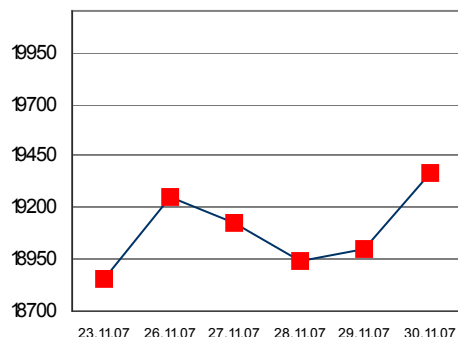
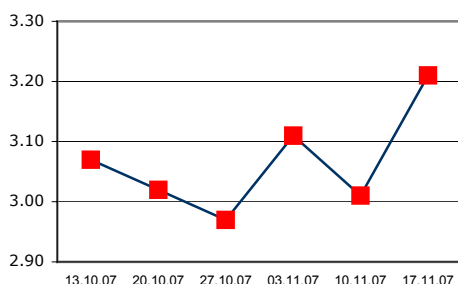


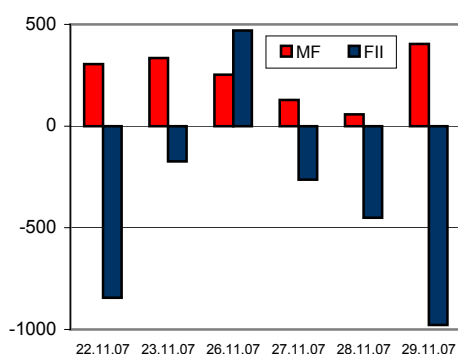
SENSEX



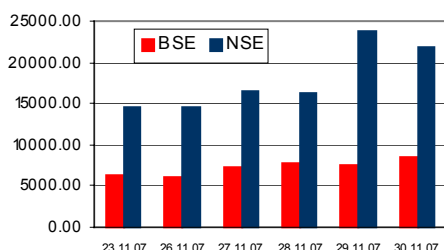
INFLATION (%)



MF/FII-Net Equity Flow (Rs Cr)



BSE/NSE Cash Turnover (Rs Cr)



Central Bankers are at it again

London and New Yorker based Pin strip suited central bankers are going to do it again. The only thing they can throw at any problem they face is Money! We expect interest rates to come down once again to cure problems of credit markets and provide liquidity to markets.

Tough Indian markets recovered smartly they were not able to outperform global indices this week. Mid-caps have outperformed larger indices.

Economy News

The WPI-based inflation for the week ending November 17th stood at 3.21% against the street expectations of 3.11%, while the figure for the previous week stood at 3.01%. This is mainly due to higher vegetable prices.

GDP growth for second quarter slowed to 8.9% against 10.2% in the same period last year mainly due to slowdown in manufacturing activities.

Corporate News

Simplex Infrastructures has bagged contract from DP World for Rs 580 crore for ICTT Kochi phase 1A.

The board of **National Thermal Power Corporation** has given the investment approval for Mauda thermal power project (2 X 500 MW) in the State of Maharashtra at an appraised estimated cost of Rs 54,592.79 million.

Nirma enters into definitive agreement for the acquisition of USA based Natural Soda Ash producer

State run oil marketing companies to acquire equity shares of Oil India.

ICRA and **United Bank of India**, a premier nationalised bank headquartered in Kolkata have signed a MoU under which the company will assign ratings to the bank's loans and its other exposures under the standardized approach of RBI's new capital adequacy framework for basel-II.

MARKETS AT A GLANCE

MARKET INDICATORS

Indices	30.11.07	23.11.07	Change (Pts)	% Change
NIFTY	5762.75	5608.6	154.15	2.75
SENSEX	19363.19	18852.87	510.32	2.71
BSEMIDCAP	8553.56	8228.5	325.06	3.95
BSESMLCAP	10526.02	10171.43	354.59	3.49
BSE-100	10384.4	10047.68	336.72	3.35
BSE-200	2454.23	2372.38	81.85	3.45
BSE-500	7865.98	7605.57	260.41	3.42

SECTORAL INDICES

Indices	30.11.07	23.11.07	Change (Pts)	% Change
BSE AUTO	5469.5	5256.55	212.95	4.05
BSE BANKEX	10870.88	10414.36	456.52	4.38
BSE CAP GOODS	19637.38	19316.12	321.26	1.66
BSE CONS.DURA.	5365.83	5101.7	264.13	5.18
BSE FMCG	2154.81	2111.34	43.47	2.06
BSE HEALTH CARE	3822.9	3810.92	11.98	0.31
BSE IT	4197.62	4017.1	180.52	4.49
BSE METAL	17730.53	16594.08	1136.45	6.85
BSE OIL&GAS	12359.73	11987.47	372.26	3.11
BSE POWER	4344.22	4282.35	61.87	1.44
BSE PSU	9613.32	9502.09	111.23	1.17
BSE REALTY	10626.31	9783.36	842.95	8.62
BSE TECK	3668.25	3555.44	112.81	3.17

WEEKLY SENSEX GAINERS & LOSERS

Top Gainers		
Company	Price	Gain %
HDFC BANK	1719.00	10.00
DLF	943.90	8.66
BAJAJ AUTO	2709.10	6.94
MARUTI UDYOG	1012.35	6.93
TCS	1013.95	5.62

Top Losers		
Company	Price	Loss %
A.C.C.	1089.45	-2.11
HINDALCO	185.30	-1.46
RANBAXY LAB.	387.15	-1.35
RIL COMM	674.85	-1.05
NTPC	236.65	0.02

WEEKLY: A - GROUP GAINERS & LOSERS

Top Gainers		
Company	Price	Gain %
ISPAT IND	51.45	31.59
SUNTV	380.70	22.79
NIRMA LTD	237.00	20.98
VIDESH SANCH	626.60	19.24
HINDUS.ZI	809.80	685.15

Top Losers		
Company	Price	Loss %
HEXAWARE TEC	77.75	-12.44
NATIONAL FERT.	72.05	-8.62
GLAXO LTD	947.85	-8.30
SIEMENS LTD.	1815.85	-8.05
D-LINK	91.95	-6.70

ADVANCE -DECLINE

BSE 30 Companies	
Positive	26
Negative	4
Unchanged	0
Total	30

A GROUP COMPANIES	
Positive	148
Negative	57
Unchanged	0
Total	205

WORLD INDICES

INDEX	30.11.07	23.11.07	Change	% Change
NIFTY	5762.75	5608.60	154.15	2.75
SENSEX	19363.19	18852.87	510.32	2.71
DJIA	13371.72	12980.88	390.84	3.01
NASDAO	2660.96	2596.60	64.36	2.48
FTSE	6432.50	6262.10	170.40	2.72
NIKKEI	15680.67	14888.77	791.90	5.32
BOVESPA	63006.16	60963.99	2042.17	3.35
SHANGHAI	4871.78	5032.30	-160.52	-3.19
KOSPI	1906.00	1772.88	133.12	7.51
HANG SENG	28643.61	26541.09	2102.52	7.92
STRAITS TIMES	3521.27	3325.89	195.38	5.87

MARKETS AT A GLANCE

Indian Markets

Indices	As on 30/11/07	As on 23/11/07	% Change
NIFTY	5762.75	5608.6	2.75
SENSEX	19363.19	18852.87	2.71

US Markets

Indices	As on 30/11/07	As on 23/11/07	% Change
DJIA	13371.72	12980.88	3.01
NASDAQ	2660.90	2596.60	2.48

BSE A Group

Scripts	CMP (Rs)	Weekly % Chg
Gainers		
BHUSH STEEL	1350.15	24.81
ESSAR OIL LT	241.95	24.43
LANCO INFRA	531.85	23.06
SUN TVNET	380.7	22.79
VIDESH SANCH	626.6	525.5
Losers		
HEXAWARE LTD	77.75	-12.44
GLAXOSMITH	947.85	-8.3
SIEMENS LTD	1815.85	-8.05
FEDERAL BANK	315.15	-6.53
STERL BIOTEC	156.85	-6.44

US Listings

Scripts	Close (\$)	Weekly % Chg
NYSE		
Dr Reddy	15.71	1.68
HDFC Bank	134.49	7.16
ICICI Bank	60.51	2.98
MTNL	8.93	7.46
Patni	16.19	7.29
Satyam	26.16	4.14
SLT	26.30	17.94
Tata Motors	18.67	2.81
VSNL	33.11	26.18
WIPRO	14.50	9.68
NASDAQ		
Infosys	42.15	7.80

Institutional Activity (Rs Cr)

	For the week	For the month	For the year
Mutual Funds	842.00	-1509.30	-2378.69
FIIIs	-1221.10	-6077.90	71652.80

DERIVATIVES WATCH

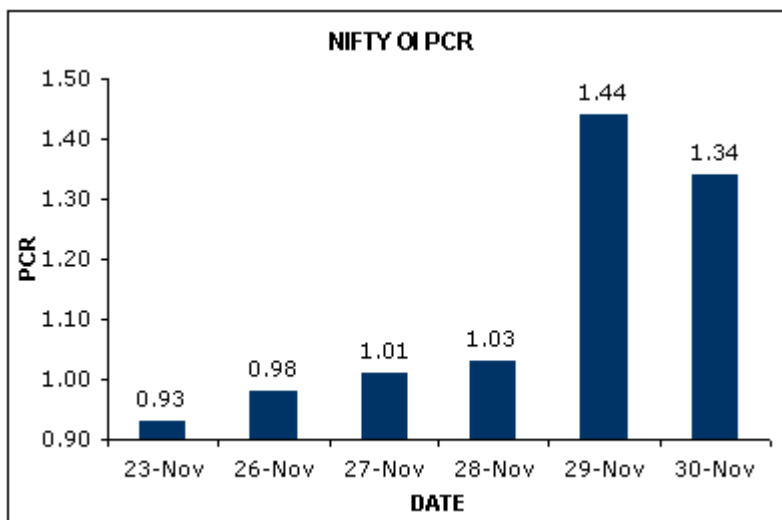
DERIVATIVE WEEKLY SUMMARY

Overall Open Interest declined by Rs 23,816 Cr or 22% to Rs 84,239 Cr from Rs 1,08,055 Cr week on week following the Nov series expiry. In terms of number of shares, Open Interest went down by 15% to 172 Cr shares from 204 Cr shares. Nifty gained 1% in Nov series while overall Open Interest reached an all time high of Rs 1.1 lakh Cr on the Nov 28. We have entered into the Dec series with OI of Rs 76,391 Cr, which is the all time highest OI at the beginning of any new series, as against the OI of Rs 70,116 Cr with which we started Nov series. In terms of Stock Futures OI also we have started Dec series with OI of Rs 54,379 Cr against the OI of Rs 44,551 Cr with which we started Nov series, which is higher by almost 22%. In terms of number of shares, we have started Dec series with OI of 180 Cr Shares as against OI of 160 Cr shares with which we began Nov series. We have started Dec series with Nifty OI PCR at 1.4 level against that of 1.14 with which we started Nov series. We have seen rollover of 76% in case of Nifty (higher than three month average rollover of 71%), while Nifty Futures turned into a highest ever premium of 47 points from the discount of 3 points indicating long rollover of positions. On the first day of Dec series we have seen addition of Rs 8000 Cr (excluding newly added 15 stocks), which is the highest ever addition in OI on any single day in the history of derivatives market. This whopping rise in OI coupled with the average 3.5% rise of derivative stocks on Friday indicates long positions have been built across the board especially in CEMENT, OIL/GAS, POWER and SUGAR stocks.

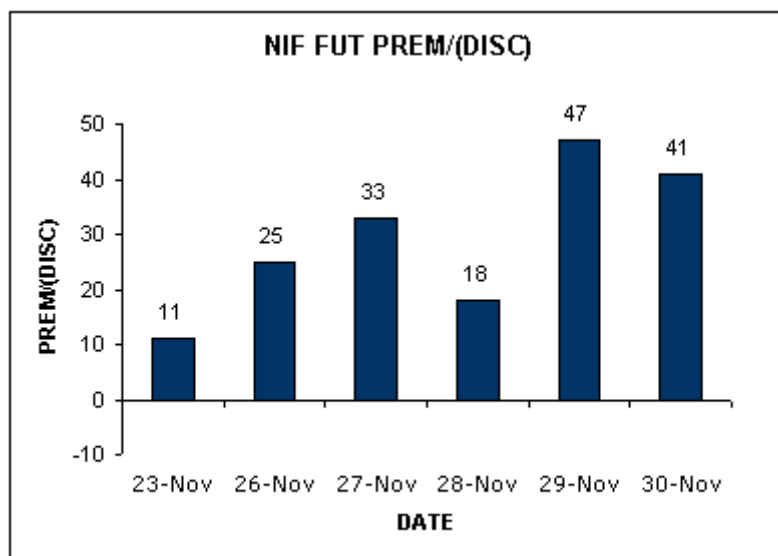
We have seen overall rollover of 83% as compared to last three months average rollover of 84%. In case of Nifty long rollover was seen where, 76% of the positions are being rolled over to the Dec month as compared to last three months average rollover of 71%. Among the sectors, higher rollover is seen in AUTO, BANKING, FMCG and TEXTILE sectors while POWER sector witnessed lower rollover.

Nifty 5800 & 5900 Call added 16,920 and 17,779 contracts in OI respectively, so on the upside market may find resistance around 5,820-5,900 levels. On the other hand, Nifty 5500 & 5700 Put added 22,967 & 25,727 contracts in OI with reduction in IVs, which indicates Put writing, so on the downside market may find support in the 5,530-5,600 region. FIIs buying in Index Futures, long rollover in Nifty, healthy Nifty OI PCR and Put writing at lower strike prices are some of the indicators suggesting bullishness to continue in the markets going forward.

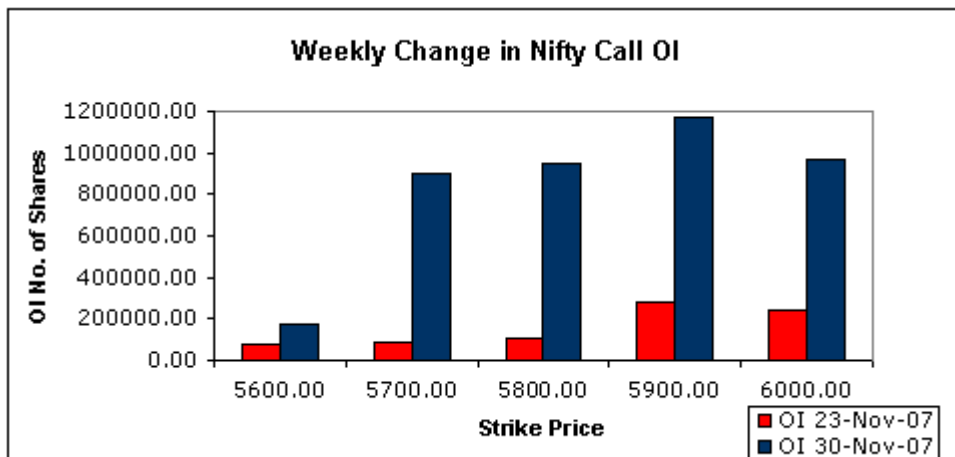
TREND IN NIFTY OI PCR



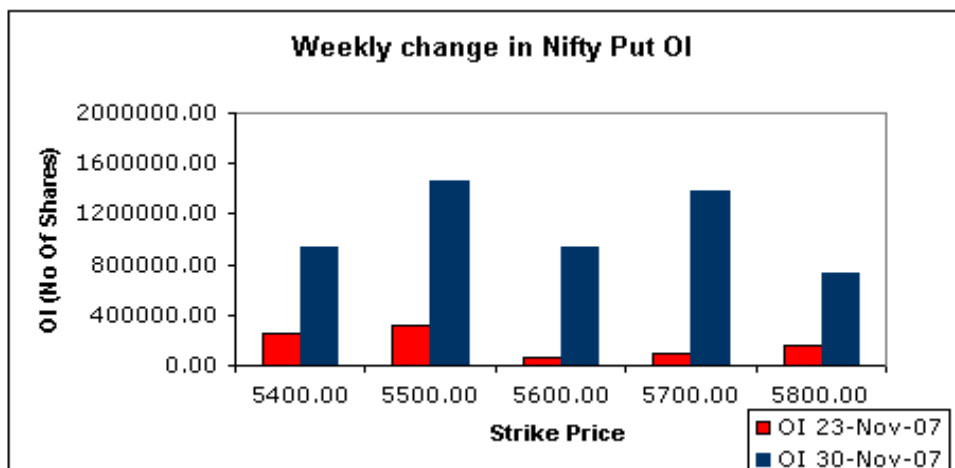
TREND OF NIFTY NOV/DEC FUTURE PREMIUM/(DISCOUNT)



Weekly Change in Nifty DECEMBER Call Options Open Interest



Weekly Change in Nifty DECEMBER Put Options Open Interest



TOP STOCKS OPEN INTEREST WISE

Underlying	Weekly chg (%)		Open Interest Value(Rs Cr)				PCR(OI)
	Price	OI Rs Cr	Future	Call	Put	Total	
NIFTY	-5	2.75	16328	3458	4633	24419	1.34
RELIANCE	-2	1.44	3674	192	16	3882	0.08
REL	-6	0.51	2872	98	2	2972	0.02
RPL	-2	3.96	2160	148	25	2333	0.17
RCOM	-4	-0.91	2177	43	7	2227	0.16
SBIN	-3	2.37	1837	42	1	1880	0.03

FII ACTIVITY FOR THE WEEK (FROM NOVEMBER 19 TO NOVEMBER 23)

	Contracts Bought		Contracts Sold		Open Interest	
	Nos.	Value (Rs Cr)	Nos.	Value (Rs Cr)	Contracts Nos.	Value (Rs Cr)
Index Futures	1045836	29887	891817	25458	577732	16779
Index Options	130579	3667	59306	1662	176343	5081
Stock Futures	808000	34374	839634	36314	977222	42829
Stock Options	237	13	522	21	499	21

TECHNICAL TALK

Broad Market Trend

Sensex and Nifty rose by 2.71% and 2.75% respectively in the week gone by. Both Benchmark Indices are finding strong support on its 50 DMA, which stands around 18650 for sensex, and 5525 for the Nifty. During the last week sensex bounced back exactly after filling up the gap downside, which was, formed on 26th Nov 2007. On the back of Friday's recovery in indices good opening for upcoming week is expected. For reaching in to medium-term bullish zone sensex has to cross the hurdle of the adjoining Trendline of previous two tops of November 2007, which comes around 19750 levels, every rise and can be seen in following chart. Near supports for the sensex lies around 19200 and 18884, while far supports stands around 18647. Resistance for the sensex stands at 19750.

Sensex Daily Chart

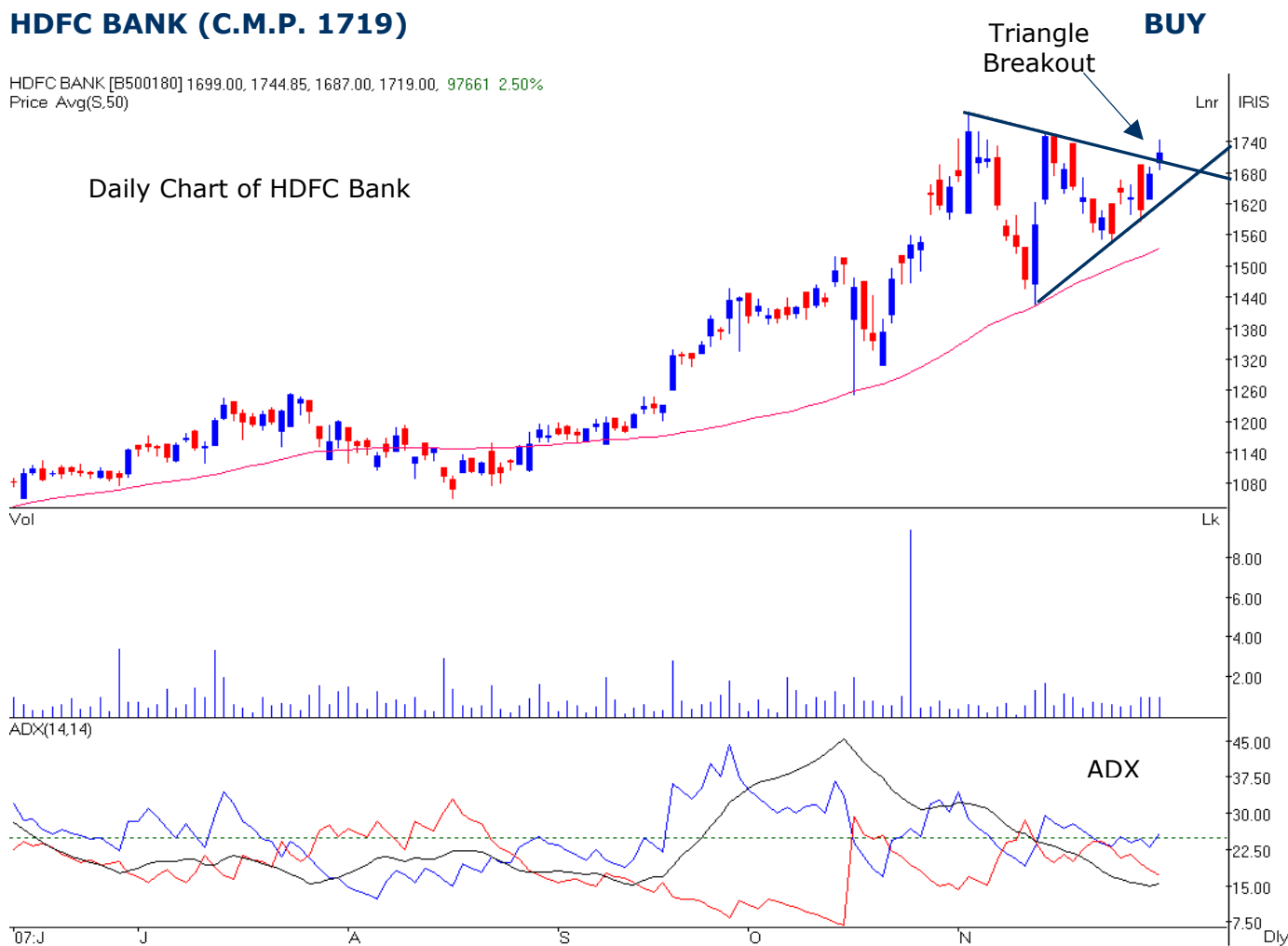
BSE Sensex [B9999901] 19136.12, 19424.99, 19006.89, 19363.19, 468467968 1.89%
Price Avg(S,50) Avg(S,200)



HDFC BANK (C.M.P. 1719)

HDFC BANK [B500180] 1699.00, 1744.85, 1687.00, 1719.00, 97661 2.50%
Price Avg(S,50)

Daily Chart of HDFC Bank



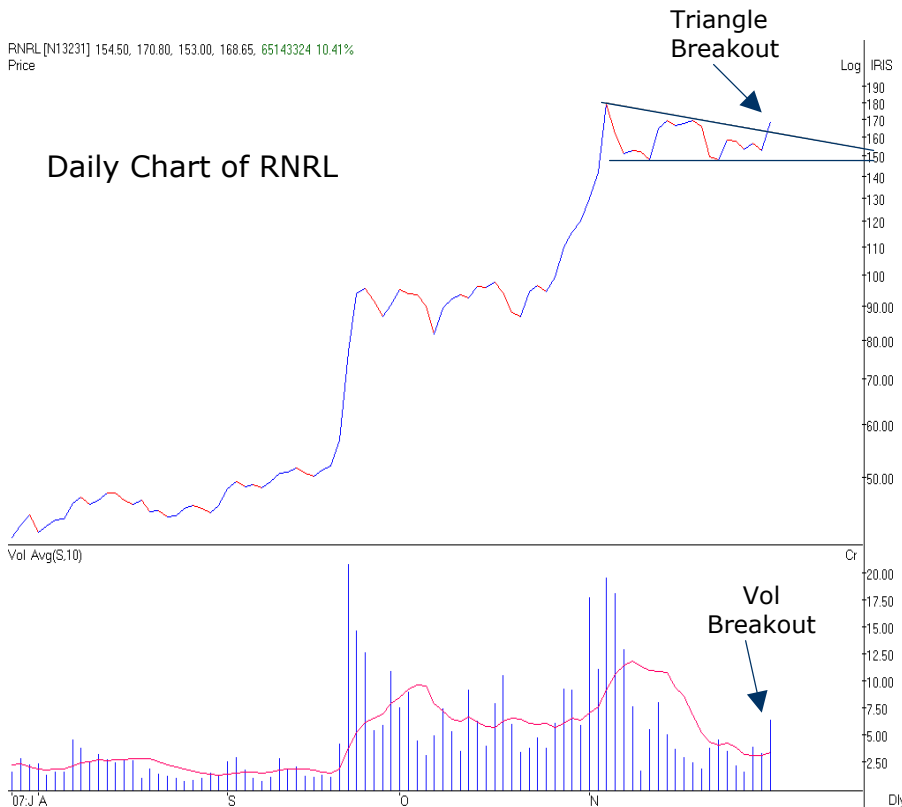
Triangle Breakout!!!!

The stock is looking bullish on its daily chart, as it has given breakout from the symmetrical triangle with fair amount of volumes. Momentum Oscillator ADX (Directional Movement Index) is also showing the strength in the counter as +DI has reached into the bullish zone.

We recommend buying the stock for position trading at current market price for the target of 1840, keeping a stoploss of 1668.

RNRL [N13231] 154.50, 170.80, 153.00, 168.65, 65143324 10.41%
Price

Daily Chart of RNRL



RNRL (169)

BUY

After few days of consolidation the stock has given breakout from the Descending triangle formation with significant volume on Friday.

We recommend buying the stock for position trading at current market price for the target of 184, keeping a stoploss of 163

BILPOWER LTD [B531590] 197.00, 214.00, 195.00, 209.15, 154686 7.64%
Price Avg2(S,50,S,100)



BILPOWER (209)

BUY

The Stock is looking bullish on both its daily and weekly chart, as it has given close above all its resistances, and has also given breakout from the medium term consolidation pattern with significant volume on Friday.

Momentum Oscillator MACD is also showing strength by sustaining in its positive zone.

We recommend buying the stock for position trading at current market price for the targets of 247 and 265, keeping a stoploss of 198

Technical Picks for the Forthcoming Week

STOCK	RECOMMENDATION	CMP	STOP LOSS (Rs)	TARGETS (Rs)
HDFC BANK	BUY	1719	1668	1840
RNRL	BUY	169	163	184
BIL POWER	BUY	209	198	247,265

Return of Technical Picks since 15 Aug 2007

Success (%)	Avg. Return of Successful Calls (%)	Avg. Return of Unsuccessful Calls (%)	Overall Avg. Return (%)
77	9.47	(4.00)	6.36

Note: Whenever first target is achieved in any recommendation, you are encouraged to book 50% profit and the stop loss has to be raised to the original recommended price, unless specified otherwise.

Support-Resistance Levels for the Forthcoming Week (03rd Dec to 07th Dec)

Stock	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
A.C.C.	1090.40	1036.70	1200.80	1311.10	926.30	762.20
ABAN	4575.05	4623.00	4802.00	5028.90	4396.10	4217.10
ABB LTD.	1556.25	1553.80	1601.50	1646.80	1508.50	1460.80
ADLABS FILM	962.60	941.20	1003.50	1044.30	900.40	838.10
ALLHABAD BNK	111.95	111.80	117.40	122.90	106.40	100.80
AMBUJACEM	149.70	149.90	152.80	155.80	146.80	143.90
ANDHRA BANK	100.10	99.70	103.80	107.50	96.00	91.80
ANSALINFRA	248.55	244.20	265.30	282.10	227.40	206.30
APIL	941.75	934.60	991.20	1040.60	885.20	828.60
ARVIND MILLS	74.80	73.20	77.40	80.10	70.60	66.40
ASHOK LEYL	44.70	44.90	49.60	54.40	40.10	35.40
BAJAJ AUTO	2704.85	2668.30	2786.60	2868.30	2586.60	2468.30
BAJAJHIND.LT	214.15	206.50	223.60	233.10	197.10	180.00
BANK OF BARO	382.20	373.80	402.40	422.60	353.60	325.10
BANK OF IND.	350.75	343.40	361.80	372.90	332.40	314.00
BH.EARTH MOV	1680.10	1712.60	1817.20	1954.40	1575.50	1470.90
BHARAT ELEC.	1774.10	1778.40	1855.60	1937.10	1696.90	1619.70
BHARTI TELEV	939.50	935.40	972.60	1005.60	902.30	865.10
BHEL	2679.50	2676.20	2802.30	2925.20	2553.30	2427.20
BOM DYEING	726.15	708.30	760.30	794.50	674.20	622.20
CANARA BANK	272.00	270.70	276.30	280.70	266.30	260.70
CENTURY TEXT	1114.85	1113.00	1175.90	1237.00	1051.90	989.00
CIPLA	183.10	183.00	186.10	189.00	180.10	177.00
CROMPTON GR.	424.25	422.80	443.60	462.90	403.50	382.70
CUMMINS INDI	423.80	412.70	443.10	462.40	393.40	363.00
DABUR INDIA	110.85	111.80	117.00	123.10	105.70	100.50
DENA BANK	81.75	80.80	84.80	87.80	77.80	73.80
DLF	944.40	923.80	975.60	1006.80	892.60	840.80
EDUCOMP	3583.15	3465.10	3730.10	3877.10	3318.10	3053.10
EKC	328.55	325.50	349.00	369.40	305.10	281.70
ESSAR OIL	242.35	226.10	268.10	293.90	200.30	158.30
GAIL	428.45	426.90	447.50	466.60	407.80	387.20
GESCO CORP	642.30	639.60	677.90	713.50	604.00	565.70
GMRINFRA	255.10	248.30	266.70	278.20	236.80	218.40
GRASIM IND.	3802.85	3739.30	3878.60	3954.40	3663.50	3524.20
GTL	251.15	255.70	266.40	281.70	240.50	229.80
GUJ.ALKALI	203.15	197.70	210.40	217.70	190.40	177.70
GUJ.NARMADA	170.20	171.90	179.30	188.40	162.80	155.40
HCC	200.55	199.80	209.40	218.30	190.90	181.20
HDFC BANK	1716.15	1683.20	1781.30	1846.50	1618.00	1519.80

Stock	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
HDIL	822.40	790.80	860.00	897.60	753.20	683.90
HINDALCO	185.40	187.00	195.90	206.40	176.50	167.50
HIND UNILVR	206.75	208.70	211.30	215.90	204.10	201.40
HOUS DEV FIN	2781.40	2745.50	2849.90	2918.50	2676.90	2572.50
ICICI BANK	1178.40	1159.00	1212.90	1247.50	1124.40	1070.50
IDBI	163.10	163.20	172.50	181.90	153.80	144.50
IDEA	122.65	121.80	127.60	132.50	116.90	111.20
IDFC	204.95	203.40	215.90	226.80	192.50	180.10
INDIA CEMENT	295.70	277.30	326.40	357.00	246.70	197.60
INDIANB	190.85	191.30	217.60	244.30	164.60	138.30
INDUS IND BK	119.35	115.50	127.70	136.00	107.20	95.00
INDUST.FIN.C	94.55	91.70	98.20	101.90	88.00	81.40
INFOSYS TECH	1602.50	1587.50	1640.00	1677.50	1550.00	1497.50
ITC	188.35	188.10	194.00	199.60	182.40	176.50
IVRCL INFRAS	467.80	470.30	485.50	503.30	452.50	437.30
JP ASSOCIAT	1816.65	1776.70	1913.40	2010.10	1680.00	1543.30
JPHYDRO	114.00	112.70	120.20	126.50	106.40	98.90
JSWSTEEL	1010.05	972.70	1069.20	1128.30	913.60	817.10
KESORAM	560.45	560.00	594.50	628.50	526.00	491.60
KOTAK BANK	1233.50	1188.90	1292.60	1351.70	1129.80	1026.00
LITL	531.45	501.60	568.70	606.00	464.30	397.20
LT	4128.75	4255.90	4481.30	4833.80	3903.40	3678.00
MAH & MAH	729.55	722.10	752.60	775.70	699.10	668.60
MAHANGR TELE	171.85	168.40	181.30	190.80	159.00	146.10
MARUTI	1014.15	989.80	1049.30	1084.50	954.60	895.10
MATRIX LABS	218.40	222.00	233.90	249.40	206.50	194.70
MCDOWELL	2067.70	1989.20	2183.50	2299.20	1873.50	1679.20
MOSER-BAER	272.20	265.40	280.80	289.30	256.80	241.40
MPHASIS	285.60	279.90	297.70	309.90	267.70	249.90
MRPL	121.00	120.80	128.60	136.10	113.30	105.50
NAGAR.CONST.	313.90	314.60	325.30	336.60	303.30	292.60
NDTV	353.15	342.00	373.90	394.60	321.30	289.50
NEYVELI LIGN	235.15	227.10	249.00	262.90	213.30	191.40
NTPC	236.65	235.40	245.60	254.50	226.50	216.30
ONGC CORP.	1167.55	1165.50	1211.00	1254.50	1122.00	1076.50
ORIENT.BANK	256.25	255.10	268.20	280.10	243.20	230.10
PARSVNATH	354.15	351.20	361.00	367.80	344.30	334.50
PATEL ENG.	767.70	755.90	801.80	835.80	721.90	676.00

Stock	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
PATNI	314.05	313.00	326.00	338.00	301.00	288.00
PENIN LAND	131.90	132.10	139.70	147.40	124.40	116.80
PETRONET	103.90	103.90	111.10	118.20	96.70	89.50
PFC	244.20	233.40	268.70	293.30	208.80	173.50
PNB	604.45	601.50	623.00	641.50	583.00	561.50
POLARIS SOFT	109.35	109.10	115.20	121.10	103.30	97.20
PRAJ IND.LTD	194.20	195.60	208.50	222.70	181.30	168.40
PUNJ LLOYD	509.35	492.50	532.00	554.70	469.80	430.30
RAJESH EXPOR	862.70	859.10	884.10	905.60	837.60	812.60
RANBAXY LAB.	385.75	386.20	402.40	419.10	369.60	353.40
RCOM	675.00	675.40	700.60	726.20	649.80	624.70
REL	1734.05	1728.00	1820.00	1906.00	1642.00	1550.00
REL.CAPITAL	2362.45	2337.70	2423.80	2485.10	2276.30	2190.20
RELIANCE	2851.65	2841.90	2914.70	2977.80	2778.80	2705.90
RENUKA	693.75	680.50	746.00	798.30	628.20	562.70
ROLTA	733.85	707.60	765.20	796.60	676.20	618.60
RPL	217.90	210.50	232.40	247.00	195.90	174.00
SATYAM COMP	440.15	433.60	449.00	457.80	424.80	409.40
SIEMENS	1816.05	1882.00	1969.00	2122.00	1729.00	1642.00
SOBHA	869.35	865.80	906.60	943.80	828.60	787.80
SRF LTD.	157.95	158.10	165.70	173.50	150.30	142.70
STATE BANK	2302.40	2289.80	2357.60	2412.70	2234.70	2166.90
STEEL AUTHOR	258.60	259.10	271.90	285.30	245.80	233.00
STER	1032.05	985.40	1094.60	1157.20	922.90	813.70
STER OPTICAL	307.65	304.30	327.30	346.90	284.70	261.80
SUNTV	380.05	361.80	413.00	445.90	328.90	277.80
SUZLON	1896.95	1870.60	1991.20	2085.40	1776.40	1655.90
SYNDICATE BK	101.80	99.90	106.10	110.40	95.60	89.40
TATA POWER	1168.60	1150.00	1218.60	1268.70	1099.90	1031.30
TATA MOTORS	732.45	727.20	749.30	766.20	710.30	688.20
TATASTEEL	825.90	838.60	887.20	948.50	777.30	728.80
TCS	1012.20	994.00	1036.90	1061.60	969.30	926.30
TITAN IND.	1534.25	1511.80	1587.50	1640.80	1458.50	1382.80
TTML	48.35	48.50	51.40	54.50	45.40	42.40
UNION BANK	177.75	175.60	184.60	191.50	168.80	159.80
UNITECH LTD	381.70	366.30	400.50	419.20	347.50	313.30
UTI BANK	930.65	928.90	957.80	984.90	901.80	872.90
VSNL	627.95	595.30	675.60	723.30	547.60	467.30
VOLTAS	243.15	238.20	254.40	265.60	227.00	210.80
WIPRO	460.65	450.60	475.10	489.50	436.20	411.80
ZEEL	287.90	291.00	303.90	320.00	274.90	262.00

FUNDAMENTAL CHECK**Stocks Covered This Week**

Company	Price 30-Nov-07 (Rs)	Report Type	Recommendation & Target (Rs)
BGR ENERGY SYSTEM LTD	425-480	IPO NOTE	SUBSCRIBE
VIDEOCON IND.	410	RESEARCH NOTE	ACCUMULATE

Review of Stocks Covered 3 Months Back

Company	Price (Rs) 30.11.07	Recommendation	Reco. Price (Rs) 31.08.07	Return (%)
SENSEX	19363.19		15318.60	26
PARAMOUNT COMMUNICATION LTD	30.80	BUY	28	10

RESEARCH REPORT

BGR Energy System Limited (BESL)

PRICE BAND: Rs 425-480
SUBSCRIBE

Issue Details

Issue Size to public	Rs 388.3 - 438.5 Cr
Face Value (Rs)	10
Bid opens	5 th December
Bid closes	12 th December
Issue band (Rs)	Rs 425 - 480
Issue Type	100% BB
Lead Managers	
SBI Capital Markets, Kotak Mahindra Capital Co., UBS Securities, CLSA India.	
Registrar	
Intime Spectrum Registry Limited	

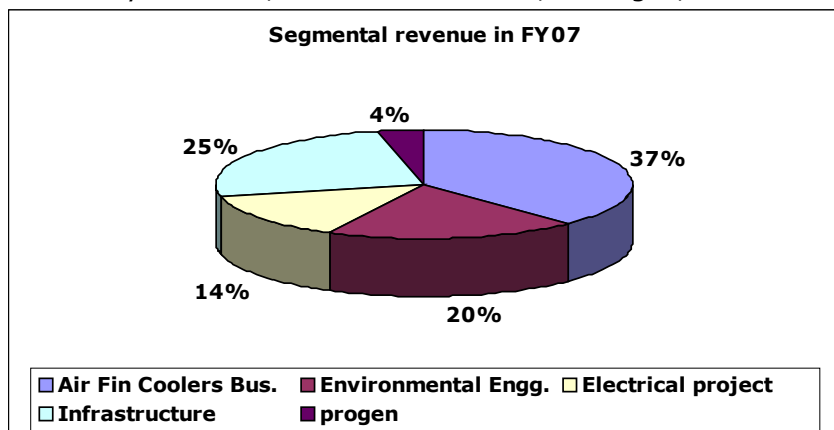
Issue Structure	Equity Shares
Total Shares	9136000
Reserved for employees	500,000
Net Issue Size	8,636,000
QIB Portion	5,181,600
MFs	259,080
Non Institutional Portion	863,600
Retail Portion	2,590,800

No of Issued, subscribed and paid up shares before the issue	64,800,000
No of Issued, subscribed and paid up shares after the issue	72,000,000

Promoter and Promoter Group holding (Pre Issue)	90.38%
Promoter and Promoter Group holding (Post Issue)	81.30%

Background & Business

Incorporated in 1985, BESL is a Joint Venture between GEA Energetechnik GmbH, Germany and the promoter, Mr. B G Rahupathy, to produce and sell on line condenser tube cleaning system, debris filters and rubber clearing balls used in thermal and nuclear power plants. Currently BESL supply system & equipment and turnkey engineering project contracting. In system & equipment business, BSEL design, engineer, manufacture, sell and service a range of equipment for the power, Oil & gas, refinery & petrochemical and process industry. In turnkey business, EPC work of Power, Oil & gas, civil work etc.



Company has strong clientele located in Asia, Middle East, and Africa & Europe. Export contributes 10% of total order book mainly from Middle East.

Objects of the Issue

The object of the issue is to augment long-term working capital, expand production capacity by establishing manufacturing facilities in India, china and Middle East.

Object of the Issue:

Particulars	Funds (Rs Cr)
Augment long term working capital requirement	125.0
Establish manufacturing and assembly facilities	80.0
Fund Expenditure for general corporate purpose	(.)
Issue Expenses	(.)

(Source: Company RHP)

USD 50 billion is needed to invest for next three decade in energy sector

More than 100,000 MW of power is estimated to add by 2012

Nearly 500 USD billion is likely to be invested in Infrastructure in India over the next 5 years

Huge Investment in Energy and Power to build Infrastructure

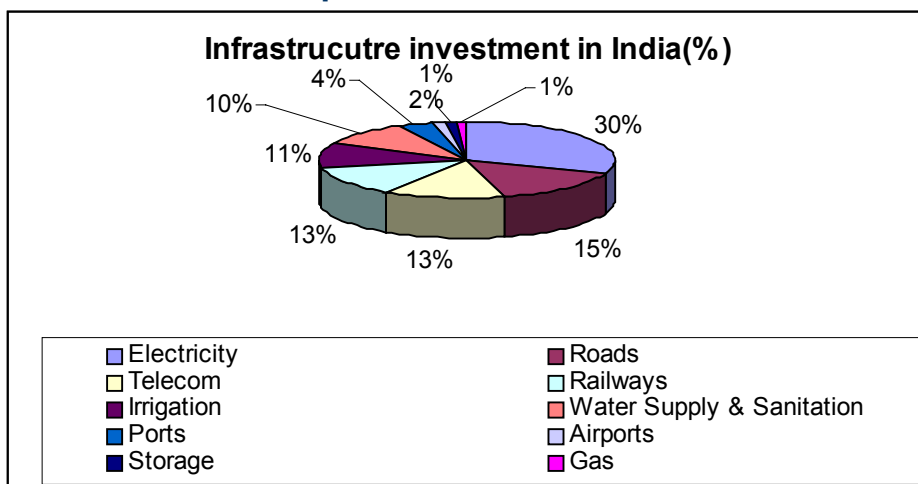
According to IEA estimates, more than USD 50 billion a year needs to be invested in energy-supply infrastructure world wide over three decades to 2030.

Oil		19%
Exploration & Develop.	72%	
Refining	13%	
Other	15%	
Gas		19%
Exploration & develop.	55%	
LNG Chain	8%	
T&D and Storage	37%	
Coal		2%
Mining	88%	
Shipping & port	12%	
Electricity		60%
Power Generation	46%	
T&D	54%	
Total		100%

Sources: (IEA, Company RHP)

According to CRIS-INFAC, over the next five years, Indian investment in generation capacity is expected to increase. Power sector alone is expected to fetch USD 450 billion during 2005-2010. Capacity addition required during 12th plan would be in the range of 71,000 MW to 107500 MW based on normative parameter.

Infrastructure development



Apart from power, other infrastructure sectors like roads, ports, Oil & gas etc. are likely to witness huge investment both by govt. and private sector.

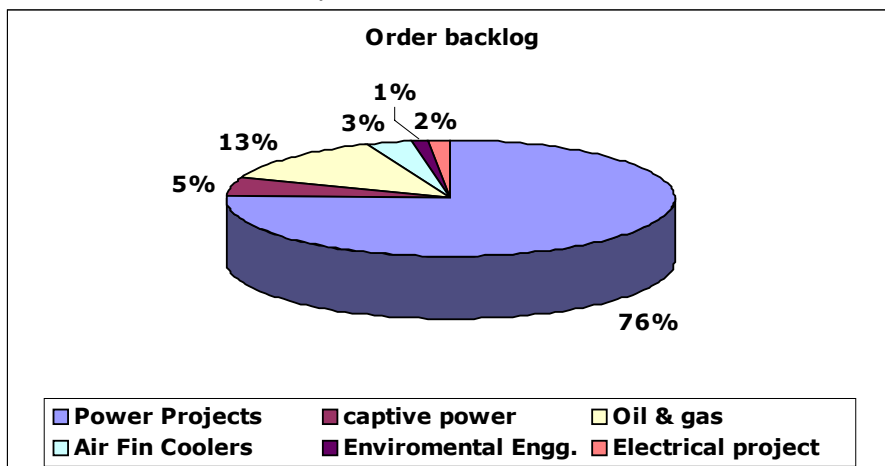
Export contributes 10% of order book

Government is emphasizing more on nuclear power, with NPCIL targeting 20,000 MW of installed power generation by 2020 from current level of 3700 MW

Total of 86 mtpa of capacity expansion is expected in 11th plan

Order book along with capacity addition – to boost revenue

The consolidated current order book (as on 30th September 2007) stands at Rs 3,312 Cr (6x annual sales) with majority of orders (76%) from power projects. BOP (balance of Plant) project constitute 45% of total power sector orders.



(Source: Company data)

Company is increasing its capacity by establishing manufacturing facilities for air fin coolers, desalination plants, water treatment plants, gas conditioning heat exchangers etc. Company is setting up the facilities in India & China and project is to complete by end of fiscal 2009.

Joint Venture and Associate companies to add value

GEA Cooling Tower Technologies (India) Private Ltd., part of GEA Germany, supplies design, engineers and supplies natural draft and induced draft cooling towers for project larger than 100 MW. Cuddalore Power Company (41%) is an associate company, which is developing 2x600MW coal based power plant project.

Key infrastructure projects from where orders are likely to come:

Power Sector: With the power reform gathering momentum, an investment around 60 USD bn from govt. towards power sector to achieve the target in 11th plan. This throws lot of opportunities in power plant construction. On the hydropower side NTPC, NHPC had also proposed several hydropower projects. BSEL has a deep presence in power project with BOP, EPC work. With the presence across the sector, BSEL is likely to benefit from power reforms.

Oil & gas Sector: According to the world energy outlook 2006, it is expected that, a whopping USD 8.3 Trillion of total investment in global Oil & gas sector out of total investment of around 20.2 trillion to be made over the period of 2005-30.

18,000 Km of Oil & Gas infrastructure (pipeline) to be added in next five years in India

Management expects 21000 Cr of orders in next 6-8 months

India at present has 18 refineries with capacity of around 132.5 MMTPA, which is expected to increase to 149 MMTPA by the end of 2007. Global refinery scenario, particularly in Asian region, looks attractive due to huge investment opportunity in emerging countries like China, India & Middle East. Most (56%) of the capacity addition has taken place in Asia-Pacific region.

Natural gas accounts for 24% of total energy consumption and is the third largest contributor to the global energy. Consumption is expected to increase 2.4% during 2003-2030 as per EIA, IEO 2006. Huge opportunity exists in the national and international gas pipeline scenario. Reliance, GAIL and other companies are envisaging huge cap-ex for next 3-4 years.

Roads, Airports, Ports: Combined investment in these sector in next five years will be around 100 USD billion. BSEL has a presence in all the above three sector. With the govt. thrust on increasing the spending on the infrastructure, BSEL has huge opportunity going forward.

Investment Concerns:

- Fluctuation in price of commodities may impact the margins.
- Power project are more govt. oriented & therefore any delay can hamper the profitability.
- Company being the third party player in EPC contracts, any slow progress of work by main EPC contractor may result in slowdown in revenue booking.

Valuation

Indian economy is growing at 8-9% per annum and is witnessing huge investment in infrastructure, Power, Oil & gas etc. Government is putting serious efforts to meet the targeted capacity of 78000 MW during the current five-year plan through an effective public and private partnership effort. So project implementers like BGR Energy would greatly benefit from the emerging opportunity that is unfolding in the power sector in the country.

At the upper price band of Rs 480, the issue is priced at 141x its trailing earnings and on the lower price band of Rs 425, it is priced at 125x its trailing earnings on the post-issue equity base. Growth of the company is more than 50% and it is expected to sustain this growth. Therefore considering the opportunities for the company in the infrastructure sector, we recommend to **Subscribe** to the issue at cut-off price with the long-term perspective.

**Financial
performance**
Sept. ended fiscal

Rs. Crore	FY04	FY05	FY07*
Net sales	266.5	289.0	775.1
Total Expenditure	244.3	262.8	682.2
Operating profit	22.2	26.2	93.0
Other Income	0.3	0.2	0.3
Interest	4.2	8.5	26.9
Depreciation	1.6	2.8	8.1
PBT	16.7	15.2	58.3
Tax	3.2	5.4	21.3
PAT	13.5	9.7	37.0
Equity	72.0	72.0	72.0
EPS	1.9	1.4	5.1
Margin (%)			
OPM	8.3	9.1	12.0
NPM	5.1	3.4	4.8

*FY07 is 18 month ended 31st March 07

VIDEOCON INDS LTD
Rs 410
October 27, 2007
ACCUMULATE

BSE Code	511389
NSE Code	VIDEOIND

Key Data

Sensex	19639
52 week H/L (Rs.)	503/336
Nov. month H/L (Rs.)	493/345
Market Cap (Rs cr)	8998
Avg. daily vol. (6m)	66318
Face Value	10

Source: Capitaline

Shareholding Pattern (%)

Promoters	70.31
Foreign & Institution	24.55
Public & Others	5.14

Source: Capitaline

**One-Year Performance
(Rel. to Sensex)**


Source: Capitaline

Analysis: Team Anagram
equity@anagram.co.in

Background and Business

Videocon Industries, belonging to Dhoot Group, is engaged in manufacturing and marketing consumer electronics, home appliances and Oil & Gas exploration business.

Videocon Industries is present in Consumer Electronics division with manufacture and distribution of wide range of electronic products and household appliances which includes CRT TVs, Home entertainment systems, PDP and LCD TVs, Refrigerators, Washing machines, Air Conditioners, Small appliances and Components such as Glass Shells.

CTV segment a major focus

Company is moving up the value pyramid through organic as well as inorganic growth plans. It has strategically integrated manufacturing bases, both internationally and domestically, close to target markets. It has various brands under its belt in CTV segment; this year the group has made some major investments in the segment, bought over the Salt Lake and Taratolla factories from Phillips India Ltd. It had also bought over a factory from Kanchan Fooda Ltd. in Siliguri and set up a colour television-manufacturing unit there.

Company is aggressively developing in full swing the R&D Centres to bring out state-of-the-art technologies including True Flat, Slim, Extra Slim, Plasma & LCDs, at the earliest.

Backward integration to help in Cost rationalization

Company has successfully integrated the manufacturing of Glass shell and other intermediaries with its final product operations. Company's division Videocon Narmada Glass with successful technical collaboration is the world's 3rd largest CTV glass producer and contributes about 16% of the revenue of Videocon. Major Clients include BPL Display Devices, JCT Electronics, Hotline and Samtel Colour, as well as Thomson Polska (Poland) and Toshiba (Indonesia) internationally.

With the acquisition of Thomson, the company got the access to Color Picture Tube (CPT) technologies and production methods through its R&D facilities in Europe & China.

With fully integrated manufacturing set-ups in low cost areas like China, Poland and Mexico, the company is ideally positioned to offer the advantage of a low cost manufacturing base for key components for the end products. The cost competitiveness has also opened up big opportunities for VIL in the OEM business.

NEXT, the retail Arm and Acquisition of Planet M

Videocon made its foray into retail chain through NEXT for consumer electronics and home appliances, which also sells other private labels. Company has signed a series MoUs with other retailers for the fixed business generation. Company is targeting a sales turnover of Rs 250 Cr for these series of MoUs.

In its move to clutch the Retail business opportunities, VIL acquired PLANET M, the music and entertainment retail arm of Bennett, Coleman & Co for Rs 200 Cr. With 150 stores across 42 cities, Planet M is one of the leading players in organised music retail. The Company plans an ambitious turnover of Rs 1,000 Cr from Planet M with further investment of Rs 500 Cr for the same. With Planet M in its portfolio, NEXT Retail aims to clock a turnover of Rs 2,000 Cr by the next year.

OIL & GAS BUSINESS

Videocon's oil and gas joint venture extracts 50,000 barrels of oil per day. Videocon produces 7% of all oil in the private sector in India. The Oil & Gas business contributed around 16% of the total turnover during FY07.

Videocon has a participating interest in Ravva Oil & Gas Field, which is extracting 50,000 barrels of oil per day and has a proven reserves of 250 million barrels of oil. This field is spread over 331.6 sq km (of which 24.8 sq km is onshore) and is located roughly 10 km offshore in the Krishna Godavari basin in the state of Andhra Pradesh in southern India.

The RAVVA joint venture, over the last ten years, incurred a cumulative expenditure of about US\$ 590 mn on field development. So far Videocon's contribution is 25% of the above, i.e. US\$ 148 mn.

Participating Interest – RAVVA FIELD

ONGC	40.0%
Videocon	25.0%
Command Petroleum	22.5%
Ravva Oil	12.5%

Overseas Blocks**Block 103, Joint Petroleum Development Area, Timor Leste & Australia**

The consortium comprising Videocon Industries (25%) & GSPC (25%), BPCL (25%) and Oilex (25%) as the Operator has been awarded the Block 103 by the Timor Sea Designated Authority, located in the northern part of the Joint Petroleum Development Area subject to signing a Production Sharing Contract.

Block EPP-27, South Otway Basin, Australia

Videocon Industries has taken a farm-in interest in Block EPP-27 in the South Otway Basin along with Oilex and GSPCL of 20% each with balance 40% being retained by the original license holder Great Artesian Oil & Gas Ltd. The operator Oilex NL has informed that it has completed acquisition of a marine seismic survey totaling 1325 km of 2D seismic data within the permit. The survey has provided an extension of the existing seismic grid covering some eight potential leads in to the central & eastern portions of the permit.

Block 56, South Oman Salt Basin, Oman

A consortium comprising Videocon Industries, Oilex, GAIL, HPCL and BPCL with Oilex as the operator have been awarded Block 56. This block is located onshore adjacent to the producing fields operated by PDO, the Oman national oil company, in the South Oman Salt Basin, which is one of the main producing basin in Oman.

The Exploration Production Sharing Agreement and Joint Operating Agreement was signed on June 28, 2006. A programme of drilling 11 exploratory wells in the first phase of three years has been proposed. Videocon has entered into an MOU with an exploration company Oilex NL of Australia, by which Videocon and Oilex plan to explore opportunities for cooperation in the acquisition of oil blocks in Australia.

BRAZILIAN OPERATION

Videocon recently bought the Brazilian assets of Canadian gas producer EnCana Corporation for around \$165 million as part of a consortium with Bharat Petro Resources Ltd, the exploration arm of Bharat Petroleum. As per the deal, the BPCL-Videocon combine will get interests in 10 deep-water offshore exploration blocks in

four concessions in Brazil. Brazilian oil companies Petrobras and Anadarko also have a stake in EnCana Brasil and Petrobras is the operator in seven of the 10 blocks.

Petroleo Brasileiro SA, Brazil's state-controlled oil company, made a largest Oil discovery in Tupi Sui field placing the country in the Global Map of oil reserves. The Tupi Sui appraisal well, drilled about 10 kilometres south of an original find, which BG said in February showed resource in place of between 1.5-billion barrels and 10-billion of oil equivalent, confirmed a field that is 800 kilometres long and about 200 kilometres wide. So the probability of the oil findings in near by areas have increased where Videocon blocks are located which will result into higher valuations of Oil & Gas business of the company.

RECENT DEVELOPMENT

Videocon Industries plans to enter the mobile telephony business. The company has applied for mobile licences in all 22 telecom circles in the country.

Videocon Industries is planning to set up a semiconductor and LCD complex near Mumbai. The company has sought 200 hectares from the Maharashtra Government for the project, which is estimated to entail an investment of Rs 8,000 crore.

The Videocon group plans to invest Rs 150 billion in West Bengal to set up steel and a power plant. The steel plant will have an annual capacity of 3 million tonnes while the power plant will have a capacity of 1,200 megawatts per year.

Valuations & Recommendations

At CMP of Rs 410, the stock is trading at 10x its TTM EPS of Rs 41. Looking at the growth in the consumer durable segment and spreading its presence in Oil & Gas business world over we think that the stock should get higher valuation. Company is also planning to invest in a big way in ventures like Steel and Telecom. So we recommend "Accumulate" rating on the stock.

Quarterly Performance

(Rs Cr)	Q4FY07	Q4FY06	yoy (%)	Q3FY07	qoq (%)
Net Sales	2275.4	2058.1	10.6	2204.7	3.2
Expenditure	1824.1	1671.1		1779.0	
Operating Profit	451.3	387.1	16.6	425.7	6.0
Other Income	46.9	29.1		60.6	
EBITDA	498.2	416.2	19.7	486.3	2.4
Depreciation	120.4	88.5		117.5	
EBIT	377.9	327.7		368.8	
Interest	79.6	71.7		78.7	
PBT	298.2	256.0		290.1	
Tax	50.0	47.5		45.0	
Net profit	248.2	208.5	19.0	245.1	1.3
EPS (Ann.)	44.9	37.7		44.4	
OPM (%)	19.8	18.8	1.0	19.3	0.5
NPM (%)	10.9	10.1	0.8	11.1	-0.2

Yearly Performance

(Rs Cr)	FY07*	FY06*	yoy (%)
Net Sales	8691.8	7580.3	14.7
Expenditure	7018.4	6270.7	
Operating Profit	1673.3	1309.7	27.8
Other Income	196.0	165.7	
EBITDA	1869.3	1475.4	26.7
Depreciation	462.9	335.6	
EBIT	1406.4	1139.8	
Interest	305.5	225.9	
PBT	1100.9	914.0	
Tax	170.0	95.2	
Net profit	930.9	818.8	13.7
EPS (Ann.)	42.1	37.0	
OPM (%)	19.3	17.3	2.0
NPM (%)	10.7	10.8	-0.1

* September year ending

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RATING INTERPRETATION

Buy Expected to appreciate more than 20% over a 12-month period

Accumulate Expected to appreciate up to 20% over a 12-month period

Hold Expected to remain in a narrow range

Avoid Expected to depreciate up to 10% over a 12-month period

Exit Expected to depreciate more than 10% over a 12-month period

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