

# DALAL STREET

## INDIA'S FASTEST GROWING COMPANIES

Fast is a buzzword today but being only fast is not enough. Along with speed one needs to be consistent. Based on the criteria of speed and consistency, our research shows that, out of 7500-odd companies only 245 have grown consistently in topline and bottomline in last four years. We at *Dalal Street Investment Journal* have spotted the fastest growing companies and uncover what differentiates the winners from others.



"Slow and steady wins the race" goes the old adage but in today's ever-changing times, it may no longer hold true. Today, we might as well say: The fast and consistent wins the race! In fact, if one looks at the changing preferences of people around the world, we would observe that more and more people are adopting fast. The biggest example is the fast food culture which has set in cities and towns and the ever-increasing numbers of restaurants thriving on serving an array of these instant foods. When it comes to vehicles, there is that craving to go for the fastest cars or speedster bikes. Talk about sports, and the same preference manifests everywhere: whether it is fastest speed in F1 racing or fastest serve in the lawn tennis or fastest hundred by a batsman in cricket. In cricket, matches with 20-20 overs are becoming popular as people want results fast. So, Fast is 'In', Slow is 'Out'.

But just being 'fast' is not enough. Today, along with speed, one needs to be consistent, or else being 'fast' will have no meaning. This is precisely what our selection of India's fastest growing companies exemplifies. They are not only fast but also consistent in their performance. This trait sets these companies apart from the other companies.

India Inc. is on a growth path as economy has been consistently growing. Due to this, almost all companies are growing in their financials. But to grow consistently is no small achievement. In fact, there are companies whose net profits have taken a plunge despite a booming scenario. Our research shows that as high as 134 companies' net profit figures are lower than FY02 numbers. The actual number of such companies would be much higher as we have considered only those companies which have declared results for FY06. So, companies whose fortunes have taken a beating but have not yet declared their annual results have not been accounted for in the tally of 134.

What comes as a big surprise to us is that as many as 18 companies from Group A have shown negative growth as compared to FY02 numbers. Let's take a look at some of them. VSNL had reported net profit of Rs 1,407 crore for FY02, but its reported net profit for the last year stood at a mere Rs 479 crore. Sterlite Opticals, after reporting net profit of Rs 100 crore in FY02, plunged into losses and then turned around but still at substantial lower level with net profit of a measly Rs 41 crore for FY06. Dr Reddy's Labs for the FY02 reported net profit of Rs 460 crore and since then it has seen its profits continuously plunging uptill



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FY05. In FY06, it has improved with a net profit of Rs 211 crore, but it is still below its FY02 numbers by 55 per cent.

This time again, for selecting the companies, we have used the same parameters we had used in 2004. We have selected only those companies that have grown consistently both in their topline as well as bottomlines since FY02. In other words, companies which have posted growth in their net profits but not in their topline have been excluded, and vice versa (refer methodology for more details).

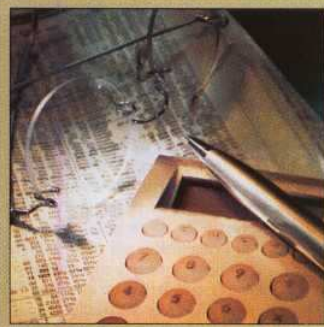
However, for ranking the companies, we have relied on the topline growth alone.

The company which has grown at the highest CAGR has been ranked first, and so on. Only 245 companies satisfied the conditions, while other companies failed to meet the parameters.

We had done a similar exercise two years back. A comparison between the past and present rankings brings out some interesting facts. Out of the top five among the large cap which had emerged in the previous exercise, only one company, Infosys, could make it to the top five again. Our previous top ranker PTC India saw its net profit taking a beating in FY05 and hence it crashed out of the selection criteria. Our previous

third ranker Ranbaxy too took a beating in its net profit, while Cipla (ranked fourth previously) slipped way down to the 19th rank this year. In fact, Cipla is the only one company in the large cap pharma space which has grown consistently in topline as well as bottomline when its peers Dr. Reddy's and Ranbaxy have faltered. HDFC Bank has gone down to the eighth place from its earlier ranking at number five.

In the mid cap space, Matrix was the number one in the previous rating, but this time it has slipped to the number three position, while the rest four mid cap pharma companies lost their rankings and do not feature in



## The Methodology

We have taken 2001-02 as the base year to calculate the growth recorded by the companies. Our first parameter was: the company must consistently report growth in sales and net profit every year. If, for any reason, the company has not reported growth either in sales or in the net profit in any one or more years of the period under review, then the same has been excluded from the list. Then, we divided the companies in three major groups according to their annual turnover - large, medium and small. This was to ensure that size does not become a handicap for any company for not featuring in the list. Companies having sales of more than Rs 2,000 crore have been placed in the 'large' size category, while companies having turnover less than Rs 2,000 crore but more than Rs 500 crore have been placed under the 'medium' category, while companies with sales turnover below Rs 500 crore have been put under the 'small' category. The ranking has been done on the base of growth in sales, as we feel that sales growth over a period of time is much more healthy sign of performance. We had used the same methodology while ranking India's fastest growing companies in 2004.

## Fastest growing top 25 Large-size companies

RANK	COMPANY NAME	SALES (Rs/Crores)					CAGR (%)	REPORTED PAT (Rs/Crores)					CAGR (%)	CMP (Rs.)	P/E
		2006	2005	2004	2003	2002		2006	2005	2004	2003	2002			
1	Jindal Steel & Power	2878	2450	1550	1101	584	49	573	516	305	145	108	52	1517	8
2	Reliance Industries	89124	73164	56247	50096	25032	37	9069	7572	5160	4104	2814	34	1122	17
3	Infosys Technologies	9028	6860	4761	3623	2604	36	2421	1904	1243	958	808	32	1770	18
4	NMDC	3711	2230	1454	1214	1130	35	1828	755	433	312	257	63	2500	16
5	ABB	2963	2260	1468	1176	1042	30	219	154	124	97	65	35	2834	44
6	Tata Motors	24004	20483	15494	10841	8892	28	1529	1237	810	300	-54	-	852	20
7	Bhushan Steel & Strips	3070	2868	1759	1265	1139	28	154	153	90	55	40	40	233	5
8	HDFC Bank	4475	3093	2549	2023	1703	27	871	666	510	388	297	31	846	29
9	Tata Chemicals	3653	3123	2653	1627	1434	26	353	341	221	197	127	29	223	13
10	UTI Bank	2889	1924	1599	1465	1179	25	485	335	278	192	134	38	349	19
11	Gujarat Ambuja Cements	3815	3026	2305	2025	1583	25	766	468	294	222	187	42	116	21
12	Siemens	2748	1790	1425	1317	1157	24	255	151	139	87	69	39	1050	54
13	Mahindra & Mahindra	9348	7696	5915	4517	3950	24	857	513	349	146	103	70	651	17
14	DCM Shriram Consolidated	2476	1905	1476	1153	1056	24	117	104	77	57	17	62	90	14
15	Ashok Leyland	6053	4811	3927	3074	2630	23	327	271	194	120	92	37	40	16
16	Hero Honda Motors	10086	8597	6747	5102	4465	23	971	810	728	581	463	20	715	14
17	Tata Steel	17144	15877	11921	9793	7607	23	3506	3474	1746	1012	205	103	528	8
18	National Aluminium Co	5324	4438	3349	2740	2385	22	1565	1222	737	521	409	40	205	7
19	Cipla	3114	2401	2055	1573	1401	22	608	410	307	248	235	27	244	29
20	Maruti Udyog	14753	13343	11284	8982	7068	20	1189	858	542	159	105	84	834	18
21	IPCL	9597	9386	9019	5798	4740	19	1005	786	273	260	102	77	298	7
22	ITC	9791	7639	6470	5866	5059	18	2235	2191	1593	1371	1190	17	180	30
23	Bharat Heavy Electricals	14587	10686	8772	7704	7542	18	1679	1004	658	517	450	39	2246	31
24	Container Corp. of India	2441	2003	1764	1483	1286	17	503	429	356	273	249	19	1620	19
25	Bharat Electronics	3536	3224	2799	2508	1942	16	583	429	316	261	200	31	1154	16

Note: CMP as on 29/08/2006, P/E is for trailing 4 quarters



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the top five. Among the small cap, none of the previously ranked companies could make it to the top five this time around.

Now, the moot question is: How much sense do these companies make in terms of investments? We feel these companies do make a lot of sense in terms of investments, especially the large cap and the mid cap. Today, investments in companies like Infosys or Reliance Industries makes a lot of sense as they have been able to grow at a much better pace despite manifold increase in their size in the last few years. This is really an achievement on the part of the managements of both the companies, who could successfully steer these companies on to a higher plane.

But rather than relying on sentiments, we have done the empirical study on the previous top 10 rankers to see how much they have added to the investors' kitty. If someone had invested equal amounts in the top 10 large cap companies then, the value of the portfolio would have appreciated by 106 per cent in two years time. In the mid cap, the same investment would have given a return of 133 per cent. This return does not take into consideration dividend declared by the companies in the last two years.

But there is caveat here. It is unlikely (as it has happened with the previous rankings) that all the top 10 companies of this year

will be able to make it next year. The companies which are presently riding the commodity cycle may find it difficult to manage the historical growth. So, these companies may go out of the reckoning next year. Further, sustaining higher growth rate requires excellent management skills which not all company managements may possess. Hence, one needs to be selective when looking from an investment perspective. Our advice to the readers is that they should look at high growth companies from the large and mid cap space. One would find plenty of stocks good enough for investments. For the benefit of our readers, we have given the last five years sales as well as net profit figures along with the P/Es so that readers can make their own judgment. In the following pages, we have profiled the top five companies in brief, from each category looking at the factors that helped them to emerge as the fastest growing companies.



## Large-Size Companies

### Jindal Steel and Power

With many commodities enjoying an uptrend in their cycle, steel was in sweet spot for the last three years. No wonder, Jindal Steel and Power has emerged as the winner

in the large size companies. With a strong increase in demand from China, the global steel prices were on an upsurge and, with its diverse portfolio, Jindal Steel and Power made it to the big league. But the major differentiating factor for Jindal was its backward integration of captive iron and coal mines, making it one of the lowest cost producers of steel. As a result, not only its topline, but also its bottomline has increased substantially. As for investors' returns, the company has paid rich dividends and has also invested in capacity expansions. As far as the growth of company is concerned, the comparatively smaller topline base of the company has helped it to emerge as the overall winner, otherwise even Tata Steel (Rank 18) has featured in the list but on account of its higher topline base, the CAGR was lower as compared to JSPL. Speaking on the growth prospects going forward, Naveen Jindal, JSPL's Executive Vice Chairman & MD, says "Investments in infrastructure by the government as well as private sector is catching up and that will increase the demand for steel products. Being one of the low cost producers, we are going to be the beneficiaries".

### Reliance Industries

Very few Indian companies have managed to feature in the list of Fortune 500

## What the winners say



RANK **1**

Our philosophy of moving up the value chain, by increasing our portfolio of value-added products, continues. Zeal to be ahead of others and to venture where few dared has propelled us into an ever-increasing orbit of growth. The sectors we have chosen to operate mean that we will be serving key national priorities, even as we build profitable businesses and create wealth for our shareholders

Naveen Jindal  
EVC & MD, Jindal Steel and Power



RANK **4**

We had an option to take advantage of the situation and sell iron ore on, on the spot basis for higher prices, or to go with the long-term customers. But we choose the golden mean path of satisfying the long-term customers first and sell to others the remaining quantity out of the increased production to have a balanced and sustainable growth

B Ramesh Kumar  
CMD, NMDC



RANK **5**

Our strategic initiatives have yielded good results. We have succeeded in realigning our portfolio mix in terms of projects: products & services from 80:20 to 60:40 thereby creating three strong legs and lending base load stability. Our standard products strategy has paid rich dividends and we continue to expand our product range and increase market penetration

Ravi Uppal  
VC and MD, ABB

Note: Reliance Industries, despite promising to reply, did not respond till the time of magazine going to press and Infosys excused itself from responding



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companies and Reliance Industries (RIL) is the only private sector Indian company to make it to the list. With its strong presence in refining, exploration and production (E&P), petrochemicals and textiles segments, it is said: "What is good for India is good for Reliance". As India's GDP has shown a strong growth in the last five years, being the largest contributor to India's GDP, even RIL has shown a strong growth. The important factor is that even after the demerger of the group, it has not only sustained its topline and the bottomline, but has also moved up in our list to No. 2 from its previous ranking of 6. The strong operational performance of the company is evident from the fact that the company's net profit has increased by CAGR of 23.85 per cent over the last nine years. Looking at the current years performance looks that it will again make it next year.

### Infosys Technologies

When we talk about Infosys, we are actually talking about wealth creation. The company has rewarded its shareholders with five bonus issues till date and best part is that net profit kept pace with its equity. It is highly creditable to show consistent growth on a higher base. There are various reasons why Infosys has differentiated itself from the other companies. The

first criteria is the management bandwidth which, for Infosys, is one of the finest. Over the last ten years its bottomline CAGR was 59 per cent, which is highest among the IT companies in India.

### National Mineral Development Corporation

In our previous ranking, National Mineral Development Corporation (NMDC) featured among the medium size companies, ranking at 34. The period from 2003 to 2005 saw a great boom in the demand for iron ore, primarily due to the spurt in demand from China and NMDC was able sell in all-time record quantities. B. Ramesh Kumar, CMD, NMDC says, "Increase in prices as well as volumes has helped us to maintain balance and sustain growth". NMDC chose the path of satisfying the requirements of its long-term customers first and then selling the balance production to others from the increased production at a higher price which resulted in a balanced and sustainable growth, especially in the context of the cyclical trend of market in the iron and steel industry. In addition to increased volumes, even the price of iron ore increased by 100 per cent to Rs 1,450 per cent in 2006. This has helped NMDC feature among our large size companies.

### ABB

ABB is yet another company from among the previous medium size companies (ranked 22 previously) which has switched over to the large size companies group and that too among the top five. The capital goods industry has performed well overall in the last three years, and this is evident from Siemens, Thermax, and Cropmton Greaves featuring in our list this year. Industrial growth is a key driver for ABB's automation business and currently this growth is in double digits, which has helped the company perform better. Regarding the strong performance of the company Ravi Uppal, ABB's VC and MD, says, "Our strategic initiatives have yielded good results. We have succeeded in realigning our portfolio mix in terms of projects, products and services, thereby creating three strong legs and lending base load stability". Other encouraging trends include, industry's increased focus on efficiency, productivity and quality improvements and global ambitions. ABB is well-positioned to leverage these market opportunities based on its intrinsic technology strengths.

If we take a closer look at the large size toppers, one notices that even though many banks were not able to repeat their financial performance, HDFC Bank, Punjab National Bank and UTI Bank have featured in our list.

## Fastest growing top 25 Medium-size companies

RANK	COMPANY NAME	SALES (Rs/Crores)					CAGR (%)	REPORTED PAT (Rs/Crores)					CAGR (%)	CMP (Rs.)	P/E
		2006	2005	2004	2003	2002		2006	2005	2004	2003	2002			
1	Indiabulls Financial Services	610	168	72	26	13	162	253	57	19	5	4	181	283	16
2	ABC Shipyard	542	377	296	230	72	66	89	45	12	9	1	249	266	15
3	Matrix Laboratories	667	641	529	399	93	64	182	132	125	75	4	153	278	23
4	Tulip IT services	508	342	248	203	71	63	49	13	7	2	2	134	279	12
5	Pantaloon	1084	658	445	285	176	57	39	20	12	7	6	56	1661	76
6	Shriram Transport Finance Co.	840	344	246	162	138	57	121	49	37	24	21	56	103	12
7	Kalpazaru Power Transmissions	871	567	362	271	147	56	67	29	14	9	7	74	780	20
8	Ashapura Minechem	682	507	268	203	123	53	55	14	8	7	6	74	230	11
9	Havell's India	1115	665	419	293	222	50	63	31	21	9	9	65	293	11
10	Lakshmi Energy & Foods	560	408	225	125	123	46	56	20	9	0	0	725	865	14
11	Nagarjuna Construction Co.	1840	1189	758	454	439	43	104	57	32	18	13	67	287	25
12	Surana Industries	626	490	296	211	153	42	23	4	3	3	2	80	87	5
13	Amtek Auto	873	652	506	412	221	41	161	93	52	42	17	75	295	22
14	IVRCL Infrastructure & Projects	1496	1055	773	440	392	40	93	57	39	16	13	63	231	25
15	Bharat Forge	1699	1310	902	689	474	38	207	162	125	81	21	77	340	36
16	Simplex Infrastructures	1345	999	641	548	409	35	42	25	10	9	4	82	1520	32
17	National Steel & Agro Ind.	1960	1416	994	834	611	34	23	17	12	9	5	44	23	3
18	Thermax	1483	931	583	530	466	34	123	55	54	48	24	51	297	29
19	Mahindra & Mahindra Financial	582	398	306	247	189	32	108	82	68	44	28	41	231	17
20	Unitech	653	510	374	240	213	32	70	30	14	12	5	90	206	124
21	Lakshmi Machine Works	1302	991	663	525	425	32	148	73	60	26	15	78	18258	14
22	Asahi India Glass	683	676	566	469	235	31	86	79	72	37	12	64	88	19
23	Maharashtra Seamless	1083	867	555	436	373	31	137	85	71	62	50	29	370	13
24	Gammon India	1485	1191	878	730	515	30	103	75	43	20	20	51	352	33
25	I-Flex Solutions	1154	903	684	568	411	29	241	198	176	174	127	17	1428	41

Note: CMP as on 29/08/2006, P/E is for trailing 4 quarters



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Paresh Sukthankar, Head-Credit and Market Risk, HDFC Bank, says, "We have had a simple mission - to be a world class Indian bank. We have pushed ourselves against international standards in terms of product offering, technology, service levels and risk management". Regarding the commodity companies, even though Nalco has appeared in the list, Hindalco could not make it as its PAT declined in FY03 on account of an extraordinary item. Even though the cement sector is witnessing an upsurge, only Gujarat Ambuja Cement has managed to feature in the list. On account of improved infrastructure, increased spending power and reduced interest rates, even automobile companies like M&M, Maruti Udyog and Hero Honda have also made it into the list. The most remarkable thing is, except ITC, not a single FMCG company has appeared among the large size companies.



## Medium-Size Companies

### Indiabulls Financial Services

With the boom in the stock market and the financial services market, Indiabulls Financial Services (IBFSL) has managed to grab the top position among the medium size companies. The reason being its strate-

gic initiatives and growth drivers like one-stop solutions to meet its clients' financial investment needs. Regarding the differentiation from others, Sameer Gehlaut, CEO, Indiabulls, says "The major differentiator is our up-gradation in IT. We have invested huge amounts of resources and manpower in creating our robust system and technology to manage our large operations and credit risk. Our management team has a strong focus on identifying growth areas that are capable of providing high returns". The other broking firms could not make it to our list because their performance was not good in FY03. Even though their topline grew significantly, their bottom-lines were impacted.

### ABG Shipyards

The second in the list is ABG Shipyards 'which is into manufacturing of shipbuilding and fabrication of windmill towers. The sea borne tonnage requirement has increased to USD 7.17 billion in 2005, an increase of 20 per cent over 2001, with dry cargo and gas segment as its major contributors. "This increased demand, coupled with the replacement demand, has acted as major growth drivers for us and our presence into small, medium as well as large vehicle manufacturing has helped us to overshadow others." says Rishi Agarwal,

MD, ABG Shipyards. The growth of the company can be seen from the swelled order book position from Rs 1,300 crore in November 2005 to Rs 2,285 crore, which is four times the sales revenues in FY06.

### Matrix Laboratories

Matrix was a topper among the medium size companies when we carried out a similar survey in September 2004. The important fact is that, even though it has not managed to grab the top position this time around, it is still among the top five. The major reason for its success is its ability to use inorganic route to integrate backward (in intermediaries) and forward (finished dosage) which has enabled it to expand its presence across the value chain. "This has made us cost competitive which is a necessary attribute to emerge as a 'knowledge-based partner of choice' of global pharmaceutical companies." Says N. Prasad, Chairman, Matrix Laboratories. The recent 71.5 per cent stake bought by the US-based company Mylan vindicates the same. The company has rewarded its investors handsomely, be it through dividend or price appreciation.

### Tulip IT Services

The company, an independent provider of end-to-end networking solutions, got a boost to its growth from the fast-growing

## What the winners say



RANK 1

We grew fast because we were able to provide one-stop solution to meet clients' financial needs and differentiated model driven by an extensive business network with a pan-India presence. The strong IT base for operation and credit risk was a key differentiator

Sameer Gehlaut  
CEO, Indiabulls



RANK 2

Today, India occupies a miniscule percentage of the world shipbuilding market, but it has the potential to garner higher market share due to, vast coastlines, positive government initiatives in the shipbuilding space, low cost of labour and also the growth in world seaborne trade

Rishi Agarwal  
MD, ABG Shipyards



RANK 3

Matrix has focussed on the three 'R' Formula: Recognise knowledge, Respect knowledge and Reward knowledge. Matrix will reinforce this three 'R' approach through global employment of talents and skills and will emerge as one of most respectable and profitable companies in India

N. Prasad  
Chairman, Matrix Laboratories



RANK 4

The reason for Tulip's success has been its unique business model and its strengths in the field of wireless businesses. Tulip has been able to establish a leadership position in this field and intends to continue to innovate and grow

Col. H S Bedi  
MD, Tulip IT Services



RANK 5

India is still in the nascent stage of organised retailing and it is constantly evolving. Pantaloon is a frontrunner in India's modern retail space and we represent fashion, food, general merchandise and other businesses, through multiple delivery formats, catering to the value customers

Kishore Biyani  
MD, Pantaloon Retail (India)



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segments, viz banking, finance and insurance, telecom service providers and BPOs. All of them require connectivity for ERP and CRM and with its ability to provide last mile using wireless, Tulip has capitalised on the opportunities. Speaking on the company's growth prospects, Hardeep Singh Bedi, MD, Tulip IT Services, says "This is a rapidly growing and ever expanding market. Today every line of business needs connectivity. Now every component of the smallest of businesses will need connectivity, therefore it is a constantly growing market". Till date, Tulip has been able to establish a leadership position in this field and intends to continue to innovate and grow.

## Pantaloon Retail

Pantaloon is a dream retail growth story. The Indian retail market today stands at USD 250 billion and organised retail is only USD 9 billion, but the growth in the organised retail has been amazing and, as a first mover, Pantaloon Retail has managed to grow faster. The spending power of Indians has increased with India's economic growth. "Rising incomes and increased exposure to global products have changed the average Indian's consumption pattern and all this has contributed to our growth." Says Kishore Biyani, MD, Pantaloon Retail. As compared to others like Shoppers Stop and Piramyd,

Pantaloon has an advantage of larger space and larger reach.

Many infrastructure related companies have figured in the list. Companies like Nagarjuna Construction, IVRCL Infrastructure, Gammon India, Unitech and Simplex have gained on account strong growth in the infrastructure sector. The only mining company appearing in our list is Ashapura Minechem ranked no. 8. Regarding the same, MD, Chetan Shah, says "Our growth is a result of well planned strategy for which the foundation was laid, when we added bauxite to our business." Even on a higher topline base, capital goods companies like Kalpataru Power Transmission and Havells India have emerged among the top ten. Qimart Rai Gupta, CMD, Havell's India ranked no. 9, says "We attribute our success to our overriding focus on the creation of quality, innovative products and unparalleled distribution network." A notable feature is that most of the banks which featured among our previous fastest growing companies list have not featured in our current list. Banks like Karnataka Bank, Indusind Bank, South Indian Bank and Jammu & Kashmir Bank have failed to make it in our list. Most of these banks took a one-time hit on account of transfer of securities to HTM category, which resulted in a lower net profit for FY05.



## Small-Size Companies

### Jaybharat Textile and Real Estate

This company has emerged as the topper among the small size companies and is one of the few textile companies which have figured in our list of the fastest growing companies. The key factor which catapulted it to the top is its lower base in FY02, which helped the company to show higher CAGR. If we consider returns from the scrip, from just Rs 12.25 per share in December 2003, it touched a high of Rs 541.60 in August 2006 and after the bonus adjustment (ratio 15:10) the company is trading at Rs 155. Speaking on the company's growth, Saurav Tayal, Chairman, Jaybharat Textiles and Real Estate, says, "We expanded our capacity at the right time. Even when the textile industry was not performing well, we increased our capacity and this has helped us a lot. In addition, the drop in raw material prices improved our bottomline".

### ORG Informatics

Over the past three years, the new management team led by the MD, Ajoy Khanderia has restructured the entire business model and the company has seen a

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		2006	2005	2004	2003	2002		2006	2005	2004	2003	2002			
1	Jaybharat Textiles & Real Estt	192	75	6	2	0	424	25	9	1	0	0	690	157	12
2	Org Informatics	119	80	51	26	1	270	7	3	1	0	-1	-	86	12
3	Ankur Drugs & Pharma	136	79	55	21	4	144	11	5	3	1	0	169	139	8
4	Geodesic Information Systems	92	40	17	10	5	106	42	19	8	4	1	153	168	20
5	Jai Balaji Sponge	433	275	122	82	27	100	27	9	7	3	3	73	58	5
6	Royal Orchid	59	39	23	15	6	80	21	13	2	1	-2	-	168	39
7	Enkel Castalloy	146	74	35	23	18	70	8	7	2	1	1	76	302	19
8	Kisan Mouldings	104	24	19	15	13	67	5	1	1	0	0	109	35	5
9	Vijay Shanthi Builders	78	36	27	18	11	63	3	3	2	1	1	42	29	10
10	Sanghvi Movers	149	75	46	26	22	62	32	14	6	0	0	365	677	15
11	Bombay Rayon Fashions	202	107	51	48	30	62	18	7	2	1	1	117	174	46
12	Alfian Securities	53	30	21	9	8	61	9	4	2	1	1	97	21	3
13	Wanbury	111	72	56	25	17	61	11	7	3	1	0	126	104	12
14	Astra Microwave Products	105	65	35	20	16	60	37	17	8	4	4	79	172	34
15	Cranes Software International	187	132	99	48	33	55	63	45	32	14	10	58	104	17
16	Spanco Telesystems	200	104	61	47	36	53	17	10	6	2	2	66	125	16
17	KPIT Cummins Infosystems	262	195	125	73	48	53	27	22	13	7	2	92	372	20
18	Alchemist	290	252	136	79	53	53	17	13	12	6	5	33	43	16
19	Automobile Corp. of Goa	254	157	113	76	48	51	15	14	9	0	-7	-	332	9
20	Anjani Fabrics	94	72	38	23	18	51	2	2	1	1	0	158	20	5
21	Praj Industries	267	233	107	88	58	46	25	23	8	2	2	98	165	50
22	Pratibha Industries	157	88	64	43	35	45	12	8	4	2	1	78	188	15
23	Ahmednagar Forgings	375	206	165	128	84	45	39	21	14	5	-1	-	181	15
24	Ratnamani Metals & Tubes	350	207	133	84	80	45	34	13	4	2	2	103	348	8
25	Pitti Laminations	85	45	38	25	20	44	7	5	4	1	-1	-	85	11

Note: CMP as on 29/08/2006, P/E is for trailing 4 quarters



# DALAL STREET

turnaround in its operations since being taken over by Global Asia Partners in April 2004. The company exited the low margin computer hardware and geographical information systems business and entered into high margin value added systems integration and telecom service business. "The higher technology acceptance has acted as a growth driver. In addition faster and continued diversification has resulted into growth of revenues and profitability," Says Ajoy Khanderia, MD, ORG Informatics. It has also been able to successfully leverage on its strong parentage to form exclusive marketing and technical alliances with software product companies. This provides it a distinct advantage over its peers.

## Ankur Drugs and Pharma

The success mantra of the company has been its focus on the contract manufacturing, which is a prime area for Indian pharma companies. In the contract manufacturing segment, ADPL is among one of the first choices for manufacturing alliance with some of the well known and fast growing listed pharma companies, as ADPL has the lowest wastage ratio among all the companies that are into contract manufacturing in India. "A Blueprint was drawn by us to make the company viable and robust. We changed our activity of manufacturing cap-

sules to formulations, so as to gain financial viability." Says Purnandu Jain, CMD, Ankur Drugs and Pharma.

## Geodesic Information Systems

Being innovative always pays, is the mantra followed by Geodesic Information Systems, which has emerged as the fourth fastest growing company in the small size group. Geodesic, in its pursuit of exploring opportunities across continents, has continued its efforts in strengthening its international presence. The management's continuous and concerted efforts to tap new markets abroad have been reflected in the rise in its export income. The company's focus was on increasing the revenues and market share while developing new products and technologies as well. Geodesic MD Kiran Kulkarni says, "We at Geodesic have from the beginning focused ourselves on being an innovative IT products company and so far we have been able to achieve that. We understand that while innovation gives us the lead, excellence in the systems, process and leadership will help us sustain the growth in the long run".

## Jai Balaji Sponge

Jai Balaji Sponge (JBSL), got a boost to its topline on account of upturn in the global and domestic steel demand which

led to the steep prices for the past three years. In addition, the lower topline base has helped JBSL to figure in our list. Speaking on JBSL's growth, Ajay Jajodia, Chairman, Jai Balaji Group, says, "Investments made during the recession period are now reaping gains for us".

Among the small size companies, there are quite a few which have not made it to the top five, but we cannot ignore their performance. Like on account of booming hospitality industry, Royal Orchid Hotels, ranked 6th, while Taj GVK has also emerged among the top 50. On emergence of KPIT Cummins as 17th ranked company, Kishore Patil, MD, says "Our focus on creating competitive advantage by developing unique services has resulted in faster growth." with a booming automobile sector on account of overall improvement in spending power, improved infrastructure and declining interest rates, many small auto component companies like Automobile Corporation of Goa, Shanthi Gears and Amtek India have emerged among the top 50 list. There are companies like Suprajit Engineering which have not only shown growth in the last four years but have shown constant topline and bottomline growth for the last 10 years. We hope that current year leaders from each group will also perform better in the current year to retain their positions for the next year rankings.

## What the winners say



RANK 1

We have always invested in the capacity addition even in the times when textile industry was not performing well. And the right product mix has helped us to perform better. Till date our focus was on textile, but going forward real estate development will be a major growth driver for the company

Saurav Tayal  
Chairman, Jaybharat Textile



RANK 2

Since the popularity and the acceptance of the converged IT & Telecom is mounting, the future of telecom lies with the next generation wireless and broadband networks, which is our main focus area, and ORG is poised to get the chunk of the business developing it

Ajoy Khanderia  
MD & CEO, ORG Informatics



RANK 3

We have the requisite 6 C's and 1 D, i.e. capacity, capability, competence, commitment to quality, consistency, cost efficiency and prompt delivery which differentiates us from others. With these capabilities, we are also making a thrust into the area of manufacturing injectibles.

Purnandu Jain  
CMD, Ankur Drugs and Pharma



RANK 4

We have focussed ourselves on being an Innovative IT products company and so far we have been able to achieve that. Our dual strategy of generating revenues from retail consumers for mobiles and enterprise customers for desktop, has contributed significantly to company's growth

Kiran Kulkarni  
MD, Geodesic Info. Systems



RANK 5

We are reaping the benefits of the investments made by us during recession. Given our size, we are not even catering to a fraction of the potential in the industry. After the merger of our two group companies, the operational synergy would enable us to cater the demand better

Ajay Jajodia  
Chairman, Jai Balaji Group