

News monitored for: Kotak Mutual Fund

Business Standard - Money & Markets

'Global slowdown has created new export opportunities'

While most may think that the global economic crisis has hampered India's growth story, KRISHNA SANGHAVI, head, Equities, Kotak Mutual Fund, tells Priya Kansara Pandya that the slowdown has given a new direction to the Indian exports sector. Excerpts:

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MARKET VOICE

Krishna Sanghavi
Head, Equities, Kotak Mutual Fund



Market experts are worried about the Securities and Exchange Board of India's (Sebi's) new takeover code. What is your take?

We believe that the proposed takeover code is investor-friendly and treats all shareholders equally. It gives them an opportunity to participate in the open offer in an equitable manner.

Exports have jumped 30 per cent year-on-year in June and have been in the positive terrain for the last eight quarters. On the other hand, we talk of the global slowdown. Where are all the goods going?

The exports growth has been seen across geographies — south-east Asia, middle-east Asia, as well as the western countries.

The slowdown has made

it mandatory to outsource goods from lower-cost destinations like India. It has opened new areas of export opportunities.

Also, we should not ignore the Indian skill set in producing quality goods, as compared with global standards.

What do you think of the June quarter results? Any negative surprises?

The quarterly results declared so far have been mainly from largecap companies and have been quite good, almost in line with expectations.

Banking sector results have

quite been robust. What is the outlook going ahead, given the high-inflation scenario?

Yes, the sector's performance in the June quarter has been robust. There has been improvement in operational parameters like credit

growth, net interest margins, net interest income and asset quality. Going ahead, earnings visibility may remain good. High inflation will not affect the sector for long, as it is estimated to come off from the current double-digit figure to around seven per cent by March 2011.

'Banking sector's performance in the June quarter has been robust'