ENAM: Q2FY11 estimates

1) For Banking, we have taken Net Income as Sales, Net Interest Income as EBITDA
2) Real Estate Sector aggregate is minus DB Realty
3) S = Standalone; C = Consolidated

Sector-wise	Net Sales (INR mn)			EBITDA (INR mn)			Adjusted PAT (INR mn)			Comments
	Q2FY11e	YoY (%)	QoQ (%)	Q2FY11e	YoY (%)	QoQ (%)	Q2FY11e	YoY (%)	QoQ (%)	
Auto	388,050	33	9	47,798	14	10	31,720	17	15	Volume and margins likely to be higher than Q1, due to lagged impact of price increases. On a YoY basis margins will be lower due to higher raw material costs and emission norm upgrade expenses. Some North India floods effect
Banking & Fin Serv	413,971	20	2	293,768	31	3	138,936	24	3	Credit growth mainly driven by large ticket size loans whereas deposit growth likely to remain muted. Net interest margins to have positive bias mainly due to the repricing of loans and impact of base rate. Asset quality to remain stable with pressure from Agri NPAs for some banks.
Cement	127,598	0	(7)	25,863	(39)	(29)	10,800	(54)	(38)	More than 10% cement price drop due to over capacity and flat volumes for the industry.
Engineering	260,457	18	17	34,652	16	20	22,822	14	18	~18% sales growth on execution of backlog & marginal moderation in margins. Base impact to skew reported numbers of Cummins and Siemens.
FMCG	173,109	14	3	37,769	13	9	26,568	12	12	Rising cost pressure, increase in brand investments, increase in excise duty and slower than expected revenue growth to dampen earnings growth
Infrastructure	241,691	22	18	34,879	32	16	14,034	39	15	Growth for EPC to pick up in 2H FY11
IT Services	271,848	18	9	68,381	16	10	52,678	13	6	Expect volume trajectory to remain strong. Caution on USD/ INR. Salary hikes effected for Infy, partly pending for TCS/ Wipro. Focus on FY12 visibility where Infosys remains conservative vs peers.
Media	5,973	18	4	1,212	14	(1)	(107)	NA	NA	
Metals	322,673	11	3	77,261	3	(20)	48,604	(3)	(26)	Non-ferrous: ~15% YoY higher aluminium prices to benefit Hindalco. **Ferrous:** Margins pressure due to higher RM costs mainly coking coal; price hike likely
Petrochem, Oil & Gas	2,388,228	30	10	305,545	62	110	162,218	56	NA	Expect govt to pay Rs 52 bn in cash to OMC's & upstream to bear Rs 35 bn of under-recoveries. Lower than expected subsidy payouts could hurt OMCs.
Pharmaceuticals	87,077	(0)	(5)	18,013	9	(20)	13,599	10	(29)	
Power Utilities	230,990	15	(2)	78,963	1	2	41,543	0	3	Merchant tariffs were soft QoQ at Rs 4.7-4.8/unit vs. Rs 5.8 in Q1 due to bumper monsoons. Execution slippages impacted vol growth. NTPC amongst the worst hit and expected to report second consecutive qtr of PAT de-growth.
Real Estate	49,219	35	11	18,795	16	7	9,842	12	7	Interest rates peaking out, low ownership of stocks, sustainable volumes and prices, H2 results expected to be better than H1FY11
Retail	15,065	31	20	1,630	51	47	1,140	47	40	
Telecom	245,060	32	16	79,892	14	15	21,881	(32)	(1)	The quarter has: 1) muted volume growth due to seasonality (monsoons), 2) deceleration in the decline in ARPM, 3) subscriber verification norms enforced this qtr impacting MoUs. Next qtr will see impact of interest costs, tho the above 3 factors would improve operating parameters next qtr
ENAM Universe	**5,221,011**	**24**	**8**	-			**596,277**	**17**	**27**	
Sensex (FF adj)	**1,282,291**	**23**	**8**	-			**179,135**	**13**	**8**	
Sensex (FF adj - ex BFSI & Oil)	770,777	20	8	176,037	17	8	99,482	6	3	

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Company name	S/ C	Net Sales (INR mn)			EBITDA (INR mn)			Adjusted PAT (INR mn)			Comments
		Q2FY11e	YoY (%)	QoQ (%)	Q2FY11e	YoY (%)	QoQ (%)	Q2FY11e	YoY (%)	QoQ (%)	
Auto											
Ashok Leyland	S	27,301	73	16	2,850	72	21	1,582	77	29	Volume growth 15% QoQ, with EBITDA margins likely to improve by 40bps to 10.4%
Bajaj Auto	S	42,081	46	8	8,469	33	9	6,465	44	10	Volume growth 8% QoQ, with EBITDA margins likely to sustain at >20% levels
Hero Honda	S	45,445	12	6	6,614	(11)	10	5,379	(10)	9	Margins likely to increase by 50 bps QoQ to 14.5% (vs 18% in Q2FY10).
Mah & Mah	S	54,015	20	5	8,208	8	6	6,967	17	24	EBITDA margin to sustain at 15% levels. However, PAT to be higher by 24% QoQ on account of div. from subs
Maruti Suzuki	S	89,972	27	11	8,245	4	15	5,953	4	12	Margins likely to improve marginally despite adverse currency movement. H2 improvement expected to be significant
Tata Motors	S	113,718	43	9	12,497	19	8	4,734	26	15	EBITDA Margins likely to be maintained at Q1 levels. Lower interest burden expected
TVS Motor	S	15,517	39	13	915	91	38	640	157	59	Vol. growth of 12% QoQ, EBITDA margin to improve by ~100 bps QoQ to 6%.
Banking & Fin Serv											
Axis Bank	S	25,764	16	2	15,780	37	4	7,716	45	4	NII growth likely to be strong led bycontinued momentum in asset growth. Fee income growth to be muted.
Bank of Baroda	S	25,164	27	2	19,076	37	3	8,878	40	3	Domestic margins to improve, delinquencies well under control
Bank of India	S	24,488	17	5	18,073	28	4	6,783	110	(6)	Strong bottom-line growth due to base effect
Canara Bank	S	24,382	10	(1)	16,624	27	(4)	9,606	5	(5)	Focusing on CASA and low delinquencies on restructured assets
Corp Bank	S	9,880	23	3	7,153	42	3	3,402	17	2	
HDFC	S	12,051	19	11	11,844	25	10	7,964	20	15	Disbursement likely to be strong at ~25%; loan growth (gross of sell downs) expected to be at ~20%. Spreads to remain stable.
HDFC Bank	S	33,929	15	2	24,225	24	1	8,418	22	4	Business growth momentum to continue with no negative surprises
ICICI Bank	S	38,991	1	6	20,445	0	3	10,782	4	5	Growth to show an improving trend with lower delinquencies. CASA ratio to remain healthy, but cost pressures likely to start building in.
IDFC	S	5,756	49	12	5,668	53	12	3,380	35	6	Balance sheet growth back in focus, margins to remain stable
ING Vysya	S	3,993	16	10	2,376	24	(0)	726	36	5	
LIC Housing Fin	S	3,651	51	8	3,113	67	6	2,143	25	1	Stable margins, ~25% growth in advances, healthy asset quality
Oriental Bank	S	13,094	51	3	11,155	99	6	3,876	43	7	Margins to remain strong along with healthy recoveries on the NPA front. Sanctions of ~ Rs120 bn, to help in future growth.
Power Finance	S	10,058	26	9	9,251	28	8	7,350	15	13	Growth to remain strong with stable margins and healthy asset quality
Punjab National Bank	S	33,782	22	(3)	25,726	28	(2)	10,814	17	1	To benefit from higher CASA, but slippages from restructured books to be watched.
Rural Electrification	S	8,586	26	4	8,251	29	3	6,050	22	3	Demand for credit to remain strong but some doubts being raised on incremental slippage

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Shriram Transport Finance	S	7,595	40	3	3,768	(11)	15	3,064	48	6	Securitisation income to keep flowing in, growth strong and margins stable
State Bank	S	110,240	21	0	75,177	34	3	30,028	21	3	Net interest margins likely to be over 3%. Incremental slippages to be watched carefully, despite lower gross NPAs (net of recovery)
Union Bank	S	18,187	28	2	13,345	55	(1)	6,253	24	4	Some pressure on NPAs due to recognition of Agri NPAs
Yes Bank	S	4,381	41	8	2,718	70	4	1,700	52	9	Very high growth rates. Focusing on CASA by expanding the branch network
Cement											
ACC	C	16,196	(19)	(27)	3,312	(53)	(44)	1,622	(63)	(54)	12% YoY drop in cement prices (due to overcapacity) and 8% YOY drop in volumes (due to low demand)
Ambuja Cements	S	15,406	(6)	(26)	3,432	(26)	(47)	1,821	(31)	(53)	10% YoY drop in cement prices (due to overcapacity) and 6% YOY increase in volumes. % decline in EBITDA is lower than peers due to lower base.
Grasim Inds	C	42,041	(11)	(18)	9,339	(40)	(32)	3,920	(50)	(32)	11% YoY drop in cement prices (due to overcapacity). 14% YoY higher VSF realization
India Cement	S	8,269	(17)	(6)	369	(88)	(64)	(368)	NA	NA	
Madras Cement	S	7,249	(15)	4	1,571	(54)	(20)	449	(74)	(38)	
Shree Cement	S	7,108	(22)	(25)	1,653	(60)	(43)	442	(85)	(59)	
Ultra Tech Cement	S	31,329	101	73	6,188	27	45	2,914	16	20	YoY/QoQ numbers not comparables due to biz re-structuring
Engineering											
ABB	S	16,089	10	10	1,356	(1)	104	808	(3)	111	Strong QoQ EBITDA growth on better margin performance of the loss-making power system division.
BHEL	S	81,511	21	23	14,306	16	48	9,693	13	45	While RMC/ Sales appear higher by 130 bps in Q2FY11, it would be due benefit of low-cost inventory last year
Crompton Greaves	C	23,357	7	1	3,079	0	4	1,852	(4)	(3)	Despite 15% growth in standalone nos, consolidated results expected to be muted due to impact of Fx translation
Cummins	S	9,796	58	6	1,941	71	(2)	1,387	58	(1)	YoY numbers appear optically high due to strike in Kothrud facility in Q2FY10.
Hindustan Dorr Oliver	S	2,537	25	1	299	18	0	170	9	2	
Larsen & Toubro	S	91,653	16	16	9,165	9	(9)	6,117	9	(8)	Pick up in revenue and profitability in 2H FY11, as project execution picks up pace
Siemens	S	30,049	19	34	3,701	50	53	2,325	52	49	Strong YoY growth due to base-impact of last year
Sterlite Technologies	S	5,465	17	11	804	(9)	(3)	470	(14)	(15)	
FMCG											
Asian Paints	C	20,902	21	14	3,804	18	10	2,442	19	10	
Colgate Palmolive	S	5,521	13	4	1,191	25	(14)	1,072	20	(12)	
Dabur India	C	10,092	19	10	2,082	19	52	1,631	17	53	
Hindustan Unilever	S	46,500	9	(4)	7,028	8	5	5,411	(4)	8	Revenue momentum to remain muted. Expect increase in palm oil, packing material and LAB prices, along side higher ad spend to impact earnings.
Jyothi Labs	C	1,542	19	2	162	(1)	(49)	145	3	(44)	Earnings growth will be impacted by sharp increase in Adv. Spend due to new launches
Marico	C	7,850	13	(1)	1,060	12	0	731	17	(1)	
Nestle	S	15,754	21	7	3,172	17	10	2,121	16	9	
Tata Global Beverages	C	14,800	6	8	1,568	(7)	20	969	(1)	63	While high tea prices will continue to exert pressure on margin, the commodity cost is expected to drop by Q4FY11 due to global supply glut.

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		Q2FY11e	YoY (%)	QoQ (%)	Q2FY11e	YoY (%)	QoQ (%)	Q2FY11e	YoY (%)	QoQ (%)	
Infrastructure											
Gammon	S	11,327	20	(13)	1,023	10	(5)	310	12	(1)	
GMR Infra	C	12,101	1	(2)	3,966	4	5	316	(41)	7	Higher interest and depreciation due to commissioning of Delhi airport from 1QFY11E, v/s capitalisation earlier is impacting profitability
GVK Power & Infra	C	4,931	0	1	1,463	(3)	16	403	(9)	21	
Hindustan Construction	S	9,390	20	(6)	1,286	20	2	249	28	(20)	
IVRCL Infra	S	14,614	20	32	1,330	16	32	465	(5)	66	
JP Associates	S	25,706	36	(20)	6,136	18	(10)	1,160	(0)	(22)	
Mundra Port	S	4,522	38	9	3,259	39	13	2,330	35	8	Strong 25% volume growth drives profitability
Nagarjuna Construction	S	12,804	20	18	1,229	13	18	504	15	22	
Punj Lloyd	C	26,353	(8)	52	1,923	(9)	43	442	(16)	NA	Pick up in execution of Libya projects only from 2HFY11 (around 30% of order book), will impact revenue and profitability
Reliance Infra	S	27,629	4	24	2,281	(27)	(10)	2,959	12	20	
Simplex Infrastructure	C	11,620	10	(3)	1,208	10	(1)	353	21	(4)	
IT Services											
HCL Technologies	C	36,740	21	7	6,502	(6)	2	3,177	(1)	(7)	
Infosys Technologies	C	66,758	20	8	22,541	17	15	16,944	10	14	Infosys is expected to lead the Tier-1 IT pack in terms of volume growth for the Sept quarter
Tata Consultancy	C	88,124	19	7	23,083	18	3	18,587	14	1	Break even of Diligenta (Insurance BPO platform; ~2% rev share in FY10) by FY11E end is a potent margin lever in TCS' arsenal. Promotions to impact margins in Q2FY11
Wipro	C	80,226	16	12	16,255	26	16	13,969	20	7	
Media											
Dish TV	C	3,256	26	7	368	60	14	(619)	NA	NA	Strong subscriber additions of ~785,000
Jagran Prakashan	C	2,717	10	1	844	1	(6)	512	2	(8)	15% ad revenue growth despite a high base in Q2FY10 when part of the festive season was in the second quarter
Metals							**(20)**		**(3)**	**(26)**	
Hindalco Inds	S	52,591	7	2	7,688	26	(8)	4,731	38	(11)	Higher LME aluminium prices (USD 2100/ tonne vs USD 1800/ tonne in Q2FY10)
Hindustan Zinc	S	20,180	11	2	10,604	(1)	4	8,747	(6)	(2)	
Tata Steel	S	68,653	21	5	26,623	39	(9)	13,951	55	(12)	

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		Q2FY11e	YoY (%)	QoQ (%)	Q2FY11e	YoY (%)	QoQ (%)	Q2FY11e	YoY (%)	QoQ (%)	
Petrochem, Oil & Gas											
BPCL	S	355,382	31	4	9,068	NA	NA	2,923	NA	NA	
GAIL	S	64,657	4	(9)	14,057	35	(3)	9,270	30	5	
HPCL	S	328,505	33	12	7,448	333	NA	2,641	NA	NA	
Indian Oil	S	789,963	30	10	28,698	368	NA	19,442	584	NA	
Oil India	C	22,506	5	43	12,736	22	85	8,628	19	72	
ONGC	S	200,120	32	45	134,240	52	64	69,048	36	89	
Reliance Inds	C	627,094	34	8	99,299	38	6	50,265	30	4	
Pharmaceuticals											
Cadila Healthcare	C	10,987	16	(3)	2,513	22	(15)	1,687	24	(18)	
Cipla	C	15,478	7	5	3,827	3	9	2,810	5	9	
Dr Reddys	C	18,109	(1)	8	3,250	13	9	2,443	27	5	
Lupin	C	13,944	22	5	2,887	52	2	1,981	42	1	
Ranbaxy Labs	C	18,320	(20)	(14)	2,314	(5)	(43)	1,665	21	(63)	EM biz to improve, however, Q-O-Q decline in profit, as Q2FY10 included sales from Valacyclovir
Sun Pharma	C	10,239	(4)	(26)	3,222	(8)	(48)	3,013	(16)	(47)	Drop in profit, as Q1FY11 included sales from shipment of Eloxatin
Power Utilities											
NTPC	S	122,607	9	(8)	33,999	(10)	2	19,439	(16)	3	YoY Profit lower due to lower incentives as PLF has fallen in certain key stations.
Power Grid Corp	S	19,450	14	3	16,182	9	3	6,412	28	6	PAT growth due to higher asset commisioning
Tata Power	C	55,550	21	5	12,831	35	2	5,721	73	(0)	Volume growth in coal biz
Real Estate											
Century Textile	C	10,863	5	(4)	1,715	(24)	(23)	627	(40)	(38)	
DLF	C	24,412	39	20	11,216	23	15	4,563	3	12	
HDIL	S	4,680	32	4	2,662	48	(0)	2,305	55	(2)	Phase I shifting to start in Oct'10; TDR sales at similat to Q1 levels with improved margins on back of higher TDR prices
Unitech	C	9,263	82	12	3,202	7	9	2,347	32	30	
DB Realty	C	3,208		21	1,155		27	962		52	
Retail											
Titan Inds	S	15,065	31	20	1,630	51	47	1,140	47	40	Rising gold prices continues to aid jewellery margin expansion. Lower losses from eyewear and precision engineering business.
Telecom											
Bharti Airtel	C	153,556	56	26	54,220	31	23	16,093	(25)	(5)	Bharti strong QoQ growth includes the impact of full quarter of Africa ops vs. 23 days in Q1FY10. Currency volatility and higher interest cost to impact PAT
IDEA	C	37,468	26	3	8,681	7	(2)	1,862	(15)	(8)	
OnMobile	C	1,336	23	8	311	130	10	168	70	(10)	