

Antique's Morning Presentation

June 25, 2010

Market Snapshot

Global, Sector & Corporate News

Block Deals & Corporate Events

Derivatives Update

Economy, Money & Banking

Commodities Update

Valuation Guide

From the Research Desk:

- HDFC - Growth traction is back



Market Snapshot

Global Indices	Closing	% Chg	% YTD
Dow Jones	10,153	(1.4)	(2.6)
NASDAQ	2,217	(1.6)	(2.3)
FTSE	5,100	(1.5)	(5.8)
CAC	3,555	(2.4)	(9.7)
DAX	6,115	(1.4)	2.7
Russia	1,405	0.1	(2.7)
Bovespa	63,937	(1.9)	(6.8)
Nikkei	9,740	(1.7)	(7.1)
Hang Seng	20,733	(0.6)	(5.2)
Shanghai Composite	2,567	(0.1)	(21.7)

Indian Indices	Closing	% Chg	% YTD
Sensex	17,730	(0.1)	1.5
Nifty	5,321	(0.0)	2.3
MSCI India	478	(0.7)	2.0
CNX Midcap	8,109	0.0	9.1
BSE Smallcap	9,038	0.2	8.1

Flows (USDm)	Last	MTD
FII	80	1,912
Locals	-	78

Provisional flows	(USDm)
FII	250
Locals	(193)

Volumes	USDbn	% Chg
Cash (NSE + BSE)	4.7	33.5
F&O (net)	33.3	40.4

FII F&O	Stock Fut	Index Fut
Net (\$ mn)	(205)	48
Open Int (%)	(8.7)	(32.0)

ADR/GDR Gainers	Last	% Chg
Dr Reddy	31.7	0.5
MTNL	2.8	0.4

ADR/GDR Losers	Last	% Chg
Ranbaxy	9.7	(3.9)
Sterlite	14.5	(3.5)

Global News

- US stocks fell, sending the Standard & Poor's 500 Index to its longest losing streak in seven weeks, as banks dropped on concern over financial regulation and after the cost to protect from a Greek default surged to a record, while consumer shares retreated.
- Treasuries were set to complete a two-week gain on speculation a slowing global recovery will encourage the Federal Reserve to keep interest rates near zero.

Sector & Corporate News

- **Food Inflation:** Inched up again in the week ended June 12 to 16.9%, reversing the decline seen in the previous week, and raising pressure on the Reserve Bank of India (RBI) to take a stiffer stance against the stubbornly high-pace rise in prices.
- **SAIL:** The company will be inviting tenders for the development and operation of a four-million-tonnes open cast coking coal mine, together with a pit-head coal beneficiation plant, at the Tasra coal block in Jharkhand.
- **Reliance Eagleford Upstream LP:** The Mukesh Ambani led Reliance Industries arm has entered into a joint venture pact (JV) with the US-based Pioneer Natural Resources Company, of Irving, Texas under which Reliance will acquire a 45% interest in Pioneer's core Eagle Ford Shale acreage position in two separate transactions.
- **NTPC:** Is signing the MoU with Bangladesh Power Board somewhere in the second week of July for the development of two projects of 1,320MW each in Bangladesh in a joint venture.
- **Reliance Communication:** The ADAG Group firm is close to clinching a deal from Africa-based Attijariwafa Bank. The five-year deal, valued at around INR2.5bn, is for managing the ethernet (internal communication technology) and managed VoIP applications.

Sensex



Sensex PE



Source: Bloomberg

Sector & Corporate News

Sectoral indices	Closing	% Chg	% MTD	% YTD
BSE Auto	8,284	0.1	7.6	11.4
BSE Bank	10,994	(0.6)	3.2	9.6
BSE Cap Goods	14,611	0.8	7.0	3.5
BSE Cons dur	4,608	0.0	2.4	21.7
BSE FMCG	3,236	1.0	8.6	15.9
BSE IT	5,401	(0.1)	4.4	4.1
BSE Health	5,758	0.3	4.9	14.7
BSE Metal	15,163	(0.5)	0.1	(12.9)
BSE Oil	10,307	(0.7)	1.2	(1.6)
BSE Power	3,116	(0.2)	2.7	(2.3)
BSE PSU	9,248	(0.1)	1.3	(3.0)
BSE Realty	3,184	(0.8)	2.8	(17.4)
BSE TECK	3,296	(0.1)	5.2	0.6

Nifty Outperformers	Price	% Chg	% MTD	% YTD
Hindustan Unilever Ltd	271	1.8	14.2	2.3
Larsen & Toubro Ltd	1,792	1.5	9.8	6.8
Punjab National Bank	1,064	1.3	6.1	17.4
Infrastructure Dev Finance	171	1.2	8.5	10.5
ABB Ltd	883	1.2	2.8	15.1
Axis Bank Ltd	1,263	1.1	2.5	27.7
ITC Ltd	306	1.0	10.3	24.5

Nifty Underperformers	Price	% Chg	% MTD	% YTD
Kotak Mahindra Bank Ltd	756	(3.6)	(0.3)	(6.3)
HCL Technologies Ltd	364	(2.3)	(4.8)	(1.9)
Unitech Ltd	74	(2.2)	2.4	(9.7)
Reliance Infrastructure Ltd	1,162	(2.0)	8.9	1.3
Ambuja Cements Ltd	118	(1.9)	8.6	13.4
Tata Consultancy Svcs Ltd	773	(1.6)	5.4	4.4
ICICI Bank Ltd	886	(1.6)	2.0	1.0

- **Jet Airways and Godrej Properties:** The two companies have come closer to seal the Bandra-Kurla Complex (BKC) land-deal. The negotiations have been on for a long-time over the land parcel, purchased by the Jet Airways from MMRDA for a whopping INR8.26bn in 2008.
- **IDFC:** Infrastructure Development Finance Company has received 'Infrastructure Finance Company' status within the overall classification of 'Non Banking Finance Company (NBFC)' from Reserve Bank of India (RBI).
- **Birla Corporation:** In a move to expand its cement and clinker capacity, the company is planning to invest INR24bn over the next few years. Of this, INR5bn will be utilized for expanding its facilities at Satna in Madhya Pradesh, Rae Bareli in Uttar Pradesh and Durgapur in West Bengal.
- **FCS Software Solutions:** Has won infrastructure management contract from a client in Middle East with revenue potential of INR2bn over three years.
- **Titagarh Wagons:** The leading private sector wagon manufacturer of the country, TWL's bid for acquisition as a going concern of a Railway Wagons/Rolling Stock manufacturing unit situated in France has been accepted by the Court there.
- **McNally Bharat Engineering Company:** Has secured a new order worth INR414mn for supply of Ash Water Recirculation & Treatment System Package for Singrauli Super Thermal Power Station, Stage - I & II. The order is scheduled for completion within 27 months.

Bulk Deals

Date	Security Name	Client Name	Buy/Sell	Qty	Price
24-Jun-10	HCL Tech	Citigroup Global Markets	BUY	3,438,189	347.00
24-Jun-10	HCL Tech	Hcl Corporation	SELL	8,375,000	350.79
24-Jun-10	HCL Tech	Hcl Corporation	SELL	8,375,000	347.98
24-Jun-10	Nirlon	The Royal Bank Of Scotland N.V.	BUY	2,800,000	70.75
24-Jun-10	Uniphos Enter	The Royal Bank Of Scotland N.V.	BUY	1,250,000	33.50
24-Jun-10	XPRO India	Birla Holdings	BUY	63,500	48.52
24-Jun-10	Bombay Rayon Fashions	Idfc Mutual Fund	BUY	641,380	255.62
24-Jun-10	Eveready Industries India	Citigroup Global Markets	BUY	475,000	65.39
24-Jun-10	Xpro India Limited	Birla Holdings	BUY	61,500	48.81
24-Jun-10	Kirloskar Oil Engines	Reliance Capital Asset Mngmt Co	SELL	60,600	440.01
24-Jun-10	Kotak Mahindra Bank	Ing Bank Nv - Singapore Branch	SELL	10,675,028	750.70
24-Jun-10	Mercator Lines	Credit Suisse First Boston	SELL	1,283,000	46.54

- Nifty ended down 0.05%, OI up 3.42%.
- Nifty ATM IV's traded @ July vols 17.5-18.5.

Derivatives Update

Long buildup

Company	Last	% Chg	% Chg OI	OI (in 000)
BRFL	255	4.9	12.2	6,982
PUNJILLOYD	130	2.6	4.0	19,185
BAJAJ-AUTO	2,410	2.3	8.4	569
LUPIN	1,922	1.5	2.2	536

Short buildup

Company	Last	% Chg	% Chg OI	OI (in 000)
KOTAKBANK	756	(3.7)	47.1	5,788
PATNI	507	(3.1)	3.8	2,101
RENUKA	66	(2.8)	6.0	38,327
ISPATIND	18	(2.7)	2.8	84,108

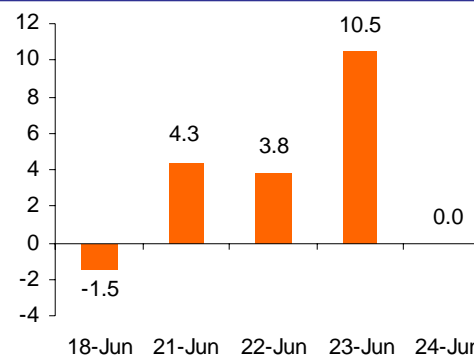
Short covering

Company	Last	% Chg	% Chg OI	OI (in 000)
PIRHEALTH	503	2.2	(0.2)	8,734
MCDOWELL-N	1,292	2.0	(3.3)	1,824
HINDUNILVR	271	1.7	(5.1)	13,015
JINDALSAW	202	1.5	(6.3)	9,578

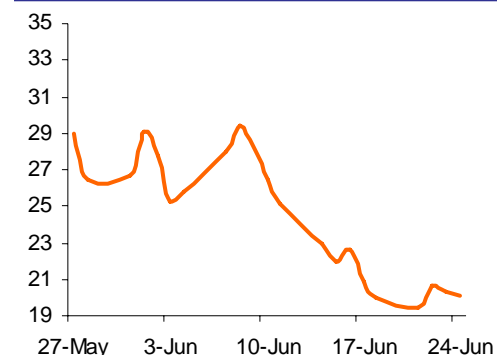
Profit booking

Company	Last	% Chg	% Chg OI	OI (in 000)
UNITECH	74	(2.3)	(6.6)	59,373
RELINFRA	1,162	(2.3)	(4.0)	5,341
WELCORP	236	(1.9)	(2.1)	17,976
MARUTI	1,387	(1.7)	(2.5)	3,232

Nifty Premium / Discount



NSE Volatility Index (%)

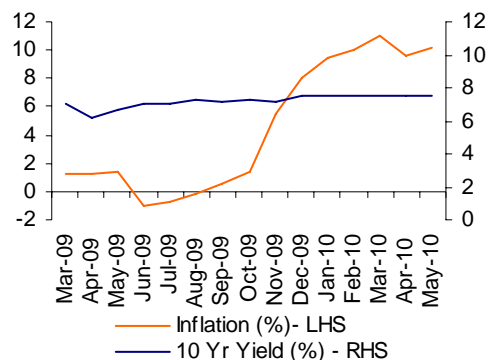


Economy, Money & Banking

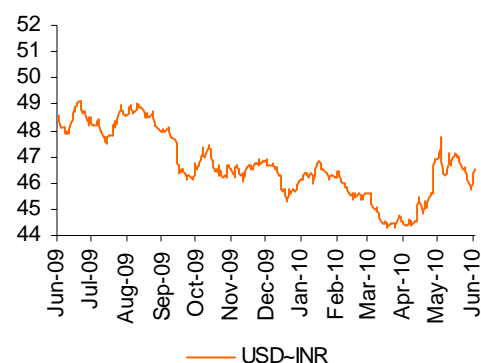
Forex Rate	Last	% Chg	% MTD	% YTD
INR~USD	46.5	(0.6)	(0.3)	0.1
INR~EUR	56.9	0.7	0.3	17.1
INR~GBP	69.2	0.4	(2.5)	8.8

Bond Market	Last	Chg (bps)	MTD (bps)	YTD (bps)
10 Year Bond	7.6	1	7	0
Interbank call	5.2	(10)	30	185

Inflation vs. 10 yr yield



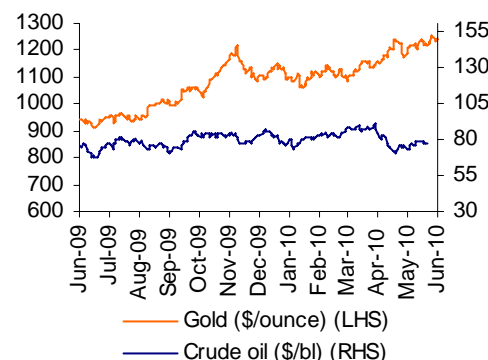
INR/USD



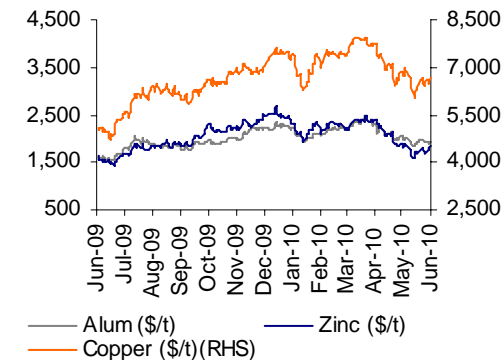
Commodities Update

Commodities	Last	% Chg	% MTD	% YTD
Gold (\$/Ounce)	1,243	0.5	2.2	13.3
Crude Oil (\$/Bl)	76	(0.2)	1.6	(7.5)
Aluminium (\$/t)	1,936	1.4	(3.8)	(11.9)
Copper (\$/t)	6,667	2.8	(3.5)	(9.2)
Zinc (\$/t)	1,842	2.6	(3.3)	(27.2)
Lead (\$/t)	1,797	0.3	(1.5)	(25.2)
Nickel (\$/t)	19,327	0.7	(9.2)	4.7

Gold and crude prices



Metal prices



- The **rupee** depreciated by 0.6% to end at INR46.5/USD.
- **Bond yields** were up by 1bps to end at 7.6%.
- **Call** rates were down by 10bps to end at 5.2%.

- **Crude oil** prices were down by 0.2% to end at USD76/bl.
- **Gold** prices were up by 0.5% to end at USD1,243/ounce.
- **Aluminium, copper** and **zinc** prices were up by 1.4%, 2.8% and 2.6% respectively.

HDFC - Growth traction is back

BUY **CMP: INR3,000** **Target Price: INR3,100** **Potential Upside: 3.3%**

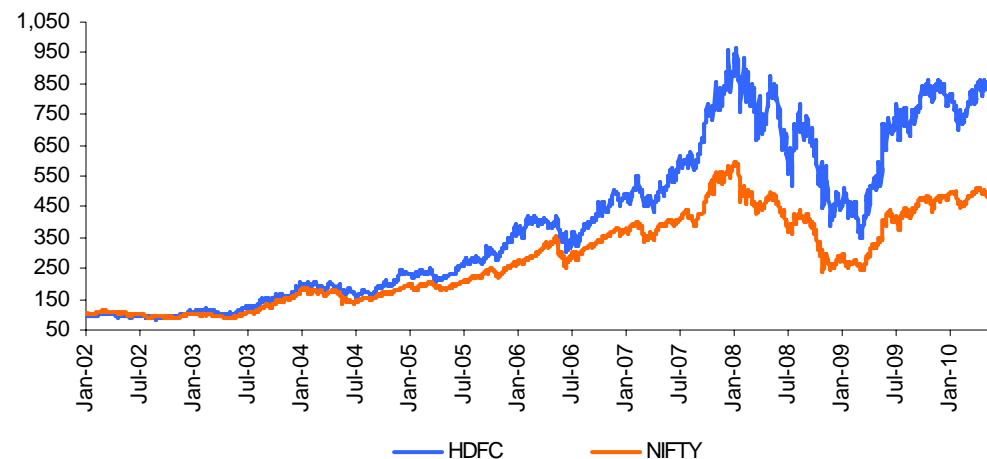
- **Buoyancy in mortgage market to continue:** We expect HDFC to deliver 25% loan growth (pre sell down) in FY2011e, up from 19% in FY10, driven by extremely robust disbursement growth of 25% in the individual housing segment. Loan mix for HDFC likely to remain stable with higher focus toward rental/lease discounting within the non individual portfolio. Our interaction with various mortgage lenders and real estate developers indicates reasonably healthy real estate market across most parts of the country which bodes well for demand in FY11e.
- **Spreads likely to remain stable at current levels given company's dynamic funding franchise:** Anecdotal evidence clearly indicates that HDFC has been able to increase spreads in the initial leg rising interest rate scenario (when underlying business growth was strong) as higher loan rates more than adequately offset the rise in borrowing costs. Further unlike some of its peers in the housing market, HDFC dual rate offering is more or less perfectly matched
- **Asset quality and operating efficiency continued to remain remarkable as always:** GNPA ratios (both 90 and 180 days past due date) continued to improve on a YoY basis. Cost ratios continued to trend downwards on lower other expenses.
- **Maintain estimates and target price:** HDFC continues to remain one of the best diversified players within Indian financials, with its leader position in the mortgage lending business over the last 30 years (across various interest rate cycles and despite intense competition) and strong presence in life insurance, asset management, and banking businesses. We opine that core RoE for the mortgage business is likely to bounce back to 25% by FY11e. We maintain our target price of INR3,100 per share with a BUY rating on the stock.

Summary financials

	FY07	FY08	FY09	FY10	FY11E	FY12E
NII	16,472	26,411	30,538	33,875	40,823	48,050
YoY growth (%)	27.2	60.3	15.6	10.9	20.5	17.7
PAT	15,704	24,362	22,825	28,265	32,031	36,525
YoY growth (%)	24.9	55.1	(6.3)	23.8	13.3	14.0
EPS (INR)	62.1	88.2	80.2	98.4	111.6	127.2
BVPS (INR)	219	421	462	529	596	671
P/E (x)	41.5	29.2	32.1	26.2	23.1	20.2
P/B (x)	11.74	6.12	5.58	4.86	4.32	3.84
RoE (%)	31.3	27.8	18.2	20.0	19.8	20.1
Core RoE (%)	30.6	25.2	21.6	22.6	23.8	24.8

Source: Company, Antique

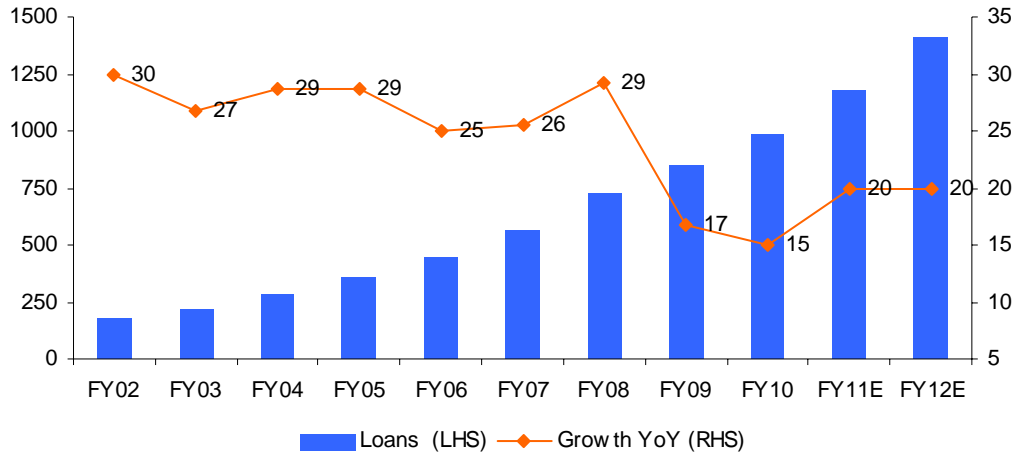
Share price performance



Source: Bloomberg

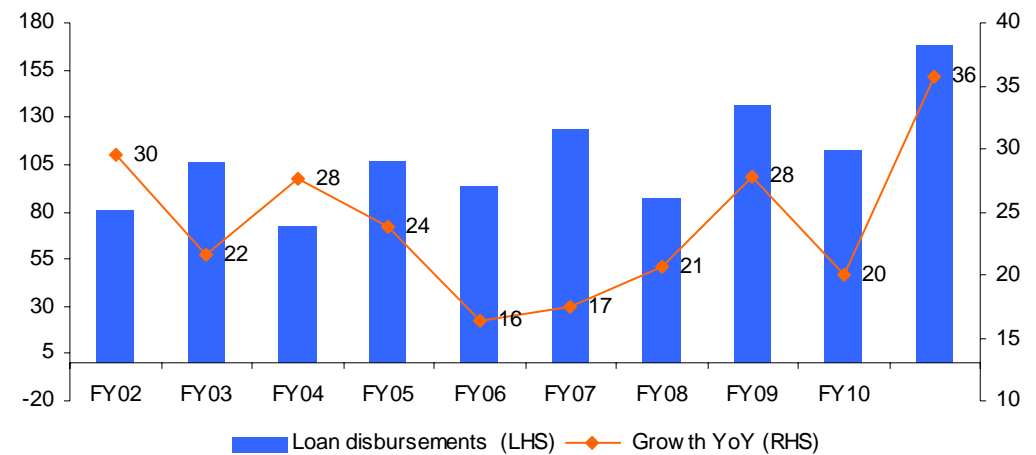
Disbursement growth to remain buoyant

B/s loan growth to show improvement



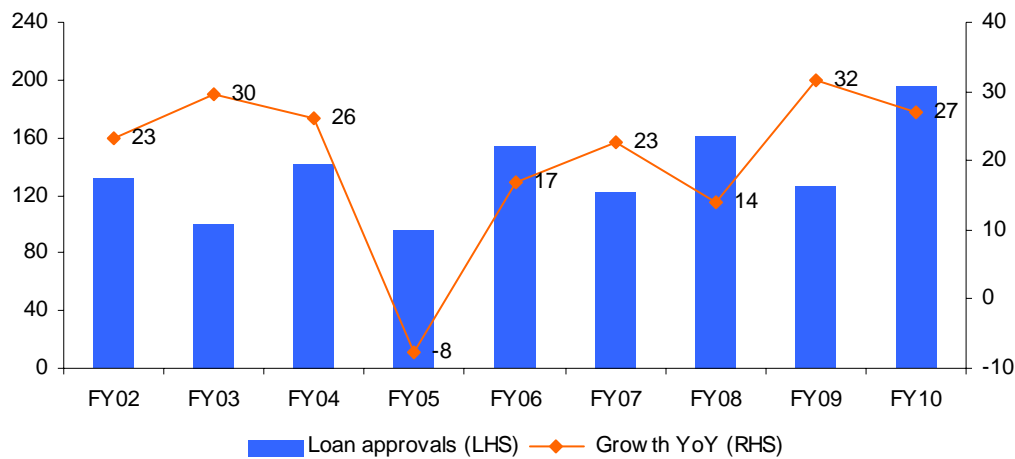
Source: Company, Antique

Disbursement growth likely to be at 25% for FY11e



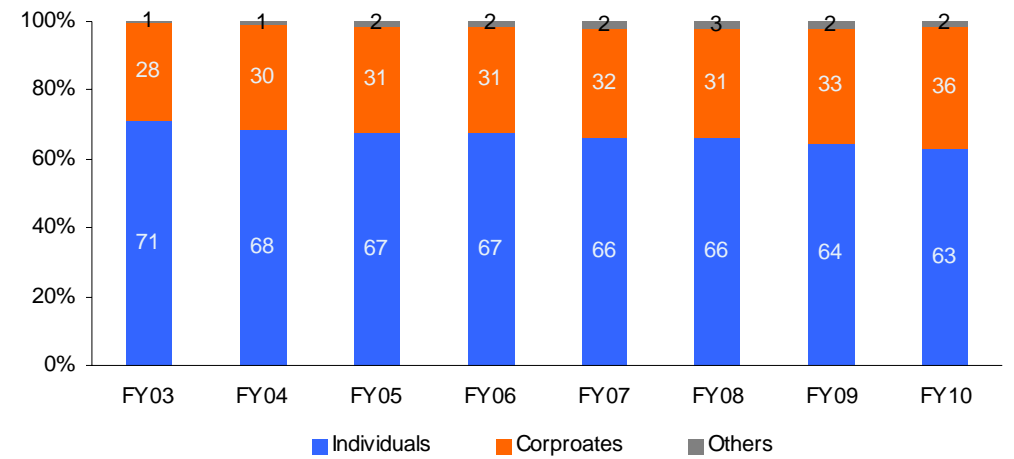
Source: Company, Antique

On the back of strong approvals



Source: Company, Antique

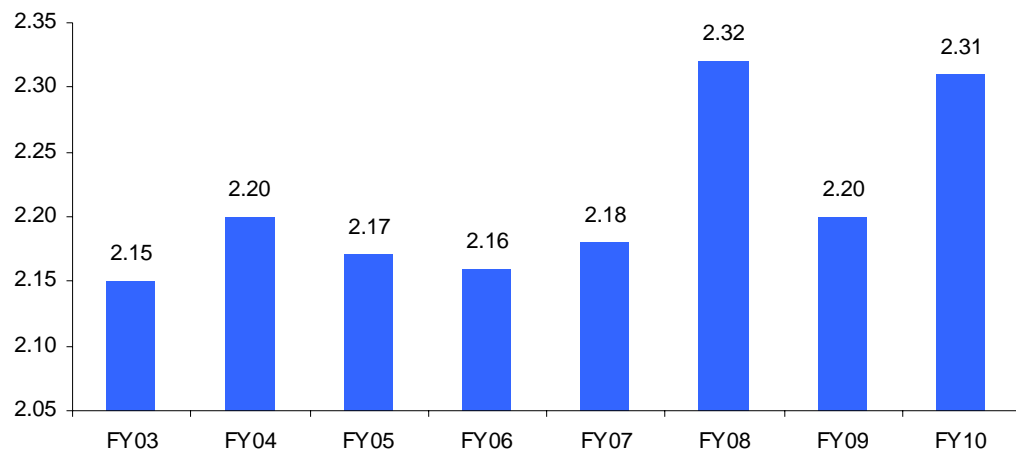
Non individual loan mix tilted towards lease rentals



Source: Company, Antique

Spreads to remain stable in rising interest rate scenario

Spreads maintained at 2%



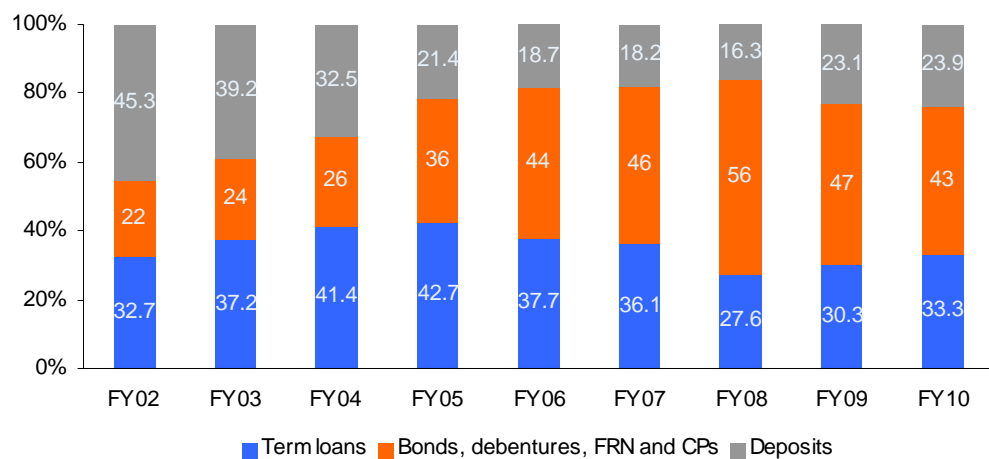
Source: Company, Antique

Due to well-matched asset liability profile

	Assets floating (%)	Liabilities floating (%)	Mismatch
FY05	67	66	1
FY06	66	64	2
FY07	73	71	2
FY08	88	77	11
FY09	82	80	2
FY10	79	78	1

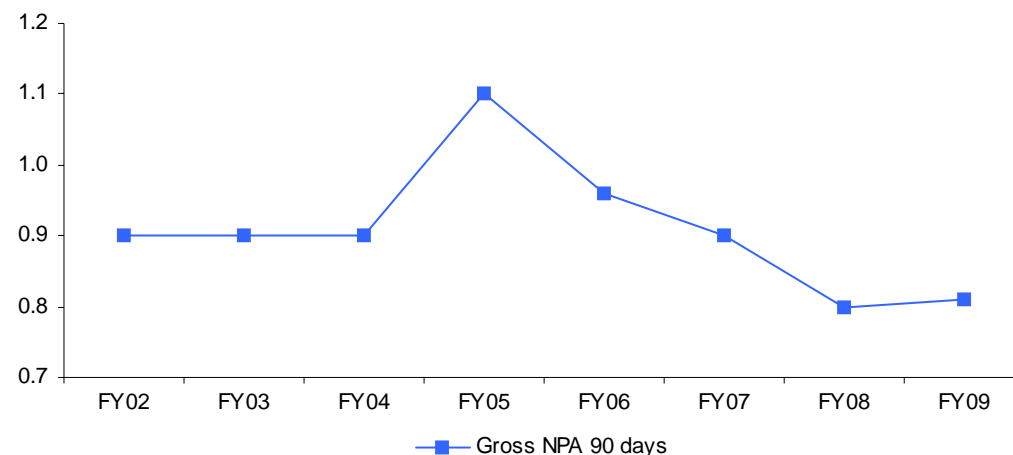
Source: Company, Antique

Well diversified funding mix



Source: Company, Antique

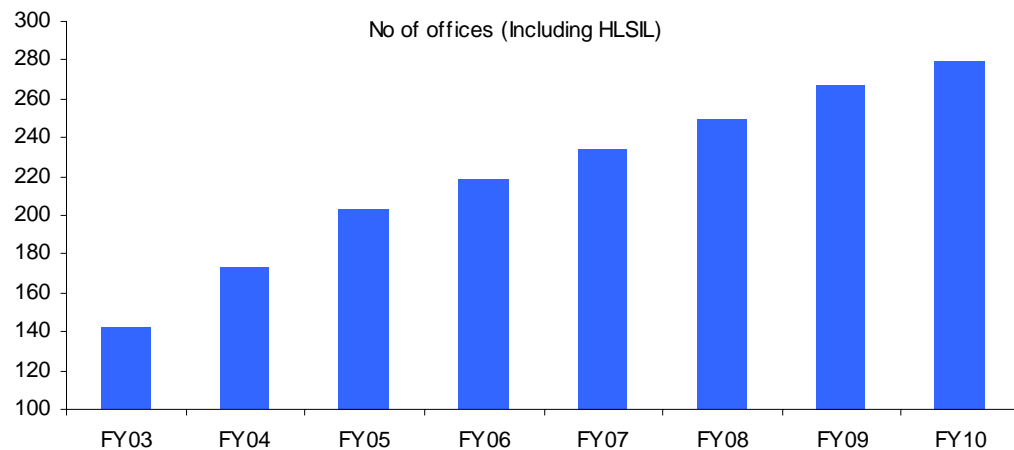
Asset quality continues to remain robust



Source: Company, Antique

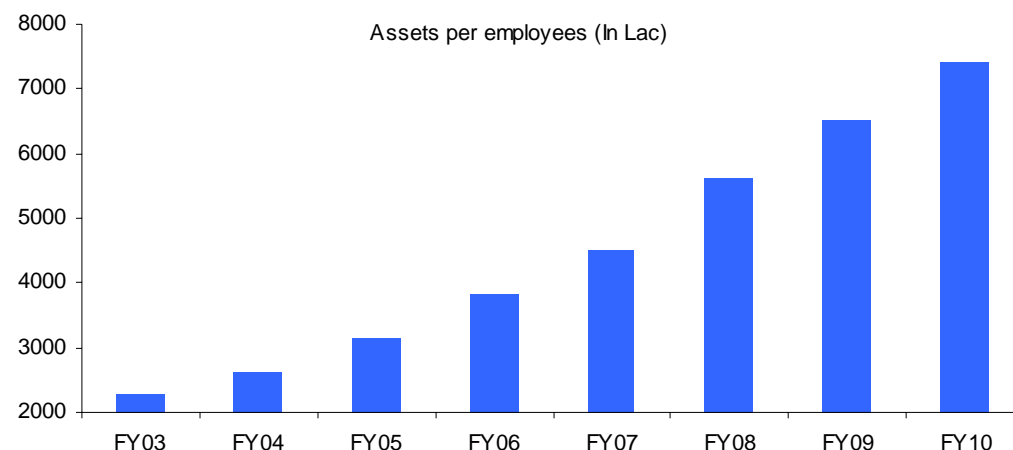
Strong operating efficiency and vast distribution network to remain key strengths

Wide marketing and distribution reach



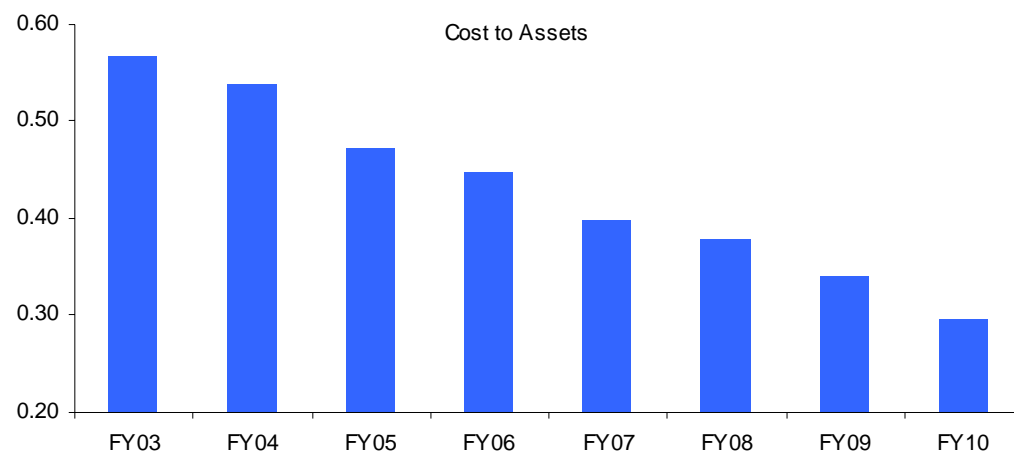
Source: Company, Antique

Employee productivity has doubled in the last few years



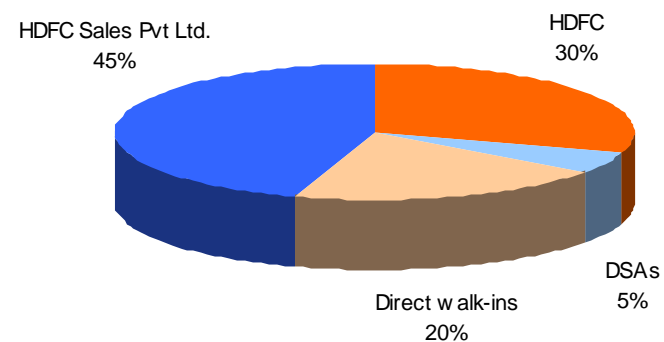
Source: Company, Antique

Lean operating cost structure boosts RoE



Source: Company, Antique

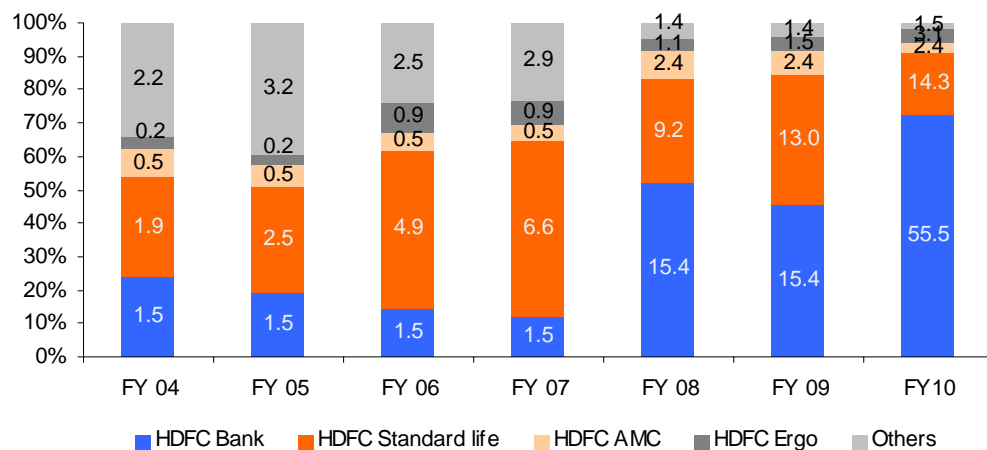
Low dependence on DSA for new business



Source: Company, Antique

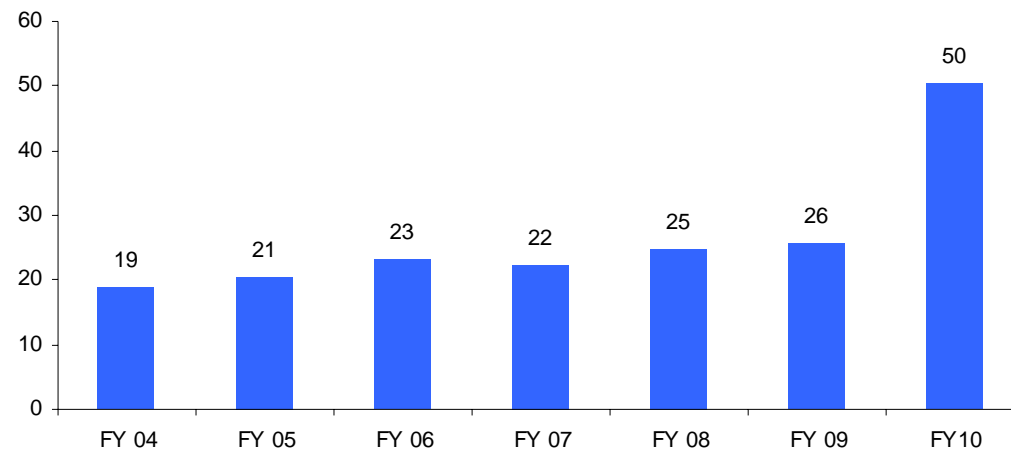
Core RoE for mortgage business to bounce back in FY11e

Substantial investments in subsidiaries and associates by HDFC



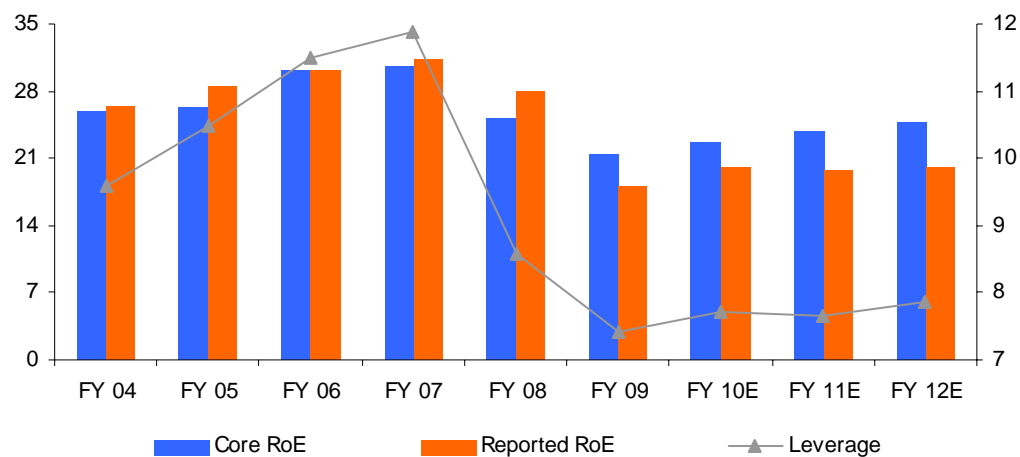
Source: Company, Antique

Investments in subsidiaries and associates at 50% of network



Source: Company, Antique

Core ROE to bounce back in FY11



Source: Company, Antique

Valuation Guide

Company	Reco	Price (INR)	Target price (INR)	Return (%)	Market Cap (INRbn)	Net Profit (INRbn)		EPS (INR)		PE (x)		EV/EBITDA (x)		P/BV (x)		Div Yield (%)		RoE (%)		RoCE (%)		Absolute (%)			Relative (%)		
						FY10	FY11	FY10	FY11	FY10	FY11	FY10	FY11	FY10	FY11	FY10	FY11	FY10	FY11	FY10	FY11	1m	3m	12m	1m	3m	12m
AUTOMOBILES																											
Ashok Leyland	BUY	63	68	6	84	4.2	6.0	3.2	4.5	19.9	14.1	13.8	9.8	2.3	2.5	11.6	7.2	6	18	109	(2)	16	70				
Bajaj Auto	BUY	2,409	2,424	1	349	18.7	23.4	117.5	161.6	20.5	14.9	13.8	11.1	12.0	1.7	58.4	40.4	17	30	151	9	28	104				
Bosch Limited	BUY	5,384	5,476	2	169	5.9	7.4	187.0	236.5	28.8	22.8	24.9	17.9	5.0	0.5	17.5	7.6	10	11	69	2	10	37				
Container Corp. of India	HOLD	1,305	1,202	(8)	170	7.8	8.7	59.9	66.8	21.8	19.5	15.2	13.7	3.9	1.1	18.0	15.4	2	2	38	(5)	1	12				
Exide Industries Limited	HOLD	130	116	(11)	111	5.4	6.1	6.3	7.2	20.6	18.1	12.1	11.5	5.0	0.8	22.7	20.5	15	14	81	7	13	47				
Hero Honda Motors Limited	HOLD	2,058	1,971	(4)	411	22.3	26.2	111.8	131.4	18.4	15.7	15.3	13.3	9.9	3.9	53.6	41.2	9	10	48	1	9	20				
Mahindra & Mahindra	BUY	632	714	13	366	20.4	24.2	35.9	41.6	17.6	15.2	12.6	10.7	4.7	1.5	16.5	10.2	19	21	74	11	19	42				
Maruti Suzuki Limited	BUY	1,387	1,565	13	401	25.0	28.3	86.4	97.8	16.0	14.2	11.1	10.0	3.4	0.4	21.5	16.1	14	(0)	31	6	(2)	6				
Tata Motors Limited	BUY	785	928	18	431	5.6	23.0	39.3	40.3	20.0	19.5	14.2	11.3	2.9	1.9	14.6	8.3	11	6	120	3	5	79				
DIVERSIFIED																											
Aditya Birla Nuvo Limited	BUY	777	920	19	80	2.8	2.3	27.6	20.2	28.1	38.4	14.7	14.9	1.7	0.5	5.3	6.5	5	(11)	(13)	(2)	(12)	(29)				
FMCG & RETAIL																											
Asian Paints	BUY	2,460	2,318	(6)	236	7.5	9.7	78.3	100.8	31.4	24.4	19.3	16.0	13.8	1.1	43.9	59.0	19	25	118	10	23	77				
Britannia Industries Limited (India)	BUY	1,869	1,957	5	45	1.7	2.4	70.9	101.7	26.4	18.4	27.4	12.9	4.8	1.3	23.5	26.5	12	19	19	4	17	(3)				
Colgate Palmolive India Limited	BUY	848	815	(4)	115	4.1	4.7	30.1	34.2	28.2	24.7	27.5	23.9	43.3	2.7	153.6	140.2	20	19	54	12	17	25				
Dabur India Limited	BUY	202	209	3	176	5.0	6.2	5.8	7.2	35.0	28.2	28.1	22.7	15.9	1.1	45.5	42.7	11	26	71	3	24	39				
Godrej Consumer Products Limited	BUY	350	349	(0)	108	3.4	3.8	11.0	12.5	31.8	28.1	27.1	23.5	1.1	3.4	51.7	41.1	12	33	98	4	30	61				
Hindustan Unilever Limited	SELL	271	197	(27)	591	21.1	22.6	9.7	10.4	28.0	26.1	22.0	21.2	20.7	2.7	93.7	74.1	17	19	3	9	17	(16)				
ITC Limited	BUY	306	308	1	1,167	40.6	48.3	10.6	12.6	28.7	24.2	18.7	15.9	8.7	3.3	23.3	31.0	17	20	57	8	18	28				
Jyothy Laboratories Ltd.	BUY	272	294	8	20	0.8	1.0	10.5	13.2	26.0	20.6	19.8	15.4	5.0	1.5	19.1	20.9	50	62	157	39	59	109				
Kansai Nerolac Limited	BUY	843	1,585	88	45	1.7	2.0	61.4	74.6	13.7	11.3	16.5	13.8	3.0	2.4	15.0	16.4	13	52	164	5	50	115				
Marico Limited	HOLD	126	114	(9)	77	2.6	3.1	4.3	5.2	29.0	24.4	20.4	17.5	11.5	0.5	39.8	30.9	20	15	72	11	13	40				
Nestle India Limited	HOLD	2,939	2,673	(9)	283	7.0	8.0	72.4	83.0	40.6	35.4	27.2	24.0	48.8	1.6	119.3	162.6	1	11	67	(6)	9	36				
Pantaloon Retail (India) Limited	HOLD	419	456	9	84	2.0	2.9	9.7	13.8	43.3	30.4	11.9	9.2	2.7	0.2	6.3	10.4	10	7	35	2	5	10				
Titan Industries	BUY	2,244	2,538	13	100	2.6	3.8	58.3	84.6	38.5	26.5	26.2	18.6	12.9	0.7	33.5	32.5	1	26	102	(6)	24	64				
United Breweries	SELL	235	167	(29)	56	0.9	1.2	3.6	4.9	64.5	48.2	23.9	19.7	4.9	0.3	7.6	8.3	20	27	102	12	25	64				
United Spirits	HOLD	1,293	1,229	(5)	162	3.5	4.8	29.5	40.8	43.8	31.7	18.4	16.9	3.1	0.0	7.0	9.9	10	(5)	50	3	(6)	22				
IT & MEDIA																											
Infosys Technologies Ltd.	BUY	2,823	3,024	7	1,620	62.7	72.0	108.9	126.0	25.9	22.4	19.3	16.4	7.0	0.9	27.2	38.0	9	2	61	1	0	31				
Patni Computers Systems Ltd	BUY	507	801	58	66	5.8	6.5	43.9	48.7	11.6	10.4	7.3	6.4	1.7	0.6	14.3	17.5	(8)	(5)	101	(14)	(6)	64				
Financial Technologies India Ltd	BUY	1,350	1,708	27	62	3.7	2.0	80.4	44.4	16.8	30.4	44.5	35.7	2.9	1.5	17.2	18.1	3	(15)	1	(4)	(17)	(18)				
IBN 18	BUY	84	129	54	20	(0.5)	(0.3)	(2.6)	(1.4)	(32.6)	(60.5)	2,855.0	51.5	4.6	-	(0.1)	(1.6)	8	(13)	(16)	(0)	(14)	(32)				
Sun TV Network Ltd	BUY	406	499	23	160	5.0	6.5	12.7	16.4	31.9	24.7	14.8	11.7	7.9	0.9	24.7	35.3	(0)	(2)	67	(7)	(4)	35				
UTV Software Communications Ltd.	BUY	406	579	43	17	0.4	0.9	8.9	23.2	45.8	17.5	156.6	12.0	1.6	-	3.5	0.4	(1)	(12)	11	(8)	(14)	(10)				
Zee Entertainment Enterprises Ltd	BUY	293	361	23	142	5.0	5.9	10.3	12.0	28.5	24.4	22.5	18.0	3.7	0.6	12.8	21.8	4	12	75	(3)	10	42				
Zee News	HOLD	14	16	16	3	0.5	0.1	2.0	0.5	6.9	25.3	4.6	13.4	1.2	2.9	17.1	28.7	6	(78)	(66)	(1)	(78)	(72)				
METALS																											
Adhunik Metaliks Limited	BUY	109	190	74	13	1.2	2.7	11.6	26.0	9.5	4.2	8.1	4.8	2.2	-	26.7	5.7	8	(11)	64	1	(12)	34				
Godawari Power and Ispat	BUY	221	351	59	6	0.3	1.6	12.3	56.1	18.0	3.9	9.6	4.0	1.3	2.0	7.4	8.5	(1)	(7)	99	(8)	(8)	62				
Graphite India Ltd	BUY	99	151	52	17	2.4	2.6	12.4	13.1	8.0	7.6	5.0	4.5	1.3	2.5	16.5	7.6	5	13	141	(3)	11	96				
Hindalco Industries Limited	BUY	151	157	4	289	39.3	20.2	20.5	9.5	7.4	15.9	5.2	7.0	1.7	1.7	18.2	7.6	4	(11)	80	(4)	(13)	46				
Hindustan Zinc Limited	BUY	975	1,701	74	412	39.9	62.0	94.5	146.7	10.3	6.6	8.7	5.0	2.3	0.5	18.9	18.0	(0)	(20)	60	(7)	(21)	30				
Jindal Steel & Power Ltd.	HOLD	657	788	20	612	31.8	37.7	34.4	40.8	19.1	16.1	13.0	11.3	6.0	0.5	31.5	22.2	1	(7)	69	(6)	(8)	37				
JSW Steel Limited	BUY	1,057	1,183	12	198	12.3	16.8	64.3	88.4	16.4	11.9	7.9	6.3	2.2	0.5	9.4	9.2	0	(17)	79	(7)	(18)	46				
NALCO	SELL	435	321	(26)	280	9.7	14.6	15.0	22.7	29.0	19.2	15.8	9.9	2.6	1.2	8.9	11.7	6	11	41	(1)	9	15				
Sarda Energy Limited	BUY	270	350	30	9	0.9	1.4	27.2	41.5	9.9	6.5	6.2	4.7	1.6	1.5	31.7	26.6	6	48	127	(2)	46	85				
Sesa Goa Limited	SELL	380	386	2	326	21.6	31.4	26.3	35.3	14.4	10.8	12.0	9.0	4.7	0.4	31.8	38.0	12	(15)	104	4	(17)	66				
Steel Authority of India	BUY	199	271	36	821	62.8	108.0	15.2	26.2	13.1	7.6	9.8	5.7	1.9	1.3	14.6	10.7	(1)	(18)	34	(8)	(19)	9				
Sterlite Industries India Limited	BUY	174	1,015	484	584	49.7	85.1	38.6	78.7	4.5	2.2	10.6	6.4	0.5	1.7	17.3	13.3	9	(15)	22	1	(16)	(1)				
TATA Steel	BUY	498	651	31	442	(25.2)	50.3	(27.8)	59.0	(17.9)	8.4	15.2	6.4	4.9	2.0	(10.4)	2.4	(1)	(22)	22	(8)	(23)	(0)				
Visa Steel Limited	HOLD	38	55	45	4	0.7	2.3	6.8	21.1	5.6	1.8	7.0	3.5	0.8	-	13.8	3.9	(2)	(14)	46	(9)	(16)	19				

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Company	Reco	Price (INR)	Target price (INR)	Return (%)	Market Cap (INRbn)	Net Profit (INRbn)		EPS (INR)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yield (%)	RoE (%)	RoCE (%)	Absolute (%)			Relative (%)		
						FY10	FY11	FY10	FY11	FY10	FY11	FY10	FY11					FY10	FY11	1m	3m	12m	1m
OIL & GAS																							
Bharat Petroleum Corp. Ltd.	HOLD	551	508	(8)	199	5.1	15.7	14.2	43.5	38.9	12.7	64.6	12.7	1.6	1.4	4.2	(1.8)	(2)	8	29	(9)	6	5
Cairn India Limited	SELL	309	171	(44)	586	49.7	63.8	26.0	33.0	11.9	9.4	8.6	6.9	1.5	1.6	12.8	13.2	11	5	34	3	4	9
GAIL India Limited	BUY	477	528	11	605	31.4	41.1	24.8	32.4	19.3	14.7	12.8	9.1	3.5	1.3	18.4	21.4	6	17	70	(2)	15	38
Hindustan Petroleum Corp. Ltd.	HOLD	352	315	(10)	119	0.3	9.8	1.0	28.8	353.0	12.2	34.8	14.9	1.2	3.1	0.3	0.5	3	12	15	(5)	10	(6)
Indian Oil Company Ltd.	HOLD	341	339	(1)	829	28.0	70.9	11.7	29.7	29.1	11.5	17.1	9.2	1.9	3.5	6.4	5.1	5	14	26	(2)	12	2
Oil India Ltd.	BUY	1,305	1,433	10	314	26.1	31.3	108.6	130.3	12.0	10.0	5.7	4.8	2.3	1.2	19.0	22.2	6	18	N.A	(1)	16	N.A
Oil & Natural Gas Corp. Limited	BUY	1,189	1,476	24	2,544	167.7	240.9	88.3	124.8	13.5	9.5	7.1	5.4	2.9	2.8	20.4	20.1	10	11	13	2	9	(8)
Petronet LNG Ltd.	BUY	78	99	28	58	4.6	6.2	6.1	8.2	12.6	9.4	7.4	6.1	2.5	2.3	20.0	17.5	(6)	(2)	3	(13)	(4)	(16)
Reliance Industries Limited	HOLD	1,052	927	(12)	3,441	159.0	220.9	48.4	67.2	21.8	15.7	12.6	9.9	2.4	0.7	11.0	9.4	3	(4)	5	(4)	(5)	(15)
REAL ESTATE																							
D B Realty	BUY	379	483	27	92	2.7	7.6	10.4	31.1	36.6	12.2	24.0	9.2	3.3	-	9.1	10.8	(5)	(17)	NA	(11)	(18)	NA
DLF	BUY	289	403	39	491	18.2	28.4	10.7	16.8	27.0	17.3	20.2	16.7	1.6	-	5.9	6.0	10	(2)	(10)	2	(3)	(27)
HDIL	BUY	254	333	31	93	5.7	6.5	15.9	17.5	15.9	14.5	17.0	14.0	1.3	-	8.1	6.4	22	(11)	11	13	(12)	(10)
Indiabulls Real Estate	BUY	152	250	64	61	(0.2)	0.3	(0.6)	0.6	(253.7)	236.4	(69.7)	(391.7)	0.6	-	(0.2)	(0.9)	1	5	(27)	(6)	3	(40)
Phoenix Mills	BUY	211	251	19	31	0.6	1.0	4.1	6.8	52.0	30.9	48.8	23.3	2.0	0.6	3.8	2.4	4	12	125	(4)	10	83
Sobha Developers	BUY	284	345	22	28	1.3	1.6	13.7	16.3	20.7	17.4	15.8	13.0	1.6	1.0	7.9	7.2	(4)	3	42	(11)	2	16
Unitech	BUY	74	111	49	181	6.9	10.3	2.8	3.9	26.2	19.0	23.0	16.4	1.6	-	6.2	5.8	10	3	(5)	2	2	(22)
TELECOM																							
Bharti Airtel	SELL	263	254	(4)	1,000	91.0	81.7	24.0	21.5	11.0	12.2	6.2	6.4	2.4	-	22.0	20.9	(1)	(14)	(34)	(8)	(16)	(46)
Idea Cellular	SELL	56	48	(14)	184	9.5	5.9	2.9	1.8	19.2	31.0	5.5	5.1	(17.3)	-	8.0	7.0	7	(14)	(32)	(1)	(16)	(45)
Reliance Communication	HOLD	188	137	(27)	388	46.5	28.3	22.6	13.7	8.3	13.7	7.7	8.6	1.0	-	9.9	6.1	27	10	(38)	18	9	(49)
UTILITIES AND INDUSTRIALS																							
ABB Limited	HOLD	883	654	(26)	187	5.1	5.8	23.9	27.5	37.0	32.1	74.3	64.3	6.5	0.2	17.5	24.7	7	6	17	(1)	4	(5)
Adani Power	SELL	120	82	(32)	261	8.9	10.6	4.1	4.9	29.5	24.6	35.9	23.5	4.1	-	14.1	4.3	3	N.A	N.A	(5)	N.A	N.A
Bharat Heavy Electricals Limited	BUY	2,455	2,719	11	1,202	56.3	67.1	88.8	115.1	27.7	21.3	14.2	12.0	6.1	1.1	28.7	33.5	7	4	12	(1)	2	(9)
CESC	BUY	378	465	23	47	1.7	3.6	13.7	28.7	27.7	13.2	15.4	9.7	1.0	0.8	5.6	2.3	3	(3)	30	(4)	(4)	6
GMR Infrastructure	BUY	57	82	44	221	1.4	2.9	0.4	0.8	153.1	71.3	26.3	19.4	2.9	3.5	1.9	3.0	(0)	(1)	(18)	(7)	(3)	(34)
Lanco Infrastructure	BUY	68	70	2	165	4.5	12.9	1.9	5.4	36.1	12.7	15.8	7.6	4.9	-	16.7	10.9	20	25	88	12	23	53
Larsen & Toubro	BUY	1,792	1,781	(1)	1,081	34.8	40.9	58.3	68.6	30.7	26.1	20.7	18.0	5.8	0.6	18.8	13.8	10	11	19	2	9	(3)
NTPC	HOLD	195	212	9	1,605	88.4	94.2	10.7	11.4	18.2	17.0	14.4	11.9	2.6	2.0	14.7	9.5	(2)	(4)	(2)	(9)	(6)	(20)
Power Grid	HOLD	101	115	14	427	19.9	23.4	4.7	5.6	21.4	18.3	11.9	10.2	2.7	1.2	12.4	10.1	(1)	(6)	(6)	(8)	(8)	(23)
PTC India Limited	BUY	101	132	30	30	0.9	1.3	3.2	4.5	31.7	22.4	46.0	29.6	1.4	1.3	5.1	2.8	(3)	(7)	9	(10)	(9)	(12)
Reliance Infrastructure	HOLD	1,162	1,065	(8)	285	12.8	15.0	56.1	65.6	20.7	17.7	28.9	26.0	1.4	1.7	7.3	2.5	11	14	(8)	3	12	(25)
Siemens Limited	BUY	740	749	1	250	7.6	10.8	22.6	31.9	32.8	23.2	18.2	13.1	7.7	0.6	23.6	32.8	10	0	53	2	(1)	24
Suzlon Energy Limited	HOLD	58	49	(14)	102	(11.9)	0.1	(7.4)	0.0	(7.8)	1,444.7	29.4	15.5	1.2	-	(15.7)	0.5	(2)	(22)	(51)	(9)	(23)	(60)
Tata Power	SELL	1,319	1,112	(16)	313	16.2	19.4	68.1	78.6	19.4	16.8	10.0	7.5	2.8	1.1	14.5	9.4	6	(3)	17	(2)	(4)	(5)

Valuation Guide

Company	Reco	Price (INR)	Target price (INR)	Return (%)	Market Cap (INRbn)	Net Profit (INRbn)		EPS (INR)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yield (%)	RoE (%)	RoCE (%)	Absolute (%)			Relative (%)		
						FY10	FY11	FY10	FY11	FY10	FY11	FY10	FY11					FY10	FY11	FY10	FY11	1m	3m
FINANCIALS																							
Axis Bank	BUY	1,263	1,250	(1)	514	25	31	61.8	76.5	20.4	16.5	0.7	0.6	3.3	0.9	18.9	1.6	5	9	64	(2)	7	34
Bajaj Auto Finance	BUY	475	632	33	17	0.89	2.03	24.4	55.5	51.7	8.6	2.2	2.0	1.5	1.3	8.1	1.9	5	55	206	(2)	52	149
HDFC	BUY	3,022	3,100	3	876	27	33	96.1	116.3	31.4	26.0	0.4	0.4	5.8	1.0	19.5	2.4	13	15	31	5	13	6
HDFC Bank	BUY	2,002	2,150	7	920	29	37	67.0	83.0	29.9	24.1	0.6	0.6	4.5	0.7	16.3	1.5	10	6	37	2	5	12
ICICI Bank	BUY	886	998	13	988	40	48	35.7	43.3	24.8	20.5	2.1	1.5	2.1	1.4	7.8	1.0	6	(4)	28	(1)	(6)	5
LIC Housing Finance	BUY	1,035	1,014	(2)	98	7	8	76.4	88.1	13.6	11.7	0.3	0.2	3.0	1.6	25.6	2.1	12	28	62	4	26	32
Punjab National Bank	BUY	1,064	1,100	3	335	38	44	120.2	138.8	8.9	7.7	0.5	0.4	2.5	2.3	23.4	1.5	8	10	71	1	8	39
Shriram Transprt finance	BUY	601	638	6	135	8	11	37.8	52.5	15.9	11.4	0.70	0.50	4.0	2.7	29.5	2.9	10	21	109	2	19	70
State Bank Of India	HOLD	2,358	2,426	3	1497	101	114	159.6	178.8	14.8	13.2	2.6	2.2	3.1	1.3	16.9	1.0	6	15	37	(2)	13	12
YES Bank	BUY	271	300	11	92	5	6	14.9	17.5	18.2	15.4	0.4	0.3	3.0	-	0.0	1.9	3	14	93	(5)	12	57

Company	Reco	Price (INR)	Target price (INR)	Return (%)	Market Cap (INRbn)	Net Profit (INRbn)		EPS (INR)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yield (%)	RoE (%)	RoCE (%)	Absolute (%)			Relative (%)		
						FY10	FY11	FY10	FY11	FY10	FY11	FY10	FY11					FY10	FY11	FY10	FY11	1m	3m
MIDCAP																							
Balrampur Chini Mills Ltd	HOLD	78	90	15	20	1.1	2.2	4.3	8.4	18.1	9.3	9.2	6.3	1.6	0.9	9.1	9.3	1	(14)	(27)	(6)	(16)	(40)
Essar Shipping Ports & Logistics Ltd.	BUY	89	111	24	55	0.4	1.5	0.6	2.4	154.9	36.5	15.0	11.0	0.7	-	0.5	6.0	10	29	44	2	27	17
Ess Dee Aluminium Ltd.	BUY	512	540	5	14	1.0	1.4	36.6	51.1	14.0	10.0	10.8	7.8	3.3	0.4	27.2	20.4	3	26	80	(5)	24	46
Gayatri Projects Ltd	BUY	441	494	12	5	0.5	0.7	35.1	47.9	12.6	9.2	6.1	4.8	1.8	0.9	20.5	18.3	(3)	12	163	(9)	10	114
Great Eastern Shipping Company Ltd.	BUY	299	393	32	46	5.4	8.1	35.4	53.0	8.4	5.6	8.2	5.5	0.8	-	9.6	7.7	4	4	25	(3)	3	2
HeidelbergCement India Ltd.	BUY	51	74	45	12	1.1	1.3	5.0	5.7	10.3	9.0	5.8	5.3	1.4	-	14.2	28.9	6	(3)	38	(2)	(4)	12
JK Lakshmi Cement	BUY	62	112	80	8	2.3	2.0	19.0	16.3	3.3	3.8	2.3	2.5	0.7	3.2	25.0	23.9	(1)	(14)	16	(8)	(15)	(5)
Mercator Lines Ltd.	BUY	47	73	57	11	0.4	1.2	1.8	4.9	26.6	9.5	6.5	5.2	0.6	0.4	1.8	5.1	(1)	(19)	(23)	(8)	(20)	(37)
Maharashtra Seamless Ltd	BUY	384	450	17	27	2.8	3.0	40.2	42.8	9.6	9.0	4.9	4.4	1.7	1.3	30.1	0.0	(2)	9	38	(9)	7	12
Mahindra Holidays	BUY	519	561	8	44	1.2	1.2	14.1	14.7	36.7	35.3	22.4	20.2	9.8	0.3	37.0	17.0	9	(2)	N/A	1	(4)	N/A
Nava Bharat Ventures Ltd.	BUY	425	523	23	32	5.4	5.7	70.6	64.5	6.0	6.6	5.0	4.3	2.0	4.8	32.5	26.9	1	6	56	(6)	5	27
Opto Circuits	BUY	240	276	15	44	2.6	3.9	14.2	21.3	16.9	11.3	12.2	9.3	4.0	25.1	32.1	29.5	7	8	54	(0)	6	25
Polyplex Limited	BUY	249	250	0	4	1.3	0.6	83.5	101.7	3.0	2.5	2.9	2.5	0.6	3.2	20.3	18.8	20	28	43	11	26	16
Prakash Industries	BUY	171	351	106	21	2.3	3.6	18.7	25.5	9.1	6.7	5.8	4.0	1.6	-	17.2	17.4	4	(25)	68	(4)	(26)	37
S Kumars Nationwide Ltd	BUY	74	67	(10)	18	2.1	3.0	8.5	12.0	8.8	6.2	6.6	4.6	1.0	-	14.8	14.2	17	21	66	8	20	35
Shiv Vani Oil & Gas	HOLD	433	449	4	20	2.2	2.8	49.8	64.2	8.7	6.7	6.7	6.1	1.7	0.2	21.7	22.5	2	13	55	(5)	11	26
Shree Renuka Sugars Ltd	HOLD	66	69	4	44	7.0	3.7	10.5	5.6	6.3	11.9	4.3	6.6	1.9	1.5	36.2	37.2	18	(8)	(4)	10	(10)	(22)
Sterlite Technologies Ltd.	HOLD	119	100	(16)	42	2.5	3.0	7.3	8.8	16.4	13.5	10.7	8.5	1.8	0.1	33.3	32.0	20	39	274	11	36	205
Triveni Engineering & Industries Ltd	HOLD	96	121	26	25	2.0	2.7	8.4	10.5	11.3	9.1	7.4	6.1	2.2	1.0	21.0	18.7	(2)	(30)	(5)	(9)	(31)	(23)
Ultratech Cements Ltd	HOLD	946	1,004	6	118	11.3	11.0	90.7	88.3	10.4	10.7	6.2	6.3	2.5	0.6	27.4	28.6	(1)	(15)	37	(8)	(16)	12

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