

April 09, 2009

BSE-30: **10,742**

WPI inflation: **0.3%**

US\$/INR: **50.2**

March 2009 quarter earnings preview. We expect earnings of the KIE universe to increase by 13.9% yoy led by a significant increase in the earnings of downstream oil companies (on likely receipt of oil bonds). However, on an ex-Energy basis, we expect earnings of KIE universe to decline by 13.2% yoy and 4.6% qoq. The decline in earnings is largely driven by a decline in profits for automobiles, cement, media, metals, pharmaceuticals, property and telecom sector stocks. Stocks in sectors like consumers and utilities are expected to lead the earnings growth. We expect earnings of the BSE-30 Index to decline by 15.1% yoy and earnings of the BSE-30 Index (ex-Energy) to decline by 14.3% yoy.

Earnings of BSE-30 Index are likely to decline by 15% yoy

Sector-wise earnings of Kotak coverage companies

	Sales growth (%)		OPM (%)			PAT growth (%)	
	yoy	qoq	Mar-08	Dec-08	Mar-09 (E)	yoy	qoq
Automobiles	(3.1)	25.2	10.4	6.2	10.5	(1.4)	98.5
Banking	14.8	(2.2)	—	—	—	6.7	(18.1)
Cement	7.7	8.4	28.6	23.6	26.1	(1.4)	13.7
Construction	26.0	19.8	10.2	2.6	9.0	3.5	NA
Consumers	12.7	6.1	18.5	21.9	18.8	14.8	(10.2)
Consumers (Discretionary)	16.1	1.0	15.0	10.0	15.1	22.6	112.7
Energy	32.2	40.3	8.9	9.0	11.7	127.8	131.2
Industrials	19.7	32.6	16.2	12.4	14.1	3.0	38.1
Media	12.5	1.2	25.0	23.2	22.3	(30.1)	(9.5)
Metals	(27.7)	(6.0)	36.1	22.8	22.4	(56.3)	(2.8)
Others	26.4	(8.2)	17.0	16.5	23.6	(9.0)	30.5
Pharmaceuticals	17.3	1.0	25.4	21.7	20.8	(23.4)	(8.0)
Property	(70.4)	(16.1)	60.0	46.4	46.3	(81.2)	(38.9)
Retail	19.9	2.3	9.4	9.0	9.7	(23.0)	21.4
Sugar	11.7	25.8	23.0	18.3	21.3	(43.9)	138.1
Technology	23.6	1.4	24.1	25.9	24.3	6.3	(7.0)
Telecom	24.0	4.9	38.6	35.8	33.8	(1.9)	(7.1)
Utilities	17.8	3.0	23.1	22.1	21.6	24.1	(24.2)
Kotak coverage	19.4	22.2	15.8	13.9	14.9	13.9	23.2
Kotak coverage ex-Energy	7.5	6.6	22.2	18.0	18.4	(13.2)	(4.6)
BSE 30 Index	3.1	11.4	24.5	21.7	21.0	(15.1)	0.9
BSE 30 Index ex-Energy	4.6	8.4	23.8	20.9	20.1	(14.3)	(6.5)

Source: Company, Kotak Institutional Equities estimates.

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Kotak Institutional Equities
Research

Important disclosures appear
at the back

TABLE OF CONTENTS

Decline in profits for metals, property, pharmaceuticals and telecom	3
Automobiles	5
Banking	6
Cement	9
Construction	10
Consumer products	10
Consumer (Discretionary)	11
Energy	12
Industrials	13
Media	14
Metals	15
Others	16
Pharmaceuticals	18
Property	19
Retail	20
Sugar	20
Technology	21
Telecom	22
Utilities	23
Disclosures	28

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The prices in this report are based on the market close of April 8, 2009.

DECLINE IN PROFITS FOR METALS, PROPERTY, PHARMACEUTICALS AND TELECOM

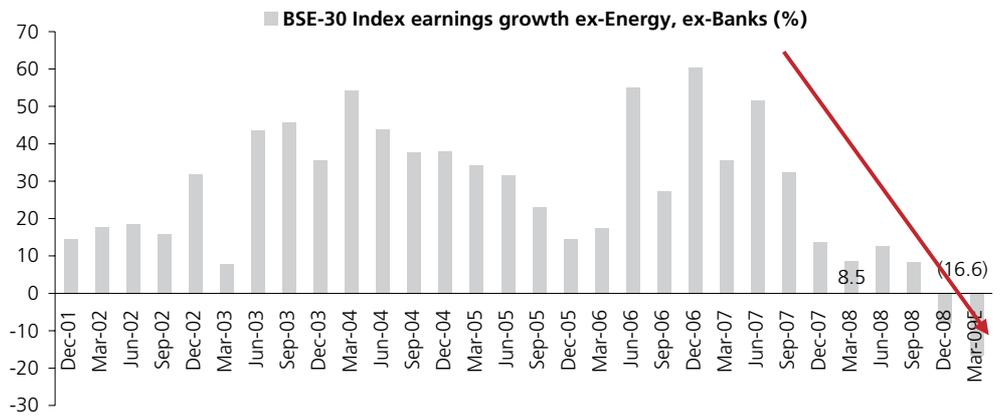
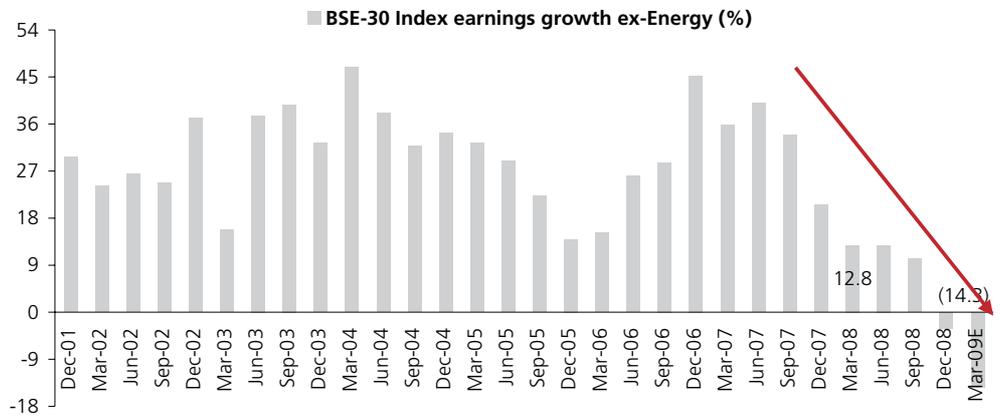
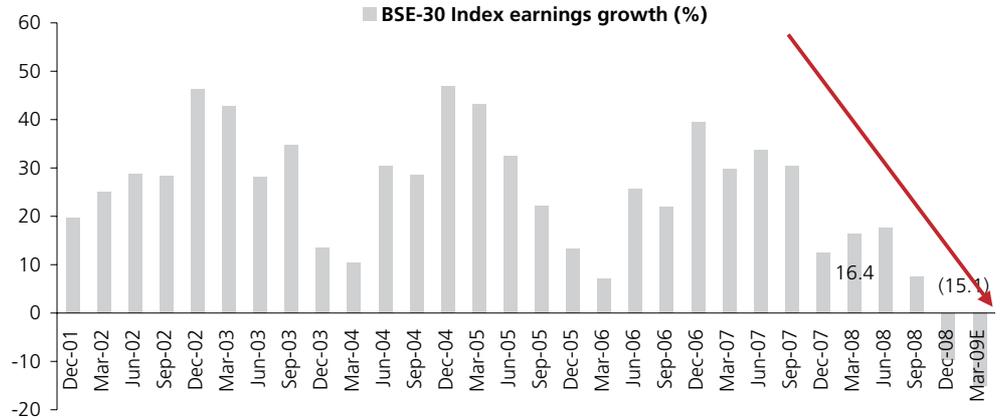
We expect yoy decline in profits for metals, property, pharmaceuticals and telecom companies

Sector-wise expectations for March 2009 quarter results

Automobiles	Better-than-expected volumes in the quarter should result in good sequential and year-on-year improvement in earnings for most auto companies. Margins are expected to be stable to improve on a yoy basis for most companies, except for Maruti, which could see a 300bps yoy decline. We don't expect any significant surprises during reporting season	It would be interesting to compare annualized 4QFY09 with FY2010E estimates for the auto segment to determine future stock performance. While margins could improve further, reflecting commodity cost declines, volumes might not see significant increases from the 4Q rate. In this regard, our FY2010E EPS estimate for M&M looks conservative
Banking	We expect margins to moderate over 3QFY09 margins as PSU Banks have cut lending rates. However, margins are likely to still be higher than 4QFY08 margins for most banks. For private banks like HDFC Bank and Axis Bank, we expect margins to improve in 4QFY09E. We expect larger PSU Banks to report strong treasury gains as yields were moderate during the early part of the quarter and RBI has also bought back MSS bonds resulting in profits. We do not expect any material MTM hits as yields at the shorter end have not moved up - unlike the longer end. Overall, with the exception of ICICI Bank, we expect earnings for the sector (only banks) to remain strong at 18% (including ICICI Bank, earnings growth of 8.5%)	Concerns on NPLs continue to remain high. During 4QFY09, we believe that most corporate NPLs would have got restructured. While reported NPL numbers would not change materially, the quantum and the nature of restructuring would be being watched keenly. We understand that for PSU Banks, restructuring has been 2-5% of the loan book and for private banks, it is closer to 1%. On the retail front, secured loans like mortgages and cars have continued to remain strong, while unsecured credit continues to have high delinquencies
Cement	Improvement in volumes growth compared to 3QFY09 and increase in cement prices to aid revenues and profit growth. Slowing down of demand and lack of price increases in South India to result in slower topline growth for regional cement companies	Profitability of cement players likely to improve compared to 3QFY09 on account of better realizations and lower input costs. Benefits of lower fuel prices will vary as prices of imported coal and pet coke have come down while domestic coal prices have remained unchanged
Chemicals	Sharp decline in global chemical margins qoq and yoy will impact the profits of chemical segment of Reliance Industries	
Consumers	Continuing robust rural demand will likely result in strong volume growth in most FMCG categories, except soaps and detergents. The unprecedented product price increases have led to the detergents industry volume contraction as consumers opted to rational quantum of usage resulting in longer-than-expected consumer purchase cycles. However, 'fill increases' will likely help HUL report better-than-expected volume growth for the quarter	Unorganized players have re-entered staple categories as volatility in input costs has declined. Judicious price adjustments, likely moderation in ad spends, increase in below-the-line activities and benefits of operating leverage are key triggers to watch out for. We believe that the current market scenario offers tremendous opportunity for players like Godrej Consumer (value-for-money player) to channelize the gross margin expansion to gain market shares and improve market positions. Hence, there is limited opportunity to retain significant component of cost comfort for players like HUL, in our view. Cigarette underlying volume growth has turned positive, however, ITC may report ~2% volume decline as it has tactically ceded modest volumes to competition
Energy	Upstream oil: ONGC will likely report higher income qoq despite lower crude price (-US\$11/bbl qoq) due to (1) likely nil subsidy burden versus Rs49 bn in 3QFY09 and (2) weaker rupee qoq. GAIL will likely report qoq increase in EBITDA due to nil subsidy loss versus Rs9.1 bn in 3QFY09; this will be partly compensated by lower petchem and LPG prices/margins	Downstream oil: Higher refining and marketing margins and likely receipt of oil bonds will result in strong performance of R&M companies. However, profits/losses of R&M companies will be determined by the quantum of oil bonds issued by the government. We assume the issue of oil bonds of Rs150 bn to the industry for 4QFY09
Industrials	Industrials: Strong order backlog would help maintain topline growth, however, growth for companies exposed to the industrial segment would be adversely affected; order inflows might reflect a slowdown in capex momentum; decline in commodity prices might start to positively impact margins, however, full effect to be seen in 1Q2QFY10E only	Construction: Strong order backlog to drive revenue growth; however, impending elections may affect revenue growth for companies leveraged to state government spending and cancellations/ deferrals from clients pose a threat for companies exposed to the commercial construction segment
Media	Television: We expect ad revenue growth to moderate due to slowdown in ad market and rising competition. Subscription revenues will continue to exhibit strong yoy growth driven by DTH (domestic) and a depreciating rupee (international). Dish TV will likely continue in investment mode for some time given (1) aggressive volume growth and (2) high subsidies to lure subscribers away from cable to DTH	Print: We expect moderate yoy growth in ad revenues driven by regional ad markets, election spending and ramp-up in new print media brands. High newsprint prices are likely to negatively impact EBITDA margins of all newspaper publishers, HTML more than JAGP. However, we expect EBITDA to be supported by the various cost cutting measures (primarily saving on newsprint) initiated by print media players
Metals	Ferrous: Steel prices for the quarter were lower by 10-15% qoq, which would impact margins. However, most companies have reported higher-than-expected volumes on the back of strong demand from the auto sector and rural areas, offsetting lower realizations	Non-Ferrous: Prices of copper, zinc, lead and aluminium have rallied sharply, by over 15-40%, especially towards the end of the quarter. However, average quarterly prices, especially for aluminium were lower by almost 25% qoq undermining earnings for the quarter
Pharmaceuticals	Due to the seasonality factor, companies report lower domestic sales figures for the March quarter and higher international sales numbers. However, we expect lower yoy domestic sales growth in 4QFY09 post the strong growth seen in 1HFY09. We expect Ranbaxy to report significantly lower sales yoy from US due to the import ban. We expect DRL revenue from Imitrex to fall to US\$30 mn in 4QFY09 from US\$72 mn reported in 3QFY09 due to entry of players such as Teva, Ranbaxy	We expect qoq decreases in EBITDA margins for Sun Pharma as most of the gains from the generic Protonix exclusivity are over. We expect Dishman to report lower sales from CRAMS business this quarter due to a halt in supplies of Esrosartan to Solvay. Piramal will report an exceptional cost of Rs700 mn towards Huddersfield plant closure this quarter
Property	Weak 4QFY09 quarter on a yoy basis largely on account of one-off asset sales in 4QFY08 by real estate companies and low revenue booking from existing projects on account of low sales and slower construction. Launches in 4QFY09 will take 2-3 quarters to make a meaningful contribution to revenues	We highlight that there will be a sharp decline in commercial sales, which will impact revenues of DLF and UT particularly. DLF will have no sales to DAL in 4QFY09 which have contributed ~50% of sales in previous quarters
Technology	Key areas of focus (1) Infosys guidance for FY2010E; we expect the company to guide for a 2-5% revenue decline and a 0-4% EPS decline yoy, (2) contract renegotiations and pricing trends therein, (3) commentary on vendor consolidation instances, (4) cost containment measures being undertaken, (5) commentary on wages scenario for FY2010E, (6) utilization of excess cash, (7) forex hedging strategy, and (8) update of SEZ ramp-ups	We expect the 4QFY09 to be impacted by dismal January month billing. We expect 3-17% sequential organic revenue decline for various players in US\$ terms. Infosys will likely achieve the lower-end of its US\$ revenue guidance while Wipro will likely outperform its revenue guidance by 0.5-1%. Re depreciation will likely limit sequential net income decline; we expect qoq net income decline of 2-7% for the tier-I companies
Telecom	We expect pressure on wireless revenues, margins and operational metrics on account of (1) declining minutes elasticity, (2) impact of RCOM's GSM launch and aggressive introductory pricing and (3) massive network expansion being undertaken by RCOM and Idea	We expect sequential net income decline for all the companies under our coverage universe led by (1) likely decline in EBITDA margins and (2) increased depreciation charges due to rapid network expansion. MTNL could report EBITDA loss for the quarter
Utilities	Topline growth for most companies driven by the extent of usage of expensive fuels (naphtha and imported coal) while volume growth remained low (4% yoy for NTPC). Projects of Tata Power (Trombay 250 MW) and Lanco (Amarkantak 300 MW) got delayed and did not contribute to earnings during the quarter	Merchant tariffs likely to remain strong due to (1) lower generation from hydro and nuclear power plants and (2) compulsion to purchase power will remain high ahead of elections

Source: Kotak Institutional Equities estimates

We expect earnings of BSE-30 Index to continue to decline in 4QFY09E
Earnings growth of BSE-30 Index (%)



Source: Company, Kotak Institutional Equities estimates.

4QFY09E EARNINGS PREVIEW FOR KIE UNIVERSE

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Automobiles						
Bajaj Auto						
Net sales	20,744	20,048	17,931	(13.6)	(10.6)	4QFY09 volumes were up 8.6% yoy but down 11% qoq
Operating profit	2,616	2,075	2,716	3.8	30.9	
EBITDA	2,820	3,437	4,150	47.2	20.7	We expect margins to expand 600 bps qoq mainly on account of (1) improved product mix in favour of higher-end bikes and (2) decline in commodity costs
PBT	2,388	3,028	3,714	55.5	22.6	
PAT	1,719	2,273	2,686	56.3	18.2	
Extraordinaries	(511)	(630)	(592)	15.9	(6.2)	
PAT-reported	1,208	1,643	2,094	73.4	27.5	
Hero Honda						
Net sales	27,887	28,740	33,006	18.4	14.8	We expect operating profit to grow 29% qoq led mainly by a 13% yoy increase in 4Q volumes
Operating profit	4,118	4,098	5,312	29.0	29.6	
EBITDA	4,670	4,534	5,830	24.9	28.6	Lower commodity costs and increase in average realisation to result in margin expansion by 130 bps
PBT	4,316	4,146	5,531	28.1	33.4	
PAT	2,987	2,932	4,075	36.4	39.0	
Extraordinaries	—	—	—	—	—	
PAT-reported	2,987	2,932	4,075	36.4	39.0	
Mahindra & Mahindra						
Net sales	31,482	25,063	33,614	6.8	34.1	M&M reported a 14% yoy decline in 4Q tractor volumes while UV volumes were up 12% yoy
Operating profit	3,424	387	3,312	(3.3)	756.8	
EBITDA	3,697	823	3,897	5.4	373.7	We expect 4QFY09 operating margin to grow 740 bps qoq led by (1) increase in volumes and (2) lower commodity costs. However, on a yoy basis, operating margin will likely decline 100 bps on account of lower tractor sales
PBT	2,909	29	2,768	(4.8)	9,359.5	
PAT	2,072	12	2,691	29.9	22,391.6	
Extraordinaries	139	—	—	(100.0)	—	
PAT-reported	2,211	12	2,691	21.7	22,391.6	
Maruti Suzuki						
Net sales	47,839	45,371	62,068	29.7	36.8	4QFY09 volumes were up 17% yoy on account of (1) implementation of the Pay Commission recommendations, (2) launch of A-Star exports and (3) higher discounts
Operating profit	6,854	2,968	6,325	(7.7)	113.1	
EBITDA	7,626	4,745	7,058	(7.4)	48.8	We expect operating margin to improve 370 bps qoq on account of (1) better product mix, (2) higher volumes and (3) lower raw material costs
PBT	4,354	2,925	5,177	18.9	77.0	
PAT	2,977	2,136	3,712	24.7	73.8	
Extraordinaries	—	—	—	—	—	
PAT-reported	2,977	2,136	3,712	24.7	73.8	
Tata Motors						
Net sales	87,495	47,586	62,155	(29.0)	30.6	CV sales have grown 33% qoq mainly on account of the availability of depreciation benefits on purchases made before March 31, 2009
Operating profit	5,490	779	4,230	(23.0)	442.8	
EBITDA	7,834	1,774	5,064	(35.4)	185.4	47% qoq increase in M&HCV volumes and 25% qoq increase in LCV sales will result in 520 bps qoq expansion in operating margin
PBT	5,933	(1,926)	779	(86.9)	(140.4)	
PAT	4,315	(367)	701	(83.8)	(290.8)	
Extraordinaries	1,048	(2,265)	—	(100.0)	(100.0)	
PAT-reported	5,363	(2,633)	701	(86.9)	(126.6)	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Banking						
Andhra Bank						
Net interest income	3,429	4,719	4,206	22.6	(10.9)	We expect NII growth to increase by over 15% yoy given the reasonably strong pricing environment and drop in bulk borrowing rates
Operating profit	2,805	2,927	2,988	6.5	2.1	
Treasury income (net)	(157)	870	120	(176.3)	(86.2)	
Loan loss provision	430	320	858	99.6	168.2	Higher operating expenses, MTM provisions and loan loss provisions to impact the overall PAT growth
PAT	1,243	2,127	1,444	16.2	(32.1)	
PAT-reported	1,243	2,127	1,444	16.2	(32.1)	
Axis Bank						
Net interest income	8,284	9,297	9,914	19.7	6.6	Margins to expand sequentially, as cost of funds decline. However, NIM in 4QFY09 likely to be still lower than 4QFY08. Expect NII growth to be around 20% yoy
Operating profit	6,253	7,956	8,727	39.6	9.7	
Treasury income (net)	975	1,140	362	(62.9)	(68.3)	
Loan provision	450	2,750	2,401	433.5	(12.7)	Expect fee income traction to sustain. Provisions likely to increase due to higher NPLs and restructured assets. Overall PAT may be in excess of 20% yoy
PAT	3,614	5,009	4,410	22.0	(12.0)	
PAT-reported	3,614	5,009	4,410	22.0	(12.0)	
Bank of Baroda						
Net interest income	10,285	14,618	13,479	31.1	(7.8)	We expect NII growth to be healthy given the reasonably strong pricing environment
Operating profit	6,174	9,834	9,832	59.3	(0.0)	
Treasury income (net)	199	1,852	313	57.7	(83.1)	
Loan loss provision	2,478	1,040	3,711	49.8	256.8	PAT growth likely to be healthy but not high as reported in 3QFY09 given the expected rise in MTM losses and higher loan loss provisions
PAT	2,764	7,084	4,292	55.3	(39.4)	
PAT-reported	2,764	7,084	4,292	55.3	(39.4)	
Bank of India						
Net interest income	12,166	15,594	14,436	18.7	(7.4)	BoI's NII likely to be around 15% yoy aided by: (1) decent pricing power of banks and (2) equity infusion of around Rs13.2 bn made in 4QFY08
Operating profit	12,096	14,274	12,642	4.5	(11.4)	
Treasury income (net)	6,530	10,506	7,630	16.8	(27.4)	
Loan loss provision	20	3,720	1,109	5,447.0	(70.2)	PAT growth (may exceed 10% yoy) will likely be impacted by higher MTM and credit provisions. Higher-than-expected fees, treasury income could provide upsides to our estimates
PAT	7,567	9,100	8,790	16.2	(3.4)	
PAT-reported	7,567	9,100	8,790	16.2	(3.4)	
Canara Bank						
Net interest income	9,215	12,442	11,798	28.0	(5.2)	Canara Bank's NII likely to be around 25% yoy, partly aided by the lower growth experienced in the last year
Operating profit	8,372	8,670	9,881	18.0	14.0	
Treasury income (net)	660	3,514	110	(83.3)	(96.9)	
Loan provision	3,401	3,570	4,183	23.0	17.2	4QFY09 PAT will likely be flat compared to 4QFY08 given the expected rise in MTM and loan loss provisions
PAT	4,631	7,014	4,787	3.4	(31.8)	
PAT-reported	4,631	7,014	4,787	3.4	(31.8)	
Corporation Bank						
Net interest income	4,026	4,780	4,652	15.6	(2.7)	NII growth likely to be in excess of 15% due to the benign operating environment and depressed base of 4QFY08
Operating profit	3,743	3,014	3,760	0.5	24.7	
Treasury income (net)	23	1,835	91	288.0	(95.1)	
Loan provision	750	540	805	7.3	49.0	PAT growth likely to be around 10% yoy (lower than the growth observed in 3QFY09) due to higher MTM losses, loan loss provisions. Better-than-expected treasury profits and fee income growth could provide upsides to these estimates
PAT	2,056	2,565	2,235	8.7	(12.9)	
PAT-reported	2,056	2,565	2,235	8.7	(12.9)	
Federal Bank						
Net interest income	2,770	3,846	3,554	28.3	(7.6)	Core banking performance will likely be driven by strong NII growth (likely to be in excess of 25% yoy), on the back of rights offering made in 4QFY08
PBT	2,414	3,054	2,775	14.9	(9.2)	
Treasury income (net)	(477)	1,630	78	(116.3)	(95.2)	
Loan provision	700	1,340	843	20.4	(37.1)	PAT growth likely to remain strong (may exceed 50% yoy) despite the company making higher provisions to protect against future credit losses
PAT	1,028	2,039	1,635	59.0	(19.8)	
PAT-reported	1,028	2,039	1,635	59.0	(19.8)	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
HDFC						
Net operational income	11,545	8,751	9,851	(14.7)	12.6	Spreads will likely improve qoq due to declining borrowings cost
PBT	10,916	7,816	9,115	(16.5)	16.6	
Treasury income (net)	2,046	—	174	(91.5)	—	Low capital gains will affect reported profits. Expect PAT to decline 15% yoy in 4QFY09
PAT	7,681	5,468	6,538	(14.9)	19.6	
PAT-reported	7,681	5,468	6,538	(14.9)	19.6	
HDFC Bank						
Net interest income	17,431	19,793	20,942	NA	5.8	Margins shall continue to remain high, supporting higher NII. Expect 6% qoq growth in NII
PBT	10,035	11,596	13,645	NA	17.7	
Treasury income (net)	(896)	2,321	1,000	NA	(56.9)	NPLs shall rise leading to higher provisions
Loan provision	2,903	4,654	5,735	NA	23.2	
PAT	4,711	6,218	6,519	NA	4.9	
PAT-reported	4,711	6,218	6,519	NA	4.9	
Note:						
1. Yoy comparison is not applicable given CBOP merger.						
ICICI Bank						
Net interest income	20,795	19,904	19,995	(3.8)	0.5	Operating income growth to remain under pressure. Liquidity issues of 3QFY09 will likely have an impact on NIM in 4QFY09 and NII is expected to decline by 4% yoy
Operating profit	21,267	17,948	17,322	(18.5)	(3.5)	
Treasury income (net)	1,640	9,760	930	(43.3)	(90.5)	Treasury income unlikely to be meaningful (as in 3QFY09) given the yield movement. Fee income may also decline while reported NPLs continue to rise in line with the trend of past few quarters. PAT may decline by 45% yoy in 4QFY09
Loan provision	9,475	10,080	9,557	0.9	(5.2)	
PAT	11,498	12,718	6,233	(45.8)	(51.0)	
Extraordinaries	—	—	—	—	—	
PAT-reported	11,498	12,718	6,233	(45.8)	(51.0)	
IDFC						
Net operational income	3,283	3,346	3,172	(3.4)	(5.2)	Most income streams will likely be subdued; about 150% yoy growth in AMC fees on the back of increase in PE assets will drive income
Operating profit	1,992	2,649	2,135	7.2	(19.4)	
Treasury income (net)	—	—	—	—	—	Control over costs can provide can help the company's overall PAT
PAT	1,494	1,845	1,477	(1.2)	(20.0)	
PAT-reported	1,494	1,845	1,477	(1.2)	(20.0)	
Indian Bank						
Net interest income	5,132	7,196	6,538	27.4	(9.2)	NII growth will likely remain strong (in excess of 25% yoy) in 4QFY09 given the favorable environment for pricing of credit
Operating profit	4,270	4,512	4,949	15.9	9.7	
Treasury income (net)	448	645	153	(65.8)	(76.3)	PAT growth will likely be impacted by lower recoveries and treasury income. MTM losses and loan loss provisions are also expected to be a drag on earnings. Note the company has a cushion of over Rs800 mn on its investment book
Loan provision	1,270	330	1,426	12.3	332.2	
PAT	2,417	3,507	3,050	26.2	(13.0)	
Extraordinaries	—	—	—	—	—	
PAT-reported	2,417	3,507	3,050	26.2	(13.0)	
India Infoline						
Net sales	3,842	2,303	2,315	(39.7)	0.5	Overall equity market volumes were flat qoq, margins may trend down as share of F&O increased in 4QFY09; we factor stable market share for IIFL
Operating profit	—	—	—	—	—	
EBITDA	1,677	609	621	(62.9)	2.0	Insurance commissions will likely double qoq (as with ICICI Pru Life); this will somewhat offset the decline in interest income
PBT	927	454	483	(47.9)	6.4	
PAT	659	299	246	(62.7)	(17.8)	
Extraordinaries	—	—	—	—	—	
Indian Overseas Bank						
Net interest income	6,823	8,227	7,728	13.3	(6.1)	NII growth will likely be in excess of 10% supported by the healthy pricing environment and depressed base of 4QFY08
Operating profit	5,247	4,120	5,563	6.0	35.0	
Treasury income (net)	(900)	3,926	1,284	(242.7)	(67.3)	PAT growth (may be in excess of 20% yoy) driven by treasury gains in 4QFY09 versus treasury loss last year. Higher credit provisions, higher employee expenses and MTM provisions shall also impact profit growth
Loan provision	330	1,100	1,775	437.8	—	
PAT	3,060	3,884	3,832	25.2	—	
PAT-reported	3,060	3,884	3,832	25.2	(1.4)	
J&K Bank						
Net interest income	2,244	2,621	2,401	7.0	(8.4)	J&K Bank may report healthy NII growth if it sustains its moderate loan growth strategy and leverages its monopoly status in J&K state
Operating profit	1,658	1,812	1,600	(3.5)	(11.7)	
Treasury income (net)	160	69	278	73.9	300.9	PAT growth to be impacted by higher provisions, lower treasury profits and lower fee income on government business. We expect PAT growth of 20% yoy in 4QFY09
Loan provision	229	132	657	186.3	399.3	
PAT	598	1,207	716	19.8	(40.6)	
Extraordinaries	—	—	—	—	—	
PAT-reported	598	1,207	716	19.8	(40.6)	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
LIC Housing Finance						
Net interest income	2,240	2,322	2,330	4.0	0.4	NIM will likely remain strong at about 3% (up 0.2% yoy) given the declining borrowings cost
Operating profit	1,798	1,822	1,721	(4.3)	(5.6)	
Treasury income (net)	—	—	—	—	—	
PAT	1,181	1,343	1,264	7.0	(5.9)	Trend in NPL provisions is a key sensitivity to reported earnings
Extraordinaries	—	—	—	—	—	
PAT-reported	1,181	1,343	1,264	7.0	(5.9)	
Mahindra & Mahindra Financial Services						
Net interest income	1,853	1,907	2,021	9.0	5.9	Loan book may not grow qoq due to flat disbursements and large ticket securitization
PBT	1,163	687	1,229	5.7	79.0	
PAT	754	445	792	5.1	78.1	
Extraordinaries	—	—	—	—	—	NIM to be higher on account of liability repricing and rise in lending rates, NPLs typically decline in 4Q
PAT-reported	754	445	792	5.1	78.1	
Oriental Bank of Commerce						
Net interest income	4,370	5,678	5,032	15.1	(11.4)	NII growth likely to be maintained at around 15% yoy aided by credit growth, better pricing power and depressed growth in 4QFY08
PBT	2,869	2,066	3,376	17.7	63.4	
PAT	2,046	2,522	1,487	(27.3)	(41.0)	
Extraordinaries	—	—	—	—	—	Yoy growth in PAT before GTB provisions is likely to be lower by 30% as the company had changed its accounting policies pertaining to NPL provisions in 4QFY08
PAT-reported	(994)	2,522	1,487	(249.6)	(41.0)	
PFC						
Net interest income	4,850	5,610	5,850	20.6	4.3	Core performance will likely continue to remain robust
Operating profit	4,433	5,010	5,052	14.0	0.8	
Treasury income (net)	—	—	—	—	—	
PAT	2,971	3,399	3,387	14.0	(0.4)	We have factored likely forex loss of Rs560 mn for the quarter in our estimates, a change in accounting policy will provide an upside on this
PAT-reported	2,971	3,399	3,387	14.0	(0.4)	
Punjab National Bank						
Net interest income	15,173	19,674	18,678	23.1	(5.1)	NII growth likely to be in excess of 15% yoy aided by healthy asset growth, better pricing environment and depressed base in 4QFY08
Operating profit	10,881	13,965	12,094	11.1	(13.4)	
Treasury income (net)	710	6,534	306	(56.9)	(95.3)	
Loan loss provision	1,000	4,253	3,520	252.0	(17.2)	PAT growth likely to remain to healthy at around 15% yoy despite higher NPL provisions. Note that the company had not reversed fully the investment depreciation provisions in 3QFY09, which will result in lower MTM losses in 4QFY09
PAT	5,438	10,058	6,355	16.9	(36.8)	
Extraordinaries	—	—	—	—	—	
PAT-reported	5,438	10,058	6,355	16.9	(36.8)	
Rural Electrification Corp.						
Net interest income	4,275	4,750	5,222	22.2	9.9	High loan growth (27% yoy) and improvement in spreads on the back of asset repricing will likely drive earnings
Operating profit	3,645	4,746	4,820	32.2	1.6	
Treasury income (net)	5,233	7	200	(96.2)	2,716.9	
Loan loss provision	—	—	—	—	—	NPL provisions will likely remain low in the current quarter
PAT	2,207	3,190	3,080	39.6	(3.5)	
Extraordinaries	—	—	—	—	—	
SREI Infrastructure Finance						
Net interest income	57	498	913	1,502.0	83.5	Operating performance (loan growth and spreads) will likely improve qoq, trend in NPLs crucial
Operating profit	610	244	407	(33.3)	66.4	
Treasury income (net)	—	—	—	—	—	
PAT	451	81	145	(67.8)	78.4	Accounting of forex losses remains is a key variable for reported PAT. Expect PAT to decline by over 60% yoy in 4QFY09
Extraordinaries	—	—	—	—	—	
PAT-reported	451	81	145	(67.8)	78.4	
Shriram Transport						
Net interest income	3,696	4,238	4,664	26.2	10.1	Disbursements have likely improved qoq but remain below 15-20% below 4QFY08 levels; lower borrowings cost will drive margins
Operating profit	1,773	2,269	1,936	9.2	(14.7)	
Treasury income (net)	—	—	—	—	—	
PAT	1,118	1,493	1,223	9.4	(18.1)	Rise in NPL provisions remains a key variable for our PAT estimate
Extraordinaries	—	—	—	—	—	
PAT-reported	1,118	1,493	1,223	9.4	(18.1)	
State Bank of India						
Net interest income	48,006	57,582	55,593	15.8	(3.5)	NII (post amortization) growth of over 15% yoy likely to be aided by rights offering made in 4QFY08 and the strong pricing environment
Operating profit	39,902	37,853	45,585	14.2	20.4	
Treasury income (net)	797	10,156	1,763	121.2	(82.6)	
Loan provision	13,159	5,151	18,492	40.5	259.0	Company is likely to report PAT growth in excess of 15% yoy despite higher credit provisions on account of treasury gains, part reversal of pension provisions made in 3QFY09 and good fee income growth
PAT	18,833	24,784	21,795	15.7	(12.1)	
Extraordinaries	—	—	—	—	—	
PAT-reported	18,833	24,784	21,795	15.7	(12.1)	
Union Bank						
Net interest income	7,979	11,284	10,130	27.0	(10.2)	NII growth likely to remain strong at around 30% yoy given the operating environment
Operating profit	8,515	6,767	10,589	24.4	56.5	
Treasury income (net)	(700)	3,890	(40)	(94.3)	(101.0)	
Loan provision	2,560	1,660	2,334	(8.8)	40.6	PAT growth, however, is likely to be flat due to base effect—(1) employee expenses in 4QFY08 were suppressed due to the company's decision to route its pension liabilities as per AS-15 norms through the net worth, (2) effective tax rate was much lower at 1% in the corresponding period last year
PAT	5,211	6,717	5,912	13.4	(12.0)	
Extraordinaries	—	—	—	—	—	
PAT-reported	5,211	6,717	5,912	13.4	(12.0)	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Cement						
ACC						
Net sales	17,958	18,865	20,178	12.4	7.0	
Operating profit	4,706	4,443	4,750	0.9	6.9	Revenue growth likely to be slower than industry due to low volume growth (~6%)
EBITDA	5,362	5,041	5,334	(0.5)	5.8	
PBT	4,593	4,154	4,425	(3.7)	6.5	
PAT	3,210	2,908	3,097	(3.5)	6.5	ACC does not benefit from lower fuel costs due to low dependence on imported coal and pet coke
Extraordinaries	366	(341)	—	(100.0)	(100.0)	
PAT-reported	3,575	2,567	3,097	(13.4)	20.7	
Ambuja Cements						
Net sales	16,549	16,228	17,999	8.8	10.9	
Operating profit	5,160	3,932	5,099	(1.2)	29.7	Unable to benefit from pick up in demand and volume growth (~4% yoy) remains below industry growth rates
EBITDA	5,565	4,583	5,483	(1.5)	19.6	
PBT	4,890	3,726	4,660	(4.7)	25.1	
PAT	3,318	3,106	3,402	2.5	9.5	Dependence on purchased clinker for expanded capacities likely to restrict margin expansion
Extraordinaries	(59)	(117)	—	(100.0)	(100.0)	
PAT-reported	3,260	2,989	3,402	4.4	13.8	
Grasim Industries						
Net sales	27,424	26,536	27,578	0.6	3.9	
Operating profit	6,623	4,995	5,728	(13.5)	14.7	Improvement in cement realizations and pick up in volumes (+9% yoy) likely to result in improvement in cement EBITDA compared to Dec quarter
EBITDA	7,811	5,801	6,578	(15.8)	13.4	
PBT	6,597	4,159	4,869	(26.2)	17.1	
PAT	4,414	3,296	3,307	(25.1)	0.3	We expect VSF margins to improve from the low of the Dec quarter as benefits of lower input costs compensate for realization decline
Extraordinaries	2,260	—	—	(100.0)	—	
PAT-reported	6,674	3,296	3,307	(50.5)	0.3	
India Cements						
Net sales	8,440	7,529	8,816	4.5	17.1	
Operating profit	2,629	1,801	2,569	(2.3)	42.6	Decline in volumes (yoy) resulting in slow topline growth
EBITDA	2,954	1,942	2,688	(9.0)	38.4	
PBT	2,335	1,136	1,830	(21.6)	61.1	
PAT	1,526	751	1,274	(16.5)	69.7	Profitability improvement compared to Dec quarter aided by lower cost of imported coal
Extraordinaries	(481)	(132)	—	(100.0)	(100.0)	
PAT-reported	1,044	619	1,274	22.0	105.8	
Shree Cement						
Net sales	6,340	6,653	7,537	18.9	13.3	
Operating profit	2,562	2,269	2,847	11.1	25.5	Retains strong topline growth aided by double-digit volume growth (~15%) and sale of power
EBITDA	2,707	2,452	3,000	10.8	22.3	
PBT	565	1,776	1,852	228.0	4.3	
PAT	556	1,293	1,546	177.9	19.6	Strong yoy growth in PAT due to large depreciation charge in 4QFY08
Extraordinaries	—	—	—	—	—	
PAT-reported	556	1,293	1,546	177.9	19.6	
UltraTech Cement						
Net sales	16,017	16,308	17,753	10.8	8.9	
Operating profit	4,885	4,308	5,084	4.1	18.0	Improvement in realizations and lower imported coal costs likely to result in improvement in profitability compared to Dec quarter
EBITDA	5,155	4,512	5,353	3.8	18.7	
PBT	4,312	3,348	4,110	(4.7)	22.8	
PAT	2,829	2,384	2,999	6.0	25.8	Volumes from new capacity in South India yet to pick up and contribute meaningfully to the topline
Extraordinaries	—	—	—	—	—	
PAT-reported	2,829	2,384	2,999	6.0	25.8	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Construction						
Consolidated Construction Co.						
Net sales	4,650	4,316	5,217	12.2	20.9	Order cancellations highlight steep slowdown in revenue growth led by tough operating environment for commercial construction segment
Operating profit	571	231	574	0.6	148.0	
EBITDA	596	247	602	1.1	143.8	
PBT	575	187	508	(11.7)	172.3	
PAT	358	131	339	(5.1)	160.0	
Extraordinaries	—	—	—	—	—	
PAT-reported	358	131	339	(5.1)	160.0	
IVRCL						
Net sales	13,217	11,896	14,312	8.3	20.3	Revenues growth may be low versus achievement in 9MFY09, led by impending elections. Expect partial alleviation of pressure on operating margins as reflected in 9MFY09
Operating profit	1,387	1,085	1,395	0.6	28.6	
EBITDA	1,399	1,099	1,395	(0.2)	27.0	
PBT	1,092	556	822	(24.7)	47.8	
PAT	733	465	674	(8.1)	44.9	
Extraordinaries	—	—	—	—	—	
PAT-reported	733	465	674	(8.1)	44.9	
Nagarjuna Construction Co.						
Net sales	12,541	10,266	15,413	22.9	50.1	Strong order backlog led revenue growth with pressure on operating margins as reflected in 9MFY09 results
Operating profit	1,094	907	1,272	16.2	40.2	
EBITDA	1,131	915	1,272	12.4	38.9	
PBT	819	550	798	(2.6)	44.9	
PAT	526	363	522	(0.7)	44.0	
Extraordinaries	—	—	—	—	—	
PAT-reported	526	363	522	(0.7)	44.0	
Punj Lloyd						
Net sales	23,467	31,200	33,032	40.8	5.9	Revenue growth slows down versus 9MFY09 and we would expect pressure on operating margins to account for cost escalations in the ONGC contract
Operating profit	2,486	(963)	2,808	12.9	(391.6)	
EBITDA	2,303	(726)	3,022	31.2	(516.4)	
PBT	1,568	(1,779)	1,850	18.0	(204.0)	
PAT	1,194	(2,194)	1,332	11.6	(160.7)	
Extraordinaries	17	72	—	(100.0)	(100.0)	
PAT-reported	1,177	(2,266)	1,332	13.1	(158.8)	
Sadbhav Engineering						
Net sales	3,607	2,767	4,429	22.8	60.1	Strong growth in topline expected based on road projects and in-house BOT projects
Operating profit	349	287	465	33.2	62.3	
EBITDA	376	300	465	23.7	55.2	
PBT	293	211	346	18.1	64.1	
PAT	185	144	233	25.9	62.0	
Extraordinaries	(35)	—	—	(100.0)	—	
PAT-reported	220	144	233	5.9	62.0	
Consumers						
Asian Paints						
Net sales	8,685	10,064	9,611	10.7	(4.5)	We assign a high probability to the trade maintaining lower stocks in 1HCY09 due to (1) input cost index trending down, (2) expectations of APNT reducing prices further and (3) overall impact of credit squeeze in the system affecting working capital financing of dealers
Operating profit	1,325	795	1,075	(18.8)	35.2	
EBITDA	1,437	969	1,241	(13.6)	28.0	
PBT	1,310	785	1,055	(19.4)	34.4	
PAT	866	506	721	(16.7)	42.3	
Extraordinaries	(17)	(5)	—	(100.0)	(100.0)	
PAT-reported	848	501	721	(15.0)	43.8	
Colgate-Palmolive (India)						
Net sales	3,913	4,356	4,589	17.3	5.4	We expect 17% yoy sales growth driven by 10% volume growth
Operating profit	506	909	814	61.0	(10.4)	
EBITDA	581	974	884	52.3	(9.2)	
PBT	523	918	825	57.9	(10.1)	
PAT	417	778	663	59.0	(14.7)	
Extraordinaries	—	—	—	—	—	
PAT-reported	417	778	663	59.0	(14.7)	
Glaxo SmithKline Consumer						
Net sales	4,106	3,334	4,785	16.5	43.5	Strong sales growth of 16% driven by a combination of volumes (~11%) and price increases
Operating profit	797	402	889	11.6	121.1	
EBITDA	983	644	1,092	11.0	69.5	
PBT	864	507	954	10.4	88.1	
PAT	566	326	631	11.5	93.6	
Extraordinaries	—	—	—	—	—	
PAT-reported	566	326	631	11.5	93.6	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Godrej Consumer Products						
Net sales	2,124	2,722	2,499	17.6	(8.2)	Double-digit volume growth in soaps and price increases in powder hair-dye aid strong sales growth
Operating profit	454	388	463	2.1	19.6	
EBITDA	489	409	488	(0.1)	19.5	
PBT	429	449	501	16.8	11.7	
PAT	372	389	436	17.4	12.1	
Extraordinaries	—	—	—	—	—	
PAT-reported	372	389	436	17.4	12.1	
Hindustan Unilever						
Net sales	37,939	43,077	44,389	17.0	3.0	We expect 17% sales growth driven by 5% volume growth. 'Fill increases' will aid volume growth
Operating profit	4,078	6,931	5,056	24.0	(27.0)	
EBITDA	5,077	7,932	6,022	18.6	(24.1)	Cost comfort likely leads to improvement in EBITDA margins for the quarter; price reductions will moderate the benefits going forward
PBT	4,714	7,526	5,592	18.6	(25.7)	
PAT	3,810	6,625	4,585	20.4	(30.8)	
Extraordinaries	—	(468)	—	—	(100.0)	
PAT-reported	3,810	6,157	4,585	20.4	(25.5)	
ITC						
Net sales	39,344	38,333	41,656	5.9	8.7	Mix improvement and price increases will likely drive 15% cigarette segment growth
Operating profit	10,447	13,527	11,625	11.3	(14.1)	
EBITDA	12,084	14,756	13,518	11.9	(8.4)	Subdued performance in hotels and higher brand investment in personal care likely to limit PAT growth
PBT	10,842	13,310	12,022	10.9	(9.7)	
PAT	7,356	9,032	8,084	9.9	(10.5)	
Extraordinaries	—	—	—	—	—	
PAT-reported	7,356	9,032	8,084	9.9	(10.5)	
Nestle India						
Net sales	10,909	10,901	12,987	19.1	19.1	Higher sales of LUPs in semi-urban and rural areas drive strong topline growth. Rupee depreciation to aid exports business. Ready-to-eat range & cooking aids segment to lead growth
Operating profit	2,490	2,123	2,828	13.6	33.2	
EBITDA	2,553	2,252	2,908	13.9	29.1	
PBT	2,341	1,994	2,670	14.0	33.9	
PAT	1,701	1,380	1,960	15.2	42.0	
Extraordinaries	(100)	(169)	—	(100.0)	(100.0)	
PAT-reported	1,602	1,211	1,960	22.4	61.9	
Tata Tea						
Net sales	2,750	3,788	3,203	16.5	(15.4)	
Operating profit	259	424	517	99.6	21.9	
EBITDA	469	916	967	106.1	5.6	
PBT	398	715	633	59.0	(11.4)	
PAT	194	506	469	142.3	(7.3)	
Extraordinaries	1,595	(22)	—	(100.0)	(100.0)	
PAT-reported	1,789	484	469	(73.8)	(3.1)	
Consumers (Discretionary)						
Radico Khaitan						
Net sales	2,242	1,681	2,280	1.7	35.6	Volumes to be favorably impacted by CL and revival of key brands
Operating profit	182	164	250	37.7	52.4	
EBITDA	100	275	375	276.2	36.4	EBITDA margins to be affected due to input prices
PBT	(29)	72	175	(699.5)	143.5	
PAT	2	70	137	8,571.7	95.9	
Extraordinaries	—	(138)	—	—	(100.0)	
PAT-reported	2	(68)	137	8,571.7	(300.9)	
United Breweries						
Net sales	3,835	3,735	4,410	15.0	18.1	Volume growth to drive revenues
Operating profit	510	350	658	29.0	88.2	
EBITDA	578	498	758	31.1	52.3	EBITDA margins to be affected by higher input prices
PBT	246	52	309	25.9	499.5	
PAT	196	34	241	23.2	611.8	
Extraordinaries	—	(19)	—	—	(100.0)	
PAT-reported	196	15	241	23.2	1,541.5	
United Spirits						
Net sales	7,590	10,293	9,171	20.8	(10.9)	Volume growth and mix changes to drive revenues
Operating profit	1,353	1,063	1,486	9.8	39.7	
EBITDA	1,461	1,203	1,586	8.6	31.8	Higher input prices impacting EBITDA and net earnings
PBT	1,047	587	1,036	(1.1)	76.5	
PAT	651	386	663	1.7	71.9	
Extraordinaries	—	(80)	—	—	(100.0)	
PAT-reported	651	306	663	1.7	116.7	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Energy						
Bharat Petroleum						
Net sales	325,786	319,080	374,187	14.9	17.3	Strong results due to higher refining and marketing margins and likely receipt of oil bonds
Operating profit	8,600	15,445	29,161	239.1	88.8	
EBITDA	9,943	18,211	35,443	256.5	94.6	Profits might swing depending on quantum of oil bonds issued by the government; we assume issue of oil bonds of Rs35 bn for 4QFY09 versus Rs36 bn in 3QFY09 (oil bonds worth Rs141 bn issued for 9MFY09)
PBT	4,468	8,036	30,232	576.6	276.2	
PAT	584	7,998	28,932	4,854.1	261.7	Profits might swing depending on quantum of oil bonds issued by the government; we assume issue of oil bonds of Rs35 bn for 4QFY09 versus Rs36 bn in 3QFY09 (oil bonds worth Rs141 bn issued for 9MFY09)
Extraordinaries	—	—	—	—	—	
PAT-reported	584	7,998	28,932	4,854.1	261.7	
Cairn India						
Net sales	3,158	2,108	1,715	(45.7)	(18.6)	Lower revenue and income qoq led by sharp decline in crude prices (-US\$11/bbl qoq)
Operating profit	2,231	950	835	(62.6)	(12.1)	
EBITDA	2,449	2,401	1,834	(25.1)	(23.6)	Weaker rupee qoq partly compensated for decline in crude prices
PBT	1,638	1,694	1,106	(32.5)	(34.7)	
PAT	979	1,128	730	(25.4)	(35.3)	Weaker rupee qoq partly compensated for decline in crude prices
Extraordinaries	186	1,236	—	(100.0)	(100.0)	
PAT-reported	1,164	2,364	730	(37.3)	(69.1)	
Castrol India						
Net sales	4,929	5,396	4,631	(6.0)	(14.2)	Sharp decrease in LOBS price qoq and yoy will result in significantly higher EBITDA margin
Operating profit	1,134	744	1,190	4.9	59.9	
EBITDA	1,253	818	1,265	0.9	54.6	Qoq decline in revenues reflects a seasonally weaker quarter
PBT	1,178	742	1,189	0.9	60.2	
PAT	745	470	785	5.3	67.0	Qoq decline in revenues reflects a seasonally weaker quarter
Extraordinaries	(17)	—	—	(100.0)	—	
PAT-reported	728	470	785	7.8	67.0	
GAIL (India)						
Net sales	49,353	58,160	54,671	10.8	(6.0)	Steep yoy increase in EBITDA reflects likely nil subsidy losses
Operating profit	13,104	2,703	10,408	(20.6)	285.0	
EBITDA	14,100	5,011	12,314	(12.7)	145.7	We assume no subsidy loss for 4QFY09 versus Rs9.1 bn in 3QFY09 and Rs3.9 bn in 4QFY08
PBT	12,480	3,452	10,738	(14.0)	211.1	
PAT	8,728	2,534	7,803	(10.6)	208.0	We assume no subsidy loss for 4QFY09 versus Rs9.1 bn in 3QFY09 and Rs3.9 bn in 4QFY08
Extraordinaries	(1,504)	—	—	(100.0)	—	
PAT-reported	7,224	2,534	7,803	8.0	208.0	
GSPL						
Net sales	1,161	1,174	1,191	2.6	1.4	Lower net income qoq
Operating profit	1,030	1,016	948	—	(6.8)	
EBITDA	1,118	1,075	1,007	—	(6.3)	Depreciation to increase moderately due to commissioning of a new pipeline
PBT	502	424	266	(47.1)	(37.4)	
PAT	406	276	205	(49.4)	(25.8)	Depreciation to increase moderately due to commissioning of a new pipeline
Extraordinaries	—	—	—	—	—	
PAT-reported	406	276	205	(49.4)	(25.8)	
Hindustan Petroleum						
Net sales	314,706	294,438	412,561	31.1	40.1	Strong results due to higher refining and marketing margins and likely receipt of oil bonds
Operating profit	2,168	5,295	49,985	2,205.1	844.1	
EBITDA	5,345	6,262	53,840	907.3	759.7	Profits might swing depending on quantum of oil bonds issued by the government; we assume issue of oil bonds of Rs31 bn for 4QFY09 versus Rs33 bn in 3QFY09 (oil bonds worth Rs127 bn issued for 9MFY09)
PBT	(196)	(4,180)	45,029	(23,050.5)	(1,177.2)	
PAT	(241)	(4,220)	41,716	(17,409.7)	(1,088.5)	Profits might swing depending on quantum of oil bonds issued by the government; we assume issue of oil bonds of Rs31 bn for 4QFY09 versus Rs33 bn in 3QFY09 (oil bonds worth Rs127 bn issued for 9MFY09)
Extraordinaries	4,086	—	—	(100.0)	—	
PAT-reported	3,845	(4,220)	41,716	984.9	(1,088.5)	
Indian Oil Corporation						
Net sales	718,998	705,341	1,198,918	66.7	70.0	Strong results due to higher refining and marketing margins and likely receipt of oil bonds
Operating profit	6,220	33,831	87,037	1,299.4	157.3	
EBITDA	5,149	52,008	89,779	1,643.5	72.6	Profits might swing depending on quantum of oil bonds issued by the government; we assume issue of oil bonds of Rs84 bn for 4QFY09 versus Rs91 bn in 3QFY09 (oil bonds Rs342 bn issued for 9MFY09)
PBT	(6,696)	29,679	77,068	(1,251.0)	159.7	
PAT	(4,143)	29,586	66,586	(1,707.2)	125.1	Profits might swing depending on quantum of oil bonds issued by the government; we assume issue of oil bonds of Rs84 bn for 4QFY09 versus Rs91 bn in 3QFY09 (oil bonds Rs342 bn issued for 9MFY09)
Extraordinaries	—	—	—	—	—	
PAT-reported	(4,143)	29,586	66,586	(1,707.2)	125.1	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Oil & Natural Gas Corporation						
Net sales	156,261	125,387	103,544	(33.7)	(17.4)	Lower revenues qoq reflect lower crude price (-US\$11/bbl); partly compensated by nil subsidy loss and weaker rupee
Operating profit	77,117	51,033	75,787	(1.7)	48.5	
EBITDA	95,484	62,219	87,900	(7.9)	41.3	
PBT	63,020	33,576	58,318	(7.5)	73.7	
PAT	49,751	21,900	41,097	(17.4)	87.7	Higher profits qoq reflect higher net crude realization due to nil subsidy loss in 4QFY09 versus Rs49 bn in 3QFY09 and Rs85 bn in 4QFY08
Extraordinaries	(23,480)	2,848	—	(100.0)	(100.0)	
PAT-reported	26,271	24,748	41,097	56.4	66.1	
Petronet LNG						
Net sales	17,527	24,730	23,839	36.0	(3.6)	Strong yoy growth in revenues reflects higher volumes (spot LNG cargoes), higher tariffs
Operating profit	2,148	1,855	2,200	2.4	18.6	
EBITDA	2,327	2,077	2,344	0.7	12.9	
PBT	1,824	1,563	1,644	(9.8)	5.2	
PAT	1,200	1,051	1,009	(16.0)	(4.0)	Modest decline in net income yoy
Extraordinaries	—	—	—	—	—	
PAT-reported	1,200	1,051	1,009	(16.0)	(4.0)	
Reliance Industries						
Net sales	372,860	315,630	423,103	13.5	34.1	Yoy decline in EBITDA reflects lower chemical and refining margins; partly compensated by weaker rupee
Operating profit	60,190	53,630	47,434	(21.2)	(11.6)	
EBITDA	63,080	60,260	54,745	(13.2)	(9.2)	
PBT	46,560	42,250	38,132	(18.1)	(9.7)	
PAT	39,130	35,010	32,427	(17.1)	(7)	
Extraordinaries	—	—	—	—	—	Qoq decline in EBITDA reflects shutdown of oil production from KG D-6
PAT-reported	39,130	35,010	32,427	(17.1)	(7)	
Industrials						
ABB						
Net sales	15,353	21,663	16,478	7.3	(23.9)	High exposure to slowing industrials sector would adversely affect topline; margins would remain under pressure in a rising competition environment
Operating profit	1,727	2,680	1,813	4.9	(32.4)	
EBITDA	1,912	3,186	2,009	5.1	(36.9)	
PBT	1,801	2,925	1,789	(0.7)	(38.8)	
PAT	1,177	1,931	1,172	(0.4)	(39.3)	
Extraordinaries	—	—	—	—	—	
PAT-reported	1,177	1,931	1,172	(0.4)	(39.3)	
BGR Energy Systems						
Net sales	5,786	4,765	8,029	38.8	68.5	Strong revenue growth of 39% yoy on the back of large order backlog and pick up in execution of large thermal power projects
Operating profit	530	536	813	53.3	51.7	
EBITDA	559	599	899	60.9	50.1	
PBT	457	415	666	45.8	60.5	
PAT	319	272	449	40.8	65.2	
Extraordinaries	—	—	—	—	—	
PAT-reported	319	272	449	40.8	65.2	
Bharat Electronics						
Net sales	22,847	6,709	27,293	19.5	306.8	
Operating profit	7,285	1,606	6,787	(6.8)	322.6	
EBITDA	7,823	2,062	7,444	(4.8)	261.0	
PBT	7,562	1,792	7,210	(4.7)	302.3	
PAT	5,384	1,228	5,105	(5.2)	315.8	
Extraordinaries	212	—	—	(100.0)	—	
PAT-reported	5,596	1,228	5,105	(8.8)	315.8	
Bharat Heavy Electricals						
Net sales	72,020	60,223	91,979	27.7	52.7	Strong revenue growth of 31% in line with full year estimates of 30% growth; margins to increase with decline in commodity prices taking effect
Operating profit	13,634	10,207	13,943	2.3	36.6	
EBITDA	17,875	13,270	18,680	4.5	40.8	
PBT	17,006	12,226	17,757	4.4	45.2	
PAT	11,109	7,906	12,483	12.4	57.9	
Extraordinaries	—	—	—	—	—	
PAT-reported	11,109	7,906	12,483	12.4	57.9	
Crompton Greaves						
Net sales	20,207	21,498	23,345	15.5	8.6	Do not expect steep decline in revenue growth led by strong near-term outlook on core business, large exposure of revenues to power sector
Operating profit	2,755	2,256	2,561	(7.0)	13.5	
EBITDA	2,843	2,344	2,638	(7.2)	12.5	
PBT	2,344	1,869	2,084	(11.1)	11.5	
PAT	1,445	1,249	1,449	0.2	16.0	
Extraordinaries	—	—	—	—	—	
PAT-reported	1,445	1,249	1,449	0.2	16.0	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Larsen & Toubro						
Net sales	84,669	86,156	105,843	25.0	22.9	Expect yoy growth of 25% and margin decline versus exceptionally strong margins (adjusted for derivative losses) in 4QFY08; Order inflow, the key to visibility, may disappoint
Operating profit	12,897	7,798	13,760	6.7	76.4	
EBITDA	15,388	10,870	16,193	5.2	49.0	
PBT	14,207	9,114	14,322	0.8	57.1	
PAT	10,511	6,041	9,524	(9.4)	57.7	
Extraordinaries	(843)	9,163	—	(100.0)	(100.0)	
PAT-reported	9,668	15,204	9,524	(1.5)	(37.4)	
Suzlon Energy						
Net sales	41,934	39,320	46,400	10.6	18.0	Expect execution of about 780 MW (versus 766 MW last year) with an operating profit margin of 11.2%
Operating profit	7,159	5,063	6,429	(10.2)	27.0	
EBITDA	7,724	5,596	7,058	(8.6)	26.1	
PBT	4,727	3,377	4,614	(2.4)	36.6	
PAT	4,305	3,635	3,783	(12.1)	4.1	
Extraordinaries	(2,407)	(4,489)	—	(100.0)	(100.0)	
PAT-reported	1,899	(854)	3,783	99.3	(543.1)	
Siemens						
Net sales	21,424	16,289	20,893	(2.5)	28.3	Industrial investment slowdown reflect in yoy topline decline; we expect a sequential decline in margins due to rising competition offsetting decline in commodity prices
Operating profit	30	1,593	1,880	6,159.5	18.1	
EBITDA	167	3,935	2,060	1,136.4	(47.6)	
PBT	71	3,919	2,059	2,793.4	(47.4)	
PAT	17	3,306	1,339	7,983.7	(59.5)	
Extraordinaries	—	—	—	—	—	
PAT-reported	17	3,306	1,339	7,983.7	(59.5)	
Media						
DishTV						
Net sales	1,359	1,928	2,206	62.3	14.4	Strong 14% qoq revenue growth led by increase in prices of base subscriber packs
Operating profit	(592)	(333)	(286)	(51.7)	14.3	
EBITDA	(587)	(331)	(281)	(52.1)	15.2	Continued losses of about Rs1.0-1.2 bn despite 430 bps improvement in EBITDA margin
PBT	(1,149)	(1,123)	(1,108)	(3.6)	1.3	
PAT	(1,151)	(1,125)	(1,108)	(3.7)	1.5	
Extraordinaries	—	(56)	—	—	(100.0)	
PAT-reported	(1,151)	(1,180)	(1,108)	(3.7)	6.1	
HT Media						
Net sales	3,134	3,371	3,309	5.6	(1.8)	6% yoy revenue growth led by modest recovery in ad spending
Operating profit	601	457	512	(14.8)	12.1	
EBITDA	724	503	554	(23.5)	10.2	Meaningful 10% qoq decline in RM consumption and costs to support financials
PBT	564	263	331	(41.4)	25.6	
PAT	412	206	199	(51.6)	(3.3)	
Extraordinaries	4	(128)	—	(100.0)	(100.0)	
PAT-reported	416	78	199	(52.1)	154.7	
Jagran Prakashan						
Net sales	1,900	2,070	2,044	7.6	(1.3)	Moderate 8% yoy revenue growth led by modest recovery in ad spending
Operating profit	301	301	323	7.4	7.3	
EBITDA	333	346	365	9.7	5.7	Moderate 4% qoq decline in RM costs and overheads to support financials
PBT	228	230	241	5.6	5.1	
PAT	155	155	166	7.3	7.3	
Extraordinaries	—	—	—	—	—	
PAT-reported	155	155	166	7.3	7.3	
Sun TV Network						
Net sales	2,465	2,708	2,826	14.6	4.3	Robust 15% yoy revenue growth led by strong growth in regional ad spending
Operating profit	1,582	2,013	1,826	15.4	(9.3)	
EBITDA	1,796	2,157	1,980	10.2	(8.2)	Robust 17% yoy EBITDA growth due to high content costs and overheads
PBT	1,408	1,703	1,584	12.5	(7.0)	
PAT	914	1,122	1,064	16.4	(5.2)	
Extraordinaries	—	—	—	—	—	
PAT-reported	914	1,122	1,064	16.4	(5.2)	
Zee Entertainment Enterprises Ltd						
Net sales	5,260	5,455	5,358	1.9	(1.8)	Disappointing 2% yoy revenue growth given 20% loss in market share of ZTV
Operating profit	1,647	1,200	1,205	(26.8)	0.4	
EBITDA	1,882	1,601	1,443	(23.3)	(9.9)	Robust 16% yoy pay-TV revenue growth led by DTH (domestic) and rupee
PBT	1,760	1,132	1,121	(36.3)	(0.9)	
PAT	1,210	799	738	(39.0)	(7.6)	
Extraordinaries	(285)	26	—	(100.0)	(100.0)	
PAT-reported	924	825	738	(20.1)	(10.5)	
Zee News						
Net sales	1,131	1,430	1,417	25.4	(0.9)	Strong 25% yoy revenue growth led by ad revenue market share gains
Operating profit	268	299	248	(7.4)	(17.0)	
EBITDA	272	323	253	(7.0)	(21.7)	620 bps yoy EBITDA margin decline given large investments in new channels
PBT	250	244	182	(27.3)	(25.4)	
PAT	153	150	124	(19.1)	(17.2)	
Extraordinaries	—	—	—	—	—	
PAT-reported	153	151	119	(22.1)	(21.1)	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Metals						
Hindalco Industries						
Net sales	50,102	41,172	31,360	(37.4)	(23.8)	We expect operating margin to decline 870 bps yoy led by a 50% yoy decline in aluminium prices
Operating profit	7,967	7,792	2,255	(71.7)	(71.1)	
EBITDA	9,409	9,297	3,905	(58.5)	(58.0)	
PBT	6,905	6,754	1,460	(78.9)	(78.4)	
PAT	5,363	5,448	1,124	(79.0)	(79.4)	
Extraordinaries	(5,407)	—	—	(100.0)	—	
PAT-reported	10,770	5,448	1,124	(89.6)	(79.4)	
Hindustan Zinc						
Net sales	22,660	10,692	11,871	(47.6)	11.0	Increase in production capacity will likely result in 36% qoq growth in EBITDA
Operating profit	14,810	3,051	4,149	(72.0)	36.0	
EBITDA	15,852	5,413	6,749	(57.4)	24.7	
PBT	15,062	4,658	5,994	(60.2)	28.7	
PAT	10,562	3,688	4,795	(54.6)	30.0	
Extraordinaries	2,218	—	—	(100.0)	—	
PAT-reported	12,780	3,688	4,795	(62.5)	30.0	We expect margins to decline on account of a 51% yoy decline in zinc prices
JSW Steel						
Net sales	41,898	32,689	32,204	(23.1)	(1.5)	Increased production capacity, improved demand in 4Q to result in higher volumes
Operating profit	9,474	4,544	5,427	(42.7)	19.5	
EBITDA	9,835	5,055	5,977	(39.2)	18.3	
PBT	5,591	(2,653)	(260)	(104.6)	(90.2)	
PAT	3,219	(1,936)	(174)	(105.4)	(91.0)	
Extraordinaries	—	—	—	—	—	
PAT-reported	3,219	(1,936)	(174)	(105.4)	(91.0)	We expect operating margin to grow 300 bps qoq led by increased sales of value-added products
Jindal Steel and Power						
Net sales	15,230	17,811	16,388	7.6	(8.0)	We expect steel business margins to decline 580 bps yoy on account of a sharp decline in steel prices
Operating profit	5,793	6,120	4,782	(17.4)	(21.9)	
EBITDA	6,041	6,224	4,906	(18.8)	(21.2)	
PBT	4,402	4,371	3,302	(25.0)	(24.5)	
PAT	3,903	3,252	2,452	(37.2)	(24.6)	
Extraordinaries	—	—	—	—	—	
PAT-reported	3,903	3,252	2,452	(37.2)	(24.6)	
National Aluminium Co.						
Net sales	14,057	10,157	8,240	(41.4)	(18.9)	We expect PAT to decline 76% yoy on account of (1) decline in alumina, aluminium prices and (2) lower aluminium sales
Operating profit	5,671	2,453	938	(83.5)	(61.8)	
EBITDA	7,021	3,788	2,134	(69.6)	(43.7)	
PBT	6,263	3,140	1,492	(76.2)	(52.5)	
PAT	4,091	2,195	991	(75.8)	(54.9)	
Extraordinaries	—	—	—	—	—	
PAT-reported	4,091	2,195	991	(75.8)	(54.9)	
Sesa Goa						
Net sales	16,445	13,744	14,925	(9.2)	8.6	Uptick in iron ore volumes to 6 mn tons and appreciation of the rupee will result in higher earnings
Operating profit	11,935	5,743	7,360	(38.3)	28.2	
EBITDA	12,190	6,205	7,668	(37.1)	23.6	
PBT	12,055	6,069	7,559	(37.3)	24.5	
PAT	7,983	4,707	5,669	(29.0)	20.4	
Extraordinaries	—	—	—	—	—	
PAT-reported	7,983	4,707	5,669	(29.0)	20.4	We expect 4Q operating margin to improve 750 bps yoy on account of removal of export duty on iron ore
Sterlite Industries						
Net sales	67,659	45,362	32,235	(52.4)	(28.9)	We expect operating margin to halve on account of a 51% and 50% decline in zinc and aluminium prices, respectively
Operating profit	21,746	5,653	5,320	(75.5)	(5.9)	
EBITDA	27,664	11,505	10,536	(61.9)	(8.4)	
PBT	26,497	8,486	7,578	(71.4)	(10.7)	
PAT	13,184	5,137	4,146	(68.5)	(19.3)	
Extraordinaries	528	145	—	(100.0)	(100.0)	
PAT-reported	13,712	5,283	4,146	(69.8)	(21.5)	Better TC/RC margins will likely result in increased contribution from the copper business
Tata Steel						
Net sales	57,359	48,021	59,206	3.2	23.3	We expect PAT to decline 40% yoy mainly on account of a 25% decline in average steel realisation
Operating profit	25,774	14,780	15,987	(38.0)	8.2	
EBITDA	26,771	14,864	17,027	(36.4)	14.5	
PBT	18,426	8,869	11,092	(39.8)	25.1	
PAT	12,055	4,662	7,376	(38.8)	58.2	
Extraordinaries	—	—	—	—	—	
PAT-reported	12,055	4,662	7,376	(38.8)	58.2	Volumes have been very robust in 4Q with 28% and 40% increase in production and sales, respectively

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Others						
Aban Offshore						
Net sales	NA	8,371	7,779	—	(7.1)	
Operating profit	NA	4,717	4,410	—	(6.5)	Revenues to decline due to lower utilization of rigs
EBITDA	NA	4,941	4,658	—	(5.7)	
PBT	NA	1,620	1,548	—	(4.5)	
PAT	NA	1,162	1,134	—	(2.5)	
Extraordinaries	NA	1,400	—	—	(100.0)	
PAT-reported	NA	2,562	1,134	—	(55.8)	
Container Corporation						
Net sales	9,069	8,459	8,036	(11.4)	(5.0)	Steep degrowth in volumes led by sharp decline in port volumes witnessed Jan-Mar period
Operating profit	2,355	2,442	2,330	(1.1)	(4.6)	
EBITDA	2,908	2,948	2,985	2.6	1.3	
PBT	2,638	2,665	2,677	1.5	0.5	
PAT	2,118	2,064	2,032	(4.1)	(1.5)	
Extraordinaries	—	—	2	—	—	
PAT-reported	2,118	2,064	2,034	(4.0)	(1.4)	
Educomp						
Net sales	1,181	1,453	1,760	49.0	21.1	Revenues to be driven by ICT business
Operating profit	551	767	818	48.4	6.6	
EBITDA	565	784	843	49.1	7.5	
PBT	439	568	583	32.6	2.6	
PAT	315	416	404	28.5	(2.9)	EBITDA margins to be impacted by lower margins of ICT business
Extraordinaries	—	(101)	—	—	(100.0)	
PAT-reported	315	315	404	28.5	28.2	
Havells India						
Net sales	13,758	13,088	13,677	(0.6)	4.5	Revenues to remain flat due to decline in Sylvania and slow growth in India.
Operating profit	809	309	488	(39.6)	58.0	EBITDA margin to decline by 230 bps yoy to 3.6% due to high fixed costs at Sylvania
EBITDA	941	311	552	(41.3)	77.4	
PBT	544	(182)	57	(89.5)	(131.3)	
PAT	469	(437)	(95)	(120.3)	(78.2)	High fixed cost at Sylvania to keep margins low. Qoq PBT to increase as 3QFY09 included Rs350 mn of inventory writedown
Extraordinaries	—	(425)	(179)	—	(57.9)	
PAT-reported	469	(862)	(275)	(158.6)	(68.1)	
IRB Infrastructure						
Net sales	—	2,391	3,036	—	27.0	Traffic volumes growth may have been affected by economy wide slowdown in the 4QFY09
Operating profit	—	1,015	1,376	—	35.5	
EBITDA	—	1,105	1,466	—	32.6	
PBT	—	455	815	—	79.3	
PAT	—	382	632	—	65.3	
Extraordinaries	—	—	—	—	—	
PAT-reported	—	382	632	—	65.3	
Jindal Saw						
Net sales	9,521	15,481	15,420	62.0	(0.4)	Higher realisations for LSAW pipes and currency depreciation to drive revenues
Operating profit	1,466	1,942	1,958	33.6	0.8	
EBITDA	1,495	1,962	1,980	32.5	1.0	
PBT	1,139	1,277	1,280	12.4	0.2	EBITDA margins to be lower by 270 bps yoy due to execution of Cairn order and HSAW orders from water projects
PAT	854	867	896	4.9	3.4	Depreciation and interest cost to be higher due to capitalisation of HSAW plants
Extraordinaries	—	—	—	—	—	
PAT-reported	854	867	896	4.9	3.4	
Jaiprakash Associates						
Net sales	12,780	13,217	15,781	23.5	19.4	Improvement in cement realizations and ramp up of production at recently commissioned capacities to aid growth in cement business
Operating profit	3,959	2,473	6,378	61.1	157.9	
EBITDA	4,628	3,727	4,953	7.0	32.9	
PBT	3,044	2,089	3,177	4.4	52.1	
PAT	2,097	1,655	2,316	10.4	39.9	Topline growth aided by strong growth in construction revenues on a yoy basis
Extraordinaries	—	—	—	—	—	
PAT-reported	2,097	1,655	2,316	10.4	39.9	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Maharashtra Seamless						
Net sales	3,843	5,881	4,306	12.0	(26.8)	Lower volumes due to plant shutdown and lower realisations will result in qoq revenue decline
Operating profit	751	871	640	(14.7)	(26.5)	
EBITDA	869	1,020	757	(12.9)	(25.8)	EBITDA margins to be supported by drop in billet prices
PBT	812	931	675	(16.8)	(27.4)	
PAT	541	641	432	(20.0)	(32.5)	
Extraordinaries	—	—	—	—	—	
PAT-reported	541	641	432	(20.0)	(32.5)	
PSL						
Net sales	6,556	9,753	10,125	54.4	3.8	Higher realisation to drive yoy revenue growth. EBITDA margin to increase by only 40 bps yoy due to corresponding increase in steel prices
Operating profit	478	664	784	63.9	18.1	
EBITDA	608	898	964	58.7	7.3	Interest cost to decline due to reduction in working capital and lower interest rates
PBT	326	368	511	56.8	38.8	
PAT	183	247	278	51.7	12.6	
Extraordinaries	—	—	—	—	—	
PAT-reported	183	247	278	51.7	12.6	
Sintex						
Net sales	9,285	8,202	8,590	(7.5)	4.7	Slowdown in demand from user industries to impact revenue growth. Higher depreciation and interest cost to result in 18.8% yoy decline in PBT
Operating profit	1,445	1,273	1,385	(4.1)	8.8	
EBITDA	1,758	1,525	1,605	(8.7)	5.3	Margin to improve due to lower commodity prices
PBT	1,316	954	1,068	(18.8)	12.0	
PAT	946	717	802	(15.2)	11.9	
Extraordinaries	—	—	—	—	—	
PAT-reported	946	717	802	(15.2)	11.9	
Tata Chemicals						
Net sales	14,348	35,100	16,879	17.6	(51.9)	Revenues expected at Rs17 bn, lower than 3QFY09 due to lower sales from fertilizers. Higher revenues are reported in fertilizers in September and December quarter
Operating profit	1,047	4,116	5,262	402.8	27.9	
EBITDA	6,279	4,123	5,462	(13.0)	32.5	DAP production, which had been halted in 3QFY09 due to mismatch in output and input prices, has been resumed. We factor in sales of Rs1.3 bn from phosphatics in 4QFY09E
PBT	5,171	2,033	3,312	(35.9)	62.9	
PAT	4,838	1,495	2,484	(48.6)	66.2	
Extraordinaries	440	(183)	(1,050)	(338.8)	473.1	
PAT-reported	5,277	1,311	1,434	(72.8)	9.4	
United Phosphorus						
Net sales	12,027	10,839	12,834	6.7	18.4	Revenues expected at Rs12.8 bn, up 18% qoq since sales from Europe and N. America are higher this quarter. We expect domestic sales to grow at 15% yoy inline with growth rate seen in 3QFY09
Operating profit	2,282	1,848	2,959	29.7	60.1	
EBITDA	2,461	1,954	3,059	24.3	56.6	Margins are expected to increase to 23% from 17% in 3QFY09 due to (1) lower materials cost (2) gains from rupee depreciation—as 80% of revenues are exports and manufacturing is based in India
PBT	1,689	987	2,074	22.8	110.0	
PAT	1,717	877	1,742	1.4	98.6	
Extraordinaries	—	(267)	—	—	(100.0)	
PAT-reported	1,717	611	1,742	1.4	185.3	
Welspun Gujarat Stahl Rohren						
Net sales	12,275	14,566	16,538	34.7	13.5	Revenue growth to be driven by higher volumes and realization. Lower exchange rate will also support revenues
Operating profit	1,963	1,848	2,996	52.6	62.1	
EBITDA	2,071	1,899	3,023	46.0	59.2	Higher captive utilization of plate mill will improve margins. Interest and depreciation cost to be higher due to capitalization of HSAW plant
PBT	1,545	1,103	1,687	9.2	52.9	
PAT	1,022	731	1,062	3.9	45.2	
Extraordinaries	—	278	—	—	(100.0)	
PAT-reported	1,022	453	1,062	3.9	134.3	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Pharmaceuticals						
Biocon						
Net sales	2,679	4,362	4,575	70.8	4.9	
Operating profit	823	1,007	981	19.2	(2.6)	Yoy comparison not meaningful due to the acquisition of Axicorp
EBITDA	949	1,169	1,101	16.0	(5.9)	
PBT	679	862	759	11.7	(12.0)	
PAT	620	799	694	11.9	(13.2)	Sales expected at Rs4.5 bn versus Rs4.3 bn in 3QFY09 driven by biopharmaceuticals segment
Extraordinaries	14	(59)	—	(100.0)	(100.0)	
PAT-reported	634	740	694	9.4	(6.2)	
Cipla						
Net sales	10,816	12,643	12,720	17.6	0.6	
Operating profit	1,622	2,608	2,678	65.1	2.7	Revenues estimated at Rs13 bn, up 17% yoy
EBITDA	2,183	3,564	3,573	63.6	0.3	
PBT	1,771	3,042	2,998	69.3	(1.4)	
PAT	1,572	2,592	2,548	62.1	(1.7)	We estimate India sales growth to slowdown to 13% yoy, in line with the average growth for 9MFY09
Extraordinaries	222	(358)	(158)	(171.2)	(55.8)	
PAT-reported	1,794	2,234	2,390	33.2	7.0	
Divis Laboratories						
Net sales	2,781	2,648	3,101	11.5	17.1	
Operating profit	1,231	1,083	1,358	—	25.5	Revenues expected at Rs3 bn up 17% qoq driven by (1) gains from rupee depreciation due to an unhedged position (2) we include Levetricetam sales of US\$5 mn in this quarter
EBITDA	1,277	1,159	1,408	10.3	21.5	
PBT	1,157	1,020	1,253	8.3	22.9	
PAT	1,014	922	1,134	11.9	23.1	EBITDA margins before R&D and forex loss expected at 43% versus 41% in 3QFY09
Extraordinaries	(87)	(126)	—	(100.0)	(100.0)	
PAT-reported	927	795	1,134	22.4	42.6	
Dishman Pharma & Chemicals						
Net sales	2,419	2,820	2,887	19.3	2.4	
Operating profit	451	718	706	—	(1.6)	Revenues expected at Rs2.8 bn, same as last quarter due to the halt in supplies to Solvay as outlined by the company last quarter
EBITDA	605	720	731	20.9	1.6	
PBT	342	449	441	29.0	(1.7)	
PAT	399	359	375	(6.0)	4.6	Dishman will not be supplying Esprosartan this quarter to Solvay since Solvay has shifted production of Teveten from three manufacturing sites to a single site and holds the required inventory Supplies will resume from May 2009
Extraordinaries	—	39	(128)	—	(426.2)	
PAT-reported	399	398	248	(38.0)	(37.8)	
Dr Reddy's Laboratories						
Net sales	12,712	18,050	15,906	25.1	(11.9)	
Operating profit	1,874	3,572	2,798	49.3	(21.7)	We include US\$30 mn sales of Imitrex this quarter versus US\$72 mn reported in 3QFY09
EBITDA	3,086	4,074	3,298	6.9	(19.1)	
PBT	1,694	2,564	1,698	0.2	(33.8)	
PAT	1,196	1,997	1,324	10.7	(33.7)	EBITDA margin, ex-R&D expected at 24%, lower than 30% reported in 3QFY09
Extraordinaries	—	(405)	(312)	—	(23.0)	
PAT-reported	1,196	1,592	1,012	(15.4)	(36.4)	
Glenmark Pharmaceuticals						
Net sales	5,117	5,814	6,516	27.3	12.1	
Operating profit	1,623	1,891	1,821	12.2	(3.7)	Revenues expected to increase 12% yoy driven by India finished dosages which we estimate to grow at 17% yoy
EBITDA	2,574	1,896	1,759	(31.7)	(7.2)	
PBT	2,172	1,262	1,109	(48.9)	(12.1)	
PAT	2,190	814	909	(58.5)	11.6	
Extraordinaries	—	—	—	—	—	US revenues estimated at US\$47 mn, same as 3QFY09
PAT-reported	2,190	814	909	(58.5)	11.6	
Jubilant Organosys						
Net sales	6,890	9,096	9,633	39.8	5.9	
Operating profit	1,246	1,411	1,696	36.1	20.3	Yoy comparison not meaningful due to Draxis acquisition in FY2009
EBITDA	1,325	1,571	1,746	31.8	11.2	
PBT	943	813	946	0.3	16.4	
PAT	971	1,184	871	(10.3)	(26.5)	EBITDA margins estimated at 17% versus 15% in 3QFY09
Extraordinaries	(269)	(2,085)	(483)	79.8	(76.8)	
PAT-reported	702	(901)	388	(44.8)	(143.0)	
Lupin						
Net sales	7,685	9,618	9,478	23.3	(1.5)	
Operating profit	1,379	1,539	1,412	2.4	(8.3)	Revenues forecast Rs9.7 bn, with domestic finished dosage business estimated to grow at 17%, in line with the growth reported in the past two quarters
EBITDA	1,707	1,761	1,562	(8.5)	(11.3)	
PBT	1,397	1,396	1,172	(16.1)	(16.0)	
PAT	1,143	1,177	996	(12.8)	(15.4)	
Extraordinaries	—	—	—	—	—	EBITDA margin, ex-R&D expected at 21% versus 22% in 3QFY09
PAT-reported	1,143	1,177	996	(12.8)	(15.4)	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Piramal Healthcare						
Net sales	7,679	8,326	8,623	12.3	3.6	
Operating profit	2,036	1,598	1,834	(9.9)	14.7	We estimate India sales growth to slowdown to 18% yoy, lower than average growth of 22% reported in 9MFY09
EBITDA	2,036	1,598	1,832	(10.0)	14.6	
PBT	1,751	1,043	1,232	(29.7)	18.2	
PAT	1,596	934	1,084	(32.1)	16.1	
Extraordinaries	(253)	(315)	(876)	246.2	178.1	PH to report exceptional cost of Rs700 mn this quarter towards Huddersfield plant closure
PAT-reported	1,343	619	208	(84.5)	(66.4)	
Ranbaxy Laboratories						
Net sales	16,137	19,049	19,700	22.1	3.4	Growth rate in Indian market is expected at 6% compared to 4% seen in 2008
Operating profit	2,552	2,527	2,212	(13.3)	(12.5)	
EBITDA	2,637	3,073	2,312	(12.3)	(24.8)	
PBT	1,632	1,911	1,587	(2.8)	(17.0)	
PAT	1,291	1,133	1,254	(2.9)	10.6	We expect the company to report heavy forex loss of Rs2.3 bn on account of the forward cover position taken on sales and MTM loss on FCCBs
Extraordinaries	77	(7,931)	(1,833)	(2,488.1)	(76.9)	
PAT-reported	1,368	(6,798)	(579)	(142.3)	(91.5)	
Sun Pharmaceuticals						
Net sales	12,572	9,183	9,489	(24.5)	3.3	India sales expected to register 16% yoy sales growth. US yoy sales comparison not meaningful due to sales from exclusivity last year
Operating profit	7,407	4,134	3,871	(47.7)	(6.4)	
EBITDA	7,963	4,577	4,221	(47.0)	(7.8)	
PBT	7,695	4,266	3,901	(49.3)	(8.5)	
PAT	7,228	4,086	3,527	(51.2)	(13.7)	EBITDA margin, ex-R&D, expected at 50% down 400 bps qoq as most of the gains on the back of generic Protonix have come through
Extraordinaries	—	—	—	—	—	
PAT-reported	7,228	4,086	3,527	(51.2)	(13.7)	
Property						
DLF						
Net sales	43,065	13,667	10,200	(76.3)	(25.4)	No sales to DAL in 4QFY09
Operating profit	27,828	7,720	5,400	(80.6)	(30.1)	
EBITDA	28,486	9,081	6,400	(77.5)	(29.5)	
PBT	27,045	7,355	4,600	(83.0)	(37.5)	
PAT	22,067	6,830	3,680	(83.3)	(46.1)	Drop in operating margins as a result of negative operating leverage, change in revenue mix
Extraordinaries	—	—	—	—	—	
PAT-reported	21,768	6,830	3,680	(83.1)	(46.1)	
Housing Development & Infrastructure						
Net sales	9,751	3,138	1,200	(87.7)	(61.8)	4QFY08 included one-off sale of Rs9 bn
Operating profit	8,639	951	700	(91.9)	(26.4)	
EBITDA	8,783	1,160	856	(90.3)	(26.2)	
PBT	8,093	1,012	651	(92.0)	(35.7)	
PAT	7,083	1,861	521	(92.6)	(72.0)	No revenue booking from recently launched projects due to project-completion-based accounting
Extraordinaries	—	—	—	—	—	
PAT-reported	7,083	1,861	521	(92.6)	(72.0)	
Indiabulls Real Estate						
Net sales	682	390	400	(41.4)	2.7	
Operating profit	143	(172)	(100)	(169.9)	(41.9)	Other income comprises interest income from cash balances
EBITDA	989	391	400	(59.5)	2.2	
PBT	697	356	285	(59.2)	(20.0)	
PAT	490	179	205	(58.2)	14.5	Revenue booking from properties in NCR, fee income from IPIT
Extraordinaries	—	—	—	—	—	
PAT-reported	490	179	205	(58.2)	14.5	
Mahindra Life Space Developer						
Net sales	596	557	396	(33.5)	(28.9)	4QFY09 results are on standalone basis
Operating profit	214	83	75	(64.9)	(9.4)	
EBITDA	308	150	131	(57.5)	(12.7)	
PBT	302	145	117	(61.3)	(19.3)	4QFY08 included sale of assets worth ~Rs200 mn
PAT	221	114	95	(56.8)	(16.3)	
Extraordinaries	—	—	—	—	—	
PAT-reported	221	114	95	(56.8)	(16.3)	
Purvankara Projects						
Net sales	1,539	800	970	(37.0)	21.3	Low sale volumes in Bangalore likely to result in yoy revenue decline
Operating profit	527	149	220	(58.3)	47.7	
EBITDA	608	183	270	(55.6)	47.5	
PBT	607	183	270	(55.5)	47.5	MAT credit entitlement of Rs119 mn in 4QFY08
PAT	724	175	224	(69.0)	28.1	
Extraordinaries	—	—	—	—	—	
PAT-reported	724	175	224	(69.0)	28.1	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Phoenix Mills						
Net sales	231	221	240	4.0	8.6	4QFY09 results are on standalone basis; extraordinaries in 4QFY08 comprised sales to subsidiaries
Operating profit	46	155	170	272.5	9.7	
EBITDA	164	217	220	34.4	1.4	
PBT	144	187	181	25.6	(3.2)	We expect Grand Gallaria to contribute to rental income in 4QFY09
PAT	87	148	144	64.6	(2.9)	
Extraordinaries	(1,257)	—	—	(100.0)	—	
PAT-reported	1,344	148	144	(89.3)	(2.9)	
Sobha Developers						
Net sales	4,741	1,836	2,200	(53.6)	19.8	Low sale volumes in Bangalore likely to result in yoy revenue decline
Operating profit	1,080	506	650	(39.8)	28.5	
EBITDA	1,104	546	670	(39.3)	22.7	
PBT	820	169	280	(65.9)	65.7	Large portion of interest cost has been capitalized
PAT	702	75	182	(74.1)	142.7	
Extraordinaries	—	—	—	—	—	
PAT-reported	702	75	182	(74.1)	142.7	
Unitech						
Net sales	11,601	4,894	5,800	(50.0)	18.5	Revenue booking will largely be from projects in NCR, Kolkata
Operating profit	4,818	2,443	2,800	(41.9)	14.6	
EBITDA	5,189	2,619	3,000	(42.2)	14.5	
PBT	4,666	1,599	1,910	(59.1)	19.4	Revenues include sale booking on account of hotel project in Gurgaon
PAT	3,694	1,380	1,528	(58.6)	10.7	
Extraordinaries	—	—	—	—	—	
PAT-reported	3,694	1,380	1,528	(58.6)	10.7	
Retail						
Pantaloon Retail						
Net sales	13,543	15,257	16,477	21.7	8.0	Expect value segment to drive 8% qoq revenue growth
Operating profit	1,141	1,573	1,697	48.7	7.9	
EBITDA	1,158	1,588	1,712	47.9	7.8	
PBT	506	522	592	16.9	13.3	Gross margins likely to be 40 bps lower yoy due to increased promotions
PAT	321	338	383	19.4	13.4	
Extraordinaries	—	—	—	—	—	
PAT-reported	321	338	383	19.4	13.4	
Vishal Retail						
Net sales	3,023	3,555	3,781	25.1	6.4	Revenue growth to moderate due to the absence of new store rollouts in the quarter
Operating profit	347	438	480	38.6	9.7	
EBITDA	381	459	500	31.4	8.9	
PBT	162	40	10	(93.7)	(74.4)	EBITDA margins would decrease due to higher operating costs
PAT	104	22	36	(65.2)	67.9	
Extraordinaries	—	—	—	—	—	
PAT-reported	104	22	36	(65.2)	67.9	
Titan Industries						
Net sales	8,225	10,240	9,457	15.0	(7.6)	Higher gold prices to result in lower jewelry volumes. Watch revenues to remain flat due to lower consumer spending
Operating profit	838	593	696	(17.0)	17.3	
EBITDA	842	603	702	(16.7)	16.3	
PBT	700	468	559	(20.1)	19.4	Margins to decline yoy due to lower margin expected in the watch segment
PAT	605	294	374	(38.2)	27.3	
Extraordinaries	—	(176)	—	—	(100.0)	
PAT-reported	605	118	374	(38.2)	217.5	
Sugar						
Balrampur Chini Mills						
Net sales	3,080	4,295	4,509	46.4	5.0	Higher sugar prices to offset lower volumes during quarter
Operating profit	1,314	1,157	1,157	(12.0)	(0.0)	
EBITDA	1,345	1,163	1,167	(13.3)	0.4	
PBT	809	638	626	(22.6)	(1.8)	EBITDA margins to be maintained at 1QFY09 levels
PAT	657	513	451	(31.3)	(12.1)	
Extraordinaries	—	—	—	—	—	
PAT-reported	657	513	451	(31.3)	(12.1)	
Shree Renuka Sugars						
Net sales	4,718	3,383	4,482	(5.0)	32.5	Net sales to decline yoy due to high base effect of traded sugar last year
Operating profit	629	567	859	36.6	51.6	
EBITDA	709	579	879	24.0	51.9	
PBT	435	155	428	(1.7)	175.9	EBITDA margins to expand due to higher prices
PAT	304	101	299	(1.5)	196.3	
Extraordinaries	—	—	—	—	—	
PAT-reported	304	101	299	(1.5)	196.3	
Bajaj Hindustan						
Net sales	4,903	3,600	5,197	6.0	44.4	Higher sugar prices to offset lower sugar volumes during quarter
Operating profit	976	341	1,001	2.6	193.8	
EBITDA	1,073	364	1,051	(2.1)	189.1	
PBT	509	(607)	41	(91.9)	(106.8)	Interest costs to negate higher EBITDA margins
PAT	430	(286)	31	(92.9)	(110.7)	
Extraordinaries	—	(273)	—	—	(100.0)	
PAT-reported	430	(559)	31	(92.9)	(105.5)	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Technology						
HCL Technologies						
Net sales	19,448	24,908	29,834	53.4	19.8	Expect an organic revenue decline of 3.8% sequentially, marking another quarter of core business underperformance. We build in US\$95 mn revenues (US\$80 mn incremental qoq) from Axon acquisition
Operating profit	4,143	5,425	5,715	38.0	5.4	
EBITDA	4,368	5,215	4,291	(1.7)	(17.7)	Expect investor focus on (1) near-term revenue outlook and status of ramp-downs from select large and a number of smaller accounts (2) status of ramp-up in recently signed deals; the company had announced US\$1-bn worth new deal signings in the Dec 2008 quarter
PBT	3,594	4,319	3,201	(10.9)	(25.9)	
PAT	3,237	3,642	2,851	(11.9)	(21.7)	
Extraordinaries	—	—	—	—	—	
PAT-reported	3,237	3,642	2,851	(11.9)	(21.7)	
Hexaware Technologies						
Net sales	2,670	3,059	2,608	(2.3)	(14.8)	We expect revenues of US\$51.6 mn, a qoq decline of 16.6% and in line with the company's guidance of US\$51-53 mn
Operating profit	263	550	296	12.7	(46.2)	
EBITDA	307	316	141	(53.9)	(55.3)	Expect a sharp 660 bps decline in EBITDA margins on account of utilization drop (despite potential decline in employee base) and pressure on realizations
PBT	243	246	62	(74.7)	(74.9)	
PAT	209	171	48	(76.8)	(71.7)	
Extraordinaries	—	—	—	—	—	
PAT-reported	209	171	48	(76.8)	(71.7)	
Mindtree						
Net sales	2,098	3,638	3,513	67.4	(3.4)	Numbers from Dec 2008 onwards build in full consolidation of Aztec; hence, yoy comparison not meaningful
Operating profit	383	1,109	895	133.9	(19.3)	
EBITDA	462	352	233	(49.5)	(33.8)	We expect a 6% sequential decline in consolidated US\$ revenues and a 6.3% qoq decline in standalone (ex-Aztec) US\$ revenues, in line with the company's guidance range
PBT	339	140	(13)	(103.9)	(109.4)	
PAT	347	103	(10)	(103.0)	(110.1)	
Extraordinaries	—	(16)	(21)	—	30.9	
PAT-reported	—	—	—	—	—	
Infosys Technologies						
Net sales	45,420	57,860	56,938	25.4	(1.6)	We expect a 3.3% sequential decline in US\$ revenues to US\$1,132 mn, marginally exceeding the lower end of the company's guidance range of US\$1,128-1,170 mn. Revenue decline to be a function of moderate decline in volumes and ~2.5% sequential blended realization decline
Operating profit	14,780	20,310	19,305	30.6	(4.9)	
EBITDA	16,170	20,690	20,279	25.4	(2.0)	We expect Infosys to guide for 2-5% decline in US\$ revenues for FY2010E. Expect an EPS guidance range of 98 to 102 (at a Re/US\$ rate assumption of 50.7, the closing rate on March 31, 2009)
PBT	14,600	18,820	18,312	25.4	(2.7)	
PAT	12,290	15,790	15,377	25.1	(2.6)	
Extraordinaries	200	620	—	(100.0)	(100.0)	
PAT-reported	12,490	16,410	15,377	23.1	(6.3)	
Patni Computer Systems						
Net sales	7,061	8,775	7,766	10.0	(11.5)	We expect the company to meet the lower end of its US\$ revenue guidance of US\$154-155 mn (implying a qoq as well as yoy decline of 13%)
Operating profit	967	1,030	611	(36.9)	(40.7)	
EBITDA	1,116	1,212	769	(31.1)	(36.5)	Expect investor focus on (1) revenue outlook given the sharp pressure indicated in the March 2009 quarter and (2) acquisition plans; a sub-optimal acquisition is a key investor concern and a major overhang on the stock (which is trading only marginally above cash per share)
PBT	842	919	459	(45.5)	(50.1)	
PAT	725	799	336	(53.7)	(58.0)	
Extraordinaries	—	—	—	—	—	
PAT-reported	725	799	336	(53.7)	(58.0)	
TCS						
Net sales	60,469	72,770	74,403	23.0	2.2	Reported US\$ revenues, consolidated for Citi BPO acquisition expected to be down a marginal 0.3% qoq. This implies a sequential organic revenue decline of 4.6%
Operating profit	15,126	19,474	19,169	26.7	(1.6)	
EBITDA	16,305	17,627	17,607	8.0	(0.1)	Expect investor focus on (1) FY2010E revenue outlook, (2) status of decision making by clients' CIO organizations, (3) pricing renegotiations with key clients and (4) status on execution and profitability of large deals
PBT	14,680	16,173	16,028	9.2	(0.9)	
PAT	12,558	13,523	13,229	5.3	(2.2)	
Extraordinaries	—	—	—	—	—	
PAT-reported	12,558	13,523	13,229	5.3	(2.2)	
Tech Mahindra						
Net sales	10,218	11,322	10,714	4.9	(5.4)	We expect another quarter of decline in US\$ revenues led by cross-currency pressure and continued weakness across BT and non-BT relationships. We build in a US\$ revenue decline of 7.7% qoq and 17% yoy
Operating profit	2,224	3,180	2,610	17.4	(17.9)	
EBITDA	2,588	2,783	2,466	(4.7)	(11.4)	Expect investor focus on (1) the management's commentary on reported interest in acquiring Satyam, (2) status of the key demand drivers within the BT account viz. vendor consolidation on the core BT side, and progress on the BTGS deal, (3) commentary of the demand environment in the TSP vertical and (4) progress on non-BT accounts
PBT	2,354	2,497	2,175	(7.6)	(12.9)	
PAT	2,189	2,228	1,866	(14.8)	(16.3)	
Extraordinaries	1	1	1	—	100.0	
PAT-reported	(2,211)	2,229	1,867	(184.4)	(16.2)	
Wipro						
Net sales	55,954	65,387	65,525	17.1	0.2	We expect 4.8% qoq revenue decline for Global IT services business (in US\$ terms, including CITOS acquisition) to US\$1,048 mn, marginally higher than the company's guidance of US\$1,045 mn. Organic qoq revenue decline likely to be 6.8%
Operating profit	11,502	13,387	12,681	10.3	(5.3)	
EBITDA	11,480	13,011	12,277	6.9	(5.6)	Expect investor focus on (1) hiring status; Wipro had deferred the joining dates of its campus joiners, (2) commentary on the demand outlook in key verticals like BFSI, TSP, and Telecom OEMs, and (3) trends on pricing renegotiations
PBT	9,765	10,923	10,072	3.1	(7.8)	
PAT	8,754	9,700	9,027	3.1	(6.9)	
Extraordinaries	—	—	—	—	—	
PAT-reported	8,754	9,700	9,027	3.1	(6.9)	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Telecom						
Bharti Airtel						
Net sales	78,191	96,334	99,803	27.6	3.6	We expect 5% qoq growth in revenues and 2.5% qoq growth in EBITDA; expect a 100 bps drop in EBITDA margins, on account of margin pressure in the wireless business
Operating profit	32,418	39,450	38,386	18.4	(2.7)	
EBITDA	32,891	39,235	41,619	26.5	6.1	ILD revenues and EBITDA margins to benefit from Rupee depreciation versus US\$
PBT	21,132	24,629	24,473	15.8	(0.6)	
PAT	19,047	22,071	21,814	14.5	(1.2)	
Extraordinaries	(518)	(478)	(212)	(59)	(55.6)	
PAT-reported	18,529	21,593	21,602	16.6	0.0	
Idea Cellular						
Net sales	19,724	27,305	31,563	60.0	15.6	Expect Idea to report strong revenue growth on account of strong subs net adds and full quarter consolidation of 41% stake in Spice
Operating profit	6,621	6,969	7,533	13.8	8.1	
EBITDA	6,750	6,974	8,164	21.0	17.1	Expect another quarter of sharp margin decline; we build in a 160 bps sequential decline in consolidated EBITDA margins
PBT	2,947	2,164	2,238	(24.1)	3.5	
PAT	2,782	2,195	2,164	(22.2)	(1.4)	
Extraordinaries	—	—	—	—	—	
PAT-reported	2,782	2,195	2,164	(22.2)	(1.4)	
MTNL						
Net sales	11,566	10,066	10,104	(12.6)	0.4	Expect modest revenue growth, driven by decent wireless and BB subs additions
Operating profit	2,319	58	72	(96.9)	24.5	
EBITDA	3,368	2,780	2,243	(33.4)	(19.3)	Expect EBITDA margins to remain weak at 1%; we do not rule out EBITDA losses for the quarter
PBT	1,523	981	433	(71.6)	(55.9)	
PAT	179	549	205	14.5	(62.6)	
Extraordinaries	2,020	34	—	(100.0)	(100.0)	
PAT-reported	2,199	583	205	(90.7)	(64.8)	
Reliance Communications						
Net sales	53,114	58,502	60,504	13.9	3.4	Revenue growth likely to be driven by the wireless business; expect pressure on margins on account of GSM launch
Operating profit	23,164	23,525	23,426	1.1	(0.4)	
EBITDA	23,164	23,525	23,426	1.1	(0.4)	Expect investor focus on the impact of GSM launch on wireless business metrics
PBT	15,389	14,952	12,727	(17.3)	(14.9)	
PAT	15,661	14,800	12,601	(19.5)	(14.9)	
Extraordinaries	(629)	(697)	(300)	(52.3)	(56.9)	
PAT-reported	15,032	14,103	12,301	(18.2)	(12.8)	
Tata Communications						
Net sales	8,502	9,902	10,119	19.0	2.2	Modest revenue growth to be aided by Re depreciation versus the US\$
Operating profit	1,475	2,305	2,317	57.1	0.5	
EBITDA	1,827	2,630	2,701	47.9	2.7	Key area to watch would be the performance of international operations
PBT	863	1,202	1,174	36.1	(2.4)	
PAT	599	810	774	29.2	(4.4)	
Extraordinaries	(11)	—	—	(100.0)	—	
PAT-reported	589	810	774	31.5	(4.4)	

Source: Company, Kotak Institutional Equities estimates

	Mar-08	Dec-08	Mar-09E	Change (%)		Comments
				yoy	qoq	
Utilities						
CESC						
Net sales	6,520	7,520	6,587	1.0	(12.4)	Exportable surplus constrained due to increasing domestic demand and stagnant generation capacity
Operating profit	1,263	1,510	1,776	40.6	17.6	
EBITDA	1,708	1,900	1,927	12.8	1.4	CESC will likely benefit from incentives on better operating performance and higher rate of merchant power as compared to last year
PBT	960	1,110	1,161	20.9	4.6	
PAT	845	980	941	11.5	(3.9)	
Extraordinaries	29	—	—	(100.0)	—	
PAT-reported	874	980	941	7.8	(3.9)	
Lanco Infratech						
Net sales	12,249	18,201	17,409	42.1	(4.4)	Revenue growth driven by construction and power trading business as power revenues remain stagnant due to delay in commissioning of Amarkantak project
Operating profit	2,799	2,086	2,224	(20.6)	6.6	
EBITDA	3,227	2,281	2,361	(26.8)	3.5	
PBT	2,812	1,490	1,666	(40.7)	11.8	
PAT	2,050	1,080	1,295	(36.9)	19.9	
Extraordinaries	(456)	(289)	(236)	(48.2)	(18.4)	
PAT-reported	1,595	790	1,059	(33.6)	34.0	
NTPC						
Net sales	107,436	112,771	119,961	11.7	6.4	Revenues and profit growth aided by commencement of commercial generation at Sipat (500 MW) and Kahalgaon (500 MW)
Operating profit	28,222	32,156	32,307	14.5	0.5	
EBITDA	35,661	40,669	39,514	10.8	(2.8)	We have assumed Rs4 bn of prior period revenues in quarterly results
PBT	21,516	30,003	24,760	15.1	(17.5)	
PAT	13,395	22,579	17,256	28.8	(23.6)	
Extraordinaries	—	—	—	—	—	
PAT-reported	13,395	22,579	17,256	28.8	(23.6)	
Reliance Infrastructure						
Net sales	16,931	26,473	24,639	45.5	(6.9)	Lower generation from gas/naphtha-based stations likely to result in slower growth in fuel costs and topline growth
Operating profit	2,939	2,416	1,991	(32.2)	(17.6)	
EBITDA	2,254	6,086	4,154	84.3	(31.7)	Incentives linked to new tariff order likely to provide better returns for efficient operations
PBT	1,042	4,632	2,661	155.4	(42.5)	
PAT	1,125	4,077	2,122	88.7	(47.9)	
Extraordinaries	—	(1,565)	—	—	(100.0)	
PAT-reported	1,125	2,512	2,122	88.7	(15.5)	
Tata Power						
Net sales	16,345	17,415	19,316	18.2	10.9	Change in accounting policies has resulted in smoothing of the quarterly results in FY09 while 4QFY08 included tariff -related adjustments taken for the full year FY08
Operating profit	1,589	2,206	2,328	46.5	5.5	
EBITDA	1,769	2,811	2,905	64.2	3.3	Sale of investments (Tata Teleservices) likely to result in a one-time gain of ~Rs2.5 bn
PBT	709	1,051	1,001	41.1	(4.7)	
PAT	685	942	857	25.0	(9.1)	
Extraordinaries	1,565	209	2,545	62.6	1,118.1	
PAT-reported	2,250	1,151	3,401	51.2	195.6	

Source: Company, Kotak Institutional Equities estimates

Kotak Institutional Equities: Valuation summary of key Indian companies

Company	8-Apr-09		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E			
Automobiles																													
Bajaj Auto	636	REDUCE	91,961	1,830	145	52.2	50.7	61.5	(58.9)	(2.9)	21.4	12.2	12.5	10.3	7.4	7.2	5.8	5.8	4.7	3.7	3.1	3.1	3.1	21.0	41.0	39.4	615	(3.2)	1.6
Hero Honda	1,078	REDUCE	215,327	4,284	200	48.5	63.1	81.5	12.8	30.1	29.2	22.2	17.1	13.2	12.4	9.6	7.4	6.9	5.5	4.3	1.8	1.9	1.9	34.0	36.1	36.5	950	(11.9)	11.5
Mahindra & Mahindra	448	ADD	115,681	2,301	258	38.1	21.6	34.7	(2.0)	(43.2)	60.6	11.8	20.8	12.9	8.8	14.1	8.2	2.6	2.3	1.9	2.4	2.1	2.1	27.8	12.2	16.9	450	0.4	8.9
Maruti Suzuki	817	REDUCE	236,200	4,699	289	59.9	46.6	58.0	10.8	(22.2)	24.5	13.6	17.5	14.1	6.2	7.5	6.1	2.8	2.4	2.1	0.6	0.6	0.6	22.2	14.7	15.8	780	(4.6)	21.4
Tata Motors	224	SELL	124,391	2,475	556	36.5	18.5	19.0	(22.4)	(49.2)	2.7	6.1	12.1	11.7	4.6	10.2	7.5	1.4	0.7	0.8	4.7	—	—	24.7	9.1	7.3	120	(46.3)	15.5
Automobiles		Cautious	783,559	15,589					(2.4)	(23.5)	25.5	12.2	15.9	12.7	7.1	9.3	7.0	3.0	2.3	2.0	2.1	1.4	1.4	24.2	14.4	15.4			
Banks/Financial Institutions																													
Andhra Bank	53	ADD	25,875	515	485	11.9	12.3	11.5	7.0	3.6	(6.5)	4.5	4.3	4.6	—	—	—	0.8	0.8	0.8	7.5	5.8	5.4	18.0	17.2	14.4	75	40.6	0.3
Axis Bank	444	ADD	158,662	3,157	358	32.2	46.8	53.1	37.7	45.3	13.3	13.8	9.5	8.4	—	—	—	1.9	1.7	1.5	1.3	2.0	2.3	17.6	17.8	17.6	750	69.1	35.8
Bank of Baroda	245	ADD	89,554	1,782	366	39.3	50.2	50.4	39.8	27.8	0.5	6.2	4.9	4.9	—	—	—	1.0	0.9	0.9	3.3	4.2	4.2	14.6	15.7	14.3	330	34.7	5.8
Bank of India	230	ADD	120,881	2,405	526	40.6	59.2	51.3	76.6	45.7	(13.4)	5.7	3.9	4.5	—	—	—	1.5	1.1	1.0	1.7	2.7	2.3	27.6	30.5	21.2	330	43.6	11.2
Canara Bank	164	REDUCE	67,363	1,340	410	38.2	44.7	38.2	10.1	17.1	(14.4)	4.3	3.7	4.3	—	—	—	0.9	0.8	0.8	4.9	3.7	3.7	15.0	16.3	12.4	220	33.9	4.1
Corporation Bank	191	BUY	27,325	544	143	51.3	61.3	55.8	37.2	19.7	(9.1)	3.7	3.1	3.4	—	—	—	0.6	0.6	0.5	5.5	6.6	6.0	18.4	19.3	15.4	310	62.7	0.5
Federal Bank	157	BUY	26,861	534	171	34.4	32.0	34.0	0.5	(6.9)	6.4	4.6	4.9	4.6	—	—	—	0.7	0.6	0.6	2.5	3.8	4.0	13.6	13.2	12.7	280	78.3	1.3
Future Capital Holdings	121	BUY	7,634	152	63	(4.5)	4.5	28.8	(689.8)	(198.6)	546.1	(26.7)	27.1	4.2	—	—	—	1.0	1.0	0.8	—	—	—	(6.7)	3.8	21.4	440	264.4	0.5
HDFC	1,709	REDUCE	490,391	9,756	287	85.8	76.8	85.8	38.2	(10.5)	11.8	19.9	22.3	19.9	—	—	—	4.1	3.6	3.2	1.4	1.3	1.5	27.8	17.1	16.9	1,550	(9.3)	62.9
HDFC Bank	1,047	BUY	443,076	8,815	423	46.0	53.5	65.6	28.7	16.4	22.5	22.8	19.6	16.0	—	—	—	3.9	3.0	2.6	0.7	0.9	1.0	17.7	17.3	17.5	1,250	19.4	38.6
ICICI Bank	376	ADD	418,812	8,332	1,113	39.9	32.7	30.3	15.4	(18.1)	(7.4)	9.4	11.5	12.4	—	—	—	0.9	0.9	0.8	2.9	2.6	2.3	11.7	7.6	6.7	465	23.5	133.0
IDFC	68	ADD	87,753	1,746	1,294	5.7	6.0	6.3	3.0	6.1	5.1	11.9	11.2	10.7	—	—	—	1.6	1.4	1.3	1.8	1.6	1.6	17.6	13.3	12.7	75	10.6	9.6
India Infoline	74	ADD	21,367	425	287	5.6	5.0	4.0	85.6	(10.4)	(19.4)	13.3	14.8	18.4	—	—	—	1.8	1.7	1.7	1.6	3.9	3.1	20.7	11.7	9.2	60	(19.3)	3.1
Indian Bank	89	BUY	38,228	761	430	22.5	26.0	26.9	33.9	15.6	3.4	3.9	3.4	3.3	—	—	—	0.9	0.7	0.6	3.4	3.7	3.9	23.4	21.1	18.5	195	119.2	1.2
Indian Overseas Bank	50	BUY	27,485	547	545	22.1	25.5	20.8	19.2	15.3	(18.3)	2.3	2.0	2.4	—	—	—	0.6	0.5	0.4	7.4	8.2	7.4	27.2	25.5	17.5	120	137.9	1.3
J&K Bank	340	ADD	16,499	328	48	74.2	82.8	72.2	31.2	11.5	(12.7)	4.6	4.1	4.7	—	—	—	0.8	0.7	0.7	4.6	5.1	4.4	16.8	16.5	12.9	480	41.1	0.2
LIC Housing Finance	251	BUY	21,304	424	85	45.5	58.9	59.3	38.7	29.3	0.8	5.5	4.3	4.2	—	—	—	1.1	1.0	0.8	4.0	5.2	5.2	—	—	—	330	31.7	3.2
Mahindra & Mahindra Financial	223	SELL	21,223	422	95	20.8	19.5	22.6	32.6	(6.5)	16.0	10.7	11.4	9.8	—	—	—	1.7	1.5	1.3	2.1	2.2	2.5	16.9	13.5	14.2	190	(14.7)	0.0
Oriental Bank of Commerce	118	ADD	29,589	589	251	23.9	34.2	27.6	(27.6)	43.5	(19.5)	4.9	3.4	4.3	—	—	—	0.6	0.4	0.5	4.0	5.8	4.7	6.2	13.0	9.0	200	69.3	3.0
PFCL	141	ADD	161,548	3,214	1,148	11.4	12.0	15.8	2.4	5.6	31.7	12.4	11.7	8.9	—	—	—	1.6	1.5	1.3	2.5	2.7	3.4	13.5	13.4	15.5	145	3.0	1.5
Punjab National Bank	448	BUY	141,303	2,811	315	65.0	90.7	90.7	33.0	39.6	(0.0)	6.9	4.9	4.9	—	—	—	1.5	1.2	1.1	2.9	4.1	4.0	18.0	21.5	18.6	650	45.0	16.7
Rural Electrification Corp.	99	BUY	85,302	1,697	859	10.9	15.2	17.7	9.8	38.8	16.8	9.1	6.6	5.6	—	—	—	1.4	1.2	1.0	3.0	4.9	5.7	17.1	19.6	19.9	125	25.8	1.3
Shriram Transport	183	REDUCE	37,204	740	203	19.2	28.6	27.0	85.7	49.0	(5.6)	9.5	6.4	6.8	—	—	—	2.1	1.8	1.5	2.7	4.7	4.6	26.9	28.8	23.6	215	17.4	0.8
SREI	33	ADD	3,872	77	116	11.4	7.3	6.9	57.4	(36.2)	(5.7)	2.9	4.6	4.8	—	—	—	0.6	0.4	0.3	3.6	6.9	8.4	23.1	13.1	11.5	50	50.2	1.1
State Bank of India	1,124	BUY	709,615	14,117	631	106.6	135.5	124.1	23.5	27.2	(8.4)	10.5	8.3	9.1	—	—	—	1.7	1.5	1.4	1.9	1.9	2.0	16.8	16.3	13.3	1,600	42.4	85.4
Union Bank	159	BUY	80,339	1,598	505	27.5	36.7	31.2	64.0	33.6	(14.9)	5.8	4.3	5.1	—	—	—	1.1	0.9	0.8	2.5	3.5	2.9	26.8	29.0	20.2	220	38.3	3.7
Banks/Financial Institutions		Attractive	3,359,068	66,827					36.9	22.3	(1.5)	10.1	8.3	8.4	—	—	—	1.5	1.3	1.2	2.2	2.4	2.4	15.3	16.3	14.9			
Cement																													
ACC	592	REDUCE	111,169	2,212	188	64.1	56.3	45.6	13.0	(12.2)	(19.0)	9.2	10.5	13.0	4.8	5.2	6.2	2.5	2.1	1.9	3.9	4.0	4.0	33.3	24.7	18.2	550	(7.0)	8.3
Ambuja Cements	76	REDUCE	115,996	2,296	1,522	7.6	7.6	5.8	(11.2)	0.2	(23.7)	10.0	10.0	13.1	5.1	5.5	6.3	2.3	1.9	1.7	3.4	3.9	2.5	26.6	20.8	14.1	60	(20.8)	2.9
Grasim Industries	1,564	REDUCE	143,357	2,852	92	284.6	225.7	188.5	32.6	(20.7)	(16.5)	5.5	6.9	8.3	3.6	4.2	4.3	1.6	1.3	1.2	2.0	2.1	2.1	33.1	20.7	14.9	1,500	(4.1)	8.9
India Cements	112	ADD	31,626	629	282	24.5	22.7	19.8	n/a	(7.3)	(12.8)	4.6	4.9	5.7	4.0	3.7	3.8	0.9	0.8	0.7	1.6	1.9	1.9	25.8	15.7	14.7	130	15.9	2.6
Shree Cement	735	BUY	25,607	509	35	90.2	129.9	72.5	99.5	44.0	(44.2)	8.1	5.7	10.1	3.3	3.3	4.2	3.9	2.4	2.0	1.1	1.1	1.1	56.9	53.2	21.7	850	15.6	0.3
UltraTech Cement	542	ADD	67,922	1,351	125	81.4	71.4	62.3	28.5	(12.2)	(12.8)	6.7	7.6	8.7	4.5	5.0	5.0	2.1	1.6	1.4	1.4	1.5	1.5	45.2	28.9	20.4	550	1.4	1.0
Cement		Cautious	495,077	9,849					19.3	(9.3)	(20.2)	7.1	7.8	9.8	4.2	4.6	5.0	1.9	1.6	1.4	2.6	2.8	2.5	26.8	20.3	14.3			
Consumer (Discretionary)																													
Radico Khaitan	68	REDUCE	6,916	138	102																								

Kotak Institutional Equities: Valuation summary of key Indian companies

Company	8-Apr-09		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)				
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	(Rs)	(%)	(US\$ mn)	
Energy																																	
Bharat Petroleum	385	SELL	126,097	2,509	328	41.3	0.0	42.0	(21.1)	(99.9)	NA	9.3	NA	9.2	4.3	7.7	4.6	1.0	1.0	0.9	1.1	—	4.9	11.8	0.0	10.2	425	10.5	5.4				
Cairn India	204	BUY	382,503	7,610	1,871	(0.1)	4.2	4.4	(105)	(3,628)	5.2	(1,715)	49	46.2	47.2	28.4	20.7	1.3	1.1	1.1	—	—	—	(0.1)	2.5	2.5	225	10.1	14.1				
Castrol India (a)	339	BUY	41,951	835	124	17.6	21.3	25.6	44.4	20.7	20.2	19.2	15.9	13.3	10.6	8.9	7.5	10.2	9.3	8.4	4.1	4.4	5.3	52.2	60.9	66.3	390	14.9	0.3				
GAIL (India)	275	REDUCE	349,021	6,944	1,268	20.4	23.3	19.7	21.0	14.2	(15.6)	13.5	11.8	14.0	6.9	6.4	7.9	2.4	2.2	2.0	2.4	2.7	2.4	18.1	18.3	13.8	240	(12.8)	10.3				
GSPL	43	REDUCE	23,975	477	563	1.8	1.9	2.5	10.1	4.4	30.5	23.6	22.6	17.4	7.9	8.2	5.3	1.9	1.8	1.6	1.2	1.2	1.6	8.8	8.2	9.8	45	5.6	1.6				
Hindustan Petroleum	262	SELL	88,905	1,769	339	33.5	(10.5)	30.2	(16.4)	(131.5)	(386.8)	7.8	(24.9)	8.7	7.1	6.9	4.7	0.7	0.7	0.7	1.1	—	4.6	9.6	(2.9)	7.6	300	14.4	6.8				
Indian Oil Corporation	421	REDUCE	496,081	9,869	1,179	61.3	24.3	46.8	31.0	(60.3)	92.1	6.9	17.3	9.0	4.2	8.2	4.5	1.1	1.0	1.0	1.3	—	4.3	17.4	6.2	10.3	525	24.8	3.0				
Oil & Natural Gas Corporation	905	ADD	1,936,227	38,520	2,139	92.7	103.9	103.9	9.1	12.0	0.0	9.8	8.7	8.7	3.6	3.2	3.0	1.9	1.7	1.5	3.5	3.8	4.0	19.6	19.5	17.2	950	4.9	30.5				
Petronet LNG	47	ADD	35,025	697	750	6.3	5.5	5.9	—	(12.6)	6.6	7.4	8.4	7.9	4.8	6.9	5.4	1.9	1.6	1.3	3.2	3.2	3.2	26.7	19.2	17.2	52	11.3	1.4				
Reliance Industries	1,725	REDUCE	2,368,631	47,123	1,373	105.0	98.9	136.9	25.5	(5.8)	38.4	16.4	17.4	12.6	10.7	10.2	6.3	2.7	2.2	1.8	0.7	0.8	0.9	19.0	14.4	17.1	1,625	(5.8)	188.0				
Reliance Petroleum	108	NR	486,450	9,678	4,500	—	(0.0)	9.0	n/a	n/a	n/a	n/a	n/a	12.1	n/a	n/a	9.5	3.6	3.6	3.0	—	—	1.9	—	(0.0)	27.0	—	(100.0)	21.7				
Energy		Neutral	6,334,866	126,029					12.9	(7.3)	36.6	13.3	14.4	10.5	6.7	7.0	5.1	2.0	1.7	1.5	1.7	1.7	2.4	14.9	11.8	14.5							
Industrials																																	
ABB	452	SELL	95,772	1,905	212	23.2	25.8	23.6	44.5	(7.3)	(8.8)	19.5	17.5	19.2	11.1	10.3	10.6	5.9	4.6	3.8	0.5	0.5	0.6	34.8	29.4	21.6	325	(28.1)	4.8				
BGR Energy Systems	163	REDUCE	11,732	233	72	12.1	15.3	20.7	(67.4)	26.1	35.4	13.4	10.7	7.9	7.8	6.1	5.3	2.5	2.1	1.7	1.2	1.5	2.1	31.4	21.3	23.9	165	1.3	0.6				
Bharat Electronics	934	REDUCE	74,688	1,486	80	102.0	97.8	104.6	11.2	(4.0)	6.9	9.2	9.5	8.9	4.0	3.5	3.2	2.2	1.9	1.7	2.2	2.7	2.7	27.7	21.6	19.9	950	1.8	0.9				
Bharat Heavy Electricals	1,517	REDUCE	742,602	14,774	490	58.4	59.8	89.0	22.9	2.3	48.9	26.0	25.4	17.0	13.8	13.1	9.1	6.9	5.8	4.6	1.0	1.0	1.3	29.2	24.7	30.0	1,475	(2.8)	48.3				
Crompton Greaves	133	ADD	48,811	971	367	11.2	14.0	15.2	43.0	25.3	8.4	11.9	9.5	8.8	6.6	5.6	5.0	3.7	2.8	2.2	1.2	1.3	1.4	36.1	33.7	28.1	140	5.1	4.7				
Larsen & Toubro	807	REDUCE	478,279	9,515	593	37.9	48.2	51.6	20.8	27.1	7.0	21.3	16.7	15.6	14.2	10.6	9.7	4.0	3.0	2.5	1.0	1.2	1.4	22.7	20.6	17.6	650	(19.4)	54.5				
Maharashtra Seamless	170	BUY	11,997	239	71	29.4	37.4	37.9	(23.5)	27.6	1.2	5.8	4.5	4.5	3.5	2.9	2.7	1.1	0.9	0.7	2.9	3.3	3.3	19.7	21.1	18.0	215	26.4	0.4				
Siemens	282	REDUCE	95,147	1,893	337	18.2	14.2	15.7	60.4	(22.2)	10.5	15.5	19.9	18.0	8.6	8.7	9.6	5.2	4.1	3.6	0.9	1.2	1.6	39.9	23.1	21.3	220	(22.0)	5.2				
Suzlon Energy	58	REDUCE	91,040	1,811	1,567	6.6	7.0	6.1	9.5	6.6	(13.1)	8.8	8.3	9.5	5.4	7.7	7.6	1.0	0.9	0.8	1.6	0.9	0.9	16.3	11.3	8.7	60	3.3	29.8				
Industrials		Cautious	1,650,068	32,827					25.3	9.4	17.2	18.8	17.2	14.7	10.8	9.8	8.4	4.0	3.2	2.7	1.1	1.2	1.3	21.1	18.7	18.4							
Infrastructure																																	
IRB Infrastructure	97	ADD	32,355	644	332	3.4	5.6	10.4	150.9	63.5	85.5	28.4	17.4	9.4	11.0	10.6	6.0	2.0	1.7	1.4	—	—	—	10.7	10.6	16.8	110	13.0	0.7				
Media																																	
DishTV	30	REDUCE	19,420	386	644	(9.6)	(7.3)	(4.1)	n/a	(23.9)	(44.4)	(3.1)	(4.1)	(7.4)	(10.9)	(14.2)	(81.2)	(4.3)	(3.0)	(9.6)	—	—	—	167.9	86.1	NA	22	(27.0)	2.9				
HT Media	59	BUY	13,903	277	234	4.3	2.9	4.1	4.7	(32.3)	39.3	13.7	20.3	14.6	7.5	9.1	6.4	1.6	1.5	1.4	0.7	0.7	1.3	12.2	7.8	10.2	100	68.5	0.1				
Jagran Prakashan	58	BUY	17,528	349	301	3.3	2.9	4.1	33.5	(11.4)	40.5	17.9	20.2	14.4	9.8	11.2	7.8	3.3	3.0	2.8	3.4	2.5	3.5	18.7	15.6	20.3	75	28.9	0.1				
Sun TV Network	190	ADD	74,915	1,490	394	8.3	9.2	11.0	30.7	10.9	19.2	22.9	20.7	17.3	12.3	10.9	9.6	5.0	4.4	4.0	1.3	2.1	3.2	24.8	23.4	24.9	200	5.2	0.8				
Zee Entertainment Enterprises	120	BUY	51,811	1,031	434	8.9	8.2	9.2	62.6	(7.8)	12.4	13.5	14.6	13.0	10.0	10.6	9.3	1.8	1.6	1.4	1.7	1.9	2.2	14.2	11.8	12.0	145	21.3	6.0				
Zee News	35	BUY	8,272	165	240	1.5	2.0	2.3	396.2	28.9	13.6	22.3	17.3	15.2	12.1	9.7	8.2	3.9	3.3	2.8	1.2	1.2	1.4	19.2	21.3	20.5	40	15.9	0.3				
Media		Attractive	185,848	3,697					30.8	(17.6)	62.5	34.7	42.1	25.9	14.2	13.9	10.2	3.3	3.0	2.6	1.4	1.7	2.4	9.5	7.2	10.1							
Metals																																	
Hindalco Industries	58	ADD	102,002	2,029	1,753	13.8	7.7	2.4	(10.0)	(44.4)	(69.2)	4.2	7.6	24.6	5.8	5.4	7.5	0.5	0.2	0.3	—	—	—	14.4	10.3	5.2	55	(5.5)	7.4				
National Aluminium Co.	252	SELL	162,044	3,224	644	25.3	19.7	10.3	(31.5)	(22.2)	(47.8)	9.9	12.8	24.5	4.6	6.3	8.0	1.7	1.5	1.5	2.4	1.4	0.8	18.3	12.7	6.2	135	(46.3)	1.8				
Jindal Steel and Power	1,310	BUY	201,697	4,013	154	82.7	179.7	171.6	80.5	117.2	(4.5)	15.8	7.3	7.6	11.9	5.2	5.1	4.6	2.8	2.0	—	0.4	0.6	35.4	48.4	31.0	1,400	6.9	21.2				
JSW Steel	306	SELL	57,162	1,137	187	86.1	8.7	45.7	16.1	(89.9)	423.3	3.5	35.0	6.7	5.1	7.7	6.1	0.6	0.6	0.5	4.6	0.7	0.7	20.7	10.2	7.9	185	(39.5)	8.2				
Hindustan Zinc	483	BUY	204,231	4,063	423	104.0	63.8	64.0	(1.0)	(38.6)	0.2	4.6	7.6	7.6	2.4	4.1	3.5	1.7	1.4	1.2	1.0	1.6	2.1	43.6	20.0	17.0	490	1.4	3.1				
Sesa Goa	106	BUY	83,762	1,666	787	19.0	23.7	19.6	146.0	24.8	(17.0)	5.6	4.5	5.4	2.9	2.7																	

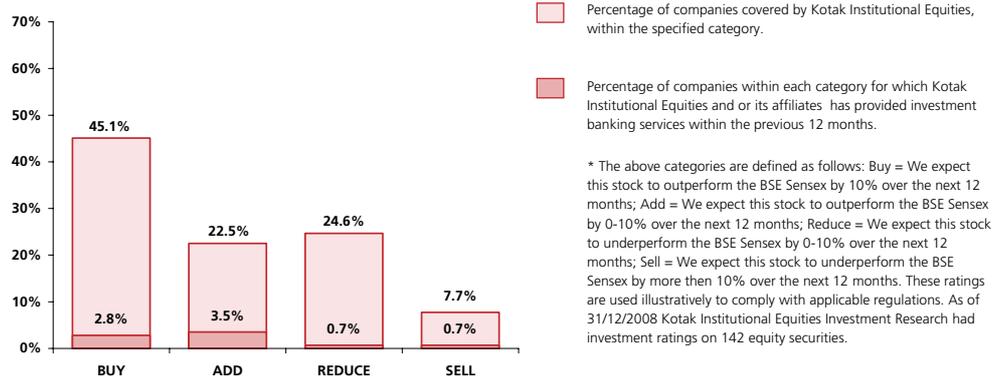
Kotak Institutional Equities: Valuation summary of key Indian companies

Company	8-Apr-09		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT- 3mo (US\$ mn)	
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	(Rs)	(%)	(US\$ mn)	
Retail																														
Pantaloon Retail	172	REDUCE	27,423	546	159	7.9	8.3	10.2	90.0	4.4	23.3	21.8	20.8	16.9	10.5	8.5	7.6	1.5	1.4	1.3	0.5	0.5	0.6	8.2	6.7	7.8	165	(4.2)	1.3	
Titan Industries	904	REDUCE	40,135	798	44	35.1	41.9	48.7	55.2	19.6	16.1	25.8	21.6	18.6	17.5	13.2	11.2	8.5	6.5	5.1	0.9	1.1	1.2	37.7	34.1	30.7	830	(8.2)	2.9	
Vishal Retail	42	ADD	944	19	22	18.1	10.6	10.8	37.2	(41.2)	1.9	2.3	4.0	3.9	4.6	4.4	3.5	0.3	0.3	0.3	—	—	—	20.2	8.3	7.8	75	77.9	0.1	
Retail			68,502	1,363					31.9	6.0	17.9	21.3	20.1	17.0	11.7	9.1	8.0	2.6	2.4	2.2	0.7	0.8	0.9	12.4	12.1	12.8				
Sugar																														
Balrampur Chini Mills	62	BUY	15,818	315	256	3.1	6.5	7.0	(272.9)	106.5	8.0	19.7	9.5	8.8	8.8	5.3	4.6	1.6	1.4	1.2	0.9	1.1	1.3	7.6	13.5	12.7	70	13.1	3.2	
Shree Renuka Sugars	101	BUY	28,388	565	280	3.9	8.2	8.4	(87.3)	107.7	2.8	25.8	12.4	12.1	13.8	6.5	6.1	3.2	2.5	2.1	0.2	0.7	1.0	19.9	24.5	20.6	100	(1.4)	8.5	
Bajaj Hindustan	61	SELL	8,661	172	141	(2.6)	(6.0)	0.8	375.9	126.2	NA	(23.2)	(10.3)	75.9	14.6	8.6	5.6	0.7	0.7	0.7	1.1	—	0.5	(6.8)	(7.0)	4.6	36	(41.2)	3.4	
Sugar			52,867	1,052					526.3	96.1	38.3	31.3	16.0	11.6	12.3	6.9	5.5	1.7	1.5	1.4	0.6	0.7	1.0	5.3	9.5	11.7				
Technology																														
HCL Technologies	124	REDUCE	86,389	1,719	695	15.3	16.6	13.5	(19.0)	8.8	(18.6)	8.1	7.5	9.2	3.9	4.5	4.4	1.8	1.3	1.2	6.4	9.7	9.7	21.4	18.3	13.3	110	(11.5)	3.2	
Hexaware Technologies	29	SELL	4,086	81	142	7.7	4.1	3.0	(13.7)	(46.4)	(27.8)	3.8	7.0	9.7	0.7	1.1	2.1	0.6	0.6	0.6	3.2	3.5	3.5	15.1	8.6	6.3	25	(13.0)	2.0	
Infosys Technologies	1,425	BUY	818,036	16,274	574	79.1	101.8	112.0	18.0	28.8	10.0	18.0	14.0	12.7	14.0	9.9	8.5	5.9	4.5	3.6	2.3	1.7	1.9	36.1	36.7	31.6	1,500	5.3	52.2	
Mphasis BFL	202	REDUCE	42,125	838	208	12.2	14.2	32.6	67.6	15.7	129.8	16.5	14.3	6.2	9.9	10.8	4.2	3.6	2.9	2.1	1.7	2.0	2.2	23.6	22.8	39.5	190	(6.0)	1.8	
Mindtree	245	BUY	9,693	193	40	26.7	21.0	37.1	12.3	(21.6)	76.9	9.2	11.7	6.6	8.0	3.6	3.4	1.8	1.6	1.2	1.1	—	—	21.3	11.9	17.8	400	63.0	1.6	
Patni Computer Systems	146	SELL	18,705	372	128	33.2	26.8	17.5	29.2	(19.3)	(34.7)	4.4	5.4	8.3	1.1	1.0	1.1	0.7	0.8	0.6	1.5	1.2	2.4	19.2	16.2	7.9	130	(10.7)	0.8	
Polaris Software Lab	56	SELL	5,461	109	98	7.4	14.9	12.7	(27.6)	100.0	(14.9)	7.5	3.7	4.4	3.1	1.3	1.2	0.8	0.7	0.6	3.2	3.2	3.2	11.7	20.4	15.0	50	(10.0)	2.2	
TCS	604	REDUCE	591,227	11,762	979	51.3	53.2	58.5	21.5	3.8	10.0	11.8	11.3	10.3	9.5	7.8	7.0	4.8	3.8	3.2	2.3	3.1	3.9	47.0	37.4	33.7	550	(9.0)	18.0	
Tech Mahindra	316	BUY	39,410	784	125	59.1	67.6	58.7	25.7	14.5	(13.2)	5.4	4.7	5.4	4.7	2.9	2.8	3.1	1.9	1.4	1.7	1.9	2.0	70.7	53.1	31.6	320	1.2	3.1	
Wipro	282	ADD	412,796	8,212	1,462	22.2	25.3	26.9	12.6	13.9	6.0	12.7	11.1	10.5	10.1	7.9	6.8	3.2	2.8	2.3	2.1	1.4	2.7	27.9	26.6	23.8	280	(0.8)	9.3	
Technology		Neutral	2,027,928	40,345					15.5	14.8	7.2	13.1	11.4	10.6	9.9	7.7	6.7	4.0	3.2	2.6	2.4	2.4	3.0	30.4	28.3	25.0				
Telecom																														
Bharti Airtel	662	ADD	1,256,979	25,007	1,898	35.3	44.2	48.9	65.0	25.1	10.8	18.8	15.0	13.5	11.4	8.6	7.6	5.6	4.1	3.1	—	0.6	0.9	39.1	31.4	26.0	675	1.9	61.9	
IDEA	55	REDUCE	178,809	3,557	3,236	3.9	2.6	2.1	78.5	(33.2)	(21.0)	14.0	20.9	26.5	10.4	7.2	6.9	5.0	1.3	1.3	—	—	—	36.4	10.1	5.1	50	(9.5)	5.6	
MTNL	71	SELL	45,014	896	630	7.1	4.0	4.1	(11.0)	(44.3)	2.6	10.0	18.0	17.5	1.5	4.8	3.6	0.4	0.4	0.4	5.6	8.4	8.4	3.5	1.6	1.6	50	(30.0)	0.9	
Reliance Communications	214	SELL	442,216	8,798	2,064	26.5	26.7	20.1	86.4	0.7	(24.7)	8.1	8.0	10.7	7.1	7.8	7.4	1.5	1.3	1.1	0.4	0.4	—	16.8	18.4	11.7	150	(30.0)	46.4	
Tata Communications	564	REDUCE	160,826	3,200	285	10.9	13.6	14.0	(66.3)	24.0	3.2	51.5	41.6	40.3	21.4	17.6	16.0	2.4	2.3	2.3	0.8	0.9	1.2	4.4	5.4	5.2	400	(29.1)	2.2	
Telecom		Cautious	2,083,843	41,457					65.7	12.7	(4.8)	14.4	12.8	13.5	9.8	8.5	7.7	2.8	2.1	1.9	0.4	0.7	0.8	19.6	16.7	13.8				
Transportation																														
Container Corporation	719	REDUCE	93,495	1,860	130	57.7	63.4	67.8	7.8	9.8	7.0	12.5	11.3	10.6	8.4	7.6	6.7	2.9	2.5	2.1	1.8	2.0	2.1	25.8	23.6	21.4	735	2.2	0.8	
Transportation		Cautious	93,495	1,860					7.8	9.8	7.0	12.5	11.3	10.6	8.4	7.6	6.7	2.9	2.5	2.1	1.8	2.0	2.1	23.6	21.7	19.9				
Utilities																														
CESC	235	BUY	29,391	585	125	27.8	31.9	36.9	(23.3)	14.9	15.8	8.5	7.4	6.4	4.4	4.1	5.2	0.9	0.8	0.7	1.7	2.0	2.3	12.5	11.7	11.9	385	63.7	0.7	
Lanco Infratech	172	BUY	38,213	760	222	14.8	14.6	17.1	75.2	(1.3)	16.6	11.6	11.7	10.1	9.7	20.8	15.9	2.1	1.7	1.5	—	—	—	19.7	16.2	15.8	265	54.2	4.7	
NTPC	197	REDUCE	1,623,532	32,299	8,245	9.3	8.8	10.7	7.9	(5.2)	20.8	21.1	22.3	18.4	14.7	15.1	13.7	3.0	2.8	2.6	1.8	1.8	2.0	14.9	12.9	14.4	180	(8.6)	26.4	
Reliance Infrastructure	618	BUY	142,749	2,840	231	37.6	59.9	56.2	13.9	59.4	(6.2)	16.4	10.3	11.0	12.0	11.2	11.2	0.9	0.9	0.8	1.0	1.2	1.3	4.3	6.2	6.7	970	56.9	83.6	
Reliance Power	119	REDUCE	284,854	5,667	2,397	0.4	1.3	2.5	—	252.9	82.7	312.5	88.6	48.5	—	—	—	2.1	2.0	2.0	—	—	—	1.3	2.3	4.2	120	1.0	10.4	
Tata Power	878	BUY	195,529	3,890	223	31.8	65.2	90.2	19.5	104.6	38.4	27.6	13.5	9.7	12.8	9.6	9.2	2.3	1.8	1.6	1.2	1.3	1.4	9.6	15.0	17.5	1,000	13.8	10.7	
Utilities		Attractive	2,314,268	46,041					12.2	11.3	21.2	23.1	20.7	17.1	14.5	15.0	14.4	2.4	2.2	2.0	1.4	1.4	1.6	10.3	10.6	11.8				
Others																														
Aban Offshore	435	REDUCE	16,493	328	38	72.3	142.4	185.5	(1,066)	97.0	30.3	6.0	3.1	2.3	11.1	7.7	5.8	1.9	1.0	0.7	0.8	0.9	1.1	51.7	44.5	37.6	300	(31.1)	21.7	
Educomp Solutions	2,252	BUY	42,831	852	19	35.2	64.2	108.1	114	82.7	68.3	64.1	35.1	20.8	34.0	15.5														

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