

# WEEKLY | FUNDAMENTAL



## OUR REPORTS

### Fundamental

- Company Report
- Sector Report
- Theme Based Report

### Daily & Weekly

- Fundamental Market Update
- Technical Market Update
- Derivative Market Update
- Currency Report
- Debt Mutual Fund Report

### Monthly

- India Strategy Report
- IIP Report
- Auto Sector Update
- Cement Sector Update
- Metal Sector Update
- Telecom Sector Update
- Insurance and Mutual Fund Report
- Inflation Report
- Exports-Imports Report

### Quarterly

- India and Global Strategy Report
- India Economy Report
- Company Result Expectation
- Company Result Analysis

### Others

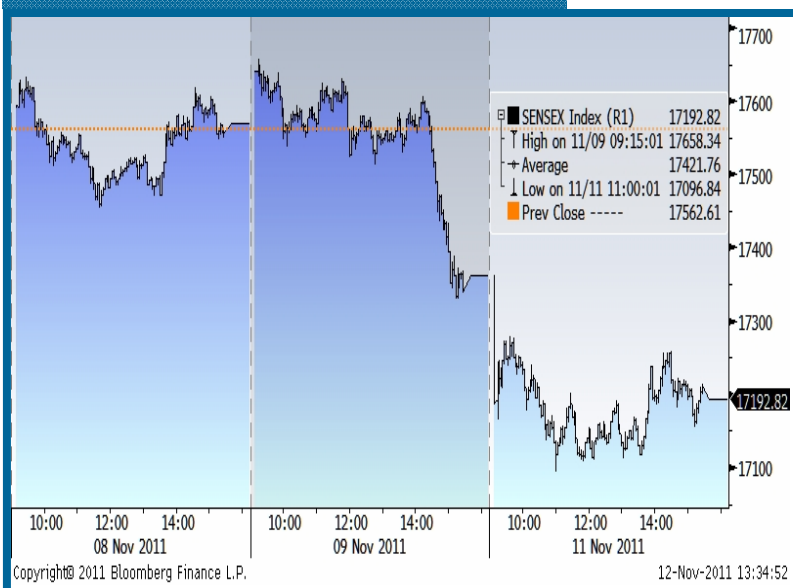
- Event Based Report
- RBI Monetary Review Report
- Annual Budget Expectation Report
- Annual Budget Review Report

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## WEEKLY CHART OF SENSEX



## WEEK IN RETROSPECT

Indian stock market tumbled last week on a mix of negative cues, both global and domestic. A lack of clarity on the timing of the resignation of Italian Prime Minister Silvio Berlusconi, which markets view as a step toward resolving the euro-zone's debt mess, hurt the sentiments. On the other hand depressing IIP numbers only added to the woes. Market touched 2-1/2 week closing lows on Friday.

Despite the festive season, India's Industrial Production grew at its slowest pace in two years in September 2011. Industrial Production grew by 1.9 percent in September from a year earlier, after increasing by a downwardly-revised 3.6 percent last month. India's Food Inflation moderated, but still hovered around at an elevated level of 11.81 percent for the week ended October 29, 2011. Last week, it stood at 12.21 percent.

On the global front, under the mounting pressure to act quickly to tackle its debt crisis, Italy and Greece moved forcefully to reinvigorate their governments and show their sincerity about economic austerity. The Italian Senate approved a package of austerity measures, while in Greece, the leaders of a new three-party coalition completed details of a national unity government. German Industrial Production fell at the fastest monthly rate in two-and-a-half years in September 2011. Total production fell 2.7 percent in adjusted terms from the previous month, after falling by 0.4 percent in August 2011. U.K. Manufacturing Output increased in September for the first time since May, but Industrial Production remained flat. Manufacturing Output grew by 0.2 percent from a month ago but overall Industrial Production remained unchanged from previous month. China's Industrial Production logged an annual growth of 13.2 percent in October 2011, following September's 13.8 percent expansion.

## OUTLOOK

Indian market were sold off last week due to uncertainty in Italy, downgrades of the Banking sector by Moody's, hefty provisioning for bad assets by SBI and Kingfisher Airlines crisis that brought to the fore Banks exposed to Kingfisher, hence bringing a second bout of selling in Banking stocks. We believe that Banking sector is oversold and soon may see buying as the government is likely to announce favorable policy measures. Indian market is likely to open positive and trade the week in a tight range, i.e., Nifty may trade between 5150-5350 levels. BUY Banking Nifty and Hindustan Lever on dips.

## GLOBAL MARKET DURING LAST 5 DAYS

NAME	LAST PRICE	5D % CH	1M % CH	3M % CH	1Y % CH	Current P/E	FY12 EST P/E	Current P/B	FY12 EST P/B
DOW JONES	12153.68	1.42	4.37	7.85	8.59	12.52	12.43	2.58	2.49
NASDAQ	2678.75	(0.28)	0.41	6.81	6.38	23.08	16.04	2.84	2.57
S&P 500	1263.85	0.85	3.21	7.21	5.39	13.29	12.75	2.05	1.99
FTSE 100	5545.38	0.33	1.45	4.24	(4.34)	10.22	10.04	1.65	1.58
CAC 40	3149.38	0.83	(2.13)	(2.01)	(17.79)	9.17	9.05	1.07	1.01
DAX	6057.03	1.52	1.51	0.99	(10.06)	9.93	9.71	1.25	1.20
NIKKEI 225	8514.47	(3.26)	(2.67)	(5.01)	(12.45)	16.48	15.73	1.10	1.06
HANG SENG	19137.17	(3.56)	3.43	(2.46)	(20.99)	8.57	10.38	1.35	1.32
STRAITS TIMES	2790.94	(0.68)	1.70	(2.09)	(14.18)	6.83	13.12	1.35	1.33
TAIWAN TAIEX	7367.29	(3.10)	0.13	(3.53)	(11.41)	15.75	14.81	1.59	1.64
KOSPI	1863.45	(3.37)	1.53	3.91	(2.60)	12.22	9.72	1.08	1.20
BRAZIL BOVESPA	58546.97	(0.21)	6.39	9.49	(16.80)	9.73	10.50	1.30	1.18
RUSSIAN RTS	1538.16	(1.60)	6.13	(3.54)	(4.52)	5.33	4.86	1.07	0.82
SHANGHAI SE COMPOSIT	2481.08	(1.87)	2.04	(4.32)	(16.89)	12.99	11.66	2.01	1.78
<b>BSE SENSEX</b>	<b>17192.82</b>	<b>(1.56)</b>	<b>0.64</b>	<b>2.10</b>	<b>(14.71)</b>	<b>15.43</b>	<b>14.80</b>	<b>2.78</b>	<b>2.39</b>
<b>NSE S&amp;P CNX NIFTY</b>	<b>5168.85</b>	<b>(1.70)</b>	<b>0.71</b>	<b>1.89</b>	<b>(14.87)</b>	<b>14.99</b>	<b>14.57</b>	<b>2.59</b>	<b>2.27</b>

MSCI INDICES				
NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
MSCI WORLD	1205.46	0.20	1.61	2.09
MSCI AC WORLD	306.82	(0.07)	1.89	1.56
MSCI AC ASIA PACIFIC	117.35	(2.38)	0.46	(3.75)
MSCI EM	971.15	(1.87)	3.81	(1.88)

VOLATILITY INDICES				
NAME	LAST	5D % CH	1M % CH	3M % CH
CBOE SPX VOLATILITY	30.04	(0.40)	(8.58)	(22.97)
INDIA NSE VOLATILITY	24.74	(0.60)	(4.77)	(8.44)

10 YERS BOND MARKETS				
NAME	YIELD	5D % CH	1M % CH	3M % CH
US Generic Govt 10 Year Yield	2.06	0.95	(8.51)	(8.80)
UK Govt Bonds 10 Year Note Gen	2.29	(0.82)	(11.52)	(10.06)
Brazil Government Generic Bond	3.97	(0.58)	(0.43)	(12.70)
Japan Govt Bond Year to maturity	0.97	(2.22)	(2.80)	(6.81)
Australia Govt Bonds Generic M	4.14	(4.15)	(4.57)	(7.23)
India Govt Bond Generic Bid Yi	8.94	0.33	2.43	8.84

FOREX MARKET				
NAME	LAST	5D % CH	1M % CH	3M % CH
DOLLAR INDEX SPOT	76.95	(0.02)	(0.82)	3.04
EUR-USD X-RATE	1.38	(0.30)	0.81	(3.45)
USD-GBP X-RATE	0.62	(0.21)	(3.08)	1.04
USD-BRL X-RATE	1.74	0.47	1.86	(6.76)
USD-JPY X-RATE	77.20	1.35	(0.71)	(0.47)
USD- X-RATE	50.12	(2.00)	(1.57)	(9.40)
USD-CNY X-RATE	6.34	(0.03)	0.53	0.81
USD-KRW X-RATE	1126.61	(1.41)	3.36	(3.98)

MONEY MARKETS				
NAME	LAST	5D % CH	1M % CH	3M % CH
BBA LIBOR USD 3M	0.46	4.51	15.02	59.77
MIBOR Offer Market 3M	1.46	(2.01)	(7.01)	(5.19)
India Indicative Call Rate	8.55	0.59	3.64	7.55

INDUSTRIAL METALS & ENERGY MARKETS				
NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
COPPER (USD/T)	7639.00	(2.94)	4.79	(13.98)
ALUMINUM (USD/T)	2162.00	1.03	(3.09)	(10.40)
ZINC (USD/T)	1920.00	(1.54)	0.50	(12.17)
LEAD (USD/T)	1995.00	(2.59)	0.50	(16.35)
OIL (USD/BBL)	98.99	5.02	15.36	15.48
NATURAL GAS (USD/MMBTU)	3.58	(5.26)	(7.13)	(20.30)

PRECIOUS METALS				
NAME	LAST	5D % CH	1M % CH	3M % CH
GOLD (USD/OZ)	1788.68	1.94	7.60	1.39
SILVER (USD/OZ)	34.68	1.55	8.15	(10.42)

INDUSTRY INDICES				
NAME	LAST PRICE	5D % CH	1M % CH	3M % CH
BALTIC DRY INDEX	1835.00	2.86	(12.87)	43.70
BBG WORLD IRON INDEX	218.36	(2.85)	(0.49)	(11.78)

AGRO MARKET				
NAME	LAST	5D % CH	1M % CH	3M % CH
COFFEE (USD/IB)	237.30	1.50	4.65	(3.69)
COTTON (USD/IB)	98.04	(0.43)	(2.67)	3.86
SUGAR (USD/IB)	25.00	(2.23)	(3.62)	(7.03)
WHEAT (USD/BU)	646.00	(2.78)	(7.05)	(16.08)
SOYBEAN (USD/BU)	1175.50	(3.73)	(5.68)	(12.46)

INSTITUTIONAL FLOW IN Cr (08/11-11/11)			
INSTRUMENT	PURCHASE	SALE	NET
FII (P)	6832.59	5990.75	841.84
DII	2226.94	3249.45	(1022.51)
MUTUAL FUND (08/11-09/11)	631.40	854.60	(223.20)

FII DERIVATIVE SEGMENT IN Cr (08/11-11/11)			
INSTRUMENT	PURCHASE	SALE	NET
INDEX FUTURE	5154.37	5686.50	(532.14)
INDEX OPTION	35157.8678	34625.792	532.08
STOCK FUTURE	4468.47	5440.84	(972.37)
STOCK OPTION	1553.52	1542.52	11.00

## Mahindra Satyam

Mahindra Satyam announced its standalone Q2 FY12 results on 10 November 2011. The company's performance remained better than Bloomberg Consensus Estimates during the quarter.

Particulars	Q2 12	Q1 12	Q2 11	QoQ (%)	YoY (%)
Revenues	1,577.7	1,433.9	1,242.4	10.0%	27.0%
EBITDA	241.7	212.6	73.5	13.7%	228.8%
EBITDA Margins	15.3%	14.8%	5.9%	49 bps	940 bps
Net Income	238.2	225.2	23.3	5.8%	922.3%
Net Income Margins	15.1%	15.7%	1.9%	(61)bps	1,322 bps
Earnings Per Equity share	2.0	1.9	0.2	5.8%	910.0%
All data in ₹ Crores unless specified. EPS represents Diluted EPS					

While Satyam's top line increased 10.0 percent sequentially to INR1,577.7 Crores, its bottom line expanded 5.8 percent sequentially to INR238.2 Crores in Q2 FY2012. In USD terms, the company's top line increased 3.2 percent q-o-q to USD330 Mn.

## IDFC

Infrastructure Development Finance Company (IDFC) has announced its Q2FY12 result. The company's top line increased by 40.94 percent y-o-y to INR1714.92 crore, while bottom line stood at INR524.10 crore, increased by 55.29 percent.

IDFC Q2FY12 result- first cut

Particulars	Sep-11	Jun-11	Sep-10	QoQ(%)	YoY(%)
Net Sales & other operating income	1714.92	1351.34	1216.75	26.91%	40.94%
Operating Profit(Excluding OI)	1530.07	1207.75	1051.72	26.69%	45.48%
OPM(%)	89.22%	89.37%	86.44%	(15)bps	278bps
PAT	524.1	313.21	337.49	67.33%	55.29%
PAT(%)	30.56%	23.18%	27.74%	738bps	282bps
Diluted EPS	3.47	2.04	2.25	70.10%	54.22%
All data in Crores , EPS Represents Diluted EPS.					

## Power Finance Corporation

Power Finance Corporation has announced its Q2FY12 result on 9th Nov 2011. The company's top line increased by 24.13 percent y-o-y to INR3141.61 crore, while bottom line decreased by 40.17 percent to INR419.34 crore, mainly due to high interest payment of INR2032.80 crore, increased by 27.89 percent as against INR1589.46 crore corresponding last year.

Power Finance Corporation Q2FY12 result

Particulars	Sep-11	Jun-11	Sep-10	QoQ(%)	YoY(%)
Net Sales & other operating income	3141.61	2907.96	2530.81	8.03%	24.13%
Operating Profit(Excluding OI)	2581.66	2805.67	2495.07	-7.98%	3.47%
OPM(%)	82.18%	96.48%	98.59%	(1430)bps	(1641)bps
PAT	419.34	686.19	700.84	-38.89%	-40.17%
PAT(%)	13.35%	23.60%	27.69%	(1025)bps	(1434)bps
Diluted EPS	3.18	5.63	6.11	-43.52%	-47.95%
All data in Crores , EPS Represents Diluted EPS.					



## JSW Energy

JSW Energy Ltd has posted consolidated net loss of INR108.92 crores for the second quarter ended September 30, 2011 as compared to net profit INR184.56 crores in the year ago period. Company's expenditure which has increased at 70.01 percent on a YoY basis is the biggest reason for a dramatic precipitation of the company's bottom-line. The unbridled rise of power and fuel within the expenditure item caused a deterioration of operating performance of the firm.

For the quarter, its consolidated revenue rose by 17.76 percent to INR996.49 crore from the INR846.17 crore in the year-ago quarter. The only silver lining for the company for this quarter is the commercial operation of unit 4 of the 4\*300MW thermal power plant located in the state of Maharashtra.

Q2'11 [INR-Crore] - Consolidated	Consensus	Actual	Var (%)
Revenues	1170.00	996.49	-14.83%
EBITDA	335.00	110.20	-67.10%
PAT	78.00	-108.92	-239.64%

JSW Energy Ltd. -Consolidated-[INR-Crore]					
DESCRIPTION	Q2 11	Q1 11	Q2 10	QOQ	YOY
Revenues	996.49	1272.44	846.17	-21.69%	17.76%
Total Expenditure	886.29	879.26	521.32	0.80%	70.01%
As % of sales	88.94	69.10	61.61	28.71%	44.36%
Consumption of Power and Fuel	761.61	727.15	462.67		
As % of sales	76.43	57.15	54.68	33.74%	39.78%
Employee Cost	23.12	20.20	13.69		
As % of sales	2.32	1.59	1.62	46.15%	43.41%
Other expenditure	136.43	131.91	37.80		
As % of sales	13.69	10.37	4.47	32.07%	206.48%
EBITDA	110.20	393.18	324.85	-71.97%	-66.08%
EBITDA Margins	11.06%	30.90%	38.39%	(1,984)BPS	(2,733)BPS
Other Income	70.82	22.04	49.14		
Operating Profit	181.02	415.22	373.99	-56.40%	-51.60%
Interest	151.04	133.82	94.24		
Exceptional Items	-78.81	-	-		
PBDT	-48.83	281.40	279.75		
Depreciation	109.75	104.78	55.14		
PBT	-158.58	176.62	224.61		
Tax	-48.07	44.07	40.81		
Profit After Tax	-110.51	132.55	183.80		
Minority Interest	-1.59	-3.76	-0.76		
Consolidated Net Profit	-108.92	136.31	184.56	-179.91%	-159.02%
PAT Margins	-10.93%	10.71%	21.81%	(2,164.29)BPS	(3,274.16)BPS
Equity Capital	1640.05	1640.05	1640.05		
Face Value (In Rs)	10.00	10.00	10.00		
Diluted EPS	-0.66	0.83	1.13	-179.52%	-158.41%
ROE % (Half Yearly)	0.18		9.18		-98.04%

## HINDALCO Industry

HINDALCO Industry Ltd- Aditya Birla group's flagship company has posted standalone net profit of INR502.52 crores for the second quarter ended September 30, 2011 as compared to net profit INR433.81 crores in the year ago period with a YoY growth of 15.84 percent. Other income doubled to INR176.08 crore from INR82.10 crore in the same quarter of the previous year. For the quarter, its revenue rose by 7.03 percent to INR6271.87 crore from INR5859.94 crore in the corresponding period a year-ago.

Q2'11 [INR-Crore] - Standalone	Consensus	Actual	Var (%)
Revenues	6125.00	<b>6271.87</b>	2.40%
EBITDA	749.00	<b>669.24</b>	-10.65%
PAT	529.00	<b>502.62</b>	-4.99%
(Average estimate of 8 brokerages)			

HINDALCO Ind Ltd-Standalone-[INR-Crore]					
DESCRIPTION	Q2 FY11	Q2 FY10	YoY (%)	Q1 FY11	QoQ(%)
Revenues	<b>6271.87</b>	<b>5859.94</b>	<b>7.03</b>	<b>6,030.87</b>	<b>4.00</b>
Total Expenditure	<b>5602.63</b>	<b>5161.59</b>		<b>5,163.82</b>	
% of Sales	<b>89.33</b>	<b>88.08</b>	<b>1.42</b>	<b>85.62</b>	<b>4.33</b>
Raw Material	4419.05	3689.81		3601.01	
% of Net Sales	<b>70.46</b>	<b>62.97</b>	<b>11.90</b>	<b>59.71</b>	<b>18.00</b>
Staff Costs	291.54	284.27		250.06	
% of Net Sales	<b>4.65</b>	<b>4.85</b>	<b>-4.18</b>	<b>4.15</b>	<b>12.11</b>
Power & Fuel	752.84	574.21		635.32	
% of Net Sales	<b>12.00</b>	<b>9.80</b>	<b>22.50</b>	<b>10.53</b>	<b>13.94</b>
Other Expense	454.98	430.17		452.77	
% of Net Sales	<b>7.25</b>	<b>7.34</b>	<b>-1.18</b>	<b>7.51</b>	<b>-3.37</b>
EBITDA	<b>669.24</b>	<b>698.35</b>	<b>-4.17</b>	<b>867.05</b>	<b>-22.81</b>
Margin (%)	<b>10.67%</b>	<b>11.92%</b>	<b>(125)BPS</b>	<b>14.38%</b>	<b>(371)BPS</b>
Other income	<b>176.08</b>	<b>82.10</b>	<b>114.47</b>	<b>177.91</b>	<b>-1.03</b>
Operating Profit	845.32	780.45		1,044.96	
Interest	67.51	52.63		66.72	
PBDT	777.91	727.82		978.24	
Depreciation	174.11	171.77		175.35	
PBT	603.80	556.05		802.89	
Tax	101.18	122.24		158.89	
PBT (%)	<b>16.76</b>	<b>21.98</b>		<b>19.79</b>	
PAT	<b>502.52</b>	<b>433.81</b>	<b>15.84</b>	<b>644.00</b>	<b>-21.95</b>
PAT Margins	<b>8.01%</b>	<b>7.40%</b>	<b>61 BPS</b>	<b>10.68%</b>	<b>(266)BPS</b>
Equity Capital	191.47	191.37		191.46	
Face Value (In Rs)	1.00	1.00		1.00	
Diluted EPS	<b>2.62</b>	<b>2.27</b>	<b>15.42</b>	<b>3.36</b>	<b>-22.02</b>
ROE % (Yearly)	23.10	17.20			

Segmental performance	Q2FY11	Q2FY10	YoY (%)	Q1FY11	QoQ(%)
Aluminum	2213.20	1910.54		2093.14	
Copper	4061.82	3950.82		3940.21	
Gross revenue	6275.02	5861.36		6033.35	
Less: Inter-seg. revenue	3.15	1.42		2.48	
Net sales	<b>6271.87</b>	<b>5859.94</b>	<b>7.03</b>	<b>6030.87</b>	<b>4.00</b>
Aluminum	428.81	423.87		599.12	
Copper	147.59	128.91		145.06	
EBIT	<b>576.40</b>	<b>552.78</b>	<b>4.27</b>	<b>744.18</b>	<b>-22.55</b>
EBIT margin (%)					
Aluminum	<b>19.38</b>	<b>22.19</b>		<b>28.62</b>	
Copper	<b>3.63</b>	<b>3.26</b>		<b>3.68</b>	

Source: Company, Microsec Research

## Ranbaxy Laboratories

Ranbaxy Laboratories Ltd has announced its Q2FY12 result on 9th Nov 2011. The top line of the company increased by 7.73 percent y-o-y to INR2095.53 crore as against INR1945.16 crore corresponding last year, while bottom line decreased by 246.07 percent y-o-y to – INR456.92 crore, mainly because of loss on Foreign Exchange, which was INR651.15crore.

### Ranbaxy Laboratories Ltd Q2FY12 result

Particulars	Sep-11	Jun-11	Sep-10	QoQ(%)	YoY(%)
Net Sales & other operating income	2095.53	2093.12	1945.16	0.12%	7.73%
Operating Profit(Excluding OI)	-76.92	163.21	258.89	-147.13%	-129.71%
OPM(%)	-3.67%	7.80%	13.31%	(1147)bps	(1698)bps
PAT	-456.92	245.53	312.80	-286.10%	-246.07%
PAT(%)	-21.80%	11.73%	16.08%	(3353)bps	(3788)bps
Diluted EPS	-11.02	5.75	5.59	-291.65%	-297.14%

All data in Crores , EPS Represents Diluted EPS.

## Lupin

Lupin Ltd has announced its Q2FY12 result on 9th Nov 2011. The company's top line increased by 26.60 percent y-o-y to INR1772.39 crore, while bottom line increased by 23.14 percent to INR271.75 crore as against INR220.69 crore corresponding last year.

### Lupin Ltd Q2FY12 result.

Particulars	Sep-11	Jun-11	Sep-10	QoQ(%)	YoY(%)
Net Sales & other operating income	1772.39	1567.74	1433.96	13.05%	23.60%
Operating Profit(Excluding OI)	404.04	294.34	298.66	37.27%	35.28%
OPM(%)	22.80%	18.77%	20.83%	403bps	197bps
PAT	271.75	214.02	220.69	26.97%	23.14%
PAT(%)	15.33%	13.65%	15.39%	168bps	(6)bps
Diluted EPS	5.95	4.69	4.80	26.87%	23.96%

All data in Crores , EPS Represents Diluted EPS.

## Cadila Healthcare

Cadila Healthcare announced its Q2 FY2012 results on 10 Nov 2011. While the company's top line increased by 10 percent yoy, it slipped by 0.7 percent qoq basis on account of price erosion of API, volume contradiction in European countries, reduction of Sugar Free category growth from 18-20 percent in the last year to 6-7 percent this year. The glimpse of the company's Q2 FY2012 results is as follows:

Particulars (INR Mn)	Q2 12	Q1 12	Q2 11	QoQ (%)	YoY (%)
Revenues	12,364.0	12,456.9	11,166.9	-0.7%	10.7%
EBITDA	2,370.7	3,023.9	2,448.5	-21.6%	-3.2%
EBIDTA Margins	19.2%	24.3%	21.9%	(510)bps	(275)bps
Net Profit	1,026.8	2,298.2	1,708.4	-55.3%	-39.9%
Net Profit Margins	8.3%	18.4%	15.3%	(1,014)bps	(699)bps
Adj EPS	5.0	11.2	8.3	-55.3%	-39.9%

The net profit skidded by 55 percent sequentially and 40 percent yoy basis. Margins were under pressure due to forex loss, 26 percent increase in R&D cost, higher interest rate and inventory.

**View:** Our near term outlook is neutral about the stock. However, it may see some correction in next couple of trading sessions.

## Tata Chemicals

Tata Chemicals Ltd is in the business of soda ash, fertilizers, salt, water purifier, caustic soda and sodium bicarbonate. It announced its Q2 FY2012 results on 11 Nov 2011. The results are above estimates. Consolidated top line of the company increased by 19% yoy basis due to the higher soda ash and agri input sales, In addition to that, bottom line of the company increased by 117% on yearly basis. The glimpse of the company's Q2 FY2012 result is as follows:

Particulars (INR Mn)	Q2 12	Q1 12	Q2 11	QoQ (%)	YoY (%)
Revenues	35,709.6	29,539.5	29,909.2	20.9%	19.4%
EBITDA	6,740.4	5,267.7	4,181.8	28.0%	61.2%
EBIDTA Margins	18.9%	17.8%	14.0%	104 bps	489 bps
Net Profit	2,754.3	1,998.7	1,271.0	37.8%	116.7%
Net Profit Margins	7.7%	6.8%	4.2%	95 bps	346 bps
Adj EPS	10.8	7.8	5.0	37.8%	116.7%

**View:** The company has secured raw materials by raising stake in EPM mining, purchasing stake in phosphate asset in Morocco, investing in Gabon for urea manufacture and also posted good Q2 FY12 results, but our view about the Tata Chemicals is neutral as the company is planning to invest in steel and hotel that are the out of the main business line of Tata Chemicals.

## Carborundum Universal

Carborundum Universal announced its Q2 FY12 results on 05 Nov 2011. The company's consolidated Net Sales increased by 24 percent YOY and by 9 percent QOQ to INR505 crore while its EBITDA increased by 42 percent YOY and by 19 percent QOQ to INR119 crore. EBITDA Margin of the company improved from 19.6 percent to 22.6 percent YOY. PAT of the company increased by 60 percent YOY and 26 percent QOQ to INR66 crore.

Growth was driven by the performance of both the Indian and overseas operations. Its abrasives business grew by 15 percent, ceramics by 36 percent and electrominerals by 25 percent. Profitability of all business segments witnessed good increase but electrominerals business was robust and better. We advise the Investors to 'Buy' the Stock at the current level of INR157.

DESCRIPTION	Sep-11	Jun-11	Sep-10	QOQ	YOY
Net Sales	505	465	408	9%	24%
Other operating income	20	13	18		
Total Income	525	478	426	10%	23%
Total Expenditure	406	379	343		
PBIDT (Excl OI)	119	100	84	19%	42%
EBITDA (%)	22.6%	20.8%	19.6%		
Other Income	1	1	1		
Operating Profit	120	101	85		
Interest	6	7	6		
PBDT	114	94	79		
Depreciation	14	14	13		
PBT	99	80	66		
Tax	28	25	21		
Profit After Tax	71	56	45		
Minority Interest	0	-4	-4		
Shares of Associates	-5	1	0		
Consolidated Net Profit	66	52	41	26%	60%
PAT (%)	12.5%	10.9%	9.6%		
Equity Capital	18.73	18.71	18.67		
Face Value (In Rs)	1.00	1.00	1.00		
No. of shares	18.73	18.71	18.67		
EPS	3.50	2.79	2.20	25%	59%



## Pidilite Industries

Pidilite Industries announced its Q2 FY12 results on 08 Nov 2011. The company's Net sales increased by 19 percent YOY to INR781 crore and its PAT decreased by 3 percent YOY to INR77 crore. EBITDA Margin of the company falls from 18.6 percent to 16.0 percent YOY.

DESCRIPTION	Sep-11	Jun-11	Sep-10	QOQ	YOY
Net Sales	781	845	659	-8%	19%
Other operating income	6	7	8		
Total Income	788	852	667	-8%	18%
Total Expenditure	662	697	543		
PBIDT (Excl OI)	126	155	124	-19%	2%
EBITDA (%)	16.0%	18.2%	18.6%		
Other Income	3	5	4		
Operating Profit	129	161	129		
Interest	7	6	10		
PBDT	122	155	119		
Depreciation	16	15	15		
PBT	106	139	104		
Tax	29	35	25		
Consolidated Net Profit	77	105	79	-26%	-3%
PAT (%)	9.8%	12.3%	11.9%		
Equity Capital	50.77	50.65	50.61		
Face Value (In Rs)	1.00	1.00	1.00		
Reserves	50.77	50.65	50.61		
EPS	1.52	2.07	1.57	-26%	-3%

## Voltas

Voltas announced its Q2 FY12 results on 09 Nov 2011. The company's Net sales increased by 3 percent YOY to INR1102 crore and its adjusted PAT EX EO decreased by 77 percent YOY to INR17 crore. EBITDA Margin of the company falls from 10.1 percent to only 2.5 percent YOY.

DESCRIPTION	Sep-11	Jun-11	Sep-10	QOQ	YOY
Net Sales	1102	1348	1065	-18%	3%
Total Expenditure	1075	1240	958		
PBIDT (Excl OI)	27	109	108	-75%	-75%
EBITDA (%)	2.5%	8.1%	10.1%		
Other Income	22	19	19		
Operating Profit	50	128	127		
Interest	7	8	4		
PBDT	43	119	123		
Depreciation	9	10	5		
PBT	34	109	118		
Tax	18	40	45		
Profit After Tax	16	69	72		
Minority Interest	1	0	2		
Shares of Associates	0	0	0		
Consolidated Net Profit	17	68	75	-75%	-77%
PAT (%)	1.5%	5.1%	7.0%		
Exceptional Items	25	63	18		
PAT after EO	42	131	92	-68%	-55%
Equity Capital	33.07	33.07	33.07		
Face Value (In Rs)	1	1.00	1.00		
No. of shares	33.07	33.07	33.07		
EPS	0.5	2.07	2.26	-75%	-77%

- ◆ **Reliance Capital** posted consolidated net profit of INR334.5 million for the quarter ended Sept. 30, 2011 as compared to INR 1,119.7 million for the quarter ended Sept. 30, 2010, representing a decrease of 70.13 percent. Total consolidated income increased 19.01 percent from INR 12.99 billion for the quarter ended September 30, 2010 to INR 15.46 billion for the quarter ended September 30, 2011.
- ◆ **Jet Airways** posted net loss of INR7,136 million for the quarter ended Sept. 30, 2011 as compared to net profit of INR124 million for the quarter ended Sept. 30, 2010. Total income increased 7.36 percent from INR30,676 million for the quarter ended Sept. 30, 2010 to INR32,935 million for the quarter ended Sept. 30, 2011.
- ◆ **Jindal Saw** posted a net profit of INR537.3 million for the quarter ended Sept. 30, 2011 as compared to INR1,022 million for the quarter ended Sept. 30, 2010, representing a decrease of 47.40 percent. Total income increased from INR8,023 million for the quarter ended Sept. 30, 2010 to INR14,500 million for the quarter ended Sept. 30, 2011, representing an increase of 80.73 percent.
- ◆ **Educomp Solutions** posted consolidated net profit of INR127.69 million for the quarter ended Sept. 30, 2011 as compared to INR578.20 million for the quarter ended Sept. 30, 2010, representing an decrease of 77.92 percent. Total consolidated income increased from INR2,851.68 million for the quarter ended September 30, 2010 to INR3,274.91 million for the quarter ended September 30, 2011, representing an increase of 14.84 percent.
- ◆ **Housing Development & Infrastructure (HDIL)** posted net profit of INR1.48 billion for the quarter ended Sept. 30, 2011 as compared to INR1.96 billion for the quarter ended Sept. 30, 2010, representing a decrease of 24.49 percent. Total income increased from INR3.95 billion for the quarter ended September 30, 2010 to INR4.50 billion for the quarter ended September 30, 2011, representing a increase of 13.92 percent.
- ◆ **Adani Power** posted a net profit of INR1.76 billion for the quarter ended Sept. 30, 2011 as compared to INR1.26 billion for the quarter ended Sept. 30, 2010, representing an increase of 41.04 percent. Total income increased from INR3.95 billion for the quarter ended Sept. 30, 2010 to INR10.72 billion for the quarter ended Sept. 30, 2011, representing an increase of 2.71 times.
- ◆ **GTL Infrastructure** posted a net loss of INR2,085 million for the quarter ended Sept. 30, 2011 as compared to net loss of INR161.7 million for the quarter ended Sept. 30, 2010. Total income increased from INR1,169 million for the quarter ended Sept. 30, 2010 to INR1,342 million for the quarter ended Sept. 30, 2011, representing an increase of 14.82 percent.

## ◆ **Moody's and Standard & Poor (S&P) has two different thought on Indian Banking Sector.**

### **Moody's View**

Global rating agency Moody's Investors Services downgraded the outlook on India's Rs64 trillion banking sector to negative from stable, saying a slowing domestic economy and chaos in global markets could lead to more bad loans, impact banks' ability to raise money and profitability. Moreover, India's economic momentum is slowing because of high inflation, monetary tightening, and rapidly rising interest rates. At the same time, concerns have emerged over the sustainability of the recovery in the US and Europe, and the rise in the borrowing programme of the Indian government, which could drain funds away from the private credit market.

### **Standard & Poor (S&P) view**

S&P has upgraded the sector from group '6' to group '5'. S&P said that "dependence on stable bank deposits due to an extensive branch network and limited dependence on external borrowing made India's banking system low risk on system wide funding". S&P also express the following points-

1. Indian Government is highly supportive of the banking system.
2. India's economic resilience is low due to low annual income per head and a high gap between government income and expenditure.
3. Banking regulation is in line with international standards.
4. Government standards are generally adequate though disclosures are somewhat inadequate.
5. Weak payment culture and legal system often result in low recoveries.
6. Bank profit are stable but returns are lower than their corporate counterparts.

- ◆ **Kingfisher Airlines**, which cancelled more than 160 flights over the last six days, has been asked by the Directorate General of Civil Aviation (DGCA) to give details of its plan to reconfigure its fleet to prevent a large-scale flight disruption. Maintaining that it has received some "interim replies" from liquor baron Vijay Mallya-owned carrier, the DGCA is awaiting for more details as it has been found that the airline was not operating flights as per the approved winter schedule, according to news report.

## November 14, 2011

- ◆ Earnings Expected: BHEL, Unitech, Cipla, Jaiprakash Associates, Mahindra and Mahindra, Tata Motors, Tata Power Company, Oil India, Bhushan Steel, JSW Steel, India Cements, ABG Shipyard, Sobha Developers, Deccan Chronicle, Balrampur Chini Mills, BGR Energy, Kingfisher Airlines, Fortis Healthcare, Four Soft, Gayatri Projects, Himadri Chemicals, Amara Raja Batteries, Adhunik Metalik and others.
- ◆ **India's Inflation data for October 2011.**
- ◆ Japan's GDP data for Q3 of 2011.
- ◆ Japan's Industrial Production data for September 2011.

## November 15, 2011

- ◆ Earnings Expected: Tech Mahindra, Max India, Alchemist, and others.
- ◆ The U.S. Retail Sales data for October 2011.
- ◆ Germany GDP data for Q3 of 2011.
- ◆ Germany ZEW Survey data for November 2011.
- ◆ The U.K. CPI data for October 2011.

## November 16, 2011

- ◆ The U.S. Industrial Production data for October 2011.
- ◆ The U.S. MBA Mortgage Application data for the week ended November 11, 2011.
- ◆ The U.S. Consumer Price Index data for October 2011.

## November 17, 2011

- ◆ India's Weekly Food and Fuel Inflation data for the week ended November 05, 2011.
- ◆ The U.S. Housing Starts data for October 2011.
- ◆ The U.S. Initial Jobless Claims data for the week ended November 12, 2011.
- ◆ The U.S. Bloomberg Consumer Comfort data for the week ended November 13, 2011.
- ◆ The U.K. Retail Sales data for October 2011.

## November 18, 2011

- ◆ The U.S. Leading Indicators for October 2011.
- ◆ Germany Producer Price Index data for October 2011.

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