

Uninteresting...a year later!

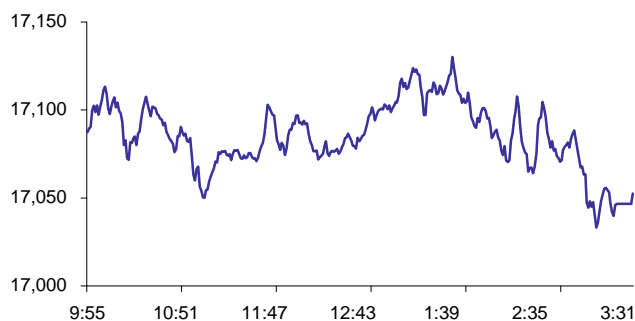
Modern calendars mar the sweet simplicity of our lives by reminding us that each day that passes is the anniversary of some perfectly uninteresting event.

It's been a year since the market has bid farewell to its lows. Meanwhile, the Sensex has galloped by over 100% in a year; albeit with a couple of corrections. The story ahead doesn't appear as promising as yet. For the day, we don't expect any broad movement as the sentiment has softened a bit. Global markets are also insipid to say the least. Given this backdrop, we expect a flat to slightly positive start and another anemic session. Select stock specific action may of course continue to hog limelight.

Technically, the NSE Nifty faces resistance at 5200 while support is likely to kick in at 5000. A break beyond this range is not expected anytime soon. Much will hinge on global cues and fund flows; also don't forget local data points like IIP and inflation.

Meanwhile, in Parliament, it has taken 14 long years for India to pass the Women's Reservation Bill in Rajya Sabha. The Bill is yet to be cleared by the Lok Sabha.

Sensex intra-day



ADR/GDR	Latest (US\$)	Price % chg	% Prem/Disc
Dr. Reddys	25.9	0.0	1.1
HDFC Bk	127.0	0.1	6.6
ICICI Bk	40.9	0.2	0.8
ITC	5.5	(0.2)	(0.0)
Infosys	59.5	(0.7)	1.1
Satyam	5.4	(5.1)	25.6
Ranbaxy	9.9	(2.9)	(0.4)
Reliance	43.5	(1.8)	0.2
Wipro	22.9	0.3	49.1
SBI	91.1	(1.7)	1.7
Tata Motors	18.5	2.6	8.6
Sterlite	17.6	(2.3)	(0.3)
L&T	35.0	(0.6)	0.5

Indian market	Last close	1 day	% change 3 mth	YTD
Sensex	17,053	(0.3)	(0.4)	(2.4)
Nifty	5,102	(0.4)	(0.2)	(1.9)
BSE 100	2,153	(0.6)	0.3	(1.3)
BSE 200	6,778	(0.6)	0.8	(0.9)
CNX Midcap	7,564	(0.6)	3.1	1.8
BSE Smallcap	8,531	(0.7)	7.2	2.1

Developed market	Last close	1 day	% change 3 mth	YTD
Dow Jones	10,564	0.1	2.2	1.3
Nasdaq	2,341	0.4	7.2	3.2
S&P 500	1,140	0.2	4.1	2.3
FTSE	5,602	(0.1)	7.7	3.5
CAC	3,910	0.2	4.1	(0.7)
DAX	5,886	0.2	4.2	(1.2)
Hang Seng*	21,194	(0.1)	(2.3)	(3.1)
Nikkei*	10,559	(0.1)	7.1	0.1
S&P/ASX200*	4,812	(0.2)	4.5	(1.2)

* Markets are open

Emerging market	Last close	1 day	% change 3 mth	YTD
Shanghai Comp	3,080	0.4	(5.3)	(6.0)
Brazil Bovespa	69,576	1.5	2.3	1.4
Mexico Bolsa	32,514	(0.0)	2.7	1.2
Kospi*	1,658	(0.1)	0.3	(1.4)
Micex	1,413	(0.1)	7.7	3.1
Taiwan*	7,761	(0.1)	1.1	(5.2)
Straits*	2,858	0.6	2.7	(1.4)

* Markets are open

Institutional activity (Rs cr)	Cash	F&O	MTD	YTD
FII's	2,259	(282)	10,717	8,357
MF's	(201)	-	(1,382)	(3,205)
FII's Prov.	2,173			
MF's Prov.	(172)			

Commodities	Last close	1 day	% change 3 mth	YTD
Crude (US\$/bbl)	81.2	(0.3)	15.2	2.4
Gold (US\$/oz)	1,122	0.0	(0.8)	2.3
Copper (US\$/mt)	7,475	0.5	8.3	1.8
Aluminium (US\$/mt)	2,228	1.2	2.4	1.4
Zinc (US\$/mt)	2,346	0.2	3.0	(7.2)

Advance/Decline stocks (Nos)	A	B	S	Total
Adv	50	634	176	1,043
Dec	154	1,206	257	1,780
Unch	0	44	9	64
A/D ratio (x)*	0.3	0.5	0.7	0.6

*A/D excluding Unch

Trade value (Rs cr)	% chg
Cash NSE	13,109 (13.7)
Cash BSE	7,230 49.0
Total Cash	20,339 1.4
Delivery (%)	41.8 -
Derivatives	52,434 (12.1)

Currency	Last close	1 day	% change 3 mth	YTD
Rs/US\$	45.64	0.2	2.0	2.0
Rs/EUR	61.79	(0.3)	11.3	7.8
US\$/GBP	1.50	(0.2)	(8.1)	(7.4)
US\$/EUR	1.36	(0.0)	(7.7)	(5.1)
Yen/US\$	90.02	0.1	(2.0)	3.3

Bond market	Last Close (%)	Bps chg
10yr Gsec	7.98	(0.02)
Call rate	3.15	(0.15)

Corporate snippets

- ✦ Minister of state for Petroleum and Natural Gas Jitin Prasada told Rajya Sabha that **ONGC** plans to invest Rs265bn in the next fiscal for exploration, production and related ventures. (FE)
- ✦ Minister of State for Petroleum and Natural Gas, Mr Jitin Prasada, said that **IOC** has "regretted its participation" as equity partner in the proposed Barmer refinery due to financial constraints. (BL)
- ✦ The European Investment Bank had agreed to a £340mn loan to the Jaguar and Land Rover brands of **Tata Motors**. (BS)
- ✦ Daimler sold its 5.34% stake in **Tata Motors** for nearly €300mn (Rs18.6bn). (ET)
- ✦ A group of British Members of Parliament launched a scathing attack on the mothballing of **Corus's** Teeside Cast Products plant in northern England. (BL)
- ✦ **NMDC** is expected to increase its production to 50mt by 2013-2014 from the present 30mt and also plans to introduce a new pricing mechanism from April 1. (BS)
- ✦ Wipro Technologies, the global IT services business of **Wipro**, announced that it has signed a Microsoft business productivity online suite "dedicated advisor" agreement with Microsoft Corp. (FE)
- ✦ Wipro Infotech, the India and West Asian IT business of **Wipro**, won a turnkey project from the Financial Intelligence Unit - India (FIU-IND) of the Union Ministry of Finance to implement the FINnet project. (BS)
- ✦ **Hindustan Unilever** has appealed against the Calcutta High Court's interim injunction, which restrained it from airing a particular commercial for its washing soap/powder, *Rin*. (BS)
- ✦ FMCG major **Marico** plans to launch its beauty and wellness chain, Kaya in the Middle East by opening 4-5 clinics in the region in FY11. (ET)
- ✦ The Steel Ministry said it will send the 20% share sale proposal of **SAIL** to the Cabinet this week. (ET)
- ✦ **IDBI Bank** hoped to raise US\$250-300mn through a medium-term note program, but would wait until market conditions were more favorable. (BS)
- ✦ **Indian Hotels** is mulling the possibility of completely doing away with its Residency brand luxury hotels and gears up for a stronger push of its Vivanta brand. (BL)
- ✦ The QIP issue of **India Cements**, launched late on Monday, is said to have received a good response from institutional investors to raise US\$75mn. (ET)
- ✦ **Tata Teleservices** has acquired 75,000 sq ft built up space for Rs280mn in the newly built IT building named 'Prince Infocity II' near Chennai. (ET)
- ✦ **Binani Cement** plans to venture into commercial real estate development in order to cash in on its idle land bank and to reduce dependence on the cyclical nature of the cement business. (ET)
- ✦ **Patel Engineering** has received coal linkage for its proposed 1,050MW thermal project at Nagapattinam, Tamil Nadu. (BL)
- ✦ Aditya Birla Minacs part of the **Aditya Birla Group**, has acquired the UK-based firm Compass BPO for an undisclosed sum. (ET)
- ✦ **Bosch Ltd** declared a lock-out at its Naganathpura production plant near Bangalore, after workers resorted to a flash strike and assaulted an officer over wage revision. (FE)
- ✦ Even as reports of Bt cotton 1 developing resistance to pink bollworm create concern in the farming community, **Monsanto** has begun work on two new technologies Bollgard III, the third generation Bt cotton technology, and Roundup Ready Flex, a technology that gives herbicide tolerance to the plant. (BL)
- ✦ **Garware Offshore Services** bagged a contract worth Rs225mn from ONGC. (FE)
- ✦ CCCL Infrastructure Ltd, part of the Chennai-based **Consolidated Construction Consortium Ltd**, plans to raise Rs15-20bn through private equity. (BS)
- ✦ **Singareni Collieries Company Ltd**, India's second-largest coal producer, and also a state sector undertaking, plans to foray into power generation by setting up 1,200MW thermal power plant in Adilabad for an investment of Rs56bn. (BS)

Economy snippets

- ✦ The Railways carried over 800mt of freight, an increase of 6.95%, in the ongoing financial year to February. (ET)
- ✦ The government plans to carry out bulk of its targeted borrowing for fiscal 2010-11 in the first six months, the country's top policy adviser has said. (ET)
- ✦ The RBI plans to amend its rules to pre-empt NBFCs from misusing the liberal rules governing limited liability partnership firms. (BS)
- ✦ India and Russia are expected to sign four agreements in the fields of business and economy and one of the pacts includes fertilizers. (FE)
- ✦ After de-controlling the prices of fertilizers containing phosphorous and potash from April 1 this year, the government is planning to encourage their free imports. (FE).
- ✦ According to leading developers in the housing segment, home buyers are set to face higher prices due to the imposition of service tax as well as an increase in cost of various inputs like cement. (BS)
- ✦ The Central Board of Excise and Customs has recommended to the Director General of Foreign Trade that the norms for issuing export/import licenses be more stringent. (BS)
- ✦ The Jawaharlal Nehru Solar Mission's plan for the deployment of 20,000MW of solar power by 2022 needs an investment of Rs3trn, based on a capex of Rs150mn/MW. (BS)
- ✦ The government will provide Rs95bn for recapitalisation of public sector banks in the first quarter next year, while about Rs70bn will be infused during the rest of the financial year 2010-11. (BS)
- ✦ Sugar production in Uttar Pradesh may cross 4.5mt during the ongoing 2010-11 season as cane yields surpass expectations. (BL)

Nifty price/volume



As expected, Nifty remained weak with downward bias during the day. Sluggish momentum indicators and a flattening moving average suggest a range bound trading phase for the Nifty. On the downside, 5,070 is likely to provide strong support for the day.

Support/Resistance levels

	Close	Support	Resistance
Nifty	5,102	5,070	5,140
Sensex	17,053	16,890	17,180

Abnormal change in delivery

Stock	NSEdely (%)	Prev NSEdely (%)	Price % chg
Naukri	84.4	30.5	(1.2)
Apil	43.7	16.2	0.0
Blkashyap	22.5	9.2	(2.7)
Supremeind	35.5	15.2	(2.2)
Bataindia	38.1	17.3	(0.3)

Positive breakout

Company name	CMP	10 Days MVG avg	Price % chg	20 Days MVG avg
Jbf Industries	105.5	102.9	2.6	104.4
Sundaram Clayton	119.6	116.8	2.4	115.2
Mangalam Cement	169.0	165.2	2.3	163.5
Itc Ltd	251.1	245.6	2.2	246.6
Basf India Ltd	380.4	372.4	2.1	373.7

Stocks in uptrend

Company	Vol % chg	Delivery %	Price % chg
Birlacorp	258.1	94.1	0.4
Elgiequip	1,043.8	85.5	3.0
Ksbumps	2.8	83.8	0.0
Bajautofin	77.3	78.7	0.5
Erainfra	55.0	77.1	0.0

HDIL (SELL, CMP Rs308, Target Rs290): On the daily charts, REC has given a close well below its resistance levels between Rs321-323. Moreover, the stock has broken below its 200-DMA. We expect the weakness to continue in the near term with daily RSI also showing a downward trend. Movement of the momentum indicators denote that the stock could trudge lower over the near term. Any fall from these levels could drag the stock lower towards Rs290 and below. **We recommend a high-risk sell on the stock between the levels of Rs311-305 with a stop loss of Rs317 for an initial target of Rs290.**

HDFC (BUY, CMP Rs2,659, Target Rs2,740): The stock had been consolidating in a narrow range between Rs2,545-2,624 since last one week. On Tuesday, the stock broke past its 100-DMA with higher-than-average volumes. From the current level, the stock can only move towards one direction, i.e. upwards. The daily RSI has also given a positive divergence, indicating that price would start moving up after facing stiff resistance around the levels of Rs2,620-2,625 zone. **We recommend buy on the stock from the above mentioned technical observations. Maintain a stop loss of Rs2,624 and go long for a target of Rs2,740 in the coming trading sessions.**

Negative breakout

Company name	CMP	10 Days MVG avg	Price % chg	20 Days MVG avg
Rashtriya Chems	89.0	91.4	(2.6)	97.2
Cinemax India	64.7	66.5	(2.6)	68.3
Gtl Infrastructu	41.1	42.2	(2.7)	42.3
Ksl Realty	42.2	43.3	(2.8)	46.2
Mindtree Ltd	523.2	538.1	(2.8)	547.0

Stocks in downtrend

Company	Vol % chg	Delivery %	Price % chg
Banarisug	428.9	98.2	(3.4)
Trent	86.9	90.0	(1.2)
Ghcl	54.9	89.0	(0.4)
Crisil	31.3	88.5	(0.3)
Shreecem	131.1	87.9	(0.7)

Pivot table

Company	CMP (Rs)	Supp 1	Supp 2	Pivot	Res 1	Res 2
ABB	839	831	819	843	851	859
ACC	992	984	974	995	1,002	1,010
Ambuja Cem	115	114	113	115	116	117
BHEL	2,424	2,410	2,392	2,429	2,442	2,455
BPCL	536	531	522	540	546	551
Bharti	291	288	284	291	295	298
Cairn	268	266	263	269	271	273
Cipla	314	311	305	317	321	324
DLF	312	308	302	314	318	322
Gail	408	404	399	409	413	417
Grasim	2,827	2,812	2,795	2,828	2,843	2,859
HCL Tech	361	358	355	361	364	367
HDFC Bank	1,811	1,786	1,771	1,800	1,826	1,851
Hero Honda	1,876	1,857	1,826	1,888	1,907	1,926
Hindalco	162	160	156	164	166	168
HUL	236	234	231	237	239	241
HDFC	2,659	2,609	2,581	2,637	2,687	2,738
ICICI Bank	925	911	900	923	937	951
Idea	62	61	60	62	63	63
Infosys	2,684	2,634	2,600	2,668	2,718	2,768
ITC	251	249	247	251	253	255
L&T	1,589	1,576	1,556	1,596	1,609	1,622
M&M	1,130	1,112	1,098	1,126	1,144	1,161
Maruti	1,500	1,477	1,461	1,493	1,515	1,538
Nalco	391	388	381	394	398	401
NTPC	203	202	200	204	205	206
ONGC	1,096	1,090	1,082	1,097	1,104	1,110
Powergrid	109	108	107	109	110	111
PNB	921	913	903	924	932	940
Ranbaxy	453	449	441	457	461	466
Rcom	163	162	160	163	164	166
Reliance	990	982	967	997	1,005	1,014
Reliance Infra	1,001	991	974	1,008	1,018	1,028
Reiance Power	142	141	139	143	145	146
Satyam	99	97	96	99	100	101
Siemens	735	725	716	734	744	753
SBI	2,045	2,025	1,999	2,052	2,071	2,090
SAIL	234	232	229	235	237	239
Sterlite	805	798	789	807	814	821
Sunpharma	1,655	1,636	1,623	1,649	1,668	1,687
Suzlon	77	76	74	78	79	80
Tata Com.	293	291	286	295	298	301
TCS	769	762	753	770	777	784
Tata Motors	776	764	754	775	786	798
Tata Power	1,331	1,318	1,304	1,333	1,345	1,357
Tata Steel	615	610	603	616	621	626
Unitech	75	74	73	75	77	78
Wipro	702	697	690	705	710	715
Zee	272	263	256	270	279	288

A pivot is a level at which the market direction changes for the day. These points can be critical support and resistance levels for that day. Pivot levels are only broad indicators and not necessarily our view on the stock or index.

Top movers

Company	Price (Rs)	Price % chg	% YTD chg
Asian Hotels Nor	560.0	300.0	(0.3)
House Of Pearl F	93.7	19.5	9.1
Prithvi Info Sol	72.2	10.4	3.1
Eveready Indus	66.3	7.1	(2.6)
Escorts Ltd	157.5	7.1	19.0

Top losers

Company	Price (Rs)	Price % chg	% YTD chg
Mahindra Forging	117.6	(17.1)	(5.0)
Bank Rajasthan	62.5	(6.5)	(18.5)
Paramount Comm	13.0	(5.1)	(15.0)
Phoenix Mills	192.9	(4.9)	(3.1)
Ksl Realty	42.2	(4.6)	(21.7)

Volume Toppers

Company	Price (Rs)	Price % chg	Vol % chg
Eveready Indus	66.3	7.1	1,248.7
Tata Motors Ltd	776.1	(2.7)	1,045.6
Prithvi Info Sol	72.2	10.4	515.1
Peninsula Land	81.0	4.2	439.1
Cmc Ltd	1,173.1	(3.3)	369.4

Sector watch

BSE Indices	Last close	Price % chg				50 DMA
		1 day	1 week	1 mth		
BSE Bankex	10,295	(0.2)	9.8	1.4		9,915
BSE Realty	3,402	(1.1)	3.4	(14.2)		3,811
BSE HC	5,073	(0.4)	5.8	2.1		4,810
BSE Metals	17,273	(1.6)	11.7	5.9		16,240
BSE Oil & Gas	9,650	(1.3)	(0.4)	(7.1)		10,113
BSE Auto	7,619	(0.9)	10.9	5.4		7,022
BSE IT	5,310	0.8	6.8	8.0		4,898
BSE Power	3,074	(0.8)	2.5	2.0		3,059
BSE FMCG	2,802	(0.1)	3.0	(3.0)		2,796
BSE PSU	9,187	(1.4)	(1.8)	(1.1)		9,264
BSE Cap Goods	13,891	(0.8)	6.2	2.4		13,538
BSE CD	4,126	0.1	4.3	15.5		3,733
BSE 200	2,153	(0.6)	5.8	0.3		2,106
BSE 500	6,778	(0.6)	5.5	0.8		6,612
BSE Mid Cap	6,735	(0.7)	4.3	2.1		6,541
BSE Small Cap	8,531	(0.7)	3.7	7.2		7,988
CNX 500	4,252	(0.8)	3.6	0.3		4,179

Note:

Ideas given under the 'Technicals' section are for intraday purpose or up to a period of three trading sessions. Stocks recommended under this heading are not necessarily part of our fundamental buy or sell list.

Bulk deals

Date	Scrip name	Client name	B/S	Qty ('000)	Avg price (Rs)	Deal size (Rs m)
9/03/2010	Cinerad Comm	India Emerging Capital	B	31.8	7.7	0.2
9/03/2010	Tata Motors	Citigroup Global	B	4653.5	752.4	3501.4
9/03/2010	Tata Motors	Tata Sons Limited	B	4000.0	750.0	3000.0
9/03/2010	Tata Motors	Daimler Ag-Fdi A/C	S	25596.5	751.7	19240.1

Insider trades

Company name	Acquirer	Transaction date	B/S	Qty ('000)	Avg price (Rs)	Deal size ('000)	Shares transactions (%)	Holding after transaction (%)
Asian Electronics	Shah Investments	17/02/2010	S	190.8	32.0	6.1	0.6	6.0
Autoline Indus	Duke Advisors	11/02/2010	B	81.0	116.0	9.4	0.0	0.0
Autoline Indus	Duke Indian	11/02/2010	S	81.0	116.0	9.4	0.0	0.0
Automotive Stamp	Lotus Global	15/02/2010	B	624.2	65	40.6	0.0	0.0

*Closing price on the transaction day is assumed to be average price of the deal

Nifty Call open interest up by 11lacs shares.

- Put open interest up by 20lacs shares.
- Future open interest up by 1lacs shares.
- Nifty Put Call ratio of open interest now stands at 1.50 vs 1.49.
- Nifty Put Call ratio of volume now stands at 1.15 vs 1.38.
- Nifty near month at a discount of Rs5.
- Major strikes in calls ranging from 5,100 to 5,500 have seen addition of open interest.
- Maximum open interest of Call is at 5,100 strike.
- Major strikes in puts ranging from 4,600 to 5,100 strike have seen addition of open interest.
- Maximum open interest of Put is at 5,000 strike.
- Nifty volatility index stands at 21.

Strategies

- Long Piramal Healthcare March Future @ Rs424 for the target price of Rs445 and stop loss placed at Rs414.**

Lot size: 1,500

Remarks: Net maximum profit of Rs31,500 and net maximum loss Rs15,000.

- Long Oriental Bank of Commerce March Future @ Rs306 for the target price of Rs325 and stop loss placed at Rs295.**

Lot size: 1,200.

Remarks: Net maximum profit of Rs19,200 and net maximum loss Rs7,200.

Nifty snapshot

	Current	Previous	% Chg
Near month price	5,097	5,118	(0.4)
Near month Pre/Disc	(4.4)	(6.5)	(31.5)
Mid month price	5,099	5,119	(0.4)
Mid month Pre/Disc	(2.4)	(5.1)	(54.4)
OI* ('000)	28,484	28,358	0.4
Volume ('000)	14,394	16,968	(15.2)
PCR (OI)	1.4	1.3	0.4
PCR (Vol)	1.2	1.2	2.9
Roll-over (%)	8.6	8.7	(1.3)

FII derivative data

(Rs cr)	Buy	Sell	Net	Contracts	OI % chg
Index Futures	546	522	24	2,803	1
Index Option	1,679	1,425	254	27,747	2
Stock Futures	864	1,402	(538)	12,044	2
Stock Options	44	66	(22)	(324)	(1)

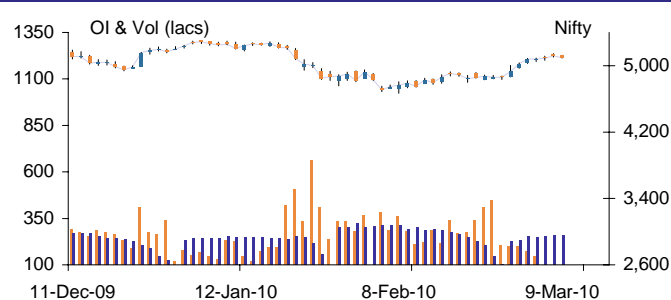
Institutional activity

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MFs Prov.	(171.7)			

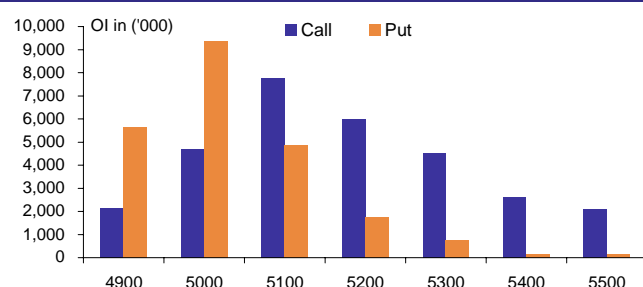
Overall market

	9-Mar-10	8-Mar-10	5-Mar-10	Value % chg
Index Future (Rs cr)	8,769	10,261	12,133	(14.5)
Stock Future (Rs cr)	16,251	17,571	18,530	(7.5)
Index Options (Rs cr)	38,812	29,653	35,925	30.9
Stock Options (Rs cr)	1,863	2,148	2,439	(13.3)
Index Future (Cont '000)	346	409	486	(15.4)
Stock Future (Cont '000)	425	491	516	(13.5)
Index Options (Cont '000)	974	1,158	1,414	(15.9)
Stock Options (Cont '000)	65	63	71	3.4
PCR (OI)	1.2	1.1	1.4	3.0
PCR (VOI)	0.3	0.3	0.3	28.3

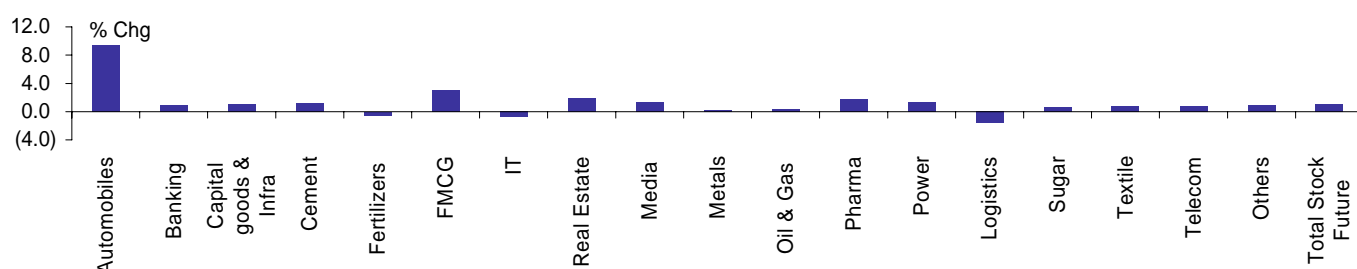
Nifty open interest chart



Nifty strikes open interest



Sector-wise OI



Futures open interest gainers

Scrip	OI ('000)	% change	CMP (Rs)	% change	Volume ('000)	% change	Prem/Disc (Rs)
Cumminsind	150.1	24.4	473.7	(1.7)	161.5	21.4	(3.3)
Tatamotors	16,082.0	22.8	770.2	(2.8)	35,087.2	216.8	5.8
Hdil	8,288.0	15.0	308.9	(2.6)	9,890.9	25.3	(0.5)
Titan	182.9	14.6	1,823.3	0.3	85.1	13.8	(8.9)
Gvcpil	18,696.0	12.7	43.8	(3.1)	4,973.3	42.3	(0.2)
Hdfcbank	2,155.2	11.6	1,807.0	1.5	917.0	42.7	4.3
Colpal	156.8	10.5	721.2	1.8	92.4	784.2	(3.5)
Bhusanstl	490.0	10.2	1,732.3	(0.5)	930.0	44.2	(5.8)
M&M	2,272.0	9.5	1,122.1	0.6	1,493.2	(15.6)	7.5
Optocircui	1,495.3	8.8	223.3	(2.3)	299.9	(49.7)	(1.0)
Infosystch	2,659.8	8.4	2,676.5	0.9	1,226.0	70.6	7.4

Futures open interest losers

Scrip	OI ('000)	% change	CMP (Rs)	% change	Volume ('000)	% change	Prem/Disc (Rs)
Bajaj-Auto	317.8	(14.5)	1,879.5	(1.9)	172.0	(1.7)	(5.2)
Rolta	3,180.6	(14.5)	186.9	0.4	5,481.0	8.3	(0.1)
Siemens	1,205.5	(11.3)	731.9	(0.6)	1,034.8	(41.9)	3.0
Fsl	32,936.5	(1.2)	30.0	(1.0)	8,417.0	(5.0)	(0.1)
Cromptgreav	2,357.3	(9.7)	245.3	(1.8)	647.5	(47.8)	0.8
Glaxo	28.2	(9.6)	1,730.8	(0.7)	15.9	(23.2)	20.2
Pfc	577.2	(8.7)	257.7	(2.5)	361.2	(17.8)	1.2
Tcs	3,252.0	(7.5)	768.8	0.6	3,411.0	73.8	(0.0)
Indianb	1,060.4	(6.9)	168.1	(2.0)	404.8	(33.6)	(0.6)
Lupin	367.5	(6.3)	1,587.7	0.1	205.8	(31.0)	1.2
Dabur	418.5	(5.5)	173.0	0.4	429.3	(29.0)	0.0

Most active stock calls

Scrip	Strike	OI ('000)	% change	CMP(Rs)	Volume ('000)
Tatamotors	800	636.7	60.0	13.9	2,120.0
Tatamotors	780	320.5	132.7	21.4	1,353.0
Unitech	80	7,182.0	9.5	1.1	2,078.0
Unitech	75	3,100.5	6.2	2.8	1,685.0
Tatamotors	760	292.4	266.0	30.9	741.0
Reliance	1020	762.3	8.2	13.0	1,597.0
Tatamotors	820	345.1	(0.2)	8.0	615.0
Tcs	780	738.0	11.1	11.3	500.0
Suzlon	80	4,260.0	30.0	1.7	1,559.0
Tatasteel	620	463.7	8.6	15.0	787.0

Most active stock puts

Scrip	Strike	OI ('000)	% change	CMP(Rs)	Volume ('000)
Hindalco	160	3,074.7	237.5	4.6	1,810.0
Tatamotors	760	176.8	18.9	18.6	487.0
Tatasteel	600	410.3	27.6	15.1	644.0
Tatamotors	780	137.7	(12.4)	28.1	429.0
Unitech	75	1,948.5	0.5	2.7	702.0
Hindalco	155	700.1	29.2	2.9	299.0
Icicibank	900	1,140.7	2.7	15.8	495.0
Tatamotors	740	133.5	(0.6)	12.2	241.0
Icicibank	920	197.1	28.0	24.9	455.0
Tatamotors	800	118.2	(19.7)	40.8	209.0

Most active Nifty calls

Strike	OI ('000)	% change	CMP(Rs)	Volume('000)
5100	6,999.7	1.8	74.8	9,613.2
5200	5,440.9	3.3	33.0	4,911.5
5300	3,932.4	7.0	12.0	2,298.2
5000	4,107.1	(1.2)	137.0	1,750.1
5400	2,110.4	1.4	3.9	811.1
5500	1,543.4	0.4	2.1	482.0
5100	754.2	26.7	145.3	364.6
5200	549.4	25.3	98.0	250.7
4900	1,813.2	(2.0)	215.0	251.8
5400	505.6	27.6	37.1	217.0

Most active Nifty puts

Strike	OI ('000)	% change	CMP(Rs)	Volume('000)
5100	4396.0	1.0	82.6	7079.6
5000	8895.9	11.3	46.6	7140.1
4900	4999.3	2.1	25.0	2951.1
4800	6377.1	0.7	13.1	2449.7
5200	1692.9	1.4	139.0	1375.2
4700	4751.5	0.3	6.9	1126.3
4600	2892.6	3.3	4.3	706.9
5100	496.0	145.9	150.2	439.4
4900	658.7	12.3	80.0	454.4
4500	4520.8	0.3	3.1	424.8

Note:

Ideas given under the 'Derivatives' section are positional trades for the stated F&O expiry. Stocks recommended under this heading are not necessarily part of our fundamental buy or sell list.

Fund focus**Birla Sun Life Tax Relief '96 Fund****Invest**

Fund manager	Ajay Garg	Min investment	Rs500
Latest NAV	Rs86.4	Entry load	Nil
NAV 52 high/low	Rs78/37	Exit load	Nil
Latest AUM	Rs1,220cr	Latest dividend (under dividend option)	70% (Mar 12, 2010)
Type	Open-ended	Benchmark	BSE200
Class	Equity – Tax saving	Asset allocation	Equity (98%), Debt (0%), Cash (2%)
Options	Growth & dividend	Expense ratio	2.3%

Top recommended funds*(Absolute returns (in %) are based on previous close)*

Equity – Diversified	Assets (Rs Cr)	NAV (Rs)	1wk	1mth	3mth	6mth	1yr	2yr	3yr	5yr
DSP-BR Top 100 Equity - RP (G)	2,533	89.2	2.6	4.9	(0.4)	10.2	91.3	25.0	66.6	218.6
ICICI Prudential Dynamic Plan (G)	1,929	93.4	2.4	4.6	5.0	17.0	111.4	27.9	52.4	233.7
UTI Opportunities Fund (G)	1,293	23.7	2.6	6.9	1.1	10.9	116.3	32.1	86.6	--

Equity – Thematic

ICICI Pru FMCG Fund (G)	64	51.6	2.3	3.7	(1.6)	11.1	78.7	11.8	35.5	183.1
Reliance Banking Fund (G)	975	77.7	2.9	7.9	1.3	17.2	158.1	40.9	127.6	192.0
Religare PSU Equity Fund (G)	239	9.8	1.7	3.1	0.4	--	--	--	--	--

Equity – Tax saving

Birla SL Tax Relief (D)	1,220	86.4	2.9	6.9	0.7	13.0	142.6	9.2	42.0	160.4
HDFC Tax Saver (G)	2,205	200.4	2.1	4.7	3.8	17.8	140.2	30.3	54.9	188.7
ICICI Prudential Tax Plan (G)	1,044	124.3	2.8	6.0	6.7	21.7	159.9	32.6	55.0	154.9

Hybrid

HDFC MIP - LTP (G)	4,601	20.9	0.6	1.1	1.3	6.2	37.4	28.6	43.0	83.2
Reliance MIP (G)	3,390	20.1	0.7	1.0	1.0	6.8	31.0	39.8	49.3	88.8
UTI Balanced (G)	1,023	47.6	2.0	3.3	1.4	8.4	86.1	14.2	42.4	150.1

Debt – Money market

HDFC Cash Mgmt Fund – SP (G)	3,855	19.2	0.1	0.3	1.0	2.1	4.8	14.1	23.5	39.7
LIC MF Income Plus Fund (G)	18,889	12.3	0.1	0.3	1.2	2.4	5.4	15.6	--	--
Reliance Liquid Fund TP (G)	626	22.0	0.1	0.3	0.9	2.0	4.7	13.8	22.6	37.1

Debt – Floating rate

HDFC Float Rate Inc-LTP (G)	775	15.8	0.1	0.3	1.3	3.2	7.6	18.2	28.0	43.5
LIC MF Floating Rate (G)	3,102	15.1	0.1	0.3	1.2	2.6	5.7	16.2	26.6	44.2
UTI Floating Rate –STP-RP (G)	4,966	1,496.0	0.1	0.3	1.0	2.1	5.2	15.4	23.0	39.1

NFO Update

Fund name	Open date	Close date	Type[#]	Class
IDFC FMP - 14Mth - Sr.I	03-Mar	10-Mar	CE	Debt - FMP
L&T FMP - Sr.12 - 15Mth - March10	03-Mar	10-Mar	CE	Debt - FMP
HDFC FMP - 13Mth - March 2010(XII)	02-Mar	10-Mar	CE	Debt - FMP

#OE: Open Ended, CE: Close Ended

Recent actions

- ✦ Birla SL Mutual Fund declares dividend in five equity schemes viz. Birla Sun Life Tax Plan (75%), Birla Sun Life Tax Relief '96 (70%), Birla Sun Life '95 Fund (70%), Birla Sun Life Equity Fund (50%) and Birla Sun Life Top 100 Fund (10%). Record date has been fixed as March 12, 2010.
- ✦ SBI Magnum Global Fund declares 50% dividend. Record date has been March 12, 2010.
- ✦ DSPBR Small and Mid Cap declares 12.5% dividend. The record date has been fixed as March 12, 2010.
- ✦ HDFC top 200 Fund declares 40% dividend. Record date has been fixed as March 11, 2010.
- ✦ Templeton India Equity Income declares 7% dividend. Record date has been fixed as March 12, 2010.
- ✦ 20% dividend under ING C.U.B Fund. Record date has been fixed as March 11, 2010.
- ✦ Sahara Tax Gain Fund declares 40% dividend. Record date has been March 12, 2010.

Disclaimer: Mutual Fund is subject to market risk, please read the offer document carefully before investing.

Sector: Metals & Mining

Sensex:	17,053
CMP (Rs):	376
52 Week h/l (Rs):	572 / 140
Market cap (Rscr) :	148,934
6m Avg vol ('000Nos):	1,316
No of o/s shares (mn):	3,965
FV (Re):	1
Bloomberg code:	NMDC IB
Reuters code:	NMDC.BO
BSE code:	526371
NSE code:	NMDC

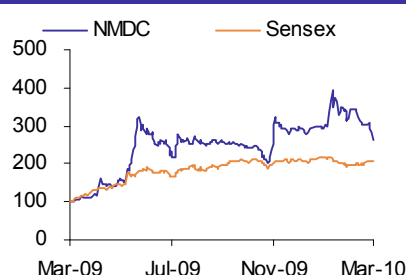
Prices as on 09 Mar, 2010

Shareholding pattern

December '09	(%)
Promoters	98.4
Institutions	1.4
Non promoter corp hold	0.1
Public & others	0.2

Performance rel. to sensex

(%)	1m	3m	1yr
NMDC	(29.7)	(10.7)	54.3
Sesa Goa	16.0	16.1	404.6
Tata Steel	8.7	12.9	207.6
SAIL	5.9	16.4	104.8

Share price trend


NMDC, a government-owned (98.4%) Navratna company is the country's largest iron ore producer. NMDC has a large iron ore reserve base of 1,360mn tons and is blessed with high quality iron ore reserves (64-66% iron content). The company plans to increase its annual production from 30mtpa to ~50mtpa by 2015. Average operating costs for the company over the past four years are a mere US\$6.3/ton. We believe the robust volume growth in the domestic steel market coupled with strong iron ore realizations globally, will lead to a strong earnings growth for the company. After reporting weaker numbers in FY10E, we expect the company to witness earnings CAGR of 36% over FY10-12. NMDC's strong balance sheet will offer opportunities to grow inorganically. Cash balance of Rs127bn (Rs32/share) at the end of FY09 is expected to double by FY12. At the lower end of the price band, which is Rs300, NMDC will trade at 13.3x FY12 EV/EBIDTA, which is at a significant premium (100%) to its domestic and international peers. We believe that such high valuations even at the lower end of the band are unjustified.

Production target of 50mtpa by FY15E

NMDC accounts for over 15% of iron ore production in India and sells ~87% of its production in the domestic market. NMDC has seen a volume growth of 25-30% compounded annually from FY04 to FY09. The company further plans to increase its annual production from 30mn tons to ~50mn tons by 2015 with the commissioning of four new mines. However, we feel it would be running behind schedule as mining leases on two of these are awaited and there is an ongoing litigation on the third. Commissioning of the fourth mine has been delayed for various reasons to March '11.

One of the lowest cost producers of iron ore

NMDC has always been a low cost miner on account of availability of cheap labor and highly mechanized mines, which means lower wastage. NMDC's operating expense per ton of low stood as low as US\$7.6/ton in FY09. Also NMDC's contracts with the domestic players (85% of total sales) are typically on 'Free on rail' or 'Free on truck' basis with transportation arranged by the customer at their own cost. Also, the royalties levied by the government are payable by the domestic customers. As a result, EBIDTA/ton of iron ore is directly proportional to the change in realizations and would not be largely impacted by the rise in operating costs.

Valuation summary

Y/e 31 Mar (Rs m)	FY09	FY10E	FY11E	FY12E
Revenues	75,640	64,185	101,392	116,104
yoy growth (%)	32.4	(15.1)	58.0	14.5
Operating profit	58,370	48,239	84,516	97,407
OPM (%)	77.2	75.2	83.4	83.9
Reported PAT	43,724	39,201	63,011	72,632
yoy growth (%)	34.5	(10.3)	60.7	15.3
EPS (Rs)	11.0	9.9	15.9	18.3
P/E (x)	34.1	38.0	23.7	20.5
Price/Book (x)	12.8	10.2	7.7	6.0
EV/EBITDA (x)	23.9	28.3	15.7	13.3
RoE (%)	43.9	29.8	37.0	32.7
RoCE (%)	66.5	42.8	55.0	48.6

Source: Company, India Infoline Research

Abundant high quality reserves

NMDC has access to significant reserves of high grade iron ore, predominantly greater than 64% Fe content. The company as on January 2010, has an iron ore reserve base of 1,360mn tons and is blessed with high quality iron ore reserves (64-66% iron content). The company's iron ore reserves are processed in lump, fine ore and slimes. The company's producing mines are open cast and primarily fully mechanized. The company currently operates its iron ore business through three mining complexes: the Kirandul complex, the Bacheli complex and the Donamalai complex.

Iron ore reserves

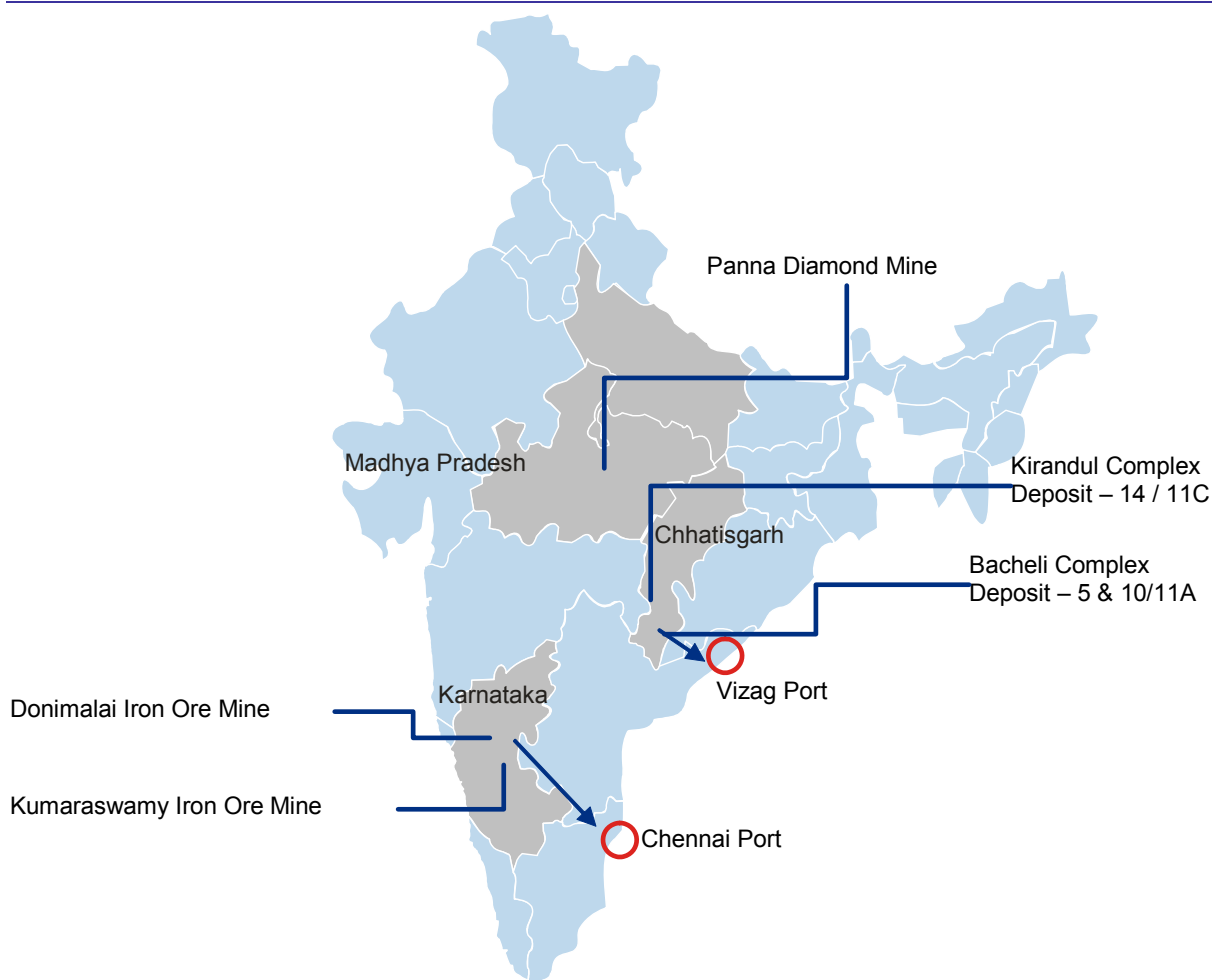
Deposit name (mn tons)	Fe % for proved reserves	Proved reserves	Probable reserves	Mineral resources	Total
Kirandul Complex					
Deposit 14	64.7%	130.1		19.5	149.7
Deposit 14 NMZ	65.9%	60.6		3.0	63.6
Deposit 11C	64.7%	0.7		9.4	10.1
Bacheli complex					
Deposit 5	65.3%	38.7	182.2		220.8
Deposit 10	66.0%	140.1		56.5	196.6
Deposit 11A	65.4%	25.4		1.4	26.8
Donamalai					
	66.8%	17.6			17.6
Non-operating mines					
Deposit 4				105.0	105.0
Deposit 11B	66.4%	114.3		6.2	120.6
Kumaraswamy	64.0%	130.4			130.4
Deposit 13	67.2%	319.6			319.6
Total		977.5	182.2	201	1,360.6

Source: Company, India Infoline Research

NMDC expects the growth in iron ore volumes from its new four mines. The four mines are at various stages of commissioning:

- 1) **Deposit 4:** Application has been made for mining lease. However, the company has not yet received approval for the mining lease, mining plans, forest clearance or environmental approval.
- 2) **Deposit 11B:** The mine is currently under construction and is being developed and integrated with infrastructural facilities of the Kirandul complex.
- 3) **Kunmaraswamy:** A mechanized mine is being developed and integrated with the currently operational Donimalai complex. Of the total 648 hectares, 378 hectares are under dispute.
- 4) **Deposit 13:** This mine will be developed by the company through the joint venture with Chhattisgarh Mineral Development Corporation Ltd, in which it has a 51% equity interest. The mining lease is yet to be granted and forest clearance and environmental approvals have not been obtained as yet. There are also certain litigations with respect to this deposit.

NMDC's production sites



Source: Company, India Infoline Research

NMDC's iron ore deposits

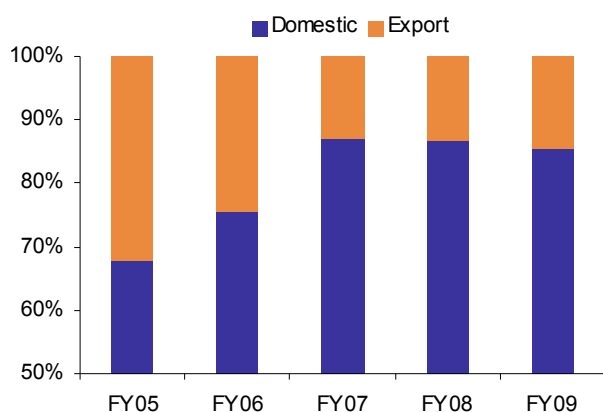
Mine (mn tons)	Date of commissioning	Original reserve est.	Mined till date	Production capacity	Life of Mine Left
Bailadila Deposit 14	1968	254	210.7	5	27
Bailadila Deposit 11/C	1987			7	11
Bailadila Deposit 5	1977	206	166.2	10	24
Bailadila Deposit 10/11A	2002	233	16.9	5	45
Donimalai	1977	112	105.1	4	6
Bailadila Deposit 11B	2010	114		7	
Kumaraswamy	2012	132		3	

Source: Company, India Infoline Research

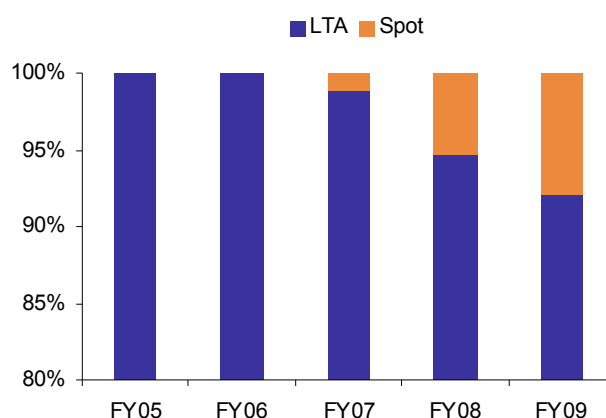
Contract sales account for 92% of total sales

The company sells most of its high grade iron ore production to the Indian domestic steel market, primarily pursuant to long-term sales contracts. For FY09, ~92% of the company's iron ore sales volume was based on long-term sales contracts and the rest was sold in the spot market at negotiated prices. Domestic market accounted for ~85% of total sales and ~15% of the total sales were exports primarily to Japan and South Korea.

Exports contribute ~15% in FY09



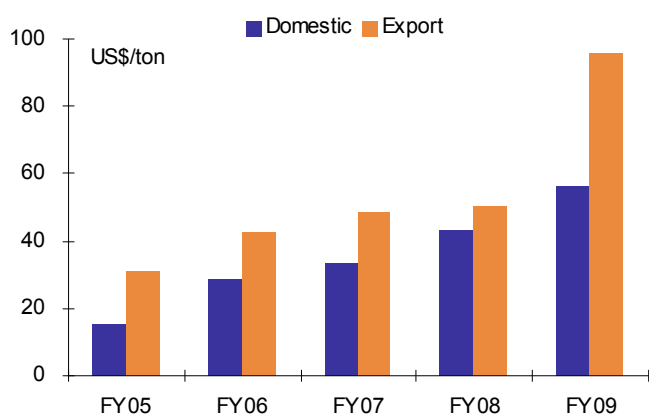
Spot sales account for ~8% of total sales



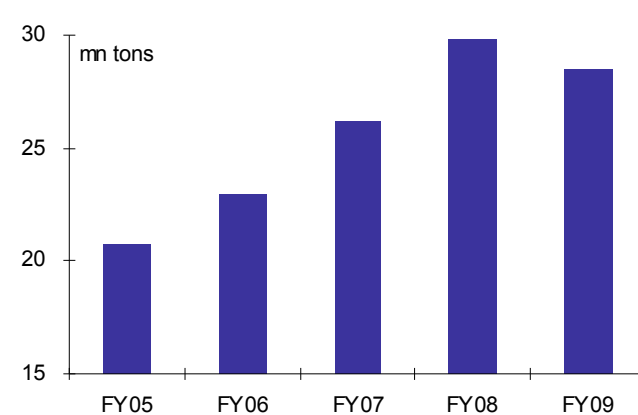
Source: Company, India Infoline Research

The agreements provide for a price adjustment for any increase or decrease in the Fe content of the iron ore delivered to the customer by at least one percent. Such agreements contain a quantity allocation provision, which provides for the range of iron ore to be supplied to the customer. The exact amount to be supplied is negotiated on a yearly basis. The customer no longer benefits from its long term customer status if its yearly lifting is less than 90% of the quantity agreed to be delivered. If the customer loses its long term customer status, the Company can impose on the customer to pay a higher price for the full quantity of iron ore supplied under the agreement. In existing domestic contracts, the price was fixed for the first year and has subsequently been determined based upon a formula taking into consideration the variation of the Japanese benchmark price and the variation in the exchange rate for rupees/dollars on a six months basis.

Export prices were at 71% premium to its domestic peers



Iron ore production declined in FY09



Source: Company, India Infoline Research

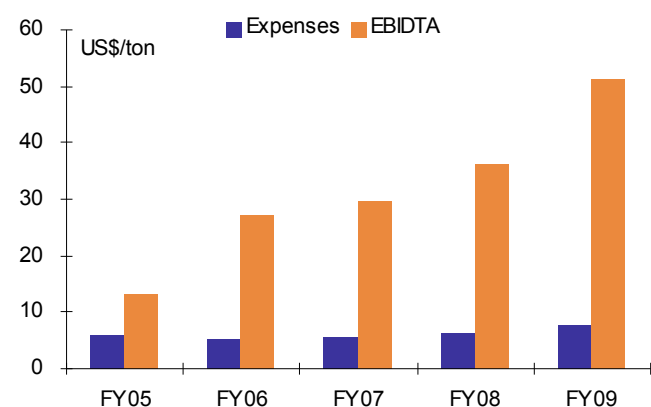
NMDC's realisations in the domestic market has been always at a discount to global peers as sales to domestic customers are priced 'free on rail' or 'free on truck'. As a result, the customer has to pay for the transportation cost and also the royalties levied by the government. For exports, NMDC has to incur the transportation cost to the port and the royalty levied by the government.

Majority of the five year contracts with the domestic players will expire on March '10 and all the export contracts will expire on March '11. NMDC has appointed a consultant to look at various possible pricing mechanisms available to realize higher iron ore price once the benchmark system is changed.

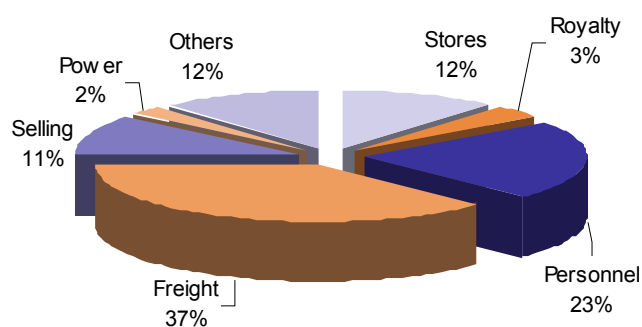
One of the lowest cost producers of iron ore

NMDC has always been a low cost miner by global standards on account of availability of cheap labor and highly mechanized mines, which means lower wastage. NMDC's operating expense per ton of low stood as low as US\$7.6/ton in FY09. Also NMDC's contracts with the domestic players (85% of total sales) are typically on 'free on rail' or 'free on truck' basis with transportation arranged by the customer at their own cost. Royalties levied by the government are also payable by the domestic customers. Iron ore is transported by conveyors from the company's screening plant to its loading plant stock pile for loading into railway wagons. As a result, there is very little wastage and the cost of transportation is also quite low. Due to this EBIDTA/ton of iron ore is directly proportional to the change in realizations and would not be impacted by the rise in operating costs.

Expenses in FY09 stood at US\$7.6/ton



Freight and personnel costs accounted for ~50% of total costs in FY09



Source: Company, India Infoline Research

Value addition plans a distant future

For value addition, NMDC is in the process of developing a 3mtpa steel plant at Jagdalpur and 2 pellet plants at Donimalai (1.2mtpa) and at Bacheli (2mtpa). Besides, NMDC is also in the process of merger of Sponge Iron India Limited with plan for expansion to produce billets. At Jagdalpur, Chhattisgarh, the company is planning to set up a 3mtpa steel making plant with an investment of Rs168bn. Environmental clearance for the project is already obtained and the company has managed to receive 995 acres till now. The management expects the project to be operational over the next four years. Additionally, NMDC has also formed a JV with the Karnataka government for setting up a 2mtpa plant at Bellary/Hospet area. The company has outlaid a total capex of Rs265bn to be spent over the next five years. It plans to fund the entire capex through internal accruals and also aims at augmenting its iron ore resources inorganically.

9M FY10 performance hindered by terrorist attack

NMDC reported a 28.2% decline in its 9M FY10 net profit to Rs24.1bn from Rs33.5bn in the corresponding period last year, hit by supply disruptions to customers due to suspected Maoist activities and a decline in iron ore realizations. Revenue for the period dipped 24.4% yoy to Rs42.6bn compared to Rs56.3bn in the year-ago on account of a 9.7% yoy decline in sales volume and a 16.5% yoy decline in average realisations. Maoists have sabotaged NMDC's pipelines used to transport iron-ore slurry to customer sites. As a result, production volumes dipped 13.4% yoy to 16.9mn tons during the first nine months of FY10. Operating margin during 9M FY10 declined from 79.6% in 9M FY09 to 71.5% as a result of lower realisations.

Nine months performance

(Rs m)	9M FY10	9M FY09	% yoy
Production (mn tons)	16.9	19.5	(13.4)
Sales (mn tons)	17.2	19.1	(9.7)
Realisation (Rs/ton)	2,468	2,954	(16.5)
Net sales	42,558	56,280	(24.4)
Material costs	(1,284)	(549)	133.9
Personnel costs	(2,708)	(2,780)	(2.6)
Selling expenses	(3,447)	(5,891)	(41.5)
Other overheads	(4,685)	(2,256)	107.7
Operating profit	30,434	44,804	(32.1)
OPM (%)	71.5	79.6	(810) bps
Depreciation	(513)	(527)	(2.7)
Other income	6,505	6,584	(1.2)
PBT	36,426	50,860	(28.4)
Tax	(12,381)	(17,348)	(28.6)
Effective tax rate (%)	34.0	34.1	
Adjusted PAT	24,046	33,512	(28.2)
Adj. PAT margin (%)	56.5	59.5	(304) bps
Reported PAT	24,046	33,512	(28.2)
Ann. EPS (Rs)	8.1	11.3	(28.2)

Source: Company, India Infoline Research

Government to offload 8.4% stake in the company

NMDC has filed for a follow-on public offering (FPO) of 0.3bn equity shares of face value Re1 each through an offer for sale by the Government of India. The offer comprises a net offer to the public of 330,500,000 equity shares and a reservation of 1,743,200 equity shares for purchase by eligible employees at a discount of 5% of the floor price. The offer shall constitute 8.38% of the post offer paid-up equity share capital of the company. The government panel has set a price band of Rs300 to Rs350 for the follow-on public offer in NMDC, a discount of 7-20.2% to Tuesday's closing price. Retail investors and staff will get a further 5% discount on the final price.

Issue details

Details	
Issue opens	10-Mar-10
Issue closes	12-Mar-10
Price band (Rs)	Rs300-350
Face value (Re)	1
Issue size (mn nos)	331
Issue size (Rs bn)	99.2-115.6
Issue type	100% Book building
Minimum bid	20
Industry	Mining

Source: Company, India Infoline Research

Share reservation

Categories	(%)
QIB	50
Non institutional	15
Retail	35

Source: Company, India Infoline Research

Issue manager details

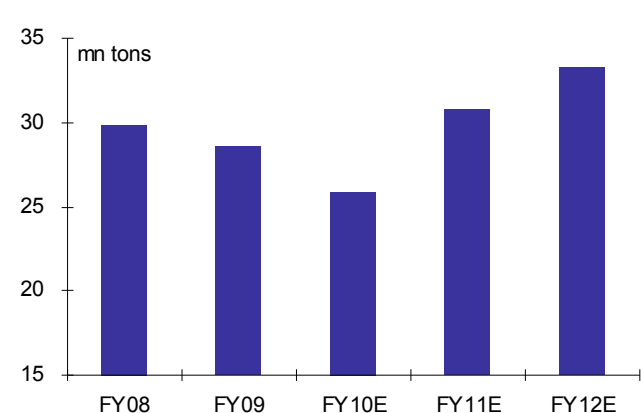
Issue manager	
Lead manager	UBS, Citi, Edelweiss, Kotak, Morgan Stanley, RBS
Registrar	Karvy
Listing	NSE, BSE

Source: Company, India Infoline Research

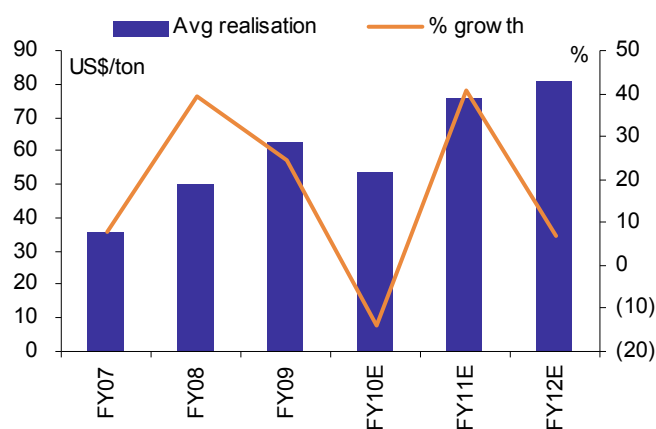
Trading at rich valuations

NMDC will be a major beneficiary of the strong rebound in the demand of iron ore over the next two years. We believe that iron ore prices will remain strong on account of the tight iron ore supply. The jump in sales volume coupled with strong realisations would lead to an earnings CAGR of 18% over FY09-12E. At the lower band of Rs300/share, NMDC will trade at 13.3x FY12 EV/EBIDTA, which is at a huge premium (100%) to its domestic peer Sesa Goa (6.1x FY12EV/EBIDTA) and its international peers (5.8x FY12 EV/EBIDTA). While we believe that NMDC should trade at a premium to its peers considering the high quality iron ore reserves and the low cost operations of the company, the current premium is unjustifiable.

Volume to grow to 33.2mn tons by FY12E

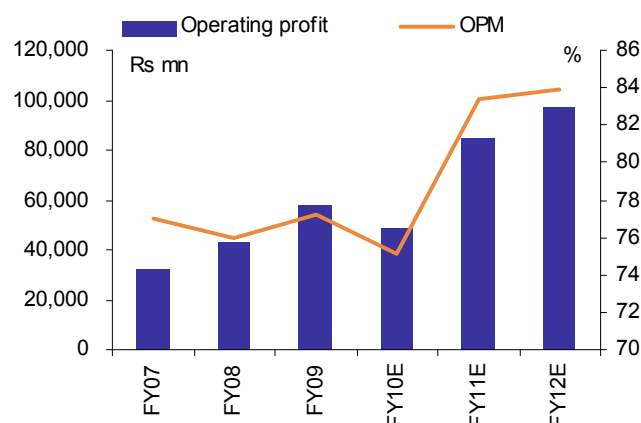


Average realisations to jump 40% yoy in FY11E

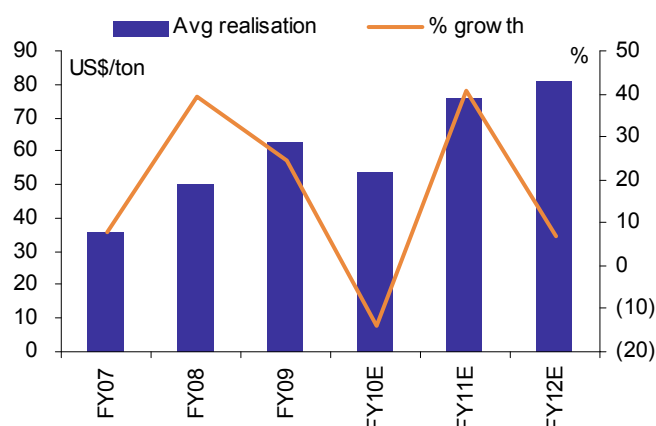


Source: Company, India Infoline Research

OPM to expand to 83.4% in FY11E



PAT to witness an earnings CAGR of 18% over FY09-12E



Source: Company, India Infoline Research

Financials

Income statement

Y/e 31 Mar (Rs m)	FY09	FY10E	FY11E	FY12E
Revenue	75,640	64,185	101,392	116,104
Operating profit	58,370	48,239	84,516	97,407
Depreciation	(736)	(728)	(779)	(857)
Other income	8,848	8,964	10,309	11,855
Profit before tax	66,482	56,475	94,046	108,405
Taxes	(22,759)	(17,274)	(31,035)	(35,774)
Net profit	43,724	39,201	63,011	72,632

Balance sheet

Y/e 31 Mar (Rs m)	FY09	FY10E	FY11E	FY12E
Equity capital	3,965	3,965	3,965	3,965
Reserves	112,404	142,415	190,653	246,256
Net worth	116,369	146,379	194,617	250,220
Deferred tax liab (net)	581	581	581	581
Total liabilities	116,950	146,960	195,198	250,801
Fixed assets	9,949	12,438	17,660	39,803
Investments	708	753	753	753
Net exp written off	222	-	-	-
Net working capital	9,620	6,362	11,775	13,776
Inventories	3,009	3,319	4,719	4,864
Sundry debtors	10,165	6,469	10,219	11,702
Other current assets	8,062	6,841	9,726	11,137
Sundry creditors	(4,846)	(4,523)	(7,145)	(8,182)
Other current liabilities	(6,770)	(5,744)	(5,744)	(5,744)
Cash	96,450	127,407	165,011	196,469
Total assets	116,950	146,960	195,198	250,801

Cash flow statement

Y/e 31 Mar (Rs m)	FY09	FY10E	FY11E	FY12E
Profit before tax	66,482	56,475	94,046	108,405
Depreciation	736	728	779	857
Tax paid	(22,759)	(17,274)	(31,035)	(35,774)
Working capital Δ	(6,393)	3,258	(5,413)	(2,002)
Operating cashflow	38,067	43,187	58,377	71,487
Capital expenditure	(3,886)	(3,217)	(6,000)	(23,000)
Free cash flow	34,181	39,970	52,377	48,487
Investments	125	(45)	-	-
Dividends paid	(10,251)	(9,191)	(14,773)	(17,029)
Other items	544	222	-	-
Net Δ in cash	24,599	30,957	37,604	31,458

Key ratios

Y/e 31 Mar	FY09	FY10E	FY11E	FY12E
Growth matrix (%)				
Revenue growth	32.4	(15.1)	58.0	14.5
Op profit growth	34.6	(17.4)	75.2	15.3
EBIT growth	34.4	(15.1)	66.5	15.3
Net profit growth	34.5	(10.3)	60.7	15.3

Profitability ratios (%)

OPM	77.2	75.2	83.4	83.9
EBIT margin	87.9	88.0	92.8	93.4
Net profit margin	57.8	61.1	62.1	62.6
RoCE	66.5	42.8	55.0	48.6
RoNW	43.9	29.8	37.0	32.7
RoA	39.9	27.4	34.5	30.7

Per share ratios

EPS	11.0	9.9	15.9	18.3
DPS	2.6	2.3	3.7	4.3
Cash EPS	11.2	10.1	16.1	18.5
BVPS	29.4	36.9	49.1	63.1

Payout (%)

Dividend payout	23.4	23.4	23.4	23.4
Tax payout	34.2	30.6	33.0	33.0

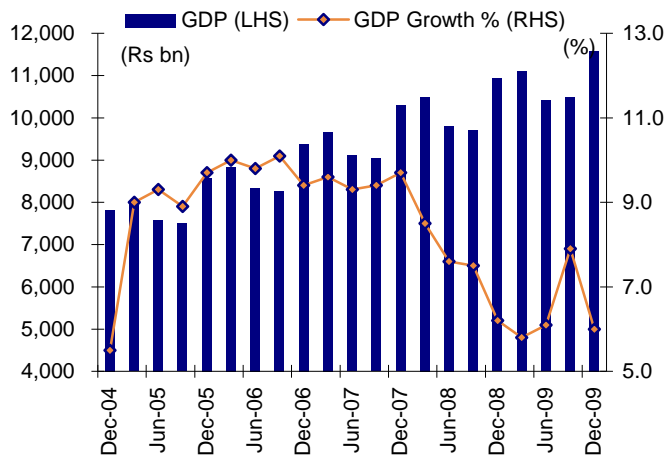
Liquidity ratios

Debtor days	49	37	37	37
Inventory days	15	19	17	15
Creditor days	23	26	26	26

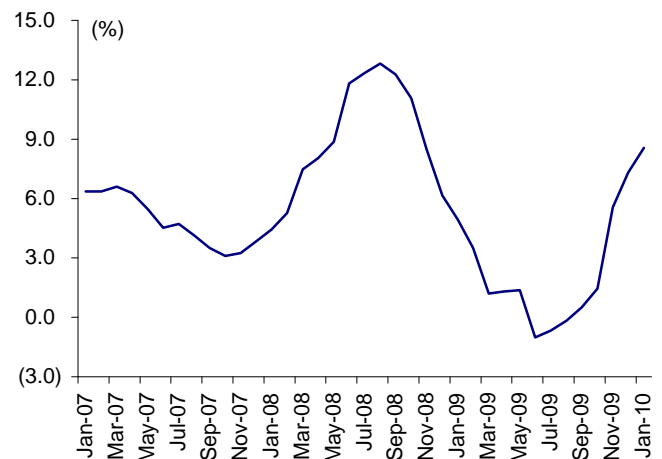
Du-Pont Analysis

Y/e 31 Mar (Rs m)	FY09	FY10E	FY11E	FY12E
Tax burden (x)	0.66	0.69	0.67	0.67
Interest burden (x)	1.00	1.00	1.00	1.00
EBIT margin (x)	0.88	0.88	0.93	0.93
Asset turnover (x)	0.69	0.45	0.56	0.49
Fin leverage (x)	1.10	1.09	1.07	1.06
RoE (%)	43.9	29.8	37.0	32.7

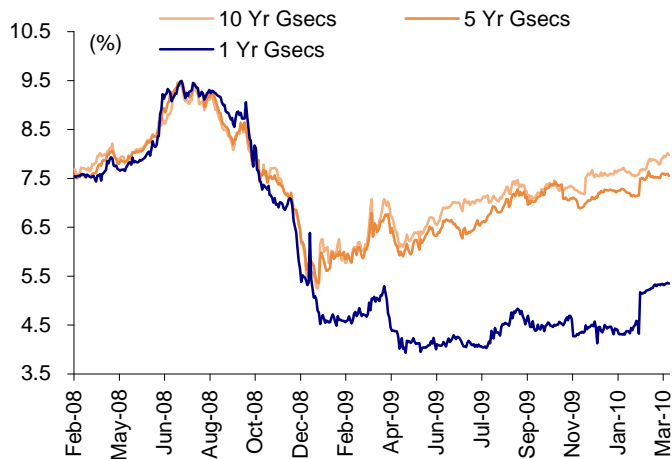
Quarterly GDP growth



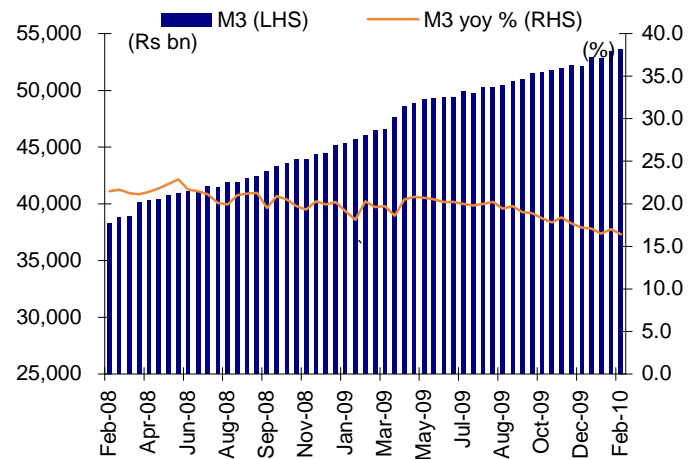
Inflation



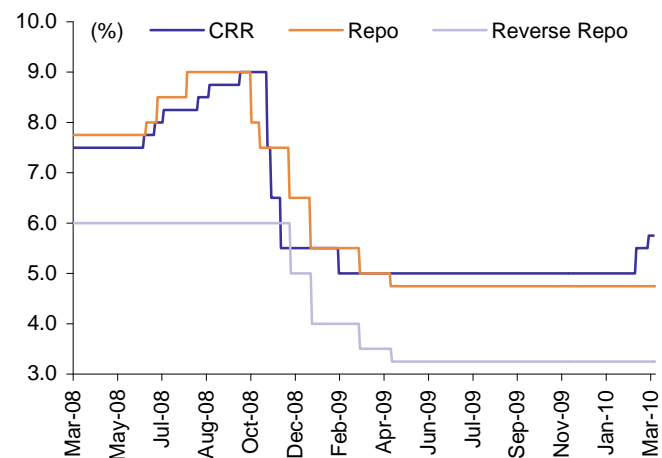
G-Secs yield



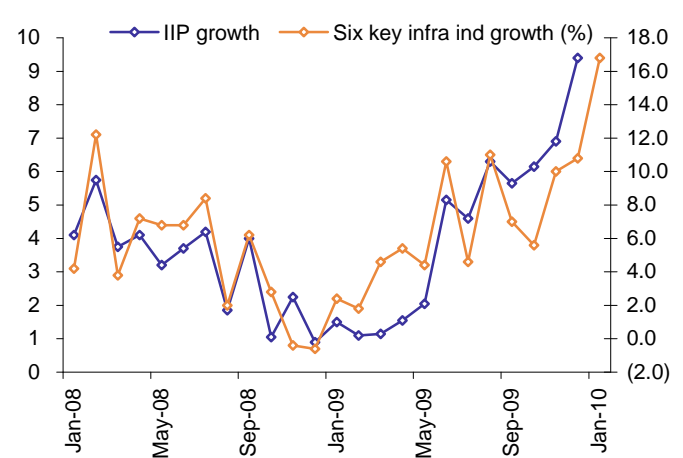
M3 growth

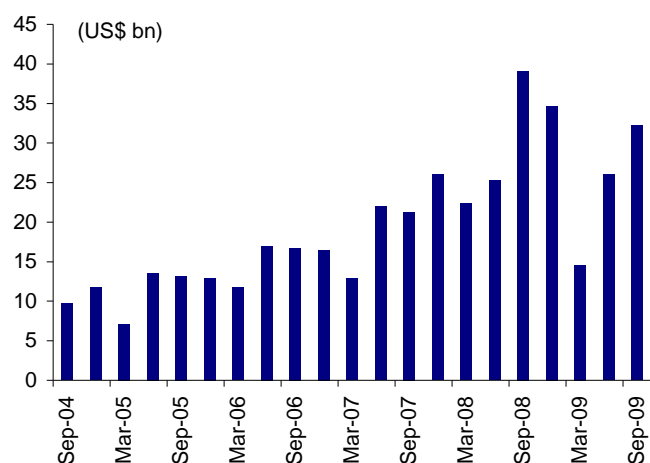
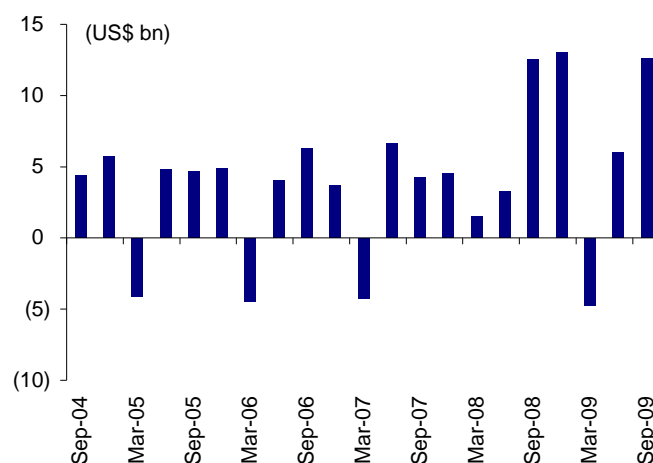
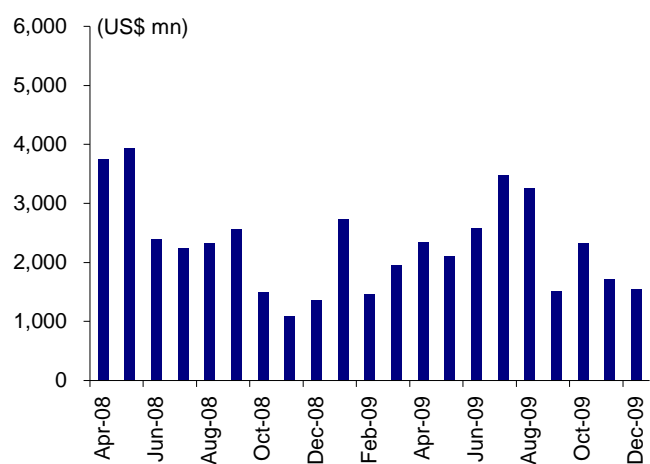
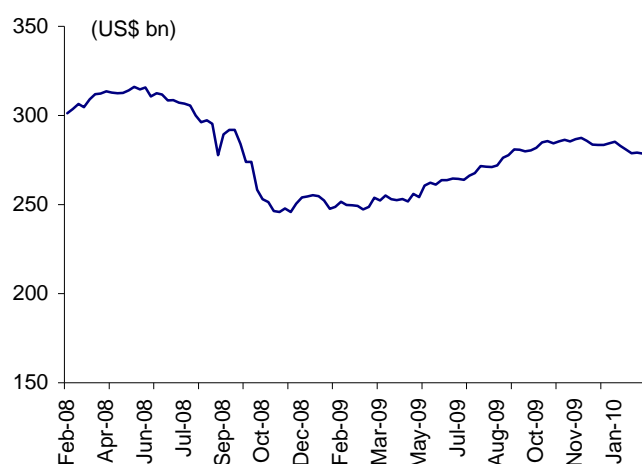
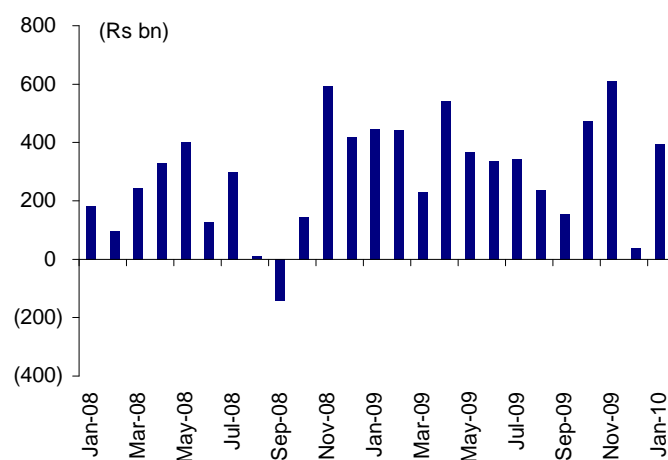
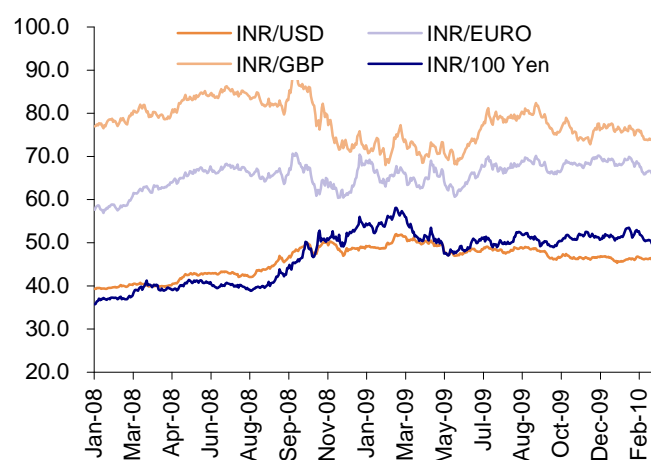


CRR, Repo



IIP and Six key infra industry growth



Trade deficit**Current account deficit****FDI****RBI forex reserves****Fiscal deficit****Currency movement**

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
March 01	March 02	March 03	March 04	March 05	March 06
<ul style="list-style-type: none"> - US ISM Manufac 56.5 vs 58.4 	<ul style="list-style-type: none"> - India Exports YoY% 11.5% vs 9.3% - India Imports Yoy% 35.5% vs 27.2% 	<ul style="list-style-type: none"> - US Consumer confidence -49 vs -50 - Total vehicle sales 10.3mn vs 10.8mn 	<ul style="list-style-type: none"> - US non-farm productivity 6.9% vs 6.2% - Initial jobless claims 469k vs 496k - Factory orders 1.7% vs 1% 	<ul style="list-style-type: none"> - Unemployment rate 9.7% vs 9.7% - Change in manufact pay rolls 1k vs 11k 	<ul style="list-style-type: none"> - US consumer credit \$5bn vs \$1.7bn
March 08	March 09	March 10	March 11	March 12	March 13
		<ul style="list-style-type: none"> - US Consumer confidence - Mortgage application 	<ul style="list-style-type: none"> - Monthly budget statement - Trade balance 	<ul style="list-style-type: none"> - India IIP yoy - US advance retail sales 	
March 15	March 16	March 17	March 18	March 19	March 20
<ul style="list-style-type: none"> - US empire manufacturing - US IIP - Capacity utilization 	<ul style="list-style-type: none"> - US import price index - Export price index - Housing starts - Building permits - FOMC rate decision 	<ul style="list-style-type: none"> - US Consumer confidence - Mortgage application - Producer price index mom 	<ul style="list-style-type: none"> - US Consumer price index mom - Initial jobless claims - Leading indicators 		
March 22	March 23	March 24	March 25	March 26	March 27
	<ul style="list-style-type: none"> - US existing home sales 	<ul style="list-style-type: none"> - Durable goods order 	<ul style="list-style-type: none"> - Initial jobless claims 	<ul style="list-style-type: none"> - US GDP qoq 	
March 29	March 30	March 31			
<ul style="list-style-type: none"> - US Personal income 		<ul style="list-style-type: none"> - US Consumer confidence - Mortgage application - Factory orders 			

Orange: AGM/dividend (D), Black: Results, Blue: Economic data

Recommendation parameters for fundamental reports:

Buy – Absolute return of over +10%

Market Performer – Absolute return between -10% to +10%

Sell – Absolute return below -10%

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