

# Earnings Guide

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December 2007



# Top Picks



- Reliance Industries
- Bharat Heavy Electricals
- Larsen & Toubro
- ICICI Bank
- ITC
- Reliance Communications

- Bank of Baroda
- HDFC
- India Cements
- Hero Honda
- HDIL
- Crompton Greaves

## Other Ideas

- Rolta India
- Koutons Retail India
- Entertainment Network (India)
- Peninsula Land / Anant Raj Industries
- Voltas
- AIA Engineering
- Jaiprakash Associates / Nagarjuna Constructions
- Bharati Shipyard / ABG Shipyard
- Punj Lloyd
- KEC Int. / Jyoti Structures
- Ankur Drugs
- Akruti Nirman

- UTV Software
- Areva T&D
- Asian Electronics
- IDFC
- Apollo Tyres / Ceat Tyres
- Deccan Chronicle
- YES Bank / Kotak Mahindra Bank
- Country Club / Bhagwati Banquets & Hotels
- Ess Dee Aluminium
- Amtek India / Sona Koyo / Ahmednagar Forgings
- Philips Carbon Black
- Welspun Gujarat Stahl Rohren

# PL Universe – A Snapshot



	Last Year (FY07)		(FY08)									
	(Rs.m)		(Rs.m)		Growth (%)		Valuations (x)					
	Sales	PAT	Sales	PAT	Sales	PAT	PER	MC/Sales	EV/EBITDA	EV/Sales	RoE (%)	RoCE (%)
Automobile	953,987	79,908	1,067,315	86,354	11.9	8.1	15.2	1.2	9.7	1.2	27.2	21.9
Auto Ancillaries	182,558	18,644	220,823	22,495	21.0	20.7	18.3	1.9	11.0	1.9	23.3	17.5
Capital Goods	587,479	55,633	827,791	79,655	40.9	43.2	40.4	3.9	25.9	3.7	34.4	26.7
Cement	354,725	61,013	399,362	79,352	12.6	30.1	13.2	2.6	7.6	2.6	37.4	25.5
Construction	361,136	25,094	514,323	34,880	42.4	39.0	57.8	3.9	51.3	4.1	27.5	15.9
FMCG	295,585	48,219	344,097	56,291	16.4	16.7	24.4	4.0	17.4	3.7	113.5	98.3
Financial Inst.	25,739	7,788	51,971	20,938	101.9	168.8	32.0	12.9	37.3	12.9	32.9	240.4
IT	657,733	147,829	834,128	175,577	26.8	18.8	19.4	4.1	14.9	3.7	36.1	34.2
Media	36,439	7,005	49,502	10,654	35.9	52.1	33.3	7.2	16.4	6.1	22.0	18.0
Metals	1,173,721	226,091	2,729,877	309,358	132.6	36.8	10.1	1.1	6.4	1.3	28.7	18.4
Pharma	95,677	22,846	114,022	29,977	19.2	31.2	17.2	4.5	14.5	4.6	32.9	28.0
Oil & Gas	5,992,009	436,646	6,577,661	460,491	9.8	5.5	19.0	1.3	11.2	1.4	21.4	13.9
Real Estate	37,651	12,291	82,626	26,335	119.4	114.3	15.4	7.2	16.4	6.1	105.9	59.3
Telecom	368,404	72,260	461,042	114,126	25.1	57.9	29.2	7.2	17.6	7.2	27.8	17.7
Textiles	48,129	4,313	65,788	6,022	36.7	39.6	9.7	0.9	7.8	1.5	18.0	9.4
Others	94,366	9,184	134,721	13,881	42.8	51.1	18.4	0.9	7.8	1.5	23.0	17.1
<b>Sub-Total</b>	<b>11,265,339</b>	<b>1,234,765</b>	<b>14,475,051</b>	<b>1,526,385</b>	<b>28.5</b>	<b>23.6</b>	<b>19.8</b>	<b>2.1</b>	<b>12.6</b>	<b>2.1</b>		

	Last Year (FY07)		1-year forward (FY08)									
	(Rs.m)		(Rs.m)		Growth (%)		Valuations (x)					
	Total Inc.	PAT	Total Inc.	PAT	Total Inc.	PAT	PER	MCTBS	P/BV	P/ABV	RoE (%)	RoA (%)
Banks	1,429,509	155,023	1,844,431	204,092	29.0	31.7	21.2	19.6	2.9	3.2	13.7	0.9
Financial Inst.	120,979	31,923	170,353	43,420	40.8	36.0	32.9	84.7	7.7	7.7	23.5	2.6
<b>Total</b>	<b>12,815,827</b>	<b>1,421,711</b>	<b>16,489,835</b>	<b>1,773,897</b>	<b>28.7</b>	<b>24.8</b>	<b>20.3</b>					

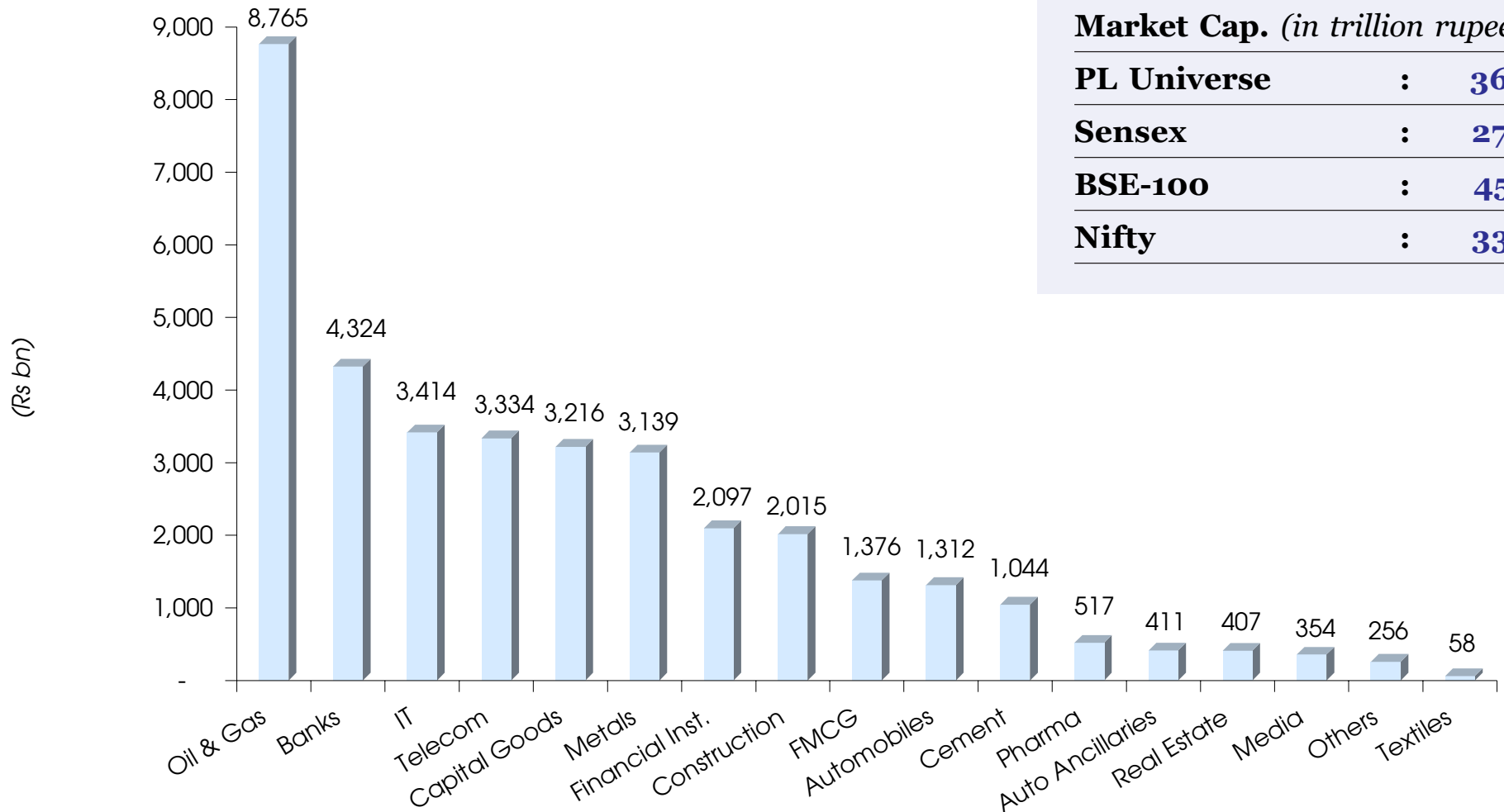
# PL Universe – A Snapshot



	(FY08)		(FY09)									
	(Rs.m)		(Rs.m)		Growth (%)		Valuations (x)					
	Sales	PAT	Sales	PAT	Sales	PAT	PER	MC/Sales	EV/EBITDA	EV/Sales	RoE (%)	RoCE (%)
Automobile	1,067,315	86,354	1,242,906	101,845	16.5	17.9	12.9	1.1	7.8	1.0	26.8	18.5
Auto Ancillaries	220,823	22,495	268,461	28,113	21.6	25.0	14.8	1.6	9.2	1.6	24.4	18.5
Capital Goods	827,791	79,655	1,122,094	110,378	35.6	38.6	29.0	2.8	18.0	2.7	36.3	29.0
Cement	399,362	79,352	450,456	94,730	12.8	19.4	11.0	2.3	6.7	2.2	32.9	25.5
Construction	514,323	34,880	702,451	50,528	36.6	44.9	40.7	2.9	35.6	3.1	31.0	18.7
FMCG	344,097	56,291	399,869	65,661	16.2	16.6	21.0	3.4	14.8	3.1	116.9	101.9
Financial Inst.	51,971	20,938	82,066	36,580	57.9	74.7	18.3	8.3	25.5	8.8	39.4	421.1
IT	834,128	175,577	1,083,332	216,027	29.9	23.0	15.9	3.2	11.7	2.7	34.3	32.4
Media	49,502	10,654	64,059	13,756	29.4	29.1	25.9	5.6	12.3	4.6	22.2	19.2
Metals	2,729,877	309,358	2,970,276	341,823	8.8	10.5	9.6	1.1	6.1	1.3	23.0	15.7
Pharma	114,022	29,977	135,504	34,431	18.8	14.9	15.0	3.8	11.9	3.9	30.4	27.4
Oil & Gas	6,577,661	460,491	7,253,654	505,802	10.3	9.8	17.3	1.2	10.0	1.3	21.1	14.2
Real Estate	82,626	26,335	157,645	51,946	90.8	97.3	8.3	5.6	12.3	4.6	77.1	52.3
Telecom	461,042	114,126	604,779	148,221	31.2	29.9	22.5	5.5	13.3	5.5	26.2	19.1
Textiles	65,788	6,022	82,420	8,233	25.3	36.7	7.1	0.7	6.0	1.3	20.6	10.7
Others	134,721	13,881	191,791	21,761	42.4	56.8	11.8	0.7	6.0	1.3	26.1	20.0
<b>Sub-Total</b>	<b>14,475,051</b>	<b>1,526,385</b>	<b>16,811,763</b>	<b>1,829,837</b>	<b>16.1</b>	<b>19.9</b>	<b>16.7</b>	<b>1.8</b>	<b>10.6</b>	<b>1.8</b>		

	Last Year (FY08)		1-year forward (FY09)									
	(Rs.m)		(Rs.m)		Growth (%)		Valuations (x)					
	Total Inc.	PAT	Total Inc.	PAT	Total Inc.	PAT	PER	MCTBS	P/BV	P/ABV	RoE (%)	RoA (%)
Banks	1,844,431	204,092	2,252,184	247,009	22.1	21.0	17.5	16.7	2.6	2.9	14.7	1.0
Financial Inst.	170,353	43,420	218,506	53,096	28.3	22.3	26.9	67.4	7.3	7.3	27.3	2.5
<b>Total</b>	<b>16,489,835</b>	<b>1,773,897</b>	<b>19,282,452</b>	<b>2,129,941</b>	<b>16.9</b>	<b>20.1</b>	<b>17.0</b>					

# PL Universe – Market Capitalisation



Market Cap. (in trillion rupees)		
<b>PL Universe</b>	<b>:</b>	<b>36.0</b>
<b>Sensex</b>	<b>:</b>	<b>27.8</b>
<b>BSE-100</b>	<b>:</b>	<b>45.2</b>
<b>Nifty</b>	<b>:</b>	<b>33.6</b>

All stock prices as on 6th December, 2007

## Sector View

Over Weight

## Top Picks

Maruti Suzuki

Hero Honda

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Ashok Leyland	MP	51	71,682	4,316	3.3	0.9	73,272	3,631	2.7	(5.7)	84,373	4,656	3.5	(0.7)
Bajaj Auto	MP	2,728	95,535	12,869	127.2	100.6	102,778	13,639	134.8	146.7	122,254	16,345	161.5	115.9
Hero Honda	OP	690	99,000	8,579	43.0	5.3	110,486	9,540	47.8	56.8	135,037	13,214	66.2	49.0
M&M*	MP	785	178,418	16,144	59.1	72.7	223,149	18,387	67.3	94.9	244,004	20,659	75.6	109.4
Maruti Udyog	OP	1,041	146,539	15,619	54.0	35.4	181,067	19,618	67.9	(16.1)	228,109	20,725	71.7	3.2
Tata Motors*	UP	775	324,264	21,714	50.4	(90.4)	340,943	21,127	49.1	28.3	391,371	25,492	59.2	(27.0)
TVS Motors	MP	69	38,550	666	2.8	(5.0)	35,620	411	1.7	(1.0)	37,757	755	3.2	0.8
<b>SECTOR</b>			<b>953,987</b>	<b>79,908</b>			<b>1,067,315</b>	<b>86,354</b>			<b>1,242,906</b>	<b>101,845</b>		

\* Consolidated

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# Automobiles



## Sector View

**Over Weight**

## Top Picks

**Maruti Udyog**

**Hero Honda**

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
Ashok Leyland	FY08	2.2	(15.9)	(15.9)	18.6	0.9	8.3	0.8	18.4	12.1
	FY09	15.2	28.2	28.2	14.5	0.8	7.0	0.7	21.3	12.2
Bajaj Auto	FY08	7.6	6.0	6.0	20.2	2.7	11.8	1.8	21.6	17.8
	FY09	18.9	19.8	19.8	16.9	2.3	9.1	1.4	22.5	18.7
Hero Honda	FY08	11.6	11.2	11.2	14.4	1.2	8.1	1.0	34.7	32.6
	FY09	22.2	38.5	38.5	10.4	1.0	5.6	0.8	38.3	36.2
M&M*	FY08	25.1	13.9	13.9	11.7	1.0	7.5	1.2	32.8	13.4
	FY09	9.3	12.4	12.4	10.4	0.9	7.0	1.1	28.8	13.3
Maruti Udyog	FY08	23.6	25.6	25.6	15.3	1.7	13.8	1.9	25.7	24.1
	FY09	26.0	5.6	5.6	14.5	1.3	10.6	1.5	23.6	22.6
Tata Motors*	FY08	5.1	(2.7)	(2.7)	15.8	0.9	8.8	1.1	24.9	15.6
	FY09	14.8	20.7	20.7	13.1	0.8	7.0	0.9	25.1	16.3
TVS Motors	FY08	(7.6)	(38.3)	(38.3)	24.8	0.4	12.0	0.5	10.4	10.8
	FY09	(7.6)	(38.3)	(38.3)	40.1	0.5	12.0	0.5	13.4	13.9
<b>SECTOR</b>	<b>FY08</b>	<b>11.9</b>	<b>8.1</b>		<b>15.2</b>	<b>1.2</b>	<b>9.7</b>	<b>1.2</b>	<b>27.2</b>	<b>21.9</b>
	<b>FY09</b>	<b>16.5</b>	<b>17.9</b>		<b>12.9</b>	<b>1.1</b>	<b>7.8</b>	<b>1.0</b>	<b>26.8</b>	<b>18.5</b>

\* Consolidated

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# Auto Ancillaries



## Sector View

Over Weight

## Top Picks

Amtek India

Ahmednagar Forgings

Sona Koyo Steering

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Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Ahmednagar Forging*	OP	234	6,003	682	20.5	(30.6)	9,544	1,050	31.6	(6.4)	11,739	1,363	41.0	35.0
Amtek Auto*	OP	460	40,496	3,909	24.4	20.9	50,405	4,895	30.6	34.1	66,535	5,988	37.4	39.0
Amtek India*	BUY	170	9,732	1,335	10.9	(18.4)	14,232	2,062	16.8	(15.4)	16,360	2,773	22.6	131.1
Bharat Forge	UP	343	18,644	2,410	10.3	(2.1)	22,989	2,872	12.0	1.1	31,701	4,243	17.7	5.4
Denso India	UP	93	4,210	277	10.0	4.0	4,631	315	11.3	5.0	4,863	340	12.0	5.6
Gabriel India	OP	27	5,151	731	10.2	3.2	5,254	263	3.7	3.9	5,779	318	4.4	3.4
Goetze (India) **	MP	140	3,955	(63)	-	-	5,801	(30)	-	-	5,221	(42)	-	-
India Nippon	MP	177	1,432	185	23.0	24.5	1,289	183	22.9	29.5	1,417	191	23.6	38.0
MICO**	OP	5,164	37,836	5,480	171.0	121.7	43,722	6,563	204.7	214.0	48,095	7,214	224.7	265.0
Motherson Sumi	MP	99	10,812	1,268	3.6	1.4	12,930	1,404	4.0	3.3	16,034	1,790	5.1	3.4
Munjal Showa	UP	53	6,919	260	6.5	(5.5)	7,473	306	7.7	5.0	8,220	395	9.9	(4.0)
Rico Auto	UP	45	7,704	258	2.1	(3.6)	8,042	327	2.6	2.4	10,221	540	4.3	6.3
Sona Koyo	OP	64	5,808	277	2.7	(1.5)	7,434	390	3.8	(13.3)	10,500	562	5.5	(5.9)
Sundaram Clay.	MP	763	8,163	928	48.9	17.6	8,816	1,058	55.7	24.9	10,139	1,267	66.7	28.0
Sundaram Fast.	OP	53	15,693	709	3.4	0.6	18,261	839	4.0	2.0	21,638	1,169	5.6	2.3
<b>SECTOR</b>			<b>182,558</b>	<b>18,644</b>			<b>220,823</b>	<b>22,495</b>			<b>268,461</b>	<b>28,113</b>		

\*Y/e June

\*\* Y/e December



# Auto Ancillaries



## Sector View

## Over Weight

## Top Picks

### Amtek India

### Ahmednagar Forgings

### Sona Koyo Steering

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Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
Ahmednagar Forging*	FY08	59.0	54.0	54.0	7.4	0.8	5.4	1.1	30.9	20.2
	FY09	23.0	29.8	29.8	5.7	0.6	4.2	0.9	32.4	22.5
Amtek Auto*	FY08	24.5	25.2	25.2	18.8	1.5	7.6	1.3	32.2	23.3
	FY09	32.0	22.3	22.3	15.0	1.2	7.6	1.3	32.0	22.5
Amtek India*	FY08	106.2	101.6	101.6	10.1	1.2	5.6	1.4	23.0	14.9
	FY09	15.0	34.5	34.5	7.5	1.0	5.0	1.2	20.4	16.6
Bharat Forge	FY08	23.3	19.2	16.0	28.7	3.3	15.7	3.5	19.7	11.5
	FY09	37.9	47.7	47.7	19.4	2.4	10.0	2.5	23.4	14.3
Denso India	FY08	10.0	13.8	13.0	9.3	0.6	3.5	0.5	17.9	14.7
	FY09	5.0	8.1	6.2	8.2	0.6	2.9	0.4	18.4	15.0
Gabriel India	FY08	2.0	(64.1)	(64.1)	2.6	0.4	9.0	0.5	18.0	10.5
	FY09	10.0	21.0	21.0	7.3	0.4	7.7	0.5	18.5	11.0
Goetze (India) **	FY08	46.7	LP	LP	-	0.9	12.5	1.5	-	-
	FY09	(10.0)	40.0	-	-	0.6	17.7	1.6	-	-
India Nippon	FY08	(10.0)	(0.8)	(0.6)	7.7	1.0	7.6	1.0	22.3	18.5
	FY09	10.0	4.6	3.3	7.7	1.1	6.6	1.1	24.0	21.0
MICO**	FY08	15.6	19.8	19.7	30.2	4.4	15.7	4.0	23.5	22.5
	FY09	10.0	9.9	9.8	25.2	3.8	14.6	3.5	25.2	23.4
Motherson Sumi	FY08	19.6	10.7	10.7	24.8	2.7	15.4	2.5	40.3	23.1
	FY09	24.0	27.5	27.5	19.4	2.2	12.9	2.1	38.9	32.4
Munjal Showa	FY08	8.0	17.8	17.8	8.2	0.3	4.5	0.3	17.8	19.0
	FY09	10.0	28.8	28.8	7.0	0.3	3.7	0.3	18.4	19.2
Rico Auto	FY08	4.4	26.4	26.4	17.4	0.7	6.3	0.7	12.9	11.3
	FY09	27.1	65.4	65.4	10.5	0.6	4.0	0.5	19.5	15.2
Sona Koyo	FY08	28.0	40.7	40.7	16.8	0.9	7.7	0.9	22.1	14.4
	FY09	41.2	44.2	44.2	11.7	0.6	6.1	0.7	23.9	14.1
Sundaram Clay.	FY08	8.0	14.1	13.9	15.6	1.8	11.6	2.0	31.0	27.3
	FY09	15.0	19.8	19.8	13.7	1.6	11.4	1.8	31.5	28.1
Sundaram Fast.	FY08	16.4	18.4	18.4	15.8	0.7	7.5	1.0	20.9	12.0
	FY09	18.5	39.3	39.3	13.3	0.6	7.5	0.8	23.5	14.2
<b>SECTOR</b>	<b>FY08</b>	<b>21.0</b>	<b>20.7</b>		<b>18.3</b>	<b>1.9</b>	<b>11.0</b>	<b>1.9</b>	<b>23.3</b>	<b>17.5</b>
	<b>FY09</b>	<b>21.6</b>	<b>25.0</b>		<b>14.8</b>	<b>1.6</b>	<b>9.2</b>	<b>1.6</b>	<b>24.4</b>	<b>18.5</b>

\*Y/e June

\*\* Y/e December

# Banks



## Sector View

### Equal Weight

### Top Picks

### ICICI Bank

### Bank of Baroda

Financials	Reco	CMP	Last Year (FY07)						1-year forward (FY08)						2-year forward (FY09)					
			(Rs.m)			(Rs)			(Rs.m)			(Rs)			(Rs.m)			(Rs)		
			Total Income	NII	PAT	EPS	BV	ABV	Total Income	NII	PAT	EPS	BV	ABV	Total Income	NII	PAT	EPS	BV	ABV
Axis Bank	OP	927	54,718	15,671	6,590	23.5	120.5	111.0	84,916	24,583	10,007	31.4	234.7	225.5	115,742	34,248	13,825	38.8	263.8	250.7
Bank of Baroda	OP	392	103,859	37,861	10,265	28.1	236.6	222.9	134,961	42,274	14,146	38.7	265.7	250.1	162,449	49,088	17,441	47.7	301.5	279.3
Bank of India	OP	356	104,992	36,845	11,232	23.0	112.7	99.8	140,067	42,252	16,383	33.6	139.3	123.1	165,768	48,935	19,528	40.0	171.3	150.9
Canara Bank	MP	300	128,155	40,268	14,208	34.7	197.7	175.0	159,290	37,775	15,540	37.9	279.2	250.9	182,416	41,292	17,076	41.6	311.7	278.8
HDFC Bank	OP	1,686	81,642	37,096	11,415	36.1	201.4	195.1	117,774	47,972	15,444	45.9	334.4	326.5	158,657	62,227	19,717	55.8	377.4	366.6
ICICI Bank	OP	1,199	289,235	56,371	31,102	34.8	270.9	248.8	396,557	75,873	40,582	40.5	425.3	393.6	491,190	96,423	49,831	45.0	454.6	413.2
PNB	OP	630	125,798	55,146	15,401	48.8	321.6	298.6	156,027	54,436	18,564	58.9	365.8	314.3	189,203	61,512	21,730	68.9	418.2	374.8
SBI	OP	2,397	452,603	160,542	45,413	86.3	589.6	489.7	540,229	161,149	60,682	115.3	682.5	564.3	643,129	179,269	71,740	136.3	792.9	663.8
Union Bank of India	MP	189	80,687	27,902	8,454	16.7	93.7	81.8	98,504	31,209	10,942	21.7	109.8	100.0	117,014	35,126	12,791	25.3	128.8	116.3
Yes Bank	OP	246	7,822	1,713	944	3.4	28.1	28.1	16,105	3,498	1,802	6.2	40.1	40.1	26,615	6,754	3,330	11.1	51.2	51.2
<b>SECTOR</b>			<b>1,429,509</b>	<b>469,415</b>	<b>155,023</b>				<b>1,844,431</b>	<b>521,020</b>	<b>204,092</b>				<b>2,252,184</b>	<b>614,875</b>	<b>247,009</b>			

## Sector View

### Equal Weight

### Top Picks

### ICICI Bank

### Bank of Baroda

Valuations		Growth (%)				Valuations (x)					
		Total inc.	NII	PAT	EPS	PER	MC/Balance Sheet	P/BV	P/ABV	RoE (%)	RoAA (%)
Axis Bank	FY08	55.2	56.9	51.8	33.3	29.5	33.5	3.9	4.1	17.0	1.2
	FY09	36.3	39.3	38.2	23.6	23.9	26.3	3.5	3.7	15.6	1.2
Bank of Baroda	FY08	29.9	11.7	37.8	37.8	10.1	8.4	1.5	1.6	15.4	0.9
	FY09	20.4	16.1	23.3	23.3	8.2	7.2	1.3	1.4	16.8	0.9
Bank of India	FY08	33.4	14.7	45.9	45.9	10.6	10.3	2.6	2.9	26.6	1.1
	FY09	18.3	15.8	19.2	19.2	8.9	8.8	2.1	2.4	24.4	1.1
Canara Bank	FY08	24.3	(6.2)	9.4	9.4	7.9	6.4	1.1	1.2	15.9	0.9
	FY09	14.5	9.3	9.9	9.9	7.2	5.7	1.0	1.1	14.1	0.8
HDFC Bank	FY08	44.3	29.3	35.3	27.2	36.7	46.7	5.0	5.2	16.9	1.4
	FY09	34.7	29.7	27.7	21.5	30.2	35.8	4.5	4.6	15.7	1.3
ICICI Bank	FY08	37.1	34.6	30.5	16.4	29.6	30.7	2.8	3.0	11.4	1.0
	FY09	23.9	27.1	22.8	11.3	26.6	25.6	2.6	2.9	10.2	1.0
PNB	FY08	24.0	(1.3)	20.5	20.5	10.7	10.4	1.7	2.0	17.1	1.0
	FY09	21.3	13.0	17.1	17.1	9.1	9.0	1.5	1.7	17.1	1.1
SBI	FY08	19.4	0.4	33.6	33.6	20.8	18.3	3.5	4.2	18.1	1.0
	FY09	19.0	11.2	18.2	18.2	17.6	16.2	3.0	3.6	18.5	1.0
Union Bank of India	FY08	22.1	11.9	29.4	29.4	8.7	7.8	1.7	1.9	21.3	1.0
	FY09	18.8	12.6	16.9	16.9	7.5	6.6	1.5	1.6	21.2	1.0
Yes Bank	FY08	105.9	104.2	91.0	81.1	39.6	40.5	6.1	6.1	18.1	1.2
	FY09	65.3	93.1	84.8	78.6	22.2	26.2	4.8	4.8	24.3	1.4
<b>SECTOR</b>	<b>FY08</b>	<b>29.0</b>	<b>11.0</b>	<b>31.7</b>		<b>21.2</b>	<b>19.6</b>	<b>2.9</b>	<b>3.2</b>	<b>13.7</b>	<b>0.9</b>
	<b>FY09</b>	<b>22.1</b>	<b>18.0</b>	<b>21.0</b>		<b>17.5</b>	<b>16.7</b>	<b>2.6</b>	<b>2.9</b>	<b>14.7</b>	<b>1.0</b>

# Capital Goods



## Sector View

Over Weight

## Top Picks

BHEL

KEC  
International

AIA  
Engineering

Voltas

Thermax

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Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
ABB*	OP	1,595	42,740	3,403	16.1	(0.3)	65,473	5,244	24.7	2.9	92,915	7,677	36.2	13.8
Action Const.	OP	541	2,453	199	11.1	0.1	3,461	337	18.8	5.0	4,840	487	27.1	10.6
AIA Engineering	BUY	1,698	5,230	956	50.8	(36.4)	7,226	1,202	64.0	(11.7)	10,870	1,840	97.9	(5.2)
Areva T&D*	OP	2,696	16,058	1,299	27.2	(4.0)	20,983	2,126	44.5	(0.5)	30,296	3,160	66.1	8.2
BHEL	OP	2,786	172,375	24,147	49.3	69.8	222,642	32,313	66.0	34.2	298,197	42,763	87.4	64.0
Crompton Greaves	OP	428	56,396	2,865	7.8	(7.5)	70,391	4,159	11.3	4.8	85,770	5,744	15.7	3.8
Elecon Engineering	OP	312	7,231	572	6.2	(2.9)	10,678	886	9.5	(2.8)	15,805	1,391	45.0	(3.6)
EMCO	OP	1,401	6,559	406	34.6	(40.8)	11,159	678	57.9	(68.3)	15,611	960	81.9	96.4
Hindustan Dorr	OP	175	2,085	154	4.3	7.0	2,980	225	6.3	12.3	4,555	348	9.7	26.5
Jyoti Structures	OP	298	10,250	545	6.7	(11.7)	14,698	929	11.4	4.2	19,416	1,306	16.0	7.7
Kalpataru Power	OP	1,926	15,987	1,599	60.3	32.3	19,023	1,846	69.7	20.3	23,167	2,233	84.3	34.7
KEC International	OP	878	20,932	1,046	27.8	35.1	30,025	1,805	47.9	25.9	41,096	2,543	67.5	44.1
KEI Industries	OP	96	6,007	402	5.1	(3.5)	8,756	548	7.0	(17.5)	12,818	928	11.9	(0.6)
Pitti Laminations	OP	65	1,519	98	9.3	(8.6)	2,194	140	13.3	3.1	2,771	186	17.7	4.3
Siemens**	MP	1,941	89,579	5,733	34.0	48.3	126,207	8,276	49.1	47.1	165,584	11,317	67.1	69.6
Suzlon Energy	OP	1,940	79,857	8,640	30.0	(22.8)	132,986	12,812	44.5	(79.2)	193,342	19,326	67.2	(8.8)
Thermax	OP	896	22,897	1,937	16.3	3.5	36,829	3,152	26.5	5.2	47,551	4,137	34.7	13.8
Voltamp Trasnf.	OP	1,778	4,058	395	39.1	29.2	6,766	798	78.9	29.0	9,199	1,087	107.4	49.8
Voltas	OP	249	25,267	1,236	37.3	61.0	35,316	2,177	65.8	88.0	48,291	2,946	89.0	120.8
<b>SECTOR</b>			<b>587,479</b>	<b>55,633</b>			<b>827,791</b>	<b>79,655</b>			<b>1,122,094</b>	<b>110,378</b>		

\* Co follows Dec year end for Annual Accounts. Consequently Last year (FY08) represents Dec-06 year end

\*\* Co follows Sept year end for Annual Accounts

# Capital Goods



## Sector View

## Over Weight

## Top Picks

## BHEL

## KEC

## International

## AIA

## Engineering

## Voltas

## Thermax

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Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
ABB*	FY08	53.2	54.1	54.1	64.5	5.2	39.1	4.5	39.2	34.4
	FY09	41.9	46.4	46.4	44.0	3.6	26.4	3.2	44.0	37.8
Action Const.	FY08	41.1	69.3	69.3	28.8	2.8	15.4	1.8	28.1	26.4
	FY09	39.8	44.2	44.2	20.0	2.0	9.9	1.2	33.5	31.7
AIA Engineering	FY08	38.2	25.8	25.8	26.5	4.4	15.5	3.6	21.0	22.3
	FY09	50.4	53.0	53.0	17.4	2.9	9.4	2.4	25.5	27.4
Areva T&D*	FY08	30.7	63.7	63.7	60.6	6.1	25.7	4.2	44.3	48.2
	FY09	44.4	48.6	48.6	40.8	4.3	17.2	2.9	46.5	49.8
BHEL	FY08	29.2	33.8	33.8	42.2	6.1	28.2	5.6	32.4	31.7
	FY09	33.9	32.3	32.3	31.9	4.6	19.7	4.1	34.4	33.7
Crompton Greaves	FY08	24.8	45.2	45.2	37.7	2.2	23.1	2.2	33.6	21.4
	FY09	21.8	38.1	38.1	27.3	1.8	17.1	1.8	35.6	24.2
Elecon Engineering	FY08	47.7	54.8	54.8	32.7	2.7	18.1	2.9	33.4	19.4
	FY09	48.0	57.1	371.2	6.9	0.6	12.0	1.9	35.6	24.2
EMCO	FY08	70.1	67.1	67.1	24.2	1.5	10.5	1.4	19.8	16.0
	FY09	39.9	41.4	41.4	17.1	1.1	8.0	1.0	22.2	17.6
Hindustan Dorr	FY08	42.9	46.8	46.8	27.9	2.1	16.1	1.6	18.9	14.9
	FY09	52.9	54.4	54.4	18.1	1.4	8.7	0.9	25.6	20.9
Jyoti Structures	FY08	43.4	70.4	70.4	26.2	1.7	11.6	1.5	28.4	22.8
	FY09	32.1	40.6	40.6	18.6	1.3	8.7	1.1	33.9	27.0
Kalpataru Power	FY08	19.0	15.4	15.4	27.6	2.7	16.2	2.5	26.2	19.5
	FY09	21.8	21.0	21.0	22.9	2.2	12.9	2.0	26.7	21.1
KEC International	FY08	43.4	72.6	72.6	18.3	1.1	10.5	1.3	44.5	26.1
	FY09	36.9	40.9	40.9	13.0	0.8	7.9	1.0	42.6	29.1
KEI Industries	FY08	45.8	36.3	36.3	13.6	0.9	5.4	0.7	16.3	15.4
	FY09	46.4	69.5	69.5	8.0	0.6	3.7	0.5	22.3	17.3
Pitti Laminations	FY08	44.4	43.1	43.1	4.9	0.3	2.9	0.4	26.6	21.4
	FY09	26.3	33.1	33.1	3.7	0.2	2.2	0.3	32.0	25.3
Siemens**	FY08	40.9	44.3	44.3	39.5	2.6	21.4	2.2	44.3	39.5
	FY09	31.2	36.8	36.8	28.9	2.0	15.3	1.6	44.6	39.6
Suzlon Energy	FY08	66.5	48.3	48.3	43.6	4.2	32.1	4.6	28.9	13.4
	FY09	45.4	50.8	50.8	28.9	2.9	20.8	3.1	26.3	15.9
Thermax	FY08	60.8	62.7	62.7	33.9	2.9	23.7	2.8	39.0	44.6
	FY09	29.1	31.3	31.3	25.8	2.2	17.6	2.1	40.4	45.2
Voltamp Trasnf.	FY08	66.7	101.9	101.9	22.5	2.7	10.7	2.0	57.8	65.0
	FY09	36.0	36.1	36.1	16.6	2.0	7.6	1.4	55.4	62.3
Voltas	FY08	39.8	76.1	76.1	3.8	0.2	23.4	1.8	46.8	50.5
	FY09	36.7	35.3	35.3	2.8	0.2	16.2	1.3	49.8	56.1
<b>SECTOR</b>	<b>FY08</b>	<b>40.9</b>	<b>43.2</b>		<b>40.4</b>	<b>3.9</b>	<b>25.9</b>	<b>3.7</b>	<b>34.4</b>	<b>26.7</b>
	<b>FY09</b>	<b>35.6</b>	<b>38.6</b>		<b>29.0</b>	<b>2.9</b>	<b>18.0</b>	<b>2.7</b>	<b>36.3</b>	<b>29.0</b>

\* Co follows Dec year end for AnnFY08ual Accounts. Consequently Last year (FY08) represents Dec-06 year end

\*\* Co follows Sept year end for Annual Accounts

# Cement



## Sector View

Over Weight

## Top Picks

Grasim

India Cements

Shree Cement

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
ACC	OP	1,082	58,035	10,810	56.9	47.1	71,284	14,961	78.8	14.0	79,137	17,178	91.5	65.0
Grasim	OP	3,680	137,833	19,566	213.4	60.4	152,642	24,210	264.0	92.2	167,725	29,055	316.9	347.4
Gujarat Ambuja	OP	154	62,683	15,033	9.9	3.6	55,787	14,455	9.5	10.1	61,941	16,259	10.7	2.9
India Cements	OP	308	20,497	4,445	19.2	7.7	28,395	8,059	29.7	16.8	32,558	8,346	30.8	26.4
JK Cement	OP	243	12,333	1,782	25.5	13.7	14,882	2,953	42.2	(1.8)	16,826	3,585	51.3	(62.2)
Shree Cement	OP	1,460	14,236	1,555	44.6	24.7	21,298	4,770	136.9	75.4	26,834	7,237	207.7	227.5
UltraTech	OP	981	49,108	7,823	62.8	16.7	55,074	9,944	79.9	53.4	65,434	13,068	105.0	46.4
<b>SECTOR</b>			<b>354,725</b>	<b>61,013</b>			<b>399,362</b>	<b>79,352</b>			<b>450,456</b>	<b>94,730</b>		

All companies except ACC, FY07 nos are provisional

# Cement



## Sector View

Over Weight

## Top Picks

Grasim

India Cements

Shree Cement

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	EV/Ton*	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
ACC	FY08	22.8	38.4	38.4	13.7	234.0	9.3	3.1	39.7	45.7
	FY09	11.0	14.8	16.1	11.8	—	7.7	2.7	33.5	43.2
Grasim	FY08	10.7	23.7	23.7	13.9	190.0	6.6	2.1	30.1	35.6
	FY09	9.9	20.0	20.0	11.6	—	7.1	1.7	28.6	39.1
Gujarat Ambuja	FY08	(11.0)	(3.8)	(3.8)	16.2	207.5	9.6	3.8	34.5	39.4
	FY09	11.0	12.5	12.5	14.4	—	8.3	3.3	28.4	36.4
India Cements	FY08	38.5	81.3	54.6	10.4	144.6	6.9	2.8	46.7	33.1
	FY09	14.7	3.6	3.6	10.0	—	5.5	2.3	46.7	33.1
JK Cement	FY08	20.7	65.7	65.7	5.8	87.4	3.0	1.1	44.9	44.2
	FY09	13.1	21.4	21.4	4.7	—	3.3	1.3	37.2	36.8
Shree Cement	FY08	49.6	206.8	206.8	10.7	129.4	5.7	2.5	74.2	42.8
	FY09	26.0	51.7	51.7	7.0	—	3.7	1.7	63.1	50.1
UltraTech	FY08	12.1	27.1	27.1	12.3	204.5	8.6	2.7	45.8	37.4
	FY09	18.8	31.4	31.4	9.3	—	6.5	2.2	42.0	42.7
<b>SECTOR</b>	<b>FY08</b>	<b>12.6</b>	<b>30.1</b>		<b>13.2</b>		<b>7.6</b>	<b>2.6</b>	<b>37.4</b>	<b>25.5</b>
	<b>FY09</b>	<b>12.8</b>	<b>19.4</b>		<b>11.0</b>		<b>6.7</b>	<b>2.2</b>	<b>32.9</b>	<b>25.5</b>

All companies except ACC, FY07 nos are provisional

\*US\$

## Sector View

Over Weight

## Top Picks

Larsen & Toubro

Punj Lloyd

Gammon India

IVRCL

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Gammon India	OP	600	18,647	984	11.2	(43.6)	24,629	1,044	11.9	23.2	35,703	1,656	18.9	2.7
Gayatri Projects	OP	386	5,021	234	23.4	(67.9)	7,720	398	39.8	(4.2)	9,940	497	49.7	(57.0)
Hindustan Const.	OP	221	23,576	793	3.1	(36.5)	31,794	1,196	4.7	1.9	39,112	1,678	6.5	(13.8)
IVRCL	OP	495	23,059	1,415	10.9	(53.2)	35,619	2,003	15.4	10.2	48,481	2,693	20.8	25.0
Jaiiprakash Associates	MP	1,897	34,715	4,150	18.9	(48.4)	42,964	5,273	24.0	(74.1)	61,534	8,664	39.5	(41.9)
Larsen & Toubro	OP	4,299	176,142	14,030	49.5	78.2	249,792	19,486	67.4	172.9	341,888	26,523	91.8	165.4
Nagarjuna Const	OP	341	28,711	1,519	7.3	(9.7)	40,270	1,914	9.2	(4.1)	53,081	2,696	12.9	(1.5)
Punj Lloyd	OP	512	51,266	1,969	7.5	69.4	81,536	3,566	11.1	51.1	112,710	6,121	19.1	59.7
<b>SECTOR</b>			<b>361,136</b>	<b>25,094</b>			<b>514,323</b>	<b>34,880</b>			<b>702,451</b>	<b>50,528</b>		

EPS is fully diluted and adjusted for split & bonus  
All standalone nos

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## Sector View

**Over Weight**

## Top Picks

**Larsen &  
Toubrø**

**Punj Lloyd**

**Gammon  
India**

**IVRCL**

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
Gammon India	FY08	32.1	6.1	6.1	50.3	2.1	29.8	2.2	10.9	8.7
	FY09	45.0	58.6	58.6	31.7	1.5	21.2	1.5	16.2	12.6
Gayatri Projects	FY08	53.7	70.0	70.0	9.7	0.5	8.2	0.8	18.5	17.1
	FY09	28.8	24.8	24.8	7.8	0.4	5.3	0.6	16.5	16.9
Hindustan Const.	FY08	34.9	50.9	50.9	47.3	1.8	32.5	2.2	12.6	6.3
	FY09	23.0	40.2	38.9	34.0	1.4	20.7	1.8	15.6	7.4
IVRCL	FY08	54.5	41.6	41.6	32.1	1.8	29.2	1.9	14.2	11.2
	FY09	36.1	34.5	34.5	23.8	1.4	19.0	1.4	16.8	13.9
Jaiprakash Associates	FY08	23.8	27.1	27.1	78.9	9.7	48.9	10.6	18.6	7.7
	FY09	43.2	64.3	64.3	48.0	6.8	40.6	7.7	24.8	9.7
Larsen & Toubrø	FY08	41.8	38.9	36.1	63.8	4.9	69.0	4.9	28.3	21.2
	FY09	36.9	36.1	36.1	46.8	3.6	45.6	3.7	29.3	22.7
Nagarjuna Const	FY08	40.3	26.0	26.0	37.1	1.8	29.5	2.0	17.2	10.9
	FY09	31.8	40.9	40.9	26.3	1.3	20.9	1.5	20.3	12.6
Punj Lloyd	FY08	59.0	81.1	48.0	46.2	1.6	34.3	1.7	19.2	10.4
	FY09	38.2	71.6	71.6	26.9	1.3	22.1	1.4	22.4	15.2
<b>SECTOR</b>	<b>FY08</b>	<b>42.4</b>	<b>39.0</b>		<b>57.8</b>	<b>3.9</b>	<b>51.3</b>	<b>4.1</b>	<b>27.5</b>	<b>15.9</b>
	<b>FY09</b>	<b>36.6</b>	<b>44.9</b>		<b>40.7</b>	<b>2.9</b>	<b>35.6</b>	<b>3.1</b>	<b>31.0</b>	<b>18.7</b>

*EPS is fully diluted and adjusted for split & bonus  
All standalone nos*

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# Financial Institutions



## Sector View

Over Weight

## Top Picks

IDFC

HDFC

Financials	Reco	CMP	Last Year (FY07)						1-year forward (FY08)						2-year forward (FY09)					
			(Rs.m)			(Rs)			(Rs.m)			(Rs)			(Rs.m)			(Rs)		
			Total Income	NII	PAT	EPS	BV	ABV	Total Income	NII	PAT	EPS	BV	ABV	Total Income	NII	PAT	EPS	BV	ABV
HDFC	OP	2,813	58,755	17,651	15,704	62.9	198.0	198.0	82,086	24,007	21,999	73.8	316.9	316.9	101,175	31,357	25,634	91.3	483.4	483.4
IDFC	OP	218	15,661	4,158	5,039	4.5	26.3	26.3	25,723	6,265	7,301	5.6	33.1	33.1	35,916	7,609	9,939	7.6	46.4	46.4
M&M Finance	MP	297	8,368	5,009	1,347	16.0	92.5	74.1	11,407	6,603	1,650	19.1	102.9	77.5	14,767	8,185	2,098	23.2	121.3	89.8
PFC	MP	273	38,195	14,850	9,833	8.6	66.5	65.9	51,137	18,919	12,471	10.9	81.2	80.8	66,647	22,936	15,424	13.5	93.1	92.6
<b>SECTOR</b>			<b>120,979</b>	<b>41,667</b>	<b>31,923</b>				<b>170,353</b>	<b>55,794</b>	<b>43,420</b>				<b>218,506</b>	<b>70,087</b>	<b>53,096</b>			

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
India Infoline	MP	1,375	4,161	756	15.2	17.1	7,313	1,136	21.5	22.2	11,570	2,748	43.2	47.0
Reliance Capital	OP	2,428	21,579	7,032	28.6	29.1	44,658	19,801	80.6	81.5	70,496	33,833	137.7	138.7
<b>SECTOR</b>			<b>25,739</b>	<b>7,788</b>			<b>51,971</b>	<b>20,938</b>			<b>82,066</b>	<b>36,580</b>		

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# Financial Institutions



## Sector View

Over Weight

## Top Picks

IDFC

HDFC

Valuations		Growth (%)				Valuations (x)					
		Total inc.	NII	PAT	EPS	PER	MC/Balance Sheet	P/BV	P/ABV	RoE (%)	RoAA (%)
HDFC	FY08	37.7	36.0	34.5	17.2	38.1	1.0	8.9	8.9	23.3	2.9
	FY09	26.0	30.6	23.8	23.8	30.8	0.8	5.8	5.8	18.9	2.9
IDFC	FY08	64.3	50.7	44.4	25.4	38.7	1.1	6.6	6.6	17.0	3.4
	FY09	39.6	21.5	36.2	36.2	28.4	0.8	4.7	4.7	16.5	3.4
M&M Finance	FY08	36.3	31.8	22.4	19.1	15.6	0.4	2.9	3.8	18.6	2.6
	FY09	29.5	24.0	27.2	21.7	12.8	0.3	2.5	3.3	19.2	2.5
PFC	FY08	33.9	27.4	26.8	26.8	25.0	0.6	3.4	3.4	13.4	2.5
	FY09	30.3	21.2	23.7	23.7	20.2	0.5	2.9	2.9	14.5	2.5
SECTOR	FY08	40.8	33.9	36.0		32.9	84.7	7.7	7.7	23.5	2.6
	FY09	28.3	25.6	22.3		26.9	67.4	7.3	7.3	27.3	2.5

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
India Infoline	FY08	80.7	38.8	30.5	64.1	10.0	30.2	10.0	27.6	22.1
	FY09	52.0	124.7	87.0	31.8	7.6	19.9	7.3	32.3	31.4
Reliance Capital	FY08	107.0	181.6	181.6	30.1	13.4	38.4	13.3	15.5	14.2
	FY09	57.9	70.9	70.9	17.6	8.5	26.5	9.1	18.2	16.8
SECTOR	FY08	101.9	168.8		32.0	12.9	37.3	12.9	32.9	240.4
	FY09	57.9	74.7		18.3	8.2	25.5	8.8	39.4	421.1

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## Sector View

Over Weight

## Top Picks

Colgate

Marico

ITC

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Colgate Palmolive	OP	382	12,951	1,854	13.6	16.0	14,777	2,352	17.3	23.4	16,687	2,858	21.0	24.8
Dabur India	OP	115	22,337	2,809	3.3	3.2	25,748	3,348	3.9	6.7	29,525	3,922	4.5	4.6
Hind. Unilever*	MP	208	121,034	15,399	7.0	7.7	136,588	17,460	7.9	9.4	154,140	19,726	8.9	9.9
ITC	OP	193	123,693	27,000	7.2	2.0	148,370	31,497	8.4	9.0	178,114	37,261	9.9	9.0
Marico	OP	69	15,569	1,158	1.9	3.0	18,613	1,633	2.7	1.7	21,403	1,894	3.1	1.4
<b>SECTOR</b>			<b>295,585</b>	<b>48,219</b>			<b>344,097</b>	<b>56,291</b>			<b>399,869</b>	<b>65,661</b>		

\* Y/e Dec

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
Colgate Palmolive	FY08	14.1	26.9	26.9	22.1	3.5	19.0	3.4	79.2	75.0
	FY09	12.9	21.5	21.5	18.2	3.1	15.5	3.0	85.7	81.6
Dabur India	FY08	15.3	19.2	19.2	29.6	3.8	21.8	3.5	60.1	46.5
	FY09	14.7	17.1	17.1	25.3	3.4	18.4	3.0	54.0	44.1
Hind Unilever*	FY08	12.9	13.4	13.4	26.2	3.4	24.4	3.3	64.3	60.1
	FY09	12.9	13.0	13.0	23.2	3.0	22.1	2.9	69.5	64.8
ITC	FY08	20.0	16.7	16.7	23.0	4.9	14.4	4.4	27.9	26.4
	FY09	20.0	18.3	18.3	19.5	4.1	11.9	3.6	28.3	27.3
Marico	FY08	19.6	41.1	41.1	25.7	2.3	14.0	1.9	63.3	32.8
	FY09	15.0	16.0	16.0	22.2	2.0	11.8	1.7	47.2	28.3
<b>SECTOR</b>	<b>FY08</b>	<b>16.4</b>	<b>16.7</b>		<b>24.4</b>	<b>4.0</b>	<b>17.4</b>	<b>3.7</b>	<b>113.5</b>	<b>98.3</b>
	<b>FY09</b>	<b>16.2</b>	<b>16.6</b>		<b>21.0</b>	<b>3.4</b>	<b>14.8</b>	<b>3.1</b>	<b>116.9</b>	<b>101.9</b>

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## Sector View

### Under Weight

### Top Picks

#### Rolta

#### Satyam Computer

#### HCL Technologies

#### Tanla Solutions

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Geometric Software	OP	73	3,831	374	6.0	(22.0)	5,144	427	6.9	1.8	6,913	614	9.9	0.8
HCL Tech*	OP	310	60,336	13,660	18.5	23.7	74,675	14,086	20.7	25.3	92,360	16,388	24.1	29.6
Infosys	OP	1,635	138,930	38,560	69.8	79.3	169,077	45,957	81.1	91.8	216,304	55,578	95.9	109.3
KPIT Cummins	OP	126	4,637	505	5.9	(3.8)	6,258	643	7.6	1.1	8,441	866	10.2	0.2
Prithvi Information	BUY	263	7,682	899	49.7	1.4	10,916	1,072	59.3	47.8	14,152	1,499	82.9	69.4
Rolta India	BUY	728	7,114	1,726	21.5	1.3	10,006	2,574	32.1	31.3	13,696	3,588	40.6	19.7
Satyam Computers	OP	437	64,851	14,046	28.8	23.9	80,035	16,396	25.0	28.2	100,248	20,302	31.0	34.8
Tanla Solutions	BUY	684	2,218	928	18.6	(0.7)	4,516	1,559	31.2	14.7	7,038	2,338	46.8	42.6
Tata Elxsi	NR	270	3,080	521	16.7	19.5	4,207	516	16.6	20.6	5,754	843	27.1	32.4
TCS	OP	1,034	186,332	41,315	42.2	47.0	233,362	51,301	52.4	58.7	302,439	61,295	62.6	70.8
Tech Mahindra	OP	1,114	29,291	6,125	52.4	(22.5)	38,045	7,777	64.1	28.0	51,358	10,241	84.5	40.2
Wipro	MP	493	149,431	29,169	20.0	19.5	197,888	33,271	22.8	10.0	264,629	42,476	29.1	22.8
<b>SECTOR</b>			<b>657,733</b>	<b>147,829</b>			<b>834,128</b>	<b>175,577</b>			<b>1,083,332</b>	<b>216,027</b>		

\*Y/e June

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# Information Technology



## Sector View

### Under Weight

### Top Picks

**Rolta**

**Satyam  
Computer**

**HCL  
Technologies**

**Tanla  
Solutions**

Valuations	Growth (%)			Valuations (x)						
	Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)	
Geometric Software	FY08	34.3	14.0	14.0	12.1	0.9	9.9	1.3	20.4	15.8
	FY09	34.4	43.9	43.9	7.4	0.7	6.0	0.7	24.3	19.4
HCL Tech*	FY08	23.8	3.1	11.9	16.8	2.7	11.5	3.0	26.2	25.5
	FY09	23.7	16.3	16.5	12.9	2.3	9.5	1.9	26.8	26.1
Infosys	FY08	21.7	19.2	16.2	23.4	5.6	15.4	5.7	35.2	35.2
	FY09	27.9	20.9	18.2	17.1	4.4	11.9	3.5	32.6	32.6
KPIT Cummins	FY08	35.0	27.3	27.3	21.1	1.6	10.1	2.2	27.3	19.5
	FY09	34.9	34.8	34.8	12.3	1.2	7.5	1.2	27.1	21.5
Prithvi Information	FY08	42.1	19.2	19.2	5.3	0.4	3.0	0.5	25.5	16.0
	FY09	29.6	39.9	39.9	3.2	0.3	1.8	0.2	28.9	19.1
Rolta India	FY08	40.6	49.1	49.1	33.8	5.8	13.9	7.7	21.9	12.1
	FY09	36.9	39.4	26.4	17.9	4.7	9.9	3.9	20.1	13.1
Satyam Computers	FY08	23.4	16.7	(13.0)	15.2	3.6	9.9	3.6	25.2	25.6
	FY09	25.3	23.8	23.8	14.1	2.9	9.4	2.2	24.5	25.4
Tanla Solutions	FY08	103.6	68.0	68.0	36.8	7.6	14.4	13.3	24.6	24.6
	FY09	55.8	50.0	50.0	14.6	4.9	8.5	3.9	27.5	27.5
Tata Elxsi	FY08	36.6	(1.0)	(1.0)	16.2	2.0	10.2	2.4	48.8	49.0
	FY09	36.8	63.5	63.5	10.0	1.5	6.2	1.2	57.0	57.1
TCS	FY08	25.2	24.2	24.2	24.5	4.3	15.5	5.0	47.9	44.7
	FY09	29.6	19.5	19.5	16.5	3.3	12.4	3.1	42.1	39.7
Tech Mahindra	FY08	29.9	27.0	22.3	21.2	3.6	15.2	4.5	62.4	62.0
	FY09	35.0	31.7	31.7	13.2	2.6	10.9	2.5	51.0	50.9
Wipro	FY08	32.4	14.1	14.1	24.7	3.6	18.8	4.5	27.9	27.0
	FY09	33.7	27.7	27.7	17.0	2.7	13.9	2.4	27.1	26.4
<b>SECTOR</b>	<b>FY08</b>	<b>26.8</b>	<b>18.8</b>		<b>19.4</b>	<b>4.1</b>	<b>14.9</b>	<b>3.7</b>	<b>36.1</b>	<b>34.2</b>
	<b>FY09</b>	<b>29.9</b>	<b>23.0</b>		<b>15.9</b>	<b>3.2</b>	<b>11.7</b>	<b>2.7</b>	<b>34.3</b>	<b>32.4</b>

\*Y/e June

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## Sector View

**Over Weight**

## Top Picks

**UTV Software**

**Deccan Chronicle**

**Entertainment Network (India)**

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Deccan Chronicle	BUY	223	5,876	1,650	6.8	(3.2)	8,254	3,098	12.7	9.7	10,522	3,784	15.5	12.3
Ent. Network (I)	OP	552	2,351	251	5.3	(10.6)	4,405	286	6.0	(23.8)	6,692	778	16.3	6.0
HT Media	OP	224	10,397	964	4.1	1.9	12,114	1,411	6.0	3.5	14,803	1,844	7.9	6.8
Jagran Prakashan	MP	678	5,982	762	12.7	(9.6)	7,500	1,029	17.1	(3.4)	8,975	1,302	21.6	10.4
Saregama India	OP	305	1,415	134	9.1	4.1	1,717	156	10.6	12.6	1,948	203	13.8	21.3
Sun TV	MP	370	6,780	2,469	6.3	6.1	8,958	3,512	8.9	5.8	10,573	4,138	10.5	7.0
TV Today	OP	174	1,889	311	5.3	6.0	2,286	419	7.2	7.0	2,753	554	9.5	5.8
UTV Software	BUY	873	1,749	463	20.2	(14.9)	4,270	743	32.2	(36.4)	7,793	1,153	46.4	9.8
<b>SECTOR</b>			<b>36,439</b>	<b>7,005</b>			<b>49,502</b>	<b>10,654</b>			<b>64,059</b>	<b>13,756</b>		

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## Sector View

**Over Weight**

## Top Picks

**UTV Software**

**Deccan Chronicle**

**Entertainment Network (India)**

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
Deccan Chronicle	FY08	40.5	87.8	87.8	17.5	6.6	9.4	5.6	31.9	22.0
	FY09	27.5	22.1	22.1	14.4	5.2	7.3	4.1	29.7	23.8
Ent. Network (I)	FY08	87.3	13.8	13.6	91.9	6.0	29.3	5.3	9.4	8.7
	FY09	51.9	171.9	171.9	33.8	3.9	15.0	3.5	21.7	16.3
HT Media	FY08	16.5	46.3	46.4	37.3	4.3	19.7	3.9	17.0	15.0
	FY09	22.2	30.7	30.8	28.5	3.5	14.6	3.1	18.9	16.6
Jagran Prakashan	FY08	25.4	35.0	35.0	39.7	5.4	23.3	5.3	19.2	16.6
	FY09	19.7	26.5	26.5	31.3	4.5	18.3	4.4	21.8	19.0
Saregama India	FY08	21.3	16.5	16.5	28.8	2.6	17.6	2.2	16.2	16.2
	FY09	13.5	30.4	30.4	22.1	2.3	13.7	1.7	17.8	17.5
Sun TV	FY08	32.1	42.2	42.2	41.5	16.3	18.3	13.1	24.8	23.7
	FY09	18.0	17.8	17.8	35.2	13.8	14.6	10.8	22.4	21.6
TV Today	FY08	21.0	34.7	34.7	24.1	4.4	12.2	3.5	12.9	12.7
	FY09	20.4	32.3	31.3	18.4	3.7	9.0	2.8	17.4	17.5
UTV Software	FY08	144.1	60.3	59.0	27.1	4.7	12.0	3.4	18.1	14.2
	FY09	82.5	55.2	44.2	18.8	2.8	7.2	2.0	16.3	14.8
<b>SECTOR</b>	<b>FY08</b>	<b>35.9</b>	<b>52.1</b>		<b>33.3</b>	<b>7.2</b>	<b>16.4</b>	<b>6.1</b>	<b>22.0</b>	<b>18.0</b>
	<b>FY09</b>	<b>29.4</b>	<b>29.1</b>		<b>25.9</b>	<b>5.5</b>	<b>12.3</b>	<b>4.6</b>	<b>22.2</b>	<b>19.2</b>

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## Sector View

Over Weight

## Top Picks

JSW Steel

Welspun  
Gujarat

Tata Steel

Jindal  
Stainless

Sesa Goa

SAIL

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Hindalco	MP	193	183,130	25,643	22.1	27.6	616,986	23,500	18.0	30.5	677,076	28,436	21.8	37.7
Hindustan Zinc	OP	822	85,600	44,420	105.1	108.8	84,994	45,194	107.0	111.4	95,394	50,628	119.7	123.9
Jindal Saw*	MP	906	36,338	1,576	28.1	38.7	50,060	2,525	56.2	67.9	57,920	3,325	84.9	97.5
Jindal Stainless	BUY	232	48,775	3,530	27.0	43.6	53,003	3,050	17.8	33.8	67,900	6,026	35.2	53.8
JSW Steel	BUY	1,167	85,945	12,921	78.8	109.2	102,063	18,181	110.9	141.3	113,820	24,386	136.0	166.9
Maha. Seamless	OP	582	13,947	2,353	33.4	35.8	20,953	2,869	40.7	43.5	21,581	2,920	41.4	44.5
MAN Inds.	BUY	141	11,331	554	20.8	27.2	16,632	922	27.4	34.2	20,640	1,266	37.6	45.1
Nalco	UP	379	59,425	23,808	37.0	41.8	58,681	18,579	28.8	33.1	64,549	20,092	31.2	35.9
SAIL	MP	279	350,262	62,023	15.0	17.9	396,800	74,758	18.1	21.0	427,000	77,660	18.8	21.9
Sesa Goa	OP	3,596	20,051	6,066	154.1	162.0	28,441	10,995	279.3	288.5	35,618	14,470	367.6	376.5
Tata Steel	BUY	847	252,133	41,775	72.0	89.5	1,265,701	106,068	114.4	163.6	1,328,516	106,930	115.4	163.9
Welspun Gujarat	BUY	433	26,785	1,421	10.2	13.6	35,563	2,716	17.1	21.4	60,263	5,684	30.2	36.9
<b>SECTOR</b>			<b>1,173,721</b>	<b>226,091</b>			<b>2,729,877</b>	<b>309,358</b>			<b>2,970,276</b>	<b>341,823</b>		

\* Y/e Sept

## Sector View

Over Weight

## Top Picks

JSW Steel

Welspun  
Gujarat

Tata Steel

Jindal  
Stainless

Sesa Goa

SAIL

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
Hindalco	FY08	236.9	(8.4)	(18.7)	10.7	0.4	4.1	0.4	16.6	17.9
	FY09	9.7	21.0	21.0	8.9	0.3	4.2	0.5	17.0	16.7
Hindustan Zinc	FY08	(0.7)	1.7	1.7	7.7	4.1	4.3	3.4	37.1	36.4
	FY09	12.2	12.0	11.9	6.9	3.6	3.5	2.8	29.5	29.5
Jindal Saw*	FY08	37.8	60.2	100.0	16.1	0.9	14.3	1.2	16.1	12.1
	FY09	15.7	31.7	51.0	10.7	0.8	11.5	1.1	17.8	13.7
Jindal Stainless	FY08	8.7	(13.6)	(34.2)	13.0	0.6	8.5	1.4	17.9	9.4
	FY09	28.1	97.6	97.6	6.6	0.5	6.9	1.5	26.4	13.5
JSW Steel	FY08	18.8	40.7	40.7	10.5	1.9	7.0	2.4	141.3	28.6
	FY09	11.5	34.1	22.7	8.6	1.7	5.9	2.2	166.9	26.4
Maha. Seamless	FY08	50.2	21.9	21.9	14.3	1.9	12.2	2.0	25.5	23.1
	FY09	3.0	1.8	1.8	14.1	1.9	9.5	1.9	20.4	19.1
MAN Incls.	FY08	46.8	66.3	31.7	5.1	0.3	5.5	0.7	14.4	14.3
	FY09	24.1	37.3	37.3	3.7	0.2	4.3	0.6	16.6	16.2
Nalco	FY08	(1.3)	(22.0)	(22.0)	13.2	4.2	9.5	4.2	18.2	29.6
	FY09	10.0	8.1	8.2	12.2	3.8	8.6	3.8	19.7	26.4
SAIL	FY08	13.3	20.5	20.5	15.4	2.9	9.3	2.8	31.6	27.6
	FY09	7.6	3.9	3.9	14.9	2.7	9.9	3.0	24.7	16.3
Sesa Goa	FY08	41.8	81.2	81.2	12.9	5.0	8.7	5.0	42.4	42.4
	FY09	25.2	31.6	31.6	9.8	4.0	6.5	4.0	36.6	36.6
Tata Steel	FY08	402.0	153.9	58.9	7.4	0.5	5.1	0.8	26.9	13.5
	FY09	5.0	0.8	0.8	7.3	0.5	5.0	0.8	18.5	11.4
Welspun Gujarat	FY08	32.8	91.1	68.1	25.3	1.9	9.1	1.5	22.3	16.2
	FY09	69.5	109.3	77.0	14.3	1.1	5.9	1.1	26.2	23.1
<b>SECTOR</b>	<b>FY08</b>	<b>132.6</b>	<b>36.8</b>		<b>10.1</b>	<b>1.1</b>	<b>6.4</b>	<b>1.3</b>	<b>28.7</b>	<b>18.4</b>
	<b>FY09</b>	<b>8.8</b>	<b>10.5</b>		<b>9.6</b>	<b>1.1</b>	<b>6.1</b>	<b>1.3</b>	<b>23.0</b>	<b>15.7</b>

\* Y/e Sept

## Sector View

Under Weight

Top Picks

Reliance Industries

IOC

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
BPCL (cons)	OP	423	982,049	21,394	59.2	25.0	1,059,553	18,259	50.5	22.0	1,144,317	20,218	55.9	17.0
GAIL	OP	478	180,783	23,883	28.2	4.2	199,354	27,613	32.7	7.3	215,302	30,927	36.6	9.3
HPCL	OP	307	890,413	15,564	45.9	2.0	934,933	11,221	33.1	6.0	1,019,077	12,907	38.1	9.0
IOC (cons)	OP	600	1,999,308	78,675	67.4	(5.0)	2,179,246	60,274	50.5	2.0	2,375,378	66,065	55.4	5.0
ONGC (cons)	OP	1,340	822,529	177,696	83.1	41.0	830,755	189,712	88.7	45.0	897,215	210,580	98.5	51.0
Reliance Inds.*	OP	2,875	1,116,927	119,434	85.7	36.5	1,373,820	153,413	97.5	60.9	1,602,365	165,105	104.9	55.9
<b>SECTOR</b>			<b>5,992,009</b>	<b>436,646</b>			<b>6,577,661</b>	<b>460,491</b>			<b>7,253,654</b>	<b>505,802</b>		

\*Equity increase assumed; warrants and IPCL merger

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
BPCL (cons)	FY08	7.9	(14.7)	(14.7)	8.4	0.1	6.1	0.2	16.4	10.6
	FY09	8.0	10.7	10.7	7.6	0.1	5.4	0.2	16.8	9.0
GAIL	FY08	10.3	15.6	15.6	14.6	2.0	9.6	2.0	22.9	17.9
	FY09	8.0	12.0	12.0	13.1	1.9	8.6	1.9	21.3	18.8
HPCL	FY08	5.0	(27.9)	(27.9)	9.3	0.1	10.4	0.2	11.4	5.8
	FY09	9.0	15.0	15.0	8.1	0.1	8.2	0.2	13.2	8.8
IOC (cons)	FY08	9.0	(23.4)	(25.0)	11.9	0.3	8.8	0.5	15.7	9.3
	FY09	9.0	9.6	9.5	10.8	0.3	6.5	0.4	15.8	9.8
ONGC (cons)	FY08	1.0	6.8	6.8	15.1	3.5	7.4	3.3	25.4	19.6
	FY09	8.0	11.0	11.0	13.6	3.2	4.6	3.0	28.6	22.4
Reliance Inds.*	FY08	23.0	28.4	13.7	29.5	3.3	19.2	3.5	22.1	14.7
	FY09	16.6	7.6	7.6	27.4	2.8	17.1	2.8	19.0	14.0
<b>SECTOR</b>	<b>FY08</b>	<b>9.8</b>	<b>5.5</b>		<b>19.0</b>	<b>1.3</b>	<b>11.2</b>	<b>1.4</b>	<b>21.4</b>	<b>13.9</b>
	<b>FY09</b>	<b>10.3</b>	<b>9.8</b>		<b>17.3</b>	<b>1.2</b>	<b>10.0</b>	<b>1.3</b>	<b>21.1</b>	<b>14.2</b>

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# Pharmaceuticals



## Sector View

**Over Weight**

## Top Picks

**Dishman  
Pharma**

**Ankur Drugs**

**Sun Pharma**

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Ankur Drugs	BUY	358	3,775	358	13.8	1.6	6,511	586	22.5	3.7	9,856	1,073	41.3	4.8
Cipla	MP	199	35,721	6,607	8.5	0.5	41,210	8,083	10.4	0.8	47,738	9,771	12.6	1.2
Dishman Pharma	OP	273	5,787	917	11.4	0.8	7,913	1,296	15.9	0.8	10,536	1,750	21.4	1.1
Glaxo Smithkline *	MP	969	15,530	5,456	42.7	4.1	16,360	6,196	50.4	4.6	17,161	4,714	55.9	5.1
JB Chemicals	MP	76	5,315	711	8.4	1.4	6,261	837	9.9	1.4	7,546	1,039	12.3	1.6
Pfizer**	OP	729	6,885	1,057	43.3	102.7	7,012	3,572	49.4	163.9	6,331	3,966	48.8	275.6
Sun Pharma.	OP	1,083	22,664	7,741	37.4	42.4	28,755	9,407	45.4	34.4	36,335	12,117	58.5	42.9
<b>SECTOR</b>			<b>95,677</b>	<b>22,846</b>			<b>114,022</b>	<b>29,977</b>			<b>135,504</b>	<b>34,431</b>		

\*December ending

\*\*November ending

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# Pharmaceuticals



## Sector View

**Over Weight**

## Top Picks

**Dishman  
Pharma**

**Ankur Drugs**

**Sun Pharma**

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
Ankur Drugs	FY08	72.5	63.7	63.7	16.6	1.3	11.9	1.9	30.8	16.0
	FY09	51.4	83.2	83.2	9.0	1.0	8.1	1.4	34.4	21.3
Cipla	FY08	15.4	22.3	22.3	19.1	3.7	14.0	3.8	29.5	30.4
	FY09	15.8	20.9	20.9	15.8	3.2	11.4	3.2	27.7	30.5
Dishman Pharma	FY08	36.7	41.3	39.7	17.1	2.8	12.9	2.9	20.8	20.2
	FY09	33.1	35.1	35.1	12.6	2.1	10.1	2.3	31.0	25.8
Glaxo Smithkline*	FY08	5.3	13.6	17.9	19.2	5.0	12.2	5.0	44.9	47.7
	FY09	4.9	(23.9)	11.1	17.3	4.8	11.0	4.7	28.4	44.0
J B Chemicals	FY08	17.8	17.8	17.8	6.7	0.9	5.7	1.1	18.6	16.1
	FY09	20.5	24.1	24.1	5.4	0.7	4.7	1.0	20.4	17.3
Pfizer**	FY08	1.8	237.9	14.3	14.8	3.1	8.6	2.8	64.3	40.1
	FY09	(9.7)	11.0	(1.3)	14.9	3.4	8.7	3.1	45.2	25.1
Sun Pharma.	FY08	26.9	20.6	21.5	23.6	7.7	18.8	7.8	32.9	29.1
	FY09	26.4	27.6	28.8	18.3	6.1	14.8	6.2	32.9	34.1
<b>SECTOR</b>	<b>FY08</b>	<b>19.2</b>	<b>31.2</b>		<b>17.2</b>	<b>4.5</b>	<b>14.5</b>	<b>4.6</b>	<b>32.9</b>	<b>28.0</b>
	<b>FY09</b>	<b>18.8</b>	<b>14.9</b>		<b>15.0</b>	<b>3.8</b>	<b>11.9</b>	<b>3.9</b>	<b>30.4</b>	<b>27.4</b>

\*December ending

\*\*November ending

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## Sector View

Over Weight

## Top Picks

Akruti  
Nirman

HDIL

Anant Raj  
Industries

Peninsula  
Land

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Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Akruti Nirman	OP	1,163	3,484	786	11.8	(20.0)	10,532	2,314	34.5	(6.0)	31,754	7,731	115.9	19.0
Anantraj Inds	OP	357	1,654	1,037	5.0	34.9	10,666	5,466	19.9	59.2	15,125	7,821	28.4	60.3
HDIL	BUY	816	12,042	5,480	30.4	(8.2)	21,675	11,370	53.0	9.0	34,681	19,363	90.3	8.0
Parsvnath Developers	OP	382	15,103	2,922	15.8	(64.0)	28,696	4,809	26.0	(10.8)	55,956	10,364	56.1	21.0
Peninsula Land	OP	142	3,272	1,294	6.1	15.5	6,451	1,973	8.4	13.4	10,564	3,766	16.0	34.1
Prajay Engineers	BUY	372	2,096	772	35.7	(150.0)	4,606	402	34.6	24.4	9,564	2,901	72.2	(149.4)
<b>SECTOR</b>			<b>37,651</b>	<b>12,291</b>			<b>82,626</b>	<b>26,335</b>			<b>157,645</b>	<b>51,946</b>		

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
Akruti Nirman	FY08	202.3	194.6	192.9	33.7	7.4	76.3	7.7	10.7	4.8
	FY09	201.5	234.0	236.1	10.0	2.1	22.2	2.3	15.3	9.0
Anantraj Inds	FY08	544.9	427.0	295.7	18.0	6.9	55.2	7.1	48.7	48.8
	FY09	41.8	43.1	43.1	12.6	6.5	12.7	7.0	46.7	37.8
HDIL	FY08	80.0	107.5	74.1	15.4	6.8	22.8	6.9	47.5	19.9
	FY09	60.0	70.3	70.3	9.0	4.4	10.3	4.0	43.8	28.4
Parsvnath Developers	FY08	90.0	64.6	64.6	14.7	2.5	18.4	2.7	28.3	8.9
	FY09	95.0	115.5	115.5	6.8	1.2	9.0	1.3	44.1	13.1
Peninsula Land	FY08	97.2	52.5	36.3	16.9	4.6	18.8	5.1	42.7	36.4
	FY09	63.7	90.9	90.9	8.9	3.2	11.5	3.3	50.1	52.2
Prajay Engineers	FY08	119.7	(47.9)	(3.0)	10.7	1.7	11.1	2.4	31.7	18.2
	FY09	107.7	621.4	108.7	5.2	1.6	6.1	1.4	37.9	26.7
<b>SECTOR</b>	<b>FY08</b>	<b>119.4</b>	<b>114.3</b>		<b>15.4</b>	<b>4.9</b>	<b>26.8</b>	<b>5.2</b>	<b>105.9</b>	<b>59.3</b>
	<b>FY09</b>	<b>90.8</b>	<b>97.3</b>		<b>8.3</b>	<b>2.6</b>	<b>11.4</b>	<b>2.8</b>	<b>77.1</b>	<b>52.3</b>

## Sector View

Over Weight

## Top Picks

Bharti Airtel

Reliance Communication

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Bharti Airtel	OP	940	184,202	40,621	21.4	(12.6)	268,350	64,663	34.1	(33.7)	345,143	83,571	44.1	(9.1)
Reliance Comm.	OP	719	184,202	31,639	15.5	(5.3)	192,692	49,463	22.9	(44.8)	259,636	64,650	30.0	(17.5)
<b>SECTOR</b>			<b>368,404</b>	<b>72,260</b>			<b>461,042</b>	<b>114,126</b>			<b>604,779</b>	<b>148,221</b>		

Consolidated

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
Bharti Airtel	FY08	45.7	59.2	59.2	27.5	6.6	16.6	6.7	43.9	29.9
	FY09	28.6	29.2	29.1	21.3	5.2	12.9	5.2	37.8	26.2
Reliance Comm.	FY08	33.2	56.3	48.2	31.3	8.0	19.0	7.9	18.7	14.7
	FY09	34.7	30.7	30.7	24.0	6.0	13.9	5.9	18.8	14.7
<b>SECTOR</b>	<b>FY08</b>	<b>25.1</b>	<b>57.9</b>		<b>29.2</b>	<b>7.2</b>	<b>17.6</b>	<b>7.2</b>	<b>27.8</b>	<b>17.7</b>
	<b>FY09</b>	<b>31.2</b>	<b>29.9</b>		<b>22.5</b>	<b>5.5</b>	<b>13.3</b>	<b>5.5</b>	<b>26.2</b>	<b>19.1</b>

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## Sector View

Over Weight

## Top Picks

Bombay Rayon

Eastern Silk

Gokaldas Exports

Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
Alok Industries	OP	80	18,290	1,754	10.2	(38.2)	24,719	2,231	11.2	(24.1)	28,921	2,668	13.4	(2.0)
Bombay Rayon	BUY	326	4,893	543	9.4	(32.7)	9,815	1,043	15.1	(18.9)	16,785	1,921	27.8	(19.2)
Eastern Silk	BUY	229	4,356	703	43.8	2.0	5,137	791	49.4	(1.5)	6,238	1,065	66.8	32.5
Gokaldas Exports	BUY	253	10,344	703	20.4	(14.4)	12,051	835	24.3	3.7	14,220	1,066	31.0	5.2
Welspun India	MP	99	10,245	610	8.0	(62.6)	14,066	1,123	14.6	(9.4)	16,255	1,513	19.7	15.5
<b>SECTOR</b>			<b>48,129</b>	<b>4,313</b>			<b>65,788</b>	<b>6,022</b>			<b>82,420</b>	<b>8,233</b>		

Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
Alok Industries	FY08	35.1	27.2	9.0	7.1	0.6	6.9	1.6	17.2	8.1
	FY09	17.0	19.6	19.7	6.0	0.5	5.9	1.4	17.7	8.5
Bombay Rayon	FY08	100.6	91.9	60.6	21.6	2.3	13.5	2.9	19.2	12.7
	FY09	71.0	84.2	84.2	11.7	1.3	8.7	2.0	28.4	15.4
Eastern Silk	FY08	17.9	12.6	12.8	4.6	0.7	3.5	0.8	20.4	17.7
	FY09	21.4	34.6	35.1	3.4	0.6	2.2	0.6	22.3	19.1
Gokaldas Exports	FY08	16.5	18.8	18.8	10.4	0.7	7.8	0.9	18.5	13.0
	FY09	18.0	27.7	27.7	8.2	0.6	6.5	0.8	19.6	13.9
Welspun India	FY08	37.3	83.9	83.9	6.7	0.5	6.7	1.2	15.5	7.3
	FY09	15.6	34.8	34.8	5.0	0.5	4.6	0.9	17.7	9.2
<b>SECTOR</b>	<b>FY08</b>	<b>36.7</b>	<b>39.6</b>		<b>9.7</b>	<b>0.9</b>	<b>7.8</b>	<b>1.5</b>	<b>18.0</b>	<b>9.4</b>
	<b>FY09</b>	<b>25.3</b>	<b>36.7</b>		<b>7.1</b>	<b>0.7</b>	<b>6.0</b>	<b>1.3</b>	<b>20.6</b>	<b>10.7</b>



Financials	Reco	CMP	Last Year (FY07)				1-year forward (FY08)				2-year forward (FY09)			
			(Rs.m)		(Rs)		(Rs.m)		(Rs)		(Rs.m)		(Rs)	
			Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS	Sales	PAT	EPS	FCPS
ABG Shipyard	OP	952	6,242	1,163	22.8	(97.0)	8,505	1,395	27.4	48.6	15,970	2,727	53.5	(51.2)
Bharati Shipyard	OP	691	3,555	732	32.5	(6.8)	6,404	1,153	36.0	(25.4)	9,870	1,663	51.9	(4.4)
CCL Products*	BUY	240	3,902	443	33.3	(39.1)	5,417	637	47.9	(32.2)	7,618	1,112	83.6	(30.4)
Ceat	BUY	212	21,348	393	8.6	10.6	24,403	997	29.1	10.4	28,540	1,348	39.4	9.3
Champagne Indage	OP	875	1,427	471	30.8	5.3	4,995	549	36.0	9.4	9,235	915	59.9	8.1
Country Club	OP	882	1,470	340	39.0	3.8	2,321	500	45.8	(13.3)	3,241	720	66.0	8.8
Ess Dee Aluminium	BUY	636	1,674	374	13.5	21.6	3,398	801	28.8	2.7	4,748	1,161	41.8	6.8
Everest Kanto	MP	339	3,794	607	6.2	(5.5)	5,659	989	9.4	(1.6)	10,386	1,469	13.9	(20.9)
FAG Bearing ***	BUY	619	5,420	737	45.0	7.4	6,873	906	54.5	10.2	8,542	1,178	70.9	17.3
Gateway Distripark*OP		154	1,610	774	8.4	(3.3)	2,683	1,124	9.8	0.2	3,398	1,418	12.3	74.7
K S Oils	OP	77	10,729	609	27.6	(145.8)	17,336	1,020	39.1	(23.7)	22,069	1,409	54.1	4.5
Kansai Nerolac	OP	806	12,935	1,053	38.5	8.2	14,707	1,199	44.5	9.2	16,862	1,442	53.5	10.9
KEI Ind.	OP	96	6,007	402	6.8	(3.5)	8,876	635	8.1	(16.5)	14,202	1,086	13.9	(1.9)
Koutons Retail	BUY	759	4,024	345	12.6	(87.0)	9,048	800	26.2	(46.6)	15,157	1,344	44.0	(61.5)
Paramount Comm	MP	36	3,136	400	3.7	(6.1)	5,377	614	5.7	(10.6)	8,603	1,127	10.5	(5.3)
Parekh Aluminex	BUY	288	1,863	140	9.3	7.1	2,805	216	14.4	7.1	3,770	315	21.0	7.5
XL Telecom	BUY	441	5,231	202	13.9	(21.1)	5,917	345	13.2	(111.2)	9,579	1,327	50.8	17.6
<b>SECTOR</b>			<b>94,366</b>	<b>9,184</b>			<b>134,721</b>	<b>13,881</b>			<b>191,791</b>	<b>21,761</b>		

\* Consolidated

\*\* June Ending

\*\*\* Dec ending

# Others



Valuations		Growth (%)			Valuations (x)					
		Sales	PAT	EPS	PER	MC/Sales	EV/EBIDTA	EV/Sales	RoE (%)	RoCE (%)
ABG Shipyard	FY08	80.1	57.4	10.5	19.2	3.5	17.5	3.1	13.1	23.3
	FY09	54.1	44.3	44.3	13.3	2.2	11.6	2.0	34.8	18.4
Bharati Shipyard	FY08	36.2	19.9	19.9	34.7	5.7	33.5	6.4	20.5	14.2
	FY09	87.8	95.5	95.5	17.8	3.0	19.0	3.6	17.7	16.7
CCL Products*	FY08	38.8	43.7	43.7	5.0	0.6	5.5	0.9	35.7	18.3
	FY09	40.6	74.6	74.6	2.9	0.4	3.5	0.7	42.5	24.0
Ceat	FY08	14.3	153.7	238.3	7.3	0.3	4.4	0.4	24.8	15.6
	FY09	17.0	35.3	35.3	5.4	0.3	3.4	0.3	28.1	19.2
Champagne Indage	FY08	249.9	16.6	16.6	24.6	2.7	15.3	2.7	16.9	16.4
	FY09	84.9	66.6	66.6	14.8	1.5	9.3	1.5	15.8	15.4
Country Club	FY08	57.9	46.9	17.5	19.3	4.1	9.9	4.0	26.2	19.0
	FY09	39.6	44.1	44.1	13.4	3.0	6.5	2.7	24.9	22.3
Ess Dee Aluminium	FY08	167.9	297.9	297.9	50.3	10.7	36.6	11.0	30.1	28.3
	FY09	103.0	114.1	114.1	23.5	5.3	17.5	5.4	30.5	31.8
Everest Kanto	FY08	49.1	63.0	50.5	36.2	6.1	19.4	5.2	25.8	18.9
	FY09	83.5	48.4	48.4	24.4	3.3	13.3	3.1	28.0	17.4
FAG Bearing***	FY08	26.8	22.9	21.1	11.4	1.5	6.3	1.4	31.0	45.2
	FY09	24.3	30.0	30.0	8.7	1.2	4.9	1.2	29.9	43.5
Gateway Distripark*	FY08	66.7	45.3	16.5	15.7	6.6	10.9	5.6	16.4	16.4
	FY09	26.7	26.2	26.2	12.4	5.2	8.3	4.4	17.8	16.9
K S Oils	FY08	61.6	67.4	41.7	2.0	0.1	1.9	0.2	38.6	27.7
	FY09	27.3	38.1	38.1	1.4	0.1	1.2	0.1	34.0	26.3
Kansai Nerolac	FY08	28.1	13.2	13.2	19.6	1.6	12.6	1.7	20.4	16.2
	FY09	13.7	15.6	15.6	17.0	1.4	10.7	1.4	20.1	18.0
KEI Ind.	FY08	47.8	58.2	19.6	11.7	0.8	6.3	0.9	18.7	15.8
	FY09	60.0	70.9	70.9	6.9	0.5	4.0	0.6	25.1	19.6
Koutons Retail	FY08	124.9	131.9	107.6	29.0	2.6	15.9	2.7	29.6	18.7
	FY09	67.5	68.0	68.0	17.3	1.5	10.4	1.8	30.3	19.7
Paramount Comm	FY08	71.5	53.5	53.5	6.3	0.7	3.7	0.8	19.2	16.7
	FY09	60.0	83.5	83.5	3.4	0.5	2.6	0.5	28.1	23.5
Parekh Aluminex	FY08	82.7	67.1	67.1	28.1	1.0	8.9	1.4	24.9	17.7
	FY09	50.5	55.0	55.0	18.1	1.2	9.1	1.5	15.1	14.5
XL Telecom	FY08	13.1	71.4	(4.8)	33.4	1.9	15.9	1.7	13.0	14.3
	FY09	61.9	284.2	284.2	8.7	1.2	5.2	1.1	29.2	26.0
<b>SECTOR</b>	<b>FY08</b>	<b>42.8</b>	<b>51.1</b>		<b>18.4</b>	<b>1.9</b>	<b>12.0</b>	<b>1.9</b>	<b>23.0</b>	<b>17.1</b>
	<b>FY09</b>	<b>42.4</b>	<b>56.8</b>		<b>11.8</b>	<b>1.3</b>	<b>8.2</b>	<b>1.4</b>	<b>26.1</b>	<b>20.0</b>

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#### PL's Recommendation Scale

<b>BUY</b>	: > 15% Outperformance to BSE Sensex	<b>Outperformer</b>	: 5 to 15% Outperformance to Sensex
<b>Market Performer</b>	: -5 to 5% of Sensex Movement	<b>Underperformer</b>	: -5 to -15% of Underperformance to Sensex
<b>Sell</b>	: <-15% Relative to Sensex		

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