

## Valuations: Indian companies

	Price (INR)	EV/EBITDA FY12E	EV/EBITDA FY13E	P/BV FY12E
<b>Steel</b>				
Tata Steel	478	7.3	6.3	1.8
SAIL	112	10.2	9.1	1.2
JSW Steel	855	8.4	6.9	1.2
JSPL	639	10.6	9.9	3.3
Sesa Goa	245	6.7	11.2	1.4
<b>Non-ferrous</b>				
Sterlite Inds.	133	4.8	3.8	1.0
HZL	141	6.4	4.7	2.2
Nalco	66	12.7	8.3	1.5
Hindalco	151	6.4	6.2	1.6
<b>Mid-caps</b>				
Monnet Ispat	490	12.1	9.4	1.3
Godawari	119	3.0	3.4	0.6
Sarda Energy	133	8.2	5.7	0.6
Tata Sponge	298	2.1	1.1	0.8
Adhunik Metaliks55	5.7	3.8	0.7	
Bhushan Steel	400	9.9	9.2	1.3
Jai Balaji	46	20.5	6.6	0.4
Rain Comm.	40	3.1	3.2	0.7
Prakash Inds.	62	4.2	2.9	0.4

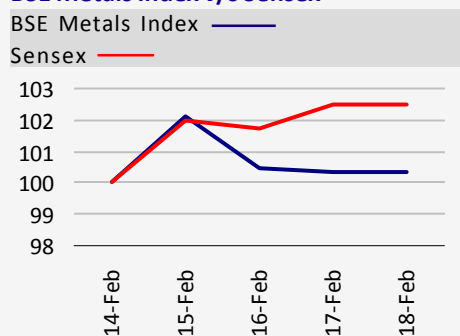
Note: Detailed table on pg 21 Source: MOSL

## Valuations: Global companies

	Price	EV/EBITDA CY11	EV/EBITDA CY12	P/BV CY11
<b>Steel</b>				
A. Mittal	EUR 16.8	5.9	5.1	0.5
Posco	k KRW 413	5.6	5.0	0.9
US Steel	USD 28.4	4.9	4.1	1.1
Nucor	USD 43.9	6.7	5.6	1.7
Gerdau	BRL 17.7	7.2	5.9	1.1
Bao Steel	CNY 5.1	6.5	6.1	0.8
<b>Non-ferrous</b>				
Alcoa	USD 10.2	7.4	5.7	0.8
Teck Res.	USD 38.4	5.0	4.5	1.1
Xstrata	GBp 12.1	5.5	4.8	1.1
BHP	AUD 36.0	5.9	5.3	3.0
Rio Tinto	AUD 68.0	5.0	4.5	2.0

Detailed on pg 21 Source: Bloomberg

## BSE Metals Index v/s Sensex



Source: Bloomberg

Note: Indexed to 100 on 14 February 2012

Stock performance table on pg 22

## Metal Prices

	CMP 21-Feb	%	Week 13-Feb	%	Quarter 2-Jan	%	YTD FY12 1-Apr
<b>STEEL</b>							
HRC Tube grade-Mumbai(INR/ton)	37,851	0	37,851	4	36,491	6	35,811
HRC (USD/ton) fob CIS	625	3	608	8	578	-12	708
HRC (USD/ton) fob China	671	-1	674	0	669	-7	722
<b>METALLICS</b>							
Sponge iron - Raipur (INR/ton)	23,800	1	23,600	4	22,800	18	20,200
Pig iron - Raipur (INR/ton)	24,751	-2	25,385	0	24,660	8	22,937
Iron ore spot (USD/ton) cfr China	144	-3	149	0	144	-20	181
Coke (USD/ton) fob	385	0	385	3	375	-4	400
Shred.scrap (USD/ton)fob Rotterdam	400	-1	403	-4	418	-6	425
<b>ALUM.</b>							
LME inventories ('000 ton)	5,117	1	5,064	3	4,970	11	4,592
LME Spot (USD/ton)	2,127	-4	2,218	6	2,006	-18	2,589
Indian prices (INR '000/ton)	105	-5	110	0	105	-10	116
<b>ZINC</b>							
LME inventories ('000 ton)	851	0	850	3	822	16	736
LME Spot (USD/ton)	1,963	-7	2,112	7	1,828	-16	2,341
Indian prices (INR '000/ton)	97	-8	105	-1	97	-8	105
<b>COPPER</b>							
LME inventories ('000 ton)	306	-2	313	-18	371	-30	439
LME Spot (USD/ton)	8,370	-3	8,591	9	7,661	-10	9,336
Indian prices (INR '000/ton)	402	-5	423	0	404	-5	424
<b>OTHERS</b>							
Gold (INR/10gms)	27,820	0	27,838	3	27,102	34	20,780
Sliver (INR/1kg)	55,758	0	55,564	11	50,010	-1	56,500
Lead Spot LME (USD/ton)	2,028	-6	2,169	2	1,980	-26	2,730
FC 6-8% C basis 60% (USD/lb Cr)	1.15	0	1.15	6	1.09	-17	1.38
<b>MISC.</b>							
INR/USD	49.1	-1	49.5	-8	53.3	10	44.6
BDI	715	-3	734	-59	1,738	-52	1,498

Source: MMR/LME/Metal Bulletin/SteelPricesIndia/MOSL

## 63.5% Fe iron ore prices down USD5 WoW; power shortage forces FeCr production cuts in South Africa

- Indian long steel prices increased marginally (up 0.7% WoW), while flat steel prices remained flat. Sponge iron prices were up 0.8% WoW to INR23,800/ton. Scrap prices also increased 2.4% WoW to INR25,903/ton.
- European HRC prices continue to increase and rose 0.8% WoW. Prices also increased in China (0.3% WoW), Turkey (3.4% WoW) and the Middle East (0.4% WoW). Prices declined in North America (down 0.7% WoW) and Russia (down 0.1% WoW).
- 63.5% Fe iron ore prices declined by USD5 WoW to USD144/ton, posting their biggest weekly decline in a year.
- According to ILZSG, the zinc market continues to remain in surplus for the fifth consecutive year. Production exceeded consumption by 353kt in 2011. Similarly, the lead market turned into surplus from a balanced market in 2010 with an excess of 156kt in 2011.
- Xstrata to take out of operation 0.1mtpa of charge chrome capacity in South Africa. State power group Eskom has asked large FeCr producers to cut production due to power shortage. Increasing power costs and limited power availability in largest FeCr producer country will push second-quarter benchmark higher.

## Contents

---

	Page No.
<b>Ferrous .....</b>	<b>3-10</b>
India .....	3
European Union .....	4
China .....	5
Other regions .....	6 & 7
Steel raw material .....	8 & 9
Ferro alloys .....	10
<b>Non ferrous .....</b>	<b>11-17</b>
Aluminum .....	11
Copper .....	13
Zinc .....	14
Lead .....	15
Commodity curve analysis .....	16
China non-ferrous trade data .....	17
<b>Key indicators .....</b>	<b>18</b>
<b>Industrial production growth across the globe .....</b>	<b>19</b>
<b>BSE Exchange announcements .....</b>	<b>20</b>
<b>Metals valuation matrix .....</b>	<b>21</b>
<b>Metals stock performance .....</b>	<b>22</b>

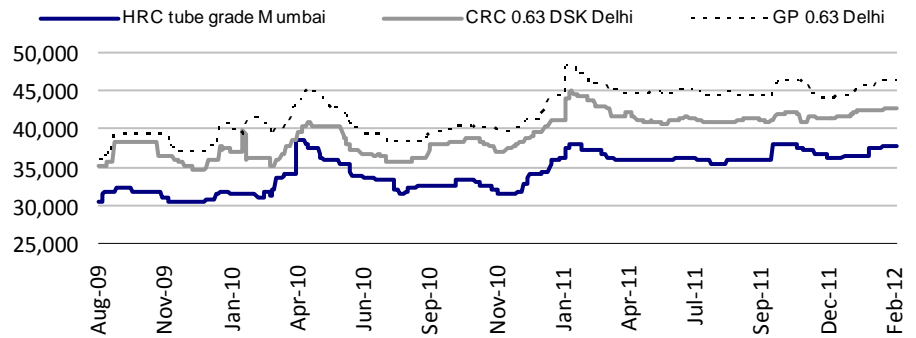
**Ferrous**

**Ferrous**

**INDIA**

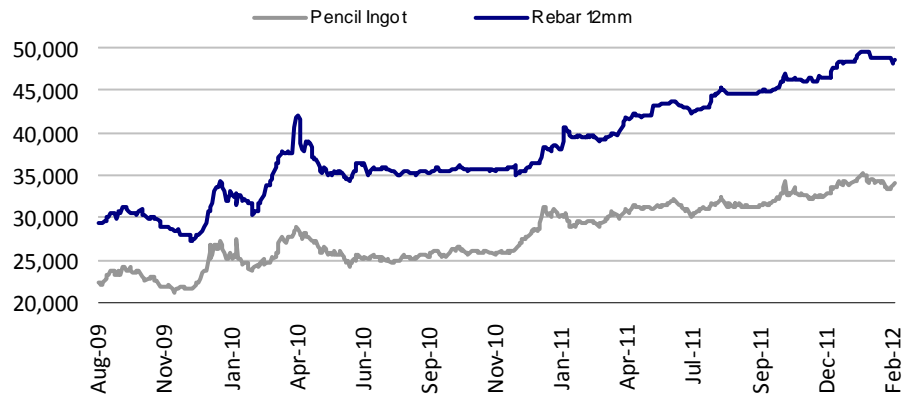
**Indian flat steel prices were flat WoW (INR/ton)**

HRC tube grade prices remained flat WoW at INR 37,851/ton



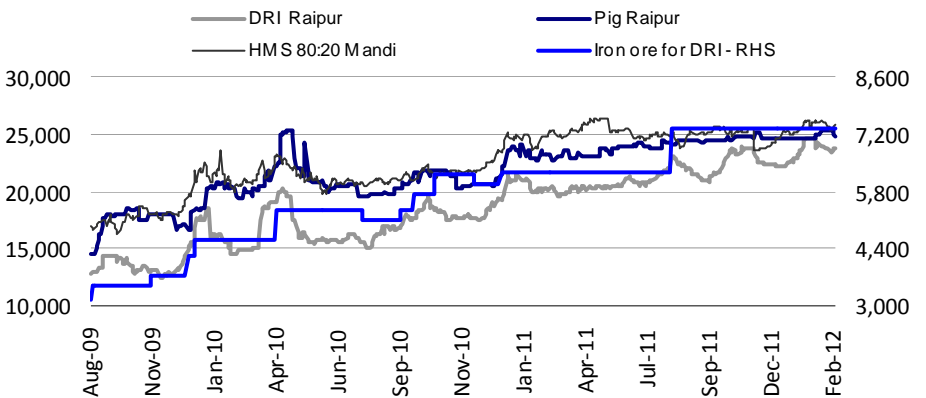
**Indian long steel prices (Mandi; INR/ton)**

Pencil ingot prices increased 2.1% WoW to INR 34,000/ton

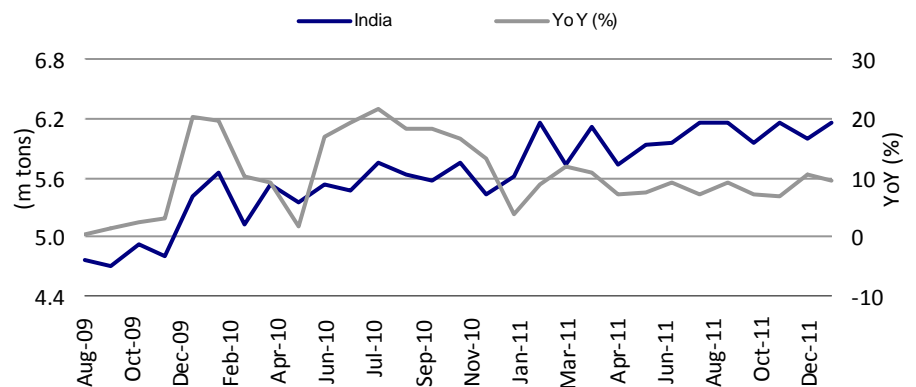


**Steel intermediates and raw material prices (INR/ton)**

Sponge iron prices increased 0.8% WoW to INR23,800/ton. HMS scrap prices increased 2.4% WoW to INR25,903/ton



**India: Monthly crude steel production**

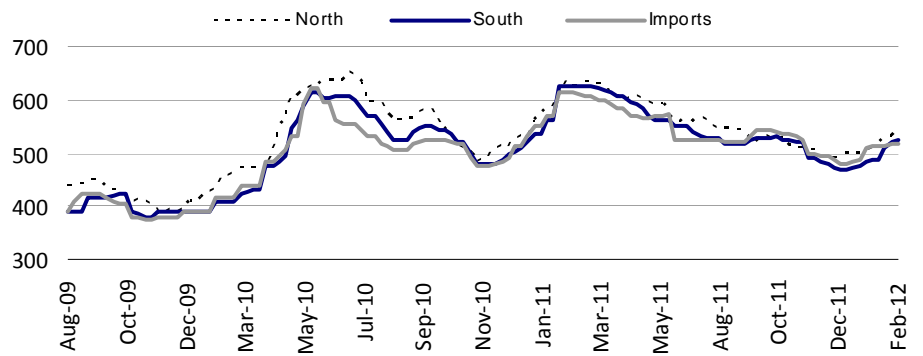


Source: SteelPricesIndia/WSA/MOSL

European Union

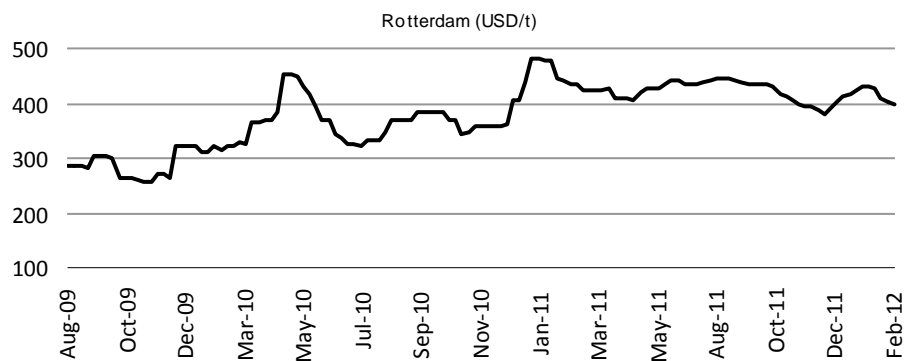
European steel prices (EUR/ton)

North European HRC prices increased 0.9% WoW, while south European HRC prices increased 0.7% WoW

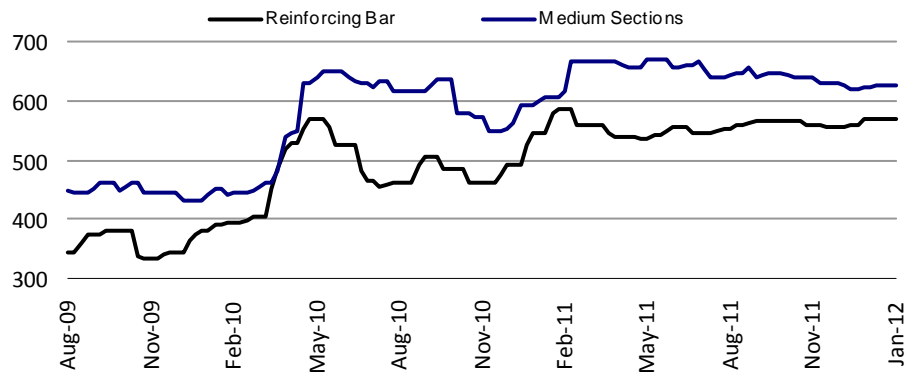


Rotterdam export shredded scrap prices

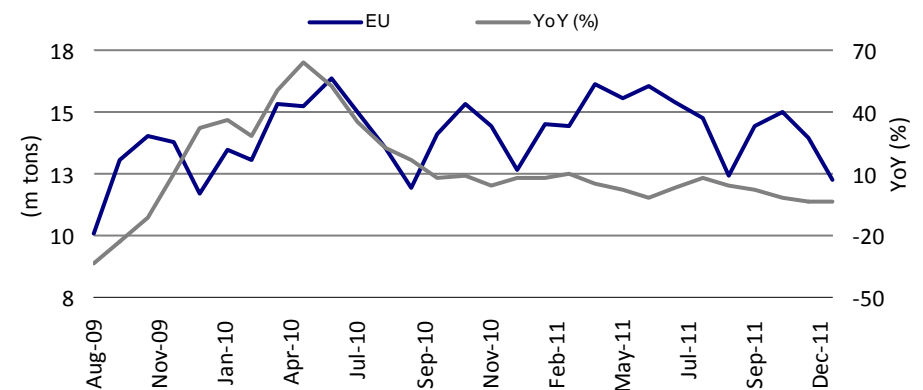
Rotterdam export shredded scrap prices decreased 0.6% WoW to USD400/ton



European medium section prices (EUR/ton)



European Union: Monthly crude steel production

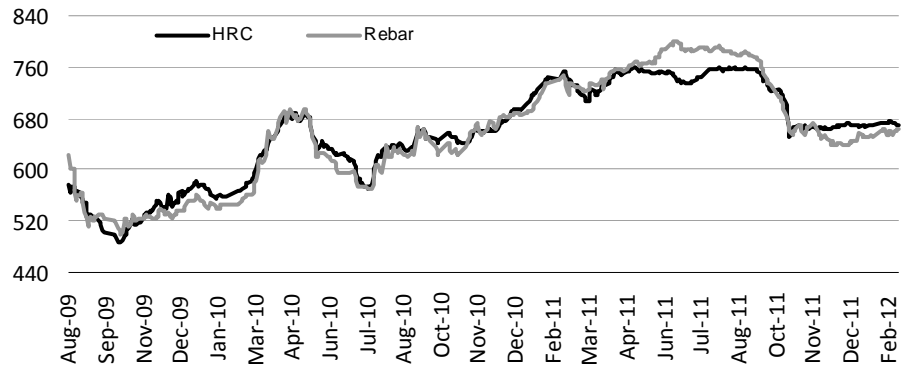


Source: Metal Bulletin/Bloomberg/SBBS/WSA/MOSL

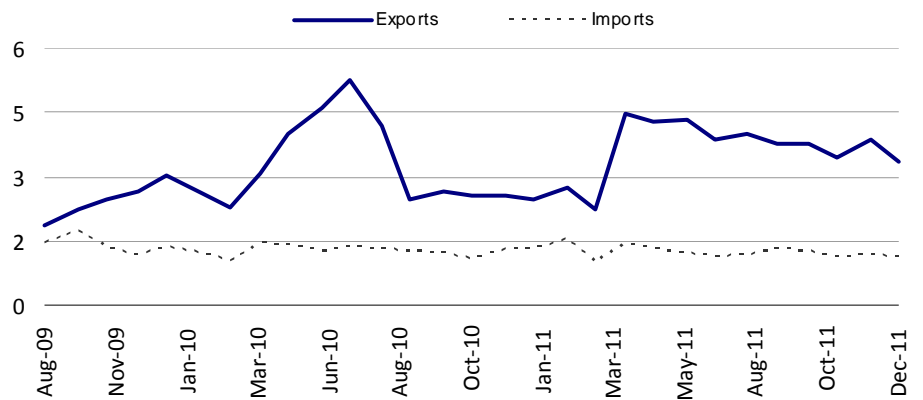
**China**

**China domestic prices (USD/ton)**

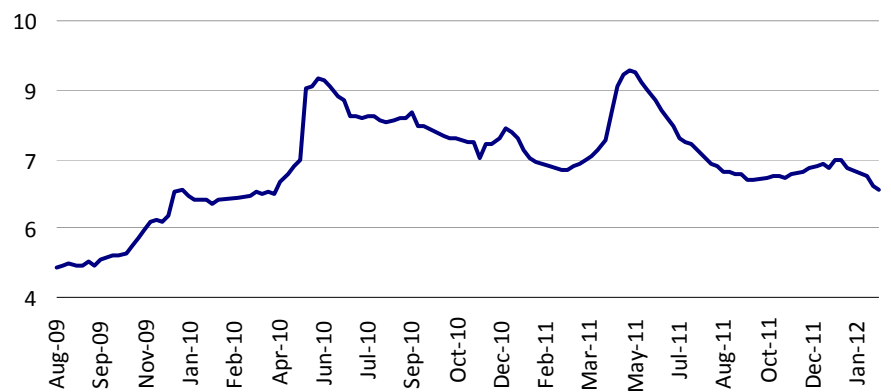
Chinese HRC prices decreased 0.5% to USD671/ton, while rebar prices increased 1.2% to USD662/ton



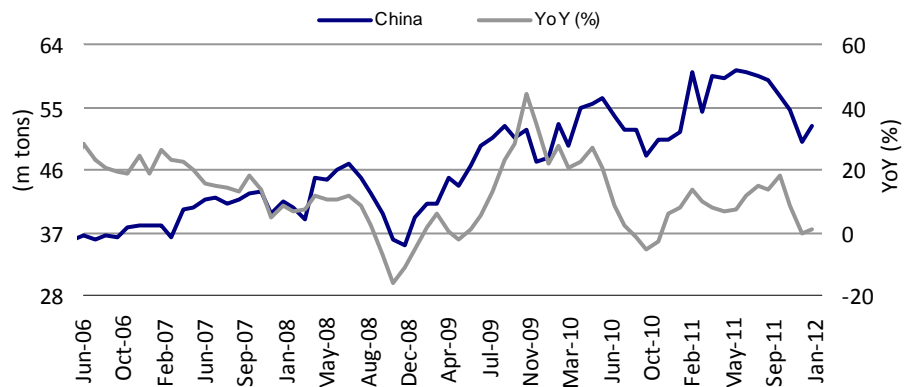
**Steel trade (m ton)**



**Steel inventories (m tons)**



**Monthly crude steel production**

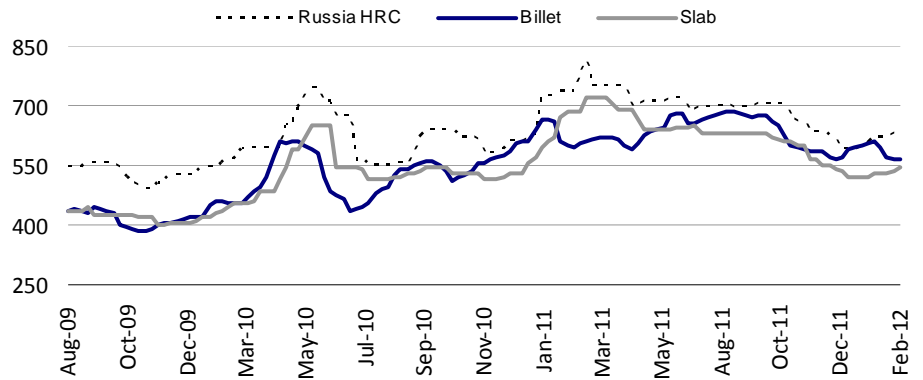


Source: Metal Bulletin/Bloomberg/SBBS/WSA/MOSL

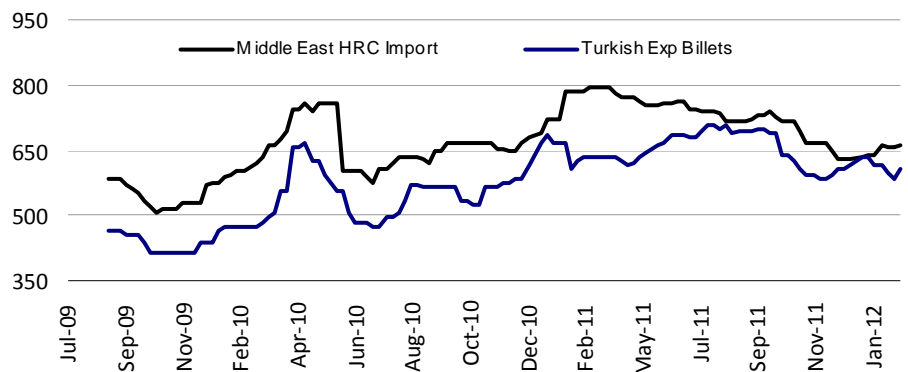
Black Sea export billet prices decreased 0.2% WoW to USD566/ton, while Russian HRC export prices decreased 0.1% to USD628/ton

Other regions

CIS steel export prices (USD/ton)

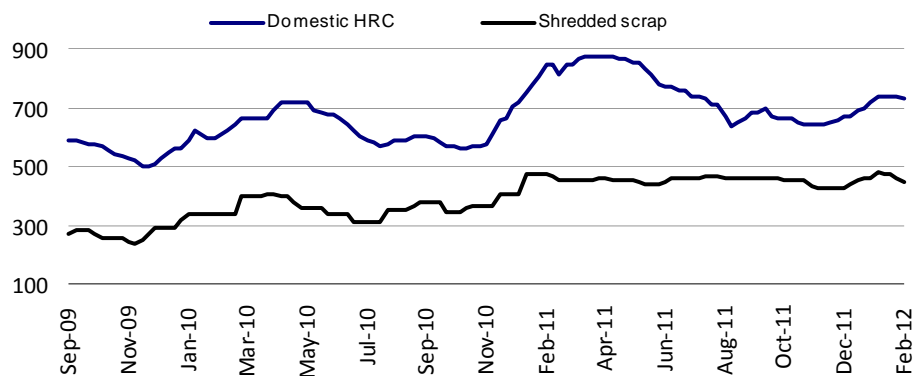


Middle East import and Turkish export steel prices (USD/ton)

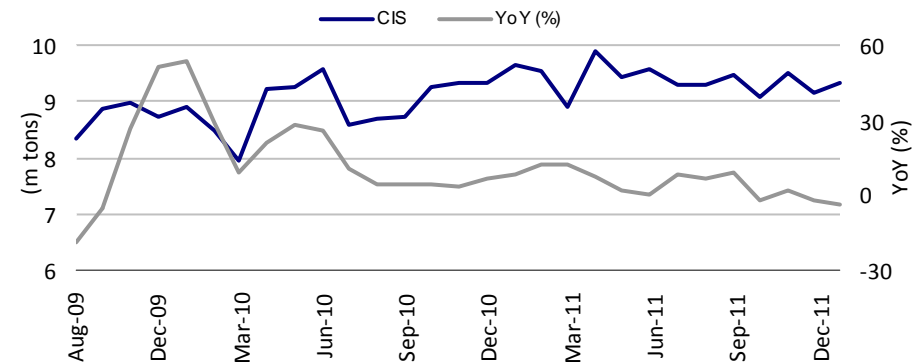


North American local HRC prices decreased 0.7% WoW to USD730/ton

North America domestic HRC prices (USD/ton)



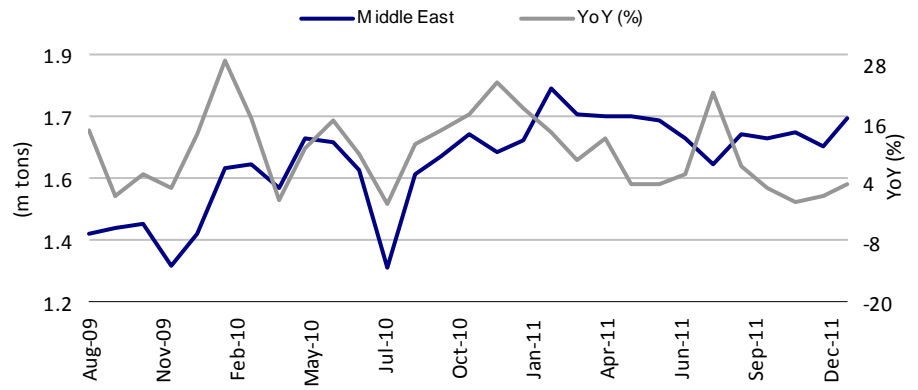
CIS: Monthly crude steel production



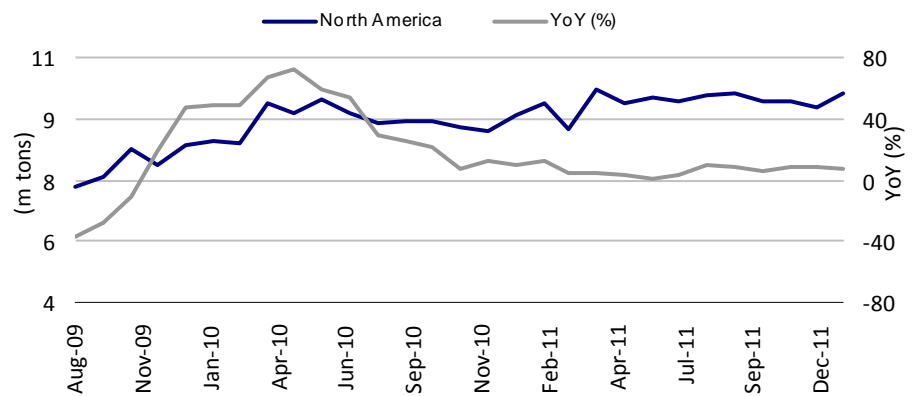
Source: Metal Bulletin/SBBS/WSA/Bloomberg/MOSL

Other regions

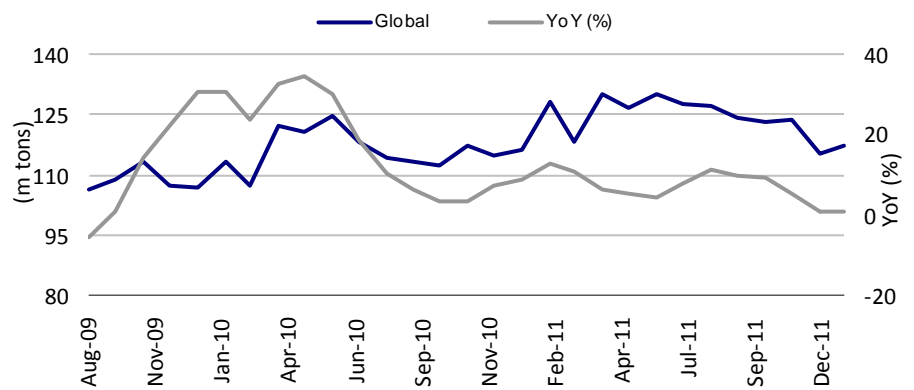
Middle East: Monthly crude steel production



North America: Monthly crude steel production



Global: Monthly crude steel production

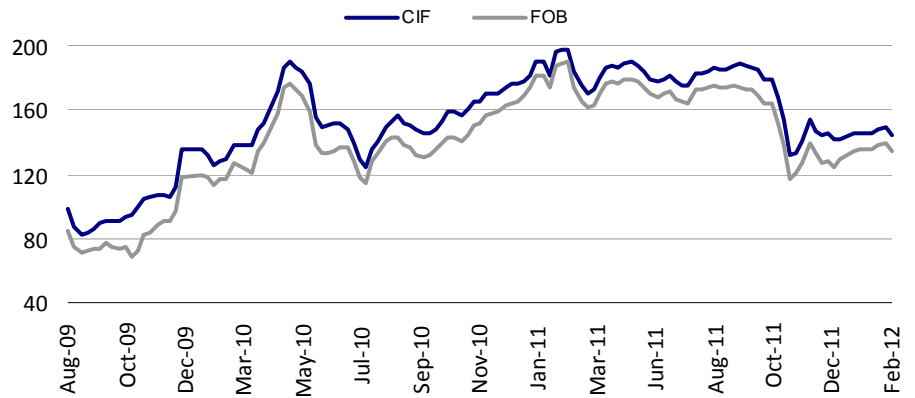


Source: Bloomberg/WSA/MOSL

**Steel raw materials**

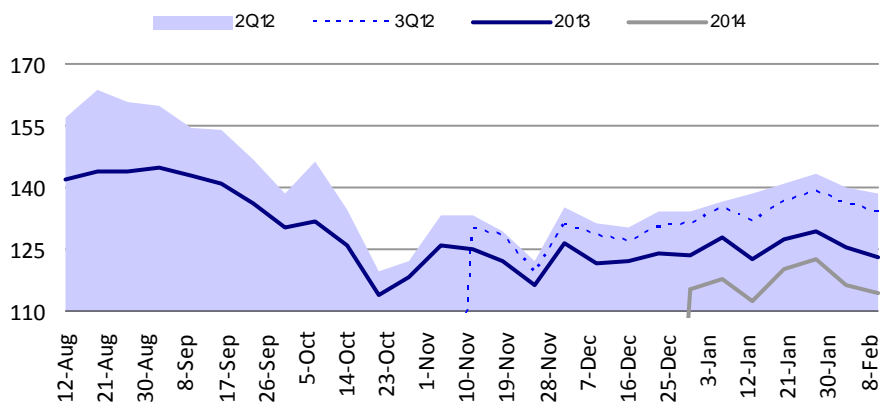
**Indian 63.5% grade iron-ore fines in China (USD/ton)**

China spot CFR iron ore prices decreased 3% WoW to USD144/ton DMT

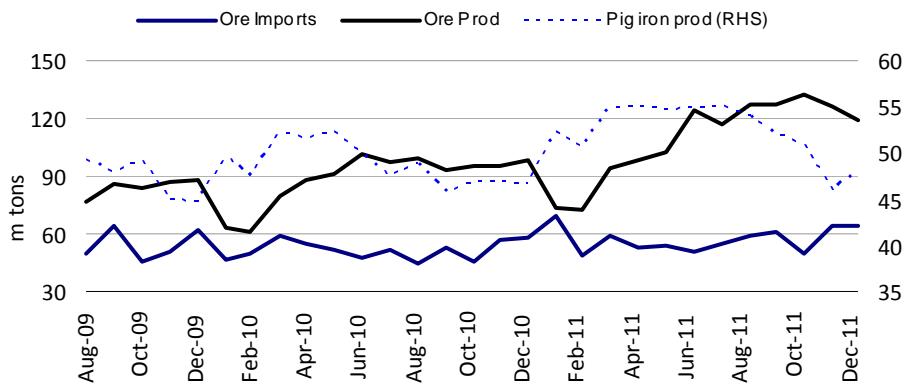


**OTC iron-ore swaps (USD/ton)**

Iron ore swaps traded lower by ~3% WoW on declining spot prices



**China iron-ore production and imports (m tons)**



**China iron-ore inventories (m tons)**

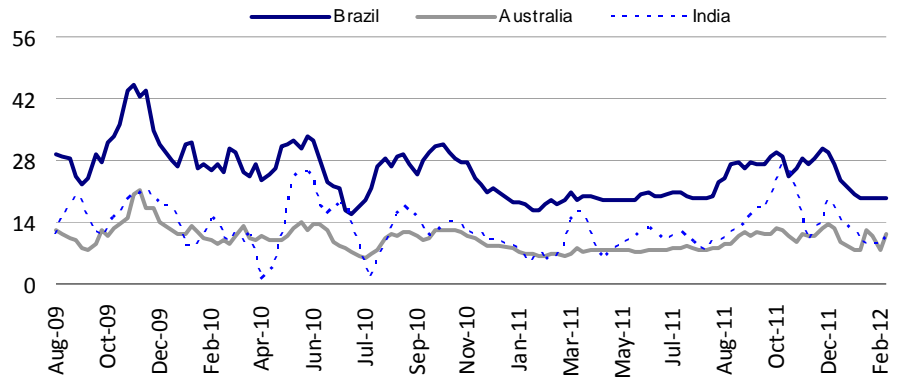


Source: Metal Bulletin/Bloomberg/MOSL



**Steel raw material**

**Freight rates to China (USD/ton)**



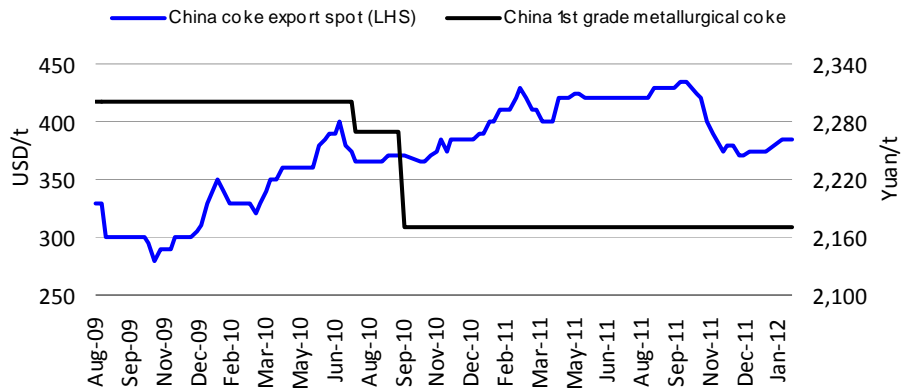
**Coal price index**

Richards Bay Steam Coal



Richard Bay Steam Coal 6,000GCV price were flat WoW at USD105/ton

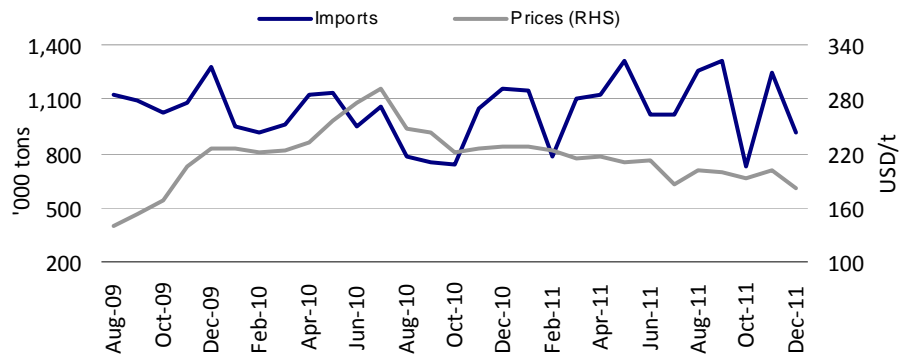
**Coke price index**



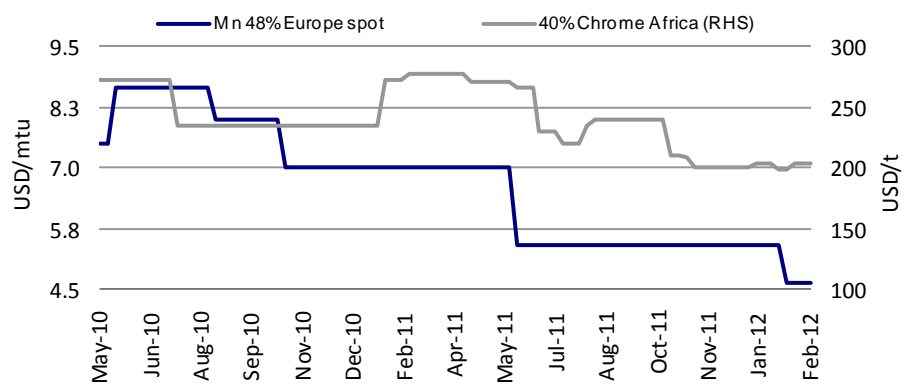
Source: Metal Bulletin/Bloomberg/MOSL

**Ferro alloys**

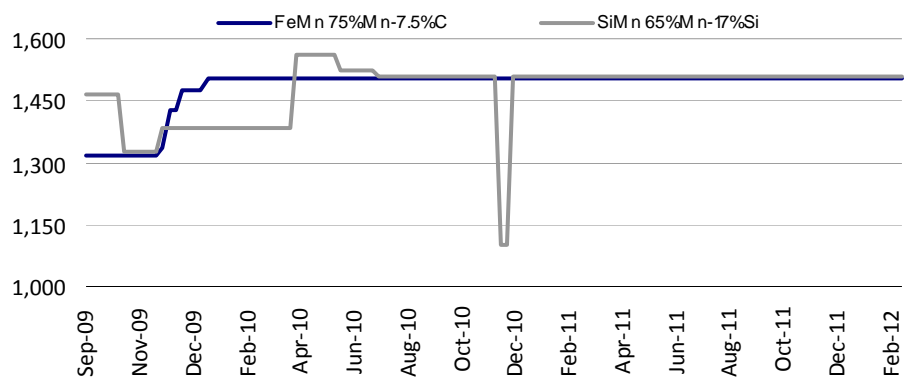
**China's imports of manganese ore and conc**



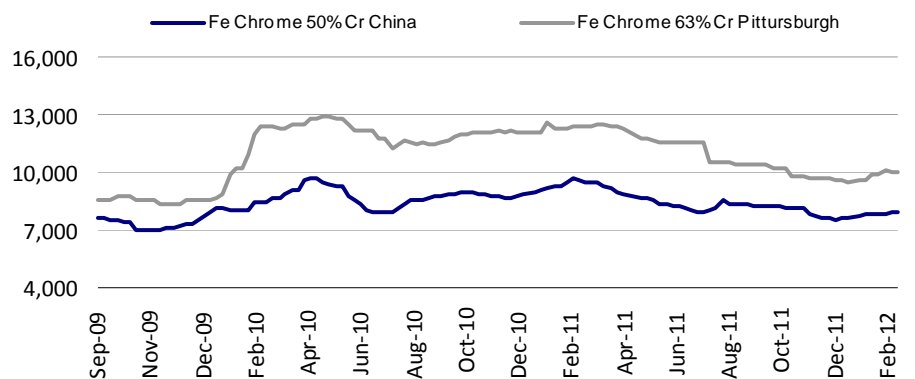
**Manganese and chrome ore FOB spot prices**



**Ferro and silico manganese prices (USD/t)**



**Ferro chrome CIF prices (CNY/t)**



Source: Metal Bulletin/Bloomberg/MOSL

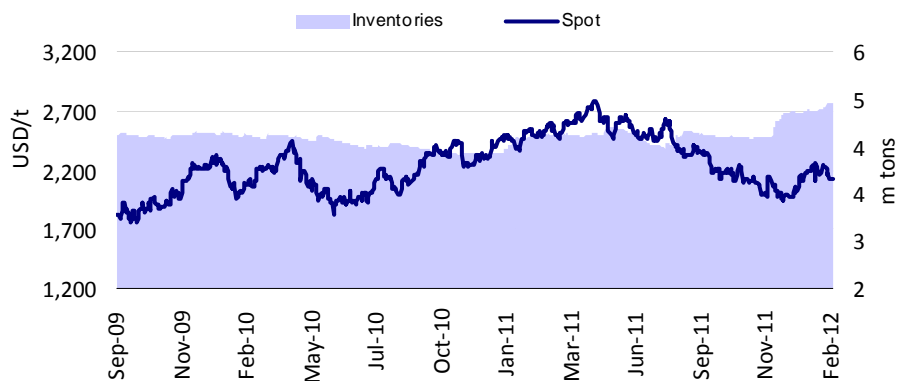
**Non-ferrous**

Aluminum spot prices increased 4% WoW to USD2,127/ton. LME inventory continue to remain at an all-time high of 5.1mt

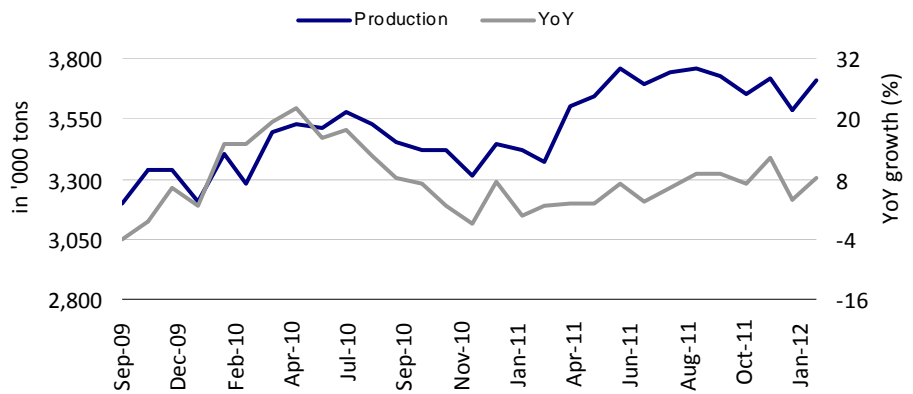
**Non-ferrous**

**Aluminum**

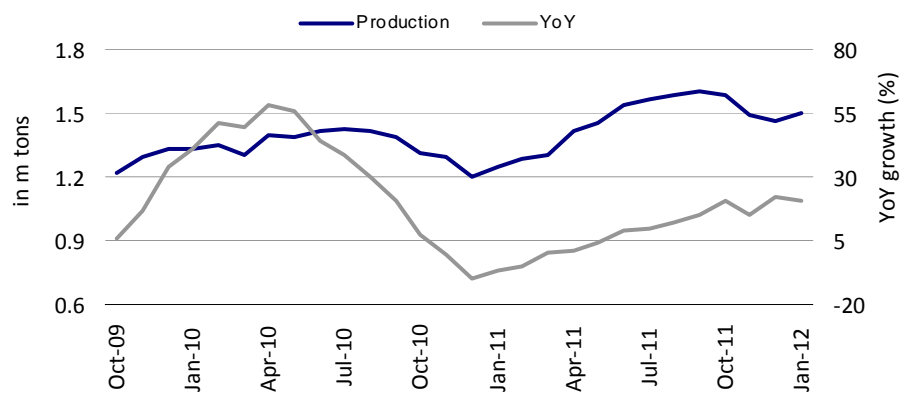
**LME inventories and prices**



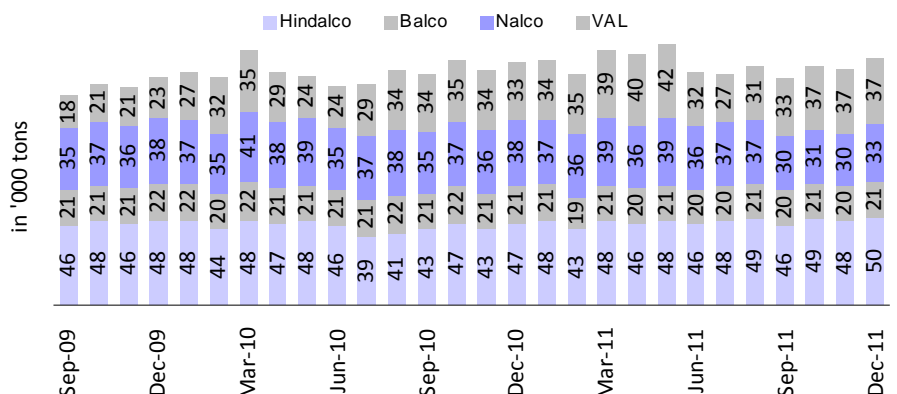
**Global primary aluminum monthly production and YoY growth**



**China primary aluminum monthly production and YoY growth**



**India: Company-wise primary aluminum monthly production**

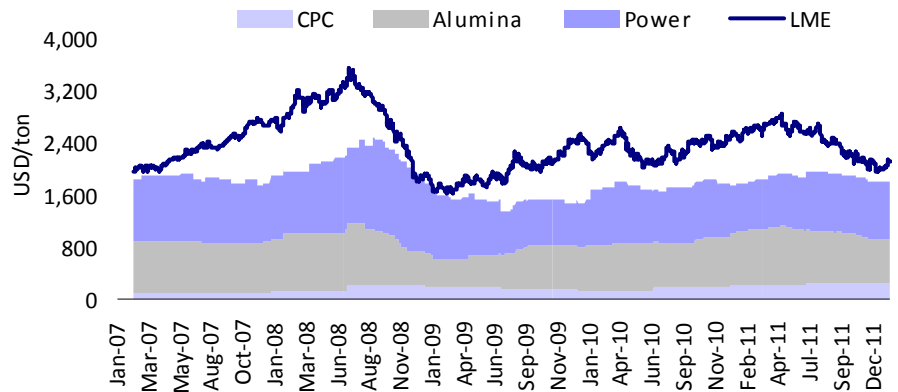


Source: Metal Bulletin/LME/Bloomberg/MOSL

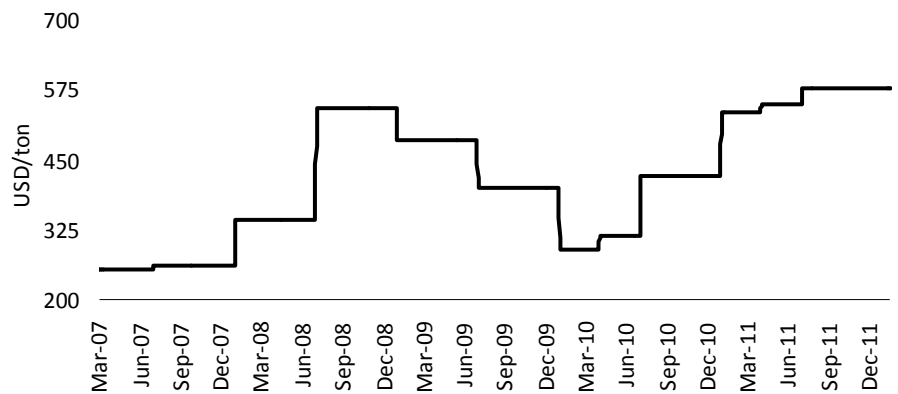
# Non-ferrous

## Aluminum

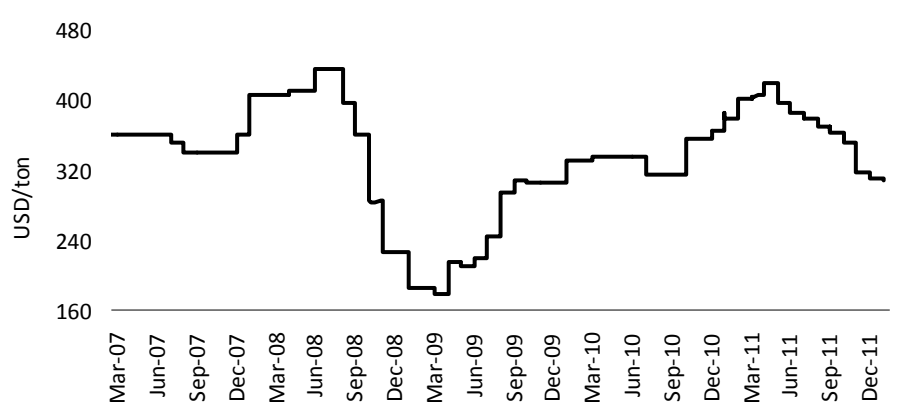
Aluminum raw material and power cost for marginal producer in US



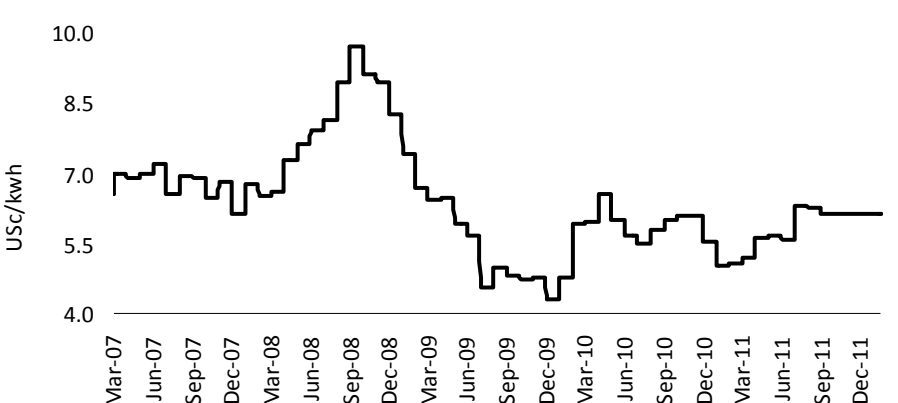
## CPC US



## Alumina



## Industrial power US (Louisiana)



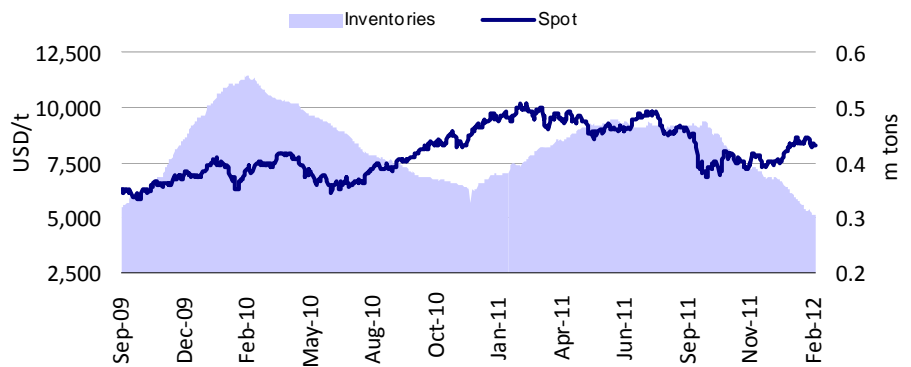
Source: Metal Bulletin/LME/Bloomberg/Industry/MOSL

# Non-ferrous

## Copper

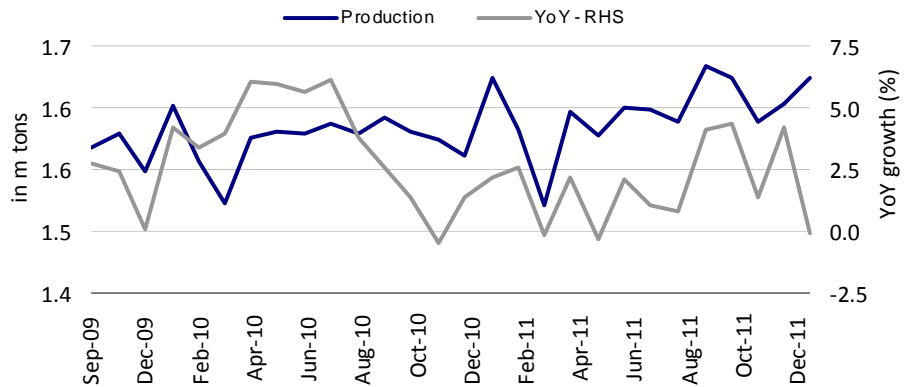
Copper spot prices decreased 3% WoW to USD8,370/ton

### LME inventories and prices

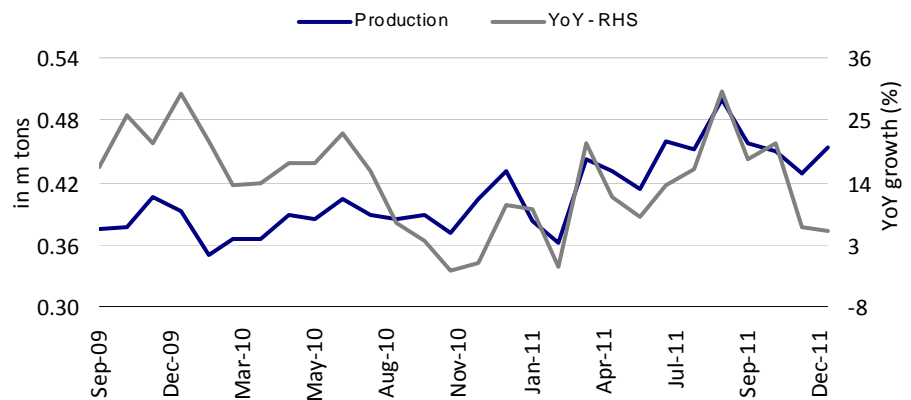


Global refined copper production was flat YoY at 1.68mt in Dec-2011

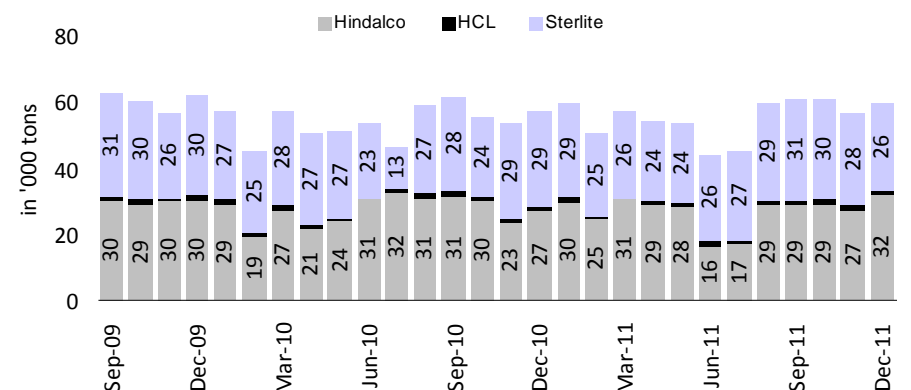
### Global refined copper monthly production and YoY growth



### China: Refined copper monthly production and YoY growth



### India: Company-wise refined copper monthly production



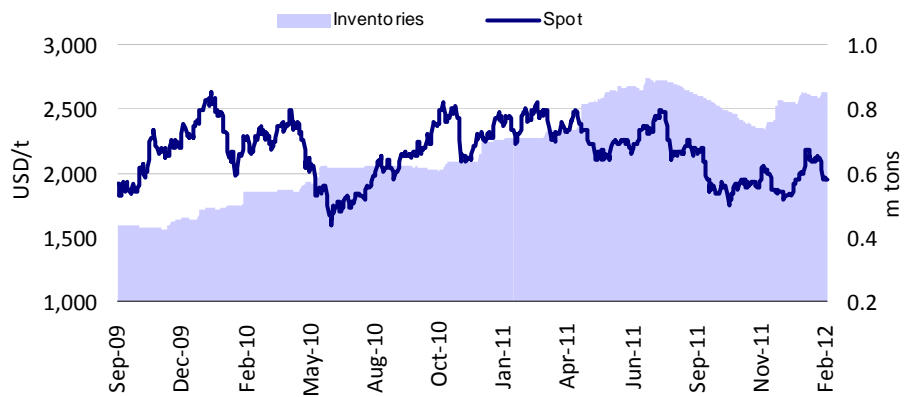
Source: Metal Bulletin/LME/Bloomberg/MOSL

# Non-ferrous

## Zinc

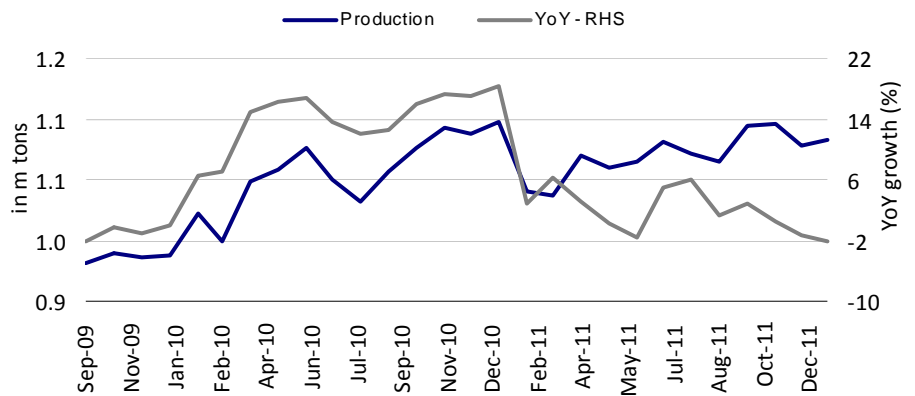
### LME inventories and prices

Zinc spot prices decreased 7% WoW to USD1,963/ton

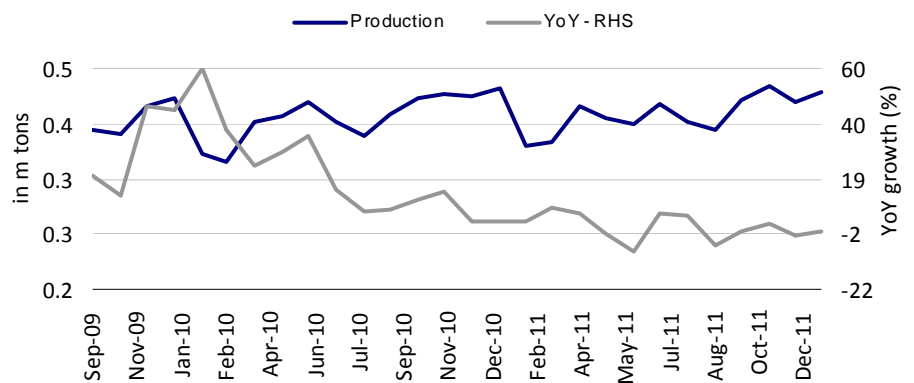


### Global refined zinc monthly production and YoY growth

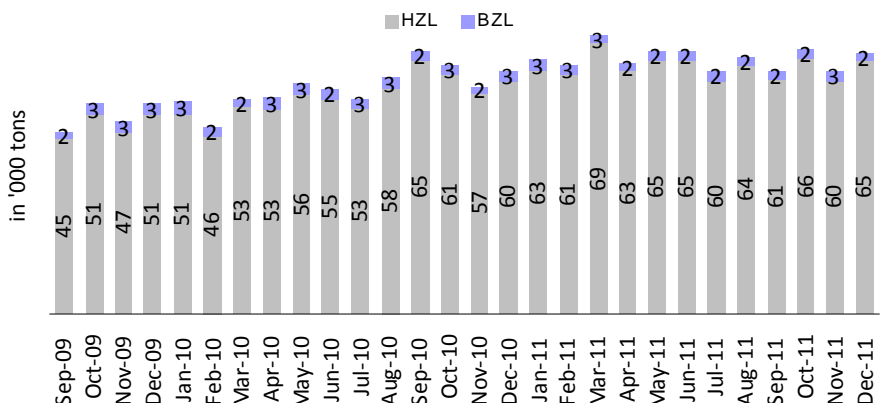
Global refined zinc production declined 2% YoY to 1.11mt in Dec-2011



### China: Refined zinc monthly production and YoY growth



### India: Company-wise refined zinc monthly production



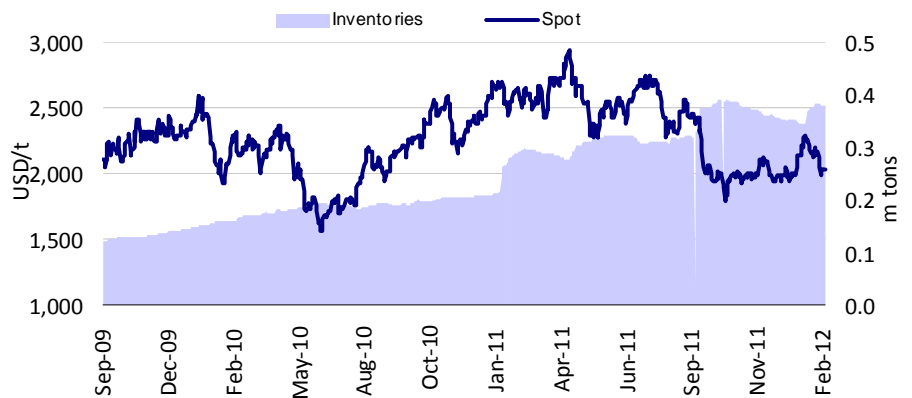
Source: Metal Bulletin/LME/Bloomberg/MOSL

# Non-ferrous

## Lead

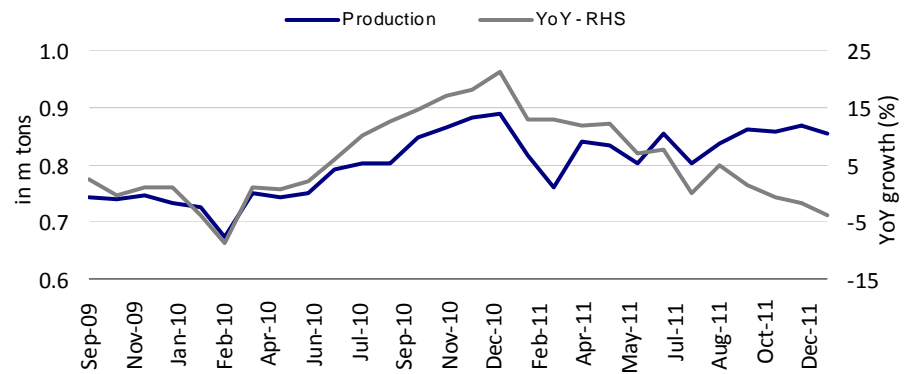
### LME inventories and prices

Lead spot prices decreased 6% WoW to USD2,028/ton

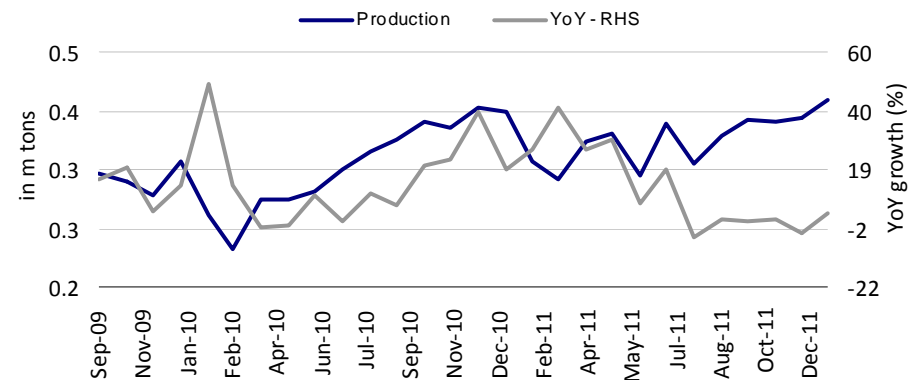


### Global refined lead monthly production and YoY growth

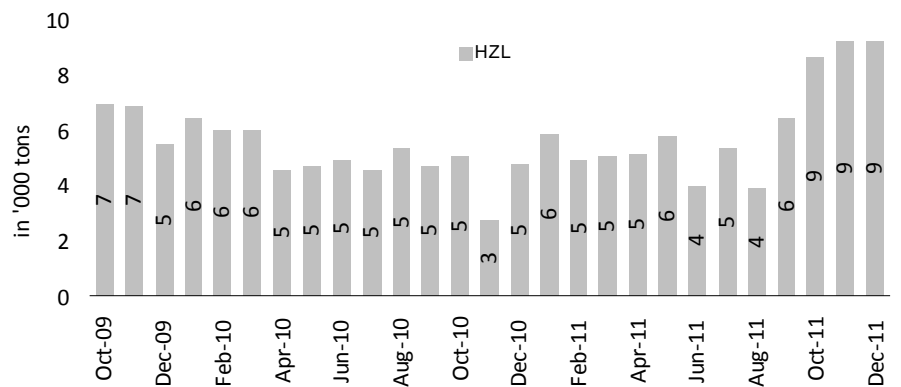
Global refined lead production declined 4% YoY to 0.85mt in Dec-2011



### China: Refined lead monthly production and YoY growth



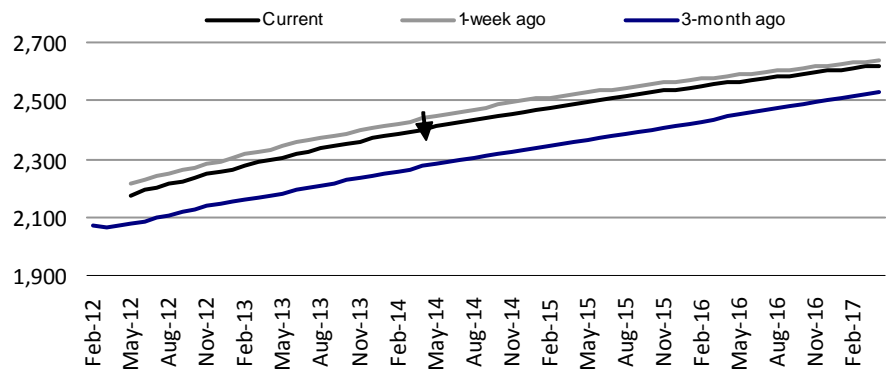
### India: Company-wise refined lead monthly production



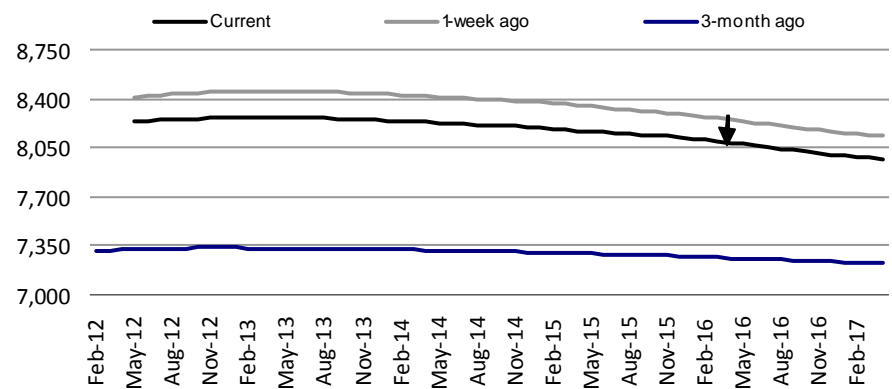
Source: Metal Bulletin/LME/Bloomberg/MOSL

## Commodity forward curves

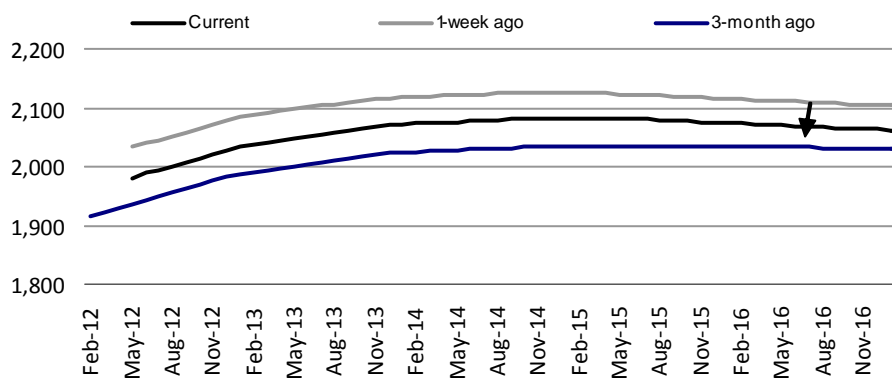
LME aluminum (USD/ton)



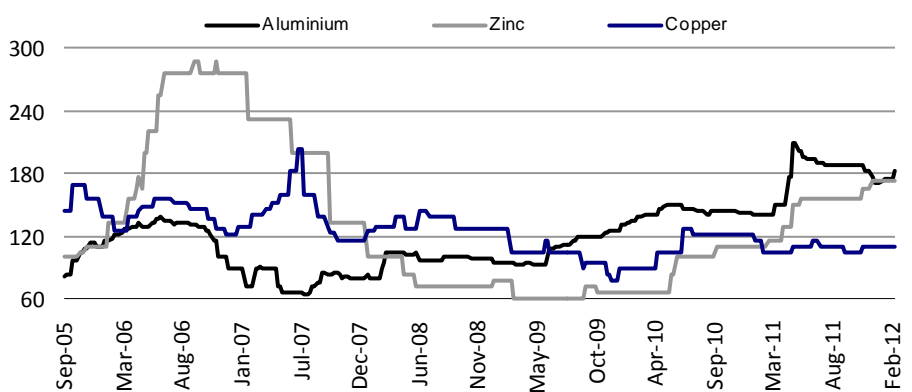
LME copper (USD/ton)



LME zinc futures (USD/ton)



Base metals US spot premium (USD/ton)

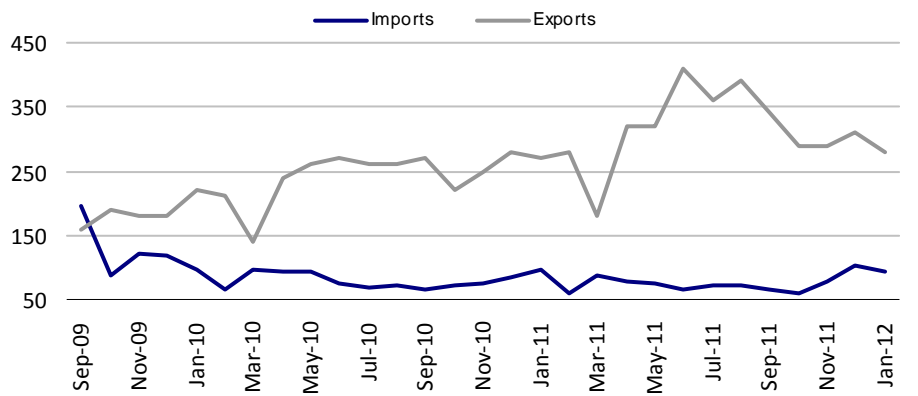


Source: LME/Metal Bulletin/Bloomberg/MOSL

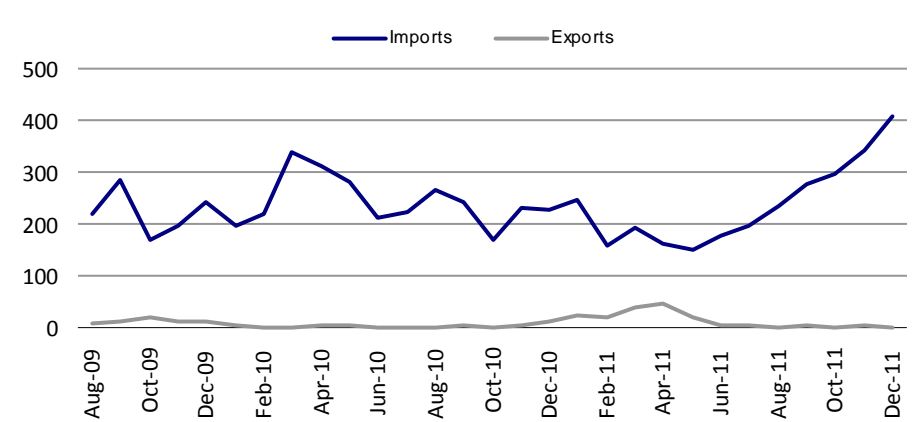


## China non-ferrous trade data

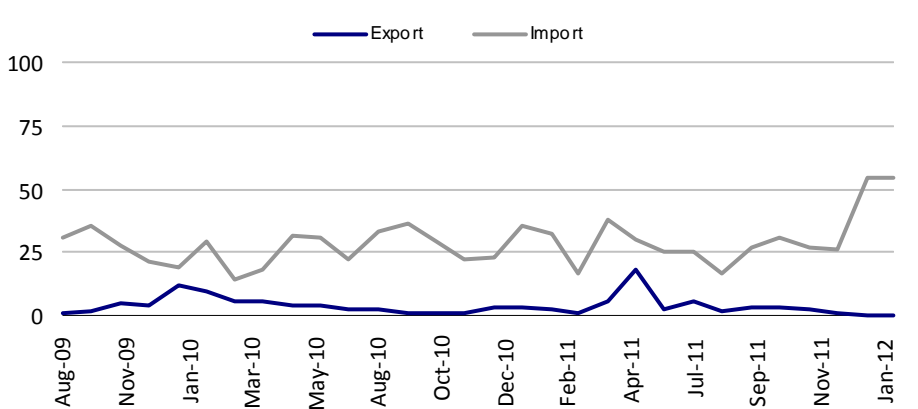
China's aluminum trade ('000 tons)



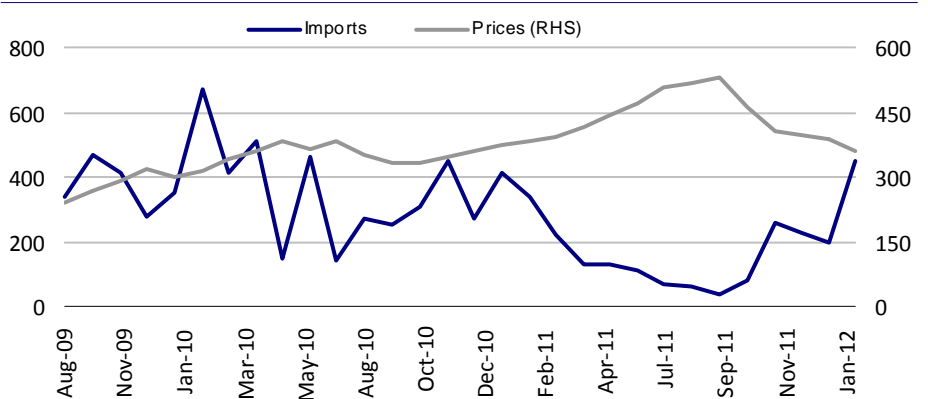
China's refined copper trade ('000 tons)



China's refined zinc trade ('000 tons)



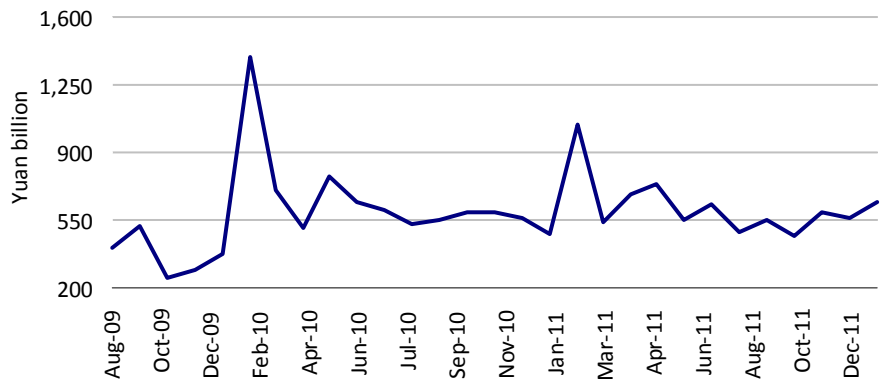
China's alumina imports ('000 tons) and prices (USD/ton)



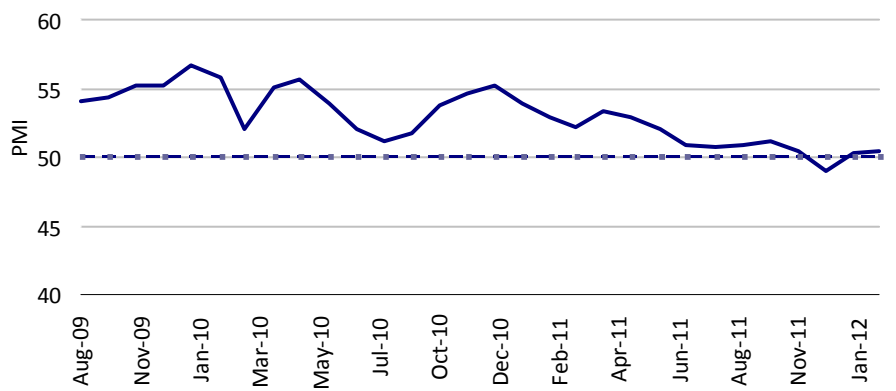
Source: LME/Metal Bulletin/Bloomberg/MOSL

## Key indicators

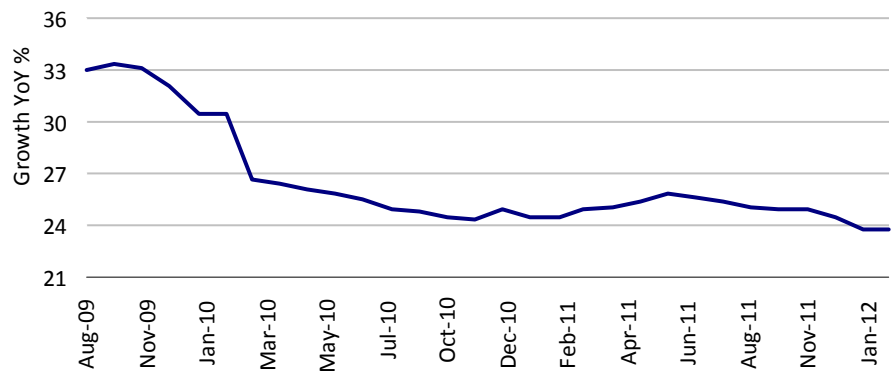
### China new loan growth



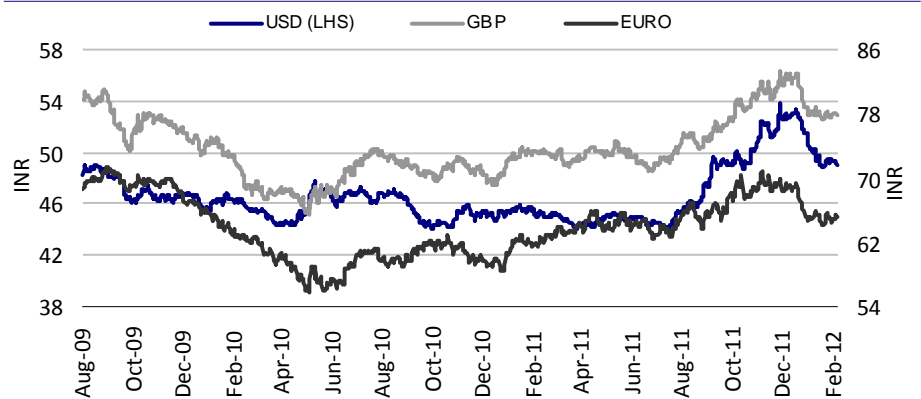
### China PMI



### China: Fixed asset investment



### Currency movement with respect to the rupee

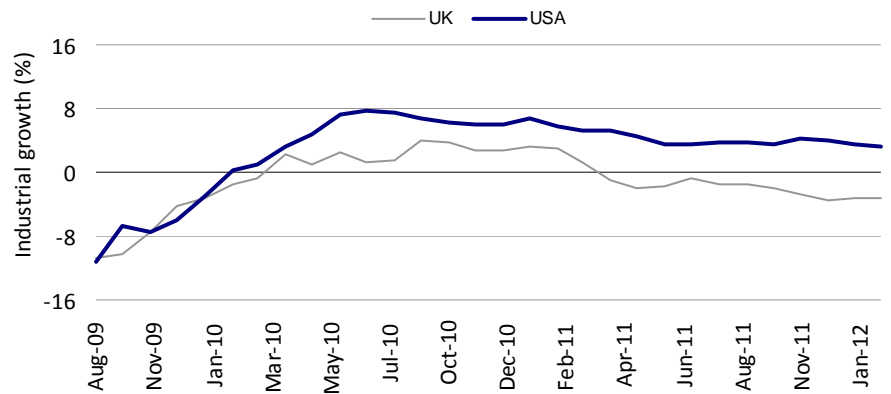


The INR appreciated 1% WoW against the USD and was trading at INR49.1/USD

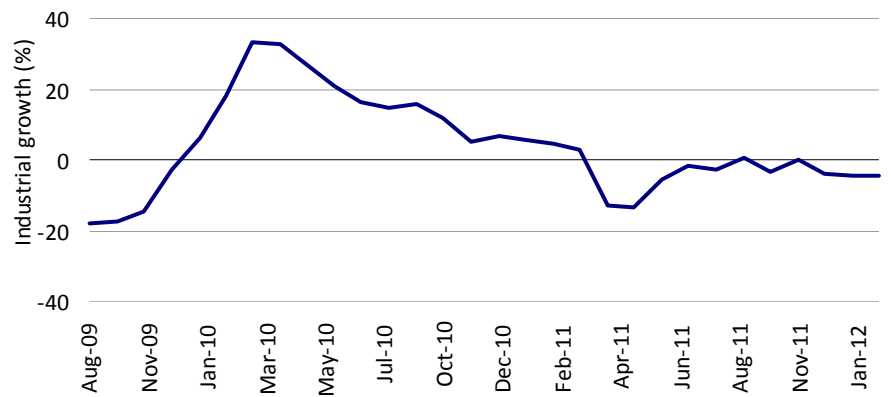
Source: Bloomberg/MOSL

## Industrial production growth

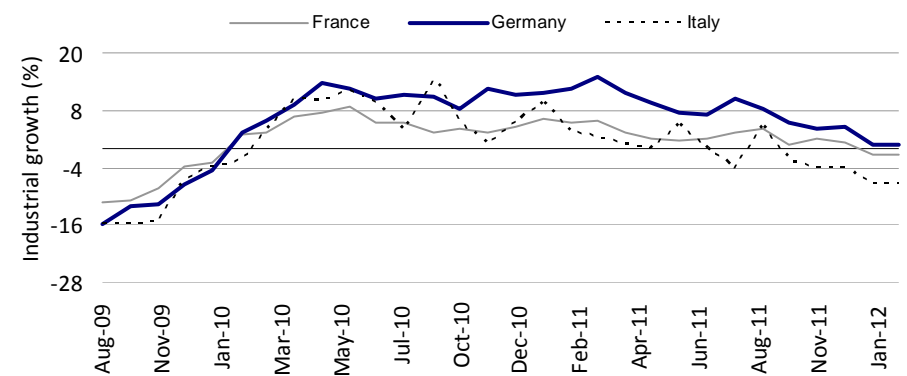
### The UK and the US



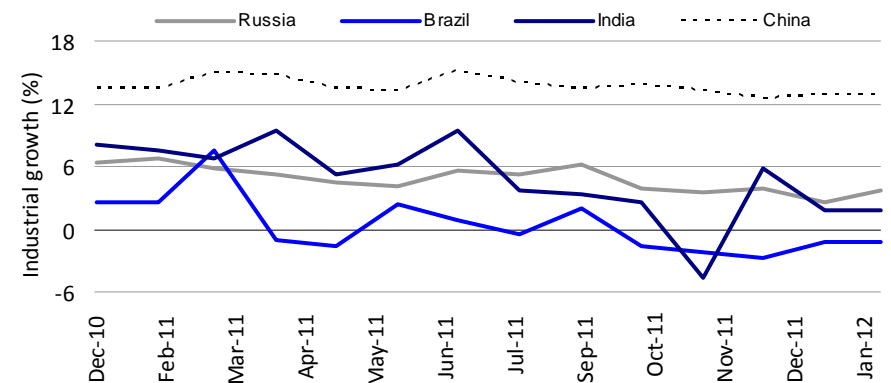
### Japan



### European Union



### BRIC



Source: Bloomberg/MOSL

## Stock Exchange announcements

- **JSW Steel** has decided to avail an external commercial borrowing (ECB) of USD275m at interest rate of Libor + 4%. The ECB also includes a green-shoe option of USD75m. The proceeds would be used for the buyback and redemption of outstanding FCCBs, as well as capital expenditure.
- The promoters of **JSW Steel** have pledged 6.7m shares of the company with SBI Caps Trustee Company Ltd.
- Tata AIG life bought 2.2m shares of **Tata Steel** from the open market last week.
- A bankruptcy court in Texas, US, has rejected **Sterlite Industries'** application for refund of USD50m from Asacro. It further said that Asacro is entitled to gross amount of USD132.75m in incidental damages from Sterlite Industries.
- **Adhunik Metaliks** has declined to comment on a media report relating to talk of sale of forging arm Neepaz V Forge to Amtek Auto.
- **Bhushan Steel's** promoter, Neeraj Singal, pledged 1.45m shares of the company with L&T Finance last week.
- The promoter of **Godawari Power & Ispat** bought 9,761 shares of the company from the open market last week.

## Metals Valuation Matrix

### Valuations: Indian companies

	Rating	Price (INR)	Mkt Cap (USD M)	EPS (INR)			P/E (X)		EV/EBITDA (X)		P/B (X)	
				FY11	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E
<b>Steel</b>												
Tata Steel	Neutral	478	9,384	62.3	26.5	44.4	18.0	10.8	7.3	6.3	1.8	1.6
SAIL	Sell	112	9,378	12.0	7.9	9.7	14.2	11.5	10.2	9.1	1.2	1.1
JSW Steel	Sell	855	3,891	77.4	29.5	57.0	29.0	15.0	8.4	6.9	1.2	1.1
JSPL	Buy	639	11,850	40.1	44.4	49.9	14.4	12.8	10.6	9.9	3.3	2.7
Sesa Goa	Neutral	245	4,262	49.0	34.1	33.9	7.2	7.2	6.7	11.2	1.4	1.2

### Non-Ferrous

Sterlite Inds.	Buy	133	9,022	15.2	17.4	16.1	7.6	8.3	4.8	3.8	1.0	0.9
Hindustan Zinc	Buy	141	11,711	11.6	13.5	15.5	10.5	9.1	6.4	4.7	2.2	1.8
Nalco	Neutral	66	3,478	4.2	2.8	4.1	23.8	16.3	12.7	8.3	1.5	1.4
Hindalco	Buy	151	6,014	17.6	17.8	19.5	8.5	7.8	6.4	6.2	1.6	1.3

### Mid-caps

Monnet Ispat	Neutral	490	639	43.7	47.7	56.7	10.3	8.6	12.1	9.4	1.3	1.2
Godawari	Buy	119	75	27.0	26.0	42.7	4.6	2.8	3.0	3.4	0.6	0.5
Sarda Energy	Neutral	133	90	19.1	19.4	25.4	6.9	5.3	8.2	5.7	0.6	0.5
Tata Sponge	Buy	298	93	65.8	49.9	67.3	6.0	4.4	2.1	1.1	0.8	0.7
Adhunik Metaliks	Buy	55	138	14.9	8.1	15.2	6.8	3.6	5.7	3.8	0.7	0.6
Bhushan Steel	Neutral	400	1,711	47.3	45.8	53.1	8.7	7.5	9.9	9.2	1.3	1.1
Jai Balaji	Buy	46	59	12.2	-24.7	3.7	-1.9	12.3	20.5	6.6	0.4	0.4
Rain Commodities*	Buy	40	279	9.3	17.3	14.3	2.3	2.8	3.1	3.2	0.7	0.6
Prakash Industries	Buy	62	171	19.9	19.4	21.6	3.2	2.9	4.2	2.9	0.4	0.4

\* Rain Commodities follows calendar year reporting. Read FY11/FY12/FY13 as CY10/CY11/CY12

Source: MOSL

### Valuations: Global companies

	BBG Code	Currency	Price	Mkt Cap (USD M)	P/E (X)		EV/EBITDA(X)		P/BV
					CY11	CY12	CY11	CY12	CY11
<b>Steel</b>									
Arcelor Mittal	MT NA	EUR	16.8	34,842	10.0	7.1	5.9	5.1	0.5
Posco	005490 KS	k KRW	413.0	32,122	9.3	8.1	5.6	5.0	0.9
US Steel	X US	USD	28.4	4,091	11.1	7.8	4.9	4.1	1.1
Nucor	NUE US	USD	43.9	13,906	13.7	10.7	6.7	5.6	1.7
Gerdau	GGBR4 BZ	BRL	17.7	16,672	12.7	9.2	7.2	5.9	1.1
Bao Steel	600019 CH	CNY	5.1	14,147	10.5	9.0	6.5	6.1	0.8
<b>Non-Ferrous</b>									
Alcoa	AA US	USD	10.2	10,821	19.1	11.5	7.4	5.7	0.8
Teck Resources	TCK US	USD	38.4	22,600	9.6	8.6	5.0	4.5	1.1
Xstrata	XTA LN	GBp	12.1	56,680	9.9	8.2	5.5	4.8	1.1
BHP-Billiton	BHP AU	AUD	36.0	195,138	10.6	9.5	5.9	5.3	3.0
Rio Tinto	RIO AU	AUD	68.0	115,653	9.5	8.5	5.0	4.5	2.0

Source: Bloomberg

## Metals Stock Performance

JSW Steel has outperformed while Hindalco has underperformed the BSE Sensex over the last one month

Among mid-cap companies, Jai Balaji outperformed and Monnet Ispat underperformed the BSE Sensex over the last one month

Among global mining companies, Vedanta was the best performer while BHP Billiton was the worst performing stock over the last one month

Among global steel majors, JFE Holdings was the best performer while Bao Steel was the worst performing stock over the last one month

### Metals stock performance on absolute and relative basis (%)

Months	Absolute Perf (%)				Relative Perf to Sensex (%)			
	1	3	6	12	1	3	6	12
<b>Steel</b>								
Tata Steel	9.5	21.8	4.1	-25.1	0.2	10.1	-9.2	-25.5
SAIL	22.0	19.3	6.4	-30.2	12.7	7.5	-6.9	-30.6
JSW Steel	31.9	39.9	28.4	-3.2	22.6	28.1	15.1	-3.7
JSPL	19.5	19.3	31.8	-5.9	10.3	7.6	18.5	-6.3
NMDC	15.5	2.8	-8.9	-24.8	6.2	-8.9	-22.2	-25.2
Sesa Goa	29.5	32.9	10.2	-21.0	20.2	21.1	-3.1	-21.5
<b>Non-Ferrous</b>								
Sterlite Inds.	16.8	22.9	6.1	-17.0	7.5	11.2	-7.2	-17.5
Hindustan Zinc	11.7	27.7	14.1	10.9	2.4	16.0	0.8	10.5
Nalco	20.4	22.6	10.9	-35.0	11.1	10.9	-2.5	-35.5
Hindalco	5.3	22.2	8.5	-27.9	-4.0	10.4	-4.8	-28.3
<b>Mid Caps</b>								
Monnet Ispat	8.1	26.7	0.9	-11.7	-1.1	15.0	-12.4	-12.1
Godawari	15.1	0.2	-18.3	-37.3	5.8	-11.5	-31.6	-37.8
Sarda Energy	25.8	32.2	-9.2	-38.4	16.6	20.5	-22.5	-38.8
Tata Sponge	15.8	-2.9	-0.1	-11.7	6.6	-14.6	-13.4	-12.1
Adhunik Metaliks	33.4	35.7	-0.5	-47.8	24.2	24.0	-13.8	-48.2
Bhushan Steel	20.1	24.1	27.2	-1.2	10.8	12.4	13.9	-1.6
Jai Balaji	42.1	-35.5	-62.0	-76.5	32.8	-47.2	-75.3	-76.9
Rain Commodities	26.6	36.1	37.7	25.8	17.3	24.3	24.4	25.4
Prakash Industries	37.4	67.8	19.3	-26.8	28.2	56.1	6.0	-27.2
<b>SENSEX</b>	<b>9.3</b>	<b>11.7</b>	<b>13.3</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

■ Best performer ■ Worst performer

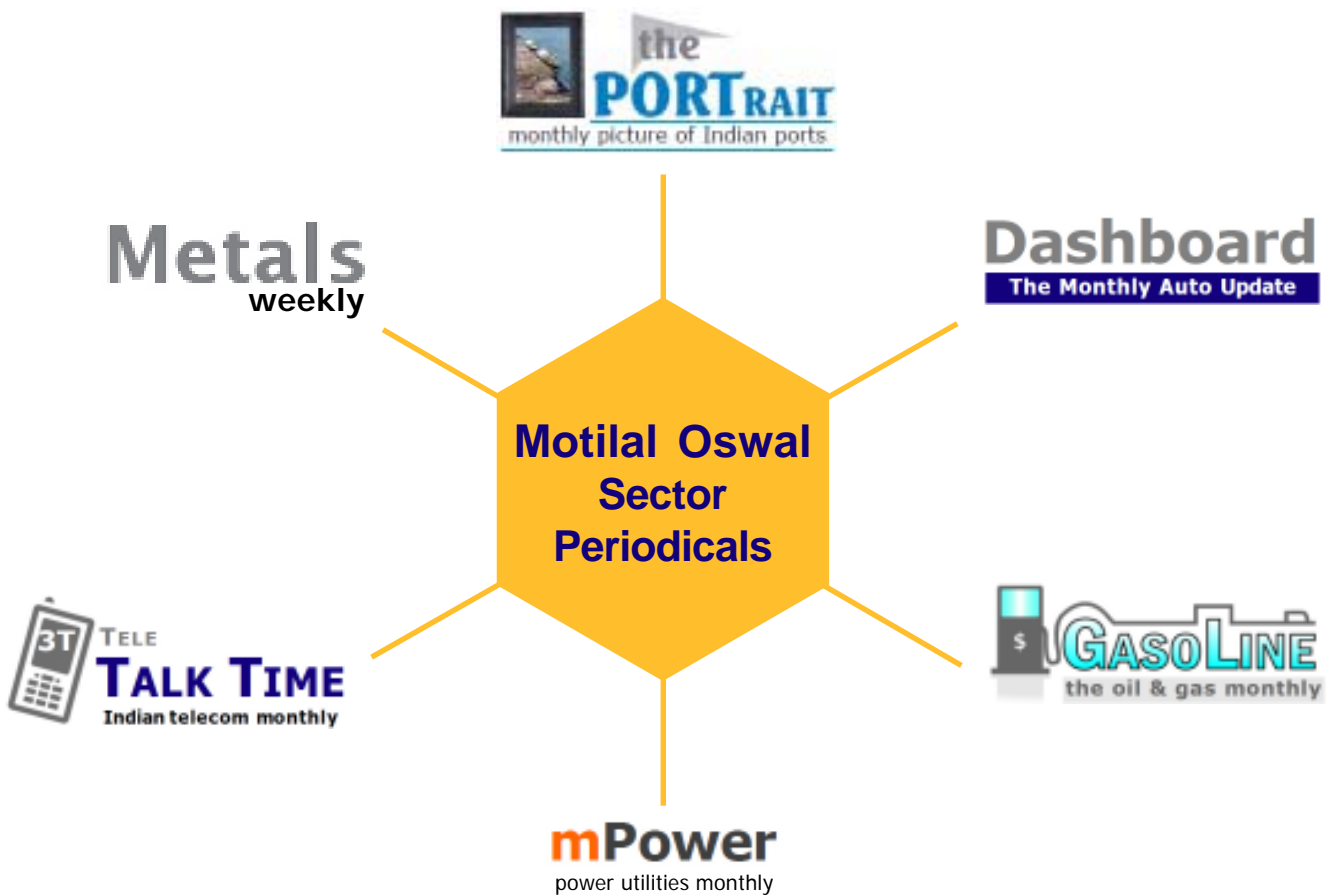
Source: MOSL/Bloomberg

### Global metals stock performance on absolute basis (%)

	Absolute Perf (%)				
	1week	1month	3 months	6 months	12 months
<b>Mining</b>					
Rio Tinto	-4.0	-1.9	9.0	-3.1	-19.5
BHP Billiton	-3.0	-4.1	-5.0	-11.6	-24.5
Vale	-3.1	4.7	0.5	-10.1	-29.8
Xstrata	-0.2	12.4	24.7	10.5	-16.9
Anglo American	-2.6	1.5	11.7	8.2	-18.9
Vedanta	4.1	21.6	29.4	-6.4	-45.3
<b>Steel</b>					
US Steel	-3.4	4.0	10.7	-5.6	-55.4
Nucor	-1.3	4.6	15.5	29.5	-10.2
Arcelor Mittal	-3.2	4.1	21.1	5.4	-41.1
Bao Steel	-0.4	-1.9	-0.6	-4.5	-30.8
Posco	-1.4	4.1	4.7	0.0	-16.0
JFE Holdings	6.4	18.3	22.0	-13.4	-43.1
Nippon	5.4	13.3	17.0	-9.4	-30.8
Thyssen Krupp	-5.7	1.2	10.2	-13.0	-31.6
Voest Alpine	7.4	8.1	31.8	-3.9	-17.2
Gerdau	0.0	8.7	26.5	25.2	-28.6
<b>Aluminium</b>					
Alcoa	-1.4	4.0	5.5	-17.2	-42.1
Rusal	0.6	25.4	6.2	-22.7	-48.2
Chalco	-0.5	7.5	5.9	-24.3	-47.1

■ Best performer ■ Worst performer

Source: MOSL/Bloomberg



**Disclosures**

This report is for personal information of the authorized recipient and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and Motilal Oswal Securities Limited (hereinafter referred as MOST) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your information and should not be reproduced or redistributed to any other person in any form.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt MOST or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOST or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOST or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

The information contained herein is based on publicly available data or other sources believed to be reliable. While we would endeavour to update the information herein on reasonable basis, MOST and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent MOST and/or its affiliates from doing so. MOST or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOST or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

MOST and/or its affiliates and/or employees may have interests/positions, financial or otherwise in the securities mentioned in this report. To enhance transparency, MOST has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

**Disclosure of Interest Statement**

1. Analyst ownership of the stock
2. Group/Directors ownership of the stock
3. Broking relationship with company covered
4. Investment Banking relationship with company covered

**Companies where there is interest**

Prakash Industries  
No  
No  
No

**Analyst Certification**

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The research analysts, strategists, or research associates principally responsible for preparation of MOST research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

**Regional Disclosures (outside India)**

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOST & its group companies to registration or licensing requirements within such jurisdictions.

**For U.K.**

This report is intended for distribution only to persons having professional experience in matters relating to investments as described in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (referred to as "investment professionals"). This document must not be acted on or relied on by persons who are not investment professionals. Any investment or investment activity to which this document relates is only available to investment professionals and will be engaged in only with such persons.

**For U.S.**

MOST is not a registered broker-dealer in the United States (U.S.) and, therefore, is not subject to U.S. rules. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., Motilal Oswal has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, Marco Polo and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

**Motilal Oswal Securities Ltd**

3rd Floor, Hoechst House, Nariman Point, Mumbai 400 021

Phone: (91-22) 39825500 Fax: (91-22) 22885038. E-mail: reports@motilaloswal.com