

Contents

New releases

GameChanger: Crystal Ball Kicking

Updates

HDFC: Strong outlook—pitch set for home run in FY2011E

United Phosphorus: Increase PT on account of acquisition/ multiple expansion

News Round-up

- ▶ The board of Reliance Ind. (RIL IN) is believed to have approved plans to enter the Indian telecommunication sector. It is expected to go for only the lucrative corporate bandwidth market, or the business of selling telecom & internet services to companies rather than individuals. *(ECNT)*
- ▶ Reliance Power (RPWR IN) has bought three coal mines of Sugico group in Indonesia through Reliance Coal Resources, a 100% subsidiary of the parent co. The total value of the 3 mines is estimated at around US\$1.6 bn. *(ECNT)*
- ▶ Standard & Poor's lowered Bharti Airtel's (BHARTI IN) long-term corporate rating to 'BB+' from 'BBB-', but said the outlook is stable. S&P had placed the company on credit watch in February. *(BSTD)*
- ▶ PowerGrid (PWGR IN) may sell 20% stake to public that could raise US\$1.70 bn which may be equally split between the govt. & the company. *(ECNT)*
- ▶ Dr Reddy's Lab. (DRRD IN) has got tentative approval from USFDA to launch the generic version of AstraZeneca's Accolate, used to treat asthma. *(ECNT)*
- ▶ French firm Alstom has joined hands with BHEL (BHEL IN) to jointly bid for the US\$2.98 bn Chennai Metro Rail Project. The 2 firms plan to provide the machinery for the project. *(ECNT)*
- ▶ Tata Steel (TATA IN) raised USD 4.47mn by selling 0.241mn shares of TRF (TRF IN) through the open market. *(TTOI)*
- ▶ Lanco Group and Edelweiss Capital (EDEL IN) have emerged frontrunners in the race of Axis Bank's private equity arm. *(BSTD)*
- ▶ Tata Sons has invested US\$25 mn in Voltas (VOLT IN), to increase its stake by another 2%. With this transaction done through open market purchase the shareholding of Tata Sons has increased to 25.79% from the earlier 23.79%. *(BSTD)*
- ▶ HCL Technologies (HCLT IN) said the company was expanding its infrastructure footprint in Brazil by setting up a multilingual service desk facility to support its global and local customers in Rio Grande do Sul. *(BSTD)*
- ▶ SBI (SBIN IN) said it would raise US\$4.25 bn through a rights issue and US\$42 mn from bonds this fiscal for business growth. *(FNLE)*
- ▶ LIC plans to invest more than US\$42.55 bn in the current fiscal across various asst classes. *(THBL)*

EQUITY MARKETS

India	Change %			
	9-Jun	1-day	1-mo	3-mo
Sensex	16,658	0.2	(3.9)	(2.6)
Nifty	5,000	0.3	(3.7)	(2.3)
Global/Regional indices				
Dow Jones	9,899	(0.4)	(8.2)	(6.3)
Nasdaq Composite	2,159	(0.5)	(9.1)	(8.5)
FTSE	5,086	1.1	(5.6)	(9.8)
Nikkie	9,470	0.3	(10.1)	(10.4)
Hang Seng	19,568	(0.3)	(4.2)	(7.7)
KOSPI	1,647	0.0	(1.8)	(0.9)
Value traded – India				
Cash (NSE+BSE)	155	168	175	
Derivatives (NSE)	931	1,033	524	
Deri. open interest	1,308	1,244	1,133	

Forex/money market

	Change, basis points			
	9-Jun	1-day	1-mo	3-mo
Rs/US\$	47.0	8	217	144
10yr govt bond, %	7.5	2	(16)	(53)
Net investment (US\$m)				
	8-Jun		MTD	CYTD
FIs	93		(9)	(230)
MFs	5		108	(282)

Top movers -3mo basis

	Change, %			
	9-Jun	1-day	1-mo	3-mo
Best performers				
BJFIN IN Equity	467.0	4.3	6.4	35.5
DRRD IN Equity	1466.7	4.8	20.2	25.9
IBULL IN Equity	132.9	(0.5)	(13.3)	24.1
BOB IN Equity	730.1	(0.5)	4.5	19.6
POWF IN Equity	302.7	3.4	8.5	18.8
Worst performers				
ABAN IN Equity	647.9	(1.6)	(39.6)	(50.0)
GRASIM IN Equity	1776.4	1.5	(33.3)	(37.6)
PUNJ IN Equity	116.2	0.1	(25.0)	(35.9)
NMDC IN Equity	255.5	(0.5)	(13.2)	(33.1)
SUEL IN Equity	53.5	(0.2)	(23.4)	(30.7)

JUNE 09, 2010

NEW RELEASE

BSE-30: 16,658

Crystal Ball Kicking. With Crystal Ball Kicking, GameChanger takes a walk on the wild side – this time joining 300 mn bleary eyed, sleep deprived, nail-chewing, popcorn-popping football devotees tracking World Cup 2010. Not the ideal state of mind for equity research, but perfect for sticking one's neck out to predict how various teams will fare and take a shot at who will kiss the trophy on July 11.

FIFA 2010 World Cup – 101

For the first World Cup to be held in Africa, we explore the host and the continent advantage in the FIFA World Cups – but note that Brazil has won the only Cup held outside the Americas or Europe (South Korea, 2002). Our dream team has 3 Spaniards, 2 Brazilians, 2 Englishmen and a Dutch, French, Argentine and Portugal player each, coached by the English-team coach, Capello. We compare the impact of FIFA on South African economy with the impact of Commonwealth on India's, and compare FIFA as a media property with other sport events globally.

Arsenal of modeling tools

Using an arsenal of modeling tools, we determine the chances of each team in the games post the group stage. At the group stage, we pick the first and the second teams in each group based on our analysis and expectations. Our model calculates the probabilities of each team reaching different stages of the World Cup. The results are derived by simulating the World Cup games by assuming that goals scored by teams follow a Poisson distribution.

Playing out scenarios

If death does indeed happen in the Group of Death (Group G) and Brazil finishes in the second position, they will face Spain in the second round (which would ideally be a dream-final). We model the probabilities of the various teams to win the Cup in both the scenarios. In the scenario of death happening, the biggest gainer is Netherlands as it then faces an easier draw.

We believe in either B or S: not buy-sell, but Brazil-Spain

So is it Brazil? Or Spain, with its dream current form? Will the continent advantage see an under-dog African team win? And what of the other Europeans (England, Netherlands, Germany) and Americans (Argentina)? Where do they stand? Read on to find out.

Akhilesh Tilotia
akhilesh.tilotia@kotak.com
Mumbai: +91-22-6634-1139

Shubham Satyarth
shubham.satyarth@kotak.com
Mumbai: +91-22-6634-1320

Karan Durante
karan.durante@kotak.com
Mumbai: +91-22-6634-1527

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UPDATE

Coverage view: **Attractive**

Price (Rs): **2,705**

Target price (Rs): **3,200**

BSE-30: **16,658**

Strong outlook—pitch set for home run in FY2011E. We believe a buoyant real estate market will continue to drive HDFC's business growth over the medium term. Historically, HDFC has maintained margins even in a rising-interest-rate scenario if (real estate) demand is strong. Strong core performance (improving retail loan growth and stable spreads despite volatile interest rates) will likely drive HDFC's stock price performance in the near term. Retain ADD with target price of Rs3,200 (18% upside).

Company data and valuation summary

HDFC

Stock data				Forecasts/Valuations			
				2010	2011E	2012E	
52-week range (Rs) (high,low)				2,882-1,950			
Market Cap. (Rs bn)				776.7			
Shareholding pattern (%)							
Promoters				0.0			
FIIs				57.8			
MFs				3.8			
Price performance (%)				1M	3M	12M	
Absolute				(0.8)	1.7	14.7	
Rel. to BSE-30				(0.1)	4.1	4.1	
EPS (Rs)				98.4	118.2	143.7	
EPS growth (%)				22.7	20.1	21.5	
P/E (X)				27.5	22.9	18.8	
NII (Rs bn)				35.8	42.9	52.1	
Net profits (Rs bn)				28.3	33.9	41.2	
BVPS				529.3	599.2	684.1	
P/B (X)				5.1	4.5	4.0	
ROE (%)				20.0	21.0	22.4	
Div. Yield (%)				1.3	1.5	1.9	

Growth traction to remain strong

We expect HDFC to deliver 24% loan growth (pre securitization) in FY2011E, up from 20% in FY2010. A robust real estate market across most parts of the country will continue to drive loan approvals in FY2011E even as the pipeline of loan approvals (approvals were up 34% yoy in FY2010) translates into disbursements over the next few quarters. KIE real estate research indicates that companies in the sector will report strong growth in FY2011E as well – revenue from real estate sales will likely increase by about 40% yoy (driving disbursements) and bookings will rise by 20-25% yoy. Real estate prices in most parts of the country are close to historic peaks even as sales remain strong; the affordability index is just above 2006 levels.

Spreads will likely remain stable

We believe HDFC's spreads will remain stable yoy in FY2011E as the rise in borrowings cost is offset by higher home loan rates. We believe HDFC's spreads (as per KS calculations) will remain neutral or react positively even if interest rates move up, if the demand remains strong. In 2008, HDFC's spreads expanded although its borrowings cost moved up as the underlying business was strong (loan growth at 29%). However, spreads reported a yoy decline in 2007 and 2009 as the demand was relatively lower (loan growth of 26% and 22%, respectively).

HDFC's revised dual rate home loan scheme (launched recently) earns yield of 8.7% as compared to 8.25% charged in the dual rate scheme launched in FY2010 – the rise in yield will largely offset the increase in HDFC's marginal borrowings cost.

Manish Karwa
manish.karwa@kotak.com
Mumbai: +91-22-6634-1350

Nischint Chawathe
nischint.chawathe@kotak.com
Mumbai: +91-22-6634-1545

M B Mahesh
mb.mahesh@kotak.com
Mumbai: +91-22-6634-1231

Kotak Institutional Equities Research
kotak.research@kotak.com
Mumbai: +91-22-6634-1100

HDFC has passed on interest rate hike to its customers when demand has been strong
Spreads, disbursements and loan growth at HDFC, March fiscal year-ends, 2004-2012E

	2004	2005	2006	2007	2008	2009	2010	2011E	2012E
Yield on home loans (%)	9.7	8.4	8.5	9.6	11.1	12.6	10.9	11.0	10.9
Average cost of funds (%)	7.2	6.0	6.0	7.1	8.1	9.7	8.0	8.1	8.1
Spread on housing loan (%)	2.5	2.4	2.6	2.5	3.0	2.8	2.9	2.9	2.8
HDFC's reported spreads (%)	2.2	2.17	2.18	2.18	2.32	2.21	2.30		
Loan growth (pre-loan securitization- %)	28	29	25	26	29	22	20	24	27

Source: Company, Kotak Institutional Equities estimates

Affordability index just above 2006 levels

Measurement of affordability of housing in India, March fiscal year-ends, 1999-2010E

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Housing loan interest rates (%)	14.5	13.9	12.8	12.1	10.4	8.9	8.0	8.5	9.5	10.5	10.5	8.70
EMI per Rs100,000 on 20 yr loan (Rs)	1,366	1,240	1,160	1,110	995	895	836	868	932	998	998	881
Avg annual household income (for households with annual income > Rs200,000)	577,201	606,061	636,364	668,182	701,591	736,671	788,238	843,414	902,453	947,576	947,576	
Income growth (%)		5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	7.0%	7.0%	7.0%	5.0%	5.0%
Taxes	115,440	121,212	127,273	133,636	140,318	147,334	157,648	168,683	180,491	142,136	142,136	
Post tax income	461,761	484,849	509,091	534,546	561,273	589,337	630,590	674,731	721,963	805,439	805,439	
Selling prices rise by 5% FY2010E												
Capital price in Koramangala, Bangalore	1,900	1,800	1,750	1,900	2,350	2,800	4,500	4,750	4,750	3,600	3,780	
Price of 1,500 sq. ft house (Rs mn)	2.9	2.7	2.6	2.9	3.5	4.2	6.8	7.1	7.1	5.4	5.7	
EMI payable assuming 70% LTV	24,738	21,924	20,396	19,850	22,084	24,578	41,013	46,484	49,775	37,724	34,967	
Price/income ratio (X)	4.9	4.5	4.1	4.3	5.0	5.7	8.6	8.4	7.9	5.7	6.0	
Affordability Index (assuming FY2000 as 100)	100	84	75	69	73	78	121	129	129	87	81	
Capital price in Bandra, Mumbai	7,992	8,791	8,000	8,500	8,500	10,000	13,000	16,000	20,000	14,000	17,000	
Affordability Index (assuming FY2000 as 100)	100	98	81	74	63	66	83	103	129	81	87	

Source: Kotak Institutional Equities

HDFC's dual rate home loan scheme comparable with peers

HDFC's revised dual rate home loan scheme drives about 90% of its incremental retail business. HDFC offers two-year fixed rate home loans (8.25% for the 1st year followed by 9% in the 2nd year) as compared to 8.75% floating rate (for loans up to Rs3 mn) offered otherwise. The average yield on this product works out to 8.7% – somewhat similar to SBI (though SBI's product is fixed for three years) and marginally below LICHF – 8.9%, fixed for three years. HDFC clearly scores over SBI in quality of service.

A comparison of home loan rates for loans up to Rs3 mn

	HDFC (DR2) (%)	HDFC (DR1) (%)	SBI (%)	LICHF (%)
Year 1	8.25	8.25	8.0	8.9
Year 2	9	8.25	8.5	8.9
Year 3		8.25	8.5	8.9
Year 4 onwards	8.75 (1) (2)	8.75 (1)	9.0 (1)	9.75 (1)
Prepayment penalty (%)	3	3	2	2

Note

DR- Dual rate home loan scheme

(1) Linked to PLR; indicative rate based on current PLR

(2) Applicable from year 3

Source: Company

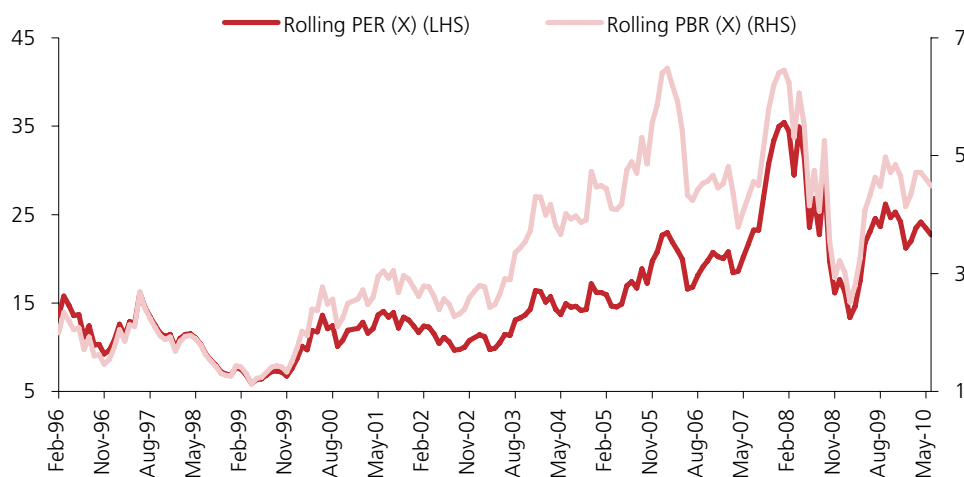
Limited impact of base rate implementation as banks compete in home loans

RBI has proposed to benchmark bank lending to base rate from PLR with effect from July 2010. We believe that housing finance companies (HFCs) may not be significantly affected since banks are large players in housing finance markets. Some banks have indicated that base rate will settle close to 8% though this has not yet been finalized. A high base rate will likely temper HFCs' borrowings cost in the medium term (most high-rated bulk borrowers have been enjoying low interest rates for short-to-medium-term loans from banks due to excess liquidity in the system; the rate of interest will now move up as bank loan pricing becomes much more methodical). However, interest rates on home loans offered by banks have also been low over the past few months and will also need to be re-priced more methodically.

SOTP-based target price of Rs3,200; retain ADD

Our target price is the average of the fair value estimate of Rs2,950 (based on FY2011E) and Rs3,400 (based on FY2012E). In our FY2011E-based fair value estimate, we value HDFC's mortgage business at Rs1,691/share—5.9X core PBR and 17X core PER FY2011E. In order to capture the impact of the likely warrant conversion in FY2013E, we have valued the business using a residual growth model as of March 2013E and discounted back the value to March 2011E at 12.5%. At our fair value estimate, the mortgage business will trade at 3.9X core PBR and 15X core PER FY2013E for RoEs of about 26-30% (2% core RoA and leverage of 13-15X). We expect the company to report 20% core PBT CAGR between FY2010 and FY2012E.

HDFC, Rolling PER and PBR (X)



Source: Bloomberg, Company, Kotak Institutional Equities estimates

HDFC, Sum-of-the-parts-based valuation (FY2011E)

Business/ subsidiaries	HDFC's holding (%)	Value of companies (Rs mn)	Value per share (Rs)	Valuation methodology
HDFC			1,691	Based on residual growth model; exit multiple of 3.9X PBR FY2013E discounted to FY2011E
Value of subsidiaries and associates			1,094	
HDFC Bank	23	904,000	665	Based on target price
HDFC Standard Life MF	60	51,840	110	4% of March 2011E AUMs- 20% growth assumed
-PMS business	60	1,728	4	10% of AUMs (March 2011E - 20% yoy growth)
Life Insurance	72	113,000	265	13.5% margins and 19X NBV multiple
General insurance	74	8,600	20	Based on deal with ERGO
Gruh Finance	62.0	3,759	7	Based on market price
IDFC	1.9	212,628	13	Based on market price
HDFC Venture capital				
HDFC Property Fund	81	1,500	4	Rs10bn of fund assuming value of 15%
HDFC IT Corridor Fund	81	697	2	Rs4.64bn of fund assuming value of 15%
Real estate fund	60	2,520	5	US\$800 mn assuming value of 7.5%
Equity investments			160	
BVPS of non-strategic investments			34	
Unrealised gains on above			126	
Total value per share			2,945	

Source: Kotak Institutional Equities

HDFC, Sum-of-the-parts-based valuation (FY2012E)

Business/ subsidiaries	HDFC's holding (%)	Value of companies (Rs mn)	Value per share (Rs)	Comments
HDFC			1,902	Based on residual growth model; exit multiple of 3.9X PBR FY2013E discounted to FY2012E
Value of subsidiaries and associates			1,298	
HDFC Bank	23.2	1,084,800	797	Based on HDFC Bank's fair value estimate (FY2012E), 10% holding company discount
HDFC Standard Life MF				
MF business	60.0	54,720	116	4% of March 2012E AUMs- 20% growth assumed
PMS business	60.0	2,074	4	10% of AUMs (March 2012E - 20% yoy growth)
Life insurance	72.0	130,000	310	13.5% margins and 19X NBV multiple
General insurance	74.0	8,600	23	Based on deal with ERGO
Gruh Finance	62.0	8,090	21	Based on market price
IDFC	1.9	255,153	15	Based on market price
HDFC Venture capital				
HDFC Property Fund	80.5	1,500	4	Rs10bn of fund assuming value of 15%
HDFC IT Corridor Fund	80.5	697	2	Rs4.64bn of fund assuming value of 15%
Real estate fund (hosted in MF)	60.0	2,520	5	US\$800 mn assuming value of 7.5%
Equity investments			210	
BVPS of non-strategic investments			34	
Unrealised gains			176	
Total value per share			3,411	

Source: Kotak Institutional Equities

HDFC, Valuation

March fiscal year-ends, 2008-2012E

March y/e	Profit after tax (Rs mn)	EPS (Rs)	EPS core (Rs)	P/E (X)	PE on core operations (X)	BVPS (Rs)	BVPS Core (Rs)	P/B (X)	P/B on core operations (X)	RoA (%)	RoE (%)
2008	24,362	85.8	56.3	31.5	25.8	421	285	6.4	5.1	3.2	27.8
2009	22,825	80.2	72.5	33.7	20.0	462	295	5.9	4.9	2.5	18.2
2010	28,265	98.45	83.0	27.5	17.5	529	227	5.1	6.4	2.6	20.0
2011E	33,566	116.91	97.9	23.1	14.8	598	287	4.5	5.0	7.9	20.7
2012E	40,412	140.75	118.0	19.2	12.3	682	362	4.0	4.0	8.5	22.0
Share price	2,705										
Market Capitalisation (Rs mn)	776,676										
Less value of subsidiaries and investments	360,174										
Price adjd for subsidiaries and investments	416,502										
Price per share adjt for subsidiaries and investments	1,451										

Source: Kotak Institutional Equities

HDFC (standalone), Key ratios, March fiscal year-ends, 2007-2012E (%)

	2007	2008	2009	2010E	2011E	2012E
Spread calc						
Average yield on assets (incl fees)	9.9	11.8	11.7	10.4	10.7	10.8
- interest on housing loans	9.6	11.1	12.6	10.9	11.0	10.9
Average cost of funds	7.1	8.1	9.7	8.0	8.1	8.1
Overall spread	2.9	3.7	2.0	2.4	2.6	2.7
Spread on housing loans	2.5	3.0	2.8	2.9	2.9	2.8
NIMs (post-provision)	3.6	4.8	3.5	3.7	3.7	3.7
NIM (pre provisions)	3.6	4.8	3.6	3.7	3.8	3.7
DU PONT Analysis						
Net total income	3.6	4.8	3.7	3.7	3.7	3.7
Net interest income	2.9	3.7	3.5	3.3	3.3	3.3
Capital gains	0.5	1.0	—	0.2	0.2	0.2
Dividend income	0.2	0.1	0.2	0.2	0.2	0.2
Net other income	0.2	0.1	0.1	0.2	0.2	0.2
Operating expenses	0.4	0.4	0.3	0.3	0.3	0.3
(1- tax rate)	79.8	72.2	70.9	72.2	71.5	71.5
ROA	2.6	3.2	2.5	2.6	2.6	2.6
Average assets/average equity	11.9	8.6	7.4	7.7	7.9	8.5
ROE	31.3	27.8	18.2	20.0	20.7	22.0
Growth(%)						
Net loans	26	29	17	15	21	26
Total assets	23	29	20	15	20	23
Total income	38	51	24	2	20	23
Interest on Housing Loans	40	49	38	—	20	23
Net income before provision	25	69	(4)	17	19	20
Total expenses	12	22	12	2	13	14
PBT	26	71	(5)	22	20	20
PAT	25	55	(6)	24	19	20

Source: Company, Kotak Institutional Equities estimates

HDFC (standalone), P&L and balance sheet, March fiscal year-ends, 2007-2012E (Rs mn)

	2007	2008	2009	2010E	2011E	2012E
Income statement						
Total income excluding fee income	58,069	87,494	108,798	111,066	133,643	164,542
Interest on Housing Loans	48,502	72,164	99,310	99,790	119,328	146,883
Dividends	1,179	686	1,957	2,327	2,948	3,525
Lease rentals	110	155	147	241	217	195
Other operating income	8,279	14,489	7,384	8,708	11,150	13,939
Income from investments	5,026	6,794	7,132	6,614	6,717	8,214
Capital gains	3,253	7,695	252	2,094	2,500	3,000
Income/ gains on securitisation	—	—	—	—	1,933	2,725
Interest payable	36,669	51,429	74,324	70,631	85,504	106,547
Net Income before provision	21,401	36,065	34,474	40,435	48,139	57,995
Provision	250	320	500	580	650	728
Fee income	686	632	1,149	2,317	2,876	3,152
Total income	58,755	88,126	109,948	113,383	136,519	167,694
Staff expenses	913	1,178	1,386	1,467	1,662	1,901
Total expenses	2,192	2,673	2,987	3,056	3,454	3,922
Depreciation	175	166	175	182	192	202
Other income	208	197	229	226	226	226
Profit before tax	19,678	33,735	32,190	39,160	46,945	56,520
Tax	3,974	9,373	9,365	10,895	13,379	16,108
Profit after tax	15,704	24,362	22,825	28,265	33,566	40,412
- EPS	62	86	80	98	117	141
EPS (core)	45	56	72	83	98	118
Book value	219	421	462	529	598	682
Book value (core)	145	285	295	227	287	362
Balance sheet						
Net loans	565,123	729,980	851,981	979,669	1,189,934	1,505,160
Total Investments	36,663	69,150	104,688	107,274	134,202	140,798
In equity	18,872	38,616	47,525	86,775	89,275	91,775
Fixed securities	17,790	30,534	57,162	20,499	44,927	49,023
Diminution in value of invt	(396)	(548)	(853)	(853)	(853)	(853)
Cash & deposits	14,437	8,586	17,185	31,257	31,257	31,257
Loans and advances and other assets	36,129	32,938	38,523	42,375	42,375	42,375
Deferred tax assets	1,231	1,466	2,158	2,857	2,857	2,857
Fixed assets owned	2,131	2,085	2,034	2,221	2,399	2,591
Total assets	655,713	844,205	1,016,569	1,165,654	1,403,024	1,725,039
Total borrowings and CL	600,199	724,732	885,195	1,013,677	1,231,216	1,529,353
Share capital	2,530	2,840	2,845	2,871	2,871	2,871
Reserves	52,984	116,633	128,529	149,106	168,938	192,815
Shareholders fund	55,514	119,473	131,374	151,977	171,809	195,686

Source: Company, Kotak Institutional Equities estimates

JUNE 10, 2010

UPDATE

Coverage view: **Attractive**

Price (Rs): **180**

Target price (Rs): **250**

BSE-30: **16,658**

Increase PT on account of acquisition/ multiple expansion. We increase our FY2011-12E PAT by 6% incorporating the recent brand acquisition made by UNTP. We increase FY2011E sales growth to 13.5% from 10% earlier in FY2011E, in line with volume growth of 14% reported in FY2009-10. UNTP has guided for EBITDA growth exceeding 15% and PBT growth of over 25% in FY2011E. We expect EPS to grow 30% in FY2011E and 22% in FY2012E. We increase PT to Rs250 due to (1) increase in FY2012E PAT by 6% and (2) increase in PE multiple to 13X from 11X (20% premium to its global peers; 15% lower than the five-year average multiple of 15X) Maintain BUY

Company data and valuation summary

United Phosphorus

Stock data

52-week range (Rs) (high,low) 190-133

Market Cap. (Rs bn) 86.6

Shareholding pattern (%)

Promoters 28.0

FIs 35.0

MFs 12.7

Price performance (%)

Absolute 1M 3M 12M 12.0 20.0 9.7

Rel. to BSE-30 12.1 19.0 (3.8)

Forecasts/Valuations

2010 2011E 2012E

EPS (Rs) 11.9 15.6 19.0

EPS growth (%) 18.8 30.2 22.1

P/E (X) 15.7 12.0 9.9

Sales (Rs bn) 52.9 60.1 67.9

Net profits (Rs bn) 5.5 7.2 8.8

EBITDA (Rs bn) 10.2 12.1 14.2

EV/EBITDA (X) 9.0 7.7 6.2

ROE (%) 17.7 19.0 19.5

Div. Yield (%) 0.8 1.1 1.1

Acquired brands to strengthen UNTP's business in Americas and fungicide portfolio

UNTP has acquired the Mancozeb business of DuPont. Due to a confidentiality agreement, financial details have not been disclosed. With the majority of sales of these brands coming from the Americas, we think this move will strengthen UNTP's fungicide business in these regions. The brands will add to fungicide sales of UNTP, which accounts for 30-33% of sales and is a faster-growing segment than insecticides (25% of UNTP sales).

We increase our FY2011-12E PAT estimates by 6% on account of this acquisition

We were earlier estimating 10% sales growth in FY2011E without an acquisition. We remain conservative and increase our FY2011E sales growth to 13.5%. We expect sales of these brands at US\$40 mn in FY2011E, lower than management guidance of US\$50-70 mn. We expect EBITDA margin to come in at 20 % in FY2011E versus guidance of 21%.

Volume growth at 14% in FY2009-10, indicates underlying business growth is intact

UNTP has grown sales at 10% yoy in FY2010. This muted sales growth was due to a number of factors (discussed below) which affected sales across geographies. However, despite the muted overall sales growth, volume growth has been maintained at 14%, same as that reported in FY2009, indicating that strong underlying growth in the business is intact. We maintain our FY2011-12E sales growth at 13-14%, in line with this long-term trend of volume growth.

Maintain BUY with PT at Rs250 (was Rs195); increase our PE multiple to 13X

We increase PT to Rs250 due to (1) increase in FY2012E PAT by 6% and (2) increase in PE multiple to 13X from 11X (20% premium to its global peers). We believe UNTP should trade at a premium to its peers due to its stronger business model demonstrated in FY2010, when UNTP managed growing sales despite price cuts with growth in volume at 14%. In contrast, its larger peers were affected by sales/price decline across geographies due to overdependence on Glyphosate.

QUICK NUMBERS

- Acquired brands to strengthen business in Americas and fungicide portfolio
- We increase our FY2011-12E PAT estimates by 6% on account of this acquisition
- Maintain BUY with PT at Rs250 (from Rs195)

Prashant Vaishampayan
prashant.vaishampayan@kotak.com
Mumbai: +91-22-6634-1127

Priti Arora
priti.arora@kotak.com
Mumbai: +91-22-6634-1551

Kotak Institutional Equities Research
kotak.research@kotak.com
Mumbai: +91-22-6634-1100

Maintain BUY with PT at Rs250 (was Rs195); argue for higher trading multiple for UNTP than global peers

We believe UNTP should trade at a premium to its global peers for several reasons:

1. UNTP has reported strong volume growth at 14% in FY2009-10, indicating underlying business growth is intact. This is in contrast to its peers reporting decline in sales in 2009 on the back of decline in sales price of its important product (Glyphosate) and decline in volume following reduced demand due to high inventory levels in the distribution channels in the industry, especially in Brazil. In contrast, Latin America was the highest growing segment for UNTP in FY2010 (26% sales growth)
2. Strong growth outlook in FY2011E. UNTP has guided for 10-15% revenue growth in FY2011E including the acquisition made. It expected to grow sales at 8-10% inorganically implying sales from acquisition will contribute US\$50-70 mn to topline in FY2011E. In contrast, its larger peer has guided for 5-year sales CAGR of 7% sales growth which includes 2-3 acquisitions of US\$10-40 mn.
3. strong growth outlook in high growth emerging markets of Asia/Latin America; UNTP expects to grow revenues at (1) less than 10% in US, (2) between 3-5% in Europe (3) between 15-20% in India and ROW markets
4. a diversified portfolio with improving mix towards high-growth segments of Fungicides
5. advantage of low-cost manufacturing and planned benefits of Cerexagri integration are likely to lead to margin expansion in FY2011E. UNTP was unable to close down plants in Europe earlier due to strong underlying demand. UNTP now expects to increase EBITDA margin by 200 bps to 21% in FY2011E led by (1) plant shutdown of Cerexagri plant in Spain and (2) Rotterdam plant restructuring. UNTP undertook an extraordinary charge in 4QFY10 of Rs267 mn on account of closure of plant in Spain and restructuring of plant at Rotterdam. It does not expect to incur similar charges in future.

We therefore increase our PE multiple to 13X from 11X earlier (at 20% premium to its global peers and 15% lower than 5-year average multiple of 15X). UNTP has guided towards growing EBITDA at greater than 15% and PBT at over 25% in FY2011E. We expect EPS to grow 30% in FY2011E and 22% in FY2012E. At our PT, UNTP will trade at 13X FY20102E EPS, (20% premium to its global peers) Maintain BUY.

Valuation of global generic Agchem peers

	Price	EPS (LC)		P/E (X)	
	(LC)	FY2011E	FY2012E	FY2011E	FY2012E
Makhteshim-Agan	4	0.3	0.3	14.3	10.7
Nufarm	6	0.4	0.6	13.7	10.4
UPL	188	15.6	19.0	12.1	9.9

Source: Kotak Institutional Equities estimates, Company

Volume growth at 14% in FY2009-10, indicates underlying business growth is intact despite muted sales growth in FY2010

UNTP has grown sales at 10% yoy in FY2010. This muted sales growth was due to a number of factors including weather patterns which affected UNTP's sales growth across geographies. These factors are

- (1) pricing pressure in 2010E with price decline of 5% yoy. UNTP had to take price cuts in some of its non branded products in order to protect its market share. The price cuts varied between 5-13% in 2Q-4QFY10

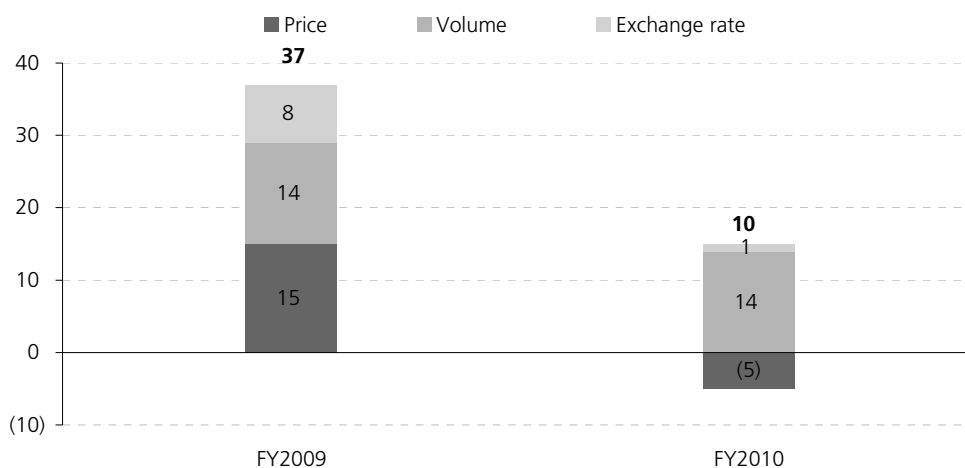
(2) adverse weather patterns which affected sales in North America/Europe. In 2Q-3QFY10, UNTP sales declined in North America and European markets due to (1) lower inventories being held at the end user level and (2) North American market was affected adversely by a shorter growing season.

(3) poor sales growth in India at 4% in 2QFY10. This was due to (1) postponement of orders due to late onset of monsoon

However despite the above, volume growth for FY2010 has been maintained at 14% overall, same as that reported in FY2009 indicating the strong underlying growth in the business is intact. We maintain our FY2011-12E sales growth at 13-14%, in line with this long-term trend of volume growth.

This is in contrast to its peers reporting decline in sales in 2009 due to overdependence on Glyphosate. 2009 sales dipped for UNTP's peers due to (1) decline in sales price of its most important product, Glyphosate where prices crashed by over 50% and (2) decline in volume following reduced demand due to high inventory levels in the distribution channels in the industry, especially in Brazil. In contrast, Latin America was the highest growing segment for UNTP in FY2010 (26% sales growth).

UPL—Components of sales growth, FY2009-10, (%)



Source: Kotak Institutional Equities estimates, Company

UPL—Interim sales growth, March fiscal year-ends (%)

	FY2009	Apr-June09	Jul-Sep09	Oct-Dec09	Jan-Mar10	FY2010
India	29	29	4	25	5	16
International	33	24	(2)	0	10	9
North America	18	24	(12)	(4)	8	5
Europe	36	16	(2)	(11)	(7)	(1)
Rest of the World	48	37	12	12	44	26
Total (incl other income)	32	25	(0)	6	9	10
Price	15	4	(5)	(13)	(7)	(5)
Volume	14	15	3	18	20	14
Exchange rate	8	7	2	0	(5)	1

Source: Kotak Institutional Equities estimates, Company

Sales growth, 2009/FY2010 (%)

	Price	Volume	Exchange rate	Total
UNTP	↓	↑	↑	↑
MAI	↓	↓	↓	↓
Nufarm	↓	NA	NA	↓

Source: Kotak Institutional Equities estimates, Company

Sales split, FY2010 (%)

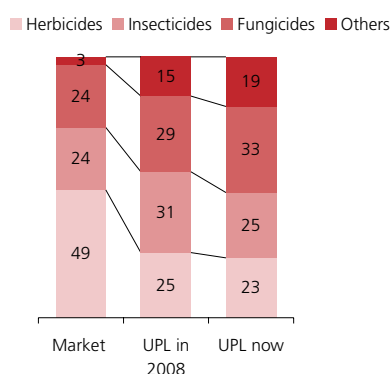
	NA	Europe	LA	Home	ROW
UNTP	22	29	27	22	—
MAI	18	42	25	4	11
Nufarm	24	19	24	33	—

Source: Kotak Institutional Equities estimates, Company

Diversified portfolio with improving mix towards high-growth segments to boost sales growth

UNTP has increased its sales mix towards higher growth segments of Fungicides through key acquisitions such as Cerexagri in 2007 and the recent acquisition. Fungicides now account for 30-33% of sales from less than 30% earlier; Herbicides is 20-23% and Insecticides is 25%, down from 31% earlier.

Product split (%)



Source: Kotak Institutional Equities estimates, Company

We maintain our FY2011-12E sales growth at 13-14%, in line with long-term trend of volume growth seen in FY2009-10

Our forecast is based on Rs/US\$ rate of 45 for FY2011E and 45.25 for FY2012E. We do not include any forex gain/loss in our estimates.

UNTP has guided for 10-15% revenue growth in FY2011E including an acquisition. We were earlier estimating 10% sales growth in FY2011E without an acquisition. We remain conservative and increase our FY2011E sales growth to 13.5%, lower than upper end of management guidance of 10-15% in FY2011E. We expect sales of these brands acquired at US\$40 mn in FY2011E. We expect working capital position to deteriorate as UNTP builds up inventories ahead of busy period of June quarter.

We estimate sales growth of 13.5% to be driven by (1) 20% growth in India (2) 15% in Latin America (3) 5% in North America and (4) 1% in Europe

Cerexagri integration benefits and higher sales growth will lead to margin expansion in FY2011E

EBITDA margin declined 100 bps in FY2010 to 18% due to (1) price cuts taken in FY2010 to align output prices with falling input prices (2) higher cost inventory and (3) muted sales growth. We expect margin to increase to 20% in FY2011E led by (1) higher sales growth of 13.5% in FY2011E vs 10% in FY2010 (2) plant shutdown of Cerexagri plant in Spain and (3) Rotterdam plant restructuring (4) manufacturing efficiencies to be realized by shifting production to Indian facilities. UNTP undertook an extraordinary charge in 4QFY10 of Rs267 mn on account of closure of plant in Spain and restructuring of plant at Rotterdam. It does not expect to incur similar charges in future.

UPL, Profit and loss statement, March fiscal year-ends, 2007-2012E (Rs mn)

	2007	2008	2009	2010	2011E	2012E
Net sales	23,112	35,155	48,021	52,900	60,084	67,881
Operating expenses						
Materials	(11,822)	(18,146)	(24,512)	(29,542)	(31,244)	(31,924)
Selling and administration	(3,212)	(4,927)	(6,515)	—	(7,811)	(8,825)
Employee cost	(1,896)	(4,017)	(4,794)	(5,018)	(5,900)	(6,788)
R&D	(71)	(90)	(306)	—	(300)	(339)
Others	(1,826)	(3,071)	(3,742)	(10,052)	(2,704)	(5,770)
Total expenditure	(18,827)	(30,250)	(39,868)	(44,612)	(47,959)	(53,646)
EBITDA	4,285	4,905	8,153	8,288	12,125	14,235
Depreciation and amortisation	(1,656)	(1,522)	(1,927)	(2,147)	(2,475)	(2,600)
EBIT	2,629	3,383	6,226	6,141	9,650	11,635
Net finance cost	(1,046)	(1,688)	(1,761)	(1,831)	(1,420)	(1,300)
Other income	1,598	2,462	555	1,938	320	200
Pretax profits before extra-ordinaries	3,181	4,156	5,021	6,249	8,550	10,535
Current tax	(131)	(141)	(263)	(850)	(1,454)	(1,896)
Deferred tax	(372)	(263)	19	—	—	—
Fringe benefit tax	(22)	(20)	(31)	—	—	—
Reported net profit	2,656	3,733	4,747	5,399	7,097	8,639
(Profit)/loss in minority interest	—	(10)	(25)	(59)	—	—
Share of profit/(loss) in associate	242	222	200	188	100	150
Preference dividend	—	—	—	—	—	—
Prior adjustments (net)	(212)	(226)	(268)	—	—	—
Reported net profit after minority interest	2,685	3,719	4,654	5,527	7,197	8,789
Exceptional items	(76)	(1,144)	(95)	(231)	—	—
Reported net profit after minority interest	2,609	2,575	4,559	5,296	7,197	8,789

Source: Kotak Institutional Equities estimates, Company

UPL, Balance sheet statement, March fiscal year-ends, 2007-2012E (Rs mn)

	2007	2008	2009	2010	2011E	2012E
Balance sheet						
Net worth	14,954	22,380	26,730	34,265	40,400	48,126
Debt	19,593	15,683	20,665	22,740	21,504	15,406
Current liabilities	12,504	13,473	16,260	16,270	16,881	20,370
Minority Interests	49	60	95	155	155	155
Deferred payment liabilities	695	862	677	677	677	677
Deferred tax liabilities	50	254	338	338	338	338
Total equity and liabilities	47,843	52,711	64,765	74,444	79,954	85,071
Cash and cash equivalents	4,604	8,446	5,539	18,000	15,300	15,300
Current assets	20,565	23,635	35,635	37,832	46,517	52,234
Net assets incl intangibles	18,736	15,993	18,494	17,847	17,372	16,772
Investments	3,910	4,070	4,332	—	—	—
Deferred tax asset	22	563	765	765	765	765
Misc. expenditure	7	5	—	—	—	—
Total assets	47,843	52,711	64,765	74,444	79,954	85,071
Free cash flow						
Operating cash flow, excl. w. capital	5,038	6,553	8,018	9,128	10,485	12,141
Working capital	297	(2,615)	(9,471)	(2,210)	(8,343)	(2,228)
Capital expenditure	(14,701)	2,827	(3,620)	(1,500)	(2,000)	(2,000)
Investments	256	(159)	(268)	59	—	—
Free cash flow	(9,110)	6,607	(5,340)	5,477	142	7,913

Source: Kotak Institutional Equities estimates, Company

SOTP-based price target, FY2011-12E

	PAT (Rs mn)		P/E	Valuation (Rs mn)	
	FY2011E	FY2012E	(X)	FY2011E	FY2012E
India	1,765	2,105	12.0	21,184	25,260
North America	1,504	1,872	13.8	20,759	25,835
Europe	1,876	2,253	14.4	27,010	32,439
RoW	1,698	2,245	12.6	21,392	28,285
Seeds	100	150	16.0	1,596	2,394
Total	6,943	8,625		91,941	114,212
Value per share (Rs)				199	247
Share price target (Rs)					247

Source: Kotak Institutional Equities estimates, Company

Change in estimates (Rs mn)

	New estimates		Old estimates		% change	
	2011E	2012E	2011E	2012E	2011E	2012E
Net sales	60,084	67,881	58,373	66,234	3	2
Operating expenses						
Materials	(31,244)	(31,924)	(30,354)	(31,326)	3	2
Selling and administration	(7,811)	(8,825)	(7,588)	(8,610)	3	2
Employee cost	(5,900)	(6,788)	(5,900)	(6,623)	0	2
R&D	(300)	(339)	(292)	(331)	3	2
Others	(2,704)	(5,770)	(2,627)	(5,630)	3	2
Total expenditure	(47,959)	(53,646)	(46,761)	(52,521)	3	2
EBITDA	12,125	14,235	11,612	13,713	4	4
Depreciation and amortisation	(2,475)	(2,600)	(2,475)	(2,600)	0	0
EBIT	9,650	11,635	9,137	11,113	6	5
Net finance cost	(1,420)	(1,300)	(1,420)	(1,300)	0	0
Other income	320	200	320	200	0	0
Pretax profits before extra-ordinaries	8,550	10,535	8,037	10,013	6	5
Current tax	(1,454)	(1,896)	(946)	(1,382)	54	37
Deferred tax	0	0	(400)	(400)		
Fringe benefit tax	0	0	(20)	(20)		
Reported net profit	7,097	8,639	6,671	8,211	6	5
Share of profit/(loss) in associate	100	150	100	150	0	0
Reported net profit after minority interes	7,197	8,789	6,771	8,361	6	5

Source: Kotak Institutional Equities estimates, Company

Source: Company, Bloomberg, Kotak Institutional Equities estimates

9-Jun-10			Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price			
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	(Rs)	Upside (%)	ADVT-3mo	
Automobiles																														
Ashok Leyland	62	ADD	82,013	1,744	1,330	2.8	3.9	5.0	84.5	37.5	29.7	21.8	15.9	12.2	13.0	10.0	8.5	2.1	1.9	1.7	2.4	1.6	1.6	11.1	12.7	15.0	60	(2.7)	9.6	
Bajaj Auto	2,194	ADD	317,493	6,751	145	117.5	159.9	173.2	159.8	36.1	8.3	18.7	13.7	12.7	11.8	9.4	8.6	10.0	6.3	4.5	0.9	0.9	0.9	66.6	54.8	39.8	2,330	6.2	11.1	
Hero Honda	1,921	SELL	383,544	8,156	200	111.8	121.5	135.7	74.1	8.7	11.7	17.2	15.8	14.2	11.0	10.4	8.9	10.6	7.3	5.4	1.6	1.7	1.9	59.1	56.6	43.8	1,800	(6.3)	23.7	
Mahindra & Mahindra	578	BUY	334,517	7,113	578	34.9	39.0	43.9	132.5	11.7	12.5	16.6	14.8	13.2	11.0	9.7	8.6	4.1	3.3	2.7	1.6	1.6	1.7	30.0	24.9	22.8	630	8.9	26.9	
Maruti Suzuki	1,303	ADD	376,567	8,008	289	86.4	94.1	104.2	104.9	8.9	10.8	15.1	13.8	12.5	8.1	7.5	6.5	3.2	2.6	2.2	0.5	0.5	0.6	23.3	20.6	18.9	1,400	7.4	19.1	
Tata Motors	728	ADD	434,049	9,230	596	23.9	27.2	35.5	138.9	13.5	30.6	30.4	26.8	20.5	12.2	12.2	10.7	2.1	1.9	1.7	0.8	0.8	0.8	8.1	7.5	8.6	900	23.6	109.2	
Automobiles			Cautious	1,928,183	41,002					118.1	16.4	14.3	18.9	16.3	14.2	10.9	9.9	8.7	3.8	3.1	2.6	1.1	1.1	1.2	19.9	19.1	18.2			
Banks/Financial Institutions																														
Andhra Bank	136	BUY	65,718	1,397	485	21.0	21.1	25.4	56.1	0.6	20.0	6.4	6.4	5.3	—	—	—	1.4	1.2	1.0	3.1	3.1	3.7	24.4	20.2	20.7	160	18.1	5.9	
Axis Bank	1,240	ADD	502,317	10,682	405	62.1	77.4	98.5	22.7	24.7	27.3	20.0	16.0	12.6	—	—	—	3.1	2.7	2.3	1.0	1.2	1.5	18.9	18.1	19.9	1,360	9.7	51.1	
Bank of Baroda	730	BUY	266,872	5,675	366	83.7	89.8	111.0	37.3	7.3	23.6	8.7	8.1	6.6	—	—	—	1.9	1.6	1.4	2.1	2.2	2.7	24.4	21.8	22.6	825	13.0	11.1	
Bank of India	329	REDUCE	173,157	3,682	526	33.1	40.5	56.0	(42.1)	22.2	38.3	9.9	8.1	5.9	—	—	—	1.4	1.2	1.1	2.1	2.6	3.6	14.3	15.9	19.3	360	9.3	6.0	
Canara Bank	428	ADD	175,562	3,733	410	73.7	77.0	93.6	45.8	4.5	21.4	5.8	5.6	4.6	—	—	—	1.4	1.1	0.9	1.9	2.3	2.8	23.0	19.6	20.1	500	16.8	6.6	
Corporation Bank	522	BUY	74,875	1,592	143	81.6	86.7	100.3	31.1	6.3	15.7	6.4	6.0	5.2	—	—	—	1.3	1.1	1.0	3.2	3.4	3.9	21.9	19.9	19.8	650	24.5	1.0	
Federal Bank	340	BUY	58,151	1,237	171	27.2	38.7	48.0	(7.2)	42.3	24.2	12.5	8.8	7.1	—	—	—	1.2	1.1	1.0	1.5	2.1	2.6	10.3	13.4	14.8	360	5.9	4.9	
HDFC	2,705	ADD	776,676	16,516	287	98.4	118.2	143.7	22.7	20.1	21.5	27.5	22.9	18.8	—	—	—	5.1	4.5	4.0	1.3	1.5	1.9	20.0	21.0	22.4	3,200	18.3	39.3	
HDFC Bank	1,881	BUY	850,277	18,081	452	65.2	86.2	112.2	23.6	32.1	30.2	28.8	21.8	16.8	—	—	—	4.0	3.5	3.0	0.7	0.9	1.1	16.2	17.0	19.2	2,200	17.0	32.6	
KICICI Bank	825	REDUCE	919,283	19,548	1,115	36.1	46.5	58.0	6.9	28.9	24.7	22.8	17.7	14.2	—	—	—	1.8	1.7	1.6	1.5	1.9	2.3	8.1	9.8	11.5	980	18.9	93.8	
IDFC	165	ADD	214,275	4,556	1,301	8.2	9.2	11.2	4.1	12.9	21.9	20.2	17.9	14.7	—	—	—	3.1	2.7	2.4	0.9	1.0	1.2	16.1	16.0	17.1	180	9.3	18.6	
India Infoline	92	BUY	28,826	613	312	8.1	8.9	10.0	59.2	9.8	12.5	11.4	10.4	9.2	—	—	—	1.8	1.5	1.2	3.4	2.1	2.5	16.4	15.9	16.1	140	51.4	3.4	
Indian Bank	229	BUY	98,460	2,094	430	35.1	35.5	43.8	25.5	1.1	23.6	6.5	6.5	5.2	—	—	—	1.5	1.2	1.0	2.6	2.7	3.3	24.0	20.3	21.2	280	22.2	4.0	
Indian Overseas Bank	92	BUY	50,203	1,068	545	13.0	15.4	26.4	(46.7)	18.9	71.3	7.1	6.0	3.5	—	—	—	0.8	0.7	0.6	4.4	4.9	5.4	9.6	10.6	16.3	120	30.2	3.0	
J&K Bank	756	BUY	36,680	780	48	105.7	112.3	140.6	25.1	6.3	25.2	7.2	6.7	5.4	—	—	—	1.3	1.1	1.0	2.9	3.1	3.9	17.3	16.9	18.5	850	12.4	0.5	
LIC Housing Finance	966	ADD	91,760	1,951	95	69.7	93.2	104.2	11.4	33.8	11.7	13.9	10.4	9.3	—	—	—	2.8	2.4	2.0	1.6	2.1	2.3	23.6	23.8	22.4	1,050	8.7	21.2	
Mahindra & Mahindra Financial	457	BUY	43,891	933	96	35.7	42.6	49.8	59.3	19.3	16.8	12.8	10.7	9.2	—	—	—	2.6	2.2	1.9	1.7	2.0	2.3	21.4	21.7	21.6	500	9.4	1.2	
Oriental Bank of Commerce	336	ADD	84,081	1,788	251	45.3	52.8	58.6	25.3	16.5	11.0	7.4	6.4	5.7	—	—	—	1.2	1.1	0.9	2.7	3.2	3.5	14.1	15.4	15.3	400	19.2	4.7	
PFC	303	SELL	347,430	7,388	1,148	20.5	22.5	25.9	53.5	9.9	15.1	14.8	13.5	11.7	—	—	—	2.7	2.4	2.1	1.7	1.9	2.1	18.8	18.0	18.2	240	(20.7)	2.5	
Punjab National Bank	1,020	BUY	321,609	6,839	315	123.8	128.0	156.5	26.3	3.4	22.2	8.2	8.0	6.5	—	—	—	2.0	1.7	1.4	2.2	2.5	3.1	26.4	22.7	23.3	1,150	12.7	7.3	
Reliance Capital	663	ADD	163,179	3,470	246	13.8	16.1	14.1	(64.9)	17.0	(12.4)	48.0	41.0	46.9	—	—	—	2.4	2.3	2.2	1.0	1.0	0.9	5.0	5.7	4.8	875	32.0	#VALUE!	
Rural Electrification Corp.	290	ADD	286,294	6,088	987	20.3	24.6	30.7	23.2	21.2	24.9	14.3	11.8	9.4	—	—	—	2.6	2.3	2.0	2.2	2.5	3.2	22.0	20.5	22.2	300	3.5	14.7	
Shriram Transport	582	ADD	129,789	2,760	223	39.2	49.1	62.4	30.1	25.4	27.2	14.9	11.9	9.3	—	—	—	3.5	3.0	2.5	2.0	2.5	3.2	28.4	26.1	27.8	600	3.2	5.3	
SREI	80	NR	9,280	197	116	8.3	7.9	9.9	17.8	(4.8)	25.8	9.6	10.1	8.0	—	—	—	0.8	0.7	0.7	1.5	1.5	1.5	11.1	10.5	12.3	—	—	4.5	
State Bank of India	2,273	BUY	1,442,765	30,680	635	144.4	178.1	223.0	0.5	23.4	25.2	15.7	12.8	10.2	—	—	—	2.2	1.9	1.7	1.8	1.8	1.9	14.8	16.1	17.8	2,700	18.8	94.0	
Union Bank	306	BUY	154,617	3,288	505	41.1	45.8	57.3	20.2	11.5	25.0	7.5	6.7	5.3	—	—	—	1.8	1.4	1.2	1.8	2.2	2.7	26.2	23.7	24.3	380	24.1	4.7	
Banks/Financial Institutions			Attractive	7,366,027	156,637					14.4	17.3	24.3	14.8	12.6	10.1	—	—	—	2.3	2.0	1.8	1.6	1.8	2.2	15.5	16.0	17.4			
Cement																														
ACC	858	SELL	161,210	3,428	188	83.2	61.8	63.4	47.9	(25.7)	2.6	10.3	13.9	13.5	5.6	6.5	5.6	2.5	2.2	2.0	2.7	2.7	2.7	29.3	19.4	17.7	830	(3.3)	9.6	
Ambuja Cements	115	SELL	175,149	3,725	1,522	8.0	7.9	8.1	11.4	(1.8)	2.6	14.4	14.6	14.3	8.0	8.3	7.5	2.5	2.2	2.0	1.6	1.9	1.9	19.3	16.7	15.3	98	(14.8)	6.4	
Grasim Industries	1,776	REDUCE	162,878	3,464	92	301.0	240.1	282.0	26.1	(20.2)	17.5	5.9	7.4	6.3	3.8	3.8	2.9	1.3	1.1	1.0	1.9	1.9	1.9	22.9	16.4	16.7	2,100	18.2	10.0	
India Cements	113	SELL	34,586	735	307	10.0	10.4	11.3	n/a	3.1	9.1	11.2	10.9	10.0	5.6	5.6	5.4	0.8	0.8	0.7	1.9	2.8	2.8	8.2	7.7	8.0	110	(2.4)	4.4	
Shree Cement	2,084	BUY	72,583	1,543	35	208.0	221.1	242.5	19.0	6.3	9.7	10.0	9.4	8.6	4.9	4.8	3.8	4.0	2.8	2.1	0.5	0.5	0.5	48.0	35.0	28.1	2,550	22.4	0.9	
UltraTech Cement	945	SELL	117,631	2,501	124	88.2	67.1	77.2	12.0	(23.9)	15.0	10.7	14.1	12.2	5.5	6.3	5.2	2.2	1.9	1.7	0.9	0.9	0.9	20.6	16.8	16.7	940	(0.5)	3.3	
Cement			Neutral	724,038	15,396					19.3	(15.5)	10.4	9.4	11.2	10.1	5.1	5.4	4.5	1.9	1.7	1.5	1.7	1.8	1.8	20.5	15.1	14.6			
Consumer products																														
Asian Paints	2,284	BUY	219,052	4,658	96	71.6	82.1	98.1	85.4	14.7	19.5	31.9	27.8	23.3	19.9	17.1	14.0	13.5	10.8	8.7	1.2	1.5	1.8	51.6	44.5	42.5	2,300	0.7	2.5	
Colgate-Palmolive (India)	818	REDUCE	111,195	2,365	136	29.7	33.0	37.6	37.6	11.1	13.9	27.5	24.8	21.7	20.4	18.0	15.3	34.8	27.2	21.8	2.4	2.7	3.1	150.2	122.2	109.9	760	(7.1)	2.3	
Dabur India	192	BUY	166,198	3,534	866	5.8	6.8	8.2	28.1	17.6	20.8	33.1	28.1	23.3	24.6	19.7	16.3	15.8	13.0	10.7	1.6	1.9	2.3	54.3	51.1	50.7	200	4.2	2.1	
GlaxoSmithKline Consumer (a)	1,673	ADD	70,355	1,496	42	55.4	70.0	82.9	23.6	26.5	18.4	30.2	23.9	20.2	16.5	14.0	11.4	7.9	6.5	5.4	1.1	1.4	1.6	27.9	29.6	29.2	1,800	7.6	1.0	
Godrej Consumer Products	361	NR	111,303	2,367	308	8.7	9.8	11.6	29.7	13.2	18.2	41.6	36.8	31.1	29.5	26.3	22.2	9.5	8.3	8.3	1.1	1.1	1.1	30.7	24.1	27.8	—	—	3.4	
Hindustan Unilever	250	REDUCE	543,885	11,566	2,179	9.7	10.4	11.8	1.7	7.3	14.0	25.8	24.0	21.1	17.3	16.3	13.													

Kotak Institutional Equities: Valuation summary of key Indian companies

Company	9-Jun-10		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price			Upside (%)	ADVT-3mo
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	(Rs)	(%)	(US\$ mn)		
Energy																															
Bharat Petroleum	553	RS	199,841	4,250	362	63.3	53.6	59.2	207.3	(15.3)	10.4	8.7	10.3	9.3	5.0	5.1	4.6	1.4	1.3	1.2	2.5	3.2	3.5	15.9	12.2	12.3	—	—	9.1		
Cairn India	290	SELL	550,405	11,704	1,897	5.3	28.5	40.0	—	433	40.5	54	10	7.3	42.6	7.0	4.9	1.6	1.4	1.3	—	—	5.2	3.0	14.6	18.1	250	(13.8)	19.4		
Castrol India (a)	400	REDUCE	98,949	2,104	247	15.4	19.6	20.6	44.6	27.0	5.3	26.0	20.4	19.4	15.3	12.5	11.7	21.5	20.1	18.5	3.1	3.9	4.0	83.8	101.6	99.2	330	(17.5)	1.4		
GAIL (India)	456	ADD	577,983	12,291	1,268	24.8	26.4	37.1	11.7	6.8	40.5	18.4	17.2	12.3	10.3	10.6	8.8	3.2	2.8	2.4	1.6	1.9	2.6	17.4	16.5	20.2	485	6.4	17.4		
GSPL	95	REDUCE	53,461	1,137	562	7.4	8.9	9.1	234.7	21.5	1.3	12.9	10.6	10.5	6.7	5.6	5.1	3.1	2.5	2.2	1.1	2.4	3.8	27.3	26.3	22.5	80	(15.8)	4.1		
Hindustan Petroleum	354	RS	120,162	2,555	339	54.7	44.6	56.3	222.7	(18.6)	26.4	6.5	8.0	6.3	2.4	2.8	2.3	0.9	0.8	0.8	3.4	3.9	5.0	13.9	10.1	11.7	—	—	7.7		
Indian Oil Corporation	346	RS	839,949	17,861	2,428	49.9	34.3	35.7	406.8	(31.3)	4.2	6.9	10.1	9.7	4.8	5.6	4.8	1.5	1.4	1.3	3.8	3.0	3.1	22.7	13.9	13.3	—	—	6.1		
Oil India	1,304	BUY	313,456	6,666	240	115.1	127.0	140.6	—	10.3	10.7	11.3	10.3	9.3	4.7	3.9	3.3	2.1	1.9	1.7	2.6	3.0	3.3	16.7	17.3	17.0	1,350	3.6	3.4		
Oil & Natural Gas Corporation	1,190	BUY	2,545,917	54,138	2,139	91.4	121.9	129.5	1.3	33.3	6.2	13.0	9.8	9.2	4.7	4.0	3.4	1.9	1.7	1.5	2.8	3.5	3.6	14.6	17.5	16.7	1,375	15.5	28.4		
Petronet LNG	83	REDUCE	62,288	1,325	750	5.4	6.2	7.9	—	14.9	28.0	15.4	13.4	10.5	9.6	7.9	6.9	2.4	2.1	1.8	2.1	2.4	3.3	15.9	15.9	17.6	82	(1.3)	4.0		
Reliance Industries	1,007	SELL	2,996,981	63,730	2,976	49.6	62.9	80.2	(1.8)	26.6	27.5	20.3	16.0	12.6	10.3	7.7	6.4	2.0	1.8	1.7	1.5	1.9	2.3	11.4	13.2	15.3	985	(2.2)	123.8		
Energy		Cautious	8,359,392	177,760					33.5	19.3	17.1	13.9	11.7	10.0	6.8	5.8	4.8	1.9	1.7	1.6	2.1	2.5	3.1	13.8	14.9	15.7					
Industrials																															
ABB	855	REDUCE	181,203	3,853	212	16.7	23.3	37.2	(35.2)	39.2	59.8	51.1	36.7	23.0	29.3	21.6	13.4	7.5	6.4	5.1	0.2	0.4	0.4	15.6	18.8	24.7	840	(1.8)	7.7		
BGR Energy Systems	642	BUY	46,253	984	72	27.3	36.2	46.3	70.5	32.4	27.8	23.5	17.7	13.9	13.7	10.5	8.4	6.4	5.0	3.9	0.7	1.0	1.2	30.7	31.6	31.3	700	9.0	2.3		
Bharat Electronics	1,675	REDUCE	134,028	2,850	80	93.9	111.8	127.4	(9.6)	19.1	13.9	17.8	15.0	13.2	8.5	6.8	5.7	3.0	2.6	2.3	1.5	1.5	1.5	17.9	18.7	18.5	1,790	6.8	3.5		
Bharat Heavy Electricals	2,293	ADD	1,122,494	23,870	490	92.0	115.8	136.2	44.1	25.8	17.7	24.9	19.8	16.8	13.8	10.8	8.8	6.9	5.5	4.4	0.9	1.1	1.3	30.8	30.7	28.9	2,500	9.0	31.3		
Crompton Greaves	238	BUY	152,753	3,248	642	12.8	13.3	15.8	46.5	3.2	19.0	18.5	18.0	15.1	10.7	9.8	8.0	5.8	4.6	3.6	0.7	0.8	0.9	36.8	28.5	26.8	290	21.8	8.5		
Larsen & Toubro	1,643	BUY	987,271	20,994	601	58.1	69.7	87.7	16.0	19.9	25.9	28.3	23.6	18.7	15.3	13.1	10.9	4.4	3.7	3.1	0.7	0.7	0.9	18.6	17.2	18.3	1,850	12.6	50.0		
Maharashtra Seamless	377	BUY	26,572	565	71	40.2	43.6	49.8	12.1	8.5	14.2	9.4	8.6	7.6	4.9	4.3	3.4	1.7	1.4	1.2	1.6	2.1	2.6	19.3	17.9	17.7	450	19.4	0.7		
Siemens	690	REDUCE	232,489	4,944	337	25.0	29.6	34.3	55.2	18.6	16.0	27.6	23.3	20.1	16.2	13.3	11.2	6.8	5.6	4.6	0.7	0.8	1.0	27.3	26.3	25.1	635	(7.9)	7.0		
Suzlon Energy	54	REDUCE	85,272	1,813	1,594	(5.9)	0.3	5.3	(182.3)	(104.4)	1,931.8	(9.0)	206.2	10.2	16.3	8.4	5.5	0.8	0.8	0.7	—	—	0.4	(8.8)	0.4	7.5	70	30.8	29.0		
Thermax	704	BUY	83,899	1,784	119	21.7	29.4	37.6	(10.4)	35.4	27.7	32.4	23.9	18.7	17.3	13.4	10.5	7.7	6.4	5.2	0.5	1.2	1.5	24.9	29.1	30.5	750	6.5	1.1		
Volta	190	ADD	62,806	1,336	331	10.9	11.3	12.6	57.4	3.8	12.1	17.5	16.8	15.0	10.2	9.0	7.7	5.9	4.8	4.0	1.6	1.8	2.0	38.3	31.3	28.8	215	13.2	3.7		
Industrials		Attractive	3,115,040	66,241					4.2	32.3	26.9	28.5	21.6	17.0	14.3	11.4	9.1	4.6	3.9	3.3	0.8	0.9	1.1	16.3	18.3	19.6					
Infrastructure																															
Container Corporation	1,228	REDUCE	159,661	3,395	130	61.1	74.3	85.9	0.3	21.7	15.6	20.1	16.5	14.3	14.0	11.4	9.5	3.7	3.2	2.7	1.1	1.4	1.6	19.6	20.6	20.5	1,250	1.8	1.7		
GMR Infrastructure	55	ADD	201,318	4,281	3,667	0.4	0.2	0.1	(43.8)	(48.9)	(40.0)	127.4	249.4	415.3	22.8	14.7	13.8	1.9	1.6	1.6	—	—	—	2.4	1.2	0.7	65	18.4	5.7		
GVK Power & Infrastructure	41	BUY	65,063	1,384	1,579	0.8	1.1	1.4	6.7	33.5	32.4	50.6	37.9	28.6	17.7	16.3	16.7	2.1	2.0	1.9	—	0.7	0.7	4.7	5.3	6.7	54	31.1	6.0		
IRB Infrastructure	255	RS	84,836	1,804	332	9.7	12.6	12.1	83.8	29.2	(3.7)	26.2	20.3	21.1	12.6	11.3	10.5	3.7	2.8	2.3	—	—	—	15.6	15.7	11.9	—	—	4.5		
Mundra Port and SEZ	667	REDUCE	269,128	5,723	403	15.1	24.1	35.7	40.8	59.5	48.4	44.2	27.7	18.7	28.6	18.4	13.0	7.4	5.7	4.3	—	—	—	18.5	23.2	26.1	725	(8.7)	14.9		
Infrastructure		Attractive	780,006	16,587					12.7	29.5	24.1	38.8	29.9	24.1	19.7	14.6	12.5	3.2	2.8	2.5	—	—	—	0.4	8.4	9.2	10.2				
Media																															
DB Corp	237	ADD	42,986	914	181	10.6	12.9	15.7	276.4	21.0	22.3	22.3	18.4	15.1	12.3	10.2	8.0	6.2	4.9	4.2	0.8	1.7	2.5	38.2	29.6	29.9	280	18.2	9.8		
Dishtv	40	ADD	42,642	907	1,063	(2.5)	(1.2)	0.6	(61.6)	(52.4)	(146.5)	(15.9)	(33.4)	71.8	62.2	20.2	11.0	10.4	15.2	12.6	—	—	—	248.6	(37.1)	19.1	45	12.2	2.9		
HT Media	160	NR	37,506	798	235	6.1	7.8	9.4	623.3	27.0	20.9	26.1	20.6	17.0	13.1	10.9	8.9	3.9	3.4	3.1	0.6	1.3	2.5	15.6	17.6	19.2	—	—	0.3		
Jagran Prakashan	117	ADD	35,267	750	301	5.8	6.4	7.5	91.9	9.5	16.7	20.1	18.3	15.7	12.1	10.6	9.1	5.8	5.2	4.6	3.0	3.0	3.4	30.0	29.8	31.0	130	11.0	0.7		
Sun TV Network	393	REDUCE	154,873	3,293	394	13.1	17.9	22.8	44.8	36.0	27.5	29.9	22.0	17.2	16.9	12.6	10.0	8.0	6.7	5.6	1.9	1.9	2.3	28.4	33.5	35.5	420	6.9	1.7		
Zee Entertainment Enterprises	283	REDUCE	122,714	2,609	434	10.5	12.0	14.7	24.4	14.4	22.2	26.9	23.5	19.2	20.0	15.8	12.5	3.3	3.2	3.0	0.9	1.0	1.3	13.0	14.1	16.4	265	(6.3)	8.4		
Media		Neutral	435,988	9,271					183.3	41.2	36.3	36.1	25.5	18.7	17.3	13.2	10.2	5.2	4.8	4.3	1.3	1.5	1.9	14.5	18.8	22.9					
Metals																															
Hindalco Industries	133	ADD	254,459	5,411	1,914	<																									

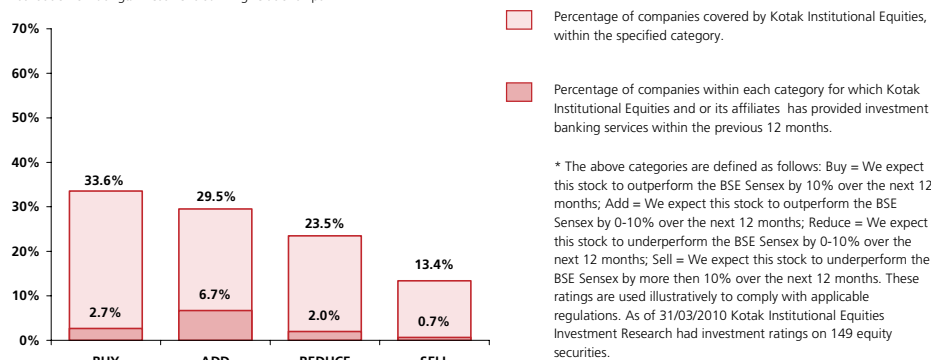
Kotak Institutional Equities: Valuation summary of key Indian companies

Company	9-Jun-10		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E			
Retail																													
Titan Industries	2,226	ADD	98,806	2,101	44	62.7	76.1	96.2	41.5	21.3	26.5	35.5	29.3	23.1	25.2	19.7	15.4	12.5	9.4	7.1	0.4	0.5	0.6	40.7	36.6	34.8	2,400	7.8	4.2
Retail		Neutral	98,806	2,101					41.5	21.3	26.5	35.5	29.3	23.1	25.2	19.7	15.4	12.5	9.4	7.1	0.4	0.5	0.6	35.2	32.0	30.5			
Sugar																													
Bajaj Hindustan	109	SELL	20,801	442	191	9.7	9.9	8.9	—	2.2	(10.4)	11.2	10.9	12.2	6.8	5.6	5.3	0.9	0.8	0.7	0.6	0.6	0.6	8.1	7.5	6.3	99	(8.9)	9.2
Balrampur Chini Mills	76	ADD	19,578	416	257	3.7	10.4	7.0	—	183.7	(32.7)	20.8	7.3	10.9	9.0	5.1	5.5	1.4	1.2	1.2	0.6	0.6	0.6	7.0	18.1	11.0	92	20.7	9.0
Shree Renuka Sugars	64	BUY	42,666	907	670	9.9	7.6	7.8	196.4	(23.2)	3.1	6.4	8.4	8.1	4.5	5.0	4.3	1.7	1.4	1.2	0.6	0.5	0.5	32.0	18.1	15.7	76	19.3	21.9
Sugar		Cautious	83,044	1,766					96.1	2.5	(9.4)	8.8	8.6	9.5	5.9	5.3	4.9	1.3	1.1	1.0	0.6	0.6	0.6	14.9	13.3	10.8			
Technology																													
HCL Technologies	364	REDUCE	251,057	5,339	690	17.8	25.1	28.5	2.0	40.6	13.6	20.4	14.5	12.8	10.4	8.9	7.4	3.9	3.3	2.7	1.1	1.1	1.6	20.8	24.9	23.3	370	1.7	8.5
Hexaware Technologies	71	REDUCE	10,192	217	144	9.3	5.1	9.4	127.7	(45.4)	84.0	7.6	13.9	7.6	3.6	7.4	3.9	1.2	1.1	1.0	1.4	1.4	1.4	17.8	8.4	14.0	72	1.5	2.6
Infosys Technologies	2,625	BUY	1,506,721	32,040	574	108.3	125.2	150.5	5.7	15.6	20.2	24.2	21.0	17.4	17.6	14.4	11.6	6.5	5.4	4.5	1.0	1.3	1.6	30.1	28.2	28.0	3,100	18.1	69.2
Mphasis BFL	554	REDUCE	115,566	2,457	208	43.6	49.0	45.6	207.5	12.5	(7.0)	12.7	11.3	12.2	10.1	9.0	8.1	4.9	3.5	2.8	0.6	0.7	0.8	48.1	36.4	25.8	550	(0.8)	9.8
Mindtree	538	REDUCE	22,142	471	41	52.2	38.9	51.6	294.3	(25.5)	32.6	10.3	13.8	10.4	8.8	8.5	6.0	3.3	2.7	2.2	0.4	0.7	1.0	35.2	21.4	23.1	550	2.2	2.8
Patni Computer Systems	580	REDUCE	77,257	1,643	133	36.6	42.3	38.6	36.4	15.6	(8.7)	15.9	13.7	15.0	8.7	7.7	6.8	2.1	2.0	1.8	1.2	1.5	1.3	18.2	15.8	12.8	450	(22.4)	5.4
Polaris Software Lab	172	SELL	17,133	364	100	15.4	19.1	18.6	16.9	24.3	(2.7)	11.2	9.0	9.2	5.5	7.1	6.0	2.0	1.7	1.5	2.0	2.2	2.3	18.6	20.1	17.0	180	4.7	3.6
TCS	733	BUY	1,434,725	30,509	1,957	35.1	41.1	46.3	32.8	16.9	12.8	20.9	17.9	15.8	16.0	13.0	10.7	6.8	5.7	4.8	2.7	2.2	2.5	37.6	34.8	32.8	900	22.8	35.2
Wipro	629	ADD	920,037	19,564	1,462	31.4	36.7	41.9	22.1	16.7	14.4	20.0	17.2	15.0	15.0	12.3	10.1	4.7	3.8	3.2	0.9	1.2	1.4	26.5	24.6	23.2	775	23.2	16.2
Technology		Attractive	4,354,829	92,604					22.9	16.7	14.2	20.8	17.9	15.6	15.1	12.5	10.3	5.6	4.6	3.8	1.5	1.6	1.8	26.7	25.8	24.6			
Telecom																													
Bharti Airtel	272	REDUCE	1,033,137	21,969	3,798	24.0	21.4	24.2	7.5	(10.8)	13.2	11.3	12.7	11.2	6.4	6.0	5.1	2.3	2.0	1.7	1.1	1.5	1.8	24.1	17.0	16.5	290	6.6	43.9
IDEA	53	REDUCE	176,209	3,747	3,300	2.7	1.3	2.3	(5.8)	(51.7)	71.9	19.5	40.4	23.5	7.1	7.1	5.8	1.5	1.5	1.4	—	—	—	7.2	3.8	6.3	50	(6.4)	9.2
MTNL	53	SELL	33,642	715	630	(15.6)	(10.4)	(9.1)	(750.8)	(33.7)	(11.9)	(3.4)	(5.1)	(5.8)	0.3	0.4	0.6	0.3	0.3	0.3	—	—	—	(8.5)	(6.1)	(5.7)	50	(6.4)	1.6
Reliance Communications	170	SELL	362,955	7,718	2,133	22.1	14.1	18.2	(30.2)	(36.2)	29.1	7.7	12.1	9.4	7.1	7.9	5.9	0.9	0.9	0.8	0.5	—	—	11.7	7.4	8.9	140	(17.7)	24.0
Tata Communications	241	REDUCE	68,685	1,461	285	14.0	15.2	15.7	3.2	8.2	3.5	17.2	15.9	15.4	7.1	6.5	6.2	1.0	0.9	0.9	2.7	3.1	3.5	5.2	5.5	5.5	225	(6.6)	1.2
Telecom		Cautious	1,674,628	35,611					(15.1)	(19.8)	20.7	11.7	14.6	12.1	6.9	6.8	5.5	1.5	1.4	1.2	0.9	1.0	1.3	12.7	9.3	10.2			
Utilities																													
Adani Power	115	ADD	250,482	5,326	2,180	0.8	4.9	16.4	—	524.1	235.3	146.6	23.5	7.0	116.3	16.1	5.8	4.6	3.8	2.5	—	—	—	4.4	17.8	43.0	130	13.1	9.8
CESC	381	ADD	47,557	1,011	125	34.1	43.3	46.7	5.6	27.0	7.9	11.2	8.8	8.2	6.4	6.2	7.0	1.1	1.0	0.9	1.1	1.4	1.5	10.7	12.1	11.7	455	19.5	2.1
Lanco Infratech	60	BUY	144,420	3,071	2,405	2.0	3.6	4.5	35.1	82.2	26.4	30.6	16.8	13.3	19.2	8.2	8.0	4.2	3.4	2.7	—	—	—	15.8	20.6	21.0	70	16.6	9.8
NTPC	199	REDUCE	1,637,549	34,822	8,245	10.6	12.4	14.7	7.8	16.8	18.9	18.8	16.1	13.5	14.6	12.4	10.3	2.6	2.4	2.1	2.0	2.3	2.8	14.2	15.3	16.6	200	0.7	12.9
Reliance Infrastructure	1,069	ADD	262,966	5,592	246	61.8	62.7	80.3	(1.5)	1.6	28.0	17.3	17.0	13.3	18.6	18.0	12.3	1.4	1.3	1.2	0.8	0.9	1.0	6.3	7.3	10.1	1,100	2.9	38.6
Reliance Power	152	SELL	364,906	7,760	2,397	2.5	3.1	5.1	—	24.4	66.1	61.8	49.7	29.9	—	—	—	2.5	2.4	2.2	—	—	—	4.2	5.0	7.8	128	(15.9)	11.5
Tata Power	1,212	BUY	299,151	6,361	247	60.2	76.1	95.3	20.1	26.4	25.2	20.1	15.9	12.7	13.1	11.1	9.6	2.3	2.1	1.8	1.0	1.2	1.2	12.9	13.6	15.2	1,500	23.8	10.8
Utilities		Attractive	3,007,031	63,944					15.1	25.4	36.3	22.5	18.0	13.2	18.6	14.2	10.7	2.4	2.2	2.0	1.3	1.5	1.7	10.8	12.4	15.0			
Others																													
Aban Offshore	648	ADD	28,183	599	43	94.5	172.3	103.6	(2.5)	82.3	(39.8)	6.9	3.8	6.3	8.0	5.8	6.3	1.3	0.7	0.7	0.6	0.6	0.6	21.7	20.8	11.1	900	38.9	45.3
Havells India	615	SELL	36,989	787	60	5.3	31.6	45.0	3.7	497.9	42.6	116.4	19.5	13.6	16.3	10.0	8.2	10.2	6.7	4.5	0.4	0.4	0.4	6.6	41.6	39.7	480	(21.9)	10.3
Jaiprakash Associates	119	BUY	253,011	5,380	2,129	1.5	8.0	10.8	(27.2)	447.1	35.7	81.6	14.9	11.0	21.2	12.8	9.1	3.0	2.5	2.1	—	—	—	4.1	18.3	20.8	183	54.0	36.0
Jindal Saw	188	ADD	55,270	1,175	294	27.5	19.3	17.9	121.9	(29.8)	(7.2)	6.8	9.7	10.5	5.0	5.6	5.4	1.4	1.2	1.1	0.5	0.4	0.4	20.5	12.9	11.1	243	29.3	8.4
PSL	120	BUY	6,413	136	53	22.9	25.4	28.2	3.3	10.6	11.0	5.2	4.7	4.3	3.1	2.5	2.7	0.7	0.6	0.6	5.4	5.4	5.8	12.6	11.7	12.0	175	45.9	0.7
Sintex	286	BUY	39,038	830	136	24.1	29.8	34.3	0.5	23.5	15.1	11.9	9.6	8.3	8.8	6.7	5.5	1.8	1.5	1.3	0.4	0.4	0.4	15.1	15.6	15.2	380	32.9	4.4
Tata Chemicals	307	ADD	74,809	1,591	243	28.6	30.1	35.9	7.4	5.1	19.3	10.7	10.2	8.6	6.2	5.6	4.7	1.6	1.4	1.2	2.9	2.9	2.9	17.2	17.3	17.9	340	10.6	3.1
Welspun Gujarat Stahl Rohren	221	REDUCE	45,501	968	205	25.1	23.0	24.4	44.9	(8.1)	5.8	8.8	9.6	9.1	4.9	5.1	4.4	1.6	1.3	1.2	0.9	0.9	1.0	20.6	14.8	13.5	245	10.6	10.5
United Phosphorus	180	BUY	83,423	1,774	463	11.9	15.6	19.0	18.8	30.2	22.1	15.1	11.6	9.5	8.7	7.3	5.8	2.4	2.1	1.7	0.8	1.1	1.1	17.7	19.0	19.5	250	38.7	6.8
Others			622,635	13,240					21.0	54.0	13.2	16.9	11.0	9.7	10.2	8.0	6.9	2.1	1.7	1.5	0.7	0.7	0.8	12.7	15.9	15.6			
KS universe (b)			40,915,248	870,052					13.1	22.0	19.6	17.6	14.4	12.1	10.7	8.9	7.4	2.6	2.3	2.0	1.5	1.6	1.9	14.9	15.9	16.6			
KS universe (b) ex-Energy			32,555,855	692,292					7.4	23.0	20.5	18.9	15.4	12.8	13.0	10.5	8.7	2.9	2.5	2.2	1.3	1.4	1.6	15.3	16.2	17.0			
KS universe (d) ex-Energy & ex-Commodities			28,882,290	614,174					13.8	18.2	22.2	19.7	16.6	13.6	14.4	12.0	9.9	3.1	2.7	2.3	1.3	1.4	1.7	15.5	16.0	17.0			

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Corporate Office

Kotak Securities Ltd.
Bakhtawar, 1st Floor
229, Nariman Point
Mumbai 400 021, India
Tel: +91-22-6634-1100

Overseas Offices

Kotak Mahindra (UK) Ltd
6th Floor, Portsoken House
155-157 The Minories
London EC 3N 1 LS
Tel: +44-20-7977-6900 / 6940

Kotak Mahindra Inc
50 Main Street, Suite No.310
Westchester Financial Centre
White Plains, New York 10606
Tel:+1-914-997-6120

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