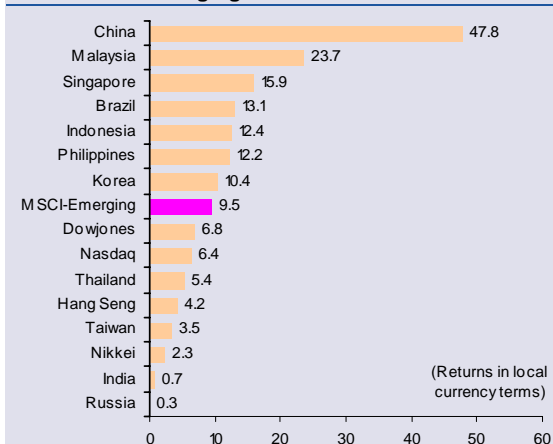
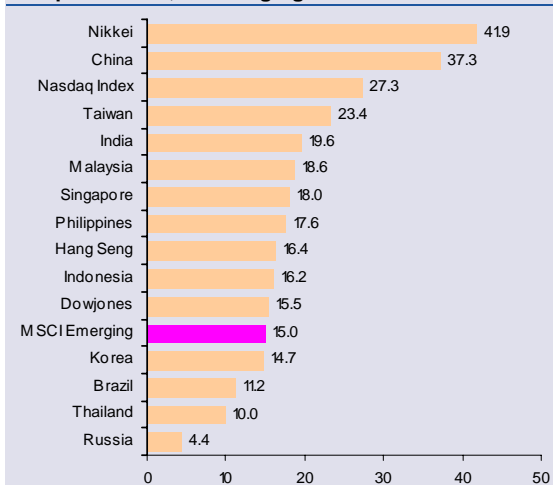


Latest daily return	Yesterday	Chg, %	YTD, %
BSE Sensex	13,879	-0.40	0.7
NSE Nifty	4,111	-0.15	3.6
Nifty Junior Index	7,606	-0.52	7.0
Nasdaq	2,571	-0.05	6.4
DJIA	13,313	0.37	6.8
Nikkei	17,623	-0.27	2.3

YTD returns: Emerging Markets



Prospective P/E, x: Emerging Markets



Note: Dowjones, Nasdaq, Nikkei from developed markets included

Commodities	Latest	% Chg	% Chg 1m
Crude (\$/barrel)	61.5	0.02	-4.36
Gold (\$/troy oz)	691.0	0.09	1.71
Copper (cents/lb)	374.0	0.74	10.75
Aluminium (\$/Ton)	2,890.0	1.49	1.76
Rubber (JPY/kg)	280.7	0.43	1.23

Currencies	Closing	% Chg
Rs/US\$	40.77	0.22
US\$/EUR	1.36	-0.07

Today's Highlights: News, Impact, Analysis

- **Tech Mahindra (TML) Q4FY07 results**
- **Amtek Auto Q3FY07 results**

Other News

- **RIL Cap:** Schroders, Blackstone & Capital, have offered to buy a small stake in RIL Cap's mutual fund biz.
- **Moser Baer:** IFC to invest Rs 1bn in Moser Baer Photo Voltaic.
- **Essar Steel:** Eyes two steel projects in Indonesia for US\$ 1bn
- **Electrosteel:** Plans to invest Rs 5bn in a 1.3mn ton steel plant
- **Tata Steel:** May sell GDRs in Singapore to finance the Corus acquisition
- **JSW Steel:** Bengal Govt. offers land to set up a 10mn steel plant
- **IFCI:** Looking for a new role, strategic ally, may turn into bank or convert into a specialised project finance leader.

MAN: BSE Sensex valuations

Index	Index Value (USDb)	M Cap	-----EPS (INR)-----			-----P/E (x)-----		
			FY06	FY07E	FY08E	FY06	FY07E	FY08E
BSE-30 Index#	13,879	446	556	729	845	24.9	19.0	16.4
growth (%)	--	--	--	31.1	15.9	--	--	--
BSE-30 (ex Financials)#	--	395	537	723	829	25.8	19.2	16.7
growth (%)	--	--	--	34.7	14.6	--	--	--
BSE-30 (ex Financial, Oil&Gas)#	--	346	463	638	752	30.0	21.7	18.4
growth (%)	--	--	--	37.9	17.9	--	--	--

not adjusted for free float

Net Institutional Investment (CYTD) and Sensex Returns

Rs mn	Absolute Change	2007	2006	2005	2004
FII, USD mn	(1,016)	2,875	3,891	3,529	4,361
Mutual Fund, USD mn	(1,900)	(512)	1,388	854	50
Sensex return		0.7	31.5	-3.2	-2.9

Indian ADR

	Price, USD	1D Change, %	Volume	Premium Discount, %
Infosys	52	-3.67	3,162,318	3.82
Dr Reddy	17	-1.50	365,500	-0.97
MTNL	7	-0.94	130,100	-1.33
Wipro	17	-2.30	330,400	21.86
HDFC Bank	73	-1.34	136,100	-0.56
ICICI Bank	41	-1.39	1,541,850	-0.34
Satyam	25	-1.52	445,322	8.89
VSNL	22	-2.42	87,700	-1.40

Source: Bloomberg, Man Financial Research

India: Cash equities and derivatives — last 10 days flows and volumes

	90d mov										
	median	20-Apr	23-Apr	24-Apr	25-Apr	26-Apr	27-Apr	30-Apr	3-May	4-May	7-May
Net Inflows (US\$ mn)											
FII Cash equities	23	170	-16	114	218	82	-44	-69	13	NA	NA
MF Cash equities	2.9	46	61	88	61	4	-9	17	72	NA	NA
FII Futures & Option	5.0	82	-10	27	-27	21	-56	-55	40	-32	-11
Total (cash+F&O)	31	298	35	229	252	107	-109	-107	125	NA	NA
Cash Equities Volumes (US\$ mn)											
FII Cash equities	1,035	1,035	932	1,474	1,527	1,411	897	830	1,325	NA	NA
MF Cash Equities	267	278	185	467	335	505	236	278	263	NA	NA
Others Cash Equities*	1,665	1,841	1,719	1,951	2,110	2,077	1,786	1,526	1,756	NA	NA
Total Cash equities	2,967	3,155	2,836	3,893	3,972	3,993	2,919	2,635	3,343	3,345	3,219
FII vol as % of total vol	34.9	32.8	32.9	37.9	38.4	35.3	30.7	31.5	39.6	NA	NA
MF vol as % of total vol	9.0	8.8	6.5	12.0	8.4	12.6	8.1	10.6	7.9	NA	NA
Others vol as % of total vol*	56.1	58.4	60.6	50.1	53.1	52.0	61.2	57.9	52.5	NA	NA
Cash equities % of India Mcap	0.35	0.35	0.31	0.42	0.42	0.43	0.32	0.28	0.35	0.35	NA
Derivatives Volumes (USDm)											
Total F&O	7,294	8,762	8,015	12,364	10,941	13,506	6,856	6,222	6,725	7,150	5,512
F&O % of India Mcap	0.89	0.97	0.87	1.32	1.16	1.44	0.74	0.67	0.71	0.76	0.59
F&O vol times cash equity vol	2.5	2.8	2.8	3.2	2.8	3.4	2.3	2.4	2.0	2.1	1.7
FII Open Interest	8,212	10,340	10,380	10,889	10,993	7,821	7,887	8,024	8,307	8,328	8,500
Total Open Interest	12,217	14,155	14,346	14,974	15,304	10,254	10,478	10,907	NA	11,692	11,979
Total OI % of India Mcap	1.51	1.56	1.55	1.60	1.62	1.09	1.13	1.18	NA	1.24	1.27

*Others include Retail segment and institutions other than FIIs and Domestic MFs

Source: SEBI, BSE, NSE and MAN Financial Research

News: Tech Mahindra (TML) Q4FY07 results

Analysis

- Net revenues grew by 13.6% sequentially to Rs 8745mn, beating our expectations. British Telecom continued to be the growth anchor with 17.1% QoQ growth. (vs. 7.1% in non-BT business)
- EBITDA margins declined by 156 bps, much lower than expected to 25.36%. SG & A expenses increased QoQ by 165 bps.
- Net profits (excluding exceptional expenses) increased by 17.6% to Rs 1961mn.
- Higher other income and lower tax rates accentuated the net profit growth.
- TML has indicated that the progress on the US\$ 1bn deal is on track with the transition nearing completion.
- Employee addition during the quarter was 1,985 primarily on the IT services side. We believe that employee addition would continue to be healthy, going forward, as the ramp-up on the BTGS engagement happens over the next few quarters.
- Tech Mahindra has expensed the entire upfront payment of ~US\$ 118.6mn made in context of the BTGS deal in the quarter. Along with this, the company has repaid almost entirely, the short-term debt raised for the payment in Q3FY07.
- We maintain a 'Neutral' rating on the stock. We would be revising our estimates based on Q4FY07 results shortly.

In Rs mn	Q4FY07	Q3FY07	QoQ(%)	FY07	FY06	YoY (%)
Net sales	8745	7698	13.6%	29290	12427	135.7%
Total Income	8,745	7,698		29,290	12,427	
Operating expenses	6527	5626		21924	9748	
EBITDA	2,218	2,072	7.0%	7,366	2,679	175.0%
Margins (%)	25.36	26.92		25.1	21.6	
Depreciation	158	137		516	397	
EBIT	2,060	1,935	6.5%	6,850	2,281	200.3%
Margins (%)	23.6	25.1		23.4	18.4	
Interest Paid	49	12		61	0	
Other income	154	-32		77	340	
Pre-tax profit	2,165	1,891		6,866	2,621	
Tax provided	204	224		740	268	
Profit after tax	-3,289	1,667		1,215	2,354	
Man Net profit	1,960	1,667	17.6%	6,125	2,354	160.2%
EPS, Rs	-25.3	13.1		9.3	18.3	

Source: Company, Man Financial Research

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News: Amtek Auto Q3FY07 Results

Analysis

Price yet to capture the growth

- Consolidated EBIDTA margin up by 140bps YoY to 20% in Q3FY07
- Q3FY07 consolidated net profit growth is robust at 55% YoY
- Earnings CAGR estimated at 22% during FY07E-FY09E, on a fully-diluted basis
- Maintain BUY and raise our price target to Rs 470

Q3FY07 Result Highlights

- Consolidated income from operation for Q3FY07 grew by 47.4% YoY and 11.8% sequentially to Rs 11billion; driven by a 42% YoY jump in standalone business and a 69.4% YoY growth reported by Ahmednagar Forgings Ltd. (group company).
- Consolidated EBIDTA margin is up by 140bps YoY in Q3FY07 at 20%, supported by the healthy EBIDTA margin of Benda Amtek and Amtek Siccardi.
- Standalone operating margin dipped 300bps YoY during Q3FY07 to 28.8%, mainly on account of input cost pressure.
- Consolidated net profit (post minority interest) for Q3FY07 grew 55.4% YoY to Rs 1.08billion. Fully diluted consolidated EPS for the quarter stood at Rs 6.7.
- Standalone net profit for Q3FY07 grew by 47.8% YoY to Rs 653million, translating into a fully diluted EPS of Rs 4.

Valuation

- At a CMP of Rs 392, Amtek Auto is trading at 14.3x and 12.3x FY08E and FY09E fully-diluted consolidated EPS of Rs 27.4 and Rs 31.9, respectively. However, if adjusted to the year-end cash per share in the books, it is trading at 10.6x and 8.6x FY08E and FY09E fully diluted consolidated EPS, respectively. We maintain BUY. However, we shift the basis of determining the price target from FY08 to FY09 and raise our price target to Rs 470, from the earlier Rs 381. To arrive at the price target, we have factored in the cash surplus available with AAL, which works out to Rs 119 per share at the end of FY09. Adjusted for the cash per share, the stock would quote at PER of 11x FY09E EPS of Rs 31.9 at our price target of Rs 470.

Key Risks

- Further equity dilution would adversely impact our EPS forecasts.

Consolidated: Q3FY07 Results

Year End: June	Q3FY07	Q3FY06	Q2FY07	9mFY07	9mFY06	FY2007e	FY2008e
Net sales	11,008	7,466	9,845	29,881	20,547	37,920	45,779
Growth, %	47.4		41.4	45.4		43.4	20.7
Total income	11,008	7,466	9,845	29,881	20,547	37,920	45,779
Operating expenses	8,812	6,077	7,890	23,977	16,770	30,398	36,422
EBITDA	2,197	1,389	1,955	5,904	3,778	7,522	9,357
Growth, %	58.1		52.4	56.3		47.3	24.4
Margin, %	20.0	18.6	19.9	19.8	18.4	19.8	20.4
Depreciation & Amortisation	368	276	339	1,036	796	1,416	1,596
EBIT	1,829	1,113	1,616	4,868	2,982	6,106	7,761
Growth, %	64.4		59.0	63.3		51.2	27.1
Margin, %	16.6	14.9	16.4	16.3	14.5	16.1	17.0
Interest paid	211	114	199	581	376	791	760
Pre-tax profit	1,618	999	1,417	4,287	2,606	5,315	7,001
Tax provided	409	225	343	1,045	549	1,422	1,925
Profit after tax	1,209	774	1,074	3,242	2,057	3,893	5,076
Minority Interest	125	76	103	315	189	418	631
Man Net Profit	1,085	698	971	2,928	1,868	3,476	4,445
Growth, %	55.4		55.8	56.8		35.5	27.9
Qtr EPS, Rs	6.7	5.7	6.0	18.1	11.5	21.4	27.4
Annualized EPS, Rs	26.8	22.9	24.0	24.1	15.4		
Unadj. shares (m)	162	122	162	162	162	162	162
Wtd avg shares (m)	162	122	162	162	162	162	162

Source: Company, Man Financial Research

Analyst: Ambrish Mishra / Associate: Prachi Kulkarni
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