



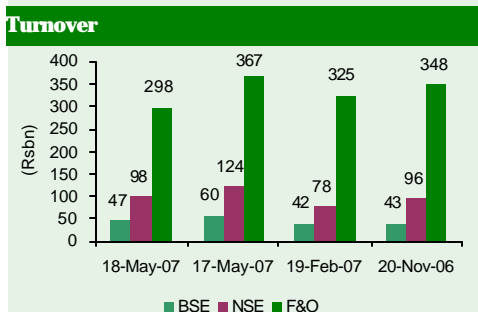
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21 May 2007

Indices	%Change			
	18-May-07	1mth	3mth	6mth
Sensex	14,303	5.0	(0.7)	6.5
Nifty	4,215	5.4	1.2	9.3
CNX Midcap	5,536	8.3	5.7	1.5
Banking	7,604	11.0	4.3	8.7
Capital Goods	10,157	5.2	5.3	17.4
IT	4,923	(1.0)	(11.7)	(2.8)
Healthcare	3,734	(1.1)	(1.8)	1.9
NASDAQ	2,558	2.1	1.8	4.3
Dow Jones	13,557	5.8	6.0	10.1

Net Inflows				
Rsbn	17-May-07	16-May-07	MTD	YTD
FII	(1)	(3)	(7)	126.4
Mutual Fund	6	3	15	94.1
FII - F&O	2	(1)	(2.7)	124.0



Commodity & Currency		% Change			
	18-May-07	1mth	3mth	6mth	
Crude (US\$/barrel)	64.9	4.6	10.6	10.3	
Gold (US\$/Oz)	657.7	(3.8)	(2.5)	5.4	
US\$	40.9	(3.0)	(7.2)	(8.8)	
Euro	55.2	(3.6)	(4.8)	(4.2)	

Debt					
%	18-May-07	1mth	3mth	6mth	
RBI Reverse Repo	6.0	6.0	6.0	6.0	
10 yr G-Sec yld	8.2	8.1	8.0	7.5	
Spread 1 & 10 yr G-Sec	0.8	0.7	0.4	0.3	
US 10 yr treasury	4.8	4.7	4.7	4.6	
Surplus liquidity (Rsbn)	196.7	155.9	87.1	(97.5)	

Unichem (Rs260) - Results Review

Rahul Sharma

Downgrade to Outperformer - Target Price Rs325 rahul.sharma@karvy.com

The company's revenues for the quarter were up by 27 % to Rs 1341 mn. The key growth drivers were domestic formulations which clocked a growth of 14.7 % to Rs 892 mn, formulations exports grew by 79 % to Rs 324 mn while API revenues grew by 59 % to Rs 90 mn. Margins for the quarter were down from 18.1 % to 14.7 % mainly on account of R & D expenses which increased by 150 % to Rs 75 mn. Profits for the quarter were down by 13 % to Rs 135 mn. Profits after EOI increased by 48 % to Rs 200 mn. We had expected R & D expenses of Rs 156 mn for FY 07 while the actual revenue R & D expenses were to the tune of Rs 195 mn. We have factored Rs 285 mn as R & D expenses for FY 2008E. Other income for FY 2007 included insurance claim, capital gains on current investments and excess provisions (total Rs 83 mn). Profits before EOI has grown by 19% to Rs 817 mn.

The company has recently started a new division in the domestic space. The company's revenue momentum should gain traction in domestic formulations with a 15 % growth in this business. Other key business segments which would continue to perform well would include formulations and API exports. The overall revenue is expected to grow by 20 % for FY 2008. We had to downgrade our revenue estimates on account of a lower base in domestic formulations and API in FY 2007 and hence we are downgrading our EPS estimates by 8 % to Rs 27.04. We are hence downgrading our price target by 8 % to Rs 325 based on 12x FY 2008E (EPS Rs 27.04). On account of reduction in price target we reduce our rating to **Outperformer**.

Rs Million	Q4FY06	Q3FY07	Q4FY07E	QOQ %	YoY %
Net Sales	1,058	1,313	1,341	2.1	26.7
Cost	867	1,042	1,143	9.7	31.9
EBITDA	191	271	197	(27.4)	3.2
EBITDA Margin (%)	18	21	15		
Other Income	10	8	3	(56.6)	(67.2)
Interest	4	6	3	(46.7)	(17.4)
Depreciation	29	29	34	14.5	15.5
Profit before Tax	168	244	164	(32.9)	(2.7)
Tax	13	52	29	(44.9)	127.5
Tax rate (%)	7	21	18		
Net Profit	156	192	135	(29.6)	(13.2)
EOI	(20)	-	65		(422.8)
Reported Net Profit	135	192	200	4.4	47.9

Unichem Labs		Rs Mn	FY2004	FY2005	FY2006	FY2007	FY2008E
Reuters/Bloomberg Code	UNLB.BO/ULIN	Net sales	3,525	3,906	4,558	5,456	6,596
Market Cap(Rs bn)	9.4	EBITDA	619	649	910	1,091	1,404
Market Cap(US\$ mn)	229	Net Profit	378	434	688	817	973
Shares Outstanding(mn)	36	EPS(Rs)	11.1	12.7	19.1	22.7	27.0
52-week High/Low (Rs)	300/202	EPS growth (%)	49.5	14.9	50.3	18.8	19.2
		EBITDA margin(%)	17.6	16.6	20.0	20.0	21.3
Major Shareholders (%)		PER(x)	23.5	20.4	13.6	11.5	9.6
Promoters	47.4	EV/EBITDA (x)	14.8	14.3	9.8	8.4	6.7
FII's	3.8	Dividend Yield (%)	1.2	1.3	1.9	1.9	2.4
Banks/Fis/MFs	13.0	RoE(%)	28.0	26.0	28.5	24.7	24.5
Public	35.7	RoCE(%)	27.5	27.8	27.5	26.2	28.9

Source: Company and Karvy Estimates

BULK DEALS ON NSE - 18 May 2007

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
ALOKTEXT	Alok Industries Limited	NIRVAN HOLDINGS PVT. LTD.	BUY	1,040,000	65
BHAGWATIHO	Bhagwati Banquets and Hot	ARCHITA C GADA	BUY	169,468	53
BHAGWATIHO	Bhagwati Banquets and Hot	DINAKUMAR M PATEL	BUY	354,433	51
BHAGWATIHO	Bhagwati Banquets and Hot	FAIRDEAL TRADELINK	BUY	249,230	52
BHAGWATIHO	Bhagwati Banquets and Hot	KAUSHIK SHAH SHARES & SECURITIES PVT LTD	BUY	188,038	52
BHAGWATIHO	Bhagwati Banquets and Hot	LATIN MANHARLAL SECURITIES PVT. LTD.	BUY	361,007	51
BHAGWATIHO	Bhagwati Banquets and Hot	MANISH SHARMA	BUY	162,000	52
BHAGWATIHO	Bhagwati Banquets and Hot	NISSAR BROTHERS	BUY	181,591	51
HINDOILEXP	Hind. Oil Exploration	GOLDMAN SACHS INVESTMENTS MAURITIUS I LTD	BUY	394,769	94
JINDRILL	Jindal Drilling And Indus	WALL STREET CAPITAL MARKETS PVT LTD	BUY	22,830	608
NAGARFERT	Nagarjuna Fert & Chem	JAYPEE CAPITAL SERVICES LTD.	BUY	7,142,613	24
RAJTV	Raj Television Network Li	MANSUKH SECURITIES & FINANCE LTD	BUY	90,520	245
RANASUG	RANA SUGARS LTD	SHIVAM INVESTMENT PROP. SHUSMA KAPUR	BUY	550,000	20
ROLTA	Rolta India Ltd.	UNIVERSITIES SUPERANNUATION SCH LTD (USSL)	BUY	750,000	461
SAKHTISUG	Sakthi Sugars Ltd.	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. SVB	BUY	226,870	96
UTVSOF	UTV Software Communicatio	MANSUKH SECURITIES & FINANCE LTD	BUY	138,507	430
BHAGWATIHO	Bhagwati Banquets and Hot	ARCHITA C GADA	SELL	174,469	53
BHAGWATIHO	Bhagwati Banquets and Hot	CREDO CAPITAL PLC. A/C. KII LTD	SELL	250,000	49
BHAGWATIHO	Bhagwati Banquets and Hot	DINAKUMAR M PATEL	SELL	354,433	51
BHAGWATIHO	Bhagwati Banquets and Hot	FAIRDEAL TRADELINK	SELL	249,229	52
BHAGWATIHO	Bhagwati Banquets and Hot	KAUSHIK SHAH SHARES & SECURITIES PVT LTD	SELL	188,038	52
BHAGWATIHO	Bhagwati Banquets and Hot	LATIN MANHARLAL SECURITIES PVT. LTD.	SELL	358,275	52
BHAGWATIHO	Bhagwati Banquets and Hot	MANISH SHARMA	SELL	162,000	52
BHAGWATIHO	Bhagwati Banquets and Hot	NISSAR BROTHERS	SELL	181,591	52
JINDRILL	Jindal Drilling And Indus	DYTOP COMMODEAL LTD	SELL	26,675	608
NAGARFERT	Nagarjuna Fert & Chem	JAYPEE CAPITAL SERVICES LTD.	SELL	6,343,054	23
PATNI	Patni Computer Systems L	GE APC TECHNOLOGY INV II MAURITIUS LTD	SELL	707,130	522
RAJTV	Raj Television Network Li	MANSUKH SECURITIES & FINANCE LTD	SELL	90,520	246
RANASUG	RANA SUGARS LTD	MAVI INV FUND LTD A/C GDR DEUTSCHE BANK	SELL	950,000	20
RANASUG	RANA SUGARS LTD	SHIVAM INVESTMENT PROP. SHUSMA KAPUR	SELL	50,000	20
UTVSOF	UTV Software Communicatio	MANSUKH SECURITIES & FINANCE LTD	SELL	138,507	431

Source: NSE

BULK DEALS ON BSE - 18 May 2007

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
532845	BHAGWATI BAN	N D NISSAR	B	273,513	51
532845	BHAGWATI BAN	KAUSHIK SHAH SHARES SEC P L	B	215,568	52
532845	BHAGWATI BAN	BHARAT H SHETH	B	193,607	52
532845	BHAGWATI BAN	DEEPAK S CHHEDA	B	93,001	52
532845	BHAGWATI BAN	HIMANSHU R NISSAR	B	158,405	51
532845	BHAGWATI BAN	N D NISSAR	S	273,513	52
532845	BHAGWATI BAN	KAUSHIK SHAH SHARES SEC P L	S	215,768	52
532845	BHAGWATI BAN	BHARAT H SHETH	S	193,607	52
532845	BHAGWATI BAN	DEEPAK S CHHEDA	S	93,001	52
532845	BHAGWATI BAN	HIMANSHU R NISSAR	S	158,405	51
532845	BHAGWATI BAN	MANISH SHARMA	S	151,000	53
590059	BIHARTUBES	VIRINDER ENGG. AND CHEM. PVT. LIMITED	B	38,143	162
531337	CHAN GUIDE I	RAJENDRA KARNIK	B	131,298	12
531337	CHAN GUIDE I	KAMLADEVI NEMICHAND JAIN	S	50,000	12
531337	CHAN GUIDE I	JAYSHREE RAJESH JAIN	S	47,000	12
531337	CHAN GUIDE I	ANUPAMA RAKESH JAIN	S	30,000	12
524388	CRAZY INFOTE	VINAYAK MARUTI BHANAGE	S	19,000	102
530959	DIANA TEA CO	SINGHANIA BUILDERS PVT LTD	S	250,000	13
530959	DIANA TEA CO	PRETORIA ENCLAVE PVT LTD	S	400,000	13
531137	GEMSTONE INV	SUPREME INDIA COTTEX PVT LTD	B	25,543	22
531137	GEMSTONE INV	PREM MOHANLAL PARIKH	B	100,050	23
531137	GEMSTONE INV	HEMANT MADHUSUDAN SHETH	S	15,110	22
531137	GEMSTONE INV	PREMCHAND KESHAVJI SHAH	S	100,000	23
531137	GEMSTONE INV	ANURAG SABOO	S	25,000	22
532653	IL&FS INVTSM	CLSA MAURITIUS LTD	B	1,435,000	205
532653	IL&FS INVTSM	CAPITAL INTERNATIONAL INC	S	1,431,479	205
531565	INDO PAC SOF	DAKSH PROFESSIONAL CON. PVT LTD	B	55,000	16
531565	INDO PAC SOF	VIKAS JAIN	S	74,850	16
590036	KALPTARU	ASHLESH GUNVANTBHAI SHAH	B	181,974	66
590036	KALPTARU	ASHLESH GUNVANTBHAI SHAH	S	103,364	66
590036	KALPTARU	ARUN KUMAR K L	S	25,000	66
530977	KATWA UDYOG	RAMALING SAI VISHNU	B	28,000	19
531602	KOFF BR PICT	KASHIBEN ISHWARLAL PATEL	S	60,000	20
511276	MEFCOM AGR I	DHIREN R. SHETHIA	B	23,964	38
511276	MEFCOM AGR I	DHIREN R. SHETHIA	S	18,964	38
532408	MEGASOFT LTD	PRUDENTIAL ICICI TRUST LTD.	B	305,000	133
532408	MEGASOFT LTD	SOGELUX FUND.	S	294,854	131
532408	MEGASOFT LTD	SUNDARAM MUTUAL FUND	S	300,000	134
532675	PRITHVI INFO	BHARAT H SHETH	B	13,448	309
532675	PRITHVI INFO	BHARAT H SHETH	S	13,448	309
532826	RAJTELE	NARENDRA P GANATRA	B	73,807	247
532826	RAJTELE	MBL AND COMPANY LIMITED	B	66,303	244
532826	RAJTELE	UTTAM FINANCIAL SERVICES LTD	B	98,238	245
532826	RAJTELE	H.J.SECURITIES PVT.LTD.	B	183,471	248
532826	RAJTELE	NARENDRA P GANATRA	S	73,807	247
532826	RAJTELE	MBL AND COMPANY LIMITED	S	66,303	244
532826	RAJTELE	UTTAM FINANCIAL SERVICES LTD	S	98,238	244
532826	RAJTELE	H.J.SECURITIES PVT.LTD.	S	183,471	248
502587	RAMA PUL PAP	DIVYA STOCK BROKING LTD	B	21,523	62
502587	RAMA PUL PAP	DIVYA STOCK BROKING LTD	S	30,000	63
517059	SALZER ELEC	GAURANG VINOD DOSHI	B	30,000	97
531774	TRIPEX OVER	HARDIK M MITHANI	B	124,474	31
531774	TRIPEX OVER	HARSIDDH ONLINE	B	56,000	31
531774	TRIPEX OVER	RAMABEN SHYAMBHAI PATEL	B	45,000	32
531774	TRIPEX OVER	HARDIK M MITHANI	S	124,474	31
531774	TRIPEX OVER	HARSIDDH ONLINE	S	559,327	31
531774	TRIPEX OVER	RAMABEN SHYAMBHAI PATEL	S	15,000	31
507878	UNITECH LTD	HIMANSHU R NISSAR	B	21,292	569
507878	UNITECH LTD	HIMANSHU R NISSAR	S	21,292	569
532619	UTV SOFTWARE	H.J.SECURITIES PVT.LTD.	B	262,571	442
532619	UTV SOFTWARE	H.J.SECURITIES PVT.LTD.	S	262,771	443
519373	VIMAL OIL FO	VIKRAM BHOGILAL PATEL	B	220,000	30
524212	WANBURY LTD	EXPERT CHEMICAL INDIA PVT LTD	B	125,000	120
524212	WANBURY LTD	BSMA LTD	S	100,000	120
512167	YASHRAJ SECR	SUBHASH BABULAL JAIN	S	5,412	344
512167	YASHRAJ SECR	KANTA SUBHASH JAIN	S	8,560	346

Source: BSE

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Stock Ratings		Absolute Returns		Stock Ratings		Absolute Returns	
Buy	:	> 25%		Market Performer	:	0 - 15%	
Out Performer	:	16 - 25%		Under Performer	:	< 0%	

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