Model Portfolio

IL&FS INVESTSMART
INDIA'S FINANCIAL MULTIPLEX

October 2007

Risk High Risk To Medium Risk
(For Private Circulation Only)

Security Name	% of Total Portfolio	Reco Price	Price on 28 th Sep 07	Target	EPS 07	EPS 08	PE 07	PE 08
Auto & Auto Anc	**11.00**							
Maruti Udyog	**4.00**	**880**	**1000**	**1300**	**54.0**	**68.0**	**18.5**	**14.7**
M & M	4.00	694	752	900	63.3	75.5	11.9	10.0
Tata Motors	3.00	669	778	900	56.4	58.6	13.8	13.3
Banking and Finance	**15.00**							
ICICI Bank	5.00	New	1063	1200	30.9	36.7	34.4	29.0
Axis Bank	4.00	618	764	850	23.5	25.1	32.5	30.4
India Infoline	3.00	818	838	1100	16.3	30.0	51.3	27.9
Kotak Bank	3.00	New	922	1050	16.6	21.0	55.5	43.9
Cement	**9.00**							
Grasim Inds.	3.00	New	3513	3800	214.6	245.2	16.4	14.3
Birla Corp	3.00	New	337	370	42.2	55.0	8.0	6.1
Jaiprakash Associates	3.00	New	1092	1300	19.1	25	57.2	43.7
Construction / Real Estate	**6.00**							
Unitech	3.00	257	307	380	8.1	12.6	38.1	24.5
DLF Ltd *	3.00	587	763	1000	12.8	34.2	59.8	22.3
Engineering & Capital Goods	**15.00**							
Larsen & Toubro	4.00	2491	2812	3500	80.2	105.1	35.1	26.8
Punj Lloyd	3.00	265	309	350	7.5	10.1	41.2	30.6
Elecon Engg.Co	3.00	589	690	750	18.3	26.0	37.7	26.5
Bharat EarthMove	3.00	1200	1290	1600	55.8	61.5	23.1	21.0
Sunil Hitech	2.00	206	238	290	7.5	18.0	31.7	13.2
Metal	**7.00**							
Tata Steel	3.00	657	850	950	73.1	108.0	11.6	7.9
JSW Steel	2.00	694	851	1000	80.9	95.0	10.5	9.0
Monnet Ispat	2.00	320	410	450	33.2	55.0	12.3	7.5
Pharma	**7.00**							
Ranbaxy	4.00	New	435	500	13.0	18.0	33.5	24.2
Glenmark Pharma	3.00	400	421	500	15.8	24.3	26.6	17.3
Power	**8.00**							
GMR Infrastructure	4.00	164	174	220	1.1	1.7	155.4	102.4
Reliance Energy*	4.00	767	1205	1550	37.2	46.5	32.2	25.6
Telecom	**9.00**							
Reliance Communi	**5.00**	**528**	**585**	**850**	**17.5**	**25.2**	**33.4**	**23.2**
Bharti Airtel	4.00	864	941	1050	21.4	34.5	43.9	27.3
Technology	**3.00**							
KLG Systel	3.00	405	527	750	23.0	38.2	22.9	13.8
Miscellaneous	**10.00**							
Tata Chemical	5.00	260	299	340	23.0	35.0	13.0	8.5
Gujarat Alkali	2.00	148	164	200	25.4	32	6.45	5.12
Mercator Lines	**3.00**	**57**	**73**	**100**	**6.9**	**10.5**	**10.6**	**7.0**
Total	**100.00**							

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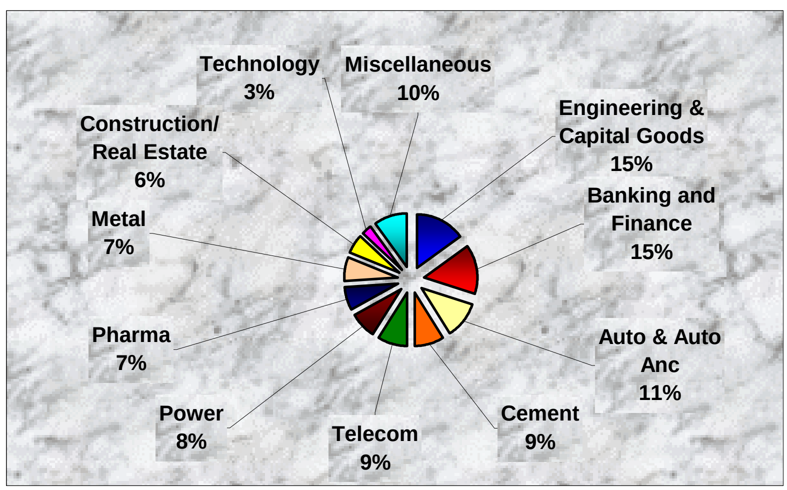
*We revised our target in RCOM from Rs 700 to Rs 850 & Mercator Lines from Rs 85 to Rs 100 as it hit our target today.
* We revised our target in Maruti from Rs 1100 to Rs 1300 as it hit our target today.
* We revised our target in L&T from Rs 3100 to Rs 3500 as it hit our target.
* We revised our target in the single Technology stock KLG Systel from Rs 600 to Rs 750 as it hit our target today.
* We revised our target in India Infoline to Rs 1100 as it hit our target of Rs 950.
* We revised our target in DLF to Rs 1000 as it hit our target of Rs 850.

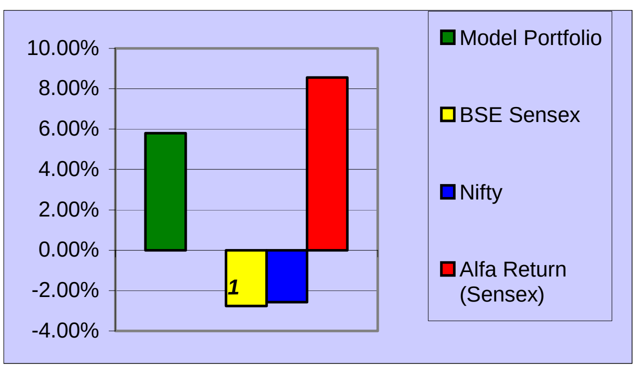
	Company	Reco Prices	Tgt	Target Hit	Date	Revised Target
1	RCOM	528	700	700	09/10/2007	850
2	Mercator Lines	57	85	85	09/10/2007	100
3	Maruti Udyog	880	1100	1100	09/10/2007	1300
4	L&T	2491	3100	3100	05/10/2007	3500
5	KLG Systel	405	600	600	05/10/2007	750
6	DLF	587	850	850	03/10/2007	1000
7	India Infoline	818	950	950	04/10/2007	1100

Sectoral Holding Sector	% of Total Portfolio
Engineering & Capital Goods	15.00
Banking and Finance	15.00
Auto & Auto Anc	11.00
Cement	9.00
Telecom	9.00
Power	8.00
Pharma	7.00
Metal	7.00
Construction/Real Estate	6.00
Technology	3.00
Miscellaneous	10.00
Total	100.00

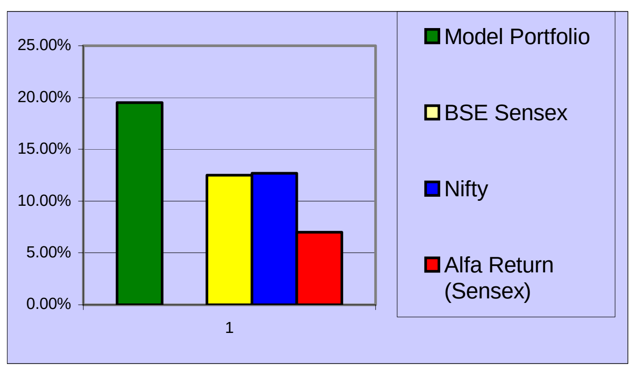


Performance Snapshot:

	August-07	September-07	4th October-07
Model Portfolio	**5.80%**	**18.52%**	**4.97%**
Benchmark Indices			
BSE Sensex	**-2.76%**	**12.90%**	**5.4%**
Nifty	**-2.57%**	**12.50%**	**5.8%**
Alfa Return (Sensex)	**8.56%**	**5.62%**	**-0.4%**



August 2007



September 2007