

July 7, 2006

BSE-30: 10,768

India

Why read this report?

- June 2006 - quarterly preview of stocks under our active research coverage

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Kotak Institutional Equities Research

Important disclosures appear at the back of this report.

June 2006 quarter results preview. Earnings growth for June 2006 quarter will likely lag revenue growth on account of lower profitability in Chemicals, Energy and Transportation. For the Jun '06 quarter, earnings growth will likely be led by Cement and Industrials, but weighed down by the banking and energy sectors.

Sales growth of 32.6% yoy and profit growth of 8.7% yoy for our coverage universe ex-energy

	Sales growth, %		OPM, %			PAT growth, %	
	yoy	qoq	Jun-05	Mar-06	Jun-06 (E)	yoy	qoq
Auto Ancillaries	24.5	2.8	20.9	21.0	21.4	15.8	1.6
Automobiles	33.1	(5.7)	12.7	14.5	13.7	46.4	(6.8)
Banking	4.7	(2.2)	44.4	63.8	48.0	(11.0)	(25.0)
Cement	32.4	12.1	22.9	23.0	28.2	83.9	39.3
Chemicals	53.3	12.6	19.8	16.7	12.5	(5.1)	(14.5)
Construction	57.1	(15.8)	7.8	8.8	8.4	56.4	(28.0)
Consumers	12.9	7.0	21.7	20.2	22.9	19.0	21.5
Energy	34.1	3.9	8.2	15.2	5.4	(43.9)	(84.8)
Healthcare	(0.1)	18.5	3.4	12.6	10.2	0.0	0.0
Hotels	17.2	(29.7)	24.7	37.6	30.2	56.6	(52.8)
Industrials	41.8	(32.2)	8.9	19.2	10.8	66.3	(62.9)
Media	26.1	3.8	23.8	17.5	16.4	(20.5)	(23.6)
Metals	43.5	6.3	41.1	34.6	39.6	40.7	14.1
Pharmaceuticals	17.1	12.2	20.5	16.0	19.1	9.1	25.2
Technology	35.4	6.5	24.9	25.6	24.7	36.1	1.3
Telecom	27.9	3.3	30.2	29.3	32.4	41.0	(1.4)
Transmission	21.8	(10.8)	9.2	9.8	9.4	25.9	(18.5)
Transportation	41.2	13.2	28.1	21.9	18.6	(26.7)	(59.1)
Utilities	11.6	2.4	23.9	21.8	22.2	4.3	14.6
Kotak coverage	32.6	2.1	16.8	20.1	14.6	8.7	(33.7)
Kotak ex-banks	34.2	2.2	15.3	18.1	13.2	13.0	(34.9)
Kotak ex -energy	31.4	0.6	23.7	24.0	22.1	17.7	(9.1)
Kotak ex-banks & energy	34.2	0.9	21.5	20.6	20.0	25.2	(5.3)
BSE-30 Universe	33.8	3.5	28.4	28.0	25.6	16.1	2.5

Note: We do not attach much significance to OPM in Chemicals, Energy and Metals

Source: Kotak Institutional Equities.

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The prices in this report are based on the market close of July 6, 2006.

Chemicals, Metals and Industrials to the fore

Chemicals, Metals and Industrials to lead earnings growth

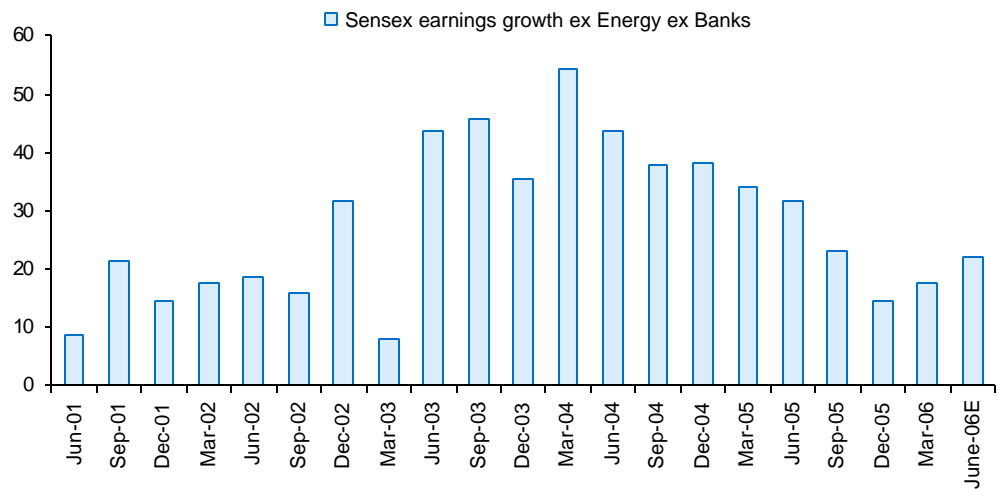
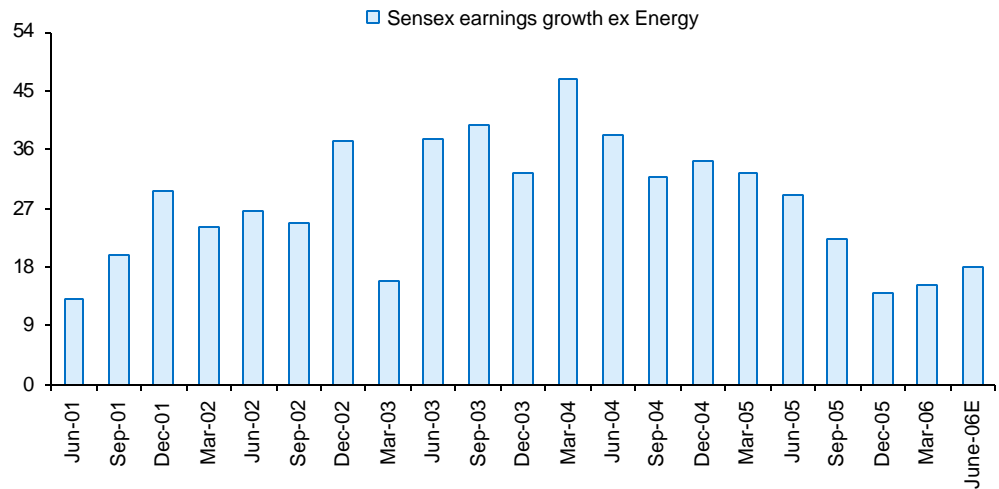
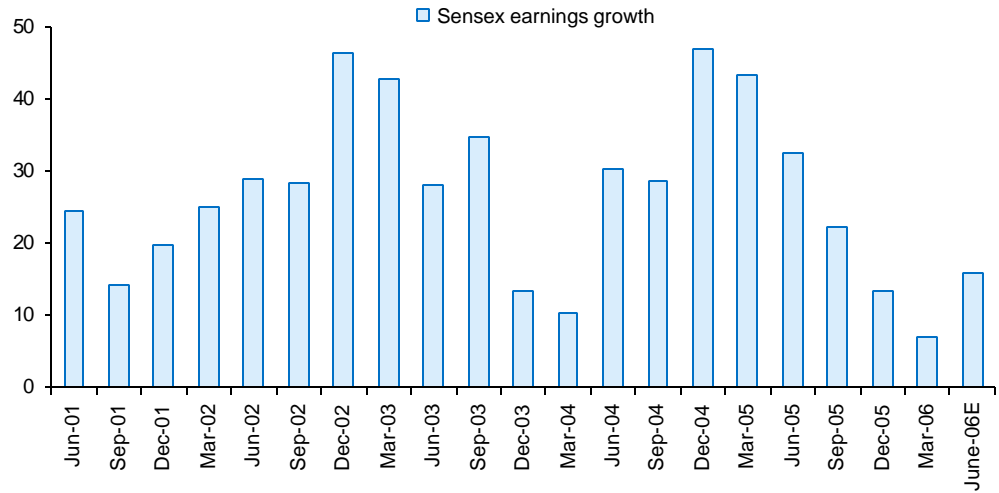
Sector-wise expectations of March 2005 quarter results

	Key points	Key points
Consumers	Robust economic environment resulting in high volumes sales growth.	Cost pressures visible, but are being compensated by price increases across product categories. We expect FMCG companies to maintain operating margins.
Energy	Downstream oil: Oil companies may not receive oil bonds in time for them to book the income in 1QFY07; issue of oil bonds requires parliament approval. Thus, oil companies will likely report negative EBITDA given large negative margins on subsidized products. Strong refining margins and inventory gains may compensate partly.	Upstream oil: Subsidy amount for 1QFY07 may provide clarity on the amount and sharing among upstream companies for FY2007; they may have to offer Rs60 bn as discount in 1QFY07. High crude oil prices at US\$68/bbl against US\$51/bbl in year-ago quarter and higher gas price will compensate for likely higher subsidy burden and cess in case of ONGC.
Chemicals	Expect yoy and qoq decline in chemical margins and EBITDA, given lower or moderately higher product prices but significantly higher raw material (naphtha) prices both qoq and yoy in 1QFY07.	IPCL may also be impacted by an upward revision in gas prices from April 1, 2006; gas price has increased to Rs8/cu m against Rs2.85/cu m in 1QFY06 and Rs5.75/cu m in 4QFY06.
Pharmaceuticals	Quarterly performance likely to be modest, on a high base. Base quarter had benefited from deferred sales, owing to implementation of VAT.	Expect good growth in Dr. Reddy's, Cipla and Cadila. Expect earnings decline in Glaxo, Novartis and Ipca (likely hit from forex loss). Ranbaxy and Biocon are likely to report flattish numbers.
Automobiles	We expect strong earnings growth in 1Q across four-wheeler companies on the back of improving volumes. Tata Motors will likely see a 57% yoy profit growth due to improving M&HCV volumes.	Two-wheeler companies will likely report strong profit growth in 1Q on the back of robust volumes. Bajaj Auto will likely benefit from margin expansion due to better 3W sales. Auto ancillary companies, too, will likely continue to display secular growth.
Cement	One of the best quarters for the cement industry - 1) Robust demand growth and 2) sharp increase in cement prices	Sharp improvement in profitability of companies with high leverage to cement prices - India Cements, UltraTech etc. Grasim will likely have a negative contribution from sponge iron and a subdued performance by VSF due to loss of production.
Metals	Steel companies like Tata Steel and Jindal Steel & Power will likely witness flat profits on a yoy basis in 1Q. Sesa Goa will likely see its profits grow 39% yoy for the quarter.	Non-ferrous companies like Hindalco and Nalco will likely see profits double in 1Q on a yoy basis due strong aluminium prices during the quarter and also because aluminium prices were under pressure in 1Q last year.
Telecom	Wireless: Strong growth in wireless subs likely accompanied by steep decline in ARPUs; we expect MOU to stabilize qoq with new users predominantly comprising low usage users. LD: Lower profitability arising from cuts in long distance tariffs and introduction of one-India plans.	The performance of Bharti, MTNL and VSNL may have to be viewed in the context of certain one-off items for all the companies in 4QFY06. Direct net income comparison may not provide much value.
Media	We expect advertisement revenues for both TV and print segments to grow strongly yoy. Subscription revenues will grow in case of print (HT Media took a price increase in mid-May for its main HT Delhi edition) but will likely be flat qoq and yoy in case of TV.	Amount of cricket-related costs will be critical to the performance of Zee despite likely good revenues. Similarly, for HT Media, high newsprint costs will erode some of the benefits of upward revision to cover price and advertisement rates for the HT Delhi edition.
Industrials	Strong revenue and profit growth for BHEL, L&T, Siemens and ABB led by a) execution of their large order books and b) operating leverage led margin expansion.	Suzlon will continue to ride the positive momentum in demand for wind power equipment both domestically as well as in export markets.
Utilities	CESC- higher regulatory equity base for FY2007 is primarily providing the profit boost; NTPC-Higher capacity and naphtha/market price based gas utilization will likely drive sale up 12%.	As tariff orders have not been issued, reported earnings for Tata Power and Reliance Energy are likely to be based on provisional tariff assumptions.
Banking	Public Banks are likely to report good growth in NII, driven by asset growth and stable NIMs. However, the recent rise in Gsec yields is likely to result in higher mark to market (MTM) losses on their investment portfolio in the available for sale (AFS) category. The recent regulatory directive on usage of floating requirements and increase in provisioning norms are likely to impact PAT.	NII growth for the private banks under coverage is likely to be moderate compared to previous qtrs. Dependence of ICICI and UTI bank on bulk borrowings could impact margin expansion, while for HDFC bank concerns on branch licensing could moderate impact growth or margins. RBI norms on higher provisioning for housing loans above Rs2 mn and real estate loans, along with directives on use of floating provisions could impact profit growth.
Transportation	We would expect that EBITDAR margin of Jet Airways would remain under pressure because of a) increased competition resulting in lower yields and b) high fuel prices.	Expect strong revenue and profits growth for Concor on back of buoyant economy and trade.

Source: Kotak Institutional Equities.

Earnings growth rate likely to increase sharply during June'06 quarter

Quarterly yoy earnings growth of BSE Sensex companies (based on current composition)



Source: Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
Auto Ancillaries						
Bharat Forge						
Net Sales	3,635	4,384	4,544	25.0	3.6	Earnings growth will likely stay strong at 16% for Bharat Forge
Operating Profit	885	1,053	1,124	26.9	6.7	
EBITDA	997	1,197	1,252	25.6	4.6	
PBT	736	828	833	13.2	0.6	
PAT	489	530	567	16.0	7.0	
Extraordinaries	-	-	-	-	-	
PAT -reported	489	530	567	16.0	7.0	
MICO						
Net Sales	7,632	9,231	9,311	22.0	0.9	MICO profits will likely stay near-flat yoy in 1Q
Operating Profit	1,659	2,008	2,045	23.3	1.8	
EBITDA	1,686	2,071	2,130	26.4	2.9	
PBT	1,498	1,636	1,560	4.2	(4.6)	
PAT	957	1,067	1,036	8.3	(2.9)	
Extraordinaries	68	82	-	(100.0)	(100.0)	
PAT -reported	1,025	1,149	1,036	1.1	(9.8)	
Motherson Sumi						
Net Sales	1,588	2,207	2,144	35.0	(2.9)	We expect 41% yoy profit growth for Motherson Sumi this quarter
Operating Profit	281	386	410	45.8	6.1	
EBITDA	297	458	465	56.7	1.4	
PBT	218	292	361	65.4	23.6	
PAT	166	246	235	41.1	(4.7)	
Extraordinaries	-	-	-	-	-	
PAT -reported	166	246	235	41.1	(4.7)	
Rico Auto						
Net Sales	1,632	1,725	2,040	25.0	18.2	We expect 28% yoy profit growth for Rico Auto in 1Q
Operating Profit	205	229	276	34.9	20.6	
EBITDA	217	230	278	27.9	20.8	
PBT	119	124	166	39.9	34.3	
PAT	78	84	120	52.9	42.7	
Extraordinaries	15	(11)	-	(100.0)	(100.0)	
PAT -reported	94	73	120	27.7	63.1	
Automobiles						
Ashok Leyland						
Net Sales	10,632	17,348	15,377	44.6	(11.4)	Ashok Leyland will likely see 46% profit growth in 1Q on the back of improving volumes
Operating Profit	890	2,187	1,644	84.6	(24.8)	
EBITDA	924	2,297	1,731	87.3	(24.7)	
PBT	638	1,869	1,333	109.0	(28.7)	
PAT	367	1,355	939	156.0	(30.7)	
Extraordinaries	277	(21)	-	(100.0)	(100.0)	
PAT -reported	644	1,335	939	46.0	(29.6)	
Bajaj Auto						
Net Sales	16,342	21,659	21,408	31.0	(1.2)	Improving 3W and motorcycle sales will likely improve margins for Bajaj Auto
Operating Profit	2,575	4,250	3,576	38.8	(15.9)	
EBITDA	3,503	5,281	4,826	37.8	(8.6)	
PBT	3,040	4,814	4,326	42.3	(10.1)	
PAT	2,090	3,338	3,208	53.5	(3.9)	
Extraordinaries	(11)	133	(125)	1,090.5	(193.8)	
PAT -reported	2,080	3,471	3,083	48.3	(11.2)	
Hero Honda						
Net Sales	19,771	22,559	24,164	22.2	7.1	Strong motorcycle sales will likely grow earnings 30% for Hero Honda
Operating Profit	2,923	3,632	3,954	35.3	8.9	
EBITDA	3,228	4,062	4,326	34.0	6.5	
PBT	2,981	3,797	3,984	33.6	4.9	
PAT	2,045	2,672	2,661	30.1	(0.4)	
Extraordinaries	-	-	-	-	-	
PAT -reported	2,045	2,672	2,661	30.1	(0.4)	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06	Change, %		Comments
				(E)		
				yoy	qoq	
Mahindra & Mahindra						
Net Sales	18,119	22,888	22,393	23.6	(2.2)	Strong tractor volumes will likely result in 41% earnings growth for M&M
Operating Profit	1,929	2,685	2,564	32.9	(4.5)	
EBITDA	2,133	2,823	3,538	65.9	25.3	
PBT	1,720	2,374	3,029	76.1	27.6	
PAT	1,468	1,515	2,045	39.4	35.0	
Extraordinaries	(15)	1,696	-	(100.0)	(100.0)	
PAT -reported	1,453	3,212	2,045	40.8	(36.3)	
Maruti Udyog						
Net Sales	26,271	32,770	32,532	23.8	(0.7)	Improving volumes will likely boost earnings 29% for Maruti
Operating Profit	3,730	6,013	4,872	30.6	(19.0)	
EBITDA	4,230	6,363	5,317	25.7	(16.4)	
PBT	3,356	5,604	4,347	29.5	(22.4)	
PAT	2,265	3,958	2,916	28.7	(26.3)	
Extraordinaries	-	(349)	-	-	(100.0)	
PAT -reported	2,265	3,609	2,916	28.7	(19.2)	
Punjab Tractors						
Net Sales	2,380	2,514	2,716	14.1	8.1	We expect 31% yoy pre-extraordinary profit growth for Punjab Tractors in 1Q
Operating Profit	255	383	315	23.7	(17.6)	
EBITDA	255	386	328	28.8	(14.8)	
PBT	200	337	269	34.7	(20.0)	
PAT	139	210	183	31.5	(13.2)	
Extraordinaries	568	-	-	(100.0)	-	
PAT -reported	707	210	183	(74.2)	(13.2)	
Tata Motors						
Net Sales	38,781	68,828	57,928	49.4	(15.8)	We expect 57% yoy profit growth for Tata Motors in 1Q on the back of improving M&HCV volumes
Operating Profit	4,878	8,928	7,931	62.6	(11.2)	
EBITDA	5,460	8,973	7,981	46.2	(11.1)	
PBT	3,610	6,389	5,820	61.2	(8.9)	
PAT	2,737	4,494	4,307	57.4	(4.2)	
Extraordinaries	-	87	-	-	(100.0)	
PAT -reported	2,737	4,581	4,307	57.4	(6.0)	
TVS Motor Co						
Net Sales	7,351	8,393	9,296	26.5	10.8	We expect 48% yoy profit growth for TVS Motor in 1Q
Operating Profit	497	482	656	32.1	36.1	
EBITDA	612	696	846	38.2	21.7	
PBT	361	410	549	52.2	33.8	
PAT	249	291	368	47.8	26.5	
Extraordinaries	-	-	-	-	-	
PAT -reported	249	291	368	47.8	26.5	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
Banking						
Bank of Baroda						
Net interest income	7,587	8,690	8,118	7.0	(6.6)	Loan growth is likely to remain robust in 1QFY2007, while NIM is expected to remain stable/marginally expand
Operating profit	4,834	4,347	4,587	(5.1)	5.5	
Treasury income (net)	(2,457)	12	(1,674)	(31.9)	(14,491.6)	
Loan loss provision	393	1,735	500	27.3	(71.2)	Profit growth could be weak due to lower treasury gains and provisions due to HTM transfer and higher standard asset provisioning
PAT	1,569	2,088	1,810	15.3	(13.3)	
PAT -reported	1,569	2,088	1,810	15.3	(13.3)	
Canara Bank						
Net interest inc	8,327	9,838	8,994	8.0	(8.6)	Strong growth in loan volumes and stable margins expected to result in NII growth of 8% YoY, excluding the interest writeback made in 1QFY06
Operating profit	2,944	7,058	5,999	103.8	(15.0)	
Treasury income (net)	(1,584)	(70)	(4,835)	205.2	6,761.6	
Loan provision	1,145	1,873	600	(47.6)	(68.0)	PAT to be impacted due to higher than expected rise in Gsec yields, leading to MTM losses in 1QFY2007 given Canara Bank's relatively higher bond duration and portfolio
PAT	1,868	4,935	423	(77.4)	(91.4)	
PAT -reported	1,868	4,935	423	(77.4)	(91.4)	
Corporation Bank						
Net interest inc	2,809	3,109	3,062	9.0	(1.5)	NII growth likely to be driven by loan growth of close to 30% and stable NIM
Operating profit	1,980	2,179	2,265	14.4	4.0	
Treasury income (net)	527	(391)	(635)	(220.5)	62.7	
Loan provision	550	586	279	(49.2)	(52.4)	Profit growth will likely be impacted due to lower treasury income, fees, higher provisioning for assets, while MTM losses for the bank are likely to be limited
PAT	1,235	1,003	1,013	(18.0)	1.0	
PAT -reported	1,235	1,003	1,013	(18.0)	1.0	
HDFC						
Net interest inc	3,657	5,585	4,296	17.5	(23.1)	Net operating income is expected to be low due to lower NIMs somewhat compensated by higher business volumes
PBT	3,076	5,139	3,582	16.4	(30.3)	
Treasury income (net)	468	965	300	(35.9)	(68.9)	
Loan provision	-	-	-	-	-	
PAT	2,473	4,265	2,865	15.9	(32.8)	
PAT -reported	2,473	4,265	2,865	15.9	(32.8)	
HDFC Bank						
Net interest inc	5,237	7,394	7,122	36.0	(3.7)	The slowdown in branch expansion may lead to lower than expected NII growth as bank's dependence on bulk deposits could increase
Operating profit	3,486	5,767	5,588	60.3	(3.1)	
Treasury income (net)	(336)	(1,585)	(1,048)	212.1	(33.8)	
Loan provision	1,086	1,103	1,200	10.5	8.8	New RBI regulations on use of floating provisions, could prevent the bank from using its existing excess provisions for 1QFY2007. Expect the bank to increase net profit by 27% YoY in 1QFY2007
PAT	1,835	2,632	2,338	27.4	(11.2)	
PAT -reported	1,835	2,632	2,338	27.4	(11.2)	
ICICI Bank						
Net interest inc	8,512	12,156	10,599	24.5	(12.8)	Net interest income growth (YoY) will likely be driven by higher asset base. Spreads could, however, be under pressure given the bank's dependence on bulk deposits
Operating profit	6,327	7,411	7,336	15.9	(1.0)	
Treasury income (net)	1,830	3,359	2,500	36.6	(25.6)	
Loan provision	1,429	1,931	2,000	40.0	3.6	Recent newspaper reports suggest investment gains of close to Rs2 bn from stake sale in NCDEX, which should help the bank maintain profit growth in 1QFY2008
PAT	5,300	7,899	6,269	18.3	(20.6)	
PAT -reported	5,300	7,899	6,269	18.3	(20.6)	
Indian Overseas Bank						
Net interest inc	4,831	5,411	5,210	7.8	(3.7)	Strong loan growth funded by improved deposit mobilization(18%), stable NIM to lead to NII growth of 8% YoY
Operating profit	2,208	2,498	2,812	27.4	12.6	
Treasury income (net)	109	(973)	(147)	(235.1)	(84.9)	
Loan provision	528	397	300	(43.2)	(24.5)	Transfer of investments to HTM category and higher cushion on AFS portfolio to partially mitigate lower treasury gains
PAT	1,832	2,045	1,703	(7.0)	(16.7)	
PAT -reported	1,832	2,045	1,703	(7.0)	(16.7)	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06	Change, %		Comments
				(E)		
				yoy	qoq	
IDFC						
Net interest inc	1,447	1,152	1,513	4.5	31.3	
PBT	1,167	850	1,244	6.7	46.5	
PAT	1,083	736	1,045	(3.5)	42.1	
Extraordinaries	-	-	-	-	-	Operating income could be exceeded if company books higher capital gains and improves its non interest income
PAT -reported	1,083	736	1,045	(3.5)	42.1	
LIC Housing Finance						
Net interest inc	930	1,182	971	4.5	(17.8)	Lower growth in business and increasing borrowing cost are expected to put pressure on the Net Operating Income
PBT	630	499	668	6.1	33.9	
PAT	501	413	495	(1.2)	19.7	
Extraordinaries	-	-	-	-	-	With lower provisioning, PAT is expected to increase q-o-q
PAT -reported	501	413	495	(1.2)	19.7	
MMFSL						
Net interest inc	-	1,234	967	-	(21.6)	NII is expected to be lower on account of low growth during the season
PBT	-	695	426	-	(38.6)	
PAT	-	472	239	-	(49.4)	
Extraordinaries	-	-	-	-	-	Higher Provisioning policy of the company is expected to continue in a medium term
PAT -reported	-	472	239	-	(49.4)	
Oriental Bank of Commerce						
Net interest income	4,030	4,029	4,191	4.0	4.0	YoY growth in NII excluding the extraordinary tax write back is expected to grow 8% YoY on back of stable NIMs and robust loan growth
Operating profit	2,847	2,441	2,881	1.2	18.0	
Treasury income (net)	(1,641)	(118)	(1,223)	(25.5)	932.8	
Loan loss provision	(476)	110	120	(125.2)	8.9	Impact of higher MTM losses, standard asset provisioning to be mitigated by normal tax rate compared to the 43% tax rate in 1QFY2006
PAT	1,048	2,672	1,077	2.8	(59.7)	
PAT -reported	435	2,049	-	(100.0)	(100.0)	
Punjab National Bank						
Net interest inc	10,884	11,802	12,190	12.0	3.3	Loan growth and marginally better NIM will likely drive increase in net interest income
Operating profit	6,945	8,693	7,121	2.5	(18.1)	
Treasury income (net)	864	(1,110)	(5,548)	(741.9)	399.9	
Loan provision	(82)	1,580	-	(100.0)	(100.0)	However, depreciation impact of rising Gsec yields and increased loan loss provisioning to impact net profit
PAT	3,582	2,887	1,258	(64.9)	(56.4)	
Extraordinaries	-	-	-	-	-	
PAT -reported	3,582	2,887	1,258	(64.9)	(56.4)	
State Bank of India						
Net interest income	42,533	35,546	37,352	(12.2)	5.1	SBI NII to grow close to 6% YOY (excl tax writeback of Rs7 bn in 1QFY2006), which will be driven by loan growth and stable NIM
Operating profit	29,453	14,799	12,708	(56.9)	(14.1)	
Treasury income (net)	(10,363)	(2,662)	(5,082)	(51.0)	90.9	
Loan loss provision	2,360	36	500	(78.8)	1,277.4	
PAT	12,229	8,533	10,084	(17.5)	18.2	PAT will likely be impacted by lower treasury gains, higher standard asset provisioning and MTM losses on the AFS portfolio
PAT -reported	12,229	8,533	10,084	(17.5)	18.2	
UTI Bank						
Net interest inc	2,225	3,129	3,226	45.0	3.1	Strong loan growth to drive NII in 1QFY07 and optg income. However, given the bank's dependence on bulk borrowings, NII growth to moderate compared to previous two quarters
Operating profit	1,684	2,324	2,436	44.7	4.9	
Treasury income (net)	351	657	-	(100.0)	(100.0)	Risk to our PAT estimates arises from the rise in yields in the financial markets given bank's higher exposure to the corporate bond market and increased provisioning requirements on loan assets. Future growth could be constrained by low CAR
Loan provision	431	214	200	(53.6)	(6.4)	
PAT	926	1,517	966	4.3	(36.3)	
Extraordinaries	-	-	-	-	-	
PAT -reported	926	1,517	966	4.3	(36.3)	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06	Change, %		Comments	
				(E)			yoy
Cement							
ACC							
Net Sales	11,283	13,275	14,023		24.3	5.6	Improvement in cement prices help improvement in margins.
Operating Profit	2,133	3,151	3,887		82.3	23.4	
EBITDA	2,461	3,597	4,057		64.9	12.8	
PBT	1,762	2,809	3,267		85.5	16.3	Extraordinary gains from sale of land in Delhi
PAT	1,306	2,452	2,436		86.5	(0.7)	
Extraordinaries	88	(98)	930		961.7	(1,053.0)	
PAT -reported	1,394	2,355	3,366		141.5	42.9	
Grasim Industries							
Net Sales	15,533	17,645	18,301		17.8	3.7	Margins improve in cement business, benefitting from higher realizations
Operating Profit	3,744	4,051	4,622		23.5	14.1	
EBITDA	3,945	4,366	4,834		22.5	10.7	VSF business suffers loss of production due to water shortage at Nagda plant; Sponge iron division is impacted by higher cost of iron ore and natural gas
PBT	2,975	3,384	3,776		26.9	11.6	
PAT	2,056	2,378	2,783		35.4	17.0	
Extraordinaries	454	-	-		(100.0)	-	
PAT -reported	2,510	2,378	2,783		10.9	17.0	
Gujarat Ambuja							
Net Sales	7,205	9,148	10,819		50.2	18.3	Increased production of blended cement helps increase volumes from near constant clinker production
Operating Profit	2,219	2,708	3,978		79.3	46.9	
EBITDA	2,309	2,858	4,129		78.8	44.5	Improvement in realizations resulting in higher profitability per tonne of cement
PBT	1,616	2,137	3,499		116.5	63.7	
PAT	1,411	1,597	2,624		86.0	64.3	
Extraordinaries	41	-	-		(100.0)	-	
PAT -reported	1,452	1,597	2,624		80.8	64.3	
India Cements							
Net Sales	3,810	4,243	4,622		21.3	8.9	Cement price increases in South India during the quarter results in improved profitability
Operating Profit	699	771	1,072		53.4	38.9	
EBITDA	707	801	1,086		53.5	35.5	Volume growth subdued as the company sells less of surplus clinker.
PBT	58	287	575		895.4	100.2	
PAT	52	264	511		880.7	93.2	
Extraordinaries	-	-	-		-	-	
PAT -reported	52	264	511		880.7	93.2	
Shree Cement							
Net Sales	1,425	2,234	3,082		116.2	38.0	Quantum jump in cement volumes as production is ramped up in the new plant
Operating Profit	443	558	1,283		189.7	130.0	
EBITDA	446	560	1,289		189.4	130.1	Higher depreciation and interest costs after the commissioning of the new plant
PBT	304	261	1,068		251.4	308.9	
PAT	280	172	762		172.2	343.1	
Extraordinaries	-	-	-		-	-	
PAT -reported	280	172	762		172.2	343.1	
UltraTech Cement							
Net Sales	8,150	9,467	11,929		46.4	26.0	Improvement in cement realizations accrue to bottomline
Operating Profit	1,597	1,626	2,890		81.0	77.7	
EBITDA	1,708	1,683	2,940		72.2	74.7	Higher fuel costs (esp. Naphtha) subdue growth in profitability
PBT	978	948	2,190		123.9	131.0	
PAT	705	806	1,571		122.8	95.0	
Extraordinaries	(105)	-	-		(100.0)	-	
PAT -reported	600	806	1,571		161.7	95.0	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
Chemicals						
IPCL						
Net Sales	19,830	22,980	22,648	14.2	(1.4)	Higher yoy product prices and higher domestic sales versus exports to lead to strong growth in revenues
Operating Profit	4,220	4,880	4,133	(2.1)	(15.3)	
EBITDA	4,620	5,140	4,433	(4.1)	(13.8)	
PBT	3,170	3,540	2,968	(6.4)	(16.2)	Steep increase in gas price to result in decline in EBITDA despite higher product prices
PAT	2,250	2,490	1,991	(11.5)	(20.0)	
Extraordinaries	-	-	-	-	-	
PAT -reported	2,250	2,490	1,991	(11.5)	(20.0)	
Reliance Industries						
Net Sales	176,840	244,920	278,898	57.7	13.9	Likely yoy and qoq decline in EBITDA due to significant loss in marketing (Rs3.2 bn) despite strong refining margin (US\$11/bbl)
Operating Profit	34,660	39,960	33,555	(3.2)	(16.0)	
EBITDA	36,600	40,830	37,055	1.2	(9.2)	
PBT	26,320	28,760	25,132	(4.5)	(12.6)	Amount of carry-forward export incentives (Rs10 bn) may influence net income
PAT	22,100	24,520	21,115	(4.5)	(13.9)	
Extraordinaries	1,000	500	780	(22.0)	56.1	
PAT -reported	23,100	25,020	21,896	(5.2)	(12.5)	
Construction						
IVRCL						
Net Sales	3,007	5,906	4,435	47.5	(24.9)	Tax rate for the company is likely to increase to 20%
Operating Profit	235	558	377	60.5	(32.4)	
EBITDA	245	601	397	62.1	(34.0)	
PBT	183	516	309	69.2	(40.1)	
PAT	171	438	247	45.0	(43.5)	
Extraordinaries	-	-	-	-	-	
PAT -reported	171	438	247	45.0	(43.5)	
NCCL						
Net Sales	3,594	6,404	5,935	65.2	(7.3)	Operating margins of the company are likely to increase by 50 bp y-o-y
Operating Profit	278	532	493	77.2	(7.3)	
EBITDA	291	537	498	71.2	(7.3)	
PBT	214	440	399	86.6	(9.2)	High Order book to result in robust sales growth for the quarter
PAT	192	349	319	66.6	(8.6)	
Extraordinaries	-	-	-	-	-	
PAT -reported	192	349	319	66.6	(8.6)	
Punj						
Net Sales	-	4,178	3,935	-	(5.8)	Quarterly financials are for the company on a stand alone basis
Operating Profit	-	476	433	-	(9.0)	
EBITDA	-	548	452	-	(17.5)	
PBT	-	291	242	-	(16.9)	
PAT	-	190	170	-	(10.7)	1QFY06 financials of the company are not available
Extraordinaries	-	-	-	-	-	
PAT -reported	-	190	170	-	(10.7)	
Consumers						
Asian Paints						
Net Sales	5,106	5,581	5,816	13.9	4.2	Robust economic environment and intense construction activity to drive growth.
Operating Profit	728	819	858	17.8	4.7	
EBITDA	788	859	938	19.0	9.2	
PBT	672	735	796	18.5	8.4	Sales growth suffers from base disadvantage - restocking took place after VAT implementation in 1QFY2006.
PAT	442	505	507	14.8	0.4	
Extraordinaries	2	-	-	(100.0)	-	
PAT -reported	444	505	507	14.3	0.4	
Colgate-Palmolive (India)						
Net Sales	2,583	2,731	3,014	16.7	10.4	Low base benefit and a robust growth environment will likely help the company deliver 16.7% growth in sales
Operating Profit	416	652	591	42.1	(9.4)	
EBITDA	462	708	646	39.9	(8.7)	
PBT	434	662	592	36.4	(10.5)	Fiscal benefits from new manufacturing unit to aid margin expansion and reduce effective tax rate
PAT	295	477	433	46.8	(9.2)	
Extraordinaries	(15)	-	-	(100.0)	-	
PAT -reported	280	477	433	54.7	(9.2)	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
Glaxo SmithKline Consumer						
Net Sales	2,757	2,889	3,132	13.6	8.4	
Operating Profit	492	527	594	20.8	12.7	Sales growth of 14% aided by 2.3% increase in average realizations.
EBITDA	552	587	650	17.7	10.7	
PBT	440	462	524	19.1	13.5	
PAT	291	312	355	21.8	13.5	Sales tax benefits and price increases to help counter increase in raw material prices and A&P spending.
Extraordinaries	-	-	-	-	-	
PAT -reported	291	312	355	21.8	13.5	
Godrej Consumer Products						
Net Sales	1,677	1,685	1,935	15.4	14.8	Rising cost of palm oil likely to dilute gains from sales tax savings and cost economies
Operating Profit	331	286	393	18.8	37.4	
EBITDA	334	292	400	19.6	37.0	
PBT	298	249	357	19.7	43.3	Acquisition of Keyline is accretive to EPS - not factored in our estimates yet.
PAT	271	223	312	15.2	39.9	
Extraordinaries	-	-	-	-	-	
PAT -reported	271	223	312	15.2	39.9	
Hindustan Lever						
Net Sales	28,403	28,584	31,331	10.3	9.6	We expect healthy 11% revenue growth with core FMCG business growing by 14-15%
Operating Profit	3,597	3,091	4,332	20.4	40.1	
EBITDA	4,391	3,931	5,127	16.8	30.4	
PBT	4,017	3,555	4,787	19.2	34.7	We estimate EBITDA growth of 25% and profit growth of 28% primarily on account of faster growth in higher margin personal products business
PAT	3,145	2,790	3,831	21.8	37.3	
Extraordinaries	(188)	-	-	(100.0)	-	
PAT -reported	2,957	2,790	3,831	29.6	37.3	
ITC						
Net Sales	22,669	24,706	26,302	16.0	6.5	
Operating Profit	8,268	8,237	9,828	18.9	19.3	We estimate 15% value growth in gross cigarette sales
EBITDA	8,845	8,892	10,437	18.0	17.4	
PBT	8,034	8,050	9,538	18.7	18.5	Post budget price hikes will likely enable margin expansion driving earnings growth by 18%
PAT	5,405	5,326	6,390	18.2	20.0	
Extraordinaries	178	-	-	(100.0)	-	
PAT -reported	5,583	5,326	6,390	14.5	20.0	
Nestle India						
Net Sales	6,526	7,372	7,150	9.6	(3.0)	We expect 10% growth in sales led by a robust 15% growth in domestic sales
Operating Profit	1,380	1,567	1,543	11.8	(1.5)	
EBITDA	1,460	1,616	1,592	9.1	(1.5)	
PBT	1,311	1,457	1,433	9.3	(1.7)	
PAT	883	967	951	7.7	(1.7)	
Extraordinaries	(55)	-	-	(100.0)	-	Input cost pressures will likely constrain EBITDA & profit growth
PAT -reported	828	967	951	14.9	(1.7)	
Tata Tea						
Net Sales	2,232	2,330	2,532	13.4	8.7	Topline growth aided by merger of Tata Tetley with the company.
Operating Profit	424	134	493	16.2	268.7	
EBITDA	484	379	562	16.2	48.2	
PBT	427	334	538	26.0	61.0	Margins in branded tea sales likely to witness pressure from increase in tea prices.
PAT	339	251	400	18.1	59.6	
Extraordinaries	89	-	-	(100.0)	-	
PAT -reported	428	251	400	(6.6)	59.6	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06	Change, %		Comments
				(E)	qoq	
Energy						
Bharat Petroleum						
Net Sales	160,157	213,188	247,008	54.2	15.9	
Operating Profit	(3,203)	19,633	(1,267)	(60.4)	(106.5)	Likely negative EBITDA (consolidated with KRL) given no receipt of oil bonds in 1QFY07; issue of oil bonds requires parliamentary approval
EBITDA	(2,377)	20,745	(111)	(95.3)	(100.5)	
PBT	(4,306)	18,022	(3,553)	(17.5)	(119.7)	
PAT	(4,323)	16,652	(3,529)	(18.4)	(121.2)	
Extraordinaries	10	-	-	(100.0)	-	Strong refining margins and inventory gains will partly compensate for huge negative marketing margins
PAT -reported	(4,313)	17,883	(3,529)	(18.2)	(119.7)	
Castrol India						
Net Sales	3,955	3,757	4,509	14.0	20.0	
Operating Profit	746	500	553	(25.9)	10.5	Likely strong qoq growth in revenues as per previous years' trend
EBITDA	775	543	598	(22.9)	10.2	
PBT	718	494	549	(23.5)	11.2	
PAT	495	321	364	(26.4)	13.4	Sharp increase in LOBS price qoq to erode EBITDA margin
Extraordinaries	-	-	-	-	-	
PAT -reported	495	321	364	(26.4)	13.4	
GAIL (India)						
Net Sales	36,242	42,078	48,708	34.4	15.8	
Operating Profit	9,480	7,044	7,770	(18.0)	10.3	We model subsidy loss at Rs3 bn versus Rs1.53 bn in 1QFY06; 18% qoq decline in EBITDA
EBITDA	9,979	7,888	8,370	(16.1)	6.1	
PBT	7,292	6,205	6,754	(7.4)	8.8	
PAT	4,835	4,093	4,481	(7.3)	9.5	Net income figures not comparable yoy given higher depreciation rate in 1QFY06
Extraordinaries	-	-	-	-	-	
PAT -reported	4,835	4,093	4,481	(7.3)	9.5	
GSPL						
Net Sales	-	675	690	-	2.3	
Operating Profit	-	495	538	-	8.7	Likely modest growth in revenues and EBITDA led by higher volumes
EBITDA	-	523	568	-	8.7	
PBT	-	174	203	-	16.7	
PAT	-	108	125	-	15.9	Amount of deferred taxation (likely high) amount may swing net income
Extraordinaries	-	-	-	-	-	
PAT -reported	-	108	125	-	15.9	
Hindustan Petroleum						
Net Sales	150,761	208,359	199,967	32.6	(4.0)	
Operating Profit	(3,934)	19,528	(5,044)	28.2	(125.8)	Likely negative EBITDA given no receipt of oil bonds in 1QFY07
EBITDA	(3,252)	21,337	(3,821)	17.5	(117.9)	
PBT	(5,056)	19,014	(6,446)	27.5	(133.9)	
PAT	(5,079)	20,134	(6,386)	25.7	(131.7)	Strong refining margins and inventory gains will partly compensate for huge negative marketing margins
Extraordinaries	-	-	-	-	-	
PAT -reported	(5,079)	20,134	(6,386)	25.7	(131.7)	
Indian Oil Corporation						
Net Sales	386,235	507,844	493,496	27.8	(2.8)	
Operating Profit	4,661	52,305	(11,445)	(345.5)	(121.9)	Profit of Rs32 bn from the sale of ONGC shares to result in positive net income despite negative EBITDA
EBITDA	6,775	64,291	(7,199)	(206.2)	(111.2)	
PBT	(347)	55,672	(16,149)	4,559.2	(129.0)	
PAT	(542)	40,306	(15,572)	2,771.6	(139)	Negative EBITDA due to high negative marketing margins; refining margins likely strong
Extraordinaries	-	-	32,500	-	-	
PAT -reported	(542)	40,306	16,928	(3,221.4)	(58)	
Oil & Natural Gas Corporation						
Net Sales	108,697	118,984	142,492	31.1	19.8	
Operating Profit	61,051	67,254	70,013	14.7	4.1	Average crude price of US\$68/bbl against US\$51/bbl in 1QFY06 to partly compensate for higher subsidy discount of Rs51 bn against Rs29 bn in 1QFY06
EBITDA	64,037	73,553	76,013	18.7	3.3	
PBT	50,498	41,656	54,513	8.0	30.9	
PAT	33,189	24,454	36,164	9.0	47.9	
Extraordinaries	-	6,405	-	-	(100.0)	Significantly higher DD&A yoy from a new pipeline (July 2005) to result in sharp jump in DD&A
PAT -reported	33,189	30,859	36,164	9.0	17.2	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06	Change, %		Comments
				(E)		
				yoy	qoq	
Petronet LNG						
Net Sales	9,212	9,417	10,033	8.9	6.5	
Operating Profit	1,091	1,278	1,333	22.1	4.3	Qoq revenue growth reflects moderate increase in re-gasification volume; modest growth in EBITDA qoq
EBITDA	1,133	1,345	1,377	21.6	2.4	
PBT	587	829	871	48.3	5.1	Qoq decline in net income reflects Rs175 mn of extraordinary income in 4QFY06
PAT	391	487	593	51.6	21.9	
Extraordinaries	-	175	-	-	(100.0)	
PAT -reported	391	661	593	51.6	(10.3)	
Healthcare						
Apollo Hospital						
Net Sales	293	247	293	(0.1)	18.5	We expect revenue growth of 15% and net profit growth of 11% (standalone numbers)
Operating Profit	10	31	30	200.0	(3.2)	
EBITDA	34	27	25	(26.5)	(7.4)	
PBT	69	58	72	4.9	24.9	For the full year, we expect net profit growth of 37% (consolidated numbers)
PAT	-	-	-	-	-	
Extraordinaries	140	124	155	10.9	25.2	
PAT -reported	-	-	-	-	-	
Hotels						
EIH						
Net Sales	1,402	2,271	1,606	14.5	(29.3)	
Operating Profit	273	807	399	45.9	(50.6)	
EBITDA	273	867	742	171.3	(14.5)	
PBT	123	732	211	72.5	(71.1)	
PAT	170	391	254	49.7	(35.0)	
Extraordinaries	36	175	-	(100.0)	(100.0)	
PAT -reported	206	505	254	23.5	(49.6)	
Hotel Leela						
Net Sales	675	1,002	916	35.6	(8.7)	
Operating Profit	330	494	508	54.0	2.8	
EBITDA	337	662	513	52.3	(22.5)	
PBT	163	485	285	74.4	(41.3)	
PAT	163	485	285	74.4	(41.3)	
Extraordinaries	-	1	3	-	200.0	
PAT -reported	163	349	181	10.7	(48.2)	
Indian Hotels						
Net Sales	2,023	3,559	2,284	12.9	(35.8)	
Operating Profit	409	1,267	543	32.6	(57.2)	
EBITDA	465	1,395	598	28.7	(57.1)	
PBT	257	1,169	356	38.4	(69.6)	
PAT	168	789	246	46.4	(68.8)	
Extraordinaries	-	-	-	-	-	
PAT -reported	168	789	246	46.4	(68.8)	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
Industrials						
ABB						
Net Sales	6,589	8,029	8,720	32.3	8.6	We expect ABB to report strong order backlog-led revenue growth & margin expansion because of operating leverage.
Operating Profit	604	695	959	58.8	38.1	
EBITDA	745	874	1,128	51.5	29.1	
PBT	672	810	1,060	57.8	30.9	
PAT	436	513	683	56.7	33.2	
Extraordinaries	-	-	-	-	-	
PAT -reported	436	513	683	56.7	33.2	
Bharat Electronics						
Net Sales	4,791	15,757	7,700	60.7	(51.1)	Need to watch for quarterly execution pattern. Company is expected to maintain its trend growth in revenues and report stable margins.
Operating Profit	751	4,174	1,209	61.0	(71.0)	
EBITDA	1,049	4,527	1,521	45.0	(66.4)	
PBT	852	4,049	1,303	53.0	(67.8)	
PAT	566	2,809	850	50.3	(69.7)	
Extraordinaries	-	-	-	-	-	
PAT -reported	566	2,809	850	50.3	(69.7)	
Bharat Heavy Electricals						
Net Sales	19,645	55,157	24,393	24.2	(55.8)	Strong order backlog & operating leverage contribute to exceptionally strong revenue and PAT growth.
Operating Profit	1,995	11,949	3,366	68.7	(71.8)	
EBITDA	2,646	14,082	4,017	51.8	(71.5)	
PBT	1,947	13,247	3,215	65.1	(75.7)	
PAT	1,279	8,680	2,105	64.6	(75.7)	
Extraordinaries	-	-	-	-	-	
PAT -reported	1,279	8,680	2,105	64.6	(75.7)	
Dredging Corporation						
Net Sales	1,145	1,384	1,229	7.3	(11.2)	We expect the company to have report flat revenues as its capacity has not expanded. We expect margin pressures to continue as experienced in 4QFY06.
Operating Profit	453	371	431	(4.9)	16.1	
EBITDA	518	449	508	(1.9)	13.0	
PBT	413	353	403	(2.4)	14.0	
PAT	389	495	376	(3.4)	(24.0)	
Extraordinaries	-	-	-	-	-	
PAT -reported	389	495	376	(3.4)	(24.0)	
Larsen & Toubro						
Net Sales	31,111	46,996	42,676	37.2	(9.2)	Strong order backlog & execution provides continued growth.
Operating Profit	1,258	6,525	1,792	42.5	(72.5)	
EBITDA	1,985	6,850	2,601	31.0	(62.0)	
PBT	1,593	6,245	2,146	34.7	(65.6)	
PAT	1,048	4,493	1,446	38.0	(67.8)	
Extraordinaries	-	1	2	-	100.0	
PAT -reported	1,048	4,494	1,448	38.2	(67.8)	
Maharashtra Seamless						
Net Sales	2,025	2,921	2,850	40.7	(2.4)	
Operating Profit	408	625	630	54.6	0.8	
EBITDA	417	685	680	63.0	(0.8)	
PBT	373	627	620	66.3	(1.1)	
PAT	248	420	415	67.8	(1.1)	
Extraordinaries	-	-	-	-	-	
PAT -reported	248	420	415	67.8	(1.1)	
Suzlon Energy						
Net Sales	3,076	14,003	8,672	181.9	(38.1)	Continued growth momentum in wind power equipment market in India as well as other key export markets such as USA led by favourable regulatory policies drive strong revenue growth for Suzlon
Operating Profit	745	4,288	2,125	185.1	(50.5)	
EBITDA	826	4,382	2,208	167.5	(49.6)	
PBT	645	4,158	1,860	188.5	(55.3)	
PAT	601	3,678	1,656	175.4	(55.0)	
Extraordinaries	-	-	-	-	-	
PAT -reported	601	3,678	1,656	175.4	(55.0)	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
Siemens						
Net Sales	5,974	11,334	9,175	53.6	(19.0)	Large order book leads to strong revenue growth. As Siemens executes large orders at possibly lower margins, full benefits of operating leverage led margin expansion may not be realised.
Operating Profit	398	1,214	876	119.7	(27.9)	
EBITDA	660	1,713	1,271	92.5	(25.8)	
PBT	586	1,630	1,041	77.7	(36.2)	
PAT	395	1,178	718	81.6	(39.0)	
Extraordinaries	-	-	-	-	-	
PAT -reported	395	1,178	718	81.6	(39.0)	
Media						
HT Media						
Net Sales	1,818	2,219	2,230	22.7	0.5	We expect 22% yoy growth in ad revenues propelled by a strong macro-environment
Operating Profit	263	332	355	35.1	7.2	
EBITDA	293	397	423	44.4	6.5	RM costs to jump up sharply yoy but moderately qoq
PBT	167	266	290	73.2	9.0	
PAT	111	231	181	63.0	(21.6)	
Extraordinaries	(13)	(199)	-	(100.0)	(100.0)	
PAT -reported	98	32	181	84.6	457.9	
Zee Telefilms						
Net Sales	3,471	3,966	4,175	20.3	5.3	Revenues from cricket matches will swing ad revenues; Rs480 mn of cricket costs to result in sharp jump in costs qoq
Operating Profit	998	761	710	(28.8)	(6.7)	
EBITDA	1,111	886	815	(26.6)	(8.0)	Lower qoq EBITDA and net income primarily reflects high cricket license fee costs
PBT	989	764	685	(30.7)	(10.3)	
PAT	760	668	506	(33.4)	(24.3)	
Extraordinaries	-	-	-	-	-	
PAT -reported	760	668	506	(33.4)	(24.3)	
Metals						
Hindalco Industries						
Net Sales	22,078	35,536	41,555	88.2	16.9	Strong aluminium prices and higher copper production will likely boost Hindalco's profits 103% in 1Q
Operating Profit	6,044	8,260	11,453	89.5	38.7	
EBITDA	6,380	10,041	12,091	89.5	20.4	
PBT	4,750	7,974	9,916	108.7	24.3	
PAT	3,249	6,263	6,584	102.6	5.1	
Extraordinaries	-	-	-	-	-	
PAT -reported	3,249	6,263	6,584	102.6	5.1	
Jindal Steel and Power						
Net Sales	6,296	6,735	7,238	15.0	7.5	JSPL's net profit will likely rise 1% in 1Q due to improving steel prices and higher production
Operating Profit	2,670	2,687	2,973	11.3	10.6	
EBITDA	2,696	2,757	3,031	12.4	10.0	
PBT	2,017	1,673	2,056	2.0	22.9	
PAT	1,502	1,507	1,522	1.3	1.0	
Extraordinaries	-	-	-	-	-	
PAT -reported	1,502	1,507	1,522	1.3	1.0	
Monnet Ispat						
Net Sales	1,466	1,385	2,150	46.7	55.3	
Operating Profit	410	281	462	12.6	64.7	
EBITDA	412	307	482	17.2	57.3	
PBT	342	261	402	17.7	53.9	
PAT	286	219	334	16.7	52.6	
Extraordinaries	-	-	-	-	-	
PAT -reported	286	219	334	16.7	52.6	
National Aluminium Co						
Net Sales	9,787	15,380	16,695	70.6	8.5	Higher alumina and aluminium realizations will likely result in a 138% earnings growth for Nalco in 1Q
Operating Profit	4,896	9,705	10,551	115.5	8.7	
EBITDA	5,302	10,556	11,154	110.4	5.7	
PBT	4,319	9,663	10,054	132.8	4.1	
PAT	2,806	6,080	6,676	138.0	9.8	
Extraordinaries	-	-	-	-	-	
PAT -reported	2,806	6,080	6,676	138.0	9.8	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
Sesa						
Net Sales	4,385	5,855	5,517	25.8	(5.8)	Sesa Goa's profits will likely rise 39% in 1Q due to higher iron ore prices
Operating Profit	2,399	2,762	3,179	32.5	15.1	
EBITDA	2,447	2,841	3,411	39.4	20.1	
PBT	2,380	2,768	3,310	39.1	19.6	
PAT	1,582	1,840	2,198	39.0	19.4	
Extraordinaries	-	-	-	-	-	
PAT -reported	1,582	1,840	2,198	39.0	19.4	
Tata Iron & Steel Co						
Net Sales	34,645	41,290	39,713	14.6	(3.8)	Tata Steel's net profit will likely fall 3% in 1Q
Operating Profit	15,882	13,008	16,130	1.6	24.0	
EBITDA	16,185	13,652	16,734	3.4	22.6	
PBT	14,138	11,547	13,855	(2.0)	20.0	
PAT	9,537	7,487	9,373	(1.7)	25.2	
Extraordinaries	(296)	344	(369)	24.9	(207.4)	
PAT -reported	9,241	7,831	9,004	(2.6)	15.0	
Pharmaceuticals						
Aventis Pharma						
Net Sales	2,143	2,005	2,400	12.0	19.7	Expect 12% growth in revenues and 16% growth in net profit.
Operating Profit	624	502	700	12.2	39.5	
EBITDA	660	548	738	11.8	34.6	
PBT	642	545	751	16.9	37.7	Focus on strategic brands continues to be the key driver
PAT	425	369	492	15.9	33.4	
Extraordinaries	(83)	-	-	(100.0)	-	
PAT -reported	342	369	492	44.0	33.4	
Biocon						
Net Sales	1,740	2,140	1,914	10.0	(10.5)	Expect 10% growth in revenues and flat net profit.
Operating Profit	509	605	560	10.0	(7.4)	
EBITDA	524	615	573	9.3	(6.8)	
PBT	453	525	406	(10.5)	(22.7)	YoY growth comparisons are likely to be improve from Q2, as simvastatin supplies to the US market accelerate
PAT	387	475	390	0.6	(18.0)	
Extraordinaries	-	-	-	-	-	
PAT -reported	387	475	390	0.6	(18.0)	
Cadila Healthcare						
Net Sales	3,663	3,364	4,083	11.5	21.4	Expect 12% growth in revenues and 23% growth in net profit
Operating Profit	561	518	666	18.6	28.5	
EBITDA	630	605	775	23.0	28.1	
PBT	400	375	505	26.2	34.7	
PAT	342	306	421	23.1	37.6	
Extraordinaries	-	-	-	-	-	
PAT -reported	342	306	421	23.1	37.6	
Cipla						
Net Sales	6,628	8,706	8,350	26.0	(4.1)	Expect 26% growth in revenues and 35% growth in net profit.
Operating Profit	1,499	1,840	1,937	29.2	5.3	
EBITDA	1,583	2,111	2,034	28.5	(3.6)	
PBT	1,434	1,828	1,766	23.1	(3.4)	Exports have been growing at a rapid pace, a trend which is likely to continue
PAT	1,114	1,748	1,501	34.7	(14.1)	
Extraordinaries	-	-	-	-	-	
PAT -reported	1,114	1,748	1,501	34.7	(14.1)	
Divi's Laboratories						
Net Sales	646	1,271	-	(100.0)	(100.0)	
Operating Profit	240	414	-	(100.0)	(100.0)	
EBITDA	240	414	-	(100.0)	(100.0)	
PBT	193	354	-	(100.0)	(100.0)	
PAT	128	229	-	(100.0)	(100.0)	
Extraordinaries	-	-	-	-	-	
PAT -reported	128	229	-	(100.0)	(100.0)	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
Dr Reddy's Laboratories						
Net Sales	5,587	6,974	10,680	91.2	53.1	We expect net profit of Rs1.08 bn, benefiting from launches (fexofenadine, simvastatin and finasteride) in the US market and consolidation of betapharm, Germany.
Operating Profit	358	(182)	1,478	313.0	(911.9)	
EBITDA	420	(298)	1,275	203.7	(528.6)	
PBT	420	(298)	1,275	203.7	(528.6)	
PAT	347	(236)	1,084	212.5	(560.2)	
Extraordinaries	-	-	-	-	-	
PAT -reported	347	(236)	1,084	212.5	(560.2)	
GlaxoSmithkline (India)						
Net Sales	4,650	4,262	4,125	(11.3)	(3.2)	On a high base (impact of VAT related deferred sales in the previous year quarter), we expect revenues to drop by 11% and profits by 12%
Operating Profit	1,573	1,411	1,254	(20.3)	(11.1)	
EBITDA	1,662	1,555	1,360	(18.1)	(12.5)	
PBT	1,675	1,596	1,416	(15.5)	(11.3)	
PAT	1,055	1,034	929	(11.9)	(10.2)	
Extraordinaries	(19)	(22)	-	(100.0)	(100.0)	
PAT -reported	1,035	1,012	929	(10.3)	(8.2)	
Ipca Laboratories						
Net Sales	2,089	1,768	2,339	12.0	32.3	Expect 12% growth in revenues and 4% drop in net profit, owing to forex loss
Operating Profit	434	255	412	(5.1)	61.5	
EBITDA	437	262	420	(4.0)	60.1	We believe the worst is likely to get over with this quarter, as price erosion of the UK market is in the base
PBT	350	154	301	(13.9)	95.4	
PAT	259	180	249	(3.9)	38.4	
PAT -reported	-	-	-	-	-	
Lupin						
Net Sales	3,521	4,220	4,191	19.0	(0.7)	We expect 19% growth in revenues and 16% growth in profits
Operating Profit	618	416	601	(2.8)	44.3	
EBITDA	748	827	756	1.1	(8.6)	
PBT	591	618	574	(2.9)	(7.0)	
PAT	432	502	502	16.3	(0.0)	
PAT -reported	432	502	502	16.3	(0.0)	
Nicholas Piramal						
Net Sales	4,210	4,251	5,396	28.2	26.9	We expect 28% growth in revenues, but expect a drop in profits owing to losses from Avecia
Operating Profit	754	364	597	(20.8)	64.0	
EBITDA	772	433	655	(15.2)	51.4	We expect numbers to be better from Q2, as the recently acquired Pfizer unit (Morepeth, UK) is consolidated
PBT	574	175	343	(40.2)	95.9	
PAT	507	178	289	(43.0)	62.2	
Extraordinaries	(5)	(26)	-	(100.0)	(100.0)	
PAT -reported	502	152	289	(42.5)	89.3	
Novartis India						
Net Sales	1,601	1,048	1,400	(12.6)	33.6	On a high base, we expect 13% dip in revenues and about 37% dip in net profit (base quarter benefited from VAT related deferred sales)
Operating Profit	436	121	254	(41.7)	110.2	
EBITDA	496	211	340	(31.6)	61.0	
PBT	492	202	337	(31.5)	66.7	
PAT	347	122	221	(36.5)	80.3	
Extraordinaries	26	78	-	(100.0)	(100.0)	
PAT -reported	373	200	221	(40.9)	10.3	
Ranbaxy Laboratories						
Net Sales	13,177	12,631	13,574	3.0	7.5	Expect 3% growth in revenues and 3% growth in profits
Operating Profit	1,719	1,478	1,876	9.1	26.9	
EBITDA	1,804	1,533	1,981	9.8	29.2	Have assumed only \$5mn revenue from generic Zocor
PBT	1,260	849	1,271	0.8	49.7	
PAT	1,013	714	1,041	2.8	45.9	
Extraordinaries	-	-	-	-	-	
PAT -reported	1,013	714	1,041	2.8	45.9	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
Sun Pharmaceuticals						
Net Sales	3,784	3,966	4,808	27.0	21.2	Expect 27% growth in revenues and 11% growth in net profit
Operating Profit	1,356	1,119	1,491	10.0	33.2	
EBITDA	1,403	1,270	1,566	11.6	23.3	
PBT	1,446	1,377	1,626	12.5	18.1	
PAT	1,361	1,329	1,503	10.5	13.1	
Extraordinaries	-	100	-	-	(100.0)	
PAT -reported	1,361	1,429	1,503	10.5	5.2	
Torrent Pharma						
Net Sales	1,840	1,500	2,016	9.6	34.4	On a high base, we expect 10% growth in revenues and about 37% dip in net profit (base quarter benefited from VAT related deferred sales)
Operating Profit	469	104	419	(10.7)	302.5	
EBITDA	474	104	424	(10.6)	306.8	
PBT	416	12	364	(12.4)	2,835.5	
PAT	334	37	289	(13.5)	688.3	
Extraordinaries	-	-	-	-	-	
PAT -reported	334	90	289	(13.5)	220.2	
Wockhardt						
Net Sales	3,771	3,510	3,823	1.4	8.9	On a low base, we expect 17% growth in revenues and 42% growth in net profit (consolidated nos)
Operating Profit	959	689	899	(6.3)	30.4	
EBITDA	992	722	933	(6.0)	29.2	
PBT	839	662	766	(8.7)	15.7	
PAT	775	567	679	(12.4)	19.8	
Extraordinaries	-	(604)	-	-	(100.0)	
PAT -reported	775	(37)	679	(12.4)	(1,935.6)	
Technology						
HCL Technologies						
Net Sales	9,275	11,220	12,280	32.4	9.4	Expect US\$ qoq revenue growth of 6.1%. IT services growth likely to pick on ramp up of large deals
Operating Profit	2,112	2,498	2,730	29.3	9.3	
EBITDA	2,250	2,754	3,052	35.6	10.8	
PBT	1,787	2,223	2,445	36.8	10.0	
PAT	1,620	1,929	2,176	34.3	12.8	
Extraordinaries	-	-	-	-	-	
PAT -reported	1,620	1,929	2,176	34.3	12.8	
Hexaware Technologies						
Net Sales	1,650	1,762	1,954	18.4	10.9	Company revenue and net income guidance stands at US\$42.5 mn and US\$6 mn respectively
Operating Profit	248	294	325	31.1	10.6	
EBITDA	266	328	386	45.0	17.5	
PBT	213	282	328	54.2	16.2	
PAT	195	260	296	52.2	13.8	
Extraordinaries	-	-	-	-	-	
PAT -reported	195	260	296	52.2	13.8	
Infosys Technologies						
Net Sales	20,716	26,240	28,927	39.6	10.2	Revenue growth likely to be strong on ramp up customers in financial services, telecom and Europe. Our revenue estimates face upside risk
Operating Profit	6,638	8,330	8,910	34.2	7.0	
EBITDA	6,923	9,050	9,212	33.1	1.8	
PBT	6,122	7,610	8,063	31.7	6.0	
PAT	5,319	6,731	7,027	32.1	4.4	
Extraordinaries	-	-	-	-	-	
PAT -reported	5,319	6,731	7,027	32.1	4.4	
iGate Global Solutions						
Net Sales	1,475	1,674	1,766	19.7	5.5	Revenue acceleration should start from Sep' 06 quarter onwards as ramp down from non-strategic clients is more or less completed in our view
Operating Profit	101	161	150	48.6	(6.9)	
EBITDA	103	158	153	48.6	(3.4)	
PBT	12	56	49	323.9	(12.5)	
PAT	14	47	39	176.1	(16.2)	
Extraordinaries	-	-	-	-	-	
PAT -reported	14	47	39	176.1	(16.2)	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
i-Flex Solutions						
Net Sales	2,701	4,577	4,454	64.9	(2.7)	
Operating Profit	135	1,313	990	632.5	(24.6)	Revenue growth likely to be muted on qoq basis on lower license fees recognition and muted growth in services business
EBITDA	205	1,416	1,059	416.1	(25.2)	
PBT	90	1,265	898	902.9	(29.0)	
PAT	59	1,166	713	1,116.2	(38.9)	OPM likely to decline on lower license fees recognition and impact on earnings on account of wage increase
Extraordinaries	-	3	4	-	33.3	
PAT -reported	59	1,166	713	1,116.2	(38.9)	
Mphasis BFL						
Net Sales	2,197	2,505	2,634	19.9	5.1	
Operating Profit	391	513	475	21.6	(7.3)	Expect investor focus on the integration progress and business opportunities roadmap with EDS
EBITDA	449	534	491	9.3	(8.1)	
PBT	332	394	348	4.9	(11.7)	
PAT	337	352	309	(8.3)	(12.1)	Expect investor focus on the potential merger plans of EDS' 100% owned India subsidiary with Mphasis
Extraordinaries	-	-	-	-	-	
PAT -reported	337	352	309	(8.3)	(12.1)	
Patni Computer Systems						
Net Sales	4,834	5,773	6,258	29.5	8.4	
Operating Profit	841	976	730	(13.2)	(25.2)	Revenue growth likely to be in line with guidance of US\$138 mn (6 % qoq growth)
EBITDA	903	1,031	851	(5.8)	(17.5)	
PBT	739	839	628	(15.0)	(25.2)	
PAT	635	642	502	(21.0)	(21.9)	OPM likely to be under pressure on account of 7% onsite wage inflation, 20% offshore wage increase and higher visa costs
Extraordinaries	-	-	-	-	-	
PAT -reported	635	642	502	(21.0)	(21.9)	
Polaris Software Lab						
Net Sales	2,094	1,989	2,108	0.7	6.0	
Operating Profit	271	114	211	(22.1)	85.7	Citibank accounts for 58% of revenues. Expect investor focus on the outsourcing strategy of Citibank especially after it awarded large deals to TCS and Satyam
EBITDA	292	164	223	(23.7)	35.5	
PBT	167	38	86	(48.7)	125.5	
PAT	130	20	72	(44.4)	260.7	Operating margins likely to expand from a low base on the back of operating efficiencies and SG&A leverage and rupee depreciation
Extraordinaries	(13)	1	-	(100.0)	(100.0)	
PAT -reported	116	21	72	(38.0)	238.7	
Satyam Computer Services						
Net Sales	10,587	13,136	13,975	32.0	6.4	
Operating Profit	2,407	3,345	3,480	44.6	4.0	We do not expect meaningful outperformance of the revenue growth guidance by Satyam. We expect US\$ qoq revenue growth of 4% as against guidance of 3%
EBITDA	2,641	3,634	3,796	43.7	4.5	
PBT	2,323	3,246	3,423	47.4	5.5	
PAT	1,902	2,847	2,970	56.1	4.3	OPM decline will likely be lower than guidance of 100bps as rupee depreciation will cushion part of impact on OPM
Extraordinaries	-	-	-	-	-	
PAT -reported	1,902	2,847	2,970	56.1	4.3	
TCS						
Net Sales	29,129	37,234	40,566	39.3	8.9	
Operating Profit	8,352	10,096	10,506	25.8	4.1	Seasonally weak quarter for domestic business likely to keep overall growth under check. We expect overall US\$ qoq revenue growth of 6.5%
EBITDA	8,489	10,056	10,679	25.8	6.2	
PBT	7,873	9,157	9,822	24.8	7.3	
PAT	6,476	8,190	8,379	29.4	2.3	Previous quarter financials included tax refund- tax provision consequently will likely be higher in Jun' 06 quarter
Extraordinaries	(4)	(232)	-	(100.0)	(100.0)	
PAT -reported	6,472	7,958	8,379	29.5	5.3	
Wipro						
Net Sales	22,865	30,542	30,659	34.1	0.4	
Operating Profit	5,322	7,290	7,434	39.7	2.0	We see modest upside to the company's US\$533 mn (4% qoq growth) revenue guidance. Our forecast stands at US\$537 mn
EBITDA	5,535	7,692	7,847	41.8	2.0	
PBT	4,799	6,818	6,956	45.0	2.0	
PAT	4,268	5,975	6,031	41.3	0.9	Seasonally weak quarter for Wipro Infotech will likely impact overall qoq revenue growth rates and margins
Extraordinaries	-	-	-	-	-	
PAT -reported	4,268	5,975	6,031	41.3	0.9	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06	Change, %		Comments
				(E)		
				yoy	qoq	
Telecom						
Bharti Tele-Ventures						
Net Sales	25,217	34,113	36,847	46.1	8.0	
Operating Profit	9,390	12,788	14,028	49.4	9.7	We expect 9.7% qoq growth in EBITDA driven by strong wireless addition (3.4 mn subs)
EBITDA	9,521	12,860	14,103	48.1	9.7	
PBT	5,969	7,551	8,468	41.9	12.1	
PAT	5,154	7,002	7,368	43.0	5.2	We expect higher tax rate at 13% in 1QFY07 versus 7.3% in 4QFY06 to pull down qoq growth in net income
Extraordinaries	(66)	(41)	(75)	14	82.9	
PAT -reported	5,088	6,961	7,293	43.3	4.8	
MTNL						
Net Sales	12,605	14,462	13,640	8.2	(5.7)	Revenues to decline qoq led by lower rent & junction revenues; employee cost to increase qoq
Operating Profit	2,327	1,938	3,131	34.5	61.5	
EBITDA	2,762	3,431	3,731	35.1	8.8	
PBT	1,151	1,747	2,081	80.8	19.2	
PAT	729	1,412	1,561	114.3	10.6	Extraordinary income from tax reimbursement, if any, may swing report net income
Extraordinaries	960	-	2,500	160.4	-	
PAT -reported	1,689	1,412	4,061	140.5	187.6	
VSNL						
Net Sales	9,149	9,595	9,605	5.0	0.1	Likely flat standalone revenues; yoy movement in consolidated revenues more important
Operating Profit	2,473	2,328	2,330	(5.8)	0.1	
EBITDA	2,764	3,026	2,780	0.6	(8.1)	
PBT	1,968	1,987	1,730	(12.1)	(12.9)	
PAT	1,265	1,802	1,148	(9.3)	(36.3)	Operating profits likely flat qoq
Extraordinaries	-	(687)	-	-	(100.0)	
PAT -reported	1,265	1,115	1,148	(9.3)	3.0	
Transmission Towers						
JSL						
Net Sales	1,446	2,364	1,900	31.4	(19.6)	
Operating Profit	136	249	184	36.0	(26.0)	
EBITDA	158	264	189	20.2	(28.2)	
PBT	85	187	118	38.8	(36.8)	
PAT	53	104	76	43.1	(27.2)	
Extraordinaries	-	-	-	-	-	
PAT -reported	53	104	76	43.1	(27.2)	
KEC						
Net Sales	3,786	4,784	4,475	18.2	(6.5)	
Operating Profit	346	452	416	20.1	(7.9)	
EBITDA	348	449	416	19.5	(7.3)	
PBT	185	217	186	0.5	(14.1)	
PAT	118	160	140	18.1	(12.9)	
Extraordinaries	-	-	-	-	-	
PAT -reported	118	160	140	18.1	(12.9)	
Transportation						
Container Corporation						
Net Sales	5,388	6,806	6,367	18.2	(6.4)	Volume growth remains in line but rail haulage cost hike may dampen margins
Operating Profit	1,553	1,966	1,824	17.5	(7.2)	
EBITDA	1,657	2,128	1,977	19.3	(7.1)	
PBT	1,464	1,885	1,736	18.5	(7.9)	
PAT	1,075	1,362	1,327	23.5	(2.5)	
Extraordinaries	-	-	-	-	-	
PAT -reported	1,075	1,362	1,327	23.5	(2.5)	
Jet Airways						
Net Sales	13,105	16,253	19,741	50.6	21.5	
Operating Profit	3,641	3,092	3,038	(16.6)	(1.8)	Pressure on yield because of competition and prevailing high fuel prices continue to impact company's earnings negatively.
EBITDA	3,989	6,507	3,088	(22.6)	(52.5)	
PBT	1,551	3,609	249	(83.9)	(93.1)	
PAT	953	2,271	160	(83.3)	(93.0)	
Extraordinaries	-	-	-	-	-	
PAT -reported	953	2,271	160	(83.3)	(93.0)	

Source: Company, Kotak Institutional Equities.

	Jun-05	Mar-06	Jun-06 (E)	Change, %		Comments
				yoy	qoq	
Utilities						
CESC						
Net Sales	6,740	5,751	6,438	(4.5)	11.9	We expect 3-4% growth in domestic volume sales though value sales (and EBITDA) will likely decline due to accounting treatment of Advance against depreciation
Operating Profit	1,510	1,413	1,288	(14.7)	(8.9)	
EBITDA	1,650	1,586	1,433	(13.2)	(9.7)	
PBT	450	474	541	20.3	14.1	The higher regulatory equity base for FY2007 is primarily providing the profit boost
PAT	410	428	495	20.8	15.8	
Extraordinaries	-	-	-	-	-	
PAT -reported	410	428	495	20.8	15.8	
GVKPIL						
Net Sales	-	-	848	-	-	GVK-I is operating at less than optimal PLF (about 70%) due to lack of sufficient natural gas
Operating Profit	-	-	350	-	-	
EBITDA	-	-	357	-	-	
PBT	-	-	221	-	-	The income statement does not consolidate GVK-II as the power plant is yet to commence commercial operation.
PAT	-	-	151	-	-	
Extraordinaries	-	-	(73)	-	-	
PAT -reported	-	-	78	-	-	
NTPC						
Net Sales	60,567	67,742	67,746	11.9	0.0	Higher capacity (up 1500MW) and naphtha/market price based gas utilization will likely drive sale up 12% (7% volume)
Operating Profit	15,426	16,477	15,910	3.1	(3.4)	
EBITDA	20,954	21,925	21,760	3.8	(0.8)	
PBT	13,724	13,694	14,100	2.7	3.0	Profit growth (excluding one-offs) likely to be 3-4% as UI charges likely to be at the same level as previous year
PAT	13,087	13,156	13,515	3.3	2.7	
Extraordinaries	-	-	-	-	-	
PAT -reported	13,087	13,156	13,515	3.3	2.7	
Reliance Energy						
Net Sales	9,497	10,139	11,087	16.7	9.4	Value sales boosted by increase in outside purchase of power (volume sales growth est. at 5%)
Operating Profit	1,615	1,880	1,666	3.2	(11.4)	
EBITDA	2,963	2,581	2,933	(1.0)	13.7	
PBT	1,712	1,278	1,690	(1.3)	32.2	Tariff order yet to be issued- change in tariff formula will likely lead to change in estimates
PAT	1,567	1,130	1,493	(4.7)	32.1	
Extraordinaries	(0)	-	-	(100.0)	-	
PAT -reported	1,566	1,130	1,493	(4.7)	32.1	
Tata Power						
Net Sales	10,988	12,102	11,883	8.1	(1.8)	As tariff order for FY2007 has not been issued, our conservative estimates are based on provisional tariff assumptions
Operating Profit	2,410	1,089	2,567	6.5	135.7	
EBITDA	2,726	1,374	2,900	6.4	111.1	
PBT	1,691	165	1,780	5.3	977.9	Better performance from Jojobera will likely be the profit growth driver
PAT	1,184	77	1,292	9.1	1,580.5	
Extraordinaries	-	-	-	-	-	
PAT -reported	1,184	77	1,292	9.1	1,580.5	

Source: Company, Kotak Institutional Equities.

Valuation summary of key Indian companies

Company	6-Jul-06		Mkt cap (Rs m)	Mkt cap (US\$ m)	O/S Shares (m)	EPS (Rs)			EPS Growth, %			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price (Rs)		
	Price (Rs)	Rating				2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E			
Technology																													
TCS	1,803	IL	882,312	19,202	489	59.7	75.0	88.9	21.6	25.6	18.6	30.2	24.0	20.3	23.4	18.3	15.0	16.7	11.1	8.0	0.8	1.0	1.2	68.8	55.5	45.8	1,875		
Wipro	491	IL	691,398	15,047	1,407	14.5	19.0	23.4	28.6	31.6	22.7	34.0	25.8	21.0	25.5	19.1	15.3	9.5	7.3	5.8	0.7	0.9	1.2	31.4	32.0	30.6	560		
Infosys Technologies	3,164	OP	870,279	18,940	275	90.1	119.4	147.5	31.8	32.5	23.5	35.1	26.5	21.5	26.9	20.0	15.5	12.3	9.1	6.9	1.4	0.8	1.0	40.4	39.9	36.6	3,600		
Satyam Computer Services	708	OP	230,487	5,016	326	30.3	37.1	44.7	35.7	22.6	20.5	23.4	19.1	15.8	17.2	13.6	10.8	5.3	4.4	3.6	1.0	1.1	1.4	25.8	25.3	25.1	825		
HCL Technologies	505	OP	163,115	3,550	323	23.3	29.0	35.6	23.2	24.4	22.6	21.7	17.4	14.2	15.1	11.9	9.4	4.0	3.7	3.3	3.2	3.2	3.2	19.0	22.2	24.5	635		
I-flex solutions	1,185	IL	91,207	1,985	77	28.7	42.4	52.9	5.7	47.8	24.9	41.3	27.9	22.4	28.6	18.7	15.1	6.7	5.7	4.7	0.4	0.7	0.8	17.6	21.8	22.8	1,275		
Patni Computer Systems	318	OP	43,768	953	138	21.6	18.9	26.5	2.8	(12.4)	40.2	14.7	16.8	12.0	8.1	8.4	6.0	2.2	1.9	1.7	0.6	0.6	0.8	16.1	12.2	15.1	460		
Flextronics Software Systems	723	OP	24,582	535	34	39.0	45.5	52.0	23.0	16.6	14.4	18.5	15.9	13.9	12.8	10.3	8.2	4.4	3.5	2.9	0.6	0.7	0.8	26.2	24.5	22.8	700		
Hexaware Technologies	136	IL	19,344	421	142	7.6	8.4	10.9	44.4	10.1	29.3	17.8	16.2	12.5	16.8	11.0	7.8	5.4	2.5	2.2	0.6	0.7	0.7	29.3	21.5	18.7	165		
Polaris Software Lab	74	U	7,269	158	98	2.3	5.9	7.4	(64.6)	158.7	26.1	32.5	12.6	10.0	7.8	4.7	3.7	1.3	1.3	1.1	3.4	2.4	2.4	4.2	10.3	12.1	110		
Mphasis BFL	145	OP	23,353	508	161	9.3	11.3	13.5	17.5	21.2	19.8	15.6	12.9	10.7	11.4	8.7	7.0	3.5	3.0	2.5	2.1	2.4	2.8	23.0	25.2	25.5	230		
iGate Global Solutions	194	U	6,036	131	31	5.4	12.3	20.6	251.3	130.1	67.1	36.3	15.8	9.4	10.0	6.6	4.3	2.3	2.1	1.7	0.6	0.7	0.8	5.6	13.8	19.8	230		
Technology																													
<i>Attractive</i>																													
			3,053,149	66,445		26.8	28.1	21.9	30.2	23.6	19.3	22.6	17.3	13.8	9.0	7.0	5.5	1.1	1.1	1.3	29.9	29.7	28.6	-				-	
Consumer Products																													
Hindustan Lever (a)	243	IL	534,462	11,631	2,201	6.0	7.1	7.9	10.6	18.7	11.5	40.8	34.4	30.8	31.8	27.1	23.5	23.2	20.4	18.6	2.4	2.6	2.8	59.7	63.2	63.1	230		
ITC	182	OP	679,645	14,791	3,742	6.1	7.1	8.4	30.6	17.2	17.0	29.8	25.4	21.7	18.9	15.6	13.2	7.2	6.3	5.4	1.5	1.5	1.8	27.0	27.4	27.5	200		
Nestle India (a)	1,091	IL	105,218	2,290	96	34.2	39.5	46.6	17.2	15.7	18.0	32.0	27.6	23.4	19.4	16.5	14.0	29.7	23.3	17.4	2.3	2.4	2.5	97.0	94.6	85.3	1,200		
Colgate-Palmolive (India)	405	IL	55,084	1,199	136	11.0	13.9	15.1	23.6	25.8	9.1	36.7	29.2	26.8	25.6	19.8	17.6	20.5	18.0	15.8	1.9	2.4	2.6	57.6	65.1	62.4	350		
Godrej Consumer Products	659	OP	37,182	809	56	21.3	23.9	28.0	45.3	12.1	17.3	30.9	27.2	23.5	25.6	21.9	18.5	45.3	29.0	19.4	2.1	2.1	2.3	192.2	138.2	105.0	800		
GlaxoSmithkline Consumer (a)	490	IL	20,624	449	42	25.5	32.2	35.7	49.1	26.3	11.1	19.2	15.2	13.7	9.5	7.4	6.4	4.4	3.9	3.5	2.9	3.3	3.8	22.0	28.5	28.1	640		
Asian Paints	580	OP	55,653	1,211	96	23.1	27.2	32.9	24.4	17.7	21.3	25.1	21.4	17.6	14.4	12.2	10.0	8.5	7.2	6.0	2.2	2.3	2.5	37.0	38.3	38.7	800		
Tata Tea	754	IL	42,404	923	56	50.4	51.7	55.6	7.5	2.6	7.7	15.0	14.6	13.6	9.4	8.4	7.5	2.2	2.0	1.8	1.3	1.3	1.4	17.3	15.5	14.8	740		
Consumer Products																													
<i>Attractive</i>																													
			1,530,273	33,303		22.1	17.0	14.9	31.9	27.2	23.7	20.9	17.6	15.1	9.9	8.6	7.4	1.9	2.1	2.3	31.1	31.5	31.4	-				-	
Pharmaceuticals																													
Ranbaxy Laboratories (a)	354	OP	141,555	3,081	400	6.6	15.4	22.2	(66.5)	132	44	53.4	23.0	16.0	42.7	16.6	12.4	5.8	5.2	4.4	2.2	2.4	2.7	10.0	24.1	30.6	450		
Dr Reddy's Laboratories	1,332	IL	101,900	2,218	77	17.1	72.8	70.3	168.2	325.4	(3.4)	77.8	18.3	18.9	37.7	13.5	14.6	4.5	3.7	3.2	0.4	0.8	1.0	6.1	22.7	18.6	1,325		
Sun Pharmaceuticals	758	OP	140,847	3,065	186	27.2	32.0	39.5	42.2	1.8	24	27.9	23.7	19.2	21.3	17.3	13.5	8.2	7.0	5.2	0.7	0.8	0.9	40.8	37.6	36.5	950		
Biocon	348	IL	34,755	756	100	17.4	17.9	25.9	(11.8)	2.6	44.7	20.0	19.5	13.4	14.9	13.0	9.3	3.8	3.2	2.7	0.7	0.9	1.2	21.4	18.6	22.7	460		
GlaxoSmithkline Pharmaceuticals (a)	1,018	U	86,240	1,877	85	36.2	41.6	46.6	18.7	1.5	12	28.2	24.5	21.8	15.6	13.8	12.2	9.4	8.7	8.2	2.8	3.1	3.4	32.7	36.2	38.5	1,000		
Novartis India	439	OP	14,020	305	32	25.1	26.8	31.0	27.9	6.6	15.8	17.5	16.4	14.1	10.2	9.5	8.0	4.3	3.9	3.5	3.4	3.4	3.6	34.6	24.1	25.2	600		
Aventis (a)	1,487	IL	34,245	745	23	68.0	77.3	88.0	10.4	14	14	21.9	19.2	16.9	12.3	10.4	8.8	6.8	5.4	4.4	1.1	1.3	1.5	34.4	31.2	28.5	1,850		
Wockhardt (a)	370	U	40,371	879	109	21.5	22.5	24.7	14.2	4.8	9.7	17.2	16.4	15.0	12.0	10.8	9.6	4.6	3.8	3.1	1.4	1.6	1.9	36.0	29.6	26.6	415		
Cadila Healthcare	547	OP	34,340	747	63	24.3	32.8	39.3	45.6	3.5	20	22.5	16.7	13.9	13.6	10.4	8.8	4.2	3.5	2.9	1.1	1.5	1.8	23.5	26.4	26.2	780		
Nicholas Piramal	200	OP	41,696	907	209	5.9	10.7	14.2	39.1	80.1	32.2	33.6	18.6	14.1	18.3	11.9	9.4	3.8	3.6	3.1	1.5	2.7	2.8	17.1	22.2	26.0	225		
Divi's Laboratories	1,410	U	18,070	393	13	54.2	66.0	79.6	5.3	2.2	21	26.0	21.4	17.7	14.8	12.9	11.0	4.9	4.2	3.5	0.7	0.9	1.1	22.3	22.7	22.9	1,150		
Abbott India	499	IL	7,617	166	15	38.5	38.6	42.1	(42.4)	0.1	9.1	12.9	12.9	11.9	6.7	6.3	5.4	3.4	3.0	2.7	3.5	3.5	3.8	29.0	25.3	24.4	625		
Ipsa Laboratories	273	OP	6,826	149	25	24.6	28.0	35.9	(13.5)	1.4	28	11.1	9.8	7.6	7.8	7.1	5.8	1.6	1.4	1.2	2.0	2.0	2.2	17.7	17.6	19.5	450		
Lupin	893	IL	39,492	859	44	39.1	52.6	58.2	71.0	34.3	10.7	22.8	17.0	15.3	15.1	13.4	12.1	5.4	4.2	3.4	0.7	0.8	1.0	30.8	31.8	27.5	1,050		
Pfizer	757	U	22,591	492	30	31.7	38.1	44.9	46.3	2.0	18	23.8	19.9	16.8	15.1	12.4	10.3	6.0	5.4	4.9	1.3	2.3	3.0	26.3	28.5	30.3	850		
Torrent Pharma	195	IL	16,523	360	85	6.6	10.7	14.9	15.3	61.4	39.3	29.4	18.2	13.1	18.0	12.6	9.5	4.2	3.6	3.0	1.3	1.5	1.7	17.1	24.3	28.0	250		
Pharmaceuticals																													
<i>Neutral</i>																													
			946,357	20,595		7.4	42.9	21.4	28.8	20.2	16.6	19.9	14.0	11.7	5.7	4.7	3.9	1.3	1.6	1.8	19.9	19.9	23.3	23.7	-				-
Chemicals																													
Reliance Industries	1,082	IL	1,507,549	32,808	1,393	63.1	66.2	51.9	22.8	4.9	(21.6)	17.1	16.3	20.8	11.0	9.8	11.2	2.8	2.2	2.1	0.9	0.9	0.9	17.7	15.0	10.2	900		
IPCL	261	U	64,890	1,412	249	37.5	29.4	22.2	11.1	(21.7)	(24.4)	6.9	8.9	11.7	3.8	3.8	4.0	1.4	1.2	1.1	2.3	2.3	1.7	20.9	14.2	9.8	220		
Chemicals																													
<i>Neutral</i>																													
			1,572,439	34,221		21.4	2.3	(21.8)	16.2	15.8	20.2	10.2	9.3	10.6	2.6	2.1	2.0	1.0	1.0	1.0	16.4	13.6	9.8	-				-	
Oil & Gas																													
Oil & Natural Gas Corporation	1,103	OP	1,572,656	34,225	1																								

Valuation summary of key Indian companies

Company	6-Jul-06 Price (Rs)	Rating	Mkt cap (Rs m)	Mkt cap (US\$ m)	O/S Shares (m)	EPS (Rs)			EPS Growth, %			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price (Rs)			
						2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E				
Banks/Financial Institutions																														
State Bank of India	748	IL	393,777	8,570	526	83.7	71.9	99.7	2.4	(14.1)	38.6	8.9	10.4	7.5	-	-	-	1.7	1.5	1.3	1.9	1.6	2.3	17.0	13.0	16.0	920			
HDFC	1,226	IL	325,200	7,077	265	50.2	53.3	65.2	20.7	6.1	22.4	24.4	23.0	18.8	-	-	-	7.3	4.4	3.8	1.5	1.7	2.0	30.1	23.7	21.8	1,177			
HDFC Bank	800	U	250,512	5,452	313	27.8	35.5	45.4	20.3	27.6	27.9	28.8	22.5	17.6	-	-	-	4.7	4.1	3.5	0.7	0.9	1.2	17.7	19.4	21.2	750			
IDFC	55	OP	61,510	1,339	1,122	3.5	4.3	5.0	13.1	23.3	17.5	15.8	12.8	10.9	-	-	-	2.1	2.1	1.9	0.0	0.0	0.0	17.5	17.6	18.4	75			
ICICI Bank	486	IL	432,193	9,406	890	32.8	31.3	46.7	20.4	(4.5)	49.2	14.8	15.5	10.4	-	-	-	1.9	1.8	1.6	1.5	1.6	2.3	14.6	12.0	16.2	615			
Corporation Bank	228	IL	32,668	711	143	31.0	30.5	37.9	10.5	(1.5)	24.4	7.4	7.5	6.0	-	-	-	1.0	0.9	0.8	3.1	3.3	4.2	13.8	12.4	14.0	360			
Bank of Baroda	208	OP	76,176	1,658	366	22.6	25.4	33.3	(1.5)	12.1	31.3	9.2	8.2	6.3	-	-	-	1.1	1.0	0.9	2.4	2.7	3.5	12.3	11.4	13.6	285			
Punjab National Bank	335	OP	105,705	2,300	315	45.6	44.4	61.5	2.1	(2.7)	38.4	7.3	7.6	5.5	-	-	-	1.2	1.1	0.9	1.8	1.7	2.4	16.4	14.0	17.0	550			
Oriental Bank of Commerce	173	IL	43,318	943	251	32.0	25.8	30.2	(19.0)	(19.4)	17.2	5.4	6.7	5.7	-	-	-	1.1	1.0	0.8	2.6	1.9	2.4	13.1	7.5	9.0	225			
Canara Bank	203	OP	83,312	1,813	410	32.8	27.4	40.0	21.1	(16.2)	45.9	6.2	7.4	5.1	-	-	-	1.3	1.1	0.9	2.7	3.0	3.2	20.2	14.8	18.8	295			
LIC Housing Finance	155	U	13,204	287	85	24.5	23.3	28.8	45.2	(5.1)	23.8	6.3	6.7	5.4	-	-	-	1.1	1.1	0.8	3.9	3.6	4.5	16.4	14.0	15.5	170			
UTI Bank	281	IL	78,256	1,703	279	17.4	17.9	23.5	22.3	2.8	31.2	16.1	15.7	12.0	-	-	-	2.9	2.5	2.1	1.2	1.3	1.7	18.4	16.3	18.6	350			
Mahindra & Mahindra Financial	185	OP	15,868	345	86	14.0	16.8	20.9	6.0	19.6	24.3	13.2	11.0	8.8	-	-	-	28.5	2.2	2.0	1.8	2.6	3.2	19.6	19.6	21.2	275			
Indian Overseas Bank	85	OP	46,172	1,005	545	14.4	15.4	17.2	20.3	7.0	11.5	5.9	5.5	4.9	-	-	-	1.5	1.2	1.0	3.5	3.3	3.5	27.2	23.8	22.0	130			
Banks/Financial Institutions		Neutral	1,957,871	42,609					12.7	(0.7)	35.0	12.5	12.6	9.3	-	-	-	2.1	1.8	1.5	1.6	1.7	2.2	16.5	14.3	16.6	-			
Automobiles																														
Hero Honda	777	OP	155,067	3,375	200	47.7	59.2	69.7	17.6	23.9	17.8	16.3	13.1	11.1	-	-	-	8.8	6.7	5.4	7.5	5.9	4.6	3.2	3.9	4.5	52.2	50.2	46.4	1,050
Bajaj Auto	2,770	IL	280,319	6,101	101	101.5	138.0	157.1	40.9	35.9	13.9	27.3	20.1	17.6	13.9	10.4	8.6	5.8	4.9	4.1	1.4	1.4	1.6	23.2	27.3	26.0	2,670			
Tata Motors	797	OP	319,550	6,954	401	44.8	64.2	77.9	15.6	43.3	21.4	17.8	12.4	10.2	9.5	7.1	5.7	5.4	4.3	3.4	1.6	1.9	2.3	29.9	33.5	31.9	1,123			
Maruti Udyog	803	OP	232,067	5,050	289	42.4	53.6	67.7	51.0	26.6	26.2	19.0	15.0	11.9	9.4	7.1	5.3	4.2	3.3	2.6	0.5	0.4	0.5	24.3	24.4	24.3	1,050			
Mahindra & Mahindra	617.6	NR	151,681	3,301	246	41.3	49.2	60.1	47.2	19.0	22.1	14.9	12.5	10.3	12.8	9.0	7.1	5.3	4.1	3.2	0.6	0.8	0.9	23.1	26.8	25.7	-			
Ashok Leyland	37	OP	49,139	1,069	1,321	2.3	3.2	4.2	8.7	39.8	30.5	16.1	11.5	8.8	8.5	6.3	4.7	3.2	2.7	2.2	2.7	2.7	2.7	21.3	25.5	27.4	56			
Punjab Tractors	208	IL	12,616	275	61	14.6	15.3	19.0	40.9	5.0	24.0	14.2	13.6	10.9	9.5	7.6	6.6	2.1	2.0	1.9	5.3	5.1	5.1	15.4	15.0	17.6	255			
TVS Motor Co	95	IL	22,602	492	238	4.9	6.9	8.3	(14.9)	40.0	20.7	19.3	13.8	11.4	8.1	6.0	4.9	2.5	2.2	1.9	1.4	1.6	1.6	13.4	16.8	17.7	105			
Bharat Forge	325	OP	76,473	1,664	235	12.6	19.1	23.5	33.4	51.0	23.1	25.7	17.0	13.8	17.5	12.8	10.5	7.2	5.7	4.8	1.0	1.1	1.1	23.7	21.8	23.8	419			
Automobiles		Attractive	1,299,513	28,281					27.2	35.2	21.1	21.2	15.7	12.9	10.6	7.9	6.3	5.1	4.1	3.3	1.5	1.7	1.9	24.2	26.3	25.7	-			
Telecom																														
MTNL	154	IL	97,020	2,111	630	6.1	9.3	11.6	(37.2)	50.9	25.0	25.1	16.6	13.3	8.1	5.6	4.7	0.9	0.8	0.8	3.9	9.3	4.9	3.0	4.1	5.7	180			
Bharti Airtel Ltd	367	U	696,763	15,163	1,899	11.4	18.6	24.1	n/a	63.7	29.7	32.3	19.7	15.2	17.2	11.4	8.8	9.5	6.2	4.5	-	-	0.5	36.1	38.0	34.3	310			
VSNL	412	IL	117,363	2,554	285	15.8	16.1	17.1	4.5	1.6	6.1	26.0	25.6	24.1	13.2	12.1	10.9	1.9	1.8	1.7	1.1	1.1	1.1	7.2	7.0	7.1	450			
Telecom		Neutral	911,146	19,829					33.5	55.9	26.8	30.4	19.5	15.4	15.4	10.7	8.5	3.7	3.1	2.7	0.6	1.1	1.1	12.2	16.0	17.5	-			
Cement																														
Gujarat Ambuja	103	IL	138,975	3,024	1,352	4.5	5.2	5.0	36.0	14.3	(4.0)	22.6	19.8	20.6	13.5	11.1	11.1	4.7	4.1	3.6	1.2	1.3	1.5	25.7	24.9	20.7	111			
ACC	814	OP	152,489	3,319	187	15.1	39.9	48.3	(26.1)	164.4	21.2	54.0	20.4	16.9	25.4	11.9	10.0	6.3	5.0	4.1	1.1	1.2	1.4	21.4	30.8	29.5	990			
Grasim Industries	1,958	OP	179,488	3,906	92	112.8	132.4	145.2	6.0	17.4	9.6	17.4	14.8	13.5	13.6	11.0	10.0	3.3	2.8	2.5	0.8	0.8	0.8	19.9	20.6	19.6	2,520			
UltraTech Cement	717	U	89,244	1,942	124	17.8	26.9	30.1	588.0	50.7	12.1	40.2	26.7	23.8	18.6	14.2	13.1	5.0	4.2	3.7	0.3	0.3	0.3	15.4	23.3	20.6	560			
India Cements	161	OP	35,381	770	219	1.5	10.2	14.1	n/a	578.0	37.4	106.7	15.7	11.5	19.3	9.0	7.0	4.5	2.9	2.2	-	-	-	7.1	24.7	24.9	145			
Shree Cement	27,028	OP	588	35	47.5	65.1	66.1	59.4	37.2	1.5	16.3	11.9	11.7	13.4	7.9	6.2	7.4	4.5	3.3	0.6	0.6	0.8	46.1	46.8	32.4	1,200				
Cement		Attractive	622,605	13,550					27.0	42.6	10.9	25.8	18.1	16.3	15.8	11.2	10.0	4.3	3.7	3.2	0.9	0.9	1.0	16.8	20.6	19.4	-			
Media																														
Zee Telefilms	261	U	107,584	2,341	412	5.0	6.0	8.6	(34.0)	21.6	43.5	52.6	43.3	30.2	41.1	28.1	20.4	7.2	6.4	5.4	0.3	0.4	0.4	15.3	16.4	20.4	225			
HT Media	432	OP	20,324	442	47	13.4	21.8	30.5	36.1	62.2	40.4	32.2	19.8	14.1	15.4	10.5	7.3	2.7	2.5	2.3	0.5	1.2	2.3	10.3	13.1	16.7	550			
PVR	233	IL	5,328	116	23	2.8	12.0	21.7	29.5	335.4	80.4	84.3	19.4	10.7	32.5	9.0	5.3	2.6	2.2	1.8	-	-	-	4.8	12.3	18.8	300			
Media		Neutral	133,237	2,900					(23.4)	39.0	45.4	47.3	34.0	23.4	33.3	21.4	15.0	5.5	4.9	4.2	0.3	0.5	0.7	11.5	14.3	17.9	-			
Metals																														
Hindalco Industries	175	OP	202,950	4,417	1,160	16.8	24.8	16.8	17.3	47.7	(32.3)	10.4	7.0	10.4	7.0	3.7	4.7	2.0	1.5	1.4	1.1	1.2	1.3	17.3	24.5	13.9	260			
National Aluminium Co	221	IL	142,328	3,097	644	24.3	34.4	22.2	24.1	41.4	(35.4)	9.1	6.4	10.0	4.3	3.0	4.1	2.1	1.7	1.5	2.6	3.1	3.1	26.1	29.3	15.9	3			

Valuation summary of key Indian companies

Company	6-Jul-06		Mkt cap (Rs m)	Mkt cap (US\$ m)	O/S Shares (m)	EPS (Rs)			EPS Growth, %			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price (Rs)
	Price (Rs)	Rating				2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	
Industrials																											
Bharat Heavy Electricals	1,913	OP	468,287	10,191	245	68.6	94.4	112.1	75.7	37.5	18.8	27.9	20.3	17.1	15.5	11.2	9.5	6.4	5.2	4.2	0.8	1.1	1.3	25.2	28.3	27.3	2,800
Larsen & Toubro	2,211	OP	299,328	6,514	135	81.5	102.1	131.0	37.0	25.3	28.2	27.1	21.6	16.9	19.3	15.3	11.5	6.7	5.4	4.3	1.0	0.9	0.9	26.8	27.6	28.9	2,800
Bharat Electronics	1,105	IL	88,436	1,925	80	74.8	80.4	92.9	23.2	7.5	15.5	14.8	13.8	11.9	7.8	6.7	5.7	4.2	3.5	2.9	1.8	2.0	2.3	31.9	27.8	26.6	1,375
ABB	2,521	OP	106,823	2,325	42	51.6	76.5	102.5	45.3	48.3	34.0	48.8	32.9	24.6	27.5	18.1	13.2	11.9	9.2	7.0	0.4	0.5	0.6	26.9	31.4	32.2	3,175
Suzlon Energy	1,095	IL	314,948	6,854	288	26.3	52.8	59.3	(40.6)	100.6	12.2	41.6	20.7	18.5	33.4	16.4	13.6	10.7	7.4	5.5	0.5	0.6	0.7	39.2	42.1	34.2	1,350
Siemens	907	OP	152,902	3,328	169	17.3	29.1	41.2	77.8	68.1	41.8	52.5	31.2	22.0	31.7	18.6	12.4	16.7	11.6	8.1	0.3	0.5	0.8	35.4	43.9	43.4	1,320
Maharashtra Seamless	299	OP	21,189	461	71	23.7	27.3	33.0	61.1	14.9	21.0	12.6	11.0	9.1	10.2	5.7	4.3	4.5	2.1	1.7	1.0	1.3	1.5	33.7	26.6	21.2	357
Dredging Corporation		IL	14,825	323					56.7	(2.3)	0.9	8.7	8.9	8.8	5.0	5.6	4.8	1.5	1.3	1.1	2.8	2.8	-	17.4	15.9	-	660
Industrials		Attractive	1,466,738	31,920					60	4.3	21	30	21	17	19	13	11	7	6	4	1	1	1	25	27	26	-
Utilities																											
Reliance Energy	469	OP	99,606	2,168	212	36.3	30.5	33.3	38.9	(15.9)	9.1	12.9	15.4	14.1	7.9	7.7	7.2	1.2	1.2	1.1	1.1	1.6	1.8	10.0	7.9	8.1	735
Tata Power	479	OP	101,938	2,218	213	16.4	19.0	21.2	(21.5)	15.8	11.6	29.3	25.3	22.7	12.5	10.3	9.1	1.8	1.8	1.7	1.8	1.5	1.7	6.5	7.1	7.6	760
NTPC	114	OP	943,693	20,537	8,245	7.8	7.7	8.6	12.1	(1.6)	11.0	14.6	14.8	13.3	12.1	13.4	11.7	2.1	1.9	1.8	2.4	2.4	3.0	14.8	13.5	13.9	175
CESC	274	OP	22,787	496	83	26.6	27.2	25.7	3.7	2.2	(5.6)	10.3	10.1	10.6	5.1	6.4	6.4	1.4	1.2	1.0	1.4	1.5	1.4	14.4	12.6	10.3	400
GVK Power		OP	3,786	82					(98.1)	30.3	0.9	17.5	13.4	13.3	22.5	20.7	22.0	0.7	0.7	0.7	1.4	1.9	1.9	8.4	5.4	5.3	330
Utilities		Attractive	1,171,810	25,502					13	(1)	10	15	15	14	11	12	11	2	2	2	2	2	3	13	12	12	-
Automotive Components																											
Motherson Sumi	84	OP	19,731	429	235	4.2	6.0	7.2	21.7	41.5	20.9	19.9	14.1	11.6	14.0	8.9	7.1	8.2	5.7	4.2	1.0	1.3	1.8	36.0	39.2	34.5	100
Rico Auto	68	OP	8,571	187	126	3.9	5.4	7.5	0.8	38.4	39.1	17.6	12.7	9.1	10.8	7.9	6.0	5.8	4.5	3.5	1.5	1.8	2.9	26.5	30.2	33.5	110
MICO		IL	89,265	1,943					(9.7)	24.7	22.0	26.6	21.4	17.5	15.6	12.6	9.5	6.4	5.1	4.0	0.5	0.6	0.6	27.0	26.5	25.6	3,300
Automotive components		Attractive	117,567	2,559					(5)	30	24	26	20	16	15	11	9	7	5	4	1	1	1	25	25	25	-
Transportation																											
Container Corporation	1,450	OP	94,232	2,051	65	77.4	93.1	111.7	17.3	20.3	20.1	18.7	15.6	13.0	12.0	10.0	7.9	4.5	3.7	3.0	1.0	1.2	1.4	26.5	26.0	25.4	1,875
Jet Airways		IL	49,064	1,068					17.8	(39.3)	10.4	10.9	16.4	15.1	4.7	4.9	5.4	1.7	1.6	1.6	1.9	1.3	1.4	17.7	9.9	10.4	900
Transportation		Attractive	143,296	3,119					13	(23)	(24)	8	10	14	5	5	6	2	2	2	3	2	1	23	16	17	-
Hotels																											
Indian Hotels	1,176	IL	69,396	1,510	59	30.0	49.2	62.8	198.1	63.9	27.5	39.2	23.9	18.7	16.9	12.5	9.9	3.4	3.1	2.7	1.6	1.9	2.1	9.5	13.7	15.5	1,008
Hotel Leela	257	U	21,977	478	86	12.0	14.2	23.0	89.8	18.3	62.2	21.4	18.1	11.2	18.1	12.1	8.5	2.6	2.4	2.1	1.2	1.6	1.9	12.6	13.9	20.0	385
EIH		U	33,257	724					128.7	21.2	41.1	31.7	26.2	18.5	16.8	14.1	10.7	2.8	2.7	2.4	1.6	2.4	2.8	9.4	10.4	13.7	582
Hotels																											
Transmission																											
KEC	261	OP	9,907	216	38	16.1	21.4	29.6	21.6	32.7	38.6	16.2	12.2	8.8	7.7	6.1	4.9	5.0	3.7	2.7	0.5	0.8	1.1	23.3	34.0	34.7	570
JSL	371	OP	6,155	134	17	17.7	25.3	31.6	109.7	43.1	25.0	21.0	14.7	11.7	9.6	6.7	5.7	4.7	2.4	2.0	0.5	0.7	0.8	23.9	21.5	18.7	653
Transmission		Attractive	16,062	350					41.6	40.3	34.0	18.3	13.1	9.8	8.3	6.3	5.2	4.9	3.0	2.4	0.5	0.7	1.0	26.5	23.3	24.4	-
Healthcare																											
Apollo Hospital	445	IL	22,959	500	52	10.1	13.8	16.5	(6.5)	36.9	19.8	44.2	32.2	26.9	19.6	16.0	13.5	3.3	3.1	2.9	0.9	1.2	1.5	10.8	10.7	12.1	425
Construction																											
Purj	720	U	37,589	818	52	10.4	29.4	35.4	97.6	182.7	20.1	69.2	24.5	20.4	23.1	12.3	10.7	3.2	2.9	2.6	-	0.4	0.7	6.5	12.4	13.4	630
NCCL	266	OP	27,611	601	104	11.8	17.6	25.2	21.8	48.3	43.2	22.4	15.1	10.6	16.0	10.6	7.8	2.9	2.4	2.0	0.4	0.5	0.5	15.9	17.4	20.8	460
IVRCL	238	OP	25,389	553	107	8.8	14.5	19.9	23.8	64.8	37.4	27.1	16.4	11.9	22.3	12.8	10.4	5.1	4.0	3.0	0.3	0.3	0.3	20.7	27.2	28.5	306
Construction		Attractive	90,589	1,971					95.3	96.7	34.1	36.3	18.5	13.8	20.4	11.9	9.6	3.5	2.9	2.5	0.2	0.4	0.5	9.5	16.0	17.9	-
Diversified																											
Monnet Ispat	177	OP	9,217	201	52	20.5	34.7	58.0	(12.8)	69.2	67.5	8.7	5.1	3.1	8.9	4.4	3.2	2.3	0.9	0.7	2.1	4.0	4.5	30.1	24.6	25.2	280
KS universe (b)			18,643,922	405,744					14.4	18.6	14.7	18.1	15.3	13.3	11.1	9.2	8.0	3.3	2.8	2.4	1.6	1.8	2.1	18.2	18.3	18.4	-
KS universe (b) ex-Energy			16,098,230	350,342					20.2	18.6	13.3	20.2	17.1	15.1	13.9	11.1	9.9	3.8	3.2	2.8	1.3	1.4	1.6	18.8	18.7	18.4	-

(a) 2003 means calendar year 2002, similarly for 2004 and 2005 for these particular companies

(b) EV/Sales & EV/EBITDA for KS universe excludes Banking Sector

Rupee-US Dollar exchange rate (Rs/US\$)= 46.0

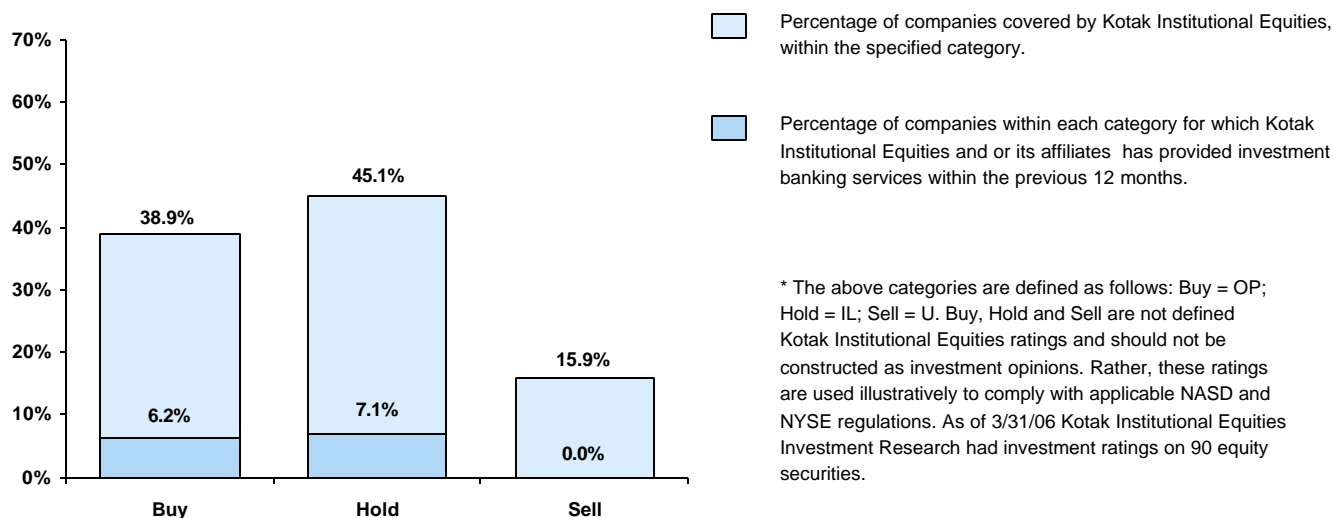
Source: Bloomberg, Company reports, Kotak Institutional Equities estimates.

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Kotak Institutional Equities Research coverage universe

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Source: Kotak Institutional Equities.

As of March 31, 2006

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