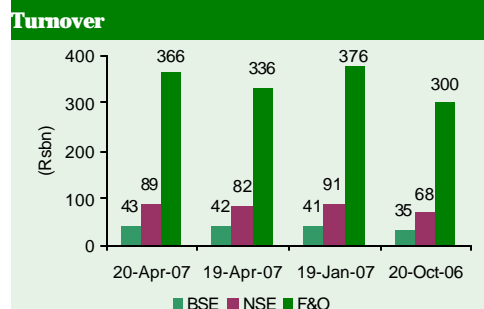




23 April 2007

Indices	%Change			
	20-Apr-07	1mth	3mth	6mth
Sensex	13,897	9.4	(2.0)	9.3
Nifty	4,084	10.4	(0.2)	11.1
CNX Midcap	5,161	9.3	(15.1)	8.9
Banking	6,914	9.9	(7.6)	11.4
Capital Goods	9,798	14.6	4.3	16.0
IT	5,055	2.4	(4.8)	6.0
Healthcare	3,793	7.6	(2.4)	4.4
NASDAQ	2,526	4.9	3.1	7.9
Dow Jones	12,962	5.5	3.2	8.0

Net Inflows				
Rsbm	19-Apr-07	18-Apr-07	MTD	YTD
FII	6.4	6.5	44.4	110.9
Mutual Fund	(0.3)	0.2	(0.7)	(33.7)
FII - F&O	5.8	6.6	49.4	126.6



Commodity & Currency	% Change			
	20-Apr-07	1mth	3mth	6mth
Crude (US\$/barrel)	64.1	7.6	23.3	8.5
Gold (US\$/Oz)	692.0	4.9	8.9	16.8
US\$	42.0	(4.5)	(5.3)	(7.3)
Euro	57.2	(2.2)	(0.7)	0.1

Debt	% Change			
	20-Apr-07	1mth	3mth	6mth
RBI Reverse Repo	6.0	6.0	6.0	6.0
10 yr G-Sec yld	8.1	8.1	7.8	7.7
Spread 1 & 10 yr G-Sec	0.9	0.8	0.9	0.7
US 10 yr treasury	4.7	4.6	4.8	4.8
Surplus liquidity (Rsbm)	160.9	349.5	118.1	14.8

Pennar Industries (Rs20) - Results Preview

BUY - Target Price: Rs29

Sanjeev Panda

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We expect Pennar Industries (PIL) to report revenue growth of 23% (YoY) to Rs 1358mn in this quarter. We believe this would be primarily on account of higher volume in Cold Rolled Formed Steel (CRFS) segment. Within the CRFS segment, revenue from railways, auto component and Electro Static Precipitators (ESP) sub-segments will be a major contributor. However, sequentially revenue growth is expected to be flat.

We expect EBITDA margin in this quarter to be 10%, expansion of 347bps over previous year. Sequentially EBITDA margin is expected to improve by 23 bps. on account of scale up in higher margin business (CRFS).

Profit Before Tax (PBT) for this quarter is expected to grow by 94% over that of last year. However, sequentially it is expected to decline by 19% on account of higher depreciation (28% up) and interest cost (17% up). In first two quarters PIL has paid tax at a nominal rate and planned to continue the same trend in this quarter as well. We believe the company is planning to pay the entire tax in the 4Q, as it has done in the previous year.

We expect PIL to report net profit of Rs55 mn registering 94% growth (YOY). However, sequentially it would result in a de growth of 19%.

We retain our BUY rating on the stock with the same price target of Rs29, keeping our EPS estimates for the year FY08 and FY09 unchanged.

Update: During Feb 2007, share allotment committee of the Board of Directors of the Company has issued and allotted to promoters and their associates 87,50,000 equity shares of Rs 5/- each at a premium of Rs 1.50/- per equity share against the outstanding convertible warrants. These equity shares shall be under lock in upto August 29, 2008. We had already factored in the convertible warrants to calculate our diluted EPS.

Rs mn	Q3 FY06	Q2 FY07	Q3 FY07	Change % (QoQ)	Change % (YoY)
Net sales	1,108	1,356	1,358	0.1	22.5
Cost	1,036	1,224	1,222	(0.1)	18.0
EBITDA	72	133	136	2.5	87.5
EBITDA Margin (%)	6.5	9.8	10.0		
Other Income	1.0	0.5	0.6	29.2	(35.4)
Interest	25.3	46.5	59.5	27.9	135.1
Depreciation	19.6	18.6	21.8	17.0	11.1
Profit Before Tax	28.5	67.9	55.2	(18.7)	93.6
Tax	0.2	0.3	0.3	4.4	56.6
Tax rate (%)	0.7	0.4	0.6		
Net Profit	28.3	67.6	54.9	(18.8)	93.9

Pennar Industries	Rmm	FY2005	FY2006*	FY2007E	FY2008E	FY2009E	
	Y/E	March	July	June	June	June	
Reuters/Bloomberg Code	PENN.BO/PSL@IN	Net sales	3,479	6,093	5,327	6,444	7,834
Market Cap. (RsMn)		EBITDA	1,672	218	501	517	681
Market cap. (US\$mn)		40 Net profit-adjusted**	-48.4	137.3	166.1	322	517.3
Shares Outstanding (mn)		83.6 EPS (Rs) adjusted	-2.9	1.6	1.8	2.5	4.1
52-week High/Low (Rs)		23.90/10.50 EPS growth (%)	NA	NA	9.5	41.5	60.7
		EBITDA margin (%)	6.3	8.2	9.7	10.6	11.9
		PER (x)	NA	12.2	11.1	7.9	4.9
Major Share Holders (%)		P/BV (x)	11	1.8	1.5	0.9	0.7
Promoter		43.2 Price/sales (x)	0.5	0.3	0.3	0.3	0.2
Public		33.7 EV/EBITDA (x)	18.3	6.7	6.6	4.2	2.6
FIs		9 Dividend yield (%)	-	-	-	-	-
FIs/Banks/MF		4.1 RoCE (%)	10.1	16.7	20.3	24.2	29.4
Others		10 RoE (%)	-20.7	58.5	16.4	21.4	24

Source: Company and Karvy Estimates

* FY2006 is 16 months results

** Adjusted Net Profit for FY06 excludes Rs 233.6 as Non recurring items towards -Remission of Funded Interest Term Loans

BULK DEALS ON NSE - 20 April 2007

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
ADVANTA	Advanta India Limited	COMPOSITE SECURITIES LTD.	BUY	101,789	865
ADVANTA	Advanta India Limited	KETAN BHAILAL SHAH	BUY	82,385	878
AML	Abhishek Mills Ltd	HARSIDDH ONLINE	BUY	74,370	70
FIEMIND	Fiem Industries Limited	PRIYANKA VED MEHTA	BUY	82,100	118
FIEMIND	Fiem Industries Limited	SATISH K SABOO	BUY	100,000	118
HINDOILEXP	Hind. Oil Exploration	ABN AMRO MUTUAL FUND	BUY	500,000	95
HINDOILEXP	Hind. Oil Exploration	PRASHANT JAYANTILAL PATEL	BUY	503,693	95
ICRA	ICRA Limited	CONSOLIDATED SECURITIES LTD	BUY	57,069	893
IFCI	IFCI Ltd.	JAYPEE CAPITAL SERVICES LTD.	BUY	12,274,267	38
ITI	ITI Ltd.	PRASHANT JAYANTILAL PATEL	BUY	397,582	51
SHREEASHTA	Shree Ashtavinayak Cine V	ADVANTAGE SOFTWARE PRIVATE LTD	BUY	77,699	177
SOMATEX	Soma Textiles & Ind. Ltd.	LILAC FARMS PRIVATE LTD	BUY	30,180	32
TELEDATAIN	Teledata Informatics Limi	MADHU SUDHIRKUMAR JHUNJHUNWALA	BUY	1,116,328	79
TIIL	Technocraft Industries (I	ICICI SECURITIES LTD	BUY	177,121	85
TODAYS	Todays Writing Products L	PROMPT CORPORATE SERVICES LIMITED	BUY	81,460	55
VISUINTL	Visu International Limite	LILAC FARMS PRIVATE LTD	BUY	192,034	13
VOLTAS	Voltas Ltd.	MORGAN STANLEY DEAN WITTER MAURITIUS CO. LTD	BUY	2,000,000	87
ADVANTA	Advanta India Limited	COMPOSITE SECURITIES LTD.	SELL	100,789	866
ADVANTA	Advanta India Limited	KETAN BHAILAL SHAH	SELL	84,481	877
AML	Abhishek Mills Ltd	HARSIDDH ONLINE	SELL	74,370	70
EVINIX	Evinix Accessories Limite	HIREN KUMAR PARSHOTTAM BHAI PATEL	SELL	66,254	96
FIEMIND	Fiem Industries Limited	ANIL MABULAL VEDMEHTA	SELL	99,923	118
FIEMIND	Fiem Industries Limited	SATISH K SABOO	SELL	82,000	118
HINDOILEXP	Hind. Oil Exploration	PRASHANT JAYANTILAL PATEL	SELL	503,693	96
ICRA	ICRA Limited	CONSOLIDATED SECURITIES LTD	SELL	57,068	894
IFCI	IFCI Ltd.	JAYPEE CAPITAL SERVICES LTD.	SELL	12,300,180	38
ITI	ITI Ltd.	PRASHANT JAYANTILAL PATEL	SELL	397,582	51
ORBITCORP	Orbit Corporation Limited	MACQUARIE BANK LIMITED	SELL	190,244	161
SHREEASHTA	Shree Ashtavinayak Cine V	ADVANTAGE SOFTWARE PRIVATE LTD	SELL	77,699	177
SOMATEX	Soma Textiles & Ind. Ltd.	LILAC FARMS PRIVATE LTD	SELL	246,624	33
TIIL	Technocraft Industries (I	ICICI SECURITIES LTD	SELL	177,121	85
VISUINTL	Visu International Limite	LILAC FARMS PRIVATE LTD	SELL	431,555	13
VOLTAS	Voltas Ltd.	SCUDDER TRUST CO	SELL	2,325,000	87

Source: NSE

BULK DEALS ON BSE - 20 Apr 2007

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
511706	ACTION FIN	JAYNA VIPUL THOSANI	B	105,000	2
511706	ACTION FIN	SHAMSHAD AHMAD SIDDIQUI	S	53,000	2
532831	AML	NIMIT JAYENDRABHAI SHAH	B	90,001	67
532831	AML	NIMIT JAYENDRABHAI SHAH	S	90,001	67
505506	AXON INFOTEC	TANVEERALI YAKUBALI KHAN	S	3,400	273
531591	BAMPSL SECUR	ODUH FINANCE AND INVESTME	B	1,601,130	1
531591	BAMPSL SECUR	MURARILAL KHANDELWAL AND	S	400,000	1
531591	BAMPSL SECUR	ODUH FINANCE AND INVESTME	S	565,207	1
590059	BIHAR TUBES	SECUROCROP SECURITIES IND	B	31,721	148
590059	BIHAR TUBES	ANMOL INDIA LIMITED	S	61,500	148
507833	COMPUTER POI	GOPAL PRASAD CHOKHANY	B	67,817	4
524388	CRAZY INFOTE	KALPANA HEMANT SHAH	S	30,000	77
530843	CUPID LTD	ANJU PAVANKUMAR SARAF	B	200,000	50
530843	CUPID LTD	YOGESH AMBEKAR	S	82,326	50
530843	CUPID LTD	VORA MUKESH JITENDRA	S	33,850	50
532038	EMMSO INTERN	ORTECK INFRASTRUCTURE PVT	B	26,000	64
532038	EMMSO INTERN	ABDUL RAZICK MAGBOOL KHAN	S	26,083	62
504351	EMPOWER INDS	BENI PRASAD JAIN	B	36,505	14
532818	EVINIX	HIREN KUMAR PARSHOTTAM BH	S	103,746	97
532768	FIEM INDS	BHAVESH P. PABARI	B	70,000	120
532768	FIEM INDS	ANIL MABULAL VEDMEHTA	S	73,639	120
523277	G V FILMS LT	SIMRAN SUNIL RAHEJA	B	981,200	7
532836	GREMAC INFRA	KAMLESH HARIBHAI CHAVDA	S	83,514	110
500186	HIND.OIL EXP	OPG SECURITIES PVT LTD	B	658,793	97
500186	HIND.OIL EXP	OPG SECURITIES PVT LTD	S	658,793	97
532825	JAGJANANI	JAYESH KUWADIA	B	100,000	24
532825	JAGJANANI	HIREN KUMAR PARSHOTTAM BH	S	113,500	23
511276	MEFCOM AGR I	SUNITA INVESTMENTS	S	47,000	22
511276	MEFCOM AGR I	ISF SECURITIES LTD	S	63,915	22
531456	MINAXTEXTIL	BHAVESH CHOTAI	S	25,000	3
532837	ORBITCO	OPG SECURITIES PVT LTD	B	316,332	165
532837	ORBITCO	OPG SECURITIES PVT LTD	S	316,332	165
517417	PATEL AIRTEM	HIMANSHU RAWAL	B	281,000	38
517417	PATEL AIRTEM	RASIKBHAI PATEL	S	115,000	38
517417	PATEL AIRTEM	PRAGNESH A PATEL	S	166,000	38
524194	ROCK HARD PE	VIMLA DEVI	B	39,408	7
531869	SACHETA META	ALLIANCE INTERMEDIATERIES	B	30,415	9
531869	SACHETA META	ARUNA DILIPKUMAR JAIN	S	30,005	9
521034	SOMA TEX IND	LILAC FARMS PRIVATE LTD	S	239,120	33
513687	SPECTRA INDU	MUKESHKUMAR K VARMA	B	69,892	31
513687	SPECTRA INDU	SANGEETA VINOD GUPTA	B	50,000	31
513687	SPECTRA INDU	MUKESHKUMAR K VARMA	S	77,840	31
517224	SUJANA UNIV	LILAC FARMS PRIVATE LTD	B	505,122	19
517224	SUJANA UNIV	EDELWEISS ESTATES P LTD	B	874,492	21
517224	SUJANA UNIV	ODUH FINANCE AND INVESTME	B	421,973	21
517224	SUJANA UNIV	ODUH FINANCE AND INVESTME	S	421,973	20
514211	SUMEET INDUS	JMP SECURITIES PVT. LTD.	B	102,900	19
514211	SUMEET INDUS	JMP SECURITIES PVT. LTD.	S	106,668	19
590038	VISU INTL	LILAC FARMS PRIVATE LTD	S	300,700	13
506142	VYAPAR INDS	VIKRAM CHAVDA	B	73,755	120
506142	VYAPAR INDS	CHARMI INVESTMENT	S	73,755	120

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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