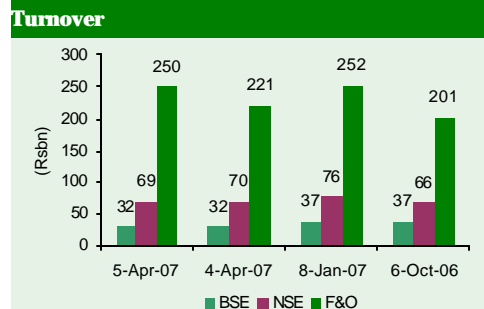




9 April 2007

Indices	%Change			
	5-Apr-07	1mth	3mth	6mth
Sensex	12,856	1.3	(5.8)	3.9
Nifty	3,752	2.6	(4.6)	5.1
CNX Midcap	4,808	3.8	(18.7)	0.7
Banking	6,372	0.3	(10.0)	4.8
Capital Goods	8,955	7.0	(1.6)	8.7
IT	4,822	(2.8)	(7.4)	9.6
Healthcare	3,647	8.3	(4.7)	0.7
NASDAQ	2,471	3.6	1.4	7.5
Dow Jones	12,560	2.9	1.1	6.0

Rsbm	Net Inflows			
	3-Apr-07	2-Apr-07	MTD	YTD
FII	(4.7)	8.4	3.7	66.7
Mutual Fund	(1.0)	0.6	(0.4)	(33.4)
FII - F&O	(11.2)	(1.3)	(12.5)	64.7



Commodity & Currency	% Change			
	5-Apr-07	1mth	3mth	6mth
Crude (US\$/barrel)	64.3	5.9	14.6	7.5
Gold (US\$/Oz)	674.5	4.4	9.9	17.5
US\$	43.2	(3.2)	(2.9)	(5.4)
Euro	57.6	(1.3)	(0.3)	(0.4)

Debt	% Change			
	5-Apr-07	1mth	3mth	6mth
RBI Reverse Repo	6.0	6.0	6.0	6.0
10 yr G-Sec yld	8.2	8.0	7.5	7.6
Spread 1 & 10 yr G-Sec	0.6	1.0	0.4	0.7
US 10 yr treasury	4.7	4.6	4.7	4.7
Surplus liquidity (Rsbn)	14.6	(29.9)	163.2	(290.7)

### Nitco Tiles (Rs195) - Results Preview

#### BUY - Target Price:Rs322

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Nitco Tiles is expected to post healthy results for 4QFY07E because fourth quarter is by and large the best quarter for the company. We have done QoQ comparison as the company got listed in March 2006.

We expect the company to report sales of Rs1,341mn for the quarter as against Rs1,161mn for 3QFY07, a QoQ growth of 16%. The growth in demand will primarily come from volume growth in vitrified tiles and marble division. The ceramic tiles division is already operating at its optimum capacity, so any volume growth from this division is only possible with increase in the installed capacity. We expect EBITDA of the company to increase from Rs171mn during 3QFY07 to Rs216mn for the quarter translating into an EBITDA margin of 16.1% for the quarter as against 14.8% for 3QFY07. Vitrified tiles and marbles are high margin products for the company and their expected robust volume growth during the quarter will bring about an overall improvement in the margins for the company. We expect the company to report net profit of Rs134mn as against Rs92mn during 3QFY07. The company is expected to report an EPS of Rs6.0 for the quarter.

For full year FY07E, we expect the company to report sales of Rs4,584mn and EBITDA of 689mn translating into an EBITDA margin of 15%. We expect the company to report full year net profit of Rs367mn and EPS of Rs16.5.

Rsmn	3QFY07	4QFY07E	QoQ % Growth
Net Sales	1,161	1,341	15.5
Cost	990.0	1,125.0	13.6
EBITDA	171.0	216.0	26.0
EBITDA Margin (%)	14.8	16.1	-
Other Income	2.0	5.0	160.4
Interest	2.0	20.0	1,134.6
Depreciation	26.0	27.0	4.9
Profit before Tax	146.0	174.0	19.2
Tax	54.0	40.0	(25.8)
Tax rate (%)	37.0	23.0	-
Net Profit	92.0	134.0	45.6

Nitco Tiles	Y/E March (Rs Mn)	FY2005	FY2006	FY2007E	FY2008E	FY2009E	
Bloomberg code	NITCO IN	Net Sales	2,027	3,032	4,584	5,817	6,820
Market cap. (Rs bn)	4.1	EBITDA	242	430	689	969	1,146
Market cap. (US\$m)	89.6	Net Profit	77	200	367	616	717
Shares outstanding (mn)	22.3	EPS (Rs)	6.3	9.0	16.5	27.7	32.2
52-week High/Low (Rs)	272/112	CEPS	10.9	11.9	21.0	33.1	38.1
		EPS growth (%)	39.6	43.5	83.4	67.8	16.3
Major shareholders(%)		EBITDA Margin (%)	11.9	14.2	15.0	16.7	16.8
Promoter group	47.8	EV/EBITDA (x)	14.7	11.7	7.4	5.0	4.0
FII	7.9	PER (x)	31.1	21.7	11.8	7.1	6.1
Banks/FTs/MFs	15.1	Price/BV	2.8	1.7	1.5	1.3	1.1
Others	19.3	RoCE (%)	8.9	12.2	12.3	17.6	18.2
Public	9.9	RoE (%)	10.2	11.7	13.5	19.9	19.8

Source: Company and Karvy Estimates

During the quarter, the company announced that it will merge Shark Properties into the company and Nitco Realities into Motivation Properties. Nitco Realities is a 100% subsidiary of Nitco Tiles whereas Motivation Properties is a 100% subsidiary of Shark Properties. The share exchange ratio is fixed at 10 equity shares of the face value of Rs 10 each of Nitco Tiles for every 27 equity shares of the face value of Re 1 each held in Shark Properties. Also, Motivation Properties will issue 10,000 fully paid up preference shares of Rs 10 each to Nitco Tiles. The merger will be effective from 1st January 2007.

The company is also planning to raise Rs2,500mn by way of FCCBs / GDRs / ADRs / Qualified Institutional Placement. The money raised will be primarily utilized to fund its real estate business. Due to insufficient information, we have not factored any revenues from the company's real estate business.

At the current market price of Rs195 the stock is trading at a PE of 7.1x FY08E and 6.1x FY09E. We maintain our **BUY** on the stock with a price target of Rs322.

**BULK DEALS ON NSE - 5 April 2007**

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
AML	Abhishek Mills Ltd	HARSIDDH ONLINE	BUY	177,709	58
BALRAMCHIN	Balrampur Chini Mills	DEUTSCHE SECURITIES MAURITIUS LIMITED	BUY	2,300,000	73
EDUCOMP	Educomp Solutions Limited	OPPENHEIMER INTERNATIONAL SMALL CO. FUND	BUY	89,617	1,057
IFCI	IFCI Ltd.	ADVENT STOCK BROKING (P) LTD	BUY	3,775,637	34
IFCI	IFCI Ltd.	CLEAN FINANCE & INVESTMENT LTD	BUY	10,388,460	34
IFCI	IFCI Ltd.	JAYPEE CAPITAL SERVICES LTD.	BUY	37,375,124	34
IFCI	IFCI Ltd.	LATIN MANHARLAL SECURITIES PVT. LTD.	BUY	6,932,542	34
IFCI	IFCI Ltd.	P R B SECURITIES PRIVATE LTD	BUY	5,563,588	34
RANASUG	RANA SUGARS LTD	LILAC FARMS PRIVATE LTD	BUY	119,413	23
RENUKA	Shree Renuka Sugars Limit	P R B SECURITIES PRIVATE LTD	BUY	114,911	490
UTTAMSUGAR	Uttam Sugar Mills Limited	PRASHANT JAYANTILAL PATEL	BUY	327,898	143
VISUINTL	Visu International Limite	LILAC FARMS PRIVATE LTD	BUY	1,041,752	15
AMAR	Amar Remedies Limited	BSMA LIMITED	SELL	220,000	32
AML	Abhishek Mills Ltd	HARSIDDH ONLINE	SELL	177,709	61
EASUNREYRL	Easun Reyrolle Relays	VA TECH HYDRO GMBH	SELL	33,965	585
IBREALEST	Indiabulls Real Estate Li	MERRILL LYNCH CAPITAL MARKETS ESPANA S.A. SVB	SELL	1,850,000	264
IFCI	IFCI Ltd.	ADVENT STOCK BROKING (P) LTD	SELL	3,775,637	34
IFCI	IFCI Ltd.	CLEAN FINANCE & INVESTMENT LTD	SELL	10,388,460	34
IFCI	IFCI Ltd.	JAYPEE CAPITAL SERVICES LTD.	SELL	36,267,955	34
IFCI	IFCI Ltd.	LATIN MANHARLAL SECURITIES PVT. LTD.	SELL	6,932,542	34
IFCI	IFCI Ltd.	P R B SECURITIES PRIVATE LTD	SELL	5,248,588	34
RANASUG	RANA SUGARS LTD	LILAC FARMS PRIVATE LTD	SELL	584,069	23
RENUKA	Shree Renuka Sugars Limit	P R B SECURITIES PRIVATE LTD	SELL	119,411	490
UTTAMSUGAR	Uttam Sugar Mills Limited	PRASHANT JAYANTILAL PATEL	SELL	327,898	144
VISUINTL	Visu International Limite	LILAC FARMS PRIVATE LTD	SELL	590,969	15

Source: NSE

**BULK DEALS ON BSE - 5 Apr 2007**

Symbol	Scrip Name	Client Name	Buy/Sell	Quantity Traded	Price
532664	AMAR REMEDIE	BSMA LIMITED	S	215,000	32
532831	AML	ASHOK B BHAYANI	B	78,687	61
532831	AML	ASHOK B BHAYANI	S	78,687	61
512642	ARTILL BIO-I	YASHPAL NIMANI	S	20,000	4
517565	ASHCO INDUST	AYODHYAPATI INVESTMENT PV	B	29,950	41
517565	ASHCO INDUST	ANIL AMRUTLAL GANDHI	S	30,000	41
530355	ASIAN OILFIE	AAP INVESTMENTS	B	55,000	38
505506	AXON INFOTEC	N.H.BANKA	B	5,000	283
508664	BEST E.HOTEL	DEEPA K DELIWALA	B	8,950	50
508664	BEST E.HOTEL	FRANCISCA INVESTMENT PVT	B	8,990	54
508664	BEST E.HOTEL	DEEPA K DELIWALA	S	8,950	55
508664	BEST E.HOTEL	FRANCISCA INVESTMENT PVT	S	8,990	50
590059	BIHARTUBES	BHAVNA S. SHETHIA	B	18,105	116
590059	BIHARTUBES	JMP SECURITIES PVT. LTD.	B	22,581	120
590059	BIHARTUBES	ANIL SHARMA	B	97,753	118
590059	BIHARTUBES	PANKAJ SHARMA	B	20,128	118
590059	BIHARTUBES	BHAVNA S. SHETHIA	S	18,105	116
590059	BIHARTUBES	JMP SECURITIES PVT. LTD.	S	21,081	119
590059	BIHARTUBES	ANIL SHARMA	S	32,399	118
532834	CAMLIN FINE	ASIT C MEHTA INVESTMENT I	B	88,814	64
532834	CAMLIN FINE	ASIT C MEHTA INVESTMENT I	S	88,814	63
532413	CEREBRA INT	SUKANYA NAGESH PATIL	B	50,000	13
532439	GOLDSTNTELE	SANA INVESTMENT SERVICE	S	73,397	28
532832	INDBUL REAL	MERRILL LYNCH CAPITAL MAR	S	1,300,000	264
532825	JAGJANANI	ANAND YOGESH SHARES AND C	B	82,875	23
532825	JAGJANANI	HARSIDDH ONLINE	S	82,875	23
530299	KOTHARI PROD	K.GIRDHARLAL INTL.PVT. LT	B	270,605	500
532829	LAWRESHWAR	SANJOG REALTY PVT LYD	B	104,000	11
512267	MEDIA MATRIX	ROSE VALLY SOFTWARE SOL P	S	306,000	4
511276	MEFCOM AGR I	JMP SECURITIES PVT. LTD.	B	98,325	36
511276	MEFCOM AGR I	COSMO CORPORATE SERVICES	S	15,000	37
511276	MEFCOM AGR I	JMP SECURITIES PVT. LTD.	S	70,556	36
532051	NUMERI PO SY	M M MURARKA SHARE AND SEC	B	38,400	333
532051	NUMERI PO SY	RAGHUVALIKA TRADING PVT L	S	38,400	333
531646	RFL INTERNAT	SANTOSH MAFATLAL JAIN	B	30,000	1
531215	RTS POWER CO	HKB SHARES AND STOCK BROK	B	46,868	122
531215	RTS POWER CO	HKB SHARES AND STOCK BROK	S	75,000	120
531215	RTS POWER CO	BLB CABLES AND CONDUCTOR	S	150,000	120
531898	SANGUINE MD	PANNALAL L DASSANI	B	44,500	41
532249	SQL STAR INT	WALL STREET CAPITAL MARKE	B	100,001	46
531774	TRIPEX OVER	SANJAYKUMAR JETHALA SONI	B	50,000	42
521046	VANASTHTEXT	NILESHBHAI SHAH	B	191,014	13
521046	VANASTHTEXT	ANAND YOGESH SHARES AND C	B	191,014	13
521046	VANASTHTEXT	VIKRAM K CHAVDA	S	190,864	13
521046	VANASTHTEXT	HARSIDDH ONLINE	S	190,864	13
531950	VERTEX SECUR	HARESH MOHANLAL THOBHANI	S	50,000	25
590038	VISU INTL	LILAC FARMS PRIVATE LTD	B	715,491	15
590038	VISU INTL	LILAC FARMS PRIVATE LTD	S	470,991	15

Source: BSE

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<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%

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