



Economy News

- ▶ The Reserve Bank of India is likely to give banking licenses to seven-eight new entities, including aspirants among non-banking financial companies, as well as industrial houses. (BS)
- ▶ With an effort to fulfill its assurance made to foreign investors, the Government has cleared 25 exploration and production (E&P) oil and gas blocks. These blocks have a total of over \$4.6 bn of investment. Nine blocks have been fully cleared and 16 blocks have been cleared with specific conditions. (BL)
- ▶ The country's power producers would not be able to reap the benefit of coal price pooling for their projects, as the government has shelved a proposal to this effect after a consensus on the likely impact on tariff could not be reached. (BS)
- ▶ India received FDI worth \$1.79 bn in February 2013, a decline of about 19% due to global economic slowdown. During the April-February period of 2012-13, FDI has declined 38% to \$20.89 bn. (BL)
- ▶ Implementation of National Food Security Bill (NFSB), aimed at providing legal entitlement to food to around 67% population, is likely to cost the exchequer around Rs.1.23 tn, Government said yesterday. (ET)

Corporate News

- ▶ Indian carriers, led by **Jet Airways**, have asked for 55,191 weekly seats to Abu Dhabi till 2015-16, a four-fold rise over the present arrangement. This huge demand has raised apprehensions among other carriers, as well as private airports. (BS)
- ▶ **UltraTech Cement** is in final-stage talks to buy Jaiprakash Associates' 4.8 mn tn cement plants in Gujarat for an enterprise value of Rs.41 bn. The deal, if consummated, will strengthen the Aditya Birla Group company's grip on the domestic cement market. (ET)
- ▶ **Gitanjali Gems** expects to double revenue from Japan in two years with the integration of its businesses. It has transferred the 30% stake in Gems London Co to its Tokyo-based subsidiary Imacbc Co. (BL)
- ▶ **GMR Infrastructure** is learnt to have filed qualification documents for a formal bid to develop 17.5-billion peso (\$425 million) Mactan-Cebu International Airport project in the Philippines. (BS)
- ▶ **NIIT Technologies** has said that it has inked a multi-year deal worth Rs.1.85 bn with Andhra Pradesh government for setting up a comprehensive financial management system (CFMS). (ET)
- ▶ **Tata Steel**, the debt-laden metals company, is looking to raise about \$250 mn in its first foreign currency bond issue this fiscal to repay some of its foreign loans. (ET)
- ▶ **Cadila Healthcare's** board has approved the merger of Zydus Animal Health Ltd (Z AHL), Liva Healthcare Ltd (LHL) and Zydus Pharmaceuticals Ltd (ZPL) with itself. (BS)
- ▶ **Oberoi Realty** has decided to invest in a residential project in NCR with a small ticket size investment of up to Rs. 2.0 bn. Besides this, it also plans to evaluate acquisitions in markets such as Hyderabad and Bangalore. (BL)

Equity

	22 Apr 13	% Chg		
		1 Day	1 Mth	3 Mths
Indian Indices				
SENSEX Index	19,170	0.8	2.3	(4.3)
NIFTY Index	5,834	0.9	3.2	(3.6)
BANKEX Index	14,395	2.4	11.9	(0.7)
BSET Index	5,760	(2.4)	(15.1)	(9.0)
BSETCG INDEX	9,773	3.3	7.1	(7.6)
BSEOIL INDEX	8,666	0.2	2.9	(9.6)
CNXMcap Index	7,765	1.8	6.1	(7.9)
BSESMCAP INDEX	6,030	0.9	4.4	(16.8)
World Indices				
Dow Jones	14,567	0.1	0.4	5.7
Nasdaq	3,234	0.9	(0.4)	2.5
FTSE	6,281	(0.1)	(1.8)	1.3
NIKKEI	13,568	1.9	9.7	29.0
HANGSENG	22,044	0.1	(1.3)	(7.6)

Value traded (Rs cr)

	22 Apr 13	% Chg - Day
Cash BSE	2,117	1.5
Cash NSE	11,539	(1.7)
Derivatives	215,486	4.6

Net inflows (Rs cr)

	18 Apr 13	% Chg	MTD	YTD
FII	1,033	324.5	1,629	56,380
Mutual Fund	(109)	32.3	(435)	(7,602)

FII open interest (Rs cr)

	18 Apr 13	% Chg
FII Index Futures	11,530	(5.0)
FII Index Options	53,859	(2.1)
FII Stock Futures	26,412	6.0
FII Stock Options	3,335	3.0

Advances / Declines (BSE)

	22 Apr 13	A	B	T	Total	% total
Advances	154	1061	152	1,367	55	
Declines	49	787	168	1,004	40	
Unchanged	2	104	31	137	5	

Commodity

	22 Apr 13	1 Day	1 Mth	3 Mths
Crude (NYMEX) (US\$/BBL)	88.8	(0.5)	(5.3)	(6.8)
Gold (US\$/OZ)	1,422.9	2.0	(11.1)	(15.3)
Silver (US\$/OZ)	23.4	1.1	(18.7)	(27.9)

Debt / forex market

	22 Apr 13	1 Day	1 Mth	3 Mths
10 yr G-Sec yield %	7.9	7.9	8.1	8.0
Re/US\$	54.2	54.0	54.3	53.8

Sensex



RESULT UPDATE

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ULTRATECH CEMENTS LTD

PRICE: Rs.1872
TARGET PRICE: Rs.2126

RECOMMENDATION: ACCUMULATE
FY14E P/E: 13.9x

Result overview: Revenues for Q4FY13 were led by improvement in average cement realizations but was also impacted by decline in cement volumes on yearly basis. Costs have witnessed a decline due to fall in imported coal prices and lower other expenditure per tonne. Despite lower than expected demand growth, cement prices recovered during Q4FY13 till mid-March, 13. Though cement prices have come off in few regions during April, 2013 due to lack of demand but with pre-election spend expected in few states, demand is expected to grow. We also expect cement prices to recover post monsoons. We thus continue to maintain ACCUMULATE rating on Ultratech Cements since we expect company to benefit from the volume growth going forward coupled with improvement in cement prices along with its ability to grow through organic or inorganic means.

At current price of Rs 1872, stock is trading at 13.9x P/E and 7.9x EV/EBITDA on FY14 estimates. We maintain our estimates and continue to value Ultratech Cements at 9x EV/EBITDA on FY14 estimates. We maintain our price target of Rs 2126 and continue to recommend ACCUMULATE rating on the stock on account of its strong balance sheet, ability to benefit from volume and pricing increase as well as ability to grow through organic or inorganic means.

Summary table

(Rs mn)	FY12	FY13E	FY14E
Sales	181,664	200,179	254,980
Growth (%)	38	10	27
EBITDA	40,007	45,185	63,856
EBITDA margin (%)	22.0	22.6	25.0
PBT	33,929	38,254	51,181
Net profit	24,462	26,554	36,850
EPS (Rs)	89.3	96.9	134.5
Growth (%)	74	9	39
CEPS(Rs)	122.2	131.4	175.7
BV (Rs/share)	469.2	556.8	681.9
Dividend / share(Rs)	8.0	8.0	8.0
ROE (%)	20.8	18.9	21.7
ROCE (%)	23.0	22.3	25.8
Net cash (debt)	1,688	2,836	8,151
NW Capital (Days)	47.8	47.8	47.8
EV/Sales (x)	2.8	2.5	2.0
EV/EBITDA (x)	12.8	11.3	7.9
P/E (x)	21.0	19.3	13.9
P/BV (x)	4.0	3.4	2.7

Source: Company, Kotak Securities - Private Client Research

Financial highlights

(Rs mn)	Q4FY13	Q4FY12	YoY (%)	FY13	FY12	YoY (%)
Net Sales	53,892	53,366	1.0	200,179	181,664	10.2
Expenditure	41,899	40,725		154,995	141,657	
Inc/Dec in trade	257	492		-1,182	213	
Raw Material	7,613	6,698		27,921	23,777	
As a % of net sales	14.1	12.6		13.9	13.1	
Purchase of finished goods	625	498		2,357	1,773	
As a % of net sales	1.2	0.9		1.2	1.0	
Staff cost	2,609	2,195		9,684	8,310	
As a % of net sales	4.8	4.1		4.8	4.6	
Power and fuel	10,559	11,902		42,989	43,040	
As a % of net sales	19.6	22.3		21.5	23.7	
Transportation & Handling	11,955	10,889		42,240	37,350	
As a % of net sales	22.2	20.4		21.1	20.6	
Other expenditure	8,280	8,049		30,985	27,194	
As a % of net sales	15.4	15.1		15.5	15.0	
Operating Profit	11,993	12,641	-5	45,185	40,007	13.0
Operating Profit Margin	22.3	23.7		22.6	22.0	
Depreciation	2,460	2,332		9,454	9,026	
EBIT	9,533	10,309	-8	35,731	30,981	15.0
Interest	478	586		2,097	2,239	
EBT (exc other income)	9,055	9,723		33,634	28,743	
Other Income	1,833	2,000		4,620	5,186	
EBT	10,888	11,723	-7	38,254	33,929	13.0
Tax	3,626	3,050		11,700	9,467	
Tax Rate (%)	33.3	26.0		30.6	27.9	
Net Profit	7,262	8,673	-16	26,554	24,462	9.0
NPM (%)	13.5	16.3		13.3	13.5	
Equity Capital	2,741.8	2,740.5		2,741.8	2,740.5	
EPS (Rs)	26.5	31.6		96.8	89.3	

Source: Company

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Revenue growth in line with our estimates

- Company's revenues for Q4FY13 and FY13 were in line with our estimates. Revenues improved by 10.2% YoY for FY13 led by 10% YoY improvement in blended cement realizations as volumes stood flat on yearly basis. For Q4FY13, volumes witnessed a decline of 3.5% while prices improved by 5% YoY as average cement prices at the end of Q4FY13 witnessed an improvement sequentially and stood at Rs 291 per bag.
- Correspondingly, company's blended realizations (including RMC and white cement) during Q4FY13 stood at Rs 4842 per tonne as against Rs 4624 per tonne in Q4FY12. For the full year, blended realizations stood at Rs 4918 per tonne for FY13 as against Rs 4460 per tonne for FY12.
- Demand growth continued to remain lower than expectations and hence full year volumes stood flat at 40.7 MT as against 40.73 MT in FY12. During Q4FY13, operations of company at its Awarpur plant in Maharashtra having a capacity of 3.6MT was disrupted during March, 2013 on account of stoppage of work by workers. However, it had resumed after 14 days.
- Company has commissioned clinker unit of 3.3MT at Chattisgarh and a grinding unit of 1.55MT at Hothi, Maharashtra. It has also increased its cement grinding capacity by 0.6MT at its plant in Gujarat. Thus, the capacity of company has now been enhanced to 50.9MT. The clinkerization plant of 3.3MT in Karnataka is expected to commission during Q1FY14. Ultratech Cements has also approved expansion of capacity at Aditya Cement works, Rajasthan by 2.9MT including setting up of two grinding units with a capital outlay of Rs 20 bn. This facility is expected to commission by March, 2015.
- We maintain our estimates and expect cement volumes of 48.9MT for FY14 translating into revenues of Rs 255 bn for FY14 including white cement, wall care putty and RMC.

Operating margins maintained despite higher cost for the full year FY13

- Operating margins for the full year stood at 22.6% as against 22% in FY12 despite higher costs as increase in costs was compensated by corresponding increase in blended cement realizations.
- Operating margin for Q4FY13 improved sequentially led by decline in power and fuel cost per tonne on account of lower imported coal prices. Margins stood at 22.3% for Q4FY13 as compared to 21.1% seen during Q3FY13.
- EBITDA per tonne (including white cement, wall care putty and rmc) for the company during Q4FY13 stood at Rs 1078 vs Rs 1095 per tonne during Q4FY12. For the full year, EBITDA per tonne stood at Rs 1110 for FY13 as against Rs 982 for FY12.
- We believe that going ahead freight cost may continue to remain high due to hike in diesel prices but with commissioning of captive power plant and waste heat recovery plant, power and fuel cost is expected to come down.
- We maintain our cement pricing estimates and hence expect overall EBITDA/tonne of Rs 1290 for FY14 including grey cement, white cement and wall care putty.

Per tonne analysis

	Q4FY13	Q4FY12	FY13	FY12
Dispatches(mn tonne)	11.13	11.54	40.70	40.73
Blended Realisation/tonne	4842	4624	4918	4460
YoY (%)	5		10.3	
Cost per tonne				
Raw material	707	623	657	589
Finished goods	56	43	58	44
Staff cost	234	190	238	204
Power and fuel	949	1031	1056	1057
Transportation & Handling	1074	944	1038	917
Other expenditure	744	697	761	668
EBITDA per tonne	1078	1095	1110	982

Source: Company, Kotak Securities - Private Client Research

Net profit growth boosted by improvement in margins and higher other income

- Net profit performance was boosted by strong operating margins and higher other income and stood slightly better than our estimates. However, tax expenses for the quarter were higher due to additional charge of deferred tax liability of Rs 866 mn led by increase in surcharge on income tax.
- We maintain our estimates and expect net profits to grow to Rs 36.8 bn for FY14.

Valuation and recommendation

- At current price of Rs 1872, stock is trading at 13.9x P/E and 7.9x EV/EBITDA on FY14 estimates.
- We maintain our estimates and continue to value Ultratech Cements at 9x EV/EBITDA on FY14 estimates.
- We maintain our price target of Rs 2126 and continue to recommend **ACCUMULATE** rating on the stock on account of its strong balance sheet, ability to benefit from volume and pricing increase as well as ability to grow through organic or inorganic means.
- Key risk to our recommendation may come from adverse outcome from CCI ruling and also lower than expected cement realizations.

We recommend ACCUMULATE on Ultratech Cements with a price target of Rs.2126

RESULT UPDATE

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CAIRN INDIA LTD. (CIL)

PRICE: Rs.293
TARGET PRICE: Rs.354

RECOMMENDATION: BUY
FY14E P/E: 6.2x

Summary table

(Rs mn)	FY12	FY13E	FY14E
Sales	118,607	175,242	171,155
Growth (%)	15.4%	47.8%	-2.3%
EBITDA	98,730	138,014	127,935
EBITDA Margin (%)	83.2	78.8	74.7
PBT	84,235	121,548	112,060
Net Profit	79,377	119,197	104,215
EPS (Rs.)	41.6	62.4	54.6
Growth (%)	25.1	49.9	(12.6)
CEPS	49.7	74.4	64.6
BV (Rs/Share)	253.2	249.7	343.7
DPS (Rs.)	0.0	11.5	10.9
ROE (%)	18.2	23.6	17.6
ROCE (%)	21.2	30.6	25.9
Net Debt/ (Cash)	(70,135)	(55,568)	(150,899)
NW Capital (Days)	89	95	65
EV/Sales (x)	4.8	3.4	2.9
EV/EBITDA (X)	5.8	4.3	3.9
P/E (X)	8.2	5.4	6.2
P/CEPS (X)	6.8	4.6	5.3
P/BV (X)	1.3	1.4	1.0

Source: Company, Kotak Securities - Private Client Research

- ❑ In Q4FY13, Cairn has reported profit after tax lower than our estimate. CIL has reported a PAT of Rs.25.64 Bn, lower by 23.4% QoQ but higher by 17.26% YoY. Lower profit is mainly on account of 1). Significantly higher unsuccessful and general exploration cost (Sri Lank block and South Africa block), and 2). Higher operating cost including staff cost.
- ❑ In March'13, Aishwariya field commenced production, so full production will be reflected in FY14E earnings. In H2FY14, Bhagyam field is expected to ramp-up to approved production rate and in this regard, the Company has planned additional well drilling during this year. The Company's management has guided that Rajasthan block is expected to exit production at a rate of 200-215 kbopd (FY14 end). In Q4FY13, gas sales commenced from the Rajasthan block with initial targeted volumes of about 5 mmscfd.
- ❑ In FY13, Cairn re-commenced oil exploration drilling in Rajasthan block and made 26th oil discovery in Raag S-1 well. In Mangala, 48 Infill wells planned to sustain plateau production and polymer EOR full-field implementation is planned in FY 2014-15.
- ❑ We expect EPS of Rs. 54.6 and cash EPS of Rs. 64.6 for FY14E. We have modeled Brent crude oil price at \$105/bbls and rupee at 53/\$ for FY14E. In Q4FY13, the Company's Rajasthan crude oil realization was at discount of ~7.7% to Brent crude as against our assumption of 13% for the whole year.
- ❑ Stock is fairly valued at 3.9x EV/EBITDA and 6.2x P/E based on FY14E earnings estimates. We arrive at the fair value of the stock is Rs. 354/Share (earlier Rs.370/share). We recommend BUY rating on Cairn India Ltd as we believe the process of approvals and production ramp-up should speed up.

Key Developments:

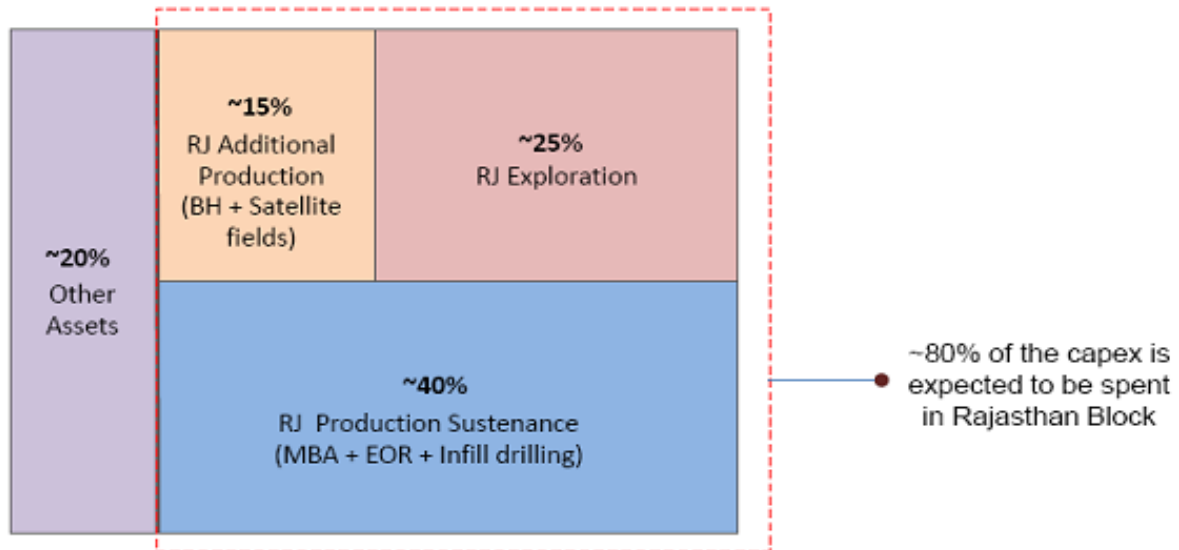
- The board has declared final dividend of Rs.6.50/share (~2.2% dividend yield). Earlier, CIL's has approved the annual dividend policy of ~20% payout of the annual consolidated net profit.
- CIL has renewed sales arrangements with buyers (PSUs and private refiners) for more than 200 kbopd (earlier 175 kbopd). The agreement has done at higher price which will reduce the discount to Brent to 8-13% (earlier 10-15%), going forward.
- Pipeline development: The Central Processing Terminal (CPT) to Salaya section of the oil pipeline has been tested and de-bottlenecked. It is now ready to deliver higher volumes in line with the planned production ramp up.
- The gross cumulative Rajasthan development capital expenditure as on 31st March, 2013 was US\$ 3,800 million, of which US\$ 99 million was spent during FY13 including US\$ 8.5 million in DA 2.
- **On expansion mode:** Under a new integrated development plan, CIL is planning to invest ~2.4 Bn (net capex) on its Rajasthan oil fields in next three years.
 - 1). In this regard, the Company has requested oil ministry to approval for an "over-arching integrated block development plan" instead of the current practice of government approving capital spending only for discoveries that are proved to be commercially viable for production.
 - 2). It also wants back the area it had contractually relinquished.

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3). Extension of the production sharing contract (PSC) of the Rajasthan block which is valid till May 14, 2020 to 2030 as commercial production of oil from the block is set to go beyond the initial PSC.

- Additionally, the Company will incur a capex of ~USD\$ 600 Mn on its other assets.

Capex plans for next three years.



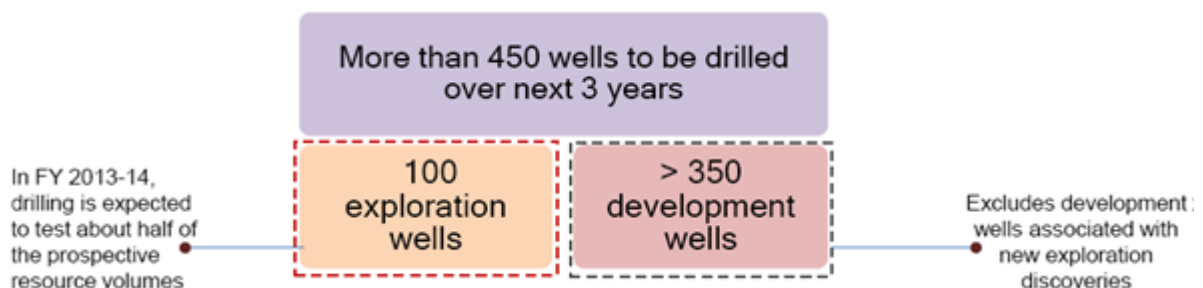
Capex for FY 2013-14 through FY 2015-16: US\$ 3 bn

Source: Company Note: Capex excludes spend on New Ventures & development of new exploration discoveries in RJ block

Rajasthan operational activity over next three years

- CIL is planning to drill in excess of 450 wells in the Rajasthan block over a three year period. This includes 100 Exploration and Appraisal (E&A) wells and the balance as development wells to sustain and enhance production volumes. The 100 E&A wells target a gross recoverable risked prospective resource of 530 mmbob; drilling in the first year is expected to test around half of the prospective resource volumes.

Exploration and development activity



Source: Company

- Bhagyam is producing at ~20-25 Kbopd and the same is expected to ramp-up to its approved plateau rate of 40 kbopd in H2FY14. In this regard, the Company has drilled a total of 66 wells uptill now and will drill 15 additional wells over and over FDP well count. Along with this, the pipeline de-bottlenecking is underway. The Raageshwari and Saraswati fields continue to cumulatively produce ~500 bopd.
- Funding arrangements: In FY13, Cairn India has generated cash flow of Rs.110.6 Bn (US\$ 2.0 Bn) resulting in strong balance sheet with a cash balance of Rs.167 Bn (US\$ 3,073 million) and zero debt. This reflects that the Company has enough internal financial resources to meet its huge capex plans.
- We believe the key triggers for Cairn India in the immediate near future are 1). Crude oil prices remains at elevated levels, 2). Rupee depreciation against dollar due to large current account deficit, etc, 3). Production ramp-up approval by GOI and 4). Any significant commercial discovery.

Key Risk Remains -

- Any significant fall in the crude oil prices will impact the realization.
- Exchange fluctuation risk
- Delay in getting government approval for increasing the production from the Rajasthan block can impact over valuations.
- Any hike in taxes such as Cess, etc.

Cairn India Ltd. (Consolidated)

(Rs.mn)	Q4FY13	Q4FY12	YoY (%)	QoQ (%)
Net Sales/Income from ops	43,634	36,513	19.5	2.0
Incr/(Decr) in stock	31.7	168	(81.1)	(342.0)
Total Expenditure	14,769	9,688	52.5	88.8
EBIDTA	28,897	26,994	7.0	(17.3)
Depreciation + exploration costs	4,747	4,013	18.3	(1.6)
EBIT	24,150	22,980	5.1	(19.8)
Other income	2,219	923	140.5	22.0
Interest-net	152	305	(50.4)	190.2
PBT	26,218	23,598	11.10	(17.8)
Tax	582	1,735	(66)	80.1
Current Tax	5824	5013	16	
MAT	(5550)	(4389)	26	
Deferred tax	308	1111	(72)	
PAT	25,636	21,862	17.26	(23.36)
Operational Cash flow	26,644	24,452	9.0	(1.1)
Equity Capital (Rs. Mn)	19,102	19,074	28	0.02
EPS (Rs)	13.42	11.46	2.0	(23.4)
Margins				
EBITDA Margin (%)	66.23	73.93	(7.7)	(15.5)
EBIT Margin (%)	55.35	62.94	(7.6)	(15.1)
Adj PAT Margin (%)	58.75	59.87	(1.1)	(15.0)
Other Income/PBT (%)	8.46	3.91	4.6	2.8
Tax/PBT (%)	2.22	7.35	(5.1)	1.2

Source: Company

Expenses

(Rs mn)	Q4FY13	Q4FY12	YoY (%)	QoQ (%)
Operating expenses (Incl Royalty)	2,999	1,990	51	55
Staff costs	196	163	20	26
Exploration cost	3,657	649	463	1220
Other Administration exp.	1,016	734	38	40
Foreign Exchange Fluctuation	28	2,170	(98.7)	(101)
Cess	6,874	3,982	72.6	(3)
Total	14,769	9,688	52.5	88.8
Ratios (%)				
Operating to Sales (%)	6.9	5.4	1.4	2.35
Staff to Sales (%)	0.4	0.4	0.0	0.09
Exploration to Sales (%)	8.4	1.8	6.6	7.73
Other Adm to Sales (%)	2.3	2.0	31.7	0.63
Foreign Exchange Fluctuation to Sales (%)	0.1	5.9	(587.8)	5.57

Source: Company

Q4FY13 net profit higher than our estimates:

- **Revenue:** Cairn India's net revenue (after profit petroleum and royalty) for Q4FY13 has increased by 19.5% YoY and by 2.0% on sequential basis to Rs. 43.63 Bn due to 1). Higher crude oil and gas realisation, and 2). Marginally weak rupee.
- **Crude oil production:** In Q4, average daily gross operated production was down by 1.46% QoQ to 202.0 Kboe. Similarly, working interest production was down by 1.12% QoQ to 126.6 Kboepd. The drop in production was on account of lower production from all the three blocks.
- At the end of Q4, oil production was commenced from Aishwariya, the third largest oil field in the Rajasthan block, which will ramp up to the FDP approved production level of 10,000 bopd. We believe the full benefit of the same will be reflected in Q1FY14.
- In Q4FY13, Commercial gas sale commenced (23rd March'13) from the Rajasthan block with initial volumes of 5 million standard cubic feet per day. We believe it will take few quarters to materially contribute to the revenue.
- Mangala field is continuing production at peak rate of ~150 kbopd. Bhagyam field is producing at ~25 Kbopd. So, Rajasthan block is currently producing at ~175 kbopd.
- **Sales Realization:** CIL's average sales realization was \$ 99.5/boe (+4.8% QoQ) in Q4FY13 as against \$94.8/bbls in Q3FY13. Further, average crude oil realization was \$ 100.6/bbls (+4.6% QoQ) in Q4FY13 as against \$96.2/bbls in Q3FY13. The average discount to Brent crude oil was significantly lower to 7.71% in Q4FY13 as against 13.72% in Q3FY13. The average exchange realization for Q4FY13 was Rs.54.4/\$ as against Rs.54.06/\$ in Q3FY13. The gas price realization was higher by 13.3% at \$ 5.10 per million standard cubic ft.
- Share of expenses in producing oil and gas blocks: In Q4FY13, the operating expenses has increased by 51% YoY and by 55% QoQ to Rs.2.999 Bn.
- **Employee expenses:** In Q4FY13, the employee cost has increased by 26% QoQ and 20% YoY to Rs.196 Mn mainly on account of employee stock option charge of Rs.37.8 Mn.
- **Cess on crude oil production:** In Q4FY13, the amount of oil cess paid has fallen by 3.0% QoQ to Rs.6.87 Bn despite higher cess rate from FY13. Lower cess can be attributed to lower crude production.

- **Exploration cost:** In Q4FY13, CIL has charged an exploration expense of Rs.3.7 Bn higher by 463% YoY and 1220% QoQ. This includes unsuccessful well cost of Rs. 2.7 Bn in Sri Lanka block and general exploration cost of Rs. 727 Mn in South Africa block.
- **Depreciation cost:** In Q4FY13, depreciation charge has fallen by 1.6% QoQ to Rs.4.75 Bn due to lower production.
- **Other Income:** CIL's other income has increased by 22% QoQ and by 140% YoY to Rs. 2.2 Bn in Q4FY13 partly due to treasury operations. Higher cash balance along with higher interest rate has resulted in higher other income.
- **Interest Cost:** CIL's finance cost has fallen by 50.4% YoY but higher by 190.2%QoQ to Rs.152.
- **Tax rate:** In Q4FY13, CIL has paid tax at an effective rate of 2.22% which is much lower than the guidance given by the Company (5-7%) this is mainly on account of MAT credit.
- **Profit after tax:** CIL's PAT has increased by 17.3% YoY but lower by 18.8% QoQ to Rs.25.64 Bn resulting in an EPS of Rs. 13.42 for Q4FY13.
- **Cash flow from operations:** CIL's operating cash flow has fallen by 1.1% QoQ to Rs. 26.64 Bn (Q4FY13).

Valuation and Recommendation:

- We expect EPS of Rs. 54.6 and cash EPS of Rs. 64.6 for FY14E. We have modeled Brent crude oil price at \$105/bbls and rupee at 53/\$ for FY14E. In Q4FY13, the Company's Rajasthan crude oil realization was at discount of ~7.7% to Brent crude as against our assumption of 13% for the whole year.
- Stock is fairly valued at 3.9x EV/EBIDTA and 6.2x P/E based on FY14E earnings estimates. We arrive at the fair value of the stock is Rs. 354/Share (earlier Rs.370/share). We recommend **BUY** rating on Cairn India Ltd as we believe the process of approvals and production ramp-up should speed up.

We recommend BUY rating on Cairn India with a price target of Rs.354

Bulk deals

Trade details of bulk deals

Date	Scrip name	Name of client	Buy/ Sell	Quantity of shares	Avg. price (Rs)
22-Apr	Aanjaneya Life	Bakulesh Trambaklal Shah	B	263,000	76.7
22-Apr	Aanjaneya Life	Park Habitats Pvt Ltd	S	69,621	77.1
22-Apr	Aanjaneya Life	Shentracon Trexim Pvt Ltd	S	200,000	76.7
22-Apr	Acclaim Ind	Polymers Multi Trade Pvt Ltd	B	36,706	9.2
22-Apr	Acclaim Ind	Parkes Multi Trade Pvt Ltd	B	35,000	9.3
22-Apr	Acclaim Ind	Stylecheck Garments Pvt Ltd	S	56,647	9.2
22-Apr	Aishwarya Tele	Mv Tradecom Pvt Ltd	S	111,622	5.0
22-Apr	Allied Comp	Jihan Mercantile Pvt Ltd	S	1,500,000	0.4
22-Apr	Allied Comp	Patel Yogeshbhai R	B	1,011,010	0.4
22-Apr	Allied Comp	Suresh Kumar Mishrimal	B	878,060	0.4
22-Apr	Amulya Leas	Seema Mittal	S	114,533	13.9
22-Apr	Amulya Leas	Sameer Gupta	B	156,643	13.9
22-Apr	Asia Hr Tech	Nita Kapil Bhupatani	S	49,861	5.8
22-Apr	Asia Hr Tech	Heena Tulshi Chandan	B	50,000	5.8
22-Apr	East Coast Steel	Bright Holdings & Trading Co	S	29,000	37.1
22-Apr	Eurofinmart	Neha Garg	S	39,800	76.9
22-Apr	First Financial	Uma Songal	S	75,000	295.7
22-Apr	Focus Ind	Kesri Industrial Lab Pvt Ltd	B	65,000	69.0
22-Apr	Inani Marbles	Rajendra Kumar Sharma	S	17,100	245.0
22-Apr	Inani Marbles	Madhu Sharma	B	17,100	245.0
22-Apr	Jay Mahesh Infra	Satyantarayana Thota	B	56,000	51.1
22-Apr	Jay Mahesh Infra	Ch Raghu	S	42,780	51.1
22-Apr	Jay Mahesh Infra	Sreenivas P	B	30,703	51.2
22-Apr	Kwality Cred	Ravi Malik	B	20,000	61.0
22-Apr	Parshwanath	Manali Niravbhai Shah	S	34,616	12.6
22-Apr	Parshwanath	Advait Investment	B	34,616	12.6
22-Apr	Pasupati Fin	Orion Stocks Ltd	B	30,000	5.0
22-Apr	Prabhav Inds	Adamina Traders Pvt Ltd	B	391,410	1.0
22-Apr	Presha Met	Aasl India Properties & Infrastructure	S	120,000	67.1
22-Apr	Riga Sugar-\$	Lalitaben Dipakkumar Modh	S	157,888	28.0
22-Apr	Riga Sugar-\$	Ketanbhai Bharatbhai Goradiya	B	353,547	28.2
22-Apr	Riga Sugar-\$	Lalitaben Dipakkumar Modh	S	71,300	28.5
22-Apr	Sawaca Bsns	Sabitha Krishnan	S	59,490	25.7
22-Apr	Sawaca Bsns	Vijaykumar Narottamdas Parmar	B	61,513	25.7
22-Apr	Shree Nath Com	Shipra Fabrics Pvt Ltd	B	819,019	16.1
22-Apr	Shree Nath Com	Chandra Prakash Gadiya	S	819,019	16.1

Source: BSE

Gainers & Losers

Nifty Gainers & Losers

	Price (Rs)	chg (%)	Index points	Volume (mn)
Gainers				
HDFC Bank	698	3.7	14.1	5.0
L&T	1,534	4.0	9.8	1.7
ICICI Bank	1,148	2.3	9.3	3.6
Losers				
Infosys Ltd	2,245	(2.2)	(7.7)	1.9
TCS	1,425	(1.9)	(4.4)	1.5
ONGC	328	(1.9)	(3.5)	3.4

Source: Bloomberg

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