

Indices	Close	% Chg	% YTD
Indian Markets			
Sensex	18,070	(0.8)	3.5
Nifty	5,421	(0.7)	4.2
CNX Midcap	8,576	(0.4)	15.4
Global Markets			
DJIA	10,379	(2.5)	(0.5)
Nasdaq	2,209	(3.0)	(2.7)
FTSE	5,245	(2.4)	(3.1)
Emerging Markets			
IBOV	65,790	(2.1)	(4.1)
Shanghai Composite	2,607	(2.4)	(20.4)
KOSPI	1,758	(1.8)	4.5

Market Turnover	US\$ mn	% Chg
BSE	1,182	0.0
NSE	3,390	3.5
Derivatives (NSE)	19,569	17.8

FII in F&O (US\$ mn)	Index	Stocks
Net buying	193.1	(81.4)
Open interest	15,928.6	7,968.8
Chg in open interest (%)	2.6	0.6

Fund Flows (US\$ mn)	Latest	MTD	YTD
FII's	131.4	(761)	2,169
MFs	(82.9)	(1,097)	(2,875)

Forex Rates	Latest	% Chg	% YTD
Rs/US\$	46.7	(0.6)	(0.4)
Euro/US\$	0.8	(0.14)	(10.3)
Yen/US\$	85.3	0.08	9.1

Commodities	Latest	% Chg	% YTD
Brent (US\$/bbl)	76.6	(3.4)	(0.7)
Gold (US\$/oz)	1,200.1	0.2	9.4
Silver (US\$/oz)	17.9	0.0	6.1
Copper (US\$/MT)	7,200.0	(1.4)	(2.4)
Alum (US\$/MT)	2,255.5	0.2	(3.7)
Zinc (US\$/MT)	2,037.0	(2.3)	(20.4)
LME Steel (US\$/MT)	455.0	(2.2)	7.1

Bond Markets

	Latest	bps Chg
10-yr GSec yield	7.8	4
Interbank call	5.7	380

ADR/GDR (US\$)

	Latest	% Chg	Prem
HDFC Bank	157.6	(2.6)	17.4
ICICI Bank	40.7	(3.7)	(2.1)
Infosys	59.8	(3.7)	(0.7)
ITC	3.5	3.2	5.5
Ranbaxy Labs	9.6	(0.4)	(0.0)
Reliance Inds	42.2	(1.3)	0.2
Mahindra Satyam	4.8	(1.8)	28.7
SBI	109.5	(2.2)	(1.6)
Tata Motors	21.5	4.2	(0.1)
Wipro	13.2	(4.3)	47.3

Top Gainers - BSE 100

	Latest	% Chg
Tata Commu	325	11.2
Bajaj Finserv	458	5.5
Tata Motors	1,007	5.2
Financial Tech	1,260	4.1
Jindal Steel	654	3.3

Top Losers - BSE 100

	Latest	% Chg
Educomp Solu.	620	(9.9)
IVRCL Infra	158	(7.5)
Indiabulls Fin	157	(4.7)
Mmtc Of India	1,478	(4.7)
Bajaj Auto	2,558	(3.5)

Corporate News

- ❖ **NTPC** has signed a long-term fuel supply agreement with Singareni Collieries Company for the supply of coal to NTPC Ramagundam Super Thermal Power Station for 20 years. (BS)
- ❖ **ANZ** and **BNP Paribas** have together taken 150,000 sq ft of space (separately) on lease in Mumbai. (BS)
- ❖ **JSW Steel** is looking to acquire coking coal blocks in Australia in a JV with other steel majors in the country. (BL)
- ❖ **Bharti Airtel** will acquire a 100% stake in Telecom Seychelles for US\$ 62mn. (ET)
- ❖ **Reliance Industries** plans to reopen all of its fuel stations in India. (ET)
- ❖ **NMDC** said it has acquired land for its Rs 140bn upcoming steel plant in the tribal-dominated region of Chhattisgarh in 'record' 10 months. (BS)
- ❖ **Uttam Galva** has exported a consignment of over 30,000 tonnes of galvanised steel coils to the US, the single biggest shipment of the commodity to the US by any Indian entity. (BS)
- ❖ **Tata Teleservices** denied a media report that Japan's NTT DoCoMo Inc would invest an additional US\$ 1bn in the Indian firm. (ET)
- ❖ **Nestle** will invest Rs 3.5bn to set up a manufacturing plant in Karnataka to produce the Maggi range of food products. (BS)
- ❖ **Era Infra** has achieved the financial closure of a Rs 11bn highway project that involves four-laning of a road stretch from Muzaffarnagar in UP to Haridwar in Uttarakhand. (ET)
- ❖ **Himalaya Drug** intends to expand its exclusive store footprint in Uttar Pradesh and Uttarakhand. (BS)
- ❖ **Alok Industries** has entered into a JV agreement with a US-based company Next Creations. (BS)





Volume Shockers - BSE 100

('000)	Latest	2mth avg	% Chg
Unitech	39,722	27,671	143.6
Tata Motors	20,085	4,519	444.5
Hindalco	17,528	10,166	172.4
Bharti Airtel	13,546	8,300	163.2
Suzlon Energy	11,567	14,026	82.5

Delivery Toppers - BSE 100

	Del %	Tot Vol	Days up
HDFC Bank	68.1	776,437	(1)
NTPC	70.9	1,205,023	(2)
ITC	67.9	3,703,321	(2)
Ambuja Cem	64.2	1,897,154	1
Tata Power	61.2	338,746	3

BSE Sectoral Indices

	Latest	% Chg	% YTD
Midcap	7,546	(0.5)	12.3
Smallcap	9,642	(0.5)	15.4
Auto	8,640	0.0	16.2
Banks	11,829	(1.0)	17.9
Capital Goods	14,681	(0.8)	4.0
Comm & Tech	3,460	(0.8)	5.6
Con. Durables	5,545	(0.1)	46.5
FMCG	3,260	(0.7)	16.8
Healthcare	3,260	(0.9)	9.5
IT	5,546	(0.8)	6.9
Metals	15,480	(0.7)	(11.0)
Oil & Gas	10,042	(0.1)	(4.1)
Power	3,117	(0.6)	(2.2)
Realty	3,556	(1.8)	(7.8)

Market Breadth

	Adv	Dec	A/D
NSE	488	885	0.6
Sensex	6	24	0.3
BSE 100	28	72	0.4
BSE 200	57	142	0.4
BSE 500	156	342	0.5

Sensex Intraday



Economic News

- ❖ RBI intends to grant a limited number of new bank licences, and has invited comments on the minimum capital requirements and promoter shareholding in new banks. (ET)
- ❖ The govt may temporarily shut down BlackBerry services if its concerns about security are not addressed in its meeting with mobile phone operators on Thursday. (ET)
- ❖ The Asian Development Bank will provide a financial assistance of US\$150mn to India to develop urban infrastructure in NCR. (ET)
- ❖ The AAI may demand Rs 4bn as compensation from the operators of Delhi and Mumbai airports for not absorbing its staff working at both the airports before privatisation. (BS)

Global News

- ❖ Barclays Capital is to cut jobs in Asia, Europe and the United States after a slowdown in activity. (Mint)
- ❖ Sistema, one of Russia's largest listed companies, will soon float a public issue for its Indian telecom services venture. (ET)
- ❖ BP pumped heavy drilling mud into its blown-out Gulf of Mexico well in a 'static kill' operation it hopes will help permanently plug the oil spill. (Mint)
- ❖ The Financial Industry Regulatory Authority has fined Morgan Stanley US\$ 800,000 for inadequately disclosing conflicts of interest on the part of its research analysts. (BS)

Source: BL: Business Line, BS: Business Standard, ET: Economic Times, FE: Financial Express



Tata Motors Ltd

JLR throws in a margin surprise; maintain BUY

Tata Motors (TTMT) Q1FY11 results were significantly ahead of our and street expectations, driven by a very strong margin performance from the Jaguar Land Rover (JLR) business. JLR reported an EBITDA margin of 15.5% beating estimates by more than 400 bps. The strong numbers from JLR should lead to consensus earnings upgrades and be taken positively by the market. We upgrade our consolidated EPS estimates by 47%/29% to factor in a better performance from JLR. Our SOTP based target price stands revised upwards to Rs 1,150. We maintain our BUY recommendation on Tata Motors.

Q1 FY11 results - JLR steals the show:

- ❖ The standalone net revenue grew 62.6% YoY to Rs 104bn. EBITDA margin stood at 11.3%, 50 bps higher than expectation. Adj. net profit stood at Rs 4.6bn, 6% higher than anticipated.
- ❖ The JLR business surprised positively with a better than anticipated performance on most parameters. Net revenues grew 10% QoQ driven by a 4% growth in volumes and a 6% growth in realizations. EBITDA margin stood at 15.5%, 400 bps above expectations. The better performance was on account of a better product mix, a better geographic mix, lower discounts and a favorable currency. The management expects most of the benefits to continue in the quarters to come.

Upgrading estimates for JLR: Though we already have a BUY recommendation on the stock (expecting robust performance to continue), the JLR performance has taken us by surprise, warranting further upgrade in estimates. We therefore increase our realization and margin assumptions for the business. We increase our margin estimates by 300 bps from 11.0% to 14.0% as we expect most of the positives which benefited margins in Q1 to continue (expect currency benefits to reverse) in the coming quarters. Tax rates are unlikely to go up in spite of higher profits due to accumulated losses, further enhancing the earnings growth rate.

Increase target price to Rs 1,150, Maintain BUY – We increase our SOTP based target price to Rs 1,150 (from Rs 1,000 earlier) largely on account of an increase in value for JLR. We marginally reduce our target multiple for JLR from 5.5x to 5.0x EV/EBITDA, given that the possible margin expansion has already been achieved and margins are likely to have a downward bias. In our SOTP target of Rs 1,150, the standalone and JLR businesses now contribute equal value of Rs 512 each, while the other key holdings and subsidiaries are valued at Rs 125.

What's New? Target Rating Estimates

CMP	TARGET	RATING	RISK
Rs 957	Rs 1,150	BUY	HIGH

BSE	NSE	BLOOMBERG
500570	TATAMOTORS	TTMT IN

Company data

Market cap (Rs mn / US\$ mn)	546,016/11,768
Outstanding equity shares (mn)	571
Free float (%)	63.0
Dividend yield (%)	1.6
52-week high/low (Rs)	967/393
2-month average daily volume	4,171,368

Stock performance

Returns (%)	CMP	1-mth	3-mth	6-mth
Tata Motors	957	24.2	19.7	39.2
BSE Auto	8,640	3.2	11.3	26.7
Sensex	18,220	2.2	5.1	14.4

Valuation matrix (Standalone)–Ex-Sub value @ Rs 637

(x)	FY09	FY10	FY11E	FY12E
P/E @ CMP	103.9	13.9	9.8	8.0
P/E @ Target	166.6	22.3	15.7	12.9
EV/EBITDA @ CMP	20.6	7.3	6.1	5.4

Valuation matrix (Consolidated)

(x)	FY09	FY10	FY11E	FY12E
P/E @ CMP	-	55.2	8.8	7.8
P/E @ Target	(20.8)	66.3	10.6	9.4
EV/EBITDA @ CMP	35.7	9.1	5.3	4.9

In the interest of timeliness this report has not been edited.

Financial highlights - Tata Motors (Standalone)

(Rs mn)	FY09	FY10	FY11E	FY12E
Revenue	254,970	355,931	441,727	512,036
Growth (%)	(11.3)	39.6	24.1	15.9
Adj net income	1,716	13,588	20,352	24,857
Growth (%)	(90.8)	691.9	49.8	22.1
FDEPS (Rs)	3.1	23.0	32.6	39.8
Growth (%)	(93.0)	647.4	41.8	22.1

Financial highlights - Tata Motors (Consolidated)

(%)	FY09	FY10	FY11E	FY12E
Revenue	709,389	925,608	1,126,065	1,266,829
Growth (%)	98.9	30.5	21.7	12.5
Adj. Net Income	(30,803)	10,249	67,640	76,243
Growth (%)	(249.5)	-	559.9	12.7
Religare EPS (Rs)	(55.2)	17.3	108.4	122.2
Growth (%)	(213.1)	-	524.8	12.7





Result highlights

Fig 1 - Standalone Quarterly performance

(Rs mn)	Q1FY11	Q1FY10	% Chg YoY	Q4FY10	% Chg QoQ
Sales volume (units)	190,304	127,340	49.4	216,642	(12.2)
Realizations/Vehicle (Rs)	547,348	502,955	8.8	567,024	(3.5)
Net sales	104,163	64,046	62.6	122,841	(15.2)
Expenditure	92,425	56,766	62.8	109,970	(16.0)
Adj. Operating profit	11,738	7,280	61.2	12,871	(8.8)
EBITDA margin (%)	11.3	11.4	(10 bps)	10.5	80 bps
Other income	693	5	-	7	-
Interest	3,140	2,535	23.9	2,786	12.7
Depreciation	3,264	2,403	35.8	3,720	(12.3)
PBT	5,376	2,292	134.6	6,126	(12.2)
Tax	1,419	343	314.0	2,226	(36.2)
Adj. PAT	4,589	2,004	129.0	4,146	10.7
EPS (Rs)	7.4	3.9	88.6	7.6	(3.5)

Source: Company, RCML Research | Q4FY10 results derived from subtracting nine months results from full year

Fig 2 - Consolidated Quarterly performance*

(Rs mn)	Q1FY11	Q1FY10	% Chg YoY	Q4FY10	% Chg QoQ
Net sales	270,556	163,970	65.0	289,778	(6.6)
Expenditure	232,002	158,941	46.0	258,423	(10.2)
Adj. Operating profit	38,554	5,029	666.6	31,354	23.0
EBITDA margin (%)	14.2	3.1	1110bps	10.8	340 bps
Other income	1,930	4,136	(53.3)	(4,975)	-
Interest	7,344	6,760	8.6	7,448	(1.4)
Depreciation	10,115	8,442	19.8	8,878	13.9
PBT	22,754	(2,699)	-	8,644	163.2
Tax	2,960	643	360.7	4,092	(27.7)
Adj. PAT	20,158	(6,627)	-	6,173	226.6
EPS (Rs)	32.3	(12.9)	-	11.3	184.6

Source: Company, RCML Research | Q4FY10 results derived from subtracting nine months results from full year

Fig 3 - Key subsidiaries performance: YoY Comparison

(Rs mn)	Revenue			EBITDA Margins			PAT		
	Q1FY11	Q1FY10	% chg	Q1FY11	Q1FY10	chg (bps)	Q1FY11	Q1FY10	% chg
Tata Daewoo	8,530	6,690	27.5	8.7	6.0	270	360	180	100.0
Tata technologies	2,980	2,460	21.1	14.1	5.7	840	270	50	440.0
Tata Mot. Finance	3,200	2,100	52.4	8.4	(35.2)	437	240	(370)	-
HV Transmission	620	390	59.0	56.5	48.7	770	170	70	142.9
HV Axle	730	440	65.9	61.6	56.8	480	220	100	120.0

Source: Company, RCML Research



Realization increase of 6% QoQ due to better product mix and favorable currency

EBITDA margin at 15.5% is 400 bps higher than anticipated

Accumulated losses means higher profits do not lead to higher taxes

Euro fluctuation helps reduce RM Cost as JLR is a net importer of Euro

Share of China increases to 11.4% of sales

Fig 4 - Jaguar Land Rover Quarterly Performance

(£ mn)	Q1FY11	Q4FY10	% chg QoQ	Q1FY10	% chg YoY
Volumes (units)	59,200	57,004	3.9	35,900	64.9
Realisations (£)	38,209	35,927	6.4	31,337	21.9
Net Revenues	2,262	2,048	10.4	1,125	101.1
Expenditure					
RM Cost	1,393	1,300	7.2	814	71.1
Employee Cost	191	175	9.1	176	8.5
Manuf. Cost	328	339	(3.2)	170	92.9
EBITDA	350	234	49.6	(34)	-
Depr. & Amrtz.	98	86	14.0	80	22.5
Interest Cost	17	19	(10.5)	13	30.8
PBT	235	129	82.2	(127)	-
Ext. Gains	(1)	(41)	(97.6)	65	(101.5)
Income Tax	13	16	(18.8)	2	550.0
Reported PAT	221	72	206.9	(64)	-
Adj. PAT	222	113	96.5	(129)	-
RM/Sales (%)	61.6	63.5	(190 bps)	72.4	(1080 bps)
Emp. Cost/Sales (%)	8.4	8.5	(10 bps)	15.6	(720 bps)
Mfg. Cost/Sales (%)	14.5	16.6	(210 bps)	15.1	(60 bps)
EBITDA Margin (%)	15.5	11.4	410 bps	(3.0)	-

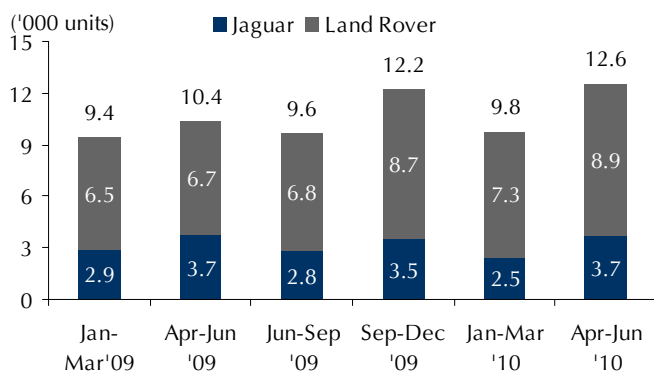
Source: Company, RCML Research

Fig 5 - JLR - Regional break-up of retail volumes

Geography	Q1FY11	% of total	Q1FY10	% of total
North America	12,636	21.4	10,302	21.9
Europe Excl Russia	14,861	25.2	12,633	26.8
UK	13,228	22.4	10,711	22.7
Russia	2,323	3.9	2,057	4.4
China	6,717	11.4	3,299	7.0
ROW	9,323	15.8	8,144	17.3
Total	59,088	100.0	47,146	100.0

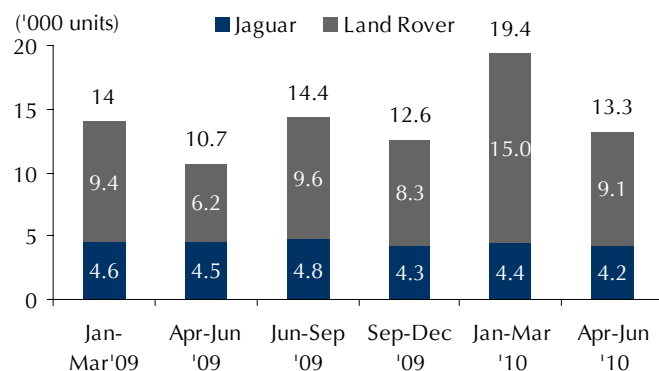
Source: Company, RCML Research

Fig 6 - JLR Retail Volume: North America



Source: Company, RCML Research

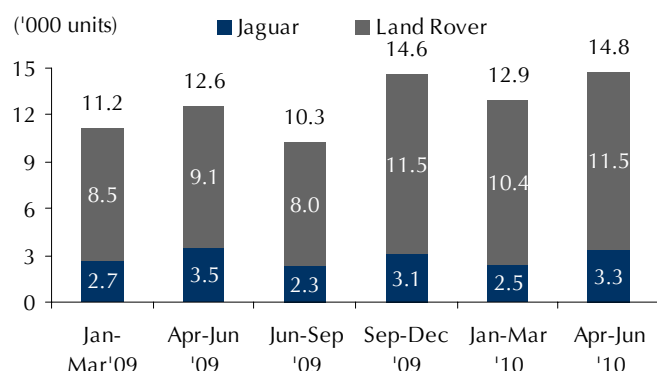
Fig 7 - JLR Retail Volume: UK



Source: Company, RCML Research

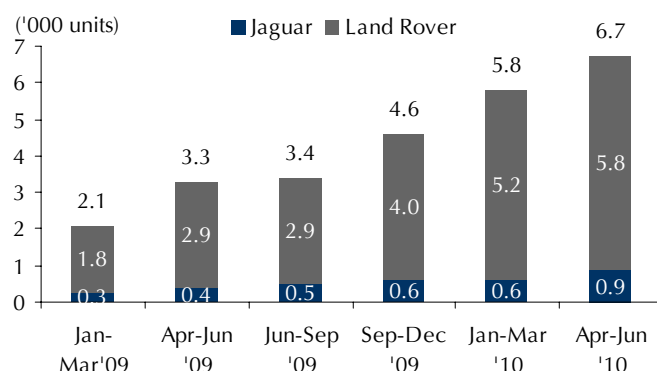


Fig 8 - JLR Retail Volume: Europe (Excl Russia)



Source: Company, RCML Research

Fig 9 - JLR Retail Volume: China



Source: Company, RCML Research

Revised Estimates

Fig 10 - Revised estimates – Standalone business

Key parameters (Rs mn)	FY11E			FY12E		
	Old	New	% Chg	Old	New	% Chg
Revenue	424,344	441,727	4.1	492,274	512,036	4.0
EBITDA margin (%)	11.5	11.2	(30 bps)	11.2	11.0	(20 bps)
Net profit	21,344	20,352	(4.6)	25,966	24,857	(4.3)
FDEPS (Rs)	34.2	32.6	(4.6)	41.6	39.8	(4.3)

Source: Company, RCML Research

Fig 11 - Revised estimates – JLR

(£ mn)	FY09 (10 months)	FY10	FY11E	FY12E	Comment
Volumes (units)	167,348	193,982	232,778	256,056	
% Growth	-	15.9	20.0	10.0	
Realisations (mn)	29,722	33,787	37,165	37,537	Increasing realization estimates on better product mix from higher Jagua sales and lower discounts
% Growth	-	13.7	10.0	1.0	
Revenues	4,974	6,554	8,651	9,612	
RM Cost	3,164	4,439	5,450	6,103	
% Sales	63.6	67.7	63.0	63.5	RM costs lower on lower discount and benefits from Euro rates
RM Cost/Unit	18,907	22,884	23,414	23,836	
Employee Cost (inc. provisions)	569	730	737	811	
% Sales	11.4	11.1	8.5	8.4	
Manufacturing Costs	1,282	953	1,254	1,403	
% of sales	25.8	14.5	14.5	14.6	
EBITDA	(41)	432	1,209	1,294	Increasing margins estimate by 30 bps from 11.0% to 14.0%
EBITDA Margin (%)	(0.8)	6.6	14.0	13.5	

Source: Company, RCML Research



Fig 12 - Revised estimates - Consolidated

Key parameters (Rs mn)	FY11E			FY12E		
	Old	New	% Chg	Old	New	% Chg
Revenue	1,054,462	1,126,065	6.8	1,203,046	1,266,829	5.3
EBITDA margin (%)	11.1	13.1	200 bps	11.2	12.7	150 bps
Net profit	46,123	67,640	46.7	58,965	76,243	29.3
FDEPS (Rs)	73.9	108.4	46.7	94.5	122.2	29.3

Source: Company, RCML Research

In spite of higher margins, lower taxes
due to accumulated losses boost
earnings growth

Fig 13 - Tata Motors SOTP-based valuation

Valuation Matrix	Valuation Basis	Value/Share
Tata Motors Standalone	EBITDA - 8.5x – FY12E	769
Jaguar Land Rover	EBITDA – 5.0x – FY12E	726
Less Adj. for R&D in JLR	2/3rd of Annual R&D expense	(150)
Less: Automotive Debt	Outstanding Debt/Share	(320)
Tata Motors Std. + JLR		1,025
Other Holdings & Subs	Based of FY12E earnings/Book value	125
Total Value per share		1,150

In our SOTP 45% of the value
of business is derived from standalone
and JLR each, the remaining 10% from
other subsidiaries



Standalone financials

Profit and Loss statement

Y/E March (Rs mn)	FY09	FY10	FY11E	FY12E
Revenues	254,970	355,931	441,727	512,036
Growth (%)	(11.3)	39.6	24.1	15.9
EBITDA	14,760	41,783	49,510	56,475
Growth (%)	(49.9)	183.1	18.5	14.1
Depreciation & amortisation	9,257	11,779	12,984	14,412
EBIT	5,503	30,004	36,527	42,063
Growth (%)	(75.3)	445.2	21.7	15.2
Interest	6,736	12,462	12,179	11,913
Other income	2,420	(7,263)	2,789	2,993
EBT	1,188	10,278	27,136	33,143
Income taxes	125	5,895	6,784	8,286
Effective tax rate (%)	10.5	57.3	25.0	25.0
Extraordinary items	7,098	18,017	-	-
Min into / inc from associates	-	-	-	-
Reported net income	8,161	22,401	20,352	24,857
Adjustments	(6,445)	(8,813)	-	-
Adjusted net income	1,716	13,588	20,352	24,857
Growth (%)	(90.8)	691.9	49.8	22.1
Shares outstanding (mn)	385.4	570.6	570.6	570.6
FDEPS (Rs) (adj)	3.1	23.0	32.6	39.8
Growth (%)	(93.0)	647.4	41.8	22.1
DPS (Rs)	8.1	15.1	15.0	15.0

Cash flow statement

Y/E March (Rs mn)	FY09	FY10	FY11E	FY12E
Net income + Depreciation	16,861	32,694	32,452	38,347
Non-cash adjustments	(4,057)	(6,081)	3,786	502
Changes in working capital	(5,012)	27,506	(4,298)	(5,844)
Cash flow from operations	7,792	54,120	31,940	33,005
Capital expenditure	(40,113)	(23,102)	(22,679)	(25,000)
Change in investments	(70,492)	(86,056)	4,575	4,117
Other investing cash flow	(1,795)	(11,266)	-	-
Cash flow from investing	(112,400)	(120,424)	(18,104)	(20,883)
Issue of equity	41,097	17,942	-	-
Issue/repay debt	57,496	55,448	(1,854)	(8,000)
Dividends paid	(6,424)	(3,449)	(9,874)	(9,842)
Other financing cash flow	(10)	(2,775)	-	-
Change in cash & cash eq	(12,450)	862	2,108	(5,720)
Closing cash & cash eq	11,418	17,532	19,640	13,920

Economic Value Added (EVA) analysis

Y/E March	FY09	FY10	FY11E	FY12E
WACC (%)	13.5	13.5	13.5	13.5
ROIC (%)	2.5	4.7	9.6	10.5
Invested capital (Rs mn)	262,954	276,852	292,683	311,037
EVA (Rs mn)	(28,968)	(24,336)	(11,448)	(9,582)
EVA spread (%)	(11.0)	(8.8)	(3.9)	(3.1)

Balance sheet

Y/E March (Rs mn)	FY09	FY10	FY11E	FY12E
Cash and cash eq	11,418	17,533	19,640	13,920
Accounts receivable	15,552	23,919	23,259	24,305
Inventories	22,298	29,356	32,651	32,868
Other current assets	47,650	44,572	44,174	46,084
Investments	129,681	223,369	218,794	214,677
Gross fixed assets	139,052	184,168	219,168	254,168
Net fixed assets	76,453	112,039	134,939	156,449
CWIP	69,540	52,322	40,000	30,000
Intangible assets	-	-	-	-
Deferred tax assets, net	(8,658)	(15,086)	(14,086)	(13,086)
Other assets	20	1,616	1,616	1,616
Total assets	363,954	489,639	500,987	506,834
Accounts payable	48,721	64,281	60,147	69,721
Other current liabilities	40,861	81,811	83,928	71,685
Provisions	18,773	27,633	32,342	33,843
Debt funds	131,656	166,259	164,405	156,405
Other liabilities	1,641	-	-	-
Equity capital	5,141	5,706	5,706	5,706
Reserves & surplus	117,161	143,949	154,459	169,474
Shareholder's funds	122,302	149,654	160,164	175,179
Total liabilities	363,954	489,638	500,987	506,834
BVPS (Rs)	330.6	272.3	290.7	317.0

Financial ratios

Y/E March	FY09	FY10	FY11E	FY12E
Profitability & Return ratios (%)				
EBITDA margin	5.8	11.7	11.2	11.0
EBIT margin	2.2	8.4	8.3	8.2
Net profit margin	0.7	3.8	4.6	4.9
ROE	1.7	10.0	13.1	14.8
ROCE	3.9	6.6	9.2	10.3
Working Capital & Liquidity ratios				
Receivables (days)	19	20	19	17
Inventory (days)	46	39	36	33
Payables (days)	93	85	72	65
Current ratio (x)	1.1	0.8	0.8	0.8
Quick ratio (x)	0.2	0.2	0.2	0.2
Turnover & Leverage ratios (x)				
Gross asset turnover	2.1	2.2	2.2	2.2
Total asset turnover	0.8	0.8	0.9	1.0
Interest coverage ratio	0.8	2.4	3.0	3.5
Adjusted debt/equity	0.5	0.7	0.6	0.5
Valuation ratios (x) Ex-Sub value @ Rs 637				
EV/Sales	1.2	0.9	0.7	0.6
EV/EBITDA	20.6	7.3	6.1	5.4
P/E	103.9	13.9	9.8	8.0
P/BV	1.0	1.2	1.1	1.0



Quarterly trend

Particulars	Q1FY10	Q2FY10	Q3FY10	Q4FY10	Q1FY11
Revenue (Rs mn)	64,046	79,788	89,799	122,841	104,163
YoY growth (%)	(7.6)	12.7	90.5	82.0	62.6
QoQ growth (%)	(5.1)	24.6	12.5	36.8	(15.2)
EBITDA (Rs mn)	7,280	10,657	11,519	12,871	11,738
EBITDA margin (%)	11.4	13.4	12.8	10.5	11.3
Adj net income (Rs mn)	2,004	3,745	4,244	4,146	4,589
YoY growth (%)	(51.4)	37.1	(602.5)	(284.0)	129.0
QoQ growth (%)	(188.9)	86.9	13.3	(2.3)	10.7

DuPont analysis

(%)	FY08	FY09	FY10	FY11E	FY12E
Tax burden (Net income/PBT)	72.6	144.5	132.2	75.0	75.0
Interest burden (PBT/EBIT)	115.2	21.6	34.3	74.3	78.8
EBIT margin (EBIT/Revenues)	7.8	2.2	8.4	8.3	8.2
Asset turnover (Revenues/Avg TA)	133.6	83.4	83.4	89.2	101.6
Leverage (Avg TA/Avg equitiy)	292.4	304.8	313.9	319.7	300.5
Return on equity	25.4	1.7	10.0	13.1	14.8



Consolidated financials

Profit and Loss statement

Y/E March (Rs mn)	FY09	FY10	FY11E	FY12E
Revenues	709,389	925,608	1,126,065	1,266,829
Growth (%)	98.9	30.5	21.7	12.5
EBITDA	21,974	86,557	147,151	160,575
Growth (%)	(48.3)	293.9	70.0	9.1
Depreciation & amortisation	28,554	43,853	46,385	49,447
EBIT	(6,580)	42,704	100,766	111,129
Growth (%)	(119.3)	(748.9)	136.0	10.3
Interest	21,706	24,653	25,392	25,432
Other income	(2,552)	2,256	3,116	3,333
EBT	(30,839)	20,307	78,490	89,030
Income taxes	3,358	10,058	10,850	12,787
Effective tax rate (%)	(10.9)	49.5	13.8	14.4
Extraordinary items	7,149	14,919	-	-
Min into / inc from associates	(632)	542	789	953
Reported net income	(27,450)	25,711	68,430	77,196
Adjustments	3,354	15,461	789	953
Adjusted net income	(30,803)	10,249	67,640	76,243
Growth (%)	(249.5)	(133.3)	559.9	12.7
Shares outstanding (mn)	514.0	570.6	570.6	570.6
FDEPS (Rs) (adj)	(55.2)	17.3	108.4	122.2
Growth (%)	(213.1)	(131.4)	524.8	12.7
DPS (Rs)	6.0	15.1	15.0	15.0

Cash flow statement

Y/E March (Rs mn)	FY09	FY10	FY11E	FY12E
Net income + Depreciation	(2,418)	64,537	114,814	126,643
Non-cash adjustments	(43,696)	(36,160)	4,691	(969)
Changes in working capital	(13,450)	26,009	(17,344)	(7,257)
Cash flow from operations	(59,564)	54,386	102,160	118,417
Capital expenditure	(98,959)	(84,532)	(82,082)	(74,672)
Change in investments	1,273	(116)	(1,525)	(1,672)
Other investing cash flow	8,528	4,850	-	-
Cash flow from investing	(89,159)	(79,799)	(83,607)	(76,344)
Issue of equity	41,097	16,852	-	-
Issue/repay debt	113,572	56,082	(48,833)	-
Dividends paid	(7,595)	(3,496)	(10,037)	(9,843)
Other financing cash flow	(10)	(963)	-	-
Change in cash & cash eq	(1,658)	43,063	(40,317)	32,230
Closing cash & cash eq	41,213	87,434	47,117	79,346

Economic Value Added (EVA) analysis

Y/E March	FY09	FY10	FY11E	FY12E
WACC (%)	13.5	13.5	13.5	13.5
ROIC (%)	(2.3)	5.0	22.3	22.2
Invested capital (Rs mn)	439,564	422,345	480,636	518,887
EVA (Rs mn)	(69,909)	(36,223)	42,010	44,927
EVA spread (%)	(15.9)	(8.6)	8.7	8.7

Balance sheet

Y/E March (Rs mn)	FY09	FY10	FY11E	FY12E
Cash and cash eq	41,213	87,433	47,117	79,346
Accounts receivable	48,001	71,912	78,230	79,332
Inventories	101,547	113,120	117,657	119,375
Other current assets	126,514	152,831	164,328	164,043
Investments	12,574	22,191	23,716	25,388
Gross fixed assets	621,880	648,518	721,280	795,953
Net fixed assets	289,190	304,383	330,760	355,986
CWIP	105,330	80,680	90,000	90,000
Intangible assets	-	34,229	34,229	34,229
Deferred tax assets, net	(6,802)	(11,536)	(10,536)	(9,536)
Other assets	7,226	(1,912)	(7,994)	(5,594)
Total assets	724,793	853,332	867,508	932,570
Accounts payable	194,188	221,875	205,912	187,111
Other current liabilities	46,837	118,898	130,788	143,866
Provisions	70,592	76,435	84,510	87,447
Debt funds	349,739	351,924	303,090	303,090
Other liabilities	4,030	2,135	3,346	4,793
Equity capital	5,141	5,706	5,706	5,706
Reserves & surplus	54,266	76,359	134,156	200,557
Shareholder's funds	59,406	82,065	139,862	206,263
Total liabilities	724,793	853,332	867,508	932,570
BVPS (Rs)	125.6	153.8	255.1	371.5

Financial ratios

Y/E March	FY09	FY10	FY11E	FY12E
Profitability & Return ratios (%)				
EBITDA margin	3.1	9.4	13.1	12.7
EBIT margin	(0.9)	4.6	8.9	8.8
Net profit margin	(4.3)	1.1	6.0	6.0
ROE	(42.1)	14.5	61.0	44.1
ROCE	(2.0)	6.6	21.2	21.4
Working Capital & Liquidity ratios				
Receivables (days)	18	24	24	23
Inventory (days)	51	64	57	52
Payables (days)	99	123	105	86
Current ratio (x)	1.3	1.2	1.2	1.3
Quick ratio (x)	0.4	0.4	0.4	0.5
Turnover & Leverage ratios (x)				
Gross asset turnover	1.9	1.5	1.6	1.7
Total asset turnover	1.3	1.2	1.3	1.4
Interest coverage ratio	(0.3)	1.7	4.0	4.4
Adjusted debt/equity	2.9	2.5	1.4	1.1
Valuation ratios (x)				
EV/Sales	1.1	0.8	0.7	0.6
EV/EBITDA	35.7	9.1	5.3	4.9
P/E	-	55.2	8.8	7.8
P/BV	7.6	6.2	3.8	2.6

Quarterly trend





Particulars	Q1FY10	Q2FY10	Q3FY10	Q4FY10	Q1FY11
Revenue (Rs mn)	163,970	211,002	260,443	289,778	270,556
YoY growth (%)	13.2	(8.2)	47.1	84.6	65.0
QoQ growth (%)	4.5	28.7	23.4	11.3	(6.6)
EBITDA (Rs mn)	5,029	15,059	29,718	31,354	38,554
EBITDA margin (%)	3.1	7.1	11.4	10.8	14.2
Adj net income (Rs mn)	(6,627)	2,401	8,845	6,173	20,158
YoY growth (%)	-	-	-	-	-
QoQ growth (%)	(71.7)	(136.2)	268.3	(30.2)	226.6

DuPont analysis

(%)	FY08	FY09	FY10	FY11E	FY12E
Tax burden (Net income/PBT)	67.1	99.9	50.5	86.2	85.6
Interest burden (PBT/EBIT)	90.4	468.6	47.6	77.9	80.1
EBIT margin (EBIT/Revenues)	9.5	(0.9)	4.6	8.9	8.8
Asset turnover (Revenues/Avg TA)	120.9	132.8	117.3	130.9	140.8
Leverage (Avg TA/Avg equity)	359.2	729.9	1,115.5	775.4	520.1
Return on equity	25.1	(42.1)	14.5	61.0	44.1

Company profile

Tata Motors is India's largest commercial vehicle manufactures with a market share in the M&HCV segment of 61% and 59% in the LCV segment. It is the third largest passenger car manufacturer with a market share of 13.2%. The launch of the mass market 'Nano' is expected to increase its market share in the passenger car segment further. In FY09 it acquired Jaguar and Land Rover brands from Ford Motor Co, which now contribute more than 50% of revenues.

Shareholding pattern

(%)	Dec-09	Mar-10	June-10
Promoters	37.0	38.1	37.0
FII's	17.8	15.7	22.4
Banks & FIs	18.2	18.5	18.6
Public	26.9	27.8	22.0

Recommendation history

Date	Event	Reco price	Tgt price	Reco
2-Feb-10	Company Update	720	867	Buy
18-May-10	Company Update	789	1,000	Buy
28-May-10	Alert	750	1,000	Buy
11-Aug-10	Results Review	957	1,150	Buy

Stock performance





Bharti Airtel Ltd

Q1FY11 results indicate easing competitive pressure in India wireless business

Bharti reported adjusted (ex Africa) Rev/EBITDA of Rs 113bn/Rs42.5bn before acquisitions costs up 5%/2% QoQ. Overall consolidated Rev/EBITDA came in at Rs 122bn/Rs45bn (incl. Africa business). India and South Asia wireless revenues grew strong 6% QoQ driven by strong pick up in traffic and moderation in tariff pressures. Enterprise services revenues were lack lustre, down 5% QoQ. Passive infrastructure revenues grew 5% QoQ (incl. Indus). Telemedia services reported 5% QoQ growth as ARPUs improved 3% QoQ. Africa business reported rev/EBITDA of Rs9.58bn/Rs2.6bn with margins lower at 27.5%. EBITDA Margins ex-africa was at 38% vs. 39% in 4Q due to sharp drop in margins of the enterprise segment. Additionally Bharti acquired stake in Telecom Seychelles for a consideration of US\$62mn (EV)

India metrics reflect easing pressures: ARPM declines moderated to Rs0.45 vs Rs0.47 in 4Q (down 4.5% QoQ) while MOUs came in 480 mins up 3% QoQ. Bharti continues to show strong wireless traffic growth of 10% QoQ arresting ARPU decline. ARPU for the quarter was at Rs215 down 2% QoQ. Overall we believe that strong volume growth continues to resonate that strong incumbents have been able to gain traffic. Metrics in telemedia improved with resurgence in ARPUs led by higher proportion of DSL mix. Indus tenancy improved to 1.75x (1.71x in 4QFY10). Wireless EBITDA margins were down 40bps QoQ to 36%, while Telemedia EBITDA margins improved to 44% (+70bps QoQ). Enterprise segment was weak with QoQ margin decline of 540bps to 24.5%

Balance sheet: Bharti had a net debt of Rs603bn with long term debt stood at Rs577bn and Rs77bn of short term debt. We believe that leverage for Bharti is comfortable at 1.3x net debt/equity and 2.8x TTM net debt/EBITDA. Africa gross debt was Rs465bn, while India gross debt was at Rs187bn. Overall we believe that Bharti interest outgo should be ~Rs20bn per annum given competitive cost of borrowing. With easing competitive pressures in domestic market and turnaround should help Bharti bring down net debt/ equity and net debt/EBITDA at 1x and 2.2x levels respectively. Interest on borrowings for the quarter was Rs2.5bn for the quarter and Rs460mn was capitalized on account of 3G/BWA.

Investment View: Strong pickup in wireless business continues to reflect easing competitive pressures in the domestic market well supported by uptick in traffic growth. We expect tariff pressures should continue to moderate going forward leading to pick up in growth in the domestic market. Additionally we believe that leverage position remains comfortable and expect Zain to drive growth for Bharti over the next 2 years. We maintain our positive view on the stock.

In the interest of timeliness this report has not been edited.





Fig 14 - Bharti: Quarterly Review

	Jun-10				Mar-10				Jun-09	
	India & SA	Africa	Africa others	Total	India & SA	Africa others*	Total	Q/Q	India & SA	Y/Y
Total revenues	112,725	9,583	-	122,308	107,491		107,491	4.9	104,143	8.2
EBITDA before Acquisition Related Cost	42,500	2,635	(13)	45,122	41,805		41,805	1.7	42,974	(1.1)
EBITDA after Acquisition Related Cost	42,424	2,635	(919)	44,140	41,805	(976)	40,829	1.5	42,974	(1.3)
Profit / (Loss) before Tax	23,008	(754)	(1,535)	20,719	25,388	(976)	24,411	(9.4)	29,483	(22.0)
Current tax expense	5,248	161	-	5,409	4,945		4,945	6.1	6,821	(23.1)
Profit / (Loss) after current tax expense	17,760	(915)	(1,535)	15,310	20,443	(976)	19,466	(13.1)	22,662	(21.6)
Deferred tax expense / (income)	(1,561)	(98)	-	(1,659)	(1,530)		(1,530)	2.0	(2,516)	(38.0)
Net income	19,048	(697)	(1,535)	16,816	21,420	(976)	20,443	(11.1)	24,745	(23.0)
EBITDA / Total revenues (before Acquisition Related Cost)	37.7%	27.5%		36.9%	38.9%		38.9%		41.3%	

Source: Company, RCML Research. *Acquisition costs in this quarter have been classified in this quarter.

Fig 15 - Wireless metrics

Key Metrics	Jun-08	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
Mobile subscribers ('000)	69,384	77,479	85,651	93,923	102,368	110,511	118,864	127,619	136,620
Incremental subscribers ('000)	7,399	8,095	8,172	8,273	8,445	8,144	8,353	8,755	9,001
ARPU (Rs)	350	331	324	305	278	252	230	220	215
Q/Q Growth	-2.0	-5.4	-2.0	-6.0	-8.8	-9.4	-8.6	-4.6	-2.0
Y/Y Growth	-10.3	-9.6	-9.4	-14.6	-20.5	-23.9	-29.0	-28.0	-22.6
Blended MOU	534	536	505	485	478	450	446	468	480
Q/Q Growth	5.3	0.4	-5.7	-4.0	-1.5	-5.9	-0.9	4.9	2.7
Y/Y Growth	11.7	14.3	6.6	-4.3	-10.5	-16.1	-11.8	-3.6	0.5
ARPM (Rs/minute)	0.66	0.62	0.64	0.63	0.58	0.56	0.52	0.47	0.45
Q/Q Growth	-8.8	-6.0	4.0	-2.1	-7.5	-3.7	-7.8	-9.1	-4.6
Y/Y Growth	-20.1	-21.4	-15.5	-12.8	-11.5	-9.2	-19.5	-25.3	-23.0
Mobile traffic (mn mins)	105,217	115,834	123,626	130,669	140,713	143,680	153,241	172,797	190,396
Q/Q Growth	18.1	10.1	6.7	5.7	7.7	2.1	6.7	12.8	10.2
Y/Y Growth	84.2	79.9	67.4	46.7	33.7	24.0	24.0	32.2	35.3

Source: Company



Banking

RBI's discussion paper mulls entry of NBFCs / corporates into banking

RBI, in a discussion paper on banking licences, has given a broad overview of the key issues relating to the entry of new players: (1) allowing industrial/business houses/NBFCs to become promoters, (2) the minimum capital requirement, (3) the shareholding pattern, and (4) the business model. NBFCs with a good track record and a strong capital position are better placed, in our view, to enter the banking space either by directly converting into a bank or routing through a subsidiary/an associate company. While RBI has not ruled out the entry of industrial/business houses, we believe that it would remain cautious due to concerns over conflict of interest and concentration of economic power. However, corporate houses with a dominant presence and a track record in financial services are likely to have an upper hand, if RBI decides to grant banking licences. RBI may also allow industrial/business houses to take over RRBs and monitor their performance before granting them banking licences. However, RBI has ruled out the entry of industrial/business houses/NBFCs engaged in real estate activities.

Who are eligible: We believe that LIC Housing Finance, Shriram Group and IFCI would be better placed among the listed companies who have expressed their interest in securing banking licences in the past. Reliance Capital, M&M Financial, Bajaj Finserv and Aditya Birla Nuvo would also be strong candidates if RBI considers industrial houses for such licences. Brokerages would also be eligible to apply.

Shareholding pattern: We believe that RBI would ask promoters to contribute a minimum 40% of capital with a lock-in-clause of five years. However, promoters may have to dilute their holdings to 10-20% at a later stage (Fig 5). Foreign shareholding (including FIIs, NRIs and FIIIs) of the bank could be capped at a level below 50% for the first ten years.

Minimum capital requirement to be more than Rs 3bn: RBI is likely to set the minimum capital requirement at more than Rs 3bn so that new banks have enough capital to expand their presence, invest in technological platforms and withstand initial shocks. However, higher capital requirement would not be a concern, considering that NBFCs and industrial houses interested in applying for banking licences have a strong balance sheet and can easily raise capital.

Financial inclusion likely to remain under focus: Financial inclusion was one of the key reasons for providing licences to a limited number of new banks. As a result, RBI may prefer companies with a business model oriented towards semi-urban and rural areas. This would support industrial / business houses if they want to acquire RRBs.

Final guidelines to take some more time: RBI has invited suggestions and comments on the discussion paper till September 30, 2010. After analysing the feedback, RBI would come out with comprehensive guidelines for licensing of new banks and would invite applications for the same.





Fig 16 - Minimum capital requirement

Option	Proposal	Comment
1	Having a low minimum capital requirement (but more than Rs 3bn) for new banks	Low minimum capital requirement may attract more players (particularly NBFCs who want to focus on rural and semi-urban areas only); however, small banks could suffer due to their small size, unviable and uncompetitive cost structures and concentration risk. Banks with lower network would be vulnerable to any significant economic slowdown. Moreover, new banks would require making significant investment in their branch network and technology platform.
2	Having a high (Rs 10 bn) minimum capital requirement for new banks	
3	Initial minimum capital may be prescribed at say Rs 5bn with a condition to raise the amount to say Rs 10bn within a period of say 5 years	

Source : RBI, RCML Research

Fig 17 - Eligibility of Industrial / business houses to promote banks

Option	Proposal	Comment
1	Industrial and business houses may be permitted to promote banks	Though RBI seems open to the idea of allowing industrial / business houses to promote banks as industrial / business houses can be important source of capital, central bank is concerned about the conflict of interest and concentration of economic power. RBI is likely to insist on a diversified ownership and a clear separation of banking business from other businesses of the group. Further, to protect shareholders, RBI also suggested that legislative changes should be made to empower RBI to supersede the Board under extreme-conditions as a pre-condition for considering allowing industrial or business houses to promote banks.
2	Industrial and business houses that have predominant presence and experience in the financial sector could be allowed to set up banks subject to other due diligence process	
3	As an intermediate step, industrial and business houses could be allowed to take over RRB's, before considering allowing them to set up banks	

Source : RBI, RCML Research

Fig 18 - Options regarding NBFCs

Option	Proposal	Comment
1	Permitting conversion of NBFCs into banks	NBFCs with strong capital position and good track record would be clear beneficiary.
2	Permitting standalones (i.e. those not promoted by industrial / business houses) NBFCs (including those regulated by SEBI, IRDA & NHB) to promote banks	

Source : RBI, RCML Research

Fig 19 - Business model

Option	Proposal	Comment
1	Status - quo could be maintained where new banks could be licensed under the usual conditions	Proposals with a business model oriented towards semi-urban and rural areas are likely to be preferred by RBI. This would support micro-finance companies if they apply for banking licences. Proposals to acquire regional rural banks (RRBs) by industrial / business houses could also be endorsed by the central bank.
2	Considering the thrust on the financial inclusion, a business model oriented towards this objective could be preferred. The business model could be required to clearly articulate the strategy and the targets for achieving significant outreach to clientele in Tier 3 to Tier 6 centers (i.e. in populations less than 50000) especially in the under banked regions of the country either through branches or branchless models.	

Source : RBI, RCML Research



Fig 20 - Shareholding pattern

Option	Proposal	Comment
1	Retaining the current approach of requiring promoters to bring in a minimum of 40 percent of capital with lock – in clause for 5 years and the threshold for other significant shareholders to be restricted to maximum of 10 percent with the requirement to seek acknowledgement from RBI on reaching 5 percent threshold and above. Promoters too have to dilute to the extent required in a time bound manner, say 5 years after the lock in period.	
2	Retain the general threshold for the shareholders at 5 percent of the capital but raise the threshold for promoters and other significant shareholders to say 20 percent in the long run.	RBI would ask promoters to contribute a minimum 40% of capital with a lock-in-clause of five years. However, promoters may have to dilute their holdings to 10-20% at a later stage.
3	Allow promoters to hold their initial shareholding of 40 percent	
4	Follow a Canadian model of shareholding pattern - Schematically a model for India could be: no restriction on ownership up to 5 / 10 percent with permission to hold upto 40 percent of capital in banks with shareholders' equity up to say Rs 10bn, 30 percent of capital in banks with shareholders' equity more than Rs 10 bn and up to say Rs 20 bn, and permitted maximum holding (10 percent or 20 percent) in banks with shareholders' equity of more than say Rs 20 bn. "	

Source : RBI, RCML Research



Events Calendar

	Aug 12	Aug 13	Aug 14
Economy	US – Import Price Index US – Initial Jobless Claims US – Continuing Claims IN - Primary Articles WPI YoY IN - Fuel Power Light WPI YoY IN - Industrial Production YoY	US – Consumer Price Index US – CPI Ex Food & Energy US – Advance Retail Sales US – Retail Sales Less Autos US – CPI Core Index SA US – Retail Sales Ex Auto & Gas US – Consumer Price Index NSA US – U. of Michigan Confidence US – Business Inventories	-
Board Meetings	Cummins India, Datamatics Global Services, Divi's Laboratories, Mahanagar Telephone Nigam, Ranbaxy Laboratories, Shree Renuka Sugars, State Bank of India, Tata Power Company, Tata Steel	Bank of Rajasthan, Cipla, Finolex Industries, Gammon India, Jupiter Bioscience, Omax Autos	JK Tyre & Industries , Lanco Infratech , Unitech
	Aug 15	Aug 16	Aug 17
Economy	-	US – Empire Manufacturing US – Net Long-term TIC Flows US – Total Net TIC Flows US – NAHB Housing Market Index US – IN - Monthly Wholesale Prices YoY%	US – Producer Price Index (MoM) US – PPI Ex Food & Energy (MoM) US – Housing Starts US – Building Permits US – Industrial Production US – Capacity Utilization
Board Meetings	-	Nava Bharat Ventures	-



Trade Data

Institutional bulk deals

Scrip	Client	Buy/Sell	Quantity	Avg Price (Rs)
Aban Offshore	Morgan Stanley Mauritius Company	S	264,300	867.7
Aksh Optifibre	Deutsche Bank Ag	S	413,316	22.3
Educomp Solutions	Julius Baer International Equity Fund	S	762,330	629.9
Indowind Ener	India Max Investment Fund	B	447,000	50.0
Tgf Media Sy	Regent Finance Corporation	B	44,700	11.8

Source: BSE, NSE

Disclosures under insider trading regulations

Scrip	Acquirer/Seller	Buy/Sell	Shares transacted		Post-transaction	
			Qty	%	Qty	%
Ai Champdany Industries	Shibar India	B	1	-	1,404,959	6.2
Akar Tools	Akar Alloys	S	20,602	0.4	600,398	11.1
Autoline Industries	Ts India Holding Llc	S	7,000	-	790,142	-
Autoline Industries	Ts India Holding Llc	S	30,128	-	760,014	-
Autoline Industries	Ts India Holding Llc	S	3,012	-	757,002	-
Autoline Industries	Ts India Holding Llc	S	1,855	-	755,147	-
Autoline Industries	Ts India Holding Llc	S	50,000	-	705,147	-
Autoline Industries	Ts India Holding Llc	S	20,000	-	655,147	-
Autoline Industries	Ts India Holding Llc	S	30,000	-	675,147	-
Avantel	A Siddhartha Sagar	S	25,156	-	65,844	1.4
Eicher Motors	A K Birla	B	6,000	-	10,700	-
Empee Distilleries	Empee Holdings	B	75,060	-	6,010,472	31.6
Empee Distilleries	Empee Holdings	B	109,000	-	6,119,472	32.2
India Infoline	Ajit P Menon	S	20,000	-	131,500	-
India Infoline	Mohan Radhakrishnan	S	20,000	-	140,000	-
Shiv-Vani Oil & Gas Exp	T R S Technology	B	1,500	-	624,594	1.3
Shiv-Vani Oil & Gas Exp	T R S Technology	B	1,500	-	626,094	1.4
Shiv-Vani Oil & Gas Exp	T R S Technology	B	200	-	626,294	1.4
Shree Cement	B G Bangur	S	100,000	-	425,821	1.2
Shree Cement	B G Bangur	S	100,000	-	425,821	1.2
Shree Cement	Prashant Bangur	S	20,000	-	57,475	0.2
Shree Cement	Prashant Bangur	S	20,000	-	57,475	0.2
Sintex Industries	Bvm Finance	B	2,100,000	-	36,112,765	26.5
Time Technoplast	Core International Fzc	S	4,255,100	2.0	16,944,900	8.1
Titan Trading & Agencies	Atul C Choksey	B	13,300	5.9	39,500	17.6
Todays Writing Products	Rajesh Kumar Drolia	S	81,916	-	1,046,503	8.2
Todays Writing Products	Rajesh Kumar Drolia	S	81,916	-	1,046,503	8.2

Source: BSE



RCML universe: Sector Valuation Snapshot

Companies	CMP (Rs)	Target (Rs)	Reco	MCap (Rs mn)	FDEPS (Rs)		FDEPS Growth (%)		EBITDA Margin (%)		PAT Margin (%)		ROE (%)		ROCE (%)		Adj. Debt/Equity Ratio (x)		P/E (x)		EV/EBITDA (x)		P/BV (x)	
					FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
AUTOMOBILES																								
Ashok Leyland	70	90	Buy	93,456	4.9	6.2	53.2	26.4	10.8	11.2	6.3	6.9	16.9	19.2	12.6	13.9	0.6	0.5	14.3	11.3	10.0	8.3	2.3	2.0
Bajaj Auto	2,558	2,300	Hold	370,050	151.7	163.9	21.4	8.0	20.0	19.0	14.3	13.6	72.2	59.2	50.8	45.7	0.4	0.2	16.9	15.6	12.5	11.6	11.7	7.6
Hero Honda	1,866	1,900	Hold	372,708	114.8	126.8	2.7	10.5	15.0	14.8	12.5	12.3	53.2	42.4	53.0	42.4	0.0	0.0	16.3	14.7	13.4	12.2	7.3	5.5
M&M	627	740	Buy	362,653	40.9	46.4	18.1	13.3	14.4	14.2	10.7	10.5	27.2	25.2	21.2	20.6	0.3	0.2	15.3	13.5	12.1	10.7	3.7	3.1
Maruti	1,215	-	UR	351,083	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tata Motors	1,007	1,000	Buy	557,309	32.6	39.8	41.8	22.1	11.2	11.0	4.6	4.9	13.1	14.8	9.2	10.3	0.6	0.5	30.9	25.3	13.7	12.0	3.5	3.2
TVS Motor	140	110	Hold	33,185	8.0	9.1	42.4	14.0	8.5	8.3	3.4	3.5	19.9	19.3	12.6	12.7	0.9	0.8	17.6	15.4	8.9	8.0	3.2	2.7
Aggregate				2,140,444	-	-	-	-	13.2	13.0	8.3	8.2							17.0	15.0	11.6	10.3	4.0	3.3
CAPITAL GOODS																								
ABB	776	863		164,483	27.6	32.3	64.9	17.0	9.6	9.9	6.0	6.2	18.8	18.5	28.3	27.9	-	-	28.1	24.0	20.9	17.1	7.8	6.8
BGR Energy	793	700	Hold	57,178	36.7	45.3	31.2	23.3	11.3	11.3	6.4	6.4	30.5	28.7	20.9	19.7	1.6	1.4	21.6	17.5	12.7	10.3	7.7	5.8
BHEL	2,499	2,400	Hold	1,223,188	107.0	135.2	21.5	26.3	19.0	19.4	12.9	13.1	29.4	29.8	40.1	41.4	0.0	0.0	23.3	18.5	14.8	11.6	7.7	6.2
Crompton Greaves	283	285	Hold	181,350	13.0	14.2	49.3	8.9	14.0	13.3	9.0	8.4	31.8	28.7	33.4	31.3	0.3	0.3	21.7	19.9	14.7	14.2	13.9	9.9
Cummins India	639	575	Hold	126,502	25.7	28.7	14.8	11.5	18.8	18.8	14.6	14.3	28.4	27.6	45.6	43.2	0.0	0.0	24.8	22.3	21.0	18.9	10.3	8.5
Jyoti Structures	150	185	Buy	12,321	13.1	15.2	16.5	16.1	11.5	11.5	4.5	4.6	19.6	19.0	27.6	28.1	0.6	0.6	11.5	9.9	5.3	4.6	2.5	2.1
Kalpataru Power Transmission	1,009	1,000	Hold	30,958	65.3	74.2	1.6	13.5	11.7	11.7	6.4	6.4	18.7	18.0	18.7	18.8	0.7	0.6	15.4	13.6	9.2	8.1	3.1	2.7
KEC International	472	500	Hold	23,811	43.1	50.4	16.8	16.9	10.2	10.2	4.9	5.0	26.7	24.9	27.9	28.3	0.8	0.6	10.9	9.4	6.3	5.4	3.2	2.6
Siemens	690	925	Buy	232,556	28.3	34.6	21.8	22.2	12.8	12.6	8.1	8.0	25.3	25.1	35.3	35.0	0.0	0.0	24.4	20.0	14.5	12.0	6.9	5.6
Suzlon Energy	57	45	Sell	99,923	(3.4)	1.7	NM	NM	5.0	8.7	-	1.1	(7.2)	3.6	1.5	5.5	1.7	1.8	-	34.0	12.3	6.4	1.3	1.4
Thermax	767	710	Hold	91,363	26.8	34.9	24.8	29.9	12.0	11.9	7.6	7.5	28.3	28.9	50.3	53.5	-	-	28.6	22.0	18.0	13.8	9.1	7.3
Voltas	204	220	Buy	67,600	9.5	10.4	2.5	9.4	8.4	8.4	6.3	6.2	29.2	25.7	39.9	35.0	0.1	0.1	21.4	19.6	15.6	14.1	7.1	5.6
Aggregate	-	-	-	2,311,231	-	-	-	-	13.2	14.1	7.6	8.4							26.1	19.8	14.6	11.5	6.3	5.4
CEMENT																								
ACC	842	844	Sell	158,147	64.9	70.3	(24.1)	8.4	24.4	24.6	14.8	14.5	19.1	18.5	18.3	17.8	0.1	0.1	13.0	12.0	7.6	6.8	2.4	2.1
Ambuja Cement	121	125	Hold	183,832	9.2	10.0	15.1	9.2	29.1	29.9	18.7	17.6	20.1	19.0	19.8	18.8	0.0	0.0	13.1	12.0	8.2	6.9	2.5	2.1
Birla Corp	357	465	Buy	27,495	61.4	75.0	(15.1)	22.1	25.0	27.3	20.1	19.5	23.7	23.4	22.0	22.0	0.1	0.1	5.8	4.8	4.6	3.3	1.2	1.0
Grasim Industries	1,903	3,110	Buy	174,460	240.4	269.6	(12.0)	12.1	25.8	26.0	16.4	17.2	17.2	16.6	14.6	14.5	0.2	0.2	7.9	7.1	6.0	5.5	1.3	1.1
India Cements	106	116	Sell	32,637	6.7	8.0	(37.9)	18.9	17.8	18.2	5.2	5.8	5.1	5.9	5.4	5.7	0.5	0.5	15.7	13.2	7.7	7.0	0.8	0.8
JK Lakshmi Cement	60	94	Buy	7,335	14.5	18.7	(19.7)	28.7	25.1	28.1	12.2	13.9	16.8	19.0	10.4	10.8	0.9	1.1	4.1	3.2	3.0	2.4	0.7	0.6
Mangalam Cement	158	190	Hold	4,226	35.5	39.4	(20.3)	11.2	24.6	27.8	14.4	14.4	22.3	20.8	19.5	15.6	0.4	0.7	4.5	4.0	2.4	1.9	0.4	0.3
Orient Paper & Industries	57	70	Buy	10,985	7.8	9.4	(5.6)	20.1	17.2	17.8	8.5	9.2	18.1	18.8	12.7	13.9	0.6	0.5	7.3	6.0	5.0	4.3	1.2	1.0
Shree Cement	1,921	2,300	Buy	66,925	227.8	265.2	(16.5)	16.4	35.0	37.9	19.7	16.9	33.9	29.2	21.2	20.3	0.7	0.6	8.4	7.2	5.5	3.7	2.5	1.9
UltraTech Cement	879	955	Sell	109,387	61.5	70.0	(29.9)	13.7	21.8	22.4	10.5	11.0	15.5	15.3	12.6	13.0	0.3	0.2	14.3	12.6	8.2	7.3	2.1	1.8
Aggregate	-	-	-	775,429	-	-	-	-	25.2	26.3	14.8	14.8							10.4	9.2	6.7	5.7	1.7	1.5



Companies	CMP (Rs)	Target (Rs)	Reco	MCap (Rs mn)	FDEPS (Rs)		FDEPS Growth (%)		EBITDA Margin (%)		PAT Margin (%)		ROE (%)		ROCE (%)		Adj. Debt/Equity Ratio (x)		P/E (x)		EV/EBITDA (x)		P/BV (x)	
					FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
CONSTRUCTION																								
Ahluwalia Contracts	218	252	Buy	13,683	16.1	19.4	23.2	20.6	11.0	10.9	5.0	5.0	33.5	29.9	26.4	24.1	0.5	0.4	13.6	11.3	5.9	4.9	5.4	3.9
Hindustan Construction Co	71	145	Hold	43,153	4.1	4.1	31.0	1.5	12.3	12.2	2.8	2.4	7.9	7.5	7.8	7.9	1.7	1.7	17.6	17.3	11.0	9.2	2.8	2.7
IRB Infraprojects	286	276	Hold	95,089	15.1	17.0	30.1	12.9	33.5	31.9	15.3	13.1	20.2	19.0	11.2	9.9	1.9	2.1	19.0	16.8	10.0	8.0	4.6	3.8
IVRCL Infrastructures	158	221	Buy	42,093	9.1	11.5	16.7	26.2	9.5	9.5	3.7	3.8	12.5	14.0	11.2	11.8	0.9	1.0	17.3	13.7	8.2	6.5	2.3	2.0
L&T	1,814	2,105	Buy	1,093,844	71.1	87.8	22.3	23.6	13.5	13.2	8.0	8.0	25.2	24.9	12.3	13.0	1.4	1.2	25.5	20.6	16.1	13.3	5.2	4.4
Nagarjuna Construction Co	161	211	Buy	41,323	8.8	9.9	10.5	13.0	10.2	10.2	3.9	3.6	9.6	10.0	8.8	8.8	1.0	1.3	18.4	16.3	8.1	6.6	1.8	1.7
Patel Engineering	407	472	Buy	28,392	19.7	27.5	(3.6)	39.5	14.8	14.8	5.3	5.7	10.3	13.0	8.0	9.0	1.3	1.5	20.7	14.8	8.6	6.6	2.2	2.0
Punj Lloyd	119	104	Sell	39,370	7.5	10.4	382.1	39.0	9.5	9.5	2.4	2.7	7.8	10.1	7.3	8.7	1.1	1.2	15.9	11.4	4.9	4.1	1.3	1.2
Simplex Infrastructure	485	488	Sell	23,994	29.9	37.5	16.3	25.5	12.6	11.6	3.5	3.4	13.5	14.9	7.4	7.6	2.2	2.2	16.2	12.9	5.8	4.8	2.3	2.1
Aggregate	-	-	-	1,420,941	-	-	-	-	13.1	12.9	6.5	6.4							23.7	19.2	12.7	10.5	4.1	3.6
FMCG																								
Dabur India	202	200	Buy	175,183	7.1	8.2	22.3	15.7	19.5	19.3	15.2	15.0	49.7	45.2	44.0	41.4	0.1	0.1	28.5	24.6	22.3	19.3	12.6	10.0
Godrej Consumer Projects	360	380	Buy	117,087	13.1	15.1	15.3	15.3	19.8	19.9	16.7	16.9	47.6	43.2	37.9	36.2	0.3	0.2	27.5	23.9	24.2	21.0	12.2	9.7
Hindustan Unilever	261	246	Hold	570,069	10.4	12.2	8.8	17.4	14.1	14.9	11.6	12.1	97.9	107.6	80.4	88.3	0.2	0.2	25.1	21.3	20.0	17.0	23.8	22.2
ITC	155	300	Hold	1,185,304	12.7	14.4	15.0	13.5	33.0	33.4	22.1	22.4	31.0	30.4	30.8	30.2	0.0	0.0	12.2	10.8	16.3	14.3	7.1	6.1
Marico	117	130	Buy	71,976	4.9	6.0	23.3	23.9	14.6	15.1	9.6	10.4	40.8	38.2	30.3	30.9	0.4	0.3	24.1	19.4	16.7	13.9	8.6	6.6
Nestle India	2,828	2,400	Sell	272,674	83.8	98.5	21.4	17.6	20.5	20.6	13.4	13.5	130.0	134.1	130.2	134.3	0.0	0.0	33.8	28.7	21.9	18.6	41.2	36.1
Aggregate	-	-	-	2,392,292	-	-	-	-	22.7	23.1	16.2	16.5							25.9	22.5	18.3	15.9	10.4	9.0
IT SERVICES																								
HCL Tech	407	525	Buy	276,061	26.0	34.4	44.1	32.5	17.9	18.6	11.3	12.4	23.0	24.8	18.7	20.8	0.3	0.2	15.7	11.8	9.9	7.8	3.3	2.6
Infosys	2,811	3,000	Hold	1,613,179	121.8	143.9	11.9	18.2	33.0	32.6	25.2	24.9	26.6	26.6	52.8	54.5	0.0	0.0	23.1	19.5	16.0	13.5	5.8	4.7
Patni Computers	452	600	Buy	58,868	43.9	45.7	(2.0)	4.1	19.4	20.6	17.8	15.1	12.8	13.5	20.8	21.8	0.0	0.0	10.3	9.9	6.2	5.3	1.5	1.3
Satyam Computer Services	87	135	Buy	102,224	7.7	10.6	470.1	38.8	18.6	20.6	15.7	16.8	22.2	24.4	19.6	21.7	0.2	0.1	11.4	8.2	7.4	5.2	2.3	1.8
TCS	858	950	Hold	1,679,589	42.2	47.8	20.2	13.2	29.0	28.8	23.1	22.0	33.9	29.6	40.9	40.3	0.0	0.0	20.3	18.0	16.2	13.6	6.0	4.7
Tech Mahindra	714	850	Hold	88,535	82.5	92.5	41.3	12.2	21.3	20.4	22.1	23.4	28.4	30.7	30.0	31.6	0.4	0.3	8.7	7.7	10.3	10.2	2.6	2.2
Wipro	419	475	Hold	1,026,182	22.8	25.3	21.5	10.6	22.6	22.7	17.9	17.2	25.9	24.2	21.8	20.4	0.3	0.2	18.3	16.6	14.2	12.2	4.4	3.7
FirstSource Solutions	26	40	Buy	11,196	3.6	4.6	14.5	26.7	14.5	14.8	7.2	8.0	10.4	11.8	6.9	7.5	0.9	0.8	7.2	5.7	7.5	6.4	0.7	0.6
HCL Infosystems	108	135	Hold	23,579	11.2	12.7	(18.3)	13.9	3.1	3.3	2.1	2.2	18.6	19.9	12.7	13.8	0.4	0.4	9.7	8.5	6.8	5.9	1.8	1.6
Hexaware Technologies	78	90	Hold	11,340	8.1	9.9	(13.3)	22.8	9.4	11.1	7.3	10.4	12.3	13.9	8.3	9.9	0.1	0.1	9.7	7.9	8.0	5.8	0.9	0.8
Infotech Enterprises	160	238	Buy	17,721	15.2	19.0	(1.4)	24.6	20.4	20.7	15.2	15.3	15.3	16.4	20.0	21.9	0.0	0.0	10.5	8.4	6.2	4.9	1.6	1.4
MindTree	533	675	Buy	21,256	28.7	56.2	(47.9)	95.7	13.4	19.6	7.6	12.4	15.7	26.3	17.8	29.1	0.0	0.0	18.6	9.5	10.5	5.9	2.8	2.2
Mphasis	615	750	Hold	129,064	51.0	55.7	16.3	9.3	25.7	26.2	21.4	19.9	30.3	27.0	40.5	74.0	0.0	0.0	12.1	11.0	9.3	7.8	3.9	2.9
NIIT	67	85	Buy	11,053	6.3	8.1	47.2	29.7	15.3	16.9	8.5	9.9	18.4	20.4	10.1	12.2	0.7	0.6	10.7	8.2	7.7	6.3	1.8	1.5
NIIT Technologies	181	300	Buy	10,683	23.5	27.2	9.1	15.8	19.5	19.7	13.1	13.3	22.0	21.9	21.9	19.5	0.0	0.0	7.7	6.7	4.4	3.8	1.6	1.4
Oracle Financial Services	2,090	2,500	Buy	175,278	123.3	143.6	33.1	16.5	39.4	41.2	33.4	34.6	19.4	18.4	19.2	17.0	0.0	0.0	16.9	14.5	12.6	10.7	3.3	2.7
Persistent Systems	466	500	Buy	18,646	39.7	39.5	27.4	(0.6)	21.1	22.0	20.5	16.6	22.1	18.0	34.5	33.5	0.0	0.0	11.7	11.8	9.3	7.2	2.3	2.0
Polaris	175	275	Buy	17,344	20.5	22.5	32.3	10.1	14.2	15.4	13.3	12.9	21.1	19.4	17.5	16.4	0.0	0.0	8.6	7.8	5.7	4.6	1.7	1.4
HCL Tech	-	-	-	5,291,798	-	-	-	-	23.6	23.9	18.4	18.1							19.6	16.9	13.6	11.4	5.0	4.1



Companies	CMP (Rs)	Target (Rs)	Reco	MCAp (Rs mn)	FDEPS (Rs)		FDEPS Growth (%)		EBITDA Margin (%)		PAT Margin (%)		ROE (%)		ROCE (%)		Adj. Debt/Equity Ratio (x)		P/E (x)		EV/EBITDA (x)		P/BV (x)	
					FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
LOGISTICS																								
Container Corp	1,381	1,300	Hold	179,526	65.7	77.2	9.6	17.5	26.3	26.4	20.7	20.6	18.4	18.8	18.4	18.8	-	-	21.0	17.9	15.0	12.6	3.6	3.2
Gateway Distriparks	102	135	Buy	11,015	8.0	9.6	9.4	19.8	24.8	26.6	14.4	13.3	12.3	13.3	10.8	10.1	0.2	0.2	12.8	10.6	8.4	6.1	1.2	1.1
Aggregate	-	-	-	190,541	-	-	-	-	26.1	26.5	19.9	19.6							20.3	17.2	14.2	11.7	3.2	2.8
PHARMCEUTICALS																								
Biocon	320	400	Buy	63,920	18.7	20.9	24.9	12.1	21.2	21.7	14.3	14.9	19.6	18.9	16.3	17.0	0.2	0.1	17.1	15.3	12.5	11.3	3.1	2.7
Cadila Healthcare	624	700	Hold	127,712	30.4	38.8	19.0	27.7	20.5	21.0	14.6	15.5	33.2	32.4	24.5	27.4	0.4	0.2	20.5	16.1	15.7	12.8	6.0	4.6
Cipla	313	330	Sell	251,435	13.6	16.0	4.4	17.2	24.3	24.9	17.6	18.5	17.2	17.4	17.2	17.4	0.0	0.0	23.0	19.6	17.3	15.1	3.7	3.2
Dishman Pharmaceuticals	208	280	Buy	16,777	15.3	21.2	35.3	38.5	24.2	24.8	11.4	13.2	14.8	17.7	10.8	12.4	0.9	0.8	13.6	9.8	8.9	7.3	1.9	1.6
Dr Reddy's Labs	1,314	1,690	Buy	222,153	73.6	104.7	11.0	42.4	21.3	26.1	16.5	20.4	24.8	28.3	20.1	24.9	0.2	0.1	17.9	12.5	14.5	10.3	4.1	3.1
GlaxoSmithKline Pharmaceuticals	1,958	1,930	Hold	165,870	70.0	83.7	18.5	19.5	36.5	37.0	26.7	27.0	30.7	31.0	30.6	30.9	0.0	0.0	28.0	23.4	19.3	16.1	8.0	6.7
Glenmark Pharmaceuticals	270	355	Buy	72,865	19.8	24.4	51.5	22.9	30.4	30.3	18.0	19.1	19.4	19.7	15.4	16.4	0.5	0.4	13.6	11.1	10.1	8.8	2.5	2.1
Jubilant Organosys	347	460	Buy	55,105	29.2	34.7	46.7	18.8	20.2	20.2	11.6	12.2	14.8	15.9	11.6	13.0	0.5	0.4	11.9	10.0	9.9	8.8	2.1	1.7
Lupin	1,834	2,260	Buy	163,367	106.5	118.6	39.8	11.4	21.1	20.1	16.1	15.3	38.9	32.1	28.1	26.4	0.3	0.2	17.2	15.5	14.1	12.7	5.8	4.4
Piramal Healthcare	480	480	Sell	100,253	28.5	34.5	25.4	21.0	21.7	21.9	14.4	15.4	31.4	29.7	23.3	25.1	0.4	0.2	16.8	13.9	12.6	11.0	4.7	3.7
Sun Pharmaceutical Industries	1,748	1,860	Hold	360,036	86.9	85.4	25.5	(1.8)	38.1	34.9	37.4	34.4	21.8	18.2	21.3	17.9	0.0	0.0	20.1	20.5	18.8	19.3	4.0	3.5
Aggregate	-	-	-	1,599,493	-	-	-	-	24.7	25.2	18.3	18.9							18.9	16.1	14.8	12.8	4.1	3.4
REAL ESTATE																								
Anant Raj Industries	132	170	Buy	38,982	7.8	9.4	(3.3)	19.6	47.5	31.8	45.2	28.5	6.4	7.3	6.0	6.5	0.1	0.1	16.9	14.1	14.4	11.3	1.1	1.0
DLF	316	335	Hold	535,785	15.1	17.1	40.6	13.7	47.3	44.9	25.7	23.3	10.7	12.6	7.0	8.6	0.7	0.7	21.0	18.4	13.5	11.4	2.1	1.9
Godrej Properties	744	520	Hold	51,944	22.4	57.4	172.5	155.9	45.9	48.5	39.2	39.9	18.1	36.1	9.8	21.9	0.8	0.6	33.1	12.9	31.9	12.0	5.6	4.0
HDIL	274	270	Buy	100,607	19.3	41.5	13.2	115.0	44.5	52.3	30.0	35.7	9.6	17.7	6.9	12.7	0.5	0.5	14.2	6.6	13.3	6.2	1.3	1.1
Indiabulls Real Estate	181	230	Buy	72,760	10.3	10.5	7,944.0	2.3	37.8	34.1	29.6	24.3	3.5	3.5	3.5	3.3	0.2	0.3	17.7	17.3	4.3	3.8	0.6	0.6
Orbit Corp	128	372	Buy	13,798	19.5	20.2	(14.8)	3.6	32.0	32.0	16.0	15.5	10.3	11.6	8.6	9.1	1.0	0.8	6.6	6.3	9.7	8.6	1.4	1.2
Peninsula Land	69	75	Sell	19,167	8.2	7.2	(18.4)	(11.9)	44.4	50.8	33.5	38.7	16.2	12.7	12.5	9.8	0.3	0.3	8.4	9.5	7.0	8.0	1.3	1.1
Phoenix Mills	243	250	Buy	35,132	5.2	18.3	27.6	252.9	75.5	82.9	34.7	45.5	4.7	15.2	3.6	10.3	0.5	0.6	46.8	13.3	23.7	8.0	2.2	1.9
Puravankara Projects	118	130	Buy	25,259	7.1	7.2	4.0	1.5	30.3	23.3	25.1	21.8	9.8	9.2	6.2	5.9	0.6	0.6	16.7	16.5	18.1	20.2	1.6	1.5
Unitech	86	100	Buy	215,000	3.7	5.2	29.9	41.0	35.8	37.0	23.3	25.6	9.4	11.6	6.1	7.8	0.6	0.5	23.4	16.6	20.1	15.2	2.4	2.0
Aggregate	-	-	-	1,108,434	-	-	-	-	43.3	43.7	26.8	26.9							19.9	14.6	15.6	10.5	2.0	1.8
RETAIL																								
Pantaloon Retail	461	461	Buy	93,024	15.1	20.6	55.8	36.5	9.7	9.3	3.2	3.4	10.4	12.7	9.0	10.3	0.9	0.8	30.5	22.4	11.9	9.8	2.8	2.4
Shopper's Stop	669	380	Hold	23,402	16.4	20.1	39.5	22.5	7.4	7.0	3.5	3.6	14.5	15.1	12.5	13.3	0.3	0.2	40.8	33.3	19.0	16.4	4.9	4.2
Titan	2,773	1,928	Buy	123,084	68.8	87.3	22.2	26.9	8.1	7.8	5.2	5.2	36.1	35.3	31.0	32.8	0.1	0.1	40.3	31.8	26.2	21.2	12.9	9.9
Aggregate	-	-	-	239,510	-	-	-	-	9.0	8.6	3.9	4.0							34.1	26.0	16.7	13.7	5.0	4.3
SUGAR																								
Bajaj Hindusthan	118	107	Hold	22,666	15.7	5.3	400.2	(66.0)	18.8	15.4	6.7	3.0	12.1	3.6	8.3	4.2	0.8	0.4	7.5	22.1	5.8	9.2	0.8	0.8
Balrampur Chini	84	77	Hold	21,886	9.7	11.0	8.9	14.1	23.1	19.5	12.3	12.2	20.2	20.7	14.6	16.9	0.5	0.2	8.7	7.7	6.8	6.9	1.7	1.5
Dhampur Sugar	59	80	Hold	2,821	39.9	18.2	274.8	(54.5)	23.4	19.6	12.1	7.7	35.5	12.8	21.0	10.7	0.8	0.5	1.5	3.3	2.3	3.8	0.4	0.3
Aggregate				47,373	-	-	-	-	20.8	17.5	9.3	6.9							6.2	9.8	5.2	7.3	1.0	0.9



Company	CMP (Rs)	Target (Rs)	Reco	MCap (Rs mn)	FDEPS (Rs)		FDEPS Growth (%)		NIM (%)		Cost to income (%)		ROE (%)		ROA (%)		Credit/ Deposit Ratio (%)		CAR (%)		P/E (x)		P/BV (x)	
					FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E	FY11E	FY12E
BANKING																								
Allahabad Bank	204	169	Buy	91,037	28.6	33.2	1.3	16.2	2.6	2.6	42.2	42.4	17.3	17.5	0.9	0.9	69.5	69.8	13.1	12.7	7.1	6.1	1.3	1.2
Axis Bank	1,289	1,190	Buy	525,893	75.3	94.1	26.8	25.1	3.2	3.2	49.2	43.4	17.7	19.2	1.7	1.7	74.6	75.2	13.9	16.4	17.1	13.7	3.3	2.9
Bank of Baroda	762	602	Buy	277,626	84.2	100.5	7.7	19.3	2.7	2.8	50.9	45.4	18.8	19.2	1.0	1.0	75.7	75.6	14.1	14.0	9.0	7.6	1.8	1.6
Bank of India	438	394	Hold	230,053	52.9	62.6	45.4	18.2	2.8	3.0	41.7	36.2	17.4	17.8	0.9	1.0	75.3	75.9	13.0	12.2	8.3	7.0	1.5	1.3
Dena Bank	101	90	Buy	28,926	18.6	22.4	15.2	20.4	2.5	2.6	48.7	51.4	18.9	19.3	0.9	0.9	69.1	69.4	12.1	12.9	5.4	4.5	1.1	0.9
Federal Bank	326	296	Hold	55,736	40.1	-	41.9	(100.0)	3.4	4.1	37.1	31.2	13.8	0.0	1.3	0.0	72.1	0.0	20.2	17.9	8.1	-	1.2	1.1
HDFC Bank	2,090	1,742	Hold	961,448	84.8	110.8	30.9	30.7	4.9	4.9	49.9	51.7	17.2	19.6	1.7	1.8	79.2	79.8	15.1	15.7	24.6	18.9	4.6	4.0
ICICI Bank	972	942	Buy	1,084,252	44.2	55.2	24.1	24.9	2.3	2.5	50.6	44.1	9.2	10.7	1.2	1.4	94.7	98.6	15.4	0.0	22.0	17.6	2.1	2.0
Indian Bank	228	192	Buy	98,009	39.0	45.1	6.9	15.8	3.4	3.5	45.8	38.8	19.0	19.0	1.5	1.5	70.3	70.3	13.3	12.9	5.9	5.1	1.2	1.1
Indian Overseas Bank	126	135	Hold	68,509	23.7	28.1	26.2	18.3	2.8	2.7	42.6	43.5	15.1	16.2	0.8	0.8	74.2	74.2	12.7	13.0	5.3	4.5	0.8	0.8
Oriental Bank of Commerce	395	310	Buy	98,838	55.3	66.1	21.4	19.5	2.0	2.3	45.1	42.2	15.6	16.3	1.0	0.9	71.4	71.5	13.0	12.1	7.1	6.0	1.2	1.0
Punjab National Bank	1,102	940	Buy	347,448	130.8	160.1	8.4	22.4	3.5	3.5	46.8	42.3	21.5	22.3	1.3	1.3	76.4	76.7	14.0	14.0	8.4	6.9	2.0	1.7
South Indian Bank	197	160	Buy	22,307	24.7	28.9	14.2	17.3	2.6	2.9	47.8	47.8	17.3	17.6	1.0	1.0	65.8	66.3	14.8	13.1	8.0	6.8	1.5	1.3
State Bank of India	2,600	2,263	Hold	1,650,443	167.6	192.3	7.9	14.8	3.0	2.8	49.0	46.6	15.3	0.0	0.9	0.0	78.6	78.9	14.3	12.0	15.5	13.5	2.5	2.2
Union Bank of India	321	276	Hold	162,118	41.6	51.4	4.4	23.7	2.8	3.0	38.2	41.8	18.7	19.8	1.0	1.1	70.4	70.7	13.3	14.4	7.7	6.2	1.6	1.3
Aggregate	-	-	-	-5,702,644	-	-	-	-													13.7	11.5	2.1	1.9
NBFC																								
LIC Housing Finance	1,214	825	Hold	115,277	81.1	102.1	23.0	25.9	2.7	2.7	16.3	15.4	20.4	21.9	1.8	1.8	-	-	13.0	11.9	15.0	11.9	2.8	2.4
Manappuram General Finance & Leasing	118	85	Buy	40,302	6.6	9.6	86.6	45.8	14.7	15.0	39.2	39.2	31.4	34.8	5.7	5.8	-	-	26.5	23.3	18.1	12.4	5.0	3.8
Power Finance Corporation	319	270	Hold	365,679	22.3	26.3	8.6	18.1	3.8	0.0	3.4	0.0	18.0	18.6	2.9	2.9	-	-	15.0	14.7	14.3	12.1	2.4	2.1
REC	318	260	Hold	314,308	22.6	26.4	16.4	16.9	4.1	4.0	5.1	5.1	18.9	19.4	3.1	3.0	-	-	-	-	14.1	12.1	2.5	2.2
Shriram Transport Finance	725	562	Buy	163,546	46.7	54.9	23.1	17.7	8.4	8.6	25.1	24.6	25.5	24.7	3.4	3.6	-	-	16.7	16.0	15.5	13.2	3.6	3.0
Aggregate	-	-	-	999,111	-	-	-	-													14.6	12.2	0.2	0.2

Source: RCML Research * Not Rated

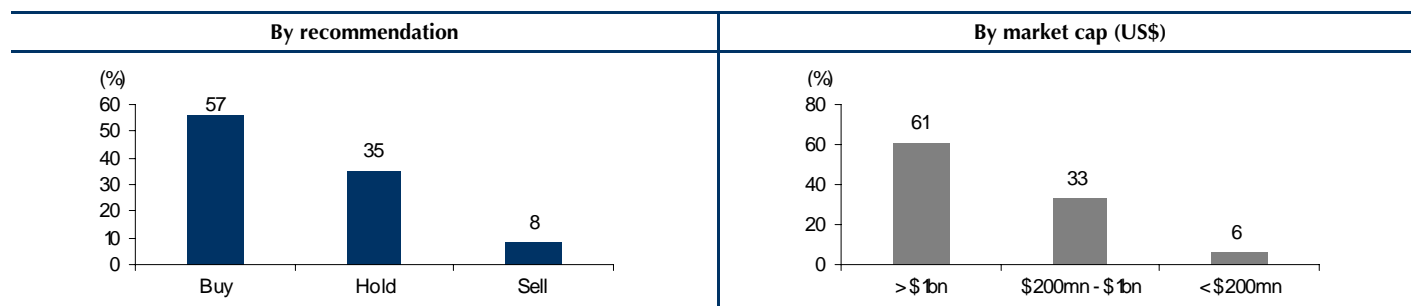


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Coverage Profile



Recommendation interpretation

Recommendation	Expected absolute returns (%) over 12 months
Buy	More than 15%
Hold	Between 15% and –5%
Sell	Less than –5%

Recommendation structure changed with effect from March 1, 2009

Expected absolute returns are based on share price at market close unless otherwise stated. Stock recommendations are based on absolute upside (downside) and have a 12-month horizon. Our target price represents the fair value of the stock based upon the analyst's discretion. We note that future price fluctuations could lead to a temporary mismatch between upside/downside for a stock and our recommendation.

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