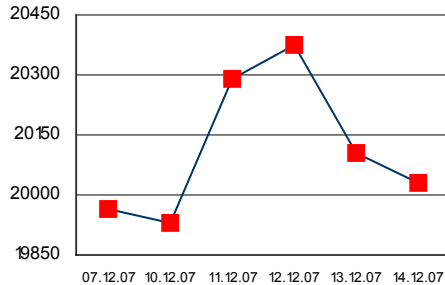
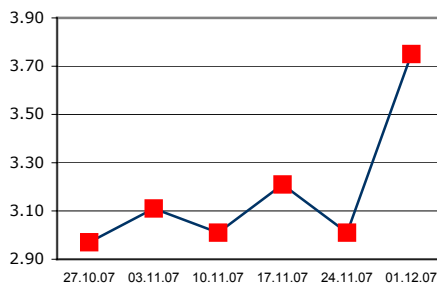
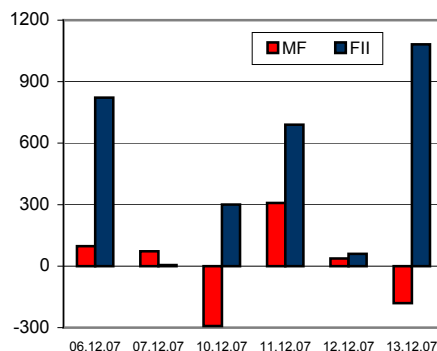
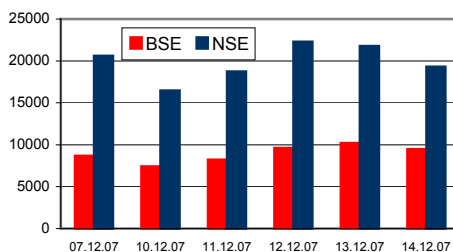


SENSEX

INFLATION (%)

MF/FII-Net Equity Flow (Rs Cr)

BSE/NSE Cash Turnover (Rs Cr)

RESILIENCE BY INDIAN MARKETS

Though all major international indices were down after US cutting its benchmark rate, our markets showed resilience and ended in positive territory on weekly basis. Some selling pressure was witnessed on back of higher inflation figures on Friday and such selling could continue on back of tumbling US markets for the forthcoming week.

Health care, Realty and Metal index showed healthy gains while IT and power index were underperformers this week as this stocks had a good run up in previous week.

Economy News

The WPI-based inflation for the week ending December 1st stood at 3.75% against the street expectations of 3.49%, while the figure for the previous week stood at 3.01%.

Corporate News

Reliance Energy has bagged engineering, procurement and construction (EPC) contract from Damodar Valley Corporation (DVC) to set up the 2 x 600 MW coal based power station at Raghunathpur in West Bengal. The contract is valued at over Rs 3,725 crore.

Gail India has announced that the company and **Reliance Gas Transportation Infrastructure (RGTEL)** have signed an agreement for transmission of natural gas from the Krishna Godavari (KG) basin.

Adlabs Films has entered into agreements with several existing cinema properties and will be operating a 200-screen cinema exhibition chain in USA. The consolidated chain will have a nationwide footprint across the US covering 28 cities including the key markets in East, Mid West and West Coast.

GMR Infrastructure Ltd announced that Delhi International Airport (P) Ltd (DIAL), a subsidiary of the Company has signed key financing documents with its project lenders for Rs 3650 Crores and foreign currency loan of USD 350 Million for modernization and expansion of Indira Gandhi International Airport, New Delhi.

MARKET INDICATORS

Indices	14.12.07	07.12.07	Change (Pts)	% Change
NIFTY	6047.70	5974.30	73.40	1.23
SENSEX	20030.83	19966.00	64.83	0.32
BSE MIDCAP	9471.94	9021.96	449.98	4.99
BSE SMLCAP	12195.50	11342.27	853.23	7.52
BSE-100	10961.24	10817.80	143.44	1.33
BSE-200	2605.81	2560.80	45.01	1.76
BSE-500	8390.52	8219.20	171.32	2.08

SECTORAL INDICES

Indices	14.12.07	07.12.07	Change (Pts)	% Change
BSE HEALTH CARE	4308.27	4007.37	300.90	7.51
BSE REALTY	12400.46	11576.63	823.83	7.12
BSE METAL	19763.00	18738.08	1024.92	5.47
BSE CONS.DURA.	6204.25	5929.88	274.37	4.63
BSE FMCG	2263.93	2177.25	86.68	3.98
BSE PSU	10079.08	9869.34	209.74	2.13
BSE OIL&GAS	12980.95	12735.33	245.62	1.93
BSE AUTO	5743.80	5651.30	92.50	1.64
BSE BANKEX	11335.47	11377.96	-42.49	-0.37
BSE TECK	3838.39	3873.00	-34.61	-0.89
BSE CAP GOODS	19862.51	20218.88	-356.37	-1.76
BSE POWER	4435.53	4527.63	-92.10	-2.03
BSE IT	4259.76	4424.57	-164.81	-3.72

WEEKLY SENSEX GAINERS & LOSERS

Top Gainers		
Company	Price	Gain %
HINDALCO	212.75	13.07
CIPLA	209.15	6.28
ITC	200.60	6.19
TATA STEEL	877.85	5.33
HDFC	3058.80	4.72

Top Losers		
Company	Price	Loss %
SATYAM COMP	411.10	-7.36
BHEL	2561.45	-6.62
INFOSYS	1646.80	-4.15
TATA MOTORS	744.45	-3.46
ICICI BANK	1206.85	-3.26

WEEKLY: A - GROUP GAINERS & LOSERS

Top Gainers		
Company	Price	Gain
GILLETTE (I)	1323.20	55.20
FINOLEXINDS	108.85	23.06
HDIL	1014.60	23.02
NAT.ALUM	449.35	18.36
CADILA HEALT	335.10	15.61

Top Losers		
Company	Price	Loss %
SATYAM COM	411.10	-7.36
BHEL	2561.45	-6.62
THERMAX	841.20	-5.70
HTMT GLOBAL	570.85	-5.28
MPHASIS BFL	280.25	-5.06

ADVANCE -DECLINE

BSE 30 Companies	
Positive	18
Negative	12
Unchanged	0
Total	30

A GROUP COMPANIES	
Positive	143
Negative	61
Unchanged	0
Total	204

WORLD INDICES

INDEX	14.12.07	07.12.07	Change	% Change
NIFTY	6047.70	5974.30	73.40	1.23
SENSEX	20030.83	19966.00	64.83	0.32
DJIA	13339.85	13625.58	-285.73	-2.10
NASDAO	2635.74	2706.16	-70.42	-2.60
FTSE	6397.00	6554.90	-157.90	-2.41
NIKKEI	15514.51	15956.37	-441.86	-2.77
BOVESPA	62444.97	65638.54	-3193.57	-4.87
SHANGHAI	5007.91	5091.76	-83.85	-1.65
KOSPI	1895.05	1934.32	-39.27	-2.03
HANG SENG	27563.64	28842.47	-1278.83	-4.43
STRAITS TIMES	3466.38	3557.95	-91.57	-2.57

MARKETS AT A GLANCE
Indian Markets

Indices	As on 14/12/07	As on 07/12/07	% Change
NIFTY	6047.70	5974.30	1.23
SENSEX	20030.83	19966.00	0.32

US Markets

Indices	As on 14/12/07	As on 07/12/07	% Change
DJIA	13339.85	13625.58	-2.10
NASDAQ	2635.74	2706.16	-2.60

BSE 200 Group

Scripts	CMP (Rs)	Weekly % Chg
Gainers		
LANCO INFRA	809.30	45.61
ANSAL INFRAS	383.90	41.27
PRAJ INDUSTR	269.90	29.36
NAT ALUM CO	449.35	18.36
VIDEOCON IND	648.85	17.06
Losers		
BF UTILITIES	2337	-11.53
TECH MAH	1117	-8.78
AREVA	2472.5	-8.35
SATYAM COMP	411.1	-7.36
JAIN IRRI SY	646.6	-6.75

US Listings

Scripts	Close (\$)	Weekly % Chg
NYSE		
Dr Reddy	17.92	5.35
HDFC Bank	131.58	-5.16
ICICI Bank	61.81	-3.09
MTNL	9.34	0.97
Patni	16.71	-5.59
Satyam	26.53	-5.65
SLT	26.37	-5.14
Tata Motors	18.49	-4.89
VSNL	32.62	-1.30
WIPRO	14.50	-4.35
NASDAQ		
Infosys	42.59	-4.87

Institutional Activity (Rs Cr)

	For the week	For the month	For the year
Mutual Funds	127.80	168.50	3323.63
FIIIs	2132.40	4175.20	67799.75

DERIVATIVES WATCH

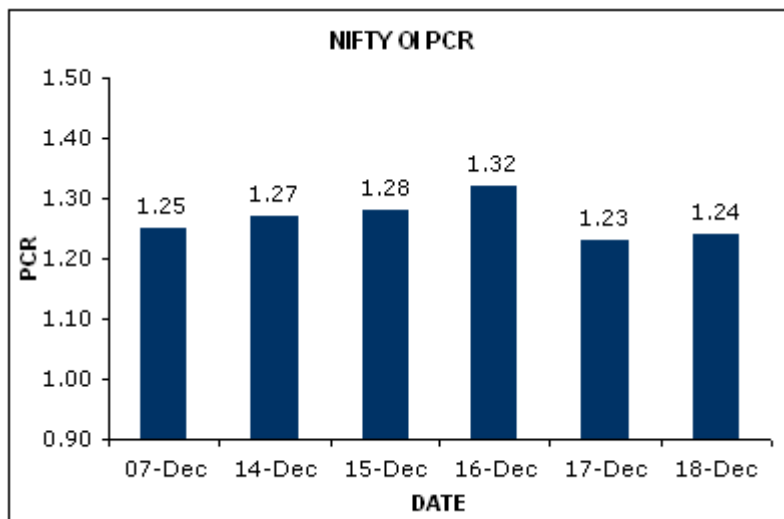
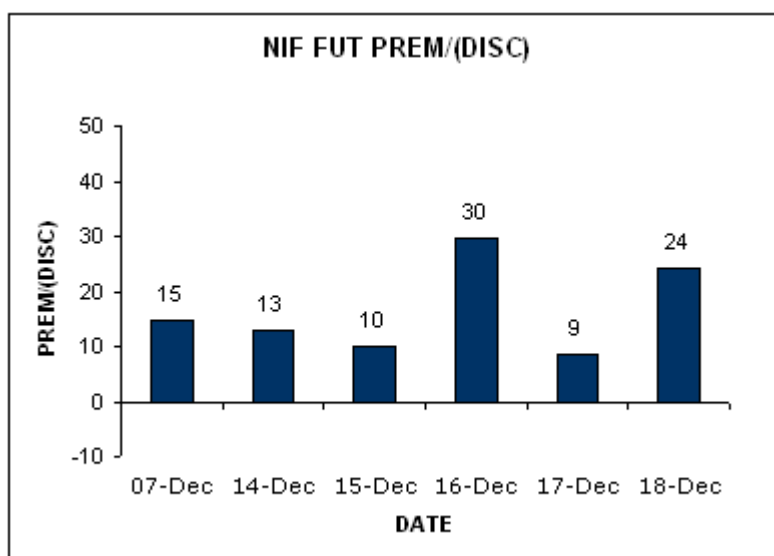
OPEN INTEREST AT ALL TIME HIGH LEVEL

Overall Open Interest increased by whopping Rs 14,779 Cr or 15% to reach at the all time high level of Rs 1,14,945 Cr from Rs 1,00,348 Cr week on week (Crossing the previous high of Rs 1,10,440 Cr on Nov 28). In terms of No of shares, Open Interest went up by 9% to 251 Cr shares from 231 Cr shares. Almost Rs 40K Cr of OI has been added in the Dec series while 7 trading sessions are still left in Dec expiry, as against the 40K addition that we have witnessed in entire NOV series. This huge addition in OI, in itself is not a concern, but if due to some global events or some political uncertainty if market start cracking then we may see major downward pressure on the market on back of unwinding of huge positions. One more indicator that we closely track is the ratio of future OI/Total OI, which has now reached to 81%, which is almost close to May 06 level, when we saw large correction in market. FIIs net sold worth Rs 1337 Cr in Index future, with increase in their OI, indicating hedging of positions on their side. Nifty OI PCR remained almost unchanged at 1.24 level. OIL/GAS, METAL AND BANKING sector added highest amount of OI in absolute term on a weekly basis.

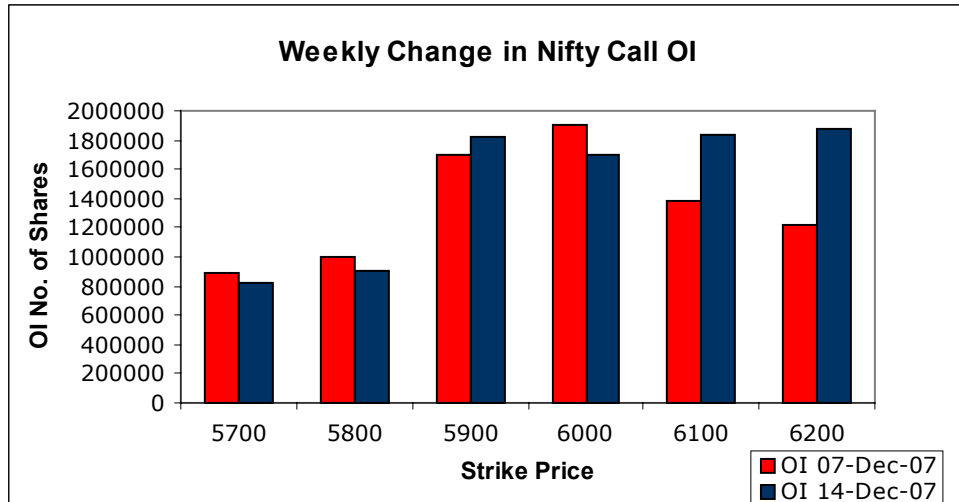
Nifty 6,100 & 6,200 call added 9,107 and 13,244 contracts in OI respectively, so on the upside market may find resistance in the region of 6150-6250 level while on the other hand Nifty 5900 & 6000 put added 18,985 and 15,013 contracts in OI so on the downside market may find strong support in the region of 5900-5980 level. Huge addition in Open Interest (Suggesting enhanced confidence of the market players), healthy Nifty OI PCR and the put writing at 5900 and 6000 levels are some of the indicator suggesting bullishness to continue in market going forward. However on the back of weak US cues, we might see some correction, the level to watch in the downside is 5900 in the NIFTY where we have seen put writing.

SECTORWISE WEEKLY CHANGE IN OI

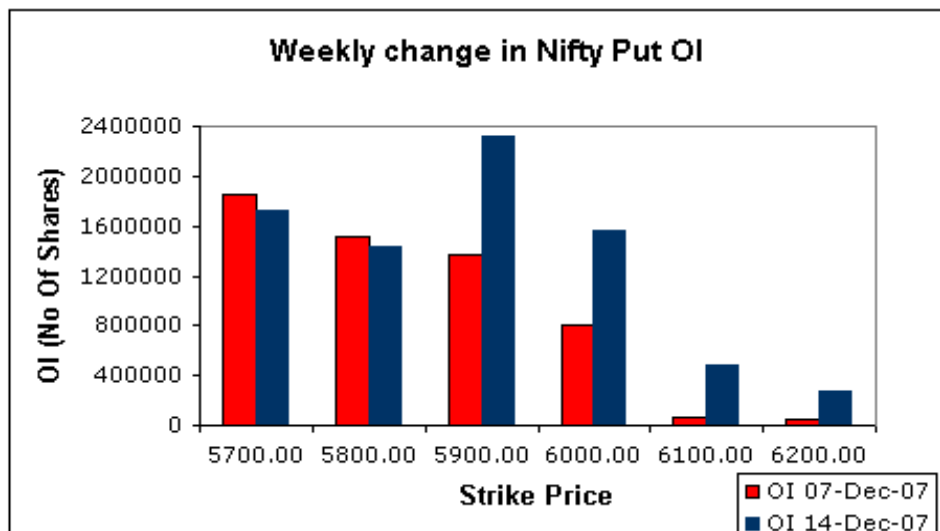
Sectors	OI 07.11.07	OI 14.12.07	Change
AUTO	1629	1860	231
BANKING/FINANCE	11014	11857	843
CEMENT	917	1137	220
CONSTR./INFRA.	4773	5261	488
ENGINEERING	3305	4062	757
FERTILIZERS	1082	1158	76
FMCG	907	1208	301
MEDIA	613	661	49
METAL	6421	7643	1223
OIL/GAS	13972	15865	1893
PHARMA	1815	2079	264
POWER	7799	8409	610
SUGAR	1052	1121	68
TECH	3021	3180	159
TELECOM	5436	5923	487
TEXTILE	1266	1330	63

TREND IN NIFTY OI PCR

TREND OF NIFTY NOV/DEC FUTURE PREMIUM/(DISCOUNT)


Weekly Change in NIFTY DECEMBER Call Options Open Interest



Weekly Change in NIFTY DECEMBER Put Options Open Interest



TOP STOCKS OPEN INTEREST WISE

Underlying	Weekly chg (%)		Open Interest Value(Rs Cr)				PCR(OI)
	Price	OI Rs Cr	Future	Call	Put	Total	
NIFTY	1.23	20	20075	7312	9036	36423	1.24
RELIANCE	1.66	18	4811	548	80	5440	0.15
RPL	-1.66	10	3051	466	59	3576	0.13
REL	-1.30	6	2982	230	22	3234	0.10
RCOM	3.60	5	2736	219	26	2980	0.12
RNRL	-0.23	0	1932	194	63	2188	0.32

FII ACTIVITY FOR THE WEEK (FROM DECEMBER 10 TO DECEMBER 14)

	Contracts Bought		Contracts Sold		Open Interest	
	Nos.	Value (Rs Cr)	Nos.	Value (Rs Cr)	Contracts Nos.	Value (Rs Cr)
Index Futures	199323	6072	243528	7409	666032	20227
Index Options	42674	1260	21691	633	278730	8428
Stock Futures	83170	3535	134687	5655	1121463	52648
Stock Options	113	5	949	46	2784	120

TOP GAINERS & LOSERS OPEN INTEREST WISE
TOP GAINERS

Company	OI Chg %	Price%	OI Rs. Cr
PENINLAND	186	-2	88
IVR PRIME	178	7	92
STRIDES	140	12	33
HINDZINC	129	5	68
SOBHA	123	4	58

TOP LOSERS

Company	OI Chg %	Price%	OI Rs. Cr
BILT	-20	15	72
BALRAM CHIN	-19	3	318
BINDALAGRO	-19	12	128
ARVINDMILL	-16	11	173
INDIAN BANK	-14	6	37

TOP GAINERS & LOSERS PRICE WISE
TOP GAINERS

Company	OI Chg %	Price%	OI Rs. Cr
LITL	42	45	150
ANSALINFRA	49	42	108
PRAJIND	17	29	393
HDIL	1	23	439
NALCO	14	19	146

TOP LOSERS

Company	OI Chg %	Price%	OI Rs. Cr
NUCLEUS	-2	-10	6
TECH MAH	0	-8	93
NIITLTD	3	-8	29
SATYAMCOMP	66	-7	374
BHEL	83	-7	747

TECHNICAL TALK

Broad Market Trend

Sensex and Nifty rose by 0.32% and 1.23% respectively in the week gone by. Last week sensex made new all time high of 20498 by crossing earlier high of 20238. Other Indices like BSE 500, Mid-cap and small cap significantly outperformed the sensex by rising 2.08%, 4.99%, and 7.52% respectively against the marginal rise of 0.32% in sensex as most of the large cap counters encountered profit booking in last few sessions. Technical Indicators shows that Medium-Term bullish trend is still intact, but running correction should not be ruled out if crucial support levels are breached downside. Current scenario of the market indicates that we may continue to see a stock specific market movement in upcoming weeks. Sensex is having short-term support around 19936(10DMA), breaching of which sensex may test further levels of 19610(38.2% retracement of the rally since 22nd Nov 2007) and 19450(Unfilled Gap of current rally). Resistance for the sensex stands around 20407(Pivot) and 20785(Pivot).

Sensex Daily Chart

BSE Sensex [B999901] 20108.09,20171.57,19936.49,20030.83, 755220736 -0.37%
Price Avg2(S,10,S,20)



CAIRN [N13986] 220.45, 228.60, 212.05, 225.90, 5499822 3.20%
Price Avg(S,50)

Daily Chart of Cairn



CAIRN INDIA (226) BUY

The Stock is looking bullish on its daily chart, as it has given breakout from the symmetrical triangle pattern with fair amount of volume.

Momentum Oscillator MACD is also breached the bullish signal line upside and shows the strength in the counter.

We recommend buying the stock for position trading at current market price for the target of 250, keeping a stoploss of 216.

PRISM CEMENT [N2739] 64.90, 71.80, 64.60, 70.40, 7749635 8.98%
Price Avg(S,20)

Daily Chart of Prism Cement



PRISM CEMENT (70.40) BUY

By surging 9% with significant volume on Friday, the stock has given breakout from inverse head-n-shoulder pattern on its daily chart.

Momentum Oscillator ADX is also showing the strength in the counter by trading in bullish zone.

We recommend buying the stock for position trading at current market price for the target of 82, keeping a stoploss of 67.

Technical Picks for the Forthcoming Week

STOCK	RECOMMENDATION	CMP	STOP LOSS (Rs)	TARGETS (Rs)
CAIRN INDIA	BUY	226	216	250
PRISM CEMENT	BUY	70.40	67	82

Review of Stocks Recommended Last Week

STOCK	RECOMMENDATION	PRICE 08.12.07	STOP LOSS	TARGET	REVIEW	RETURN (%)
AFTEK	BUY	83	79	91,96	1 ST TARGET ACHIEVED	9.63
NIIT TECH	BUY	245	237	265,275	SL TRIGGERED	-3.26

Return of Technical Picks since 22 Sept 2007

Success (%)	Avg. Return of Successful Calls (%)	Avg. Return of Unsuccessful Calls (%)	Overall Avg. Return (%)
76.47	9.12	(3.81)	6.07

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.

Support-Resistance Levels for the Forthcoming Week (17th Dec to 21st Dec)

Stock	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
A.C.C.	1103.1	1087.72	1125.38	1147.67	1065.43	1027.77
ABAN	5017.7	5015.38	5150.32	5282.93	4882.77	4747.83
ABB LTD.	1604.5	1608.5	1646	1687.5	1567	1529.5
ADLABS FILM	1355.5	1308.5	1507	1658.5	1157	958.5
ALLHABAD BNK	121.15	121.05	126.6	132.05	115.6	110.05
AMBUJACEM	149.55	149.35	154.2	158.85	144.7	139.85
ANDHRA BANK	110.65	110.02	117.03	123.42	103.63	96.62
ANSALINFRA	383.9	372.97	480.83	577.77	276.03	168.17
APIL	1042.6	1052.2	1087.4	1132.2	1007.4	972.2
ARVIND MILLS	83.7	80.97	87.13	90.57	77.53	71.37
ASHOK LEYL	52.8	52.68	55.12	57.43	50.37	47.93
BAJAJ AUTO	2830.25	2788.42	2896.83	2963.42	2721.83	2613.42
BAJAJHIND.LT	269.5	258.17	291.33	313.17	236.33	203.17
BANK OF BARO	432	428.53	471.07	510.13	389.47	346.93
BANK OF IND.	371.95	364.57	388.88	405.82	347.63	323.32
BH.EARTH MOV	1673.2	1712.15	1763.05	1852.9	1622.3	1571.4
BHARAT ELEC.	1838.9	1848.3	1876.6	1914.3	1810.6	1782.3
BHARTI TELEV	954.3	989.67	1034.33	1114.37	909.63	864.97
BHEL	2561.4	2647.07	2742.13	2922.87	2466.33	2371.27
BOM DYEING	736.3	746.1	764.2	792.1	718.2	700.1
CANARA BANK	314.15	313.32	325.63	337.12	301.83	289.52
CENTURY TEXT	1133.05	1115.65	1166.3	1199.55	1082.4	1031.75
CIPLA	209.3	203.97	217.13	224.97	196.13	182.97
CROMPTON GR.	399.55	406.52	418.03	436.52	388.03	376.52
CUMMINS INDI	405.4	410.4	419.8	434.2	396	386.6
DABUR INDIA	119.85	119.63	124.22	128.58	115.27	110.68
DENA BANK	87.5	87.8	91.1	94.7	84.2	80.9
DLF	1021.65	1020.55	1051.1	1080.55	991.1	960.55
EDUCOMP	4167.25	4095.75	4291.5	4415.75	3971.5	3775.75
EKC	329.75	332.9	349.8	369.85	312.85	295.95
ESSAR OIL	288.95	296.32	308.63	328.32	276.63	264.32
GAIL	516.15	513.05	553.1	590.05	476.1	436.05
GESCO CORP	837.5	823.25	864.25	891	796.5	755.5
GMRINFRA	241.1	243.1	252.9	264.7	231.3	221.5
GRASIM IND.	3733.8	3724.27	3853.53	3973.27	3604.53	3475.27
GTL EQ	258	256.87	265.73	273.47	249.13	240.27
GUJ.ALKALI	223.25	217.42	233.73	244.22	206.93	190.62
GUJ.NARMADA	198.05	194.42	204.83	211.62	187.63	177.22
HCC	214.35	215.1	223.15	231.95	206.3	198.25
HDFC BANK	1724.45	1733.55	1789.7	1854.95	1668.3	1612.15

Stock	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
HDIL	1014.55	951.47	1102.93	1191.32	863.08	711.62
HINDALCO	213.2	206.03	224.17	235.13	195.07	176.93
HINDUNILVR	218.7	213.43	225.27	231.83	206.87	195.03
HOUS DEV FIN	3060.75	3030.62	3245.13	3429.52	2846.23	2631.72
ICICI BANK	1206.95	1245.52	1288.03	1369.12	1164.43	1121.92
IDBI	173.75	172.57	179.08	184.42	167.23	160.72
IDEA	141.05	136.33	147.62	154.18	129.77	118.48
IDFC	225.6	221.58	234.02	242.43	213.17	200.73
INDIA CEMENT	329.15	318.92	342.83	356.52	305.23	281.32
INDIANB	205.35	206.42	221.83	238.32	189.93	174.52
INDUS IND BK	127.45	129.85	134.4	141.35	122.9	118.35
INDUST.FIN.C	113.75	110.58	119.17	124.58	105.17	96.58
INFOSYS TECH	1646.3	1684.03	1729.97	1813.63	1600.37	1554.43
ITC	200.7	196.33	208.27	215.83	188.77	176.83
IVRCL INFRAS	520.05	514.63	538.87	557.68	495.82	471.58
JPASSOCIATEQ	2156.65	2073.88	2257.77	2358.88	1972.77	1788.88
JPHYDRO	131.25	124.07	141.88	152.52	113.43	95.62
JSWSTEEL	1335.15	1292.12	1432.03	1528.92	1195.23	1055.32
KESORAM	636.55	615.65	685.3	734.05	566.9	497.25
KOTAK BANK	1263.55	1301.18	1361.37	1459.18	1203.37	1143.18
LITL	810.55	751.15	946.3	1082.05	615.4	420.25
LT EQ	4174.2	4224.65	4294.25	4414.3	4104.6	4035
MAH & MAH	791.05	789.63	821.42	851.78	759.27	727.48
MAHANGR TELE	186.25	187.28	197.97	209.68	175.57	164.88
MARUTI	1042.35	1053.82	1086.53	1130.72	1009.63	976.92
MATRIXLABSEQ	236.8	231.63	245.17	253.53	223.27	209.73
MCDOWELL	1976.35	1986.12	2040.23	2104.12	1922.23	1868.12
MOSER-BAER	291.55	296.25	302.3	313.05	285.5	279.45
MPHASIS	280.3	288.1	297.2	314.1	271.2	262.1
MRPL	135.25	137.3	143.9	152.55	128.65	122.05
NAGAR.CONST.	338.9	340.47	350.93	362.97	328.43	317.97
NDTV EQ	429.35	402.85	480.45	531.55	351.75	274.15
NEYVELI LIGN	248.9	253.23	259.47	270.03	242.67	236.43
NTPC EQ	246.85	246.03	254.07	261.28	238.82	230.78
ONGC CORP.	1238.85	1223.93	1288.52	1338.18	1174.27	1109.68
ORIENT.BANK	275.5	280.33	285.67	295.83	270.17	264.83
PARSVNATH	416.65	414.32	445.33	474.02	385.63	354.62
PATELENG EQ	888.6	855.87	931.73	974.87	812.73	736.87

Stock	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
PATNI EQ	329.5	333.87	342.58	355.67	320.78	312.07
PENINLAND	147.25	153.47	161.68	176.12	139.03	130.82
PETRONET EQ	109.95	109.25	114	118.05	105.2	100.45
PFC	261.15	264.58	270.17	279.18	255.57	249.98
PNB	679.8	666.6	713.2	746.6	633.2	586.6
POLARIS SOFT	120	123.8	128.1	136.2	115.7	111.4
PRAJ IND.LTD	269.8	249.95	292.8	315.8	226.95	184.1
PUNJLLOYD	554.35	544.03	584.82	615.28	513.57	472.78
RAJESH EXPOR	932.95	952.65	995.3	1057.65	890.3	847.65
RANBAXY LAB.	423.3	409.4	443.6	463.9	389.1	354.9
RCOM	760.7	752.83	784.67	808.63	728.87	697.03
REL EQ	1912.4	1927.55	1957.85	2003.3	1882.1	1851.8
REL.CAPITAL	2487.8	2459.72	2583.08	2678.37	2364.43	2241.07
RELIANCE	2888.65	2871.98	2942.67	2996.68	2817.97	2747.28
RENUKA	908.2	881.4	956.8	1005.4	832.8	757.4
ROLTA	725.3	742.07	763.13	800.97	704.23	683.17
RPL	221.65	224.9	229.05	236.45	217.5	213.35
SATYAM COMP	411.45	424.63	441.22	470.98	394.87	378.28
SIEMENS	1921.8	1938.02	1962.78	2003.77	1897.03	1872.27
SOBHA	931.7	927.5	996.15	1060.6	863.05	794.4
SRF LTD.	186.5	182.1	198.2	209.9	170.4	154.3
STATE BANK	2406.8	2419.72	2463.08	2519.37	2363.43	2320.07
STEEL AUTHOR	280.15	279.73	293.32	306.48	266.57	252.98
STER EQ	1065.7	1080.17	1118.33	1170.97	1027.53	989.37
STER OPTICAL	371.6	362.87	390.73	409.87	343.73	315.87
SUNTV	410	402.5	432.5	455	380	350
SUZLON	1954.35	1984.75	2026.5	2098.65	1912.6	1870.85
SYNDICATE BK	114.3	110.53	125.07	135.83	99.77	85.23
TATA POWER	1300.75	1322.25	1359.5	1418.25	1263.5	1226.25
TATAMOTORSEQ	744.85	756.88	775.77	806.68	725.97	707.08
TATASTEEL	877.05	870.48	915.47	953.88	832.07	787.08
TCS EQ	1040.4	1043.23	1071.17	1101.93	1012.47	984.53
TITAN IND.	1473.45	1498.02	1536.43	1599.42	1435.03	1396.62
TTML EQ	60.75	59.18	64.37	67.98	55.57	50.38
UNION BANK	205.85	203.07	216.63	227.42	192.28	178.72
UNITECH LTD	479.25	463.2	510.85	542.45	431.6	383.95
UTI BANK	994.65	965.28	1028.32	1061.98	931.62	868.58
VIDESH SANCH	650.15	651.32	681.63	713.12	619.83	589.52
VOLTAS	253.35	248.78	262.57	271.78	239.57	225.78
WIPRO	497.2	498.7	508.4	519.6	487.5	477.8
ZEEL	311	312.8	334.1	357.2	289.7	268.4

FUNDAMENTAL CHECK**Stocks Covered This Week**

Company	Price 14-Dec-07 (Rs)	Report Type	Recommendation & Target (Rs)
GATEWAY DISTRI PARKS LTD	155	RESEARCH NOTE	ACCUMULATE
SICAL LOGISTICS	265	RESEARCH NOTE	ACCUMULATE

Review of Stocks Covered 3 Months Back

Company	Price (Rs) 14.12.07	Recommendation	Reco. Price (Rs) 14.09.07	Return (%)
SENSEX	20030.83		15603.80	28
GEI INDUSTRIAL SYSTEMS LTD	124.45	BUY	98.00	27
MIC ELECTRONICS LTD	820.15	BUY	490.00	67

RESEARCH REPORT
Gateway Distriparks Ltd.
CMP: Rs 155
December 15, 2007
ACCUMULATE

BSE Code	532622
NSE Code	GDL

Key Data

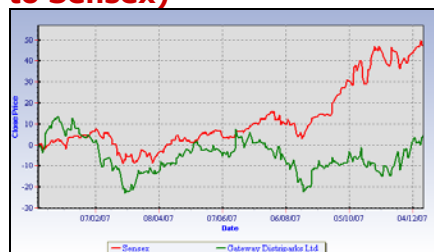
Sensex	20030
52 week H/L (Rs.)	171/110
Nov month H/L (Rs.)	153/125
Market Cap (Rs cr)	1789
Avg. daily vol. (6m)	219186
Face Value	10

Source: Capitaline

Shareholding Pattern (%)

Promoters - Foreign	22.67
Promoters - Indian	16.96
Institution	39.79
Public & Others	20.58

Source: Capitaline

One-Year Performance (Rel. to Sensex)


Source: Capitaline

Background and Business

Gateway Distripark Limited (GDL) is leading provider of port related logistics support services, which includes transportation of containers to and from the port, stuffing / destuffing of cargo, customs clearance and storage in warehouse or as a full container load in the container yard. In addition to the basic services, GDL also provides the following value added services – warehouse space to consolidators, general and bonded warehousing service, bar code scanning and label verification, palletizing, shrink wrapping haulage, trucking, carting and pick and pack services.

GDL is an Indo-Singapore Joint Venture promoted by the Windmill group, which fulfills the needs of international trading community as well as the shipping industry.

Investment Positives
Emerged as a reputed and an efficient CFS player:

GDL has emerged as a pioneer in *Container freight station* services in a relatively short period of time through carefully planning and execution of a scalable business model, which can be replicated throughout India. Success factors of GDL that helped them emerge as a leading CFS player are as follows: -

- Strategic locations
- Strong customer relationships
- Strong financial position
- Experienced professional management team
- Strong focus on systems and processes
- Ability to attract talent

Expanding its growth avenues:

GDL has entered into cold chain logistics business by taking management control in Snowman Frozen Foods Ltd, a JV with Mitsubishi Japan. Also Nihireo logistic group of Japan is a major shareholder in this joint venture company. Snowman has a pan India presence that provides total logistic solutions to its customers for perishable products. Snowman operates 16 cold stores and a fleet of refrigerated trucks at various major cities across the country.

The company took over operations of Punjab Conware's CFS near JNPT, Navi Mumbai under an Operations & Management Agreement. The company is in the process of setting up a CFS at Kochi for which land acquisition has been substantially completed.

**Aggressive
strategy**
growth

Gateway Rail freight Limited (GRFL) signed the concession agreement with Indian Railways to operate container trains on the Indian Railways network. GRFL has acquired the requisite land in the NCR and in Punjab for setting up Inland container depots (ICD).

Growth strategy:

GDL plans to have a network of CFS and ICDs covering northern, western and southern India with a rail link that connects the western and northern India. Once these are all in place GDL would then start moving up the ladder in the logistics supply chain with a possibility of partnering a global player to become a full-fledged logistic player.

The following are the key elements to GDL's strategy

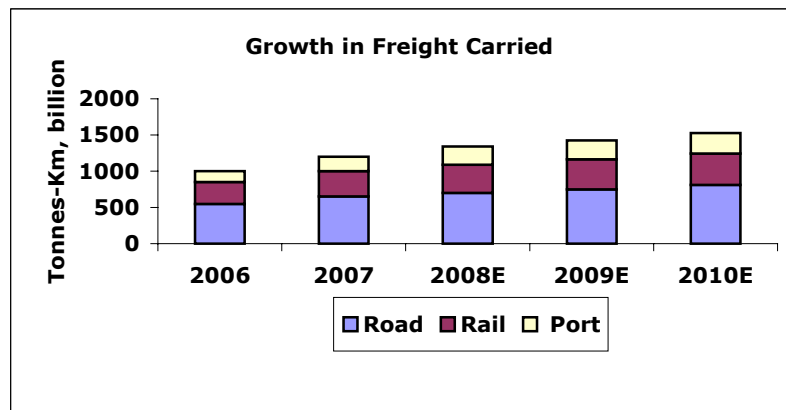
Consolidate and maintain its position at JNPT

Increase penetration and expand GDL's reach by setting up/ acquiring CFSs at major and upcoming modern ports with container terminals and ICDs at catchment areas in the hinterlands

Establish a network of CFSs and ICDs connected to important gateways through rail and road

Enhance product range by adding value added services

Improve operational efficiencies

Industry outlook to remain buoyant:
Growth prospectus of the Indian Industry:


Container ports and the container station traffic in India are key growth area that will be growing even faster. At present it is nearly 15% of the total cargo in the country whereas the international average is 60%. So the growth is moving towards the international growth level and the constraint for this so far has been the lack of infrastructure in terms of container exports and the movement of the containers within the country. So now both are getting addressed in that JNPT is growing and they are putting up the additional terminal. Similarly Chennai, Kochi and Vizag are coming with their new container terminal.

Government initiatives for railway and port infrastructure:

Government is increasing the railway tracks infrastructure for movement of the containers. The long gauge plan is for the dedicated side corridor. In the meanwhile, they are also centering the existing infrastructure so that the track infrastructure is also in the place. These are the growth factors targeted by GDL, by which it will have a high growth business, which it is looking forward to.

Investment Concern**Shipping company's and third party players will put forth competition:**

If the ports or the shipping lines themselves are getting into either in the CFS business or in the rail transportation business, GDL; obviously shall face competition from them. In JNPT they have competition from a couple of third party players but these players are presently smaller compared to GDL and are operating at about 40-60% of GDL's size. These are all big shipping lines that are contemplating entering into this CFS business. They are in the process of setting up the business so maybe in the next two-three years they can be big competitors in Mumbai.

Railway licence obtained by 8 other players:

In the railway, apart from GDL, we have Concor and eight other people who have obtained international license for operating container trains. These eight players include Anil Ambani's RADAG Group, ABL (African Business Line), which is a big shipping company, P&O ports, which is a part of Dubai Ports now and J M Bakshi has also taken the license but they have a sectoral license. So these are all players, which can be the big competitors in the railway business.

Key Triggers

The full impact of the rail JV with Concor will be seen in FY09
Punjab Conware will start contributing significantly from FY09 onwards
Strong earnings growth expected in next 2-3 years.

Valuation

GDL is the largest private-sector player in Indian container business. Though the company is dependent on its revenue from JNPT, we believe it will effect the company in a short term. We see new business ventures and new initiatives along with the vast trade expertise in the CFS and logistic business adequately supported by strong operational team will greatly benefit GDL. Also as containerisation movement of cargo has been growing at 15% per annum, GDL will be the core beneficiary that gives us a good investment opportunity.

At the CMP of Rs 155/-, the stock trades at 24x its H1FY08 annualized earnings of Rs 6.4. We recommend to accumulate the stock.

Financial Snapshot Quarterly Performance

Rs crore	Q2FY08	Q2FY07	YoY (%)	Q1FY08	QoQ (%)
Net Sales	64.0	38.2	67.7	48.3	32.5
Total Expenditure	38.5	16.3	136.7	26.3	46.4
Operating Profit	25.5	21.9	16.6	22.0	15.9
Other Income	4.3	5.9	-26.9	4.8	-9.4
PBIDT	29.9	27.9	7.3	26.8	11.4
Interest	0.5	0.3	67.7	0.3	57.6
PBDT	29.4	27.5	6.6	26.5	10.8
Depreciation	6.9	2.7	154.1	4.6	49.1
Tax	3.7	3.7	-1.9	3.2	13.6
RPAT	18.8	21.1	-10.8	18.7	0.9
Minority Interest	-0.1	0.0	-	0.1	-
Adj. PAT	18.9	21.1	-10.5	18.6	1.6
Equity	115.56	92.35		92.37	
EPS	1.6	1.8		1.6	
Margins (%)					
OPM	39.9	57.4		45.6	
NPM	29.5	55.3		38.5	

Annual Performance

Rs crore	FY07	FY06	Var (%)
Net Sales	161.0	138.6	16.2
Total Expenditure	79.8	54.9	45.2
Operating Profit	81.2	83.7	-2.9
Other Income	25.0	11.0	127.0
PBIDT	106.2	94.7	12.2
Interest	1.4	2.5	-46.1
PBDT	104.8	92.1	13.8
Depreciation	13.9	10.6	30.8
PBT	91.0	81.5	11.6
Tax	13.9	9.3	48.5
RPAT	77.1	72.2	6.8
Minority Interest	-0.7	-0.1	640.0
Adj. PAT	77.8	72.3	7.7
Equity	115.5	115.5	
EPS	6.7	6.3	
Margins (%)			
OPM	50.5	60.4	
NPM	48.3	52.2	

* EPS calculated on expanded equity

Sical Logistics Ltd (SLL)
CMP: 265
15 Dec, 2007
Accumulate

BSE Code	520086
NSE Code	SICAL

Key Data

Sensex	20030
52 week H/L (Rs.)	301/145
Nov month H/L (Rs.)	288/210
Market Cap (Rs cr)	1048
Avg. daily vol. (6m)	15885
Face Value	10

Source: Capitaline

Shareholding Pattern (%)

Promoters	43.10
Institution	18.10
Public & Others	38.8

Source: Capitaline

One-Year Performance (Rel. to Sensex)


Source: Capitaline

 Analysis: Team Anagram
 equity@anagram.co.in

Background and Business

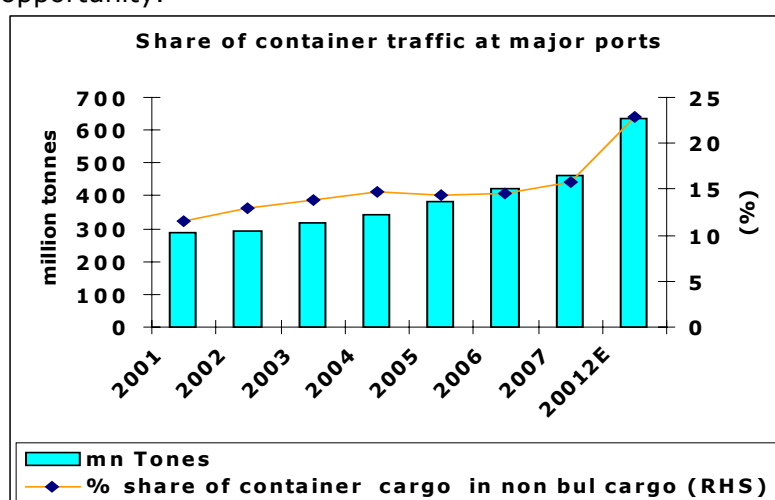
Incorporated in March 1981, Promoted by M.A Chidambaram, Sical is in the business consisting of five distinct groups : logistics, marketing, manufacturing, agro, and engineering. The logistics group contributes more than 70% to the turnover and also contributes significantly to the bottom-line.. In logistics, its offerings include port handling, trucking and warehousing, ship and customs house agency, and container and offshore logistics. The company in the infrastructure segment has 90% stake in Sical PSA, 37.5% in the container terminals, 89% in the Iron ore terminal that is to come up in Ennore, and has 51% in the newly formed Joint Venture for containerized transportation through road.

Investment Rationale
Robust Growth in Indian logistics Industry

The USD 100+ billion Indian logistics industry will continue to witness significant growth driven by robust manufacturing growth, mounting domestic consumption, huge investment in infrastructure and increased outsourcing of operations by companies. Organized logistics market is expected to show 20-30% CAGR over next five years.

Key Areas of Growth:-

Containerization: Demand for the container traffic in India is likely to increase on back of strong trade growth, favorable environment, key outsourcing destination for major global players etc. Globally, 80% of general cargo is containerized from as compared to 45% in India which indicates huge growth opportunity.



Container handling capacity is all the ports in India is expected to increase from 5.5 million TEU's to 20 million TEU's by 2014

Total of INR 770 billion investment in road & port over next five years.

To become a solution provider company

The share of container traffic has increased from 11.5% to 16% in FY07 and is expected to go up to 23% by 2012 on back of increase in private participation in handling container terminals etc.

New Container terminals to boost traffic

Container	Expected capacity (MN TEU)	Operator	Date of commissioning
JNPT-Fourth Terminal	4.4	Yet to be awarded	2010
Chennai	1.00	PSA-Sical	2008
Kochi	3.00	Dubai ports	2010
Tuticorn	1.00	Yet to be awarded	-

(Sources: Industry)

Port & Rail Development

An investment of around INR 550 billion has been earmarked for National Maritime Development Programme (NMDP) port projects in order to handle additional traffic of 615 mn tones at major ports by 2012. The recent railway budget has earmarked INR 220 billion for a dedicated rail freight corridor which would generate high productivity freight cars designed for 30 mn tones axle load at speed of 100 Kmph.

To become dominant integrated logistic company

The company is an integrated solutions provider for the offshore logistics and the multi-modal logistics for bulk and containerised cargo. Annually, it moves nearly 500,000 twenty-foot equivalent unit (TEUs) of containerized cargo and 21 million tonnes of bulk cargo--more than any other third-party logistics provider in South Asia. The demand in cargo transportation is expected to remain strong in the coming years supported by strong global growth.

The company acquired Bergen offshore with one platform supply vessel (PSV) in October 2006. The PSV is chartered at a rate of USD 25,000/day in North Sea. This segment is expected to contribute to the profitability, owing to robust demand for these supply vessels. It is also expected to bring its dredger, which currently is in Chinese territory to international waters and hence going forward, growth is expected to be driven by the offshore division

INR 9 billion of capex over FY 07-09

Capex for next 2-3 years.

	Project Cost (bn)	Date of Completion	Remark
Ennore Iron ore Terminal	3.3	2009	89% stake by Sical
Mihan Rail project	0.6	08-09	51% stake by Sical
Mihan Road Project	1.1	08-09	51% stake by Sical
PSA-Sical II Container at Chennai	3.6	2009	40% stake by Sical
Investment in SPV's	8.6		
Other Capex			
Offshore fleet expansion	0.8-1.00	2H FY08	To acquire 4-5 vessels mainly AHTs & PSV's
Container rail Services	3.7	08-09	To begin rail linked services to/from three location (JNPT, Bangalore, & Chennai)
Expand network of CFSs		08-09	Plans to set up an ICD in Mumbai 60-65 acres land capable of handling 1.5-2.0 mn TEUs
Grand Total	13.3		

(Sources :- Company data)

Huge investment in infrastructure will boost the revenue of the SLL

Separation of businesses to unlock value

The Sical Logistics is to form a wholly owned subsidiary with the view to separate the infrastructure and logistic services from the other non core businesses for the benefit of the investors. The infrastructure business includes the container terminals, road business and rail movement, warehousing and tracking as the demand for the freight of goods are improving. It is also divesting many of the non core business like palm oil, refractories & auto components business.

Total Capex of around 1350 Cr. in Sical infra assets for next 2-3 years.

Sical Infra Assets (100%) infra division arms of sical logistics will include Development of roads, terminals, Rail etc. These funds will be utilized for growing the trucking and warehousing divisions, and other capital intensive projects.

Container handling capacity is all the ports in India is expected to increase from 5.5 million TEU's to 20 million TEU's by 2014

Risk Concern

Sharp decline in Exim trade to hamper container growth:- Exim trade has grown at 24.8% CAGR from FY02-07 and has resulted in increase in traffic. A decline in the exim trade either will be due to global slow down or slump in the domestic economy may hamper the container growth

Lack of infrastructure Development:- Though the govt. has initiated huge investment in infrastructure development at various port & terminals, any delay in clearing the existing bottleneck and adding further capacity will deteriorate the growth.

Other risk include Any delay in hiving off of these businesses or risks pertaining to realizing of true value of these businesses could severely hamper the company's growth prospects

Valuation:-

Buoyant exim trade, increasing acceptance of containerization in ports and logistics, huge demand of containers in domestic railways have set the stage for up surge of container traffic.

SLL which is one of the integrated players in logistic industry and is all set to leverage upon this growth. Growth of the company will be driven by the offshore and infrastructure business going forward. SLL has announced capex of INR 9 billion for next 2-3 years to increase its capacity and to become fully integrated solution Provider Company.

At CMP of 265, stock trades at 36x FY07 earnings with an EPS of 7.3. With the govt. thrust on infrastructure development especially port, rail etc, SLL will be key beneficiary. Hence we recommend an **Accumulate** rating for the stock

Consolidated Quarterly performance

Rs. in Crore	Q2FY08	Q2FY07	%(YoY)	Q1FY08	%(QoQ)
Net Sales	264.1	269.5	-2	253.9	4
Total Expenditure	247.7	246.0	1	231.7	7
Operating profit	16.3	23.5	-30	22.2	-26
Other Income	16.6	3.2	416	12.0	38
Interest	6.8	9.3	-27	5.2	31
Depreciation	7.2	5.1	41	6.3	14
PBT	18.9	12.3	54	22.7	-17
Tax	0.0	3.5	-100	3.2	-100
RPAT	18.9	8.8	115	19.5	-3
Extrordinary Item	1.0	0.0		0.0	
Adj PAT	18.0	8.8	104	19.5	-8
Equity	39.5	39.5		39.5	
EPS	4.5	2.2		4.9	
Margin (%)					
OPM	6.2	8.7		8.8	
NPM	6.8	3.3		7.7	

Consolidated Annual Performance

Rs. in Crore	FY05	FY06	FY07	%(YoY)
Net Sales	1240.7	993.0	1058.0	7%
Total Expenditure	1139.7	868.1	1068.0	23%
Operating profit	101.0	124.9	-10.0	
Other Income	10.2	9.1	136.0	1403%
Interest	46.8	31.6	33.5	6%
Depreciation	16.7	18.5	23.5	27%
PBT	47.8	83.9	69.0	
Tax	4.1	15.1	23.9	58%

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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

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