



## JK Cement Ltd (JKCL)

**Recommendation: Buy**

**CMP: INR 192**  
**4<sup>th</sup> December 2006**

<b>BSE Sensex</b>	: 13845	<p><b>JK Cement Ltd (JKCL)</b> came into existence by acquiring the cement business from the parent company J K Synthetics Ltd (JKSL) in November 2004. The company is one of the largest grey cement manufacturers in Northern India and the second largest manufacturer of white cement in India with about 38% market share</p> <p><b>INVESTMENT HIGHLIGHTS</b></p> <p><b>Buoyant user industry:</b> The cement industry is backed by the growth in the construction and infrastructure activities that have been on a high off late. The growth in the housing sector coupled with bank credit off take in form of soft interest rates on loans has transformed into astounding growth for the cement sector.</p> <p><b>Strong realization to improve profitability:</b> Demand-supply mismatch pushed up cement prices across India, prices in the North moving up between 30-35% in the last one year.</p> <p><b>Robust Expansion Plans:</b> JKCL has already expanded capacities of white cement plant and grey cement and is also planning to set up a Greenfield project in Karnataka with a capacity of 3mln tonnes at a cost of around INR 9000 Mln funded by INR 5000 Mln debt and INR 4000 Mln internal accruals.</p> <p><b>Captive Power Plants to Aid Reduce Cost:</b> JKCL plans to set up 3 captive power plants by June 07 thus contributing substantial savings in the power cost</p> <p><b>Limestone Access:</b> JKCL has proximity to the limestone reserves, large enough to support the production of cement for a period of approximately 40 years</p> <p><b>CONCERNS:</b></p> <p><b>Declining demand and capacities building up:</b> Currently cement sector is being bolstered by the boom in infrastructure and construction. However if the tide turns, it will put the prices under pressure. Also the additional capacities that are coming up could lead to stagnation in prices. However the possibility of supply overrun could only be seen from FY09 onwards.</p> <p><b>VALUATION:</b></p> <p>JKCL benefits by its presence in the supply deficit region and is very well placed to take advantage out of the upswing in the cement cycle. At CMP of INR 192.0, JKCL trades at P/E of 9.1x and 6.9x FY07E and FY08E respectively and on EV/EBITDA, it trades at 6.0x and 5.1x FY07E and FY08E respectively. The EV/tonne (asset valuation measure for cement companies) based on FY07E is around US\$ 95.1, which is at a substantial discount to its peers. Considering EV/tonne at US \$ 140 (lesser than the industry average of US \$ 150-160) the value of the company's stock works out to INR 310. The valuation on the basis of EV/EBITDA of 9x FY07E and the DCF is around INR 315 and INR 355 respectively, which provides significant upside for investment over a period of 9-12 months.</p>		
<b>Financial year-end</b>	: March			
<b>No. Of shares in issue</b>	: 69.9			
<b>Mark. Cap. (INR in Bln)</b>	: 13.4			
<b>1-year</b>				
<b>Avg. daily volume (in shares)</b>	: 102714			
<b>52-wk high/low (in INR)</b>	: 231/109			
<b>Listed on</b>	: NSE / BSE			
<b>Shareholding Pattern (%) (As on 30-09-06)</b>				
<b>Promoters</b>	: 61.6			
<b>Institutions</b>	: 10.9			
<b>Foreign</b>	: 11.6			
<b>Corporate</b>	: 4.9			
<b>Public &amp; Others</b>	: 11.1			
<b>BSE scrip code</b>	: 532644			
<b>Reuter's scrip code</b>	: -			
<b>Bloomberg</b>	: -			
<b>Valuation parameters:</b>				
<b>Fair valuation per share:</b>	<b>INR 310</b>			
<b>Valuation parameters</b>				
	<b>FY05</b>	<b>FY06E</b>	<b>FY07E</b>	<b>FY08E</b>
ROCE	2.9%	7.1%	14.8%	13.8%
EV/Sales	5.8	1.9	1.5	1.5
EV/EBIDTA	46.8	12.0	6.0	5.1
EV/Ton	12541.1	4378.6	4281.6	4537.5
EV/Ton in \$	278.7	97.3	95.1	100.8
P/BV	2.4	2.0	1.7	1.4
P/E	151.9	41.2	9.1	6.9

	Net Sales (INR Mln)	Op. Profit (INR Mln)	OPM (%)	PAT (INR Mln)	NPM (%)	EPS (INR)	CEPS (INR)	DIV (%)
2005 (Act)	3294.1	408.9	12.3%	63.0	1.9%	1.3	4.8	-
2006 (Act)	8737.0	1361.4	15.5%	325.4	3.7%	4.7	10.9	15.0%
2007 (For)	11951.4	2877.5	24.0%	1464.6	12.0%	20.9	28.2	15.0%
2008 (For)	13028.0	3753.5	28.7%	1935.0	14.7%	27.7	36.4	15.0%

**BACKGROUND**

*JKCL has 30 years of experience in the Indian cement industry, which provides the company with the skills to maximize production efficiency, expand production capacity quickly and reduce costs.*

*JKCL is one of the largest manufacturers of cement in Northern India and the second largest manufacturer of white cement in India*

JK Cement Ltd (JKCL) was incorporated by acquiring the assets of the cement division of JK Synthetics in November 04 and is a part of the JK group. The cement division rolled out in May 1975 with a capacity of 0.3 mln tonnes at Nimbahera. The second plant was started in Mangrol in 2001 with a capacity of 0.75 mln tonnes. These capacities were slowly and gradually raised and today stand at 4.0 mln tonnes with both units together. The company also has a white cement-manufacturing unit at Gotan with a manufacturing capacity of 0.40 mln tonnes from the commissioned capacity of 50000 tonnes. JKCL have access to large limestone reserves for both grey and white cement. JKCL is one of the largest manufacturers of cement in Northern India and the second largest manufacturer of white cement in India. JKCL is the market leader in Haryana with 18% market share and are among the top 3 players in Delhi

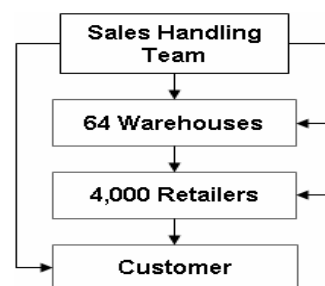
**RECENT DEVELOPMENTS:**

JKCL came out with a public issue at a price of INR 148 per share in March 06 whereby it raised INR 2960 Mln that would aid the company in rationalizing the costs and improve competitiveness.

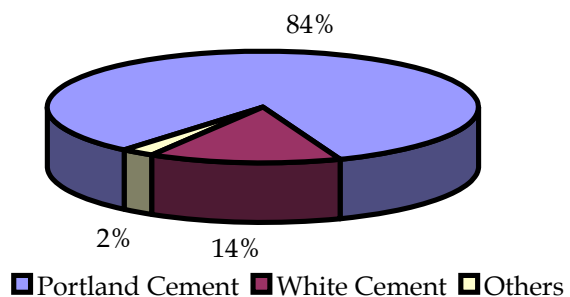
**PRODUCT PROFILE AND DISTRIBUTION NETWORK**

*Largest exporter of white cement from India.*

Being one of the largest manufacturers of grey cement in northern India JKCL caters to markets such as Delhi, Rajasthan, Punjab and Haryana where it leads the pack with an 18.2% market share. It has established a strong distribution network for Grey cement in north India. It is also the second largest manufacturer of white cement in India and caters to more than 1400 industrial customers, for which it has a nationwide distribution system. The distribution network is as under.



Over the years, the company has made a strong brand name for itself by rolling out strong brands that are well renowned in the market with a marketing team of around 180 people constantly working towards dealer networks and the end users. The revenue contribution of white and grey cement to the business is as depicted in the following graph.



**Product portfolio as on FY06**

## INDUSTRY OVERVIEW

*For the last five years domestic cement demand grew at a CAGR of 8.5% while the capacity grew at 6.6%*

*Housing sector accounts for 65-70% of the total cement demand and will continue to remain a major contributor to cement demand*

*Over the next five years the country will add approximately 4.5 mln houses every year.*

*Construction for common wealth games planed in India is likely to generate demand for 5 mln tonnes of cements.*

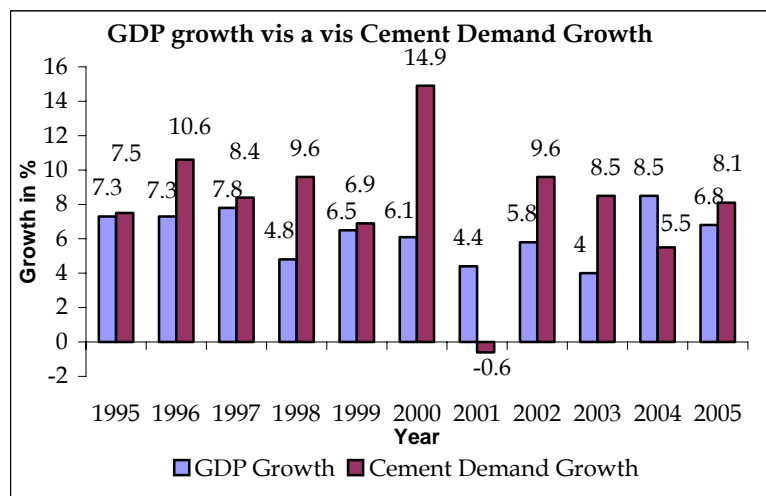
*10 mln tonnes demand may be generated by SEZ.*

*Strong relationship exists between GDP and cement demand growth.*

The cement industry in India is a highly fragmented industry with 54 companies operating around 134 cement plants with an installed capacity of around 157 Mln tonnes as on March06. The top 4 players in the industry control about 44% effective cement capacity of the country. The industry is also highly regionalized as cement units are concentrated in clusters, close to the limestone deposits. It is a cyclical industry wherein production normally peaks during the second half while it dips during the monsoons, during the months of August and September.

The major growth drivers of the cement industry are the construction activities and infrastructure thrust by the government. Housing, Infrastructure and Industrial sectors account for the majority of the consumption of the cement produce. Competition in the industry is regionalized as cement is a bulky and low value commodity and hence transportation is not feasible. Hence competition is in the form of geographical clusters wherein there are seven major clusters in the country. Another peculiar feature of the cement sector is that it is highly power intensive with power forming 30-35% of the cost of production. Hence many cement manufacturers are now resorting to captive power plants to reap benefits of lower cost of power and also uninterrupted power supply. In 2005-06, the Indian cement production was 142 Mln tonnes with a 91% capacity utilization. This was 11.2% higher than the previous years production of 127.6 Mln tonnes.

The cement industry is currently facing a tight demand-supply position with demand outstripping the supply. With India's GDP growth rate expected to be around 8% we expect that demand for cement to grow at about 9%. Indian cement industry will have at least two good years ahead with capacity lagging demand as the country steps up spending on infrastructure. Construction for common wealth games planed in India is likely to generate demand for 5 mln tonnes of cements. Another 10 mln tonnes demand may be generated by SEZ. Thus, outlook for the cement industry appears buoyant on account of buoyancy in the construction activity in rapidly growing Indian economy. However the effect on the prices would depend on the relationship between incremental demand and capacity addition.



*Capacity addition lagged demand growth for the last five years*

*Surplus is expected to decline consistently till FY08E and so the pricing to remain firm.*

*We expect the cement consumption to grow at a CAGR of 9% for the next five years translating cement consumption to 210 mln tonnes by FY11E*

*Per capita cement consumption still lags behind the global average*

Keeping this in mind, most of the players have announced their intention to expand capacities. However this fresh capacity is not likely to be operational before FY08, and so prices are expected to move up further in the next 2 years.

#### **Proposed Capacity Expansions:**

The proposed capacity expansion of about 70 mln tonnes is expected to come on stream over the next 2-3 years, which may create surplus of supply, but it is believed that most of the capacities will start from the second half of FY08 and beyond. So for the next one-year cement sector will experience deficit, which will give positive outlook for cement industry.

In Mln. Tonnes	Completion Year		
	FY07E	FY08E	FY09E
Region			
North	1.7	9.5	10
West	1.1	0.5	5.3
South	0.6	4.9	18.3
East	0.5	-	12.7
Central	0.5	4.7	-
Total	4.4	19.6	46.3

Source : CMA & Company Research

Moreover, the cement industry is an important pillar of the economy as it contributes about 1.3% of the total GDP of India and also employs about 0.2 Mln people.

Also accounting for the fact that the per capita consumption in India is very low at about 125 kg compared to the world average of 250kg, there seems to be tremendous potential for the consumption to increase hence bolstering the cement industry.

## INVESTMENT HIGHLIGHTS

### BUOYANT USER INDUSTRY:

Based on the investments envisaged in various cement consuming sectors, we expect demand to grow at a rate of 9-10% in the next five years.

In FY06, domestic demand rose by 10% to 135 mln tonnes from 123 mln tonnes in the previous year

Increased focus on infrastructure development, together with increasing demand for housing and commercial construction expected to drive growth in cement industry.

Strong price outlook till FY08E on the back of consistent supply depletion.

The cement industry is backed by the growth in the construction and infrastructure activities that have been on a high in the last decade. The growth in the housing sector coupled with bank credit off take in form of soft interest rates on loans has transformed into astounding growth for the cement sector. Also the Government's thrust on road construction and development of ports and airports provides an impetus to the cement sector transforming into a CAGR growth rate of 7.5% over the last decade. Various new sources of cement demand have emerged in the last one year which includes SEZs, retail and faster pace of real estate development, etc. All these developments will propel the cement demand to new heights in the next five years.

	(Mln tonnes)		Growth (%)	(Mln tonnes)		Growth (%)
	Apr-Oct 2005	Apr-Oct 2006		Oct '05	Oct '06	
Production	78.8	87.0	10.4	11.7	12.8	9.5
Despatch	78.4	86.3	10.0	11.6	12.6	8.0

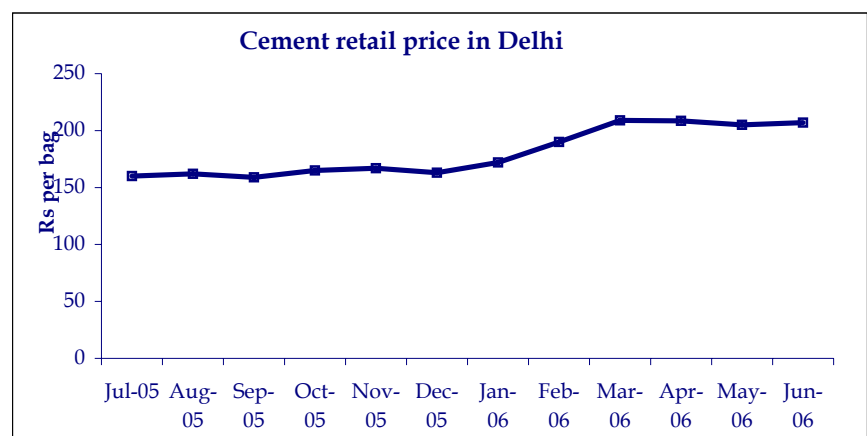
Source: CMA.

Government has indicated commitment to developing infrastructure and undertaking large projects involving construction of ports, airports, power plants and highways linking different parts of the country

### Strong realization to improve profitability:

Demand-supply mismatch pushed up cement prices across India, prices in the North moving up between 30-35% in the last one year. Prices in the northern region are ruling around INR 205-215 per bag, which will result in an average gross realisation of INR 165-168 per bag for JKCL in FY07E.

	FY05	FY06	Growth (%)
Effective Capacity (mln tonnes)	150.1	157.2	4.7
Demand (mln tonnes)	125.1	141.6	13.1
Capacity Utilisation (%)	83.6	90.2	7.9



**CAPEX PLANS ON SCHEDULE:**

*JKCL's expansion plans will help them to consolidate its position as well as maintain leadership in the market.*

JKCL expanded its grey cement facility from 3.5 mln tonnes to 4.0 mln tonnes at a cost of INR 225 Mln in June 06 and expanded its white cement capacity from 0.35 mln tonnes to 0.4 mln tonnes at a cost of INR 90 Mln in September 06, which will benefit the company in terms of increase volume in the near term.

**ENTRY IN SOUTHERN REGION:**

*JKCL plans to set up 3 mln tonnes Greenfield project in Karnataka and hence tap the Southern region*

JKCL has already announced its plan for setting up a 3 mln tonnes Greenfield project in Karnataka by acquiring Jaykaycem Ltd which has a 20 year mining lease for limestone reserves, which will be operational by December 08 at a cost of INR 9000 Mln and financed through 5000 Mln debts and 4000 Mln internal accruals. 80% of the factory land has been acquired and down payments against the orders for Plant and Machinery has also been made.

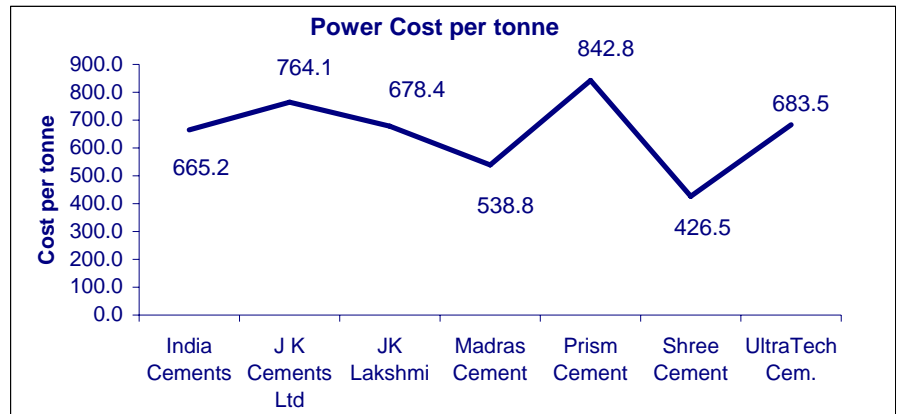
**CAPTIVE POWER TO BOLSTER GROWTH**

*JKCL expects to reduce its cost through captive power plants*

JKCL has extensive plans to reduce the power cost. JKCL wants to stop relying on the power from the state grid and wants to develop efficiency in power. It has plans to install 3 captive power plants of cumulative strength of 43 MW. The plants included in the power plans are a 13.2 MW waste heat recovery system that will utilize the waste gases emitted during the manufacturing process to produce power and will be at a cost of INR 1110 Mln. There are plans to establish 2 other plants as well, of which one is a pet coke based thermal plant of 20 MW costing INR 850 Mln and the other is the up gradation theme of the existing thermal power plant to 10 MW at a cost of INR 85 Mln. The plants are expected to be operational by June'07, April'07 and Dec'06 respectively.

*Power projects will decrease JKCL dependence on sourcing power from external sources*

*Presently JKCL's, power cost per tonne significantly higher than the peer's*



These power plants will reduce the power cost from an average power cost of INR 3.9/Kwh to INR 1.5/Kwh resulting in a saving of around INR 200/tonne.

Moreover the waste heat recovery plant is eligible for carbon credits, which will add INR 800-1000 Mln per year from FY08, which we have not considered in our projections.

*JKCL caters to Northern India which is expected to witness deficit for the next couple of years.*

*In the last three years , mere 5.2 mln tonnes of capacity was added and 3 mln tonnes of this capacity was arrived in the last quarter of FY06*

*Access to large reserves of limestone for both grey and white cements*

### **North India- Attractive for the next two years**

Northern region is facing an acute supply crunch for the last four years due to regions demand-supply deficit and increased net exports to other regions. Cement demand in the region grew at a CAGR of 10% for the last five years and we the expect the same to continue for the next five years bagged by aggressive infrastructure development activities, surging housing demand, significant hydel capacity addition in the region, SEZ construction etc.

A trend reversal is expected to be triggered in FY09E when the regions situation would be identical to currently prevailing in the South. Taking into consideration the capacities announced, the capacity by the end of FY09E would rise to 52 mln tonnes as compared to the southern regions capacity of 54 mln tonnes at the beginning of FY07.

### **ACCESS TO LIMESTONE RESERVES:**

Limestone accounts for being the main raw material for the cement manufacturing process and for every 1 tonne of cement produced 1.4 tonnes of limestone is required. Moreover there is also no substitute that can be used in place of limestone. Since JKCL was one of the first cement companies to start production in Rajasthan it got access to the best quality limestone reserves on a first cum first serve basis. Moreover the limestone reserves for the company are approximated to last for the next 40 years for both the white and grey cement manufacturing requirements taking into consideration the already expanded capacities of 4.0 Mln tonnes of grey cement and 0.4 Mln tonne of white cement.

### **Experienced Management team and strong processes:**

Most of the Senior Management team has been associated with the company for more than 2 decades contributing significantly to the company's performance

## CONCERNS

### Declining demand and capacities building up:

*The proposed capacity expansion of about 70 mln tonnes is expected to come on stream over the next 2-3 years, which may create surplus of supply, but it is believed that most of the capacities will start from the second half of FY08 and beyond.*

*So for the next one-year cement sector will experience deficit, which will give positive outlook for cement industry*

Currently cement sector is witnessing a boom, with demand outstripping supply. However if the tide turns and there is low demand for cement, it will put the prices under pressure and hence also the realisation of the companies. With the Indian growth story and the government thrust on infrastructure we do not foresee any significant impact in the near future.

Also if large capacities get commissioned in the region resulting in a supply overhang, the prices would decline affecting all the cement companies in the region. However the possibility of supply overrun could only be seen from FY09 onwards.

## PEER ANALYSIS

*JKCL looks attractive compared to its peer on the basis of EV/tonne (\$)*

	JK Cement	JK Lakshmi	Mangalam	Prism	Shree	Ultra Tech
Installed Capacity in Mln. tonnes	3.9	2.4	1.0	2.5	4.5	14.7
EV/tonne	4379.1	5187.3	4639.0	5633.7	15914.1	9598.3
EV/Tonne (\$)	97.3	112.8	100.8	122.5	346.0	208.7
EV/EBITDA	12.4	11.6	19.8	8.8	25.9	23.1
EBITDA/Tonne	353.2	448.4	234.2	638.6	615.1	415.7
OPM in %	14.0	17.2	11.4	24.1	28.5	16.8
NPM in %	3.5	2.6	5.5	10.9	2.6	7.0

**Table 3: Six month ended Results**

(INR. in Mln)

Particulars	6-mths ended' 06	6-mths ended' 05	YoY (%)
Net Sales	5477	4061	34.9%
Tot. Inc.	5535	4084	35.5%
OPBDIT	1292	532	142.9%
Interest	174	266	-34.6%
Dep.	163	154	5.8%
PBT	1013	135	650.4%
PAT	670	84	697.6%
Equity	699	499	
EPS	9.6	1.7	469.4%
CEPS	11.9	4.8	149.9%
OPM (%)	23.6%	13.1%	
NPM (%)	12.2%	2.1%	

## FINANCIAL PERFORMANCE

The company reported an increase of 35% in Net Sales for Half year ended September 2006 at INR 5477 Mln as compared to INR 4061 Mln in the same period in the corresponding year. Net realizations were up by 6% QoQ for both grey cement and white cement. However, the grey cement production was lower in the quarter by 6% due to heavy rainfall recorded in the Nimbahera region. EBITDA/tonne improved to INR 720 lead by higher realizations, despite increase in raw material and power cost. For FY07E, we expect the realisations to grow by 26% YoY and for FY08E, we expect the realisation to increase marginally by 5% YoY.

## VALUATIONS

Driven by strong realisations, efforts made by the company to reduce its power cost and timely capacity expansion, the company's operating profit is expected to grow by 111.3% and 30.4% in FY07E and FY08E respectively. On per tonne basis, the company is expected to report EBITDA of INR 715 and INR 896 in FY07E and FY08E respectively.

JKCL, benefits by its presence in the supply deficit region and its cost efficient operations through captive power plants, is very well placed to make most out of the upswing in the cement cycle. At CMP of INR 192.0, JKCL trades at P/E of 9.1x and 6.9x FY07E and FY08E respectively and on EV/EBITDA, it trades at 6.0x and 5.1x FY07E and FY08E respectively. The EV/ tonne based on FY07E is around US\$ 95, which is at a substantial discount to its peers. On the basis of an EV/tonne which is a asset valuation measure of US \$ 140, which is less than the industry average of US\$ 150-\$160 per tonne, the value of the company's stock works out to INR 310. The valuation on the basis of EV/EBITDA of 9x FY07E is around INR 315. Our DCF valuation gives us a fair value of INR 355 per share based on the assumption of a 7.5% risk free rate of return and a risk premium of 8.5%. JKCL cost of debt is around 10% pre tax and the WACC is taken at 12.4%.

Higher cement prices, better capacity utilization, continuous focus on infrastructure and most importantly the estimated demand for cement remaining ahead of supply for at least another 12-18 months, along with our valuations, makes JKCL attractive as an investment at the current market price. We initiate a buy recommendation on the stock with a time horizon of 9-12 months providing significant upside from the current levels.

Earnings Summary		(INR in Mln)		
	FY05	FY06	FY07 (P)	FY08 (P)
<b>Net Sales</b>	<b>3294.1</b>	<b>8737.0</b>	<b>11951.4</b>	<b>13028.0</b>
Operating Income	3320.8	8778.4	11997.0	13078.2
Raw Material	365.7	903.5	1267.5	1388.3
Stores and packing Material	305.3	743.6	956.1	1042.2
Power and fuel	1202.1	2856.0	3003.1	2638.4
Employee cost	160.7	412.0	552.8	602.5
Repairs	59.0	159.0	215.1	234.5
Administrative and Others	124.6	339.3	456.2	499.3
Selling and distribution	130.1	281.8	358.5	390.8
Freight	659.8	1877.3	2450.7	2668.0
(Accretion)/Decretion to Stocks	(95.5)	(155.5)	(140.5)	(139.6)
<b>Cost of Sales</b>	<b>2911.9</b>	<b>7417.1</b>	<b>9119.4</b>	<b>9324.7</b>
<b>OPBDIT</b>	<b>408.9</b>	<b>1361.4</b>	<b>2877.5</b>	<b>3753.5</b>
Other Non-related Income	67.4	52.4	190.0	50.0
Financial Charges	242.7	581.7	512.2	430.6
PBDT	233.6	224.9	423.8	553.8
Depreciation	178.3	434.1	509.6	124.1
Transfer from revaluation Reserve	52.6	123.9	160.0	160.0
PBT	108.0	-85.3	74.2	589.7
<b>PAT</b>	<b>63.0</b>	<b>325.4</b>	<b>1464.6</b>	<b>1935.0</b>
Equity share cap.	499.3	699.3	699.3	699.3
EPS	1.3	4.7	20.9	27.7
CEPS	4.8	10.9	28.2	36.4
Face Value	10.0	10.0	10.0	10.0

Balance Sheet		(INR in Mln)		
	FY05	FY06	FY07 (P)	FY08 (P)
<b>Liabilities</b>				
Equity share cap.	499.3	699.3	699.3	699.3
Networth	3933.4	6742.7	7927.8	9583.2
Total Debt	6412.8	5821.6	5021.6	6721.6
Deferred Tax Liability	36.0	174.0	389.2	866.4
<b>Total</b>	<b>10382.2</b>	<b>12738.3</b>	<b>13338.5</b>	<b>17171.3</b>
<b>Assets</b>				
Net Fixed Assets	9032.5	8979.9	9070.3	10460.7
Investments	0.0	0.0	0.0	0.0
Capital Work in Progress	178.4	569.0	2800.0	5120.0
Current Assets	2672.1	5093.9	3735.4	3970.5
Current Liabilities	1517.5	1797.0	2147.7	2260.3
Provisions	0.0	126.5	119.6	119.6
Net Current Assets	1154.6	3170.4	1468.1	1590.6
Miscellaneous Expenditure	16.7	19.0	0.0	0.0
<b>Total</b>	<b>10382.2</b>	<b>12738.3</b>	<b>13338.4</b>	<b>17171.3</b>

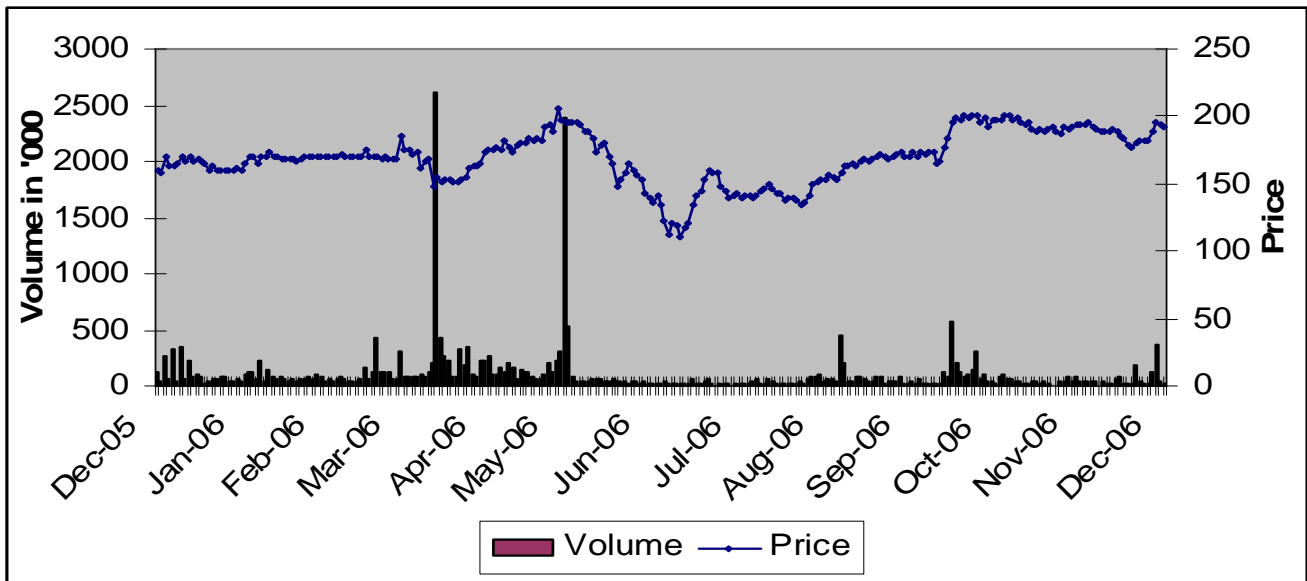
Quarterly Performance				(INR in Mln)		
	Q206	Q106	Q405	Q305	Q205	Q105
Net Sales	2682.0	2795.0	2459.0	2217.0	2058.0	2003.0
PBDIT	686.0	664.0	489.0	351.0	297.0	258.0
Interest	92.0	82.0	143.0	154.0	142.0	124.0
Depreciation	81.0	82.0	80.0	76.0	78.0	76.0
PBT	513.0	500.0	266.0	121.0	77.0	58.0
PAT	340.0	330.0	164.0	78.0	49.0	35.0
Equity	699.0	699.0	699.0	499.0	499.0	499.0
EPS	48.6	47.2	23.5	15.6	9.8	7.0
CEPS	60.2	58.9	34.9	30.9	25.5	22.2
PBDIT (%)	255.8	237.6	198.9	158.3	144.3	128.8
PAT (%)	126.8	118.1	66.7	35.2	23.8	17.5

Financial Ratios				
	CY05	CY06 (E)	CY07 (P)	CY08 (P)
Debt Equity Ratio	1.6	0.9	0.6	0.7
Current Ratio	1.8	2.8	1.7	1.8
Book Value	78.8	96.4	113.4	137.0
Interest Coverage Ratio	1.4	1.9	5.3	7.8
RONW	1.6%	4.8%	18.5%	20.2%
ROCE	2.9%	7.1%	14.8%	13.8%

Growth (%)			
	CY06 (P)	CY07 (P)	CY08 (P)
Net Sales	165.2%	36.8%	9.0%
Operating Profit	232.9%	111.4%	30.4%
PAT	416.6%	350.1%	32.1%

<b>More than 1% Holdings as on Sep'30, 2006</b>		
Description	No. Of Shares	% Holding
India Fund Inc	733500	1.05
Sushila Devi Singhania	920957	1.32
Bajaj Allianz Life Insurance Co Pvt Ltd	1018015	1.46
Gaur Hari Singhania	1033757	1.47
AXA World Funds Talents	1164501	1.67
Kavita Y Singhania	1301611	1.86
Prudential ICICI Trust Ltd	1389952	1.99
GIC of India	1425270	2.04
Copthall Mauritius Investments Ltd	1452100	2.08
Templeton India Equity Income Fund	2031802	2.91
HSBC Global Investment Funds	2944678	4.21
Juggilal Kamlatpat Holdings Ltd	5550000	7.94
Yadupati Singhania	12830673	18.36
Yadu International Ltd	20974791	29.99

**Daily Price and Volume Chart**



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