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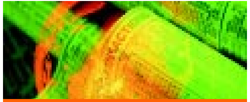
STOCK IDEAS STANDING (AS ON JULY 04, 2008)

COMPANY	RECO PRICE	PRICE TARGET	RECO DATE	CURRENT RECO	PRICE AS ON 04-JUL-08	GAIN-LOSS (%)	ABSOLUTE PERFORMANCE				RELATIVE TO SENSEX			
							1M	3M	6M	12M	1M	3M	6M	12M
EVERGREEN														
HDFC	2,700.0	3,362.0	19-Nov-07	Buy	2,059.5	-23.7	-20.0	-19.7	-35.5	-1.8	-2.7	-3.3	-0.3	10.0
HDFC Bank	358.0	1,571.0	23-Dec-03	Buy	998.0	178.8	-22.3	-25.6	-41.6	-14.0	-5.4	-10.5	-9.7	-3.6
Infosys Technologies	689.1	2,013.0	30-Dec-03	Buy	1,755.0	154.7	-9.3	16.1	3.5	-8.9	10.4	39.8	59.9	2.0
Larsen & Toubro	3,536.0	4,044.0	18-Feb-08	Buy	2,388.5	-32.5	-21.6	-21.6	-45.0	-1.1	-4.6	-5.6	-14.9	10.7
Reliance Ind	567.0	3,025.0	5-Feb-04	Buy	2,096.1	269.7	-14.0	-13.2	-28.4	21.8	4.7	4.5	10.7	36.5
Tata Consultancy Services	852.5	1,121.0	6-Mar-06	Buy	845.0	-0.9	-11.7	-2.7	-14.5	-22.9	7.5	17.1	32.1	-13.7
Apple Green														
Aditya Birla Nuvo	714.0	2,035.0	6-Dec-05	Buy	1,103.0	54.5	-23.2	-22.2	-48.5	-22.6	-6.5	-6.4	-20.4	-13.3
Apollo Tyres	34.4	56.0	28-Nov-06	Buy	29.6	-14.0	-24.5	-24.8	-49.8	-10.3	-8.0	-9.5	-22.5	0.5
Bajaj Auto	586.2	826.0	26-May-08	Hold	422.0	-28.0	-	-	-	-	-	-	-	-
Bajaj Finserv	545.0	**	26-May-08	**	500.0	-8.3	-	-	-	-	-	-	-	-
Bajaj Holdings	741.9	941.0	15-Nov-05	Buy	450.0	-39.3	-28.2	-33.9	-18.9	-0.3	-12.6	-20.4	25.4	11.6
Bank of Baroda	239.0	423.0	25-Aug-06	Buy	206.1	-13.8	-15.4	-25.8	-57.3	-23.8	2.9	-10.7	-34.1	-14.7
Bank of India	135.0	458.0	25-Aug-06	Buy	229.7	70.1	-22.3	-19.4	-41.0	-0.3	-5.4	-3.0	-8.8	11.6
Bharat Bijlee	192.3	2,080.0	29-Nov-04	Hold	1,290.0	570.8	-32.6	-41.6	-66.0	-40.8	-18.0	-29.7	-47.5	-33.7
Bharat Electronics	1,108.0	1,610.0	25-Sep-06	Buy	993.6	-10.3	-13.6	-11.9	-51.7	-47.1	5.2	6.0	-25.3	-40.8
Bharat Heavy Electricals	602.0	2,381.0	11-Nov-05	Buy	1,499.0	149.0	-9.6	-20.0	-43.7	-8.7	10.1	-3.7	-13.0	2.3
Bharti Airtel	625.0	1,100.0	8-Jan-07	Buy	719.3	15.1	-15.9	-13.7	-25.4	-18.3	2.4	3.9	15.2	-8.5
Canara Bank	213.0	315.0	25-Aug-06	Buy	168.7	-20.8	-11.5	-19.6	-55.2	-34.6	7.7	-3.2	-30.8	-26.8
Corp Bank	218.0	440.0	19-Dec-03	Buy	262.0	20.2	-20.8	-7.4	-41.6	-19.5	-3.6	11.4	-9.7	-9.8
Crompton Greaves	88.1	367.0	19-Aug-05	Buy	241.5	173.9	-4.5	-13.5	-43.9	-15.1	16.2	4.1	-13.4	-4.9
Elder Pharma	298.0	508.0	26-Apr-06	Buy	314.6	5.6	-8.6	-13.2	-24.7	-20.7	11.3	4.4	16.4	-11.2
Grasim	1,119.0	3,002.0	30-Aug-04	Buy	1,690.0	51.0	-23.5	-34.4	-53.3	-37.8	-6.9	-21.1	-27.9	-30.3
HCL Technologies	103.0	324.0	30-Dec-03	Buy	237.0	130.0	-19.7	-4.6	-22.5	-27.4	-2.2	14.8	19.8	-18.6
Hindustan Unilever	172.0	280.0	24-Nov-05	Buy	202.0	17.4	-16.6	-19.3	-10.7	5.3	1.6	-2.8	38.0	17.9
ICICI Bank	284.0	1,204.0	23-Dec-03	Buy	590.0	107.7	-24.8	-27.3	-53.5	-40.8	-8.5	-12.5	-28.1	-33.7
Indian Hotel Company	76.6	146.0	17-Nov-05	Buy	86.5	12.9	-22.1	-23.8	-45.1	-37.0	-5.2	-8.3	-15.1	-29.5
ITC	69.5	247.0	12-Aug-04	Buy	169.7	144.1	-23.0	-18.6	-21.1	10.5	-6.3	-2.1	22.0	23.7
Lupin	403.5	840.0	6-Jan-06	Buy	680.1	68.5	-1.4	43.5	11.7	-3.4	20.0	72.7	72.6	8.2
M&M	232.0	800.0	1-Apr-04	Buy	472.0	103.4	-19.0	-25.5	-42.2	-34.3	-1.5	-10.3	-10.7	-26.4
Marico	7.7	77.0	22-Aug-02	Buy	54.3	604.5	-16.3	-22.2	-32.1	-2.1	1.9	-6.4	4.9	9.6
Maruti Suzuki	360.0	947.0	23-Dec-03	Buy	551.0	53.0	-29.9	-30.3	-43.6	-29.6	-14.7	-16.1	-12.9	-21.1
Nicholas Piramal	146.0	434.0	16-Mar-04	Buy	298.9	104.7	-16.8	-8.5	1.1	15.8	1.2	10.1	56.3	29.6
Punj Lloyd	519.0	532.0	12-Dec-07	Buy	227.3	-56.2	-28.9	-36.8	-65.5	-28.6	-13.5	-23.9	-46.7	-20.0
Ranbaxy	533.5	575.0	24-Dec-03	Buy	538.0	0.8	-2.9	16.5	22.9	43.2	18.1	40.2	89.9	60.4
Satyam Computers	181.5	521.0	30-Dec-03	Buy	461.0	154.0	-9.8	4.8	5.7	-4.0	9.8	26.1	63.4	7.5
SKF India	141.0	424.0	23-Dec-04	Buy	218.5	55.0	-17.2	-28.3	-51.0	-50.3	0.7	-13.7	-24.2	-44.4
SBI	476.0	2,315.0	19-Dec-03	Buy	1,115.3	134.3	-20.7	-31.9	-50.6	-25.2	-3.5	-18.0	-23.6	-16.2
Tata Motors	473.0	680.0	29-Mar-04	Hold	401.0	-15.2	-29.4	-36.0	-49.1	-41.3	-14.0	-22.9	-21.3	-34.2
Tata Tea	789.0	970.0	12-Aug-05	Buy	713.9	-9.5	-13.4	-17.1	-26.8	-16.4	5.5	-0.2	13.0	-6.3
Wipro	418.0	535.0	9-Jun-06	Buy	428.8	2.6	-14.1	-0.5	-12.5	-15.4	4.6	19.8	35.2	-5.2
Emerging Star														
3i Infotech	66.0	180.0	6-Oct-05	Buy	100.0	51.5	-15.3	-3.8	-33.1	-39.3	3.1	15.8	3.4	-32.1
Aban Offshore	330.4	4,829.0	3-Mar-05	Buy	2,610.0	690.0	-30.8	-17.6	-50.1	-17.3	-15.7	-0.9	-23.0	-7.4
Alphageo India	150.0	480.0	29-Nov-06	Buy	344.1	129.4	-25.2	-18.2	-57.7	-21.6	-8.9	-1.5	-34.7	-12.2
Axis (UTI) Bank	229.4	1,150.0	24-Feb-05	Buy	598.3	160.8	-23.4	-21.5	-43.6	-6.3	-6.8	-5.5	-12.8	5.0
Balaji Telefilms	231.0	299.0	9-Jul-07	Buy	168.0	-27.3	-12.6	-16.9	-51.7	-28.2	6.4	0.0	-25.4	-19.6
BL Kashyap	1,095.0	1,356.0	27-Sep-07	Buy	1,073.0	-2.0	-20.7	-33.8	-48.5	22.9	-3.5	-20.3	-20.4	37.6
Cadila Healthcare	297.5	381.0	21-Mar-06	Buy	313.7	5.4	7.6	22.4	-1.2	-16.0	31.0	47.3	52.7	-5.9
Jindal Saw	635.0	910.0	20-Sep-07	Buy	476.0	-25.0	-22.3	-25.1	-60.8	-32.1	-5.4	-9.9	-39.4	-23.9
KSB Pumps	399.0	451.0	3-Oct-05	Buy	252.4	-36.7	-15.4	-27.1	-47.8	-61.8	3.0	-12.3	-19.4	-57.2
Navneet Publications	56.8	80.0	22-Aug-05	Buy	66.2	16.5	-23.1	-31.1	-54.7	14.7	-6.4	-17.1	-30.0	28.5
Network 18 Fincap	476.0	651.0	20-Jun-07	Buy	150.8	-68.3	-29.6	-29.1	-70.4	-71.3	-14.3	-14.6	-54.2	-67.8



REPORT CARD

STOCK IDEAS STANDING (AS ON JULY 04, 2008)														
COMPANY	RECO PRICE	PRICE TARGET	RECO DATE	CURRENT RECO	PRICE AS ON 04-JUL-08	GAIN/ LOSS (%)	ABSOLUTE PERFORMANCE				RELATIVE TO SENSEX			
							1M	3M	6M	12M	1M	3M	6M	12M
Nucleus Software	248.5	355.0	12-Dec-06	Buy	200.0	-19.5	-21.4	5.9	-48.1	-60.1	-4.4	27.4	-19.8	-55.3
Opto Circuits	338.0	460.0	13-May-08	Buy	293.0	-13.3	-8.0	-9.7	-45.9	18.6	11.9	8.6	-16.4	32.8
Orchid Chemicals	254.0	300.0	16-Jan-06	Buy	255.2	0.5	0.2	38.9	-17.1	-4.3	21.9	67.2	28.1	7.1
Patels Airtemp	88.2	135.0	7-Dec-07	Buy	45.3	-48.6	-28.4	-18.4	-66.7	3.5	-12.8	-1.7	-48.5	15.9
Television Eighteen India	110.0	486.0	23-May-05	Buy	206.6	87.8	-33.7	-44.0	-63.6	-55.7	-19.3	-32.6	-43.8	-50.4
Thermax	124.2	602.0	14-Jun-05	Buy	370.0	197.9	-8.7	-31.4	-54.6	-26.4	11.2	-17.5	-29.9	-17.6
Zee News	54.0	79.0	18-Oct-07	Buy	49.0	-9.3	-9.9	-0.3	-44.0	3.7	9.6	20.0	-13.5	16.2
Ugly Duckling														
Ashok Leyland	38.0	43.0	23-May-06	Hold	28.8	-24.3	-19.7	-19.2	-46.8	-26.2	-2.2	-2.7	-17.7	-17.4
Aurobindo Pharma	684.0	914.0	28-May-07	Buy	291.0	-57.5	-6.3	-5.7	-49.6	-64.9	14.1	13.5	-22.1	-60.7
BASF	220.0	330.0	18-Sep-06	Buy	262.3	19.2	4.5	38.3	-19.3	1.5	27.2	66.4	24.8	13.7
Ceat	91.5	196.0	28-Nov-06	Buy	72.2	-21.1	-24.1	-29.0	-	-66.2	-7.6	-14.5	-	-62.1
Deepak Fert	50.6	169.0	17-Mar-05	Buy	85.1	68.1	-19.6	-11.4	-49.5	-11.5	-2.1	6.6	-21.9	-0.9
Genus Overseas	101.0	673.0	6-Jul-05	Buy	305.1	202.0	-40.3	-39.9	-70.5	-16.3	-27.4	-27.7	-54.5	-6.3
ICI India	250.0	622.0	26-May-05	Buy	535.0	114.0	-8.2	-10.0	-1.9	0.5	11.8	8.3	51.6	12.5
India Cements	220.0	260.0	28-Sep-06	Buy	130.6	-40.7	-25.2	-32.9	-58.1	-39.6	-9.0	-19.2	-35.3	-32.4
Indo Tech Transformer	199.0	591.0	28-Nov-06	Buy	323.0	62.3	-25.4	-38.0	-60.4	-22.7	-9.2	-25.4	-38.8	-13.4
Ipca Labs	660.0	875.0	5-Nov-07	Buy	534.2	-19.1	-8.8	-10.4	-19.5	-28.7	11.0	7.8	24.3	-20.1
Jaiprakash Associates	25.0	390.0	30-Dec-03	Buy	152.8	511.0	-32.9	-40.6	-70.7	-10.5	-18.3	-28.5	-54.7	0.2
KEI Industries	39.4	84.0	30-Aug-05	Buy	37.8	-4.1	-31.1	-38.5	-63.4	-54.8	-16.1	-26.0	-43.4	-49.4
Mahindra Lifespace	799.0	850.0	9-Jan-08	Buy	440.2	-44.9	-34.6	-0.3	-52.2	-29.5	-20.4	20.0	-26.1	-21.1
Mold-Tek	155.0	169.0	19-Dec-07	Buy	60.0	-61.3	-28.4	-27.5	-72.0	-60.6	-12.8	-12.7	-56.7	-55.8
Orbit Corporation	800.0	852.0	17-Dec-07	Buy	265.0	-66.9	-41.3	-41.4	-70.9	1.7	-28.6	-29.5	-55.1	13.8
Punjab National Bank	180.0	632.0	19-Dec-03	Buy	386.1	114.5	-18.5	-21.4	-43.8	-27.4	-0.9	-5.4	-13.2	-18.6
Ratnamani Metals	270.0	1,110.0	8-Dec-05	Buy	671.0	148.5	-8.9	-20.0	-53.9	-28.4	10.9	-3.7	-28.7	-19.8
Sanghvi Movers	53.0	298.0	5-Aug-05	Buy	190.0	258.4	-18.6	-14.5	-40.7	15.0	-0.9	2.9	-8.4	28.8
Selan Exploration	58.0	160.0	20-Mar-06	Hold	180.7	211.6	-26.1	28.2	-20.4	73.0	-10.0	54.3	23.0	93.8
Shiv-Vani Oil & Gas	370.0	725.0	4-Oct-07	Buy	538.1	45.4	-18.9	-9.1	-20.2	41.4	-1.2	9.4	23.3	58.3
SEAMEC	190.0	253.0	12-Oct-06	Buy	118.0	-37.9	-10.4	-16.3	-57.1	-37.9	9.0	0.7	-33.7	-30.4
Subros	41.2	63.0	26-Apr-06	Buy	26.5	-35.7	-24.5	-25.9	-54.6	-38.2	-8.1	-10.8	-29.9	-30.8
Sun Pharmaceutical	302.0	1,640.0	24-Dec-03	Buy	1,321.9	337.7	-4.1	8.9	21.7	34.6	16.7	31.1	88.0	50.7
Surya Pharma	139.0	205.0	2-Dec-05	Buy	93.0	-33.1	-12.9	0.7	-37.9	13.0	6.0	21.2	-4.1	26.6
Tata Chemicals	411.0	515.0	31-Dec-07	Buy	273.5	-33.5	-26.5	-6.6	-35.1	11.8	-10.6	12.4	0.3	25.3
Torrent Pharma	185.0	260.0	4-Oct-07	Buy	155.8	-15.8	3.1	12.4	-24.5	-36.6	25.5	35.3	16.7	-29.0
Unity Infraprojects	692.0	877.0	26-Feb-08	Buy	356.3	-48.5	-25.0	-34.3	-65.2	-35.0	-8.7	-20.9	-46.2	-27.2
UltraTech Cement	384.0	975.0	10-Aug-05	Buy	534.3	39.1	-17.5	-34.4	-46.2	-40.1	0.5	-21.1	-16.8	-32.9
Union Bank of India	46.0	230.0	19-Dec-03	Buy	109.3	137.5	-11.1	-18.5	-49.5	-14.4	8.2	-2.0	-22.0	-4.1
Wockhardt*	248.0	505.0	24-Dec-03	Buy	182.7	-26.4	-38.1	-35.4	-58.9	-54.4	-24.6	-22.2	-36.5	-49.0
Zensar Technologies	342.0	380.0	18-Jun-07	Hold	110.5	-67.7	-17.5	-5.8	-41.6	-67.1	0.4	13.4	-9.8	-63.2
Vulture's Pick														
Esab India	60.0	575.0	21-May-04	Buy	339.0	465.0	-13.3	-20.4	-33.5	-23.7	5.6	-4.2	2.7	-14.5
Orient Paper	21.4	80.0	30-Aug-05	Buy	31.3	46.0	-15.7	-28.0	-53.7	-24.0	2.6	-13.3	-28.5	-14.9
WS Industries	51.0	108.0	2-Dec-05	Buy	49.3	-3.4	-29.7	-34.8	-58.9	-7.2	-14.5	-21.5	-36.4	3.9
Cannonball														
Allahabad Bank	73.0	138.0	25-Aug-06	Buy	56.7	-22.3	-30.0	-27.9	-59.0	-32.6	-14.8	-13.2	-36.7	-24.5
Andhra Bank	85.0	117.0	25-Aug-06	Buy	51.0	-40.1	-29.8	-30.4	-56.6	-37.9	-14.6	-16.2	-32.9	-30.4
Gateway Distriparks	190.0	236.0	11-Aug-05	Buy	71.0	-62.6	-32.9	-30.5	-59.1	-55.6	-18.3	-16.4	-36.8	-50.3
International Combustion	350.0	519.0	20-Sep-05	Buy	315.0	-10.0	-21.1	-11.8	-49.4	-21.6	-3.9	6.2	-21.9	-12.2
J K Cements	149.0	250.0	17-Nov-05	Buy	131.5	-11.7	-3.7	-15.0	-36.1	-6.9	17.2	2.3	-1.3	4.3
Madras Cements	1,498.0	4,000.0	17-Nov-05	Buy	2,740.0	82.9	7.7	-15.1	-37.4	-8.9	31.1	2.2	-3.3	2.0
Shree Cement	445.0	1,225.0	17-Nov-05	Buy	530.0	19.1	-29.9	-51.3	-61.3	-59.4	-14.7	-41.3	-40.3	-54.5
TFCI	17.1	30.0	25-Jun-07	Buy	15.3	-10.8	-32.5	-32.3	-69.5	-35.0	-17.8	-18.5	-52.9	-27.2

** Price under review

It all boils down to oil

The market has tanked by over 35% from its January 2008 peak, wiping out most of the gains made during its steep rally in 2007. After touching its all-time high of 21,207 in January this year, the market has sunk to 13,000 levels in a matter of just six months. In June alone it shed almost 2,000 points. Investors have taken a massive hit on their portfolios in probably the worst stock market downturn in recent times. There is a general sense of pessimism and the dawn of each day brings fears of new lows. We have been advising extreme caution for the past couple of months against the backdrop of a steep deterioration in the macro environment and growing political uncertainties. However, the severity and swiftness of the correction is unnerving. The mute question now is: Is there still more pain left or is the worst already factored in?

The macro-economic environment has deteriorated in the past six months due to the rally in the prices of crude oil and the other raw commodities in the global markets. Most importantly, the unprecedented rally in crude oil is not only pushing inflation to unsustainable levels but also putting immense pressure on government finances in terms of bloating the fiscal deficit. To deal with the situation the government and the central bank have taken a series of fiscal and monetary measures including the sucking out of excess liquidity and pushing up of the overall interest rates in the economy. As a result, the earnings estimates of interest sensitive sectors such as banks, automobiles and real estate are being downgraded considerably and the risk of a downward revision in the earnings of companies in several other sectors is also growing.

The downside risk in the earnings is also mirrored in the continuous contraction of the price/earnings (PE) multiples and resulted in the de-rating of the Indian markets itself. For instance, the Sensex, which commanded a one-year forward PE multiple of around 19-20x over the December 2007-January 2008 period, is now trading at close to 13-14x one-year forward earnings multiple. The current valuation largely factors in the change in the fundamentals. However, the perceived risk seldom goes hand in hand with the actual risk and the markets tend to overshoot on either side. Moreover, crude oil continues to make a new high everyday and may further worsen the country's fiscal situation, thereby increasing the risk to the earnings.

Being a net importer of crude oil India remains vulnerable to surging crude oil prices, which have more than doubled in the past eight months to touch a new peak of $146 on July 3, 2008. Due to the rising cost of imports and moderating global demand India's current account deficit has widened. In the first two months (April-May 2008) of this fiscal, the oil import bill also shot up by 48.5% year on year to $16.5 billion. Consequently, the trade deficit ballooned by 48.3% to $20.6 billion in the same period. The surging trade deficit on the back of an increasing oil import bill along with the outflows from the stock market ($3.2 billion over April to mid-June 2008 alone) has caused the rupee to depreciate by 7.4% so far against the dollar. The local currency touched a 15-month low of 43.47 on July 1.

The surge in crude oil prices has increased the government's subsidy burden as well. As per estimates, if the crude oil prices stay at $145 per barrel, the oil import bill will jump up by 76% to $110-$120 billion and push the current account deficit to 3% of the gross domestic product (GDP) in FY2009. This together with the farm loan waiver and the recommendations of the Sixth Pay Commission is going put immense pressure on the fiscal deficit. The fiscal deficit has already widened to Rs732.01 billion for the April-May period from Rs621.35 billion in the same period of FY2008. Thus, after taking into account the off balance sheet items like the oil bonds and fertiliser subsidies, the fiscal deficit is expected to bloat to over 6% levels in FY2009.

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Throwing all projections awry, inflation in Indian economy has skyrocketed to a 13-year high of 11.63% for the week ended June 21, 2008. Inflation has now stayed above the Reserve Bank of India's (RBI) comfort zone of 5% for 20 weeks in a row. This inflation is being caused by the rising prices of crude oil and the other commodities, especially raw foods and metals, in the global markets.

The demand for fuel and raw food products has surged globally in the past few years with the high economic growth in China and India where the consumption demand in the middle class population is on the rise. The increasing use of food items to produce biofuels, especially in the wake of the hardening crude oil prices, has also contributed to the rise. Another reason is the heightened risk associated with equities and the other asset classes in the aftermath of the US subprime crisis; this along with the superlative performance of the commodities market in the past five years is diverting a lot of speculative money to commodities. Since India does not have in place long-term purchase contracts with the exporting nations for crude oil and the other commodities, it is compelled to import these necessities at higher prices now. This is stoking up inflation.

To tame inflation the RBI has tightened the monetary screws further. It has hiked the repo rate twice in a month, by 25 basis points to 8% on June 11 and by 50 basis points to 8.5% on June 24. The cash reserve ratio has also been increased in two stages to 8.75%, starting from July 5 and July 19. Consequently, interest rates have hardened further—banks like State Bank of India and Union Bank of India have already raised their prime lending rates. Corporate India, which is already reeling under the pressure of high raw material prices, has been hit hard by the rising interest rates because of which the cost of working capital has gone up. The rise in the cost of credit and the surging inflation seem to have affected consumer demand as well. Given the low base of inflation in the same period of last year and the fact that global commodity prices are not showing any signs of softening, we expect inflation to stay at high levels for some time. Another indication that inflation will remain at such high levels for a while comes from the government bond market. The 10-year government bond yields jumped to a seven-year high of over 9% last week. Clearly, the debt markets are expecting further monetary tightening from the central bank.

Meanwhile, due to the RBI's monetary tightening measures, the economy's growth has moderated. After dipping to 3.9% in March 2008 industrial growth recovered to 7% in April 2008 but the same was nowhere near the 11.3% growth recorded in April last year. The performance of the manufacturing sector, which is plagued with the high costs of input and working capital, continues to drag the Index of Industrial Production down. Growth in the manufacturing sector slowed down to 7.5% in April 2008 from 11.5% in last April and 9% in FY2008. As for the GDP, while the annual GDP growth estimate for FY2008 has been revised upward to 9% by the Central Statistical Organisation, the consensus forecast for GDP growth in FY2009 has been revised downwards from 8.0-8.5% to about 7.5%. If crude oil continues its northward march, the GDP growth could slow down further.

No wonder crude oil is hogging the attention of investors and analysts alike and the market is reacting to every teeny weeny movement in its price! So where is crude oil headed? Some say it will touch $175 by *Diwali* whereas many others have set a higher target of $200 by the year-end. Crude oil is expected to continue its relentless rise for some time, what with the Organisation of Petroleum Exporting Countries (OPEC) refusing to increase oil production. OPEC accounts for nearly two-thirds of the world's oil reserves and over 35% of the world's oil production. Though the boiling crude oil has tempered demand in the developed world, demand in the emerging economies remains strong due to the resistance of their governments to pass on the price increase to consumers. For instance, demand in both China and India (the two fastest growing economies in the world) remains robust due to the

contd....

fuel subsidy policy of their governments. Any escalation of geo-political tensions or supply shortage could also push up crude oil prices higher. Though all kinds of forecasts are flying around, the consensus is that crude oil will see another spike from here and then come down, as demand will be unable to sustain at very high levels. Any appreciation in the dollar or any regulatory action against the speculators could hasten the softening process.

Thus, due to the turmoil unleashed by crude oil, the near-term outlook for our economy is gloomy. The uncertainty on the political front has worsened the situation. The government has decided to press ahead with the 123 nuclear deal with the USA despite the reservations of its Left allies. It now plans to seek the approval of the International Atomic Energy Agency to operationalise the agreement. Expectedly, the Left constituents of the coalition government have threatened to withdraw support. Early elections could add to the uncertainty by throwing up a fragmented mandate. The government is aware that it is unlikely to come back to power with inflation at a 13-year high. So efforts are on to woo a regional party in order to avoid early elections and go ahead with the nuclear pact. We are keeping our fingers crossed.

Even though the outlook is bleak for the near term, the economy is expected to grow at a respectable rate in the medium term since its fundamentals remain strong and it is in a better shape to cope with inflationary pressures today than it was in the past. Also, India's growth continues to be driven by investment, which remains robust as is evident from the 14.2% growth in the capital goods sector in April 2008 after the aberration of a 2.6% growth in January 2008. In face of the rising interest rates, the corporate sector too has shown remarkable resilience so far. The same is evident from the 32.6% surge in corporate tax collections in the first quarter of FY2009. Direct tax collections have also gone up by 38.6% in the first quarter of FY2009 to Rs57,373 crore from Rs41,391 crore in Q1FY2008, pointing to continued buoyancy in the economy. If going ahead crude oil prices do a U-turn as expected, our fiscal situation would get better, inflation would come down, interest rates would soften, corporate earnings would improve and economic growth would pick up.

In the meantime, the turbulence in the Indian economy and the slowdown in the global economy caused by the crude oil surge are expected to keep foreign fund flows into the stock market depressed in the near future. The foreign institutional investors (FIIs) are still selling. They sold Indian equities to the tune of $2.5 billion at net level in June alone and have taken out $6.6 billion from our stock market in the calendar year so far. But the FIIs will not be able to stay away from India for long. After all, with its economy expected to grow at a decent 7.5% or so in FY2009 India continues to hold the promise of good returns compared with the other equities markets. Moreover, whenever India's macro environment improves, the downside risk to the earnings of Indian companies will reduce, possibly leading to the re-rating of their PE multiples. Besides, the Indian market has seen a steeper fall compared with the other emerging markets. The Sensex appears very attractive at 13-14x one-year forward PE multiple and after adjusting for the embedded value in the Sensex, the valuation is at distress levels of 11.0-11.5x FY2009 earnings. This is significantly lower than the 15-16x PE multiple enjoyed by the benchmark index in the past five years. The reasonably attractive valuation coupled with the fact that the domestic institutions are sitting on a cash of around Rs24,000 crore is likely to limit the downside risk from here.

In other words, though the market may remain volatile with a downward bias in the near term, it will recover with the softening of crude oil prices and improvement in our economic situation. As a result of the ongoing de-rating of the PE multiples several blue-chip companies are today available at mouthwatering valuations. This presents a golden opportunity to the true long-term investor. Invest in these companies now to reap the rewards later. Sharekhan has several such companies under its coverage, don't forget to take the list when you go bottom fishing. ■

Sharekhan Top Picks

Sharekhan top picks

The market continued its slide last month, hit hard by the spiralling inflation at home and soaring crude oil prices globally. The Nifty and the Sensex were down by 13.2% and 13.6% respectively as on July 4, 2008. Sharekhan's recommended portfolio of top picks performed in line with the market and declined by 13.4% during the month. Ranbaxy Laboratories, Shiv Vani Oil and Sun Pharma were the top performers in our portfolio for the month. Maruti Suzuki, Aban Offshore and Grasim Industries were the underperformers.

We have made one change in our recommendation for July. We have replaced Grasim Industries with Reliance Industries. Grasim Industries has underperformed despite its cheap valuation on account of rising concerns over its VSF business. Moreover, the cement business is also facing pressure from the cost side. On the other hand, Reliance Industries is likely to show robust financial performance in Q1FY2009. In the coming quarters it also has several re-rating triggers, such as the commissioning of a new refinery at Jamnagar and the much-awaited commercial production of gas from KG basin.■

NAME	CMP* (RS)	FY08	PER FY09E	FY10E	FY08	ROE (%) FY09E	FY10E	TARGET PRICE	UPSIDE (%)
Aban Offshore	2,612	-	7.3	5.4	55.4	89.6	59.2	4,829	84.8
Bharti Airtel	716	20.4	16.9	13.1	34.2	27.9	27.2	1,100	53.6
Hindustan Unilever	202	24.9	21.4	18.5	85.0	112.9	87.9	280	38.9
ITC	171	20.6	17.7	14.8	27.8	27.6	27.5	247	44.6
Larsen & Toubro	2,380	31.2	21.5	15.9	25.8	29.0	30.2	4,044	69.9
Maruti Suzuki	550	9.2	8.8	7.6	20.6	18.0	17.6	947	72.1
Ranbaxy	538	33.9	38.5	22.9	27.6	7.5	10.2	575	6.8
Reliance Industries	2,099	19.9	15.8	11.7	22.8	19.6	20.0	3,025	44.1
Satyam computer	462	18.3	15.2	13.3	25.9	25.5	23.7	521	12.7
Shiv-vani oil	541	25.1	16.8	11.2	17.3	17.3	19.0	725	34.0
Sun Pharmaceuticals	1,326	18.5	16.2	16.1	29.7	26.3	21.6	1,640	23.7
TCS	844	16.4	14.1	12.3	38.2	32.5	28.3	1,121	32.9

* CMP as on July 04, 2008

NAME	CMP (RS)	FY08	PER FY09E	FY10E	FY08	ROE (%) FY09E	FY10E	TARGET PRICE	UPSIDE (%)
ABAN OFFSHORE	**2,612**	-	7.3	5.4	55.4	89.6	59.2	**4,829**	84.8

Remarks:

- Aban Offshore, one of Asia's largest oil drilling companies, is benefiting from the increase in oil exploration and production activities globally. The robust demand environment is resulting in firm day rates for its assets.
- In addition to re-pricing of its assets at higher day rates, the company is also benefiting from the efforts taken to substantially ramp up the asset base through organic and inorganic initiatives. This would significantly improve its financial performance over the next few years.
- At the current market price the stock trades at 7.3x FY2009 and 5.4x FY2010 estimated earnings. We maintain the Buy call on the stock.

NAME	CMP (RS)	FY08	PER FY09E	FY10E	FY08	ROE (%) FY09E	FY10E	TARGET PRICE	UPSIDE (%)
BHARTI AIRTEL	**716**	20.4	16.9	13.1	34.2	27.9	27.2	**1,100**	53.6

Remarks:

- Bharti Airtel with over 24% market share is a leader in the Indian telecom space. On average, the company is adding ff2 million subscribers every month and currently has a subscriber base of approximately 64 million.
- The embedded value in the company's tower business offers considerable downside support to the stock price. Bharti Infratel (with 22,000 towers in circles other than the 16 covered by Indus Towers) has raised $1 billion through placement to the leading foreign institutions. It has been valued in the range of $10-12.5 billion depending on the actual performance in FY2009. This apart, Bharti Infratel would hold 40% stake in Indus Towers (formed along with Vodafone and Idea Cellular).
- Bharti Airtel is likely to be a key beneficiary of the removal of the access deficit charge (ADC). Bharti Airtel is estimated to benefit to the extent of Rs180-200 crore from the removal of ADC. The company is likely to pass on the benefits accruing from the ADC removal to the end consumers by way of reduced tariffs or similar benefits.
- At the current market price the stock trades at 16.9x FY2009 and 13.1x FY2010 estimated earnings.

NAME	CMP (RS)	PER FY08	PER FY09E	PER FY10E	ROE (%) FY08	ROE (%) FY09E	ROE (%) FY10E	TARGET PRICE	UPSIDE (%)
HINDUSTAN UNILEVER	**202**	24.9	21.4	18.5	85.0	112.9	87.9	**280**	38.9

Remarks:

- HUL is the largest FMCG company in India, occupying ~20% of the Indian consumer space. With dominance across categories such as soaps, detergents, personal care products, food and beverages, it stamps its presence as an FMCG giant.
- With increasing per capita income fueling consumerism and upgradation of lifestyle of the Indian consumer, HUL's revenues and profitability are expected to gain momentum.
- Further, hefty free cash flow generation has lead to huge cash reserves for HUL and rich dividends (dividend yield of ~3.6%) for its shareholders over the years.
- At the current market price, the stock trades at 18.5x its CY2009E EPS of Rs10.9. We maintain our Buy recommendation on the stock.

NAME	CMP (RS)	PER FY08	PER FY09E	PER FY10E	ROE (%) FY08	ROE (%) FY09E	ROE (%) FY10E	TARGET PRICE	UPSIDE (%)
ITC	**171**	20.6	17.7	14.8	27.8	27.6	27.5	**247**	44.6

Remarks:

- ITC's cigarette business that has dominance in the category continues to be a cash cow for the company. ITC has chalked out aggressive roadmap for making a mark in the Indian FMCG market. With successful brands such as *Bingo*, *Sunfeast* and *Aashirwaad* already in the reckoning among the best in the industry, ITC's non-cigarette FMCG business is on a strong footing. The company has further ventured into the personal care category with the launch of *Superia* and *Fiama Di Wills* soaps and shampoos that would compete with the likes of the products of HUL and P&G.
- Aggressive expansion plans in hotels and paper segments would ensure, inclusive growth across segments for the company.
- We believe ITC has a well-diversified business model with multiple revenue drivers that would ensure sustained growth for the company. It thus remains our top pick in the sector. At the current market price, ITC trades at 14.8x its FY10E earnings. We maintain our Buy recommendation on the stock.

NAME	CMP (RS)	PER FY08	PER FY09E	PER FY10E	ROE (%) FY08	ROE (%) FY09E	ROE (%) FY10E	TARGET PRICE	UPSIDE (%)
LARSEN & TOUBRO	**2,380**	31.2	21.5	15.9	25.8	29.0	30.2	**4,044**	69.9

Remarks:

- Larsen & Toubro, the largest engineering and construction (E&C) company in India, is a direct beneficiary of the strong domestic infrastructure development and industrial capital expenditure (capex) booms. Consequently, we estimate the order inflows to grow at a CAGR of 20.7% between FY2008 and FY2010.
- The international business is expected to emerge as one of the key drivers going forward with immense opportunities from the Gulf Corporation Council markets.
- There lies innumerable opportunities in the new verticals in which the company is entering, namely ship building, defence, railways, thermal and nuclear power.
- We believe that there is a scope for further improvement in the margins on the back of rising operational efficiencies, larger ticket-size and more complex nature of orders, better raw material sourcing and integration, and higher contribution of its new businesses which carry higher margins.
- We value the core business of L&T at 25x FY2010E earnings, or Rs3,038 per share, while we value the subsidiaries at Rs1,006 per share of L&T. At the current levels, the stock is trading at 15.9x its FY2010E consolidated earnings. We maintain our Buy recommendation.

NAME	CMP (RS)	PER FY08	PER FY09E	PER FY10E	ROE (%) FY08	ROE (%) FY09E	ROE (%) FY10E	TARGET PRICE	UPSIDE (%)
MARUTI SUZUKI	**550**	9.2	8.8	7.6	20.6	18.0	17.6	**947**	72.1

Remarks:

- Maruti Suzuki, the market leader in the passenger car market in India, is set to benefit from the number of new launches made by it in the recent times.
- Most of its new launches, namely *WagonR Duo*, *Zen Estilo*, *Diesel Swift* and *SX4*, have been well received by the market and are clocking strong volumes.
- Also, with the addition of the diesel vehicle and a sedan, the company has expanded its product basket, making it a full-fledged play on the country's booming passenger car market. The company lately launched its Swift sedan *DZire*, which too has picked up well in the market.
- With the expansion of its Manesar plant, its exports are also set to go on a top gear. Suzuki has identified India as a hub for manufacture of small cars for its worldwide markets and the company would be exporting about 100,000 units of the new vehicle to its parent, while another 50,000 units would be supplied to Nissan.
- At current levels, the stock is trading at 7.6x its FY2010E earnings.

NAME	CMP (RS)	PER FY08	PER FY09E	PER FY10E	ROE (%) FY08	ROE (%) FY09E	ROE (%) FY10E	TARGET PRICE	UPSIDE (%)
RANBAXY LAB	**538**	33.9	38.5	22.9	27.6	7.5	10.2	**575**	6.8

Remarks:

- With a geographically diversified presence and a large product portfolio, Ranbaxy is one of the best plays on the global generic opportunity.
- The company has guided towards an impressive 18-20% growth in CY2008, an expansion of margins to 17.5-18%, resulting in a net profit growth of 20-25%. This guidance is excluding any one-time exclusivity opportunities in the USA.
- Ranbaxy believes the next wave of its growth to come from the branded markets in Asia, Africa and Latin America. With a product pipeline of over 100 products for these markets, revenues from emerging markets will drive the company's growth.
- Ranbaxy believes that it has FTF status on approximately 18 Para IV ANDA filings, representing a market size of about USD27 billion. It expects to monetise at least one FTF opportunity every year for the next few years and has already announced the opportunities until CY2010. The FTF opportunities announced so far are collectively valued at Rs2,716 crore, translating into a per share value of Rs68.
- Ranbaxy has decided to de-merge its new drug discovery research (NDDR) operations into a separate entity effective from January 1, 2008 and list it subsequently. This will boost the overall profitability of the core business and also unlock value in the discovery research and development (R&D) assets. The announcement of further details on the demerger scheme in February 2008 will act as a near-term trigger for the stock.
- At the current market price, Ranbaxy is trading at 22.9x its estimated CY2010E earnings. We maintain our Buy recommendation on the stock with a price target of Rs575 (Rs470 for base business plus Rs105 for FTFs).

NAME	CMP (RS)	PER FY08	PER FY09E	PER FY10E	ROE (%) FY08	ROE (%) FY09E	ROE (%) FY10E	TARGET PRICE	UPSIDE (%)
RELIANCE INDUSTRIES	**2,099**	19.9	15.8	11.7	22.8	19.6	20.0	**3,025**	44.1

Remarks:

- With nine oil and gas discoveries during the year and a portfolio of 34 exploration blocks, the company holds a great promise in the E&P business. At present, the company's reserves are estimated at 9 billion barrels of oil equivalents (boe).
- On the back of complex configurations of the existing and upcoming refineries of RPL, the company is likely to continue to earn strong gross refining margins. Refining volumes would double as the RPL refinery becomes operational during the third quarter.
- At the current market price of Rs2,099, the stock is trading at 15.8x FY2009E and11.7x FY2010E consolidated earnings. We maintain our Buy recommendation on the stock with a price target of Rs3,025.

NAME	CMP (RS)	PER FY08	PER FY09E	PER FY10E	ROE (%) FY08	ROE (%) FY09E	ROE (%) FY10E	TARGET PRICE	UPSIDE (%)
SATYAM COMPUTER	**462**	18.3	15.2	13.3	25.9	25.5	23.7	**521**	12.7

Remarks:

- Satyam Computer Services (Satyam) has shown a consistent volume growth of over 8% sequentially over the past six quarters, which is ahead of its peers. What's more, its revenue growth guidance of 24-26% (in dollar terms) is first time much ahead of that of Infosys Technologies.
- Satyam's other operational matrices are also positive. For instance, its exposure to the troubled BFSI vertical (23% in FY2008) is the lowest among the front-line peers. The attrition level declined for the sixth consecutive quarter and stood at a comfortable level of 13.1% (on the trailing twelve-month basis).
- At the current market price the stock trades at 13.3x times FY2010 estimated earnings. We maintain our Buy recommendation on the stock. In the wake of the propasal to extend the tax sops under sections 10A/10B our earnings and price target shall be revised upwards.

NAME	CMP (RS)	PER FY08	PER FY09E	PER FY10E	ROE (%) FY08	ROE (%) FY09E	ROE (%) FY10E	TARGET PRICE	UPSIDE (%)
SHIV- VANI OIL & GAS	**541**	25.1	16.8	11.2	17.3	17.3	19.0	**725**	34.0

Remarks:

- With a fleet of 25 onshore drilling rigs and six seismic survey crew, Shiv-Vani Oil & Gas Exploration (SOGEL) has emerged as the largest onshore service provider catering to oil and gas exploration companies.
- Augmentation of assets by the company is well timed in the industry up-cycle as heightened exploration activity has led to a severe shortage of resources with service providers, leading to firming up of day rates (or billing rates per km in case of seismic survey) for various services. Moreover, the order backlog of over Rs3,500 crore (over 5x CY2007 revenues) provides strong revenue-growth visibility.
- The consolidated revenues and earnings are expected to grow at CAGR of 65.1% and 85.4% respectively over the three-year period CY2006-09.
- Despite the robust growth prospects, the scrip is available at attractive valuations of 16.8x FY2009 and 11.2x FY2010 earning estimates. We recommend Buy on the stock.

NAME	CMP (RS)	PER FY08	PER FY09E	PER FY10E	ROE (%) FY08	ROE (%) FY09E	ROE (%) FY10E	TARGET PRICE	UPSIDE (%)
SUN PHARMACEUTICALS	**1,326**	18.5	16.2	16.1	29.7	26.3	21.6	**1,640**	23.7

Remarks:

- Sun Pharma's track record of delivering consistent and robust growth while maintaining strong profitability and return ratios makes it the best Indian play in the generic space.
- With 98 abbreviated new drug applications (ANDAs) pending USFDA approval and a filing rate of 30+ ANDAs per year, Sun Pharma has one of the strongest product pipelines for the US market. The company is amongst the top three players in around 15 of the 25 products that it sells in the US market.
- With a strong focus on the chronic lifestyle diseases, Sun Pharma's domestic formulations business has been outperforming the industry growth by a wide margin. Sun Pharma maintains the numero uno ranking with neurologists, cardiologists, diabetologists and orthopedics.
- It is an aggressive participant in the Para IV patent challenge space. Having already monetised three of its Para IV wins (oxcarbazepine, pantoprazole and amifostine), approvals and launch of generic Gemzar and generic Effexor XR would act as triggers for the stock.
- The stock is quoting at 16.2x FY2009E earnings and at 16.1x FY2010E earnings.

NAME	CMP (RS)	PER FY08	PER FY09E	PER FY10E	ROE (%) FY08	ROE (%) FY09E	ROE (%) FY10E	TARGET PRICE	UPSIDE (%)
TCS	**844**	16.4	14.1	12.3	38.2	32.5	28.3	**1,121**	32.9

Remarks:

- TCS, one of the largest software services exporters from India, is expected to benefit from the increased outsourcing activities due to slow down in the USA.
- TCS has delivered decent performance during FY2008 considering the strong rupee appreciation and will continue to deliver good performance based on its strong global delivery model. Going ahead TCS's restructuring initiatives with put back the company on a strong growth trajectory.
- TCS is well poised to achieve back-ended growth on the back of strong pipeline of 25 deals of more than $50mn. Moreover the company intends to add 30,000-35,000 employees, which clearly gives the revenue visibility.
- At the current market price, TCS is trading at attractive valuation of just 12.3x times FY2010 estimated earnings. We maintain our Buy recommendation on the stock with price target of Rs1,121.

Stock Update

3i Infotech

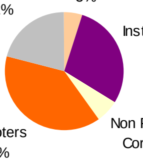
Emerging Star | Buy; CMP: Rs118 | June 18, 2008

Acquisition spree continues

COMPANY DETAILS

Price target:	Rs180
Market cap:	Rs1,540 cr
52 week high/low:	Rs162/84
NSE volume (No of shares):	4.7 lakh
BSE code:	532628
NSE code:	3IINFOTECH
Sharekhan code:	3IINFOTECH
Free float (No of shares):	8.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-7.0	30.4	-14.9	-22.4
Relative to Sensex	3.0	22.6	3.9	-30.6

The author doesn't hold any investment in any of the companies mentioned in the article.

- 3i Infotech has announced three acquisitions since April 2008, namely Regulus Group LLC (Regulus), M/S Locuz Enterprise Solution (Locuz) and M/S FinEng Solutions Pvt Ltd (FSL).
- Post these acquisitions, we expect 3i Infotech's top line and bottom line to grow significantly
- We have revised upwards our FY2009 earnings estimate by 7.2% and FY2010 earnings estimate by 12.7. We maintain our Buy recommendation with price target of Rs180 (10x FY2010 earnings estimate).

Regulus acquisition—EPS accretive

3i Infotech has recently announced that it has completed the acquisition of Regulus. 3i Infotech acquired Regulus for US$80 million with an additional consideration of US$20 million based on an earn-out linked to performance.

Locuz acquisition—26% stake

3i Infotech also took a 26% stake in Locuz for Rs6.9 crore. Locuz has annual revenues of Rs80 crore with an EBITDA margin of 10%.

FSL acquisition—51% stake

3i Infotech has also announced recently that it has acquired a 51% stake in FSL Since, the financial details are not available, we have not considered this acquisition in our earnings estimates.

Financial performance—Post acquisitions

3i Infotech's revenues are expected to grow 87.5% yoy to Rs2,260.3 crore in FY2009. However, we expect 3i Infotech's OPM to decline by ~230 basis points to 20.5%. The net income growth is expected to be lower than top-line primarily due to lower OPM and higher interest expenses associated with acquisition.

For further details, please visit the Research section of our website, sharekhan.com

Axis Bank

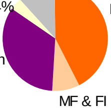
Emerging Star | Buy; CMP: Rs716 | June 12, 2008

Annual report review

COMPANY DETAILS

Price target:	Rs1,150
Market cap:	Rs25,612 cr
52 week high/low:	Rs1291/534
NSE volume (No of shares):	9.8 lakh
BSE code:	532215
NSE code:	AXISBANK
Sharekhan code:	AXISBANK
Free float (No of shares):	20.6 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-14.9	-15.0	-24.5	25.6
Relative to Sensex	-6.4	-10.0	0.5	15.3

The author doesn't hold any investment in any of the companies mentioned in the article.

We went through the recently released annual report of Axis Bank and present the highlights of the same below.

- The retail banking operations of Axis Bank contribute about 20% to the bank's total income and only 8% to its bottom line, making it the least profitable segment. Wholesale banking is most lucrative business for the bank owing to its strong position in the loan syndication business. However, significant focus on strengthening the current account and savings account (CASA) should drive Axis Bank's profitability going forward.
- The restructuring of the corporate banking business has helped the segment achieve a strong growth (a 68.3% growth in corporate advances). A leadership position in the loan syndication business provides further impetus to the corporate banking business.
- The concentration of the bank's exposure to certain industries is a cause for concern with gems and jewellery forming 39.5% of the non-fund exposure, and non-banking finance companies (NBFCs) and trading companies forming 13.6% of the fund based exposure. Also, a higher off-balance sheet exposure may require increased provisioning considering the Reserve Bank of India's (RBI) tough stance and revised guidelines on the subject.
- The bank's management believes that the operating environment for banks would get tougher owing to further possible monetary tightening, marginal deterioration in credit quality and valuation losses due to the widening of spreads.
- At the current valuations, the stock looks attractive considering the bank's strengths. We maintain our Buy recommendation on the stock with a price target of Rs1,150.

For further details, please visit the Research section of our website, sharekhan.com

Bharat Bijlee

Apple Green

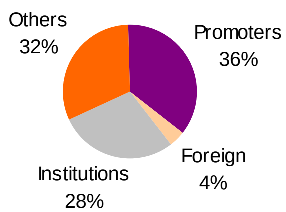
Hold; CMP: Rs1,572 | **June 27, 2008**

Price target revised to Rs2,080

COMPANY DETAILS

Price target:	Rs2,080
Market cap:	Rs888 cr
52 week high/low:	Rs4075/1451
NSE volume (No of shares):	4,737
BSE code:	503960
NSE code:	BBL
Sharekhan code:	BHARATBIJ
Free float (No of shares):	0.4 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-19.3	-20.5	-51.3	-24.9
Relative to Sensex	-8.7	-11.7	-32.1	-25.2

The author doesn't hold any investment in any of the companies mentioned in the article.

We attended the annual general meeting of Bharat Bijlee Ltd (BBL). We bring you the key takeaways from the meet.

- BBL's revenues grew at a compounded annual growth rate (CAGR) of 36.7% and net profit increased at a CAGR of 45.8% over FY2006-08.
- The company is increasing its transformer capacity to 11,000MVA. The new capacity is expected to be operational by July-September 2008.
- The management has indicated that the revenue growth may decline in Q1FY2009 mainly due to the disruption of production at the current plant on account of the ongoing work at the site to develop a new capacity. The new capacity is likely to be commissioned by August 2008.
- Consequently, the Q1FY2009 results would remain subdued and we would see a decline in the top line and profits. The management seems confident of covering some lost sales in the subsequent quarters. The company's performance in Q2FY2009 would also depend on the timely commissioning of the new capacity. On a full year basis, we believe there could be a downside risk of about 4-5% to our current estimate under the current scenario.
- The commissioning of the new capacity and the subsequent expansion in the capacity would remain the key to growth of BBL for the next couple of years. In our view, the near-term performance of the company would remain subdued which would be a drag on the stock. In light of the near-term uncertainty, we change our rating on the stock to Hold. We are cutting our target multiple on the stock to 10x FY2010E earnings per share (EPS) and revising our price target for it to Rs2,080.
- At the current market price the stock is trading at 8.7x its FY2009E earnings and enterprise value/earnings before interest, depreciation, tax and amortisation of 3.3x.

For further details, please visit the Research section of our website, sharekhan.com

Bharat Electronics

Apple Green

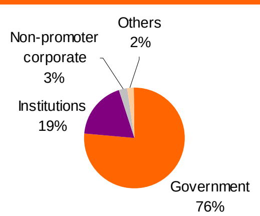
Buy; CMP: Rs1,015 | **June 30, 2008**

Audited FY2008 results better

COMPANY DETAILS

Price target:	Rs1,610
Market cap:	Rs8,120 cr
52 week high/low:	Rs2180/1040
NSE volume (No of shares):	89,000
BSE code:	500049
NSE code:	BEL
Sharekhan code:	BEL
Free float (No of shares):	1.9 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

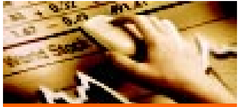
(%)	1m	3m	6m	12m
Absolute	-10.3	-7.4	-47.6	-43.4
Relative to Sensex	5.4	7.0	-23.7	-41.4

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Bharat Electronics Ltd (BEL) has announced its audited results for FY2008. The profitability for the fiscal is significantly higher than that indicated by the previously released un-audited results.
- As per the audited results, the sales figure is nominally lower at Rs4,060.3 crore as compared with the unaudited sales number of Rs4,069.3 crore. As a result of lower raw material cost and other expenditure the audited operating profit stands at Rs1,004.1 crore as compared with Rs973.6 crore in FY2007.
- A higher other income, and lower depreciation charge and tax rate, the audited adjusted net profit has come in at Rs805.5 crore as compared with the unaudited net profit of Rs743.8 crore.
- As per the July issue of India Strategic Defence magazine, BEL has bagged orders estimated at $460 million for 28 weapon locating radars from the Indian Army. The radars to be integrated by BEL would have components to be bought from the private sector as well as the international markets. The time period for the execution of this order has not been determined.
- For the current fiscal, the company is expected to meet the revenue target of Rs4,800 crore in line with the memorandum of understanding (MoU) signed with the defence ministry. The healthy order book of Rs9,450 crore as on March 2008 (over 2x FY2008 revenues) also provides good growth visibility.
- At the current market price of Rs1,015, the stock is trading at 8.1x our FY2010 EPS estimate of Rs126.2 and a very cheap EV/EBITDA of 2.2x. We maintain our Buy recommendation on BEL with price target of Rs1,610.

For further details, please visit the Research section of our website, sharekhan.com



STOCK UPDATE

BL Kashyap & Sons

Emerging Star

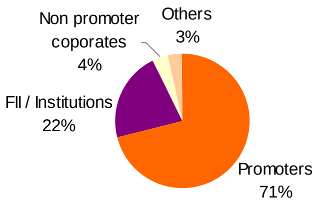
Buy; CMP: Rs1,099 | **June 30, 2008**

Price target revised to Rs1,356

COMPANY DETAILS

Price target:	Rs1,356
Market cap:	Rs2,258 cr
52 week high/low:	Rs2,400/494
NSE volume (No of shares):	8,032
BSE code:	532719
NSE code:	BLKASHYAP
Sharekhan code:	BLKASHYAP
Free float (No of shares):	0.6 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-25.2	-31.4	-40.4	38.6
Relative to Sensex	-12.1	-20.8	-13.1	43.5

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- The revenues of BL Kashyap & Sons (BLK) grew by 94.7% year on year (yoy) to Rs462.1 crore in Q4FY2008.
- The operating profit margin (OPM) of the company declined by 77 basis points to 12.5% during the quarter. Consequently, the company's operating profit grew by 83.5% yoy to Rs57.7 crore during the same period.
- BLK's interest expense and depreciation charge grew by 138.7% and 89.1% yoy to Rs4.5 crore and Rs5 crore respectively during the quarter. Consequently, the company's net income grew by 83.6% yoy to Rs35.3 crore, above our expectation of Rs30.3 crore, during the quarter.
- The company's current order book stands at Rs3,100 crore. Beside this, BLK is also negotiating orders of Rs2,000 crore; the majority of these orders are also in the commercial segment.
- Construction activity in one project of Rs1,040 crore bagged from BPTP in February 2008 has got slightly delayed. Instead of June 2008, the management expects construction activity at this project to start in July 2008 as the approval from local authority is still pending.
- We have revised the value of BLK's real estate business downward to Rs121 per share on account of the debt raised by the company and the lower than expected realisation for the Bikaner project.
- The BLK stock is trading at 12.6x FY2009 earnings estimate and 9.3x FY2010 earnings estimate after adjusting the value of real estate subsidiary.

For further details, please visit the Research section of our website, sharekhan.com

Deepak Fertilisers & Petrochemicals Corporation

Ugly Duckling

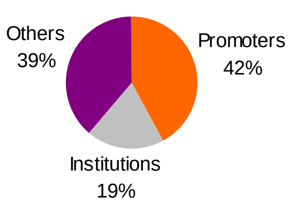
Buy; CMP: Rs100 | **June 09, 2008**

Benefits delayed

COMPANY DETAILS

Price target:	Rs169
Market cap:	Rs882 cr
52 week high/low:	Rs178/78
NSE volume (No of shares):	3.8 lakh
BSE code:	500645
NSE code:	DEEPAKFERT
Sharekhan code:	DPKFERT
Free float (No of shares):	5.1 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-7.3	-10.7	-37.0	13.3
Relative to Sensex	3.1	-5.4	-20.3	2.5

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- The net sales of DFPCL increased by 56.8% year on year (yoy) to Rs330 crore. The revenues from the chemical division increased by 48.2% yoy to Rs241.5 crore on the back of a strong contribution from isopropyl alcohol (IPA), while the sales from the fertiliser division increased by 72.3% yoy to Rs90.6 crore due to an increase in the trading volume.
- The operating profit during the quarter grew by 38.7% yoy to Rs56.8 crore with the OPM declining by 230 basis points to 17.2%. The segmental PBIT for the chemical division increased by 41.8% to Rs62.4 crore with the margin declining from 27% to 25.8%. The loss in the fertiliser division reduced to Rs0.3 crore from Rs1.4 crore.
- The adjusted profit after tax (PAT) increased by 13.1% yoy to Rs31.3 crore with the margin reducing by 370 basis points to 9.5%.
- Commencement of additional ammonia storage tank (15,000MT) and new nitric acid capacity (45,000TPA) has got delayed by over nine months till March 2009. Setting up of the ammonium nitrate plant at Paradeep (Orissa) has got delayed due to impending approvals.
- The company's JV with the global major Yara International is still under due diligence and is expected to get over in the next two months.
- Currently the stock is trading at 7.6x its FY2009E earnings and 5.7x its FY2010E earnings. We maintain our Buy recommendation on the stock with a price target of Rs169.

For further details, please visit the Research section of our website, sharekhan.com

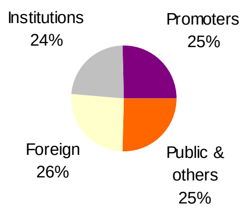
Grasim Industries

Apple Green | Buy; CMP: Rs2,192 | June 11, 2008

COMPANY DETAILS

Price target:	Rs3,002
Market cap:	Rs20,098 cr
52 week high/low:	Rs4074/2152
NSE volume (No of shares):	97,840
BSE code:	500300
NSE code:	GRASIM
Sharekhan code:	GRASIM
Free float (No of shares):	6.9 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-5.4	-19.6	-38.6	-7.3
Relative to Sensex	6.2	-14.3	-18.2	-13.4

The author doesn't hold any investment in any of the companies mentioned in the article.

Sponge iron unit to be spun off

- Grasim Industries (Grasim) has struck a deal with Welspun Power and Steel (Welspun) to sell its sponge iron business (Vikram Ispat) for a consideration of Rs1,030 crore by way of a slump sale. The proceeds from the sale will be invested in the core businesses of cement and viscose staple fibre (VSF).
- The sponge iron division will be sold at an enterprise value (EV)/earnings before interest, depreciation, tax and amortisation (EBIDTA) of 6.4x FY2008 EBIDTA. Considering the poor performance of the sponge iron division in the past (low capacity utilisation and EBIDTA margin), we believe the sale would be value accretive for the shareholders of Grasim.
- At the current market price of Rs2,192, the stock is trading at 8.8x its estimated FY2009E earnings per share (EPS). Based on our sum-of-the-parts valuation, we maintain our Buy recommendation on the stock with a price target of Rs3,002.

For further details, please visit the Research section of our website, sharekhan.com

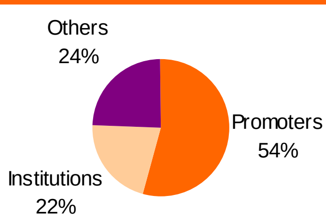
ICI India

Ugly Duckling | Buy; CMP: Rs534 | June 26, 2008

COMPANY DETAILS

Price target:	Rs622
Market cap:	Rs2059 cr
52 week high/low:	Rs679/450
NSE volume (No of shares):	7,644
BSE code:	500710
NSE code:	ICI
Sharekhan code:	ICI
Free float (No of shares):	1.8 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

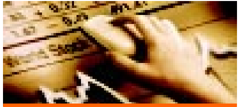
(%)	1m	3m	6m	12m
Absolute	1.8	-1.2	4.3	8.4
Relative to Sensex	18.9	12.2	44.9	9.4

The author doesn't hold any investment in any of the companies mentioned in the article.

Annual report review

- ICI India's FY2008 results are not comparable with FY2007 results, as the company sold off its Advanced 2K refinished paint business in March 2007. The net sales stood at Rs992.6 crore during FY2008, as against Rs1,015.2crore in FY2007. On a comparable basis, the net sales increased by 13.7% to Rs951.2 crore.
- The RoE and the RoCE stood at 8.8% and 13.2% respectively in FY2008, which are lower compared to the RoE of 12.4% and the RoCE of 15.6% in FY2007. The decline in the return ratios was primarily due to a lower other income, as there were lower returns on the average investments.
- ICI India's cash from operating activities stood at Rs82.90 crore in FY2008 on account of a better working management.
- In terms of outlook, the management is positive. However, it cites that its paint business would be impacted by a clear slowdown in the user industries like auto and real estate. The margins are likely to be under pressure due to the surging crude oil prices coupled with the hike in the key input prices. However, the company has a huge pile of cash of Rs700 crore, which it can use to generate organic or inorganic growth going forward.
- At the current market price of Rs534, the stock is trading at 18.1x (net of cash on books) its FY2010E core EPS of Rs17.4. We maintain our Buy recommendation with a price target of Rs622.

For further details, please visit the Research section of our website, sharekhan.com



STOCK UPDATE

Indian Hotels Company

Apple Green

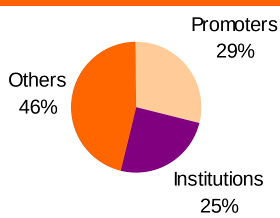
Buy; CMP: Rs88 | **June 24, 2008**

Price target revised to Rs146

COMPANY DETAILS

Price target:	Rs146
Market cap:	Rs5,332 cr
52 week high/low:	Rs163/87
NSE volume (No of shares):	13.9 lakh
BSE code:	500850
NSE code:	INDHOTEL
Sharekhan code:	INDNHOT
Free float (No of shares):	42.7 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-21.3	-13.3	-29.5	-29.7
Relative to Sensex	-8.6	-9.4	-5.9	-29.5

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Indian Hotels Company Ltd's (IHCL) Q4FY2008 numbers were below our expectations. The company posted a revenue growth of only 10.1%yoy for the quarter to Rs556 crore, against our expectation of Rs599.4 crore.
- The OPM for Q4FY2008 improved by 270 basis points to 44.7%, mainly due to other expenses as percentage of sales being lower by 400 basis points yoy. Thus the operating profit grew by 17.1% yoy to Rs248.4 crore.
- The lower other income coupled with higher incidence of tax resulted in a flat y-o-y net profit at Rs134.9 crore for Q4FY2008.
- On a consolidated basis, the company's revenues for FY2008 grew by 16.5% to Rs2,920 crore and the operating profit grew by 23.8% to Rs892 crore with an improvement in the OPM by 180 basis points to 30.5%. However the net profit grew by a meagre 10.5% primarily on account of a 65.6% increase in the interest.
- We like IHCL, as it is the largest hotelier in the country with aggressive expansion plans domestically and overseas. However, we see increased risks going forward in terms of increasing the ARRs and maintaining the occupancy against the backdrop of an economic slowdown and an increase in the supply of hotel inventory. Thus we are reducing our price target to Rs146 based on a 18x PE multiple to its FY2010E EPS of Rs8.2.

For further details, please visit the Research section of our website, sharekhan.com

Infosys Technologies

Evergreen

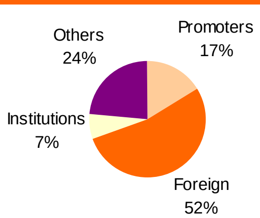
Buy; CMP: Rs1,923 | **June 03, 2008**

Annual report review

COMPANY DETAILS

Price target:	Rs2,013
Market cap:	Rs109,970 cr
52 week high/low:	Rs2140/1212
NSE volume (No of shares):	16.7 lakh
BSE code:	500209
NSE code:	INFOSYSTCH
Sharekhan code:	INFOSYS
Free float (No of shares):	47.8 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	10.7	27.8	23.5	2.8
Relative to Sensex	21.0	39.4	48.2	-7.9

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Infosys delivered a decent performance in FY2008. The performance would have been robust had the rupee not appreciated by ~11.2% during the year. As a result the revenues grew by just 20.1% to Rs16,692 crore. The rupee appreciation cost the company ~Rs2,000 crore in the revenues and Rs1,000 crore in the net profit.
- Among the frontline stocks, Infosys was the one of stocks that was able to defend its margins compared to its frontline peers with a minimum hit of 23 basis points.
- Infosys used all possible levers in its arsenal and was able to defend its operating profit margin (OPM) to 31.38% compared to 31.6% in FY2007.
- Although the company is using various levers to defend its margins, we believe some levers are close to exhaustion and may not contribute to improve the performance going ahead.
- The outlook for FY2009 as of now remains muted due to faltering demand environment in the USA. As a result the company has given a guidance of 19%-21% growth in the revenues and a 16.7%-18.7% growth in the net profit (in dollar terms).
- At the current market price, the stock trades at 20.2x FY2009E earnings and 18.1x FY2010E earnings. We maintain our Buy recommendation on the stock with price target of Rs2,013.

For further details, please visit the Research section of our website, sharekhan.com

International Combustion (India)

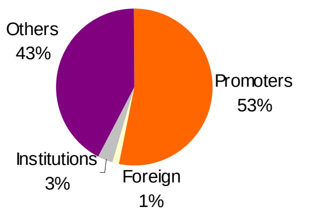
Cannonball | Buy; CMP: Rs378 | June 27, 2008

Q4 results ahead of estimate

COMPANY DETAILS

Price target:	Rs519
Market cap:	Rs90 cr
52 week high/low:	Rs914/235
BSE volume (No of shares):	4,109
BSE code:	505737
Sharekhan code:	INTLCOMB
Free float (No of shares):	0.1 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-7.5	24.8	-30.8	10.4
Relative to Sensex	4.6	38.7	-3.6	10.0

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- In Q4FY2008, the revenues of International Combustion Ltd (ICL) grew by 20.3% to Rs29 crore. The revenue growth was ahead of our expectations.
- On a segmental basis, the revenues of the material handling equipment (MHE) division grew by 9.1% to Rs20.1 crore whereas that of the geared motor and gear box division (GMGBD) increased by a strong 53.6% to Rs9.1 crore. Even though the growth in GMGBD was good, the division's margin fell sharply by 350 basis points to 11.2%.
- The operating profit of ICL grew by 21% to Rs5.9 crore during the quarter. The operating profit margin (OPM) was flat at 20.4% (up ten basis points).
- Consequently, the net profit grew by 40.2% to Rs3.5 crore, which was ahead of our expectations mainly due to a higher than expected revenue growth during the period.
- The current order book of the company stands at Rs56 crore of which Rs49 crore worth of orders are for the MHE division.
- We are introducing our FY2010 estimates in this report. We expect ICL's revenues to grow at a compounded annual growth rate (CAGR) of 18.2% and net profit to rise at a CAGR of 20% over FY2008-10.
- We continue to recommend a Buy on the stock with a price target of Rs519. At the current market price the stock trades at 6.3x FY2009E earnings EV/EBIDTA of 2.9x on FY2009E.

For further details, please visit the Research section of our website, sharekhan.com

Ipca Laboratories

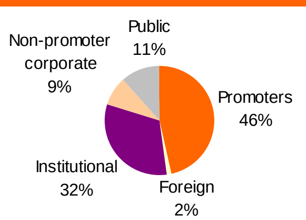
Ugly Duckling | Buy; CMP: Rs540 | June 10, 2008

Fire at formulation plant hampers performance

COMPANY DETAILS

Price target:	Rs875
Market cap:	Rs1,350 cr
52 week high/low:	Rs795/445
NSE volume (No of shares):	2,093
BSE code:	524494
NSE code:	IPCALAB
Sharekhan code:	IPCA
Free float (No of shares):	1.3 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

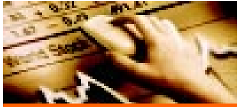
(%)	1m	3m	6m	12m
Absolute	-4.7	-3.1	-9.2	-17.5
Relative to Sensex	5.6	2.4	19.7	-23.8

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- The Q4FY2008 and FY2008 performance of Ipca Laboratories (Ipca) was below our expectations, primarily on account of a fire in the company's formulation unit at Athal during the quarter that led to a loss in exports.
- Its revenues grew by 13.9% to Rs253.8 crore in Q4FY2008 and by 16.1% to Rs1,091.4 crore in FY2008. The revenue growth was achieved on the back of a 22% growth in the domestic formulations and a 25% rise in the formulation exports.
- The appreciation in the rupee along with the lower export revenues and an increase in the staff cost affected the company's OPM, which shrank by 380 basis points to 14.4% in Q4FY2008 and by 110 basis points to 20.6% in FY2008. Consequently, Ipca's operating profit declined by 9.7% to Rs36.6 crore in Q4FY2008 and grew by 10.6% to Rs225.4 crore in FY2008.
- Despite a reduction in the interest cost, Ipca's reported net profit declined by 14.5% to Rs22.6 crore in Q4FY2008 and grew by 8.5% to Rs135.9 crore in FY2008. The net profit was dragged down by a fall in the other income.
- We have revised our FY2009 estimates for Ipca to reflect the lower than expected performance in FY2008. We are downgrading our FY2009 revenue estimate by 3.3% to Rs1,283.2 crore and the profit estimate by 6.1% to Rs171.3 crore. We are also introducing our FY2010 numbers in this report. We expect the company to register a revenue growth of 16.0% in FY2010 to Rs1,487.3 crore. The profits are expected to grow by 21.7% to Rs208.4 crore, resulting into earnings of Rs83.3 per share in FY2010.
- We retain our positive stance on the stock and maintain our Buy call with a price target of Rs875.

For further details, please visit the Research section of our website, sharekhan.com



STOCK UPDATE

Jindal Saw

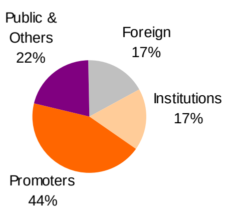
Emerging Star | Buy; CMP: Rs574 | June 16, 2008

Export duty scrapped

COMPANY DETAILS

Price target:	Rs910
Market cap:	Rs2,992 cr
52 week high/low:	Rs1,225/516
NSE volume (No of shares):	1.4 lakh
BSE code:	500378
NSE code:	JINDALSAW
Sharekhan code:	JINDALSAW
Free float (No of shares):	2.9 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-6.9	-25.1	-47.7	-6.0
Relative to Sensex	2.5	-24.5	-31.1	-14.1

The author doesn't hold any investment in any of the companies mentioned in the article.

The Government of India has scrapped the export levy on pipes and tubes, which was imposed last month. As the bulk of the order book of pipe makers comprises of export orders, the move would have led to a significant margin erosion for the industry and would have also reduced the competitiveness of domestic players vis-à-vis other international players. We believe the withdrawal of the export levy would act as a significant booster for the sector and the sector should go back tracking the fundamentals as the concerns relating to government intervention are done away with.

Jindal Saw Ltd's (JSL) order book currently stands at $1.09 billion. Export contributes about 65% (almost $650 million) to the total order book. The earnings of the company are likely to be affected to the extent of the sales booked in the previous one month only, and hence we are marginally reducing our CY2008E estimates by 2.3% to Rs61.6. We maintain our CY2009E earnings estimate at Rs90.5.

At the current level, the stock is trading at 6.3x its CY2009E earnings and is available at an enterprise value (EV)/ earnings before interest, depreciation, tax and amortisation (EBIDTA) of 3.2x. We maintain our Buy recommendation with a price target of Rs910.

For further details, please visit the Research section of our website, sharekhan.com

KEI Industries

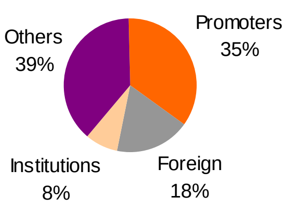
Ugly Duckling | Buy; CMP: Rs47 | June 20, 2008

Price target revised to Rs84

COMPANY DETAILS

Price target:	Rs84
Market cap:	Rs283 cr
52 week high/low:	Rs168/46
NSE volume (No of shares):	3.3 lakh
BSE code:	517569
NSE code:	KEI
Sharekhan code:	KEIINDUS
Free float (No of shares):	4.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-25.5	-11.7	-47.3	-40.7
Relative to Sensex	-14.1	-12.6	-33.7	-44.3

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- KEI Industries (KEI) has reported an increase of 24.6% in its revenues to Rs258.5 crore for Q4FY2008.
- During the quarter the company made provisioning for mark-to-market losses of Rs3.67 crore on its exposure to foreign currency derivatives made for the purpose of hedging currency and interest rate-related risks.
- Adjusting for the provisioning, the operating profit grew by 7.9% to Rs27 crore, translating into an operating profit margin (OPM) of 10.5% (-160 bps yoy)
- The operating performance of the company is disappointing due to the steep increase in its employee cost as the company amortised deferred expenses for employee stock options (Rs2.05 crore) and employee benefits (Rs0.43 crore).
- Consequently, the adjusted net profit declined by 21.2% to Rs8.9 crore, which is below our expectations. The reported net profit is down 42.9% at Rs6.5 crore.
- The company has an order book of Rs400 crore.
- In FY2009 earnings we expect the company's margins to remain under pressure, hence we revise our to Rs8.4. Our FDEPS estimate for FY2010 stands at Rs12.
- Though KEI enjoys a strong business outlook, the company has faced problems in managing its working capital. This has resulted in deteriorating cash flows. We have therefore revised our target multiple to 10x for the stock and downgraded our price target for KEI to Rs84 per share.
- At the current market price, the stock trades at 5.5x its FY2009E and 3.8x FY2010E FDEPS. We believe the valuations are attractive and reiterate our Buy call on the stock.

For further details, please visit the Research section of our website, sharekhan.com

Mahindra & Mahindra

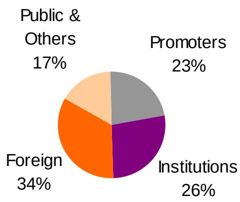
Apple Green | Buy; CMP: Rs537 | June 24, 2008

Stake sale in First Choice

COMPANY DETAILS

Price target:	Rs800
Market cap:	Rs13,196 cr
52 week high/low:	Rs872/543
NSE volume (No of shares):	6.4 lakh
BSE code:	500520
NSE code:	M&M
Sharekhan code:	M&M
Free float (No of shares):	19.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-15.8	-17.0	-30.0	-24.6
Relative to Sensex	-2.2	-13.2	-6.7	-24.3

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- According to media reports, Mahindra and Mahindra (M&M) will be selling a 10% stake in its used car business, Mahindra First Choice (MFC), to PHI Advisors for about Rs80 crore. The company's management, in a media interview, has said that it plans to infuse Rs20 crore via rights issue and Rs60 crore via a stake sale into MFC.
- MFC, a three-way joint venture between the Mahindra group, HDFC and Sah & Sanghi, is engaged in the business of selling used cars.
- The funds raised from the stake sale will be used for the expansion of the company's recent concept of large multi-brand superstores from one currently to nine by the year-end and to 30 by 2013. On back of the expansion plans, the volumes are expected to rise from 10,000 cars in the last year to 20,000 in FY2009 and to 100,000 cars by 2013.
- In case there is a 10% stake sale for Rs80 crore, MFC's enterprise value would rise to Rs800 crore. With its expansion plans in place and advantage of being the first organised player in the used car segment, the company could see tremendous revenue growth in the coming years.
- At the current levels, the stock discounts its stand-alone FY2010 earnings estimate by 13.3x. We maintain our Buy recommendation on M&M with a price target of Rs800. ■

For further details, please visit the Research section of our website, sharekhan.com

Marico

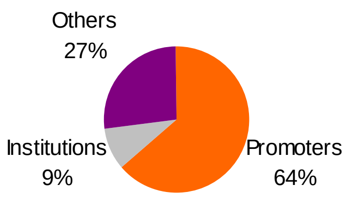
Apple Green | Buy; CMP: Rs65 | June 13, 2008

Who says beauty is only skin-deep?

COMPANY DETAILS

Price target:	Rs77
Market cap:	Rs3,889 cr
52 week high/low:	Rs83/47
NSE volume (No of shares):	4.0 lakh
BSE code:	531642
NSE code:	MARICO
Sharekhan code:	MARICO
Free float (No of shares):	22.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	2.4	2.5	-7.7	17.1
Relative to Sensex	13.0	8.0	22.8	7.4

The author doesn't hold any investment in any of the companies mentioned in the article.

- An average urban household is also becoming increasingly conscious of beauty and health, and aware of the benefits of personal care. Despite this, according to a survey carried out by AC Nielsen, 30% of Indians are willing to spend more on beauty products and treatments to enhance their appearances.
- To tap this enormous opportunity several retail and fast moving consumer goods (FMCG) companies have entered or are planning to enter the Rs25,000-crore health & beauty retail segment in India. The operating profit margin (OPM) in this segment lies in the 20-25% range.
- Marico is leveraging its strength in the beauty and wellness segment through Kaya, which is recognised as a pioneer in skin care and beauty services. Kaya, which currently has 56 skincare clinics in India and nine such clinics in the Middle-East, contributed around Rs98.5 crore to Marico's total revenues during FY2008.
- We believe that going forward Kaya would be one of the growth drivers for the company. However, the profitability of the company as a whole would be under pressure in the near term on account of a steep increase in the prices of its key raw materials.
- At the current market price of Rs64.6, the stock trades at 20.9x and 16.7x its FY2009E and FY2010E earnings per share (EPS) of Rs3.1 and Rs3.9 respectively. We maintain our Buy recommendation on the stock with a price target of Rs77. ■

For further details, please visit the Research section of our website, sharekhan.com

Mold-Tek Technologies

Ugly Duckling

Buy; CMP: Rs71 | **June 05, 2008**

Price target revised to Rs169

COMPANY DETAILS

Price target:	Rs169
Market cap:	Rs82 cr
52 week high/low:	Rs195/64
BSE volume (No of shares):	68,532
BSE code:	526263
Sharekhan code:	MOLDTEK
Free float (No of shares):	0.6 cr

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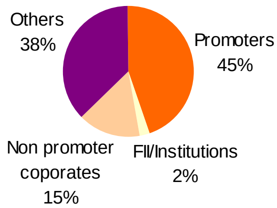


PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	1.7	-29.7	-48.2	-45.5
Relative to Sensex	11.8	-26.8	-36.7	-50.8

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Mold-Tek Technologies Ltd's (MTTL) Q4FY2008 results were in line with our expectations. The net sales increased by 15.3% year on year (yoy) to Rs26.0 crore. The KPO division contributed 15.5% to the overall revenue during the quarter. The gross revenue from the plastics division increased by 16.9% yoy to Rs23.2 crore, while the sales from the KPO division increased by 16.8% yoy to Rs4.3 crore.
- The OPM rose to 14.2% in the quarter from 13.5% during the same quarter last year on account of improved profitability of the plastics division. Consequently, the operating profit grew by 21.6% to Rs3.7 crore. The segmental PBIT for the plastics division increased by 60.9% to Rs1.0 crore, while the same for the KPO division increased by 15.1% to Rs1.9 crore.
- Higher other income resulted in a 22.9% increase in the profit before tax (PBT) to Rs2.6 crore. There was no provision for tax during the quarter. During the quarter, the company suffered notional loss of Rs5.3 crore as on March 31, 2008 from the forex derivatives positions.
- Major rework of earlier assignments would shift the company's focus more on improving the quality of work resulting into lower growth than our earlier estimates. We are downgrading our earnings estimates from Rs18.7 to Rs14.7 for FY2009 and from Rs25.4 to Rs19.2 for FY2010. Currently the stock is trading at 4.8x FY2009E earnings. We maintain our Buy recommendation with revised price target of Rs169.

For further details, please visit the Research section of our website, sharekhan.com

Opto Circuits India

Emerging Star

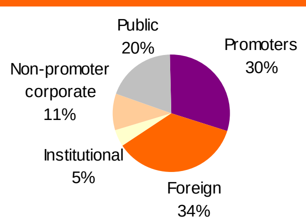
Buy; CMP: Rs316 | **June 09, 2008**

Results in line with estimates

COMPANY DETAILS

Price target:	Rs460
Market cap:	Rs2,977 cr
52 week high/low:	Rs569/220
NSE volume (No of shares):	27,884
BSE code:	532391
NSE code:	OPTOCIRCUI
Sharekhan code:	OPTOCIRC
Free float (No of shares):	6.6 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-9.2	-20.0	-30.6	41.9
Relative to Sensex	1.0	-15.4	-12.2	28.5

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Opto Circuits (Opto) has reported a top line growth of 43.1% to Rs120.5 crore for Q4FY2008 and of 86.1% to Rs468.1 crore for FY2008. The revenues are ahead of our estimates.
- Opto's operating profit margin (OPM) shrank by 670 basis points to 29.2% in Q4FY2008 and by 350 basis points to 29.3% in FY2008, largely due to an increase in the promotional spend on the distribution of free samples. Consequently, the operating profit grew by 16.2% to Rs35.1 crore in Q4FY2008 and by 66.2% to Rs137.2 crore in FY2008.
- Buoyed by a significant jump in the other income (on account of higher foreign exchange [forex] gains), Opto's net profit jumped by 43.5% to Rs34.8 crore in Q4FY2008 and by 80.7% to Rs132.4 crore in FY2008. The net profit reported by the company was in line with our estimate.
- Opto's management has announced a 50% dividend and also decided to award seven bonus shares for every ten shares held by the existing shareholders.
- In order to incorporate the acquisition of Criticare, we are revising our revenue estimate upwards by 30.7% for FY2009 and by 19.7% for FY2010. Our profit estimate has also been upgraded by 5.3% for FY2009 and by 1.8% for FY2010. We believe Opto's revenues will grow at a compounded annual growth rate (CAGR) of 57% to Rs1,158.9 crore in FY2010.The net profit will grow at a CAGR of 48% to Rs290.6 crore in FY2010.
- At the current market price of Rs316, Opto is trading at attractive valuations of 15.0x FY2009E fully diluted earnings and 10.4x FY2010E fully diluted earnings. We maintain our Buy recommendation on the stock with a price target of Rs460.

For further details, please visit the Research section of our website, sharekhan.com

Orbit Corporation

Ugly Duckling

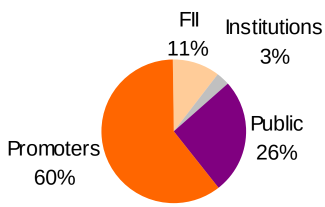
Buy; CMP: Rs400 | **June 10, 2008**

Strong Q4 and FY2008 results

COMPANY DETAILS

Price target:	Rs852
Market cap:	Rs1,816 cr
52 week high/low:	Rs1,080/216
NSE volume (No of shares):	2.4 lakh
BSE code:	532837
NSE code:	ORBITCORP
Sharekhan code:	ORBITCORP
Free float (No of shares):	1.4 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-20.7	-21.6	-43.4	78.0
Relative to Sensex	-12.1	-17.1	-25.3	64.4

The author doesn't hold any investment in any of the companies mentioned in the article.

We attended the analyst meet of Orbit Corporation. The following are its results highlights and key takeaways.

- Orbit Corporation's (Orbit) revenues grew by 43.4% sequentially to Rs320.8 crore during the quarter. The company booked revenues worth Rs131 crore from Orbit WTC, Santacruz compared to Rs151 crore in Q3FY2008. On an annual basis, the company's revenues increased to Rs705.5 crore.

- The operating profit margin (OPM) improved by 627 basis points to 52.5% on account of better realisation during the quarter. Consequently, the company's operating profit grew by 62.9% quarter on quarter (qoq) to Rs103.4 crore during the quarter. On an annual basis, the company's operating margin improved significantly to 49.9% in FY2008 from 39.6% in FY2007.

- The net income grew 122.2% qoq to Rs122.5 crore during the quarter. In Q4FY2008, the bottom line growth was more than the operating profit growth primarily due to lower interest expenses (Rs20.5 crore in Q4FY2008 v/s Rs27.7 crore in Q3FY2008) and lower effective tax rate (16.8% in Q4FY2008 v/s 28.0% in Q3FY2008). On an annual basis, the company's net income grew 3.1x year on year to Rs235.8 crore in FY2008, which was above our expectation of Rs224.2 crore.

For further details, please visit the Research section of our website, sharekhan.com

Orchid Chemicals & Pharmaceuticals

Emerging Star

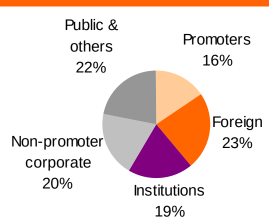
Buy; CMP: Rs251 | **June 17, 2008**

Price target revised to Rs300

COMPANY DETAILS

Price target:	Rs300
Market cap:	Rs1,651 cr
52 week high/low:	Rs343/106
NSE volume (No of shares):	11.4 lakh
BSE code:	524372
NSE code:	ORCHIDCHEM
Sharekhan code:	ORCHID
Free float (No of shares):	5.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

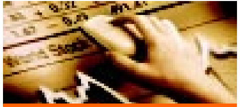
(%)	1m	3m	6m	12m
Absolute	-5.4	20.2	-3.6	1.1
Relative to Sensex	6.9	22.6	24.8	-7.9

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- The US generic market continued to power Orchid's growth, with revenues growing by 55.9% to Rs379.2 crore in Q4FY2008 and by 35.7% to Rs1,238.9 crore in FY2008.
- Orchid's operating profit margin (OPM) shrank by 730 basis points to 20.3% in Q4FY2008 and by 290 basis points to 27.8% in FY2008. The declining margin restricted the operating profit growth to 14.6% at Rs77.1 crore in Q4FY2008 and to 23.2% at Rs344.8 crore in FY2008.
- Orchid's reported net profit fell by 34.7% to Rs15.8 crore in Q4FY2008, due to the poor operating performance and a Rs7.8-crore (pre-tax) translation loss. For FY2008, the reported net profit grew by an appreciable 91% to Rs184.5 crore. On excluding the net impact of the forex translation, the adjusted net profit of the company grew by 79.4% to Rs27.6 crore in Q4FY2008 and by 65.3% to Rs143.3 crore in FY2008.
- We are upgrading our FY2009 revenue estimate by 2.4% to Rs1,492.7 crore to reflect the higher revenue base in FY2008 but we are downgrading our profit estimate by 30%, accounting for the lower OPM and higher interest burden in FY2009. We now expect Orchid to deliver a pre-exceptional profit of Rs157.7 crore, which would translate into fully diluted earnings of Rs16.3 per share in FY2009.
- We are also introducing our FY2010 numbers in this report. We expect Orchid's revenues to grow by 17.6% in FY2010 to Rs1,756.0 crore. We expect profits of Rs207.6 crore in FY2010 which should yield fully diluted earnings of Rs21.5 per share.
- We are reducing our target price/earnings multiple for Orchid to 14x and rolling over our valuations to FY2010E earnings. We maintain our Buy recommendation on the stock with a revised price target of Rs300.

For further details, please visit the Research section of our website, sharekhan.com



STOCK UPDATE

Patels Airtemp India

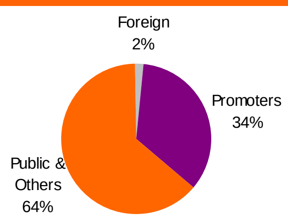
Emerging Star | Buy; CMP: Rs61 | June 19, 2008

In line with expectations

COMPANY DETAILS

Price target:	Rs135
Market cap:	Rs30.8 cr
52 week high/low:	Rs146/34
BSE volume (No of shares):	41,714
BSE code:	517417
Sharekhan code:	PATELAIR
Free float (No of shares):	0.33 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-4.2	29.1	-40.0	76.7
Relative to Sensex	8.0	23.7	-26.2	59.9

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Patels Airtemp's Q4FY2008 results are in line with our expectations. The net sales for the quarter rose by 65% to Rs18.23 crore.
- Currently, the company has an order book of Rs50 crore out of which Rs13 crore is for exports.
- The operating profit margin for the quarter stood at 18.8%, down 220 basis points yoy. Consequently, the operating profit grew by 47.4% to Rs3.43 crore during the quarter.
- The interest cost was a little higher due to higher working capital requirements, as the profit after tax grew by 62.9% to Rs1.55 crore.
- For the full year, the company has reported a top line growth of 31.9% and a net profit growth of 105.9% to Rs5.21 crore. The company has recommended a final dividend of 10% in addition to the interim dividend of 5%, making the total dividend for FY2008 a good 15%.
- We introduce our FY2010 estimates in this note. We expect a top line growth of 16.1% to Rs87.1 crore and earnings of Rs17.5 during the fiscal. At the current market price, the stock is available at 4.1x FY2009E earnings and 3.5x FY2010E earnings. We maintain our Buy recommendation on the stock with a price target of Rs135, valuing the company at 9x FY2009E earnings.

For further details, please visit the Research section of our website, sharekhan.com

Punj Lloyd

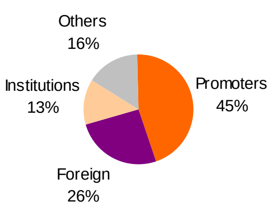
Apple Green | Buy; CMP: Rs287 | June 02, 2008

Price target revised to Rs532

COMPANY DETAILS

Price target:	Rs532
Market cap:	Rs8,723 cr
52 week high/low:	Rs589/214
NSE volume (No of shares):	23.1 lakh
BSE code:	532693
NSE code:	PUNJLLOYD
Sharekhan code:	PUNJLLOYD
Free float (No of shares):	16.7 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

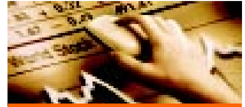
(%)	1m	3m	6m	12m
Absolute	-12.4	-15.1	-37.1	47.7
Relative to Sensex	-8.0	-9.3	-26.1	29.3

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Punj Lloyd Ltd's (PLL) headline numbers were broadly in line with our expectations. The revenues grew by 37.8% to Rs2,346.7 crore Led by strong performance in the standalone entity, the consolidated operating profit margin (OPM) increased by 60 basis points to 10.6%. The operating profit grew from 45.7 crore to Rs248.6 crore. The net profit grew by 32.4% to Rs117.7 crore.
- The auditors have made qualification on a project being executed by the subsidiary Simon Carves, which may incur a potential loss of Rs305.3 crore due to change in the scope of the work. However, the management has now highlighted that the company has already reached an agreement on the recovery of £15 million (~Rs125 crore). The management has further maintained that it would be able to reach the breakeven in the project and is negotiating with the client for the same.
- The company plans to spend Rs350-400 crore as capital expenditure over FY2009.
- The company continued to focus on its strategy of increasing its order ticket size. The current order of Rs19,595.6 crore has an average execution period of 26 months. Rs709 crore worth of orders are legacy orders.
- The performance of the company during the year was in line with our expectations and hence we are maintaining our estimates.
- We are revising our price target to Rs532 and maintain our Buy recommendation on the stock. At the current market price, the stock trades at 16.5x and 12.4x FY2009E and FY2010E fully diluted earnings per share (EPS) respectively.

For further details, please visit the Research section of our website, sharekhan.com



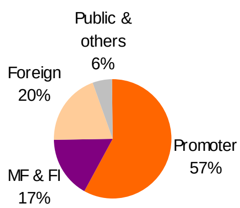
Punjab National Bank

Ugly Duckling | Buy; CMP: Rs480 | June 02, 2008

COMPANY DETAILS

Price target:	Rs632
Market cap:	Rs15,135 cr
52 week high/low:	Rs721/441
NSE volume (No of shares):	5.9 lakh
BSE code:	532461
NSE code:	PNB
Sharekhan code:	PUNBANK
Free float (No of shares):	13.3 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-9.2	-17.2	-17.3	-5.6
Relative to Sensex	-4.6	-11.6	-2.9	-17.4

The author doesn't hold any investment in any of the companies mentioned in the article.

Price target revised to Rs632

RESULT HIGHLIGHTS

- Punjab National Bank (PNB) reported a growth of 128.8% year on year (yoy) in its bottom line during Q4FY2008, which was well above our expectation.
- The net interest income (NII) for the quarter stood at Rs1,517.3 crore, up 12.7% yoy. After adjusting the year-ago NII for one-time gain (Cash Reserve Ratio income of Rs56 crore), the NII growth comes at 17.6% yoy.
- The non-interest income registered a 9.8% decline yoy and reached Rs537.2 crore. Notably, the operating expenses were down 21.8% yoy due to a 33.3% decline in the staff expenses, which helped boost the bottom line.
- The provisions and contingencies were down significantly by 72.6% yoy to Rs167.7 crore. The decline was primarily due to improving asset quality.
- The advances registered a healthy growth of 23.7% yoy, while the deposits were up 19% yoy. The current account and saving account (CASA) ratio stood at an impressive 43%.
- The asset quality improved further during the quarter on both absolute and relative basis. The gross non-performing asset (GNPA) in percent terms stood at 2.74%, significantly down from 3.45% a year ago, while the net non-performing asset (NNPA) in percent terms declined to 0.64% from 0.76% a year ago. The significant improvement in the asset quality has allayed concerns to a great extent.
- While, we have tweaked our FY2009 earnings estimates upwards, we are lowering long-term growth estimates. We maintain our Buy recommendation on the stock with revised price target of Rs632.

For further details, please visit the Research section of our website, sharekhan.com

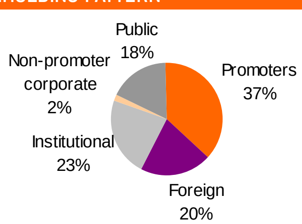
Ranbaxy Laboratories

Apple Green | Buy; CMP: Rs543 | June 20, 2008

COMPANY DETAILS

Price target:	Rs575
Market cap:	Rs20,245 cr
52 week high/low:	Rs660/300
NSE volume (No of shares):	64 lakh
BSE code:	500359
NSE code:	RANBAXY
Sharekhan code:	RANBAXY
Free float (No of shares):	24.3 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	9.4	24.0	35.3	56.8
Relative to Sensex	26.1	22.8	70.3	47.2

The author doesn't hold any investment in any of the companies mentioned in the article.

Price target revised to Rs575

- To factor in the impact of the recent developments in Ranbaxy Laboratories (Ranbaxy), we are revising our estimates and the price target. We have taken into account the proposed equity dilution and the cash infusion from the Daiichi Sankyo deal, the reset of the foreign currency convertible bonds (FCCBs) at a lower price, the revalued fair value of first to file (FTF) opportunities after the Pfizer settlement and the revised exchange rate assumptions. Consequently, we have downgraded the earning estimates of the base business in CY2008 by 20.5% and have upgraded our base business earnings by 16.7% for CY2009. On a fully diluted equity base of 48.6 crore shares, our revised estimates would yield earnings of Rs14 per share in CY2008 and Rs23.5 per share in CY2009 for the base business (excluding FTFs).
- We have revalued Ranbaxy's FTF opportunities to account for the recent out-of-court settlement with Pfizer on Lipitor and Caduet. These settlements and FTF opportunities yield an NPV of ~Rs106 per share.
- We continue to value Ranbaxy using the sum-of-the-parts (SOTP) valuation method. We assign a multiple of 20x to Ranbaxy's earnings from the base business in CY2009, which yields a value of Rs470 for the base business. To that, we add the NPV of Rs106 per share for all the FTFs announced so far. Thus, we get a SOTP-based fair value of Rs575 per share for Ranbaxy. We continue to maintain Buy recommendation on the stock despite the fact that the stock price is nearing our fair value price target. We believe that there are many intangible positives that could accrue to the company, post the integration with Daiichi Sankyo. Moreover, the adjusted acquisition cost would be much lower after adjusting for the acceptance of around 34% holding in the open offer at Rs737.

For further details, please visit the Research section of our website, sharekhan.com

Ratnamani Metals and Tubes

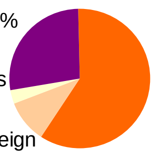
Ugly Duckling | **Buy; CMP: Rs770** | **June 23, 2008**

Price target revised to Rs1,110

COMPANY DETAILS

Price target:	Rs1,110
Market cap:	Rs692 cr
52 week high/low:	Rs1,495/651
NSE volume (No of shares) :	3,417
BSE code:	520111
NSE code:	RATNAMANI
Sharekhan code:	RATNMET
Free float (No of shares) :	0.4 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-8.2	13.8	-33.1	-13.2
Relative to Sensex	8.3	16.7	-12.5	-14.9

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- For Q4FY2008 Ratnamani Metals & Tubes Ltd (RMTL) has reported a growth of 51.8% yoy in its net sales to Rs231.5 crore. The sales are in line with our expectations.
- The company has reported a mark-to-market loss of Rs27.5 crore on foreign exchange (forex) derivatives for the quarter under review. Adjusting for the same, the operating profit grew by 53.8% to Rs59.4 crore. Thus, the operating profit margin (OPM) increased by 40 basis points.
- For the forex loss, the management maintains that the chances of incurring any loss on its positions are limited. In our view, this could be a risk to our profit estimates going forward.
- The adjusted net profit grew by 81.1% to Rs31.6 crore. However, the reported net profit declined by 23.6% to Rs13.4 crore.
- The company has an order book of Rs650 crore
- We expect RMTL's revenues to grow at a CAGR of 27.5% and profits at 24.7% over FY2008-10. We have revised our FY2009E fully diluted earnings per share (FDEPS) mainly to factor in the impact of the 10% export duty levied by the government, which has lately been scrapped. Consequently, the impact would be felt only for one month and thereby we are revising our estimates to Rs138.7 per share.
- We believe that given the robust business outlook for RMTL, the latter's strong order book with increased capacity would drive its revenue growth going forward. We recommend Buy on the stock with a revised price target of Rs1,110 (8x FY2009E EPS). At the current market price the stock trades at 5.6x and 4.5x its FY2009E and FY2010E earnings.

For further details, please visit the Research section of our website, sharekhan.com

Sanghvi Movers

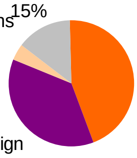
Ugly Duckling | **Buy; CMP: Rs226** | **June 02, 2008**

Better days ahead

COMPANY DETAILS

Price target:	Rs298
Market cap:	Rs958 cr
52 week high/low:	Rs337/151
NSE volume (No of shares) :	29,710
BSE code:	530073
NSE code:	SANGHVIMOV
Sharekhan code:	SANGMOVE
Free float (No of shares) :	2.4 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-17.9	-19.1	-10.3	37.7
Relative to Sensex	-13.7	-13.6	5.4	20.6

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Sanghvi Movers Ltd (SML) reported a robust 52.8% growth in the revenues to Rs79.7 crore. The windmill segment continues to be the key revenue driver for the company.
- The operating profit margin (OPM) of the company declined by 550 basis points, mainly due to high employee cost during the quarter. Consequently, the operating profit reported an increase of 41.7% to Rs55.7 crore.
- The other income spiked up by 184.3% to Rs1.4 crore primarily on account of the profit booked on the disposal of old cranes (Rs1.05 crore).
- The net profit consequently increased by 56.8% to Rs23.7 crore, which is ahead of our estimates led by a better-than-expected revenue growth and a higher-than-expected other income.
- The company added Rs220 crore worth of cranes during the year and planned a capex of Rs250 crore for FY2009 and FY2010.
- Taking into account the reduction in capex guidance to Rs250 v/s Rs390 earlier, we have refined our numbers for both FY2009 and FY2010. However there has been no material impact on our estimates. The FY2009 and FY2010 EPS now stand at Rs.19.2 and Rs24.6 respectively. We maintain our price target of Rs298 on the stock.
- At the current market price, the stock trades at 11.8x and 9.2x its FY2009E and FY2010E respectively.

For further details, please visit the Research section of our website, sharekhan.com

Sun Pharmaceutical Industries

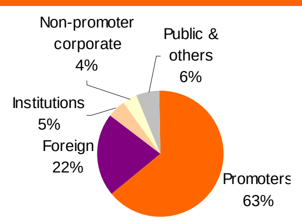
Ugly Duckling | Buy; CMP: Rs1,419 | June 06, 2008

Price target revised to Rs1,640

COMPANY DETAILS

Price target:	Rs1,640
Market cap:	Rs29,385 cr
52 week high/low:	Rs1,520/855
NSE volume (No of shares):	2.2 lakh
BSE code:	524715
NSE code:	SUNPHARMA
Sharekhan code:	SUNPHARM
Free float (No of shares):	7.5 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	1.6	10.2	29.9	33.0
Relative to Sensex	12.4	15.2	61.9	21.1

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Sun Pharmaceuticals' (Sun Pharma) Q4FY2008 and FY2008 revenues grew by an outstanding 129.2% and 57.1% respectively to Rs1,257.2 crore and Rs3,356.5 crore. The growth was significantly higher than our estimates and was boosted substantially by the 'at-risk' launch of generic Pantoprazole under exclusivity.
- Due to substantial high-margin revenues from exclusivities, Sun Pharma's margins expanded by 3,200 basis points to 58.9% in Q4FY2008 and by 1,470 basis points to 46.2% in FY2008. The margin expansion caused the operating profit (OP) to increase four-fold to Rs740.7 crore in Q4FY2008 and by 130.7% to Rs1,551.1 crore in FY2008.
- Sun Pharma's net profit grew by a stellar 225.2% to Rs722.8 crore during Q4FY2008 and by 89.6% to Rs1,486.9 crore in FY2008. The profit growth was restricted due to the sharp reduction in the other income and the increase in the tax provision.
- To account for the better than expected performance in FY2008 on account of the higher exclusivity revenues from generic Pantoprazole, we are upgrading our estimates for Sun Pharma. While the revenue estimates for FY2009E have been upgraded by 10.7%, the earnings have been revised upwards by 26.5% to Rs81.7 per share. We have also introduced our FY2010E numbers in this report. We expect Sun Pharma's revenues and profits to grow by 7% and 0.5% respectively, yielding earnings of Rs82.1 per share in FY2010E.
- At the current market price of Rs1,419, Sun Pharma is valued at 17.4x FY2009E and 17.3x FY2010E fully diluted earnings. We reiterate our Buy recommendation on the stock with a revised price target of Rs1,640 (20x FY2010E earnings).

For further details, please visit the Research section of our website, sharekhan.com

Tata Chemicals

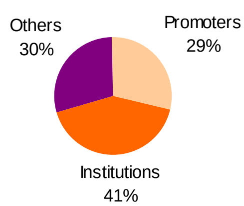
Ugly Duckling | Buy; CMP: Rs297 | June 25, 2008

Price target revised to Rs515

COMPANY DETAILS

Price target:	Rs515
Market cap:	Rs6,950 cr
52 week high/low:	Rs440/231
NSE volume (No of shares):	6.2 lakh
BSE code:	500770
NSE code:	TATACHEM
Sharekhan code:	TATACHEM
Free float (No of shares):	16.6 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-20.8	16.7	-21.3	28.2
Relative to Sensex	-6.8	26.0	10.2	30.3

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- The Q4FY2008 results of Tata Chemicals Ltd (TCL) have been below our expectations. The consolidated revenues during the quarter registered a growth of 19.9% yoy to Rs1,460.4 crore. The revenues from the fertiliser segment increased by 20.1% to Rs506 crore, while the same for the chemical division grew by 19.8% to Rs953.6 crore.
- The consolidated operating profit dropped by 6.4% from Rs213.2 crore to Rs199.7 crore with the OPM declining by 380 basis points to 13.7%. The segmental PBIT for the chemical division reduced by 56.2% to Rs55.6 crore, while the same for the fertiliser division increased by 44.8% to Rs71.1 crore.
- New long-term contract prices are being revised $25-50 per tonne higher than the last year price. This would help the company in regaining its lost margin on account of higher input costs, mainly coal and coke.
- The de-bottlenecking of the urea capacity to 1.3 mmtpa is progressing well. The company's new business initiatives like Fresh Produce and Biofuel are also shaping well. With GCIP acquisition, the company now has access to an extremely low cost natural resource and several new markets.
- Currently, the stock is trading at 9.2x its FY2010E diluted EV/EBIDTA of 4.5x. In view of a subdued performance of BMGL, UK and a lower urea production during de-bottlenecking, we are downgrading our earnings estimates from Rs29 to Rs23.9 for FY2009 and from Rs34.4 to Rs32.2 for FY2010. We maintain our Buy recommendation on the stock with a revised price target of Rs515.

For further details, please visit the Research section of our website, sharekhan.com

Tata Motors

Apple Green

Hold; CMP: Rs532

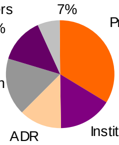
June 05, 2008

Price target revised to Rs680

COMPANY DETAILS

Price target:	Rs680
Market cap:	Rs21,562 cr
52 week high/low:	Rs842/525
NSE volume (No of shares):	9.5 lakh
BSE code:	500570
NSE code:	TATAMOTORS
Sharekhan code:	TATAMOTORS
Free float (No of shares):	19.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-17.5	-17.9	-22.5	-23.7
Relative to Sensex	-9.3	-14.5	-5.3	-31.2

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Tata Motors' sales for Q4FY2008 were at Rs8,750 crore, a growth of 5.8%. The increase in costs adversely affected the margins which are down by 300 basis points to 8.7%. The adjusted net profits to Rs560.3 crore dropped by 3%
- For FY2008, the net revenues grew by 4.6% to Rs28,730 crore , while the reported PAT grew by 6% to Rs2,028.9 crore. On a consolidated basis, the net sales grew by 10.2% to Rs35,651.5 crore and the adjusted net profit declined by 2% to Rs2,097.1 crore.
- In order to fund its Jaguar Land Rover (JLR) acquisition, the company is looking to raise Rs7,200 crore through rights issue.
- The outlook for the commercial vehicle (CV) industry appears to be weak for FY2009 due to tight financing situation and higher fuel prices. In the passenger vehicle (PV) segment, launches are slated in the second half of FY2009, the full impact of which would get reflected in FY2010 only.
- We downgrade our PAT estimates for FY2009 by 2% and introduce estimates for FY2010. We have not factored in the equity dilution as well as the revenue impact of JLR acquisition in view of the incomplete details of JLR. At the current levels, the stock trades at 7.8x its FY2010E consolidated earnings and is available at an enterprise value (EV)/earnings before interest, depreciation, tax, and amortisation (EBIDTA) of 3.8x. We maintain Hold on the stock with a revised price target of Rs680.

For further details, please visit the Research section of our website, sharekhan.com

Tata Tea

Apple Green

Buy; CMP: Rs779

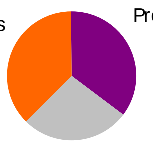
June 04, 2008

Domestic volumes—sipping hot

COMPANY DETAILS

Price target:	Rs970
Market cap:	Rs48,034 cr
52 week high/low:	Rs1014/586
NSE volume (No of shares):	1.6 lakh
BSE code:	500800
NSE code:	TATATEA
Sharekhan code:	TATATEA
Free float (No of shares):	40.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-12.1	0.3	3.1	-12.3
Relative to Sensex	-3.3	4.4	26.1	-20.9

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Tata Tea registered a growth of only 1.5% in the net sales in Q4FY2008 to Rs1,176.8 crore. Adverse forex translation and transfer of NIPO impacted the overall growth.
- The OPM declined by 58 basis points due to higher raw material cost. However a decrease in the employee cost coupled with lower advertisement expenses aided a marginal decline in the OPM. Thus, the operating profit declined by 2.6% to Rs161.5 crore.
- The lower interest cost and exceptional income led to a 154.7% increase in the adjusted net profit to Rs78.7 crore during Q4FY2008.
- On the domestic front, the company on a standalone basis registered a growth of 9.5% yoy to Rs275 crore backed by strong volume growth of above 15% in the branded tea during Q4FY2008.
- The OPM improved by 350 basis points to 9.4% yoy, mainly due to the lower employee cost. Thus the adjusted net profit stood at Rs51.3 crore during Q4FY2008.
- While Tata Tea would continue to deliver stable performance across businesses, which in FY2009 should be aided by weakening of the rupee, the company's hefty cash reserves together with the management's intention to look for acquisitions in the domestic and global non-alcoholic beverage market will ensure inorganic growth for the company in the future.
- At the current market price of Rs777.3 the stock trades at 10.7x FY2010E EPS of Rs72.9. We maintain Buy recommendation with the sum-of-the-parts price target of Rs970.

For further details, please visit the Research section of our website, sharekhan.com

Tourism Finance Corporation of India

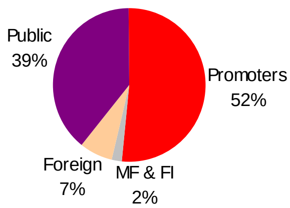
Cannonball | Buy; CMP: Rs19.5 | June 18, 2008

Back on our buying list

COMPANY DETAILS

Price target:	Rs30
Market cap:	Rs157 cr
52 week high/low:	Rs55/16
NSE volume (No of shares):	2.5 lakh
BSE code:	526650
NSE code:	TFCILTD
Sharekhan code:	TFCI
Free float (No of shares):	3.9 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-25.0	-12.1	-48.5	20.9
Relative to Sensex	-16.9	-17.4	-37.1	8.1

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- The net interest income of Tourism Finance Corporation of India (TFCI) declined by 27.0% year on year (yoy) to Rs11.2 crore in Q4FY2008.
- Notably, the operating expenses of TFCI declined sharply by 30.3% yoy due to a higher base in the year-ago quarter on account of payment of Rs1.0 crore made towards the arrears of employee expenses.
- Also, the company wrote-back of provisions (for bad and doubtful debt) of Rs10.0 crore, as the same was no longer required, thereby boosting the bottom line.
- Lower operating expenses and write-back of provisions boosted the operating profit for the quarter. The operating profit increased by 45.4% to Rs19.9 crore. Hence, the net profit for Q4FY2008 also increased by a strong 60.2% to Rs15.3 crore.
- At the end of the fiscal, the sanctions made by the company stood at Rs333.8 crore, up 36.0%. The disbursals also registered an increase of 50.0% to Rs180.36 crore. However, the high growth in the disbursals could not translate into growth of 6% in the loan book due to higher repayment of loans. Importantly, the loan growth has broken the previous five years' trend of declining growth.
- The gross non-performing assets (NPAs) stood at Rs61.0 crore on an asset base of over Rs500 crore (advances and investments combined). However, the company has maintained the net NPA level at 0% by fully providing for the gross NPAs.
- During the quarter, TFCI raised Rs63.8 crore through the preferential allotment of 1.32 crore equity shares of Rs10 each for cash at a price of Rs48 per share (including a Rs38.0 premium). The capital raising was aimed at enabling the company to finance its future growth. ■

For further details, please visit the Research section of our website, sharekhan.com

Unity Infraprojects

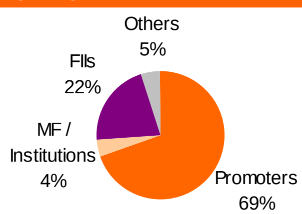
Ugly Duckling | Buy; CMP: Rs390 | June 30, 2008

Price target revised to Rs877

COMPANY DETAILS

Price target:	Rs877
Market cap:	Rs521 cr
52 week high/low:	Rs1,120/364
NSE volume (No of shares):	34,747
BSE code:	532746
NSE code:	UNITY
Sharekhan code:	UNITYINFRA
Free float (No of shares):	40.8 lakh

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-18.9	-21.1	-55.3	-21.9
Relative to Sensex	-4.6	-8.9	-34.8	-19.1

The author doesn't hold any investment in any of the companies mentioned in the article.

RESULT HIGHLIGHTS

- Unity Infraprojects (Unity) revenues in Q4FY2008 grew by 77.1% yoy to Rs317.1 crore.
- The OPM during the quarter declined by 10 basis points to 11.4%.
- Unity's net income grew 79.4% yoy to Rs20.2 crore during the quarter. The growth rate of the net income was higher than that of the operating profit primarily due to lower tax expenses.
- The company also announced a dividend of Rs4 per share.
- With a strong order book of over Rs3,000 crore, we expect Unity's top line and bottom line to grow at a compounded annual growth rate (CAGR) of 29.2% and 26.7% respectively during the period FY2008-FY2010.
- We have also revised downward the real estate subsidiary valuation. Earlier, the company was planning to fund the projects by selling stake in the real estate subsidiary. However, given the recent turmoil in the market, we believe the projects would be financed through debt.
- We have revised our FY2009 and FY2010 earning estimates downward by 3.5% and 4.9% respectively to factor in the lower OPM on account of a sharp increase in the raw material cost. At the current market price, the company is trading at 5.3x FY2009 earning estimate and 4.32x FY2010 earning estimate after adjusting value for these projects. ■

For further details, please visit the Research section of our website, sharekhan.com

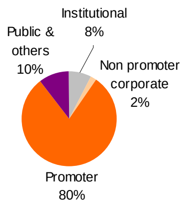
Wipro

Apple Green | Buy; CMP: Rs497 | June 04, 2008

COMPANY DETAILS

Price target:	Rs535
Market cap:	Rs72,680 cr
52 week high/low:	Rs555/325
NSE volume (No of shares):	9.2 lakh
BSE code:	507685
NSE code:	WIPRO
Sharekhan code:	WIPRO
Free float (No of shares):	30.0 cr

SHAREHOLDING PATTERN



PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	0.6	19.9	2.7	-6.6
Relative to Sensex	10.6	24.8	25.5	-15.7

The author doesn't hold any investment in any of the companies mentioned in the article.

Reorganising structure for better growth

We attended the analyst meet of Wipro held in Mumbai. Some of the key high lights of analyst meet are presented below.

- **Reorganisation of structure to enhance focus:** In addition to appointing two joint chief operating officers, Wipro has aligned its structure based on industry verticals to improve its operational efficiencies and provide better positioning for large transformational deals. Inorganic initiatives will also continue to be an important strategy in building the competitive edge over the peers for large transformational deals.
- **India and Middle East to be major growth driver:** The Indian and Middle East market has grown by a compounded annual growth rate (CAGR) of 35% in the last five years, and is regarded as an important market apart from the USA and Europe by Wipro. Last year Wipro won three mega deals—a $600 million deal from Aircel, a $100 million worth deal from Saudia Airlines and a deal from Future Group.
- **Pricing environment remains stable:** Wipro has indicated that the pricing environment has remained stable. It has been able to renegotiate higher billing rates in most contracts renewed in the past few months. The demand environment is expected to improve in the second half of the year and the management continues to indicate back-ended growth this fiscal.
- **Margin drivers:** The management expects meaningful moderation in offshore wage hikes this year, which is expected to be down to 10-12% as compared to 14-15% in the past couple of years. Moreover, Wipro has significant leverage in its employee utilisation rate and tightening up of performance on fixed rate contracts.

For further details, please visit the Research section of our website, sharekhan.com

Sharekhan Special | July 03, 2008

Q1FY2009 Auto earnings preview

The automobile sector is expected to show weakness in profitability in Q1FY2009. Though the sales volume growth during the quarter is better than that of Q4FY2008, the rising raw material cost would exert pressure on the profitability. The profitability of the sector would be affected despite the price increase undertaken by the automobile companies to cushion the raw material cost rise. Rising inflation and interest rates are also expected to impact the volume growth of the sector going forward.

The volume growth in the sector was better than that of Q4FY2008 due to low base effect, purchases made in advance to tide over the expected price rises and the marriage season in the first two months of the quarter.

Among the heavyweights, Maruti Suzuki's sales volumes for the quarter grew by 13.5%, impacted by increasing competition and a slowdown in the sector. The sales volumes of Mahindra and Mahindra (M&M) were maintained with a 5.2% growth during the quarter. Tata Motors' sales volumes for the quarter rose by 3.4%. Ashok Leyland's volumes for the quarter grew by 1.4%, whereas exports helped Bajaj Auto Ltd (BAL) sales volumes to grow by 8%.

QUARTERLY ESTIMATES

(Rs crore)	Net sales			EBITDA margin (%)			Adj profit after tax		
	Q1FY09E	Q1FY08	% chg	Q1FY09E	yoy chg	qoq chg	Q1FY09E	Q1FY08	% chg
Bajaj Auto*	2,371.9	2,109.1	12.5	12.8	-30 bps	+20 bps	201.8	226.5	-10.9
Maruti Udyog#	4,776.8	3,930.8	21.5	10.5	-412 bps	+157 bps	417.9	499.6	-16.4
Mahindra & Mahindra	3,339.6	2,612.8	27.8	10.9	+30 bps	-	222.9	192.8	15.6
Tata Motors	6,795.0	6,056.8	12.2	8.8	-220 bps	-10 bps	261.0	258.9	0.8
Ashok Leyland	1,759.6	1,621.1	8.5	8.9	-60 bps	-230 bps	75.3	71.9	4.8
Apollo Tyre	961.6	874.1	10.0	11.5	-	-90 bps	97.9	46.8	2.4
Ceat	584.9	536.4	9.0	6.2	-300 bps	+20 bps	13.6	15.3	-10.8
SKF India	441.6	401.5	10.0	15.0	-10 bps	-120 bps	42.0	40.7	3.1
Subros	167.1	157.7	5.9	12.0	-20 bps	-100 bps	5.6	6.5	-14.0
AUTO UNIVERSE	**21,198.1**	**18,300.4**	**15.8**				**1,288.1**	**1,358.9**	**-5.2**

* Not comparable as the company has been spilt

Considering higher depreciation as per the changed policy

Sharekhan Special — July 04, 2008

Q1FY2009 IT earnings preview

The top lines of frontline tech stocks are expected to grow in the range of 6.5%-11.1% sequentially in the rupee terms in Q1FY2009. The growth in the top lines is primarily driven by a volume growth of 1%-2%, boosted by ~7% depreciation in the rupee against the US dollar during the quarter. In dollar terms, the sequential growth is expected to remain muted during the quarter.

On the margin front, the margins of frontline IT companies during the first quarter of the fiscal are generally dented by visa cost. For Infosys and Tata Consultancy Services (TCS), the margins in the first quarter of the fiscal are impacted by wage hikes in addition to visa cost. Consequently, the operating profit margins (OPM) of Infosys and TCS in Q1FY2009 are expected to decline by around 185-205 basis points, in spite of the positive impact of the rupee depreciation.

On the net income front, we expect HCL Technologies' net income to decline by 29.6% year on year (yoy), as the company had reported foreign exchange (forex) gains of Rs250 crore in Q1FY2008. Beside this, HCL Technologies and Wipro Technologies had increased their hedge positions in Q4FY2008. Hence, the two companies may report higher forex losses, given the recent depreciation of the rupee.

Going forward, the forthcoming results and the management's commentary on demand environment will be the key to the share price performance of the tech stocks.

QUARTERLY ESTIMATES

(Rs crore)	Net sales			Net profit			EPS	OPM
	Q1FY09	% qoq	% yoy	Q1FY09	% qoq	% yoy	(Rs)	(%)
Infosys Tech	4896	7.8	29.8	1254	2.0	21.9	21.9	30.7
Guidance	*4570-4582*	*0.6-0.9*					20.7	
Satyam	2685	11.1	46.7	519	11.2	37.1	7.7	22.6
Guidance	*2500-2512.5*						*7.64-7.68*	
HCL Tech	2149	10.5	33.3	342.9	0.1	-29.6	5.2	21.7
Wipro (Cons)	6089	8.8	45.6	881	0.6	24.0	6.0	16.3
Wipro (Global IT)	4172							
Guidance (Global IT)	*$988 mn*							
TCS	6492	6.5	24.8	1212	-3.5	2.3	12.4	20.8

Sharekhan Special — July 01, 2008

Q1FY2009 Media earnings preview

TV18

We expect TV18's revenues to grow 56.7% to Rs106.7 crore. We expect the news, web and newswire businesses to grow by 48%, 82.6% and 353% year on year (yoy) respectively. We expect the operating profit margin for the quarter to improve by 568 basis points yoy to 20.8% and consequently the adjusted net profit of TV18 is expected to increase to Rs5.4 crore from Rs0.5 crore in Q1FY2008.

Zee News

We expect the existing channel baseket to register a steady growth, in line with the industry. We expect the new channels, Zee Telugu and Zee Kannada, to monetise the hefty GRP gains that they achieved over the last few quarters. Against this backdrop the overall revenues of the company are expected to grow by 22.9% yoy to Rs93.3 crore, leading to a 52.7% jump in the operating profit and a hefty 68.1% increase in the net profit. Zee News is our top pick in the sector.

Balaji Telefilms

We expect Balaji Telefilms to report a yoy growth of 18.5% in its revenues to Rs88.3 crore, driven by higher volumes in the commissioned category. With an increase in the cost of content production, we expect the operating profit margin of the company to decline by 433 basis points to 35.3%. Aided by a higher other income the net profit is expected to increase by 15.2% to Rs21.2 crore.

QUARTERLY ESTIMATES

(Rs crore)	Net sales			Operating profit			Adjusted PAT			Reported PAT		
	Q1FY09	Q1FY08	% chg	Q1FY09	Q1FY08	% chg	Q1FY09	Q1FY08	% chg	Q1FY09	Q1FY08	% chg
TV18	106.7	68.1	56.7	22.2	10.3	115.5	5.4	0.5	1,067.4	3.7	0.4	812.2
Zee News	93.3	75.9	22.9	16.8	11.0	52.7	9.8	5.8	68.1	9.8	5.8	68.1
Balaji Telefilms	88.3	74.5	18.5	31.1	29.5	5.4	21.2	18.4	15.2	21.2	18.4	15.2
Total	**288.3**	**218.5**	**31.9**	**70.1**	**50.8**	**38.0**	**36.4**	**24.7**	**47.6**	**34.7**	**24.6**	**41.0**

#TV18 and Zee News estimates are on a consolidated basis and estimates for Balaji Telefilms are on a stand-alone basis.

MUTUAL GAINS — JUNE 17, 2008

Sharekhan's top equity fund picks

May is traditionally a weak month for the stock markets. It was no different this year. The Sensex lost over 5% in this May and the continued weakness in the first ten days of June shaved off all the gains registered in April, taking the markets back to the sub-15,000 levels. The dangerous combination of deteriorating domestic macro-economic environment and negative global cues was potent enough to trip the markets this time.

On the domestic front, inflation has breached the 8% mark and stayed there for the past few weeks. What's more, it is threatening to go past 9% and even touch double-digit levels in the coming weeks, on account of the recent hike in fuel prices. With crude oil prices soaring even higher, the inflation is unlikely to moderate in the near term.

The soaring prices of crude oil are also taking their toll on the entire fiscal situation. The huge under-recoveries of the oil marketing companies are likely to stretch the fiscal deficit to an unsustainable level. Taking into consideration the combined effect of the soaring crude oil prices, the fertilizer, food and other subsidies, the farm loan debt waivers announced by the government and the implementation of the Sixth Pay Commission's proposals, the combined fiscal deficit of the centre and states could reach close to 10%, completely wiping out the hard work of the past few years. Mind you, a nation's fiscal deficit is a key parameter watched by the foreign investors and has an important bearing on their investments in the country. The gap is already visible in the trade deficit figures announced for April 2008. The deficit has widened to $9.68 billion due to the bloated oil import bill.

On the other hand, the growth in the industrial sector continues to moderate. The Index of Industrial Production for April came in at 7.1%, lower than the 11.3% growth recorded in April 2007. The tightening of the monetary policy and the soaring inflation rate are clearly hurting consumer sentiment. The moderating growth is clearly resulting in a greater risk to corporate earnings estimates.

The Q4FY2008 earnings performance of the Sensex companies provided some relief last month. The performance of the banking and telecom sectors was above expectations. In today's uncertain environment, the strong corporate earnings growth has been the biggest silver lining for the equity markets.

Another positive development has come in form of the 9% growth in the real GDP for FY2008. The same is better than the Central Statistical Organisation's advance estimate of 8.7% for the year. However, the 9% GDP growth does reflect moderation, as it is lower than the FY2007 growth rate of 9.6%. But at the same time, it shows a certain level of resilience on the Indian economy's part, considering the rising inflation and the global uncertainties.

Given the situation, market sentiment would largely depend on two key factors: The Reserve Bank of India's (RBI) monetary stance at home and the movement of crude oil prices globally. Soaring inflation has prompted the RBI to raise the cash reserve ratio (CRR) by 75 basis points to 8.25% over the past few weeks and also hike the repo rate by 25 basis points. Still, we maintain that the existing inflation is largely due to supply-side constraints and any increase in the interest rates is unlikely to anchor inflation.

In line with the expectation of inflation crossing 9% or even touching double digits in the coming days, the monetary stance in the near term should remain tight. However, some relief on the inflation front can be expected going forward, as the full effect of the various fiscal and monetary steps taken by the RBI will come into play in the coming weeks. In addition, the base effect would turn a little favourable in October 2008 as the inflation rate during October 2007 had stabilised after a rapid decline. Further, from December 2007 onwards the inflation rate has picked up and risen unabated well through April 2008. This higher base effect from December 2007 onwards should also help bring down the inflation rate, which would be instrumental in bringing a pause to further monetary tightening.

Apart form the central bank's monetary stance, the movement of the crude oil prices will continue to have a strong influence on market sentiment. And rightly so, any meaningful correction in the crude oil prices will substantially moderate the inflationary expectations and also improve the overall macro-economic scenario. The increasing demand for bank credit from the oil marketing companies is currently crowding out the corporate sector. In addition to gaining from the increased availability of credit, the manufacturing sector will also benefit from lower energy costs. In fact, some relief might be on its way already if we go by Ben Bernanke's statement implying that the US Federal Reserve (Fed) would support the dollar's appreciation. The Fed's support to ensure strength and stability of the dollar might help ease the pressure on the oil prices since much of the rise in the oil prices is ascribed to a weakening US Dollar.

We have identified the best equity-oriented schemes available in the market today based on the following 3 parameters: the past performance as indicated by the one and two year returns, the Sharpe ratio and Fama (net selectivity).

The past performance is measured by the one and two year returns generated by the scheme. Sharpe indicates risk-adjusted returns, giving the returns earned in excess of the risk-free rate for each unit of the risk taken. The Sharpe ratio is also indicative of the consistency of the returns as it takes into account the volatility in the returns as measured by the standard deviation.

FAMA measures the returns generated through selectivity, ie the returns generated because of the fund manager's ability to pick the right stocks. A higher value of net selectivity is always preferred as it reflects the stock picking ability of the fund manager.

We have selected the top 10 schemes upon ranking on each of the above 4 parameters and then calculated the mean value of each of the 4 parameters for the top 10 schemes. Thereafter, we have calculated the percentage underperformance or over performance of each scheme (relative performance) in each of the 4 parameters vis a vis their respective mean values.

For our final selection of schemes, we have generated a total score for each scheme giving 30% weightage each to the relative performance as indicated by the one and two year returns, 30% weightage to the relative performance as indicated by the Sharpe ratio and the remaining 10% to the relative performance as indicated by the FAMA of the scheme.

All the returns stated below, for less than one year are absolute and for more than one year the returns are annualised.

All the returns stated on next page, for less than one year are absolute and for more than one year, the returns are annualised.

AGGRESSIVE FUNDS

MID-CAP CATEGORY				
Scheme Name	**NAV**	**Returns as on May 31, 08 (%)**		
		3 Months	**1 Year**	**2 Years**
Birla Mid Cap	81.20	-12.37	14.28	21.98
IDFC Premier Equity	20.79	-11.37	34.64	32.81
Reliance Growth	353.64	-6.95	21.03	24.46
Indices				
BSE Sensex	16415.57	-6.62	13.87	23.33

OPPORTUNITIES CATEGORY				
Scheme Name	**NAV**	**Returns as on May 31, 08 (%)**		
		3 Months	**1 Year**	**2 Years**
DWS Investment Opportunity	35.31	-7.20	41.11	35.66
Kotak Opportunities	39.96	-9.93	28.01	26.92
PRINCIPAL Global Opportunities	19.11	9.51	25.91	20.27
IDFC Imperial Equity	15.19	-5.39	21.09	22.43
Tata Equity Opportunities	74.35	-8.68	17.67	21.80
Indices				
BSE Sensex	16415.57	-6.62	13.87	23.33

EQUITY DIVERSIFIED/CONSERVATIVE FUNDS				
Scheme Name	**NAV**	**Returns as on May 31, 08 (%)**		
		3 Months	**1 Year**	**2 Years**
HSBC Equity	93.63	-4.84	25.79	27.92
DWS Alpha Equity	69.15	-5.47	28.02	25.61
Sundaram BNP Paribas Select Focus	79.23	-7.82	26.48	27.35
DSP Merrill Lynch Top 100 Equity	75.11	-2.96	18.73	28.50
Sundaram BNP Paribas	86.51	-7.46	23.28	23.72
HDFC Growth	62.81	-7.39	19.85	27.45
Birla SunLife Frontline Equity	63.42	-7.74	15.10	28.65
Kotak 30	88.79	-9.02	21.94	23.41
Indices				
BSE Sensex	16415.57	-6.62	13.87	23.33

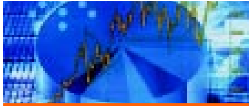
THEMATIC/EMERGING TREND FUNDS				
Scheme Name	**NAV**	**Returns as on May 31, 08 (%)**		
		3 Months	**1 Year**	**2 Years**
Templeton India Equity Income	16.37	0.91	24.41	29.33
Templeton India Growth	92.11	0.29	25.97	28.03
ICICI Prudential Infra	27.14	-9.38	32.55	37.08
Tata Equity P/E	35.78	-5.10	22.12	28.49
Tata Infrastructure	32.28	-10.48	26.38	28.19
Indices				
BSE Sensex	16415.57	-6.62	13.87	23.33

BALANCED FUNDS				
Scheme Name	**NAV**	**Returns as on May 31, 08 (%)**		
		3 Months	**1 Year**	**2 Years**
DSP Merrill Lynch Balanced	48.96	-2.89	15.70	22.42
FT India Balanced	38.89	-5.38	11.06	18.93
Tata Balanced	60.44	-8.32	11.90	18.52
Indices				
Crisil Balanced Fund Index	2903.70	-4.00	13.41	17.49

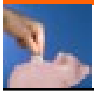
TAX PLANNING FUNDS				
Scheme Name	**NAV**	**Returns as on May 31, 08 (%)**		
		3 Months	**1 Year**	**2 Years**
Sundaram BNP Paribas Taxsaver	34.59	-9.20	21.36	19.97
Principal Personal Taxsaver	89.76	--	14.78	23.26
Franklin India Taxshield	153.85	-6.90	14.49	17.48
Indices				
BSE Sensex	16415.57	-6.62	13.87	23.33

Every individual has a different investment requirement, which depends on his financial goals and risk-taking capacities. We at Sharekhan first understand the individual's investment objectives and risk-taking capacity, and then recommend a suitable portfolio. So, we suggest that you get in touch with our Mutual Fund Advisor before investing in the best funds. ■

The author doesn't hold any investment in any of the companies mentioned in the article.



Banking — June 25, 2008



Escalating inflation attracts more rate hikes

The Reserve Bank of India (RBI) has announced a 50-basis-point hike in the repo rate from 8% to 8.50% with immediate effect. In addition, the cash reserve ratio (CRR) has also been increased by 50 basis points to 8.75%. Collectively, these rate actions would suck up liquidity to the tune of Rs20,000 crore from the banking system.

Double-digit inflation attracts rate action

The inflation rate has spiked to 11.05% (for the week ended June 7, 2008) owing to the pressures from international commodity prices, which has led to the monetary tightening. While the RBI recognises the fact that the spike in inflation is largely owing to supply-side issues, the government maintains that monetary measures will remain the first line of defence against inflation.

Growth in major indicators remains above RBI's target

According to the latest data (dated June 6, 2008), the money supply grew by 21.4%, which is well above the RBI's targeted growth of 16.5-17%. Also, non-food credit growth of 26.2% and deposit growth of 23.2% are significantly above the RBI's targeted growth rates of 20% and 17% respectively. The higher than targeted growth in these major indicators seems to have triggered the harsh monetary measures.

Impact on banks

Mounting pressure on NIM: Most of the banks have been holding their lending and deposit rates till date, however RBI's stringent rate action is likely to force these banks to increase their lending as well as deposit rates. However, any inability to fully pass on the higher cost of funds to customers will further pressurise the net interest margin (NIM) of these banks.

Loan growth to moderate: Though higher lending rates may help reduce the pressure on the margins, it will be at the cost of further moderation in the credit offtake. Also, RBI's stringent monetary actions reflect the central bank's intent to bring down the credit growth from ~26% currently to ~20% for the fiscal; this bodes ill for growth in bank loan books.

Higher yields to hurt treasury income: The ongoing the monetary tightening has pushed bond yields upwards, which means higher mark-to-market provisioning on banks' "available for sale" (AFS)/ "held for trading" (HFT) investment books and hence lower treasury income.

Strain on asset quality: The possibility of further hikes in the lending rates, which are already at high levels, threatens to put strain on the asset quality of the loan portfolios. Some of the banks are already facing uptick in slippages in their unsecured lending products.

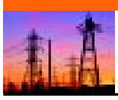
Though all these factors will have a negative impact on banks' earnings going forward, the extent of the impact would depend on the response of the banks to the monetary tightening. We are maintaining our estimates currently and will revisit them at a suitable time.

Economic growth may slow further

With inflation in double digits and increasing capital costs, the economic growth is likely to taper off further. The current fiscal has witnessed significant monetary tightening (cumulative CRR hike of 125 basis points and repo rate hike of 75 basis points) and further stringent measures are widely expected. Effectively, the focus is entirely on controlling inflation while economic growth has taken a back seat. Considering all these factors, the possibility of further moderation in economic growth has increased.■

For further details, please visit the Research section of our website, sharekhan.com

Capital goods — June 12, 2008



Power T&D—Opportunity galore

In the recent past, there has been growing concerns about the possible moderation in the investment upcycle in the backdrop of deterioration in the macro-economic scenario. The lower than expected performance by some large capital goods players due to execution delays and other company specific issues have only added to the growing pessimism. The sudden dip in the capital goods segment in the index of industrial production (IIP) figures for January also jolted investor sentiments.

However, we believe that some of these concerns could be overdone. In our recent visit to Areva T&D, the management sounded upbeat about the growth outlook. Areva T&D is one of the leaders in providing complete solution to the needs of power transmission and distribution (T&D). The company has targeted to double its revenues by the end of CY2010.

The flow of new orders also continues to be robust. Recent media reports also suggest that Maharashtra State Eletricity Transmission Corporation (MahaTransco) has invited bids for strengthening and upgrading its transmission network. The deal is speculated to be around Rs18,000 crore.

Large players exploring opportunities in related segments

Apart from the opportunities in their core business, large players like Bharat Heavy Electrical Ltd (BHEL) are exploring opportunities in related segments. For instance, BHEL is believed to have bid for portion of the Rs18,000-crore tender by MahaTransco. Apart from this, there are reports that BHEL would also venture into building onshore drilling rigs and is close to getting orders worth Rs5,000 crore. The diversification strategy would not only aid the overall growth but also de-risk the business.

Rebound in growth of capital goods segment, shrugs concerns

IIP numbers for April 2008 came in at 7%. The capital goods reported an increase of 14.2% year on year during the month. While the January numbers did raise many concerns over the sustainability of capital goods growth the recent number shows otherwise.

Valuations reasonable after the steep correction

Capital good stocks have corrected sharply over the past few months. We believe the concerns are overdone. In our view, the monetary policy tightening would result in moderation in the investment in the infrastructure, however we do believe it has largely been priced in. Given the earnings visibility and business and valuation we are positive on BHEL, Larsen & Toubro (L&T) and Crompton Greaves with 12-18 months perspective.■

For further details, please visit the Research section of our website, sharekhan.com

FERTILISER — JUNE 26, 2008

New policy for the long term

Following are the key highlights of the new fertilizer policy:

IPP for indigenous DAP

The new policy treats the indigenous DAP at par with imported DAP which would improve the average realisation for the indigenous DAP manufacturers by around Rs4,000 per metric tonne (MT).

Introduction of the "Outlier" concept for computation of final rates

The "Outlier" concept has been introduced to encourage long term supply arrangement. Accordingly, for computation of the import price, the government would exclude such "Outlier" where the price is lower by 5% or by US$30 vis-à-vis the industry average. In addition, the outlier would profit by taking 65% share in the savings. This will encourage the industry to seek long-term supplies at lower prices.

Sulphur in complexes to be paid for as per nutrient-based policy

With this, the committee has recognizes sulphur as an important secondary soil nutrient. With this, the prices of complex fertilisers are set to decline by Rs1,416 per tonne. The increased use of nutrient-based fertilisers would improve the soil quality for the farmers, eventually improving the farm yield.

New policy for long-term as against for a year earlier

The fertiliser industry would now take a long-term view on investment overseas to source material and to make investments. Also, the concession scheme added TSP and ammonium sulphate to the list. The government will save Rs1,163 crore on the new fertiliser policy.

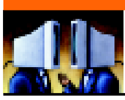
Impact analysis

Being a market driven policy, the new fertiliser policy is quite encouraging, especially for phosphatic fertilisers. The new policy also encourages investments in the international markets to source inputs. The policy would improve earnings estimates for the domestic DAP manufacturers like Tata Chemicals, which has assured source of phosphoric acid. Companies like GSFC, Coromandel Fertilizers and GFCL may benefit from the policy in case of improved availability of phosphoric acid in the international market.

For further details, please visit the Research section of our website, sharekhan.com

The author doesn't hold any investment in any of the companies mentioned in the article.

INFORMATION TECHNOLOGY — JUNE 25, 2008



Global outsourcing industry survey

Recently, Brown & Wilson conducted a survey of global outsourcing industry for the year 2008. The survey was aimed at identifying the 50 best-managed global outsourcing companies by surveying client experience and assessing industry developments. The following are the key highlights of the survey:

- The surprise of the survey was the ranking of Infosys Technologies (Infosys), which fell sharply from that of the last year. Infosys standing conspicuously fell to 59th rank in 2008 from 10th in 2007 due to rising accounts of client discontent. The drop in Infosys' ranking marks the biggest fall in the ranking for any vendor across the globe in the last five years. The survey mentioned that over a dozen major customers cited the fact that Infosys has not melded its consulting and service delivery well. The US clients cited a lack of American front office support with an imbalance as too much was delivered from offshore.
- Among the Indian outsourcing players, Wipro witnessed an improvement in its ranking to 6th in 2008 from 9th in 2007, while Satyam Computer Services' (Satyam Computer) rank fell to 7th in 2008 from 5th in 2007. Among the other Indian outsourcing players, Tata Consultancy Services (TCS) showed a significant improvement in its ranking to 15th in 2008 from 27th in 2007.
- The report also mentions that the clients in the UK and western Europe prefer regional vendors to those of India and South East Asian nations.

Valuation & view

We prefer Satyam Computer on account of the improvement in its operating matrix. At the current market price, the stock is trading at 14.6x FY2009 earning estimates and 12.8x FY2010 earning estimates. We also like TCS purely on the valuation basis (22.3% discount to Infosys). At the current market price, the stock trades attractively at 14.7x FY2009 earning estimates and 12.8x FY2010 earning estimates.

For further details, please visit the Research section of our website, sharekhan.com

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TELECOMMUNICATIONS JUNE 12, 2008

Consolidation to improve sector's valuation

Idea Cellular is reportedly looking to acquire Spice Communications (Spice). Spice is a two-circle (Punjab and Karnataka) GSM operator with 4.4 million subscribers. For Q1FY2008 Spice reported revenues of Rs300 crore; earnings before interest, tax, depreciation and amortisation (EBITDA) of Rs81 crore; and a net loss of Rs36 crore. Considering its subscriber base and profitability, Idea Cellular may not offer a premium to acquire Spice. However, Idea Cellular could seek a premium from Telekom Malyasia, which currently holds a 39.2% stake in Spice, for a stake in Idea Cellular.

As per media reports, Telekom Malaysia could pay Rs150 per share for getting less than a 15% stake in Idea Cellular. Idea Cellular will then buy out the Modis' 40.8% stake in Spice and Telekom Malyasia will have a 20% stake in the merged entity. Assuming a share swap ratio of 1:8 for the merger of Idea Cellular and Spice, the valuation of the combined Idea Cellular works out to approximately Rs45,000 crore. The enterprise value (EV)/EBITDA at this estimated valuation works out to 13.2x on FY2009E. The comparative EV/EBITDA of Bharti Airtel at 10.9x appears to be cheap.

This deal should lead to the consolidation of the telecom sector and improve the valuations of the telecom operators. Bharti Airtel, being the market leader at lower valuations, should benefit the most.

Idea Cellular—getting stronger day by day

Idea Cellular has been performing quite consistently and adding more than one million subscribers every month for the last three months. In May 2008 itself, its net additions were 1.1 million subscribers. Its market share stands at 17.5%. With this acquisition Idea Cellular is proving that it means business and plans to garner higher market share. Till now Vodafone and Reliance Communication (which proposes to enter the GSM space), were supposed to be serious competition to Bharti Airtel. Now with this acquisition and a strong subscriber addition, Idea Cellular too could become a potentially serious competitor to Bharti Airtel. ■

For further details, please visit the Research section of our website, sharekhan.com

The author doesn't hold any investment in any of the companies mentioned in the article.

DISH TV INDIA

VIEWPOINT | CMP: Rs42 | JUNE 18, 2008

Concerns galore

Dish TV stock has been a big underperformer over the last year and we believe it was so for right reasons. The DTH opportunity in India is big with the subscriber base expected to increase rapidly from 3.5 million in December 2007 to 25 million by 2012 registering a CAGR of 48% over the period.

The market as of now is set to comprise of six players with Dish TV, Tata Sky and Sun Direct being the existing players and corporate giants like Reliance Big TV, Bharti and Videocon expected to join the incumbents. Since the launch of Tata Sky in August 2006, subscriber acquisition cost for Dish TV has climbed substantially from Rs400 per subscriber earlier to Rs2,600 currently. And we believe with deep-pocket players waiting on the sidelines, the competition is soon going to intensify leading the financials of each of the players to bleed fiercely. Thus adequate availability of funds in the business is going to be one of the key factors over the gestation period. We believe Dish TV is up against the following challenges:

- The competition is set to intensify with four new players eyeing a pie of the DTH market.
- The subscriber addition cost has gone up substantially and would increase further (the management has guided at Rs2,800 per subscriber against Rs2,060 for FY2008).
- The market share in incremental subscriber additions is expected to decline significantly.
- The ARPU at Rs194 currently is not seen to increase much in a competitive scenario.
- The capex of Rs1,600-1,800 crore planned for the next two years. The company plans partial funding of the capex via rights issue up to Rs1,140 crore.

Thus, though we remain optimistic about the DTH industry as a whole, the above concerns plus the uncertainty over the gestation period for the business make us have a skeptical view on Dish TV. ■

For further details, please visit the Research section of our website, sharekhan.com

The author doesn't hold any investment in any of the companies mentioned in the article.

ESSAR SHIPPING PORTS & LOGISTICS

VIEWPOINT | CMP: RS109 | JUNE 23, 2008

In expansion mode

Incorporated in 1975, ESPLL has transformed itself from a mere shipping company to an end-to-end logistic service provider with presence across ports and terminal services, sea and surface transportation services, and onshore and offshore drilling services.

At present, the company operates an all-weather, deep-draft port and terminal facility to handle crude oil and petroleum products at Vadinar in Jamnagar, Gujarat. The company is further setting up a 30mtpa port at Hazira for import of iron ore and another 20mtpa port facility at Salaya for handling coal and pet coke for power plants. It is also expected to increase the Vadinar capacity to 84mtpa, taking the total capacity of its port business to 134mtpa.

ESPLL owns and operates a fleet of 24 vessels with a total deadweight tonnage (DWT) of 1.3 million. Plans are afoot to raise the capacity to 2.69 million DWT by 2011. ESPLL would be spending about $965 million to add 14 ships to its existing fleet of 24 vessels by 2011.

Essar Oilfield Services Ltd (EOSL) offers onshore and offshore contract drilling services. EOSL would be merged into ESPLL through a share swap agreement whereby 32 equity shares of ESPLL would be issued for every 100 shares held in EOSL at a price of Rs220 per share, after regulatory approvals. The company would spend $440 million to add two jack-up rigs and take its total rig fleet to 15 by 2010.

The long-term agreements with the group companies (particularly Essar Steel, Essar Oil and Essar Power) render a lot of visibility and surety to the port volumes. However, the biggest risks would be any possible delay in the group's expansion plans, as the bulk of the volumes for both the shipping and the port business would be accounted for by the group companies. At the current market price, the stock is discounting its FY2008 earnings by 17.2x.■

For further details, please visit the Research section of our website, sharekhan.com

The author doesn't hold any investment in any of the companies mentioned in the article.

GAMMON INDIA

VIEWPOINT | CMP: RS360 | JUNE 13, 2008

Italian job

Gammon India Ltd (GIL) has recently acquired two companies in Italy. We attended the conference call held by the company post-acquisitions. We now bring you the key takeaways from the call.

Two acquisitions, increasing foothold in power sector

- Sadelmi S.p.a. is a company engaged in the execution of projects for balance of plant equipments, mainly for the power sector. GIL will hold a 50% stake in the company that it has acquired for a total of • 7.5 million.
- GIL has also acquired Franco Tosi Meccanica S.p.a (FTM), another Italian company engaged in the manufacture of steam turbines for thermal (up to 500 megawatt, sub-critical) and hydro-electric (up to 350 megawatt) plants. GIL has paid □40 million for a 75.1% stake in the company.

We believe that both the deals have been struck at pretty reasonable valuations based on the expected EBIDTA margins and sales guidance of the two companies given by GIL (combined deal is at EV/Sales of 0.4x and EV/EBIDTA of 4.2x). The combined order book of the companies is about • 550-600 million.

Raising debt to fund acquisitions

GIL will be shelling out • 47.5 million in order to acquire the aforesaid entities and has decided to fund the acquisition through debt raised on its offshore subsidiary. The requisite debt would not would not change the debt-equity ratio of GIL as a stand-alone entity.

Our view

These two acquisitions by GIL would provide strategic fit would also help GIL to acquire pre-qualification criteria needed for bidding for engineering, procurement and construction projects in the power sector. However, in our view it may not be feasible for the company to start manufacturing power equipment for its Indian operations immediately, given the high cost of labour in the European nation compared with the cheap labour available in India. The company plans to source certain inputs from India and believes its low capital cost could provide competitive edge to match the pricing of the likes of the local giants BHEL and L&T. Initially, FTM would continue to concentrate on the European and Latin American regions. At the current market price the GIL stock is trading at 20.9x FY2009E consensus estimates.■

For further details, please visit the Research section of our website, sharekhan.com

The author doesn't hold any investment in any of the companies mentioned in the article.

Idea Spices up its business

Viewpoint	CMP: Rs102	June 25, 2008

Idea *Spices* up its business

The deal

Idea Cellular has bought a 40.8% stake in Spice Communications at a price of Rs77.30 per share. Idea Cellular will also pay Rs544 crore as non-compete fee to the Spice group. Idea Cellular and Telekom Malaysia will make an open offer to acquire an additional 20% stake in Spice Communications at a price of Rs77.30 per share.

Idea Cellular will make a preferential allotment of 464.73 million equity shares to Telekom Malaysia at a price of Rs156.96 per share.

Spice Communications will be merged into Idea Cellular in a swap ratio of 49 shares of Idea Cellular for every 100 shares held in Spice Communications.

The benefits

- Idea Cellular gains entry into markets of Punjab and Karnataka, which together account for 11% of India's total wireless subscribers;
- Idea Cellular gets Spice Communications' 4.4 million subscribers (as on April 30, 2008), gaining a market share of 15.1%;
- Idea Cellular becomes the no. 2 wireless operator in Punjab with a 22.3% market share; and consolidate its position with the increase in its all-India subscriber market share from 9.5% to 11.1%.

The impact

This amalgamation and the preferential allotment will dilute Idea Cellular's equity by 20%. Telekom Malaysia, which currently holds a 39.2% stake in Spice Communications, will have a less than 20% stake in Idea Cellular.

Idea Cellular will have a net inflow of Rs4,600 crore, after getting Rs7,300 crore by way of the preferential allotment to Telekom Malaysia and after making a payment of Rs2,700 crore to the Spice management. The Idea Cellular management expects an additional Rs2,300 crore from the sale of stake to Indus Towers. All this will help Idea Cellular to become a debt-free company.

Based on these, Idea Cellular plans to invest Rs 10,000 crore over the next two financial years. During the year it plans to start operations in four circles, including Mumbai and Tamil Nadu.

We feel this deal is positive for Idea Cellular and would push the company to a high growth trajectory.■

For further details, please visit the Research section of our website, sharekhan.com

The author doesn't hold any investment in any of the companies mentioned in the article.

Sujana Towers

Viewpoint	CMP: Rs104	June 19, 2008

Towering growth

We attended the analyst meet of Sujana Towers Ltd (STL) as to bring to you the key highlights.

Setting up new plant to increase capacity

STL currently has an installed capacity of 128,125 tonne per annum (tpa) at Hyderabad and is now setting up a new 100,000 tpa unit at Chennai, at a capital outlay of Rs150 crore. The new capacity is expected to come on stream during October 2008.

51% stake in Telesuprecon to help African business

STL has acquired a 51% stake in Telesuprecon, a Mauritius-based firm. Telesuprecon would help STL in gaining foot hold in the central and east African countries. Telesuprecon is in advanced stages of negotiations for securing telecom infrastructure contracts worth ~$40 million in various central and east African countries.

Order book at Rs350 crore

The current order book of the company stands at Rs350 crore, which is executable over the period of 9-12 months.

Entering EPC, new revenue driver

STL is now gearing up to enter into the engineering, procurement and construction (EPC) business of power transmission sector and has tied up with various suppliers for the same focusing mainly to southern, central and western regions of the country. The company is confident of getting new orders and expects EPC to emerge as a new growth driver for the company. The management seems confident of maintaining an EBIDTA margin of 15-16% going forward. The company expects a compounded annual growth rate (CAGR) of 35% the power EPC business over the next five years.

About the company

STL is a tower manufacturing company catering to tower requirements of power, telecom and railways sectors. With an installed capacity of 128,125 tpa, the company manufacturer towers up to 400 kilo volt (kv) rating lines.

Outlook

STL operates in a buoyant business environment, however the ability to scale up would remain a key catalyst for company's growth. The management of working capital and sourcing of material would remain a critical part especially in the light of rising steel prices and other key inputs. The company has set an ambitious target of Rs1,100-1,200 crore for revenues. At the current market price, the stock trades at 4.5x one year forward consensus earnings estimate.■

For further details, please visit the Research section of our website, sharekhan.com

The author doesn't hold any investment in any of the companies mentioned in the article.

SHAREKHAN EARNINGS GUIDE

Prices as on July 04, 2008

Company	Price (Rs)	Sales			Net Profit			EPS			(%) EPS Growth	PE (x)			ROCE (%)		RONW (%)		DPS	Div Yield
		FY08	FY09E	FY10E	FY08	FY09E	FY10E	FY08	FY09E	FY10E	FY10/FY08	FY08	FY09E	FY10E	FY08	FY09E	FY08	FY09E	(Rs)	(%)
Evergreen																				
HDFC	2059.5	3,053.2	3,662.8	4,421.9	2,436.2	2,580.8	3,137.5	68.4	90.9	110.5	27%	30.1	22.7	18.6	-	-	21.4	20.2	25.0	1.2
HDFC Bank	998.0	7,511.0	9,707.7	12,182.3	1,589.7	1,978.1	2,486.1	44.9	55.8	70.1	25%	22.3	17.9	14.2	-	-	17.1	16.1	8.5	0.9
Infosys Tech	1755.0	16,692.0	20,382.7	23,638.3	4,659.0	5,446.1	6,068.0	79.3	95.2	106.1	16%	22.1	18.4	16.5	38.7	36.7	33.8	31.2	33.3	1.9
Larsen & Toubro	2388.5	29,198.5	38,131.7	47,394.0	2,223.5	3,224.1	4,379.7	76.2	110.5	150.1	40%	31.3	21.6	15.9	23.6	26.4	25.8	29.0	17.0	0.7
Reliance Ind	2096.1	137,147.0	137,858.6	168,722.0	15,326.0	20,912.3	28,237.2	105.5	132.9	179.5	30%	19.9	15.8	11.7	17.2	15.3	22.8	19.6	13.0	0.6
TCS	845.0	22,862.0	27,956.0	32,737.0	5,019.0	5,844.0	6,691.0	51.3	59.7	68.4	15%	16.5	14.2	12.4	34.7	30.6	38.2	32.5	14.0	1.7
Apple Green																				
Aditya Birla Nuvo	1103.0	12,134.0	16,108.9	20,582.1	104.6	428.5	637.8	9.2	37.7	56.0	147%	119.9	29.3	19.7	3.8	4.0	2.8	7.3	5.8	0.5
Apollo Tyres	29.6	3,693.9	4,173.4	4,634.5	219.2	203.3	216.7	4.5	4.2	4.4	-1%	6.6	7.0	6.7	23.5	19.3	17.9	14.5	0.5	1.5
Bajaj Auto	422.0	8,663.3	8,920.7	9,820.4	756.0	813.2	927.6	52.3	56.2	64.1	11%	8.1	7.5	6.6	22.6	36.2	47.6	48.6	20.0	4.7
Bajaj Finserv	500.0	106.3	-	-	44.0	-	-	3.1	-	-	-	161.3	-	-	-	-	-	-	-	-
Bajaj Holdings	450.0	355.3	-	-	307.0	-	-	30.3	-	-	-	14.9	-	-	-	-	-	-	20.0	4.4
Bank of Baroda	206.1	5,962.8	6,692.1	7,665.6	1,435.6	1,743.5	2,059.9	39.3	47.7	56.4	20%	11.5	9.4	3.7	-	-	15.8	17.1	8.0	1.8
Bank of India	229.7	6,369.6	7,531.3	8,809.5	2,032.9	2,565.0	3,000.0	38.2	48.8	57.0	22%	6.0	4.7	4.0	-	-	27.4	27.1	4.0	1.7
Bharat Bijlee	1290.0	562.4	704.9	813.3	72.5	91.3	107.7	128.3	161.5	190.5	22%	10.1	8.0	6.8	61.3	54.3	43.0	38.0	30.0	2.3
BEL	993.6	3,921.5	4,877.3	-	650.4	892.0	-	81.3	111.5	-	11%	12.2	8.9	-	40.8		23.7	-	18.0	1.8
BHEL	1499.0	19,365.5	24,222.6	31,516.5	2,792.8	3,666.3	4,964.3	57.1	74.9	101.4	33%	26.3	20.0	14.8	42.3	44.0	25.1	26.1	15.3	1.0
Bharti Airtel	719.3	26,702.9	34,018.1		6,657.9	8,072.2	10,409.2	35.1	42.5	54.7	25%	20.5	16.9	13.1	33.1	27.8	34.2	27.9	0.0	0.0
Canara Bank	168.7	5,750.7	5,934.4	6,653.9	1,565.0	1,785.4	2,063.3	38.2	43.5	50.3	15%	4.4	3.9	3.4	-	-	15.0	16.0	8.0	4.7
Corp Bank	262.0	2,143.0	2,445.4	2,882.6	734.9	803.9	964.9	51.2	56.0	67.3	15%	5.1	4.7	3.9	-	-	18.3	17.7	10.5	4.0
Crompton Greaves	241.5	6,832.3	8,200.0	9,910.5	406.7	507.0	659.4	11.1	13.8	18.0	27%	21.8	17.5	13.4	32.8	32.7	29.8	27.8	1.6	0.7
Elder Pharma	314.6	548.1	652.3	769.7	71.8	88.6	110.9	38.2	47.2	59.0	24%	8.2	6.7	5.3	14.3	15.0	18.4	18.7	2.5	0.8
Grasim	1690.0	10,278.1	13,659.6	18,423.3	2,016.0	2,293.9	2396.1	219.1	249.3	261.0	9%	7.7	6.8	6.5	35.7	-	27.2	-	30.0	1.8
HCL Tech**	237.0	7,505.8	9,222.4	11,167.3	1,250.9	1,484.7	1,744.5	18.2	21.4	24.9	17%	13.0	11.1	9.5	36.5	39.5	32.0	33.1	8.0	3.4
HUL*	202.0	13,717.8	15,855.7	18,092.7	1,769.1	2,038.8	2,382.6	8.1	9.4	10.9	16%	24.9	21.5	18.5	102.2	134.4	85.0	112.9	6.0	3.0
ICICI Bank	590.0	16,114.9	18,036.4	22,829.9	4,157.7	4,649.3	5,750.4	37.4	41.8	51.7	18%	15.8	14.1	11.4	-	-	10.9	9.7	10.0	1.7
Indian Hotel Co	86.5	1,764.5	1,998.9	2,356.8	377.4	433.9	551.4	6.3	6.0	7.0	5%	13.7	14.4	12.4	22.2	19.6	18.5	13.7	1.9	2.2
ITC	169.7	13,947.5	16,394.1	19,708.6	3,120.1	3,630.2	4,338.7	8.3	9.6	11.5	18%	20.5	17.6	14.7	34.0	34.5	27.8	27.6	3.5	2.1
Lupin	680.1	2706.4	3395.4	3971.0	335.1	400.7	481.0	37.9	45.4	54.4	20%	17.9	15.0	12.5	24.4	18.3	34.8	21.3	10.0	1.5
M&M	472.0	11,503.5	13,377.5	15,379.6	938.2	1,040.2	1,122.9	39.2	37.5	40.5	2%	12.0	12.6	11.7	21.4	18.5	23.3	19.1	11.5	2.4
Marico	54.3	1,906.7	2,264.8	2,678.2	166.0	188.6	235.0	2.6	3.1	3.9	22%	20.9	17.5	13.9	39.5	36.9	49.9	37.0	0.7	1.3
Maruti Suzuki	551.0	17,936.2	20,509.3	25,010.1	1,730.8	1,808.1	2,105.0	59.9	62.6	72.8	10%	9.2	8.8	7.6	34.4	27.2	20.6	18.0	5.0	0.9
Nicholas Piramal	298.9	2872.8	3326.1	3825.4	367.7	443.1	533.3	17.6	21.2	25.5	20%	17.0	14.1	11.7	22.6	23.6	30.7	28.8	4.2	1.4
Punj Lloyd	227.3	7,752.9	10,459.5	13,201.5	358.4	560.1	743.8	11.2	17.4	23.2	44%	20.4	13.1	9.8	15.7	19.3	19.2	20.5	0.4	0.2
Ranbaxy*	538.0	6,648.0	7,996.8	9,207.4	774.5	679.3	1,143.6	15.9	14.0	23.5	22%	33.8	38.4	22.9	15.7	7.8	27.6	7.5	8.5	1.6
Satyam Computers	461.0	8,473.0	10,808.0	13,266.0	1,688.0	2,078.0	2,401.0	25.2	30.4	34.8	18%	18.3	15.2	13.2	31.4	31.5	25.9	25.5	3.5	0.8
SKF India*	218.5	1,568.3	1,775.6	1,985.9	160.7	168.5	186.4	30.5	32.0	35.4	8%	7.2	6.8	6.2	48.6	41.4	29.6	25.1	6.0	2.7
SBI	1115.3	25,716.2	28,158.8	34,614.9	6,729.1	6,866.7	8,249.4	106.6	108.8	130.7	11%	10.5	10.3	8.5	-	-	15.5	13.3	21.5	1.9
Tata Motors	401.0	35,651.5	39,509.0	45,374.0	2,167.7	2,291.5	2,677.2	54.4	58.6	68.0	12%	7.4	6.8	5.9	30.8	30.5	22.7	21.5	15.0	3.7
Tata Tea	713.9	4,392.3	4,694.9	4,964.8	339.7	416.8	450.8	55.1	67.4	72.9	15%	13.0	10.6	9.8	8.4	8.5	11.6	10.9	35.0	4.9
Wipro	428.8	19,743.0	25,164.0	29,899.0	3,224.0	4,001.0	4,570.0	22.5	27.8	31.6	19%	19.1	15.4	13.6	16.2	16.9	24.9	25.5	6.0	1.4
Emerging Star																				
3i Infotech	100.0	1,205.3	2260..3	2,934.0	169.4	248.8	304.2	9.8	14.5	17.7	34%	10.2	6.9	5.6	12.1	14.0	13.0	11.9	1.5	1.5
Aban Offshore	2610.0	2,541.6	4,436.8	5,103.7	370.0	1,384.3	1,858.9	96.1	359.6	482.9	124%	27.2	7.3	5.4	11.5	22.1	55.4	89.6	3.0	0.1
Alphageo India	344.1	81.6	135.0	-	12.6	24.0	-	22.9	43.6	-	69%	15.0	7.9	-	36.7	48.1	35.1	36.3	1.5	0.4
Axis (UTI) Bank	598.3	4,380.8	5,819.8	7,502.6	1,071.0	1,417.2	1,853.9	29.9	39.6	51.8	32%	20.0	15.1	11.5	-	-	16.4	15.2	6.0	1.0
Balaji Telefilms	168.0	378.4	516.3	576.3	95.6	115.5	131.5	14.7	17.7	20.2	17%	11.4	9.5	8.3	40.4	40.8	28.2	27.3	3.5	2.1
BL Kashyap	1073.0	1,542.7	2,244.0	3,036.0	115.4	157.2	211.5	56.2	76.5	103.0	35%	19.1	14.0	10.4	42.4	39.7	32.9	32.6	4.0	0.4
Cadila Healthcare	313.7	2,324.5	2,779.4	3,188.8	264.5	322.2	386.1	21.1	25.7	30.7	21%	14.9	12.2	10.2	17.7	19.4	25.2	24.7	4.5	1.4
Jindal Saw#	476.0	6,787.8	4,315.8	5,503.2	412.6	345.4	507.5	58.9	61.6	90.5	24%	8.1	7.7	5.3	20.5	17.1	11.3	12.6	6.3	1.3
KSB Pumps	252.4	465.4	536.2	604.8	45.0	52.1	59.4	25.9	29.9	34.1	15%	9.8	8.4	7.4	32.7	34.0	18.9	18.7	5.5	2.2
Navneet Pub	66.2	411.1	470.0	531.7	54.2	62.2	72.0	5.9	6.5	7.6	13%	11.2	10.2	8.7	18.1	17.8	23.6	22.1	2.0	3.0
Network 18 Fincap	150.8	657.2	-	-	21.1	-	-	10.9	-	-	-	13.9	-	-	-	-	-	-	-	-
Nucleus Software	200.0	288.7	357.4	439.7	61.7	77.0	92.4	18.7	23.4	28.1	23%	10.7	8.5	7.1	31.8	28.0	28.6	24.9	3.0	1.5

* Year CY instead of FY

** June ending company

#FY2008 numbers are annualised, year-end changed to December ending.

Company	Price (Rs)	Sales			Net Profit			EPS			(%) EPS Growth	PE (x)			ROCE (%)		RONW (%)		DPS	Div Yield
		FY08	FY09E	FY10E	FY08	FY09E	FY10E	FY08	FY09E	FY10E	FY10/FY08	FY08	FY09E	FY10E	FY08	FY09E	FY08	FY09E	(Rs)	(%)
Opto Circuits India	293.0	468.1	858.0	1158.9	133.3	200.2	290.6	14.2	21.0	30.5	47%	20.6	14.0	9.6	33.1	25.2	36.5	36.6	5.0	1.7
Orchid Chemicals	255.2	1,238.9	1,492.7	1,756.0	143.3	157.7	207.6	14.8	16.3	21.5	21%	17.2	15.7	11.9	10.2	11.0	22.0	9.3	3.0	1.2
Patels Airtemp	45.3	54.3	75.0	87.1	5.2	7.6	8.9	10.4	15.0	17.5	30%	4.4	3.0	2.6	47.4	51.4	30.9	31.9	1.5	3.3
TV18 India	206.6	401.2	552.2	733.7	25.5	73.1	125.5	2.1	6.1	10.5	124%	98.4	33.9	19.7	11.7	19.0	8.3	21.8	2.0	1.0
Thermax	370.0	3,481.5	4,205.7	5,211.0	288.6	366.0	448.4	24.2	30.7	37.6	25%	15.3	12.1	9.8	65.6	60.6	37.7	35.7	8.0	2.2
Zee News	49.0	367.1	470.9	568.3	39.5	56.3	73.8	1.6	2.3	3.1	39%	30.6	21.3	15.8	30.3	33.4	19.4	22.6	0.4	0.8
Ugly Duckling																				
Ashok Leyland	28.8	7,729.1	10,446.8	11,682.4	466.4	495.9	556.9	3.5	3.7	4.2	9%	8.2	7.7	6.9	25.7	22.4	21.8	20.6	1.5	5.2
Aurobindo Pharma	291.0	2,622.9	3,143.7	-	277.9	348.4	-	45.8	57.1	-	22%	6.4	5.1	-	13.4	-	15.7	-	3.3	1.1
BASF	262.3	1,053.6	1,217.4	1,379.9	57.5	85.2	97.4	20.4	30.2	33.0	27%	12.9	8.7	7.9	25.8	32.9	17.9	23.2	7.0	2.7
Ceat	72.2	2,329.0	2,602.3	2,855.1	147.6	72.9	83.8	43.1	21.3	24.5	-25%	1.7	3.4	2.9	22.9	20.6	15.2	14.1	1.8	2.5
Deepak Fert	85.1	1,040.9	1,178.6	1,328.8	103.1	116.5	156.3	11.7	13.2	17.5	22%	7.3	6.4	4.9	10.3	10.9	14.9	15.5	3.5	4.1
Genus Power Infra	305.1	483.3	677.6	839.5	51.6	80.2	103.5	36.6	48.7	63.5	32%	8.3	6.3	4.8	27.9	23.5	20.2	24.1	0.0	0.0
ICI India	535.0	938.7	960.4	1,130.0	72.1	107.4	118.6	18.8	28.0	30.9	28%	28.5	19.1	17.3	9.7	10.0	8.8	13.4	8.0	1.5
India Cements	130.6	3,044.3	3,633.9	4,122.9	664.6	725.6	720.7	23.6	25.7	25.6	4%	5.5	5.1	5.1	24.0	25.7	25.5	22.2	2.0	1.5
Indo Tech Trans	323.0	189.9	277.9	335.6	39.0	48.6	56.0	36.7	46.0	52.7	20%	8.8	7.0	6.1	44.1	42.0	36.3	33.5	6.0	1.9
Ipca Laboratories	534.2	1,091.4	1,283.2	1,487.3	135.9	171.3	208.4	54.4	68.5	83.3	24%	9.8	7.8	6.4	23.7	25.2	25.6	25.8	8.0	1.5
Jaiprakash Asso	152.8	3,985.0	5,518.1	7,400.4	610.0	749.8	947.9	4.9	6.0	7.6	25%	31.2	25.5	20.1	19.7	16.0	15.0	16.6	1.0	0.7
KEI Industries	37.8	874.7	1,180.3	1,498.7	43.5	65.2	93.7	5.6	8.4	12.0	46%	6.8	4.5	3.2	20.2	24.2	25.3	29.3	0.5	1.3
Mahindra Lifespace	440.2	231.1	426.5	956.5	66.4	119.5	284.2	16.2	29.2	69.5	107%	27.2	15.1	6.3	7.6	12.1	7.7	12.2	2.5	0.6
Mold Tek Tech	60.0	102.8	134.9	169.3	13.4	17.0	22.3	11.6	14.7	19.2	29%	5.2	4.1	3.1	22.0	26.2	37.8	34.6	2.0	3.3
Orbit Corporation	265.0	705.5	1,025.3	1,204.6	235.8	262.3	369.8	51.9	57.8	81.5	25%	5.1	4.6	3.3	51.8	30.9	44.8	20.9	5.5	2.1
PNB	386.1	7,531.7	8,405.7	9,826.7	2,048.8	2,347.6	2,805.1	65.0	74.5	89.0	17%	5.9	5.2	4.3	-	-	19.6	20.1	13.0	3.4
Ratnamani Metals	671.0	845.1	1,096.9	1,372.8	108.2	135.8	168.1	117.3	138.7	171.7	21%	5.7	4.8	3.9	50.6	47.9	55.6	40.5	7.0	1.0
Sanghvi Movers	190.0	254.3	325.2	403.8	72.7	83.5	107.0	16.8	19.2	24.6	21%	11.3	9.9	7.7	25.2	24.0	27.5	24.9	3.0	1.6
Selan Exploration	180.7	36.0	49.8	59.0	13.1	16.8	23.5	9.1	10.4	14.5	26%	19.5	17.4	12.5	24.2	16.8	24.1	20.2	-	-
Shiv-Vani Oil & Gas	538.1	573.9	916.8	1,245.6	107.5	161.0	241.2	21.5	32.3	48.3	108%	25.0	16.7	11.1	38.3	26.0	17.3	17.3	-	-
SEAMEC	118.0	170.4	256.9	278.8	37.0	87.5	107.2	10.9	25.8	31.6	70%	10.8	4.6	3.7	15.9	28.9	13.5	24.2	-	-
Subros	26.5	662.7	743.6	948.0	29.0	37.0	53.5	4.8	6.2	8.9	36%	5.5	4.3	3.0	19.3	20.9	20.6	16.5	0.4	1.5
SunPharma	1321.9	3356.5	4034.7	4316.9	1486.9	1691.6	1700.9	71.8	81.7	82.1	7%	18.4	16.2	16.1	30.9	28	29.7	26.3	10.5	0.8
Surya Pharma	93.0	496.7	650.0	800.0	46.7	53.5	71.7	32.3	29.7	39.9	11%	2.9	3.1	2.3	13.5	12.8	21.7	19.9	-	-
Tata Chemicals	273.5	6,023.1	7,970.8	8,713.6	476.9	582.7	784.5	19.6	23.9	32.2	28%	14.0	11.4	8.5	15.6	19.4	14.4	14.4	9.0	3.3
Torrent Pharma	155.8	1,471.6	1,712.7	-	120.0	157.4	-	14.2	18.6		29%	11.0	8.4	-	19.2	-	26.3	-	3.5	2.2
Unity Infraprojects	356.3	849.5	1,127.0	1,417.8	60.0	76.7	96.2	44.9	57.3	72.0	27%	7.9	6.2	4.9	23.6	23.8	18.1	19.2	4.0	1.1
UltraTech Cement	534.3	5,509.2	6,320.2	6,595.5	1,007.6	1,025.0	892.8	80.9	82.3	71.7	-6%	6.6	6.5	7.5	39.6	34.7	37.6	28.3	5.0	0.9
Union Bank of India	109.3	4,173.3	4,290.5	5,012.8	1,387.1	1,466.1	1,633.1	27.5	29.0	32.3	9%	4.0	3.8	3.4	-	-	26.8	23.5	4.0	3.7
Wockhardt*	182.7	2,653.2	3,462.2	3,876.8	385.8	398.5	504.5	35.2	33.3	42.2	9%	5.2	5.5	4.3	13.4	13.4	30.3	16.9	11.3	6.2
Zensar Tech	110.5	782.9	971.7		64.0	82.1		26.7	33.8		18%	4.1	3.3	-	24.5	-	25.2	-	3.8	3.4
Vulture's Pick																				
Esab India*	339.0	343.0	409.6	483.3	53.4	65.0	77.1	34.7	42.2	50.1	20%	9.8	8.0	6.8	90.6	82.8	51.5	47.7	15.5	4.6
Orient Paper	31.3	1,295.8	1,472.0	1,892.5	212.2	220.8	281.1	11.0	11.5	14.6	15%	2.8	2.7	2.1	58.3	42.3	43.6	32.4	1.2	3.8
WS Industries	49.3	218.0	294.0	315.2	14.5	18.5	21.9	6.2	7.5	9.9	26%	7.9	6.6	5.0	19.2	15.8	16.7	15.6	0.5	1.0
Cannonball																				
Allahabad Bank	56.7	2,642.2	2,597.2	2,987.0	974.7	924.5	1,092.9	21.8	20.7	24.5	6%	2.6	2.7	2.3	-	-	23.6	19.0	4.0	7.1
Andhra Bank	51.0	2,001.2	2,153.9	2,474.3	575.6	682.2	754.7	11.9	14.1	15.6	15%	4.3	3.6	3.3	-	-	18.0	19.8	4.0	7.9
Gateway Distri	71.0	267.8	462.8	649.8	72.7	93.2	109.4	6.3	8.1	9.5	23%	11.3	8.8	7.5	15.1	14.3	14.5	21.6	3.5	4.9
ICIL	315.0	95.2	117.9	132.9	11.7	14.6	16.9	49.0	61.3	70.7	20%	6.4	5.1	4.5	41.0	40.5	23.8	23.3	8.0	2.5
J K Cements	131.5	1,458.3	1,569.0	2,358.0	265.2	216.3	304.0	37.9	30.9	43.5	7%	3.5	4.3	3.0	26.0	17.2	25.2	17.3	5.0	3.8
Madras Cements	2740.0	2,011.8	2,366.6	2,953.8	408.3	429.8	501.1	343.4	361.4	421.4	11%	8.0	7.6	6.5	30.4	22.4	42.4	31.5	40.0	1.5
Shree Cement	530.0	2,065.9	2,372.7	2,615.9	287.9	296.1	318.8	82.6	85.0	91.5	5%	6.4	6.2	5.8	25.0	26.6	41.9	31.2	8.0	1.5
TFCI	15.3	27.6	32.6	37.4	21.7	24.0	28.6	2.0	2.3	2.7	16%	7.6	6.6	5.6	-	-	6.6	6.8	0.5	3.3

* Year CY instead of FY

** June ending company

Remarks		
	Evergreen	
HDFC	•	HDFC provides housing loans to individuals, corporates and developers. It has interests in banking, asset management and insurance through its key subsidiaries. Three of these--HDFC Bank, HDFC Life Insurance and HDFC Mutual Fund--are valued at Rs883 per share of HDFC. As these subsidiaries are growing faster than HDFC, the value contributed by them would be significantly higher going forward.
HDFC Bank	•	A consistent growth of 31% quarter after quarter makes HDFC Bank, India's leading private sector bank, a safe bet. The bank has low risk from interest rate volatility, as its fee income/net income ratio is the highest in the industry. Recent capital raising and approval for new branch licences would help HDFC Bank sustain the growth momentum.
Infosys Tech	•	Infosys is India's premier IT and IT-enabled service company. It is one of the key beneficiaries of the strong trend of offshore outsourcing. It is relatively better positioned to weather the current uncertainties related to a possible slowdown in the USA and its fallout on the overall demand environment.
L&T	•	Larsen & Toubro Larsen & Toubro, being the largest engineering and construction company in India, is a direct beneficiary of the strong domestic infrastructure boom. Strong potential from its international business, its sound execution track record, bulging order book, and strong performance of subsidiaries further reinforce our faith in it. There also lies great growth potential in some of its new initiatives.
Reliance Ind	•	With nine oil and gas discoveries during the year and a portfolio of exploration blocks, Reliance Industries holds a great promise in the exploration business. The refinery business would continue good performance. This along with growing contribution from the retail business provides a well-diversified growth opportunity.
TCS	•	TCS pioneered the IT service outsourcing business from India and is the largest IT service firm in the country. It is a leader in most service offerings and is in the process of further consolidating its leadership position through the inorganic route and large deals.
	Apple Green	
Aditya Birla Nuvo	•	Aditya Birla Nuvo participates in India's four most exciting sectors: garments, insurance, telecom and IT/IT enabled services. It has a perfect strategy: to earn cash from its cash cow businesses, such as carbon black, rayon and fertilisers, and invest in high-growth businesses, such as garments, insurance, telecom and IT/IT enabled services.
Apollo Tyres	•	Apollo Tyres is the market leader in the truck and bus tyre segment with a market share of 28%. We expect that the sharp rise in CV sales in the past year will trigger the tyre-replacement cyle in a big way, and the company is likely to benefit from the strong growth opportunities and its powerful position in the market.
Bajaj Auto	•	Bajaj Auto is a leading two-wheeler automobile company. It is moving up the value chain by concentrating on the executive and the premium motorcycles segment. Export growth across markets is doing well. The pick-up in three-wheeler segment should help in improving its profitability further.
Bajaj Finserve	•	Bajaj Finserv is the only pure insurance play available in the market currently. It has the second largest market share in the fast growing life insurance segment and is also present in the general insurance segment.
Bajaj Holdings	•	Bajaj Holdings is a holding company having a 30% stake each in Bajaj Auto and Bajaj Finserv. Two-wheeler sales are expected to improve going forward with new product launches. The insurance business makes it the second largest player in the insurance space.
Bank of Baroda	•	BOB, with a wide network of over 2,700 branches across the country, has a stronghold in the western and eastern parts of India. BoB has laid out aggressive plans to grow supplementary businesses including insurance, online broking etc, which should boost its fee income. We expect a 15% growth in its net revenue and a 25.7% growth in its earnings over FY2006-09E.
Bank of India	•	The bank has a wide network of branches across the country and abroad. We expect improving margins and steady asset growth to lead net revenues and earnings to grow by 23% and a 39% respectively over FY2006-09E.
Bharat Bijlee	•	Bharat Bijlee, a leading transformer manufacturing company, shall benefit from the huge investments in the T&D sector. The company is increasing its capacity to 11,000MVA from 8,000MVA at present. This will enable it to capture the demand in the transformer business space.
Bharti Airtel	•	Bharti Airtel is leading the wireless telephony revolution and has emerged as the largest mobile operator in the country. In addition to the robust growth in revenues, the focus on cost efficiencies and high-margin non-voice business are more than mitigating the impact of declining trend in the tariffs.
BEL	•	BEL, a public sector unit involved in manufacturing electronic, communication and defence equipment, is benefiting from the enhanced capital expenditure outlay in the budget to strengthen and modernise security systems. Moreover, civilian and export orders are also expected to aid the overall growth in the revenues. However, the performance has been below expectation in the first nine months and the stock has been downgraded to Hold recommendation.

Remarks	
BHEL	• BHEL, India's biggest power equipment manufacturer, will be the prime beneficiary of the four-fold increase in the investments being made in the Indian power sector. Its order book of Rs91,400 crore stands at around 4.25x FY2008 revenue, and we expect it to maintain the growth momentum.
Canara Bank	• Canara Bank, with a wide network of 2,513 branches across the country, has a strong hold in south India, especially in Andhra Pradesh and Karnataka. We expect the net revenues and earnings of the bank to grow by 12% and 10% respectively over FY2006-09E.
Corp Bank	• Corporation Bank has one of the lowest cost/income ratio and the highest Tier-I CAR. This leaves ample scope to leverage balance sheet without diluting equity, quite unlike the other state-owned banks. The bank is also the most aggressive on technology implementation front with all its branches under Core Banking Solution, covering 100% business of the bank. Corporation Bank has superior asset quality as well.
Crompton Greaves	• Outlook is buoyant for Crompton Greaves' key business of industrial and power systems. A consolidated order book of Rs5,210 crore generates clear earnings visibility for the company. The consolidated earnings will be driven by synergy from the acquisitions of Pauwels, GTV and Microsol.
Elder Pharma	• With leading big brands like Shelcal and Tiger Balm, pharma company Elder Pharma is set to make the most of the domestic demand with line extensions and new molecules. New in-licencing agreements will ensure good growth for the company. Elder is also looking to expand its global footprint through acquisitions. Having already made 2 acquisitions in Europe, the company is on the look out for more acquisition opportunities in markets like Latin America.
Grasim	• Grasim Industries is in the process of augmenting its cement capacity by 4.5MMT at Kotputli in Rajasthan by Q3FY2009. Apart from this, the company is also augmenting its VSF capacity at Harihar in Karnataka by 31,000 tonne by Q3FY2010. The volume growth due to capacity additions in cement and VSF divisions will drive the earnings of the company.
HCL Tech	• HCL Tech is one of the leading Indian IT service vendors. It has been able to successfully ramp up the business from the large-sized deals bagged over the past few quarters, which has considerably improved its revenue growth visibility.
HUL	• HUL is India's largest fast moving consumer good (FMCG) company. The volume growth is picking up in FMCG sector and HUL is likely to be a key beneficiary. The rural demand growth will be icing on the cake. HUL has regained the pricing power in all the product segments. Turn-around of loss-making businesses and cost reduction measures should help it improve its profitability.
ICICI Bank	• ICICI Bank is India's second largest bank. With a strong positioning in the retail advance segment, it enjoys a healthy growth in both loans and fee income. Its various subsidiaries add ~Rs460 to the overall valuation. The bank has successfully raised Rs20,000 crore, which would fund its growth for the next three years. In addition, the expected listing of ICICI Securities should help the bank unlock substantial value.
Indian Hotels Co	• The tight demand-supply scenario in the hotel industry will push up the ARRs in the short term and we expect Indian Hotels Co (India's largest hotel company) with its pedigree of hotels to be the key beneficiary of this trend. We expect its earnings to grow at a strong 27.3% CAGR over FY2006-08.
ITC	• ITC's plan to diversify from the key business of cigarettes is paying off with the non-cigarette businesses of hotels, paper, agri-products and personal care & food reporting a strong growth in revenues. The cigarette business would nurture the growth of the businesses that are at nascent stage. As ITC gains leadership position in each of these businesses, we expect its valuations to improve further, reducing the gap between its valuation and that of HUL.
Lupin	• Leading pharma company Lupin is set to take off in the export market by targeting the US market (primarily for formulations) while maintaining its dominance in the anti-TB segment globally. Further, with an expanded field force and therapy focused marketing division, Lupin's branded formulation business in the domestic market has been performing better than the industry. Lastly, Lupin's ongoing R&D activities are expected to yield sweet fruits going forward.
M&M	• M&M is a leading maker of tractors and utility vehicles in India. Its utility vehicle sales continue to be strong. Its investments with world majors in passenger cars and commercial vehicles have helped the company diversify into various auto segments. The acquisitions made by its subsidiary Systech will pay off over the coming three years. The value of its subsidiaries adds to the sum-of-parts valuation.
Marico	• Marico is India's leading FMCG company. Its core brands, Parachute and Saffola, have a strong footing in the market. It intends to play on the broader beauty and health platform. Its risk appetite is rising, as is evident from the five acquisitions made in eighteen months. It is also directing its energies to the high-margin businesses, viz value-added hair oil, *Kaya* and *Sundari*.

	Remarks
Maruti Udyog	• Maruti Udyog is India's largest small car maker. This is the only pure passenger car play. With new launches, the company is expected to outperform the market growth rate. Suzuki has identified India as a manufacturing hub for small cars for its worldwide markets. Increased indigenisation and cost control measures would help improve the margins.
Nicholas Piramal	• Pharma major Nicholas Piramal is ready to gain from the ramp-up in its contract manufacturing deals with MNCs. Further, the acquisition of Pfizer's Morpeth facility in the UK adds glory to its global contract manufacturing strength. The demerger of its R&D division will unlock value of its impressive R&D pipeline.
Punj Lloyd	• Punj Lloyd Ltd (PLL) is the second largest EPC player in the country with a global presence. In FY2007, PLL acquired SEC and Simon carves, which helped PLL in plugging gaps in services offered by it. The average order size and execution capability of PLL has also increased significantly making it the only player capable of competing with L&T, the largest EPC player in the country.
Ranbaxy	• Ranbaxy, India's largest pharmaceutical company, is the best play on global generics with its geographically-diversified product portfolio and aggressive product introduction strategy. Exclusivity opportunities in the USA, along with strong expansion in semi-regulated markets, will drive its growth. Its recent takeover by Daiichi Sankyo would result in new business opportunities including expansion into the fast-growing Japanese generics market.
Satyam Comp	• Satyam is among the top five Indian IT service companies. In the past few quarters, it has been able to bag some large-sized deals and has further consolidated its leadership position in enterprise solutions segment.
SKF India	• SKF, a leading bearing and engineering solution provider, enjoys good visibility in high-margin replacement market. It will be the primary beneficiary of growing volumes of Indian automobile industry and the huge industrial investment lined up by India Inc. It also plans to focus on its high-margin service division.
SBI	• Despite being the largest bank of India, SBI is growing at a high rate, which is commendable. Loan growth is likely to remain healthy at 22-25% with improving core operating performance and stable net interest margin. Successful merger of associate banks could provide further upside to SBI. The asset quality of the bank has also been improving.
Tata Motors	• Tata Motors is one of the leading automobile companies of India with diverse product portfolio across commercial vehicles and cars. Both segments are witnessing a slowdown due to tight financing situation. However, with infrastructure spending, the long-term prospects continue to be positive.
Tata Tea	• Over past two years Tata Tea has transformed itself from just a commodity (tea) seller to a branded tea maker. It has recently acquired management control of Mount Everest Mineral water, owner of the Himalayan brand. This makes the company a complete beverage company, having presence in all the vertical: tea, coffee and water. However, its valuations are much cheaper than is peers.
Wipro	• Wipro is one of the leading Indian IT service companies. The revival in the BPO business, strong traction in its existing IT service business and the incremental growth from the recent inorganic initiatives have considerably improved the growth visibility in the global software service business.
	Emerging Star
3i Infotech	• 3i offers software products and solutions to the banking, financial services and insurance (BSFI) sector. The growth momentum is expected to continue due to healthy order book and recent acquisitions. It has relatively low exposure to US and European markets and consequently is largely insulated from the uncertain global environment.
Aban Offshore	• Aban Offshore, one of Asia's largest oil drilling companies, is benefiting from the increase in oil exploration and production activities globally. The re-pricing of its existing assets at significantly higher day rates and efforts taken to substantially ramp up the asset base through organic and inorganic routes would significantly improve its financial performance over the next few years.
Alphageo	• Alphageo provides seismic survey and other related support services to oil exploration & production companies in India. The recent order wins and a healthy pipeline of orders have considerably improved the company's revenue growth visibility.
Axis Bank	• Over the last few years Axis Bank (UTI Bank) has grown its balance sheet aggressively. We expect the quality of its earnings to improve as the proportion of the fee income goes up. Axis Bank has also raised capital, which would help it to maintain its growth momentum for the next three years. Its asset quality continues to remain healthy with low net NPAs despite a strong asset growth.

	Remarks
Balaji Telefilms	• Balaji Telefilms Ltd (BTL) is a play on the fast growing demand for quality Television content in India. It is by far the leader in the TV content production space. The flurry of entertainment channels along with their willingness and ability to spend more on good content, will be add to BTL's revenues.
BL Kashyap	• With its proven execution skills, reasonably large-scale of operations and an established customer base, BL Kashyap & Sons (BLK) is well poised to ride the construction boom in India. Unlike most of its peers, it has a de-risked business strategy of providing contractual construction services and has consciously avoided exposure to long duration infrastructure projects that are prone to delays and are much more capital intensive.
Cadila	• Cadila's improving performance in the US generic and French market, along with the steady progress in the CRAMS space enriches its growth visibility. With key subsidiaries turning profitable, Cadila is all set to harvest the fruits of
Jindal Saw	• Jindal Saw, the largest pipe maker in the country, is set to benefit from the huge opportunity arising out of rising global E&P activities. Its strong order book of $1.09 billion, coupled with margin expansion as a result of better product mix and selling off of the US division would continue to drive its earnings going forward.
KSB Pumps	• KSB Pumps, a leading maker of pumps and valves, is a beneficiary of the investments lined up in India's power and industrial sectors. The strong order inflow in the pump business and the capacity expansion would drive its growth.
Navneet Pub	• Publishing major Navneet's earnings will continue to grow in FY2008 because of change in school syllabi in Gujarat and Maharashtra. The growth in stationary business would be aided by its entry into non-paper stationary products. The entry into the e-learning business could turn out to be the growth driver for the company.
Network 18	• Network 18, the holding company of the TV18 group, owns the best media properties through its holdings in TV18 and GBN. While, TV18 owns business channels CNBC and Awaaz, GBN controls CNN-IBN and IBN-7. GBN will soon launch a Hindi general entertainment channel via its tie-up with Viacom. Network 18 has launched a full fledged home shopping network inclusive of a dedicated home shopping channel. We expect Network 18 to create immense value through its holdings.
Nucleus Software	• Nucleus Software offers a comprehensive suite of software products to banking and financial service companies globally. Its flagship product "FinnOne" is rated as the highest selling retail banking product in the IBS annual ranking review 2006. The niche positioning and a robust order book provide a reasonably healthy growth outlook.
Orchid Chem	• Niche product opportunities in the USA are driving the growth of this company. Its entry into European and Canadian markets will further boost its sales in the coming years. With UK MHRA approval for its plants and marketing tie-ups in place, Orchid is all set to make its entry into the European market, which will catapult its growth to a different trajectory.
Opto Circuits	• A leading player in manufacturing medical equipments like sensors and patient monitors, Opto has diversified into the invasive space where it supplies stents for medical use. Lower cost base and attractive pricing strategies have enabled Opto's stents to gain increased acceptance globally. Steady growth in the non-invasive segment and increasing acceptance of DIOR, a revolutionary cardiac balloon, in Europe would drive Opto's growth. Further, Criticare acquisition will enable Opto to diversify into gas monitoring systems and strengthen its position in the USA.
Patels Airtemp	• Patels Airtemp, the manufacturer of heat transfer technology products, would benefit immensely from the strong boom in its user industries particularly oil and gas, refineries, and power. It currently has a strong order book of Rs50 crore, and the order inflow is expected to grow at 30-35% annually for the next two years. We estimate the topline and bottomline to grow at a CAGR of 26.6% and 30.7% respectively between FY2008-10.
TV18 India	• TV18 is India's leading news media company. It owns the nation's top business news channels, CNBC TV-18 and Awaaz. It also owns a repertoire of web properties such as moneycontrol.com, poweryourtrade.com and commoditiescontrol.com. The buoyant economic fundamentals augur well for its media properties. With top-notch management it remains one of the best media companies in the country.
Thermax	• Thermax' energy and environment businesses will benefit form continued rise in India Inc's capex. Its strong order book stands at Rs2,637 crore, which is 0.75x FY2008 revenues.
Zee News	• Zee News Ltd operates a unique bouquet comprising six regional entertainment channels and four news channels. The key revenue contributors are Zee News, Zee Marathi and Zee Bangla, with the latter two channels are being leaders in respective genres. ZNL is making steady progress in garnering better market share in the Telugu and Kannada markets, which would drive its growth going forward. Also, the flow of hefty subscription revenues in future augur well for the companies growth.
	Ugly Duckling
Ashok Leyland	• Ashok Leyland is the second largest CV player in the industry. Its short-term performance may get affected due to slowdown in the segment due to rising interest rates. Long-term prospects appear bright. Initiatives on value engineering and e-sourcing of materials should help in maintaining the margins going forward.
Aurobindo	• Aurobindo, with 106 ANDAs, 117 DMFs and 11 USFDA approved facilities in hand, is well positioned to exploit the US generic opportunity going forward. Further, its expansion into Europe and other emerging markets and likely incremental revenue flow from its largest approved ARV product basket would fuel the revenue growth. Galloping Pen-G prices and higher formulation growth would expand the margin of the company going forward.

	Remarks
BASF India	• BASF India (BASF) is set to benefit from the changing demographics and the resulting consumption boom in India. BASF's products are used in industries like white goods, textiles, home furnishing, paper, construction and automobiles all of which have been growing at a fast pace in contemporary times. To capitalise on the resulting opportunity, BASF is expanding the capacity of its products. A dividend yield of over 3% provides a margin of safety to the investment.
Ceat	• Tyre maker Ceat has an overall market share of 12% across categories and ranks fourth in the industry. Exports account for 20% of its sales. It is improving its product mix with higher contribution expected from exports and specialty tyres where the profit margins are higher. Ceat has undertaken various initiatives in order to improve its productivity and this should lead to improvement in margins. We find the stock's valuations attractive.
Deepak Fert	• DFPCL manufactures and supplies industrial chemicals and ANP fertilisers. With Dahej-Uran pipeline in operation, the company would benefit from higher capacity utilisation and increased ammonia capacity. The company recently agreed to form a JV with Yara International ASA. The JV will provide DFPCL stability and flexibility in its operations through Yara International's leadership in ammonia value chain.
Genus Power Inf	• Genus, India's leading electric meter maker, is all set to benefit from APDRP initiatives like 100% metering and replacement of mechanical meters by electronic meters. A healthy order book of Rs400 crore will maintain the revenue and profitability growth.
India Cements	• With the modified capex plan, India Cements will join the league of top five cement players with a capacity of 14MMT at the end of FY2009. Higher cement prices in the south coupled with the higher volume growth will drive the earnings.
Indo Tech	• The demand for transformers is on an upswing, thanks to high power-generation targets of the government. The annual demand for transformer is expected to be around 95,000MVA whereas the current capacity of transformer industry stands at around 75,000MVA. To cater to this opportunity transformer maker Indo Tech is tripling its capacity, which will result in a strong earnings growth.
Ipca Lab	• A well-known name in the domestic formulation space, Ipca has successfully capitalised on its inherent strength in producing low-cost APIs to tap export markets. The company's ongoing efforts in the branded promotional business in emerging economies, revival in the UK operations, pan-European initiatives and a significant scale-up in the US business will drive its formulation exports.
ICI India	• Outlook for the company is positive due to its increased focus on premium products. The top line growth may look subdued due to discontinuation of some of its businesses. The company has Rs830.7 crore of liquid investments on its book, which would translate into free cash and cash equivalents of around Rs220 per share. Moreover with ICI UK being acquired by Akzo Nobel, the company would get access to wider portfolio of products coming from Akzo Nobel's stable.
Jaiprakash Asso	• Jaiprakash Associates, India's leading cement and construction company, is all set to benefit from huge investments to be made in India's infrastructure. The Taj Expressway along with the recently won Ganga Expressway Project as well as the real estate business will add significant value to the stock price of the company going ahead. Listing of its power subsidiary will also unlock value for the investors. Further, the 1% stake sale in Jaypee Infratech for Rs250 crore to ICICI Bank values Jaypee Infratech at Rs25,000 crore.
KEI Industries	• KEI makes stainless steel wires, cables and winding wires. The company is expected to be a major beneficiary of the pick-up in the investments in the power generation, transmission and distribution sectors. On the back of these investments, we expect its revenues and earnings to grow at a CAGR of 30.9% and 46.7% respectively over FY2008-10E.
Mold Tek Tech	• Mold Tek Technologies has a steady-growing plastic packaging business and is aggressively scaling up the knowledge process outsourcing (KPO) business that is slated to grow at a CAGR of over 150% over the next three years. The de-merger of two businesses into separate entities would unlock value in its KPO business.
Mahindra Lifespace	• Mahindra Lifespace Developers is the only private sector player who has operational SEZ, the Chennai SEZ, in the country. Leveraging on this rich expertise, the company is planning to develop one more SEZ in Jaipur. We also expect significant improvement in the margins primarily due to higher revenue contribution from Chennai's non-processing area and better realization for Jaipur SEZ processing area. Consequently, we expect the company's net income to grow at CAGR of 178.5% during the period FY2007-10
Orbit Corp	• Given its unique business model, Orbit is expected to leverage on huge massive redevelopment opportunities in southern and central Mumbai, we expect Orbit's topline and bottomline to grow at a CAGR of 84.6% and 86.2% respectively during the period FY2007-10. Furthermore, we believe Orbit will enjoy positive cash flow over the next three years primarily due to its strategy to pre-sell a large part of its projects during the construction phase itself.
PNB	• PNB has one of the best deposit mix in the banking space with low-cost deposits constituting ~45% of its total deposits. A strong retail franchise and technology focus will help boost its loan and fee businesses.

Ratnamani Metals	• Ratnamani is the largest maker of stainless steel (SS) tubes and pipes in India. Given the buoyant demand for SS tubes and pipes from its clients, including BHEL and L&T, and a strong order book of Rs650 crore, we expect its revenues and earnings to grow at a CAGR of 27.5% and 24.7% respectively over FY2008-10E.
Sanghvi Movers	• Sanghvi Movers is the largest crane hiring company in Asia. It is a perfect asset play on the upsurge in the country's capex cycle. The usage of cranes is an essential part of investment spending and of the projects being undertaken by Indian companies; this bodes well for the company. Its strong cash flows make it an attractive investment.
Selan Exploration	• Selan is an oil exploration & production company with five oil fields in the oil rich Cambay Basin off Gujarat. The initiatives taken to develop and monetise the oil reserves in its Bakrol and Lohar oil fields are likely to significantly ramp up the production capacity and thereby lead to re-rating of the stock.
SEAMEC	• SEAMEC, with its fleet of four MSVs, is a key beneficiary of higher rates for MSVs due to the surge in oil exploration spends. SEAMEC IV, which is upgraded into a diving support vessel, has commenced its operations since March 2008. Deployment of the same at a much higher rate would boost the company's overall performance.
Shiv-vani	• Shiv-Vani Oil & Gas Exploration has emerged as the largest onshore oil exploration service provider in the domestic market. Services offered by the company include seismic survey, drilling and workover, gas compression and coal bed methane (CBM) integrated services. The earnings are estimated to show a CAGR of over 49.8% during FY2008-10 period.
Subros	• Subros, the largest integrated manufacturer of automobile air conditioning systems in India, is expected to be a prime beneficiary of buoyancy in the passenger car segment. It is a strong play on growth plans of Maruti Udyog and Tata Motors, who are expanding their capacities. It plans to double its capacity in next two years which in turn will maintain momentum in its earnings growth.
Sun Pharma	• With a strong hold in the domestic formulation market, an impressive growth in the US outfit, Caraco, Sun Pharma has recently become an agresisve participant in the Para Iv patent challenge space. Having already garnered four exclusivity opportunities in the USA, further news flow on the Para Iv challenges would drive the stock.
Surya Pharma	• A shift to a high-margin product portfolio is the name of the game, and Surya is well aware of it. Expansion of existing capacities, entry into the high-margin injectables and earnings from menthol products would drive the fortunes of this company.
Tata Chemical	• TCL, the leading soda ash producer in India, is set to benefit from upturn in the soda ash cycle. With the recent acquisition of GCIP, the company has become the second highest soda ash producer in the world with a combined capacity of 5.5mmtpa. The company is also one of the leading manufacturers of nitrogen and phosphate fertilisers in India. The company is de-bottlenecking its urea capacity to 1.2mmtpa by September 2008 and is expected to benefit from regulatory changes in fertiliser industry.
Torrent Pharma	• A well-known name in the domestic formulation market, Torrent has been investing in expanding its international presence. With the investment phase now over, Torrent should start gaining from its international operations in Russia and Brazil. The impending turnaround of its German acquisition, Heumann will also drive the profitability of the company.
UltraTech Cement	• Going forward, UltraTech should benefit from capacity expansion and investment in captive power plants. Despite our expectation of subdued cement prices going forward, UltarTech's top line will grow by 15% in FY2009E. A 4.9MTPA capacity expansion in Andhra Pradesh and savings accruing on account of new captive power plants will improve the cost efficiencies. Further, synergies with Grasim Industries will reduce its freight & marketing cost, thereby boosting its operating margin.
Unity Infra	• Unity Infraprojects (Unity), being the leading construction company with well diversified expertise across projects, is expected to be a key beneficiary of the real estate sector's growth and the government's thrust on infrastructure spending. We expect Unity's top line and bottom line to grow at CAGR of 37.7% and 31.5% during the period FY2007-10 on the back of a strong order book and healthy order inflows.
UBI	• Union Bank has a strong branch network and an all-India presence. The net NPAs are below 1%, indicating strong asset quality while maintaining healthy asset growth. With an average return on equity of 20% over FY2006-09E, the bank is available at attractive valuations.
Wockhardt	• A stream of new launches in the USA and sustained momentum in the domestic business will ensure good growth for Wockhardt. The recent acquisitions of Negma Laboratories and Morton Grove will propel the company to a new growth trajectory as synergistic benefits start flowing in. Further, the likely approval of bio-similars in USA, EU and other geographies would drive Wockhardt in medium to long term.
Zensar	• Zensar, promoted by the RPG group, has effectively utilised the inorganic route to gain critical mass in the fast growing enterprise solutions segment and extend its presence in newer markets.

Remarks	
Vultures's Pick	
Esab India	• Change in positioning from low margin, high volume products to quality and high margin products. Double-digit manufacturing sector growth to help business of electrodes and welding equipment.
Orient Paper	• Orient Paper is in the process of increasing it capacity from 3.4 million tonne to 5 million tonne. The 50MW captive power plant at Devapur cement plant is also progressing as per schedule and is expected to be commissioned by Q4FY2009. The new capacities are expected to drive the earnings of the company.
WS Industries	• WSI, country's leading insulator maker, is all set to benefit from the three-fold rise in investment in the power T&D segment. A strong order book of about Rs180 crore and a shift to higher-margin hollow insulators will drive the earnings. The company is planning to develop a 10 lakh sq ft IT park at Chennai. Taking WSI's current 59% stake in its realty venture, we arrive at a value of Rs29.1 per share for the realty venture alone.
Cannonball	
Allahabad Bank	• Allahabad Bank, with a wide network of 1,933 branches across the country, has a stronghold in the northern and eastern parts of India. With an average RoE of 19% over FY2006-09E, the bank is available at attractive valuations.
Andhra Bank	• Andhra Bank, with a wide network of over 1,200 branches across the country, has a stronghold in the southern parts of India, especially in Andhra Pradesh. We expect a 17% growth in its net revenues and a 13% growth in its earnings over FY06-09E.
Gateway Dist	• Gateway Distriparks, a port-based logistic facilitator, has strong presence at JNPT, the country's biggest port. It has a market share of 25%. The recently won contract from the Punjab state government to operate a CFS near JNPT for a period of 15 years will provide the much-needed trigger for the volume growth going ahead. The company's foray into the rail operation business will be a trigger for its earnings in the long term.
ICIL	• International Combustion, which makes gear motors & boxes, polymers, heavy engineering equipment etc, is a good play on India Inc's current capex plans, especially in the sugar and steel industries. The emerging outsourcing trend in the gear motor space should lead to an earnings surprise.
J K Cements	• Delayed capacity expansion coupled with subdued cement prices has resulted in a weak outlook for the stock in the near term. However once the entire capex comes on stream by the end of FY2009, the company will be in a position to deliver an improved performance for FY2010. The company has also announced that it is setting up a grey cement plant in Fujirah at an estimated investment of Rs1,400 crore.
Madras Cements	• Strong cement consumption in the southern region would continue to drive the earnings of Madras Cements, one of the most cost efficient producers of cement. The 3-million-tonne expansion of the company will provide the much needed volume growth in the future.
Shree Cement	• Shree Cement's 1-million-tonne sixth clinker line has come on stream in March 2008. The cement capacity of the company now stands at 9.1 million tonne. Thus, going ahead we expect the volumes will drive the earnings of the company.
TFCI	• Tourism Finance Corporation of India TFCI provides financial assistance to the hotel and tourism sector. Given its exposure to only this sector, its performance is inextricably linked to the prospects of the tourism sector. This was largely responsible for TFCI's earlier financial problems. However, things are now looking very promising for TFCI with improved asset quality and strong loan demand due to significant expansion plans lined up by the hotel and tourism sector. We expect TFCI's earnings to grow at a 32% CAGR over FY2006-09.

PMS Pro-Tech (Investing based on price movements)

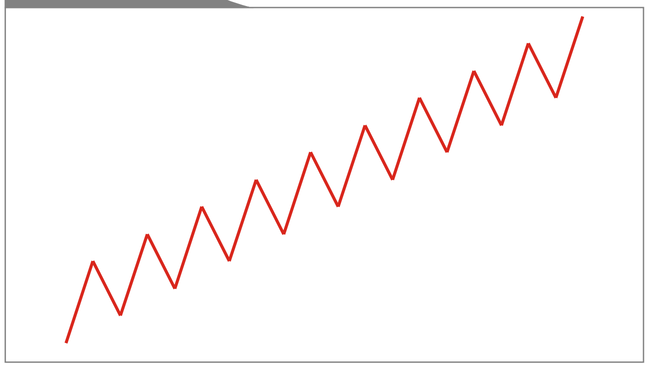
Lean Mean Machine

When we first started talking about the objectives of Pro Tech, one of the jargons that we used was 'linear returns'. Linear returns means that, after trading consistently on a given strategy, we want the NAV graph to look something like the one shown below.

It is a rising NAV with a given level of volatility. It uses both the long and short sides of trading no matter whether it is a bull market or a bear market. And the rate of growth (CAGR) of the NAV would depend on the risk/reward payoff of the strategy.

At the beginning, we often do not know what the actual payoff will be, because it depends on what the market allows us to earn. But, profit objective is there, constantly, and therefore it should eventually result in a market-linked return. We may add here therefore that our objective is not to outperform the market rate of return [based on any index], but if that happens, it is an eventual result of the disciplined focus on earning absolute returns from the market.

NAV

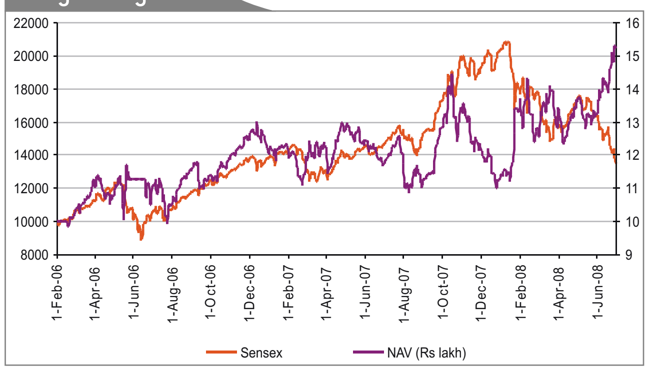


Having explained that, when you look at the following NAV graphs v/s the Sensex, you will see how we have been working towards this objective with the help of four different products each of which uses a different strategy. While we don't like to highlight the relative returns of our products, it is probably a good time to do so, as it puts us in a better light. Clients, who have been with us for long enough, understand that out-performance is a long-term outcome and not a short-term objective. In the short term, we focus only on executing those trading strategies that we believe will work in earning a return on most of the trades. In other words where winning trades outnumber losing trades.

Nifty Thrifty

This product took the longest to beat the index. A computer driven model, it however offers the greatest level of discipline. As you can see on the NAV graph, there was a 20% draw down in returns in December 2007 after the NAV made a new high. During back testing of the underlying model, we realised that such drawdowns occurred only four times in 20 years and hence a rare event. Therefore we don't expect any significant drawdowns for some time to come.

Nifty Thrifty



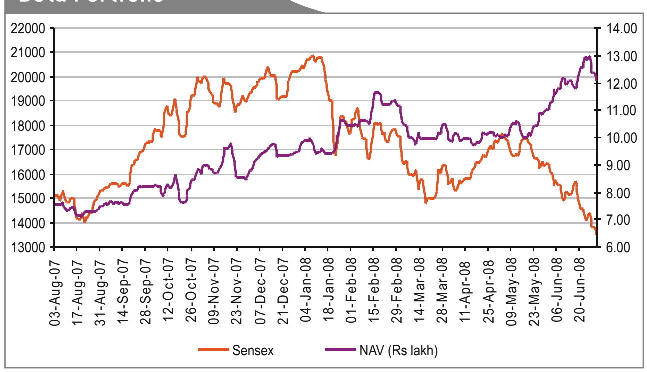
Nifty Thrifty

Date	NAV	SENSEX
01/02/2006	10.00	9859.26
30/06/2008	15.23	13461.60
Returns (%)	**52.30**	**36.54**

Beta Portfolio

This product was re-launched in August 2007, as the earlier version used options trading to add a return kicker. Options trading also has drawdowns, but usually the drawdowns are larger and the risk appetite is not more than 20%. However we re-launched Beta with a positional trading strategy replacing the options strategy. The changed strategy has helped clients not only recover losses, but has also enabled the product beat the market. The NAV, which had fallen to 7.56 from 10 due to options strategy, has now changed course as shown in the graph.

Beta Portfolio



Beta Portfolio

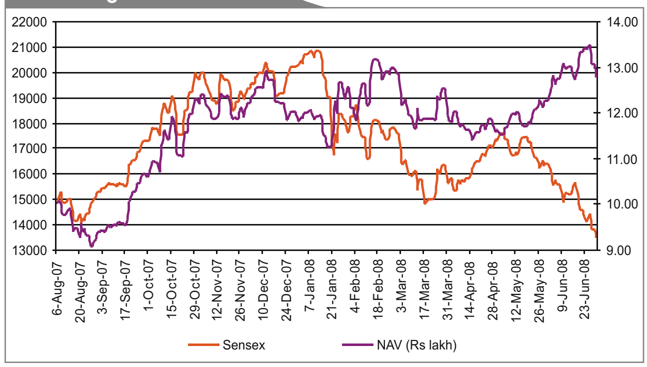
Date	NAV	SENSEX
03/08/2007	7.56	15138.40
30/06/2008	12.10	13461.60
Returns (%)	**60.05**	**-11.08**

PMS Pro-Tech (Investing based on price movements)

Star Nifty

STAR or Stop and Reverse is a mechanical trading style used by trained traders. We use it to take a positional view on Nifty and ride trends as long as they last. This product was launched in August 2007 and like all of our PMS schemes is a long and short fund.

Star Nifty



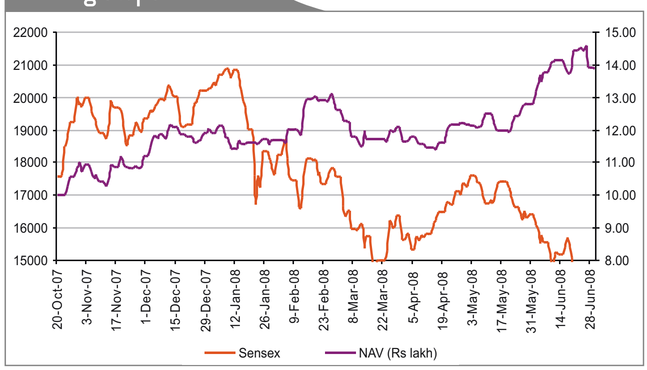
Star Nifty

Date	NAV	SENSEX
06/08/2007	10.04	14903.03
30/06/2008	12.77	13461.60
Returns (%)	**27.19**	**-9.67**

Trailing Stops

We found that there were several clients who wanted to withdraw profits time to time, but none of the other products were designed at deriving short-term returns by churning small trades for one to five days. While other products focus on positional trading [one month plus directional swings] Trailing Stops uses rules of momentum trading to go long or short for opportunities in one to five day horizon with a clear focus on short-term returns. For investors interested in short-term profits from trading, this is the best option.

Trailing Stops



Trailing Stops

Date	NAV	SENSEX
20/10/2007	10.02	17559.98
30/06/2008	13.88	13461.60
Returns (%)	**38.52**	**-23.34**

Pro Tech - Performance Sheet

Performance for the month ended June 2008

Scheme Name	Beta Portfolio	Nifty Thrifty	Star Nifty	Trailing Stops
NAV as on 01/06/08	10.99	13.26	12.26	12.81
NAV as on 30/06/08	12.09	15.23	12.76	13.88
Returns (%)	**10.01**	**14.86**	**4.08**	**8.35**

Performance summary since inception (as on June 30, 2008)

Inception	03-Aug-2007 Beta [New]	01-Feb-2006 Nifty Thrifty	05-Aug-2007 Star Nifty	20-Oct-2007 Trailing Stops
Inception NAV	7.55	10.00	10.00	10.00
NAV as on 30/06/08	12.09	15.23	12.76	13.88
Returns (%)	**60.13**	**52.30**	**27.60**	**38.80**

For more details or to open an account, contact our customer service department.

Also refer Pro-Tech PMS performance sheet

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Tel: (06252) 239398 / 239547

Muzzaffarpur
Mr Manoj Lohia
Tel: (0621) 2269982 / 84 / 3297311

Mysore
Mr Dinesh Bhansali / Mr Vijayraj
Tel: (0821) 4262374 / 2420453

Nagda
Mr Pavan Banka
Tel: (07366) 246320 / 244252 / 248478

Nagpur
Mr Vishal Asnani
Tel: (0712) 6615385/ 86

Mr Sushil Parakh
Tel: (0712) 2525584 /2535584/ 5611861

Mr Pankaj Bhavnani
Tel: (0712) 2766033 / 2775292

Mr Pramod Kumar Bagdi
Tel: (0712) 2723487 / 2721963 / 2773905

Mr Samit Thakkar
Tel: (0712) 6617009 / 6613112 / 6619453

Sharekhan Partners

Namakkal
Mr K Srinivasan
Tel: (04286) 309304

Nanpara
Mr Prashant Vaibhav
Tel: (05253) 234645

Narkatiaganj
Mr. Sushil Agrawal
Tel: (06253) 242269

Nashik
Mr Suyog Khandve
Tel: (0253) 2597942

New Delhi
Mr Tarun Bansal
Tel: (011) 23288539 / 23243131

Mr Rajiv Mehta
Tel: (011) 30888835 / 36 / 37 / 38

Mr Balender Singh Negi
Tel: (011) 40590739 to 743

Orai
Mr Sanjay Agarwal
Tel: (05162) 252569 / 257485

Padra
Mr Mukesh Nandlal Thakkar
Tel: (02662) 224664 / 224665

Patan
Mr Shripal D Shah
Tel: (02766) 325759 / 329873

Patna
Mr Krishna Rungta
Tel: (0612) 2213112 / 16

Mr Mohammed Ata Ashaf
Tel: (0612) 2226495 / 2232432 / 2205334

Mr Ajay Kumar
Tel: (0612) 2222649 / 5582761

Mr Vivek Anand
Tel: (0612) 2266230

Ms Renu Bairoliya
Tel: (0612) 2238428

Mr Alok Kumar
Tel: (0612) 222953/4/5

Mr Rajesh Choudhary
Tel: (0612) 2616104 / 3954835 / 2623797

Pavaratty
Mr Abhilash Ramanathan
Tel: (0487) 2645372 / 3209047 / 2645374

Pali
Mr Amar Chand Sancheti
Tel: (02932) 510050 / 227729

Patna
Mr Vidyanand Singh
Tel: (0612) 2207887 / 3252643

Perinthalmanna
Mr Narayanan Purayannur
Tel: (04933) 396839

Pudukkottai
Mr Venkatachalm
Tel: (04322) 232843

Pune
Mr Vashu Balani
Tel: (020) 27414751/ 27415293/ 27413657

Mr Nilesh Shah
Tel: (020) 24454477 / 24458839

Mr Gopal Harsule
Tel: (020) 25656573

Mr M Ramachandran
Tel: (020) 27030823 / 32519655/ 32908149

Mr Amit Ashok Ghatol
Tel: (020) 25533598/ 25510838/ 65239348

Mr Kalera Sanjay Vashulal
Tel: (020) 26452442

Mr Suhas Bhalchandra Chatane
Tel: (020) 26990406

Mr Ketan Ashok Shah
Tel: (020) 26331485

Raipur
Mr Premchand Jain / Mr Pukhraj R Bardia
Tel: (0771) 4033229 / 4049451 / 2292632

Mr Vipul Kothari
Tel: (0771) 4001004 / 4017773

Rajamundry
Mr P Satyanarayan
Tel: (0883) 5575561 / 62 / 92

Rajkot
Mr Ketan Masrani / Mr Mihir
Tel: (0281) 2227687/ 3044777

Ramgarh
Mr Rajeev Murarka
Tel: (06553) 230710

Ranchi
Mr Pravin Murarka /Mr Rajiv Murarka
Tel: (0651) 2208205 / 2312715/ 2207979

Mr Subinoy Banerjee
Tel: (0651) 3295162

Raxual
Mr Vikash Agarwal
Tel: (06252) 221275

Sagar
Mr H V Ramamurthy
Tel: (08183)220055 / 44

Mr Raja Jain
Tel: (07582) 403931

Sahada
Mr Naresh Lalchand Jain
Tel: (02565) 223529 / 227207

Sarni
Mr Vaibhav Agrawal
Tel: (07146) 278488 / 277499

Sitamarhi
Mr Shiv Kumar Sarawagi / Mr Nikhil Goenka
Tel: (06226)252400 / 256384

Sri Ganganagar
Mr Dinesh Singal
Tel: (0154) 2475510 / 2471881-882

Srinagar
Mr Irshad Mushtaq Kashoo
Tel: (0194) 2485730 / 2452836/ 2457078

Sumerpur
Mr Bharat Kumar
Tel: (02933) 252971/ 254392

Surat
Mr Biren Chhatrapati
Tel: (0261) 5537174-73 / 2772114

Mr Shreyas Shroff
Tel: (0261) 2474400 / 3215800

Thiruvalla
Mr Jacob Varkey / Mr Vijayakumar K K
Tel: (0469) 2631046 / 2631048

Thrissur
Mr T R Gangadharan
Tel: (0487) 2605877/ 2607055

Mr K Venugopal
Tel: (0487) 2402475 / 2399501
Tel: (0487) 2425098 / 3950724

Tirunelveli
Mr N Kameswaron
Tel: (0462) 2320544 / 545 / 549

Tirupur
Mr B Jagan
Tel: (0421) 4322356/ 4243656

Trichy
Mr. Mothi Padmanaban
Tel: (0431) 2700997 / 4011131

Udaipur
Mr Ananth Acharya
Tel: (0294) 2426945/6/ 3292512/ 2005079

Mr Narendra Harkawat
Tel: (0294) 5121322/2567667

Udumalpet
Mr R Sampath
Tel: (04252) 225323

Utraulla
Mr Phoolchand Dwivedi
Tel: (05265) 253277 / 253278

Vadodara
Mr Viresh Chandrakant Thakkar
Tel: (0265) 2233457 / 2233460

Mr Tejas Shah
Tel: (0265) 2783040 / 3013040

Mr Mohit Sadarangani
Tel: (0265) 3084223/ 26

Mr Bharatbhai Patel
Tel: (0265) 2711647/2713648/5539684

Mr Mittal Naik
Tel: (0265) 5545557 / 5505001

Valsad
Mr Kaushal C Gandhi
Tel: (02632) 243636

Varanasi
Mr Lalji Choube
Tel: (0542) 2507621 / 2507619

Vasco
Mr Parag Mehta
Tel: (0832) 2512361

Vijaywada
Mr Shaym / Mr Nagendra Kumar
Tel: (0866) 2550713 / 2554811

Visakhapatnam
Mr. V. Vankatram
Tel: (0891) 2505642/2505643

Mumbai
Mr Manoj Lalwani (Andheri)
Tel: (022) 26351629 / 26351653

Mr Abhijit Periwal (Andheri)
Tel: (022) 26733643-44/ 55021968/ 69

Mr Dipen Shah / Mr Ashish Shah
Tel: (022) 23610772 / 23610773 / 361 1073

Mrs Chhaya Bheda / Mr Vipul Bheda (Dadar)
Tel: (022) 24180562 / 24180563 / 24172444

Mr Jagdish V. Gada (Dahisar)
Tel: (022) 28282306 / 28281308/ 28281490

Mr Prakash V Gor / Mr Dilesh (Dombivli)
Tel: (0251) 5617530 / 2862890 / 895

Mr Sachin Morakhia (Fort—Horniman Circle)
Tel: (022) 2265 9327/ 22659734

Ms Salome A. Shah (Fort—Ali Chambers)
Tel: (022) 2270 3909/11

Mr Somen Sangani
(Fort—Jeevan Udyog Bldg)
Tel: (022) 2207 7566 / 2207 0427

Mr Premal Sanghvi
(Fort—Mahendra Chamber)
Tel: (022) 66632921 / 22 / 23

Mr Nikhil Shah (Fort)
Tel: (022) 22871500 / 22041050/ 70/90

Mr Rajiv Sheth (Fort)
Tel: (022) 22722781 / 82

Ms Monisha Mehta / Mr Gaurav Shah
(Ghatkopar)
Tel: (022) 25100068/ 65768801/ 2/21

Mr Hemant Kumar Garg (Mahim)
Tel: (022) 24456715 / 24466291

Ms Indu Mahendra Purohit (Malad)
Tel: (022) 28806704 / 28823510

Mr Chetan Miyani/Mrs Naina Miyani
(Mira Road)
Tel: (022) 2813 1522 / 28130220

Mr Kishor Shah (Prabhadevi)
Tel: (022) 66662444

Mr Sanjay Yewale (Thane)
Tel: (022) 25379061 / 25375135

Mrs Latika S Dudani (Ulhasnagar)
Tel: (0251) 2570700 /2563535

Sharekhan Branches

Agra
F-3, First Floor, Friends Trade Center, Nehru Nagar, Opp.Anjana Cinema, M.G.Marg, Agra-282 002. Tel: (0562) 4032053/54/57/60

Ahmedabad - Maninagar
208, Rajvi Complex, Opp Rambaug Police Station, Maninagar, Ahmedabad-380 008. Tel: (079) 65410102 / 65410829

Ahmedabad - Navrangpura
201/202, Dynamic House, Near Vijay Cross Road, Navrangpura, Ahmedabad-380009. Tel: (079) 66060141to 52

Ahmedabad - Sattelite
406, Shivalik Corporate Park, B/H IOC Petrol Pump Near., Shyamal Cross Road Sattelite, Ahmedabad-380 015. Tel: (079) 6525 48 08 / 09/10/11/12 /13

Ahmedabad - Paldi
302, Gangandeep Towers, Opp Bank of India, Paldi Cross Road, Paldi, Ahmedabad-380 007.

Ahmednagar
Shop No 1 & 2, Kaware Complex, Vasant Talkies Road, Ahmednagar-414 001. Tel: 0241-6611011 to 20.

Ajmer
195/11, Rajhonda, Kutchery Road, Ajmer-305 001. Tel: (0145) 6100919 / 6100920 / 2422665.

Allahabad
1st Floor, Shop No.14 & 15, Vashishti Vinayak Tower, Nr Yatrik Hotel, Tashkant Marg, Civil Lines, Allahabad-211 003. Tel: (0532) 6452910.

Aligarh
5, Vaishno Compound, Samad Road, Aligarh (UP). Tel: (0571) 2506637 / 2503859.

Ambala
167/18, 1st Floor, Adjoining Airtel Office, Rai Market, Ambala Cantt - 133001. Tel: (0171) 6450284to 87.

Amravati
Tank Plaza, Above Union Bank. Rajkamal Squre. Amravati -444 601.. Tel: (0721) 2564673, 6451282/83

Amritsar
5 Deep Complex, 1st floor , Opp Doaba Automobiles , Court Road, Amritsar - 143001. Tel: (0183) 6451903 / 904 / 905.

Anand
F/5, Prarthana Vihar Complex, 1st Flr, Near Panchal Hall, Vidyanagar Road, Anand, Gujarat-388 001. Tel: (02692) 655020-23.

Anand - Vidyanagar
1st Floor, P.M.Chamber, Mota Bazar, Vallabh Vidyanagar, Anand, Gujarat - 388120. Tel: (02692) 655015 to 17.

Angamaly
1st Floor, Kachappilly Towers(Uco), Aluva Road, Angamaly, Pin-683572 (Kerala).

Ankleshwar
F-1, F-2 & F-3, 1st Floor, Shree Narmada Arcade, Opp HDFC Bank, Ankleshwar - 393002. Tel: (02646) 227120/21.

Asansol
1st Floor, Block C , Parvathi Arcade, Ashram More, G.T.Road, Asansol-713301 (W.B).

Bangalore - Jayanagar
442, "Vasavi Plaza" 3rd Floor, 11th Main, Opp Global Trust Bank, IV Block, Jayanagar, Bangalore -11. Tel: (080) 64527428 to 31.

Bangalore - Gandhinagar
Brigade Majestic, 201 A Block,25 Kalidasa Marg, 1st Main Road, Gandhinagar, Bangalore -9. Tel: (080) 64527413 to 15.

Bangalore - Koramangala
Emerald Towers, No 147, KHB Colony, 5th Main, 5th Block, Koramangala, Bangalore-560 095. Tel: (080) 64527477 to 79.

Bangalore - Indiranagar
1132, Anand Embassy, 3rd Floor, Above Food World, 100 Feet Road, Indiranagar, Bangalore-38. Tel: (080) 64527465 to 67.

Bangalore - Malleshwaram
No 311, 2nd Floor, 2nd Main, Between 15th and 16th Cross, Sampige Road, Malleshwaram, Bangalore-3. Tel: (080) 64527401-03.

Bangalore - Marathalli
Unit no. 201 / B, 2nd Floor, Sigma Arcade -II, Marathalli, Bangalore – 560037 Tel: (080) 42063278 / 79 / 80 /81

Bangalore - Electronic City
2nd Floor, Shop No. 5, Shopping Complex Road, Electronic City, Bangalore-560100. Tel: (080) 65395261 to 66

Bangalore - Banashankari
No.77 1st Floor, N.R.Towers, 100Ft Ring Road, Bhanashankari, 3rd Stage, 5th Block, Bangalore-560 085. Tel: (080) 26421481 to 85

Bangalore - BTM
No: 736/C, 7th Cross, 11th Main Mico Layout, BTM 2nd Stage, Bangalore-76. Tel: (080) 653952 70 to 75 / 420560 31 to 34

Bardoli
303/304, Millenium Mall, Opp.Sardar Vallabhbhai Patel Musium, Station Road, Bardoli-394 003. Tel: (02622) 657229.

Bareilly
148, Civil Lines, Bareilly-243 001. Tel: (0581) 2511581 to 85.

Bharuch
221-227, 2nd Floor, Dream Land Plaza, Opp Nagar Palika, Station Road, Bharuch - 392 001. Tel: (02642) 244998/99.

Bhavnagar
Gangotri Plaza, Plot No-8A 3 rd Floor , Opp Dakshinamurti School, Waghawadi Road, Bhavnagar, Gujarat - 364 001. Tel: (0278) 2573938/2573939/2571333/3201333

Bhubaneshwar
A/B-2nd Floor, 501/1741, Centre Point, Unit No.3, Kharvel Nagar, Bhubaneshwar-751 001. Tel: (0674) 6534373.

Bhilai
216, 1st Floor, Khichariya Complex, Nehru Nagar chowk, Bhilai (C.G.) 490006 Tel: (0788) 4092512 / 4092672.

Bhiwandi
Office no 1&2, Presidency Plaza, Khadipar Road, Nr Shivaji Chowk, Bhiwandi- 421 302. Tel: (02522) 645690 to 96.

Bhopal
House No 15-B, 1st Floor, Plot No 9-B, Malviya Nagar, Rajbhawan Road, Bhopal-462 003. Tel: (0755) 4291600.

Bhuj
1st Floor, RTO Relocation, Opp Fire brigade Station, Bhuj, Kutch-370 001. Tel: (02832) 229463/229473/229483

Bikaner
102, Nagpal Complex, First Floor, Opp DRM Office, Bikaner, Rajasthan-334 001. Tel: (0151) 6450803 / 6450804.

Borsad
G -1 / 2 , Krishna Hospital Bulding , Suryamandir Rd , Nr. Panch Nala , Borsad -388 540. Tel: (02696) 224212/13/14

Calicut
1st Floor, 6/1002 F, City Mall, Opp YMCA, Kannur Road, Calicut-673001. Tel: (0495) 6450307/308/312/314/316/317

Chandigarh
SCO 489-490, 2nd Floor, Sector-35C, Chandigarh, Punjab - 160035. Tel (0172) 6540233 /6540183 / 6540158

Chengannur
Door NO.XIV/263(7 & 8), 1st Floor, Bin Towers, Hospital Junction, Chengannur- 689121.

Chennai - Alwarpeth
68, C P Ramasamy Road, 3rd Floor, Alwarpet, Chennai - 600 018. Tel: (044) 43009001/02/03/04/05

Chennai - Chetpet
G-2, Salzburg Square, 107-Harrington Road, Chetpet, Chennai-600031. Tel: (044) 28362800 / 2900 / 28363160.

Chennai - Parrys
Begum Isphani Complex, No 44 Armenian Street, Parrys, Chennai - 600001. Tel: (044) 64552951 / 52/ 53 / 54

Chennai - Purasawalkam
F-13, Dr Rajivi Tower, 231/28 Purasawalkam High Road, Opp Gangadeeshwar Temple Tank, Chennai - 7. Tel: (044) 42176004 to 9.

Coimbatore
Vignesvar Cresta, 2nd Block, 3rd Floor, 1095 - Avinashi Road, P N Palayam, Coimbatore -641037. Tel: (0422) 2213434/2214282/2218252.

Cuttack
Gajanan Complex, 2nd Floor, Haripur Road, Dolamundai, Cuttack- 753001 Tel: (0671) 2432340 to 45.

Dehradun
58, Rajpur Road, Opp. Hotel Madhuban, Dehradun-248001. Tel: (0135) 2740 190 to 94.

Erode
Akhil Plaza, Block No.1, T.S.No.121, Perundurai Road, Opp Padmam Restaurant, Erode - 638011. Tel: (0424) 2241000/ 2241005.

Erode - Gobichettipalayam
Chamundeswari Agencies Bldg, 279, Cutchery Street, Sathy Main Road, Gobichettipalayam-638 452. Tel: (04285) 229013/14/15.

Faizabad
Mehramat Plaza, 4099, Civil Lines, Near Pushpraj Guest House, Rly Station Road, Faizabad-224001. Tel: (05278) 320720 /220740.

Faridabad
SCF 16, 1st Floor, Near ICICI Bank, Sector 15 Market, Faridabad-121003, Haryana. Tel: (0129) 2220825 /26/27.

Gandhidham
Plot No.147, Sector 1 A, Near Big Byte Resturant, Gandhidham –370201. Tel: (02836) 323113 / 323114.

Gandhinagar
GF/04, Infocity-Super Mall-2, Infocity, CH-0 Circle, Gandhinagar-382 009. Tel: (079) 64512663.

Ghaziabad
J-3, 2nd Floor, RDC Raj Nagar, Ghaziabad-201001. Tel: (0120) 4154358

Goa-Mapusa
St. Anthony Apartment, Ground Floor, Shop No B/17, Feira Alta, Mapusa, Goa - 403507. Tel: (0832) 6453383 - 86 / 6521513.

Goa-Panaji
Hotel Manoshanti Building, Ground Floor, Dr D V Road, Panaji, Goa-403001 Tel: (0832) 6453407 to 412.

Goa-Vasco
Shop No 4, Gabmar Apt, Gr Flr Swatantra Path , Vasco, Goa -2.

Gorakhpur
Shop No 17, 1st Floor, M.P. Building, Golghar, Gorakhpur - 273001. Tel: (0551) 2202645 / 2202683.

Guwahati
House No-60, Chandra Prabha Barua Lane, Pub Sarania, Guwahati-781003.

Guntur
D.No.5-87-89, 2nd Lane, Beside HDFC Bank, Lakshmipuram Main Road, Guntur - 522 007. Tel: (0863) 6452334.

Gurgoan
GF 10, JMD Regent Square, DLF Phase- II, Opp Sahara Mall, Gurgaon Road, Gurgaon-122001. Tel: (0124) 4104555.

Gurgoan-II
SCF 89, 1st Floor, Sector 14, Urban Estate, Gurgoan - 122 001. Tel: (0124) 4115431/32.

Gwalior
Portion No.3, 1st Floor, Parimal Complex, Opp Kotchar Petrol Pump, Gwalior -474 009. Tel: (0751) 4069570 to 575.

Hyderabad
7-1-22/3/1-5/C, Afzia Towers, 1st Floor, Begumpet, Hyderabad-500016 Tel: (040) 66827469-70 (D) 4020354.

Hyderabad-Begum Bazar
14-7-21, 14-7-21A, Ground Floor, Opp AP Mahesh Bank, Begum Bazar, Hyderabad-12. Tel: (040) 66742880 - 99.

Indore
102-104, Darshan Mall, 15/2 Race Course Rd, Indore - 452 001. Tel: (0731) 4205520 to 24

Jaipur
Flat No 401/402, 4th Floor, Green House, Ashok Marg, C-scheme, Jaipur-302001. Tel: (0141) 6456098 / 6456114.

Jaipur- Tonk Road
10, Kailash Puri, Tonk Road, Jaipur-17. Tel: (0141) 650 5003-4.

Jalgaon
Ground Floor, Ramdayal Plaza, Near Kiran Tea, Navi Peth, Jalgaon - 425001. Tel: (0257) 2239461.

Jamnagar - K. P. House
K. P. House, 2nd Floor, Opp Dhanvantri College Ground, Pandit Nehru Marg, Jamnagar- 361 008. Tel: (0288) 2541861-63.

Jamshedpur
UG, 2&3 Shreeji Arcade, 76B, Pennar Road, Sakchi, Jamshedpur-831001. Tel: (0657) 2442000 / 01 / 02 / 03 .

Jodhpur
A-3, 1st Floor, Olympic Tower, Station Road, Jodhpur-342001. Tel: (0291) 2648000 / 4 / 5

Junagadh
6/7/8, 2nd Floor, Raiji Nagar, Motibaug Raod, Junagadh-362001. Tel: (0285) 2650434.

Kanpur
515 & 516, Kan Chambers, 14/113, Civil Lines, Kanpur -1.

Kalyan
Shop No. 9,10,11,Navjyoti Darshan Apt., Near Purnima Talkies, Murbad Road, Kalyan(W), Pin: 421304. Tel: (0251) 2211342.

Kannur
Ramananda Compound,1st Floor, TPN 264 A, N.H 17, Talap, Kannur - 670002, Kerala. Tel: (0497) 6451515 / 6451616.

Kochi
Chicago Plaza, 1st Floor, Rajaji Road, Ernakulam, Kochi-682 035. Tel: (0484) 2368411/12/13/17

Kochi - Vyttila
Thondiyil Plaza, 31/757-D, Thammanam Road, Vyttila Junction, Kochi, Kerala - 682019. Tel: (0484) 6460120 /6460121.

Kodungallur
1st Floor, Thoppil Tower, Near Pvt Busstand, Chanthapura, Kodungallur - 680664. Tel: (0480) 2810147/157/167

Kolhapur
No 5, 3rd Floor, Ayodha Tower, Bldg No 1,511 / KH -1/2, E-Ward, Dabholkar Corner, Station Road, Kolhapur - 416 001. Tel: (0231) 6687063 -66

Kolkata
Kankaria Estate, 1st floor, 6-Little Russell Street, Kolkata - 700 071. Tel: (033) 22830055 / 22805555.

Kolkata - Dalhousie
2nd Floor, Jardine Henderson Bldg. 4, Dr Rajendra Prasad Sarani (Clive Row), Kolkatta-1. Tel: (033) 22317691; 22317692.

Kolkata - Durgapur
111/95, Nachal Road, Benachity, Dist Burdwan, Durgapur, Kolkata - 713 213. Tel: (0343) 6452701 /02/03

Kolkata - Howrah
42, Dobson Road, Prakash Mansion, Near A.C.Market, Howrah, Kolkata-711 101. Tel: (033) 64523471 to 80.

Sharekhan Branches

Kolkata - Howrah (Advisory)
Prakash Mansion; 1st Floor; 42 Dobson Road; Howrah; Kolkata -711 101. Tel: (033) 2666 1279 to 86

Kolkata - Saltlake
DL-78, Sector - 2, Saltlake City, Kolkata 700 091. Tel: (033) 23581826 to 29.

Kollam
First Floor, A. Narayanan Shopping Complex, Kadappakada, Kollam - 691008. Tel: (0474) 2769120 to 25.

Lucknow
2/159, Vivek Khand, Gomti Nagar, Lucknow - 226 010. Tel: (0522) 4009832 to 33.

Lucknow (Hazratganj)
1st Floor, Marie Gold, 4,Shahnajaf Road, Hazaratganj, Lucknow-226 001. Tel: (0522) 4010342 / 43.

Lucknow - Rajajipuram
Neeru Enclave, Jal Sansthan Crossing, CP, 7/201, Sector - 7, Raja Ji Puram, Lucknow - 226017. Tel: (0522) 2418996 /97 / 98.

Ludhiana
SCO 145 1st Floor Feroze Gandhi Market, Near Ludhiana Stock Exchange, Ludhiana -141001. Tel: (0161) 6547349 / 459 /469.

Madurai
Saran Centre, A-2, 1st Floor, 19, Gokhale Road, Chinnachokikulam, Madurai-625 002. Tel: (0452) 436 0303.

Mangalore
C-1, 1st Floor, Presidium Commercial Complex, Anand Shetty Circle, Attavar, Mangalore - 575001. Tel: (0824) 6451503-4.

Meerut
105, Om Plaza, Begum Bridge Road, Meerut-250001 (U.P.) Tel: (0121) 4028354/55/56.

Mehsana
14-15, 1st Floor, Prabhu Complex, Near Rajkamal Petrol Pump, Mehsana - 384002. Tel: (02762) 248980/249012.

Muradabad
Shankar Datta Sharma Marg, Opposite Police Station, Civil Lines , Muradabad-244 001. (UP)

Mysore
Shop No.3, Mythri Arcade (Next to Saraswathi Theatre), Kantharaj Urs Road, Chamaraja Mohalla, Saraswati Puram, Mysore-570 009. Tel: (0821) 6451601 / 6451602

Nadiad
201/202, City Point Complex, Near Parash Cinema,Santram Road, Nadiad - 387001. Tel: (0268) 2550555.

Nagpur (C A)
409/412, Heera Plaza, Near Telephone Exchange Square, Central Avenue, Nagpur-440 008. Tel: (0712) 2731922/23.

Nagpur - Dharampeth
54, Park Residency, Khare Town, Dharampeth, Nagpur - 440 010. Tel: (0712) 6610752 to 56.

Navsari
1-Nirmal Complex, 1st Floor, Station Road, Sayaji Road, Navsari - 396 445. Tel: (02637) 652300/652400/248888.

Nashik - Ashok Stambh
6-Sancheti Tower, Opp Circle Cinema, Ashok Stambh, Nashik-422 002. Tel: (0253) 6610990-999.

New Delhi - Bharakhamba Road
903 & 903A, Kanchenjunga Bldg., 18-Bharakhamba Road, New Delhi-110001.

Nashik - College Road
5 SK Open Mall, Yeolekar Mala, Near BYK College, College Road, Nashik-422 005. Tel: (0253) 6610975 to 978.

New Delhi - Pusa Road
5, Pusa Road, Opp. Bal Bharti Public School, New Delhi-110005. Tel: (011) 45064908 / 28750726/27.

E-4, 2nd Floor, Inner Circle, Above Pizza Hut, Connaught Place, New Delhi-110 001. Tel: (011) 66095731 / 66095705.

New Delhi - Greater Kailash
M-43, 2nd floor, M-Block, Main Market, GK-1, New Delhil -110 048. Tel: (011) 64580204 to 64580211.

New Delhi - Pitampura
411/412, Agarwal Cyber Plaza,Netaji Subhash Palace, Pitampura, New Delhi - 110034. Tel: (011) 6458 0310.

New Delhi - Karkardooma
Unit No.504, 5th Floor, V4 Tower, Community Center, Karkardooma, New Delhi- 110092.Tel. (011) 43014280/281.

New Delhi - Vasant Vihar
E-20, Basant Lok Community Center,Vasant Vihar, New Delhi -110057. Tel: (011) 46095712-16.

New Delhi - Mayur Vihar
202 & A1 , Sri Durga Ji Shopping Complex , PKT-II, Mayur Vihar, Phase-I, New Delhi -110091. Tel: (011) 45064908 - 9.

Noida
P-12A, 3rd Floor, BHS Liberty, Sector-18, Noida - 201 301. Tel: (0120) 6472 476 to 87.

Ottapalam
1st Floor, KVM Plaza, Main Road, Ottappalam, Kerala - 679 101. Tel: (0466) 2344145/46/47.

Palakkad
1st Floor, Shree Laxmi Vilas Buildings, G. B. Road, Palakkad- 678 014. Tel: (0491) 6450179 / 6450188.

Patiala
SCO- 135, Chotti Baradari, Patiala -147 001 (PUNJAB) Tel: (0175) 6622200 /01/02/03/04/05.

Pulgaon
Khurana Complex, Near Balaji Hotel, Nachangoan Road, Pulgaon - 442 302.

Pune - F C Road
301, Millenium Plaza, 3rd Floor, Opp Fergusson College main Gate, Shivaji Nagar, Pune-411 004. Tel: (020) 66021301 - 06.

Pune - Bun Garden
285, Tara Baug, Opp ICICI Bank - Bund Garden Road, Koregaon Park Road, Pune - 411 001. Tel: (020) 66039301 / 66039302.

Pune - Satara Road
404, Landmark Centre, S No 46/1B+2B, Plot No. 2, Opp City Pride Theatre, Pune-9. Tel: (020) 66206341 to 66206350.

Pune - Nigdi
ABC Plaza (Agarwal Complex), 2nd Flr, Plot No 6, Sector No 25, Bhel Chowk, Pradhikaran, Nigdi, Pune-44. Tel: (020) 66300690-97.

Puri
Plot No-463, Redcross Road, Puri -752 001 (Orissa). Tel: (06752) 228859 / 228861 / 228862 / 228863.

Pondicherry
312/10, Vallar Salai,Vengata Nagar, Saram Revenue Village, Pondicherry - 605001. Tel: (0413) 4304904 to 09.

Raipur
"Ridhi House", 27/218, New Shanti Nagar, Raipur (Chattisgarh)- 492007. Tel: (0771) 4217777, 4281172, 4001004.

Rajkot
102/103, Hem Arcade, Opp Vivekanand Statue, Dr Yagnik Road, Rajkot-360001 Tel: (0281) 2482483/84/85.

Rajkot - Ring Road
Nanamava Survey No. 70/71, A Type Unit No. 14 , Opp. Solitire Buidling, 150ft Ring Road, Bhaktidham, Rajkot - 360005.

Salem
Sri Ganesh Tower, 561, 2nd Floor, Saradha College Main Road, Salem - 636 007. Tel: (0427) 6454864 / 65/ 66.

Salem (Cherry Road)
No. 80 / 7 & 8,K. P. R Complex, Cherry Road, Salem – 636007.

Sangli
Ranjit's Empire, Office No-36,37,38, 2nd Floor, CS No.517 , Opp. Zillaparishad, Sangli-416416.

Siliguri
2nd Floor, Ganeshayan Building,112,Sevoke Road, Beside Sunflower Shopping Mall, Siliguri-734001. Tel: (0353) 6453475 -79 / 2530253 / 2777662.

Secunderabad
Marrideep Bldg, 1st Floor, 12-5-4, Vijayapuri, Opp St Annes College, Tarnaka, Secunderabad-500 017. Tel: (040) 64533871 to 75.

Surat
M-1 to 6,Jolly Plaza, Mezzanine Floor, Athwa Gate, Surat - 395 001. Tel: (0261) 6560310 to 6560314.

Surat - Advisory
419, Jolly Plaza, Athwagate, Surat-1. Tel: (0261) 6646841-45.

Thrissur
Pooma Complex, M G Road, Thrissur-1. Tel: (0487) 2446971-73.

Thodupuza
II Floor - Magalam North end, Idukki Road, Near KSRTC Bus Stand, Thodupuzha-685584.

Trichy - Cantonment
F-1, Achyuta, 111-Bharatidasan Salai, Cantonment, Trichy-620001 (Tamilnadu). Tel: (0431) 4000705 / 2412810

Tirupur
Ram Arcade, No 27, Muncif Court Street, Tirupur- 641 601. Tel: (0421) 6454316 to 20.

Trivandrum
Laxmi Bldg, 1st Floor, T.C.No.26/430, Vanrose Road, Trivandrum - 695 039. Tel: (0471) 6450657 / 58 / 59.

Tirur
Kayal Madathil Arcade, Ground Floor, Nauvilangadi, Pookkayil Bazar, Tirur - 676 107. Tel: (0494) 6451601 to 05.

Udaipur
17 C, Kutumb Apt, Opp. ICICI Bank, Madhuban, Udaipur-313001. Tel: (0294) 6454647

Vadodara
6-8/12, Sakar Complex, 1st Flr, Opp ABS Tower, Haribhakti Extension, Vadodara-390 015. Tel: (0265) 6649261-70.

Vadodara - Manjalpur
1st Floor, Rutukalsh Complex, Tulsidham Char Rasta, Manjalpur, Vadodara - 390 011. Tel: (0265) 2647970-71.

Vapi
Royal Fortune, D-101, E-101, 1st Floor, Vapi-Daman Road, Vapi - 396 191. Tel: (0260) 6452931 to 36

Varachha - Surat
G-18/19, Rajhans Point, Varachha Main Road, Varachha Road, Surat - 395006. Tel: (0261) 3244900.

Varanasi
2nd Floor, Banaras TVS Bldg., D-58/12, A-7, Sigra, Varanasi - 221 010 (UP). Tel: 0542 - 222 1073 / 75 /81 / 83

Vellore
20/B, First East Main Road, Land Mark Building, 2nd Floor, Gandhi Nagar, Vellore - 632006 Tel: (0416) 6454306 to 310.

Vijaywada
Centurian Plaza, D. No: 40-1-129, 2nd Floor, Old Coolex Building, M. G. Road, Vijaywada - 520 010. Tel: (0866) 6619992/6629993.

Vizag
10-1-35/B, Third Floor, Parvathaneni House, Val Tair Uplands, CBM Compounds, Vishakhapatman - 530003. Tel: (0891) 6673000/6671744.

Wardha
Radhe Complex, 2nd Flr, Indira Mkt Road, Above Akola Urban co-op Bank, Wardha-442001. Tel: (07152) 645023 to 26.

Mumbai - Andheri
Samarth Vaibhav, Office No 114, 1st Floor, Off Link Road, Oshiwara, Andheri (W), Mumbai-400 053. Tel: (022) 66750755 to 58.

Mumbai - Borivali
Shop No 105 / 106, Kapoor Apartment, Punjabi Lane Corner, Borivali (W), Mumbai-400092. Tel: (022) 65131221 to 24.

Mumbai - Ghatkopar
202, Sai Plaza, 2nd Floor, Junction of Jawahar Road & R. B. Mehta Marg, Ghatkopar (E), Mumbai 400 077. Tel: (022) 2510 8844 / 2510 8833.

Mumbai - Goregaon
Shop # 3, 29-C, Anamika, Road No-7, Near Sudama Restaurant, Jawahar Nagar, Goregaon (W), Mumbai-400062. Tel: (022) 6515 3123 to 28

Mumbai - Kandivali
Om Sai Ratna Rajul CHS, Corner of Patel Nagar, M G Road, Kandivali (W), Mumbai-400 067. Tel: (022) 6725 0491 to 5.

Mumbai - Kandivali (Thakur Village)
Shop No 37, EMP-6, Jupitar CHS Ltd,Evershine Milleniam Paradise, Thakur Village, Kandivali (E), Mumbai- 400 101.

Mumbai - Khar
1st Floor, Matru Smruti, Plot No.326, Linking Road, Khar (W), Mumbai 400 052. Tel: (022) 65135333 - 65133972 to 76.

Mumbai - Lower Parel
"C" Phoenix House, 4th Floor, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. Tel: (022) 6618 9300.

Mumbai - Malad
502, Rishikesh Apartment, Opp to N L High School, S.V.Road, Malad (West), Mumbai- 64. Tel: (022) 6513 3969.

Mumbai - Matunga
Flat No 4B, Ground Floor, Ashwin Villa, Telang Road, Matunga (E), Mumbai - 400019. Tel: (022) 6513 9230/31/32

Mumbai - Mulund
Shop No.7-10, Runwal Towers, Opp Goverdhan Nagar, L B S Marg, Mulund (W), Mumbai-400 080. Tel: (022) 67251240 to 54.

Mumbai - Opera House
Gogate Mansion, Gr Floor, 89- Jagannath Shankar Seth Road, Girgaum, Opera House, Mumbai -4. Tel: (022) 6610 5671-75.

Mumbai - Powai
A-Wing, Unit No A 201/203/204, Galleria Building,Hiranandani Garden, Powai, Mumbai- 400 076. Tel: (022) 67024772 - 73.

Mumbai - Raghuvanshi
Raghuvanshi Mills Compound, Krishna House, 3rd Floor, S B Marg, Lower Parel, Mumbai – 400 013. Tel: (022) 6699 7163.

Mumbai - Thane
Gaurangi Chambers , 1 st Floor, Opp Damani Estate, L B S Marg , Thane - 400 602. Tel: (022) 67913961/62.

Mumbai - Stock Exchange (Rotunda)
PG -1, Gr Floor, Rotunda Building, Mumbai Samachar Marg, Fort, Mumbai - 23. Tel : (022) 6610 5600 to 15 (23rd Floor).

Mumbai - Vashi
Arenja Corner, 227, B - Wing, Second Floor, Sector 17, Vashi, New Mumbai 400 705. Tel: (022) 67122122 / 67913840.

Shop No 32, Welfare Chambers, Sector-17, Vashi, New Mumbai - 400705. Tel: (022) 67124657 - 58

Mumbai - Vile Parle
7-Alka CHS, Ground Floor, Dadabhai Road, Vile Parle (W), Mumbai - 400056. Tel: (022) 26253010/11/12/13

Mumbai - Vashi APMC Mareket
C/35, APMC Market 1,Phase 2, Vashi, Navi Mumbai 400 705. Tel: (022) 27657353 / 27650556 /57/58

PCG Branch

PCG - Kolkata
Kankaria Estate, 2nd Floor, 6-Little Russell Street, Kolkata - 700 071. Tel: (033) 22830055

PCG - Mumbai
"C" Phoenix House, 4th Floor, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. Tel: (022) 6618 9300.

International Branch

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