

3QFY11 Results Preview

January 11, 2011

Results Overview

Sectors

- **Automobiles**
- **Cement**
- **Financials**
- **FMCG & Retail**
- **Industrials**
- **Information Technology**
- **Media**
- **Metals**
- **Oil & Gas**
- **Pharmaceuticals**
- **Real Estate**
- **Shipping**
- **Sugar**
- **Utilities & Infrastructure**
- **Miscellaneous**

Results Preview Summary

Valuation Guide



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Results overview**Growth story intact... with the possibilities of hiccups....**

As India Inc. soon slips into its results season, the expectations are quite high given the robustness of the 2QFY11 numbers. While a majority of market participants have tempered their expectations, estimates of companies under Antique's coverage (ex-financials) convey a YoY and a QoQ revenue growth of 27% and 7%, respectively. Excluding the oil sector, we estimate revenues to grow 20% YoY and 4% QoQ, respectively. On the EBIDTA front for these companies (ex-financials), the picture would be a bit mixed as there would be a YoY growth of 12%, but on a QoQ basis there would be a slide of 9%. If one were to exclude oil and gas, then these figures would exhibit a growth of 15% and 8% on a YoY and QoQ basis respectively. Thus the inference is that revenues and earnings traction, if one excludes commodities, continues to be satisfactory, albeit with a squeeze on margins.

(INRm) Indices	2QFY11			2QFY10			Chg YoY (%)		
	Net Sales	PBIDT	Net Profit	Net Sales	PBIDT	Net Profit	Net Sales	PBIDT	Net Profit
Sensex	2,439,370	744,190	350,533	2,284,048	661,756	314,869	6.8	12.5	11.3
Nifty	3,254,310	933,056	439,415	2,720,058	814,614	379,586	19.6	14.5	15.8
BSE 100	5,243,372	1,366,509	622,888	4,371,878	1,112,121	477,202	19.9	22.9	30.5
BSE 200	6,358,765	1,776,169	874,951	5,355,209	1,472,805	590,782	18.7	20.6	48.1
BSE 500	7,737,796	2,051,360	978,017	6,482,216	1,717,394	678,556	19.4	19.4	44.1
BSE Midcap	1,868,481	517,234	142,838	1,578,405	463,024	133,094	18.4	11.7	7.3
BSE Smallcap	1,041,194	139,181	56,748	836,103	122,346	45,015	24.5	13.8	26.1
Sectoral Indices	2QFY11			2QFY10			Chg YoY (%)		
	Net Sales	PBIDT	Net Profit	Net Sales	PBIDT	Net Profit	Net Sales	PBIDT	Net Profit
BSE Auto	415,834	56,344	36,850	313,217	50,736	34,875	32.8	11.1	5.7
BSE Capital Goods	335,740	43,257	27,341	288,106	37,546	22,636	16.5	15.2	20.8
BSE Consumer Durables	128,956	10,976	5,245	104,004	9,030	4,078	24.0	21.5	28.6
BSE FMCG	159,463	36,009	25,210	138,348	31,865	22,953	15.3	13.0	9.8
BSE Healthcare	108,523	26,378	147,811	95,495	25,791	18,005	13.6	2.3	720.9
BSE IT	253,831	70,138	57,054	212,174	62,450	52,747	19.6	12.3	8.2
BSE Metal	451,740	113,941	82,292	394,961	100,083	63,568	14.4	13.8	29.5
BSE Oil	2,246,700	356,806	217,322	1,855,892	192,103	105,181	21.1	85.7	106.6
Power	430,550	112,615	63,738	372,097	99,191	56,267	15.7	13.5	13.3
BSE Realty	24,962	13,126	9,661	18,527	9,550	7,347	34.7	37.4	31.5
	2QFY11			2QFY10			Chg YoY (%)		
	Net Interest Income	Provisions & Contingencies	Net Profit	Net Interest Income	Provisions & Contingencies	Net Profit	Net Interest Income	Provisions & Contingencies	Net Profit
BSE Bankex	275,838	68,130	104,804	193,586	50,956	87,196	42.5	33.7	20.2

Source: Antique, AceEquity

Results overview

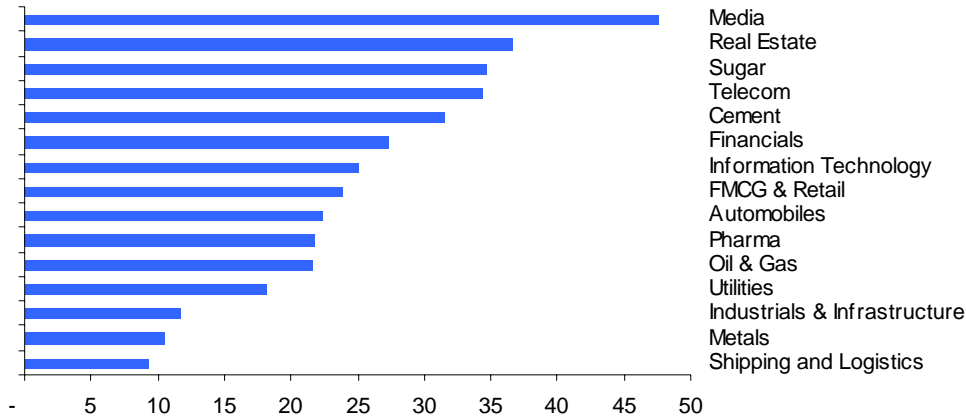
The financial services sector is expected to report revenue growth of 27% YoY and 2% QoQ and a net profit growth of 19% YoY and 10% QoQ, respectively. This corroborates the growth in other sectors as well. The leaders on the revenues growth front would be Media, Sugar and real estate on a YoY basis and Media, Oil and Gas and cement on a QoQ basis. On the Ebidta front, the strongest YoY growth is expected from Media, Real estate, FMCG/retail and Auto with sectors like Cement, Sugar, Media and Metals leading the pack on a QoQ basis. On the net profits front, we expect sectors like Cement, Media and Sugar to register the strongest traction on a QoQ basis, while sectors like Auto, Media and real estate would shine on a YoY basis.

(INRm) Indices	2QFY11			1QFY11			Chg QoQ (%)		
	Net Sales	PBIDT	Net Profit	Net Sales	PBIDT	Net Profit	Net Sales	PBIDT	Net Profit
Sensex	2,439,370	744,190	350,533	2,284,048	681,164	312,433	6.8	9.3	12.2
Nifty	3,254,310	933,056	439,415	3,049,965	831,050	370,939	6.7	12.3	18.5
BSE 100	5,243,372	1,366,509	622,888	4,942,099	1,118,513	427,209	6.1	22.2	45.8
BSE 200	6,358,765	1,776,169	874,951	5,998,711	1,498,176	548,730	6.0	18.6	59.5
BSE 500	7,737,796	2,051,360	978,017	7,223,991	1,755,857	639,400	7.1	16.8	53.0
BSE Midcap	1,868,481	517,234	142,838	1,709,472	486,122	134,089	9.3	6.4	6.5
BSE Smallcap	1,041,194	139,181	56,748	958,194	133,801	49,958	8.7	4.0	13.6
Sectoral Indices	2QFY11			1QFY11			Chg QoQ (%)		
	Net Sales	PBIDT	Net Profit	Net Sales	PBIDT	Net Profit	Net Sales	PBIDT	Net Profit
BSE Auto	415,834	56,344	36,850	380,345	51,065	30,799	9.3	10.3	19.6
BSE Capital Goods	335,740	43,257	27,341	282,136	31,511	16,915	19.0	37.3	61.6
BSE Consumer Durables	128,956	10,976	5,245	116,633	10,361	4,896	10.6	5.9	7.1
BSE FMCG	159,463	36,009	25,210	159,493	35,217	24,815	(0.0)	2.2	1.6
BSE Healthcare	108,523	26,378	147,811	100,092	21,050	18,541	8.4	25.3	697.2
BSE IT	253,831	70,138	57,054	226,891	62,959	51,183	11.9	11.4	11.5
BSE Metal	451,740	113,941	82,292	428,083	131,179	87,468	5.5	(13.1)	(5.9)
BSE Oil	2,246,700	356,806	217,322	2,177,469	142,985	29,780	3.2	149.5	629.8
Power	430,550	112,615	63,738	399,587	98,073	55,330	7.7	14.8	15.2
BSE Realty	24,962	13,126	9,661	26,655	13,527	9,317	(6.4)	(3.0)	3.7
	2QFY11			1QFY11			Chg QoQ (%)		
	Net Interest Income	Provisions & Contingencies	Net Profit	Net Interest Income	Provisions & Contingencies	Net Profit	Net Interest Income	Provisions & Contingencies	Net Profit
BSE Bankex	275,838	68,130	104,804	248,330	55,784	106,057	11.1	22.1	(1.2)

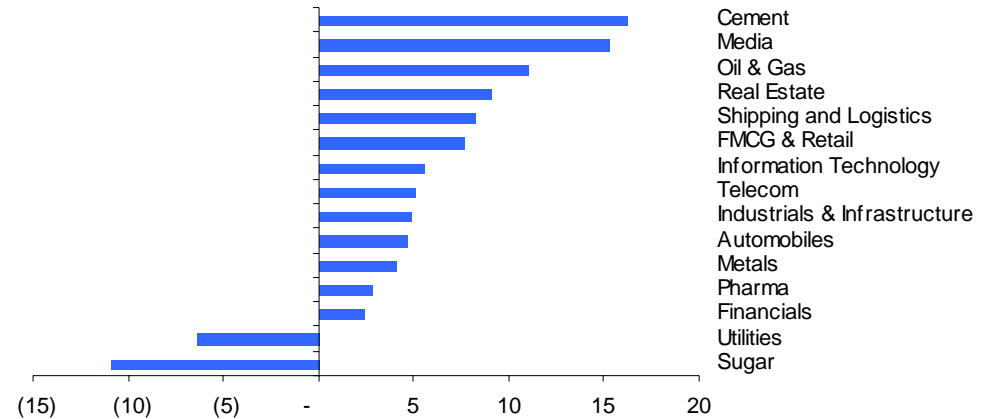
Source: Antique, AceEquity

Expectations for 3QFY11 performance

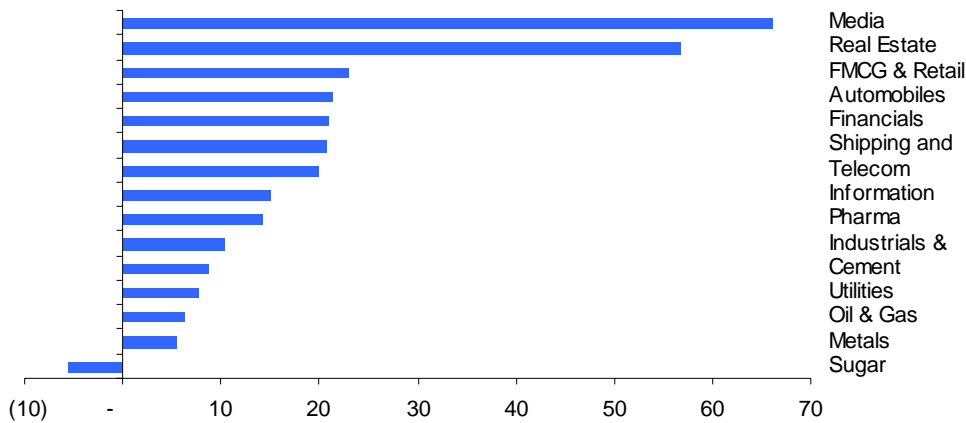
Sales - Chg YoY (%)



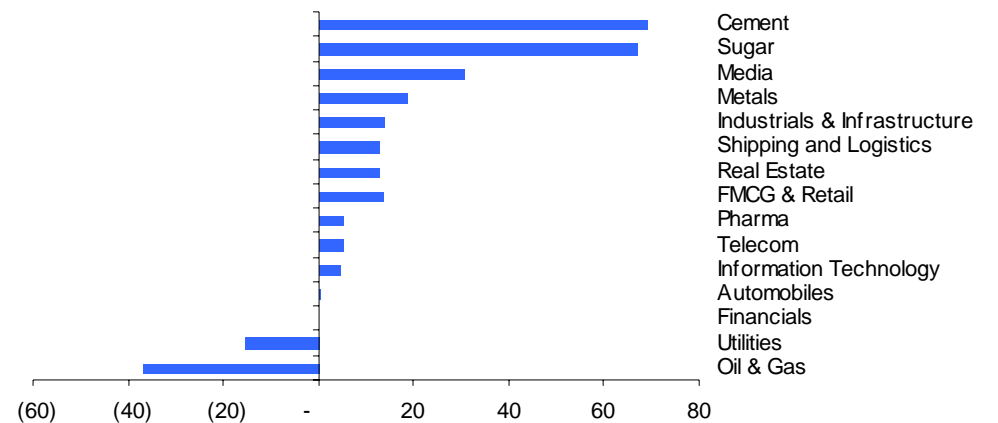
Sales - Chg QoQ (%)



EBITDA - Chg YoY (%)

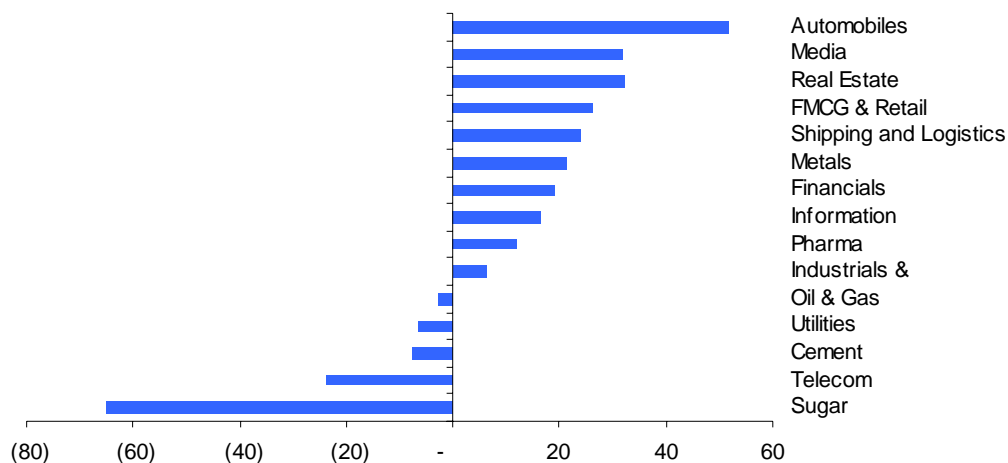


EBITDA - Chg QoQ (%)

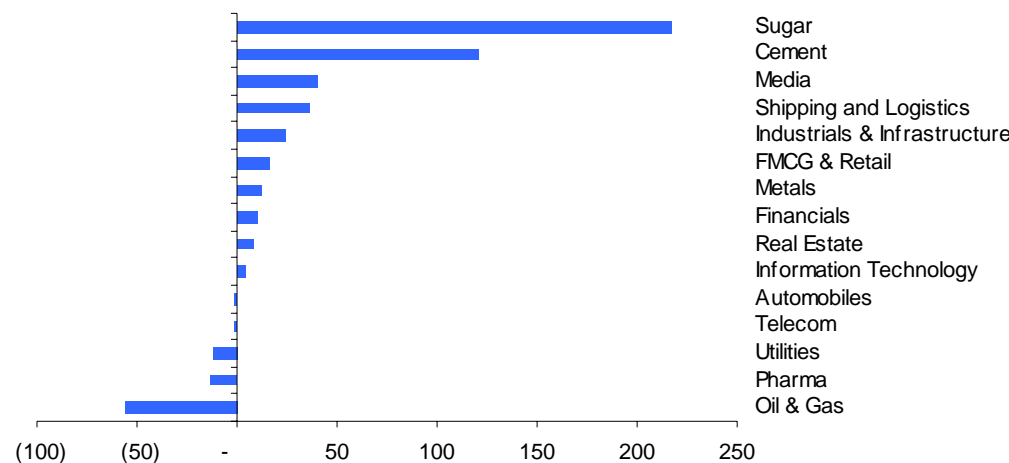


Expectations for 3QFY11 performance

Net Profits - Chg YoY (%)



Net Profits - Chg QoQ (%)



Note: In case of financials net interest income, pre-provision profits and net income are considered instead of net sales, EBIDTA and net profit.

Sector	EBITDA Margin (%)			Net Profit Margin (%)		
	Dec-10	Dec-09	Sep-10	Dec-10	Dec-09	Sep-10
Automobiles	13.5	13.6	14.0	8.6	7.0	9.1
Cement	21.2	25.7	14.6	9.5	13.6	5.0
FMCG & Retail	19.1	19.3	18.1	13.6	13.4	12.6
Industrials & Infrastructure	12.8	12.9	11.8	8.0	8.4	6.7
IT	26.9	29.2	27.0	21.2	22.8	21.5
Media	33.5	29.7	29.5	13.4	15.0	11.0
Metals	20.5	21.5	18.0	12.3	11.1	11.4
Oil & Gas	8.5	9.7	15.0	3.7	4.6	9.4
Pharma	24.1	25.7	23.5	15.9	17.3	18.9
Real Estate	40.6	35.4	39.2	23.2	24.0	23.5
Shipping and Logistics	36.5	33.1	35.0	10.9	9.6	8.6
Sugar	18.4	26.3	9.8	4.3	16.7	1.2
Telecom	31.9	35.8	31.9	9.2	16.1	9.7
Utilities	25.6	28.1	28.4	12.5	15.8	13.3
Total	15.1	16.2	17.8	8.1	8.8	10.6
Total Ex Metals & O&G	21.0	21.9	20.8	11.8	13.0	11.6
Total Ex O&G	20.9	21.8	20.2	11.9	12.5	11.6

The leaders in OPM growth would be real estate, shipping and media on a YoY basis while it would be sugar, media and metals on a QoQ basis. The league standings would be altered if one views absolute figures on the Ebitda front, as the strongest growth on a YoY basis is expected from Media, Real estate, FMCG/retail and Auto while on a QoQ basis it would be from Cement, Sugar, Media and Metals.

The OPM of companies under our coverage (ex financials and oil & gas) would be ~15%, a dip of 113bps YoY and 278 on a QoQ basis. This conveys that the margins are under pressure, and have been countered only by improvement in scale. Net profit margins are expected to be ~8% (down 113bps on a YoY basis and 278 bps on a QoQ basis).

The Oil and Gas sector would exhibit an OPM of 8.5%, (down 120bps on a YoY basis and 650 bps on a QoQ basis) conveying that rising crude prices can still be a major spoilsport.

Summing up, we can say that the revenues and EBITDA growth trend is largely intact, though a bit sedate. While the upsurge in the heavy weight oil and gas sector boosted growth few quarters back, a slowdown in the same would bog down the overall growth. As the markets have begun taking cognizance of next fiscal numbers, the tempered expectations of the same could ensure that we are in for a round staid movement in the markets.

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Testing waters...

Automobiles

Company	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Quarter Ending	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY
Ashok Leyland	20,349	18,155	27,140	12	(25)	1,954	2,062	3,063	(5)	(36)	724	1,046	1,671	(31)	(57)
Bajaj Auto	41,705	32,956	43,418	27	(4)	8,356	7,235	8,972	15	(7)	6,410	4,751	6,821	35	(6)
Bosch Limited	17,412	13,186	17,070	32	2	2,431	1,139	3,341	113	(27)	1,879	1,581	2,361	19	(20)
Container Corp. of India	9,914	8,845	9,442	12	5	2,773	2,550	2,619	9	6	2,176	2,006	2,067	8	5
Escorts Limited	8,388	6,061	6,721	38	25	647	541	326	19	98	358	234	268	53	33
Exide Industries Limited	11,493	9,126	11,267	26	2	2,545	2,184	2,450	17	4	1,718	1,305	1,660	32	3
Hero Honda Motors Ltd	50,849	38,144	45,113	33	13	6,588	6,483	5,673	2	16	5,773	5,358	5,056	8	14
Mahindra & Mahindra	60,909	44,971	53,617	35	14	9,135	6,855	8,482	33	8	6,308	4,297	7,117	47	(11)
Maruti Suzuki Limited	95,122	73,727	89,774	29	6	8,088	10,037	7,904	(19)	2	6,056	6,875	5,982	(12)	1
Tata Motors	302,873	260,443	287,820	16	5	40,908	29,718	40,016	38	2	22,034	7,746	20,954	184	5
Total	619,013	505,613	591,382	22	5	83,424	68,804	82,846	21	1	53,437	35,201	53,957	52	(1)

Sector overview

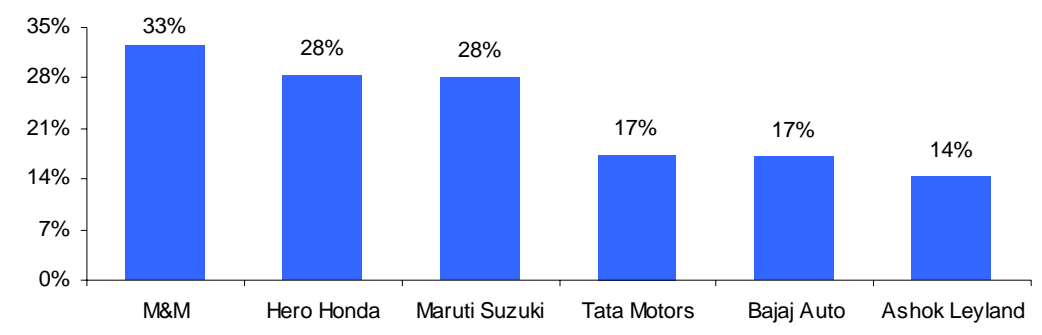
The automobile sector witnessed one of its best quarters in 3QFY11, with demand continuing to outpace supply for most OEMs. While October and November were strong on account of the festive demand, December volumes were driven by discounts on 2010-registered vehicles coupled with pre-buying before the price hikes in January.

On the margins front, higher commodity costs coupled with the costs involved in the emission norm changes will keep margins under pressure. While most OEMs have undertaken price hikes, the benefit of the same will accrue only in the next quarter. The silver lining is that most OEMs are running at optimum capacity, hence the operating leverage is extremely high, which would help mitigate some of these margin pressures.

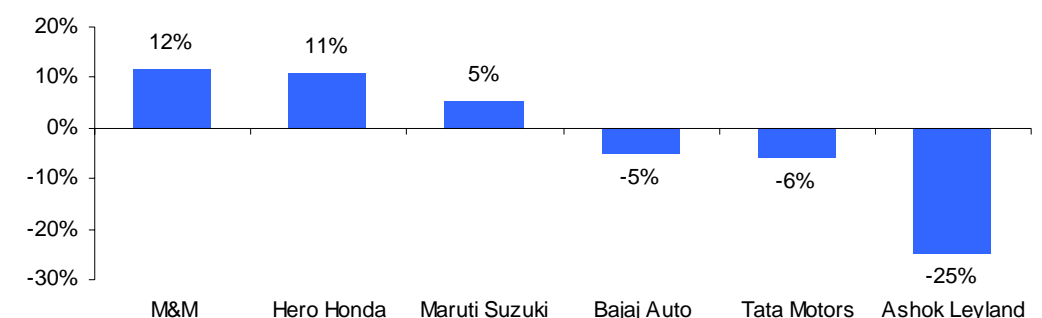
In case of MHCVs, production levels were sequentially lower post the changes in emission norms outside the top 13 cities. In light of the demand uncertainty of BS3 trucks, most OEMs had built up substantial BS2 inventory before the emission norm deadline. Hence, dispatches were not lower in the same proportion.

The ancillaries continue to benefit from the overall buoyancy in the industry, oblivious to the competitive intensity in most segments. We prefer the market leaders in this space (Exide and Bosch) on the back of strong pricing power that they enjoy. There is also a scope of margin expansion for these companies, as penetration into the lucrative after-markets increases.

3QFY11 YoY volume growth



3QFY11 QoQ volume growth



Source: Company

Margin pressure continues

Cement

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
ACC Ltd.	21,987	21,126	18,113	4	21	4,047	4,993	2,172	(19)	86	2,028	2,781	863	(27)	135
Ambuja Cement Ltd.	18,743	17,729	15,640	6	20	4,423	4,344	2,832	2	56	2,351	2,412	1,521	(3)	55
HeidelbergCement India Ltd.	1,978	2,052	1,749	(4)	13	201	261	123	(23)	64	82	135	31	(39)	164
Shree Cement Ltd.	9,562	8,660	7,176	10	33	2,272	3,353	1,427	(32)	59	697	1,689	180	(59)	287
UltraTech Cement Ltd.	34,668	16,518	32,147	110	8	7,513	4,011	4,376	87	72	3,124	1,960	1,158	59	170
Total	86,938	66,086	74,825	32	16	18,456	16,962	10,929	9	69	8,283	8,976	3,753	(8)	121

UltraTech Cement

- For 3QFY11, we expect UltraTech to post revenues of INR34.7bn. The numbers are post the merger of Samruddhi with UltraTech, and hence, not comparable on a YoY basis. We expect blended despatches of 9.6mmt.
- On the back of weak pricing scenario coupled with higher costs, margins are expected to remain weak at 21.7%. Accordingly, we expect the company to post operating profits of INR7.5bn, resulting in a blended EBITDA/mt of INR780.
- We expect net profits of INR3.1bn resulting in an EPS of INR11.4.

ACC

- ACC is expected to post revenues of INR22bn, an increase of 4% YoY in 4QCY10. This will be largely led by 7% rise in cement volumes to 5.6mmt and a 2% decline in realisations.
- On the back of weak pricing scenario coupled with higher costs, margins are expected to contract by 520bps to 18.4%. Accordingly, operating profits should be lower by 19% to INR4bn. We expect EBITDA/mt to decline by 24% to INR725.
- We expect net profits to decline by 27% to INR2bn in 4QCY10.

Ambuja Cement

- ACL's revenues in 4QCY10 are expected to increase marginally by 6% to INR18.7bn. This will be largely led by 5% rise in cement volumes to 5mmt. Volume growth was impacted by the plant shut-down at its units in Himachal Pradesh (Suri and Rauri) on account of transport strike.
- Capital charges should surge by 35% to INR1.3bn on account of commissioning of clinker and grinding capacities in 1HCY10.

- Margins are expected to contract by 90bps to 23.6% as a result of weak cement prices coupled with higher costs. We expect EBITDA/mt to decline to INR885/mt resulting in operating profits of INR4.4bn.
- We expect net profits to decline marginally by 3% to INR2.35bn due to lower effective tax rate (36% vs. 39.3%).

Shree Cement

- SCL's revenues are expected to increase by 10% to INR9.5bn aided by higher sales of surplus power. On the volumes front, we expect the same to rise by 2% to 2.6mmt. We expect the company to sell ~165m units of power in 3QFY11 against 69.8m units in 3QFY10.
- Weaker realisations on the power and cement front coupled with higher raw material costs should lead to a sharp contraction of 1,500bps to 23.8%, resulting in operating profits declining by 32% to INR2.3bn.
- Lower operational profitability alongwith higher capital charges should result in net profits plunging by 58% to INR697m.

HeidelbergCement India

- HCIL is expected to post revenues of INR1.9bn, a decline of 3% YoY in 4QCY10. This will be largely led by 3% rise in cement volumes to 0.59mmt and a 6% decline in realisations.
- On the back of weak pricing scenario coupled with higher costs, margins are expected to contract by 250bps to 10.2%. Accordingly, operating profits should be lower by 23% to INR201m.
- We expect net profits to decline by 39% to INR82m in 4QCY10.

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Strong top line growth; more muted bottom-line**Financials**

Company Quarter Ending	Net Interest Income			Chg (%)		Pre Provision Profits			Chg (%)		Net Income			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Axis Bank	16,651	13,488	16,151	23	3	14,751	13,743	14,864	7	(1)	8,226	6,557	7,351	25	12
Bajaj Auto Finance	2,350	1,940	2,164	21	9	1,510	1,029	1,398	47	8	605	273	528	122	15
Bank of Baroda	20,736	16,012	20,381	30	2	16,853	12,650	16,567	33	2	10,117	8,325	10,193	22	(1)
HDFC	10,515	8,544	10,195	23	3	11,515	9,733	11,485	18	0	8,147	6,713	8,075	21	1
HDFC Bank	27,411	22,239	25,263	23	9	20,164	16,237	18,071	24	12	10,495	8,185	9,121	28	15
ICICI Bank	23,829	20,581	22,044	16	8	24,924	23,688	22,119	5	13	14,189	11,011	12,363	29	15
LIC Housing Finance	3,113	2,280	3,051	37	2	3,213	2,323	3,193	38	1	2,163	1,536	2,342	41	(8)
Punjab National Bank	30,268	23,291	29,767	30	2	20,766	18,182	21,001	14	(1)	11,231	10,113	10,746	11	5
Shriram Transport Finance	7,200	5,321	7,014	35	3	5,730	4,123	5,901	39	(3)	2,982	2,013	2,889	48	3
State Bank Of India	80,474	63,163	81,149	27	(1)	60,224	46,181	63,570	30	(5)	26,950	24,790	25,014	9	8
Union Bank	15,446	10,647	15,358	45	1	10,051	9,142	11,306	10	(11)	5,635	5,341	3,034	6	86
Yes Bank	3,334	2,109	3,132	58	6	2,762	2,162	2,814	28	(2)	1,723	1,259	1,763	37	(2)
Total	241,327	189,614	235,669	27	2	192,463	159,193	192,290	21	0	102,463	86,116	93,419	19	10

Robust headline earnings especially for private sector banks

We expect banks and financials to report robust earnings growth at 19% YoY and 10% QoQ aided by strong pick up in credit growth and marginal compression. Private sector banks are expected to report stronger earnings at 28% YoY as against 10% for PSU banks. Earnings progression for PSU banks to remain modest due to higher operating expenses related to retirement benefits and high loan loss provisioning, especially for SBI and UBI.

Strong traction in 3QFY11 credit growth; Deposit growth continues to remain lacklustre

Headline systemic credit growth continues to remain robust at 24% YoY. After a slightly lackluster performance in previous quarter, credit growth has bounced back sharply at 6.4% QoQ in 3QFY11. However, systemic deposit growth continues to remain lackluster at 14.9% YoY and 2% QoQ. Loan to deposit ratio has improved 300bps QoQ as banks continued to draw down their surplus SLR investments to fund loan growth. SLR ratio in the system is registered at 28%.

Margins to decline marginally on a QoQ basis

NIMs for banks are likely to compress marginally in 3Q (5-10 bps) - more so for banks with low CASA ratio and weak ALMs. While term deposit rates have gone up by 150-200bps in the last one quarter, full intensity on margins is likely to be felt only 4Q onwards as deposits

tend to re-price with a lag while loan re-price immediately. Further, adverse impact of funding costs should get tempered to some extent by the hike in PLRs/ base rate increases carried out by the banks recently. Going forward, trend in CASA market share remains a key monitorable on deposit front.

Other income growth muted due to lower trading profits

Other income growth to remain muted for Indian banks (Private at 7.1% YoY and PSU at 2.7% YoY) due to lack of treasury profits. During the quarter, G-sec yields went up across the yield curve, more so at the shorter end (50bps) as against longer end (10bps). Further, a large part of bank's investment book is in the HTM category - which is de-risked. Hence, we do not expect banks to report significant MTM losses. Operating expenses for PSU banks to remain elevated due to higher provisions related to retirement benefits.

Asset quality to remain stable

Slippages for most Indian financials are likely to trend 2QFY11 levels with select banks being much better placed. Private sector banks are likely to report lower loan provisioning since overall NPL formation (more so in retail) has shown signs of stability over the past few quarters, whereas PSU banks could be a little patchy. Our interaction with bankers suggests that cash recoveries and upgradation has been better than previous quarters which should protect overall level of NPLs. Slippages for SBI and UBI could remain at elevated levels.

Input inflation creeping up

FMCG & Retail

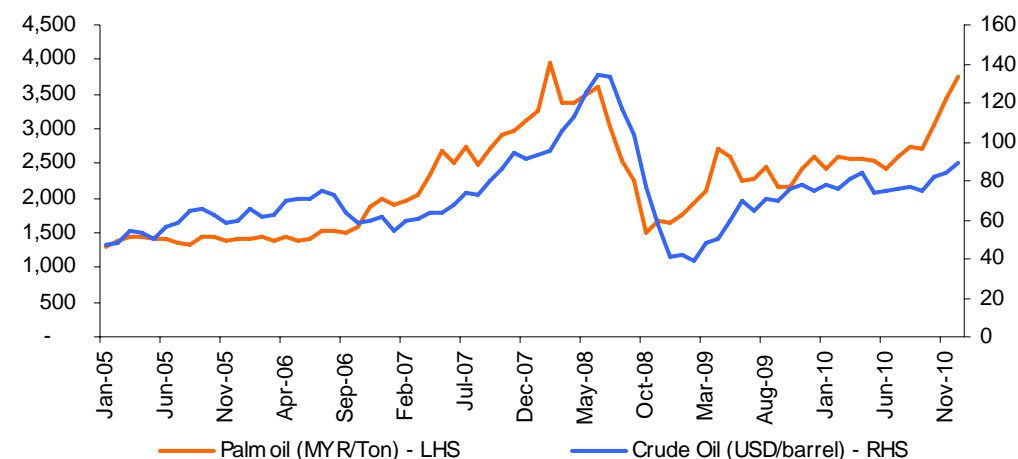
Company	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Quarter Ending	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY
Asian Paints	20,550	16,200	18,108	27	13	3,884	3,181	3,315	22	17	2,478	1,985	2,160	25	15
Britannia Industries Limited	10,814	8,814	10,948	23	(1)	584	380	528	54	11	404	361	331	12	22
Colgate Palmolive India Ltd.	5,831	4,906	5,518	19	6	1,201	1,008	1,122	19	7	1,164	1,064	1,003	9	16
Dabur India Limited	11,307	9,262	9,728	22	16	2,092	1,773	2,028	18	3	1,607	1,378	1,604	17	0
Godrej Consumer Products	9,521	5,176	9,528	84	(0)	1,742	1,014	1,690	72	3	1,197	851	1,302	41	(8)
Hindustan Unilever Limited	49,976	45,043	46,809	11	7	7,346	7,185	5,631	2	30	6,761	6,092	5,337	11	27
ITC Limited	53,476	45,319	50,612	18	6	20,588	16,593	17,889	24	15	14,955	11,442	12,467	31	20
Jyothy Laboratories Ltd	1,635	1,354	1,485	21	10	204	183	192	11	6	230	168	154	37	49
Kansai Nerolac Limited	4,949	4,209	5,330	18	(7)	757	607	826	25	(8)	457	363	536	26	(15)
Marico Limited	7,805	6,696	7,788	17	0	1,038	988	1,031	5	1	725	660	748	10	(3)
Nestle India Limited	17,048	13,518	16,373	26	4	3,096	1,981	3,219	56	(4)	2,207	1,333	2,168	66	2
Pantaloon Retail Limited	27,900	19,128	25,814	46	8	2,372	2,034	2,127	17	11	636	507	448	25	42
Titan Industries	19,036	13,336	15,360	43	24	1,466	1,096	1,736	34	(16)	1,118	807	1,278	39	(13)
United Breweries Ltd	6,180	4,466	5,669	38	9	667	461	508	45	31	324	195	219	66	48
United Spirits Ltd	15,315	13,468	13,542	14	13	2,986	2,212	2,191	35	36	1,334	996	830	34	61
Total	261,342	210,893	242,610	24	8	50,024	40,697	44,031	23	14	35,597	28,200	30,585	26	16

Input cost inflation's larger impact would be witnessed during 3QFY11

We believe that the price hikes during 2QFY11 would provide cushion to gross margins during 3QFY11, despite higher pressure from input cost inflation during the quarter. We expect that majority of impact caused by input cost inflation would be visible in 4QFY11 as the companies would be holding low cost inventory of the last three months. Going ahead, increasingly, we expect to see FMCG companies recording higher raw material cost and muted ad-spends, as price hikes would be difficult to initiate in an inflationary scenario. This phenomenon would be particularly true for soap manufacturers as its key raw material, palm oil has witnessed steep increase during the quarter ended Dec 2010. Average prices of palm oil (RM for soap manufacturers) have increased by 43% YoY during the period (Oct-Dec 2010) reaching close to the highest price levels during the last five years. However, the relevant inflation for 3QFY11 would be the 16% growth in palm oil prices during the quarter ended October 2010.

HUL (Hindustan Unilever) is primarily focusing on regaining market share from its smaller competitors, and hence, is not expected to stress on price hikes to protect margins in an inflationary environment. Therefore, smaller players like GCPL are expected to find it difficult to pass on cost increases. However, with GCPL's exposure to soaps reducing to 23% of total sales post the international acquisitions, the impact of the input inflation has reduced.

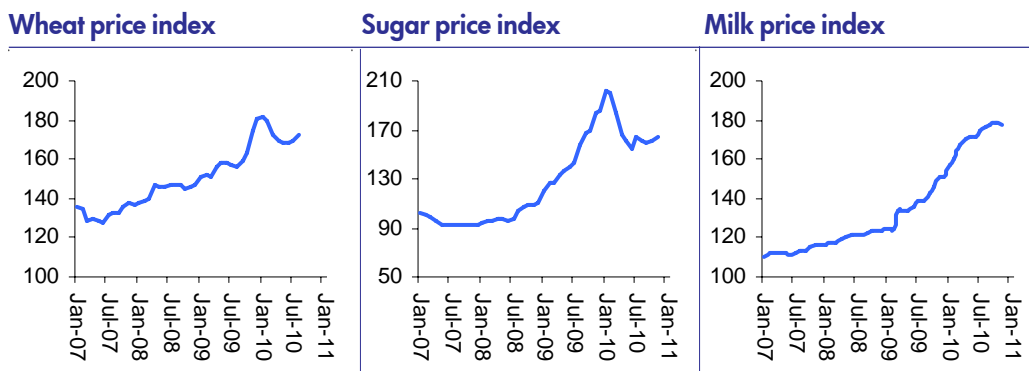
Rising palm oil prices will put pressure on soap margins



Source - Bloomberg

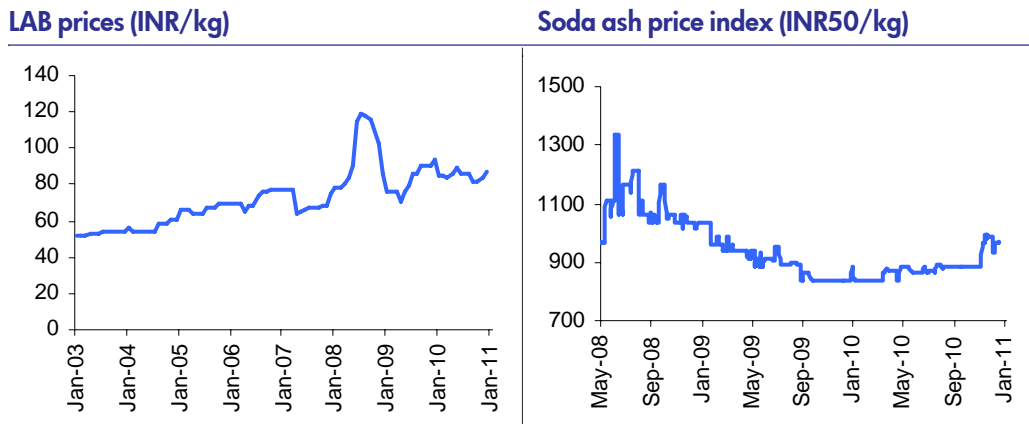
Input inflation creeping up **FMCG & Retail**

Nestle to witness lower pressure on margins due to price hikes during 3Q. However, Britannia’s woes to continue



Source - Office of Economic Advisor

Detergent manufacturers not to witness any meaningful pressure from input cost inflation



Source - Industry

Source: Bloomberg

Paint companies to witness revival but input cost inflation to impact margins

Our industry interactions suggest that paint industry has witnessed a recovery during 3QFY11. Owing to the same, we expect Asian Paints to witness a sales growth of 27% during 3QFY11, taking the 9 month FY11 growth to 19%. According to our estimates, growth in realisations arising from price hikes would be to the tune of 5%. KNPL is expected to continue with 22% growth in sales during the quarter due to consistent volume growth in the auto paints segment led by its key client, Maruti.

However, we believe that the profitability for the paint industry would be under pressure during the quarter due to the continued rise in prices of its key raw materials like, Titanium dioxide, Phthalic Anhydride and MTO. Titanium dioxide prices rose by about 6% during 1HFY11, while during 2QFY11, prices of the commodity have moved up by 16%. Prices of Phthalic Anhydride had risen by about 17% during 1HFY11, while during 2QFY11, the commodity witnessed an increase in prices of about 11%. One of the most important raw materials, MTO (Mineral Turpentine Oil), has increased roughly by about 20% during the current quarter. We expect Asian Paints to witness nearly 156bps drop in gross margins during the quarter due to the increase in input cost.

Price hikes by Asian Paints (%)

Date	Price hikes	Effective price hikes		
		2QFY11	3QFY11	FY11
1-May-10	4.2	1.7	2.8	3.8
1-Jul-10	2.6	0.7	1.3	2.0
1-Aug-10	1.2	0.2	0.5	0.8
1-Dec-10	3.0	-	0.3	1.0
Total	11.0	2.6	4.9	7.6

Source - Industry

Festive season modest for retailers

We expect Titan Industries’ outperformance to continue during the quarter even over a higher base of the previous fiscal. As we had highlighted in our earlier update on Titan Industries, the specialty retailer performance has been in line with the management expectations. PRIL is expected to post continued improvement in same store growth during the quarter. However, we do not expect any major acceleration in growth accruing from the festive season for Pantaloon and other hyper market retailers.

Leaders at the forefront

Industrials

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
ABB	17,344	18,852	13,340	(8)	30	1,301	1,512	195	(14)	566	891	1,096	115	(19)	674
BGR Energy	12,858	6,950	11,356	85	13	1,434	850	1,324	69	8	855	327	778	161	10
BHEL	85,402	71,004	83,284	20	3	16,226	14,329	14,702	13	10	12,135	10,727	11,423	13	6
L & T	93,589	80,711	92,606	16	1	11,792	10,065	10,055	17	17	8,336	6,960	6,939	20	20
Siemens	22,399	18,666	30,610	20	(27)	2,822	3,632	4,019	(22)	(30)	1,844	2,364	2,536	(22)	(27)
Suzlon	50,440	56,340	37,720	(10)	34	2,503	2,290	1,370	9	83	(1,515)	(250)	(3,680)	NA	NA
Total	282,032	252,523	268,916	12	5	36,078	32,678	31,665	10	14	22,546	21,223	18,111	6	24

We expect our universe of Industrial companies to witness a revenue growth of 12% for the quarter which will translate into net profit growth of 6%. Excluding Suzlon (which we expect to report a loss), profit for the pack is expected to grow by 12% YoY (~10% growth QoQ). Overall, we are positive on the outlook of set of numbers from BGR Energy, L&T and BHEL.

BHEL

We estimate the company to record sales growth of 20% for the quarter mainly driven by the strong order booking. At the end of 2QFY11, BHEL had an order book of ~INR1.5tn. Our EBITDA margin estimate is 19% for the quarter which implies flat margins compared to last year. Net profit is estimated to be INR12.1bn - growth of 13% over 3QFY10. In the last two years, order inflows for the company have been stagnating - this remains the key concern on the stock going forward. Order inflows from the industrials segment can have a positive surprise given the strong traction in the economy.

L&T

L&T has not been able to show strong revenue growth in 2QFY11 (~6.5%) on account of some large projects being in the initial stages of execution, and hence, the revenue growth was moderate YoY. In the current quarter, we expect revenue growth of ~16% YoY, EBITDA margin of 12.6% and net profit of INR8.3bn (a growth of 20% YoY).

BGR Energy

We estimate sales and net profits to grow by ~85% YoY (13% QoQ) and ~161% YoY (10% QoQ), respectively. The revenue booking is expected to be higher as some of the EPC project

of Kalisindh and Mettur and BoP orders of Chandrapur and Marwa are in strong execution phase. EBITDA margin for the quarter is expected to be 11.2% against 12.2% in 3QFY10, in line with margins in the last three quarters. There are couple of huge orders worth ~INR50bn from RRUVNL which are expected to materialise in the fourth quarter.

Siemens

Siemens' revenue is expected to grow by 20% YoY to INR22.4bn, while PAT to be INR1.8bn. PAT is expected to show a decline YoY as it was very high on one of the orders booked - which is not sustainable. We expect company to report EBITDA and PAT margin of 13% and 8%, respectively.

ABB

Over the last six quarters, ABB has been reporting lower revenue and profitability. We do not expect any revival in the numbers and anticipate a YoY decline of 8% in revenue and ~19% in PAT.

Suzlon

We expect Suzlon to report revenue of INR50.4bn, EBITDA of INR2.5bn and loss of INR1.5bn. The estimated revenue and EBITDA are expected to grow by 34% and 83%, respectively, on a QoQ basis. The improvement is expected on account of higher domestic booking and higher booking in subsidiary REPower. The under utilisation of the capacity and higher debt remains the key issue. The improvement in utilisation would be a positive development for the company.

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TCS & CMC to outperform followed by Infosys**Information Technology**

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Infosys	72,260	57,410	69,470	26	4	21,580	20,380	20,980	6	3	17,978	15,820	17,370	14	3
TCS	99,630	76,490	92,860	30	7	30,770	23,380	28,470	32	8	23,601	18,240	21,692	29	9
Wipro	81,570	69,489	77,719	17	5	16,350	16,249	16,415	1	(0)	12,599	12,174	12,997	3	(3)
CMC	2,871	2,119	2,710	35	6	684	440	526	55	30	539	362	436	49	24
Patni	8,588	7,883	8,227	9	4	1,830	1,897	1,557	(4)	18	1,521	2,055	1,445	(26)	5
Persistent	1,973	NA	1,870	NA	6	491	na	430	NA	14	365	NA	358	NA	2
Total	266,892	213,391	252,856	25	6	71,705	62,346	68,378	15	5	56,603	48,651	54,298	16	4

Slightly better growth expected in a weak quarter

We expect Infosys and TCS to report a slightly better growth in the range of ~4% and ~7.3% respectively on a sequential basis in an otherwise traditionally weak quarter due to lower number of working days in the quarter. Positive surprise on the revenues can come due to demand traction and budget flush. We believe demand will be strong from BFSI followed by upcoming verticals like healthcare and energy and utilities. On geographical front we expect strong demand traction from US and Asia Pacific while a slightly slower demand from Europe.

Margins can be stable to slightly low

We expect margins to be either flat or slightly low due to salary hikes, bonus and increased recruitment costs partially offset by positive currency movements and addition of people at the bottom of pyramid. We expect TCS to report flat to slightly low margins on the back of high revenue growth from India and Asia Pacific region and continued cost cutting efforts.

Domestic growth to help outperformance for TCS and CMC

We expect both TCS and CMC to report higher revenue on a sequential basis on the back of project announcement in e-governance and shared services.

Infosys Technologies

We expect Infosys to report revenues of INR72.26bn, implying a growth of 26% YoY and 4% QoQ. Our revenue estimates are ~5% higher than Infosys guidance of INR68.84bn based on average conversion of INR45.5/USD vs. Infosys guidance of INR44.5/USD.

We expect an EPS of INR31.54 vs. company's guidance of INR29.37-29.89. Our higher estimates are primarily due to lower employee costs (due to rationalisation of pyramid i.e., addition of freshers), cost rationalisation in selling, general and administrative expenses and positive currency movements during the quarter.

We believe Infosys will guide 4QFY11 revenues in the range of INR72.5-73.5bn and earnings of INR31.50-32.40 at INR/USD of 45.5. For the full year, we expect EPS guidance to be raised to INR119-121 from earlier range of INR115-117. We expect Infosys to update on their acquisition pipeline and future deployment of cash, although we do not expect any significant dividend in this quarter.

TCS

We expect TCS to report revenues of INR 99.63bn implying a growth of 30% YoY and 7% QoQ. Our higher estimates are based on company's global demand recovery and increasing presence in fastest growing IT services market i.e., India. We expect most of the outperformance in TCS' revenue growth to come from India. We believe the company will report an EPS of INR12.06 primarily due to lower employee costs (due to rationalisation of pyramid) in spite a wage hike and bonus announced in the previous quarter, cost rationalisation in selling, general and administrative expenses and positive currency movements during the quarter.

Although TCS has not given any guidance, we believe it will talk positively on the overall demand environment and will also provide more information on its "BANCS" deal with Deutsche Bank and also its future strategy on the product front.

TCS & CMC to outperform followed by Infosys**Information Technology****CMC**

CMC is expected to report revenues of INR2.87bn implying YoY growth of 36% and sequential growth of 6%. Our high revenue estimates are based on both global demand recovery and very high domestic growth primarily from government projects. In terms of earnings, we estimate the company to post an EPS of INR35.06 primarily due to continuous shift from low margin consumer business to high margin IT enabled services business.

We expect very positive commentary from the company primarily in the IT-enabled services segment and education vertical. All three verticals, i.e., IT-enabled services, Systems Integration and Education are posting significant growth for the last few quarters and we expect the momentum to continue going ahead on the back of significant demand in the domestic IT services market triggered by budget allocation by most of the state governments and e-governance roll out coupled with successful implementation of UID.

Wipro

We believe Wipro to report revenues of INR81.57bn implying 18% YoY and 4% QoQ growth based on global demand recovery. We believe the company will report an EPS of INR5.15 and we have built in margin compression due to increased employee costs driven by promotions increased recruitment costs. Wipro is expected to guide 4QFY11 revenue growth of 3-5% on a sequential basis.

We expect the company to guide about the overall demand scenario and its budget estimates for FY12e.

Patni Computer Systems

We anticipate Patni to post revenue of INR8.5bn implying a sequential growth of ~2%. PAT is expected to increase by ~5% QoQ to INR1.52bn. Diluted EPS in 4QCY10 is estimated at INR11.32, implying full year EPS of INR44.70.

We expect clarity on deal wins, update on ramp-ups in projects, attrition trend and outlook for CY11.

Persistent Systems

We expect Persistent to report revenues of INR1.98bn implying a sequential growth of 6%. PAT is expected to increase by ~2% QoQ to INR365m. Diluted EPS in 3QFY11 is estimated at INR9.14.

We expect company to guide sequential revenue growth of ~6-7% and also update on new projects and client budgets.

Festive spend to boost revenues

Media

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
IBN 18	2,505	1,934	1,891	30	32	248	80	20	260	1,362	75	(106)	(129)	NA	NA
Den Networks Ltd	2,612	2,352	2,536	11	3	429	239	318	79	35	190	77	105	146	80
Dish TV Ltd	3,811	2,775	3,262	37	17	629	116	498	442	26	(446)	(451)	(762)	(1)	(41)
Hathway Cable & Datacom	2,388	NA	2,265	NA	5	606	NA	502	NA	21	34	NA	63	NA	(46)
Sun TV Network Ltd	5,997	3,950	4,248	52	41	4,598	3,125	3,323	47	38	2,021	1,519	1,674	33	21
UTV Software Communications Ltd.	2,349	2,207	2,399	6	(2)	451	377	459	19	(2)	321	378	402	(15)	(20)
Zee Entertainment Ltd	7,685	5,309	7,116	45	8	2,157	1,573	1,885	37	14	1,474	1,364	1,264	8	17
Total	27,347	18,528	23,716	48	15	9,157	5,510	7,006	66	31	3,669	2,781	2,617	32	40

The festive season started late in FY11 shifting the festive linked growth to 3QFY11. While 1QFY11 saw an ad spend growth of 32% to USD6.7bn, 3Q numbers will be positive backed by the increasing consumer spend during festive season.

The host of reality shows such as Big Boss, Kaun Banega Crorepati, Zhalak Dikhla Jaa, etc., led the current quarter; moreover, Cricket World Cup and IPL 4 will glue the customer to the television set in coming quarters.

DTH subscriber base reaching new highs

With 3m subscribers added in Oct-Nov month, the new subscriber addition has already crossed the 2.8m mark during 2QFY11. The growth momentum will continue in coming months on the back of cricket season and increasing demand from customer for High Definition (HD) TV experience provided by DTH.

Dish TV has maintained its leadership position in the DTH market and with a gross addition of 1.7m in the last two months, the company is well positioned to cross its guided subscriber base of 10m by FY11e end. The upcoming cricket season will spur the growth in subscriber base in 4QFY11e and 1QFY12e.

Advertisement revenue to remain strong

The second quarter saw a strong advertising revenue growth of 10-15% and with festive season revenue reflecting in this quarter we estimate a strong advertising revenue growth for the broadcasting companies.

Sun TV is expected to report a strong revenue growth backed by buoyant advertisement spend and subscription numbers. The movie business which saw a lumpy growth in 2QFY11 will jump with Endhiran revenue. The revenue growth will drive the EBITDA which saw a sequential dip due to higher other cost.

IBN18 has completed its restructuring, and with stronger bouquet of channels, the company will see a turnaround in its advertising and subscription revenue. For 3QFY11, we have estimated a revenue growth of 32% due to strong growth in Viacom business and EBITDA will see sharp spike with general news business breaking even and Viacom delivering best ever quarter.

Digitisation to benefit pay TV operators

The pay TV operators will continue to grow at a steady rate despite facing some competition from DTH players. With increasing digitisation, the declaration rate is improving. The SAC per subscriber is also decreasing due to falling STB cost and better vendor financing available to the pay TV operator. The execution of digitisation will lead to a sequential growth in profitability for Den and Hathway.

Differentiating the winners

Metals

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Hindalco Industries Limited	62,911	53,153	58,599	18	7	8,019	7,476	6,984	7	15	5,345	4,271	4,338	25	23
Hindustan Zinc Limited	23,895	22,167	21,629	8	10	13,147	13,537	10,871	(3)	21	11,227	11,487	9,487	(2)	18
Monnet Ispat & Energy Ltd.	4,250	3,722	3,607	14	18	1,000	1,125	1,047	(11)	(4)	536	680	656	(21)	(18)
NALCO	16,545	13,865	14,548	19	14	5,045	2,649	3,233	90	56	3,349	1,552	2,240	116	49
Prakash Industries Ltd.	4,375	3,604	4,210	21	4	930	903	929	3	0	492	660	709	(26)	(31)
Sterlite Industries Limited	70,176	67,467	60,844	4	15	18,296	17,722	15,289	3	20	12,586	7,313	10,080	72	25
JSPL	32,217	26,871	30,821	20	5	17,023	14,511	15,017	17	13	10,304	8,744	8,942	18	15
JSW Steel Limited	61,062	48,228	59,081	27	3	10,793	10,788	9,586	0	13	3,787	4,297	3,733	(12)	1
Sesa Goa Limited	22,543	18,892	9,183	19	145	13,213	10,360	3,034	28	336	11,657	8,275	3,849	41	203
Steel Authority of India	113,272	96,971	106,029	17	7	20,146	23,969	14,915	(16)	35	13,258	16,756	10,900	(21)	22
Tata Steel	270,519	262,020	286,462	3	(6)	32,049	29,506	36,724	9	(13)	11,011	4,726	19,788	133	(44)
Total	681,766	616,960	655,011	11	4	139,662	132,545	117,627	5	19	83,552	68,761	74,723	22	12

The metals sector had been severely impacted by the consumption slowdown in major markets and has witnessed huge volatilities in raw material and finished product prices. 3QFY11 marked sharp recoveries in prices of base metals with near term bottom seen in 2QFY10. Opposite was true for ferrous products where raw material prices increased but end products sequentially were at similar levels. However, towards quarter end, ferrous products also saw price recovery though Australian floods have aggravated raw material situation.

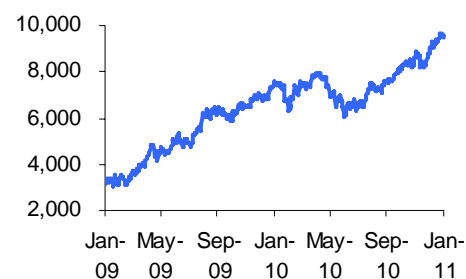
Ferrous companies helped by higher volumes

We expect steel companies to maintain their profitability sequentially in 3QFY11 as the Indian volumes will improve but increase of raw material prices will have an impact during the quarter. Thus, steel companies will witness compression in EBITDA per tonne for JSPL, JSW Steel and Tata Steel however Sesa Goa is impacted by lower volumes on account of Karnataka export ban and termination of Orissa contract.

Non-ferrous companies benefitted by rising prices

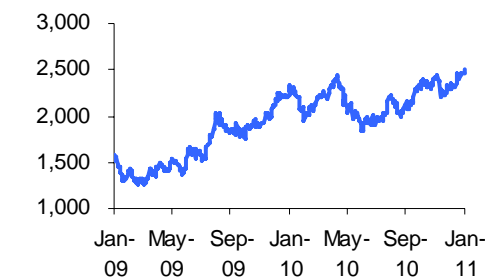
Sequential rise in metal prices will boost revenues of non-ferrous companies. Hindalco, Nalco, Hindustan Zinc and Sterlite Industries will gain by rising output prices but the operating costs might see an increase with rising input prices from coal.

LME Spot Copper (USD/t)



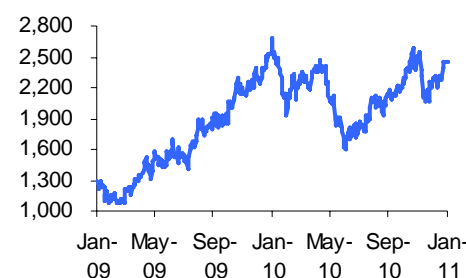
Source: LME

LME Spot Aluminium (USD/t)



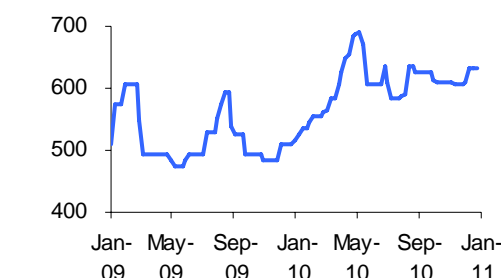
Source: LME

LME Spot Zinc (USD/t)



Source: LME

China export HRC (USD/mt)



Source: Steel Business Briefing

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Upstream earnings to shine

Oil & Gas

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Bharat Petroleum Corp. Ltd.	394,311	321,612	354,162	23	11	(12,304)	6,227	24,679	na	na	(14,365)	3,791	21,422	na	(167)
GAIL India Limited	81,860	61,878	81,041	32	1	16,379	12,875	14,570	27	12	11,186	8,599	9,966	30	12
Hindustan Petroleum Corp. Ltd.	338,821	276,619	307,097	22	10	(3,592)	1,421	23,224	NA	(115)	(5,480)	314	20,896	NA	(126)
Indian Oil Company Ltd.	855,900	697,082	769,667	23	11	(9,040)	3,457	65,210	NA	(114)	(12,254)	6,966	52,940	NA	(123)
Oil India Ltd.	24,770	20,413	23,724	21	4	13,622	10,630	13,028	28	5	9,557	7,173	9,160	33	4
Oil & Natural Gas Corp. Ltd	186,602	153,145	181,936	22	3	114,002	91,430	110,851	25	3	53,943	30,536	53,888	77	0
Petronet LNG	32,820	22,446	30,577	46	7	2,796	2,088	2,806	34	(0)	1,315	832	1,311	58	0
Reliance Industries Limited	664,413	568,560	574,790	17	16	97,617	78,440	93,960	24	4	51,860	40,080	49,230	29	5
Total	2,579,498	2,121,756	2,322,994	22	11	219,480	206,567	348,329	6	(37)	95,762	98,290	218,812	(3)	(56)

OMCs to post losses, as government support on under-recoveries to come with a lag

During 3QFY11, with a 14% QoQ rise in oil prices to USD86.8/bbl, under-recoveries on diesel and cooking fuel prices have risen to INR149.3bn from INR10.5bn in 2Q. We estimate cooking fuel and auto fuel (diesel) under-recoveries at INR91.4bn and INR57.8bn, respectively. We have assumed 1/3rd of total under-recoveries by upstream companies and rest 2/3rd remains in the books of OMCs' pending compensation from government, leaving them into losses for the Quarter. Despite better GRMs (+USD1.2/bbl), FX gains due to rupee appreciation (+INR1.6/USD) and inventory gains due to rising oil price (+USD10/bbl), OMCs are expected to post moderate losses in pending compensation of under-recoveries. Though we expect compensation of losses in the coming quarters but clarity on sharing of losses is yet to emerge.

Company and product-wise under-recoveries and its sharing (INRm)

3QFY11	BPCL	HPCL	IOCL	Total
Diesel	14,343	12,081	31,424	57,848
Domestic LPG	12,225	11,378	22,463	46,065
PDS SKO	7,572	8,479	29,291	45,342
Total	34,140	31,939	83,177	149,256
Upstream share (1/3rd)	11,379	10,645	27,723	49,747
Govt. bonds/cash subsidy	0	0	0	0
Net burden on OMCs	22,761	21,293	55,454	99,509
	ONGC	OIL	GAIL	Total
Subsidy sharing	40,375	5,345	4,028	49,747
% sharing among upstream	81	11	8	100

Source: Company, Antique

PSU upstream companies to post higher net realisations

ONGC and OIL are expected to witness a growth of 7% QoQ and 14% YoY in net realisations to ~USD65/bbl, benefiting from sharp rise in oil prices. ONGC's 3Q net profits are expected to increase by 77% YoY and flat QoQ due to higher net realisations and rupee appreciation by 3.6% QoQ. DD&A is expected to remain higher at INR41.6bn and a flattish QoQ oil & gas production. OIL is expected to post a 33% YoY and 4% QoQ rise in net profits due to 2% QoQ increase in oil production.

RIL earnings expected to remain strong

We believe Reliance Industries to report a 29% YoY and 5% QoQ rise in net profits aided by 52% YoY increase in refining GRMs at USD8.9/bbl. Refining EBIT of INR24.9bn is expected to rise 14% QoQ and 81% YoY due to better GRMs. KG-D6 gas production declined 6% QoQ to 54.7mmcmd (including MA) and MA oil production also fell 7% to 21Mbb/d. PMT volumes recovered QoQ after closed platform resumed production at Panna-Mukta by Oct end. Petchem earnings are expected to move up sharply by 14% QoQ due to higher Petchem prices and margins.

GAIL earnings to shine supported by higher Petchem earnings

We expect GAIL to report a 30% YoY and 12% QoQ rise in net profits due to 26% QoQ rise in Petchem EBIT. The rise in Petchem EBIT is aided by 5% QoQ increase in volumes and 11% higher HDPE prices. Natural gas trading EBIT is expected to rise by 43% YoY due to levy of

Upstream earnings to shine

Oil & Gas

marketing margins on APM gas effective June 2010. We estimate GAIL to share one-third of cooking fuel losses and share subsidy amount of INR4.0bn.

PLNG's volumes to drive earnings growth

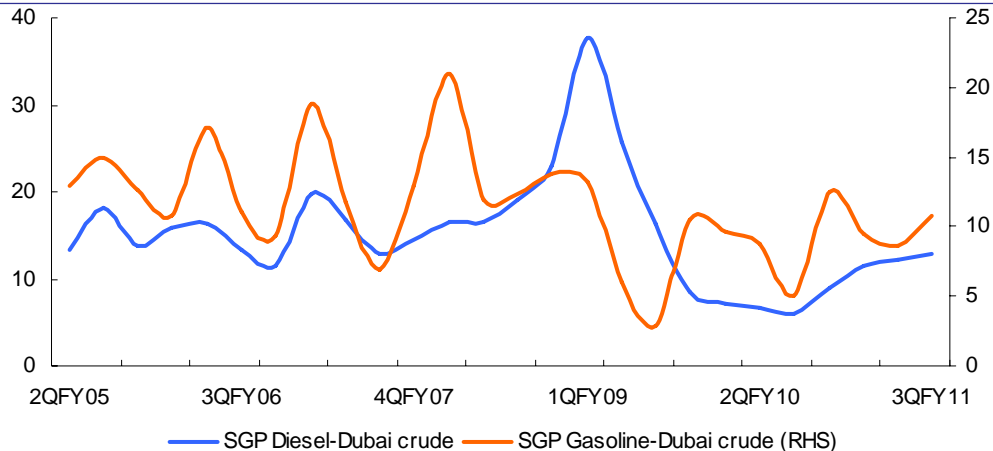
We estimate PLNG's earnings to rise 58% YoY and remain flat QoQ. We expect a 14% YoY and 9% QoQ volume growth due to higher spot cargoes. PLNG has done ~five to six spot cargoes, out of which three are done as re-gasification services.

Summary of key indicators

Particulars (USD/bbl)	3QFY11	3QFY10	YoY (%)	2QFY11	QoQ (%)
Bonny Light	88	76	16	78	13
Dubai	84	75	12	74	14
SGP Diesel-Dubai	12.9	6.1	112	12.2	6
SGP Gasoline-Dubai	10.8	5.1	112	8.6	26
SGP Naphtha-Dubai	3.3	(1.4)	(340)	(1.6)	(311)
SGP Dubai-Arab heavy	3.1	0.9	242	2.8	11
SGP Dubai-Maya	8.3	5.4	53	7.9	5
SGP 95 RON-Dubai	10.8	5.1	112	8.6	26
INR/USD	44.8	46.6	(4)	46.5	(4)
Reuters SGP GRMs	5.4	1.7	216	4.3	27

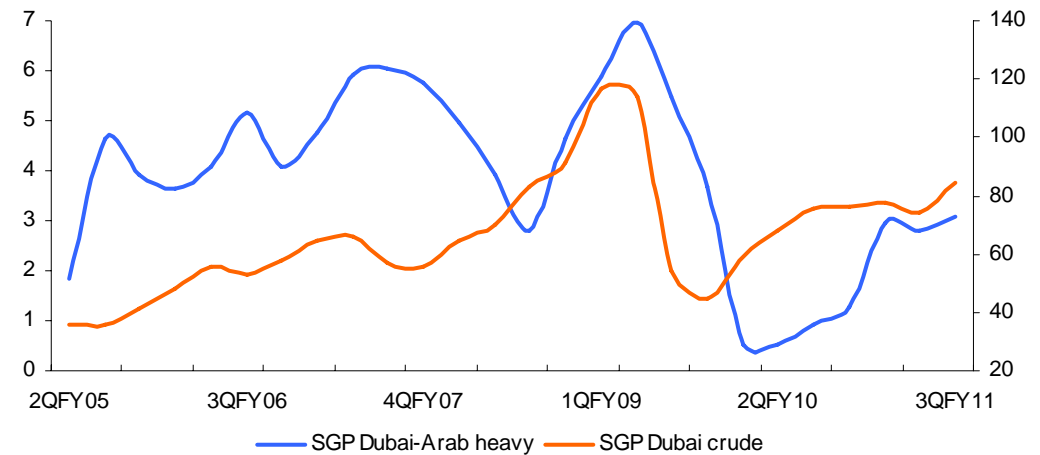
Source: Bloomberg, Antique

Refining margins recover in 3QFY11 backed by higher diesel and gasoline spreads (USD/bbl)



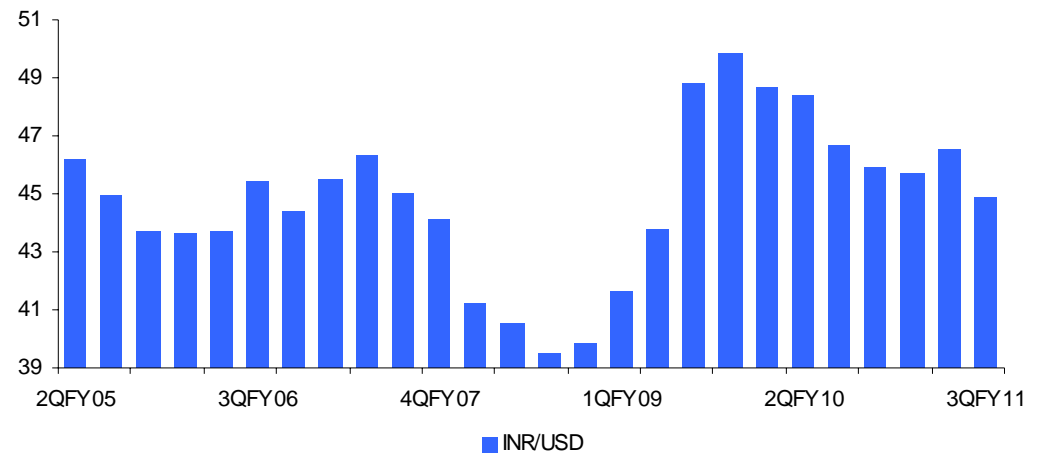
Source: Bloomberg, Antique

Light-heavy spreads continue upward swing with higher oil prices (USD/bbl)



Source: Bloomberg, Antique

INR appreciated by ~4% YoY and QoQ 3% against USD



Source: Bloomberg, Antique

On a healthy growth track

Pharmaceuticals

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Aurobindo Pharma	10,525	9,152	11,126	15	(5)	2,862	2,489	2,542	15	13	1,614	1,718	1,983	(6)	(19)
Cadila Healthcare	11,199	9,654	11,063	16	1	2,638	2,162	2,448	22	8	1,621	1,297	1,708	25	(5)
Indoco Remedies	1,244	957	1,323	30	(6)	161	114	208	41	(23)	116	77	153	50	(24)
Ipca Laboratories	4,609	3,939	5,143	17	(10)	967	896	1,180	8	(18)	630	583	652	8	(3)
Lupin Ltd	14,932	12,708	14,340	18	4	3,065	2,619	2,987	17	3	2,225	1,648	2,207	35	1
Sun Pharma	15,313	10,209	13,701	50	12	4,474	3,776	4,670	19	(4)	3,796	3,389	5,037	12	(25)
Jubilant Lifesciences	10,672	9,615	9,876	11	8	2,307	2,379	1,637	(3)	41	918	1,043	816	(12)	13
Total	68,494	56,234	66,572	22	3	16,474	14,435	15,672	14	5	10,920	9,755	12,556	12	(13)

High base effect to impact domestic growth rate

Indian pharmaceutical companies are likely to maintain strong growth in 3QFY11 despite high base effect in 3QFY10. The sustained growth is driven by new product introductions and higher penetration in the domestic and regulated markets. Domestic formulation market is expected to maintain its growth momentum and rise ~17% with chronic therapy areas outpacing the acute. However, we expect high base effect to catch up in 3QFY11 resulting in lower sales in the domestic formulations segment. Pharma companies are expected to register a growth of ~12-15% in the domestic market; however, adjusting with base effect, the growth could be ~7-8%. Most domestic companies have expanded their field force in 3Q, which will also result in higher sales in the local markets. Pharmacos, such as Ipca, Lupin, Sun Pharma, Cadila Healthcare, are expected to grow ~15-18%.

Regulated markets to witness strong growth on the back of higher product approvals

Prescription trend for Indian companies supplying generics and branded generics has witnessed an upmove. Indian companies have received approvals for products with exclusivity - such as Lansoprazole and Zafirlukast for Dr. Reddy's, Donepezil for Ranbaxy and Suprax chewable for Lupin - which will drive major revenue upsides in US. Companies such as Lupin and Cadila Healthcare, which have a branded formulations business in the US, have also witnessed stronger prescription sales in 3QFY11 after a dip in prescription off-take despite strong marketing efforts during the last quarter.

CRAMs business on road to gradual recovery

Our interaction with Custom Research and Manufacturing Services companies gives us some sense that customers have started re-stocking inventory in 3QFY11e. Big pharmacos have resumed outsourcing after the recent spate of high-value M&As had resulted in realignment of excess capacity. Companies such as Jubilant Lifesciences and Dishman Pharma have signed sub-USD50m contracts. The outsourcing industry is still void of large multi-year, multi-million dollar deals that will result in higher growth and better confidence in the industry. We expect CRAMs companies to grow ~8-10% in 3QFY11.

Aurobindo Pharma

We expect the company to report a 15% growth in revenues at INR10.5bn, with increased contribution from the Pfizer deal. This will also be the first quarter of Astrazeneca deal contributing to Aurobindo. We expect ARV business to grow at 15% during the quarter and export formulations to rise by 16%. We anticipate operating profits to grow by 15% to INR2.9bn and maintain margins at 27.2% during the current quarter. However, net profit is expected to drop marginally by 6% to INR1.6bn during the quarter.

Cadila Healthcare

We expect Cadila Healthcare to report a revenue growth of 16% to INR11.2bn during 3Q and witness significant contribution from its Nycomed JV.

On a healthy growth track

Zydus-Nycomed JV achieved a milestone as its API facility in Navi Mumbai has been commissioned. The newly commissioned facilities mark the transition of Zydus-Nycomed from an intermediate manufacturer to a full-fledged API supplier. We expect the domestic formulations business to grow by 15% during the quarter on account of higher contribution from chronic therapy areas. Better product mix and cost rationalisation efforts are likely to result in 22% rise in operating profits to INR2.6bn with operating margin growth of 120bps at 23.6% during the quarter. We expect Cadila to report a net profit growth of 25% to INR1.6bn.

Indoco Remedies

We expect Indoco Remedies to report a revenue growth of 30% to INR1.2bn driven by strong domestic and export sales. Operating margins are expected to expand by 100bps to 12.9% whereas net profits by 50% to INR116m during the quarter.

Ipca Laboratories Limited

We expect Ipca to report a revenue growth of 17% to INR4.6bn during 3Q. This growth will be achieved by a combination of higher sales in the domestic market and goods regulated market sales. We expect operating margins to compress by 170bps to 21% and net profits to grow by 8% to INR630m.

Lupin Limited

We expect Lupin to report a revenue growth of 17.5% to INR14.9bn driven by strong domestic formulation sales and higher international contribution. Lupin's domestic formulations business is expected to grow by 18%. Branded generics segment in the US will witness higher growth on the back of increased sales in Antara prescription in the last two months. We also expect other branded generic products to grow at a healthy pace.

Pharmaceuticals

Generics business on the other hand will grow at 18% in the regulated markets. Japan will witness strong traction on a lower base resulting in higher revenue from that geography. Better product mix and cost rationalisation efforts will result in EBIDTA growing by 17% to INR3.1bn and PAT by 35% to INR2.2bn.

Sun Pharmaceutical Industries Limited

We expect Sun Pharma to report revenue growth of 50% QoQ. This will be the first quarter of Taro Pharmaceutical's integration into Sun Pharma's international business. On the domestic formulation business, we expect the segment to outpace the industry growth at 20% during the quarter. However, despite stronger topline growth, we expect operating profits to increase by only 19% on account of integration of Taro and associated costs to INR4.4bn and net profits to grow by 12% to INR3.8bn.

Jubilant Lifesciences

Our interaction with the CRAMs companies suggests that big pharma have resumed restocking inventory in 3QFY11e. Big pharma have realigned their manufacturing sites after series of high-value M&A in 2009. Pharma companies have resumed outsourcing research and manufacturing to Indian companies.

Indian companies such as Jubilant Lifesciences, Dishman Pharma and Divis Laboratories have signed sub-USD50m contracts with big players. Though they are currently void of any large multi-year, multi-million dollar deals, we expect this segment to gain traction only from 1QFY12e onwards. We assume Jubilant Lifesciences to grow at 11% to INR1.1bn. Growth will be lower as this quarter will not include sales from the Agro Performance Polymer business which was demerged in October 2010. We expect a de-growth in EBIDTA and PAT at 3% (to INR2.3bn) and 12% (to INR918m), respectively.

Phoenix Mills and IBREL expected to show strong YoY results

Real Estate

Company	Sales					EBITDA					Net Profit				
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
DLF	27,201	20,258	23,690	34	15	11,288	8,433	9,289	34	22	4,963	4,679	4,184	6	19
DB Realty	3,600	NA	3,388	NA	6	1,512	NA	1,399	NA	8	1,296	NA	1,201	NA	8
HDIL	3,800	4,089	3,727	(7)	2	2,432	1,888	2,372	29	3	2,159	1,628	2,138	33	1
IBREL	2,500	375	3,000	NA	(17)	675	(322)	812	NA	(17)	478	28	509	NA	(6)
Phoenix Mills	474	302	443	57	7	341	177	317	92	7	228	102	221	123	3
Sobha Developers	3,753	3,093	4,257	21	(12)	863	646	920	34	(6)	482	408	589	18	(18)
Unitech	7,684	7,745	6,445	(1)	19	2,766	1,857	2,528	49	9	1,783	1,760	1,738	1	3
Total (ex-DB Realty)	49,011	35,861	44,950	37	9	19,877	12,679	17,638	57	13	11,388	8,604	10,579	32	8

DLF

- Key launch of Alameda plots in Sector 73 of Gurgaon during the quarter is expected to help boost EBITDA margins QoQ.
- Forthcoming launches include Horizon Centre in Phase V Gurgaon and plots in Indore.
- We believe it will be difficult for the company to achieve its target of >12m sq ft of residential sales in FY11.

Unitech

- In 2QFY11, Unitech's revenues dipped since heavy rains and labour shortage due to commonwealth games resulted a slowdown in construction in NCR. With recovery in construction activity from Nov 2010, we expect a 19% QoQ increase in revenues for 3QFY11.
- EBITDA margins are expected to be in the mid thirties, a substantial improvement YoY on account of higher proportion of revenue recognition from projects launched since Mar 2009.

HDIL

- We estimate 3QFY11 TDR volumes and prices to be stable and overall revenues and net profit to be relatively flat QoQ. That said HDIL has entered into an MOU for sale of FSI worth ~INR6.5bn at its Goregaon Siddharth Nagar project. If this transaction is recognised in the books, revenues could be higher than estimated.
- In Dec 2010, HDIL launched its township project at Palghar. The project has 20,000 apartments in total, of which 5,000 apartments were launched in the first phase on Dec 10, and were sold out in less than two weeks. The second phase of 3,000 units was launched on Dec 24. The project offers apartments in sizes ranging from 340 to 930 sq ft which are priced between INR0.6-1.26m.

Phoenix Mills

- We expect revenues to rise 7% QoQ due to better occupancy in High Street Phoenix. Strong YoY increase in revenues and net profit is on account of higher income contribution from Palladium.
- The Pune market city project is in advanced stages of completion.

Sobha Developers

- We expect 3QFY11 revenues to decline 12% QoQ since we do not anticipate any revenue recognition from sale of land in the current quarter. Excluding land sale however, revenues are expected to see a healthy 20% increase QoQ with land portion of recently launched projects such as Dewflower and Classic being recognised.
- Sales momentum continues to be strong with the launch of new projects: Forest View in Bangalore and Ivory in Pune. Average realisations are also trending up due to favourable product mix given that most new launches have been in the luxury/super luxury segment.
- Several projects including Althea, Chrysanthemum and Ruby have been completed during the quarter and process of handing over possession of apartments has begun.

DB Realty

- TDRs from Mahul Nagar project will continue contributing the largest share of revenues in 3QFY11. Also, Orchid Woods in Goregaon East is expected to contribute substantially to revenues since the project is in advanced stages of completion.

Indiabulls Real Estate

- We expect revenue recognition from Panvel project to be lower on a QoQ basis since the revenue recognition threshold for this project was crossed in 2QFY11 and a substantial percentage of revenue was recognised in the previous quarter.
- Area of office spaced leased in Jupiter and Elphinstone Mills is expected to expand.

Recovery from low base to continue

Shipping

Company	Sales					EBITDA					Net Profit				
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Essar Shipping Port & Logistics	8,691	8,006	7,490	9	16	3,074	2,672	2,326	15	32	259	210	(323)	24	(180)
Great Offshore	2,470	2,507	2,012	(1)	23	1,187	1,248	1,078	(5)	10	354	583	290	(39)	22
Mercator Lines	6,578	4,728	6,717	39	(2)	1,783	1,464	1,885	22	(5)	401	62	573	NA	(30)
The Great Eastern Shipping	6,639	7,063	6,310	(6)	5	2,855	1,993	2,592	43	10	1,634	1,282	1,408	27	16
Total	24,378	22,303	22,528	9	8	8,899	7,377	7,881	21	13	2,648	2,136	1,948	24	36

Freight rates in tanker segment reported significant increase on a YoY basis from low base in 3QFY10 and marginal recovery on a QoQ basis in crude tanker segment (i.e., Dirty Index). Baltic Dirty Index for crude carriers increased by 31.2% YoY to 848, while Baltic Clean Index for product carriers increased by 34.2% YoY to 684. However, product rates remained weak on QoQ with 6.7% decline in Baltic Clean Index. The freight rates for very large crude carriers (VLCC) remained weak compared to smaller vessels. The time charter yield in VLCC declined by 61.4% YoY to USD6,832pd. The freight rates index for dry bulk commodity, Baltic Dry bulk Index (BDI) declined by 31.7% on a YoY basis (marginal increase of 0.6% on QoQ basis) to 2,363 in 3QFY11.

Shipping Index movement

Index	3QFY10	2QFY11	3QFY11	YoY (%)	QoQ (%)
Baltic Dry Bulk	3,462	2,349	2,363	(31.7)	0.6
Baltic Dirty	646	762	848	31.2	11.2
Baltic Clean	510	733	684	34.2	(6.7)

Source: Industry, Antique

Freight rates in Tanker segment (Spot rates, USD per day)

Segment	3QFY10	2QFY11	3QFY11	YoY (%)	QoQ (%)
VLCC	17,716	7,314	6,832	(61.4)	(6.6)
Suezmax	13,989	7,389	12,401	(11.4)	67.8
Aframax	8,649	7,661	10,656	23.2	39.1
Product	1,479	3,457	2,370	60.2	(31.4)

Source: Industry, Antique

GE Shipping

- Revenue is expected to decline by 6% YoY (an increase of 5.2% QoQ) from INR7.0bn in 3QFY10 to INR6.6bn in 3QFY11. The company acquired 1 offshore platform vessels and sold 3 vessels (1 Aframax, 1 GP Product and 1 Handymax) during the quarter.
- EBIDTA is expected to increase by 43.2% YoY from INR1.9bn in 3QFY10 to INR2.8bn in 3QFY11. The margins are expected to improve from 28.2% in 3QFY10 to 43.0% in 3QFY11 compared to 41.1% in 2QFY11 mainly due to improvement in tanker freight rates on a YoY basis.
- Net profit is expected to increase by 27.5% on a YoY basis (16.1% QoQ) from INR1.28bn in 3QFY10 to INR1.63bn in 3QFY11. We expect an EPS of INR10.7 in 3QFY11.

Essar Shipping Port and Logistics

- Revenue is expected to increase by 8.6% YoY (16% QoQ) from INR8.0bn in 3QFY10 to INR8.7bn in 3QFY11, mainly due to commencement of 30mtpa bulk terminal at Hazira, Gujarat. The company is insulated from volatility in shipping freight rates due to long-term contacts for its full fleet.
- EBIDTA is expected to increase by 15.0% YoY from INR2.6bn in 3QFY10 to INR3.1bn in 3QFY11. EBIDTA margins are expected to remain ~35.4% in 3QFY11.
- Net profit is expected to increase from INR209.5m in 3QFY10 to INR259.1m in 3QFY11 translating into EPS of INR0.4.

Recovery from low base to continues

Shipping

Mercator Lines

- Revenue is expected to increase by 39.1% YoY from INR4.7bn in 3QFY10 to INR6.5bn in 3QFY11 mainly due to increased in coal mining and logistics business along with recovery in tanker freight rates on YoY basis. The revenue from coal mining is expected to increase by 80% YoY from INR1.4bn in 3QFY10 to INR2.7bn in 3QFY11.
- EBIDTA is expected to increase by 21.8% YoY from INR1.4bn in 3QFY10 to INR1.8bn in 3QFY11. The margins are expected to decline by 385 bps to 27.1% in 3QFY11 compared to 30.9% in 3QFY10. The margin decline is mainly on account of higher contribution from low margin coal business in 3QFY11.
- Net Profit after minority interest of INR120m is expected at INR401m in 3QFY11 as compared to INR62.1m in 3QFY10. We expect EPS of INR1.7 during the quarter.

Great Offshore

- Revenue is expected to decline marginally by 1.4% YoY (QoQ growth of 22.7%) from INR2.50bn in 3QFY10 to INR2.47bn in 3QFY11.
- EBIDTA is expected to decline by 4.86% YoY from INR1.24bn in 3QFY10 to INR1.18bn in 3QFY11. The margins are expected to decline by 172bps from 49.8% in 3QFY10 to 48.07% in 3QFY11 compared to 53.5% in 2QFY11 mainly on account of higher project expenditure.
- Net Profit are expected to decline by 39.1% on YoY (QoQ increase of 22.0%) from INR582.5m in 3QFY10 to INR354.2m in 3QFY11 translating into EPS of INR9.5.

Good times ahead

Sugar

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Balrampur Chini Mills Ltd	4,991	4,395	5,128	14	(3)	602	1,316	(252)	(54)	(339)	101	766	(783)	(87)	(113)
Shree Renuka Sugars Ltd	21,594	14,287	24,600	51	(12)	4,466	3,611	3,420	24	31	947	2,609	1,169	(64)	(19)
Triveni Engineering Ltd	5,143	4,876	5,881	5	(13)	785	1,263	337	(38)	133	324	562	48	(42)	580
Total	31,728	23,558	35,609	35	(11)	5,854	6,191	3,505	(5)	67	1,372	3,937	433	(65)	217

Balrampur Chini Mills

- BCML is expected to post revenues of INR5bn in 5QFY11, an increase of 14% YoY. This will be mainly on account of higher contribution from cogen division and a marginal increase in revenues of sugar and distillery divisions. On the performance of sugar division, we expect volumes to rise by 14% to 155,000mt and average realisations to decline by 12% to INR26,500/mt.
- We expect OPM to shrink by 1,790bps to 12.1% as the December 2009 quarter was one of the best quarter. Accordingly, operating profits should decline by 54% to INR602m.
- Capital charges should increase by 10% to INR490m on account of higher interest outgo. We expect net profits to decline by 87% to INR101m.

Shree Renuka Sugars

- We anticipate company to report a revenue growth of 51% YoY to INR21.6bn in 1QFY11, on the back of contribution from VDI and Renuka do Brazil. We expect domestic volumes of 390,000mt and have assumed average realisation of ~INR25,500/mt.

- Margins are expected to decline by 460bps to 20.7% as 1QFY10 was one of the best quarter for the industry in terms of margins on account of inventory gains. Accordingly, operating profits should rise 24% to INR4.5bn.
- Capital charges should increase by 5.5x to INR2.7bn on account of consolidation of VDI and RDB operations. We expect the company to post net profits of INR947m against INR2.6bn in 1QFY10.

Triveni Engineering & Industries

- For 1QFY11, we expect TEIL net sales to grow by 6% YoY to INR5.1bn, primarily led by better performance from the engineering division and higher sugar volumes. Engineering division should post a healthy growth of 18% in revenues to INR1.9bn.
- We expect OPM to shrink by 1,060bps to 15.3% leading to operating profits decline of 38% to INR785m. With lower debt and working capital requirements coupled with absence of capex, we anticipate capital charges to remain stable at INR380m.
- We expect TEIL to post profits (before extra-ordinary) of INR324m against INR562m in 1QFY10.

Moderate growth expectation

Utilities & Infrastructure

Company	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)		
	Quarter Ending	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
CECSC		9,353	7,970	11,050	17	(15)	2,552	1,880	3,180	36	(20)	1,052	1,020	1,550	3	(32)
GMR Infrastructure		13,286	10,667	12,217	25	9	4,302	3,454	3,561	25	21	(874)	92	(692)	(1,050)	26
Lanco Infratech		21,450	16,107	20,417	33	5	5,373	2,978	4,167	80	29	1,281	1,068	704	20	82
Navabharat Ventures		2,945	2,638	2,880	12	2	998	1,444	928	(31)	8	849	1,322	847	(36)	0
NHPC		13,116	12,770	12,813	3	2	3,489	3,397	10,595	3	(67)	399	255	6,906	56	(94)
NTPC		134,721	111,837	147,526	20	(9)	30,107	33,653	35,107	(11)	(14)	20,701	23,650	18,590	(12)	11
Power Grid		22,330	15,254	21,266	46	5	15,726	12,467	17,858	26	(12)	5,926	4,874	6,514	22	(9)
PTC		17,332	16,975	24,693	2	(30)	202	103	324	96	(38)	247	154	342	60	(28)
Reliance Infrastructure		23,686	22,875	24,391	4	(3)	3,573	2,354	4,162	52	(14)	2,923	2,771	1,705	5	71
Tata Power		16,715	15,665	16,361	7	2	4,072	3,641	3,510	12	16	1,833	1,479	2,517	24	(27)
Total		274,933	232,757	293,615	18	(6)	70,395	65,369	83,393	8	(16)	34,338	36,687	38,982	(6)	(12)

We expect a sales growth of 18% for our Utilities and Infra coverage universe mainly aided by higher revenues from NTPC, Power Grid and Lanco Infratech. We expect profit to de-grow by ~6% YoY) mainly on account of NTPC and GMR Infra. Excluding them both, profit is expected to grow by ~12%. Power Grid and Lanco Infratech are expected to register earnings growth in excess of 20%. These two stocks remain our top picks as well.

Power Grid

In 1HFY11 and FY10, the company has commissioned transmission projects worth INR87bn (INR36bn in FY10 and INR51bn in 1HFY11). We expect company to reap the benefits of higher commissioning and expect to report revenue of INR22.3bn and PAT of INR6bn, a YoY growth of ~46% and 22%, respectively.

Lanco Infratech

We estimate 33% growth in revenues led by growth in power segment. Over the last year, Lanco has commissioned Kondapalli II (366MW) and Amarkantak (600MW). It is operating ~660MW of merchant power plant which will result in higher earnings growth. We estimate EBITDA to grow by 80% YoY to INR5.4bn. However, PAT is expected to grow by ~20% only due to change in depreciation accounting (higher depreciation as WDV methodology used for its newly commissioned power plants). In 2QFY11, EPC revenue was subdued as some projects booking were not done. Due to merchant units having higher PLF and also as we expect some revenue pick up in the quarter over 2Q, we estimate higher profits.

NTPC

In 3QFY11, we expect NTPC to report revenue and net profit of INR135bn and INR20.7bn. The growth in revenue would be due to commissioning of Dadri (980MW) and Korba (500MW) over the last one year. Generation on a YoY has been flat (although capacity has increased)

mainly due to lower generation from gas units. We estimate a profit de-growth of 12% due to change in revenue gross up on MAT during current year compared to corporate tax last year.

Navabharat Ventures

We estimate the company to post profit of INR849m as against 1,322m in 3QFY10. Over the last one year, merchant prices have come down significantly from average of INR5-5.5 to INR4-4.5 per unit. In 2QFY11, it had reported earnings of INR847m due to the same.

PTC

We expect PTC to report higher revenue due to increased sale of units but lower sales realisation aided by lower merchant prices in 3Q. We estimate 20% increase in number of units sold and a decrease of 15% in the sales realisation per unit. Consequently, we expect increase of 2% in revenue to INR17.3bn. However, profitability is based on number of units sold for the company, and hence, we expect PTC to report profit of INR247m (60% YoY).

Reliance Infrastructure

The company is expected to report revenue of INR23.7bn (up 4% YoY) and PAT of INR2.9bn (up 5% YoY), which would be flat compared to 3QFY10. Revenue from EPC business is expected to grow by 25%, whereas revenue from power business is expected to be less on account of lower power purchase cost.

CECSC

We expect CESC to report revenue of INR9.4bn (up 17% YoY), mainly on account of addition of 250MW power plant in 4QFY10 and increase in tariff in FY11. However, revenue will decrease by 15% QoQ due to expected lower demand of electricity during winter in Kolkata License Area. We expect company to report a PAT of INR1bn in this quarter.

Miscellaneous

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Aditya Birla Nuvo Ltd-Standalone	16,695	12,517	16,388	33	2	2,690	2,382	2,480	13	8	1,117	807	1,196	38	(7)
Ess Dee Aluminium Ltd.	1,750	1,577	1,622	11	8	578	480	549	20	5	424	310	405	37	5
Gayatri Projects Ltd.	3,840	3,339	2,805	15	37	476	410	352	16	35	178	154	118	16	51
Havells India Ltd.	15,000	13,191	14,014	14	7	1,778	849	1,164	109	53	1,148	849	705	35	63
Maharashtra Seamless Ltd	4,350	3,726	4,232	17	3	1,020	1,034	1,036	(1)	(2)	780	722	801	8	(3)
Mahindra Holidays & Resorts (I) Ltd.	1,225	1,247	1,135	(2)	8	368	398	286	(8)	29	222	238	182	(7)	22
Opto Circuits (I) Ltd.	3,400	2,570	3,314	32	3	1,020	881	1,057	16	(4)	718	657	774	9	(7)
Rainbow Papers Ltd	890	680	869	31	2	205	172	197	19	4	90	54	116	67	(22)
S.Kumars Nationwide Ltd.	13,880	12,010	12,114	16	15	2,554	1,998	2,376	28	8	816	675	639	21	28
Shiv Vani Oil & Gas Expl Serv Ltd.	4,000	3,515	2,873	14	39	1,932	1,563	1,307	24	48	622	716	326	(13)	91
Sterlite Technologies Ltd.	6,950	8,673	5,094	(20)	36	1,147	1,044	906	10	27	765	737	576	4	33
West Coast Paper	2,668	1,394	2,396	91	11	699	218	635	221	10	278	121	240	130	16
Total	74,647	64,439	66,856	16	12	14,468	11,429	12,345	27	17	7,158	6,039	6,077	19	18

ABNL

- ABNL will continue its growth momentum witnessed since 2QFY10. So, 3QFY11 will see revenue growth of 33% YoY to reach INR16.7bn with the growth driven by garments, carbon black, textiles and fertilisers.
- The cost structure would be similar sequentially with rise in raw material costs for carbon black segment due to higher crude oil prices. So, EBITDA would see an increase of 13% YoY to INR2.7bn but rise sequentially 8%.
- Similarly, PAT would be boosted by lower charges on account of financial costs and would rise by 38% YoY.

Ess Dee Aluminium

- The consolidation of India Foils Limited with Ess Dee Aluminium and improvement in capacity utilisation should help the company register a QoQ improvement of 8% in revenues to INR1.8bn.
- In this quarter, we expect net profits to settle at INR424m (+5% QoQ).

Gayatri Projects

- Gayatri Projects revenues in 3QFY11 are expected to increase by 15% to INR3.8bn, backed by higher execution of orders in the roads segment.
- Margins are expected to expand marginally by 10bps to 12.4%, which would result in an operating profit growth of 16% to INR476m.
- Capital charges should surge by 12% to INR215m as a result of higher working capital requirements. Thus, the company should post a PBT of INR266m, an increase of 19%.
- However, we expect net profits to grow by a slower pace of 16% to INR178m on account of higher tax provisioning (33.0% vs. 31.2%).

Maharashtra Seamless

- The company should register robust sales of seamless pipes on the back of sustained buoyancy in the domestic E&P segment, while civic infrastructure projects generate healthy offtake of ERW pipes.
- In this quarter, we expect operating profits of INR1bn and net profits of INR780m (+8% YoY).

Miscellaneous

Mahindra Holidays & Resorts India

- We expect the company to clock revenues of INR1.2bn, as it slowly increases the pace of new memberships while maintaining subscription fees at last year's levels.
- We expect operating margins to settle at 30% with net profits of INR222m.

Opto Circuits (India)

- Opto Circuits should register an 32% jump in revenues to INR3.4bn, as sales of new products in the invasive and non-invasive space gather momentum.
- EBIDTA margin should settle at 30% (-400bps YoY) on account of the Cardiac Sciences acquisition. Net profits should settle at INR718m (+9% YoY).

Shiv Vani Oil & Gas Exploration Services

- On a YoY basis, the company should register a jump in drilling revenues as it operates its full complement of 40 rigs and 10 seismic crews. We estimate revenues to jump 14% YoY to INR4bn.
- EBIDTA margin should improve 400bps to 48% as operations stabilise at the new sites.
- We estimate the company's net profits at INR622m (-13% YoY) to trail the growth in revenues on account of the incidence of higher capital charges.

S. Kumars Nationwide

- SKNL is expected to report a 16% YoY growth in revenues to INR13.9bn in 3QFY11 as a result of robust growth rate in the TWS SBU coupled with a higher contribution from HMX.
- Margins are expected to expand by 180bps to 18.4% on the back of improved performance at the international operations i.e., HMX and Leggiuno. Accordingly, operating profits should rise by 28% to INR2.6bn.
- We expect net profits to grow by 21% to INR816m.

Sterlite Technologies

- In this quarter, we expect revenue growth to gather momentum on account of release of orders in the power cables vertical.
- Margins should improve 500 bps to 17%, as the company's utilisation across the power conductors and telecom solutions verticals picks up.
- We estimate company's revenues at INR7bn with net profits of INR765m (+4% YoY).

West Coast Paper Mills

- We have estimated revenues at INR2.7bn (+22% YoY), having assumed 100% throughput for the months of Nov-Dec'10.
- Margins should improve 1,000bps YoY to 28% due to benefits of scale and low base of the corresponding period.
- We estimate company's net profits at INR278m (+130% YoY).

Rainbow Papers

- The company should post revenues of INR890m (+31% YoY) with margins of 23%.
- We estimate company's net profits at INR90m (+67% YoY).

Havells India

- We have estimated revenues at INR15bn (+14% YoY), having assumed an improvement in Sylvania's revenues on account of the holiday season.
- Margins should improve 600bps YoY to 12% due to benefits of outsourcing Sylvania's production to China and India.
- We estimate company's net profits at INR1.4bn (+35% YoY).

Results Preview Summary

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Automobiles															
Ashok Leyland	20,349	18,155	27,140	12	(25)	1,954	2,062	3,063	(5)	(36)	724	1,046	1,671	(31)	(57)
Bajaj Auto	41,705	32,956	43,418	27	(4)	8,356	7,235	8,972	15	(7)	6,410	4,751	6,821	35	(6)
Bosch	17,412	13,186	17,070	32	2	2,431	1,139	3,341	113	(27)	1,879	1,581	2,361	19	(20)
Container Corp. of India	9,914	8,845	9,442	12	5	2,773	2,550	2,619	9	6	2,176	2,006	2,067	8	5
Escorts	8,388	6,061	6,721	38	25	647	541	326	19	98	358	234	268	53	33
Exide Industries	11,493	9,126	11,267	26	2	2,545	2,184	2,450	17	4	1,718	1,305	1,660	32	3
Hero Honda Motors	50,849	38,144	45,113	33	13	6,588	6,483	5,673	2	16	5,773	5,358	5,056	8	14
Mahindra & Mahindra	60,909	44,971	53,617	35	14	9,135	6,855	8,482	33	8	6,308	4,297	7,117	47	(11)
Maruti Suzuki	95,122	73,727	89,774	29	6	8,088	10,037	7,904	(19)	2	6,056	6,875	5,982	(12)	1
Tata Motors	302,873	260,443	287,820	16	5	40,908	29,718	40,016	38	2	22,034	7,746	20,954	184	5
Total	619,013	505,613	591,382	22	5	83,424	68,804	82,846	21	1	53,437	35,201	53,957	52	(1)
Cement															
ACC	21,987	21,126	18,113	4	21	4,047	4,993	2,172	(19)	86	2,028	2,781	863	(27)	135
Ambuja Cement	18,743	17,729	15,640	6	20	4,423	4,344	2,832	2	56	2,351	2,412	1,521	(3)	55
HeidelbergCement India	1,978	2,052	1,749	(4)	13	201	261	123	(23)	64	82	135	31	(39)	164
Shree Cement	9,562	8,660	7,176	10	33	2,272	3,353	1,427	(32)	59	697	1,689	180	(59)	287
UltraTech Cement	34,668	16,518	32,147	110	8	7,513	4,011	4,376	87	72	3,124	1,960	1,158	59	170
Total	86,938	66,086	74,825	32	16	18,456	16,962	10,929	9	69	8,283	8,976	3,753	(8)	121
FMCG & Retail															
Asian Paints	20,550	16,200	18,108	27	13	3,884	3,181	3,315	22	17	2,478	1,985	2,160	25	15
Britannia Industries	10,814	8,814	10,948	23	(1)	584	380	528	54	11	404	361	331	12	22
Colgate Palmolive India	5,831	4,906	5,518	19	6	1,201	1,008	1,122	19	7	1,164	1,064	1,003	9	16
Dabur India	11,307	9,262	9,728	22	16	2,092	1,773	2,028	18	3	1,607	1,378	1,604	17	0
Godrej Consumer Products	9,521	5,176	9,528	84	(0)	1,742	1,014	1,690	72	3	1,197	851	1,302	41	(8)
Hindustan Unilever	49,976	45,043	46,809	11	7	7,346	7,185	5,631	2	30	6,761	6,092	5,337	11	27
ITC	53,476	45,319	50,612	18	6	20,588	16,593	17,889	24	15	14,955	11,442	12,467	31	20
Jyothy Laboratories	1,635	1,354	1,485	21	10	204	183	192	11	6	230	168	154	37	49
Kansai Nerolac	4,949	4,209	5,330	18	(7)	757	607	826	25	(8)	457	363	536	26	(15)
Marico	7,805	6,696	7,788	17	0	1,038	988	1,031	5	1	725	660	748	10	(3)
Nestle India	17,048	13,518	16,373	26	4	3,096	1,981	3,219	56	(4)	2,207	1,333	2,168	66	2
Pantaloon Retail	27,900	19,128	25,814	46	8	2,372	2,034	2,127	17	11	636	507	448	25	42
Titan Industries	19,036	13,336	15,360	43	24	1,466	1,096	1,736	34	(16)	1,118	807	1,278	39	(13)
United Breweries	6,180	4,466	5,669	38	9	667	461	508	45	31	324	195	219	66	48
United Spirits	15,315	13,468	13,542	14	13	2,986	2,212	2,191	35	36	1,334	996	830	34	61
Total	261,342	210,893	242,610	24	8	50,024	40,697	44,031	23	14	35,597	28,200	30,585	26	16

Results Preview Summary

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Industrials															
ABB	17,344	18,852	13,340	(8)	30	1,301	1,512	195	(14)	566	891	1,096	115	(19)	674
BGR Energy	12,858	6,950	11,356	85	13	1,434	850	1,324	69	8	855	327	778	161	10
BHEL	85,402	71,004	83,284	20	3	16,226	14,329	14,702	13	10	12,135	10,727	11,423	13	6
L & T	93,589	80,711	92,606	16	1	11,792	10,065	10,055	17	17	8,336	6,960	6,939	20	20
Siemens	22,399	18,666	30,610	20	(27)	2,822	3,632	4,019	(22)	(30)	1,844	2,364	2,536	(22)	(27)
Suzlon	50,440	56,340	37,720	(10)	34	2,503	2,290	1,370	9	83	(1,515)	(250)	(3,680)	NA	NA
Total	282,032	252,523	268,916	12	5	36,078	32,678	31,665	10	14	22,546	21,223	18,111	6	24
Information Technology															
Infosys	72,260	57,410	69,470	26	4	21,580	20,380	20,980	6	3	17,978	15,820	17,370	14	3
TCS	99,630	76,490	92,860	30	7	30,770	23,380	28,470	32	8	23,601	18,240	21,692	29	9
Wipro	81,570	69,489	77,719	17	5	16,350	16,249	16,415	1	(0)	12,599	12,174	12,997	3	(3)
CMC	2,871	2,119	2,710	35	6	684	440	526	55	30	539	362	436	49	24
Patni	8,588	7,883	8,227	9	4	1,830	1,897	1,557	(4)	18	1,521	2,055	1,445	(26)	5
Persistent	1,973	na	1,870	na	6	491	na	430	na	14	365	na	358	na	2
Total	266,892	213,391	252,856	25	6	71,705	62,346	68,378	15	5	56,603	48,651	54,298	16	4
Media															
IBN 18	2,505	1,934	1,891	30	32	288	80	20	260	1,362	75	(106)	(129)	NA	NA
Den Networks	2,612	2,352	2,536	11	3	429	239	318	79	35	190	77	105	146	80
Dish TV	3,811	2,775	3,262	37	17	629	116	498	442	26	(446)	(451)	(762)	(1)	(41)
Hathway Cable & Datacom	2,388	NA	2,265	NA	5	606	NA	502	NA	21	34	NA	63	NA	(46)
Sun TV Network	5,997	3,950	4,248	52	41	4,598	3,125	3,323	47	38	2,021	1,519	1,674	33	21
UTV Software Communications	2,349	2,207	2,399	6	(2)	451	377	459	19	(2)	321	378	402	(15)	(20)
Zee Entertainment	7,685	5,309	7,116	45	8	2,157	1,573	1,885	37	14	1,474	1,364	1,264	8	17
Total	27,347	18,528	23,716	48	15	9,157	5,510	7,006	66	31	3,669	2,781	2,617	32	40
Metals															
Hindalco Industries	62,911	53,153	58,599	18	7	8,019	7,476	6,984	7	15	5,345	4,271	4,338	25	23
Hindustan Zinc	23,895	22,167	21,629	8	10	13,147	13,537	10,871	(3)	21	11,227	11,487	9,487	(2)	18
Monnet Ispat & Energy	4,250	3,722	3,607	14	18	1,000	1,125	1,047	(11)	(4)	536	680	656	(21)	(18)
NALCO	16,545	13,865	14,548	19	14	5,045	2,649	3,233	90	56	3,349	1,552	2,240	116	49
Prakash Industries	4,375	3,604	4,210	21	4	930	903	929	3	0	492	660	709	(26)	(31)
Sterlite Industries	70,176	67,467	60,844	4	15	18,296	17,722	15,289	3	20	12,586	7,313	10,080	72	25
JSPL	32,217	26,871	30,821	20	5	17,023	14,511	15,017	17	13	10,304	8,744	8,942	18	15
JSW Steel	61,062	48,228	59,081	27	3	10,793	10,788	9,586	0	13	3,787	4,297	3,733	(12)	1
Sesa Goa	22,543	18,892	9,183	19	145	13,213	10,360	3,034	28	336	11,657	8,275	3,849	41	203
Steel Authority of India	113,272	96,971	106,029	17	7	20,146	23,969	14,915	(16)	35	13,258	16,756	10,900	(21)	22
Tata Steel	270,519	262,020	286,462	3	(6)	32,049	29,506	36,724	9	(13)	11,011	4,726	19,788	133	(44)
Total	681,766	616,960	655,011	11	4	139,662	132,545	117,627	5	19	83,552	68,761	74,723	22	12

Results Preview Summary

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Oil & Gas															
Bharat Petroleum Corp.	394,311	321,612	354,162	23	11	(12,304)	6,227	24,679	na	na	(14,365)	3,791	21,422	na	(167)
GAIL India	81,860	61,878	81,041	32	1	16,379	12,875	14,570	27	12	11,186	8,599	9,966	30	12
Hindustan Petroleum Corp.	338,821	276,619	307,097	22	10	(3,592)	1,421	23,224	na	(115)	(5,480)	314	20,896	na	(126)
Indian Oil Company	855,900	697,082	769,667	23	11	(9,040)	3,457	65,210	na	(114)	(12,254)	6,966	52,940	na	(123)
Oil India	24,770	20,413	23,724	21	4	13,622	10,630	13,028	28	5	9,557	7,173	9,160	33	4
Oil & Natural Gas Corp.	186,602	153,145	181,936	22	3	114,002	91,430	110,851	25	3	53,943	30,536	53,888	77	0
Petronet LNG	32,820	22,446	30,577	46	7	2,796	2,088	2,806	34	(0)	1,315	832	1,311	58	0
Reliance Industries	664,413	568,560	574,790	17	16	97,617	78,440	93,960	24	4	51,860	40,080	49,230	29	5
Total	2,579,498	2,121,756	2,322,994	22	11	219,480	206,567	348,329	6	(37)	95,762	98,290	218,812	(3)	(56)
Pharmaceuticals															
Aurobindo Pharma	10,525	9,152	11,126	15	(5)	2,862	2,489	2,542	15	13	1,614	1,718	1,983	(6)	(19)
Cadila Healthcare	11,199	9,654	11,063	16	1	2,638	2,162	2,448	22	8	1,621	1,297	1,708	25	(5)
Indoco Remedies	1,244	957	1,323	30	(6)	161	114	208	41	(23)	116	77	153	50	(24)
Ipca Laboratories	4,609	3,939	5,143	17	(10)	967	896	1,180	8	(18)	630	583	652	8	(3)
Lupin	14,932	12,708	14,340	18	4	3,065	2,619	2,987	17	3	2,225	1,648	2,207	35	1
Sun Pharma	15,313	10,209	13,701	50	12	4,474	3,776	4,670	19	(4)	3,796	3,389	5,037	12	(25)
Jubilant Lifesciences	10,672	9,615	9,876	11	8	2,307	2,379	1,637	(3)	41	918	1,043	816	(12)	13
Total	68,494	56,234	66,572	22	3	16,474	14,435	15,672	14	5	10,920	9,755	12,556	12	(13)
Real Estate															
DLF	27,201	20,258	23,690	34	15	11,288	8,433	9,289	34	22	4,963	4,679	4,184	6	19
DB Realty	3,600	NA	3,388	NA	6	1,512	NA	1,399	NA	8	1,296	NA	1,201	NA	8
HDIL	3,800	4,089	3,727	(7)	2	2,432	1,888	2,372	29	3	2,159	1,628	2,138	33	1
IBREL	2,500	375	3,000	NA	(17)	675	(322)	812	NA	(17)	478	28	509	NA	(6)
Phoenix Mills	474	302	443	57	7	341	177	317	92	7	228	102	221	123	3
Sobha Developers	3,753	3,093	4,257	21	(12)	863	646	920	34	(6)	482	408	589	18	(18)
Unitech	7,684	7,745	6,445	(1)	19	2,766	1,857	2,528	49	9	1,783	1,760	1,738	1	3
Total (ex-DB Realty)	49,011	35,861	44,950	37	9	19,877	12,679	17,638	57	13	11,388	8,604	10,579	32	8
Shipping and Logistics															
Essar Shipping Port & Logistics	8,691	8,006	7,490	9	16	3,074	2,672	2,326	15	32	259	210	(323)	24	(180)
Great Offshore	2,470	2,507	2,012	(1)	23	1,187	1,248	1,078	(5)	10	354	583	290	(39)	22
Mercator Lines	6,578	4,728	6,717	39	(2)	1,783	1,464	1,885	22	(5)	401	62	573	NA	(30)
The Great Eastern Shipping	6,639	7,063	6,310	(6)	5	2,855	1,993	2,592	43	10	1,634	1,282	1,408	27	16
Total	24,378	22,303	22,528	9	8	8,899	7,377	7,881	21	13	2,648	2,136	1,948	24	36

Results Preview Summary

Company Quarter Ending	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)	
	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Sugar															
Balrampur Chini Mills	4,991	4,395	5,128	14	(3)	602	1,316	(252)	(54)	(339)	101	766	(783)	(87)	(113)
Shree Renuka Sugars	21,594	14,287	24,600	51	(12)	4,466	3,611	3,420	24	31	947	2,609	1,169	(64)	(19)
Triveni Engineering	5,143	4,876	5,881	5	(13)	785	1,263	337	(38)	133	324	562	48	(42)	580
Total	31,728	23,558	35,609	35	(11)	5,854	6,191	3,505	(5)	67	1,372	3,937	433	(65)	217
Telecom															
Bharti Airtel	160,500	103,053	152,150	56	5	53,598	40,823	51,211	31	5	16,548	21,949	16,611	(25)	(0)
Idea Cellular	39,157	31,495	36,592	24	7	9,662	8,141	8,788	19	10	2,088	1,701	1,797	23	16
Reliance Communication	52,449	53,098	51,183	(1)	2	17,238	18,126	16,595	(5)	4	4,478	6,596	4,959	(32)	(10)
Total	252,106	187,645	239,925	34	5	80,498	67,091	76,594	20	5	23,114	30,245	23,368	(24)	(1)
Utilities & Infrastructure															
CESC	9,353	7,970	11,050	17	(15)	2,552	1,880	3,180	36	(20)	1,052	1,020	1,550	3	(32)
GMR Infrastructure	13,286	10,667	12,217	25	9	4,302	3,454	3,561	25	21	(874)	92	(692)	(1,050)	26
Lanco Infratech	21,450	16,107	20,417	33	5	5,373	2,978	4,167	80	29	1,281	1,068	704	20	82
Navabharat Ventures	2,945	2,638	2,880	12	2	998	1,444	928	(31)	8	849	1,322	847	(36)	0
NHPC	13,116	12,770	12,813	3	2	3,489	3,397	10,595	3	(67)	399	255	6,906	56	(94)
NTPC	134,721	111,837	147,526	20	(9)	30,107	33,653	35,107	(11)	(14)	20,701	23,650	18,590	(12)	11
Power Grid	22,330	15,254	21,266	46	5	15,726	12,467	17,858	26	(12)	5,926	4,874	6,514	22	(9)
PTC	17,332	16,975	24,693	2	(30)	202	103	324	96	(38)	247	154	342	60	(28)
Reliance Infrastructure	23,686	22,875	24,391	4	(3)	3,573	2,354	4,162	52	(14)	2,923	2,771	1,705	5	71
Tata Power	16,715	15,665	16,361	7	2	4,072	3,641	3,510	12	16	1,833	1,479	2,517	24	(27)
Total	274,933	232,757	293,615	18	(6)	70,395	65,369	83,393	8	(16)	34,338	36,687	38,982	(6)	(12)
GT Ex -Fin, Misc	5,505,475	4,564,108	5,135,509	21	7	829,982	739,250	915,493	12	(9)	443,230	403,448	544,722	10	(19)
GT ex fin, ex oil & gas	2,925,977	2,442,351	2,812,515	20	4	610,503	532,683	567,164	15	8	347,468	305,158	325,910	14	7
GT ex fin, ex oil & gas and ex metals	2,244,212	1,825,392	2,157,504	23	4	470,841	400,138	449,537	18	5	263,916	236,397	251,186	12	5

Results Preview Summary

Company	Net Interest Income			Chg (%)		Pre Provision Profits			Chg (%)		Net Income			Chg (%)		
	Quarter Ending	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Financials																
Axis Bank	16,651	13,488	16,151	23	3	14,751	13,743	14,864	7	(1)	8,226	6,557	7,351	25	12	
Bajaj Auto Finance	2,350	1,940	2,164	21	9	1,510	1,029	1,398	47	8	605	273	528	122	15	
Bank of Baroda	20,736	16,012	20,381	30	2	16,853	12,650	16,567	33	2	10,117	8,325	10,193	22	(1)	
HDFC	10,515	8,544	10,195	23	3	11,515	9,733	11,485	18	0	8,147	6,713	8,075	21	1	
HDFC Bank	27,411	22,239	25,263	23	9	20,164	16,237	18,071	24	12	10,495	8,185	9,121	28	15	
ICICI Bank	23,829	20,581	22,044	16	8	24,924	23,688	22,119	5	13	14,189	11,011	12,363	29	15	
LIC Housing Finance	3,113	2,280	3,051	37	2	3,213	2,323	3,193	38	1	2,163	1,536	2,342	41	(8)	
Punjab National Bank	30,268	23,291	29,767	30	2	20,766	18,182	21,001	14	(1)	11,231	10,113	10,746	11	5	
Shriram Transport Finance	7,200	5,321	7,014	35	3	5,730	4,123	5,901	39	(3)	2,982	2,013	2,889	48	3	
State Bank Of India	80,474	63,163	81,149	27	(1)	60,224	46,181	63,570	30	(5)	26,950	24,790	25,014	9	8	
Union Bank	15,446	10,647	15,358	45	1	10,051	9,142	11,306	10	(11)	5,635	5,341	3,034	6	86	
Yes Bank	3,334	2,109	3,132	58	6	2,762	2,162	2,814	28	(2)	1,723	1,259	1,763	37	(2)	
Total	241,327	189,614	235,669	27	2	192,463	159,193	192,290	21	0	102,463	86,116	93,419	19	10	

Company	Sales			Chg (%)		EBITDA			Chg (%)		Net Profit			Chg (%)		
	Quarter Ending	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ	Dec-10	Dec-09	Sept-10	YoY	QoQ
Miscellaneous																
Aditya Birla Nuvo Ltd-Standalone	16,695	12,517	16,388	33	2	2,690	2,382	2,480	13	8	1,117	807	1,196	38	(7)	
Ess Dee Aluminium	1,750	1,577	1,622	11	8	578	480	549	20	5	424	310	405	37	5	
Gayatri Projects	3,840	3,339	2,805	15	37	476	410	352	16	35	178	154	118	16	51	
Havells India	15,000	13,191	14,014	14	7	1,778	849	1,164	109	53	1,148	849	705	35	63	
Maharashtra Seamless	4,350	3,726	4,232	17	3	1,020	1,034	1,036	(1)	(2)	780	722	801	8	(3)	
Mahindra Holidays & Resorts (I)	1,225	1,247	1,135	(2)	8	368	398	286	(8)	29	222	238	182	(7)	22	
Opto Circuits (I)	3,400	2,570	3,314	32	3	1,020	881	1,057	16	(4)	718	657	774	9	(7)	
Rainbow Papers	890	680	869	31	2	205	172	197	19	4	90	54	116	67	(22)	
S.Kumars Nationwide	13,880	12,010	12,114	16	15	2,554	1,998	2,376	28	8	816	675	639	21	28	
Shiv Vani Oil & Gas Expl Serv	4,000	3,515	2,873	14	39	1,932	1,563	1,307	24	48	622	716	326	(13)	91	
Sterlite Technologies	6,950	8,673	5,094	(20)	36	1,147	1,044	906	10	27	765	737	576	4	33	
West Coast Paper	2,668	1,394	2,396	91	11	699	218	635	221	10	278	121	240	130	16	
Total	74,647	64,439	66,856	16	12	14,468	11,429	12,345	27	17	7,158	6,039	6,077	19	18	

Valuation Guide

Company	Reco	Price (₹)	Target price (₹)	Return (%)	Market Cap (₹bn)	Net Profit (₹bn)		EPS (₹)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yield (%)	RoE (%)	RoCE (%)	Absolute (%)			Relative (%)		
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					FY11	FY12	1m	3m	12m	1m
AUTOMOBILES																							
Ashok Leyland	BUY	60	90	49	80	6.4	8.5	4.8	6.4	12.6	9.4	8.7	6.9	1.8	3.7	18.7	20.6	(15)	(19)	12	(13)	(14)	3
Bajaj Auto	BUY	1,262	1,646	30	365	26.5	31.7	91.7	109.7	13.8	11.5	10.8	9.4	5.3	2.4	45.7	52.3	(15)	(18)	52	(14)	(14)	39
Bosch Limited	BUY	6,401	7,260	13	201	8.1	10.4	256.6	330.0	24.9	19.4	17.1	13.3	4.1	0.8	21.1	28.3	4	5	26	6	11	15
Container Corp. of India	HOLD	1,215	1,333	10	158	8.5	9.6	65.4	74.1	18.6	16.4	12.3	10.4	2.8	1.5	17.1	23.6	(3)	(8)	(6)	(2)	(3)	(14)
Exide Industries Ltd.	BUY	151	198	31	128	7.1	8.5	8.3	10.0	18.2	15.1	12.0	10.0	3.5	0.7	23.4	36.5	(7)	(11)	30	(5)	(6)	19
Escorts Ltd.	BUY	156	236	52	16	1.8	2.5	17.4	23.6	8.9	6.6	5.3	4.1	0.8	2.0	12.1	15.3	(4)	(29)	3	(3)	(25)	(6)
Hero Honda Motors Ltd.	BUY	1,798	1,886	5	359	21.3	25.1	106.7	125.7	16.8	14.3	14.7	12.4	5.8	2.4	40.5	50.9	1	(3)	14	2	3	4
Mahindra & Mahindra	BUY	729	932	28	435	26.8	33.2	46.6	56.7	15.6	12.9	12.4	10.0	3.5	1.9	27.3	33.0	(7)	3	26	(5)	9	15
Maruti Suzuki Ltd.	HOLD	1,326	1,633	23	383	24.1	28.8	81.2	99.6	16.3	13.3	11.7	9.7	2.3	0.6	17.4	25.3	(6)	(11)	(7)	(5)	(7)	(16)
Tata Motors Ltd.	BUY	1,177	1,570	33	702	20.2	28.5	33.1	46.6	35.6	25.3	17.0	13.5	4.0	1.4	15.92	17.73	(6)	7	49	(4)	12	36
DIVERSIFIED																							
Aditya Birla Nuvo Ltd.	BUY	763	1,006	32	87	3.0	3.4	26.4	29.7	28.9	25.7	14.4	12.9	1.6	0.5	6.2	7.8	3	(12)	(19)	5	(8)	(26)
FMCG & RETAIL																							
Asian Paints	BUY	2,678	3,068	15	257	9.3	11.8	97.3	123.4	27.5	21.7	18.0	14.4	9.3	2.1	42.9	55.2	0	0	49	2	5	36
Britannia Industries Ltd. (India)	SELL	386	374	(3)	46	1.8	2.6	15.5	22.0	24.9	17.6	19.3	12.9	1.3	10.1	38.3	28.3	(4)	(12)	17	(3)	(8)	7
Colgate Palmolive India Ltd.	BUY	832	941	13	113	4.7	5.4	34.3	39.5	24.3	21.0	20.5	17.5	25.2	3.6	119.7	124.5	(1)	(3)	22	0	2	11
Dabur India Ltd.	HOLD	101	108	6	177	6.0	7.6	3.5	4.4	29.1	23.2	22.6	17.6	8.4	3.5	36.2	38.3	5	(5)	23	7	(0)	12
Godrej Consumer Products Ltd.	HOLD	390	420	8	126	4.9	6.2	15.3	19.1	25.5	20.4	20.5	16.0	7.0	3.4	34.5	20.7	0	(2)	45	2	3	33
Hindustan Unilever Ltd.	SELL	309	259	(16)	674	22.0	25.1	10.1	11.5	30.6	26.9	26.6	22.9	15.1	3.2	72.9	73.0	4	4	16	6	10	6
ITC Ltd.	BUY	171	192	13	1,315	50.8	60.8	6.6	8.0	25.7	21.4	17.8	14.7	6.7	4.1	31.1	40.6	0	(1)	36	2	4	24
Jyothy Laboratories Ltd.	HOLD	275	290	5	22	1.0	1.4	12.3	17.0	22.4	16.2	18.9	14.2	3.3	2.6	20.3	19.9	2	0	60	3	6	46
Kansai Nerolac Ltd.	HOLD	895	798	(11)	48	2.0	2.4	36.4	44.3	24.6	20.2	14.1	11.5	4.7	3.3	23.0	29.2	(1)	(12)	75	0	(7)	59
Marico Ltd.	HOLD	124	141	14	76	3.1	3.9	5.1	6.4	24.2	19.4	17.3	12.9	6.1	0.5	31.3	30.7	4	(4)	23	6	1	12
Nestle India Ltd.	HOLD	3,790	3,781	(0)	365	8.4	11.4	86.7	117.8	43.7	32.2	29.4	21.8	40.8	2.2	126.8	167.7	0	17	53	2	23	40
Pantaloon Retail (India) Ltd.	BUY	350	473	35	75	2.4	3.5	11.1	15.1	31.5	23.1	10.9	8.4	2.2	0.4	9.7	12.7	(0)	(31)	(11)	1	(27)	(19)
Titan Industries	HOLD	3,292	3,776	15	146	4.2	5.6	94.4	125.9	34.9	26.2	25.6	19.4	9.8	0.7	37.6	43.3	(4)	(1)	120	(3)	4	101
United Breweries	UR	496	324	(35)	119	1.8	2.5	7.5	10.2	66.4	48.5	30.9	23.9	7.6	0.1	15.6	15.8	22	10	197	24	16	171
United Spirits	HOLD	1,270	1,499	18	159	4.4	6.1	37.4	52.3	34.0	24.3	16.3	13.9	2.5	0.2	10.4	12.2	(7)	(19)	(6)	(5)	(15)	(14)
IT & MEDIA																							
Infosys Technologies Ltd.	BUY	3,396	-	(100)	1,950	75.4	89.5	131.9	156.7	25.7	21.7	22.4	19.3	5.9	5.1	24.9	30.2	8	11	39	10	17	27
Patni Computers Systems Ltd	BUY	464	-	(100)	61	6.5	7.5	48.1	55.6	9.6	8.3	5.7	5.0	1.2	0.6	13.9	16.9	3	6	6	4	11	(3)
Persistent Systems Ltd	BUY	435	525	21	17	1.3	1.7	33.7	43.7	12.9	10.0	9.6	6.1	1.8	2.1	18.4	22.1	11	0	NA	13	5	NA
Tata Consultancy Services Ltd.	BUY	1,131	1,288	14	2,213	91.5	109.9	46.7	56.1	24.2	20.1	17.7	12.9	9.0	3.0	44.4	54.4	5	20	64	7	26	49
Wipro Ltd.	HOLD	465	510	10	1,140	56.1	23.1	20.1	-	15.5	-	-	-	-	-	-	-	3	0	16	5	6	6
Financial Technologies India Ltd	BUY	794	1,708	115	37	2.0	1.6	44.4	51.3	17.9	15.5	19.4	14.3	1.4	2.5	9.0	9.7	(3)	(32)	(50)	(2)	(29)	(54)
Den Networks Ltd	BUY	167	315	88	22	0.6	1.2	4.7	9.4	35.4	17.8	13.9	8.0	2.9	-	16.6	19.3	(7)	(29)	(10)	(6)	(25)	(18)
Dish TV India Ltd	BUY	64	91	42	68	(2.1)	(0.6)	(2.0)	(0.5)	(31.8)	(117.0)	31.2	14.5	4.2	-	(3.6)	0.4	-	17	52	1	23	38
Hathway Cable & Datacom Ltd	BUY	154	302	97	22	0.1	0.6	0.9	4.5	167.3	33.8	10.7	7.7	2.3	-	6.8	8.2	(3)	(23)	NA	(2)	(19)	NA
IBN 18	BUY	87	146	67	21	0.4	1.3	1.1	3.5	77.1	24.7	17.9	10.7	5.1	-	20.7	15.5	2	(27)	(9)	3	(24)	(17)
Sun TV Network Ltd	BUY	507	624	23	200	6.6	8.9	17.0	22.5	29.8	22.5	13.6	10.9	6.9	1.3	30.6	41.2	(4)	(3)	41	(3)	2	29
UTV Software Communications Ltd.	BUY	559	683	22	23	1.3	1.7	32.4	42.5	17.2	13.2	16.2	11.6	2.1	-	16.0	12.4	8	5	10	10	10	0
Zee Entertainment Enterprises Ltd	BUY	134	166	24	131	5.7	6.8	5.8	6.9	22.9	19.3	16.4	14.7	2.8	1.5	14.5	27.6	(8)	(9)	7	(6)	(4)	(3)

UR = UNDER REVIEW

Valuation Guide

Company	Reco	Price (₹)	Target price (₹)	Return (%)	Market Cap (₹bn)	Net Profit (₹bn)		EPS (₹)		PE (x)		EV/EBITDA (x)		P/BV (x) FY12	Div Yield (%) FY12	RoE (%) FY12	RoCE (%) FY12	Absolute (%)			Relative (%)		
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					1m	3m	12m	1m	3m	12m
METALS																							
Graphite India Ltd	BUY	101	151	50	20	2.6	3.1	13.1	15.7	7.7	6.4	5.2	5.0	1.0	2.5	15.8	11.0	3	8	22	5	14	11
Hindalco Industries Ltd.	BUY	222	279	26	425	40.2	40.9	18.9	21.4	11.8	10.4	7.0	6.5	0.1	18.2	14.3	12.8	3	3	28	5	9	17
Hindustan Zinc Ltd.	BUY	1,338	1,421	6	565	38.9	46.9	92.0	111.0	14.5	12.1	12.6	9.8	2.2	0.4	18	18	17	14	6	18	20	(3)
Jindal Steel & Power Ltd.	UR	690	766	11	644	43.7	48.3	46.1	50.9	15.0	13.5	10.4	9.0	3.7	0.6	28	17	(1)	(5)	(3)	0	0	(12)
JSW Steel Ltd.	UR	986	1,352	37	220	21.3	22.5	112.5	118.6	8.8	8.3	5.7	4.6	1.3	0.5	12.0	13.5	(5)	(26)	(12)	(4)	(22)	(20)
NALCO	UR	368	321	(13)	237	14.6	17.7	22.7	27.4	16.2	13.4	8.0	5.8	1.8	1.4	13	19	2	(10)	(22)	4	(6)	(29)
Sesa Goa Ltd.	BUY	321	406	26	276	36.6	41.3	41.2	46.4	7.8	6.9	4.5	2.9	1.7	1.0	24.3	28.6	8	(8)	(21)	9	(3)	(27)
Steel Authority of India	UR	177	221	25	732	108.0	95.2	26.2	23.1	6.8	7.7	5.5	49.8	1.1	1.4	14.9	14.6	0	(20)	(26)	2	(16)	(32)
Sterlite Industries India Ltd.	BUY	171	213	24	576	49.4	60.9	14.7	18.1	11.7	9.5	10.3	5.1	1.2	1.8	16	10.0	4	(2)	(24)	6	4	(31)
TATA Steel	BUY	651	768	18	587	48.0	61.2	52.6	66.9	12.4	9.7	7.5	6.0	1.7	1.2	17.3	14.1	5	4	0	7	9	(8)
OIL & GAS																							
Bharat Petroleum Corp. Ltd.	HOLD	605	667	10	219	12.1	16.0	41.6	54.1	14.6	11.2	15.3	12.0	1.3	1.7	11	5.9	(11)	(19)	(4)	(10)	(15)	(12)
GAIL India Ltd.	BUY	503	533	6	638	38.9	44.0	30.6	34.7	16.4	14.5	10.1	9.4	2.8	1.5	19.2	20.2	2	3	17	4	8	7
Hindustan Petroleum Corp. Ltd.	HOLD	380	395	4	129	9.7	10.0	28.5	29.5	13.3	12.9	12.4	11.3	1.0	3.2	7.9	5.2	(5)	(26)	(3)	(4)	(22)	(12)
Indian Oil Company Ltd.	BUY	335	423	26	814	81.2	78.8	34.3	33.3	9.8	10.1	8.5	8.3	1.3	4.0	13.0	11.6	(9)	(21)	6	(7)	(16)	(3)
Oil India Ltd.	BUY	1,318	1,638	24	317	31.2	34.2	129.6	142.1	10.2	9.3	4.6	4.0	1.7	1.2	18.7	22.3	(5)	(11)	4	(3)	(7)	(5)
Oil & Natural Gas Corp. Ltd.	BUY	1,174	1,552	32	2,512	236.0	245.8	123.6	129.2	9.5	9.1	5.4	4.9	2.1	2.7	20.6	24.5	(11)	(14)	(3)	(10)	(9)	(12)
Petronet LNG Ltd.	BUY	121	143	18	91	5.1	7.2	6.8	9.6	17.7	12.6	11.2	9.4	2.9	2.1	23.3	16.3	4	7	56	5	12	43
Reliance Industries Ltd.	BUY	1,033	1,152	11	3,382	204.3	264.6	62.5	80.9	16.5	12.8	10.2	8.1	1.9	0.8	14.5	13.3	1	(2)	(6)	2	4	(15)
PHARMACEUTICALS																							
Aurobindo Pharma	BUY	1,293	1,641	27	75	6.5	8.2	100.3	126.2	12.9	10.2	8.0	6.3	2.2	-	23.0	23.7	6	16	44	8	23	32
Cadila Healthcare	HOLD	770	665	(14)	158	5.9	7.5	28.8	36.5	26.7	21.1	17.2	12.9	5.4	-	21.2	29.4	0	12	67	2	18	52
Indoco Remedies	BUY	486	594	22	6	0.7	0.9	53.9	74.3	9.0	6.5	6.5	4.1	1.4	-	21.7	23.0	3	10	40	5	16	27
Ipca Laboratories	BUY	320	391	22	40	2.4	3.4	19.2	27.3	16.6	11.7	11.3	8.0	2.8	-	18.5	26.8	(4)	5	47	(3)	10	34
Lupin Limited	BUY	463	446	(4)	207	9.0	10.9	20.2	24.5	22.9	18.9	16.4	13.1	4.8	-	29.0	28.6	2	13	61	4	19	47
Jubilant Lifesciences	BUY	267	417	56	42	4.5	5.7	28.0	35.6	9.5	7.5	8.6	6.9	0.3	-	12.1	20.7	(4)	(19)	(19)	(2)	(14)	(26)
Sun Pharma	BUY	477	525	10	491	15.1	21.0	14.6	20.3	32.7	23.5	26.0	18.4	4.5	-	22.1	20.9	6	16	51	8	22	38
REAL ESTATE																							
D B Realty	UR	197	270	37	48	3.1	8.7	12.7	35.6	15.4	5.5	12.0	3.4	1.1	-	20.5	26.9	(1)	(54)	NA	0	(52)	NA
DLF	BUY	259	374	44	440	20.7	27.4	12.2	16.1	21.3	16.1	15.0	11.8	1.4	-	8.5	9.0	(8)	(32)	(34)	(7)	(29)	(39)
HDIL	HOLD	170	196	16	70	7.3	8.3	17.7	18.9	9.6	9.0	9.0	7.1	0.7	-	7.8	8.4	(7)	(38)	(55)	(6)	(35)	(59)
Indiabulls Real Estate	BUY	121	166	37	49	1.1	2.8	2.6	6.5	45.9	18.5	66.5	31.9	0.5	-	2.6	1.3	(9)	(36)	(47)	(8)	(33)	(52)
Phoenix Mills	BUY	222	274	24	32	1.0	1.9	6.7	12.9	33.1	17.2	25.1	11.1	1.7	0.5	10.1	10.2	1	(12)	3	2	(8)	(6)
Sobha Developers	BUY	297	400	35	29	1.6	1.9	16.4	19.2	18.1	15.5	12.6	10.2	1.5	1.0	9.4	10.5	(10)	(20)	8	(9)	(16)	(1)
Unitech	BUY	59	102	72	149	8.4	10.9	3.2	4.2	18.6	14.2	17.4	12.1	1.2	-	8.4	8.5	(6)	(37)	(32)	(5)	(33)	(38)

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Company	Reco	Price (₹)	Target price (₹)	Return (%)	Market Cap (₹bn)	Net Profit (₹bn)		EPS (₹)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yield (%)	RoE (%)	RoCE (%)	Absolute (%)			Relative (%)		
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					FY12	FY12	1m	3m	12m	1m
UTILITIES AND INDUSTRIALS																							
ABB Ltd.	SELL	749	559	(25)	159	1.7	3.8	8.0	17.9	93.8	41.9	58.5	25.7	5.4	0.1	12.9	18.0	(2)	(19)	(6)	(0)	(15)	(14)
Adani Power	UR	124	82	(34)	271	10.6	21.8	4.9	10.0	25.5	12.4	28.6	12.8	2.8	-	22.8	8.7	(0)	(9)	20	1	(4)	9
BGR	BUY	631	919	46	46	3.1	4.1	43.3	57.5	14.6	11.0	8.2	6.3	3.7	2.2	38.6	30.5	(9)	(19)	14	(8)	(14)	4
Bharat Heavy Electricals Ltd.	BUY	2,182	2,610	20	1,068	56.7	67.3	115.8	137.6	18.8	15.9	12.7	10.2	4.4	1.7	27.6	33.0	(5)	(15)	(10)	(3)	(11)	(18)
CESC	BUY	361	-	(100)	45	-	-	20.1	23.9	18.0	15.1	15.3	16.9	-	1.6	8.8	3.1	0	(9)	(14)	2	(4)	(22)
GMR Infrastructure	BUY	43	82	92	167	2.9	7.7	0.8	2.1	53.7	20.3	19.1	13.1	1.7	11.8	8.6	5.5	(6)	(27)	(38)	(4)	(23)	(43)
Lanco Infrastructure	BUY	56	75	34	135	7.2	9.2	3.0	3.9	18.6	14.5	8.6	7.3	2.4	-	19.2	11.6	(6)	(20)	1	(4)	(16)	(8)
Larsen & Toubro	BUY	1,781	2,167	22	1,082	42.2	54.8	70.1	90.9	25.4	19.6	19.1	14.9	3.6	0.8	18.5	12.6	(8)	(13)	6	(7)	(8)	(3)
NTPC	HOLD	191	212	11	1,577	94.2	105.1	11.4	12.8	16.7	15.0	12.7	11.0	2.1	2.4	14.8	11.1	(1)	(11)	(17)	1	(6)	(24)
Power Grid	BUY	96	116	21	445	26.7	30.1	5.8	6.5	16.7	14.8	11.0	10.0	1.9	1.7	12.3	8.3	0	(12)	(16)	2	(8)	(2)
PTC India Ltd.	BUY	113	143	27	33	1.1	1.3	4.3	5.2	26.5	21.9	34.7	24.5	1.5	1.3	6.8	5.7	2	(9)	(6)	4	(4)	(14)
Reliance Infrastructure	BUY	808	1,065	32	198	15.0	16.0	65.6	70.2	12.3	11.5	18.9	18.2	0.8	3.0	6.4	2.0	4	(25)	(31)	5	(21)	(37)
Siemens Ltd.	BUY	772	976	27	260	10.5	12.4	31.1	36.9	24.8	20.9	17.7	15.2	18.8	1.0	23.8	34.1	1	(5)	22	2	(0)	12
Suzlon Energy Ltd.	HOLD	49	60	22	88	(0.9)	6.4	(0.5)	4.0	(90.9)	12.4	16.4	9.2	1.0	1.3	8.0	7.7	2	(14)	(47)	4	(9)	(51)
Tata Power	SELL	1,373	1,302	(5)	326	21.0	24.7	85.2	100.0	16.1	13.7	7.9	6.6	2.1	1.1	15.3	5.6	7	(4)	(7)	9	1	(15)
Tecpro Systems Ltd	BUY	359	458	27	18	1.4	1.9	28.7	38.1	12.5	12.5	4.9	3.2	2.7	1.3	22.7	21.4	(4)	NA	NA	(2)	NA	NA

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Company	Reco	Price (₹)	Target price (₹)	Return (%)	Market Cap (₹bn)	Net Profit (₹bn)		EPS (₹)		PE (x)		NNPA Ratio (x)		P/Adj BV (x)	Div Yield (%)	RoE (%)	RoA (%)	Absolute (%)			Relative (%)		
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					FY11	FY12	1m	3m	12m	1m
FINANCIALS																							
Axis Bank	UR	1,255	1,580	26	514	30	38	75.2	93.4	16.7	13.4	0.4	0.4	2.8	1.3	19.0	1.5	(5)	(20)	23	(4)	(16)	13
Bajaj Auto Finance	BUY	644	945	47	24	2.03	2.49	55.5	68.2	22.6	9.4	2.0	1.8	1.8	0.9	2.6	3.0	(6)	(17)	84	(5)	(13)	68
HDFC	HOLD	654	714	9	957	32	37	22.3	25.4	29.3	25.7	0.4	0.4	5.6	1.4	20.1	2.6	(2)	(9)	26	(1)	(4)	15
HDFC Bank	HOLD	2,152	2,310	7	999	37	47	81.1	101.7	26.5	21.2	0.6	0.6	4.2	0.8	17.7	1.6	(3)	(11)	25	(2)	(6)	15
ICICI Bank	BUY	1,014	1,320	30	1165	51	69	45.7	61.5	22.2	16.5	1.5	1.4	2.4	1.2	11.8	1.6	(9)	(10)	16	(8)	(5)	6
LIC Housing Finance	HOLD	170	204	20	81	9	8	19.0	17.8	9.0	9.5	0.4	0.2	2.3	11.2	19.3	1.9	(8)	(40)	2	(6)	(37)	(7)
Punjab National Bank	BUY	1,152	1,520	32	363	48	53	150.8	167.9	7.6	6.9	0.7	0.6	2.0	2.6	22.7	1.4	(4)	(12)	25	(3)	(7)	14
Shriram Transprt finance	BUY	718	950	32	162	8	11	52.5	64.2	13.7	11.2	0.50	0.40	4.7	2.3	30.1	2.8	0	(8)	44	1	(3)	32
State Bank Of India	HOLD	2,547	3,214	26	1617	114	158	162.3	225.7	15.7	11.3	1.3	1.1	2.1	1.5	15.7	1.2	(7)	(22)	11	(5)	(17)	2
YES Bank	HOLD	261	330	26	91	7	9	19.3	25.1	13.5	10.4	0.1	0.1	2.4	-	20.5	2.2	(11)	(26)	(1)	(10)	(22)	(9)
Bank of Baroda	BUY	849	1,063	25	309	37	43	101.6	117.4	8.4	7.2	0.31	0.3	2.0	2.4	21.7	1.2	(4)	(10)	57	(2)	(5)	44

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Company	Reco	Price (₹)	Target price (₹)	Return (%)	Market Cap (₹bn)	Net Profit (₹bn)		EPS (₹)		PE (x)		EV/EBITDA (x)		P/BV (x) FY12	Div Yield (%) FY12	RoE (%) FY12	RoCE (%) FY12	Absolute (%)			Relative (%)		
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					FY12	FY12	1m	3m	12m	1m
MIDCAP																							
ACC Ltd.	SELL	1,016	973	(4)	191	10.4	13.1	55.3	69.6	18.4	14.6	10.8	8.4	2.6	2.3	25.1	18.8	(5)	(0)	11	(4)	5	2
Ambuja Cements Ltd.	HOLD	127	147	16	195	12.7	15.3	8.2	10.0	15.6	12.7	9.1	7.0	2.3	1.7	19.3	24.2	(10)	(10)	20	(9)	(5)	10
Balrampur Chini Mills Ltd	BUY	82	94	15	21	2.0	2.4	7.6	9.2	10.7	8.9	6.6	5.4	1.3	1.2	15.6	15.7	11	(12)	(43)	13	(7)	(48)
Essar Shipping Ports & Logistics Ltd.	BUY	101	173	72	62	0.4	3.7	0.6	6.0	155.4	16.8	14.4	9.8	0.7	-	4.7	9.0	8	(11)	24	9	(6)	13
Ess Dee Aluminium Ltd.	BUY	441	540	23	14	1.4	1.7	51.1	61.0	8.6	7.2	7.5	6.0	1.7	0.5	27.5	25.2	(6)	(12)	13	(4)	(7)	3
Gayatri Projects Ltd	BUY	280	494	76	3	0.7	0.9	47.9	64.6	5.8	4.3	3.6	3.1	0.8	1.6	19.4	20.7	2	(29)	(29)	3	(26)	(35)
Great Eastern Shipping Company Ltd.	BUY	317	393	24	48	8.1	10.4	53.0	68.4	6.0	4.6	6.3	4.7	0.7	2.5	14.5	11.0	(7)	(2)	5	(6)	3	(4)
Great Offshore Ltd	BUY	359	565	57	13	1.8	2.5	47.4	66.5	7.6	5.4	7.6	5.1	0.9	1.1	16.6	11.7	0	(7)	(24)	2	(2)	(31)
Havell's India Ltd	BUY	357	495	39	45	3.1	4.0	24.8	32.0	14.4	11.2	8.2	6.0	4.4	0.8	47.4	40.8	(4)	(16)	35	(3)	(12)	23
HeidelbergCement India Ltd.	BUY	42	60	42	10	1.1	1.3	4.8	5.8	8.9	7.4	7.6	4.8	0.9	-	13.2	25.4	(2)	(15)	(14)	(0)	(10)	(22)
JK Lakshmi Cement	BUY	53	85	60	6	1.4	1.7	11.5	14.1	4.6	3.8	4.1	4.0	0.5	3.8	14.3	19.7	0	(17)	(31)	2	(13)	(37)
Mercator Lines Ltd.	BUY	50	77	55	12	1.9	2.6	7.5	9.8	6.6	5.1	5.3	4.4	0.6	2.0	10.1	8.7	(3)	(27)	(25)	(1)	(23)	(32)
Maharashtra Seamless Ltd	BUY	371	532	43	26	3.0	4.0	43.1	56.0	8.6	6.6	5.4	3.7	0.9	1.6	14.6	22.1	(2)	(7)	(1)	(1)	(2)	(10)
Mahindra Holidays	BUY	381	502	32	32	0.8	1.2	9.4	14.7	40.5	26.0	28.5	18.2	5.8	0.5	23.9	12.0	10	(18)	(16)	12	(14)	(23)
Monnet Ispat Ltd.	HOLD	558	641	15	29	2.5	3.5	43.0	61.0	13.0	9.1	9.9	8.0	1.4	0.9	16.4	13.9	7	6	44	9	12	31
Nava Bharat Ventures Ltd.	BUY	327	523	60	25	5.7	6.1	64.5	68.6	5.1	4.8	4.0	4.9	1.1	10.5	22.4	16.9	7	(14)	(25)	8	(10)	(32)
Opto Circuits	BUY	231	352	52	42	3.8	5.5	20.4	29.3	11.3	7.9	8.9	6.4	2.3	1.9	33.8	32.7	(14)	(26)	(3)	(13)	(22)	(12)
Polyplex Ltd.	BUY	318	250	(21)	10	0.6		101.7		3.1		3.1						9	(26)	233	10	(22)	204
Prakash Industries	BUY	113	348	208	14	2.5	4.4	18.1	31.4	6.2	3.6	3.4	2.7	0.7	-	21.1	23.3	13	(31)	(49)	15	(28)	(53)
Rainbow Papers Ltd	BUY	57	80	40	5	0.4	1.0	27.6	36.7	2.1	1.6	9.3	4.3	1.6	3.5	35.3	22.6	(0)	4	133	1	9	113
S Kumars Nationwide Ltd	BUY	77	103	33	21	2.7	4.1	9.2	13.7	8.4	5.6	5.2	4.2	0.7	-	16.4	15.2	4	3	70	6	9	55
Shiv Vani Oil & Gas	BUY	349	453	30	16	2.1	2.3	44.9	50.3	7.8	6.9	6.5	5.6	1.0	0.3	15.3	12.6	(12)	(24)	(3)	(11)	(20)	(11)
Shree Cements Ltd.	BUY	1,874	2,406	28	65	4.5	6.1	128.4	176.1	14.6	10.6	7.0	6.0	2.3	0.6	24.3	19.2	(6)	(9)	(16)	(4)	(5)	(23)
Shree Renuka Sugars Ltd	BUY	84	119	41	56	6.4	7.0	9.6	10.5	8.8	8.8	5.7	4.7	1.6	1.2	21.9	21.1	2	1	(30)	4	7	(36)
Sterlite Technologies Ltd.	BUY	70	97	39	25	2.8	3.2	7.6	8.6	9.2	8.1	5.7	4.8	0.7	0.2	22.9	27.4	2	(30)	(3)	4	(26)	(11)
Triveni Engineering & Industries Ltd	BUY	103	121	17	27	2.0	2.7	8.4	10.5	12.2	9.8	7.9	6.0	2.0	1.2	21.9	23.5	0	(16)	(11)	2	(11)	(19)
Ultratech Cements Ltd	BUY	995	1,175	18	273	14.2	21.7	51.9	79.1	19.2	12.6	9.4	6.7	2.1	0.6	18.5	21.8	(9)	(9)	1	(8)	(4)	(8)
West Coast Paper Mills Ltd.	BUY	85	143	68	5	0.9	1.1	15.0	17.8	5.7	4.8	6.0	4.8	0.7	2.4	15.5	9.8	4	(13)	20	6	(8)	10

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