

April 07, 2011

BSE-30: **19,612**

WPI inflation: **8.3%**

US\$/INR: **44.2**

**March 2011 quarter earnings preview.** We expect earnings of KIE universe to grow 16.7% yoy led by Automobiles, Banking, Energy and Industrials, while Pharmaceuticals and Telecom are likely to weigh down earnings. On an ex-Energy basis, we expect the earnings of KIE universe to grow 12.7% yoy. We expect earnings of BSE-30 Index to grow 17.6% yoy and 11.7% qoq. On an ex-Energy basis, we expect earnings of BSE-30 Index to grow 12% yoy. We expect upstream oil companies to report a sharp yoy increase in revenues and net income due to (1) higher net crude price realizations and (2) higher APM gas prices.

**We expect earnings of KIE universe to grow by 16.7% yoy**

Sector-wise earnings of Kotak coverage companies

	Sales growth (%)		EBITDAM (%)			PAT growth (%)	
	yoy	qoq	Mar-10	Dec-10	Mar-11 (E)	yoy	qoq
Automobiles	27.7	12.9	13.0	13.3	13.1	42.3	14.5
Banking	26.3	1.7	—	—	—	26.8	(0.4)
Cement	27.4	17.6	26.0	18.6	25.4	20.9	78.3
Construction	31.1	38.3	(1.9)	7.8	9.9	165.9	515.9
Consumers	17.1	(2.1)	19.4	19.6	19.3	19.3	(5.0)
Energy	65.4	55.5	15.0	13.0	10.6	27.7	35.9
Industrials	15.0	46.6	14.3	13.1	15.9	34.4	84.6
Infrastructure	28.2	14.3	31.3	35.7	34.9	(27.6)	(18.4)
Media	23.9	(2.5)	33.7	34.9	30.9	21.0	(1.5)
Metals & Mining	20.9	13.7	25.6	20.2	22.1	(6.0)	36.3
Others	14.3	6.5	17.4	17.8	14.6	(19.2)	(24.4)
Pharmaceuticals	3.9	(0.1)	25.7	17.9	20.4	(20.5)	16.5
Property	(9.9)	(12.3)	39.8	42.6	44.4	(6.6)	(4.2)
Sugar	(11.1)	(39.9)	17.9	15.0	18.4	(60.1)	(23.3)
Technology	29.9	4.8	26.5	24.9	24.9	19.7	3.0
Telecom	32.5	4.7	29.4	28.2	30.0	(48.9)	20.5
Utilities	11.3	7.5	23.0	25.9	26.0	13.4	1.9
<b>Kotak coverage</b>	<b>39.6</b>	<b>29.4</b>	<b>17.2</b>	<b>15.7</b>	<b>14.5</b>	<b>16.7</b>	<b>19.2</b>
<b>Kotak coverage ex-Energy</b>	<b>21.2</b>	<b>11.2</b>	<b>18.8</b>	<b>17.6</b>	<b>18.4</b>	<b>12.7</b>	<b>13.5</b>

Source: Company, Kotak Institutional Equities estimates

**Earnings of BSE-30 Index likely to grow by 17.6% yoy**

Sector-wise earnings of BSE-30 companies

	Sales growth (%)		EBITDAM (%)			PAT growth (%)	
	yoy	qoq	Mar-10	Dec-10	Mar-11 (E)	yoy	qoq
Automobiles	27.6	10.8	12.7	13.4	13.0	44.6	9.5
Banking	28.0	3.0	—	—	—	40.5	4.3
Consumers	12.7	0.7	22.1	24.7	22.8	22.4	(10.1)
Diversified	(0.5)	15.0	25.5	27.4	26.1	13.8	19.7
Energy	78.3	66.7	25.2	26.9	15.9	36.8	6.1
Industrials	20.3	64.7	16.7	15.4	17.3	24.3	87.8
Metals	19.7	11.3	21.3	16.6	17.7	(20.6)	33.5
Pharmaceuticals	11.8	(1.9)	16.8	17.7	18.0	(6.1)	(7.8)
Property	(2.0)	(21.2)	50.1	47.5	50.6	(19.8)	(12.7)
Technology	24.6	4.7	28.3	28.1	27.8	18.4	2.7
Telecom	36.9	4.5	35.9	32.0	34.2	(34.8)	19.4
Utilities	10.1	5.4	19.3	23.0	23.1	24.8	0.5
<b>BSE-30 Index</b>	<b>37.4</b>	<b>27.1</b>	<b>21.0</b>	<b>20.9</b>	<b>17.8</b>	<b>17.6</b>	<b>11.7</b>
<b>BSE-30 Index (Ex-Energy)</b>	<b>22.3</b>	<b>12.7</b>	<b>19.4</b>	<b>18.7</b>	<b>18.8</b>	<b>12.0</b>	<b>13.8</b>

Source: Company, Kotak Institutional Equities estimates

Sanjeev Prasad  
sanjeev.prasad@kotak.com  
Mumbai: +91-22-6634-1229

Sunita Baldawa  
sunita.baldawa@kotak.com  
Mumbai: +91-22-6634-1325

Amit Kumar  
amit.ckumar@kotak.com  
Mumbai: +91-22-6634-1392

Kotak Institutional Equities  
Research

Important disclosures appear  
at the back

## TABLE OF CONTENTS

Automobiles, Banking, Energy and Industrials to lead robust earnings growth .....	3
Automobiles .....	5
Banking .....	6
Cement .....	9
Construction .....	9
Consumer products .....	10
Energy .....	12
Industrials .....	13
Infrastructure .....	14
Media .....	15
Metals & Mining .....	16
Others .....	18
Pharmaceuticals .....	19
Property .....	20
Sugar .....	21
Technology .....	22
Telecom .....	23
Utilities .....	23
Disclosures .....	30

**Sanjeev Prasad**  
Co-head, Institutional Equities  
(Strategy, Energy)  
sanjeev.prasad@kotak.com

**Kawaljeet Saluja**  
Head of Research  
(Technology, Metals)  
kawaljeet.saluja@kotak.com

**Indranil Pan**  
(Chief Economist)  
indranil.pan@Kotak.com

**Manish Karwa**  
(Banking & Financial Institutions)  
manish.karwa@kotak.com

**Ajay Mathrani**  
(Real Estate)  
ajay.mathrani@kotak.com

**Lokesh Garg**  
(Industrials, Transportation,  
Construction)  
lokesh.garg@kotak.com

**Manoj Menon**  
(Consumer, Retail)  
manoj.menon@kotak.com

**Rohit Chordia**  
(Technology, Telecom)  
rohit.chordia@kotak.com

**Hitesh Goel**  
(Automobiles)  
hitesh.goel@kotak.com

**Akhilesh Tilotia**  
(Thematic Research)  
akhilesh.tilotia@kotak.com

**Murtuza Arsiwalla**  
(Cement, Utilities)  
murtuza.arsiwalla@kotak.com

**Anmol Ganjoo**  
Pharmaceuticals  
anmol.ganjoo@kotak.com

**Gundeep Singh**  
(Energy)  
gundeep.singh@kotak.com

**Nischint Chawathe**  
(NBFC)  
nischint.chawathe@kotak.com

**M.B. Mahesh**  
(Banking)  
mb.mahesh@kotak.com

**Amit Kumar**  
(Media, Strategy)  
amit.ckumar@kotak.com

**Suvodeep Rakshit**  
(Economy)  
suvodeep.rakshit@kotak.com

**Priti Arora**  
(Pharmaceuticals)  
priti.arora@kotak.com

**Amrita Basu**  
(Consumer, Retail)  
amrita.basu@kotak.com

**Tarun Lakhotia**  
(Energy)  
tarun.lakhotia@kotak.com

**Supriya Subramanian**  
(Industrials, Transportation,  
Construction)  
supriya.subramanian@kotak.com

**Jasdeep Walia**  
(Mid-Cap., Sugar)  
jasdeep.walia@kotak.com

**Sunita Baldawa**  
(Strategy, Database)  
sunita.baldawa@kotak.com

**Shubham Satyarth**  
(Cement, Utilities)  
shubham.satyarth@kotak.com

**Saifullah Rais**  
(Alternative Research)  
saifullah.rais@Kotak.com

**Dhruva Acharya**  
(Real Estate)  
dhruva.acharya@kotak.com

**Karan Durante**  
(Metals)  
karan.durante@kotak.com

**Aditya Mongia**  
(Industrials, Transportation,  
Construction)  
aditya.mongia@kotak.com

The prices in this report are based on the market close of April 6, 2011

## AUTOMOBILES, BANKING, ENERGY & INDUSTRIALS TO LEAD ROBUST EARNINGS GROWTH

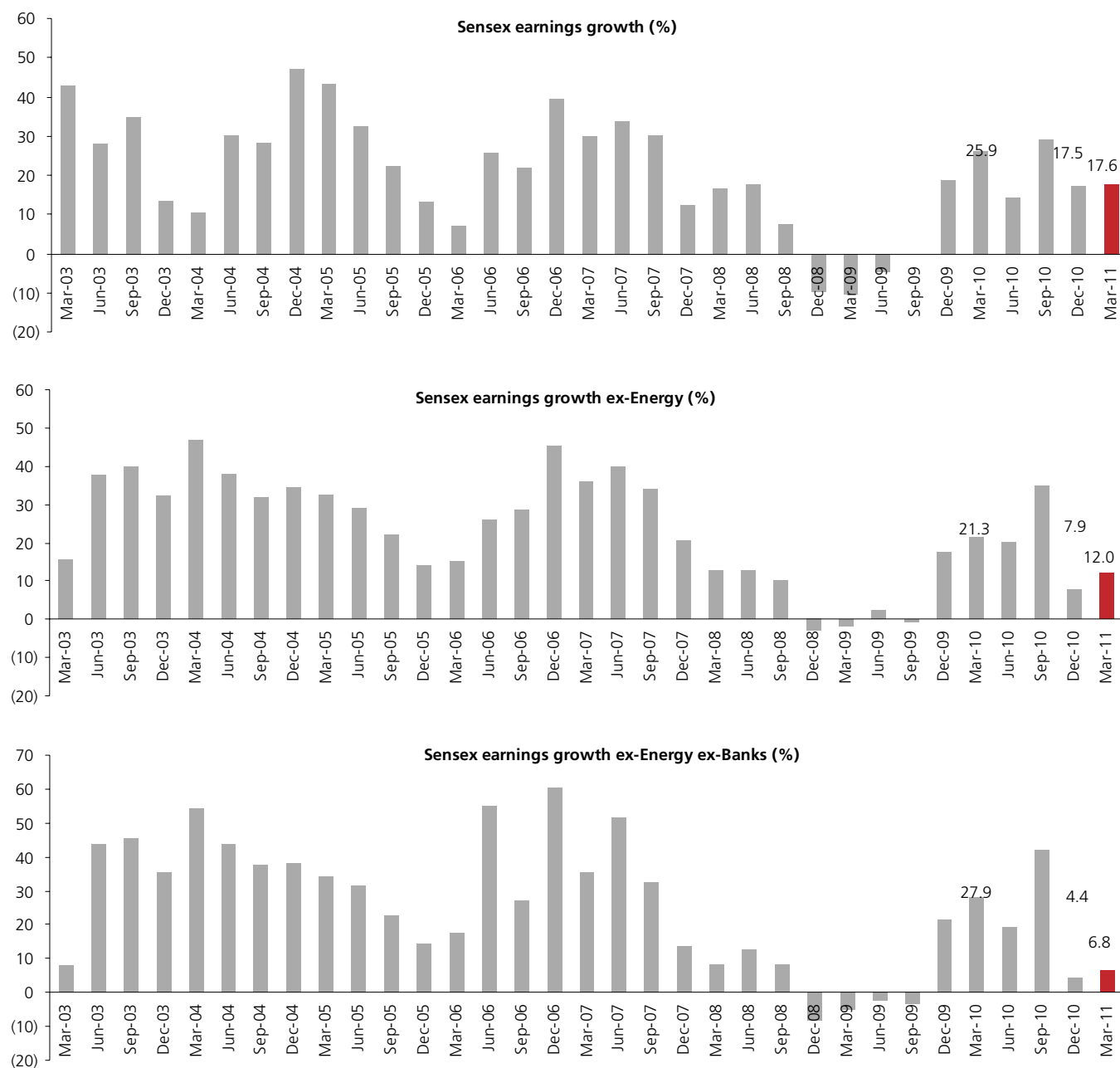
### Exhibit 1: We expect yoy decline in profits for Pharmaceuticals and Telecom stocks

Sector-wise expectations for March 2011 quarter results

	Key points	Key points
<b>Automobiles</b>	We expect strong growth in earnings (42% yoy, 15% qoq) for the sector driven by robust volume growth. We expect EBITDA margins to remain flat qoq despite a rise in input costs. Sharp rise in raw material costs will moderately impact companies, in our view, due to (1) fixed steel contracts until March 11, (2) 1-1.5% average price increase in January taken by most companies and (3) improvement in product mix for some companies, which could offset the impact of rise in commodity costs.	Ashok Leyland, Tata Motors and Bharat Forge will be key stocks to monitor due to strong improvement in volumes sequentially.
<b>Banking</b>	<b>Banking:</b> NII growth to be impressive at 27% yoy (30% for public banks and 20% for private banks) while overall earnings will likely grow at 30% yoy. Private banks would grow by 37% yoy compared to 27% yoy for public sector banks. We expect overall NIMs to remain strong, even as we expect marginal qoq compression. Staff expenses on retirement benefits and the new regime on slippages (no manual interference) would be key items to watch in public sector banks.	<b>NBFCs:</b> We expect core earnings to grow 20-30%, primarily on the back of strong loan growth. However, NIMs will likely moderate and the seasonal trend of expansion in margins of NBFCs in 4Q may not be visible this year. We expect NIMs to shrink given the delay in passing higher interest rates to customers; most NBFCs have raised their lending rates but not fully passed on the rise in borrowings costs. We do not expect any significant movement on asset quality performance during 4QFY11E.
<b>Cement</b>	Cement prices saw a sharp revival in 4QFY11 with average cement prices increasing by ~Rs25-30/bag over 3QFY11 prices. All regions have seen price increases although it has been relatively more moderate in South India and higher in North, Central and West India. A better pricing environment will result in a significant sequential improvement in profitability for our coverage universe.	Demand growth continues to be muted (4.6% YTD) although some sign of pick-up was seen in February. Subdued volume growth along with high imported coal prices will partially offset the benefits of a better pricing environment.
<b>Chemicals</b>	Increase in global chemical prices qoq will be positive for the profitability of the chemical segment of IOCL and GAIL. However, a decline in chemical margins qoq will impact the chemical segment for Reliance Industries.	
<b>Consumers</b>	We expect this quarter to be marked by pressure on gross margins due to input cost inflation in key raw materials. We forecast just 1% EBITDA growth in consumer staples despite 15% sales growth. Discretionary categories will likely outperform staples. We expect strong results from GSK Consumer, ITC, Nestle, Titan, United Spirits and weak results from Colgate, Dabur, HUL, Jyothy.	We expect 15% yoy sales growth in ITC's cigarette segment led by pricing; yoy volume growth will likely be 2%. We expect HUL to report sales growth of 15% yoy, driven by trade and consumer promotion-led volumes. HUL will likely post one of its lowest-ever EBITDA margins. Asian Paints will likely report sales growth of ~25% led by continued good demand conditions in Tier-II and Tier-III towns and pricing growth of 11%. We expect strong sales growth of 60% yoy for Jubilant Foodworks aided by Cricket World Cup 2011.
<b>Energy</b>	<b>Upstream oil:</b> ONGC and OIL will likely report a sharp yoy increase in revenues and net income due to (1) higher net crude price realizations and (2) higher APM gas prices. We assume that upstream companies will bear 33.3% of the overall subsidy burden. GAIL will likely report a qoq increase in EBITDA due to higher PE prices, which will be partly mitigated by a higher subsidy burden.	<b>Downstream oil:</b> Performance of R&M companies will depend on the contributions from government and upstream companies. We estimate gross under-recoveries of Rs282 bn for the industry for 4QFY11E. We assume compensation of Rs218 bn from the government in 4QFY11. We estimate higher refining margins qoq.
<b>Industrials</b>	<b>Industrials:</b> Order inflows and commentary on investment scenarios would be the key to watch for. While execution is likely to be strong for bellwether stocks like L&T and BHEL, there could be risk on margins originating from higher commodity prices, competition as well as mix changes. We expect strong revenue growth in L&T led by a pick-up in execution of certain large orders in the backlog. A low base effect would also aid yoy growth, especially for companies such as ABB, Siemens etc. We are yet to witness strong positive traction in industrial capex activity. Continued competition in the domestic T&D sector would pressure segment margins. We expect Suzlon to report sales of 600-650 MW in this quarter but high interest and depreciation will likely lead to a net loss.	<b>Construction:</b> Strong order backlog to drive revenue growth of IVRCL and Nagarjuna Construction though rising interest costs may impact profitability. Execution of large BOT projects in the backlog to drive revenues of Sadbhav Engineering. We expect some revival in execution in Punj Lloyd; however, the company continues to face execution issues in its large Libyan orders. <b>Infrastructure:</b> Pick-up in airport traffic and generation from operating power plants will likely boost revenue growth for GMR and GVK. However, net profit would continue to be cramped by higher interest and depreciation costs. Pick-up in port volumes to drive revenue growth for MPSEZ - expect >50 MT of port volumes in FY2011E.
<b>Media</b>	<b>Television:</b> We expect a weak 4QFY11E across C&S TV segment given (1) the success of the Indian cricket team in ICC CWC 2011 and (2) a shift of advertising dollars away from GECs as a consequence. Zee TV will be impacted by continued operating losses in its sports business, resulting in yoy EBITDA decline. Sun TV would be better placed on account of one-off gains from blockbuster movie 'Endhiran'. Dish TV is likely to report continued positive operating leverage (higher EBITDA margin) led by (1) strong volume growth, (2) maturity of subscriber base resulting in (3) modest ARPU growth.	<b>Print:</b> We expect a robust 4QFY11 across print media led by robust advertising growth supported, in turn, by incremental advertising spends from ICC CWC 2011. Cost structures would remain under some pressure on account of yoy newsprint price inflation and higher costs of doing business across markets due to rising competition. Rising competitive intensity in core markets and expansion in new markets will pressure HT Media and HMTV with flat EBITDA performance, leaving limited scope for positive surprises in the near term.
<b>Metals</b>	<b>Ferrous:</b> We expect US\$70-100/ton qoq increase in steel realization for the March 2011 quarter. Steel prices have increased in the March quarter primarily on the back of cost-push factors, increase in scrap, coking coal and iron ore prices. This will reflect in US\$50-60/ton increase in profitability sequentially.	<b>Non-ferrous:</b> Similar to 3QFY11, we expect a solid performance from non-ferrous companies. Performance will be driven by higher commodity prices. On an average, zinc, lead and aluminium prices have risen 3.5% qoq, 9% qoq and 7.1% qoq to US\$2,394/ton, US\$2,602/ton and US\$2,506/ton. We expect increases in power and fuel charges primarily on the back of higher coal costs.
<b>Pharmaceuticals</b>	<b>Generics:</b> We expect Ranbaxy to report sequential improvement in sales from the US due to a pick-up in sales of exclusivity sales of Aricept launched on Nov 25. We expect the Indian market growth rate to pick up for Cipla, Ranbaxy post the low growth reported in 2010.	<b>CMO/CROs:</b> We expect CMOs/CROs such as Dishman and Divis to report sequential improvement in sales growth in 4QFY11. However, yoy comparisons for Jubilant are meaningless due to a demerger of business. We expect EBITDA margin to pick up qoq for Dishman, Divis and Jubilant due to (1) high-margin contract from Astrazeneca supplies, (2) better product mix for Divis and (3) increase in selling prices for Jubilant.
<b>Property</b>	For 4QFY11E, we expect a varied growth trend depending on launches and sales in the preceding quarters of FY2011E. Overall, we expect real estate companies to have a subdued growth quarter due to (1) weak launches in the preceding quarters of FY2011E and (2) lower than expected execution.	Commercial sales/leasing and retail space leasing have bottomed out / seen a marginal uptick but with the impact of DTC still unclear, a significant uptick could be some time away. We expect (1) launches to show a healthy uptick but (2) steady-to-marginally higher end-user sales for the residential segment (excluding Mumbai) given that these launches have happened towards the end of the quarter.
<b>Technology</b>	We expect Tier-I companies to report a 3.3-5.7% qoq US\$ revenue growth in the March 2011 quarter, with HCLT the likely growth leader. We expect growth to be primarily volume-led with modest pricing and cross-currency kickers. Among the Tier-IIs, we expect another quarter of strong revenue growth from Hexaware, while a weak quarter from MindTree is expected post the management's mid-quarter earnings warning.	We expect Infosys to guide for 18-20% US\$ revenue growth guidance for FY2012E, implying a CQGR of 3.6-4.3%. We expect the company to build in conservatism in its margin assumptions given its planned investments in local hiring and consulting. EPS guidance may range from Rs132-137 assuming Rs45/US\$ and a margin decline guidance of 150-200 bps.
<b>Telecom</b>	We expect some, though not meaningful, deceleration in sequential volume growth for Bharti and Idea. Selective post-MNP pressure in the post-paid segment is likely to pressure RPM a tad, though not much; we build in 0.5-1.5% qoq RPM decline for the three players under our coverage. We estimate 3-6.3% sequential growth in wireless revenues for the three operators. MNP and 3G launch expenses will likely keep margins under check.	4QFY11E earnings reports will also yield initial indicators on (1) the impact of MNP on RPM; we expect the impact to be gradual and build in a modest 0.5-1.5% qoq decline in RPM and (2) 3G uptake.
<b>Utilities</b>	Merchant tariffs have shown signs of revival in 4QFY11 with the recovery being especially pronounced in South India in the run-up to state elections. Players with significant merchant sale in South India such as JSW Energy (from Vijaynagar pant) and Lanco Infratech (from Kondapalli II) likely to benefit from strong merchant rates in South India.	EPC business to drive revenue growth for Reliance Infrastructure as execution of power projects of Reliance Power gains momentum. Lanco will also likely see a pick-up in construction revenues as construction for new projects gathers pace.

Source: Kotak Institutional Equities estimates

**Exhibit 2: We expect earnings of BSE-30 Index to grow by 17.6% yoy in 4QFY11E**  
Earnings growth of BSE-30 Index (%)



Source: Company, Kotak Institutional Equities estimates

## 4QFY11E/1QCY11E EARNINGS PREVIEW FOR KIE UNIVERSE

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
Automobiles						
Ashok Leyland						
Net sales	29,390	22,273	37,646	28.1	69.0	We expect 61% qoq improvement in volumes driven by sharp rise in truck demand
EBITDA	3,784	1,660	4,383	15.8	164.0	
EBIT	3,196	1,013	3,726	16.6	267.7	
PBT	2,998	555	3,325	10.9	498.8	
PAT	2,231	434	2,660	19.3	513.3	We expect EBITDA margin to improve by 410 bps qoq driven by sharp improvement in heavy truck volumes
Extraordinaries	(4)	—	—	(100.0)	—	
PAT-reported	2,227	434	2,660	19.5	513.3	
Bajaj Auto						
Net sales	33,995	41,771	42,372	24.6	1.4	We expect volumes to remain flat qoq. We estimate a 1.3% improvement in ASPs driven by price increase taken in January 2011
EBITDA	7,771	8,493	8,304	6.9	(2.2)	
EBIT	7,430	8,183	7,994	7.6	(2.3)	
PBT	7,855	9,174	9,174	16.8	—	
PAT	5,641	6,671	6,399	13.4	(4.1)	We expect EBITDA margin to decline by 70 bps qoq driven by poorer mix
Extraordinaries	(494)	—	—	(100.0)	—	
PAT-reported	5,287	6,671	6,399	21.0	(4.1)	
Bharat Forge						
Net sales	9,239	12,353	13,752	48.8	11.3	We expect consolidated revenues to increase by 11% qoq driven by 16% increase in standalone revenues
EBITDA	1,615	2,232	2,536	57.1	13.6	
EBIT	1,615	2,232	2,536	57.1	13.6	
PBT	732	1,222	1,427	94.9	16.7	
PAT	596	781	1,073	80.0	37.3	We expect EBITDA margin to improve by 37 bps qoq despite sharp rise in material cost driven by sharp increase in export revenues and truck sales
Extraordinaries	36	81	—	(100.0)	(100.0)	
PAT-reported	560	733	1,073	91.5	46.4	
Exide Industries						
Net sales	10,303	10,502	11,400	10.6	8.6	We expect standalone revenues to improve by 9% qoq driven by improvement in replacement battery sales and 3% price increase take in February 2011
EBITDA	2,175	1,601	1,927	(11.4)	20.3	
EBIT	1,967	1,389	1,705	(13.3)	22.7	
PBT	1,998	1,702	1,992	(0.3)	17.1	
PAT	1,345	1,244	1,397	3.8	12.3	We expect EBITDA margin to improve by 170 bps qoq driven by increase in replacement battery volumes in the mix due to increase in capacity by 1 mn units
Extraordinaries	—	—	—	—	—	
PAT-reported	1,345	1,244	1,397	3.8	12.3	
Hero Honda						
Net sales	41,520	52,051	54,385	31.0	4.5	We expect volumes to increase marginally by 2% qoq
EBITDA	7,117	5,766	5,924	(16.8)	2.7	
EBIT	6,631	5,206	5,359	(19.2)	2.9	
PBT	7,370	5,080	6,250	(15.2)	23.0	
PAT	5,988	4,849	5,000	(16.5)	3.1	We expect EBITDA margin to decline by 20 bps qoq due to increase in material costs, higher promotion expenses due to world cup partly offset by superior mix
Extraordinaries	—	798.4	—	—	(100.0)	
PAT-reported	5,988	4,290	5,000	(16.5)	16.5	
Mahindra & Mahindra						
Net sales	53,046	61,211	67,559	27.4	10.4	We expect volumes to increase by 8% qoq
EBITDA	8,456	9,238	9,824	16.2	6.3	
EBIT	7,508	8,216	8,758	16.6	6.6	
PBT	7,681	8,662	9,338	21.6	7.8	
PAT	5,703	6,172	6,963	22.1	12.8	We expect EBITDA margin to decline by 60 bps qoq driven by poorer mix (lower tractor sales in overall sales), decline in tractor margins qoq due to rise in input costs
Extraordinaries	—	1,175	—	—	(100.0)	
PAT-reported	5,703	7,347	6,963	22.1	(5.2)	
Maruti Suzuki						
Net sales	82,808	92,767	98,563	19.0	6.2	We expect 4% qoq improvement in volumes
EBITDA	11,111	9,018	9,619	(13.4)	6.7	
EBIT	8,880	6,648	7,204	(18.9)	8.4	
PBT	9,542	7,928	8,475	(11.2)	6.9	
PAT	6,566	5,652	6,017	(8.4)	6.5	We expect EBITDA margin to remain stable at 3QFY11 levels driven by superior product mix (higher A3 sales), no adverse impact of currency and fixed steel contracts largely at 3QFY11 levels
Extraordinaries	—	—	—	—	—	
PAT-reported	6,566	5,652	6,017	(8.4)	6.5	
Tata Motors						
Net sales	267,705	304,056	348,515	30.2	14.6	We expect standalone volumes to increase by 26% qoq and JLR volumes to increase by 3% qoq
EBITDA	26,573	41,515	45,653	71.8	10.0	
EBIT	19,150	30,121	33,914	77.1	12.6	
PBT	15,020	26,574	30,535	103.3	14.9	
PAT	11,658	23,588	27,026	131.8	14.6	We expect EBITDA margin to decline by 60 bps qoq due to 60 bps qoq decline in standalone results driven by poorer mix. We expect JLR margins to increase by 20 bps qoq due to higher proportion of Land Rover in volumes
Extraordinaries	2,371	(305)	—	(100.0)	(100.0)	
PAT-reported	14,029	23,283	27,026	92.6	16.1	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
Banking						
Andhra Bank						
Net interest income	6,562	8,399	8,390	27.9	(0.1)	NII growth to remain strong at 28% yoy driven by increase in PLR/base rate. NIM likely to maintain above 3.5%. Loan growth in line with industry
Operating profit	4,273	6,142	5,956	39.4	(3.0)	
Treasury income (net)	460	100	94	(79.6)	(6.0)	
Loan loss provision	1,690	1,693	1,607	(4.9)	(5.1)	We expect slippages to be higher, mainly emanating from its SME portfolio. Excess provision for staff expenses made in previous quarters to result in lower impact on earnings in the current quarter
PAT	2,403	3,309	2,893	20.4	(12.6)	
PAT-reported	2,403	3,309	2,893	20.4	(12.6)	
Axis Bank						
Net interest income	14,601	17,331	17,829	22.1	2.9	NII growth to slow down to 22% yoy due to modestly lower NIM. Loan growth to moderate due to (1) moderately lower demand from infrastructure and (2) higher base
Operating profit	12,808	15,235	16,384	27.9	7.5	
Treasury income (net)	1,030	1,350	1,360	32.0	0.7	
Loan provision	1,797	2,330	2,338	30.1	0.3	PAT to grow at 27% yoy. Loan-loss provisions to decline on the back of lower slippages
PAT	7,649	8,914	9,753	27.5	9.4	
PAT-reported	7,649	8,914	9,753	27.5	9.4	
Bank of Baroda						
Net interest income	17,450	22,923	23,314	33.6	1.7	NIM to remain stable and expect NII growth at 34%. Loan growth to track industry average at 24% yoy
Operating profit	13,382	17,222	17,643	31.8	2.4	
Treasury income (net)	1,451	313	116	(92.0)	(63.0)	
Loan loss provision	2,318	2,064	1,965	(15.2)	(4.8)	Net profit to grow 16% yoy. Asset quality and staff expenses will be a key monitorable, but we don't expect any negative surprises
PAT	9,063	10,689	10,526	16.1	(1.5)	
PAT-reported	9,063	10,689	10,526	16.1	(1.5)	
Bank of India						
Net interest income	15,517	19,869	20,135	29.8	1.3	We expect healthy NII growth at 30% yoy with NIM at about 3%. Loan book to grow at about 20%
Operating profit	13,154	13,954	11,806	(10.2)	(15.4)	
Treasury income (net)	(400)	(66)	135	(133.8)	(304.5)	
Loan loss provision	6,600	1,236	2,092	(68.3)	69.3	PAT to grow sharply yoy due to lower loan-loss provisions. Recoveries to pick up pace in the quarter. Provisions for employees to remain high due to revised retirement benefits
PAT	4,279	6,532	6,239	45.8	(4.5)	
Extraordinaries	—	—	—	—	—	
PAT-reported	4,279	6,532	6,239	45.8	(4.5)	
Canara Bank						
Net interest income	15,976	21,192	21,822	36.6	3.0	NII growth to remain healthy at 37% yoy but expect NIM to decline by about 10 bps qoq. Credit and deposit growth at 19%
Operating profit	13,171	15,367	13,539	2.8	(11.9)	
Treasury income (net)	(360)	190	151	(141.9)	(20.6)	
Loan provision	5,780	2,000	2,968	(48.6)	48.4	Net profit to grow 65% yoy on a low base. Slippages under the new guideline will be a key monitorable item for the quarter. We assume a tax rate of 25%
PAT	5,031	11,057	8,323	65.4	(24.7)	
PAT-reported	5,031	11,057	8,323	65.4	(24.7)	
Corporation Bank						
Net interest income	6,398	8,425	8,351	30.5	(0.9)	NII growth likely at 30%, lower than balance sheet growth. NIM to likely decline 10 bps qoq as the bank has a weak CASA franchise. Loan growth at 21% yoy
Operating profit	4,726	6,166	6,202	31.2	0.6	
Treasury income (net)	59	238	198	233.5	(16.7)	
Loan provision	986	1,534	1,633	65.6	6.5	Credit costs to remain flat qoq. Provisions for retirement benefits would be a key monitorable
PAT	3,123	3,825	3,361	7.6	(12.1)	
PAT-reported	3,123	3,825	3,361	7.6	(12.1)	
Federal Bank						
Net interest income	4,097	4,473	4,569	11.5	2.2	NIM to remain around 4% but to decline from 3QFY11 levels. Loans to likely grow faster from 4QFY11E
PBT	3,215	3,356	3,504	9.0	4.4	
Treasury income (net)	96	64	16	(83.0)	(74.3)	
Loan provision	773	1,276	1,163	50.5	(8.9)	PAT to grow at 35% yoy on the back of normalized tax rate. Slippages to decline marginally qoq but credit costs likely to still remain high
PAT	1,169	1,431	1,580	35.2	10.4	
PAT-reported	1,169	1,431	1,580	35.2	10.4	
HDFC						
Net operational income	13,327	13,234	15,950	19.7	20.5	We expect HDFC to deliver about 20% yoy loan growth
PBT	12,658	12,129	15,030	18.7	23.9	
Treasury income (net)	12,441	11,293	16,182	30.1	43.3	
PAT	9,263	8,909	10,985	18.6	23.3	Reported spreads will likely remain above 2%; increase in PLR by 1.5% over past one year will moderately offset the impact of higher borrowings costs
Extraordinaries	—	—	—	—	—	
PAT-reported	9,263	8,909	10,985	18.6	23.3	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
HDFC Bank						
Net interest income	23,514	27,767	28,038	19.2	1.0	A strong CASA base will cushion NIMs in the medium term. Expect stable qoq NIM at 4.2% and NII to grow at 19% yoy
PBT	15,768	19,304	18,551	17.7	(3.9)	
Treasury income (net)	(473)	(307)	113	(123.9)	(136.8)	
Loan provision	2,750	2,929	2,744	(0.2)	(6.3)	Loan growth to remain higher than industry average; however, sequential growth likely to be slower due to sell-downs of loans. Earnings to grow a strong 30% yoy
PAT	8,366	10,878	10,868	29.9	(0.1)	
PAT-reported	8,366	10,878	10,868	29.9	(0.1)	
ICICI Bank						
Net interest income	20,349	23,117	23,846	17.2	3.2	Expect stable NIM qoq. Loan growth to pick up further on the back of increased corporate disbursements and be in line with industry trends
Operating profit	28,355	23,216	24,295	(14.3)	4.6	
Treasury income (net)	1,960	210	690	(64.8)	228.6	
Loan provision	9,898	4,643	4,655	(53.0)	0.2	Pre-provisioning operating profit to grow by about 5% yoy but PAT to grow at over 50% yoy on the back of sharp decline in loan-loss provisions
PAT	10,056	14,370	15,238	51.5	6.0	
PAT-reported	10,056	14,370	15,238	51.5	6.0	
IDFC						
Net operational income	5,971	6,600	6,071	1.7	(8.0)	Loan book likely to grow marginally qoq; yoy growth of 48%
Operating profit	3,008	4,480	4,348	44.5	(2.9)	
Loan provision	4,981	6,020	5,754	15.5	(4.4)	
PAT	2,265	3,215	3,108	37.2	(3.3)	NIM to moderate qoq as marginal borrowings costs has moved up
PAT-reported	2,265	3,215	3,108	37.2	(3.3)	
Indian Bank						
Net interest income	9,341	10,377	10,431	11.7	0.5	Provisions for retirement benefits is likely to be the key aspect to watch for as the bank had made inadequate provisions in the past. Asset quality should be stable
Operating profit	8,908	7,803	6,358	(28.6)	(18.5)	
Treasury income (net)	790	60	264	(66.6)	340.0	
Loan provision	3,110	280	1,041	(66.5)	271.7	NIM to contract marginally from 3QFY11 level of 3.8%. PAT to decline by 10% yoy due to higher employee expenses related to retirement benefits
PAT	4,100	4,913	3,690	(10.0)	(24.9)	
PAT-reported	4,100	4,913	3,690	(10.0)	(24.9)	
India Infoline						
Net sales	3,097	4,596	2,987	(3.6)	(35.0)	Decline in cash market volumes (down 18% yoy) will affect broking income
Operating profit	—	—	—	—	—	
EBIT	(119)	(151)	(74)	(37.9)	(50.9)	
PBT	791	1,006	776	(2.0)	(22.9)	Loan book likely to be flat qoq, expect NIM pressure as funding costs would be higher
PAT	522	671	547	4.8	(18.5)	
PAT-reported	522	671	547	4.8	(18.5)	
Indian Overseas Bank						
Net interest income	8,204	11,302	11,792	43.7	4.3	NII growth will likely be strong at 44% yoy compared to earlier quarters. NIM likely to decline by 10 bps to 3.2%. Loan growth expected to be higher than industry
Operating profit	4,182	7,626	6,622	58.3	(13.2)	
Treasury income (net)	502	(151)	91	(81.8)	(160.3)	
Loan provision	4,726	3,016	3,066	(35.1)	1.6	Net profit to more than double on the back of lower loan-loss provisions, tax and operating costs
PAT	1,274	2,317	3,172	148.9	36.9	
PAT-reported	1,274	2,317	3,172	148.9	36.9	
IndusInd Bank						
Net interest income	2,728	3,630	3,629	33.0	(0.0)	NII growth to remain healthy and track loan growth at about 30% levels. We expect marginal compression in NIM as the benefit of capital raised in 1HFY11 wears off. Fee income traction to remain strong
Operating profit	1,851	2,556	2,555	38.1	(0.0)	
Treasury income (net)	—	—	—	—	—	
Loan provision	422	446	417	(1.1)	(6.5)	PAT growth likely at 64% yoy on account of strong revenue growth and lower provisions. Cost-income ratio to remain at 49% levels. Asset quality trends to remain stable
PAT	980	1,539	1,609	64.3	4.6	
Extraordinaries	—	—	—	—	—	
PAT-reported	980	1,539	1,609	64.3	4.6	
J&K Bank						
Net interest income	3,087	3,895	4,014	30.0	3.0	NII growth to remain healthy at 30% yoy on the back of stable NIM. Loan growth to remain below industry average
Operating profit	2,012	2,624	2,492	23.9	(5.0)	
Treasury income (net)	530	177	166	(68.6)	(6.2)	
Loan provision	584	299	284	(51.3)	(4.9)	Provisions to remain low on the back of high coverage ratio. PAT to grow at 28% yoy
PAT	1,200	1,679	1,539	28.2	(8.3)	
PAT-reported	1,200	1,679	1,539	28.2	(8.3)	
LIC Housing Finance						
Net interest income	3,323	3,918	4,009	20.6	2.3	Loan growth strong at 33%; NIM to decline by 10 bps qoq
Operating profit	2,982	2,563	3,655	22.6	42.6	
PAT	2,137	2,135	2,674	25.1	25.2	
PAT-reported	2,137	2,135	2,674	25.1	25.2	Capital gains of Rs300 mn will supplement core earnings

Source: Company, Kotak Institutional Equities estimates



	Mar-10	Dec-10	Mar-11E	Change (%)		
				yoy	qoq	Comments
<b>Mahindra &amp; Mahindra Financial</b>						
Net interest income	2,937	3,285	3,911	33.2	19.1	
PBT	2,178	1,733	2,603	19.5	50.2	Business traction remains strong, loan book up 50%+ yoy
Treasury income (net)	2,937	3,285	3,911	33.2	19.1	
Loan provision	459	106	308	(32.8)	190.8	
PAT	1,412	1,159	1,781	26.1	53.7	Margin pressure may not be felt this quarter; NPL provisions likely to be down 20% yoy as recoveries improve
Extraordinaries	—	—	—	—	—	
PAT-reported	1,412	1,159	1,781	26.1	53.7	
<b>Oriental Bank of Commerce</b>						
Net interest income	9,884	10,299	10,051	1.7	(2.4)	NII growth to be flat yoy on the back of a lower NIM (10 bps qoq). Loan growth to be subdued at 15% levels
Operating profit	6,645	7,289	6,752	1.6	(7.4)	
Treasury income (net)	430	314	(12)	(102.9)	(103.9)	
Loan loss provision	3,480	1,781	2,005	(42.4)	12.6	Asset quality, especially small ticket loans, needs to be watched out for. Retirement benefits under the new guidelines are unlikely to create any impact due to high provisions made in previous quarters
PAT	3,170	4,083	3,240	2.2	(20.6)	
PAT-reported	3,170	4,083	3,243	2.3	(20.6)	
<b>PFC</b>						
Net interest income	7,460	9,640	10,747	44.1	11.5	Loan growth will likely remain strong at 25-26%; NIM almost stable qoq
Operating profit	7,341	8,998	10,207	39.0	13.4	
Treasury income (net)	—	—	—	—	—	
PAT	5,978	6,571	7,596	27.1	15.6	Fee/Exchange income has been very volatile and is a key variable in our estimates
PAT-reported	5,978	6,571	7,596	27.1	15.6	
<b>Punjab National Bank</b>						
Net interest income	24,980	32,033	32,026	28.2	(0.0)	NIM to see marginal compression given historic-high margins of over 4% in 3QFY11. Proactive in increasing base rate/PLRs which should cushion margins pressure
Operating profit	20,630	22,570	21,420	3.8	(5.1)	
Treasury income (net)	2,246	430	470	(79.1)	9.3	
Loan loss provision	5,770	6,640	7,103	23.1	7.0	Slippages will remain the key monitorable and we expect stable qoq slippages. Retirement costs likely to be higher and may result in lower profits for the quarter
PAT	11,350	10,898	10,183	(10.3)	(6.6)	
PAT-reported	11,350	10,898	10,183	(10.3)	(6.6)	
<b>Rural Electrification Corp.</b>						
Net interest income	7,634	9,040	8,841	15.8	(2.2)	Loan growth to moderate to about 21%. Higher funding costs will result in lower margins (down 15-20 bps qoq)
Operating profit	7,529	9,010	8,538	13.4	(5.2)	
PAT	5,612	6,640	6,515	16.1	(1.9)	
Extraordinaries	—	—	—	—	—	No NPL risk for now and hence, no provisioning requirement as well
PAT-reported	5,612	6,640	6,515	16.1	(1.9)	
<b>Shriram Transport</b>						
Net interest income	6,472	8,367	8,469	30.9	1.2	Truck loans will continue to grow at 25%+
Operating profit	4,125	4,565	5,302	28.5	16.1	
Loan provision	—	—	—	—	—	
PAT	2,643	3,015	3,530	33.5	17.1	NIM may have peaked and will moderate somewhat due to higher funding costs
PAT-reported	2,643	3,015	3,530	33.5	17.1	
<b>SKS Microfinance</b>						
Net interest income	1,972	1,972	1,972	—	—	Loan book will likely remain stable qoq; NIM will likely decline
Treasury income (net)	250	250	250	—	—	
PAT	630	341	81	(87.1)	(76.2)	NPL provisions will likely remain high but be stable qoq
PAT-reported	630	341	81	(87.1)	(76.2)	
<b>State Bank of India</b>						
Net interest income	67,217	90,498	91,435	36.0	1.0	Strong CASA ratio of 48% and increase in lending rates to offset the rise in cost of funds. We expect NIM to remain stable for the quarter and loan growth to be marginally lower than the industry average
Operating profit	46,415	63,338	55,974	20.6	(11.6)	
Treasury income (net)	3,900	115	13	(99.7)	(88.7)	
Loan provision	21,868	16,323	18,916	(13.5)	15.9	Slippages will remain above normalized levels but we expect qoq improvement. Provisions also likely to be higher as it needs to catch up with mandatory provision coverage
PAT	18,668	28,281	28,039	50.2	(0.9)	
PAT-reported	18,668	28,281	28,039	50.2	(0.9)	
<b>Union Bank</b>						
Net interest income	13,961	16,158	16,389	17.4	1.4	NII growth at 17% yoy. NIM to likely decline qoq on the back of rising deposit rates. Loan growth will likely be in line with industry average
Operating profit	10,565	11,342	8,164	(22.7)	(28.0)	
Treasury income (net)	120	880	880	633.3	—	
Loan provision	2,610	3,610	3,296	26.3	(8.7)	Slippages to be lower compared to 3QFY11 and expect some respite in provisions as well. Expect net profit to decline 9% yoy due to higher retirement costs
PAT	5,935	5,796	5,429	(8.5)	(6.3)	
PAT-reported	5,935	5,796	5,429	(8.5)	(6.3)	
<b>Yes Bank</b>						
Net interest income	2,442	3,232	3,377	38.3	4.5	Loan growth to remain strong; incremental growth driven by priority sector commitments. We expect NIM to decline marginally qoq as the bank is largely wholesale-funded
Operating profit	2,459	2,939	2,865	16.5	(2.5)	
Treasury income (net)	117	174	210	79.4	20.5	
Loan provision	115	140	230	100.2	64.1	
PAT	1,400	1,911	1,920	37.1	0.5	Fee income to remain healthy. PAT growth at 37% yoy driven mainly by balance sheet expansion witnessed over the past few quarters
PAT-reported	1,400	1,911	1,920	37.1	0.5	

Source: Company, Kotak Institutional Equities estimates



	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
<b>Cement</b>						
<b>ACC</b>						
Net sales	21,018	19,576	23,672	12.6	20.9	Sharp increase in realization (+10% qoq) and volume growth (+10% qoq) to drive revenue growth
EBITDA	6,222	2,562	5,905	(5.1)	130.5	
EBIT	5,287	1,443	4,757	(10.0)	229.6	
PBT	5,768	2,215	5,207	(9.7)	135.1	Impact of rising prices of domestic coal likely to be muted during the quarter
PAT	4,051	1,568	3,697	(8.7)	135.8	
Extraordinaries	—	991	—	—	(100.0)	
PAT-reported	4,051	2,559	3,697	(8.7)	44.5	
<b>Ambuja Cements</b>						
Net sales	19,902	17,885	22,779	14.5	27.4	Improved pricing environment in key market of West to improve blended realizations by Rs15-20/bag
EBITDA	6,227	3,146	6,030	(3.2)	91.7	
EBIT	5,459	2,060	4,973	(8.9)	141.4	
PBT	5,897	2,619	5,518	(6.4)	110.7	Volume growth of 7.4% yoy as cement volumes revive after a sedate CY2010
PAT	4,519	2,145	3,973	(12.1)	85.2	
Extraordinaries	628	(90)	—	(100.0)	(100.0)	
PAT-reported	5,147	2,056	3,973	(22.8)	93.3	
<b>Grasim Industries</b>						
Net sales	53,856	53,845	56,973	5.8	5.8	Cement earnings to benefit from improved price realizations
EBITDA	13,441	11,202	14,624	8.8	30.6	
EBIT	10,864	8,210	11,617	6.9	41.5	
PBT	11,527	8,594	12,081	4.8	40.6	Contribution from VSF business to be aided by better realization and volume growth
PAT	8,553	5,991	8,115	(5.1)	35.5	
Extraordinaries	—	—	—	—	—	
PAT-reported	6,545	5,018	5,599	(14.5)	11.6	
<b>India Cements</b>						
Net sales	9,643	7,810	10,004	3.7	28.1	Relatively lower improvement in realization (~Rs8/bag) as price hike in South has been relatively less sharp
EBITDA	1,260	1,263	1,775	40.9	40.6	
EBIT	644	646	1,176	82.7	82.2	
PBT	404	303	1,244	208.1	311.1	Increase in prices of imported coal will partially offset gains from improved pricing environment
PAT	261	197	874	234.7	344.7	
Extraordinaries	122	18	—	(100.0)	(100.0)	
PAT-reported	383	215	874	128.2	307.4	
<b>Shree Cement</b>						
Net sales	9,440	7,796	9,774	3.5	25.4	Improved pricing environment in key market of North to improve blended realizations by Rs15/bag
EBITDA	3,347	1,575	2,466	(26.3)	56.5	
EBIT	561	262	1,027	83.1	292.2	
PBT	452	77	895	98.0	1,063.4	Power and fuel cost to remain high due to high pet coke prices but we see some relief from higher merchant power realization
PAT	122	334	740	507.1	121.7	
Extraordinaries	—	(59)	—	—	(100.0)	
PAT-reported	122	275	740	507.1	169.3	
<b>UltraTech Cement</b>						
Net sales	19,094	37,152	46,166	141.8	24.3	Pan-India increase in cement prices will likely yield 11% qoq improvement in realizations
EBITDA	4,026	7,078	12,289	205.2	73.6	
EBIT	3,033	4,887	10,076	232.2	106.2	
PBT	3,007	4,675	9,646	220.8	106.3	Results are not comparable due to merger of Samurddhi with Ultratech
PAT	2,285	3,190	6,534	185.9	104.8	
Extraordinaries	—	—	—	—	—	
PAT-reported	2,285	3,190	6,534	185.9	104.8	
<b>Construction</b>						
<b>IVRCL</b>						
Net sales	18,904	14,188	22,262	17.8	56.9	Expect execution of existing large order backlog to lead to moderate revenue growth; expect yoy revenue growth of about 15-17%
EBITDA	1,984	1,404	2,170	9.4	54.5	
EBIT	1,844	1,210	1,980	7.4	63.7	
PBT	1,338	625	1,415	5.7	126.5	However, higher interest and depreciation may impact net profitability of the company; expect PAT to grow about 8-9% yoy
PAT	852	423	928	8.9	119.3	
Extraordinaries	—	—	—	—	—	
PAT-reported	852	423	928	8.9	119.3	
<b>Nagarjuna Construction Co.</b>						
Net sales	15,227	13,355	17,468	14.7	30.8	Expect moderate revenue growth of 15% yoy led by pick-up of execution of large order backlog
EBITDA	1,540	1,299	1,670	8.5	28.6	
EBIT	1,403	1,124	1,496	6.6	33.1	
PBT	1,055	686	938	(11.1)	36.8	EBITDA margin to contract slightly on a yoy basis to 9.5% but be relatively flat on a sequential basis
PAT	618	404	575	(6.9)	42.2	
Extraordinaries	(408)	—	—	(100.0)	—	
PAT-reported	1,026	404	575	(44.0)	42.2	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
<b>Punj Lloyd</b>						
Net sales	17,765	21,189	27,837	56.7	31.4	
EBITDA	(5,147)	958	2,768	(153.8)	188.9	Expect some revival in revenues post sharp slowdown in 4QFY10 and 1HFY11
EBIT	(5,827)	284	2,187	(137.5)	670.2	
PBT	(6,569)	(483)	1,252	(119.1)	(358.9)	
PAT	(6,247)	(599)	1,121	(118.0)	(287.1)	Company continues to face execution issues in its large orders in Libya
Extraordinaries	(3,238)	(22)	—	(100.0)	(100.0)	
PAT-reported	(3,009)	(577)	1,121	(137.3)	(294.2)	
<b>Sadbhav Engineering</b>						
Net sales	4,573	4,762	6,436	40.7	35.1	
EBITDA	544	529	686	26.0	29.6	Strong revenue growth led by execution of existing large BOT projects
EBIT	469	460	593	26.5	28.9	
PBT	428	406	528	23.4	30.1	
PAT	181	264	405	123.5	53.6	EBITDA margin to remain relatively flat
Extraordinaries	—	—	135	—	—	
PAT-reported	181	264	271	49.2	2.6	
<b>Consumers</b>						
<b>Asian Paints</b>						
Net sales	12,961	17,542	16,320	25.9	(7.0)	
EBITDA	2,281	3,016	2,704	18.5	(10.3)	Domestic sales growth of 26% yoy led by mix of volume (~15%) and pricing (~11%) growth
EBIT	2,124	2,778	2,450	15.4	(11.8)	
PBT	2,275	2,949	2,640	16.0	(10.5)	
PAT	1,574	2,066	1,832	16.4	(11.3)	
Extraordinaries	197	—	—	(100.0)	—	We expect pressure on gross margin as continuing input cost pressures will likely negate pricing benefits
PAT-reported	1,770	2,066	1,832	3.5	(11.3)	
<b>Colgate-Palmolive (India)</b>						
Net sales	5,360	5,766	6,228	16.2	8.0	
EBITDA	1,441	931	1,484	2.9	59.4	We expect 16% yoy sales growth primarily driven by toothpaste. Toothpowder, toothbrush will likely have flat growth
EBIT	1,235	839	1,390	12.6	65.6	
PBT	1,259	913	1,484	17.9	62.6	
PAT	1,249	662	1,127	(9.8)	70.2	
Extraordinaries	(105)	—	—	(100.0)	—	One-off tax benefits in base year to pull down earnings growth
PAT-reported	1,144	662	1,127	(1.5)	70.2	
<b>Dabur India</b>						
Net sales	8,488	10,800	9,918	16.9	(8.2)	
EBITDA	1,620	2,095	1,884	16.3	(10.1)	17% yoy sales growth led by ~4.5% pricing growth and ~5% inorganic growth. Dabur Amla will likely grow in double digits as it benefits from narrowing gap between retail prices of Dabur Amla and coconut oil
EBIT	1,471	1,863	1,644	11.8	(11.7)	
PBT	1,589	1,897	1,693	6.6	(10.8)	
PAT	1,331	1,541	1,360	2.2	(11.7)	
Extraordinaries	—	—	—	—	—	Gross margin decline likely mitigated by lower adspends in hair oil portfolio
PAT-reported	1,331	1,541	1,360	2.2	(11.7)	
<b>Glaxo SmithKline Consumer</b>						
Net sales	6,484	5,078	7,718	19.0	52.0	
EBITDA	1,331	584	1,534	15.3	162.6	Sales growth led by mix of volume (~14% yoy growth) and pricing growth (5% in November 2010)
EBIT	1,235	475	1,427	15.6	200.3	
PBT	1,465	800	1,692	15.5	111.6	
PAT	962	534	1,131	17.6	112.0	
Extraordinaries	—	—	—	—	—	
PAT-reported	962	534	1,131	17.6	112.0	
<b>Godrej Consumer Products</b>						
Net sales	2,824	3,421	3,246	14.9	(5.1)	
EBITDA	700	624	602	(14.0)	(3.5)	Favorable base effect, price hike in hair color will likely help clock 15% yoy sales growth
EBIT	673	590	556	(17.5)	(5.7)	
PBT	766	806	751	(1.9)	(6.8)	
PAT	631	664	621	(1.7)	(6.5)	4QFY11E will likely have benefits of palm oil hedges. Exceptional income reflects sale of Kiwi brand to Sara Lee
Extraordinaries	—	—	1,770	—	—	
PAT-reported	631	664	2,391	278.8	260.1	
<b>Hindustan Unilever</b>						
Net sales	43,158	50,270	49,609	14.9	(1.3)	
EBITDA	5,310	6,243	5,297	(0.2)	(15.2)	Likely good volume growth of ~12% yoy led by detergents category. Pricing to improve yoy after four quarters of declines
EBIT	4,807	5,680	4,717	(1.9)	(16.9)	
PBT	5,735	7,456	6,178	7.7	(17.1)	
PAT	4,223	5,867	4,614	9.3	(21.4)	We expect flat EBITDA yoy; gross margin to decline by 210 bps yoy as higher competitive activity constrained price increases
Extraordinaries	1,434	508	—	(100.0)	(100.0)	
PAT-reported	5,657	6,375	4,614	(18.4)	(27.6)	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
ITC						
Net sales	50,538	54,535	55,964	10.7	2.6	We expect 17% sales growth in cigarettes led by price increases
EBITDA	15,401	19,690	18,755	21.8	(4.7)	
EBIT	13,863	18,009	17,056	23.0	(5.3)	
PBT	15,048	20,313	18,741	24.5	(7.7)	
PAT	10,282	13,891	13,140	27.8	(5.4)	
Extraordinaries	—	—	—	—	—	
PAT-reported	10,282	13,891	13,140	27.8	(5.4)	
Jubilant Foodworks						
Net sales	1,241	1,856	1,974	59.1	6.3	We expect strong sales growth of 60% yoy aided by Cricket World Cup
EBITDA	193	322	356	84.6	10.5	
EBIT	123	244	272	120.3	11.5	
PBT	104	251	273	161.9	8.7	We expect 70 bps EBITDA margin expansion due to likely mix improvement
PAT	104	190	226	117.6	19.4	
Extraordinaries	—	—	—	—	—	
PAT-reported	104	190	226	117.6	19.4	
Jyothy Laboratories						
Net sales	1,898	1,484	2,010	5.9	35.5	6% sales growth yoy led by 15% yoy pricing growth in Ujala. Muted volume growth in Ujala (due to the steep price increase)
EBITDA	305	168	248	(18.8)	47.8	
EBIT	273	137	211	(22.8)	53.6	
PBT	350	215	280	(19.9)	30.3	
PAT	269	169	219	(18.8)	29.4	
Extraordinaries	—	—	—	—	—	
PAT-reported	269	169	219	(18.8)	29.4	
Marico						
Net sales	6,023	8,177	7,555	25.4	(7.6)	We expect a muted quarter for volume growth (4-5% yoy in Parachute) due to aggressive price increases
EBITDA	861	1,093	908	5.5	(16.9)	
EBIT	718	946	782	8.9	(17.4)	
PBT	720	939	798	10.9	(15.0)	
PAT	603	805	632	4.8	(21.6)	
Extraordinaries	(83)	(96)	—	(100.0)	(100.0)	
PAT-reported	520	710	632	21.4	(11.0)	
Nestle India						
Net sales	14,798	16,710	18,221	23.1	9.0	Strong sales growth of 23% yoy led by volume growth of ~16%
EBITDA	3,040	3,298	3,753	23.4	13.8	
EBIT	2,730	2,940	3,344	22.5	13.8	
PBT	2,816	3,078	3,475	23.4	12.9	
PAT	1,971	2,217	2,478	25.8	11.8	
Extraordinaries	48	(183)	—	(100.0)	(100.0)	
PAT-reported	2,019	2,034	2,478	22.8	21.8	
Tata Tea						
Net sales	4,083	4,713	4,370	7.0	(7.3)	
EBITDA	341	222	301	(11.7)	35.3	
EBIT	309	192	270	(12.8)	40.4	
PBT	838	653	757	(9.6)	16.0	
PAT	542	473	494	(8.9)	4.4	
Extraordinaries	4	(2)	—	(100.0)	(100.0)	
PAT-reported	546	471	494	(9.6)	4.7	
Titan Industries						
Net sales	13,114	19,548	16,980	29.5	(13.1)	
EBITDA	1,005	1,952	1,685	67.7	(13.7)	
EBIT	914	1,866	1,576	72.4	(15.6)	
PBT	860	1,999	1,634	90.0	(18.2)	
PAT	753	1,408	1,257	67.0	(10.7)	
Extraordinaries	—	(32)	—	—	(100.0)	
PAT-reported	753	1,376	1,257	67.0	(8.6)	
United Spirits						
Net sales	12,521	19,601	14,706	17.4	(25.0)	We expect sales to grow 17% yoy led by 12% volume growth
EBITDA	1,813	2,761	2,054	13.3	(25.6)	
EBIT	1,699	2,635	1,933	13.8	(26.6)	
PBT	876	1,711	1,131	29.1	(33.9)	
PAT	622	1,061	836	34.4	(21.2)	
Extraordinaries	(54)	238	—	(100.0)	(100.0)	
PAT-reported	569	1,300	836	47.0	(35.7)	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
<b>Energy</b>						
<b>Aban Offshore</b>						
Net sales	10,210	7,780	9,371	(8.2)	20.5	
EBITDA	6,592	5,166	5,900	(10.5)	14.2	Qoq increase in revenues reflects commencement of new contracts for four vessels
EBIT	5,311	3,980	4,716	(11.2)	18.5	
PBT	3,127	1,745	2,610	(16.5)	49.6	
PAT	1,895	755	1,128	(40.5)	49.4	Lower yoy EBITDA due to lower realization from new contracts
Extraordinaries	(1,503)	(135)	(105)	(93.0)	(22.0)	
PAT-reported	393	620	1,023	160.5	65.0	
<b>Bharat Petroleum</b>						
Net sales	375,703	366,859	394,363	5.0	7.5	
EBITDA	19,756	7,488	20,039	1.4	167.6	Yoy comparison not meaningful due to fluctuation in timing and quantum of compensation from the government
EBIT	16,548	3,788	16,087	(2.8)	324.7	
PBT	20,373	4,144	17,749	(12.9)	328.3	
PAT	12,486	2,924	11,610	(7.0)	297.1	We assume BPCL to receive Rs22.6 bn from upstream companies and Rs51.7 bn from government resulting in a net over-recovery of Rs6.4 bn
Extraordinaries	(8,290)	(1,050)	—	(100.0)	(100.0)	
PAT-reported	7,032	1,874	11,610	65.1	519.6	
<b>Cairn India</b>						
Net sales	6,928	30,964	37,865	446.5	22.3	
EBITDA	3,678	25,634	31,184	747.8	21.7	Significantly higher EBITDA yoy reflects (1) ramp-up in production from Rajasthan block and (2) higher crude oil prices
EBIT	2,078	22,548	27,892	1,242.4	23.7	
PBT	2,938	22,147	27,661	841.5	24.9	
PAT	2,452	20,101	24,475	898.2	21.8	
Extraordinaries	—	—	—	—	—	Higher revenues and EBITDA qoq reflects sharply higher crude oil prices
PAT-reported	2,452	20,101	24,475	898.2	21.8	
<b>Castrol India</b>						
Net sales	6,560	6,981	7,549	15.1	8.1	
EBITDA	1,800	1,570	1,650	(8.4)	5.1	Lower EBITDA margin yoy at 21.9% versus 27.4% in 1QCY10 led by higher LOBS (RM) prices
EBIT	1,742	1,508	1,588	(8.9)	5.3	
PBT	1,818	1,588	1,662	(8.6)	4.6	
PAT	1,172	1,059	1,110	(5.3)	4.8	Yoy higher revenues reflects (1) higher realization and (2) higher volumes; we estimate sales volumes at 55.1 mn liters versus 53.8 mn liters in 4QCY10 and 54.6 mn liters in 1QCY10
Extraordinaries	—	—	—	—	—	
PAT-reported	1,172	1,059	1,110	(5.3)	4.8	
<b>GAIL (India)</b>						
Net sales	65,690	83,836	106,058	61.5	26.5	
EBITDA	13,637	13,331	15,692	15.1	17.7	Flat net income qoq despite higher petchem sales reflects higher subsidy burden
EBIT	12,248	11,726	13,766	12.4	17.4	
PBT	13,065	13,467	13,980	7.0	3.8	
PAT	9,108	9,676	9,711	6.6	0.4	We assume Rs7.1 bn of subsidy burden for 4QFY11E versus Rs4.2 bn in 3QFY11 and Rs3.4 bn in 4QFY10
Extraordinaries	—	—	(875)	—	—	
PAT-reported	9,108	9,676	8,836	(3.0)	(8.7)	
<b>GSPL</b>						
Net sales	2,668	2,795	2,645	(0.8)	(5.4)	
EBITDA	2,460	2,623	2,450	(0.4)	(6.6)	Lower revenues qoq despite stable volumes is on account of lower tariffs; lower net income qoq reflects provision of Rs755 mn for change in depreciation rate in 3QFY11
EBIT	1,827	2,598	2,157	18.0	(17.0)	
PBT	1,634	2,389	1,964	20.2	(17.8)	
PAT	1,079	1,591	1,245	15.4	(21.8)	We estimate gas volumes at 36 mcm/d versus 35.3 mcm/d in 3QFY11 and 36.4 mcm/d in 4QFY10
Extraordinaries	—	—	—	—	—	
PAT-reported	1,079	1,591	1,245	15.4	(21.8)	
<b>Hindustan Petroleum</b>						
Net sales	315,584	340,560	405,939	28.6	19.2	
EBITDA	22,547	7,802	21,341	(5.4)	173.5	Yoy comparison not meaningful due to fluctuation in timing and quantum of compensation from the government
EBIT	19,372	4,156	17,197	(11.2)	313.8	
PBT	19,811	3,188	17,626	(11.0)	452.9	
PAT	12,052	2,110	11,713	(2.8)	455.1	We assume HPCL to receive Rs22.2 bn from upstream companies and Rs50.7 bn from government resulting in a net over-recovery of Rs6.2 bn
Extraordinaries	(7,000)	—	—	(100.0)	—	
PAT-reported	7,576	2,110	11,713	54.6	455.1	
<b>Indian Oil Corporation</b>						
Net sales	785,770	808,973	1,527,640	94.4	88.8	
EBITDA	86,457	32,917	82,329	(4.8)	150.1	Yoy comparison not meaningful due to fluctuation in timing and quantum of compensation from the government
EBIT	77,586	21,140	70,152	(9.6)	231.9	
PBT	78,460	21,793	75,475	(3.8)	246.3	
PAT	55,568	16,348	47,839	(13.9)	192.6	We assume IOCL to receive Rs49 bn from upstream companies and Rs115.9 bn from government resulting in a net over-recovery of Rs17.8 bn
Extraordinaries	—	—	—	—	—	
PAT-reported	55,568	16,348	47,839	(13.9)	192.6	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
<b>Oil India</b>						
Net sales	18,707	24,734	30,205	61.5	22.1	
EBITDA	7,043	13,128	16,430	133.3	25.2	Higher revenues yoy led by (1) higher net crude price realizations and (2) increase in APM gas prices
EBIT	3,808	10,867	13,446	253.1	23.7	
PBT	5,882	13,629	15,962	171.4	17.1	
PAT	4,310	9,080	10,625	146.5	17.0	We assume subsidy loss of Rs9.4 bn in 4QFY11E versus Rs5.6 bn in 3QFY11 and Rs6.7 bn in 4QFY10
Extraordinaries	—	—	—	—	—	
PAT-reported	4,310	9,080	10,625	146.5	17.0	
<b>Oil &amp; Natural Gas Corporation</b>						
Net sales	160,023	189,062	188,100	17.5	(0.5)	
EBITDA	94,180	116,336	118,272	25.6	1.7	Sharply higher yoy revenues and net income due to (1) higher net crude price realizations and (2) higher APM gas prices
EBIT	49,700	79,926	75,830	52.6	(5.1)	
PBT	53,831	86,564	87,140	61.9	0.7	
PAT	37,570	57,776	59,851	59.3	3.6	We assume (1) subsidy loss of Rs70 bn in 4QFY11E versus Rs42.2 bn in 3QFY11 and Rs50 bn in 4QFY10 and (2) net realised crude price of US\$57.4/bbl versus US\$64.8/bbl in 3QFY11 and US\$51.4/bbl in 4QFY10
Extraordinaries	194	19,562	—	(100.0)	(100.0)	
PAT-reported	37,764	70,832	59,851	58.5	(15.5)	
<b>Petronet LNG</b>						
Net sales	23,855	36,276	48,614	103.8	34.0	
EBITDA	2,022	3,456	3,747	85.3	8.4	Yoy increase in net income reflects (1) higher volumes and (2) higher re-gasification tariffs
EBIT	1,566	2,991	3,285	109.8	9.8	
PBT	1,386	2,538	2,921	110.7	15.1	
PAT	973	1,708	1,906	96.0	11.6	We model volumes at 121 tn BTU versus 120 tn BTU in 3QFY11 and 92 tn BTU in 4QFY10
Extraordinaries	—	—	—	—	—	
PAT-reported	973	1,708	1,906	96.0	11.6	
<b>Reliance Industries</b>						
Net sales	575,700	597,890	1,124,007	95.2	88.0	
EBITDA	91,360	95,450	90,709	(0.7)	(5.0)	Increase in net income qoq led by (1) higher refining margins and (2) higher crude throughput
EBIT	57,440	61,860	67,211	17.0	8.6	
PBT	58,340	63,780	69,364	18.9	8.8	
PAT	47,100	51,360	55,979	18.9	9.0	We assume refining margins at US\$9.7/bbl (including adventitious/inventory losses) in 4QFY11E versus US\$9/bbl in 3QFY11 and US\$7.5/bbl in 4QFY10
Extraordinaries	—	—	—	—	—	
PAT-reported	47,100	51,360	55,979	18.9	9.0	
<b>Industrials</b>						
<b>ABB</b>						
Net sales	14,559	20,506	17,195	18.1	(16.1)	
EBITDA	29	113	1,462	4,939.7	1,192.2	Expect moderate revenue growth yoy of about 18% in 1QCY11E
EBIT	(91)	(35)	1,317	(1,541.5)	(3,826.9)	
PBT	84	156	1,506	1,702.9	866.5	
PAT	67	68	1,006	1,412.1	1,386.7	Margins expected to revert back to normal business margin of about 9-10% post sharp dip in CY2010 (related to one-offs)
Extraordinaries	—	—	—	—	—	
PAT-reported	67	68	1,006	1,412.1	1,386.7	
<b>BGR Energy Systems</b>						
Net sales	16,598	12,569	12,911	(22.2)	2.7	
EBITDA	1,752	1,472	1,293	(26.2)	(12.2)	Revenues led by execution of existing orders in the backlog
EBIT	1,721	1,438	1,209	(29.8)	(15.9)	
PBT	1,642	1,287	1,059	(35.5)	(17.7)	
PAT	1,083	876	688	(36.5)	(21.5)	Revenues may record a decline on a yoy basis due to high base effect; 4QFY10 witnessed very strong revenues due to delivery of equipment from China during the quarter
Extraordinaries	—	—	—	—	—	
PAT-reported	1,083	876	688	(36.5)	(21.5)	
<b>Bharat Electronics</b>						
Net sales	18,137	13,730	24,291	33.9	76.9	
EBITDA	1,729	2,228	5,555	221.4	149.4	Likely to miss revenue estimate; reported provisional revenues of Rs22 bn in 4QFY11, about 8% lower than our estimates
EBIT	1,430	1,932	5,213	264.6	169.8	
PBT	2,861	2,392	6,328	121.2	164.5	
PAT	1,997	1,706	4,355	118.0	155.3	Provisional numbers (FY2011 revenues of Rs55 bn) implies that the company has marginally missed its MOU guidance
Extraordinaries	—	—	—	—	—	
PAT-reported	1,997	1,706	4,355	118.0	155.3	
<b>Bharat Heavy Electricals</b>						
Net sales	135,591	84,053	165,780	22.3	97.2	
EBITDA	24,873	18,087	32,839	32.0	81.6	Flash results reported; turnover and PAT just about met our expectations (adjusted for large accounting change related one-off)
EBIT	23,226	16,640	31,218	34.4	87.6	
PBT	28,983	19,765	37,463	29.3	89.5	
PAT	19,096	13,432	24,407	27.8	81.7	Order inflows of Rs605 bn was a key positive but coal linkages could squeeze execution and inflows; >40% of inflows over the past two years do not have coal linkage
Extraordinaries	—	600	—	—	(100.0)	
PAT-reported	19,096	14,032	24,407	27.8	73.9	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
Crompton Greaves						
Net sales	25,079	23,970	28,728	14.6	19.8	4QFY11E revenue trend likely to be similar to 9MFY11; expect industrials and consumer segments to lead standalone revenue growth while domestic power segment is likely to remain sluggish
EBITDA	4,027	3,402	4,310	7.0	26.7	
EBIT	3,630	2,935	4,101	13.0	39.7	
PBT	3,840	3,017	4,308	12.2	42.8	
PAT	2,702	2,313	2,888	6.9	24.8	International subsidiaries to grow at about 10-12% (in local currency terms), in line with 9MFY11 trend
Extraordinaries	352	—	—	(100.0)	—	
PAT-reported	3,054	2,313	2,888	(5.4)	24.8	
Larsen & Toubro						
Net sales	135,851	114,131	160,656	18.3	40.8	Expect strong revenue growth of about 18-20% based on execution of existing large order backlog (reported backlog of Rs1.15 tn at end-9MFY11)
EBITDA	20,508	12,379	23,786	16.0	92.2	
EBIT	19,345	11,098	22,449	16.0	102.3	
PBT	21,288	11,813	23,974	12.6	103.0	
PAT	13,374	8,052	15,950	19.3	98.1	EBITDA margin to remain relatively flat/marginally decline on a yoy basis; order inflow would be the key factor to watch
Extraordinaries	1,007	353	—	(100.0)	(100.0)	
PAT-reported	14,381	8,405	15,950	10.9	89.8	
Suzlon Energy						
Net sales	41,500	25,180	35,742	(13.9)	41.9	Revenues build in sales of about 600-650 MW in 4QFY11E, similar to previous year
EBITDA	3,510	1,350	3,950	12.5	192.6	
EBIT	2,450	470	3,044	24.2	547.6	
PBT	410	(1,500)	(465)	(213.4)	(69.0)	
PAT	(2,440)	(1,360)	(135)	(94.5)	(90.1)	Pick-up in volumes to lead to positive EBITDA margin of about 11% for the quarter; however, high interest costs likely to lead to a marginal net loss for the quarter
Extraordinaries	10	(10)	—	(100.0)	(100.0)	
PAT-reported	(2,430)	(1,370)	(135)	(94.4)	(90.2)	
Siemens						
Net sales	22,261	25,381	26,835	20.5	5.7	Expect strong revenue growth of about 20% yoy led by execution of large power orders in the backlog
EBITDA	2,861	3,627	3,220	12.6	(11.2)	
EBIT	2,624	3,362	2,936	11.9	(12.7)	
PBT	2,741	3,652	3,188	16.3	(12.7)	
PAT	1,811	2,438	2,136	17.9	(12.4)	One-offs and project-specific issues led to volatile margins in the past; have built in expected long-term margin of 12%
Extraordinaries	—	—	—	—	—	
PAT-reported	1,811	2,438	2,136	17.9	(12.4)	
Thermax						
Net sales	12,193	12,412	13,779	13.0	11.0	Revenue growth likely to moderate versus very strong growth in 9MFY11 led by base effect; revenues had grown 29% yoy in 4QFY10
EBITDA	1,466	1,464	1,638	11.8	11.9	
EBIT	1,365	1,359	1,500	9.9	10.4	
PBT	1,541	1,473	1,652	7.2	12.1	
PAT	992	1,002	1,101	11.0	9.9	We expect EBITDA margin to remain relatively flat on a yoy basis at about 11.5-12%
Extraordinaries	(1,149)	—	—	(100.0)	—	
PAT-reported	(157)	1,002	1,101	(802.4)	9.9	
Voltas						
Net sales	14,802	10,422	16,117	8.9	54.6	We expect moderate revenue growth of about 9% and EBITDA margin to remain relatively flat on a yoy basis
EBITDA	1,495	793	1,548	3.6	95.3	
EBIT	1,441	739	1,498	4.0	102.8	
PBT	1,598	836	1,790	12.0	114.1	
PAT	1,240	534	1,259	1.5	135.8	Order inflows would be key factor to look out for
Extraordinaries	129	155	—	(100.0)	(100.0)	
PAT-reported	1,369	688	1,259	(8.0)	82.8	
Infrastructure						
Container Corporation						
Net sales	9,505	9,711	10,645	12.0	9.6	Expect moderate revenue growth of about 12% yoy led by 10% volume growth; realizations likely to remain relatively flat
EBITDA	2,201	2,807	2,891	31.4	3.0	
EBIT	1,836	2,472	2,462	34.1	(0.4)	
PBT	2,219	2,950	2,929	32.0	(0.7)	
PAT	1,732	2,296	2,366	36.6	3.1	EBITDA margin likely to remain flat on a sequential basis; we note that 4QFY10 had witnessed a sharp margin dip led by higher rail freight and other expenses; margins had gone down to FY2009 levels in 9MFY11
Extraordinaries	(5)	(11)	—	(100.0)	(100.0)	
PAT-reported	1,727	2,285	2,366	37.0	3.5	
GMR Infrastructure						
Net sales	11,250	13,588	14,267	26.8	5.0	Expect strong revenue growth on a yoy basis; high interest and depreciation costs likely to put pressure on bottom line
EBITDA	3,146	3,813	4,137	31.5	8.5	
EBIT	1,504	1,456	1,663	10.6	14.2	
PBT	348	(1,339)	(1,271)	(465.8)	(5.0)	
PAT	1,109	(519)	(1,271)	(214.6)	145.0	
Extraordinaries	(300)	261	261	(187.1)	—	
PAT-reported	809	(258)	(1,010)	(224.8)	291.8	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
<b>Gujarat Pipavav Port</b>						
Net sales	—	875	851	—	(2.7)	Expect strong revenues in the quarter primarily led by container volume growth
EBITDA	—	384	358	—	(6.8)	
EBIT	—	256	214	—	(16.5)	
PBT	—	111	53	—	(52.7)	
PAT	—	111	53	—	(52.7)	
Extraordinaries	—	—	—	—	—	
PAT-reported	—	111	53	—	(52.7)	
<b>GVK Power &amp; Infrastructure</b>						
Net sales	4,886	4,596	5,566	13.9	21.1	Revenue growth to be led by roads segment; power segment may remain slow as the unavailability of gas may continue to impact PLFs
EBITDA	737	1,292	1,558	111.4	20.6	
EBIT	786	791	986	25.4	24.5	
PBT	218	165	342	56.6	107.3	
PAT	331	419	454	37.2	8.4	
Extraordinaries	—	—	—	—	—	
PAT-reported	331	419	454	37.2	8.4	
<b>IRB Infrastructure</b>						
Net sales	5,017	6,688	9,491	89.2	41.9	Expect strong revenue growth primarily led by construction segment on start of execution of recent BOT project wins
EBITDA	2,310	2,936	3,659	58.4	24.6	
EBIT	1,795	2,350	2,947	64.2	25.4	
PBT	1,094	1,648	1,793	64.0	8.8	
PAT	1,487	1,360	1,008	(32.2)	(25.9)	
Extraordinaries	—	—	—	—	—	
PAT-reported	1,417	1,330	988	(30.3)	(25.7)	
<b>Mundra Port and SEZ</b>						
Net sales	4,205	4,508	4,728	12.4	4.9	Revenue growth led by volume growth; expect full-year port volumes of about 53 mn tons (versus about 40.3 mn tons handled in FY2010)
EBITDA	2,521	3,098	3,341	32.5	7.8	
EBIT	2,020	2,567	2,683	32.8	4.5	
PBT	2,069	2,443	2,304	11.3	(5.7)	
PAT	1,922	2,285	2,209	15.0	(3.3)	
Extraordinaries	—	—	—	—	—	
PAT-reported	1,922	2,285	2,209	15.0	(3.3)	EBITDA margin likely to remain strong at about 70%
<b>Media</b>						
<b>DB Corp</b>						
Net sales	2,572	3,482	3,200	24.4	(8.1)	Strong 30% yoy advertising growth led by favorable base as well as incremental contribution from BJH market expansion
EBITDA	696	1,148	800	15.0	(30.3)	
EBIT	591	1,038	675	14.2	(35.0)	
PBT	547	1,034	675	23.3	(34.7)	
PAT	367	659	450	22.6	(31.8)	
Extraordinaries	—	—	—	—	—	
PAT-reported	367	659	450	22.6	(31.8)	Moderate 15% yoy EBITDA growth due to (1) yoy newsprint inflation and (2) higher cost of doing business in BJH market
<b>DishTV</b>						
Net sales	3,032	3,732	4,325	42.7	15.9	Robust 16% qoq subscription growth led by (1) robust volume growth with (2) modest increase in ARPUs
EBITDA	350	667	825	135.8	23.8	
EBIT	(496)	(235)	(150)	(69.7)	(36.2)	
PBT	(597)	(443)	(375)	(37.2)	15.3	
PAT	(597)	(443)	(375)	(37.2)	15.3	
Extraordinaries	—	—	—	—	—	
PAT-reported	(597)	(443)	(375)	(37.2)	15.3	Strong 24% qoq EBITDA growth led by robust revenue growth and continued positive operating leverage
<b>Eros International</b>						
Net sales	—	2,798	900	—	(67.8)	Difficult, if not impossible, to compare results on a qoq/yoy basis due to project/hit-flop nature of the film business
EBITDA	—	622	150	—	(75.9)	
EBIT	—	611	125	—	(79.5)	
PBT	—	627	150	—	(76.1)	
PAT	—	440	100	—	(77.3)	
Extraordinaries	—	—	—	—	—	
PAT-reported	—	440	100	—	(77.3)	Weak revenue and EBIT performance on account of Cricket World Cup 2011 and no significant Hindi film release
<b>Hindustan Media Ventures</b>						
Net sales	1,132	1,313	1,375	21.5	4.8	Strong 27% yoy advertising growth led by (1) strong growth in BJH market and (2) continued expansion in UPU market
EBITDA	199	185	200	0.3	8.2	
EBIT	165	142	150	(8.9)	5.3	
PBT	155	154	175	12.7	13.4	
PAT	104	117	125	19.8	7.2	
Extraordinaries	(14)	—	—	(100.0)	—	
PAT-reported	90	117	125	38.6	7.2	Flat yoy EBITDA due to (1) yoy newsprint inflation and (2) higher cost of doing business in BJH and UPU markets

Source: Company, Kotak Institutional Equities estimates



	Mar-10	Dec-10	Mar-11E	Change (%)		
				yoy	qoq	Comments
<b>HT Media</b>						
Net sales	3,743	4,635	4,675	24.9	0.9	
EBITDA	821	868	825	0.5	(5.0)	Strong 19% yoy advertising growth led by (1) BFSI advertising in budget quarter with (2) market share gains in HT Mumbai and Mint
EBIT	640	651	600	(6.3)	(7.8)	
PBT	723	684	675	(6.6)	(1.3)	
PAT	495	478	450	(9.1)	(5.8)	Flat yoy EBITDA on account of (1) yoy newsprint inflation and (2) higher cost of doing business in HT Mumbai as well as Hindustan
Extraordinaries	(15)	—	—	(100.0)	—	
PAT-reported	480	478	450	(6.2)	(5.8)	
<b>Jagran Prakashan</b>						
Net sales	2,363	2,860	2,775	17.4	(3.0)	
EBITDA	633	898	750	18.6	(16.4)	Robust 21% yoy advertising growth with incremental contribution from ICC World Cup 2011
EBIT	498	751	600	20.6	(20.1)	
PBT	540	786	650	20.4	(17.3)	
PAT	364	526	425	16.8	(19.3)	Moderate 17% yoy EBITDA growth due to yoy newsprint inflation and higher cost of doing business
Extraordinaries	—	—	—	—	—	
PAT-reported	364	526	425	16.8	(19.3)	
<b>Sun TV Network</b>						
Net sales	3,919	5,980	4,850	23.8	(18.9)	
EBITDA	3,309	5,018	3,800	14.9	(24.3)	Modest 10% yoy advertising growth led by high base and Cricket World Cup 2011 but robust 24% yoy growth in subscription revenues despite technical issues with Sun Direct satellite
EBIT	2,460	3,278	3,000	21.9	(8.5)	
PBT	2,542	3,367	3,150	23.9	(6.5)	Yoy comparisons invalid given incremental contribution from Endhiraan (sale of Hindi satellite rights). Robust 27% yoy PBT growth due to core business and Endhiraan contribution
PAT	1,651	2,255	2,100	27.2	(6.9)	
Extraordinaries	—	—	—	—	—	
PAT-reported	1,651	2,255	2,100	27.2	(6.9)	
<b>Zee Entertainment Enterprises</b>						
Net sales	6,493	7,549	7,600	17.1	0.7	
EBITDA	1,836	1,541	1,700	(7.4)	10.3	Strong 17% yoy revenue growth led by India-South Africa cricket (135% yoy growth in sports business revenues). Modest 5% yoy growth in core business (non-sports) revenues
EBIT	1,780	1,464	1,600	(10.1)	9.3	
PBT	1,961	1,672	1,850	(5.7)	10.6	
PAT	1,273	900	1,250	(1.8)	38.9	7% yoy decline in EBITDA due to (1) sports business losses (Rs300 mn versus positive EBITDA in 4QFY10) and (2) impact of Cricket World Cup 2011 on core business profitability
Extraordinaries	(11)	700	—	(100.0)	(100.0)	
PAT-reported	1,263	1,600	1,250	(1.0)	(21.9)	
<b>Metals &amp; Mining</b>						
<b>Coal India</b>						
Net sales	—	126,919	138,885	—	9.4	
EBITDA	—	33,804	39,874	—	18.0	Improved EBITDA margin due to higher volume sales as 4Q has traditionally been the peak quarter in terms of despatches
EBIT	—	29,668	35,654	—	20.2	
PBT	—	42,214	48,368	—	14.6	
PAT	—	26,419	32,810	—	24.2	Blended realizations likely to improve on account of higher prices for e-auction sales and price increases effected from March 2011
Extraordinaries	—	(158)	—	—	(100.0)	
PAT-reported	—	26,261	32,810	—	24.9	
<b>Hindalco Industries</b>						
Net sales	54,044	59,746	69,108	27.9	15.7	
EBITDA	8,354	7,401	9,037	8.2	22.1	Stabilization of Hirakud smelter after disruptions in the previous quarter to boost aluminum production. We model aluminum production of 140 kt
EBIT	6,670	5,695	7,274	9.1	27.7	
PBT	6,741	5,785	7,215	7.0	24.7	
PAT	5,508	4,603	5,628	2.2	22.3	Aluminum segment profitability to be boosted by increase in commodity prices and lower expenses. We note that 3QFY11 profitability was impacted due to stabilization of Hirakud smelter. We model EBITDA/ tonne of US\$1,100/ tonne, up from US\$976/ tonne in 3QFY11
Extraordinaries	(1,132)	—	—	(100.0)	—	
PAT-reported	6,639	4,603	5,628	(15.2)	22.3	
<b>Hindustan Zinc</b>						
Net sales	25,449	26,302	28,932	13.7	10.0	
EBITDA	15,482	15,073	16,825	8.7	11.6	Cost of production likely to remain at elevated levels owing to (1) high strip ratio of mines led by ramp-up of SK mine, which has lower metal content in the ore and (2) increase in power and fuel costs lead by increase in coal prices
EBIT	14,475	13,877	15,582	7.6	12.3	
PBT	15,543	15,947	17,714	14.0	11.1	
PAT	12,390	12,896	14,171	14.4	9.9	
Extraordinaries	—	—	—	—	—	Higher zinc, lead and silver prices to boost profits for 4QFY11E
PAT-reported	12,390	12,896	14,171	14.4	9.9	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
<b>JSW Steel</b>						
Net sales	54,413	59,648	69,760	28.2	17.0	We forecast EBITDA/ tonne of US\$176 in 4QFY11 versus US\$135 in 3QFY11. Increase to be driven by higher steel realization
EBITDA	13,234	10,164	13,853	4.7	36.3	
EBIT	9,966	6,258	9,643	(3.2)	54.1	
PBT	8,436	4,328	7,826	(7.2)	80.8	Our estimates do not include proportionate consolidation of stake in Ispat Industries; we note that JSW paid Rs21.6 bn for 41.3% stake in Ispat and has committed to buy 647 mn shares at Rs22.25/share through an open offer
PAT	6,110	2,917	5,278	(13.6)	80.9	
Extraordinaries	—	—	—	—	—	
PAT-reported	6,110	2,917	5,278	(13.6)	80.9	
<b>Jindal Steel and Power</b>						
Net sales	31,756	31,740	37,354	17.6	17.7	Higher finished steel deliveries and better realizations to drive profitability in 4QFY11E
EBITDA	14,587	15,987	17,999	23.4	12.6	
EBIT	12,041	13,061	15,001	24.6	14.9	
PBT	11,821	12,336	14,239	20.5	15.4	Profitability to improve on the back of improved merchant power realization. Strong generation at 99% PLF during 4QFY11
PAT	9,634	9,345	10,952	13.7	17.2	
Extraordinaries	—	—	—	—	—	
PAT-reported	9,634	9,345	10,952	13.7	17.2	
<b>Jindal Steel and Power - Standalone</b>						
Net sales	23,888	24,102	29,377	23.0	21.9	Steel business performance to be driven largely by higher steel prices and sale of hugely profitable pellets. Base HRC prices have increased 17% sequentially to US\$715/ton
EBITDA	7,784	9,360	11,460	47.2	22.4	
EBIT	6,471	7,539	9,512	47.0	26.2	
PBT	6,619	6,655	8,582	29.7	29.0	Power business performance to improve sequentially on the back of increase in merchant tariff realizations
PAT	5,490	5,019	6,473	17.9	29.0	
Extraordinaries	—	—	—	—	—	
PAT-reported	5,490	5,019	6,473	17.9	29.0	
<b>National Aluminium Co.</b>						
Net sales	16,260	14,431	16,757	3.1	16.1	Higher LME prices to drive sharp sequential EBITDA and net profit growth
EBITDA	5,411	3,896	5,248	(3.0)	34.7	
EBIT	4,533	2,866	4,187	(7.6)	46.1	
PBT	5,189	3,759	5,098	(1.8)	35.6	Aluminum sales volumes likely to be flat
PAT	3,619	2,560	3,515	(2.9)	37.3	
Extraordinaries	295	—	—	(100.0)	—	
PAT-reported	3,915	2,560	3,515	(10.2)	37.3	
<b>Sesa Goa</b>						
Net sales	24,035	22,373	34,971	45.5	56.3	Record high iron ore prices to boost EBITDA and profitability . We model realization of US\$101/ wmt as compared to US\$86/ wmt in 3QFY11 and US\$67/ wmt in 3QFY10
EBITDA	15,030	12,306	20,365	35.5	65.5	
EBIT	14,864	12,098	20,155	35.6	66.6	
PBT	15,928	13,255	21,415	34.5	61.6	Shipments likely to decline yoy on (1) termination of Orissa mine lease agreement; and (2) ban on exports (lifted in April 2011) from Karnataka . Volumes from Goa mines to improve yoy
PAT	12,129	10,653	17,528	44.5	64.5	
Extraordinaries	—	—	—	—	—	
PAT-reported	12,129	10,653	17,528	44.5	64.5	
<b>Sterlite Industries</b>						
Net sales	72,278	83,325	83,525	15.6	0.2	EBITDA and profitability growth will be led by 7.1%, 3.5% and 9% sequential growth in aluminum, zinc and lead prices, respectively
EBITDA	21,855	19,787	23,856	9.2	20.6	
EBIT	19,609	17,299	21,244	8.3	22.8	
PBT	23,890	21,370	26,145	9.4	22.3	We model copper smelting production of 79kt, zinc mined metal production of 211 kt and aluminum production of 65 kt
PAT	13,809	11,052	14,048	1.7	27.1	
Extraordinaries	—	(41)	—	—	(100.0)	
PAT-reported	13,809	11,011	14,048	1.7	27.6	
<b>Tata Steel</b>						
Net sales	275,038	290,895	328,561	19.5	12.9	Expect EBITDA/ton of US\$438 from the India business, an increase from US\$372/ton in 3QFY11; improvement to be led by higher steel prices
EBITDA	47,502	34,246	40,689	(14.3)	18.8	
EBIT	36,556	22,982	28,579	(21.8)	24.4	
PBT	35,497	14,506	21,816	(38.5)	50.4	We forecast EBITDA/ton of US\$40 at Tata Steel Europe as against US\$25 in 3QFY11. Gains from increase in steel prices likely to be offset by lower carbon credit revenues
PAT	27,920	8,807	14,514	(48.0)	64.8	
Extraordinaries	(3,579)	1,223	—	(100.0)	(100.0)	
PAT-reported	24,341	10,030	14,514	(40.4)	44.7	
<b>Tata Steel - Standalone</b>						
Net sales	73,394	73,974	82,095	11.9	11.0	Standalone EBITDA to improve sequentially to US\$438/ton from US\$372/ton reported in 3QFY11 on the back of higher steel price realization
EBITDA	31,307	28,205	33,505	7.0	18.8	
EBIT	28,193	25,342	30,511	8.2	20.4	
PBT	29,286	22,100	27,879	(4.8)	26.1	Expect investor focus on likely commissioning date for ongoing brownfield expansion
PAT	21,623	15,135	19,515	(9.7)	28.9	
Extraordinaries	—	—	—	—	—	
PAT-reported	21,623	15,135	19,515	(9.7)	28.9	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
<b>Others</b>						
<b>Havells India</b>						
Net sales	13,921	14,967	15,615	12.2	4.3	
EBITDA	988	1,156	1,464	48.2	26.7	
EBIT	791	953	1,261	59.4	32.3	
PBT	473	920	1,112	135.1	20.9	
PAT	1	701	874	109,141	24.7	
Extraordinaries	(199)	(66)	—	(100.0)	(100.0)	
PAT-reported	(198)	635	874	(540.7)	37.7	
<b>Jet Airways</b>						
Net sales	31,834	39,580	37,200	16.9	(6.0)	
EBITDA	4,426	6,685	1,981	(55.2)	(70.4)	We estimate yields (rev per RPKM) to be down 9% and 4% qoq in the domestic and international businesses. We estimate fuel price to increase 20% qoq
EBIT	6,806	9,011	4,352	(36.1)	(51.7)	
PBT	821	2,187	(2,849)	(447.0)	(230.3)	
PAT	719	1,191	(1,852)	(357.5)	(255.6)	
Extraordinaries	1,531	250	—	(100.0)	(100.0)	
PAT-reported	2,250	1,441	(1,852)	(182.3)	(228.6)	
<b>Jaiprakash Associates</b>						
Net sales	33,452	28,937	33,287	(0.5)	15.0	
EBITDA	8,537	7,915	8,695	1.9	9.9	Improvement in cement realizations and strong volumes growth (+12% yoy) to aid growth in cement business
EBIT	7,203	6,374	7,102	(1.4)	11.4	
PBT	4,346	3,580	4,347	0.0	21.4	
PAT	2,456	2,336	2,795	13.8	19.7	Robust construction revenues to further aid earnings growth
Extraordinaries	—	(9)	—	—	(100.0)	
PAT-reported	2,456	2,327	2,795	13.8	20.1	
<b>Maharashtra Seamless</b>						
Net sales	4,053	4,065	4,545	12.1	11.8	
EBITDA	1,103	1,044	988	(10.4)	(5.4)	
EBIT	1,053	1,011	943	(10.5)	(6.7)	
PBT	1,155	1,113	1,063	(8.0)	(4.6)	
PAT	751	757	744	(0.9)	(1.7)	
Extraordinaries	—	—	—	—	—	
PAT-reported	751	757	744	(0.9)	(1.7)	
<b>SpiceJet</b>						
Net sales	5,596	8,301	7,790	39.2	(6.2)	
EBITDA	107	1,141	(845)	(887.9)	(174.1)	We estimate yields (rev per RPKM) to be down 9% qoq in the domestic business. We estimate fuel price to increase 20% qoq
EBIT	126	1,164	(822)	(752.6)	(170.7)	
PBT	354	1,180	(803)	(326.8)	(168.1)	
PAT	291	945	(643)	(321.4)	(168.1)	
Extraordinaries	(16)	—	—	(100.0)	—	
PAT-reported	275	945	(643)	(334.3)	(168.1)	
<b>Sintex</b>						
Net sales	10,936	11,860	12,510	14.4	5.5	
EBITDA	1,932	1,967	2,175	12.6	10.6	
EBIT	1,581	1,593	1,775	12.3	11.4	
PBT	1,546	1,450	1,625	5.1	12.0	
PAT	1,390	1,128	1,264	(9.0)	12.0	
Extraordinaries	—	—	—	—	—	
PAT-reported	1,390	1,128	1,264	(9.0)	12.0	
<b>Tata Chemicals</b>						
Net sales	23,713	28,909	29,976	26.4	3.7	
EBITDA	4,094	4,414	5,036	23.0	14.1	We expect revenues at Rs30 bn versus Rs29 bn reported in 3QFY11
EBIT	2,842	3,299	3,886	36.7	17.8	
PBT	2,079	2,813	3,236	55.6	15.0	
PAT	1,724	1,601	1,830	6.1	14.3	We model EBITDA margin at 17%, up 150 bps qoq
Extraordinaries	(64)	45	—	(100.0)	(100.0)	
PAT-reported	1,283	1,646	1,830	42.6	11.2	
<b>United Phosphorus</b>						
Net sales	15,160	12,221	17,632	16.3	44.3	We expect sales to grow at 16% yoy in 4QFY11E
EBITDA	3,004	2,215	3,687	22.7	66.5	
EBIT	2,447	1,724	3,162	29.2	83.4	
PBT	1,901	1,393	2,812	47.9	101.9	
PAT	1,757	1,054	2,334	32.9	121.5	We expect EBITDA margin to increase sequentially to 21%
Extraordinaries	343	(215)	15	(95.6)	(107.0)	
PAT-reported	2,100	839	2,349	11.9	179.9	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
<b>Pharmaceuticals</b>						
<b>Apollo Hospitals</b>						
Net sales	4,829	6,009	6,130	26.9	2.0	
EBITDA	629	942	1,011	60.8	7.3	We expect sales growth at 27% yoy in 4QFY11E
EBIT	485	764	836	72.5	9.4	
PBT	433	681	736	69.9	8.0	
PAT	292	458	486	66.4	6.1	We expect EBITDA margin at 16.5% versus 15.7% in 3QFY11
Extraordinaries	—	—	—	—	—	
PAT-reported	292	458	486	66.4	6.1	
<b>Biocon</b>						
Net sales	6,568	7,281	7,054	7.4	(3.1)	
EBITDA	1,346	1,684	1,617	20.1	(4.0)	We expect sales growth at 7% yoy
EBIT	979	1,278	1,197	22.3	(6.4)	
PBT	1,034	1,308	1,237	19.6	(5.4)	
PAT	884	1,016	1,052	19.0	3.5	We have included US\$10 mn of technology licensing income in our revenue estimate
Extraordinaries	(78)	(10)	(20)	(74.3)	102.0	
PAT-reported	806	1,007	1,032	28.0	2.5	
<b>Cadila Healthcare</b>						
Net sales	8,159	11,345	10,552	29.3	(7.0)	
EBITDA	1,587	2,239	2,024	27.5	(9.6)	We estimate sales to grow at 29% yoy
EBIT	1,189	1,905	1,679	41.2	(11.9)	
PBT	1,390	2,070	1,799	29.4	(13.1)	
PAT	1,199	1,625	1,461	21.9	(10.1)	
Extraordinaries	(13)	(5)	—	(100.0)	(100.0)	We expect EBITDA margin at 19%
PAT-reported	1,185	1,620	1,461	23.3	(9.8)	
<b>Cipla</b>						
Net sales	13,175	15,014	14,725	11.8	(1.9)	
EBITDA	2,208	2,659	2,651	20.1	(0.3)	Revenues estimated at Rs14.7 bn, up 12% yoy in rupee terms
EBIT	1,713	2,006	2,001	16.8	(0.2)	
PBT	2,731	2,757	2,601	(4.8)	(5.6)	
PAT	2,286	2,327	2,146	(6.1)	(7.8)	We estimate India sales growth at 14% yoy, higher than the growth of 12% seen in 9MFY11
Extraordinaries	(167)	—	—	(100.0)	—	
PAT-reported	2,119	2,327	2,146	1.3	(7.8)	
<b>Divi's Laboratories</b>						
Net sales	3,141	3,097	3,000	(4.5)	(3.1)	
EBITDA	1,513	1,170	1,220	(19.4)	4.3	We expect 4QFY11E sales at US\$66 mn versus US\$69 mn reported in 3QFY11
EBIT	1,390	1,034	1,065	(23.4)	3.0	
PBT	1,462	1,130	1,130	(22.7)	0.0	
PAT	1,294	983	994	(23.1)	1.2	
Extraordinaries	540	—	—	(100.0)	—	We estimate EBITDA margin at 41% in 4QFY11E
PAT-reported	1,834	983	994	(45.8)	1.2	
<b>Dishman Pharma &amp; Chemicals</b>						
Net sales	2,479	2,318	2,602	4.9	12.3	
EBITDA	570	253	456	(20.1)	79.8	We expect sales to grow 5% yoy to Rs2.6 bn in 4QFY11E
EBIT	436	83	276	(36.7)	234.2	
PBT	285	10	146	(48.7)	1,301.4	
PAT	210	17	130	(38.3)	643.2	
Extraordinaries	—	—	—	—	—	Forex income/loss not included in estimates
PAT-reported	210	17	130	(38.3)	643.2	
<b>Dr Reddy's Laboratories</b>						
Net sales	16,424	18,985	19,621	19.5	3.4	
EBITDA	1,876	2,736	3,095	65.0	13.1	Robust overall sales growth driven by (1) strong North American generic base business growth (7% qoq ) and (2) stable domestic growth (4% qoq)
EBIT	1,607	2,429	2,804	74.5	15.4	
PBT	2,088	2,884	3,159	51.3	9.5	
PAT	1,667	2,732	2,625	57.5	(3.9)	We estimate EBITDA margin ~21% in 4QFY11
Extraordinaries	—	—	—	—	—	
PAT-reported	1,667	2,732	2,625	57.5	(3.9)	
<b>GlaxoSmithkline (India)</b>						
Net sales	5,411	4,906	6,251	15.5	27.4	
EBITDA	2,056	1,574	2,264	10.1	43.8	We expect sales to grow 16% yoy
EBIT	2,018	1,517	2,219	9.9	46.3	
PBT	2,402	1,823	2,519	4.9	38.2	
PAT	1,612	1,223	1,688	4.7	38.0	We expect EBITDA margin at 36%
Extraordinaries	—	(66)	—	—	(100.0)	
PAT-reported	1,612	1,157	1,688	4.7	45.9	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
<b>Glenmark Pharmaceuticals</b>						
Net sales	7,091	7,508	7,839	10.5	4.4	
EBITDA	1,883	1,664	1,767	(6.2)	6.1	
EBIT	1,714	1,320	1,417	(17.4)	7.3	India finished dosages expected to grow at 17% yoy, same as in 1QFY11
PBT	1,408	1,359	1,217	(13.6)	(10.5)	
PAT	1,105	1,096	973	(11.9)	(11.2)	
Extraordinaries	(78)	—	—	(100.0)	—	
PAT-reported	1,026	1,096	973	(5.2)	(11.2)	Forex income/loss not included in estimates
<b>Jubilant Life Sciences</b>						
Net sales	9,903	8,665	9,124	(7.9)	5.3	
EBITDA	1,990	1,262	1,458	(26.7)	15.6	We model EBITDA margin at 16% in 4QFY11E
EBIT	1,671	769	958	(42.7)	24.6	
PBT	1,407	525	698	(50.4)	32.9	
PAT	1,172	424	593	(49.4)	40.0	Yoy comparisons not meaningful due to demerger of business
Extraordinaries	199	18	5	(97.5)	(71.6)	
PAT-reported	1,371	441	598	(56.4)	35.6	
<b>Lupin</b>						
Net sales	12,848	14,672	13,233	3.0	(9.8)	
EBITDA	2,491	2,542	2,571	3.2	1.1	Revenues forecast at Rs13.2 bn, largely flat yoy
EBIT	2,083	2,129	2,171	4.2	2.0	
PBT	2,543	2,516	2,346	(7.8)	(6.8)	
PAT	2,206	2,240	1,991	(9.8)	(11.1)	
Extraordinaries	—	—	—	—	—	We expect EBITDA margin at 19% in 4QFY11E versus 19.6% reported in 1HFY11
PAT-reported	2,206	2,240	1,991	(9.8)	(11.1)	
<b>Piramal Healthcare</b>						
Net sales	9,418	4,027	4,698	(50.1)	16.7	
EBITDA	2,163	(326)	363	(83.2)	(211.6)	Yoy comparisons are not meaningful due to sale of India finished dosage and Pathlabs business
EBIT	1,930	(566)	13	(99.3)	(102.3)	
PBT	1,738	(695)	13	(99.2)	(101.9)	
PAT	1,565	(908)	12	(99.2)	(101.3)	
Extraordinaries	(22)	1,511	(3)	(86.2)	(100.2)	We expect sales at Rs4.7 bn in 4QFY11E versus Rs4 bn reported in 3QFY11
PAT-reported	1,543	603	9	(99.4)	(98.5)	
<b>Ranbaxy Laboratories</b>						
Net sales	24,868	20,662	20,932	(15.8)	1.3	
EBITDA	10,517	2,319	3,478	(66.9)	50.0	Forex income/loss not included in estimates
EBIT	9,511	1,289	2,528	(73.4)	96.1	
PBT	9,662	1,335	2,653	(72.5)	98.7	
PAT	5,674	415	1,989	(64.9)	379.3	Yoy comparisons meaningless due to revenues from Valtrex in 1QCY10
Extraordinaries	3,931	(1,388)	(50)	(101.3)	(96.4)	
PAT-reported	9,605	(973)	1,939	(79.8)	(299.3)	
<b>Sun Pharmaceuticals</b>						
Net sales	10,825	16,011	14,583	34.7	(8.9)	
EBITDA	3,918	4,405	4,667	19.1	5.9	We estimate EBITDA margin of 32%
EBIT	3,499	3,601	4,017	14.8	11.6	
PBT	3,903	4,181	4,617	18.3	10.4	
PAT	3,944	3,502	3,832	(2.9)	9.4	
Extraordinaries	—	—	—	—	—	Revenues estimated at Rs14.6 bn
PAT-reported	3,944	3,502	3,832	(2.9)	9.4	
<b>Property</b>						
<b>DLF</b>						
Net sales	19,944	24,799	19,554	(2.0)	(21.2)	
EBITDA	10,000	11,780	9,892	(1.1)	(16.0)	Expect DLF to have launched 3-4 mn sq. ft including plots at Mullanpur (2 mn sq. ft), high-end residential apartments at GK-II in Delhi (0.3 mn sq. ft) and a commercial complex in Gurgaon (1 mn sq. ft)
EBIT	9,053	10,168	8,341	(7.9)	(18.0)	
PBT	7,424	7,034	5,500	(25.9)	(21.8)	
PAT	5,136	4,722	4,120	(19.8)	(12.7)	
Extraordinaries	(873)	(65)	—	(100.0)	(100.0)	Expect flattish yoy revenue growth as aggressive launches in 4QFY11E are towards the end of the quarter and will contribute to revenues in FY2012E
PAT-reported	4,264	4,657	4,120	(3.4)	(11.5)	
<b>Housing Development &amp; Infrastructure</b>						
Net sales	4,341	4,554	3,830	(11.8)	(15.9)	
EBITDA	2,271	2,665	2,309	1.7	(13.4)	Revenue primarily from sale of FSI and TDRs. We model 0.8 mn sq ft. of TDR sales at average price of Rs2,600 / sq. ft
EBIT	2,250	2,650	2,289	1.8	(13.6)	
PBT	2,309	2,728	2,369	2.6	(13.1)	
PAT	1,835	2,564	2,088	13.8	(18.6)	
Extraordinaries	—	45	—	—	(100.0)	We factor in interest capitalisation of 60% in 4QFY11
PAT-reported	1,835	2,519	2,088	13.8	(17.1)	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
Mahindra Life Space Developer						
Net sales	1,010	1,558	1,057	4.7	(32.1)	4QFY11E results are on standalone basis. We expect 4QFY11E results to moderate versus a spike in 3QFY11E
EBITDA	297	428	324	9.2	(24.2)	
EBIT	290	422	318	9.7	(24.6)	
PBT	341	488	378	10.9	(22.5)	Progress on Chennai and Jaipur SEZ in light of new DTC norms will be key to monitor
PAT	238	334	269	12.8	(19.6)	
Extraordinaries	—	—	—	—	—	
PAT-reported	238	334	269	12.8	(19.6)	
Oberoi Realty						
Net sales	—	3,987	4,501	—	12.9	Qoq growth in revenues driven by increased revenue recognition from Exquisite I
EBITDA	—	2,469	2,787	—	12.9	
EBIT	—	2,408	2,727	—	13.3	
PBT	—	2,623	2,924	—	11.5	Expect steady EBITDA margin as revenue recognition mix will likely be similar to 3QFY11
PAT	—	2,052	2,288	—	11.5	
Extraordinaries	—	—	—	—	—	
PAT-reported	—	2,052	2,288	—	11.5	
Puravankara Projects						
Net sales	1,228	1,735	1,897	54.5	9.4	Revenue up qoq due to pick-up in residential sales
EBITDA	339	362	631	86.3	74.0	
EBIT	339	362	631	86.3	74.0	
PBT	398	405	707	77.7	74.7	PVKP has launched most of its 4QFY11 targeted launches towards the end of the quarter; we would therefore expect a pick-up from 2QFY12E
PAT	437	287	554	26.6	93.2	
Extraordinaries	—	—	—	—	—	
PAT-reported	437	287	554	26.6	93.2	
Phoenix Mills						
Net sales	345	451	485	40.7	7.6	Expect yoy revenue growth of 41% led by Palladium revenues, which became fully operational in 1QFY11
EBITDA	198	327	357	80.4	9.1	
EBIT	139	258	285	105.2	10.7	
PBT	161	310	322	99.3	3.9	Moderate qoq growth as Palladium sees steady and stable occupancy
PAT	157	238	249	58.7	4.8	
Extraordinaries	—	—	—	—	—	
PAT-reported	157	238	249	58.7	4.8	
Sobha Developers						
Net sales	3,995	3,629	4,067	1.8	12.1	Sobha has sold 2.1 mn sq. ft in 9MFY11 and we expect it to clock marginally under its stated target of 3 mn sq. ft in FY2011E
EBITDA	952	820	889	(6.6)	8.4	
EBIT	875	747	816	(6.7)	9.2	
PBT	776	667	723	(6.8)	8.5	We expect volumes to dip marginally qoq due to lack of new launches in 4QFY11E
PAT	557	490	508	(8.7)	3.8	
Extraordinaries	—	—	—	—	—	
PAT-reported	557	490	508	(8.7)	3.8	
Unitech						
Net sales	11,324	6,598	7,110	(37.2)	7.8	UT has launched nine projects in 4QFY11E in Gurgaon, Chennai and Mohali
EBITDA	2,724	2,088	2,488	(8.7)	19.2	
EBIT	2,618	2,012	2,403	(8.2)	19.4	
PBT	2,492	1,853	2,253	(9.6)	21.6	We expect modest 8% qoq revenue growth as these projects will start contributing to revenues from 2HFY12E
PAT	1,634	1,113	1,547	(5.4)	38.9	
Extraordinaries	1	(0)	—	(100.0)	(100.0)	
PAT-reported	1,633	1,114	1,547	(5.3)	38.9	
Sugar						
Bajaj Hindustan						
Net sales	6,320	14,830	9,215	45.8	(37.9)	
EBITDA	790	2,679	2,195	177.9	(18.0)	
EBIT	329	1,823	1,335	305.5	(26.7)	
PBT	325	753	135	(58.3)	(82.0)	
PAT	318	579	108	(65.9)	(81.3)	
Extraordinaries	—	—	—	—	—	
PAT-reported	318	579	108	(65.9)	(81.3)	
Balrampur Chini Mills						
Net sales	4,705	5,315	4,641	(1.4)	(12.7)	
EBITDA	814	724	1,251	53.6	72.8	
EBIT	549	442	966	75.9	118.4	
PBT	338	279	721	113.4	158.8	
PAT	276	234	577	109.3	146.7	
Extraordinaries	—	—	—	—	—	
PAT-reported	276	234	577	109.3	146.7	
Shree Renuka Sugars						
Net sales	17,814	22,470	11,774	(33.9)	(47.6)	The estimates are on standalone basis and don't include the Brazilian subsidiaries of the company. Hence, they are not comparable
EBITDA	3,545	3,005	1,282	(63.8)	(57.3)	
EBIT	3,306	1,325	1,057	(68.0)	(20.2)	
PBT	3,301	721	657	(80.1)	(8.8)	
PAT	2,247	664	447	(80.1)	(32.7)	
Extraordinaries	—	—	—	—	—	
PAT-reported	2,247	664	447	(80.1)	(32.7)	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
Technology						
HCL Technologies						
Net sales	30,757	38,625	40,887	32.9	5.9	Expect another quarter of strong revenue growth. Our estimate of 5.7% qoq US\$ revenue growth builds in 70 bps of cross-currency benefits and 5% consolidated currency revenue growth
EBITDA	5,835	6,048	6,706	14.9	10.9	
EBIT	4,736	4,819	5,435	14.8	12.8	
PBT	3,968	4,738	5,440	37.1	14.8	
PAT	3,200	3,715	4,270	33.4	15.0	
Extraordinaries	—	—	—	—	—	We build in 70 bps qoq margin improvement in line with the company's stated aspiration of focusing on margins in the near term
PAT-reported	3,200	3,715	4,270	33.4	15.0	
Hexaware Technologies						
Net sales	2,220	2,996	3,189	43.6	6.4	Build in revenues of US\$70.5 mn, slightly ahead of company's guidance of at least US\$70 mn. US\$ revenue growth of 5.8% qoq
EBITDA	182	345	421	131.1	21.9	
EBIT	123	279	352	185.8	26.0	
PBT	125	451	487	289.8	8.0	
PAT	116	396	425	266.2	7.3	
Extraordinaries	—	—	—	—	—	Expect another quarter of strong margin improvement; we build in qoq margin uptick of 170 bps
PAT-reported	116	396	425	266.2	7.3	
Infosys Technologies						
Net sales	59,440	71,060	74,078	24.6	4.2	Expect a 3.3% qoq US\$ revenue growth versus the company's guidance of 2% at the upper-end. We build in volume growth of 2.5% qoq with the balance growth coming from pricing and cross-currency benefits
EBITDA	20,220	23,630	24,189	19.6	2.4	
EBIT	18,020	21,470	21,853	21.3	1.8	
PBT	20,100	24,370	24,985	24.3	2.5	
PAT	15,690	17,800	18,394	17.2	3.3	
Extraordinaries	480	—	—	(100.0)	—	We expect Infosys to guide for a 18-20% US\$ revenue growth for FY2012E. The company is likely to build in 200 bps margin decline in its guidance; this would reflect in a weak EPS guidance, which we expect to be in the range of 10-15% growth yoy
PAT-reported	16,170	17,800	18,394	13.8	3.3	
Mindtree						
Net sales	3,444	3,848	3,858	12.0	0.3	We build in a weak quarter on revenue growth in line with the management's mid-quarter guidance. Expect flat revenues for the quarter
EBITDA	632	449	469	(25.9)	4.4	
EBIT	469	243	295	(37.0)	21.5	
PBT	665	337	335	(49.6)	(0.7)	
PAT	545	305	277	(49.1)	(9.1)	
Extraordinaries	—	—	—	—	—	Revenue growth impacted by slowdown in the Kyocera account, a US\$2.5 mn qoq negative impact in absolute terms
PAT-reported	545	305	277	(49.1)	(9.1)	
Polaris Software Lab						
Net sales	3,510	3,999	4,178	19.0	4.5	We expect a 3.7% qoq growth in US\$ revenues, primarily volume-led
EBITDA	581	524	541	(7.0)	3.2	
EBIT	489	437	446	(8.8)	2.2	
PBT	540	602	563	4.1	(6.6)	
PAT	457	502	470	2.8	(6.3)	
Extraordinaries	—	—	—	—	—	We expect 20 bps qoq decline in margins on account of wage pressure in the laterals market, which is in line with management guidance
PAT-reported	457	502	470	2.8	(6.3)	
Mahindra Satyam						
Net sales	—	12,793	13,463	—	5.2	We build in a strong 4.7% qoq US\$ revenue growth for the company, the bulk of which is led by volume growth
EBITDA	—	819	1,027	—	25.4	
EBIT	—	438	656	—	49.8	
PBT	—	1,288	1,366	—	6.0	
PAT	—	1,122	1,138	—	1.4	
Extraordinaries	—	(533)	(764)	—	43.3	We build in a 120 bps qoq expansion in EBITDA margin but note the high degree of uncertainty in cost assumptions for the company currently
PAT-reported	—	589	374	—	(36.5)	
TCS						
Net sales	77,365	96,634	100,434	29.8	3.9	We expect 3.6% qoq growth in US\$ revenues on the back of ~3% volume growth and the balance uplift from pricing and cross-currency benefits
EBITDA	23,121	29,173	29,684	28.4	1.8	
EBIT	21,280	27,132	27,618	29.8	1.8	
PBT	22,916	28,949	29,455	28.5	1.7	
PAT	19,312	23,302	23,608	22.2	1.3	
Extraordinaries	—	—	—	—	—	We build in an EBITDA margin decline of 60 bps qoq on account of normalization in bad debt provisions
PAT-reported	19,312	23,302	23,608	22.2	1.3	
Tech Mahindra						
Net sales	11,833	12,111	12,566	6.2	3.8	We expect services revenue growth of 3.2% qoq in US\$ terms with 120 bps of cross-currency benefits
EBITDA	2,788	2,498	2,672	(4.2)	7.0	
EBIT	2,389	2,151	2,336	(2.2)	8.6	
PBT	2,817	2,420	2,307	(18.1)	(4.7)	
PAT	2,275	2,061	1,918	(15.7)	(6.9)	
Extraordinaries	(6)	(6)	—	(100.0)	(100.0)	We expect a 70 bps expansion in EBITDA margin qoq
PAT-reported	2,269	2,055	1,918	(15.5)	(6.6)	
Wipro						
Net sales	69,829	78,293	83,026	18.9	6.0	We expect 4.4% qoq growth in US\$ revenues to US\$1,403 mn versus the company's guidance of 3-5%. We build in constant-currency revenue growth of 3.9%
EBITDA	15,170	16,433	17,837	17.6	8.5	
EBIT	13,364	14,355	15,220	13.9	6.0	
PBT	14,976	15,679	16,374	9.3	4.4	
PAT	12,091	13,186	13,766	13.9	4.4	
Extraordinaries	—	—	—	—	—	We expect flat margins for the Global IT services business
PAT-reported	12,091	13,186	13,766	13.9	4.4	

Source: Company, Kotak Institutional Equities estimates



	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
<b>Telecom</b>						
<b>Bharti Airtel</b>						
Net sales	107,491	157,560	164,903	53.4	4.7	
EBITDA	40,829	49,816	56,793	39.1	14.0	Robust consolidated revenue growth led by India and Africa wireless
EBIT	23,876	22,709	28,885	21.0	27.2	
PBT	24,444	15,495	22,249	(9.0)	43.6	
PAT	20,444	13,033	18,433	(9.8)	41.4	Previous quarter EBITDA had one-off re-branding expenses. Expect adjusted EBITDA growth of 6.7% qoq
Extraordinaries	—	—	—	—	—	
PAT-reported	20,444	13,033	18,433	(9.8)	41.4	
<b>Idea</b>						
Net sales	33,477	39,556	42,138	25.9	6.5	
EBITDA	8,634	9,482	10,070	16.6	6.2	We expect another quarter of strong minutes growth; we build in a 9% qoq growth in minutes and 1.8% qoq decline in RPM
EBIT	2,967	3,557	3,857	30.0	8.4	
PBT	1,826	2,616	2,812	54.0	7.5	
PAT	1,545	2,430	2,525	63.5	3.9	Expect flat EBITDA margin qoq; we have built in no impact of 3G interest/amortization given the delay in launch of 3G services
Extraordinaries	1,120	—	—	(100.0)	—	
PAT-reported	2,665	2,430	2,525	(5.2)	3.9	
<b>MTNL</b>						
Net sales	9,002	9,225	9,364	4.0	1.5	
EBITDA	(5,971)	(3,239)	(3,141)	(47.4)	(3.0)	We expect a modest 1.5% qoq growth in revenues
EBIT	(7,909)	(6,845)	(6,776)	(14.3)	(1.0)	
PBT	(6,961)	(6,750)	(7,676)	10.3	13.7	
PAT	(1,723)	(6,750)	(7,676)	345.6	13.7	Business challenges likely to reflect in another quarter of heavy losses at the EBITDA as well as PAT level
Extraordinaries	(14,033)	40	—	(100.0)	(100.0)	
PAT-reported	(15,756)	(6,710)	(7,676)	(51.3)	14.4	
<b>Reliance Communications</b>						
Net sales	50,928	50,041	52,003	2.1	3.9	
EBITDA	16,020	16,680	17,369	8.4	4.1	We expect a moderate 3.9% sequential revenue growth and flat EBITDA margin qoq
EBIT	5,173	6,342	6,362	23.0	0.3	
PBT	13,307	5,046	3,991	(70.0)	(20.9)	
PAT	12,210	4,803	2,870	(76.5)	(40.2)	Key things to watch out for would be initial feedback on 3G launch and net debt position on the balance sheet
Extraordinaries	(15)	—	—	(100.0)	—	
PAT-reported	12,195	4,803	2,870	(76.5)	(40.2)	
<b>Tata Communications</b>						
Net sales	8,462	8,776	9,083	7.3	3.5	
EBITDA	1,973	1,979	2,037	3.3	3.0	Our estimates are for the standalone company
EBIT	278	471	497	78.8	5.6	
PBT	251	216	222	(11.6)	3.0	
PAT	(569)	17	151	(126.6)	778.3	We expect modest revenue growth and stable EBITDA margin for the quarter
Extraordinaries	2,159	440	—	(100.0)	(100.0)	
PAT-reported	1,590	457	151	(90.5)	(67.0)	
<b>Utilities</b>						
<b>Adani Power</b>						
Net sales	2,013	5,026	6,074	201.8	20.9	
EBITDA	1,180	2,730	3,336	182.8	22.2	Improved merchant realization and higher proportion of merchant sales will likely augment revenue growth
EBIT	1,003	2,275	2,781	177.4	22.2	
PBT	1,112	1,758	2,249	102.3	27.9	
PAT	989	1,091	1,626	64.4	49.0	Our estimates do not factor any contribution from Mundra III (660 MW) commissioned in February 2011
Extraordinaries	—	—	—	—	—	
PAT-reported	989	1,091	1,626	64.4	49.0	
<b>CESC</b>						
Net sales	7,540	9,210	9,082	20.5	(1.4)	
EBITDA	1,840	2,350	2,441	32.6	3.9	Lower energy sales during the quarter due to subdued winter demand
EBIT	1,320	1,660	1,735	31.4	4.5	
PBT	1,210	1,370	1,394	15.2	1.8	
PAT	1,000	1,100	1,121	12.1	1.9	Average realization likely to increase on account of higher fuel cost
Extraordinaries	—	—	—	—	—	
PAT-reported	1,000	1,100	1,121	12.1	1.9	
<b>JSW Energy</b>						
Net sales	7,845	10,612	14,265	81.8	34.4	
EBITDA	3,307	3,385	4,760	44.0	40.6	Improvement in blended realization as South enjoys better short-term tariffs in the run-up to the state elections
EBIT	751	1,672	1,917	155.2	14.6	
PBT	2,556	1,713	2,843	11.3	66.0	
PAT	2,730	1,563	2,223	(18.6)	42.2	Part of the gain from improved realizations will likely be offset by higher cost of imported coal
Extraordinaries	—	—	36	—	—	
PAT-reported	2,730	1,563	2,259	(17.3)	44.5	

Source: Company, Kotak Institutional Equities estimates

	Mar-10	Dec-10	Mar-11E	Change (%)		Comments
				yoy	qoq	
Lanco Infratech						
Net sales	23,419	15,484	16,743	(28.5)	8.1	Likely improvement in merchant realizations at Kondapalli and Amarkantak
EBITDA	5,990	4,669	5,177	(13.6)	10.9	
EBIT	3,550	5,435	4,355	22.7	(19.9)	
PBT	2,794	5,518	2,590	(7.3)	(53.1)	Our estimates do not factor limited contribution from Udupi Unit I (600 MW) commissioned in 3QFY11 as it yet remains an associate
PAT	1,594	2,149	1,849	16.0	(13.9)	
Extraordinaries	(461)	(508)	(353)	(23.3)	(30.5)	
PAT-reported	1,133	1,640	1,496	32.0	(8.8)	
NHPC						
Net sales	8,629	7,090	6,017	(30.3)	(15.1)	Seasonally sedate quarter for NHPC
EBITDA	5,648	4,184	3,409	(39.6)	(18.5)	
EBIT	3,227	2,936	1,596	(50.5)	(45.6)	
PBT	3,443	3,968	2,510	(27.1)	(36.8)	Earnings for 4QFY10 included prior-period revenues of Rs2 bn and hence are not comparable
PAT	3,902	2,377	1,981	(49.2)	(16.7)	
Extraordinaries	—	630	—	—	(100.0)	
PAT-reported	3,902	3,007	1,981	(49.2)	(34.1)	
NTPC						
Net sales	123,534	132,615	137,196	11.1	3.5	NTPC commissioned 1,500 MW in 4QFY11, full impact on earnings from 1QFY12
EBITDA	26,657	35,979	37,012	38.8	2.9	
EBIT	19,336	29,994	30,459	57.5	1.6	
PBT	20,794	32,508	31,751	52.7	(2.3)	NTPC has reported provisional sales of Rs144.9 bn and PAT of Rs25.1 bn. Our estimates do not factor these numbers as we do not have the details of adjustments for one-offs and prior-period items
PAT	20,177	22,604	22,226	10.2	(1.7)	
Extraordinaries	—	1,111	—	—	(100.0)	
PAT-reported	20,177	23,715	22,226	10.2	(6.3)	
Reliance Infrastructure						
Net sales	25,531	24,859	27,877	9.2	12.1	Income from EPC business to drive topline growth as execution for Reliance Power will likely gain momentum
EBITDA	1,806	1,152	1,351	(25.2)	17.2	
EBIT	899	336	504	(44.0)	50.0	
PBT	2,895	2,092	2,156	(25.5)	3.0	
PAT	2,511	1,657	1,753	(30.2)	5.8	
Extraordinaries	—	—	—	—	—	
PAT-reported	2,511	1,657	1,753	(30.2)	5.8	
Reliance Power						
Net sales	207	2,513	5,127	2,374.1	104.0	Higher PLF at Rosa due to blending of imported coal
EBITDA	(331)	617	1,115	(437.4)	80.8	
EBIT	(384)	539	1,007	(362.4)	86.8	
PBT	164	892	1,873	1,040.1	109.9	Consolidation of RNRL operations from 4QFY11 will likely yield higher treasury income
PAT	924	1,436	1,462	58.2	1.8	
Extraordinaries	—	—	—	—	—	
PAT-reported	924	1,436	1,462	58.2	1.8	
Tata Power						
Net sales	16,978	15,959	17,706	4.3	10.9	Sequential improvement in merchant tariffs could improve contribution from Haldia and Trombay (Unit #8)
EBITDA	3,518	2,759	3,819	8.5	38.4	
EBIT	2,249	1,473	2,533	12.6	72.0	
PBT	(1,453)	1,732	2,513	(273.0)	45.1	Higher cost of fuel as both domestic and imported coal prices were higher qoq and yoy
PAT	(1,951)	1,473	1,895	(197.1)	28.7	
Extraordinaries	323	58	—	(100.0)	(100.0)	
PAT-reported	(1,628)	1,531	1,895	(216.4)	23.8	

Source: Company, Kotak Institutional Equities estimates

## Kotak Institutional Equities: Valuation summary of key Indian companies

	6-Apr-11		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price	Upside	ADVT-3mo
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(shares)	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	(Rs)	(%)	(US\$ mn)
Automobiles																													
Ashok Leyland	58	SELL	76,492	1,732	1,330	4.3	4.7	5.7	53.5	8.1	22.3	13.3	12.3	10.0	8.8	8.3	6.3	1.7	1.5	1.4	1.7	1.7	1.7	13.6	13.4	14.7	56	(2.6)	7.6
Bajaj Auto	1,452	ADD	420,093	9,511	289	90.3	100.0	111.6	43.8	10.8	11.5	16.1	14.5	13.0	15.3	14.4	13.1	9.1	6.4	4.7	1.7	1.7	1.7	68.5	50.6	40.7	1,500	3.3	21.0
Bharat Forge	365	ADD	86,663	1,962	237	12.9	19.1	24.1	1,349.9	48.2	26.3	28.3	19.1	15.1	12.0	9.2	7.7	3.6	3.0	2.5	—	—	—	81	14.5	16.4	395	8.2	3.8
Exide Industries	147	ADD	124,525	2,819	850	7.1	8.4	9.8	12.6	17.9	17.4	20.6	17.5	14.9	14.5	11.9	10.1	4.5	3.6	2.9	0.4	0.4	0.4	24.1	22.8	21.8	160	9.2	7.0
Hero Honda	1,682	REDUCE	335,955	7,606	200	97.8	109.8	126.9	(12.5)	12.3	15.5	17.2	15.3	13.3	12.0	10.2	8.3	7.0	5.3	4.1	1.8	1.8	1.8	45.0	39.5	35.2	1,485	(11.7)	22.4
Mahindra & Mahindra	727	BUY	446,933	10,118	615	42.8	47.7	53.8	22.1	11.6	12.8	17.0	15.2	13.5	13.0	11.5	9.9	4.1	3.4	2.9	1.3	1.4	1.5	27.6	24.5	23.0	800	10.1	35.8
Maruti Suzuki	1,298	BUY	374,861	8,487	289	78.4	91.8	104.7	(9.3)	17.0	14.1	16.5	14.1	12.4	10.9	9.0	7.1	2.7	2.3	1.9	0.4	0.5	0.6	17.4	17.3	16.8	1,460	12.5	13.1
Tata Motors	1,299	ADD	863,000	19,538	665	129.9	133.6	159.2	603.4	2.9	19.1	10.0	9.7	8.2	6.7	6.3	5.4	4.0	2.9	2.2	0.4	0.4	0.4	58.6	34.9	30.5	1,305	0.5	92.0
Automobiles		Cautious	2,728,522	61,773					83.9	9.0	16.4	13.9	12.8	11.0	9.5	8.6	7.3	4.2	3.3	2.6	1.0	1.0	1.0	29.9	25.5	23.6			
Banks/Financial Institutions																													
Andhra Bank	156	BUY	82,166	1,860	526	24.1	26.4	30.6	12.0	9.5	15.9	6.5	5.9	5.1	—	—	—	14	1.2	1.0	3.6	3.9	4.6	24.4	21.4	21.2	180	15.3	3.9
Axis Bank	1,429	BUY	578,974	13,108	405	81.7	99.9	122.8	31.6	22.3	22.9	17.5	14.3	11.6	—	—	—	31	2.7	2.3	1.1	1.3	1.7	19.1	20.1	21.0	1,600	12.0	54.1
Bank of Baroda	960	BUY	377,131	8,538	393	101.4	114.1	134.3	21.2	12.5	17.7	9.5	8.4	7.1	—	—	—	19	1.6	1.4	1.9	2.1	2.5	24.1	21.2	21.1	1,200	25.0	9.6
Bank of India	483	ADD	264,521	5,989	547	49.7	62.7	68.5	50.1	26.1	9.2	9.7	7.7	7.1	—	—	—	17	1.4	1.2	2.2	2.7	3.0	19.0	20.0	18.9	560	15.9	10.4
Canara Bank	640	ADD	262,462	5,942	410	98.0	102.2	124.2	33.0	4.2	21.6	6.5	6.3	5.2	—	—	—	15	1.2	1.0	1.6	1.9	1.9	23.1	19.1	19.6	700	9.3	16.5
Corporation Bank	634	ADD	93,941	2,127	148	86.9	95.8	113.6	5.9	10.3	18.6	7.3	6.6	5.6	—	—	—	13	1.2	1.0	2.8	3.0	3.6	20.0	18.6	19.1	700	10.4	1.2
Federal Bank	415	BUY	70,919	1,606	171	34.3	44.5	52.4	26.3	29.7	17.8	12.1	9.3	7.9	—	—	—	14	1.3	1.1	1.5	2.0	2.3	11.9	14.0	14.7	450	8.5	4.5
HDFC	699	REDUCE	1,003,306	22,715	1,436	24.1	27.1	31.7	22.2	12.6	17.1	29.0	25.8	22.0	—	—	—	58	5.1	3.9	1.2	1.4	1.6	21.3	21.2	20.9	690	(1.3)	52.2
HDFC Bank	2,376	ADD	1,087,575	24,622	458	86.2	111.8	142.9	33.8	29.8	27.8	27.6	21.2	16.6	—	—	—	44	3.8	3.2	0.7	0.9	1.1	17.1	19.2	21.0	2,400	1.0	50.9
ICICI Bank	1,101	ADD	1,266,554	28,675	1,151	45.8	58.0	68.3	26.7	26.8	17.7	24.1	19.0	16.1	—	—	—	23	2.1	2.0	1.2	1.6	1.9	9.9	11.6	12.6	1,200	9.0	113.7
IDFC	165	ADD	248,051	5,616	1,506	9.1	10.9	14.1	8.3	19.5	29.5	18.1	15.2	11.7	—	—	—	23	1.9	1.7	1.0	1.3	1.6	15.0	13.9	15.5	175	6.3	28.9
India Infoline	79	BUY	25,719	582	327	7.4	8.0	9.4	(9.0)	8.1	17.4	10.6	9.8	8.4	—	—	—	15	1.2	1.1	3.7	2.2	2.6	13.2	13.8	14.1	100	27.2	2.6
Indian Bank	242	BUY	103,918	2,353	430	37.9	43.5	53.3	8.1	14.6	22.5	6.4	5.6	4.5	—	—	—	13	1.1	0.9	2.8	3.2	4.0	21.7	21.0	21.7	320	32.3	2.3
Indian Overseas Bank	155	BUY	95,765	2,168	619	15.8	21.9	29.5	21.6	38.9	34.7	9.8	7.1	5.2	—	—	—	12	1.0	0.9	2.5	2.7	3.0	11.6	13.8	16.4	180	16.4	3.2
IndusInd Bank	270	BUY	124,536	2,819	461	9.1	10.9	14.1	8.3	19.5	29.5	29.8	24.9	19.2	—	—	—	35	3.0	2.7	1.0	1.2	1.5	19.9	17.6	19.0	300	11.0	7.8
J&K Bank	885	ADD	42,906	971	48	123.5	136.6	154.0	16.9	10.6	12.8	7.2	6.5	5.7	—	—	—	12	1.1	1.0	2.9	3.2	3.6	18.5	17.8	17.6	850	(3.9)	0.8
LIC Housing Finance	233	ADD	110,663	2,505	475	19.5	21.5	26.2	40.0	10.0	22.2	11.9	10.8	8.9	—	—	—	27	2.3	1.9	1.8	2.0	2.4	24.8	22.9	23.5	240	3.0	50.4
Mahindra & Mahindra Financial	776	ADD	79,265	1,795	102	47.5	60.8	71.7	32.4	28.1	17.8	16.3	12.8	10.8	—	—	—	33	2.8	2.4	1.3	1.7	1.9	22.8	22.6	22.4	800	3.1	2.6
Oriental Bank of Commerce	391	ADD	113,947	2,580	292	52.0	58.7	66.0	14.9	12.7	12.5	7.5	6.7	5.9	—	—	—	11	1.0	0.9	2.7	3.0	3.4	15.7	14.6	14.8	450	15.2	6.0
PFC	257	REDUCE	295,206	6,683	1,148	24.1	28.2	33.0	17.5	17.0	16.8	10.7	9.1	7.8	—	—	—	19	1.7	1.5	1.9	2.2	2.6	19.3	19.5	19.6	300	16.6	4.1
Punjab National Bank	1,198	BUY	379,605	8,594	317	137.6	165.6	202.2	11.1	20.3	22.1	8.7	7.2	5.9	—	—	—	19	1.6	1.3	2.3	2.8	3.4	23.8	23.8	24.2	1,500	25.2	7.9
Reliance Capital	630	ADD	155,105	3,512	246	6.6	17.0	27.9	(49.8)	159.7	63.6	96.0	37.0	22.6	—	—	—	22	2.2	2.1	0.4	1.1	1.8	2.3	5.9	9.3	620	(1.6)	43.7
Rural Electrification Corp.	267	REDUCE	263,584	5,967	987	25.5	29.2	33.3	25.9	14.5	13.8	10.5	9.1	8.0	—	—	—	21	1.8	1.6	2.9	3.3	3.7	21.2	21.2	21.0	275	3.0	21.7
Shriram Transport	812	ADD	181,268	4,104	223	56.1	66.8	81.0	43.2	19.1	21.3	14.5	12.2	10.0	—	—	—	39	3.2	2.6	1.4	1.6	2.0	28.9	27.7	27.3	800	(1.5)	6.4
SKS Microfinance	525	REDUCE	39,557	896	75	24.2	36.5	62.3	(10.3)	50.9	70.8	21.7	14.4	8.4	—	—	—	21	1.8	1.5	—	—	—	126	13.5	19.5	700	33.3	5.6
State Bank of India	2,797	BUY	1,775,989	40,208	635	175.2	225.2	272.1	21.3	28.6	20.8	16.0	12.4	10.3	—	—	—	24	2.1	1.8	1.1	1.2	1.3	15.8	17.7	18.4	3,300	18.0	175.1
Union Bank	348	BUY	182,206	4,125	524	36.5	48.2	58.4	(11.0)	32.0	21.1	9.5	7.2	6.0	—	—	—	16	1.4	1.1	1.4	1.9	2.2	19.3	20.8	21.1	420	20.9	4.5
Yes Bank	319	BUY	108,303	2,452	340	21.4	26.4	33.1	42.4	23.5	25.4	14.9	12.1	9.6	—	—	—	29	2.4	2.0	0.7	0.8	1.0	21.3	21.7	22.4	370	16.0	21.4
Banks/Financial Institutions		Attractive	₹13,141	213,112					24.4	21.3	20.7	14.9	12.3	10.2	—	—	—	2.4	2.1	1.8	1.4	1.6	1.9	16.2	17.1	17.7			
Cement																													
ACC	1,129	SELL	212,182	4,804	188	51.7	54.5	68.0	(37.9)	5.4	24.9	21.9	20.7	16.6	12.7	10.2	8.1	3.1	2.8	2.5	2.1	2.1	2.1	16.4	15.8	17.3	920	(18.5)	8.9
Ambuja Cements	151	SELL	229,194	5,189	1,522	7.9	7.9	8.7	(0.7)	(0.1)	9.4	18.9	19.0	17.3	11.6	10.4	9.3	2.9	2.7	2.5	1.4	1.5	1.6	16.8	15.0	14.9	108	(28.3)	6.4
Grasim Industries	2,549	ADD	233,686	5,291	92	224.3	261.1	327.0	(25.5)	16.4	25.3	11.4	9.8	7.8	6.6	5.0	4.2	1.6	1.4	1.2	1.3	1.3	1.3	15.4	15.7	17.0	2,600	2.0	5.6
India Cements	102	SELL	31,347	710	307	3.0	6.8	11.7	(70.5)	130.5	71.9	34.5	15.0	8.7	12.6	8.2	5.0	0.8	0.7	0.7	3.1	3.1	3.1	2.3	5.3	8.8	85	(16.7)	2.

## Kotak Institutional Equities: Valuation summary of key Indian companies

	6-Apr-11		Mkt cap.		O/S		EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price		ADVT-3mo		
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	(Rs)	Upside (%)	(US\$ mn)
Consumer products																																
Asian Paints	2,550	REDUCE	244,567	5,537	96	82.0	96.3	113.7	14.7	17.4	18.1	31.1	26.5	22.4	20.5	17.1	14.0	12.1	9.9	7.5	1.4	1.6	1.1	44.7	42.0	38.6	2,600	2.0	6.0			
Colgate-Palmolive (India)	848	SELL	115,376	2,612	136	29.5	34.3	39.3	(5.2)	16.2	14.7	28.8	24.7	21.6	24.6	21.2	17.8	30.8	26.7	21.9	2.6	3.0	3.2	114.5	115.7	111.5	780	(8.1)	2.7			
Dabur India	100	ADD	173,293	3,923	1,731	3.2	3.8	4.3	11.2	17.0	14.4	31.1	26.5	23.2	22.8	18.9	16.1	12.7	9.9	7.9	1.1	1.3	1.5	48.9	42.3	38.1	110	9.9	3.8			
GlaxoSmithkline Consumer (a)	2,239	ADD	94,156	2,132	42	71.3	85.0	102.0	28.8	19.2	20.0	31.4	26.3	21.9	22.4	19.1	15.5	10.1	8.2	6.6	2.2	1.2	1.5	32.2	33.4	32.6	2,450	9.4	0.7			
Godrej Consumer Products	391	ADD	126,491	2,864	324	13.6	17.1	20.8	20.0	26.1	21.2	28.7	22.8	18.8	21.6	16.8	13.6	7.0	6.5	5.9	0.8	0.8	0.8	31.9	29.6	33.0	440	12.6	1.6			
Hindustan Unilever	277	SELL	604,764	13,692	2,182	9.8	11.3	12.8	4.1	15.4	13.3	28.2	24.5	21.6	23.5	20.0	17.2	20.4	17.7	15.4	2.9	3.3	3.8	77.2	77.5	76.4	255	(8.0)	14.4			
ITC	183	ADD	1,397,071	31,629	7,636	6.6	8.0	9.1	23.6	21.9	13.7	27.9	22.9	20.1	18.6	15.3	13.0	7.9	6.8	5.9	1.5	2.0	2.5	32.3	33.2	32.8	205	12.1	33.2			
Jubilant Foodworks	601	SELL	38,371	869	64	11.8	14.9	19.9	110.1	26.2	33.9	50.9	40.4	30.1	31.0	21.4	16.1	19.9	13.3	9.2	—	—	—	48.6	39.6	36.2	470	(21.8)	10.4			
Jyothy Laboratories	219	ADD	17,626	399	81	11.4	13.7	16.2	3.8	19.4	18.5	19.1	16.0	13.5	13.6	10.4	8.1	2.5	2.3	2.1	1.6	2.1	2.7	12.8	14.6	—	270	23.5	0.9			
Marico	138	ADD	84,578	1,915	612	5.1	5.7	6.6	14.0	12.9	15.0	27.3	24.2	21.0	20.1	16.6	14.2	9.3	7.1	5.6	0.6	0.7	0.8	39.8	33.6	30.0	145	4.8	2.4			
Nestle India (a)	3,702	REDUCE	356,936	8,081	96	86.8	101.0	123.8	16.7	16.4	22.6	42.6	36.6	29.9	28.4	23.9	19.7	41.7	35.5	30.0	1.3	2.0	2.4	116.5	104.7	108.7	3,000	(19.0)	3.1			
Tata Global Beverages	107	ADD	65,952	1,493	618	5.2	5.9	7.0	(14.0)	14.2	16.9	20.5	17.9	15.3	10.2	9.2	7.8	1.3	1.2	1.2	1.6	1.8	2.2	8.4	9.1	10.1	110	3.1	3.7			
Titan Industries	4,034	ADD	179,069	4,054	44	107.1	125.9	145.6	87.1	17.5	15.6	37.7	32.0	27.7	27.4	22.7	18.1	15.5	10.8	8.1	0.3	0.3	0.4	50.3	39.8	33.5	4,100	1.6	35.7			
United Spirits	1,099	ADD	138,015	3,125	126	29.9	40.3	53.5	9.5	34.8	32.7	36.8	27.3	20.6	16.5	14.5	12.6	3.3	3.0	2.7	0.2	0.2	0.4	9.5	11.6	13.7	1,300	18.3	10.8			
Consumer products		Cautious	3,636,266	82,324					17.4	19.5	16.1	30.0	25.1	21.6	20.6	17.2	14.5	9.0	7.8	6.7	1.6	2.0	2.2	30.1	31.1	31.2						
Constructions																																
IVRCL	90	BUY	23,924	542	267	7.0	8.9	12.6	(11.7)	28.1	40.7	12.8	10.0	7.1	7.9	6.7	5.4	1.2	1.1	0.9	0.4	0.4	0.4	9.6	11.2	13.9	125	39.5	9.3			
Nagarjuna Construction Co.	115	BUY	29,379	665	257	7.2	9.7	13.1	1.2	34.3	35.4	15.9	11.8	8.7	9.8	8.1	6.3	1.2	1.1	1.0	1.7	1.7	1.7	8.0	10.1	12.5	160	39.7	3.0			
Punjab Lloyd	75	REDUCE	25,486	577	340	1.3	8.5	12.6	(137.2)	567.0	48.2	58.9	8.8	6.0	8.5	6.0	5.0	0.8	0.8	0.7	0.1	1.0	1.5	1.4	9.0	12.2	90	19.9	11.2			
Sadbhav Engineering	129	BUY	19,418	440	150	6.2	8.7	10.0	20.2	41.0	14.4	20.9	14.9	13.0	11.3	9.1	8.2	3.7	3.6	3.3	4.6	4.6	4.6	17.8	23.9	25.2	175	35.2	0.5			
Construction		Attractive	98,206	2,223					48.4	78.7	37.8	19.3	10.8	7.9	9.0	7.0	5.7	1.2	1.1	1.0	1.6	1.8	1.9	6.4	10.4	12.9						
Energy																																
Aban Offshore	674	BUY	29,336	664	44	104.6	107.6	116.9	(1.9)	2.9	8.7	6.4	6.3	5.8	6.7	6.6	6.4	1.3	1.2	1.0	0.5	0.6	0.7	26.1	20.4	18.0	815	20.9	17.2			
Bharat Petroleum	603	ADD	218,009	4,936	362	51.9	46.5	65.7	(9.9)	(10.4)	41.2	11.6	13.0	9.2	9.0	9.6	7.0	1.4	1.3	1.2	2.7	2.5	3.6	12.2	10.1	13.2	655	8.6	9.5			
Cairn india	351	RS	664,984	15,055	1,897	33.3	56.8	58.1	501.7	70.3	2.3	10.5	6.2	6.0	8.2	4.7	4.2	1.7	1.4	1.3	—	4.3	5.7	17.1	25.2	22.7	—	—	20.7			
Castrol India (a)	452	SELL	111,845	2,532	247	19.8	20.5	21.1	28.7	3.2	3.1	22.8	22.1	21.4	14.4	14.2	13.8	21.7	20.1	19.2	3.3	3.5	3.8	100.5	94.4	91.5	370	(18.2)	0.7			
GAIL (India)	475	REDUCE	602,528	13,641	1,268	29.3	34.7	43.6	18.5	18.4	25.4	16.2	13.7	10.9	10.4	9.9	7.7	2.9	2.5	2.1	1.8	2.1	2.9	18.1	18.6	19.8	510	7.4	13.7			
GSPL	100	REDUCE	56,498	1,279	562	8.5	8.6	10.4	16.8	0.9	20.9	11.8	11.7	9.6	7.3	6.8	5.9	2.6	2.3	2.1	2.1	3.4	5.2	24.9	21.1	22.6	90	(10.4)	3.3			
Hindustan Petroleum	353	BUY	119,772	2,712	339	46.5	35.0	49.9	(9.9)	(24.8)	42.8	7.6	10.1	7.1	3.1	3.4	2.5	0.8	0.8	0.7	4.1	3.1	4.4	10.6	7.4	9.8	420	18.9	8.0			
Indian Oil Corporation	326	BUY	792,604	17,944	2,428	35.1	33.2	39.6	(28.5)	(5.4)	19.1	9.3	9.8	8.2	7.0	7.0	5.4	1.3	1.2	1.1	3.2	3.1	3.7	14.2	12.4	13.5	390	19.5	6.3			
Oil India	1,346	BUY	323,592	7,326	240	140.9	151.2	181.7	22.3	7.3	20.2	9.6	8.9	7.4	4.4	3.8	3.0	1.9	1.7	1.5	3.3	3.7	4.5	18.9	17.9	18.9	1,550	15.2	2.0			
Oil & Natural Gas Corporation	298	BUY	2,550,409	57,741	8,556	28.6	34.9	39.6	24.5	22.3	13.3	10.4	8.5	7.5	4.3	3.6	3.0	1.8	1.6	1.4	4.7	4.0	4.7	16.5	18.5	18.5	360	20.8	30.6			
Petronet LNG	126	SELL	94,238	2,134	750	8.1	8.9	8.6	49.3	10.9	(3.7)	15.6	14.1	14.6	9.4	8.9	9.0	3.1	2.7	2.3	2.0	2.4	2.4	20.4	19.3	16.1	100	(20.4)	5.4			
Reliance Industries	1,045	REDUCE	3,111,563	70,445	2,978	62.7	66.3	71.9	26.3	5.8	8.4	16.7	15.8	14.5	8.9	7.6	6.8	1.9	1.7	1.6	0.8	1.0	1.1	13.2	12.6	12.4	1,000	(4.3)	134.6			
Energy		Neutral	8,675,378	196,409					20.5	15.2	12.9	12.0	10.4	9.2	6.6	5.6	4.7	1.8	1.6	1.4	2.4	2.6	3.2	15.1	15.5	15.7						
Industrials																																
ABB	802	REDUCE	170,004	3,849	212	9.8	26.0	31.4	(41.6)	165.6	20.7	82.0	30.9	25.6	56.8	20.3	16.5	6.7	5.6	4.7	0.4	0.4	0.4	8.3	19.7	20.0	660	(17.7)	2.5			
BGR Energy Systems	528	REDUCE	38,027	861	72	40.9	46.4	46.0	46.3	13.4	(0.9)	12.9	11.4	11.5	8.0	6.9	6.5	4.1	3.2	2.6	1.6	1.8	1.7	36.0	31.6	25.2	600	13.6	6.2			
Bharat Electronics	1,794	REDUCE	143,544	3,250	80	101.3	124.9	145.8	5.4	23.2	16.8	17.7	14.4	12.3	10.1	7.6	6.3	2.8	2.5	2.1	1.4	1.4	1.4	17.0	18.3	18.5	1,875	4.5	1.1			
Bharat Heavy Electricals	2,198	REDUCE	1,076,087	24,362	490	115.5	140.1	156.2	31.4	21.3	11.5	19.0	15.7	14.1	13.1	10.4	8.9	5.3	4.3	3.5	1.1	1.4	1.5	31.3	30.2	27.1	2,400	9.2	40.6			
Crompton Greaves	288	BUY	184,784	4,183	642	14.4	16.2	18.9	12.0	12.5	16.5	20.0	17.8	15.3	12.4	10.4	8.7	5.6	4.4	3.6	0.7	0.7	0.8	31.9	27.8	25.8	310	7.6	7.4			
Larsen & Toubro	1,656	REDUCE	1,001,939	22,684	605	73.0	82.0	96.4	26.0	12.3	17.6	22.7	20.2	17.2	13.7	11.6	10.0	3.7	3.2	2.7	0.7	0.8	0.8	17.9	17.0	17.2	1,775	7.2	82.3			
Maharashtra Seamless	359	ADD	25,296	573	71	44.2	39.3	43.7	14.3	(10.9)	11.1	8.1	9.1	8.2	3.8	4.0	3.3	1.0	0.9	0.9	2.2	2.2	2.4	12.8	10.5	10.9	418	16.5	0.4			
Siemens	891	REDUCE	300,460	6,802	337	22.4	27.4	33.2	39.5	21.9	21.3	39.7	32.6	26.9	23.5	21.1	17.0	9.3	7.6	6.2	0.6											

## Kotak Institutional Equities: Valuation summary of key Indian companies

	6-Apr-11		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target		ADVT-	
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	shares	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	price	Upside	3mo	
																											(Rs)	(%)	(US\$ mn)	
Media																														
DB Corp	254	BUY	46,177	1,045	182	12.6	14.0	17.0	18.8	10.8	21.6	20.1	18.2	14.9	11.8	10.8	8.9	5.8	5.0	4.4	1.6	2.4	3.1	31.8	29.7	31.2	325	27.9	0.3	
DishTV	67	ADD	71,054	1,609	1,062	(1.6)	0.2	1.3	(33.2)	(109.5)	719.1	(40.6)	428.8	52.3	32.2	15.4	10.8	31.6	29.4	18.8	—	—	—	(56.0)	7.1	43.8	66	(1.3)	3.6	
Eros International	151	BUY	13,957	316	93	12.6	16.6	20.9	30.1	32.5	25.3	12.0	9.0	7.2	8.3	6.6	4.8	2.0	1.6	1.3	—	—	—	24.7	19.8	20.1	200	32.9	0.6	
Hindustan Media Ventures	144	BUY	10,581	240	73	7.9	10.0	13.0	22.04	27.5	29.7	18.4	14.4	11.1	14.4	11.7	9.7	2.5	2.1	1.8	5.2	6.9	9.7	23.7	16.4	18.3	200	38.7	0.1	
HT Media	148	ADD	34,698	786	235	7.0	8.5	11.2	15.4	21.0	31.9	21.0	17.3	13.1	9.5	7.6	5.9	2.5	2.3	2.2	1.4	2.7	4.7	13.8	13.9	17.3	170	15.1	0.3	
Jagran Prakashan	123	BUY	37,177	842	301	7.0	7.9	9.3	19.2	13.4	18.4	17.7	15.6	13.2	10.3	9.3	7.7	5.5	5.0	4.6	3.2	4.1	4.9	32.4	33.4	36.1	155	25.6	0.5	
Sun TV Network	442	REDUCE	173,986	3,939	394	18.3	22.7	27.2	39.7	24.1	20.2	24.2	19.5	16.2	14.4	11.7	9.7	7.5	6.3	5.5	1.7	2.3	3.2	34.2	35.5	36.4	450	1.9	7.1	
Zee Entertainment Enterprises	127	ADD	124,693	2,823	978	4.8	6.2	7.8	(9.7)	28.4	26.4	26.5	20.6	16.3	16.8	12.8	10.0	3.0	2.9	2.8	1.0	1.1	1.3	11.8	14.7	18.1	130	2.0	7.1	
Media		Neutral	512,323	11,599					37.7	35.7	28.0	28.5	21.0	16.4	14.6	11.4	9.0	4.8	4.4	3.9	1.3	1.7	2.4	16.8	20.8	24.0				
Metals & Mining																														
Coal India	366	BUY	2,314,632	52,403	6,316	17.0	24.0	28.0	11.7	41.0	16.8	21.5	15.3	13.1	13.6	10.0	8.2	6.8	5.3	4.2	1.4	2.0	2.3	35.1	39.0	36.0	390	6.4	30.0	
Hindalco Industries	212	ADD	406,534	9,204	1,914	16.2	16.9	18.6	(18.8)	4.3	9.8	13.1	12.6	11.4	7.6	7.8	7.5	1.7	1.5	1.3	0.6	0.6	0.6	13.6	12.7	12.4	250	17.7	51.6	
Hindustan Zinc	137	BUY	580,726	13,148	4,225	10.5	13.1	14.6	9.7	24.9	11.6	13.1	10.5	9.4	8.1	5.2	4.0	2.5	2.0	1.7	0.4	0.4	0.4	22.0	22.3	20.3	160	16.4	6.0	
Jindal Steel and Power	714	REDUCE	664,668	15,048	931	41.0	48.0	55.6	7.1	17.3	15.6	17.4	14.9	12.8	11.7	9.7	7.9	4.4	3.4	2.7	0.3	0.3	0.3	29.2	26.0	23.5	640	(10.3)	20.2	
JSW Steel	997	REDUCE	247,452	5,602	248	67.1	99.2	110.9	(16.5)	47.9	11.8	14.9	10.0	9.0	8.6	5.8	5.2	1.4	1.1	1.0	0.9	1.0	1.0	11.6	12.1	11.3	1,000	0.3	48.9	
National Aluminium Co.	98	SELL	252,183	5,709	2,577	4.6	5.1	6.2	50.5	12.0	20.2	21.4	19.1	15.9	12.0	10.3	8.2	2.3	2.1	1.9	1.3	1.3	1.3	10.9	11.3	12.5	76	(22.3)	1.8	
Sesa Goa	326	REDUCE	289,820	6,561	890	53.2	60.6	57.2	79.9	13.9	(5.5)	6.1	5.4	5.7	3.8	6.2	6.1	2.1	1.6	1.2	1.1	1.1	1.2	36.4	34.0	23.7	275	(15.6)	25.5	
Sterilite Industries	177	BUY	594,845	13,467	3,362	13.7	19.7	22.7	13.8	44.3	14.9	12.9	9.0	7.8	8.2	4.9	3.9	1.4	1.3	1.1	0.5	0.5	0.5	11.8	15.0	14.9	200	13.0	24.1	
Tata Steel	634	BUY	642,827	14,553	1,013	64.4	69.7	87.5	(2,051.8)	8.2	25.6	9.8	9.1	7.3	7.0	6.1	5.0	1.8	1.6	1.3	1.2	—	—	—	22.4	18.4	19.5	710	11.9	99.3
Metals & Mining		Attractive	5,993,687	135,696					37.0	25.7	14.1	14.7	11.7	10.2	9.1	7.3	6.1	2.8	2.3	1.9	1.0	1.1	1.2	18.9	19.6	18.8				
Pharmaceutical																														
Apollo Hospitals	482	BUY	62,015	1,404	129	14.0	19.0	22.1	28.2	35.7	16.0	34.3	25.3	21.8	15.1	12.0	10.5	3.4	3.0	2.6	—	—	—	10.4	12.1	12.2	565	17.3	1.9	
Biocon	361	BUY	72,150	1,633	200	18.9	22.7	25.9	27.7	20.0	13.8	19.0	15.9	13.9	11.1	9.6	8.0	3.5	2.9	2.5	—	—	—	19.9	20.4	19.7	445	23.4	4.3	
Cipla	320	REDUCE	256,895	5,816	803	12.1	16.0	18.5	(11.9)	32.3	15.6	26.5	20.0	17.3	21.1	15.6	13.0	3.9	3.3	2.9	0.8	0.8	0.8	15.4	17.9	—	300	(6.2)	11.1	
Cadila Healthcare	806	ADD	164,986	3,735	205	33.3	38.2	47.7	34.9	14.7	24.7	24.2	21.1	16.9	19.6	15.7	12.7	7.6	5.9	4.7	0.8	0.9	1.2	35.9	31.6	31.0	880	9.2	1.8	
Dishman Pharma & chemicals	106	SELL	8,605	195	81	8.8	8.2	9.8	(39.2)	(6.4)	19.1	12.1	12.9	10.8	10.6	8.0	7.1	1.0	0.9	0.9	—	—	—	8.7	7.6	8.5	85	(19.7)	0.4	
Divi's Laboratories	687	REDUCE	91,099	2,062	133	26.8	37.1	45.7	3.9	38.6	23.4	25.7	18.5	15.0	20.2	13.5	10.7	5.2	4.4	3.6	—	—	—	21.7	25.6	26.3	700	1.9	2.1	
GlaxoSmithkline Pharmaceuticals (a)	2,130	REDUCE	180,409	4,084	85	68.3	79.5	90.4	15.5	16.4	13.8	31.2	26.8	23.5	21.0	17.8	15.3	9.3	8.5	7.7	—	—	—	31.0	33.0	34.4	2,000	(6.1)	1.9	
Glenmark Pharmaceuticals	302	REDUCE	84,585	1,915	280	17.6	20.6	25.9	38.3	17.3	25.9	17.2	14.7	11.6	15.2	12.2	10.0	3.0	2.6	2.1	—	—	—	18.4	18.2	19.3	330	9.3	5.1	
Jubilant Life Sciences	179	REDUCE	28,475	645	159	14.6	16.9	(0.6)	(45.1)	15.9	(103.4)	12.3	10.6	####	10.1	8.2	7.1	1.3	1.2	1.1	1.1	1.4	2.0	11.9	12.1	—	220	23.1	0.9	
Lupin	406	ADD	180,481	4,086	445	17.6	22.4	25.8	15.0	26.9	15.3	23.0	18.1	15.7	19.0	14.8	12.5	5.6	4.5	3.7	0.9	1.1	1.1	27.3	28.0	—	465	14.6	9.4	
Ranbaxy Laboratories	461	SELL	197,621	4,474	428	23.4	20.3	21.9	231.8	(13.3)	7.6	19.7	22.7	21.1	14.4	15.1	14.5	3.6	3.1	2.6	—	—	—	19.5	13.9	13.0	365	(20.9)	10.1	
Sun Pharmaceuticals	444	ADD	459,703	10,408	1,036	17.4	19.7	24.1	33.4	13.1	22.6	25.5	22.5	18.4	21.3	17.5	13.9	4.8	4.0	3.3	0.6	0.6	0.6	21.0	19.9	20.5	480	8.1	11.5	
Pharmaceuticals		Cautious	2,156,226	48,817					17.5	16.9	4.3	24.9	21.3	20.4	16.8	13.8	13.4	3.6	3.1	2.9	0.5	0.5	0.5	14.5	14.6	14.3				
Property																														
DLF	271	ADD	464,343	10,513	1,714	10.0	13.8	22.4	(5.5)	37.3	62.7	27.0	19.7	12.1	16.3	13.5	8.5	1.5	1.4	1.3	1.1	1.8	1.8	5.5	7.3	11.1	265	(2.2)	40.2	
Housing Development & Infrastructure	196	ADD	86,591	1,960	441	23.0	28.4	34.2	44.0	23.9	20.1	8.6	6.9	5.7	9.5	5.8	4.1	0.9	0.8	0.7	—	—	—	11.8	12.5	13.1	180	(8.3)	27.4	
Indiabulls Real Estate	139	RS	55,874	1,265	402	3.1	8.5	15.5	(865.5)	178.9	81.5	45.6	16.3	9.0	60.7	18.0	8.0	0.5	0.5	0.4	—	—	—	1.0	2.9	5.1	—	—	12.0	
Mahindra Life Space Developer	397	BUY	16,216	367	41	21.0	29.7	35.0	9.8	41.1	18.0	18.9	13.4	11.3	16.0	9.4	7.2	1.6	1.4	1.3	1.0	1.1	1.3	8.8	11.4	12.2	435	9.5	0.4	
Oberoi Realty	250	BUY	82,370	1,865	330	18.7	24.9	44.0	36.9	32.7	77.2	13.3	10.1	5.7	9.3	6.1	3.0	2.4	2.0	1.5	0.4	0.6	1.0	23.3	21.5	29.8	305	22.1	0.3	
Phoenix Mills	205	BUY	29,664	672	145	6.1	7.6	11.6	48.6	24.2	51.4	33.3	26.8	17.7	24.8	19.1	13.3	1.8	1.8	1.6	0.7	1.0	1.0	5.7	6.7	9.6	300	46.5	0.5	
Puravankara Projects	110	REDUCE	23,573	534	213	7.3	8.8	15.0	7.6	19.9	70.6	15.1	12.6	7.4	16.9	12.1	6.4	1.5	1.4	1.2	1.8	1.8	—	10.5	11.6	17.4	100	(9.5)	0.1	
Sobha Developers	321	BUY	31,488	713	98	18.8	24.0	31.9	33.4	27.9	33.0	17.1	13.4	10.1	13.1	10.1	7.4	1.7	1.5	1.3	0.4	0.5	—	10.1	11.7	13.7	380	18.3	2.1	
Unitech	45	RS	120,917	2,738	2,666	2.4	3.9	5.3	(21.3)	62.1	37.1	19.0	11.7	8.5	19.2	10.8	7.3	1.0	0.9	0.8	—	—	—	5.6	8.3	10.3	—	—	41.2	
Property		Cautious	911,035	20,626					15.2	42.0	51.2	20.1	14.1	9.4	15.5	11.0	6.9	1.2	1.1	1.0	0.7	1.1	1.1	6.1	8.1	11.1				

## Kotak Institutional Equities: Valuation summary of key Indian companies

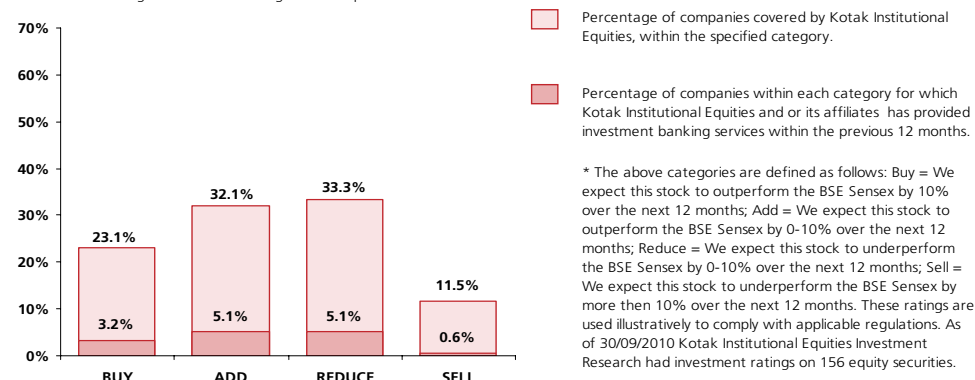
	6-Apr-11		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price		ADVT-			
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	(Rs)	Upside (%)	3mo (US\$ mn)			
Sugar																																
Bajaj Hindustan	82	SELL	15,615	354	191	(7.9)	0.2	6.4	(343.6)	(102.5)	3,238.8	(10.4)	423.1	12.7	10.7	6.4	4.7	0.7	0.7	0.7	0.9	0.9	0.9	(7.1)	0.2	5.8	80	(2.0)	3.6			
Balrampur Chini Mills	76	ADD	19,398	439	257	0.8	8.3	8.4	(89.9)	974.0	1.0	97.5	9.1	9.0	12.7	5.7	4.7	1.4	1.3	1.1	0.6	0.6	0.6	1.5	14.8	13.1	90	19.1	3.0			
Shree Renuka Sugars	76	REDUCE	50,905	1,152	670	10.5	4.6	7.0	214.4	(56.2)	53.4	7.2	16.6	10.8	5.0	3.3	2.4	2.0	1.7	1.4	1.3	1.3	1.3	34.4	11.9	16.3	75	(1.3)	17.6			
Sugar		Cautious	85,917	1,945					19.1	(8.3)	54.5	15.0	16.4	10.6	7.5	4.5	3.2	1.4	1.3	1.1	1.1	1.1	1.1	9.6	7.8	10.7						
Technology																																
HCL Technologies	492	REDUCE	346,649	7,848	705	22.8	29.6	34.1	30.3	29.4	15.3	21.5	16.6	14.4	13.1	10.3	8.8	4.4	3.8	3.2	1.5	1.6	1.6	21.7	24.5	24.4	440	(10.5)	12.5			
Hexaware Technologies	70	BUY	20,443	463	291	3.0	5.7	6.5	(36.5)	90.9	14.4	23.7	12.4	10.8	18.2	9.0	7.3	2.1	1.9	1.7	2.1	1.8	2.1	9.4	16.1	16.3	68	(3.2)	4.5			
Infosys Technologies	3,275	BUY	1,879,936	42,561	574	120.0	155.2	184.9	10.8	29.3	19.1	27.3	21.1	17.7	19.0	14.7	12.1	7.3	5.9	4.9	1.8	1.4	1.7	28.1	30.9	30.2	3,700	13.0	83.3			
Mahindra Satyam	75	REDUCE	88,435	2,002	1,176	3.1	4.3	5.6	24.7	37.4	32.5	24.3	17.7	13.3	15.1	9.0	6.4	4.2	4.0	3.2	—	—	—	18.5	23.2	26.9	70	(6.9)	10.9			
Mindtree	398	REDUCE	16,382	371	41	23.8	33.8	38.4	(54.5)	42.3	13.5	16.7	11.8	10.4	8.5	5.8	4.8	2.1	1.8	1.6	0.6	0.8	2.9	13.6	16.8	16.7	370	(7.0)	0.9			
Mphasis BFL	442	SELL	93,213	2,110	211	51.8	37.3	38.1	18.8	(28.0)	2.2	8.5	11.9	11.6	7.3	8.7	7.5	2.8	2.3	2.0	0.9	1.0	1.1	38.6	21.6	18.6	420	(5.1)	11.5			
Polaris Software Lab	209	SELL	20,812	471	100	19.5	19.5	21.5	26.8	0.3	9.8	10.7	10.7	9.7	8.7	7.3	6.6	2.0	1.8	1.6	1.8	1.9	2.0	20.5	17.7	17.0	175	(16.2)	5.0			
TCS	1,222	BUY	2,391,405	54,141	1,957	44.4	54.0	62.7	26.4	21.6	16.1	27.5	22.6	19.5	20.4	15.9	13.4	9.4	7.7	6.3	1.5	1.8	2.1	37.4	37.2	35.6	1,350	10.5	49.4			
Tech Mahindra	736	REDUCE	91,153	2,064	124	65.1	65.9	71.2	(0.1)	1.3	8.1	11.3	11.2	10.3	9.9	9.2	8.5	2.5	2.2	1.9	0.3	0.3	1.4	26.3	22.1	20.8	720	(2.1)	5.0			
Wipro	466	ADD	1,140,024	25,810	2,447	21.7	25.6	28.4	15.2	17.7	11.2	21.5	18.2	16.4	15.8	12.8	11.1	4.8	3.9	3.3	0.9	1.2	1.3	24.4	23.7	22.0	525	12.7	16.8			
Technology		Attractive	6,167,962	139,641					17.4	20.0	15.4	23.8	19.8	17.2	17.2	13.7	11.6	6.3	5.2	4.4	1.6	1.5	1.7	26.3	26.2	25.3						
Telecom																																
Bharti Airtel	353	REDUCE	1,341,692	30,376	3,798	17.1	21.3	24.9	(27.7)	24.6	16.7	20.7	16.6	14.2	9.8	7.7	6.5	2.8	2.4	2.0	—	—	—	14.3	15.3	15.4	305	(13.7)	33.0			
IDEA	67	REDUCE	220,262	4,987	3,300	2.4	1.2	2.6	(11.2)	(48.9)	107.7	27.5	53.8	25.9	9.4	8.2	6.6	1.8	1.8	1.6	—	—	—	—	—	—	6.9	3.5	6.8	55	(17.6)	7.0
MTNL	50	SELL	31,563	715	630	(10.4)	(9.1)	(8.4)	(33.7)	(11.9)	(8.1)	(4.8)	(5.5)	(6.0)	(0.7)	(1.0)	(1.2)	0.3	0.3	0.3	—	—	—	(6.1)	(5.7)	(5.5)	35	(30.1)	1.2			
Reliance Communications	111	SELL	236,496	5,354	2,133	6.9	7.9	11.3	(65.2)	15.0	43.6	16.2	14.0	9.8	8.5	7.7	6.4	0.5	0.5	0.5	—	—	—	3.3	3.7	5.1	90	(18.8)	31.0			
Tata Communications	256	REDUCE	73,031	1,653	285	15.2	15.7	15.9	8.2	3.5	1.5	16.9	16.3	16.1	7.8	7.3	6.9	1.0	1.0	0.9	2.9	3.3	3.5	5.5	5.5	5.4	225	(12.2)	2.1			
Telecom		Cautious	1,903,044	43,085					(38.9)	17.9	25.7	22.3	18.9	15.0	9.6	7.9	6.6	1.5	1.4	1.3	0.1	0.1	0.1	6.9	7.6	8.7						
Utilities																																
Adani Power	119	ADD	258,875	5,861	2,180	2.8	16.5	20.0	252.0	500.1	20.7	43.1	7.2	5.9	36.0	6.7	4.9	4.1	2.6	1.8	—	—	—	9.9	44.1	35.8	140	17.9	4.0			
CESC	322	BUY	40,192	910	125	36.6	42.7	51.6	5.8	16.8	20.7	8.8	7.5	6.2	5.5	6.3	6.0	0.8	0.8	0.7	1.4	1.7	1.9	10.2	10.8	11.6	459	42.7	1.0			
JSW Energy	84	REDUCE	138,170	3,128	1,640	5.2	10.3	7.9	14.2	97.6	(22.8)	16.2	8.2	10.6	13.7	5.8	5.6	2.5	1.9	1.6	—	—	—	16.3	26.0	16.3	82	(2.7)	2.1			
Lanco Infratech	43	BUY	94,922	2,149	2,223	3.1	4.9	5.1	44.5	59.8	3.1	13.9	8.7	8.4	12.2	8.0	7.8	2.2	1.7	1.4	—	—	—	—	—	—	17.9	22.0	18.1	65	52.2	9.9
NHPC	26	BUY	319,204	7,227	12,301	1.5	1.7	2.1	(19.4)	15.6	20.0	17.4	15.0	12.5	12.8	10.1	8.5	1.2	1.1	1.1	1.5	1.8	2.2	7.1	7.8	8.9	28	7.9	3.7			
NTPC	192	REDUCE	1,581,480	35,804	8,245	10.1	11.9	13.5	(3.2)	17.6	12.8	18.9	16.1	14.3	17.2	13.2	12.1	2.3	2.1	1.9	1.8	2.1	2.4	12.6	13.7	14.2	195	1.7	8.8			
Reliance Infrastructure	694	BUY	185,745	4,205	267	60.8	70.8	84.0	(1.9)	16.3	18.7	11.4	9.8	8.3	8.7	6.6	5.0	0.8	0.7	0.7	1.3	1.5	1.6	9.1	10.7	12.8	1,030	48.3	49.9			
Reliance Power	137	SELL	383,033	8,672	2,805	2.9	4.0	2.5	0.1	38.4	(36.7)	47.8	34.5	54.5	251.1	53.8	20.9	2.3	2.2	2.1	—	—	—	5.2	6.6	4.0	115	(15.8)	13.6			
Tata Power	1,303	ADD	321,638	7,282	247	70.7	84.4	110.6	11.3	19.4	31.0	18.4	15.4	11.8	12.8	11.9	8.6	2.3	2.1	1.8	1.1	1.2	1.3	13.0	14.0	16.2	1,415	8.6	8.7			
Utilities		Cautious	3,323,258	75,238					3.4	41.2	11.6	19.6	13.9	12.4	17.7	11.6	9.6	2.0	1.8	1.6	1.2	1.4	1.6	10.0	12.7	12.7						
Others																																
Havells India	387	ADD	48,294	1,093	125	23.2	28.9	32.0	278.2	24.5	10.7	16.7	13.4	12.1	11.1	8.9	7.7	7.0	4.7	3.5	0.6	0.7	0.8	52.1	42.4	33.3	425	9.8	2.1			
Jaiprakash Associates	99	BUY	218,334	4,943	2,214	5.1	5.6	5.4	188.8	11.6	(4.3)	19.5	17.5	18.3	13.2	11.5	11.1	2.2	2.0	1.9	—	—	—	12.2	12.1	10.6	135	36.9	32.1			
Jet Airways	489	BUY	42,237	956	86	15.7	38.7	70.8	(122.5)	146.7	82.9	31.2	12.6	6.9	8.2	7.2	5.9	2.3	1.9	1.5	—	—	—	7.5	16.4	24.4	650	32.9	18.0			
Sintex	165	SELL	44,934	1,017	272	14.8	16.1	18.1	22.1	9.0	12.6	11.2	10.3	9.1	9.2	8.0	7.2	1.8	1.5	1.3	0.8	0.8	0.8	16.0	14.9	14.4	140	(15.3)	5.8			
SpiceJet	46	BUY	18,619	422	403	4.3	4.6	6.3	69.4	7.0	36.9	10.7	10.0	7.3	7.3	10.2	7.2	4.8	3.2	2.3	—	—	—	766.4	38.6	36.3	65	40.7	4.3			
Tata Chemicals	351	REDUCE	85,395	1,933	243	26.8	35.4	44.2	1.5	31.9	24.8	13.1	9.9	7.9	6.3	4.8	3.9	1.6	1.4	1.2	2.7	2.7	3.4	16.9	19.3	—	370	5.4	3.2			
United Phosphorus	151	BUY	69,974	1,584	462	12.9	17.6	20.7	8.3	37.3	17.1	11.8	8.6	7.3	6.0	4.9	4.0	1.8	1.6	1.3	1.3	1.3	1.7	17.5	19.4	19.1	220	45.4	4.8			
Others			527,787	11,949					133.0	26.1	17.4	15.7	12.4	10.6	9.9	8.7	7.9	2.2	1.9	1.6	0.7	0.8	0.9	13.8	15.0	15.2						
KS universe (b)			51,148,551	1,157,993					20.7	21.4	16.9	17.0	14.0	12.0	10.8	8.8	7.4	2.7	2.3	2.0	1.4	1.5	1.7	15.7	16.6	17.0						
KS universe (b) ex-Energy			42,473,173	961,584					20.7	23.4	18.1	18.6	15.1	12.8	12.8	10.1	8.5	3.0	2.6	2.2	1.1	1.3	1.5	15.9	17.0	17.4						
KS universe (d) ex-Energy & ex-Commodities			35,398,233	801,409					19.8	22.6	18.9	19.5	15.9	13.4	14.2	11.3	9.4	3.0	2.6	2.3	1.2	1.3	1.5	15.5	16.6	17.2						

"I, Sanjeev Prasad, hereby certify that all of the views expressed in this report accurately reflect my personal views about the subject company or companies and its or their securities. I also certify that no part of my compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report."



**Kotak Institutional Equities Research coverage universe**

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of September 30, 2010

**Kotak Securities' company-specific disclosures**

Kotak Securities Limited and or its affiliates have received during the last 12 months compensation for Investment Banking services from the following companies: Mahindra & Mahindra, HDFC Bank, Mahindra & Mahindra Financial Services, SREI, Nagarjuna Construction and CESC

Kotak Securities Limited and or its affiliates were Lead Managers for the public /right offerings/institutional placements for the following companies: State Bank of India, Centurion Bank of Punjab, Central Bank of India, Punj Lloyd, Consolidated Construction Co. Ltd, Jyothy Laboratories, BGR Energy Systems, GMR Infrastructure, DLF, HDIL, IVR Prime Urban Developers, IDFC and Puravankara Projects.



## RATINGS AND OTHER DEFINITIONS/IDENTIFIERS

### Definitions of ratings

**BUY.** We expect this stock to outperform the BSE Sensex by 10% over the next 12 months.

**ADD.** We expect this stock to outperform the BSE Sensex by 0-10% over the next 12 months.

**REDUCE.** We expect this stock to underperform the BSE Sensex by 0-10% over the next 12 months.

**SELL.** We expect this stock to underperform the BSE Sensex by more than 10% over the next 12 months.

### Other definitions

**Coverage view.** The coverage view represents each analyst's overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: **Attractive, Neutral, Cautious.**

### Other ratings/identifiers

**NR = Not Rated.** The investment rating and target price, if any, have been suspended temporarily. Such suspension is in compliance with applicable regulation(s) and/or Kotak Securities policies in circumstances when Kotak Securities or its affiliates is acting in an advisory capacity in a merger or strategic transaction involving this company and in certain other circumstances.

**CS = Coverage Suspended.** Kotak Securities has suspended coverage of this company.

**NC = Not Covered.** Kotak Securities does not cover this company.

**RS = Rating Suspended.** Kotak Securities Research has suspended the investment rating and price target, if any, for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

**NA = Not Available or Not Applicable.** The information is not available for display or is not applicable.

**NM = Not Meaningful.** The information is not meaningful and is therefore excluded.

#### Corporate Office

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

#### Overseas Offices

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

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

#### Copyright 2011 Kotak Institutional Equities (Kotak Securities Limited). All rights reserved.

Kotak Securities Limited and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group. We along with our affiliates are leading underwriter of securities and participants in virtually all securities trading markets in India. We and our affiliates have investment banking and other business relationships with a significant percentage of the companies covered by our Investment Research Department. Our research professionals provide important input into our investment banking and other business selection processes. Investors should assume that Kotak Securities Limited and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may participate in the solicitation of such business. Our research professionals are paid in part based on the profitability of Kotak Securities Limited, which include earnings from investment banking and other business. Kotak Securities Limited generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, Kotak Securities Limited generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of clients of Kotak Securities Limited. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. Kotak Securities Limited does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment.

Certain transactions -including those involving futures, options, and other derivatives as well as non-investment-grade securities - give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavor to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so. We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. For the purpose of calculating whether Kotak Securities Limited and its affiliates holds beneficially owns or controls, including the right to vote for directors, 1% of more of the equity shares of the subject issuer of a research report, the holdings does not include accounts managed by Kotak Mahindra Mutual Fund. Kotak Securities Limited and its non US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies affectively assume currency risk. In addition options involve risks and are not suitable for all investors. Please ensure that you have read and understood the current derivatives risk disclosure document before entering into any derivative transactions.

This report has not been prepared by Kotak Mahindra Inc. (KMInc). However KMInc has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. Any reference to Kotak Securities Limited shall also be deemed to mean and include Kotak Mahindra Inc.