



Emkay

PCG Recommendations

August 2007



**Mr. Krishna Kumar Karwa,
Managing Director**

From the Managing Director's Desk

Dear Investors,

The quarterly result season is behind us. Corporate performance has been broadly as anticipated. The indices have performed exceedingly well appreciating by as much as 6% for the month.

FII inflows have been very robust with the inflows in the first 7 months of the current year exceeding the inflows of the last calendar year by 130% to \$ 10.6bn.

We had the listing of DLF, a much discussed and twice postponed IPO. Investors in this IPO have reaped good gains with the share price appreciating by almost 20% post listing. A good listing of a large IPO aided the sentiment with increased retail participation.

Reserve Bank of India has increased the CRR from 6.5% to 7% in its credit policy announced as on 31st July 2007. Liquidity in the system has been very high on the back of strong Foreign exchange inflows and with this measure RBI has reiterated its intent to keep inflation within 4.5%-5% range. The much anticipated Lending rates weakening may take some time which may affect sentiment for interest rate sensitive sectors like Autos, Real Estate etc. However the profitability of Banks is not expected to be adversely affected.

All global markets have been doing well on the back of strong liquidity and robust FII inflows. Some concerns have cropped in the US Markets over the quality of Sub-Prime paper in the markets and this could possibly lead to turmoil in the US Bond markets and its possible ramifications worldwide. We have seen some sharp corrections in the US Equity markets in the last week of July and its impact worldwide including India. Traders need to be clued on to global liquidity which may not be so robust in the current month.

To summarise, August could be a volatile month for equity traders with many international cross currents. With the results season behind and not much newsflow expected, we should expect some corrections and consolidation. Investors should use corrections to build up their portfolio and invest in sectors like infrastructure, capital goods, financial services and Banks etc.

Happy Investing,

Krishna Kumar Karwa

Initiating Coverage**Ajay Parmar**

ajay.parmar@emkayshare.com

+91 22 66121258

Stock details

BSE Code	532696
Bloomberg Code	EDSL@IN
Market Cap (Rs bn)	39.69
Free Float (%)	39.92
52-wk Hi/Lo (Rs)	2489/366
Avg Daily Vol (BSE)	226187
Avg Daily Vol (NSE)	491134
Shares o/s (mn) FV Rs 10	15.99

Summary table

Rs mn	FY07A	FY08E	FY09E
Sales	1101.0	2170.0	3749.0
Growth %	98.4	97.1	72.8
EBITDA	507.0	1146.0	2111.0
EBITDA margin %	89.2	126.0	84.2
Net Profit	285.0	571.0	1010.0
EPS (Rs)	17.9	33.3	58.8
CEPS (Rs)	24.0	48.4	89.3
ROE %	26.4	27.4	30.0
ROCE %	26.5	26.3	32.1
EV/Sales (x)	31.5	17.1	9.9
EV/EBITDA (x)	68.4	31.8	17.4
P/E (x)	134.7	72.4	41.0
P/CEPS (x)	100.5	49.8	27.0
P/BV (x)	30.2	14.3	10.8

Source: Company, Emkay Private Client Research

Educomp**- From Institutional Desk****(Price:Rs2567, FY08-P/E-72.4x, ACCUMULATE Target Price: Rs.2409)**

We believe increasing adoption of computer-aided learning and computer literacy among private and government schools would put Educomp Solutions Ltd. (Educomp) on a fast growth track. Educomp provides end-to-end solutions in the education technology domain for the K12 segment i.e. creation of content (digital content), delivery (IT education, online tutoring) and management of learning (professional development and retailing of educational content). Robust growth in Smart_Class, strong order book in ICT and its strategy to leverage its service offerings and IP including Learning Leadership system, pre school initiatives, setting K-12 schools, school management and online/offline tutoring market would enable Educomp to be the market leader in India's education system. We expect revenues to post CAGR of 88% over FY07-09E. EBIT margins shall expand by 400 bps from 38% in FY07 to 42% by FY09E. We expect FDEPS to grow at a CAGR of 91% over FY07-09E. We expect FDEPS of Rs 33.2 and Rs 58.8 for FY08E and FY09E respectively on an equity base of 17.2 mn shares. We initiate coverage on Educomp with an ACCUMULATE rating and a DCF based price target of Rs 2,409.

Initiating Coverage**Ajay Parmar**

ajay.parmar@emkayshare.com

+91 22 66121258

Stock details

BSE Code	500304
Bloomberg Code	NITEC@IN
Market Cap (Rs bn)	25.03
Free Float (%)	69.84
52-wk Hi/Lo (Rs)	1260/299
Avg Daily Vol (BSE)	30860
Avg Daily Vol (NSE)	78124
Shares o/s (mn) FV Rs 10	19.76

Summary table

Rs mn	FY07A	FY08E	FY09E
Sales	7950.0	10985.0	13200.0
Growth %	76.4	38.2	20.2
EBITDA	775.0	1365.0	2028.0
EBITDA margin %	28.5	76.1	48.6
Net Profit	242.0	660.0	1158.0
EPS (Rs)	25.3	48.0	74.4
CEPS (Rs)	46.3	72.1	101.0
ROE %	18.2	24.2	28.1
ROCE %	4.2	11.9	17.8
EV/Sales (x)	3.5	2.4	1.9
EV/EBITDA (x)	38.3	20.3	12.6
P/E (x)	46.6	24.6	15.9
P/CEPS (x)	25.5	16.4	11.7
P/BV (x)	8.5	5.9	4.5

Source: Company, Emkay Private Client Research

NIIT**- From Institutional Desk****(Price:Rs.1140, FY08-P/E-24.6x, BUY, Target Price: Rs.1431)**

NIIT Ltd, the market leader in the Indian IT training sector, is poised for robust earnings growth in the near future. This is mainly due to its increased traction in the individual training business and favorably changing business model. It is transforming itself from a mere training company to a Global Talent Development company. On the individual training side, the enrolments for GNIIT program (three year industry endorsed course) recorded a growth of 112% yoy during FY07. The company's leadership position is reflected from the fact that it hiked GNIIT fees by 24% in June 2006 and by another 15% very recently in June 2007. We expect to see the positive impact of these hikes from Q2FY08 itself. Capacity utilization in the individual training business is expected to increase from 54% in FY07 to 65% by FY09E thereby providing enormous operating leverage. Besides this, new initiatives by NIIT like NIIT IFBI and NIIT Imperia are expected to witness multifold profitable growth. We also believe the acquisition of Element K to be a strategic fit to the existing corporate learning solutions of the company. We expect revenues to post a 29% CAGR growth over FY07-09E. We estimate a 570 bps expansion in operating margins to 15.4% by FY09E. We expect FDEPS to grow at a CAGR of 72% over FY07-09E. We expect FDEPS of Rs 48.0 and Rs 74.4 for FY08E and FY09E respectively on an equity base of 22.6 mn shares. At CMP of 1180, it is available at 15.9x FY09E EPS and EV/EBITDA of 12.6x FY09E. We initiate coverage on NIIT with a BUY and a price target of Rs 1431.

Initiating Coverage**Manoj Garg**manoj.garg@emkayshare.com
+91 22 66121257**Stock details**

BSE Code	531349
Bloomberg Code	PNCB@IN
Market Cap (Rs bn)	25.3
Free Float (%)	33.8
52-wk Hi/Lo (Rs)	Rs.494/287
Avg Daily Vol (BSE)	22296
Avg Daily Vol (NSE)	36332
Shares o/s (mn) FV Rs 1	66

Summary table

Rs mn	FY07A	FY08E	FY09E
Sales	8424	9602	12381
Growth %			
EBITDA	2239	2523	3578
EBITDA margin %	26.6	26.3	28.9
Net Profit	1453	1647	2423
EPS (Rs)	20.4	23.1	34
CEPS (Rs)	24.2	28.2	40.4
ROE %	32.5	20.2	24
ROCE %	22.3	23.7	28.7
EV/Sales (x)	3.3	2.9	2.2
EV/EBITDA (x)	12.4	11	7.8
P/E (x)	18.9	16.7	11.3
P/CEPS (x)	15.9	13.6	9.5
P/BV (x)	3.7	3.1	2.4

Source: Company, Emkay Private Client Research

Panacea Biotec**- From Institutional Desk****(Price:Rs.383, FY08-P/E-16.7x, BUY, Target Price: Rs.536)**

Panacea Biotec is likely to continue its growth trajectory on the back of sustained growth in its oral polio vaccine (OPV) business, ramp up in combination vaccines and increased focus on formulations business. Panacea's growth over the last few years has been fuelled by very high demand for its OPVs. The nationwide campaign to eradicate polio has resulted in strong revenue growth for Panacea Biotec. We believe that concerns over Panacea's growth story on account of stagnation in demand for OPVs are unwarranted. With a huge base of Rs 6.36bn, we expect the OPV business to grow, albeit at a slower pace. In order to reduce its dependence on the OPV business, Panacea Biotec has been concentrating on the combination vaccines and pharmaceutical formulations to drive future growth and profitability.

Going forward, we expect Panacea Biotec's revenues and earnings to grow at a CAGR of 21% and 29% over FY07-09E respectively, driven by the launch of innovative combination vaccines, injectable polio vaccine (IPV) and NDDS based patented products. At CMP of Rs.385, the stock trades at 16.7x FY08E and 11.3x FY09E earnings. We initiate coverage on Panacea Biotec with a BUY rating and a target price of Rs.536, i.e. an upside of 39%.

Initiating Coverage**Amit Adesara**amit.adesara@emkayshare.com
+91 22 66121241**Stock details**

BSE Code	532622
Bloomberg Code	GDPL.IN
Market Cap (Rs bn)	17.6
Free Float (%)	61.5
52-wk Hi/Lo (Rs)	232/138
Avg Daily Vol (BSE)	635845
Avg Daily Vol (NSE)	545000
Shares o/s (mn) FV Rs10	92.4

Summary table

Rs mn	FY07A	FY08E	FY09E
Sales	1609.9	2800.1	3565.8
Growth %	16.2	73.9	27.3
EBITDA	810.5	1240.8	1561.8
EBITDA margin %	50.3	44.3	43.8
Net Profit	766	1047.7	1206
EPS (Rs)	8.3	11.4	13.1
CEPS (Rs)	9.8	14.1	16.1
ROE %	12.4	15.1	15.5
ROCE %	14.4	17.1	17.8
EV/Sales (x)	10.2	6	4.8
EV/EBITDA (x)	20.3	13.6	11
P/E (x)	22.3	16.3	14.1
P/CEPS (x)	18.8	13.2	11.5
P/BV (x)	2.8	2.5	2.2

Source: Company, Emkay Institutional Research

Gateway Distripark Limited - From Institutional Desk**(Price: Rs.183, FY08E-P/E 16.3, BUY, Target Price: Rs.250)**

Gateway Distripark Limited (GDL), through its CFS near the key ports, will be a key beneficiary of the container traffic boom in India. GDL operates the largest CFS at JNPT, with a capacity of 216,000 TEUs. Acquisition of Punjab Conware has further provided access to 150,000 TEUs. GDL asserts its leadership with 5% of the total container traffic at JNPT due to close proximity to the port, better service offering and strong relationship with its clients. In line with its strategy to become an integrated rail based logistics service provider, GDL has acquired land for ICDs at Faridabad and Ludhiana. The company has formed a JV with Concor to operate a rail linked double stacked container terminal at Garhi. GDL has already placed orders for two rakes and expects to start rail operations shortly.

GDL, in the last two years, has strategically made the right moves by acquiring ICDs at right locations. With railway haulage operations expected to start shortly, we expect GDL's net profit to increase at 25.4% CAGR over FY07- 09. We value GDL on sum-of-parts, valuing its CFS operations at Rs.175 per share and railway haulage business at Rs.75 per share. We initiate coverage on GDL with a BUY and target price of Rs.250.

Initiating Coverage**Amit Adesara**

amit.adesara@emkayshare.com
+91 22 66121241

Stock details

BSE Code	531344
Bloomberg Code	CCRI@IN
Market Cap (Rs bn)	148
Free Float (%)	37
52-wk Hi/Lo (Rs)	2444/1300
Avg Daily Vol (BSE)	27309
Avg Daily Vol (NSE)	35000
Shares o/s (mn) FV Rs10	65

Summary table

Rs mn	FY07A	FY08E	FY09E
Sales	30459.2	36007	41101.9
Growth %	25.2	18.2	14.1
EBITDA	9104.1	11022.2	12442.9
EBITDA margin %	29.9	30.6	30.3
Net Profit	6904.3	8195.4	9207.9
EPS (Rs)	106.2	126.1	141.7
CEPS (Rs)	93.4	120.4	143.8
ROE %	26.3	25.2	23.2
ROCE %	37.2	36.3	33.6
EV/Sales (x)	4	3.2	2.7
EV/EBITDA (x)	15.4	12.2	10.6
P/E (x)	21.5	18.1	16.1
P/CEPS (x)	19	15.9	14.1
P/BV (x)	5	4	3.3

Source: Company, Emkay Institutional Research

Container Corporation Of India - From Institutional Desk

(Price: Rs.2250, FY08E-P/E 18.1, BUY, Target Price: Rs.3061)

We expect Container Corporation of India Limited (Concor) to maintain its leadership in the railway container segment despite the government opening up the segment to private players. With strong infrastructure build over the last 20 years, we do not foresee any threat from the new entrants. Further, lack of infrastructure and higher upfront capex by private players minimise the possibility of price cuts to gain market share. Driven by 13.7% and 10% of exim and domestic growth respectively, we expect Concor to register 13% CAGR from FY07-09. Increase in volumes will be driven by higher capacity utilizations of ICDs in the Northern and Western region. With a burgeoning logistic sector and growth in container volume, we expect revenue and net profit to increase at 16% and 15.8% CAGR from FY07-09. The stock trades at 14.1x FY09 earnings, which we believe is attractive given the strong growth visibility and higher return ratios. We initiate coverage on Concor with a BUY and target price of Rs. 3061.

Initiating Coverage**Amit Adesara**

amit.adesara@emkayshare.com
+91 22 66121241

Stock details

BSE Code	523319
Bloomberg Code	BLCL@IN
Market Cap (Rs bn)	7.5
Free Float (%)	38.2
52-wk Hi/Lo (Rs)	490/332
Avg Daily Vol (BSE)	8101
Avg Daily Vol (NSE)	10500
Shares o/s (mn) FV Rs10	16.3

Summary table

Rs mn	FY07A	FY08E	FY09E
Rs mn	FY07A	FY08E	FY09E
Sales	12838.9	14739.5	16950.4
Growth %	4.1	14.8	15
EBITDA	1165.7	1400.3	1610.3
EBITDA margin %	9.1	9.5	9.5
Net Profit	730.5	880.9	1017.4
EPS (Rs)	44.8	54.1	62.5
CEPS (Rs)	51.9	61.8	70.7
ROE %	29.1	28.8	27.4
ROCE %	42.1	43.5	41.8
EV/Sales (x)	0.6	0.5	0.4
EV/EBITDA (x)	6.1	5.1	4.3
P/E (x)	10	8.3	7.2
P/CEPS (x)	8.7	7.3	6.4

Source: Company, Emkay Institutional Research

Balmer Lawrie Limited - From Institutional Desk

(Price: Rs.435, FY08E-P/E 8.0, BUY, Target Price: Rs.562)

Balmer Lawrie Limited (BLL), a public sector undertaking, is a diversified conglomerate with presence in logistics, industrial packaging, grease and lubricants and tours and travels. Buoyancy in exim trade, improvement in port infrastructure and increasing penetration of containers will drive container traffic at various ports in India. With proposed investment in the port handling capacity, container traffic is expected to grow three fold by 2014. We believe, BLL will be a key beneficiary of increased container traffic by virtue of its CFS presence at JNPT, Chennai and Kolkata.

We expect BLL's revenue to increase at 13.8% CAGR from FY07-09. With EBITDA margins improving by 40bps, net profit is expected to grow at 14.6% CAGR from FY07-09. During FY09, we expect the company to report Return on Capital Employed of 41.8%. The stock trades at 7.2x FY09 earnings, which, we believe, is unwarranted. We initiate coverage with a BUY rating and a target price of Rs. 562.

Initiating Coverage**Amit Adesara**

amit.adesara@emkayshare.com
+91 22 66121241

Stock details

BSE Code	532749
Bloomberg Code	AGLL@IN
Market Cap (Rs bn)	20.5
Free Float (%)	21.4
52-wk Hi/Lo (Rs)	1355/550
Avg Daily Vol (BSE)	7975
Avg Daily Vol (NSE)	8549
Shares o/s (mn) FV Rs10	20.3

Summary table

Rs mn	FY07A	FY08E	FY09E
Sales	12280.8	17928.5	19459.7
Growth %	352.9	46	8.5
EBITDA	966.7	1398.6	1620
EBITDA margin %	7.9	7.8	8.3
Net Profit	692.2	968.9	1128.6
EPS (Rs)	34.2	47.8	55.7
CEPS (Rs)	39.8	57.1	66.8
ROE %	21.5	24	22.5
ROCE %	21.2	24.3	24
EV/Sales (x)	1.7	1.1	1
EV/EBITDA (x)	21.5	14.6	12.5
P/E (x)	29.3	20.9	18
P/CEPS (x)	25.1	17.4	15
P/BV (x)	6.3	5	4

Source: Company, Emkay Institutional Research

Allcargo Global Logistics Limited - From Institutional Desk

(Price: Rs.977, CY07E-P/E 20.9, BUY, Target Price: Rs.1115)

Allcargo Global Logistics Limited (AGL) is a leading Multimodal Transport Operator (MTO) in India. By virtue of its acquisition of ECU Lines, the company has become the second largest Non-Vessel Operating Charter (NVOCC) in the world. The company is aggressively looking at expanding its ICD and CFS network. AGL operates CFS at JNPT, Chennai and Mundra. Chennai and Mundra facility became operational in Q2CY07 and will drive volume growth for the company. Further, the company also intends to expand its ICD network and has already acquired land at Nagpur, Hyderabad, Pithampur, Hosur and Goa.

Going forward, AGL has aggressive growth plans to expand its CFS/ICD network. After acquiring land for ICDs at five locations, the company has embarked on a capex of Rs.3.5bn to further expand its network. We expect the new facilities to begin operation by CY09. Though we are upbeat on the future prospects of the company, we believe the valuations reflect near term growth opportunities. The stock trades at 17.5x CY08 earnings and 12.5x CY08 EV/EBITDA. We initiate coverage on AGL with an Accumulate rating and a target price of Rs. 1115.

Monthly Technical Perspective

Nifty Monthly Chart

NSE Nifty [N1] 4318.40, 4647.95, 4304.00, 4531.95, 10530331648 4.95%



Indices	30.06.07	31-07-07	%Change
Nifty	4318	4528	4.86
Sensex	14650	15,550	6.14
Bank Nifty	6740	6928	2.79
CNX IT	5192	5086	-2.04
Junior	8699	8849	1.72

Indices	Support	Resistance	200 EDMA	View
Nifty	4403	4647	4002	Bullish
Sensex	15135	15868	13676	Bullish
Bank Nifty	6457	7209	5876	Bullish
CNX IT	4924	5374	5093	Sideways
Junior	8600	9247	7486	Bullish

Manas Jaiswal

Technical Analyst

manas.jaiswal@emkayshare.com

+91 22 66121274

Rajesh Manial

Associate Technical Analyst

rajesh.manial@emkayshare.com

+91 22 66121275

Nifty

The Nifty made a high of 4647 on the 24th of July but corrected thereafter to take support close to 50% retracement level of the entire rally from 4100 to 4647 and made a low of 4403 on 30th of July. It ended the month with a gain of 4.86% at 4528. It now has resistance placed at 4647 for this month and on a break above that it may come up to the level of 4770 and above that it may test the level of 4892. The recent low of 4403 will play as an important support for the Nifty for this month. The Monthly pattern is still bullish and we maintain our earlier mentioned target of 4950 for the Nifty.

Sensex

The Sensex surpassed its earlier high of 14683 this month and made a new high of 15868 on 24th of July. Thereafter it retraced exactly 38.20% of the rally from 13946 to 15868 and made a low of 15135. It finally closed at 15550 with a gain of 6.14% this month. The resistance level for the Sensex is placed at 15868 this month and the recent low of 15135 will play as a strong support for it. On a break above 15868 it may come up to 16235 and above that it may test 16602 this month. We continue to maintain a bullish view and the earlier mentioned target of 17131 for the Sensex.

Bank Nifty

After making a high of 7209 on 20th of July Bank Nifty corrected sharply but took support at 50% retracement level of the rally from 6048 to 7209 and made a low of 6608. After that it bounced back and closed at 6928, appreciating by 2.79% this month. We maintain a bullish view for this index for this month as well with our earlier mentioned target of 7478, which it may attain in the short term. The long term target of 8354 also remains intact.

CNX IT

The CNX IT continued with its sideways movement this month as well. Though it breached its 200 EDMA this month, this index will turn weak only if it breaks the level of 4924. On the upside it has resistance placed at 5374 and above that it has very strong resistance at 5513. This index will turn bullish for the short term only above the level of 5513.

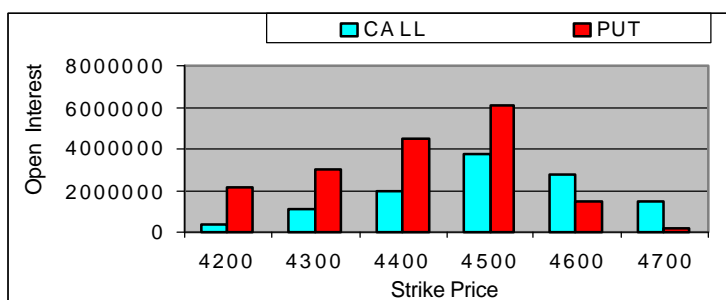
Junior

The Nifty Junior tested our mentioned target of 8900 this month and made a high of 9247. However, it corrected sharply after that and took support near the 50% retracement level of the entire rally from 7799 to 9247 and made a low of 8600. It bounced back sharply on the 31st of July and closed at 8849. The monthly pattern is still strong thus we maintain our long term target of 10036 for this index. The level of 9247 however, will act as a resistance for it and it has support placed at 8600 for the month.

Monthly Derivatives Round Up

	29.06.07	31.07.07	Change	%Chg
Indices' Snapshot				
Nifty	4318.30	4528.85	210.55	4.88
Sensex	14650.51	15550.99	900.48	6.15
Bank Nifty	6740.10	6928.45	188.35	2.79
CNX100	4248.75	4436.15	187.40	4.41
CNX IT	5192.30	5086.70	-105.60	-2.03
Junior	8699.05	8849.60	150.55	1.73
Futures LTP				
Nifty	4290.50	4510.00	219.50	5.12
Bank Nifty	6785.00	6968.20	183.20	2.70
CNX100	4230.00	4395.30	165.30	3.91
CNX IT	5205.10	5068.00	-137.10	-2.63
Junior	8727.95	8888.00	160.05	1.83
Cost of Carry (% annualized)				
Nifty	-9.37	-6.10	+3.27	
Bank Nifty	+9.11	+5.26	-3.85	
CNX100	-6.52	-12.42	-5.90	
CNX IT	+2.59	-0.31	-2.90	
Junior	+3.97	+4.80	+0.83	
Open Interest (OI - No of Shares)				
Nifty	34106850	41246900	7140050	20.93
Bank Nifty	286100	222750	-63350	-22.14
CNX100	17200	3050	-14150	-82.27
CNX IT	86500	80800	-5700	-6.59
Junior	162350	204525	42175	25.98
Nifty Put Call Ratio (PCR - OI)				
Call OI	9464200	14339000	4874800	51.51
Put OI	15183050	20591900	5408850	35.62
PCR - OI	1.60	1.44	-0.16	

Highest OI		Lowest OI	
Stocks	Rs. Crs.	Stocks	Rs. Crs.
RELIANCE	2144.73	BONGAIREFN	22.40
SBIN	1788.39	STAR	21.92
ICICIBANK	1405.91	CUMMINSIND	17.40
RCOM	1179.77	HINDUJATMT	17.15
BHARTIARTL	1001.84	TRIVENI	14.74
REL	921.95	FEDERALBNK	11.25
INFOSYSTCH	918.65	CORPBANK	10.43
ONGC	915.30	J&KBANK	8.06
DLF	903.24	SHREECEM	6.98
LT	836.95	UNIPHOS	6.38



Zeal Mehta - Derivative Analyst
zeal.mehta@emkayshare.com
 Tel: +91 22 6612 1276

Market Outlook:

Nifty has appreciated by 4.8% (210 points) during the month of July. We strongly believe that the overall trend of the market is still positive and therefore we maintain our bullish view. Rollovers from July to August series were impressive as we saw Nifty rollover close to 79% and market-wide rollover nearly 84%. Banking, Finance, Construction and Fertilizer stocks were the sectors that witnessed heavy rollovers and are looking strong. We continue to maintain our bullish view especially on Banking & Finance sector. The PCR (OI) of Nifty is currently at comfortable levels close to 1.4x. However, the Implied Volatility of August series dropped back to 20-22% from 24-26% which is a positive sign and further confirms our bullish view on the markets.

Sectors to Focus

Banking & Finance:

BankNifty gained 2.8% in July and we witnessed strong rollovers across the board especially in heavyweights like SBI, PNB & ICICI Bank. We continue to maintain our bullish view on this sector.

Metals:

Metal stocks were star performers in July and we witnessed impressive rollovers in Jindal Steel, Jindal Stainless, Hindalco & TataSteel. We expect metals to remain strong in coming days.

Stocks to Focus

- **Auto & Auto Ancillary:** Maruti looks strong.
- **Banking & Finance:** Maintain bullish view on banking & finance sector. Our picks are ALBK, Indian Bank, Andhra Bank, UBI, IDFC, Canara Bank, ICICI Bank. Stay invested in SBI.
- **Cement & Construction:** Positive on Sobha, BirlaJute, GMR Infra, Grasim and JP Associates.
- **FMCG:** Keep close watch on Colgate.
- **Metals:** Trend expected to remain bullish; Hindalco, TataSteel, Sterlite look strong.
- **Oil, Gas & Refinery:** Positive on Bongaigaon Refn, MRPL, RIL, Cairn & RPL.
- **Pharma:** Short positions seen in Cipla.
- **Power & Engineering:** Positive on NTPC, REL, CESC, Tata Power, ABB & Neyvelli Lignite.
- **Textiles:** Overall textile sector looks strong.
- **Media:** Bullish on overall sector and our top picks are ZEEL & Adlabs Films.
- **Fertilizers:** Positive on overall sector; our picks are Sterling Biotech & Nagarjun Fertilizers.
- **Others:** Bullish on IndialInfo & Pantaloon.

TOP 30 Emkay Picks

Company	Reco. Price (Rs)	CMP (Rs)	EPS FY08E (Rs)	P/E (x)	Target Price (Rs)
Aban Offshore	3,031	3,014	95.1	31.7	3,355
Andhra Bank	86	85	12.4	6.9	110
Bharat Bijlee	2,172	2,361	145.9	16.2	2,806
Deccan Chronicle	236	236	11.1	21.3	-
Deepak Fertilisers	91	105	13.4	7.8	123
Granules India	118	113	12.7	8.9	175
Great Offshore	834	797	55.0	14.5	1,087
HDFC Bank	1,144	1,199	43.0	27.9	1,210
ICICI Bank	955	927	45.5	20.4	1,200
Infosys	1,929	1,977	87.2	22.7	2,616
Jyoti Structures	185	200	10.9	18.4	253
LMW	2,805	2,781	234.0	11.9	3,510
M&M	723	729	68.3	10.7	1,025
Nagarjuna Constructions	178	192	10.0	19.2	204
NIIT Tech	516	472	41.8	11.3	678
Nucleus Software	1,021	863	51.0	16.9	1,150
Patel Engineering	406	448	20.5	21.8	513
Ratnamani Metals	949	985	115.7	8.5	1,176
Reliance Energy	614	793	30.1	26.4	646
South East Asia Marine	198	223	17.6	12.7	260
Spanco Tele	253	260	28.6	9.1	311
State Bank of India	1,525	1,625	98.9	16.4	-
Sterlite Optical	241	220	20.0	11.0	-
Tanla	395	459	26.7	17.2	613
Tata Chemicals	249	262	21.4	12.3	279
Tech Mahindra	1,395	1,326	64.0	20.7	1,794
UTI Bank	605	627	28.5	22.0	-
Lanco Infra#	240	240	-	-	-
Panacea Biotech#	382	382	23.1	-	536
Sterlite Industries#	661	661	62.7	-	795

Booked Profit in the following scrips

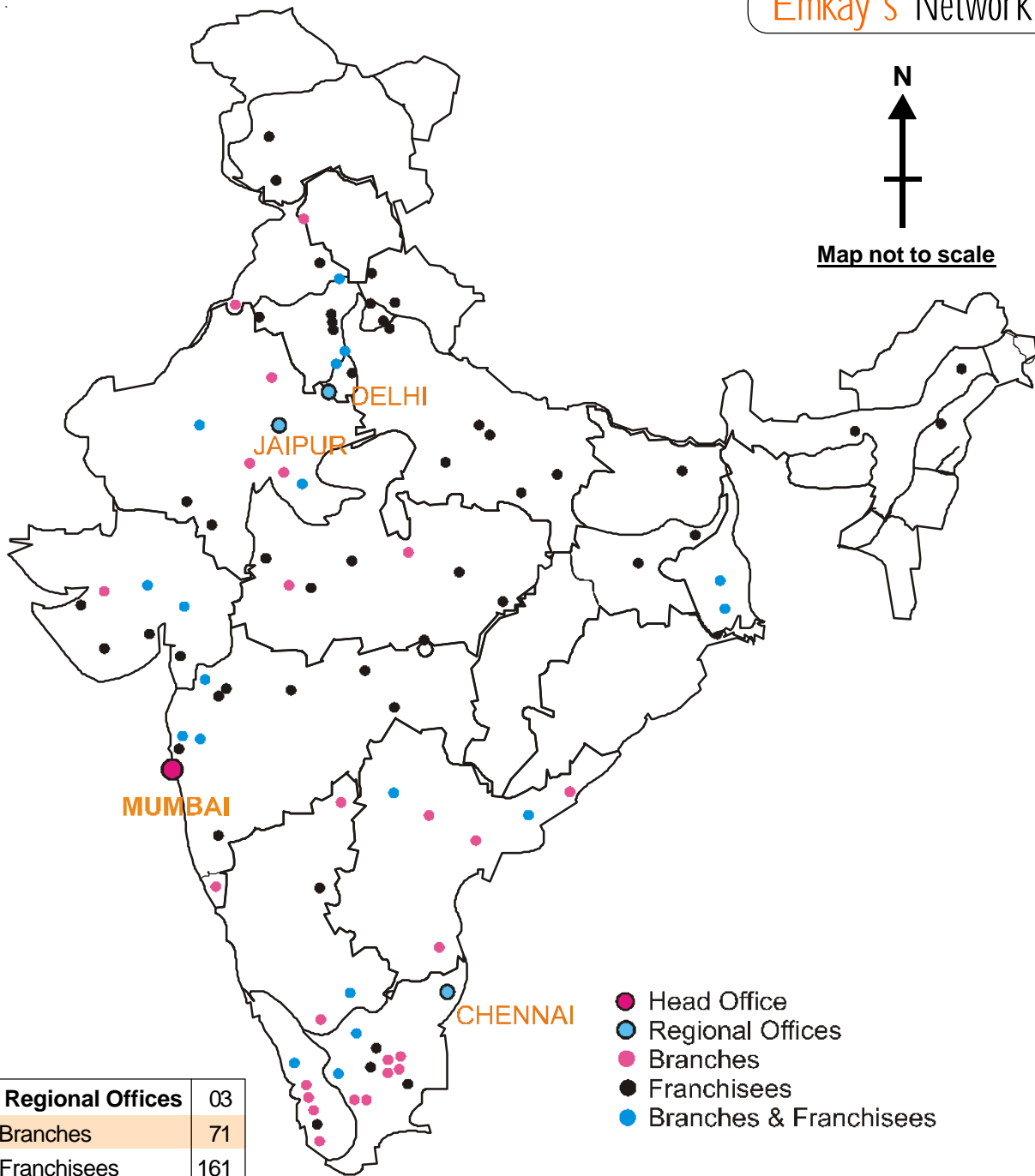
Company	Reco. Price (Rs)	Target Price (Rs)	CMP (Rs)	Return (%)
CESC	373	-	485	29.9
Paradyne Infotech	166	195	208	25.2
Thermax	506	564	647	27.9

Added for the month

Emkay's Network



Map not to scale



Total Regional Offices	03
Total Branches	71
Total Franchisees	161

Regional Offices

NEW DELHI

MR. ARUN BANSAL

401, NEW DELHI HOUSE, 27, BARAKHAMBA ROAD, NEW DELHI - 110001
 PH: 9350496088 / 9350192101; Email: newdelhi@emkayshare.com

JAIPUR

MR. RAHULL MANTRI

1, M.I. ROAD, 2ND FLOOR, NO.7, OPP. AMRAPURA STHAN, JAIPUR 302001, RAJASTHAN
 TEL NO: 0141 2378661/2/3/4; Email: emkay.jaipur@emkayshare.com

CHENNAI

MR. RAJESH RENGARAJAN

1ST FLOOR ROOP EMERALD, NEW NO 45 OLD NO28, NORTH USMAN ROAD, T-NAGAR, CHENNAI 600-017
 TEL NOS: 044-45502496/7/ ; Email: chennai@emkayshare.com

Mr. Chirayush Bakshi – Vice President - Marketing and Business Development
 Mob.: 9322934529; Email: chirayush.bakshi@emkayshare.com
Mr V. H. Bhaskaran – Vice President - Business Development (South)
 Mob.: 9323811847; Email: bhaskaran@emkayshare.com

Name	Profile	Tel No	E-mail id
Umesh Karne, CFA	Senior Research Analyst	+91 22 6612 1281	umesh.karne@emkayshare.com
Chirayush Bakshi	Vice President - Marketing and business development	+91 9322934529	chirayush.bakshi@emkayshare.com
V. H. Bhaskaran	Vice President - Business Development (South)	+91 9323811847	bhaskaran@emkayshare.com
Vijay Saraf	Vice President - Private Client Group	+91-022-66121265	vijay.saraf@emkayshare.com

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Analyst's holding in the stocks mentioned in the report: **NIL**

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C-6, Ground Floor, Paragon Center, Pandurang Budhkar Marg, Worli, Mumbai – 400 013.
 Tel No. 66121212. Fax: 66121299; e-mail: marketing@emkayshare.com; www.emkayshare.com
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Call (Tollfree) 1-600-223-434 / 1-800-223-434