

BSE Code	509488
NSE Symbol	GRAPHITE
Face Value (Rs)	2
Book Value (Rs)	71.8
TTM EPS (Rs)	9
TTM P/E	9.8
Mkt.Cap (Rs Cr.)	1720
ROCE %	16.8
Latest Div %	175
52 Week High	109
52 Week Low	79

## TOP LINE GREW.... BUT HIGHER OPERATING COST HURT PROFITABILITY

Amber Sheth  
Tuesday 26th July 11

### OVERVIEW

Graphite India (GIL) is engaged in manufacturing of graphite electrodes. Besides graphite electrodes, the company also manufactures anodes, other miscellaneous carbon and graphite products and calcined petroleum coke. The capacity expansion by 20,000 MT of Graphite Electrodes at Durgapur Plant is progressing well and it is expected to be completed in the first quarter of the FY 2012-13. Power supply from Wardha Power Company (WPC), with whom the Company had entered into a long term agreement and had made a commitment to invest ` 9 crore in WPC, is expected to commence from the second quarter of FY 2011-12.

### RESULT REVIEW (Rs Cr.)

Particulars	Jun-11	Jun-10	% Change	Mar-11	Dec-10	Sep-10	TTM	11-Mar	% Change
<b>Total Income</b>	319	258	23	303	337	324	1283	1223	5
Total Expenditure	257	199	29	244	264	239	1005	943	7
% Total Income*	81	77	371	81	78	74	78	77	117
PBIDT (Excl OI)	61	59	3	59	73	84	278	279	0
Other Income	7	3	140	17	4	14	41	34	22
Operating Profit	68	62	10	76	77	98	319	313	2
Interest	3	1	408	3	1	1	7	5	42
% Total Income*	1	0	63	1	0	0	1	0	15
PBDT	66	62	6	73	76	85	299	295	1
Depreciation	10	10	0	10	10	10	39	39	0
PBT	56	52	8	63	66	75	260	256	2
<b>Net Profit Adj.</b>	37	34	7	45	44	49	175	172	1
Equity Capital	39	35	-	39	39	39	39	39	-
Adj EPS (Rs.)	1.89	1.98	-5	2.28	2.26	2.52	8.95	8.82	1
PBIDTM%*	20.42	23	-258	23.75	21.86	28.94	24.87	24.45	42
PATM%*	11.02	12.7	-168	13.99	12.57	14.51	13.63	13.46	17

\* Change Basis Points

### KIFS OUTLOOK

- Electrode capacity expansion plan of 20,000 MT per annum, Cost of expansion expected to be Rs. 255 Crore, to be funded through internal accruals and debt. Additional capacity expansion of 9,500 MT at a low capex of Rs. 67.5 Crore, as compared to Rs. 187.5 Crore for the original expansion of 10,500 MT. Project is expected to be completed by Q4 FY2011-12. The company has reported better than expected result numbers. The company has reported 23% growth in its top line. Profitability of the company fell due to sharp rise in the operating expenditure & manufacturing expenditure and rise in power & electricity cost.

### Key highlights:

- Total income grew by 23% Y-o-Y to Rs. 319 cr. v/s Rs. 258 cr in June-10
- Operating Profit grew by 10% Y-o-Y to Rs. 68 cr. v/s Rs. 62 cr in June-10
- OPM fell by 258 bps Y-o-Y to 20.4% v/s 23% in June-10
- Net profit grew by 7% Y-o-Y to Rs. 37 cr. v/s Rs. 34 cr in June-10
- NPM fell by 168 bps Y-o-Y to 11% v/s 12.7% in June-10
- Interest cost grew 408% Y-o-Y to Rs 3 cr. v/s Rs 1 cr.



BSE Code	500411
NSE Symbol	THERMAX
Face Value (Rs)	2
Book Value (Rs)	108
TTM EPS (Rs)	33.2
TTM P/E	18.1
Mkt.Cap (Rs Cr.)	6988
ROCE %	48.9
Latest Div %	15
52 Week High	927
52 Week Low	543

## TOP LINE GROWING.....

Amber Sheth

### OVERVIEW

Thermax offers engineering solutions to various industries. It offers wide range of products and services in heating, cooling, waste heat recovery, captive power, water treatment, recycling and waste management. The company has three plants coming up in the next 18 months including supercritical boilers, chemicals and air pollution control equipments. The company has consolidated its strong position in the sub-15 MW power plants with a 40% market share. Commercial production from manufacturing and assembly shop for air pollution control equipment at Solapur is expected to begin in the last quarter of FY12.

### RESULT REVIEW (Rs Cr.)

#### Key highlights:

- Total income grew by 32% Y-o-Y to Rs.1044 cr. v/s Rs. 790 cr in June-10
- Operating Profit grew by 17% Y-o-Y to Rs.128 cr. v/s Rs.110 cr in June-10
- OPM fell by 162 bps Y-o-Y to 12.3% v/s 13.92% in June-10
- Net profit grew by 21% Y-o-Y to Rs. 80 cr. v/s Rs. 66 cr in June-10
- NPM fell by 73 bps Y-o-Y to 7.65% v/s 8.38% in June-10

Particulars	Jun-11	Jun-10	% Change	Mar-11	Dec-10	Sep-10	TTM	11-Mar	% Change
<b>Total Income</b>	1044	790	32	1771	1241	1092	5149	3185	62
Total Expenditure	931	694	34	1576	1095	963	4565	2801	63
% Total Income*	89	88	127	89	88	88	89	88	72
PBIDT (Excl OI)	114	96	18	195	146	129	584	384	52
Other Income	15	14	5	13	12	13	53	50	7
Operating Profit	128	110	17	208	158	142	637	434	47
Interest	0	1	-32	1	0	0	2	2	32
% Total Income*	0	0	0	0	0	0	0	0	0
PBDT	128	109	17	207	158	141	635	432	47
Depreciation	11	11	5	12	11	11	44	40	8
PBT	117	99	18	196	147	131	591	392	51
<b>Net Profit Adj.</b>	80	66	21	127	100	90	396	141	180
Equity Capital	24	24	0	24	24	24	24	24	0
Adj EPS (Rs.)	6.7	5.55	21	10.62	8.41	7.51	33.24	21.51	55
PBIDTM%*	12.3	13.92	-162	11.76	12.74	13.00	12.37	13.62	-125
PATM%*	7.65	8.38	-73	7.14	8.07	8.20	7.69	8.05	-36

\* Basis Points

### KIFS OUTLOOK



- The company is looking to buy a European company in the waste water management sector and the company is looking to spend up to \$100 million on the acquisition.
- The company has reported robust growth in its earnings. The total expenditure as % of total income grew by 127 basis points which is better than its peers.
- The profitability of the company was sustained mainly due to interest cost costs being under control which has resulted in higher profitability of the company compared to peers.

BSE Code	532500
NSE Symbol	MARUTI
Face Value (Rs)	5
Book Value (Rs)	479.99
TTM EPS (Rs)	82.12
TTM P/E	14.37
Mkt.Cap (Rs Cr.)	34141
ROCE %	31.95
Latest Div %	120
52 Week High	1600
52 Week Low	1087

## OTHER INCOME IMPROVES BOTTOM LINE...FLATTISH GROWTH IN TOP LINE

Parthiv Shah

### OVERVIEW

Maruti Suzuki (Maruti) is one of India's premier Auto Companies. Maruti's Gurgaon Facility is spread across 300 acres with a capacity of 7 lakh cars/annum, Manesar Facility which is spread across 500 acres has a capacity of 14 lakh cars/ annum. Maruti also has a Diesel Engine JV with SPIL with a capacity of 2 lakh units/annum. All in all, Maruti has a total capacity of 21 lakh cars/ annum. Maruti has multiple offerings in A1, A2, A3, B & C car segments. Maruti also exports cars to Europe, Africa & S. America. Demand outlook for FY12 remains uncertain due to headwinds on rising fuel prices and interest rates as 75% cars are purchased on finance.

### RESULT REVIEW (Rs Cr.)

Particulars	Jun-11	Jun-10	% Change	Mar-11	Dec-10	Sep-10	TTM	11-Mar	% Change
<b>Total Income</b>	8529	8309	3	10092	9494	9147	37263	37040	1
Total Expenditure	7715	7517	3	9082	8593	8187	33577	33376	1
% Total Income*	90	90	-1	90	91	90	90	90	0
PBIDT (Excl OI)	814	792	3	1010	902	960	3686	3664	1
Other Income	180	100	79	120	128	134	562	482	17
Operating Profit	994	893	11	1130	1030	1094	4248	4147	2
Interest	6	8	-28	6	0	10	22	24	-9
% Total Income*	0	0	-3	0	0	0	0	0	-1
PBDT	989	885	12	1123	1030	1085	4226	4122	3
Depreciation	242	242	0	297	237	238	1014	1014	0
PBT	746	643	16	827	793	846	3212	3109	3
<b>Net Profit Adj.</b>	549	465	18	660	565	598	2373	2289	4
Equity Capital	144	144	-	144	144	144	144	144	-
Adj EPS (Rs.)	19.01	16.11	18	22.84	19.56	20.71	82.12	79.21	4
PBIDTM%*	10.46	9.66	80	10	9.72	10.73	11.40	10.03	137
PATM%*	5.78	5.04	74	5.84	5.33	5.87	6.37	5.54	83

\* Change in Basis Points

### KIFS OUTLOOK

- Volume in A3 segment grew 5.7%, A2 segment grew 0.3% while C segment grew by 21.6% Y-o-Y. Sluggish market conditions were the main reasons for dismal demand numbers. The management had indicated 12-15% volume growth in FY12 which seems unlikely given the growth in Q1FY12
- In Q1FY12 Maruti sold 250683 units in domestic market and 30843 units in export market
- Raw Material costs continue to put pressure on margins

### Key highlights:

- Total income grew by 3% Y-o-Y to Rs.8529 cr. v/s Rs. 8309 cr in June-10
- Operating Profit grew by 11% Y-o-Y to Rs. 994 cr. v/s Rs. 893 cr in June-10
- OPM grew by 80 bps Y-o-Y to 10.46% v/s 9.66% in June-10
- Net profit grew by 18% Y-o-Y to Rs. 549cr. v/s Rs. 465 cr in June-10
- NPM grew by 74 bps Y-o-Y to 5.78% v/s 5.04% in June-10
- Other Income increased sharply by 79%



BSE Code	532555
NSE Symbol	NTPC
Face Value (Rs)	10
Book Value (Rs)	82.34
TTM EPS (Rs)	11.33
TTM P/E	15.89
Mkt.Cap (Rs Cr.)	151675
ROCE %	12.92
Latest Div %	30
52 Week High	222
52 Week Low	165

## OTHER INCOME IMPROVES BOTTOM LINE...FLATTISH GROWTH IN TOP LINE

Parthiv Shah

### OVERVIEW

NTPC is a leading power generator in India with a regulated business model. NTPC's capacity addition is expected to accelerate, as 14.7 GW of projects under construction are anticipated to be commissioned over the next few years. With commissioning of the 1st Unit of 660 MW of Sipat Super Thermal Power Project, the total capacity of NTPC group has become 34,854 MW. The total installed capacity of Sipat Super Thermal Power Project has become 1,660 MW. NTPC has recently signed an MOU with Government of Kerala with an objective to plan and develop around 200 MW Wind Energy based power projects.

### RESULT REVIEW (Rs Cr.)

Particulars	Jun-11	Jun-10	% Change	Mar-11	Dec-10	Sep-10	TTM	11-Mar	% Change
<b>Total Income</b>	14524	13006	12	15978	13889	13350	57741	56159	3
Total Expenditure	11342	10185	11	11700	9624	9479	42144	42563	-1
% Total Income*	78	78	-22	73	69	71	73	76	-280
PBIDT (Excl OI)	3183	2821	13	4277	4265	3872	15597	13596	15
Other Income	644	510	26	207	202	296	1349	3089	-56
Operating Profit	3826	3331	15	4485	4467	4168	16946	16684	2
Interest	338	295	14	530	457	632	1958	2149	-9
% Total Income*	2	2	6	3	3	5	3	4	-44
PBDT	3488	3036	15	3955	4009	3535	14988	14535	3
Depreciation	641	683	-6	698	599	506	2444	2486	-2
PBT	2847	2353	21	3257	3411	3029	12544	12050	4
<b>Net Profit Adj.</b>	2076	1842	13	2782	2371	2107	9336	9103	3
Equity Capital	8245	8245	-	8245	8245	8245	8245	8245	-
Adj EPS (Rs.)	2.52	2.23	13	3.37	2.88	2.56	11.33	11.04	3
PBIDTM%*	26.34	25.61	73	28.07	32.16	31.22	29.35	29.71	-36
PATM%*	14.29	14.16	13	17.41	17.08	15.79	16.17	16.21	-4

\* Change in Basis Points

### Key highlights:

- Total income grew by 12% Y-o-Y to Rs.14524 cr. v/s Rs. 13006 cr in June-10
- Operating Profit grew by 15% Y-o-Y to Rs. 3826 cr. v/s Rs. 3331 cr in June-10
- OPM grew by 73 bps Y-o-Y to 26.34% v/s 25.61% in June-10
- Net profit grew by 13% Y-o-Y to Rs. 2076 cr. v/s Rs. 1842 cr in June-10
- NPM grew by 13 bps Y-o-Y to 14.29% v/s 14.16% in June-10

### KIFS OUTLOOK

- Plant Load Factor was lower at 86.7% vs 89.5% Y-o-Y resulting in lower power generation by 2% Y-o-Y at 54.5 BU
- Per unit realization stands at Rs2.82, up 15% Y-o-Y
- De allocation of Coal mines issue is still an overhang



BSE Code	532296
NSE Symbol	GLEN-MARK
Face Value (Rs)	1
Book Value (Rs)	73
TTM EPS (Rs)	18.96
TTM P/E	17.67
Mkt.Cap (Rs Cr.)	8893
ROCE %	11.89
Latest Div %	40
52 Week High	390
52 Week Low	242

### Key highlights:

- Total income grew by 27% Y-o-Y to Rs. 868 cr. v/s Rs. 685 cr in June-10
- Operating Profit grew by 28% Y-o-Y to Rs. 309 cr. v/s Rs. 242 cr in June-10
- OPM grew by 22 bps Y-o-Y to 35.6% v/s 35.38% in June-10
- Net profit grew by 23% Y-o-Y to Rs. 210 cr. v/s Rs. 171 cr in June-10
- NPM fell by 71 bps Y-o-Y to 24.19% v/s 24.9% in June-10

## GROWING ARMS BEYOND BOUNDARIES

Ketan Yadav

### OVERVIEW

Glenmark is a leading research based pharmaceutical company based in India. The company is a leading player in the discovery of new molecules both NCEs (new chemical entity) and NBEs (new biological entity) with eight molecules in various stages of clinical development. Glenmark Generics Ltd (GGL), a subsidiary of Glenmark Pharma, is engaged in marketing of APIs in US and other regulated markets. Currently the company has production facilities at Nasik, Goa, Baddi, Pune and Ankleshwar for manufacturing formulations and specialized bulk drugs.

### RESULT REVIEW (Rs Cr.)

Particulars	11-Jun	10-Jun	% Change	11-Mar	10-Dec	10-Sep	TTM	11-Mar	% Change
<b>Total Income</b>	868	685	27	757	758	741	3126	2954	6
Total Expenditure	572	453	26	756	584	554	2466	2357	5
% Total Income*	66	66	-26	100	77	75	79	80	-90
PBIDT (Excl OI)	297	232	28	2	174	187	660	597	11
Other Income	12	10	24	80	27	18	137	136	1
Operating Profit	309	242	28	81	201	205	796	733	9
Interest	40.81	36.96	10	68	30	31	170	157	8
% Total Income*	4.70	5.40	-70	9	4	4	5	5	13
PBDT	268	205	31	14	170	174	627	576	9
Depreciation	26	23	15	-7	34	34	88	95	-7
PBT	242	182	33	20	136	140	538	482	12
<b>Net Profit Adj.</b>	210	171	23	81	110	112	512	458	12
Equity Capital	27	27	-	27	27	27	27	27	-
Adj EPS (Rs.)	7.77	6.31	23	3	4.06	4.13	18.96	16.94	12
PBIDTM%*	35.6	35.38	22	10.74	26.46	27.68	25.48	24.81	67
PATM%*	24.19	24.9	-71	10.71	14.44	15.06	16.39	15.5	89

\* Basis Points

### KIFS OUTLOOK

- Glenmark has reported 27% top-line growth primarily driven by international business. Specialty formulation business grew by 28% driven by business from Latin America (62%) and rest of the world 43%, while India region reported 20% growth.
- At the end of first quarter the company has 69 products authorized to distribute in US markets as well as 4 ANDAs were approved during the quarter and 40 ANDAs are pending in various stages with US FDA.
- The company has received USD 15 ml. from Salix Pharma (USA) towards agreement for advance against commitment fee for upgrading its manufacturing facilities to meet Salix's anticipated increase in demand for Crofelemer.





**CALL**  
**079-30000321/26**

**FOR TECHNICAL RESEARCH:**

Manoj Samtani, Ext. 467  
technicalresearchkifs@yahoo.com

**FOR FUNDAMENTAL RESEARCH:**

Ketan Yadav, Ext. 449  
fundamentalresearchkifs@yahoo.com

**FOR MOBILE TRADING:**

Anand Dapki, Ext. 126

**FOR DEMAT SERVICES:**

Dharmendra Doshi, Ext. 307

**FOR IPO/MARGIN FUNDING:**

Ajay Dave, Ext. 425

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Phone : + 91 99099 30686, 98250 84941, 99099 30700. Email: info@khandwalagroup.com

NSE: [NB/1/1 230776034] BSE: [NB 010776038]

**KIFS RESEARCH**

Yamal Vyas	Research Head		yamal.vyas@khandwalagroup.com	Ext. 455
Parthiv Shah	Manager - Research	Auto & Allied, Media, Banking & Fin Services, Cement and Power	parthiv.shah@khandwalagroup.com	Ext. 467
Manoj Samtani	Sr. Research Analyst	Technical Research	manoj.samtani@khandwalagroup.com	Ext. 467
Ketan Yadav	Research Analyst	Pharma, Oil & Gas, Chemicals & Fertilizers, FMCG, Logistics, Shipping, Aviation	ketan.yadav@khandwalagroup.com	Ext. 449
Amber Sheth	Research Analyst	Cap Goods, IT, Retail, Telecom, Metal/Mining, Hotels, Sugar, Tea/Coffee	amber.sheth@khandwalagroup.com	Ext. 449
Jitendra Goplani	Executive Assistant	Associate	jitendra.goplani@khandwalagroup.com	Ext. 466
Nazia Zariwala	Research Analyst	Paper, Sugar, Tea/Coffee, Plastic	nazia.zariwala@khandwalagroup.com	
Pushkaraj Jamsandekar	Research Analyst	Auto, Power & Engineering	pushkaraj.jamsandekar@khandwalagroup.com	

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