

Equity	% Chg			
	19-Sept	1-day	1-mth	3-mth
India				
Sensex	16,323	4.2	13.1	13.3
Nifty	4,732	4.1	12.4	11.4
Global/Regional markets				
Dow Jones	13,816	0.6	5.3	2.4
Nasdaq	2,666	0.6	6.3	2.6
FTSE	6,460	2.8	6.3	(2.8)
Nikkei	16,395	0.1	4.2	(10.0)
Hang Seng	25,747	0.8	19.2	18.7

Value traded (Rs bn)	BSE	NSE
Cash	74.9	165.0
Derivatives	12.9	686.4
Total	87.8	851.4

Net inflows (Rs bn)	Recent trends (days)			
	18-Sept	-7d	-15d	-30d
FII	(1.4)	13.7	39.7	(10.1)
MF	(0.2)	(4.5)	9.6	38.1

Forex / Crude	% Chg			
	19-Sept	1day	1mth	3mth
Rs/US\$	40.1	0.0	2.1	1.4
Euro/US\$	1.4	0.1	3.7	4.3
Crude(\$/bbl)	82.0	0.0	15.2	20.2

Mkt movers (Rs)	Close	Pr. Cl.	% Chg
Top gainers			
Shree Renuka	683.5	550.3	24.2
Balrampur Chini	83.3	67.2	23.8
Triveni Eng	136.6	110.4	23.7
Top losers			
Shree Precoated	430.3	452.7	(4.9)
KSB Pumps	501.1	520.0	(3.6)
Jagran Prakashan	547.7	568.1	(3.6)

In focus

Tulip IT Services – Company Update

Wins W. Bengal SWAN project CMP: Rs 862 Target: Rs 1,015 BUY

Garware Offshore – Company Update

Singapore subsidiary to explore global opportunities CMP: Rs 187 Target: Rs 272 BUY

Today's top picks

RCOM, BHEL, L&T, Siemens, HCC

News track

- ❖ Union The government will announce monetary support for beleaguered sugar mills in the next eight to ten days to clear cane arrears which are currently in excess of Rs 19bn. (BS)
- ❖ Opto Circuits has entered into a technology transfer agreement with Italy-based Elpro Srl to develop, manufacture and market different variants of ECG machines. (ET)
- ❖ A Nagarjuna Construction-led consortium has secured an order worth Rs 15.6bn from SAIL. Its share in the contract would be ~Rs 11bn and the project is expected to be completed in 30 months. (BS)
- ❖ ONGC has announced that it could consider the issue of bonus shares and stock split at an appropriate time. (BL)
- ❖ The board of SREI Infrastructure Finance has proposed a preferential issue of up to 25mn warrants to the promoter group which will increase their holding from 20% to 35%. (BL)
- ❖ ONGC Videsh (OVL) has won three exploration blocks in Columbia in the latest round of auctions. OVL is the operator in two blocks, in which it holds 50% stake each with Ecopetrol. The company has a 40% stake in the third block. (BS)
- ❖ KEC International has bagged a major Asian Development Bank funded contract from Afghanistan's Ministry of Energy & Water through an international competitive bidding process which will be completed in 18 months. (BL)

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

Volume shockers

(No of shares)	19-Sept	2-mth avg	Chg (x)
Tata Coffee	77,039	4,128	18.7
Engineers India	457,537	25,950	17.6
Megasoft	1,282,627	81,344	15.8

Delivery toppers

	Del (%)	Total vol	Cons days up
ICI India	98.6	107,729	3
Indo Rama Synth	89.0	128,117	7
Castrol India	85.6	136,396	4

CMP: Rs 862
Target: Rs 1,015 
BUY

Anurag Purohit	Hitesh Punjabi
(91-22) 6612 4795	(91-22) 6612 4769
anurag.purohit@religare.in	hitesh.punjabi@religare.in

BSE code	TULIP
NSE code	532691

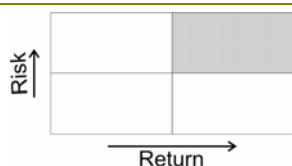
Company data

Particulars	
Market cap (Rs bn / US\$ mn)	25.0 / 619.9
Outstanding equity shares (mn)	29.0
52-week high/low (Rs)	958 / 255
2-month average daily volume	99,611

Financial snapshot

Particulars	FY07	FY08E	FY09E
Sales (Rs mn)	8,425.6	11,633.7	13,612.2
Growth (%)	65.7	38.1	17.0
Adj net profit (Rs mn)	997.2	1,612.5	2,255.8
Growth (%)	104.3	61.7	39.9
FDEPS (Rs)	34.4	55.6	77.8
Growth (%)	18.6	61.7	39.9
P/E (x)	25.1	15.5	11.1
RoE (%)	35.6	37.4	35.0

Risk-return profile



Shareholding pattern

(%)	Jun-07	Mar-07
Promoters	69.0	69.0
FIs	19.0	17.7
Banks & FIs	5.0	6.0
Public	7.0	7.3

Stock performance

Returns (%)	CMP	1-mth	3-mth	6-mth
Tulip IT	862	23.5	3.6	50.2
Sensex	16,323	13.1	13.3	28.5
BSE Teck	3,620	4.7	(1.8)	3.2

Company website	www.tulipit.com
------------------------	------------------------

Wins West Bengal SWAN project

Our recent interaction with the management of Tulip IT Services has reaffirmed our positive outlook on the company. Tulip is well on its way to doubling its number of connects in the current financial year. The company has also bagged the West Bengal SWAN (state-wide area network) project valued in excess of Rs 530mn. The central and state government initiatives to increase rural connectivity through SWANs are expected to be a significant opportunity for the company. Apart from contributing to the network integration business, SWAN projects would also benefit the IP/VPN business through downstream revenues.

With the foray into the managed services business and plans to enter into remote infrastructure management, Tulip is establishing an end-to-end offering for its customers. We maintain our Buy recommendation on the stock and roll over our target price to a one-year horizon. Our revised target for the stock is Rs 1,015.

Tulip wins WB SWAN project

The company has been awarded the West Bengal SWAN project to establish the state's network on a Build-Own-Operate-Transfer (BOOT) basis. Tulip will deploy, manage and operate the entire network across various districts of the state for a period of five years. The management estimates that the total value of the project will be in excess of Rs 530mn.

Tenders for other states are in advanced stages

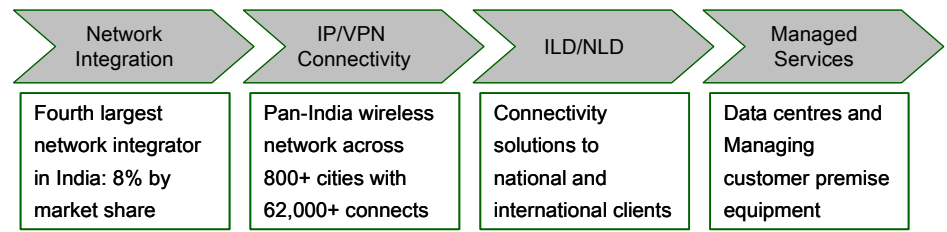
Various state governments are planning to spend ~Rs 34bn over the next five years on rural connectivity to promote e-governance. Apart from the West Bengal order, the company has recently won a SWAN project for Haryana. Many other states are expected to come out with tenders very soon in order to implement e-governance programmes. Uttaranchal and Assam are understood to be in the advanced stage of finalising vendors for their SWAN projects. We believe that Tulip is a strong contender for these orders due to its pan-India presence, proven track record of setting up and maintaining SWANs, and strong execution capabilities in network integration.

Expanding the services portfolio

Tulip plans to expand its service offerings by deploying funds raised in its recent FCCB issue. The company has raised US\$ 150mn (including US\$ 25mn through a greenshoe option) via FCCBs which are convertible to equity at Rs 1,137, ~32% higher than the current price. The company intends to be an integrated player servicing all networking-related requirements of the customer.

Tulip plans to launch its managed services business during the current financial year. The company also proposes to foray into remote infrastructure management, possibly through the acquisition route.

Integrated network offerings



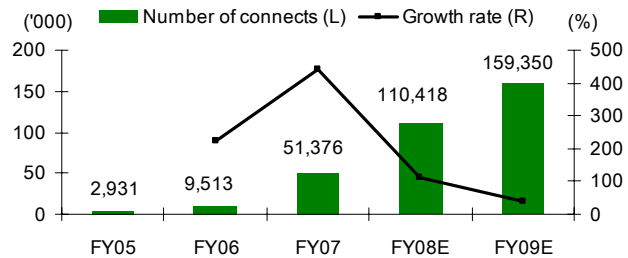
Source: Religare Research

IP/VPN connects expected to double to ~110,000 by the end of FY08

Growth in data connectivity business to remain strong

The IP/VPN connectivity business is expected to remain strong with continued momentum in connect adds. The number of connects in this business has gone up from 9,513 in FY06 to 51,376 at the end of FY07. We expect this figure to reach ~110,000 by the end of FY08, more than 100% growth as compared to FY07. The number of connects at the end of Q1FY08 stood at 62,011.

Growth in number of connects

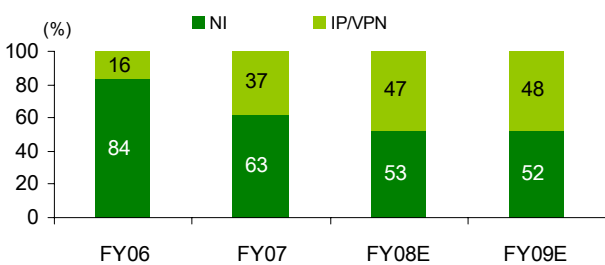


Source: Religare Research

Increasing connects would improve margins

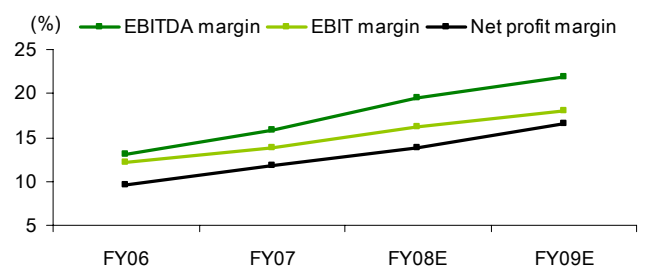
We expect profit margins in the connectivity business to improve as more subscribers utilise the network. The operating leverage in the business comes from the fact that network costs like depreciation and inter-city fibre-optic network utilisation increases.

Increasing contribution of IP/VPN services...



Source: Religare Research

...aiding margin improvement



Source: Religare Research

We shift to a one-year target price of Rs 1,015

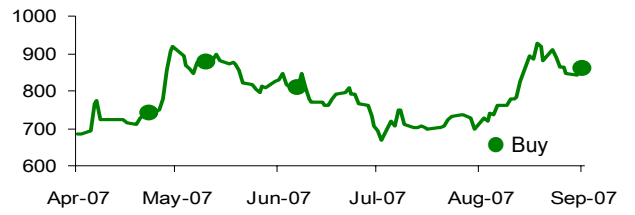
We are rolling forward our target price from March 2008 to a one-year horizon. We have also factored in the possible 18% equity dilution arising out of the FCCB issue at a conversion price of Rs 1,137. We have valued the company using a sum-of-the parts (SOTP) method for the network integration and data connectivity businesses. These two segments have been assessed using the DCF and EV/EBIT valuation approaches respectively. At the current price of Rs 862 the stock is trading at 15.5x and 11.1x its expected FY08 and FY09 earnings of Rs 55.6 and Rs 77.8 respectively. We maintain our Buy rating on the stock with a one-year target price of Rs 1,015.

Recommendation history

Date	Event	Reco price	Tgt price	Reco
11-May-07	Initiating Coverage	742	932	Buy
28-May-07	Company Update	875	932	Buy
26-Jul-07	Results Update	749	932	Buy
20-Sep-07	Company Update	862	1,015	Buy

Source: Religare Research

Stock performance



Source: Religare Research

Financials

Profit and Loss statement

(Rs mn)	FY06	FY07	FY08E	FY09E
Revenues	5,083.6	8,425.6	11,633.7	13,612.2
Growth (%)	48.6	65.7	38.1	17.0
EBITDA	662.6	1,328.3	2,277.3	2,980.6
Growth (%)	232.2	100.5	71.4	30.9
Depreciation	43.1	158.5	393.1	537.4
EBIT	619.6	1,169.8	1,884.2	2,443.2
Growth (%)	226.9	88.8	61.1	29.7
Interest	63.6	130.8	174.9	116.6
Other income	8.3	23.5	31.2	60.0
EBT	564.3	1,062.5	1,740.5	2,386.6
Growth (%)	251.6	88.3	63.8	37.1
Tax	76.2	92.7	128.1	130.7
Effective tax rate	13.5	8.7	7.4	5.5
Adj net income	488.0	997.2	1,612.5	2,255.8
Growth (%)	250.6	104.3	61.7	39.9
Shares outstanding (mn)	26.0	29.0	29.0	29.0
FDEPS (Rs)	29.0	34.4	55.6	77.8
DPS (Rs)	1.0	2.0	3.0	3.0
CEPS (Rs)	20.4	39.9	69.2	96.3

Source: Company, Religare Research

Cash flow statement

(Rs mn)	FY06	FY07	FY08E	FY09E
Net income	488.0	997.2	1,612.5	2,255.8
Depreciation	43.1	158.5	393.1	537.4
Other adjustments	40.6	116.2	85.7	85.7
Changes in WC	(979.1)	52.3	(1,704.6)	(1,704.6)
Operating cash flow	(407.4)	1,324.2	386.7	1,742.8
Capital expenditure	(574.3)	(1,929.8)	(360.9)	(1,043.6)
Investments	(19.9)	137.5	340.0	-
Other investing inc/(exp)	-	-	-	-
Investing cash flow	(955.7)	(1,770.5)	(20.9)	(1,043.6)
Free cash flow	(1,363.1)	(446.4)	365.9	699.2
Issue of equity	948.0	-	-	-
Issue/repay debt	518.2	660.1	6,075.0	(400.0)
Dividends paid	(33.1)	(67.9)	(97.9)	(130.5)
Others	(63.6)	(130.8)	-	-
Financing cash flow	1,369.7	461.5	5,977.1	(530.5)
Beg. cash & cash eq	4.2	10.7	25.9	6,368.9
Chg in cash & cash eq	6.5	15.1	6,343.0	168.7
Closing cash & cash eq	10.7	25.9	6,368.9	6,537.6

Source: Company, Religare Research

Balance sheet

(Rs mn)	FY06	FY07	FY08E	FY09E
Cash and cash eq	10.8	25.9	6,368.9	6,537.6
Accounts receivable	1,458.4	1,398.8	2,894.2	3,936.8
Inventories	262.5	205.2	701.2	820.5
Others current assets	-	-	-	-
Current assets	1,875.5	1,996.3	10,330.7	11,661.2
LT investments	477.5	340.0	-	-
Net fixed assets	727.2	2,497.3	2,279.9	2,786.1
CWIP	1,864.7	1,970.4	3,961.7	5,123.6
Total assets	3,080.2	4,833.1	12,610.6	14,447.3
Payables	304.3	347.6	634.4	745.9
Others	151.0	65.0	64.8	64.8
Current liabilities	455.1	613.0	807.6	919.0
LT debt	755.8	1,416.0	7,491.0	7,091.0
Other liabilities	8.3	75.0	75.0	75.0
Equity capital	290.0	290.0	290.0	290.0
Reserves	1,578.1	2,507.4	4,022.1	6,147.4
Net Worth	1,868.0	2,797.4	4,312.0	6,437.4
Total liabilities	3,080.2	4,833.1	12,610.6	14,447.3
BVPS (Rs)	71.9	96.5	148.7	222.0

Source: Company, Religare Research

Financial ratios

	FY06	FY07	FY08E	FY09E
EBITDA margin (%)	13.0	15.8	19.6	21.9
EBIT margin (%)	12.2	13.9	16.2	17.9
Net profit margin (%)	9.6	11.8	13.9	16.6
FDEPS growth (%)	150.0	18.6	61.7	39.9
Receivables (days)	104.7	60.6	90.8	105.6
Inventory (days)	18.9	8.9	22.0	22.0
Payables (days)	21.8	15.1	19.9	20.0
Current ratio (x)	4.1	3.3	12.8	12.7
Interest coverage (x)	9.7	8.9	10.8	21.0
Debt/equity ratio (x)	2.6	4.9	25.8	24.5
ROE (%)	26.1	35.6	37.4	35.0
ROCE (%)	23.6	27.7	16.0	18.1
ROAE (%)	20.1	24.2	14.9	16.9
EV/Sales (x)	5.2	3.1	2.3	1.9
EV/EBITDA (x)	39.8	19.9	11.6	8.8
P/E (x)	29.7	25.1	15.5	11.1
P/BV (x)	12.0	8.9	5.8	3.9
P/CEPS (x)	42.2	21.6	12.5	8.9

Source: Company, Religare Research

Garware Offshore

Company Update

CMP: Rs 187

Target: Rs 272

BUY

Piyush Parag

(91-22) 6612 4730

piyush.parag@religare.in

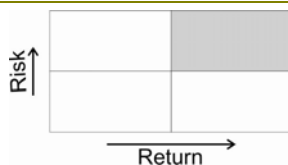
BSE code	501848
NSE code	GARWOFFS

Company data

Particulars	
Market cap (Rs bn / US\$ mn)	3.6/88.0
Outstanding equity shares (mn)	18.8
52-week high/low (Rs)	300/82
6-month average daily volume	49,823

Financial snapshot

Particulars	CY06	CY07E	CY08E
Sales (Rs mn)	523.8	893.1	1,322.6
Growth (%)	69.7	70.5	48.1
Adj net profit (Rs mn)	156.7	236.1	395.9
Growth (%)	48.1	50.6	67.7
FDEPS (Rs)	7.1	9.9	16.6
Growth (%)	5.8	39.8	67.7
P/E (x)	26.4	18.9	11.2
RoE (%)	17.0	16.8	21.1

Risk-return profile**Shareholding pattern**

(%)	Jun-07	Mar-07
Promoters	33.4	32.5
FIs	15.1	15.2
Banks & FIs	3.7	3.0
Public & others	47.8	49.3

Stock performance

Returns (%)	CMP	1-mth	3-mth	6-mth
GOSL	187	8.4	(10.2)	12.3
Sensex	16,323	13.1	13.3	28.5

Company website	www.garwareoffshore.com
------------------------	--------------------------------

Singapore subsidiary to explore global opportunities

We recently met the management of Garware Offshore Services (GOSL) and remain convinced that the company is on a strong growth path. GOSL has set up a wholly-owned subsidiary in Singapore to explore potential marine offshore opportunities in the oil and gas space. The management also indicated that its plans to set up a Workshop Design Centre in India in collaboration with Norway-based Havyard Leirvik were progressing smoothly. Further, it is in the final stages of talks with Havyard for its foray into management service contracts. We reaffirm our positive stance on the company and maintain our Buy call on the stock.

Formation of Singapore-based subsidiary

GOSL has formed a wholly-owned subsidiary in Singapore named Garware Offshore International Services. This subsidiary has been incorporated to tap into the potential business opportunities in the oil and gas space. Its main area of business will include 'in and out' chartering of ships to exploration and production (E&P) companies as well as the provision of all marine offshore and logistics services on a global scale. GOSL has invested US\$ 100,000 as equity in the subsidiary, and will infuse further funds as and when the business requires.

Design KPO set up

GOSL plans to enter into a joint venture with Norway-based Havyard Leirvik, one of the biggest shipbuilding yards in Europe, to set up a Knowledge Process Outsourcing (KPO) outfit in India. The KPO will function as a 'Workshop Design Centre' and operate in collaboration with Havyard to design all types of marine assets and offer customised solutions to vessel yards and buyers in both domestic as well as international markets.

The company has a meeting scheduled with Havyard next month to discuss various aspects of the joint venture. Currently, Havyard services four to five clients per annum and earns around US\$ 300,000–400,000 per client. By transferring its design operations to India, Havyard would be able to service six to seven clients a year and save nearly 60% of its total cost. We expect this KPO to be a major revenue driver for GOSL going forward.

Management service contracts

GOSL has also signed an MoU with Havyard to act as the latter's exclusive representative for the supply of vessels to Indian shipping companies and for the supply of Havyard designs to Indian shipyards. The company is in the final stage of talks for this joint venture.

Other growth plans remain intact

GOSL's order book consists of one platform supply vessel (PSV), two 60T anchor handling tug supply (AHTS) vessels, one 80T AHTS vessel and two construction barges. The total committed capital expenditure towards these purchases is about US\$ 114.4mn (including mobilisation costs) till CY09. Post these acquisitions, the company's total fleet size would double to 13 vessels.

Fleet profile

Vessels	Operator	Term	Day rates (US\$)	Remarks
4 AHTS vessels	ONGC	Up to May 2007	4,500	Contract likely to be renewed
PSV I	British Gas	Up to Jan 2008	14,250	-
PSV II	Transocean	Up to Jan 2010	15,400	-
PSV III	ONGC	5 years	15,500	To be deployed in June 2007

Source: Company

Delivery schedule for new vessels

Vessel	Delivery date	Cost of vessel (US\$ mn)	Expected day rates (US\$)
PSV V	Dec-07	25.6	15,500
AHTSV I-60T	Dec-07	14.6	8,500
AHTSV II-60T	Jun-08	14.6	8,500
AHTSV III-80T	Sep-08	14.6	8,500
Two construction	-	45.0	16,500
Total estimated		138.0	

Source: Company, Religare Research

Financial outlook

PSVs to drive operating revenues at 59% CAGR over CY06-CY08

We expect GOSL's operating revenues to increase at a 59% CAGR to Rs 1.3bn by CY08, backed by a strong charter rate environment and higher capacity due to new vessel additions. The company plans to deploy a total of five PSVs by CY09, which are likely to contribute 67% of total revenues.

Strong charter rate environment and fleet augmentation to expand revenues

Revenue forecast

(Rs mn)	CY06	CY07E	CY08E	CY09E
AHTSVs (GI, GII, GIII, GV)	289.0	280.9	212.5	212.5
% of total income	55.2	31.5	16.1	11.4
PSVs	234.8	600.6	870.3	1,249.4
% of total income	44.8	67.3	65.8	66.8
AHTSVs – 60T (New)	0.0	11.6	239.7	409.5
% of total income	0.0	1.3	18.1	21.9

Source: Company, Religare Research

EBITDA margin to expand substantially

We expect the company's operating margin to improve by about 750bps from 56.2% in CY06 to 63.8% in CY08 on account of the higher contribution from PSVs, which offer relatively better contract rates. We expect operating profit to grow at a CAGR of 69% over CY06-CY08.

Net profit CAGR of 59% till CY08

We expect net profit to grow at a CAGR of 59% over CY06-CY08 on the back of a sharp improvement in margins and a healthy growth in topline. Consequently, EPS is expected to grow from Rs 7 in CY06 to Rs 17 in CY08.

Valuation

Our target of Rs 272 represents a 44% upside; Buy

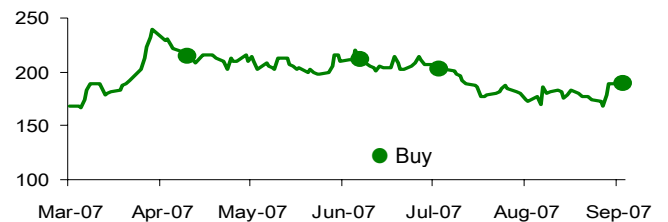
At the current market price, the stock is trading at P/E multiples of 18.9x and 11.2x on CY07E and CY08E respectively. We remain positive on the stock and reiterate our Buy call with an end-FY09 target price of Rs 272, providing an upside of 44% from the current levels.

Recommendation history

Date	Event	Reco price	Tgt price	Reco
25-Apr-07	Initiating Coverage	212	272	Buy
22-Jun-07	Company Update	214	272	Buy
18-Jul-07	Company Update	203	272	Buy
19-Sep-07	Company Update	187	272	Buy

Source: Religare Research

Stock performance



Source: Religare Research

Financials

Profit and Loss statement

(Rs mn)	CY05	CY06	CY07E	CY08E
Revenues	308.6	523.8	893.1	1,322.6
Growth (%)	(3.2)	69.7	70.5	48.1
EBITDA	136.6	294.6	536.1	843.3
Growth (%)	(1.5)	115.7	82.0	57.3
Depreciation	35.7	76.2	132.1	192.3
EBIT	100.8	218.3	403.9	651.0
Growth (%)	(7.0)	116.5	85.0	61.2
Interest	5.4	67.6	163.7	290.5
Other income	18.6	13.6	0.0	40.0
EBT	114.1	164.4	240.2	400.6
Growth (%)	8.6	44.1	46.2	66.7
Tax	8.2	7.6	4.2	4.7
Effective tax rate	7.2	4.6	1.7	1.2
Adj net income	105.8	156.7	236.1	395.9
Growth (%)	(14.4)	48.1	50.6	67.7
Shares outstanding (mn)	15.8	18.8	23.8	23.8
FDEPS (Rs)	6.7	7.1	9.9	16.6
DPS (Rs)	1.3	2.1	2.3	2.6
CEPS (Rs)	9.0	10.5	15.5	24.7

Source: Company, Religare Research

Cash flow statement

(Rs mn)	CY05	CY06	CY07E	CY08E
Net income	105.8	156.7	236.1	395.9
Depreciation	35.7	76.2	132.1	192.3
Other adjustments	(45.9)	141.7	-	-
Changes in WC	5.3	(62.5)	(239.3)	266.1
Operating cash flow	101.0	312.1	128.9	854.3
Capital expenditure	(809.5)	(1,673.4)	(1,455.3)	(1,376.6)
Investments	(0.3)	(1.0)	-	-
Other investing inc/(exp)	(136.0)	(258.0)	(25.6)	(1,166.9)
Investing cash flow	(945.8)	(1,932.5)	(1,480.9)	(2,543.5)
Free cash flow	(844.8)	(1,620.4)	(1,352.0)	(1,689.2)
Issue of equity	86.0	276.9	415.3	-
Issue/repay debt	779.6	1,036.4	912.8	1,599.8
Dividends paid	(19.8)	45.5	54.5	61.3
Others	9.2	338.5	6.6	(33.4)
Financing cash flow	855.0	1,697.2	1,389.2	1,627.7
Beg. Cash & cash eq	19.0	29.2	106.1	143.3
Chg in cash & cash eq	10.2	76.9	37.2	(61.5)
Closing cash & cash eq	29.2	106.1	143.3	81.8

Source: Company, Religare Research

Balance sheet

(Rs mn)	CY05	CY06	CY07E	CY08E
Cash and cash eq	29.2	106.1	143.3	81.8
Accounts receivable	146.0	112.1	153.8	189.6
Inventories	31.1	60.1	60.0	60.0
Others current assets	130.0	124.8	302.7	212.0
Current assets	336.3	403.0	659.7	543.3
LT investments	4.6	5.6	5.6	5.6
Net fixed assets	1,223.8	2,315.9	3,911.0	5,970.0
CWIP	59.8	350.7	-	-
Total assets	1,624.5	3,075.2	4,576.4	6,519.0
Payables	31.3	19.3	19.3	19.3
Others	36.6	74.7	91.2	99.5
Current liabilities	67.9	94.0	110.5	118.7
LT debt	810.8	1,847.2	2,760.0	4,359.8
Other liabilities	-	32.7	-	-
Equity capital	157.9	188.3	238.1	238.1
Reserves	587.9	913.0	1,467.8	1,802.3
Net Worth	745.8	1,101.3	1,705.9	2,040.4
Total liabilities	1,624.5	3,075.2	4,576.4	6,519.0
BVPS (Rs)	102.9	49.8	71.6	85.7

Source: Company, Religare Research

Financial ratios

	CY05	CY06	CY07E	CY08E
EBITDA margin (%)	44.3	56.2	60.0	63.8
EBIT margin (%)	32.7	41.7	45.2	49.2
Net profit margin (%)	34.3	29.9	26.4	29.9
FDEPS growth (%)	(22.1)	5.8	39.8	67.7
Receivables (days)	169.2	88.7	91.7	94.7
Inventory (days)	93.9	154.7	156.7	158.7
Payables (days)	123.7	39.7	37.7	35.7
Current ratio (x)	5.0	4.3	6.0	4.6
Interest coverage (x)	18.8	3.2	2.5	2.2
Debt/equity ratio (x)	1.1	1.7	1.6	2.1
ROE (%)	16.0	17.0	16.8	21.1
ROCE (%)	8.8	9.6	10.8	12.0
ROAE (%)	9.6	9.3	10.6	11.7
EV/Sales (x)	12.1	11.2	7.9	6.6
EV/EBITDA (x)	27.3	19.9	13.2	10.4
P/E (x)	27.9	26.4	18.9	11.2
P/BV (x)	1.8	3.8	2.6	2.2
P/CEPS (x)	20.9	17.7	12.1	7.6

Source: Company, Religare Research

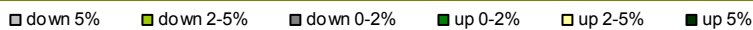
Recommendation tracker

Date	Company	Report type	Stock price (Rs)	Target (Rs)	Reco
02-Aug-07	KPR Mills	IPO Note	225-265	NA	AVOID
02-Aug-07	Riddhi Siddhi Gluco Biols	Results Update	265	365	BUY
06-Aug-07	Mahindra and Mahindra	Results Update	678	990	BUY
06-Aug-07	Cinemax	Results Update	142	189	BUY
06-Aug-07	Parsvnath Developers	Initiating Coverage	326	512	BUY
08-Aug-07	Wipro Technologies	Company Update	459	595	HOLD
09-Aug-07	Punjab National Bank	Analyst Meet Note	521	610	BUY
13-Aug-07	Bajaj Auto	Company Update	2,319	2,748	BUY
13-Aug-07	IVRCL Infrastructures & Projects	Initiating Coverage	381	488	BUY
13-Aug-07	Inox Leisure	Results Update	121	120	SELL
14-Aug-07	Madhucon Projects	Company Update	247	332	BUY
16-Aug-07	Riddhi Siddhi Gluco Biols	Company Update	270	365	BUY
17-Aug-07	Jindal Drilling and Industries	Initiating Coverage	754	1,056	BUY
20-Aug-07	Motilal Oswal Financial Services	IPO Note	725 – 825	NA	SUBSCRIBE
20-Aug-07	Time Technoplast	Initiating Coverage	525	736	BUY
22-Aug-07	Sujana Towers	Company Update	122	157	BUY
22-Aug-07	Prism Cement	Initiating Coverage	51	81	BUY
24-Aug-07	PVR Cinemas	Company Update	179	277	BUY
27-Aug-07	Cipla	Company Update	171	191	HOLD
27-Aug-07	IT People	FPO Note	40	30-32	NA
28-Aug-07	Ashok Leyland	Company Update	35	48	BUY
29-Aug-07	Parsvnath Developers	Company Update	287	512	BUY
30-Aug-07	Jagran Prakashan	Initiating Coverage	551	662	BUY
30-Aug-07	Deccan Chronicle	Initiating Coverage	228	273	BUY
30-Aug-07	HT Media	Initiating Coverage	211	232	NEUTRAL
03-Sep-07	Central Bank of India	Company Update	125	144	HOLD
04-Sep-07	Maruti Udyog	Company Update	881	945	BUY
05-Sep-07	Parsvnath Developers	Company Update	316	512	BUY
05-Sep-07	MindTree Consulting	Initiating Coverage	589	556	SELL
05-Sep-07	Shri Lakshmi Cotsyn	Initiating Coverage	104	210	BUY
06-Sep-07	Power Grid Corporation of India	IPO Note	44 – 52	NA	SUBSCRIBE
07-Sep-07	Balaji Telefilms	Company Update	255	341	BUY
10-Sep-07	Greenply Industries	Company Update	230	288	BUY
10-Sep-07	HDIL	Initiating Coverage	533	694	BUY
11-Sep-07	Cadila Healthcare	Company Update	320	416	BUY
12-Sep-07	Petronet LNG	Company Update	67	73	BUY
12-Sep-07	Great Offshore	Company Update	868	1,045	BUY
13-Sep-07	IVRCL Infrastructure & Projects	Company Update	379	443	BUY
14-Sep-07	KPIT Cummins Infosystems	Company Update	142	173	BUY
14-Sep-07	Nicholas Piramal India	Company Update	272	332	BUY
18-Sep-07	HDIL	Company Update	609	694	BUY
19-Sep-07	Jubilant Organosys	Company Update	290	388	BUY
19-Sep-07	Punjab National Bank	Company Update	492	610	BUY
20-Sep-07	Tulip IT Services	Company Updates	862	1,015	BUY
20-Sep-07	Garware Offshore	Company Updates	187	272	BUY

Market trends

BSE sectoral indices

	% Chg				Constituent performance
	18-Sept	1-day	1-mth	3-mth	
Automobiles	5,094	3.5	10.8	7.0	
Banks	8,691	4.8	13.4	11.6	
Capital Goods	14,113	1.8	14.5	22.7	
Comm. & Tech.	3,620	3.4	4.0	(2.2)	
Consumer Durables	4,744	1.2	17.6	18.6	
FMCG	2,141	2.0	16.1	18.2	
Healthcare	3,704	1.2	4.7	(2.6)	
IT	4,491	2.4	0.7	(8.1)	
Metal	12,546	3.8	23.0	17.0	
Oil & Gas	8,924	5.0	17.1	16.6	
Mid-caps	7,117	1.9	12.2	12.2	
Small-caps	8,871	1.0	13.3	19.5	

Number of companies: 

Emerging markets

Country	% Chg				
	18-Sept	1-day	1-mth	3-mth	6-mth
Brazil	57,264	1.1	16.4	6.0	29.1
Shanghai	5,452	1.1	11.2	30.4	79.8
Hong Kong	25,747	0.8	19.2	18.7	33.0
India	16,323	4.2	13.1	13.3	28.5
South Korea	1,913	0.5	10.5	7.2	32.4
Taiwan	9,091	1.8	6.8	3.8	17.5

FII statistics

(US\$ mn)	1-day	WTD	MTD	YTD
India	(33.7)	(99.2)	1,018.3	9,392.3
South Korea	(351.9)	(648.9)	(1,923.8)	(15,940.8)
Taiwan	778.3	531.3	739.4	2,711.5
Thailand	195.2	(55.4)	(107.7)	2,859.8

Events calendar

Board meetings

September 20		21	22
Petron Engg – Results	Lakshmi Cotsyn – General	ABG Shipyard	Atlanta
	Era Constructions	GMR Industries	Maharashtra Seamless
	Tulip IT		
23	24	25	
	Pfizer – Results	Pioneer Embroideries	Rathi Udyog
	Zen Technologies	Godawari Power & Ispat	A K Capital
		ICSA.	Jindal Poly
26	27	28	
Sundaram Clayton	Sakthi Sugars	Kaycee Industries	Procter & Gamble
			GMR INFRASTR - Stock Split

Trade data

Institutional bulk deals

Scrip	Client	Buy/Sell	Quantity	Avg Price (Rs)
Atul	Macquarie Bank	S	217,883	75.1
Atul	Macquarie Bank	S	175,000	74.8
Dhampur Sugar Mills	Merrill Lynch Capital Markets Espana	B	250,000	61.9
Dwar Sugar	Merrill Lynch Capital Markets Espana	B	120,000	65.8
Dwar Sugar	HSBC Global Investment Funds	S	139,956	64.7
Dwarikesh Sugar Industrie	Merrill Lynch Capital Markets Espana	B	127,633	64.8
Dwarikesh Sugar Industrie	HSBC Global Investment Funds A/C Hsbc Global	S	137,000	64.1
Evinix	Sophia Growth A Class Of Somerset India	B	400,000	191.0
IFCI	Abn Amro Asia (Mauritius)	B	3,286,875	80.4
IFCI	Morgan Stanley Dean Witter Mauritius Co	S	6,200,000	80.5
Jsw Steel	Asia Pacific Performance Sicav	S	895,117	703.9
Karut Net	Deutsche Bank Ag London GDR Account	S	213,750	229.8
Karuturi Networks	Deutsche Bank	S	155,000	229.7
Megasoft	BNP Paribas Arbitrage	B	570,000	113.0
Megasoft	Sundaram BNP Paribas Select Midcap Fund	S	577,149	113.0
Murudeshwar Ceram	Kotak Mahindra International	B	330,000	141.8
Rajesh Expot	Mavi Investment Fund	B	200,000	824.3
Reliance Indl Infra	Sundaram Mutual Fund A/C Sundaram Growth Fund	B	110,000	832.3
Rohta India	Merrill Lynch Capital Markets Espana	B	600,000	470.1
Salora Int	Macquarie Bank	B	83,930	205.0
Tourism Finance Corp	BSMA	B	407,400	37.5
United Spirits	FID Funds Mauritius	S	1,300,000	1,848.0
Unity Infra	Deutsche Securities Mauritius	B	100,000	610.0
Unity Infraprojects	Deutsche Securities Mauritius	B	100,000	610.0

Source: BSE

Insider trading

Scrip	Acquirer/Seller	Buy/Sell	Shares transacted		Post-transaction holding	
			Qty	%	Qty	%
Adinath Exim Resources	Mita Savla	B	2,800	-	321,800	7.8
Ambuja Cements	N K Hapani	S	5,000	-	108,750	-
Banswara Syntex	Lawson Trading Co	B	25,310	0.2	297,018	2.3
Ccl Products (India)	Bear Stearns & Co A/C Bsma	S	569,278	4.3	295,761	2.2
Ccl Products (India)	Reliance Portfolio Mgmt Services	S	20,000	0.2	169,613	1.3
Ccl Products (India)	Reliance Mutual Fund	B	956,680	7.2	956,680	7.2
Dhampure Speciality Sugars	The Dhampur Sugar Mills	S	2,581	-	365,427	5.1
Dolat Investments	Gigantic Investments	S	103,535	0.1	280,718	0.3
Goldstone Teleservices	Rjl Infrastructure	B	1,000,000	4.8	2,536,192	12.1
Hitech Plast	Mr Ashok K Goyal	S	5,302	-	-	-
Hi-Tech Gears	Hi-Tech Portfolio Investments	B	922	-	955,961	10.2
Housing Development Finance	D M Sukhtankar	S	200	-	40,700	-
ICICI Bank	Rajiv Arora	B	5,575	-	5,575	-
ICICI Bank	Ripujit Chaudhuri	B	2,000	-	2,800	-
ICICI Bank	Subrata Mukherji	S	4,000	-	147,800	-
ICICI Bank	Bhagav Dasgupta	S	20,000	-	34,500	-
ICICI Bank	Madhav Kalyan	S	6,800	-	34,400	-
ICICI Bank	Vikas Agarwal	S	1,000	-	-	-
ICICI Bank	Hemang Anil Thanavala	S	2,500	-	5,000	-
ICICI Bank	Piyush Bhatia	S	1,000	-	17,940	-
ICICI Bank	Rahul Bhuskute	S	600	-	2,095	-

Scrip	Acquirer/Seller	Buy/Sell	Shares transacted		Post-transaction holding	
			Qty	%	Qty	%
ICICI Bank	Sanjay Shirole	S	600	-	4,770	-
ICICI Bank	Sudhakar Bhowaraju	S	1,000	-	600	-
IQMS Software	Dr Vivek Hebbar	B	50,000	-	50,000	-
ISMT	A K Jain	B	10,000	-	1,707,281	1.2
ITC	S S H Rehman	S	10,000	-	57,425	-
ITC	Dr B Sen	S	20,000	-	170,600	-
ITC	Mr Anup Singh	S	20,000	-	193,520	-
JK Cement	Rajesh Kumar Upadhaya	S	40	-	--	-
Kesoram Industries	ICICI Prudential Mutual Fund	S	49,300	0.1	2,471,311	5.4
Kotak Mahindra Bank	Vipin Verma	S	900	-	--	-
Lupin	Bosco C Martins	S	120	-	300	-
Mahindra & Mahindra	Deepak S Parekh	B	3,332	-	49,422	-
Mahindra & Mahindra	Nadir B Godrej	B	3,332	-	104,782	-
Mahindra & Mahindra	M M Murugappan	B	3,332	-	43,332	-
Mahindra & Mahindra	N Vaghul	B	3,332	-	43,332	-
Mahindra & Mahindra	Dr Ashok S Ganguly	B	3,332	-	43,332	-
Mahindra & Mahindra	R K Kulkarni	B	3,332	-	42,120	-
Mahindra & Mahindra	Bharat N Doshi	B	6,666	-	244,850	0.1
Mahindra & Mahindra	Arun Kumar Nanda	B	6,666	-	201,198	0.1
Mahindra & Mahindra	Narayan Shankar	B	2,020	-	2,142	-
Mahindra & Mahindra	Nadir B Godrej	B	2,000	-	101,450	-
Praj Industries	Sivaramakrishnan Iyer	S	60,000	-	20,000	-
PTC India	The Tata Power Company	S	3,079,722	2.1	6,338,732	4.2
Satyam Computer Services	K Sriram	S	2,000	-	-	-
Sita Enterprises	Bombay Mercantile & Leasing Co	S	51,600	-	1,100,200	36.7
Spentex Industries	Swiss Finance Corporation (M)	S	99,000	0.1	2,610,577	3.7
Srei Infrastructure Finance	Bear Stearns & Co Inc A/C Bsma	B	2,779,217	2.6	7,650,116	7.0
Subex Azure	Govt Of Singapore Invnt Corp Pte	B	61,150	-	1,775,270	5.1
Subhkam Capital	Arti R Kathotia	S	24,000	0.5	408,398	8.2
Subhkam Capital	Rakesh S Kathotia (Huf)	S	23,990	0.5	93,460	1.9
Subhkam Capital	Arti R Kathotia	S	24,000	0.5	384,398	7.7
Subhkam Capital	Rakesh S Kathotia	S	15,000	-	771,229	-
Subhkam Capital	Rakesh S Kathotia (Huf)	S	24,000	0.5	69,460	1.4
Subhkam Capital	Subhkam Properties	S	34,000	0.7	466,000	9.3
Subhkam Capital	Rakesh S Kathotia (Huf)	S	12,000	0.2	57,460	1.2
Suprajit Engineering	K Ajith Kumar Rai	B	18,546	-	4,302,081	36
Suzlon Energy	V A Parmar	S	3,250	-	230,750	-
Suzlon Energy	D K Parmar	S	3,250	-	212,750	-
Suzlon Energy	Nalini R Parmar	S	9,000	-	171,000	-
Suzlon Energy	Sheela B Parmar	S	9,500	-	170,500	-
Suzlon Energy	Nidhi T Tanti	S	1,000,000	-	4,810,400	2
Suzlon Energy	Rambhaben Ukabhai	S	875,000	-	13,161,400	5
Tonira Pharma	Piyush Bhailal Shah	S	2,000	-	99,700	1
Tonira Pharma	Piyush Bhailal Shah	S	1,200	-	98,500	1
Tonira Pharma	Piyush Bhailal Shah	S	15,540	-	82,960	1
Tonira Pharma	Anil Virendra Shah Ranjan V Shah	S	2,399	-	3,100	-

Source: BSE

RELIGARE RESEARCH

Fundamental Research

Amitabh Chakraborty, CFA, FRM	President - Equity	amitabh.chakraborty@religare.in	(91-22) 6612 4603
Piyush Parag	Auto, Auto Ancillaries, Shipping	piyush.parag@religare.in	(91-22) 6612 4730
Abhishek Agarwal	Agri-commodities, Banking	abhishek.a@religare.in	(91-22) 6612 4753
Dinesh Shukla	Agri-commodities, Banking	dinesh.shukla@religare.in	(91-22) 6612 4739
Ram Patnaik	Agri-commodities, Media, FMCG	ram.patnaik@religare.in	(91-22) 6612 4752
Vinod Nair	Capital Goods, Engineering, Metals, Media	nair.vinod@religare.in	(91-22) 6612 4731
Ronald Siyoni	Capital Goods, Engineering, Power	ronald.siyoni@religare.in	(91-22) 6612 4615
Dalpat Mehta	Cement, Textiles	dalpat.mehta@religare.in	(91-22) 6612 4696
Anurag Purohit	Information Technology, Telecom	anurag.purohit@religare.in	(91-22) 6612 4795
Hitesh Punjabi	Information Technology, Telecom	hitesh.punjabi@religare.in	(91-22) 6612 4769
Suman Memani	Mid-caps, Construction, Realty	suman.memani@religare.in	(91-22) 6612 4736
Sudeep Anand	Oil & Gas, Chemicals	sudeep.anand@religare.in	(91-22) 6612 4670
Alok Dalal	Pharmaceuticals	alok.dalal@religare.in	(91-22) 6612 4750

Technical Research

Birendrakumar Singh	birendrakumar.singh@religare.in	(91-22) 6612 4657
Vasant Joshi	vasant.joshi@religare.in	(91-22) 6612 4614
Amit Shitut	amit.shitut@religare.in	(91-20) 3024 0376
Kalpana Kabra	kalpana.kabra@religare.in	(91-33) 3051 0947

Derivatives Research

Anil Gupta	anil.g@religare.in	(91-22) 6612 4661
Samir Badami	samir.badami@religare.in	(91-22) 6612 4637
Somendra Agarwal	somendra.agarwal@religare.in	(91-22) 6612 4767

Production

Anisha deSa	anisha.desa@religare.in	(91-22) 6612 4729
R Murali	r.murali@religare.in	(91-22) 6612 4674
Rajesh Mhatre	rajesh.mhatre@religare.in	(91-22) 6612 4728

Administration

Shraddha Hosalkar	shraddha.hosalkar@religare.in	(91-22) 6612 4680
-------------------	-------------------------------	-------------------

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

Religare Securities

Mumbai: 3rd Floor, Dheeraj Arma, Anant Kanekar Marg, Bandra (East), Mumbai-400 051. Phone: +91 22 66124600 Fax- 66124781

New Delhi: 19, Nehru Place, New Delhi - 110019, Phone: +91 11 30815100.

Disclaimer

Religare Securities Limited (Religare) has two independent equity research groups: Institutional Equities (Institutional Equity Research) and Priority Client Group (Religare Research). Religare Institutional Equity Research is aimed to service the institutional clients of Religare Securities Limited including the Portfolio Management Services of Religare whereas Religare Research is published with a view to service all segments of clients including Retail, HNIs and Institutional clients and PMS.

This document has been prepared by Religare Securities Limited – Priority Client Group. Affiliates of Religare-PCG may have issued other reports that are contrary with and reach different conclusion from the information presented in this report. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating and target price of the Institutional Equities Research Group of Religare Securities Limited.

We are not soliciting any action based upon this material. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Religare-PCG. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. Religare-PCG will not treat recipients as customers by virtue of their receiving this report. We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable. It should be noted that the information contained herein is from publicly available data or other sources believed to be reliable. Neither Religare, nor any person connected with it, accepts any liability arising from the use of this document.

This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The investment discussed or views expressed may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The recipients of this material should rely on their own investigations and take their own professional advice. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions -including those involving futures, options and other derivatives as well as non investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

Opinions expressed are our current opinions as of the date appearing on this material only. We do not undertake to advise you as to any change of our views expressed in this document. While we would endeavor to update the information herein on a reasonable basis, Religare, its subsidiaries and associated companies, their directors and employees are under no obligation to update or keep the information current. Also there may be regulatory, compliance, or other reasons that may prevent Religare and affiliates from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

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

Religare and its affiliates, officers, directors, and employees may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions. Without limiting any of the foregoing, in no event shall Religare, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Copyright in this document vests exclusively with Religare. This information should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose, without prior written permission from Religare. We do not guarantee the integrity of any e-mails or attached files and are not responsible for any changes made to them by any other person.

The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report. Analyst's holding in the stocks mentioned in the report: **NIL**.