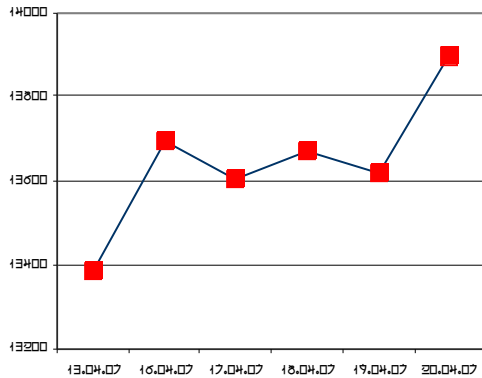
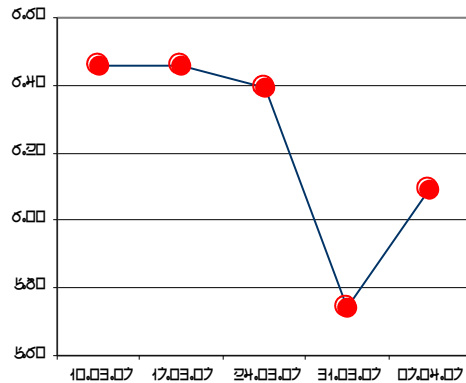
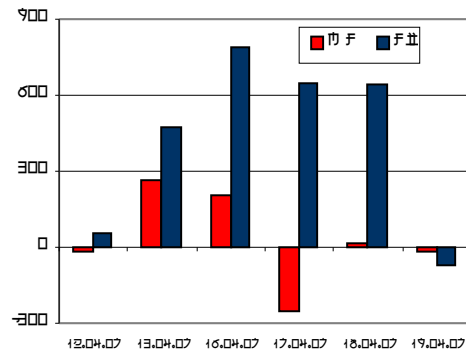
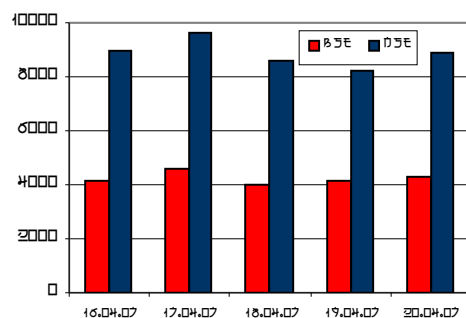


SENSEX

INFLATION (%)

MF/FII-Net Equity Flow (Rs Cr)

BSE/NSE Cash Turnover (Rs Cr)

IT GUIDES SENTIMENT, YET COMES A CROPPER

The week saw our markets continue with the momentum and our benchmark indices rose by another 4% to close on an emphatic note. Oil & Gas sector led the rally gaining over 7% on weekly basis, while IT was the lone loser, despite some good sets of numbers from IT giants. Auto sector was another gross underperformer.

FII's have been pumping in the moolah since last two weeks aiding the relentless up-move. They have been net buyers to the tune of over a billion dollars in this period. However, there is likely to be a general air of caution in the coming week, as the current month derivatives expiry beckons.

Economy News

The WPI-based annual rate of inflation for the week ended April 7 again raised its ugly head above the dreaded 6% mark to reach 6.09% against expectations of 5.79% and against 5.74% a week back. This rise came as a result of a sharp rise in prices of vegetables and other essential commodities.

Corporate News

TCS has clinched a US\$ 100 mn deal spread over five years from Bank of China to provide IT solutions.

IVRCL Infrastructure is in talks with two companies, one local and one outside India in the Oil exploration sector for acquisition. The company wishes to bid for the NELP VII projects if the acquisition plans go through in time.

ACC has entered into a share subscription agreement with **Shiva Cement** in which it has agreed to subscribe to preferential allotment of 1.45 Cr equity shares of SCL aggregating to Rs 15.95 Cr and would subscribe to preferential allotment of 2.27 Cr warrants of SCL with an option to convert them into corresponding number of equity shares within 18 months of the date of allotment.

The **SBI (Subsidiary Bank Laws) Amendment Bill** was given the thumb-up by the Cabinet. The Bill seeks to enhance the flexibility and powers of bank boards and improve corporate governance.

Reliance Capital has made an Open Offer to the shareholders of **TV Today** at a price of Rs 130.50 per share to acquire 20% additional stake into the company. The former already owns 14% stake in the latter including the stake it has through Reliance Capital Trustee.

MARKET INDICATORS

Indices	20.04.07	13.04.07	Change (Pts)	% Change
NIFTY	4083.55	3917.35	166.20	4.24
SENSEX	13897.41	13384.08	513.33	3.84
BSEMIDCAP	5699.08	5576.50	122.58	2.20
BSESMLCAP	6974.37	6756.46	217.91	3.23
BSE-100	7005.99	6762.04	243.95	3.61
BSE-200	1655.20	1599.62	55.58	3.47
BSE-500	5271.95	5098.80	173.15	3.40

SECTORAL INDICES

Indices	20.04.07	13.04.07	Change (Pts)	% Change
BSE OIL&GAS	7052.08	6565.45	486.63	7.41
BSE METAL	9702.28	9303.65	398.63	4.28
BSE PSU	6352.88	6098.85	254.03	4.17
BSE BANKEX	6914.37	6639.84	274.53	4.13
BSE CAPITAL GOODS	9797.90	9470.97	326.93	3.45
BSE HEALTH CARE	3792.99	3686.61	106.38	2.89
BSE TECK	3722.49	3638.14	84.35	2.32
BSE FMCG	1811.71	1773.96	37.75	2.13
BSE CONS. DURABLES	3830.13	3782.58	47.55	1.26
BSE AUTO	4831.34	4818.16	13.18	0.27
BSE IT	5055.09	5071.72	-16.63	-0.33

WEEKLY SENSEX GAINERS & LOSERS

Top Gainers		
Company	Price	Gain %
RELIANCE	1541.25	9.26
REL. COMM.	456.40	8.28
BHARTI	845.55	8.25
SBI	1074.60	7.54
AMBUJA CEM.	115.45	6.36

Top Losers		
Company	Price	Loss %
INFOSYS	2055.25	-1.55
SATYAM	476.20	-1.11
HLL	205.50	-0.80
TCS	1255.85	-0.54
TATA MOTORS	722.95	-0.37

WEEKLY A GROUP GAINERS & LOSERS

Top Gainers		
Company	Price	Gain %
GTL	168.20	21.05
TTML	26.10	19.72
STERLING BIO.	171.10	19.03
MAX INDIA	226.10	15.30
BASF INDIA	221.85	15.19

Top Losers		
Company	Price	Loss %
BF UTILITIES	1781.60	-18.65
BAJAJ HIND.	170.65	-14.85
CESC	369.05	-7.37
SIEMENS	1068.60	-6.50
MARICO	56.70	-5.81

ADVANCE-DECLINE

SENSEX	
Positive	24
Negative	6
Unchanged	0
Total	30

A GROUP COMPANIES	
Positive	144
Negative	62
Unchanged	1
Total	208

WORLD INDICES

BOVESPA	49408.18	47926.23	3.09
SHANGHAI	3584.20	3518.27	1.87

MARKETS AT A GLANCE
Indian Markets

Indices	As on 20.04.07	As on 13.04.07	% Change
SENSEX	13897.41	13384.08	3.84
NIFTY	4083.55	3917.35	4.24

US Markets

Indices	As on 21.04.07	As on 14.04.07	% Change
Dow Jones	12961.98	12612.13	2.77
NASDAQ	2526.39	2491.94	1.38

BSE 200

Scripts	CMP (Rs)	Weekly % Chg
GAINERS		
GTL	168.20	21.05
TTML	26.10	19.72
STERLING BIO.	171.10	19.03
MAX INDIA	226.10	15.30
SKF INDIA	363.90	13.86
LOSERS		
BF UTILITIES	1781.60	-18.65
BAJAJ HIND.	170.65	-14.85
CESC	369.05	-7.37
SIEMENS	1068.60	-6.50
MARICO	56.70	-5.81

US Listings

Scripts	Close (\$)	Weekly % Chg
NYSE		
DR REDDY	16.93	1.56
HDFC BANK	70.16	1.98
ICICI BANK	42.95	5.79
MTNL	7.70	6.06
PATNI	25.19	4.13
SATYAM	25.70	4.47
TATA MOTOR	17.54	1.80
VSNL	20.65	1.92
WIPRO	16.78	1.27
NASDAQ		
INFOSYS	54.25	-1.29

Institutional Activity (Rs Cr)

	For the week	For the month	For the year
Mutual Funds	209.20	-74.90	-3370.60
FIIs	2479.20	3530.20	7258.05

DERIVATIVES WATCH

Weekly Summary

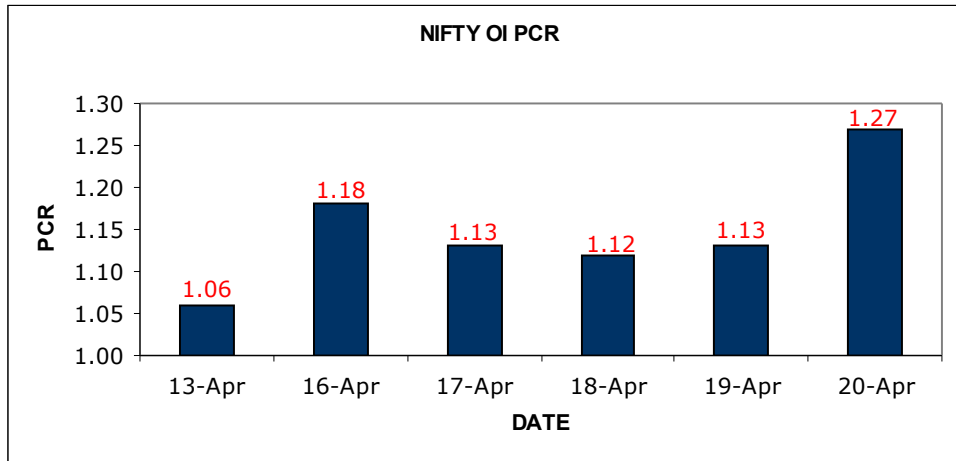
Overall Open Interest increased by 14% from Rs 51,985 Cr to Rs 59,170 Cr. In terms of number of shares, the Open Interest went up by 7% to 123.5 Cr shares from 116.2 Cr shares on weekly basis. However the positive surprise is that though we had started the April series on a subdued note with total OI of only Rs 35,000 Cr, with four days still remaining before April expiry we have already reached OI of around Rs 59,000 Cr, well in sight of the all time high OI of approx. Rs 63,500 Cr. This indicates the enhanced confidence of the market players that was clearly missing at the start of the April series. Nifty Open Interest PCR moved up to 1.27 level to reach at its highest since February 26, from a level of 1.06 on weekly basis. This recovery in PCR indicates Put writing at lower levels as market players are expecting limited downside in the market. Nifty Futures discount has reduced to 6 points to reach at the lowest discount in the April series, from a discount of 20 points. FIIs have net bought Index Futures worth Rs 2,618 Cr while their Open Interest has gone up by nearly 1 lakh contracts indicating accumulation of long positions by them. Recovery in PCR, decrease in discount to the lowest level in April series, buying of FIIs in Index Futures and selective build up of fresh long positions point towards improved sentiment for the market going into the next week.

Nifty 4050 & 4100 Calls added 7,402 and 12,145 contracts in the Open Interest respectively on a weekly basis. So going forward, the market may face strong resistance in the region of 4,130-4,180 levels. On the other hand, Nifty 3950 & 4000 Puts added 24,655 and 31,561 contracts with reduction in IVs indicating Put writing. So, on the down side, the market may find strong support in the region of 3,930-4,000 levels.

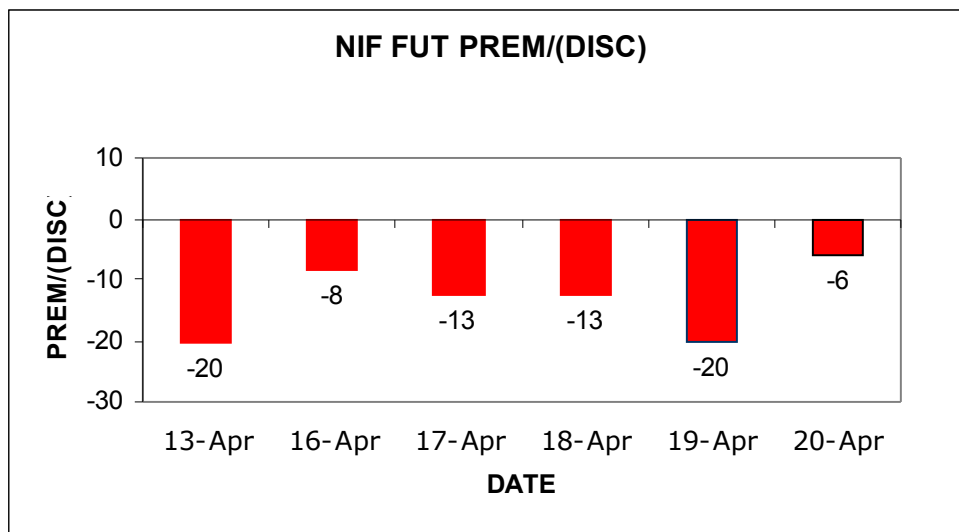
Daily Summary

Open Interest increased by Rs 850 Cr or 1.5% at Rs 59,169 Cr. Open Interest in terms of number of shares went up by 0.4% from 123.1 Cr to 123.5 Cr shares. Nifty Futures lost 1% Open Interest while Nifty Futures discount narrowed to 6 points from 20 points. FIIs net bought worth Rs 1,211.7 Cr in Index Futures and net bought Stock Futures worth Rs 14.2 Cr. Nifty OI PCR increased further to 1.27 level from 1.13 level. This recovery in PCR from an April month low of 0.82 to 1.27 level clearly indicates Put writing as market players expect limited downside in the market. Nifty 4100 Call added 3,198 contracts in OI While Nifty 4000 and 4050 Puts added 9,051 and 6,085 contracts in OI respectively. Building up of some fresh long positions has been seen in Metal and Media sectors, and stock specific build up is being witnessed in rest of the sectors.

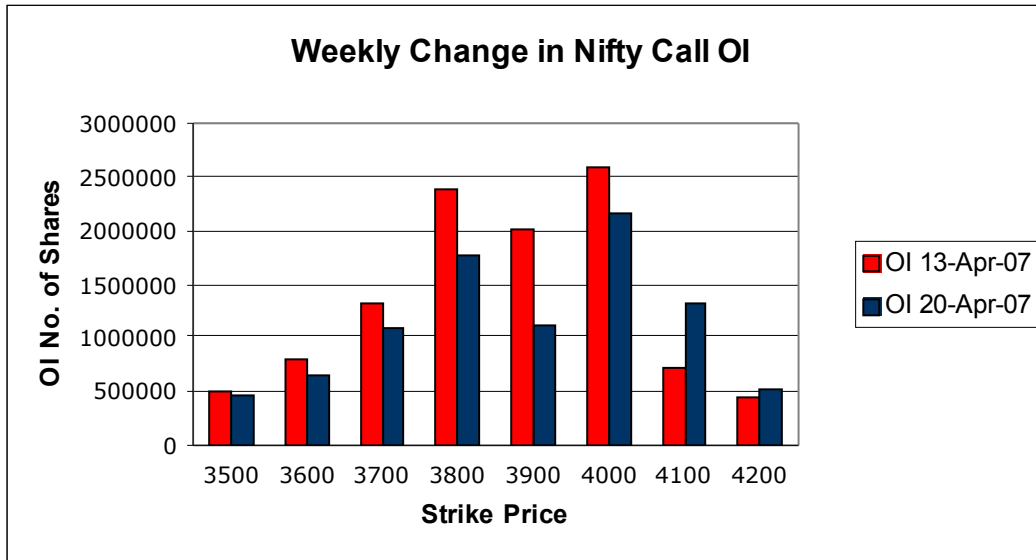
PCR at Highest Level in April Series



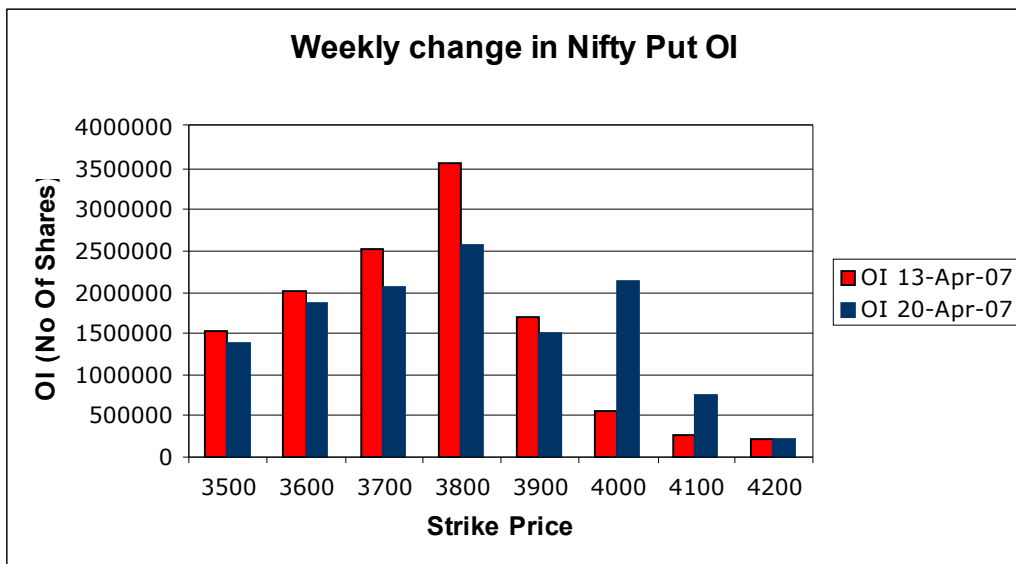
Nifty Futures Discount at the Lowest Level in April Series



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	4.24	18	15703	6963	8858	31524	1.27
RELIANCE	9.17	30	1337	318	164	1819	0.52
INFOSYSTCH	-1.52	0	811	258	137	1206	0.53
TATASTEEL	4.33	23	692	181	144	1017	0.79
SBIN	7.62	5	762	48	29	839	0.61
BHARTI	8.20	3	808	14	4	826	0.26

FII Activity for the Week (from April 16 to April 20)

	Contracts Bought		Contracts Sold		Open Interest	
	Nos.	Value (Rs Cr)	Nos.	Value (Rs Cr)	Contracts Nos.	Value (Rs Cr)
Index Future	454438	9106	324680	6488	836658	17071
Index Option	148175	2922	82390	1598	426345	8705
Stock Future	173676	4622	190203	5021	647854	17325
Stock Option	595	13	511	15	4037	93

TOP GAINERS & LOSERS OPEN INTEREST WISE
TOP GAINERS

Company	OI Chg %	Price %	OI Rs Cr
BAJAJ HIND	135	-14.81	94
SIEMENS	119	-6.81	307
INDIAN BANK	104	3.53	22
BEML	80	-2.85	61
LUPIN	76	7.56	112

TOP LOSERS

Company	OI Chg %	Price %	OI Rs Cr
SYNDIBANK	-33	10.64	45
IPCL	-23	8.84	90
VSNL	-18	3.84	67
SUNPHARMA	-16	7.68	190
CANBK	-16	4.33	48

TOP GAINERS & LOSERS PRICE WISE
TOP GAINERS

Company	OI Chg %	Price %	OI Rs Cr
GTL	50	20.91	151
TTML	38	19.45	170
ULTRATECH	17	12.44	49
PUNJ LLOYD	7	11.44	163
IDEA	8	11.35	208

TOP LOSERS

Company	OI Chg %	Price %	OI Rs Cr
BAJAJ HIND	135	-14.81	94
CESC	13	-7.26	117
SIEMENS	119	-6.81	307
NAGAR CONS	25	-6.10	33
BALRAMCHIN	67	-5.12	103

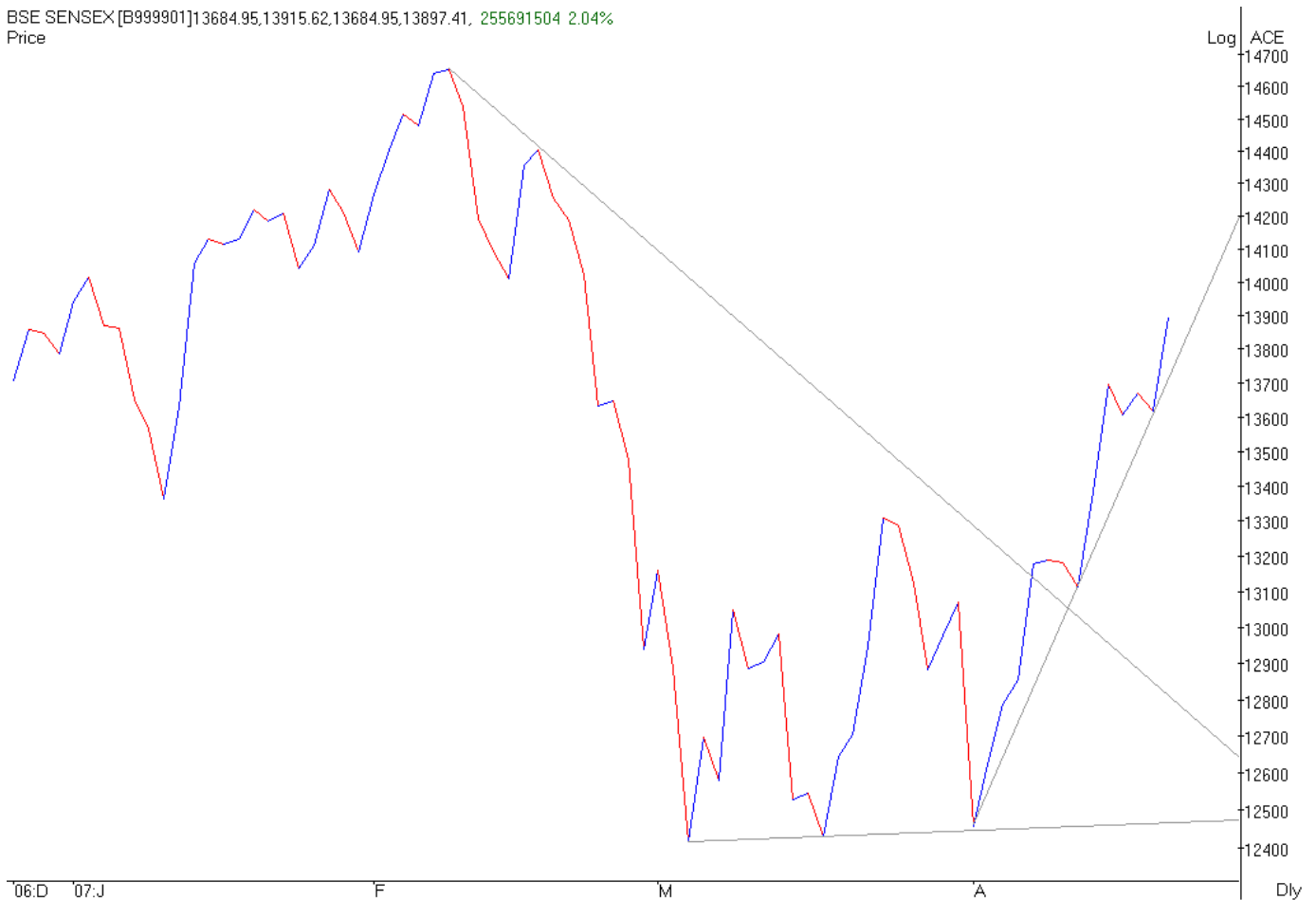
April 21, 2007

TECHNICAL TALK

Both the benchmark indices have shown strength by recovering from every decline and by crossing all resistances arising from gap formation on daily charts, which was described earlier in our weekly reports. Technically, the market looks in a strong up-trend, with most of the technical oscillators supporting it nicely. The other important observation is that both the indices are moving in the trend as they have followed every trend line on the closing basis drawn in the below line chart of Sensex.

	Resistance 1	Resistance 2	Support 1	Support 2
BSE SENSEX	14060-14100	14475-14500	13660-13685	12425-13475
NSE NIFTY	4128-4140	4180-4200	4028-4035	3970-3976

Sensex Daily Chart



STOCK	RECOMMENDATION	CMP	STOP LOSS (Rs)	TARGETS (Rs)		
ADITYA BIRLA NUVO	BUY	1132.05	1093	1225		
STOCK	RECOMMENDATION	PRICE 14.04.07	STOP LOSS	TARGET	REVIEW	RETURN (%)
ASHOK LEYLAND	BUY	37.75	36.55	39.70, 41.60	HOLD	~
LARSEN & TOUBRO	BUY	1611.65	1570	1699	EXITED AT 1660	3.0
TECH MAHINDRA	BUY	1493.70	1429	1590, 1678	EXITED AT 1475	(1.3)

Technical Picks for the Forthcoming Week

Review of Stocks Recommended Last Week

Return of Technical Picks since 03 Feb 2006

Success (%)	Avg. Return of Successful Calls (%)	Avg. Return of Unsuccessful Calls (%)	Overall Avg. Return (%)
65	6.8	-3.5	3.2

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.

POLARIS (CMP 202.45) BUY

Expect a continuation of the upward trend in the counter above the support level of 191. The stock will make further gains on the upside till the level of 216. It has a medium term upside target of 225.

ADITYA BIRLA NUVO (CMP 1132.05)
BUY

 ABIRLANUVO [N1567] 1120.00, 1139.90, 1100.10, 1134.60, 77641 3.11%
 Price Avg2(E,5,E,34)

Crossover!!!

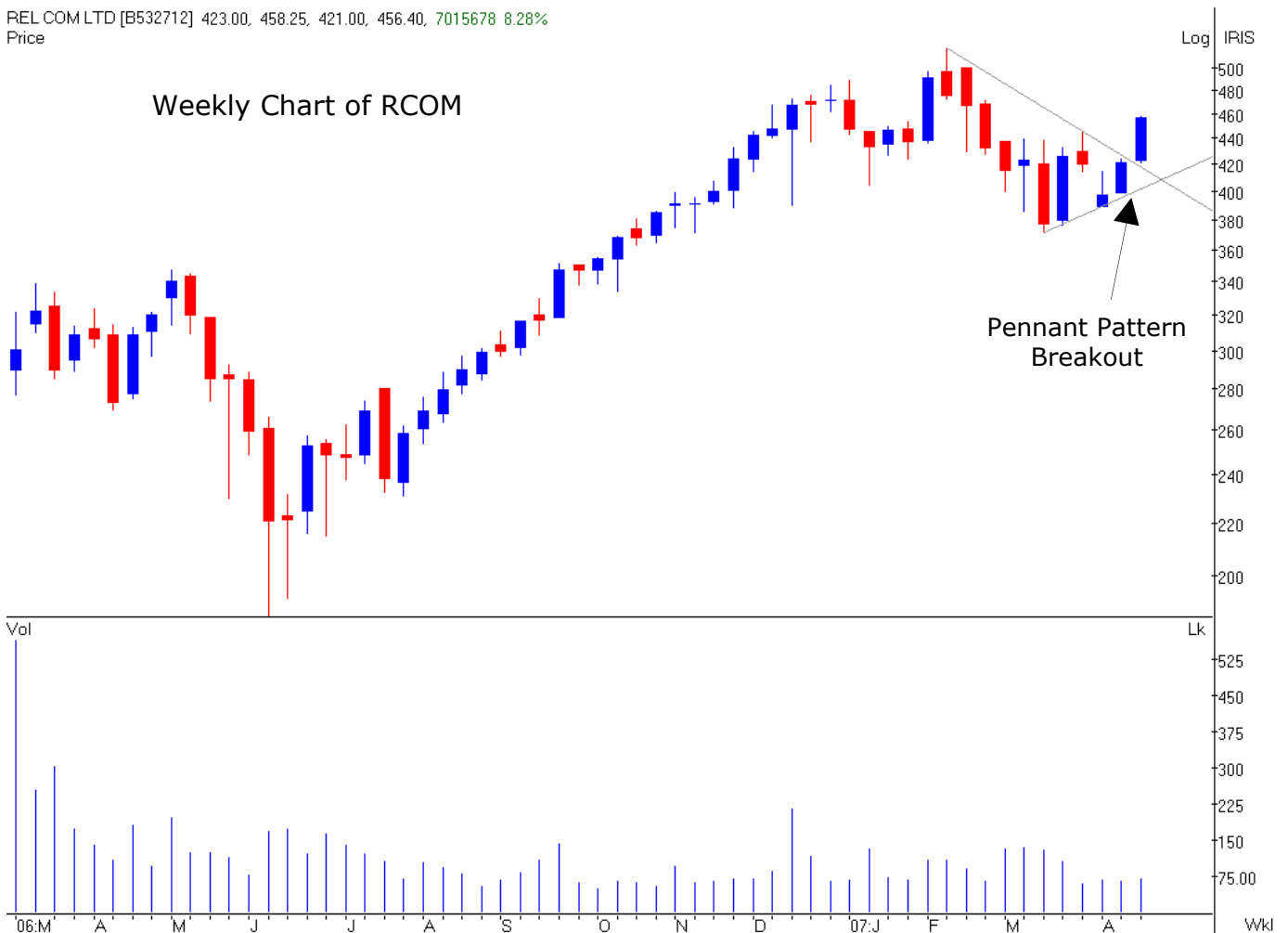
The stock is strengthening on its daily as well as weekly chart as it has closed above the high of around last 5 weeks. 5 Days Exponential moving average has crossed over 34 days exponential moving average on daily charts, which shows that short-term trend is strengthening. Momentum Oscillator MACD has crossed zero line upwards, which indicates the bullishness in the counter.

We recommend buying the stock for position trading at current market price for the target of 1225, keeping a stop loss of 1093.

RELIANCE COMMUNICATION (CMP 456.40)
BUY

 REL COM LTD [B532712] 423.00, 458.25, 421.00, 456.40, 7015678 8.28%
 Price

Weekly Chart of RCOM


Pennant Breakout!!!

The stock has seems to changed its gear as it has risen 5% with very good volumes on Friday. On the weekly chart, the counter has given upside breakout from pennant pattern, which shows the sign of bullishness in the stock.

We recommend buying the stock for position trading at current market price for the targets of 483 and 499, keeping a stop loss of 437.

Support-Resistance Levels for the Forthcoming Week (23rd Apr to 27th Apr)

	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
3I INFOTECH	266.55	266.80	277.50	288.40	255.90	245.20
ACC	791.95	790.60	831.10	870.30	751.40	710.90
ABAN OFFSHORE	2320.85	2304.50	2378.90	2436.90	2246.50	2172.10
ABB	3854.55	3784.20	3945.40	4036.20	3693.40	3532.20
ALLAHABAD BANK	75.75	75.30	77.60	79.40	73.50	71.30
ANDHRA BANK	82.55	81.70	87.30	92.10	76.90	71.30
APTECH	304.90	295.00	328.90	352.90	271.00	237.00
ASHOK LEYLAND	37.50	37.20	38.80	40.00	36.00	34.40
BAJAJ AUTO	2439.55	2475.70	2537.90	2636.20	2377.40	2315.30
BAJAJ HIND.	170.85	180.50	193.90	217.00	157.40	144.00
BALRAMPUR CH.	64.80	66.00	68.80	72.80	62.00	59.20
BANK OF BARODA	230.35	230.70	241.40	252.50	219.60	208.90
BANK OF INDIA	188.00	187.30	193.70	199.30	181.70	175.30
BEML	970.85	966.00	1029.80	1088.70	907.10	843.40
BEL	1717.65	1721.00	1791.60	1865.60	1647.00	1576.40
BHARAT FORGE	321.80	320.70	329.10	336.30	313.50	305.10
BPCL	323.50	324.50	338.00	352.50	310.00	296.60
BHARTI AIRTEL	845.65	825.80	868.60	891.60	802.90	760.10
BHEL	2537.55	2536.30	2595.30	2653.00	2478.50	2419.50
CANARA BANK	204.65	203.80	211.50	218.30	197.00	189.30
CENTURY TEXT.	567.10	565.00	583.10	599.00	549.10	531.00
CESC	369.35	381.70	397.60	425.90	353.40	337.50
CIPLA	235.45	233.10	239.20	243.00	229.30	223.20
COLGATE PALM.	344.75	349.30	355.50	366.30	338.50	332.30
CUMMINS INDIA	279.60	284.40	292.70	305.70	271.40	263.10
DABUR INDIA	97.10	97.20	101.80	106.60	92.40	87.80
DIVIS LABS.	3471.40	3459.10	3521.30	3571.10	3409.30	3347.10
DR. REDDY'S	715.25	714.40	724.80	734.40	704.80	694.40
ESCORTS	126.85	124.80	131.50	136.20	120.20	113.50
ESSAR OIL	55.05	55.00	57.50	60.00	52.60	50.10
FEDERAL BANK	240.05	240.10	246.00	251.90	234.10	228.20
GAIL	294.75	290.50	301.70	308.70	283.50	272.30
GDL	170.75	169.90	173.90	177.00	166.80	162.90
GMR INFRA.	392.70	385.20	403.40	414.20	374.50	356.30
GRASIM INDS.	2395.00	2367.30	2449.70	2504.30	2312.70	2230.30
GUJ. AMBUJA	115.50	113.60	118.60	121.80	110.50	105.50
HCC	95.95	97.40	100.50	105.10	92.80	89.70
HCL TECH.	335.25	323.80	350.50	365.80	308.50	281.80
HDFC BANK	994.60	987.90	1015.70	1036.80	966.80	939.00
HERO HONDA	650.25	645.80	666.50	682.80	629.50	608.80
HIND. LEVER	205.35	208.40	212.80	220.20	201.00	196.60
HPCL	259.55	258.70	270.30	281.10	247.90	236.20
HINDALCO	147.10	145.50	149.60	152.10	143.00	138.90
HDFC	1650.55	1623.80	1696.60	1742.70	1577.70	1504.90
ICICI BANK	916.70	904.30	933.40	950.10	887.60	858.40
IDBI	85.45	84.60	89.00	92.50	81.10	76.80
IDFC	97.80	96.10	100.70	103.70	93.10	88.50
INDIA CEMENT	170.65	169.40	177.80	184.90	162.30	153.90
INDIABULLS FIN.	487.45	489.70	532.70	578.00	444.40	401.40
IOC	410.70	408.90	423.80	436.90	395.80	380.90
IFCI	37.95	36.00	40.90	43.90	33.00	28.10
INFOSYS TECH.	2055.10	2078.80	2132.30	2209.50	2001.60	1948.00
IPCL	304.70	296.90	312.90	321.00	288.80	272.80

	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
ITC	160.40	159.10	163.40	166.50	156.10	151.80
IVRCL INFRA.	282.65	284.40	291.70	300.80	275.30	267.90
JET AIRWAYS	687.10	664.90	719.90	752.60	632.20	577.20
JINDAL STAINLESS	140.25	135.60	146.70	153.20	129.10	118.00
JSW STEEL	592.50	584.50	614.00	635.50	563.00	533.50
LIC HOUSING FIN.	143.85	144.00	145.80	147.80	142.00	140.10
LANCO INFRA.	145.80	148.20	156.00	166.10	138.10	130.30
LARSEN & TOUBRO	1697.90	1653.00	1744.80	1791.70	1606.10	1514.30
M&M	743.70	747.20	766.50	789.20	724.50	705.20
MTNL	164.35	162.10	167.80	171.30	158.60	152.80
MARUTI UDYOG	778.60	772.10	798.30	817.90	752.50	726.30
MATRIX LABS.	193.10	188.60	199.90	206.60	181.80	170.50
MOSER BAER	332.55	334.50	349.00	365.50	318.00	303.50
MPHASIS	319.00	308.00	336.00	353.00	291.00	263.00
NAGAR. CONST.	163.80	169.00	174.90	185.90	157.90	152.00
NALCO	243.20	240.60	248.60	254.00	235.20	227.10
NDTV	349.15	338.80	362.30	375.40	325.60	302.10
NEYVELI LIGNITE	57.35	56.70	58.90	60.40	55.10	52.90
NIIT TECH.	465.15	461.60	481.20	497.30	445.50	425.90
NTPC	160.05	155.30	168.50	177.00	146.90	133.70
ONGC	921.55	907.20	939.40	957.20	889.40	857.20
ORCHID CHEM.	268.30	271.40	280.70	293.10	259.00	249.60
OBC	193.25	193.30	200.40	207.50	186.20	179.10
PARSVNATH	303.65	300.00	317.00	330.40	286.60	269.60
PNB	480.70	476.20	496.50	512.20	460.50	440.20
POLARIS SOFT.	202.75	196.60	210.10	217.40	189.20	175.70
PRAJ INDS.	474.70	454.30	507.40	540.20	421.50	368.40
PUNJ LLOYD	185.60	183.30	198.30	211.00	170.60	155.70
RANBAXY LABS.	343.75	339.60	349.20	354.60	334.20	324.60
REL. COMM.	456.80	439.30	475.90	495.10	420.20	383.60
REL. ENERGY	511.35	509.70	518.40	525.40	502.70	494.00
REL. CAPITAL	719.75	709.50	733.30	746.90	695.90	672.10
RELIANCE	1541.45	1501.20	1585.20	1629.00	1457.50	1373.50
ROLTA INDIA	370.90	363.80	380.60	390.30	354.10	337.30
SATYAM COMP.	476.35	472.00	500.50	524.70	447.80	419.30
SESA GOA	1752.30	1731.00	1808.40	1864.40	1674.90	1597.50
SIEMENS	1068.45	1090.20	1146.30	1224.10	1012.30	956.20
SOBHA DEV.	819.45	823.20	846.30	873.20	796.30	773.20
SRF	148.60	148.10	156.20	163.70	140.50	132.40
SBI	1073.95	1051.70	1106.30	1138.60	1019.30	964.70
SAIL	134.20	131.10	139.50	144.70	125.80	117.40
STERLITE INDS.	523.55	531.40	577.70	631.90	477.20	430.80
SUN PHARMA.	1182.45	1154.90	1227.60	1272.80	1109.70	1037.00
SUZLON	1190.35	1171.20	1238.90	1287.40	1122.70	1055.00
TATA CHEM.	213.25	213.40	221.80	230.40	204.80	196.40
TATA POWER	545.80	539.70	567.50	589.10	518.10	490.30
TATA MOTORS	722.90	729.50	754.90	786.80	697.60	672.20
TATA STEEL	533.35	512.80	561.60	589.80	484.60	435.80
TCS	1257.65	1259.30	1313.40	1369.20	1203.50	1149.40
TECH MAHINDRA	1520.00	1495.10	1580.20	1640.40	1434.90	1349.80
TITAN INDS.	1010.75	1002.90	1050.80	1090.80	962.90	915.00
TV TODAY	143.40	144.20	153.40	163.50	134.20	125.00
UTI BANK	466.25	467.00	477.70	489.10	455.50	444.80
VSNL	437.25	435.40	447.80	458.40	424.80	412.40
WIPRO	571.25	579.10	597.00	622.70	553.30	535.40
ZEE ENTER.	267.25	269.30	280.60	293.90	256.00	244.70

Stocks Covered This Week

Company	Price (Rs) 20.04.07	Report Type	Recommendation
ACC LTD.	791	RESULT REVIEW	~
AMBUJA CEMENTS LTD.	115	RESULT REVIEW	~
GEMINI COMMUNICATION LTD.	419	RESEARCH REPORT	BUY

Review of Stocks Covered 3 Months Back

Company	Price (Rs) 20.04.07	Recommendation	Reco. Price (Rs) 20.01.07	Return (%)
SENSEX	13897		14183	(2)
AURIONPRO SOLUTIONS LTD.	325	ACCUMULATE	231	41

ACC
Q1CY07 RESULT UPDATE
CMP: 791
Not Rated

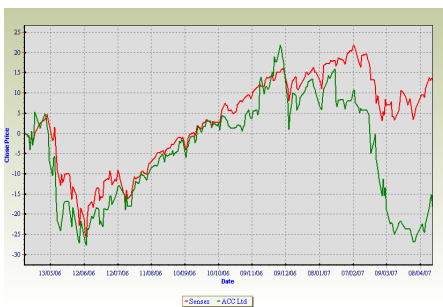
BSE Code	500410
NSE Code	ACC

Key Data

Sensex	13897
52 week H/L (Rs)	1192 / 625
Mar month H/L (Rs)	912 / 708
Market Cap (Rs Cr)	14837
Avg. daily vol. (6m)	339868
Face Value	10

Shareholding Pattern (%)

	38.0
FII	20.1
Institution	18.9
Public & Others	18.4
Non-Promoter Corp.	4.5

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


Source: Capitaline

Impressive Performance

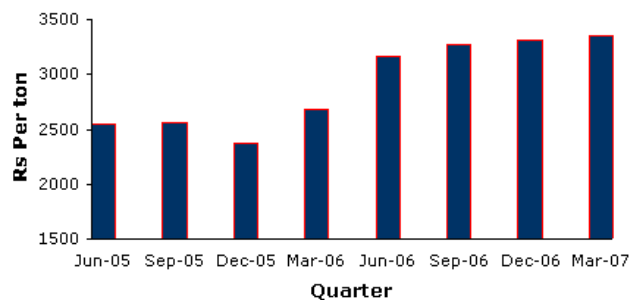
- Net Sales up 23.7% YoY to Rs 1,635 Cr.
- Operating Profit up 61% YoY to Rs 507 Cr.
- Net Profit up 48% YoY to Rs 349 Cr.

The company came out with impressive numbers for the first quarter of CY07. Higher realisations contributed to better operating margins, while lower depreciation led to higher net profit margins on sequential basis. The company's EBIDT/ton has improved to Rs 1040 from Rs 974 on QoQ basis.

Top-line up 23.7% YoY on higher realisations

Net Sales of the company grew by 23.7% YoY and 3% QoQ to Rs 1635 Cr. Cement despatches for the March quarter stood at 4.88 Mn tonnes, but the realisations grew by Rs 670/ton, as compared to last year giving the company, a healthy top-line growth. Net realisation for the quarter stood at Rs 3350/ton, up from Rs 2680/ton YoY.

Net Realisation/ton


Operating Margins scales higher

The Operating Profit of the company rose 61% YoY and 8% QoQ to Rs 507 Cr. OPM rose by 720 bps YoY and 160 bps QoQ to 31%. The major reason for the growth in OPM was lower than proportionate growth in total expenditure. Though Net Sales grew by 23.7% YoY, total expenditure grew by only 12%. Even on sequential basis, total expenditure was almost flat, giving marginal reduction of Rs 26/ton. As compared to the last year, total expenditure rose by Rs 270/ton against the increase of Rs 670/ton in Net Realisation.

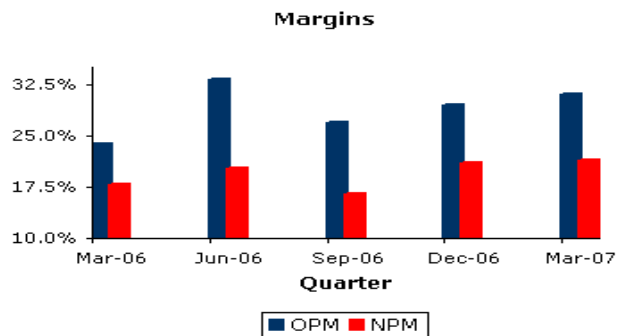
Better margins sequentially and YOY

Costs under control

Higher sales of blended cement improves bottom-line

Capex Programme on schedule

Trading at EV/ton of \$179.4.



Total Expenditure for the quarter has gone down by Rs 25/ton (from Rs 2336/ton to Rs 2311/ton) on sequential basis. This was mainly on account of reduction in Staff Cost and Other Expenses per ton, which went down by Rs 52/ton and Rs 32/ton respectively. But the increase in transportation cost, which has gone up by Rs 59/ton, has lessened the overall impact of reduction in total expenditure.

Bottom-line grows by 48% YoY

Net Profit for the company grew by 48% YoY and 4% sequentially to Rs 349 Cr. Effective tax rate for the company was at 25.7% against 18.8% YoY. The growth was primarily on account of improvements through product-market optimisations, higher sales of blended cement and other cost reduction measures along with improvement in realisation. NPM at 21.3% was 20 bps higher sequentially and 350 bps higher YoY.

Modernisation Project

The company's board has approved the sale and transfer of RMX (Ready Mix Concrete) Business, subject to all requisite approvals, to ACC concrete Ltd., a new wholly owned subsidiary which is being set-up, This will give required focus to the business. Grinding Augmentation Project at Tikaria has gone into commercial production during the current quarter. The project for expansion of capacity at Lakheri by 0.90 MT to 1.50 MT along-with a new 25 MW Captive Power Plant has commenced trial production.

Valuations

At CMP of Rs 791, the stock is trading at 10.7x its TTM EPS of Rs 74.2. On EV/ton (\$) basis, the stock is available at 179.4. With recent price hike, the company's realisation and EBIDTA per ton are expected to get boost up even in the next quarter. The input cost scenario will play crucial role going forward.

FINANCIAL HIGHLIGHTS

Quarterly Snapshot

Rs Cr	Q1CY07	Q1CY06	YoY (%)	Q4CY06	QoQ (%)
Net Sales	1634.8	1321.8	23.7	1592.3	2.7
Total Expenditure	1127.6	1006.7	12.0	1123.8	0.3
Operating Profit	507.1	315.1	61.0	468.5	8.2
Depreciation	62.1	59.4	4.6	77.1	-19.4
PBIT	445.0	255.7	74.0	391.4	13.7
Interest	4.0	19.4	-79.4	4.1	-2.9
PBT	441.0	236.3	86.6	387.3	13.9
Other Income	48.4	53.7	-10.0	73.3	-34.0
PBT + OI	489.4	290.0	68.7	460.6	6.2
Tax	125.6	54.5		102.1	
RPAT	363.8	235.5		358.5	
E/O Income	14.8	0.0		22.5	
APAT	348.9	235.5	48.2	336.0	3.8
Equity	187.6	186.6		187.6	
EPS (Ann)	77.6	50.5		76.5	
Margins (%)					
OPM	31.0	23.8		29.4	
NPM	21.3	17.8		21.1	

Other Key Numbers

Particulars	Q1CY07	Q1CY06	YoY (%)	Q4CY06	QoQ (%)
Net Realisation / ton	3349.9	2681.1	24.9	3310.5	1.2
Total Expenditure / ton	2310.7	2042.1	13.2	2336.4	-1.1
EBIDTA / ton	1039.2	639.1	62.6	974.1	6.7
EV / EBIDTA*	8.7				
EV / Ton - \$	179.4				

*TTM EBIDTA has been considered.

AMBUJA CEMENTS LTD.
Q1CY07 RESULT UPDATE
CMP: 115
Not Rated

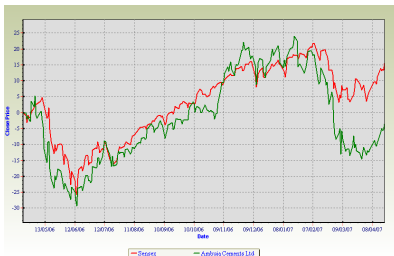
BSE Code	500425
NSE Code	GUJAMCEM

Key Data

Sensex	13897
52 week H/L (Rs)	150 / 77
Mar month H/L (Rs)	119 / 99.8
Market Cap (Rs Cr)	17564
Avg. daily vol. (6m)	1854212
Face Value	2

Shareholding Pattern (%)

Promoters	32.6
FII	32.0
Institution	15.7
Public & Others	13.8
Cusodians	3.6
Non-Promoter Corp.	2.3

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

Source: Capitaline
Good Show

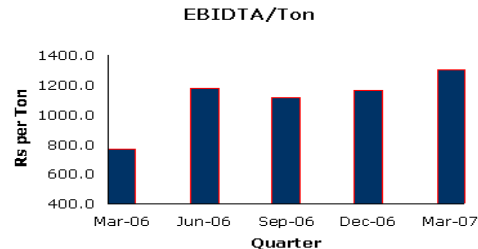
- Net Sales up 55% YoY to Rs 1,434 Cr.
- Operating Profit up 75.3% YoY to Rs 563 Cr.
- Net Profit up 53% YoY to Rs 405 Cr.

Volumes soar with better Realisations

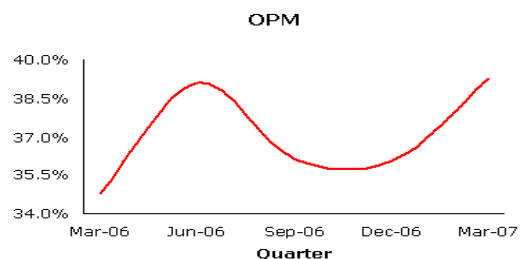
Reckoned as the lowest cost cement producer, the company came out with better than expected Q1CY07 numbers. The net realisation has improved 50% YoY and 3% sequentially to Rs 3320/ton. With prices showing an up-trend, gross realisation has gone up from Rs 3552/ton to Rs 3718/ton sequentially. The cement despatches for the quarter was 4.32 Mn tonnes, up 3.2% YoY and 4.9% QoQ.

EBIDTA/ton grows more than realisations

The company's EBIDTA/ton has improved. EBIDTA/ton for Q1CY07 stood at Rs 1303/ton, up Rs 536/ton (70%) YoY and Rs 141/ton (12%) QoQ. With lesser growth in Expenditure, Cost/ton has actually gone down, giving the company higher growth in EBIDTA/ton.

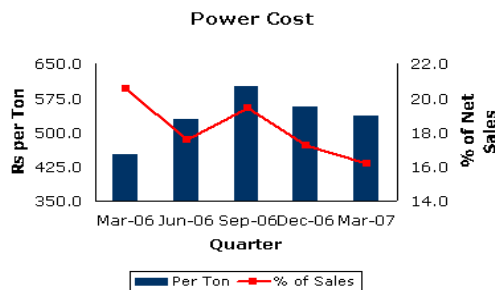

OPM at an all-time high

The company's operating margins have reached an all-time high at 39.3%, up 450 bps YoY and 320 bps QoQ. The Operating Profit for the current quarter was up 75.3% YoY and 17.5% QoQ to Rs 563 Cr.



Power cost fall, but Freight cost climb
Reduced Power & Other Expenses improve OPM

The Power cost for the current quarter at around Rs 537/ton, has actually gone down on percentage of Sales basis. As a percentage of Net Sales, power cost has gone down from 20.6% YoY to 16.2% in the current quarter. Also, other expenses have come down from 16.1% to 14.3% YoY. With freight on cement being reduced in the recent Railway budget, we believe that the freight cost will come down in the next quarter, further benefiting the company.


NPM down marginally YoY, up QoQ
Bottom-line up, but NPM declines marginally YoY

The bottom-line for the quarter was up 35.7% YoY and 22% QoQ at Rs 405 Cr. (Net of tax of Rs 54.8 Cr on E/O Income). Though NPM at 28.3% has improved sequentially (330 bps), they have gone down as compared to the same quarter of last year (-40 bps). This was primarily due to the tax provision of around Rs 30 Cr that the company had written-off last year, bringing the effective tax rate down to 6.2%. If the effect of the same is not considered, NPM is up 280 bps from 25.4% to 28.3% YoY.

Stock available at EV/ton of \$ 252
Valuations

At CMP of Rs 115, the stock trades at 13x its TTM EPS of Rs 8.9 and EV/ton of \$ 252. With recent price hike in cement, and tight control on costs, the management expects further hike in operating margins, thereby improving the EBIDTA/ton. Also, with majority of capex coming to rescue only in H2FY08, the management expects capacity utilisation at near peak levels for the next couple of quarters too.

FINANCIAL HIGHLIGHTS

Quarterly Snapshot

Rs Cr	Q1CY07	Q1CY06	YoY (%)	Q4CY06	QoQ (%)
Net Sales	1433.8	924.3	55.1	1329.1	7.9
Total Expenditure	870.8	603.0	44.4	850.0	2.4
Operating Profit	563.1	321.3	75.3	479.1	17.5
Depreciation	59.8	50.9		57.2	
PBIT	503.3	270.4	86.1	421.9	19.3
Interest	1.8	10.5		4.5	
PBT	501.5	259.9	93.0	417.4	20.2
Other Income	266.4	53.8		40.3	
PBT + OI	767.9	313.7	144.8	457.6	67.8
Tax	177.2	15.2		119.9	
RPAT	590.7	298.5		337.8	
E/O Income*	185.5	33.6		5.5	
APAT	405.3	264.9	53.0	332.3	22.0
Equity	304.1	271.0		303.4	
EPS (Ann)	10.7	8.8		8.8	
Margins (%)					
OPM	39.3	34.8		36.0	
NPM	28.3	28.7		25.0	

* E/O Income after considering the tax on the same

Other Key Numbers

Particulars	Q1CY07	Q1CY06	YoY (%)	Q4CY06	QoQ (%)
Net Realisation / ton	3319.1	2208.6	50.3	3226.0	2.9
Total Expenditure / ton	2015.6	1440.8	39.9	2063.2	-2.3
EBIDTA / ton	1303.4	767.7	69.8	1162.8	12.1
EV / EBIDTA	10.1				
EV / Ton - \$	252.0				

*TTM EBIDTA has been considered.

RESEARCH REPORT
GEMINI COMMUNICATION LTD. (GCL)
CMP: 419
BUY

BSE Code	532318
NSE Code	GEMINI

Key Data

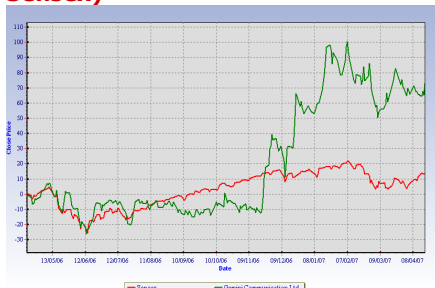
Sensex	13897
52 week H/L (Rs)	482/166
Mar. month H/L (Rs)	439/341
Market Cap (Rs Cr)	367
Avg. daily Vol. (6m)	34248
Face Value	5

Source: Capitaline

Shareholding Pattern (%)

Promoters	37.57
Non Promoter Corporate Holding	11.66
Institutions	0.03
Public & Others	50.74

Source: Capitaline

One-Year Performance (Rel. to Sensex)


Source: Capitaline

 Analysis: Team Anagram
 equity@anagram.co.in

Background & Business

Gemini Communication (GCL) started as a system integrator for the Sundaram Group companies and Telecom PSUs. GCL is a dominant player in WAN/ LAN networking solutions.

Over the last decade, Gemini has built up a reputation of being one of the most innovative networking companies in India. Gemini currently ranks amongst the top ten network integration companies in India with an expertise in wireless networking solutions. It has 18 offices, 68 service locations, 2 international offices, and staff strength of 450 people.

GCL has the following major sources of revenues: Wireless and Telecom, Wire line Access equipments, Technology services and RFID.

Investment Rationale
Wireless Access – Huge growth Potential

GCL is primarily a network integrator specializing in setting up wireless networks. The Government is going to spend approx. Rs 2,500 Cr on SWAN (State Wide Area Network) projects. Apart from this, there is a possibility of investments of more than Rs 1,000 Cr through Public-Private partnership for Common service centres for citizens. Through such centres, common citizens can pay for electricity, telephone, various taxes and similar services.

Gemini has successfully implemented the network for TNEB under SWAN initiative and has signed a 5-year service agreement with them. GCL has also implemented more than 4,000 last mile links serving 1,500 customers, which also includes telcos like VSNL, Bharti and BSNL.

Gemini had acquired PointRed technologies in 2006. This gives it access to routers, bridges, and other wireless products, leading to higher margins. PointRed has a manufacturing facility in Taiwan and a design centre in Bangalore with clients such as HCL and Bharti.

We believe huge growth opportunity stares GCL in its face and the company is well entrenched to benefit from it.

Technology services domain to explore revenues in secondary level towns**Technology services**

This business division mainly ensures that the Wireless networks implemented by Gemini are functioning flawlessly 24x7x365.

VSNL is a major client of the company, where it expects future revenue to accrue from company plans to migrate existing equipments from metros to secondary level towns. The company also hopes to take forward its relationship with other private players like Bharti and Reliance from current stage of Surveys and Site identification to Network Rollout and O&M activities.

The company also hopes to cater to the needs of an enlarged client base and for serving the telecom infrastructure of PointRed across countries.

This division contributes approximately 5% of its revenues now with approximately 50% EBIDTA margins. It has potential to become a major catalyst in increasing overall profitability of the company going forward. We expect this line of business to contribute 7% in FY08 with enhanced operating profitability.

RFID Hardware – A nascent space, wherein GCL enjoys the first mover's advantage**RFID**

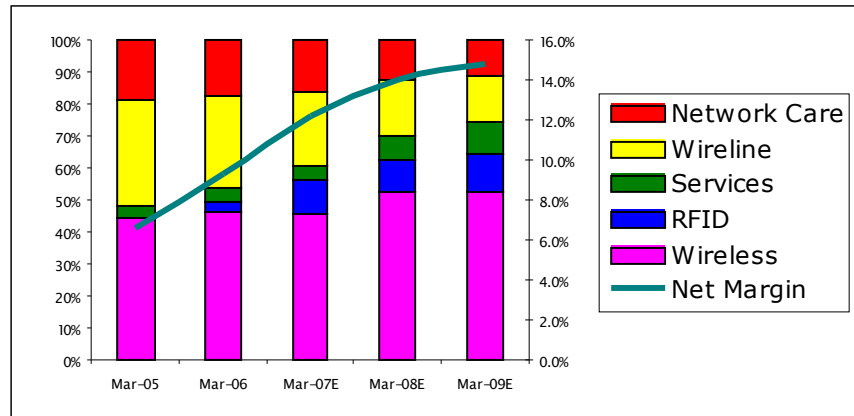
RFID (Radio Frequency Identification) is a revolutionary technology for storing and remote retrieval of data using devices called RFID tags or transponders. The projected world market on RFID is US\$ 3.5 Bn for 2007 while it is likely to touch US\$ 25 Bn by 2015. (Source: ID Techex UK). Though very nascent in India, RFID technology can address the Rs 1,200 Cr securities and bar-coding market in coming years. Gemini is the only manufacturer of RFID hardware in India. It also offers customers customised RFID consulting and project management services. GCL operates in this space through its 100% subsidiary Gemini Traze RFID Pvt Ltd.

We expect this division to contribute 13% towards the company's revenue with 50% EBIDTA margins.

Strategic shift towards businesses enjoying higher margins

Improving Business Mix

Going forward, we expect high margins business like services division and RFID division to contribute larger percentage of revenue leading to improvement in overall margins.



Latest Developments

Rs 57 Cr Order from Punjab Government

The company has bagged an order worth Rs 57.6 Cr from the Punjab Govt. The Company will now be the Turnkey Hardware and Service Provider for supply, installation and maintenance of IT Infrastructure (Hardware, Networking and System Software etc.) for phase III of ICT Education project.

Fund Raising Plans

The company has sought the shareholders' nod to inject funds into its resource pool to the tune of US\$ 35 mn (approx. Rs 150 Cr) by way of overseas offering (FCCB/ADR issue) or through the QIP route or a combination thereof.

Issue of Bonus Shares

The company has recommended Bonus shares in the ratio of 1:1.

**Trading (cum-Bonus) at
9x its FY09E EPS of Rs
44, which makes it look
attractive**

Valuation and Recommendation

Gemini Communications Limited is one of the most innovative networking companies in India. It enjoys first mover's advantage in many sunrise industries like wireless access and RFID. The businesses in which company operates are one of the most promising segments of technology sector and company has demonstrated ability in the past to cash on such opportunities.

Well-entrenched position in wire line/wireless access markets where government has allocated more than Rs 2,500 Cr over the next five years gives it a strong visibility.

We expect the company's revenue and profits to grow by 38% and 52% respectively over next couple of fiscals. At the current price of Rs 419 (cum-Bonus), the stock trades at 9 times its FY09 expected earnings of Rs 44 per share. We recommend that the investors can **BUY** the stock with Rs 600 as a target in next 12-15 months.

Financial Highlights

Annual Performance

Particulars (Rs mn)	FY05	FY06	FY07E	FY08E	FY09E
Revenue	709.3	1261.7	1525.8	2288.1	2916.1
Total Expenses	643.5	1089.5	1275.5	1869.6	2355.3
Operating Profit	65.8	172.1	250.3	418.5	560.8
Other Income	0.8	3.5	3.5	3.5	3.5
Interest	11.5	19.1	23.2	34.8	44.3
Depreciation	15.2	21.5	11.3	11.3	11.3
PBT	40.0	135.0	219.3	375.9	508.6
Provision for Tax	-7.0	17.3	32.9	56.4	76.3
PAT	47.0	117.7	186.4	319.5	432.3
OPM (%)	9.3	13.6	16.4	18.3	19.2
Equity	43.8	43.8	43.8	48.8	48.8
EPS	5.4	13.4	21.3	32.7	44.3

Revenue Break-up

Particulars (Rs mn)	FY05	FY06	FY07E	FY08E	FY09E
Wireless	316.3	580.9	543.8	850.8	1099.0
Wireline	235.9	362.6	346.5	396.5	419.3
Network Care	130.9	222.1	250.0	286.3	325.0
Services	26.2	57.7	75.0	171.5	296.2
100 % Subsidiaries					
Traze	0.0	38.5	160.0	239.0	346.5
Point Red	0.0	0.0	150.5	344.0	430.0
Revenues Total	709.3	1261.7	1525.8	2288.1	2916.1
Growth (%)		77.9	20.9	50.0	27.4

Gross Profit Margin (%)

Particulars	FY05	FY06	FY07E	FY08E	FY09E
Wireless	21%	24%	23%	23%	23%
Wireline	9%	13%	10%	15%	15%
Network Care	7%	10%	10%	15%	15%
Services	39%	39%	49%	52%	52%

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