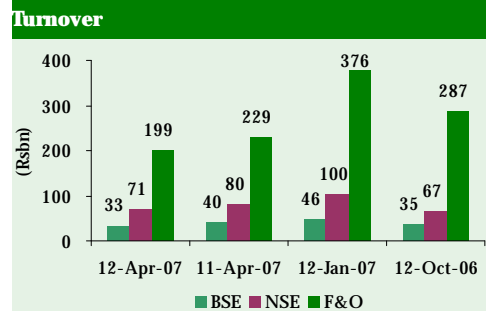




13 April 2007

Indices	% Change			
	12-Apr-07	1mth	3mth	6mth
Sensex	13,114	1.6	(6.7)	4.6
Nifty	3,830	2.6	(5.5)	5.8
CNX Midcap	4,945	5.4	(17.2)	3.5
Banking	6,470	0.0	(12.4)	6.9
Capital Goods	9,271	6.0	1.6	12.4
IT	4,880	(2.5)	(8.8)	4.1
Healthcare	3,659	4.8	(5.5)	0.6
NASDAQ	2,480	3.2	(0.9)	5.7
Dow Jones	12,553	1.9	(0.0)	5.1

Net Inflows				
Rsbm	11-Apr-07	10-Apr-07	MTD	YTD
FII	4	6	17	83.8
Mutual Fund	3	(5)	(3)	(35.6)
FII - F&O	1	8	12.9	90.1



Commodity & Currency	% Change			
	12-Apr-07	1mth	3mth	6mth
Crude (US\$/barrel)	63.9	8.4	20.5	6.0
Gold (US\$/Oz)	676.1	3.9	7.8	16.9
US\$	42.9	(3.1)	(3.9)	(6.0)
Euro	57.7	(0.6)	0.3	0.9

Debt	% Change			
	12-Apr-07	1mth	3mth	6mth
RBI Reverse Repo	6.0	6.0	6.0	6.0
10 yr G-Sec yld	8.1	8.0	7.7	7.6
Spread 1 & 10 yr G-Sec	1.0	1.0	0.6	0.7
US 10 yr treasury	4.7	4.6	4.8	4.8
Surplus liquidity (Rsbm)	(30.0)	(30.0)	207.3	(251.5)

## Gateway Distriparks (Rs169) - Results Preview **Vikram Suryavanshi** Outperformer - Target Price: Rs200 *vikrams@karvy.com*

Gateway Distriparks Ltd (GDL) is expected to report revenue growth of 34.6% YoY (QoQ growth of 6.5%) to Rs 440 mn considering upside from Snowman and Punjab conware.

The operating margin is expected to decline from 55.3% in Q4FY06 to 48.7% in Q4FY07 due to higher transportation costs. The operating profit is expected to increase by 18.4% to Rs 214 mn. The depreciation cost is expected to increase by 31.6% YoY to Rs 37 mn due to capacity addition during the period. The other income is expected at Rs 55 mn mainly on account of interest income from the surplus cash. Overall, consolidated profits are expected to increase by 8.8% YoY to Rs 196 mn translating into EPS of Rs 2.1

At a current price of Rs 169, the stock is trading at 19.7x FY07 and 15.3x FY08 earnings and EV/EBIDTA it is trading at 17.8x FY07E and 12.6x FY08E. We have revised revenue and profit estimates considering recent Joint venture with Concor and operation of Punjab conware at New Mumbai. We expect the revenue to grow at a CAGR of 34% to Rs 3.36bn in FY09 and net profit to grow at CAGR of a 20% over next three years to reach Rs 1.24 bn in FY09. We are maintaining valuation at 18x FY08 with revised price target of Rs200 from Rs234.

Rs Million	Q4FY06	Q3FY07	Q4FY07E	YoY Growth	QoQ Growth
Revenues	327.4	413.7	440.5	34.6	6.5
Op expenses	146.2	210.6	226.0	54.6	7.3
Operating profit	181.2	203.1	214.5	18.4	5.6
Operating margin	55.3	49.1	48.7	-	(0.8)
Other income	62.0	56.5	55.0	(11.3)	(2.7)
Interest	5.9	2.4	2.4	-	0.4
Depreciation	28.1	36.0	37.0	31.7	2.9
Pre-Tax profit	209.2	221.3	230.1	10.0	4.0
Tax provision	29.5	31.4	34.5	17.1	9.9
Tax rate	14.1	14.2	15.0	-	5.6
Profit after Tax	179.7	189.8	195.6	8.8	3.1
Minority interest	1.1	(2.4)	(2.5)	-	4.6
Net Profit	178.7	192.2	198.1	10.9	3.1
Extraordinary Income	-	(25.0)	-	-	-
Reported net profit	178.7	217.2	198.1	10.9	(8.8)

Gateway Distriparks	Y/E March (Rs Mn)	FY2005	FY2006	FY2007E	FY2008E	FY2009E	
Reuters/Bloomberg Code	GATE.BO/NA	Revenues	956	1,389	1,593	2,427	3,366
Market Cap (Rs mn)	15,582	Op Profit	524	832	836	1,242	1,638
Market Cap (US\$ mn)	350	Net Profit	346	725	790	1,016	1,247
Shares Outstanding (mn)	92	EPS (Rs)	4.6	7.9	8.6	11	13.5
52-week High/Low (Rs)	301 / 132	EPS Growth (%)	54.3	70.6	9	28.6	22.7
		Operating Margin (%)	54.8	59.9	52.5	51.1	48.7
Major Shareholders (%)		PER (x)	36.7	21.5	19.7	15.3	12.5
Promoters	43.2	EV/EBITDA (x)	29.6	18.5	17.8	12.6	9.6
FII	38.3	Price/Sales (x)	16.3	11.2	9.8	6.4	4.6
Banks/MFs	10.2	Dividend yield (%)	1.2	1.3	1.4	1.7	1.9
Others	1.6	RoCE (%)	17.2	11.8	10.3	13.9	16.3
Public	6.8	ROE (%)	20.8	12.4	12.4	14.3	15.6

Source: Company and Karvy Estimates

**Recent Development**

Gateway Distriparks Ltd (GDL) through its subsidiary - Gateway Rail Freight Pvt. Ltd. has entered into an agreement with Container Corporation of India Ltd. (Concor) to set up a Joint Venture Company (JVC) to construct and operate a rail linked double-stack container terminal at Garhi Harsaru near Gurgaon in Haryana connecting NCR to the western ports. Gateway Rail and CONCOR will have shareholding in the ratio of 51:49 respectively in this JVC. This agreement replaces the existing agreement between CONCOR and Gateway Distriparks Ltd. on train operations from ICD Garhi Harsaru.

GDL has an operational rail - linked ICD at this location. The operation of this ICD will be taken over by the JVC. At present CONCOR provides rail connectivity to this ICD. The rail operations will now be done jointly by Gateway Rail and CONCOR. Gateway Rail has already placed order for two rakes, one of which is expected to be delivered in April 2007. The JV will have leased facility of around 90 acre of which current operational land is around 20 acre providing surplus land for future expansion. The revenue from handling of containers will be booked by JV while the revenue from train handling will be shared equally between Concor and GDL.

**Sector: IT Services****Mastek (Rs308)****BUY****Valuations are going cheap****Target Price: Rs410**

The financial performance of Q3FY07 does not include the full revenue and profit contribution from DCTOG, (the JV with Deloitte Consulting) as the joint venture ended with effect from March 09, 2007. The financial contribution from DCTOG has therefore been consolidated with Mastek till 9th March, 2007. Resultantly, its consolidated performance of Q3FY07 is not strictly comparable to the corresponding period of last year or preceding quarter of the current financial year. Without considering the contribution of DCTOG joint venture in Q3FY07 (as well as for Q2FY07), revenues increased by 6% on a rolling quarter basis to Rs1953mn. On a corresponding quarter basis without the DC JV contribution, the revenues increased by 28%YoY. Net profit for Q3FY07 without including the earnings contribution of the DC JV was higher by 2.4% to Rs212mn compared to Rs207mn in the sequentially preceding quarter, and it is higher by 38% compared to Rs153mn in the corresponding quarter last year.

Rs Million	Q3FY2006	Q2FY2007	Q3FY2007	QoQ Growth	YoY Growth	Q3FY07KE
Revenues	1,774	2,064	2,115	2.5	19.2	2,239
Op expenses	1,452	1,693	1,750	3.4	20.5	1,817
Operating profit	322	371	365	(1.6)	13.3	422
Operating margin	18.2	18.0	17.3	-	-	18.8
Other income	21.0	33.7	33.2	-	-	15.0
Interest	1.4	3.6	2.3	-	-	3.5
Depreciation	70.9	75.6	74.2	-	-	78.5
Pre-Tax profit	270.7	325.4	321.6	(1.2)	18.8	355.0
Losses in equity affiliates	6.7	19.9	0.0	-	-	17.0
Tax provision	71.2	75.5	59.0	-	-	90.0
Tax rate	26.3	23.2	18.3	-	-	25.4
Adjusted net profit	192.8	230.0	262.6	14.2	36.2	248.0
Less Minority interest	19.8	11.6	25.1	-	-	6.2
Add Extra ordinary income	0.0	0.0	164.8	-	-	0.0
Reported net profit	173.0	218.4	402.3	84.2	132.5	241.8

**Mastek**

	Y/E March (Rs Mn)	FY2005	FY2006	FY2007E	FY2008E	FY2009E	
Reuters/Bloomberg Code	MAST.BO/MAST IN	Revenues	5,670	6,884	8,139	9,474	12,239
Market Cap (Rs bn)	8,666	Op Profit	884	1,184	1,390	1,643	2,164
Market Cap (US\$ bn)	194	Net Profit	535	691	1,040	1,095	1,448
Shares Outstanding (mn)	28.1	EPS (Rs)	18.9	24.4	36.7	38.7	51.2
52-week High/Low	407/189	EPS Growth (%)	80.8	29.2	50.5	5.3	32.2
		Operating Margin (%)	15.6	17.2	17.1	17.3	17.7
Major Shareholders (%)		PER (x)	16.3	12.6	8.4	8.0	6.0
Promoters	42.9	EV/EBITDA (x)	9.4	6.8	5.5	4.3	0.0
FII's	17.9	Price/sales (x)	1.5	1.3	1.1	0.9	0.7
Banks/FIs/MFs	13.6	RoCE (%)	34.9	37.2	35.4	34.6	37.9
Public	25.5	RoE (%)	27.4	28.3	33.6	28.8	31.1

Source: Company and Karvy Estimates

During Q3FY07 Mastek sold its entire stake in its joint venture with Deloitte Consulting to affiliates of Deloitte consulting LLP in line with the terms of agreement. The five year old joint venture had served its objectives and the revenues from the JV were stagnating for the past three years. Mastek received Rs584mn as consideration for its 50.12% stake in the JV resulting in a profit of Rs270mn, which is reflected in the Q3FY07 consolidated financials. Net of tax it received Rs165mn as extra-ordinary income which enabled the company to report Rs402mn – sequential growth of 84%. Mastek for Q3FY07 reported revenues which were little subdued vis-à-vis our expectation, nevertheless at the net profit level the same were higher by 4% on account of the following reasons:

- The actual taxes provided in Q3FY07 were at Rs59mn, where as we provided Rs90mn taxes
- Losses in equity affiliates were nil, where as we expected its affiliates to suffer Rs17mn losses.

The revenues from US which were stagnating for the past many quarters reported a strong growth 26.6% on a rolling quarter basis – which was the pile driver of overall revenue growth, contributing 21% of Q3FY07 overall revenues. The revenues from Europe were flat at the last quarter level, as a result as a percentage of revenues slipped from 67% of revenues in Q2FY07 to 65% in Q3FY07. The US operations witnessed noticeable growth, as it managed to successfully ramp up its relationships with the existing accounts by securing repeat orders. After many quarters Mastek managed to win 4 new clients and the revenues from BPO also saw strong growth.

We expect Mastek to report revenues of Rs2bn in Q4, which would be a sequential decline of 5.4%, but here too it is not strictly comparable as the JV revenues for Q3FY07 were included for 2 months of the quarter. On account of lower utilization rate we expect the margins to dip in Q4 by 50bps to 16.8% as result – the net profit growth would decline by 12.6% sequentially. We would not read too much into this decline as the company would have to place the resources back in the projects which normally would take one quarter.

For the full year FY07 we expect the revenues to grow by 18% and adjusted net profit to grow by 16%, but if we include the one-time extra-ordinary income of Rs165mn (net of taxes) accruing from the sale of its stake in DCTOG the reported net profit grows by 50%. For the next two year we expect the earnings to grow by 21% and 31% and at the current valuations we continue with our BUY rating on the stock with a price target of Rs410. No doubt the growth has slowed down a bit, but the valuations are compelling and by the end of FY08 it should have cash of close to Rs60 per share. Besides, its return ratios are healthy at the early thirties. As the company derives 2/3rd of revenues from Europe the susceptibility of the revenues to rupee-dollar volatility would be much lower. Once the Elixir platforms for insurance solutions meet the desired targets – the scalability of the revenue model is very good.

No doubt it has a skewed client concentration, but most of its clients are with the company for a very long time and we don't see that as a serious risk to its business model. At the current price it would give a good 30% returns over the next one year.

**BULK DEALS ON NSE - 12 April 2007**

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
AKSHOPTFBR	Aksh Optifibre Limited	FINANCIAL & MANAGEMENT SERVICE	BUY	205,000	54
ALLSEC	Allsec Technologies Limit	UTI - CHILDREN CAREER PLAN (UTI CCP)	BUY	79,000	290
BHAGYNAGAR	Bhagyanagar India Limited	CITIGROUP GLOBAL MRKTS MAU PVT LTD	BUY	500,000	43
IFCI	IFCI Ltd.	JAYPEE CAPITAL SERVICES LTD.	BUY	18,147,931	38
IFCI	IFCI Ltd.	LATIN MANHARLAL SECURITIES PVT. LTD.	BUY	3,859,710	38
ORBITCORP	Orbit Corporation Limited	ARCHITA C GADA	BUY	225,128	127
ORBITCORP	Orbit Corporation Limited	ASIT C MEHTA INVESTMENT INTERRMEDIATES LTD	BUY	245,715	126
ORBITCORP	Orbit Corporation Limited	COMPOSITE SECURITIES LTD.	BUY	551,499	127
ORBITCORP	Orbit Corporation Limited	DEUTSCHE SECURITIES MAURITIUS LIMITED	BUY	236,123	119
ORBITCORP	Orbit Corporation Limited	JINESH SHAH	BUY	211,600	130
ORBITCORP	Orbit Corporation Limited	LATESH M CHHEDA	BUY	291,076	128
ORBITCORP	Orbit Corporation Limited	MANIPUT INVESTMENTS PVT LTD	BUY	355,038	128
ORBITCORP	Orbit Corporation Limited	MONEY MATTERS ADVISORY SERVICES LIMITED	BUY	344,600	131
ORBITCORP	Orbit Corporation Limited	P R B SECURITIES PRIVATE LTD	BUY	326,608	128
ORBITCORP	Orbit Corporation Limited	PRASHANT JAYANTILAL PATEL	BUY	560,872	128
ORBITCORP	Orbit Corporation Limited	VIPUL GALA	BUY	185,411	129
RATNAMANI	Ratnamani Metals & Tubes	Prudential ICICI Mutual Fund A/c IMPL	BUY	150,000	732
ROHITFERRO	Rohit Ferro-Tech Limited	LAL NANDVYAPAR PVT. LTD.	BUY	300,000	33
SHAHALLOYS	Shah Alloys Limited	HARSIDDH ONLINE	BUY	83,831	99
ABGSHIP	ABG Shipyards Limited	NEWYORK LIFE INV MANGMNT INDIA FUND II LLC	SELL	273,000	350
AKSHOPTFBR	Aksh Optifibre Limited	FINANCIAL AND MANAGEMENT	SELL	113,000	53
ALLSEC	Allsec Technologies Limit	UNIT TRUST OF INDIA (UTIMF)	SELL	79,000	290
DATATECH	Datamatics Techno Ltd	DYNAMIC CONSULTANCY PVT LTD	SELL	400,000	55
GEMINI	Gemini Communication Limi	MADHU SUDHIRKUMAR JHUNJHUNWALA	SELL	49,900	399
IFCI	IFCI Ltd.	JAYPEE CAPITAL SERVICES LTD.	SELL	18,030,855	38
IFCI	IFCI Ltd.	LATIN MANHARLAL SECURITIES PVT. LTD.	SELL	3,859,710	38
ORBITCORP	Orbit Corporation Limited	ARCHITA C GADA	SELL	221,128	127
ORBITCORP	Orbit Corporation Limited	ASIT C MEHTA INVESTMENT INTERRMEDIATES LTD	SELL	245,715	126
ORBITCORP	Orbit Corporation Limited	COMPOSITE SECURITIES LTD.	SELL	551,499	128
ORBITCORP	Orbit Corporation Limited	CREDO CAPITAL PLC. A/C. KII LTD	SELL	204,275	132
ORBITCORP	Orbit Corporation Limited	JINESH SHAH	SELL	211,600	132
ORBITCORP	Orbit Corporation Limited	LATESH M CHHEDA	SELL	291,076	128
ORBITCORP	Orbit Corporation Limited	MANIPUT INVESTMENTS PVT LTD	SELL	355,038	128
ORBITCORP	Orbit Corporation Limited	P R B SECURITIES PRIVATE LTD	SELL	326,608	128
ORBITCORP	Orbit Corporation Limited	PRASHANT JAYANTILAL PATEL	SELL	560,872	129
ORBITCORP	Orbit Corporation Limited	VIPUL GALA	SELL	185,411	128
RATNAMANI	Ratnamani Metals & Tubes	NOTZ STUCKI ET CIESA	SELL	150,000	732
ROHITFERRO	Rohit Ferro-Tech Limited	ROCHAK DISTRIBUTORS PVT. LTD	SELL	200,000	33
SHAHALLOYS	Shah Alloys Limited	HARSIDDH ONLINE	SELL	173,635	94
VIVIMEDLAB	Vivimed Labs Limited	SHRIPRAKASHVINAYKUMAR SARDESA	SELL	44,500	176

Source: NSE

**BULK DEALS ON BSE - 12 Apr 2007**

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
532682	ABG SHIPYARD	NEWYORK LIFE INVESTMENT	S	277,000	350
511706	ACTION FIN	PKJ SHARE BROKER P LTD	B	42,030	2
531978	AMBIKA COTON	C BHAVANI	B	49,550	140
512296	BHAGYA INL	CITIGROUP GLOBAL MARKETS	B	450,373	43
590059	BIHAR TUBES	HARDIK M MITHANI	B	23,865	142
590059	BIHAR TUBES	HARDIK M MITHANI	S	23,865	147
532834	CAMLIN FINE	KMUK UK ATYANT CAPITAL IN	B	40,000	56
526550	COUNTRY CLUB	MACQUARIE BANK LIMITED	B	48,207	243
526550	COUNTRY CLUB	VITRUVIUS EMERGING MARKET	S	48,000	243
532818	EVINIX	HIREN KUMAR PARSHOTTAM BH	B	170,000	90
526727	GARNET CONST	AMIT AGGARWAL	B	40,500	68
526727	GARNET CONST	AMIT AGGARWAL	S	40,500	68
531137	GEMSTONE INV	PREM MOHANLAL PARIKH	B	21,680	20
531137	GEMSTONE INV	SHARMAN APPLIANCES PVT LT	S	16,130	20
531137	GEMSTONE INV	SUSHILA PREMCHAND SHAH	S	23,000	20
532836	GREMAC INFRA	SANGEETABEN KOTHARI	B	99,748	83
532836	GREMAC INFRA	REAL GOLD TRADING CO. PVT	S	160,610	83
532836	GREMAC INFRA	NISCHAL CORPORATE SER. PV	S	543,358	83
532836	GREMAC INFRA	ALKA DIMOND INDUSTRIES LT	S	222,000	83
532836	GREMAC INFRA	SANGEETABEN KOTHARI	S	99,748	84
532836	GREMAC INFRA	AMAM SHREYANS SHAH	S	200,000	84
532129	HEXAWARE LTD	DWS INVESTMENT S.A	B	2,055,000	166
532129	HEXAWARE LTD	UBS SECURITIES ASIA LTD.	S	2,054,474	166
532825	JAGJANANI	KAMLESH HARIBHAI CHAVDA	B	220,000	21
532825	JAGJANANI	SANDEEP PATEL	S	230,000	21
531456	MINAXTEXTIL	JAYSHREE MUNISH PATEL	B	96,409	3
531456	MINAXTEXTIL	SUREKHA R MEHTA	B	50,000	3
523820	NEO SACK LTD	BCB FINANCE P LTD	S	64,000	18
531272	NIKKI GLOB F	VIJAY KUMAR MOHNANI	S	127,100	14
531272	NIKKI GLOB F	SURENDER KUMAR GUPTA	S	75,000	14
531272	NIKKI GLOB F	MEFCOM CAPITAL MARKETS LT	S	149,775	14
532837	ORBITCO	OPG SECURITIES PVT LTD	B	1,546,781	127
532837	ORBITCO	UTTAM FINANCIAL SERVICES	B	235,584	128
532837	ORBITCO	OPG SECURITIES PVT LTD	S	1,546,781	128
532837	ORBITCO	UTTAM FINANCIAL SERVICES	S	235,584	128
500370	SALORA INT	GOPALKUMAR JIWARAJKA	B	633,420	85
500370	SALORA INT	LUSAKA PROPERTIES PVT LTD	S	633,420	85
513436	SHAH ALLOYL	HARSIDDH ONLINE	B	342,049	95
513436	SHAH ALLOYL	HARSIDDH ONLINE	S	342,049	91
513436	SHAH ALLOYL	KAMLESH HARIBHAI CHAVDA	S	302,974	95
531102	SURANA CORPR	THE INDIAMAN MAURITIUS LT	B	1,085,634	24
531102	SURANA CORPR	SHANTILAL SURANA HUF	S	69,400	25
531102	SURANA CORPR	DINESHCHAND SURANA HUF	S	34,100	26
531102	SURANA CORPR	VIJAYRAJ SURANA HUF	S	70,300	25
531102	SURANA CORPR	SURANA SHANTILAL	S	170,600	25
531102	SURANA CORPR	VIJAYRAJ SURANA	S	349,700	25
531102	SURANA CORPR	SURANA G R	S	40,000	26
531102	SURANA CORPR	DINESHCHAND SURANA	S	365,900	24
532765	USHER AGRO	PRAKASH BALIRAM BANDARKAR	B	100,000	24
532765	USHER AGRO	BALKRISHNA OZA	S	99,500	24

Source: BSE

**Research Desk (Tel: 91-22-22895000)**

Hemindra Hazari

Head of Research

*hemindra.hazari@karvy.com*

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

**Disclaimer**

The information and views presented in this report are prepared by Karvy Stock Broking Limited. The information contained herein is based on our analysis and up on sources that we consider reliable. We, however, do not vouch for the accuracy or the completeness thereof. This material is for personal information and we are not responsible for any loss incurred based upon it.

The investments discussed or recommended in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advice, as they believe necessary. While acting upon any information or analysis mentioned in this report, investors may please note that neither Karvy nor any person connected with any associated companies of Karvy accepts any liability arising from the use of this information and views mentioned in this document.

The author, directors and other employees of Karvy and its affiliates may hold long or short positions in the above-mentioned companies from time to time. Every employee of Karvy and its associated companies are required to disclose their individual stock holdings and details of trades, if any, that they undertake. The team rendering corporate analysis and investment recommendations are restricted in purchasing/selling of shares or other securities till such a time this recommendation has either been displayed or has been forwarded to clients of Karvy. All employees are further restricted to place orders only through Karvy Stock Broking Ltd.