal followed another landmark year of 2004-05 when it crossed the $1 bn. mark. During 2005-06, the Industry has achieved revenues worth $1.45 bn. registering a growth of 37.42% compared with 2004-05 revenues.

Segments in the Industry: Biopharma accounted for the largest share of the business. Revenues from this segment accrued to Rs.4,708 cr. and accounted for 72.20% share of the total market of Rs.6,521 cr. Bio-Agri was the next big contributor to the biotech business. The revenue from this sector was Rs.720 cr. and the market share stood at 11%.

As for segment wise growth is concerned, Biopharma leads the pack. Bio-Agri sector continued to be the fastest growing sector for the second year in a row. It posted 81% growth clocking Rs.598 cr. in sales. However, Bio-Agri sector remained the third largest contributor to the industry. Bio-Agri's share of the industry was 9.17%. Bio-Services with 11.03% share of the industry garnered Rs.719.5 cr. in sales and registered 69.29% growth on the previous year's figure. Bio-Industrial and Bio-informatics grew by 17.19% and 20% respectively to Rs.375 cr. and Rs.120 cr. in 2005-06.

Revenues: The total biotech exports in 2005-06 were at Rs.3,357.17 cr., while the domestic business reported Rs.3,163.83 cr. in sales. Exports accounted for 51.48% share of the total industry. Biopharma exports accounted for 74.33% of the total exports of Rs.3,357.17 cr., clocking Rs.2,495.24 cr. in revenues. Bio-Agri's share of exports was the lowest at 1.07% and exports from this segment stood at Rs.35.88 cr. Bio-Services overseas revenues were Rs.684 cr. Bio-Industrial and Bioinformatics sector accounted for 1.23% and 3% share of the total exports respectively.

Biopharma is the largest contributing segment to the Biotechnology industry. The total Biopharma segment comprising of vaccines, therapeutics and other products like statins and diagnostics is the single largest contributor to the Indian biotech industry. The Biopharma sector has recorded a remarkable $1.05 bn. revenues (Rs.4,708 cr.). The sector recorded 31.88% growth. It was the single largest sector and accounted for 72.20% share of the Rs.6,520 cr. biotech industry. The global biopharma market was estimated at $64.3 bn. in 2005 and with increasing cost of drug discovery, lower R&D productivity and slower returns on investment, outsourcing for drug discovery, manufacturing and clinical research have become the drivers for its market expansion.

India is emerging as a major player in the biopharma segment driven by phenomenal growth in the vaccines business. The income from sale of vaccines (human) accounted for over 38% share of the total Biopharma sector of Rs.4,708 cr. While therapeutics and animal biologicals respectively accounted for 13.6% and 11.5% share of the Biopharma segment, statins and other drugs contributed the rest.

Biotechnology companies are today extending their research programme to therapeutic small molecules. Biopharma describes this interface and constitutes a rapidly growing segment of therapeutic molecules ranging from small molecules to recombinant proteins derived from microbial and mammalian cell culture-based fermentation technologies with product range across key therapeutic segments including diabetology, cardiology and oncology.

Most of the biotech companies are focusing on discovery-led innovation and investing in infrastructure and R&D. There is an increase in collaborations, mergers and acquisitions, and newer investments. Most companies expect their investments to yield returns in another 2-years time.

The biopharmaceutical industry is moving up across the value chain and establishing itself as a basic research-driven, export-oriented industry, providing a wide range of value added quality products and services. This segment is fast emerging as a favoured destination for many overseas companies especially in USA and EU. In the last two decades, India has emerged as a preferred destination for quality production of Active Pharmaceutical Ingredient (API) coupled with cost effectiveness. At present, India has the largest number of US FDA approved facilities in the world next only to the US. The industry provides better manufacturing services as it has good infrastructure for producing biotechnology products in line with global standards.

Vaccines: The vaccine business registered over 38% growth to notch Rs.1,800 cr. in revenues. Among major players in Biopharma business (excluding diagnostics), 50% of the players are into vaccine business and these include Panacea Biotec, Aventis Pharma and Glaxosmithkline.

The human vaccines business saw close to 28% growth, the veterinary vaccines business, which comprises mainly of poultry vaccines, has grown by over 75%. Both Indian as well as multinational companies are playing a key role in meeting the requirements of the huge Indian population. In India about 17 companies are involved in the marketing of over 50 different brands for 15 different vaccines. Rabies vaccine has highest sales in India followed by HIB vaccine. While the vaccines business in India accounts for about 35% of the market, exports accounted for 65% of the business.

Therapeutics: The therapeutics business, too, has shown consistent growth during the past few years. During 2005-06, therapeutics registered 28% growth with the overall recombinant biotech market business standing at Rs.640 cr. Human insulin has been the single largest contributor to this figure. About 40 companies, both Indian and MNCs, are involved in one of the many activities such as R&D, importing, manufacturing and marketing of recombinant biotech products. At present, 14 therapeutic drugs are available in India under about 50 brands.

In 2005-06, the human insulin business was estimated at Rs.330 cr. Major players in this segment include Aventis Pharma, Wockhardt, and Biocon. Other companies such as Cadila, Shasun and Zenotech are also into the human insulin business.

Statins: Statins are cholesterol-lowering agents used to treat and prevent coronary diseases and are amongst the largest selling drugs worldwide. The statins market in India is presently estimated at about Rs.300 cr. (domestic revenues) against last year's sales of Rs.227 cr. There are many companies producing statin products. Major players in the business are Biocon, Ranbaxy, Lupin, Themis Medicare, RPG Life Sciences, Sun Pharma, Zydus Cadila, Torrent, Cipla etc. But only few companies are manufacturing statins such as Lovastatin, Simvastatin, Atorvastatin, Pravastatin and Rosuvastatin. Indian statin manufacturers like Biocon, Ranbaxy, Dr Reddy's, Aurobindo Pharma, Themis Medicare, Krebs Biochem and Zydus Cadila, Ind-Swift group companies, have a strong exports focus.

Positive factors: India offers a compelling opportunity in R&D sourcing for global pharmaceutical majors. They can develop a comprehensive strategy to access innovations from the Indian pharmaceutical research to supplement their global R&D efforts. Success in R&D initiatives into new drug discovery also yields significant benefits for industry players. The Indian biopharma companies are thinking global and global companies in India are thinking local. The mantra of Indian companies has been international quality at affordable prices. Among the top 20 companies in the Biopharma business, only 6 are multinationals while the rest 14 are home grown companies. Despite stiff competition in international markets, the exports of biopharma products have increased from 41% to 53%. This is mainly on account of exports of vaccines and statins. The Indian companies, with an eye to capture the global market are strengthening their manufacturing capacities by making huge investments for developing infrastructure, acquiring Special Economic Zones (SEZs) and R&D focus. Many players in the industry have entered into partnerships with global pharmaceutical companies, which will ultimately result in the growth of Indian companies. The country's human resources; fluent English speaking trained chemists and biologists available at lower costs as compared to developed economies, supply of Insulin to innovator companies, patent expiry of key immuno-suppressant drugs and the opening up of bio-similars are also seen as large opportunities for the growth of this industry.

Investment Outlook: With the biopharma industry entering the growth phase, the prospects for Indian companies look bright. While in the short to medium term, the industry will continue to face challenges due to uncertainties in market conditions, increased capacities of some major players in the industry will come fully on stream in the next few quarters and will contribute considerably to its overall growth. Opportunities abound for Indian companies to tap more revenues both from the domestic and the overseas markets. Let us look at the valuations of some of the above companies.

Name	Equity (Rs. in cr.)	Book value (Rs.)	E.P.S (Rs.)	Mkt. Price as on 30/04/06 (Rs.)	P/E RATIO	P/B RATIO
ABL Bio	4.00	12.30	4.10	100	24.39	8.13
Biocon	50.00	80.20	13.00	479	36.85	5.97
Dr. Reddy's	83.96	135.10	10.80	709	65.65	5.25
Lupin	80.34	80.20	22.60	705	31.19	8.79
Jupiter Biosciences	9.86	132.30	28.58	164	5.74	1.24
Panacia Bio	6.58	61.20	8.40	436	51.90	7.12
Ranbaxy	186.38	65.60	10.90	371	34.04	5.66
Wockhardt	54.72	87.40	24.20	428	17.69	4.90
Sunpharma	96.70	104.60	22.60	1026	45.40	9.81
Zenotech	28.80	19.50	-	130	-	6.67

Many analysts are recommending Panacea Biotech and Zenotech Labs for long-term investors. Though meaningful performance can be expected from the current quarter onwards only, Zenotech Lab is attracting market fancy in view of the immense potential for its products. Although Ranbaxy Labs has underperformed the markets for a long while, its strategic investments in and its marketing alliances with promising upcoming Biotech/Biopharma companies is bound to give it a winning edge in coming quarters. That is why the market started taking note of its potential. Jupiter Biosciences Ltd. can give better returns than most of the above given its gross underdiscounting as evident from the table. Its likely listing on the N.S.E and the imminent entry of FIIs into the scrip in view of its superior PEG (Price Earnings Growth) can work wonders for this scrip in coming quarters.

MONEY FOLIO

Insecticides India IPO opens on May 7

Insecticides (India) Ltd. (IIL), an ISO 9001-2000 and 14001-2004 Certified Company and owner of brands like Lethal, Victor, Thimet, Indan 4g, Kaiser etc is entering the capital market with an initial public offering of 32.10 lakh equity shares of Rs.10 each for cash in the price band of Rs.97 - Rs.115 per equity share premium through the book-built process to fund its capacity expansion, backward integration and R&D project. The issue will open for subscription on Monday, 7 May and close on Friday, 11 May 2007.

IIL manufactures and distributes formulations of plant protection chemicals and household pesticides. It has its production facility at located at Chopanki (Rajasthan) and Samba (Jammu) with a total manufacturing capacity of 60,00,000 litres of Emulsifihle Concentrate (EC), 2900 MT of Wettable Dispersable Powder (WDP) and 10500 MT of granules per annum. Its product range includes 80 types of fI1secticides, fungicides, weedicides, herbicides and plant growth regulator for all types of crops and household pesticides and caters mostly to the domestic market. It provides end-to-end plant protection solutions to farmers through its distributors and has more than 70 brands.

IIL reported an income of Rs168.16 cr. for the nine months period ended 31 December 2006 with Net Profit of Rs.15.4 cr. recording a profit margin of 9.20%.

Asahi Songwon Colors IPO opens on 9th May

Asahi Songwon Colors Ltd. (ASCL) proposes to enter the capital market on Wednesday, 9 May 2007 with a public issue aggregating to Rs.33.5 cr. through 100% book building process in the price band of Rs.90 to Rs.108 for equity share of Rs.10 each. The issue closes on Tuesday, 15 May 2007.

ASCL manufactures and exports CPC Blue Crude & Pigment Green having an installed capacity of 3600 MTPA and 1200 MTPA respectively. It has now embarked upon an expansion plan at an outlay of Rs.52 cr., which will be part-funded by 10,800 MTPA and set up a 1200 MTPA Pigment Beta Blue manufacturing facility and a 2 MW power plant.

Japan's Dainippon Ink & Chemicals Inc. (DIC), has recently invested about Rs.10.5 cr. for 8,65,200 equity shares at Rs.122 per share. These funds will be utilized for the expansion project and DIC has entered into a supply agreement with ASCL.

For the nine month period ending 31 December 2006, ASCL recorded a turnover of Rs.53.2 cr. with PAT of rs.7.4 cr. against a turnover of Rs.27.9 cr. with a PAT of Rs.2.65 cr. for the full FY06. The net margin, too, has moved up sharply to 13.49% for this period against 9.49% in FY06.

Lakshmi Energy & Foods excels again

Chandigarh based Lakshmi Energy & Foods Ltd. (LEAF), formerly known as Lakshmi Overseas Industries Ltd., has once again put in an encouraging performance for the fiscal 2006-07 ending on 31st March 2007.

Releasing its unaudited results on 26th April 2007, LEAF recorded 25% higher net sales of Rs.696.3 cr. in FY07 against Rs.558.4 cr. in FY06. Its cash profit rose 58% to Rs.118.6 cr. from Rs.75.1 cr. last year while profit before tax shot up to 60% to Rs.101.6 cr. from Rs.63.6 cr. in FY06 and profit after tax zoomed 76.5% to Rs.86.45 cr. from Rs.49 cr. in FY06. This resulted in an EPS of Rs.15.29 on its Rs.2 paid-up share against the corresponding EPS of Rs.9.43 in FY06.

Along with the growth in all performance parameters, LEAF has significantly improved its operating margin to 17% in FY07 from 13.4% in FY06.

AIG India Equity Fund launched in India

AIG Global Investment Group (AIGGIG) has launched AIG India Equity Fund, its maiden scheme. The New Fund Offer priced at Rs.l0 per unit plus applicable entry load opened for purchase from Thursday, 3 May and will close on Thursday, 31 May 2007. The fund will re-open for ongoing purchases/redemptions no later than 29 June 2007.

AIG India Equity Fund is an open-ended diversified equity fund with no biases. The fund has the flexibility to invest across companies without having any bias towards a particular sector, investing style or market capitalization range.

AIGGIG believes that no single sector, market capitalization orientation or style has outperformed consistently over the long-term. The key to consistent long-term performance is, therefore, to have the flexibility to pick stocks without having any restraints on style, sector, theme or market capitalization.

Lotus Mutual Fund's AUM cross Rs.2,000 cr.

Lotus India Asset Management Company Private Limited (Lotus India AMC), a joint venture between Fullerton Fund Management Group and Sabre Capital Worldwide, has crossed Rs.2,000 cr. of assets under management (AUM) as on April 30, 2007.

The strong growth of the company is attributed to the positive response that Lotus India Mutual Fund has received from retail as well as institutional investors for their equity and debt products. The assets under management have grown by 78% from Rs.1171.86 cr. as on March 31, 2007 to Rs.2086.79 cr. as on April 30, 2007 making it one of the fastest growing fund houses in this period.

DSP Merrill Lynch Fund Managers launch Micro Cap Fund

DSP Merrill Lynch Fund Managers has launched DSP Merrill Lynch Micro Cap Fund, a three year close ended equity growth scheme. The New Fund Offer (NFO) period will close on May 25, 2007.

Micro cap stocks comprise a large pool of varied, uncorrelated stocks which are relatively unknown and under-researched. Building a portfolio of such companies requires proven expertise in equity fund management and stock-picking, which DSP Merrill Lynch Fund Managers Ltd. has over ten years experience in equity fund and has shown a strong growth of their equity assets. In a little over four years, its equity assets under management and non-binding advisory services have increased from around Rs.170 cr. in December 2002 to over Rs.16,200 cr. in March 2007 including domestic, PMS and offshore advisory mandates.

The Micro Cap Fund is a three-year close ended equity growth scheme, seeking to generate long-term capital appreciation from a portfolio that is substantially constituted of equity related securities, which are not part of the top 300 companies by market capitalisation. Priced at Rs.10 per unit during NFO, the minimum investment is Rs.10,000 under Regular Plan and Rs.5 cr. under the Instalment Plan.

The Entry Load during NFO for both plans is Nil, Exit Load for both plans ranges from between 0% on units held for over 36 months from date of allotment to 4% on units held for upto 12 months from the date of allotment. The scheme will be converted into an open ended scheme, after the end of three years from the date of allotment, in terms of all applicable SEBI guidelines.

JPMorgan AMC launches JPMorgan India Equity Fund

JPMorgan Asset Management India Pvt. Ltd. has launched its maiden domestic fund, JPMorgan India Equity Fund. This open ended, equity growth scheme aims to generate income and long-term capital growth from a diversified portfolio of predominantly equity and equity-related securities including equity derivatives. Open for subscription till 18 May 2007, units in the Fund will be priced at Rs.10 during the new fund offer.

The minimum initial application is Rs.5000 per application and in multiples of Re.1 thereafter.

The minimum additional / SIP application is Rs.1000 per application and in multiples of Re.1 thereafter.

The entry load is 2.25% for subscription less than Rs.5 cr. and nil for Rs.5 or more.

The exit load is 1% for redemptions within six months from the allotment date.

SIP entry load is 2.25% where a single investment is less than Rs.5 cr.

SIP exit load is 1% for the first redemption made within 24 months from the allotment date.

ABN AMRO launches ONE Credit Card

ABN AMRO Bank N.V. (India) has launched the new ABN AMRO One Credit Card, which gives card members an opportunity to get cash back of upto 2% on spends across categories.

With this unique cash back proposition, customers can save 2% on every purchase they make. The cash back feature is neither time bound nor confined to any particular purchase category. Furthermore, card members will get extra cash back, over and above the standard cash back feature, on international purchases, utility bill payments.

Varun Shipping NP at Rs.141.35 cr.

Varun Shipping has reported an income from operations in FY07 of Rs.672.63 cr. against Rs.642.93 cr. in the previous year. The average freight rates during the year were lower compared to the previous year mainly due to a weak winter throughout the northern hemisphere. Net profit was Rs.141.35 cr. as compared to Rs.180.89 cr. in FY06.

The basic EPS for FY07 was Rs.11.26 compared to Rs.15.82 in the previous year. The basic EPS on consolidated accounts was Rs.11.54 compared to Rs.16.09 in the previous year.

The company has recommended a final dividend of 15% in addition to the two interim dividends of 15% ech already paid. Total dividend for FY07 works our to 45%.

During the year, the company acquired one large gas carrier (LGC), Maharshi Vamadeva, one aframax crude oil tanker, Amba Bhargavee and one Anchor Handling Towing and Supply (AHTS) vessel, Subhiksha, which is the most powerful AHTS vessel with highest bollard pull under the Indian flag. The vessel is specially designed for deep sea offshore anchor handling and towing operations and is presently on long-term time charter to Reliance Industries Ltd. for its offshore exploration activities in Krishna Godavari basin.

Exim Bank FY07 PAT up by 10.6%

Export-Import Bank of India (Exim Bank) has reported 10.6% higher Net Profit at Rs.299 cr. Rs.95.62 cr. will be transferred to the Central Government as per the Exim Bank Act, as compared to Rs.86.75 cr. in 2005-06.

Loan approvals were 31% higher at Rs.26,762 cr. during FY07 compared to Rs.20489 cr. in FY06. Disbursements increased to Rs.22,076 cr. compared to Rs.15039 cr. in FY06. Loan Assets increased by 29% to RS.23274 cr. as on 31 March 2007 from Rs.18028 cr. as on 31 March 2006.

Net NPAs formed 0.5% of net loan assets as on 31 March 2007. Capital Adequacy (Capital to Risk Assets Ratio) stood at 16.38%.

GV Films to join hands with Shanghai Film Group

GV Films Ltd. is joining hands with Shanghai Film Group Corporation of Shanghai Media and Entertainment Group (SMEG) and Growth Global Ltd, U.K. to develop the concept of GV Studio City, which is an integrated complex of multiplex, shopping malls, hotels and entertainment parks in Shanghai and China.

Shanghai Media & Entertainment Group (SMEG) is engaged in live performance, exhibitions, tourism and hotels, traditional and newly developing media technologies including TV, film, radio, broadband internet, mobile entertainment and print media. With its 9 subsidiaries, it has assets in excess of RMB 10.7 bn. (US $1.34 bn.) and staff of 5200.

IKF Tech to set-up refinery in Gujarat

IKF Technologies Ltd., engaged in bio-fuels and ITES/BPO, all of which have tremendous growth potential, has recently entered into an agreement with Indian Oil Corp (IOC), for technology transfer for production of bio-diesel and is planning to set up a refinery in Gujarat with a capacity of 300 TPA which will be funded through FCCBs/GDRs/ADRs issue.

It has recently signed a MoU with the Gujarat Government for investment of Rs.110 cr. for acquisition of land and setting up a refinery. Its board has taken note of the registration of contract farming agreement with Gujarat State Agricultural Marketing Board. The company has also started plantation work in the state of Meghalaya & Rajasthan and planning to complete plantation in over 2 lakh hectares by 2008 end. The company is also providing training facility to rural farmers in such innovative/new emerging field. The source of oil is limited, concentrating on the concept of soil to oil, the oil will be provided from Jhar (Jatropha plant) and not from Khari (Arab countries).”

Visu Int'l computerizes varsity selection

Visu Int'l Ltd., pioneers in Global education, the main arm of the Visu Group engaged in education counseling and consultancy coaching and training services including TOEFL, GRE, GMAT, SAT, IELTS, software development and training has introduced computerization selection of universities for students based on their academic profiles.

Rana Sugars eligible for Carbon Credits

Rana Sugars Ltd has announced that the company is eligible for carbon credits as per registration with United Nations Framework Convention on Climate Change (UNFCCC) with retrospective effect from 2003. This would boost its profitability by Rs.10 cr. for FY07 on the basis of 1,30,000 units of CER earned a US $17 per unit.

After the Kyoto Protocol Treaty, the concept of Carbon Credit trading seeks to encourage countries to reduce their Green House Gases (GHG) emissions as it rewards those countries, which meet their targets.

Sujana Inds. Infra division makes rapid strides

The infrastructure division of Sujana Universal Industries has made rapid strides bagging construction and development contracts to the tune of Rs.200 cr. while another Rs.300 cr. worth of contracts are under negotiation. The company will invest around Rs.40 cr. for equipment and machinery.

Soma Textiles upgrades

Soma Textiles and Inds. Ltd., manufacturers of plain, twill, satin weaves fabrics and various dobby designs denim collection boasting of a premium range with emphasis on quality and technology up-gradation with innovation and customer orientation.

The company has implemented expansion-cum-modernization programme at its Ahmedabad plant with the expansion of Denim fabric manufacturing capacity by 10 million metres. The company has modernised its existing spinning and processing facilities by replacing old machineries with the latest machines. The project is running well on schedule and is expected to be completed shortly.

The promoters have made an open offer to buy 20% equity at Rs.32 per share. This offer was made after the group acquired a 11.2% stake through open market purchase at an average price of Rs.28.06 a share on 19 February.

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⌘ PSG:- Rs.8000 p.a.. (By email only)
⌘ PP:- Rs.2500 p.m, Rs.6000 quarterly, Rs.12000 half yearly, Rs.20000 annually (By email only)
⌘ ISM:- Rs.8000 p.a. (Add Rs.25 per issue if required by courier)
⌘ TT:- Rs.1000 p.m., Rs.10, 000 p.a. ⌘ By email ⌘ By post ⌘ Courier (Add Rs.25 per issue if required by courier)
⌘ DBC:- Rs.2000 p.m., Rs.18000 annually (By SMS only)
⌘ ET:- Rs.2000 p.m. (By email only)
⌘ EBG:- 1 year: Rs.5000, 2 years: Rs.8500, 3 years: 11,000. ⌘ By email ⌘ By post ⌘ Courier (Add Rs.25 per issue if required by courier)
⌘ Winners:- Rs.2000 yearly. ⌘ By email ⌘ By post ⌘ Courier (Add Rs.25 per issue if required by courier)

Name (in capital):______________________________________
Address: ____
____
____
Tel. No.: (O) _____________ (R) _____________ (M)_____________
Email ID: ____
Are you an ⌘Investor ⌘ Trader ⌘ Broker/Sub Broker ⌘ Investment Adviser ⌘ Banker

Date & Place _____________ Signature _______________