Morgan Stanley

MORGAN STANLEY RESEARCH
ASIA/PACIFIC

Morgan Stanley India Company Private Limited+

Akshay Soni
Akshay.Soni@morganstanley.com
+91 22 2209 7151

Arunabh Chaudhari

December 4, 2008

Stock Rating
Equal-weight

Industry View
In-Line

BHEL

Strong Balance Sheet and Near-Term Growth Balanced by Premium Valuations

What's Changed	
Price Target	**Rs2,071.00 to Rs1,315.00**
F2009 EPS	**From Rs94.99 to Rs70.17**
F2010 EPS	**From Rs113.44 to Rs91.86**

Investment conclusion: We reiterate our EW rating on the company, as we believe that the strong near term is negated by the weak long-term story and premium valuations. We lower our EPS estimates for F2009 and F2010 by 26% and 19%, respectively, to account for the slower-than-expected execution despite the massive capacity expansion in April 2008. Our EPS downgrade and a rising cost of capital results in our target price moving down 38% to Rs1,315, implying a 4% return.

Why We Are Not Constructive Despite the Fall: While BHEL's stock price has fallen 55% over the last 12 months, it has performed in line with the market, and still trades at a massive 62% premium to the broad market on F2010 P/E. BHEL continues to be the most expensive stock in the MS industrials coverage universe, trading at a 25-60% premium to its international peers. We also believe that significant pressure from emerging local competition on market share in the longer term will result in margin compression, also compressing the valuation premium.

Low Risk Keeps Us from an UW Rating Despite the Issues: In the short to medium term, however, there is low risk on both P&L and balance sheet. We believe that earnings growth will be relatively strong in the medium term (25% CAGR over F2008-11E), helped by both the order book and the reduction in Chinese competition (due to the depreciation in the currency). BHEL's F2008 net cash position of 14% of its market cap and the ability to fund its capacity expansion without taking on any debt over F2008-11E also create a stand-out balance sheet in the current credit-crunched environment.

Key Ratios and Statistics

Reuters: BHEL.BO Bloomberg: BHEL IN
India Capital Goods

Price target	Rs1,315.00
Upside to price target (%)	4
Shr price, close (Dec 3, 2008)	Rs1,269.80
52-Week Range	Rs2,870.00-984.10
Sh out, dil, curr (mn)	490
Mkt cap, curr (mn)	Rs621,592
EV, curr (mn)	Rs538,601
Avg daily trading volume (mn)	Rs679

Fiscal Year ending	**03/07**	**03/08**	**03/09e**	**03/10e**
ModelWare EPS (Rs)	49.61	58.66	70.17	91.86
Prior ModelWare EPS (Rs)	-	-	94.99	113.44
Consensus EPS (Rs)§	49.40	59.07	70.49	93.25
Revenue, net (Rs mn)	173,933	198,973	261,706	335,879
EBITDA (Rs mn)	36,051	37,414	45,104	62,386
ModelWare net inc (Rs mn)	24,287	28,717	34,350	44,969
P/E	22.8	35.1	18.1	13.8
P/BV	6.3	9.3	4.7	3.8
RNOA (%)	57.4	65.6	102.9	53.6
ROE (%)	33.3	32.7	31.9	34.2
EV/EBITDA	13.8	24.7	12.3	9.1
Div yld (%)	1.1	0.7	1.5	1.9
FCF yld ratio (%)	5.6	3.4	(0.8)	(0.1)
Leverage (EOP) (%)	(65.2)	(77.0)	(51.1)	(32.6)

Unless otherwise noted, all metrics are based on Morgan Stanley ModelWare framework (please see explanation later in this note).
§ = Consensus data is provided by FactSet Estimates.
e = Morgan Stanley Research estimates

Financial Summary

Profit & Loss Statement

Rs Mn,March End	F2007	F2008	F2009E	F2010E	F2011E
Net Sales	170,435	193,046	256,977	330,385	394,899
Other Operating Income	3,498	5,927	4,729	5,494	6,483
Total Income	**173,933**	**198,973**	**261,706**	**335,879**	**401,382**
Total Expenses	**137,882**	**161,559**	**216,602**	**273,493**	**328,364**
Raw Materials	83,532	97,439	130,166	166,690	200,225
Personnel	23,690	26,077	36,922	40,233	48,585
E&E expenses	16,205	14,202	18,679	24,309	29,050
Other Expenses	14,456	23,842	30,835	42,261	50,503
Operating Profit	**36,051**	**37,414**	**45,104**	**62,386**	**73,019**
Non Operating Income	4,468	10,225	11,717	12,392	14,064
Depreciation	2,730	2,972	3,314	4,788	6,458
Interest	433	354	501	598	646
PBT	**37,356**	**44,313**	**53,006**	**69,391**	**79,979**
Tax	13,069	15,596	18,655	24,422	28,149
Net Profit	**24,287**	**28,717**	**34,350**	**44,969**	**51,830**
Extraordinary Items	(140)	(124)	-	-	-
Reported PAT	**24,147**	**28,594**	**34,350**	**44,969**	**51,830**

E=Morgan Stanley Research estimates
Source: Company data, Morgan Stanley Research

Balance Sheet

Rs Mn,March End	F2007	F2008	F2009E	F2010E	F2011E
Share Capital	2,448	4,895	4,895	4,895	4,895
Reserves & Surplus	85,435	102,847	126,705	157,938	193,937
Share Holders Funds	**87,883**	**107,742**	**131,600**	**162,833**	**198,832**
Secured Loans	-	-	-	-	-
Unsecured Loans	893	952	952	41	41
Total Debt	**893**	**952**	**952**	**41**	**41**
Total Liabilities	**88,776**	**108,694**	**132552**	**162874**	**198873**
Gross Block	40,594	43,405	49,985	87,485	99,985
Accumlated Depreciation	30,777	33,433	36,536	41,105	47,335
Net Block	**9,817**	**9,972**	**13,449**	**46,380**	**52,650**
Other Fixed Assets	3,096	6,421	24,705	12,061	24,408
Investments	**83**	**83**	**83**	**83**	**83**
Cash & Bank	**58,089**	**83,860**	**68,110**	**53,112**	**61,330**
Current Assets	152,541	193,187	274,689	363,046	433,931
Receivables	96,958	119,749	165,606	222,852	266,367
Inventories	42,177	57,364	87,224	112,140	134,037
Other Current Assets	13,406	16,074	21,859	28,055	33,526
Current Liabilities	144,201	198,208	266,682	336,314	405,306
Net Current Assets	**8,340**	**(5,021)**	**8,007**	**26,732**	**28,624**
Deferred Tax Asset	9,352	13,379	18,198	24,506	31,777
Total Assets	**88,776**	**108,694**	**132,552**	**162,874**	**198,873**

E=Morgan Stanley Research estimates
Source: Company data, Morgan Stanley Research

Cash Flow Statement

Rs Mn,March End	F2007	F2008	F2009E	F2010E	F2011E
CASH FLOW FROM OPERATIONS					
Reported Net Profit	24,147	28,594	34,350	44,969	51,830
Depreciation	2,730	2,972	3,314	4,788	6,458
Deferred Tax	(2,614)	(4,028)	(4,819)	(6,308)	(7,271)
Sub total	24,262	27,538	32,845	43,449	51,017
Chng in N. Work. Capital	10,429	13,361	(13,028)	(18,725)	(1,893)
Total	34,691	40,899	19,817	24,724	49,125
CASH FLOW FROM INVESTING					
Chng of F. Assets	(3,974)	(6,452)	(25,075)	(25,075)	(25,075)
Chng of Invest.	-	0	-	-	-
Total	(3,974)	(6,452)	(25,075)	(25,075)	(25,075)
CASH FLOW FROM FINANCING					
Chng of Debt	(4,689)	59	-	(911)	-
Dividends	(6,925)	(8,734)	(10,492)	(13,736)	(15,832)
Total	(13,968)	(8,676)	(10,492)	(14,646)	(15,832)
Net change in cash	16,749	25,771	(15,750)	(14,998)	8,218

E = Morgan Stanley Research estimates
Source: Company data, Morgan Stanley Research

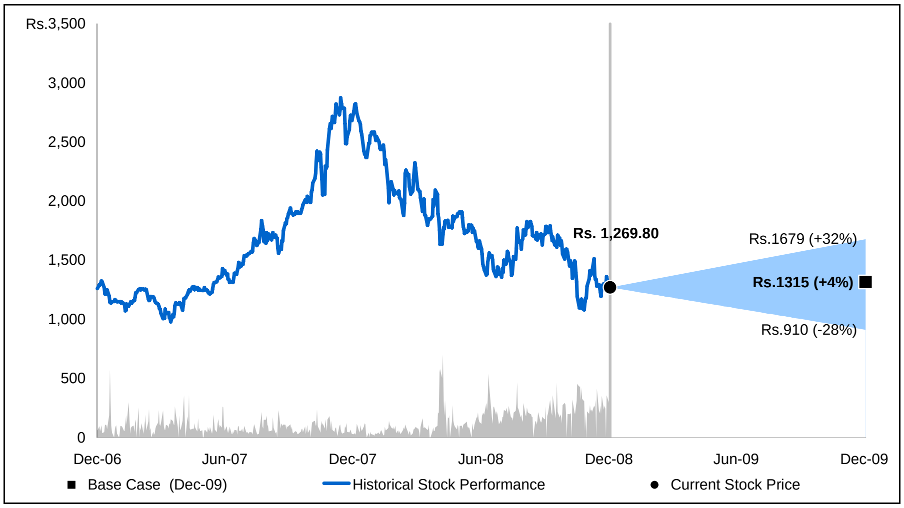
Key Financial Ratios

Per Share	F2007	F2008	F2009E	F2010E	F2011E
EPS	49.6	58.7	70.2	91.9	105.9
CEPS	55.2	64.7	76.9	101.6	119.1
Book Value	179.5	220.1	268.8	332.6	406.2
Dividend per share	12.2	15.3	18.8	24.6	28.4
Valuation					
P/E	22.8	23.9	20.0	15.3	13.3
P/CEPS	20.5	21.7	18.3	13.8	11.8
P/BV	6.3	6.4	5.2	4.2	3.5
EV/EBIDTA	13.8	16.2	13.8	10.2	8.6
Returns (%)					
EBIDTA Margin	20.7	18.8	17.2	18.6	18.2
ROCE	29.4	29.3	28.7	30.7	28.9
ROE	30.2	29.4	28.7	30.5	28.7
ROA	29.0	29.1	28.5	30.4	28.7
NPM	14.0	14.4	13.1	13.4	12.9
Dividend Yield	1.0	1.2	1.5	1.9	2.2
Others					
Debt/Equity	0.01	0.01	0.01	0.00	0.00
Net Debt/Equity	(0.65)	(0.77)	(0.51)	(0.33)	(0.31)

E=Morgan Stanley Research estimates
Source: Company data, Morgan Stanley Research

Risk-Reward Snapshot: BHEL (BHEL.BO, Rs1,270, EW, Price Target Rs1,315)

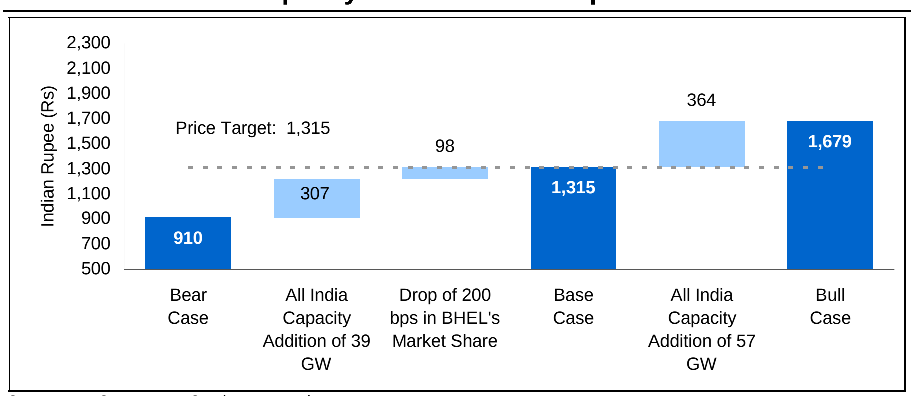
Risk-Reward View: Balanced Potential Outcomes Support Rating



Scenario Summaries

Price Target Rs1,315		Derived from Base-Case scenario.
Bull Case Rs1,679	16.8x Bull Case F2010e P/E	BHEL maintains its market share and the sector delivers 77% of the 78.5 GW targeted by the government for capacity addition in the 11th five-year plan, versus our base-case estimate of 62%.
Base Case Rs1,315	14.3x Base Case F2010e P/E	BHEL has constant market share and the sector delivers 62% of the 78.5 GW 11th five-year plan capacity addition target; 12% revenue CAGR over the next 25 years and a steady growth rate of 6% (long-term GDP growth rate) thereafter.
Bear Case Rs910	11.3x Bear Case F2009e P/E	The sector delivers only 50% of the government's target of 78.5GW capacity addition under the 11th five-year plan. BHEL loses 200bp in market share over F2008-10, given the international competitive bidding scenario and super critical units becoming the model for capacity addition.

From Bear to Bull: Capacity Additions Drive Upside



Source: FactSet, Morgan Stanley Research

Investment Thesis

- **Pre-eminent firm in India:** BHEL has supplied around 65% of India's installed capacity.
- **Adding capacity to meet demand**: From 10 GW currently, BHEL plans to increase capacity to 15 GW by end-2009 and 20 GW by end-2011.
- **Risk of monopoly disruption and demand supply mismatch**: Competition from cost-competitive foreign firms threatens margins, while local firms setting up manufacturing units pose a long-term threat. We believe that supply will outstrip demand in the Indian market over the next 2-3 years.
- **Valuations factor in strong growth:** Our price target factors in 20% revenue CAGR for F2008-18, versus 12% for F1998-2008. We assume stable margins in the short term and constant market share.

Key Value Drivers

- **Preferred supplier for government-owned projects:** About 90% of installed capacity is owned by government units, and we expect 84% of the capacity in the 11th five-year plan to come from government units.
- **Massive order book:** At Rs1040 bn of orders, revenue for the next 30 months appears to already be in the bag.

Potential Catalysts

- **Competition Coming through Faster:** If BHEL begins to lose market share to local competition faster than we have envisaged, there could be substantial downside to the stock.
- **Effective utilization of cash:** Increase in dividend payout or investing surplus cash in high-return projects could raise ROE and thus the company's value.

Investment Case

Summary & Conclusions

With the downtick in the stock over the last 12 months being in line with the market and BHEL remaining the most expensive in its peer set, we see little reason to be constructive on the stock based on the fall. While the stock has begun to come back closer to its long-term averages in terms of its earnings multiples, we remain focused on the relative multiples, which are still close to 15-year highs. The premium of 62% to the broad market (Sensex) on F2010 P/E multiple indicates an expectation of 16% CAGR over F2011-18E. We believe this is reasonable when viewed against the low electricity multiplier in India and the significant increase we expect in local competition in the medium term (over the next 3-4 years).

Despite the premium valuations and the increasing development of competition in the longer term, we reiterate our Equal-weight rating mainly due to the current environment. We believe that the near-term strength of both the balance sheet (F2008 cash at 77% of balance sheet and 17% of current market cap) and the P&L (driven by massive order book and upcoming downtick in material costs) is unmatched in the sector. When combined with its low-risk (government) customer base, BHEL is an exceptionally strong franchise in the current credit-crunched environment.

Given the slower-than-expected execution (despite the massive ramp up in capacity in April 2008), we have cut our sales estimates by 17% and 11% for F2009 and F2010, respectively. With the pay revision being higher than expected as well as an expansion in the rest of the cost base, we have also reduced our margin estimate by 390bps in F2009. Furthermore, while we expect a rebound in F2010 (based on lower material costs), the absolute number for F2010E still moves down 210 bps to 18.6%. Our EPS estimates for F2009 and F2010 move down by 26% and 19%, respectively, similar to the change in EBITDA, with the increase in other income (on the massive cash balance) negating the increased depreciation (given the massive increase in fixed assets).

PT Down to Rs1,315 on Earnings Downgrade

Given our EPS downgrade and a rising cost of capital (Exhibit 2), our target price moves down 38% to Rs1,315, implying a 4% return from current levels. Our target price indicates that given the strong near-term growth profile, the stock's P/E premium to its peer group and to the broad Indian market is sustainable. We continue to value BHEL using a residual income model, given our expectations of stability in the India capital goods sector over the medium term. Exhibit 6 highlights the sensitivity of our residual income model to our assumptions on COE and terminal growth.

Downside risks to our price target are a slowdown in capacity addition if political will on transmission and distribution reforms picks up, a greater-than-expected margin decline as competition drives pricing downwards, and a bigger-than-expected drop in market share as global and local peers (L&T) consolidate operations in India. Upside risks include a failure by global (mainly regional) peers to adapt to the requirements of the Indian market (high capacity utilisation), an increase in the pace of capacity build-up by the public sector (BHEL's main customer base), and a smaller/slower dip in margins than we estimate.

Exhibit 1

BHEL: Details of Change in Earnings Estimates

(in Rs Mn)	F2009E			F2010E		
	New Est	Old Est	% Change	New Est	Old Est	% Change
Revenues	261,706	314,735	-17%	335,728	378,771	-11%
EBITDA	45,104	66,412	-32%	62,340	78,304	-20%
Margin (%)	17.2	21.1	-3.9	18.6	20.7	-2.1
Net Profit	34,350	46,499	-26%	44,937	55,532	-19%

Source: Company data, Morgan Stanley Research

Exhibit 2

Cost of Equity

Risk Premium (%)	7.0
Risk Free Rate (%)	7.0
Beta	1.05
Cost of Equity (%)	14.4

Source: Company data, Morgan Stanley Research

Exhibit 3

TP Sensitivity

CoE / Terminal Growth (%)	5.0	6.0	7.0
13.4	1,518	1,603	1,709
14.4	1,262	**1,315**	1,379
15.4	1,066	1,099	1,138

Source: Company data, Morgan Stanley Research

Why We Are Not Constructive despite the Fall

With the downtick in the stock over the last 12 months being in line with the market and the company remaining the most expensive in its peer set, we see little reason to be constructive based on the stock's fall. While the stock's earnings multiples have begun to come back closer to its long-term averages, on a relative basis (which we believe is a better indicator), are still close to 15-year highs. The premium of 62% to the broad market (Sensex) on F2010 P/E multiple indicates an expectation of a 16% CAGR over F2011-18E. We believe this is reasonable when viewed against the low electricity multiplier in India and the significant increase we expect in local competition in the medium term (over the next 3-4 years).

Downtick over Last 12 Months in Line with Market
While the stock has dropped 56% over the last 12 months, its performance has been exactly in line with the broad market (Exhibit 5). While the stock has begun to come back closer to its long-term averages in terms of its earnings multiples (Exhibits 6-8), we believe that the relative multiples, which are still close to 15-year highs (Exhibits 9-11), present a better picture of the stock in the current valuation meltdown.

BHEL still trades at a 12-month forward relative EV/EBITDA multiple of around 1.6x and 12-month forward relative P/E multiple of 1.5x. Our implied growth analysis shows the premium is stretched, with the **current price implying an expectation of a 16% EPS CAGR for BHEL over F2011-18E** (versus the CAGR of 23% we expect for F2008-11E). In our opinion, while this expectation looks like a scale down, it is actually a reasonable one, after factoring in the increasing competition and the electricity multiplier to GDP being less than one (Exhibit 4). While the projected order book build-up and sales growth over the next three years factor in the shortage of electricity, once the additional generating capacity is in place and the shortage is filled, the company's domestic growth will likely slow to less than GDP growth. This means that **at the end of the shortage, the company should trade at a discount to the Sensex in the longer term**.

Exhibit 4
Compression in Electricity Multiplier (F1978-2008)

Years	GDP Growth	Electricity Gen Growth	Multiplier
5 Yr	8.8%	5.5%	0.62
10 Yr	7.0%	5.3%	0.75
15 Yr	6.9%	5.8%	0.85
20 Yr	6.6%	6.5%	0.99
25 Yr	6.3%	7.1%	1.13
30 Yr	5.8%	7.1%	1.24

Source: CMIE, Morgan Stanley Research

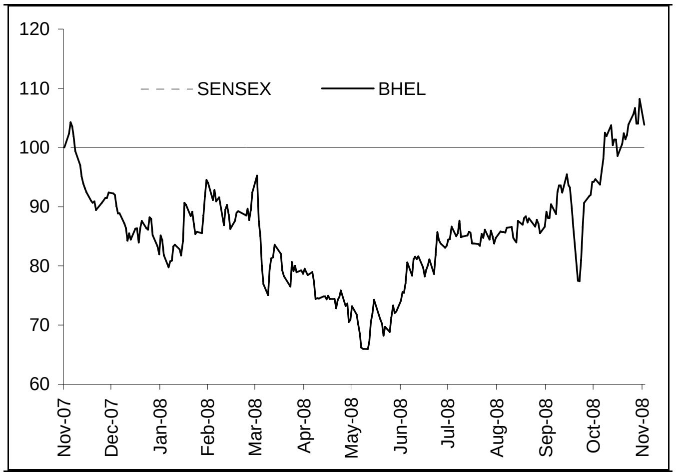
Most Expensive Stock in Peer Group
BHEL is the dominant electricity equipment firm in India (it has added close to 65% of the installed capacity in India as of the end of F2007). While it has no real peers in India (given its near-monopoly on manufacturing equipment for power plants), BHEL is significantly more expensive than its Indian capital goods peers on most metrics such as P/E (Exhibit 12). Since we do not cover most of the local peers, for the purpose of Exhibit 12, we use consensus estimates for all the companies (including L&T and BHEL) to strip out our forecasting bias.

While BHEL looks like it is trading at a 19% premium to L&T, after adjusting for the other businesses that do not contribute to L&T's earnings but need to be valued separately (mainly the infrastructure development business), the gap would widen significantly. This gap is despite BHEL's business model which depends mainly on the growth of generation capacity in India, while L&T's diversified business model enables it to spread its risk. We believe the premium BHEL enjoys to most of the local peer group is justified based on its stronger growth profile and its scale, as well as the visibility due to its sizeable order book (4.3x trailing-twelve-month sales, Exhibit 14). However, we do not expect any further expansion of the premium.

Compared with its global peers, while BHEL is around the middle of the range in terms of size relative to them (Exhibits 15 and 16), it clearly stacks up better than most in terms of future growth expectations (Exhibit 17). Growth for most of the global companies is expected to turn negative over the next couple of years led by overcapacity in the generation sector in China as well as the slowdown in capex across the rest of the world. However, we believe India's shortage of generation capacity coupled with the lack of political will on transmission and distribution reforms will result in structural growth in the next decade. We forecast a revenue CAGR of 20% for BHEL over F2008-18E versus a 12% CAGR for F1998-2008. Therefore, we believe BHEL deserves to trade at higher multiples than global peers, given its better growth outlook and the longer-term sustainability of its earnings. However, with the stock already trading at a 25% premium to the global average P/E for F2010E, we believe this is already priced in.

Exhibit 5

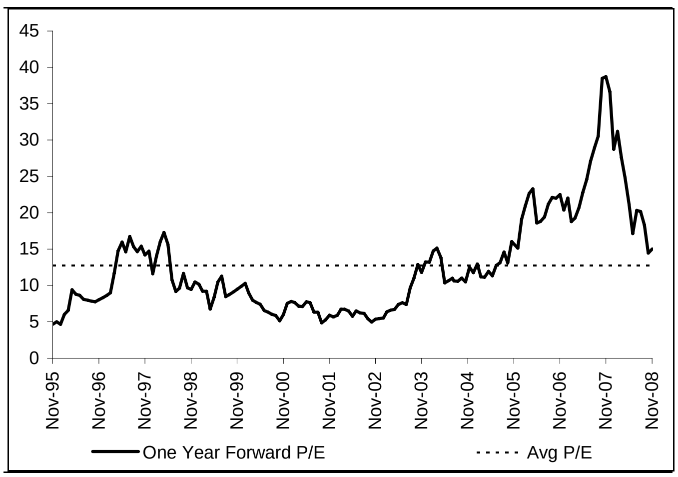
BHEL: 12-Month Relative Price Performance



Source: Company data, Morgan Stanley Research

Exhibit 6

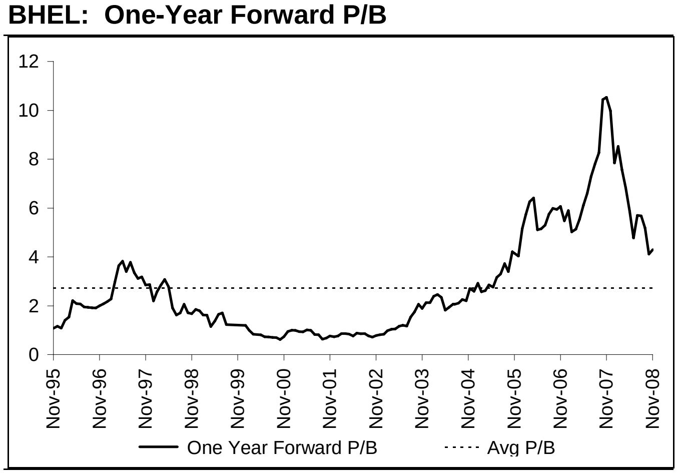
BHEL: One-Year Forward P/E



Source: Company data, Morgan Stanley Research

Exhibit 7

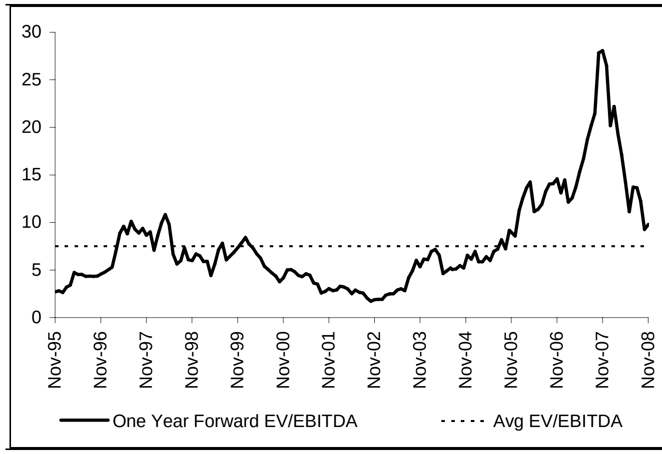
BHEL: One-Year Forward P/B



Source: Company data, Morgan Stanley Research

Exhibit 8

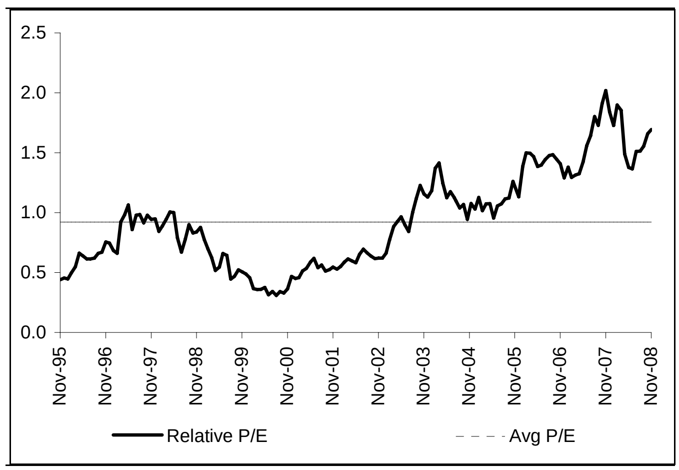
BHEL: One-Year Forward EV/EBITDA



Source: Company data, Morgan Stanley Research

Exhibit 9

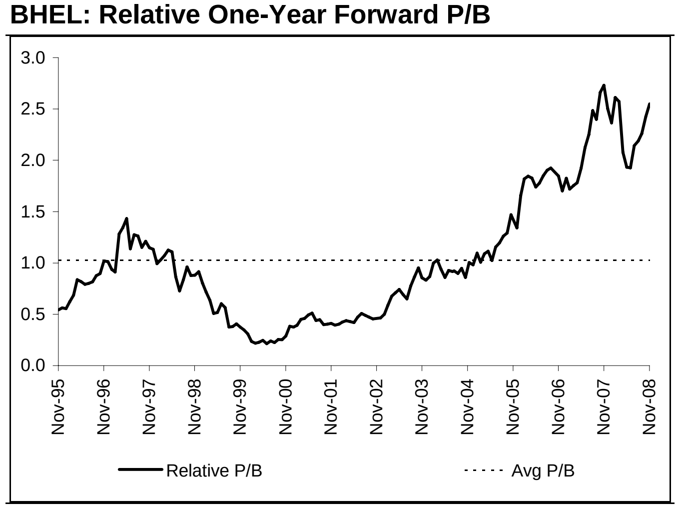
BHEL: Relative One-Year Forward P/E



Source: Company data, Morgan Stanley Research

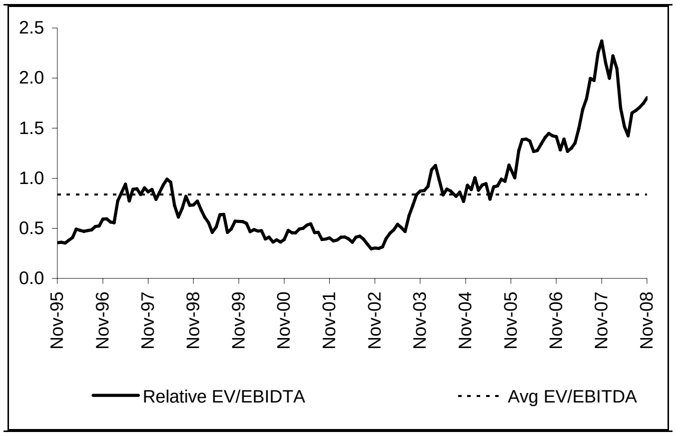
Exhibit 10

BHEL: Relative One-Year Forward P/B



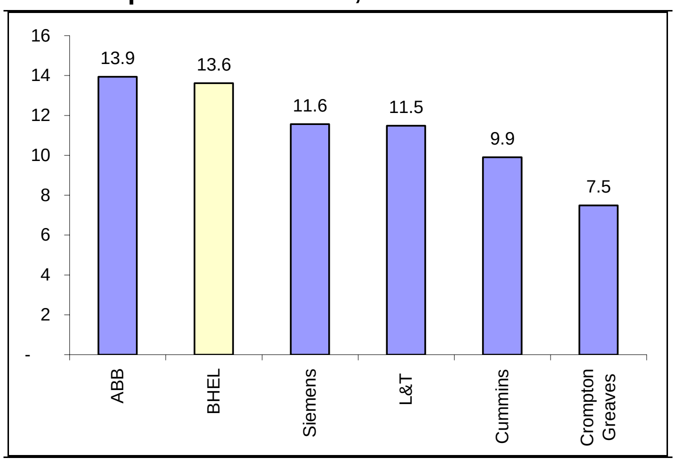
Source: Company data, Morgan Stanley Research

Exhibit 11
BHEL: Relative One-Year Forward EV/EBITDA



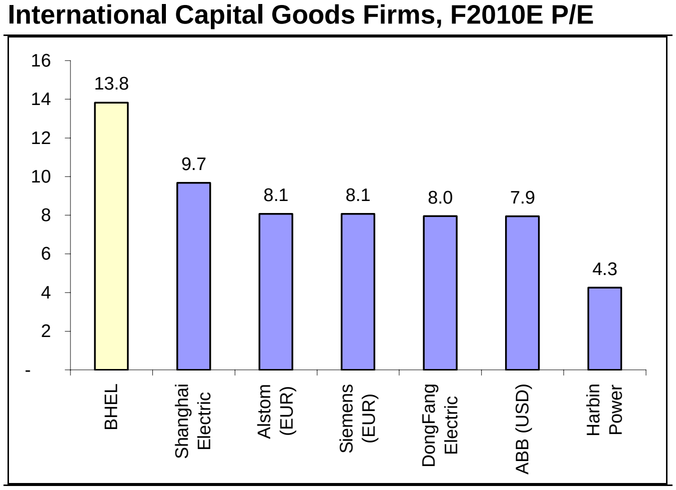
Source: Company data, Morgan Stanley Research

Exhibit 12
Indian Capital Goods Firms, F2010E P/E*



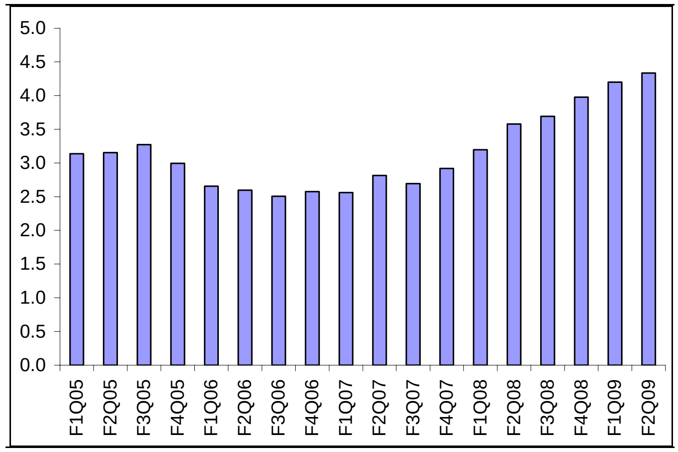
* Consensus estimates for all companies. Source: Company data, FactSet Estimates.
** No value for L&T's infrastructure devt. and power equipment manufacturing subsidiaries

Exhibit 13
International Capital Goods Firms, F2010E P/E



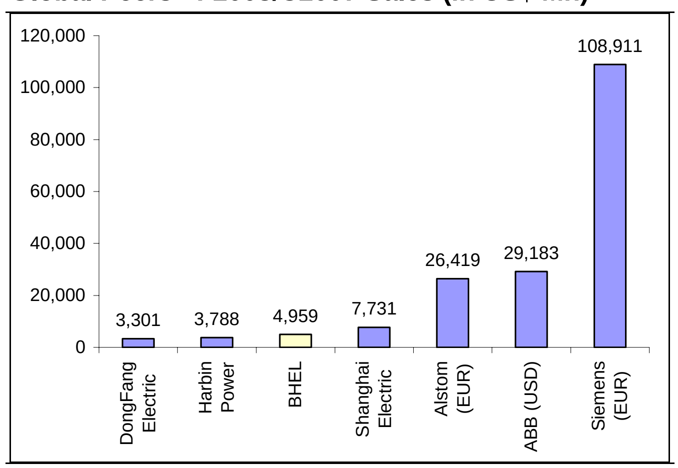
E = Morgan Stanley estimates. Source: Company data, Morgan Stanley Research

Exhibit 14
BHEL's Order Backlog as % of TTM Sales



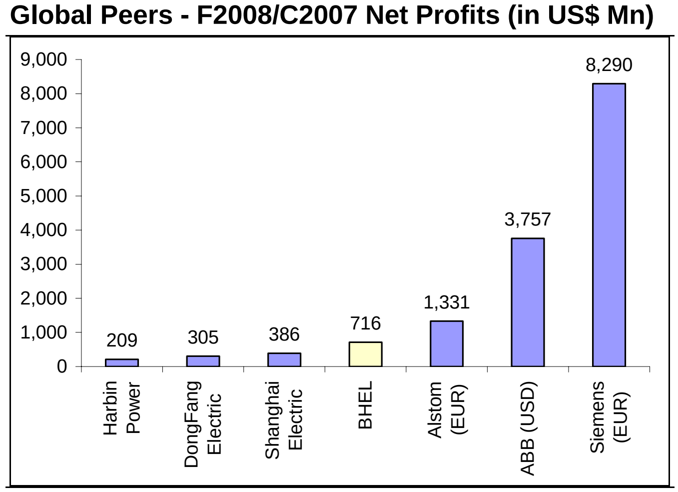
Source: Company data, Morgan Stanley Research

Exhibit 15
Global Peers - F2008/C2007 Sales (in US$ Mn)



Source: Company data, Morgan Stanley Research

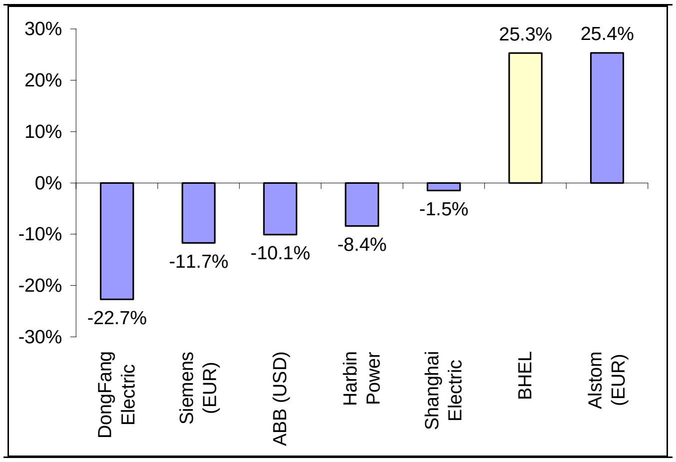
Exhibit 16
Global Peers - F2008/C2007 Net Profits (in US$ Mn)



Source: Company data, Morgan Stanley Research

Exhibit 17

Global Peers – Net Profit CAGR Expectations (Next Two Years)



Source: Company data, Morgan Stanley Research

Domestic Competition to Result in Market Share and Margin Compression in the Medium to Long Term

Now, for the first time, BHEL is facing serious competition in the Indian power equipment market. Since inception, BHEL has enjoyed a near monopoly in India, as discussed. Competition was not allowed, even on a domestic basis, with potentially strong competitors, such as L&T, not being allowed to enter the power equipment manufacturing business, even though it made repeated applications to the government.

However, given the lack of capacity expansion, BHEL began to struggle to service the increasing Indian demand over the last 24-36 months. Given the power ministry's belief that BHEL would not be able to completely service the generation requirement for India over the next 10 years, the sector has finally been opened up to domestic competition. We expect the following players to enter the market over the next 12-18 months:

1. **L&T Already Competing in Market:** L&T is the leading construction and heavy engineering company in India in terms of revenues. It already has significant operations in the power sector; which accounted for 16% of its order book as of March 31, 2007. However, L&T has been restricted to peripheral plant (balance of plant) equipment, for which margins are significantly lower than for manufacturing the core power generation equipment. L&T has been trying to get into power generation equipment manufacturing for a long time. According to its chairman, the company's applications to do so were rejected several times by the government. L&T has moved quickly to take advantage of the opportunity, tying up with Mitsubishi Heavy Industries Limited (MHIL) for the technology for super critical boilers and turbines.

   L&T poses the threat of an efficient heavy machinery manufacturer with a large base in India for servicing units. We believe that L&T will invest around Rs7.5 billion in the project over the next 18-24 months, to create a capacity of 4 GW/year. L&T's tie up with MHIL (Mitsubishi Heavy Industries Limited) consists of two 51:49 JVs (with L&T holding 51%) to manufacture Boilers and Steam Turbines + Generators. The JV has already begun to compete in the market with the company bagging a Rs15.6 bn order from AP GenCo to supply turbines for its 800 X 2 plant at Krishnapatnam. Media reports indicate that in an effort to encourage competition in the sector, the government is also contemplating splitting the negotiated orders between L&T and BHEL (though the size of the order and the proportion of the split remain under debate).

   MHIL clearly has aggressive plans for the two JVs, based on its plans for manufacturing (under license from MHI for supercritical pressure boiler technology and supercritical pressure steam turbines) units with generating capacities ranging between 500 and 1,000 MW. We believe that the technology licensing for the turbine JV will also include 150 and 300 MW steam turbines used in the bottoming cycle in gas and steam turbine combined-cycle power generation systems. MHIL expects the JV to ramp up from 580 employees at the beginning to around 2,150 employees by the time production achieves momentum (Exhibit 18).

Exhibit 18

L&T - MHIL JVs – Targets & Plans

(In US$Mn)	Boiler	Turbine
Date of Signing	**Apr-07**	**Nov-07**
Initial Investment	68	75
Total Investment	NA	263*
Commencement of Production	**Mar-09**	**May-09**
Three Year Sales Target	435	158*
Five Year Sales Target	**690**	**347***
Beginning Employees	50	530
Employees at Full Steam	**1,250**	**900**

Source: MHIL press releases, Morgan Stanley Research
* Converted from billion yen

Besides L&T, which has begun to compete in the market already, we expect the following players to set up capacity to compete with BHEL over the medium term (the next 2-4 years):

2. **JSW Group:** JSW established a joint venture company with Toshiba Corporation to manufacture and market

super-critical steam turbines and generators for thermal power plants in India. The JV will have an initial capitalization of US$50 million, 75% held by Toshiba Group and 25% by JSW Group (JSW Steel Limited – 5% and JSW Energy Limited – 20%). The JV scope will include design, manufacture, marketing and maintenance services for mid- to large-sized steam turbines and generators, ranging in size from 500-1,000 MW to be deployed in super-critical thermal power plants. Our interaction with JSW indicates that the partners have brought the initial equity into the JV and have identified a site in Chennai on which to develop the facilities. They expect to start construction by January 2009.

We believe that the JV will invest around US$250 million (70:30 – debt : equity mix) in plant and manufacturing equipment. Toshiba's power-equipment production facility in Yokohama should complement the JV's effort to ramp up the manufacturing process in the beginning, while the JV is expected to begin its production at 3 GW a year. While the marketing activities of the JV started in June 2008, the manufacturing capacity is expected to come on line by March 2010. We believe that the partners have further plans to scale up the capacity to 10 GW / year.

3. **Bharat Forge:** In November 2008, as part of its effort to diversify from its significant exposure to the automotive segment, Bharat Forge signed a joint venture with Alstom to produce high-value, super critical turbine/generator (TG) sets for thermal power plants. The joint venture is expected to manage the whole process from engineering and manufacturing to selling and commissioning state-of-the-art 600 MW to 800 MW super critical turbine island power plant equipment in India. The agreement between the companies is subject to government and regulatory approval. We believe that the partners are looking at manufacturing capacity of around 3-5 GW of equipment annually. However, given the various plans on the agenda for Bharat Forge as well as its limited access to capital in the current environment, we believe that this facility might take as long as 3-4 years to be commissioned (assuming financial closure in 1.5-2 years).

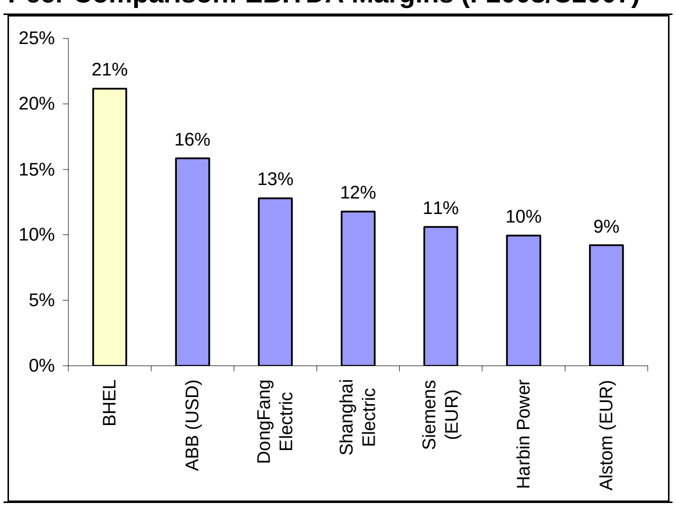
4. **Reliance Infrastructure:** In July 2008, the company signed a framework agreement with Shanghai Electric Corporation Limited (SEC) to set up manufacturing facilities in India to manufacture BTG packages and/or parts thereof. While the framework agreement is valid for 5 years, the companies expected to finalize the broad contours within 6 months (before January 2009). While media reports indicate capacity plans of 10 GW annually, we prefer to wait for details, which we believe will be available by January 2009.

Besides these JVs, we believe that BHEL faces a long-term threat from its largest customer, NTPC, also entering the BTG arena, albeit in a JV with BHEL itself.

5. **Largest Customer Turns Competitor, but Too Far into the Future to Be a Credible Threat .** Despite the Krishnamurthy (government committee) report's suggestion that BHEL and NTPC should complement each other, the companies signed an agreement to form a 50:50 JV in December 2007 to manufacture power equipment and offer EPC services to power producers. Given that BHEL has had a virtual monopoly on NTPC business, we believe that the signing of the JV will result in loss of market share in the longer term, but that it will assure that NTPC remains mainly captive.

   Over the last 12 months, the MD (Managing Director) for the JV has been chosen (Mr C.P. Singh, who was Director Engineering and R&D at BHEL prior to this appointment), the business plan has been approved by BHEL's board (NTPC approval is still awaited). and the land identified. However, we believe that the company will focus on EPC, BOP (Balance of Plant), and BTG (Boiler Turbine and Generator) in descending order of priority. Hence, while the JV is already functional, it will begin to compete with BHEL (on BTG packages) with an annual capacity of 5 GW only from C2017 onwards. Given the potential overcapacity we expect in the sector by then, we are unsure of the strategic rationale for setting up the facility.

Exhibit 19
Peer Comparison: EBITDA Margins (F2008/C2007)



Source: Company data, Morgan Stanley Research

Exhibit 20

Demand Supply Mismatch in Turbine & Steam Generator Capacity in India

Turbine Capacity	F2008	F2009	F2010	F2011	F2012	F2013
BHEL	6,000	10,000	11,250	15,000	16,250	20,000
L&T	-	4,000	4,000	4,000	4,000	4,000
JSW	-	-	3,000	3,000	3,000	3,000
Reliance Infra *	-	-	-	3,000	3,000	3,000
Bharat Forge	-	-	-	-	-	4,000
Total Supply	6,000	14,000	18,250	25,000	26,250	34,000
Expected Demand **	9,263	7,530	15,451	18,813	26,013	18,352
Domestic Manufacturers' Share (%)	80	80	80	80	80	100
Expected Domestic Demand	7,410	6,024	12,361	15,050	20,810	18,352

Source: Company data, Morgan Stanley Research
* Capacity assumed as 3 GW/year vs. Media reports of 10 GW/year
** Based on Feasible Capacity addition assumed by CEA till F2012, F2013 number is 20% of the planned addition in 13th plan

Exhibit 21

Demand Supply Mismatch in Boiler Capacity in India

Boiler Capacity	F2008	F2009	F2010	F2011	F2012	F2013
BHEL	6,000	10,000	11,250	15,000	16,250	20,000
L&T	-	4,000	4,000	4,000	4,000	4,000
JSW	-	-	-	-	-	-
Reliance Infra *	-	-	-	3,000	3,000	3,000
Bharat Forge	-	-	-	-	-	-
Total Supply	6,000	14,000	15,250	22,000	23,250	27,000
Expected Demand **	9,263	7,530	15,451	18,813	26,013	18,352
Domestic Manufacturers' Share (%)	80	80	80	80	80	100
Expected Domestic Demand	7,410	6,024	12,361	15,050	20,810	18,352
Potential Capacity Utilisation (%)	124	43	81	68	90	68

Source: Company data, Morgan Stanley Research
* Capacity assumed as 3 GW/year vs. Media reports of 10 GW/year
** Based on Feasible Capacity addition assumed by CEA till F2012, F2013 number is 20% of the planned addition in 13th plan

Company Description

Bharat Heavy Electricals is India's premier heavy electrical equipment manufacturer. It has a dominant presence in power generation and a significant presence in transmission and distribution. The Government of India holds a 65% stake in the company.

India Capital Goods

Industry View: In-Line

We have an In-Line view on the industry given the high valuations that we believe already discount the strong growth story.

MSCI Country: India

Asia Strategist's Recommended Weight: 2.8%
MSCI Asia/Pac All Country Ex Jp Weight: 6.6%

Why We Do Not Have an Underweight Rating despite the Issues

Despite the premium valuations and the increasing development of competition in the longer term, we reiterate our Equal-weight rating mainly due to the current environment. We believe that the near-term strength of both the balance sheet (F2008E cash at 77% of balance sheet and 17% of current market cap) and the P&L (driven by massive order book and upcoming downtick in material costs) is unmatched in the sector. When this is combined with the low-risk (government) customer base, we believe it presents an exceptionally strong franchise in the current credit-crunched environment.

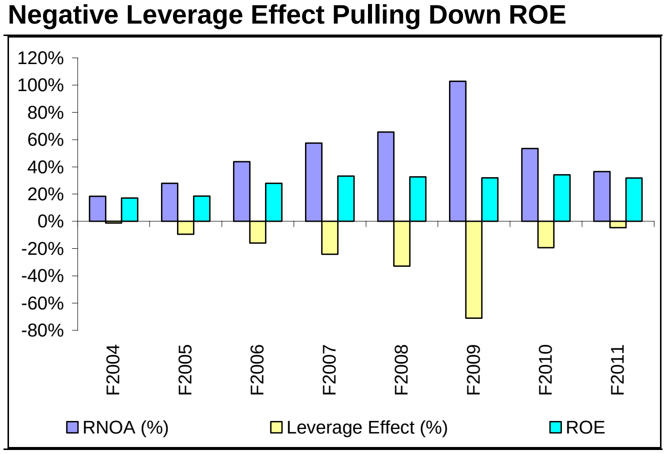
Cash on the Balance Sheet Lowers Risk

BHEL, like most public sector companies, follows conservative balance sheet practices .Given its high cash generative business and lack of capacity expansion for the last few years, the company has accumulated a huge cash balance on its books. The company is underleveraged and we can see the negative leverage effect if we break up the ROE the company earns (Exhibit 22).

While this would be a negative in good times, in the current capital-crunched environment, the company's strategy of not having a dividend payout commensurate with its cash generation capability creates a stand-out unlevered balance sheet. At a time when most companies (especially locally) are struggling to access funds (debt and equity) to finance growth (both in working capital and fixed assets), BHEL has more than enough cash on its books to finance its massive capex plans (Exhibit 25). Interestingly, most of the company's global peers also seem to be carrying net cash positions on their balance sheets, reducing the potential premium on this count.

Exhibit 22

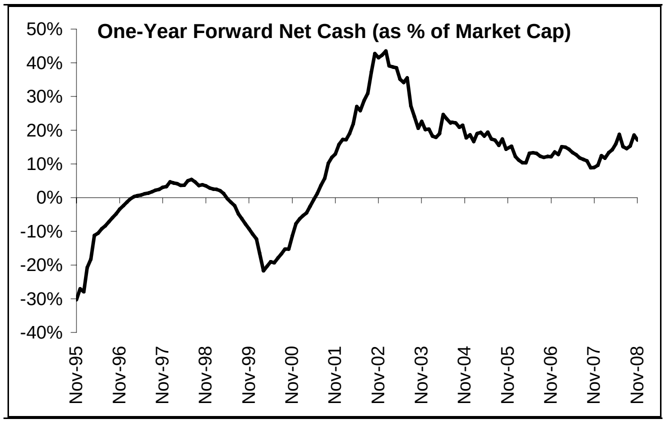
Negative Leverage Effect Pulling Down ROE



Source: Company data, Morgan Stanley Research

Exhibit 23

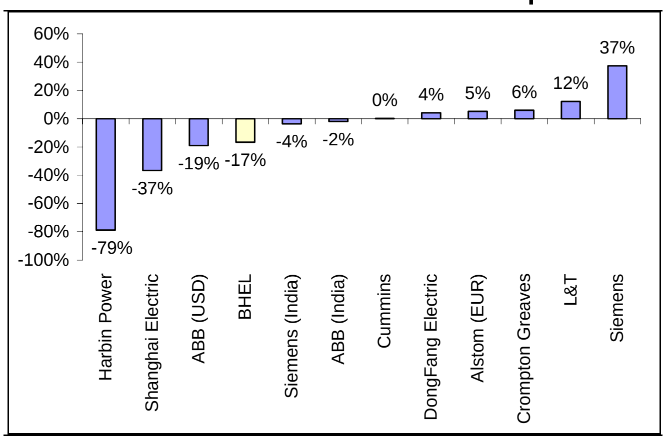
But Cash on Balance Sheet Is King Right Now



Source: Company data, Morgan Stanley Research

Exhibit 24

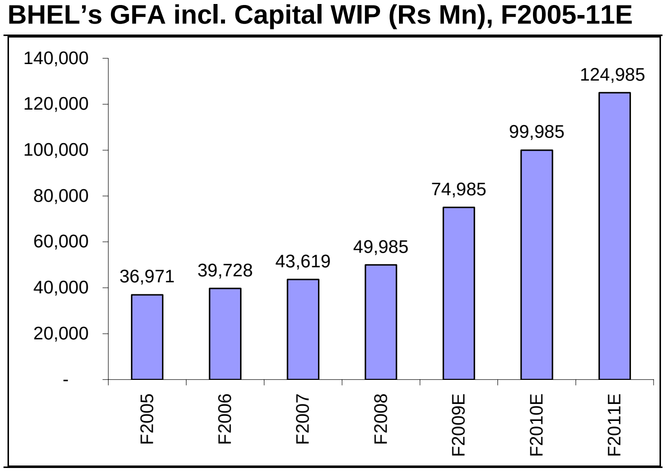
Peers: F2008 Net Debt to Current Mkt. Cap



Source: Company data, Morgan Stanley Research

Exhibit 25

BHEL's GFA incl. Capital WIP (Rs Mn), F2005-11E



Source: Company data, Morgan Stanley Research

While Foreign Competition Remains Long-Term Threat, Currency Weakness Leading to Easing in Short Term
According to the CEA (Central Electricity Authority) as of September 2008, Chinese suppliers (the main foreign competition to BHEL) have either executed or were in the process of executing orders for 21.9 GW of capacity. While the Chinese have been foremost in the field, Korean and Russian suppliers have also been active in India over the last couple of years (Exhibit 32). The reasons that the Chinese firms have been winning orders, especially from the private sector, against BHEL are twofold:

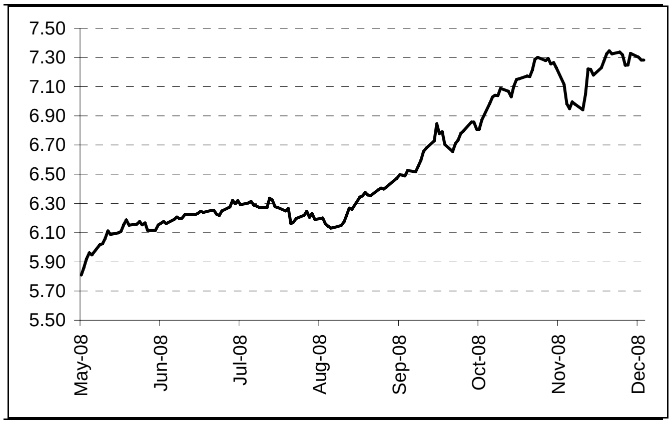
- **Pricing -** Our interaction with the private utilities indicates that the foreign companies (mainly the Chinese) were offering a price 20-40% lower than BHEL.

- **Delivery Time –** While BHEL's massive order book results in a huge time to market (typically 73-77 months for fully commissioning a UMPP) for equipment ordered on BHEL, the foreign players (mainly the Chinese) are promising much faster delivery (typically 55-60 months for fully commissioning a UMPP.)

Given these two, we expected foreign competition to quickly gain a stronger foothold in India, thereby putting pressure on BHEL's pricing and margins. While media reports had raised the low quality of Chinese equipment as an issue in the past, the CEA committee designated to look into quality concerns did not find anything amiss. The committee (while working with incomplete data) concluded that that the technical particulars relating to the major design features for 300/600 MW units were in line with good engineering practices, and that the design efficiencies of the Chinese boilers were also comparable to the 250/500 MW units commissioned in India (mostly from the BHEL stable). This clearly indicated that Chinese competition was in India to stay.

However, with the Indian rupee having depreciated 20% against the Chinese renminbi over the last 6-7 months (Exhibit 26), we believe that the pricing advantage that the Chinese companies enjoyed against BHEL has been reduced significantly, although the 15-18 month advantage in delivery time lines continues. It assumes lesser importance in the current capital-starved environment, where time to market for a project is no longer paramount. While the longer-term margin/market share loss thesis for BHEL remains unchanged (based on a combination of domestic as well as foreign competition), the currency seems to have significantly strengthened the company's position in the short to medium term.

Exhibit 26
Indian Rupee per Chinese Renminbi, May to December 2008



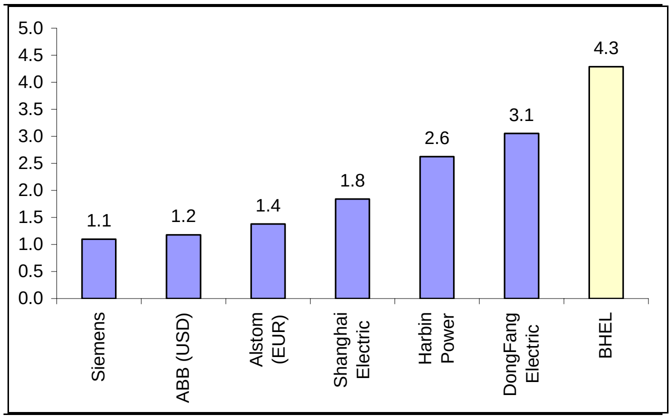
E = Morgan Stanley Research estimates. Source: Bloomberg, Morgan Stanley Research

Expect Strength in P&L over the Next 30 Months
BHEL's order backlog at Rs1,040 bn covers the next 30 months of sales (based on our new estimates), meaning that we expect that the company can deliver on our 27% CAGR in revenue modelled for F2008-11E without adding a single order. While book to bill ratios are not comparable across global peers, since the execution periods across companies are different (depending on the products), we believe that even after adjusting for the longer execution period, the visibility for the company is one of the best in the capital goods space.

With the all-important raw material costs set to decline (Exhibit 28) over the next 2-3 quarters, we believe that the company will suffer some margin compression in F2009 (mainly due to the increasing employee expenses), but expect margins to rebound in F2010E. However, we expect the margin gain on this front to be muted, similar to the muted loss over the last 12-24 months, as the company will probably pass on a good portion of the benefits to its customers (under its agreements). Led by the revenue growth, despite a small weakening in margins (off the high base), we expect the company to deliver a 22% CAGR in net earnings over F2008-11E, which we believe will be difficult to match for most of the company's peers (Exhibit 17), Indian and global, given the weakening capex environment.

Exhibit 27

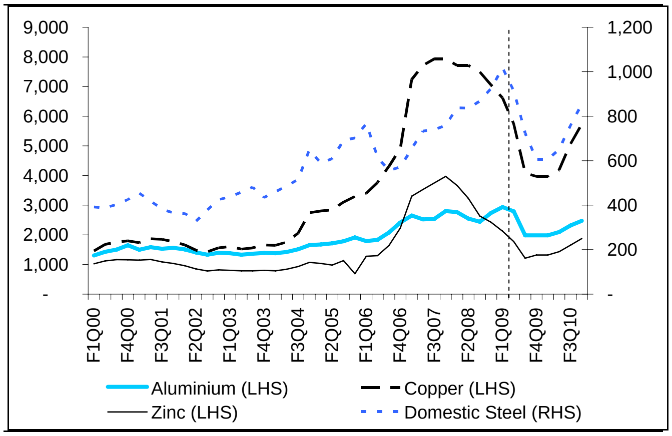
Global Peers - F2008/C2007 Book to Bill Ratio



E = Morgan Stanley Research estimates. Source: Bloomberg, Morgan Stanley Research

Exhibit 28

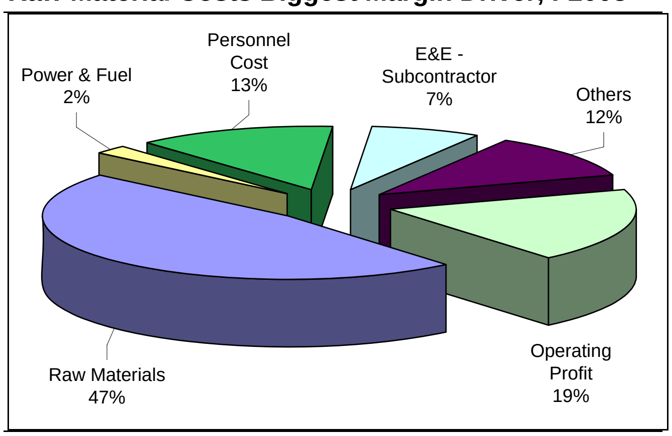
Raw Material Costs Set to Decline



E = Morgan Stanley Research estimates. Source: Bloomberg, Morgan Stanley Research

Exhibit 29

Raw Material Costs Biggest Margin Driver, F2008



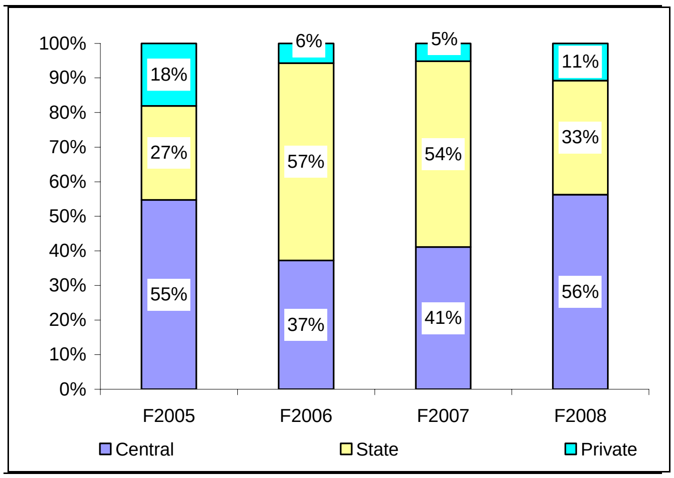
Source: Company data, Morgan Stanley Research

Higher proportion of Government Revenues = Lower Risk of Order Book Cancellations in Current Environment

With the private sector expected to play a larger role in India's capex (including that for power generation) over the next decade, BHEL's inability to penetrate the private sector segment is a cause for concern in the long run. However, in the short run, we expect greater order cancellations/delays over the next 18-24 months from private players vs. the government, given the difficulty of accessing funds (both equity and debt) for the private sector developers. Hence, BHEL's greater proportion of government revenues in its order book becomes a significant positive in the short term as it lowers the risk of disappointment on the downside.

Exhibit 30

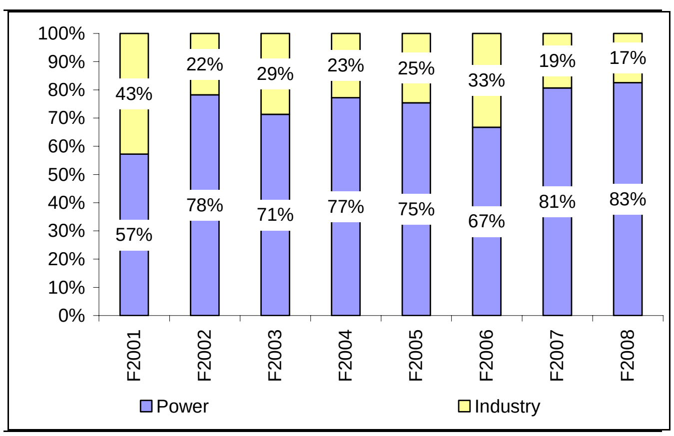
BHEL: State/Central Government Units Contributed 89% of Power Division Orders (in MW) in F2008



Source: Company data, Morgan Stanley Research

Exhibit 31

Power Division Remains Crucial Revenue Driver



Source: Company data, Morgan Stanley Research

Exhibit 32

Major Orders Won by Foreign Firms in India

Project Name	Supplier	Units - MW	MW
Reliance Power (Rosa Project)	SEC	300x4	1,200
Reliance Power (Sasan Project)	SEC	660*6	3,960
JSW Energy (Ratnagiri)	SEC	300x4	1,200
JSW Energy (Toranagallu)	SEC	300x2	600
HPGC (Yamuna Nagar DCR TPP)	Reliance Infrastructure & SEC	300x2	600
DVC (Raghunathpur Project)	Reliance Infrastructure & SEC	600x2	1,200
HPGC (Hissar TPP)	Reliance Infrastructure & SEC	600x2	1,200
Lanco (Amarkantak)	Dongfang	300x2	600
Lanco (Nagarjuna TPP)	Dongfang	507.5x2	1,015
Lanco (Anpara C)	Dongfang	300x4	1,200
Raj West Power (Jalipa Lignite)	Dongfang	135x8	1,080
WBDC (DPL - Durgapur.Unit # 7)	Dongfang	300x1	300
WBDC (Sagardighi)	Dongfang	300x2	600
Tata Power (Mundra Project)	Doosan & Toshiba	660x6	3,960
NTPC (Sipat)	Doosan & Power Machines	660x3	1,980
NTPC (Barh)	Power Machines & TechnoPro	660x3	1,980
Adani Power (Mundra Plant)	SCMEC	330x4	1,320
Adani Power (Mundra Plant)	SEPCO	660x2	1,320
Sterlite (Balco TPP)	SEPCO	135x4	540
Sterlite (Jharsuguda TPP)	SEPCO	600x4	2,400
Total			**28,255**

CMEC = China National Machinery and Equipment Import and Export Company; SEC = Shanghai Electric Co; CSEB =Chhattisgarh State Electricity Board (CSEB); WBDC = West Bengal Power Development Corp; HPGC = Haryana Power Generation Corporation Ltd; SCMEC =Sichuan Machinery and Equipment Corporation

Source: Company data, CEA, Morgan Stanley Research

MORGAN STANLEY ModelWare	**Morgan Stanley ModelWare is a proprietary analytic framework that helps clients uncover value, adjusting for distortions and ambiguities created by local accounting regulations.** For example, ModelWare EPS adjusts for one-time events, capitalizes operating leases (where their use is significant), and converts inventory from LIFO costing to a FIFO basis. ModelWare also emphasizes the separation of operating performance of a company from its financing for a more complete view of how a company generates earnings.

Disclosure Section

The information and opinions in Morgan Stanley Research were prepared or are disseminated by Morgan Stanley Asia Limited (which accepts the responsibility for its contents) and/or Morgan Stanley Asia (Singapore) Pte. (Registration number 199206298Z, regulated by the Monetary Authority of Singapore, which accepts the responsibility for its contents), and/or Morgan Stanley Asia (Singapore) Securities Pte Ltd (Registration number 200008434H, regulated by the Monetary Authority of Singapore, which accepts the responsibility for its contents), and/or Morgan Stanley Taiwan Limited and/or Morgan Stanley & Co International plc, Seoul Branch, and/or Morgan Stanley Australia Limited (A.B.N. 67 003 734 576, holder of Australian financial services license No. 233742, which accepts responsibility for its contents), and/or Morgan Stanley India Company Private Limited and their affiliates (collectively, "Morgan Stanley").
For important disclosures, stock price charts and rating histories regarding companies that are the subject of this report, please see the Morgan Stanley Research Disclosure Website at www.morganstanley.com/researchdisclosures, or contact your investment representative or Morgan Stanley Research at 1585 Broadway, (Attention: Equity Research Management), New York, NY, 10036 USA.

Analyst Certification

The following analysts hereby certify that their views about the companies and their securities discussed in this report are accurately expressed and that they have not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report: Akshay Soni.
Unless otherwise stated, the individuals listed on the cover page of this report are research analysts.

Global Research Conflict Management Policy

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

Important US Regulatory Disclosures on Subject Companies

As of October 31, 2008, Morgan Stanley beneficially owned 1% or more of a class of common equity securities of the following companies covered in Morgan Stanley Research: BHEL, Suzlon Energy.
As of November 28, 2008, Morgan Stanley held a net long or short position of US$1 million or more of the debt securities of the following issuers covered in Morgan Stanley Research (including where guarantor of the securities): Suzlon Energy.
In the next 3 months, Morgan Stanley expects to receive or intends to seek compensation for investment banking services from BHEL, Suzlon Energy.
Within the last 12 months, Morgan Stanley has provided or is providing investment banking services to, or has an investment banking client relationship with, the following company: BHEL, Suzlon Energy.
The research analysts, strategists, or research associates principally responsible for the preparation of Morgan Stanley Research have received compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors, firm revenues and overall investment banking revenues.
Certain disclosures listed above are also for compliance with applicable regulations in non-US jurisdictions.

STOCK RATINGS

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

Global Stock Ratings Distribution

(as of November 30, 2008)

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

	Coverage Universe		Investment Banking Clients (IBC)		
Stock Rating Category	Count	% of Total	Count	% of Total IBC	% of Rating Category
Overweight/Buy	**838**	**36%**	**254**	**40%**	**30%**
Equal-weight/Hold	**1037**	**44%**	**282**	**45%**	**27%**
Not-Rated/Hold	**31**	**1.3%**	**7**	**1.1%**	**22.5%**
Underweight/Sell	**427**	**18%**	**90**	**14%**	**21%**
Total	**2,333**		**633**		

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

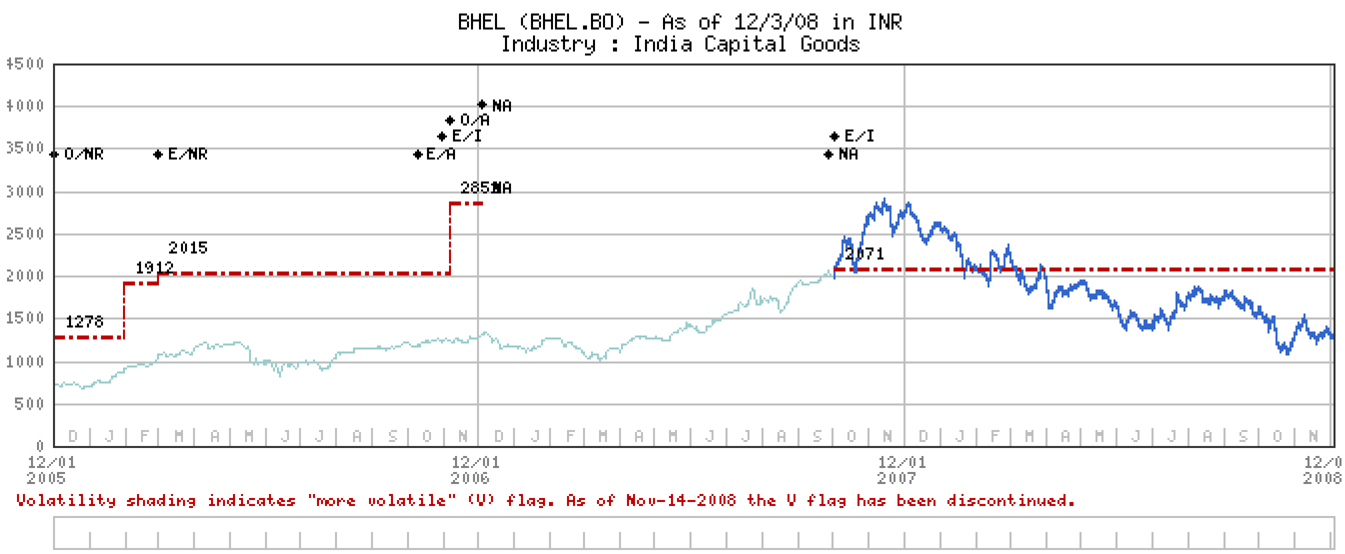
Analyst Stock Ratings

Overweight (O or Over) - The stock's total return is expected to exceed the total return of the relevant country MSCI Index, on a risk-adjusted basis over the next 12-18 months.
Equal-weight (E or Equal) - The stock's total return is expected to be in line with the total return of the relevant country MSCI Index, on a risk-adjusted basis over the next 12-18 months.
Not-Rated/Hold (NA or NAV) - Currently the analyst does not have adequate conviction about the stock's total return relative to the relevant country MSCI Index, on a risk-adjusted basis, over the next 12-18 months. Please note that NA or NAV may also be used to designate stocks where a rating is not currently available for policy reasons. For the current list of Not-Rated/Hold stocks as counted above in the Global Stock Ratings Distribution Table, please email morganstanley.research@morganstanley.com.
Underweight (U or Under) - The stock's total return is expected to be below the total return of the relevant country MSCI Index, on a risk-adjusted basis, over the next 12-18 months.
Unless otherwise specified, the time frame for price targets included in Morgan Stanley Research is 12 to 18 months.

Analyst Industry Views

Attractive (A): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be attractive vs. the relevant broad market benchmark, as indicated below.
In-Line (I): The analyst expects the performance of his or her industry coverage universe over the next 12-18 months to be in line with the relevant broad market benchmark, as indicated below.
Cautious (C): The analyst views the performance of his or her industry coverage universe over the next 12-18 months with caution vs. the relevant broad market benchmark, as indicated below.
Benchmarks for each region are as follows: North America - S&P 500; Latin America - relevant MSCI country index or MSCI Latin America Index; Europe - MSCI Europe; Japan - TOPIX; Asia - relevant MSCI country index.
.

Stock Price, Price Target and Rating History (See Rating Definitions)



Stock Rating History: 12/1/05 : O/NR; 2/28/06 : E/NR; 10/9/06 : E/A; 10/30/06 : E/I; 11/6/06 : O/A; 12/4/06 : NA; 9/27/07 : NA; 10/2/07 : E/I
Price Target History: 11/2/05 : 1278; 1/30/06 : 1912; 2/28/06 : 2015; 11/6/06 : 2852; 12/4/06 : NA; 10/2/07 : 2071

Source: Morgan Stanley Research Date Format : MM/DD/YY Price Target No Price Target Assigned (NA)
Stock Price (Not Covered by Current Analyst) Stock Price (Covered by Current Analyst)
Stock Ratings abbreviated as below (Effective 3/18/02, ratings appear as Stock Ratings/Industry View)
Stock Ratings as of 3/18/02: Overweight (O) Equal-weight (E) Underweight (U) More Volatile (V) No Rating Available (NAV)
Stock Ratings prior to 3/18/02: Strong Buy (SB) Outperform (OP) Neutral (N) Underperform (UP) No Rating Available (NAV)
Industry View: Attractive (A) In-line (I) Cautious (C) No Rating (NR)

Other Important Disclosures

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

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

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

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

The Americas
1585 Broadway
New York, NY 10036-8293
United States
Tel: +1 (1) 212 761 4000

Europe
20 Bank Street, Canary Wharf
London E14 4AD
United Kingdom
Tel: +44 (0) 20 7 425 8000

Japan
4-20-3 Ebisu, Shibuya-ku
Tokyo 150-6008
Japan
Tel: +81 (0) 3 5424 5000

Asia/Pacific
Three Exchange Square
Central
Hong Kong
Tel: +852 2848 5200

Industry Coverage:India Capital Goods

Company (Ticker)	Rating (as of)	Price (12/03/2008)
Akshay Soni		
BHEL (BHEL.BO)	E (10/02/2007)	Rs1,269.8
Suzlon Energy (SUZL.BO)	E (11/03/2008)	Rs37.6

Stock Ratings are subject to change. Please see latest research for each company.