

Antique's Morning Presentation

February 17, 2011

Market Snapshot

Global, Sector & Corporate News

Block Deals & Corporate Events

Derivatives Update

Economy, Money & Banking

Commodities Update

Valuation Guide

From the Research Desk

- Coal India - Environmental concerns key to production growth



Market Snapshot

Global Indices	Closing	% Chg	% YTD
Dow Jones	12,288	0.5	6.1
NASDAQ	2,826	0.8	6.5
FTSE	6,085	0.8	3.1
CAC	4,151	1.0	9.1
DAX	7,414	0.2	7.2
Russia	1,881	0.2	6.2
Bovespa	67,571	1.9	(2.5)
Nikkei	10,880	0.7	6.6
Hang Seng	23,157	1.1	0.5
Shanghai Composite	2,924	0.9	4.1

Indian Indices	Closing	% Chg	% YTD
Sensex	18,301	0.1	(10.8)
Nifty	5,482	0.0	(10.6)
MSCI India	487	0.0	(12.9)
CNX Midcap	7,747	0.1	(12.5)
BSE Smallcap	8,247	1.0	(14.7)

Flows (USDm)	Last	MTD
FII	-	(515)
Locals	-	98

Provisional flows	(USDm)
FII	(51)
Locals	(15)

Volumes	USDbn	% Chg
Cash (NSE + BSE)	3.1	(19.0)

FII F&O	Stock Fut	Index Fut
Net (\$ mn)	29	0
Open Int (%)	0.2	2.3

ADR/GDR Gainers	Last	% Chg
SBI	122.7	2.3
Reliance	41.8	0.9
Infosys	68.7	0.6
Dr Reddy	33.6	0.5
MTNL	2.0	0.5

ADR/GDR Losers	Last	% Chg
Satyam	2.8	(1.7)
ICICI Bank	45.6	(1.4)

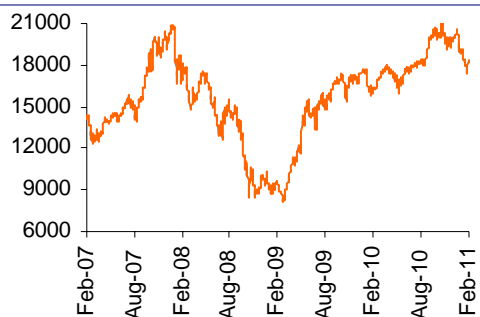
Global News

- FOMC saw stronger U.S. recovery, disappointed on jobs, revealed minutes of its Jan. 25-26 meeting. Federal Reserve policy makers took a more optimistic view of the U.S. economy last month while maintaining their dissatisfaction with job growth as they pressed forward with an expansion of record monetary stimulus.
- Singapore raised its inflation forecast for 2011 after the economy expanded at a record pace last year, sustaining pressure on the central bank to allow greater currency appreciation.

Sector & Corporate News

- **Telecom:** ADAG Chairman Anil Ambani questioned by CBI as investigators stepped up the pace of their probe into the 2G telecom scam.
- **Fertilizers:** Indian Government raised potash prices by 5.4% to secure supplies as world prices rise.
- **RIL:** RIL's shale gas JV Atlas shareholder's approved its acquisition by Chevron.
- **SAIL:** Will set up a 3mtpa plant in Mongolia with around INR150bn investment, provided that Mongolia ensures linkages to raw materials to feed the proposed facility.
- **DLF:** DLF Brands, a part of realty giant DLF, will invest over INR2000m in opening retail outlets of various brands across the country in the next 2-3 years.
- **Tata Communications:** Announced the completion of its acquisition of the US-based content delivery network provider BitGravity.
- **Tata Group:** Tata group's Mount Everest has no exclusive right on the word Himalayan, said IP Appellate Board, following a petition from Ramesh Chauhan's Bisleri International.
- **Tata Power and Tata Motors:** are planning to raise USD1.5bn worth perpetual bonds, following Tata steel.

Sensex



Sensex PE



Source: Bloomberg

Sector & Corporate News

Sectoral indices	Closing	% Chg	% MTD	% YTD
BSE Auto	8,843	(0.4)	(0.6)	(13.6)
BSE Bank	12,451	0.2	3.2	(6.9)
BSE Cap Goods	13,142	0.6	(2.8)	(14.7)
BSE Cons dur	5,785	1.0	(3.5)	(9.0)
BSE FMCG	3,295	0.4	(2.1)	(10.6)
BSE IT	6,261	0.3	(1.7)	(8.3)
BSE Health	5,973	(0.6)	(4.2)	(11.3)
BSE Metal	15,995	1.5	(0.7)	(9.1)
BSE Oil	9,487	(0.1)	0.0	(10.5)
BSE Power	2,640	0.0	(3.8)	(11.6)
BSE PSU	8,620	(0.2)	(1.0)	(8.9)
BSE Realty	2,158	2.1	(3.2)	(24.5)
BSE TECK	3,667	0.2	(1.8)	(9.4)

Nifty Outperformers	Price	% Chg	% MTD	% YTD
Jaiprakash Associates Ltd	90	6.7	8.6	(14.7)
Tata Steel Ltd	641	4.0	0.3	(5.7)
Jindal Steel & Power Ltd	670	2.9	1.0	(5.9)
Wipro Ltd	437	2.8	(0.2)	(11.0)
Ambuja Cements Ltd	122	2.3	(3.3)	(14.8)
Larsen & Toubro Ltd	1,655	1.8	0.8	(16.4)
Axis Bank Ltd	1,297	1.7	4.4	(3.9)

Nifty Underperformers	Price	% Chg	% MTD	% YTD
Housing Development Finance	627	(3.0)	(0.2)	(13.9)
Infrastructure Dev Finance	139	(2.4)	(5.7)	(24.0)
Reliance Communications Ltd	100	(1.9)	-	-
Hcl Technologies Ltd	474	(1.9)	(3.5)	3.8
Mahindra & Mahindra Ltd	656	(1.8)	(8.1)	(15.7)
Dr. Reddy'S Laboratories	1,511	(1.8)	(7.0)	(9.1)
Hero Honda Motors Ltd	1,493	(1.6)	(8.6)	(24.9)

- **Jain Irrigation:** Announced the opening of its second manufacturing plant in Gujarat at Bhavnagar with an investment of INR1000m in a phased manner.
- **Hexaware Technologies:** Is pursuing about half-a-dozen deals in the range of USD25-30m and hopes to seal at least a few in the next three-months.

Bulk Deals

Date	Security Name	Client Name	Buy/Sell	Qty	Price
16-Feb-11	Bartronics India	Shinsei UTI India Fund	SELL	241,500	66.76
16-Feb-11	JBF Inds	JBF Employees Welfare Foundation	BUY	2,659,604	175.00
16-Feb-11	JBF Inds	Citigroup Venture Capital	SELL	2,558,333	175.00
16-Feb-11	Adhunik Metaliks	Merrill Lynch Capital Markets	BUY	900,000	93.00
16-Feb-11	Bartronics India	Shinsei UTI India Fund	SELL	358,500	67.22
16-Feb-11	Hexaware Technologies	Macquarie Bank	SELL	1,112,000	111.89

- Nifty ended up 0.01%, OI up 1.14%.
- Nifty ATM IV's traded @ Feb 18 - 19 vols.

Delivery Spike

Company	Volume	Spike (%)	Chg (%)
Nestle	393,519	222	(0.03)
United Spirits	486,283	108	3.65
Tata Steel	2,631,866	103	4.02
ONGC	1,926,929	89	(1.03)
Wipro	1,024,232	58	2.75
HDFC	2,073,699	53	(3.05)
Jindal Steel	587,050	46	2.91
Hindalco	4,832,401	42	(0.35)
Axis Bank	883,025	38	1.73
JSW Steel	571,192	28	(0.03)

Derivatives Update

Long Buildup

Company	Last	% Chg	% Chg OI	OI (in 000)
HCC	37	5.8	3.5	31,608
TATASTEEL	642	4.1	4.2	18,800
MCDOWELL-N	1,179	3.3	2.2	1,115
PUNJLLOYD	75	2.9	3.8	27,854

Short Buildup

Company	Last	% Chg	% Chg OI	OI (in 000)
RENUKA	81	(2.8)	10.0	36,448
HDFC	629	(2.4)	3.5	6,703
IDFC	139	(2.0)	8.4	20,474
RECLTD	239	(2.0)	7.5	9,013

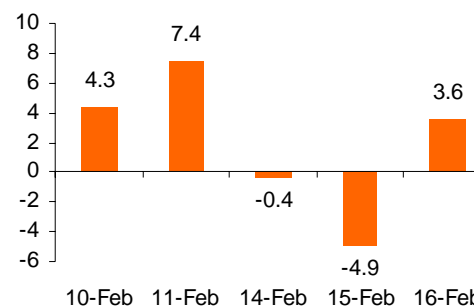
Short Covering

Company	Last	% Chg	% Chg OI	OI (in 000)
UNITECH	38	9.4	(4.7)	77,176
JPASSOCIAT	90	6.1	(3.9)	34,028
IVRCLINFRA	77	5.8	(2.3)	13,702
ISPATIND	24	4.8	(2.9)	44,730

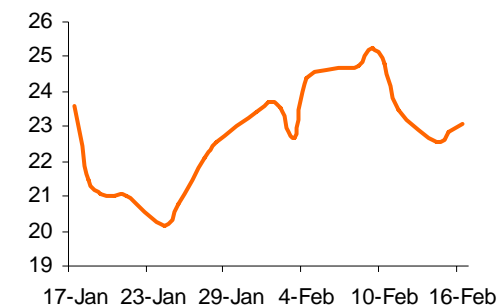
Profit Booking

Company	Last	% Chg	% Chg OI	OI (in 000)
BRFL	246	(2.8)	(0.2)	8,484
RELCAPITAL	477	(1.3)	(1.0)	6,148
RELINFRA	632	(0.5)	(1.2)	5,366
GMRINFRA	42	(0.2)	(0.3)	40,736

Nifty Premium / Discount



NSE Volatility Index (%)



Economy, Money & Banking

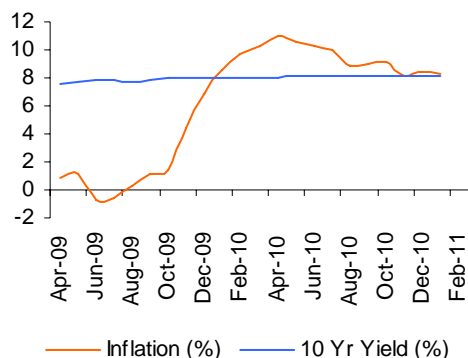
Forex Rate	Last	% Chg	% MTD	% YTD
INR~USD	45.5	(0.0)	0.9	(1.8)
INR~EUR	61.5	0.2	2.1	(2.7)
INR~GBP	73.0	0.2	0.7	(4.5)

Bond Market	Last	Chg (bps)	MTD (bps)	YTD (bps)
10 Year Bond	8.1	(3)	(7)	17
Interbank call	6.9	(15)	(15)	135

Commodities Update

Commodities	Last	% Chg	% MTD	% YTD
Gold (\$/Ounce)	1,375	0.1	3.2	(3.2)
Crude Oil (\$/Bl)	85	0.3	(7.5)	(7.6)
Aluminium (\$/t)	2,476	(0.1)	(1.5)	0.6
Copper (\$/t)	9,848	(1.8)	0.8	2.1
Zinc (\$/t)	2,460	(0.3)	2.1	0.6
Lead (\$/t)	2,596	(1.8)	(0.2)	1.3
Nickel (\$/t)	28,542	(0.6)	4.5	15.5

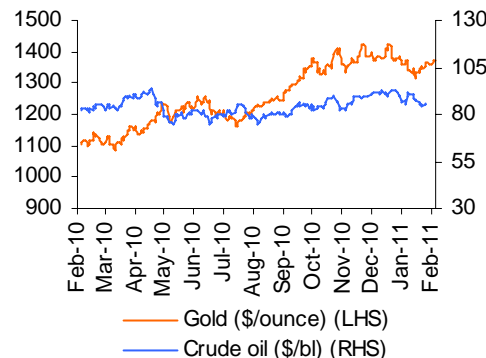
Inflation vs. 10 yr yield



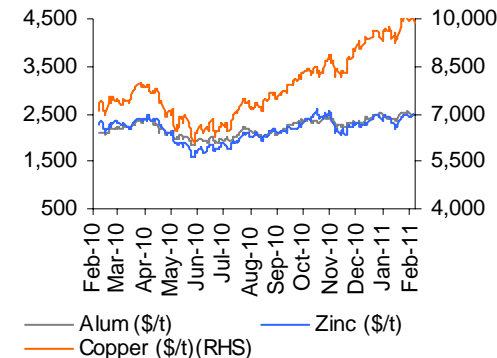
INR/USD



Gold and crude prices



Metal prices



- The **rupee** remained flat at INR45.5/USD.
- **Bond yields** were down by 3bps to end at 8.1%.
- **Call** rates were down by 15bps to end at 6.9%.

- **Gold** prices were up by 0.1% to end at 1,375/ounce.
- **Crude oil** prices were up by 0.3% to end at USD85/bl.
- **Aluminium, Copper** and **Zinc** prices were down by 0.1%, 1.8% and 0.3% respectively.

Coal India - Environmental concerns key to production growth

NOT RATED

Key highlights of Conference call and results

- **Revenue:** Coal India reported a revenue growth of 14% QoQ at INR126bn in 3QFY11. Revenue and EBITDA have witnessed a QoQ growth mainly on account of increased production during the quarter.
- **Production and sales quantity:**
 - The production in 9MFY11 stood at 300mtpa while sales at 310mtpa, a growth of 1.4% and 2.9% respectively. While during 3QFY11, production and sales grew by 2.5% and 3.0% to 114mtpa and 111mtpa, respectively.
 - The initial target for production and sales in FY11 and FY12 as per mid term appraisal of planning commission was 461mtpa and 487mtpa.
- **Guidance for FY11e and FY12e:** The company had in the last few months revised sales target to 427mtpa and 448mtpa for FY11e and FY12e, respectively. The expected off-take for 4QFY11 is 127mtpa. The management is confident of meeting the guidance on the basis of: inventory of 40mtpa and better availability of railway rakes.
- **Reasons for reduction in Target**

CEPI Index:

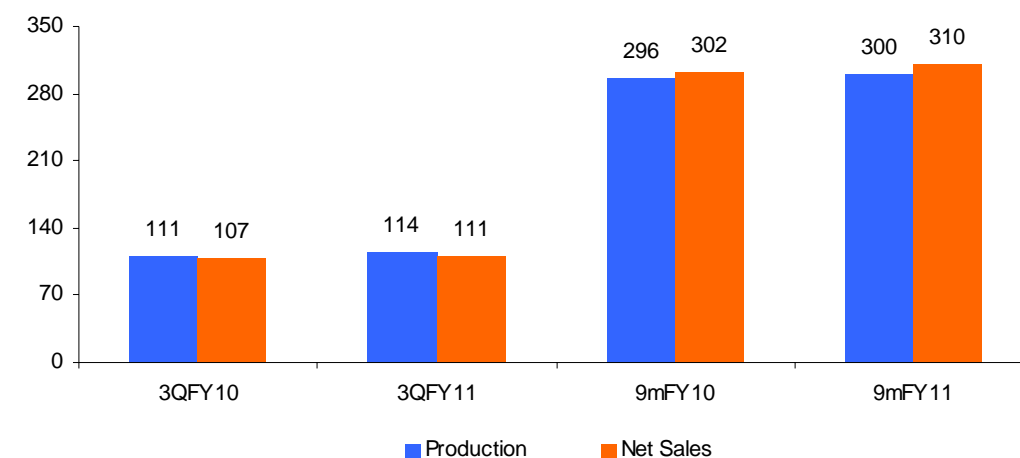
 - MoEF in consultation with CPCB and IIT Mumbai has developed a Comprehensive Environment Pollution Index (CEPI) to measure pollution in India.
 - MoEF imposed temporary restriction on new development projects in the areas where CEPI index is above 70. The restriction has been imposed till the time respective state pollution control board finalises time bound action plan to improve the environment quality in these areas.
 - There has been complete moratorium in new projects till March 31, 2011.
 - Major coal fields of Coal India, such as Korba (MCL), Ibvalley (MCL), Singrauli (SECL), and Chandrapur (WCL), have CEPI score above 70.
 - This has constrained new mining activities and in turn affecting the production of the company.

Quarterly financials

INRm	3QFY11	2QFY11	Chg (%)	1QFY11	Chg (%)
Revenue	126,919	110,899	14	114,356	(3)
Expense	93,115	92,310	1	83,987	10
EBITDA	33,804	18,589	63	30,370	(39)
Other income	12,876	11,576	11	11,777	(2)
Interest expense	(329)	(176)	87	(1,043)	(83)
Depreciation	(4,136)	(3,701)	12	(4,112)	(10)
PBT	42,214	26,288	61	36,992	(29)
Tax	(15,796)	(11,978)	32	(11,905)	1
PAT	26,419	14,311	85	25,088	(43)
Adjusted PAT	26,261	16,081	63	25,066	(36)

Source: Company

Production and sales details



Source: Company

Coal India - Environmental concerns key to production growth

Cost pressures

- In the current year, the company expects to match the profit numbers of FY10, in spite of huge cost pressure on account of staff and consumables.
- Increase in staff cost over the last year can be attributed to the increase in DA – which is linked to CPI.
- Further increase in cost elements like diesel and consumable on account of price increase and inflation.

Profitability maintained

- Although there has been a cost pressure, CIL is expected to maintain its profitability owing to higher realisation on E-auction..
- E-auction prices are 81% higher than notified prices in 9mFY11, while the same in FY10 stood at 56%

Tax rates

- Higher tax rate has been mainly on account of ECL posting loss for 9mFY11. For FY11 as a whole the tax rates will be normalised.

Off-take targets for FY11e and FY12e at 427mt and 448mt

- In the current scenario, the off-take for FY11e and FY12e stands at 427mt and 448mt.
- Additionally, 10 rakes/day will be required to fulfill the incremental 20mt for FY12e.
- Company expects railways to supply these incremental rakes and introduce a system to increase the tonnage per rake from 66t to 76t.

Huge cash on books – what the way forward

- Company has not considered any special dividend as of now.
- In the coming month's rules, regulations and guidelines with respect to acquisition of coal assets will be formulated and then the board will look for some large acquisition; prior to that it is difficult.

Wage hike

- In July'11, the company expects an increase in wages. While exact numbers are not yet known, the company believes that it will not be less than last time.
- Last time, wage hike was ~30%; 25% was corresponding to pay and ~5% for perks.

Other issues

- **Maoist:** Some of the mines are in regions where coal transfer becomes an issue because of Maoists.

- **Transportation:** Availability of rakes remains an issue, although in FY11, Railways have provided a higher number of rakes. In FY11, incremental 5-6 rakes/day has been provided, which is far higher than 1-2 rakes in FY10. For FY12e, incremental 10 rakes per day are required.

Go : No-Go Area

- This has adversely affected the company's mining expansion plans; 44% of the company's mining area falls under no-go area.
- There are 206 coal blocks spread across 4,039 sq km in nine coalfields, with a production potential of 660 million tonnes (MT), which have been designated as 'no-go' areas.

Ray of hope

- **CEPI Index:** There is an EGoM meet on February 17, 2011 to allow mining in areas with a score below 75. This relaxation will mean higher production by 2mtpa in FY12e and by 9mtpa in FY13e.
- **Price increase :** With cost pressure already in place and wage hike for FY12e almost certain, the company has started consultation for a coal price hike. The company had earlier taken a hike of ~11% in October'09.
- E-auction quantity is expected to be ~12% of the overall sales in coming years.
- With clear guidelines by the government on acquisition of assets would mean an in-principle go-ahead for acquisition.
- **Valuation:** Our FY12e DCF value for the stock arrives at INR308. We believe, price increase and environmental clearances remain key triggers for the stock.
- The stock is trading at 16.2x FY12 EPS of INR18.5.

Sensitivity

308	4%	4.50%	5%	5.50%	6%
10.8%	299	316	335	359	387
11.0%	288	303	321	342	367
11.3%	278	292	308	327	349
11.5%	268	281	295	313	333
12.0%	250	261	274	288	304

Source: Antique

Valuation Guide

Company	Reco	Price (₹)	Target price (₹)	Return (%)	Market Cap (₹bn)	Net Profit (₹bn)		EPS (₹)		PE (x)		EV/EBITDA (x)		P/BV (x) FY12	Div Yield (%)		RoE (%) FY12	RoCE (%) FY12	Absolute (%)			Relative (%)		
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12		FY12	FY12			FY12	FY12	1m	3m	12m	1m
AUTOMOBILES																								
Ashok Leyland	BUY	54	88	64	71	5.9	8.4	4.4	6.3	12.1	8.5	8.3	6.5	1.6	3.3	18.2	19.9	(9)	(28)	6	(6)	(21)	(6)	
Bajaj Auto	BUY	1,332	1,585	19	385	26.3	30.6	91.0	105.6	14.6	12.6	11.6	10.6	5.7	2.3	44.9	50.5	7	(15)	48	10	(7)	31	
Bosch Limited	BUY	5,992	7,260	21	188	8.1	10.4	256.6	330.0	23.4	18.2	15.9	12.4	3.8	0.8	21.1	28.3	(5)	(7)	27	(2)	1	13	
Container Corp. of India	HOLD	1,074	1,393	30	140	8.6	10.1	66.4	77.4	16.2	13.9	10.8	8.8	2.5	1.8	17.7	25.0	(11)	(19)	(13)	(9)	(12)	(23)	
Exide Industries Ltd.	BUY	131	177	35	112	6.0	7.5	7.1	8.8	18.5	14.9	13.0	10.4	3.3	0.8	21.9	32.3	(16)	(22)	19	(13)	(15)	5	
Escorts Ltd.	BUY	114	180	58	12	1.3	1.9	12.4	18.0	9.2	6.3	5.2	3.9	0.6	2.1	9.7	12.0	(27)	(50)	(7)	(24)	(46)	(18)	
Hero Honda Motors Ltd.	HOLD	1,493	1,614	8	298	19.0	21.5	99.2	107.6	15.0	13.9	15.6	14.9	7.5	2.5	36.7	45.5	(18)	(18)	(8)	(15)	(11)	(19)	
Mahindra & Mahindra	BUY	656	825	26	403	25.7	31.2	44.5	50.8	14.7	12.9	11.8	9.8	3.3	1.9	26.0	31.7	(11)	(16)	29	(9)	(9)	15	
Maruti Suzuki Ltd.	BUY	1,228	1,450	18	355	22.8	25.8	76.8	89.2	16.0	13.8	11.6	10.1	2.2	0.6	15.9	23.2	(3)	(12)	(10)	(0)	(5)	(20)	
Tata Motors Ltd.	BUY	1,238	1,668	35	734	92.3	109.7	145.8	173.3	8.5	7.1	5.6	4.7	2.9	1.2	41.1	32.68	5	3	76	8	12	56	
DIVERSIFIED																								
Aditya Birla Nuvo Ltd.	BUY	784	990	26	89	3.4	3.7	29.9	32.6	26.3	24.0	14.6	13.3	1.6	0.5	6.7	7.7	5	(2)	(7)	9	6	(18)	
FMCG & RETAIL																								
Asian Paints	BUY	2,564	2,914	14	246	9.4	11.7	92.4	116.2	27.8	22.1	17.5	14.1	9.3	2.2	42.2	51.0	(6)	(4)	34	(3)	5	19	
Britannia Industries Ltd. (India)	HOLD	362	331	(9)	43	1.8	2.6	15.5	22.0	23.4	16.5	18.2	12.2	1.3	10.8	38.3	28.3	(2)	(12)	11	1	(4)	(1)	
Colgate Palmolive India Ltd.	HOLD	822	836	2	112	4.3	4.8	31.3	35.1	26.3	23.4	21.6	18.2	25.6	3.2	109.4	121.2	(3)	(7)	17	0	1	3	
Dabur India Ltd.	HOLD	97	108	12	169	5.7	7.1	3.3	4.1	29.4	23.6	22.7	17.5	8.2	3.4	34.2	27.5	(4)	4	13	(1)	12	1	
Godrej Consumer Products Ltd.	HOLD	362	400	10	117	4.8	5.8	14.9	18.0	24.2	20.2	20.4	16.8	6.1	3.7	28.3	16.3	(10)	(16)	45	(7)	(8)	28	
Hindustan Unilever Ltd.	HOLD	276	286	4	602	21.1	24.8	9.7	11.4	28.6	24.3	24.9	21.2	15.5	3.3	78.5	73.8	(9)	(8)	16	(6)	0	3	
ITC Ltd.	BUY	157	189	20	1,211	49.3	59.6	6.5	7.8	24.3	20.1	16.8	13.7	6.2	4.3	29.9	39.1	(8)	(8)	28	(5)	0	14	
Jyothy Laboratories Ltd.	HOLD	218	261	20	18	0.9	1.2	11.2	15.4	19.5	14.2	16.0	12.3	2.6	3.0	18.4	17.7	(22)	(21)	25	(19)	(14)	11	
Kansai Nerolac Ltd.	HOLD	785	844	7	42	2.0	2.4	36.4	44.3	21.6	17.7	12.2	10.0	4.1	3.7	23.0	29.2	(13)	(14)	48	(10)	(7)	31	
Marico Ltd.	HOLD	125	133	6	77	2.9	3.7	4.8	6.1	25.9	20.7	18.5	14.1	6.3	0.5	30.6	28.8	0	(9)	25	4	(2)	11	
Nestle India Ltd.	HOLD	3,391	3,781	11	327	8.4	11.4	86.7	117.8	39.1	28.8	26.3	19.4	36.5	2.5	126.8	167.7	(9)	(13)	26	(6)	(6)	11	
Pantaloon Retail (India) Ltd.	BUY	279	459	70	60	2.4	3.5	11.1	15.1	25.2	18.4	9.3	7.2	1.8	0.5	9.7	12.7	(12)	(36)	(30)	(9)	(31)	(38)	
Titan Industries	BUY	3,262	3,971	22	145	4.6	5.9	103.4	132.4	31.6	24.6	22.3	17.5	9.2	0.7	41.9	50.8	(4)	(14)	89	(1)	(7)	67	
United Breweries	BUY	427	324	(24)	102	1.8	2.5	7.5	10.2	57.2	41.7	26.8	20.7	6.5	0.2	15.6	15.8	(10)	2	154	(7)	11	125	
United Spirits	HOLD	1,179	1,066	(10)	154	4.4	6.1	37.4	52.3	31.6	22.5	15.9	13.5	2.3	0.2	10.4	12.2	(12)	(16)	(10)	(10)	(9)	(20)	
IT & MEDIA																								
Infosys Technologies Ltd.	HOLD	3,103	3,404	10	1,782	75.4	89.5	131.9	156.7	23.5	19.8	20.7	17.8	5.4	5.5	24.9	30.2	(3)	4	23	(0)	13	9	
Patni Computers Systems Ltd	BUY	460	625	36	60	6.5	7.5	48.1	55.6	9.5	8.3	5.7	4.9	1.1	0.7	13.9	16.9	(0)	(4)	12	3	4	(1)	
Persistent Systems Ltd	BUY	397	525	32	16	1.3	1.7	33.7	43.7	11.8	9.1	8.7	5.5	1.7	2.3	18.4	22.1	(9)	1	NA	(6)	9	NA	
Tata Consultancy Services Ltd.	BUY	1,097	1,288	17	2,146	91.5	109.9	46.7	56.1	23.5	19.5	17.2	12.4	8.7	3.1	44.4	54.4	(2)	5	47	1	13	30	
Wipro Ltd.	HOLD	437	510	17	1,073	56.1	-	23.1	-	19.0	-	14.6	-	-	-	-	-	(6)	4	9	(3)	13	(4)	
Financial Technologies India Ltd	BUY	835	1,708	105	38	2.0	1.6	44.4	51.3	18.8	16.3	20.5	15.3	1.5	2.4	9.0	9.7	6	(21)	(45)	10	(14)	(51)	
Den Networks Ltd	BUY	100	164	63	13	0.4	0.7	3.2	5.1	30.9	19.7	10.4	7.1	1.8	-	8.9	11.5	(37)	(54)	(46)	(35)	(50)	(52)	
Dish TV India Ltd	BUY	63	91	44	67	(2.0)	(0.6)	(1.9)	(0.5)	(33.2)	(115.0)	30.6	14.3	4.1	-	(3.6)	0.4	4	(2)	51	7	7	34	
Hathway Cable & Datacom Ltd	BUY	130	183	41	19	(0.2)	0.2	(1.2)	1.4	(106.3)	91.5	11.3	8.3	2.1	-	2.3	4.4	(13)	(33)	NA	(10)	(28)	NA	
IBN 18	BUY	99	146	47	24	0.4	1.3	1.1	3.5	87.5	28.0	20.5	12.2	5.8	-	20.7	15.5	9	1	(9)	13	9	(19)	
Sun TV Network Ltd	BUY	425	624	47	168	6.6	8.9	17.0	22.5	25.0	18.9	11.3	9.1	5.8	1.6	30.6	41.2	(15)	(17)	14	(13)	(10)	1	
UTV Software Communications Ltd.	BUY	480	683	42	20	1.3	1.7	32.4	42.5	14.8	11.3	14.7	10.5	1.8	-	16.0	12.4	(12)	(15)	(2)	(10)	(8)	(13)	
Zee Entertainment Enterprises Ltd	HOLD	118	123	4	115	5.5	6.0	5.6	6.2	21.1	19.1	16.3	13.2	2.6	1.7	13.3	26.7	0	(15)	(7)	3	(8)	(18)	

UR = UNDER REVIEW

Valuation Guide

Company	Reco	Price (₹)	Target price (₹)	Return (%)	Market Cap (₹bn)	Net Profit (₹bn)		EPS (₹)		PE (x)		EV/EBITDA (x)		P/BV (x) FY12	Div Yield (%) FY12	RoE (%) FY12	RoCE (%) FY12	Absolute (%)			Relative (%)		
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					1m	3m	12m	1m	3m	12m
METALS																							
Graphite India Ltd	BUY	92	151	64	18	2.6	3.1	13.1	15.7	7.0	5.9	4.7	4.6	0.9	2.7	15.8	11.0	(9)	1	12	(6)	9	(0)
Hindalco Industries Ltd.	BUY	212	279	32	405	40.2	40.9	18.9	21.4	11.2	9.9	6.8	6.3	0.1	19.1	14.3	12.8	(8)	(0)	46	(5)	8	29
Hindustan Zinc Ltd.	BUY	1,275	1,421	11	539	38.9	46.9	92.0	111.0	13.9	11.5	8.6	6.0	2.1	0.5	18	18	(6)	8	19	(3)	17	5
Jindal Steel & Power Ltd.	UR	670	766	14	626	43.7	48.3	46.1	50.9	14.5	13.2	10.2	8.7	3.6	0.6	28	17	(2)	(0)	6	1	8	(6)
JSW Steel Ltd.	HOLD	898	985	10	200	14.2	17.0	60.6	67.9	14.8	13.2	7.6	5.6	1.1	1.1	8.9	9.9	(7)	(27)	(12)	(5)	(21)	(22)
NALCO	UR	407	321	(21)	262	14.6	17.7	22.7	27.4	18.0	14.9	9.0	6.6	2.0	1.2	13	19	7	5	7	10	14	(5)
Sesa Goa Ltd.	BUY	309	407	32	265	41.1	39.1	46.2	44.0	6.7	7.0	2.8	2.5	1.6	1.1	22.7	30.2	(6)	(9)	(18)	(3)	(1)	(27)
Steel Authority of India	UR	163	221	36	673	108.0	95.2	26.2	23.1	6.2	7.1	5.1	45.7	1.1	1.5	14.9	14.6	1	(14)	(21)	4	(7)	(30)
Sterlite Industries India Ltd.	BUY	164	213	30	550	49.4	60.9	14.7	18.1	11.1	9.0	10.0	4.9	1.1	1.8	16	10.0	(8)	(5)	(14)	(5)	3	(24)
TATA Steel	BUY	641	742	20	615	48.0	61.2	52.6	66.9	12.2	9.6	7.7	6.1	1.7	1.2	17.3	14.1	3	6	17	6	15	3
OIL & GAS																							
Bharat Petroleum Corp. Ltd.	HOLD	604	667	11	218	12.1	16.0	41.6	54.1	14.5	11.2	15.3	12.0	1.3	1.7	11	5.9	2	(17)	6	5	(10)	(6)
GAIL India Ltd.	HOLD	459	522	14	582	39.3	43.1	31.0	34.0	14.8	13.5	9.5	8.9	2.5	1.6	18.8	21.4	(6)	(6)	12	(3)	2	(1)
Hindustan Petroleum Corp. Ltd.	BUY	356	395	11	121	9.7	10.0	28.5	29.5	12.5	12.1	12.1	11.0	1.0	3.4	7.9	5.2	(1)	(23)	4	2	(16)	(8)
Indian Oil Company Ltd.	BUY	332	423	28	805	81.2	78.8	34.3	33.3	9.7	10.0	8.4	8.2	1.3	4.0	13.0	11.6	7	(15)	7	10	(8)	(5)
Oil India Ltd.	BUY	1,288	1,622	26	310	30.8	33.8	128.2	140.7	10.0	9.2	4.8	4.2	1.7	2.6	18.5	22.1	(2)	(8)	12	1	(0)	(1)
Oil & Natural Gas Corp. Ltd.	BUY	280	404	44	2,393	210.4	226.8	28.0	30.2	10.0	9.3	5.4	4.9	2.1	2.9	19.7	23.2	(5)	(14)	1	(2)	(6)	(10)
Petronet LNG Ltd.	BUY	119	143	20	89	5.0	7.2	6.7	9.6	17.8	12.4	11.3	9.3	2.9	2.1	23.4	16.3	(6)	2	60	(3)	11	42
Reliance Industries Ltd.	HOLD	944	1,053	12	3,090	199.8	254.6	61.1	77.8	15.5	12.1	9.4	7.4	1.7	0.8	14.0	12.9	(6)	(8)	(7)	(3)	(1)	(18)
PHARMACEUTICALS																							
Aurobindo Pharma	BUY	242	1,641	578	70	6.5	8.2	100.3	126.2	2.4	1.9	7.6	5.9	0.4	4.2	23.0	23.7	(7)	(2)	30	(4)	7	15
Cadila Healthcare	BUY	786	867	10	161	6.5	8.1	32.0	39.4	24.6	19.9	16.2	12.3	5.3	0.2	22.3	30.7	2	(1)	69	5	7	50
Indoco Remedies	BUY	418	594	42	5	0.7	0.9	53.9	74.3	7.8	5.6	5.6	3.5	1.2	4.1	21.7	23.0	(13)	(19)	30	(10)	(12)	16
Ipca Laboratories	BUY	303	391	29	38	2.4	3.4	19.2	27.3	15.8	11.1	10.8	7.6	2.6	-	18.5	26.8	(9)	(8)	35	(6)	(0)	20
Lupin Limited	BUY	416	514	23	186	8.8	10.9	19.9	24.5	20.9	17.0	15.0	11.8	4.3	0.6	29.1	28.7	(9)	(13)	34	(7)	(5)	18
Jubilant Lifesciences	BUY	184	272	48	29	2.3	2.8	14.2	17.4	13.0	10.6	10.2	8.0	5.8	0.8	9.5	11.5	(28)	(40)	(43)	(26)	(35)	(49)
Sun Pharma	BUY	417	526	26	430	14.9	18.2	15.0	20.9	27.9	19.9	21.8	15.4	3.9	0.6	22.4	21.4	(12)	(9)	35	(9)	(2)	20
REAL ESTATE																							
D B Realty	UR	141	270	91	34	3.1	8.7	12.7	35.6	11.1	4.0	9.0	2.6	0.8	-	20.5	26.9	(27)	(64)	NA	(24)	(61)	NA
DLF	BUY	238	374	57	405	20.7	27.4	12.2	16.1	19.6	14.8	14.2	11.2	1.3	-	8.5	9.0	(8)	(24)	(23)	(5)	(18)	(32)
HDIL	HOLD	152	196	29	63	7.3	8.3	17.7	18.9	8.6	8.0	8.4	6.6	0.6	-	7.8	8.4	(7)	(36)	(52)	(4)	(30)	(57)
Indiabulls Real Estate	BUY	118	166	41	47	1.1	2.8	2.6	6.5	44.7	18.0	65.2	31.3	0.5	-	2.6	1.3	(3)	(37)	(35)	(0)	(32)	(42)
Phoenix Mills	BUY	187	274	46	27	1.0	1.9	6.7	12.9	27.9	14.5	21.8	9.6	1.5	0.6	10.1	10.2	(11)	(17)	(4)	(8)	(10)	(15)
Sobha Developers	BUY	242	400	65	24	1.6	1.9	16.4	19.2	14.7	12.6	10.9	8.7	1.2	1.2	9.4	10.5	(14)	(24)	(8)	(12)	(17)	(18)
Unitech	BUY	38	102	167	100	8.4	10.9	3.2	4.2	12.0	9.2	13.4	9.3	0.8	-	8.4	8.5	(34)	(49)	(49)	(31)	(44)	(55)

UR = UNDER REVIEW

Valuation Guide

Company	Reco	Price (₹)	Target price (₹)	Return (%)	Market Cap (₹bn)	Net Profit (₹bn)		EPS (₹)		PE (x)		EV/EBITDA (x)		P/BV (x) FY12	Div Yield (%) FY12	RoE (%) FY12	RoCE (%) FY12	Absolute (%)			Relative (%)		
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					1m	3m	12m	1m	3m	12m
UTILITIES AND INDUSTRIALS																							
ABB Ltd.	SELL	661	559	(15)	140	1.7	3.8	8.0	17.9	82.8	37.0	51.4	22.5	4.8	0.1	12.9	18.0	(12)	(21)	(17)	(9)	(14)	(27)
Adani Power	UR	123	82	(33)	268	10.6	21.8	4.9	10.0	25.2	12.3	28.5	12.7	2.8	-	22.8	8.7	1	(10)	14	4	(2)	1
BGR	BUY	512	779	52	37	3.1	4.0	43.6	55.7	11.7	9.2	6.6	7.4	3.0	2.7	37.5	24.0	(17)	(32)	2	(14)	(26)	(9)
Bharat Heavy Electricals Ltd.	BUY	2,048	2,666	30	1,003	56.7	68.3	115.8	139.5	17.7	14.7	11.4	9.0	4.1	1.8	27.9	33.7	(7)	(12)	(14)	(4)	(5)	(24)
CESC	BUY	299	391	31	37	2.5	3.0	20.1	23.9	14.9	12.5	13.9	15.6	0.8	2.0	8.8	3.1	(13)	(20)	(24)	(10)	(13)	(33)
GMR Infrastructure	BUY	42	82	96	163	2.9	7.7	0.8	2.1	52.5	19.9	18.9	13.0	1.7	12.1	8.6	5.5	4	(16)	(26)	7	(9)	(34)
Lanco Infrastructure	BUY	40	54	37	95	5.7	7.6	2.4	3.2	16.6	12.4	5.2	3.0	2.0	-	17.3	11.5	(28)	(38)	(21)	(25)	(33)	(30)
Larsen & Toubro	BUY	1,655	1,878	14	1,007	41.1	53.1	68.2	88.2	24.2	18.8	18.6	14.6	3.4	0.9	18.1	12.2	(3)	(18)	14	(0)	(10)	1
NTPC	HOLD	182	201	11	1,497	96.0	98.2	11.6	11.9	15.6	15.2	11.7	10.9	2.0	2.6	13.3	10.8	(3)	(3)	(10)	0	5	(21)
Power Grid	BUY	99	116	18	456	26.7	30.1	5.8	6.5	17.1	15.2	11.1	10.1	1.9	1.6	12.3	8.3	1	(2)	(8)	4	7	(18)
PTC India Ltd.	BUY	93	116	25	27	1.1	1.3	4.3	5.2	21.7	17.9	28.5	20.1	1.2	1.6	6.8	5.7	(18)	(30)	(13)	(15)	(24)	(23)
Reliance Infrastructure	BUY	632	1,065	69	169	15.0	16.0	65.6	70.2	9.6	9.0	16.6	16.0	0.6	3.9	6.4	2.0	(21)	(36)	(40)	(18)	(31)	(47)
Siemens Ltd.	BUY	840	861	3	283	10.5	12.7	31.3	37.6	26.8	22.3	19.1	16.2	20.1	0.9	24.2	34.5	11	4	27	15	12	13
Suzlon Energy Ltd.	BUY	48	66	37	86	(0.9)	7.7	(0.5)	4.8	(88.8)	10.1	16.2	8.5	1.0	1.5	9.4	8.4	(8)	(7)	(35)	(5)	1	(42)
Tata Power	HOLD	1,285	1,248	(3)	305	18.1	24.3	73.5	98.5	17.5	13.0	8.2	6.3	2.0	1.1	15.3	5.5	(6)	(4)	4	(3)	4	(8)
Tecpro Systems Ltd	BUY	307	408	33	15	1.4	1.9	28.7	38.1	10.7	10.7	4.2	2.8	2.3	1.5	22.7	21.4	(13)	NA	NA	(11)	NA	NA

UR = UNDER REVIEW

Company	Reco	Price (₹)	Target price (₹)	Return (%)	Market Cap (₹bn)	Net Profit (₹bn)		EPS (₹)		PE (x)		NNPA Ratio (x)		P/Adj BV (x) FY11	Div Yield (%) FY12	RoE (%) FY12	RoA (%) FY12	Absolute (%)			Relative (%)		
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					1m	3m	12m	1m	3m	12m
FINANCIALS																							
Axis Bank	BUY	1,297	1,580	22	532	30	38	75	93	17.2	13.9	0.4	0.4	2.9	1.3	19.0	1.5	8	(12)	26	11	(4)	12
Bajaj Auto Finance	BUY	601	945	57	22	2	2	56	68	23.3	8.8	2.0	1.8	1.7	1.0	2.6	3.0	(5)	(23)	106	(2)	(16)	83
HDFC	HOLD	627	714	14	918	32	37	22	25	28.1	24.6	0.4	0.4	5.4	1.4	20.1	2.6	(2)	(10)	29	1	(3)	14
HDFC Bank	BUY	2,095	2,310	10	974	37	47	81	102	25.8	20.6	0.6	0.6	4.1	0.8	17.7	1.6	2	(12)	30	5	(4)	16
ICICI Bank	BUY	1,051	1,320	26	1207	51	69	46	61	23.0	17.1	1.5	1.4	2.5	1.2	11.8	1.6	4	(13)	26	7	(5)	12
LIC Housing Finance	BUY	193	204	6	92	9	8	19	18	10.2	10.8	0.4	0.2	2.6	9.8	19.3	1.9	22	(26)	29	26	(20)	14
Punjab National Bank	BUY	1,103	1,340	22	348	48	53	151	168	7.3	6.6	0.7	0.6	1.9	2.7	22.7	1.4	(1)	(16)	24	2	(9)	10
Shriram Transprt finance	BUY	717	950	32	162	8	11	52	64	13.7	11.2	0.5	0.4	4.7	2.3	30.1	2.8	(1)	(14)	53	2	(7)	36
State Bank Of India	BUY	2,751	3,214	17	1747	114	158	162	226	17.0	12.2	1.3	1.1	2.3	1.4	15.7	1.2	10	(11)	43	13	(3)	27
YES Bank	BUY	277	330	19	96	7	9	19	25	14.4	11.0	0.1	0.1	2.5	-	20.5	2.2	7	(17)	16	10	(9)	2
Bank of Baroda	BUY	908	1,063	17	331	37	43	102	117	8.9	7.7	0.3	0.3	2.2	2.2	21.7	1.2	10	(7)	59	13	1	41
Union Bank of India	BUY	347	407	17	175	23	30	45	59	7.7	5.9	1.1	1.0	1.9	1.7	24.7	1.2	11	(8)	41	15	(0)	25

UR = UNDER REVIEW

Valuation Guide

Company	Reco	Price	Target price	Return	Market Cap	Net Profit (₹bn)		EPS (₹)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yield (%)	RoE (%)	RoCE (%)	Absolute (%)			Relative (%)		
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					FY12	FY12	FY12	FY12	1m	3m
MIDCAP																							
ACC Ltd.	SELL	1,000	948	(5)	188	10.8	12.6	57.3	66.9	17.4	14.9	10.5	8.5	2.6	2.3	24.6	18.1	(0)	(4)	9	3	4	(3)
Ambuja Cements Ltd.	HOLD	122	132	8	187	12.6	13.9	8.1	9.1	15.1	13.4	9.2	7.1	2.2	1.8	17.7	23.1	(5)	(18)	12	(2)	(11)	(1)
Balrampur Chini Mills Ltd	BUY	72	87	20	19	2.0	2.4	7.6	9.2	9.5	7.9	6.0	4.9	1.2	1.4	15.6	15.7	(9)	(11)	(38)	(6)	(4)	(45)
Essar Shipping Ports & Logistics Ltd.	BUY	87	173	100	53	0.4	3.7	0.6	6.0	134.0	14.5	13.6	9.3	0.6	-	4.7	9.0	(13)	(21)	23	(10)	(14)	9
Ess Dee Aluminium Ltd.	BUY	410	540	32	13	1.4	1.7	51.1	61.0	8.0	6.7	7.0	5.6	1.6	0.5	27.5	25.2	(5)	(18)	10	(2)	(11)	(2)
Gayatri Projects Ltd	BUY	234	494	111	3	0.7	0.9	47.9	64.6	4.9	3.6	3.4	2.8	0.6	1.9	19.4	20.7	(17)	(39)	(41)	(14)	(34)	(47)
Great Eastern Shipping Company Ltd.	BUY	282	393	40	43	8.1	10.4	53.0	68.4	5.3	4.1	5.9	4.4	0.6	2.8	14.5	11.0	(12)	(23)	5	(9)	(17)	(7)
Great Offshore Ltd	BUY	277	457	65	10	1.4	2.0	38.8	53.8	7.2	5.2	7.8	5.7	0.7	1.4	14.1	9.5	(21)	(24)	(34)	(19)	(17)	(42)
Havell's India Ltd	BUY	334	466	39	42	3.1	4.0	24.8	32.0	13.5	10.4	7.7	5.7	4.1	0.9	47.4	40.8	(9)	(13)	24	(6)	(6)	10
HeidelbergCement India Ltd.	BUY	38	60	59	9	1.1	1.3	4.8	5.8	7.9	6.5	6.9	4.4	0.8	-	13.2	25.4	(12)	(23)	(16)	(9)	(16)	(26)
JK Lakshmi Cement	BUY	45	85	89	6	1.4	1.7	11.5	14.1	3.9	3.2	3.8	3.7	0.4	4.4	14.3	19.7	(14)	(24)	(41)	(11)	(18)	(48)
Mercator Lines Ltd.	BUY	40	65	63	9	0.9	1.5	3.7	5.7	10.8	7.0	6.5	5.8	0.5	2.5	6.3	6.3	(19)	(39)	(29)	(16)	(34)	(37)
Maharashtra Seamless Ltd	BUY	348	512	47	25	3.2	3.9	45.6	54.7	7.6	6.4	4.6	3.5	0.8	1.7	14.1	21.5	(2)	(15)	(6)	1	(8)	(17)
Mahindra Holidays	BUY	357	509	43	30	0.8	1.3	10.1	15.4	35.3	23.2	24.6	15.0	5.3	0.6	24.7	12.4	(4)	(6)	(19)	(1)	2	(28)
Monnet Ispat Ltd.	BUY	544	610	12	35	2.5	3.5	43.0	61.0	12.6	8.9	10.9	8.6	1.4	0.9	16.4	13.9	(3)	(10)	43	0	(3)	26
Nava Bharat Ventures Ltd.	BUY	264	382	45	20	3.0	3.7	33.4	40.9	7.9	6.4	6.1	7.5	1.1	13.1	16.6	10.2	(18)	(23)	(30)	(16)	(16)	(38)
Opto Circuits	BUY	265	327	23	49	3.6	5.1	19.2	27.3	13.8	9.7	11.0	8.0	2.8	1.7	32.2	26.5	15	(6)	28	18	2	13
Polyplex Ltd.	BUY	268	250	(7)	9	1.6	2.1	101.7	125.3	2.6	2.1	3.6	2.1	0.4	3.7	27.9	18.5	(14)	(32)	150	(11)	(26)	121
Prakash Industries	BUY	91	221	144	12	2.2	2.3	16.3	17.0	5.6	5.3	4.3	4.1	0.6	-	12.5	13.6	(13)	(34)	(56)	(11)	(29)	(61)
Rainbow Papers Ltd	BUY	53	79	49	5	0.4	1.0	4.5	11.0	11.8	4.8	9.1	4.2	1.5	3.8	34.4	22.0	(6)	(14)	106	(3)	(6)	83
S Kumars Nationwide Ltd	BUY	65	89	37	17	2.8	3.8	9.5	12.7	6.9	5.1	4.9	4.2	0.6	-	15.5	14.9	(13)	(20)	44	(11)	(14)	27
Shiv Vani Oil & Gas	BUY	250	453	81	12	2.1	2.3	44.9	50.3	5.6	5.0	5.7	4.8	0.7	0.4	15.3	12.6	(30)	(39)	(31)	(28)	(34)	(39)
Shree Cements Ltd.	BUY	1,648	2,406	46	57	4.5	6.1	128.4	176.1	12.8	9.4	6.4	5.4	2.0	0.7	24.3	19.2	(9)	(25)	(19)	(6)	(19)	(28)
Shree Renuka Sugars Ltd	BUY	81	117	45	54	6.4	7.0	9.6	10.5	8.4	8.4	5.7	4.7	1.5	1.2	21.9	20.5	(8)	(12)	(13)	(5)	(4)	(22)
Sterlite Technologies Ltd.	BUY	53	80	51	19	1.6	2.6	4.4	6.9	12.0	7.7	6.5	4.7	0.6	0.2	20.4	24.8	(23)	(35)	(36)	(20)	(30)	(43)
Triveni Engineering & Industries Ltd	BUY	83	103	24	21	0.9	2.0	3.5	7.6	23.5	10.9	13.6	6.7	1.9	1.4	9.5	8.4	(17)	(23)	(32)	(14)	(16)	(40)
Ultratech Cements Ltd	HOLD	938	1,054	12	257	14.2	18.7	51.9	68.2	18.1	13.8	8.9	7.0	2.1	0.6	16.1	19.3	(8)	(13)	(10)	(5)	(5)	(20)
West Coast Paper Mills Ltd.	BUY	82	144	76	5	1.0	1.2	15.2	18.4	5.4	4.4	5.8	4.6	0.7	2.5	16.0	9.5	(6)	(12)	29	(3)	(5)	15

UR = UNDER REVIEW

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