

Equity indices	% Chg			
	06-July	1-day	1-mth	3-mth
<b>India</b>				
Sensex	14,964	0.7	6.4	13.6
Nifty	4,385	0.7	5.8	14.1
<b>Global/Regional markets</b>				
Dow Jones	13,612	0.3	1.4	8.3
Nasdaq	2,667	0.4	3.6	8.0
FTSE	6,690	0.8	2.8	4.6
Nikkei	18,254	0.6	2.7	2.9
Hang Seng	22,641	0.5	10.4	12.0

Value traded (Rs bn)	BSE	NSE
Cash	58.8	119.6
Derivatives	9.3	346.1
Total	68.1	465.7

Net inflows (Rs bn)	Recent trends (days)			
	05-July	-7d	-15d	-30d
FII	12.8	76.4	100.5	108.3
MF	1.9	(0.7)	4.7	5.8

Forex / Crude	% Chg			
	06-July	1day	1mth	3mth
Rs/US\$	40.4	0.2	1.1	6.3
Euro/US\$	1.4	(0.0)	2.0	2.0
Crude(\$/bbl)	72.6	(0.4)	12.0	17.9

Mkt movers (Rs)	Close	Pr. Cl.	% Chg
<b>Top gainers</b>			
Akruti Nirman	476.1	414.5	14.9
PTC India	69.8	63.3	10.3
Shree Precoated	395.9	360.0	10.0
<b>Top losers</b>			
Lakshmi Energy	187.1	196.3	(4.7)
Tata Chemicals	240.9	252.8	(4.7)
Entertainment	519.4	543.7	(4.5)

## In focus

### IT Services

#### Sector Update – Revision of estimates: Maintain positive outlook

We are revising our estimates for IT Services companies to align them with the current exchange rate scenario. We strongly believe that the pessimism related to a strong rupee has already been factored into the current stock prices. We expect Infosys to up its dollar guidance for FY08, thus minimising the impact on rupee guidance. This, in our opinion, would be viewed as a positive sign. We maintain our BUY recommendation on the companies.

**Strong Buy: Infosys, Satyam, Sasken**

### Venus Remedies

Shining bright

**CMP: Rs474 Target: Rs 708 BUY**

### Today's top picks

**Punj Llyod, Tisco, Suzlon, RCom, AIA Engineering**

## News track

- ❖ The Uttar Pradesh Government has announced the privatisation of all state-owned mills including those in the co-operative sector. These mills have a cumulative capacity to produce 1.3mn tonnes of sugar. (BL)
- ❖ Brandes Investment Partners, the second largest shareholder in Taro Pharma, plans to vote against the acquisition of Taro by Sun Pharma. (DNA Money)
- ❖ Growth of the car finance industry is stagnating despite a robust 13% growth in the passenger car segment in the Q1FY08. (BL)
- ❖ Honda City has reclaimed its leadership position in the mid-size car segment by overtaking sales of Maruti's SX4 in June. (ET)
- ❖ EPC player Subhash Projects and Marketing (SPML) has formed a 50:50 joint venture company with Cyprus-based Hydro-Comp to cater to the water utility market in India. (BS)

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

### Volume shockers

### Delivery toppers

(No of shares)	06-July	2-mth avg	Chg (x)	Del (%)	Total Vol	Cons Days Up	
Akruti Nirman	4,959,884	316,886	15.7	Aventis Pharma	97.4	161,029	4
Radico Khaitan	658,965	62,924	10.5	Venus Remedies	71.9	170,134	4
Thermax	525,088	59,436	8.8	Radico Khaitan	69.7	1,287,042	5

## Information Technology

### Sector aggregates

(Rs mn)	Apr-Jun '07	Apr-Jun '06	YoY Growth (%)	Jan-Mar '07	QoQ Growth (%)
Net sales	151,932.3	120,439.1	26.1	154,475.8	(1.6)
EBITDA	38,041.5	29,467.5	29.1	39,736.7	(4.3)
EBITDA margin (%)	23.9	24.5	-	25.7	-
PAT	33,074.7	26,597.4	24.4	36,213.8	(8.7)

Source: Company, Religare Research

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### Recommendation snapshot

Company	CMP (Rs)	Target (Rs)	Reco
Infosys	1,971	2,466	BUY
TCS	1,159	1,448	BUY
Wipro	519	659	BUY
Satyam	489	561	BUY
Sasken	494	606	BUY
Infotech	387	403	HOLD
KPIT	139	173	BUY

Source: Religare Research

### Disappointing quarter; guidance concerns remain significant

With the rupee remaining strong against major currencies and especially against the US dollar, we expect a disappointing Q1FY08 performance from Indian IT services players. Apart from putting pressure on growth rates and profit margins, rupee appreciation might compel companies to revisit their rupee guidance.

### Revenue growth muted at between 0.7% and 1.6%

Despite strong sequential volume growth, we expect players in the sector to witness subdued revenue growth of between 0.7% and 1.6% in rupee terms. In case of Wipro where volume growth is expected to be slower, we estimate that revenues in global IT services would witness a 1.7% decline.

### Salary hikes, rupee appreciation to erode margins

Due to the sudden and sharp appreciation of the rupee in Q1FY08, we expect EBITDA margins of Indian IT services players to take a hit of 190–230bps. Besides this, Q1 being a salary hike quarter, the margins would be further depressed by 200–250 bps. With margin levers like utilisation rates and reduction of SG&A expenses coming through only gradually, we expect EBITDA margins to decrease by 100–380bps across the board.

### Rupee guidance may be revised downwards...

Companies like Infosys and Satyam had given their Q1FY08 and FY08 rupee revenue and EPS guidance at rates much higher than the Rs 40.8/US\$ exchange rate prevailing at the end of Q1FY08. With the average exchange rate for the quarter remaining significantly below guidance rates, we expect these companies to find it difficult to meet their respective revenue guidance figures for Q1FY08. Further, a realignment of guidance for FY08 at the prevailing exchange rates might lower their growth prospects for the year.

### Q1FY08: Guidance vs expected

	Guidance exchange rate (Rs/US\$)	Q1FY08 Guided		Q1FY08 Expected	
		Revenue (Rs mn)	EPS (Rs)	Revenue (Rs mn)	EPS (Rs)
Infosys	43.1	38,960 - 39,130	17.8	38,254.4	17.0
Satyam	42.3	18,010 - 18,100	5.93 - 5.98	17,910.8	5.6

Source: Company, Religare Research

### ...but strong demand environment to support dollar guidance

Despite pressure on rupee guidance, we believe that Indian IT players are comfortably placed to achieve a 30% YoY growth in dollar terms due to the strong demand environment. Players like Infosys, in particular, who typically issue conservative guidance figures, may provide a positive surprise by revising their dollar guidance upwards. The strong demand environment has also led to stronger pricing for new contracts as well as existing contracts that came up of renegotiation. Price increases would help companies to partially mitigate the impact of wage hikes and the stronger rupee.

### Realigning our estimates to factor in strong rupee

We are revising our estimates for all the Indian IT companies under our coverage in order to factor in the current rupee-dollar exchange rate scenario. We have cut our FY08 and FY09 EPS estimates by 4-10% and 4-15% respectively. Accordingly, we are revising our March 2008 target prices for the companies.

#### Revised EPS estimates

(Rs)	FY08E			FY09E		
	Old	New	Chg (%)	Old	New	Chg (%)
Infosys	84.8	79.6	(6.1)	103.3	98.6	(4.6)
TCS	53.0	50.7	(4.3)	63.7	60.3	(5.3)
Satyam	25.7	23.8	(7.2)	31.6	29.5	(6.5)
Wipro	24.6	23.7	(3.4)	29.8	28.7	(3.9)
Sasken	26.9	24.3	(9.6)	40.1	34.1	(14.9)
KPIT Cummins	9.0	9.0	-	12.5	12.5	-
Infotech Enterprises	25.5	23.7	(7.3)	34.5	31.5	(8.6)

Source: Religare Research

#### Revised target price

(Rs)	Old target price	New target price
Infosys	2,583	2,466
TCS	1,530	1,448
Satyam	600	561
Wipro	687	659
Sasken	647	606
KPIT Cummins	173	173
Infotech Enterprises	435	403

Source: Religare Research

### Outlook on sector remains positive

We maintain our positive outlook on the sector as the fundamentals for growth are still intact. We believe that there is limited downside to stock prices from current levels. At current valuations, the sector provides a good opportunity for long-term investors.

### Current valuations

	CMP (Rs)	FY08E		FY09E		Reco
		P/E (x)	EV/EBITDA (x)	P/E (x)	EV/EBITDA (x)	
Infosys	1,971	24.8	21.7	20.0	17.5	BUY
TCS	1,159	22.8	18.7	19.2	15.3	BUY
Satyam	489	20.5	17.7	16.6	13.9	BUY
Wipro	519	21.8	21.4	18.1	17.4	BUY
Sasken	494	20.3	11.3	14.5	8.6	BUY
KPIT	139	15.5	10.6	11.2	8.9	BUY
Infotech	387	16.3	12.4	12.3	9.4	HOLD

Source: Religare Research

### Top picks: Infosys, Satyam and Sasken

We rate Infosys and Satyam as the safest bets among large IT players. We are also positive on Sasken and KPIT Cummins in the mid-tier segment and expect them to outperform the market in the near future.

Infosys Technologies		CMP: Rs 1,971		Target: Rs 2,466		BUY
(Rs mn)	Q1FY08E	Q1FY07	YoY Growth (%)	Q4FY07	QoQ Growth (%)	Comment
Net sales	38,254.4	30,150.0	26.9	37,720.0	1.4	Expect volume growth of 4.1% QoQ. US dollar guidance to be achieved comfortably; meeting rupee guidance would, however, be a challenge.
EBITDA	11,121.1	8,890.0	25.1	11,970.0	(7.1)	
EBITDA margin (%)	29.1	29.5	-	31.7	-	
PAT	9,723.0	7,940.0	22.5	11,430.0	(14.9)	
EPS (Rs)	17.0	14.4	18.6	20.4	(16.6)	

Tata Consultancy Services		CMP: Rs 1,159		Target: Rs 1,448		BUY
(Rs mn)	Q1FY08E	Q1FY07	YoY Growth (%)	Q4FY07	QoQ Growth (%)	Comment
Net sales	52,294.0	41,443.3	26.2	51,463.7	1.6	Volume growth to be ~5% QoQ. Expect an EBITDA margin contraction of 380bps QoQ due to rupee appreciation and salary hikes.
EBITDA	12,807.2	10,015.6	27.9	14,567.6	(12.1)	
EBITDA margin (%)	24.5	24.2	-	28.3	-	
PAT	10,203.4	8,625.7	18.3	11,727.7	(13.0)	
EPS (Rs)	10.6	8.8	20.6	12.0	(11.3)	

Wipro Technologies		CMP: Rs 519		Target: Rs 659		BUY
(Rs mn)	Q1FY08E	Q1FY07	YoY Growth (%)	Q4FY07	QoQ Growth (%)	Comment
Net sales	40,613.8	31,312.3	29.7	43,345.2	(6.3)	Weakness in quarterly performance expected to continue, with volumes in the global IT services business growing less than 4% QoQ.
Global IT services	29,826.2	24,512.7	21.7	30,357.4	(1.7)	
Operating profit	7,846.4	6,509.3	20.5	8,187.0	(4.2)	
OPM (%)	19.3	20.8	-	18.9	-	
PAT	7,735.0	6,102.9	26.7	8,613.9	(10.2)	
EPS (Rs)	5.4	4.3	24.7	6.0	(10.4)	

Satyam Computer Services		CMP: Rs 489		Target: Rs 561		BUY
(Rs mn)	Q1FY08E	Q1FY07	YoY Growth (%)	Q4FY07	QoQ Growth (%)	Comment
Net sales	17,910.8	14,429.3	24.1	17,778.0	0.7	EBITDA margin expected to decline by only 100bps QoQ due to absence of salary hikes. Chances of outperforming rupee guidance are limited.
EBITDA	4,136.7	3,550.1	16.5	4,288.3	(3.5)	
EBITDA margin (%)	23.1	24.6	-	24.1	-	
PAT	3,752.1	3,541.2	6.0	3,935.8	(4.7)	
EPS (Rs)	5.6	5.5	1.7	6.0	(6.0)	

Sasken Communications		CMP: Rs 494		Target: Rs 606		BUY
(Rs mn)	Q1FY08E	Q1FY07	YoY Growth (%)	Q4FY07	QoQ Growth (%)	Comment
Net sales	1,363.4	911.2	49.6	1,354.0	0.7	Weakness in services to continue. Wage pressure and continuing losses in products to reduce margins by 160bps. No significant improvement in product revenues expected.
EBITDA	189.5	130.8	44.9	210.0	(9.8)	
EBITDA margin (%)	13.9	14.4	-	15.5	-	
PAT	107.6	86.5	24.5	117.1	(8.1)	
EPS (Rs)	3.8	3.1	22.2	4.1	(8.1)	

Infotech Enterprises		CMP: Rs 387		Target: Rs 403		HOLD
(Rs mn)	Q1FY08E	Q1FY07	YoY Growth (%)	Q4FY07	QoQ Growth (%)	Comment
Net sales	1,531.5	1,170.3	30.9	1,511.9	1.3	Growth momentum in EMI vertical to continue; GSD expected to stabilise. 100bp QoQ improvement in utilisation rates expected to offset wage, rupee pressures.
EBITDA	297.4	219.4	35.6	308.2	(3.5)	
EBITDA margin (%)	19.4	18.7	-	20.4	-	
PAT	204.3	197.6	3.4	248.8	(17.9)	
EPS (Rs)	4.4	4.3	1.4	5.4	(18.4)	

KPIT Cummins Infosystems		CMP: Rs 139		Target: Rs 173		BUY
(Rs mn)	Q1FY08E	Q1FY07	YoY Growth (%)	Q4FY07	QoQ Growth (%)	Comment
Net sales	1,325.6	1,022.7	29.6	1,303.0	1.7	Expect a strong volume growth of ~8% QoQ. Comment on FY08 guidance to be closely watched.
EBITDA	198.9	152.4	30.6	205.6	(3.2)	
EBITDA margin (%)	15.0	14.9	-	15.8	-	
PAT	130.3	103.5	25.9	140.5	(7.2)	
EPS (Rs)	1.7	1.4	21.7	1.9	(9.7)	

# Venus Remedies

## Initiating Coverage

**CMP: Rs 474**

**Target: Rs 708**

**BUY**

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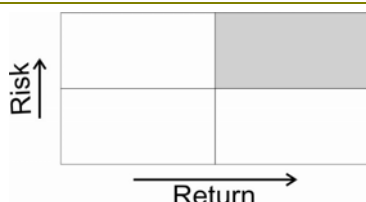
### Company data

Particulars	
Market cap (Rs mn / US\$ mn)	3,984/98
Outstanding equity shares (mn)	8.4
52-week high/low (Rs)	512/226
6-month average daily volume	33,658

### Financial snapshot

Particulars	FY07	FY08E	FY09E
Sales (Rs mn)	1,413.0	2,109.9	3,123.6
Growth (%)	53.3	49.3	48.0
Adj net profit (Rs mn)	283.5	426.6	666.5
Growth (%)	74.7	50.5	56.2
FDEPS (Rs)	29.2	44.0	68.7
Growth (%)	74.7	49.9	56.5
P/E (x)	16.2	10.8	6.9
RoE (%)	63.5	55.5	52.9

### Risk-return profile



### Shareholding pattern

(%)	Jun-07	Mar-07
Promoters	26.0	21.0
FIIIs	21.7	21.7
Corporates	18.0	12.0
Public	34.3	45.3

### Stock performance

Returns (%)	CMP	1-mth	3-mth	6-mth
Venus	474	4.4	16.5	9.3
Sensex	14,862	4.3	15.6	7.2
BSE HC	3,839	1.4	5.3	(0.5)

## Shining bright

Niche R&D player with strong patent portfolio in anti-cancer injectables

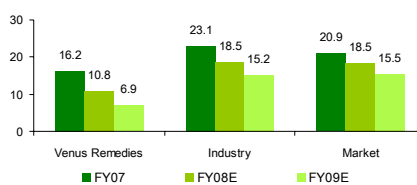
### Investment rationale

- ❖ Specialises in injectables, including the fast-growing oncology segment, where only 1% of India's 15,000 pharma players are present. One of the few companies with dedicated, USFDA-standard facilities for super-specialty, high-value injectables.
- ❖ Strong R&D focus has led to filing of 6 patents in India and PCT applications worldwide (with several first-of-their kind products in the world); 3 of these launched in India, including an FDC which became a Rs 700mn brand in the first year of launch, with the remaining products to be rolled out shortly.
- ❖ Existing brands (Ronem, Mucomelt, Neurotol) and a strong pipeline of over 40 products to drive 36% domestic revenue CAGR in FY07-FY09.
- ❖ Acquisition of a German company has opened doors to the European market. Products already registered in semi-regulated markets with a targeted presence in 40 countries by 2010, by when exports should contribute 40% to sales as compared to 17% currently.
- ❖ In advanced stages of signing a contract manufacturing agreement for an anti-cancer drug with one of the world's largest generic players. Also in the process of out-licensing its own R&D oncology product which will enhance the bottomline by way of milestone payments and royalty.
- ❖ Recently bagged the CNBC-TV18 'Emerging India Award' in the Pharma & Chemicals category from over 125,000 contenders.
- ❖ In the process of recruiting high-calibre management personnel to take its growth plans forward; has framed an innovative compensation package including ESOPs to attract top talent.

### Valuation

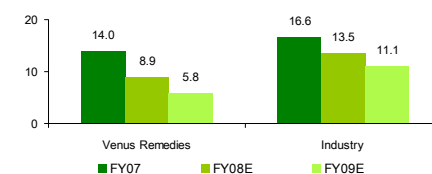
- ❖ At Rs 474, the stock is trading at 10.8x FY08E EPS of Rs 44.0 and 6.9x FY09E EPS of Rs 68.7. Valuations are attractive given the strong earnings growth expected over the next two years. Initiate coverage with Buy with a target price of Rs 708 based on 2-stage DCF valuation.

### P/E multiple (x)



Source: Religare Research

### EV/EBITDA multiple (x)



Source: Religare Research

## Financials

### Profit and Loss statement

(Rs mn)	FY06	FY07E	FY08E	FY09E
Revenues	922.0	1,413.0	2,109.9	3,123.6
Growth (%)	170.4	53.3	49.3	48.0
EBITDA	211.1	342.8	540.8	831.6
Growth (%)	236.1	62.4	57.8	53.8
Depreciation	9.2	15.7	33.7	43.7
EBIT	201.9	327.1	507.1	787.9
Growth (%)	248.9	62.0	55.0	55.4
Interest	19.3	30.1	28.8	40.0
Other income	0.8	22.2	1.0	1.0
EBT	183.3	319.2	479.3	748.9
Growth (%)	284.6	74.2	50.2	56.2
Tax	14.9	35.7	52.7	82.4
Effective tax rate	8.1	11.2	11.0	11.0
Adj net income	162.2	283.5	426.6	666.5
Growth (%)	303.3	74.7	50.5	56.2
Shares outstanding (mn)	8.4	8.4	8.4	8.4
FDEPS (Rs)	16.7	29.2	44.0	68.7
DPS (Rs)	2.3	3.4	4.4	6.9
CEPS (Rs)	17.7	30.8	47.5	73.2

Source: Company, Religare Research

### Cash flow statement

(Rs mn)	FY06	FY07E	FY08E	FY09E
Net income	162.2	283.5	424.8	664.8
Depreciation	9.2	15.7	35.7	45.6
Other adjustments	5.6	21.3	35.0	54.8
Changes in WC	(66.5)	(22.4)	(138.8)	(185.1)
Operating cash flow	110.6	298.1	356.7	580.1
Capital expenditure	(206.8)	(611.2)	130.0	(200.0)
Investments	2.6	(265.0)	(41.0)	(20.0)
Other investing inc/(exp)	(42.7)	(25.0)	(77.5)	(57.0)
Investing cash flow	(246.9)	(901.2)	11.5	(277.0)
Free cash flow	(136.3)	(603.1)	368.2	303.1
Issue of equity	3.9	-	-	-
Issue/repay debt	148.3	648.6	(8.0)	80.0
Dividends paid	(19.1)	(28.4)	(42.5)	(66.5)
Others	4.9	-	-	-
Financing cash flow	137.9	620.3	(50.5)	13.5
Beg. cash & cash eq	13.6	15.3	32.4	350.1
Chg in cash & cash eq	1.7	17.2	317.7	316.7
Closing cash & cash eq	15.3	32.4	350.1	666.8

Source: Company, Religare Research

### Recommendation history

Date	Event	Target (Rs)	Reco
5-July-07	Initiating Coverage	708	Buy

Source: Religare Research

### Balance sheet

(Rs mn)	FY06	FY07E	FY08E	FY09E
Cash and cash eq	15.3	32.4	350.1	666.8
Accounts receivable	76.4	96.0	260.1	470.7
Inventories	142.7	181.0	258.3	359.4
Others current assets	89.9	114.9	192.4	249.4
Current assets	324.3	424.3	1,061.0	1,746.3
LT investments	-	265.0	306.0	326.0
Net fixed assets	234.0	513.3	677.7	832.0
CWIP	63.8	380.0	50.0	50.0
Total assets	622.1	1,582.7	2,094.7	2,954.3
Payables	35.9	43.0	103.2	163.3
Others	38.3	66.7	109.1	175.6
Current liabilities	74.2	109.7	212.3	338.9
LT debt	216.4	865.0	857.0	937.0
Other liabilities	12.7	34.0	69.0	123.8
Equity capital	84.1	84.1	84.1	84.1
Reserves	234.8	490.0	872.3	1,470.6
Net Worth	318.9	574.0	956.4	1,554.7
Total liabilities	622.1	1,582.7	2,094.7	2,954.3
BVPS (Rs)	37.9	68.3	113.8	184.9

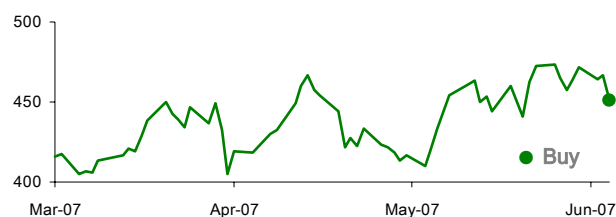
Source: Company, Religare Research

### Financial ratios

	FY06	FY07E	FY08E	FY09E
EBITDA margin (%)	22.9	24.3	25.6	26.6
EBIT margin (%)	21.9	23.1	23.9	25.2
Net profit margin (%)	17.6	20.1	20.1	21.3
FDEPS growth (%)	303.3	74.7	49.9	56.5
Receivables (days)	23.3	22.3	30.8	42.7
Inventory (days)	69.0	65.5	63.0	62.2
Payables (days)	22.9	16.0	21.0	26.8
Current ratio (x)	4.4	3.9	5.0	5.2
Interest coverage (x)	10.4	10.9	17.5	19.6
Debt/equity ratio (x)	0.7	1.5	0.9	0.6
ROE (%)	66.8	63.5	55.5	52.9
ROCE (%)	51.1	32.4	30.1	34.9
ROAE (%)	44.3	29.7	27.5	31.1
EV/Sales (x)	5.2	3.4	2.3	1.5
EV/EBITDA (x)	22.7	14.0	8.9	5.8
P/E (x)	28.3	16.2	10.8	6.9
P/BV (x)	22.8	12.5	6.9	4.2
P/CEPS (x)	26.8	15.4	10.0	6.5

Source: Company, Religare Research

### Stock performance



Source: Religare Research



## Recommendation tracker

Date	Company	Report type	Stock price (Rs)	Target (Rs)	Reco
28-May-07	Punjab National Bank	Results Update	532	610	BUY
28-May-07	Shringar Cinema	Company Update	70	75	HOLD
28-May-07	Tulip IT Services	Company Update	875	932	BUY
29-May-07	Bajaj Auto	Company Update	2,171	2,324	HOLD
29-May-07	Apollo Tyres	Initiating Coverage	356	468	BUY
29-May-07	Divi's Laboratories	Results Update	4,923	4,730	HOLD
30-May-07	Riddhi Siddhi Gluco Biols	Initiating Coverage	247	365	BUY
31-May-07	Banking	Sector Update	NA	NA	NA
1-Jun-07	Cinemax India	Company Update	155	189	BUY
1-Jun-07	Mahindra and Mahindra	Results Update	758	888	BUY
4-Jun-07	Roads	Sector Update	NA	NA	NA
4-Jun-07	HDFC Bank	Company Update	1,159	1,287	HOLD
4-Jun-07	Meghmani Organics	IPO Note	17-19	NA	SUBSCRIBE
5-Jun-07	Omax Auto	Results Update	92	126	BUY
5-Jun-07	Dishman Pharma	Initiating Coverage	265	315	BUY
6-Jun-07	Information Technology	Sector Update	NA	NA	NA
7-Jun-07	Cinemax India	Company Update	162	189	BUY
7-Jun-07	DLF Universal	IPO Note	NA	NA	SUBSCRIBE
11-Jun-07	Biocon	Company Update	438	542	BUY
13-Jun-07	Federal Bank	Initiating Coverage	272	362	BUY
13-Jun-07	Sangam India	Initiating Coverage	67	95	BUY
13-Jun-07	KPIT Cummins Infosystems	Initiating Coverage	144	173	BUY
13-Jun-07	PVR Cinemas	Results Update	216	240	HOLD
14-Jun-07	Ashok Leyland	Company Update	36	48	BUY
15-Jun-07	Greenply Industries	Results Update	139	180	BUY
15-Jun-07	Riddhi Siddhi Gluco Biols	Results Update	276	365	BUY
18-Jun-07	Sasken Communication Technologies	Company Update	505	647	BUY
18-Jun-07	Bihar Tubes	Initiating Coverage	94	172	BUY
19-Jun-07	Aventis Pharma	Company Update	1,360	1,670	BUY
19-Jun-07	ICICI Bank	FPO Note	918	1,080	SUBSCRIBE
21-Jun-07	Cinemax India	Results Update	150	189	BUY
22-Jun-07	Garware Offshore	Company Update	214	272	BUY
25-Jun-07	Sangam India	Company Update	64	95	BUY
25-Jun-07	Spice Communications	IPO Note	41-46	NA	SUBSCRIBE
26-Jun-07	Opto Circuits (India)	Initiating Coverage	376	456	BUY
26-Jun-07	Nava Bharat Ventures	Initiating Coverage	164	268	BUY
27-Jun-07	Mahindra & Mahindra	Visit Note	720	888	BUY
28-Jun-07	Inox Leisure	Results Update	134	120	SELL
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

## Market trends

### BSE sectoral indices

	% Chg				Constituent performance
	06-July	1-day	1-mth	3-mth	
Automobiles	4,903	0.4	4.3	4.7	
Banks	8,124	(0.8)	9.2	23.4	
Capital Goods	12,777	1.3	17.9	38.7	
Comm. & Tech.	3,815	2.4	2.0	7.6	
Consumer Durables	4,184	(0.7)	7.4	13.0	
FMCG	1,856	0.0	4.3	4.6	
Healthcare	3,821	(0.5)	2.1	3.7	
IT	4,951	3.3	(0.7)	0.4	
Metal	10,775	(0.4)	5.2	21.0	
Oil & Gas	7,621	0.1	3.4	17.3	
Mid-caps	6,621	0.2	7.5	22.2	
Small-caps	7,904	1.4	7.6	20.0	

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

### Emerging markets

Country	% Chg				
	06-July	1-day	1-mth	3-mth	6-mth
Brazil	56,444	0.9	7.9	20.5	34.4
Shanghai	3,834	1.4	(2.0)	12.8	36.5
Hong Kong	22,641	0.5	10.4	12.0	13.8
India	14,964	0.7	6.4	13.6	10.3
South Korea	1,887	1.4	9.2	25.7	37.3
Taiwan	9,290	1.1	11.9	15.3	19.3

### FII statistics

(US\$ mn)	1-day	WTD	MTD	YTD
India	312.7	664.8	664.8	6,369.9
South Korea	(0.3)	304.0	304.0	612.6
Taiwan	288.3	1,640.3	1,640.3	9,825.0
Thailand	1,305.0	601.3	601.3	3,779.9

## Events calendar

### Board meetings

July 7	8	9
Hisar Metal Industries Bacil Pharma KJMC Global Market (India)		Diamant Investment & Finance Chemfab Alkalies
10	11	12
South Indian Bank HDFC Bank Sintex Industries	Chennai Petroleum Corporation iGATE Global Solutions Infosys Technologies	Bajaj Auto Nile Geojit Financial Services
13	14	15
Tata Metaliks Gujarat Alkalies & Chemicals Sudal Industries	Uniroyal Marine Exports Gujarat Narmada Valley Fertilisers Co	
16	17	18
Thirumalai Chemicals Tayo Rolls Eimco Elecon (India)	Foseco India Ucal Fuel Systems	Biocon Areva T&D India

## Trade data

### Institutional bulk deals

Scrip	Client	B/S	Quantity	Avg Price (Rs)
Ahmednagar Forgings	Citi Group Global Markets Mauritius	B	500,000	245.0
ANG Auto	Fidelity Investment Mgmt Hk Ac Fid Funds Mauritius	B	197,074	250.0
ANG Auto	Morgan Stanley And Co Intl Ac Morgan Stanley	S	197,881	250.0
Balaji Telefilms	Principal Trustee Company A/C Principal Mutual	B	1,000,000	230.0
Balaji Telefilms	Merrill Lynch Capital Markets Espana	S	1,459,337	230.3
Evinix	UBS Securities Asia	B	75,000	134.9
Evinix Accessories	UBS Securities Asia A/C Swiss Finance	B	175,000	135.0
Gayatri Proj	Citigroup Global Markets Mauritius	S	78,311	292.3
ICRA	Birla Sun Life Trustee Company	B	160,000	937.9
IFCI	Ambit Securities Broking	B	3,922,969	61.7
IFCI	Ambit Securities Broking	S	3,926,558	61.7
IL & FS Inve	Infrastructure Leasing And Financial Services	B	3,150,000	151.6
IL & FS Inve	Bank Of India	S	3,150,000	151.6
Sup Syncot	IDBI	S	75,000	1.8
Tricom India	Deutsche Securities Mauritius	B	186,615	106.0
Vishal Retail	Nomura Funds Ireland Public Co Nfi-India Equity	B	250,000	715.7

Source: BSE

### Insider trading

Scrip	Acquirer/Seller	B /Sell	Shares transacted		Post-transaction holding	
			Qty	%	Qty	%
Agro Tech Foods	Rekha Jhunjunwala	B	72,976	0.3	584,086	-
Asahi Songwon Colors	DSP Merrill Lynch Mutual Fund	B	380,000	3.1	249,462	2.0
Bajaj Auto	Shekhar Bajaj (Kartaof Ramkrishna Bajaj)	B	2,650	-	782,340	0.8
Bhagwati Autocast	Reena P Bhagwati	B	3,511	0.1	219,489	7.6
Bhagwati Autocast	Reena P Bhagwati	B	200	-	219,689	7.6
Bilpower	Choudhary Global	B	5,160	0.1	132,293	1.5
Dolat Investments	Ramedevi Investments	S	500	-	1,995,971	2.3
Dolat Investments	Ramedevi Investments	S	5,000	-	1,990,971	2.3
Gayatri Projects	Citi Group Mkts (Mauritius)	S	95,116	0.9	351,476	3.5
Great Offshore	Vijay Kantilal Sheth	S	300,000	0.8	1,840	-
India Infoline	Franklin Templeton Mutual Fund	S	499,999	1.0	2,962,151	5.9
ISMT	A K Jain	B	5,000	-	1,692,281	1.2
Kirloskar Oil Engines	Vijaydipak Mukundprasad Varma	B	1,950	-	12,185	-
Mahanagar Telephone Nigam	Life Insurance Corporation Of India	B	12,624,679	2.0	111,430,055	17.7
Max India	Medicare Investments	B	25,000	0.0	11,165,957	5.0
Patel Integrated Logistics	Arif A Patel	S	5,000	0.0	37,957	0.3
Piccadily Sugar & Allied	Piccadily Agro Industries	B	23,476	0.1	1,114,525	4.5
Rain Calcining	Rain Commodities	B	6,473,499	5.0	7,473,499	5.8
Tech Mahindra	Vineet Nayyar	S	25,000	-	1,519,539	1.3
Tech Mahindra	Vineet Nayyar	S	21,000	-	1,498,539	1.2
Tech Mahindra	Vineet Nayyar	S	16,603	-	1,481,936	1.2
Triton Valves	ICICI Bank	S	7,367	2.3	33,354	10.4
Venky's (India)	Venkateshwara Hatcheries	B	12,835	0.1	4,323,863	46.0
Yash Management & Satellite	Upsurge Investment & Finance	B	37,455	0.4	634,480	6.5

Source: BSE

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