

Morgan Stanley Asia Limited+

Ridham Desai

Ridham.Desai@morganstanley.com
+91 22 2209 7790

Morgan Stanley India Company
Private Limited+

Sheela Rathi

Sheela.Rathi@morganstanley.com
+91 22 2209 7730

April 1, 2008

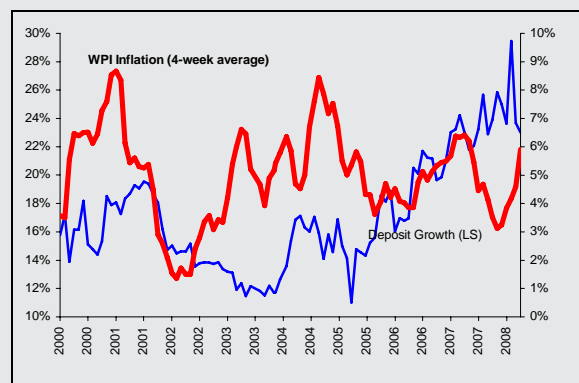
India Strategy

Retrospective – Mar 2008: Macro Slips

Conclusion: March 2008 was a third successive month of underperformance by Indian equities versus emerging and regional markets. India underperformed emerging markets and Asia-Pac by more than 7% and was the second worst performing emerging market for a second month running. The following were notable market indicators in March:

- Pharma, staples and tech sectors were among the top four performers for a second successive month whereas financials and utilities finished at the bottom once again. Sector rotation was markedly low in March and sector performance is being driven by valuations. Mid- and small-cap continued to underperform large cap.
- Institutional (domestic plus FII) selling at US\$1 billion was the second worst in history.
- Market metrics were mixed. Trading activity dropped again. Cash trading, derivatives trading, open interest are now down 45%, 56% and 44%, respectively from their recent highs. Breadth improved and ended March up 25% MoM. Inter-day volatility continues to rise and is now 75 bps higher than its July 2007 low.
- The yield curve rose 57 bps to a 5-month high; corporate bond spreads widened noticeably.
- Rupee depreciated by more than 4% against the euro to its lowest level ever.
- The consensus revised earnings down by over 2% during March.
- Inflation spiked up sharply and, is now higher by 275 bps in eight weeks, whereas deposit growth fell to a seven month low.

India Macro Slips: Growth Slowing, Inflation Rising



Source: CSO, RBI, Morgan Stanley Research

Morgan Stanley does and seeks to do business with companies covered in Morgan Stanley Research. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of Morgan Stanley Research. Investors should consider Morgan Stanley Research as only a single factor in making their investment decision.

For analyst certification and other important disclosures, refer to the Disclosure Section, located at the end of this report.

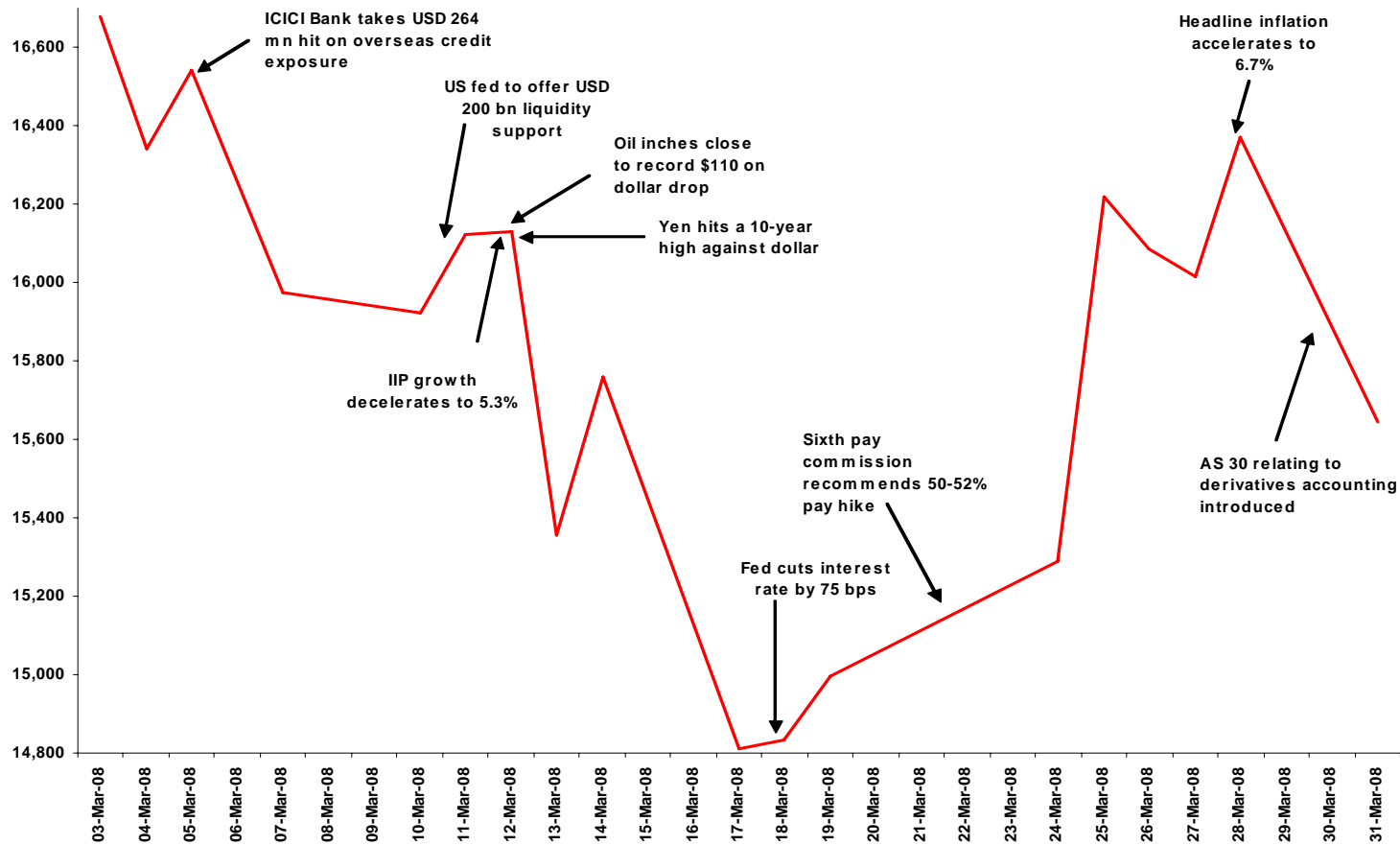
+ = Analysts employed by non-US affiliates are not registered pursuant to NASD/NYSE rules

CONTENTS

Page

News Flow and Market Performance	3
Market Performance.....	4
Sector Performance.....	5
NSE's Best- and Worst-Performing Stocks in March with Market Cap Above US\$500mn.....	6
Flows.....	7
Cash Trading.....	8
Futures Market.....	9
Breadth and Volatility.....	11
Bond Market.....	12
Currency.....	14
Equity Valuation Snapshot.....	15
Earnings Snapshot.....	16
Corporate Activity.....	17
Macro Indicators.....	18
Current Earnings Estimates for Morgan Stanley Universe	20

News Flow and Market Performance



Source: Bloomberg, Economic Times, Business Standard, Morgan Stanley Research

Market Performance

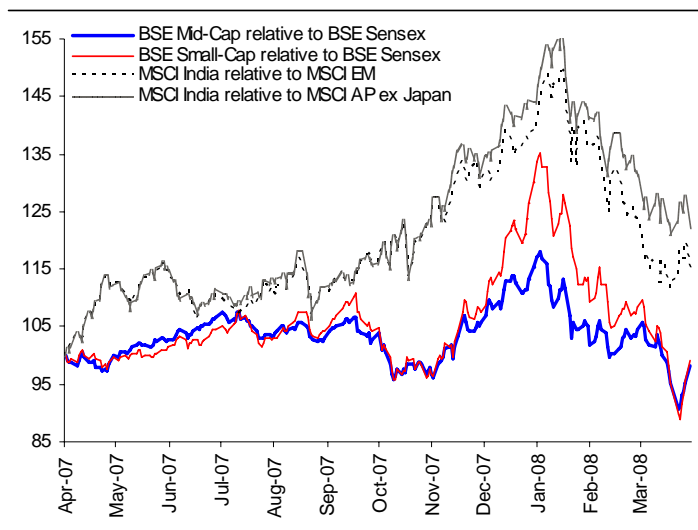
India underperformed emerging markets and Asia-Pac markets for the third successive month in March, underpinning India's high beta status in falling markets. India finished the month almost at the bottom, as the 24th-worst performer in the EM universe. Mid- and small-cap stocks underperformed large caps for the third month running. Despite underperforming emerging markets by 17% in 1Q08, India has still outperformed by about 3% from the August 2007 lows. The Sensex has outperformed the mid- and small-cap indices by 15% and 22%, respectively, since the start of the year.

Equity Markets

	Current	1 Mth	3 Mths	6 Mths	12 Mths	YTD
MSCI India	488	-12.7%	-27.1%	-10.2%	29.6%	-27.1%
MSCI EMF	1,105	-5.4%	-11.3%	-8.3%	18.9%	-11.3%
MSCI EM Asia	439	-6.8%	-14.5%	-14.5%	18.6%	-14.5%
MSCI Europe	107	-4.2%	-16.2%	-19.1%	-18.1%	-16.2%
MSCI ACWI	364	-1.7%	-9.7%	-11.6%	-3.0%	-9.7%
MSCI Asia Pacific	455	-6.1%	-14.2%	-14.9%	11.2%	-14.2%
BSE Sensex	15,644	-11.0%	-22.9%	-9.5%	19.7%	-22.9%
BSE 100 Index	8,233	-12.5%	-26.2%	-8.2%	25.0%	-26.2%
BSE 200 Index	1,932	-12.9%	-27.3%	-8.8%	24.1%	-27.3%
BSE 500 Index	6,157	-13.4%	-28.3%	-9.1%	24.3%	-28.3%
BSE Midcap Index	6,428	-16.3%	-34.3%	-13.4%	19.4%	-34.3%
BSE Smallcap Index	7,842	-18.6%	-41.3%	-13.8%	21.2%	-41.3%
Dow Jones	12,263	0.0%	-7.6%	-11.8%	-0.7%	-7.6%
Nasdaq	2,279	0.3%	-14.1%	-15.6%	-5.9%	-14.1%
India's Rank In 25 EM countries		24	24	19	8	24

Note: All MSCI Indices are in US\$. Source: Bloomberg, MSCI, Morgan Stanley Research

Relative Performance



Source: Bloomberg, MSCI, Morgan Stanley Research

Sector Performance

Healthcare was the best performing sector in March with consumer staples in the second spot. Financials was the worst performing sector in the month followed by utilities. There was very little sector rotation with only telecoms and materials changing performance month-on-month. All MSCI India sectors except Consumer Staples and healthcare underperformed the respective EM sectors. Valuation is clearly a theme driving sector performance with the richly valued sectors performing poorly in 1Q08 and vice versa.

India: Sector Performance

	Weights	Absolute Performance					Rank		
		1 Mth	2 Mths	3 Mths	12 Mths	YTD	1 Mth	12 Mths	YTD
MSCI India	100%	-12.5%	-13.2%	-25.7%	19.7%	-25.7%			
Cons. Discretionary	3.7%	-4.2%	-4.5%	-18.2%	-11.5%	-18.2%	3	9	3
Consumer Staples	4.6%	0.2%	5.8%	-0.2%	22.0%	-0.2%	2	6	1
Energy	19.2%	-8.0%	-7.5%	-21.7%	52.2%	-21.7%	5	2	5
Financials	29.1%	-21.6%	-25.7%	-32.8%	29.7%	-32.8%	10	5	9
Healthcare	3.1%	1.4%	12.3%	-6.1%	6.9%	-6.1%	1	8	2
Industrials	11.8%	-12.9%	-16.1%	-29.2%	44.1%	-29.2%	7	3	7
Information Tech.	11.5%	-6.9%	-2.6%	-18.2%	-26.5%	-18.2%	4	10	4
Materials	7.6%	-13.2%	-7.7%	-28.8%	43.9%	-28.8%	8	4	6
Telecommunication	4.0%	-10.9%	-14.1%	-33.0%	16.6%	-33.0%	6	7	10
Utilities	5.3%	-13.3%	-17.4%	-31.8%	93.1%	-31.8%	9	1	8

All MSCI indices in local currency. Source: Bloomberg, MSCI, Morgan Stanley Research

India: Relative to EM Sectors

	Relative Performance					Rank		
	1 Mth	2 Mths	3 Mths	12 Mths	YTD	1 Mth	12 Mths	YTD
MSCI India	-7.7%	-17.5%	-17.3%	-2.0%	-17.7%			
Cons. Discretionary	-1.8%	-6.8%	-8.5%	-3.7%	-10.2%	4	9	4
Consumer Staples	3.5%	0.7%	4.1%	13.6%	3.3%	2	6	1
Energy	-0.7%	-9.9%	-9.6%	21.1%	-9.9%	3	4	3
Financials	-15.4%	-25.0%	-19.8%	33.0%	-20.2%	10	2	7
Healthcare	6.3%	7.3%	-0.8%	1.3%	-3.2%	1	7	2
Industrials	-5.3%	-19.2%	-15.8%	22.9%	-16.1%	5	3	6
Information Tech.	-7.4%	-12.7%	-17.2%	-20.6%	-15.8%	7	10	5
Materials	-8.6%	-18.1%	-27.3%	13.8%	-28.1%	8	5	10
Telecommunication	-8.8%	-20.5%	-25.7%	-3.2%	-27.0%	9	8	9
Utilities	-7.3%	-21.7%	-21.5%	82.5%	-23.0%	6	1	8

Source: Factset, MSCI, Morgan Stanley Research

NSE's Best- and Worst-Performing Stocks in March with Market Cap Above US\$500mn**India: Best-Performing Stocks**

Company	Price (Rs)	1-Mth (%)	YTD Perf (%)
ICI India Ltd	663	17.3	16.2
Nicholas Piramal	306	11.5	0.9
Dabur India Ltd	111	11.0	-3.0
Asian Paints Ltd	1,200	7.6	9.1
Marico Limited	68	7.5	-1.3
Kansai Nerolac Paints	751	7.3	-14.6
Monnet Ispat & Energy	490	6.7	-18.4
ABG Shipyard	735	6.5	-26.0
Cipla Ltd	220	6.2	3.5
Panacea Biotec Ltd	338	5.8	-13.0

Source: Bloomberg, Morgan Stanley Research

India: Worst-Performing Stocks

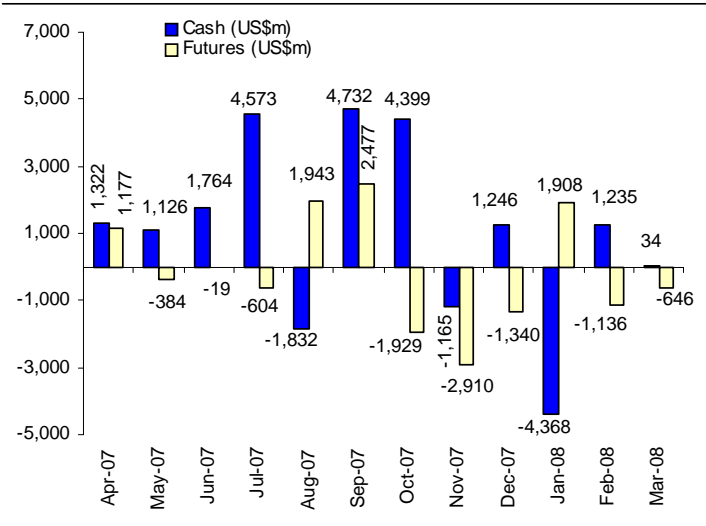
Company	Price (Rs)	1-Mth (%)	YTD Perf (%)
Yes Bank	169	-31.6	-32.3
Indiabulls Financial Services	417	-31.9	-30.1
Reliance Capital	1,229	-32.6	-52.5
Kirloskar Bros	228	-33.4	-56.1
IFCI Ltd	44	-34.2	-52.7
Bhushan Steel	666	-35.2	-57.1
BGR Energy System Ltd	342	-35.8	NA
Rashtriya Chemical services	52	-38.3	-55.7
JM Financial Ltd	1,322	-40.9	-54.4
Jai Corp Ltd	515	-41.5	-57.1

Source: Bloomberg, Morgan Stanley Research

Flows

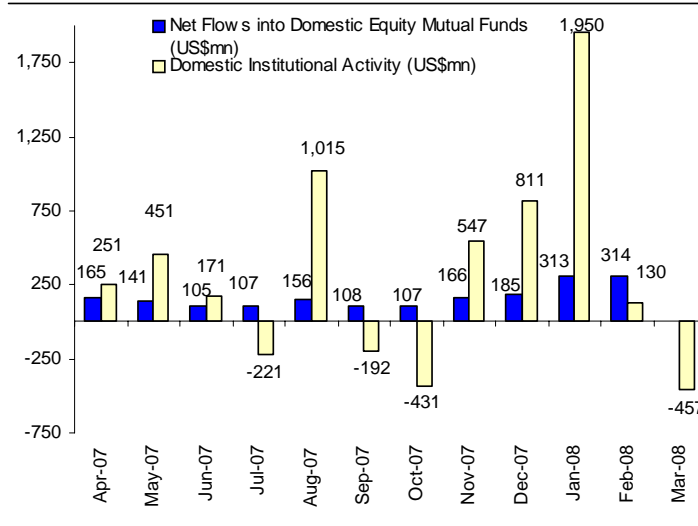
FII flows in the cash segment were flat in March whereas selling in the futures market continued from February. Domestic institutions turned sellers having been net buyers for four months running. FIIs have sold US\$3 billion worth of stocks and derivatives since the start of the year whereas domestic institutions have purchased US\$1.6 billion in 1Q08 (just marginally less than what they bought in the whole of 2007). The consolidated institutional selling in March (domestic + FII) was the second worst in history.

India FII Flows: Equity & Derivatives



Source: SEBI, Morgan Stanley Research

Flows into Domestic Equity Mutual Funds & Domestic Institutional Activity

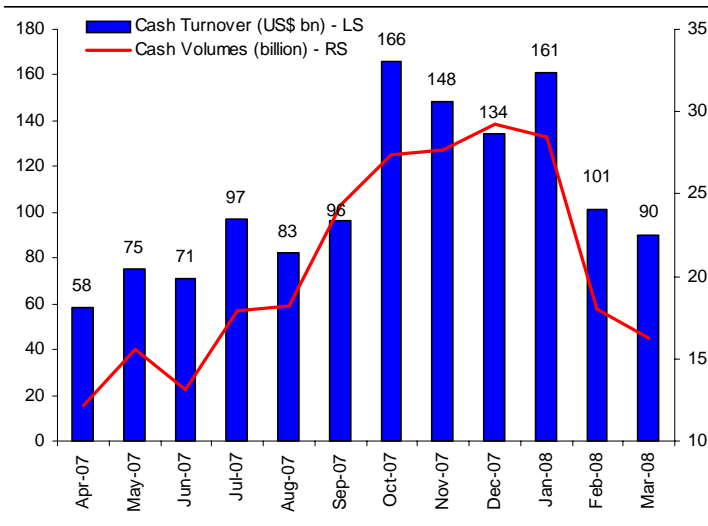


Source: AMFI, SEBI, Morgan Stanley Research

Cash Trading

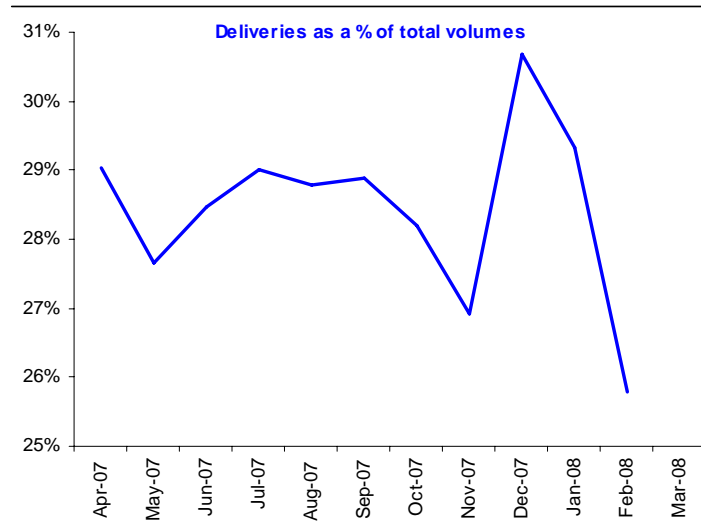
Cash trading volume (number of shares) dropped by 10% in March to a nine month low – off 45% from its Dec-07 peak. Trading volumes (value), also fell by 10% over February to reach a seven month low and 45% below its January peak. Shares purchased for delivery (as a percentage of total trading) continued to decline and hit a 20-month low in February (data comes with a month's lag).

Cash Trading: Turnover and Volumes



Source: BSE, NSE, Morgan Stanley Research

Deliveries to Total Trading

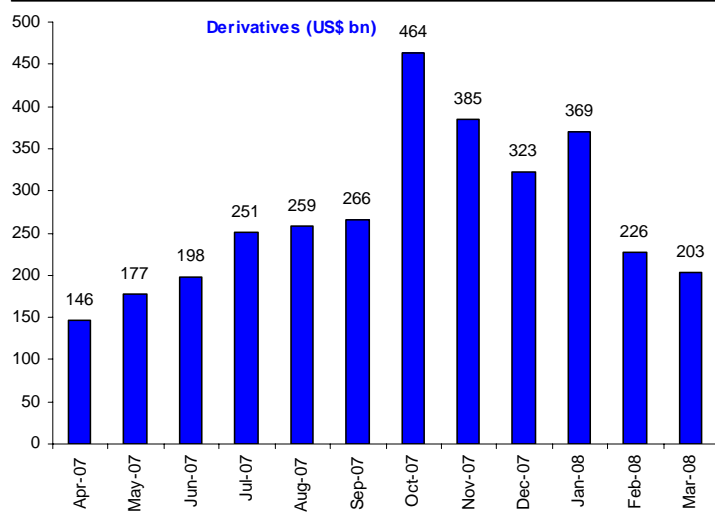


Source: BSE, NSE, Morgan Stanley Research

Futures Market

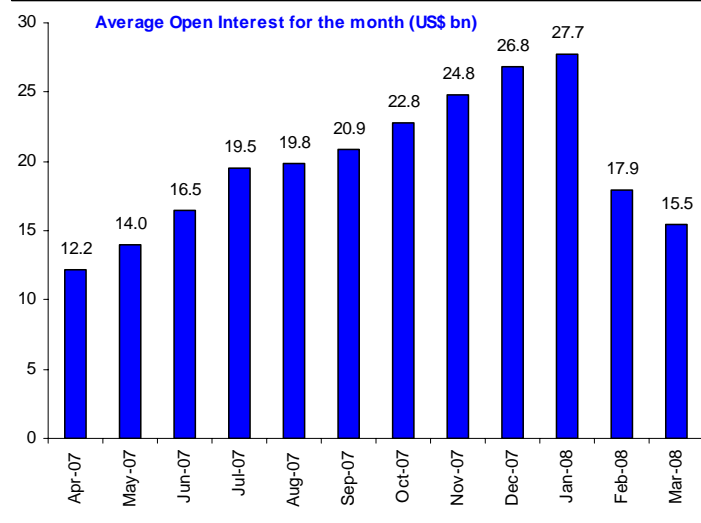
Futures market activity was also depressed in March with derivative volumes falling another 10% points MoM. Derivative volumes are now 56% off their Oct-07 peak. Average open interest for the month of March fell 14% MoM and is now at a 10-month low. Average open interest is 44% off its peak.

Derivatives Volumes



* Only NSE Source: Bloomberg Morgan Stanley Research

Average Open Interest for the Month

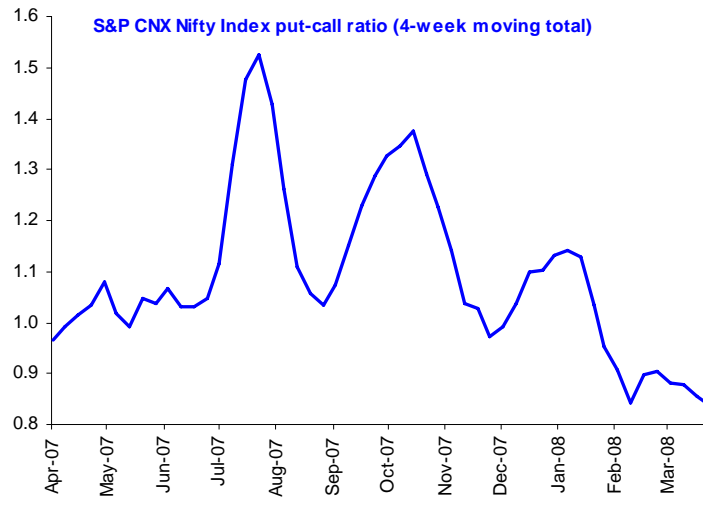


Source: Bloomberg, Morgan Stanley Research

Futures Market

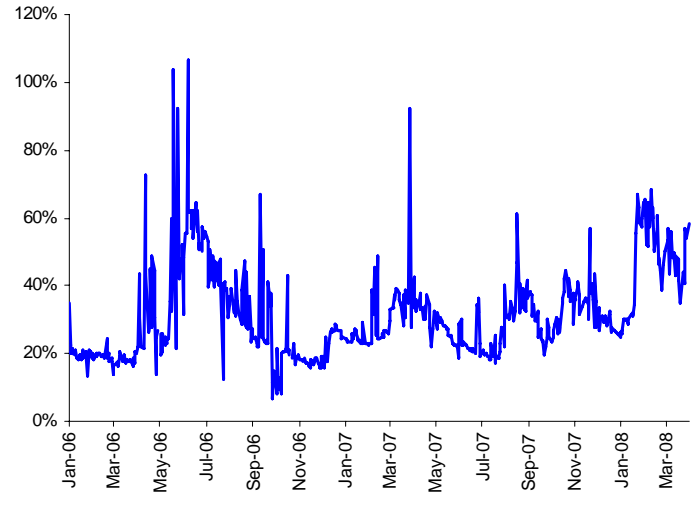
The put-call ratio fell 7% MoM in March and is now down 45% from its Jul-07 peak. On a monthly average basis, the implied volatility increased 6 pp to 49% in March. However, implied volatility is up 23% from its intra-month low in March.

S&P CNX Nifty Index Options: Put-Call Ratio



Source: ASA, Morgan Stanley Research

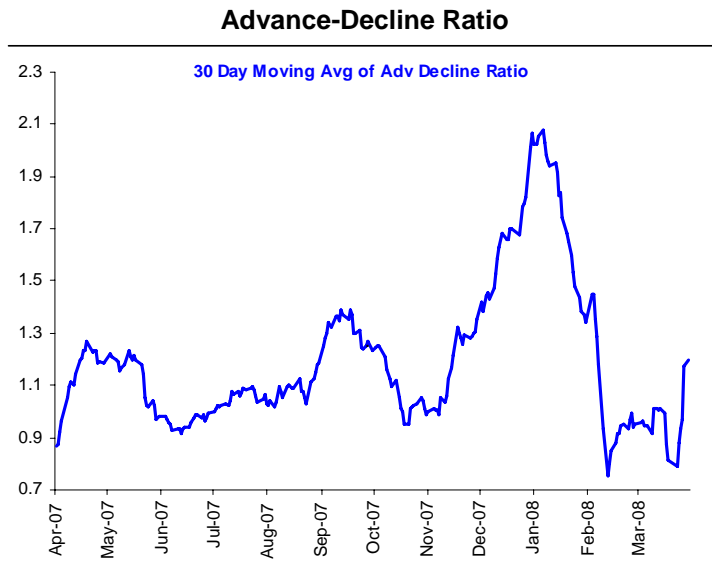
S&P CNX Nifty Index: Implied Volatility



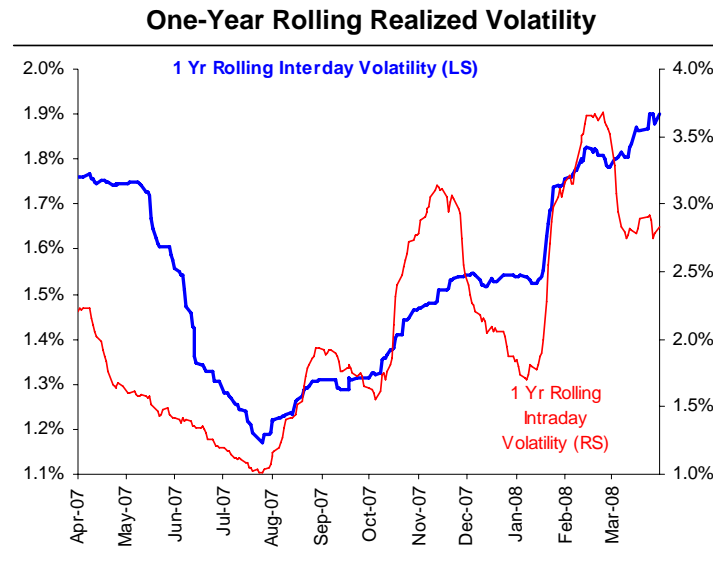
Source: Bloomberg, Morgan Stanley Research

Breadth and Volatility

Market breadth improved in late March and closed the month up 25% from its February end level. Realized intraday volatility stopped its ascent and fell 64 bps (MoM). However, it is still up more than 100 bps from its January lows. In contrast, inter-day volatility continued to rise and was up 12bps (MoM). Inter-day volatility is up 75 bps from its Jul-07 low.



Source: ASA, Morgan Stanley Research

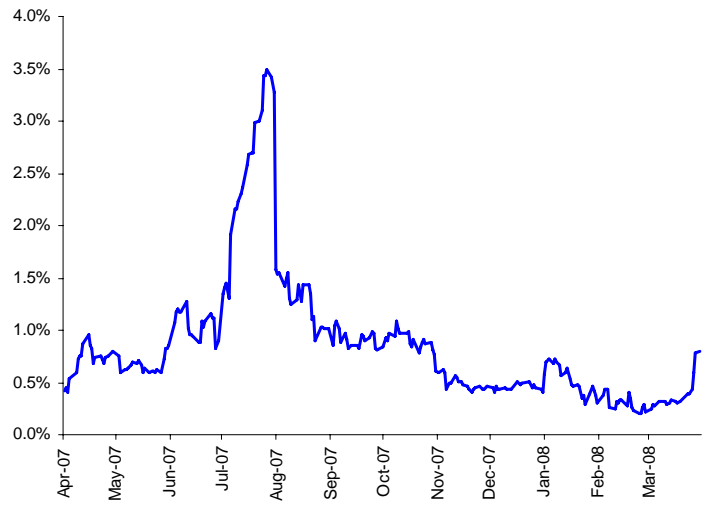


Source: ASA, Bloomberg, Morgan Stanley Research

Bond Market

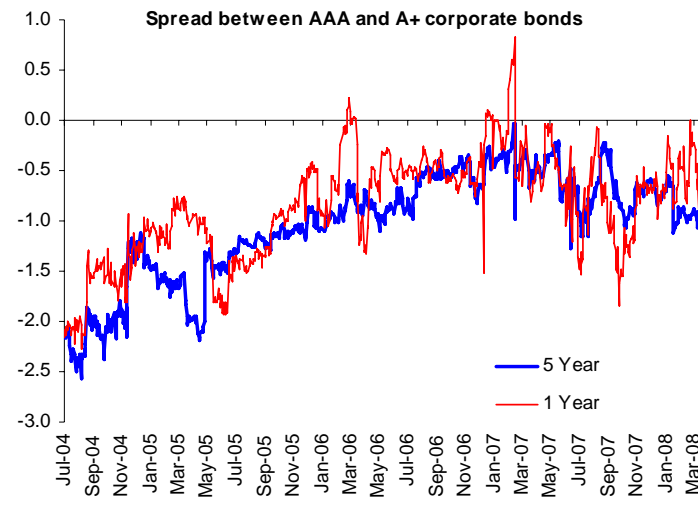
Bond market activity spiked up, having been flat for a few months. The yield curve steepened 57 bps in March to hit a five month high. The spread between Corporate AAA and A+ bonds for five-year maturity also widened 14 bps to 105 bps in March to close to July 2007 levels. The spread between Corporate AAA and A+ bonds for one-year maturity widened by 72 bps to 98 bps – a three month high.

India: Yield Curve – Spread versus 10-year and 91-day Yield



Source: Bloomberg, Morgan Stanley Research

India: Corporate Bond Spread

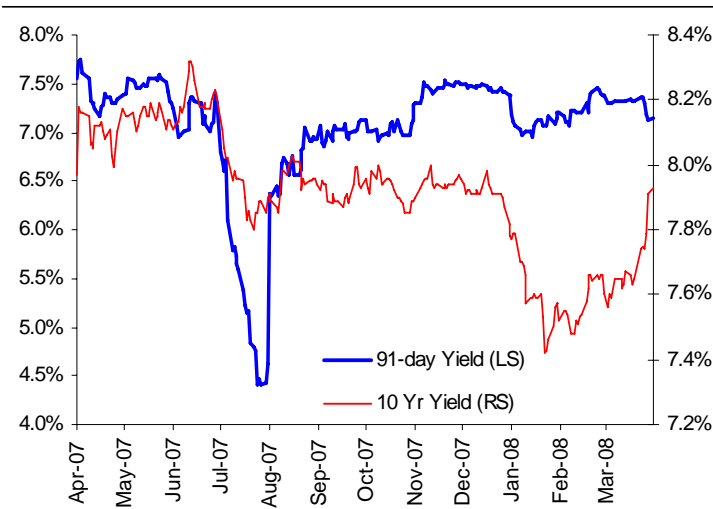


Source: Bloomberg, Morgan Stanley Research

Bond Market

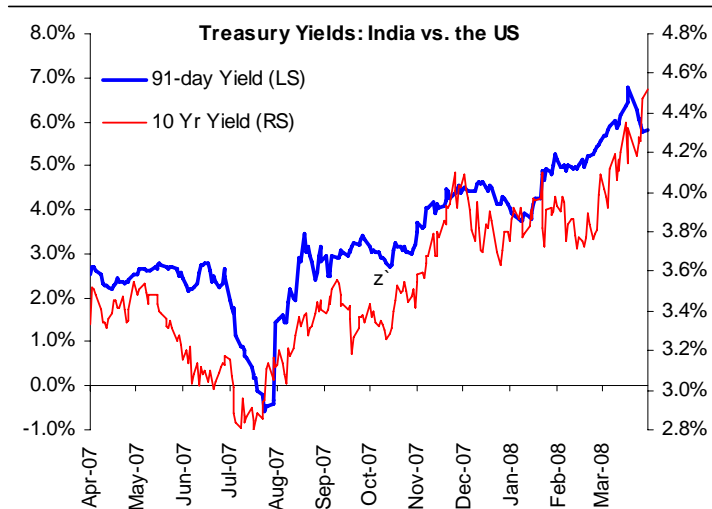
The 10-year bond yield rose 33 bps MoM – its biggest monthly move since Jun-06, while the 91-day yield was down 24 bps in March.

India: 10-year and 91-day Yield



Source: Bloomberg, Morgan Stanley Research

Treasury Yields: India versus the US

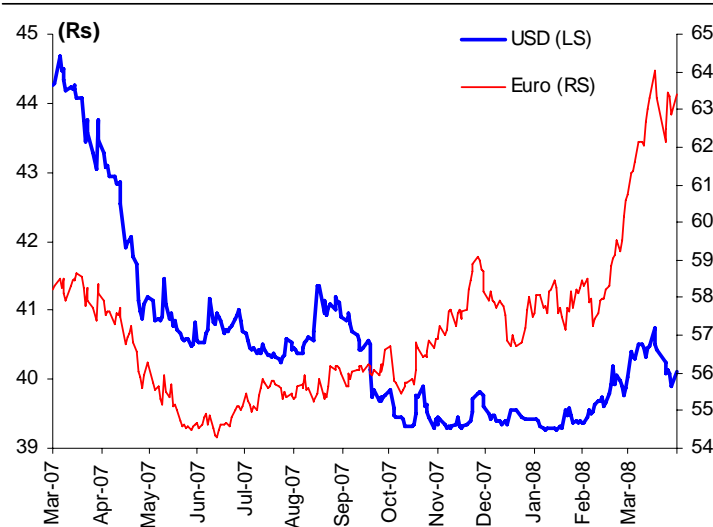


Source: Bloomberg, Morgan Stanley Research

Currency

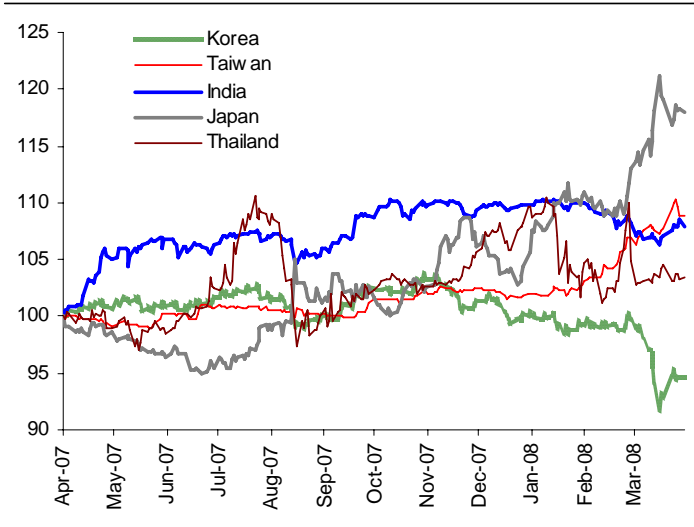
The rupee depreciated by 0.2% against the USD and 4.4% against the Euro (MoM). Year to date, the rupee has depreciated by 10.4% against the Euro and is at an all-time low.

Currency: India versus USD and Euro



Source: Bloomberg, Morgan Stanley Research

Currency: Asian Countries (Rebased)

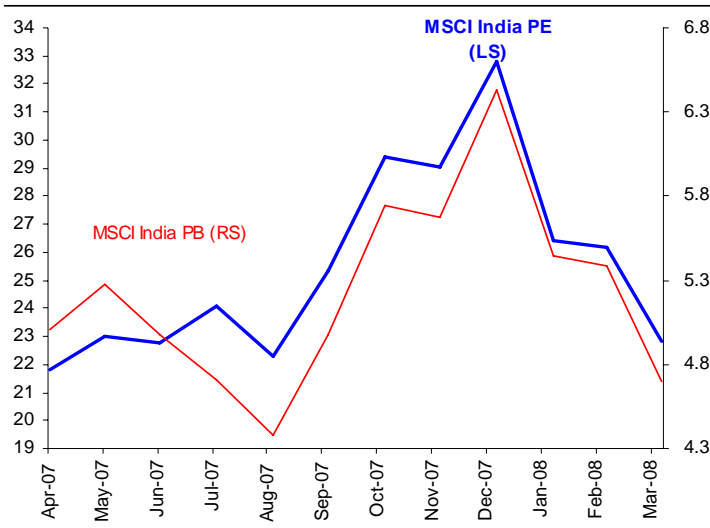


Source: Bloomberg, Morgan Stanley Research

Equity Valuation Snapshot

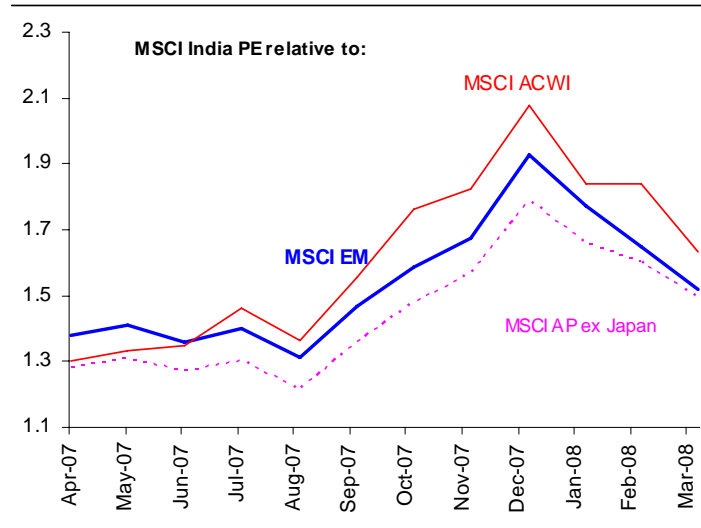
With the MSCI India underperforming MSCI EM and MSCI ACWI during the month, its relative P/E premiums declined to 52% and 63%, respectively. The MSCI India's absolute trailing P/E is close to a 12-month low and 22% off its high but still 32% above its 10-year average.

MSCI India: P/E and P/B



Source: FactSet, Bloomberg, MSCI, Morgan Stanley Research

MSCI India P/E Relative to EM, ACWI, and Asia Pacific ex-Japan

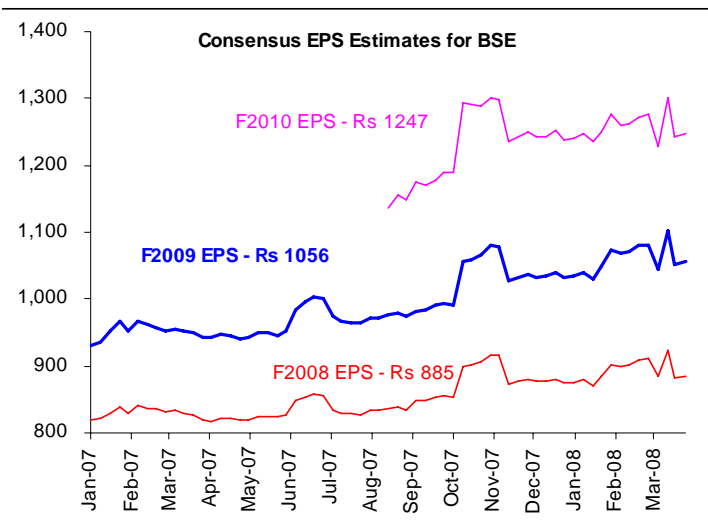


Source: FactSet, Bloomberg, MSCI, Morgan Stanley Research

Earnings Snapshot

In February, aggregate consensus EPS estimates for the BSE Sensex constituents were lowered 2.9%, 2.4% and 2.3% for F2008, F2009 and F2010, respectively. Consensus estimates for F2008 and F2009 have been raised 8% and 12%, respectively, over the past 12 months.

BSE Sensex: Consensus EPS Estimates



Source: IBES, Morgan Stanley Research

Top Earnings Revisions for 2008 by Consensus for Our Coverage Universe

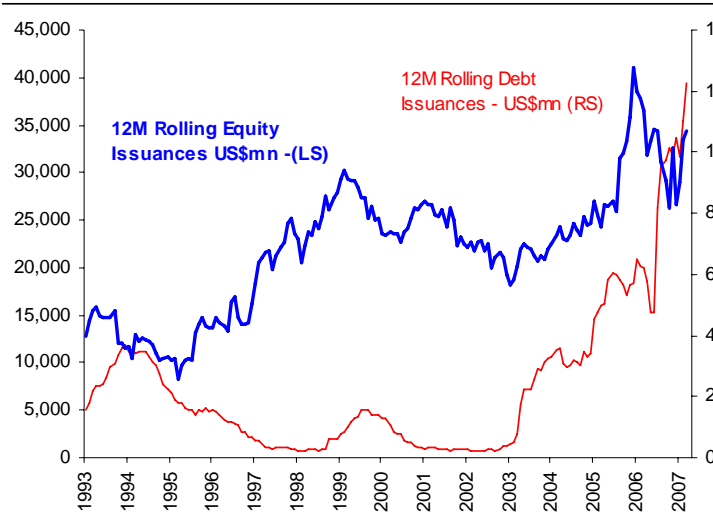
Company	Earnings Revision		Rel. Price Perf	
	1M	3M	1M	3M
Wockhardt Limited	33.0%	32.0%	-11.2%	-17.3%
Nestle India	23.8%	20.5%	22.7%	29.5%
Pantaloon Retail	9.2%	8.6%	-8.4%	-33.0%
Sesa Goa	7.2%	24.4%	1.5%	6.3%
Shoppers' Stop	6.4%	44.4%	-2.0%	-4.8%
Tata Steel	-16.9%	-19.2%	-2.8%	-3.8%
Patni Computer Systems	-9.9%	-9.9%	3.8%	-12.9%
Suzlon Energy	-9.0%	-8.5%	5.3%	-11.7%
Hindalco Industries	-8.3%	-19.4%	-8.8%	-0.6%
Polaris Software Lab Ltd.	-6.9%	-14.6%	-0.6%	-19.3%

Source: IBES, Morgan Stanley Research

Corporate Activity

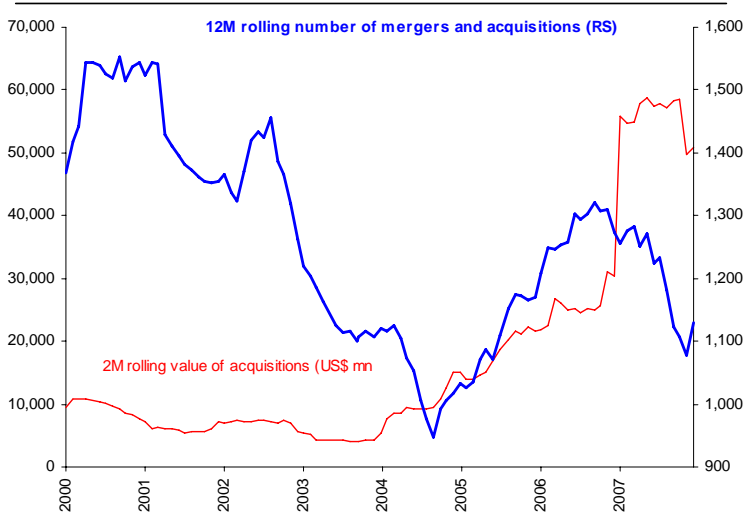
Debt issuances and equity issuances remained strong during February. M&A activity picked up marginally (data available only until January). The primary markets cooled off significantly in March.

Debt Issuances: On a Roll



Source: CMIE, Morgan Stanley Research

M&A Activity

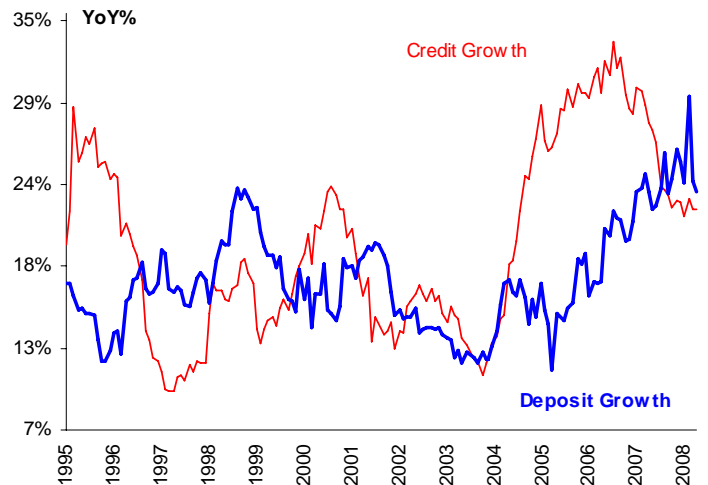


Source: CMIE, Morgan Stanley Research

Macro Indicators

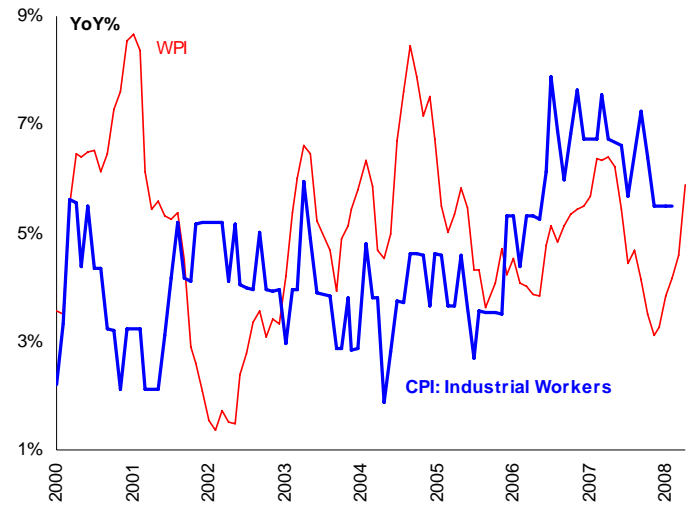
Credit growth at 21.% has slowed to its lowest level since Aug-04. Deposit growth has also come off sharply from its all-time high in January and is now just marginally higher than credit growth. Inflation, as measured by the Wholesale Price Index, continues to accelerate and is now up 275 bps in eight weeks.

Slowdown in Credit Growth



Source: RBI, Morgan Stanley Research

Inflation Spikes



Source: CSO, Morgan Stanley Research

Macro Indicators

	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08
Trade Balance (US\$billion)	-7.0	-6.2	-7.3	-5.0	-6.9	-4.4	-7.5	-7.4	-5.4	-9.4	-4.2	NA
Exports (US\$billion)	10.6	11.9	11.9	12.5	12.7	12.8	13.3	12.4	12.3	13.1	14.2	NA
Exports (YoY)	23.1%	18.1%	14.1%	18.5%	18.9%	19.3%	35.6%	26.8%	16.0%	20.5%	35.3%	NA
Imports (US\$billion)	17.6	18.1	19.2	17.5	19.6	17.2	20.8	19.8	17.7	22.5	18.5	NA
Imports (YoY)	40.5%	26.4%	36.7%	20.4%	32.6%	2.3%	24.3%	29.3%	18.1%	63.6%	30.5%	NA
Foreign Direct Investment (US\$million)	1551.0	2120.0	1238.0	705.0	831.0	713.0	2027.0	1864.0	1558.0	NA	NA	NA
Foreign Exchange Reserves (US\$billion)	203.7	204.5	213.0	224.9	228.4	247.3	262.0	273.1	272.3	284.5	300.8	306.1
Net FII Flow s (US\$million)	1322.1	1126.2	1764.5	4572.8	-1832.4	4731.8	4399.0	-1165.2	1246.4	-4368.1	1234.9	33.5
Rs/US\$1 (period average)	42.31	40.79	40.78	40.42	40.83	40.35	39.51	39.44	39.44	39.37	39.73	40.38
M3 (YoY)	20.6%	19.9%	21.3%	21.6%	20.6%	20.7%	22.1%	23.3%	22.1%	22.4%	21.2%	NA
Bank Loans (Non-food credit, YoY)	27.0%	26.6%	23.7%	23.4%	23.2%	22.1%	23.0%	22.9%	21.9%	23.2%	22.5%	NA
Money Multiplier	4.5	4.6	4.6	4.5	4.6	4.5	4.7	4.5	4.6	4.7	4.5	4.4
Deposit Growth Rate (YoY)	21.8%	22.1%	23.2%	25.7%	22.9%	23.9%	25.8%	25.0%	23.6%	29.5%	23.7%	NA
Prime Lending Rate	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.8%	12.3%	12.3%
One Year Deposit Rate	8.3%	8.3%	8.3%	8.3%	8.0%	8.0%	8.0%	8.0%	8.3%	8.8%	8.8%	8.8%
364 day T-Bill Yield	7.9%	7.8%	7.8%	7.1%	7.4%	7.4%	7.5%	7.7%	7.7%	7.4%	7.5%	7.5%
91 day T-Bill Yield	7.4%	7.5%	7.2%	5.4%	6.7%	7.0%	7.0%	7.4%	7.5%	7.1%	7.3%	7.3%
10 yr Government Bond Yield	8.1%	8.1%	8.2%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.6%	7.6%	7.7%
Manufacturing(in %)	12.4%	11.3%	9.7%	8.8%	10.7%	7.4%	13.8%	5.0%	8.3%	5.9%	NA	NA
Consumer Goods	14.7%	8.7%	3.6%	7.1%	0.0%	-0.2%	13.7%	-2.4%	8.4%	7.0%	NA	NA
Basic Goods	8.6%	10.3%	9.2%	8.7%	12.7%	6.5%	6.7%	5.2%	3.6%	3.5%	NA	NA
Capital Goods	10.9%	22.4%	23.1%	12.3%	30.8%	20.9%	20.9%	24.3%	16.6%	2.1%	NA	NA
Intermediate Goods	10.6%	8.8%	8.6%	7.7%	13.8%	10.1%	13.9%	5.7%	7.4%	7.0%	NA	NA
Consumer Price Index (YoY)	6.7%	6.6%	5.7%	6.5%	7.3%	6.4%	5.5%	5.5%	5.5%	5.5%	NA	NA
Wholesale Price Index (YoY)												
- All Commodities	6.0%	4.9%	4.4%	4.7%	3.9%	3.4%	3.1%	3.1%	3.5%	4.1%	4.1%	4.4%
- Manufactured Products	6.0%	5.1%	4.9%	5.1%	4.6%	4.4%	4.2%	3.5%	3.7%	4.2%	4.1%	4.3%

Current Earnings Estimates for Morgan Stanley Universe

Sectors	Company	Rating	Price 31/3/08	Trgt Price	52-Wk High	Low	EPS				Earnings				DPS	P/E	P/B	ROE	Div Yld	(US\$Mn)	Rel. Perf. (%)					
							F07	F08E	F09E	09E / 07	F07	F08E	F07	F07	F07	F07	F07	F07	F07	Mkt Cap	3M	ATV	3M	12M		
Consumer Discretionary																										
	Artek Auto Ltd.	Overw eight	256	500	526	228	28.2	30.2	36.0	11.7%	3.5	8.5	1.8	17.0%	1.4%	1,024	3.1	-22.0	-42.0							
	Arvind Mills	Overw eight	38	85	94	34	1.3	1.6	3.3	60.7%	0.0	24.4	0.6	2.1%	0.0%	202	6.8	-45.9	-27.5							
	Ashok Leyland Ltd.	Equal-Weight	35	40	58	26	3.4	3.0	3.3	-0.5%	1.5	11.8	2.5	23.8%	4.2%	1,172	12.0	-12.0	-23.3							
	Bharat Forge	Underw eight	267	270	390	245	13.6	11.6	14.5	3.2%	3.5	23.1	3.9	20.1%	1.3%	1,484	3.8	-2.1	-29.1							
	EH Limited	Underw eight	137	85	247	91	3.9	5.1	3.8	-1.5%	1.6	26.6	4.8	13.9%	1.2%	1,342	2.4	-3.7	21.8							
	Entertainment Netw ork (India) Limited	Overw eight	372	533	700	307	5.3	6.8	17.7	83.1%	0.0	54.8	6.1	8.6%	0.0%	442	0.4	-25.7	-6.2							
	Hero Honda Motor Ltd	Underw eight	690	640	786	556	43.0	43.6	48.6	6.3%	17.0	15.8	5.6	34.7%	2.5%	3,442	7.0	28.3	-15.8							
	House of Pearl Fashions Limited	Overw eight	137	321	386	115	32.5	28.5	37.2	7.1%	0.7	4.8	0.7	12.3%	0.5%	67	0.8	-39.3	-66.0							
	Indian Hotels Company Ltd	Overw eight	112	180	164	93	5.6	6.4	7.2	13.4%	1.9	17.5	3.9	16.2%	1.7%	2,017	7.9	-1.3	-30.2							
	Hotel Leelavature Limited	Underw eight	40	30	77	38	2.4	3.3	2.7	5.3%	0.5	12.2	1.7	10.0%	1.3%	371	7.1	-28.4	-39.9							
	Mahindra & Mahindra	Equal-Weight	696	800	872	543	56.9	62.1	70.2	11.0%	11.5	11.2	3.8	30.8%	1.7%	4,262	13.7	4.8	-25.5							
	Maruti Suzuki India Limited	Overw eight	830	1,050	1,252	700	55.0	69.7	80.3	20.9%	3.5	11.9	3.5	23.1%	0.4%	5,977	18.2	8.7	-15.4							
	New Delhi Television Limited (NDTV)	NAV	386	NA	512	281	3.3	4.4	7.4	48.3%	0.9	87.5	6.6	6.5%	0.2%	601	2.0	8.2	3.8							
	Pantaloon Retail	Overw eight	431	788	875	365	8.7	8.2	12.4	19.5%	0.4	52.8	6.2	11.0%	0.1%	1,695	2.7	-33.0	-9.3							
	Shoppers' Stop	Underw eight	412	466	703	350	7.3	3.5	6.1	-8.5%	1.5	118.0	5.0	8.8%	0.4%	358	0.2	-4.8	-44.3							
	Tata Motors	Underw eight	623	630	840	535	53.4	50.8	52.9	-0.5%	14.2	12.3	3.6	30.4%	2.3%	6,329	23.4	8.9	-28.4							
	Titan Industries Ltd	Overw eight	1,062	1,607	1,795	808	19.7	33.8	45.9	52.8%	5.9	31.4	14.4	26.7%	0.6%	1,176	3.8	-11.8	5.5							
	TVS Motors	Equal-Weight	35	50	79	31	3.1	2.1	3.9	12.3%	2.1	17.0	1.0	9.2%	6.0%	207	2.8	-37.4	-51.0							
	Zee Entertainment Enterprise Limited	Overw eight	245	393	363	169	5.5	8.2	10.8	40.6%	1.8	30.0	4.1	9.1%	0.7%	2,644	9.4	-3.4	-18.4							
Consumer Staples																										
	Colgate-Palmolive India	Overw eight	382	471	521	324	13.6	17.3	20.2	22.0%	10.7	22.1	21.9	77.5%	2.8%	1,296	2.0	21.7	-3.9							
	Dabur India	Overw eight	110	125	134	72	3.3	4.0	4.8	20.2%	1.6	27.4	19.7	59.0%	1.5%	2,355	3.0	24.8	-3.3							
	Godrej Consumer Products Limited	Overw eight	124	166	176	94	5.9	7.3	8.5	19.4%	4.3	17.0	24.7	118.4%	3.5%	698	0.7	17.9	-28.7							
	Hindustan Unilever	Overw eight	229	275	248	170	7.0	8.1	9.7	17.9%	6.9	28.1	18.3	56.5%	3.0%	12,416	15.6	38.6	-6.9							
	ITC Ltd.	Underw eight	206	179	239	146	7.2	8.3	9.4	14.1%	3.6	24.9	7.5	26.1%	1.8%	19,355	44.9	27.2	14.6							
	Marico Limited	Overw eight	67	83	83	47	2.1	2.7	3.2	23.9%	0.7	25.0	21.3	65.9%	1.1%	1,021	1.3	27.0	-8.3							
	Nestle India	Overw eight	1,498	1,570	1,676	900	33.9	44.7	56.6	29.2%	29.1	33.5	37.1	84.1%	1.9%	3,601	1.1	29.5	33.9							
	Tata Tea	Overw eight	824	809	1,014	586	50.6	52.4	72.6	19.8%	15.0	15.7	2.4	13.9%	1.7%	1,271	3.6	18.0	13.3							
Energy																										
	Bharat Petroleum Corp.	Underw eight	411	333	560	291	49.9	52.9	42.0	-8.3%	16.0	7.8	1.3	15.9%	3.9%	3,707	9.3	1.9	13.7							
	Cairn India Ltd.	Overw eight	224	272	269	124	-0.1	1.6	2.1	NA	0.0	137.6	1.4	-0.1%		10,052	30.1	12.8	42.9							
	GAIL (India)	Overw eight	425	514	555	257	24.3	30.0	34.7	19.4%	11.5	14.2	3.2	18.0%	2.7%	8,957	20.9	1.6	34.2							
	Hindustan Petroleum	Underw eight	256	237	406	218	37.2	36.8	37.0	-0.3%	13.0	7.0	0.9	13.1%	5.1%	2,160	14.5	-10.2	-13.4							
	Indian Oil Corp	NAV	446	NA	810	355	35.3	46.4	47.4	15.9%	20.7	9.6	1.5	11.6%	4.6%	12,976	14.6	-27.2	-6.8							
	Oil & Natural Gas Corp.	Overw eight	981	1,385	1,387	770	83.7	111.4	117.7	18.6%	36.8	8.8	3.1	26.8%	3.8%	52,331	52.6	2.9	-6.6							
	Reliance Industries	Overw eight	2,265	3,090	3,252	1,305	81.8	97.2	118.9	20.6%	9.9	23.3	3.6	12.0%	0.4%	88,825	280.5	1.9	38.3							
	Reliance Petroleum Limited	Overw eight	156	204	295	69	NA	NA	6.8	NA	NA	NA	5.2	NA	NA	17,530	160.4	-9.2	82.6							
Financials																										
	Bank of Baroda	Equal-Weight	284	400	501	193	28.1	39.8	45.6	27.4%	6.9	7.1	1.2	11.9%	2.4%	2,587	7.6	-19.9	10.1							
	Bank of India	Overw eight	253	415	466	151	23.0	33.9	38.9	30.0%	4.0	7.5	2.3	19.1%	1.6%	3,316	22.0	-10.3	25.9							
	Canara Bank	Equal-Weight	225	300	421	177	34.7	40.4	48.5	18.3%	8.2	5.6	0.9	13.7%	3.6%	2,302	9.2	-12.1	-3.4							
	Corporation Bank	Equal-Weight	283	340	490	230	37.4	46.4	54.2	20.4%	10.4	6.1	1.1	14.2%	3.7%	1,012	1.4	-14.6	-18.1							
	DLF Limited	Underw eight -V	647	828	1,225	506	12.7	41.1	57.9	113.7%	0.0	15.7	36.5	64.3%	0.0%	27,472	74.0	-21.9	NM							
	HDFC Bank	Equal-Weight	1,320	1,175	1,825	895	35.7	44.6	57.5	26.9%	8.2	29.6	7.3	17.7%	0.6%	11,631	31.4	-0.9	16.2							
	HDFC	Overw eight	2,384	3,200	3,257	1,397	58.5	87.2	91.7	25.3%	24.2	27.3	12.1	28.3%	1.0%	16,702	59.7	7.6	31.0							
	ICICI Bank	Equal-Weight	770	900	1,465	720	34.6	37.7	43.4	12.0%	11.4	20.4	3.5	12.8%	1.5%	21,350	147.4	-19.0	-24.6							
	IDBI	Underw eight	89	60	181	71	8.7	8.7	9.6	5.0%	1.7	10.2	1.0	9.9%	1.9%	1,607	21.6	-30.1	-4.1							
	IDFC	Overw eight	151	250	255	77	4.5	5.6	7.2	26.7%	1.2	26.9	6.6	17.1%	0.8%	4,886	38.7	-14.0	51.2							
	Kotak Mahindra Bank	Underw eight	629	460	1,436	445	16.5	27.9	25.0	23.1%	0.8	22.5	6.7	16.6%	0.1%	5,377	31.1	-37.1	9.5							
	Oriental Bank of Commerce	Equal-Weight	177	250	321	158	33.0	35.9	46.0	18.1%	4.7	4.9	0.9	16.2%	2.7%	1,103	3.0	-17.8	-21.3							
	Ranjib National Bank	Equal-Weight	508	560	721	420	48.8	61.4	72.6	21.9%	10.0	8.3	1.6	15.2%	2.0%	3,995	11.7	-0.8	-10.0							
	Parsvnath Developers Limited	Overw eight	210	472	598	170	15.8	24.0	35.8	50.4%	2.5	8.7	2.6	19.6%	1.2%	966	21.3	-39.7	-32.3							
	Reliance Capital	Overw eight	1,230	1,530	2,925	607	28.6	36.6	47.5	29.0%	4.1	33.6	5.7	13.3%	0.3%	7,546	167.5	-38.4	53.8							
	Sobha Developers Ltd.	Overw eight	601	1,172	1,060	573	22.2	33.3	49.5	20.1%	10.1	18.1	5.4	19.8%	1.7%	1,093	2.2	-14.5	-37.2							
	State Bank of India	Equal-Weight	1,599	2,550	2,397	863	86.3	99.4	119.8	17.8%	16.4	16.1	3.3	14.5%	1.0%	25,910	74.9	-7.3	42.6							
	Union Bank of India	Overw eight																								

Current Earnings Estimates for Morgan Stanley Universe (Continued)

Sectors	Company	Rating	Price 31/3/08	Trgt Price	52-Wk High	Low	EPS F07	F08E	F09E	Earnings 09E / 07	DPS F07	F08E	P/E F07	F08E	F09E	ROE F07	Div Yld F07	(US\$Mn) Mkt Cap	3M ATV	Rel. Perf. (%) 3M	12M
Healthcare																					
Aventis (India)	Overw eight	770	1,789	1,495	725	73.5	84.2	95.9	14.2%	32.0	9.1	2.9	27.8%	4.2%	442	0.2	-14.2	-47.7			
Bicon Ltd	Underw eight	431	465	663	345	20.0	24.2	27.4	16.9%	3.0	17.8	4.0	18.7%	0.7%	1,074	1.6	-3.6	-25.9			
Cipla Ltd	Underw eight	220	195	260	160	8.6	8.6	9.8	6.6%	2.0	25.7	5.3	20.7%	0.9%	4,258	7.8	34.0	-22.1			
Dr. Reddy's Lab	Equal-Weight	591	701	760	501	55.5	37.9	41.1	-14.0%	2.6	15.6	2.4	22.4%	0.4%	2,474	5.8	4.2	-32.1			
GlaxoSmithKline Pharma	Overw eight	1,045	1,280	1,340	800	42.7	46.3	53.1	11.5%	35.3	22.6	7.4	30.3%	3.4%	2,208	2.7	31.6	-21.8			
Lupin Ltd.	Overw eight	494	600	755	430	36.0	35.2	36.3	0.3%	4.8	14.0	3.1	22.6%	1.0%	1,032	2.5	1.1	-31.9			
Ranbaxy Laboratories	Overw eight	439	465	490	300	13.7	16.4	19.9	20.4%	9.7	26.8	3.6	11.2%	2.2%	4,077	17.5	33.6	4.0			
Sun Pharmaceutical Industries	Overw eight	1,231	1,227	1,352	886	40.5	51.9	61.2	22.9%	7.7	23.7	6.4	21.0%	0.6%	5,938	8.8	30.7	5.4			
Wockhardt Limited	Overw eight	266	460	448	245	27.6	34.9	38.6	18.3%	5.7	7.6	1.9	19.4%	2.1%	726	1.0	-17.3	-44.1			
Industrials																					
ACC Ltd.	Underw eight	826	598	1,315	615	55.8	68.8	24.4	-33.8%	17.1	12.0	4.9	33.3%	2.1%	3,867	15.8	4.6	-6.0			
BHEL	Equal-Weight	2,057	2,071	2,925	1,073	49.6	69.4	95.0	38.4%	12.2	29.6	11.5	27.6%	0.6%	25,099	55.6	3.2	52.0			
Gammon India	Overw eight	389	461	845	280	5.1	11.9	15.6	75.4%	0.5	32.6	3.0	3.9%	0.1%	847	2.9	-15.3	7.8			
GMV Infrastructure Ltd.	Underw eight	149	59	269	65	1.1	0.5	1.8	30.4%	0.0	316.1	12.4	8.8%	0.0%	6,150	47.0	-21.9	72.8			
Grasim Industries	Equal-Weight	2,575	1,783	4,074	2,025	208.5	177.7	99.6	-30.9%	30.3	14.5	4.9	39.5%	1.2%	5,886	8.6	-8.6	2.9			
Great Eastern Shipping	Overw eight	375	492	572	194	58.0	83.3	61.6	3.0%	13.2	4.5	1.9	28.8%	3.5%	1,425	4.4	-12.7	54.7			
Ambuja Cements Ltd.	Underw eight	121	85	161	100	11.2	8.9	4.3	-38.1%	2.3	13.6	5.3	48.7%	1.9%	4,592	5.4	6.9	-5.2			
IVRCL Infrastructures & Projects L'	Overw eight	401	528	575	241	10.9	15.3	20.5	37.0%	1.2	26.2	3.9	10.7%	0.3%	1,297	9.4	-6.2	14.7			
Jain Irrigation Systems	Overw eight	592	789	770	400	12.9	20.1	26.9	44.6%	2.5	29.4	13.7	25.0%	0.4%	1,076	3.6	18.9	18.5			
JaiPrakash Associates Limited	Overw eight	227	314	510	87	3.8	4.4	5.8	24.2%	0.7	51.7	9.3	14.4%	0.3%	6,651	128.2	-31.0	75.7			
Larsen & Toubro	Overw eight	3,025	3,433	4,670	1,508	79.1	78.5	100.7	12.8%	14.9	38.5	13.1	33.9%	0.5%	21,629	91.2	-6.0	56.1			
Shipping Corporation of India	Underw eight	198	125	332	154	30.3	21.2	12.1	-36.8%	9.7	9.4	1.1	16.8%	4.9%	1,394	3.0	-20.2	-5.1			
Suzlon Energy	Overw eight	264	450	460	186	5.9	8.2	12.7	46.6%	1.2	32.3	11.2	24.3%	0.4%	9,830	45.3	-11.7	9.9			
UltraTech CemCo	Underw eight	780	573	1,165	662	63.1	77.8	50.1	-10.8%	4.0	10.0	5.5	44.4%	0.5%	2,420	2.7	-0.3	-15.4			
Volta Limited	Equal-Weight	178	221	267	79	3.2	5.6	7.5	53.8%	1.0	32.0	13.9	24.8%	0.6%	1,468	8.0	-6.3	75.3			
Materials																					
Gitanjali Gems Ltd	Overw eight	221	547	480	177	15.6	19.7	28.4	35.1%	1.9	11.2	2.2	10.5%	0.8%	488	5.8	-35.0	-6.5			
Hindalco Industries	Overw eight	165	221	223	127	24.7	13.5	22.1	-5.5%	1.9	12.2	1.6	20.8%	1.2%	5,039	20.4	-0.6	5.6			
Jindal Steel & Power	Equal-Weight	2,072	2,513	3,356	445	47.7	78.6	133.6	67.4%	3.6	26.4	12.7	29.2%	0.2%	7,955	61.9	-12.5	264.3			
JSW Steel Ltd.	Overw eight	819	1,569	1,390	470	74.5	98.4	130.5	32.3%	9.4	8.3	2.7	21.8%	1.1%	3,784	20.5	-19.4	38.7			
National Aluminium	Equal-Weight	462	358	547	222	37.0	29.7	33.1	-5.4%	8.6	15.2	3.8	30.9%	1.9%	7,256	5.3	19.0	61.9			
Rajesh Exports Ltd	Overw eight	78	526	170	58	4.6	6.1	10.1	48.4%	0.4	12.8	7.3	32.8%	0.5%	563	9.9	-33.4	3.3			
Sesa Goa	Overw eight	3,130	4,222	3,969	1,618	163.4	306.0	398.1	56.1%	42.9	10.2	7.6	39.0%	1.4%	3,107	18.9	6.3	53.8			
Steel Authority Of India	Overw eight	185	305	293	106	15.0	19.8	26.0	31.5%	3.1	9.3	4.4	35.8%	1.7%	19,025	71.3	-15.7	35.3			
Sterlite Industries (India) Limited	Overw eight	714	1,078	1,140	415	80.3	66.7	100.2	11.7%	4.8	10.7	5.1	44.9%	0.7%	12,618	36.2	-10.6	27.4			
Tata Steel	Overw eight	693	1,112	970	372	59.5	120.4	158.9	63.5%	13.4	5.8	3.5	28.9%	1.9%	12,633	54.5	-3.8	45.8			
Technology																					
HCL Technologies	Overw eight	253	310	366	180	16.7	19.0	21.7	14.2%	8.0	13.3	3.4	21.6%	3.2%	4,206	6.8	-1.0	-27.4			
Hexaware Technologies Limited	Equal-Weight	61	90	186	53	10.0	0.5	9.2	-4.1%	2.1	121.4	1.5	20.7%	3.5%	219	2.2	-7.8	-69.7			
Infosys Technologies	Overw eight	1,430	2,030	2,140	1,212	69.2	81.1	97.5	18.7%	27.9	17.6	7.3	34.3%	1.9%	20,367	62.3	4.9	-40.6			
MindTree Consulting Limited	Equal-Weight - V	334	390	891	321	29.0	23.6	28.9	-0.2%	2.5	14.1	2.9	20.7%	0.8%	314	0.6	-13.5	-66.4			
Mphasis Limited	Equal-Weight	200	275	340	150	8.6	14.8	18.2	45.3%	3.5	13.5	4.1	17.9%	1.8%	1,039	1.9	-15.4	-40.8			
Patni Computer Systems	Overw eight	223	340	573	185	25.9	32.4	34.9	16.2%	2.3	6.9	1.3	15.5%	1.0%	769	2.2	-12.9	-51.9			
Satyam Computer Services	Overw eight	395	510	522	305	21.5	25.5	30.5	19.2%	4.0	15.5	4.6	24.4%	1.0%	6,573	33.5	13.9	-29.9			
Tata Consultancy Services	Overw eight	811	1,130	1,330	730	42.2	52.1	60.6	19.8%	12.0	15.6	8.9	46.1%	1.5%	19,784	22.0	-2.9	-45.0			
Tech Mahindra Limited	Equal-Weight - V	707	830	1,687	615	56.2	60.6	68.8	10.6%	13.7	11.7	7.3	53.9%	1.9%	2,170	3.7	-19.0	-58.6			
Wipro Ltd.	Equal-Weight	425	490	600	325	20.4	23.2	27.7	16.5%	10.9	18.4	6.5	30.7%	2.6%	15,443	10.1	4.9	-36.4			
Telecommunications																					
Bharti Airtel Limited	Overw eight	826	1,275	1,149	700	22.4	34.6	43.3	38.9%	0.0	23.9	11.6	31.4%	0.0%	39,089	78.4	7.7	-9.6			
Idea Cellular Ltd.	Equal-Weight - V	103	133	161	89	1.9	4.0	5.3	65.2%	0.0	25.6	12.4	25.0%	0.0%	6,751	12.0	-3.9	-9.2			
Mahanagar Telephone Nigam	Underw eight	97	131	219	93	7.3	9.4	11.6	26.3%	4.6	10.3	0.5	4.0%	4.8%	1,516	13.4	-34.9	-45.0			
Reliance Communications Ltd.	Overw eight	508	891	844	389	15.8	25.5	34.0	46.7%	0.6	19.9	4.5	14.1%	0.1%	26,007	122.9	-11.7	1.1			
Videsh Sanchar Nigam	Underw eight	514	371	783	361	0.5	20.9	34.0	693.8%	5.3	24.6	2.8	0.3%	1.0%	3,650	8.1	-12.8	6.9			
Utilities																					
LANCO Infratech Ltd	Equal-Weight - V	389	288	888	137	8.4	17.2	38.8	115.5%	0.0	22.6	8.2	17.5%	0.0%	2,155	21.7	-40.2	105.1			
NTPC	Equal-Weight	197	146	291	146	8.3	9.1	9.8	8.7%	3.6	21.7	3.3	14.1%	1.9%	40,498	81.6	2.2	9.9			
Reliance Energy	Overw eight	1,251	2,073	2,632	474	28.8	37.3	50.5	32.3%	6.2	33.6	3.2	7.1%	0.5%	7,378	200.5	-24.0	111.1			
Tata Power Co	Overw eight	1,172	1,532	1,641	491	29.1	30.0	28.4	-1.2%	9.5	39.1	4.5	10.2%	0.8%	6,307	30.7	3.3	92.2			
BSE Sensex **		15,644		21,207	12,426	670	892	1,058	25.6%	17.5	4.9	20.9%	1.2%	561,428	1,852.8	-22.9	19.7				

* AVT = Average Value Traded. ** Absolute Performance. NA = Not Available, NM = Not Meaningful. V = More volatile. We estimate that this stock has more than a 25% chance of a price move (up or down) of more than 25% in a month, based on a quantitative assessment of historical data, or in the analyst's view, it is likely to become materially more volatile over the next 1-12 months compared with the past three years. Stocks with less than one year of trading history are automatically rated as more volatile (unless otherwise noted). We note that securities that we do not currently consider "volatile" can still perform in that manner. ++ Stock Rating, Price Target or Estimates are not available or have been removed due to applicable law and/or Morgan Stanley policy. Source: Company data, Morgan Stanley Research; E = Morgan Stanley Research estimates

Disclosure Section

The information and opinions in Morgan Stanley Research were prepared or are disseminated by Morgan Stanley Asia Limited (which accepts the responsibility for its contents) and/or Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z, regulated by the Monetary Authority of Singapore, which accepts the responsibility for its contents), and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H, regulated by the Monetary Authority of Singapore, which accepts the responsibility for its contents), and/or Morgan Stanley Taiwan Limited and/or Morgan Stanley & Co International plc, Seoul Branch, and/or Morgan Stanley Australia Limited (A.B.N. 67 003 734 576, holder of Australian financial services license No. 233742, which accepts responsibility for its contents), and/or Morgan Stanley India Company Private Limited and their affiliates (collectively, "Morgan Stanley").

For important disclosures, stock price charts and rating histories regarding companies that are the subject of this report, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/researchdisclosures, or contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Equity Research Management), New York, NY, 10036 USA.

Analyst Certification

The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Ridham Desai.

Unless otherwise stated, the individuals listed on the cover page of this report are research analysts.

Global Research Conflict Management Policy

Morgan Stanley Research has been published in accordance with our conflict management policy, which is available at www.morganstanley.com/institutional/research/conflictolicies.

Important US Regulatory Disclosures on Subject Companies

The research analysts, strategists, or research associates principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors, firm revenues and overall investment banking revenues.

Certain disclosures listed above are also for compliance with applicable regulations in non-US jurisdictions.

STOCK RATINGS

Morgan Stanley uses a relative rating system using terms such as Overweight, Equal-weight or Underweight (see definitions below). Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight and Underweight are not the equivalent of Buy, Hold and Sell. Investors should carefully read the definitions of all ratings used in Morgan Stanley Research. In addition, since Morgan Stanley Research contains more complete information concerning the analyst's views, investors should carefully read Morgan Stanley Research, in its entirety, and not infer the contents from the rating alone. In any case, ratings (or research) should not be used or relied upon as investment advice. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations.

Global Stock Ratings Distribution

(as of March 31, 2008)

For disclosure purposes only (in accordance with NASD and NYSE requirements), we include the category headings of Buy, Hold, and Sell alongside our ratings of Overweight, Equal-weight and Underweight. Morgan Stanley does not assign ratings of Buy, Hold or Sell to the stocks we cover. Overweight, Equal-weight, and Underweight are not the equivalent of buy, hold, and sell but represent recommended relative weightings (see definitions below). To satisfy regulatory requirements, we correspond Overweight, our most positive stock rating, with a buy recommendation; we correspond Equal-weight to hold and Underweight to sell recommendations, respectively.

Stock Rating Category	Coverage Universe		Investment Banking Clients (IBC)		
	Count	% of Total	Count	Total IBC	% of Rating Category
Overweight/Buy	1036	43%	328	44%	32%
Equal-weight/Hold	1001	42%	327	43%	33%
Underweight/Sell	351	15%	99	13%	28%
Total	2,388		754		

Data include common stock and ADRs currently assigned ratings. An investor's decision to buy or sell a stock should depend on individual circumstances (such as the investor's existing holdings) and other considerations. Investment Banking Clients are companies from whom Morgan Stanley or an affiliate received investment banking compensation in the last 12 months.

Analyst Stock Ratings

Overweight (O or Over) - The stock's total return is expected to exceed the total return of the relevant country MSCI Index, on a risk-adjusted basis over the next 12-18 months.

Equal-weight (E or Equal) - The stock's total return is expected to be in line with the total return of the relevant country MSCI Index, on a risk-adjusted basis over the next 12-18 months.

Underweight (U or Under) - The stock's total return is expected to be below the total return of the relevant country MSCI Index, on a risk-adjusted basis, over the next 12-18 months.

More volatile (V) - We estimate that this stock has more than a 25% chance of a price move (up or down) of more than 25% in a month, based on a quantitative assessment of historical data, or in the analyst's view, it is likely to become materially more volatile over the next 1-12 months compared with the past three years. Stocks with less than one year of trading history are automatically rated as more volatile (unless otherwise noted). We note that securities that we do not currently consider "more volatile" can still perform in that manner.

Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.

In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.

Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.

Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index.

April 1, 2008
India Strategy

Other Important Disclosures

Morgan Stanley produces a research product called a "Tactical Idea." Views contained in a "Tactical Idea" on a particular stock may be contrary to the recommendations or views expressed in this or other research on the same stock. This may be the result of differing time horizons, methodologies, market events, or other factors. For all research available on a particular stock, please contact your sales representative or go to Client Link at www.morganstanley.com.

For a discussion, if applicable, of the valuation methods used to determine the price targets included in this summary and the risks related to achieving these targets, please refer to the latest relevant published research on these stocks.

Morgan Stanley Research does not provide individually tailored investment advice. Morgan Stanley Research has been prepared without regard to the individual financial circumstances and objectives of persons who receive it. The securities/instruments discussed in Morgan Stanley Research may not be suitable for all investors. Morgan Stanley recommends that investors independently evaluate particular investments and strategies, and encourages investors to seek the advice of a financial adviser. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. The securities, instruments, or strategies discussed in Morgan Stanley Research may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them.

Morgan Stanley Research is not an offer to buy or sell or the solicitation of an offer to buy or sell any security/instrument or to participate in any particular trading strategy. The "Important US Regulatory Disclosures on Subject Companies" section in Morgan Stanley Research lists all companies mentioned where Morgan Stanley owns 1% or more of a class of common securities of the companies. For all other companies mentioned in Morgan Stanley Research, Morgan Stanley may have an investment of less than 1% in securities or derivatives of securities of companies and may trade them in ways different from those discussed in Morgan Stanley Research. Employees of Morgan Stanley not involved in the preparation of Morgan Stanley Research may have investments in securities or derivatives of securities of companies mentioned and may trade them in ways different from those discussed in Morgan Stanley Research. Derivatives may be issued by Morgan Stanley or associated persons.

Morgan Stanley and its affiliate companies do business that relates to companies/instruments covered in Morgan Stanley Research, including market making and specialized trading, risk arbitrage and other proprietary trading, fund management, commercial banking, extension of credit, investment services and investment banking. Morgan Stanley sells to and buys from customers the securities/instruments of companies covered in Morgan Stanley Research on a principal basis.

With the exception of information regarding Morgan Stanley, research prepared by Morgan Stanley Research personnel are based on public information. Morgan Stanley makes every effort to use reliable, comprehensive information, but we make no representation that it is accurate or complete. We have no obligation to tell you when opinions or information in Morgan Stanley Research change apart from when we intend to discontinue research coverage of a subject company. Facts and views presented in Morgan Stanley Research have not been reviewed by, and may not reflect information known to, professionals in other Morgan Stanley business areas, including investment banking personnel.

Morgan Stanley Research personnel conduct site visits from time to time but are prohibited from accepting payment or reimbursement by the company of travel expenses for such visits.

The value of and income from your investments may vary because of changes in interest rates or foreign exchange rates, securities prices or market indexes, operational or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in your securities transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. Unless otherwise stated, the cover page provides the closing price on the primary exchange for the subject company's securities/instruments.

To our readers in Taiwan: Information on securities/instruments that trade in Taiwan is distributed by Morgan Stanley Taiwan Limited ("MSTL"). Such information is for your reference only. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions. Morgan Stanley Research may not be distributed to the public media or quoted or used by the public media without the express written consent of Morgan Stanley. Information on securities/instruments that do not trade in Taiwan is for informational purposes only and is not to be construed as a recommendation or a solicitation to trade in such securities/instruments. MSTL may not execute transactions for clients in these securities/instruments.

To our readers in Hong Kong: Information is distributed in Hong Kong by and on behalf of, and is attributable to, Morgan Stanley Asia Limited as part of its regulated activities in Hong Kong. If you have any queries concerning Morgan Stanley Research, please contact our Hong Kong sales representatives.

Certain information in Morgan Stanley Research was sourced by employees of the Shanghai Representative Office of Morgan Stanley Asia Limited for the use of Morgan Stanley Asia Limited.

Morgan Stanley Research is disseminated in Japan by Morgan Stanley Japan Securities Co., Ltd.; in Hong Kong by Morgan Stanley Asia Limited (which accepts responsibility for its contents); in Singapore by Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z) and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H), regulated by the Monetary Authority of Singapore, which accepts responsibility for its contents; in Australia by Morgan Stanley Australia Limited A.B.N. 67 003 734 576, holder of Australian financial services licence No. 233742, which accepts responsibility for its contents; in Korea by Morgan Stanley & Co International plc, Seoul Branch; in India by Morgan Stanley India Company Private Limited; in Canada by Morgan Stanley Canada Limited, which has approved of, and has agreed to take responsibility for, the contents of Morgan Stanley Research in Canada; in Germany by Morgan Stanley Bank AG, Frankfurt am Main, regulated by Bundesanstalt fuer Finanzdienstleistungsaufsicht (BaFin); in Spain by Morgan Stanley, S.V., S.A., a Morgan Stanley group company, which is supervised by the Spanish Securities Markets Commission (CNMV) and states that Morgan Stanley Research has been written and distributed in accordance with the rules of conduct applicable to financial research as established under Spanish regulations; in the United States by Morgan Stanley & Co. Incorporated, which accepts responsibility for its contents. Morgan Stanley & Co. International plc, authorized and regulated by Financial Services Authority, disseminates in the UK research that it has prepared, and approves solely for the purposes of section 21 of the Financial Services and Markets Act 2000, research which has been prepared by any of its affiliates. Private U.K. investors should obtain the advice of their Morgan Stanley & Co. International plc representative about the investments concerned. In Australia, Morgan Stanley Research, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. RMB Morgan Stanley (Proprietary) Limited is a member of the JSE Limited and regulated by the Financial Services Board in South Africa. RMB Morgan Stanley (Proprietary) Limited is a joint venture owned equally by Morgan Stanley International Holdings Inc. and FirstRand Investment Holdings Limited, which is wholly owned by FirstRand Limited.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (DIFC Branch), regulated by the Dubai Financial Services Authority (the DFSA), and is directed at wholesale customers only, as defined by the DFSA. This research will only be made available to a wholesale customer who we are satisfied meets the regulatory criteria to be a client.

The information in Morgan Stanley Research is being communicated by Morgan Stanley & Co. International plc (QFC Branch), regulated by the Qatar Financial Centre Regulatory Authority (the QFCRA), and is directed at business customers and market counterparties only and is not intended for Retail Customers as defined by the QFCRA.

The trademarks and service marks contained in Morgan Stanley Research are the property of their respective owners. Third-party data providers make no warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data. The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property of MSCI and S&P.

Morgan Stanley has based its projections, opinions, forecasts and trading strategies regarding the MSCI Country Index Series solely on publicly available information. MSCI has not reviewed, approved or endorsed the projections, opinions, forecasts and trading strategies contained herein. Morgan Stanley has no influence on or control over MSCI's index compilation decisions.

Morgan Stanley Research, or any portion hereof may not be reprinted, sold or redistributed without the written consent of Morgan Stanley.

Morgan Stanley Research is disseminated and available primarily electronically, and, in some cases, in printed form.

Additional information on recommended securities/instruments is available on request.

The Americas

1585 Broadway
New York, NY 10036-8293

United States

Tel: +1 (1) 212 761 4000

Europe

25 Cabot Square, Canary Wharf
London E14 4QA

United Kingdom

Tel: +44 (0) 20 7 425 8000

Japan

4-20-3 Ebisu, Shibuya-ku
Tokyo 150-6008

Japan

Tel: +81 (0) 3 5424 5000

Asia/Pacific

Three Exchange Square
Central

Hong Kong

Tel: +852 2848 5200