

# RESULT PREVIEW Q2FY10

10<sup>th</sup> October 2009



## **BANKING & ENGINEERING TO SURPRISE THE STREET**

We expect companies to show marginal improvements this quarter after reporting strong numbers in the previous as the Indian economy continues to improve in the post 'Lehman collapse' era.

Auto, Cement, Banking and Capital Goods sectors are likely to report strong growth in sales and net profits whereas companies in Metal sector are likely to register a YoY de-growth. Companies in Construction space are likely to post strong revenue growth owing to huge order-book, their bottom line performance might not be as rosy due to increasing interest and depreciation charges.

We see Banking companies under our coverage to beat street expectations significantly. We also expect companies in Engineering sector are likely to report better numbers than the market.

Loose monetary policy followed across the globe has seen Indian companies indulging in fund raising binges. Many corporate could garner resources, which were considered beyond their reach. We hope, this mullah will put to constructive uses, and that will keep fuelling the earnings growth momentum in quarters ahead.

(Rs crores) Company Recommendation Price Sales Net profit Sep-09 YoY (%) QoQ (%) Sep-09 YoY (%) QoQ (%) **EPS** P/E **Automobiles** Bajaj Auto Neutral 1590 2996 18% 28% 397 115% 25% 20.7 Hero Honda Sell 1645 4102 29% 7% 538 76% 78.2 21.0 Maruti Suzuki Sell 1475 6723 39% 6% 585 98% 56.3 26.2 Banking Axis Bank Neutral 996 3951 22.0% 2.3% 641 59.1% 14.1% 51.4 19.4 HDFC Bank Sell 1674 5245 13.2% 2.1% 699 32.3% 15.3% 55.9 30.0 6387 20.2% 3.4% 15.9% 7.6 **PNB** Neutral 821 964 36.4% 108.2 SBI Sell 2066 22306 24.5% 6.0% 2978 31.8% 27.8% 154.5 13.4 Cement Ulratech Cement 867 1585 13.5% -18.8% 312 90.3% -25.2% 100.4 8.63 Buv India Cement Neutral 129 999 5.7% 4.8% 136 1.2% 4.1% 19.2 6.70 Birla Corporation 297 534 43.6% 8.9% 126 111.8% -18.6% 65.7 4.53 Accumulate 1567 41.5% -3.5% 251 147.6% -15.0% 287.6 Shree Cement Accumulate 5.45 Construction HCC Neutral 129 890 37.1% 1.6% 15 196.0% -28.4% 32 **IVRCL** 1465 53 17 22 Buv 373 26.4% 34.9% -6.9% 51.5% NCC 23 Neutral 164 1165 10.3% 16.4% 47 11.8% 23.8% Sadbhav Engineering Buv 836 160 28.8% -46.6% 5 15.8% -72.3% 53 16 Simplex Infra Neutral 519 1171 16.2% 3.6% -2.4% -3.6%



| Engineering & Capital Goods          |         |      |       |        |       |        |         |        |        |       |
|--------------------------------------|---------|------|-------|--------|-------|--------|---------|--------|--------|-------|
| ABB                                  | Sell    | 780  | 1620  | 6.7%   | 7.0%  | 113    | 8.2%    | 35.0%  | 5.3    | 147.2 |
| Alstom Projects                      | Buy     | 552  | 709   | 22.0%  | 30.0% | 69     | 16.0%   | 89.0%  | 1027.0 | 0.5   |
| BEML                                 | Buy     | 1074 | 706   | 15.2%  | 34.0% | 58     | 4.5%    | 994.0% | 13.9   | 77.3  |
| BGR Energy                           | Buy     | 484  | 505   | 19.0%  | 38.0% | 42     | 79.0%   | 109.0% | 5.8    | 83.4  |
| BHEL                                 | Netural | 2429 | 6799  | 27.0%  | 18.0% | 873    | 4200.0% | 85.0%  | 17.8   | 136.5 |
| Cromtpon greaves                     | Netural | 320  | 2292  | 9.5%   | 4.0%  | 179    | 4800.0% | 11.0%  | 4.8    | 66.7  |
| L&T                                  | Buy     | 1632 | 9070  | 18.0%  | 19.0% | 646    | 4000.0% | -11.0% | 22.1   | 73.8  |
| Punj lloyd                           | Buy     | 270  | 3277  | 12.0%  | 10.0% | 184    | 2700.0% | 48.0%  | 6.1    | 44.3  |
| REL Infra                            | Buy     | 1292 | 2955  | 19.5%  | 19.0% | 383    | 3300.0% | 21.0%  | 17.0   | 76.0  |
| Siemens                              | Netural | 570  | 2712  | 0.12   | 0.3   | 271    | 20      | 0.44   | 8.1    | 70.4  |
| Suzion                               | Netural | 85   | 1625  | -0.61  | -1.56 | -325   | _       | 0.28   | -2.17  | -39.2 |
| Thermax                              | Netural | 580  | 723   | -0.1   | 0.28  | 57     | 1       | 0.23   | 4.8    | 120.8 |
| TRF                                  | Buy     | 518  | 141   | 0.55   | 0.23  | 13     | 5.4     | 1.31   | 13.7   | 37.8  |
| FMCG                                 |         |      |       |        |       |        |         |        |        |       |
| HUL                                  | Sell    | 287  | 4456  | 10.6%  | -0.4% | 493    | -10.0%  | -9.3%  | 9.0    | 31.9  |
| ITC                                  | Neutral | 248  | 4034  | 7.2%   | -1.2% | 838    | 4.4%    | 1.1%   | 8.9    | 27.9  |
| MARICO                               | Buy     | 90   | 701   | 16.3%  | 0.7%  | 56     | 18.9%   | -4.9%  | 3.7    | 24.2  |
| Metals and Mining                    |         |      |       |        |       |        |         |        | ·      |       |
| Tata Steel (Standalone)              | Sell    | 532  | 6115  | -10.7% | 10.1% | 1090.3 | -48.9%  | 38.0%  | 51.3   | 10.4  |
| SAIL                                 | Neutral | 174  | 10955 | -13.5% | 20.9% | 1589.0 | -20.9%  | 19.8%  | 12.6   | 13.8  |
| JSW Steel                            | Sell    | 890  | 4553  | 6.6%   | 16.9% | 417.0  | -23.2%  | 22.6%  | 45.7   | 19.5  |
| Hindustan Zinc                       | Neutral | 837  | 1727  | -1.0%  | 14.2% | 870.5  | -9.3%   | 13.9%  | 60.5   | 13.8  |
| Oil & Gas                            |         |      |       |        |       |        |         |        |        |       |
| Gujarat Gas Company Ltd              | Neutral | 196  | 365   | 13.1%  | 10.0% | 51     | 31.8%   | 6.3%   | 12     | 17    |
| GSPL                                 | Buy     | 81   | 234   | 97.0%  | 10.7% | 89     | 212.6%  | 10.3%  | 3      | 27    |
| Indraprastha Gas Ltd                 | Neutral | 163  | 253   | 17.5%  | 8.0%  | 53     | 6.1%    | 10.6%  | 13     | 13    |
| Petronet LNG Ltd                     | Neutral | 73   | 2750  | 66.2%  | 5.3%  | 138    | 33.5%   | 33.5%  | 7      | 11    |
| Selan Exploration and Technology Ltd | Buy     | 328  | 22.8  | -39.8% | 25.3% | 9.348  | -59.5%  | 35.5%  | 25     | 13    |
| Pharma                               |         |      |       |        |       |        |         |        |        |       |
| Biocon                               | Neutral | 257  | 515   | 16.5%  | 3.9%  | 64     | 155.1%  | 10.9%  | 13     | 19    |
| Dishman Pharma                       | Neutral | 228  | 233   | -7.4%  | 2.5%  | 40     | 22.4%   | 1.0%   | 23     | 10    |
| Jubilant Organosys                   | Neutral | 218  | 969   | 3.0%   | 8.1%  | 142    | 27.2%   | 12.7%  | 22     | 10    |
| Piramal Healthcare                   | Neutral | 382  | 968   | 8.8%   | 17.8% | 101    | -11.9%  | 18.2%  | 19     | 20    |
| Power                                |         |      |       |        |       |        |         |        |        |       |
| GIPCL                                | NEUTRAL | 115  | 262   | -10%   | 5%    | 30     | 21%     | 3%     | 6.4    | 17.9  |
| NTPC                                 | SELL    | 209  | 11587 | 20%    | -3%   | 2375   | 13%     | 8%     | 10.8   | 19.3  |



# AUTO BAJAJ AUTO

| (Rs crores) | Sep-09 | Sep-08 | YoY  | Jun-09 | QoQ | Remarks  |
|-------------|--------|--------|------|--------|-----|--|
| Net Sales   | 2996   | 2548   | 18%  | 2339   | 28% | Recco NEUTRAL CMP 1590 P/E 20.   |
| EBITDA      | 584    | 344    | 70%  | 455    | 28% | Volume during the quarter up by 7%. Recovery in volumes kicked in          |
| Net Profit  | 397    | 185    | 115% | 317    |     | August. We expect better realisation YoY as due to improved product mix    |
|             |        |        |      |        |     | and hedges at higher levels. We expect higher operating margins as sale of |
| OPM         | 19.5%  | 13.5%  |      | 19.5%  |     | high margin pulsar segment more during the quarter.                        |
| NPM         | 13.2%  | 7.3%   |      | 14%    |     | Ingritharyin pulsar segment more during the quarter.                       |
| EPS         | 76.8   | 62     |      | 52.8   |     |  |

#### HERO HONDA

| TIERO HORDA |        |        |     |        |     |          |            |               |              |                     |         |
|-------------|--------|--------|-----|--------|-----|----------|------------|---------------|--------------|---------------------|---------|
| (Rs crores) | Sep-09 | Sep-08 | YoY | Jun-09 | QoQ |          |            |               | Remarks      |                     |         |
| Net Sales   | 4102   | 3190   | 29% | 3822   | 7%  | Recco    | SELL       | CMP           | 1645         | P/E                 | 21.0    |
| EBITDA      | 710    | 423    | 68% | 650    | 9%  | We expec | sales to   | increase by 2 | 9% YoY in Q2 | FY10 due to rise in | volumes |
| Net Profit  | 538    | 306    | 76% | 500    | 8%  | bv 22%.  | Margins to | remain flat   | QoQ at 16%.  |                     |         |
|             |        |        |     |        |     | ]        | . <b>.</b> |               |              |                     |         |
| OPM         | 17.3%  | 13.2%  |     | 17.0%  |     |          |            |               |              |                     |         |
| NPM         | 13.1%  | 9.6%   |     | 13.1%  |     |          |            |               |              |                     |         |
| EPS         | 78.2   | 57.7   |     | 75.6   |     |          |            |               |              |                     |         |

#### **MARUTI SUZUKI**

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|---------------------|--------|--------|-----|--------|-----|---------|------------|--------------|----------------|----------------------|--------------|
| (Rs crores)         | Sep-09 | Sep-08 | YoY | Jun-09 | QoQ |         |            |              | Remarks        |                      |              |
| Net Sales           | 6723   | 4830   | 39% | 6365   | 6%  | Recco   | SELL       | CMP          | 1475           | P/E                  | 26.2         |
| EBITDA              | 863    | 516    | 67% | 665    | 30% | Volumes | during the | quarter to g | o up by 30%. W | hile net reliasation | n to move    |
| Net Profit          | 585    | 296    | 98% | 584    |     |         |            |              |                | s due to hedges at   |              |
|                     |        |        |     |        |     | levels. |            | ,            |                |                      | - <b>J</b> - |
| OPM                 | 12.8%  | 10.7%  |     | 10.4%  |     |         |            |              |                |                      |              |
| NPM                 | 8.7%   | 6.1%   |     | 9%     |     |         |            |              |                |                      |              |
| EPS                 | 56.3   | 46.3   |     | 52.8   |     |         |            |              |                |                      |              |



# BANKING Axis Bank

| (Rs crores)         | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ   |           |               |               | Remarks           |                   |          |
|---------------------|--------|--------|-------|--------|-------|-----------|---------------|---------------|-------------------|-------------------|----------|
| Total Income        | 3951   | 3240   | 22.0% | 3864   | 2.3%  | Recco     | Neutral       | СМР           | 996               | P/BV              | 3.0      |
| Net Interest Income | 1137   | 914    | 24.5% | 1046   | 8.7%  | We exped  | t total inco  | me to grow    | by 22% yoy at Rs  | 3951 Cr following | ng both  |
| Net Profit          | 641    | 403    | 59.1% | 562    | 14.1% | NII and N | on interest   | growth. Imp   | provement in the  | credit growth on  |          |
|                     |        |        |       |        |       |           |               |               | et Interest Incom |                   |          |
|                     |        |        |       |        |       | margins.  | Net profit is | s expected to | o rise by 59% Yo  | Y at Rs 641 Cr. A | t CMP of |
| NPM                 | 21.5%  | 15.8%  |       | 19.3%  |       | _         | •             | •             | •                 |                   |          |
| EPS                 | 63.6   | 39.0   |       | 57.0   |       | κς 996, ι | ie stock is i | trading at 3  | times of its BV.  |                   |          |

#### **HDFC Bank**

| (Rs crores)         | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ   |            |           |                   | Remarks          |                      |              |
|---------------------|--------|--------|-------|--------|-------|------------|-----------|-------------------|------------------|----------------------|--------------|
| Total Income        | 5245   | 4634   | 13.2% | 5137   | 2.1%  | Recco      | Sell      | CMP               | 1674             | P/BV                 | 4.8          |
| Net Interest Income | 1935   | 1867   | 3.7%  | 1856   | 4.3%  | Decelerati | ng of bu  | isiness activitie | s along with hig | gh base effect woul  | ld result in |
| Net Profit          | 699    | 528    | 32.3% | 606    | 15.3% | to margina | al NII gr | owth at Rs 193    | 5 Cr on YoY ba   | sis. Non interest in | come is      |
|                     |        |        |       |        |       | expected t | o report  | t healthy growt   | h as compared    | to previous year. \  | We expect    |
| NPM                 | 16.7%  | 13.2%  |       | 14.8%  |       |            |           |                   |                  | CMP of Rs 1674, th   | ne stock is  |
| EPS                 | 60.1   | 48.8   |       | 56.1   |       | trading at | 4.8 time  | es of its book v  | alue.            |                      |              |

# PNB

| (Rs crores)         | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ   |              |              |                | Remarks           |                     |            |
|---------------------|--------|--------|-------|--------|-------|--------------|--------------|----------------|-------------------|---------------------|------------|
| Total Income        | 6387   | 5313   | 20.2% | 6178   | 3.4%  | Recco        | Neutral      | CMP            | 821               | P/BV                | 2.0        |
| Net Interest Income | 1984   | 1712   | 15.9% | 1862   | 6.5%  | NII is exp   | ected to rep | ort 16% Yo     | Y growth at Rs 1  | 1984 Cr on a back   | of high    |
| Net Profit          | 965    | 707    | 36.4% | 832    | 15.9% | credit off t | take in the  | second qua     | rter as compared  | to first one. Rest  | tructuring |
|                     |        |        |       |        |       |              |              |                |                   | elinquency rate at  |            |
|                     |        |        |       |        |       | 0.2% whil    | e the cover  | age ratio w    | ould be sustained | d at high level. At | CMP of Rs  |
| NPM                 | 18.0%  | 16.0%  |       | 15.2%  |       |              |              | ling at 2x its |                   | <b>5</b>            |            |
| EPS                 | 116.3  | 73.1   |       | 108.2  |       | 021, the 3   | TOCK IS true | inig at ZX it. | J D V .           |                     |            |

## SBI\*

| (Rs crores)         | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ   |            |              |              | Remarks      |              |               |            |
|---------------------|--------|--------|-------|--------|-------|------------|--------------|--------------|--------------|--------------|---------------|------------|
| Total Income        | 22306  | 17910  | 24.5% | 21042  | 6.0%  | Recco      | Sell         | СМР          | 2066         |              | P/BV          | 2.3        |
| Net Interest Income | 5675   | 5455   | 4.0%  | 5025   | 12.9% | Net Profit | is expected  | to grow by   | 32% YoY a    | t Rs 2978    | Cr. NII grov  | vth would  |
| Net Profit          | 2978   | 2260   | 31.8% | 2330   | 27.8% | remain sul | bdued on ye  | early basis  | due to high  | base effect  | t however o   | n          |
|                     |        |        |       |        |       | sequential | basis it wil | I report hea | althy growth | following t  | the credit o  | ff take in |
| NPM                 | 16.2%  | 13.3%  |       | 14.5%  |       |            | •            |              |              |              | ected to re   |            |
| EPS                 | 165.8  | 125.6  |       | 154.5  |       | •          |              | CMP of Rs 2  | 2066, the st | ock is tradi | ing at 2.3 ti | mes of its |
|                     |        |        |       |        |       | book value | €.           |              |              |              |               |            |
| * Standalone basis  |        |        |       |        |       |            |              |              |              |              |               |            |



| CEMENT    |        |
|-----------|--------|
| Ultratech | Cement |

| (Rs crores) | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ    |          |           |                  | Remarks         |                    |               |
|-------------|--------|--------|-------|--------|--------|----------|-----------|------------------|-----------------|--------------------|---------------|
| Net Sales   | 1585   | 1396   | 13.5% | 1953   | -18.8% | Recco    | Buy       | СМР              | 867             | P/E                | 8.63          |
| EBITDA      | 560    | 297    | 88.8% | 717    | -21.8% | During Q | 2FY10E,U  | Iltratech's reve | nue is expect   | ted to grow by 1   | .3.52% YoY.   |
| Net Profit  | 312    | 164    | 90.3% | 418    | -25.2% | The com  | oany woul | ld also benefit  | significantly 1 | from the fall in i | nternational  |
|             |        |        |       |        |        |          |           |                  |                 | Obps YoY to 35.    |               |
| OPM         | 35.4%  | 21.3%  |       | 36.7%  |        |          |           | •                | •               | decrease in freig  |               |
| NPM         | 19.7%  | 11.8%  |       | 21.4%  |        |          |           |                  |                 | is trading at P/E  |               |
| EPS         | 25.1   | 13.2   |       | 33.6   |        | QZFTIUE  | ammualize | eu Lro OI RS I   | 00.36, Stock    | is crauling at P/E | 1810 01 6.03. |

#### **India Cement**

| (Rs crores) | Sep-09 | Sep-08 | YoY  | Jun-09 | QoQ   |            |              |              | Remarks            |                    |           |
|-------------|--------|--------|------|--------|-------|------------|--------------|--------------|--------------------|--------------------|-----------|
| Net Sales   | 999    | 945    | 5.7% | 953    | 4.8%  | Recco      | Neutral      | CMP          | 129                | P/E                | 6.70      |
| EBITDA      | 285    | 261    | 9.3% | 286    | -0.6% | During Q2  | FY10E,Ind    | ia cement's  | revenue is expe    | cted to grow by 5. | 70% YoY.  |
| Net Profit  | 136    | 134    | 1.2% | 130    | 4.1%  | A key play | er in the s  | outhern mai  | rket, India Ceme   | ents would benefit | from the  |
|             |        |        |      |        |       | steep fall | in the inter | national coa | al coke prices. W  | e expect OPM to r  | ecover by |
|             |        |        |      |        |       | 94bps to 2 | 28.50%Yo\    | . Impact of  | decline in realiza | ations would be of | ffset by  |
| OPM         | 28.5%  | 27.6%  |      | 30.0%  |       |            |              | •            |                    | IPL. AtQ2FY10E     | •         |
| NPM         | 13.6%  | 14.2%  |      | 13.7%  |       |            | •            | _            |                    | -                  |           |
| EPS         | 4.8    | 6.2    |      | 4.6    |       | annuanze   | U EPS OF RS  | 19.23, 5000  | is trading at P    | /E ratio of 6.70.  |           |

Birla Corp.

| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ    | Remarks   |
|-------------|--------|--------|--------|--------|--------|---|
| Net Sales   | 534    | 372    | 43.6%  | 490    | 8.9%   | ReccoAccumulat CMP297P/E4.53  |
| EBITDA      | 184    | 78     | 137.0% | 176    | 4.9%   | During Q2FY10E,Birla Corp revenue is expected to grow by 43.60%   |
| Net Profit  | 126    | 60     | 111.8% | 155    | -18.6% | YoY.Higher realizations are a reflection of significant price increase in the   |
|             |        |        |        |        |        | company's key markets of North, East and Central India. We expect OPM to  |
| ОРМ         | 34.5%  | 20.9%  |        | 35.8%  |        | recover by 1359bps to 34.50%YoY because the company would benefit from decline in pet coke and domestic open market coal prices. At Q2FY10E |
| NPM         | 23.7%  | 16.1%  |        | 31.7%  |        | · · · · · · · · · · · · · · · · · · ·   |
| EPS         | 16.9   | 7.8    | _      | 20.2   |        | annualized EPS of Rs 65.66, stock is trading at P/E ratio of 4.53.  |

#### **Shree Cement**

| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ    | Remarks   |
|-------------|--------|--------|--------|--------|--------|---|
| Net Sales   | 890    | 629    | 41.5%  | 922    | -3.5%  | Recco Accumulat CMP 1567 P/E 5.45                                       |
| EBITDA      | 409    | 173    | 136.1% | 421    | -2.9%  | During Q2FY10E,Shree Corp revenue is expected to grow by 41.45% YoY.    |
| Net Profit  | 251    | 101    | 147.6% | 295    | -15.0% | We expect OPM to recover by 1839 to 45.90%YoY.Higher realizations and   |
|             |        |        |        |        |        | lower energy cost would drive the margins. The company's entry into the |
| OPM         | 45.9%  | 27.5%  |        | 45.6%  |        | power business would also contribute to topline growth.At Q2FY10E       |
| NPM         | 28.1%  | 16.1%  |        | 31.9%  |        | annualized EPS of Rs 287.62, stock is trading at P/E ratio of 5.45.     |
| EPS         | 71.9   | 29.0   |        | 84.6   |        | difficultized LF3 of K3 207.02, Stock is tradifig at F/L ratio of 3.43. |



CONSTRUCTION
Sadbhav Engineering

| (Rs crores) | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ    |                         |              | Remarks        |                     |            |
|-------------|--------|--------|-------|--------|--------|-------------------------|--------------|----------------|---------------------|------------|
| Net Sales   | 160    | 124    | 28.8% | 299    | -46.6% | <b>Recco</b> Buy        | CMP          | 836            | P/E                 | 15.8       |
| EBITDA      | 18     | 14     | 24.4% | 34     | -47.6% | The company will po     | st a 29% an  | d 16% yoy gro  | owth in topline and | bottomline |
| Net Profit  | 5      | 4      | 15.8% | 18     |        | respectively. The cu    |              |                |                     |            |
|             |        |        |       |        |        | almost 5 times its T    |              |                |                     |            |
| OPM         | 11.1%  | 11.5%  |       | 11.4%  |        | can provide a fillip to |              |                |                     |            |
| NPM         | 3.1%   | 3.4%   |       | 6.0%   |        | prospects it commar     |              |                |                     |            |
| EPS         | 53     | 46     |       | 52     |        | prospects it comma      | ius. We reta | III OUI OOTPER | TORMER Tacing on    | tile       |

## NCC

| (Rs crores) | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ   |            |              |              | Remarks          |                    |            |
|-------------|--------|--------|-------|--------|-------|------------|--------------|--------------|------------------|--------------------|------------|
| Net Sales   | 1165   | 1056   | 10.3% | 1001   | 16.4% | Recco      | Neutral      | СМР          | 164              | P/E                | 23.5       |
| EBITDA      | 119    | 108    | 9.4%  | 104    | 14.3% | NCC is exp | pected to re | eport 10.3%  | and 11.9% grov   | wth in sales and r | net profit |
| Net Profit  | 47     | 42     | 11.8% | 38     | 23.8% | respective | ly. The cur  | rent orderbo | ook of the compa | ny is Rs 13900 (   | Cr i.e.    |
|             |        |        |       |        |       |            | •            |              | •                | ades at 23 times   |            |
| OPM         | 10.2%  | 10.3%  |       | 10.4%  |       | of Rs 7.   |              |              | ,                |                    |            |
| NPM         | 4.1%   | 4.0%   |       | 3.8%   |       | 01 103 7.  |              |              |                  |                    |            |
| EPS         | 7      | 8      |       | 7      |       |            |              |              |                  |                    |            |

## **IVRCL**

| (Rs crores) | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ   |                  |               |          | Remarks          |                    |           |
|-------------|--------|--------|-------|--------|-------|------------------|---------------|----------|------------------|--------------------|-----------|
| Net Sales   | 1465   | 1159   | 26.4% | 1086   | 34.9% | <b>Recco</b> Buy | y CMP         |          | 373              | P/E                | 22.1      |
| EBITDA      | 133    | 91     | 45.4% | 100    | 33.3% | We expect IVF    | RCL to report | 27% gı   | rowth in topline | whereas the bot    | tom line  |
| Net Profit  | 53     | 57     | -6.9% | 35     |       |                  |               |          |                  | tively stronger re |           |
|             |        |        |       |        |       | -                | _             |          |                  | ders around Rs 1   |           |
| OPM         | 9.1%   | 7.9%   |       | 9.2%   |       |                  |               |          |                  | ts. We retain our  |           |
| NPM         | 3.6%   | 4.9%   |       | 3.2%   |       |                  | •             |          |                  | P based target pr  |           |
| EPS         | 17     | 18     |       | 17     |       | OUTPLKI OKMI     | LK rating on  | the stot | ck with the 501  | r baseu target pi  | ice of RS |

Simplex Infra

| (5)         |        | 0 00   | 27. 27 | - 00   |       |  |
|-------------|--------|--------|--------|--------|-------|--|
| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ   | Remarks  |
| Net Sales   | 1171   | 1008   | 16.2%  | 1131   | 3.6%  | Recco Neutral CMP 519 P/E 23.1   |
| EBITDA      | 120    | 88     | 37.0%  | 116    | 3.6%  | Simplex Infra is liekly to report revenue growth of 16% yoy and around 37%   |
| Net Profit  | 27     | 28     | -2.4%  | 28     | -3.6% | growth in operating profit owing to 156 bps expansion in OPM. The            |
|             |        |        |        |        |       | orderbook of the company is slightly in excess of 2 times its TTM sales. The |
| OPM         | 10.3%  | 8.7%   |        | 10.3%  |       | company trades at 23 times its TTM EPS of 22.5. We leave our rating on the   |
| NPM         | 2.3%   | 2.8%   |        | 2.5%   |       | stock unchanged.   |
| EPS         | 22     | 22     |        | 24     |       | istock unchanged.  |



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|---|---|---|---|---|---|---|---|---|
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| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ    |              |             |                | Remarks           |                    |                |
|-------------|--------|--------|--------|--------|--------|--------------|-------------|----------------|-------------------|--------------------|----------------|
| Net Sales   | 890    | 649    | 37.1%  | 876    |        |              |             | СМР            | 129               | P/E                | 32.3           |
| EBITDA      | 116    | 84     | 38.3%  | 115    | 0.6%   | HCC is like  | ly to repor | t 37% grow     | th in topline aid | died by strong ord | lerbook.       |
| Net Profit  | 15     | 5      | 196.0% | 21     | -28.4% | The operat   | ting margir | ns are liekly  | to improve by     | 11 bps yoy due to  | decrease       |
|             |        |        |        |        |        |              |             | -              |                   | et in india has im |                |
|             |        |        |        |        |        | significantl | ly over the | last quarte    | r, HCC has not    | yet managed to fu  | ully lease its |
| OPM         | 13.0%  | 12.9%  |        | 13.1%  |        | _            | -           | •              |                   | estate venture als | -              |
| NPM         | 1.7%   | 0.8%   |        | 2.4%   |        |              |             |                |                   | TM EPS of Rs 4.    | 0 10 1100 00   |
| EPS         | 4      | 3      |        | 4      |        | cheodragii   | ig. The cor | inpurity trade | .5 at 52 times 1  | 111 21 3 31 13 4.  |                |

## **ENGINEERING & CAPITAL GOODS**

#### ABB

| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ |           |          |                  | Remarks            |                   |         |
|-------------|--------|--------|-----|--------|-----|-----------|----------|------------------|--------------------|-------------------|---------|
| Net Sales   | 1620.0 | 1519.0 | 6%  | 1505.0 | 7%  | Recco     | Sell     | CMP              | 780                | P/E               | 147.2   |
| EBITDA      | 162.0  | 135.0  | 17% | 128.0  | 27% | ABB is ex | pected t | to report 6.7%   | in top line growt  | h & 8.2% in Net   | Profit. |
| Net Profit  | 113.0  | 104.0  | 8%  | 83.6   | 35% | EBIDTA m  | argin is | expected at 10   | )%                 |                   |         |
|             |        |        |     |        |     |           |          | und Rs. 7110 C   |                    |                   |         |
| OPM         | 10.0%  | 8.9%   |     | 8.5%   |     |           |          |                  | ding at 36.80x CY  | 100E with an EPS  | of Rs   |
| NPM         | 7.0%   | 6.9%   |     | 5.6%   |     | 21.19     | 13. 700  | , the stock trac | uning at 50.00x Ci | OJE WICH all El S | or its. |
| EPS         | 5.3    | 4.9    |     | 3.9    |     | 21.19     |          |                  |                    |                   |         |

**Alstom Project** 

| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ |            |          |               | Remarks        |                    |           |
|-------------|--------|--------|-----|--------|-----|------------|----------|---------------|----------------|--------------------|-----------|
| Net Sales   | 709.0  | 581.0  | 22% | 498.0  | 30% | Recco      | Buy      | СМР           | 552            | P/E                | 53.7      |
| EBITDA      | 93.0   | 79.0   | 15% | 79.0   | 18% | Order back | dog is e | xpected to be | more than than | Rs. 3000 Crore. I  | n Q2FY10, |
| Net Profit  | 68.0   | 59.0   | 16% | 36.0   | 89% | company h  | nas bago | ed more than  | Rs. 1000 crore | of disclosed order | s. At CMP |
|             |        |        |     |        |     |            |          |               |                | s with an EPS of R |           |
| OPM         | 13.6%  | 13.1%  |     | 11.4%  |     |            |          |               |                |                    |           |
| NPM         | 9.7%   | 10.1%  |     | 7.3%   |     |            |          |               |                |                    |           |
| EPS         | 10.27  | 8.8    |     | 5.4    |     |            |          |               |                |                    |           |

#### **BEML**

| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ  |           |             |                | Remarks            |                    |            |
|-------------|--------|--------|-----|--------|------|-----------|-------------|----------------|--------------------|--------------------|------------|
| Net Sales   | 705.0  | 613.0  | 13% | 465.0  | 34%  | Recco     | Buy         | СМР            | 1074               | P/E                | 77.3       |
| EBITDA      | 75.9   | 58.0   | 24% | 11.6   | 554% | Order ba  | cklog as o  | n Q1FY10 is a  | round Rs. 5036     | Crore. Company     | is looking |
| Net Profit  | 58.0   | 55.5   | 4%  | 5.3    | 994% | at huge o | opportunit  | y of Rs. 25,00 | 00 Crore in the M  | letro & Rail Coach | nes.       |
|             |        |        |     |        |      |           |             |                |                    | des its existing f |            |
| OPM         | 10.8%  | 9.5%   |     | 8.5%   |      |           |             |                |                    | ings with an EPS   | •          |
| NPM         | 8.2%   | 9.0%   |     | 5.6%   |      |           | 07-1, 3tocr | Citades at 10  | .o/X I I TOL Calli | ings with an Ers   | 01 100.04. |
| EPS         | 13.9   | 13.3   |     | 1.2    |      |           |             |                |                    |                    |            |



**BGR Energy** 

| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ  |          |            |                 | Remarks                 |                    |        |
|-------------|--------|--------|-----|--------|------|----------|------------|-----------------|-------------------------|--------------------|--------|
| Net Sales   | 505.0  | 424.0  | 19% | 311.0  | 38%  | Recco    | Buy        | CMP             | 484                     | P/E                | 82.3   |
| EBITDA      | 73.8   | 43.0   | 57% | 42.2   | 75%  | EBIDTA M | argin to i | ncrease by 43   | 30bps to 14.6% f        | rom 10.30%.        |        |
| Net Profit  | 42.4   | 23.0   | 79% | 20.2   | 109% | We expec | t order    | backlog of me   | ore than Rs. 1350       | 00 Crore after bag | gging  |
|             |        |        |     |        |      |          |            |                 | rore in Q2FY10.         | •                  | , ,    |
| OPM         | 14.6%  | 10.3%  |     | 13.5%  |      |          |            |                 | •                       | ngs with an EPS of | of Rs  |
| NPM         | 8.4%   | 5.6%   |     | 6.5%   |      | 26.3.    | 10 1, 5000 | cit trades at 1 | Olox i i i o e cai i ii | ngs with an Ers (  | 31 13. |
| EPS         | 5.88   | 3.2    |     | 2.81   |      | 20.5.    |            |                 |                         |                    |        |

#### BHEL

| DITEL       |        |        |     |        |     |             |             |             |                |                      |          |
|-------------|--------|--------|-----|--------|-----|-------------|-------------|-------------|----------------|----------------------|----------|
| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ |             |             |             | Remarks        |                      |          |
| Net Sales   | 6798.0 | 5342.0 | 27% | 5595.0 | 18% | Recco       | NEUTRAL     | CMP         | 2429           | P/E                  | 136.5    |
| EBITDA      | 1013.0 | 710.0  | 43% | 516.0  | 96% | Order book  | c growth ha | as been rob | ust. Current o | order backlog of BHE | L is at  |
| Net Profit  | 873.0  | 615.8  | 42% | 471.0  | 85% | around Rs.  | 124000 cr   | ore. Govt.  | of India has a | approved bulk tender | rs of    |
|             |        |        |     |        |     |             |             |             |                | byQ1FY11. BHEL co    |          |
| OPM         | 14.9%  | 13.3%  |     | 9.2%   |     | anywhere    | between 33  | 300-3900M   | W worth of or  | ders. At CMP of 242  | 9, stock |
| NPM         | 12.8%  | 11.5%  |     | 8.4%   |     | trades at 2 | 8.1x FY010  | DE earnings | with an EPS    | of Rs. 86.32.        |          |
| EPS         | 17.8   | 12.6   |     | 9.6    |     |             |             |             |                |                      |          |

**Crompton Greaves** 

| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ | Remarks  |
|-------------|--------|--------|-----|--------|-----|--|
| Net Sales   | 2291.0 | 1519.0 | 10% | 2197.0 | 4%  | Recco NEUTRAL CMP 320 P/E 65   |
| EBITDA      | 295.0  | 135.0  | 42% | 247.0  | 19% | CGL has entered into an agreement with Saudi Arabia based EIC group to |
| Net Profit  | 178.0  | 104.0  | 48% | 160.0  |     | form a JV to manufacturer transformer.                                 |
|             |        |        |     |        |     | Order book at the end of Q1FY10, stood at Rs. 6320 Crore.              |
| OPM         | 12.9%  | 10.2%  |     | 8.5%   |     | At CMP of 320, stock trades at 17.7xFY10E earnings with an EPS of Rs.  |
| NPM         | 7.8%   | 6.3%   | ·   | 5.6%   |     | 18.09.   |
| EPS         | 4.87   | 3.51   |     | 3.9    |     | 10.09.   |

#### L&T

| Lai         |        |        |     |        |     |   |
|-------------|--------|--------|-----|--------|-----|---|
| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ | Remarks   |
| Net Sales   | 9069.0 | 7686.0 | 18% | 7362.0 | 19% | <b>Recco</b> Buy <b>CMP</b> 1632 <b>P/E</b> 73.8                          |
| EBITDA      | 987.0  | 676.8  | 46% | 776.3  | 27% | L&T Finance has entered into the agreement to buy100% stake in DBS        |
| Net Profit  | 646.0  | 460.0  | 40% | 727.0  |     | Cholamandlam AMC for the consideration of Rs. 45 crore.                   |
|             |        |        |     |        |     | Order book is more than Rs. 80000 crore. In Q2FY10, L&T has already       |
|             |        |        |     |        |     | bagged (disclosed) order worth of Rs. 15000 Crore & It is expected to bag |
| OPM         | 10.9%  | 8.8%   |     | 10.5%  |     | more than Rs. 9000 crore of more orders in next 1-2 month.                |
| NPM         | 7.1%   | 6.0%   |     | 9.9%   |     | At CMP of 1632, stock trades at 23.13xFY10E earnings with an EPS of Rs.   |
| EPS         | 22.1   | 15.7   |     | 24.9   |     | 70.5.   |



Punj lloyd

| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ |            |           |                | Remarks         |                     |            |
|-------------|--------|--------|-----|--------|-----|------------|-----------|----------------|-----------------|---------------------|------------|
| Net Sales   | 3277.2 | 2926.0 | 12% | 2955.0 | 10% | Recco      | Buy       | CMP            | 270             | P/E                 | 44.3       |
| EBITDA      | 326.0  | 272.4  | 20% | 290.0  | 12% | Total Orde | r book is | expected to    | be around Rs. 3 | 31000 crore.        |            |
| Net Profit  | 183.0  | 144.7  | 27% | 124.0  | 48% | At CMP of  | 270, Sto  | ck trades at 1 | 7.25x FY010E (  | (consolidated) earr | nings with |
|             |        |        |     |        |     | an EPS of  |           |                |                 | ,                   | 3          |
| OPM         | 10.0%  | 9.3%   |     | 9.8%   |     | ]          |           |                |                 |                     |            |
| NPM         | 5.6%   | 4.9%   |     | 4.1%   |     |            |           |                |                 |                     |            |
| EPS         | 6.1    | 4.8    | ·   | 4.2    |     |            |           |                |                 |                     |            |

# Reliance Infra

| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ |                   |                   | Remarks             |                     |                |
|-------------|--------|--------|-----|--------|-----|-------------------|-------------------|---------------------|---------------------|----------------|
| Net Sales   | 2955.0 | 2473.0 | 20% | 2407.0 | 19% | <b>Recco</b> Buy  | CMP               | 1292                | P/E                 | 76.0           |
| EBITDA      | 359.0  | 277.0  | 30% | 260.0  | 38% | Order book is ex  | pected to be arc  | ound at 30000. R    | EL infra has bagg   | ed orders      |
| Net Profit  | 383.0  | 289.0  | 33% | 316.0  | 21% | from Mumbai Me    | tro II project wo | orth of Rs. 11000   | Cr. REL infra is o  | one of the     |
|             |        |        |     |        |     | bidders for RS. 1 |                   |                     |                     |                |
| OPM         | 12.2%  | 11.2%  |     | 10.8%  |     |                   | ,                 |                     | ngs with an EPS o   | of Rs 71 8     |
| NPM         | 13.0%  | 11.6%  | ·   | 13.2%  |     | ] 1252,           | Stock trades at   | TOX I I TOL CUITIII | ings with all LIS 0 | // N.S. / 1.O. |
| EPS         | 17     | 12.6   |     | 14     |     |                   |                   |                     |                     |                |

## Siemens India

| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ | ) Remarks  |
|-------------|--------|--------|-----|--------|-----|--|
| Net Sales   | 2712.0 | 2421.0 | 12% | 1909.0 | 30% | Recco NEUTRAL CMP 570 P/E 70.4   |
| EBITDA      | 394.0  | 302.0  | 30% | 249.0  | 58% | Order Book is is expected to be around 11000 Crore. Company has bagged   |
| Net Profit  | 271.0  | 225.0  | 20% | 188.0  | 44% | disclosed orders worth of more than Rs. 800 crore in past 2-3 months. At |
|             |        |        |     |        |     | CMP, 570 stock trades 25x FY09E earnings (September ending quarter),     |
| OPM         | 14.6%  | 8.9%   |     | 13.0%  |     | with an EPS of Rs.23   |
| NPM         | 10.0%  | 6.9%   |     | 9.9%   |     | With the El 3 of No.23   |
| EPS         | 8.1    | 4.9    | ·   | 5.6    |     |  |

## Suzlon

| (Rs crores) | Oct-09 | Oct-08 | YoY   | Jun-09 | QoQ   | Remarks  |
|-------------|--------|--------|-------|--------|-------|--|
| Net Sales   | 1625.0 | 4181.0 | -61%  | 4152.0 | -156% | Recco NEUTRAL CMP 85 P/E -39.2   |
| EBITDA      | -75.0  | 412.0  | -118% | -6.4   |       | Suzlon has raised USD 202 million through the combination of FCCB & GDR          |
| Net Profit  | -325.0 | -130.0 |       | -452.0 | 28%   | in Q2FY10 which has resulted in equity dilution of 7.2%. Besides this,           |
|             |        |        |       |        |       | company has raised Rs. 690 Crore through stake sale of 70 million shares (4.5%). |
|             |        |        |       |        |       | Current order book stands at 1557MW. Management is expecting orders              |
| OPM         | -4.6%  | 9.9%   |       | -0.2%  |       | worth of 500MW in next 3-4 months.   |
| NPM         | -20.0% | -3.0%  |       | -10.9% |       | At CMP of 85, stock trades at 11x FY11E (Consolidated) earnings with an          |
| EPS         | -2.17  | -0.9   |       | -3.56  |       | EPS of Rs. 8.73.   |



# Thermax

| (Rs crores) | Oct-09 | Oct-08 | YoY  | Jun-09 | QoQ |              |            |             | Remarks    |                       |             |
|-------------|--------|--------|------|--------|-----|--------------|------------|-------------|------------|-----------------------|-------------|
| Net Sales   | 723.0  | 804.0  | -10% | 522.0  | 28% | Recco        | NEUTRAL    | CMP         | 580        | P/E                   | 120.8       |
| EBITDA      | 92.6   | 93.0   | 0%   | 54.0   | 71% | Total Order  | is expecte | ed at Rs. 4 | 500 crore. |                       |             |
| Net Profit  | 57.0   | 57.0   | 0%   | 46.5   |     |              |            |             |            | consolidated ) earnir | ngs with an |
|             |        |        |      |        |     | EPS of Rs. 2 |            |             | •          | ,                     |             |
| OPM         | 12.8%  | 11.6%  |      | 10.3%  |     | ]            |            |             |            |                       |             |
| NPM         | 7.9%   | 7.1%   |      | 8.9%   |     |              |            |             |            |                       |             |
| EPS         | 4.8    | 4.8    |      | 3.9    |     |              |            |             |            |                       |             |

## TRF

| (Rs crores) | Oct-09 | Oct-08 | YoY | Jun-09 | QoQ |              |            |              | Remarks          |                 |              |
|-------------|--------|--------|-----|--------|-----|--------------|------------|--------------|------------------|-----------------|--------------|
| Net Sales   | 141.0  | 91.0   | 55% | 109.0  | 23% | Recco E      | Buy        | СМР          | 580              | P/E             | 42.3         |
| EBITDA      | 21.8   | 13.9   | 57% | 12.1   | 80% | TRF has sigr | ned an ag  | reement to   | acquire Dutch L  | anka Trailer ma | anufacture   |
| Net Profit  | 15.1   | 12.4   | 21% | 6.5    |     |              |            |              | cquire a 51% sta |                 |              |
|             |        |        |     |        |     |              |            |              | eement for acqu  |                 |              |
|             |        |        |     |        |     | for USD 8.33 | 3 million. | Total Order  | r of company is  | around Rs. 137  | 0 crore.     |
|             |        |        |     |        |     | Orders in ni | na lina ar | ahout Re     | 700 Crore. At    | CMP of 518 sto  | ck trades at |
| OPM         | 15.5%  | 15.3%  |     | 11.0%  |     |              |            |              |                  | •               | ck trades at |
| NPM         | 10.7%  | 13.7%  |     | 5.9%   |     | 8.5/X FY10E  | earning    | s with an Er | S of Rs. 60.45.  |                 |              |
| EPS         | 13.7   | 11.29  |     | 5.91   |     |              |            |              |                  |                 |              |

# FMCG HUL

| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ   |            |            |                  | Remarks         |            |                       |
|-------------|--------|--------|--------|--------|-------|------------|------------|------------------|-----------------|------------|-----------------------|
| Net Sales   | 4456   | 4028   | 10.6%  | 4476   | -0.4% | Recco      | Sell       | СМР              | 287             | P/E        | 31.7                  |
| EBITDA      | 646    | 476    | 35.7%  | 688    | -6.1% | We expect  | t HUL to   | post a sales g   | rowth of 11%    | 6 on YoY.  |                       |
| Net Profit  | 493    | 547    | -10.0% | 543    | -9.3% | We expect  | t the pro  | fit to decline b | y -10% YoY      | and -9% d  | on QoQ basis.         |
|             |        |        |        |        |       | Due to the | contine    | ous loss in mar  | ketshare the    | company    | has continued to take |
| OPM         | 14.5%  | 11.8%  |        | 15.0%  |       |            |            |                  |                 |            | eassure on the        |
| NPM         | 11.1%  | 13.6%  |        | 13.2%  |       | · · ·      | ici case ( | consumer value   | c tills will pu | c some pre | cassare on the        |
| EPS         | 9.0    | 10.1   |        | 9.9    |       | margins.   |            |                  |                 |            |                       |

#### ITC

| (Rs crores) | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ   |            |             |               | Remarks                |                     |
|-------------|--------|--------|-------|--------|-------|------------|-------------|---------------|------------------------|---------------------|
| Net Sales   | 4034   | 3763   | 7.2%  | 4083   | -1.2% | Recco      | HOLD        | СМР           | 248 <b>P/E</b>         | 27.9                |
| EBITDA      | 1331   | 1116   | 19.3% | 1337   | -0.5% | We expect  | t ITC to po | ost a 7% reve | enue growth on YoY b   | asis and -1% on QoQ |
| Net Profit  | 838    | 803    | 4.4%  | 828    | 1.1%  | basis and  | profit to g | row by 4% Y   | oY and 1% on QoQ ba    | asis.               |
|             |        |        |       |        |       | We expect  | t a continu | ued slowdowr  | in the hotel business  | due to the low      |
| ОРМ         | 33.0%  | 29.7%  |       | 32.0%  |       |            |             |               | in the average revenu  | •                   |
| NPM         | 20.8%  | 21.3%  |       | 20.9%  |       | the agri b | usiness to  | do well on a  | ccount of high tobacco | o prices.           |
| EPS         | 8.9    | 8.5    |       | 8.8    |       |            |             |               |                        |                     |



## Marico

| (Rs crores) | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ   |                 |             |             | Remarks                 |                    |
|-------------|--------|--------|-------|--------|-------|-----------------|-------------|-------------|-------------------------|--------------------|
| Net Sales   | 701    | 603    | 16.3% | 696    | 0.7%  | Recco           | BUY         | CMP         | 89.5 <b>P/E</b>         | 24.2               |
| EBITDA      | 87     | 74     | 16.9% | 92     | -6.0% | We expect       | Marico to   | post a robu | st 16% topline growth   | and 19% revenue    |
| Net Profit  | 56     | 47     | 18.9% | 59     | -4.9% | growth on \     | YoY basis.  |             | •                       |                    |
|             |        |        |       |        |       | 1 -             |             |             | continue in the future. | a loss in the kaya |
| OPM         | 12.3%  | 12.3%  |       | 13.2%  |       |                 |             |             | essure on the margins   |                    |
| NPM         | 8.0%   | 7.8%   |       | 8.5%   |       |                 |             |             | able in FY11.           | but we expect the  |
| EPS         | 3.7    | 3.1    |       | 3.9    |       | SKIII CIIIIIC L | Jusiness to | turn pront  | able III FTII.          |                    |

## **METALS AND MINING**

Tata Steel (Standalone)

| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ   | Remarks  |
|-------------|--------|--------|--------|--------|-------|--|
| Net Sales   | 6115   | 6851   | -10.7% | 5554   | 10.1% | 6 <b>Recco</b>   Sell   CMP   532   P/E   10.4                                 |
| EBITDA      | 1932   | 3183   | -39.3% | 1742   | 10.9% | Tata Steel India is expected to show sequential improvement due to             |
| Net Profit  | 1090   | 2133   | -48.9% | 790    | 38.0% | increase in blended realisations by 7% (~42000/tonne) and steady sales         |
|             |        |        |        |        |       | volume (~1.45 MT) resulting from strong domestic steel demand. 15% fall        |
|             |        |        |        |        |       | in realizations on YoY basis are expected to result in sharp decline in        |
|             |        |        |        |        |       | Operating profit margins. YoY decline in net profit is due to fall in          |
|             |        |        |        |        |       | realizations and higher interest cost. Corus is expected to remain in net loss |
| OPM         | 31.6%  | 46.5%  |        | 31.4%  |       | for the third straight quarter resulting in an overall loss for the group on a |
| NPM         | 17.8%  | 31.1%  |        | 14.2%  |       | consolidated basis. 30% on YoY basis. At CMP 537, stock trades at FY10 EPS     |
| TTM EPS     | 51.3   | 87.2   |        | 61.2   |       | of 40 and P/F of 13.4  |

#### SAIL

| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ   |  |           |             | Remarks        |             |                   |  |  |  |
|-------------|--------|--------|--------|--------|-------|--|-----------|-------------|----------------|-------------|-------------------|--|--|--|
| Net Sales   | 10955  | 12661  | -13.5% | 9064   | 20.9% | Recco Neut   | ral       | CMP         | 174            | P/E         | 13.8              |  |  |  |
| EBITDA      | 2817   | 3434   | -18.0% | 2415   | 16.6% | Increase in sale   | s volume  | e and rea   | alisation will | result in l | nigher sales      |  |  |  |
| Net Profit  | 1589   | 2010   | -20.9% | 1326   | 19.8% | 8% sequentially due to robust domestic steel demand during the quarter. Sales  |           |             |                |             |                   |  |  |  |
|             |        |        |        |        |       | volume is expected to grow by 8% QoQ and realisations also improve by  |           |             |                |             |                   |  |  |  |
|             |        |        |        |        |       | 12%. EBITDA is expected to improve QoQ due to fall in coking coal costs.   |           |             |                |             |                   |  |  |  |
|             |        |        |        |        |       | We expect the r  | nargin to | improve     | and higher     | net profit  | s on a sequential |  |  |  |
| OPM         | 25.7%  | 27.1%  |        | 26.6%  |       | We expect the margin to improve and higher net profits on a sequential basis despite an increase in interest and depreciation costs. At CMP 174, |           |             |                |             |                   |  |  |  |
| NPM         | 14.5%  | 15.9%  |        | 14.6%  |       | stock trades at  |           |             | •              |             | ,                 |  |  |  |
| TTM EPS     | 12.6   | 19.7   |        | 13.6   |       | otock trades at  | .10 2.0   | , o. 1 . a. | 14 1 / 2 01 12 |             |                   |  |  |  |



# JSW Steel

| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ   |  |              |             | Remarks      |              |              |              |  |  |  |
|-------------|--------|--------|--------|--------|-------|--|--------------|-------------|--------------|--------------|--------------|--------------|--|--|--|
| Net Sales   | 4553   | 4269   | 6.6%   | 3894   | 16.9% | Recco  | Sell         | CMP         | 890          | P/E          | 19.5         |              |  |  |  |
| EBITDA      | 1165   | 910    | 28.0%  | 988    | 17.9% | JSW Steel  | is likely to | see margin  | al improver  | nent in the  | bottomline   | in           |  |  |  |
| Net Profit  | 417    | 543    | -23.2% | 340    | 22.6% | Q2FY10E,   | due to bett  | er demand,  | improveme    | ent in reali | sation and f | ull effect   |  |  |  |
|             |        |        |        |        |       | of lower raw material costs. The company has been able to increase its steel |              |             |              |              |              |              |  |  |  |
|             |        |        |        |        |       | production to 1.54 mn tonnes substantially during the quarter. However, it   |              |             |              |              |              |              |  |  |  |
|             |        |        |        |        |       | was still be   | ehind its Yo | Y growth ta | rget of 78%  | 6. Overall l | olended rea  | lisation are |  |  |  |
| ОРМ         | 25.6%  | 21.3%  |        | 25.4%  |       | 1  |              | -           |              | •            | n QoQ basis  |              |  |  |  |
| NPM         | 9.2%   | 12.7%  |        | 8.7%   |       | by 30% or  | n YoY basis. | . At CMP 89 | 0, stock tra | des at FY1   | 0 EPS of 70  | and P/E of   |  |  |  |
| TTM EPS     | 45.7   | 67.9   |        | 52.5   |       | 12.7   |              |             |              |              |              |              |  |  |  |

### Hindustan Zinc

| (Rs crores) | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ   |   |             |             |             |              |                      |  |  |  |  |
|-------------|--------|--------|-------|--------|-------|---|-------------|-------------|-------------|--------------|----------------------|--|--|--|--|
| Net Sales   | 1727   | 1744   | -1.0% | 1512   | 14.2% | Recco   | Neutral     | CMP         | 837         | P/E          | 13.8                 |  |  |  |  |
| EBITDA      | 1176   | 935    | 25.7% | 962    | 22.2% | QoQ impro   | vement in   | sales expec | ted as aver | age LME Zi   | inc prices during Q2 |  |  |  |  |
| Net Profit  | 871    | 960    | -9.3% | 764    | 13.9% | were 17%  | higher and  | d average L | ME Lead pri | ces were 3   | 80% higher than      |  |  |  |  |
|             |        |        |       |        |       | Q1FY10. Margins are expected to be better on account of better realizations |             |             |             |              |                      |  |  |  |  |
|             |        |        |       |        |       | and cost cutting measures undertaken by the company. Other income is        |             |             |             |              |                      |  |  |  |  |
|             |        |        |       |        |       | expected t  | o increase  | due to high | er accumula | ation of cas | sh and equivalents,  |  |  |  |  |
| ОРМ         | 68.1%  | 53.6%  |       | 63.6%  |       | which will  | cushion the | decline of  | the bottom  | line. 30%    | on YoY basis. At CMP |  |  |  |  |
| NPM         | 50.4%  | 55.0%  |       | 50.5%  |       | 837, stock  | trades at F | Y10 EPS of  | 70 and P/E  | of 11.9      |                      |  |  |  |  |
| TTM EPS     | 60.5   | 91.6   |       | 62.5   |       |   |             |             |             |              |                      |  |  |  |  |



# PHARMA Biocon

| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ   |                 |              |            |              |             |                    |      |
|-------------|--------|--------|--------|--------|-------|-----------------|--------------|------------|--------------|-------------|--------------------|------|
| Net Sales   | 515    | 442    | 16.5%  | 496    | 3.9%  | Recco           | Neutral      | CMP        | 257          | P/E         | 19                 |      |
| EBITDA      | 108    | 74     | 46.8%  | 101    | 6.6%  | Top line is     | expected t   | o grow by  | 16% YoY prii | marily driv | en by the contract | :    |
| Net Profit  | 64     | 25     | 155.1% | 58     | 10.9% | Research b      | ousiness. Tl | he margins | are expecte  | d to increa | se to 22% on acco  | ount |
|             |        |        |        |        |       | of better p     |              | _          | •            |             |                    |      |
| OPM         | 21.0%  | 16.6%  |        | 20.4%  |       | l s s s s s s s |              | •          |              |             |                    |      |
| NPM         | 12.4%  | 5.7%   |        | 11.6%  |       |                 |              |            |              |             |                    |      |
| EPS         | 13     | 11     |        | 12     | •     |                 |              |            |              |             |                    |      |

#### Dishman Pharma

| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ   |             |               |              |              |             |             |           |
|-------------|--------|--------|--------|--------|-------|-------------|---------------|--------------|--------------|-------------|-------------|-----------|
| Net Sales   | 233    | 252    | -7.4%  | 228    | 2.5%  | Recco       | Neutral       | CMP          | 228          | P/E         | 10          |           |
| EBITDA      | 59     | 19     | 217.6% | 53     | 11.3% | Net Sales i | is expected   | to be subd   | lued and deg | row 7% Y    | oY with Ope | erating   |
| Net Profit  | 40     | 32     | 22.4%  | 39     | 1.0%  | Margins of  | 24%. We e     | expect the   | company to   | benefit fro | m the Solva | ay-Abbott |
|             |        |        |        |        |       | deal and h  | elp its topli | ne in future | e. ·         |             |             |           |
| OPM         | 25.3%  | 7.4%   |        | 23.3%  |       |             |               |              |              |             |             |           |
| NPM         | 16.9%  | 12.8%  |        | 17.2%  |       |             |               |              |              |             |             |           |
| EPS         | 23     | 14     |        | 23     |       |             |               |              |              |             |             |           |

**Jubilant Organosys** 

| Jasiiaii Cigaiio | -,-    |        |       |        |       |             |              |             |              |            |              |           |
|------------------|--------|--------|-------|--------|-------|-------------|--------------|-------------|--------------|------------|--------------|-----------|
| (Rs crores)      | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ   |             |              |             | Remarks      |            |              |           |
| Net Sales        | 969    | 941    | 3.0%  | 896    | 8.1%  | Recco       | Neutral      | CMP         | 218          | P/E        | 10           |           |
| EBITDA           | 184    | 177    | 3.6%  | 162    | 13.3% | Jubilant is | expected to  | o record 39 | 6 topline gr | owth YoY,  | mainly on a  | ccount of |
| Net Profit       | 142    | 111    | 27.2% | 126    | 12.7% | slowdown    | in the globa | al CRAMS b  | usiness, the | ough we ex | pect the sit | uation to |
|                  |        |        |       |        |       | improve o   | wing to the  | recovery in | n the global | economy.   |              |           |
| OPM              | 19.0%  | 18.8%  |       | 18.1%  |       |             | J            | •           | J            | •          |              |           |
| NPM              | 14.6%  | 11.9%  |       | 14.0%  |       |             |              |             |              |            |              |           |
| EPS              | 22     | 27     |       | 23     |       |             |              |             |              |            |              |           |

#### **Piramal Healthcare**

| (Rs crores) | Sep-09 | Sep-08 | YoY    | Jun-09 | QoQ   | `_,,        |             |             |              |             |            |          |  |
|-------------|--------|--------|--------|--------|-------|-------------|-------------|-------------|--------------|-------------|------------|----------|--|
| Net Sales   | 968    | 889    | 8.8%   | 822    | 17.8% | Recco       | Neutral     | CMP         | 382          | P/E         | 20         |          |  |
| EBITDA      | 176    | 173    | 1.6%   | 160    | 9.8%  | Sales of Pi | ramal is ex | pected to g | row by 9%    | YoY, driver | by the rob | ust      |  |
| Net Profit  | 101    | 114    | -11.9% | 85     |       |             |             |             | ation busine |             |            |          |  |
|             |        |        |        |        |       | -           |             | its current |              | •           |            | <u> </u> |  |
| OPM         | 18.2%  | 19.5%  |        | 19.5%  |       |             |             |             |              |             |            |          |  |
| NPM         | 10.4%  | 12.8%  |        | 10.4%  |       |             |             |             |              |             |            |          |  |
| EPS         | 19     | 19     |        | 18     |       |             |             |             |              |             |            |          |  |



# POWER NTPC

| (Rs crores) | Sep-09 | Sep-08 | YoY | Jun-09 | QoQ |  |              |              |              |             |      |  |  |  |  |
|-------------|--------|--------|-----|--------|-----|--|--------------|--------------|--------------|-------------|------|--|--|--|--|
| Net Sales   | 11587  | 9661   | 20% | 12003  | -3% | Recco  | SELL         | CMP          | 209          | P/E         | 19.3 |  |  |  |  |
| EBITDA      | 3186   | 2547   | 25% | 3176   | 0%  | We expect 83% PLF for coal plant and 79% PLF for gas based plant.  |              |              |              |             |      |  |  |  |  |
| Net Profit  | 2375   | 2111   | 13% | 2194   | 8%  | Generation during the quarter to be at 50.3 BU. During the quarter   |              |              |              |             |      |  |  |  |  |
|             |        |        |     |        |     | company has signed 0.67 mmscmd gas for three gas plants.RGGPL will start   |              |              |              |             |      |  |  |  |  |
| OPM         | 27.5%  | 26.4%  |     | 26.5%  |     |  |              |              |              |             |      |  |  |  |  |
| NPM         | 20.5%  | 21.8%  |     | 18.3%  |     | receiving gas to tune of 5 mmscmd in the month, which will help loss making associate to generate profit in coming quarters. |              |              |              |             |      |  |  |  |  |
| EPS         | 10.8   | 8.4    |     | 10.51  |     | iliakiliy as   | sociate to g | generate pro | one in Comin | ng quarters | •    |  |  |  |  |

#### **GIPCL**

| GIFCE       |        |        | 26.26 |        |     |                |             |               |                          |                    |      |
|-------------|--------|--------|-------|--------|-----|----------------|-------------|---------------|--------------------------|--------------------|------|
| (Rs crores) | Sep-09 | Sep-08 | YoY   | Jun-09 | QoQ |                |             |               | Remarks                  |                    |      |
| Net Sales   | 262    | 291    | -10%  | 250    | 5%  | Recco N        | IEUTRAL     | CMP           | 115 <b>P/E</b>           | 17.9               |      |
| EBITDA      | 62     | 55     | 11%   | 59     | 4%  | We expect c    | ompany t    | o generate    | 1121 MU during the o     | uarter. The comp   | pany |
| Net Profit  | 30     | 25     | 21%   | 29     | 3%  | commissione    | ed first un | nit of SLPP   | II in August and anoth   | er unit 2 of 125 i | MW   |
|             |        |        |       |        |     | will get com   | misioned    | durina 03     | FY10. SLPP II tariffs ha | ave ROF of 15.59   | 3/0  |
| OPM         | 23.5%  | 19.0%  |       | 23.7%  |     | _              |             |               | lated reutrn of 13%. \   |                    |      |
| NPM         | 11.5%  | 8.5%   |       | 11.8%  |     |                | ·-          | -             | n coming quarters as     | -                  |      |
| EPS         | 6.4    | 6.0    |       | 6.1    |     | profits to inc | li ease sul | ostantially i | in coming quarters as    | un capacity com    | les  |

# OIL & GAS Petronet LNG Ltd

| (Rs crores) | Sep-09 | Sep-08 | YoY | Jun-09  | QoQ |          |              |               | Remarks               |                        |
|-------------|--------|--------|-----|---------|-----|----------|--------------|---------------|-----------------------|------------------------|
| Net Sales   | 2750   | 1655   | 66% | 2612.00 | 5%  | Recco    | Neutral      | СМР           | 73 <b>P/E</b>         | 10.0                   |
| EBITDA      | 261    | 176    | 48% | 182     | 44% | We exped | t sales volu | ume ti increa | ase by 5% QoQ with th | e increase in demand   |
| Net Profit  | 138    | 103    | 33% | 103     |     |          |              |               |                       | e of the commissioning |
|             |        |        |     |         |     | of Dahei |              |               | ,                     | 5                      |
| OPM         | 9.5%   | 10.6%  |     | 7.0%    |     |          | . 0,000.     |               |                       |                        |
| NPM         | 5.0%   | 6.2%   |     | 4%      |     |          |              |               |                       |                        |
| EPS         | 1.8    | 1.4    |     | 1.4     |     |          |              |               |                       |                        |

Indraprastha Gas Ltd

| (Rs crores) | Sep-09 | Sep-08 | YoY | Jun-09 | QoQ |            |                    |              | Remarks             |                       |
|-------------|--------|--------|-----|--------|-----|------------|--------------------|--------------|---------------------|-----------------------|
| Net Sales   | 252.7  | 215    | 18% | 234    | 8%  | Recco      | Neutral            | CMP          | 163 <b>P/E</b>      | 10.7                  |
| EBITDA      | 91.0   | 85     | 7%  | 86     | 6%  | Volumes a  | re likely to       | increase fro | om 150 mmscm to 169 | mmscm YoY for CNG     |
| Net Profit  | 53.1   | 50     | 6%  | 48     | 11% | and PNG is | s likely to g      | row from 1   | 1mmscm to 13 mmscn  | n YoY. Currently, IGL |
|             |        |        |     |        |     |            | -                  | 32 CNG stat  |                     | ,,                    |
| OPM         | 36%    | 40%    |     | 36.8%  |     | ]          | , p c. a c c c _ c | - 0.10 0141  |                     |                       |
| NPM         | 21%    | 23%    |     | 20.5%  |     |            |                    |              |                     |                       |
| EPS         | 3.8    | 3.6    |     | 3.4    |     |            |                    |              |                     |                       |



**Gujarat Gas Company Ltd** 

| (Rs crores) | Sep-09 | Sep-08 | YoY | Jun-09 | QoQ |             |              |             | Remarks                |                       |
|-------------|--------|--------|-----|--------|-----|-------------|--------------|-------------|------------------------|-----------------------|
| Net Sales   | 365    | 323    | 13% | 332    | 10% | Recco       | Neutral      | CMP         | 196 <b>P/E</b>         | 12.3                  |
| EBITDA      | 81     | 66     | 22% | 82     | -1% | Gas Sourci  | ing is the n | nain concer | n for the company sinc | e long as supply from |
| Net Profit  | 51     | 39     | 32% | 48     |     |             |              |             | ear.Volumes from LNG   |                       |
|             |        |        |     |        |     | increase th |              |             |                        |                       |
| OPM         | 22.2%  | 20.6%  |     | 24.6%  |     |             | qua          |             |                        |                       |
| NPM         | 14.0%  | 12.0%  |     | 14.5%  |     |             |              |             |                        |                       |
| EPS         | 4.0    | 3.0    |     | 3.7    |     |             |              |             |                        |                       |

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| (Rs crores) | Sep-09 | Sep-08 | YoY  | Jun-09 | QoQ | Remarks  |            |               |                    |                     |  |
|-------------|--------|--------|------|--------|-----|--|------------|---------------|--------------------|---------------------|--|
| Net Sales   | 233.6  | 118.6  | 97%  | 211.0  | 11% | Recco  | Buy        | CMP           | 81 <b>P/E</b>      | 12.8                |  |
| EBITDA      | 212.6  | 109.7  | 94%  | 198.0  | 7%  | Volumes a  | re expecte | ed to increas | e from 25 mmscmd   | to 31 mmscmd on Q-Q |  |
| Net Profit  | 88.8   | 28.4   | 213% | 80.5   | 10% | basis. But the realisations are likely to go down by 10% for this quarter. |            |               |                    |                     |  |
|             |        |        |      |        |     |  |            |               | gas and higher den |                     |  |
| OPM         | 91.0%  | 92.5%  |      | 93.8%  |     | ]  | u          |               | gae aage. a.e      | iana ioi opos ziroi |  |
| NPM         | 38.0%  | 23.9%  |      | 38.2%  |     |  |            |               |                    |                     |  |
| EPS         | 1.6    | 0.5    |      | 1.5    |     |  |            |               |                    |                     |  |

Selan Exploration and Technology Ltd

| (Rs crores) | Sep-09 | Sep-08 | YoY  | Jun-09 | QoQ | Remarks  |                  |                 |  |  |  |
|-------------|--------|--------|------|--------|-----|--|------------------|-----------------|--|--|--|
| Net Sales   | 22.8   | 37.9   | -40% | 18.2   | 25% | cco Buy CMP 32   | 27.65 <b>P/E</b> | 12.4            |  |  |  |
| EBITDA      | 15.5   | 33.2   | -53% | 11.8   | 31% | 6 We expect sales increase by 25% QoQ as the crude prices realizations are |                  |                 |  |  |  |
| Net Profit  | 9.3    | 23.1   | -60% | 6.9    | 35% | likely to improve for Q2FY10. For Q1FY10 average crude prices were USD     |                  |                 |  |  |  |
|             |        |        |      |        |     | bbl but for this quarter average pri                                       |                  |                 |  |  |  |
| OPM         | 68.0%  | 87.6%  |      | 64.8%  |     | bar bar for time quarter average pro                                       |                  | 20. 20. 20. 20. |  |  |  |
| NPM         | 41.0%  | 60.9%  |      | 37.9%  |     |  |                  |                 |  |  |  |
| EPS         | 6.6    | 16.3   |      | 4.9    |     |  |                  |                 |  |  |  |

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#### RATING INTERPRETATION

**Buy** Expected to appreciate more than 20% over a 12-month period **Accumulate** Expected to appreciate up to 20% over a 12-month period **Neutral** Expected to remain in a narrow range **Sell** Expected to depreciate more than 10% over a 12-month period

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