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SECTOR

Healthcare: *Achieves rapid Strides amidst challenges*

RESEARCH

Tata Power Company
Set to almost triple its generation capacity

RESULT

Castrol India:
Solid growth

Healthcare: *Achieves rapid Strides amidst challenges*

With the government spending in Indian healthcare remaining low, the private spending has been robust and rising, which augurs well for the private players in the Indian health sector.

With increasing share of lifestyle diseases, and as penetration increase due to improving income and improving popularity of Health insurance schemes, the healthcare sector is one of the fastest growing domestic services sector in India.

As a result, the share of healthcare in India's GDP is set to rise to 8% by 2012 compared to 5.5% in 2009.

Indian healthcare services sector is valued around US $ 40 billion, which can nearly double to US $ 78.6 billion by 2012 and sizzle to US$ 280 billion by 2020. Interestingly, India would require around 1.75 million beds by the end of 2025 with an investment of US $86 billion. However, public sector is likely to contribute only around 15-20% and the rest is expected to come from private players.

Few of the players that plan to increase their share are ADAG's Reliance Health, Hinduja's Sahara Group, Emami, Apollo Tyres and Panacea Group beside the Industry's major market players Apollo Hospitals, Fortis Healthcare.

Incidentally, Artemis Health Sciences (AHS) health care venture of Apollo Tyres Group is also planning to establish four to eight multi-specialty hospitals in North India.

Sahara Group is planning several healthcare projects such as 200 bed multi-specality tertiary care hospitals at Gorakhpur and 1500 bed multi super-specality tertiary care hospitals at Aamby valley city and 30 bed multi-specality secondary care hospitals across all 217 sahara city home townships.

Union Budget 2011-12 levies service tax on healthcare

Government has increased health budget by 20% to 26,760 crore for the 2011-12. The basic health cover to poor and marginal workers scheme Rashtriya Swasthya Bima Yojana is extended to MGNREGA beneficiaries, workers in mining, beedi workers and others.

In addition, it fully exempted basic customs duty of 5% on Endovascular stents.

The budget has brought services provided by the hospitals with 25 or more beds, which have central air-conditioning facilities and diagnostic tests of all kinds into the service tax net.

The effective service tax will be 5%, factoring in an abatement of 50 percent, which make the health services costlier to the patients as majority of the people served by the private players

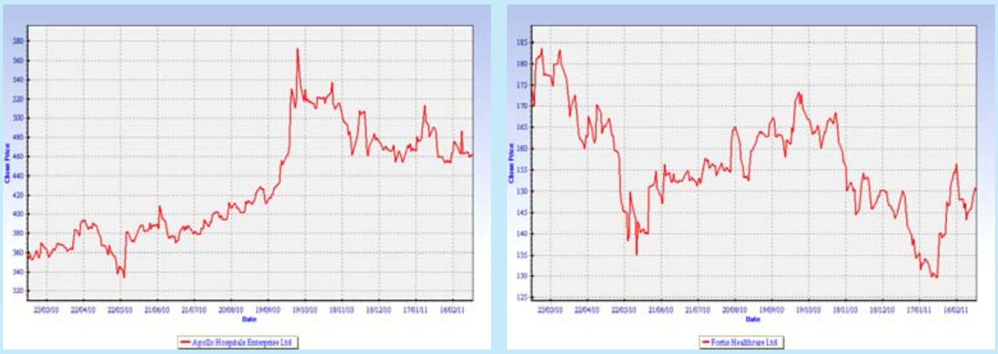
Apollo Hospitals HOLD

Apollo Hospitals, the largest integrated private hospital group in Asia reported 25% increase in net sales to Rs 600.87 crore on the back of improved performance from core business and retail pharmacies business for the quarter ended December 2010.

It has 53 hospitals with bed capacity of 8234 beds as on December 31st 2010, out which 26 owned by them with 3287 beds, 10 Subs/JVs/Associates with 2197 beds and rest 17 are Managed/Franchise hospitals with 2750 beds.

Further, the 4194 operating beds at owned hospitals including Subs/JVs/Associates had occupancy of 74%.

Apollo Hospitals vs Fortis Healthcare yearly share price movement (Rs)



As on December 30th 2010, the total cost of the projects coming up by 2014 with capacity of 2668 beds is Rs 1386.9 crore, of which AHEL share is 1171.5 crore.

Already, AHEL has already invested Rs 293.5 crore (Rs 15.7 crore for the quarter ended December 2010) towards the above capacity additions.

Further, the inpatient volume AHEL Hospitals (Standalone) increased by the 13.7% to 123304 patients generated revenue of Rs 101.67 crore with an increase of 22.6% for the nine months ended December 2010.

However, the outpatient volume increased by 28.7% to 371959 patients generated revenue of Rs 200 crore with an increase of 35.4% for the same period.

Interestingly, Average Revenue per occupied Bed (ARPOB) improved by the 10.8% to Rs 19680 per day.

Fortis Healthcare HOLD

Fortis healthcare, one of the India's leading healthcare services providers with a network of 53 hospitals and a capacity of over 8200 beds reported 60% increase in net sales to Rs 367.02 crore on the back of majority of its hospitals reported highest quarterly revenues and increased occupancies in hospitals for the quarter ended December 2010. Intrestingly, net profit increased by 59% to Rs 34.5 crore. Further, the newly commissioned Greenfield hospitals at Shalimar Bagh, New Delhi, Anandpur, Kolkata and Oncology Block at Mulund, Mumbai were launched during the quarter and reported encouraging response.

Apollo Hospitals Vs Fortis Healthcare

	APOLLO HOSPITALS ENTERPRISES	FORTIS HEALTHCARE
Share Price (as of 4/3/2011)	462.4	150.15
M.Cap (In Rs crore as of 4/3/2011)	5766.13	6082.58
Dividend (%)	70%	0
No. of Beds*	8234	8200
- Owned	3287	4500
- JVs / Associates	2197	
- Managed	2750	3700

As of December 2010 for Apollo Hospitals Enterprises, and approximately for Fortis Healthcare.
Source: Capitaline Databases

Fortis Healthcare plans to invest US$ 146.81 million over next 12-18 months to add 4000 beds. As a strategic move to expand into tier II and tier III cities the company launched two hospitals in Raigarh and Moradabad.

In addition, it has taken over Operations and Management of the 100 bed O.P. Jindal Hospital at Raigarh in Chhattisgarh state.

Further, it has also collaborated with Moradabad Charitable Trust for running and managing the 150 bed Vivekananda hospital, which takes its presence in tier II and tier II cities to 15 hospitals.

In January 2011, Fortis Malar Hospitals, a subsidiary of Fortis healthcare has taken over operations and management of 100 beds East Coast Hospital in Pondicherry to expand and strengthen its presence in South India.

Further, it has entered in to agreement with 135 bed Cauvery Hospitals, Mysore in February 2011. Recently, there are reports of the company's acquisition of 29% stake in 350 beds Lanka Hospitals Corp in Srilanka for about Rs 163 crore.

Outlook

The government of India brought the high-end treatment in private hospitals under the service tax net. The industry has the wherewithal to pass on these costs to customers. Meanwhile, it has sought roll back of service tax on hospitals and diagnostic centers.

The integrated nature of the frontline hospitals leveraging on their brand name and effective network can help them grow at an accelerated pace. Also, the untapped potential is significant, considering very low penetration.

Increased urbanization has meant structural changes in the life style, which has lead to accelerated growth in life style diseases. Also, the untapped potential, increased penetration of health insurance and rising popularity of medical tourism are the key triggers for the Indian healthcare sector.

Tata Power Company

Set to almost triple its generation capacity

Rs **1219**

(4 March 2011)

Target price: Rs **1250-1300**

Sensex: 18,486 Nifty: 5,539

FINANCIALS

	SALES	OPM (%)	OP	PBIDT	PBDT	FOREX GAIN/ LOSS	DEFERRED STRIPPING COST	TAX	PAT	PPA	SHARE OF P/L FROM ASSOCIATE	MINORITY INTEREST (MI)	NP AFTER MI	EPS (Rs)*
0903(12)	18081.32	19.2	3464.12	3863.08	3154.34	164.98	0	991.4	1472.43	173.7	27.57	107.56	1218.74	51.4
1003 (12)	18985.84	20.7	3939.5	4072.93	3309.06	455.45	-119.53	657.67	2109.63	-29.01	61.66	233.46	1966.84	82.9
1103 (12P)	19396.37	21.5	4175.17	4430.94	3630.72	469.94		3261117.85	2316.36	-19.09	27.97	280.48	2082.95	87.8

* Annualised on current equity of Rs 237.33 crore. Face Value: Rs 10. (P): Projections. Figures in Rs crore. *Source: Capitaline Databases*

Tata Power Company, has presence in all aspects of Power, be it Thermal, Hydro, Solar, Wind Energy, Transmission, Trading and Distribution and also coal business.

Tata Power is licensed to generate, transmit and distribute power to the city of Mumbai and its suburbs. It has coal mines in India and abroad to fuel its robust capacity additions. The subsidiaries operating Distribution, Transmission and Trading are also performing well.

Power operations to be scaled up 3 times

TPC is executing projects to reach 3 times its current scale. The company plans to expand its power generation capacity from 2978 MW at the end of FY 2010 to 4336 MW at the end of FY 2011, 6079 MW at the end of FY 2012 and 8606 MW at the end of FY 2013, thus almost tripling its capacity by end of FY 2013.

Well integrated private sector utility

Tata Power is a well integrated private sector utility having presence across the power sector value chain including power generation, transmission, distribution, power trading and coal business. The company's strategy to venture into all related business areas supporting its existing business activities makes it a unique business model. Integration has helped the company to minimize risks and also overcome the embedded hurdles of power sector in the most efficient manner.

Tata Power has an operational generation capacity of 2997 MW, which includes 2027 MW generated for the vertically integrated operations in Mumbai Licensee Area. Out of the Mumbai generation 650-700 MW is utilized to meet the demand requirement of distribution business (Tata - D) and 100 MW is used for merchant sale via its subsidiary, Tata Power Trading Company. The balance power is sold to other Distribution Licensees operating in the area on regulated terms. The generation business is thus supporting the distribution segment and the company has a balanced mix of regulated and merchant sales, restraining its risk exposure.

Foreseeing the future constraints in fuel supply, in 2006-07, Tata power had ventured into Coal business by acquiring 30% stake in Indonesian Coal mines from Bumi Resources via investments in Bhivpuri Investments and Bhira Investments. It has entered into a back to back Fuel Supply Agreement with Bumi Resources to source Indonesian coal for Mundra UMPP. Tata Power also owns coal

STOCK DATA

BSE Code	:	500400
BSE Group	:	A
NSE Code	:	TATAPOWER
Bloomberg	:	TPWR IN
Reuters	:	TTPW.BO
Par Value	:	Rs 10
52-week High/Low	:	Rs 1465/Rs 1158
Sector	:	Power Generation

SHAREHOLDING PATTERN*

Category		% of equity
Foreign	:	24.07
Institutions	:	27.84
Govt Holding	:	0.04
Corp Holding	:	0.67
Promoters	:	31.81
Public & Others	:	15.57
Total	:	100

* as on 31th December 2010

Source: Capitaline Corporate Database

blocks at Mandakini and Tubed, these blocks shall be utilized to fuel the generation projects in pipeline. Thus, the company's backward integration into fuel supply secures its upcoming projects.

Strong capacity addition plans

During FY10, TPC commissioned the 30 MW Haldia plant, 120 MW plant in Jamshedpur, added 30 MW to Jojobera plant and 42 MW of wind power plants, increasing its total capacity to 2,977 MW.

With operational capacity of 2997 MW amounting to about 2% of the all India capacity of 163 GW. The company plans to scale up the capacity upto 25000 MW by 2017 which shall contribute 8-10% to the nation capacity with an investment of over Rs 70000 crore.

With over 12000 MW capacity under construction and planning, Tata Power looks forward to organic and inorganic growth to attain the vision of 25000 MW. The company is expected to participate aggressively in UMPP projects, competitive bidding and acquisitions. The company is developing solar project under the purview of the National Solar Mission. It intends to venture into nuclear power as well, if the central government opens up nuclear generation for private sector.

The progress on projects under construction/ development has been highlighted below. Thus major capacity addition would be in FY12 after commissioning of Maithon and Mundra plants.

4,000 MW Mundra UMPP: Overall project progress achieved is 71% (up from 65% at the end of Q2FY11). Unit 1 - Turbine generator (TG) and auxiliary equipments pre-commissioning activities are progressing as per schedule. Unit 2 - Boiler hydro test was completed. Equipment and piping erection is in progress. Unit 3 - TG has been delivered and erection started. Erection of boiler pressure parts for Units 4 and 5 is progressing w ell. The first unit is expected to be commissioned by September 2011 followed by commissioning of remaining units in the next 4-5 months. Challenges exist in Right of Way for transmission project.

1,050 MW Maithon power project: is also progressing well and has achieved 92% completion (from 90% at the end of Q2FY11). Unit 1 boiler light up has been completed and Unit 1 is expected to be synchronized with oil by February 2011 and coal synchronization is expected within a month thereafter. As per TPL, it may sell power on a merchant basis from Maithon in FY12, but concerns exist over coal availability given reduced production estimates by Coal India and logistical challenges (as rail sliding will be available by December 2011).

Industrial Energy Limited: Under the JV between TPC (74%) and Tata Steel (26%), a 120 MW power plant being constructed at the company's existing site at Jojobera has been synchronized. The project is expected to be commissioned towards the end of March 2011 (a delay of 6 months). The turbine had witnessed problems and had been sent back to BHEL. It is now re-synchronized.

114 MW Dagachhu Project: in partnership with The Royal Government of Bhutan (RGoB) is progressing well. Major ordering for the project has been completed. All statutory clearances, land, water and environment clearances have been received and PPA for the entire quantum of power has been signed for the project. Civil works are in progress and around 1.3 Kms of tunnelling has been completed. The first unit is targeted to be commissioned by March 2013.

Partnership with SN Power: The company has signed an exclusive partnership agreement with SN Power, Norway to set up joint ventures for developing hydropower projects in India and Nepal. Tata Power and SN Power have already

Tata Power Company, has presence in all aspects of Power, be it Thermal, Hydro, Solar, Wind Energy, Transmission, Trading and Distribution and also coal business

Tata Power is licensed to generate, transmit and distribute power to the city of Mumbai and its suburbs. It has coal mines in India and abroad to fuel its robust capacity additions begun pursuing potential project opportunities based on the vast reserves of renewable energy in the Himalayan region.

1600 MW Coastal Maharashtra Project: All statutory clearances required to start the project implementation are in place. Disbursement of compensation to land owners is in progress by Raigad District Authorities and 45% of private land has been covered till date. Activities pertaining to site enabling works have been identified and are being addressed. Specifications for boundary walls, site grading, roads and drains are under preparation. The plant is expected to be commissioned within 4 years of land acquisition.

660 MW Naraj Marthapur, Orissa: The Environment Clearance has been recommended by MoEF, subject to clearance from National Board of Wild Life (NBWL) for which the process is on. All the balance clearances for the project have been obtained. Land acquisition is currently in progress. Out of the total 990 acres of land, payment for over 600 acres of land has been completed. The entire land acquisition process, including the forest land is expected to be completed by April 2011. The plant is expected to be commissioned within 42-45 months of completion of the land acquisition The company has been allotted the Mandakini coal block located in the Angul district of Orissa, along with Monnet Ispat and Energy Limited, and Jindal Photo Limited, which will feed coal to the plant.

Tiruldih Power Project, Jharkhand (3 X 660 MW): The process of land acquisition for the project is in progress and is expected to be completed by March 2012. In principle clearance has been received from Railways for transportation of coal from Tubed Coal Block Tubed Coal Block has been jointly allotted to Tata Power and Hindalco in Jharkhand.

Satpura CBM Block: Tata Power along with its consortium partner Arrow Energy has been awarded the Satpura CBM block in Madhya Pradesh during the CBM IV bidding round.

TPC is executing projects to reach 3 times its current scale. The company plans to expand its power generation capacity from 2978 MW at the end of FY 2010 to 4336 MW at the end of FY 2011, 6079 MW at the end of FY 2012 and 8606 MW at the end of FY 2013

Strong positioning in renewable energy

Solar Power: The company is implementing a 3 MW solar photo-voltaic plant at Mulshi and will be one of the largest grid connected plants in Maharashtra. The plant is expected to be commissioned by end Feb 2011. The company has signed a PPA w ith Gujarat Urja Vikas Nigam to develop a 25 MW solar photovoltaic project at Mithapur in Gujarat.

Wind Power: Tata Power is the leading private wind generation company with an installed capacity of 228 MW. Tata Power's wind power capacity is spread across three states- Maharashtra, Gujarat and Karnataka. The company has placed an order for 150 MW additional wind capacity to be set up in Maharashtra and Tamil Nadu.

Geothermal Power: Tata Power led consortium comprising of Tata Power (47.50%), Origin Energy Limited (47.50%) and PT Supraco Indonesia (5%) successful won the bid for the Sorik Marapi geothermal project in Northern Sumatra, Indonesia. The Sorik Marapi project is estimated to support the development of approximately 240 MW of geothermal generation capacity.

Funding in place for ongoing expansion programme

Tata power has planned for funds to meet the capex requirements till FY13. The company will require Rs 17900 crore by FY 13 to fund in its existing and upcoming projects. The funding requirements shall be met by a mix of debt and equity, where in equity shall be supported by internal accruals and balance of FCCB (issued in FY10) proceeds and the debt will be raised via domestic and foreign loans.

Tata Power has an operational generation capacity of 2997 MW, which includes 2027 MW generated for the vertically integrated operations in Mumbai Licensee Area

With a debt equity ratio of 1.5, the company has good scope to further leverage its balance sheet.. The company will be able to fund its equity requirement through internal accruals, trade investments and an under-leveraged balance sheet.

TPC has strategic investments in Tata Group's telecom companies and these and other trade investments can be valued at Rs 6800 crore. The company has an option to partly sell its stake in Indonesian coal mining companies, but this would be the last resort for TPC as these assets add great value to the company.

During FY10, TPC commissioned the 30 MW Haldia plant, 120 MW plant in Jamshedpur, added 30 MW to Jojobera plant and 42 MW of wind power plants, increasing its total capacity to 2,977 MW

Indonesian coal investment contributes significantly

Income from coal investments is also expected to grow substantially due to **a)** increase in coal output from the Indonesian coal mines from 65MMTPA currently to 100-MMTPA by CY14, and **b)** firm coal prices at USD72.5/ton due to sustained growth in coal imports by China and India. The coal segment's income is expected to grow strongly going forward.

Performance

In December 2010 quarter, consolidated revenues were flat at Rs 4201.37 crore. Adding income to be recovered based on future tariff of Rs 211.54 crore (down by 30%), the net revenue for the quarter was down by 2% to Rs 4412.91 crore. Further adding other operating income which was up 2% to Rs 28.02 crore the total revenue for the quarter was lower by 2% at Rs 4440.93 crore.

OPM was up by 182 bps to 22.1% due to fall in cost of power purchased by 513 bps to 19%, thus OP was higher by 7% to Rs 983.15 crore.

Other income was higher by 78% to Rs 46.19 crore. Interest increased 14% to Rs 210.92 crore and the depreciation was higher 13% to Rs 248.95 crore. Thus the PBT before Forex gain & deferred stripping cost was up 6% to Rs 569.47 crore.

Total forex gain of Rs 32.06 crore, which was up by 156%. Thus the PBT after forex gain was up by 9% to 601.53 crore. There was a reversal of deferred stripping cost of Rs 71.43 crore. As result, PBT after deferred stripping cost was up by 276% to Rs 672.96 crore. After accounting for taxation of Rs 209.65 crore, the PAT was up by 104% to Rs 463.31 crore. The Prior period tax write back was Rs 80 lakh. Thus the PAT after PPT was up by 204% to Rs 464.11 crore.

After considering, share of profit/loss from associate and minority interest, the net profit has increased by 348% to Rs 441.37 crore.

Nine months performance

For the nine months ended December 2010, consolidated revenues were up 4% to Rs 13608.79 crore. Adding income to be recovered based on future tariff of Rs 753.58 crore (up by 2%), the net revenue was up by 2% to Rs 14362.37 crore. Further adding other operating income which was up 28% to Rs 72.91 crore the total revenue was higher by 2% at Rs 14435.28 crore.

The company is implementing a 3 MW solar photo-voltaic plant at Mulshi and will be one of the largest grid connected plants in Maharashtra. The plant is expected to be commissioned by end Feb 2011

OPM was up by 44 bps to 21.3% due to fall in fuel cost by 263 bps to 22.5%, thus OP was higher by 4% to Rs 3076.79 crore.

PBT before Forex gain and EO was up by 8% to Rs 1958.23 crore.

Total forex gain stood at Rs 101.68 crore, which was up by 17%. Thus the PBT before deferred stripping cost was up by 8% to Rs 2059.91 crore. There was reversal of deferred stripping cost of Rs 254 crore. As result, PBT after deferred stripping cost was up by 39% to Rs 2313.91 crore. After accounting for taxation of Rs 781.76 crore, the PAT was up by 30% to Rs 1532.15 crore. The Prior period tax write back was Rs 19.09 crore. Thus the PAT after PPT was up by 39% to Rs 1551.24 crore.

After considering share of profit/loss from associate and minority interest, net profit increased 41% to Rs 1434.58 crore.

Tata power has planned for funds to meet the capex requirements till FY13. The company will require Rs 17900 crore by FY 13 to fund in its existing and upcoming projects.

Consolidated Segment Performance

Power

For Q3, the power business contributed 58% of the total revenue. The revenue has decreased 10% to Rs 2611.26 crore. The PBIT margin has declined by 233 basis points to 15.4%. As a result, the PBIT has decreased by 22% to Rs 401.82 crore. The decrease was mainly due to low merchant rate realization, lower AT&C incentives accrued by NDPL and unscheduled maintenance of DG sets. It contributes 48% of total PBIT.

For nine months ended FY11, the division contributed 63% of the total revenue. The revenue has decreased 4% to Rs 9108.76 crore. The PBIT margin has declined by 168 basis points to 15.3%. PBIT has decreased by 13% to Rs 1390.27 crore contributing 50% of total PBIT.

Coal

For Q3, the coal business contributed 37% of the total revenue. The revenue has increased 17% to Rs 1672.31 crore. The Coal companies reported higher realization although the quantity sold was lower than the corresponding period last year The PBIT margin turned around to 25.9%. As a result, the PBIT stood at Rs 432.57 crore contributing 52% of total PBIT.

For nine months ended FY11, the division contributed 32% of the total revenue. The revenue increased 14% to Rs 4686.29 crore. The PBIT margin has inclined by 1282 basis points to 26%. As a result, the PBIT has inclined by 125% to Rs 1218.81 crore contributing 43% of total PBIT.

JVs/subsidiaries Performance

North Delhi Power (NDPL):

The Company's distribution subsidiary and Joint-Venture with Delhi Govt., NDPL posted revenues of Rs 813.72 crore during Q3 ended 31st December 2010, as compared to Rs. 813.45 crore registered in the corresponding period of the previous year. The Profit after Tax decreased to Rs. 34.78 crore as against Rs. 68.39 crore in the previous quarter last year. This is mainly due to low er AT&C incentives accrued during the quarter. However, on the YTD basis the AT&C incentives are higher than previous year.

Powerlinks Transmission (Powerlinks):

Powerlinks, the first public-private joint venture in power transmission in India has earned revenues of Rs. 73.48 crore in Q3 FY11 as against Rs. 72.39 crore in the previous year. The Profit after Tax also decreased to Rs. 27.98 crore from Rs. 34.35 crore due to reversal in previous year of deferred tax provision made for nine month period.

In December 2010 quarter, consolidated revenues were flat at Rs 4201.37 crore. Adding income to be recovered based on future tariff of Rs 211.54 crore (down by 30%), the net revenue for the quarter was down by 2% to Rs 4412.91 crore.

Optimistic management

Speaking on the performance for the quarter, Mr. Anil Sardana, Managing Director, Tata Power, said, 'All our business divisions have performed well. Our operations continue to be stable and the new projects under implementation are progressing well. The quarter performance is in line with the growth target charted out by the company. Tata Power now moves into an exciting stage of commissioning its new projects at Maithon and Mundra.

We are committed to our Sustainability agenda. The recent signing of the PPA with the Gujarat Government for 25 MW of solar power is a significant step in strengthening our renewable portfolio. Further, the acknowledgement and award received for Tata Power Energy Club have been very encouraging and we intend to take this movement to newer dimensions.'

Valuation

In FY 2011, we expect the company to register consolidated income from operations and net profit of Rs 19396.37 crore and Rs 2082.95 crore respectively. On Equity of Rs 237.33 crore and face value of Rs 10 per share, consolidated EPS works out to Rs 87.8. Consolidated Book value will be around Rs 590 by March 2011. The share price trades at Rs 1219. P/E works out to 13.8 and P/BV works out to 2.

In FY 2011, we expect the company to register consolidated income from operations and net profit of Rs 19396.37 crore and Rs 2082.95 crore respectively.

Tata Power Company: Consolidated results

	1012(03)	0912(03)	VAR.(%)	1012(09)	0912(09)	VAR. (%)	1003 (12)	0903 (12)	VAR. (%)
Sales	4440.93	4515.76	-2	14435.28	14122.03	2	18985.84	18081.32	5
OPM (%)	22.1	20.3		21.3	20.9		20.7	19.2	
OP	983.15	917.45	7	3076.79	2947.44	4	3939.5	3464.12	14
Other inc.	46.19	26.02	78	203.24	98.41	107	133.43	398.96	-67
PBIDT	1029.34	943.47	9	3280.03	3045.85	8	4072.93	3863.08	5
Interest	210.92	185.3	14	590.84	578.57	2	763.87	708.74	8
PBDT	818.42	758.17	8	2689.19	2467.28	9	3309.06	3154.34	5
Dep.	248.95	220.79	13	730.96	646.28	13	877.68	855.49	3
PBT before Forex G/L & deferred stripping cost	569.47	537.38	6	1958.23	1821	8	2431.38	2298.85	6
Forex Gain/Loss	32.06	12.5	156	101.68	87.19	17	455.45	164.98	176
PBT before deferred stripping cost	601.53	549.88	9	2059.91	1908.19	8	2886.83	2463.83	17
deferred stripping cost	71.43	-370.67	LP	254.00	-244.81	LP	-119.53	0	
PBT After deferred stripping cost & Before Share of Profit from Asso.	672.96	179.21	276	2313.91	1663.38	39	2767.3	2463.83	12
Tax	209.65	-47.81	LP	781.76	483.4	62	657.67	991.4	-34
PAT	463.31	227.02	104	1532.15	1179.98	30	2109.63	1472.43	43
PPA	-0.8	74.29		-19.09	66.33		-29.01	173.7	LP
PAT after PPA	464.11	152.73	204	1551.24	1113.65	39	2138.64	1298.73	65
Share of P/L from associate	8.00	0.95	742	21.63	19.37	12	61.66	27.57	124
Minority Interest	30.74	55.11	-44	138.29	112.96	22	233.46	107.56	117
Net Profit after Minority Interest	441.37	98.57	348	1434.58	1020.06	41	1966.84	1218.74	61
EPS (Rs)*	#	#		#	#		82.9	51.4	

* Annualised on current equity of Rs 237.33 crore. Face Value: Rs 10. # EPS cannot be annualised due to the seasonality in business
Var. (%) exceeding 999 has been truncated to 999. LP: Loss to Profit PL: Profit to Loss. EO: Extraordinary items
EPS is calculated after excluding EO and relevant tax. Figures in Rs crore. *Source: Capitaline Databases*

Tata Power: Consolidated Segment Results

SEGMENT REVENUE	1012(03)	0912(03)	VAR. (%)	% TO TOTAL	1012(09)	0912(09)	VAR. (%)	% TO TOTAL	1003 (12)	0903 (12)
Power	2611.26	2909.35	-10	58	9108.76	9450.94	-4	63	12550.05	
Coal Business	1672.31	1434.62	17	37	4686.29	4112.18	14	32	5620.95	
Others	212.52	190.42	12	5	773.69	651.98	19	5	906.95	
Total	4496.09	4534.39	-1	100	14568.74	14215.10	2	100	19077.95	0.00
Less: Intersegment Revenue	55.16	18.63	196		133.46	93.07	43		92.11	0.00
Net sales	4440.93	4515.76	-2		14435.28	14122.03	2		18985.84	0.00
PBIT										
Power	401.82	515.48	-22	48	1390.27	1600.82	-13	50	2076.36	
Coal Business	432.57	-171.17	LP	52	1218.84	542.38	125	43	999.20	
Others	2.60	7.45	-65	0	196.05	57.37	242	7	65.92	
Total	836.99	351.76	138	100	2805.16	2200.57	27	100	3141.48	0.00
Less: Interest	210.92	185.30	14		590.84	578.57	2		763.87	
ADD: Other unallocable income (net)	46.89	12.75	268		99.59	41.38	141		389.69	
PBT	672.96	179.21	276		2313.91	1663.38	39		2767.30	0.00
Capital Employed										
Power	27084.16	17924.32	51	183	27084.16	17924.32	51	183	20886.25	
Coal Business	6144.21	5199.83	18	42	6144.21	5199.83	18	42	5384.45	
Others	1156.37	1257.90	-8	8	1156.37	1257.90	-8	8	1102.49	
Unallocable	-19620.85	-11904.98	65	-133	-19620.85	-11904.98	65	-133	-14229.44	
Total CE	14763.89	12477.07	18	100	14763.89	12477.07	18	100	13143.75	0.00

Figures in croreLP: Loss to Profit PL: Profit to Loss. *Source: Capitaline Databases*

Castrol India: *Solid growth*

Castrol India reported a 14% growth in topline to Rs 698.1 crore and 31% growth in bottomline to Rs 105.90 crore compared to corresponding previous year period backed by better profitability in automotive segment and marginal decline in non automotive segment profitability . PBIT margins in automotive segment rose 260 bps to 21.1% while PBIT margins in non automotive segment fell 60 bps to 25.5%.

Automotive segment's sales increased by 14% to Rs 599.30 crore in quarter ended December 2010 with its contribution to total sales stood at 86%. The segment's PBIT witnessed an increase of 30% to Rs 126.40 crore which formed 84% of the total PBIT. Non Automotive segment's sales increased by 18% to Rs 96.50 crore in quarter ended December 2010 with its contribution to total sales stood at 14%. Non Automotive segment's PBIT witnessed an increase of 15% to Rs 24.60 crore which formed 16% of the total PBIT.

OPM of the company rose 160 bps to 22.5% leading a 23% growth in operating profits to Rs 157 crore as consumption of raw materials as a percentage of net sales rose to 51.0% in the quarter ended December 2010 from 46.9% in the corresponding previous year period. Purchase of traded goods fell to 0.8% from 1.3%, staff cost increased to 4.4% from 4.1% while carriage, insurance and freight charges declined to 2.6% from 2.9%. However Advertisement expenses decreased to 7.3% from 7.7.% while other expenses fell to 11.3% from 15.9%.

Commenting on the full year results, Mr. Naveen Kshatriya – Vice Chairman, Castrol India Limited, said, "Castrol India has delivered yet another set of record results with growth in sales, unit margins and profits. The margin improvement has been achieved through a combination of higher sales of premium products and higher unit realization through strategic pricing actions.

The company continued its efforts in aggressively pursuing cost efficiency and cost effectiveness programmes. What is significant is that this saving was achieved despite continued investment in people, brands and infrastructure, with a view to building long term sustainable growth.

During the year under review, the company initiated several marketing programmes in the automotive business, aimed at achieving a stronger connect with its customers. The company successfully leveraged Castrol's global sponsorship of the FIFA World Cup 2010, through a comprehensive communication campaign. The company also entered into a five year sponsorship deal with the International Cricket Council (ICC), tying up as its Official Performance Partner. A huge advertising and promotion campaign is currently on to leverage this partnership which is expected to contribute significantly towards strengthening the Castrol brand further and driving higher sales.

The company also intensified its activities in rural markets through the Sanjeevani programme through which we directly contacted farmers in 35,000 villages.

The Industrial business also posted robust growth delivered through high performance products and differentiated solutions for our customers. Enhanced distribution reach and strategic tie ups with key partners also helped drive the growth in this segment.

The company expects the economy to maintain the growth momentum. Growth in the lubricants industry is also likely to come from the personal mobility and infrastructure segments, both of which continue to show strong growth impetus. However, the steep increase in the cost of goods is expected to continue and this could impact margins.

Despite this risk, the company remains confident of sustainable growth in its financial performance. This is underpinned by superiority of its products, strong customer relationships, continued focus on improving the operational efficiency and sustained investment in brand and organizational capability building.

The company has declared a final dividend of Rs. 8/- per share. The Company has already paid an interim dividend of Rs. 7/- per share. Hence the total dividend paid for the financial year January – December 2010 is Rs. 15/- per share. Both the said dividends have been paid on the enhanced share capital post issue of Bonus shares. (The Company had allotted in April 2010 bonus shares in the ratio of 1:1). The total dividend paid for the year 2009 was Rs.25/- per share (which included a Special dividend of Rs. 10/- per share). However, the dividend for the year 2009 was paid on the old share capital i.e. prior to the issue of Bonus shares.

The promoter's shareholding remains unchanged at 71.03% as on 31 December 2010.

Castrol India: results

PARTICULARS	1012(3)	0912(3)	VAR(%)	1012(12)	0912(12)	VAR(%)
Net Sales	698.1	612.4	14	2742.90	2328.00	18
OPM (%)	22.5	20.9		26.7	25.1	
OP	157.00	127.90	23	733.20	585.20	25
Other Income	8.7	3.1	181	31.30	26.30	19
PBDIT	165.70	131.00	26	764.50	611.50	25
Interest	0.7	1.4	-50	2.40	3.50	-31
PBDT	165.00	129.60	27	762.10	608.00	25
Depreciation	6.2	6.8	-9	24.30	27.20	-11
PBT	158.80	122.80	29	737.80	580.80	27
PBT after EO	158.80	122.80	0	737.80	580.80	27
Tax	52.9	42.0	26	248.50	199.70	24
PAT	105.90	80.80	31	489.30	381.10	28
PPA	0.00	0.00		-1.10	0.00	
PAT after PPA	105.90	80.80	31	490.40	381.10	29
EPS (Rs)*	17.1	13.1		19.8	15.4	

* Annualised on diluted equity of Rs 247.2 crore. Face Value: Rs 10. Var. (%) exceeding 999 has been truncated to 999. LP: Loss to profit. PL: Profit to loss. EO: Extraordinary items. FBT: Fringe Benefit Tax. EPS is calculated after excluding EO and relevant tax. Figures in Rs crore. *Source: Capitaline Databases*

CONTACT

N.S. RAO

General Manager

Canara Bank Securities Ltd.

112- II floor, Sion Garage Building, Sion Koliwada Road,
Sion(E) , Mumbai 400 022
Contact No: 022-24063800 / 3841 / 3842
Fax No : 022-24024377 / 24014374
E-mail : cbsl@canmoney.in
Website: www.canmoney.in

BSE: INB 011280238 **NSE: INB 231280232** **NSE F&O: INF 231280232** **CDS: INE 231280232**

DISCLOSURE: CBSL undertakes proprietary trading in addition to client broking business. CBSL has / may take exposure in the scrips sighted in this newsletter.