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Market shows resilience, but obstacles ahead

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STOCK IDEAS STANDING (AS ON MAY 02, 2008)														
COMPANY	RECO PRICE	PRICE TARGET	RECO DATE	CURRENT RECO	PRICE AS ON 02-MAY-08	GAIN-LOSS (%)	ABSOLUTE PERFORMANCE				RELATIVE TO SENSEX			
							1M	3M	6M	12M	1M	3M	6M	12M
EVERGREEN														
HDFC	2,700.0	3,362.0	19-Nov-07	Buy	2,774.8	2.8	12.2	-7.5	4.7	68.6	0.4	-4.2	18.6	31.6
HDFC Bank	358.0	1,571.0	23-Dec-03	Buy	1,540.4	330.3	16.6	-1.4	-12.5	52.3	4.3	2.1	-0.9	18.9
Infosys Technologies	689.1	1,940.0	30-Dec-03	Buy	1,787.5	159.4	20.5	12.1	-6.8	-12.3	7.8	16.1	5.6	-31.5
Larsen & Toubro	3,536.0	4,044.0	18-Feb-08	Buy	3,135.1	-11.3	9.3	-15.8	-29.7	84.9	-2.3	-12.8	-20.4	44.4
Reliance Ind	567.0	3,025.0	5-Feb-04	Buy	2,674.8	371.7	14.1	5.2	-1.4	71.3	2.1	8.9	11.7	33.8
Tata Consultancy Services	852.5	1,079.0	6-Mar-06	Buy	943.8	10.7	10.9	1.5	-7.3	-24.5	-0.8	5.1	5.0	-41.1
APPLE GREEN														
Aditya Birla Nuvo	714.0	2,035.0	6-Dec-05	Buy	1,499.1	110.0	7.8	-23.2	-3.9	30.6	-3.5	-20.5	8.8	2.0
Apollo Tyres	34.4	66.0	28-Nov-06	Buy	47.2	37.1	14.3	-3.2	24.2	49.3	2.3	0.2	40.7	16.5
Bajaj Holdings	741.9	1,044.0	15-Nov-05	Hold	735.7	-0.8	13.2	-70.0	-69.7	-69.4	1.2	-68.9	-65.7	-76.1
Bank of Baroda	239.0	500.0	25-Aug-06	Buy	319.0	33.5	7.8	-21.9	-14.3	36.7	-3.6	-19.1	-2.9	6.7
Bank of India	135.0	458.0	25-Aug-06	Buy	360.7	167.1	28.0	-0.3	-4.7	88.7	14.5	3.3	8.0	47.3
Bharat Bijlee	192.3	3,020.0	29-Nov-04	Buy	2,218.5	1053.6	-1.7	-25.5	-37.0	56.3	-12.0	-22.8	-28.7	22.0
Bharat Electronics	1,108.0	1,610.0	25-Sep-06	Buy	1,316.2	18.8	19.5	-15.6	-28.8	-22.5	6.9	-12.6	-19.4	-39.5
Bharat Heavy Electricals	602.0	2,381.0	11-Nov-05	Buy	1,910.2	217.3	3.1	-7.1	-29.4	54.8	-7.8	-3.8	-20.0	20.8
Bharti Airtel	625.0	1,100.0	8-Jan-07	Buy	900.3	44.0	9.4	-1.0	0.6	11.0	-2.2	2.5	13.9	-13.4
Canara Bank	213.0	315.0	25-Aug-06	Buy	240.8	13.0	4.5	-18.5	-19.4	14.0	-6.5	-15.6	-8.7	-11.0
Corp Bank	218.0	440.0	19-Dec-03	Buy	345.8	58.6	22.8	4.8	-22.5	12.5	9.9	8.5	-12.2	-12.1
Crompton Greaves	88.1	367.0	19-Aug-05	Buy	255.0	189.3	-3.4	-20.0	-37.5	16.3	-13.6	-17.2	-29.2	-9.2
Elder Pharma	298.0	508.0	26-Apr-06	Buy	364.4	22.3	-4.1	-7.8	-6.0	-7.4	-14.2	-4.5	6.5	-27.7
Grasim	1,119.0	3,002.0	30-Aug-04	Buy	2,375.0	112.2	-9.3	-21.3	-36.3	-3.0	-18.9	-18.5	-27.9	-24.2
HCL Technologies	103.0	318.0	30-Dec-03	Buy	297.1	188.4	21.1	12.5	1.1	-8.6	8.4	16.5	14.5	-28.6
Hindustan Unilever	172.0	280.0	24-Nov-05	Buy	250.5	45.6	6.3	22.1	31.7	31.3	-4.9	26.4	49.1	2.5
ICICI Bank	284.0	1,204.0	23-Dec-03	Buy	937.2	230.0	19.5	-21.8	-29.7	9.4	6.9	-19.0	-20.4	-14.6
Indian Hotel Company	76.6	180.0	17-Nov-05	Buy	117.8	53.8	8.6	-5.7	-7.5	-7.4	-2.9	-2.3	4.7	-27.7
ITC	69.5	247.0	12-Aug-04	Buy	221.0	217.9	6.2	7.7	26.2	40.8	-5.0	11.5	42.9	10.0
Lupin	403.5	840.0	6-Jan-06	Buy	566.1	40.3	17.4	1.1	-0.1	-19.0	5.0	4.7	13.2	-36.7
M&M	232.0	900.0	1-Apr-04	Buy	691.3	198.0	3.7	3.0	-8.4	-10.7	-7.2	6.7	3.8	-30.2
Marico	7.7	77.0	22-Aug-02	Buy	68.1	783.8	1.1	5.2	-6.0	25.8	-9.5	8.9	6.5	-1.8
Maruti Suzuki	360.0	947.0	23-Dec-03	Buy	787.9	118.9	-2.8	-13.0	-22.8	-1.7	-13.0	-9.9	-12.6	-23.2
Nicholas Piramal	146.0	434.0	16-Mar-04	Buy	344.0	135.6	6.4	32.9	31.7	58.0	-4.8	37.6	49.1	23.3
Punj Lloyd	519.0	556.0	12-Dec-07	Buy	375.9	-27.6	19.2	-6.3	-24.6	97.5	6.7	-3.0	-14.6	54.2
Ranbaxy	533.5	625.0	24-Dec-03	Buy	482.0	-9.7	7.6	34.2	9.8	30.3	-3.8	38.9	24.3	1.8
Satyam Computers	181.5	505.0	30-Dec-03	Buy	494.2	172.3	21.0	17.3	7.4	5.3	8.3	21.5	21.7	-17.8
SKF India	141.0	424.0	23-Dec-04	Buy	296.7	110.4	1.3	-12.8	-26.7	-21.1	-9.4	-9.7	-17.0	-38.4
SBI	476.0	2,680.0	19-Dec-03	Buy	1,822.4	282.9	10.0	-16.6	-14.1	77.2	-1.6	-13.6	-2.7	38.4
Tata Motors	473.0	792.0	29-Mar-04	Hold	691.6	46.2	8.8	-8.2	-8.4	-6.2	-2.7	-5.0	3.8	-26.7
Tata Tea	789.0	970.0	12-Aug-05	Buy	931.1	18.0	11.4	12.9	16.7	22.3	-0.3	16.9	32.2	-4.5
Wipro	418.0	525.0	9-Jun-06	Buy	502.3	20.2	21.0	14.1	2.1	-11.6	8.2	18.2	15.7	-31.0
EMERGING STAR														
3i Infotech	66.0	180.0	6-Oct-05	Buy	131.5	99.2	31.0	4.0	-0.7	-12.5	17.2	7.6	12.5	-31.7
Aban Offshore	330.4	4,829.0	3-Mar-05	Buy	3,505.8	961.1	18.8	-1.6	-32.8	34.6	6.3	1.8	-23.8	5.1
Alphageo india	150.0	**	29-Nov-06	Buy	568.4	278.9	30.5	-16.3	4.6	-	16.7	-13.3	18.5	-
Axis (UTI) Bank	229.4	1,150.0	24-Feb-05	Buy	935.7	308.0	25.7	-13.8	0.4	101.5	12.4	-10.7	13.7	57.3
Balaji Telefilms	231.0	355.0	9-Jul-07	Buy	178.4	-22.8	-10.4	-22.6	-36.6	7.5	-19.8	-19.9	-28.2	-16.1
BL Kashyap	1,095.0	1,827.0	27-Sep-07	Buy	1,648.8	50.6	3.2	-8.5	15.4	148.6	-7.7	-5.2	30.8	94.1
Cadila Healthcare	297.5	381.0	21-Mar-06	Buy	290.4	-2.4	15.6	13.0	-6.6	-9.2	3.4	17.0	5.8	-29.1
Jindal Saw	635.0	910.0	20-Sep-07	Buy	630.9	-0.7	-4.1	-27.2	-22.1	18.1	-14.2	-24.6	-11.8	-7.8
KSB Pumps	399.0	451.0	3-Oct-05	Buy	324.7	-18.6	0.9	-1.9	-25.2	-37.5	-9.7	1.6	-15.3	-51.2
Navneet Publications	56.8	120.0	22-Aug-05	Hold	100.2	76.3	-1.2	-17.7	21.5	78.3	-11.6	-14.8	37.6	39.2
Network 18 Fincap	476.0	651.0	20-Jun-07	Buy	260.9	-45.2	27.1	-23.7	-29.5	-32.7	13.7	-21.0	-20.1	-47.5
Nucleus Software	248.5	355.0	12-Dec-06	Buy	273.3	10.0	42.2	-5.2	-6.4	-48.9	27.2	-1.8	6.0	-60.1
Orchid Chemicals	254.0	375.0	16-Jan-06	Buy	254.8	0.3	59.8	9.0	15.0	-0.2	42.9	12.9	30.2	-22.1
Patels Airtemp	88.0	135.0	7-Dec-07	Buy	61.7	-29.9	14.6	-22.9	-30.2	69.0	2.5	-20.2	-21.0	32.0

REPORT CARD

STOCK IDEAS STANDING (AS ON MAY 02, 2008)

COMPANY	RECO PRICE	PRICE TARGET	RECO DATE	CURRENT RECO	PRICE AS ON 02-MAY-08	GAIN/ LOSS (%)	ABSOLUTE PERFORMANCE 1M	3M	6M	12M	RELATIVE TO SENSEX 1M	3M	6M	12M
Television Eighteen India	110.0	486.0	23-May-05	Buy	354.7	222.4	-5.2	-18.8	-29.6	-5.8	-15.2	-16.0	-20.3	-26.4
Thermax	124.2	633.0	14-Jun-05	Buy	499.9	302.5	-13.5	-17.4	-44.0	20.3	-22.6	-14.5	-36.6	-6.0
Zee News	54.0	79.0	18-Oct-07	Buy	61.8	14.4	29.0	-5.5	1.3	54.5	15.4	-2.2	14.8	20.6
Ugly Duckling														
Ashok Leyland	38.0	43.0	23-May-06	Hold	43.0	13.2	23.9	23.4	9.4	10.4	10.9	27.7	23.9	-13.8
Aurobindo Pharma	684.0	914.0	28-May-07	Buy	337.7	-50.6	15.8	15.3	-39.5	-50.5	3.6	19.4	-31.5	-61.3
BASF	220.0	330.0	18-Sep-06	Buy	212.5	-3.4	10.0	-9.9	-14.8	-4.2	-1.6	-6.7	-3.5	-25.2
Ceat	122.0	250.0	28-Nov-06	Buy	135.7	11.2	31.4	-25.0	-38.8	-27.8	17.6	-22.4	-30.7	-43.6
Deepak Fert	50.6	169.0	17-Mar-05	Buy	110.8	118.9	14.4	-6.3	-15.7	35.3	2.3	-3.0	-4.6	5.6
Genus Power Infra	101.0	673.0	6-Jul-05	Buy	563.4	457.8	22.8	-12.1	-7.9	135.6	9.9	-9.0	4.4	84.0
ICI India	250.0	622.0	26-May-05	Hold	586.9	134.7	-2.5	12.8	13.3	42.3	-12.7	16.8	28.3	11.1
India Cements	220.0	330.0	28-Sep-06	Buy	172.9	-21.4	-9.5	-14.9	-37.4	-2.7	-19.1	-11.9	-29.1	-24.0
Indo Tech Transformer	199.0	645.0	28-Nov-06	Buy	529.4	166.0	2.0	-19.5	-17.1	64.6	-8.7	-16.7	-6.1	28.5
Ipca Laboratories	660.0	875.0	5-Nov-07	Buy	614.1	-7.0	0.7	-1.1	-5.3	-6.8	-9.9	2.4	7.2	-27.3
Jaiprakash Associates	25.0	390.0	30-Dec-03	Buy	287.3	1049.0	23.4	-18.7	-0.7	138.6	10.4	-15.8	12.5	86.3
KEI Industries	39.4	125.0	30-Aug-05	Buy	73.1	85.4	14.5	-16.6	-7.9	3.4	2.4	-13.7	4.3	-19.2
Mahindra Lifespace	799.0	835.0	9-Jan-08	Buy	551.0	-31.0	37.8	-10.6	-1.2	-9.6	23.3	-7.4	11.9	-29.4
Mold Tek Technology	155.0	197.0	19-Dec-07	Buy	69.2	-55.4	-4.7	-41.1	-45.6	-5.2	-14.7	-39.0	-38.4	-26.0
Orbit Corporation	800.0	852.0	17-Dec-07	Buy	522.1	-34.7	-1.5	-29.1	-6.7	168.7	-11.9	-26.6	5.7	109.8
Punjab National Bank	180.0	675.0	19-Dec-03	Buy	541.7	200.9	7.3	-16.5	0.0	9.7	-4.0	-13.6	13.3	-14.3
Ratnamani Metals	270.0	1,440.0	8-Dec-05	Buy	876.2	224.5	2.8	-21.0	-31.1	24.4	-8.0	-18.2	-22.0	-2.8
Sanghvi Movers	53.0	298.0	5-Aug-05	Buy	264.7	399.4	21.9	-9.1	44.4	93.3	9.1	-5.9	63.5	50.9
Selan Exploration	58.0	160.0	20-Mar-06	Hold	265.7	358.1	89.1	59.4	66.0	215.6	69.2	65.0	88.0	146.4
Shiv-Vani Oil & Gas	370.0	670.0	4-Oct-07	Buy	566.1	53.0	5.2	-3.9	47.4	75.9	-5.9	-0.5	67.0	37.4
SEAMEC	190.0	253.0	12-Oct-06	Buy	163.3	-14.1	8.3	-19.1	-15.1	-14.4	-3.2	-16.2	-3.9	-33.1
Subros	41.2	63.0	26-Apr-06	Buy	38.9	-5.7	7.8	-23.4	-2.9	-12.6	-3.6	-20.7	10.0	-31.7
Sun Pharmaceutical	302.0	1,475.0	24-Dec-03	Buy	1,436.7	375.7	16.1	28.4	34.2	40.0	3.9	32.9	52.0	9.3
Surya Pharma	139.0	205.0	2-Dec-05	Buy	121.0	-13.0	36.7	7.7	9.3	63.6	22.3	11.5	23.8	27.7
Tata Chemicals	411.0	535.0	31-Dec-07	Buy	360.0	-12.4	24.5	23.8	14.4	70.7	11.4	28.2	29.6	33.3
Torrent Pharma	185.0	260.0	4-Oct-07	Buy	162.6	-12.1	15.5	3.2	-12.2	-16.4	3.3	6.8	-0.6	-34.7
Unity Infraprojects	692.0	970.0	26/2/2007	Buy	562.4	-18.7	0.4	-34.0	-14.6	41.8	-10.2	-31.7	-3.2	10.8
UltraTech Cement	384.0	975.0	10-Aug-05	Buy	757.4	97.2	-5.8	-13.9	-22.3	-7.8	-15.7	-10.9	-12.0	-28.0
Union Bank of India	46.0	230.0	19-Dec-03	Buy	164.2	256.8	15.6	-14.9	-12.5	56.7	3.4	-11.9	-0.9	22.4
Wockhardt*	248.0	552.0	24-Dec-03	Buy	300.2	21.0	12.6	-16.8	-27.6	-28.0	0.7	-13.9	-18.0	-43.8
Zensar technologies	342.0	380.0	18-Jun-07	Hold	156.4	-54.3	36.2	7.7	-10.7	-47.9	21.9	11.5	1.1	-59.3
Vulture's Pick														
Esab India	60.0	575.0	21-May-04	Buy	442.9	638.1	2.2	-2.0	-0.3	23.7	-8.6	1.4	13.0	-3.4
Orient Paper	21.4	80.0	30-Aug-05	Buy	46.0	115.0	0.1	-24.7	-26.6	2.8	-10.4	-22.0	-16.8	-19.8
WS Industries	51.0	108.0	2-Dec-05	Buy	85.6	67.8	10.6	-18.0	-2.9	#N/A N.A.	-1.1	-15.1	9.9	#VALUE!
Cannonball														
Allahabad Bank	73.0	166.0	25-Aug-06	Buy	87.0	19.1	11.3	-22.5	-16.3	14.0	-0.4	-19.8	-5.2	-11.0
Andhra Bank	85.0	**	25-Aug-06	Buy	83.0	-2.4	11.8	-7.5	-6.0	6.5	0.0	-4.2	6.4	-16.8
Gateway Distriparks	190.0	250.0	11-Aug-05	Buy	123.8	-34.8	27.5	13.6	-2.9	-9.6	14.1	17.6	10.0	-29.4
International Combustion	350.0	519.0	20-Sep-05	Buy	442.4	26.4	18.1	-12.3	-37.0	66.5	5.6	-9.2	-28.7	30.0
J K Cement	149.0	330.0	17-Nov-05	Buy	151.7	1.8	-3.3	-9.4	-22.9	1.4	-13.5	-6.1	-12.7	-20.9
Madras Cement	1,498.0	4,800.0	17-Nov-05	Buy	3,187.5	112.8	-1.7	-15.6	-26.4	11.6	-12.1	-12.6	-16.7	-12.9
Shree Cement	445.0	1,625.0	17-Nov-05	Buy	990.1	122.5	-5.4	-22.1	-30.8	-5.9	-15.4	-19.4	-21.6	-26.5
TFCI	17.1	47.0	25-Jun-07	Buy	25.9	51.5	10.0	-23.4	-8.8	58.3	-1.6	-20.7	3.3	23.6

** Price under review

REPORT CARD: STOCK IDEAS BOOKED

COMPANY	RECOMMENDED AT (Rs)	RECOMMENDED ON	BOOKED AT (Rs)	BOOKED ON	APPRECIATION (%)
ACC	260.0	10-Aug-2004	798.0	24-Apr-2008	207.0
Unichem Laboratories	248.0	12-Dec-2005	141.8	08-Apr-2008	-43.0

Market shows resilience, but obstacles ahead

The market has closed in the positive for four weeks in a row, gaining 1,349 points in the past 17 trading sessions. Financial institutional investors appear to be coming back. After selling equities worth Rs130.6 crore in March and Rs11,432 crore in Q1CY2008 at net level, they turned net buyers of Indian equities in April by making net purchases worth Rs647.9 crore in the month. In April the domestic mutual funds made net sales to the tune of only Rs20.6 crore vs net sales of Rs1,971 crore in the previous month. After subdued activity in March, the market saw decent buying on steadily improving volumes in April. Not only did the large-cap benchmark index, the Sensex, gain 10.5% in the month but the BSE Mid-Cap Index and the BSE Small-Cap Index also rose by about 11.1% and 11.9% respectively in the same period. Though the market has recovered smartly, it might not be out of the woods yet.

The market has bounced back in spite of the deterioration in the domestic macro-economic environment. However, there have also been certain positive developments that may have precipitated the recovery. For instance, the uptrend in the other global markets, especially the markets in the troubled USA, the forecast of a "near normal" south-west monsoon for this year and the news of a bumper *rabi* crop have all boosted market sentiment. Moreover, the market was expecting some nasty surprises pertaining to the foreign exchange (forex) derivatives losses of companies but the same turned out to be much below the anticipated levels. The thing is that alongside these positives also exist certain concerns that might cap the market's upside going forward.

Consider the fourth quarter results of Indian companies, for instance. The fourth quarter results are neither impressive nor above expectations. In fact, in many cases the performance has been below expectations, which has triggered a string of earnings downgrades (especially in capital goods, automobile and real estate sectors) across broking houses. Execution delays in case of engineering companies affected the fourth quarter performance to an extent. More importantly, the rising raw material prices and the high cost of funds slowed down the earnings of Indian companies. If inflation is not tamed soon and the policy rates are ultimately hiked to bring down the prices, further slowdown cannot be ruled out.

Inflation thus remains a serious concern. It has stayed above the Reserve Bank of India's (RBI) comfort zone of 5% for the past several weeks now and is the highest in three and half years at 7.57% for the week ended April 19. The good news is that to combat inflation the government has announced a slew of fiscal measures. For example, it has taken special care to bring down the prices of steel and steel products, which account for about 21.3% of inflation. Thus, the government has exempted imports of zinc, ferro alloys and met coke (used to produce steel) from customs duty. It has also abolished the countervailing duty on TMT bars and structurals to encourage their imports. The price of rice, a staple food item for many, has risen by 20% in the past one year. To increase the supply of rice the export of non-*basmati* rice had been banned earlier. Now, to discourage the export of *basmati* rice the government has imposed an export duty on the item. It has also reduced customs duty on skimmed milk and butter oil to bring down their prices. The government is even mulling administrative measures like banning futures trading in some essential commodities if speculation is seen to be adding to inflationary pressures. The prime minister has asked the industry to hold the price line by absorbing the rise in raw material cost as well as to pass on the benefits of the tax concessions and duty cuts recently announced to consumers.

The central bank has also announced certain monetary measures to contain inflation. Even though inflation has surged due to supply-side pressures, the RBI has sought to tackle the problem of rising

contd....

prices by cooling demand through liquidity management. Boosted by the rising foreign exchange reserves ($312.87 billion as on April 25, 2008) and growing deposits (aggregate deposits of banks saw 21.2% growth year on year as at end-March 2008 vs a 22.3% increase a year ago), money supply has been growing at a healthy rate of 20.7%. With a view to sucking out the excess liquidity and dampening inflationary expectations, the RBI has hiked the cash reserve ratio (CRR) twice in a month. On April 17 it hiked the CRR by 50 basis points from 7.5% to 8% to drain Rs18,500 crore from the system. Again, at its monetary policy meeting on April 29, the apex bank hiked the CRR by 25 basis points to 8.25%. The latest hike would suck Rs9,250 crore out of the banking system.

However, the fiscal measures and the monetary steps announced so far by the government and the RBI respectively to tackle inflation would take effect with a lag. Owing to supply-side pressures, global food prices are also likely to remain firm for some more time. Thus, we expect inflationary pressures in our economy to continue for some more weeks. We are hopeful that the CRR hikes along with a normal monsoon and a bumper *rabi* crop will succeed in taming inflation in two to three months. But if inflation does not moderate by June/July of this year, things might take a turn for the worse as the central bank may then be compelled to hike the repo rate as well, a move that could choke overall growth in the economy.

Industrial production has slowed down already due to the high cost of funds. After dipping to 5.8% in January 2008 from 7.7% in December 2007 the industrial production growth rate did recover in February this year to 8.6% but the same is still lower than the 11% growth achieved in February 2007. Looking at the brighter side of things, there has not been any significant slowdown in consumer or corporate spending as yet. For example, the fast moving consumer goods giant, Hindustan Unilever, registered a 19% growth in its sales in Q4FY2008 driven by an impressive 21.2% increase in the sales of its home and personal care products. According to the finance minister, "All the indicators are that investments that are in the pipeline continue to remain buoyant and robust." True enough, despite no reduction in the interest rates, the capital expenditure of Indian companies increased by a whopping 66% in the fourth quarter of FY2008 to $174 billion as compared with $105 billion announced in the third quarter of FY2008. For now the finance minister is optimistic that the gross domestic product (GDP) would grow at 8.0-8.5% in FY2008. But a slowdown would become inevitable if the interest rates are hiked to control the runaway prices.

Fortunately, the global factors appear to be favourable at the moment. There is a growing feeling that we may have seen the worst of the global credit crisis triggered by the collapse of the US sub-prime market. The US corporates have reported healthy profits for the first quarter, allaying the worst of fears. The US stock market is doing brisk business—the S&P 500 gained 5.4% in April—whereas the US economy grew at a higher than expected 0.6% in the first quarter of CY2008. All these positive signals have again given rise to the speculation that the USA may not have gone into recession at all but may have merely slowed down. A moderate rate cut of 25 basis points recently announced by the US Federal Reserve and a possible hint at a pause in further interest rate cuts also indicate that the situation has improved considerably now.

Be that as it may, the concerns that persist at home have enough potential to restrict the market's upside. Even though the Indian market had a decent run in April, it is among the top five losers in the year till date with a loss of 15% . We believe that domestic concerns will weigh down the markets, resulting in continued volatility. Hence you must exercise extreme caution while dealing with the market in the short term. The long-term growth story of India, however, remains intact, as is evident from the boom in the capital expenditure of Indian companies. Even the RBI is optimist and has pegged the country's GDP growth at 8.0-8.5% for FY2009. If you want to participate in India's growth story, invest in companies that have bright growth prospects and sound fundamentals. We have several such companies under our coverage, use every correction to accumulate these stocks. ■

Sharekhan Top Picks

Sharekhan top picks

Finally, the markets had something to cheer about in April after three months of declining trend. The Nifty and the Sensex appreciated by 12.5% and 14.7% respectively during the month. The resurgence of tech stocks and a strong bounce-back in private banks aided the overall buoyancy in the markets. The unexpected but pleasant move to extend tax exemptions under section 10A/10B by one year to March 2010 boosted tech stocks that have a significant weightage in the benchmark indices.

Sharekhan's portfolio of top picks appreciated by 9.32% in the past month. The recent additions to the portfolio, like Zee News, Sun Pharma and Bharti Airtel, were among the top gainers. On the other hand, Grasim Industries, Maruti Suzuki and Marico underperformed the broader markets due to their lower than expected quarterly results.

The only change this month is the inclusion of Satyam Computer Services (Satyam) in place of Marico. Satyam has been our preferred pick in the tech sector and has outperformed its peers in terms of both consistent performance and absolute returns. On the other hand, Marico is likely to witness severe pressure on its margins in the near term due to the rally in agri-based commodities. ■

NAME	CMP* (RS)	PER FY07	PER FY08E	PER FY09E	ROE (%) FY07	ROE (%) FY08E	ROE (%) FY09E	TARGET PRICE	UPSIDE (%)
Aban Offshore	3,506.0	-	36.5	9.7	-	55.4	89.6	4,829.0	37.7
Bharti Airtel	900.3	40.0	25.6	21.2	29.1	34.2	31.6	1,100.0	22.2
Grasim Industries	2,375.0	11.1	10.8	9.5	27.5	27.2	27.0	3,002.0	26.4
Hindustan Unilever	250.5	35.8	30.9	26.6	61.2	85.0	112.8	280.0	11.8
ITC	221.0	30.8	26.6	22.6	27.7	27.7	27.8	247.0	11.8
Larsen & Toubro	3,135.0	50.7	36.7	24.9	26.1	28.2	31.5	4,044.0	29.0
Maruti Suzuki	788.0	14.9	13.2	12.6	24.9	20.6	18.0	947.0	20.2
Ranbaxy Lab	482.0	34.9	22.7	22.5	19.9	26.3	24.1	625.0	29.7
Satyam Computer	494.2	23.1	19.6	16.3	26.2	25.9	25.5	505.0	2.2
Shiv-vani oil	566.1	67.4	25.2	15.6	10.4	16.9	19.4	670.0	18.4
Sun Pharmaceuticals	1,437.0	35.5	28.8	22.3	28.3	22.0	22.8	1,475.0	2.7
Zee News	62.0	309.0	38.6	26.3	3.2	19.4	22.6	79.0	27.8

* CMP as on May 02, 2008

NAME	CMP (RS)	PER FY07	PER FY08E	PER FY09E	ROE (%) FY07	ROE (%) FY08E	ROE (%) FY09E	TARGET PRICE	UPSIDE (%)
ABAN OFFSHORE	**3,506.0**	-	36.5	9.7	-	55.4	89.6	**4,829.0**	37.7
Remarks:	■ Aban Offshore, one of Asia's largest oil drilling companies, is benefiting from the increase in oil exploration and production activities globally. The robust demand environment is resulting in firm day rates for its assets. ■ In addition to re-pricing of its assets at higher day rates, the company is also benefiting from the efforts taken to substantially ramp up the asset base through organic and inorganic initiatives. This would significantly improve its financial performance over the next few years. ■ At the current market price the stock trades at 9.7x FY2009 and 7.3x FY2010 estimated earnings. We maintain the Buy call on the stock.								
BHARTI AIRTEL	**900.3**	40.0	25.6	21.2	29.1	34.2	31.6	**1,100.0**	22.2
Remarks:	■ Bharti Airtel with over 24% market share is a leader in the Indian telecom space. On average, the company is adding ff2 million subscribers every month and currently has a subscriber base of approximately 60 million. ■ The embedded value in the company's tower business offers considerable downside support to the stock price. Bharti Infratel (with 22,000 towers in circles other than the 16 covered by Indus Towers) has raised $1 billion through placement to the leading foreign institutions. It has been valued in the range of $10-12.5 billion depending on the actual performance in FY2009. This apart, Bharti Infratel would hold 40% stake in Indus Towers (formed along with Vodafone and Idea Cellular). ■ Bharti Airtel is likely to be a key beneficiary of the removal of the access deficit charge (ADC). Bharti Airtel is estimated to benefit to the extent of Rs180-200 crore from the removal of ADC. The company is likely to pass on the benefits accruing from the ADC removal to the end consumers by way of reduced tariffs or similar benefits. ■ At the current market price the stock trades at 25.6x FY2008 and 21.2x FY2009 estimated earnings.								

NAME	CMP (RS)	PER FY07	PER FY08E	PER FY09E	ROE (%) FY07	ROE (%) FY08E	ROE (%) FY09E	TARGET PRICE	UPSIDE (%)
GRASIM INDUSTRIES	**2,375.0**	11.1	10.8	9.5	27.5	27.2	27.0	**3,002.0**	26.4

Remarks:

- Grasim Industries is in the process of augmenting its cement capacity by 4.5MMT at Kotputli in Rajasthan by Q3FY2009.
- The company has also commissioned a 23MW CPP at Jawad in Madhya Pradesh and will augment the CPP capacity by 144MW during FY2009.
- Apart from this, the company is also augmenting its VSF capacity at Harihar in Karnataka by 31,000 tonne by Q3FY2010.
- The volume growth due to capacity additions in cement and VSF divisions and saving through CPP will drive the earnings of the company.
- At the current market price of Rs2,375, the stock is trading at 9.5x its estimated FY2009 EPS. Based on our sum-of-the parts valuation, we maintain Buy recommendation on the stock.

HINDUSTAN UNILEVER	**250.5**	35.8	30.9	26.6	61.2	85.0	112.8	**280.0**	11.8

Remarks:

- HUL is the largest FMCG company in India, occupying ~20% of the Indian consumer space. With dominance across categories such as soaps, detergents, personal care products, food and beverages, it stamps its presence as an FMCG giant.
- With increasing per capita income fueling consumerism and upgradation of lifestyle of the Indian consumer, HUL's revenues and profitability are expected to gain momentum.
- Further, hefty free cash flow generation has lead to huge cash reserves for HUL and rich dividends (dividend yield of ~3.6%) for its shareholders over the years.
- At the current market price, the stock trades at 26.6x its CY2008E EPS of Rs9.3. We maintain our Buy recommendation on the stock.

ITC	**221.0**	30.8	26.6	22.6	27.7	27.7	27.8	**247.0**	11.8

Remarks:

- ITC's cigarette business that has dominance in the category continues to be a cash cow for the company. ITC has chalked out aggressive roadmap for making a mark in the Indian FMCG market. With successful brands such as *Bingo*, *Sunfeast* and *Aashirwaad* already in the reckoning among the best in the industry, ITC's non-cigarette FMCG business is on a strong footing. The company has further ventured into the personal care category with the launch of *Superia* and *Fiama Di Wills* soaps and shampoos that would compete with the likes of the products of HUL and P&G.
- Aggressive expansion plans in hotels and paper segments would ensure, inclusive growth across segments for the company.
- We believe ITC has a well-diversified business model with multiple revenue drivers that would ensure sustained growth for the company. It thus remains our top pick in the sector. At the current market price, ITC trades at 22.6x its FY09E earnings. We maintain our Buy recommendation on the stock.

LARSEN & TOUBRO	**3,135.0**	50.7	36.7	24.9	26.1	28.2	31.5	**4,044.0**	29.0

Remarks:

- Larsen & Toubro, the largest engineering and construction (E&C) company in India, is a direct beneficiary of the strong domestic infrastructure development and industrial capital expenditure (capex) booms. Consequently, we estimate the order inflows to grow at a CAGR of 20.7% between FY2007 and FY2010.
- The international business is expected to emerge as one of the key drivers going forward with immense opportunities from the Gulf Corporation Council markets.
- There lies innumerable opportunities in the new verticals in which the company is entering, namely ship building, defence, railways, thermal and nuclear power.
- We believe that there is a scope for further improvement in the margins on the back of rising operational efficiencies, larger ticket-size and more complex nature of orders, better raw material sourcing and integration, and higher contribution of its new businesses which carry higher margins.
- We value the core business of L&T at 25x FY2010E earnings, or Rs3,038 per share, while we value the subsidiaries at Rs1,006 per share of L&T. At the current levels, the stock is trading at 19.4x its FY2010E consolidated earnings. We maintain our Buy recommendation.

MARUTI SUZUKI	**788.0**	14.9	13.2	12.6	24.9	20.6	18.0	**947.0**	20.2

Remarks:

- Maruti Suzuki, the market leader in the passenger car market in India, is set to benefit from the number of new launches made by it in the recent times.
- Most of its new launches, namely *WagonR Duo*, *Zen Estilo*, *Diesel Swift* and *SX4*, have been well received by the market and are clocking strong volumes.
- Also, with the addition of the diesel vehicle and a sedan, the company has expanded its product basket, making it a full-fledged play on the country's booming passenger car market. The company also plans to launch its Swift sedan at the start of the next fiscal.
- With the expansion of its Manesar plant, its exports are also set to go on a top gear. Suzuki has identified India as a hub for manufacture of small cars for its worldwide markets and the company would be exporting about 100,000 units of the new vehicle to its parent, while another 50,000 units would be supplied to Nissan.
- At current levels, the stock is trading at 10.8x its FY2010E and is available at an EV/EBIDTA of 5.4x.

NAME	CMP (RS)	PER FY07	PER FY08E	PER FY09E	ROE (%) FY07	ROE (%) FY08E	ROE (%) FY09E	TARGET PRICE	UPSIDE (%)
RANBAXY LAB	**482.0**	34.9	22.7	22.5	19.9	26.3	24.1	**625.0**	29.7

Remarks:

- With a geographically diversified presence and a large product portfolio, Ranbaxy is one of the best plays on the global generic opportunity.
- The company has guided towards an impressive 18-20% growth in CY2008, an expansion of margins to 17.5-18%, resulting in a net profit growth of 20-25%. This guidance is excluding any one-time exclusivity opportunities in the USA.
- Ranbaxy believes the next wave of its growth to come from the branded markets in Asia, Africa and Latin America. With a product pipeline of over 100 products for these markets, revenues from emerging markets will drive the company's growth.
- Ranbaxy believes that it has FTF status on approximately 18 Para IV ANDA filings, representing a market size of about USD27 billion. It expects to monetise at least one FTF opportunity every year for the next few years and has already announced the opportunities until CY2010. The FTF opportunities announced so far are collectively valued at Rs2,716 crore, translating into a per share value of Rs68.
- Ranbaxy has decided to de-merge its new drug discovery research (NDDR) operations into a separate entity effective from January 1, 2008 and list it subsequently. This will boost the overall profitability of the core business and also unlock value in the discovery research and development (R&D) assets. The announcement of further details on the demerger scheme in February 2008 will act as a near-term trigger for the stock.
- At the current market price, Ranbaxy is trading at 22.5x its estimated CY2008E and 19.7x its estimated CY2009E earnings. We maintain our Buy recommendation on the stock with a price target of Rs625 (Rs490 for base business plus Rs135 for FTFs).

NAME	CMP (RS)	PER FY07	PER FY08E	PER FY09E	ROE (%) FY07	ROE (%) FY08E	ROE (%) FY09E	TARGET PRICE	UPSIDE (%)
SATYAM COMPUTER	**494.2**	23.1	19.6	16.3	26.2	25.9	25.5	**505.0**	2.2

Remarks:

- Satyam Computer Services (Satyam) has shown a consistent volume growth of over 8% sequentially over the past six quarters, which is ahead of its peers. What's more, its revenue growth guidance of 24-26% (in dollar terms) is first time much ahead of that of Infosys Technologies.
- Satyam's other operational matrices are also positive. For instance, its exposure to the troubled BFSI vertical (23% in FY2008) is the lowest among the front-line peers. The attrition level declined for the sixth consecutive quarter and stood at a comfortable level of 13.1% (on the trailing twelve-month basis).
- At the current market price the stock trades at 16.3x times FY2009 estimated earnings. We maintain our Buy recommendation on the stock. In the wake of the propasal to extend the tax sops under sections 10A/10B our earnings and price target shall be revised upwards.

NAME	CMP (RS)	PER FY07	PER FY08E	PER FY09E	ROE (%) FY07	ROE (%) FY08E	ROE (%) FY09E	TARGET PRICE	UPSIDE (%)
SHIV- VANI OIL & GAS	**566.1**	67.4	25.2	15.6	10.4	16.9	19.4	**670.0**	18.4

Remarks:

- With a fleet of 25 onshore drilling rigs and six seismic survey crew, Shiv-Vani Oil & Gas Exploration (SOGEL) has emerged as the largest onshore service provider catering to oil and gas exploration companies.
- Augmentation of assets by the company is well timed in the industry up-cycle as heightened exploration activity has led to a severe shortage of resources with service providers, leading to firming up of day rates (or billing rates per km in case of seismic survey) for various services. Moreover, the order backlog of over Rs3,000 crore (over 8x CY2006 revenues) provides strong revenue-growth visibility.
- The consolidated revenues and earnings are expected to grow at CAGR of 60.3% and 72.7% respectively over the three-year period CY2006-09.
- Despite the robust growth prospects, the scrip is available at attractive valuations of 15.6x FY2009 and 11.9x FY2010 earning estimates. We recommend Buy on the stock.

NAME	CMP (RS)	PER FY07	PER FY08E	PER FY09E	ROE (%) FY07	ROE (%) FY08E	ROE (%) FY09E	TARGET PRICE	UPSIDE (%)
SUN PHARMACEUTICALS	**1,437.0**	35.5	28.8	22.3	28.3	22.0	22.8	**1,475.0**	2.7

Remarks:

- Sun Pharma's track record of delivering consistent and robust growth while maintaining strong profitability and return ratios makes it the best Indian play in the generic space.
- With 98 abbreviated new drug applications (ANDAs) pending USFDA approval and a filing rate of 30+ ANDAs per year, Sun Pharma has one of the strongest product pipelines for the US market. The company is amongst the top three players in around 15 of the 25 products that it sells in the US market.
- With a strong focus on the chronic lifestyle diseases, Sun Pharma's domestic formulations business has been outperforming the industry growth by a wide margin. Sun Pharma maintains the numero uno ranking with neurologists, cardiologists, diabetologists and orthopedics.
- It is an aggressive participant in the Para IV patent challenge space. Having already monetised three of its Para IV wins (oxcarbazepine, pantoprazole and amifostine), approvals and launch of generic Gemzar and generic Effexor XR would act as triggers for the stock.
- The stock is quoting at 28.8x FY2008E earnings and at 22.3x FY2009E earnings.

NAME	CMP (RS)	PER FY07	PER FY08E	PER FY09E	ROE (%) FY07	ROE (%) FY08E	ROE (%) FY09E	TARGET PRICE	UPSIDE (%)
ZEE NEWS	**62.0**	309.0	38.6	26.3	3.2	19.4	22.6	**79.0**	27.8

Remarks:

- Zee News Ltd (ZNL) operates a unique bouquet comprising six regional entertainment channels and four news channels. The key revenue contributors are Zee News, Zee Marathi and Zee Bangla, with the latter two channels being dominant leaders in their respective genres.
- ZNL is making steady progress in garnering better market share in the Telugu and Kannada markets, which would drive its growth going forward. Also, the flow of hefty subscription revenues in future augurs well for the company's growth.
- We expect ZNL's earnings to grow at a compounded annual growth rate of 43.1% from FY2008-10.
- At the current market price of Rs62 the stock trades at 20.1x its FY2010 EPS of Rs3.1. We recommend a Buy on the stock.

Stock Update

Aban Offshore

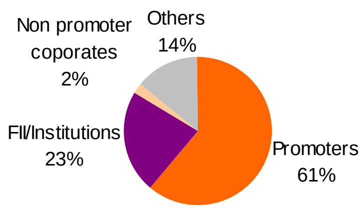
Emerging Star | **Buy; CMP: Rs3,407** | **April 30, 2008**

Price target revised to Rs4,829

COMPANY DETAILS

Price target:	Rs4,829
Market cap:	Rs13,145 cr
52 week high/low:	Rs5555/2258
NSE volume (No of shares):	1.1 lakh
BSE code:	523204
NSE code:	ABANLOYD
Sharekhan code:	ABANLOYD
Free float (No of shares):	1.5 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	15.7	-9.6	-19.4	35.4
Relative to Sensex	9.0	-6.0	-7.5	7.4

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

RESULT HIGHLIGHTS

- Aban Offshore's Q4FY2008 standalone results were a little below our expectations, on the back of lower-than-expected margins, higher interest cost and an exceptional item of Rs7 crore relating to losses on foreign exchange derivatives. However, it needs to be noted that the stand-alone results do not provide the complete picture and our valuations are based on the consolidated earnings estimate of FY2010.
- The net sales marked a growth of 65.4% to Rs196.4 crore during the quarter on account of repricing of Aban IV and Aban VI. However, there has been a delay in the deployment of Aban V, as it would commence its new contract with Oil and Natural Gas Corporation (ONGC) only after the completion of certain statutory class surveys and minor repairs. The deployment of Aban III has also got delayed and is likely to commence from Q1FY2009.
- Higher interest cost led to a 40.5% growth in its net profits to Rs41.5 crore. The company has made a provision of Rs6.96 crore for foreign currency derivatives to hedge its currency exposure. This led the reported profits to grow by just 16.8% to Rs34.5 crore.
- We have reduced our consolidated earnings estimates for FY2009 by 9.8% and that of FY2010E by 6% to factor in the delays in the commencement of some of the contracts.
- At the current market price, the stock trades at 9.5x FY2009 and 7.1x FY2010 estimated earnings. We maintain our Buy recommendation on the stock with a revised price target of Rs4,829 (10x FY2010E consolidated earnings). ■

For further details, please visit the Research section of our website, sharekhan.com

ACC

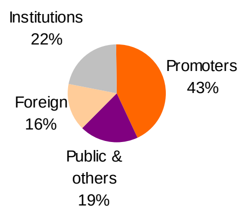
Apple Green | **Book Profit; CMP: Rs798** | **April 24, 2008**

Book profit

COMPANY DETAILS

Market cap:	Rs14,971 cr
52 week high/low:	Rs1,314/615
NSE volume (No of shares):	5.6 lakh
BSE code:	500410
NSE code:	ACC
Sharekhan code:	ACC
Free float (No of shares):	10.7 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	7.1	15.8	-18.0	6.2
Relative to Sensex	-4.3	15.3	-14.1	-12.9

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

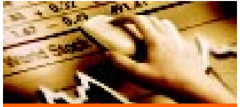
Q1CY2008 results—discouraging

ACC's Q1CY2008 results are not strictly comparable on a y-o-y basis, as the company transferred the RMC business to a new subsidiary. The net sales (including RMC business) grew by 14.6% yoy to Rs1,920 crore. Cement volumes grew by 9.5% yoy due to a lower base, as the volumes were lower in February 2007 on account of stoppage in three of its plants for technical modifications. The realisation increased by 1.3% to 3,325 per tonne on a y-o-y basis, but declined by 2.65% on a sequential basis. The OPM stood at 26.2% against 30.3% in Q1CY2007. The operating profit decreased by 7.2% yoy to Rs470.6 crore and the adjusted net profit declined by 6% yoy to Rs328.7 crore.

No growth drivers

With cement prices across the country peaking out on the back of new capacities coming on stream, we believe top line growth will be a function of increase in volumes. As ACC has no major capacity additions lined up in the current year, we are of the view that its top line growth is capped. Also, ACC's major sales come from north India, which is witnessing hefty capacity additions by its peers. Further, the sustained increase in the costs would continue to dent the profitability of the company. At the current market price of Rs798, ACC trades at 11.5x its CY2008E EPS and at an EV/tonne of $149. We believe that the valuations are expensive considering the low growth trajectory over the next two years. Thus, we recommend investors to book profit. We had put a hold on the stock in our update on February 22, 2008. The stock has given a return of 206.9% since our initiation of coverage on August 10, 2004. ■

For further details, please visit the Research section of our website, sharekhan.com



STOCK UPDATE

Andhra Bank

Cannonball

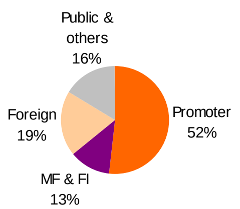
Buy; CMP: Rs81 | **April 25, 2008**

Q4FY2008 results: First-cut analysis

COMPANY DETAILS

Price target:	Under review
Market cap:	Rs3,909 cr
52 week high/low:	Rs130/67
NSE volume (No of shares):	10.2 lakh
BSE code:	532418
NSE code:	ANDHRABANK
Sharekhan code:	ANDHBANK
Free float (No of shares):	23.5 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	11.4	-26.7	-17.1	6.2
Relative to Sensex	1.9	-24.6	-8.4	-11.1

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

RESULT HIGHLIGHTS

- Andhra Bank reported a disappointing set of numbers for Q4FY2008. The profit after tax (PAT) declined by 10.5% year on year (yoy) to Rs124.3 crore.
- The net interest income (NII) was down 11.6% yoy to Rs342.9 crore. The non-interest income continued to be a major contributor to the bottom line with a 32.5% growth at Rs183.3 crore.
- The operating expenses were down 7.6% yoy to Rs213.1 crore, primarily driven by a substantially lower staff expenses (down 21.1% yoy).
- Reported provisions registered a 12.8% year-on-year (y-o-y) increase to Rs91.4 crore. The effective tax rate for the quarter came in high at 44%.
- The asset quality of the bank improved further as reflected by a 34 basis points y-o-y decline in % gross non-performing assets (GNPA) to 1.07%.
- The capital adequacy ratio at end of the quarter stood at a comfortable 11.61%, largely in line with the year ago level of 11.33%.
- Advances registered a growth of 22.4% yoy to Rs34,556 crore. Of the total advances, retail advances growth stood at 19.5% yoy, while small and medium enterprise (SME) advances were up by 22.7% yoy.
- At the current market price of Rs80.6, Andhra Bank trades at 5.5x FY2009E earnings per share, 2.9x FY2009E pre-provisioning profit and 1x FY2009E book value. We are reviewing our earnings model to factor in the additional information.

For further details, please visit the Research section of our website, sharekhan.com

Axis Bank

Emerging Star

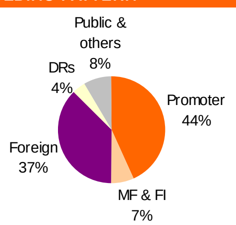
Buy; CMP: Rs881 | **April 21, 2008**

Results above expectations

COMPANY DETAILS

Price target:	Rs1,150
Market cap:	Rs24,812 cr
52 week high/low:	Rs1,291/439
NSE volume (No of shares):	7.7 lakh
BSE code:	532215
NSE code:	AXISBANK
Sharekhan code:	UTIBANK
Free float (No of shares):	16.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	3.9	-29.1	-5.5	78.7
Relative to Sensex	-6.7	-15.3	7.1	46.2

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

RESULT HIGHLIGHTS

- Axis Bank reported a blockbuster set of numbers for Q4FY2008, beating our and consensus estimates by a significant margin. The PAT (profit after tax) for the quarter came in at Rs361.4 crore indicating a growth of 70.6% yoy (year on year) and 17.8% qoq (quarter on quarter).
- Reported NII (net interest income) was up 88.7% yoy to Rs828.4 crore on the back of strong advances growth and healthy margins.
- Non-interest income continued to be a major contributor to the bottom line with a 84.8% growth at Rs556.5 crore owing to a jump in treasury gains and continued strong traction in fee income growth.
- Operating expenses were up 93% yoy to Rs662.1 crore, primarily driven by higher staff expenses (up 107% yoy), while other operating expenses were up 88% yoy.
- Reported provisions registered a 102% y-o-y (year-on-year) increase at Rs164.2 crore, driven by prudent provisions related to potential losses from forex (foreign exchange) derivative transactions.
- Asset quality improved further as %GNPA (gross non-performing assets as % of advances) and %NNPA (net non-performing assets as % of advances) improved during the quarter. Capital adequacy remained healthy at 13.73% compared to 11.57% a year ago.
- At the current market price of Rs881, Axis Bank trades at 22.2x 2009E EPS (earnings per share), 10.5x 2009E PPP (pre-provisioning profit) and 3.1x 2009E price-adjusted book value. We maintain our Buy recommendation with price target of Rs1,150.

For further details, please visit the Research section of our website, sharekhan.com

Balaji Telefilms

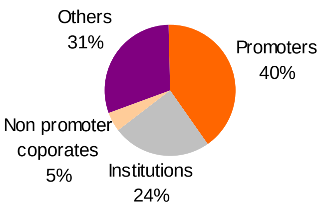
Emerging Star	Buy; CMP: Rs198	April 2, 2008

Price target revised to Rs355

COMPANY DETAILS

Price target:	Rs355
Market cap:	Rs1,291 cr
52 week high/low:	Rs388/122
NSE volume (No of shares):	95,207
BSE code:	532382
NSE code:	BALAJITELE
Sharekhan code:	BALAJITELE
Free float (No of shares):	3.9 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-8.0	-44.1	-28.0	53.2
Relative to Sensex	3.4	-27.5	-20.3	26.9

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

Balaji Telefilms Ltd (BTL) and Star entered a 49:51 joint venture (JV) in April 2007 (with BTL having a 49% stake) to launch regional entertainment channels in Telugu, Kannada, Malayalam, Bengali, Marathi and Gujarati. Star transferred its Tamil channel Star Vijay to the JV. Forward integration in regional broadcasting arena (especially south Indian language channels) with a world-class broadcaster like Star (with BTL's expertise in content) promised immense value creation potential for BTL and acted as a trigger for the stock. However the broadcast venture has been considerably delayed, as the first of these channels in Telugu that was to go on air by September 2007 and to be followed by the launch of at least four other regional language channels over a period of time are still to operationalise. The management has cited procedural issues to get the required approvals as the reason for the delay. In the absence of clarity on the timeline for the launch of these channels, the worst-case scenario would be that the JV might be called off. Considering this, we have conservatively revised our estimates and price target for the stock.

Outlook and valuation

We remain upbeat on the prospects of content providers, as a slew of new channels are being launched in the Hindi General entertainment space and as the demand for quality content is on the rise. BTL being the leader in the space with a proven track record remains in the sweet spot. We maintain a Buy recommendation on the stock with a revised price target of Rs355 based on our sum-of-the-parts valuation. ■

For further details, please visit the Research section of our website, sharekhan.com

Bank of India

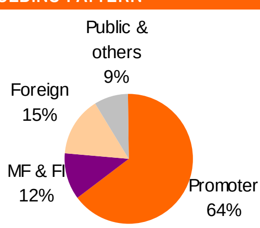
Apple Green	Buy; CMP: Rs343	April 30, 2008

Q4FY2008 results: First-cut analysis

COMPANY DETAILS

Price target:	Under review
Market cap:	Rs17,995 cr
52 week high/low:	Rs466/182
NSE volume (No of shares):	18.5 lakh
BSE code:	532149
NSE code:	BANKINDIA
Sharekhan code:	BOI
Free float (No of shares):	18.7 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

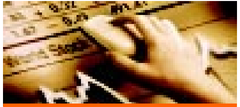
(%)	1m	3m	6m	12m
Absolute	22.0	-12.6	5.5	71.4
Relative to Sensex	14.9	-9.1	21.1	35.9

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

RESULT HIGHLIGHTS

- Bank of India's Q4FY2008 results were above our expectations. The bank reported a profit after tax (PAT) of Rs757 crore, indicating an impressive growth of 69.2% yoy.
- The net interest income for the quarter came in at Rs1,216.8 crore, up 25.7% yoy. The net interest income growth was on the back of a continued robust growth in advances and a 10 bps expansion in the net interest margin (NIM) to 3.24%.
- The non-interest income was up by 13.3% yoy to Rs653.3 crore from Rs576.7 crore a year ago. Excluding one-time gains from the year-ago period, the non-interest income for Q4FY2008 indicates a robust 27.9% year-on-year (y-o-y) growth.
- The operating expenses during the quarter were marginally up by 1.3% yoy to Rs657.9 crore as staff expenses declined by 7.6% y-o-y.
- Provisions and contingencies were down by 6.5% yoy, thereby boosting the bottomline.
- The asset quality of the bank improved during the quarter as evidenced by an 8.1% y-o-y decline in the gross non-performing assets.
- The capital adequacy ratio moved up to 12.95% from 11.58% a year ago, helped by qualified institutional placements.
- The advances witnessed a strong growth of 32.3% yoy and stood at Rs114,793 crore at the end of Q4FY2008. Meanwhile, deposits grew by 25.1% yoy to Rs150,012 crore.
- We are currently reviewing our earnings estimates. At the current market price of Rs343, the stock quotes at 8.2x 2009E earnings per share, 4.2x 2009E pre-provisioning profit/share and 1.8x 2009E book value/share. We maintain our Buy recommendation on the stock. ■

For further details, please visit the Research section of our website, sharekhan.com



STOCK UPDATE

BASF India

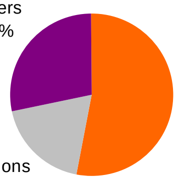
Ugly Duckling | Buy; CMP: Rs210 | April 17, 2008

Agro products boost revenues

COMPANY DETAILS

Price target:	Rs330
Market cap:	Rs592 cr
52 week high/low:	Rs344/164
NSE volume (No of shares):	24,196
BSE code:	500042
NSE code:	BASF
Sharekhan code:	BASF
Free float (No of shares):	1.3 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	3.5	-26.5	-15.9	9.1
Relative to Sensex	0.4	-10.1	-1.6	-8.9

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

RESULT HIGHLIGHTS

- The stand-alone Q4FY2008 results of BASF are in line with our expectations. The net sales of the company grew by 20.3% yoy to Rs193.4 crore, mainly driven by a strong 29.6% growth in the sales of agricultural products and a 20.2% growth in the sales of performance products. The plastic division's sales also grew by a healthy 18.1%.
- The OPM during the quarter remained flat at 5.1% yoy. The margin for the performance product and chemical divisions improved while the same for the agricultural product and nutrition division, and the plastic division declined during the quarter. Consequently, the operating profit grew by 18.5% to Rs9.8 crore in Q4FY2008.
- Despite increased interest and depreciation charges, the company's net profit increased by 20.2% to Rs4.4 crore during the quarter.
- For FY2008, the consolidated net sales grew by 24.5% to Rs1,053.6 crore and the profit after tax (PAT) grew by 14.8% to Rs57.5 crore on the back of the solid performance by the agricultural product and nutrition division during the year.
- We expect the consumption boom in the company's user industries (white goods, home furnishings, paper, construction and automobiles) to continue and hence we remain optimistic about the company's growth prospects.
- We believe the stock is trading at attractive valuations of 6.9x FY2009E consolidated earnings and an EV/EBIDTA of 3.9x. We maintain our Buy recommendation on the stock with a price target of Rs330.

For further details, please visit the Research section of our website, sharekhan.com

Bharat Electronics

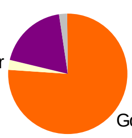
Apple Green | Buy; CMP: Rs1,179 | April 4, 2008

Price target revised to Rs1,610

COMPANY DETAILS

Price target:	Rs1,610
Market cap:	Rs9,432 cr
52 week high/low:	Rs2180/1040
NSE volume (No of shares):	89,000
BSE code:	500049
NSE code:	BEL
Sharekhan code:	BEL
Free float (No of shares):	1.9 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-17.5	-45.0	-37.9	-24.3
Relative to Sensex	-13.2	-29.3	-30.1	-40.2

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

- BEL announced its provisional results for FY2008. The company reported gross sales of Rs4,114 crore and PBT of Rs1,109 crore during FY2008. The company's gross sales increased marginally by 4.1% and the PBT grew by 5.2% over FY2007. As a result in line with our expectations, BEL has missed its sales target of Rs4,725 crore as per the performance MoU signed with the Ministry of Defence.
- The implied Q4 results appear to be quite robust with growth of around 32% and 39.3% in the net sales and the PBT respectively. The implied Q4 sales and PBT are at Rs2,296.8 crore and Rs720.2 crore respectively. The company reported 18.6% decline in the net sales during the first nine months ended December 2007, which acted as a dampener to the company's overall financial performance.
- The company's pending order book stood at Rs9,450 crore as on April 1, 2008, up from Rs9,130 crore at the beginning of FY2008. The low growth in the order book was due to lower order inflows of Rs4,434 crore in FY2008 versus Rs6,460 crore in FY2007.
- The turnover per employee for 2007-08 was Rs33.26 lakh as against the last year's figure of Rs31.99 lakh, while the value added per employee for 2007-08 was Rs15.5 lakh as against last year's figure of Rs14.5 lakh.

For further details, please visit the Research section of our website, sharekhan.com

Bharat Heavy Electricals

Apple Green

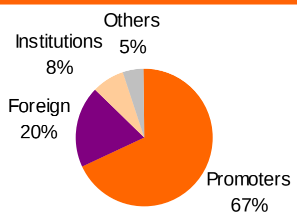
Buy; CMP: Rs1,753 — **April 3, 2008**

FY2008 performance below expectations

COMPANY DETAILS

Price target:	Rs2,845
Market cap:	Rs85,801 cr
52 week high/low:	Rs2930/1301
NSE volume (No of shares):	9.9 lakh
BSE code:	500103
NSE code:	BHEL
Sharekhan code:	BHEL
Free float (No of shares):	15.8 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-18.8	-27.0	-6.5	73.4
Relative to Sensex	-9.4	-5.3	2.7	35.8

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

RESULT HIGHLIGHTS

- BHEL has announced provisional numbers for FY2008, reporting a growth of 15.3% yoy in its turnover to Rs21,608 crore. The net profit has been up 16.6% yoy to Rs2,815 crore as against Rs2,415 crore in FY2007. The growth has been below our and street expectations.
- Deriving Q4FY2008 from the provisional numbers, the revenue (gross) has reported a growth of 6.5% yoy to Rs8,070.2 crore, while the net profit has declined by 7.3% to Rs1,066.4 crore.
- In our view, slower than expected execution rate and project specific delays could be the possible reasons for the lower-than-expected growth in the top line.
- Order inflows continue to be strong during FY2008 with a 41% increase to Rs50,265 crore. The order backlog at Rs85,500 crore is at a record high and the company has the largest order book among the Indian companies.
- During the quarter the company has made provision for a 40% increase in employee wage to take into account the Sixth Pay Commission's proposals. The company has also made provisions for contractual obligation, consequently impacting the margins in Q4FY2008.
- The company has brought on stream additional 4,000MW of capacity during January 2008 taking the total production capacity to 10,000MW. Further, 5,000MW of additional capacity would be bought on stream by the end of CY2009. Additional capacity coupled with strong order book of Rs85,500 crore (3.9x FY2008 revenues) should aid strong revenue and profit growth for BHEL going forward. Currently, we are maintaining our estimates for FY2009 and FY2010 awaiting further clarity. We reiterate our Buy recommendation and at the current market price the stock is discounting it FY2009E and FY2010E earnings by 20.9x and 15.4x respectively.

For further details, please visit the Research section of our website, sharekhan.com

Bharti Airtel

Apple Green

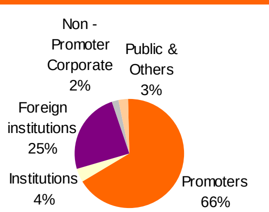
Buy; CMP: Rs915 — **April 25, 2008**

Results ahead of expectations

COMPANY DETAILS

Price target:	Rs1,100
Market cap:	Rs173,576 cr
52 week high/low:	Rs1,149/700
NSE volume (No of shares):	8.8 lakh
BSE code:	532454
NSE code:	BHARTIARTL
Sharekhan code:	BHARTI
Free float (No of shares):	64.7 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	5.3	-1.0	-15.4	-3.5
Relative to Sensex	-3.7	1.8	-6.5	-19.1

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

RESULT HIGHLIGHTS

- The net revenues of Bharti Airtel grew by 12.3% qoq and by 45% yoy to Rs7,819.1 crore during Q4FY2008. The revenue growth was much ahead of the consensus estimate and driven by robust sequential growth of 14.4% and 9.3% in the mobile service business and the non-mobile service business respectively.
- The OPM declined by 100 basis points qoq to 41.6% during the quarter, largely due to an increase in the operating expenses resulting from the transfer of passive infrastructure (network towers) to its subsidiary, Bharti Infratel.
- In terms of operational highlights of the mobile business, the ARPU declined by just 0.3% (despite the tariff cuts) and the MOU jumped by 20.6% qoq during the quarter. The traffic growth is far ahead of street expectations and allays a major concern related to elasticity in the volume growth in response to the decline in the tariffs.
- In terms of new developments, the company inducted $1.35 billion from private equity investors in Bharti Infratel, valuing the subsidiary at $10-12.5 billion.
- To factor in the management's confidence in maintaining the growth momentum in monthly subscriber additions, we are revising upwards our FY2009 earnings estimate by 3.2% and introducing our earnings estimate for FY2010 in this note. At the current market price the stock trades at 20.3x FY2009 and 16.7x FY2010 estimated earnings. We maintain our Buy call on the stock with a price target of Rs1,100.

For further details, please visit the Research section of our website, sharekhan.com

Cadila Healthcare

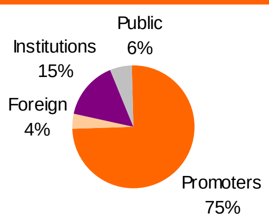
Emerging Star | Buy; CMP: Rs289 | April 30, 2008

Price target revised to Rs381

COMPANY DETAILS

Price target:	Rs381
Market cap:	Rs3,265 cr
52 week high/low:	Rs412/201
NSE volume (No of shares):	6,450
BSE code:	532321
NSE code:	CADILAHC
Sharekhan code:	CADILAHEAL
Free float (No of shares):	3.5 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	6.7	5.9	-9.3	-13.8
Relative to Sensex	0.5	10.1	4.0	-31.7

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

RESULT HIGHLIGHTS

- Cadila Healthcare's (Cadila) performance in Q4FY2008 and in FY2008 exceeded our expectations. While the total operating income grew by 29.9% to Rs546.9 crore in Q4FY2008 and by 27.1% to Rs2,324.5 crore in FY2008, the pre-exceptional profits rose by 40.2% to Rs52.0 crore (against our estimate of Rs39 crore) in Q4FY2008 and by 27.5% to Rs264.5 crore in FY2008.
- The topline growth was above our estimates and was broad based. It was driven by strong traction in the US generics and the French business, improved performance in the domestic formulation segment and consolidation of the recent acquisitions.
- Due to the genericisation of Pantoprazole in the USA, Cadila's revenues from its JV with Nycomed declined by 20.2% to Rs66.8 crore, while the profits plunged by 27.6% to Rs48 crore. On the positive side, Cadila has expanded the scope of its JV with Nycomed, as per which Nycomed would shift the production of 17 APIs (including Pantoprazole) from its UK sites to the Indian JV. This is expected to start contributing to the revenues from FY2010 onwards.
- Led by sharp improvements in the gross margin, the OPM expanded by 380 basis points to 20.1% in Q4FY2008 and by 50 basis points to 19.8% in FY2008. This led the operating profit to grow by 59.5% to Rs113.4 crore in Q4FY2008 and by 30.6% to Rs459.8 crore in FY2008. ■

For further details, please visit the Research section of our website, sharekhan.com

Canara Bank

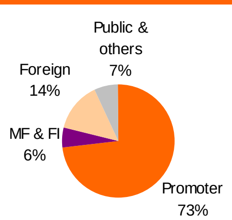
Apple Green | Buy; CMP: Rs232 | April 28, 2008

Q4FY2008 results: First-cut analysis

COMPANY DETAILS

Price target:	Rs315
Market cap:	Rs9,512 cr
52 week high/low:	Rs421/198
NSE volume (No of shares):	7.6 lakh
BSE code:	532483
NSE code:	CANBK
Sharekhan code:	CANBNK
Free float (No of shares):	11.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	4.4	-17.7	-19.4	8.3
Relative to Sensex	-1.2	-11.8	-11.9	-10.9

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

RESULT HIGHLIGHTS

- Canara Bank reported a PAT of Rs464.1 for Q4FY2008, reflecting a decline of 8.1% yoy. The reported PAT was marginally above our expectation of Rs451.1 crore.
- Top line performance was disappointing - as expected - with the net interest income (NII) declining by 12.9% yoy to Rs922.5 crore owing to pressure on margins and muted advances growth.
- Non-interest income provided some relief with a 14.1% year-on-year (y-o-y) growth.
- Operating expenses grew by 10.1% to Rs697.6 crore during the quarter. The growth in operating expenses can be traced to a 30.9% jump in other operating expenses. Meanwhile the staff expenses declined by 4.3% yoy.
- Notably, the provisions continued its declining trend. Provisions and contingencies stood at Rs375.1, down 24.5% yoy. Lower provisions coupled with a positive growth in the non-interest income helped the bank check the decline in its profitability.
- Asset quality remained healthy with an improvement on absolute and relative basis. The % GNPA came in at 1.31%, down 20 basis points yoy, while the % NNPA was down 10 basis points to 0.84%. Capital adequacy ratio was healthy at 13.25% at the end of March 2008, largely in line with the year-ago level of 13.50%.
- Growth in advances and deposits was muted at 8.9% and 8.2% yoy respectively.
- At the current market price of Rs232, Canara Bank trades at 6.1x 2009E earnings per share, 3.2x 2009E pre-provisioning profit and 0.8x 2009E book value. The stock is trading below its 2009E book value making it an attractive buy. We maintain our Buy recommendation and price target on the stock. ■

For further details, please visit the Research section of our website, sharekhan.com

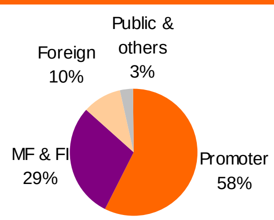
Corporation Bank

Apple Green | Buy; CMP: Rs339 | April 30, 2008

COMPANY DETAILS

Price target:	Rs440
Market cap:	Rs4,863 cr
52 week high/low:	Rs490/230
NSE volume (No of shares):	1.3 lakh
BSE code:	532179
NSE code:	CORPBANK
Sharekhan code:	CORPBANK
Free float (No of shares):	6.1 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	21.2	-1.2	-16.2	11.6
Relative to Sensex	14.1	2.7	-3.9	-11.5

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

Price target revised to Rs440

RESULT HIGHLIGHTS

- Corporation Bank reported a profit after tax (PAT) of Rs205.6 crore for Q4FY2008, reflecting a growth of 73.5% year on year (yoy) and 7.7% quarter on quarter (qoq).
- The top line performance was disappointing with the NII growing by a muted 3.4% yoy to Rs402.6 crore. The non-interest income provided some relief with a 20.2% y-o-y growth on the back of a spike in treasury gains (up 123% yoy).
- The operating expenses declined by 5.2% to Rs210.3 crore during the quarter owing to a 25% drop in the staff expenses.
- Notably, the provisions declined to Rs101.9 crore, down 32.6% yoy, which helped improve the bottom line.
- The asset quality of the bank remained healthy with % gross non-performing asset at 1.47%, down 28 basis points yoy, while the % net non-performing assets were down 32 basis points to 0.32%.
- The capital adequacy ratio was healthy at 12.09% at the end of March 2008 compared with the year-ago level of 12.76%.
- The advances registered a strong growth of 30.8% yoy and reached Rs39,186 crore, while the deposits grew by 30.9% yoy to Rs 55,424 crore.
- Owing to weaker core operating performance, we are factoring in a slower earnings growth and are lowering our price target to Rs440. At the current market price of Rs339, the stock trades at 6x 2009E EPS, 3.2x 2009E PPP/share and 1x 2009E book value (BV). We believe that at current valuations, the stock looks attractive.

For further details, please visit the Research section of our website, sharekhan.com

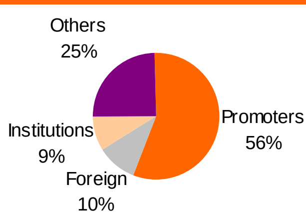
ESAB India

Vulture's Pick | Buy; CMP: Rs435 | April 30, 2008

COMPANY DETAILS

Price target:	Rs575
Market cap:	Rs670 cr
52 week high/low:	Rs548/350
NSE volume (No of shares):	9,532
BSE code:	500133
NSE code:	ESABINDIA
Sharekhan code:	ESAB
Free float (No of shares):	0.7 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-6.9	-5.4	-9.4	22.3
Relative to Sensex	-12.3	-1.6	3.9	-3.0

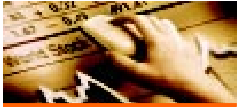
The author doesn't hold any investment in any of the companies mentioned in the article.

On a strong footing

RESULT HIGHLIGHTS

- For Q1CY2008, ESAB India (ESAB) reported a 24% growth in its sales. The growth in sales was led by a 34% growth in the revenues of the equipment division, while the revenues of the consumables division rose by 20.3% yoy (year on year) to Rs71.5 crore.
- The operating profit grew by 22.7% yoy to Rs24 crore. The operating profit margin (OPM) declined marginally (-20 basis points) to 23.9% mainly on account of a change in the product mix and higher inventory build up during the quarter. . The net profit increased by 25.1% to Rs15.4 crore.
- ESAB is likely to be one of the major beneficiaries of the continued buoyancy in the user industries such as pipes, shipbuilding and steel. Furthermore, greater level of component indigenisation is likely to protect its margins against any adverse impact due to rising steel prices.
- We have revised our CY2008 earning estimates downward by 5.1% to Rs42.2 per share mainly to take into account the lower than expected OPM in Q1CY2008. We are also introducing our CY2009 earnings in this report and expect ESAB to report compounded annual growth rate (CAGR) of 18.7% and 20.1% in its revenues and earnings respectively over CY2007-09E.
- At the current market price of Rs435, the stock discounts its CY2008 and CY2009 earnings by 11.3x and 8.7x respectively. In terms of EV/EBIDTA the stock is quoting at 7x and 5x its earnings estimates. We maintain Buy recommendation on the stock with a price target of Rs575.

For further details, please visit the Research section of our website, sharekhan.com



STOCK UPDATE

HCL Technologies

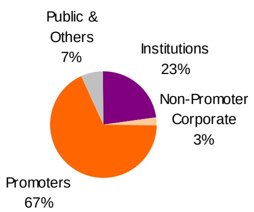
Apple Green | Buy; CMP: Rs261 | April 16, 2008

Price target revised to Rs318

COMPANY DETAILS

Price target:	Rs318
Market cap:	Rs17,688 cr
52 week high/low:	Rs366/180
NSE volume (No of shares):	9.2 lakh
BSE code:	532281
NSE code:	HCLTECH
Sharekhan code:	HCLTECH
Free float (No of shares):	10.5 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-7.7	-10.8	-19.7	-18.3
Relative to Sensex	-10.0	11.7	-5.5	-33.0

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

RESULT HIGHLIGHTS

- HCL Technologies (HCL) has reported a revenue growth of 7.1% qoq and 23.3% yoy to Rs1,944.8 crore for the third quarter ended March 2008. The sequential growth in the revenues was driven by a volume growth of 6.6% (a 5.3% growth in software service business, an 8.5% growth in IMS and a 4.5% growth in the BPO business).
- The OPM improved by 88 basis points to 22.3% on a sequential basis.
- In terms of segments, The IMS and software service businesses reported a sequential margin improvement of 113 basis points and 93 basis points respectively. The BPO service business reported a 16 basis-point sequential improvement in its margin.
- However, the forex loss of Rs27.1 crore resulted in a relatively lower earnings growth of 2.9% qoq to Rs342.5 crore. This is largely in line with our estimate.
- HCL has maintained its full year revenue growth guidance of around 35%, implying a relatively muted sequential growth in Q4FY2008. This is largely due to a slowdown in the business from two of its top ten clients as fallout of the scenario in the USA.
- We have lowered our earnings estimate for FY2008 and FY2009 by 1.4% and 8.9% respectively. We have also introduced the FY2010 estimate in this note. At the current market price, the stock is trading at 12.2x FY2009 earnings estimate and 10.9x FY2010 earnings estimate. We maintain our Buy recommendation on the stock with revised price target of Rs318.

For further details, please visit the Research section of our website, sharekhan.com

Housing Development Finance Corporation

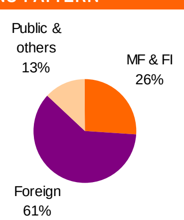
Evergreen | Buy; CMP: Rs2,805 | April 30, 2008

Extraordinary gains boost bottom line

COMPANY DETAILS

Price target:	Rs3,362
Market cap:	Rs79,667 cr
52 week high/low:	Rs3257/1565
NSE volume (No of shares):	6.7 lakh
BSE code:	500010
NSE code:	HDFC
Sharekhan code:	HDFC
Free float (No of shares):	28.4 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

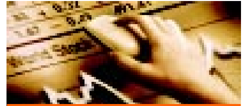
(%)	1m	3m	6m	12m
Absolute	10.5	0.9	2.7	73.4
Relative to Sensex	4.1	4.9	17.8	37.5

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

RESULT HIGHLIGHTS

- Housing Development and Finance Corporation (HDFC) reported a profit after tax of Rs768.1 crore (including extraordinary items), indicating a strong growth of 39.6% yoy. The adjusted net profit came in at Rs611.8 crore, which is up by a moderate 11.2% yoy.
- The topline came in at Rs880.5 crore, up 68.5% yoy buoyed by a continued robust growth in loan disbursals and a healthy improvement in the margins.
- The operating expenses were up by ~40% yoy to Rs66.4 crore primarily driven by a significant increase in the staff expenses (up 45.3% yoy) and the other operating expenses (up 35.5% yoy).
- The bottomline received a major boost from an extraordinary gain of Rs202.1 crore. The extraordinary gain was on account of sale of stake in the general insurance business (HDFC ERGO General Insurance) to ERGO International.
- For FY2008, the topline stood at Rs2,641.1 crore, up 60.3% yoy, while the reported bottom line came in at Rs2,436.3 crore, up 55.1% yoy. The extraordinary gains for FY2008 were to the tune of Rs636.3 crore. After adjusting for extraordinary gains, the PAT comes in at Rs1,944.2 crore indicating a 26.5% y-o-y growth.
- At the current market price of Rs2,805, the stock trades at 20.3x FY2009E earnings per share and 3.9x 2009E book value/share. We maintain our Buy recommendation and target price on the stock.

For further details, please visit the Research section of our website, sharekhan.com



HDFC Bank

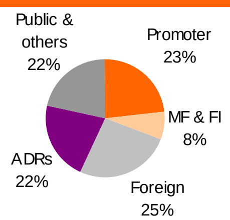
Evergreen | **Buy; CMP: Rs1,498** | **April 25, 2008**

Results in line with expectations

COMPANY DETAILS

Price target:	Rs1,571
Market cap:	Rs53,094 cr
52 week high/low:	Rs1,825/980
NSE volume (No of shares) :	6.6 lakh
BSE code:	500180
NSE code:	HDFCBANK
Sharekhan code:	HDFCBANK
Free float (No of shares) :	27.2 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	7.5	-4.5	-4.7	43.3
Relative to Sensex	-1.7	-1.7	5.3	20.0

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

RESULT HIGHLIGHTS

- HDFC Bank's net interest income (NII) jumped by 55.7% year on year (yoy) to Rs1,642.1 crore. The NII growth was buoyed by continued growth in advances coupled with an improvement in the net interest margin (NIM) based on our calculations.
- The non-interest income was up by a strong 39.3% yoy to Rs549.3 crore, primarily driven by a robust growth in the fee income (up 37.6%) and a turnaround in the treasury gains.
- The operating expenses were up significantly (61.2% yoy), driven by both the staff expenses and the other operating expenses.
- The bank increased its provisions and contingencies during the quarter significantly by 74.2% to Rs465.1 crore, primarily due to an additional provisioning of Rs172.7 crore in the form of 'legal and other contingencies'.
- Advances grew by a healthy 35.1%, which though an improvement on a y-o-y basis, indicates moderation on a sequential basis. On the deposit front, the overall deposits grew by 47.5% yoy to Rs100,769 due to an increased effort by the bank to acquire retail customers.
- The asset quality of the bank remained healthy as reflected by the largely stable % gross non performing assets and % net non performing assets ratios.
- At the current market price of Rs1,498, HDFC Bank trades at 26.8x FY2009E EPS, 10.8x FY2009E PPP and 4.1x FY2009E BV. Currently, our earnings model does not factor in the financials of Central Bank of Punjab (CBoP) and the dilution due to the merger and sale of shares to the parent. We continue to maintain our Buy recommendation and price target on HDFC Bank.

For further details, please visit the Research section of our website, sharekhan.com

Hindustan Unilever

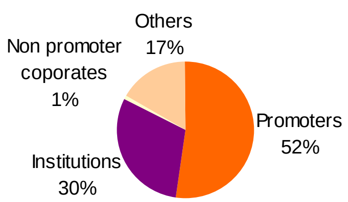
Apple Green | **Buy; CMP: Rs251** | **April 29, 2008**

Core to the fore

COMPANY DETAILS

Price target:	Rs280
Market cap:	Rs54,667 cr
52 week high/low:	Rs256/170
NSE volume (No of shares) :	23.0 lakh
BSE code:	500696
NSE code:	HINDUNILVR
Sharekhan code:	HLL
Free float (No of shares) :	104.3 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

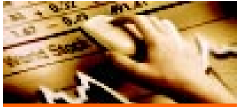
(%)	1m	3m	6m	12m
Absolute	2.1	25.4	16.8	22.5
Relative to Sensex	-1.8	33.6	31.9	-0.8

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

RESULT HIGHLIGHTS

- Hindustan Unilever Ltd's (HUL) net sales grew by 19.1%yoy to Rs3,793.9 crore. The sales growth was driven by a stupendous performance of the HPC segment, which grew by 21.2% yoy. The foods segment grew by 15.6% yoy, pulling down the overall sales growth.
- The soaps and detergent business put up a strong show with sales growth of 19.9% yoy to Rs1,738.2 crore and the PBIT margin of 13.4% (up by 144 bps yoy). Personal care product business outperformed our expectations with a handsome growth of 23.5% yoy. The PBIT margin for the segment stood at 24.7% (up by 25 bps yoy).
- Beverages, processed foods and ice creams segments posted sales growth of 15.8%, 15.5% and 14.1% respectively, however the performance was bad on margin front with the PBIT margin at 11.6% (down 324 bps yoy), 1.1% (down 439 bps yoy) and -7.8% respectively.
- The OPM as a whole declined by 70bps to 10.75% yoy, mainly due to the increase in the other expenses by 28.3% yoy to Rs663.5 crore. The raw material cost as a percentage to sales showed a decline of 78bps to 54.7%. Hence the operating profit increased by 11.9% yoy to Rs407.8 crore.
- As the interest income was lower by 44.1% at Rs20.1 crore, the increase in adjusted net profit was lesser and stood at 16.7% to Rs378.4 crore.
- At the current market price of Rs251 the stock trades at 26.8x and 22.9x its CY2008E and CY2009E earnings per share (EPS) of Rs9.4 and Rs10.9 respectively. We maintain our Buy recommendation on the stock with target price of Rs280.

For further details, please visit the Research section of our website, sharekhan.com



STOCK UPDATE

ICICI Bank

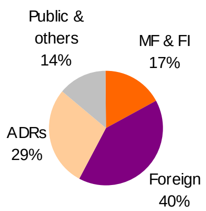
Apple Green | Buy; CMP: Rs895 | April 28, 2008

Results above expectations

COMPANY DETAILS

Price target:	Rs1,204
Market cap:	Rs99,586 cr
52 week high/low:	Rs1,465/720
NSE volume (No of shares):	38.6 lakh
BSE code:	532174
NSE code:	ICICIBANK
Sharekhan code:	ICICIBANK
Free float (No of shares):	111.3 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	4.2	-27.4	-20.0	-3.9
Relative to Sensex	-1.4	-22.2	-12.5	-20.9

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

RESULT HIGHLIGHTS

- ICICI Bank reported an impressive set of numbers for Q4FY2008. The PAT was up by 39.4% year on year (yoy) to Rs1,149.8, which was well above our estimates.
- The net interest income (NII) came in at Rs2,079.5 crore indicating a 29.2% year-on-year (y-o-y) growth, driven by a 13 bps expansion in the net interest margin.
- The overall deposit growth was muted at 6%, however the CASA balance grew by 27% yoy, helping the bank improve its CASA ratio by about 400 basis points.
- The fee income registered a robust growth of 35.1% yoy despite slowing advances, while the treasury income was down 63% yoy to Rs164 crore due to mark-to-market (MTM) losses of Rs400 crore from the credit derivatives portfolio.
- The asset quality continued to deteriorate further with the % GNPA and the % net non-performing assets (NNPA) increasing to 3.3% and 1.6% respectively, driven by an increased proportion of non-collateralised advances in retail advances.
- ICICI Bank's subsidiaries continued to maintain their leadership positions in their respective fields.
- At the current market price of Rs895, the stock trades at 21.4x 2009E EPS, 10.8x 2009E PPP and 2.0x 2009E BV. We reiterate our Buy recommendation on ICICI Bank with price target of Rs1,204.

For further details, please visit the Research section of our website, sharekhan.com

Infosys Technologies

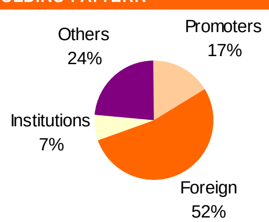
Evergreen | Buy; CMP: Rs1,510 | April 15, 2008

Price target revised to Rs1,940

COMPANY DETAILS

Price target:	Rs1,940
Market cap:	Rs86,372 cr
52 week high/low:	Rs2140/1212
NSE volume (No of shares):	15.6 lakh
BSE code:	500209
NSE code:	INFOSYSTCH
Sharekhan code:	INFOSYS
Free float (No of shares):	47.8 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-0.3	-10.1	-27.8	-28.3
Relative to Sensex	1.6	18.3	-14.3	-40.8

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

RESULT HIGHLIGHTS

- Infosys Technologies (Infosys) revenues grew 6.3% quarter on quarter (qoq) to Rs4,542 crore during the fourth quarter primarily driven by a volume growth of 4.9% in its consolidated information Technology (IT) service business.
- The operating profit margin (OPM) decreased by 10 basis points qoq to 32.5% in Q4FY2008.
- The other income component declined to Rs139 crore in Q4FY2008 from Rs158 crore during the corresponding period last year primarily due to a forex loss of Rs45 crore during Q4FY2008 as compared to a relatively lower loss of Rs14 crore in Q3FY2008. Consequently, the company's adjusted earnings grew by 4.2% sequentially to Rs1,229 crore.
- For FY2009, the company guided revenues to grow by 19% to 21% and the earnings to grow 16.7% to 18.7% in dollar terms (Rs92.3-93.9 per share in rupee terms). However, the guidance for Q1FY2009 is quite muted. In rupee terms, the revenues are guided to remain flat sequentially (with a growth of less than 1%), whereas the earnings are expected to decline sequentially to Rs20.7 per share (down from 3.5% sequentially).
- We have revised our earning estimates for FY2009 downward by 2.6%. We have also introduced FY2010 estimates and expect the company's earning to grow by 4.8% to Rs99.8 per share. We maintain Buy recommendation on the stock with revised price target of Rs1,940.

For further details, please visit the Research section of our website, sharekhan.com

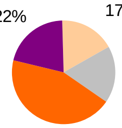
Jindal Saw

Emerging Star | Buy; CMP: Rs653 | April 30, 2008

COMPANY DETAILS

Price target:	Rs910
Market cap:	Rs3,663 cr
52 week high/low:	Rs1,221/508
NSE volume (No of shares):	1.7 lakh
BSE code:	500378
NSE code:	JINDALSAW
Sharekhan code:	JINDALSAW
Free float (No of shares):	2.9 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-0.9	-27.6	-10.8	22.1
Relative to Sensex	-6.7	-24.8	2.3	-3.2

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

Price target revised to Rs910

RESULT HIGHLIGHTS

- Jindal SAW Ltd's (JSL) Q1CY2008 numbers were ahead of our expectations on the back of a higher top line and improved margins. However, we would like to underscore that the results are not strictly comparable since the US division has been hived off.
- The revenues from Indian operations improved during the quarter. The net revenues grew by 8% year on year (yoy) to Rs952.2 crore, primarily on the back of a high growth witnessed in the submerged arc welded (SAW) pipe and the ductile iron (DI) pipe segments.
- On the back of favourable product mix, hiving off of the US division, and greater efficiencies, the operating profit margin (OPM) expanded by 390 basis points yoy and 300 basis points sequentially to 15.4%. Consequently, the operating profit grew by 0.4% to Rs146.6 crore.
- JSL's order book at the end of the quarter stood at $1.09 billion, executable by January/February 2009. Of this, $860 million orders were for SAW pipes, while the remaining orders were for DI and seamless pipes.
- The margins in the current year might be impacted due to rising coking coal prices and a proposed 10% export duty on pipes. At this point of time, we are not making any changes in our estimates for the company due to lack of clarity regarding the government's measure and its possible impact.
- At the current levels, the stock is trading at 7.2x its CY2009E earnings and is available at an enterprise value (EV)/ earnings before interest, depreciation, tax and amortisation (EBIDTA) of 3.8x. We now value the company at 10x CY2009E earnings and maintain our Buy recommendation with a price target of Rs910.■

For further details, please visit the Research section of our website, sharekhan.com

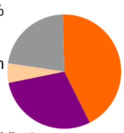
Madras Cement

Cannonball | Buy; CMP: Rs3,202 | April 08, 2008

COMPANY DETAILS

Price target:	Rs4,800
Market cap:	Rs3,868 cr
52 week high/low:	Rs5039/2475
NSE volume (No of shares):	5,263
BSE code:	500260
NSE code:	MADCEM
Sharekhan code:	MADRASCEM
Free float (No of shares):	0.72 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

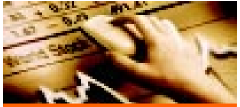
(%)	1m	3m	6m	12m
Absolute	-4.3	-24.6	-22.7	28.0
Relative to Sensex	-3.0	-0.5	-13.0	3.4

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

Buys back 1.5% outstanding equity

- Madras Cements has completed the process of buy back. As a result of the buy back the earnings per share (EPS) of the company will increase by 1.5%.
- Firm cement prices in south India will be the key driver for the company's earnings in Q4FY2008.
- The company had a capacity of 6 million tonne at the end of FY2007, which increased to 7 million tonne at the end of FY2008 and is expected to further increase to 10 million tonne by the end of FY2009. Capacity additions will drive the volumes growth of the company.
- At the current market price of Rs3,202, the share trades at 8.7X and 6.7X its FY2008 and FY2009 earnings and an enterprise value (EV)/earnings before interest, depreciation, tax and amortisaion (EBIDTA) of 5.5X and 5X for FY2008 and FY2009 respectively. We maintain our Buy recommendation on the stock with a price target of Rs4,800.■

For further details, please visit the Research section of our website, sharekhan.com



Mahindra Lifespace Developers

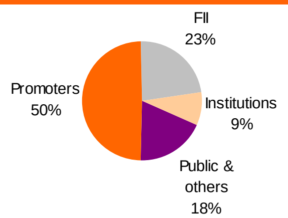
Ugly Duckling	Buy; CMP: Rs479	April 28, 2008

Results ahead of expectations

COMPANY DETAILS

Price target:	Rs835
Market cap:	Rs1,957 cr
52 week high/low:	Rs907/336
NSE volume (No of shares):	1.6 lakh
BSE code:	532837
NSE code:	MAHLIFE
Sharekhan code:	MAHIGESCO
Free float (No of shares):	2.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	17.0	-37.9	-23.6	-32.8
Relative to Sensex	10.8	-33.5	-16.5	-44.7

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

RESULT HIGHLIGHTS

- Mahindra Lifespace Developers' (MLD) top line grew by 75.1% year on year (yoy) to Rs59.6 crore in Q4FY2008. During the quarter, revenues were booked from Mahindra Eminente in Goregaon, Mahindra Royale in Pune and Sylvan County in Chennai. In FY2008, MLD's revenue grew by 7.4% yoy to Rs172.12 crore.
- The operating profit margin (OPM) during the quarter improved to 36% vi-a-vis a -7.6% in Q4FY2007. The improvement in OPM can be attributed to a better revenue mix (higher proportion of revenue booked from the high-margin project, Mahindra Eminente, Goregaon).
- The other income increased to Rs47.8 crore in Q4FY2008 from Rs7.7 crore in the corresponding period last year. Consequently, the net income stood at Rs22.2 crore during the quarter compared to a loss of Rs1.5 crore in Q4FY2007.
- Since the company ended the fiscal year with this quarter, the company also reported its annual consolidated financials. MLD's consolidated revenue grew by 6.8% yoy to Rs264.4 crore and the consolidated net income grew 3.7x yoy to Rs66.4 crore in FY2008, the latter being significantly ahead of our and street expectations. The rise in the consolidated net income was primarily due to a 14.1 percentage point improvement in the OPM to 28.3% and 4.4x year-on-year (y-o-y) increase in the other income to Rs33.5 crore. The OPM improvement was on account of higher realisation and better revenue mix .
- At the current market price, MLD is trading at 17.3x FY2009 earning estimates and 6.9x FY2010 earning estimates. We continue to value the stock using the sum-of-the-parts (SOTP) valuation (NAV for planned development and discount to market price for unplanned development) and maintain Buy on the stock with price target of Rs835.

For further details, please visit the Research section of our website, sharekhan.com

Marico

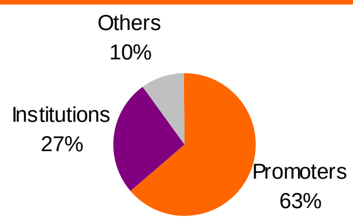
Apple Green	Buy; CMP: Rs68	April 29, 2008

Price target revised to Rs77

COMPANY DETAILS

Price target:	Rs77
Market cap:	Rs4,114 cr
52 week high/low:	Rs83/47
NSE volume (No of shares):	4.1 lakh
BSE code:	531642
NSE code:	MARICO
Sharekhan code:	MARICO
Free float (No of shares):	22.3 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-0.4	2.2	7.6	21.6
Relative to Sensex	-4.2	8.9	21.5	-1.5

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

RESULT HIGHLIGHTS

- For Q4FY2008, Marico has posted a 17.8% growth in its net sales to Rs467.5 crore as against our expectation of Rs484 crore.
- The OPM declined by 35bps yoy to 9.7% on account of a hefty increase of 115% in the staff cost and a higher advertisement & sales promotion expenditure.
- Despite the rise in the input costs, the company was able to maintain the raw material cost as percentage to sales ratio at 50.8%, as the company hiked the prices of its edible oil brands by more than 20% during the quarter.
- Decline in deprecation charges and lower tax incidence resulted in a 14.8% growth in the adjusted net profit to Rs32.3 crore. During the quarter Marico sold its non-focus brand *Sil* resulting in a pre-tax profit of Rs10.61 crore. Thus the reported net profit grew by hefty 45.0% to Rs40.8 crore in Q4FY2008.
- For FY2008, the net sales increased by 22.5% yoy to Rs1,906.7 crore. The operating profit increased by 18.6% to Rs246.4 crore. Lower depreciation charges and lower tax incidence resulted in a hefty growth of 49.8% in the reported net profit to Rs169.1 crore.
- We like Marico's three pronged growth strategy of enhancing the existing products, introducing new products and achieving inorganic growth through acquisitions, which gives us comfort of a sustained growth going forward. At the current market price of Rs68, the stock trades at 21.8x and 17.5x its FY2009E and FY2010E EPS of Rs3.1 and Rs3.9 respectively. We value Marico at 20x its FY2010E earnings and maintain our Buy recommendation on the stock, upgrading our price target to Rs77.

For further details, please visit the Research section of our website, sharekhan.com

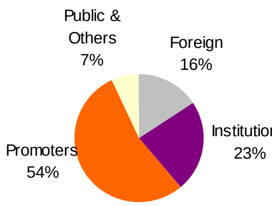
Maruti Suzuki

Apple Green | Buy; CMP: Rs723 | April 28, 2008

COMPANY DETAILS

Price target:	Rs947
Market cap:	Rs20,895 cr
52 week high/low:	Rs1,252/700
NSE volume (No of shares) :	6.5 lakh
BSE code:	532500
NSE code:	MARUTI
Sharekhan code:	MARUTIUD
Free float (No of shares) :	13.2 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-12.6	-11.5	-36.6	-6.2
Relative to Sensex	-17.2	-5.2	-30.7	-22.8

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

Price target revised to Rs947

RESULT HIGHLIGHTS

- The revenues (including the income from the service business) grew by 8% to Rs4,783.9 crore during the fourth quarter and were in line with our expectations. The sales included a compensation package of Rs54.5 crore for dealers for the excise duty cuts announced in Budget.
- The OPM for the quarter fell to 10% against 12.4% last year. The margin declined due to higher other expenditures on account of higher royalty charges, higher power cost and provision for foreign currency derivatives. Adjusting for the extraordinary items (the dealer compensation package and the derivatives provision), the OPM stood at about 12%.
- The company also changed its depreciation policy, as it reviewed the useful life of its assets because of the shortening lifecycle of products.
- Consequently, the reported net profit declined by 33.6% to Rs297.7 crore. However, if we exclude all the one-time items and the effect of the higher depreciation, the profit would be in the region of Rs477.4 crore, which would be slightly ahead of our estimate of Rs469.9 crore.
- We expect a challenging FY2009 for the company on account of increased competition, high interest rates and lower availability of finance.
- In view of the higher raw material cost and change in the company's depreciation policy, we are downgrading our FY2009 earnings estimate by 14.2% to Rs62.6. Our earnings estimate for FY2010 is Rs72.8. At the current market price of Rs723, the stock is quoting at 9.9x its FY2010E earnings. We maintain our Buy recommendation on the stock with a revised price target of Rs947.

For further details, please visit the Research section of our website, sharekhan.com

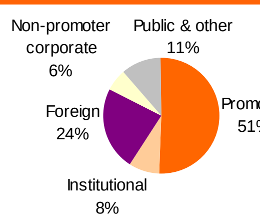
Nicholas Piramal India

Apple Green | Buy; CMP: Rs354 | April 25, 2008

COMPANY DETAILS

Price target:	Rs434
Market cap:	Rs7,402 cr
52 week high/low:	Rs380/230
NSE volume (No of shares) :	2.2 lakh
BSE code:	500302
NSE code:	NICHOLASPIR
Sharekhan code:	NICHPI
Free float (No of shares) :	10.5 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	13.5	43.7	44.1	61.7
Relative to Sensex	3.8	47.8	59.3	35.5

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

Price target revised to Rs434

RESULT HIGHLIGHTS

- The Q4FY2008 and FY2008 results of Nicholas Piramal India Ltd (NPIL) are ahead of our expectations. The company's top line grew by 19.0% year on year (yoy) to Rs767.9 crore in Q4FY2008 and by 16.2% to Rs2,872.8 crore in FY2008. Its pre-exceptional profit increased by 181.9% to Rs158.1 crore in Q4FY2008 and by 58.1% to Rs232.6 crore in FY2008.
- The reported operating profit margin (OPM) expanded by 1,330 basis points to 26.5% in Q4FY2008 and by 340 basis points to 18.9% in FY2008. Consequently, the reported operating profit grew by 139.9% to Rs203.6 crore in Q4FY2008 and by 41.3% to Rs541.8 crore in FY2008.
- The management has guided towards a 16% like-to-like growth, with continued improvement in the OPM to 20.5%, resulting in earnings of Rs21 per share in FY2009.
- We have revised our FY2009 earnings estimate for NPIL to reflect the better than expected performance in FY2008 and the guidance provided by the management. For FY2009 we are revising our revenue estimate upwards by 0.7% to Rs3,326.1 crore and our profit estimate by 3.2% to Rs443.1 crore. We are also introducing our FY2010 numbers in this report. We expect the company to register a revenue growth of 15.0% in FY2010E to Rs3,825.4 crore. The profits are expected to grow by 20.4% to Rs533.3 crore, resulting in earnings of Rs25.5 per share in FY2010E.
- We are rolling forward our valuation for NPIL to FY2010E earnings. We maintain our Buy recommendation on the stock with a revised price target of Rs434.

For further details, please visit the Research section of our website, sharekhan.com

Orchid Chemicals & Pharmaceuticals

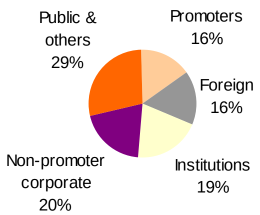
Emerging Star | **Buy; CMP: Rs207** | **April 07, 2008**

Rumours of Ranbaxy group taking over Orchid

COMPANY DETAILS

Price target:	Rs375
Market cap:	Rs1,364 cr
52 week high/low:	Rs327/106
NSE volume (No of shares):	1.8 cr
BSE code:	524372
NSE code:	ORCHIDCHEM
Sharekhan code:	ORCHID
Free float (No of shares):	5.54 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-25.8	-42.2	-17.4	-30.2
Relative to Sensex	-21.0	-22.1	-4.5	-42.4

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

- According to a section of media, Solrex Pharmaceuticals has acquired an 8.06% stake in Orchid Chemicals (Orchid) from the open market. The stake has been acquired at an average price of Rs165-170 per share. As per media speculation, Solrex Pharmaceuticals belongs to the Ranbaxy group.
- If the media speculation is to be believed and the Ranbaxy group manages to take over Orchid at a cheap price of Rs165-170 per share, it would come as a huge benefit for the group. The company will gain from acquiring a fundamentally strong business with a complementary product portfolio and that too at extremely cheap valuations.
- We have always maintained that Orchid's business model is fundamentally strong with a strong presence in the USA and expansion plans underway in Europe. However, the stock has been plagued by several concerns including a relatively low promoter holding and an over-leveraged balance sheet. We feel that the potential takeover of Orchid by the Ranbaxy group or even the holding of a minority stake by the Ranbaxy group in Orchid will ensure long-term growth for Orchid, as the latter would be in stronger and more credible hands.
- At the current market price of Rs207, Orchid is discounting its FY2008E earnings by 11.9x and its FY2009E earnings by 8.8x. We retain our positive stance on the stock and maintain our Buy recommendation with a price target of Rs375.

For further details, please visit the Research section of our website, sharekhan.com

Orient Paper and Industries

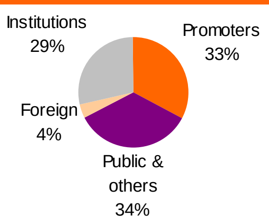
Vulture's Pick | **Buy; CMP: Rs46** | **April 24, 2008**

Paper division affects profitability

COMPANY DETAILS

Price target:	Rs80
Market cap:	Rs886 cr
52 week high/low:	Rs84/32
NSE volume (No of shares):	88,879
BSE code:	ORIENTPAP
NSE code:	502420
Sharekhan code:	ORIENTPPR
Free float (No of shares):	12.72 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	26.4	-10.9	-10.2	9.9
Relative to Sensex	12.9	-11.3	-5.9	-9.8

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

RESULT HIGHLIGHTS

- Orient Paper and Industries (Orient Paper) has reported an 11.5% year-on-year (y-o-y) growth in its net sales to Rs379.3 crore for Q4FY2008. The revenue growth was driven by the cement and fan divisions, which have reported revenue growth of 15.9% and 26.7% respectively. On the other hand, the revenues of the paper division declined by 18.1% due to a shutdown at its Amlai paper unit in Q4FY2008.
- The reported operating profit margin (OPM) fell by 460 basis points year on year (yoy) to 21.7% mainly due to a decline in the profit before interest and tax (PBIT) margin of the paper division.
- The adjusted net profit of the company increased marginally by 1% to Rs55.8 crore in Q4FY2008.
- Orient Paper's expansion schedules are progressing well. The third phase of the capacity expansion (from 3.4 million metric tonne [mmt] to 5mmt) in the cement division; the 50-megawatt (MW) captive power plant (CPP) at the Devapur cement plant; and the expansion of the tissue paper capacity of the company by 15,000 tonne are expected to be commissioned as per schedule by the end of FY2009.
- We expect the company to generate earnings per share (EPS) of Rs11.5 and Rs14.6 in FY2009 and FY2010 respectively. At the current market price of Rs45.95, the stock trades at 4x and 3.2x its FY2009 and FY2010 earnings estimates respectively. We maintain our Buy recommendation on Orient Paper with a price target of Rs80.

For further details, please visit the Research section of our website, sharekhan.com

Ranbaxy Laboratories

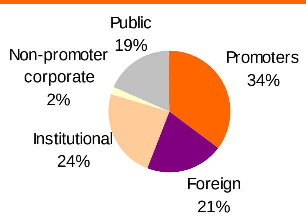
Apple Green | Buy; CMP: Rs477 | April 23, 2008

A soft quarter

COMPANY DETAILS

Price target:	Rs625
Market cap:	Rs18,781 cr
52 week high/low:	Rs502/297
NSE volume (No of shares):	35.9 lakh
BSE code:	500359
NSE code:	RANBAXY
Sharekhan code:	RANBAXY
Free float (No of shares):	24.3 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	8.2	42.5	18.1	42.6
Relative to Sensex	-3.4	41.9	23.7	17.0

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

RESULT HIGHLIGHTS

- Ranbaxy Laboratories (Ranbaxy) has delivered a mixed performance for Q1CY2008. While the revenues and net profit have been below our estimates, the operating performance has been ahead of our expectations.
- The revenues grew by a modest 3.9% in rupee terms to Rs1,613.7 crore in Q1CY2008 and were below our estimate largely due to the poor performance across the key Western European countries, particularly Romania.
- The reported operating profit margin (OPM) expanded by 350 basis points to 15.8%, causing the reported operating profit of the company to grow by 33.8% year on year (yoy) to Rs255.20 crore. Further, on excluding the new drug discovery research (NDDR)-related research and development (R&D) expenses of Rs20.5 crore during the quarter, the margin would have stood at 17.1%.
- The reported net profit of Rs136.5 crore was in line with our estimate but was boosted significantly by an extraordinary income of Rs89.5 crore (pre-tax) received from the sale of surplus land and buildings. Adjusting for the extraordinary income and the NDDR-related R&D, the net profit of the company stood at ~Rs83 crore. The same was significantly below our estimate primarily due to a higher than expected translation loss of Rs79.8 crore incurred during the quarter.
- At the current market price of Rs477, Ranbaxy is discounting its CY2008E base earnings (excluding the first-to-file [FTF] opportunities) by 22.3x and its CY2009E base earnings by 19.5x. We maintain our Buy recommendation on the stock with a sum-of-the-parts price target of Rs625 (Rs490 per share for the base business and Rs135 per share for the FTF opportunities: Imitrex, Valtrex, Nexium, Flomax and Lipitor).

For further details, please visit the Research section of our website, sharekhan.com

Reliance Industries

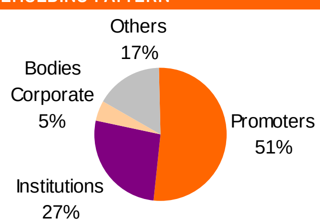
Evergreen | Buy; CMP: Rs2,577 | April 23, 2008

Q4 results in line with expectations

COMPANY DETAILS

Price target:	Rs3,025
Market cap:	Rs359,297 cr
52 week high/low:	Rs3252/1505
NSE volume (No of shares):	35.3 lakh
BSE code:	500325
NSE code:	RELIANCE
Sharekhan code:	RIL
Free float (No of shares):	67.8 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

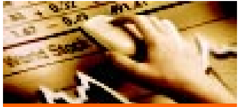
(%)	1m	3m	6m	12m
Absolute	20.8	10.6	8.2	69.1
Relative to Sensex	7.9	10.1	13.3	38.8

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

RESULT HIGHLIGHTS

- Reliance Industries Ltd (RIL) has reported a growth of 35.8% yoy in its stand-alone revenues to Rs37,286 crore for Q4FY2008. In terms of segments:
  - The refining division grew by 36.4% yoy to Rs28,686 crore.
  - The petrochemical division grew by 12.3% yoy to Rs14,119 crore, driven largely by the growth in volumes.
  - The exploration and production (E&P) division grew by 51.1% to Rs828 crore.
- The OPM during the quarter declined by 270 basis points yoy and by 80 basis points quarter on quarter (qoq) to 16.1% in Q4FY2008 primarily due to higher crude oil prices. The gross refining margin (GRM) for the company increased marginally on a sequential basis from US$15.4 per barrel to US$15.5 per barrel.
- The company's net profit increased by 24% yoy to Rs3,912 crore during Q4FY2008 from Rs3,156 crore during the same quarter last year.
- For FY2008, the consolidated net sales grew by 19.5% to Rs137,147 crore. The consolidated net profit (after excluding exceptional items) grew by 26.9% to Rs15,326 crore. The exceptional item of Rs 4,733 crore represents gains primarily arising out of transactions concerning Reliance Petroleum Ltd (RPL) shares.
- During the year, RIL made nine new discoveries in its offshore E&P blocks. It also achieved 90% overall progress in the implementation of RPL's complex refinery. Reliance Retail today operates over 590 stores in 57 cities, spanning over 3.5 million square feet of trading space across 13 states.
- Currently the stock is trading at 14.5x FY2010E consolidated earnings and EV/EBIDTA of 11.1x. We maintain our Buy recommendation on the stock with a price target of Rs3,025.

For further details, please visit the Research section of our website, sharekhan.com



STOCK UPDATE

Satyam Computer Services

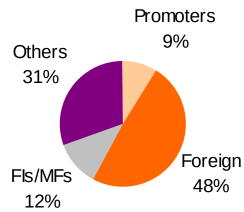
Apple Green	Buy; CMP: Rs459	April 21, 2008

Healthy guidance for FY2009

COMPANY DETAILS

Price target:	Rs505
Market cap:	Rs30,799 cr
52 week high/low:	Rs522/305
NSE volume (No of shares):	27.7 lakh
BSE code:	500376
NSE code:	SATYAMCOMP
Sharekhan code:	SATYAM
Free float (No of shares):	30.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	28.0	25.8	3.0	3.7
Relative to Sensex	15.0	50.2	16.6	-15.2

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

RESULT HIGHLIGHTS

- The consolidate revenues of Satyam Computer Services (Satyam) grew by 10.0% quarter on quarter (qoq) to Rs2,416 crore in Q4FY2008. In dollar terms, the revenues grew by 9.0% qoq to US$613.3 million during the quarter driven by volume growth of 8.8% sequentially.
- The operating profit margin (OPM) improved by 133 basis points qoq to 22.8% during the quarter primarily due to a better utilisation rate and an increase in the billing rates.
- The net income grew by 7.6% qoq to Rs466.8 crore, below our expectation of Rs485.9 crore. The net income was lower primarily due to a lower than expected other income of Rs23 crore following foreign exchange (forex) losses of Rs46 crore in Q4FY2008.
- For FY2009 the company has guided to a revenue growth of 23.9% to 25.9% in rupee terms; and the earnings are expected to grow at 17-19% during the same period.
- In Q1FY2009, the revenues and EPS are guided to grow to Rs2,500-2,512.5 crore and Rs7.64-7.68 respectively, implying a sequential growth of 3.5-4.0% in the top line and of 9.7-10.2% in the EPS.
- We have revised downward our earnings estimate for FY2009 by 0.2%. We have also introduced our earnings estimate for FY2010 in this note and expect it to grow by 7.7%. We maintain our Buy recommendation on the stock with a price target of Rs505.

For further details, please visit the Research section of our website, sharekhan.com

SEAMEC

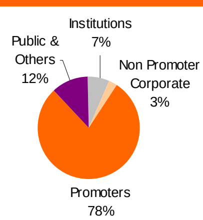
Ugly Duckling	Buy; CMP: Rs172	April 30, 2008

Price target revised to Rs253

COMPANY DETAILS

Price target:	Rs253
Market cap:	Rs583 cr
52 week high/low:	Rs304/125
NSE volume (No of shares):	61,852
BSE code:	526807
NSE code:	SEAMECLTD
Sharekhan code:	SEAMECLTD
Free float (No of shares):	0.74 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	20.6	-16.4	-19.1	-9.4
Relative to Sensex	13.5	-13.1	-7.2	-28.2

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

RESULT HIGHLIGHTS

- As expected, the revenues during the quarter declined by 37.9% year on year (yoy) to Rs34.9 crore from Rs56.1 crore due to lesser deployment of vessels. During the quarter, SEAMEC II was completely out of operations for repair work, while SEAMEC IV (Princess) began its operations from March 2008.
- The company registered a 65.1% decline in the operating profit at Rs9.4 crore as against the operating profit of Rs27.1 crore during Q1CY2007. The company incurred one-time expenses with provision for doubtful debts of Rs13.1 crore and a dry-docking expense of Rs6.6 crore for SEAMEC II during the quarter. The net profit during the quarter declined by 89% to Rs2.7 crore.
- SEAMEC III will be out of operations due to statutory dry-docking during Q2CY2008 and SEAMEC II will begin its post-repair operations by the end of May 2008. In such scenario, the company is expected to continue its poor run during Q2CY2008. However, we believe the worst is behind us, as all the four vessels are expected to be fully-deployed during H2CY2008 and CY2009. In addition, the management has hinted to acquire a new vessel in the begining of the next year.
- At the current market price, the stock trades at 6.7x CY2008 and 5.4x CY2009 estimated earnings. We maintain our Buy recommendation on the stock with a revised price target of Rs253 (8x CY2009 earnings).

For further details, please visit the Research section of our website, sharekhan.com

SKF India

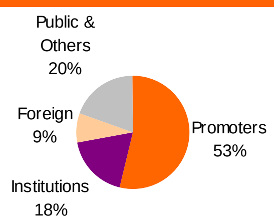
Apple Green | Buy; CMP: Rs306 | April 23, 2008

Price target revised to Rs424

COMPANY DETAILS

Price target:	Rs424
Market cap:	Rs1,614 cr
52 week high/low:	Rs515/264
NSE volume (No of shares):	30,712
BSE code:	500472
NSE code:	SKFINDIA
Sharekhan code:	SKFBEAR
Free float (No of shares):	2.5 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	11.2	-5.2	-14.2	-13.5
Relative to Sensex	-0.6	-5.6	-10.1	-29.1

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

RESULT HIGHLIGHTS

- SKF India's Q1CY2008 results are slightly below our expectations due to lower than expected margins. Its net sales grew by 9% to Rs392.1 crore during the quarter, which we believe was primarily by strong industrial sales.
- The operating profit margin (OPM) declined by 170 basis points year on year (yoy) to 15.1%. The margin dropped yoy due to higher prices of raw materials, particularly steel. Consequently, the operating profit declined by 2.3% to Rs59.1 crore.
- As a result of a higher other income the net profit grew by 3% to Rs37.8 crore against our expectations of Rs41.9 crore.
- SKF India is expanding its capacity by setting up a greenfield plant at Haridwar, Uttarkhand at a cost of Rs150 crore. The project is expected to be completed by the end of this year.
- On the back of slower growth expected in automobiles this year, and margin pressures due to a continued surge in the raw material prices, we are downgrading our CY2008E earnings estimates by 9% to Rs32 and CY2009E earnings by 10% to Rs35.4.
- At the current market price of Rs306, the stock discounts its CY2009E earnings by 8.7x and its CY2008E earnings before interest, depreciation, tax and amortisation (EBIDTA) by 4.1x. We maintain our Buy recommendation on the stock with a revised price target of Rs424.

For further details, please visit the Research section of our website, sharekhan.com

Tata Chemicals

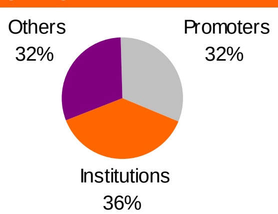
Ugly Duckling | Buy; CMP: Rs288 | April 01, 2008

GCIP acquisition to be earnings accretive

COMPANY DETAILS

Price target:	Rs535
Market cap:	Rs6,195 cr
52 week high/low:	Rs420/187
NSE volume (No of shares):	4.7 lakh
BSE code:	500770
NSE code:	TATACHEM
Sharekhan code:	TATACHEM
Free float (No of shares):	14.7 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

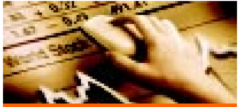
(%)	1m	3m	6m	12m
Absolute	-14.8	-31.9	-6.0	40.2
Relative to Sensex	-4.2	-11.8	3.7	16.0

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

The key takeaways from the conference call are presented below:

- Post acquisition o GCIP, TCL will hold 75% stake in the General Chemical Soda Ash Partners Inc (GCSAP), the subsidiary of GCIP that has mining rights in Wyoming region.
- During CY2007, GCSAP expects to produce around 2.5 mmtpa of natural soda ash generating revenue of $375 million. The production cost at Wyoming is much lower at $65-70 per tonne as against $120-130 per tonne through the synthetic route.
- Higher input costs of coke and coal are likely to keep soda ash prices firm in mid term. The contract prices are likely to be revised at a much higher rate with spot prices hovering at around $300-350 per tonne,.
- TCL has funded the GCIP acquisition through the sale of investments worth $150 million and the debt of $850 million. The company has issued external commercial borrowing (ECB) worth $500 million at the cost of LIBOR +1.35% (which works out to 4.25% in fully hedged rupee terms) on its own balance sheet, while an SPV would hold the remaining $350 million of the bridge loan for a six-month period, which will be subsequently converted into a term loan.
- The projected debt-equity ratio of 1:1.3 will not excessively strain the balance sheet. Moreover, the company has the option to further monetise the investments on its books to service the debt.

For further details, please visit the Research section of our website, sharekhan.com



STOCK UPDATE

Tata Consultancy Services

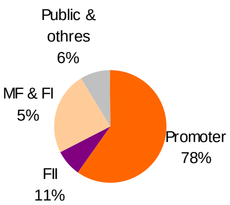
Evergreen	Buy; CMP: Rs887	April 22, 2008

Price target revised to Rs1,079

COMPANY DETAILS

Price target:	Rs1,079
Market cap:	Rs86,769 cr
52 week high/low:	Rs1,300/730
NSE volume (No of shares):	9.6 lakh
BSE code:	532540
NSE code:	TCS
Sharekhan code:	TCSCONS
Free float (No of shares):	21.9 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	22.4	19.9	-9.9	-20.0
Relative to Sensex	9.7	26.0	-5.6	-34.2

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

RESULT HIGHLIGHTS

- Tata Consultancy Services (TCS) consolidated revenues grew 2.9% quarter on quarter (qoq) to Rs6,094.7 crore in Q4 FY2008 primarily due to a volume growth of 4.8% and rupee depreciation of 1.1%. However, the revenues during the quarter were adversely affected by a 1.6% decline in the blended realisation and a 1.4% decline due to a change in the revenue mix (following a higher offshore proportion).
- The operating profit margin (OPM) declined by 118 basis points to 25.5% sequentially. The OPM was dented by lower blended realisation and an increase in the overhead cost as a percentage of sales.
- The other income declined sharply by 25.4% qoq to Rs78.1 crore. Consequently, the net income fell by 5.6% qoq to Rs1,255.9 crore, below our expectation of Rs1,377.7 crore.
- The performance was largely dented by a slowdown in the business from two of its top clients (from the banking and financial services domain) and project delays in the other verticals in the last quarter. The stock is expected to under-perform in the near term.
- We have revised our earnings estimate for FY2009 down by 5.0%. We have also introduced our FY2010 earnings estimate in this note and expect the company's earnings to grow at 6.4%.. We maintain our Buy recommendation on the stock with a revised price target of Rs1,079.

For further details, please visit the Research section of our website, sharekhan.com

Tata Motors

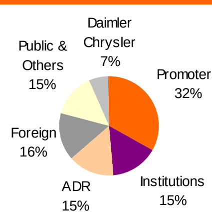
Apple Green	Hold; CMP: Rs629	April 03, 2008

Conference call highlights

COMPANY DETAILS

Price target:	Rs792
Market cap:	Rs25,493 cr
52 week high/low:	Rs840/535
NSE volume (No of shares):	13.8 lakh
BSE code:	500570
NSE code:	TATAMOTORS
Sharekhan code:	TATAMOTORS
Free float (No of shares):	19.9 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-8.9	-19.7	-17.5	-2.8
Relative to Sensex	1.6	4.3	-9.4	-23.9

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

In a post Jagaur-Land Rover acquisition conference call, the management of Tata Motors discussed some of the details of the deal along with the future product pipeline of both the brands. The key highlights of the conference call are presented below:

- As announced earlier, Tata Motors has entered into a definitive agreement with Ford Motor Company (Ford) to buy Jaguar and Land Rover (JLR) for $2.3 billion in an all-cash deal.
- Tata Motors will fund this purchase with a bridge loan of $3 billion for 15 months, which has been guaranteed by Tata Motors.
- On completion of the deal, Ford will contribute $600 million towards JLR pension plans, which covers bulk of the outstanding liability as on October 31, 2007.
- Both the brands are believed to have a pretty strong product pipeline. Land Rover, which is already profitable, is entering newer markets like Russia and China from where it sees strong growth. Jaguar too has a healthy product portfolio going forward. Its recently unveiled vehicle Jaguar XF has received favourable reviews and has already got 15,000 orders before its launch.
- The company is also looking to enter into newer markets such as Russia, China and the Middle East from where it expects strong growth.
- As discussed in our previous update, we do not find any synergy between Tata Motors' brands and JLR. Further, the acquisition would have a negative impact on the balance sheet and earnings of Tata Motors in short term.
- Based on our assumptions, we feel that the deal is likely to lead to an equity dilution of about 10%. Taking into account the impact of the interest cost as a result of this deal along with the dilution, the consolidated estimates for FY2009 are likely to be downgraded by 17.5% to Rs52.09. We maintain our Hold recommendation on the stock.

For further details, please visit the Research section of our website, sharekhan.com

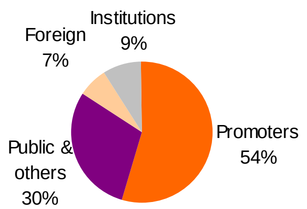
UltraTech Cement

Ugly Duckling | Buy; CMP: Rs793 | April 24, 2008

COMPANY DETAILS

Price target:	Rs975
Market cap:	Rs9,870 cr
52 week high/low:	Rs1,165/731
NSE volume (No of shares):	83,950
BSE code:	532538
NSE code:	ULTRACEMCO
Sharekhan code:	ULTRACEM
Free float (No of shares):	5.7 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	5.9	9.6	-19.3	-1.8
Relative to Sensex	-5.4	9.1	-15.4	-19.4

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

Price target revised to Rs975

RESULT HIGHLIGHTS

- The Q4FY2008 results of UltraTech Cement (UltraTech) are in line with our expectations. The company has reported a top line growth of 9.3% year on year (yoy) to Rs1,601.6 crore, mainly on account of 14.3% yoy higher realisation to Rs3,323 per tonne.
- The operating profit margin (OPM) for the quarter improved by 260 basis points yoy to 30.5% mainly on account of higher cement prices. The earnings before interest, depreciation, tax and amortisation (EBIDTA) per tonne for the quarter stood at Rs1,013, higher by 25% yoy. However, on a sequential basis, the EBIDTA per tonne was down by 6.7% as the increase in the cost was higher compared with the increase in the cement prices.
- For the quarter, the company has reported profit after tax (PAT) of Rs282.8 crore, up 22.2% yoy.
- For FY2008, the stand-alone net sales stood at Rs5,509.2 crore, up 12.2% yoy. The operating profit stood at Rs1,720.1 crore, up 21.3% yoy, and the PAT stood at Rs1,007.61 crore, up 28.8% yoy.
- The company has announced a dividend of Rs5 per share.
- At the current market price of Rs793 the stock is trading at 9.6x our FY2009 earnings per share (EPS) estimate and at 11.1x our FY2010 EPS estimate. On an enterprise value (EV) per tonne basis, UltraTech is trading at $122 based on the FY2009 capacities and at $101 based on the FY2010 expanded capacities. We maintain our Buy recommendation on the stock with a revised price target of Rs975.

For further details, please visit the Research section of our website, sharekhan.com

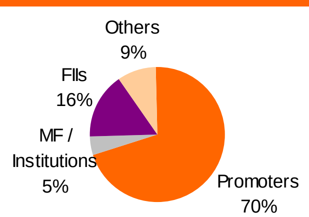
Unity Infraprojects

Ugly Duckling | Buy; CMP: Rs581 | April 09, 2008

COMPANY DETAILS

Price target:	Rs970
Market cap:	Rs777 cr
52 week high/low:	Rs1,120/364
NSE volume (No of shares):	44,169
BSE code:	532746
NSE code:	UNITY
Sharekhan code:	UNITYINFRA
Free float (No of shares):	40.8 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-8.0	-43.1	-11.1	30.6
Relative to Sensex	-5.7	-23.8	-0.4	6.7

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

Two new orders in kitty

New orders worth Rs222 crore

Unity Infraprojects (Unity) has bagged two new orders worth Rs222 crore. The first order totaling Rs133.6 crore is for the construction of a mall and a hotel, whereas the second order worth Rs88.3 crore is for the construction of five towers with basement and a podium. With these two orders, the company has bagged orders worth around Rs450 crore in Q4FY2008. This implies its current order book stands at Rs2,425 crore at the end of March 2008, which is a growth of 21.4% year on year (yoy).

Strong Q4FY2008 ahead

We expect Unity's revenues to grow at 52.2% yoy to Rs272.6 crore and its net income to grow at 58.4% yoy to Rs17.8 crore on account of better execution of projects. This will lead to a 48.2% year-on year (y-o-y) growth in its top line to Rs805 crore and a 28.9% y-o-y growth in its bottom line to Rs57 crore in FY2008. These are slightly higher than our earlier estimates.

Attractive valuation

At the current market price, the stock is trading at 6.2x FY2009 earnings and 4.9x FY2010 earnings estimates after adjusting for the real estate and water supply projects. We continue to value the stock using the sum-of-the-parts valuation method and maintain our Buy recommendation on the stock with a price target of Rs970.

For further details, please visit the Research section of our website, sharekhan.com

Wipro

Apple Green | Buy; CMP: Rs453 | April 21, 2008

Price target revised to Rs525

COMPANY DETAILS

Price target:	Rs525
Market cap:	Rs66,279 cr
52 week high/low:	Rs580/325
NSE volume (No of shares):	8.1 lakh
BSE code:	507685
NSE code:	WIPRO
Sharekhan code:	WIPRO
Free float (No of shares):	30.0 cr

SHAREHOLDING PATTERN

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	29.7	-0.7	-5.6	-19.5
Relative to Sensex	16.5	18.6	7.0	-34.2

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

RESULT HIGHLIGHTS

- Wipro's global information technology (IT) service business grew by 5.4% quarter on quarter (qoq) to Rs3,789.9 crore (under US GAAP) for Q4FY2008. In dollar terms, the revenues grew by 5.4 % qoq to US$959.4 million during the quarter.
- The global IT service division's operating profit margin (OPM) declined by 20 basis points to 20.5% in Q4FY2008. This was despite the fact that the company had hiked the onsite wages during the quarter (by 3-4% with effect from January 2008), which had an adverse impact of 100 basis points. However, the impact was mitigated by the improvement in the utilisation rate, and a significant improvement in the margin of the recently acquired Infocrossing.
- Wipro's consolidated revenues grew by 6.9% qoq to Rs5,595.4 crore and net income grew by 6% qoq to Rs875.4 crore during the quarter. The growth rate in the net income was lower than the operating profit growth rate primarily due to foreign exchange (forex) losses of Rs35 crore.
- For Q1FY2009, the company has guided revenues of US$988 million for the global IT service division and of US$1060 million for the combined IT service business (global plus India and Asia-Pacific).
- We have revised our FY2009 earnings estimate upward by 2.7% and also introduced the FY2010 estimate in this note. We maintain our Buy recommendation on Wipro with a revised price target of Rs525.■

For further details, please visit the Research section of our website, sharekhan.com

Zee News

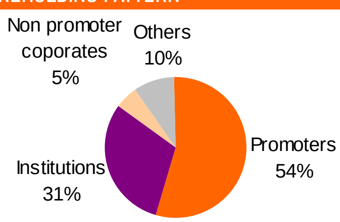
Emerging Star | Buy; CMP: Rs55.6 | April 16, 2008

On a roll

COMPANY DETAILS

Price target:	Rs79
Market cap:	Rs1,333 cr
52 week high/low:	Rs92/38
NSE volume (No of shares):	11.3 lakh
BSE code:	532794
NSE code:	ZEENEWS
Sharekhan code:	ZEENEWS
Free float (No of shares):	11.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	28.3	-21.0	-1.3	41.2
Relative to Sensex	25.1	-1.0	16.2	15.9

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

RESULT HIGHLIGHTS

- Zee News Ltd (ZNL) has delivered a blow-out performance for Q4FY2008. The revenues from its operations grew by a robust 59.1% year on year (yoy) to Rs113.1 crore in the quarter. The net profit after minority interest zoomed multifold to Rs15.3 crore during the same period.
- The advertising revenues soared by 84% yoy to Rs86 crore, while the subscription revenues that had grown by a meagre 7.6% in M9FY2008 grew by 49.7% yoy and 36.3% quarter on quarter (qoq) to Rs22 crore. A break-up of its channels into existing and new businesses shows that the revenues from the existing businesses grew by a handsome 53% yoy, whereas the new businesses recorded a 153% growth in their revenues.
- The operating profit margin (OPM) for the quarter stood at 23.7% against –1.3% for Q4FY2007. Hence the operating profit grew to Rs26.8 crore against an operating loss of Rs0.9 crore in Q4FY2007.
- *Zee Telugu* and *Zee Kannada*, which form a part of the new businesses, increased their market share to ~10.5% against 6% and 4.5% earlier. We believe that with the continuous gain in viewership the new businesses would break even by the end of FY2009. The company will launch *Zee Tamil* by the end of July 2008
- At the current market price of Rs55.6, ZNL discounts its FY2009E and FY2010E earnings per share (EPS) by 23.7x and 18.1x respectively. We maintain a Buy recommendation on the stock with a price target of Rs79.■

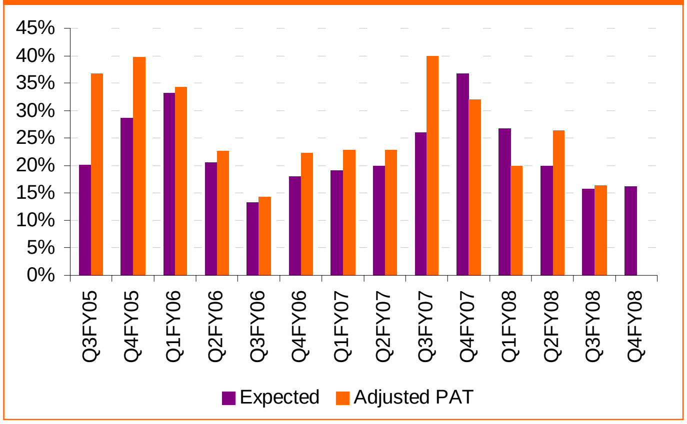
For further details, please visit the Research section of our website, sharekhan.com

Q4FY2008 earnings preview

KEY POINTS

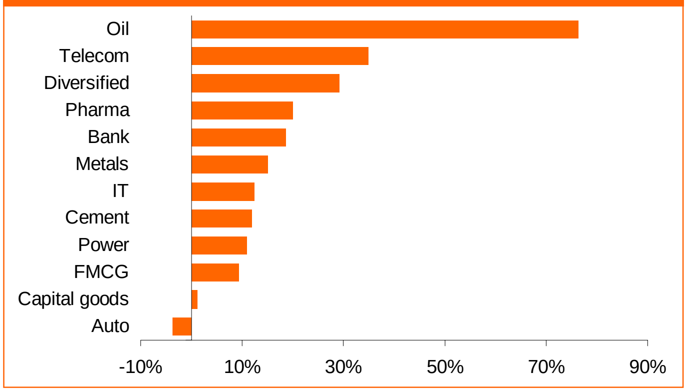
- The earnings of the Sensex companies are likely to grow by 22.2% year on year (yoy) and 2.4% quarter on quarter (qoq) in Q4FY2008. Excluding ONGC and DLF, the earnings are expected to grow by 16.2% yoy and 3.6% qoq. The estimated earnings growth is expected to be relatively much slower than the growth witnessed in the previous few quarters and indicates moderation in the overall growth momentum.
- The report card of banking and capital goods companies will undergo extensive scrutiny following the series of negative developments recently.
- The expected 22.2% year-on-year growth would mainly be achieved on the back of the high growth in the oil & gas sector (76.2% yoy) and the telecom sector (34.9% yoy) while the automobile sector is expected to act as a drag on the Sensex' earnings.
- The Q4FY2008 performance gains all the more important against the backdrop of a deterioration in the macro environment, ie soaring headline inflation, a dip in the industrial production during January 2008, lower automobile sales and losses from foreign exchange (forex) derivatives. These factors have been discussed in detail later.
- Some of the sectors have been facing tough challenges: Cement (high fuel cost), fast moving consumer goods (FMCG; higher raw material cost) and capital goods (capacity constraints).
- In light of all this, we anticipate further moderation in the earnings growth. The Reserve Bank of India (RBI) and the finance minister have taken cognisance of the fears of a slowdown. However, the macro situation does not offer easy solution for stimulating growth because inflation (7.4% as on March 29th) is already well above the RBI's target rate of 5%.
- On the positive side, the Union Budget has spelled out multiple measures to stimulate consumption and investments. For instance, the loan waiver scheme and tax slab restructuring are likely to give a major boost to consumption, though in the medium to longer term.

QUARTERLY EARNINGS GROWTH TREND



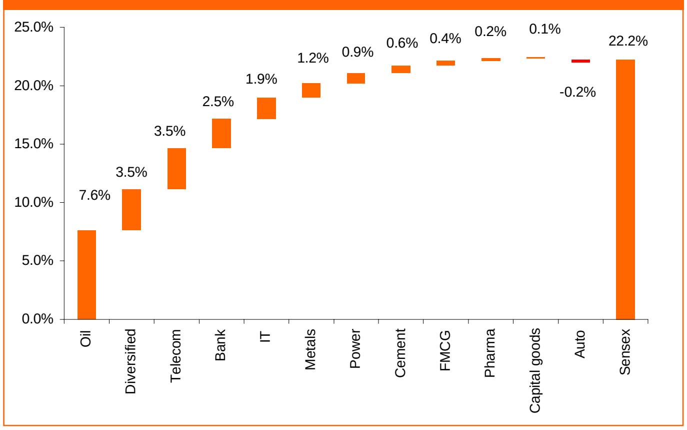
Source: Sharekhan Research

SECTOR EARNING GROWTH IN Q4



Source: Sharekhan Research

SECTOR-WISE CONTRIBUTION TO SENSEX' EARNINGS GROWTH



Source: Sharekhan Research

Earnings growth ex-DLF

Monetary policy review

CRR hiked by 25 basis points, interest rates remain unchanged

The Reserve Bank of India (RBI) has kept key interest rates like the reverse repo rate, the repo rate and the bank rate unchanged in the annual monetary policy review for the year 2008-09. The cash reserve ratio (CRR) has been hiked by 25 basis points to 8.25%. The policy focuses on maintaining price stability and controlling inflation, while sustaining the growth momentum. The salient features of the monetary policy are as follows:

- The repo rate and the reverse repo rate have been kept unchanged at 7.75% and 6% respectively. The bank rate has been kept unchanged at 6%.
- The CRR has been hiked from 8% to 8.25%. This will suck out an additional Rs 9,250 crore from the banking system. The earlier CRR hike announced on April 17, 2008 had raised the CRR to 8% in two stages—a 25-basis point rise on April 26, 2008 followed by a 25-basis point hike on May 10, 2008. The CRR hike announced today will be effective on May 24, 2008.

Inflation target set at 5.5%

Inflation stood at 7.4% at the end of March 2008 compared with 5.9% an year ago. This rise in the inflation rate was mainly due to supply side pressures, such as the increase in the domestic fuel prices to partially offset the rising crude oil prices, the rising oilseed prices and the adjustment in steel prices.

Assuming supply management to be conducive, RBI's policy is to bring down the inflation rate from the current high level of above 7% to around 5-5.5% as soon as possible. Any further monetary tightening steps would be taken based on the impact of the recent CRR hikes and that of the monsoon on the inflationary trend.

Moreover, liquidity management would remain the top priority. The target for the growth in money supply (M3) has been moderated to 16.5%-17% during 2008-09. This is keeping in view of a strong growth of over 20% in M3 during the past few years.

GDP growth projection of 8-8.5% for 2008-09

The gross domestic product (GDP) growth rate is pegged at 8-8.5% for 2008-09, against the expectations of a 8.7% growth rate in 2007-08. This is against the backdrop of the global GDP growth, which is expected to slow down from 4.9% in 2007 to 3.7% in 2008. Accordingly, the non-food credit growth projection has been lowered to 20% in 2008-09 against 22.3% in 2007-08. The bank deposits are projected to increase by around 17% in 2008-09 against 22.2% in 2007-08. The RBI has moderated these parameters considering the outlook on growth and inflation.

IMPACT ANALYSIS FOR BANKS

Below, we present our take on the likely impact of the measures spelled out in the monetary policy on banks.

CRR hike to hurt bottom line, but to a limited extent

The RBI has announced a 25-basis point hike in CRR, which is likely to mop up liquidity to the tune of Rs9,250 crore. This implies a loss of opportunity for banks, as they would be able to deploy lesser portion of their deposits in high-yielding products.

Considering the 50-basis point hike announced previously along with the 25-basis point hike announced in the monetary policy, nearly Rs27,750 crore will be sucked out from the banking system. Cumulatively, the 75-basis point hike in CRR is estimated to pressurise NIMs by 5-6 basis points and adversely impact the bottom lines of banks by 2.5-4.5%. However, the eventual impact will depend on how the following factors play out in the future.

- **Lower deposit rates:** Deposit rates continue to remain at their peak levels. Moreover, the recent prime lending rate reduction by major public sector banks may prompt them to lower their deposit rates considering the approaching slack season. Any reduction in the cost of funds by way of lower deposit rates or retirement/repricing of bulk deposit rates would help banks limit the impact of the CRR hike on their profitability.
- **Hike in lending rates:** Another distinct possibility is hike in lending rates, as the banks would increase efforts to protect their margins. However, the scope of increasing the lending rates any further is capped due to already peak lending rate levels and moderating credit growth.

NPA classification norms for infrastructure financing relaxed

In response to requests by many banks, the regulator has relaxed norms pertaining to the classification of infrastructure related non-performing assets (NPAs). According to the new norms, if the date of completion of infrastructure project is delayed beyond two years (as against the current norm of one year), the account should be treated as sub-standard. This should help the banks engaged in infrastructure financing, as they would be able to improve their asset quality and reduce provisioning.

Expanded limit for lower risk weights on housing loans

The monetary policy has increased the limit of housing loans from Rs20 lakh to Rs30 lakh for applicability of reduced risk weights at 50%. The measure is likely to spur demand for housing loans provided the benefit is passed on to the end-consumer.

Moderation in credit growth

The monetary policy has set out a targeted non-food credit growth of ~20% for the current fiscal. The 20% growth target is lower compared to the 24-25% target set for the last fiscal. The lower targeted credit growth implies RBI's intention to check inflation and inflationary expectations at the cost of moderating the economic growth. The resulting moderation in the credit growth is likely to intensify competition among banks. We believe private sector banks would be less impacted vis-à-vis public sector banks.

Review of norms on off-balance sheet items on anvil

Against the backdrop of ongoing turmoil in credit markets worldwide, especially in the USA, the RBI has expressed plans to review the current norms relating to conversion factors, risk weights and provisioning requirements for specific off-balance sheet exposures of banks. The regulator plans to release the new norms by May 15, 2008.

Priority lending bracket tinkered

The monetary policy will allow banks to classify 100% of their outstanding credit under General Credit Card from 50% earlier. Also, the policy will allow them to classify overdrafts up to Rs25,000 against 'no-frills' accounts in rural and semi-urban areas as indirect finance to agriculture under the priority sector.

Sharekhan's top equity fund picks

The going was not easy for the market last month. Besides having to grapple with the ever-deepening global financial market crisis, it also had to deal with a sudden surge in inflation in domestic economy and the unearthing of huge foreign exchange derivatives losses of Indian corporates. Poor macro numbers, especially a drop in industrial production, compounded the market's misery no doubt. Liquidity was also hard to come by, what with foreign institutional investors (FIIs), the main drivers of the market in the current bull run, continuing to sell. The FIIs were net sellers of equities worth Rs879 crore in March this year, while the domestic mutual funds offloaded equities worth Rs1,848 crore in the month. The market lost 1,033 points or11% in March.

The financial crisis sparked by the collapse of the USA's subprime mortgage market seems to be getting worse with the biggest of global financial companies continuing to announce credit losses/writedowns. Bear Stearns Co had to be sold to JPMorgan Chase & Co for a fraction of its value when a run on it wiped out its cash reserves in two days. On the other hand, even after reporting huge writedowns, firms like UBS AG and Lehman Brothers announced plans to raise capital, thus diminishing concerns that these institutions might also meet a fate similar to that of Bear Stearns Co. Many are even thinking that the end of the financial turmoil that began last year may be nigh.

As for the US economy, the financial mess there is now being compared with the Great Depression of the 1930s. US Federal Reserve (Fed) chief, Ben Bernanke, has finally admitted that the USA might be going into recession. The Fed is trying everything possible to rejuvenate the US economy and reduce the damages from the collapse of the subprime mortgage market by announcing aggressive rate cuts and injecting liquidity into the financial system. It is hoped that the rate cuts along with the other measures would help promote growth over time.

Meanwhile, due to the depreciation in the US Dollar against the other major global currencies, commodity prices have been rallying globally for the past two months as investors are buying commodities as a hedge against inflation. Thus crude oil remains perched above $100 levels, though its fundamentals don't appear bullish.

In India, inflation has risen to 7.41% for the week ended March 29, 2008, the highest in three years. Given that the country is going to the polls next year, we can expect the government to leave no stone unturned in its attempt to rein in inflation. In fact, the battle against inflation has already begun and the government has announced several measures to bring down prices like banning the export of cement and steel and reducing the import duty on edible oil. Further tightening of the central bank's monetary policy also cannot be ruled out. In fact, the market is already rife with expectations of a hike in the cash reserve ratio and/or repo rates. Tightening of the monetary policy would further moderate the growth in the economy.

Growth in the economy has already moderated due to the persistently high cost of funds, as cited by the slowdown in the industrial production, which rose by 9% in the April 2007-February 2008 period (as against an 11.2% rise in the comparable period last year). Many economists and global institutions have scaled down India's gross domestic product growth estimate for FY2009 to the 7.5-8% range from the earlier 8-8.5%. Unfortunately, the government seems prepared to sacrifice growth at the altar of inflation.

On the other hand, things may not have to come to such a pass for past trends show that inflation usually spikes in March when the money supply is high and subsides in the subsequent months. We might get some respite from the soaring prices of vegetables, fruits and other food items in the latter part of April once the fresh rabi crop hits the market. However, inflation cannot be conquered as long as commodity prices in global markets remain high. Well, the global commodity market has been rallying for the past few months and could witness unwinding on profit bookings. That's because the inflationary expectations are likely to mellow, given the severe downturn in the world's largest economy.

The fourth quarter results of Indian companies to be announced this month would be equally critical. Following a change in accounting norms companies now need to disclose their losses arising out of derivatives contracts. These losses are estimated at $3 billion. Looking at the brighter side of things, according to the finance ministry, in the fourth quarter tax collections of the top 100 companies rose by 35% to around Rs20,000 crore. Buoyant advance tax collections show companies' profitability improved significantly in the fourth quarter and they are likely to report good results for the period. If corporates manage to report an 18-20% earnings growth as expected, it would be quite satisfactory given the market's current valuation of 15x. Any lower than expected earnings would however depress sentiments further.

We have identified the best equity-oriented schemes available in the market today based on the following 3 parameters: the past performance as indicated by the one and two year returns, the Sharpe ratio and Fama (net selectivity).

The past performance is measured by the one and two year returns generated by the scheme. Sharpe indicates risk-adjusted returns, giving the returns earned in excess of the risk-free rate for each unit of the risk taken. The Sharpe ratio is also indicative of the consistency of the returns as it takes into account the volatility in the returns as measured by the standard deviation.

FAMA measures the returns generated through selectivity, ie the returns generated because of the fund manager's ability to pick the right stocks. A higher value of net selectivity is always preferred as it reflects the stock picking ability of the fund manager.

We have selected the top 10 schemes upon ranking on each of the above 4 parameters and then calculated the mean value of each of the 4 parameters for the top 10 schemes. Thereafter, we have calculated the percentage underperformance or over performance of each scheme (relative performance) in each of the 4 parameters vis a vis their respective mean values.

For our final selection of schemes, we have generated a total score for each scheme giving 30% weightage each to the relative performance as indicated by the one and two year returns, 30% weightage to the relative performance as indicated by the Sharpe ratio and the remaining 10% to the relative performance as indicated by the FAMA of the scheme.

All the returns stated below, for less than one year are absolute and for more than one year the returns are annualised.

We present below our recommendations in the equity-oriented mutual fund category.

AGGRESSIVE FUNDS

MID-CAP CATEGORY

Scheme Name	NAV	Returns as on Mar 31, 08(%)		
		3 Months	1 Year	2 Years
Standard Chartered Premier Equity	20.04	-27.97	53.35	24.93
Reliance Growth	333.74	-29.25	28.41	20.49
Birla Mid Cap	79.67	-30.54	32.51	17.85
Sundaram BNP Paribas Select Midcap	100.76	-33.27	16.86	15.54
SBI Magnum Midcap	24.36	-35.66	16.18	13.00
Indices				
BSE Sensex	15644.44	-22.88	19.56	17.74

OPPORTUNITIES CATEGORY

Scheme Name	NAV	Returns as on Mar 31, 08(%)		
		3 Months	1 Year	2 Years
Kotak Opportunities	37.72	-30.39	34.75	20.66
Standard Chartered Imperial Equity	14.64	-19.98	28.19	17.31
Fidelity Equity	24.15	-25.36	17.28	16.28
ABN AMRO Opportunities	23.94	-30.36	22.16	15.21
Tata Equity Opportunities	71.25	-30.44	28.62	15.17
Indices				
BSE Sensex	15644.44	-22.88	19.56	17.74

EQUITY DIVERSIFIED/CONSERVATIVE FUNDS

Scheme Name	NAV	Returns as on Mar 31, 08(%)		
		3 Months	1 Year	2 Years
HDFC Growth	62.15	-22.87	36.48	22.73
DWS Alpha Equity	65.55	-23.36	35.43	21.15
Birla SunLife Frontline Equity	61.62	-24.24	24.54	23.27
DSP Merrill Lynch Top 100 Equity	70.83	-25.03	28.11	21.38
HSBC Equity	88.38	-23.09	30.06	20.43
Sundaram BNP Paribas Select Focus	75.86	-30.24	32.10	21.14
Indices				
BSE Sensex	15644.44	-22.88	19.56	17.74

THEMATIC/EMERGING TREND FUNDS

Scheme Name	NAV	Returns as on Mar 31, 08(%)		
		3 Months	1 Year	2 Years
ICICI Prudential Infrastructure	26.92	-24.57	52.17	34.63
Tata Infrastructure	31.88	-27.93	44.50	26.10
Sundaram BNP Paribas CAPEX Opportunities	22.67	-31.64	43.68	23.28
JM Basic	26.42	-33.64	40.72	23.62
SBI Magnum COMMA	20.65	-30.96	43.42	20.77
DSP Merrill Lynch India Tiger	41.31	-31.07	30.78	22.84
Indices				
BSE Sensex	15644.44	-22.88	19.56	17.74

BALANCED FUNDS

Scheme Name	NAV	Returns as on Mar 31, 08(%)		
		3 Months	1 Year	2 Years
DSP Merrill Lynch Balanced	46.60	-19.95	25.27	16.91
SBI Magnum Balanced	40.67	-22.50	20.06	13.72
FT India Balanced	37.89	-18.61	17.85	15.98
Tata Balanced	59.16	-22.80	21.68	14.90
Birla SunLife 95	202.17	-23.78	17.06	14.36
Indices				
Crisil Balanced Fund Index	2842.64	-14.71	19.48	14.38

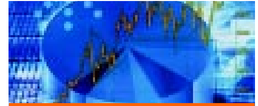
TAX PLANNING FUNDS

Scheme Name	NAV	Returns as on Mar 31, 08(%)		
		3 Months	1 Year	2 Years
Principal Personal Taxsaver	87.27	-31.15	31.75	19.01
Fidelity Tax Advantage	14.58	-25.59	19.76	16.29
Sundaram BNP Paribas	33.32	-28.95	27.19	15.2
Taxsaver				
PRINCIPAL Tax Savings	90.12	-34.32	23.73	15.03
Indices				
BSE Sensex	15644.44	-22.88	19.56	17.74

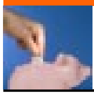
Every individual has a different investment requirement, which depends on his financial goals and risk-taking capacities. We at Sharekhan first understand the individual's investment objectives and risk-taking capacity, and then recommend a suitable portfolio. So, we suggest that you get in touch with our Mutual Fund Advisor before investing in the best funds. ■

For further details, please visit the Research section of our website, sharekhan.com

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



BANKING — APRIL 21, 2008



CRR hike to hurt sentiments

The Reserve Bank of India (RBI) has raised the cash reserve ratio (CRR) by 50 basis points to 8% to check inflationary expectations by sucking out excess liquidity from the system. The phased CRR hike will suck out Rs18,500 crore from the banking system. We present below the estimated impact of the action on banks.

NIM under pressure

The CRR hike translates into a loss of opportunity for banks as they would be able to deploy lesser portion of their deposits in the high-yielding products. Consequently, their net interest margin (NIM) is likely to face some pressure.
Our estimates indicate a possible decline of three to four basis points in the NIM for most of the banks.

Limited impact on bottom line

The eventual impact will depend on the following factors.

- **Liquidity:** The liquidity situation is unlikely to be a major threat for banks with it being the end of the busy season. In addition, the implementation of the farm loan waiver scheme and the timely execution of the Sixth Pay Commission's recommendations should infuse about Rs40,000 crore into the system.
- **Cost of funds:** Deposit rates continue to remain at their peak levels. Moreover, the recent prime lending rate (PLR) cuts by major public sector banks may prompt them to lower deposit rates, considering the approaching slack season. Any reduction in the cost of funds would help banks limit the impact of the CRR hike on their profitability.
- **Asset mix:** The CRR hike should prompt banks to revisit their asset mix in order to maintain their profitability levels. In our view, the banks should be able to finance credit in the slack season by reducing the excess investments, thereby limiting the negative impact of the CRR hike on their margins and profitability.

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CEMENT — APRIL 25, 2008

Robust growth

For the month of March the cement industry reported an 8.5% growth in dispatches to 16.4 million tonne in March 2008. The growth in dispatches was primarily driven by higher dispatches from northern region.

Shree Cement reported a growth of 59.7% in its dispatches to 0.8 million tonne on account of capacity additions carried out by it at regular intervals. The company increased its cement capacity to 9.1 million tonne at the end of March 2008.

Ambuja Cements reported growth of 16.4% in its dispatches to 1.7 million tonne. The high growth was on account of a low base effect.

ACC reported a 4.9% growth in its dispatches to 1.9 million tonne. Grasim Industries reported a 1.6% growth in its dispatches to 1.5 million tonne and UltraTech Cement reported a decline of 1.4% in its dispatches to 1.5 million tonne. The volume growth for the three players was affected by capacity constraints.

On the price front, in March last year, cement players had hiked the prices to pass on the burden of excise duty hike. Thus, due to a high base effect, the y-o-y growth in cement prices was subdued in most of the regions. On a y-o-y basis, the prices were up by 13.7% in Chennai, 9.6% in Mumbai, 5.1% in Delhi, 2.6% in Kolkata and 1.9% in Hyderabad. The movement in wholesale price index (WPI) of cement indicates that on an average, cement prices in India were up by 5% yoy.

Outlook

With the construction activity picking up across the country, we expect cement companies to show reasonable growth in their monthly dispatches. However the industry continues to face cost pressure, as the cost of fuel and power has gone up substantially. The pricing power of the industry will also be affected due to government intervention to check rising inflation and new capacity additions across the industry.

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INFORMATION TECHNOLOGY APRIL 29, 2008

Tax sops for STPIs extended by a year

- The information technology (IT) companies finally have something to cheer about. The finance minister has proposed to extend the tax concessions granted under sections 10A and 10B to the Software Technology Parks of India (STPIs) and the export-oriented units by a year. As per the new proposal, the sunset clauses, which were to expire in March 2009, would now expire in March 2010.
- No doubt, the entire sector stands to benefit from the extension of the tax exemptions, but in our view the mid-cap IT companies would benefit the most from the concession. The cost of setting up a special economic zone (SEZ) is very high and companies with a lower scale of operations find it difficult to set up shop in SEZs. The proposal to grant tax exemption to the STPIs will come as a great relief to these companies, especially when they are reeling under a slowdown in the USA and an appreciating local currency.
- For the front-line companies the shift to a higher tax rate would now be delayed by a year, ie their effective tax rate would now increase from FY2011 and not FY2010 as proposed earlier. As per the earlier schedule, the shift to a higher tax rate would have been sudden. However, the effective tax rate would now rise steadily because companies that are shifting more and more of their activities to SEZs from STPIs will now get an additional year to do so. For example, in the case of Infosys Technologies, the effective tax rate now is 13-14% for FY2009 and 20-22% for FY2010. But after the proposal to extend the tax sops by a year, the effective tax rate for Infosys Technologies would be 13-14% for FY2009, 16-17% for FY2010 and 18-19% for FY2011.
- Our estimate shows a likely increase of 5-7% in the FY2010 earnings estimates of the top five IT companies under our coverage. Tata Consultancy Services is likely to benefit the most from the tax concessions. However, we will revisit our estimates and target prices only after the proposals have been approved. At the current valuation, Satyam Computer Services remains our top IT pick.

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CHAMBAL FERTILISERS & CHEMICALS

VIEWPOINT | CMP: RS50 | APRIL 01, 2008

Expansion in shipping business to drive future growth

Fertiliser business

Chambal Fertilisers and Chemicals Ltd (CFCL) is the largest private sector manufacturer of urea in India. CFCL operates two state-of-the-art gas based urea plants of capacity 864,000 tpa each in Gadepan. CFCL markets urea under the brand name "Uttam Veer" through ten regional offices, a 1,000-strong dealer network and 14,000 village level outlets across nine states in northern and western India.

CFCL has one-third stake in Indo Maroc Phosphore SA Morocco (IMACID) that has phosphoric acid manufacturing capacity of 430,000tpa. The company is capable of increasing its existing urea capacity by 25-30% with an investment of Rs1,000 crore.

Shipping business

India Steamship, the shipping division of CFCL has one single hull and one double hull tankers. The company has plans to add three newly built double hull aframax by June 2008 and one more in March 2008.

Software business

CFCL's software arm, Novasoft IT Corporation, is engaged in mortgage business vertical and provides services to leading players like Freddie Mac. The company's growth strategy focuses on industry-leading consulting services, and on-shore BPO-KPO services.

Textile business

Birla Textile Mills (BTM) has the state-of-the-art unit of synthetic yarn with 37,248 spindles and a cotton yarn manufacturing facility of 39,744 spindles.

Foraying into power business

CFCL's fully owned subsidiary has received the approval for setting up an independent power plant of 1,100 megawatt (MW) in Chattisgarh for which coal mines are expected to get allotted. The company is also in the process of receiving similar approval from the Orissa state government for setting up of a 2,000MW thermal power plant.

Outlook

Future growth for CFCL will be primarily driven by shipping and power businesses. Currently CFCL trades at 9.3x its FY2009 earnings. On basis of SOTP valuation, we value the stock at Rs55per share thus providing limited upside from the current value.

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SHAREKHAN EARNINGS GUIDE

Prices as on May 02, 2008

Company	Price (Rs)	Sales FY07	Sales FY08E	Sales FY09E	Net Profit FY07	Net Profit FY08E	Net Profit FY09E	EPS FY07	EPS FY08E	EPS FY09E	(%) EPS Growth FY09/FY07	PE (x) FY07	PE (x) FY08E	PE (x) FY09E	ROCE (%) FY07	ROCE (%) FY08E	RONW (%) FY07	RONW (%) FY08E	DPS (Rs)	Div Yield (%)
Evergreen																				
HDFC	2774.8	2,229.4	3,053.2	3,893.5	1,572.8	1,944.2	2,590.7	62.2	68.4	90.3	21%	44.6	40.5	30.7	-	-	31.2	21.4	22.0	0.8
HDFC Bank	1540.4	5,225.8	7,511.0	9,705.0	1,141.9	1,590.2	1,978.1	35.8	44.9	55.8	25%	43.1	34.3	27.6	-	-	19.3	17.1	7.0	0.5
Infosys Tech	1787.5	13,893.0	16,692.0	20,382.7	3,726.0	4,659.0	5,446.1	66.9	79.3	95.2	19%	26.7	22.5	18.8	37.5	39.8	34.3	34.9	33.3	1.9
Larsen & Toubro	3135.1	20,515.3	28,361.8	38,248.4	1,805.0	2,493.7	3,669.2	61.8	85.4	125.7	43%	50.7	36.7	24.9	23.0	24.2	26.1	28.2	13.0	0.4
Reliance Ind	2674.8	113,770.1	137,147.0	137,858.6	12,075.0	15,326.0	20,912.3	83.1	105.5	132.9	26%	32.2	25.4	20.1	25.1	23.0	19.4	16.7	10.0	0.4
TCS	943.8	18,633.0	22,862.0	27,956.0	4,132.0	5,019.0	5,844.0	42.2	51.3	59.7	19%	22.4	18.4	15.8	39.5	34.7	45.2	38.2	14.0	1.5
Apple green																				
Aditya Birla Nuvo	1499.1	8,258.0	13,289.1	16,679.1	280.7	206.6	398.0	30.1	18.1	35.0	8%	49.8	82.8	42.8	7.4	3.6	10.0	5.5	5.0	0.3
Apollo Tyres	47.2	3,284.3	3,620.1	4,084.4	113.4	217.6	248.9	2.2	4.3	4.9	48%	21.1	10.9	9.6	17.6	23.2	11.9	16.9	0.5	1.0
Bajaj Holdings	735.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank of Baroda	319.0	4,750.8	5,964.5	6,952.0	1,026.5	1,541.3	1,745.0	28.1	42.2	47.7	30%	11.4	7.6	6.7	-	-	12.4	16.8	6.0	1.9
Bank of India	360.7	5,003.0	6,346.2	7,641.3	1,123.2	2,009.4	2,565.0	23.0	38.2	48.8	46%	15.7	9.4	7.4	-	-	21.2	27.4	3.5	1.0
Bharat Bijlee	2218.5	469.9	636.9	830.5	55.1	81.0	109.8	97.6	143.4	194.3	41%	22.7	15.5	11.4	63.4	60.5	48.8	44.3	25.0	1.1
BEL	1316.2	3,892.5	3,921.5	4,877.3	718.2	650.4	892.0	89.8	81.3	111.5	11%	14.7	16.2	11.8	45.3	40.8	25.9	23.7	12.0	0.9
BHEL	1910.2	17,237.5	19,677.6	24,762.5	2,414.7	2,745.3	3,499.4	49.3	56.1	77.5	25%	38.7	34.0	24.6	45.2	42.4	27.5	24.8	25.3	1.3
Bharti Airtel	900.3	18,519.6	26,702.9	34,018.1	4,257.0	6,657.9	8,072.2	22.5	35.1	42.5	37%	40.0	25.6	21.2	31.7	33.1	29.1	34.2		0.0
Canara Bank	240.8	5,477.8	5,750.7	6,896.4	1,420.8	1,565.0	1,785.4	34.7	38.2	43.5	12%	6.9	6.3	5.5	-	-	16.3	14.2	7.0	2.9
Corp Bank	345.8	1,943.6	2,143.1	2,680.1	536.1	735.0	804.0	37.4	51.2	56.0	22%	9.3	6.7	6.2	-	-	15.0	18.3	9.0	2.6
Crompton Greaves	255.0	5,639.0	6,873.9	8,376.4	281.8	387.3	528.6	7.7	10.6	14.4	37%	33.1	24.1	17.7	31.6	31.1	29.0	29.1	1.3	0.5
Elder Pharma	364.4	447.3	562.1	648.4	56.8	74.8	84.6	30.6	40.3	45.6	22%	11.9	9.0	8.0	15.9	15.4	17.3	18.8	2.5	0.7
Grasim	2375.0	8,643.8	10,278.1	13,659.6	1,510.3	2,016.0	2,293.9	164.2	219.1	249.3	23%	14.5	10.8	9.5	33.3	35.7	27.5	27.2	30.0	1.3
HCL Tech**	297.1	6,033.7	7,505.8	9,222.4	1,258.1	1,250.9	1,484.7	18.4	18.2	21.4	8%	16.1	16.3	13.9	38.2	36.8	35.7	32.3	8.0	2.7
HUL*	250.5	12,103.4	13,717.8	15,855.7	1,539.7	1,769.1	2,038.8	7.0	8.1	9.4	16%	35.8	30.9	26.6	72.6	102.2	61.2	85.0	6.0	2.4
ICICI Bank	937.2	12,564.7	16,115.1	19,272.3	3,110.1	4,158.0	4,606.6	34.6	37.4	41.4	9%	27.1	25.1	22.6	-	-	13.3	10.9	10.0	1.1
Indian Hotel Co	117.8	1,544.0	1,813.3	2,113.2	321.8	397.3	474.1	5.3	6.6	6.0	6%	22.2	17.8	19.6	22.6	23.7	17.9	18.9	1.6	1.4
ITC	221.0	12,369.1	14,005.4	16,686.9	2,699.8	3,134.9	3,689.2	7.2	8.3	9.8	17%	30.8	26.6	22.5	34.9	34.7	27.7	27.7	3.1	1.4
Lupin	566.1	2,013.7	2,636.2	3,270.6	232.9	316.2	389.4	26.4	35.8	44.1	29%	21.4	15.8	12.8	23.4	20.4	34.0	20.4	5.0	0.9
M&M	691.3	9,629.9	10,992.1	12,658.8	957.7	1,000.5	1,113.4	40.2	41.9	46.6	8%	17.2	16.5	14.8	29.7	21.5	20.2	19.5	11.5	1.7
Marico	68.1	1,556.8	1,906.7	2,264.8	102.0	166.0	188.6	1.7	2.6	3.1	35%	40.0	26.2	22.0	32.9	39.5	53.0	49.9	0.7	1.0
Maruti Suzuki	787.9	14,653.9	17,936.2	20,436.1	1,532.9	1,730.8	1,808.1	53.0	59.9	62.6	9%	14.9	13.2	12.6	35.2	41.9	24.9	26.3	5.0	0.6
Nicholas Piramal	344.0	2471.9	2872.8	3326.1	232.6	367.7	443.1	11.0	17.6	21.2	39%	31.2	19.6	16.2	16.6	22.6	21.4	30.7	4.2	1.2
Punj Lloyd	375.9	5,126.6	7,850.3	10,459.5	196.0	369.7	560.1	7.5	11.5	17.4	52%	50.1	32.7	21.6	11.4	15.7	16.4	19.8	0.3	0.1
Ranbaxy*	482.0	6,017.0	6,590.4	7,428.4	515.4	790.1	854.7	13.8	21.2	21.4	25%	34.9	22.7	22.5	11.2	15.2	19.9	26.3	8.5	1.8
Satyam Computers	494.2	6,485.0	8,473.0	10,808.0	1,405.0	1,688.0	2,078.0	21.4	25.2	30.4	19%	23.1	19.6	16.3	31.1	31.4	26.2	25.9	3.5	0.7
SKF India*	296.7	1,342.5	1,568.3	1,798.9	99.3	160.8	185.3	18.8	30.5	35.1	37%	15.8	9.7	8.5	39.4	48.6	23.5	29.6	6.0	2.0
SBI	1822.4	23,501.0	26,391.0	31,471.6	4,541.3	6,114.6	6,975.9	86.3	96.8	116.4	16%	21.1	18.8	15.7	-	-	15.4	13.5	14.0	0.8
Tata Motors	691.6	32,426.4	34,688.1	40,985.3	2,170.0	2,227.3	2,559.4	56.3	58.2	63.5	6%	12.3	11.9	10.9	33.4	30.0	28.4	23.7	15.0	2.2
Tata Tea	931.1	4,024.9	4,323.0	4,582.6	366.2	321.7	421.8	62.3	52.2	68.4	5%	14.9	17.8	13.6	19.6	10.3	11.4	8.9	15.0	1.6
Wipro	502.3	14,943.0	19,743.0	25,164.0	2,917.0	3,224.0	4,001.0	20.4	22.5	27.8	17%	24.6	22.3	18.1	22.4	16.2	28.7	24.9	6.0	1.2
Emerging Star																				
3i Infotech	131.5	655.3	1,205.3	1,720.3	98.0	169.4	223.8	7.3	10.2	13.5	36%	18.0	12.9	9.7	11.4	12.4	13.7	10.7	1.5	1.1
Aban Offshore	3505.8	718.7	2,541.6	4,436.8	-50.2	370.0	1,384.3	-	96.1	359.6		-	36.5	9.7	4.7	11.5	-7.1	55.4	-	-
Alphageo India	568.4	54.0	85.0	135.0	7.5	13.5	24.0	15.2	24.5	43.6	69%	37.4	23.2	13.0	28.1	38.2	30.1	37.0	0.5	0.1
Axis (UTI) Bank	935.7	2,478.4	4,380.8	5,886.8	659.0	1,071.0	1,661.5	23.4	29.9	46.4	41%	40.0	31.2	20.1	-	-	20.9	16.1	4.5	0.5
Balaji Telefilms	178.4	320.2	441.2	569.5	79.5	104.7	125.9	12.2	16.1	19.3	26%	14.6	11.1	9.2	41.7	45.4	28.6	30.4	3.5	2.0
BL Kashyap	1648.8	808.1	1,518.0	2,244.0	55.6	110.4	157.2	27.0	53.7	76.5	68%	61.1	30.7	21.6	27.5	38.3	20.6	31.9		0.0
Cadila Healthcare	290.4	1,828.8	2,324.5	2,779.4	207.0	264.5	322.2	16.5	21.1	25.7	25%	17.6	13.8	11.3	18.6	17.7	23.9	25.2	4.0	1.4
Jindal Saw	630.9	6,787.8	4,315.8	5,503.2	412.6	346.1	510.5	58.8	61.7	91.0	24%	10.7	10.2	6.9	20.6	17.3	13.4	17.0	4.5	0.7
KSB Pumps	324.7	406.4	466.5	540.3	51.1	43.5	56.1	29.4	25.0	32.2	5%	11.0	13.0	10.1	45.0	33.3	25.3	18.5	6.5	2.0
Navneet Pub	100.2	326.8	405.5	476.9	42.7	49.6	59.0	4.5	5.2	6.2	17%	22.3	19.3	16.2	17.2	19.6	20.8	21.3	2.0	2.0
Network 18 Fincap	260.9	338.3	657.2		-9.5	21.1			10.9											

* Year CY instead of FY

** June ending company

#FY2007 numbers for 15 months

Company	Price (Rs)	Sales			Net Profit			EPS			(%) EPS Growth	PE (x)			ROCE (%)		RONW (%)		DPS	Div Yield
		FY07	FY08E	FY09E	FY07	FY08E	FY09E	FY07	FY08E	FY09E	FY09/FY07	FY07	FY08E	FY09E	FY07	FY08E	FY07	FY08E	(Rs)	(%)
Nucleus Software	273.3	221.2	292.6	361.4	55.2	62.7	77.1	16.9	19.4	23.7	18%	16.2	14.1	11.5	37.4	32.1	33.2	28.5	1.8	0.7
Orchid Chemicals	254.8	912.9	1,175.6	1,458.1	96.6	158.9	226.2	14.7	17.4	23.4	26%	17.3	14.7	10.9	9.4	11.3	19.3	10.4	3.0	1.2
Patels Airtemp	61.7	40.8	63.1	90.7	2.5	5.3	7.6	5.0	10.4	15.0	73%	12.3	5.9	4.1	29.6	47.3	20.8	31.2	1.0	1.6
TV18 India	354.7	247.1	401.2	552.2	32.2	25.5	73.1	2.9	2.1	6.1	45%	122.3	168.9	58.1	10.4	11.7	11.9	8.3	2.0	0.6
Thermax	499.9	2,324.8	3,464.1	4,319.7	209.6	301.4	392.1	17.6	25.3	32.9	37%	28.4	19.8	15.2	59.7	63.5	32.8	37.3	6.0	1.0
Zee News	61.8	240.5	367.1	470.9	5.8	39.5	56.3	0.2	1.6	2.3	239%	309.0	38.6	26.9	8.4	30.3	3.2	19.4	0.0	0.0
Ugly Duckling																				
Ashok Leyland	43.0	7,320.4	7,920.6	9,144.6	441.3	404.0	476.1	3.1	3.0	3.6	8%	13.9	14.3	11.9	25.8	22.7	21.5	19.5	1.5	3.5
Aurobindo Pharma	337.7	2,057.5	2,622.9	3,143.7	203.2	277.9	348.4	38.1	45.8	57.1	22%	8.9	7.4	5.9	11.2	13.4	13.5	15.7	1.5	0.4
BASF	212.5	846.6	1,053.6	1,217.4	50.1	57.5	85.2	17.8	20.4	30.2	30%	11.9	10.4	7.0	27.0	26.8	17.3	17.9	7.0	3.3
Ceat	135.7	2,133.1	2,278.2	2,515.7	39.2	83.4	93.7	11.5	24.3	27.4	54%	11.8	5.6	5.0	15.5	24.5	11.3	18.1	1.8	1.3
Deepak Fert	110.8	833.1	954.1	1,133.7	94.4	95.7	137.8	10.7	10.9	15.6	21%	10.4	10.2	7.1	11.1	9.8	15.4	14.3	3.0	2.7
Genus Power Infra	563.4	357.1	483.3	677.6	27.3	51.6	80.2	21.2	36.6	48.7	52%	26.6	15.4	11.6	23.4	27.9	36.5	20.2	1.5	0.3
ICI India	586.9	1,015.0	961.9	963.6	87.4	89.3	116.1	21.4	23.8	30.9	20%	27.4	24.7	19.0	8.6	13.0	12.4	11.0	27.0	4.6
India Cements	172.9	2,255.7	3,180.8	3,693.9	488.8	840.4	769.9	18.8	29.8	27.3	21%	9.2	5.8	6.3	21.7	28.0	34.3	30.2	1.0	-
Indo Tech Tran	529.4	155.4	225.0	340.0	25.5	40.5	52.7	24.0	38.1	49.6	44%	22.1	13.9	10.7	41.2	45.7	31.4	37.1	4.5	0.9
Ipca Laboratories	614.1	917.5	1,103.6	1,326.8	120.2	149.8	182.4	48.1	59.9	73.0	23%	12.8	10.3	8.4	24.5	25.5	27.6	27.2	7.5	1.2
Jaiprakash Asso	287.3	3,796.0	4,637.0	5,635.0	443.6	663.0	676.0	4.1	5.6	5.7	18%	70.1	51.3	50.4	10.5	10.8	16.1	15.5	0.7	0.3
KEI Industries	73.1	603.9	868.9	1,173.0	40.1	53.5	81.2	5.2	6.9	10.4	42%	14.1	10.6	7.0	24.9	23.1	32.5	30.2	0.5	0.7
Mahindra Lifespace	551.0	216.3	231.1	419.9	17.9	66.4	112.8	4.4	16.2	27.6	150%	125.2	34.0	20.0	3.0	7.6	2.3	7.9	2.5	0.5
Mold Tek Tech	69.2	88.1	114.3	150.9	8.3	13.5	21.7	7.9	11.7	18.7	54%	8.8	5.9	3.7	22.4	24.1	39.2	38.7	2.0	2.9
Orbit Corporation	522.1	191.5	798.3	1,005.7	57.3	224.2	261.0	21.1	49.4	57.5	65%	24.7	10.6	9.1	25.1	39.9	28.2	51.4	0.0	0.0
PNB	541.7	6,556.9	7,374.2	8,707.8	1,540.0	1,874.4	2,217.8	48.8	59.4	70.3	20%	11.1	9.1	7.7	-	-	15.8	17.2	9.0	1.7
Ratnamani Metals	876.2	571.2	827.0	1,100.6	64.1	100.8	136.8	71.2	103.9	139.8	40%	12.3	8.4	6.3	43.7	44.2	57.7	52.6	5.0	0.6
Sanghvi Movers	264.7	178.6	241.8	337.5	47.1	67.8	82.2	11.5	15.6	18.9	28%	23.0	17.0	14.0	24.1	23.7	22.4	25.9	2.5	0.9
Selan Exploration	265.7	26.2	36.0	49.8	10.6	14.1	19.1	7.3	9.8	13.2	34%	36.4	27.1	20.1	28.5	29.3	23.8	24.1	-	-
Shiv-Vani Oil & Gas	566.1	276.8	526.6	891.7	37.1	98.7	159.0	8.4	22.5	36.2	108%	67.4	25.2	15.6	18.1	22.2	10.4	11.3		
SEAMEC	163.3	159.1	170.4	256.9	58.6	37.0	87.5	17.3	10.9	25.8	22%	9.4	15.0	6.3	29.0	15.9	24.7	13.5	-	-
Subros	38.9	647.4	662.7	948.0	27.8	29.0	37.0	4.6	4.8	6.2	16%	8.4	8.1	6.3	19.7	19.3	16.7	20.6	0.8	2.1
Sun Pharma	1436.7	2,132.1	2,851.1	3,643.3	784.2	1,033.9	1,336.8	40.5	49.9	64.5	26%	35.5	28.8	22.3	21.4	23.2	28.3	22.0	5.5	0.4
Surya Pharma	121.0	304.3	450.0	650.0	23.9	41.7	57.7	16.5	23.2	32.1	39%	7.3	5.2	3.8	14.7	17.1	20.5	25.8	-	-
Tata Chemicals	360.0	5,809.6	6,076.2	6,924.5	511.9	500.3	704.6	20.9	20.5	28.9	18%	17.2	17.6	12.5	17.5	17.9	19.8	17.6	8.0	2.2
Torrent Pharma	162.6	1,298.8	1,471.6	1,712.7	93.5	120.0	157.4	11.1	14.2	18.6	29%	14.6	11.4	8.7	17.6	19.2	24.7	26.3	3.0	1.8
Unity Infraprojects	562.4	543.2	798.6	1,117.4	44.2	55.3	79.4	33.1	41.4	59.4	34%	17.0	13.6	9.5	27.0	22.5	20.0	20.8	3.0	0.5
UltraTech Cement	757.4	4,910.8	5,509.2	6,320.2	782.2	1,007.6	1,025.0	62.8	80.9	82.3	14%	12.1	9.4	9.2	43.3	39.6	44.7	37.6	5.0	0.7
Union Bank of India	164.2	3,478.0	4,228.7	4,872.2	846.0	1,138.5	1,341.6	16.7	22.5	26.6	26%	9.8	7.3	6.2	-	-	19.2	22.1	3.5	2.1
Wockhardt*	300.2	1,729.0	2,653.2	3,462.2	301.6	385.8	470.1	27.6	35.3	39.3	19%	10.9	8.5	7.6	11.4	15.0	22.6	30.8	11.3	3.8
Zensar Tech	156.4	605.9	815.2	971.7	57.9	67.6	82.1	24.4	28.0	33.8	18%	6.4	5.6	4.6	23.7	24.5	27.8	25.2	3.5	2.2
Vulture's Pick																				
Esab India*	442.9	287.2	343.0	409.6	42.6	53.4	65.0	27.7	34.7	42.2	23%	16.0	12.8	10.5	108.1	90.6	55.5	47.7	5.0	1.1
Orient Paper	46.0	1,102.2	1,295.8	1,472.0	142.4	212.2	220.8	9.6	11.0	11.5	9%	4.8	4.2	4.0	48.1	58.3	89.4	43.6	1.2	2.6
WS Industries	85.6	165.2	218.0	294.0	6.6	14.5	18.5	3.1	6.8	8.7	68%	27.6	12.6	9.8	15.4	16.8	11.5	19.4	-	-
Cannonball																				
Allahabad Bank	87.0	2,127.1	2,708.4	3,284.4	750.2	995.0	1,180.4	16.8	22.3	26.4	25%	5.2	3.9	3.3	-	-	22.6	25.2	4.0	4.6
Andhra Bank	83.0	1,864.4	2,001.2	2,612.4	537.9	575.6	705.7	11.1	11.9	14.6	15%	7.5	7.0	5.7	-	-	17.8	18.2	3.8	4.6
Gateway Distri	123.8	161.0	262.6	395.2	78.8	88.9	114.8	8.5	9.6	12.5	21%	14.6	12.9	9.9	14.8	15.1	12.0	13.4	3.5	2.8
ICIL	442.4	79.8	91.8	117.9	8.3	11.2	13.9	34.6	47.1	58.0	29%	12.8	9.4	7.6	34.7	38.9	21.3	23.0	5.0	1.1
J K Cements	151.7	1,233.0	1,487.0	1,443.0	178.6	249.3	196.8	25.5	35.7	28.1	5%	5.9	4.2	5.4	23.2	26.0	21.6	23.8	3.5	2.3
Madras Cements	3187.5	1,574.2	2,029.3	2,734.9	308.5	443.6	565.9	255.3	373.1	476.0	37%	12.5	8.5	6.7	35.6	35.6	46.2	43.1	25.0	0.8
Shree Cement	990.1	1,368.0	2,076.0	2,556.0	177.0	389.0	495.1	50.8	111.7	142.1	67%	19.5	8.9	7.0	18.7	34.3	39.3	47.2	6.0	0.6
TFCI	25.9	29.7	37.8	55.9	14.3	19.5	32.8	2.1	2.0	3.4	27%	12.3	13.0	7.6	-	-	7.6	6.5	0.5	1.9

* Year CY instead of FY

** June ending company

Remarks	
Evergreen	
HDFC	• HDFC provides housing loans to individuals, corporates and developers. It has interests in banking, asset management and insurance through its key subsidiaries. Three of these--HDFC Bank, HDFC Life Insurance and HDFC Mutual Fund--are valued at Rs883 per share of HDFC. As these subsidiaries are growing faster than HDFC, the value contributed by them would be significantly higher going forward.
HDFC Bank	• A consistent growth of 31% quarter after quarter makes HDFC Bank, India's leading private sector bank, a safe bet. The bank has low risk from interest rate volatility, as its fee income/net income ratio is the highest in the industry. Recent capital raising and approval for new branch licences would help HDFC Bank sustain the growth momentum.
Infosys Tech	• Infosys is India's premier IT and IT-enabled service company. It is one of the key beneficiaries of the strong trend of offshore outsourcing. It is relatively better positioned to weather the current uncertainties related to a possible slowdown in the USA and its fallout on the overall demand environment.
L&T	• Larsen & Toubro Larsen & Toubro, being the largest engineering and construction company in India, is a direct beneficiary of the strong domestic infrastructure boom. Strong potential from its international business, its sound execution track record, bulging order book, and strong performance of subsidiaries further reinforce our faith in it. There also lies great growth potential in some of its new initiatives.
Reliance Ind	• With nine oil and gas discoveries during the year and a portfolio of exploration blocks, Reliance Industries holds a great promise in the exploration business. The refinery business would continue good performance. This along with growing contribution from the retail business provides a well-diversified growth opportunity.
TCS	• TCS pioneered the IT service outsourcing business from India and is the largest IT service firm in the country. It is a leader in most service offerings and is in the process of further consolidating its leadership position through the inorganic route and large deals.
Apple Green	
Aditya Birla Nuvo	• Aditya Birla Nuvo participates in India's four most exciting sectors: garments, insurance, telecom and IT/IT enabled services. It has a perfect strategy: to earn cash from its cash cow businesses, such as carbon black, rayon and fertilisers, and invest in high-growth businesses, such as garments, insurance, telecom and IT/IT enabled services.
Apollo Tyres	• Apollo Tyres is the market leader in the truck and bus tyre segment with a market share of 28%. We expect the replacement cycle to get triggered in a big way, given the sharp rise in the commercial vehicle (CV) sales in the past one year. The margins improved substantially in 1HFY2008 due to lower rubber prices. Apollo is likely to benefit from the strong growth opportunities and the powerful position of the company in the market.
Bajaj Holdings	• Bajaj Holdings is a holding company having a 30% stake each in Bajaj Auto and Bajaj Finserv. Two-wheeler sales are expected to improve going forward with new product launches. The insurance business makes it the second largest player in the insurance space.
Bank of Baroda	• BOB, with a wide network of over 2,700 branches across the country, has a stronghold in the western and eastern parts of India. BoB has laid out aggressive plans to grow supplementary businesses including insurance, online broking etc, which should boost its fee income. We expect a 15% growth in its net revenue and a 25.7% growth in its earnings over FY2006-09E.
Bank of India	• The bank has a wide network of branches across the country and abroad. We expect improving margins and steady asset growth to lead net revenues and earnings to grow by 23% and a 39% respectively over FY2006-09E.
Bharat Bijlee	• Bharat Bijlee, a leading transformer manufacturing company, shall benefit from huge investments in the T&D sector. Its OPM and RoCE are all set to improve substantially on transfer of the low-margin elevator business.
Bharti Airtel	• Bharti Airtel is leading the wireless telephony revolution and has emerged as the largest mobile operator in the country. In addition to the robust growth in revenues, the focus on cost efficiencies and high-margin non-voice business are more than mitigating the impact of declining trend in the tariffs.
BEL	• BEL, a public sector unit involved in manufacturing electronic, communication and defence equipment, is benefiting from the enhanced capital expenditure outlay in the budget to strengthen and modernise security systems. Moreover, civilian and export orders are also expected to aid the overall growth in the revenues. However, the performance has been below expectation in the first nine months and the stock has been downgraded to Hold recommendation.
BHEL	• BHEL, India's biggest power equipment manufacturer, will be the prime beneficiary of a four-fold increase in the investments being made in the Indian power sector. Its order book of Rs85,500 crore stands at around 3.9x FY2008P revenue and we expect it to maintain the growth momentum.

	Remarks
Canara Bank	• Canara Bank, with a wide network of 2,513 branches across the country, has a strong hold in south India, especially in Andhra Pradesh and Karnataka. We expect the net revenues and earnings of the bank to grow by 12% and 10% respectively over FY2006-09E.
Corp Bank	• Corporation Bank has one of the lowest cost/income ratio and the highest Tier-I CAR. This leaves ample scope to leverage balance sheet without diluting equity, quite unlike the other state-owned banks. The bank is also the most aggressive on technology implementation front with all its branches under Core Banking Solution, covering 100% business of the bank. Corporation Bank has superior asset quality as well.
Crompton Greaves	• The outlook is buoyant for Crompton Greaves' key business of industrial and power systems. A consolidated order book of $1.3 billion generates clear earnings visibility. The synergy from the acquisitions of Pauwels, GTV and Microsol will drive its consolidated earnings.
Elder Pharma	• With leading big brands like Shelcal and Tiger Balm, pharma company Elder Pharma is set to make the most of the domestic demand with line extensions and new molecules. New in-licencing agreements will ensure good growth for the company. Elder is also looking to expand its global footprint through acquisitions. Having already made 2 acquisitions in Europe, the company is on the look out for more acquisition opportunities in markets like Latin America.
Grasim	• Going forward, the improved performance and timely capacity expansions of the VSF and cement businesses, along with the steep uptrend in the earnings of its 51% subsidiary, UltraTech, would drive Grasim's consolidated earnings.
HCL Tech	• HCL Tech is one of the leading Indian IT service vendors. It has been able to successfully ramp up the business from the large-sized deals bagged over the past few quarters, which has considerably improved its revenue growth visibility.
HUL	• HUL is India's largest fast moving consumer good (FMCG) company. The volume growth is picking up in FMCG sector and HUL is likely to be a key beneficiary. The rural demand growth will be icing on the cake. HUL has regained the pricing power in all the product segments. Turn-around of loss-making businesses and cost reduction measures should help it improve its profitability.
ICICI Bank	• ICICI Bank is India's second largest bank. With a strong positioning in the retail advance segment, it enjoys a healthy growth in both loans and fee income. Its various subsidiaries add ~Rs460 to the overall valuation. The bank has successfully raised Rs20,000 crore, which would fund its growth for the next three years. In addition, the expected listing of ICICI Securities should help the bank unlock substantial value.
Indian Hotels Co	• The tight demand-supply scenario in the hotel industry will push up the ARRs in the short term and we expect Indian Hotels Co (India's largest hotel company) with its pedigree of hotels to be the key beneficiary of this trend. We expect its earnings to grow at a strong 27.3% CAGR over FY2006-08.
ITC	• ITC's plan to diversify from the key business of cigarettes is paying off with the non-cigarette businesses of hotels, paper and agri-products reporting a strong growth in revenues. The cigarette business would nurture the growth of the businesses that are at nascent stage. As ITC gains leadership position in each of these businesses, we expect its valuations to improve further, reducing the gap between its valuation and that of HUL.
Lupin	• Leading pharma company Lupin is set to take off in the export market by targeting the US market (primarily for formulations) while maintaining its dominance in the anti-TB segment globally. Further, with an expanded field force and therapy focused marketing division, Lupin's branded formulation business in the domestic market has been performing better than the industry. Lastly, Lupin's ongoing R&D activities are expected to yield sweet fruits going forward.
M&M	• M&M is a leading maker of tractors and utility vehicles in India. Its utility vehicle sales continue to be strong. Its investments with world majors in passenger cars and commercial vehicles have helped the company diversify into various auto segments. The acquisitions made by its subsidiary Systech will pay off over the coming three years. The value of its subsidiaries adds to the sum-of-parts valuation.
Marico	• Marico is India's leading FMCG company. Its core brands, Parachute and Saffola, have a strong footing in the market. It intends to play on the broader beauty and health platform. Its risk appetite is rising, as is evident from the five acquisitions made in eighteen months. It is also directing its energies to the high-margin businesses, viz value-added hair oil, *Kaya* and *Sundari*.
Maruti Udyog	• Maruti Udyog is India's largest small car manufacturer. This is the only pure passenger car play. With new launches the company is expected to maintain its growth rate in the domestic market. Suzuki has identified India as a hub for manufacture of small cars for its worldwide markets. Increased indigenisation and cost control measures to help improve margins.

Remarks		
Nicholas Piramal	•	Pharma major Nicholas Piramal is ready to gain from the ramp-up in its contract manufacturing deals with MNCs. Further, the acquisition of Pfizer's Morpeth facility in the UK adds glory to its global contract manufacturing strength. The demerger of its R&D division will unlock value of its impressive R&D pipeline.
Punj Lloyd	•	Punj Lloyd Ltd (PLL) is the second largest EPC player in the country with a global presence. In FY2007, PLL acquired SEC and Simon carves, which helped PLL in plugging gaps in services offered by it. The average order size and execution capability of PLL has also increased significantly making it the only player capable of competing with L&T, the largest EPC player in the country.
Ranbaxy	•	Ranbaxy, apart from adopting an inorganic growth strategy, has been maintaining an aggressive product introduction strategy as well in the domestic, regulated and other pharma markets. With such efforts, it maintains the numero uno position in the domestic market. Exclusivity opportunities in the USA, along with strong expansion in semi-regulated markets, will drive its growth. The recently announced demerger of the discovery R&D portfolio will also unlock value.
Satyam Comp	•	Satyam is among the top five Indian IT service companies. In the past few quarters, it has been able to bag some large-sized deals and has further consolidated its leadership position in enterprise solutions segment.
SKF India	•	SKF, a leading bearing and engineering solution provider, enjoys good visibility in high-margin replacement market. It will be the primary beneficiary of growing volumes of Indian automobile industry and the huge industrial investment lined up by India Inc. It also plans to focus on its high-margin service division.
SBI	•	Despite being the largest bank of India, SBI is growing at a high rate, which is commendable. Loan growth is likely to remain healthy at 22-25% with improving core operating performance and stable net interest margin. Successful merger of associate banks could provide further upside to SBI. The asset quality of the bank has also been improving.
Tata Motors	•	Tata Motors is one of India's leading automobile companies with diverse product portfolios across commercial vehicles and cars. The commercial vehicle segment is witnessing a slowdown due to rising interest rates. However, with the spending on infrastructure long-term prospects continue to be positive. The international operations and subsidiaries also add value to the company.
Tata Tea	•	Over past two years Tata Tea has transformed itself from just a commodity (tea) seller to a branded tea maker. It has recently acquired management control of Mount Everest Mineral water, owner of the Himalayan brand. This makes the company a complete beverage company, having presence in all the vertical: tea, coffee and water. However, its valuations are much cheaper than is peers.
Wipro	•	Wipro is one of the leading Indian IT service companies. The revival in the BPO business, strong traction in its existing IT service business and the incremental growth from the recent inorganic initiatives have considerably improved the growth visibility in the global software service business.
Emerging Star		
3i Infotech	•	3i offers software products and solutions to the banking, financial services and insurance (BSFI) sector. The growth momentum is expected to continue due to healthy order book and recent acquisitions. It has relatively low exposure to US and European markets and consequently is largely insulated from the uncertain global environment.
Aban Offshore	•	Aban Offshore, one of Asia's largest oil drilling companies, is benefiting from the increase in oil exploration and production activities globally. The re-pricing of its existing assets at significantly higher day rates and efforts taken to substantially ramp up the asset base through organic and inorganic routes would significantly improve its financial performance over the next few years.
Alphageo	•	Alphageo provides seismic survey and other related support services to oil exploration & production companies in India. The recent order wins and a healthy pipeline of orders have considerably improved the company's revenue growth visibility.
Axis Bank	•	Over the last few years Axis Bank (UTI Bank) has grown its balance sheet aggressively. We expect the quality of its earnings to improve as the proportion of the fee income goes up. Axis Bank has also raised capital, which would help it to maintain its growth momentum for the next three years. Its asset quality continues to remain healthy with low net NPAs despite a strong asset growth.

Remarks	
Balaji Telefilms	• Balaji Telefilms Ltd (BTL) is a play on the fast growing demand for quality Television content in India. It is by far the leader in the TV content production space. The flurry of entertainment channels along with their willingness and ability to spend more on good content, will be add to BTL's revenues.
BL Kashyap	• With its proven execution skills, reasonably large-scale of operations and an established customer base, BL Kashyap & Sons (BLK) is well poised to ride the construction boom in India. Unlike most of its peers, it has a de-risked business strategy of providing contractual construction services and has consciously avoided exposure to long duration infrastructure projects that are prone to delays and are much more capital intensive.
Cadila	• Cadila's improving performance in the US generic and French market, along with the steady progress in the CRAMS space enriches its growth visibility. With key subsidiaries turning profitable, Cadila is all set to harvest the fruits of
Jindal Saw	• Jindal Saw, the largest pipe maker in the country, is set to benefit from the huge opportunity arising out of rising global E&P activities. Its strong order book of $1.09 billion, coupled with margin expansion as a result of better product mix and selling off of the US division would continue to drive its earnings going forward.
KSB Pumps	• KSB Pumps, a leading maker of pumps and valves, is a beneficiary of the investments lined up in India's power and industrial sectors. The strong order inflow in the pump business and the capacity expansion would drive its growth.
Navneet Pub	• Publishing major Navneet's earnings will continue to grow in FY2008 because of change in school syllabi in Gujarat and Maharashtra. The growth in stationary business would be aided by its entry into non-paper stationary products. The entry into the e-learning business could turn out to be the growth driver for the company.
Network 18	• Network 18, the holding company of the TV18 group, owns the best media properties through its holdings in TV18 and GBN. While, TV18 owns business channels CNBC and Awaaz, GBN controls CNN-IBN and IBN-7. GBN will soon launch a Hindi general entertainment channel via its tie-up with Viacom. Network 18 is in the process of launching a full fledged home shopping network inclusive of a dedicated home shopping channel. We expect Network 18 to create immense value through its holdings.
Nucleus Software	• Nucleus Software offers a comprehensive suite of software products to banking and financial service companies globally. Its flagship product "FinnOne" is rated as the highest selling retail banking product in the IBS annual ranking review 2006. The niche positioning and a robust order book provide a reasonably healthy growth outlook.
Orchid Chem	• Niche product opportunities in the USA are driving the growth of this company. Its entry into European and Canadian markets will further boost its sales in the coming years. With UK MHRA approval for its plants and marketing tie-ups in place, Orchid is all set to make its entry into the European market, which will catapult its growth to a different trajectory.
Patels Airtemp	• Patels Airtemp, the manufacturer of heat transfer technology products, would benefit immensely from the strong boom in its user industries particularly oil and gas, refineries, and power. It currently has a strong order book of Rs45 crore, and the order inflow is expected to grow at 45-50% annually for the next two years. We estimate the topline and bottomline to grow at a CAGR of 49.1% and 72.7% respectively between FY2007-09.
TV18 India	• TV18 is India's leading news media company. It owns the nation's top business news channels, CNBC TV-18 and Awaaz. It also owns a repertoire of web properties such as moneycontrol.com, poweryourtrade.com and commoditiescontrol.com. The buoyant economic fundamentals augur well for its media properties. With top-notch management it remains one of the best media companies in the country.
Thermax	• The continued rise in India Inc's capital expenditure (capex) will benefit Thermax' energy and environment businesses. Its strong order book of Rs2,923 crore, which is equivalent to 1.3x FY2007 revenues, ensures visibility of earnings.
Zee News	• Zee News Ltd operates a unique bouquet comprising six regional entertainment channels and four news channels. The key revenue contributors are Zee News, Zee Marathi and Zee Bangla, with the latter two channels are being leaders in respective genres. ZNL is making steady progress in garnering better market share in the Telugu and Kannada markets, which would drive its growth going forward. Also, the flow of hefty subscription revenues in future augur well for the companies growth.
Ugly Duckling	
Ashok Leyland	• Ashok Leyland is the second largest CV player in the industry. Its short-term performance may get affected due to slowdown in the segment due to rising interest rates. Long-term prospects appear bright. Initiatives on value engineering and e-sourcing of materials should help in maintaining the margins going forward.
Aurobindo	• Aurobindo, with 106 ANDAs, 117 DMFs and 11 USFDA approved facilities in hand, is well positioned to exploit the US generic opportunity going forward. Further, its expansion into Europe and other emerging markets and likely incremental revenue flow from its largest approved ARV product basket would fuel the revenue growth. Galloping Pen-G prices and higher formulation growth would expand the margin of the company going forward.

Remarks		
BASF India	•	BASF India (BASF) is set to benefit from the changing demographics and the resulting consumption boom in India. BASF's products are used in industries like white goods, textiles, home furnishing, paper, construction and automobiles all of which have been growing at a fast pace in contemporary times. To capitalise on the resulting opportunity, BASF is expanding the capacity of its products. A dividend yield of over 3% provides a margin of safety to the investment.
Ceat	•	Tyre maker Ceat has an overall market share of 12% across categories and ranks fourth in the industry. Exports account for 20% of its sales. It is improving its product mix with higher contribution expected from exports and specialty tyres where the profit margins are higher. Ceat has undertaken various initiatives in order to improve its productivity and this should lead to improvement in margins. We find the stock's valuations attractive.
Deepak Fert	•	DFPCL manufactures and supplies industrial chemicals and ANP fertilisers. With Dahej-Uran pipeline in operation, the company would benefit from higher capacity utilisation and increased ammonia capacity. The company recently agreed to form a JV with Yara International ASA. The JV will provide DFPCL stability and flexibility in its operations through Yara International's leadership in ammonia value chain.
Genus Power Inf	•	Genus, India's leading electric meter manufacturing company, is all set to benefit from APDRP initiatives like 100% metering programme and replacement of mechanical meters with electronic meters. A healthy order book of Rs417 crore will maintain its revenue and profit growth.
India Cements	•	With the modified capex plan, India Cements will join the league of top 5 cement players with a capacity of 14MMT at the end of FY09. Higher cement prices in the south coupled with the higher volume growth will drive the earnings.
Indo Tech	•	The demand for transformers is on an upswing, thanks to high power-generation targets of the government. The annual demand for transformer is expected to be around 95,000MVA whereas the current capacity of transformer industry stands at around 75,000MVA. To cater to this opportunity transformer maker Indo Tech is tripling its capacity, which will result in a strong earnings growth.
Ipca Lab	•	A well-known name in the domestic formulation space, Ipca has successfully capitalised on its inherent strength in producing low-cost APIs to tap export markets. The company's ongoing efforts in the branded promotional business in emerging economies, revival in the UK operations, pan-European initiatives and a significant scale-up in the US business will drive its formulation exports.
ICI India	•	Outlook for the company is positive due to its increased focus on premium products. The top line growth may look subdued due to discontinuation of some of its businesses. The company has Rs830.7 crore of liquid investments on its book, which would translate into free cash and cash equivalents of around Rs220 per share. Moreover with ICI UK being acquired by Akzo Nobel, the company would get access to wider portfolio of products coming from Akzo Nobel's stable.
Jaiprakash Asso	•	Jaiprakash Associate, India's leading cement and construction company, is all set to reap the benefits of the huge investments to be made in India's infrastructure. It has a strong order backlog of Rs11,750 crore. The Taj Expressway along with the recently won Ganga expressway project as well as the real estate business will add significant value to the stock price of the company going ahead. Listing of its power subsidiary will also unlock value for the investors. Further, the 1% stake sale in Jaypee Infratech for Rs250 crore to ICICI Bank valued Jaypee Infratech at Rs25,000 crore.
KEI Industries	•	KEI makes stainless steel wires, cables and winding wires. It is expected to be a major beneficiary of the pick-up in investments in the power generation as well as transmission and distribution sectors. On the back of these investments we expect its revenues and earnings to grow at a CAGR of 39% and 42% respectively over FY2007-09E.
Mold Tek Tech	•	Mold Tek Technologies has a steady-growing plastic packaging business and is aggressively scaling up the knowledge process outsourcing (KPO) business that is slated to grow at a CAGR of over 150% over the next three years. The de-merger of two businesses into separate entities would unlock value in its KPO business.
Mahindra Lifespace	•	Mahindra Lifespace Developers is the only private sector player who has operational SEZ, the Chennai SEZ, in the country. Leveraging on this rich expertise, the company is planning to develop one more SEZ in Jaipur. We also expect significant improvement in the margins primarily due to higher revenue contribution from Chennai's non-processing area and better realization for Jaipur SEZ processing area. Consequently, we expect the company's net income to grow at CAGR of 178.5% during the period FY2007-10
Orbit Corp	•	Given its unique business model, Orbit is expected to leverage on huge massive redevelopment opportunities in southern and central Mumbai, we expect Orbit's topline and bottomline to grow at a CAGR of 89.2% and 99.6% respectively during the period FY2007-10. Furthermore, we believe Orbit will enjoy positive cash flow over the next three years primarily due to its strategy to pre-sell a large part of its projects during the construction phase itself.
PNB	•	PNB has one of the best deposit mix in the banking space with low-cost deposits constituting ~45% of its total deposits. A strong retail franchise and technology focus will help boost its loan and fee businesses.
Ratnamani Metals	•	Ratnamani is the largest maker of stainless steel (SS) tubes and pipes in the country. Given the buoyant demand for

Remarks	
	SS tubes and pipes from its clients, including BHEL and L&T, and a strong order book of Rs532 crore, we expect its revenues and earnings to grow at a CAGR of 39% and 46% respectively over FY2007-09E.
Sanghvi Movers	• Sanghvi Movers is the largest crane hiring company in Asia. It is a perfect asset play on the upsurge in the country's capex cycle. The usage of cranes is an essential part of investment spending and of the projects being undertaken by Indian companies; this bodes well for the company. Its strong cash flows make it an attractive investment.
Selan Exploration	• Selan is an oil exploration & production company with five oil fields in the oil rich Cambay Basin off Gujarat. The initiatives taken to develop and monetise the oil reserves in its Bakrol and Lohar oil fields are likely to significantly ramp up the production capacity and thereby lead to re-rating of the stock.
SEAMEC	• SEAMEC, with its fleet of four MSVs, is a key beneficiary of higher rates for MSVs due to the surge in oil exploration spends. SEAMEC IV, which is upgraded into a diving support vessel, has commenced its operations since March 2008. Deployment of the same at a much higher rate would boost the company's overall performance.
Shiv-vani	• Shiv-vani Oil & Gas Exploration has emerged as the largest service provider in the onshore oil exploration segment. It offers services like seismic survey, drilling and workover services, gas compression and coal bed methane (CBM) integrated services. It is estimated to show compounded growth in earnings of over 70% during CY2006-09.
Subros	• Subros, the largest integrated manufacturer of automobile air conditioning systems in India, is expected to be a prime beneficiary of buoyancy in the passenger car segment. It is a strong play on growth plans of Maruti Udyog and Tata Motors, who are expanding their capacities. It plans to double its capacity in next two years which in turn will maintain momentum in its earnings growth.
Sun Pharma	• With a strong hold in the domestic formulation market, an impressive growth in the US outfit, Caraco, Sun Pharma has recently become an agresisve participant in the Para Iv patent challenge space. Having already garnered four exclusivity opportunities in the USA, further news flow on the Para Iv challenges would drive the stock.
Surya Pharma	• A shift to a high-margin product portfolio is the name of the game, and Surya is well aware of it. Expansion of existing capacities, entry into the high-margin injectables and earnings from menthol products would drive the fortunes of this company.
Tata Chemical	• TCL, the leading soda ash producer in India, is set to benefit from upturn in the soda ash cycle. With the recent acquisition of GCIP, the company has become the second highest soda ash producer in the world with a combined capacity of 5.5mmtpa. The company is also one of the leading manufacturers of nitrogen and phosphate fertilisers in India. The company is de-bottlenecking its urea capacity to 1.2mmtpa by September 2008 and is expected to benefit from regulatory changes in fertiliser industry.
Torrent Pharma	• A well-known name in the domestic formulation market, Torrent has been investing in expanding its international presence. With the investment phase now over, Torrent should start gaining from its international operations in Russia and Brazil. The impending turnaround of its German acquisition, Heumann will also drive the profitability of the company.
UltraTech Cement	• Going forward, UCL should benefit from firm cement prices across the country as well as higher volumes owing to the recent capacity expansion of 4.9MTPA in Andhra Pradesh and increasing capacity utilisation. Due to investment in CPPs, we expect the company to become cost efficient, which should improve its operating margin. Further, synergies with Grasim will reduce its freight & marketing cost, thereby boosting its operating margin.
Unity Infra	• Unity Infraprojects (Unity), being the leading construction company with well diversified expertise across projects, is expected to be a key beneficiary of the real estate sector's growth and the government's thrust on infrastructure spending. We expect Unity's top line and bottom line to grow at CAGR of 37.1% and 31.8% during the period FY2007-10 on the back of a strong order book and healthy order inflows.
UBI	• Union Bank has a strong branch network and an all-India presence. The net NPAs are below 1%, indicating strong asset quality while maintaining healthy asset growth. With an average return on equity of 20% over FY2006-09E, the bank is available at attractive valuations.
Wockhardt	• A stream of new launches in the USA and sustained momentum in the domestic business will ensure good growth for Wockhardt. The recent acquisitions of Negma Laboratories and Morton Grove will propel the company to a new growth trajectory as synergistic benefits start flowing in. Further, the likely approval of bio-similars in USA, EU and other geographies would drive Wockhardt in medium to long term.
Zensar	• Zensar, promoted by the RPG group, has effectively utilised the inorganic route to gain critical mass in the fast growing enterprise solutions segment and extend its presence in newer markets.

Remarks

Vultures's Pick	
Esab India	• Change in positioning from low margin, high volume products to quality and high margin products. Double-digit manufacturing sector growth to help business of electrodes and welding equipment.
Orient Paper	• Orient Paper commissioned the first phase of its expansion project to raise capacity to 2.7 million tonne from 2.4 million tonne in Sep'07. The company is in the process of increasing its total capacity to 5 million tonne by Q1FY10. The 50MW captive power plant at Devapur cement plant is also progressing as per schedule and is expected to be commissioned by Q4FY09. The new capacities are expected to drive the earnings of the company.
WS Industries	• WSI, a leading maker of insulators, is all set to reap the benefits of a three-fold increase in investment in the T&D segment in India. A strong order book of about Rs150 crore and a shift to higher-margin hollow insulators will drive the earnings. It plans to develop an IT park covering 10 lakh sq ft at Chennai. Taking WSI's current 59% stake in its realty venture, we arrive at a value of Rs29.1 per share for the realty venture alone.
Cannonball	
Allahabad Bank	• Allahabad Bank, with a wide network of 1,933 branches across the country, has a stronghold in the northern and eastern parts of India. With an average RoE of 19% over FY2006-09E, the bank is available at attractive valuations.
Andhra Bank	• Andhra Bank, with a wide network of over 1,200 branches across the country, has a stronghold in the southern parts of India, especially in Andhra Pradesh. We expect a 17% growth in its net revenues and a 13% growth in its earnings over FY06-09E.
Gateway Dist	• Gateway Distriparks, a port-based logistic facilitator, has strong presence at JNPT, the country's biggest port. It has a market share of 25%. The recently won contract from the Punjab state government to operate a CFS near JNPT for a period of 15 years will provide the much-needed trigger for the volume growth going ahead. The company's foray into the rail operation business will be a trigger for its earnings in the long term.
ICIL	• International Combustion, which makes gear motors & boxes, polymers, heavy engineering equipment etc, is a good play on India Inc's current capex plans, especially in the sugar and steel industries. The emerging outsourcing trend in the gear motor space should lead to an earnings surprise.
J K Cements	• The firm cement prices and volume growth from the recent capacity expansion will drive JK Cement's top line. This coupled with the company's drive to bring down its power cost by installing a CPP and a waste heat recovery unit would result in substantial margin improvement.
Madras Cements	• Strong cement consumption in the southern region would continue to drive the earnings of Madras Cement, one of the most cost efficient producers of cement. The 3-million-tonne expansion of the company will provide the much needed volume growth in the future.
Shree Cement	• Shree Cement's 1-million-tonne sixth clinker line has come on stream in Mar'08. The cement capacity of the company now stands at 9.1 million tonne. Thus, going ahead we expect the volumes will drive the earnings of the company.
TFCI	• Tourism Finance Corporation of India TFCI provides financial assistance to the hotel and tourism sector. Given its exposure to only this sector, its performance is inextricably linked to the prospects of the tourism sector. This was largely responsible for TFCI's earlier financial problems. However, things are now looking very promising for TFCI with improved asset quality and strong loan demand due to significant expansion plans lined up by the hotel and tourism sector. We expect TFCI's earnings to grow at a 32% CAGR over FY2006-09.

PMS Pro-Tech (Investing based on price movements)

What is Pro-Tech?

Pro-Tech uses the knowledge of technical analysis and the power of derivatives market to identify trading opportunities in the market. The Pro-Tech line of products are designed around various risk /reward/ volatility profiles for different kinds of investment needs.

Why to invest in Pro-Tech PMS?

Normally, one should always have this question in his mind before investing in PMS. We can say them that we are having different products based on the Risk -Reward for different types of investors having different time horizons of investment and return expectation and that we have already mentioned the product features of the various schemes.

We are following technical analysis (Momentum Theory and Elliot Wave Principle) in all our products to take final view on the market as well as specific stocks. We are also taking sector view while selecting stocks for long/ short direction. We are balancing our portfolio by having a mixture of large-cap and mid-cap stocks as per market view with different weightages in the portfolio as per the fund manger's decision.

Timing the stock market correctly is very essential for a successful trader and that perfect timing you can identify with the tools of technical analysis because we don't know how long a bull or bear market would last. The market or the stock price always reacts prior to any event or specific news and you can catch the same movement on the technical charts in advance. So if you want to be ahead in the race of timing the market correctly, then Pro-Tech Portfolio Management Service (PMS) is a good option. We are the first company to come out with this kind of PMS in India.

Apart from fundamental analysis, a successful investor can take a market view based on technical analysis and power of derivatives for "timing the market". Our country's fundaments are still intact and a strong growth is expected but still the market is falling due to global economic problems. You can identify this through technical analysis and we have already identified the same at an early stage. We were 100% cash as on January 15, 2008 in all our products before the big market crash. We also shorted Nifty in an automated system-based product called Nifty-Thrifty at an average rate of 6067.95 on January 15, 2008.

We are also taking into consideration other international indices and commodity indices while taking a view on the market and specific stocks. So it's an advantage for an investor. This is a very advanced and emerging concept of PMS based on technicals in India. You can also be part of such PMS and invest according to your risk appetite and return expectation after reading the details of the various schemes.

We have successfully outperformed the market indices in all our products over a period of time, as is evident from our performance sheet.

Select the schemes after understanding them and considering your risk-reward expectation and time horizon for investment.

Pro-Tech PMS is based on:

- **Long/Short strategies in index/ stock futures**
  We have designed all our Pro-Tech products to earn returns both in rising and falling markets by making long and short calls in index/stock futures on the basis of market view.
- **Focus on absolute returns**
  As it's a long or short product on the basis of our market view, one should consider absolute returns. The objective of the product is not to outperform an index.
- **Timing the market**
  Trading or investing with discipline and also following certain strategies are essential in the stock market. To "time the stock market" correct entry and exit are required and that can be determined through technical analysis. We are picking the stocks/ Nifty before the inflection points in their trading cycles.
- **Money management rules will be in place**
  What is the weightage to be given to each product (scheme) or stock/Nifty is determined while making investments based on the market view.

Product characteristics

- Using swing based index -trading systems, stop and reverse, trend following and momentum trading techniques.
- Nifty-based products for low impact cost and low product volatility.
- Short of index/stock futures to earn returns even in falling markets.
- Trading in future markets to allow for active risk protection using trailing stop losses.

PMS Pro-Tech (Investing based on price movements)

Products offered under Pro-Tech PMS

1. **Nifty Thrifty**
   Nifty futures are bought and sold on the basis of an automated trading system that generates calls to go long/short. The exposure never exceeds value of the portfolio, ie there is no leveraging, but allows us to go short/ hedge on the Nifty in falling markets, thereby allowing the client to earn irrespective of the market direction.

2. **Beta Portfolio**
   Positional trading opportunities are identified in the stock futures segment based on technical analysis. Inflection points in the momentum cycles are identified to go long/short on stock/index futures with one to two month time horizon. The idea is to generate the best possible returns in the medium term irrespective of the direction of the market without really leveraging beyond the portfolio value. Risk protection is done based on stop losses on daily closing prices.

3. **STAR Nifty**
   Swing trading techniques and Dow Theory are used to identify short-term reversal levels for Nifty futures and ride with the trend both on the long and the short side. Thus, returns can be earned in bull and bear markets. Stop and reverse one's position from long to short or short to long at reversal level simultaneously. The exposure never exceeds value of the portfolio, ie there is no leveraging.

4. **Trailing Stops**
   Momentum trading techniques are used to spot short-term momentum of five to ten days in stocks and stocks/index futures. The trailing stop loss method of risk management or profit protection is used to lower the portfolio volatility and maximise returns. Trading opportunities are explored both on the long and the short side as the market demands to get the best of both upward and downward trends.

Product details

- **Minimum investment** : Rs5 lakh
- **Lock-in** : 6 months
- **AMC fees** : 0%
- **Reporting:** Fortnightly reporting of portfolio net worth; monthly reporting of portfolio holdings/ transactions; brokerage 0.05% for derivatives; 20% profit sharing on booked profits on quarterly basis.

For more details or to open an account, contact our customer service department.

Also refer Pro-Tech PMS performance sheet

We will be more than delighted to answer all your queries regarding Sharekhan Portfolio Management Services.

Call Hema on 9223342426

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Pro Tech - Performance Sheet

Performance For The Month Ended April 2008

Scheme Name	Beta Portfolio	Nifty Thrifty	Star Nifty	Trailing Stops
NAV as on 01/04/08	10.03	13.21	11.94	11.66
NAV as on 30/04/08	10.08	13.61	11.62	12.17
RETURNS (%)	**0.50%**	**3.03%**	**- 2.76%**	**4.31%**

Performance Summary Since Inception (as on April 30, 2008)

Inception	03-Aug-2007 Beta [New]	01-Feb-2006 Nifty Thrifty	05-Aug-2007 Star Nifty	20-Oct-2007 Trailing Stops
INCEPTION NAV	7.55	10.00	10.00	10.00
NAV as on 30/04/08	10.08	13.61	11.62	12.17
RETURNS (%)	**33.51%**	**36.10%**	**16.20%**	**21.70%**

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Mr Suyog Khandve
Tel: (0253) 2597942

New Delhi
Mr Tarun Bansal
Tel: (011) 23288539 / 23243131

Mr Rajiv Mehta
Tel: (011) 30888835 / 36 / 37 / 38

Mr Balender Singh Negi
Tel: (011) 40590739 to 743

Orai
Mr Sanjay Agarwal
Tel: (05162) 252569 / 257485

Padra
Mr Mukesh Nandlal Thakkar
Tel: (02662) 224664 / 224665

Patan
Mr Shripal D Shah
Tel: (02766) 325759 / 329873

Patna
Mr Krishna Rungta
Tel: (0612) 2213112 / 16

Mr Mohammed Ata Ashaf
Tel: (0612) 2226495 / 2232432 / 2205334

Mr Ajay Kumar
Tel: (0612) 2222649 / 5582761

Mr Vivek Anand
Tel: (0612) 2266230

Ms Renu Bairoliya
Tel: (0612) 2238428

Mr Alok Kumar
Tel: (0612) 222953/4/5

Mr Rajesh Choudhary
Tel: (0612) 2616104 / 3954835 / 2623797

Pavaratty
Mr Abhilash Ramanathan
Tel: (0487) 2645372 / 3209047 / 2645374

Pali
Mr Amar Chand Sancheti
Tel: (02932) 510050 / 227729

Patna
Mr Vidyanand Singh
Tel: (0612) 2207887 / 3252643

Perinthalmanna
Mr Narayanan Purayannur
Tel: (04933) 396839

Pudukkottai
Mr Venkatachalm
Tel: (04322) 232843

Pune
Mr Vashu Balani
Tel: (020) 27414751/ 27415293/ 27413657

Mr Nilesh Shah
Tel: (020) 24454477 / 24458839

Mr Gopal Harsule
Tel: (020) 25656573

Mr M Ramachandran
Tel: (020) 27030823 / 32519655/ 32908149

Mr Amit Ashok Ghatol
Tel: (020) 25533598/ 25510838/ 65239348

Mr Kalera Sanjay Vashulal
Tel: (020) 26452442

Mr Suhas Bhalchandra Chatane
Tel: (020) 26990406

Mr Ketan Ashok Shah
Tel: (020) 26331485

Raipur
Mr Premchand Jain / Mr Pukhraj R Bardia
Tel: (0771) 4033229 / 4049451 / 2292632

Mr Vipul Kothari
Tel: (0771) 4001004 / 4017773

Rajamundry
Mr P Satyanarayan
Tel: (0883) 5575561 / 62 / 92

Rajkot
Mr Ketan Masrani / Mr Mihir
Tel: (0281) 2227687/ 3044777

Ramgarh
Mr Rajeev Murarka
Tel: (06553) 230710

Ranchi
Mr Pravin Murarka /Mr Rajiv Murarka
Tel: (0651) 2208205 / 2312715/ 2207979

Mr Subinoy Banerjee
Tel: (0651) 3295162

Raxual
Mr Vikash Agarwal
Tel: (06252) 221275

Sagar
Mr H V Ramamurthy
Tel: (08183)220055 / 44

Mr Raja Jain
Tel: (07582) 403931

Sahada
Mr Naresh Lalchand Jain
Tel: (02565) 223529 / 227207

Sarni
Mr Vaibhav Agrawal
Tel: (07146) 278488 / 277499

Sitamarhi
Mr Shiv Kumar Sarawagi / Mr Nikhil Goenka
Tel: (06226)252400 / 256384

Sri Ganganagar
Mr Dinesh Singal
Tel: (0154) 2475510 / 2471881-882

Srinagar
Mr Irshad Mushtaq Kashoo
Tel: (0194) 2485730 / 2452836/ 2457078

Sumerpur
Mr Bharat Kumar
Tel: (02933) 252971/ 254392

Surat
Mr Biren Chhatrapati
Tel: (0261) 5537174-73 / 2772114

Mr Shreyas Shroff
Tel: (0261) 2474400 / 3215800

Thiruvalla
Mr Jacob Varkey / Mr Vijayakumar K K
Tel: (0469) 2631046 / 2631048

Thrissur
Mr T R Gangadharan
Tel: (0487) 2605877/ 2607055

Mr K Venugopal
Tel: (0487) 2402475 / 2399501
Tel: (0487) 2425098 / 3950724

Tirunelveli
Mr N Kameswaron
Tel: (0462) 2320544 / 545 / 549

Tirupur
Mr B Jagan
Tel: (0421) 4322356/ 4243656

Trichy
Mr. Mothi Padmanaban
Tel: (0431) 2700997 / 4011131

Udaipur
Mr Ananth Acharya
Tel: (0294) 2426945/6/ 3292512/ 2005079

Mr Narendra Harkawat
Tel: (0294) 5121322/2567667

Udumalpet
Mr R Sampath
Tel: (04252) 225323

Utraulla
Mr Phoolchand Dwivedi
Tel: (05265) 253277 / 253278

Vadodara
Mr Viresh Chandrakant Thakkar
Tel: (0265) 2233457 / 2233460

Mr Tejas Shah
Tel: (0265) 2783040 / 3013040

Mr Mohit Sadarangani
Tel: (0265) 3084223/ 26

Mr Bharatbhai Patel
Tel: (0265) 2711647/2713648/5539684

Mr Mittal Naik
Tel: (0265) 5545557 / 5505001

Valsad
Mr Kaushal C Gandhi
Tel: (02632) 243636

Varanasi
Mr Lalji Choube
Tel: (0542) 2507621 / 2507619

Vasco
Mr Parag Mehta
Tel: (0832) 2512361

Vijaywada
Mr Shaym / Mr Nagendra Kumar
Tel: (0866) 2550713 / 2554811

Visakhapatnam
Mr. V. Vankatram
Tel: (0891) 2505642/2505643

Mumbai
Mr Manoj Lalwani (Andheri)
Tel: (022) 26351629 / 26351653

Mr Abhijit Periwal (Andheri)
Tel: (022) 26733643-44/ 55021968/ 69

Mr Dipen Shah / Mr Ashish Shah
Tel: (022) 23610772 / 23610773 / 361 1073

Mrs Chhaya Bheda / Mr Vipul Bheda (Dadar)
Tel: (022) 24180562 / 24180563 / 24172444

Mr Jagdish V. Gada (Dahisar)
Tel: (022) 28282306 / 28281308/ 28281490

Mr Prakash V Gor / Mr Dilesh (Dombivli)
Tel: (0251) 5617530 / 2862890 / 895

Mr Sachin Morakhia (Fort—Horniman Circle)
Tel: (022) 2265 9327/ 22659734

Ms Salome A. Shah (Fort—Ali Chambers)
Tel: (022) 2270 3909/11

Mr Somen Sangani
(Fort—Jeevan Udyog Bldg)
Tel: (022) 2207 7566 / 2207 0427

Mr Premal Sanghvi
(Fort—Mahendra Chamber)
Tel: (022) 66632921 / 22 / 23

Mr Nikhil Shah (Fort)
Tel: (022) 22871500 / 22041050/ 70/90

Mr Rajiv Sheth (Fort)
Tel: (022) 22722781 / 82

Ms Monisha Mehta / Mr Gaurav Shah
(Ghatkopar)
Tel: (022) 25100068/ 65768801/ 2/21

Mr Hemant Kumar Garg (Mahim)
Tel: (022) 24456715 / 24466291

Ms Indu Mahendra Purohit (Malad)
Tel: (022) 28806704 / 28823510

Mr Chetan Miyani/Mrs Naina Miyani
(Mira Road)
Tel: (022) 2813 1522 / 28130220

Mr Kishor Shah (Prabhadevi)
Tel: (022) 66662444

Mr Sanjay Yewale (Thane)
Tel: (022) 25379061 / 25375135

Mrs Latika S Dudani (Ulhasnagar)
Tel: (0251) 2570700 /2563535

Sharekhan Branches

Agra
F-3, First Floor, Friends Trade Center, Nehru Nagar, Opp.Anjana Cinema, M.G.Marg, Agra-282 002. Tel: (0562) 4032053/54/57/60

Ahmedabad - Maninagar
208, Rajvi Complex, Opp Rambaug Police Station, Maninagar, Ahmedabad-380 008. Tel: (079) 65410102 / 65410829

Ahmedabad - Navrangpura
201/202, Dynamic House, Near Vijay Cross Road, Navrangpura, Ahmedabad-380009. Tel: (079) 66060141to 52

Ahmedabad - Sattelite
406, Shivalik Corporate Park, B/H IOC Petrol Pump Near., Shyamal Cross Road Sattelite, Ahmedabad-380 015. Tel: (079) 6525 48 08 / 09/10/11/12 /13

Ahmedabad - Paldi
302, Gangandeep Towers, Opp Bank of India, Paldi Cross Road, Paldi, Ahmedabad-380 007.

Ahmednagar
Shop No 1 & 2, Kaware Complex, Vasant Talkies Road, Ahmednagar-414 001. Tel: 0241-6611011 to 20.

Ajmer
195/11, Rajhonda, Kutchery Road, Ajmer-305 001. Tel: (0145) 6100919 / 6100920 / 2422665.

Allahabad
1st Floor, Shop No.14 & 15, Vashishti Vinayak Tower, Nr Yatrik Hotel, Tashkant Marg, Civil Lines, Allahabad-211 003. Tel: (0532) 6452910.

Aligarh
5, Vaishno Compound, Samad Road, Aligarh (UP). Tel: (0571) 2506637 / 2503859.

Ambala
167/18, 1st Floor, Adjoining Airtel Office, Rai Market, Ambala Cantt - 133001. Tel: (0171) 6450284to 87.

Amravati
Jagdamba Arcade, 2nd Floor, Near Amba Gate, Gandhi Chowk, Amravati-444601. Tel: (0721) 2564673, 6451282/83.

Amritsar
5 Deep Complex, 1st floor , Opp Doaba Automobiles , Court Road, Amritsar - 143001. Tel: (0183) 6451903 / 904 / 905.

Anand
F/5, Prarthana Vihar Complex, 1st Floor, Near Panchal Hall, Vidyanagar Road, Anand, Gujarat - 388 001. Tel: (02692) 655020 to 23.

Anand - Vidyanagar
1st Floor, P.M.Chamber, Mota Bazar, Vallabh Vidyanagar, Anand, Gujarat - 388120. Tel: (02692) 655015 to 17.

Angamaly
1st Floor, Kachappilly Towers(Uco), Aluva Road, Angamaly, Pin-683572 (Kerala).

Ankleshwar
F-1, F-2 & F-3, 1st Floor, Shree Narmada Arcade, Opp HDFC Bank, Ankleshwar - 393002. Tel: (02646) 227120/21.

Bangalore - Jayanagar
442, "Vasavi Plaza" 3rd Floor, 11th Main, Opp Global Trust Bank, IV Block, Jayanagar, Bangalore - 560011. Tel: (080) 64527428 to 31.

Bangalore - Gandhinagar
Brigade Majestic, 201 A Block, 2nd Floor, 25 Kalidasa Marg, 1st Main Road, Gandhinagar, Bangalore - 560009. Tel: (080) 64527413 to 15.

Bangalore - Koramangala
Emerald Towers, No 147, KHB Colony, 5th Main, 5th Block, Koramangala, Bangalore-560 095. Tel: (080) 64527477 to 79.

Bangalore - Indiranagar
1132, Anand Embassy, 3rd Floor, Above Food World, 100 Feet Road, Indiranagar, Bangalore - 560 038. Tel: (080) 64527465 to 67.

Bangalore - Malleshwaram
No 311, 2nd Floor, 2nd Main, Between 15th and 16th Cross, Sampige Road, Malleshwaram, Bangalore-3. Tel: (080) 64527401-03.

Bardoli
303/304, Millenium Mall, Opp.Sardar Vallabhbhai Patel Musium, Station Road, Bardoli-394 003. Tel: (02622) 657229.

Bareilly
148, Civil Lines, Bareilly-243 001. Tel: (0581) 2511581 to 85.

Bharuch
221-227, 2nd Floor, Dream Land Plaza, Opp Nagar Palika, Station Road, Bharuch - 392 001. Tel: (02642) 244998/99.

Bhavnagar
Gangotri Plaza, Plot No-8A 3 rd Floor , Opp Dakshinamurti School, Waghawadi Road, Bhavnagar, Gujarat - 364 001. Tel: (0278) 2573938/2573939/2571333/3201333

Bhubaneshwar
A/B-2nd Floor, 501/1741, Centre Point, Unit No.3, Kharvel Nagar, Bhubaneshwar-751 001. Tel: (0674) 6534373.

Bhilai
216, 1st Floor, Khichariya Complex, Nehru Nagar chowk, Bhilai (C.G.) 490006 Tel: (0788) 4092512 / 4092672.

Bhiwandi
Office no 1&2, Presidency Plaza, Khadipar Road, Nr Shivaji Chowk, Bhiwandi- 421 302. Tel: (02522) 645690 to 96.

Bhopal
House No 15-B, 1st Floor, Plot No 9-B, Malviya Nagar, Rajbhawan Road, Bhopal-462 003. Tel: (0755) 4291600.

Bhuj
1st Floor, RTO Relocation, Opp Fire brigade Station, Bhuj, Kutch-370 001. Tel: (02832) 229463/229473/229483

Bikaner
102, Nagpal Complex, First Floor, Opp DRM Office, Bikaner, Rajasthan-334 001. Tel: (0151) 6450803 / 6450804.

Borsad
G-1/2, Krishna Hospital Bulding, Suryamandir Rd, Nr. Panch Nala, Borsad-388 540. Tel: (02696) 224212/13/14

Calicut
1st Floor, 6/1002 F, City Mall, Opp YMCA, Kannur Road, Calicut-673001. Tel: (0495) 6450307/308/312/314/316/317

Chandigarh
SCO 489-490, 2nd Floor, Sector-35C, Chandigarh, Punjab - 160035. Tel (0172) 6540233 /6540183 / 6540158

Chengannur
Door NO.XIV/263(7 & 8), 1st Floor, Bin Towers, Hospital Junction, Chengannur- 689121.

Chennai - Alwarpeth
68, C P Ramasamy Road, 3rd Floor, Alwarpet, Chennai - 600 018. Tel: (044) 43009001/02/03/04/05

Chennai - Chetpet
G-2, Salzburg Square, 107-Harrington Road, Chetpet, Chennai-600031. Tel: (044) 28362800 / 2900 / 28363160.

Chennai - Parrys
Begum Isphani Complex, No 44 Armenian Street, Parrys, Chennai - 600001. Tel: (044) 64552951 / 52/ 53 / 54

Chennai - Purasawalkam
F-13, Dr Rajivi Tower, 231/28 Purasawalkam High Road, Opp Gangadeeshwar Temple Tank, Chennai - 7. Tel: (044) 42176004 to 9.

Coimbatore
Vignesvar Cresta, 2nd Block, 3rd Floor, 1095 - Avinashi Road, P N Palayam, Coimbatore -641037. Tel: (0422) 2213434/2214282/2218252.

Cuttack
Gajanan Complex, 2nd Floor, Haripur Road, Dolamundai, Cuttack- 753001 Tel: (0671) 2432340 to 45.

Dehradun
58, Rajpur Road, Opp. Hotel Madhuban, Dehradun-248001. Tel: (0135) 2740 190 to 94.

Erode
Akhil Plaza, Block No.1, T.S.No.121, Perundurai Road, Opp Padmam Restaurant, Erode - 638011. Tel: (0424) 2241000/ 2241005.

Erode - Gobichettipalayam
Chamundeswari Agencies Bldg, 279, Cutchery Street, Sathy Main Road, Gobichettipalayam-638 452. Tel: (04285) 229013/14/15.

Faizabad
Mehramat Plaza, 4099, Civil Lines, Near Pushpraj Guest House, Rly Station Road, Faizabad-224001. Tel: (05278) 320720 /220740.

Faridabad
SCF 16, 1st Floor, Near ICICI Bank, Sector 15 Market, Faridabad-121003, Haryana. Tel: (0129) 2220825 /26/27.

Gandhidham
Plot No.147, Sector 1 A, Near Big Byte Resturant, Gandhidham –370201. Tel: (02836) 323113 / 323114.

Gandhinagar
GF/04, Infocity-Super Mall-2, Infocity, CH-0 Circle, Gandhinagar-382 009. Tel: (079) 64512663.

Ghaziabad
C-81,Room no. 209, Iind Floor, R.D.C. Raj Nagar, Ghaziabad-201 002. (U.P.)

Goa-Mapusa
St. Anthony Apartment, Ground Floor, Shop No B/17, Feira Alta, Mapusa, Goa - 403507. Tel: (0832) 6453383 - 86 / 6521513.

Goa-Panaji
Hotel Manoshanti Building, Ground Floor, Dr D V Road, Panaji, Goa-403001 Tel: (0832) 6453407 to 412.

Gorakhpur
Shop No 17, 1st Floor, M.P. Building, Golghar, Gorakhpur - 273001. Tel: (0551) 2202645 / 2202683.

Guntur
D.No.5-87-89, 2nd Lane, 2nd Floor, Beside HDFC Bank, Lakshmipuram Main Road, Guntur - 522 007. Tel: (0863) 6452334.

Gurgoan
GF 10, JMD Regent Square, DLF Phase- II, Opp Sahara Mall, Main Mehrauli, Gurgaon Road, Gurgaon-122001, Tel: (0124) 4104555.

Gurgoan-II
SCF 89, 1st Floor, Sector 14, Urban Estate, Gurgoan - 122 001. Tel: (0124) 4115431/32.

Gwalior
Portion No.3, 1st Floor, Parimal Complex, Opp Kotchar Petrol Pump, Chetakpuri Square, Gwalior -474 009. Tel: (0751) 4069570 to 575.

Hyderabad
7-1-22/3/1-5/C, Afzia Towers, 1st Floor, Begumpet, Hyderabad-500016 Tel: (040) 66827469-70 (D) 4020354.

Hyderabad-Begum Bazar
14-7-21, 14-7-21A, Ground Floor, Opp AP Mahesh Bank, Begum Bazar, Hyderabad-12. Tel: (040) 66742880 - 99.

Indore
102-104, Darshan Mall, 15/2 Race Course Rd, Indore - 452 001. Tel: (0731) 4205520 to 24

Jaipur
Flat No 401/402, 4th Floor, Green House, Ashok Marg, C-scheme, Jaipur-302001. Tel: (0141) 6456098 / 6456114.

Jalgaon
Ground Floor, Ramdayal Plaza, Near Kiran Tea, Navi Peth, Jalgaon - 425001. Tel: (0257) 2239461.

Jamnagar - K. P. House
K. P. House, 2nd Floor, Opp Dhanvantri College Ground, Pandit Nehru Marg, Jamnagar- 361 008. Tel: (0288) 2541861-63.

Jamshedpur
UG, 2&3 Shreeji Arcade, 76B, Pennar Road, Sakchi, Jamshedpur-831001. Tel: (0657) 2442000 / 01 / 02 / 03 .

Jodhpur
A-3, 1st Floor, Olympic Tower, Station Road, Jodhpur-342001. Tel: (0291) 2648000 / 4 / 5

Junagadh
6/7/8, 2nd Floor, Raiji Nagar, Motibaug Raod, Junagadh-362001. Tel: (0285) 2650434.

Kanpur
515 & 516, Kan Chambers, 14/113, Civil Lines, Kanpur -1.

Kalyan
Shop No. 9,10,11.Gr.Floor, Navjyoti Darshan Apt., Near Purnima Talkies, Murbad Road, Kalyan(W), Pin: 421304. Tel: (0251) 2211342/41/43.

Kochi
Chicago Plaza, 1st Floor, Rajaji Road, Ernakulam, Kochi-682 035. Tel: (0484) 2368411/12/13/17

Kochi - Vyttila
Thondiyil Plaza, 31/757-D, Thammanam Road, Vyttila Junction, Kochi, Kerala - 682019. Tel: (0484) 6460120 / 6460121.

Kodungallur
1st Floor, Thoppil Tower, Near Pvt Busstand, Chanthapura, Kodungallur - 680664. Tel: (0480) 2810147/157/167

Kolhapur
No 5, 3rd Floor, Ayodha Tower, Bldg No 1,511 / KH -1/2, E-Ward, Dabholkar Corner, Station Road, Kolhapur - 416 001. Tel: (0231) 6687063 -66

Kolkata
Kankaria Estate, 1st floor, 6-Little Russell Street, Kolkata - 700 071. Tel: (033) 22830055 / 22805555.

Kolkata - Dalhousie
2nd Floor, Jardine Henderson Bldg. 4, Dr Rajendra Prasad Sarani (Clive Row), Kolkatta-1. Tel: (033) 22317691; 22317692.

Kolkata - Durgapur
111/95, Nachal Road, Benachity, Dist Burdwan, Durgapur, Kolkata - 713 213. Tel: (0343) 6452701 /02/03

Kolkata - Howrah
42, Dobson Road, Prakash Mansion, Near A.C.Market, Howrah, Kolkata-711 101. Tel: (033) 64523471 to 80.

Kolkata - Howrah (Advisory)
Prakash Mansion; 1st Floor; 42 Dobson Road; Howrah; Kolkata -711 101. Tel: (033) 2666 1279 to 86

Kolkata - Saltlake
DL-78, Sector - 2, Saltlake City, Kolkata 700 091. Tel: (033) 23581826 to 29.

Kollam
First Floor, A. Narayanan Shopping Complex, Kadappakada, Kollam - 691008. Tel: (0474) 2769120 to 25.

Lucknow
2/159, Vivek Khand, Gomti Nagar, Lucknow - 226 010. Tel: (0522) 4009832 to 33.

Lucknow (Hazratganj)
1st Floor, Marie Gold, 4,Shahnajaf Road, Hazaratganj, Lucknow-226 001. Tel: (0522) 4010342 / 43.

Sharekhan Branches

Ludhiana
SCO 145 1st Floor Feroze Gandhi Market, Near Ludhiana Stock Exchange, Ludhiana -141001. Tel: (0161) 6547349 / 459 /469.

Madurai
Saran Centre, A-2, 1st Floor, 19, Gokhale Road, Chinnachokikulam, Madurai-625 002. Tel: (0452) 436 0303.

Mangalore
C-1, 1st Floor, Presidium Commercial Complex, Anand Shetty Circle, Attavar, Mangalore - 575001. Tel: (0824) 6451503 / 6451504.

Meerut
201, 2nd Floor, Abulan, Meerut-250 001 (U.P.)

Mehsana
14-15, First Floor, Prabhu Complex, Above HDFC Bank, Near Rajkamal Petrol Pump, Mehsana - 384002. Tel: (02762) 248980/249012.

Muradabad
Shankar Datta Sharma Marg, Opposite Police Station, Civil Lines , Muradabad-244 001. (UP)

Mysore
Shop No.3, Mythri Arcade (Next to Saraswathi Theatre), Kantharaj Urs Road, Chamaraja Mohalla, Saraswati Puram, Mysore-570 009. Tel: (0821) 6451601 / 6451602

Nadiad
201/202, City Point Complex, Near Parash Cinema,Santram Road, Nadiad - 387001. Tel: (0268) 2550555.

Nagpur (C A)
409/412, Heera Plaza, Near Telephone Exchange Square, Central Avenue, Nagpur-440 008. Tel: (0712) 2731922/23.

Nagpur - Dharampeth
54, Park Residency, Khare Town, Dharampeth, Nagpur - 440 010. Tel: (0712) 6610752 to 56.

Navsari
1-Nirmal Complex, 1st Floor, Station Road, Sayaji Road, Navsari - 396 445. Tel: (02637) 652300/652400/248888.

Nashik - Ashok Stambh
6-Sancheti Tower, Opp Circle Cinema, Ashok Stambh, Nashik-422 002. Tel: (0253) 6610990-999.

New Delhi - Bharakhamba Road
903 & 903A, Kanchenjunga Bldg., 18-Bharakhamba Road, New Delhi-110001.

Nashik - College Road
5 SK Open Mall, Yeolekar Mala, Near BYK College, College Road, Nashik-422 005. Tel: (0253) 6610975 to 978.

New Delhi - Pusa Road
5, Pusa Road, Opp. Bal Bharti Public School, New Delhi-110005. Tel: (011) 45064908 / 28750726/27.

E-4, 2nd Floor, Inner Circle, Above Pizza Hut, Connaught Place, New Delhi-110 001. Tel: (011) 66095731 / 66095705.

New Delhi - Greater Kailash
M-43, 2nd floor, M-Block, Main Market, GK-1, New Delhil -110 048. Tel: (011) 64580204 to 64580211.

New Delhi - Pitampura
411/412, Agarwal Cyber Plaza,Netaji Subhash Palace, Pitampura, New Delhi - 110034. Tel: (011) 6458 0310.

New Delhi - Karkardooma
Unit No.504, 5th Floor, V4 Tower, Community Center, Karkardooma, New Delhi- 110092.Tel. (011) 43014280/281.

New Delhi - Vasant Vihar
E-20, Basant Lok Community Center,Vasant Vihar, New Delhi -110057. Tel: (011) 46095712-16.

Noida
P-12A, 3rd Floor, BHS Liberty, Sector-18, Noida - 201 301. Tel: (0120) 6472 476 to 87.

Ottapalam
1st Floor, KVM Plaza, Main Road, Ottappalam, Kerala - 679 101. Tel: (0466) 2344145/46/47.

Palakkad
1st Floor, Shree Laxmi Vilas Buildings, G. B. Road, Palakkad- 678 014. Tel: (0491) 6450179 / 6450188.

Patiala
SCO- 135, Chotti Baradari, Patiala -147 001 (PUNJAB)

Tel: (0175) 6622200 /01/02/03/04/05.

Pulgaon
Khurana Complex, Near Balaji Hotel, Nachangoan Road, Pulgaon - 442 302.

Pune - F C Road
301, Millenium Plaza, 3rd Floor, Opp Fergusson College main Gate, Shivaji Nagar, Pune-411 004. Tel: (020) 66021301 - 06.

Pune - Bun Garden
285, Tara Baug, Opp ICICI Bank - Bund Garden Road, Koregaon Park Road, Pune - 411 001. Tel: (020) 66039301 / 66039302.

Pune - Satara Road
404, Landmark Centre, S No 46/1B+2B, Plot No. 2, Opp City Pride Theatre, Pune-9. Tel: (020) 66206341 to 66206350.

Pune - Nigdi
ABC Plaza (Agarwal Complex), 2nd Flr, Plot No 6, Sector No 25, Bhel Chowk, Pradhikaran, Nigdi, Pune-44. Tel: (020) 66300690-97.

Raipur
"Ridhi House", 27/218, New Shanti Nagar, Raipur (Chattisgarh)- 492007. Tel: (0771) 4217777, 4281172, 4001004.

Rajkot
102/103, Hem Arcade, Opp Vivekanand Statue, Dr Yagnik Road, Rajkot-360001 Tel: (0281) 2482483/84/85.

Rajkot - Ring Road
Nanamava Survey No. 70/71, A Type Unit No. 14 , Opp. Solitire Buidling, 150ft Ring Road, Bhaktidham, Rajkot - 360005.

Salem
Sri Ganesh Tower, 561, 2nd Floor, Saradha College Main Road, Salem - 636 007. Tel: (0427) 6454864 / 65/ 66.

Salem (Cherry Road)
No. 80 / 7 & 8,K. P. R Complex, Cherry Road, Salem – 636007.

Sangli
Ranjit's Empire, Office No-36,37,38, 2nd Floor, CS No.517 , Opp. Zillaparishad, Sangli-416416.

Siliguri
2nd Floor, Ganeshayan Building,112,Sevoke Road, Beside Sunflower Shopping Mall, Siliguri-734001. Tel: (0353) 6453475 -79 / 2530253 / 2777662.

Secunderabad
Marrideep Bldg, 1st Floor, 12-5-4, Vijayapuri, Opp St Annes College, Tarnaka, Secunderabad-500 017. Tel: (040) 64533871 to 75.

Surat
M-1 to 6,Jolly Plaza, Mezzanine Floor, Athwa Gate, Surat - 395 001. Tel: (0261) 6560310 to 6560314.

Thrissur
Pooma Complex, M G Road, Thrissur - 680 001. Tel: (0487) 2446971 to 73.

Thodupuza
II Floor - Magalam North end, Idukki Road, Near KSRTC Bus Stand, Thodupuzha-685584.

Trichy - Cantonment
F-1, Achyuta, 111-Bharatidasan Salai, Cantonment, Trichy-620001 (Tamilnadu). Tel: (0431) 4000705 / 2412810

Tirupur
Ram Arcade, No 27, Muncif Court Street, Tirupur- 641 601. Tel: (0421) 6454316 to 20.

Trivandrum
Laxmi Bldg, 1st Floor, T.C.No.26/430, Vanrose Road, Trivandrum - 695 039. Tel: (0471) 6450657 / 58 / 59.

Tirur

Kayal Madathil Arcade, Ground Floor, Nauvilangadi, Pookkayil Bazar, Tirur - 676 107. Tel: (0494) 6451601 to 05.

Udaipur

C/o Omprakash Chaplot & Co,1st Floor, 66, Panchsheel Marg, Near Town Hall, Udaipur-313 001.

Vadodara
6-8/12, Sakar Complex, 1st Floor, Opp ABS Tower, Haribhakti Extension, Old Padra Road, Vadodara-390 015. Tel: (0265) 6649261 to 70.

Vadodara - Manjalpur
1st Floor, Rutukalsh Complex, Tulsidham Char Rasta, Near Deep Chambers, Manjalpur, Vadodara - 390 011. Tel: (0265) 2647970-71.

Vapi
Royal Fortune, D-101, E-101, 1st Floor, Vapi-Daman Road, Vapi - 396 191. Tel: (0260) 6452931 to 36

Varachha - Surat
G-18/19, Rajhans Point, Varachha Main Road, Varachha Road, Surat - 395006. Tel: (0261) 3244900.

Varanasi
2nd Floor, Banaras TVS Bldg., D-58/12, A-7, Sigra, Varanasi - 221 010 (UP). Tel: 0542 - 222 1073 / 75 /81 / 83

Vellore
20/B, First East Main Road, Land Mark Building, 2nd Floor, Gandhi Nagar, Vellore - 632006 Tel: (0416) 6454306 to 310.

Vijaywada
Centurian Plaza, D. No: 40-1-129, 2nd Floor, Old Coolex Building, M. G. Road, Vijaywada - 520 010. Tel: (0866) 6619992/6629993.

Vizag
10-1-35/B, Third Floor, Parvathaneni House, Val Tair Uplands, CBM Compounds, Vishakhapatman - 530003. Tel: (0891) 6673000/6671744.

Wardha
Radhe Complex, 2nd Flr, Indira Mkt Road, Above Akola Urban co-op Bank, Wardha-442001. Tel: (07152) 645023 to 26.

Mumbai - Andheri
Samarth Vaibhav, Office No 114, 1st Floor, Off Link Road, Oshiwara, Andheri (W), Mumbai-400 053. Tel: (022) 66750755 to 58.

Mumbai - Borivali
Shop No 105 / 106, Kapoor Apartment, Punjabi Lane Corner, Borivali (W), Mumbai-400092. Tel: (022) 65131221 to 24.

Mumbai - Ghatkopar
202, Sai Plaza, 2nd Floor, Junction of Jawahar Road & R. B. Mehta Marg, Ghatkopar (E), Mumbai 400 077. Tel: (022) 65133960.

Mumbai - Goregaon
Shop # 3, 29-C, Anamika, Road No-7, Near Sudama Restaurant, Jawahar Nagar, Goregaon (W), Mumbai-400062. Tel: (022) 6515 3123 to 28

Mumbai - Kandivali
Om Sai Ratna Rajul CHS, Corner of Patel Nagar, M G Road, Kandivali (W), Mumbai-400 067. Tel: (022) 6725 0491 to 5.

Mumbai - Kandivali (Thakur Village)
Shop No 37, EMP-6, Jupitar CHS Ltd,Evershine Milleniam Paradise, Thakur Village, Kandivali (E), Mumbai- 400 101.

Mumbai - Khar
1st Floor, Matru Smruti, Plot No.326, Linking Road, Khar (W), Mumbai 400 052. Tel: (022) 65135333 - 65133972 to 76.

Mumbai - Lower Parel
"C" Phoenix House, 4th Floor, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. Tel: (022) 6618 9300.

Mumbai - Malad
Flat no A-1/A-2, Gr. Floor, Rosemary CHS, Orlem, Marve Road, Malad (W) Mumbai- 400 064. Tel: (022) 65133969.

Mumbai - Matunga
Flat No 4B, Ground Floor, Ashwin Villa, Telang Road, Matunga (E), Mumbai - 400019. Tel: (022) 6513 9230/31/32

Mumbai - Mulund
Shop No.7-10, Runwal Towers, Opp Goverdhan Nagar, L B S Marg, Mulund (W), Mumbai-400 080. Tel: (022) 67251240 to 54.

Mumbai - Opera House
Gogate Mansion, Gr Floor, 89- Jagannath Shankar Seth Road, Girgaum, Opera House, Mumbai -4. Tel: (022) 6610 5671-75.

Mumbai - Powai
A-Wing, Unit No A 201/203/204, 2nd floor, Galleria Building, Hiranandani Garden, Powai, Mumbai- 400 076. Tel: (022) 67024772 - 73.

Mumbai - Raghuvanshi
Raghuvanshi Mills Compound, Krishna House, 3rd Floor, S B Marg, Lower Parel, Mumbai – 400 013. Tel: (022) 6699 7163.

Mumbai - Thane
Gaurangi Chambers , 1 st Floor, Opp Damani Estate, L B S Marg , Thane - 400 602. Tel: (022) 67913961/62.

Mumbai - Stock Exchange (Rotunda)
PG -1, Gr Floor, Rotunda Building, Mumbai Samachar Marg, Fort, Mumbai - 23. Tel : (022) 6610 5600 to 15 (23rd Floor).

Mumbai - Vashi
Arenja Corner, 227, B - Wing, Second Floor, Sector 17, Vashi, New Mumbai 400 705. Tel: (022) 67122122 / 67913840.

Shop No 32, Welfare Chambers, Sector-17, Vashi, New Mumbai - 400705. Tel: (022) 67124657 - 58

Mumbai - Vile Parle
7-Alka CHS, Ground Floor, Dadabhai Road, Vile Parle (W), Mumbai - 400056. Tel: (022) 26253010/11/12/13

Mumbai - Vashi APMC Mareket
C/35, APMC Market 1,Phase 2, Vashi, Navi Mumbai 400 705. Tel: (022) 27657353 / 27650556 /57/58

PCG Branch

PCG - Kolkata
Kankaria Estate, 2nd Floor, 6-Little Russell Street, Kolkata - 700 071. Tel: (033) 22830055

PCG - Mumbai
"C" Phoenix House, 4th Floor, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. Tel: (022) 6618 9300.

International Branch

Dubai
213, Nasir Lootah Bldg, Khalid Bin Walid Street (Bank Street), P.O. Box: 120457, Dubai, U A E. Tel: 971-4-3963889 Direct : 971-4-3963869.

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