



Economy News

- ▶ The promoters of private power companies, including Ratan Tata and Anil Ambani, met Prime Minister Manmohan Singh and sought solutions to problems like acute fuel shortage, coal prices, delays in green clearances and funding. Singh assured them a road map would be prepared to resolve the issues in a time-bound manner. (BS)
- ▶ India's oil ministry has sought Rs. 220 bn (\$4.36 billion) of cash subsidy for fuel sales in the October to December quarter, said a source in the ministry. (ET)
- ▶ In a note to the EGoM, the ministry has proposed to stop gas supplies to power producers that do not sell electricity at regulated tariff. Also, future gas allocations are to be made only to urea fertiliser plants and fuel allocation to phosphates and potassium fertiliser producers be stopped. The ministry has also proposed to revise the priority attached to city gas distribution (CGD) networks and place them next to fertiliser and stranded assets of power sectors and before the new demands of fertiliser and power sector. (ET)
- ▶ India will need investments worth Rs 30 Tn across various segments of the hydrocarbon value chain over the next two decades to maintain the economic growth momentum, according to a joint study by Ernst & Young and ASSOCHAM. (ET)
- ▶ Fuel prices in India are unlikely to rise as there are elections coming up in several states in the country, an oil ministry source said on Wednesday. (ET)
- ▶ The World Bank said it expected the Indian economy to grow by just 6.8 per cent in the current financial year, significantly lower than the 7.25-7.75% pegged by the finance ministry, as the economy faced high interest rates and there was "heightened uncertainty of policy reforms". (ET)

Corporate News

- ▶ The government has given **Cairn India** the go-ahead for commencement of production from the Bhagyam oilfield. The block oversight committee has approved production of 25,000 bpd from Bhagyam oilfield. (BS)
- ▶ The Haryana government said it was in talks with **Reliance Industries** to take back 1,383 acres in Gurgaon as the company has failed to develop the special economic zone over the same. (BS)
- ▶ The Income Tax Department has slapped a Rs 10.67 Bn demand notice on telecom giant **Bharti Airtel** for non-payment of TDS dues in the last four financial years in connection with its overseas operations, even as the company said it was fully compliant with all the provisions. (ET)
- ▶ **Essar Oil** is likely to file a review petition against the Supreme Court ruling which held that the Ruias-promoted firm was liable to pay deferred sales tax to the Gujarat government. (BS)
- ▶ The government said the upward revision in wages of **Coal India Ltd (CIL)** workers will not have any bearing on coal prices and there will be no hike in prices of the dry fuel. (BS)
- ▶ Local protesters have forced **NMDC**, to suspend production and shipments from Chhattisgarh, which accounts for two-thirds of its 25 million tonnes annual output (BS)
- ▶ Reliance ADAG's mutual fund arm, **Reliance Capital Asset Management (R-Cap)**, is expected to announce the sale of 26% stake to Japan's Nippon Life Insurance Company tomorrow. (BS)
- ▶ **NMDC** is actively looking to acquire mineral assets, such as iron ore, coal and phosphate, in Australia, according to Legacy Iron, an Australia-based mining company, in which NMDC acquired 50% stake. (ET)

Equity

	18 Jan 12	% Chg		
		1 Day	1 Mth	3 Mths
Indian Indices				
SENSEX Index	16,451	(0.1)	6.2	(1.8)
NIFTY Index	4,956	(0.2)	6.5	(1.6)
BANKEX Index	10,350	(0.4)	9.9	(5.7)
BSET Index	5,513	(2.2)	(3.5)	0.9
BSETCG INDEX	9,643	(2.0)	14.4	(9.7)
BSEOIL INDEX	8,149	3.1	6.2	(4.7)
CNXMcap Index	6,648	(1.2)	5.8	(5.7)
BSESMCAP INDEX	6,196	(1.0)	8.9	(9.6)
World Indices				
Dow Jones	12,579	0.8	6.0	8.7
Nasdaq	2,770	1.5	8.4	4.2
FTSE	5,702	0.1	5.8	5.4
NIKKEI	8,551	1.0	4.3	(1.3)
HANGSENG	19,687	0.3	10.0	8.6

Value traded (Rs cr)

	18 Jan 12	% Chg - Day
Cash BSE	2,457	(7.3)
Cash NSE	12,187	0.1
Derivatives	108,930	(11.4)

Net inflows (Rs cr)

	17 Jan 12	% Chg	MTD	YTD
FII	1,065	138.0	4,435	4,435
Mutual Fund	75	(173.7)	(584)	(584)

FII open interest (Rs cr)

	17 Jan 12	% Chg
FII Index Futures	13,565	(0.3)
FII Index Options	37,675	1.4
FII Stock Futures	27,853	0.1
FII Stock Options	1,608	4.3

Advances / Declines (BSE)

	18 Jan 12	A	B	S	Total	% total
Advances	58	800	228	1,086	37	
Declines	145	1,365	191	1,701	59	
Unchanged	0	88	28	116	4	

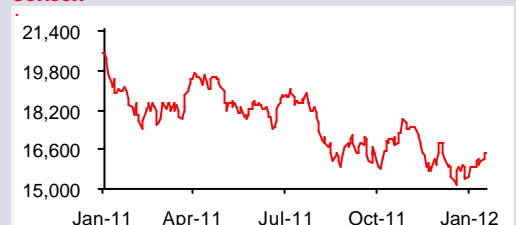
Commodity

	18 Jan 12	% Chg		
		1 Day	1 Mth	3 Mths
Crude (NYMEX) (US\$/BBL)	101.5	0.9	8.1	17.8
Gold (US\$/OZ)	1,660.1	0.2	4.3	1.1
Silver (US\$/OZ)	30.5	1.2	5.4	(2.5)

Debt / forex market

	18 Jan 12	1 Day	1 Mth	3 Mths
10 yr G-Sec yield %	NA	NA	NA	NA
Re/US\$	50.4	50.7	52.9	49.3

Sensex



RESULT UPDATE**Dipen Shah**dipen.shah@kotak.com
+91 22 6621 6301**INFOTECH ENTERPRISES LTD (IEL)****PRICE: Rs.125**
TARGET PRICE: Rs.163**RECOMMENDATION: BUY**
FY13E P/E: 7.1x

Infotech's results were better than expected, on the operational front, largely on the back of higher margins. While volumes grew by 2.3% (4.1% in 2Q), margins improved by an above-expected 485bps. Apart from currency, better scale and cost control initiatives helped improve the margins. The average realisations were almost flat, according to the management. The company has finalised billing rate increases for a major part of the business from the largest client (WEF January 2011). However, we believe that, the overall uncertainties in the macro environment may restrict significant improvement in billing rates. We tweak our earnings estimates for FY12 and FY13. FY12E earnings now stand at Rs.13.4 per share (Rs.13.1) and FY13E earnings at Rs.17.6 per share (Rs.16 earlier). The improvement is largely on the back of changes in currency assumptions. We tweak our PT to Rs.163 (v/s Rs.155), based on FY13 estimates. At our target price FY13 estimates will be discounted by about 7.3x. We believe this discount to larger peers is justified due to the lower margins. We are also concerned about relatively high proportion of project-based revenues (in N&CE). We maintain BUY, purely based on valuations and continue to prefer the larger peers. Expected cash of Rs.43 per share by FY13 end, may provide cushion to the stock.

Summary table

(Rs mn)	FY11	FY12E	FY13E
Sales	11,879	15,634	18,060
Growth (%)	24.6	31.6	15.5
EBITDA	1,800	2,765	3,070
EBITDA margin (%)	15.1	17.7	17.0
PBT	1,597	2,130	2,824
Net profit	1,397	1,485	1,960
EPS (Rs)	12.6	13.4	17.6
Growth (%)	(18.3)	6.3	32.0
CEPS (Rs)	16.9	18.1	22.8
BV (Rs/share)	92.5	103.0	118.1
Dividend/share (Rs)	2.0	2.5	2.5
ROE (%)	14.4	13.7	16.0
ROCE (%)	16.5	19.6	23.0
Net cash (debt)	3,862	4,138	4,904
Net Working Cap (Days)	85.7	87.6	91.9
P/E (x)	9.9	9.4	7.1
P/BV (x)	1.4	1.2	1.1
EV/Sales (x)	0.8	0.6	0.5
EV/EBITDA (x)	5.6	3.5	2.9

Source: Company, Kotak Securities - Private Client Research

3QFY12 results

(Rs mn)	2QFY12	3QFY12	QoQ (%)	3QFY11	YoY (%)
Income	3726.0	4165.2	11.8	3138.2	32.7
Expenditure	3140.2	3308.5		2663.2	
EBDITA	585.8	856.7	46.2	475.0	80.4
Depreciation	123.0	142.3		122.3	
EBIT	462.8	714.4	54.4	352.7	
Interest	4.9	2.9		1.0	
Other income	-13.8	-230.9		98.4	
PBT	444.1	480.6	8.2	450.1	6.8
Tax	153.5	171.5		76.5	
PAT	290.6	309.1	6.4	373.6	-17.3
Sh of profit	17.3	29.7		-4.6	
MI	-0.5	0.7		-0.6	
Adj PAT	307.4	339.5	10.4	368.4	-7.8
EPS (Rs)	2.77	3.06		3.32	
Margins (%)					
EBDITA	15.7	20.6		15.1	
EBIT	12.4	17.2		11.2	
PAT	7.8	7.4		11.9	

Source : Company

Revenues were up 11.8% - Volume growth at 2.3%

- Revenues for the quarter grew by 11.8% QoQ, largely on the back of rupee depreciation. Volumes were 2.3% higher QoQ.
- While ENGG vertical reported a 2.3% rise in volumes, N&CE (Network and Content Engineering) saw volumes grow by 2%.
- Infotech bagged 11 new accounts during the quarter of which, 5 were in the ENGG vertical and the balance in N&CE.

- In N&CE, revenues from USA and APAC grew faster on a sequential basis.
- The company was able to get new accounts in the previous quarter and they are likely to continue to scale up over the next few quarters.
- Infotech also signed up 2 'must-have' accounts in EMEA during the quarter, which have the potential to grow into large accounts in FY13. These clients should help the company tide over the impact of a ramp down in two large accounts (BT and Rural Payment Agency).
- The company continued to see traction in the power utility and content engineering business during the quarter.
- This vertical has been facing continuing client issues. The projects-based nature of N&CE revenues also adds to the uncertainty.
- Within this vertical, 45% of revenues come from telecom, 30% from content engineering and the balance from utilities.
- In ENGG, the revenues from Aerospace Engineering have already crossed the Rs.2.5bn quarterly mark.
- ENGG has been witnessing consistent growth over the past few quarters on the back of significant new additions and scale up of existing accounts.
- According to the management, the spending in manufacturing industry has picked up and this has been led by hitech, heavy engineering and aerospace verticals. Aerospace and HTH continue to see strong traction.
- The client budgets for about 80% of the clients have been finalised and they are either flat or marginally high YoY.
- We understand growth came due to the scale up in existing accounts and in new accounts. Infotech added two potentially large accounts during the quarter.
- Infotech has penetrated the UTC group well with cumulative revenues of more than \$250mn. It now operates at ACE Gold level across all divisions of UTC.
- The company has also been short-listed as one of the off-shore partners for a new initiative of Caterpillar.
- Within ENGG, aerospace contributes 55% of revenues, rail transportation 20%, heavy engineering 15% and hitech, the balance.

Average realisations flat

- Infotech has indicated that, average realisations were flat on a QoQ basis.
- In the previous quarters, the management had conceded that, some of the billing rate increases, which were expected to come in, had failed to materialise.
- We understand that, the company has negotiated price increases with its largest client for 2/3rd of its business. This increment is expected to come in WEF 1QCY12.
- We view this positively but would like to see actual implementation of these increases, in the backdrop of the macro uncertainties.

EBITDA margins were a positive surprise

- EBITDA margins for the quarter were up by about 485 bps (318bps in 2Q). This was above estimates.
- The margins were helped by currency (390bps) and scale / operational efficiencies (100bps).
- We view this improvement as encouraging as it comes after a large improvement in 2Q also.

- Margin performance of Infotech has been disappointing for the past few quarters and is a reflection of the challenges faced by mid-tier companies from attrition and S&M investments, which they are forced to make.
- We have been indicating that, salary increments, higher levels of attrition and need to invest in business generating initiatives will put pressure on margins.
- The management now expects to improve margins (ex-forex) by about 100bps in 4Q. This is expected to be led by the pyramid effect, cost rationalization and scale benefits.

“Other income” and tax

- Infotech reported a loss of Rs.315mn (86mn loss in 2Q) due to currency fluctuations which set-off Rs.84mn of income from investments. This loss led to a relatively lower growth in PAT.
- The company provided tax at the rate of 36% of PBT. Management expects the same to remain at around 34% in 4QFY12 and at about 33% in FY13.

Tweak earnings estimates

- We have tweaked our earnings expectations to accommodate the changed currency scenario.
- For 4QFY12, we have assumed the exchange rate at Rs.51 / USD and for FY13 at 50 / USD.
- For FY13, we expect revenues to grow at 16%, led by volumes.
- Margins are expected to be largely maintained as the company employs various levers to sustain margins despite salary increments.
- Consequently, EBIDTA is expected to rise by 12%. A relatively higher other income component may lead to a 33% rise in PAT. Infotech is already a high tax paying company.
- EPS for FY13E works out to Rs.17.6.
- We expect the company to have net cash of about Rs.4.7bn by FY13 end, which works out to Rs.43 per share.

Margin performance has to improve for valuations to go up

- Infotech has managed to deepen engagement for clients like UTC, P&W, Bombardier, Tele-Atlas & Swisscom over the recent quarters and enjoys relationships with marquee clients in its verticals.
- Management continues to see opportunities in the higher thrust which aerospace companies (Bombardier, etc are major clients) are giving to efficient and light engine design skill sets- areas where IEL has domain expertise and existing impressive client roster.
- However, margins have scope for improvement.
- These reflect the challenges of a mid-tier company and we will become more positive only after seeing a sustained improvement in the same.
- We accord a suitable discount to Infotech as compared to the valuations of larger companies and arrive at a PT of Rs.163.

Concerns

- A sharp acceleration in the rupee from our assumed levels will impact earnings estimates negatively for the company.
- Belying of hopes of a pick up in the economic outlook of major user economies could impact revenue growth of Infotech.

We maintain BUY rating on Infotech Enterprises with a price target of Rs.163

RESULT UPDATE

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NIIT TECHNOLOGIES LTD (NIIT)

PRICE: Rs.211

TARGET PRICE: Rs.300

RECOMMENDATION: BUY

FY13E P/E: 5.4x

NIIT's operating results for 3QFY12 were broadly in line with our estimates. Organic volumes (excluding Proyecta and hardware revenues) grew by about 3% QoQ (8% in 2Q), we believe. The lower growth was likely due to the seasonality impact. While the volume growth was broadly in-line, margins rose more than anticipated. Revenues from USA and EMEA grew by 17% and 20%, respectively, we opine. This growth follows eight successive quarters of high volume growth for the company. Average realizations remained stable. EBITDA margins were almost flat excluding the impact of one-time integration costs in 2Q. The gains from currency were set off by the relatively lower margins on revenues from Morris and Proyecta, apart from lower utilization rates. The company had a translation gain of about Rs.164mn during the quarter. Non-linear revenues (including Morris) grew faster than company average and formed about 30% (27% in 2Q) of revenues. The order bookings were at \$75mn, including a large deal extension. On the macro front, the management has indicated challenges, but expects the order book to help sustain decent revenue growth. The company is bidding for a few larger orders in the \$10mn - \$50mn range. We have tweaked our FY12E and FY13E estimates. Our FY12E EPS stands at Rs.34.6 and FY13E EPS at Rs.39.1 (Rs.37 earlier), largely due to changes in currency assumptions. Our DCF - based price target stands unchanged at Rs.300, based on FY13 earnings. At our TP, our FY13 earnings will be discounted by about 7.6x which, we believe, is undemanding. We maintain BUY. NIIT has been achieving consistent revenue growth and margins over the past few quarters.

Summary table

(Rs mn)	FY11	FY12E	FY13E
Sales	12,323	15,755	18,306
Growth (%)	34.9	27.9	16.2
EBITDA	2,404	2,738	3,388
EBITDA margin (%)	19.5	17.4	18.5
PBT	2,178	2,753	3,148
Net profit	1,822	2,057	2,325
EPS (Rs)	30.7	34.6	39.1
Growth (%)	44.3	12.9	13.0
CEPS (Rs)	36.0	40.6	46.9
BV (Rs/share)	126.1	151.3	180.1
Dividend / share (Rs)	7.5	9.0	10.0
ROE (%)	27.4	25.0	23.6
ROCE (%)	32.1	31.8	29.8
Net cash (debt)	1,527	1,620	2,076
NW Capital (Days)	85.0	87.0	87.0
P/E (x)	6.9	6.1	5.4
P/BV (x)	1.7	1.4	1.2
EV/Sales (x)	0.9	0.7	0.6
EV/EBITDA (x)	4.6	4.0	3.1

Source: Company, Kotak Securities - Private Client Research

3QFY12 results

(Rs.mn)	3QFY12	2QFY12	% Chg	3QFY11	% Chg
Income	4,330	3,711	16.7	2,858	51.5
Expenditure	3,550	3,161		2,239	
Operating Profit	780	550	41.8	619	26.1
Depreciation	92	83		71	
Gross Profit	688	467	47.3	548	25.6
Interest	0	0		0	
Other Income	174	115		27	
PBT	862	582	48.1	575	50.0
Tax	224	151		90	
PAT	638	431	48.1	485	31.7
Minority interest	-2	-27		11	
Adjusted PAT	640	458	39.8	474	35.1
Shares (mns)	59	59		59	
EPS (Rs)	10.8	7.7		8.0	
Margins					
OPM (%)	18.0	14.8		21.6	
GPM (%)	15.9	12.6		19.2	
NPM (%)	14.7	11.6		17.0	

Source : Company

Revenues grew by 17% QoQ....

- Revenues grew by 17% on a sequential basis. The growth was helped by hardware revenues, additional revenues from the Morris deal and also the full quarter consolidation of Proyecta. Proyecta's financials were consolidated for 1.5 months in 2Q.
- Excluding the hardware and Proyecta revenues, the growth was about 3%, we believe. Rupee depreciation helped the revenues grow by 8.9%.
- The JV with Morris (consolidated line-by-line basis) had started realizing revenues from September 2011 and contributed about Rs.243mn to the revenues v/s Rs.75mn for 2Q.
- The company has formed a JV with Morris, to which the business, assets and some employees of Morris have been transferred. The JV will outsource work to NIITT, which will recruit off-shore employees to service this business.
- Hardware revenues were about Rs.89mn for the quarter.

...led by volume growth

- The organic growth of 3% was led by volumes. Average realisations were almost flat on a QoQ basis.
- The average realized exchange rate for NIITT was at Rs.50.7. The company had significant currency gains (8.9%) credited to revenues.
- Within clients, revenues from the Top 10 grew by 17% on a QoQ basis.

Broad-based growth, but concerns persist

- What is more encouraging is that the revenue growth was experienced across geographies and verticals.
- All the geographies grew in INR terms with US and EMEA growing by 17% and 20% QoQ. All verticals grew with T&T reporting a 23% rise. Financial Services reported an 8% growth.
- The management has indicated that, BFSI is the most challenged sector for the company, due to the economic slowdown.
- It has also indicated that, with insurers suffering losses, business for ROOM may get impacted in the form of lower spending on licenses. This may impact ROOM's revenues for the next 2 - 3 quarters.

Strong order book addition

- The company added about \$75mn (\$200mn) of new business during the quarter. In 2Q, the additions were the highest on the back of the deals from Morris (\$85mn) and Police Department in India (\$45mn), which were won by the company.
- The deal from the Police Department will have about 65% of hardware component. The deal started giving revenues in 3Q itself. We have not accounted for this deal in our FY13 projections and the early revenues may be largely from hardware supply.
- NIITT had started executing the Eurostar deal and the first milestone was delivered in 2Q.
- ROOM Solutions, which has now been named NIIT Insurance Technologies Ltd, saw revenue of Rs.426mn (Rs.398mn) with consolidated margins at 27% (27%).
- ROOM's margins have remained at high levels in line with higher revenues and the non-linear nature of these revenues.
- However, as mentioned above, revenue growth may be impacted over the next 2 - 3 quarters.

Macro scene volatile; no major impact on company, as yet

- The company has witnessed volatility in the overall macro scene, especially in USA and Europe.
- While there are delays in decision making, the company has not seen any project cancellations.
- The overall budgets of the clients may be flattish in CY12, we understand.
- The off-shore component in budgets is expected to increase and this move towards off-shoring should help Indian vendors.
- Travel & Transportation (T&T) vertical continues to see demand. The retail vertical has also seen traction.
- BFSI is seeing spends towards regulatory compliance and also discretionary spend. However, the vertical is the most challenged for NIIT, in the current phase of global slowdown.
- Within T&T, the airlines vertical has seen a re-emergence of spending. According to the management, IATA expects the passenger traffic to grow by about 6% in CY11 and the cargo traffic also by about 6%.
- For Manufacturing and Distribution, the focus is still on supply chain and customers but significant deal flows are yet to start.

Large deals have started contributing, non-linearity may help margins

- The two large deals signed by NIIT in 1HFY12, have started contributing to revenues.
- The Morris JV earned revenues of Rs.243mn during the quarter and Eurostar also brought in revenues.
- The scale-ups have started earlier than expected and we expect further scale ups in the quarters to come.
- These deals are non-linear in nature and should increase the proportion of revenues from non-linear revenues in FY13. We expect these to also to give some cushion to the margins of the company in the medium - to - long term.

Non-linear initiatives

- Non-linear initiatives have continued to scale in the current quarter.
- Non-linear initiatives formed 25% of overall revenues in 3QFY12 v/s 27% QoQ. The fall is because Morris revenues are not considered as non-linear, till they start earning margins (1QFY13). Including Morris, non-linear revenues were about 30% of revenues in 3Q.
- With revenues from new deals like Morris and Eurostar scaling up WEF FY13, we expect non-linear revenues to grow as a proportion of revenues over the next few quarters.
- NIIT's non-linear services can broadly be divided into three parts - managed services (13% of revenues), platforms and related solutions (14% of revenues) and cloud services.
- The company has various platforms for the insurance vertical - Subscribe (ROOM), airlines vertical (revenue accounting) and cargo business (through partners).
- The platform based services should gather steam in the future quarters (with ROOM's platform gaining traction) while the IMS business is also expected to contribute more.
- ROOM's revenues have scaled up during the quarter. ROOM is more into the non-life market, which had not been impacted significantly.

- The company has plans of introducing ROOM's platform in various other European markets.
- We expect the entry into US to be slow because of the need to incorporate changes required by different regulations.
- The company has also launched the SaaS initiative and the Cloud initiative recently. Initially, it had planned to offer only infrastructure outsourcing services.
- The company has already won some customers in Asia Pac and the practice should scale up over the next few quarters.
- The company has now set up a platform to provide services to co-operative banks and has already gained its first client.
- These non-linear initiatives are expected to help the company restrict impact on margins due to salary hikes and potential rupee appreciation, if any.

Attrition moderates

- Attrition moderated to about 12.5% during the quarter (13.4% QoQ). We believe this is positive and will continue to watch this data closely in the future quarters.
- NIIT added 245 (468) employees on a net basis during the quarter.
- Utilisation rate fell by about 200bps to 80% v/s 82% in the previous quarter

Margins flat excluding one-time related to Morris JV

- EBIDTA margins were flat QoQ, excluding the impact of one-time legal and professional expenses of \$2.5mn incurred in the Morris JV.
- Margins were flat despite a 180bps push from rupee depreciation.
- We believe that, apart from the lower utilization rates, lower margins from hardware, Proyecta and Morris (almost no margins), impacted overall profitability.
- The Morris JV is currently not making any margins as it is providing services at cost till the business transfer is completed. This is expected to continue till 1QFY13 after which, we expect normalized margins from this business.
- We assume that, Proyecta business had about 9% EBIDTA margins in 3Q.
- In 1Q, the company had given average salary hikes of 13% for offshore employees and 3% for onsite employees for FY12. As compared to staggered rise in previous years, all employees were covered by the rise WEF 1QFY12.
- Non-linear revenues have helped NIIT in restricting impact on margins in the past.

Exchange rate movement

- NIIT had forex gain of about Rs.164mn (gain of Rs.90mn) during the quarter, largely due to translation benefits.

Future prospects

- We make changes to our FY12 and FY13 earnings estimates.
- We expect volumes to grow by 17% YoY in FY13 with average realisations remaining stable.
- Rupee is assumed to average 49 / USD in FY13E. Margins are expected to be almost stable YoY (excluding one-time expense of Rs.119mn in FY12) due to lower profitability initially in new projects from Morris and Eurostar as well as salary increments.
- PAT is, thus, expected to grow to Rs.2.33bn, leading to an EPS of Rs.39.1.

We maintain BUY on NIIT Technologies with a price target of Rs.300

Valuations and recommendation

- In our DCF model, we have incorporated a benign operating environment in our near term assumptions for the company.
- A WACC of 13% and terminal growth of 2% leads us to a fair value of 300 for the stock, based on FY13 estimates.
- At those levels the stock will quote at about 7.6x FY13 earnings, which is reasonable, in our view.
- We maintain a **BUY**.
- The company may have net cash of about Rs.36 per share by FY13 end, as per our estimates.

Concerns

- Rupee appreciation beyond our assumed levels could provide a downward bias to our earnings estimates.
- A delayed recovery in major global economies could impact growth prospects of NIIT.

Bulk deals

Trade details of bulk deals

Date	Scrip name	Name of client	Buy/ Sell	Quantity of shares	Avg. price (Rs)
18-Jan	Arrow Securi	Gautam Resources Ltd	B	45,000	17.1
18-Jan	Arrow Securi	Pukhraj Ramesh Chand	S	26,100	17.1
18-Jan	Arrow Securi	Prakash Chand	S	26,600	17.1
18-Jan	Ashika Credit	Khanij Metal Pvt Ltd	B	36,000	57.0
18-Jan	Ashok Alcochem	Aura Alkalies And Chemicals Pvt Ltd	B	906,082	19.2
18-Jan	Ashok Alcochem	Anil Manilal Kadakia	S	906,082	19.2
18-Jan	Dazzel Conf	Yogeshkumar Sureshbhai Parmar	B	741,408	3.4
18-Jan	Dazzel Conf	Priya R Kumawat	S	1,101,500	3.4
18-Jan	Dhvanil Chem	Somaiya Manoj Premjibhai	B	40,000	31.4
18-Jan	Dhvanil Chem	Dharmendra Ghanshyambhai Makwana	S	44,300	31.4
18-Jan	Kailash Ficom	Mandvi Dyes & Chemicals Co Pvt Ltd	B	62,000	28.2
18-Jan	Kanchan Intl	Dharmendra Harilal Bhojak	B	24,073	63.3
18-Jan	Kanchan Intl	SLP Traders (Satish Vasant Ghone)	B	30,000	63.5
18-Jan	Kanchan Intl	Jeetendra M Faganía Huf	S	30,000	63.5
18-Jan	Kanchan Intl	Faganía Moolchand Sankalchand	S	16,162	64.0
18-Jan	Karma Ind	Multiplast Trading Company Pvt Ltd	B	170,000	47.2
18-Jan	Liberty Phos	Liberty Urvarak Ltd	B	108,500	57.4
18-Jan	Liberty Phos	Anisha Raooof Dhanani	S	100,000	57.4
18-Jan	Midvalley Ent	Free India Assurance Services Ltd	S	290,000	70.0
18-Jan	Nouveau Global	Krishan Khadaria	B	6,264,191	3.7
18-Jan	Nouveau Global	Rajat Commercial Enterprises Pvt Ltd	S	6,264,191	3.7
18-Jan	Polytex India	Jinal Apurva Rawal	B	70,000	136.0
18-Jan	Ram Kaashyap	Arun Prabhudas Mandaviya	S	49,239	25.7
18-Jan	Ranklin Sol-\$	Chandra Sekhara Rao Battula	B	64,000	11.2
18-Jan	Ranklin Sol-\$	Shant Kumar Pawar	S	45,000	11.2
18-Jan	Raymed Labs	Rattan Polymers Pvt Ltd	B	30,000	29.9
18-Jan	Raymed Labs	Rakesh Kumar Sharma	B	30,000	30.2
18-Jan	Raymed Labs	Fastcon Infrastructure Pvt Ltd	B	30,000	29.9
18-Jan	Raymed Labs	Kailash Aggarwal	S	30,000	29.9
18-Jan	Shalibhadra Fin	Pravin Pratap Bhanushali	B	26,000	42.3
18-Jan	Sparc Systems	Devang Kishor Mehta	B	26,000	3.0
18-Jan	Sparc Systems	Savita Shripalkumar Jain	S	31,000	3.0
18-Jan	Sterling Bio	Blue Peacock Securities Pvt Ltd	B	2,899,000	11.5
18-Jan	Sterling Bio	Destimoney Financial Services	S	2,400,000	10.8
18-Jan	Sterling Bio	Cholamandalam Investment & Fin	S	2,000,000	11.3
18-Jan	Sudar Garments	Free India Assurance Services Ltd	B	145,000	70.0
18-Jan	Sunlake Resorts	Nilesh Kumar Lahoti	B	85,700	26.6
18-Jan	Sunlake Resorts	Santosh Gajander Singh	B	50,000	26.2
18-Jan	Sunlake Resorts	Mayur N Darji	B	80,500	28.4
18-Jan	Sunlake Resorts	Nitin Babubhai Mehta	S	150,000	26.2
18-Jan	Tutis Tech-\$	Nayan Kunverji Thakkar HUF	B	200,000	15.3
18-Jan	Tutis Tech-\$	Gopalsamuduram Chandrasekhar S	S	200,000	15.3
18-Jan	Vaishnavi	Raghu Chekka	B	96,182	7.2
18-Jan	Vaishnavi	Gopala Krishna Bonam	B	98,391	7.2
18-Jan	Vaishnavi	Dharmendra Harilal Bhojak	B	100,000	7.0
18-Jan	Vaishnavi	Gopala Krishna Bonam	S	111,310	7.3
18-Jan	Vaishnavi	Raghu Chekka	S	99,000	7.0
18-Jan	Vaishnavi	Ashwani Kumar Agarwal	S	130,000	7.2
18-Jan	Vaishnavi	Karra Mohana Rao	S	87,500	7.1

Source: BSE

Forthcoming events

Company/Market

Date	Event
19-Jan	Bajaj Auto, Bajaj Holdings, Balaji Tele, Dish TV India, HDFC Bank, Hero MotoCorp, IFCI, Mastek earnings expected
20-Jan	Axis Bank, Bank of Maharashtra, Exide Ind, Hindustan Const, Hindustan Zinc, ITC, Praj Ind, RIL, Syndicate Bank, United Spirits, Wipro, Wire & Wireless earnings expected
21-Jan	Asian Paints, Godrej Cons, JSW Energy, Karnataka Bank, M&M Finance, Patel Engineering, Sobha Dev, Torrent Power, Ultratech Cem, Zee entertainment earnings expected

Source: BSE

Gainers & Losers

Nifty Gainers & Losers

	Price (Rs)	chg (%)	Index points	Volume (mn)
Gainers				
Reliance Ind	780	5.1	20.9	9.3
HDFC Bank	482	2.9	8.0	5.0
HDFC	683	1.1	3.3	1.5
Losers				
Infosys	2,612	(1.9)	(7.9)	1.2
ICICI Bank	770	(2.0)	(6.0)	4.4
L&T	1,241	(2.1)	(4.7)	3.3

Source: Bloomberg

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