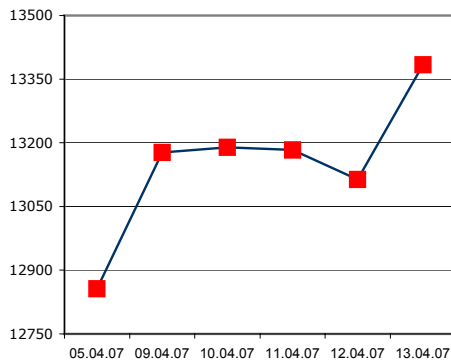
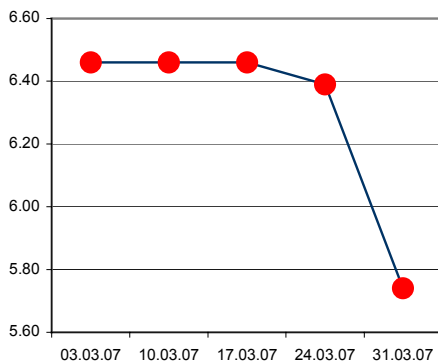
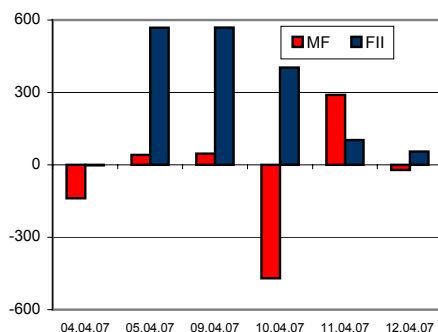
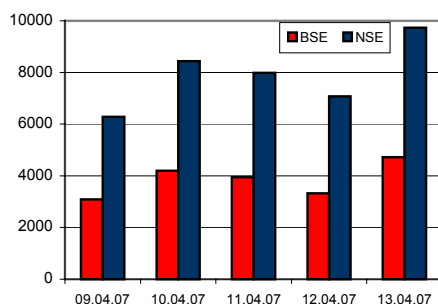


SENSEX

INFLATION (%)

MF/FII-Net Equity Flow (Rs Cr)

BSE/NSE Cash Turnover (Rs Cr)

Drab Infosys Results, but Guidance Guides Indices

In tandem with global cues, and buoyed by market biggie Infosys' guidance for FY08, our markets gave a thumping close to the week. Other factors helping the momentum to sustain were healthy Industrial Production growth numbers and lower inflation rate. The benchmark indices gained over 4% on weekly basis. The rally this week was adequately broad-based, with the midcaps and smallcaps wholeheartedly participating, and in fact they went on to outperform the benchmark. All the sectoral indices ended the week gaining, with Metal leading the charge, while Healthcare was the laggard.

Amidst scares emanating from a declining Dollar, wage hikes and visa costs, Infosys managed to pull a bunny out of its hat in the form of strong guidance for FY08. Though the results were a tame affair, the guidance was a factor enough for the markets to rejoice and reflect the cheer in the indices.

On the currency front, US Dollar went to its 8-year low of Rs 42.51. US Dollar has been weakening against all major currencies of the world since quite some time now.

Economy News

The WPI-based annual rate of inflation for the week ended March 31 subsided to a relieving 5.74%, against expectations of 5.84%, and against 6.39% a week back. The figure subsided below the 6% level after a harrowing period of 11 weeks. This welcome slump came mainly on the back of decline in prices of non-metallic minerals, metals and primary food articles.

Late Friday, the RBI announced vacating payment of interest on CRR balances maintained by banks with it. This move would have a detrimental impact on banking sector in the next week.

India's Index of Industrial Production grew by 11% during February 2007 against 8.8% last year. This was slightly lower than January's upwardly revised growth of 11.4%

Corporate News

Suzlon Energy has acquired 7.7% stake in REPower from Martifer at a revised price of Euro 150/share to counter **Areva's** bid of Euro 140/share.

GAIL has formed a JV with **IOC** to distribute gas.

Jet Airways and **Air Sahara** have mutually agreed that all shares of Air Sahara shall be transferred to Jet on payment of Rs 1,450 Cr inclusive of Rs 500 Cr already paid by Jet.

MARKET INDICATORS

Indices	13.04.07	06.04.07	Change (Pts)	% Change
NIFTY	3917.35	3752.00	165.35	4.41
SENSEX	13384.08	12856.08	528.00	4.11
BSEMIDCAP	5576.50	5319.95	256.55	4.82
BSEMLCAP	6756.46	6456.37	300.09	4.65
BSE-100	6762.04	6480.02	282.02	4.35
BSE-200	1599.62	1532.39	67.23	4.39
BSE-500	5098.80	4879.68	219.12	4.49

SECTORAL INDICES

Indices	13.04.07	06.04.07	Change (Pts)	% Change
BSE METAL	9303.65	8623.65	680.00	7.89
BSE CAPITAL GOODS	9470.97	8955.49	515.48	5.76
BSE IT	5071.72	4821.52	250.20	5.19
BSE TECK	3638.14	3463.39	174.75	5.05
BSE CONS. DURABLES	3782.58	3604.21	178.37	4.95
BSE AUTO	4818.16	4605.70	212.46	4.61
BSE BANKEX	6639.84	6371.69	268.15	4.21
BSE FMCG	1773.96	1720.46	53.50	3.11
BSE OIL&GAS	6565.45	6369.70	195.75	3.07
BSE PSU	6098.85	5917.03	181.82	3.07
BSE HEALTH CARE	3686.61	3647.02	39.59	1.09

WEEKLY SENSEX GAINERS & LOSERS

Top Gainers		
Company	Price	Gain %
TATA STEEL	511.25	9.90
GRASIM	2287.60	8.26
REL. COMM.	421.50	6.05
HINDALCO	140.05	6.02
BAJAJ AUTO	2444.10	5.91

Top Losers		
Company	Price	Loss %
RANBAXY	334.70	-3.48
DR.REDDY	713.10	-2.22
NTPC	157.40	-0.85
CIPLA	232.25	-0.06

WEEKLY A GROUP GAINERS & LOSERS

Top Gainers		
Company	Price	Gain %
INDIABULLS FIN.	503.90	25.93
SRF	147.85	24.04
IDFC	93.25	14.42
SUZLON	1104.30	14.33
KEC INTL.	586.30	14.29

Top Losers		
Company	Price	Loss %
RENUKA SUGAR	446.30	-7.63
BALRAMPUR CHINI	68.30	-7.33
E.I.D. PARRY	122.95	-4.76
ZEE ENTER.	255.25	-4.72
STERLING BIO.	143.75	-4.36

ADVANCE-DECLINE

SENSEX	
Positive	26
Negative	4
Unchanged	0
Total	30

A GROUP COMPANIES	
Positive	174
Negative	33
Unchanged	0
Total	208

WORLD INDICES

INDEX	14.04.07	07.04.07	% Change
NIFTY	3917.35	3752.00	4.41
SENSEX	13384.08	12856.08	4.11
DJIA	12612.13	12560.20	0.41
NASDAQ	2491.94	2471.34	0.83
FTSE	6462.40	6397.30	1.02
NIKKEI	17363.95	17484.78	-0.69
BOVESPA	47926.23	46646.57	2.74
SHANGHAI	3518.27	3323.58	5.86

MARKETS AT A GLANCE
Indian Markets

Indices	As on 13.04.07	As on 06.04.07	% Change
SENSEX	13384.08	12856.08	4.11
NIFTY	3917.35	3752.00	4.41

US Markets

Indices	As on 14.04.07	As on 07.04.07	% Change
Dow Jones	12612.13	12560.20	0.41
NASDAQ	2491.94	2471.34	0.83

BSE 200

Scripts	CMP (Rs)	Weekly % Chg
GAINERS		
INDIABULLS FIN.	503.90	25.93
SRF	147.85	24.04
IDFC	93.25	14.42
SUZLON	1104.30	14.33
KEC INTL.	586.30	14.29
LOSERS		
SHREE RENUKA	446.30	-7.63
BALRAMPUR CHINI	68.30	-7.33
E.I.D. PARRY	122.95	-4.76
ZEE ENTER.	255.25	-4.72
STERLING BIO.	143.75	-4.36

US Listings

Scripts	Close (\$)	Weekly % Chg
NYSE		
DR REDDY	16.67	-0.48
HDFC BANK	68.80	2.56
ICICI BANK	40.60	5.84
MTNL	7.26	6.14
PATNI	24.19	5.63
SATYAM	24.60	5.35
TATA MOTOR	17.23	5.90
VSNL	20.26	5.85
WIPRO	16.57	5.07
NASDAQ		
INFOSYS	54.96	6.04

Institutional Activity (Rs Cr)

	For the week	For the month	For the year
Mutual Funds	-114.40	-284.10	-3579.80
FIIIs	1696.60	1051.00	4778.85

DERIVATIVES WATCH

Weekly Summary

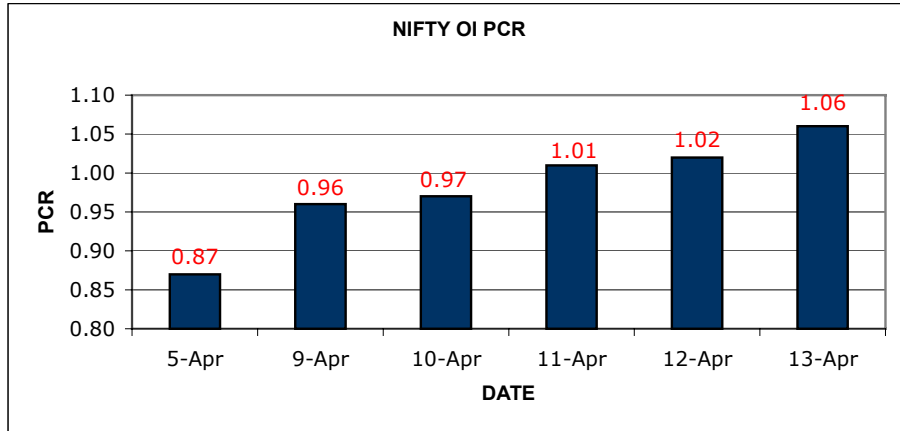
Overall Open Interest increased by a whopping 18% from Rs 44,201 Cr to Rs 51,985 Cr. In terms of number of shares, Open Interest went up by 12% to 116.2 Cr shares from 103.7 Cr shares on weekly basis. Nifty Open Interest PCR moved up to 1.06 level from 0.87 level on a weekly basis, to reach at its highest level since February 28. This smart recovery in PCR indicates Put writing at lower levels as market players are expecting limited downside in the market. Although Nifty Futures is still trading at a discount of 20 points, the discount has reduced from 29 points to 20 points during the week showing an improvement in the sentiment. FIIs have net sold Index Futures worth Rs 100 Cr and have net bought Stock Futures worth Rs 220 Cr during the week. Recovery in PCR, decrease in discount, and some fresh build up of long positions point towards optimism in the market going into the next week.

Nifty 3900 & 4000 Calls added 9,236 & 7,874 contracts in Open Interest respectively on a weekly basis. So going forward, the market may face strong resistance in the region of 3,980-4,000. On the other hand Nifty 3800 & 3900 Puts added 23,818 & 21,019 contracts with reduction in IVs indicating Put writing. So on the downside, the market may find strong support around 3,800-3,830 levels.

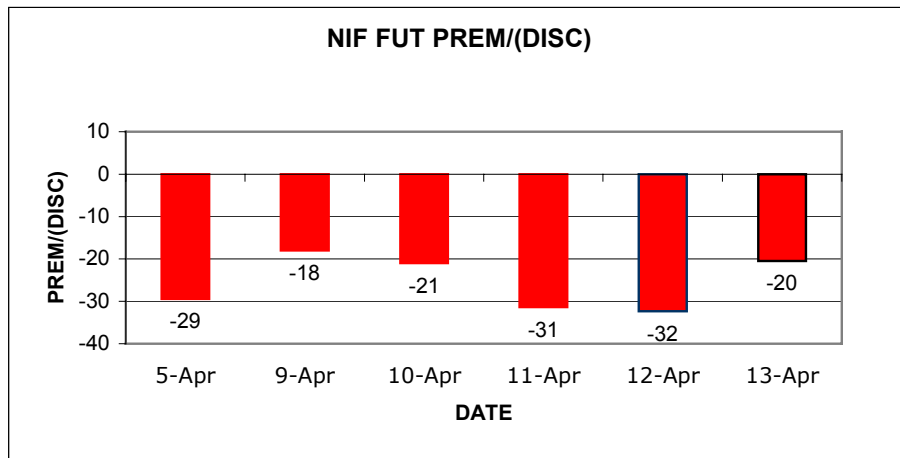
Daily Summary

Open Interest increased by whopping Rs 2,358 Cr or 5% at Rs 51,985 Cr. Open Interest in terms of number of shares went up by 2.8% from 113 Cr to 116.2 Cr shares. Nifty Futures added 2% Open Interest while Nifty Futures discount narrowed to 20 points from 30 points. FIIs net bought worth Rs 355 Cr in Index Futures while OI increased by 22,000 contracts indicating build up of fresh long positions by them. Nifty OI PCR increased further to 1.06 level from 1.02 level. This recovery in PCR from last week's low of 0.82 indicates Put writing and shows improved sentiment in the market. Nifty 3900 & 4000 Calls added 3,186 & 3,098 contracts in OI respectively, while Nifty 3900 Put added 11,430 contracts in OI. Build up of some fresh long positions was seen in IT Sector and in select Banking, Construction and Infrastructure stocks.

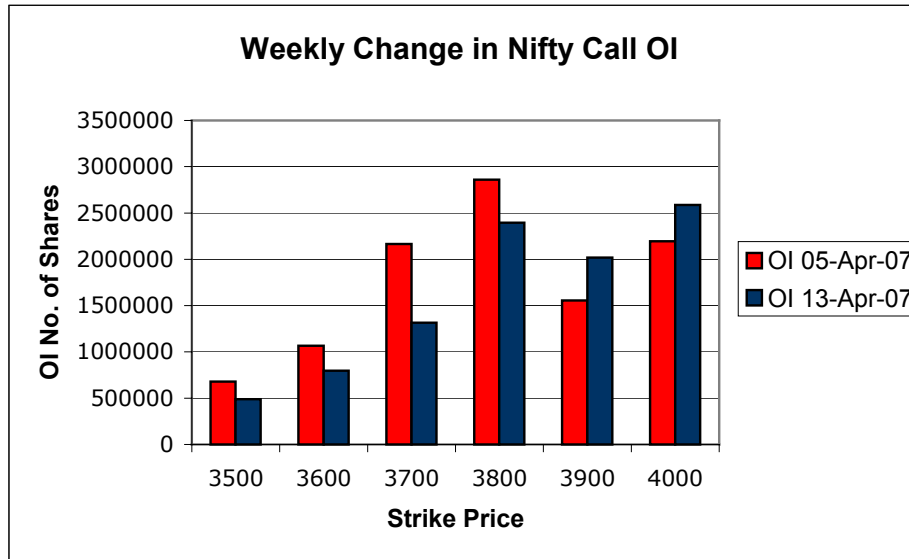
Smart Recovery in PCR



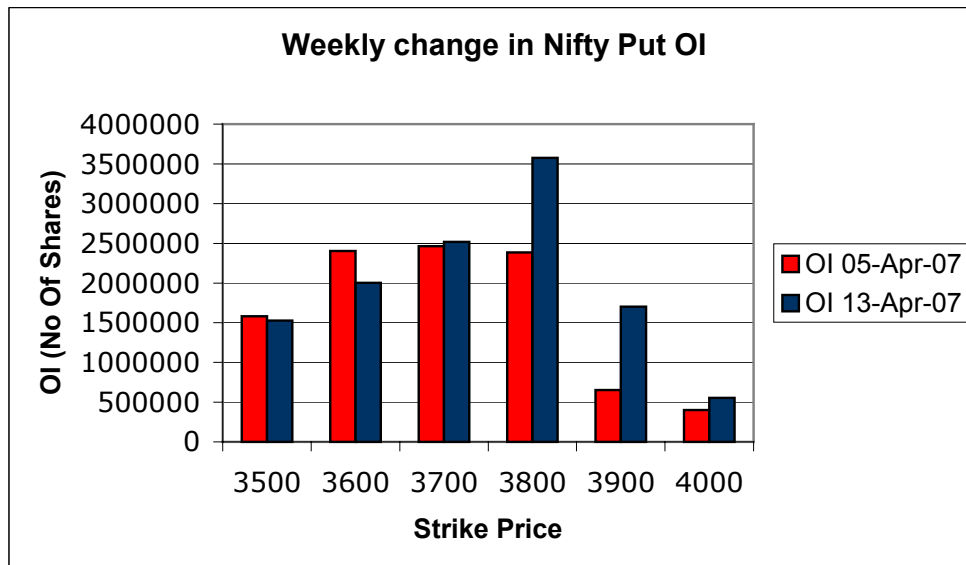
Nifty Futures Discount Narrowing



Weekly Change in Nifty April Call Options Open Interest



Weekly Change in Nifty April Put Options Open Interest



Weekly Summary

Underlying			Open Interest Value (Rs Cr)				Put/Call Ratio (OI)
	In Price	OI (Rs Cr)	Futures	Call	Put	Total	
NIFTY	4.41	16	14254	6040	6394	26688	1.06
RELIANCE	3.91	11	1201	134	61	1396	0.45
INFOSYSTCH	4.75	68	794	256	161	1211	0.63
TATASTEEL	9.82	24	623	123	81	827	0.66
SBIN	5.22	21	746	41	16	803	0.39
BHARTI	4.76	13	785	12	2	799	0.13

FII Activity for the Week (from April 09 to April 13)

	Contracts Bought		Contracts Sold		Open Interest	
	Nos.	Value (Rs Cr)	Nos.	Value (Rs Cr)	Contracts Nos.	Value (Rs Cr)
Index Future	156098	2982	161643	3082	734918	14328
Index Option	66135	1267	50898	962	314436	6159
Stock Future	76244	1902	65455	1682	637933	16471
Stock Option	133	3	2381	48	3106	68

TOP GAINERS & LOSERS OPEN INTEREST WISE
TOP GAINERS

Company	OI Chg %	Price %	OI Rs Cr
INDIANBANK	620	3	10
BEML	81	0	35
UTIBANK	67	4	85
CROMPGREAV	66	2	11
STAR	66	-2	9

TOP LOSERS

Company	OI Chg %	Price %	OI Rs Cr
WOCKPHARMA	-25	9	16
GE SHIP	-20	8	13
TATA MOTORS	-14	6	313
MCDOWELL	-12	3	26
FED BANK	-11	8	5

TOP GAINERS & LOSERS PRICE WISE
TOP GAINERS

Company	OI Chg %	Price %	OI Rs Cr
SRF	2	24	94
PARSVNATH	24	16	177
IDFC	18	14	182
SUZLON	12	14	214
POLARIS	26	13	82

TOP LOSERS

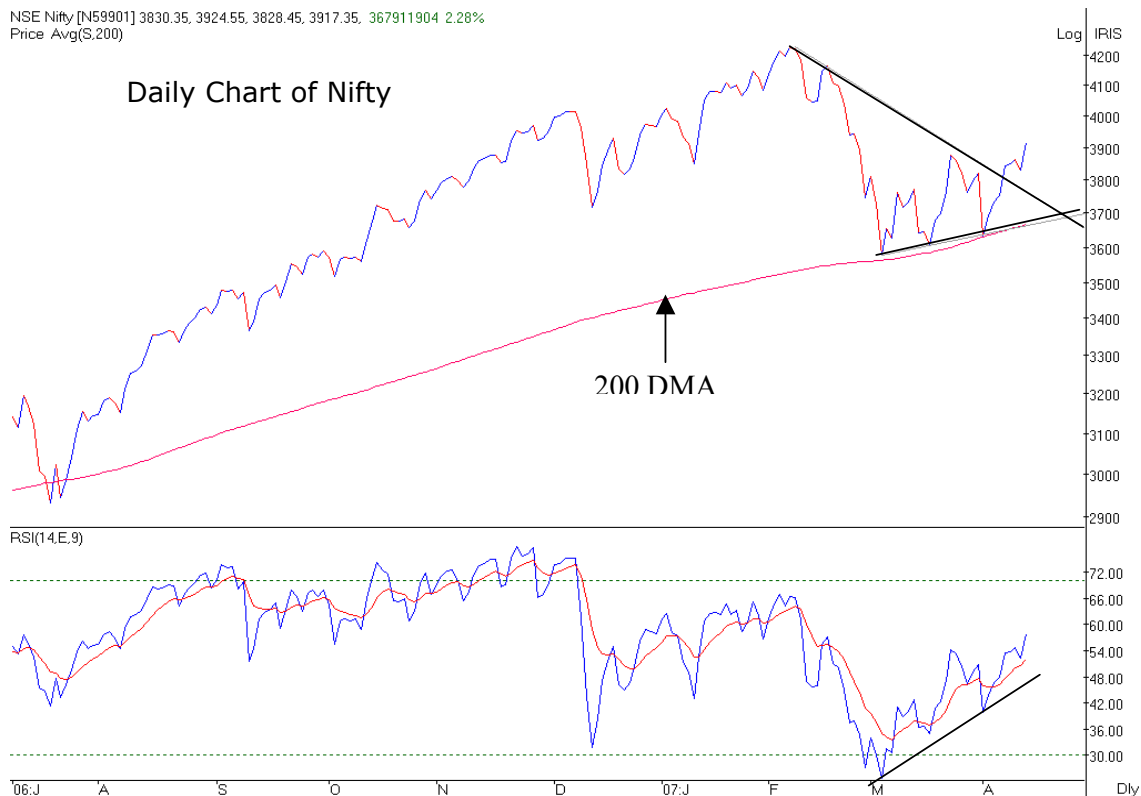
Company	OI Chg	Price %	OI Rs Cr
RENUKA	17	-8	38
BALRAMPUR	26	-7	68
TRIVENI	22	-6	10
ZEE	23	-5	64
RANBAXY	64	-4	248

TECHNICAL TALK

Over a period of last one month, the market has pulled back from every major decline despite an environment of fear and pessimism. Daily chart of both the benchmark indices have formed the higher top and higher bottom pattern, which shows that upside intermediate trend is still intact. Nifty has retraced more than 50% of the fall of February month. Momentum Indicator RSI (Relative Strength Index) is rising with the positive divergence for both the benchmark indices. Technically, short-term sectoral outlook is positive for Auto sector. We may see profit booking in the large cap IT stocks after some rise in first couple of sessions as they have risen a lot in last week and they may face resistance at higher levels next week.

	Resist. 1	Resist. 2	Support 1	Support 2
BSE SENSEX	13568.00	13815.00	13052.27	12720.46
NSE NIFTY	3979.00	4040.00	3800.00	3685.00

Nifty Daily Chart



Technical Picks for the Forthcoming Week

STOCK	RECOMMENDATION	CMP	STOP LOSS (Rs)	TARGETS (Rs)
ASHOK LEYLAND	BUY	37.75	36.55	39.70, 41.60
LARSEN & TOUBRO	BUY	1611.65	1570	1699
TECH MAHINDRA	BUY	1493.70	1429	1590, 1678

Review of Stocks Recommended Last Week

STOCK	RECOMMENDATION	PRICE 07.04.07	STOP LOSS	TARGET	REVIEW	RETURN (%)
ALSTOM PROJECTS	BUY	395	375	418, 437	TARGET ACHIEVED	5.8

Review of Earlier Open Calls

STOCK	RECO. DATE	STOP LOSS	TARGETS	REVIEW
APOLLO TYRES	31-Mar-07	270	299	TARGET ACHIEVED

Return of Technical Picks since 27 Jan 2006

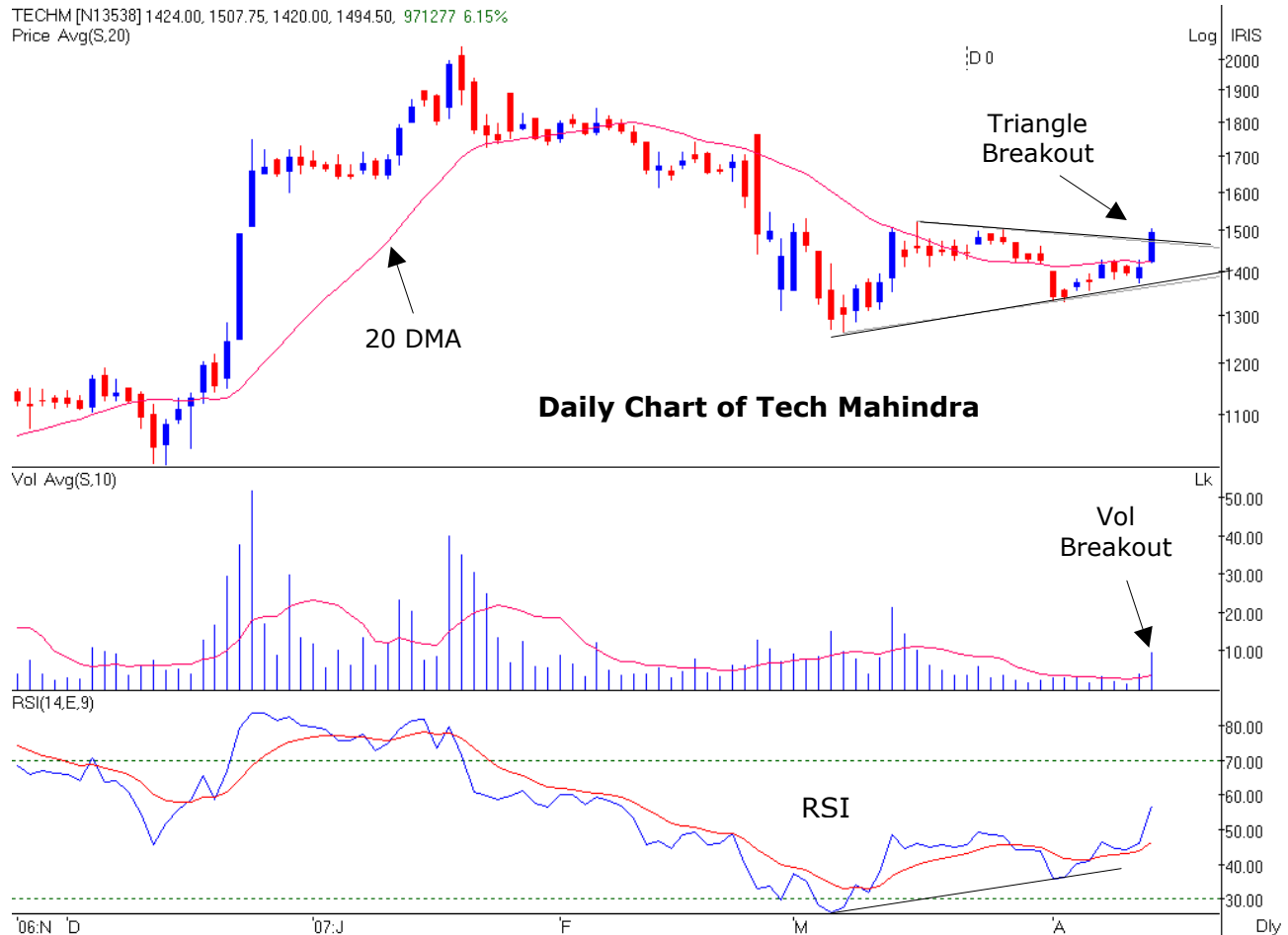
Success (%)	Avg. Return of Successful Calls (%)	Avg. Return of Unsuccessful Calls (%)	Overall Avg. Return (%)
65	6.7	-3.7	3.1

Note: Whenever first target is achieved in any recommendation, you are encouraged to book 50% profit and the stop loss has to be raised to the original recommended price, unless specified otherwise.

LARSEN & TOUBRO (CMP 1611.65)
BUY

Immediate trend in the stock will stay up above the support of 1570. The counter is likely to stage a rally up to 1699 on the upside.

TECH MAHINDRA (CMP 1493.70)
BUY

 TECHM [N13538] 1424.00, 1507.75, 1420.00, 1494.50, 971277 6.15%
 Price Avg(S,20)

TRIANGLE BREAKOUT!!!

The stock is looking bullish on its daily chart, as it has given upside breakout from the symmetrical triangle and also closed above its 20 days moving average with significant volume. The Leading Indicator RSI (Relative Strength Index) is rising with positive divergence, which shows that buying has just started to come in the counter.

We recommend buying the stock for position trading at current market price for the targets of 1590 and 1678, keeping a tight stop loss of 1429.

ASHOK LEYLAND (CMP 37.75)
BUY

 ASHOK LEYL [N212] 37.25, 37.85, 36.55, 37.75, 2427955 1.62%
 Price Avg(S,200)

POSITIVE DIVERGENCE!!!

By looking at the daily chart of the stock given above, we have observed the case of positive divergence where price is forming lower bottom and RSI (Relative Strength Index) is forming higher bottom and this is the sign of reversal of trend. So some more buying is expected in this counter.

We recommend buying the stock at current market price for position trading for the targets of 39.70 and 41.60, keeping a tight stop loss of 36.55.

Support-Resistance Levels for the Forthcoming Week (16th Apr to 20th Apr)

	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
BSE SENSEX	13384.08	13236.66	13568.47	13752.86	13052.27	12720.46
NSE NIFTY	3917.35	3863.10	3978.90	4040.40	3801.60	3685.80
3I INFOTECH	267.25	259.80	279.50	291.80	247.50	227.80
ACC	748.30	737.80	764.00	779.80	722.00	695.80
ABAN OFFSHORE	2339.10	2291.70	2415.40	2491.70	2215.40	2091.70
ABB	3745.40	3698.50	3801.90	3858.50	3641.90	3538.50
ALLAHABAD BANK	73.20	72.70	75.20	77.30	70.70	68.20
ANDHRA BANK	75.85	75.50	78.30	80.80	73.00	70.20
APTECH	267.45	255.50	281.00	294.50	242.00	216.50
ASHOK LEYLAND	37.75	37.10	38.50	39.20	36.40	35.00
BAJAJ AUTO	2433.90	2378.00	2505.90	2578.00	2305.90	2178.00
BAJAJ HIND.	200.55	203.70	209.20	217.80	195.00	189.50
BALRAMPUR CH.	68.30	70.50	73.40	78.50	65.40	62.50
BANK OF BARODA	227.05	222.50	235.00	242.90	214.60	202.10
BANK OF INDIA	180.25	175.70	190.30	200.40	165.70	151.10
BEML	999.30	1007.90	1023.90	1048.40	983.40	967.40
BEL	1691.35	1691.10	1750.20	1809.10	1632.20	1573.10
BHARAT FORGE	317.10	314.20	322.30	327.50	309.00	301.00
BPCL	315.80	316.40	330.90	345.90	301.40	286.90
BHARTI AIRTEL	781.55	770.70	796.40	811.20	755.90	730.20
BHEL	2479.85	2466.60	2563.20	2646.60	2383.20	2286.60
CANARA BANK	196.15	193.70	199.40	202.70	190.40	184.70
CENTURY TEXT.	553.35	537.50	572.10	590.80	518.80	484.30
CESC	398.25	394.80	413.30	428.30	379.80	361.40
CIPLA	232.40	234.00	238.00	243.70	228.40	224.40
COLGATE PALM.	353.15	349.10	364.00	374.90	338.20	323.30
CUMMINS INDIA	290.10	283.70	297.70	305.40	276.00	262.00
DABUR INDIA	93.20	90.80	97.80	102.30	86.30	79.30
DIVIS LABS.	3433.50	3353.80	3529.60	3625.70	3257.70	3081.90
DR. REDDY'S	712.45	711.20	737.30	762.20	686.30	660.20
ESCORTS	125.10	122.70	132.20	139.40	115.60	106.10
ESSAR OIL	52.75	51.70	54.80	56.80	49.70	46.60
FEDERAL BANK	235.35	227.50	244.80	254.30	218.10	200.80
GAIL	281.60	287.20	294.40	307.20	274.40	267.20
GDL	166.80	168.10	174.10	181.50	160.70	154.70
GMR INFRA.	365.80	365.80	374.60	383.40	357.00	348.20
GRASIM INDS.	2285.55	2228.20	2355.40	2425.20	2158.40	2031.20
GUJ. AMBUJA	108.55	108.70	111.40	114.20	105.90	103.20
HCC	96.30	94.10	100.00	103.60	90.50	84.60
HCL TECH.	308.20	290.90	327.20	346.10	272.00	235.70
HDFC BANK	981.20	973.60	1004.60	1028.00	950.20	919.20
HERO HONDA	647.55	640.80	660.70	673.90	627.60	607.70
HIND. LEVER	206.70	205.50	211.20	215.60	201.10	195.40
HPCL	245.35	250.50	257.90	270.50	237.90	230.50
HINDALCO	140.10	138.80	145.60	151.00	133.30	126.50
HDFC	1563.05	1565.40	1612.70	1662.40	1515.70	1468.40
ICICI BANK	873.45	860.30	895.60	917.80	838.10	802.80
IDBI	80.00	78.40	82.90	85.70	75.60	71.10
IDFC	93.30	90.00	97.80	102.20	85.60	77.80
INDIA CEMENT	167.35	160.30	175.10	182.80	152.60	137.90
INDIABULLS FIN.	504.25	478.80	555.50	606.80	427.50	350.80
IOC	393.95	402.00	411.90	429.90	384.10	374.20
IFCI	38.30	37.60	39.80	41.20	36.10	33.90
INFOSYS TECH.	2086.90	2059.60	2159.30	2231.60	1987.30	1887.60
IPCL	279.95	276.50	284.00	288.10	272.40	264.90

	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
ITC	153.45	154.50	161.70	170.00	146.30	139.10
IVRCL INFRA.	276.25	273.60	281.70	287.10	268.20	260.10
JET AIRWAYS	626.35	625.60	675.20	724.00	576.80	527.20
JINDAL STAINLESS	128.20	127.40	132.20	136.20	123.40	118.50
JSW STEEL	553.80	537.20	572.30	590.90	518.60	483.50
LIC HOUSING FIN.	144.00	142.10	147.90	151.80	138.20	132.40
LANCO INFRA.	151.30	149.20	155.10	158.90	145.40	139.40
LARSEN & TOUBRO	1614.10	1594.10	1638.40	1662.70	1569.80	1525.50
M&M	745.10	734.50	757.60	770.10	722.00	698.80
MTNL	158.40	156.10	164.30	170.10	150.30	142.10
MARUTI UDYOG	771.95	774.50	798.50	825.00	748.00	724.10
MATRIX LABS.	181.05	180.70	190.30	199.60	171.40	161.80
MOSER BAER	335.05	325.20	352.90	370.70	307.30	279.60
MPHASIS	288.00	282.70	297.30	306.60	273.40	258.80
NAGAR. CONST.	174.45	168.70	181.00	187.50	162.20	150.00
NALCO	239.70	240.50	251.10	262.40	229.20	218.60
NDTV	331.15	323.30	341.60	352.00	312.90	294.60
NEVELI LIGNITE	54.65	54.60	56.30	58.00	52.90	51.10
NIIT TECH.	450.90	443.10	467.80	484.70	426.20	401.40
NTPC	157.40	158.50	160.60	163.90	155.20	153.10
ONGC	872.35	868.90	892.20	912.10	849.00	825.70
ORCHID CHEM.	278.30	277.00	286.20	294.10	269.10	259.90
OBC	189.45	188.60	194.70	200.00	183.40	177.30
PARSVNATH	290.30	278.70	306.40	322.50	262.60	234.90
PNB	456.90	451.50	472.60	488.20	435.80	414.70
POLARIS SOFT.	189.65	183.20	197.40	205.10	175.50	161.30
PRAJ INDS.	438.65	430.20	453.40	468.20	415.50	392.30
PUNJ LLOYD	166.55	165.20	174.30	182.10	157.40	148.30
RANBAXY LABS.	332.55	341.30	353.50	374.40	320.40	308.20
REL. COMM.	421.50	415.00	430.00	438.40	406.50	391.50
REL. ENERGY	502.85	507.40	515.80	528.80	494.40	486.00
REL. CAPITAL	686.50	672.00	704.50	722.50	654.00	621.50
RELIANCE	1411.95	1396.60	1431.20	1450.50	1377.30	1342.70
ROLTA INDIA	356.10	348.70	369.40	382.70	335.40	314.80
SATYAM COMP.	481.40	462.00	503.90	526.50	439.50	397.60
SESA GOA	1692.55	1703.30	1788.30	1884.00	1607.60	1522.60
SIEMENS	1146.55	1115.90	1182.80	1219.00	1079.70	1012.80
SOBHA DEV.	820.40	802.10	849.20	878.00	773.30	726.20
SRF	148.05	141.30	164.50	181.00	124.80	101.60
SBI	997.95	988.10	1023.70	1049.40	962.40	926.80
SAIL	125.90	122.60	129.80	133.60	118.80	111.60
STERLITE INDS.	505.85	497.00	524.90	544.00	477.90	450.00
SUN PHARMA.	1098.15	1082.40	1132.80	1167.40	1047.80	997.40
SUZLON	1103.35	1059.60	1157.80	1212.20	1005.10	906.90
TATA CHEM.	210.85	208.40	216.90	223.00	202.30	193.80
TATA POWER	533.85	524.80	548.30	562.80	510.30	486.80
TATA MOTORS	726.30	715.80	741.50	756.80	700.50	674.80
TATA STEEL	511.20	499.30	531.40	551.50	479.10	447.00
TCS	1262.00	1234.10	1296.30	1330.50	1199.90	1137.70
TECH MAHINDRA	1494.50	1458.10	1544.20	1593.90	1408.40	1322.30
TITAN INDS.	950.35	937.60	987.80	1025.30	900.10	849.90
TV TODAY	134.90	130.90	143.50	152.10	122.30	109.70
UTI BANK	468.90	475.40	498.50	528.10	445.80	422.60
VSNL	421.10	417.20	432.20	443.40	406.10	391.10
WIPRO	567.65	556.70	581.40	595.20	542.90	518.20
ZEE ENTER.	255.20	260.40	269.80	284.40	245.80	236.40

Stocks Covered This Week

Company	Price (Rs) 13.04.07	Report Type	Recommendation
PUNJ LLOYD LTD.	167	RESEARCH REPORT	ACCUMULATE
TATA TELESERVICES MAHARASHTRA LTD.	22	STOCK REVIEW	BUY

Review of Stocks Covered 3 Months Back

Company	Price (Rs) 13.04.07	Recommendation	Reco. Price (Rs) 13.01.07	Return (%)
SENSEX	13384		14057	(5)
HINDUSTAN ZINC LTD.	673	REITERATE BUY	803*	(16)
INGERSOLL RAND INDIA LTD.	266	ACCUMULATE	396	(33)

* Adjusted for Dividend

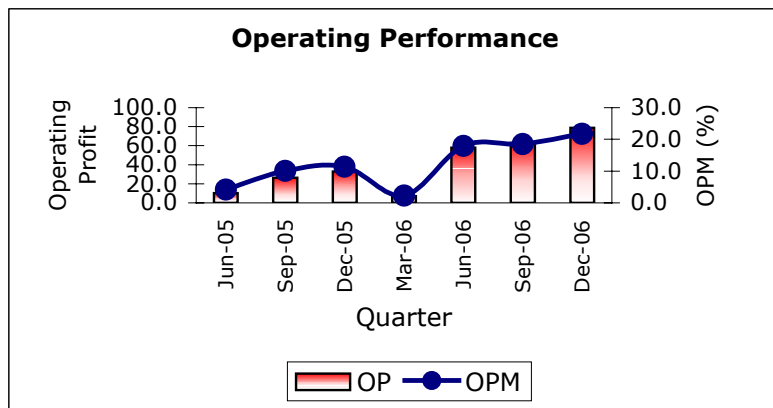
STOCK REVIEW
TATA TELESERVICES MAHARASHTRA LTD.
CMP Rs 22
BUY
Background and Business

Formerly Hughes Telecom (India) Ltd., a part of Tata Group Company was renamed to Tata Teleservices Maharashtra Ltd. subsequent to the acquisition of 70.83% equity shareholding in December 2002. TTML, the premier telecommunication service provider has license to provide services in Maharashtra and Goa. The company's telephony services include mobile, fixed wireless phones (FWP), public telephone booths & wire line services.

Industry growth expected to be robust: The telecom sector has been one of the fastest growing sectors in the Indian economy in the last 4 years. This has been witnessed due to strong competition that has brought down tariffs as well as simplification of policy environment that has promoted healthy competition among various players. Due to this reason, telecom density in the country has risen to over 17% at the end of January 2007, from 3.6% in March 2001.

After growing its wireless (GSM and CDMA) subscriber base at a CAGR of over 122% during the period January 2004 to January 2007, the country is expected to take the number to 500 mn telecom subscribers by the end of March 2010. It will be aided in achieving this by the availability of cheaper handsets, focus of regulatory measures to take telephony to rural markets, lower tariffs and general buoyancy in the economy.

Operating Margins on the Rise: TTML has reported profits at the operating level for the first time ever in Q1FY06. Since then, the company has been able to improve its margins on a consistent basis from 4% in Q1FY06 to 21.8% in Q3FY07. Significant improvement of margins can be attributed to increase in subscriber base, better ARPUs and quality of service.



Consolidation on the cards: Tata group has three companies in the telecom sector – VSNL, TTML and TTSL. Looking at the operational synergy within the companies, sharing of infrastructure with TTSL, increasing consolidation in the industry and TTSL's stake in TTML, we expect the group will merge the three entities into one single pan-India presence entity, which will provide the economy of scale and synergy.

Fully subscribed Rights Issue with the Promoter Support: The Rights Issue was of 28.9 Cr Equity Shares of Rs 10 each at a premium of Rs 7 per Equity Share aggregating to Rs 491.2 Cr. The 19 for 100 shares rights issue closed on December 20th and the fact that the promoters picked up the unsubscribed portion of the rights issue helped create an atmosphere of confidence for the company

Valuation

The Indian telecom industry recently witnessed its biggest deal (Vodafone bidding US\$ 11bn for 52% stake in Hutch-Essar). The deal has resulted into higher valuation for the overall telecom sector and the trend is likely to continue as larger players compete to increase their subscriber base and presence.

Peer Comparison

Company	Bharti	Rel. Comm.	TTML	Idea
Subscribers (Million)	35.5	31.97	2.7	13.1
EV/Sub (US\$)	1010	655	465	515

Operational performance at TTML is now improving, as the last quarterly numbers suggest. The OPM improved to 21.76% last quarter from 11.42% a year earlier and 18.53% a quarter before. Black Ink, however, would appear only by 2009. **We had recommended this scrip in January 2007, and we continue to remain optimistic about the stock for the long-term. We reiterate BUY on the stock.**

Financial Performance

Rs Cr	Q3FY07	Q3FY06	YoY (%)	Q2FY07	QoQ (%)
Net Sales	362.7	289.2	25.4	340.1	6.6
Total Expenditure	283.7	256.2	10.7	277.2	2.4
Operating Income	78.9	32.9	139.7	62.9	25.6
Other Income	4.1	0.6	546.9	1.6	162.0
PBIDT	83.1	33.6	147.4	64.5	28.9
Interest	41.4	41.8	-1.1	40.4	2.4
PBDT	41.7	-8.3	LP	24.0	73.6
Depreciation	100.7	120.7	-16.6	116.8	-13.8
Tax	0.2	0.2	33.3	0.1	33.3
RPAT	-59.2	-129.1	LL	-92.9	LL
Equity	1520.6	1519.9		1520.6	
EPS (Rs Ann.)	NEG	NEG		NEG	
Margins (%)					
OPM	21.8	11.4		18.5	
NPM	NEG	NEG		NEG	

RESEARCH REPORT
Punj Lloyd Ltd (PLL)
April 14, 2007
CMP: 167

BSE Code	532693
NSE Code	PUNJLLOYD

Key Data

Sensex	13384
52 week H/L (Rs.)	251/109
Mar month H/L (Rs.)	173/148
Market Cap (Rs cr)	4351.12
Avg. daily vol. (6m)	199507
Face Value	2

Source: Capitaline

Shareholding Pattern (%)

Promoters	53.92
Institution	32.54
Public & Others	13.54

Source: Capitaline

**One-Year Performance
(Rel. to Sensex)**


Source: Capitaline

Background and Business:

PLL, incorporated in 1988, is one of the largest engineering construction companies in India providing integrated design, engineering, procurement, construction and project management services for energy industry and infrastructure sector projects. Spread across the Middle East, the Caspian, the Asia Pacific, Africa and South Asia, PLL has successfully executed projects across the various geographies, in difficult terrain and extreme climatic conditions.

In the energy industry, PLL provides engineering construction services for onshore and offshore pipelines, gas gathering systems, tanks and terminals including cryogenic LNG and LPG storage terminals, process facilities including refineries and for power plant projects. In the infrastructure sector, the company has executed various civil infrastructure projects for highways, flyovers, bridges and elevated railroads. In addition, PLL also provides value added engineering services for energy industry and infrastructure projects as well as comprehensive plant and facility maintenance and management services.

PLL owns a large fleet of sophisticated construction equipment including pipelaying equipment, amphibious equipment for offshore work, automatic welding machines, horizontal directional drilling rigs, barges, swamp excavators, heavy construction equipment, concrete pavers, piling rigs, and transportation and camp equipment.

PLL had recently acquired Sembawang Engineers & Constructors (SEC) and Simon-Craves (SC), a 100% UK-based subsidiary of SEC.

SEC is the largest engineering and construction company in South East Asia, focusing on Civil Engineering, Process Engineering and Building businesses and has an experience in 35 countries, including China, India, Mexico, Middle East, Southeast Asia and the United Kingdom.

SC, a wholly owned subsidiary of SEC, provides a complete multi-functional design and management service to deliver the global capital programme requirements of key customers. Established over 100 years ago in Manchester, UK, SC initially carried out projects in the key industries of the time such as coal handling, flour milling and the expanding section of port and harbour development.

Operating Segments:**Pipeline**

PLL has laid in excess of 8,000 km of cross-country pipelines for hydrocarbons and water services. PLL's diverse experience has given the company the status of "All terrain specialists" as it has the resources, experience and expertise to provide EPC solutions for pipeline projects upto 56" dia in terrain ranging from hard rock to swamps, tropical rain forests to deserts, near-shore to offshore (upto depths of 30 m) and in temperatures from +45° C to -45° C.

Major Projects Executed

- ✓ The 333 km x2" dia to 24" dia, Large Bore Small Bore pipeline in Kazakhstan
- ✓ The 515 km (18" & 16" dia), Mundra-Delhi Pipeline Project
- ✓ Tambora Field Development Phase II, EPSC 2 for Pipeline Network, Indonesia
- ✓ 940 km ADCO Flow lines, Abu Dhabi
- ✓ The 332 km of 42" dia Baku-Tbilisi-Ceyhan pipeline project for Botas and British Petroleum
- ✓ The 506 km of 42" dia Dahej-Vijaipur pipeline for GAIL India, completed within 9 months

Tanks and Terminals

PLL has built more than six million m³ of storage capacity in its tankage and terminal construction business. Punj Lloyd's experience in tankage and terminals extends from the construction of cryogenic to floating and fixed roof storage tanks for oil, gas, and water, and EPC capabilities, including insulation in LNG Tanks. The company leverages its in-house project management and EPC capability to take on tank and terminal mega projects.

Major Projects Executed

- ✓ LNG Storage and Regasification Terminal, Dabhol
- ✓ Bulk Liquid Products Terminal, Singapore
- ✓ LNG Storage Tanks and Regasification Expansion at Petronet LNG Terminal, Dahej
- ✓ Low Temp LPG Storage Tank, Reliance Jamnagar Refinery
- ✓ Low Temperature LPG / Propylene Storage, Reliance Jamnagar Refinery
- ✓ Product Storage Tanks at Marine Tank Farm Area, Jamnagar
- ✓ Ravva Oil Field Development
- ✓ LNG Storage Tanks for LNG Terminal, Hazira

Process Plants

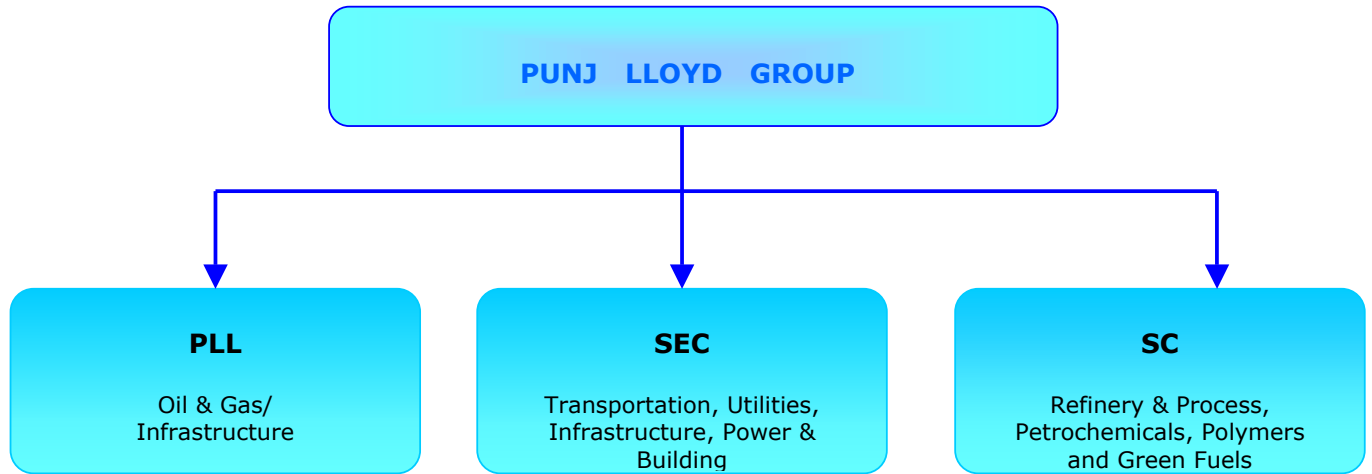
PLL has established itself as a major player in the process plant business as is evidenced by its endorsement at international levels by way of various high value projects. The company has available a whole array of planning, designing, engineering, and construction services to meet even the most exacting client requirements in turnkey and composite construction assignments. PLL's High Value Engineering Centre (HVEC) provides engineering and design services for Indian and international projects in the hydrocarbon and infrastructure industry. The division has years of extensive operational experience and has handled diverse projects in refinery process units, cross country pipelines, storage tanks and terminals, gas processing plants, offsite facilities and utility.

Power

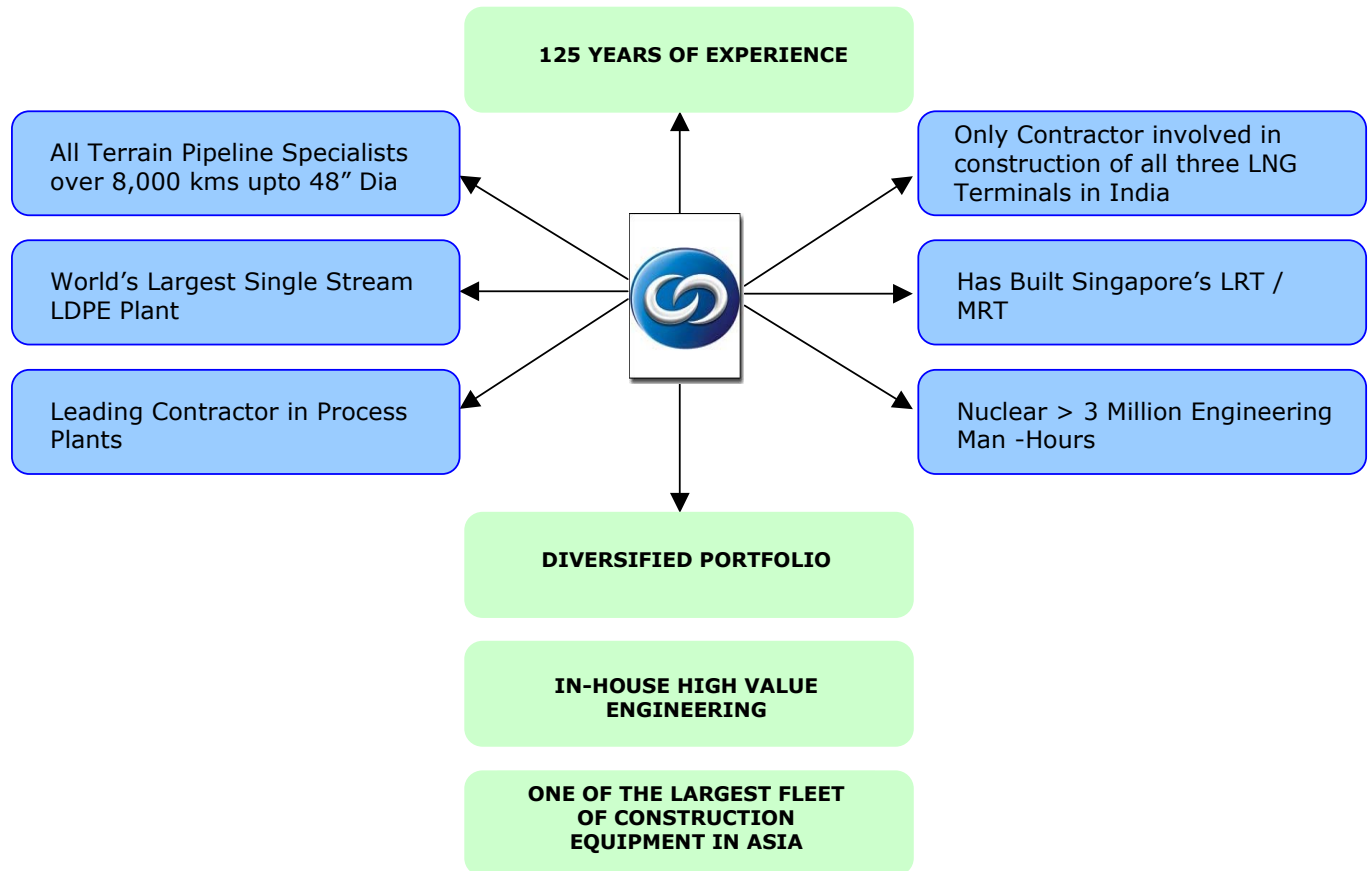
PLL provides EPC services for the complete civil construction and balance of power plant packages up to 500 megawatts. PLL is also considering forays into the construction of nuclear power plants and may tie-up with US and European companies for diversifying into nuclear power and deep-water ports.

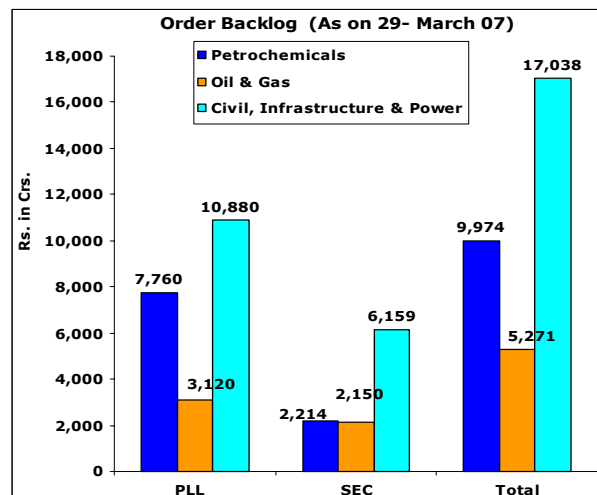
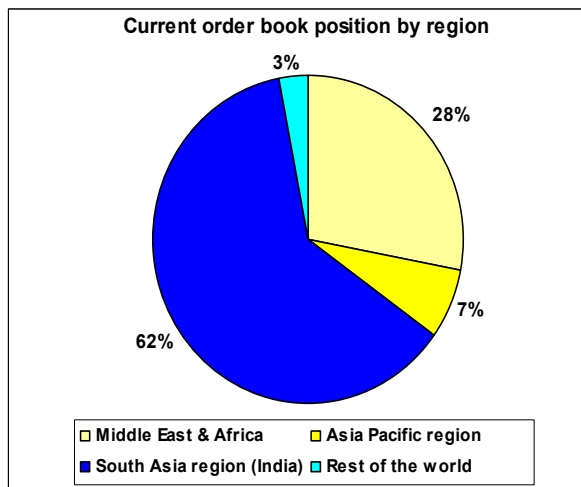
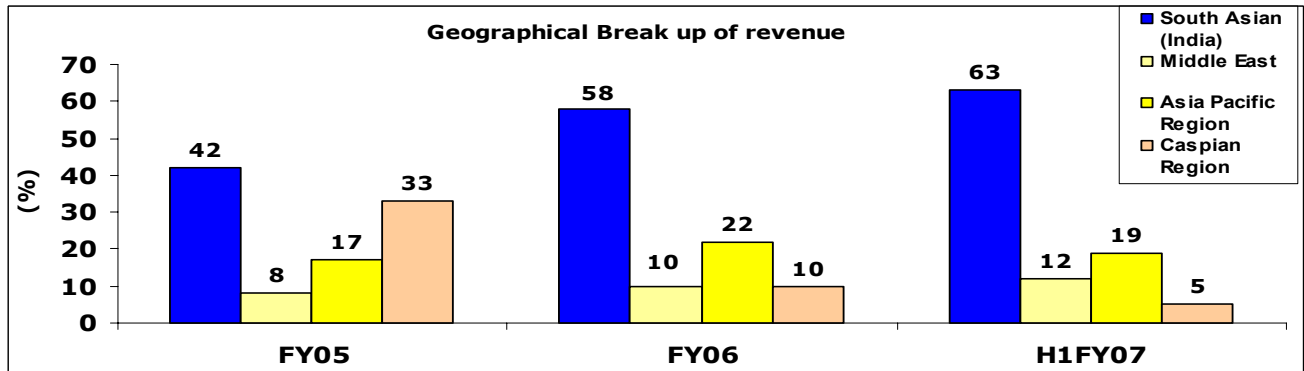
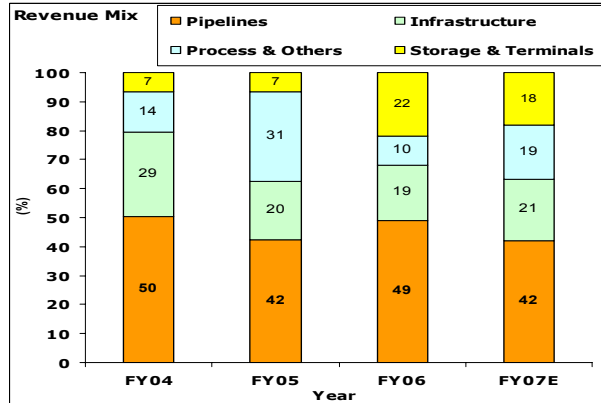
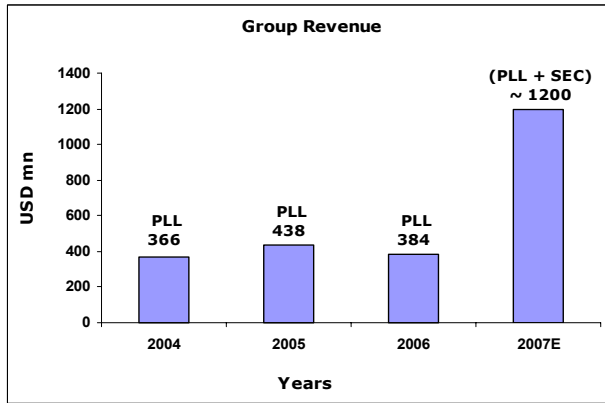
Highly Diversified Portfolio

OIL & GAS	Gas processing, Pipelines-onshore & offshore, refineries, tanks and terminals, infrastructure
PROCESS	Petrochemicals, Chemicals, Pharma, Biofuels
POWER	Thermal, gas, nuclear, renewable
UTILITIES INFRASTRUCTURE	Municipal, industrial
TRANSPORTATION	MRT/LRT, airport, highways, bridges, road and expressways, tunneling & underground caverns, jetties, piers, wharves
HI-SPEC BUILDINGS	Hotels, resorts, commercial complexes, industrial, health-care, mixed development.



ACHIEVEMENTS AND DIFFERENTIATORS



Revenues and Order Backlog


Industry Outlook

Refinery expansions and new discovery of oil and gas fields is expected to fuel increasing expenditure in pipeline project

Global Demand for Pipelines expected to remain buoyant

The Pipeline industry worldwide is showing tremendous growth owing to the expansion of refineries and the discovery of natural gas fields all over the world. Globally, pipeline projects worth 1.8 lakh km have been identified for the next 5-7 years, of which around 70,000 km is expected to come up from Middle East and Asia.

Country	Short Term		Medium Term		Long Term		Total	
	(Within 1 yr)		(Within 2-3 yrs)		(Within 4-7 yrs)			
	(In km)	(%)	(In km)	(%)	(In km)	(%)	(In km)	(%)
India	2,500	15	6,000	19	12,570	9	21,070	11
Middle East / Gulf	4,000	25	8,000	25	16,000	12	28,000	15
China	1,407	9	2,990	9	5,640	4	10,037	5
East / SE Asia	504	3	1,477	5	7,699	6	9,680	5
Asian Continent	60	0			1,663	1	1,723	1
(others)								
Sub - Total	8,471	52	18,467	58	43,572	32	70,510	37
Africa	1,455	9	3,530	11	5,500	4	10,485	6
Russia	1,180	7	3,070	10	8,500	6	12,750	7
East Europe / CIS	1,450	9	912	3	6,182	5	8,544	5
Europe	640	4	1,440	4	8,240	6	10,320	6
North America	2,555	16	3,035	10	30,711	23	36,301	20
South America	451	3	1,392	4	15,488	11	17,331	9
Australia					17,673	13	17,673	10
Sub - Total	7,731	48	13,379	42	92,294	68	113,404	63
Total	16,202	100	31,846	100	135,866	100	183,914	100

(Sources: Pipeline News, Pipeline & Gas Journal, Simdex, Meed, Market Burea Research)

Strong growth of the Indian economy and the infrastructure development offers tremendous potential for the pipe industry

The share of pipeline transportation in India is only 25% as against 59% in US and 75% in developed countries

Various Oil and Gas Conglomerates in India have announced investments of over US 30 billion in the Oil and Gas Sector

Major Discoveries

Year	Discovery	Operator
2000	Gas- Gulf of Cambay	Cairn
2001	Oil and gas Krishna Godavri deep waters	Cairn
2002	Gas KG Basin Deep waters	RIL
2003	Oil in Barmer-Sanchor basin (Rajasthan)	Cairn
2004	Gas in Mahanadi basin shallow waters	RIL
2005	Gas in KG Basin shallow waters	GSPC
2006	Oil in KG Basin shallow waters	RIL

The strong growth of the Indian economy and the infrastructure development gives tremendous potential for the pipe industry to grow in a major way. The network of oil and gas in India is at an early stage of development. India with its large expanse has only about 16,000 km of pipeline as compared to 1,70,000 km in France and 3,29,600 km in USA. The share of pipeline transportation in India is only 25% as against 59% in USA and 75% in developed countries revealing the wide gap that needs to be bridged in order to meet sustained energy demand of oil and gas through cross country pipelines. It is estimated that pipeline investments for natural gas transportation in India in the near future would be at USD 4.6-6 billion. In addition, gas recently found in the KG basin on the Eastern coast is expected to magnetize by 2008-2011, which provides tremendous opportunities for EPC contractors in the pipeline sector.

As per the estimates of The Ministry of Petroleum & Natural Gas (MOP&NG) various Oil and Gas Conglomerates have announced investments of USD 30 bn in the Oil and Gas sector, indicating strong domestic demand for pipes.

Sector	Proposed Projects	Investments (In bn USD)
Gas	GTICL (RIL) pipelines	1.56
Pipe Line	GAIL Pipelines	4.44
	Petronet at Dahej (Expansion)	0.2
	Petronet at Kochi	0.35
LNG	Shell at Hazira	0.2
	Dabhol (Commissioning)	0.2
	Manglore LNG	1
	Downstream Projects by PSU's	9.78
	Downstream Projects by Private Sector Up Stream	4.89
	RIL at KG Basin (Development)	2.5
	Upstream Exploration (Private)	4
	Total	29.12

(Source: MoPNG, Industry Sources & www.ibef.org)

Investment Concerns:

- Any slowdown in future order intake or delays in implementation of the existing backlog of orders would significantly affect the topline and bottomline growth.
- PLL's inability to synergise the businesses of SEC and SC would burden its profitability margins.
- The ongoing boom in the infrastructure and construction segment has resulted in severe shortage of skilled manpower. The rising employee cost and PLL's inability to hire skilled engineers at the critical phases of project execution is likely to impact the topline and dent margins.

Valuation:

PLL is the second largest domestic EPC contractor competing in a majority of the verticals in the infrastructure space. Post the acquisition of SEC and SC, PLL is expected to garner a significant share of the high value projects and access to niche projects in the petrochemicals space as the group now becomes eligible for a higher pre-qualification status. The recent award of the prestigious Rs 1,300 Cr ONGC order to PLL is a testimony to the exciting times ahead for the company as it had broken the exclusive monopoly of L&T in the engineering technology off-sharing vertical.

PLL operates in over 14 countries across various geographies and the company receives over 40% of its business from overseas projects which greatly minimizes the risks associated with a slowdown on infrastructure spending in India.

The current consolidated order backlog of over Rs 17,000 Cr is approximately 3.5x the expected FY2007 consolidated sales. Going forward, we expect PLL to gain a significant share of the ongoing industrial and infrastructure capex cycle resulting in substantial topline growth and margin expansion. Considering the future growth potential in PLL's revenues and profitability, we recommend a buy on the scrip.

Financial Snapshot
Quarterly Performance

Rs Cr	Q3 FY07	Q3 FY06	YoY (%)	Q2 FY07	QoQ (%)
Net Sales	650.7	417.8	55.7	401.9	61.9
Total Expenditure	602.0	370.3	62.6	373.1	61.4
Operating Profit	48.7	47.6	2.4	28.8	69.2
Interest	20.2	10.6	89.9	14.0	44.4
PBDT	47.3	44.2	6.8	22.6	109.4
Depreciation	23.7	15.2	56.0	20.1	17.9
Tax	4.5	10.1	-55.6	1.7	171.1
RPAT	19.0	18.9	0.7	0.8	2,310.1
Equity	52.2	52.2		52.2	
EPS	0.7	0.7		0.03	
Margins (%)					
OPM	7.5	11.4		7.2	
NPM	2.9	4.5		0.2	

Annual Performance

Rs Cr	FY06	FY05	Var (%)
Net Sales	1368.2	1429.4	-4.3
Other Income	34.8	63.0	-44.7
Total Income	1403.0	1492.4	-6.0
Total Expenditure	1240.8	1335.3	-7.1
Operating Profit	127.5	94.1	35.5
PBIDT	162.3	157.1	3.3
Interest	46.8	73.8	-36.6
PBDT	115.5	83.3	38.7
Depreciation	59.2	71.8	-17.5
Tax	21.1	3.4	531.0
PAT	35.2	8.1	331.8
Equity	52.2	24.3	
EPS	3.4	1.7	
Margins (%)			
OPM	9.3	6.6	
NPM	2.6	0.6	

This document has been prepared by Anagram Stock broking Ltd. (Anagram), for use by the recipient only and not for circulation. The information and opinions contained in the document have been compiled from sources believed to be reliable. Anagram does not warrant its accuracy, completeness and correctness. This document is not, and should not be construed as, an offer to sell or solicitation to buy any securities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from us. Anagram and the analyst(s), including his dependant family members may have an interest in the securities recommended above. To unsubscribe, send a mail to unsubscribechinta@gmail.com

RATING INTERPRETATION

Buy Expected to appreciate more than 20% over a 12-month period
Accumulate Expected to appreciate up to 20% over a 12-month period
Hold Expected to remain in a narrow range
Avoid Expected to depreciate up to 10% over a 12-month period
Exit Expected to depreciate more than 10% over a 12-month period

Copyright in this document vests exclusively with Anagram Stock broking Limited