



SHREYA GHOSE

India's Most Investor-Friendly Companies

Our fifth annual survey of companies that have delighted their shareholders the most.

India's Most Investor-Friendly Companies

We know. You don't think there are any investor-friendly companies in this market. But in a world where performance is relative, there are some who managed to put a smile on their shareholders' faces.

UNTIL EARLY THIS YEAR, IT DIDN'T TAKE MUCH TO MAKE YOU HAPPY IF YOU WERE AN equity investor. India seemed like the flavour of the decade, India Inc.'s flag-bearers were snapping up big rivals elsewhere in the world, and Sensex at 25,000 was where we were all headed (gosh, all that seems so awfully long ago now). Cut to today, investors are licking their burnt fingers and swearing never to touch equity again. Not surprising at all. In a stock market that has plunged from 21,000-something to less than 15,000 now, there's hardly anyone—small or big investor—who hasn't lost money.

But it's equally true that equity provides the best returns over the long term. So, if you are in for the long haul, who should you be investing with? Which are the companies that treat their shareholders like kings? Which companies announce their results on time, hold their annual general meetings every year and, most importantly, have a history of paying dividends consistently? As you can probably imagine, there aren't too many of them. What makes it harder still for companies is our methodology, which makes them jump through some tough hoops (see *How We Did It* on page 154). For example, to make the cut, a company must have had extraordinary appreciation in its stock price for three years in a row, among others.

The list that you see on the next page, then, represents companies that have delivered on our methodology's demands. You'll find the Top 10 featured on the pages that follow. As you can tell, these aren't (minus a handful) the biggest companies in corporate India, but they are—well, in some sense—like Gautam Gambhir: they won't give you sixes every over, but they score steadily over the long haul. So, if you are betting on stocks for the long term, this is a good list to start with.

THE INVESTOR-FRIENDLY ONES

Company Name	Points					
	Gain	Dividend	Complaint	Results	AGM	Final
Aban Offshore	20.49	20	0	7	7.5	54.99
Jindal Steel & Power	31.56	20	0	0	1	52.56
Shriram City Union Finance	20.95	6.67	15	0	9	51.62
Voltas	15.03	19.67	6	0	9	49.70
Core Projects & Technologies	25.00	2	5	0	6	49.00
K S Oils	35.00	3	0	0	11	49.00
Jai Corp	33.00	6.67	0	0	6	47.67
Asian Paints	6.26	20	9	0	12	47.26
Modern India	35.00	2	0	0	10	47.00
Sesa Goa	16.97	20	0	0	10	46.97
Blue Star	18.31	20	0	0	8	46.31
Reliance Industries	7.95	20	0	4	13.5	45.45
Great Eastern Shipping Co.	5.89	20	10	0	9	44.89
Madras Cements	6.56	20	10	0	8	44.56
Shriram Transport Finance Co.	12.66	6.67	15	0	9	43.33
Hercules Hoists	13.75	20	0	0	9	42.75
Adani Enterprises	31.09	10	0	0	1	42.09
Sterling International Enterprises	35.00	0	5	0	0	40.00
Simplex Infrastructures	7.49	15.4	15	0	1.5	39.39
Sagar Cements	35.00	2.67	0	0	1	38.67
Nava Bharat Ventures	9.47	20	0	0	9	38.47
Zandu Pharmaceutical Works	25.01	11.4	1	0	0	37.41
Diamond Power Infrastructure	35.00	0	0	2	0	37.00
Bosch Chassis Systems India	2.16	13.67	15	0	6	36.83
Sterilite Industries (India)	16.56	20	0	0	0	36.56
Usha Martin	11.97	15.4	0	0	9	36.37
Himadri Chemicals & Inds.	28.99	5.4	0	0	1	35.39
Larsen & Toubro	9.37	20	0	0	6	35.37
Exide Industries	9.75	7	0	8	9	33.75
Jindal Drilling & Inds.	21.52	3.67	0	0	7.5	32.69
Satyam Computer Services	2.57	20	0	4	6	32.57
Pidlite Industries	5.25	20	0	1	6	32.25
Opto Circuits (India)	20.92	9.4	0	0	1	31.32
Jaiprakash Associates	9.58	7.6	0	7	6	30.18
Amara Raja Batteries	14.14	6.33	0	0	7.5	27.97
Steel Authority of India	6.59	5.87	12	0	2	26.46
Rain Commodities	11.99	4.2	0	0	10	26.19
Gujarat Fluorochemicals	3.65	20	0	0	1	24.65
ICSA (India)	15.51	8	0	0	1	24.51
Texmaco	7.34	9.6	0	0	7.5	24.44
Monnet Ispat & Energy	10.47	7.67	0	4	1	23.14
Era Infra Engg.	17.66	4	0	0	1	22.66
Rajesh Exports	5.32	15.67	0	0	1	21.99
Genus Power Infrastructures	7.68	3	0	1	7.5	19.18
Gujarat Sidhee Cement	5.50	0	10	0	2	17.50
Jain Irrigation Systems	9.35	4	0	3	1	17.35
United Spirits	11.04	5	0	0	0	16.04
NTPC	2.75	6.4	0	0	2	11.15



KS Oils' Agarwal:
Cashing in on its brands

The Oily Way to Success

WITH A TURNOVER OF more than Rs 2,000 crore in 2007-08 and a market cap in excess of Rs 1,800 crore, Morena-based KS Oils is a leading player in the country's edible oil industry. With a market share of 7 per cent in the overall mustard oil industry (valued at Rs 12,000 crore), the company controls a fourth of the organised mustard oil market in India. However, the organised market itself accounts for just 15 per cent of overall mustard oil sales

in the country. Little wonder, then, KS Oils has been aggressively pushing its branded products and is reaping rich rewards.

In its recently-declared first quarter results, revenues leapfrogged by 90 per cent to touch Rs 696 crore and net profit soared 75 per cent to touch Rs 41 crore y-o-y. "Our surge in revenues is largely due to our FMCG-led retail sales focus," says Sanjay Agarwal, MD, KS Oils. "Our products Kalash and Double Sher are now being sold in Big Bazaar, Spencers and More outlets in certain cities in eastern India," he adds. The company plans to reach out through other organised retail outlets in rest of the country. It has also launched its first television commercials in certain parts of the country. "We have allocated a budget of Rs 10 crore for advertising and marketing spends," says Agarwal.

Analysts who track the company say that KS Oils' transparency and willingness to reach out to shareholders makes it a great company to follow. "As an analyst, it's a great company to work with. You call them late in the night and they are ready to talk numbers. It's a fundamentally sound mid-cap company," says Girish Solanki, an analyst with Angel Broking who tracks the company. The company's snazzy website is proof enough.

COMPANY:
KS OILS

CHAIRMAN:
Ramesh Chand Garg

INDUSTRY:
Edible oils (mustard, rapeseed oil)

MOST INVESTOR-FRIENDLY MOVE:
Entered the branded oils space.
Increased sales in retail outlets

SHARE PRICE AS ON JUNE 30, 2008:
Rs 48.7

SHARE PRICE AS ON JULY 1, 2005:
Rs 3.24

Source: CMIE; adjusted closing stock price