

| Equity indices | % Chg | | | |
|--------------------------------|---------|-------|-------|-------|
| | 26-July | 1-day | 1-mth | 3-mth |
| India | | | | |
| Sensex | 15,776 | 0.5 | 9.3 | 13.4 |
| Nifty | 4,620 | 0.7 | 8.3 | 13.1 |
| Global/Regional markets | | | | |
| Dow Jones | 13,474 | (2.3) | 0.3 | 2.7 |
| Nasdaq | 2,599 | (1.8) | (0.2) | 1.6 |
| FTSE | 6,251 | (3.1) | (4.2) | (2.6) |
| Nikkei | 17,291 | (2.3) | (3.1) | (0.6) |
| Hang Seng | 22,762 | (1.9) | 4.9 | 10.9 |

| Value traded (Rs bn) | BSE | NSE |
|----------------------|------|-------|
| Cash | 57.6 | 154.5 |
| Derivatives | 12.1 | 800.0 |
| Total | 69.7 | 954.5 |

| Net inflows (Rs bn) | Recent trends (days) | | | |
|------------------------|----------------------|-------|--------|--------|
| | 25-July | -7d | -15d | -30d |
| FII | 12.9 | 83.3 | 186.1 | 264.6 |
| MF | 0.5 | (8.5) | (12.8) | (10.3) |

| Forex / Crude | % Chg | | | |
|---------------|---------|-------|------|------|
| | 26-July | 1day | 1mth | 3mth |
| Rs/US\$ | 40.4 | 0.0 | 1.6 | 1.8 |
| Euro/US\$ | 1.4 | (0.0) | 2.1 | 0.7 |
| Crude(\$/bbl) | 75.4 | 0.6 | 9.3 | 13.5 |

| Mkt movers (Rs) | Close | Pr. Cl. | % Chg |
|--------------------|---------|---------|-------|
| Top gainers | | | |
| Alok Industries | 64.1 | 57.8 | 10.8 |
| Assam Co | 16.7 | 15.3 | 9.5 |
| Ranbaxy Lab | 373.4 | 341.1 | 9.5 |
| Top losers | | | |
| Suzlon Energy | 1,298.8 | 1,401.9 | (7.4) |
| Elgi Equipments | 54.0 | 57.9 | (6.8) |
| P N B | 525.1 | 552.7 | (5.0) |

In focus

Omax Auto – Results Update

Performance below expectations but recovery likely **CMP: Rs 77 Target: Rs 112 BUY**

Indus Fila – Results Update

Stellar growth; expansion as per schedule **CMP: Rs 224 Target: Rs 352 BUY**

Punjab National Bank – Results Update

Results below par but growth to pick up pace **CMP: Rs 525 Target: Rs 610 BUY**

Bank of India – Results Update

Consistent performer but upside limited **CMP: Rs 263 Target: Rs 300 HOLD**

Today's top picks

RIL, DLF, Tata Power, IFCI, Nava Bharat, KS Oils

News track

- Ranbaxy has settled a patent case with GlaxoSmithKline for antiviral drug Valtrex (Valacyclovir HcL), which will see the company launch its generic version in the US in late 2009 with 180-day market exclusivity. Valtrex has annual sales of US\$ 1.3bn and Ranbaxy is expected to generate sales of US\$ 400mn-500mn. (ET)
- Sasan Power has asked three shortlisted bidders—Reliance Energy, NTPC and Jaiprakash Industries—to quote revised tariffs for its ultra mega power project following the rejection of Lanco's bid. The empowered group of ministers intend to issue the letter of intent before expiry of bid validity on August 4. (ET)
- Nagarjuna Construction has secured a civil construction contract valued at Rs 2.9bn comprising design, engineering, construction and development of a road project on National Highway 66 in Tamil Nadu. (BL)
- Themis Labs has signed a technology transfer agreement with Adventism Parma, a member of the Sanofi-Aventis Group, for fixed dose combinations comprising glibenclamide (Daonil) and glimepiride (Amaryl), two best selling products from the Sanofi-Aventis research pipeline for the treatment of type-2 diabetes. (BL)
- Renault is in talks with Bajaj Auto for a US\$ 3,000-car (~Rs 120,000), besides working on a cheaper replacement to its successful no-frills Logan with alliance partner Nissan Motor. (TOI)

Source: BL: Business Line, BS: Business Standard, ET: Economic Times, FE: Financial Express

Volume shockers

| (No of shares) | 26-July | 2-mth avg | Chg (x) |
|----------------------|-----------|-----------|---------|
| Ballarpur Industries | 3,168,923 | 243,615 | 13.0 |
| CESC | 1,162,158 | 154,493 | 7.5 |
| MRF | 7,949 | 1,075 | 7.4 |

Delivery toppers

| | Del (%) | Total Vol | Cons Days Up |
|-------------------|---------|------------|--------------|
| Bank of Rajasthan | 100.0 | 1,074,967 | 6 |
| Lloyd Electric | 75.2 | 346,126 | 5 |
| IDFC | 65.9 | 28,121,984 | 4 |

Omax Auto

Results Update

CMP: Rs 77

Target: Rs 112 ↓

BUY

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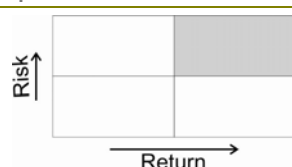
Company data

| Particulars | |
|--------------------------------|----------|
| Market cap (Rs bn / US\$ mn) | 1.6/40.2 |
| Outstanding equity shares (mn) | 21.4 |
| 52-week high/low (Rs) | 112/72 |
| 6-month average daily volume | 38,494 |

Financial snapshot

| Particulars | FY07 | FY08E | FY09E |
|------------------------|---------|---------|---------|
| Sales (Rs mn) | 6,895.4 | 7,930.2 | 9,425.8 |
| Growth (%) | 19.3 | 15.0 | 18.9 |
| Adj net profit (Rs mn) | 260.7 | 263.8 | 318.6 |
| Growth (%) | 35.6 | 1.2 | 20.8 |
| FDEPS (Rs) | 12.2 | 12.3 | 14.9 |
| Growth (%) | 35.6 | 1.2 | 20.8 |
| P/E (x) | 6.3 | 6.2 | 5.2 |
| RoE (%) | 21.1 | 18.2 | 18.8 |

Risk-return profile



Shareholding pattern

| (%) | Jun-07 | Mar-07 |
|-----------------|--------|--------|
| Promoters | 52.1 | 52.1 |
| FIs | 6.6 | 7.8 |
| Banks & FIs | 3.6 | 4.0 |
| Public & Others | 37.7 | 36.1 |

Stock performance

| Returns (%) | CMP | 1-mth | 3-mth | 6-mth |
|-------------|---------|--------|--------|--------|
| Omax Auto | 77 | (11.2) | (15.1) | (22.8) |
| Sensex | 15,776 | 9.3 | 13.4 | 10.5 |
| BSE Auto | 5,096.4 | 7.4 | 3.1 | (8.9) |

Website www.omaxauto.com

Performance below expectations but recovery likely

Omax Auto's (OAL) Q1FY08 results are below our expectations at both, revenue and operating profit levels due to a decline in exports and higher employee costs. We expect OAL's revenue growth to return to form in Q2FY08 as exports gather pace and domestic growth momentum is sustained. Further, the company is setting up a manufacturing facility for Tata Motors in Uttarachal, which will result in an incremental sales turnover of Rs 1bn in the first full year of operations.

Considering the impact of the poor Q1 results, however, we have reduced our earnings estimates by 11% and 19% for FY08E and FY09E respectively and downgraded our target price from Rs 126 to Rs 112. We remain positive about OAL's growth prospects in the medium term and maintain our Buy call.

Actual vs estimated performance

| (Rs mn) | Actual | Estimated | % Variance |
|-----------|---------|-----------|------------|
| Net sales | 1,722.6 | 1,957.3 | (12.0) |
| EBITDA | 155.6 | 191.9 | (18.9) |
| PAT | 43.9 | 51.4 | (14.5) |
| EPS (Rs) | 2.1 | 2.4 | (14.5) |

Source: Company, Religare Research

Quarterly results

| (Rs mn) | Q1FY08 | Q1FY07 | % Chg YoY | Q4FY07 | % Chg QoQ |
|-------------------|---------|---------|-----------|---------|-----------|
| Net sales | 1,722.6 | 1,603.0 | 7.5 | 1,812.3 | (4.9) |
| EBITDA | 155.6 | 155.8 | (0.1) | 163.4 | (4.8) |
| EBITDA margin (%) | 9.0 | 9.7 | - | 9.0 | - |
| Depreciation | 61.2 | 50.3 | 21.7 | 50.8 | 20.5 |
| Interest | 66.5 | 38.1 | 74.5 | 64.2 | 3.6 |
| Other Income | 33.9 | 18.8 | 80.3 | 35.7 | (5.0) |
| PAT | 43.9 | 56.1 | (21.7) | 54.6 | (19.6) |
| PAT margin (%) | 2.5 | 3.5 | - | 4.5 | - |
| EPS | 2.1 | 2.6 | (21.7) | 3.8 | (45.8) |
| Cash EPS | 4.9 | 5.0 | (1.2) | 6.2 | (20.3) |
| Core EPS | 0.5 | 1.7 | (73.2) | 2.1 | (77.9) |

Source: Company, Religare Research

Result highlights

Domestic sales shore up growth

OAL's revenue grew by 8% YoY to Rs 1.7bn in Q1FY08 despite a 9% decline in exports. Domestic sales delivered 9% YoY growth on the back of increased offtake from HMSI and the addition of new clients like TVS and IKEA (Sweden).

EBITDA margin down by 70bps YoY

The EBITDA margin remained flat sequentially at 9% in Q1FY08, while dipping 70bps YoY due to higher-than-anticipated employee cost. As a result, operating profit remained flat at Rs 156mn during the quarter.

PAT declined 22% YoY on higher depreciation and interest costs

OAL's net profit remained muted at Rs 44mn, showing a decline of 22% YoY on account of a 22% and 75% YoY increase in depreciation and interest costs respectively.

Earnings revision

We have revised our earnings growth estimates downwards by 11% and 19% for FY08E and FY09E respectively to build in the disappointing Q1FY08 results.

Business update

New project at Lucknow for Tata Motors

OAL is setting up a new manufacturing unit for Tata Motors at Lucknow for manufacturing the chassis of light, medium and heavy commercial vehicles. The company will hold a 100% stake in the plant, while Tata Motors will provide the land. This project will require an investment of Rs 550mn in the first phase (likely completion during FY08) and Rs 450mn in the second phase (FY09). The company expects to churn out a turnover of Rs 1bn and Rs 2.4bn after completion of the first and second phase of investments respectively.

Scouting for acquisitions

In order to meet the demand for its products, OAL is on the lookout for acquisitions, either globally (preferably in the US and Europe) or within the country. The company has earmarked Rs 350mn-400mn for this purpose.

Valuation

PAT to grow at 11% over FY07-FY09

As per our estimates, OAL's PAT is likely to grow at a 11% CAGR over FY07-FY09 to Rs 319mn, aided by 17% growth in revenues to Rs 9.4bn and a 30bp expansion in EBITDA margin. This would translate into an EPS of Rs 12.3 in FY08E and Rs 14.9 in FY09E.

DCF target changed to Rs 112

At the current market price, the stock discounts its FY08E earnings by 6.2x and enterprise value (EV) by 4.3x. We have reduced our DCF target price to Rs 112 from Rs 126 after incorporating the revision in our earnings estimates. At our target, the stock will trade at a P/E of 9.1x and EV/EBITDA of 5.2x on FY08E, which we believe is justified.

Tata Motors project will require an investment of Rs 550mn in FY08 and Rs 450mn in FY09

Our target price of Rs 112 represents a 45% upside; Buy

Target represents 45% upside; Buy

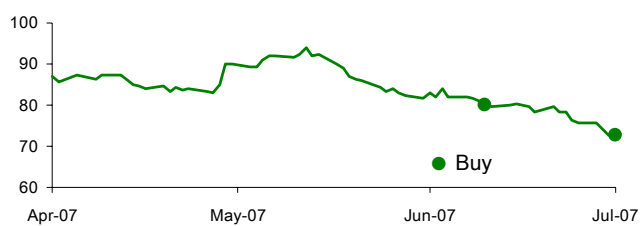
The management of OAL has set a revenue target of Rs 1bn for FY09 and Rs 1.5bn for FY11. We too remain bullish on the company's growth prospects, and reiterate our Buy call on the stock with an end-FY08 target price of Rs 112, implying an upside of 45% from the current levels.

Recommendation history

| Date | Event | Reco price | Tgt price | Reco |
|-----------|----------------|------------|-----------|------|
| 05-Jun-07 | Results Update | 92 | 126 | Buy |
| 27-Jul-07 | Results Update | 77 | 112 | Buy |

Source: Religare Research

Stock performance



Source: Religare Research

Financials

Profit and Loss statement

| (Rs mn) | FY06 | FY07 | FY08E | FY09E |
|-------------------------|---------|---------|---------|---------|
| Revenues | 5,780.0 | 6,895.4 | 7,930.2 | 9,425.8 |
| Growth (%) | 14.4 | 19.3 | 15.0 | 18.9 |
| EBITDA | 492.0 | 672.4 | 785.7 | 948.3 |
| Growth (%) | (0.6) | 36.7 | 16.9 | 20.7 |
| Depreciation | 161.0 | 212.2 | 267.6 | 314.1 |
| EBIT | 331.0 | 460.2 | 518.1 | 634.2 |
| Growth (%) | 2.3 | 39.0 | 12.6 | 22.4 |
| Interest | 107.4 | 195.7 | 222.4 | 260.6 |
| Other income | 81.0 | 99.0 | 104.0 | 109.1 |
| EBT | 304.6 | 363.5 | 399.7 | 482.8 |
| Growth (%) | 0.6 | 19.3 | 10.0 | 20.8 |
| Tax | 104.3 | 126.6 | 135.9 | 164.1 |
| Effective tax rate | 34.2 | 34.8 | 34.0 | 34.0 |
| Adj net income | 192.3 | 260.7 | 263.8 | 318.6 |
| Growth (%) | (6.1) | 35.6 | 1.2 | 20.8 |
| Shares outstanding (mn) | 21.4 | 21.4 | 21.4 | 21.4 |
| FDEPS (Rs) | 9.0 | 12.2 | 12.3 | 14.9 |
| DPS (Rs) | 2.0 | 2.0 | 2.0 | 2.0 |
| CEPS (Rs) | 16.5 | 16.2 | 16.0 | 20.9 |

Source: Company, Religare Research

Cash flow statement

| (Rs mn) | FY06 | FY07 | FY08E | FY09E |
|---------------------------|---------|---------|---------|---------|
| Net income | 200.3 | 236.9 | 263.8 | 318.6 |
| Depreciation | 161.0 | 212.2 | 267.6 | 314.1 |
| Other adjustments | 109.4 | 23.9 | 0.0 | 0.0 |
| Changes in WC | (131.2) | 146.4 | (29.5) | (36.2) |
| Operating cash flow | 339.5 | 619.4 | 501.9 | 596.5 |
| Capital expenditure | (685.7) | (700.0) | (800.0) | (750.0) |
| Investments | 27.0 | (12.0) | (30.0) | (45.0) |
| Other investing inc/(exp) | (7.8) | 0.0 | 0.0 | 0.0 |
| Investing cash flow | (666.5) | (712.0) | (830.0) | (795.0) |
| Free cash flow | (327.0) | (92.6) | (328.1) | (198.5) |
| Issue of equity | 0.0 | 0.0 | 0.0 | 0.0 |
| Issue/repay debt | 505.7 | 420.0 | 480.0 | 450.0 |
| Dividends paid | (48.1) | (48.1) | (48.1) | (48.1) |
| Others | (121.5) | 0.0 | 0.0 | 0.0 |
| Financing cash flow | 336.1 | 371.9 | 431.9 | 401.9 |
| Beg. cash & cash eq | 513.0 | 522.1 | 801.4 | 905.1 |
| Chg in cash & cash eq | 9.1 | 279.3 | 103.8 | 203.4 |
| Closing cash & cash eq | 522.1 | 801.4 | 905.1 | 1,108.5 |

Source: Company, Religare Research

Balance sheet

| (Rs mn) | FY06 | FY07 | FY08E | FY09E |
|-----------------------|---------|---------|---------|---------|
| Cash and cash eq | 522.2 | 801.4 | 905.1 | 1,108.5 |
| Accounts receivable | 539.4 | 652.9 | 788.0 | 1,008.2 |
| Inventories | 205.7 | 251.5 | 408.5 | 452.9 |
| Others current assets | 423.9 | 524.1 | 602.7 | 716.4 |
| Current assets | 1,691.2 | 2,229.8 | 2,704.4 | 3,286.0 |
| LT investments | 3.0 | 15.0 | 45.0 | 90.0 |
| Net fixed assets | 1,986.1 | 2,473.9 | 3,006.3 | 3,442.2 |
| CWIP | 277.8 | 277.8 | 277.8 | 277.8 |
| Total assets | 3,958.1 | 4,996.5 | 6,033.5 | 7,096.0 |
| Payables | 485.8 | 476.7 | 540.8 | 536.0 |
| Others | 510.9 | 925.8 | 1,203.0 | 1,549.8 |
| Current liabilities | 996.7 | 1,402.5 | 1,743.8 | 2,085.9 |
| LT debt | 1,715.9 | 2,135.9 | 2,615.9 | 3,065.9 |
| Other liabilities | 118.4 | 118.4 | 118.4 | 118.4 |
| Equity capital | 213.9 | 213.9 | 213.9 | 213.9 |
| Reserves | 915.4 | 1,128.0 | 1,343.7 | 1,614.2 |
| Net Worth | 1,127.1 | 1,339.7 | 1,555.4 | 1,825.9 |
| Total liabilities | 3,958.1 | 4,996.5 | 6,033.5 | 7,096.0 |
| BVPS (Rs) | 52.7 | 62.6 | 72.7 | 85.4 |

Source: Company, Religare Research

Financial ratios

| | FY06 | FY07 | FY08E | FY09E |
|-----------------------|-------|------|-------|-------|
| EBITDA margin (%) | 8.5 | 9.8 | 9.9 | 10.1 |
| EBIT margin (%) | 5.7 | 6.7 | 6.5 | 6.7 |
| Net profit margin (%) | 3.3 | 3.8 | 3.3 | 3.4 |
| FDEPS growth (%) | (0.1) | 35.6 | 1.2 | 20.8 |
| Receivables (days) | 32.7 | 31.6 | 33.2 | 34.8 |
| Inventory (days) | 17.7 | 18.0 | 22.7 | 25.0 |
| Payables (days) | 42.1 | 38.0 | 35.1 | 31.3 |
| Current ratio (x) | 1.7 | 1.6 | 1.6 | 1.6 |
| Interest coverage (x) | 3.1 | 2.4 | 2.3 | 2.4 |
| Debt/equity ratio (x) | 1.5 | 1.6 | 1.7 | 1.7 |
| ROE (%) | 18.1 | 21.1 | 18.2 | 18.8 |
| ROCE (%) | 13.1 | 14.6 | 13.6 | 14.0 |
| ROAE (%) | 13.1 | 14.6 | 13.6 | 14.0 |
| EV/Sales (x) | 0.5 | 0.4 | 0.4 | 0.4 |
| EV/EBITDA (x) | 5.8 | 4.4 | 4.3 | 3.8 |
| P/E (x) | 8.6 | 6.3 | 6.2 | 5.2 |
| P/BV (x) | 1.5 | 1.2 | 1.1 | 0.9 |
| P/CEPS (x) | 4.7 | 3.5 | 3.1 | 2.6 |

Source: Company, Religare Research

Indus Fila

Results Update

CMP: Rs 224

Target: Rs 352

BUY

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| | |
|----------|-----------|
| BSE code | 532821 |
| NSE code | INDUSFILA |

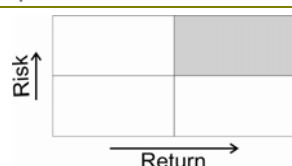
Company data

| Particulars | |
|--------------------------------|---------|
| Market cap (Rs bn / US\$ mn) | 4.3/107 |
| Outstanding equity shares (mn) | 19.4 |
| 52-week high/low (Rs) | 248/117 |
| 2-month average daily volume | 221,433 |

Consolidated financial snapshot

| Particulars | FY07 | FY08E | FY09E |
|------------------------|---------|---------|---------|
| Sales (Rs mn) | 2,689.4 | 5,200.0 | 7,700.0 |
| Growth (%) | 226.0 | 93.4 | 48.1 |
| Adj net profit (Rs mn) | 261.4 | 454.7 | 740.0 |
| Growth (%) | 405.9 | 74.0 | 62.7 |
| FDEPS (Rs) | 13.5 | 23.5 | 38.2 |
| Growth (%) | 36.3 | 74.0 | 62.7 |
| P/E (x) | 16.5 | 9.5 | 5.8 |
| RoE (%) | 33.8 | 30.3 | 37.8 |

Risk-return profile



Shareholding pattern

| (%) | Mar-07 | Dec-06 |
|-------------|--------|--------|
| Promoters | 71.2 | 71.2 |
| Fills | 0.9 | 3.4 |
| Banks & FIs | 8.1 | 4.3 |
| Public | 19.8 | 21.1 |

Stock performance

| Returns (%) | CMP | 1-mth | 3-mth | 6-mth |
|-------------|--------|-------|-------|-------|
| Indus Fila | 224 | 36.8 | 36.8 | NA |
| Sensex | 15,776 | 9.3 | 13.4 | 10.5 |

Company website www.indusfila.com

Stellar growth; expansion as per schedule

In line with expectations, Indus Fila (IFL) has declared excellent first quarter results, clocking a 112% YoY rise in revenues to Rs 862mn and a 130% growth in PAT to Rs 82mn. The strong performance is due to higher volume sales led by capacity ramp-ups in the weaving and apparel segments, as well as improved realisations. Rising economies of scale have resulted in a 320bps YoY expansion in EBIDTA margin from 15.8% to 19%.

IFL has posted an EPS of Rs 4.2 for the first quarter; we expect the company to close FY08 with an EPS of Rs 23.5 as further capacity additions come on-stream and the Indus Garments acquisition is consolidated into the books. At the current price of Rs 223 the stock is trading at 9.5x on FY08E and 5.8x on FY09E consolidated EPS. We reiterate our Buy recommendation with a target of Rs 352.

Actual v/s estimated performance

| (Rs mn) | Actual | Estimated | % Variance |
|-----------|--------|-----------|------------|
| Net sales | 861.9 | 850.0 | 1.4 |
| EBIDTA | 163.9 | 170.0 | (3.6) |
| PAT | 82 | 85.0 | (3.5) |
| EPS (Rs) | 4.2 | 4.4 | (4.5) |

Source: Company, Religare Research

Quarterly results

| (Rs mn) | Q1FY08 | Q1FY07 | % Chg YoY | Q4FY07 | % Chg QoQ |
|--------------|--------|--------|-----------|--------|-----------|
| Net Sales | 861.9 | 406.2 | 112.2 | 823.4 | 4.7 |
| EBIDTA | 163.9 | 64.1 | 155.7 | 148.9 | 10.1 |
| Depreciation | 18.8 | 9.8 | 91.8 | 17.8 | 5.8 |
| EBIT | 145.1 | 54.3 | 167.3 | 131.1 | 10.7 |
| Interest | 35.8 | 12.7 | 181.4 | 17.3 | 107.6 |
| Other Income | 16.4 | 12.1 | 36.1 | 12.7 | 28.9 |
| PBT | 125.7 | 53.6 | 134.4 | 126.6 | (0.7) |
| Tax | 43.7 | 17.9 | 144.3 | 44.8 | (2.6) |
| PAT | 82.0 | 35.7 | 129.5 | 81.8 | 0.3 |
| EPS | 4.2 | 2.7 | 57.9 | 4.2 | 0.3 |

Margins (%)

| | | | | | |
|--------|------|------|---|------|---|
| EBIDTA | 19.0 | 15.8 | - | 18.1 | - |
| EBIT | 16.8 | 13.4 | - | 15.9 | - |
| PBT | 14.6 | 13.2 | - | 15.4 | - |
| PAT | 9.5 | 8.8 | - | 9.9 | - |

Source: Company, Religare Research

Result highlights

Volume sales growth of 72% YoY in fabric & 19% in apparel

Volume-led revenue growth of 112% YoY

IFL has reported revenue growth of 112% YoY to Rs 862mn led by volume growth and higher price realisations. During the quarter, the company installed 24 air-jet looms in the weaving segment and 750 machines in the apparel division. This has resulted in YoY volume sales growth of 72% in fabric and 19% in apparel. Realisations also improved by 17% and 12% in these two segments respectively over Q1FY07.

The textile division contributed 78.3% of revenues with apparel accounting for the balance 21.7%. We expect the share of apparels to increase in the coming quarters due to the acquisition of Indus Garments and further capacity additions. Exports accounted for 19% of net sales.

Economies of scale led by higher volumes aid 320bps YoY EBIDTA margin growth

Operating margins improve

Economies of scale arising from higher production volumes aided a 320bps YoY expansion in the EBIDTA margin to 19% from 15.8% in Q1FY07. This resulted in a 156% YoY growth in operating profit to Rs 164mn as against Rs 64mn in Q1FY07. The EBIT margin also rose to 16.8% from 13.4% in Q1FY07.

PAT rises substantially

The ongoing expansion project has resulted in an increase of 181% and 92% YoY in interest and depreciation costs respectively. Despite this, net profit expanded 130% YoY to Rs 82mn against Rs 36mn in the corresponding year-ago quarter, with a net profit margin of 9.5% (8.8%). This works out to an EPS of Rs 4.2 for Q1FY08.

Other developments

Aims to create global product development platform

IFL further aims to create a global platform for its entire business model in the next 12-36 months. To this end, it plans to establish product development platforms in global design fashion hubs like Amsterdam, Paris and New York. The first design studio is scheduled to be up and running in Amsterdam in the next quarter. IFL has already tied up with designers in Europe to start creating collections for its customers.

Expanding manufacturing base to lower-cost countries

The continuous rupee appreciation is putting pressure on the margins of exporters. With the rupee expected to appreciate further in future, IFL is considering expanding its manufacturing base to lower-cost countries like Bangladesh, Vietnam, Cambodia and Nepal.

Valuation

Turnover expected to cross Rs 1bn by 2010, driven by augmented capacities

Turnover to cross Rs 1bn by 2010

IFL has witnessed strong growth over FY04-FY07, logging a CAGR of 165% in revenue, 196% in EBIDTA and 220% in PAT. We expect the company to cross a turnover of Rs 1bn by 2010, driven by augmentation of capacities across product lines. We further expect the management to foray into the booming retail sector on completion of the expansion programme, which will lend a fillip to growth.

Target represents 58% potential upside; Buy

Maintain Buy with target of Rs 352

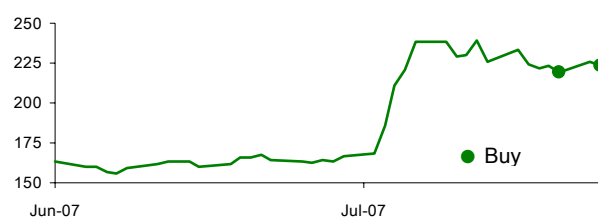
We expect the company to report a consolidated EPS of Rs 23.5 for FY08E and Rs 38.2 for FY09E. At the current price of Rs 223, the stock is trading at 9.5x on FY08 earnings, 7x on EV/EBIDTA and only 1.4x of EV/Sales. We reiterate our Buy recommendation with a target price of Rs 352, which is a P/E multiple of 15 on FY08E.

Recommendation history

| Date | Event | Reco price | Tgt price | Reco |
|-----------|---------------------|------------|-----------|------|
| 20-Jul-07 | Initiating Coverage | 223 | 352 | Buy |
| 26-Jul-07 | Results Update | 224 | 352 | Buy |

Source: Religare Research

Stock performance



Source: Religare Research

Standalone financials*

Profit and Loss statement

| (Rs mn) | FY06 | FY07 | FY08E | FY09E |
|-------------------------|-------|---------|---------|---------|
| Revenues | 824.9 | 2,689.4 | 4,000.0 | 6,320.0 |
| Growth (%) | 108.8 | 226.0 | 48.7 | 58.0 |
| EBITDA | 127.4 | 505.9 | 800.0 | 1,455.0 |
| Growth (%) | 109.5 | 297.0 | 58.1 | 81.9 |
| Depreciation | 24.0 | 67.3 | 120.0 | 200.0 |
| EBIT | 103.4 | 438.6 | 680.0 | 1,255.0 |
| Growth (%) | 99.9 | 324.0 | 55.0 | 84.6 |
| Interest | 16.4 | 87.2 | 160.0 | 240.0 |
| Other income | 11.8 | 47.0 | 100.0 | 50.0 |
| EBT | 98.9 | 398.3 | 620.0 | 1,065.0 |
| Growth (%) | 121.9 | 302.7 | 55.7 | 71.8 |
| Tax | 47.2 | 136.9 | 210.0 | 376.0 |
| Effective tax rate | 47.8 | 34.4 | 33.9 | 35.3 |
| Adj net income | 51.7 | 261.4 | 410.0 | 689.0 |
| Growth (%) | 29.8 | 405.9 | 56.9 | 68.0 |
| Shares outstanding (mn) | 5.2 | 19.4 | 19.4 | 19.4 |
| FDEPS (Rs) | 9.9 | 13.5 | 21.2 | 35.6 |
| DPS (Rs) | 1.0 | 1.5 | 2.0 | 3.0 |
| CEPS (Rs) | 18.8 | 18.6 | 33.5 | 51.0 |

Source: Company, Religare Research

Cash flow statement

| (Rs mn) | FY06 | FY07 | FY08E | FY09E |
|---------------------------|---------|-----------|-----------|---------|
| Net income | 51.7 | 261.4 | 410.0 | 689.0 |
| Depreciation | 24.0 | 67.3 | 120.0 | 200.0 |
| Other adjustments | 47.3 | 46.1 | 121.8 | 272.6 |
| Changes in WC | (310.0) | (803.7) | (560.7) | (400.0) |
| Operating cash flow | (187.0) | (428.9) | 91.1 | 761.6 |
| Capital expenditure | (69.0) | (1,044.1) | (1,585.2) | (188.9) |
| Investments | - | (393.0) | 294.4 | - |
| Other investing inc/(exp) | - | - | - | - |
| Investing cash flow | (69.0) | (1,437.1) | (1,290.8) | (188.9) |
| Free cash flow | (256.0) | (1,866.1) | (1,199.6) | 572.7 |
| Issue of equity | 87.0 | 922.4 | 4.6 | - |
| Issue/repay debt | 177.7 | 1,084.4 | 1,353.9 | 97.8 |
| Dividends paid | (5.2) | (23.2) | (45.3) | (68.0) |
| Others | (0.9) | (80.1) | - | - |
| Financing cash flow | 258.6 | 1,903.4 | 1,313.2 | 29.8 |
| Beg. cash & cash eq | 4.9 | 7.4 | 44.8 | 158.3 |
| Chg in cash & cash eq | 2.6 | 37.4 | 113.5 | 602.5 |
| Closing cash & cash eq | 7.4 | 44.8 | 158.3 | 760.8 |

Source: Company, Religare Research

Balance sheet

| (Rs mn) | FY06 | FY07 | FY08E | FY09E |
|-----------------------|---------|---------|---------|---------|
| Cash and cash eq | 7.4 | 44.8 | 158.3 | 760.8 |
| Accounts receivable | 170.1 | 406.9 | 700.0 | 900.0 |
| Inventories | 198.9 | 756.2 | 1,100.0 | 1,500.0 |
| Others current assets | 218.2 | 314.5 | 314.5 | 314.5 |
| Current assets | 594.6 | 1,522.3 | 2,272.8 | 3,475.3 |
| LT investments | 1.4 | 394.4 | 100.0 | 100.0 |
| Net fixed assets | 407.1 | 1,285.9 | 2,350.9 | 2,739.8 |
| CWIP | 0.0 | 99.8 | 500.0 | 100.0 |
| Total assets | 1,003.1 | 3,302.4 | 5,223.7 | 6,415.1 |
| Payables | 117.6 | 186.4 | 250.0 | 400.0 |
| Others | 55.8 | 88.0 | 102.6 | 325.2 |
| Current liabilities | 173.3 | 274.5 | 352.6 | 725.2 |
| LT debt | 563.6 | 1,648.0 | 3,001.9 | 3,099.7 |
| Other liabilities | 34.2 | 65.8 | 185.7 | 285.7 |
| Equity capital | 139.2 | 189.2 | 193.8 | 193.8 |
| Reserves | 92.7 | 1,125.0 | 1,489.8 | 2,110.8 |
| Net Worth | 231.9 | 1,314.2 | 1,683.5 | 2,304.5 |
| Total liabilities | 1,003.1 | 3,302.4 | 5,223.7 | 6,415.2 |
| BVPS (Rs) | 44.4 | 67.8 | 86.9 | 118.9 |

Source: Company, Religare Research

Financial ratios

| | FY06 | FY07 | FY08E | FY09E |
|-----------------------|------|------|-------|-------|
| EBITDA margin (%) | 15.4 | 18.8 | 20.0 | 23.0 |
| EBIT margin (%) | 12.5 | 16.3 | 17.0 | 19.9 |
| Net profit margin (%) | 6.3 | 9.7 | 10.3 | 10.9 |
| FDEPS growth (%) | 12.5 | 36.3 | 56.9 | 68.0 |
| Receivables (days) | 75.3 | 55.2 | 63.9 | 52.0 |
| Inventory (days) | 88 | 103 | 100 | 87 |
| Payables (days) | 52 | 25 | 23 | 23 |
| Current ratio (x) | 3.4 | 5.5 | 6.4 | 4.8 |
| Interest coverage (x) | 6.3 | 5.0 | 4.3 | 5.2 |
| Debt/equity ratio (x) | 2.4 | 0.9 | 1.7 | 1.0 |
| ROE (%) | 31.3 | 33.8 | 27.4 | 34.6 |
| ROCE (%) | 32.5 | 53.0 | 38.6 | 54.7 |
| ROAE (%) | 15.4 | 19.2 | 16.8 | 26.0 |
| EV/Sales (x) | 6.8 | 2.1 | 1.4 | 0.9 |
| EV/EBITDA (x) | 43.8 | 11.0 | 7.0 | 3.8 |
| P/E (x) | 22.8 | 16.7 | 10.7 | 6.3 |
| P/BV (x) | 5.0 | 3.3 | 2.6 | 1.9 |
| P/CEPS (x) | 11.9 | 12.0 | 6.7 | 4.4 |

Source: Company, Religare Research

*Excludes recent acquisition of 51% stake in Indus Garments in July, 2007.

Punjab National Bank

Results Update

CMP: Rs 525
Target: Rs 610
BUY

| | |
|-------------------------|---------------------------|
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| | |
|----------|--------|
| BSE code | 532461 |
| NSE code | PNB |

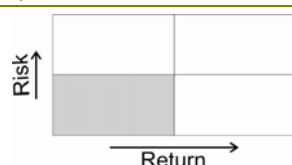
Company data

| Particulars | |
|--------------------------------|------------|
| Market cap (Rs bn / US\$ bn) | 165.5/ 4.1 |
| Outstanding equity shares (mn) | 315.3 |
| 52-week high/low (Rs) | 594/ 340 |
| Quarterly average daily volume | 175,001 |

Financial snapshot

| Particulars | FY07 | FY08E | FY09E |
|------------------------|------|-------|-------|
| NII (Rs bn) | 55.1 | 62.5 | 70.9 |
| Growth (%) | 18.2 | 13.3 | 13.4 |
| Adj net profit (Rs bn) | 15.4 | 17.9 | 20.9 |
| Growth (%) | 7.0 | 16.4 | 16.8 |
| FDEPS (Rs) | 48.8 | 56.8 | 66.4 |
| Growth (%) | 7.0 | 16.4 | 16.8 |
| P/ABV (x) | 1.7 | 1.5 | 1.3 |
| RoE (%) | 15.5 | 16.0 | 16.5 |

Risk-return profile



Shareholding pattern

| (%) | Jun-07 | Mar-07 |
|-------------|--------|--------|
| Promoters | 57.8 | 57.8 |
| FIs | 20.1 | 20.1 |
| Banks & FIs | 16.2 | 15.9 |
| Public | 5.9 | 6.2 |

Stock performance

| Returns (%) | CMP | 1-mth | 3-mth | 6-mth |
|-------------|--------|-------|-------|-------|
| PNB | 525 | 4.9 | 7.9 | 6.6 |
| Sensex | 15,776 | 9.3 | 13.4 | 10.5 |
| Bankex | 8,186 | 6.1 | 14.0 | 11.1 |

| | |
|------------------------|-------------------------|
| Company website | www.pnbindia.com |
|------------------------|-------------------------|

Results below par but growth to pick up pace

Punjab National Bank (PNB) clocked robust credit and deposit growth during Q1FY08 at 23.4% and 21.7% YoY respectively. However, the results were below expectations on the net interest income (NII) front, with an increase of just 6.6% YoY to Rs 13.8bn due to a higher cost of funds. Moreover, the increasing slippage ratio continues to raise concerns about asset quality. Net profit grew 16% YoY in Q1FY08, driven by a 54% rise in non-interest income and lower provisioning on the bond portfolio.

With strong business growth and cost of funds expected to stabilise, we believe that NII growth will regain momentum. Higher fee income would also add to profitability in the coming quarters. We thus reiterate our Buy recommendation on the stock with a target price of Rs 610.

Quarterly results

| (Rs bn) | Q1FY08 | Q1FY07 | % Chg YoY | Q4FY07 | % Chg QoQ |
|-------------------------|-------------|-------------|-------------|-------------|--------------|
| Int on advances | 24.1 | 17.0 | 42.2 | 21.8 | 10.7 |
| Inc on invts | 8.9 | 8.9 | 0.0 | 8.9 | 0.2 |
| Int on bal with RBI etc | 0.6 | 0.5 | 14.2 | 1.3 | (53.6) |
| Interest income | 33.6 | 26.4 | 27.4 | 31.9 | 5.3 |
| Interest expenses | (19.9) | (13.5) | 47.3 | (17.7) | 12.1 |
| NII | 13.8 | 12.9 | 6.6 | 14.2 | (3.1) |
| Other income | 4.3 | 2.8 | 53.5 | 5.2 | (16.7) |
| Total income | 18.1 | 15.7 | 15.0 | 19.4 | (6.8) |
| Operating exp | (8.8) | (7.0) | 25.8 | (10.6) | (17.2) |
| Prov and W/off | (3.1) | (3.6) | (15.5) | (6.1) | (49.9) |
| PBT | 6.3 | 5.1 | 21.9 | 2.7 | 132.1 |
| Taxes | (2.0) | (1.5) | 37.6 | (0.3) | 528.4 |
| PAT | 4.3 | 3.7 | 15.7 | 2.4 | 78.8 |
| Cost/ Inc Ratio (%) | 48.4 | 44.3 | - | 54.6 | - |

Source: Company, Religare Research

Result highlights

Healthy business growth...

PNB's credit and deposit growth remained robust, at 23.4% and 21.7% YoY respectively, during the quarter. The proportion of CASA deposits continues at a healthy level of around 44% of total deposits.

...though NII performance is sluggish

Net interest income (NII) for the quarter grew by just 6.6% YoY to Rs 13.8bn due to an increase in the cost of funds and the absence of interest income on the CRR balance with RBI. Yield on advances improved to 10.2% at the end of Q1FY08 compared to 8.8% a year ago, while the cost of deposits increased to 5.5% from 4.4% during the same period. The sluggish NII growth led to a 30bps YoY decline in net interest margin (NIM) to 3.8%.

Suffered a loss of Rs 4.97bn while moving G-secs to the HTM category

Non-interest income up 47% YoY

Non-interest income excluding treasury losses grew 47% YoY. The bank took a hit of Rs 4.97bn (Rs 3.87bn in Q1FY07) while shifting government securities to the HTM category. However, a write-back to the extent of Rs 3.4bn on the investment portfolio helped lower the overall treasury losses. Income from exchange transactions improved substantially from Rs 320mn in Q1FY07 to Rs 580mn during the quarter.

Provisions towards AS-15 norms drive up operating expenses

Operating expenses rose 26% YoY on account of a 34% growth in staff cost due to provisioning towards the new AS-15 norms. The bank estimates that an additional provision of Rs 10bn would be required on this account, which would be provided for in a phased manner.

Higher slippage ratio

Incremental slippage resulted in gross NPAs increasing to Rs 37.1bn, which was 3.8% of total advances as against 3.5% in Q4FY07. Net NPAs too increased to 1.3% of net advances as against 0.8% in Q4FY07. Failure to keep a check on the deteriorating asset quality could result in additional provisioning expenses.

CAR at 12.4%

The capital adequacy ratio (CAR) at the end of June 2007 stood at 12.4% with a tier-I ratio of around 9%. There is sufficient room to manage CAR without diluting the government stake in the bank, which currently stands at 57.8%.

Valuation

NII growth to bounce back; Maintain Buy

While the bank's NIM has been strained over the last two quarters, it still continues to be the best amongst peers. With strong business growth and cost of funds expected to stabilise, we believe that NII will regain momentum. Fee income continues to grow at a robust rate. The biggest concern is the deterioration in asset quality over the last two quarters. Higher incremental slippage would result in additional provisioning expenses and lower valuations for the bank. PNB is currently trading at a P/ABV of 1.5x and 1.3x on FY08E and FY09E. We maintain our Buy recommendation on the stock with a target price of Rs 610.

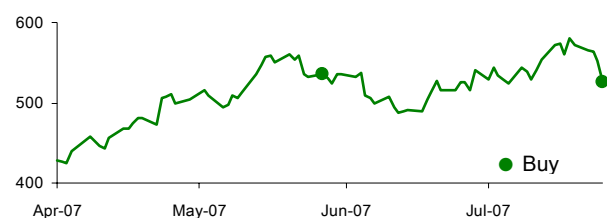
With strong business growth and a stabilising cost of funds, NII will regain momentum

Recommendation history

| Date | Event | Reco price | Tgt price | Reco |
|-----------|----------------|------------|-----------|------|
| 28-May-07 | Results Update | 532 | 610 | Buy |
| 26-Jul-07 | Results Update | 525 | 610 | Buy |

Source: Religare Research

Stock performance



Source: Religare Research

Financials

Profit and Loss statement

| (Rs bn) | FY06 | FY07 | FY08E | FY09E |
|----------------------------|--------|--------|-------|-------|
| Interest earned | 95.8 | 115.4 | 150.6 | 173.8 |
| Interest expended | 49.2 | 60.2 | 88.1 | 103.0 |
| Net interest income | 46.7 | 55.1 | 62.5 | 70.9 |
| Growth (%) | 16.5 | 18.2 | 13.3 | 13.4 |
| Non-interest income | 12.7 | 10.4 | 12.9 | 14.6 |
| Comm, Exchange & Brokerage | 7.5 | 9.7 | 11.2 | 12.2 |
| Growth (%) | (24.0) | (18.2) | 23.7 | 13.3 |
| Operating expenses | 30.2 | 33.3 | 37.3 | 41.6 |
| Pre-provisioning profits | 29.2 | 32.3 | 38.1 | 43.9 |
| Growth (%) | 21.3 | 10.7 | 18.0 | 15.2 |
| Provisions & contingencies | 8.8 | 10.6 | 12.5 | 13.6 |
| PBT | 20.3 | 21.7 | 25.6 | 30.3 |
| Income tax, Interest tax | 6.0 | 6.3 | 7.7 | 9.4 |
| Net profit | 14.4 | 15.4 | 17.9 | 20.9 |
| Growth (%) | 2.1 | 7.0 | 16.4 | 16.8 |

Source: Company, Religare Research

Balance sheet

| (Rs bn) | FY06 | FY07 | FY08E | FY09E |
|-----------------------------------|---------|---------|---------|---------|
| Cash in hand & bal with RBI | 233.9 | 123.7 | 177.3 | 209.2 |
| Balance with banks, Money at call | 14.0 | 32.7 | 36.0 | 39.6 |
| Investments | 410.6 | 451.9 | 531.4 | 624.8 |
| Advances | 746.3 | 966.0 | 1,135.0 | 1,322.3 |
| Fixed assets (net) | 10.3 | 10.1 | 10.4 | 10.6 |
| Other assets | 37.6 | 39.8 | 41.8 | 43.9 |
| Total assets | 1,452.7 | 1,624.2 | 1,932.0 | 2,250.4 |
| Equity capital | 3.2 | 3.2 | 3.2 | 3.2 |
| Reserves & surplus | 90.6 | 101.2 | 115.9 | 131.9 |
| Net worth | 93.8 | 104.4 | 119.0 | 135.0 |
| Deposits | 1,196.8 | 1,398.6 | 1,672.3 | 1,985.9 |
| Current deposits (a) | 167.2 | 164.7 | 188.5 | 214.9 |
| Savings bank deposits (b) | 419.1 | 480.9 | 565.0 | 663.9 |
| Term deposits (c) | 610.5 | 753.1 | 918.7 | 1,107.1 |
| Borrowings (incl sub-ord bonds) | 86.0 | 56.4 | 62.0 | 63.3 |
| Other liabilities & provisions | 76.1 | 64.8 | 78.6 | 66.2 |
| Total liabilities | 1,452.7 | 1,624.2 | 1,932.0 | 2,250.4 |

Source: Company, Religare Research

Key ratios

| Year-end March | FY06 | FY07 | FY08E | FY09E |
|--------------------------|-------|-------|-------|-------|
| Per share data | | | | |
| Shares outstanding (mn) | 315.3 | 315.3 | 315.3 | 315.3 |
| EPS (Rs) | 45.6 | 48.8 | 56.8 | 66.4 |
| DPS (Rs) | 6.0 | 10.0 | 12.0 | 13.5 |
| Book value (Rs) | 297.4 | 331.0 | 377.5 | 428.2 |
| Adjusted book value (Rs) | 290.7 | 308.0 | 359.5 | 403.0 |

Valuation ratios

| | | | | |
|-----------|------|------|-----|-----|
| P/E (x) | 11.7 | 10.9 | 9.4 | 8.0 |
| P/BV (x) | 1.8 | 1.6 | 1.4 | 1.2 |
| P/ABV (x) | 1.8 | 1.7 | 1.5 | 1.3 |

Earnings quality (%)

| | | | | |
|-----------------------------|------|------|------|------|
| Net interest margin | 3.6 | 3.7 | 3.7 | 3.5 |
| Yield on advances | 7.9 | 8.9 | 10.4 | 10.2 |
| Yield on investments | 8.8 | 8.3 | 8.1 | 8.0 |
| Cost of funds | 4.1 | 4.3 | 5.5 | 5.4 |
| Cost/Income | 50.9 | 50.7 | 49.4 | 48.6 |
| Return on average net worth | 16.4 | 15.5 | 16.0 | 16.5 |
| Return on average assets | 1.1 | 1.0 | 1.0 | 1.0 |

Growth ratios (%)

| | | | | |
|-------------------------|--------|--------|------|------|
| Net interest income | 16.5 | 18.2 | 13.3 | 13.4 |
| Other income | (24.0) | (18.2) | 23.7 | 13.3 |
| Total income | 4.5 | 10.4 | 15.0 | 13.4 |
| Pre-provisioning profit | 21.3 | 10.7 | 18.0 | 15.2 |
| Net profit | 2.1 | 7.0 | 16.4 | 16.8 |
| Advances | 23.5 | 29.4 | 17.5 | 16.5 |
| Deposits | 16.0 | 16.9 | 19.6 | 18.8 |

Asset quality

| | | | | |
|-------------------------------------|------|------|------|------|
| Proportion of low-cost deposits (%) | 49.0 | 46.2 | 45.1 | 44.3 |
| Credit-Deposit ratio (x) | 62.4 | 69.1 | 67.9 | 66.6 |
| Investment/Deposit (%) | 34.3 | 32.3 | 31.8 | 31.5 |
| Net NPA ratio | 0.3 | 0.8 | 0.5 | 0.6 |
| CAR | 12.0 | 12.3 | 11.7 | 11.2 |
| Tier-I ratio | 10.1 | 9.0 | 7.9 | 6.8 |

Source: Company, Religare Research

Bank of India

Results Update

CMP: Rs 263

Target: Rs 300 HOLD 

| | |
|-------------------------|---------------------------|
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| abhishek.a@religare.in | dinesh.shukla@religare.in |

| | |
|----------|-----------|
| BSE code | 532149 |
| NSE code | BANKINDIA |

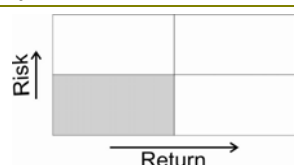
Company data

| Particulars | |
|--------------------------------|------------|
| Market cap (Rs bn / US\$ bn) | 128.4/ 3.2 |
| Outstanding equity shares (mn) | 488.1 |
| 52-week high/low (Rs) | 276/ 97 |
| Quarterly average daily volume | 458,532 |

Financial snapshot

| Particulars | FY07 | FY08E | FY09E |
|------------------------|------|-------|-------|
| NII (Rs bn) | 34.4 | 42.2 | 50.6 |
| Growth (%) | 30.7 | 22.6 | 19.8 |
| Adj net profit (Rs bn) | 11.2 | 13.4 | 15.9 |
| Growth (%) | 60.1 | 19.7 | 18.1 |
| FDEPS (Rs) | 23.0 | 27.5 | 28.2 |
| Growth (%) | 60.1 | 19.7 | 2.3 |
| P/ABV (x) | 2.6 | 2.0 | 1.5 |
| RoE (%) | 21.1 | 21.7 | 19.0 |

Risk-return profile



Shareholding pattern

| (%) | Jun-07 | Mar-07 |
|-------------|--------|--------|
| Promoters | 69.5 | 69.5 |
| FIs | 16.1 | 15.4 |
| Banks & FIs | 5.7 | 5.6 |
| Public | 8.7 | 9.5 |

Stock performance

| Returns (%) | CMP | 1-mth | 3-mth | 6-mth |
|-------------|--------|-------|-------|-------|
| BOI | 263 | 17.4 | 29.3 | 32.0 |
| Sensex | 15,776 | 9.3 | 13.4 | 10.5 |
| Bankex | 8,186 | 6.1 | 14.0 | 11.1 |

Company website www.bankofindia.com

Consistent performer but upside limited; Downgrade to Hold

Bank of India's (BOI) Q1FY08 results are in line with expectations. Strong NII growth and higher non-interest income led a 51% YoY rise in net profit to Rs 3.2bn. Based on the consistently robust performance, we are raising our profit estimates for FY08 and FY09 and upgrading our target price to Rs 300 from Rs 236. However, the stock has already appreciated 35% since our initial report dated 30 April 2007, and the upside appears limited from hereon. We are therefore downgrading the stock to Hold from Buy.

Quarterly results

| (Rs bn) | Q1FY08 | Q1FY07 | % chg YoY | Q4FY07 | % chg QoQ |
|---------------------|------------|------------|-------------|------------|---------------|
| Int on advances | 20.2 | 13.6 | 48.9 | 18.6 | 8.9 |
| Inc on invts | 5.8 | 5.9 | (2.0) | 6.3 | (7.8) |
| Int on bal with RBI | 1.2 | 0.7 | 77.0 | 1.3 | (3.7) |
| Interest income | 27.3 | 20.2 | 34.9 | 26.2 | 4.3 |
| Interest expenses | (17.8) | (12.6) | 41.7 | (16.5) | 8.0 |
| NII | 9.5 | 7.6 | 23.9 | 9.7 | (2.1) |
| Other income | 3.8 | 3.1 | 22.7 | 5.8 | (33.9) |
| Total Income | 13.3 | 10.8 | 23.6 | 15.4 | (14.0) |
| Operating exp | (6.5) | (6.1) | 7.1 | (6.5) | 0.2 |
| Prov and W/off | (2.0) | (1.7) | 18.3 | (3.1) | (35.0) |
| PBT | 4.8 | 3.0 | 60.0 | 5.9 | (18.7) |
| Taxes | (1.6) | (0.9) | 80.7 | (1.4) | 15.6 |
| PAT | 3.2 | 2.1 | 51.0 | 4.5 | (29.6) |
| Cost/ Inc Ratio (%) | 49.0 | 56.5 | - | 42.0 | - |

Source: Company, Religare Research

Result highlights

Strong yield on advances bolsters NIM

Interest income for the quarter expanded 35% YoY to Rs 27.3bn on the strength of a 49% YoY growth in income on advances. Interest expenses rose by 42% YoY to Rs 17.8bn on account of a higher cost of deposits. Consequently, net interest income (NII) was up 24% YoY to Rs 9.5bn. The domestic net interest margin (NIM) for the quarter improved to 3.07% as compared to 2.95% a year ago, whereas global NIM remained flat at 2.67%.

Non-interest income rises 23% YoY

During the quarter non-interest income increased 22.7% YoY to Rs 3.8bn. This includes treasury gains of Rs 650mn, a 28% YoY increase compared to Rs 510mn a year ago. Non-interest income excluding treasury gains was up 21.5% to Rs 3.2bn supported by higher fee income growth and profit from exchange transactions.

Components of non-interest income

| (Rs mn) | Q1FY08 | Q1FY07 | Var (%) |
|------------------------------------|---------|---------|---------|
| Commission, exchange and brokerage | 1,510.0 | 1,310.0 | 15.3 |
| Profit from exchange transaction | 660.0 | 500.0 | 32.0 |
| Profit from sale of securities | 650.0 | 510.0 | 27.5 |
| Recoveries in written-off a/cs | 200.0 | 190.0 | 5.3 |
| Others | 790.0 | 590.0 | 33.9 |
| Total | 3,810.0 | 3,100.0 | 22.9 |

Source: Company, Religare Research

Operating costs and provisioning expenses in check

Operating expenses for the quarter were under control, rising a mere 7% to Rs 6.5bn. Provisions towards NPAs were lower at Rs 920mn compared to Rs 1.2bn a year ago. However, other provisions doubled to Rs 1.1bn.

Break-up of Provisions

| (Rs mn) | Q1FY08 | Q1FY07 | Var (%) |
|----------------------------|--------|--------|---------|
| Provisions for NPAs | 920 | 1,150 | (20.0) |
| Provisions for investments | 370 | 160 | 131.3 |
| Other provisions | 710 | 380 | 86.8 |
| Total | 2,000 | 1,690 | 18.3 |

Source: Company, Religare Research

NPA provisions dipped to Rs 920mn as compared to Rs 1.2bn a year ago

Healthy business growth; NPAs decline

BOI has reported 27.6% YoY growth in advances to Rs 871.2bn with a 27.7% growth in deposits to Rs 1,223.6bn. The bank's asset quality has improved substantially with gross NPAs declining to 2.29% at the end of Q1FY08 compared to 2.42% at the end of FY07. During the same period, net NPAs remained relatively stable at 0.7%. Recoveries during the quarter remained strong at Rs 1.4bn compared to Rs 1.1bn during Q1FY07.

CAR dips marginally

Capital adequacy has come down marginally to 11.5% as at the end of Q1FY08 compared to 11.8% at the end of FY07. Tier-I capital constituted 6.7%.

Future outlook

Management targets 20% business growth

BOI is targeting a 20% growth in business for FY08 and expects its credit portfolio to increase by 25%. The focus would continue to be on the retail and SME segments. The bank also expects to maintain or partially increase the proportion of CASA deposits. Non-interest income is projected to post strong growth as well. BOI expects to realise more gains from the sale of Nigerian bonds. During Q4FY07, it sold 21,000 warrants and still holds an additional 100,000 warrants.

We expect strong operating performance to continue

In our view, the bank's robust operating performance will continue in the coming quarters. With 65-70% of the advances linked to the prime lending rate (PLR), we expect any increase in the cost of deposits to be comfortably passed on to customers. Further, a majority of the loan disbursement during FY07 was done in the latter half of the fiscal, which implies that the effect of higher yields would be fully reflected in FY08. The improving yield on advances together with a relatively lower increase in cost of funds would ensure higher NII growth. We also expect NIM to remain stable.

FY08 to derive full benefits of loans given in the latter half of FY07

Operating expenses and provisioning to remain under control

Operating expenses would remain under control as IT-related costs for the implementation of CBS are expected to slow down and the provisions towards retirement benefits are likely to be lower as compared to Rs 1.9bn in FY07.

PAT estimates revised upwards

In view of the strong quarterly performance, we have revised our net profit growth estimate for the company to 19.7% and 18.1% for FY08 and FY09 respectively from our earlier forecast of 18.4% and 11.5%.

Fresh equity issue likely...

Although the management has denied that it would not make a fresh equity offering soon, we believe that this might be a necessary step to sustain growth. Accordingly, we have built in an issue of 75mn equity shares but changed our assumption for the issue timeline from FY08 to FY09. This would dilute the government holding in the bank from the current 69.5% to around 60%.

...translating into an FDEPS of Rs 27.5

After factoring in the dilution, we estimate that EPS would stand at Rs 27.5 for FY08 and Rs 28.2 for FY09 respectively, with adjusted book value at Rs 130.1 and Rs 177 respectively. At the current price the stock is trading at a P/E of 9.3x and P/ABV of 1.5x on FY09E.

Valuation

Growth prospects intact but mediocre upside from current levels; Hold

We believe BOI's growth prospects remain intact and have raised our earnings estimates based on the bank's consistent performance. We also raise our target price to Rs 300 from Rs 236. However, the stock has already appreciated 35% since our initial report dated 30 April 2007, and the upside appears limited from hereon. We are therefore downgrading the stock to Hold from Buy.

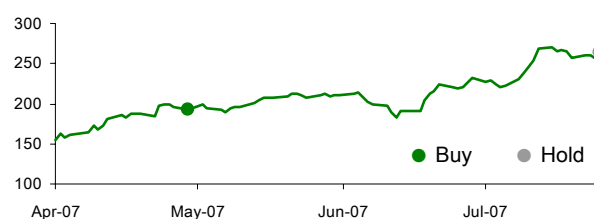
We raise our target from Rs 236 to Rs 300, but the upside is limited; Hold

Recommendation history

| Date | Event | Reco price | Tgt price | Reco |
|-----------|----------------|------------|-----------|------|
| 30-Apr-07 | Results Update | 195 | 236 | Buy |
| 26-Jul-07 | Results Update | 263 | 300 | Hold |

Source: Religare Research

Stock performance



Source: Religare Research

Financials

Profit and Loss statement

| (Rs bn) | FY06 | FY07 | FY08E | FY09E |
|----------------------------|-------|------|-------|-------|
| Interest earned | 70.3 | 91.8 | 115.7 | 137.2 |
| Interest expended | 44.0 | 57.4 | 73.5 | 86.6 |
| Net interest income | 26.3 | 34.4 | 42.2 | 50.6 |
| Growth (%) | 17.7 | 30.7 | 22.6 | 19.8 |
| Non-interest income | 11.8 | 15.6 | 17.0 | 18.1 |
| Comm, Exchange & Brokerage | 7.0 | 8.8 | 10.8 | 11.7 |
| Growth (%) | 2.5 | 32.0 | 8.7 | 6.8 |
| Operating expenses | 21.2 | 26.1 | 29.3 | 33.4 |
| Pre-provisioning profits | 17.0 | 23.9 | 29.8 | 35.3 |
| Growth (%) | 16.5 | 40.8 | 24.6 | 18.3 |
| Provisions & contingencies | 7.9 | 8.6 | 10.6 | 12.6 |
| PBT | 9.2 | 15.3 | 19.2 | 22.7 |
| Income tax, Interest tax | 2.1 | 4.1 | 5.8 | 6.8 |
| Net profit | 7.0 | 11.2 | 13.4 | 15.9 |
| Growth (%) | 106.3 | 60.1 | 19.7 | 18.1 |

Source: Company, Religare Research

Balance sheet

| (Rs bn) | FY06 | FY07 | FY08E | FY09E |
|-----------------------------------|---------|---------|---------|---------|
| Cash in hand & bal with RBI | 55.9 | 69.5 | 96.4 | 113.2 |
| Balance with banks, Money at call | 58.6 | 48.0 | 42.8 | 46.1 |
| Investments | 317.8 | 410.5 | 475.8 | 553.7 |
| Advances | 651.7 | 847.3 | 1,029.4 | 1,219.9 |
| Fixed assets (net) | 8.1 | 8.9 | 9.8 | 10.8 |
| Other assets | 30.6 | 24.6 | 31.9 | 34.8 |
| Total assets | 1,122.7 | 1,408.8 | 1,686.2 | 1,978.5 |
| Equity capital | 4.9 | 4.9 | 4.9 | 5.6 |
| Reserves & surplus | 45.0 | 51.6 | 62.6 | 94.0 |
| Net worth | 49.8 | 56.5 | 67.5 | 99.6 |
| Deposits | 939.3 | 1,198.9 | 1,427.9 | 1,677.7 |
| Current deposits (a) | 74.1 | 96.5 | 114.3 | 132.0 |
| Savings bank deposits (b) | 254.9 | 363.8 | 442.0 | 521.6 |
| Term deposits (c) | 610.4 | 738.6 | 871.5 | 1,024.0 |
| Borrowings (incl sub-ord bonds) | 91.9 | 106.6 | 133.6 | 149.5 |
| Other liabilities & provisions | 41.7 | 46.8 | 57.2 | 51.6 |
| Total liabilities | 1,122.7 | 1,408.8 | 1,686.2 | 1,978.5 |

Source: Company, Religare Research

Key ratios

| Year-end March | FY06 | FY07 | FY08E | FY09E |
|--------------------------|-------|-------|-------|-------|
| Per share data | | | | |
| Shares outstanding (mn) | 488.1 | 488.1 | 488.1 | 563.1 |
| EPS (Rs) | 14.4 | 23.0 | 27.5 | 28.2 |
| DPS (Rs) | 3.0 | 3.5 | 4.5 | 5.0 |
| Book value (Rs) | 102.1 | 115.8 | 138.2 | 177.0 |
| Adjusted book value (Rs) | 79.0 | 99.8 | 130.1 | 177.0 |

Valuation ratios

| | | | | |
|-----------|------|------|-----|-----|
| P/E (x) | 18.3 | 11.4 | 9.6 | 9.3 |
| P/BV (x) | 2.6 | 2.3 | 1.9 | 1.5 |
| P/ABV (x) | 3.3 | 2.6 | 2.0 | 1.5 |

Earnings quality (%)

| | | | | |
|-----------------------------|------|------|------|------|
| Net interest margin | 2.6 | 2.8 | 2.8 | 2.8 |
| Yield on advances | 7.5 | 8.5 | 8.9 | 9.0 |
| Yield on investments | 7.2 | 6.8 | 6.9 | 6.9 |
| Cost of funds | 4.6 | 4.9 | 5.1 | 5.1 |
| Cost/Income | 55.4 | 52.1 | 49.6 | 48.6 |
| Return on average net worth | 14.8 | 21.1 | 21.7 | 19.0 |
| Return on average assets | 0.7 | 0.9 | 0.9 | 0.9 |

Growth ratios (%)

| | | | | |
|-------------------------|-------|------|------|------|
| Net interest income | 17.7 | 30.7 | 22.6 | 19.8 |
| Other income | 2.5 | 32.0 | 8.7 | 6.8 |
| Total income | 12.5 | 31.1 | 18.3 | 16.1 |
| Pre-provisioning profit | 16.5 | 40.8 | 24.6 | 18.3 |
| Net profit | 106.3 | 60.1 | 19.7 | 18.1 |
| Advances | 16.4 | 30.0 | 21.5 | 18.5 |
| Deposits | 19.2 | 27.6 | 19.1 | 17.5 |

Asset quality

| | | | | |
|-------------------------------------|------|------|------|------|
| Proportion of low-cost deposits (%) | 35.0 | 38.4 | 39.0 | 39.0 |
| Credit-Deposit ratio (x) | 69.4 | 70.7 | 72.1 | 72.7 |
| Investment/Deposit (%) | 33.8 | 34.2 | 33.3 | 33.0 |
| Net NPA ratio | 1.5 | 0.7 | 0.3 | 0.2 |
| CAR | 10.8 | 11.8 | 11.1 | 13.4 |
| Tier-I ratio | 6.8 | 6.5 | 6.1 | 8.3 |

Source: Company, Religare Research

Recommendation tracker

| Date | Company | Report type | Stock price (Rs) | Target (Rs) | Reco |
|-----------|--------------------------|---------------------|------------------|-------------|-----------|
| 29-Jun-07 | HDIL | IPO Note | 430-500 | NA | SUBSCRIBE |
| 29-Jun-07 | Petronet LNG | Initiating Coverage | 55 | 73 | BUY |
| 2-Jul-07 | Allied Digital Services | IPO Note | 170-190 | NA | NA |
| 3-Jul-07 | Indoco Remedies | Visit Note | 286 | 383 | BUY |
| 5-Jul-07 | Ashok Leyland | Company Update | 38 | 48 | BUY |
| 5-Jul-07 | Venus Remedies | Initiating Coverage | 474 | 708 | BUY |
| 6-Jul-07 | Nava Bharat Ventures | Company Update | 170 | 268 | BUY |
| 9-Jul-07 | IT Services | Sector Update | NA | NA | NA |
| 10-Jul-07 | Opto Circuits (India) | Results Update | 386 | 456 | BUY |
| 10-Jul-07 | Apollo Tyres | Company Update | 347 | 468 | BUY |
| 11-Jul-07 | Dishman Pharma | Company Update | 339 | 357 | HOLD |
| 11-Jul-07 | HDFC Bank | Results Update | 1,148 | 1,287 | HOLD |
| 12-Jul-07 | Infosys Technologies | Results Update | 1,930 | 2,466 | BUY |
| 12-Jul-07 | South Indian Bank | Initiating Coverage | 140 | 175 | BUY |
| 13-Jul-07 | Nava Bharat Ventures | Company Update | 196 | 268 | BUY |
| 16-Jul-07 | Bajaj Auto | Results Update | 2,175 | 2,324 | HOLD |
| 16-Jul-07 | UTI Bank | Results Update | 641 | 689 | HOLD |
| 17-Jul-07 | Bihar Tubes | Results Update | 151 | 172 | HOLD |
| 17-Jul-07 | TCS | Results Update | 1,128 | 1,415 | BUY |
| 18-Jul-07 | Venus Remedies | Company Update | 527 | 708 | BUY |
| 18-Jul-07 | Petronet LNG | Results Update | 61 | 73 | BUY |
| 18-Jul-07 | Garware Offshore | Results Update | 203 | 272 | BUY |
| 19-Jul-07 | Aventis Pharma | Results Update | 1,381 | 1,491 | HOLD |
| 19-Jul-07 | KPIT Cummins Infosystems | Results Update | 135 | 173 | BUY |
| 19-Jul-07 | Jubilant Organosys | Results Update | 313 | 365 | BUY |
| 20-Jul-07 | Indus Fila | Initiating Coverage | 223 | 352 | BUY |
| 20-Jul-07 | Wipro Technologies | Results Update | 505 | 595 | HOLD |
| 20-Jul-07 | Biocon | Results Update | 482 | 542 | BUY |
| 23-Jul-07 | Ashok Leyland | Results Update | 39 | 48 | BUY |
| 23-Jul-07 | ICICI Bank | Results Update | 985 | 1,080 | BUY |
| 23-Jul-07 | Cipla | Results Update | 201 | 214 | SELL |
| 23-Jul-07 | Garware Wall Ropes | Initiating Coverage | 154 | 301 | BUY |
| 23-Jul-07 | Central Bank of India | IPO Note | 85-102 | NA | SUBSCRIBE |
| 25-Jul-07 | ACC | Results Update | 1,118 | 1,110 | SELL |
| 25-Jul-07 | Union Bank of India | Results Update | 154 | 191 | BUY |
| 25-Jul-07 | Sasken Communication | Results Update | 418 | 516 | BUY |
| 25-Jul-07 | Venus Remedies | Results Update | 492 | 708 | BUY |
| 25-Jul-07 | Greenply Industries | Results Update | 202 | 252 | BUY |
| 26-Jul-07 | Opto Circuits (India) | Results Update | 475 | 517 | BUY |
| 26-Jul-07 | Great Offshore | Results Update | 807 | 1,045 | BUY |
| 26-Jul-07 | Lakshmi Energy and Foods | Results Update | 181 | 260 | BUY |
| 26-Jul-07 | Tulip IT Services | Results Update | 749 | 932 | BUY |
| 26-Jul-07 | Indus Fila | Results Update | 224 | 352 | BUY |
| 26-Jul-07 | Punjab National Bank | Results Update | 525 | 610 | BUY |
| 26-Jul-07 | Bank of India | Results Update | 263 | 300 | HOLD |
| 27-Jul-07 | Omax Auto | Results Update | 77 | 112 | BUY |

Market trends

BSE sectoral indices

| | % Chg | | | | Constituent performance |
|-------------------|---------|-------|-------|-------|-------------------------|
| | 26-July | 1-day | 1-mth | 3-mth | |
| Automobiles | 5,096 | 1.5 | 7.4 | 3.1 | |
| Banks | 8,186 | (1.2) | 5.6 | 15.5 | |
| Capital Goods | 13,247 | (1.4) | 10.5 | 34.8 | |
| Comm. & Tech. | 3,914 | 0.9 | 5.7 | 6.7 | |
| Consumer Durables | 4,224 | (0.9) | 0.2 | 14.3 | |
| FMCG | 1,930 | 0.8 | 6.3 | 6.0 | |
| Healthcare | 3,788 | 1.5 | 0.2 | 2.5 | |
| IT | 5,001 | 1.9 | 3.3 | 1.0 | |
| Metal | 12,140 | (0.2) | 13.6 | 24.8 | |
| Oil & Gas | 8,325 | 1.5 | 9.3 | 17.6 | |
| Mid-caps | 6,791 | 0.5 | 5.7 | 18.4 | |
| Small-caps | 8,146 | 1.1 | 7.0 | 17.4 | |

Number of companies: down 5% down 2-5% down 0-2% up 0-2% up 2-5% up 5%

Emerging markets

| Country | % Chg | | | | |
|-------------|---------|-------|-------|-------|-------|
| | 26-July | 1-day | 1-mth | 3-mth | 6-mth |
| Brazil | 53,893 | (3.8) | (0.5) | 9.5 | 21.3 |
| Shanghai | 4,309 | (0.9) | 5.7 | 14.6 | 49.5 |
| Hong Kong | 22,762 | (1.9) | 4.9 | 10.9 | 12.2 |
| India | 15,776 | 0.5 | 9.3 | 13.4 | 10.5 |
| South Korea | 1,904 | (3.0) | 9.8 | 23.4 | 38.8 |
| Taiwan | 9,368 | (2.1) | 5.9 | 17.8 | 19.8 |

FII statistics

| (US\$ mn) | 1-day | WTD | MTD | YTD |
|-------------|---------|-----------|-----------|-----------|
| India | 315.3 | 584.1 | 4,713.7 | 10,418.8 |
| South Korea | (548.6) | (1,608.0) | (3,463.8) | (3,155.1) |
| Taiwan | 168.4 | 259.7 | 3,143.2 | 11,327.9 |
| Thailand | 119.9 | (10.5) | (10.5) | 1,611.4 |

Events calendar

Board meetings

| July 25 | 26 | 27 |
|--|--------|---|
| | | Binani Ind, Carborundum, ITC, BPCL, Godrej Ind, Madras Cements, Colgate, Raj Television, Karnataka Bank, Tata Chemicals, GMR Infra, CRISIL, Titan Industrie |
| 28 | 29 | 30 |
| Guj Amb Exports, Shri Ganesh Spi, Welcure Drugs, Bhoruka Steel, Bank of Baroda, BPL, NTPC, Shipping Corp, Oxford Ind, Omni Dye-Chem, Nuchem, Elgi Equipments, Reliance Chemo, Suryaoday Agro | SUNDAY | NEPC India, Wyeth, Aditya Birla Nuvo, Nicco Corp, Sun TV Network, Syndicate Bank, BHEL, India Cements, Royal Orchid, Dishman Pharma, Zenith Health, Tanu HealthCare, JM Financial, Axon Infotech, |
| 31 | | |
| Kesoram, Bharat Elec, Cadila Health, Fortis Health, Hindalco, Reliance Comm, BOC India, Kalpataru Power, IVRCL Infrac, Hind Dorr-Olive, Avery India, Nirlon | | |

Trade data

Institutional bulk deals

| Scrip | Client | Buy/Sell | Quantity | Avg Price (Rs) |
|---------------------------|---|----------|-----------|----------------|
| Adhunik Metaliks | BSMA | B | 550,000 | 64.0 |
| Ballarpur In | JPMSL AC Cophall Mauritius Inv | B | 2,410,000 | 125.0 |
| Ballarpur In | Fidelity Funds Emerging | S | 2,900,974 | 125.0 |
| Birla Jute & Industries | Citigroup Global Markets Mauritius | B | 390,000 | 271.2 |
| Bla Ros Ind | SBI AC Bhanvarilal N Panda | B | 249,508 | 9.7 |
| Bombay Dyei | Reliance Mutual Fund | B | 219,299 | 600.0 |
| Bombay Dyei | Morgan Stanley And Co Intl Ac Morgan Stanley | S | 225,557 | 600.0 |
| Can Fin Homes | Kotak Mahindra (Uk) A/C Premier Investment Fund | S | 115,000 | 55.8 |
| Cesc | Goldman Sachs Investment Mauritius | B | 616,148 | 490.0 |
| Champagn Ind | Cophall Mauritius Investment | B | 150,000 | 625.0 |
| Champagn Ind | La Compagnie Financiere Enmond Ede Rethschild | S | 150,000 | 625.0 |
| Genus Overseas Electronic | Melchior Indian Opportunities Fund | S | 142,500 | 365.5 |
| IFCI | Abn Amro Bank Nv London Br | B | 6,686,143 | 55.9 |
| IFCI | Ambit Securities Broking | B | 4,307,369 | 56.2 |
| IFCI | Goldman Sachs Investment (Mauritius) I (Short | B | 7,900,000 | 57.1 |
| IFCI | Ambit Securities Broking | S | 4,204,997 | 56.3 |
| India Cements | Lehman Brothers Asia A/C Lb India Holdings | B | 1,323,542 | 207.0 |
| Infra Devfin | Morgan Stanley And Co Intl Ac Morgan Stanley | B | 7,401,929 | 133.6 |
| Infra Devfin | UBS Securities Asia | S | 7,401,929 | 133.6 |
| Karut Net | Citigroup Global Markets Mauritius | B | 330,000 | 210.0 |
| Karut Net | BSMA | S | 391,000 | 210.6 |
| Karuturi Networks | BSMA | B | 100,000 | 210.0 |
| Mang Che Fer | Merrill Lynch Capital Markets Espana S A Sv | B | 2,479,676 | 23.7 |
| Mang Che Fer | Credit Suisse Singapore | B | 980,000 | 24.9 |
| Sadbhav Engg | Nomura Asset Management Co | B | 97,000 | 657.0 |
| Sadbhav Engg | Deutsche Securities Mauritius | S | 97,000 | 657.0 |
| Suryachakra | Merrill Lynch Capital Markets Espana SA SV | B | 4,000,000 | 22.0 |
| Suryachakra | Lehman Brothers Asia | S | 1,991,317 | 22.0 |
| Suryachakra | ABN Amro Bank Nv London Branch | S | 1,982,632 | 22.0 |

Source: BSE

Insider trading

| Scrip | Acquirer/Seller | Buy/Sell | Shares transacted | | Post-transaction holding | |
|----------------------------------|--|----------|-------------------|-----|--------------------------|------|
| | | | Qty | % | Qty | % |
| Bajaj Auto Finance | Bajaj Auto | B | 1,247,940 | 3.4 | | 40.5 |
| Bharat Bijlee | Nikhil J Danani | B | 2,517 | - | - | - |
| Bharat Bijlee | Danmet Chemicals | B | 4,962 | - | -- | - |
| Bharat Bijlee | Roshan N Danani | B | 500 | - | -- | - |
| Bharti Airtel | Vodafone International Holdings BV | S | 94,703,500 | 5.0 | | 0.6 |
| Biocon | Chinappa M B | S | 15,999 | - | 15,000 | - |
| Dhampure Speciality Sugars | The Dhampur Sugar Mills | S | 5,000 | 0.1 | 530,384 | 7.4 |
| Goldstone Technologies | Standard Chartered Premier Equity Fund | B | 433,500 | 3.3 | 699,500 | 5.4 |
| Hariyana Ship Breakers | Unnati Reniwal | B | 400,000 | 6.5 | 400,000 | 6.5 |
| Hariyana Ship Breakers | Sanjeev Reniwal | B | 236,667 | 3.8 | 438,267 | 7.1 |
| HB Leasing & Finance Co | H C Bhasin | B | 2,268 | - | -- | - |
| IVRCL Infrastructures & Projects | ICICI Prudential Mutual Fund & Pacs | B | 516,500 | 0.4 | 6,867,589 | 5.3 |
| Megasoft | Ravindra Sannareddy | S | 9,500 | - | 2,688,768 | 6.1 |
| Nissan Copper | Ratanlal Mardia | B | 12,527 | 0.1 | 3,632,827 | 25.0 |
| Nissan Copper | Sanjay Mardia | B | 7,848 | 0.1 | 1,182,878 | 8.1 |

| Scrip | Acquirer/Seller | Buy/Sell | Shares transacted | | Post-transaction holding | |
|---------------------|----------------------|----------|-------------------|-----|--------------------------|------|
| | | | Qty | % | Qty | % |
| Ritesh Industries | Sanjeev Arora | B | 9,600 | - | 725,764 | 7.9 |
| Ritesh Industries | Sanjeev Arora | B | 350 | - | 726,114 | 7.9 |
| Ritesh Industries | Sanjeev Arora | B | 3,185 | - | 729,299 | 7.9 |
| Ritesh Industries | Sanjeev Arora | B | 5,847 | - | 735,146 | 8.0 |
| SB& T International | Varij Sethi | B | 20,986 | - | 1,595,086 | 9.8 |
| Shetron | Shetron Enterprises | B | 56,500 | 0.6 | 1,564,031 | 17.4 |
| Shree Cements | M K Singhi | S | 500 | - | 4,785 | 0.0 |
| Shree Cements | M K Singhi | B | 1,500 | - | 6,285 | 0.0 |
| Zee News | HDFC Equity Fund | B | 1,046,000 | - | 4,546,000 | - |
| Zensar Technologies | Pedriano Investments | S | 1,750,000 | 7.3 | 5,164,691 | 21.6 |

Source: BSE

RELIGARE RESEARCH

Fundamental Research

| | | | |
|-------------------------------|-----------------------------------|---------------------------------|-------------------|
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Technical Research

| | | |
|---------------------|---------------------------------|-------------------|
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|---------------------|---------------------------------|-------------------|

Derivatives Research

| | | |
|------------------|------------------------------|-------------------|
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Production

| | | |
|---------------|---------------------------|-------------------|
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| | | |
|-------------------|-------------------------------|-------------------|
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|-------------------|-------------------------------|-------------------|

Recommendation parameters

| | | | Returns | Absolute |
|-------------|-------|-------|---------|----------|
| Large-caps* | > 10% | < -5% | | |
| | BUY | SELL | | |
| Mid-caps** | > 25% | < 10% | | |

*Market cap over US\$ 1bn **Market cap less than US\$ 1bn

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