



Economy News

- ▶ State-run oil companies today cut jet fuel or aviation turbine fuel (ATF) prices by over 11%, making it the seventh straight reduction since September. (BS)
- ▶ A \$14 billion World Bank lending plan for India, the biggest ever by the global lender to Asia's third-largest economy, will help recapitalize state-run banks facing liquidity strains and target the country's poorest regions, a senior Bank official said. (ET)
- ▶ Public sector banks on Monday announced that home loans up to Rs 5 lakh would be given at a maximum interest rate of 8.5%, while those between Rs 5-20 lakh would be offered at 9.25%. (BL)
- ▶ India's medicine price regulator National Pharmaceutical Pricing Authority (NPPA) has asked all drug companies to reduce the prices of all medicines by 2.4% to pass on the benefits of the recent excise duty cut to the consumer. (BS)

Corporate News

- ▶ **Bajaj Auto** has decided to shut down production at its Waluj plant near Aurangabad for 10 days (December 26 – January 4) this year as against a routine 5-day annual block closure for the past few years (BL)
- ▶ **Indian Hotels Company** is set to unveil a new brand identity for its premium business hotels under Vivanta. The first one to sport Vivanta will be the newly created 200 room hotel in Bangalore's IT hub – Whitefield. (ET)
- ▶ **HCL Technologies** has closed its acquisition for Axon Group for a consideration of \$658mn. The newly formed entity, HCL Axon, is now chasing outsourcing deals worth \$1.2bn. (ET)
- ▶ **Infosys** has bagged a 5 – year multi – million dollar global sourcing deal from AstraZeneca. Infosys will provide end-to-end application maintenance services to Astra's global operations in areas such as manufacturing, supply chain, finance, HR and other corporate functions. (ET)
- ▶ **Tata Steel** is set to merge its British unit Corus with itself by next year to save cost of up to 350 mn pounds and the move is likely to put thousands of jobs at risk. (BS)
- ▶ **Vishal Retail Ltd** is not considering any stake sale, a senior official said on Monday, denying a newspaper report that the discount retailer was in talks to bring in investors. (ET)
- ▶ The DoT's move to auction **VSNL's** 773-acres prime plot in four cities has been shot down by the finance ministry on the grounds that it violates the share-purchase agreement between the government and the Tatas, the new owners of the company, inked in 2002. (ET)
- ▶ **Gitanjali Gems**, a Mumbai-based diamond and jewellery maker and retailer, would be considering the buyback of equity shares of the company in its board meeting on 19 December. (BS)

Equity

	15 Dec 08	% Chg		
		1 Day	1 Mth	3 Mths
Indian Indices				
SENSEX Index	9,832	1.5	4.8	(27.3)
NIFTY Index	2,981	2.0	6.1	(26.8)
BANKEX Index	5,140	1.5	(0.3)	(25.0)
BSET Index	2,286	(0.2)	(11.0)	(35.5)
BSETCG INDEX	7,044	3.2	1.3	(37.6)
BSEOIL INDEX	6,345	3.2	11.7	(28.9)
CNXMcap Index	3,627	3.5	1.1	(31.7)
BSESMCAP INDEX	3,659	3.6	(2.8)	(42.7)
World Indices				
Dow Jones	8,565	(0.8)	0.8	(22.6)
Nasdaq	1,508	(2.1)	(0.6)	(31.7)
FTSE	4,278	(0.1)	1.1	(14.9)
Nikkei	8,665	5.2	1.7	(25.9)
Hangseng	15,047	2.0	9.6	(18.9)

Value traded (Rs cr)

	15 Dec 08	% Chg - Day
Cash BSE	4,319	(1.9)
Cash NSE	11,078	(1.0)
Derivatives	37,646	(8.4)

Net inflows (Rs cr)

	12 Dec 08	% Chg	MTD	YTD
FII	(106)	(132)	(3,055)	(55,507)
Mutual Fund	124	(250)	(1,053)	13,094

FII open interest (Rs cr)

	12 Dec 08	% Chg
FII Index Futures	9,078	2.7
FII Index Options	14,100	3.8
FII Stock Futures	10,982	3.1
FII Stock Options	356	1.8

Advances / Declines (BSE)

	15 Dec 08	A	B	S	Total	% total
Advances	166	1,353	336	1,855	76	
Declines	36	371	92	499	21	
Unchanged	1	62	10	73	3	

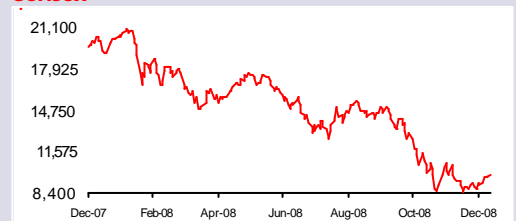
Commodity

		15 Dec 08	% Chg		
			1 Day	1 Mth	3 Mths
Crude (NYMEX)	(US\$/BBL)	44.4	(0.3)	(22.2)	(51.3)
Gold (US\$/OZ)		838.5	2.0	12.4	7.0
Silver (US\$/OZ)		10.7	3.7	11.3	1.1

Debt / forex market

	15 Dec 08	1 Day	1 Mth	3 Mths
10 yr G-Sec yield %	6.24	6.25	7.64	8.10
Re/US\$	48.05	48.58	49.34	46.06

Sensex



ECONOMY UPDATE**Saday Sinha**saday.sinha@kotak.com
+91 22 6621 6312**IMPACT ANALYSIS: HOME LOAN PACKAGE BY PSU BANKS**

Indian Banks' Association (IBA) announced a slew of measures for home loans up to Rs.2.0 mn.

Other benefits announced are no processing charges, no prepayment penalty, lower margin requirements and free loan insurance cover.

We have tried to capture its impact on the earnings of PSU banks under our coverage. Based on few assumptions (enumerated later), we do not see any meaningful change in our earning estimates.

Maintain our earning estimates as well as rating on the stocks under our coverage. Our preferred picks are Union Bank, BoB, PNB and Indian Bank in PSU banking space.

Indian Banks' Association (IBA) announced a slew of measures for the housing, MSME (micro, small and medium enterprises) and export sectors. This special home loan scheme is aimed at boosting growth by providing affordable home loans to new borrowers up to Rs.2.0 mn.

The small and medium enterprises will also get loans at cheaper rates as part of this special package. The interest rate for micro industries has been cut by 100 bps while for small and medium enterprises, it has been reduced by 50 bps. The important part of the scheme is that both existing as well as new customers would benefit from this move.

Under this package, housing loans up to Rs.2.0 mn are divided into two categories - up to Rs.0.5 mn and between Rs.0.5 - 2.0 mn. This scheme is valid till June 30, 2009 (Q1FY10).

< Rs.0.5 mn home loan:

- Interest rate @8.5% for the maximum period of 20 years
- Fixed interest rate for first 5 years from the date of first drawer.
- Margin requirement: 10%
- No processing charges
- No prepayment penalty
- Free mortgage protection cover

Between Rs.0.5-2.0 mn home loan:

- Interest rate @9.25% for the maximum period of 20 years
- Fixed interest rate for first 5 years from the date of first drawer.
- Margin requirement: 15%
- No processing charges
- No prepayment penalty
- Free mortgage protection cover

We have tried to capture the impact of special home loan scheme on the earnings of banks under our coverage. Our analysis is based on certain assumptions which are enumerated below.

- We don't have the data for home loans < Rs.2.0 mn for Q2FY09 for all the banks under our coverage. Therefore, we have assumed the same percentage as it existed at the end of FY08. We are also assuming the same ratio to continue for FY09E and FY10E.
- This special package would continue till June 30, 2008. Therefore, banks would lend for three and half months in FY09 and three months in FY10. Assuming, on the average home loans are given at 10.0-10.5% for 20 years, the opportunity cost for lending to < Rs.0.5 mn category and b/w Rs.0.5-2.0 mn category would be 200 bps and 125 bps, respectively.
- Assuming 50 bps impact on yields on incremental home loans for a period slightly greater than a quarter (three and half months) and 100 bps impact on yields due to offering of other freebies like free life insurance for the entire amount, no prepayment penalty and no processing charges. For FY10, we have assumed 200 bps impacts on yields on incremental home loans given during Q1FY10E. This impact is for the full year FY10. (50 bps/qr, for 4 quarters)

Share of small ticket (< Rs.2.0 mn) home loans

(Rs bn)	FY08			Q2 FY09E	
	Total Loan	<Rs.2 mn	% of total Loans	Total Loan	<Rs.2 mn
Allahabad Bank	503.1	29.5	5.9%	517.2	30.4
Andhra Bank	345.6	17.1	4.9%	364.4	18.0
Bank of Baroda	1067.0	58.6	5.5%	1194.8	65.6
Indian Bank	402.3	33.2	8.3%	480.9	39.7
Indian Overseas Bank	610.6	25.3	4.1%	697.3	28.9
Punjab National Bank	1195.0	60.4	5.1%	1304.3	65.9
Union Bank	758.8	43.3	5.7%	865.5	49.4

Source: Companies, Kotak Securities - Private Client Research

The share of small ticket home loans (below Rs.2.0 mn) is small for PSU banks under our coverage and varies between 4.1 - 8.3% of the total loan outstanding.

Impact analysis: special home loan package

(Rs. bn)	FY09E				FY10E			
	< Rs.2 mn	Increase in H. loan*	Impact @150 bps (Rs. mn)	% of PAT	<Rs.2 mn	Increase in H. loan** (Rs. mn)	Impact @200 bps	% of PAT
Allahabad Bank	33.6	3.24	49	0.9	34.9	1.28	26	0.4
Andhra Bank	19.4	1.42	21	0.4	20.3	0.86	17	0.3
Bank of Baroda	68.1	2.45	37	0.2	70.8	2.75	55	0.3
Indian Bank	41.7	1.99	30	0.3	42.9	1.27	25	0.2
Indian Overseas Bank	30.1	1.17	18	0.2	31.0	0.90	18	0.2
Punjab National Bank	72.2	6.24	94	0.4	75.0	2.80	56	0.2
Union Bank	52.5	3.06	46	0.4	54.7	2.22	44	0.3

Source: Kotak Securities - Private Client Research; * Stands for increase in home loans during 3.5 months of FY09

** Stands for increase in home loans during Q1FY10

We can see in the above table that there is no material impact on the earnings of banks under our coverage. The impact on earnings of PSU banks under our coverage varies from 0.2% to 0.9% during FY09 and from 0.2% to 0.4% during FY10. Therefore, we are not changing our earning estimates as well recommendation on the stocks under our active coverage.

Our preferred picks are Union Bank (TP: Rs.175), BoB (TP: Rs.336), PNB (TP: Rs.583) and Indian Bank (TP: Rs.172) in PSU banking space.

Valuation matrix

Banks	P/ABV (x)		P/E (x)		RoE (%)		ROA (%)		NIM (%)		Current Price	Target Price	Upside (%)	Rating
	FY09E	FY10E	FY09E	FY10E	FY09E	FY10E	FY09E	FY10E	FY09E	FY10E				
Allahabad	0.4	0.4	4.0	3.5	10.2	10.9	0.6	0.6	2.50	2.46	49	70	43.6%	Reduce
Andhra	0.8	0.8	5.3	4.8	16.1	16.3	0.9	0.9	2.64	2.54	59	63	6.7%	Accumulate
BOB	0.8	0.7	5.9	5.0	13.9	14.5	0.8	0.9	2.78	2.79	259	336	29.6%	BUY
Indian	1.0	0.9	5.0	4.6	22.1	20.5	1.4	1.3	3.21	3.20	119	172	44.1%	BUY
IOB	0.8	0.7	3.8	3.4	19.1	18.8	0.9	0.9	2.7	2.65	69	103	49.6%	Accumulate
PNB	1.1	1.0	6.5	6.0	19.5	18.3	1.1	1.0	3.0	2.88	470	583	24.1%	BUY
Union	1.2	1.0	6.1	5.3	20.3	19.6	0.9	0.9	2.74	2.69	150	175	16.8%	BUY

Source: Kotak Securities - Private Client Research

SECTOR UPDATE

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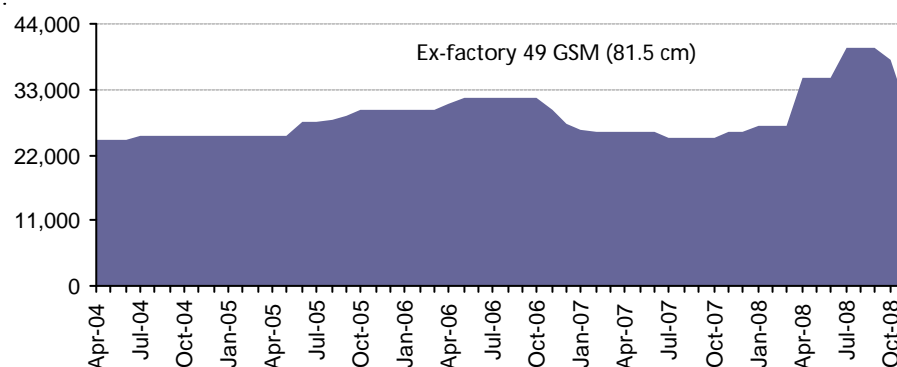
Print Media- Easing newsprint prices a positive; advertising revenue trends though will remain the crucial variable.

- ❑ Newsprint prices are off peaks; positive for publishing companies- JPL, HT Media and DCHL
- ❑ As per most of the publishers we have interacted with NP prices have corrected by 10-20% and international prices are expected to stabilize below US\$800/MT, over the medium term.
- ❑ Meanwhile, advertising volumes on print have declined in recent times, as a slowing economy expectedly impacts client spend trends
- ❑ On balance, medium term outlook remains hazy for advertising revenues given the macro headwinds. Expect near term trading upsides nevertheless given consistent NP price easing. Recommendations and price targets remain broadly unchanged.
- ❑ Maintain our cautious outlook on print stocks (zero BUYs in coverage universe) and will continue to focus on advertising revenue trends, which we opine will remain earnings and share catalysts over the medium term.
- ❑ JPL- a strong regional franchise remains a preferred bet on relative resilience in regional media markets. Better positioned than peers to protect margins in a challenging environment, in our opinion

Newsprint prices are off peaks; positive for publishing companies- JPL, HT Media and DCHL

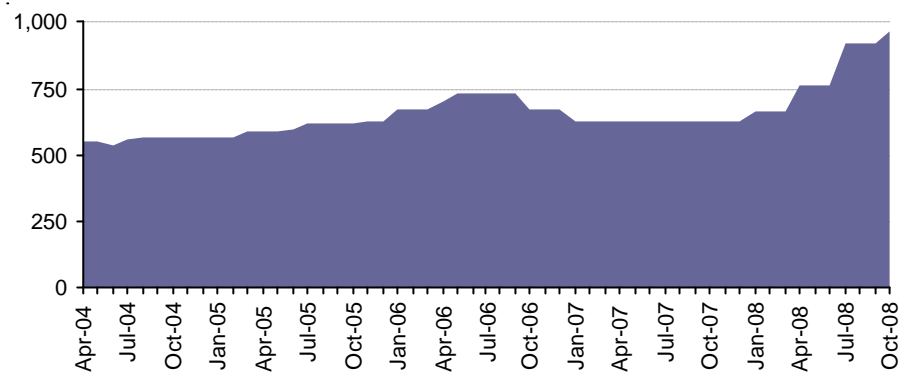
- According to data available and our interactions with leading Indian publishers, newsprint (NP) prices - domestic and imported, have declined in the month of November 2008, with the trend persistent currently too. The easing in NP prices has been in line with the expectations of domestic publishers who now expect prices to stabilize at levels 8-10% lower.
- Newsprint prices have declined c18% in November 2008, vis-à-vis the month of October 2008 with the ex-factory costs of domestic newsprint dipping to Rs.31000/MT from Rs.38000/MT. Also, the prices of imported newsprint have eased to US\$800/MT levels from the US\$900-950/MT highs they hit in the previous months.
- According to industry, landed costs of imported newsprint was almost flat in November and are expected to start coming down Q4FY09 onwards. Benefits in terms of lower NP prices are expected to accrue to publishers from Q4FY09 as contracted prices ease and inventory billed at higher NP rates is utilized through Q3FY09. As such realized prices of NP in Q3 will likely be similar to levels reflected in the Q2FY09 financials of publishing companies'.

NP prices, Rs/tonne; domestic.



Source: CRIS Infac

NP prices; \$/tonne, Canadian Newsprint

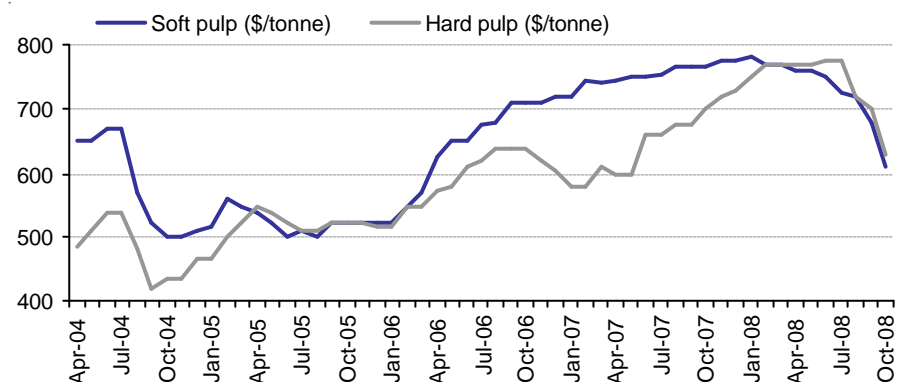


Source: CRIS Infac

Why have NP prices finally started to ease?

- We attribute the recent and much awaited easing in NP prices to the following factors- consistent demand destruction in developed markets (US & Europe) and a meaningful reduction in costs of newsprint production. Critically, key producers of NP are now finding it increasingly difficult to push through higher prices given the above factors.
- NP consumption in the US has continued to falter with January-October 2008 consumption declining 13% YoY, according to available data. In line with the consumption decline, North American NP production has also dipped 7.8% YoY in the period between January-October 2008. NP demand erosion in developed markets has also been on account of falling newspaper circulation in these markets on account of consumer migration to online alternatives. Also, the Chapter 11 filing for bankruptcy by Tribune, a leading US publisher a further decline in newsprint demand may be likely.

Costs of NP production have moderated- factor for easing of NP prices



Source: CRIS Infac

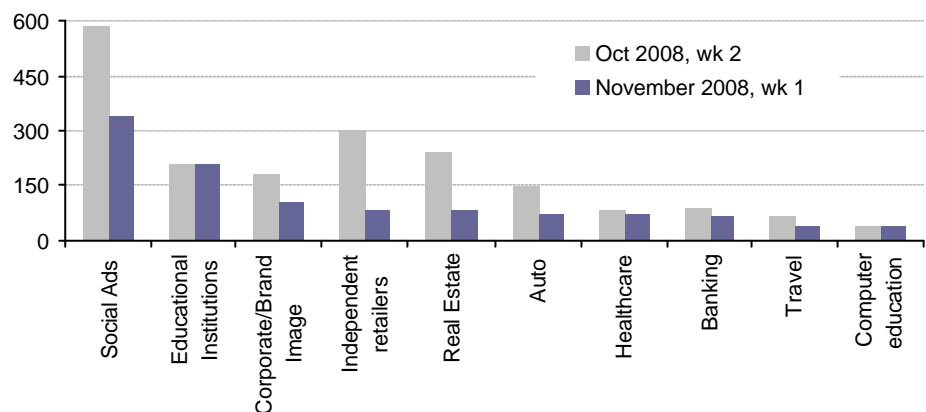
Is the easing sustainable and where are NP prices expected to stabilize?

- In our opinion this easing in NP prices will likely be sustainable given the significant demand destruction in key markets coupled with the meaningful reduction in raw material, energy and transportation costs towards the production of NP.
- We expect the trend of easing NP prices to sustain despite the production cuts announced by a key North American producer AbitibiBowater. In fact, according to news reports the falling demand for NP has outweighed these production cuts leading to this key producer rescinding on its planned hike for Q4CY08.
- As per most of the publishers we have interacted with NP prices have corrected by 10-20% and international prices are expected to stabilize below US\$800/MT, over the medium term.

Meanwhile, advertising volumes on print have plunged in recent times

- According to news reports, the latest figures from AdEx show that in the last two months (November 2008 over October 2008), print media advertising volumes have dropped sharply by 45%. In Nov. 2008 print advertising has registered a 20% decline in volume over the same period last year.
- While this AdEx data does not monitor advertising spends in value terms numbers nevertheless offer insights into how different product categories have curtailed their advertising, in the deteriorated macro environment.
- By volume, within categories-real estate, automobiles, retailers and BFSI look to have curtailed spends significantly. Segments like insurance, education, media and insurance are possibly the bright spots with advertising volumes in these segments faring relatively better.
- Our interaction with domestic publishers also point to increasing slackness in advertising spends, given the deteriorated macro environment for the economy and also outlook for corporate profits.
- We opine if there is a sustained slowdown in the growth trajectory, its impact will likely be felt with a lag on ad spend trends. Consequently we have built in more caution in ad growth trends over 2HFY09E and 1HFY10E.
- We have consistently highlighted our concerns on advertising revenue outlook, given the expected moderation in corporate profits, in the backdrop of a challenging macro. The above data and also interactions with publishers have validated our concerns on this front and we believe the near term outlook for ad revenue dependent stocks like the print segment will remain weak (expect a poor Q3) till there is a meaningful revival in the macro environment.

Advertising volumes on the print medium have declined



Source: Ad Ex India; compiled by Kotak Securities - Private Client Research; *- Figure in thousand column cm's

On balance, medium term outlook remains hazy for advertising revenues given the macro headwinds. Expect near term trading upsides nevertheless given consistent NP price easing. Recommendations and price targets remain broadly unchanged.

- In terms of financials we have made the following uniform changes across our print coverage. We have assumed a landed NP price at \$750/ton with an INR assumption of Rs.44/\$ over FY10E.
- Our NP price assumption is lower than the \$800/ton assumed earlier. We believe this is justified given the evidence of easing NP prices globally and domestically that are expected to be sustainable. We note however that the benefits of this commodity price easing may be impacted, to an extent, by the INR depreciation. INR currently trades cRs.48.8/\$ and has depreciated c25% YTD.
- While easing in NP prices is welcome for publishers we also note that near term financials are likely to remain under pressure given investments towards new businesses (HT and DCHL), INR depreciation (all) and moderating ad revenue growth trends (all).
- We maintain our cautious outlook on print stocks (zero BUYs in coverage universe) and will continue to focus on NP prices and advertising revenue trends, which we opine will remain earnings and share price catalysts over the medium term.
- Within, the segment we retain **JPL (ACCUMULATE; PT: Rs.68)** as a preferred play on our perceived traction and resilience in regional markets. JPL's strong regional franchise, conservative management and margin levers place it in a better position to navigate the challenging macro, in our opinion.
- **HT Media's (REDUCE; PT: Rs.98)** near term earnings are likely to remain under pressure given its new investments (radio and 'Mint'). Its dependence on national advertising markets that are under pressure and expected to grow at low growth rates is likely to impact revenue growth rates adversely over the medium term.
- **DCHL's (ACCUMULATE; PT: Rs.75)** valuations while cheap are at a justified discount to larger peers given valid investor concerns regarding quality of receivables, utilization of gross block and balance sheet quality- issues that have been detailed in earlier notes. Its expansion plans (Bangalore edition, business paper) will also add to near term earnings pressure, in our opinion.

JAGRAN PRAKASHAN LTD (JPL)

PRICE: Rs.52
TARGET PRICE: Rs.68

RECOMMENDATION: ACCUMULATE
FY10E EV/EBITDA: 7x; PE:12x

Summary table

(Rs mn)	FY08	FY09E	FY10E
Sales	7496.3	8557.5	9545.0
Growth %	25.3	14.2	11.5
EBITDA	1637.2	1650.5	2153.3
EBITDA margin %	21.8	19.3	22.6
Net profit	946.4	989.2	1306.2
Net cash (debt)	-1374.0	-985.0	-1473.3
EPS (Rs)	3.1	3.3	4.3
Growth %	24.2	4.5	32.0
CEPS	4.3	4.5	5.6
DPS (Rs)	2.0	1.5	1.5
ROE %	18.1	17.6	20.7
ROCE %	24.6	23.9	29.2
EV/Sales (x)	2.2	2.0	1.7
EV/EBITDA (x)	10.0	10.2	7.6
P/E (x)	16.9	16.1	12.2
P/Cash Earnings	12.4	11.8	9.5
P/BV (x)	3.0	2.7	2.4

Source: Company, Kotak Securities - Private Client Research

Change in estimates

	FY09E			FY10E		
	Old	New	Chg (%)	Old	New	Chg (%)
Revenue, Rs.mn	8572.5	8557.5	-0.2	9612.1	9545.0	-0.7
EBITDA, Rs.mn	1653.7	1650.5	-0.2	1926.9	2153.3	11.7
as % of sales	19.3	19.3	-0.1	20.0	22.6	12.8
EPS, Rs.	3.3	3.3	-0.5	4.0	4.3	8.4

Source: Kotak Securities - Private Client Research

JPL- Sensitivity to newsprint prices

INR assumed at Rs.44/\$	\$700/ton	\$750/ton	\$800/ton
	FY10E	FY10E	FY10E
Revenue, Rs.mn	9545.0	9545.0	9545.0
EBITDA, Rs.mn	2349.7	2153.3	1956.9
as % of sales	24.6	22.6	20.5
PAT, Rs.mn	1437.2	1306.2	1175.2
EPS, Rs.	4.8	4.3	3.9
Fair Value, Rs.	73.0	68.0	63.0

Source: Kotak Securities - Private Client Research

JPL-Sensitivity to ad revenue growth

	10% YoY	12% YoY	14% YoY
	FY10E	FY10E	FY10E
Revenue, Rs.mn	9426.5	9545.0	9663.6
EBITDA, Rs.mn	2034.7	2153.3	2271.8
as % of sales	21.6	22.6	23.5
PAT, Rs.mn	1227.1	1306.2	1385.2
EPS, Rs.	4.1	4.3	4.6

Source: Kotak Securities - Private Client Research

HT MEDIA LTD

PRICE: Rs.79
TARGET PRICE: Rs.98

RECOMMENDATION: REDUCE
FY10E EV/EBITDA: 7x, PE: 12x

Summary table - Consolidated

(Rs mn)	FY08	FY09E	FY10E
Sales	12058.0	14278.9	15984.1
Growth %	16.0	18.4	11.9
EBITDA	1698.9	1632.3	2834.7
EBITDA margin %	14.1	11.4	17.7
Net profit	1013.3	870.3	1496.4
Net debt (cash)	-1199.1	-319.6	-1705.9
EPS (Rs)	4.3	3.7	6.4
Growth %	4.4	-14.1	72.0
CEPS	6.8	6.4	9.4
DPS (Rs)	0.4	0.4	0.4
ROE %	12.5	9.8	15.0
ROCE %	15.6	13.0	20.3
EV/Sales (x)	1.6	1.4	1.2
EV/EBITDA (x)	11.6	12.6	6.8
P/E (x)	18.0	21.0	12.2
P/Cash Earnings	11.5	12.1	8.3
P/BV (x)	2.1	2.0	1.7

Source: Company, Kotak Securities - Private Client Research

Change in estimates

	FY09E			FY10E		
	Old	New	Chg (%)	Old	New	Chg (%)
Revenue, Rs.mn	14499.4	14278.9	-1.5	16739.4	15984.1	-4.5
EBITDA, Rs.mn	1825.3	1632.3	-10.6	2581	2834.7	9.8
as % of sales	12.6	11.4	-9.3	15.4	17.7	15.2
EPS, Rs.	4.3	3.7	-13.6	5.9	6.4	8.3

Source: Kotak Securities - Private Client Research

HTML-Sensitivity to newsprint prices

INR assumed at Rs.44/\$	\$700/ton	\$750/ton	\$800/ton
	FY10E	FY10E	FY10E
Revenue, Rs.mn	15984.1	15984.1	15984.1
EBITDA, Rs.mn	3180.6	2834.7	2488.7
as % of sales	19.9	17.7	15.6
PAT, Rs.mn	1727.2	1496.4	1265.7
EPS, Rs.	7.4	6.4	5.4
Fair Value, Rs.	106.9	92	78.3

Source: Kotak Securities - Private Client Research

HTML-Sensitivity to ad revenue growth

	8% YoY	10% YoY	12% YoY
	FY10E	FY10E	FY10E
Revenue, Rs.mn	15749.4	15984.1	16211.2
EBITDA, Rs.mn	2608.1	2834.7	3054.0
as % of sales	16.6	17.7	18.8
PAT, Rs.mn	1345.3	1496.4	1642.7
EPS, Rs.	5.7	6.4	7.0

Source: Kotak Securities - Private Client Research

DECCAN CHRONICLE HOLDINGS LTD

PRICE: Rs.51
TARGET PRICE: Rs.75

RECOMMENDATION: ACCUMULATE
FY10E EV/EBITDA: 3x, PE: 5x

Summary table

(Rs mn)	FY08	FY09E	FY10E
Sales	7823.6	9240.7	10610.7
Growth %	33.1	18.1	14.8
EBITDA	4859.5	3565.2	4152.9
EBITDA margin %	62.1	38.6	39.1
Net profit	2718.2	2065.8	2456.0
Net debt	-713.0	-404.5	-663.4
EPS (Rs)	11.0	8.4	10.0
Growth %	59.9	-24.0	18.9
CEPS	12.2	9.6	11.3
DPS (Rs)	3.0	3.0	3.0
ROE %	27.8	17.3	18.8
ROCE %	27.6	19.1	23.0
EV/Sales (x)	1.5	1.3	1.1
EV/EBITDA (x)	2.4	3.4	2.9
P/E (x)	4.6	6.1	5.1
P/Cash Earnings	4.2	5.3	4.5
P/BV (x)	1.1	1.0	0.9

Source: Company, Kotak Securities - Private Client Research

Change in estimates

	FY09E			FY10E		
	Old	New	Chg (%)	Old	New	Chg (%)
Revenue, Rs.mn	9340.7	9240.7	-1.1	10760	10610.7	-1.4
EBITDA, Rs.mn	3659.2	3565.2	-2.6	4058	4152.9	2.3
as % of sales	39.2	38.6	-1.6	37.7	39.1	3.8
EPS, Rs.	8.7	8.4	-3.5	9.7	10.0	2.9

Source: Kotak Securities - Private Client Research

DCHL-Sensitivity to newsprint prices

INR assumed at Rs.44/\$	\$700/ton FY10E	\$750/ton FY10E	\$800/ton FY10E
Revenue, Rs.mn	10610.7	10610.7	10610.7
EBITDA, Rs.mn	4321.0	4152.9	3914.6
as % of sales	40.7	39.1	36.9
PAT, Rs.mn	2568.6	2456.0	2296.3
EPS, Rs.	10.4	10.0	9.3
Fair Value, Rs.	75.7	72.4	67.7

Source: Kotak Securities - Private Client Research

DCHL-Sensitivity to ad revenue growth

	10% YoY FY10E	12% YoY FY10E	14% YoY FY10E
Revenue, Rs.mn	10460.7	10610.7	10760.7
EBITDA, Rs.mn	4002.9	4152.9	4302.9
as % of sales	38.3	39.1	40.0
PAT, Rs.mn	2355.5	2456.0	2556.5
EPS, Rs.	9.6	10.0	10.4

Source: Kotak PCG Estimates

Bulk Deals

Trade details of bulk deals

Date	Scrip name	Name of client	Buy/ Sell	Quantity of shares	Avg. price (Rs)
15-Dec	Financ Techn	Passport India Inv Mau Ltd	B	497,837	500.00
15-Dec	Good Luck St	Consolidated Securities Ltd.	B	100,000	181.15
15-Dec	Good Luck St	Bihar Tubes Ltd	S	99,755	181.15
15-Dec	Guj Apo Ind	Patel Ajitkumar Tribhovandas Huf	B	350,000	91.22
15-Dec	Guj Apo Ind	Swati Ajitkumar Patel	S	243,750	91.35
15-Dec	Guj Apo Ind	Mitul A Patel	S	62,950	90.70
15-Dec	Igarashi Mot	Tree Line Advisors Ltd Hong Kong	S	129,000	12.19
15-Dec	Kamat Hote I	C E Unterberg Towbin Advisors Llc Ac Indusino International	B	636,793	45.00
15-Dec	Kamat Hote I	Morgan Stanley Mauritius Co Ltd	S	631,429	45.00
15-Dec	Kirloskar El	Sundaram Bnp Paribas Select Midcap	B	874,642	38.00
15-Dec	Kirloskar El	Arisaig Partners Asia Pte Ltd Sub Ac Arisaig India Fund Ltd	S	1,000,000	38.08
15-Dec	Mazda Ltd	JNJ Holding Pvt Ltd	B	24,000	29.18
15-Dec	Mazda Ltd	Hsbc Bank Mauritius Limited	S	105,245	29.35
15-Dec	Neha Interna	Consolidated Securities Ltd.	S	120,001	19.00
15-Dec	Panam Petroc	Sudhir Jain	S	68,653	67.32
15-Dec	Pioneer Inve	Acme Craft Pvt Ltd	S	83,500	13.95
15-Dec	Sahpetroleum	Ratnabali Capital Markets Ltd.	B	212,520	36.88
15-Dec	Sahpetroleum	Rajasthan Global Securities Ltd.	B	161,905	37.00
15-Dec	Sahpetroleum	Globe Capital Market Limited	S	194,676	36.91
15-Dec	Sh Bhaw Pa M	M C Srikanth	S	22,801	5.18
15-Dec	South Asiape	Trimplex Investments	B	1,841,500	8.32
15-Dec	South Asiape	The Methoni Tea Co	S	1,840,300	8.32
15-Dec	Suprem Ind*	The Supreme Industries Limited	B	162,000	110.14
15-Dec	Suprem Ind*	UBS Securities Asia Ltd Swiss Finance Corporation Mauritius Ltd	S	204,000	110.01
15-Dec	Til Limited	Marbellous Trading Pvt Ltd	B	209,000	134.83
15-Dec	Til Limited	WF India Reconnaissance Fund Ltd	S	197,827	135.00
15-Dec	Vijayes Text	HSBC Bank Mauritius Limited	S	236,353	5.69

Source: BSE

Gainers & Losers

Nifty Gainers & Losers

	Price (Rs)	change	Index points	Volume (mn)
Gainers				
ONGC	674	0.0	9.5	3.1
Reliance Ind	1,341	0.0	8.5	9.9
NTPC	169	0.0	4.9	4.8
Losers				
Reliance Com	238	(0.0)	(3.6)	11.1
TCS	470	(0.0)	(1.8)	1.5
SBI	1,205	(0.0)	(1.2)	4.5

Source: Bloomberg

Forthcoming events

Company/Market

Date	Event
16-Dec	Bharat Heavy & NTPC to sign adoption of integrity pact
17-Dec	Tata Capital holds press conference to launch new product

Source: Bloomberg

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