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News Round-up

- ▶ ONGC's (ONGC IN) USD 2.55bn public issue will open on April 5. (BSTD)
- ▶ NMDC (NMDC IN) signs USD 169 mn contract agreement with a consortium comprising Siemens VAI, Austria, SVAI India and Nagarjuna Construction Company, for turnkey execution of a sinter plant complex. (FNLE)
- ▶ Ashok Leyland (AL IN) registers 25% growth in production. (FNLE)
- ▶ Bharti Airtel (BHARTI IN) has launched 3G services that offer Live and on-demand TV channels, video calling and high-speed Internet access, in Delhi and NCR. (FNLE)
- ▶ Bajaj Auto (BJAUT IN) will launch the new Discover 125 next month as part of brand strategy to grow sales from the present 1.25 lakh motorcycles each month. (THBL)
- ▶ Lanco Infratech (LANCI IN) said it has received environmental clearance for its 1,320 Mw coal-based thermal power project in Maharashtra. (FNLE)
- ▶ NDTV (NDTV IN) said it has completed sale of 49% stake in its arm NDTV Lifestyle Holdings to Astro All Asia Networks Plc for USD 40 mn. (FNLE)
- ▶ Cadbury India (CAD IN) has entered the biscuit market by launching the Oreo brand from global portfolio of Kraft Foods, its parent company. (BSTD)
- ▶ Gati Ltd. (GTIC IN) is likely to sell its shipping arm Gati Coast to Coast to a global shipping player, talks are in final stages. Deal could be closed at USD 44.44 - 55.55 mn. (BSTD)
- ▶ Paint makers like Asian Paints (APNT IN), Berger Paints (BRGR IN) & Kansai Nerolac (KNPL IN) to raise prices fifth time this financial year. (BSTD)
- ▶ PNB (PNB IN) plans to buy equity stake in a domestic life insurance co. to begin a new innings in the insurance business. (BSTD)
- ▶ Pfizer which has a tie up with Aurobindo Pharma (ARBP IN) on generic supplies, would extend support to the Indian co. once they understand the issues related to the USFDA import ban alert. (ECNT)
- ▶ PFC (POWF IN) may raise up to USD 1bn in external commercial debt next fiscal. (ECNT)
- ▶ Non-invasive and radiation free testing for breast cancer is now available in the country, following a tie-up between drug-maker Cipla (CIPLA IN) and the UE Life Sciences Inc. (THBL)

Source: ECNT= Economic Times, BSTD = Business Standard, FNLE = Financial Express, THBL = Business Line.

EQUITY MARKETS

India	Change %			
	3-Mar	1-day	1-mo	3-mo
Sensex	18,490	0.2	2.2	(7.5)
Nifty	5,536	0.3	1.9	(7.9)
Global/Regional indices				
Dow Jones	12,258	1.6	1.6	7.7
Nasdaq Composite	2,799	1.8	1.6	8.0
FTSE	6,005	1.5	0.4	4.5
Nikkei	10,756	1.6	2.0	5.7
Hang Seng	23,122	0.3	(3.3)	(0.8)
KOSPI	1,988	0.9	(4.1)	1.5
Value traded – India				
Cash (NSE+BSE)	186		166	115
Derivatives (NSE)	1,506		1,055	862
Deri. open interest	1,231		1,289	1,412

Forex/money market

	Change, basis points			
	3-Mar	1-day	1-mo	3-mo
Rs/US\$	45.0	9	(52)	(6)
10yr govt bond, %	8.0	(7)	(22)	(23)
Net investment (US\$m)				
	1-Mar		MTD	CYTD
Flls	104		104	(2,110)
MFs	92		91	(282)

Top movers -3mo basis

Best performers	Change, %			
	3-Mar	1-day	1-mo	3-mo
NACL IN Equity	442.7	3.4	5.3	18.6
WLCO IN Equity	181.0	(6.0)	13.7	13.0
SIEM IN Equity	856.5	0.7	0.9	11.9
HCLT IN Equity	460.5	(1.8)	(4.1)	8.7
CAIR IN Equity	350.4	1.9	8.5	8.4
Worst performers				
UT IN Equity	35.1	0.3	(18.6)	(45.2)
IVRC IN Equity	76.6	1.8	3.4	(41.1)
RCOM IN Equity	93.4	3.3	(18.6)	(33.0)
RCAPT IN Equity	482.7	0.5	(2.1)	(31.9)
RPWR IN Equity	113.6	0.2	(12.1)	(29.2)

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UPDATE

Coverage view: **Cautious**

Price (Rs): **1,665**

Target price (Rs): **1,775**

BSE-30: **18,490**

Impressions from site visit: Powerful transformation from field to factory. L&T is making massive investments in transforming itself into a manufacturing power house in (1) power - full throttle manufacturing started in BTG with auxiliaries following soon, (2) forgings - to deepen backward integration, reduce dependence on global suppliers, (3) shipbuilding and (4) modular fabrication, heavy engineering facilities. Manufacturing prowess differentiates L&T other contractors, but is likely more cyclical. Retain REDUCE.

Company data and valuation summary

Larsen & Toubro

Stock data

52-week range (Rs) (high,low)	2,213-1,461
Market Cap. (Rs bn)	1,007.5

Shareholding pattern (%)

Promoters	0.0
FIs	20.5
MFs	4.6

Price performance (%)

	1M	3M	12M
Absolute	6.0	(17.6)	4.8
Rel. to BSE-30	3.7	(10.9)	(5.0)

Forecasts/Valuations

	2011	2012E	2013E
EPS (Rs)	73.0	82.0	96.4
EPS growth (%)	26.0	12.3	17.6
P/E (X)	22.8	20.3	17.3
Sales (Rs bn)	538.2	641.8	765.7
Net profits (Rs bn)	44.2	49.6	58.3
EBITDA (Rs bn)	88.8	107.5	131.1
EV/EBITDA (X)	13.7	11.7	10.0
ROE (%)	17.9	17.0	17.2
Div. Yield (%)	0.7	0.8	0.8

Full throttle manufacturing in power equipment facilities; auxiliaries to follow suit

We note that manufacturing in power equipment facilities is in full throttle with (1) one turbine for APGENCO already delivered and the second under manufacturing; some works started for JP Nigrie as well, and (2) on the boiler side, start of work for JP Nigrie and Rajpura orders. L&T has already achieved the high level of indigenization (about 80%) in boiler manufacturing. Turbine indigenization remains low presently (at 20%) as L&T aims to achieve 40% indigenization by the time the fifth/sixth unit of turbine is delivered. Auxiliary facilities would be up and running by June 2011, which would help L&T capture about 85% of the EPC value of a thermal power plant.

Forgings, shipbuilding, modular fabrication, heavy engineering facilities to expand manufacturing

L&T is strengthening its manufacturing presence with investments in several new manufacturing facilities such as (1) forgings - investing Rs17.25 bn in a forge shop with a manufacturing capacity of 40,000 tons p.a., (2) shipbuilding facility at Katupalli and Hazira and (3) modular fabrication and heavy engineering facilities at Hazira, Oman and Katupalli.

Manufacturing capability provides competitive edge but is likely more cyclical

We believe L&T's extensive manufacturing capabilities differentiate it from other contractors. However, while the manufacturing base provides it a competitive edge, this activity is likely to be more cyclical in nature. L&T's secular, long-term play in power and shipbuilding focus on defense may help mitigate the cyclicity.

Retain estimates and TP of Rs1,775/shre; reiterate REDUCE on several risks to earnings

We have retained our standalone earnings estimates of Rs62.1 and Rs70.3 and our consolidated earnings estimate of Rs73 and Rs82 for FY2011E and FY2012E, respectively. We retain our REDUCE rating (target price: Rs1,775) as we believe that L&T's earnings could face risks related to (1) lower-than-expected order inflows, (2) margin pressure from rising commodity prices and change in the order-inflow mix, (3) sedate execution as order book execution cycle elongates and (4) return-dilutive and high-risk infrastructure investments that may be critical for growth.

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Full-throttle manufacturing in power equipment; aggressive indigenization

We note that manufacturing in power equipment facilities is in full throttle with (1) one turbine for APGENCO already being delivered and a second under manufacturing with some works started for JP Nigrie as well, and (2) on the boiler side, work for JP Nigrie and Rajpura power plant has started. Orders for materials have been placed for Karchana as well as Koradi projects.

There are about 2,000-2,500 employees in the power equipment manufacturing complex with a very minimal Japanese presence (10-15 employees only) despite their significant equity stake.

Boiler indigenization (80%) is already very high; turbine currently low (20%) but is aimed to scale up (40% by 5/6th unit)

L&T is working with indigenization levels of about 20-25% for the first two turbines being supplied to APGENCO. L&T seems to be currently importing castings (from places such as France, Italy and this sourcing is independent of MHI). Castings for casings are developed in-house and would be progressively indigenized. Currently, rotary blades are completely sourced from MHI and manufacturing is expected to start two years from now. Stationery blades (these are integral to casing from our impression) are manufactured in-house already. L&T aims at 40% indigenization by the time the fifth/sixth unit of turbine is delivered. Two units are supposed to be delivered by March 2011E, another three in March 2012E and five in March 2013E.

On the boiler side, L&T seems to be manufacturing pressure parts independently apart from sourcing pipes, among other parts, from abroad. Separators are imported for the first couple of units (J P Nigrie) but will be indigenized for subsequent deliveries. L&T seems to have achieved 85% indigenization in the boiler manufacturing for the first couple of units.

Manufacturing of auxiliaries following suit; captures 85% of power EPC value

Power auxiliary facilities are also under construction and would be up and running by June 2011, which is about the time that such auxiliaries would be needed as per the delivery schedule of first few orders. The scope of power auxiliaries is quite comprehensive and includes Electrostatic precipitators, Axial fans, air pre-heaters, coal pulverizers and piping. The combined L&T E&C expertise in civil components such as coal handling plants, switchyard, chimney, cooling towers gives it an opportunity to capture about 85% of the EPC value of the thermal power plant. This would be a key competitive edge in the sector.

Forging facility would add to the manufacturing edge

L&T is investing Rs17.25 bn in a forge shop which would have manufacturing capacity of 40,000 tons per annum of finished forgings and would be useful for producing forgings for Nuclear (single piece of forging as large as about 400 tons), power rotor and generator stators (single forgings of about 150-200 tons) and hydrocarbon reactor components (forgings of 50-60 tons). India has established manufacturing facilities of about 50 tons of forgings only.

Next step of capacity expansion once visibility on sector builds up; worried on coal, imported equipment

L&T has manufacturing capabilities for 4,000 MW (can be stretched to 5,000 MW) of equipment—it will evaluate the possibility of taking this up to 6,000 MW. However, L&T seems to be worried about two key issues:

- ▶ **Coal supply position.** L&T is worried about issues such as (1) CIL production target cuts, (2) "no-go" area restrictions, (3) no coal block allocations till new policy is in place and (4) no coal linkages being awarded since April 2010

- ▶ **Chinese equipment imports:** L&T argues that lower Chinese Yuan endows Chinese equipment with a huge advantage on the price. L&T is addressing this in two ways:
 1. **Price and delivery.** Reducing its own price and delivery by vertical integration and indigenization. L&T is now quoting 42 months delivery for a first supercritical unit versus 48-51 months earlier and 4 months for each successive unit versus 6 months earlier
 2. **Educating customer on lifecycle cost (as much as original equipment in NPV terms).** NTPC example on BHEL equipment seems to suggest that the lifecycle costs of a thermal power plant including spares over the life etc. in present value terms is 2X the original equipment price and thus it needs to be considered upfront. L&T believes that Chinese plants would have very high depreciation and an asset that is supposed to work for 30-35 years may lose value in the first 4-5 years.

Seems positive in the long term though citing Chinese capacity addition example

L&T seems very positive on the sector in the long term, offering a comparison with China to debunk the notion that equipment supply creates over capacity.

Delays from BHEL and Tata projects (on BoP) in APGenco delaying L&T deliveries

L&T claims that despite being a recent starter, it has made deliveries of turbine for APGENCO's Krishnapatnam plant in time while the BHEL supplies are running delayed by 15 months and BoP by Tata Projects is running delayed by 9-10 months. Delays on the part of other vendors is so much that L&T finding it difficult to store the finished products safely onsite.

Tough logistics: JP Nigrie supplies involve sea, river and land transport

L&T management says that equipment supply for the JP Nigrie project is transported to Hooghly by sea, transported onwards through the river route to a place close to Nigrie and then by land to the Nigrie power plant for the last 200 kms. Most often, existing bridges are unable to take the load of heavy power plant equipments so temporary bridges need to be erected to supply the equipment to the plant site.

Gives thumbs up to government for moving strongly in favor of supercritical equipment and other initiatives

L&T seemed satisfied with the government in terms of its strong push for super critical technology as that has opened up new opportunity for L&T apart from addressing environmental concerns. L&T felt that sector has gained momentum because of Electricity Act 2003 and steps such as Ultra Mega Power Projects (UMPP). However the momentum would slow down unless critical reforms are not carried out in coal allocation.

Deeper manufacturing differentiates L&T from plain vanilla contractors

L&T is strengthening its manufacturing presence and is adding significant capacities in Hazira (casting, forging, modular fabrication, heavy engineering facilities), Katupalli (shipbuilding, ship repair, modular fabrication facility, heavy engineering) and Oman (modular fabrication facility). Such capacity addition keeps it ahead of competitors and differentiates it from other construction contractors. L&T has 750 acres of facility at Hazira and 1,200 acres at Katupalli. When we last visited Hazira plant in January 2009, we believe that only 250 acres at Hazira was utilized (entire power complex is a recent addition).

Reiterate REDUCE with a target price of Rs1,775/share

We have retained our standalone earnings estimates of Rs62.1 and Rs70.3 and our consolidated earnings estimate of Rs73 and Rs82 for FY2011E and FY2012E, respectively.

Our SOTP-based target price of Rs1,775/share is comprised of (1) Rs1,272/share from the core construction business based on 18X FY2012E expected earnings, (2) Rs219/share from L&T's service subsidiaries, (3) Rs76/share from the manufacturing subsidiaries, (4) Rs107/share from the infrastructure SPVs and (5) Rs94/share from other subsidiaries and investments.

We arrive at a SOTP-based target price of Rs1,775/share for L&T
FY2012E-based Sum of The Parts (SOTP) valuation of Larsen and Toubro

	<u>Earnings/Book</u>	<u>FY12E multiple</u>	<u>Value</u>	<u>Valuation basis</u>	<u>Stake</u>	<u>Value for L&T's stake</u>	<u>Per share</u>
	(Rs mn)	(X)	(Rs bn)		(%)	(Rs bn)	(Rs)
Core company valuation	42,553	18.0	842	P/E	100	766	1,272
Key subsidiaries-services	22,247		78			132	219
L&T Finance	18,377	2.3	27.6	P/B	100	41	69
L&T Infra. Finance	14,519	2.3	50.0	P/B	100	33	54
L&T Infotech	3,870	15.0	82.4	P/E	100	58	96
Key subsidiaries - mfg	2,892					46	76
Tractor Engineers	87	15.0	35.1	P/E	100	1	2
Associate companies*	2,805	15.0	46.3	P/E	50	21	35
Power equipment JV	NA		77.5	DCF	51	24	39
Infrastructure SPVs	34,093	2.3	52	P/B	84.3	65	107
Other subsidiaries	37,626	1.5	290	P/B	100	56	94
Total subsidiaries						299	497
Grand total						1,065	1,769

Source: Company, Kotak Institutional Equities estimates

We retain our REDUCE rating on the stock as we believe that L&T's earnings could face potential risks related to (1) lower-than-expected order inflows, (2) margin pressure given rising commodity prices and change in order inflows mix, (3) sedate execution as order book execution cycle elongates and (4) return-dilutive and high-risk infrastructure investments which may be necessary for growth.

Standalone balance sheet and income statement of L&T, March fiscal year-ends, 2008-13E (Rs mn)

	2008	2009	2010	2011E	2012E	2013E
Income statement						
Net operating revenues	248,779	339,385	370,348	446,947	531,269	630,474
Cost of goods sold	(220,515)	(300,164)	(322,592)	(390,654)	(465,029)	(552,787)
Construction materials	(56,103)	(75,100)	(74,781)	(89,413)	(106,314)	(126,202)
Sub contracts	(44,904)	(70,533)	(86,618)	(104,533)	(124,254)	(147,456)
Stores, spares and tools	(6,995)	(9,008)	(10,523)	(11,174)	(13,282)	(15,762)
Other mfg exp	(16,772)	(22,455)	(24,826)	(29,945)	(34,533)	(40,981)
S, G & A	(13,856)	(17,703)	(14,627)	(17,431)	(19,126)	(22,697)
Salaries & wages	(15,354)	(19,745)	(23,791)	(28,657)	(36,031)	(43,647)
EBIDTA	28,264	39,222	47,756	56,293	66,241	77,687
<i>EBIDTA margin (%)</i>	<i>11.4</i>	<i>11.56</i>	<i>12.9</i>	<i>12.6</i>	<i>12.5</i>	<i>12.3</i>
Other income	6,520	7,398	9,502	11,771	10,746	10,152
Interest	(1,227)	(4,156)	(5,053)	(6,796)	(7,471)	(7,471)
Depreciation	(2,022)	(3,073)	(4,159)	(4,972)	(5,815)	(6,469)
PBT	31,534	39,404	48,059	56,295	63,702	73,899
Tax	(9,821)	(12,312)	(16,409)	(18,690)	(21,149)	(24,535)
PAT	21,714	27,092	31,650	37,605	42,553	49,365
Extraordinaries	(8)	7,725	12,105	—	—	—
Reported PAT	21,706	34,817	43,755	37,605	42,553	49,365
EPS (Rs)	37.1	46.3	52.6	62.1	70.3	81.6
Balance sheet						
Equity capital	585	1,171	1,204	1,210	1,210	1,210
Reserves & surplus	94,707	123,180	181,679	214,388	247,028	286,480
Shareholders funds	95,292	124,351	182,884	215,598	248,238	287,690
Secured loans	3,085	11,024	9,557	9,557	9,557	9,557
Unsecured loans	32,755	54,537	58,451	73,451	73,451	73,451
Total debt	35,840	65,560	68,008	83,008	83,008	83,008
Total sources of funds	131,391	190,157	251,125	298,839	331,479	370,931
Net Block	28,544	40,128	53,654	65,682	73,867	81,398
Capital WIP	6,990	10,410	8,577	5,000	5,000	5,000
Total fixed assets	35,534	50,538	62,231	70,682	78,867	86,398
Investments	69,223	82,637	137,053	148,042	157,529	167,114
Net working cap. (excl. cash)	16,652	48,303	36,869	72,056	87,461	105,754
Cash and bank balances	9,645	7,753	14,319	7,406	6,969	11,012
Total application of funds	131,391	190,157	251,125	298,839	331,479	370,931

Source: Company, Kotak Institutional Equities estimates

MARCH 3, 2011

UPDATE

Coverage view: **Attractive**

Price (Rs): **171**

Target price (Rs): **200**

BSE-30: **18,969**

Plant visit note—impressive execution. We visited Vedanta Aluminium and Jharsugda IPP recently. Key takeaways include (1) capitalization of units 1 and 2 of 600 MW each of 2,400 MW Jharsugda IPP, will likely be done from April 2011. Commissioning of new transmission link to PGCIL will help in evacuating power; (2) Jharsugda has started receiving linkage coal for the first two units. Company expects cash cost per unit of Rs1.7 at steady state PLF which will go up to Rs1.9/kwh after recent increase in coal prices; and (3) poor visibility on securing new bauxite mines for VAL. Maintain BUY on attractive valuations.

Company data and valuation summary

Sterlite Industries

Stock data		Forecasts/Valuations					
		2011	2012E	2013E			
52-week range (Rs) (high,low)	223-149	EPS (Rs)	13.0	19.4	22.2		
Market Cap. (Rs bn)	574.5	EPS growth (%)	8.0	49.4	14.5		
Shareholding pattern (%)		P/E (X)	13.2	8.8	7.7		
Promoters	52.8	Sales (Rs bn)	291.9	383.2	414.2		
FIs	26.5	Net profits (Rs bn)	43.6	65.2	74.6		
MFs	3.1	EBITDA (Rs bn)	70.7	118.3	140.5		
Price performance (%)	1M	3M	12M	EV/EBITDA (X)	7.5	4.6	3.6
Absolute	(0.4)	3.0	(15.7)	ROE (%)	11.2	14.8	14.7
Rel. to BSE-30	(2.3)	11.7	(23.4)	Div. Yield (%)	0.5	0.5	0.5

Jharsugda IPP—capitalization of first two units from April 2011; company receives linkage coal

We visited the 2,400 MW IPP in Jharsugda recently. Key takeaways include

- ▶ Management indicates they have stated receiving linkage coal for the first two units of 600 MW each. Cash cost of generation is high currently, which will decline subsequently once the plant reaches steady PLF levels. Management expects cost per unit of Rs1.7-1.8, which will increase to Rs1.9/kwh after recent increase in coal prices.
- ▶ Capitalization of the first two units will likely be done from April 2011. Sterlite has commissioned a 600 MW transmission link from its generation station to PGCIL grid. We are surprised that Sterlite did not anticipate non-availability of transmission link as a potential roadblock in timely commissioning of the plant.
- ▶ Orissa GRIDCO is not absorbing the entire power offered to them from the first unit. Sterlite is selling power to Orissa Grid at Rs2.53/unit. Sterlite may route the power unused by the grid to the short-term market. Note that the transmission link capacity to the grid is 450 MW.
- ▶ Sterlite is constructing another transmission line of 1,000 MW that can evacuate power from the remaining two units that will be synchronized in Q2 and Q3 of FY2012E. Sterlite expects this transmission link to be commissioned by October 2011. This will take the total transmission link capacity to 2,050 MW (including 450 MW dedicated link to Orissa GRIDCO).
- ▶ Sterlite has made significant investments in railway sidings and rakes and expects entire movement of coal through rail infrastructure. Sterlite is setting up a dedicated rail link up to Vansundhra mines of MCL which may be a large source of coal procurement. Rampia mines are close to Vasundhra mines, hence the same infrastructure can be used.
- ▶ Visit lends comfort to our power business estimates. Our revenue estimates for FY2012E from Jharsugda IPP is based on effective capacity of 1,647 MW.

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Balco captive coal block—steady progress

Balco management reiterated target of September 2011 for commissioning of The Durgapur II Taraimar coal block that will feed Balco's 4X300 MW captive power plant. This coal block is 70 kms away from Korba. Balco will receive Stage II forest clearance for the mine by July 2011 and will execute the mining lease by August 2011. The company has received tapering coal linkage for first two units.

Balco also reiterated a synchronization schedule for the power plant; unit 1 will be synchronized in 1QFY12E and unit II in 2QFY12E. The commissioning is consistent with our expectation.

Vedanta Aluminium—no bauxite in sight

Sterlite is hopeful of securing bauxite through the tonnages committed by the Orissa Mining Corporation. The company is hopeful of securing a mining lease of Kalapeth mine in Kalahandi district which has bauxite reserves of 200+ mn tons. However, after securing the mining lease, the company has to go through the normal long-drawn process of getting environment and forest clearance; this process may take at least two-three years. The company is also working on six-seven other blocks. However, it would be difficult for the company to secure access to bauxite mine for at least three years.

VAL's cost of production of hot metal from the operational 500 ktpa smelter is US\$1,850-1,900/ton, which is unlikely to reduce in the near term. The smelter is working on 50% imported alumina and 50% from captive sources. Cost of imported alumina (including transportation) is US\$500/ton. Conversion cost is US\$1,100/ton.

The 1.25 aluminium smelter expansion has four potlines with each line having 336 pots. Two potlines are complete, substantial progress is made on the third potline, while the fourth potline may take a few months. However, the company is unlikely to tap metal from this expansion till it receives bauxite mines. We are impressed with the pace and scale of execution with the entire expansion being done in just over two years.

SOTP-based target price of Sterlite Industries is Rs200/share

SOTP-based target price of Sterlite, March fiscal year-ends, 2012E basis (Rs mn)

	EBITDA (Rs bn)	Multiple (X)	EV (Rs bn)	Net debt (Rs bn)	Implied M Cap (Rs bn)	Sterlite's stake (%)	Attributable M Cap (Rs bn)	Contribution Rs/ share
BALCO	14	6.0	82	40.1	42.4	51.0	22	6
Copper business								
Copper smelting business	7	6.0	43	(183.6)	226.6	100.0	227	67
Copper mining								2
Zinc business								
Hindustan Zinc	69	6.5	446	(201.5)	647.9	64.9	420	125
Other businesses								38
Less: investments and loans to VAL							65	(19)
Less: potential funding to VAL							67	(20)
Target price (Rs/ share)								200

Source: Kotak Institutional Equities estimates

Sterlite Industries (consolidated), Key assumptions, March fiscal year ends 2008-13E (Rs mn)

	2008	2009	2010	2011E	2012E	2013E
Volumes (tons)						
Zinc	425,532	552,330	577,685	703,200	782,310	835,050
Lead	58,298	60,564	64,391	55,500	111,000	148,000
Copper	337,073	312,572	333,244	312,696	337,093	337,117
Aluminium metal	358,328	356,513	267,802	266,135	267,453	268,770
Silver	82	103	139	105	210	358
Average realization (Rs/ton)						
Zinc	125,946	70,353	99,421	107,621	113,322	111,955
Lead	122,771	86,385	105,922	109,543	113,005	111,078
Copper cathode	330,044	272,349	303,652	414,761	428,204	393,730
Aluminium ingots	119,772	113,566	96,607	114,693	117,604	116,147
Silver (Rs mn/ton)	19	20	25	32	40	40
LME assumptions (US\$/ton)						
Zinc	2,992	1,563	1,936	2,175	2,300	2,350
Lead	2,875	1,655	1,990	2,175	2,300	2,350
Copper	7,588	5,885	6,500	8,500	8,800	8,360
Aluminium	2,624	2,227	1,900	2,210	2,250	2,300
Divisional EBITDA mix (US\$ mn)						
Hindustan Zinc	1,336	597	988	1,134	1,509	1,719
Sterlite (standalone)	213	184	108	131	157	163
BALCO	330	167	182	196	302	487
Power	—	(2)	(2)	(2)	567	769
Others	73	81	9	92	63	54
Total	1,952	1,027	1,285	1,551	2,599	3,192
USD:INR	40.3	45.8	47.3	45.6	45.5	44.0

Source: Company, Kotak Institutional Equities estimates

Sterlite Industries, Profit model, balance sheet and cash flow model, March fiscal year-ends, 2008-2013E (Rs mn)

	2008	2009	2010	2011E	2012E	2013E
Profit model (Rs mn)						
Net sales	247,054	211,442	244,103	291,888	383,197	414,172
EBITDA	78,584	47,041	60,718	70,731	118,267	140,464
Other income	15,623	21,543	19,594	23,868	27,084	31,310
Interest	(3,051)	(3,973)	(3,424)	(4,046)	(9,352)	(12,986)
Depreciation	(5,949)	(7,007)	(7,498)	(9,560)	(13,829)	(17,323)
Profit before tax	85,207	57,604	69,390	80,992	122,171	141,465
Extraordinaries	(665)	2,258	(2,970)	—	—	—
Current tax	(18,555)	(8,795)	(11,038)	(14,982)	(29,326)	(35,620)
Deferred tax	(2,336)	(1,461)	(1,291)	(2,360)	(4,769)	(5,266)
Net income before minorities	63,652	49,607	54,091	63,649	88,076	100,578
Minority interest	(19,616)	(12,671)	(17,241)	(17,403)	(20,929)	(24,866)
Share of profit/loss from associates	(42)	(1,536)	588	(2,600)	(1,950)	(1,073)
Net income	43,994	35,400	37,437	43,646	65,197	74,640
Adjusted net income	44,522	34,847	40,407	43,646	65,197	74,640
EPS (Rs)	15.7	12.3	12.0	13.0	19.4	22.2
Balance sheet (Rs mn)						
Equity	223,026	256,132	370,120	410,079	471,589	542,542
Deferred tax liability	13,537	14,076	15,524	17,885	22,653	27,920
Total Borrowings	50,745	70,135	92,600	140,903	166,685	173,462
Minority Interest	56,233	68,132	84,096	101,499	122,428	147,294
Current liabilities	31,943	42,051	49,319	49,590	49,787	50,787
Total liabilities	375,484	450,526	611,659	719,956	833,142	942,003
Net fixed assets	99,754	102,319	122,656	130,627	249,801	284,821
Capital work-in-progress	24,613	69,786	110,844	170,135	110,410	99,694
Investments	162,941	162,062	203,045	226,045	253,545	273,545
Cash	24,536	55,048	33,378	95,467	109,741	166,803
Other current assets	63,640	61,312	141,737	97,683	109,646	117,141
Miscellaneous expenditure	0	—	0	—	—	—
Total assets	375,484	450,526	611,659	719,956	833,142	942,003
Free cash flow (Rs mn)						
Operating cash flow excl. working capital	58,433	40,654	44,554	49,103	77,639	90,785
Working capital changes	2,032	13,636	(8,487)	44,325	(11,767)	(6,495)
Capital expenditure	(30,119)	(40,095)	(61,819)	(76,822)	(73,277)	(41,628)
Free cash flow	30,345	14,195	(25,752)	16,605	(7,405)	42,663
Ratios						
Debt/equity (X)	0.2	0.3	0.3	0.3	0.4	0.3
Net debt/equity (X)	(0.5)	(0.5)	(0.3)	(0.4)	(0.4)	(0.5)
RoE (%)	27.6	14.5	12.9	11.2	14.8	14.7
RoACE (%)	21.7	10.3	9.7	8.4	11.9	12.2

Source: Company, Kotak Institutional Equities estimates

MARCH 3, 2011

UPDATE

Coverage view: **Attractive**

Price (Rs): **1,308**

Target price (Rs): **1,535**

BSE-30: **18,447**

Key takeaways from mine and plant visit. Meetings, mine and plant visit of Hindustan Zinc lend significant confidence on (1) expansion of Sindeshwar Khurd (SK) mine, which is running ahead of schedule with the company running at close to 1.2 mtpa annualized rate of ore production, (2) strong volume growth in FY2012E, and (3) significant step-up in contribution from silver to overall earnings; HZ is targeting silver production of 400 tons in FY2012E. HZ trades at an inexpensive 5.1X FY2012E EBITDA; BUY with a 12-month target price of Rs1,535.

Company data and valuation summary

Hindustan Zinc

Stock data

52-week range (Rs) (high,low) 1,443-896

Market Cap. (Rs bn) 552.8

Shareholding pattern (%)

Promoters 64.9

FIs 1.7

MFs 1.4

Price performance (%)

	1M	3M	12M
Absolute	1.1	9.4	12.6
Rel. to BSE-30	(0.8)	18.6	2.4

Forecasts/Valuations

	2011	2012E	2013E
EPS (Rs)	103.7	125.5	140.7
EPS growth (%)	8.4	21.0	12.2
P/E (X)	12.6	10.4	9.3
Sales (Rs bn)	94.8	119.7	132.5
Net profits (Rs bn)	43.8	53.0	59.5
EBITDA (Rs bn)	51.7	68.7	75.7
EV/EBITDA (X)	7.7	5.1	3.9
ROE (%)	21.7	21.5	19.8
Div. Yield (%)	0.5	0.5	0.5

Takeaways from plant and mine visit—strong volume growth ahead

- ▶ HZ management is confident of 960 kt of zinc-lead volumes in FY2012E; this is higher than our estimate of 893 kt. Zinc mine and smelter will likely ramp up to rated capacity by 4QFY11E, per management. Commissioning of 100 ktpa lead smelter at Dariba smelting complex was delayed due to delay in availability of visa for Chinese nationals; however, this would be completed by end-March 2011.
- ▶ Trial production at Sindeshwar Khurd (SK) mine has commenced and HZ is on track to mine 1.5 mt of ore in FY2012E. HZ will mine close to 100 kt of ore in March 2011 and is running at an annualized rate of 1.2 mtpa. The company expects further ramp-up of SK mine to 2 mn ton run rate by 2HFY12E. Concentrator mill is under trial run and already has 2 mtpa capacity.
- ▶ SK mine is rich with silver content of 180 grams/ton of ore. High silver content in ore helps in higher recovery rate; HZ management expects silver recovery of 85% from ore to concentrate from SK mine. In addition, the company is working on improving silver recovery rate from Rampura Agucha mine to 45% from the present 30-35%. HZ reiterated its target of FY2012E exit capacity of 500 tons of silver and production of 400 tons from 180 tons currently.
- ▶ The company is striving hard to keep cost of production under control. HZ expects cost of production of concentrate to remain steady at US\$300/ton despite ramp-up from low metal containing SK mine. Cost of production of concentrate in Rampura Agucha mine is at US\$240/ton, while SK cost/ton may be 15-20% higher. However, increase in raw material and power and fuel costs may lead to increase in cost of production of refined zinc. International coal prices have increased by 30% in the past three months, while other raw material prices have also increased substantially.
- ▶ HZ expects new zinc mine, i.e. Kayar to start soon. HZ indicates that it has received all regulatory clearances to start this mine. HZ has received approval to mine up to 300 ktpa. Kayar is an open cast mine with average zinc grade of 11%.

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- ▶ We are impressed with the pace and scale of execution at Hindustan Zinc. A five-fold increase in production within six years speaks volumes about the execution capabilities of the group.
- ▶ Zawar mines may take longer to re-open. HZ is awaiting forest clearance before it starts Zawar mines. Only one of the four mines in the Zawar district is operational currently. Note that HZ applied for renewal of Zawar mining lease; however, renewal requires forest clearance, which the company is awaiting. Ore extraction from Zawar mine in FY2010 was 1 mn which will likely reduce to 250 ktpa in FY2011E. HZ expects Zawar mine to be operational in FY2012E. Zawar contributed 5% to overall zinc concentrate production in FY2010.

Scope for upgrade in our estimates; valuations remain attractive

We maintain our BUY recommendation and end-FY2012E fair value of Rs1,535. Our target price is based on conservative zinc and lead price assumption of US\$2,300/ton each as compared to spot prices of US\$2,464 and US\$2,527/ton, respectively. Our FY2012E and FY2013E EPS of Rs125.5 and Rs140.7 is based on tax rate of 29.5% and 30%; HZ indicates that tax rates may remain at 20% levels for the next 3-4 years. Tax efficiency will likely accrue from new silver refinery at Pantnagar, where it enjoys infrastructure status and tax exemption of 100% for the five years and 30% for the next five years. Since silver is a byproduct of the lead mine, cost of production is zero; hence, entire silver realizations=EBITDA, which qualifies for 100% tax exemption (refer Exhibit 5).

We believe that our earnings have scope for upgrade on the back of (1) higher zinc-lead production; we model 893 kt of zinc-lead production for FY2012E as compared to management guidance of 960 kt, (2) likely upside to our silver production estimate of 210 tons for FY2012E, and (3) potential gains from efficient tax planning which may result in tax rates lower than our estimate of 29.5%.

HZ is a strong play on volume growth, ramp-up of profitable silver refinery and firm zinc prices. The stock trades at 5.1X FY2012E EV/EBITDA and 10.4X FY2012E EPS. Our earnings estimate for FY2012E may increase by 7% if the zinc prices stay at current levels. We ascribe 6.5X to FY2012E EBITDA with cash and cash equivalents contributing Rs477/share to end-FY2012E fair value of Rs1,535. Maintain BUY.

Exhibit 1: Hindustan Zinc, valuation details, FY2012E basis

	EBITDA (Rs bn)	Multiple (X)	Enterprise Value	
			(Rs bn)	(Rs/ share)
FY2012E EBITDA	69	6.5	446	1,056
Less: Net debt			(201)	(477)
Arrived market capitalization			245	1,533
Target price (Rs/share)				1,535

Source: Kotak Institutional Equities estimates

Exhibit 2: Sensitivity of target price to varying zinc price levels and EBITDA multiples

		Zinc (US\$/ton)				
		2,000	2,150	2,300	2,450	2,600
EV/EBITDA (X)	5.5	1,190	1,280	1,371	1,461	1,552
	6.0	1,256	1,354	1,452	1,550	1,648
	6.5	1,323	1,428	1,533	1,639	1,744
	7.0	1,389	1,502	1,615	1,727	1,840
	7.5	1,456	1,576	1,696	1,816	1,936

Source: Company, Kotak Institutional Equities estimates

Exhibit 3: Sensitivity of target price to varying zinc price levels and Re/US\$ rates

		Zinc (US\$/ton)				
		2,000	2,150	2,300	2,450	2,600
Re/US\$ Rate	44.5	1,291	1,394	1,497	1,600	1,703
	45.0	1,307	1,411	1,515	1,619	1,723
	45.5	1,323	1,428	1,533	1,639	1,744
	46.0	1,338	1,445	1,551	1,658	1,764
	46.5	1,354	1,462	1,569	1,677	1,784

Source: Company, Kotak Institutional Equities estimates

Exhibit 4: Sensitivity of 2012 EPS to varying zinc price levels and Re/US\$ rates

		Zinc (US\$/ton)				
		2,000	2,150	2,300	2,450	2,600
Re/US\$ Rate	44.5	101.6	111.8	121.9	132.1	142.3
	45.0	103.1	113.4	123.7	134.0	144.3
	45.5	104.7	115.1	125.5	135.9	146.3
	46.0	106.2	116.8	127.3	137.8	148.3
	46.5	107.8	118.4	129.0	139.7	150.3

Source: Company, Kotak Institutional Equities estimates

Exhibit 5: Sensitivity of 2012 EPS to varying zinc price levels and lead price levels

		Zinc (US\$/ton)				
		2,000	2,150	2,300	2,450	2,600
Lead (US\$/ton)	2,000	104.7	113.7	122.7	131.8	140.8
	2,150	106.1	115.1	124.1	133.1	142.1
	2,300	107.4	116.5	125.5	134.5	143.5
	2,450	108.8	117.8	126.9	135.9	144.9
	2,600	110.2	119.2	128.2	137.3	146.3

Source: Company, Kotak Institutional Equities estimates

Exhibit 6: Silver production details, March fiscal year-ends, FY2007-13E



Source: Kotak Institutional Equities estimates

Exhibit 7: Hindustan Zinc, Key assumptions, March fiscal-year ends, 2008-2013E (Rs mn)

	2008	2009	2010E	2011E	2012E	2013E
Volumes (tons)						
Zinc	425,532	552,330	577,685	703,200	782,310	835,050
Lead	58,298	60,564	64,391	55,500	111,000	148,000
Silver	82	103	139	105	210	358
Average realizations (Rs/ton)						
Zinc	125,946	70,353	99,421	107,621	113,322	111,955
Lead	122,771	86,385	105,922	109,543	113,005	111,078
Silver (Rs mn/ton)	19	20	25	32	40	40
LME-assumptions (US\$/ton)						
Zinc	2,992	1,563	1,936	2,175	2,300	2,350
Lead	2,875	1,655	1,990	2,175	2,300	2,350
Cost per ton (US\$/ton)	1,181	1,039	1,090	1,245	1,255	1,314

Source: Company, Kotak Institutional Equities estimates

Exhibit 8: Hindustan Zinc, Profit model, balance sheet and cash flow model, March fiscal year-ends, 2008-2013E (Rs mn)

	2008	2009	2010	2011E	2012E	2013E
Profit model (Rs mn)						
Net sales	78,778	56,803	80,170	94,819	119,677	132,487
EBITDA	53,784	27,342	46,701	51,731	68,672	75,651
Other income	8,516	9,312	7,222	7,776	11,891	15,043
Interest	(242)	(219)	(439)	(88)	(44)	(22)
Depreciation	(2,205)	(2,853)	(3,343)	(4,646)	(5,312)	(5,718)
Profit before tax	59,853	33,582	50,141	54,773	75,207	84,954
Current tax	(14,673)	(5,209)	(8,309)	(9,253)	(20,144)	(23,036)
Deferred tax	(1,220)	(1,097)	(1,418)	(1,701)	(2,041)	(2,450)
Net profit	43,961	27,276	40,414	43,819	53,021	59,468
Earnings per share (Rs)	104.0	64.6	95.6	103.7	125.5	140.7
Balance sheet (Rs mn)						
Equity	118,482	143,576	181,240	222,092	272,147	328,648
Deferred tax liability	4,597	5,589	7,112	8,814	10,855	13,305
Total Borrowings	4	87	605	4	4	4
Current liabilities	8,984	10,010	13,258	13,677	11,432	11,748
Total liabilities	132,067	159,261	202,215	244,587	294,438	353,705
Net fixed assets	41,626	52,133	72,771	78,124	79,812	79,094
Investments	63,325	69,289	109,492	134,492	164,492	194,492
Cash	13,628	27,192	9,275	20,204	36,999	66,490
Other current assets	13,489	10,648	10,677	11,766	13,135	13,629
Miscellaneous expenditure	—	—	—	—	—	—
Total assets	132,067	159,261	202,215	244,587	294,438	353,705
Free cash flow (Rs mn)						
Operating cash flow excl. working capital	39,120	23,460	45,555	50,166	60,374	67,635
Working capital changes	1,496	3,667	767	(670)	(3,613)	(178)
Capital expenditure	(13,667)	(13,743)	(22,492)	(10,000)	(7,000)	(5,000)
Free cash flow	26,949	13,383	23,831	39,496	49,761	62,457
Ratios						
Debt/equity (X)	0.0	0.0	0.0	0.0	0.0	0.0
Net debt/equity (X)	(0.6)	(0.6)	(0.6)	(0.7)	(0.7)	(0.8)
RoAE (%)	45.1	20.8	24.9	21.7	21.5	19.8
RoACE (%)	45.4	21.0	25.1	21.7	21.5	19.8

Source: Company, Kotak Institutional Equities estimates

MARCH 04, 2011

UPDATE

Coverage view: **Cautious**

Price (Rs): 1,322

Target price (Rs): 1,460

BSE-30: 18,490

Management meeting takeaways: Well placed for strong volumes and margins.

We met Maruti's management to discuss the company's strategy and future plans. The management seemed confident of achieving 15% volume growth in FY2012 and increasing EBITDA margins by 1.5-2% over the next 2-3 years. The company's strategy will revolve around protecting its market share and reducing costs through localization to improve its EBITDA margins. We retain our BUY rating on the stock with a target price of Rs1,460.

Company data and valuation summary

Maruti Suzuki

Stock data

52-week range (Rs) (high,low)	1,600-1,127
Market Cap. (Rs bn)	382.0

Shareholding pattern (%)

Promoters	54.2
FII's	21.0
MFs	2.4

Price performance (%)

	1M	3M	12M
Absolute	11.8	(5.6)	(9.3)
Rel. to BSE-30	9.4	2.1	(17.7)

Forecasts/Valuations

	2011	2012E	2013E
EPS (Rs)	78.4	91.8	104.7
EPS growth (%)	(9.3)	17.0	14.1
P/E (X)	16.9	14.4	12.6
Sales (Rs bn)	361.6	430.9	502.9
Net profits (Rs bn)	22.7	26.5	30.3
EBITDA (Rs bn)	31.7	37.8	43.9
EV/EBITDA (X)	10.1	8.3	6.6
ROE (%)	17.4	17.3	16.8
Div. Yield (%)	0.4	0.5	0.5

Key takeaways from management meeting

- ▶ The management seemed confident of achieving 15% yoy volume growth in FY2012E. It believes Tier-2 and Tier-3 cities in rural areas will be key growth drivers for the company. In fact, strong corporate sales in Mumbai helped Maruti to increase their market share in FY2011E in Mumbai
- ▶ The company plans to reduce its Yen exposure (sans royalty expense) to 15% of net sales over the next 2-3 years from 25% of net sales (10% direct exposure, 15% indirect exposure) through aggressive localization plans. Maruti has been able to reduce Yen exposure by 1.25% in FY2011E
- ▶ The company plans to spend Rs30 bn in FY2011 and Rs 40 bn in FY2012 in (1) capacity expansion in Manesar and Gurgaon, (2) product development expense and (3) setting up R&D facility in Rohtak and stockyards across India. Capex is likely to be around Rs80 bn over FY2011-2013E which is higher than the management's earlier estimates of Rs67 bn
- ▶ The company indicated that EBITDA margins have been hit by a sharp appreciation of the Yen and depreciation of Euro versus the Rupee which has impacted export ASPs (average selling prices). The company has kept its Yen exposure unhedged after March 2011 as it believes the Yen will depreciate versus the Rupee
- ▶ Maruti is up against rising commodity costs, especially steel and rubber. The company's competitors will likely be compelled to raise prices to protect their profitability as their margins are much lower, Maruti will likely follow suit
- ▶ The company also plans to focus on logistics and plans to invest in setting up stockyards across the country. The first stockyard is coming up in South India in a month, which should reduce the delivery time for vehicles

We retain our BUY rating on the stock with a target price of Rs1,460

QUICK NUMBERS

- Management confident of achieving 15% yoy volume growth in FY2012E
- Company targets 1.5-2% higher EBITDA margins over the next 2-3 years
- Capex likely to increase in FY2012E due to capacity expansion at Manesar plant

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We retain our BUY rating on Maruti as we are confident of the company maintaining its strong volume growth and margins despite strong raw material cost headwinds. Our target price of Rs1,460 is based on 15X PER on our consolidated FY2012E EPS of Rs96.8.

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Maruti Suzuki: Financial Summary, 2008-2013E
March fiscal year ends

	2008	2009	2010	2011E	2012E	2013E
Profit model (Rs mn)						
Net sales	179,362	204,553	290,989	361,639	430,914	502,902
EBITDA	26,524	18,321	39,543	36,699	43,340	49,874
Other income	4,784	6,013	4,967	4,959	5,442	5,894
Interest	(596)	(510)	(335)	(198)	(149)	(149)
Depreciation	(5,682)	(7,065)	(8,250)	(9,583)	(11,359)	(13,085)
Profit before tax	25,030	16,758	35,925	31,877	37,274	42,534
Current tax	7,696	4,689	11,230	8,607	10,064	11,484
Deferred tax	26	(118)	(281)	638	745	851
Net profit	17,308	12,187	24,976	22,633	26,465	30,199
Earnings per share (Rs)	59.9	42.2	86.4	78.3	91.6	104.5
Balance sheet (Rs mn)						
Equity	84,154	93,449	118,351	139,146	163,462	191,209
Deferred tax liability	1,701	1,551	1,370	2,008	2,753	3,604
Total Borrowings	9,002	6,989	8,214	4,964	4,964	4,964
Current liabilities	28,257	33,976	35,678	60,403	69,931	79,930
Total liabilities	123,114	135,965	163,613	206,520	241,110	279,706
Net fixed assets	40,328	49,321	54,123	71,040	86,181	87,096
Investments	51,807	31,733	71,766	70,766	72,766	74,766
Cash	3,305	19,390	982	642	5,381	28,118
Other current assets	27,674	35,521	36,742	64,072	76,782	89,727
Miscellaneous expenditure	—	—	—	—	—	—
Total assets	123,114	135,965	163,613	206,520	241,110	279,706
Free cash flow (Rs mn)						
Operating cash flow excl. working capital	18,387	12,933	28,991	28,092	33,276	38,389
Working capital changes	(83)	(1,000)	(117)	(2,605)	(3,182)	(2,946)
Capital expenditure	(16,930)	(16,136)	(13,149)	(26,500)	(26,500)	(14,000)
Free cash flow	1,374	(4,203)	15,725	(1,013)	3,594	21,443
Ratios						
EBITDA margin (%)	14.5	8.8	13.3	9.9	9.8	9.7
PAT margin (%)	9.6	6.0	8.6	6.3	6.1	6.0
Net debt/equity (X)	(0.5)	(0.5)	(0.5)	(0.5)	(0.4)	(0.5)
Book value (Rs/share)	297.1	328.7	414.4	488.6	575.3	674.3
RoAE (%)	22.2	13.5	23.3	17.4	17.2	16.7
RoACE (%)	33.7	14.4	34.4	29.3	26.1	23.4

Source: Company, Kotak Institutional Equities

MARCH 04, 2011

UPDATE

BSE-30: 18,447

Short model service (SMS) – expanded. We have expanded our short model service (SMS) and now offer short models on 75 companies across sectors. For those of you still not in the know, our short models are just that – short models that make it easier for you to change key earnings drivers (input variables) in the model and see the impact on earnings and fair value. KIE SMS is available through our electronic presence, AKSESS.

KIE SMS – what is it?

The name says it all – KIE ‘Short Model Service’ gives you short earnings models of companies. The aim is to cut through the details (while retaining the substance) of our normal ‘long’ earnings models and put in your hands simpler, shorter, models – to help you run quick sensitivities on key variables impacting the earnings of a company. What began as a small effort (we started with 15 short models on July 1, 2010) is now a much wider service covering 75 stocks. Please see the Exhibit on the next page for the names – SMS coverage universe now spans most large cap names across sectors.

Accessing KIE SMS and some other minor points

- ▶ You can access the SMS service through AKSESS – our electronic presence (<http://institutional.kotaksecurities.com/AKSESS/jsp/Login.jsp>).
- ▶ You do not need a separate login to access the service – login/ password are the same as the one you use to access AKSESS.
- ▶ The link to SMS is on the landing page of our AKSESS website. You can locate the same towards the bottom on the left hand panel of the AKSESS landing page.
- ▶ To download a company’s short model, simple click on the download button next to the company name or on the company name itself.
- ▶ Each short model has an ‘Assumptions’ worksheet – this is the heart of the model and your play area. You can change the assumptions here and see the impact on financials/valuations in the output sheets.
- ▶ Base model that you download reflects our current assumptions and estimates for the company.
- ▶ We will continue to add to our short model coverage – please do indicate if there is a specific name that you find missing and we shall accelerate our efforts to get you a short model on that company. Each of the short models will be updated within a few days of change in estimates on the company.

Do share your feedback and any thoughts on improvements. In case you have a question on the service or are not able to access the same, please write to your Kotak Sales contact.

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Short Model Service (SMS) currently available for the following companies

Sector	Company Name
Automobiles	Ashok Leyland
	Bajaj Auto
	Hero Honda
	Mahindra & Mahindra
	Maruti Suzuki
	Tata Motors
Aviation	Jet Airways
	Spice Jet
Banking/Financial Institutions	Andhra Bank
	Axis Bank
	Bank of Baroda
	Bank of India
	Canara Bank
	Corporation Bank
	Federal Bank
	HDFC
	HDFC Bank
	ICICI Bank
	IDFC
	Indian Bank
	Indian Overseas Bank
	J&K Bank
	Oriental Bank of Commerce
	Punjab National Bank
State Bank of India	
Union Bank of India	
Cement	ACC
	Ambuja Cements
	India Cements
	Ultratech
Consumers	Asian Paints
	Dabur
	Hindustan Unilever
	ITC
	Marico
	Nestle
Construction	Nagarjuna Constructions
	IVRCL

Sector	Company Name
Energy	BPCL
	Castrol
	GSPL
	HPCL
	ONGC
	Oil India
	Petronet LNG
	Reliance Industries
Industrials	BGR Energy Systems
	BHEL
	Crompton Greaves
	Larsen & Toubro
	Thermax
	Voltas
Media	Dish TV
	DB Corp
	HT Media
	Jagaran Prakashan
Metals	Hindalco
	Hindustan Zinc
	Nalco
	Sesa Gia
	Tata Steel
Mining	Coal India
Pharma	Divis Laboratories
	Sun Pharmaceuticals
Real Estate	Mahindra Life Spaces
Technology	Infosys
	TCS
	Wipro
	HCL Tech
	Mahindra Satyam
	Tech Mahindra
Telecom	Bharti
	Idea
	RCOM
Utilities	NHPC

Source: Kotak Institutional Equities

Kotak Institutional Equities: Valuation summary of key Indian companies

Company	3-Mar-11		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)		2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E			
Automobiles																													
Ashok Leyland	53	SELL	70,772	1,571	1,330	2.8	4.3	4.7	84.5	53.5	8.1	18.9	12.3	11.4	11.4	8.3	7.9	1.7	1.6	1.4	2.8	1.9	1.9	10.9	13.6	13.4	56	5.3	8.1
Bajaj Auto	1,350	ADD	390,719	8,674	289	62.8	90.3	100.0	128.2	43.8	10.8	21.5	15.0	13.5	14.8	10.6	9.5	13.3	8.5	5.9	1.5	1.9	1.9	70.9	68.5	50.6	1,500	11.1	24.1
Bharat Forge	332	ADD	79,295	1,760	239	0.7	12.4	19.7	(92.0)	1,705	59.1	482.5	26.7	16.8	24.6	11.7	8.0	5.1	3.8	3.1	—	—	—	6.1	8.5	16.4	405	22.1	4.0
Hero Honda	1,506	REDUCE	300,828	6,679	200	111.8	97.8	109.8	73.9	(12.5)	12.3	13.5	15.4	13.7	8.1	9.4	8.0	8.3	6.3	4.8	2.0	2.0	2.0	59.0	45.0	39.5	1,485	(1.4)	35.2
Mahindra & Mahindra	672	BUY	413,228	9,174	615	35.1	42.8	47.7	133.6	22.1	11.6	19.2	15.7	14.1	13.5	11.0	9.7	5.1	3.8	3.2	1.3	1.4	1.5	30.0	27.6	24.5	800	19.1	37.3
Maruti Suzuki	1,322	BUY	382,011	8,481	289	86.4	78.4	91.8	105.0	(9.3)	17.0	15.3	16.9	14.4	8.1	8.7	7.2	3.2	2.7	2.3	0.5	0.4	0.5	23.3	17.4	17.3	1,460	10.4	10.2
Tata Motors	1,177	ADD	781,797	17,357	665	18.5	129.9	133.6	(141.1)	603.4	2.9	63.7	9.1	8.8	12.8	6.2	5.8	9.3	3.6	2.6	1.1	0.5	0.5	15.3	58.6	34.9	1,305	10.9	112.4
Automobiles		Cautious	2,537,692	56,340					301.8	83.7	9.1	23.8	13.0	11.9	11.9	8.2	7.3	5.9	3.9	3.0	1.2	1.0	1.1	24.8	30.0	25.6			
Banks/Financial Institutions																													
Andhra Bank	142	BUY	68,846	1,528	485	21.6	25.9	28.0	60.1	20.2	8.2	6.6	5.5	5.1	—	—	—	1.6	1.3	1.1	3.5	4.2	4.6	26.0	25.8	23.4	180	26.8	3.8
Axis Bank	1,310	BUY	530,697	11,782	405	62.1	81.7	99.9	22.7	31.6	22.3	21.1	16.0	13.1	—	—	—	3.3	2.9	2.4	0.9	1.2	1.5	19.2	19.1	20.1	1,600	22.2	56.0
Bank of Baroda	888	BUY	324,406	7,202	366	83.7	108.0	120.5	37.3	29.1	11.6	10.6	8.2	7.4	—	—	—	2.4	1.9	1.6	1.7	2.2	2.4	24.4	25.8	23.7	1,200	35.2	8.7
Bank of India	458	ADD	241,053	5,352	526	33.1	51.4	64.4	(42.1)	55.1	25.5	13.8	8.9	7.1	—	—	—	1.9	1.6	1.4	1.5	2.4	3.0	14.2	19.5	21.0	560	22.2	12.3
Canara Bank	619	ADD	253,647	5,631	410	73.7	98.7	102.0	45.8	34.0	3.3	8.4	6.3	6.1	—	—	—	2.0	1.6	1.3	1.6	2.6	1.9	22.2	24.6	20.9	700	13.1	14.9
Corporation Bank	567	ADD	81,329	1,806	143	82.0	89.3	97.9	31.8	8.9	9.7	6.9	6.4	5.8	—	—	—	1.4	1.2	1.0	2.9	3.2	3.5	22.0	20.4	19.3	700	23.5	1.1
Federal Bank	361	BUY	61,674	1,369	171	27.2	34.3	44.5	(7.1)	26.3	29.7	13.3	10.5	8.1	—	—	—	1.3	1.2	1.1	1.4	1.8	2.3	10.3	11.9	14.0	450	24.8	5.2
HDFC	672	REDUCE	964,833	21,421	1,436	19.7	24.1	27.1	22.7	22.2	12.6	34.1	27.9	24.8	—	—	—	6.3	5.6	4.9	1.1	1.3	1.4	20.0	21.3	21.2	690	2.7	46.6
HDFC Bank	2,193	ADD	1,003,900	22,288	458	64.4	86.2	111.8	22.1	33.8	29.8	34.0	25.4	19.6	—	—	—	4.7	4.1	3.5	0.5	0.7	0.9	16.1	17.1	19.2	2,400	9.4	48.9
ICICI Bank	1,020	ADD	1,173,389	26,051	1,151	36.1	45.8	58.0	6.9	26.7	26.8	28.2	22.3	17.6	—	—	—	2.3	2.1	2.0	1.1	1.3	1.7	8.0	9.9	11.6	1,200	17.7	115.3
IDFC	148	ADD	215,909	4,793	1,458	8.4	9.1	10.9	44.9	8.3	19.5	17.7	16.3	13.6	—	—	—	3.1	2.0	1.7	0.9	1.1	1.4	16.6	15.0	13.9	175	18.2	28.8
India Infoline	82	BUY	24,413	542	299	8.1	7.4	8.0	59.2	(9.0)	8.1	10.0	11.0	10.2	—	—	—	1.5	1.4	1.2	4.1	3.9	2.3	14.7	13.2	13.8	100	22.4	3.5
Indian Bank	219	BUY	93,991	2,087	430	35.1	37.9	43.5	25.5	8.1	14.6	6.2	5.8	5.0	—	—	—	1.4	1.2	1.0	3.0	3.1	3.6	24.1	21.7	21.0	320	46.3	2.7
Indian Overseas Bank	140	BUY	76,190	1,692	545	13.0	17.6	24.1	(46.7)	35.3	37.1	10.8	8.0	5.8	—	—	—	1.2	1.1	0.9	2.5	2.8	3.0	9.6	12.1	14.9	180	28.7	3.3
J&K Bank	760	ADD	36,866	818	48	105.7	123.5	136.6	25.0	16.9	10.6	7.2	6.2	5.6	—	—	—	1.2	1.1	1.0	2.9	3.4	3.7	18.2	18.5	17.8	850	11.8	0.7
LIC Housing Finance	199	ADD	94,301	2,094	475	13.9	19.3	21.4	11.5	38.5	10.9	14.2	10.3	9.3	—	—	—	2.9	2.3	2.0	1.5	2.1	2.3	23.6	24.6	22.8	206	3.8	50.2
Oriental Bank of Commerce	347	ADD	86,937	1,930	251	45.3	59.1	64.9	25.3	30.5	9.8	7.7	5.9	5.3	—	—	—	1.2	1.0	0.9	2.6	3.4	3.8	14.5	16.9	16.4	450	29.7	7.6
PFC	260	REDUCE	298,133	6,619	1,148	20.5	24.1	28.2	54.0	17.5	17.0	12.6	10.8	9.2	—	—	—	2.4	2.0	1.7	1.7	1.9	2.2	19.0	19.3	19.5	300	15.5	3.8
Punjab National Bank	1,089	BUY	343,238	7,620	315	123.9	138.2	166.1	26.4	11.5	20.3	8.8	7.9	6.6	—	—	—	2.1	1.7	1.4	2.0	2.6	3.1	26.2	23.9	24.0	1,500	37.8	7.8
Reliance Capital	483	ADD	118,809	2,638	246	13.1	6.6	17.0	(66.7)	(49.8)	159.7	36.9	73.6	28.3	—	—	—	1.7	1.7	1.7	1.3	0.5	1.4	5.0	2.3	5.9	600	24.3	31.3
Rural Electrification Corp.	243	REDUCE	240,183	5,332	987	20.3	25.5	29.2	23.2	25.9	14.5	12.0	9.5	8.3	—	—	—	2.2	1.9	1.6	2.7	3.1	3.6	22.0	21.2	21.2	275	13.1	21.5
Shriram Transport	778	ADD	173,525	3,852	223	39.2	56.1	66.8	30.1	43.2	19.1	19.9	13.9	11.6	—	—	—	4.7	3.8	3.1	0.8	1.4	1.7	28.4	28.9	27.7	800	2.9	6.7
SKS Microfinance	620	REDUCE	45,647	1,013	74	26.9	24.2	36.5	61.1	(10.3)	50.9	23.0	25.6	17.0	—	—	—	4.8	2.4	2.1	—	—	—	21.7	12.6	13.5	700	13.0	10.4
State Bank of India	2,683	BUY	1,703,073	37,810	635	144.4	175.2	225.2	0.5	21.3	28.6	18.6	15.3	11.9	—	—	—	2.6	2.3	2.0	1.1	1.2	1.3	14.8	15.8	17.7	3,300	23.0	198.2
Union Bank	324	BUY	163,658	3,633	505	41.1	40.9	53.8	20.2	(0.4)	31.6	7.9	7.9	6.0	—	—	—	1.9	1.5	1.3	1.7	1.7	2.2	26.2	21.4	23.3	420	29.6	4.8
Yes Bank	274	BUY	92,950	2,064	340	15.0	21.4	26.4	46.7	42.4	23.5	18.2	12.8	10.4	—	—	—	3.0	2.5	2.1	0.5	0.8	1.0	20.3	21.3	21.7	370	35.2	22.1
Banks/Financial Institutions		Attractive	8,585,218	190,603					15.0	24.1	20.9	17.0	13.7	11.3	—	—	—	2.6	2.3	2.0	1.3	1.5	1.8	15.5	16.6	17.4			
Cement																													
ACC	990	SELL	186,029	4,130	188	83.2	51.7	54.5	47.9	(37.9)	5.4	11.9	19.2	18.2	6.4	8.8	7.1	2.9	2.7	2.5	2.7	2.4	2.4	29.3	16.4	15.8	920	(7.1)	10.8
Ambuja Cements	123	SELL	187,481	4,162	1,522	8.0	7.9	7.9	11.4	(0.7)	(0.1)	15.4	15.5	15.5	8.5	8.2	7.3	2.7	2.4	2.2	1.5	1.7	1.8	19.3	16.8	15.0	108	(12.3)	4.8
Grasim Industries	2,284	ADD	209,383	4,649	92	301.0	224.3	261.1	26.1	(25.5)	16.4	7.6	10.2	8.7	4.6	5.3	4.1	1.7	1.5	1.3	1.5	1.5	1.5	22.9	15.4	15.7	2,600	13.9	3.2
India Cements	90	SELL	27,722	615	307	10.0	3.0	6.8	(43.5)	(70.5)	130.5	9.0	30.5	13.2	5.3	9.2	6.2	0.7	0.7	0.7	2.3	3.5	3.5	8.2	2.3	5.3	85	(5.8)	2.3
Shree Cement	1,719	REDUCE	59,889	1,330	35	208.0	84.0	161.7	19.0	(59.6)	92.6	8.3	20.5	10.6	4.1	7.0	3.9	3.3	3.0	2.4	0.6	0.6	0.6	48.0	15.2	25.0			

Kotak Institutional Equities: Valuation summary of key Indian companies

Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	(Rs)	(%)	(US\$ mn)			
Consumer products																													
Asian Paints	2,538	REDUCE	243,440	5,405	96	71.5	82.6	95.7	85.3	15.5	15.8	35.5	30.7	26.5	21.9	19.2	16.3	15.2	12.0	9.8	1.1	1.4	1.6	51.8	44.9	41.7	2,550	0.5	5.9
Colgate-Palmolive (India)	827	SELL	112,466	2,497	136	31.1	31.0	36.0	44.2	(0.5)	16.2	26.6	26.7	23.0	21.7	19.9	17.3	34.5	29.8	25.7	2.4	2.8	3.3	156.1	119.7	120.3	800	(3.3)	2.5
Dabur India	101	ADD	175,024	3,886	1,731	2.9	3.2	3.8	28.1	11.7	17.9	34.9	31.2	26.5	26.4	21.6	18.1	18.5	12.8	9.9	1.0	1.1	1.3	57.4	49.0	42.7	110	8.8	4.2
GlaxoSmithKline Consumer (a)	2,129	ADD	89,515	1,987	42	55.4	71.9	84.1	23.6	29.8	17.1	38.5	29.6	25.3	21.6	18.6	16.0	10.0	9.3	7.6	0.8	2.3	1.3	27.9	32.4	33.0	2,400	12.8	1.0
Godrej Consumer Products	373	ADD	120,731	2,680	324	11.3	13.6	17.1	69.5	20.0	26.1	32.9	27.4	21.8	26.1	19.4	15.2	12.6	6.7	6.2	1.0	0.9	0.9	44.6	31.9	29.6	440	17.9	2.0
Hindustan Unilever	291	SELL	634,435	14,085	2,182	9.4	9.6	11.4	(0.9)	2.2	17.9	30.8	30.2	25.6	21.2	22.0	18.6	24.6	21.4	18.6	2.6	2.7	3.2	71.1	75.9	77.8	250	(14.0)	15.0
ITC	174	ADD	1,327,752	29,478	7,651	5.3	6.5	7.8	22.6	22.8	19.0	32.7	26.6	22.4	19.9	17.0	14.1	8.9	7.5	6.5	2.9	1.6	2.2	29.2	32.1	32.4	185	6.6	30.4
Jubilant Foodworks	537	SELL	34,275	761	64	5.6	11.5	14.5	347.1	104.4	26.3	95.6	46.8	37.0	51.2	27.8	18.8	29.2	18.0	12.1	—	—	—	47.3	47.6	39.1	450	(16.2)	12.8
Jyothy Laboratories	214	ADD	16,396	364	77	11.0	11.4	13.7	99.6	3.8	19.4	19.4	18.7	15.7	15.4	11.9	9.4	4.0	2.3	2.1	2.1	1.7	2.3	14.8	12.8	14.6	270	26.1	0.5
Marico	126	ADD	76,781	1,705	612	4.4	5.0	5.6	32.9	12.2	12.8	28.2	25.2	22.3	19.3	17.7	14.8	11.5	8.5	6.5	0.5	0.7	0.8	48.9	39.2	33.3	140	11.5	2.7
Nestle India (a)	3,579	REDUCE	345,038	7,660	96	74.4	87.0	104.1	27.0	17.0	19.6	48.1	41.1	34.4	31.8	27.2	22.3	59.4	48.3	38.6	1.4	1.7	2.0	136.0	129.6	124.8	3,100	(13.4)	2.5
Tata Global Beverages	90	ADD	55,903	1,241	618	6.1	5.2	5.9	14.5	(14.0)	14.2	14.9	17.4	15.2	7.1	7.6	6.8	1.2	1.1	1.1	2.2	1.9	2.2	10.2	8.4	9.1	110	21.7	2.6
Titan Industries	3,453	ADD	153,270	3,403	44	57.3	107.1	125.9	29.3	87.1	17.5	60.3	32.2	27.4	38.4	23.5	19.4	20.8	13.3	9.3	0.4	0.3	0.4	38.7	50.3	39.8	4,100	18.7	34.0
United Spirits	1,129	ADD	141,808	3,148	126	27.3	33.1	47.0	49.9	21.5	41.9	41.4	34.1	24.0	16.0	14.9	12.3	3.8	3.4	3.0	0.2	0.2	0.3	9.8	10.5	13.3	1,550	37.3	9.0
Consumer products																													
Constructions																													
IVRCL	77	BUY	20,453	454	267	7.9	7.0	8.9	(6.6)	(11.7)	28.1	9.7	11.0	8.6	6.6	7.3	6.1	1.1	1.0	0.9	1.1	0.5	0.5	11.5	9.6	11.2	125	63.2	8.1
Nagarjuna Construction Co.	106	BUY	27,211	604	257	7.1	7.2	9.7	6.1	1.2	34.3	14.9	14.7	10.9	8.4	9.4	7.8	1.2	1.1	1.1	1.3	1.9	1.9	9.3	8.0	10.1	160	50.9	3.6
Punj Lloyd	66	REDUCE	22,498	499	340	(3.4)	1.3	8.5	(52.6)	(137.2)	567.0	(19.4)	52.0	7.8	16.7	8.1	5.7	0.7	0.7	0.7	0.2	0.1	1.1	(4.2)	1.4	9.0	90	35.8	11.5
Sadbhav Engineering	114	BUY	17,078	379	150	5.1	6.2	8.7	0.5	20.2	41.0	22.2	18.4	13.1	15.2	10.1	8.3	4.2	3.3	3.1	0.3	5.3	5.3	15.8	17.8	23.9	175	53.7	0.4
Construction																													
Energy																													
Aban Offshore	574	BUY	24,964	554	44	106.6	104.6	107.6	10.0	(1.9)	2.9	5.4	5.5	5.3	7.8	6.5	6.4	1.1	1.1	1.0	0.6	0.6	0.7	24.3	26.1	20.4	815	42.0	17.2
Bharat Petroleum	571	ADD	206,367	4,582	362	57.6	51.9	46.5	224.5	(9.9)	(10.4)	9.9	11.0	12.3	5.9	6.2	6.6	1.5	1.4	1.3	2.5	2.8	2.7	14.6	12.2	10.1	655	14.8	10.9
Cairn India	350	RS	664,605	14,755	1,897	5.5	30.9	57.0	29.0	457.4	84.7	63.2	11.3	6.1	49.6	8.5	4.6	1.9	1.7	1.5	—	—	4.3	3.1	15.9	25.5	—	—	17.9
Castrol India (a)	408	SELL	100,989	2,242	247	15.4	19.8	20.5	44.6	28.7	3.2	26.5	20.0	20.0	15.7	12.4	12.1	21.9	19.6	18.2	3.1	3.7	3.9	83.8	100.5	94.4	370	(9.4)	0.7
GAIL (India)	455	ADD	577,476	12,821	1,268	24.8	28.4	34.8	11.7	14.9	22.3	18.4	16.0	13.1	10.3	9.5	8.9	3.2	2.8	2.4	1.6	1.9	2.2	17.4	17.6	18.7	510	12.0	14.3
GSPL	92	REDUCE	51,717	1,148	562	7.3	8.5	8.6	232.7	16.8	0.9	12.6	10.8	10.7	6.6	6.7	6.2	3.0	2.4	2.1	1.1	2.3	3.7	27.1	24.9	21.1	90	(2.1)	3.7
Hindustan Petroleum	323	BUY	109,653	2,434	339	51.6	46.5	35.0	204.2	(9.9)	(24.8)	6.3	7.0	9.2	2.2	2.3	2.5	0.8	0.7	0.7	3.7	4.5	3.4	13.1	10.6	7.4	420	29.9	9.8
Indian Oil Corporation	312	BUY	758,370	16,837	2,428	49.1	35.1	33.2	399.0	(28.5)	(5.4)	6.4	8.9	9.4	4.9	5.5	5.6	1.4	1.3	1.2	4.2	3.4	3.2	22.4	14.2	12.4	390	24.9	7.6
Oil India	1,243	BUY	298,957	6,637	240	115.2	140.9	151.2	13.9	22.3	7.3	10.8	8.8	8.2	4.7	3.3	2.9	2.0	1.8	1.6	2.7	3.6	4.0	16.8	18.9	17.9	1,550	24.7	2.2
Oil & Natural Gas Corporation	270	BUY	2,308,715	51,256	8,556	23.0	28.6	34.9	0.9	24.5	22.3	11.8	9.4	7.7	4.2	3.6	3.0	1.8	1.6	1.4	3.1	5.2	4.4	14.8	16.5	18.5	360	33.4	33.2
Petronet LNG	116	SELL	86,663	1,924	750	5.4	8.1	8.9	(22.0)	49.3	10.9	21.4	14.3	12.9	12.2	8.8	8.3	3.4	2.8	2.5	1.5	2.2	2.6	15.9	20.4	19.3	100	(13.5)	6.0
Reliance Industries	977	REDUCE	2,908,742	64,578	2,976	49.6	62.7	66.3	(1.8)	26.3	5.8	19.7	15.6	14.7	10.0	7.8	6.3	2.0	1.8	1.6	0.7	0.9	1.1	11.4	13.2	12.6	1,000	2.3	128.6
Energy																													
Industrials																													
ABB	689	REDUCE	145,910	3,239	212	16.7	9.8	26.0	(35.2)	(41.6)	165.6	41.1	70.4	26.5	23.4	36.3	14.9	6.0	5.7	4.8	0.3	0.4	0.5	15.6	8.3	19.7	660	(4.1)	2.1
BGR Energy Systems	438	REDUCE	31,529	700	72	28.0	40.9	46.4	74.6	46.3	13.4	15.6	10.7	9.4	8.8	6.7	5.8	4.5	3.4	2.7	1.6	1.9	2.1	31.8	36.0	31.6	600	37.0	5.4
Bharat Electronics	1,675	REDUCE	134,028	2,976	80	96.1	101.3	124.9	(7.4)	5.4	23.2	17.4	16.5	13.4	8.0	7.1	5.5	3.0	2.6	2.3	1.1	1.5	1.5	17.5	17.0	18.3	1,875	11.9	1.1
Bharat Heavy Electricals	2,126	REDUCE	1,040,940	23,110	490	87.9	115.5	140.1	37.7	31.4	21.3	24.2	18.4	15.2	13.3	10.4	8.4	6.5	5.2	4.1	0.9	1.2	1.4	29.8	31.3	30.2	2,400	12.9	31.5
Crompton Greaves	251	BUY	161,209	3,579	642	12.8	14.4	16.2	46.5	12.0	12.5	19.6	17.5	15.5	11.2	10.0	8.3	6.4	4.9	3.9	0.5	0.8	0.8	37.9	31.9	27.8	310	23.4	6.2
Larsen & Toubro	1,665	REDUCE	1,007,507	22,368	605	57.9	73.0	82.0	15.6	26.0	12.3	28.7	22.8	20.3	16.3	12.2	10.7	4.5	3.7	3.2	0.7	0.8	0.8	18.6	17.9	17.0	1,775	6.6	71.6
Maharashtra Seamless	339	ADD	23,917	531	71	38.6	44.2	39.3	7.7	14.3	(10.9)	8.8	7.7	8.6	4.5	3.5	3.7	1.0	0.9	0.9	1.7	2.3	2.3	14.8	12.8	10.5	418	23.3	0.6
Siemens	856	REDUCE	288,761	6,411	337	22.4	27.4	33.2	39.5	21.9	21.3	38.2	31.3	25.8	20.5	18.7	15.2	8.9	7.3	6.0	0.6	0.6	0.8	25.2	25.6	25.5	735	(14.2)	10.1
Suzlon Energy	48	REDUCE	77,136	1,713	1,594	(6.2)	(3.7)	3.5	(185.4)	(40.3)	(196.0)	(7.9)	(13.2)	13.7	13.7	17.1	7.5	1.2	1.1	1.1	—	—	0.4	(11.4)	(8.6)	7.9	45	(7.0)	26.5
Thermax	600	BUY	71,430	1,586	119	21.9	32.3	36.0	(9.6)	47.2	11.6	27.3	18.6	16.6	13.6	9.7	8.5	6.6	5.4	4.4	0.8	1.5	1.7	25.2	31.9				

Kotak Institutional Equities: Valuation summary of key Indian companies

Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	(Rs)	(%)	(US\$ mn)			
Media																													
DB Corp	236	BUY	42,806	950	182	10.6	12.6	14.0	286.5	18.8	10.8	22.2	18.7	16.8	12.4	10.5	9.5	6.6	5.4	4.6	0.8	1.7	2.5	40.3	31.8	29.7	325	37.9	0.3
DishTV	62	ADD	65,638	1,457	1,062	(2.5)	(1.6)	0.2	(63.1)	(33.2)	(109.5)	(25.0)	(37.5)	396.1	72.3	30.0	14.4	16.4	29.2	27.2	—	—	—	234.3	(56.0)	7.1	66	6.8	4.4
Hindustan Media Ventures	157	ADD	11,532	256	73	2.5	7.9	10.0	NM	220.4	27.5	64.1	20.0	15.7	18.1	13.2	10.7	3.2	2.7	2.3	4.8	4.8	6.4	17.9	23.7	16.4	200	27.3	0.0
HT Media	136	ADD	31,925	709	235	6.1	7.0	8.5	623.3	15.4	21.0	22.2	19.3	15.9	11.4	8.6	6.9	3.2	2.3	2.2	0.3	1.5	2.9	15.3	13.8	13.9	170	25.1	0.2
Jagran Prakashan	114	BUY	34,301	762	301	5.8	7.0	7.9	92.0	19.2	13.4	19.5	16.4	14.4	11.7	9.5	8.5	5.6	5.0	4.6	3.1	3.5	4.4	30.0	32.4	33.4	155	36.1	0.6
Sun TV Network	419	REDUCE	165,021	3,664	394	13.1	18.3	22.7	44.0	39.7	24.1	32.0	22.9	18.5	18.1	13.2	10.7	8.5	7.1	6.0	1.8	1.8	2.4	28.3	34.2	35.5	450	7.5	7.2
Zee Entertainment Enterprises	122	ADD	119,360	2,650	978	5.3	4.8	6.2	26.3	(9.7)	28.4	22.9	25.3	19.7	18.8	16.0	12.2	3.0	2.9	2.8	0.9	1.0	1.2	12.7	11.8	14.7	130	6.6	7.3
Media		Cautious	470,583	10,448					195.8	36.1	35.9	38.2	28.0	20.6	18.4	13.8	10.8	5.4	4.7	4.3	1.2	1.4	1.9	14.2	16.8	21.0			
Metals & Mining																													
Coal India	329	BUY	2,078,400	46,143	6,316	15.2	17.0	24.0	363.0	11.7	41.0	21.6	19.3	13.7	13.3	10.6	7.9	7.6	6.1	4.8	1.1	1.5	2.2	40.4	35.1	39.0	390	18.5	32.0
Hindalco Industries	210	ADD	401,940	8,924	1,914	20.0	16.2	16.9	25.0	(18.8)	4.3	10.5	12.9	12.4	6.1	7.3	7.5	1.9	1.7	1.5	0.6	0.6	0.6	20.4	13.6	12.7	250	19.0	52.6
Hindustan Zinc	1,308	BUY	552,735	12,271	423	95.6	103.7	125.5	48.2	8.4	21.0	13.7	12.6	10.4	9.3	7.7	5.1	2.9	2.4	2.0	0.5	0.5	0.5	25.1	21.7	21.5	1,535	17.3	5.2
Jindal Steel and Power	669	REDUCE	622,809	13,827	931	38.2	41.0	48.0	16.9	7.1	17.3	17.5	16.3	13.9	12.1	11.1	9.1	5.5	4.1	3.2	0.2	0.3	0.3	37.7	29.2	26.0	640	(4.3)	22.4
JSW Steel	960	REDUCE	238,331	5,291	248	80.4	67.1	99.2	481.1	(16.5)	47.9	11.9	14.3	9.7	9.5	8.4	5.6	2.2	1.3	1.0	0.7	0.9	1.0	16.0	11.6	12.1	1,000	4.1	43.9
National Aluminium Co.	443	SELL	285,236	6,333	644	12.2	18.3	20.5	(37.2)	50.5	12.0	36.4	24.1	21.6	17.1	11.5	9.8	2.7	2.5	2.3	0.6	1.1	1.1	7.8	10.9	11.3	300	(32.2)	1.0
Sesa Goa	274	REDUCE	243,956	5,416	890	29.6	53.2	60.6	23.5	79.9	13.9	9.3	5.2	4.5	4.5	3.0	5.3	3.0	1.8	1.3	1.3	1.3	1.3	35.8	36.4	34.0	275	0.3	26.2
Sterlite Industries	168	BUY	563,245	12,505	3,362	12.0	13.0	19.4	2.8	8.0	49.4	13.9	12.9	8.6	8.9	7.4	4.5	1.5	1.4	1.2	0.6	0.6	0.6	12.9	11.2	14.8	200	19.4	26.6
Tata Steel	624	BUY	632,694	14,047	1,013	(3.3)	64.4	69.7	(103.6)	(2,051.8)	8.2	(189.2)	9.7	9.0	12.0	6.6	6.0	2.7	1.8	1.5	1.1	1.2	—	(1.5)	22.4	18.4	710	13.7	108.0
Metals & Mining		Attractive	5,619,346	124,757					9.4	25.7	18.9	13.9	11.0	10.4	8.1	6.6	3.3	2.6	2.2	0.8	1.0	1.2	1.7	17.7	18.8	19.5			
Pharmaceutical																													
Apollo Hospitals	462	BUY	59,434	1,320	129	10.9	14.0	19.0	28.8	28.2	35.7	42.2	32.9	24.2	20.4	14.5	11.5	3.5	3.3	2.9	—	—	—	8.3	10.4	12.1	565	22.4	1.7
Biocon	327	ADD	65,470	1,454	200	14.8	18.3	22.7	216.4	23.4	24.2	22.1	17.9	14.4	12.8	9.6	8.0	3.7	3.2	2.7	—	—	—	17.9	19.3	20.5	445	35.9	5.1
Cipla	306	REDUCE	245,533	5,451	803	13.7	12.1	16.0	38.1	(11.9)	32.3	22.3	25.3	19.1	16.0	17.0	13.1	4.2	3.7	3.2	0.7	0.8	0.8	21.1	15.4	17.9	300	(1.9)	12.0
Cadila Healthcare	755	ADD	154,595	3,432	205	24.7	33.3	38.2	66.9	34.9	14.7	30.6	22.7	19.8	19.7	15.5	13.3	9.5	7.1	5.6	0.7	0.9	1.0	36.0	35.9	31.6	880	16.5	1.6
Dishman Pharma & chemicals	95	SELL	7,731	172	81	14.4	8.8	8.2	(19.7)	(39.2)	(6.4)	6.6	10.8	11.6	6.5	8.0	7.5	1.0	0.9	0.9	—	—	—	15.5	8.7	7.6	85	(10.6)	0.6
Divi's Laboratories	604	REDUCE	80,048	1,777	133	25.8	26.8	37.1	(19.2)	3.9	38.6	23.4	22.6	16.3	17.2	16.6	11.3	5.3	4.6	3.8	—	—	—	24.7	21.7	25.6	700	16.0	2.2
Dr Reddy's Laboratories	1,579	REDUCE	268,267	5,956	170	48.0	68.4	72.2	48.1	42.6	5.5	32.9	23.1	21.9	18.2	13.1	12.3	7.1	5.6	4.6	0.7	0.5	0.6	22.2	27.0	22.9	1,150	(27.2)	14.4
GlaxoSmithkline Pharmaceuticals (a)	2,178	REDUCE	184,483	4,096	85	59.1	68.3	79.5	8.1	15.5	16.4	36.9	31.9	27.4	21.3	18.4	15.7	10.3	9.5	8.7	—	—	—	29.8	31.0	33.0	2,000	(8.2)	1.3
Glenmark Pharmaceuticals	300	REDUCE	84,109	1,867	280	12.7	17.6	20.6	14.3	38.3	17.3	23.7	17.1	14.6	15.2	11.4	10.2	3.6	3.0	2.5	—	—	—	16.4	18.4	18.2	330	9.9	5.8
Jubilant Life Sciences	175	REDUCE	27,941	620	159	26.5	14.6	16.9	49.0	(45.1)	15.9	6.6	12.0	10.4	6.2	9.7	7.9	1.3	1.3	1.2	1.1	1.1	1.4	26.3	11.9	12.1	220	25.4	1.1
Lupin	398	ADD	176,902	3,927	445	15.3	17.6	22.4	27.3	15.0	26.9	26.0	22.6	17.8	21.8	18.6	14.5	6.8	5.5	4.4	0.7	0.9	1.1	34.1	27.3	28.0	465	16.9	10.9
Ranbaxy Laboratories	459	SELL	196,678	4,367	428	7.1	23.4	20.3	(128.4)	231.8	(13.3)	65.0	19.6	22.6	16.0	10.0	12.1	5.0	3.6	3.1	—	—	—	6.9	19.5	13.9	365	(20.5)	10.3
Sun Pharmaceuticals	430	ADD	445,722	9,896	1,036	13.0	17.4	19.7	(25.7)	33.4	13.1	33.0	24.7	21.9	26.2	18.6	15.2	5.6	4.6	3.9	0.6	0.6	0.6	18.2	21.0	19.9	480	11.5	11.3
Pharmaceuticals		Cautious	2,094,178	46,493					45.2	18.7	15.7	28.4	23.9	20.7	17.7	14.1	12.1	5.3	3.5	3.0	0.5	0.5	0.5	18.6	14.7	14.6			
Property																													
DLF	223	ADD	382,566	8,493	1,714	10.6	10.0	13.8	(60.1)	(5.5)	37.3	21.0	22.2	16.2	16.8	14.3	11.8	1.3	1.2	1.2	0.9	1.3	2.2	6.6	5.5	7.3	265	18.8	42.7
Housing Development & Infrastructure	164	ADD	67,853	1,506	415	15.9	23.0	28.4	(24.4)	44.0	23.9	10.3	7.1	5.7	8.0	8.0	4.9	1.0	0.7	0.6	—	—	—	10.0	11.8	12.5	180	10.1	27.8
Indiabulls Real Estate	110	RS	44,230	982	402	(0.4)	3.1	8.5	(134.9)	(865.5)	178.9	(276.1)	36.1	12.9	(44.0)	50.5	15.0	0.4	0.4	0.4	—	—	—	(0.2)	1.0	2.9	—	—	16.6
Mahindra Life Space Developer	349	BUY	14,226	316	41	19.2	21.0	29.7	69.7	9.8	41.1	18.2	16.6	11.7	16.3	14.0	8.2	1.5	1.4	1.3	1.0	1.1	1.3	8.6	8.8	11.4	435	24.8	0.4
Oberoi Realty	249	BUY	82,073	1,822	330	13.7	18.7	24.9	57.1	36.9	32.7	18.2	13.3	10.0	16.0	8.8	5.7	4.4	2.4	2.0	0.1	0.4	0.6	27.7	23.3	21.5	305	22.5	0.6
Phoenix Mills	181	BUY	26,239	583	145	4.1	6.1	7.6	(16.7)	48.6	24.2	43.8	29.5	23.7	36.8	22.2	17.0	1.7	1.6	1.6	0.7	0.8	1.1	3.9	5.7	6.7	300	65.6	0.4
Puravankara Projects	104	REDUCE	22,207	493	213	6.8	7.3	8.8	0.6	7.6	19.9	15.3	14.2	11.8	17.9	16.2	11.6	1.5	1.4	1.3	1.9	1.9	1.0	10.5	10.5	11.6	100	(3.9)	0.1
Sobha Developers	280	BUY	27,453	609	98	14.1	18.8	24.0	(7.1)	33.4	27.9	19.9	14.9	11.7	15.7	11.8	9.1	1.6	1.4	1.3	0.4	0.4	0.6	9.7</					

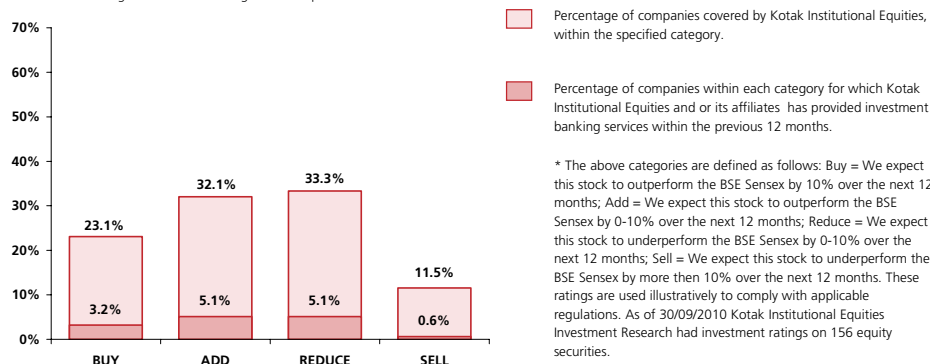
Kotak Institutional Equities: Valuation summary of key Indian companies

Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E	(Rs)	(%)	(US\$ mn)			
Sugar																													
Bajaj Hindustan	72	SELL	13,835	307	191	(7.9)	0.2	6.4	(343.6)	(102.5)	3,238.8	(9.2)	374.9	11.2	9.9	6.1	4.4	0.7	0.7	0.6	1.0	1.0	1.0	(7.1)	0.2	5.8	80	10.7	4.6
Balrampur Chini Mills	69	ADD	17,806	395	257	0.8	8.3	8.4	(89.9)	974.0	1.0	89.5	8.3	8.3	12.0	5.2	4.1	1.3	1.2	1.0	0.6	0.6	0.6	1.5	14.8	13.1	90	29.8	3.8
Shree Renuka Sugars	77	REDUCE	51,307	1,139	670	8.8	4.4	4.2	164.5	(49.8)	(4.2)	8.7	17.3	18.0	5.6	8.2	7.5	2.0	1.7	1.4	0.5	0.5	0.5	29.1	11.4	9.8	90	17.5	23.4
Sugar		Cautious	82,948	1,842					(4.2)	11.6	21.3	18.0	16.1	13.3	7.7	6.7	5.4	1.4	1.2	1.1	0.6	0.6	0.6	7.7	7.7	8.2			
Technology																													
HCL Technologies	460	REDUCE	322,315	7,156	700	17.5	22.8	29.6	0.2	30.3	29.4	26.3	20.2	15.6	13.0	12.2	9.6	4.6	4.1	3.5	0.9	1.6	1.7	19.3	21.7	24.5	440	(4.4)	12.3
Hexaware Technologies	55	BUY	15,672	348	287	4.7	3.0	5.7	127.7	(36.5)	90.9	11.7	18.4	9.6	6.3	13.1	6.4	1.8	1.6	1.4	0.9	2.7	2.3	17.8	9.4	16.1	68	24.7	7.5
Infosys Technologies	3,026	BUY	1,736,981	38,563	574	108.3	120.0	155.2	5.7	10.8	29.3	27.9	25.2	19.5	20.5	17.5	13.4	7.5	6.7	5.5	0.8	2.0	1.5	30.1	28.1	30.9	3,700	22.3	77.7
Mahindra Satyam	63	REDUCE	74,558	1,655	1,176	2.5	3.1	4.3	(190.7)	24.7	37.4	25.5	20.5	14.9	11.6	11.5	6.9	4.0	3.6	3.3	—	—	—	58.5	18.5	23.2	70	10.4	13.1
Mindtree	381	REDUCE	15,678	348	41	52.2	27.1	41.5	294.3	(48.1)	53.1	7.3	14.1	9.2	6.2	7.4	4.6	2.3	2.0	1.7	0.5	0.7	1.1	35.2	15.4	19.9	500	31.3	0.9
Mphasis BFL	451	SELL	93,946	2,086	208	43.6	51.8	37.3	207.6	18.8	(28.0)	10.3	8.7	12.1	8.2	7.3	8.8	4.0	2.8	2.4	0.8	0.9	1.0	48.1	38.6	21.6	420	(6.8)	9.2
Polaris Software Lab	185	SELL	18,449	410	100	15.4	19.5	19.5	16.9	26.8	0.3	12.0	9.5	9.5	6.0	7.6	6.4	2.1	1.8	1.6	1.9	2.0	2.1	18.6	20.5	17.7	175	(5.4)	5.1
TCS	1,150	BUY	2,251,171	49,979	1,957	35.1	44.4	54.0	32.8	26.4	21.6	32.8	25.9	21.3	25.0	19.2	15.0	10.8	8.8	7.2	1.7	1.5	1.9	37.6	37.4	37.2	1,350	17.4	45.0
Tech Mahindra	686	REDUCE	84,933	1,886	124	65.1	65.1	65.9	(9.6)	(0.1)	1.3	10.5	10.5	10.4	8.5	9.3	8.6	2.9	2.4	2.0	0.5	0.3	0.3	34.5	26.3	22.1	720	5.0	3.4
Wipro	444	ADD	1,087,054	24,134	2,447	18.9	21.7	25.6	22.1	15.2	17.7	23.6	20.5	17.4	17.9	15.0	12.2	5.5	4.5	3.8	0.8	1.0	1.2	26.5	24.4	23.7	525	18.2	18.5
Technology		Attractive	5,776,095	128,237					24.6	17.5	20.1	26.2	22.3	18.6	18.9	16.1	12.8	6.8	5.9	4.9	1.2	1.7	1.6	26.1	26.3	26.2			
Telecom																													
Bharti Airtel	330	REDUCE	1,253,778	27,835	3,798	23.6	17.1	21.3	5.8	(27.7)	24.6	14.0	19.3	15.5	7.9	9.3	7.4	3.0	2.6	2.2	—	—	—	24.4	14.3	15.3	305	(7.6)	32.3
IDEA	59	REDUCE	193,203	4,289	3,300	2.7	2.4	1.2	(5.8)	(11.2)	(48.9)	21.4	24.1	47.2	7.6	8.7	7.6	1.7	1.6	1.5	—	—	—	7.2	6.9	3.5	55	(6.1)	6.8
MTNL	41	SELL	25,988	577	630	(15.6)	(10.4)	(9.1)	(750.8)	(33.7)	(11.9)	(2.6)	(4.0)	(4.5)	1.2	1.5	2.0	0.2	0.2	0.3	—	—	—	(8.5)	(6.1)	(5.7)	35	(15.2)	1.2
Reliance Communications	93	SELL	199,071	4,420	2,133	19.7	6.9	7.9	(30.9)	(65.2)	15.0	4.7	13.6	11.8	6.2	8.0	7.2	0.5	0.4	0.4	0.9	—	—	11.0	3.3	3.7	90	(3.6)	26.1
Tata Communications	211	REDUCE	60,235	1,337	285	14.0	15.2	15.7	3.2	8.2	3.5	15.1	13.9	13.5	6.3	5.8	5.5	0.8	0.8	0.8	3.1	3.5	4.0	5.2	5.5	5.5	225	6.5	0.9
Telecom		Cautious	1,732,274	38,459					(12.3)	(38.9)	17.9	12.4	20.3	17.2	7.6	9.0	7.4	1.5	1.4	1.3	0.2	0.1	0.1	12.1	6.9	7.6			
Utilities																													
Adani Power	113	ADD	245,904	5,459	2,180	0.8	2.8	16.5	NM	252.0	500.1	144.0	40.9	6.8	123.3	30.1	6.4	4.3	3.9	2.5	—	—	—	4.2	9.9	44.1	140	24.1	3.6
CESC	313	BUY	39,080	868	125	34.6	36.6	42.7	8.5	5.8	16.8	9.0	8.5	7.3	5.5	5.1	5.8	0.9	0.8	0.8	1.4	1.5	1.7	10.8	10.2	10.8	459	46.7	1.2
JSW Energy	75	REDUCE	122,918	2,729	1,640	4.5	5.2	10.3	(10.2)	14.2	97.6	16.5	14.4	7.3	14.0	10.6	4.9	2.6	2.2	1.7	—	—	—	23.8	16.3	26.0	82	9.4	2.7
Lanco Infratech	38	BUY	91,150	2,024	2,405	2.1	3.6	4.9	46.6	67.4	36.6	17.8	10.6	7.8	11.9	8.3	6.4	2.7	2.2	1.7	—	—	—	17.4	21.0	22.5	80	111.1	8.5
NHPC	24	REDUCE	290,913	6,459	12,301	1.9	1.5	1.7	74.9	(19.4)	15.6	12.8	15.8	13.7	8.9	9.6	7.6	1.2	1.1	1.0	2.3	1.7	2.0	9.7	7.1	7.8	28	18.4	3.9
NTPC	178	REDUCE	1,468,105	32,594	8,245	10.5	10.1	11.9	6.8	(3.2)	17.6	17.0	17.5	14.9	13.0	13.2	12.0	2.3	2.1	2.0	2.1	2.0	2.3	14.1	12.6	13.7	195	9.5	10.2
Reliance Infrastructure	599	BUY	160,161	3,556	267	62.0	60.8	70.8	(1.0)	(1.9)	16.3	9.7	9.8	8.5	9.8	6.9	5.7	0.8	0.7	0.6	1.1	1.6	1.7	6.5	9.1	10.7	1,030	72.0	43.1
Reliance Power	114	SELL	318,657	7,075	2,805	2.9	2.9	4.0	179.7	0.1	38.4	39.8	39.8	28.7	(316.5)	229.8	49.7	2.2	2.0	1.8	—	—	—	4.8	5.2	6.6	115	1.2	11.4
Tata Power	1,192	ADD	294,128	6,530	247	63.5	70.7	84.4	26.7	11.3	19.4	18.8	16.8	14.1	11.8	12.0	11.2	2.3	2.1	1.9	1.0	1.2	1.3	13.8	13.0	14.0	1,415	18.7	7.7
Utilities		Cautious	3,031,014	67,292					25.7	4.0	40.3	18.5	17.7	12.7	14.1	14.0	10.2	2.0	1.8	1.6	1.4	1.3	1.5	10.6	10.0	12.0			
Others																													
Havells India	353	ADD	44,095	979	125	6.1	23.2	28.9	141.3	278.2	24.5	57.5	15.2	12.2	16.3	10.3	8.2	10.3	6.4	4.3	0.5	0.7	0.8	14.3	52.1	42.4	425	20.3	1.7
Jaiprakash Associates	86	BUY	190,323	4,225	2,214	1.7	5.1	5.6	(12.7)	188.8	11.6	49.1	17.0	15.2	21.8	12.6	11.1	2.2	1.9	1.8	—	—	—	5.1	12.2	12.1	135	57.1	30.0
Jet Airways	444	BUY	38,309	851	86	(69.8)	15.7	38.7	(71.7)	(122.5)	146.7	(6.4)	28.3	11.5	12.1	8.0	7.0	2.2	2.1	1.7	—	—	—	—	7.5	16.4	650	46.5	18.5
Sintex	151	REDUCE	41,181	914	272	12.1	14.4	16.5	(49.6)	19.3	14.5	12.5	10.5	9.2	11.1	8.6	7.2	1.9	1.6	1.4	0.8	0.9	0.9	15.5	15.7	15.3	180	18.9	7.6
SpiceJet	41	BUY	16,483	366	403	2.5	4.3	4.6	(117.4)	69.4	7.0	16.1	9.5	8.9	18.8	4.5	7.3	(4.8)	4.3	2.9	—	—	—	(15.9)	766.4	38.6	65	58.9	4.4
Tata Chemicals	330	REDUCE	80,323	1,783	243	26.4	26.8	35.4	(27.1)	1.5	31.9	12.5	12.3	9.3	6.5	5.8	4.4	1.7	1.5	1.3	2.7	2.9	2.9	16.0	16.9	19.3	370	12.1	3.5
United Phosphorus	142	BUY	65,580	1,456	462	11.9	12.9	17.6	18.1	8.3	37.3	11.9	11.0	8.0	6.5	5.6	4.2	2.2	1.7	1.5	1.3	1.4	1.4	19.1	17.5	19.4	220	55.1	6.2
Others			476,294	10,574					(539.8)	132.3	26.8	33.0	14.2	11.2	13.0	9.3	8.1	2.4	2.0	1.7	0.8	0.8	0.8	7.2	13.8	15.1			
KS universe (b)			47,561,233	1,055,919					21.4	20.3	21.6	19.1	15.9	13.1	11.3	9.6	8.0	2.9	2.5										

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