



Economy News

- ▶ India expects economic growth to be near 9% in the fiscal year ending in March although financial market turbulence is making it harder to achieve such growth rates, the Finance Minister has said. (ET)
- ▶ External commercial borrowings by India Inc have marginally slowed down, despite rates in the international market coming down with successive rate cuts by the US Fed. The Government and the RBI are unlikely to touch the curbs on ECBs anytime soon. (ET)
- ▶ The Government is considering creating a debt relief fund to provide liquidity to banks for implementing the Rs.600-bn loan waiver package, which will benefit about 40 mn farmers. (ET)
- ▶ The Cabinet is likely to discuss on Thursday extending for another year a scheme that refunds some taxes to exporters, the Commerce Minister has said. (ET)
- ▶ The Information and Broadcasting Ministry plans to raise FDI limits across all television content distribution mediums, except cable, to 74%, ushering in uniform norms for various technologies. (ET)
- ▶ Indian Steel Alliance, an organization of key primary steel producers in India, has agreed to halt steel exports with immediate effect to ensure domestic supplies. (BS)

Corporate News

- ▶ **Tata Motors** has finally signed a deal to buy luxury brands Jaguar and Land Rover from Ford Motor for \$2.3 bn in cash, the largest acquisition by an Indian company in the automobile business. (BS)
- ▶ **ONGC** and its partner the Hinduja Group may sign a multi-billion dollar deal next month for developing oil and gas fields in Iran. (BS)
- ▶ Pfizer has filed two separate patent infringement cases against **Ranbaxy Laboratories** to prevent the Indian company from launching generic versions of Lipitor (atorvastatin) and Caduet (a combination drug of Lipitor) until 2016 in the US. (ET)
- ▶ **Reliance Communications** and TCS are among companies likely to participate in the last round of bidding by department of information technology for setting up 12,000 common service centers across India at an investment of Rs.10 bn. (ET)
- ▶ **Religare Enterprises** is all set to acquire one of the oldest British financial services company, Hichens Harrison & Co, in a deal costing \$110 mn (Rs.4.5 bn). (BL)
- ▶ Five global equipment majors, Ansaldo from Italy, Doosan from Korea, Toshiba from Japan, Power Machines from Russia and Shanghai Electric from China, are in the race for supply contract of main power equipment to **Reliance Power's** Sasan UMPP. (ET)
- ▶ **Maruti Suzuki** has launched its new entry level sedan Swift DZire with an introductory price ranging from Rs.449,000 to Rs.670,000 (ex-show-room Delhi). (ET)
- ▶ **Ashok Leyland** has said it has recently concluded an ECB loan of \$200 mn. (ET)
- ▶ **Simplex Infrastructures** has bagged orders valued at Rs.6.53 bn from different sectors. (ET)

Equity

	26 Mar 08	% Chg		
		1 Day	1 Mth	3 Mths
Indian Indices				
BSE Sensex	16,087	(0.8)	(9.8)	(20.4)
Nifty	4,829	(1.0)	(8.3)	(20.6)
BSE Banking	8,302	(0.8)	(18.3)	(27.0)
BSE IT	3,693	0.2	(7.1)	(19.2)
BSE Capital Goods	13,794	(0.5)	(16.4)	(29.8)
BSE Oil & Gas	10,225	(0.8)	(9.2)	(22.1)
NSE Midcap	6,161	0.7	(14.8)	(30.8)
BSE Small-cap	7,439	2.1	(23.1)	(41.1)
World Indices				
Dow Jones	12,423	(0.9)	(2.1)	(7.0)
Nasdaq	2,324	(0.7)	(1.3)	(13.2)
FTSE	5,660	(0.5)	(6.8)	(12.9)
Nikkei	12,707	(0.3)	(11.0)	(19.7)
Hangseng	22,617	0.7	(8.2)	(19.3)

Value traded (Rs cr)

	26 Mar 08	% Chg - Day
Cash BSE	5,949.1	(10.8)
Cash NSE	12,479.5	(12.0)
Derivatives	57,629	(13.5)

Net inflows (Rs cr)

	25 Mar 08	% Chg	MTD	YTD
FII	1,345	315	(760)	(13,105)
Mutual Fund	535	(214)	(1,740)	6,300

FII open interest (Rs cr)

	25 Mar 08	% Chg
FII Index Futures	24,009.6	5.6
FII Index Options	10,940.5	2.4
FII Stock Futures	22,227.9	0.7
FII Stock Options	200.8	0.5

Advances / Declines (BSE)

26 Mar 08	A	B	S	Total %	total
Advances	124	1,243	309	1,676	64
Declines	83	647	166	896	34
Unchanged	2	34	9	45	2

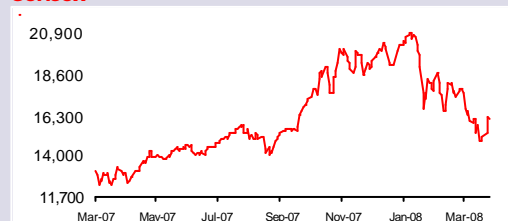
Commodity

	26 Mar 08	% Chg		
		1 Day	1 Mth	3 Mths
Crude (NYMEX) (US\$/BBL)	106.3	0.4	6.7	10.0
Gold (US\$/OZ)	954.2	1.6	(0.6)	15.4
Silver (US\$/OZ)	18.4	2.7	(4.8)	25.6

Debt / forex market

	26 Mar 08	1 Day	1 Mth	3 Mths
10 yr G-Sec yield %	7.63	7.68	7.61	7.86
Re/US\$	40.14	40.08	39.91	39.42

Sensex



COMPANY UPDATE

Apurva Doshi
doshi.apurva@kotak.com
+91 22 6634 1366

GATI LTD

PRICE: Rs.96
TARGET PRICE: Rs.168

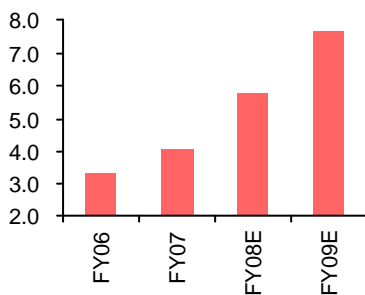
RECOMMENDATION: BUY
CONS. FY09E P/E: 14.4x

We recently met the management of Gati and are positive about the company's growth prospects. We continue to recommend BUY with an unchanged price target of Rs. 168 (75% upside).

Two freighter aircraft operational

Gati is successfully running two air freighters in a tie-up with Air India. These are being run on the Delhi-Mumbai-Bangalore-Chennai route. With the addition of a second freighter, business is picking up with daily roundtrip services. Currently, it is operating at 85% capacity utilization levels. The third freighter is expected to be inducted by April 2008 and would be deployed on the Kolkata-Hyderabad-Ahmedabad route. With the fourth freighter expected to be inducted by June 2008, Gati would be able to launch its hub and spoke services from the major cities of India. This would make the business cost effective and, thus, profitable. With freighter aircraft, Gati would be able to provide complete end-to-end logistics services with quick and efficient deliveries.

Express Distribution revenues (Rs bn)



Source: Company, Kotak Securities - Private Client Research

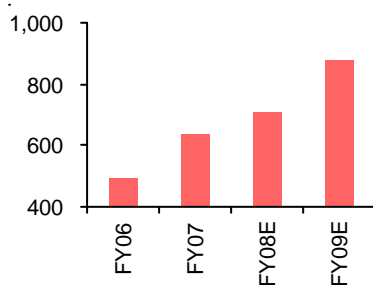
Steady warehouse space addition for express distribution and supply chain business

Gati recently expanded its warehouse space from 1 mn to 1.2 mn with the commissioning of the Bangalore Express Distribution Center. The company is well on its way to expand to 2 mn sq ft of warehouse space by June 2009. This would lead to strong growth in revenues and profitability for the express distribution and supply chain business of the company.

Cold chain foray with Kausar

With the acquisition of 73.7% stake in Delhi-based Kausar, Gati marked its presence in the cold chain logistics space. Gati is currently in the process of customer retention and extension for Kausar. It is focusing on the problem of empty reverse flow by putting its own cargo in empty direction. This would help to reduce the empties and improve the overall efficiency and profitability. Gati is also in the process of framing its retail cold chain strategy to integrate Kausar with itself with planned investments over the next year.

Coast to coast shipping revenues (Rs mn)



Source: Company, Kotak Securities - Private Client Research

Growing international business

Gati has offices in China, Hong Kong, Sri Lanka, Singapore, Mauritius, Dubai and Thailand. India-centric distribution is happening through these wholly-owned subsidiaries and business is gradually picking up in these offices. In FY07, Gati reported marginal losses in the international business. However, currently, they are doing well and the company is well on its way to turn them around this year. The management is very confident that the international business would be profitable from the next year onwards.

Fourth ship addition to boost shipping revenues

Gati currently has four ships: Gati 1 with 4400 MT of break bulk capacity, Gati Suvidha with 210 TEUs capacity, Gati Zipp with 212 TEUs capacity and the recently added Gati Prestige with 265 TEUs capacity in February 2008. All of them are deployed on the Chennai-Port-Blair-Yangon-Chennai route, which is operating at optimum capacities. Gati has also placed an order for a ship from the Bangkok shipyard with a capacity of 442 TEUs, which is scheduled for delivery in June 2008. Thus, due to the addition of the ships we expect sequential growth in revenues for the coast-to-coast shipping business of Gati.

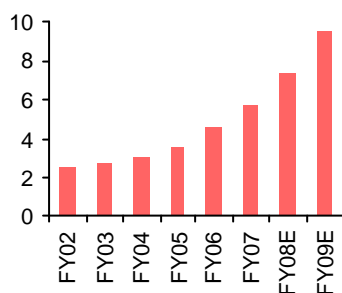
Gati infrastructure

Gati has already invested Rs.225 mn till date in Gati Infrastructure and has 15% stake. The balance stake is owned by Gati's promoter Mahendra Agarwal and his associates. Gati Infrastructure is constructing three hydropower projects in Sikkim with capacities of 99, 71 and 51 MW, respectively. The first hydropower project is likely to commence operations in June 2009 while the balance will begin by 2011. In the long run, we can expect some value unlocking from these power projects for Gati shareholders.

Valuation and Recommendation

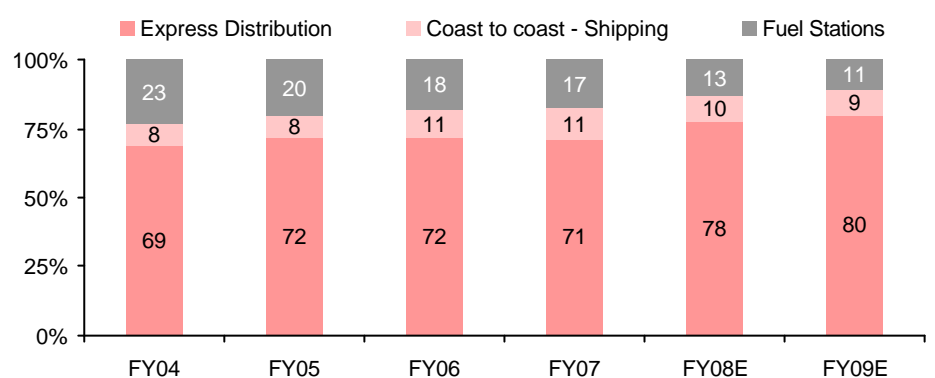
Due to the recent sharp correction in stock price, in line with the overall market correction, at the current market price of Rs.96, Gati is trading at attractive valuations of 14.4x FY09 earning estimate of Rs.6.7. We continue to remain positive and maintain BUY on Gati with an unchanged price target of Rs.168. This provides an upside potential of 75%.

Consolidated net sales (Rs bn)



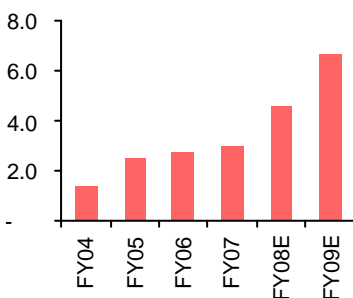
Source: Company, Kotak Securities - Private Client Research

Consolidated revenue breakup (%)



Source: Company, Kotak Securities - Private Client Research

EPS (Rs) - FV Rs.2



Source: Company, Kotak Securities - Private Client Research

Consolidated summary table - FV Rs.2 - Year end June

(Rs mn)	FY07	FY08E	FY9E
Sales	5,680	7,420	9,501
Growth (%)	23.5	30.6	28.0
EBITDA	434	773	1,103
EBITDA margin (%)	7.6	10.4	11.6
Net profit	214	428	622
Net debt	1,420	773	1,164
EPS (Rs)	3.0	4.6	6.7
Growth (%)	11.7	99.8	45.3
DPS (Rs)	0.8	0.9	1.0
ROE (%)	12.3	14.9	14.6
ROCE (%)	10.0	15.2	17.4
EV/Sales (x)	1.8	1.3	1.1
EV/EBITDA (x)	23.9	12.6	9.2
P/E (x)	32.4	20.9	14.4
P/BV (x)	5.1	2.2	2.0

Source: Company, Kotak Securities - Private Client Research

Bulk Deals

Trade details of bulk deals

Date	Scrip name	Name of client	Buy/ Sell	Quantity of shares	Avg. price (Rs)
26-Mar	21cen Man Se	Anmol Finpro Pvt Ltd	B	174,351	33.50
26-Mar	21cen Man Se	FE Securities Pvt Ltd	S	175,000	33.50
26-Mar	Almondz Glo	Lavina Ashish Goenka	S	100,000	47.93
26-Mar	Artefact Pr	Anoop Jain HUF	S	20,663	70.10
26-Mar	Axis Bank	Orient Global Tamarind Mauritius	B	3,293,437	792.50
26-Mar	Axis Bank	Citigroup Global Markets India	S	3,293,437	792.50
26-Mar	Axon Infotec	Bds Share Brokers Pvt Ltd	B	3,657	29.48
26-Mar	Bharat Gear	Raunaq International Limited	B	283,000	50.37
26-Mar	Bharat Gear	Surinder Pal Kanwar	S	276,500	50.39
26-Mar	Camlin Fine	Nirmal Vinod Momaya	B	26,000	56.17
26-Mar	Crazy Infote	Bakliwal Investment	B	50,000	21.90
26-Mar	Crazy Infote	Bakliwal Financial Services India	S	50,000	21.90
26-Mar	DGP Securiti	Vibhuti Investments Co. Ltd	B	211,000	316.00
26-Mar	DGP Securiti	Dilip G Piramal	S	211,000	316.00
26-Mar	Ecoplast Ltd	Prism Impex Pvt Ltd	S	52,387	20.00
26-Mar	Evinix	Shaishav Rakeshbhai Shah	S	100,000	145.00
26-Mar	Fulford Ind	Reliance Capital Trustee Co Ltd Ac			
		Media Entertainment Fund	B	100,000	440.00
26-Mar	Fulford Ind	Reliance Cap Asset Mgmt Ltd PMS	B	170,000	441.37
26-Mar	Fulford Ind	Goldman Sachs Investments Mau I	S	274,972	440.06
26-Mar	Geefcee Fina	Bhavani Portfolio Pvt Ltd	B	75,000	140.30
26-Mar	Geefcee Fina	Yashwi Securities Pvt Ltd	B	57,000	140.30
26-Mar	Geefcee Fina	Elecon Securities Private Limited	B	215,000	140.30
26-Mar	Geefcee Fina	Countrywide Credit and Securities	B	90,000	140.30
26-Mar	Geefcee Fina	SKM Travels Private Limited	B	92,000	140.30
26-Mar	Geefcee Fina	Shailesh A Jhaveri HUF	S	200,000	140.30
26-Mar	Geefcee Fina	Rosewood Vanijya Pvt Ltd	S	100,000	140.30
26-Mar	Geefcee Fina	Accord Capital Markets Ltd	S	137,659	140.30
26-Mar	Goodyea Indi	Hardik B Patel	B	196,000	105.17
26-Mar	Goodyea Indi	Minal B Patel	S	196,000	105.05
26-Mar	Greycells En	Prime Securities Ltd	B	68,500	168.00
26-Mar	Greycells En	Hasumati Pravinchandra Kamdar	S	25,500	197.31
26-Mar	Greycells En	Ketan Pravinchandra Kamdar	S	29,450	197.31
26-Mar	GSS America	Gopal Traders	S	73,300	628.97
26-Mar	Gulshan Poly	Budhamall Dugar	S	91,377	205.25
26-Mar	Inca Finleas	Global Film and Bord Casting L	B	24,000	59.25
26-Mar	Inca Finleas	Rashel Agrotech Ltd.	B	34,900	59.25
26-Mar	Inca Finleas	Nipra Stock Broking Pvt.Ltd	S	31,000	59.73
26-Mar	Inca Finleas	Maharashtra Overseas Limited	S	25,000	59.25
26-Mar	India Niveh	Destiny Securities Ltd	S	20,000	803.07
26-Mar	Indiabulls	Quantum M Limited	B	2,400,000	470.50
26-Mar	Indiabulls	Morgan Stanley Mauritius Company	S	2,400,000	470.50
26-Mar	Intern Conve	Multi Manager India Fund Limited	B	15,000	211.25
26-Mar	JJ Exporter	Ansu Commercial Pvt Ltd	B	142,000	27.42
26-Mar	JJ Exporter	Splendor Vanijya Pvt Ltd	S	142,000	27.41
26-Mar	Kadamb Const	Sanjeev Kumar Jain	S	15,000	27.90
26-Mar	NPR Finance	Suniana Marketing Pvt Ltd	B	55,000	12.58
26-Mar	NPR Finance	B.S. Agency Pvt. Ltd.	S	55,000	12.58
26-Mar	Pace Textiles	Anuj Agarwal	S	150,000	18.05
26-Mar	Sangam India	Ansu Commercial Pvt Ltd	B	195,000	26.13
26-Mar	Sat Ind Ltd	Micro Management Ltd	S	537,659	30.74

Trade details of bulk deals

Date	Scrip name	Name of client	Buy/ Sell	Quantity of shares	Avg. price (Rs)
26-Mar	Span Diagnos	Darshanjit Singh	B	18,856	67.74
26-Mar	Ster Hol Res	Kotak PMS	S	352,906	27.61
26-Mar	Subhkam Cap	Ansu Commercial Pvt Ltd	B	30,000	438.00
26-Mar	Subhkam Cap	Micro Management Ltd	S	29,975	438.00
26-Mar	Suryavansh	Keki D Mehta	B	70,000	17.40
26-Mar	System Cor S	Alliance Int and Network Pvt Ltd	B	48,000	68.86
26-Mar	Tribhvan Hsg	G R Pandya Share Broking Ltd	B	60,000	20.90
26-Mar	Tribhvan Hsg	GCD Credit Pvt Ltd	S	30,000	20.90
26-Mar	Tribhvan Hsg	Bhagyashree Media Limited	S	160,000	20.78
26-Mar	Unite Credit	Naveen Bothra	B	42,195	22.94
26-Mar	Unite Credit	Naveen Bothra and Sons HUF	S	42,148	22.88
26-Mar	Vadilal Ente	Jinali Kunal Shah	B	10,000	64.70
26-Mar	Vadilal Ente	Growth Capital	B	10,000	71.20
26-Mar	Vadilal Ente	Anuradha Dadhich	B	8,000	71.50
26-Mar	Vadilal Ente	Jinali Kunal Shah	S	10,000	71.20
26-Mar	Vadilal Ente	Growth Capital	S	10,000	64.70
26-Mar	Vadilal Ente	Anuradha Dadhich	S	8,000	65.05
26-Mar	Vaibhav Gem	Ansu Commercial Pvt Ltd	B	150,000	52.38
26-Mar	Vaibhav Gem	Rachna Vinimay Pvt Ltd	S	150,000	52.38
26-Mar	Valley India	M Jagdishchandr Bangur HUF	B	27,790	11.42
26-Mar	Valley India	Rajkumar Kaluram Jai N	S	28,100	11.42
26-Mar	Vertex Secur	Mayank N Gandhi	S	30,594	27.00
26-Mar	Vij.Shanti B	Laxmi Investments	B	175,000	56.83
26-Mar	Vij.Shanti B	Dara K Mehta	B	149,413	54.85
26-Mar	Vij.Shanti B	Baman K Mehta	B	100,000	54.40
26-Mar	Vij.Shanti B	Keki D Mehta	B	100,000	54.85
26-Mar	Vij.Shanti B	Darashaw and Company Pvt Ltd	S	349,413	54.72
26-Mar	Vij.Shanti B	Tihunaz K Mehta	S	75,000	56.80
26-Mar	Vij.Shanti B	Daisy K Mehta	S	100,000	56.85
26-Mar	VIP Ind	Emerging India Tiger Fund	S	548,733	83.01
26-Mar	Visa Steel	Mavi Investment Fund Ltd	B	850,000	45.00

Source: BSE

Gainers & Losers

Nifty Gainers & Losers

	Price (Rs)	% change	Index points	Volume (mn)
Gainers				
HDFC	2,670	2.9	3.5	0.8
Tata Steel	658	3.4	2.7	2.5
ITC	195	2.0	2.3	5.0
Losers				
Bharti Airtel	804	(3.6)	(9.4)	3.2
ICICI Bank	844	(4.0)	(6.4)	4.2
BHEL	1,953	(2.9)	(4.8)	0.6

Source: Bloomberg

Forthcoming events

Company/Market

Date	Event
28-Mar	Bata India to announce earnings for 2007 Ranbaxy to announce 2007 earnings and dividend
31-Mar	Cairn India to announce earnings for 2007; Pfizer to announce Q1 earnings; Essel Propack to announce earnings and dividend; Great Offshore to consider buy-back of its shares

Source: Bloomberg

Research Team

Name	Sector	Tel No	E-mail id
Dipen Shah	IT, Media, Telecom	+91 22 6634 1376	dipen.shah@kotak.com
Sanjeev Zarbade	Capital Goods, Engineering	+91 22 6634 1258	sanjeev.zarbade@kotak.com
Teena Virmani	Construction, Cement, Mid Cap	+91 22 6634 1237	teena.virmani@kotak.com
Awadhesh Garg	Pharmaceuticals, Hotels	+91 22 6634 1406	awadhesh.garg@kotak.com
Apurva Doshi	Logistics, Textiles, Mid Cap	+91 22 6634 1366	doshi.apurva@kotak.com
Saurabh Gurnurkar	IT, Media, Telecom	+91 22 6634 1273	saurabh.gurnurkar@kotak.com
Saurabh Agrawal	Metals, Mining	+91 22 6634 1291	agrawal.saurabh@kotak.com
Saday Sinha	Banking, Economy	+91 22 6634 1440	saday.sinha@kotak.com
Rohit Ledwani	Retail	+91 22 6634 1507	rohit.ledwani@kotak.com
Sarika Lohra	NBFCs	+91 22 6634 1480	sarika.lohra@kotak.com
Chetan Shet	FMCG, Power	+91 22 6634 1382	chetan.shet@kotak.com
Shrikant Chouhan	Technical analyst	+91 22 6634 1439	shrikant.chouhan@kotak.com
Kaustav Ray	Editor	+91 22 6634 1223	kaustav.ray@kotak.com
K. Kathirvelu	Production	+91 22 6634 1557	k.kathirvelu@kotak.com

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