January 22, 2007 **FOR PRIVATE CIRCULATION**

Equity

	19 Jan 07	% Chg 1 Day	1 Mth	3 Mths
Indian Indices				
Sensex	14,183	(0.2)	5.3	11.4
Nifty	4,090	(0.5)	5.7	11.2
Banking	7,485	0.3	9.6	20.9
IT	3,714	(0.7)	5.4	15.2
Healthcare	3,885	(1.3)	3.7	6.5
FMCG	1,950	0.8	2.5	(3.7)
PSU	6,220	(1.2)	5.1	6.4
CNX Midcap	5,283	(0.7)	5.3	11.4
World indices				
Nasdaq	2,451.3	0.3	2.1	4.7
Nikkei	17,310	(0.3)	1.9	4.6
Hangseng	20,328	0.2	6.3	13.4

Value traded (Rs cr)

	19 Jan 07	% Chg - 1 Day
Cash BSE	3,798	(18.5)
Cash NSE	9,054	(11.0)
Derivatives	37,604	(4.9)

Net inflows (Rs cr)

	18 Jan 07	% Chg	MTD	YTD
FII	111.9	22.7	(599)	(599)
Mutual Fund	59.0	(34.2)	(70)	195

FII open interest (Rs cr)

	18 Jan 07	% chg
FII Index Futures	13,177.4	0.9
FII Index Options	8,349.1	1.9
FII Stock Futures	17,020.3	0.5
FII Stock Options	132.5	(11.6)

Advances/Declines (BSE)

19 Jan 07	A	B1	B2	Total	% Total
Advances	63	185	337	585	36
Declines	145	453	436	1,034	63
Unchanged	2	7	14	23	1

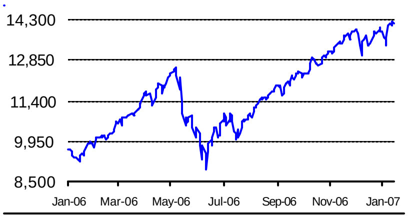
Commodity

	19 Jan 07	% Chg 1 Day	1 Mth	3 Mths
Crude (NYMEX) (US$/BBL)	52.0	3.0	(17.7)	(11.1)
Gold (US$/OZ)	635.4	1.2	2.5	7.6
Silver (US$/OZ)	12.9	1.7	2.4	8.2

Debt/forex market

	19 Jan 07	1 Day	1 Mth	3 Mths
10 yr G-Sec yield	7.83	7.79	7.60	7.66
Re/US$	44.28	44.31	44.60	45.32

Sensex



Source: Bloomberg

ECONOMY NEWS

- The Government has decided to roll back a hike in third-party insurance charges for transporters. The Government has decided to cut the hike in liability insurance premium for transporters to 70% from the 150% notified earlier. (ET)
- The empowered group of ministers on SEZs will decide the fate of more than 300 SEZ proposals lying with the board of approvals. The proposals where land has already been acquired may get a clean chit, while the fate of the rest remains uncertain. (ET)
- The Supreme Court has ruled that sales-tax exemption can be availed on raw materials eligible for tax concessions even if they are used indirectly in manufacturing the final product. (ET)
- With its contribution crossing $13 bn during April-October period of the fiscal, the engineering sector has emerged as the largest contributor to India's merchandise exports, ahead of gems and jewelry. (BS)
- Trai is all set to undertake another review of the controversial access deficit charges. TRAI sources said the total quantum of money collected should come down further as the traffic volume has increased substantially. (BL)

CORPORATE NEWS

- **Reliance Industries** is planning to spin off its oil and gas assets in the hydrocarbon-rich Krishna-Godavari basin into a separate company and offer a stake to a foreign partner. (ET)
- **Tata Motors** has conducted its Bhumi Puja in Singur to mark the beginning of its automobile unit that will produce the 'Rs one-lakh' car. (ET)
- **Rajesh Exports** is in an advanced stage of negotiations to acquire a string of jewelry retail stores abroad for $100-200 mn. (ET)
- **Nirma's** net profit dropped 18% to Rs.825 mn for the third quarter ended December 31, 2006, compared to Rs.1. bn in the corresponding quarter of last year. Net sales were up 21% at Rs.5.58 bn in Q3 of current fiscal as against Rs.4.6 bn in Q3 of FY06. (ET)
- **Jet Airways** is talking to several leading private equity firms to raise $400 mn (over Rs. 17.6 bn) through QIPs for its aircraft acquisition plan. (BS)
- The **Hinduja group** says it will bid for Italian tyre and real estate major Pirelli's stake in Telecom Italia only if the acquisition gives it management control in Italy's largest telecommunications operator. (BS)
- Mid-sized drugmaker **Unichem Laboratories** is exploring the possibilities of setting up two manufacturing units, one in Madhya Pradesh and another in Sikkim. The Rs.5-bn pharmaceutical company is at present scouting for land. (BS)
- From February 15 JNPT will have a common rail operator. From now onwards, a container train run by **Concor** will operate to a particular inland container depot in India loaded with cargo of the three terminals of JNPT. (BS)
- **Provogue India** has raised Rs.1.46 bn by placing preference shares with six investors at Rs.450 per share. Provogue also issued warrants to its promoter group at Rs.450 per share to invest alongside the financial and strategic investors. (ET)
- A clutch of foreign investors, including 3i, Cisco and Oman International Fund, have invested Rs.5.52 bn in **Nimbus Communications**, in what could be one of the largest private equity investments in the Indian media and entertainment sector. (ET)

Source: ET = Economic Times, BS = Business Standard, FE = Financial Express, BL = Business Line, ToI: Times of India, BSE = Bombay Stock Exchange

FROM OUR RESEARCH TEAM

INITIATING COVERAGE

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GREAT OFFSHORE LTD.
(RS.746, FY08E P/E: 12.6X, BUY)

Great Offshore Ltd is India's prominent integrated offshore oilfield services provider offering a broad spectrum of services to upstream oil and gas producers to carry out offshore exploration and production (E&P) activities. Ranging from drilling services to marine and air logistics, marine construction to port/terminal services and beyond, Great Offshore meets a wide gamut of the offshore requirements of an E&P operator.

E&P activities in India are expected to rise with heavy investments planned through public private partnerships. Moreover, 62% of the blocks offered in six rounds of NELP bidding are offshore. Attractive global offshore fundamentals (buoyant demand coupled with high supply lead time) will result in higher realization both for offshore support vessels (OSVs) and rigs, which contribute to about 80% of the company's earnings. Increasing sea borne traffic and rising offshore marine construction activities would lead to steady growth in the other two business segments (Marine construction and Port Services). We believe that due to its integrated business mix (4 SBUs) coupled with timely fleet expansion, Great Offshore is the best play in the domestic offshore services industry. Hence, we initiate coverage on Great Offshore with a BUY recommendation and a one year target price of Rs.878.

Summary table (year end Mar)

Rs mn	FY07E	FY08E	FY09E
Sales	4,594	6,676	7,651
Growth (%)	32.4	45.3	14.6
EBITDA	2,483	3,808	4,343
Opt margin (%)	54.0	57.0	56.8
Net profit	1,315	2,249	2,458
Net cash (debt)	(6,055)	(8,862)	(10,002)
EPS (Rs)	35	59	65
Growth (%)	43.2	71.1	9.3
DPS (Rs)	5.1	5.1	5.1
ROE (%)	23.0	30.8	26.0
RoIC (%)	18.5	24.8	20.0
EV/Sales (x)	7.5	5.6	5.0
EV/EBITDA (x)	13.9	9.8	8.8
P/E (x)	21.5	12.6	11.5
P/BV (x)	4.5	3.4	2.6
D/E	1.1	1.1	1.0

Source: Company Results & Kotak Securities - Private Client Research

Key Investment Rationale

- **E&P activities in India likely to rise further with most blocks being offshore:** With energy security on top of the government agenda, it seeks to attract heavy investment in E&P activities in India through public private partnership. A total of 103 blocks out of 166 offered so far in NELP bidding are offshore. A total of 301 (185 offshore) wells may be drilled in the next two years compared to 194 (143 offshore) wells drilled in the past two years.E&P investment in India is expected to rise by 60% to $21 bn. in the government's XI five-year plan.

- **Attractive Global Offshore fundamentals to result in higher realization:** The upsurge in exploration activities has pushed up rig rates more than 100% over the last year. Due to manufacturing lag of about two years for offshore exploratory and jack-up rigs, even the availability of rigs is getting increasingly scarce. Same is the case with OSVs with deliveries for new OSVs expected to prove insufficient to meet the buoyant demand.

  Also, demand for larger and modern vessels is set to rise, as drilling gets into deepwater. High oil prices have left oil companies with huge cash surpluses. Hence, global E&P investments would continue to remain high for the next couple of years. The resulting buoyant demand and trickling tonnage growth would result in sustainability of current high charter rates for rigs and OSVs.

- **Great Offshore - Ideally positioned to capture offshore E&P services boom:** Great Offshore is the only player in the Indian market with a presence in both OSV and rig segments catering to exploration as well as production phase of offshore business. The company's fleet expansion (6 and 3 OSVs in FY07 and FY06 respectively) has been better timed in comparison to some of the competitors; hence it would get maximum benefit in FY08 compared to other domestic competitors (Garware Offshore, Greatship (I)) where the earning jump is expected to occur in FY09. The growth momentum of the company is expected to continue till CY09, as a jack up rig and a multi support vessel are scheduled for delivery by Q4FY09.

The company has got good mix of old and new fleets. Hence, it would be able to cater to deepwater as well as shallow water drilling requirements in an optimal way. The company's OSV fleet is younger compared to global peers. Hence the company is expected to command premium rates for it in a scenario where majority of drilling is expected to be in deepwater.

- **Steady Growth in Marine Construction and Port Services:** A major expansion is expected in the port infrastructure sector in the country in order to handle increasing sea borne traffic on account of increasing foreign and coastal trade. We see lots of opportunities for Great Offshore in marine construction due to rising IOR/EOR (Improved/Enhanced Recovery) and marginal fields development activities in the country led by ONGC.

Key Risks and concerns

- In the rig segment, the old age of the company's rigs is a cause of concern.
- Sooner than expected global slowdown (slump in crude prices) in E&P activities may lower charter rates for OSVs and rigs. Hence, it may have a negative impact on the realization of the company. However, we don't see any major slow down happening in Indian E&P activities for the next couple of years.
- The company is in a tender driven business. Hence, there may be some variation in the earning estimates, as the company is yet to secure contracts for 40% of its fleet. The competition from domestic as well as foreign players is likely to increase in the future with Indian E&P sector opening up. Domestic players might be lagging the race of fleet acquisition; they can always compete by in-chartering vessels of foreign players at a spread.

Valuation and Recommendation

At the current market price of Rs.746, the stock is trading at valuation of 21.6x and 12.6x FY07E and FY08E earnings, respectively. Valuations despite being at slight premium to global peers are attractive considering the attractiveness of the domestic industry coupled with company's integrated business mix.

We recommend BUY on the stock with a price target of Rs.878

We have arrived at the target price of **Rs.878**, based on the average of DCF and earning multiple valuation methods. DCF valuation with a WACC of 12.1% and terminal growth rate of 4% after FY12 yields fair value of Rs.843. While, two year forward multiple of 11.3x (based on the current cycle) to CY09 EPS estimate of Rs.80 (when both existing and ordered fleets are fully utilized by Q4FY09) yields Rs.912. The average price works out to **Rs.878,** which provides 18% upside over CMP. Hence, we recommend **BUY**.

RESULT UPDATE

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SATYAM COMPUTER SERVICES (Rs.487, FY08E P/E: 19.6x, BUY)

Satyam's Q3FY07 results were a mixed bag for us. While revenues were marginally lower-than-estimates, net profits were slightly higher. The company has reduced the Q4FY07 rupee revenue guidance due to appreciation in the rupee, while marginally increasing the dollar revenue guidance. Overall margins for FY07 are likely to improve over previous estimates, mainly due to deferral of restricted stock unit plan (RSU) charges.

All-in-all, we do not feel the need to make significant changes to our earnings estimates. We expect Satyam to report an EPS of Rs.20.7 (Rs.20.7 earlier) in FY07 and Rs.24.8 (Rs.24.5 earlier) in FY08. We have assumed the rupee to appreciate to 44 per US dollar by FY07 end and 43 per US dollar by FY08 end.

We continue to recommend a BUY on the stock with a price target of Rs.556

At current price levels, the stock is quoting at 23.5x FY07E estimates and 19.6x FY08E estimates. Based on our earnings estimates, we arrive at a price target of Rs.556 for the stock. At the target price, the stock will be valued at 22x our FY08E earnings, a discount to our target valuations for larger peers. We continue to recommend a **BUY** on Satyam Computer Services with a price target of Rs.556, based on FY08E earnings. We note that, the stock may remain range-bound in the near term.

Q1FY07 results

(Rs mn)	Q3FY07	Q2FY07	QoQ (%)	Q3FY06	YoY (%)
Income	**16,611**	**16,019**	**3.7**	**12,653**	**31.3**
Expenditure	12,511	12,394		9,507	
Operating profit	4,100	3,625	13.1	3,146	30.3
Depreciation	394	375		341	
Gross profit	3,706	3,250	14.0	2,805	32.1
Interest	32	27		27	
Other income	102	282		330	
PBT	**3,776**	**3,505**	**7.7**	**3,108**	**21.5**
Tax	403	307		386	
PAT	**3,372**	**3,198**	**5.4**	**2,722**	**23.9**
Sh of loss / Min Int	-	-		24	
PAT after E.O. items	3,372	3,198	5.4	2,746	22.8
EPS (Rs)	**5.2**	**4.9**		**3.7**	
OPM (%)	24.7	22.6		24.9	
GPM (%)	22.3	20.3		22.2	
NPM (%)	20.3	20.0		21.5	

Source: Company

Revenues

- Revenues for the quarter witnessed a 4% growth, which was relatively lower as compared to larger peers.
- Offshore volumes grew about 11% and on-site volumes were about 5% higher, leading to an overall 8.2% rise in volumes. However, higher offshore revenues (49% v/s 47.6% QoQ) and the rupee appreciation (3.7% during the quarter) impacted overall revenue growth.
- The company continued to mine its existing customers and also some of the new large customers won by it recently. Two of these large deal customers have entered the Top 10 client list for Satyam in Q3FY07. Revenues from Top 10 customers of Satyam for Q3FY07 grew sequentially at a faster pace of 14%.

- The management indicated it has not seen any noticeable shift in spending patterns of clients over the past quarter despite talks of an imminent slowdown in the US economy. The overall IT spending is still likely to rise 3-5% for CY2007.
- We believe while US IT spending remains as good, the growth in business from emerging sources like Europe and Asia Pacific is expected to be higher. During the quarter, revenues from Europe grew 9% on a sequential basis (14% in Q2FY07).
- Satyam continued to witness higher penetration in the manufacturing vertical. The company is seeing increased interest from clients in the engineering services space. Satyam started working with global leaders in aerospace technology, an engineering services provider and a major consumer electronic equipment manufacturer. Emerging verticals like retail, logistics and transportation saw revenues grow 20% QoQ.
- The company is witnessing a growing trend towards enterprise applications and packages. The segment is also witnessing faster growth with spending by corporates rising in implementation, integration, maintenance and also new application development. These are reflected in the higher contribution of the consulting and enterprise business solutions to the company's revenue stream, which has gone up to 42% in Q3FY07. The company is able to offshore greater part of the work offshore even in the package implementation business.

Large deals — a focus area

- Satyam has formed a separate team to look at large strategic deals, which stress on the need to grow existing large clients.
- While initial deals have come in from GM and Nissan, the company is working on about 15-16 deals with each deal in the region of $50 mn-$100 mn.
- The management has indicated that margins in the initial years in these large deals may be lower than average. However, these would rise as and when Satyam improves its efficiency and the offshore component increases. The company has indicated that in a couple of the large deals, margins have started tending towards the company average.

Nipuna — healthy growth

Nipuna achieved a sequential revenue growth of 8% during the quarter to Rs.433 mn. This subsidiary has scaled up operations in the KPO space and executed two projects in Q3FY07. The company also won a $25 mn edutainment deal with 4K Animation, UK, for execution and delivery of two European animation projects. At the end of the quarter, Nipuna had 2825 employees. The company's loss during the quarter reduced to Rs.53 mn.

Employee ramp up

Satyam added about 3280 employees on a group basis. With comparatively higher raises given in FY07 and with more employee development initiatives, the company saw attrition reducing to 15.9% in Q3FY07, the second successive quarter of reduction.

Margins

EBIDTA margins for Q3FY07 grew 200 bps over the previous quarter. The company enhanced the operational efficiency and reduced cost of delivery by effectively using employees on-site and offshore. Initiatives like shifting more experienced employees offshore helped in containing employee costs.

The margins were also helped by a reduction in leave encashment charges. Also, Satyam deferred the RSU charges provisioning to Q4FY07, leading to better-than-expected profitability. With the RSU charge (about Rs.180 mn quarterly) expected to be provided from Q4FY07 and with leave encashment charges expected to rise from Q4FY07, we believe margins may be lower QoQ.

Guidance for FY07

Satyam has raised the dollar revenue guidance. However, in rupee terms, the revenue guidance is lower because of the appreciation in the rupee v/s US dollar. The company has now guided for about 34% rise in revenues for the fiscal on a consolidated basis to Rs.6.43 bn–6.44 bn (Rs.6.45 bn–Rs.6.48 bn earlier). On the other hand, EPS is projected to rise to Rs.20.9 during the fiscal. This is after accounting for the RSU charge that we expect to be Rs.180 mn in FY07.

Future prospects

We have fine-tuned our FY07 and FY08 earnings estimates to accommodate the Q3FY07 results.

Key financials

(Rs mn)	FY06	FY07E	% Chg	FY08E	% Chg
Income	**47,926**	**64,742**	**35.1**	**84,371**	**30.3**
Expenditure	36,264	49,261		65,062	
Operating profit	11,662	15,481	32.7	19,308	24.7
Depreciation	1,373	1,551		1,880	
Gross profit	**10,289**	**13,930**	**35.4**	**17,428**	**25.1**
Interest	56	110		80	
Other income	1,168	1,429		1,500	
PBT	**11,402**	**15,249**	**33.7**	**18,848**	**23.6**
Tax	1,509	1,687		2,583	
PAT	**9,893**	**13,562**	**37.1**	**16,265**	**19.9**
Sh of Pft/(loss) / Min int	(73)	1		-	
PAT after E.O. items	9,820	13,563	38.1	16,265	19.9
EPS (Rs)	**30.3**	**20.7**		**24.8**	
OPM (%)	24.3	23.9		22.9	
GPM (%)	21.5	21.5		20.7	
NPM (%)	20.6	20.9		19.3	

Source: Company, Kotak Securities - Private Client Research

We expect the company to report revenues of Rs.64.7 bn in FY07 and Rs.84.37 bn in FY08. We have assumed the rupee to appreciate to 43 per US dollar by FY08 end. The number of engineers on a consolidated basis is expected go up to nearly 45,500 by FY08 end.

After assuming a further reduction in margins in FY08 due to expected salary hikes and rupee appreciation, in addition to the RSU impact, we arrive at a net profit estimate of Rs.16.26 bn in FY08, resulting into earnings of Rs.24.8 per share.

RESULT UPDATE

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NIIT LTD
(RS.570, FY08E P/E: 11.5X, BUY)

NIIT Ltd declared an impressive set of numbers for Q3FY07, especially on the individual learning business. Higher rupee appreciation impacted corporate learning business and higher-than-expected losses in new initiatives impacted profitability. Needless to say, the improved performance of NIIT Technologies also helped (NIIT holds 25% stake in NIIT Technologies).

What was encouraging in the Q3FY07 results was the performance of the individual learning business. This business recorded a revenue of 59% YoY and an EBIDTA margin of about 17% (similar to Q2FY07). This came as a positive surprise, more so, as it came in a quarter, which is seasonally the weakest for NIIT.

Element K (EK) also continued its good show with revenues moving up 19% QoQ (like-to-like basis) and EBIDTA margins being maintained at about 5%. Element K's profits have paid for the interest cost of acquisition, resulting in net accretion to net profits. The company has implemented plans to improve the revenue growth and profitability of Element K further.

The three new business lines, Imperia, IFBI and Litmus did incur losses on a consolidated level but are expected to reduce losses in Q4FY07 and break even in mid-2008 post which, the profitability of these businesses is expected to improve significantly.

Thus, on an overall basis, we expect margins to be impacted in FY07. However, we expect it to improve once again on substantially higher revenues in FY08, leading to higher rise in the net profits in that year. While revenues in FY08 are expected to rise 46% (including EK wef August 06), PAT is expected to grow about 77%, leading to earnings of Rs.50 per share.

We maintain BUY on the stock with a revised price target of Rs.672

We have arrived at a **revised price target of Rs.672** for NIIT based on DCF analysis. At the target price, the stock will be valued at about 13.5x FY08E earnings. We believe NIIT will enjoy these valuations because of expectations of a sustained positive macro environment in the IT services industry, NIIT's improved margins performance, high revenue growth and significant brand-equity. Maintain **BUY**.

2QFY07 results

(Rs mn)	3QFY07	3QFY06	YoY (%)	2QFY07*	QoQ (%)
Income	**2,250**	**1,053**	**113.7**	**2,030**	**10.8**
Expenditure	2,072	933		1,792	
EBIDTA	**178**	**120**	**48.4**	**238**	**-25.2**
Depreciation	125	96		113	
EBIT	**53**	**24**	**121.0**	**125**	**-57.6**
Interest	42	0		28	
Other Income	-4	-5		5	
PBT	**7**	**19**	**-63.0**	**102**	**-93.1**
Tax	-9	9		8	
PAT	**16**	**10**		**94**	
Share of profit	92	45		68	
Adjusted PAT	108	55	95.2	162	-33.1
EPS (Rs)	**5.6**	**2.9**		**8.4**	
EBIDTA (%)	7.9	11.4		11.7	
EBIT (%)	2.4	2.3		6.2	
Net Profit (%)	0.7	0.9		4.6	

Source : Company * Element K consolidated WEF August 06

REVENUES

Individual

- The organic revenue growth of 20% YoY came about on the back of a 60% rise in the individual business. Within this, the India business clocked a growth of 67%, thereby contributing 60% to overall revenues.
- This business has been positively impacted due to the higher interest in IT as a career. This is adequately reflected in the number of career revenues which were up 68% YoY.
- The overall order book position in this business stood at Rs.1.25 bn v/s Rs.1.32 bn in Q2FY07 of which, about 67% is executable in the next 12 months.
- NIIT has started offering two new courses in the career segment, namely, Network Labs (directed at networking and infrastructure management segments) and IAE (directed at engineering graduates).
- These programs are at a higher price point (Rs.52, 000 and Rs. 60,000 per student, respectively) and yield higher margins. The engineers engage in these programs from the third semester of the engineering course.
- EBIDTA margins in the indiviidual learning business were at 17% v/s -0.28% in 3QFY06. More importantly, the margins were maintained at around the Q2FY07 levels despite Oct-Dec quarter being seasonally the weakest quarter for the company.

Revenue break up

(Rs mn)	2QFY07	3QFY07	3QFY06
Individual	746.00	560.03	352.00
Institution	221.00	226.00	294.00
Corporate	515.00	479.00	407.00
New initiatives	11.00	25.00	0.00
Element K	537.00	960.00	0.00

Source : Company

Institutional

- The institutional business recorded a 23% decline in revenues on a YoY basis. This was in line with the management defocusing on the public schools business due to receivables problems and relatively lower margins. The non-government business grew 39% YoY and contributed 21% of revenues for the quarter.
- On a QoQ basis, revenues grew 2% due to billing of annual milestones.

Corporate

- The corporate business suffered during the quarter due to the rupee appreciation (3% impact) but grew 18% YoY.
- Content development contributed about 44% of the revenues in Q3FY07. On the other hand, the technology vertical added six new corporate clients during the quarter.
- The total order intake was $11 mn during the quarter and the total order book at the end of the quarter was Rs.1.74 bn.
- Litmus got its second customer during the quarter in the form of the income tax department. Litmus will be developing and conducting tax returns preparation tests.

New initiatives

- The new businesses of Imperia, IFBI and Litmus brought in revenues of Rs.25 mn in Q3FY07 but incurred a loss of Rs.48 mn due to the presence of some one-time initiation costs. These losses are expected to come down to about Rs.10 mn in Q4FY07.
- Imperia and IFBI are conducted through six centers currently. In case of Imperia, NIIT has tied up with three IIMs. The company had targeted about 450 and got 496 students in its first program. On the other hand, in IFBI, NIIT planned to have 500 enrolments and has got 423 enrolments for a 10-month program.

Element K

- Element K reported an EBIDTA margin of 4% in Q2FY07, implying that NIIT has been successful in its initial efforts at turning around that entity.
- NIIT plans to improve the revenues of Element K by integrating NIIT's customers with EK's courses, internationalizing EK's offerings (currently, it is in North America only) and by offering additional packaged offerings, thereby increasing revenue per customer.
- EK has a content library, which can be sold to a larger set of companies without additional costs. NIIT is in the process of tying up with several distributors and channel partners for the same.
- Also, several technology companies are interested in Virtual Labs, the delivery platform of EK for their own training programs. NIIT has already started this process also.
- The profitability of EK is expected to improve from now on due to the playing out of synergies, integration of the knowledge delivery platforms, knowledge hub & clicks and by increasing the offshore component in the development work. Rationalization of cost sis almost over and EK now has a stable team.

Future prospects

- We expect NIIT to report revenues of Rs.7.4 bn in FY07 of which, Rs.2.48 bn is expected to come from EK.
- Margins are expected to be impacted vis-à-vis FY06 due to lower profitability in EK, new business initiatives and the institutional business.
- We expect the interest expense to increase due to the additional $35 mn loans taken by NIIT to acquire EK.

Revenue break up

(Rs mn)	FY06	FY07E	FY08E
Individual	1670.00	2437.84	3455.04
Institution	1175.00	866.60	953.26
Corporate	1661.00	1982.85	2368.76
New initiatives	0.00	76.00	285.00
Element K	0.00	2476.20	4398.73
Total	4506.00	7839.49	11460.80

Source: Company, Kotak Securities - Private Client Research

- In FY08, we expect revenues to grow to Rs.11.46 bn, on the back of a 41% rise in individual business and Rs.4.4 bn coming from Element K. These estimates are significantly higher than our previous estimates.
- EBIDTA margins are expected to improve due to better profitability in individual learning business, EK and also the expected turnaround in the new business initiatives.
- After accounting for 25% share of NIIT Technology's profits, PAT is expected to rise to Rs.1.06 bn, an EPS of Rs.50.

Key financials

(Rs mn)	FY06	FY07E^	YoY (%)	FY08E	YoY (%)
Income	**4,507**	**7,839**	**73.9**	**11,461**	**46.2**
Expenditure	3,902	6,989		9,981	
EBIDTA	**605**	**851**	**40.7**	**1,480**	**74.0**
Depreciation	374	474		620	
EBIT	**231**	**377**	**63.3**	**860**	**128.4**
Interest	0	112		168	
Other Income	36	31		38	
PBT	**266**	**296**	**11.1**	**730**	**147.0**
Tax	30	-1		37	
PAT	**237**	**297**		**694**	
Share of profit	164	304		371	
Adjusted PAT	400	601	50.0	1,064	77.2
EPS (Rs)	**20.7**	**27.9**		**49.5**	
EBIDTA (%)	13.4	10.9		12.9	
EBIT (%)	5.1	4.8		7.5	
Net Profit (%)	5.2	3.8		6.1	

Source: Company, Kotak Securities - Private Client Research ^ - Element K consolidated WEF August 06

RESULT UPDATE

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I-FLEX SOLUTIONS
(Rs.2070, FY08E P/E: 37x, HOLD)

i-flex's Q3FY07 results were broadly in line with our estimates with revenues of Rs.5.5 bn (10% growth QoQ) and net profits of Rs.773 mn, a growth of 38% on a yearly basis. On a sequential basis though, profits declined due to an amortization charge of Rs.100 mn due to the Mantas acquisition consummated in the third quarter (Q3).

- The lesser than expected revenue growth and profitability in the services business was offset by a significant jump in revenues of the products division and a lower tax rate. The EBITDA margins were lower than estimated on account of lesser booking of license fees from the products business in the current quarter and lower profitability in services and KPO.

- In our opinion, Flexcube enjoys a good amount of brand equity in the financial services domain. This has been reflected in its consistent inroads into the top tier financial institutions over the quarters. For the current quarter, Flexcube scored wins across US, Europe and Asia Pacific; including a major global top-tier bank signing Flexcube for a multi country deployment. The Reveleus platform and Mantas continued to gain market share with five client wins in the quarter across the US, APAC and Africa.

Q3FY07 results

(Rs mn)	Q2FY07	Q3FY07	% QoQ	Q3FY06	% YoY
Revenues	**5,010**	**5,502**	**9.8**	**3,965**	**38.8**
Expenditure	4,039	4,438		3,014	
Operating profit	971	1064	9.6	950	11.9
Depreciation	165	259		127	
EBIT	**805**	**805**	**-0.1**	**824**	**-2.3**
Interest	0	0		0	
Other inc	124	-2		-12	
E.O items	-	-		-	
PBT	**930**	**803**	**-13.7**	**811**	**-1.0**
Tax	127	33		255	
	802	770	-4.1	556	38.5
Share of Pft / (loss)	2	3		3	
PAT	**804**	**773**	**-3.9**	**559**	**38.2**
EPS (Rs)	**9.9**	**9.6**		**6.9**	
OPM (%)	19.4	19.3		24.0	
GPM (%)	16.1	14.6		20.8	
NPM (%)	16.1	14.0		14.1	

Source: Company

Financials and Recommendation

We recommend HOLD on the stock

- We have revisited our earnings estimates after the Q3FY07 results and have made changes to our future earnings estimates. We expect the company to report an EPS of Rs.36.1 in FY07 and Rs.55.3 in FY08 as against Rs.29.4 reported in FY06. Our earnings estimates for FY07 and FY08 have factored in Mantas financials and are based on a fully diluted equity of 81 mn shares.

- We see the Oracle relationship as a key differentiator for i-flex and believe this could open up significant business opportunities for the company in addition to having endowed it with an MNC parentage. The healthy product tank size, potential for increased leverage of the Oracle relationship and continuing traction being witnessed by its flagship offerings make us sanguine about i-flex's future prospects.

- The current price levels of Rs.2070 though are discounting our estimated FY08 earnings by 37x, making it the costliest stock in our universe. We believe that I Flex should be able to sustain a high growth rate over the long term because of its inroads into the hitherto untapped US market and other large customers. We note that within its suite, Reveleus is also finding increasing acceptance in large customers, due to the Oracle relationship.
- This in our opinion should keep the valuations high for the company. We also note that the liquidity in the stock may have reduced post the recent open offer. We continue to recommend a **HOLD** on I Flex as current valuations do not point to significant upsides based on our FY08 earnings estimates.

REVENUES

Product revenues

- Product revenues for the quarter grew 23% on a QoQ basis to Rs.3.17 bn, after consolidation of Mantas. The products business in the current quarter added 25 new clients, with Flexcube achieving 11 wins taking Flexcube's count to 304. We believe these wins are reflective of the premier positioning of Flexcube and the traction being witnessed in the financial services space for relevant product platforms both, in the replacement market and also for first time installations. The acquisition of Mantas has also added 25 customers for i-flex with 16 new names for the company.
- i-flex has a tank size of US$73.6 mn at the end of Q3FY07, compared to the $67.5 mn reported in the previous quarter. The company also had new license fee signings of $24.3 mn in the quarter up from $16.4 mn in the previous quarter.

Services revenues

- The services business remained flattish on a QoQ basis at Rs.2.22 bn; on account of deferment of milestone recognitions in certain contracts to the next quarter in addition to the seasonality in Q3. The non-Citigroup revenues now stand at 52% of the total services revenues. This number has seen a gradual rise over the quarters with a decline in Citigroup's contribution to the total revenue pie.
- In our opinion, the growth rate of the Citigroup account has slightly tapered off and this bodes well from the client concentration risk point of view. At the same time, we opine that it becomes pertinent for the company to grow its non-Citigroup revenues at a healthier rate to offset this slow down in the Citigroup account.

KPO Business... still to achieve operational break even

KPO revenues for the quarter grew 6% sequentially and stood at Rs.108 mn. On an EBITDA level the KPO business reported margins of (-22% in comparison to the -51% reported in Q3FY05). The company expects the KPO business to break even at an operational level in the coming quarters.

Employee additions across businesses

The employee additions on a gross basis for the quarter stood at 989 including the KPO business that added a net of 133. In the services business, the employee strength rose about 9% of the base to 4072 including personnel from Mantas. The total staff strength rose to 8546, a growth of 28% YoY.

Margins

- The company reported EBITDA margins of 19.3% this quarter , more or less flat from the 19.3% reported in the second quarter (Q2). The margins remained flat despite an unfavorable Re/$ due to better profitability from the products business the reported margins of 31.8% v/s 30.5% reported in Q2FY07.
- The overall EBITDA margins though were lower than our estimates due to lower than expected license fee bookings in the products business, lower profitability in services and the losses incurred from KPO.
- The tax rate for the quarter stood at a low 4.1% of PBT due to higher contribution from facilities that avail benefits under Sec.10. We have assumed a lower tax rate in the coming quarters at 13% of PBT to account for higher contribution from tax-exempt facilities.
- The amortization charges of Rs.100 mn due to Mantas consolidation dragged the profitability down to Rs.773 mn, a sequential de-growth.

Future prospects

(Rs mn)	FY06	FY07E	% Chg	FY08E	% Chg
Revenues	**14,835**	**20,657**	**39.2**	**27,691**	**34.1**
Expenditure	11,885	16,938		21,630	
Operating profit	2,950	3,719	26.1	6,061	63.0
Depreciation	505	854		1,194	
EBIT	**2,445**	**2,865**	**17.2**	**4,867**	**69.9**
Interest	0	0		0	
Other inc	278	427		390	
E.O items	3	0		0	
PBT	**2,720**	**3,292**	**21.0**	**5,257**	**59.7**
Tax	535	383		789	
	2,185	2,909	33.1	4,469	53.6
Share of Pft / (loss)	5	9		8	
PAT	**2,190**	**2,918**	**33.2**	**4,477**	**53.4**
EPS (Rs)	27.1	36.1		55.3	
OPM (%)	19.9	18.0		21.9	
GPM(%)	16.5	13.9		17.6	
NPM(%)	14.8	14.1		16.2	

Source : Company, Kotak Securities - Private Client Research; Mantas consolidated wef Q3FY07

We expect i-flex to achieve revenues of Rs.20.6 bn and Rs.27.7 bn in FY07and FY08 respectively. EBDITA margins are expected to improve with the growing proportion of product revenues. We expect the company to report net profits of Rs.2.9 bn and Rs.4.5 bn in FY07 and FY08, respectively. This would translate into an EPS of Rs.36.1 for FY07 and Rs.55.3 for FY08.

RESULT UPDATE

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ORCHID CHEMICALS & PHARMACEUTICALS LTD. (RS.207, FY08E PE 7.6X, BUY)

Q3 FY07 Result Highlights

- Orchid Chemicals has come out with results below our expectations for Q3FY07. The company has registered 0.5% net sales growth to Rs.2.39 bn, as compared to Rs.2.38 bn in the last year for the same period. The flat growth in revenues seems fair because of higher base in Q3FY06 led by the launch of Ceftriaxone suspension in US markets after the approval in July 2006. However, we were expecting 5% growth in net sales led by new small products introduction and ramp up of Cefprozil sales.
- Operating margins have improved by 350bps to 32.6% vs. 29.1% in Q3 FY06 and 29.2% in FY06 due to increasing share of dosage forms business in the US market and drop in draw material cost. Operating profit grew 12.4% to Rs.778mn from Rs.693 mn in Q3FY06 due to margin expansion led by improving performance in the US market. Net profit has seen de-growth of 2.2% YoY at Rs.283 mn from Rs.290 mn mainly due to higher interest, depreciation and taxes compared to last year.
- For 9MFY07, total income went up 6% to Rs.6.86 bn as compared to Rs.6.47 bn in the corresponding period of the last year. Operating profit stood at Rs.2.14 bn as compared to Rs.1.88 bn in Q3FY06 registering a growth of 13.4%. Operating margins have improved 200 bps to 31.1% vs. 29.1% in Q3FY06. Net profit after tax grew 14% to Rs.724 mn from Rs.635 mn in Q3FY06. Lower growth in net profit was mainly due to higher interest and taxes.

Summary table

(Rs mn)	FY06	FY07E	FY08E
Revenues	9,366	10,351	13,487
Growth (%)	29.7	10.5	30.3
EBITDA	2,375	2,813	3,860
EBITDA margin (%)	26.4	28.0	29.3
Net profit	573	1,024	1,881
Net Margin (%)	6.4	10.2	14.3
EPS diluted (Rs)	8.9	15.4	27.1
Growth (%)	38.0	73.7	75.9
DPS (Rs)	4.0	3.0	3.0
RoE (%)	9.3	12.0	17.9
RoCE (%)	8.9	10.4	14.3
EV/Sales (x)	3.7	2.1	1.6
EV/EBITDA (x)	14.5	7.9	5.5
P/E (x)	42.0	13.4	7.6
P/BV (x)	3.1	1.5	1.2

Source: Company & Kotak Securities - Private Client Research

Moderate growth seen in domestic formulation business

Orchid's domestic formulations business has been showing buoyancy in recent months. Key divisions, like psychiatry, anti-diabetic and cardio-vascular posted significant gains. The critical care division, which focuses on antibiotics, has also performed well despite the keen competition in the hospital segment.

The domestic formulations business grew 12% YoY and has generated revenues of Rs.185 mn in Q3FY07 driven by premium and new product introductions in the last quarter, including the critical care antibiotics range that has had good market acceptance. For the full year, the company expects to generate around Rs.800 mn from the domestic formulation business.

US generics continue to be significant part of revenue

It seems the third quarter (Q3) has witnessed further consolidation and marginal growth of US business based on ramp up of notable product introductions made earlier. The company maintains that Ceftriaxone, Cefprozil, Cefazolin and Cefoxitin continue to be key growth drivers. In Q4FY07, Orchid has raised its US presence by launching two more products, which are likely to be the growth driver in the next quarter.

The company has been successful in converting its API business in the US for Cefazolin injection into formulation supplies for other major generic players as well, thus achieving a dominant market share of over 80%. With increasing demand, Orchid expects this product to continue to be a key contributor of revenues in Q4. Orchid expects the growth in ensuing quarters to be driven by approvals for premium first-wave generic products.

Regulatory filings progress well

The regulatory filing calendar has progressed well during Q3FY07. The company has filed four DMFs and two ANDAs during the quarter taking the cumulative count to 39 DMFs and 34 ANDAs till date. As of date, it has received approvals from the USFDA for 18 ANDAs. Orchid has also been progressing fast in its regulatory filings for the EU market where it has filed 10 dossiers for marketing authorizations till date, of which two dossiers were filed in the Q3FY07.

Valuations and recommendation

We maintain BUY on the stock with a price target of Rs.379

We expect Orchid to post a 20% and 81% CAGR in revenues and net earnings, respectively, over FY06-08E, while improving return on equity to 17.9% in FY08E vs. 9.3% in FY06. It has posted fully diluted EPS of Rs.8.9 in FY06 and expect EPS to grow 74% and 76% to Rs.15.4 and Rs.27.1 in FY07E and FY08E, respectively. At the CMP of Rs.207, the stock is trading at 13.4x FY07E and 7.6x FY08E fully diluted earnings. We maintain **BUY** with a one-year price target of Rs.379.

Q3 FY07 Performance (Standalone)

(Rs mn)	Q3FY07	Q3FY06	YoY (%)	Q2FY07	QoQ (%)	FY06
Net Sales	**2,387**	**2,376**	**0.5**	**2,457**	**-2.8**	**8,888**
Expenditure	1,609	1,683	-4.4	1,679	-4.2	6,295
EBIDTA	**778**	**693**	**12.4**	**778**	**0.0**	**2,593**
Depreciation	204	187		201		830
EBIT	**575**	**506**	**13.6**	**577**	**-0.5**	**1,763**
Interest	264	221		256		870
Other Income	3	5		2		13
PBT	**313**	**290**	**8.0**	**324**	**-3.3**	**906**
Extra-Ordinary Items	-	-		-		-
Tax	30	(0)		29		77
Profit After Tax	**283**	**290**	**-2.2**	**295**	**-3.8**	**829**
Equity Shares (Mn)	66	65		66		65
EPS (Rs)	**4.3**	**4.5**	**-4.0**	**4.5**	**-3.8**	**12.8**
EBIDTA Margin (%)	32.6	29.1		31.7		29.2
PAT Margin (%)	11.9	12.2		12.0		9.3

Source: Company

RESULT UPDATE

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EXIDE INDUSTRIES
(RS.41.8, CORE FY08 P/E: 11.6X, BUY)

Exide Industries Ltd (EIL) has reported impressive Q3FY07 numbers benefiting from the strong volume growth witnessed by auto OEMs. We are upgrading the stock from HOLD to BUY with a price target of Rs.48.5 based on revised estimates for the company and after including the valuation of the insurance business.

Summary table

(Rs mn)	FY06	FY07E	FY08E
Sales	13,886	17,739	21,239
Growth (%)	17%	28%	20%
EBITDA	2,290	3,148	4,011
EBITDA margin (%)	16.5	17.7	18.9
Net profit	1,007	1,571	2,146
Net cash (debt)	(2,725)	(1,699)	(133)
EPS (Rs)	1.3	2.1	2.9
Growth (%)	27%	56%	37%
DPS (Rs)	0.30	0.30	0.30
ROE (%)	19.4	25.4	27.5
ROCE (%)	21.5	28.4	33.6
EV/Sales (x)	2.25	1.71	1.35
EV/EBITDA (x)	13.7	9.6	7.2
P/E (x)	31.1	20.0	14.6
P/BV (x)	5.7	4.6	3.6

Source: Company & Kotak Securities - Private Client Research

Quarterly performance

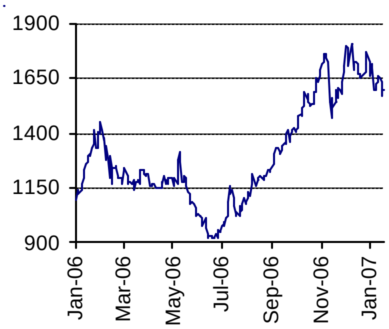
(Rs mn)	Q3FY07	Q3FY06	YoY %
Net Sales	**4,577**	**3,416**	**34**
Other Income	19	11	66
Total Income	**4,596**	**3,428**	**34**
Raw Materials	2,954	2,046	44
Inc/Dec in Stocks	-259	-143	
Staff Costs	321	245	31
Other Expenditure	879	746	18
Total Expenditure	3,895	2,895	93
Op Profits	**682**	**522**	**31**
OPM (%)	14.90	15.27	
Interest	34	88	
Depreciation	134	137	-2
PBT	**534**	**308**	**73**
Prov for Tax	185	93	99
PAT	**349**	**215**	**62**
EPS (Rs)	**0.46**	**0.29**	**62**

Source: Company

Key highlights of Q3FY07 results

- Net sales grew 34% to Rs.4.6 bn enjoying the rising demand in both automotive and industrial segments of the domestic market as well as higher pricing of products.
- The growth in operating profits was lower than the revenue growth at 31% as the company was affected by higher lead prices.
- Operating margins declined 40 bps from 15.3% to 14.9% as the raw material to sales ratio rose from 55.7% to 58.9%. This was despite the two price hikes effected by Exide during the quarter.
- Interest costs have declined from Rs.88 mn to Rs.34 mn during the quarter enhancing the PAT growth. PAT has improved 62% YoY to Rs.349 mn in the current quarter translating into an EPS of Rs.0.46 for the quarter.

LME Lead Prices (US$)



Source: Bloomberg

Lead Prices remain a concern

In the last quarter, lead prices rose 32%. This had affected the company's operating margins to a large extent. Although the trend in future lead prices are difficult to predict the management does expect prices to soften towards the end of the March quarter. Besides, Exide enjoys a relatively higher degree of pricing power in respect of both the OEM and replacement segments and can pass through additional lead prices.

EIL has also taken another round of price rise of about 5-6% in January 2007. This should further benefit the operating margins of the company. We expect the margins to improve in the fourth quarter as compared to the third quarter.

Business outlook and valuation

- We continue to believe that Exide is one of the few auto ancillaries, which by virtue of its strong brand equity and market leadership status, has been able to enjoy a relatively higher level of pricing power with its customers. This is reflected in its approximately 75% market share in the domestic automotive market and 50% share in the industrial segment.
- The company is setting up a new plant in Haldia at a capex of Rs.600 mn. It is likely to be commissioned by the end of FY07. The new plant coupled with operational efficiencies at the existing plants should lead to 35-40% capacity expansion in FY08. Besides, the management is looking at doubling the capacity in three years time.
- Exide's investment in ING Vysya Life Insurance is likely to be beneficial to the company's fortunes in the long-term. We have valued the company's 50% share of the business at Rs.8.5 per share.
- We expect EIL's earnings to grow at a CAGR of 21% over FY06-FY09E benefiting from the strong demand visibility in the all three segments. Although the company does enjoy pricing power, higher than expected rise in lead prices could affect its margins and net profit growth estimates.
- We expect Exide to record revenues of Rs.17.7 bn for FY07 and Rs.21.2 bn in FY08 with corresponding net profits of Rs.1.6 bn and Rs.2.1 bn, respectively. This translates into an EPS of Rs.2.1 for FY07 and Rs.2.9 for FY08. Our DCF-based target for the core business stands at Rs.40 based on FY08 estimates. Hence, our SOTP valuation including Rs.8.5 for the insurance business comes to Rs.48.5. This provides an upside of 16% from current levels.

We are upgrading the stock from HOLD to BUY with a target price of Rs.48.5

- At the current market price, the stock is trading at 11.6x its core earnings for FY08E. This is at a discount to the company's historical multiple of about 14x. We are upgrading the stock from **HOLD** to **BUY** given the strong demand visibility and attractive valuations at current levels.

Bulk deals

Trade details of bulk deals

Date	Scrip name	Name of client	Buy/ Sell	Quantity of shares	Avg. Price (Rs)
19-Jan	Ahlcon Paren	Sudhirkumar Jhunjhunwala	B	50,000	91.73
19-Jan	Allianz Secu	Krishnakumar Badridas Tao	B	67,500	47.15
19-Jan	Dagger Forst	Ayodhyapati Investment	S	47,246	71.81
19-Jan	Deep Inds	Vidya Sagar Sah	B	300,000	41.69
19-Jan	DMC Inter	Suman Kohli	S	19,500	46.72
19-Jan	Epic Energy	Jasbir Singh	B	24,403	50.75
19-Jan	Epic Energy	Evolution Corporate Servi	B	27,830	50.90
19-Jan	Epic Energy	Amrit Mahtani	S	29,077	50.75
19-Jan	Era Constr I	Kashif B Kapadia	S	104,815	490.11
19-Jan	Everest Inds	Reliance Capital Trustees	B	1,176,648	120.00
19-Jan	Everest Inds	The Associated Cement Cos	S	1,176,648	120.00
19-Jan	Golde Lamina	Vikas Sahni	B	45,803	14.17
19-Jan	Granules Ind	Pai Ananth G	B	58,000	103.52
19-Jan	Infotrek Sys	Magna Umbrella Fund Plc	B	242,771	69.97
19-Jan	Ion Exchange	UBS Securities Asia Ltd.	B	66,387	139.75
19-Jan	Kovilp Lak R	Elgitread India Ltd	B	30,000	56.00
19-Jan	Maharastra	Bhavana N. Mahida	B	40,000	108.77
19-Jan	Maharastra	Devyani Bhanuchandra Meht	S	68,000	106.96
19-Jan	Maharastra	Bhavana N. Mahida	S	40,000	108.43
19-Jan	Mohit Indust	Bela Zaveri	S	35,000	60.06
19-Jan	Mohit Indust	Amit Dhirajlal	S	38,341	60.32
19-Jan	Paramo Commu	Shradha Tradelinks Pvt Ltd	B	92,400	255.76
19-Jan	Pearl Global	Mavi Investment Fund Ltd	B	70,000	177.91
19-Jan	Radhe Develo	Ravi Gouthi	B	80,500	23.12
19-Jan	Radhe Develo	Ravi Hansraj Gouthi HUF	S	80,500	23.12
19-Jan	Refno Res Ch	Ram Gopal Ramgarhia HUF	S	19,202	17.28
19-Jan	Rock Hard Pe	Dharmendra Soni	B	53,567	14.72
19-Jan	Rock Hard Pe	Krupa Soni	S	71,889	14.72
19-Jan	Scooters Ind	Aruna Agrawal	B	10,000	38.15
19-Jan	Scooters Ind	Mahendra Ramjibhai Patoli	B	10,000	39.00
19-Jan	Sujana Univ	Bipinkumar Ramniklal Gand	B	295,289	20.20
19-Jan	Sujana Univ	Basmati Securities Pvt Ltd	S	500,000	20.17
19-Jan	Sujana Univ	Bipinkumar Ramniklal Gand	S	292,789	20.25
19-Jan	Sumeet Indus	ISF Securities Limited	B	120,244	21.80
19-Jan	Yashraj Cont	Mathew Easow Research Sec	B	25,300	78.13

Source: BSE

Gainers & Losers

Nifty Gainers & Losers

	Price (Rs)	% change	Index points	Volume (mn)
Gainers				
Bharti Airtel	685	1.8	4.5	0.5
Reliance Com	447	2.5	4.4	5.6
Reliance Ind	1,383	1.1	4.3	6.5
Losers				
ONGC	896	(2.0)	(7.9)	1.3
Wipro	621	(3.3)	(6.1)	0.8
TCS	1,298	(1.3)	(3.4)	0.7

Source: Bloomberg

Forthcoming events

COMPANY/MARKET

Date	Event
22-25 Jan	Initial Public Offer of Redington (India) opens
22-Jan	Zee Telefilm, JSW Steel, Bank of India, Nalco, India Cements, Cadila Healthcare, Merck Ltd, Maruti Udyog, Kotak Mahindra Bank, Bank of India, Colgate Palmolive India, Jammu & Kashmir Bank, Ingersoll Rand (I), Jindal Stainless Steel earnings expected; Indian Bank holds press conference to announce IPO
23 Jan - 2 Feb	Initial Public Offer of Transwarranty Finance Opens
23-Jan	Bharti Airtel, Grasim Industries, Tata Motors, Bharat Electronics, Cipla, Pidilite Industries, IPCA Laboratories, Bharat Earth Movers, Neyveli Lignite, LIC Housing, Indian Hotels, MRPL, Ceat, United Spirits, Glenmark Pharma earnings expected
24-Jan	HDFC, Bank of Baroda, Rolta India, IOB, Oriental Bank of Commerce, Balaji Telefilms, Gujarat Industries Power Co, Bombay Dyeing, Petronet LNG, D-Link India, Corporation Bank, HCL Infosys, earnings expected
25-Jan	BHEL, Hindalco, Novartis India, Titan Industries, Hindustan Motors, Deccan Aviation, Century Textiles, Century Enka, Titan Industries, MRF, GE Shipping, Arvind Mills, Cummins Indiam, Moser Baer, SSI Ltd, Pantaloon Retail earnings expected
27-Jan	Shipping Corporation, Dredging Corporation, Syndicate Bank, Vijaya Bank, Shoppers Stop, Divi's Laboratories, Development Credit Bank earnings expected.

Source: Bloomberg

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