



Turnaround Express going strong

Indian Railways (IR) could be one of the best Indian turnaround stories of recent times. Last year in our special report on Union Railway Budget, we had told you how after coming very close to a financial crunch the loss-making national carrier managed to turn around its operations. The good news is IR continues to impress us with its performance. Thanks to the buoyancy in the freight rates, euphoric growth in the gross domestic product (GDP) and steady rise in passenger traffic, the total traffic receipts of the IR are expected to have grown by 15.5% in FY2006 and are estimated to grow at 9.6% in FY2007. With the leverage effect coming into play, the top line of IR too is growing at a good pace, leading to strong operating cash flows and higher capital expenditure (capex).

The man who is responsible for the magical transformation of IR, Union Railways Minister Lalu Prasad Yadav, is all set to present his fourth Union Railway Budget on February 26. The event is keenly awaited by the stock market since any proposal to increase IR's capex in the forthcoming railway budget would bode well for the capital goods companies. In this report we shall tell you which companies stand to benefit the most from a possible hike in IR's capex. But before that, here is a snapshot of IR's financials.

Particulars	FY04A	FY05A	FY06RE	FY07BE	CAGR
Gross traffic receipts	42,905	47,370	54,700	59,978	11.8
Passenger earnings	13,298	14,035	15,130	16,800	8.1
Goods earnings	27,618	30,450	36,490	40,320	13.4
Other earnings	1,989	2,300	3,080	2,858	12.9
Total working expenses	39,482	42,759	45,728	50,397	8.5
Net traffic receipts	3,423	4,611	8,972	9,581	40.9
Net miscellaneous receipts	1,056	662	-1,985	-2,116	
Net revenue	4,478	5,274	6,987	7,465	18.6
Operating ratio *	92.1	91	83.7	84.3	

Source: Railway budget documents

* Operating expenses as % of receipts

Freight growth strong with GDP growing at 8%

The freight revenues of IR are estimated to have grown at a healthy rate of 13.4% over FY2004-07E owing to the strong 8% growth in the GDP over the same period. In volume terms, the freight carried by IR is expected to grow by a strong 8% over the same period.

Relatively stable fares to result in healthy passenger earnings

A fairly stable passenger fare regime (passenger fares are expected to have grown by only 3% over FY2004-07E) will result in a healthy growth in passenger traffic earnings of IR. The passenger traffic earnings are expected to grow by 8.1% over FY2004-07E. In volume terms, the passenger traffic carried by IR is expected to have grown by a strong 4.9% over the same period.

Operating leverage leads to higher cash flows...

With the strong operating revenues and controlled expenditure, the operating cash flows of IR are likely to touch nearly Rs9,500 crore by FY2007 budget estimate (BE). The operating cash flows ("Net traffic receipt" in the table below) are likely to grow at a faster compounded annual growth rate (CAGR) of 40.9% over FY2004-07E.

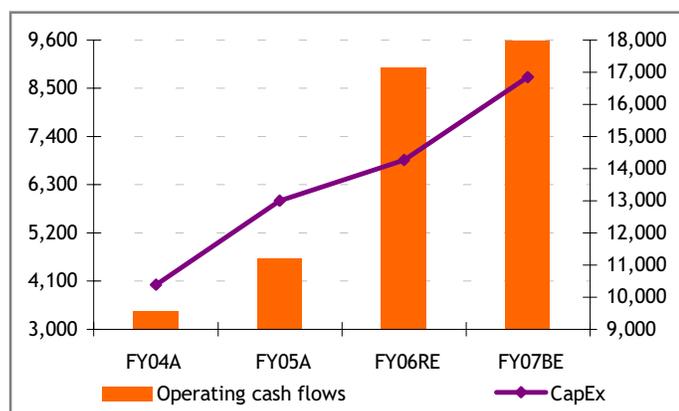
...and induces higher capex

After being stable at around Rs13,000 crore levels in FY2005, the national carrier's capex (only key productive assets have been considered) took off in a big way in the latter years, so much so that the capex estimate for FY2006 has been revised to Rs15,173 crore from the budgeted estimate of Rs14,076 crore. In FY2007 we expect IR's capex to continue to be robust and increase further to Rs16,843 crore.

Particulars	FY04	FY05	FY06R	FY07B	% yoy chg
New lines and restoration	1,005	1,644	1,952	1,510	-23
Gauge conversion	733	1,073	1,234	1,300	5
Doubling	443	434	675	1,052	56
Traffic facilities	238	329	414	617	49
Rolling stock	3,795	4,683	5,172	6,800	31
Computerisation	144	181	185		
Road safety works	3,433	401	711		
Track renewal	2,605	2,993	2,890	2,922	1
Bridge works	302	424	483	590	22
Signaling & telecom works	689	953	1,164	1,518	30
Electrification projects	123	142	69	226	228
Metropolitan transport projects	443	330	224	308	37
Capex (productive assets)	13,953	13,587	15,173	16,843	11

Source: Railway budget documents

Trend in operating cash flows and capex (Rs crore)



Source: Railway budget documents

The changing fortunes and improving financial health of IR are good news for all stakeholders of IR, especially the suppliers of capital equipment and services. We expect IR's operating cash flows to continue to grow at a fast pace on the back of the buoyancy in industry. This along with the improving financials of the IR would make available more funds for capital formation. The additional capex is expected to flow towards the acquisition of rolling stock,

ie locomotives, coaches and wagons (to support the growing freight traffic), telecommunication and signaling projects (safety being a thrust area) and infrastructure development (to facilitate better, wider and faster connectivity).

Likely winners of IR capex

The question is which companies will be the likely beneficiaries of this capex binge? The obvious gainers would be the large-sized capital goods companies like Alstom Projects, Bharat Heavy Electricals, Crompton Greaves and Siemens. There are also some small companies that have substantial exposure to IR and we have short-listed six such companies that we believe will also gain from the capex binge of IR.

Besides these, there are other companies also that are likely to benefit from an increase in the capex in specific segments, for instance, Kernex Micro (safety systems) and Integra Hindustan (signaling systems). These two companies would no doubt gain from an increase in IR's capex. On the other hand, by virtue of their presence in niche areas these companies will suffer the most in case the announced capex is not implemented.

Key beneficiaries

Company Name	Supply	Price	TTM EPS	PER	Mcap to TTM Sales
Bharat Earth Movers	Rolling stock	1120.0	51.9	21.6	1.7
Hind Rectifiers	Equipment for rolling stock	775.0	77.9	9.9	1.3
Kalindee Rail	Construction	181.5	7.4	24.7	1.3
Simplex Casting	Equipment for rolling stock	47.0	7.5	6.3	0.2
Stone India	Equipment for rolling stock	159.0	14.6	10.9	1.6
Texmaco	Rolling stock	997.0	24.1	41.3	2.4

Source: Sharekhan Research, Capitaline

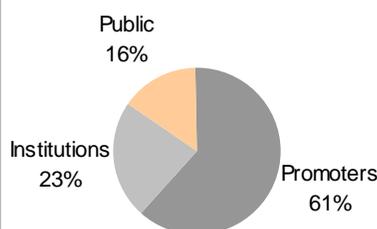
Bharat Earth Movers

CMP: Rs1,120

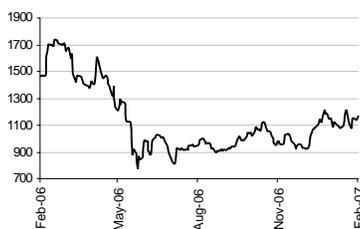
Company details

Market cap:	Rs4,115 cr
52 week high/low:	Rs1,785/723
NSE volume: (No of shares)	1.1 lakh
BSE code:	500048
NSE code:	BEML
Sharekhan code:	BEML
Free float: (No of shares)	1.4 cr

Shareholding pattern



Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	0.5	18.3	22.9	-21.5
Relative to Sensex	0.4	13.4	-0.6	-44.5

Bharat Earth Movers Ltd (BEML) is a public sector undertaking with a government holding of 61.2%. BEML operates in the mining and construction segment (accounts for 63% of sales), defence (accounts for 32% of sales) and railway product segment (accounts for 5% of sales).

Railway business is expected to be key revenue driver

In recent years, BEML has begun to look beyond traditional businesses, and has started exploring avenues in the rail products business. The company supplies electronic multiple units, wagons and passenger coaches to IR. It also has a technology arrangement with South Korea's Rotem for the manufacture and supply of stainless steel coaches for the metro railway. Considering that the demand for coaches is set to explode (passenger coaches and metro coaches), BEML will be amongst the major beneficiaries of a higher capex by IR.

New states to introduce mass rail transport—BEML to be the primary beneficiary

Given the facts that the states of Karnataka, Maharashtra and Andhra Pradesh are considering introducing mass rail transport systems to ease the congestion in the metros and that the required facilities are established by BEML, there appears to be a strong growth potential in the railway segment going forward.

Sales tax issue sorted with Karnataka government

BEML had earlier won the Delhi Metro Rail Corporation's metro coach order to supply 312 coaches over four years. But the Karnataka state government had imposed a 12.5% sales tax on the sale, forcing BEML to hike its prices. This, in turn, had led the Delhi Metro Rail Corporation to withdraw the letter of intent. Now BEML has obtained from the state government a sales tax waiver for five years for metro coaches. The company will again bid for the re-floated tender and is confident of bagging the same. Besides, due to the waiver it is also confident of getting the Bangalore metro tender when the same is floated.

Strong order book of Rs2,053 crore

The company's order book stood at around Rs2,053 crore (including all divisions) for December 2006. The management expects the order book to touch Rs2,600 crore by the end of the current fiscal.

Performance

In the first nine months of FY2007 the net sales of BEML were up 18.8% year on year (yoy) to Rs1,487 crore whereas the operating profit and profit after tax (PAT) increased by a mere 8.7% and 7.5% yoy to Rs138 crore and Rs104.5 crore respectively. The slow growth can be attributed to the sluggish top line growth and an 86-basis-point reduction in the operating profit margin (OPM). The stock is trading at a trailing twelve-month (TTM) price/earnings ratio (PER) of 21.6x.

Valuation table

Particulars	FY2003	FY2004	FY2005	FY2006
Net sales (Rs cr)	1567.9	1667.4	1729.7	2056.3
Net profit (Rs cr)	26.1	24.2	175.3	186.9
Shares in issue (cr)	3.7	3.7	3.7	3.7
EPS (Rs)	7.1	6.6	47.7	50.9
% y-o-y growth	-	-7.4	625.2	6.6
PER (x)	157.7	170.3	23.5	22.0
Book value (Rs)	158.7	163.1	199.3	238.6
P/BV	7.1	6.9	5.6	4.7
EV/EBIDTA	533.3	150.2	17.7	17.8
ROCE (%)	6.4	9.3	40.5	35.5
RONW (%)	4.4	4.1	26.2	23.2

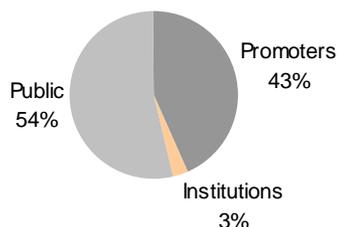
Hind Rectifiers

CMP: Rs775

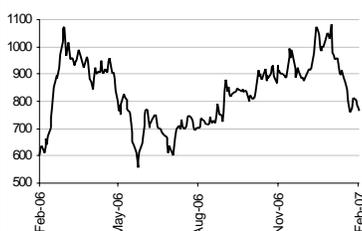
Company details

Market cap:	Rs117 cr
52 week high/low:	Rs1,127/549
NSE volume: (No of shares)	195
BSE code:	504036
NSE code:	HIRECT
Sharekhan code:	HINDRECT
Free float: (No of shares)	0.1 cr

Shareholding pattern



Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	-24.3	-16.3	12.3	34.9
Relative to Sensex	-24.3	-19.8	-9.2	-4.9

Hindustan Rectifiers, also known as Hirect, was founded in 1958, in technical collaboration with Westinghouse, Brake & Signal, UK. It is a leading manufacturer of rectifier equipment and semi-conductor devices. It also manufactures a wide range of electric components used for the railways in AC electric locomotives and AC electrical multiple units. The company's plants are located at Mumbai and Nashik. It is planning a capex in Uttaranchal to transfer production from Mumbai and this will enable it to get excise and income tax benefits. The promoter holds a 44.4% stake in the company. It has a capacity of 239,850 units of rectifier stacks/apparatus, 120,000 kilowatt silicon rectifier apparatus and 310,000 units of semi-conductor devices. The revenues from IR account for 50% of the company's total revenues.

50% of revenues from IR--highly leveraged to IR capex

The majority of Hirect's railway revenue comes from rectifiers and transformers used in locomotives. Hirect has a market share of around 25% in the rectifier and transformer market, which together is worth over Rs110 crore. Besides, the company also has presence in the business of invertors, which have a Rs20-crore market. It has also been present in the Rs75-crore converter market since FY2005 and is ramping up quickly in this space. With over 50% of the revenues coming from IR, we believe that Hirect will be a key beneficiary of any increase in IR's capex.

Uttaranchal facility to provide excise and income tax gains

Slowly the company is aiming to shift its entire manufacturing base from Mumbai to Uttaranchal, which is a duty-free zone. As of today, the company pays 16% excise duty and 33% income tax. The manufacturing capacity in Uttaranchal will make the company more competitive and enable it to get the tax benefits.

Performance

In the first nine months of FY2007 the net sales of Hirect were up 21.7% yoy to Rs60.3 crore. The operating profit and PAT grew by robust 55.9% and 56.3% yoy to Rs13.9 crore and Rs8.1 crore respectively. This was possible due to the significant increase in its OPM, which expanded by 507 basis points to 23.1%. The stock is trading at TTM PER of 9.9x.

Valuation table

Particulars	FY2003	FY2004	FY2005	FY2006
Net sales (Rs cr)	33.7	35.2	51.9	70.8
Net profit (Rs cr)	1.0	1.3	3.2	8.8
Shares in issue (cr)	0.1	0.1	0.1	0.2
EPS (Rs)	9.6	12.8	31.6	58.2
% y-o-y growth		33.3	146.9	84.2
PER (x)	80.7	60.5	24.5	13.3
Book value (Rs)	69.6	80.7	108.1	110.8
P/BV	11.1	9.6	7.2	7.0
EV/EBIDTA	40.5	39.0	14.0	8.9
ROCE (%)	17.7	17.8	36.9	63.5
RONW (%)	17.3	19.3	33.5	63.9

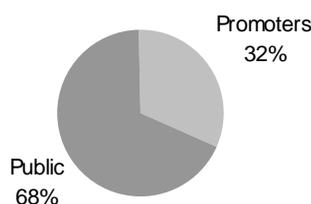
Kalindee Rail Nirman Engineers

CMP: Rs181

Company details

Market cap:	Rs191 cr
52 week high/low:	Rs195/74
BSE volume: (No of shares)	29,463
BSE code:	522259
Sharekhan code:	KALINENG
Free float: (No of shares)	0.7 cr

Shareholding pattern



Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	4.2	8.7	40.0	35.6
Relative to Sensex	4.1	4.1	13.2	-4.2

Kalindee Rail Nirman Engineers (Kalindee), based in New Delhi, is a leading domestic engineering & project company involved in the execution of major railway projects in India. Technocrat RD Sharma, who is the chairman and managing director of the company, incorporated the company in 1984. He currently holds 31.9% of the equity capital. Kalindee is engaged in the execution of projects related to signaling and telecommunication, gauge conversion, new railway line construction, modernisation of railway yards, up-gradation of railway sidings, access control systems for metro rail, fibre optic networks etc for IR. The company generates almost 100% of its revenues from execution of railway projects.

Rich experience in execution of varied railway projects

Kalindee has over 30 years of rich experience in executing turnkey railway projects. Its forte consists of projects related to gauge conversion, new railway line construction and signaling, and telecommunication. To its credit, the company has successfully completed many projects; some of the milestone projects include the completion of 370 kilometre (km) of gauge conversion, 110km of new line construction, 179 stations interlocking and 182 stations signaling.

Creation of Railway Vikas Nigam will expedite execution

In 2005, IR incorporated Railway Vikas Nigam Ltd (RVNL) for speedier execution and implementation of railway projects. RVNL will have access to funds from multilateral agencies like the World Bank and the Asian Development Bank. This will certainly boost the order book by increasing the order flow to companies like Kalindee.

Strong order book at Rs350 crore

Kalindee is resting on a strong order book of Rs350 crore with an execution cycle of 18-24 months. The order book is at 2.4x its TTM revenues and this ensures strong visibility to its earnings.

Performance

In the first nine months of FY2007 Kalindee's revenue grew by a robust 110.8% yoy to Rs50.1 crore. Even the operating profit witnessed a 177.2% surge yoy to Rs13.8 crore and the OPM saw an expansion of 313 basis points to 13.1%. The PAT surged by an impressive 159.4% yoy to Rs6.8 crore. Kalindee is trading at TTM PER of 24.7x.

Valuation table

Particulars	FY2003	FY2004	FY2005	FY2006
Net sales (Rs cr)	30.5	37.1	54.1	90.1
Net profit (Rs cr)	1.1	1.2	2.0	3.6
Shares in issue (cr)	1.1	1.1	1.1	1.1
EPS (Rs)	1.1	1.2	1.9	3.4
% y-o-y growth		10.7	58.9	83.2
PER (x)	170.2	153.7	96.7	52.8
Book value (Rs)	22.4	25.0	29.2	35.7
P/BV	8.1	7.3	6.2	5.1
EV/EBIDTA	92.4	72.6	38.2	24.9
ROCE (%)	20.8	17.9	20.8	20.6
RONW (%)	11.9	10.6	14.7	22.5

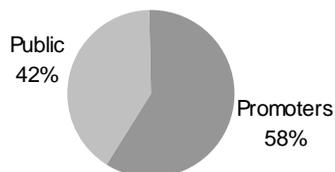
Simplex Casting

CMP: Rs47

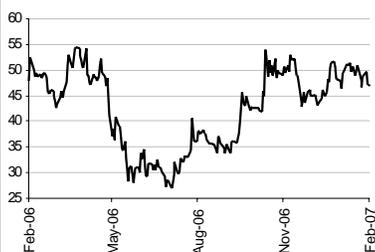
Company details

Market cap:	Rs28 cr
52 week high/low:	Rs60/26
BSE volume: (No of shares)	20,552
BSE code:	513472
Sharekhan code:	SIMCAST
Free float: (No of shares)	0.2 cr

Shareholding pattern



Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	-2.5	-3.6	34.0	4.1
Relative to Sensex	-2.6	-7.6	8.3	-26.5

Simplex Casting (Simplex) is part of the Simplex group of industries (one of the leading Indian manufacturers of engineering products, castings and engineering equipment). The company manufactures heavy castings in grey cast iron, alloy cast iron, stainless steel and steel. The products of the company are used primarily in steel plants, power plants, mining and cement plants, defence and the railways. It has a foundry capacity of 20,000 metric tonne (MT) and a steel ingot forging capacity of 5,000MT. The company has manufacturing facilities at Bhilai, Raipur and Rajnandgaon in Madhya Pradesh. The promoter holds a 35.7% stake in the company.

Regular supplier of castings to IR

The company has been supplying its products to IR for a long time. It provides casnub bogies, coco bogies and bolster assemblies, which are used in railway wagons. Out of the total revenues of Rs108 crore, around 30% are generated from IR. Simplex supplies approximately 4,000-5,000MT of castings every year.

Beneficiary of increased pace of IR's wagon procurement

During the last few years IR's wagon procurement has been taking place at a slower pace as compared with the growth in its freight revenues. Given the buoyant outlook for India's domestic as well as export-import trade, IR will be forced to step up the pace of its wagon procurement programme and that augurs well for Simplex.

No significant capex lined up for next couple of years

Simplex has been operating at close to 75-80% of its 20,000MT capacity and hence the company has enough headroom to meet the additional demand from IR. This, in turn, implies that there could be a significant increase in its free cash flows and an improvement in its return ratios.

Performance

In the first nine months of FY2007 the net sales were up 19.2% yoy to Rs93.8 crore. The operating profit rose by 34.4% yoy to Rs10.6 crore due to a 99-basis-point expansion in the OPM. The PAT grew by 109% yoy to Rs3.5 crore due to lower interest and depreciation costs. Simplex is trading at TTM PER of 6.3x.

Valuation table

Particulars	FY2003	FY2004	FY2005	FY2006
Net sales (Rs cr)	43.5	74.9	100.1	108.4
Net profit (Rs cr)	0.1	0.7	1.3	2.8
Shares in issue (cr)	0.6	0.6	0.6	0.6
EPS (Rs)	0.2	1.1	2.2	4.6
% y-o-y growth		409.4	103.0	106.0
PER (x)	216.0	42.4	20.9	10.1
Book value (Rs)	33.0	34.1	35.2	38.7
P/BV	1.4	1.4	1.3	1.2
EV/EBIDTA	9.7	8.0	7.6	5.2
ROCE (%)	9.2	11.0	12.7	16.4
RONW (%)	0.7	3.3	6.5	12.5

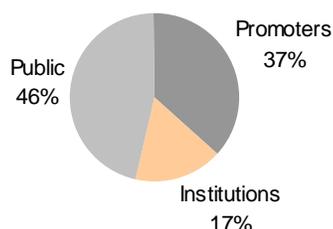
Stone India

CMP: Rs159

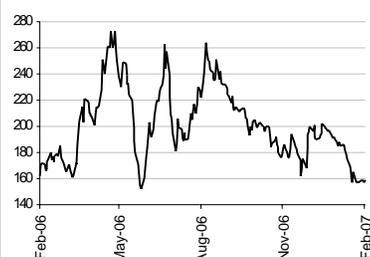
Company details

Market cap:	Rs120 cr
52 week high/low:	Rs287/146
BSE volume: (No of shares)	13,309
BSE code:	522085
Sharekhan code:	STONE
Free float: (No of shares)	0.5 cr

Shareholding pattern



Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	-17.4	-11.6	-30.9	1.6
Relative to Sensex	-17.5	-15.3	-44.1	-28.2

Stone India (Stone), a GP Goenka group company with a promoter stake of 41.1%, is engaged in the manufacture of train lighting alternators, pentographs, air & vacuum brake systems, panel mounted brake systems, under slung air conditioning systems and brake regulators for IR. Air brakes are its bread-and-butter product and the company has an installed capacity of 10,000 units. The company generates almost 100% of its revenues from IR.

Air brakes—the mainstay business

Air brakes for rolling stock are the mainstay product for Stone, contributing over half of its revenues. This year Stone received its first order for the beam mounted air brake system for a complete freight train. This patented safety product has a market of Rs2,800 crore and Stone is expected to have a significant share in the same. Further, in the wake of the robust growth in the freight traffic, we believe IR will step up wagon procurement in the near future. Stone, with its dominant position in this space, should be a key beneficiary.

Air dryer systems--a new opportunity

IR has introduced air dryers to avoid malfunctioning of the sensitive air brake equipment in locomotives. The entire 7,000 locomotive population is to be fitted with air dryers. This will generate a substantial demand for the company's products in the coming years. Stone has a technology tie-up with Wabtec USA for air dryers and is amongst a handful of suppliers of air dryers approved by the Research Design and Standardisation Organisation (RDSO). In fact, its "Vaporid" air dryer can be fitted in all electric multiple units (EMUs), diesel multiple units, main-line EMUs and Metro coaches. The company is in a comfortable position to cater to the Rs130-crore market.

Strong collaborations

Stone has strong collaborations for most of its products with the rail majors around the world eg Wabtec for brake systems & air dryer of diesel & electric locomotives, Poli Construzione SpA, Italy for advanced disc brake systems and components for high speed coaches & locomotives. This enables it to access the best technology and adapt better to any change or upgradation in IR's technology.

Performance

In the first nine months of FY2007 the net sales of Stone were up 36.5% yoy to Rs51.3 crore. The operating profit increased by a robust 44.8% yoy to Rs9.2 crore. During the same period the PAT increased by 49% yoy to Rs7.8 crore. The OPM saw an expansion of 102 basis points to 17.9%. Stone is trading at TTM PER of 10.9x.

Valuation table

Particulars	FY2003	FY2004	FY2005	FY2006
Net sales (Rs cr)	29.5	30.0	40.3	53.0
Net profit (Rs cr)	1.4	-9.0	2.3	8.3
Shares in issue (cr)	0.8	0.8	0.8	0.8
EPS (Rs)	1.8	-11.9	3.0	11.1
% y-o-y growth		-758.8	-125.6	264.2
PER (x)	88.2	-13.4	52.4	14.4
Book value (Rs)	30.8	18.9	20.4	30.3
P/BV	5.2	8.4	7.8	5.3
EV/EBIDTA	221.0	-20.0	88.9	30.3
ROCE (%)	5.7	0.0	7.7	25.0
RONW (%)	3.9	0.0	3.4	34.7

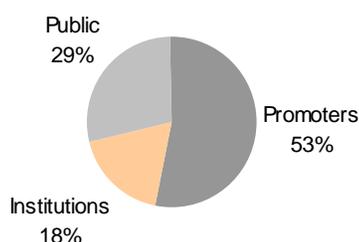
Texmaco

CMP: Rs997

Company details

Market cap:	Rs1,029 cr
52 week high/low:	Rs1,428/481
NSE volume: (No of shares)	8,280
BSE code:	505400
NSE code:	TEXMACOLD
Sharekhan code:	TEXMACO
Free float: (No of shares)	1.1 cr

Shareholding pattern



Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	-27.6	25.4	43.9	63.5
Relative to Sensex	-27.7	20.1	16.4	15.5

Texmaco, a KK Birla group company, is a premier engineering company of India with market leadership in the field of hydro-mechanical equipment and freight wagon cars. The business of freight wagon cars is the main contributor to the company's total revenues, accounting for nearly half of its annual sales. Texmaco is the dominant player in the wagon market with a 23-25% market share. It also has a foundry with a capacity of 9,600 metric tonne per annum and revenues of Rs103.2 crore (FY2006). It makes castings like tooth point, lip castings, flanges, anode yokes and bogie bolsters used by IR. It earned over three-fourth of its FY2006 revenues from IR.

Key supplier of rolling stock to IR

Texmaco, with a production capacity of 6,000 units (single shift), is a key supplier of wagons to IR in the private sector. The company has a consistent track record of executing orders from IR and has an impressive market share of 23-25% of IR's yearly requirement of wagons. Considering the robust growth in the freight traffic handled and the marginal increase in wagon procurement so far, we believe IR could increase its wagon procurement. Since Texmaco's capacity is underutilised, it should benefit the most if IR decides to procure more wagons.

Foundry division expansion complete—to drive revenues

The Texmaco foundry division supplies 12,100 metric tonne per annum of steel castings to IR and is operating at peak capacity. The company supplies ancillary items to wagons like couplers and bogie bolsters. With an increase in the procurement of wagons going forward, the demand for castings will rise substantially. Texmaco, being amongst a handful of RDSO-approved suppliers, should be a prime beneficiary. Thus, foreseeing the robust demand, Texmaco has undertaken a capacity expansion plan and is augmenting its capacity to 25,000 metric tonne per year. This expansion will be completed in the current quarter and is expected to add substantially to the company's revenues in FY2008.

Procurement from private players could rise substantially

Volumes of wagons are expected to witness a sharp improvement, as the recent privatisation of rail transport for movement of container traffic will boost the demand for rolling stock. The volumes are expected to witness a surge since the pending model concession agreement, which was finalised in January 2007, sets out the terms and conditions of operating rolling stock.

Performance

In the first nine months of FY2007, Texmaco reported a revenue growth of 43.1% yoy to Rs264.1 crore. The operating profit grew by a robust 64.3% to Rs31.1 crore, with the OPM expanding by 152 basis points to 11.8% during the period. The PAT saw a growth of 50.1% yoy to Rs17.5 crore. Texmaco is trading at TTM PER of 41.3x.

Valuation table

Particulars	FY2003	FY2004	FY2005	FY2006
Net sales (Rs cr)	124.6	166.8	281.9	363.0
Net profit (Rs cr)	0.8	6.5	16.6	18.6
Shares in issue (cr)	1.0	1.0	1.0	1.0
EPS (Rs)	0.8	6.3	16.0	18.0
% y-o-y growth	-	697.6	153.1	12.6
PER (x)	1256.0	157.5	62.2	55.3
Book value (Rs)	60.6	77.9	105.8	120.8
P/BV	16.5	12.8	9.4	8.3
EV/EBIDTA	120.2	71.5	42.0	30.9
ROCE (%)	7.6	11.0	16.5	21.3
RONW (%)	1.2	9.1	16.5	16.2

The author doesn't hold any investment in any of the companies mentioned in the article.

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