



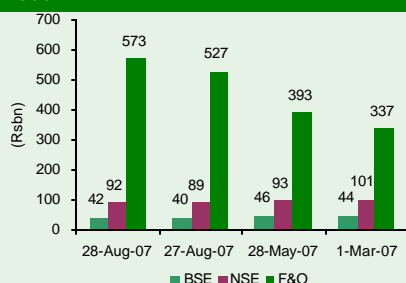
29 August 2007

Indices	%Change			
	28-Aug-07	1mth	3mth	6mth
Sensex	14,919	(2.2)	2.8	13.4
Nifty	4,321	(2.7)	0.6	13.4
CNX Midcap	5,847	(3.3)	2.9	19.5
Banking	7,636	(5.2)	0.5	16.0
Capital Goods	13,117	3.3	20.4	45.8
IT	4,559	(5.9)	(7.1)	(10.1)
Healthcare	3,493	(5.1)	(9.4)	(0.8)
NASDAQ	2,501	(1.8)	(3.5)	4.0
Dow Jones	13,042	(1.3)	(4.3)	6.6

Net Inflows

Rsbn	27-Aug-07	24-Aug-07	MTD	YTD
FII	4	3	(84.8)	343.2
Mutual Fund	3	2	28.7	123.4
FII - F&O	(5)	9	47.8	120.5

Turnover



Commodity & Currency % Change

	28-Aug-07	1mth	3mth	6mth
Crude (US\$/barrel)	71.6	(6.8)	13.1	15.4
Gold (US\$/Oz)	662.1	(0.4)	0.5	(0.4)
US\$	41.1	1.4	1.7	(7.1)
Euro	56.0	1.3	3.1	(4.3)

Debt

%	28-Aug-07	1mth	3mth	6mth
RBI Repo	7.8	7.8	7.8	7.5
10 yr G-Sec yld	7.9	7.8	8.1	7.9
Spread 1 & 10 yr G-Sec	0.5	1.2	0.4	0.5
US 10 yr treasury	4.6	4.8	4.9	4.6
Surplus liquidity (Rsbn) (253.6)	(30.0)	(29.9)	(301.6)	

Indoco Remedies (Rs240)

BUY - Target Price Rs355

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Indoco Remedies Ltd, Rs2.7bn company with 80% revenues from domestic formulations business has set itself on a transition path and is graduating from CRAMS to offering whole ANDAs in the regulated markets like UK, USA and Europe. Exports, which constitute 16% of current revenues, is expected to scale-up to 50% by 2010. On account of MAT credit entitlement, the company would not have to pay current tax for the next couple of years. We are upgrading our earnings by 11.9% to Rs32.7 in FY07E and to Rs47.2 in FY08E respectively. We however maintain our price target of Rs355 and our **BUY** recommendation based on 7.93x FY08E and P/S of 1.03x FY08E.

Formulations exports to show increased traction: Exports constitute 16% of the total revenues (Rs432mn in FY06) and is expected to be the fulcrum of growth going ahead. Indoco's export strategy is focused on the CRAMS model, which caters to development of product dossiers to supply of finished dosage. Indoco's main focus is the regulated markets of Europe, US and South Africa. CRAMS ANDA revenues and niche ophthalmic opportunities are expected to pan out in foreseeable future. The company's exports composition is expected to ramp up from 16% currently to 21% to Rs880mn in FY2008E.

Domestic formulations set to record strong double-digit growth: Domestic formulations business, which accounts for 80% of total revenues grew by 16% to Rs2,166mn in FY2006. The company has strong presence in respiratory, anti-infective, stomatology, ophthalmic, anti-spasmodic, anti-cold preparation, anti-inflammatory and antifungal segments etc. Product introduction of 25-30 products every year coupled with systematic market penetration in hitherto low presence in North and Eastern markets would enable the company to show strong growth. We believe the company is all set to clock 23% and 18% growth in domestic formulations business for FY2007E and FY2008E respectively.

Indoco Remedies	Y/E June Rs Mn	FY05	FY06	FY07E	FY08E	
Bloomberg Code	INDR@IN	Net Revenues	1,956	2,442	3,292	4,046
Market Cap(Rs bn)	2.8	EBITDA	414	486	573	701
Market Cap(US\$ mn)	62.1	Net Profit	241	275	396	550
Shares Outstanding(mn)	11.8	EPS(Rs)	20.4	23.2	32.2	44.8
52-week High/Low (Rs)	371/225	EPS growth (%)	(12.6)	13.8	38.7	38.9
		EBITDA margin(%)	21.2	19.9	17.4	17.3
Major Shareholders (%)		PER(x)	11.8	10.3	7.4	5.4
Promoters	58.8	EV/EBITDA (x)	6.4	5.2	4.5	3.4
FIIs	6.5	P/S (x)	1.3	1.1	0.9	0.7
Banks/Fis/MFs/NRIs/corporates	12.4	RoCE(x)	22.3	18.4	18.8	20.6
Public	22.4	RoE(%)	18.5	14.8	18.1	20.9

Source: Company and Karvy Estimates

API to open higher vistas for growth: As a part of its growth strategy, Indoco has increased its presence in the API business. Indoco's strategy is to gradually move up its value chain and integrate backward into API business. This would enable the company to migrate from a "Contract Manufacturer of Finished Dosage Forms" to one offering complete solutions.

The company had acquired 100% stake in La Novachem Pvt. Ltd (a capacity of 50KL) at a cost of Rs187.5mn. La Nova currently sells APIs to 15 non-regulated countries and derives Rs90-100mn revenues. Indoco is confident of scaling up the revenues with more value added products on back of La Nova acquisition. We expect the API revenues to grow at a CAGR of 85% to Rs 200 mn in FY08E.

Valuation

Indoco Remedies is set on a strong growth track with increase in revenue growth of 23% in FY07E and 18% in FY08E in the domestic formulations space (80% of revenues), greater revenue traction in the CRAMS and ANDA space in regulated markets and scale up in API space due to La Nova acquisition. On account of MAT credit entitlement, the company would not have to pay current tax for the next couple of years. We are upgrading our earnings by 11.9% to Rs32.7 in FY07E and to Rs47.2 in FY08E respectively. We however maintain our price target of Rs355 and our **BUY** recommendation based on 7.93x FY08E and P/S of 1.03x FY08E.

BULK DEALS ON NSE - 28 August 2007

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price/ADSL
EVERONN	Everonn Systems India Lim	ASTUTE COMMODITIES & DERIVATIVES Pvt Ltd	BUY	107,972	596
EVERONN	Everonn Systems India Lim	B K SHAH AND CO	BUY	78,359	599
EVERONN	Everonn Systems India Lim	CONSOLIDATED SECURITIES LTD	BUY	108,500	588
EVERONN	Everonn Systems India Lim	CREDENTIAL STOCK BROKERS LIMITED	BUY	87,941	596
EVERONN	Everonn Systems India Lim	DINESH MUNJAL	BUY	147,399	598
EVERONN	Everonn Systems India Lim	HARBUX SINGH SIDHU	BUY	148,853	600
EVERONN	Everonn Systems India Lim	NAMAN SECURITIES & FINANCE PVT LTD	BUY	70,495	585
EVERONN	Everonn Systems India Lim	PRASHANT JAYANTILAL PATEL	BUY	422,655	596
GKW	GKW Ltd	THE PHOENIX MILLS LIMITED	BUY	330,982	47
ICSA	ICSA (India) Limited	UBS SECURITIES ASIA LIMITED A/C SWISS FINANCE CORBUY	BUY	40,000	1,683
NAGARFERT	Nagarjuna Fert & Chem	JAYPEE CAPITAL SERVICES LTD.	BUY	3,694,713	34
SELMCL	SEL Manufacturing Company	AMBIT SECURITIES BROKING PVT. LTD.	BUY	91,536	174
SELMCL	SEL Manufacturing Company	HARBUX SINGH SIDHU	BUY	80,271	172
SELMCL	SEL Manufacturing Company	P R B SECURITIES PRIVATE LTD	BUY	88,172	174
SELMCL	SEL Manufacturing Company	RUPESH KIRIT DALAL	BUY	78,262	171
SELMCL	SEL Manufacturing Company	YOKE SECURITIES LIMITED	BUY	85,734	172
TAKE	Take Solutions Limited	PRASHANT JAYANTILAL PATEL	BUY	192,885	939
TFCILTD	Tourism Finance Corp	DILIPKUMAR B. LAKHI	BUY	341,666	26
EVERONN	Everonn Systems India Lim	ASTUTE COMMODITIES & DERIVATIVES Pvt Ltd	SELL	107,172	596
EVERONN	Everonn Systems India Lim	B K SHAH AND CO	SELL	78,359	600
EVERONN	Everonn Systems India Lim	CONSOLIDATED SECURITIES LTD	SELL	108,500	589
EVERONN	Everonn Systems India Lim	CREDENTIAL STOCK BROKERS LIMITED	SELL	87,941	597
EVERONN	Everonn Systems India Lim	DINESH MUNJAL	SELL	147,399	598
EVERONN	Everonn Systems India Lim	HARBUX SINGH SIDHU	SELL	148,853	600
EVERONN	Everonn Systems India Lim	NAMAN SECURITIES & FINANCE PVT LTD	SELL	69,185	587
EVERONN	Everonn Systems India Lim	PRASHANT JAYANTILAL PATEL	SELL	422,655	598
JSTAINLESS	Jindal Stainless Limited	MORGAN STANLEY AND CO. INTL LTD - FCCB	SELL	754,000	150
KPRMILL	K.P.R. Mill Limited	CITIGROUP GLOBAL MARKETS MAURITIUS PVT LTD	SELL	380,000	187
MASTEK	Mastek Ltd	MACQUARIE BANK LIMITED	SELL	210,500	260
NAGARFERT	Nagarjuna Fert & Chem	JAYPEE CAPITAL SERVICES LTD.	SELL	3,653,688	34
SELMCL	SEL Manufacturing Company	AMBIT SECURITIES BROKING PVT. LTD.	SELL	91,536	174
SELMCL	SEL Manufacturing Company	HARBUX SINGH SIDHU	SELL	89,525	174
SELMCL	SEL Manufacturing Company	P R B SECURITIES PRIVATE LTD	SELL	88,172	173
SELMCL	SEL Manufacturing Company	RUPESH KIRIT DALAL	SELL	78,262	172
SELMCL	SEL Manufacturing Company	YOKE SECURITIES LIMITED	SELL	90,744	172
TAKE	Take Solutions Limited	PRASHANT JAYANTILAL PATEL	SELL	192,885	941

Source: NSE

BULK DEALS ON BSE - 28 August 2007

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
513149	ACROW INDIA	PAI ANANTH G	S	4,482	237
531518	ADARS DERIVA	MADANLAL VARMA	S	50,000	24
531683	ANKU DR PH	ABN AMRO BANK N.V. LONDON	B	403,115	395
531683	ANKU DR PH	GRANTS INVESTMENT LIMITED FCCB AC	S	400,000	395
532888	ASIAN GRANIT	DEUTCHE INTL TRUST CORPORATION MAURITIUS LTD	S	225,394	106
532845	BHAGWATI BAN	KIRTI SHANTILAL SHAH	B	255,000	35
532845	BHAGWATI BAN	LOTUS GLOBAL INVESTMENTS LIMITED	B	1,000,000	35
532845	BHAGWATI BAN	SANDEEP SABOO	B	1,000,000	35
532845	BHAGWATI BAN	JHONSAN TAILOR	S	362,263	35
532845	BHAGWATI BAN	KIRTI SHANTILAL SHAH	S	255,000	35
532845	BHAGWATI BAN	SANDEEP SABOO	S	1,000,000	35
512332	BIRLA CAP	PRADEEP BHAT	B	66,523	5
531671	BISLERI GUJ	JMP SECURITIES PVT. LTD.	S	1,276,739	3
531682	CATTECHNOL	LILAC FARMS PRIVATE LIMITED	S	27,000	7
505923	CEEKAY DIAKI	KETAN NATWARLAL SHAH	B	24,000	90
526033	CRYSTAL SOFT	RICHLINE FINVEST PVT LTD	B	30,641	5
526033	CRYSTAL SOFT	SUKRUTI SUNIT PARIKH	S	26,424	6
532180	DHANLAK BANK	RAJMOHAN P RAO	S	450,000	76
532876	EVERONN SYS	CONSOLIDATED SECURITIES LTD	B	106,988	589
532876	EVERONN SYS	MATRIX EQUITRADE PVT LTD	B	330,102	597
532876	EVERONN SYS	CONSOLIDATED SECURITIES LTD	S	106,988	589
532876	EVERONN SYS	MATRIX EQUITRADE PVT LTD	S	330,102	597
500142	FGP LIMITED	GEOMETRIC SEC AND ADV P LTD	B	100,460	5
531137	GEMSTONE INV	BHAVESH PRAKASH PABARI	B	40,000	23
531137	GEMSTONE INV	PREM MOHANLAL PARIKH	B	41,150	24
531137	GEMSTONE INV	HEMANT MADHUSUDAN SHETH	B	50,000	23
531137	GEMSTONE INV	KISHORBHAI BALUBHAI CHAUHAN	S	42,750	24
531137	GEMSTONE INV	ANKIT R. SANCHANIYA	S	42,800	23
532832	INDBUL REAL	MORGAN STANLEY AND CO INTL AC MS DEAN WIT MAU LTD	B	1,115,248	492
532832	INDBUL REAL	MORGAN STANLEY AND CO INTL AC MS DEAN WIT MAU LTD	S	1,106,697	492
524494	IPCA LAB LTD.	SMALLCAP WORLD FUND INC	B	900,030	685

524494	IPCA LAB LTD.	ICICI PRU MUTUAL FUND AC ICICI PRU DISCOVERY FUND	S	600,000	685
524494	IPCA LAB LTD.	ICICI PRU MUTUAL FUND AC ICICI PRU POWER FUND	S	347,000	685
532379	IQMS SOFTWARE	JMP SECURITIES PVT. LTD.	S	969,112	3
500378	JINDAL SAW	SONATA INVESTMENTS LTD	B	630,364	568
532889	K.P.R. MILL	MATRIX EQUITRADE PVT LTD	B	446,456	186
532889	K.P.R. MILL	MATRIX EQUITRADE PVT LTD	S	446,456	186
532889	K.P.R. MILL	CITIGROUP GLOBAL MARKETS MAURITIUS PVT.LTD	S	425,575	188
532283	KASHYAPTEC	SIMRAN SINIL RAHEJA	B	500,000	5
532283	KASHYAPTEC	LOTUS GLOBAL INVESTMENTS LIMITED ACCOUNT GDR	S	1,000,000	5
532283	KASHYAPTEC	MAVI INVESTMENT FUND LTD AC GDR	S	500,000	5
523550	KRYPTON INDU	HANUMAN MAL BUCHA	S	36,000	60
505523	MAH IND LEAS	KHANIK R SHAH HUF	B	25,000	39
505523	MAH IND LEAS	GLOBAL FILM AND BORD CASTING LTD	S	25,000	39
531131	MASCON GLOBA	SUDHIR JAIN	B	1,405,000	14
531131	MASCON GLOBA	CHANDRA FIN. SERV. PVT.LTD	B	1,873,178	14
531131	MASCON GLOBA	CHANDRA FIN.SERV. PVT. LTD	S	2,105,909	14
523704	MASTEK	MACQUARIE BANK LIMITED	S	207,000	260
512449	PACE ELEC(P)	ASHISH CHOUDHARY	B	400,000	8
512449	PACE ELEC(P)	SURYAMUKHI VYAPAAR PVT LTD	S	170,000	8
517417	PATEL AIRTEM	RAJESH SHAH	B	81,234	40
517417	PATEL AIRTEM	DIAMANT INVESTMENT AND FIANANCE LIMITED	B	45,855	41
517417	PATEL AIRTEM	MARU SECURITIES PVT LIMITED	S	57,670	41
517417	PATEL AIRTEM	DIAMANT INVESTMENT AND FINANCE LIMITED	S	50,675	41
530069	PROTO INFOSY	LILAC FARMS PRIVATE LIMITED	B	376,110	4
530069	PROTO INFOSY	LILAC FARMS PRIVATE LIMITED	S	349,509	4
531611	PRRANET INDU	AANSAL SECURITIES SER PVT LTD	S	450,000	2
502587	RAMA PUL PAP	KESHAV SHARE AND STOCK LTD.	B	50,000	49
502587	RAMA PUL PAP	NISHA JITESH JADAV	B	55,100	49
502587	RAMA PUL PAP	NISHA JITESH JADAV	S	67,855	47
511076	SAT IND LTD	PACIFIC CORPORATE SERVICES LTD	B	225,000	34
532886	SEL MANUF	MBL AND COMPANY LIMITED	B	122,721	174
532886	SEL MANUF	MATRIX EQUITRADE PVT LTD	B	175,602	175
532886	SEL MANUF	DYNAMIC STOCK BROKING I PVT LTD	B	138,218	220
532886	SEL MANUF	MBL AND COMPANY LIMITED	S	122,521	174
532886	SEL MANUF	MATRIX EQUITRADE PVT LTD	S	179,041	176
532886	SEL MANUF	DYNAMIC STOCK BROKING I PVT LTD	S	128,216	221
531373	SUAVE HOTEL	RAJESHVIJAYWARGIYA	B	30,000	44
511654	SUGAL DAM FI	PEGASUS STOCKS AND SHARES PVT LTD	B	22,110	23
532890	TAKE SOLUT	MATRIX EQUITRADE PVT LTD	B	108,156	949
532890	TAKE SOLUT	H.J.SECURITIES PVT.LTD.	B	78,636	938
532890	TAKE SOLUT	MATRIX EQUITRADE PVT LTD	S	108,156	949
532890	TAKE SOLUT	H.J.SECURITIES PVT.LTD.	S	78,636	939
531950	VERTEX SECUR	THOMAS ALAPPAT	S	43,900	34
530477	VIKRAMTHERM	GAURAV JAYANTI DOSHI	S	15,000	32
512167	YASHRAJ SECR	OSTWAL TRADING INDIA PRIVATE LIMITED	B	10,999	65
512167	YASHRAJ SECR	DIGVIJAY COMM AND TRADING PVT LTD	B	20,000	65
512167	YASHRAJ SECR	RAJESH SHAH	B	27,012	63
512167	YASHRAJ SECR	N C JAIN	B	12,610	64
512167	YASHRAJ SECR	BULLS AND BEARS PORTFOLIOS LTD	B	50,000	64
512167	YASHRAJ SECR	MARU SECURITIES PVT LIMITED	B	20,550	61
512167	YASHRAJ SECR	DIAMANT INVESTMENT AND FINANCE LIMITED	B	175,646	65
512167	YASHRAJ SECR	ASTUTE COMMODITIES AND DERIVATIVES PVT LTD	B	15,583	65
512167	YASHRAJ SECR	OBIDENT EXPORT PVT. LTD	S	26,977	60
512167	YASHRAJ SECR	RAJESH SHAH	S	63,947	63
512167	YASHRAJ SECR	N C JAIN	S	12,610	63
512167	YASHRAJ SECR	MARU SECURITIES PVT LIMITED	S	22,000	61
512167	YASHRAJ SECR	DIAMANT INVESTMENT AND FINANCE LIMITED	S	149,881	62
512167	YASHRAJ SECR	ASTUTE COMMODITIES AND DERIVATIVES PVT LTD	S	20,344	63

Source: BSE

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Stock Ratings	Absolute Returns	Stock Ratings	Absolute Returns
Buy	: > 25%	Market Performer	: 0 - 15%
Out Performer	: 16 - 25%	Under Performer	: < 0% - (25%)
Sell	: >(25%)		

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