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Special Reports

Initiating Coverage

Sunteck Realty: Smart acquisitions, pace of construction is the key

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EQUITY MARKETS

India	Change %			3-mo
	9-Jul	1-day	1-mo	
Sensex	19,439	0.6	(0.0)	5.6
Nifty	5,859	0.8	(0.3)	5.4
Global/Regional indices				
Dow Jones	15,300	0.5	0.4	3.4
Nasdaq Composite	3,504	0.6	0.9	6.3
FTSE	6,513	1.0	1.8	2.0
Nikkei	14,523	0.3	7.5	9.3
Hang Seng	20,861	0.9	(3.5)	(5.3)
KOSPI	1,829	(0.1)	(5.4)	(5.5)
Value traded – India				
Cash (NSE+BSE)	109	122	126	
Derivatives (NSE)	893	1,497	1,591	
Deri. open interest	1,311	1,294	1,302	

Forex/money market

	Change, basis points			
	9-Jul	1-day	1-mo	3-mo
Rs/US\$	60.0	(8)	179	551
10yr govt bond, %	7.8	(10)	31	(27)

Net investment (US\$m)

	8-Jul	MTD	CYTD
FIs	(39)	134	13,475
MFs	(7)	(83)	(2,312)

Top movers

	Change, %			
	9-Jul	1-day	1-mo	3-mo
Best performers				
RCOM IN Equity	142.5	(1.9)	28.3	94.6
UNSP IN Equity	2647.3	3.3	6.1	45.6
LPC IN Equity	835.5	0.9	9.7	33.9
IDEA IN Equity	141.4	0.7	9.1	30.2
HUVR IN Equity	605.0	(0.8)	2.1	29.3
Worst performers				
MMTC IN Equity	71.4	(5.0)	(66.9)	(67.3)
EDSL IN Equity	37.3	9.9	(3.1)	(35.4)
JSP IN Equity	217.1	(2.1)	(18.8)	(33.9)
SUEL IN Equity	9.1	0.6	(14.2)	(32.7)
POWF IN Equity	138.6	0.7	(22.3)	(27.3)

JULY 10, 2013

INITIATING COVERAGE

Coverage view: **Cautious**

Price (Rs): **392**

Target price (Rs): **560**

BSE-30: **19,439**

Smart acquisitions, pace of construction is the key. Sunteck Realty, a relatively new developer in Mumbai, has established itself through smart acquisitions and astute use of cash. We expect its flagship projects in Mumbai to have healthy margins and provide cash for expansion. However, we believe its pace of construction, which lags peers, has not been commensurate with its land acquisitions. We believe the current market price assigns value only to ongoing projects but not to forthcoming projects, the land for which has been completely paid for. We initiate coverage with a BUY rating and 12-month target price of Rs560.

Company data and valuation summary

Sunteck Realty

Stock data

52-week range (Rs) (high,low) 564-295

Market Cap. (Rs bn) 24.7

Shareholding pattern (%)

Promoters 73.4

FIs 5.7

MFs 0.1

Price performance (%)

	1M	3M	12M
Absolute	(6.6)	(8.3)	11.7
Rel. to BSE-30	(6.6)	(14.0)	(0.1)

Forecasts/Valuations

	2013	2014E	2015E
EPS (Rs)	0.7	76.5	25.4
EPS growth (%)	29.1	NM	(66.8)
P/E (X)	584.3	5.1	15.4
Sales (Rs bn)	0.3	12.2	4.0
Net profits (Rs bn)	0.1	5.3	1.7
EBITDA (Rs bn)	0.1	7.9	2.5
EV/EBITDA (X)	541.2	3.9	7.8
ROE (%)	0.7	64.3	15.2
Div. Yield (%)	0.0	0.5	0.5

We initiate coverage with a BUY rating and target price of Rs560

We initiate coverage of Sunteck Realty with a BUY rating and a 12-month target price of Rs560. About 98% of NAV is contributed by ongoing and forthcoming projects with land costs completely paid for. We expect Sunteck to generate Rs12 bn in cash after expenses and payouts for investment in land over FY2014-16. Sunteck has consistently invested excess cash in value-accretive projects and we expect Sunteck to continue this trend over FY2014-15.

Smart acquisitions set the stage for gross cash generation of Rs59 bn over FY2014-19...

Although it is relatively new to the industry (its land parcels were acquired only after CY2006), Sunteck has made more value-accretive acquisitions than its peers. We expect Sunteck's flagship properties in BKC and Goregaon (West) in Mumbai to generate gross cash of Rs59 bn over FY2014-19. Sunteck is likely to use this cash for expansion and to help to keep its balance sheet unleveraged.

...however, the pace of construction needs to be ramped up

Sunteck needs to ramp up its slow construction—it completed only 0.23 mn sq. ft of projects until March 2013. Sunteck recently strengthened its construction team by recruiting industry experts. We expect the company to have a shortened project-monetization cycle in future.

We expect debt to rise in FY2014 and the cash pile to increase in FY2015

We expect debt to increase in FY2014 due to (1) more FSI payments in BKC, (2) part repayment of debt to the Ajay Piramal Group (APG) and (3) increase in construction expenditure. However, we expect the cash pile to increase in FY2015 with the completion/near completion of BKC projects. Key risks are (1) low sales, (2) slow construction and (3) delay in getting higher FSI in key projects (Goregaon West).

VALUATION: WE INITIATE COVERAGE WITH A BUY RATING, TARGET PRICE: RS560

Although it is relatively new to the Mumbai real estate industry, Sunteck Realty has demonstrated unique acquisition skills and astute use of cash. We are positive about Sunteck's (1) two flagship Mumbai projects, which will generate an estimated Rs20 bn of gross cash over FY2014-16 and (2) consistently astute use of cash. However, we believe its construction has lagged its peers and has not kept pace with its acquisitions. We initiate coverage with a BUY rating and a June 2014 target price of Rs560.

We initiate coverage with a BUY rating and a target price of Rs560

Sunteck's business model comprises acquiring properties in city-center locations through (1) Government auctions, (2) buy-outs from private land owners and (3) joint-development agreements (JDAs) and joint ventures (JVs). It is developing super-luxury and premium residential projects and plans to develop premium high-volume projects in suburban micro-markets, too. Sunteck started business by sub-leasing commercial properties in 2000.

About 98% of our estimated value is from ongoing and forthcoming projects. Exhibit 3 shows our NAV estimates, which assign (1) 66% of value to ongoing projects and (2) 32% to forthcoming projects which include (a) new launches over 12-30 months and (b) subsequent phases of ongoing projects. We haven't assigned development value to 15.8 mn sq. ft of JDA/JV projects on Sunteck's books (investment of Rs786 mn) in which the investment is less than 2% of the total project cost.

Exhibit 1: All of Sunteck's value is front-ended

Sunteck: NAV contribution, June 2014E

	NAV			Remark
	(Rs mn)	(Rs/share)	(%)	
Ongoing	25,103	399	66	Projects already launched
Forthcoming	12,198	194	32	Subsequent phases of ongoing projects
Planned	967	15	3	Investments in JVs/JDAs/redevelopment projects
Net debt	(3,035)	(48)		
Total	35,234	560		

Source: Kotak Institutional Equities estimates

Our target price is based on the following assumptions:

- ▶ Weighted average cost of capital of 14% and administrative costs of 5% of gross cash flow.
- ▶ Cost escalation of 5% and sales price escalation of 5-10% for projects. We believe realizations of the BKC projects will increase after FY2015-16, after completion of construction and occupation.
- ▶ We have used the DCF method to value Sunteck's ongoing and forthcoming projects.
- ▶ For certain high-value projects (BKC and Goregaon), we have assumed sales beyond construction completion.
- ▶ We have assumed a scale-up in construction over FY2014-16 as Sunteck plans to build new high-volume projects.

Exhibit 2: We expect the contribution of non-BKC projects to increase

Sales contribution from key locations, March fiscal year-ends, 2011-16E (mn sq. ft)

	2011	2012	2013	2014E	2015E	2016E
BKC	0.19	0.07	0.11	0.13	0.19	0.16
Goregaon (W)	—	0.14	0.09	0.17	0.38	0.52
Airoli	0.02	0.10	0.06	0.04	0.05	0.04
Others (a)	0.10	0.01	0.04	0.20	0.24	0.17
Total	0.32	0.32	0.30	0.55	0.86	0.89
Value (Rs mn)	6,911	4,542	6,203	9,557	15,816	16,219
Avg. selling price (Rs/sq. ft)	21,537	14,202	20,415	17,506	18,356	18,150

Notes:

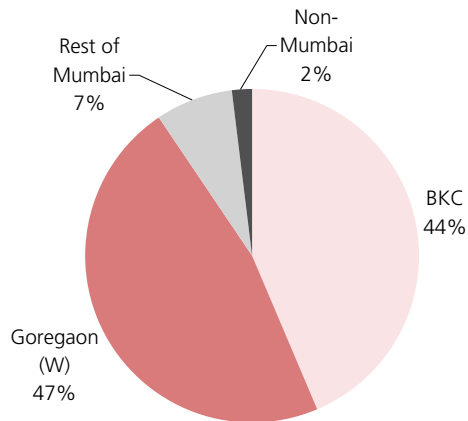
(a) Others include projects in Mumbai (Borivali, Andheri), Nagpur and Goa.

Source: Company, Kotak Institutional Equities estimates

Unit costs for BKC projects are between Rs200 mn and Rs450 mn. Hence we expect BKC project sales to continue beyond construction completion and have estimated sales until FY2018-19. As seen in Exhibit 5, BKC contributes 44% to our estimated NAV and Goregaon (W) projects (over 23 acres) contribute most of the remaining value.

Exhibit 3: BKC and Goregaon (W) projects contribute most to Sunteck's NAV

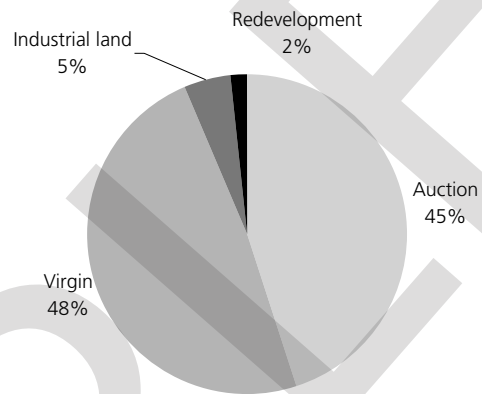
Location-wise NAV contribution, March 2014E (%)



Source: Kotak Institutional Equities estimates

Exhibit 4: Sunteck prefers outright acquisitions

Sunteck's mode of acquisition, March 2014E (%)



Source: Kotak Institutional Equities estimates

Unlike its larger peers, Sunteck has monetized all projects won through auctions (see Exhibit 7). The BKC and Goa projects were won through auctions after FY2006. All projects are under construction and contribute 45% to its NAV (see Exhibit 6). Unlike its peers that started afresh (like Godrej Properties), Sunteck has developed its project portfolio through outright land acquisitions rather than JDAs.

Exhibit 5: Sunteck has monetized all the projects it won through auctions

Projects won through auctions by developers, as on March 2013 (Rs mn)

Developer	City	Location	Acquired	Amount (a)	Amount paid (a)	Status
DLF	Mumbai	Lower Parel	2005	7,200	7,200	Exited in 2012
Sunteck	Mumbai	Patto Plaza	2007	100	100	Under construction
Unitech	Noida	Sectors 96, 97, 98	2007	16,500	7,000	Under construction
Sunteck	Mumbai	BKC	2007	1,440	1,440	Under construction
DLF	Chennai	TIDCO	2008	7,000	7,000	Plans to exit
DLF	Hyderabad	Raidurg, Kokapet	2008	6,800	6,800	Under litigation
DLF	Goa	Patto Plaza	2008	1,200	1,200	Planned
DLF	Delhi	Dwarka	2009	9,000	9,000	Plans to exit
Sunteck	Mumbai	BKC	2009	2,604	2,604	Under construction
DLF	Gurgaon	Wazirabad	2010	17,500	10,000	Under litigation
Sunteck	Mumbai	BKC	2010	2,604	2,604	Under construction
Lodha	Mumbai	Wadala	2010	55,000	6,500	Under construction; litigation
Oberoi	Goa	NA	2011	600	600	Exited

Notes:

(a) Estimates for certain projects.

Source: Kotak Institutional Equities estimates

We like Sunteck as it used the cash it raised/generated on value-accretive projects (see Exhibit 8). (1) In period I, Sunteck raised equity, PE and structured debt and used them to acquire properties and (2) in period II, realizations from pre-sales and debt helped Sunteck to start construction and to acquire more land. With no acquisitions in FY2013, cash realization from pre-sales helped Sunteck to repay debt.

We believe Sunteck will consolidate in period III as most of its high-margin, under-construction projects near completion and stabilize. We expect this to help Sunteck to repay its structured debt and provide more cash for expansion. We expect Sunteck's BKC projects to be complete by the end of FY2016. We expect cash collections to improve over FY2015-16, towards the end of construction. This will provide Sunteck with cash for growth.

Exhibit 6: Sunteck has consistently deployed the cash it generated in value-accretive projects

Sunteck: Money raised, collections, spends, March fiscal year-ends, 2006-13 (Rs mn)

	I				II			2013	III		
	2006	2007	2008	2009	2010	2011	2012		2014E	2015E	2016E
Amount raised											
Equity	70	1,400	—	1,580	—	—	—	—	—	—	—
PE/structured debt	1,368	1,460	—	—	1,497	1,060	-	196	1,500	—	—
Customer advances	—	524	434	202	570	4,750	2,835	3,911	10,523	18,333	19,993
Debt	—	—	—	313	1,740	335	690	—	2,470	—	—
Deployment											
Land	1,464	1,695	136	507	5,014	2,604	720	—	2,280	—	—
Construction, approval costs	—	—	—	415	1,425	1,962	2,201	1,955	5,857	5,144	6,753
PE/structured debt repayment	—	1,978	—	—	—	—	—	—	1,378	1,378	2,438
Debt repayment	—	—	—	—	—	444	—	1,604	—	2,400	—

Source: Company, Kotak Institutional Equities estimates

Exhibit 7: How the other developers fare

Company	Rating	CMP (Rs)	Target price (Rs)	Book value/share (Rs)			Price-to-book ratio (X)			EV/EBITDA (X)		
				2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E
DLF	ADD	177	270	151	157	165	1.2	1.1	1.1	20.4	17.7	11.4
Godrej Properties	RS	529	NR	183	217	283	2.9	2.4	1.9	19.3	8.3	4.4
HDIL	NR	40	NR	248	259	273	0.2	0.2	0.1	8.0	7.0	6.1
Oberoi Realty	BUY	208	307	127	154	195	1.6	1.3	1.1	9.4	4.8	3.0
Prestige Estates	ADD	152	200	75	87	103	2.1	1.8	1.5	15.3	7.9	6.5
Sobha Developers	BUY	347	500	218	235	266	1.6	1.5	1.3	8.5	8.6	6.3
Sunteck Realty	BUY	392	560	67	141	164	5.9	2.8	2.4	512.8	3.7	7.2

Source: Company, Kotak Institutional Equities estimates

Exhibit 8: About 98% value contribution is from Sunteck's visible pipeline

NAV contribution from developers' ongoing, forthcoming, leased projects and the land bank

Company	Rating	NAV (Rs)	(% contribution from)			
			Ongoing	Forthcoming	Leased	Land bank
DLF	ADD	270	9	13	13	65
Godrej Properties	RS	586	55	16	—	29
HDIL	NR	136	32	17	1	51
Oberoi Realty	BUY	307	52	21	18	9
Prestige Estates	ADD	200	30	33	22	15
Sobha Developers	BUY	500	31	14	—	55
Sunteck Realty	BUY	560	66	32	—	2

Source: Kotak Institutional Equities estimates

FINANCIALS: BORROWINGS TO INCREASE IN THE NEAR TERM

We expect Sunteck to recognize revenue from its projects in BKC (Signature Island), Airoli (Signia Oceans), Nagpur (Signia Skys), Goa (Sunteck Kanaka) and incremental sales in Andheri West (Grandeur) in FY2014 and FY2015. We expect other residential projects in BKC to be complete in FY2016. We expect debt to increase in FY2014 due to (1) global FSI payments in BKC (Rs4.2 bn over FY2014-16), (2) tax payment in FY2014, (3) repayment of 50% of OCRPS converted to debt and (4) possible land acquisitions.

Income statement: BKC projects to be complete over FY2014E-16E

Sunteck follows the Project Completion Method (PCM) to recognize revenue in the income statement. Here, Sunteck recognizes revenue after transfer of risk and reward of a unit sold. We expect construction of Signature Island, Signia Oceans, Sunteck Kanaka and Signia Skys to be complete in FY2014 and Signia Isles and Signia Pearl construction to be complete in FY2016 (see Exhibit 22). We expect EBITDA margins to drop in FY2016 as Signia Isles and Signia Pearl will have lower margins than Signature Island (see Exhibit 21).

Exhibit 9: Signature Island will contribute most of the revenue recognition over FY2014E-16E
Sunteck: Consolidated profit model, March fiscal year-ends, 2012-16E (Rs mn)

	2012	2013	2014E	2015E	2016E
Total revenues	170	302	12,154	4,014	28,572
Land and construction costs	(33)	(98)	(4,122)	(1,309)	(12,127)
Employee costs	(22)	(45)	(52)	(57)	(63)
SG&A costs	(72)	(105)	(125)	(144)	(166)
EBITDA	42	54	7,854	2,504	16,216
Other income	134	200	138	169	153
Interest	(51)	(110)	(134)	(95)	(37)
Depreciation / amortisation	(15)	(14)	(17)	(18)	(19)
Pre-tax profits	110	130	7,841	2,560	16,314
Extraordinary items	—	(22)	—	—	—
Current tax	(60)	(62)	(2,588)	(845)	(5,384)
Deferred tax	(4)	—	—	—	—
Net income	46	45	5,254	1,715	10,930
Minority interests	(14)	(5)	(664)	(191)	(808)
Share of profit from associates	—	—	—	—	—
Adjusted net income	31	40	4,589	1,524	10,122
EPS (Rs)					
Primary	0.5	0.7	76.5	25.4	168.8
Fully diluted	0.5	0.7	76.5	25.4	168.8
DPS (Rs)	—	—	1	1	1
Shares outstanding (mn)					
Year-end	60	60	60	60	60
Primary	60	60	60	60	60
Fully diluted	60	60	60	60	60
Cash flow per share (Rs)					
Primary	1	1	77	26	169
Fully diluted	1	1	77	26	169
Margins (%)					
EBITDA	25	18	65	62	57
Adjusted net income	18	13	38	38	35
Cash tax rate (%)	55	48	33	33	33
Effective tax rate (%)	59	48	33	33	33
Growth (%)					
Total revenues	(16)	78	3,923	(67)	612
Net adjusted income	14	29	11,307	(67)	564

Source: Company, Kotak Institutional Equities estimates

Exhibit 10: Signature Island to contribute 40% revenue over the next three years

Sunteck: Revenue contribution from build-and-sale projects, March fiscal year-ends, 2014-16E (Rs mn)

Project	City	2014E	2015E	2016E
Signature Island	Mumbai	10,840	3,116	3,192
Signia Isles	Mumbai	—	—	12,562
Signia Pearl	Mumbai	—	—	12,324
Signia Oceans	Mumbai	546	58	—
Signia Skys	Nagpur	165	228	176
Sunteck Grandeur	Mumbai	312	278	35
Sunteck Kanaka	Panjim	119	143	81

Source: Kotak Institutional Equities estimates

Balance sheet: High cash outflow in FY2014

Besides increased construction costs due to the start of construction of Sunteck City, Goregaon (West), we expect near-term debt to increase due to (1) global FSI payments for the three BKC projects, (2) tax payments on revenue to be booked, (3) part repayment of debt (OCRPS, OCD and NCD converted) of the Ajay Piramal Group (APG) and the addition of the Goregaon (West) land parcel to the balance sheet.

Exhibit 11: Repayment of structured PE/debt over FY2014E-16E

Sunteck: Expenditure, excluding construction, interest and land, March fiscal year-ends, 2013-16E (Rs mn)

	2013	2014E	2015E	2016E
A Piramal Group repayment	—	1,378	1,378	—
Goregaon (W) Ph2 payments	—	—	—	2,438
Debt repayment	1,604	—	2,400	—
BKC FSI payment	—	1,953	1,099	1,185
Tax payment	62	2,569	883	5,457

Source: Company, Kotak Institutional Equities estimates

In 1QFY14, certain JV projects (with the Ajay Piramal Group) were restructured. After this, Sunteck's stake in two BKC projects (Signia Isles and Signia Pearl) increased to 93.5% (from 50% initially) and Sunteck relinquished its stake in a Thane project (another JV with the Ajay Piramal Group). Additionally, the amount invested by APG was converted to debt at a cost of 10% and a two-year repayment clause (to be completed by March 2015).

We expect trade receivables to increase from FY2014. According to the management, Sunteck shifted to a variable payment plan (time-linked) at its Signature Island project for sales after FY2012. This will result in longer payment plans for sales after the project is complete. With revenue recognition following sales (as construction is complete), trade receivables will increase—we expect a collection period of 3-6 months. A delay in collections could affect our collection estimates.

Sunteck's management guidance, at its 4QFY13 analyst meet, indicates it is exploring project additions—we await clarity regarding the type of acquisitions before assigning value to them.

Exhibit 12: Receivables are likely to increase with flexible payment plans for BKC sales
Sunteck: Consolidated balance sheet, March fiscal year-ends, 2012-16E (Rs mn)

	2012	2013	2014E	2015E	2016E
Share capital	120	120	120	120	120
Share application money	2,550	895	895	895	895
Reserves/surplus	3,857	3,884	8,332	9,716	19,698
Shareholders' funds	6,527	4,898	9,347	10,731	20,713
Minority interests	40	4	4	4	4
Long-term borrowings	1	1	1	1	1
Deferred tax liabilities	9	9	9	9	9
Other long-term liabilities	79	93	112	112	112
Long-term provisions	2	3	3	3	3
Non-current liabilities	90	106	125	125	125
Short-term borrowings	4,881	5,082	6,078	2,378	1,100
Trade payables	3,248	3,170	2,131	1,463	589
Other current liabilities	10,028	13,863	13,580	25,064	15,672
Short-term provisions	10	15	15	15	15
Current liabilities	18,167	22,131	21,803	28,921	17,376
Total equity and liabilities	24,824	27,139	31,279	39,781	38,218
Net block	156	145	155	155	154
Capital work-in-progress	—	—	—	—	—
Goodwill on consolidation	634	599	599	599	599
Non-current investments	452	338	338	338	338
Deferred tax assets	1	2	2	2	2
Long-term loans and advances	177	288	288	288	288
Other non-current assets	—	2	—	—	—
Non-current assets	1,421	1,373	1,381	1,381	1,381
Current investments	218	27	27	27	27
Inventories	19,036	20,763	24,931	27,707	21,559
Trade receivables	369	576	2,773	1,223	1,128
Cash and cash equivalents	274	413	306	7,556	12,221
Short-term loans and advances	3,498	3,920	1,793	1,820	1,834
Other current assets	9	68	68	68	68
Miscellaneous expenditure	—	—	—	—	—
Current assets	23,403	25,766	29,898	38,400	36,837
Total assets	24,824	27,139	31,279	39,781	38,218
Key ratios (%)					
Debt/equity	156.7	127.0	71.9	24.2	5.6
Debt/capitalization	61.0	55.9	41.8	19.5	5.3
Net debt/equity	149.8	116.6	68.3	(52.6)	(56.1)
Net debt/capitalization	60.0	53.8	40.6	(111.1)	(127.9)
RoAE	0.5	0.7	64.3	15.2	64.3
RoACE	0.6	1.2	40.4	14.3	65.1
Book value per share (Rs)	66	67	141	164	330
P/BV (x)	5.9	5.9	2.8	2.4	1.2

Source: Company, Kotak Institutional Equities estimates

Cash flow

Exhibit 13: Sunteck will be net cash in FY2015E

Sunteck: Cash flow, March fiscal year-ends, 2012-16E (Rs mn)

	2012	2013	2014E	2015E	2016E
Operating					
Consolidated PAT	31	40	4,589	1,524	10,122
Depreciation	15	14	17	18	19
Deferred tax	4	—	—	—	—
Operating cash flow	50	55	4,606	1,542	10,141
(Increase)/decrease in WC	(523)	1,251	(5,541)	9,564	(4,038)
Operating cash flow	(472)	1,305	(935)	11,106	6,103
Investing					
Capex	37	32	(27)	(17)	(19)
Investments	(64)	305	(0)	(0)	(0)
Free cash flow	(500)	1,643	(962)	11,089	6,084
Financing					
Dividend	—	(6)	(140)	(140)	(140)
Equity raised	(59)	(7)	—	—	—
Debt raised	545	(1,454)	995	(3,700)	(1,278)
Minority interest	14	(36)	—	—	—
Miscellaneous items	—	—	—	—	—
Net cash flow	(0)	139	(107)	7,249	4,666
Opening cash	274	274	413	306	7,556
Closing cash	274	413	306	7,556	12,221

Source: Company, Kotak Institutional Equities estimates

Key accounting policies

Revenue recognition. Sunteck recognizes revenue as per the Project Completion Method (PCM) of accounting. Here revenue recognition commences after risk and reward is transferred to the buyer (generally coinciding with the delivery of a project).

Trade payables. Along with payables to contractors and suppliers Sunteck includes liability towards global FSI payment for its BKC projects (cost already considered paid in the inventory and balancing figure to be paid shown in trade payables). Such payables will decline as Sunteck makes more payments over FY2014E-16E.

Trade receivables and billed in advance. As Sunteck follows the PCM, actual debtors (as per the payment plan agreement with buyers) and delay in payment are reflected as trade receivables on the assets side and balanced by showing them as billed in advance on the liabilities side.

June 2013: Results calendar

Mon	Tue	Wed	Thu	Fri	Sat
8-Jul	9-Jul	10-Jul	11-Jul	12-Jul	13-Jul
		IndusInd Bank		Geojit Bnp	
				Infosys	
				Sintex Inds	
				South Indian Bank	
15-Jul	16-Jul	17-Jul	18-Jul	19-Jul	20-Jul
CMC	Ashok Leyland	HDFC Bank	Axis Bank	Bajaj Auto	HT Media
			Bajaj Finserv	Bajaj Holdings	
			Bajaj Finance	HDFC	
			Kotak Mahindra Bank	Hexaware Technologies	
			Magma Fincorp	HMVL	
			Mindtree	Mastek	
22-Jul	23-Jul	24-Jul	25-Jul	26-Jul	27-Jul
Blue Star	Dewan Housing	Cairn India	Biocon		
IL&FS Investment Managers		Dabur India	MMFSL		
ING Vysya Bank		Mahindra Lifespace Developers			
29-Jul	30-Jul	31-Jul	1-Aug	2-Aug	3-Aug
Colgate Palmolive	IPCA Lab	Chambal Fertilisers		ICRA	
IDFC	Shree Cement	Dishman Pharma		Godrej Consumers	
Monsanto India					
5-Aug	6-Aug	7-Aug	8-Aug	9-Aug	10-Aug
		Ranbaxy Laboratories			
12-Aug	13-Aug	14-Aug	15-Aug	16-Aug	17-Aug
	BPCL				
	Mahindra & Mahindra				

Source: BSE, NSE, Kotak Institutional Equities

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

Company	9-Jul-13 Price (Rs)	Rating	Mkt cap.		O/S shares (mm)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT- 3mo (US\$ mn)
			(Rs mn)	(US\$ mn)		2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E			
Automobiles																													
Amara Raja Batteries	261	REDUCE	44,599	743	171	16.8	16.9	17.6	33.3	0.5	4.0	15.6	15.5	14.9	8.8	9.2	8.3	4.2	3.5	3.0	1.0	1.3	1.3	30.4	24.6	21.5	240	(8.1)	1.5
Apollo Tyres	63	REDUCE	31,858	531	504	12.3	14.2	14.6	51.6	15.4	2.4	5.1	4.4	4.3	3.8	3.3	3.4	0.8	0.7	0.6	1.1	1.3	1.3	19.9	19.1	16.6	64	1.3	7.4
Ashok Leyland	19	ADD	49,755	829	2,661	0.5	0.9	2.6	(74.5)	57.8	200.6	34.5	21.9	7.3	10.6	8.9	5.7	1.0	1.0	0.9	3.2	2.7	6.2	12.6	6.3	17.9	24	28.3	1.5
Bajaj Auto	1,898	ADD	549,339	9,152	289	105.2	119.1	139.2	1.3	13.2	17.0	18.0	15.9	13.6	13.3	12.2	10.7	6.9	5.6	4.6	2.4	2.5	2.9	43.2	38.6	36.9	2,000	5.4	13.4
Bharat Forge	217	SELL	51,482	858	237	9.6	11.7	18.1	(44.7)	21.6	54.7	22.6	18.6	12.0	9.6	8.8	6.9	2.0	1.9	1.7	1.1	1.1	1.7	12.7	9.6	12.3	200	(7.8)	1.1
Exide Industries	123	REDUCE	104,210	1,736	850	6.2	6.9	8.3	13.4	12.6	20.0	19.9	17.7	14.8	13.2	12.1	10.3	3.0	2.7	2.4	1.3	1.4	1.7	16.1	16.2	17.3	120	(2.1)	2.6
Hero Motocorp	1,660	ADD	331,442	5,522	200	106.1	117.1	146.9	(10.9)	10.4	25.5	15.6	14.2	11.3	11.8	9.6	7.2	6.4	5.0	4.0	1.9	2.1	3.1	44.0	39.6	39.0	1,900	14.5	9.2
Mahindra & Mahindra	938	ADD	575,993	9,596	614	53.1	53.3	61.8	17.7	0.3	16.0	17.7	17.6	15.2	12.6	12.5	10.8	3.7	3.3	2.9	1.4	1.7	2.0	24.1	20.5	20.8	1,050	11.9	19.8
Maruti Suzuki	1,544	SELL	466,366	7,770	302	79.2	103.1	113.0	39.9	30.2	9.6	19.5	15.0	13.7	9.7	7.1	6.0	2.4	2.1	1.9	0.5	0.7	0.8	13.3	14.8	14.2	1,480	(4.1)	16.7
Motherhood Sumi Systems	206	BUY	121,393	2,022	588	7.6	13.6	18.3	71.2	80.4	33.9	27.3	15.1	11.3	9.2	6.9	5.4	5.3	4.0	3.0	1.0	2.0	2.7	26.8	29.3	30.7	235	13.8	1.5
Tata Motors	289	BUY	930,280	15,499	3,218	30.7	37.0	44.0	(31.1)	20.4	18.8	9.4	7.8	6.6	4.9	4.3	3.8	2.6	1.9	1.5	0.7	0.2	0.2	28.8	28.7	26.1	350	21.1	43.0
Automobiles		Neutral	3,256,718	54,258					(11.1)	14.5	19.5	13.8	12.1	10.1	7.7	6.7	5.7	3.2	2.6	2.2	1.3	1.6	2.1	23.1	21.8	21.4			
Banks/Financial Institutions																													
Andhra Bank	87	ADD	48,404	806	560	23.0	22.0	23.6	(4.1)	(4.3)	7.0	3.8	3.9	3.7	—	—	—	0.7	0.6	0.5	5.8	5.5	5.9	16.2	13.9	13.4	110	27.2	2.1
Axis Bank	1,264	ADD	591,653	9,857	468	110.7	113.4	123.5	7.8	2.4	8.9	11.4	11.2	10.2	—	—	—	1.8	1.6	1.4	1.4	1.5	1.6	18.5	15.0	14.5	1,540	21.8	45.5
Bajaj Finserv	634	ADD	100,914	1,681	159	99.0	79.0	90.0	4.4	(20.2)	13.8	6.4	8.0	7.0	—	—	—	1.3	1.1	1.0	2.2	2.2	2.2	24.6	15.1	15.0	840	32.5	1.0
Bank of Baroda	569	REDUCE	234,438	3,906	412	109.3	115.5	119.2	(10.0)	5.7	3.2	5.2	4.9	4.8	—	—	—	0.8	0.7	0.7	3.8	4.0	4.1	15.7	14.5	13.5	740	30.2	12.5
Bank of India	231	ADD	137,555	2,292	597	46.1	55.4	58.3	(1.1)	20.2	5.1	5.0	4.2	4.0	—	—	—	0.7	0.7	0.6	4.3	5.2	5.5	12.9	13.7	13.1	365	58.3	5.2
Canara Bank	356	REDUCE	157,708	2,627	443	64.8	69.8	79.4	(12.5)	7.7	13.8	5.5	5.1	4.5	—	—	—	0.8	0.7	0.7	3.7	3.4	3.4	12.1	11.9	12.2	415	16.6	7.7
City Union Bank	55	BUY	29,642	494	539	6.0	6.7	7.8	(13.0)	11.6	17.1	9.2	8.3	7.0	—	—	—	1.9	1.5	1.3	1.6	1.8	2.1	22.3	19.4	18.8	70	27.3	0.3
Corporation Bank	343	BUY	52,494	875	153	93.8	102.3	108.7	(7.7)	9.0	6.3	3.7	3.4	3.2	—	—	—	0.6	0.6	0.5	5.8	6.4	6.8	16.1	15.4	14.6	480	39.8	1.0
Development Credit Bank	50	BUY	12,406	207	250	4.1	5.6	6.2	78.3	37.0	11.1	12.2	8.9	8.0	—	—	—	1.4	1.2	1.0	—	—	—	11.6	13.7	13.3	60	21.0	1.2
Federal Bank	398	BUY	68,099	1,135	171	49.0	49.4	58.0	7.9	0.7	17.5	8.1	8.1	6.9	—	—	—	1.1	1.0	0.9	2.3	2.3	2.7	13.9	12.6	13.4	530	33.1	4.4
HDFC	830	REDUCE	1,283,548	21,384	1,546	31.4	37.4	43.9	12.3	19.3	17.4	26.5	22.2	18.9	—	—	—	5.1	4.6	4.0	1.5	1.8	2.1	22.0	21.8	22.7	790	(4.8)	42.5
HDFC Bank	670	REDUCE	1,594,925	26,572	2,379	28.3	35.0	43.3	28.4	23.7	23.8	23.7	19.2	15.5	—	—	—	4.4	3.8	3.2	0.8	1.0	1.3	20.3	21.1	22.1	655	(2.3)	34.6
ICICI Bank	1,034	BUY	1,197,860	19,957	1,158	71.9	74.0	78.4	28.2	2.9	6.0	14.4	14.0	13.2	—	—	—	1.8	1.7	1.6	1.9	2.1	2.3	13.1	12.3	12.1	1,290	24.7	66.7
IDFC	128	BUY	193,053	3,216	1,512	12.1	14.0	16.3	18.1	15.1	16.4	10.5	9.1	7.8	—	—	—	1.4	1.3	1.1	1.8	2.2	2.5	14.2	14.6	15.2	185	44.9	16.4
India Infoline	52	ADD	15,834	264	304	9.2	10.9	13.1	102.9	17.7	20.3	5.6	4.8	4.0	—	—	—	0.8	0.7	0.6	5.9	3.6	4.3	15.1	16.4	16.2	77	47.9	0.4
Indian Bank	108	BUY	46,329	772	430	35.8	35.4	37.3	(9.5)	(1.1)	5.4	3.0	3.0	2.9	—	—	—	0.5	0.5	0.4	6.1	5.9	6.2	15.4	13.6	13.0	230	113.4	0.5
Indian Overseas Bank	50	REDUCE	46,112	768	924	6.1	16.5	19.4	(53.3)	169.0	17.2	8.1	3.0	2.6	—	—	—	0.5	0.4	0.4	4.0	7.8	9.1	4.5	10.9	11.7	65	30.3	1.3
Indusind Bank	504	ADD	263,265	4,386	523	20.3	23.6	27.2	18.3	16.2	15.3	24.8	21.3	18.5	—	—	—	3.6	3.2	2.8	0.6	0.7	0.8	18.0	15.6	15.8	490	(2.7)	14.1
ING Vysya Bank	616	ADD	115,375	1,922	187	39.6	37.0	44.8	30.2	(6.4)	21.1	15.6	16.6	13.7	—	—	—	2.6	1.6	1.5	0.7	0.8	1.0	14.6	11.9	11.2	650	5.6	2.4
J&K Bank	1,221	REDUCE	59,214	987	48	217.6	199.6	188.1	31.4	(8.3)	(5.8)	5.6	6.1	6.5	—	—	—	1.2	1.1	1.0	4.1	3.8	3.5	23.6	18.5	15.4	1,320	8.1	1.4
Karur Vysya Bank	442	ADD	47,400	790	107	51.3	52.9	62.2	9.7	3.1	17.5	8.6	8.4	7.1	—	—	—	1.6	1.4	1.2	3.2	3.0	3.5	19.0	17.3	17.9	510	15.3	0.7
LC Housing Finance	228	ADD	114,952	1,915	505	20.3	25.4	30.8	11.9	25.3	21.3	11.2	9.0	7.4	—	—	—	1.8	1.6	1.4	1.8	2.2	2.7	16.8	18.4	19.3	300	31.8	11.8
L&T Finance Holdings	76	SELL	129,722	2,161	1,715	4.3	4.7	5.3	60.3	10.1	12.8	17.8	16.2	14.3	—	—	—	2.3	2.0	1.8	—	—	—	14.1	13.4	13.2	60	(20.7)	3.1
Magma Fincorp	90	BUY	17,119	285	190	6.5	11.0	13.8	100.6	69.3	25.0	13.8	8.2	6.5	—	—	—	1.2	1.1	1.0	1.2	1.9	2.4	10.1	13.6	15.4	135	49.8	0.3
Mahindra & Mahindra Financial	282	REDUCE	160,101	2,667	568	15.5	18.9	21.8	28.6	21.6	15.2	18.1	14.9	12.9	—	—	—	3.7	3.2	2.7	1.3	1.6	1.8	23.8	22.2	21.8	220	(21.9)	6.7
Muthoot Finance	95	NR	37,523	625	397	28.2	29.9	34.9	17.3	6.1	16.7	3.4	3.2	2.7	—	—	—	1.0	0.7	0.6	4.2	4.7	5.5	31.2	26.2	23.7	—	—	—
Oriental Bank of Commerce	205	REDUCE	59,796	996	292	45.5	53.7	56.7	16.3	17.9	5.6	4.5	3.8	3.6	—	—	—	0.6	0.5	0.5	4.5	5.3	5.6	10.7	11.7	11.4	280	36.6	3.9
PFC	139	ADD	182,859	3,047	1,319	33.5	36.7	43.6	45.6	9.6	18.7	4.1	3.8	3.2	—	—	—	0.8	0.7	0.6	5.1	5.5	6.6	19.8	18.7	19.2	245	76.8	8.5
Punjab National Bank	632	REDUCE	223,448	3,723	353	134.3	130.2	144.3	(6.7)	(3.0)	10.8	4.7	4.9	4.4	—	—	—	0.8											

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

Company	9-Jul-13 Price (Rs)	Rating	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)
			(Rs mn)	(US\$ mn)		2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E			
Consumer products																													
Asian Paints	4,763	SELL	456,824	7,611	96	116.1	135.3	159.2	12.7	16.5	17.7	41.0	35.2	29.9	26.0	21.6	18.3	12.9	10.7	9.1	1.0	1.2	1.5	36.3	34.9	34.6	3,850	(19.2)	7.4
Bajaj Corp.	254	BUY	37,406	623	148	11.3	13.8	16.4	39.4	21.7	18.9	22.3	18.4	15.4	20.7	16.3	13.2	7.8	6.9	6.1	2.6	3.3	4.0	26.4	32.6	35.2	320	26.2	0.3
Colgate-Palmolive (India)	1,416	SELL	192,627	3,209	136	36.5	41.3	46.6	11.3	12.9	13.1	38.8	34.3	30.4	28.7	25.0	21.7	41.2	33.2	30.2	2.0	2.3	2.6	107.4	102.7	100.4	1,300	(8.2)	2.9
Dabur India	156	ADD	272,677	4,543	1,743	4.4	5.4	6.4	19.1	23.3	17.8	35.7	29.0	24.6	28.0	22.4	18.8	12.8	10.3	8.4	1.0	1.4	1.6	40.0	39.8	37.9	160	2.3	3.5
GlaxoSmithKline Consumer	5,279	SELL	221,998	3,699	42	103.8	124.9	149.0	20.7	20.2	19.3	50.8	42.3	35.4	44.6	37.6	31.5	16.3	13.9	11.9	0.9	1.1	1.4	34.9	35.4	36.1	3,500	(33.7)	4.1
Godrej Consumer Products	795	REDUCE	270,470	4,506	340	19.6	26.8	32.4	26.7	36.5	21.2	40.5	29.7	24.5	29.1	21.3	16.7	7.6	6.3	5.1	0.6	0.7	0.8	21.8	24.9	24.9	795	0.0	2.7
Hindustan Unilever	605	REDUCE	1,308,204	21,795	2,163	14.7	15.8	17.3	23.9	6.9	9.6	41.0	38.4	35.0	38.0	32.5	27.9	41.7	38.1	31.4	3.1	1.7	2.0	103.1	111.7	98.3	550	(9.1)	31.6
ITC	347	ADD	2,766,327	46,088	7,962	9.3	11.1	13.0	19.0	19.3	17.1	37.2	31.2	26.7	26.4	22.0	18.6	11.8	10.5	9.4	1.5	1.9	2.2	36.1	37.4	38.9	350	0.7	38.9
Jubilant Foodworks	1,137	SELL	75,350	1,255	66	19.9	25.0	34.0	21.7	25.4	35.8	57.0	45.5	33.5	31.0	24.1	17.5	17.5	13.3	10.2	—	—	0.6	30.5	29.2	30.6	900	(20.9)	8.0
Jyothy Laboratories	183	ADD	30,049	501	165	1.1	4.3	8.3	(53.3)	290.2	91.2	164.2	42.1	22.0	22.5	17.9	13.4	4.7	4.3	3.8	1.3	0.6	1.2	—	—	—	200	9.5	0.5
Marico	210	REDUCE	135,156	2,252	645	5.6	6.7	7.9	8.1	19.5	17.3	37.3	31.2	26.6	22.5	19.4	16.7	6.7	5.7	4.9	0.5	0.7	0.9	23.2	20.2	20.4	210	0.1	1.2
Nestle India	5,153	SELL	496,857	8,278	96	110.8	126.6	142.7	5.9	14.3	12.8	46.5	40.7	36.1	27.5	23.0	20.4	27.6	21.0	16.7	0.9	1.1	1.3	71.6	60.3	52.9	4,050	(21.4)	2.7
Speciality Restaurants	150	ADD	7,063	118	47	5.0	6.5	7.6	1.8	30.2	17.6	30.2	23.2	19.7	19.0	14.5	11.3	2.4	2.2	2.0	—	—	—	11.5	10.0	10.6	195	29.6	0.1
Tata Global Beverages	145	BUY	89,730	1,495	618	6.3	7.5	8.5	14.8	17.3	13.8	22.9	19.5	17.2	13.5	11.2	9.8	1.6	1.5	1.4	1.7	2.1	2.6	8.4	9.3	10.1	165	13.7	6.4
Titan Industries	239	ADD	212,314	3,537	888	8.2	9.3	11.1	20.9	13.4	20.1	29.3	25.8	21.5	19.8	17.0	13.8	10.8	8.5	6.7	0.9	1.1	1.4	42.3	36.8	34.9	295	23.4	15.1
United Breweries	843	SELL	222,880	3,713	264	6.5	10.2	15.1	36.2	56.7	47.5	129.1	82.3	55.8	49.1	33.4	25.4	15.6	13.7	11.5	0.2	0.2	0.4	12.0	17.1	21.6	700	(17.0)	5.7
United Spirits	2,647	ADD	384,726	6,410	145	36.8	64.8	80.9	133.6	75.8	24.9	71.9	40.9	32.7	29.1	22.9	19.5	4.7	4.3	3.8	0.3	0.2	0.3	7.3	11.0	12.3	2,380	(10.1)	71.6
Consumer products																													
Constructions																													
NCC	27	ADD	6,941	116	257	2.4	2.3	2.6	74.2	(5.9)	15.0	11.1	11.8	10.2	6.0	6.5	6.2	0.3	0.3	0.3	2.2	3.7	3.7	2.6	2.4	2.7	55	103.3	0.7
Punj Lloyd	33	REDUCE	11,275	188	340	(0.9)	1.2	4.2	(125.9)	236.3	257.6	(38.8)	28.5	8.0	6.1	5.6	5.1	0.4	0.4	0.4	(0.1)	0.3	1.1	(1.0)	1.4	4.9	45	35.5	3.6
Sadbhav Engineering	88	BUY	13,276	221	151	4.9	5.6	9.7	(47.3)	13.8	74.6	17.9	15.7	9.0	12.7	7.9	5.7	1.5	1.4	1.2	0.7	0.7	0.7	8.6	9.0	13.7	180	104.7	0.3
Construction																													
Energy																													
Aban Offshore	244	RS	10,638	177	44	38.6	80.1	81.1	(43.5)	107.5	1.2	6.3	3.1	3.0	7.4	6.1	5.9	0.3	0.3	0.3	1.5	2.0	2.0	6.4	10.4	9.4	—	—	1.8
Bharat Petroleum	346	BUY	249,896	4,163	723	36.6	35.8	41.0	99.2	(2.1)	14.7	9.5	9.7	8.4	6.9	6.1	5.2	1.4	1.2	1.1	2.8	3.1	3.6	14.6	12.7	13.3	485	40.3	6.7
Cairn India	294	BUY	561,993	9,363	1,910	63.1	61.9	55.0	51.7	(2.0)	(11.2)	4.7	4.8	5.4	3.7	3.4	3.6	1.2	1.0	0.9	3.9	4.1	4.1	24.8	22.4	17.1	350	19.0	10.5
Castrol India	322	SELL	159,273	2,654	495	9.0	10.0	10.8	(4.4)	10.8	7.8	35.6	32.1	29.8	24.7	21.6	19.8	27.3	25.8	24.2	2.2	2.5	2.6	79.0	82.6	83.8	220	(31.7)	0.8
GAIL (India)	317	ADD	402,552	6,707	1,268	35.5	31.6	33.4	16.5	(10.9)	5.6	8.9	10.0	9.5	6.0	6.3	5.7	1.5	1.4	1.2	3.0	2.8	3.2	17.2	13.6	12.9	380	19.7	6.0
GSPL	59	ADD	33,003	550	563	9.6	8.4	9.2	2.6	(12.6)	9.8	6.1	7.0	6.4	3.8	3.8	3.3	1.0	0.9	0.8	1.7	1.7	3.1	17.6	13.2	12.9	78	33.0	0.7
Hindustan Petroleum	237	ADD	80,311	1,338	339	26.7	24.6	30.2	(0.5)	(8.0)	23.1	8.9	9.6	7.8	8.5	8.3	6.8	0.5	0.4	0.4	3.6	3.3	4.1	5.1	4.5	5.3	290	22.4	3.7
Indian Oil Corporation	220	ADD	532,935	8,879	2,428	16.8	26.3	31.8	(48.7)	56.4	20.9	13.0	8.3	6.9	10.0	6.4	5.0	0.9	0.8	0.7	2.8	3.4	4.1	6.2	9.4	10.6	300	36.7	2.6
Oil India	537	BUY	322,984	5,381	601	59.7	61.9	67.4	4.1	3.6	8.9	9.0	8.7	8.0	4.2	3.5	3.0	1.6	1.5	1.3	5.6	5.8	5.7	16.0	15.3	15.5	700	30.3	5.9
Oil & Natural Gas Corporation	302	BUY	2,585,050	43,068	8,556	29.9	33.6	39.3	(8.9)	12.5	16.8	10.1	9.0	7.7	4.2	3.4	2.7	1.4	1.2	1.1	3.1	3.6	4.3	13.5	13.7	14.4	400	32.4	21.4
Petronet LNG	127	BUY	95,588	1,593	750	15.3	12.8	14.6	8.7	(16.5)	14.0	8.3	10.0	8.7	5.7	6.8	5.4	2.0	1.7	1.4	2.0	2.0	2.4	25.6	17.5	16.8	175	37.3	2.2
Reliance Industries	875	ADD	2,568,413	42,791	2,936	65.0	68.2	72.1	6.2	4.8	5.7	13.4	12.8	12.1	8.8	8.3	7.3	1.3	1.2	1.1	1.0	1.0	1.1	11.3	10.9	10.5	920	5.2	54.6
Energy																													
Industrials																													
ABB	595	SELL	126,001	2,099	212	6.7	17.0	24.5	(23.6)	155.6	44.3	89.4	35.0	24.2	52.4	21.6	16.0	4.8	4.4	3.8	0.6	0.6	0.6	5.5	13.1	16.8	425	(28.5)	1.9
BGR Energy Systems	122	REDUCE	8,782	146	72	22.3	16.9	18.2	(28.1)	(24.6)	8.1	5.4	7.2	6.7	4.9	4.3	3.7	0.7	0.7	0.6	3.7	2.9	3.2	13.8	9.6	9.7	150	23.3	0.6
Bharat Electronics	1,247	REDUCE	99,752	1,662	80	113.6	122.9	135.3	6.8	8.2	10.1	11.0	10.1	9.2	8.7	4.7	3.7	1.5	1.4	1.2	2.4	2.4	2.4	14.5	14.0	14.0	1,370	9.9	0.4
Bharat Heavy Electricals	187	SELL	457,089	7,615	2,448	27.1	21.1	16.2	(6.0)	(22.0)	(23.2)	6.9	8.8	11.5	4.5	5.3	6.4	1.5	1.3	1.2	3.1	2.4	1.9	23.7	16.0	11.1	175	(6.3)	10.0
Crompton Greaves	89	ADD	57,158	952	642	1.3	5.4	8.1	(77.2)	314.1	50.0	68.2	16.5	11.0	16.2	8.3	6.4	1.6	1.5	1.3	1.4	1.4	1.6	2.3	9.4	12.9	105	17.8	4.6
Cummins India	454	REDUCE	125,863	2,097	277	28.3	26.1	28.8	28.3	(7.7)	10.4	16.0	17.4	15.7	15.7	14.9	13.4	5.3	4.7	4.1	2.9	2.6	2.8	34.5	27.5	26.3	450	(0.9)	1.6
Kalpataru Power Transmission	66	BUY	10,066	168	153	8.8	13.1	15.3	(34.1)	49.0	17.6	7.5	5.0	4.3	5.5	3.9	3.4	0.5	0.5	0.4	2.3	2.3	2.3	6.6	9.2	9.9	120	82.9	0.1
KEC International	32	BUY	8,279	138	257	2.5	6.5	9.3	(63.1)	154.7	44.4	12.7	5.0																

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

Company	9-Jul-13		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target	ADVT- 3mo		
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	Price (Rs)		Upside (%)	(US\$ mn)
Infrastructure																														
Adani Port and SEZ	149	BUY	301,205	5,018	2,017	8.1	9.8	12.6	48.7	20.4	28.6	18.4	15.3	11.9	17.2	12.0	9.5	4.6	3.4	2.8	0.8	1.1	1.4	28.5	25.8	25.8	180	20.6	7.1	
Container Corporation	1,129	ADD	146,702	2,444	130	72.5	80.9	93.0	7.4	11.6	14.9	15.6	13.9	12.1	11.2	10.1	8.3	2.3	2.1	1.8	1.5	1.7	1.9	15.9	15.8	16.1	1,150	1.9	1.2	
GMR Infrastructure	18	RS	69,285	1,154	3,892	(1.8)	(0.6)	(0.7)	(56.2)	67.2	(19.6)	(10.1)	(30.7)	(25.6)	17.6	9.2	6.0	0.8	0.8	0.8	—	—	—	(9.3)	(3.2)	(3.9)	—	—	2.7	
Gujarat Pipavav Port	46	BUY	22,262	371	483	1.5	3.1	3.4	29.7	104.0	7.6	30.1	14.8	13.7	12.6	10.4	8.7	1.8	1.6	1.5	—	—	—	7.6	14.0	11.9	60	30.3	0.3	
IRB Infrastructure	97	BUY	32,273	538	332	16.7	16.6	13.7	11.1	(0.8)	(17.5)	5.8	5.8	7.1	6.1	5.2	5.4	0.7	0.7	0.6	—	—	—	15.1	11.8	8.8	170	75.1	4.0	
Infrastructure		Cautious	571,727	9,525					20.3	38.8	16.9	22.7	16.3	14.0	14.0	9.4	7.3	2.1	1.9	1.7	0.8	1.0	1.2	9.2	11.4	12.0				
Media																														
DB Corp	234	BUY	42,931	715	183	11.9	14.0	17.5	8.0	18.0	24.9	19.7	16.7	13.4	11.0	9.4	7.7	4.2	3.9	3.5	2.6	3.4	4.3	22.4	24.2	27.7	280	19.6	0.2	
DishTV	59	ADD	62,752	1,045	1,064	(1.4)	0.2	1.3	(33.9)	115.4	543.2	(43.5)	282.3	43.9	12.6	10.3	8.3	(38.8)	(45.0)	(52)	—	—	—	1.7	113.0	(14.8)	(110)	75	27.1	3.0
Eros International	135	ADD	12,403	207	92	16.7	20.4	23.8	1.5	22.0	16.5	8.1	6.6	5.7	5.6	4.7	4.0	1.2	1.0	0.9	—	—	—	16.7	17.2	16.7	200	47.9	0.6	
Hindustan Media Ventures	130	BUY	9,504	158	73	11.1	12.1	13.2	25.0	8.6	9.0	11.6	10.7	9.8	5.9	5.0	4.3	1.9	1.7	1.6	1.5	3.1	4.6	17.3	16.7	16.6	200	54.4	0.0	
Jagran Prakashan	85	BUY	27,024	450	316	5.4	6.5	8.4	(4.5)	20.4	29.0	15.9	13.2	10.2	8.8	7.5	5.9	3.1	2.9	2.6	4.1	4.7	5.3	21.0	22.9	27.1	130	52.1	0.2	
Sun TV Network	392	ADD	154,578	2,575	394	18.0	18.9	22.5	2.6	4.7	19.3	21.8	20.8	17.4	13.6	12.7	10.7	5.3	5.0	4.7	2.5	3.1	4.1	26.5	25.6	26.8	400	2.0	8.5	
Zee Entertainment Enterprises	247	REDUCE	234,555	3,908	950	7.6	8.8	10.7	25.6	16.1	21.8	32.6	28.1	23.1	22.9	18.9	15.3	4.8	4.5	4.3	0.7	0.9	1.0	15.3	16.6	19.2	220	(10.9)	10.4	
Media		Neutral	566,879	9,444					8.1	22.7	26.5	27.3	22.3	17.6	13.8	11.8	9.7	4.5	4.1	3.8	1.5	1.9	2.6	16.3	18.5	21.8				
Metals & Mining																														
Coal India	291	BUY	1,840,589	30,665	6,316	27.5	29.3	33.3	18.1	6.8	13.5	10.6	9.9	8.8	6.7	5.3	4.3	3.8	3.3	2.9	5.0	5.3	6.0	38.2	35.6	35.1	410	40.7	14.5	
Hindalco Industries	101	REDUCE	193,138	3,218	1,915	15.8	10.8	9.8	(10.9)	(31.9)	(8.7)	6.4	9.4	10.3	8.4	8.9	7.9	0.5	0.5	0.5	1.4	1.4	1.4	9.0	5.7	5.0	100	(0.8)	13.0	
Hindustan Zinc	102	ADD	429,894	7,162	4,225	16.4	14.7	15.3	24.2	(10.4)	4.1	6.2	6.9	6.7	3.3	2.8	2.1	1.3	1.2	1.0	3.0	3.0	3.0	23.5	17.9	16.4	150	47.4	1.3	
Jindal Steel and Power	217	ADD	202,945	3,381	935	31.1	34.4	38.3	(26.6)	10.4	11.5	7.0	6.3	5.7	6.7	7.3	6.2	1.0	0.8	0.7	0.9	0.9	0.9	14.9	14.2	13.9	385	77.3	19.0	
JSW Steel	609	SELL	135,858	2,263	223	43.2	55.7	85.7	79.1	28.9	54.0	14.1	10.9	7.1	5.1	5.7	5.3	0.8	0.7	0.7	1.6	1.6	1.6	7.8	7.0	10.0	585	(3.9)	13.9	
National Aluminium Co.	30	REDUCE	76,673	1,277	2,577	2.3	2.7	3.1	(31.2)	15.4	15.7	12.9	11.2	9.7	3.1	3.4	3.8	0.6	0.6	0.6	4.2	4.2	4.2	5.0	5.7	6.4	38	27.7	0.2	
NMDC	103	BUY	408,166	6,800	3,965	16.0	14.2	14.9	(13.3)	(10.9)	4.9	6.4	7.2	6.9	2.7	3.0	2.8	1.5	1.4	1.3	6.8	6.8	6.8	24.4	19.7	18.9	150	45.7	4.7	
Sesa Goa	143	ADD	124,673	2,077	869	26.2	25.8	24.9	(15.4)	(1.8)	(3.5)	5.5	5.6	5.8	36.4	25.1	16.7	0.7	0.6	0.6	0.1	0.1	0.1	3.3	(0.3)	1.5	180	25.5	4.4	
Sterlite Industries	84	ADD	282,845	4,712	3,361	18.4	14.9	15.5	16.6	(19.1)	4.5	4.6	5.7	5.4	3.5	3.7	3.3	0.6	0.5	0.5	2.7	2.7	2.7	12.7	9.4	9.1	110	30.7	7.1	
Tata Steel	262	ADD	254,169	4,235	971	3.4	40.0	49.7	(86.9)	1,070.7	24.2	76.5	6.5	5.3	6.7	5.5	5.6	0.7	0.7	0.6	3.1	4.6	4.6	0.9	11.0	12.6	370	41.4	27.2	
Metals & Mining		Neutral	3,948,949	65,791					0.2	1.8	10.4	8.3	8.1	7.3	5.8	5.5	4.9	1.3	1.2	1.1	4.0	4.3	4.6	16.1	14.9	15.0				
Pharmaceutical																														
Apollo Hospitals	970	SELL	134,933	2,248	139	21.4	27.6	33.4	35.7	28.7	21.2	45.3	35.2	29.0	23.2	18.7	15.3	4.9	4.4	4.0	0.6	0.7	0.9	11.3	13.3	14.6	850	(12.4)	7.8	
Biocon	294	ADD	58,850	980	200	25.4	19.3	22.6	48.7	(24.2)	17.3	11.6	15.3	13.0	10.3	8.4	7.5	2.2	2.0	1.8	2.5	2.0	2.4	20.5	13.7	14.7	295	0.3	1.5	
Cipla	400	ADD	321,289	5,353	803	18.7	18.3	21.5	34.0	(2.4)	17.7	21.3	21.9	18.6	15.4	14.0	11.6	3.6	3.1	2.7	0.5	0.6	0.6	16.0	15.2	15.6	420	5.0	10.1	
Cadila Healthcare	793	ADD	162,438	2,706	205	32.0	39.7	53.2	0.4	24.1	34.0	24.8	20.0	14.9	19.6	15.6	12.0	5.3	4.5	3.7	0.9	1.2	1.6	23.3	24.4	27.1	840	5.9	1.7	
Divi's Laboratories	992	REDUCE	131,618	2,193	133	45.4	51.4	61.0	12.9	13.3	18.7	21.9	19.3	16.3	15.8	13.5	11.1	5.3	4.5	3.8	1.5	1.7	2.0	26.0	25.1	25.4	1,060	6.8	2.9	
Dr Reddy's Laboratories	2,284	BUY	387,857	6,462	170	96.3	112.2	132.0	14.6	16.5	17.7	23.7	20.4	17.3	16.0	13.5	11.5	5.4	4.4	3.7	0.7	0.9	0.9	24.1	23.4	23.2	2,400	5.1	13.1	
GlaxoSmithkline Pharmaceuticals	2,514	SELL	213,057	3,550	85	81.4	84.5	97.5	9.7	3.8	15.5	30.9	29.8	25.8	23.8	22.8	19.0	10.6	9.8	8.8	2.0	2.2	2.4	28.5	34.2	36.0	1,920	(23.6)	1.6	
Glenmark Pharmaceuticals	587	REDUCE	158,833	2,646	271	22.7	27.7	32.3	3.8	22.0	16.6	25.8	21.2	18.2	18.3	14.5	12.5	5.7	4.6	3.8	0.3	0.6	0.7	23.8	24.3	23.1	520	(11.4)	5.7	
Lupin	836	ADD	373,469	6,222	447	29.4	32.8	38.9	51.0	11.5	18.6	28.4	25.5	21.5	17.0	15.2	12.8	7.1	5.8	4.8	0.5	0.7	0.8	28.5	25.3	24.6	800	(4.2)	14.9	
Ranbaxy Laboratories	349	REDUCE	147,575	2,459	423	21.8	16.5	28.6	217.7	(24.4)	73.0	16.0	21.1	12.2	8.7	14.8	7.5	3.6	2.7	1.7	—	—	—	26.5	12.8	14.8	430	23.2	10.0	
Sun Pharmaceuticals	1,080	SELL	1,118,108	18,628	1,036	29.0	36.8	41.9	16.3	26.8	13.8	37.2	29.3	25.8	20.6	19.1	16.6	7.1	5.8	4.8	0.5	0.6	0.7	20.7	21.7	20.2	825	(23.6)	20.2	
Pharmaceuticals		Attractive	3,208,027	53,447					43.7	11.1	20.7	27.2	24.5	20.3	17.4	16.0	13.1	5.6	4.7	3.8	0.7	0.8	0.9	20.6	19.1	18.9				
Real Estate																														
DLF	177	ADD	314,954	5,247	1,779	4.0	4.2	11.1	(41.9)	5.9	163.5	44.6	42.2	16.0	20.7	17.5	11.3	1.1	1.1	1.0	1.1	1.1	1.1	2.5	2.6	6.5	270	52.5	32.1	
HDIL	40	NR	16,593	276	419	1.7	11.0	14.3	(91.0)	528.0	30.4	22.7	3.6	2.8	8.2	7.1	6.1	0.2	0.2	0.1	—	—	—	0.7	4.3	5.4	—	—	18.6	
Oberoi Realty	207	BUY	68,076	1,134	328	14.5																								

Kotak Institutional Equities: Valuation summary of KIE Universe stocks

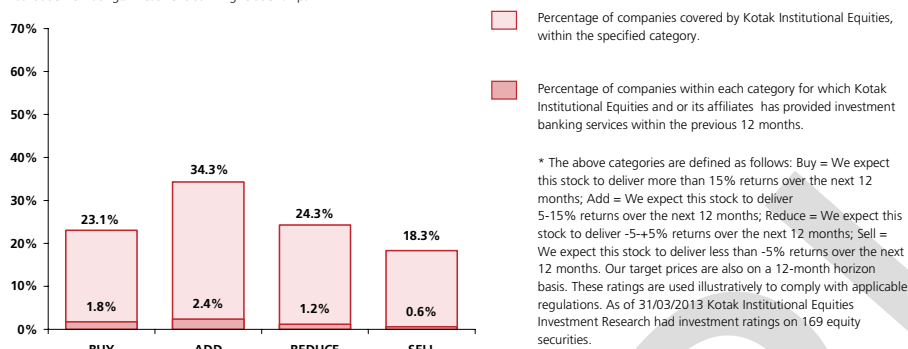
Company	9-Jul-13		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target	ADVT-	
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	shares (mn)	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	2013	2014E	2015E	(Rs)	Upside (%)	3mo (US\$ mn)
Technology																													
HCL Technologies	823	REDUCE	584,975	9,746	711	54.3	57.8	61.9	57.0	6.5	7.2	15.2	14.2	13.3	9.8	8.9	8.0	4.3	3.4	2.8	1.0	1.2	1.5	31.7	26.1	23.4	675	(18.0)	19.1
Hexaware Technologies	93	REDUCE	27,370	456	293	11.2	10.5	10.4	22.8	(6.2)	(0.5)	8.4	8.9	9.0	6.2	5.5	5.3	2.3	2.1	1.9	5.8	5.6	5.6	29.5	24.2	21.9	90	(3.5)	3.1
Infosys	2,498	ADD	1,427,471	23,782	571	164.9	169.3	184.0	13.3	2.7	8.6	15.2	14.8	13.6	10.5	9.5	8.4	3.8	3.3	2.9	1.9	2.4	2.5	27.2	23.7	22.4	2,750	10.1	56.1
Mahindra Satyam	115	ADD	135,416	2,256	1,176	11.3	11.3	12.2	10.7	0.5	7.4	10.2	10.2	9.5	6.5	6.0	5.0	3.3	2.6	2.2	0.5	2.0	2.1	37.5	28.9	25.3	130	12.9	8.9
Mindtree	857	ADD	35,552	592	41	81.7	91.4	101.2	53.2	12.0	10.6	10.5	9.4	8.5	7.1	6.2	5.2	2.7	2.2	1.8	1.4	1.6	1.8	29.8	25.8	23.3	935	9.1	0.6
Mphasis	392	SELL	82,677	1,377	211	37.6	35.7	35.9	(3.7)	(5.0)	0.6	10.4	11.0	10.9	7.8	8.3	7.9	1.9	1.8	1.6	4.3	4.6	4.6	19.1	16.5	15.5	360	(8.2)	1.2
Polaris Financial Technology	114	REDUCE	11,396	190	100	20.0	17.2	17.2	(3.8)	(13.9)	(0.0)	5.7	6.7	6.7	2.9	2.9	2.6	0.8	0.8	0.7	3.6	3.8	3.9	15.3	12.2	11.2	110	(3.8)	2.0
TCS	1,505	REDUCE	2,945,390	49,071	1,957	71.2	82.9	90.9	31.1	16.4	9.6	21.1	18.2	16.6	15.7	12.7	11.4	7.2	5.9	5.0	1.5	2.2	2.4	38.0	35.8	32.7	1,410	(6.3)	37.1
Tech Mahindra	1,043	ADD	133,570	2,225	128	98.3	111.3	110.0	17.6	13.3	(1.2)	10.6	9.4	9.5	9.8	8.8	8.9	2.5	2.1	1.9	0.5	0.8	1.0	27.2	25.0	21.9	1,100	5.5	9.6
Wipro	360	REDUCE	887,049	14,779	2,463	24.9	27.3	29.7	9.9	9.6	8.8	14.5	13.2	12.1	9.8	8.6	7.5	3.1	2.7	2.3	1.9	2.2	2.5	21.6	21.9	20.6	365	1.3	11.5
Technology																													
Telecom																													
Bharti Airtel	292	ADD	1,107,570	18,453	3,798	6.0	11.9	17.5	(46.6)	99.1	46.4	48.7	24.4	16.7	7.3	6.3	5.2	2.2	2.0	1.9	0.3	0.4	1.2	4.5	8.7	11.7	350	20.0	21.9
Bharti Infratel	151	ADD	285,114	4,750	1,889	5.3	7.0	7.9	23.3	31.5	12.8	28.4	21.6	19.2	8.3	7.5	6.6	1.7	1.6	1.5	2.6	1.9	2.2	6.3	7.5	8.1	170	12.7	—
IDEA	141	ADD	466,921	7,779	3,303	3.1	5.5	8.9	39.8	81.3	60.5	46.2	25.5	15.9	10.2	7.7	6.1	3.3	3.0	2.6	—	—	0.5	7.5	12.4	17.4	142	0.5	11.2
Reliance Communications	142	SELL	294,017	4,898	2,064	3.3	9.3	8.6	(27.5)	186.7	(8.3)	43.7	15.2	16.6	10.3	7.6	7.4	1.0	1.0	0.9	—	—	—	0.4	6.5	5.6	65	(54.4)	62.9
Tata Communications	171	REDUCE	48,792	813	285	(29.4)	(9.8)	(1.6)	(5.5)	66.6	83.7	(5.8)	(17.4)	(106.9)	7.9	7.1	6.4	3.0	3.6	3.8	—	—	—	(42.6)	(18.8)	(3.5)	220	28.5	1.3
Telecom																													
Utilities																													
Adani Power	41	SELL	96,928	1,615	2,393	(9.0)	(1.9)	4.5	(2,023.1)	79.2	341.0	(4.5)	(21.6)	9.0	43.2	11.2	7.6	2.3	2.5	2.0	—	—	—	(41.7)	(11.0)	24.7	35	(13.6)	3.6
CESC	363	REDUCE	45,364	756	125	33.4	38.1	38.0	53.5	14.0	(0.3)	10.9	9.5	9.6	10.6	6.8	6.0	0.7	0.7	0.6	1.9	2.0	2.1	6.5	7.0	6.7	320	(11.9)	1.7
JSW Energy	46	ADD	74,948	1,249	1,640	6.7	6.0	5.6	232.1	(10.9)	(6.4)	6.8	7.6	8.2	5.9	5.4	5.2	1.2	1.0	0.9	—	—	—	18.5	14.6	12.0	50	9.4	2.2
Lanco Infratech	7	RS	15,783	263	2,223	(4.7)	(6.0)	4.5	(790.4)	(28.6)	174.6	(1.5)	(1.2)	1.6	14.8	13.5	5.9	0.4	0.6	0.5	—	—	—	(24.2)	(41.9)	33.3	—	—	1.1
NHPC	19	ADD	231,869	3,863	12,301	1.9	2.0	2.3	(22.4)	6.1	11.7	9.8	9.2	8.2	9.9	8.7	6.5	0.7	0.7	0.7	2.7	2.9	3.3	7.9	7.8	8.2	26	37.9	1.6
NTPC	142	ADD	1,173,330	19,548	8,245	13.0	13.3	14.2	20.8	2.3	6.3	10.9	10.7	10.0	9.9	8.5	7.9	1.5	1.3	1.2	4.7	2.8	3.0	14.0	13.1	12.8	175	23.0	12.4
Power Grid	110	BUY	508,576	8,473	4,630	9.1	10.7	12.8	28.7	17.3	19.9	12.1	10.3	8.6	10.9	8.6	7.3	1.9	1.7	1.5	2.5	3.0	3.5	16.9	17.7	18.9	140	27.4	5.1
Reliance Infrastructure	379	BUY	99,767	1,662	263	70.9	68.1	74.7	17.5	(4.0)	9.8	5.4	5.6	5.1	9.3	6.6	7.1	0.4	0.4	0.3	2.0	3.0	3.0	11.0	11.2	9.3	810	113.6	25.2
Reliance Power	76	SELL	212,629	3,542	2,805	3.6	3.7	3.9	16.7	2.4	5.1	21.0	20.5	19.5	25.2	19.6	13.1	1.1	1.1	1.0	—	—	—	5.6	5.4	5.4	75	(1.1)	13.0
Tata Power	86	BUY	211,167	3,518	2,468	4.0	5.7	6.3	(12.9)	43.0	10.2	21.3	14.9	13.5	9.1	7.4	6.8	1.6	1.5	1.4	1.3	1.4	1.4	7.4	10.2	10.4	104	21.6	4.4
Utilities																													
Others																													
Carborundum Universal	108	BUY	20,211	337	187	5.7	9.6	13.7	(50.7)	67.5	43.4	18.9	11.3	7.9	9.4	6.2	4.5	1.7	1.5	1.3	0.9	1.5	2.2	10.3	15.7	19.1	180	66.9	0.1
Coromandel International	179	SELL	50,622	843	283	18.1	18.1	20.4	(19.7)	0.0	12.4	9.9	9.9	8.8	8.7	6.7	6.2	1.9	1.7	1.5	4.1	4.3	4.3	18.8	16.9	17.3	150	(16.3)	0.3
Havells India	784	REDUCE	97,798	1,629	125	33.4	38.6	42.9	6.0	15.8	11.0	23.5	20.3	18.3	15.2	12.4	11.2	6.6	5.3	4.3	1.0	1.0	1.1	33.3	28.8	25.9	625	(20.3)	5.3
Jaiprakash Associates	53	BUY	116,324	1,938	2,191	2.0	9.6	17.1	(32.1)	383.4	78.3	26.7	5.5	3.1	8.8	6.5	4.8	1.0	0.8	0.7	—	—	—	3.7	16.0	23.7	100	88.3	28.1
Jet Airways	433	SELL	49,180	819	114	1.2	91.5	45.4	100.6	7,639	(50.4)	366.1	4.7	9.5	10.3	7.2	6.6	34.8	1.5	1.3	—	—	—	7.5	61.5	14.7	550	27.0	24.4
MCX India	730	ADD	37,047	617	51	58.1	44.3	49.9	(2.4)	(2.4)	12.7	12.6	16.5	14.6	7.1	10.8	8.3	3.2	3.0	2.8	3.3	3.3	3.3	27.4	18.9	19.7	990	35.7	1.9
Rallis India	141	BUY	27,343	456	194	6.1	8.4	10.0	20.0	38	18.5	23.0	16.7	14.1	13.4	9.6	8.2	4.4	3.7	3.1	1.6	1.6	1.6	18.9	23.5	23.7	155	10.2	0.5
SpiceJet	27	BUY	13,127	219	484	0.4	3.5	5.1	103.2	679.1	47.5	61.2	7.8	5.3	18.0	5.7	3.8	(40.8)	9.7	3.4	—	—	—	(23)	325.1	95.5	60	121.4	1.9
Tata Chemicals	284	BUY	72,356	1,205	255	33.6	37.7	40.7	2.2	12.2	8.0	8.5	7.5	7.0	5.3	4.5	4.1	0.9	0.8	0.7	3.5	3.5	3.5	11.1	11.2	10.9	370	30.3	2.0
United Phosphorus	138	REDUCE	61,124	1,018	443	17.5	18.3	19.1	39.4	4.4	4.8	7.9	7.6	7.2	4.7	4.6	4.2	1.3	1.1	1.0	1.8	1.8	1.8	18.0	16.6	15.2	135	(2.2)	5.2
Others																													
KIE universe																													
			545,131	9,082					142.0	87.2	23.7	15.4	8.2	6.6	8.4	6.4	5.2	1.7	1.4	1.2	1.6	1.6	1.7	11.1	16.8	17.6			
			51,446,241	857,116					6.8	11.4	13.9	14.3	12.9	11.3	9.6	8.2	7.1	2.2	1.9	1.7	1.9	2.0	2.3	15.1	15.0	15.3			
			43,843,604	730,453					8.6	12.4	15.2	15.5	13.8	12.0	10.8	9.3	8.0	2.5	2.2	1.9	1.8	1.9	2.1	15.8	15.8	16.1			
			38,398,836	639,741					10.3	14.9	16.1	17.0	14.8	12.8	12.3	10.3	8.8	2.7	2.4	2.1	1.6	1.7	1.9	15.7	16.0	16.4			

Notes:
(a) For banks we have used adjusted book values.
(b) 2012 means calendar year 2011, similarly for 2013 and 2014 for these particular companies.
(c) EV/Sales & EV/EBITDA for KS universe excludes Banking Sector.
(d) Rupee-US Dollar exchange rate (Rs/US\$)= 60.02

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of March 31, 2013

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ADD. We expect this stock to deliver 5-15% returns over the next 12 months.

REDUCE. We expect this stock to deliver -5-+5% returns over the next 12 months.

SELL. We expect this stock to deliver <-5% returns over the next 12 months.

Our target prices are also on a 12-month horizon basis.

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Corporate Office

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

Kotak Mahindra (UK) Ltd
8th Floor, Portsoken House
155-157 Minories
London EC3N 1LS
Tel: +44-20-7977-6900

Overseas Offices

Kotak Mahindra Inc
50 Main Street, Ste. 890
Westchester Financial Centre
White Plains, New York 10606
Tel: +1-914-997-6120

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