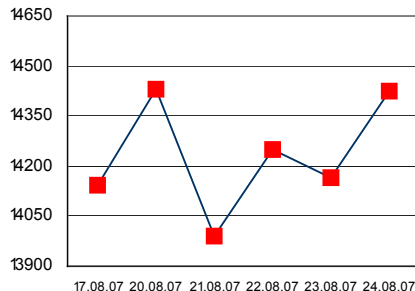
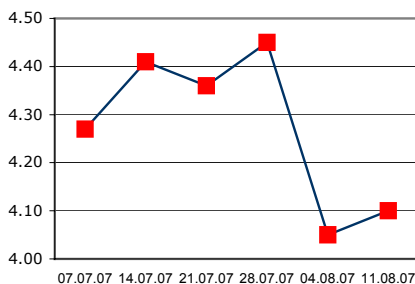
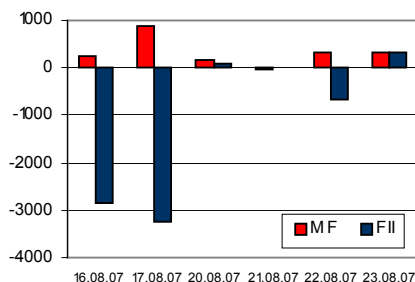
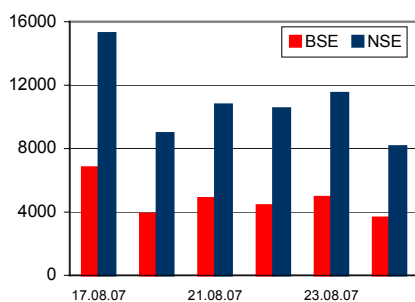


**SENSEX**

**INFLATION (%)**

**MF/FII-Net Equity Flow (Rs Cr)**

**BSE/NSE Cash Turnover (Rs Cr)**

**EXPIRY – FITTING CLIMAX TO A VOLATILE MONTH**

The UPA-Left rift on the Indo-US nuclear agreement resulted in unprecedented volatility in the markets. Psephologists forecasting the likely date of next election came to fore, making traders jittery about the environment during the week. Although we ended the week with precisely 2% gains on each of the benchmark indices, it was a gross underperformance relative to our Asian cousins, which gained between 6-10% during the same period.

Mid-cap and small-cap indices were shunned the first by the investors and they ended the week in red, while globally it was as good as anytime for such stocks. Uneasy truce between Congress and the Left and buoyant global markets on hope of a rate cut by the US Fed sets the perfect stage for the upcoming week. Drama on account of derivatives expiry on Thursday will be a fitting climax to this highly volatile month.

**Economy News**

The WPI-based inflation rate for the week ending 11<sup>th</sup> August stood at 4.10%, against the expectations of 4.05% and against previous week figure of 4.05%.

**Corporate News**

**SAIL's** Visakhapatnam Steel Plant and **NMDC** have signed an MoU to set up a 4 mn tonne p.a. integrated steel plant in Chhattisgarh.

The US-based Blackstone Group has acquired 50.1% stake in Bangalore-based apparel exporter **Gokaldas Exports** at Rs 275 per share.

**BHEL** has won turnkey contracts worth Rs 6500 Cr for setting up two power projects of 1,000 MW each from Damodar Valley Corporation (DVC).

**L&T** Board would seek shareholder approval for raising fresh equity up to US\$ 700 mn (approx. Rs 2,850 Cr) through a domestic or a foreign capital issue.

**Holcim Mauritius**, a subsidiary of the Swiss cement giant, has made an open offer to buy 20% shares of **Ambuja Cement** at Rs 154 per share.

**MARKET INDICATORS**

Indices	24.08.07	17.08.07	Change (Pts)	% Change
<b>NIFTY</b>	4190.15	4108.05	82.10	2.00
<b>SENSEX</b>	14424.87	14141.52	283.35	2.00
<b>BSEMIDCAP</b>	6190.45	6259.47	-69.02	-1.10
<b>BSESMLCAP</b>	7522.25	7694.80	-172.55	-2.24
<b>BSE-100</b>	7371.37	7262.19	109.18	1.50
<b>BSE-200</b>	1741.56	1720.99	20.57	1.20
<b>BSE-500</b>	5579.52	5530.94	48.58	0.88

**SECTORAL INDICES**

Indices	24.08.07	17.08.07	Change (Pts)	% Change
<b>BSE CAP GOODS</b>	12622.23	12029.90	592.33	4.92
<b>BSE METAL</b>	10276.6	9811.61	464.99	4.74
<b>BSE FMCG</b>	1877.97	1811.66	66.31	3.66
<b>BSE PSU</b>	6626.05	6542.63	83.42	1.28
<b>BSE OIL&amp;GAS</b>	7516.68	7427.15	89.53	1.21
<b>BSE TECK</b>	3466.72	3456.66	10.06	0.29
<b>BSE AUTO</b>	4569.26	4560.85	8.41	0.18
<b>BSE CONS.DURA.</b>	3987.01	3999.01	-12.00	-0.30
<b>BSE BANKEX</b>	7315.43	7351.37	-35.94	-0.49
<b>BSE HEALTH CARE</b>	3424.02	3487.30	-63.28	-1.81
<b>BSE IT</b>	4408.48	4500.40	-91.92	-2.04
<b>BSE REALTY</b>	6783.21	7019.88	-236.67	-3.37

**WEEKLY SENSEX GAINERS & LOSERS**

Top Gainers		
Company	Price	Gain %
BHEL	1750.40	12.29
BHARTI AIRTEL	866.05	9.01
TATA STEEL	582.35	6.99
AMBUJA CEM.	135.40	6.87
ACC	1010.35	6.16

Top Losers		
Company	Price	Loss %
CIPLA	170.95	-6.76
WIPRO	455.55	-4.20
TCS	1016.45	-3.75
SBI	1466.25	-3.50
INFOSYS TECH	1823.20	-1.70

**WEEKLY A GROUP GAINERS & LOSERS**

Top Gainers		
Company	Price	Gain %
CHAMBAL FERT	46.75	25.00
PATNI COMPUTER	446.70	22.74
BHEL	1750.40	12.29
STERLITE INDS.	576.20	11.52
TTML	28.20	9.73

Top Losers		
Company	Price	Loss %
BONGAIGAON	48.60	-12.90
HCL TECH.	276.65	-10.01
PUNJAB TRACTOR	223.00	-9.63
CANARA BANK	225.10	-8.03
BALRAM. CHINI	52.30	-7.60

**ADVANCE-DECLINE**

SENSEX	
Positive	21
Negative	9
Unchanged	0
Total	30

A GROUP	
Positive	92
Negative	115
Unchanged	0
Total	207

**WORLD INDICES**

INDEX	24.08.07	17.08.07	Change (Pts)	% Change
NIFTY	4190.15	4108.05	82.10	2.00
SENSEX	14424.27	14141.52	282.75	2.00
DJIA	13378.87	13079.08	299.79	2.29
NASDAQ	2576.69	2505.03	71.66	2.86
FTSE	6220.10	6064.20	155.90	2.57
NIKKEI	16248.97	15273.68	975.29	6.39
BOVESPA	52997.56	48558.76	4438.80	9.14
SHANGHAI	5107.67	4656.57	451.10	9.69

**MARKETS AT A GLANCE**
**Indian Markets**

Indices	As on 24.08.07	As on 17.08.07	% Change
SENSEX	14424.87	14141.52	2.00
NIFTY	4190.15	4108.05	2.00

**US Markets**

Indices	As on 24.08.07	As on 17.08.07	% Change
DJIA	13378.87	13079.08	2.29
NASDAQ	2576.69	2505.03	2.86

**BSE 200**

Scripts	CMP (Rs)	Weekly % Chg
<b>Gainers</b>		
PATNI COMPUTER	446.70	22.74
BHEL	1750.40	12.29
STERLITE INDS.	576.20	11.52
TTML	28.20	9.73
BHARTI AIRTEL	866.05	9.01
<b>Losers</b>		
SUN TV	295.75	-10.26
PUNJAB TRACTOR	223.00	-9.63
ANSAL PROP.	238.55	-8.37
SHR. PRECOATED	247.00	-8.28
CANARA BANK	225.10	-8.03

**US Listings**

Scripts	Close (\$)	Weekly % Chg
<b>NYSE</b>		
DR REDDY	15.54	0.91
HDFC BANK	84.30	0.42
ICICI BANK	42.47	-1.05
MTNL	6.69	-1.04
PATNI	22.13	18.60
SATYAM	24.45	-0.41
TATA MOTOR	16.45	-0.48
VSNL	18.85	-1.31
WIPRO	13.70	-0.87
<b>NASDAQ</b>		
INFOSYS	47.02	-0.23

**Institutional Activity (Rs Cr)**

	For the week	For the month	For the year
<b>Mutual Funds</b>	1644.20	2455.20	1878.03
<b>FIIIs</b>	-3497.40	-9329.40	33576.40

## DERIVATIVES WATCH

### DERIVATIVE WEEKLY SUMMARY

Overall Open Interest decreased by Rs 2,260 Cr or 3% from Rs 84,309 Cr to Rs 82,049 Cr week on week. In terms of number of shares, Open Interest decreased by 4% to 183 Cr shares from 190 Cr shares on weekly basis. This cut in Open Interest in number of shares terms indicates unwinding of positions across the board, which in turn indicates that the markets have become much lighter than how it was a week ago. Nifty Futures shed a whopping 13% Open Interest, while FIIs net bought worth Rs 2,764 Cr in Index Futures, and Nifty Futures discount reduced to 12 points from 17 points, indicating short covering on their part. Nifty OI PCR fell to almost its three-month low at 1.17 from 1.22 level. CEMENT and FERTILISERS sectors added highest amount of Open Interest, while BANKING, TECH and CONSTRUCTION sectors shed highest amount of Open Interest on a weekly basis.

Nifty 4200 Call added 12,513 contracts in OI with reduction in IVs, which indicates Call writing, so on the higher side the market may find resistance around 4,250-4,300 levels. On the other hand, Nifty 4100 Put added 7,880 contracts in OI with reduction in IVs, which indicates Put writing, so on the downside the market may find strong support in the 4,050-4,100 region.

### SECTORWISE WEEKLY CHANGE IN OPEN INTEREST

SECTOR	OPEN INTEREST (Rs Cr)		CHANGE
	24/08/2007	17/08/2007	
AUTO	1400	1451	-51
BANKING/FINANCE	8049	8505	-456
CEMENT	1367	1133	234
CONSTR./INFRAS.	3262	3612	-350
ENGINEERING	2494	2714	-220
FERTILIZERS	536	427	109
FMCG	1321	1438	-117
MEDIA	389	450	-61
METAL	2909	2911	-2
OIL/GAS	6398	6574	-176
PHARMA	1782	1986	-204
POWER	2095	2086	9
SUGAR	286	339	-53
TECH	3397	3758	-361
TELECOM	3672	3946	-274
TEXTILE	967	921	46

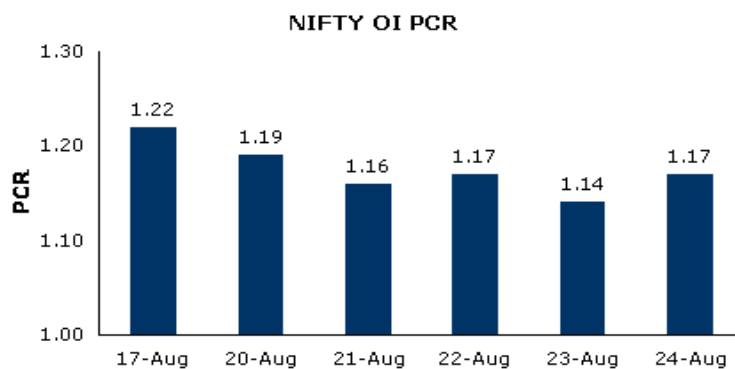
**Rollover of Futures Position (%)**

<b>Underlying</b>	<b>24-Aug</b>	<b>20-Jul</b>
OVERALL	22	19
NIFTY	24	23
ACC	11	18
BHARTI	26	24
BHEL	17	21
CENTURY TEX	25	14
CUMMINS	4	7
GRASIM	31	17
GUJAMBCEM	24	22
HINDALCO	24	19
HINDLEVER	19	26
ICICIBANK	20	17
INFOSYSTCH	39	48
IPCL	11	15
ITC	15	18
MARUTI	16	15
MTNL	22	16
ONGC	23	22
RELCAPITAL	12	8
RELIANCE	12	19
SATYAMCOMP	43	54
SBIN	28	30
TATAMOTORS	13	25
TCS	16	22
TISCO	16	14
TITAN	10	6
VSNL	16	18
WIPRO	19	28

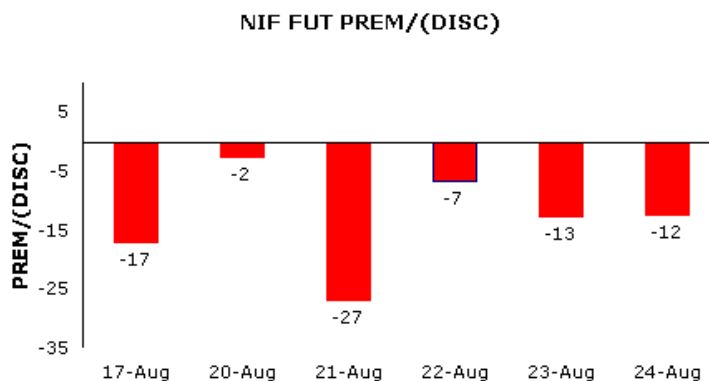
**SECTORWISE ROLL OVER (%)**

<b>SECTOR</b>	<b>AVG ROLLOVER</b>	
	<b>24-Aug</b>	<b>20-Jul</b>
AUTO	13	18
BANKING/FINANCE	18	13
CEMENT	15	13
CONSTRUCTION	13	10
ENGINEERING	13	11
FERTILIZERS	20	14
FMCG	15	13
MEDIA	15	11
METAL	31	29
OIL/GAS	21	21
PHARMA	15	15
POWER	15	14
SUGAR	18	9
TECH	21	23
TELECOM	21	16
TEXTILE	28	17

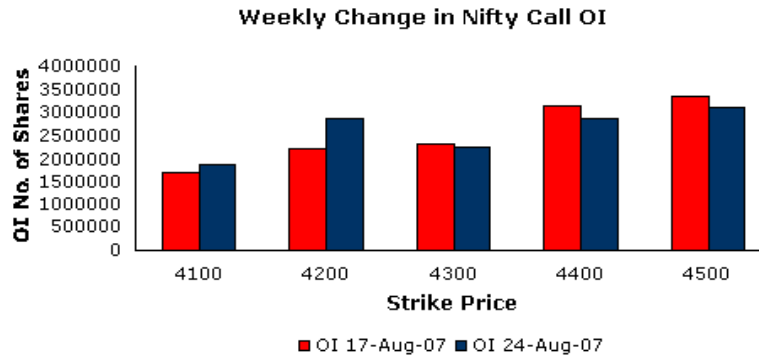
### TREND IN NIFTY OI PCR



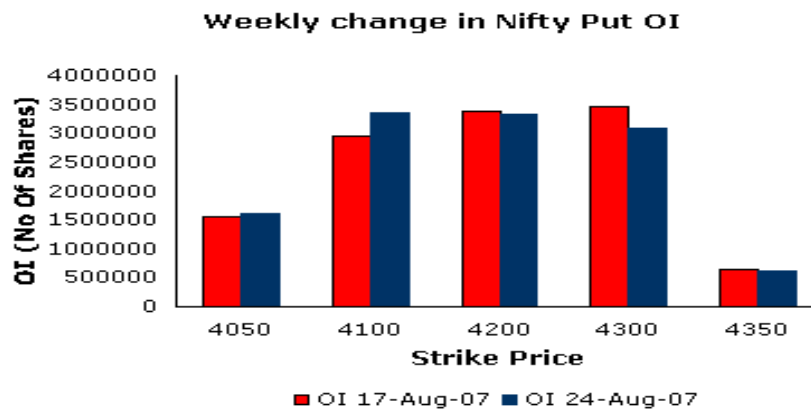
### TREND OF NIFTY FUTURE PREMIUM/(DISCOUNT)



### Weekly Change in Nifty August Call Options Open Interest



### Weekly Change in Nifty August 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	2.00	-1	16469	10413	12235	39117	1.17
RELIANCE	1.34	-2	1990	799	183	2972	0.23
SBIN	-3.50	-6	1361	293	84	1738	0.29
ICICIBANK	1.10	-3	1393	159	18	1569	0.11
RCOM	1.04	-7	1024	192	24	1240	0.12
BHARTI	8.61	-3	1094	24	7	1125	0.29

**FII ACTIVITY FOR THE WEEK (FROM AUGUST 20 TO AUGUST 24)**

	Contracts Bought		Contracts Sold		Open Interest	
	Nos.	Value (Rs Cr)	Nos.	Value (Rs Cr)	Contracts Nos.	Value (Rs Cr)
INDEX FUTURES	923806	19121	795563	16357	796420	16639
INDEX OPTIONS	97346	2021	95831	2021	726350	15218
STOCK FUTURES	241113	6786	223731	6100	972287	27084
STOCK OPTIONS	1222	36	1666	45	8366	211

**TOP GAINERS & LOSERS OPEN INTEREST WISE**
**TOP GAINERS**

Company	OI Chg %	Price%	OI Rs. Cr
INDIACEM	31	7.0	304
IVRPRIME	26	-14.0	42
PNB	19	-6.0	272
HINDUJATMT	18	-10.0	17
KOTAK BANK	16	2.0	219

**TOP LOSERS**

Company	OI Chg %	Price%	OI Rs. Cr
CROMPGREAV	-35	-0.2	15
TATATEA	-31	8.5	91
PENINLAND	-28	4.0	27
GE SHIP	-27	-2.6	77
NAGARFERT	-25	4.0	174

**TOP GAINERS & LOSERS PRICE WISE**
**TOP GAINERS**

Company	OI Chg %	Price%	OI Rs. Cr
CHAMBLFERT	7	25.0	91
PATNI	-24	22.0	253
BHEL	-8	12.0	556
STER	-9	11.0	284
TTML	-7	10.0	290

**TOP LOSERS**

Company	OI Chg %	Price%	OI Rs. Cr
IVRPRIME	26	-14.0	42
BONGAIREFN	-17	-13.0	30
ESCORTS	14	-11.0	72
HINDUJATMT	18	-10.0	17
SUN TV	1	-10.0	38

**TECHNICAL TALK**
**Broad Market Trend**

Both the benchmark indices rose by 2% with huge intra-day swings throughout the week gone by. On the daily chart, Sensex has formed higher top higher bottom pattern, which indicates that we may see more gain in the days to come. On Friday, the Sensex has closed above its 100 days moving average and the RSI has also given positive divergence. However, weekly charts of both the indices have not formed strong bullish pattern yet, so it is advisable to book profits in the longs around given resistance levels and initiate new positions only if these levels breach on closing basis.

**Sensex Daily Chart**


**Technical Picks for the Forthcoming Week**

STOCK	RECOMMENDATION	CMP	STOP LOSS (Rs)	TARGETS (Rs)
EVEREST KANTO CYLINDER	BUY	208.90	198.50	224
TULIP IT SERVICES	BUY	763.30	737	827

**Review of Stocks Recommended Last Week**

STOCK	RECOMMENDATION	PRICE 17.08.07	STOP LOSS	TARGET	REVIEW	RETURN (%)
SBI	BUY	1519.50	1461	1600	EXITED AT 1540	1.3

**Return of Technical Picks since 09 Jun 2007**

Success (%)	Avg. Return of Successful Calls (%)	Avg. Return of Unsuccessful Calls (%)	Overall Avg. Return (%)
56	6.8	(3.8)	2.0

**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.**


**EVEREST KANTO CYLINDER (CMP: 208.90)**
**BUY**

The stock is looking bullish on its daily chart, as it has closed above its 20 EMA with good volumes. Relative strength index (RSI) is rising with positive divergence.

We recommend buying the stock for position trading at current market price for the target of 224, keeping a stop loss of 198.50.


**TULIP IT SERVICES (CMP: 763.30)**
**BUY**

The stock is looking bullish on the daily chart, as it has come out from the consolidation phase with significant volume.

Relative strength index is also supporting the counter by forming positive divergence formation.

We recommend buying the stock for position trading at current market price for the target of 827, keeping a stop loss of 737.

**Support-Resistance Levels for the Forthcoming Week (27<sup>th</sup> Aug to 31<sup>st</sup> Aug)**

Stock	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
A.C.C.	1010.35	978.60	1049.00	1087.70	940.00	869.60
ABAN	2635.15	2681.40	2832.80	3030.40	2483.80	2332.40
ABB LTD.	1050.45	1041.80	1093.60	1136.80	998.60	946.80
ADLABS FILM	436.95	447.00	479.00	521.00	405.00	373.00
ALLHABAD BNK	79.95	82.50	85.90	91.90	76.60	73.20
AMBUJACEM	135.60	137.90	151.70	167.90	121.70	107.90
ANDHRA BANK	79.20	78.30	84.00	88.70	73.50	67.80
ANSALINFRA	238.15	249.70	263.40	288.70	224.40	210.70
APIL	677.85	671.60	733.20	788.60	616.30	554.70
ARVIND MILLS	45.60	44.50	47.80	49.90	42.30	39.00
ASHOK LEYL	35.00	34.90	36.60	38.20	33.30	31.50
BAJAJ AUTO	2232.95	2252.70	2355.30	2477.70	2130.30	2027.70
BAJAJHIND.LT	122.05	124.40	133.70	145.40	112.70	103.40
BANK OF BARO	253.50	259.90	274.70	295.80	238.70	223.90
BANK OF IND.	223.05	223.50	241.50	260.00	205.10	187.10
BH.EARTH MOV	1170.75	1165.30	1230.50	1290.30	1105.50	1040.30
BHARAT ELEC.	1656.45	1655.60	1706.00	1755.60	1606.10	1555.70
BHARTI TELEV	865.55	847.50	890.00	914.40	823.10	780.60
BHEL	1752.90	1697.10	1823.80	1894.70	1626.20	1499.50
BOM DYEING	502.15	510.30	527.70	553.20	484.80	467.40
CANARA BANK	224.55	234.20	247.40	270.20	211.40	198.30
CENTURY TEXT	747.10	725.00	775.10	803.00	697.10	647.00
CIPLA	170.10	172.40	185.70	201.40	156.70	143.40
CROMPTON GR.	274.95	274.00	288.90	302.90	260.00	245.10
CUMMINS INDI	363.80	359.90	379.90	395.90	343.90	323.90
DABUR INDIA	100.10	100.20	103.80	107.40	96.60	93.00
DENA BANK	53.00	53.70	57.20	61.30	49.60	46.10
DLF	565.85	570.30	609.50	653.20	526.70	487.50
EDUCOMP	2549.85	2470.00	2679.90	2810.00	2339.90	2130.00
EKC	208.60	205.40	215.70	222.70	198.40	188.10
ESSAR OIL	49.20	50.00	52.10	55.10	47.00	44.90
GAIL	291.95	295.20	306.30	320.60	280.80	269.70
GESCO CORP	490.55	490.60	509.00	527.40	472.20	453.90
GMRINFRA	721.80	746.50	824.10	926.30	644.30	566.70
GRASIM IND.	2771.60	2765.10	2845.30	2918.90	2691.50	2611.30
GTL	216.35	214.30	226.50	236.60	204.20	192.00
GUJ.ALKALI	124.10	126.60	132.40	140.70	118.30	112.40
GUJ.NARMADA	121.80	126.70	137.10	152.40	111.40	101.10
HCC	118.85	120.30	125.30	131.70	113.80	108.80
HDFC BANK	1097.70	1105.90	1136.80	1175.90	1066.80	1035.90

Stock	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
HDIL	506.05	505.80	534.10	562.10	477.80	449.50
HINDALCO	142.00	140.90	146.70	151.40	136.20	130.30
HINDUNILVR	199.40	197.40	202.80	206.10	194.00	188.60
HOUS DEV FIN	1908.60	1932.60	1975.00	2041.40	1866.20	1823.80
ICICI BANK	833.80	844.60	878.10	922.30	800.30	766.80
IDBI	111.40	113.40	120.20	129.00	104.60	97.70
IDEA	113.65	112.10	119.40	125.10	106.30	99.00
IDFC	112.45	115.10	122.80	133.20	104.80	97.10
INDIA CEMENT	229.10	221.70	237.40	245.70	213.40	197.60
INDIANB	131.70	136.00	141.30	150.90	126.40	121.00
INDUS IND BK	49.55	50.60	53.90	58.20	46.30	43.00
INDUST.FIN.C	59.05	62.00	66.80	74.50	54.30	49.50
INFOSYS TECH	1825.60	1830.20	1910.40	1995.20	1745.40	1665.20
ITC	161.65	159.10	166.50	171.40	154.30	146.90
IVRCL INFRAS	340.20	342.90	355.80	371.50	327.20	314.30
JP ASSOCIAT	841.15	829.10	868.20	895.20	802.10	763.00
JPHYDRO	45.45	46.00	48.90	52.30	42.60	39.70
JSWSTEEL	571.60	558.70	616.00	660.30	514.30	457.00
KESORAM	438.80	433.80	463.50	488.30	409.00	379.30
KOTAK BANK	648.75	654.60	689.20	729.60	614.20	579.70
LITL	245.40	247.60	269.80	294.30	223.10	200.90
LT	2444.95	2399.00	2513.90	2582.90	2330.00	2215.10
MAH & MAH	640.05	635.60	679.50	718.90	596.10	552.20
MAHANGR TELE	134.85	134.20	139.60	144.40	129.40	124.00
MARUTI	790.05	785.00	821.00	851.90	754.10	718.10
MATRIX LABS	225.80	223.40	236.90	247.90	212.40	198.90
MCDOWELL	1319.60	1311.70	1392.00	1464.30	1239.30	1159.00
MOSER-BAER	271.60	264.20	284.40	297.20	251.40	231.30
MPHASIS	277.85	279.10	295.80	313.70	261.20	244.50
MRPL	41.00	41.50	42.70	44.50	39.70	38.50
NAGAR.CONST.	181.15	184.80	195.40	209.60	170.60	160.00
NDTV	320.05	319.00	350.90	381.80	288.20	256.30
NEYVELI LIGN	72.70	74.00	78.20	83.70	68.50	64.30
NTPC	163.80	163.30	170.50	177.10	156.60	149.40
ONGC CORP.	805.20	806.80	836.50	867.80	775.50	745.80
ORIENT.BANK	193.40	198.40	209.90	226.30	182.00	170.50
PARSVNATH	279.75	284.60	304.10	328.50	260.20	240.70
PATEL ENG	392.50	404.40	422.80	453.10	374.10	355.70

Stock	Close	Pivot Avg.	Res. 1	Res. 2	Support 1	Support 2
PATNI	445.30	426.40	473.70	502.20	397.90	350.60
PENINLAND	420.90	419.70	440.30	459.70	400.30	379.60
PETRONET	58.95	60.20	63.10	67.30	56.00	53.10
PFC	170.75	173.50	181.70	192.70	162.50	154.30
PNB	450.50	464.30	485.60	520.60	429.30	408.00
POLARIS SOFT	108.00	111.00	120.70	133.30	98.40	88.70
PRAJ IND.LTD	176.50	172.90	190.50	204.50	158.90	141.30
PUNJLLOYD	246.75	249.20	269.70	292.70	226.20	205.70
RAJESH EXPOR	521.10	535.80	570.30	619.60	486.50	452.00
RANBAXY LAB.	360.75	360.80	376.90	393.10	344.60	328.50
RCOM	498.55	495.40	518.50	538.50	475.50	452.40
REL	735.80	718.90	769.80	803.70	685.00	634.10
REL.CAPITAL	1084.60	1056.40	1127.20	1169.80	1013.80	943.10
RELIANCE	1776.35	1778.90	1842.50	1908.60	1712.80	1649.20
RENUKA	467.00	476.10	507.90	548.80	435.20	403.30
ROLTA	434.45	425.50	445.90	457.40	414.10	393.70
RPL	109.65	110.50	115.20	120.70	105.00	100.30
SATYAM COMP	436.55	434.30	464.20	491.80	406.60	376.70
SIEMENS	1198.85	1201.50	1292.90	1387.00	1107.40	1016.00
SOBHA	741.60	763.80	802.70	863.70	702.80	663.90
SRF LTD.	124.60	127.20	132.40	140.10	119.50	114.30
STATE BANK	1466.05	1487.70	1568.40	1670.70	1385.40	1304.70
STEEL AUTHOR	145.95	143.60	150.80	155.60	138.80	131.60
STER	578.10	569.70	607.40	636.70	540.40	502.70
STER OPTICAL	207.70	210.60	222.10	236.60	196.10	184.60
SUNTV	296.70	305.90	335.80	374.80	266.80	236.90
SUZLON	1229.75	1260.30	1309.50	1389.30	1180.50	1131.30
SYNDICATE BK	72.25	73.00	77.20	82.10	68.10	63.90
TATA POWER	679.50	690.90	710.60	741.70	659.80	640.10
TATA MOTORS	656.60	645.50	678.10	699.50	624.10	591.50
TATASTEEL	582.90	570.30	600.60	618.30	552.60	522.40
TCS	1018.40	1037.90	1079.90	1141.30	976.50	934.50
TITAN IND.	1056.50	1084.60	1141.20	1225.90	999.90	943.30
TTML	28.20	27.80	29.50	30.70	26.50	24.80
UNION BANK	126.05	126.80	137.60	149.20	115.20	104.40
UNITECH LTD	456.25	474.80	515.50	574.80	415.50	374.80
UTI BANK	570.95	582.00	602.90	634.90	550.10	529.20
VIDESH SANCH	375.10	376.60	393.90	412.70	357.80	340.50
VOLTAS	130.40	129.10	136.00	141.60	123.50	116.50
WIPRO	457.40	463.40	491.70	526.10	429.00	400.70
ZEEL	282.95	287.00	303.00	323.00	267.00	251.00

**FUNDAMENTAL CHECK****Stocks Covered This Week**

Company	Price (Rs) 24.08.07	Report Type	Recommendation
GATEWAY DISTRI PARKS LTD.	117	RESEARCH REPORT	ACCUMULATE

**Review of Stocks Covered 3 Months Back**

Company	Price (Rs) 24.08.07	Recommendation	Reco. Price (Rs) 26.05.07	Return (%)
<b>SENSEX</b>	<b>14425</b>		<b>14338</b>	<b>1</b>
MATRIX LABORATORIES LTD.	222	ACCUMULATE	241	(8)



**RESEARCH REPORT**
**GATEWAY DISTRI PARKS LTD.**  
**CMP: Rs 117**
**August 25, 2007**  
**ACCUMULATE**

BSE Code	532622
NSE Code	GDL

**Key Data**

Sensex	14,425
52 week H/L (Rs.)	214/114
August month H/L (Rs.)	165/114
Market Cap (Rs cr)	1350
Avg. daily vol. (6m)	151847
Face Value	10

Source: Capitaline

**Shareholding Pattern (%)**

Promoters	39.00
Total Foreign	35.00
Non Promoter & Institution	15.00
Public & Others	8.00

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 / de-stuffing 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

**Expansion into Frozen foods logistics:**

Gateway Distriparks entered the cold chain logistics business by taking management control in Snowman Frozen Foods Limited, a joint venture with Mitsubishi Corporation, Japan. Apart from Mitsubishi Corporation, and Nichireo logistics group of Japan are the major shareholders in this joint venture company.

Snowman Frozen Foods Limited operates 16 cold stores and a fleet of refrigerated trucks at various major cities across the country. SFFL has pan-India presence and provides total cold chain logistics solutions to its customers for products like seafood, dairy products, ice cream, fruits & vegetables, retail and food service.

**New initiatives:**

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.

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).

**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.

**Viewpoint and Recommendations:**

The company has put in place various building blocks to become a total logistics player. The company now has three major building blocks: CFS, ICD and cold chain logistics. India is poised to achieve exports of USD 160 billion and increase its share in world exports to 1.5% by the year 2008-09. Containerised movement of cargo has been growing at 15% per annum, as compared to the overall growth in Export import trade of 9.5% per annum in recent years. Gateway Distriparks is excellent play to benefit from the growing share of India's EXIM trade.

After the recent corrections in global markets, the stock is available at 14x its TTM earnings of Rs 8.4 per share. We believe that the current market price of Rs 117 offers an excellent opportunity to accumulate the share as a long-term investment.

**Financial Snapshot**
**Quarterly Performance**

Rs Cr	Q1FY08	Q1FY07	YoY (%)	Q4FY07	QoQ (%)
Net Sales	48.32	34.54	39.90	46.89	3.05
Expenditure	26.29	15.05	74.68	24.88	5.67
Operating Profit	22.03	19.49	13.03	22.01	0.09
Other Income	4.79	6.54	-26.76	6.83	-29.87
PBIDT	26.82	26.03	3.03	28.84	-7.00
Interest	0.33	0.44	-25.00	0.38	-13.16
Depreciation	4.60	3.04	51.32	4.52	1.77
PBT	21.89	22.55	-2.93	23.94	-8.56
Tax	3.23	2.78	16.19	4.21	-23.28
PAT	18.66	19.77	-5.61	19.73	-5.42
Minority Interest After NP	0.08	0.02	300.00	-0.53	-115.09
Net Profit after Minority Interest	18.58	19.75	-5.92	20.26	-8.29
Equity	115.45	115.45		115.45	
EPS (Rs.)	1.62	1.71		1.71	
<b>Margins (%)</b>					
OPM	45.59	56.43		46.94	
NPM	38.62	57.24		42.08	

**Annual Performance**

Rs Cr	FY07	FY06	YOY (%)
Net Sales	160.96	138.57	16.16
Expenditure	79.75	54.92	45.21
Operating Profit	81.21	83.65	-2.92
Other Income	24.97	11.00	127.00
PBIDT	106.18	94.65	12.18
Interest	1.37	2.54	-46.06
Depreciation	13.86	10.60	30.75
PBT	90.95	81.51	11.58
Tax	13.87	9.34	48.50
PAT	77.08	72.17	6.80
Minority Interest After NP	-0.74	-0.10	640.00
Net Profit after Minority Interest	77.82	72.27	7.68
Equity	115.45	115.45	
EPS (Rs.)	6.68	6.25	
<b>Margins (%)</b>			
OPM	50.45	60.37	
NPM	47.89	52.08	

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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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