Industry In-Depth

10 May 2007 | 32 pages

Oil Gauge

Playing the Crude Forward Curve

- Cairn and Reliance Petroleum most leveraged — We run the long-term forward oil curve (~US$65-70/bbl) on our coverage universe and find 35-46% potential upside for Cairn and 28% potential upside for Reliance Petroleum (from the associated correlation with refining margins). ONGC's lower potential upside at 7-13% is due to the likely continuation of subsidy burden in a high crude environment.

- The not-so-obvious beneficiaries — Aban will likely benefit from continued strength in the offshore services market. High crude prices will likely continue to support the affordability of gas and hence the profitability of the gas value chain (Reliance Industries, GAIL, Gujarat State Petronet, Gujarat Gas, Indraprastha Gas).

- Downside for downstream dependent on pricing power — Although it is difficult to quantify the impact due to the extraneous variables, we think the most affected will likely be the downstream R&M players (BPCL, HPCL, IOC). We believe crude at US$65/bbl would be the sweet spot for Castrol because its pricing power would come to the fore even as the OMCs remain rational.

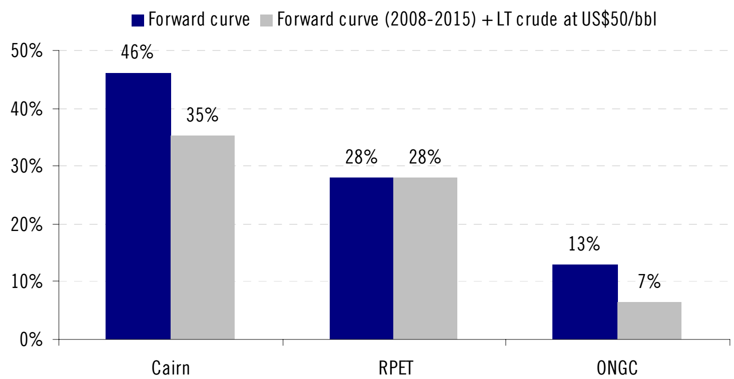
- Top picks — Our top picks in the sector include Reliance Petroleum (sustained refining cycle + state-of-the-art assets), GSPL (strong volume visibility on the gas pipeline) and ONGC (value stock with an option on drilling success). Aban Offshore, Castrol, and Everest Kanto are our other favored picks in our Oil & Gas universe.

Rahul Singh[1]
+91-22-6631-9863
rahul.r.singh@citigroup.com

Pradeep Mirchandani, CFA[1]
+91-22-6631-9877
pradeep.mirchandani@citigroup.com

Saurabh Handa[1]
saurabh.handa@citigroup.com

Figure 1. Fair value sensitivity to crude prices



Source: Citigroup Investment Research estimates

See Appendix A-1 for Analyst Certification and important disclosures.

[1]Citigroup Global Market India Private Limited

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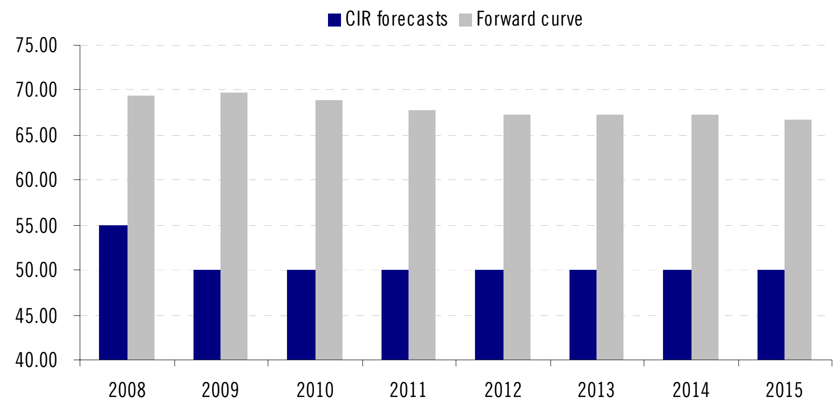
Long-term oil forward curve materially above Citi forecasts

The sustained divergence between the oil forward curve and Citigroup's long-term crude forecast prompts us to take stock of the potential impact of the crude forward curve, were it actual, and its impact on the stocks under our coverage. The forward curve implies Light-Sweet crude price in the US$65-70/bbl range during 2008-15, materially higher than Citigroup's long-term WTI forecast of US$50/bbl.

Figure 2. Citigroup's oil price outlook (WTI) vs. oil forward curve – Light Sweet (US$/bbl)

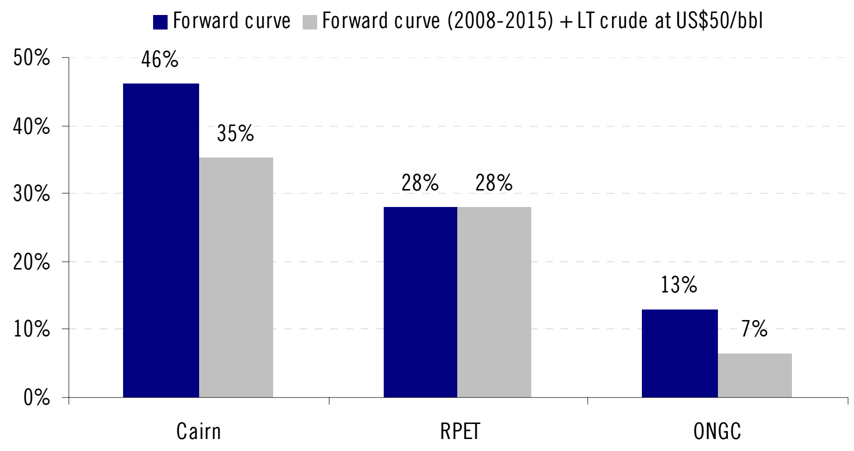


Source: Nymex, Citigroup Investment Research estimates

Direct beneficiaries

Our sensitivity analysis is based on two scenarios: 1) Forward curve for 2008-15 and flat thereafter at 2015 levels; and 2) Forward curve for 2008-15 and US$50/bbl thereafter. The results of the sensitivity imply the most upside for Cairn (35-46%) followed by Reliance Petroleum (28%) and ONGC (7-13%).

Figure 3. Fair value sensitivity to crude prices



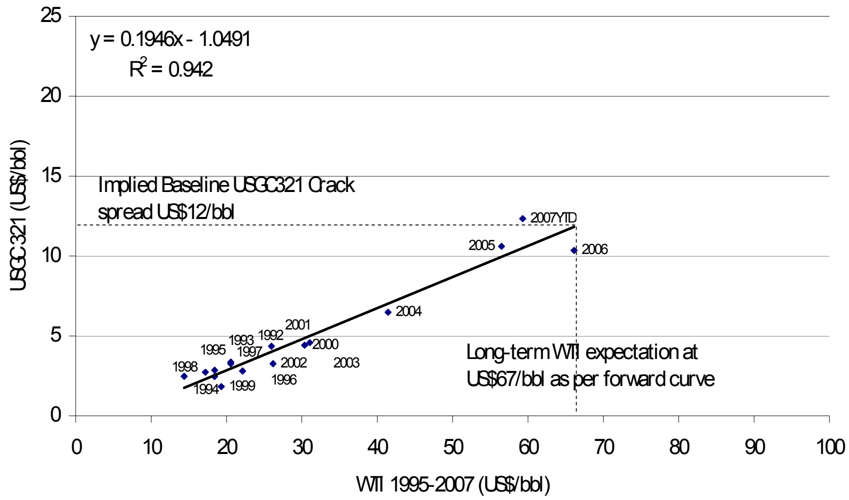
Source: Citigroup Investment Research estimates

- Cairn's potential upside would be direct, with almost 100% of value coming from oil production from Rajasthan. It therefore is most leveraged to crude in the Indian Oil & Gas universe.

- Potential upside for Reliance Petroleum (RPET) is indirect; refining margins/cracks have had a strong correlation with crude prices in the past, as both have common drivers — i.e. growth in distillate demand, shortage of complex refining capacity, and increasing proportion of heavy crude. For simplicity sake, we rely on the empirically deduced GC321 spread of US$12/bbl to drive our diesel/gasoline crack assumptions for RPET (see Figure 4). Our upside calculation of 28% corresponds to the resultant GRM assumption of ~US$14/bbl for FY10-11E versus a base case of ~US$12/bbl.

- ONGC's potential upside appears capped; we assume US$14/bbl as the normative subsidy discount for the forward curve (US$65-70/bbl) and a US$3-4/bbl discount on US$50/bbl. We have not assumed any sector reforms on an incremental basis, which could improve ONGC's leverage to crude.

Figure 4. WTI vs. Baseline 321 Crack Spread: Long-term WTI of US$67/bbl (as per the oil price forward curve) implies a US$12.0/bbl USGC321 Crack Spread



Source: Citigroup Investment Research

Indirect beneficiaries

High crude price environment would be positive for the gas value chain for the following reasons:

- It supports the present gas pricing environment in the US$4.5-6.0/mmbtu range, thus potentially benefiting gas producers. For RIL, this would benefit KG gas valuations as cash flows get upfronted. Every US$1/mmbtu increase in our gas price assumption (from our base case of US$4.0-4.5/mmbtu) could potentially increase KG basin NAV by Rs50. However, there is no direct linear correlation between crude prices and gas pricing given other local factors such as coal availability, power costs, etc.

- It is more difficult to quantify the salubrious impact on the gas transmission companies (GAIL, GSPL), distributors (Gujarat Gas, IGL), and CNG enablers (EKC) because the high crude environment supports demand for natural gas.

Besides, high prices of competing liquid fuels (naphtha, gasoline, diesel) may continue to impart pricing power to the distcos, thus sustaining their profitability.

- Higher long-term expectations on crude would also support sustained E&P activity globally, thus prolonging the uptrend in the global offshore services market. This would benefit Aban Offshore in the long run, in our view.

Downside for downstream depends on relative pricing power

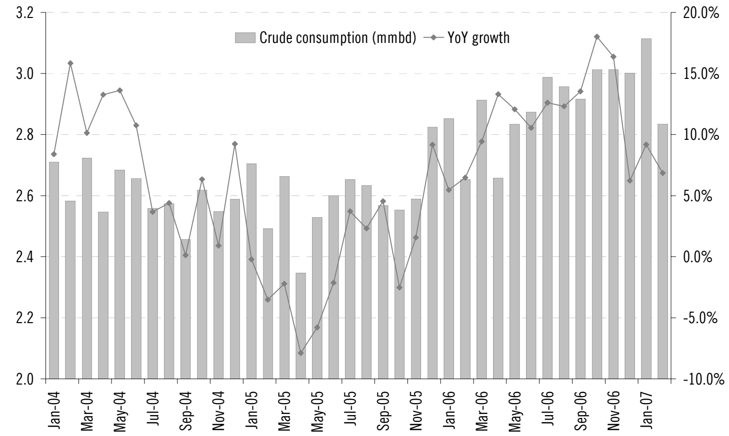
- Downstream R&M (BPCL, HPCL, IOC) profitability will likely continue to be under pressure in a high crude environment. Though earnings might be managed (especially through oil bonds), valuations will likely reflect the policy uncertainty.

- We believe the impact on Castrol is neutral because high crude prices will likely be offset by: i) declining base oil spreads; and ii) PSU marketers remaining rational in lube pricing in the wake of the likely squeeze on auto fuels. We think the resultant pricing power for Castrol implies a sweet spot for the company at ~US$65/bbl.

Oil consumption

Oil consumption sustained robust growth throughout FY07 (up 12% through Feb-07) driven primarily by the expansions that were completed at various refineries during the year

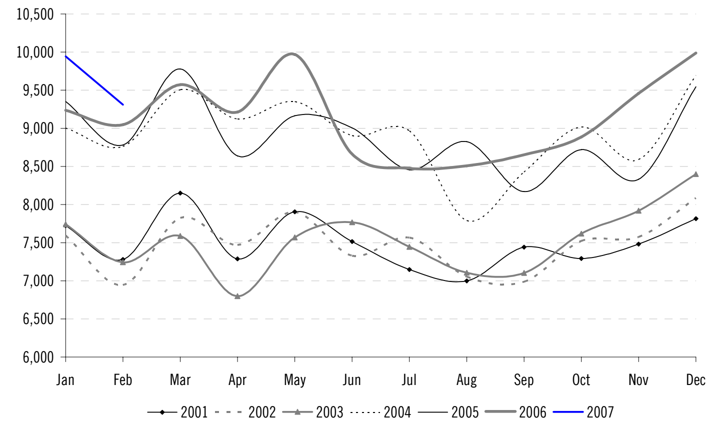
Figure 5. Crude Oil Consumption / Throughput at All Refineries



Source: Indian Oil & Gas

On the petroleum products front, diesel demand registered a robust average growth rate of 8% since Sep-06, recovering from the lacklutre growth in the preceding months and now trending more in line with industrial growth than before. Gasoline demand, too, witnessed similar trends during the period

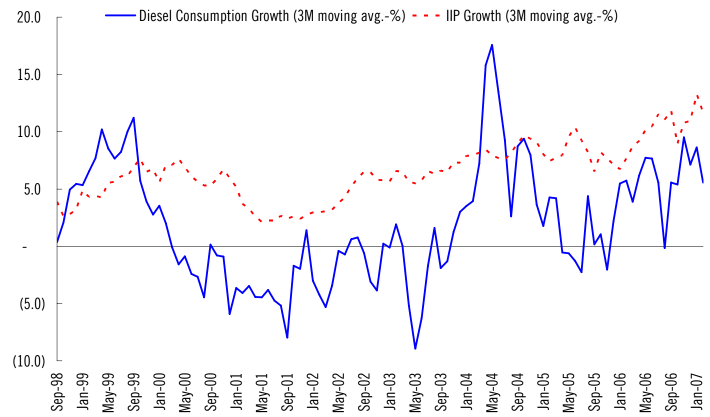
Figure 6. Petroleum Products Consumption ('000 tonnes)



Source: Indian Oil & Gas

Though diesel demand has more closely started tracking industrial growth, it continues to lag the same, though we think this is more a function of improved oil efficiency in the economy than demand destruction

Figure 7. Diesel Demand vs. Industrial Production Growth (3M yoy Moving Average, %)

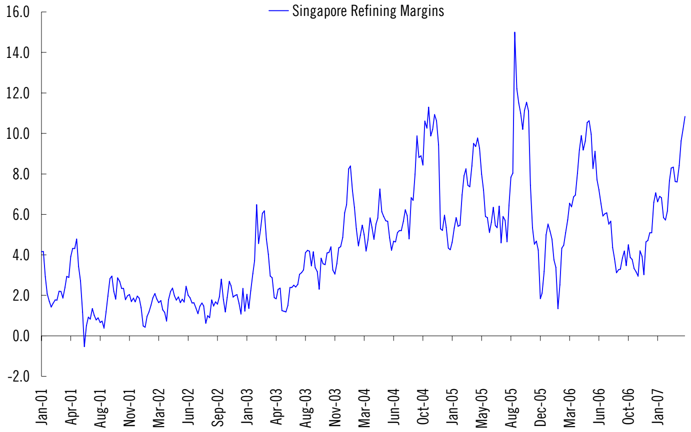


Source: Indian Oil & Gas, CSO

Downstream R&M margins

Singapore complex margins recovered sharply in 4QFY07 to US$6.8/bbl from the lows witnessed in the preceding quarter (average of US$3.9/bbl). Margins have further sustained their strength into FY08, trending at a YTD average of US$9.3/bbl

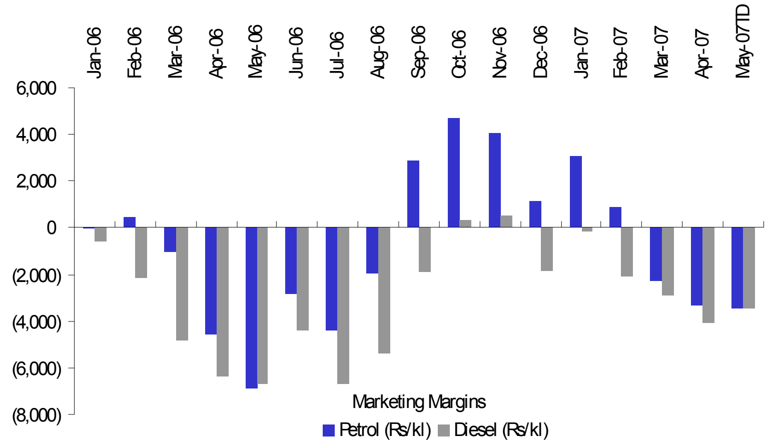
Figure 8. Regional Refining Margins Trend (US$/bbl)



Source: Reuters

Marketing margins on auto fuels have once again slipped into the red, driven by a combination of a sharp rise in international gasoline and diesel prices (US prices have risen 27% and 18% YTD) and the cut in retail prices — which was premature in our view — announced by the government in mid-February

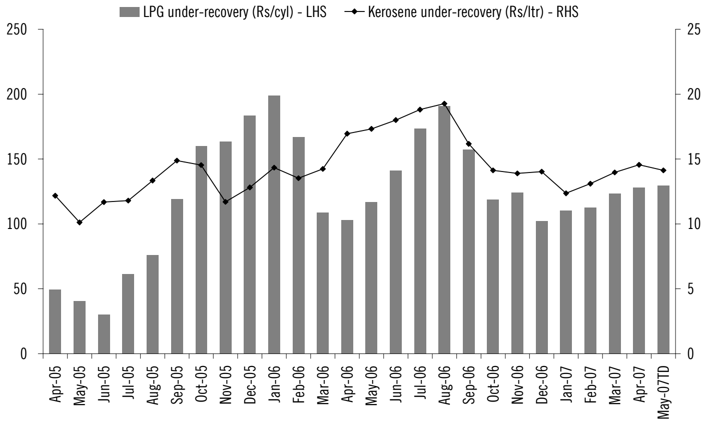
Figure 9. Marketing Margins on Auto Fuels



Source: Citigroup Investment Research

Though LPG and SKO losses have remained relatively stable in the past few months, the woes of marketing companies continue as expectations of government-initiated reforms on this front remain far-fetched, in our view

Figure 10. Under-recoveries on Cooking Fuels

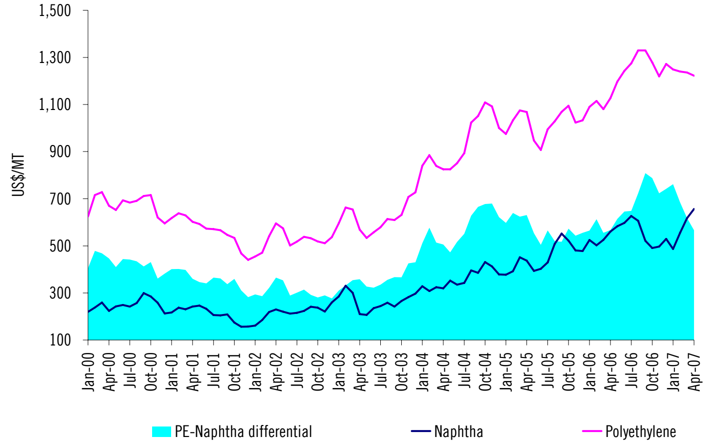


Source: Citigroup Investment Research

Petrochemical margins

Margins have declined nearly 30% since their peak in September

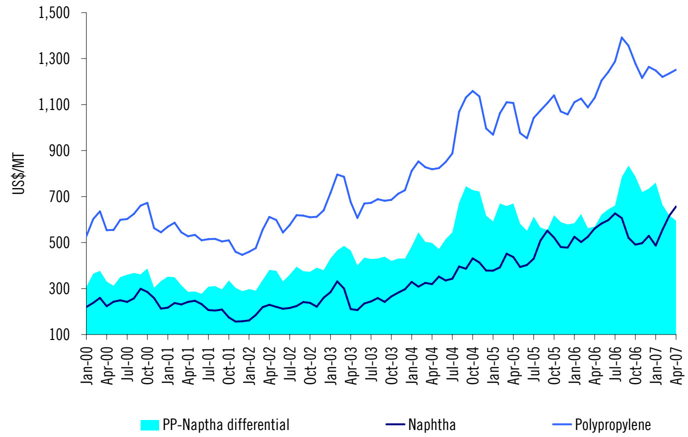
Figure 11. PE-Naphtha Differential (US$/MT)



Source: Datastream

Polypropylene margins too have witnessed similar declines from their historical highs, as the rise in feedstock costs has outpaced that of product prices

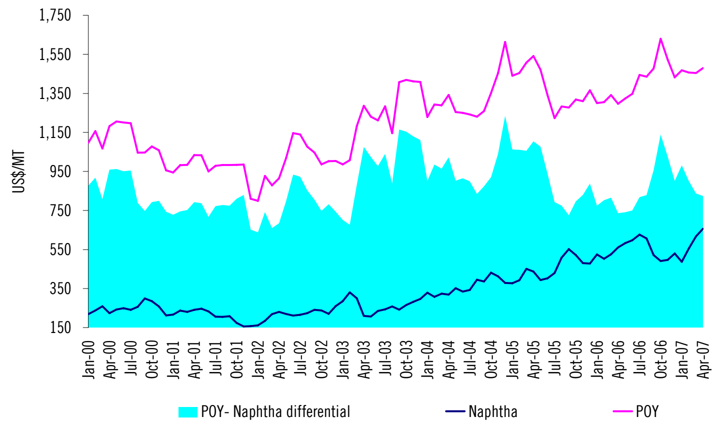
Figure 12. PP-Naphtha Differential (US$/MT)



Source: Datastream

POY profitability, too, has been under significant pressure since November 2006

Figure 13. POY-Naphtha Differential (US$/MT)



Source: Datastream

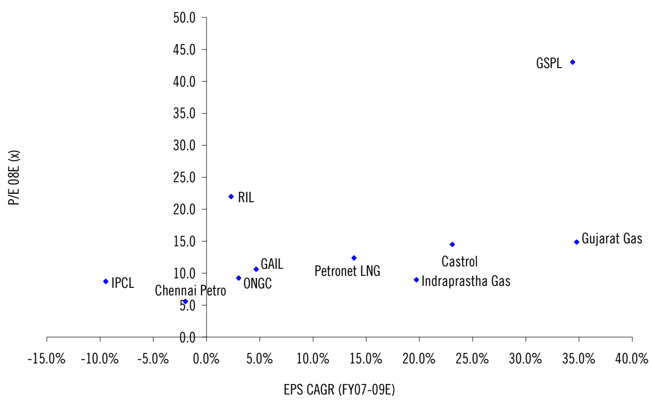
Valuation comparisons

Figure 14. Indian Oil & Gas – Statistical Abstract

			Mkt cap	Share price	Target	P/E (x)		P/CEPS (x)		EV/EBITDA (x)		P/BV (x)		Div. Yld. (%)	
Company Name	RIC Code	Rating	(US$m)	9-May-07	price	FY08E	FY09E	FY08E	FY09E	FY08E	FY09E	FY08E	FY09E	FY08E	FY09E
Aban Offshore	ABAN.BO	1H	2,193	2,409	2,850	18.9	6.8	11.1	5.3	9.7	6.0	7.4	3.7	1.2%	2.3%
BPCL	BPCL.BO	3M	3,116	350	385	7.3	NA	4.2	NA	5.1	NA	1.0	NA	3.8%	NA
Cairn India[2]	CAIL.BO	2M	5,578	128	145	NM	17.8	NM	13.3	NM	11.2	0.8	0.8	0.0%	0.0%
Castrol India[1]	CAST.BO	1M	830	273	350	14.7	14.4	13.7	13.4	9.2	9.1	7.9	7.0	4.6%	4.6%
Chennai Petro	CHPC.BO	1L	789	215	240	5.5	7.0	3.9	4.6	4.7	5.0	1.1	1.0	7.3%	5.7%
Everest Kanto	EKCL.BO	1M	509	1,059	1,300	20.6	15.2	16.5	12.6	12.8	10.0	5.7	4.5	1.2%	1.6%
GAIL	GAIL.BO	1L	5,846	281	323	10.2	9.7	8.0	7.6	5.7	5.4	1.9	1.7	3.6%	3.2%
Gujarat Gas[1]	GGAS.BO	1L	469	1,487	1,440	14.8	12.0	11.7	9.7	8.3	6.5	3.4	2.8	0.8%	1.0%
Gujarat State Petronet	GSPT.BO	1M	723	54	60	43.3	19.4	11.8	7.7	10.7	7.7	2.9	2.7	0.9%	2.0%
HPCL	HPCL.BO	3M	2,390	286	299	9.0	NA	5.0	NA	5.4	NA	1.0	NA	3.9%	NA
Indian Oil	IOC.BO	3M	13,362	465	450	9.8	NA	6.1	NA	6.5	NA	1.3	NA	3.3%	NA
Indraprastha Gas	IGAS.BO	1L	338	98	156	8.9	7.4	5.7	4.7	4.3	3.6	2.4	2.0	3.6%	4.1%
ONGC	ONGC.BO	1M	47,847	909	1,100	9.1	9.4	6.2	6.2	4.7	4.6	2.5	2.1	4.4%	4.4%
Petronet LNG	PLNG.BO	1M	829	45	74	12.4	10.6	9.0	8.0	8.0	7.8	2.5	2.2	3.3%	3.3%
Reliance Industries	RELI.BO	2L	54,750	1,597	1,450	22.0	20.5	16.3	14.2	14.4	13.0	4.8	4.0	0.6%	0.7%
Reliance Petroleum	RPET.BO	1M	8,795	79	100	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

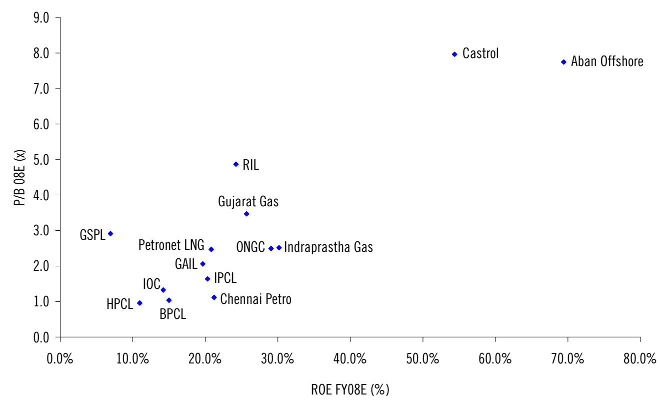
Source: Powered by dataCentral [1]Using CY07E and CY08E (31-Dec year-ending). [2]Using CY08E and CY09E as CY07E is not meaningful.

Figure 15. Oil & Gas Universe – P/E vs. Earnings CAGR



Source: Powered by dataCentral

Figure 16. Oil & Gas Universe – P/B vs. ROE



Source: Powered by dataCentral

Figure 17. Oil & Gas Universe – EV/DACF vs. ROCE

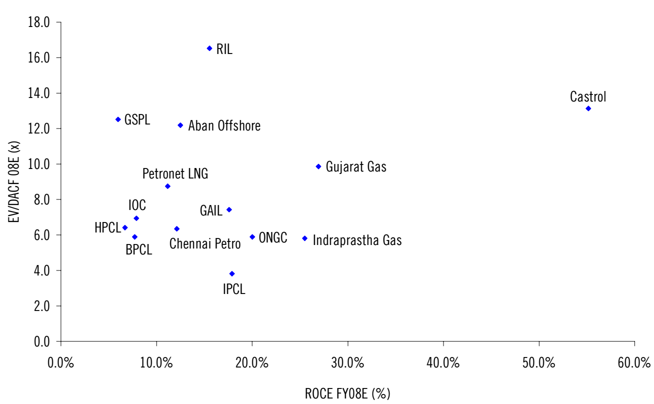
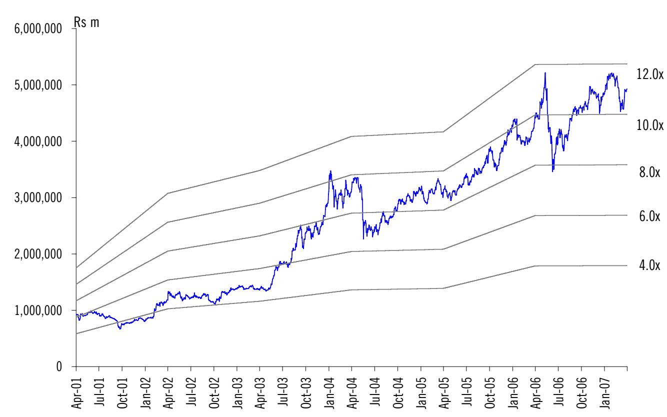


Figure 18. Oil & Gas Sector – P/E Band Chart



Source: Powered by dataCentral

Source: Powered by dataCentral

Figure 19. Top Stock Picks

Company	Rating	Share price 9-May-07	Target price	CIR Comments
Reliance Petro	1M	79	100	Super-sized export refinery designed to operate as swing capacity. To benefit from delays in global capacity additions and sustained strength in crack spreads.
GSPL	1M	54	60	Greater visibility of gas supplies from the KG basin would ensure better utilization of network. News flows on GTAs and demand and pricing data points from new and existing centers would likely be key stock catalysts.
ONGC	1M	909	1,100	Reasonable valuation with an option to drill-bit success and less probable sector reforms. Crude at ~US$60 is optimal for earnings.
Aban Offshore	1H	2,409	2,850	Acquisition of Sinvest has created a material, leveraged play on the tight market for offshore drilling services. Good mix of existing assets getting repriced along with significant pipeline of 9 assets coming on stream over next 2 years.
Castrol India	1M	273	350	Narrowing base oil-crude differentials and fast appreciation of the rupee to help boost margins. Retail prices likely to remain sticky in declining raw material scenario.
Everest Kanto	1M	1,059	1,300	Uniquely positioned to capture the significant growth potential of the market for high pressure gas cylinders, driven largely by the rapidly expanding CNG market in India and overseas.

Source: Powered by dataCentral

Figure 20. Other Recommendations

Company	Rating	Share price 9-May-07	Target price	CIR Comments
Reliance Industries	2L	1,597	1,450	Exploration upside in KG basin factored in whereas new blocks would take time to yield results. Sustained refining and petrochemical cycle would support core valuation in the meanwhile.
Petronet LNG	1M	45	74	LNG Infrastructure play. Spot LNG cargos are positive though visibility on new LT supplies remain critical.
GAIL	1L	281	323	Recent announcements on gas pipeline build-out and increasing gas supplies are structurally positive. Risks of tariff resetting and gas price hike are behind the company.
Gujarat Gas	1L	1,487	1,440	Sustained strong growth in CNG and PNG businesses likely to offset declining transmission revenues.
Indraprastha Gas	1L	98	156	Gas distribution utility with growth drivers in place, strong return parameters, and pricing power. Liquid fuels are key. One of the main beneficiaries of increasing gas penetration.
Chennai Petro	1L	215	240	Pure play on the sustained strength in refining margins.
Cairn India	2M	128	145	Valuations incorporating core Rajasthan assets and including recovery and exploration upsides leave only moderate upside, in our view. With high leverage to crude and likely near-term resolution of midstream, we think the risk-reward equation would turn more favorable at or below Rs120.
IOC	3M	465	450	Valuations factor in US$55-60/bbl crude. Any further reduction in crude would likely result in discontinuation of oil bonds. Reforms in LPG/SKO pricing appear unlikely.
BPCL	3M	350	385	Remains a hostage to government policies, consolidation with subsidiaries notwithstanding. Benefits of lower crude appear fully captured in valuations.
HPCL	3M	286	299	Highest exposure to subsidy losses with a refining/marketing volume ratio of 0.7x. Valuations already factor in benefits of low crude.

Source: Powered by dataCentral

Figure 21. Recent Research

Title	Date	Link to Research
Castrol India (CAST.BO): Buy: Strong 1QCY07, but Below Expectations	30-Apr-07	https://www.citigroupgeo.com/pdf/SAP04999.pdf
Castrol India (CAST.BO): Buy: Upgrading Target Price on Margin Expansion; Rupee Strength	27-Apr-07	https://www.citigroupgeo.com/pdf/SAP04916.pdf
Reliance Industries (RELI.BO): Hold: 4QFY07 In-Line; Analyst Meet Provides Color on E&P	27-Apr-07	https://www.citigroupgeo.com/pdf/SAP04881.pdf
Reliance Petroleum (RPET.BO): Upgrade to Buy: Horses for Courses	26-Apr-07	https://www.citigroupgeo.com/pdf/SAP04807.pdf
Everest Kanto Cylinder (EKCL.BO): Buy: Announces Large Export Order; Target Price Raised to Rs1,300	26-Apr-07	https://www.citigroupgeo.com/pdf/SAP04852.pdf
Aban Offshore (ABAN.BO): Buy: Stand-Alone 4Q Results a Tad Disappointing; Outlook Remains Positive	18-Apr-07	https://www.citigroupgeo.com/pdf/SAP04546.pdf
Cairn India (CAIL.BO): Initiating with Hold; Leveraged to Crude; Exploration Success Key	12-Apr-07	https://www.citigroupgeo.com/pdf/SAP04341.pdf
Aban Offshore (ABAN.BO): Buy: Digesting Sinvest; Increasing Target Price to Rs2850	4-Apr-07	https://www.citigroupgeo.com/pdf/SAP04172.pdf
Gujarat State Petronet (GSPT.BO): Buy: Further Clarity on KG Gas Transportation	2-Apr-07	https://www.citigroupgeo.com/pdf/SAP04085.pdf
Tata Chems (TTCH.BO): Upgrade to Buy: Positive Outlook Highlighted at India Conference	21-Mar-07	https://www.citigroupgeo.com/pdf/SAP03763.pdf
Reliance Industries (RELI.BO): RIL-IPCL Merger: Core Earnings to Gain Slightly, Incremental Synergies Limited	12-Mar-07	https://www.citigroupgeo.com/pdf/SAP03448.pdf
Reliance Industries (RELI.BO): Hold: Promoters' Stake Increase - Intent Positive for Sentiment	26-Feb-07	https://www.citigroupgeo.com/pdf/SAP03035.pdf
Indian Downstream R&M - Inflation Control = Lower Downstream Profits	15-Feb-07	https://www.citigroupgeo.com/pdf/SAP02891.pdf
Oil & Natural Gas Corp (ONGC.BO): Buy: Raising Target; Lower & Stable Crude = Higher & Visible Profits	31-Jan-07	https://www.citigroupgeo.com/pdf/SAP02398.pdf

Source: Citigroup Investment Research

Company Snapshots

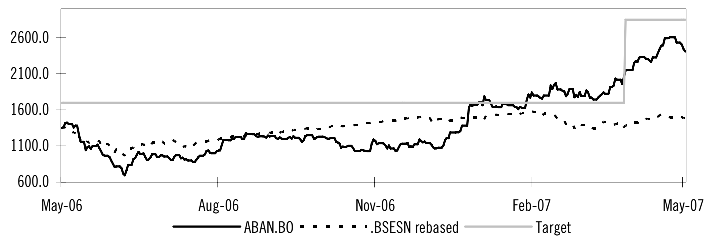
Aban Offshore (ABAN.BO)

Pradeep Mirchandani, CFA
+91-22-6631-9877
pradeep.mirchandani@citigroup.com

Rating	**1 (Buy)**
Risk	**H (High)**
Target price (Rs)	**2,850.00**
Dividend - next 12 mths (Rs)	13.00
Expected price return (%)	18.3
1 Year Performance (%)	70.1

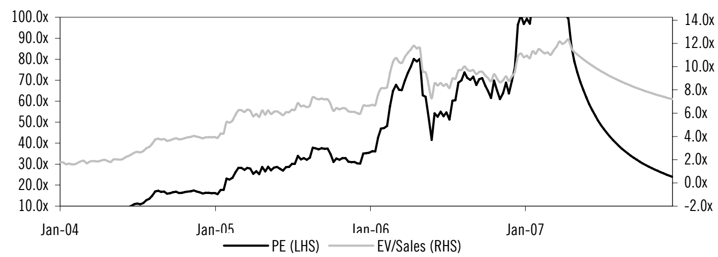
Price (Rs)	**2,409.45**
52-week range (Rs)	693.45 - 2,607.40
Shares outstanding (M)	37
Free float (%)	38
Avg daily volume 12 mths (K,Shrs)	27
Exchange	BSE
Market cap (USD,M)	2,193
Enterprise value (USD,M)	3,443
Fiscal year end	31-Mar
Model Updated	4-Apr-2007

Price Performance

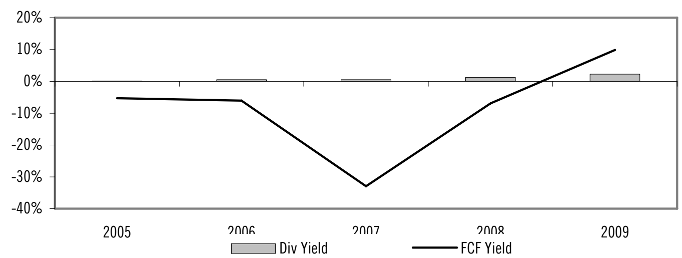


Performance:	3M	6M	12M
Absolute	33.9%	114.6%	70.1%
Relative	39.1%	109.7%	60.8%

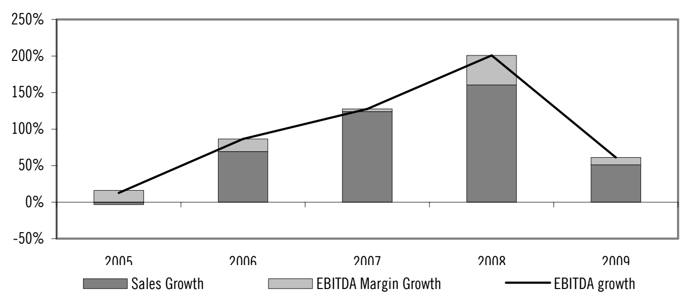
Valuation



Yields



Operating Growth



	2006	2007	2008	2009	2010
Valuation Ratios					
P/E (adj) (x)	139.2	142.9	18.9	6.8	5.1
P/CF (x)	43.4	38.5	10.9	5.0	3.5
P/BVPS (x)	31.7	31.0	7.4	3.7	2.2
EV/Sales (x)	20.1	13.1	6.5	4.3	3.3
EV/EBITDA (x)	35.1	22.5	9.7	5.9	4.7
FCF Yield (%)	-6.1	-32.9	-6.9	9.9	27.2
Dividend yield (%)	0.5	0.5	1.2	2.3	2.3
Per Share (Rs)					
EPS (adjusted)	17.30	16.86	127.51	355.49	470.49
EPS (reported)	17.30	16.86	127.51	355.49	470.49
BVPS	76.10	77.69	323.72	655.52	1,116.07
CFPS	55.55	62.60	220.12	484.99	682.15
DPS	13.00	13.00	30.00	55.00	55.00
Returns (%)					
ROE	28.5	21.4	69.4	80.6	59.1
ROIC	8.9	6.8	12.7	20.2	23.6
Efficiency & Solvency					
Fixed Asset Turn (x)	0.3	0.2	0.5	0.6	0.7
Receivables (days)	52.1	51.8	26.6	24.8	15.2
Interest Coverage (x)	6.4	1.6	2.4	4.1	5.7
Debt / Equity (%)	449.3	3,854.8	728.7	360.7	157.9
Net Debt / Equity (%)	444.4	3,380.2	683.5	315.3	132.7
Profit & Loss (Rs,M)					
Net sales	4,902	10,972	28,565	43,173	51,151
YoY Change (%)	*69.3*	*123.8*	*160.3*	*51.1*	*18.5*
EBITDA	2,804	6,377	19,191	30,938	35,713
EBITDA Margin (%)	*57.2*	*58.1*	*67.2*	*71.7*	*69.8*
D&A	-1,014	-1,644	-3,799	-4,167	-4,689
EBIT	**1,790**	**4,733**	**15,392**	**26,771**	**31,025**
EBIT Margin (%)	*36.5*	*43.1*	*53.9*	*62.0*	*60.7*
Net Interest	-436	-4,029	-8,019	-7,538	-6,255
Exceptionals	0	0	0	0	0
Pre Tax	**1,501**	**1,646**	**7,837**	**19,742**	**25,284**
Taxes	-678	-804	-2,032	-3,685	-3,901
Tax Rate (%)	*45.2*	*48.8*	*25.9*	*18.7*	*15.4*
Minorities	0	0	-434	-1,282	-1,864
Reported Net Profit	**715**	**605**	**5,135**	**14,538**	**19,282**
Adjusted Net Profit	**715**	**605**	**5,135**	**14,538**	**19,282**
Growth Rates (%)					
EBITDA growth	86.6	127.5	200.9	61.2	15.4
EBIT growth	85.5	164.5	225.2	73.9	15.9
EPS (adjusted) growth	23.4	-2.6	656.4	178.8	32.4
DPS Growth	549.9	0.0	130.8	83.3	0.0
Balance Sheet (Rs,M)					
WC	534	607	1,861	3,304	2,522
WC to Sales (%)	*10.9*	*5.5*	*6.5*	*7.7*	*4.9*
Fixed Assets	15,466	49,396	63,189	70,847	68,858
Intangibles	0	49,407	46,181	43,570	41,032
Total Assets	**17,163**	**117,668**	**121,851**	**134,610**	**128,463**
Capital Employed	**16,192**	**101,082**	**112,903**	**119,394**	**114,085**
Net Debt/(-Cash)	12,463	96,776	96,079	86,905	61,591
Other L/T Liabilities	926	1,443	2,767	4,923	6,093
Total Liabilities	**14,359**	**114,805**	**107,794**	**107,044**	**82,062**
Equity	**2,804**	**2,863**	**14,057**	**27,566**	**46,401**
Cash Flow (Rs,M)					
Net Profit	715	605	5,135	14,538	19,282
D&A	1,014	1,644	3,799	4,167	4,689
Change in WC	458	8	-645	-338	1,952
Operating Cash Flow	**2,294**	**2,495**	**8,960**	**19,887**	**28,024**
Capex	-8,341	-35,374	-15,932	-10,201	-1,112
Free Cash Flow	**-6,047**	**-32,879**	**-6,972**	**9,686**	**26,912**
Investing Cash Flow	**-8,341**	**-35,374**	**-15,932**	**-10,201**	**-1,112**
Financing Cash Flow	**3,894**	**96,213**	**-9,098**	**-5,239**	**-28,389**
Dividends	-109	-546	-1,261	-2,311	-2,311

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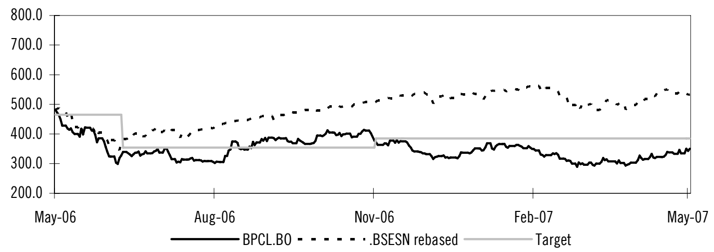
BPCL (BPCL.BO)

Rahul Singh
+91-22-6631-9863
rahul.r.singh@citigroup.com

Rating	**3 (Sell)**
Risk	**M (Medium)**
Target price (Rs)	**385.00**
Dividend - next 12 mths (Rs)	8.00
Expected price return (%)	9.9
1 Year Performance (%)	-24.5

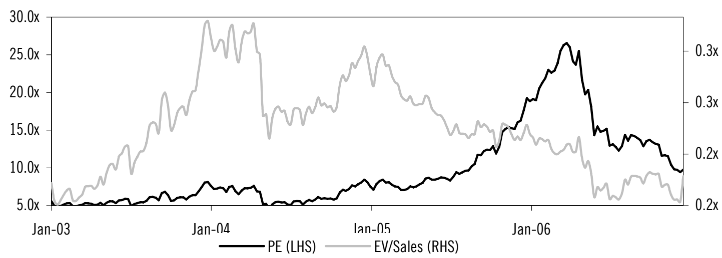
Price (Rs)	**350.40**
52-week range (Rs)	289.25 - 464.10
Shares outstanding (M)	362
Free float (%)	34
Avg daily volume 12 mths (K,Shrs)	123
Exchange	BSE
Market cap (USD,M)	3,116
Enterprise value (USD,M)	4,617
Fiscal year end	31-Mar
Model Updated	9-Nov-2006

Price Performance

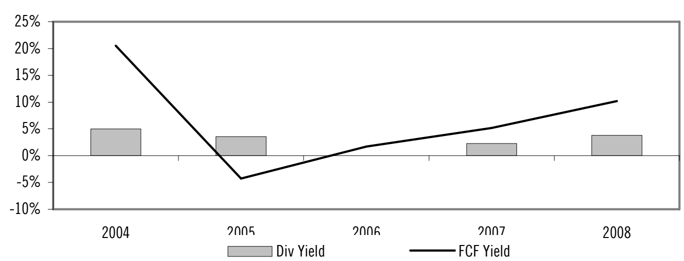


Performance:	**3M**	**6M**	**12M**
Absolute	1.8%	-5.8%	-24.5%
Relative	7.1%	-10.7%	-33.8%

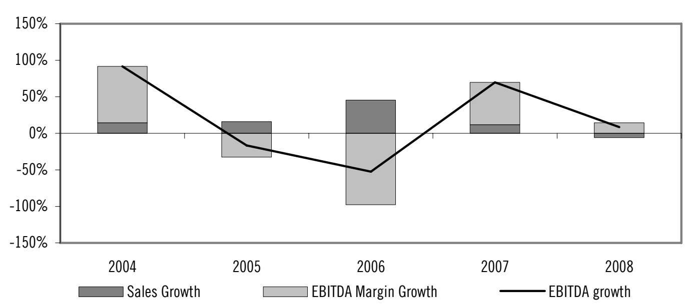
Valuation



Yields



Operating Growth



	2004	2005	2006	2007	2008
Valuation Ratios					
P/E (adj) (x)	5.2	6.8	21.4	8.7	7.3
P/CF (x)	2.9	7.3	3.6	4.1	3.3
P/BVPS (x)	1.6	1.4	1.3	1.2	1.0
EV/Sales (x)	0.3	0.3	0.2	0.2	0.2
EV/EBITDA (x)	3.5	4.9	10.7	6.3	5.8
FCF Yield (%)	20.5	-4.3	1.7	5.2	10.2
Dividend yield (%)	5.0	3.6	0.0	2.3	3.8
Per Share (Rs)					
EPS (adjusted)	67.80	51.40	16.38	40.35	48.12
EPS (reported)	67.80	51.40	16.38	40.35	48.12
BVPS	218.59	255.17	271.86	304.03	337.67
CFPS	118.84	48.18	97.98	86.16	104.70
DPS	17.50	12.50	0.00	7.99	13.32
Returns (%)					
ROE	36.0	21.7	6.2	14.0	15.0
ROIC	22.2	13.6	3.1	7.6	7.9
Efficiency & Solvency					
Fixed Asset Turn (x)	4.8	5.1	6.5	6.8	6.0
Receivables (days)	9.7	8.2	7.1	6.3	6.0
Interest Coverage (x)	17.5	15.3	7.5	14.4	18.8
Debt / Equity (%)	60.3	59.5	49.3	39.7	28.7
Net Debt / Equity (%)	47.2	51.8	45.4	36.3	27.5
Profit & Loss (Rs,M)					
Net sales	555,630	644,248	936,961	1,048,343	987,594
YoY Change (%)	*14.6*	*15.9*	*45.4*	*11.9*	*(5.8)*
EBITDA	45,214	37,689	17,955	30,468	33,033
EBITDA Margin (%)	*8.1*	*5.9*	*1.9*	*2.9*	*3.3*
D&A	-8,266	-8,810	-9,225	-9,999	-10,744
EBIT	**36,948**	**28,879**	**8,731**	**20,469**	**22,290**
EBIT Margin (%)	*6.6*	*4.5*	*0.9*	*2.0*	*2.3*
Net Interest	-2,577	-2,469	-2,382	-2,119	-1,760
Exceptionals	0	0	0	0	0
Pre Tax	**38,634**	**29,985**	**10,821**	**22,558**	**24,715**
Taxes	-14,686	-9,014	-3,636	-7,580	-8,304
Tax Rate (%)	*38.0*	*30.1*	*33.6*	*33.6*	*33.6*
Minorities	-3,305	-5,321	-2,270	-2,874	-1,974
Reported Net Profit	**20,339**	**15,420**	**4,915**	**12,104**	**14,437**
Adjusted Net Profit	**20,339**	**15,420**	**4,915**	**12,104**	**14,437**
Growth Rates (%)					
EBITDA growth	91.7	-16.6	-52.4	69.7	8.4
EBIT growth	96.8	-21.8	-69.8	134.5	8.9
EPS (adjusted) growth	55.9	-24.2	-68.1	146.3	19.3
DPS Growth	16.7	-28.6	-100.0	na	66.7
Balance Sheet (Rs,M)					
WC	18,487	33,861	20,833	20,541	17,111
WC to Sales (%)	*3.3*	*5.3*	*2.2*	*2.0*	*1.7*
Fixed Assets	115,252	125,399	143,778	154,198	164,157
Intangibles	0	0	0	0	0
Total Assets	**231,029**	**264,806**	**291,013**	**311,449**	**313,363**
Capital Employed	**140,351**	**163,040**	**167,873**	**178,001**	**184,531**
Net Debt/(-Cash)	36,794	48,376	45,310	40,293	33,700
Other L/T Liabilities	25,618	21,355	22,853	26,579	28,395
Total Liabilities	**153,090**	**171,498**	**191,303**	**200,320**	**190,926**
Equity	**77,940**	**93,309**	**99,711**	**111,130**	**122,436**
Cash Flow (Rs,M)					
Net Profit	20,339	15,420	4,915	12,104	14,437
D&A	8,266	8,810	9,225	9,999	10,744
Change in WC	3,741	-15,096	12,985	869	4,255
Operating Cash Flow	**35,651**	**14,454**	**29,395**	**25,847**	**31,409**
Capex	-14,077	-18,957	-27,603	-20,419	-20,703
Free Cash Flow	**21,574**	**-4,503**	**1,792**	**5,428**	**10,706**
Investing Cash Flow	**-15,177**	**-16,125**	**-27,086**	**-20,419**	**-20,703**
Financing Cash Flow	**-24,941**	**-1,456**	**-2,836**	**-4,675**	**-12,776**
Dividends	-5,828	-5,376	-2,179	-5,327	-6,318

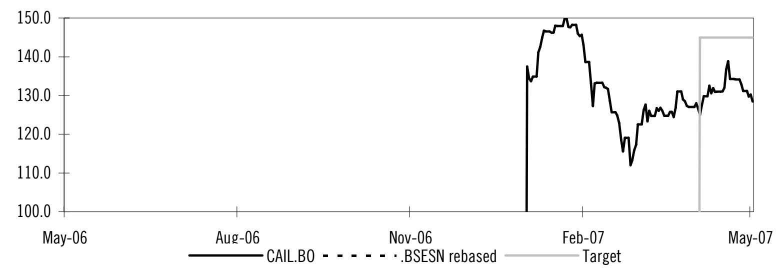
Cairn India (CAIL.BO)

Rahul Singh
+91-22-6631-9863
rahul.r.singh@citigroup.com

Rating	**2 (Hold)**
Risk	**M (Medium)**
Target price (Rs)	**145.00**
Dividend - next 12 mths (Rs)	0.00
Expected price return (%)	12.9
1 Year Performance (%)	na

Price (Rs)	**128.45**
52-week range (Rs)	112.00 - 150.05
Shares outstanding (M)	1,765
Free float (%)	21
Avg daily volume 12 mths (K,Shrs)	1,539
Exchange	BSE
Market cap (USD,M)	5,578
Enterprise value (USD,M)	na
Fiscal year end	31-Dec
Model Updated	11-Apr-2007

Price Performance



Performance:	**3M**	**6M**	**12M**
Absolute	-7.4%	na	na
Relative	-2.1%	na	na

	2008	2009	2010
Valuation Ratios			
P/E (adj) (x)	194.4	17.8	5.8
P/CF (x)	56.7	13.5	4.8
P/BVPS (x)	0.8	0.8	0.8
EV/Sales (x)	32.1	10.1	3.9
EV/EBITDA (x)	41.2	11.5	4.3
FCF Yield (%)	-5.6	2.5	19.2
Dividend yield (%)	0.0	0.0	0.0
Per Share (Rs)			
EPS (adjusted)	0.66	7.23	22.28
EPS (reported)	0.66	7.23	22.28
BVPS	165.03	165.21	165.75
CFPS	2.26	9.49	26.62
DPS	0.00	0.00	0.00
Returns (%)			
ROE	0.4	4.4	13.5
ROIC	0.7	4.9	13.7
Efficiency & Solvency			
Fixed Asset Turn (x)	0.1	0.4	1.0
Receivables (days)	314.1	115.2	59.0
Interest Coverage (x)	5.3	12.0	27.6
Debt / Equity (%)	5.8	8.5	8.5
Net Debt / Equity (%)	-0.9	2.6	2.7
Profit & Loss (Rs,M)			
Net sales	6,806	22,593	60,057
YoY Change (%)	*(15.3)*	*232.0*	*165.8*
EBITDA	5,296	19,981	54,679
EBITDA Margin (%)	*77.8*	*88.4*	*91.0*
D&A	-2,752	-4,303	-8,293
EBIT	**2,544**	**15,678**	**46,386**
EBIT Margin (%)	*37.4*	*69.4*	*77.2*
Net Interest	-1,008	-1,660	-1,980
Exceptionals	0	0	0
Pre Tax	**1,667**	**14,146**	**44,534**
Taxes	-500	-1,383	-5,203
Tax Rate (%)	*30.0*	*9.8*	*11.7*
Minorities	0	0	0
Reported Net Profit	**1,167**	**12,763**	**39,331**
Adjusted Net Profit	**1,167**	**12,763**	**39,331**
Growth Rates (%)			
EBITDA growth	-17.2	277.2	173.7
EBIT growth	5.0	516.2	195.9
EPS (adjusted) growth	-20.0	994.0	208.2
DPS Growth	na	na	na
Balance Sheet (Rs,M)			
WC	574	891	1,518
WC to Sales (%)	*8.4*	*3.9*	*2.5*
Fixed Assets	47,423	57,718	58,277
Intangibles	240,673	240,673	240,673
Total Assets	**313,420**	**322,786**	**325,685**
Capital Employed	**288,671**	**299,282**	**300,468**
Net Debt/(-Cash)	-2,665	7,638	7,865
Other L/T Liabilities	0	0	0
Total Liabilities	**22,084**	**31,142**	**33,082**
Equity	**291,336**	**291,644**	**292,603**
Cash Flow (Rs,M)			
Net Profit	1,167	12,763	39,331
D&A	2,752	4,303	8,293
Change in WC	77	-316	-627
Operating Cash Flow	**3,996**	**16,750**	**46,996**
Capex	-16,800	-11,110	-3,485
Free Cash Flow	**-12,804**	**5,641**	**43,511**
Investing Cash Flow	**-16,800**	**-11,110**	**-3,485**
Financing Cash Flow	**8,160**	**8,100**	**0**
Dividends	0	0	0

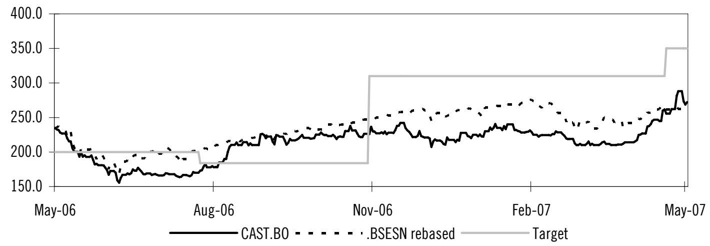
Castrol India (CAST.BO)

Pradeep Mirchandani, CFA
+91-22-6631-9877
pradeep.mirchandani@citigroup.com

Rating	**1 (Buy)**
Risk	**M (Medium)**
Target price (Rs)	**350.00**
Dividend - next 12 mths (Rs)	12.50
Expected price return (%)	28.4
1 Year Performance (%)	17.6

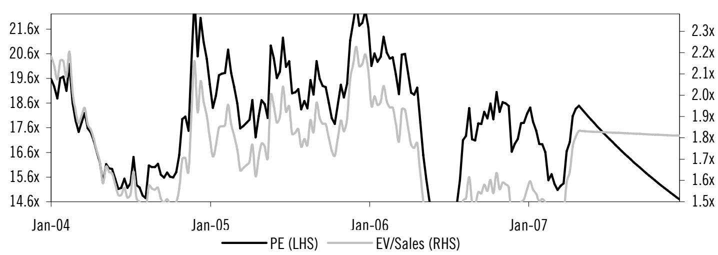
Price (Rs)	**272.50**
52-week range (Rs)	155.45 - 287.95
Shares outstanding (M)	124
Free float (%)	29
Avg daily volume 12 mths (K,Shrs)	70
Exchange	BSE
Market cap (USD,M)	829
Enterprise value (USD,M)	818
Fiscal year end	31-Dec
Model Updated	27-Apr-2007

Price Performance

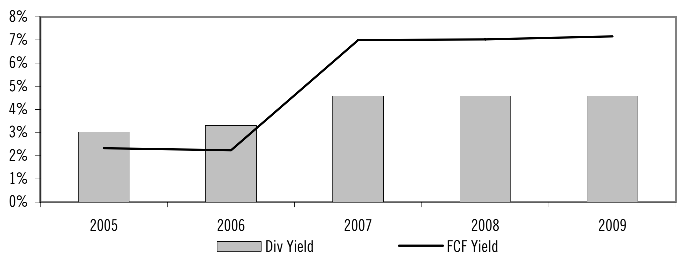


Performance:	**3M**	**6M**	**12M**
Absolute	21.1%	18.7%	17.6%
Relative	26.3%	13.8%	8.3%

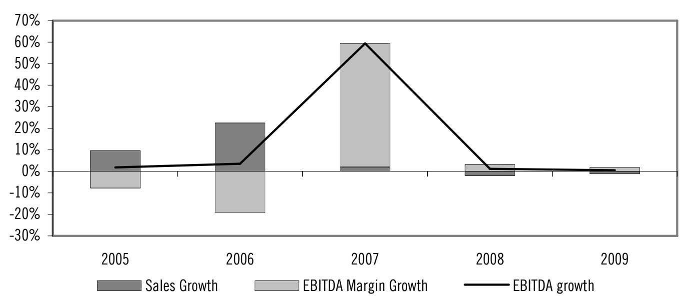
Valuation



Yields



Operating Growth



	2005	2006	2007	2008	2009
Valuation Ratios					
P/E (adj) (x)	22.9	21.8	14.7	14.4	14.1
P/CF (x)	39.2	39.8	13.3	13.3	13.0
P/BVPS (x)	8.6	8.1	7.9	6.9	6.1
EV/Sales (x)	2.3	1.9	1.9	1.9	1.9
EV/EBITDA (x)	15.5	15.1	9.5	9.3	9.0
FCF Yield (%)	2.3	2.2	7.0	7.0	7.2
Dividend yield (%)	3.0	3.3	4.6	4.6	4.6
Per Share (Rs)					
EPS (adjusted)	11.89	12.51	18.54	18.95	19.26
EPS (reported)	11.89	12.51	18.54	18.95	19.26
BVPS	31.58	33.82	34.37	39.22	44.38
CFPS	6.95	6.84	20.46	20.54	20.88
DPS	8.25	9.00	12.50	12.50	12.50
Returns (%)					
ROE	39.1	38.3	54.4	51.5	46.1
ROIC	40.0	34.2	55.2	55.6	55.1
Efficiency & Solvency					
Fixed Asset Turn (x)	10.3	13.5	13.8	13.6	13.7
Receivables (days)	38.7	39.4	46.5	46.5	46.5
Interest Coverage (x)	70.6	53.5	136.5	138.0	138.7
Debt / Equity (%)	0.7	0.7	0.7	0.6	0.5
Net Debt / Equity (%)	-37.2	-30.9	-33.5	-42.2	-49.5
Profit & Loss (Rs,M)					
Net sales	14,304	17,524	17,874	17,498	17,294
YoY Change (%)	*9.6*	*22.5*	*2.0*	*(2.1)*	*(1.2)*
EBITDA	2,125	2,200	3,508	3,547	3,565
EBITDA Margin (%)	*14.9*	*12.6*	*19.6*	*20.3*	*20.6*
D&A	-189	-180	-171	-182	-194
EBIT	**1,936**	**2,020**	**3,336**	**3,364**	**3,371**
EBIT Margin (%)	*13.5*	*11.5*	*18.7*	*19.2*	*19.5*
Net Interest	-30	-41	-26	-26	-26
Exceptionals	0	0	0	0	0
Pre Tax	**2,106**	**2,322**	**3,513**	**3,591**	**3,649**
Taxes	-638	-778	-1,224	-1,250	-1,270
Tax Rate (%)	*30.3*	*33.5*	*34.8*	*34.8*	*34.8*
Minorities	0	0	0	0	0
Reported Net Profit	**1,468**	**1,545**	**2,289**	**2,341**	**2,379**
Adjusted Net Profit	**1,468**	**1,545**	**2,289**	**2,341**	**2,379**
Growth Rates (%)					
EBITDA growth	1.8	3.5	59.5	1.1	0.5
EBIT growth	5.3	4.3	65.2	0.8	0.2
EPS (adjusted) growth	15.2	5.2	48.2	2.2	1.7
DPS Growth	0.0	9.1	38.9	0.0	0.0
Balance Sheet (Rs,M)					
WC	2,024	2,568	2,497	2,524	2,558
WC to Sales (%)	*14.2*	*14.7*	*14.0*	*14.4*	*14.8*
Fixed Assets	1,383	1,297	1,297	1,286	1,264
Intangibles	0	0	0	0	0
Total Assets	**7,286**	**7,886**	**8,092**	**8,592**	**9,175**
Capital Employed	**3,408**	**3,865**	**3,795**	**3,811**	**3,822**
Net Debt/(-Cash)	-1,452	-1,290	-1,423	-2,046	-2,713
Other L/T Liabilities	958	977	972	1,012	1,052
Total Liabilities	**3,384**	**3,708**	**3,846**	**3,747**	**3,692**
Equity	**3,901**	**4,177**	**4,245**	**4,844**	**5,482**
Cash Flow (Rs,M)					
Net Profit	1,468	1,545	2,289	2,341	2,379
D&A	189	180	171	182	194
Change in WC	-800	-880	66	13	6
Operating Cash Flow	**858**	**845**	**2,526**	**2,536**	**2,579**
Capex	-75	-94	-171	-172	-172
Free Cash Flow	**783**	**751**	**2,355**	**2,365**	**2,408**
Investing Cash Flow	**73**	**-94**	**-171**	**-172**	**-172**
Financing Cash Flow	**-1,178**	**-1,254**	**-1,741**	**-1,741**	**-1,741**
Dividends	-1,168	-1,254	-1,741	-1,741	-1,741

Powered by: dataCentral

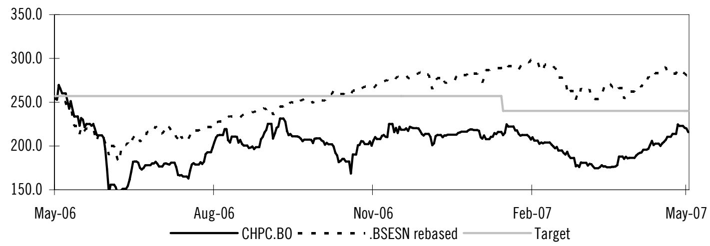
CPCL (CHPC.BO)

Rahul Singh
+91-22-6631-9863
rahul.r.singh@citigroup.com

Rating	**1 (Buy)**
Risk	**L (Low)**
Target price (Rs)	**240.00**
Dividend - next 12 mths (Rs)	12.80
Expected price return (%)	11.3
1 Year Performance (%)	-20.0

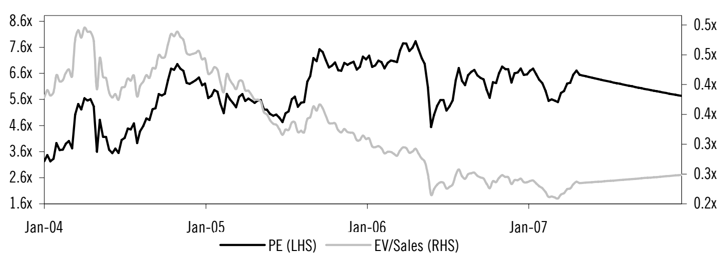
Price (Rs)	**215.70**
52-week range (Rs)	145.30 - 269.50
Shares outstanding (M)	149
Free float (%)	33
Avg daily volume 12 mths (K,Shrs)	33
Exchange	BSE
Market cap (USD,M)	790
Enterprise value (USD,M)	1,412
Fiscal year end	31-Mar
Model Updated	22-Jan-2007

Price Performance

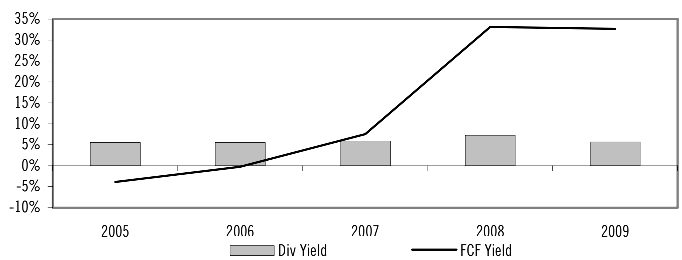


Performance:	**3M**	**6M**	**12M**
Absolute	4.7%	2.6%	-20.0%
Relative	9.9%	-2.3%	-29.2%

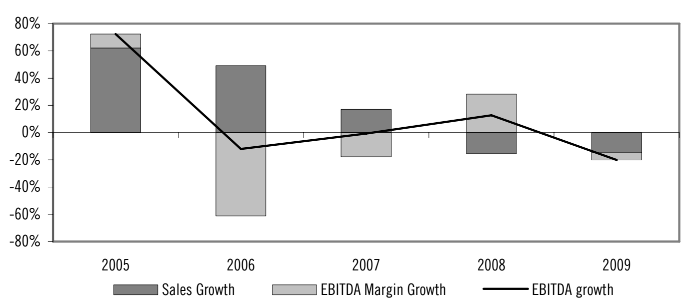
Valuation



Yields



Operating Growth



	2005	2006	2007	2008	2009
Valuation Ratios					
P/E (adj) (x)	5.4	6.7	6.7	5.5	7.0
P/CF (x)	46.3	37.3	8.4	2.9	3.1
P/BVPS (x)	1.6	1.4	1.2	1.1	1.0
EV/Sales (x)	0.4	0.3	0.2	0.3	0.3
EV/EBITDA (x)	4.5	5.3	5.4	4.4	4.7
FCF Yield (%)	-3.9	-0.2	7.6	33.1	32.7
Dividend yield (%)	5.6	5.6	5.9	7.3	5.7
Per Share (Rs)					
EPS (adjusted)	40.10	32.28	31.97	39.30	30.72
EPS (reported)	40.10	32.28	31.97	39.30	30.72
BVPS	134.52	153.12	173.11	197.29	216.17
CFPS	4.66	5.78	25.77	75.07	70.48
DPS	12.00	12.00	12.79	15.72	12.29
Returns (%)					
ROE	33.1	22.4	19.6	21.2	14.9
ROIC	14.4	11.6	10.7	12.4	10.0
Efficiency & Solvency					
Fixed Asset Turn (x)	4.1	6.4	7.8	7.0	6.5
Receivables (days)	23.0	20.5	22.6	22.6	22.6
Interest Coverage (x)	8.0	6.3	6.8	8.4	8.0
Debt / Equity (%)	119.7	120.4	102.7	76.5	57.4
Net Debt / Equity (%)	119.2	117.8	101.2	59.9	27.4
Profit & Loss (Rs,M)					
Net sales	141,554	211,202	247,216	208,797	178,665
YoY Change (%)	*62.1*	*49.2*	*17.1*	*(15.5)*	*(14.4)*
EBITDA	12,554	11,039	10,961	12,360	9,882
EBITDA Margin (%)	*8.9*	*5.2*	*4.4*	*5.9*	*5.5*
D&A	-2,094	-2,358	-2,403	-2,456	-2,469
EBIT	**10,461**	**8,681**	**8,558**	**9,905**	**7,413**
EBIT Margin (%)	*7.4*	*4.1*	*3.5*	*4.7*	*4.1*
Net Interest	-1,567	-1,740	-1,619	-1,469	-1,229
Exceptionals	0	0	0	0	0
Pre Tax	**9,364**	**7,150**	**7,173**	**8,819**	**6,893**
Taxes	-3,616	-2,435	-2,410	-2,963	-2,316
Tax Rate (%)	*38.6*	*34.1*	*33.6*	*33.6*	*33.6*
Minorities	0	0	0	0	0
Reported Net Profit	**5,975**	**4,810**	**4,763**	**5,856**	**4,577**
Adjusted Net Profit	**5,975**	**4,810**	**4,763**	**5,856**	**4,577**
Growth Rates (%)					
EBITDA growth	72.3	-12.1	-0.7	12.8	-20.1
EBIT growth	71.2	-17.0	-1.4	15.7	-25.2
EPS (adjusted) growth	49.4	-19.5	-1.0	22.9	-21.8
DPS Growth	140.0	0.0	6.6	22.9	-21.8
Balance Sheet (Rs,M)					
WC	17,454	23,275	26,762	23,888	20,434
WC to Sales (%)	*12.3*	*11.0*	*10.8*	*11.4*	*11.4*
Fixed Assets	34,187	32,759	31,770	29,847	27,379
Intangibles	0	0	0	0	0
Total Assets	**70,433**	**79,988**	**86,822**	**82,350**	**77,964**
Capital Employed	**51,761**	**57,194**	**59,692**	**54,896**	**48,973**
Net Debt/(-Cash)	23,885	26,873	26,112	17,622	8,817
Other L/T Liabilities	7,832	7,506	7,788	7,877	7,946
Total Liabilities	**50,389**	**57,173**	**61,029**	**52,954**	**45,754**
Equity	**20,043**	**22,815**	**25,793**	**29,396**	**32,210**
Cash Flow (Rs,M)					
Net Profit	5,975	4,810	4,763	5,856	4,577
D&A	2,094	2,358	2,403	2,456	2,469
Change in WC	-7,375	-6,307	-3,326	2,874	3,456
Operating Cash Flow	**694**	**861**	**3,840**	**11,185**	**10,501**
Capex	-1,944	-931	-1,413	-533	0
Free Cash Flow	**-1,250**	**-69**	**2,427**	**10,652**	**10,501**
Investing Cash Flow	**-1,064**	**-1,971**	**-1,413**	**-533**	**0**
Financing Cash Flow	**569**	**3,753**	**-1,372**	**-5,192**	**-4,681**
Dividends	-1,967	-1,788	-1,905	-2,342	-1,831

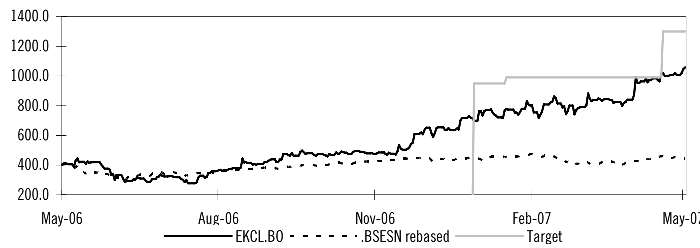
Everest Kanto (EKCL.BO)

Saurabh Handa
+91-22-6631-9858
saurabh.handa@citigroup.com

Rating	**1 (Buy)**
Risk	**M (Medium)**
Target price (Rs)	**1,300.00**
Dividend - next 12 mths (Rs)	6.50
Expected price return (%)	22.7
1 Year Performance (%)	155.9

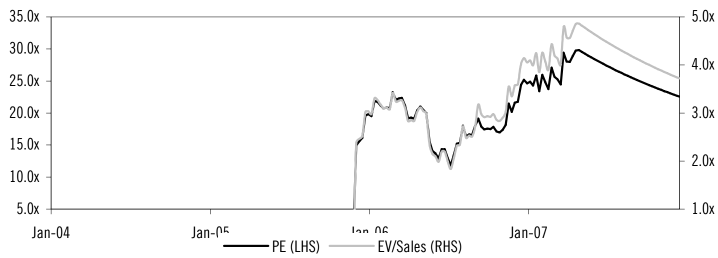
Price (Rs)	**1,059.35**
52-week range (Rs)	277.25 - 1,059.35
Shares outstanding (M)	20
Free float (%)	28
Avg daily volume 12 mths (K,Shrs)	148
Exchange	BSE
Market cap (USD,M)	509
Enterprise value (USD,M)	520
Fiscal year end	31-Mar
Model Updated	26-Apr-2007

Price Performance

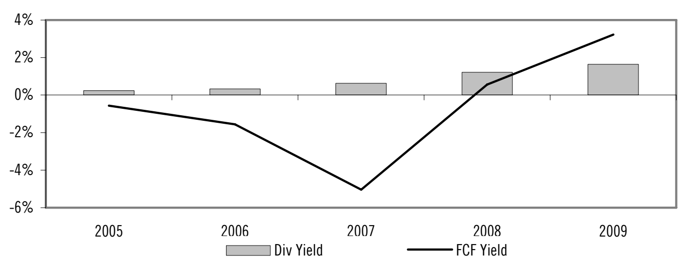


Performance:	**3M**	**6M**	**12M**
Absolute	40.4%	121.3%	155.9%
Relative	45.6%	116.4%	146.6%

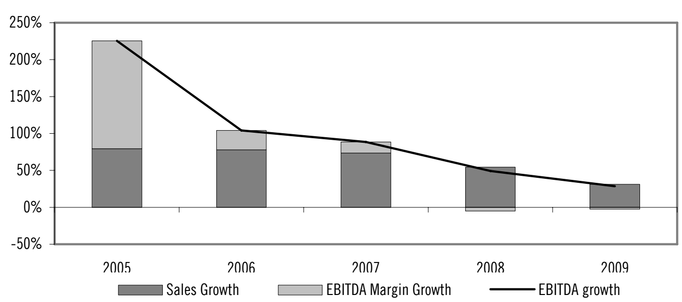
Valuation



Yields



Operating Growth



	2005	2006	2007	2008	2009
Valuation Ratios					
P/E (adj) (x)	89.0	57.6	31.8	20.6	15.2
P/CF (x)	-2,033.3	62.2	88.4	30.7	18.8
P/BVPS (x)	30.5	12.4	7.1	5.7	4.5
EV/Sales (x)	15.9	9.0	5.2	3.4	2.6
EV/EBITDA (x)	73.3	35.9	19.1	13.0	10.2
FCF Yield (%)	-0.6	-1.6	-5.0	0.6	3.2
Dividend yield (%)	0.2	0.3	0.6	1.2	1.6
Per Share (Rs)					
EPS (adjusted)	11.90	18.39	33.29	51.37	69.54
EPS (reported)	11.90	18.39	33.29	51.37	69.54
BVPS	34.75	85.63	150.14	186.87	236.59
CFPS	-0.52	17.02	11.98	34.48	56.34
DPS	2.50	3.50	6.66	12.84	17.38
Returns (%)					
ROE	40.9	33.7	29.3	30.5	32.8
ROIC	16.2	24.8	25.4	25.7	28.6
Efficiency & Solvency					
Fixed Asset Turn (x)	3.0	2.5	2.0	2.7	3.3
Receivables (days)	46.3	36.3	39.6	40.0	40.0
Interest Coverage (x)	10.8	15.9	17.4	15.4	11.6
Debt / Equity (%)	117.0	26.2	29.9	41.2	46.6
Net Debt / Equity (%)	108.3	7.0	13.5	15.6	6.3
Profit & Loss (Rs,M)					
Net sales	1,324	2,355	4,087	6,305	8,276
YoY Change (%)	*79.4*	*77.9*	*73.5*	*54.3*	*31.3*
EBITDA	288	588	1,108	1,653	2,127
EBITDA Margin (%)	*21.7*	*25.0*	*27.1*	*26.2*	*25.7*
D&A	-78	-98	-168	-252	-281
EBIT	**210**	**490**	**940**	**1,401**	**1,846**
EBIT Margin (%)	*15.8*	*20.8*	*23.0*	*22.2*	*22.3*
Net Interest	-27	-37	-64	-107	-183
Exceptionals	0	0	0	0	0
Pre Tax	**219**	**476**	**903**	**1,337**	**1,740**
Taxes	-76	-141	-253	-334	-383
Tax Rate (%)	*34.8*	*29.6*	*28.0*	*25.0*	*22.0*
Minorities	0	0	0	0	0
Reported Net Profit	**143**	**324**	**650**	**1,003**	**1,358**
Adjusted Net Profit	**143**	**324**	**650**	**1,003**	**1,358**
Growth Rates (%)					
EBITDA growth	225.4	104.2	88.4	49.2	28.7
EBIT growth	1,906.1	133.9	91.7	49.1	31.7
EPS (adjusted) growth	234.8	54.6	81.0	54.3	35.4
DPS Growth	25.0	40.0	90.2	92.9	35.4
Balance Sheet (Rs,M)					
WC	557	887	1,543	2,344	3,032
WC to Sales (%)	*42.1*	*37.6*	*37.8*	*37.2*	*36.6*
Fixed Assets	439	939	2,048	2,354	2,506
Intangibles	0	0	0	0	0
Total Assets	**1,237**	**2,514**	**4,720**	**6,562**	**8,572**
Capital Employed	**1,018**	**1,958**	**3,741**	**4,848**	**5,688**
Net Debt/(-Cash)	451	105	396	567	289
Other L/T Liabilities	149	343	415	632	780
Total Liabilities	**820**	**1,004**	**1,789**	**2,914**	**3,953**
Equity	**417**	**1,509**	**2,931**	**3,648**	**4,619**
Cash Flow (Rs,M)					
Net Profit	143	324	650	1,003	1,358
D&A	78	98	168	252	281
Change in WC	-227	-122	-584	-581	-539
Operating Cash Flow	**-6**	**300**	**234**	**673**	**1,100**
Capex	-65	-591	-1,277	-558	-433
Free Cash Flow	**-71**	**-291**	**-1,043**	**115**	**667**
Investing Cash Flow	**-65**	**-591**	**-1,277**	**-558**	**-433**
Financing Cash Flow	**156**	**667**	**1,251**	**341**	**260**
Dividends	-17	-70	-148	-286	-387

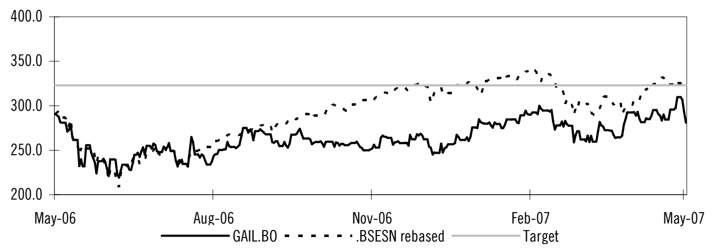
GAIL (GAIL.BO)

Rahul Singh
+91-22-6631-9863
rahul.r.singh@citigroup.com

Rating	1 (Buy)
Risk	L (Low)
Target price (Rs)	**323.00**
Dividend - next 12 mths (Rs)	12.00
Expected price return (%)	14.9
1 Year Performance (%)	-2.3

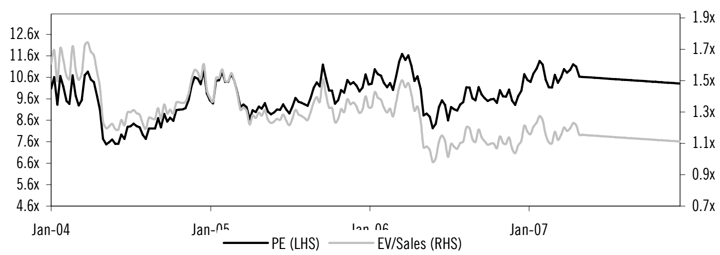
Price (Rs)	**281.00**
52-week range (Rs)	219.15 - 309.75
Shares outstanding (M)	846
Free float (%)	33
Avg daily volume 12 mths (K,Shrs)	213
Exchange	BSE
Market cap (USD,M)	5,846
Enterprise value (USD,M)	5,081
Fiscal year end	31-Mar
Model Updated	31-Oct-2006

Price Performance

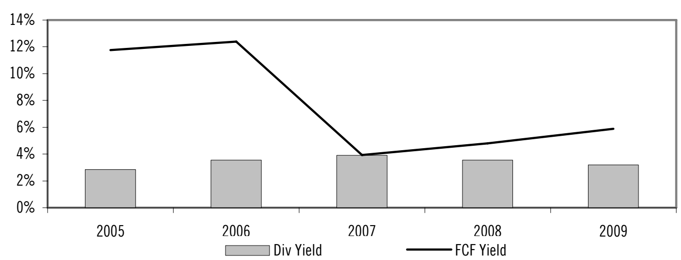


Performance:	3M	6M	12M
Absolute	-3.9%	9.7%	-2.3%
Relative	1.3%	4.8%	-11.5%

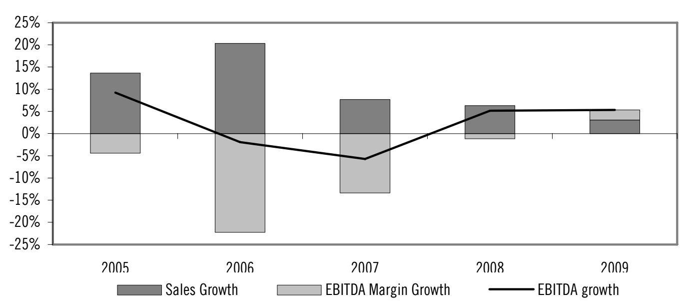
Valuation



Yields



Operating Growth



	2005	2006	2007	2008	2009
Valuation Ratios					
P/E (adj) (x)	12.2	10.3	10.7	10.2	9.7
P/CF (x)	8.1	6.7	8.1	7.6	7.0
P/BVPS (x)	2.8	2.4	2.1	1.9	1.7
EV/Sales (x)	1.7	1.3	1.2	1.1	1.0
EV/EBITDA (x)	6.4	5.9	6.0	5.7	5.3
FCF Yield (%)	11.8	12.4	3.9	4.8	5.9
Dividend yield (%)	2.8	3.6	3.9	3.6	3.2
Per Share (Rs)					
EPS (adjusted)	23.11	27.32	26.31	27.61	28.83
EPS (reported)	23.11	27.32	26.31	27.61	28.83
BVPS	102.01	117.94	132.15	148.76	167.68
CFPS	34.77	41.64	34.70	37.15	40.19
DPS	8.00	10.00	11.00	10.00	9.00
Returns (%)					
ROE	24.3	24.8	21.0	19.7	18.2
ROIC	20.1	25.7	22.4	20.1	18.6
Efficiency & Solvency					
Fixed Asset Turn (x)	1.7	2.0	1.8	1.7	1.6
Receivables (days)	22.1	16.8	20.3	20.3	20.3
Interest Coverage (x)	27.5	30.8	22.9	27.1	37.7
Debt / Equity (%)	23.2	19.2	16.1	11.9	7.1
Net Debt / Equity (%)	-16.8	-25.9	-28.9	-26.7	-27.0
Profit & Loss (Rs,M)					
Net sales	135,730	163,330	175,841	186,950	192,668
YoY Change (%)	*13.7*	*20.3*	*7.7*	*6.3*	*3.1*
EBITDA	36,838	36,131	34,058	35,814	37,724
EBITDA Margin (%)	*27.1*	*22.1*	*19.4*	*19.2*	*19.6*
D&A	-9,467	-5,595	-5,801	-6,289	-7,009
EBIT	**27,371**	**30,536**	**28,257**	**29,525**	**30,715**
EBIT Margin (%)	*20.2*	*18.7*	*16.1*	*15.8*	*15.9*
Net Interest	-1,341	-1,173	-1,487	-1,320	-1,000
Exceptionals	0	0	0	0	0
Pre Tax	**28,723**	**33,518**	**31,341**	**32,883**	**34,334**
Taxes	-9,175	-9,666	-9,089	-9,536	-9,957
Tax Rate (%)	*31.9*	*28.8*	*29.0*	*29.0*	*29.0*
Minorities	0	0	0	0	0
Reported Net Profit	**19,539**	**23,101**	**22,252**	**23,347**	**24,377**
Adjusted Net Profit	**19,539**	**23,101**	**22,252**	**23,347**	**24,377**
Growth Rates (%)					
EBITDA growth	9.2	-1.9	-5.7	5.2	5.3
EBIT growth	1.1	11.6	-7.5	4.5	4.0
EPS (adjusted) growth	4.5	18.2	-3.7	4.9	4.4
DPS Growth	0.0	25.0	10.0	-9.1	-10.0
Balance Sheet (Rs,M)					
WC	2,510	-3,337	-3,197	-3,821	-4,972
WC to Sales (%)	*1.8*	*-2.0*	*-1.8*	*-2.0*	*-2.6*
Fixed Assets	81,550	81,716	95,914	109,625	122,616
Intangibles	0	0	0	0	0
Total Assets	**153,529**	**169,418**	**188,433**	**201,335**	**214,575**
Capital Employed	**91,899**	**92,812**	**107,151**	**120,238**	**132,078**
Net Debt/(-Cash)	-14,494	-25,794	-32,282	-33,547	-38,319
Other L/T Liabilities	20,133	18,873	27,680	27,987	28,594
Total Liabilities	**67,268**	**69,685**	**76,680**	**75,537**	**72,772**
Equity	**86,261**	**99,733**	**111,753**	**125,797**	**141,803**
Cash Flow (Rs,M)					
Net Profit	19,539	23,101	22,252	23,347	24,377
D&A	9,467	5,595	5,801	6,289	7,009
Change in WC	395	6,516	1,293	1,777	2,604
Operating Cash Flow	**29,400**	**35,212**	**29,347**	**31,413**	**33,990**
Capex	-1,443	-5,761	-20,000	-20,000	-20,000
Free Cash Flow	**27,958**	**29,451**	**9,347**	**11,413**	**13,990**
Investing Cash Flow	**-1,562**	**-12,355**	**-20,000**	**-20,000**	**-20,000**
Financing Cash Flow	**-9,118**	**-7,543**	**-11,398**	**-12,302**	**-13,372**
Dividends	-7,690	-9,643	-10,232	-9,302	-8,372

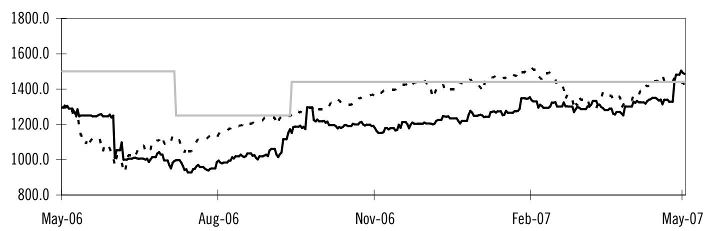
Gujarat Gas (GGAS.BO)

Pradeep Mirchandani, CFA
+91-22-6631-9877
pradeep.mirchandani@citigroup.com

Rating	**1 (Buy)**
Risk	**L (Low)**
Target price (Rs)	**1,440.00**
Dividend - next 12 mths (Rs)	12.00
Expected price return (%)	-3.1
1 Year Performance (%)	14.8

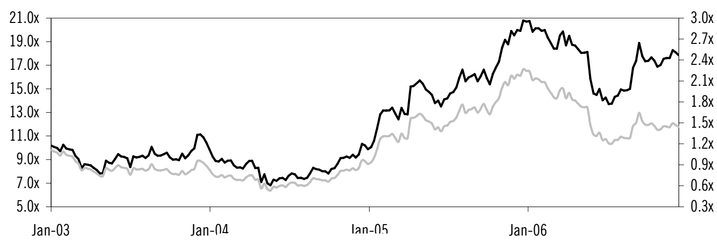
Price (Rs)	**1,486.65**
52-week range (Rs)	926.95 - 1,504.35
Shares outstanding (M)	13
Free float (%)	35
Avg daily volume 12 mths (K,Shrs)	3
Exchange	BSE
Market cap (USD,M)	469
Enterprise value (USD,M)	432
Fiscal year end	31-Dec
Model Updated	29-Mar-2007

Price Performance

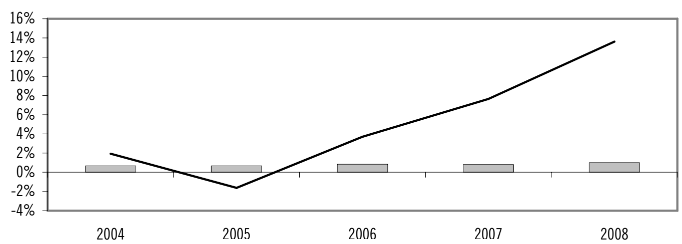


Performance:	**3M**	**6M**	**12M**
Absolute	11.8%	28.0%	14.8%
Relative	17.0%	23.1%	5.5%

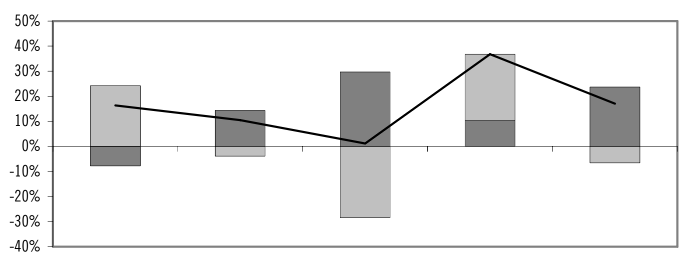
Valuation



Yields



Operating Growth



	2004	**2005**	**2006**	**2007**	**2008**
Valuation Ratios					
P/E (adj) (x)	24.8	21.3	21.8	14.8	12.0
P/CF (x)	20.6	15.0	10.7	10.2	7.2
P/BVPS (x)	6.5	5.1	4.3	3.4	2.8
EV/Sales (x)	2.7	2.3	1.8	1.5	1.1
EV/EBITDA (x)	13.0	11.9	11.7	8.1	6.2
FCF Yield (%)	1.9	-1.6	3.7	7.6	13.6
Dividend yield (%)	0.7	0.7	0.8	0.8	1.0
Per Share (Rs)					
EPS (adjusted)	59.97	69.94	68.24	100.32	123.95
EPS (reported)	59.97	76.51	68.24	100.32	123.95
BVPS	229.55	293.79	347.43	433.39	539.59
CFPS	72.16	99.03	138.63	145.49	207.15
DPS	10.00	10.00	12.50	12.00	15.00
Returns (%)					
ROE	29.2	29.2	21.3	25.7	25.5
ROIC	32.8	25.5	20.2	26.9	34.2
Efficiency & Solvency					
Fixed Asset Turn (x)	2.3	1.8	2.0	2.2	2.8
Receivables (days)	24.1	21.9	22.0	22.0	22.0
Interest Coverage (x)	1,196.7	50.6	67.9	492.0	576.1
Debt / Equity (%)	0.0	14.0	0.7	0.5	0.4
Net Debt / Equity (%)	-64.1	-41.8	-47.5	-60.8	-82.9
Profit & Loss (Rs,M)					
Net sales	6,531	7,468	9,685	10,681	13,209
YoY Change (%)	*(7.8)*	*14.4*	*29.7*	*10.3*	*23.7*
EBITDA	1,336	1,475	1,492	2,041	2,390
EBITDA Margin (%)	*20.5*	*19.7*	*15.4*	*19.1*	*18.1*
D&A	-214	-274	-319	-345	-372
EBIT	**1,121**	**1,201**	**1,174**	**1,696**	**2,019**
EBIT Margin (%)	*17.2*	*16.1*	*12.1*	*15.9*	*15.3*
Net Interest	-1	-29	-22	-4	-4
Exceptionals	0	127	0	0	0
Pre Tax	**1,235**	**1,455**	**1,313**	**1,941**	**2,398**
Taxes	-463	-467	-431	-652	-806
Tax Rate (%)	*37.5*	*32.1*	*32.9*	*33.6*	*33.6*
Minorities	-2	-7	-6	-2	-2
Reported Net Profit	**769**	**981**	**875**	**1,287**	**1,590**
Adjusted Net Profit	**769**	**897**	**875**	**1,287**	**1,590**
Growth Rates (%)					
EBITDA growth	16.4	10.4	1.2	36.8	17.1
EBIT growth	16.2	7.1	-2.3	44.5	19.0
EPS (adjusted) growth	8.8	16.6	-2.4	47.0	23.6
DPS Growth	0.0	0.0	25.0	-4.0	25.0
Balance Sheet (Rs,M)					
WC	-635	-734	-1,064	-1,115	-1,463
WC to Sales (%)	*-9.7*	*-9.8*	*-11.0*	*-10.4*	*-11.1*
Fixed Assets	2,831	4,145	4,892	4,955	4,641
Intangibles	0	0	0	0	0
Total Assets	**5,465**	**7,039**	**7,975**	**9,389**	**11,617**
Capital Employed	**2,279**	**3,469**	**3,875**	**3,877**	**3,208**
Net Debt/(-Cash)	-1,900	-1,587	-2,134	-3,412	-5,785
Other L/T Liabilities	1,215	1,263	1,514	1,681	2,011
Total Liabilities	**2,502**	**3,245**	**3,481**	**3,780**	**4,635**
Equity	**2,963**	**3,794**	**4,494**	**5,608**	**6,982**
Cash Flow (Rs,M)					
Net Profit	769	981	875	1,287	1,590
D&A	214	274	319	345	372
Change in WC	-262	202	545	129	608
Operating Cash Flow	**925**	**1,270**	**1,778**	**1,866**	**2,657**
Capex	-554	-1,580	-1,071	-408	-58
Free Cash Flow	**371**	**-310**	**707**	**1,458**	**2,598**
Investing Cash Flow	**-554**	**-1,580**	**-1,071**	**-408**	**-58**
Financing Cash Flow	**-194**	**254**	**8**	**-91**	**-133**
Dividends	-145	-145	-182	-174	-218

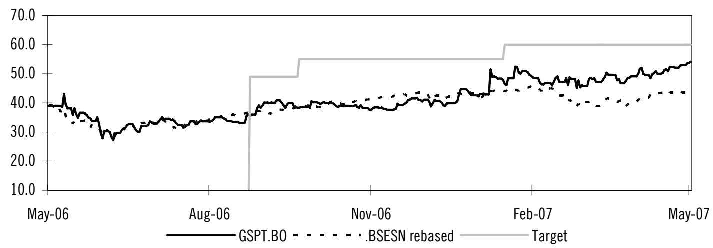
Gujarat Petro (GSPT.BO)

Pradeep Mirchandani, CFA
+91-22-6631-9877
pradeep.mirchandani@citigroup.com

Rating	**1 (Buy)**
Risk	**M (Medium)**
Target price (Rs)	**60.00**
Dividend - next 12 mths (Rs)	0.50
Expected price return (%)	10.8
1 Year Performance (%)	38.5

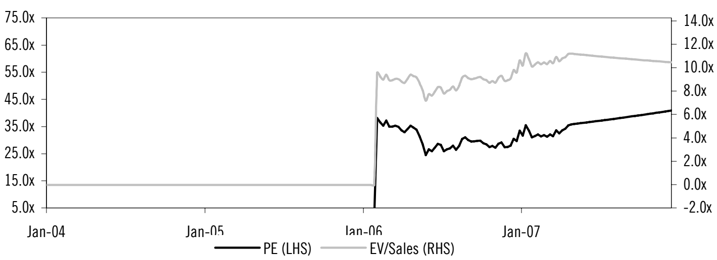
Price (Rs)	**54.15**
52-week range (Rs)	27.25 - 54.15
Shares outstanding (M)	543
Free float (%)	48
Avg daily volume 12 mths (K,Shrs)	408
Exchange	BSE
Market cap (USD,M)	723
Enterprise value (USD,M)	858
Fiscal year end	31-Mar
Model Updated	23-Jan-2007

Price Performance

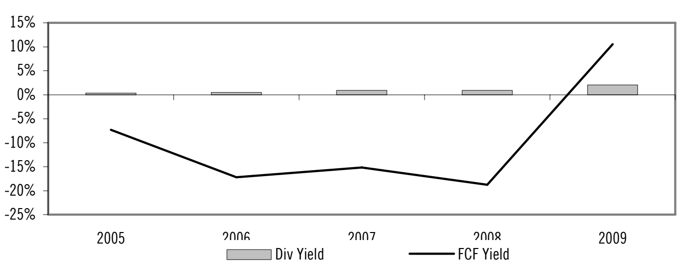


Performance:	**3M**	**6M**	**12M**
Absolute	11.6%	41.6%	38.5%
Relative	16.9%	36.7%	29.2%

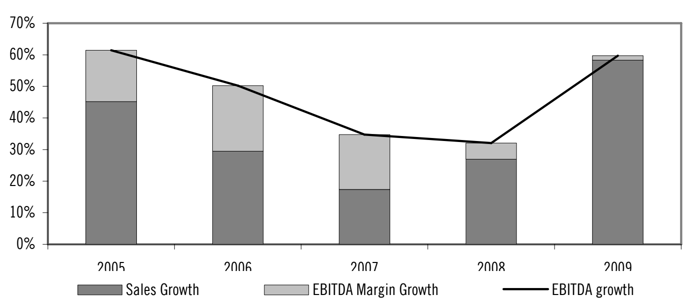
Valuation



Yields



Operating Growth



	2005	2006	2007	2008	2009
Valuation Ratios					
P/E (adj) (x)	101.5	52.1	35.0	43.3	19.4
P/CF (x)	14.5	13.0	15.0	10.2	9.1
P/BVPS (x)	4.8	3.2	3.1	2.9	2.7
EV/Sales (x)	16.5	12.6	11.4	10.2	6.7
EV/EBITDA (x)	26.0	17.1	13.5	11.6	7.5
FCF Yield (%)	-7.3	-17.2	-15.2	-18.8	10.5
Dividend yield (%)	0.4	0.5	0.9	0.9	2.0
Per Share (Rs)					
EPS (adjusted)	0.53	1.04	1.55	1.25	2.80
EPS (reported)	0.53	1.04	1.55	1.25	2.80
BVPS	11.33	16.74	17.71	18.39	19.93
CFPS	3.74	4.17	3.62	5.32	5.97
DPS	0.20	0.25	0.50	0.50	1.10
Returns (%)					
ROE	4.8	7.1	9.0	6.9	14.6
ROIC	6.6	7.8	7.2	6.0	10.1
Efficiency & Solvency					
Fixed Asset Turn (x)	0.2	0.2	0.2	0.2	0.3
Receivables (days)	19.2	19.0	19.0	19.0	19.0
Interest Coverage (x)	3.6	4.7	6.1	5.1	5.5
Debt / Equity (%)	110.2	63.8	89.4	138.7	105.8
Net Debt / Equity (%)	99.6	37.6	80.4	132.4	93.6
Profit & Loss (Rs,M)					
Net sales	2,035	2,635	3,093	3,926	6,214
YoY Change (%)	*45.2*	*29.5*	*17.4*	*26.9*	*58.3*
EBITDA	1,293	1,943	2,617	3,457	5,521
EBITDA Margin (%)	*63.6*	*73.7*	*84.6*	*88.1*	*88.8*
D&A	-656	-791	-989	-1,817	-2,296
EBIT	**637**	**1,152**	**1,628**	**1,640**	**3,225**
EBIT Margin (%)	*31.3*	*43.7*	*52.6*	*41.8*	*51.9*
Net Interest	-363	-413	-431	-673	-1,011
Exceptionals	0	0	0	0	0
Pre Tax	**293**	**784**	**1,326**	**1,023**	**2,287**
Taxes	-133	-317	-487	-345	-771
Tax Rate (%)	*45.4*	*40.5*	*36.7*	*33.7*	*33.7*
Minorities	0	0	0	0	0
Reported Net Profit	**160**	**467**	**840**	**678**	**1,516**
Adjusted Net Profit	**160**	**467**	**840**	**678**	**1,516**
Growth Rates (%)					
EBITDA growth	61.4	50.2	34.7	32.1	59.7
EBIT growth	57.9	81.0	41.3	0.7	96.7
EPS (adjusted) growth	1,456.4	95.1	48.9	-19.2	123.6
DPS Growth	na	26.9	101.3	-0.6	120.8
Balance Sheet (Rs,M)					
WC	-64	-560	-537	-942	81
WC to Sales (%)	*-3.1*	*-21.2*	*-17.4*	*-24.0*	*1.3*
Fixed Assets	8,392	13,650	19,080	25,653	23,507
Intangibles	0	0	0	0	0
Total Assets	**9,226**	**17,140**	**20,938**	**27,234**	**25,800**
Capital Employed	**8,328**	**13,214**	**18,637**	**24,774**	**23,621**
Net Debt/(-Cash)	4,010	3,414	7,723	13,206	10,116
Other L/T Liabilities	292	725	1,310	1,595	2,699
Total Liabilities	**5,200**	**8,065**	**11,335**	**17,262**	**14,994**
Equity	**4,026**	**9,075**	**9,604**	**9,972**	**10,806**
Cash Flow (Rs,M)					
Net Profit	160	467	840	678	1,516
D&A	656	791	989	1,817	2,296
Change in WC	306	613	134	387	-575
Operating Cash Flow	**1,123**	**1,871**	**1,963**	**2,882**	**3,238**
Capex	-2,313	-6,047	-6,419	-8,390	-150
Free Cash Flow	**-1,190**	**-4,176**	**-4,456**	**-5,507**	**3,088**
Investing Cash Flow	**-2,313**	**-6,047**	**-6,419**	**-8,390**	**-150**
Financing Cash Flow	**1,159**	**3,065**	**2,487**	**4,941**	**-3,083**
Dividends	-80	-155	-311	-309	-683

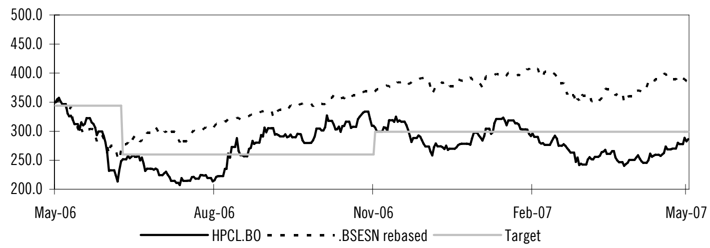
HPCL (HPCL.BO)

Rahul Singh
+91-22-6631-9863
rahul.r.singh@citigroup.com

Rating	**3 (Sell)**
Risk	**M (Medium)**
Target price (Rs)	**299.00**
Dividend - next 12 mths (Rs)	9.00
Expected price return (%)	4.4
1 Year Performance (%)	-19.8

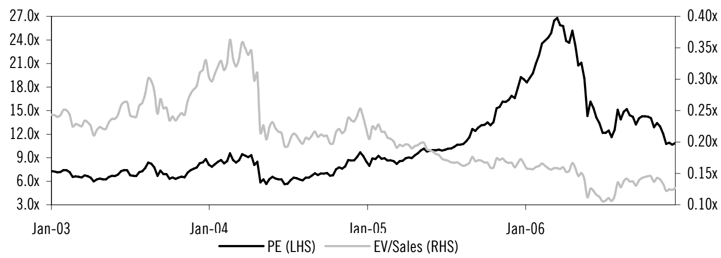
Price (Rs)	**286.35**
52-week range (Rs)	207.30 - 357.20
Shares outstanding (M)	339
Free float (%)	49
Avg daily volume 12 mths (K,Shrs)	246
Exchange	BSE
Market cap (USD,M)	2,390
Enterprise value (USD,M)	2,700
Fiscal year end	31-Mar
Model Updated	9-Nov-2006

Price Performance

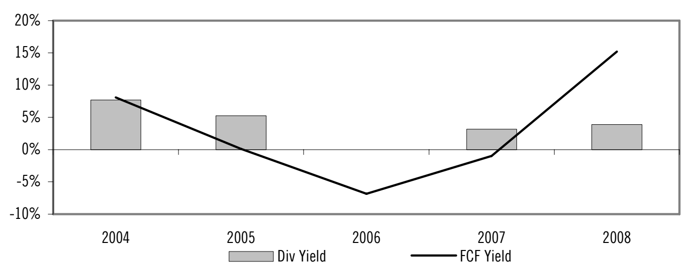


Performance:	**3M**	**6M**	**12M**
Absolute	-1.3%	-6.4%	-19.8%
Relative	3.9%	-11.3%	-29.1%

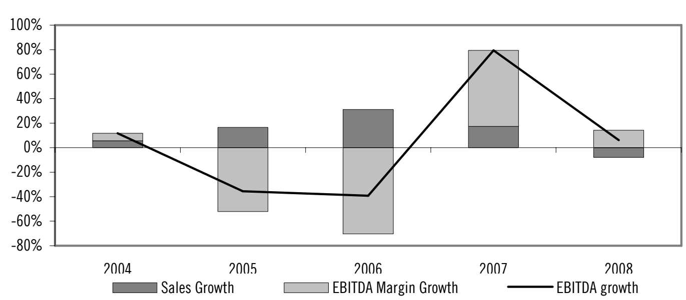
Valuation



Yields



Operating Growth



	2004	2005	2006	2007	2008
Valuation Ratios					
P/E (adj) (x)	5.1	7.6	23.8	9.5	9.0
P/CF (x)	5.8	7.3	71.0	8.8	3.6
P/BVPS (x)	1.3	1.1	1.1	1.0	1.0
EV/Sales (x)	0.2	0.2	0.1	0.1	0.1
EV/EBITDA (x)	3.2	5.2	8.9	5.2	4.8
FCF Yield (%)	8.1	0.1	-6.8	-1.0	15.2
Dividend yield (%)	7.7	5.2	0.0	3.1	3.9
Per Share (Rs)					
EPS (adjusted)	56.18	37.69	12.01	30.02	31.87
EPS (reported)	56.18	37.69	12.01	30.02	31.87
BVPS	228.47	249.04	261.05	281.17	300.77
CFPS	49.68	39.06	4.03	32.57	78.95
DPS	22.04	15.02	0.00	9.01	11.15
Returns (%)					
ROE	26.4	15.8	4.7	11.1	11.0
ROIC	16.5	9.9	2.8	7.5	7.6
Efficiency & Solvency					
Fixed Asset Turn (x)	7.2	7.7	10.0	11.2	9.9
Receivables (days)	7.1	6.4	6.7	6.7	6.8
Interest Coverage (x)	57.2	25.1	9.3	16.5	20.8
Debt / Equity (%)	22.0	25.9	36.0	34.4	21.0
Net Debt / Equity (%)	19.4	23.5	33.7	32.3	19.1
Profit & Loss (Rs,M)					
Net sales	512,001	597,020	783,466	919,919	846,267
YoY Change (%)	*5.7*	*16.6*	*31.2*	*17.4*	*(8.0)*
EBITDA	31,858	20,511	12,463	22,359	23,742
EBITDA Margin (%)	*6.2*	*3.4*	*1.6*	*2.4*	*2.8*
D&A	-6,054	-6,584	-7,170	-7,854	-8,514
EBIT	**25,805**	**13,927**	**5,293**	**14,505**	**15,228**
EBIT Margin (%)	*5.0*	*2.3*	*0.7*	*1.6*	*1.8*
Net Interest	-557	-816	-1,343	-1,358	-1,139
Exceptionals	0	0	0	0	0
Pre Tax	**29,042**	**16,406**	**6,130**	**15,325**	**16,267**
Taxes	-10,765	-3,633	-2,060	-5,149	-5,466
Tax Rate (%)	*37.1*	*22.1*	*33.6*	*33.6*	*33.6*
Minorities	0	0	0	0	0
Reported Net Profit	**19,039**	**12,773**	**4,070**	**10,176**	**10,802**
Adjusted Net Profit	**19,039**	**12,773**	**4,070**	**10,176**	**10,802**
Growth Rates (%)					
EBITDA growth	11.8	-35.6	-39.2	79.4	6.2
EBIT growth	13.2	-46.0	-62.0	174.0	5.0
EPS (adjusted) growth	24.0	-32.9	-68.1	150.0	6.1
DPS Growth	10.2	-31.8	-100.0	na	23.8
Balance Sheet (Rs,M)					
WC	27,828	31,229	41,101	48,092	40,649
WC to Sales (%)	*5.4*	*5.2*	*5.2*	*5.2*	*4.8*
Fixed Assets	70,743	77,305	78,135	82,281	85,767
Intangibles	0	0	0	0	0
Total Assets	**185,528**	**189,896**	**198,226**	**214,939**	**212,380**
Capital Employed	**119,055**	**126,102**	**136,804**	**147,941**	**143,984**
Net Debt/(-Cash)	15,016	19,837	29,860	30,824	19,423
Other L/T Liabilities	26,611	21,856	18,463	21,821	22,621
Total Liabilities	**108,100**	**105,488**	**109,744**	**119,642**	**110,440**
Equity	**77,428**	**84,409**	**88,479**	**95,296**	**101,939**
Cash Flow (Rs,M)					
Net Profit	19,039	12,773	4,070	10,176	10,802
D&A	6,054	6,584	7,170	7,854	8,514
Change in WC	-8,257	-6,119	-9,873	-6,991	7,443
Operating Cash Flow	**16,836**	**13,238**	**1,368**	**11,039**	**26,759**
Capex	-8,967	-13,146	-8,000	-12,000	-12,000
Free Cash Flow	**7,868**	**92**	**-6,632**	**-961**	**14,759**
Investing Cash Flow	**-9,299**	**-10,230**	**-8,000**	**-12,000**	**-12,000**
Financing Cash Flow	**-5,730**	**-2,983**	**6,613**	**2,496**	**-14,922**
Dividends	-8,425	-5,802	0	-3,358	-4,159

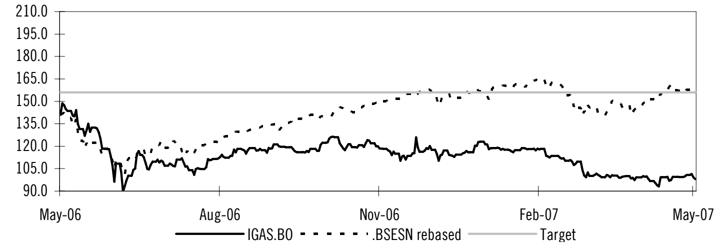
Indraprastha Gas (IGAS.BO)

Pradeep Mirchandani, CFA
+91-22-6631-9877
pradeep.mirchandani@citigroup.com

Rating	**1 (Buy)**
Risk	**L (Low)**
Target price (Rs)	**156.00**
Dividend - next 12 mths (Rs)	3.00
Expected price return (%)	59.2
1 Year Performance (%)	-33.5

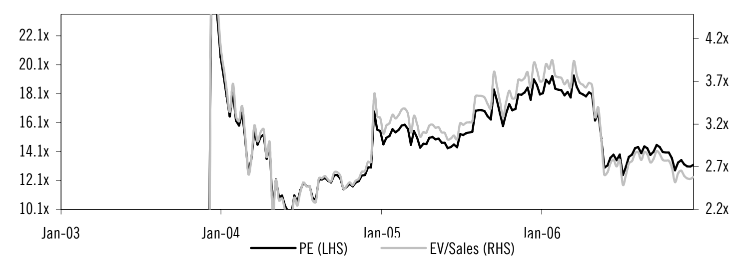
Price (Rs)	**98.00**
52-week range (Rs)	89.55 - 147.45
Shares outstanding (M)	140
Free float (%)	50
Avg daily volume 12 mths (K,Shrs)	65
Exchange	BSE
Market cap (USD,M)	338
Enterprise value (USD,M)	336
Fiscal year end	31-Mar
Model Updated	30-Oct-2006

Price Performance

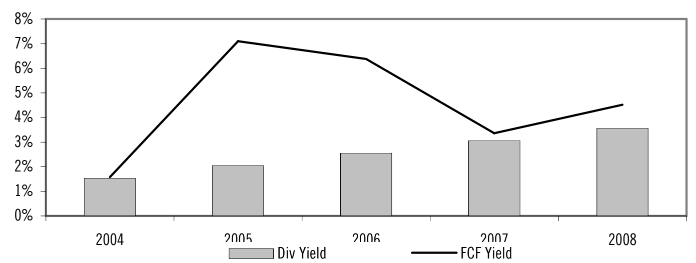


Performance:	**3M**	**6M**	**12M**
Absolute	-17.1%	-17.2%	-33.5%
Relative	-11.9%	-22.1%	-42.8%

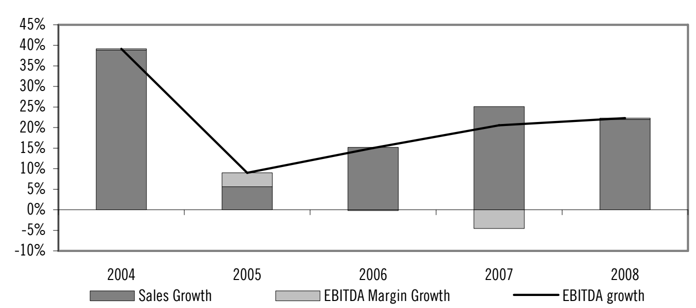
Valuation



Yields



Operating Growth



	2004	2005	2006	2007	2008
Valuation Ratios					
P/E (adj) (x)	16.7	14.8	12.9	10.7	8.9
P/CF (x)	14.3	9.6	8.3	7.2	5.8
P/BVPS (x)	5.4	4.4	3.6	3.0	2.4
EV/Sales (x)	3.4	3.2	2.6	2.1	1.7
EV/EBITDA (x)	8.5	7.6	6.4	5.2	4.2
FCF Yield (%)	1.6	7.1	6.4	3.4	4.5
Dividend yield (%)	1.5	2.0	2.6	3.1	3.6
Per Share (Rs)					
EPS (adjusted)	5.87	6.62	7.58	9.18	11.06
EPS (reported)	5.87	6.62	7.58	9.18	11.06
BVPS	17.99	22.32	27.17	33.05	40.26
CFPS	6.85	10.22	11.82	13.65	16.93
DPS	1.50	2.00	2.50	3.00	3.50
Returns (%)					
ROE	36.9	32.9	30.6	30.5	30.2
ROIC	24.7	24.2	27.6	28.9	28.4
Efficiency & Solvency					
Fixed Asset Turn (x)	1.1	1.2	1.3	1.4	1.4
Receivables (days)	9.0	9.6	9.3	17.2	17.1
Interest Coverage (x)	22.7	53.4	98.7	98.1	369.0
Debt / Equity (%)	24.7	16.5	18.4	8.6	0.0
Net Debt / Equity (%)	22.8	14.3	-2.9	-4.0	-6.1
Profit & Loss (Rs,M)					
Net sales	4,262	4,500	5,184	6,484	7,910
YoY Change (%)	*38.8*	*5.6*	*15.2*	*25.1*	*22.0*
EBITDA	1,705	1,858	2,137	2,577	3,152
EBITDA Margin (%)	*40.0*	*41.3*	*41.2*	*39.7*	*39.8*
D&A	-420	-480	-565	-684	-859
EBIT	**1,285**	**1,378**	**1,572**	**1,893**	**2,293**
EBIT Margin (%)	*30.1*	*30.6*	*30.3*	*29.2*	*29.0*
Net Interest	-75	-35	-22	-26	-9
Exceptionals	0	0	0	0	0
Pre Tax	**1,211**	**1,362**	**1,603**	**1,936**	**2,331**
Taxes	-464	-484	-540	-651	-783
Tax Rate (%)	*38.3*	*35.6*	*33.7*	*33.6*	*33.6*
Minorities	0	0	0	0	0
Reported Net Profit	**822**	**927**	**1,061**	**1,286**	**1,548**
Adjusted Net Profit	**822**	**927**	**1,061**	**1,286**	**1,548**
Growth Rates (%)					
EBITDA growth	39.2	9.0	15.0	20.6	22.3
EBIT growth	33.4	7.2	14.1	20.4	21.2
EPS (adjusted) growth	52.2	12.7	14.5	21.1	20.4
DPS Growth	200.0	33.3	25.0	20.0	16.7
Balance Sheet (Rs,M)					
WC	-69	-78	-141	63	216
WC to Sales (%)	*-1.6*	*-1.7*	*-2.7*	*1.0*	*2.7*
Fixed Assets	3,769	3,747	3,961	4,727	5,618
Intangibles	0	0	0	0	0
Total Assets	**4,337**	**4,919**	**5,964**	**6,804**	**7,691**
Capital Employed	**3,700**	**4,279**	**4,430**	**5,400**	**6,444**
Net Debt/(-Cash)	575	448	-110	-186	-344
Other L/T Liabilities	608	707	737	959	1,153
Total Liabilities	**1,819**	**1,794**	**2,160**	**2,177**	**2,055**
Equity	**2,518**	**3,125**	**3,803**	**4,627**	**5,636**
Cash Flow (Rs,M)					
Net Profit	822	927	1,061	1,286	1,548
D&A	420	480	565	684	859
Change in WC	-283	24	29	-59	-37
Operating Cash Flow	**960**	**1,431**	**1,655**	**1,911**	**2,370**
Capex	-743	-458	-780	-1,450	-1,750
Free Cash Flow	**216**	**974**	**875**	**461**	**620**
Investing Cash Flow	**-743**	**-1,067**	**-780**	**-1,450**	**-1,750**
Financing Cash Flow	**-265**	**-344**	**-231**	**-708**	**-852**
Dividends	-237	-320	-385	-462	-539

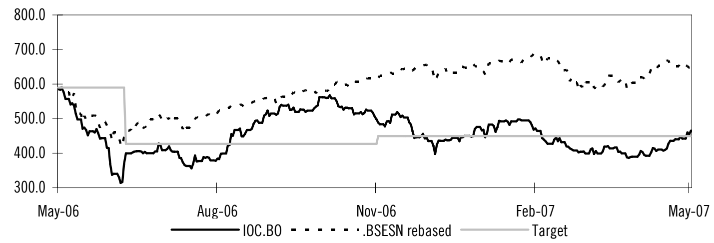
Indian Oil (IOC.BO)

Rahul Singh
+91-22-6631-9863
rahul.r.singh@citigroup.com

Rating	**3 (Sell)**
Risk	**M (Medium)**
Target price (Rs)	**450.00**
Dividend - next 12 mths (Rs)	19.50
Expected price return (%)	-3.2
1 Year Performance (%)	-20.8

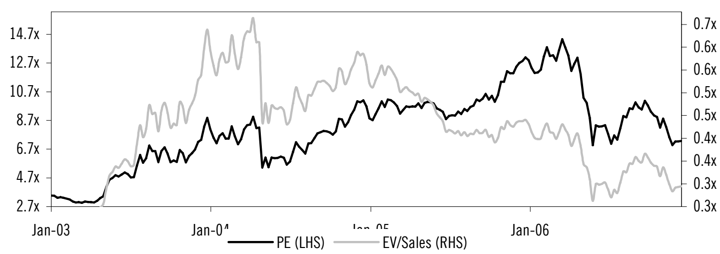
Price (Rs)	**465.05**
52-week range (Rs)	314.05 - 586.90
Shares outstanding (M)	1,168
Free float (%)	9
Avg daily volume 12 mths (K,Shrs)	71
Exchange	BSE
Market cap (USD,M)	13,362
Enterprise value (USD,M)	17,552
Fiscal year end	31-Mar
Model Updated	9-Nov-2006

Price Performance

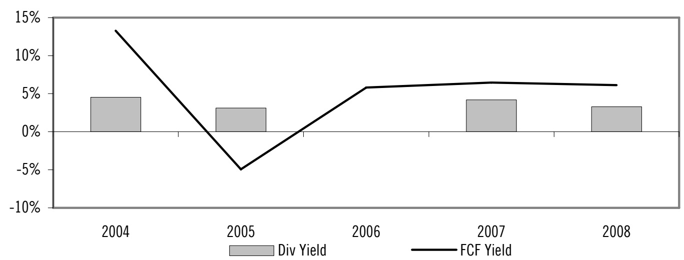


Performance:	3M	6M	12M
Absolute	0.1%	-4.8%	-20.8%
Relative	5.3%	-9.7%	-30.0%

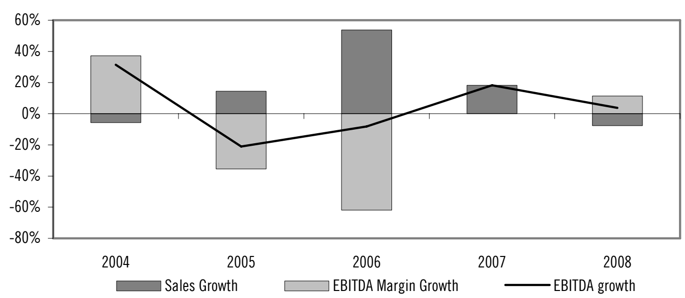
Valuation



Yields



Operating Growth



	2004	2005	2006	2007	2008
Valuation Ratios					
P/E (adj) (x)	7.3	9.9	11.1	6.8	9.8
P/CF (x)	4.2	11.5	6.3	5.1	5.2
P/BVPS (x)	2.3	2.0	1.7	1.5	1.3
EV/Sales (x)	0.6	0.5	0.4	0.3	0.3
EV/EBITDA (x)	5.6	7.6	8.4	7.0	6.6
FCF Yield (%)	13.3	-4.9	5.8	6.5	6.1
Dividend yield (%)	4.5	3.1	0.0	4.2	3.3
Per Share (Rs)					
EPS (adjusted)	64.14	46.82	42.03	68.03	47.27
EPS (reported)	64.14	46.82	42.03	68.03	47.27
BVPS	204.34	234.68	274.01	318.50	346.48
CFPS	111.76	40.61	73.63	91.33	90.15
DPS	21.00	14.50	0.00	19.50	15.25
Returns (%)					
ROE	35.1	21.3	16.5	23.0	14.2
ROIC	17.6	11.2	8.7	7.5	8.3
Efficiency & Solvency					
Fixed Asset Turn (x)	3.6	3.5	5.0	5.4	4.6
Receivables (days)	10.2	12.2	13.1	13.2	13.3
Interest Coverage (x)	22.7	12.3	9.7	13.4	16.0
Debt / Equity (%)	59.4	69.8	52.3	36.9	32.4
Net Debt / Equity (%)	53.6	65.1	51.0	35.9	31.6
Profit & Loss (Rs,M)					
Net sales	1,166,320	1,334,096	2,051,403	2,426,548	2,241,775
YoY Change (%)	*(5.7)*	*14.4*	*53.8*	*18.3*	*(7.6)*
EBITDA	119,288	94,129	86,486	102,322	106,144
EBITDA Margin (%)	*10.2*	*7.1*	*4.2*	*4.2*	*4.7*
D&A	-20,958	-24,139	-25,470	-30,725	-34,428
EBIT	**98,330**	**69,989**	**61,016**	**71,597**	**71,716**
EBIT Margin (%)	*8.4*	*5.2*	*3.0*	*3.0*	*3.2*
Net Interest	-5,255	-7,679	-8,962	-7,624	-6,649
Exceptionals	0	0	0	0	0
Pre Tax	**109,446**	**76,496**	**66,671**	**110,371**	**79,436**
Taxes	-31,232	-16,348	-14,355	-28,379	-20,853
Tax Rate (%)	*28.5*	*21.4*	*21.5*	*25.7*	*26.3*
Minorities	-3,456	-4,318	-3,227	-2,530	-3,366
Reported Net Profit	**74,917**	**54,692**	**49,089**	**79,462**	**55,217**
Adjusted Net Profit	**74,917**	**54,692**	**49,089**	**79,462**	**55,217**
Growth Rates (%)					
EBITDA growth	31.5	-21.1	-8.1	18.3	3.7
EBIT growth	32.6	-28.8	-12.8	17.3	0.2
EPS (adjusted) growth	23.6	-27.0	-10.2	61.9	-30.5
DPS Growth	8.6	-31.0	-100.0	na	-21.8
Balance Sheet (Rs,M)					
WC	85,610	127,212	121,878	133,767	124,308
WC to Sales (%)	*7.3*	*9.5*	*5.9*	*5.5*	*5.5*
Fixed Assets	327,706	377,820	406,757	447,658	485,349
Intangibles	17,913	17,481	17,481	17,481	17,481
Total Assets	**652,603**	**781,375**	**849,717**	**941,822**	**954,519**
Capital Employed	**459,605**	**552,237**	**577,700**	**630,491**	**658,723**
Net Debt/(-Cash)	134,806	189,561	173,630	141,741	136,059
Other L/T Liabilities	73,194	71,497	63,736	93,916	91,779
Total Liabilities	**400,998**	**490,196**	**509,382**	**546,989**	**523,632**
Equity	**251,605**	**291,178**	**340,335**	**394,834**	**430,886**
Cash Flow (Rs,M)					
Net Profit	74,917	54,692	49,089	79,462	55,217
D&A	20,958	24,139	25,470	30,725	34,428
Change in WC	31,208	-35,713	8,218	-6,044	12,285
Operating Cash Flow	**130,540**	**47,435**	**86,004**	**106,673**	**105,296**
Capex	-58,409	-74,253	-54,407	-71,626	-72,120
Free Cash Flow	**72,131**	**-26,818**	**31,597**	**35,047**	**33,176**
Investing Cash Flow	**-60,242**	**-75,862**	**-56,343**	**-71,626**	**-72,120**
Financing Cash Flow	**-65,103**	**27,509**	**-36,674**	**-36,758**	**-27,164**
Dividends	-27,668	-19,760	-3,159	-27,493	-22,530

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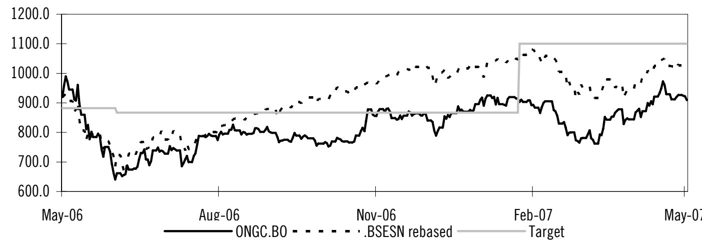
ONGC (ONGC.BO)

Rahul Singh
+91-22-6631-9863
rahul.r.singh@citigroup.com

Rating	1 (Buy)
Risk	M (Medium)
Target price (Rs)	1,100.00
Dividend - next 12 mths (Rs)	36.00
Expected price return (%)	21.0
1 Year Performance (%)	-8.1

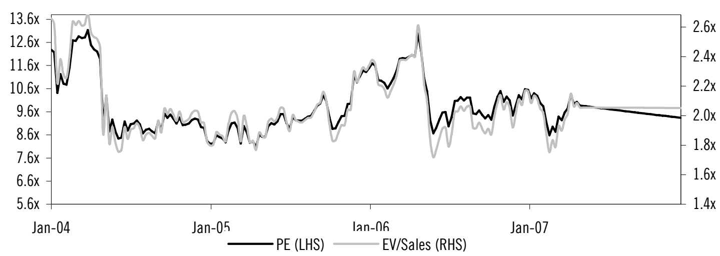
Price (Rs)	909.35
52-week range (Rs)	640.70 - 989.63
Shares outstanding (M)	2,139
Free float (%)	14
Avg daily volume 12 mths (K,Shrs)	384
Exchange	BSE
Market cap (USD,M)	47,847
Enterprise value (USD,M)	46,742
Fiscal year end	31-Mar
Model Updated	31-Jan-2007

Price Performance

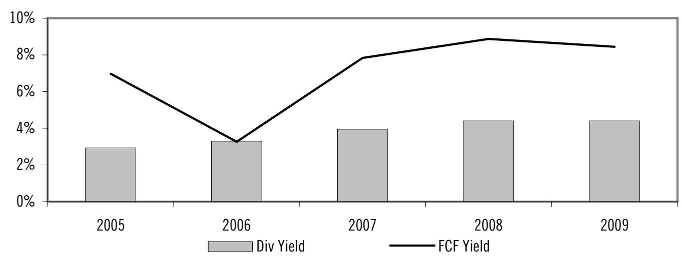


Performance:	3M	6M	12M
Absolute	2.9%	4.5%	-8.1%
Relative	8.1%	-0.4%	-17.4%

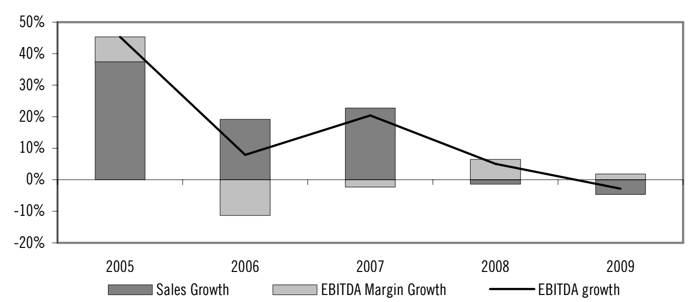
Valuation



Yields



Operating Growth



	2005	2006	2007	2008	2009
Valuation Ratios					
P/E (adj) (x)	13.4	12.6	10.0	9.1	9.4
P/CF (x)	8.5	8.4	6.1	6.1	6.3
P/BVPS (x)	4.0	3.4	2.9	2.5	2.1
EV/Sales (x)	3.1	2.6	2.1	2.1	2.1
EV/EBITDA (x)	6.8	6.2	5.2	4.8	4.8
FCF Yield (%)	7.0	3.3	7.8	8.9	8.4
Dividend yield (%)	2.9	3.3	4.0	4.4	4.4
Per Share (Rs)					
EPS (adjusted)	67.89	71.99	91.38	99.68	96.98
EPS (reported)	67.89	71.99	91.38	99.68	96.98
BVPS	224.69	263.70	315.11	370.59	423.26
CFPS	107.55	108.37	148.43	148.49	144.58
DPS	26.67	30.00	36.00	40.00	40.00
Returns (%)					
ROE	32.7	29.5	31.6	29.1	24.4
ROIC	23.8	18.9	21.6	20.4	18.4
Efficiency & Solvency					
Fixed Asset Turn (x)	3.0	3.5	5.2	4.7	4.2
Receivables (days)	27.6	21.8	25.0	25.0	25.0
Interest Coverage (x)	150.5	268.5	189.8	172.6	172.6
Debt / Equity (%)	8.3	3.9	1.2	0.9	0.7
Net Debt / Equity (%)	-14.6	-15.2	-18.5	-27.4	-33.6
Profit & Loss (Rs,M)					
Net sales	622,807	742,341	911,056	897,939	856,017
YoY Change (%)	*37.4*	*19.2*	*22.7*	*(1.4)*	*(4.7)*
EBITDA	282,438	304,656	366,709	385,219	374,418
EBITDA Margin (%)	*45.3*	*41.0*	*40.3*	*42.9*	*43.7*
D&A	-73,586	-97,852	-100,157	-102,348	-105,240
EBIT	**208,852**	**206,804**	**266,553**	**282,871**	**269,178**
EBIT Margin (%)	*33.5*	*27.9*	*29.3*	*31.5*	*31.4*
Net Interest	-1,877	-1,135	-1,932	-2,232	-2,169
Exceptionals	0	0	0	0	0
Pre Tax	**226,552**	**239,914**	**296,142**	**322,893**	**313,853**
Taxes	-79,416	-84,932	-99,504	-108,492	-105,454
Tax Rate (%)	*35.1*	*35.4*	*33.6*	*33.6*	*33.6*
Minorities	-1,930	-1,006	-1,194	-1,206	-974
Reported Net Profit	**145,206**	**153,976**	**195,444**	**213,195**	**207,424**
Adjusted Net Profit	**145,206**	**153,976**	**195,444**	**213,195**	**207,424**
Growth Rates (%)					
EBITDA growth	45.3	7.9	20.4	5.0	-2.8
EBIT growth	60.1	-1.0	28.9	6.1	-4.8
EPS (adjusted) growth	54.8	6.0	26.9	9.1	-2.7
DPS Growth	66.7	12.5	20.0	11.1	0.0
Balance Sheet (Rs,M)					
WC	90,987	123,079	152,928	160,147	163,134
WC to Sales (%)	*14.6*	*16.6*	*16.8*	*17.8*	*19.1*
Fixed Assets	204,464	215,098	176,663	191,043	203,137
Intangibles	13,683	17,103	17,103	17,103	17,103
Total Assets	**784,372**	**926,175**	**1,082,034**	**1,214,208**	**1,332,613**
Capital Employed	**595,575**	**725,463**	**852,346**	**891,218**	**919,819**
Net Debt/(-Cash)	-71,169	-87,063	-126,368	-219,508	-307,422
Other L/T Liabilities	179,957	241,279	296,504	308,660	311,320
Total Liabilities	**297,585**	**354,928**	**399,824**	**412,142**	**416,692**
Equity	**486,787**	**571,247**	**682,210**	**802,067**	**915,921**
Cash Flow (Rs,M)					
Net Profit	145,206	153,976	195,444	213,195	207,424
D&A	73,586	97,852	100,157	102,348	105,240
Change in WC	-1,294	-18,504	25,377	4,936	-327
Operating Cash Flow	**230,040**	**231,783**	**317,464**	**317,605**	**309,232**
Capex	-94,454	-168,252	-165,162	-145,162	-145,163
Free Cash Flow	**135,587**	**63,532**	**152,303**	**172,443**	**164,069**
Investing Cash Flow	**-107,755**	**-176,972**	**-175,404**	**-158,393**	**-158,394**
Financing Cash Flow	**-71,886**	**-99,663**	**-86,046**	**-93,548**	**-93,520**
Dividends	-63,310	-71,224	-85,468	-94,965	-94,965

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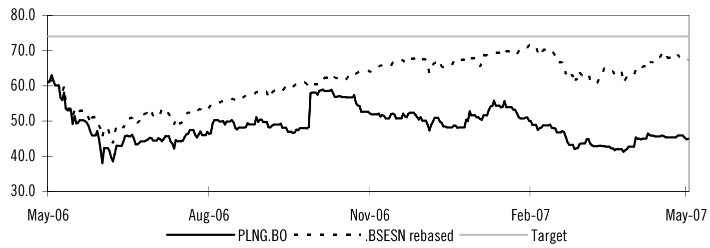
Petronet LNG (PLNG.BO)

Pradeep Mirchandani, CFA
+91-22-6631-9877
pradeep.mirchandani@citigroup.com

Rating	**1 (Buy)**
Risk	**M (Medium)**
Target price (Rs)	**74.00**
Dividend - next 12 mths (Rs)	1.00
Expected price return (%)	64.6
1 Year Performance (%)	-28.7

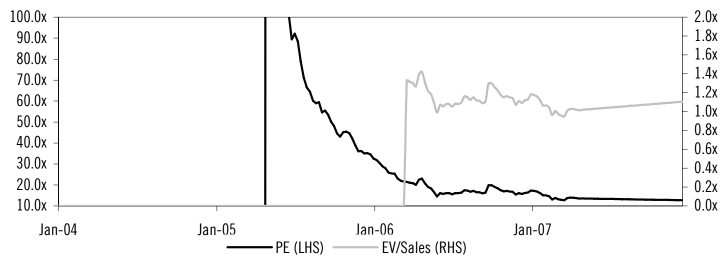
Price (Rs)	**44.95**
52-week range (Rs)	38.05 - 63.00
Shares outstanding (M)	750
Free float (%)	50
Avg daily volume 12 mths (K,Shrs)	560
Exchange	BSE
Market cap (USD,M)	829
Enterprise value (USD,M)	1,092
Fiscal year end	31-Mar
Model Updated	31-Jul-2006

Price Performance

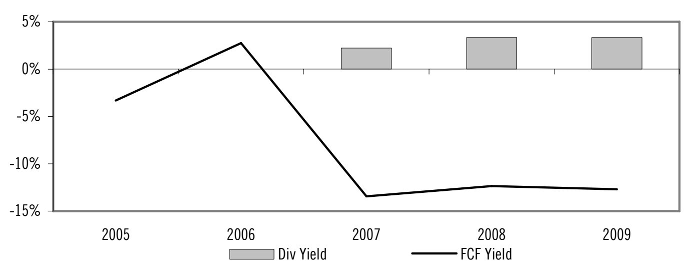


Performance:	**3M**	**6M**	**12M**
Absolute	-8.1%	-13.4%	-28.7%
Relative	-2.9%	-18.3%	-37.9%

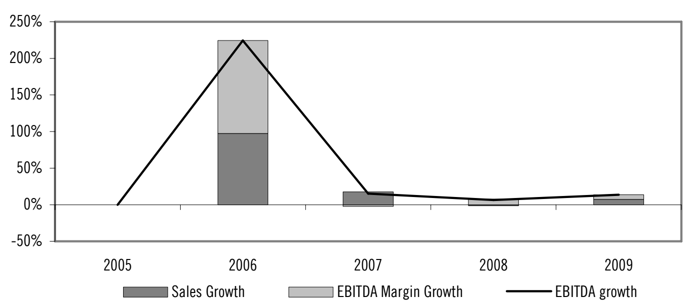
Valuation



Yields



Operating Growth



	2005	2006	2007	2008	2009
Valuation Ratios					
P/E (adj) (x)	nm	17.3	13.8	12.4	10.6
P/CF (x)	28.8	20.3	7.4	7.2	6.3
P/BVPS (x)	3.8	3.1	2.7	2.5	2.2
EV/Sales (x)	na	1.1	1.0	1.1	1.2
EV/EBITDA (x)	na	8.8	8.0	8.5	8.3
FCF Yield (%)	-3.3	2.8	-13.4	-12.4	-12.7
Dividend yield (%)	0.0	0.0	2.2	3.3	3.3
Per Share (Rs)					
EPS (adjusted)	-0.38	2.60	3.27	3.62	4.24
EPS (reported)	-0.38	2.60	3.27	3.62	4.24
BVPS	11.69	14.29	16.42	18.33	20.86
CFPS	1.56	2.22	6.05	6.28	7.10
DPS	0.00	0.00	1.00	1.50	1.50
Returns (%)					
ROE	na	20.0	21.3	20.8	21.6
ROIC	na	15.0	14.0	11.2	10.3
Efficiency & Solvency					
Fixed Asset Turn (x)	1.0	2.1	1.7	1.3	1.1
Receivables (days)	22.5	12.2	17.0	17.0	17.0
Interest Coverage (x)	1.4	4.4	5.3	5.7	6.2
Debt / Equity (%)	143.7	117.5	126.7	157.1	176.4
Net Debt / Equity (%)	109.7	94.2	114.4	142.1	160.7
Profit & Loss (Rs,M)					
Net sales	19,453	38,372	45,084	44,458	47,690
YoY Change (%)	*na*	*97.3*	*17.5*	*(1.4)*	*7.3*
EBITDA	1,505	4,882	5,624	5,983	6,791
EBITDA Margin (%)	*7.7*	*12.7*	*12.5*	*13.5*	*14.2*
D&A	-968	-1,010	-1,010	-1,016	-1,046
EBIT	**537**	**3,872**	**4,613**	**4,968**	**5,746**
EBIT Margin (%)	*2.8*	*10.1*	*10.2*	*11.2*	*12.0*
Net Interest	-1,094	-1,116	-1,067	-1,058	-1,095
Exceptionals	0	0	0	0	0
Pre Tax	**-424**	**2,950**	**3,692**	**4,087**	**4,786**
Taxes	140	-1,001	-1,241	-1,373	-1,608
Tax Rate (%)	*na*	*33.9*	*33.6*	*33.6*	*33.6*
Minorities	0	0	0	0	0
Reported Net Profit	**-284**	**1,949**	**2,452**	**2,714**	**3,178**
Adjusted Net Profit	**-284**	**1,949**	**2,452**	**2,714**	**3,178**
Growth Rates (%)					
EBITDA growth	na	224.4	15.2	6.4	13.5
EBIT growth	na	621.4	19.1	7.7	15.7
EPS (adjusted) growth	na	785.3	25.8	10.7	17.1
DPS Growth	na	na	na	50.0	0.0
Balance Sheet (Rs,M)					
WC	-821	1,484	1,366	1,447	1,596
WC to Sales (%)	*-4.2*	*3.9*	*3.0*	*3.3*	*3.3*
Fixed Assets	18,903	18,627	26,684	34,543	43,133
Intangibles	0	0	0	0	0
Total Assets	**24,954**	**25,648**	**33,976**	**42,353**	**51,730**
Capital Employed	**18,401**	**21,680**	**28,229**	**36,168**	**44,908**
Net Debt/(-Cash)	9,619	10,093	14,086	19,533	25,135
Other L/T Liabilities	12	868	1,827	2,888	4,131
Total Liabilities	**16,184**	**14,929**	**21,660**	**28,606**	**36,087**
Equity	**8,770**	**10,719**	**12,316**	**13,747**	**15,642**
Cash Flow (Rs,M)					
Net Profit	-284	1,949	2,452	2,714	3,178
D&A	968	1,010	1,010	1,016	1,046
Change in WC	628	-2,042	118	-80	-138
Operating Cash Flow	**1,171**	**1,662**	**4,538**	**4,711**	**5,328**
Capex	-2,287	-732	-9,067	-8,875	-9,608
Free Cash Flow	**-1,115**	**929**	**-4,528**	**-4,164**	**-4,280**
Investing Cash Flow	**-2,287**	**-732**	**-9,067**	**-8,875**	**-9,608**
Financing Cash Flow	**10**	**0**	**2,145**	**4,717**	**4,717**
Dividends	0	0	-855	-1,283	-1,283

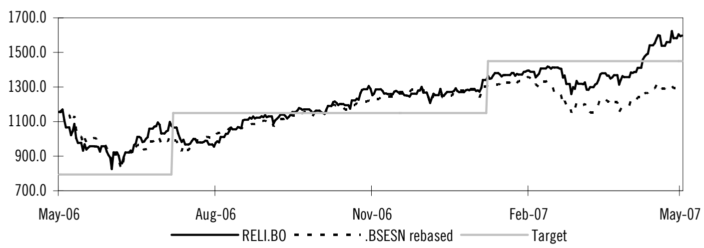
Reliance Industries (RELI.BO)

Rahul Singh
+91-22-6631-9863
rahul.r.singh@citigroup.com

Rating	**2 (Hold)**
Risk	**L (Low)**
Target price (Rs)	**1,450.00**
Dividend - next 12 mths (Rs)	10.00
Expected price return (%)	-9.2
1 Year Performance (%)	36.5

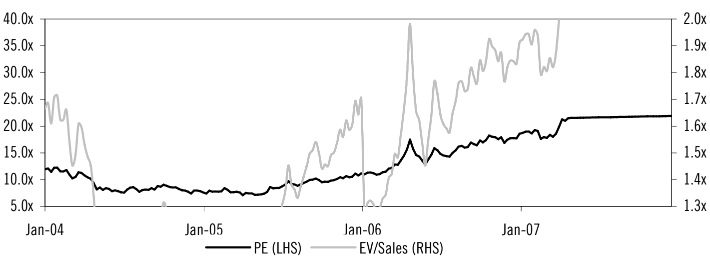
Price (Rs)	**1,597.10**
52-week range (Rs)	825.25 - 1,623.10
Shares outstanding (M)	1,394
Free float (%)	53
Avg daily volume 12 mths (K,Shrs)	1,462
Exchange	BSE
Market cap (USD,M)	54,750
Enterprise value (USD,M)	57,585
Fiscal year end	31-Mar
Model Updated	19-Jan-2007

Price Performance

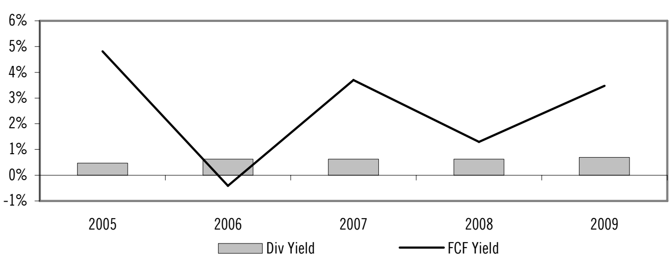


Performance:	**3M**	**6M**	**12M**
Absolute	15.0%	26.6%	36.5%
Relative	20.3%	21.7%	27.2%

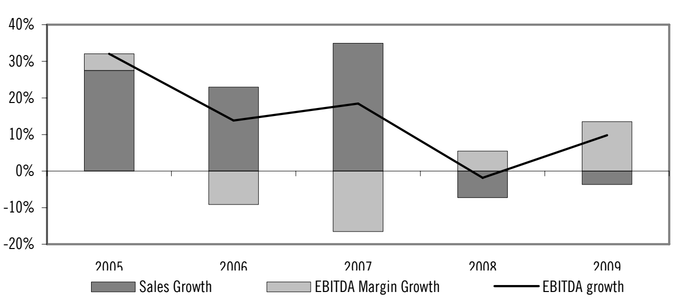
Valuation



Yields



Operating Growth



	2005	2006	2007	2008	2009
Valuation Ratios					
P/E (adj) (x)	29.4	24.5	21.5	22.0	20.5
P/CF (x)	15.4	19.0	12.6	15.0	13.1
P/BVPS (x)	5.5	7.8	5.9	4.8	4.0
EV/Sales (x)	3.3	2.8	2.1	2.3	2.3
EV/EBITDA (x)	17.4	15.8	13.8	13.8	12.4
FCF Yield (%)	4.8	-0.4	3.7	1.3	3.5
Dividend yield (%)	0.5	0.6	0.6	0.6	0.7
Per Share (Rs)					
EPS (adjusted)	54.34	65.10	74.44	72.47	77.92
EPS (reported)	54.34	65.10	74.44	72.47	77.92
BVPS	288.75	205.28	268.47	329.68	395.23
CFPS	103.96	84.12	126.39	106.15	121.60
DPS	7.50	10.00	10.00	10.00	11.00
Returns (%)					
ROE	20.3	26.4	31.4	24.2	21.5
ROIC	19.3	21.2	21.5	18.9	17.7
Efficiency & Solvency					
Fixed Asset Turn (x)	1.9	1.8	2.2	1.8	1.6
Receivables (days)	21.7	18.7	21.1	21.1	21.0
Interest Coverage (x)	8.6	16.4	16.1	13.4	14.6
Debt / Equity (%)	46.7	76.5	56.4	55.5	45.5
Net Debt / Equity (%)	29.1	71.5	47.7	36.0	19.1
Profit & Loss (Rs,M)					
Net sales	660,513	812,113	1,095,959	1,016,129	978,625
YoY Change (%)	*27.5*	*23.0*	*35.0*	*(7.3)*	*(3.7)*
EBITDA	126,575	144,050	170,610	167,519	183,960
EBITDA Margin (%)	*19.2*	*17.7*	*15.6*	*16.5*	*18.8*
D&A	-37,235	-34,009	-38,991	-35,195	-48,205
EBIT	**89,340**	**110,041**	**131,620**	**132,325**	**135,755**
EBIT Margin (%)	*13.5*	*13.5*	*12.0*	*13.0*	*13.9*
Net Interest	-14,687	-8,770	-10,566	-12,547	-12,583
Exceptionals	1,536	-1,059	500	1,000	1,000
Pre Tax	**90,687**	**107,041**	**125,693**	**126,192**	**132,404**
Taxes	-14,970	-16,347	-21,996	-25,238	-23,858
Tax Rate (%)	*16.5*	*15.3*	*17.5*	*20.0*	*18.0*
Minorities	0	0	0	0	0
Reported Net Profit	**75,717**	**90,693**	**103,697**	**100,953**	**108,546**
Adjusted Net Profit	**75,717**	**90,693**	**103,697**	**100,953**	**108,546**
Growth Rates (%)					
EBITDA growth	32.1	13.8	18.4	-1.8	9.8
EBIT growth	41.0	23.2	19.6	0.5	2.6
EPS (adjusted) growth	43.0	19.8	14.3	-2.6	7.5
DPS Growth	42.9	33.3	0.0	0.0	10.0
Balance Sheet (Rs,M)					
WC	38,560	53,548	26,107	27,254	28,957
WC to Sales (%)	*5.8*	*6.6*	*2.4*	*2.7*	*3.0*
Fixed Assets	349,582	441,935	496,744	580,549	624,344
Intangibles	0	0	0	0	0
Total Assets	**804,198**	**718,893**	**913,522**	**1,036,472**	**1,123,709**
Capital Employed	**600,602**	**579,066**	**647,140**	**732,091**	**777,590**
Net Debt/(-Cash)	117,090	204,464	178,568	165,358	105,197
Other L/T Liabilities	81,144	88,618	94,563	107,445	121,798
Total Liabilities	**401,829**	**432,909**	**539,514**	**577,184**	**573,114**
Equity	**402,369**	**285,980**	**374,004**	**459,285**	**550,591**
Cash Flow (Rs,M)					
Net Profit	75,717	90,693	103,697	100,953	108,546
D&A	37,235	34,009	38,991	35,195	48,205
Change in WC	31,919	-7,514	33,387	11,735	12,649
Operating Cash Flow	**144,871**	**117,189**	**176,074**	**147,883**	**169,401**
Capex	-37,669	-126,361	-93,800	-119,000	-92,000
Free Cash Flow	**107,202**	**-9,173**	**82,274**	**28,883**	**77,401**
Investing Cash Flow	**-42,746**	**2,515**	**-134,506**	**-119,000**	**-92,000**
Financing Cash Flow	**-37,120**	**-176,268**	**-23,378**	**28,499**	**-22,080**
Dividends	-11,917	-15,885	-15,672	-15,672	-17,240

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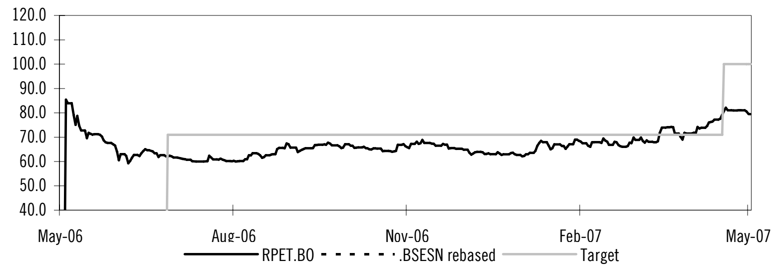
Reliance Petro (RPET.BO)

Rahul Singh
+91-22-6631-9863
rahul.r.singh@citigroup.com

Rating	**1 (Buy)**
Risk	**M (Medium)**
Target price (Rs)	**100.00**
Dividend - next 12 mths (Rs)	0.00
Expected price return (%)	25.9
1 Year Performance (%)	na

Price (Rs)	**79.45**
52-week range (Rs)	59.25 - 85.45
Shares outstanding (M)	4,500
Free float (%)	20
Avg daily volume 12 mths (K,Shrs)	1,870
Exchange	BSE
Market cap (USD,M)	8,795
Enterprise value (USD,M)	na
Fiscal year end	31-Mar
Model Updated	25-Apr-2007

Price Performance



Performance:	**3M**	**6M**	**12M**
Absolute	17.7%	21.3%	na
Relative	22.9%	16.4%	na

	2010	2011	2012
Valuation Ratios			
P/E (adj) (x)	5.8	5.5	6.3
P/CF (x)	7.7	4.6	5.2
P/BVPS (x)	1.9	1.5	1.3
EV/Sales (x)	1.0	0.9	0.8
EV/EBITDA (x)	5.4	5.0	4.9
FCF Yield (%)	12.5	20.9	18.5
Dividend yield (%)	2.6	3.6	4.0
Per Share (Rs)			
EPS (adjusted)	13.77	14.43	12.57
EPS (reported)	13.77	14.43	12.57
BVPS	41.70	53.25	62.67
CFPS	10.37	17.31	15.36
DPS	2.07	2.89	3.14
Returns (%)			
ROE	33.0	30.4	21.7
ROIC	24.5	25.1	21.8
Efficiency & Solvency			
Fixed Asset Turn (x)	2.2	2.3	2.3
Receivables (days)	27.2	27.2	27.1
Interest Coverage (x)	9.4	9.6	9.4
Debt / Equity (%)	75.2	54.7	39.3
Net Debt / Equity (%)	45.8	7.9	-12.9
Profit & Loss (Rs,M)			
Net sales	472,040	460,584	451,681
YoY Change (%)	*na*	*(2.4)*	*(1.9)*
EBITDA	83,548	84,800	74,097
EBITDA Margin (%)	*17.7*	*18.4*	*16.4*
D&A	-13,650	-13,806	-13,962
EBIT	**69,898**	**70,994**	**60,135**
EBIT Margin (%)	*14.8*	*15.4*	*13.3*
Net Interest	-8,848	-8,845	-7,862
Exceptionals	0	0	0
Pre Tax	**62,428**	**66,328**	**58,753**
Taxes	-464	-1,408	-2,184
Tax Rate (%)	*0.7*	*2.1*	*3.7*
Minorities	0	0	0
Reported Net Profit	**61,964**	**64,919**	**56,569**
Adjusted Net Profit	**61,964**	**64,919**	**56,569**
Growth Rates (%)			
EBITDA growth	na	1.5	-12.6
EBIT growth	na	1.6	-15.3
EPS (adjusted) growth	na	4.8	-12.9
DPS Growth	na	39.7	8.9
Balance Sheet (Rs,M)			
WC	28,502	27,938	27,167
WC to Sales (%)	*6.0*	*6.1*	*6.0*
Fixed Assets	214,552	203,746	192,785
Intangibles	39,918	39,918	39,918
Total Assets	**369,663**	**414,145**	**437,718**
Capital Employed	**282,971**	**271,602**	**259,869**
Net Debt/(-Cash)	86,007	19,013	-36,305
Other L/T Liabilities	9,295	12,984	14,142
Total Liabilities	**181,994**	**174,540**	**155,687**
Equity	**187,669**	**239,605**	**282,032**
Cash Flow (Rs,M)			
Net Profit	61,964	64,919	56,569
D&A	13,650	13,806	13,962
Change in WC	-28,502	564	771
Operating Cash Flow	**46,647**	**77,881**	**69,118**
Capex	-2,000	-3,000	-3,000
Free Cash Flow	**44,647**	**74,881**	**66,118**
Investing Cash Flow	**-2,000**	**-3,000**	**-3,000**
Financing Cash Flow	**10,000**	**-19,375**	**-33,144**
Dividends	0	-9,295	-12,984

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Appendix A-1

Analyst Certification

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Data current as of 31 March 2007	Buy	Hold	Sell
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% of companies in each rating category that are investment banking clients	45%	42%	32%
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% of companies in each rating category that are investment banking clients	42%	50%	42%

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