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Updates

Reliance Industries: Some clarity emerges on treasury shares issue

Oil & Natural Gas Corporation: Analyst meet update—management upbeat on operations

News Round-up

- ▶ The Anil Dhirubhai Ambani Group is ready to sell a strategic stake in Reliance Comm (RCOM IN) as the company seeks to infuse fresh equity to fund its foray into third generation telephony & wireless broadband access. The co. is considering 2 options, a merger with South Africa's MTN or infusion of fresh equity from a strategic foreign investor. (ECNT)
- ▶ Godrej Consumer Products (GCPL IN) has acquired a Argentinian haircare company Argencos, making it the cos. 2nd buyout in Latin America in less than 2 weeks. (ECNT)
- ▶ JSW Steel (JSTL IN) will raise about USD 446.81mn through an issue of warrants to promoters on a preferential basis to help cut debt. (ECNT)
- ▶ NTPC (NATP IN) to buy Australian coal mine, eyes controlling interest in 720 million tonne field near Perth in a deal valued at USD 1-1.5bn. (ECNT)
- ▶ Japanese drug firm Takeda Pharma has sued Dr Reddy's Lab (DRRD IN) for allegedly infringing the former's patent converge on antiOdiabetic drug Actos by trying to manufacture and market the same in the US. (FNLE)
- ▶ BHEL (BHEL IN) has increased its transformer building capacity to 15000 MVA per annum by setting up a new unit. (FNLE)
- ▶ GMR Energy has raised USD 74.46mn from IDFC group for a significant minority stake. (ECNT)
- ▶ Aditya Birla Minacs and a subsidiary of Aditya Birla Nuvo Ltd announced the acquisition of US-based Bureau of Collections Recovery (BCR), an accounts receivables management company, in an all-cash transaction. However, the deal amount was not disclosed. (BSTD)
- ▶ Ranbaxy's (RBXY IN) UK subsidiary, will recall all unused stock, of one batch of epilepsy drug Gabapentin from that country's retail pharmacies within two days. (BSTD)
- ▶ Sun Pharmaceutical Industries Ltd (SUNP IN) has rejected an offer from Guggenheim Securities the financial services company that advises Taro Phramaceuticals - to buy out the former's stake in the Israeli company for about USD 215 mn. (BSTD)
- ▶ Infotech Enterprises Ltd (INFTC IN) has signed a long-term agreement with Seawell AS of Norway to provide engineering support services. (THBL)
- ▶ Renuka Sugars (SHRS IN) seals revised Equipav deal, for lower price. It will now be getting the 51% controlling interest by paying only USD 240 mn, 25% less than its original bid. (BSTD)

Source: ECNT= Economic Times, BSTD = Business Standard, FNLE = Financial Express, THBL = Business Line.

EQUITY MARKETS

India	Change %			
	2-Jun	1-day	1-mo	3-mo
Sensex	16,742	1.0	(3.7)	(1.5)
Nifty	5,020	1.0	(3.9)	(1.3)
Global/Regional indices				
Dow Jones	10,250	2.3	(8.1)	(1.4)
Nasdaq Composite	2,281	2.6	(8.7)	0.0
FTSE	5,151	(0.2)	(7.2)	(6.9)
Nikkei	9,841	2.5	(11.0)	(4.0)
Hang Seng	19,823	1.8	(4.8)	(5.0)
KOSPI	1,655	1.5	(5.0)	2.4
Value traded – India				
Cash (NSE+BSE)	160		175	179
Derivatives (NSE)	735		588	707
Deri. open interest	1,141		1,027	943

Forex/money market

	Change, basis points			
	2-Jun	1-day	1-mo	3-mo
Rs/US\$	47.0	(18)	245	118
10yr govt bond, %	7.5	(1)	(54)	(40)

Net investment (US\$m)

	1-Jun	MTD	CYTD
FII's	(101)	-	(230)
MF's	(3)	-	(282)

Top movers -3mo basis

Best performers	Change, %			
	2-Jun	1-day	1-mo	3-mo
BJFIN IN Equity	462.5	1.4	34.0	35.4
IBULL IN Equity	143.0	3.0	(7.2)	24.5
DRRD IN Equity	1405.1	0.0	13.4	20.2
BOB IN Equity	711.7	0.4	0.5	17.8
BJAUT IN Equity	2205.4	1.9	5.3	17.4
Worst performers				
ABAN IN Equity	694.9	0.5	(40.4)	(43.0)
NMDC IN Equity	275.0	0.1	(7.9)	(36.8)
PUNJ IN Equity	115.5	(2.8)	(29.2)	(36.5)
GRASIM IN Equity	1776.5	(0.5)	(33.5)	(35.5)
SUEL IN Equity	54.2	(2.5)	(21.8)	(27.1)

JUNE 03, 2010

UPDATE

Coverage view: **Cautious**

Price (Rs): **1,011**

Target price (Rs): **985**

BSE-30: **16,742**

Some clarity emerges on treasury shares issue. Our analysis of RIL's shareholding pattern shows some changes in the companies holding treasury shares. However, it addressed the matter of two entities that held treasury shares and which were no longer shown in the FY2010 annual report as holding treasury shares but were shown in previous years' annual reports. We note that they continue to hold the shares but they have been classified differently as they have no longer owed money to RIL. We believe the accounting treatments are not contrary to those prescribed in India.

Company data and valuation summary

Reliance Industries

Stock data

52-week range (Rs) (high,low)	1,190-841
Market Cap. (Rs bn)	3,008.9

Shareholding pattern (%)

Promoters	41.1
FII's	21.3
MF's	2.6

Price performance (%)

	1M	3M	12M
Absolute	(2.2)	2.8	(11.3)
Rel. to BSE-30	2.6	3.0	(21.2)

Forecasts/Valuations

	2010	2011E	2012E
EPS (Rs)	49.6	62.9	80.2
EPS growth (%)	(1.8)	26.6	27.5
P/E (X)	20.4	16.1	12.6
Sales (Rs bn)	1,924.6	2,495.6	2,624.2
Net profits (Rs bn)	162.4	205.6	262.2
EBITDA (Rs bn)	309.4	397.9	449.7
EV/EBITDA (X)	11.0	8.1	6.7
ROE (%)	11.4	13.2	15.3
Div. Yield (%)	1.3	1.7	2.1

Analysis of shareholding shows some changes in companies holding treasury shares

Reliance Universal Enterprises Ltd (RUEL), which held 57 mn shares (adjusted for bonus shares) of RIL (1.7%) as per September 30, 2009 shareholding pattern filed with the stock exchanges, does not show up among the entities that own more than 1% of shares in the shareholder pattern for December 31, 2009 and March 31, 2010. RUEL may have moved some shares to another company, Reliance Aromatics and Petrochemicals Pvt. Ltd, where the number of shares increased to 29.9 mn as of March 31, 2010 from 5.94 mn shares.

Clarification on the two 'treasury' companies not shown in FY2010 annual report

Reliance Chemicals and Reliance Polyolefins, two subsidiaries of RIL owning 123.4 mn shares were not shown in the FY2010 annual report in the schedule, which typically shows the companies owning treasury shares. They have presumably repaid their loans from RIL and thus are no longer shown in the schedule on companies that have received loans from RIL and which hold RIL shares. Two entities, Reliance Aromatics & Petrochemicals Private Limited and Reliance Energy and Project Development Private Limited shown in the scheduled own 31.95 mn shares of RIL. They held 8 mn shares as per the FY2009 annual report.

Disclosure on movement on shares would help

Exhibit 1 shows the movement in treasury shares over the past few quarters. We would clarify that the data is based on limited information available (1) on the stock exchange websites, where information is available only for entities holding more than 1% stake and (2) in the annual reports, where RIL gives disclosures on companies that have received a loan from RIL and invested in RIL (treasury) shares, as per standard disclosure. We believe disclosures on the movement of treasury stock would be helpful for a better understanding of the company.

Limited disclosure on treasury shares

Movement in treasury shares (mn)

	March-09		September-09		March-10	
	No. of shares (mn)	% of total	No. of shares (mn)	% of total	No. of shares (mn)	% of total
Petroleum Trust	209.3	6.7	179.3	5.5	120.5	3.7
Reliance Chemicals Ltd	62.2	2.0	62.2	1.9	62.2	1.9
Reliance Polyolefins Ltd	61.2	1.9	61.2	1.9	61.2	1.9
Reliance Universal Enterprises Limited	56.9	1.8	56.9	1.7	NA	NA
Reliance Aromatics and Petrochemicals Pvt. Ltd	5.9	0.2	5.9	0.2	29.9	0.9
Reliance Energy and Project Development Pvt. Ltd	2.1	0.1	2.1	0.1	2.1	0.1
Reliance Petroinvestments Ltd	—	—	—	—	NA	NA
Reliance Global Commercial Ltd	—	—	—	—	NA	NA
Reliance Universal Commercial Ltd	—	—	—	—	NA	NA
Treasury shares sold	—	—	30.0	0.9	88.8	2.7
Total	397.7	12.6	397.7	12.1	364.7	11.2

Note:

(a) Shareholding till September 2009 is adjusted for bonus issue.

Source: Company, BSE, Kotak Institutional Equities estimates

RIL: Profit model, balance sheet, cash model, March fiscal year-ends, 2006-2014E (Rs mn)

	2006	2007	2008	2009	2010	2011E	2012E	2013E	2014E
Profit model (Rs mn)									
Net sales	809,113	1,114,927	1,334,430	1,418,475	1,924,610	2,495,632	2,624,219	2,724,442	2,738,544
EBITDA	139,991	198,462	233,056	233,139	305,807	394,344	446,093	475,950	474,360
Other income	6,829	4,783	8,953	20,599	24,605	22,242	18,850	29,700	49,547
Interest	(8,770)	(11,889)	(10,774)	(17,452)	(19,972)	(24,183)	(9,511)	(6,497)	(5,555)
Depreciation & depletion	(34,009)	(48,152)	(48,471)	(51,953)	(104,965)	(131,342)	(125,123)	(143,021)	(147,844)
Pretax profits	104,041	143,205	182,764	184,332	205,474	261,062	330,310	356,132	370,507
Extraordinary items	3,000	2,000	47,335	—	—	—	—	—	—
Tax	(9,307)	(16,574)	(26,520)	(12,634)	(31,118)	(54,394)	(70,513)	(85,076)	(91,336)
Deferred taxation	(7,040)	(9,196)	(8,999)	(18,605)	(12,000)	(1,061)	2,425	12,624	18,010
Net profits	90,693	119,434	194,580	153,093	162,357	205,606	262,222	283,679	297,181
Adjusted net profits	88,152	117,789	152,605	153,093	162,357	205,606	262,222	283,679	297,181
Earnings per share (Rs)	31.6	40.5	52.5	50.6	49.6	62.9	80.2	86.7	90.9
Balance sheet (Rs mn)									
Total equity	430,543	673,037	847,853	1,263,730	1,371,706	1,512,531	1,695,575	1,885,681	2,089,288
Deferred taxation liability	49,708	69,820	78,725	97,263	109,263	110,324	107,899	95,276	77,265
Minority interest	—	33,622	33,622	—	—	—	—	—	—
Total borrowings	218,656	332,927	493,072	739,045	624,947	337,340	130,999	128,774	128,514
Current liabilities	164,545	192,305	251,427	357,019	404,148	383,752	400,931	411,346	411,771
Total liabilities and equity	863,452	1,301,712	1,704,700	2,457,057	2,510,064	2,343,947	2,335,403	2,521,076	2,706,838
Cash	21,461	18,449	42,822	221,765	134,626	19,215	49,827	290,474	545,981
Current assets	224,283	286,566	402,721	325,358	489,165	503,780	517,367	530,380	531,775
Total fixed assets	626,745	899,403	1,081,638	1,693,869	1,653,987	1,588,666	1,535,924	1,467,935	1,396,795
Investments	(9,038)	97,294	177,519	216,065	232,286	232,286	232,286	232,286	232,286
Deferred expenditure	—	—	—	—	—	—	—	—	—
Total assets	863,452	1,301,712	1,704,700	2,457,057	2,510,064	2,343,947	2,335,403	2,521,076	2,706,838
Free cash flow (Rs mn)									
Operating cash flow, excl. working capital	119,520	164,285	180,718	174,508	222,605	311,559	360,290	381,159	373,474
Working capital	(32,188)	(13,075)	(31,071)	(37,983)	(53,015)	(35,011)	3,591	(2,597)	(971)
Capital expenditure	(94,273)	(247,274)	(239,691)	(247,128)	(219,427)	(61,550)	(65,645)	(72,772)	(71,754)
Investments	(32,364)	(105,760)	(78,953)	(10,392)	14,206	—	—	—	—
Other income	5,159	4,143	6,132	16,195	22,043	22,242	18,850	29,700	49,547
Free cash flow	(34,146)	(197,681)	(162,865)	(104,800)	(13,587)	237,240	317,087	335,490	350,296
Ratios (%)									
Debt/equity	45.5	44.8	53.2	54.3	42.2	20.8	7.3	6.5	5.9
Net debt/equity	41.1	42.3	48.6	38.0	33.1	19.6	4.5	(8.2)	(19.3)
RoAE	19.9	20.3	18.9	13.6	11.8	13.5	15.5	15.2	14.5
RoACE	13.8	13.9	12.7	11.2	9.3	11.2	13.9	13.8	13.0

Source: Company, Kotak Institutional Equities estimates

BUY

JUNE 3, 2010

UPDATE

Coverage view: **Cautious**

Price (Rs): 1,182

Target price (Rs): 1,375

BSE-30: 16.742

Analyst meet update—management upbeat on operations. ONGC management remained upbeat about achieving its production targets of (1) crude oil production over 28 mn tons by FY2013E and (2) gas production of 72 mcm/d by FY2013E and 100 mcm/d by FY2016E. The management also gave an update on the progress at its key discoveries—(1) KG DWN-98/2 and (2) Block IG. We retain our BUY rating with a 12-month target price of Rs1,375.

Company data and valuation summary

Oil & Natural Gas Corporation

Stock data				Forecasts/Valuations		2010	2011E	2012E	
52-week range (Rs) (high,low)		1,278-934		EPS (Rs)		91.4	121.9	129.5	
Market Cap. (Rs bn)		2,528.9		EPS growth (%)		1.3	33.3	6.2	
Shareholding pattern (%)				P/E (X)		12.9	9.7	9.1	
Promoters		74.1		Sales (Rs bn)		1,090.5	1,206.0	1,302.5	
Fils		4.2		Net profits (Rs bn)		195.6	260.7	277.0	
MFs		2.2		EBITDA (Rs bn)		498.9	553.6	608.0	
Price performance (%)		1M	3M	12M	EV/EBITDA (X)		4.7	3.9	3.4
Absolute		12.9	7.4	1.2	ROE (%)		14.6	17.5	16.7
Rel. to BSE-30		17.2	9.1	(10.1)	Div. Yield (%)		2.8	3.6	3.6

Management maintains oil and gas production targets

ONGC management maintained its earlier guidance of (1) an increase in oil production to 28 mn tons by FY2013E from 25.4 mn tons in FY2009 and (2) an increase in gas production to 72 mcm/d by FY2013E and 100 mcm/d by FY2016E from 62 mcm/d currently. The targeted oil production is expected to be achieved through (1) commencement of production from its marginal fields and (2) maintaining production at its existing producing fields.

Order for APM gas price released; effective from June 1, 2010

The management highlighted that the order for the increase in APM gas price to US\$4.2/mn BTU from the previous US\$1.8/mn BTU is effective from June 1, 2010. As per management estimates, the increase in gas price will have an impact of Rs55 bn on revenues and Rs17/share on EPS.

Conservatism in accounting policies persists as reflected by high DD&A charge for 4QFY10

ONGC management clarified that the high write-off for dry wells of Rs23.8 bn in 4QFY10 reflects the expenditure incurred on drilling wells in the KG offshore and Mumbai High areas, which it does not intend to develop over the next two years. We highlight that ONGC had written off ~Rs8.5 bn in KG-DWN-98/2 in line with the same accounting policy. However, the management reiterated that this provision will be written back when it commences development work on the project.

Reserve accretion remains encouraging

We are encouraged by the addition of 83 mn tons or 606 mboe of proved reserves in ONGC alone (without overseas and domestic joint ventures), which result in a reserves replacement ratio (RRR) of 1.74X (see Exhibits 1 and 2). We note that ONGC has maintained a reserve replacement ratio of more than 1X for the past five years. The performance in FY2010 will likely allay concerns about ONGC's ability to find hydrocarbons. ONGC (standalone) made 21 discoveries in FY2010, of which 11 are new prospects and 10 are new pools of hydrocarbons within extant discovered areas (see Exhibit 3).

QUICK NUMBERS

- Oil production of over 28 mn tons by FY2013E
- Gas production to reach 72 mcm/d by FY2013E
- Management guidance of increase in EPS by Rs17 from APM gas price hike in FY2011E

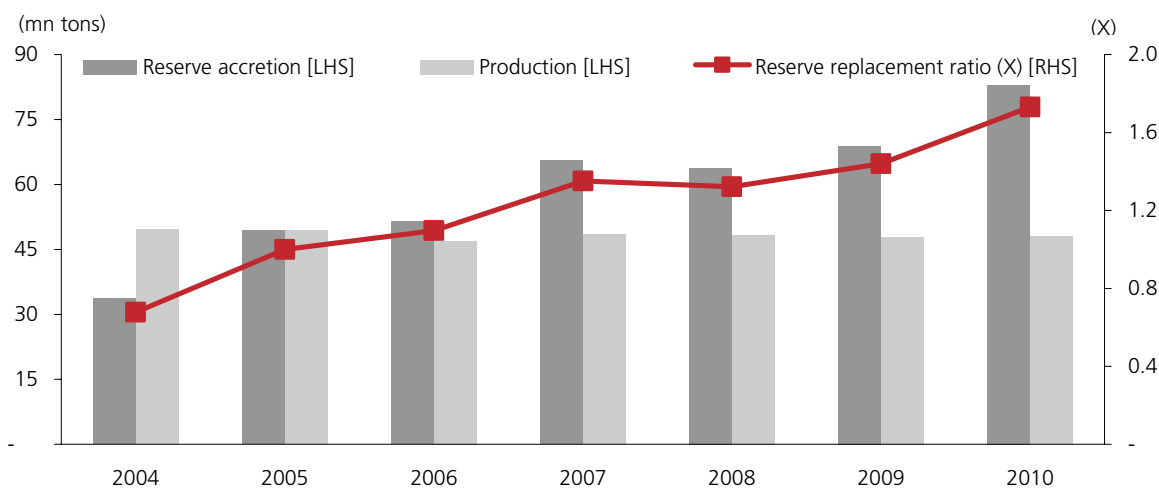
ONGC reserves data, March fiscal year-ends, 2008-10 (mn tons)

	Ultimate reserves (O+OEG)		
	2008	2009	2010
Domestic			
ONGC	63.8	68.9	83.0
JV fields	(0.3)	2.8	4.4
Total	63	72	87

Source: Company, Kotak Institutional Equities

ONGC's reserve replacement ratio has been encouraging

Reserve accretion and production data, March fiscal year-ends, 2004-10 (mn tons)



Source: Company, Kotak Institutional Equities

ONGC's discoveries in FY2010 (#)

	Prospects	Pools
Assam Self	2	1
Cauvery Onshore	—	1
KG Offshore	1	1
KG Onshore	3	2
Tripura	2	—
Western Offshore	1	3
Western Onshore	2	2
Total	11	10

Source: Company, Kotak Institutional Equities

Other key takeaways from analyst meet

- **Oil production target of over 28 mn tons by FY2013E.** Oil production is expected to remain flat in FY2011-12E and the jump in production to over 28 mn tons is expected to be achieved primarily in FY2013E when production from the marginal fields commences. The marginal fields include (1) Cluster 7, (2) WO series, (3) B-193, (4) D-1 additional and (5) B-22 cluster.

- ▶ **Progress on KG-DWN-98/2.** ONGC has made 10 discoveries in this block till date. ONGC has already filed a Field Development Plan (FDP) for its gas discovery in the UD-1 well, which is pending approval of DGH. ONGC intends to start production from this block by FY2016E. ONGC has also submitted the Declaration of Commerciality (DoC) for the southern structure of the block. It is currently drilling two appraisal wells in the northern structure and intends to submit a DoC for the same on July 16, 2010.
- ▶ **Progress on Block IG.** The management maintained its estimates on Block IG with an initial production rate of 20,000 b/d by 2012-13 and peak production of 150,000 b/d by 2016-17. The company has already floated a tender for the FPSO.
- ▶ **IOR/EOR initiatives.** The management discussed the IOR/EOR initiatives undertaken by the company to arrest the natural decline from its matured fields. The company has a total investment outlay of Rs365 bn on its IOR/EOR initiatives and redevelopment projects (completed and under implementation). Exhibit 4 details these projects. The incremental gain in production from IOR/EOR was 7.1 mn tons in FY2010 and cumulative gain till FY2010 has been ~54 mn tons.

14 IOR/EOR and redevelopment projects completed successfully and seven are under implementation
 IOR/EOR and redevelopment projects

Projects completed	
Balol In-situ	November-01
Santhal In-situ	December-01
Sanand EOR	September-02
Santhal IOR	November-03
Heera Phase 1	December-03
Jotana	October-04
Gandhra IOR	June-05
Neelam	July-05
North Kadi -2	November-06
MH North Phase 1	December-06
North Kadi -1	April-07
MH South Phase 1	May-07
Sobhasan	June-08
Heera Phase 2	January-09
Projects under implementation	
Geleki	
Heera & South Heera redevelopment	
Kalol	
Lakwa-Lakhmani	
MHN Redevelopment Phase 2	
MHS Redevelopment Phase 2	
Rudrasagar	

Source: Company, Kotak Institutional Equities

- ▶ **Availability of rigs.** ONGC has two deepwater rigs at its disposal—(1) DD KG-1 sublet from RIL and (2) Discoverer 17 from Transocean. The management expects another rig (Vantage) to be available by December 2010. This should enable ONGC to carry out its E&P activities in deepwater locations on schedule.
- ▶ **Shale gas.** The management was very upbeat about the potential of shale gas in India. ONGC has already started a pilot project in April 2010 and awarded the contract to Schlumberger. The cost of project is Rs1.28 bn.
- ▶ **CBM.** ONGC is operating in five CBM blocks and made a discovery in the Bokaro block in FY2009. The production from Parbatput, Jharia block commenced in January 2010.

- **ONGC Petro-additions Ltd (OPaL).** The project is scheduled to be completed by 1QFY13. The contract for the dual feed cracker unit has already been awarded to a consortium of Linde AG and Samsung at a cost of US\$1.4 bn. ONGC has a 26% stake in OPaL.

Consolidated profit model, balance sheet, cash model of ONGC, March fiscal year-ends, 2006-2012E (Rs mn)

	2006	2007	2008	2009	2010E	2011E	2012E	2013E	2014E
Profit model (Rs mn)									
Net sales	807,603	966,542	1,091,644	1,200,176	1,090,473	1,205,967	1,302,535	1,450,677	1,453,019
EBITDA	310,054	357,707	407,481	418,299	468,954	520,372	560,413	604,769	600,912
Other income	27,350	45,378	53,565	56,197	29,934	33,192	47,621	63,155	77,308
Interest	(537)	394	(12,027)	(11,442)	(6,212)	(1,454)	(1,382)	(6,860)	(6,140)
Depreciation and depletion	(97,726)	(119,550)	(138,624)	(153,985)	(186,996)	(167,845)	(200,524)	(195,662)	(188,121)
Pretax profits	239,141	283,928	310,395	309,069	305,680	384,264	406,127	465,402	483,958
Tax	(71,196)	(88,986)	(102,908)	(111,333)	(94,961)	(119,090)	(125,798)	(137,815)	(140,954)
Deferred tax	(13,612)	(9,264)	(6,471)	(3,495)	(12,077)	(2,149)	(953)	(4,094)	(5,548)
Net profits	154,596	178,119	202,767	200,063	198,832	263,025	279,376	323,493	337,456
Net profits after minority interests	153,542	176,627	199,156	196,679	195,675	260,746	277,030	322,291	335,660
Earnings per share (Rs)	71.8	82.6	93.1	92.0	91.5	121.9	129.5	150.7	156.9
Balance sheet (Rs mn)									
Total equity	578,830	670,137	786,657	929,353	1,045,186	1,200,597	1,369,864	1,564,112	1,763,411
Deferred tax liability	71,557	80,976	87,227	92,076	104,153	106,302	107,255	111,349	116,897
Liability for abandonment cost	128,675	151,857	129,325	171,451	175,368	175,368	175,368	175,368	175,368
Total borrowings	28,767	21,826	22,039	73,633	57,256	39,724	119,124	111,274	96,674
Current liabilities	142,435	187,051	251,797	293,480	237,041	243,772	253,188	276,782	287,350
Total liabilities and equity	950,264	1,111,847	1,277,045	1,559,994	1,619,004	1,765,762	2,024,799	2,238,886	2,439,701
Cash	90,743	206,262	249,807	224,671	212,010	333,463	550,573	796,356	1,040,977
Current assets	240,210	192,652	257,384	309,494	295,048	329,193	343,581	368,099	372,969
Total fixed assets	565,722	643,219	695,227	871,287	950,589	936,809	964,348	908,133	859,458
Goodwill	14,172	27,686	22,847	111,108	111,108	111,108	111,108	111,108	111,108
Investments	35,753	36,888	45,041	36,926	43,744	48,684	48,684	48,684	48,684
Deferred expenditure	3,663	5,141	6,739	6,506	6,506	6,506	6,506	6,506	6,506
Total assets	950,264	1,111,848	1,277,045	1,559,994	1,619,005	1,765,763	2,024,799	2,238,886	2,439,701
Free cash flow (Rs mn)									
Operating cash flow, excl. working capital	216,736	252,772	284,517	274,321	262,045	321,530	358,578	386,586	380,310
Working capital changes	46,461	(4,990)	(24,929)	(109,306)	(41,073)	22,586	55,029	32,141	5,699
Capital expenditure	(113,738)	(135,049)	(166,427)	(208,137)	(154,415)	(75,767)	(153,409)	(65,938)	(65,938)
Investments	(28,912)	53,822	(7,348)	(92,159)	(6,817)	—	—	—	—
Other income	14,537	20,422	22,822	31,612	29,934	33,192	47,621	63,155	77,308
Free cash flow	135,083	186,976	108,636	(103,668)	89,674	301,540	307,819	415,943	397,377
Ratios (%)									
Debt/equity	5.0	3.3	2.8	7.9	5.5	3.3	8.7	7.1	5.5
Net debt/equity	(10.7)	(27.5)	(29.0)	(16.3)	(14.8)	(24.5)	(31.5)	(43.8)	(53.5)
RoAE	25.9	25.5	24.8	21.0	18.3	21.5	20.2	20.7	19.1
RoACE	22.0	22.0	21.9	18.3	16.1	18.8	17.9	18.7	17.5
Key assumptions									
Rs/dollar rate	44.3	45.3	40.3	45.8	47.4	45.0	45.3	45.3	45.3
Crude fob price (US\$/bbl)	57.2	64.8	78.9	83.0	67.1	75.0	75.0	80.0	80.0
Ceiling/actual natural gas price (Rs/'000 cm)	3,515	3,200	3,200	3,200	3,200	6,783	7,500	7,500	7,500
Subsidy loss (Rs bn)	119.6	170.2	220.0	282.3	115.5	154.3	146.2	175.3	175.3

Source: Company, Kotak Institutional Equities estimates

KOTAK INSTITUTIONAL EQUITIES RESEARCH

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Kotak Institutional Equities: Valuation summary of key Indian companies

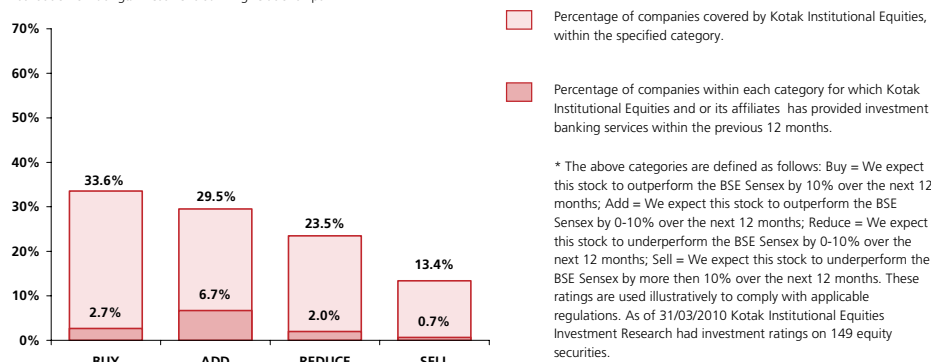
Company	2-Jun-10		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target	price	Upside	ADVT-3mo
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	(Rs)			
Energy																														
Bharat Petroleum	575	RS	208,048	4,429	362	63.3	53.6	59.2	207.3	(15.3)	10.4	9.1	10.7	9.7	5.2	5.2	4.8	1.5	1.3	1.2	2.4	3.1	3.4	15.9	12.2	12.3	—	—	8.6	
Cairn India	290	SELL	550,879	11,727	1,897	5.3	28.5	40.0	—	433	40.5	54	10	7.3	42.6	7.0	4.9	1.6	1.4	1.3	—	—	5.2	3.0	14.6	18.1	250	(13.9)	19.4	
Castrol India (a)	382	REDUCE	94,510	2,012	247	15.4	19.6	20.6	44.6	27.0	5.3	24.8	19.5	18.5	14.6	11.9	11.2	20.5	19.2	17.7	3.3	4.1	4.2	83.8	101.6	99.2	330	(13.7)	1.6	
GAIL (India)	454	ADD	576,334	12,269	1,268	24.8	26.4	37.1	11.7	6.8	40.5	18.4	17.2	12.2	10.3	10.6	8.8	3.2	2.8	2.4	1.7	1.9	2.6	17.4	16.5	20.2	485	6.7	17.1	
GSPL	99	REDUCE	55,514	1,182	562	7.4	8.9	9.1	234.7	21.5	1.3	13.4	11.0	10.9	6.9	5.8	5.2	3.3	2.6	2.3	1.0	2.3	3.7	27.3	26.3	22.5	80	(18.9)	4.1	
Hindustan Petroleum	365	RS	123,840	2,636	339	54.7	44.6	56.3	222.7	(18.6)	26.4	6.7	8.2	6.5	2.5	2.9	2.4	0.9	0.8	0.8	3.3	3.8	4.8	13.9	10.1	11.7	—	—	7.0	
Indian Oil Corporation	354	RS	859,130	18,289	2,428	49.9	34.3	35.7	406.8	(31.3)	4.2	7.1	10.3	9.9	4.9	5.7	4.9	1.6	1.5	1.3	3.7	2.9	3.0	22.7	13.9	13.3	—	—	5.8	
Oil India	1,277	BUY	306,976	6,535	240	115.1	127.0	140.6	—	10.3	10.7	11.1	10.1	9.1	4.6	3.8	3.2	2.1	1.8	1.6	2.7	3.1	3.4	16.7	17.3	17.0	1,350	5.7	3.5	
Oil & Natural Gas Corporation	1,182	BUY	2,528,913	53,835	2,139	91.4	121.9	129.5	1.3	33.3	6.2	12.9	9.7	9.1	4.7	3.9	3.4	1.9	1.7	1.5	2.8	3.6	3.6	14.6	17.5	16.7	1,375	16.3	27.2	
Petronet LNG	83	REDUCE	62,588	1,332	750	5.4	6.2	7.9	—	14.9	28.0	15.5	13.5	10.5	9.7	8.0	6.9	2.4	2.1	1.8	2.1	2.4	3.3	15.9	15.9	17.6	82	(1.7)	4.2	
Reliance Industries	1,011	SELL	3,008,885	64,053	2,976	49.6	62.9	80.2	(1.8)	26.6	27.5	20.4	16.1	12.6	10.3	7.8	6.4	2.0	1.9	1.7	1.4	1.8	2.3	11.4	13.2	15.3	985	(2.6)	125.2	
Energy			Cautious	8,375,618	178,299				33.5	19.3	17.1	13.9	11.7	10.0	6.8	5.8	4.9	1.9	1.7	1.6	2.1	2.5	3.1	13.8	14.9	15.7				
Industrials																														
ABB	854	REDUCE	181,065	3,855	212	16.7	23.3	37.2	(35.2)	39.2	59.8	51.1	36.7	22.9	29.3	21.6	13.3	7.5	6.4	5.1	0.2	0.4	0.4	15.6	18.8	24.7	840	(1.7)	8.0	
BGR Energy Systems	657	BUY	47,290	1,007	72	27.3	36.2	46.3	70.5	32.4	27.8	24.0	18.1	14.2	14.0	10.7	8.6	6.6	5.1	4.0	0.7	0.9	1.2	30.7	31.6	31.3	700	6.6	2.2	
Bharat Electronics	1,700	REDUCE	135,984	2,895	80	93.9	111.8	127.4	(9.6)	19.1	13.9	18.1	15.2	13.3	8.6	6.9	5.8	3.1	2.7	2.3	1.5	1.5	1.5	17.9	18.7	18.5	1,790	5.3	3.8	
Bharat Heavy Electricals	2,321	ADD	1,136,396	24,192	490	92.0	115.8	136.2	44.1	25.8	17.7	25.2	20.1	17.0	14.0	10.9	8.9	7.0	5.5	4.4	0.8	1.1	1.3	30.8	30.7	28.9	2,500	7.7	31.6	
Crompton Greaves	240	BUY	153,940	3,277	642	12.8	13.3	15.8	46.5	3.2	19.0	18.7	18.1	15.2	10.8	9.9	8.1	5.9	4.6	3.7	0.7	0.8	0.9	36.8	28.5	26.8	290	20.9	9.4	
Larsen & Toubro	1,632	BUY	980,540	20,874	601	58.1	69.7	87.7	16.0	19.9	25.9	28.1	23.4	18.6	15.2	13.0	10.8	4.4	3.7	3.1	0.7	0.7	0.9	18.6	17.2	18.3	1,850	13.4	50.2	
Maharashtra Seamless	378	BUY	26,692	568	71	40.2	43.6	49.8	12.1	8.5	14.2	9.4	8.7	7.6	5.0	4.3	3.4	1.7	1.4	1.3	1.6	2.1	2.6	19.3	17.9	17.7	450	18.9	0.8	
Siemens	683	REDUCE	230,179	4,900	337	25.0	29.6	34.3	55.2	18.6	16.0	27.3	23.1	19.9	16.0	13.1	11.0	6.8	5.5	4.5	0.7	0.8	1.0	27.3	26.3	25.1	635	(0.7)	7.3	
Suzlon Energy	54	REDUCE	86,388	1,839	1,594	(5.9)	0.3	5.3	(182.3)	(104.4)	1,931.8	(9.1)	208.9	10.3	16.4	8.5	5.5	0.8	0.8	0.8	—	—	0.4	(8.8)	0.4	7.5	70	29.2	32.6	
Thermax	685	BUY	81,653	1,738	119	21.7	29.4	37.6	(10.4)	35.4	27.7	31.5	23.3	18.2	16.8	13.0	10.2	7.5	6.2	5.0	0.5	1.2	1.6	24.9	29.1	30.5	750	9.4	1.2	
Volta	183	ADD	60,640	1,291	331	10.9	11.3	12.6	57.4	3.8	12.1	16.9	16.3	14.5	9.8	8.7	7.4	5.7	4.6	3.8	1.7	1.8	2.0	38.3	31.3	28.8	215	17.3	3.7	
Industrials			Attractive	3,120,767	66,435				4.2	32.3	26.9	28.6	21.6	17.0	14.4	11.4	9.1	4.7	4.0	3.3	0.8	0.9	1.1	16.3	18.3	19.6				
Infrastructure																														
Container Corporation	1,327	REDUCE	172,496	3,672	130	61.1	74.3	85.9	0.3	21.7	15.6	21.7	17.9	15.4	15.3	12.4	10.4	4.0	3.4	2.9	1.1	1.3	1.5	19.6	20.6	20.5	1,250	(5.8)	1.9	
GMR Infrastructure	57	ADD	209,386	4,457	3,667	0.4	0.2	0.1	(43.8)	(48.9)	(40.0)	132.5	259.4	431.9	23.4	15.1	14.1	2.0	1.7	1.7	—	—	—	2.4	1.2	0.7	65	13.8	6.0	
GVK Power & Infrastructure	43	BUY	67,590	1,439	1,579	0.8	1.1	1.4	6.7	33.5	32.4	52.6	39.4	29.8	18.1	16.6	17.1	2.1	2.1	1.9	—	0.7	0.7	4.7	5.3	6.7	54	26.2	6.3	
IRB Infrastructure	258	RS	85,733	1,825	332	9.7	12.6	12.1	83.8	29.2	(3.7)	26.5	20.5	21.3	12.7	11.4	10.6	3.7	2.8	2.3	—	—	—	15.6	15.7	11.9	—	—	4.5	
Mundra Port and SEZ	665	REDUCE	268,502	5,716	403	15.1	24.1	35.7	40.8	59.5	48.4	44.1	27.6	18.6	28.6	18.3	13.0	7.4	5.7	4.2	—	—	—	18.5	23.2	26.1	725	8.9	15.8	
Infrastructure			Attractive	803,708	17,109				12.7	29.5	24.1	39.9	30.8	24.8	20.2	14.9	12.8	7.3	5.8	2.5	—	—	0.4	8.4	9.2	10.2				
Media																														
DB Corp	238	ADD	43,122	918	181	10.6	12.9	15.7	276.4	21.0	22.3	22.4	18.5	15.1	12.4	10.2	8.1	6.2	4.9	4.2	0.8	1.7	2.5	38.2	29.6	29.9	280	17.8	10.0	
DishTV	39	ADD	40,941	872	1,063	(2.5)	(1.2)	0.6	(61.6)	(52.4)	(146.5)	(15.3)	(32.0)	69.0	59.9	19.5	10.6	10.0	14.6	12.1	—	—	—	248.6	(37.1)	19.1	45	16.9	2.7	
HT Media	155	NR	36,425	775	235	6.1	7.8	9.4	623.3	27.0	20.9	25.4	20.0	16.5	12.7	10.5	8.7	3.7	3.3	3.0	0.6	1.3	2.6	15.6	17.6	19.2	—	—	0.3	
Jagran Prakashan	114	ADD	34,318	731	301	5.8	6.4	7.5	91.9	9.5	16.7	19.5	17.8	15.3	11.7	10.3	8.8	5.6	5.0	4.5	3.1	3.1	3.5	30.0	29.8	31.0	130	14.1	1.9	
Sun TV Network	400	REDUCE	157,494	3,353	394	13.1	17.9	22.8	44.8	36.0	27.5	30.4	22.4	17.5	17.2	12.8	10.2	8.1	6.9	5.7	1.9	1.9	2.3	28.4	33.5	35.5	420	5.1	2.2	
Zee Entertainment Enterprises	276	REDUCE	119,827	2,551	434	10.5	12.0	14.7	24.4	14.4	22.2	26.3	23.0	18.8	19.5	15.4	12.2	3.2	3.1	3.0	0.9	1.1	1.3	13.0	14.1	16.4	265	(4.0)	8.6	
Media			Neutral	432,128	9,199				183.3	41.2	36.3	35.8	25.3	18.6	17.2	13.1	10.1	5.2	4.8	4.2	1.3	1.5	1.9	14.5	18.8	22.9				
Metals																														
Hindalco Industries	143	ADD	273,120	5,814	1,914	4.2	12.4	14.9	(74.0)	197.9	20.7	34.3	11.5	9.5	8.1	8.1	8.3	1.2	1.1	1.0	0.9	0.9	0.9	9.1	10.3	11.3	190	33.1	36.4	
Hindustan Zinc	936	BUY	395,638	8,422	423	95.6	70.1	76.6	48.2	(26.8)	9.4	9.8	13.4	12.2	5.8	7.6	5.9	2.1	1.8	1.6	0.6	0.6	0.6	24.2	14.8	14.1	1,400	49.5	4.5	
Jindal Steel and Power	624	SELL	579,437	12,335	928	38.5	48.7	50.8	17.2	26.5	4.3	16.2	12.8	12.3	10.2	8.2	7.6	5.1	3.6	2.8	0.2	0.2	0.2	37.3	33.0	25.7	575	(7.9)	34.7	
JSW Steel	1,054	REDUCE	209,425	4,558	199	80.4	106.4	136.9	447.0	32.3	28.7	13.1	9.9	7.7	8.3	7.0	5.6	1.8	1.5	1.2	0.8	0.4	0.4	15.4	16.4	17.3	1,150	9.1	54.9	
National Aluminium Co.	427	SELL	275,410	5,863	644	10.1	28.0	27.7	(49.0)	178.6	(1.2)	42.5	15.2	15.4	18.8	7.4	6.8	2.5	2.2	1.9	0.5	0.5	0.5	6.1	15.4	13.3	320	(25.1)	2.0	
Sesa Goa	373	REDUCE	331,859	7,065	890	29.6	61.4	62.4	32.2	107.6	1.8	12.6	6.1	6.0	10.2	3.7	3.1	4.3	2.6	1.8	0.8	0.8	0.8	36.7	48.0	34.1	420	12.6	74.4	
Sterile Industries	6																													

Kotak Institutional Equities: Valuation summary of key Indian companies

Company	2-Jun-10		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price		
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	(Rs)	Upside (%)	ADVT-3mo (US\$ mn)
Retail																													
Titan Industries	2,206	ADD	97,903	2,084	44	62.7	76.1	96.2	41.5	21.3	26.5	35.2	29.0	22.9	25.0	19.6	15.2	12.4	9.3	7.0	0.5	0.5	0.6	40.7	36.6	34.8	2,400	8.8	4.3
Retail		Neutral	97,903	2,084					41.5	21.3	26.5	35.2	29.0	22.9	25.0	19.6	15.2	12.4	9.3	7.0	0.5	0.5	0.6	35.2	32.0	30.5			
Sugar																													
Bajaj Hindustan	108	SELL	20,695	441	191	9.7	9.9	8.9	—	2.2	(10.4)	11.1	10.9	12.1	6.8	5.6	5.2	0.9	0.8	0.7	0.6	0.6	0.6	8.1	7.5	6.3	99	(8.5)	10.0
Balrampur Chini Mills	80	ADD	20,617	439	257	3.7	10.4	7.0	—	183.7	(32.7)	21.9	7.7	11.4	9.3	5.3	5.7	1.5	1.3	1.2	0.6	0.6	0.6	7.0	18.1	11.0	92	14.6	9.4
Shree Renuka Sugars	64	BUY	42,633	908	670	9.9	7.6	7.8	196.4	(23.2)	3.1	6.4	8.4	8.1	4.4	5.0	4.3	1.7	1.4	1.2	0.6	0.5	0.5	32.0	18.1	15.7	76	19.4	23.5
Sugar		Cautious	83,945	1,787					96.1	2.5	(9.4)	8.9	8.7	9.6	5.9	5.3	4.9	1.3	1.2	1.0	0.6	0.6	0.6	14.9	13.3	10.8			
Technology																													
HCL Technologies	370	REDUCE	255,231	5,433	690	17.8	25.1	28.5	2.0	40.6	13.6	20.7	14.8	13.0	10.5	9.0	7.5	4.0	3.3	2.8	1.1	1.1	1.6	20.8	24.9	23.3	370	0.0	8.5
Hexaware Technologies	74	REDUCE	10,616	226	144	9.3	5.1	9.4	127.7	(45.4)	84.0	7.9	14.5	7.9	3.8	7.9	4.2	1.2	1.2	1.0	1.4	1.4	1.4	17.8	8.4	14.0	72	(2.6)	2.5
Infosys Technologies	2,640	BUY	1,515,504	32,262	574	108.3	125.2	150.5	5.7	15.6	20.2	24.4	21.1	17.5	17.7	14.5	11.7	6.6	5.4	4.5	0.9	1.3	1.6	30.1	28.2	28.0	3,100	17.4	69.7
Mphasis BFL	562	REDUCE	117,119	2,493	208	43.6	49.0	45.6	207.5	12.5	(7.0)	12.9	11.5	12.3	10.2	9.1	8.2	5.0	3.6	2.8	0.6	0.7	0.8	48.1	36.4	25.8	550	(2.1)	10.4
Mindtree	545	REDUCE	22,409	477	41	52.2	38.9	51.6	294.3	(25.5)	32.6	10.4	14.0	10.6	8.9	8.6	6.1	3.3	2.7	2.2	0.4	0.7	0.9	35.2	21.4	23.1	550	1.0	2.8
Patni Computer Systems	577	REDUCE	76,910	1,637	133	36.6	42.3	38.6	36.4	15.6	(8.7)	15.8	13.7	15.0	8.7	7.7	6.8	2.1	2.0	1.8	1.2	1.5	1.3	18.2	15.8	12.8	450	(22.1)	5.2
Polaris Software Lab	181	SELL	18,066	385	100	15.4	19.1	18.6	16.9	24.3	(2.7)	11.8	9.5	9.7	5.9	7.5	6.5	2.1	1.8	1.6	1.9	2.0	2.2	18.6	20.1	17.0	180	(0.7)	3.6
TCS	754	BUY	1,476,218	31,426	1,957	35.1	41.1	46.3	32.8	16.9	12.8	21.5	18.4	16.3	16.5	13.4	11.1	7.0	5.9	4.9	2.7	2.2	2.5	37.6	34.8	32.8	900	19.3	35.4
Wipro	650	ADD	950,227	20,228	1,462	31.4	36.7	41.9	22.1	16.7	14.4	20.7	17.7	15.5	15.5	12.8	10.5	4.8	4.0	3.3	0.9	1.1	1.4	26.5	24.6	23.2	775	19.2	16.2
Technology		Attractive	4,442,300	94,567					22.9	16.7	14.2	21.2	18.2	15.9	15.4	12.8	10.6	5.7	4.7	3.9	1.5	1.5	1.8	26.7	25.8	24.6			
Telecom																													
Bharti Airtel	270	REDUCE	1,026,681	21,856	3,798	24.0	21.4	24.2	7.5	(10.8)	13.2	11.3	12.6	11.1	6.3	6.0	5.1	2.3	2.0	1.7	1.1	1.5	1.8	24.1	17.0	16.5	290	7.3	43.9
IDEA	53	REDUCE	176,374	3,755	3,300	2.7	1.3	2.3	(5.8)	(51.7)	71.9	19.6	40.5	23.5	7.1	7.1	5.8	1.6	1.5	1.4	—	—	—	7.2	3.8	6.3	50	(6.5)	8.5
MTNL	55	SELL	34,713	739	630	(15.6)	(10.4)	(9.1)	(750.8)	(33.7)	(11.9)	(3.5)	(5.3)	(6.0)	0.2	0.3	0.4	0.3	0.3	0.4	—	—	—	(8.5)	(6.1)	(5.7)	50	(9.3)	1.7
Reliance Communications	155	SELL	330,221	7,030	2,133	22.1	14.1	18.2	(30.2)	(36.2)	29.1	7.0	11.0	8.5	6.7	7.4	5.5	0.9	0.8	0.7	0.5	—	—	11.7	7.4	8.9	140	(9.6)	16.4
Tata Communications	241	REDUCE	68,585	1,460	285	14.0	15.2	15.7	3.2	8.2	3.5	17.2	15.9	15.3	7.1	6.5	6.2	1.0	0.9	0.9	2.7	3.1	3.5	5.2	5.5	5.5	225	(6.5)	1.3
Telecom		Cautious	1,636,574	34,839					(15.1)	(19.8)	20.7	11.4	14.3	11.8	6.8	6.7	5.4	1.5	1.3	1.2	0.9	1.1	1.3	12.7	9.3	10.2			
Utilities																													
Adani Power	119	ADD	259,311	5,520	2,180	0.8	4.9	16.4	—	524.1	235.3	151.8	24.3	7.3	119.4	16.5	6.0	4.7	4.0	2.6	—	—	—	4.4	17.8	43.0	130	9.3	10.0
CESC	370	ADD	46,214	984	125	34.1	43.3	46.7	5.6	27.0	7.9	10.9	8.6	7.9	6.3	6.1	6.9	1.1	1.0	0.9	1.2	1.5	1.6	10.7	12.1	11.7	455	23.0	2.1
Lanco Infratech	63	BUY	151,515	3,225	2,405	1.8	3.6	4.3	23.9	101.3	18.5	35.0	17.4	14.7	23.5	9.8	9.5	4.4	3.5	2.9	—	—	—	14.5	20.9	20.0	60	(4.8)	10.0
NTPC	198	REDUCE	1,628,479	34,667	8,245	10.6	12.4	14.7	7.8	16.8	18.9	18.7	16.0	13.4	14.5	12.3	10.3	2.6	2.3	2.1	2.0	2.3	2.8	14.2	15.3	16.6	200	1.3	13.9
Reliance Infrastructure	1,085	ADD	266,989	5,684	246	61.8	62.7	80.3	(1.5)	1.6	28.0	17.6	17.3	13.5	18.8	18.2	12.4	1.4	1.3	1.2	0.8	0.9	0.9	6.3	7.3	10.1	1,100	1.4	38.1
Reliance Power	157	SELL	375,691	7,998	2,397	2.5	3.1	5.1	—	24.4	66.1	63.6	51.1	30.8	—	—	—	2.6	2.5	2.3	—	—	—	4.2	5.0	7.8	128	(18.3)	11.0
Tata Power	1,241	BUY	306,358	6,522	247	60.2	76.1	95.3	20.1	26.4	25.2	20.6	16.3	13.0	13.3	11.3	9.7	2.3	2.1	1.9	1.0	1.1	1.2	12.9	13.6	15.2	1,500	20.9	12.8
Utilities		Attractive	3,034,557	64,599					14.8	25.8	35.9	22.8	18.1	13.3	18.9	14.5	10.9	2.5	2.2	2.0	1.3	1.5	1.7	10.8	12.4	15.0			
Others																													
Aban Offshore	695	ADD	30,228	643	43	94.5	172.3	103.6	(2.5)	82.3	(39.8)	7.4	4.0	6.7	8.1	5.9	6.4	1.4	0.7	0.7	0.5	0.5	0.6	21.7	20.8	11.1	900	29.5	47.1
Havells India	568	SELL	34,158	727	60	5.3	31.6	45.0	3.7	497.9	42.6	107.5	18.0	12.6	15.3	9.4	7.7	9.4	6.2	4.2	0.4	0.4	0.5	6.6	41.6	39.7	480	(15.4)	8.3
Jaiprakash Associates	120	BUY	254,714	5,422	2,129	1.5	8.0	10.8	(27.2)	447.1	35.7	82.2	15.0	11.1	21.3	12.8	9.2	3.0	2.5	2.1	—	—	—	4.1	18.3	20.8	183	52.9	37.2
Jindal Saw	190	ADD	55,961	1,191	294	27.5	19.3	17.9	121.9	(29.8)	(7.2)	6.9	9.9	10.6	5.0	5.7	5.5	1.5	1.2	1.1	0.5	0.4	0.4	20.5	12.9	11.1	243	27.7	9.5
PSL	120	BUY	6,405	136	53	22.9	25.4	28.2	3.3	10.6	11.0	5.2	4.7	4.3	3.1	2.5	2.7	0.7	0.6	0.6	5.4	5.4	5.8	12.6	11.7	12.0	175	46.1	0.7
Sintex	281	BUY	38,307	815	136	24.1	29.8	34.3	0.5	23.5	15.1	11.6	9.4	8.2	8.6	6.6	5.4	1.8	1.5	1.2	0.4	0.4	0.4	15.1	15.6	15.2	380	35.4	4.6
Tata Chemicals	309	ADD	75,076	1,598	243	28.6	30.1	35.9	7.4	5.1	19.3	10.8	10.3	8.6	6.2	5.6	4.7	1.6	1.4	1.2	2.9	2.9	2.9	17.2	17.3	17.9	340	10.2	3.3
Welspun Gujarat Stahl Rohren	218	REDUCE	44,844	955	205	25.1	23.0	24.4	44.9	(8.1)	5.8	8.7	9.5	9.0	4.9	5.0	4.4	1.5	1.3	1.1	0.9	0.9	1.0	20.6	14.8	13.5	245	12.3	10.5
United Phosphorus																													

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As of March 31, 2010

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ADD. We expect this stock to outperform the BSE Sensex by 0-10% over the next 12 months.

REDUCE. We expect this stock to underperform the BSE Sensex by 0-10% over the next 12 months.

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