

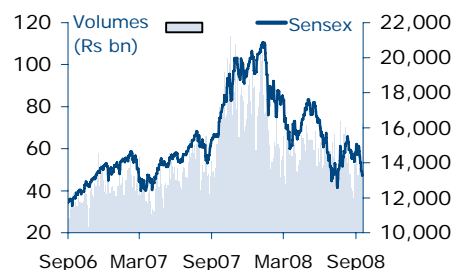
## What's Inside: Larsen & Toubro (BUY), Ranbaxy Laboratories (REDUCE), Events calendar

### Market Front Page

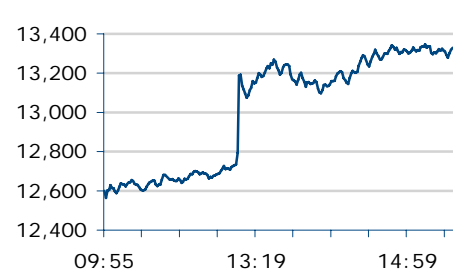
| Index Movements      | Closing | % Chg   | % YTD   | ADR/GDR (US\$)      | Latest  | % Chg | % Prem |
|----------------------|---------|---------|---------|---------------------|---------|-------|--------|
| Sensex               | 13,316  | 0.4     | (34.4)  | HDFC Bank           | 85.6    | 11.2  | 8.4    |
| Nifty                | 4,038   | 0.7     | (34.2)  | Reliance            | 81.1    | 2.8   | (2.7)  |
| BSE Smallcap         | 6,075   | (2.2)   | (54.5)  | Infosys             | 34.9    | 1.7   | 6.4    |
| CNX Midcap           | 5,149   | (1.2)   | (44.0)  | Satyam              | 17.3    | 1.5   | 19.5   |
| Nasdaq               | 2,199   | 4.8     | (17.1)  | Wipro               | 10.3    | 7.5   | 20.4   |
| DJIA                 | 11,020  | 3.9     | (16.9)  | ICICI Bank          | 26.0    | 11.8  | 4.8    |
| IBOV                 | 48,423  | 5.5     | (24.2)  | SBI                 | 64.8    | 2.4   | (3.9)  |
| FTSE                 | 4,880   | (0.7)   | (24.4)  | ITC                 | 3.8     | (5.0) | (4.8)  |
| CAC                  | 3,958   | (1.1)   | (29.5)  | Tata Motors         | 9.7     | 12.0  | 8.8    |
| Turnover             | US\$m   | % Chg   |         | Commodities         | Latest  | %Chg  | %YTD   |
| BSE                  | 1,541   | 25.0    |         | Gold (US\$/ounce)   | 848     | (0.3) | 1.7    |
| NSE                  | 3,460   | 31.0    |         | Crude (US\$/bl)     | 98      | 0.7   | 2.0    |
| Derivatives (NSE)    | 15,863  | 25.6    |         | Aluminium (US\$/MT) | 2,495   | (0.2) | 3.6    |
| FII F&O (US\$m)      | Index   | Stocks  |         | Copper (US\$/MT)    | 6,749   | (0.0) | 1.1    |
| Net buying           | 208     | 5       |         | Forex Rates         | Closing | % Chg | %YTD   |
| Open interest        | 7,800   | 4,600   |         | Rs/US\$             | 46.7    | 0.4   | 18.5   |
| Chg in open int.     | 183     | 1       |         | Rs/EUR              | 67.0    | 1.2   | 15.2   |
| Equity Flows (US\$m) | Latest  | MTD     | YTD     | Rs/GBP              | 85.1    | 2.2   | 8.1    |
| FII (17/9)           | (331)   | (1,671) | (8,928) | Bond Markets        | Closing | bps   | Chg    |
| DII (18/9)           | 255     | 1,536   | 12,986  | 10 yr bond          |         | 8.4   | 22.0   |
| MF (17/9)            | 88      | 223     | 2,743   | Interbank call      |         | 10.5  | 35.0   |

### Charts Front Page

Sensex price volume



Sensex intraday



### Corporate Front Page

- Tatas** may buy AIG's 26% stake in life and non-life insurance JVs if the US government sells AIG business (ET)
- HCL Tech** is looking for an acquisition worth US\$2bn before 2011 (ET)
- Lupin** acquires 60% stake in South Africa-based Pharma Dynamics (ET)
- RNRL** wins four licenses to mine limestone in Madhya Pradesh (ET)
- RNRL** to spend Rs100bn to build ~10mtpa of cement capacity by 2013 (ET)
- Karnataka government is willing to offer 1,000 acres of land along with other incentives to **Tata Motors** for Nano plant (BL)
- Reliance Industries** submits EoI for gas supply to six Tamil Nadu cities (ET)
- Reliance Industries** hikes gas spends by Rs100bn to produce natural gas (BS)
- Petronet LNG** to revise natural gas prices in January (BS)
- Petronet LNG** defers Dahej expansion to January (DNA)
- Power Grid** plans to invest Rs80bn in various transmission projects in the current financial year (BS)
- Godavari Power** signs MoU with Chhattisgarh government for setting up 1,000MW thermal power project (FE)
- RCom, BBC** enters into a strategic agreement to provide round-the-clock news content (FE)
- Reliance Industries** teams up with China's CNPC to win a gas block in Peru (FE)
- KEC International** secures two orders worth Rs1.79bn from NTPC and Power Grid (ET)
- Pratibha Industries** bags order worth Rs1.56bn from Delhi Jal Board (BL)
- Strides Arcolab** plans domestic launch of branded drugs (BL)
- NTPC** plans to expand its nuclear power capacity beyond the original target (BL)

## Market Front Page

### Top Movers BSE 200

| Top Gainers         | Price (Rs) | Chg (%) | YTD (%) | Top Losers       | Price (Rs) | Chg (%) | YTD (%) |
|---------------------|------------|---------|---------|------------------|------------|---------|---------|
| IOB                 | 110        | 7.3     | -38.3   | Ranbaxy Labs Ltd | 341        | -9.1    | -19.8   |
| Suzlon Energy       | 210        | 6.6     | -45.8   | Hexaware Techno  | 33         | -8.9    | -61.1   |
| Jindal Steel & Powe | 1389       | 6.2     | -54.9   | Indiabulls Real  | 191        | -8.8    | -74.3   |
| Bank Of Baroda      | 327        | 5.6     | -28.8   | NIIT             | 93         | -8.5    | -60.7   |
| Jindal Saw          | 621        | 5.3     | -42.3   | United Breweries | 137        | -8.2    | -58.3   |

### Volume spurts

| Company          | CMP  | M.Cap | Vol. (in '000) | 10D A.Vol (in '000) | % Chg |
|------------------|------|-------|----------------|---------------------|-------|
| CMC              | 491  | 159   | 204            | 22                  | 809   |
| Madras Cements   | 2510 | 639   | 179            | 22                  | 724   |
| Nestle India     | 1672 | 3,451 | 427            | 55                  | 680   |
| Hindustan Zinc   | 480  | 4,341 | 1,001          | 172                 | 483   |
| Kirloskar Bros   | 130  | 295   | 354            | 64                  | 458   |
| Bharat Forge     | 228  | 1,087 | 1,929          | 400                 | 382   |
| Ultratech Cement | 536  | 1,428 | 285            | 60                  | 377   |
| Glaxosmithkline  | 1174 | 2,129 | 93             | 21                  | 333   |
| India Cements    | 125  | 756   | 2,271          | 551                 | 312   |
| Television 18    | 205  | 526   | 396            | 106                 | 274   |

### FII - FII trades

| Scrip          | 17/9/2008   |       |        | 18/9/2008   |       |        |
|----------------|-------------|-------|--------|-------------|-------|--------|
|                | Volume '000 | Price | Prem % | Volume '000 | Price | Prem % |
| Tata steel     | 853         | 482   | 0.5    | 3,891       | 452   | 0.5    |
| Sbi            | 456         | 1,547 | 0.3    | 217         | 1,571 | 0.4    |
| Union bank     | 555         | 154   | 4.0    | 470         | 150   | 2.5    |
| Grasim         | 48          | 1,894 | 1.1    | 102         | 1,888 | 2.0    |
| Allahabad bank | 588         | 63    | 1.0    | -           | -     | -      |
| Pantaloon      | 5,800       | 359   | 18.0   | -           | -     | -      |

## Corporate Front Page

- **Suven Life Sciences** to raise US\$50m through convertible debt instruments (BL)
- **Dr Reddy** launches Promius Pharma, a wholly-owned subsidiary in the US (BL)
- **UB Group** looking to spin off subsidiaries (BL)
- **Unitech** to announce a buyer for stake in telecom arm by month-end (BL)
- **Tata Teleservices** launches premium BlackBerry services (BL)
- **SBI** may get Rs8bn bond aid (BS)
- **Hindustan Zinc** raises zinc and lead prices by Rs1,400 and Rs1,700 per tonne respectively (BS)
- **TVS Motors** plans to increase output at its Himachal Pradesh plant to 0.5m units from 0.3m units in next one and half years (DNA)
- Arcelor Mittal plans to build a 6mtpa plant in Chhattisgarh (ET)

## Economy Front Page

- Indian inflation for the week ending 6 September rose to 12.14% vs 12.10% (ET)
- Prime Minister to meet all members of Planning Commission to discuss integrated energy policy (ET)
- Government to infuse more liquidity into the system, says FM (ET)
- Government is planning to modify norms for PPP projects to allow more private players in the bidding process (BS)
- Union Cabinet approves amendments to the processed food products export development authority (ET)
- Power Ministry issues revised guidelines for seeking sops under the ultra mega power project policy (FE)

## Larsen & Toubro - BUY

Construction

19 Sep 2008

### Wins large Rs43bn road projects in Gujarat

Media reports suggests that Larsen & Toubro (L&T) has signed a concession agreement worth Rs43bn with Gujarat State Road Development Corporation (GSRDC) to convert three two-lane roads into four-lane highways totalling 485km. L&T will build the roads under the build-operate-transfer (BOT) option of Gujarat Infrastructure Development Act. The concession term is for 20 years. The details of the concessions terms are not known yet.

- The win highlights L&T's ability to bid and win large domestic projects. Such a large win in the road sector is especially noteworthy in the context of recent tepid order flows in the sector.
- If L&T includes these road projects in its order book during the quarter, YoY growth in order inflow during 2QFY09 would be significantly above the 30% guided for FY09. Slower-than-expected order inflow growth in 1QFY09 was the key concern in an otherwise strong 1QFY09 result.
- Major order wins announced during 2QFY09 (including the three road orders) add up to Rs91.9bn, against Rs75.5bn won in 2QFY08 and Rs122bn order inflows during 1QFY09.

**Figure 1: Orders announced in 2QFY09**

|                                               | Client            | Value (Rs m)  | Awarded on |
|-----------------------------------------------|-------------------|---------------|------------|
| 1,200MW Ratnagiri power evacuation            | JSW Power Transco | 4,460         | Jul-08     |
| Cast steel wheel manufacturing plant          | Indian Railway    | 10,470        | Jul-08     |
| 6mtpa pellet plant                            | Tata Steel        |               |            |
| 2.5mtpa blast furnace EPC                     | Tata Steel        | 15,780        | Aug-08     |
| 360sqm sinter plant                           | SAIL RSP          | 5,880         | Aug-08     |
| 210,000tpa leaching and purification on EPC   | Hindustan Zinc    | 5,180         | Aug-08     |
| 200,000bpd Northeast refinery project         | Petrobras, Brazil | 7,040         | Sep-08     |
| Gujarat road BOT projects                     | GSRDC             | 43,080        | Sep-08     |
| <b>Total major orders announced in 2QFY09</b> |                   | <b>91,890</b> |            |

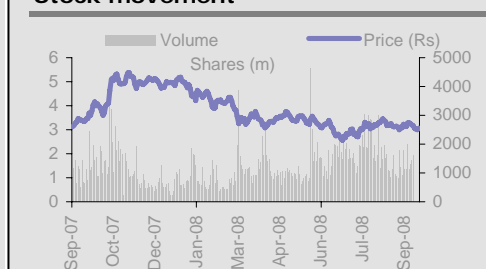
Source: Company, IIFL Research

|                                 |                   |
|---------------------------------|-------------------|
| <b>CMP</b>                      | <b>Rs2553</b>     |
| <b>12-mth Target price (Rs)</b> | <b>3553 (39%)</b> |
| <b>Market cap (US\$ m)</b>      | <b>16,038</b>     |
| <b>Bloomberg</b>                | <b>LT IN</b>      |
| 52Wk High/Low (Rs)              | 4690/2100         |
| Diluted o/s shares (m)          | 292               |
| Daily volume (US\$ m)           | 109.5             |
| Dividend yield FY08 (%)         | 0.7               |
| Free float (%)                  | 100.0             |
| <b>Shareholding pattern (%)</b> |                   |
| Promoters                       | 0.0               |
| FIIIs                           | 14.2              |
| Domestic MFs/Insurance cos      | 38.7              |
| Others                          | 47.2              |

#### Price performance (%)

|                | 1M    | 3M    | 1Y    |
|----------------|-------|-------|-------|
| L&T            | -5.3  | -7.2  | -2.5  |
| Rel. to Sensex | 3.8   | 6.5   | 12.5  |
| BHEL           | -4.7  | 7.5   | -15.1 |
| Punj Lloyd     | 7.2   | 9.1   | -1.4  |
| Nagarjuna      | -28.6 | -35.3 | -39.9 |

#### Stock movement



#### Financial summary

| Y/e 31 Mar                 | FY06A       | FY07A       | FY08A       | FY09ii      | FY10ii      |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenue (Rs m)             | 147,631     | 176,048     | 248,779     | 350,307     | 454,546     |
| EBITDA margin (%)          | 7.2         | 10.1        | 11.4        | 11.5        | 12.1        |
| Pre-exceptional PAT (Rs m) | 7,972       | 14,030      | 20,862      | 29,492      | 39,249      |
| Reported PAT (Rs m)        | 10,121      | 14,030      | 21,734      | 44,292      | 39,249      |
| Recurring EPS (Rs)         | 27.3        | 48.0        | 71.4        | 100.9       | 134.3       |
| Growth (%)                 |             | 76.0        | 48.7        | 41.4        | 33.1        |
| <b>PER (x)</b>             | <b>93.6</b> | <b>53.2</b> | <b>35.8</b> | <b>25.3</b> | <b>19.0</b> |
| ROE (%)                    | 19.9        | 27.0        | 27.2        | 25.7        | 25.8        |
| Net debt/equity (x)        | -0.1        | -0.1        | -0.2        | -0.1        | -0.1        |
| EV/EBITDA (x)              | 33.7        | 41.1        | 27.2        | 19.1        | 13.9        |
| <b>Price/Book (x)</b>      | <b>7.6</b>  | <b>12.5</b> | <b>7.8</b>  | <b>5.6</b>  | <b>4.4</b>  |

Price as on 18 Sep 2008

Financial bids for the three road projects were opened on 31 December 2007. As clearances have been obtained, construction work will start immediately and will be completed in 30 months as GSRDC had laid greater emphasis on pre-construction activities such as forest & environmental clearance and utility shifting. The Gujarat government is seeking to access Central government's viability-gap funding (VAG) facility under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM).

**Ahmedabad-Viramgam-Maliya** section has a length of 180km and passes through SH-17, Ahmedabad-Viramgam and SH-7. Viramgam-Maliya together provides the shortest link between Sarkhej Chowkdi near Ahmedabad and Maliya, both on NH-8A. This corridor is part of the core network of Gujarat and one of the high-density corridors having good potential to grow in coming years. It has also established the shortest route for the traffic playing between Ahmedabad and Kutchh region compared to the present NH-8A.

**Halol-Godhara-Shamlaji** section has a length of 173.6km and passes through SH-5, connecting NH-8 near Vapi, for establishing direct interaction with Maharashtra and Southern India by skipping busy urban centres of Gujarat like Ahmedabad, Vadodara and Surat. It is also a good connector between NH, NH-8 and NH-59 between Shamlaji and Godhara, and further, Vadodara with NH-8. This corridor passes through industrial areas and important pilgrimage centres like Shamlaji and Pavagadh at opposite ends to each other.

**Rajkot - Jamnagar – Vadinar** section has a length of 131.65km and passes through SH-25 in the Saurashtra region. This corridor takes off from Rajkot and traverses through Dhrol, Falla, Jamnagar city, Reliance refinery and ends at approaches to Vadinar port. From the strategic point of view too, the project road SH-25 is very important, as it provides connectivity with the highly industrialised area of Jamnagar, Vadinar and also the port located on coastal line of Gulf of Kutch.

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# Ranbaxy Laboratories – REDUCE



RBXY IN

Rs341

Pharmaceuticals

19 Sep 2008

Company update

## Time to act serious

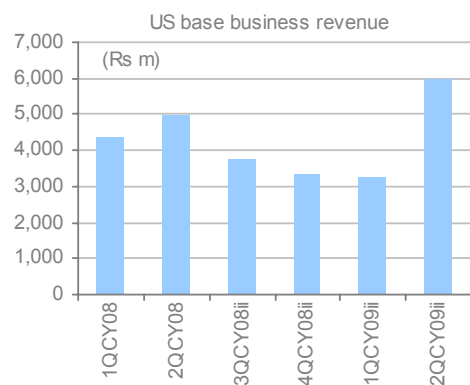
The US FDA's import alerts on products from Ranbaxy's Paonta Sahib and Dewas facilities are in the nature of a warning to put the house in order; the agency has not banned sale of already-imported drugs or ordered any recall. It is critical that Ranbaxy take the issue seriously and act swiftly to avoid any permanent damage to its business potential in the US. We reduce our CY08 and CY09 revenue estimates by 4.7% and 2.2% respectively. This translates to a reduction of 7% and 3% respectively in our CY08 and CY09 core earnings estimates. We retain our REDUCE rating and cut our target price from Rs371 to Rs359.

**23 of 85 products to be affected:** The US FDA's import alert will affect 23 products out of the total of 85 that Ranbaxy sells in the US. Some of these products are also manufactured at the company's other plants and hence will not be affected. Of these 23, 4-5—including isotretinoin, metformin and carbapentin—are major products for the company in the US market. We estimate this will result in a revenue loss of 15% in 3QCY08 and 25% each in 4QCY08 and 1QCY09 in the US. By then, we believe the company would resolve the issue.

**No product ban or recall:** FDA's action does not involve any ban of sale or recall of products from the market. In fact, FDA has made it clear that those already using the drugs can continue to use them, indicating that the action is in the nature of a warning and that the agency has not identified any defect in the products per se.

**Ranbaxy already taking action:** Ranbaxy said it is disappointed at the turn of events. It is particularly unhappy about the lack of sufficient communication from the FDA regarding the issues, leading to misunderstandings. However, it said it will respect the FDA's findings and cooperate fully with the agency to find a swift resolution to the issues. Ranbaxy's management said that Parexel, its consultant in process improvement, is preparing documents of the internal audit for submission to the FDA. In addition, the company has reportedly hired Rudy Giuliani, former Mayor of New York, as a consultant. Mr Giuliani is an ex-attorney and has experience in helping pharma companies negotiate deals with federal agencies.

### US business to be affected for 3 quarters



Source: Company, IIFL Research

### Financial summary

| Y/e 31 Dec                 | CY06A       | CY07A       | CY08ii      | CY09ii      | CY10ii      |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Revenues (Rs m)            | 61,349      | 67,810      | 72,474      | 88,174      | 110,325     |
| EBITDA Margins (%)         | 14%         | 11%         | 13%         | 14%         | 17%         |
| Pre-Exceptional PAT (Rs m) | 4,955       | 7,742       | 4,067       | 8,656       | 13,996      |
| Reported PAT (Rs m)        | 4,955       | 7,742       | 4,962       | 8,656       | 13,996      |
| EPS (Rs)                   | 12.5        | 20.7        | 9.2         | 18.0        | 29.1        |
| Growth (%)                 |             | 65.0        | -55.3       | 95.1        | 61.5        |
| <b>PER (x)</b>             | <b>27.2</b> | <b>16.5</b> | <b>36.9</b> | <b>18.9</b> | <b>11.7</b> |
| ROE (%)                    | 19.2        | 27.6        | 7.8         | 12.7        | 18.0        |
| Debt/Equity (x)            | 1.5         | 1.5         | 0.3         | 0.3         | 0.3         |
| <b>EV/EBITDA (x)</b>       | <b>19.6</b> | <b>23.1</b> | <b>16.1</b> | <b>13.9</b> | <b>8.8</b>  |
| Price/Book (x)             | 5.2         | 4.5         | 2.4         | 2.4         | 2.1         |

Price as at close of business on 18 September 2008

12-mth Target price (Rs) 359 (5%)

|                           |         |
|---------------------------|---------|
| Market cap (US\$ m)       | 2,741   |
| 52Wk High/Low (Rs)        | 660/297 |
| Diluted o/s shares (m)    | 373     |
| Daily volume (US\$ m)     | 61.7    |
| Dividend yield CY08ii (%) | 2.1     |
| Free float (%)            | 65.2    |

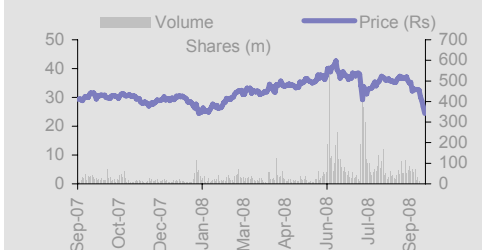
### Shareholding pattern (%)

|                            |      |
|----------------------------|------|
| Promoters                  | 34.8 |
| FII's                      | 17.1 |
| Domestic MFs/Insurance cos | 22.7 |
| Others                     | 25.4 |

### Price performance (%)

|                | 1M    | 3M    | 1Y    |
|----------------|-------|-------|-------|
| Ranbaxy        | -30.8 | -42.9 | -16.7 |
| Rel. to Sensex | -21.7 | -29.2 | -1.7  |
| Sun Pharma     | -4.5  | -5.6  | 41.0  |
| Dr Reddys      | -14.1 | -24.8 | -19.3 |
| Cipla          | -7.4  | -0.1  | 28.7  |

### Stock movement



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## Financial summary

### Income statement summary (Rs m)

| Y/e 31 Dec               | CY06A        | CY07A        | CY08ii       | CY09ii        | CY10ii        |
|--------------------------|--------------|--------------|--------------|---------------|---------------|
| Revenue                  | 61,349       | 67,810       | 72,474       | 88,174        | 110,325       |
| EBITDA                   | 8,740        | 7,134        | 9,738        | 12,335        | 19,289        |
| <b>EBIT</b>              | <b>6,897</b> | <b>4,951</b> | <b>7,091</b> | <b>9,608</b>  | <b>16,508</b> |
| Interest income          | 649          | 6,446        | -356         | 1,841         | 1,805         |
| Interest expense         | 1,036        | 1,412        | 1,354        | 328           | 328           |
| Exceptional items        | 0            | 0            | 895          | 0             | 0             |
| <b>Profit before tax</b> | <b>6,510</b> | <b>9,985</b> | <b>6,303</b> | <b>11,121</b> | <b>17,985</b> |
| Taxes                    | 1,505        | 2,120        | 1,280        | 2,335         | 3,777         |
| Minorities and other     | 50           | 122          | 61           | 129           | 212           |
| <b>Net profit</b>        | <b>4,955</b> | <b>7,742</b> | <b>4,962</b> | <b>8,656</b>  | <b>13,996</b> |

Impact on overall revenues would not be not significant if the company can resolve the issue in couple of quarters

### Cashflow summary (Rs m)

| Y/e 31 Dec                | CY06A          | CY07A        | CY08ii        | CY09ii       | CY10ii       |
|---------------------------|----------------|--------------|---------------|--------------|--------------|
| Profit before tax         | 6,510          | 9,985        | 6,303         | 11,121       | 17,985       |
| Depr. & amortization      | 1,843          | 2,183        | 2,652         | 2,727        | 2,781        |
| Tax paid                  | -695           | 1,411        | 1,280         | 2,335        | 3,777        |
| Working capital Δ         | -4,492         | 802          | -1,915        | -4,363       | -7,307       |
| Other operating items     | 727            | -1,336       | 815           | -1,513       | -1,477       |
| Operating cashflow        | 5,283          | 10,223       | 6,575         | 5,637        | 8,205        |
| Capital expenditure       | -19,993        | -8,385       | -5,245        | -3,500       | -3,750       |
| <b>Free cash flow</b>     | <b>-14,709</b> | <b>1,838</b> | <b>1,330</b>  | <b>2,137</b> | <b>4,455</b> |
| Equity raised             | 63             | 92           | 34,092        | 0            | 0            |
| Investments               | 16             | 0            | 0             | 0            | 0            |
| Debt financing/disposal   | 19,544         | 4,333        | -19,968       | 0            | 0            |
| Dividends paid            | -3,611         | -3,642       | -3,711        | -4,012       | -4,175       |
| Other items               | -822           | -1,199       | -1,710        | 1,513        | 1,477        |
| <b>Net change in cash</b> | <b>481</b>     | <b>1,424</b> | <b>10,033</b> | <b>-363</b>  | <b>1,757</b> |

Issue of preferential equity to Daiichi Sankyo will bring in significant cash in CY08

Source: Company data, IIFL Research

### Balance sheet summary (Rs m)

| Y/e 31 Dec                      | CY06A         | CY07A         | CY08ii         | CY09ii         | CY10ii         |
|---------------------------------|---------------|---------------|----------------|----------------|----------------|
| Cash & equivalents              | 2,955         | 4,379         | 14,412         | 14,049         | 15,806         |
| Sundry debtors                  | 15,716        | 14,931        | 15,944         | 19,398         | 24,272         |
| Inventories - trade             | 16,116        | 16,409        | 17,394         | 21,162         | 26,478         |
| Other current assets            | 6,321         | 9,042         | 9,588          | 11,315         | 13,752         |
| <b>Fixed assets</b>             | <b>42,534</b> | <b>45,619</b> | <b>47,267</b>  | <b>48,041</b>  | <b>49,010</b>  |
| Intangible assets               | 0             | 0             | 0              | 0              | 0              |
| Other term assets               | 358           | 2,403         | 4,243          | 4,243          | 4,243          |
| <b>Total assets</b>             | <b>84,001</b> | <b>92,782</b> | <b>108,848</b> | <b>118,208</b> | <b>133,560</b> |
| Sundry creditors                | 17,597        | 21,327        | 21,957         | 26,544         | 31,863         |
| Long-term debt/CBs              | 39,556        | 41,416        | 21,447         | 21,447         | 21,447         |
| Other long-term liabs           | 655           | 1,434         | 1,434          | 1,434          | 1,434          |
| Minorities/other equity         | 334           | 571           | 631            | 761            | 973            |
| <b>Net worth</b>                | <b>25,859</b> | <b>28,034</b> | <b>63,377</b>  | <b>68,021</b>  | <b>77,843</b>  |
| <b>Total liabs &amp; equity</b> | <b>84,001</b> | <b>92,782</b> | <b>108,848</b> | <b>118,208</b> | <b>133,560</b> |

Debt will come down significantly after Daiichi deal is consummated

### Ratio analysis

| Y/e 31 Dec             | CY06A | CY07A | CY08ii | CY09ii | CY10ii |
|------------------------|-------|-------|--------|--------|--------|
| Revenue growth (%)     | 16.2  | 10.5  | 6.9    | 21.7   | 25.1   |
| Op Ebitda growth (%)   | 180.9 | -18.4 | 36.5   | 26.7   | 56.4   |
| Op Ebit growth (%)     | 313.9 | -28.2 | 43.2   | 35.5   | 71.8   |
| Op Ebitda margin (%)   | 14.2  | 10.5  | 13.4   | 14.0   | 17.5   |
| Op Ebit margin (%)     | 11.2  | 7.3   | 9.8    | 10.9   | 15.0   |
| Net profit margin (%)  | 8.1   | 11.4  | 5.6    | 9.8    | 12.7   |
| Dividend payout (%)    | 64.0  | 41.0  | 69.1   | 41.2   | 51.1   |
| Tax rate (%)           | 23.1  | 21.2  | 20.3   | 21.0   | 21.0   |
| Net debt/equity (%)    | 141.5 | 132.1 | 33.8   | 31.5   | 27.6   |
| Net debt/op Ebitda (x) | 4.2   | 5.2   | 2.2    | 1.7    | 1.1    |
| Return on equity (%)   | 19.2  | 27.6  | 7.8    | 12.7   | 18.0   |

Exclusivity opportunities will keep revenue growth buoyant in CY09 and CY10

Source: Company data, IIFL Research



## Insider Trading

| Company                       | Name of Acquirer / Seller           | Transaction Date        | Buy /Sale | Quantity  | Price (Rs) | Deal Size (Rs m) | Shares Transaction (%) | Holding after Transaction (%) |
|-------------------------------|-------------------------------------|-------------------------|-----------|-----------|------------|------------------|------------------------|-------------------------------|
| Asian Oilfield Services Ltd   | Consolidated Securities Ltd         | 08/08/2008              | Sell      | 600,000   | 150.0      | 90               | 5.5                    | 14.0                          |
| Asian Oilfield Services Ltd   | Consolidated Securities Ltd         | 11/07/2008              | Buy       | 370,000   | 124.0      | 46               | 3.4                    | 19.6                          |
| Asian Oilfield Services Ltd   | Consolidated Securities Ltd         | 11/09/2008              | Buy       | 280,000   | 110.0      | 31               | 2.5                    | 13.3                          |
| Indusvista Ventrues Ltd       | Ram K Piparaiya                     | 16/09/2008              | Sell      | 1,594,295 | 25.4       | 40               | 44.7                   | -                             |
| Indusvista Ventrues Ltd       | Aridhi Investment Consultants P Ltd | 16/09/2008              | Sell      | 485,000   | 25.4       | 12               | 13.6                   | -                             |
| SEL Manufacturing Company Ltd | Nirmal Kotecha                      | 05/09/2008 - 10/09/2008 | Sell      | 1,109,955 | 230.0      | 255              | 7.3                    | 3.3                           |
| SEL Manufacturing Company Ltd | Nirmal Kotecha                      | 27/08/2008              | Buy       | 350,000   | 281.0      | 98               | 2.3                    | -                             |

Deal Size worth more than Rs10m considered

## BSE/ NSE - Bulk Deals

| Company                   | Name of Acquirer / Seller                                       | Transaction Date | Buy /Sale | Quantity  | Price (Rs) | Deal Size (Rs m) |
|---------------------------|-----------------------------------------------------------------|------------------|-----------|-----------|------------|------------------|
| 3M India Ltd              | Allard Growth Fund                                              | 18/09/2008       | Buy       | 96,116    | 1,485.0    | 143              |
| 3M India Ltd              | Citigroup Global Markets Mauritius Pvt Ltd                      | 18/09/2008       | Sell      | 126,518   | 1,485.0    | 188              |
| Adhunik Met               | Deutsche Securities Mauritius Limited                           | 18/09/2008       | Buy       | 604,889   | 69.5       | 42               |
| Adhunik Met               | Morgan Stanley Mauritius Company Limited                        | 18/09/2008       | Sell      | 606,533   | 69.5       | 42               |
| Anant Raj Industries Limi | Goldman Sachs Investments Mauritius I Ltd                       | 18/09/2008       | Sell      | 2,057,099 | 103.0      | 212              |
| Aptech Limited            | Credit Suisse (Singapore) Limited A/C Credit Suisse (Singapore) | 18/09/2008       | Buy       | 327,436   | 175.1      | 57               |
| Aptech Limited            | Morgan Stanley Mauritius Company Ltd                            | 18/09/2008       | Sell      | 310,000   | 173.5      | 54               |
| Asian Elect               | J P M S L Ac Copthall Mauritius Investment Ltd                  | 18/09/2008       | Buy       | 710,302   | 65.5       | 46               |
| Asian Elect               | Morgan Stanley Mauritius Company Limited                        | 18/09/2008       | Sell      | 710,302   | 65.5       | 46               |
| Automo Cor G              | Za Capital Llp Ac Zaimf Mauritius Limited                       | 18/09/2008       | Buy       | 168,822   | 220.0      | 37               |
| Automo Cor G              | Goldman Sachs Investment Mauritius Ltd Ac Short Term            | 18/09/2008       | Sell      | 168,822   | 220.0      | 37               |
| CMC Ltd                   | Za Capital Llp Ac Zaimf Mauritius Limited                       | 18/09/2008       | Buy       | 183,015   | 493.5      | 90               |
| CMC Ltd                   | Goldman Sachs Investment Mauritius Ltd Ac Short Term            | 18/09/2008       | Sell      | 183,015   | 493.5      | 90               |
| Denso India               | Allard Growth Fund                                              | 18/09/2008       | Buy       | 212,631   | 58.0       | 12               |



## BSE/ NSE - Bulk Deals

| Company                    | Name of Acquirer / Seller                          | Transaction Date | Buy /Sale | Quantity  | Price (Rs) | Deal Size (Rs m) |
|----------------------------|----------------------------------------------------|------------------|-----------|-----------|------------|------------------|
| Denso India                | Gordon E And Betty I Moore Foundation              | 18/09/2008       | Buy       | 127,900   | 57.5       | 7                |
| Denso India                | Allard Growth Fund                                 | 18/09/2008       | Buy       | 952,606   | 57.5       | 55               |
| Denso India                | Vittoria Fund A LP                                 | 18/09/2008       | Buy       | 253,550   | 57.5       | 15               |
| Denso India                | Citigroup Global Markets Mauritius Pvt Ltd         | 18/09/2008       | Sell      | 281,441   | 58.0       | 16               |
| Denso India                | CLSA Mauritius Limited                             | 18/09/2008       | Sell      | 1,334,056 | 57.5       | 77               |
| Ds Kulkarni                | Deutsche Securities Mauritius Limited              | 18/09/2008       | Buy       | 856,581   | 68.5       | 59               |
| Ds Kulkarni                | Morgan Stanley Mauritius Company Limited           | 18/09/2008       | Sell      | 856,581   | 68.5       | 59               |
| Electrosteel Castings Ltd. | Trafelet Co UK LLC Ac Delta Fund Management Ltd    | 18/09/2008       | Buy       | 3,131,000 | 25.6       | 80               |
| Electrosteel Castings Ltd. | Morgan Stanley Mauritius Company Limited           | 18/09/2008       | Sell      | 3,205,500 | 25.6       | 82               |
| Ganesh Hou C               | Wellington Management Company LLP                  | 18/09/2008       | Buy       | 955,202   | 153.0      | 146              |
| Ganesh Hou C               | Morgan Stanley Mauritius Company Limited           | 18/09/2008       | Sell      | 1,105,202 | 153.1      | 169              |
| Goldstone Tech Ltd.        | Goldman Sachs Investments Mauritius I Ltd          | 18/09/2008       | Buy       | 253,316   | 114.3      | 29               |
| Goldstone Tech Ltd.        | Merrill Lynch Capital Markets Espana S.A. SVB      | 18/09/2008       | Sell      | 253,316   | 114.3      | 29               |
| Gremac Infra               | Goldman Sachs Investments Mauritius I Ltd          | 18/09/2008       | Buy       | 395,000   | 58.0       | 23               |
| Gremac Infra               | Merrill Lynch Capital Markets Espana S.A. S.V.     | 18/09/2008       | Sell      | 395,000   | 58.0       | 23               |
| Gtl Limited                | Morgan Stanley Mauritius Company Limited           | 18/09/2008       | Sell      | 634,471   | 180.8      | 115              |
| Hindus Const               | Wellington Management Co L L P                     | 18/09/2008       | Buy       | 1,223,348 | 79.6       | 97               |
| Hindus Const               | J P M S L Ac Copthall Mauritius Investment Ltd     | 18/09/2008       | Sell      | 1,223,348 | 79.6       | 97               |
| ICSA (India) Limited       | Deutsche Securities Mauritius Limited              | 18/09/2008       | Buy       | 1,075,000 | 269.5      | 290              |
| ICSA (India) Limited       | Goldman Sachs Investments Mauritius I Ltd          | 18/09/2008       | Sell      | 1,075,000 | 269.5      | 290              |
| IFCI Ltd.                  | Citigroup Global Mkts Mauritius Pvt Ltd- Sell Code | 18/09/2008       | Sell      | 6,215,633 | 37.6       | 234              |
| Indiabulls Real Estate Li  | Goldman Sachs Investments Mauritius I Ltd          | 18/09/2008       | Sell      | 1,724,344 | 190.8      | 329              |
| Indra Gas                  | Allard Growth Fund                                 | 18/09/2008       | Buy       | 2,233,162 | 114.4      | 255              |
| Indra Gas                  | CLSA Mauritius Limited                             | 18/09/2008       | Sell      | 3,134,012 | 114.4      | 358              |
| Jai Corp Limited           | Deutsche Securities Mauritius Limited              | 18/09/2008       | Buy       | 4,415,770 | 261.6      | 1,155            |
| Jai Corp Limited           | Morgan Stanley Mauritius Company Ltd               | 18/09/2008       | Sell      | 4,415,770 | 261.6      | 1,155            |
| Jaiprakash Associates Lim  | Morgan Stanley Mauritius Company Ltd               | 18/09/2008       | Sell      | 8,055,110 | 124.1      | 1,000            |
| JM Financial Limited       | Deutsche Securities Mauritius Limited              | 18/09/2008       | Buy       | 1,629,125 | 50.5       | 82               |
| JM Financial Limited       | Morgan Stanley Mauritius Company Ltd               | 18/09/2008       | Sell      | 1,629,125 | 50.5       | 82               |
| JMC Project                | Wellington Management Company Llp                  | 18/09/2008       | Buy       | 274,431   | 143.0      | 39               |

## BSE/ NSE - Bulk Deals

| Company                  | Name of Acquirer / Seller                            | Transaction Date | Buy /Sale | Quantity  | Price (Rs) | Deal Size (Rs m) |
|--------------------------|------------------------------------------------------|------------------|-----------|-----------|------------|------------------|
| JMC Project              | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 274,431   | 143.0      | 39               |
| K S Oils Ltd             | Deutsche Securities Mauritius Limited                | 18/09/2008       | Buy       | 7,035,960 | 56.1       | 394              |
| K S Oils Ltd             | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Buy       | 1,950,910 | 52.0       | 101              |
| K S Oils Ltd             | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 9,100,428 | 55.2       | 502              |
| Lakshmi Over             | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 2,566,183 | 275.0      | 706              |
| Madras Cemnt             | Za Capital Llp Ac Zaimf Mauritius Limited            | 18/09/2008       | Buy       | 173,589   | 2,530.0    | 439              |
| Madras Cemnt             | Goldman Sachs Investment Mauritius Ltd Ac Short Term | 18/09/2008       | Sell      | 173,589   | 2,530.0    | 439              |
| Megasoft Ltd             | Deutsche Securities Mauritius Limited                | 18/09/2008       | Buy       | 1,751,086 | 55.5       | 97               |
| Megasoft Ltd             | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 1,751,086 | 55.5       | 97               |
| Mercator Lines Limited   | Cresta Fund Ltd. Deutsche Bank                       | 18/09/2008       | Buy       | 1,600,000 | 55.7       | 89               |
| Mercator Lines Limited   | Mavi Investment Fund                                 | 18/09/2008       | Sell      | 1,600,000 | 55.7       | 89               |
| MIC Elect                | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 2,399,820 | 99.8       | 240              |
| Monne Ispat              | Wellington Management Co LLP                         | 18/09/2008       | Buy       | 811,946   | 430.0      | 349              |
| Naga Fert Ch             | Trafelet Co UK LLC Ac Delta Fund Management Ltd      | 18/09/2008       | Buy       | 3,500,000 | 29.3       | 103              |
| Naga Fert Ch             | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 3,174,500 | 29.3       | 93               |
| NIIT Limited             | Citigroup Global Markets Mauritius Private Limited   | 18/09/2008       | Buy       | 1,708,559 | 59.7       | 102              |
| NIIT Limited             | Morgan Stanley Mauritius Company Ltd                 | 18/09/2008       | Sell      | 2,302,106 | 59.3       | 137              |
| ORG Informat             | Deutsche Securities Mauritius Limited                | 18/09/2008       | Buy       | 770,179   | 24.8       | 19               |
| ORG Informat             | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 770,179   | 24.8       | 19               |
| Paramo Commu             | Deutsche Securities Mauritius Limited                | 18/09/2008       | Buy       | 5,040,175 | 15.5       | 78               |
| Paramo Commu             | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 5,040,175 | 15.5       | 78               |
| Prajay Eng S             | Wellington Management Company LLP                    | 18/09/2008       | Buy       | 300,000   | 47.2       | 14               |
| Prajay Eng S             | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 300,000   | 47.2       | 14               |
| Prakash Industries Ltd.  | Deutsche Securities Mauritius Limited                | 18/09/2008       | Buy       | 2,550,000 | 115.0      | 293              |
| Prakash Industries Ltd.  | Morgan Stanley Mauritius Company Ltd                 | 18/09/2008       | Sell      | 2,567,500 | 115.0      | 295              |
| PSL Limited              | Swiss Finance Corp Mauritius Ltd                     | 18/09/2008       | Buy       | 671,000   | 280.0      | 188              |
| PSL Limited              | Goldman Sachs Investments Mauritius I Ltd            | 18/09/2008       | Sell      | 579,889   | 280.0      | 162              |
| PTC India                | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 1,449,612 | 65.5       | 95               |
| Reliance Capital Limited | Deutsche Securities Mauritius Limited                | 18/09/2008       | Buy       | 2,792,887 | 1,057.4    | 2,953            |
| Reliance Capital Limited | Morgan Stanley Mauritius Company Ltd                 | 18/09/2008       | Buy       | 206,613   | 1,048.9    | 217              |

## BSE/ NSE - Bulk Deals

| Company                   | Name of Acquirer / Seller                            | Transaction Date | Buy /Sale | Quantity   | Price (Rs) | Deal Size (Rs m) |
|---------------------------|------------------------------------------------------|------------------|-----------|------------|------------|------------------|
| Reliance Capital Limited  | Morgan Stanley Mauritius Company Ltd                 | 18/09/2008       | Sell      | 2,737,427  | 1,057.5    | 2,895            |
| Rolta Ind                 | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 1,989,898  | 249.5      | 496              |
| Ruchi Soya                | Deutsche Securities Mauritius Limited                | 18/09/2008       | Buy       | 4,790,186  | 76.6       | 367              |
| Ruchi Soya                | Goldman Sachs Investments Mauritius I Ltd            | 18/09/2008       | Sell      | 2,202,641  | 76.6       | 169              |
| Ruchi Soya                | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 2,587,545  | 76.6       | 198              |
| S. Kumars Nat             | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 13,194,126 | 54.7       | 721              |
| Sical Log                 | Indea Long Term Opportunities Master Fund            | 18/09/2008       | Buy       | 1,013,673  | 68.5       | 69               |
| Sical Log                 | Macquarie Bank Limited                               | 18/09/2008       | Sell      | 1,013,673  | 68.5       | 69               |
| Sical Logistics Limited   | Indea Absolute Return Fund                           | 18/09/2008       | Buy       | 1,013,000  | 68.5       | 69               |
| Sical Logistics Limited   | Macquarie Bank Limited                               | 18/09/2008       | Sell      | 1,013,000  | 68.5       | 69               |
| SREI Infra                | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 766,224    | 85.0       | 65               |
| SRF Limited*              | Za Capital Llp Ac Zaimf Mauritius Limited            | 18/09/2008       | Buy       | 801,719    | 116.8      | 94               |
| SRF Limited*              | Goldman Sachs Investment Mauritius Ltd Ac Short Term | 18/09/2008       | Sell      | 801,719    | 116.8      | 94               |
| Steel Strips Wheels Limit | Goldman Sachs Investments MauritiusI Ltd             | 18/09/2008       | Buy       | 380,526    | 101.0      | 38               |
| Steel Strips Wheels Limit | Merrill Lynch Capital Markets Espana S.A. Svb        | 18/09/2008       | Sell      | 380,526    | 101.0      | 38               |
| Ster Tech                 | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 484,612    | 153.5      | 74               |
| Sujanatower               | Deutsche Securities Mauritius Limited                | 18/09/2008       | Buy       | 1,500,000  | 46.3       | 69               |
| Sujanatower               | Swiss Finance Corp Mauritius Ltd                     | 18/09/2008       | Buy       | 521,000    | 48.9       | 25               |
| Sujanatower               | Citigroup Global Markets Mauritius Pvt Ltd           | 18/09/2008       | Sell      | 521,000    | 48.0       | 25               |
| Sujanatower               | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 709,943    | 46.3       | 33               |
| Sujanatower               | Morgan Stanley Investments Mauritius Limited         | 18/09/2008       | Sell      | 790,057    | 46.3       | 37               |
| Suzlon Energy Limited     | J P M S L A/C Copthall Mauritius Investment Ltd      | 18/09/2008       | Buy       | 15,551,945 | 195.2      | 3,036            |
| Suzlon Energy Limited     | Morgan Stanley Mauritius Company Ltd                 | 18/09/2008       | Buy       | 33,489     | 198.1      | 7                |
| Suzlon Energy Limited     | Morgan Stanley Mauritius Company Ltd                 | 18/09/2008       | Sell      | 13,029,945 | 194.0      | 2,528            |
| Tulip Tele                | Swiss Finance Corp Mauritius Ltd                     | 18/09/2008       | Buy       | 343,077    | 943.0      | 324              |
| Tulip Tele                | Merrill Lynch Capital Markets Espana S.A. S.V.       | 18/09/2008       | Sell      | 343,000    | 943.0      | 323              |
| Usha Martin               | Deutsche Securities Mauritius Limited                | 18/09/2008       | Buy       | 5,365,185  | 59.0       | 317              |
| Usha Martin               | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 5,365,185  | 59.0       | 317              |
| Visesh Infot              | BNP Paribas Arbitrage GDR                            | 18/09/2008       | Sell      | 620,000    | 14.3       | 9                |
| Voltas Ltd                | Morgan Stanley Mauritius Company Limited             | 18/09/2008       | Sell      | 1,816,780  | 115.7      | 210              |

## Events calendar – September 2008

| Monday                                    | Tuesday       | Wednesday     | Thursday                  | Friday             | Saturday |
|-------------------------------------------|---------------|---------------|---------------------------|--------------------|----------|
| 1 Jul Imports ↑ 48%<br>July Exports ↑ 31% | 2             | 3             | 4 WPI for 23 Aug — 12.3%  | 5                  | 6        |
| 8                                         | 9             | 10 SAIL       | 11 WPI for 30 Aug — 12.1% | 12 July IIP ↑ 7.1% | 13       |
| 15                                        | 16            | 17            | 18 WPI for 6 Sep          | 19                 | 20       |
| 22                                        | 23            | 24            | 25 WPI for 13 Sep         | 26                 | 27       |
| 29 Idea Cellular                          | 30 1QFY09 BoP | HDFC – 17 Oct |                           |                    |          |

Blue: Economic data, Orange: AGM

## Events

|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Oct-08     | <ul style="list-style-type: none"> <li>• <b>JSW</b> – Capacity expansion to 6.8mtpa</li> <li>• <b>HSM</b> modernization – 2.5mtpa to 3.2mtpa</li> <li>• Bar and Rod mill 1.5mtpa</li> <li>• <b>Concor</b> - Container traffic data for month of September at major ports</li> <li>• <b>Tata Motors</b> - Launch of the eagerly awaited Nano.</li> <li>• <b>Tata Motors</b> - Rights issue of Rs52bn in two tranches 1) Rights issue in ratio of 1:6 at Rs340 per share 2) Rights issue in ratio of 1:6 at Rs305 per share, differential shares with lower voting rights and higher dividend</li> <li>• <b>Maruti</b> - A-star launch</li> </ul> |
|            | <ul style="list-style-type: none"> <li>• US Presidential elections</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Dec 08     | <ul style="list-style-type: none"> <li>• <b>Sun Pharma</b> - Israeli supreme court decision on enforceability of special tender offer rule in Taro acquisition</li> <li>• <b>Nalco</b> – Phased commissioning of 2<sup>nd</sup> phase expansion</li> <li>• Increase alumina capacity from 1.57mtpa to 2.1mtpa</li> <li>• Increase aluminium capacity from 345ktpa to 460ktpa</li> <li>• Increase power capacity from 960MW to 1200MW</li> </ul>                                                                                                                                                                                                 |
| Oct-Dec 08 | <ul style="list-style-type: none"> <li>• <b>Jubilant Organosys</b> - generic sestamibi approval by US FDA</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Nov-Dec 08 | <ul style="list-style-type: none"> <li>• <b>Dr Reddy's Labs</b> - Imitrex authorized generic launch in US</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Oct-Dec 08 | <ul style="list-style-type: none"> <li>• Indus Tower expected to get towers from three shareholders <b>Bharti, Vodafone and Idea</b></li> <li>• 3G auctions expected to be held</li> <li>• <b>Grasim's</b> Shambupura 4.5mtpa cement plant to start commercial prod.</li> <li>• Commercial production from <b>RIL</b> KG D-6 starts</li> <li>• Commercialisation of <b>RPL</b> refinery</li> <li>• <b>Unitech</b> - Dilution of stake in its telecom subsidiary</li> <li>• <b>Madras Cements</b> 2mtpa cement plant at Ariyalur to start Prod.</li> </ul>                                                                                       |

|            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Jan-Mar 09 | <ul style="list-style-type: none"> <li>• <b>RCOM</b> expected to launch GSM services nationwide</li> <li>• <b>Grasim's</b> Kotputli 4.4 mtpa expansion to commence prod.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                    |
| Apr-Jun 09 | <ul style="list-style-type: none"> <li>• India's national elections</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Oct-Mar 09 | <ul style="list-style-type: none"> <li>• <b>DLF</b> - Buy back of shares- upto Rs 11bn &amp; cap price at Rs600/share</li> <li>• <b>DLF</b> - Capital raising by DAL</li> <li>• <b>Sobha</b> - Right issue upto Rs3.5bn</li> <li>• <b>Sintex</b> - Announcement of new international acquisition in composite segment</li> <li>• <b>Arshiya International</b> - Capital raising to fund its FTWZ &amp; Rail business</li> <li>• <b>Puravankara Projects</b> - Capital raising by its subsidiary Provident Housing &amp; Infrastructure Ltd to fund its mass housing project</li> </ul> |
| Oct-Dec 09 | <ul style="list-style-type: none"> <li>• <b>BHEL</b> Capacity goes up from 10 GW to 15 GW</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |



## Key to our recommendation structure

**BUY** - Absolute - Stock expected to give a positive return of over 20% over a 1-year horizon.

**SELL** - Absolute - Stock expected to fall by more than 10% over a 1-year horizon.

In addition, **Add** and **Reduce** recommendations are based on expected returns relative to a hurdle rate. Investment horizon for **Add** and **Reduce** recommendations is up to a year. We assume the current hurdle rate at 10%, this being the average return on a debt instrument available for investment.

**Add** - Stock expected to give a return of 0-10% over the hurdle rate, ie a positive return of 10%+.

**Reduce** - Stock expected to return less than the hurdle rate, ie return of less than 10%.

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