



mutual funds

what's in – what's out



Visit us at www.sharekhan.com

November 10, 2006

Fund Analysis: November 2006

Favourite stock picks in the portfolios of equity and mid cap funds

An analysis has been undertaken on equity and mid-cap funds' portfolios, indicating the favourite picks of fund managers for the month of October 2006. Equity funds comprise of all diversified, index, sector and tax planning funds, whereas mid-cap funds include a universe of 17 funds such as Reliance Growth, Franklin India Prima Fund, HDFC Capital Builder, Birla Mid-cap Fund etc.

What's in

Top new stocks added to the equity funds' portfolios.

Company name	No of shares	Mkt value (Rs cr)
Accel Frontline	--	1.32
Atlanta	--	3.83
Deep Industries	--	3.47
Development Credit Bank	245778	5.15
Fiem Industries	461110	4.54
Gateway Distriparks	26130	0.44
Gayatri Projects	--	20.91
Global Vectra Helicorp	853683	28.39
Godfrey Phillips India	91191	9.44
Hanung Toys & Textiles	271525	4.96
HBL Nife Power Systems	34740	0.94
Honeywell Automation India	--	6.86
JM Financial	--	8.70
JHS Sevendgaard Laboratories	617465	4.14
Petronet LNG	500000	2.76
Richa Knits	--	0.12
Sona Koyo Steering Systems	100000	0.68
Uniphos Enterprises	26227	0.08
United Spirits	385000	123.97
Vardhaman Laboratories	152210	5.51

Top new stocks in the mid-cap funds' portfolios.

Company name	No of shares	Mkt value (Rs cr)
Alok Industries	410000	2.98
Apollo Tyres	913613	30.59
Ashapura Minechem	215446	4.80
Chambal Fertilisers & Chemicals	858171	3.04
Colgate-Palmolive (India)	122904	5.10
Deep Industries	--	3.47
Dredging Corporation of India	313100	18.79
Financial Technologies	--	6.49
Gayatri Projects	--	10.46
Global Vectra Helicorp	112198	14.11
Hikal Chemical Industries	72500	3.05
JMC Projects (India)	341571	5.43
Madhucon Project	164488	5.07
Moser Baer (India)	333600	7.80
NIIT Technologies	1319999	32.16
Petronet LNG	500000	2.76
Shivani Oil & Gas Exploaration	--	27.06
United Spirits	--	6.02
UTI Bank	65474	2.85
Videsh Sanchar Nigam	99897	4.35

* includes universe of 17 Mid-cap Funds

What's out

Complete exits in the equity funds' portfolios.

Company name
Gujarat Flourochemicals

Complete exits in the mid-cap funds' portfolios.

Company name	Company name
Bajaj Hindustan	Wockhardt
Hindustan Organic Chemicals	Glenmark Pharmaceuticals
ICI (India)	Pantaloon Retail (India)
McDowell & Company	Chennai Petroleum Corporation
Nicholas Piramal India	Mahindra Automotive Steel
Punjab Tractors	Deccan Aviation
Rane Engine Valves	TV Today Network

* includes universe of 17 Mid-cap Funds

For Private Circulation only

Favourite picks for the month

Top additions to the existing holdings of equity funds' portfolios.

Company name	No of shares added	Mkt value added (Rs cr)
ABB	158231	56.4
Alfa-Laval (India)	189273	16.9
Amtek Auto	282929	8.8
Andhra Bank	2009677	18.8
Apollo Tyres	3790809	127.6
Ashapura Minechem	215446	4.8
BPCL	1327929	53.2
Colgate-Palmolive (India)	348218	14.5
Deepak Fertilisers	671951	5.6
Dredging Corporation of India	437546	26.3
Engineers India	141356	7.4
Finolex Cables	493256	22.7
Godfrey Phillips India	91191	9.4
HEG	956438	13.2
HOEC	905806	8.9
HPCL	2974161	96.6
IBP	269733	14.2
ITC	1766828	33.5
Kalpataru Power Transmission	47759	4.0
Karnataka Bank	383976	4.6

Top additions to the existing holdings of mid-cap funds' portfolios.

Company name	No of shares added	Mkt value added (Rs cr)
Apollo Tyres	913613	30.7
Ashapura Minechem	215446	4.8
Bank Of India	421990	7.3
Binani Industries	155128	4.6
Colgate-Palmolive (India)	122904	5.1
Deepak Fertilisers	657884	5.5
Dishman Pharmaceuticals	496409	9.4
Dredging Corporation of India	313100	18.8
Emco (Emco Transformers)	105571	6.7
India Infoline	1299643	25.3
JaiPrakash Associates	214003	12.4
JMC Projects (India)	341571	5.4
Lupin	125034	6.4
Madhucon Project	164488	5.1
Moser Baer (India)	333600	7.8
NIIT Technologies	1319999	32.1
Raymond	453212	20.8
Sundaram Fasteners	302878	4.7
Vardhman Spinning & General Mills	583910	21.0
Videsh Sanchar Nigam	99897	4.3

* includes universe of 17 Mid-cap Funds

Popular stocks in mid-cap funds

Company name	No of shares	Mkt value (Rs cr)
Aditya Birla Nuvo	1600000	164.53
Bank of Baroda	3205497	89.43
Bharat Earth Movers	1327795	142.86
Crompton Greaves	4413088	105.43
Fag Bearings India	1510159	100.43
Gammon India	2823061	110.98
Goodlass Nerolac Paints	1106202	103.57
India Cements	5718194	122.74
IPCA Laboratories	2738568	118.74
JaiPrakash Associates	5618780	326.94
Jindal Saw	2448353	89.88
Jindal Steel and Power	455937	82.31
JSW Steel	267057	113.31
Maharashtra Seamless	2395102	99.46
MICO	306625	105.42
Northgate Technologies	0	91.09
Raymond	1996464	91.5
Reliance Industries	1025543	125.73
Sintex Industries	4681981	90.64
State Bank of India	899999	98.61

Exclusive stocks

Some stocks held by only one fund.

Scrip Name	Fund House
Bharat Seats	UTI Mutual Fund
City Online Services	DSP Merrill Lynch Mutual Fund
Control Print (I)	HDFC Mutual Fund
Dabur Pharma	Tata Mutual Fund
Dhunseri Tea & Industries	PRINCIPAL Mutual Fund
DIC India	UTI Mutual Fund
Ennore Foundries	PRINCIPAL Mutual Fund
Govind Rubber(Merged)	Reliance Mutual Fund
Hitkari Fibers	UTI Mutual Fund
ITD Cementation India	Kotak Mahindra Mutual Fund
Photoquip	PRINCIPAL Mutual Fund
Sanghi Polyesters	UTI Mutual Fund

Cash rich funds: Top 10 funds having more cash compared to the others (%)

Birla Long-term Advantage Fund, Reliance Index Fund, JM Emerging Leaders Fund, Sundaram Select Midcap, Sahara Wealth Plus Fund and Sahara Infrastructure Fund are some of the cash rich equity diversified funds waiting for right valuations to invest.

Scheme	Equity (%)	Debt (%)	Cash & equivalent (%)
Birla Long Term Adv Fund	59.24	0	40.76
Reliance Index Fund - Nifty Plan	64.09	0	35.91
Sahara Wealth Plus Fund	66.15	0	33.85
Sundaram BNP Paribas Select Midcap	69.1	0	30.9
JM Emerging Leaders Fund	73.18	0	26.82
LIC Tax Plan	76.3	0	23.7
Can D MAT	76.32	0	23.68
Sahara Infrastructure Fund	76.67	0	23.33
Canequity Tax saver	77.95	0	22.05
Birla SunLife Basic Industries	78.15	0	21.85

Disclaimer: mutual fund investments are subject to market risk. Please read the offer document carefully before investing. Past performance may or may not be sustained in the future.

Disclaimer

*This document has been prepared by Sharekhan Ltd.(SHAREKHAN) This Document is subject to changes without prior notice and is intended only for the person or entity to which it is addressed to and may contain confidential and/or privileged material and is not for any type of circulation. Any review, retransmission, or any other use is prohibited. Kindly note that this document does not constitute an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction.

Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. SHAREKHAN will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is from publicly available data or other sources believed to be reliable. While we would endeavour to update the information herein on reasonable basis, SHAREKHAN, its subsidiaries and associated companies, their directors and employees ("SHAREKHAN and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent SHAREKHAN and affiliates from doing so. We do not represent that information contained herein is accurate or complete and it should not be relied upon as such. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Sharekhan may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject SHAREKHAN and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

SHAREKHAN & affiliates may have used the information set forth herein before publication and may have positions in, may from time to time purchase or sell or may be materially interested in any of the securities mentioned or related securities. SHAREKHAN may from time to time solicit from, or perform investment banking, or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall SHAREKHAN, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. Any comments or statements made herein are those of the analyst and do not necessarily reflect those of SHAREKHAN.*