

FROM THE RESEARCH DESK

Steel Authority of India Limited
Pricing in the worst

Tata Chemicals Limited
Global player with strong costing advantages

Global News

- U.S. manufacturing expanded in November at the fastest pace in five months, buttressing other reports this week that signal the economy is picking up as 2011 comes to an end.
- Japan's companies cut spending for a second quarter, adding to signs that the country's post-earthquake rebound is stalling as overseas demand fades. Capital spending fell 9.8 percent from a year earlier in the three months ended September 30.

Sector & Corporate News

- **Economy:** India's October exports rose an annual 10.8% to USD19.9bn, while imports for the month rose 21.7% to USD39.5bn. India's trade deficit in October was at USD19.6bn. Oil imports for the month grew 21% to USD10.1bn.
- **Economy:** The government approved an additional INR8bn for extending interest subsidies to exporters till March 2012 in the backdrop of slowdown in major global markets in Europe and the US.
- **RBI:** bought INR57.83bn of bonds through open market operations (OMO) compared with a target of INR100bn, via multiple price auctions. It received offers worth a total of INR134.62bn.
- **Kingfisher Airlines:** is in more trouble with several airports slapping the aviation major notices to clear their dues. Mumbai airport has issued notice to Kingfisher Airlines to pay usage charges immediately amounting to INR900m.
- **Air India:** Air India is estimated to have incurred a loss of INR69.94bn in the year 2010-11 and only two of its 175 domestic and international flight routes were meeting all costs during the April-September period.
- **Essar Steel:** has commissioned a second furnace with a capacity of 2.5 mtpa at its Hazira steel plant, hiking the capacity of its steel melt shop to 5 mt a year.

Market Snapshot

Global Indices	Closing	% Chg	% YTD
Dow Jones	12,020	(0.2)	3.8
NASDAQ	2,626	0.2	(1.0)
FTSE	5,489	(0.3)	(7.0)
CAC	3,130	(0.8)	(17.7)
DAX	6,036	(0.9)	(12.7)
Russia	1,548	0.1	(12.6)
Bovespa	58,143	2.2	(16.1)
Nikkei	8,610	0.1	(14.7)
Hang Seng	19,002	5.6	(17.5)
Shanghai Composite	2,387	2.3	(15.0)

Indian Indices	Closing	% Chg	% YTD
Sensex	16,483	2.2	(19.6)
Nifty	4,937	2.2	(19.5)
MSCI India	382	3.4	(31.8)
CNX Midcap	6,707	1.0	(24.3)
BSE Smallcap	6,124	0.4	(36.7)

Flows (USDm)	Last	MTD
FII	27	(854)
Locals	-	211

Provisional flows	(USDm)
FII	132
Locals	(137)

Volumes	USDbn	% Chg
Cash (NSE + BSE)	2.4	(31.9)
F&O (net)	22.0	0.6

FII F&O	Stock Fut	Index Fut
Net (\$ mn)	61	201
Open Int (%)	0.2	(2.5)

ADR/GDR Gainers	Last	% Chg
Reliance	31.0	3.4
Tata Motors	17.7	2.8
ICICI Bank	29.8	2.2
MTNL	1.1	1.9
Infosys	52.4	1.5

ADR/GDR Losers	Last	% Chg
Patni	17.1	(3.4)
SBI	71.6	(3.3)

Sectoral indices

	Closing	% Chg	% MTD	% YTD
BSE Auto	8,637	2.4	2.4	(15.6)
BSE Bank	10,217	3.7	3.7	(23.6)
BSE Cap Goods	9,758	0.9	0.9	(36.7)
BSE Cons dur	5,790	2.6	2.6	(8.9)
BSE FMCG	4,065	0.6	0.6	10.3
BSE IT	5,598	1.8	1.8	(18.0)
BSE Health	6,036	(0.3)	(0.3)	(10.4)
BSE Metal	10,648	4.1	4.1	(39.5)
BSE Oil	8,283	1.6	1.6	(21.9)
BSE Power	1,953	0.8	0.8	(34.7)
BSE PSU	6,933	1.1	1.1	(26.7)
BSE Realty	1,627	3.5	3.5	(43.0)
BSE TECK	3,387	1.0	1.0	(16.3)

Nifty Outperformers

	Price	% Chg	% MTD	% YTD
ICICI Bank Ltd	762	7.0	7.0	(33.4)
Hindalco Industries Ltd	131	6.8	6.8	(46.9)
Steel Authority Of India	86	6.6	6.6	(53.2)
Sterlite Industries India Lt	106	6.4	6.4	(43.4)
Tata Motors Ltd	183	5.9	5.9	(30.1)
DLF Ltd	219	5.0	5.0	(25.2)
Jaiprakash Associates Ltd	65	4.6	4.6	(38.6)

Nifty Underperformers

	Price	% Chg	% MTD	% YTD
Bharat Heavy Electricals	276	(2.2)	(2.2)	(40.5)
Bharat Petroleum Corp Ltd	526	(2.2)	(2.2)	(20.1)
Dr. Reddy'S Laboratories	1,546	(2.0)	(2.0)	(7.0)
Bharti Airtel Ltd	379	(1.8)	(1.8)	5.7
Hindustan Unilever Ltd	391	(1.6)	(1.6)	24.8
Maruti Suzuki India Ltd	962	(1.0)	(1.0)	(32.3)
Sun Pharmaceutical Indus	523	(0.5)	(0.5)	7.8

Bulk Deals

Date	Security Name	Client Name	Buy/Sell	Qty	Price
01-Dec-11	Gammon India	SBI Mutual Fund	BUY	1,678,968	51.00
01-Dec-11	Gammon India	SBI Mutual Fund	SELL	1,678,968	51.00
01-Dec-11	Sonata Soft	Orange Mauritius Investments Limited	BUY	2,360,000	25.40
01-Dec-11	Sonata Soft	Bhupati Investments And Finance Private Limited	SELL	2,360,000	25.40
01-Dec-11	Everonn Education Limited	Emerging Markets Mgt L.L.C The Emm Umbrella Funds	BUY	114,096	355.84

Delivery Spike

Company	Volume	Spike (%)	Chg (%)
Cairn	988,008	855	3.45
Ranbaxy	2,271,966	515	1.96
Tata Steel	4,127,772	260	4.53
Dr Reddy	565,674	162	(1.99)
Hindalco	5,063,540	139	6.75
Maruti	416,484	127	(1.02)
ACC	218,090	74	2.38
BHEL	1,849,342	65	(2.21)
Axis Bank	1,372,977	41	2.63
IT	1,248,230	35	1.76

Derivatives Update

Long Buildup

Company	Last	% Chg	% Chg OI	OI (in 000)
PANTALOONR	210	6.8	6.6	7,449
TATAMOTORS	183	6.0	6.3	42,001
DLF	218	5.7	2.2	21,546
GRASIM	2,442	4.5	3.1	485

Short Buildup

Company	Last	% Chg	% Chg OI	OI (in 000)
BHEL	275	(2.4)	24.6	10,886
HINDUNILVR	393	(0.9)	3.0	9,374
DRREDDY	1,558	(0.8)	13.0	688
BHARTIARTL	382	(0.7)	5.1	11,023

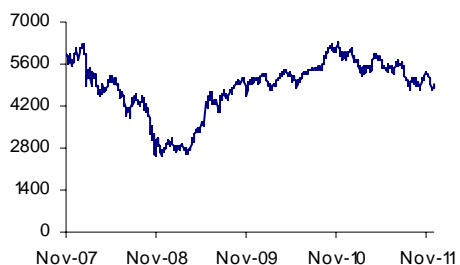
Short Covering

Company	Last	% Chg	% Chg OI	OI (in 000)
HINDALCO	132	6.9	(3.0)	17,899
ICICIBANK	767	6.5	(7.5)	12,556
STER	106	6.5	(2.2)	25,020
SAIL	86	6.2	(3.4)	17,160

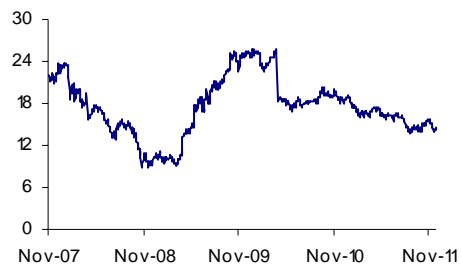
Profit Booking

Company	Last	% Chg	% Chg OI	OI (in 000)
IDEA	92	(3.8)	(7.3)	14,608
HINDPETRO	279	(0.1)	(2.2)	3,659

Nifty



Nifty P/E

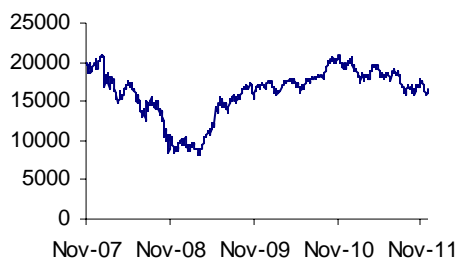


Nifty P/B

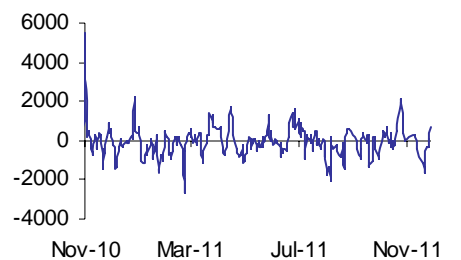


Source: Bloomberg

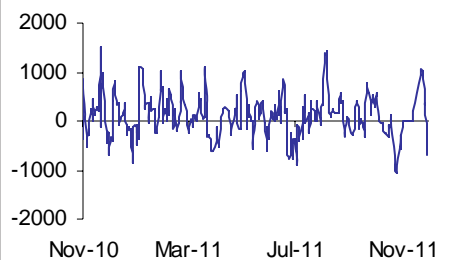
Sensex



FII Provisional Flows (INRcr)



DII Provisional Flows (INRcr)



Source: Bloomberg

Economy, Money & Banking

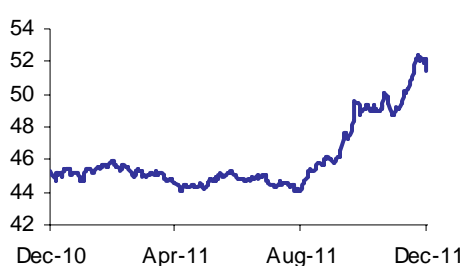
Forex Rate	Last	% Chg	% MTD	% YTD
INR~USD	51.5	1.4	1.4	(13.1)
INR~EUR	69.4	0.3	0.3	(13.8)
INR~GBP	80.7	(0.1)	1.6	(13.6)

Bond Market	Last	Chg (bps)	MTD (bps)	YTD (bps)
10 Year Bond	8.7	(4)	(4)	78
Interbank call	8.4	(15)	(15)	290

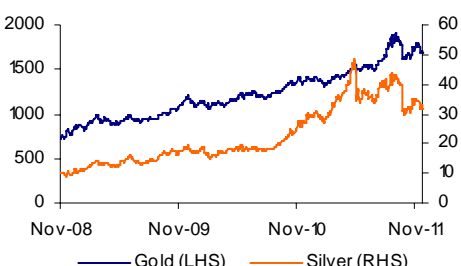
Commodities Update

Commodities	Last	% Chg	% MTD	% YTD
Gold (\$/Ounce)	1,743	(0.1)	(0.2)	22.7
Crude Oil (\$/Bbl)	100	(0.1)	(0.3)	6.0
Aluminium (\$/t)	2,138	1.7	1.7	(13.1)
Copper (\$/t)	7,763	(1.2)	(1.2)	(19.6)
Zinc (\$/t)	2,050	(1.1)	(1.1)	(16.1)
Lead (\$/t)	2,086	(0.3)	(0.2)	(18.6)
Nickel (\$/t)	16,721	(4.4)	(4.4)	(32.3)

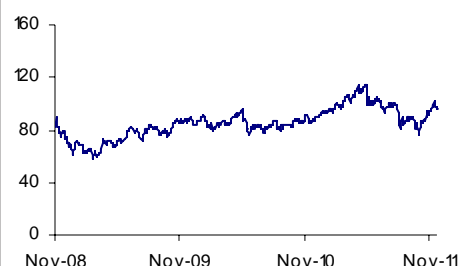
INR/USD



Gold and silver prices

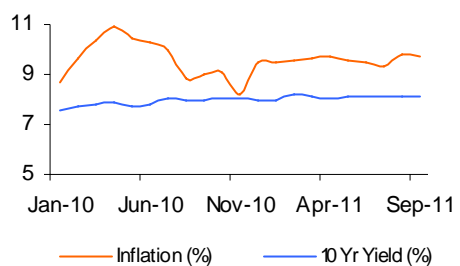


Crude prices

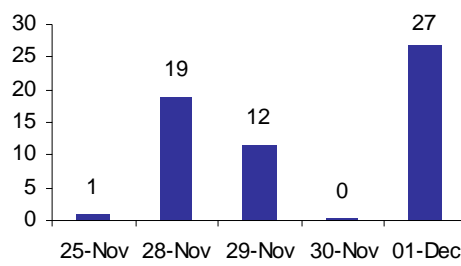


Source: Bloomberg

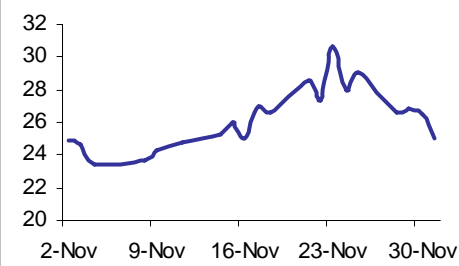
Inflation vs 10 year yield



Nifty premium/discount



NSE volatility index (%)



Source: Bloomberg

Current Reco	: BUY
Previous Reco	: HOLD
CMP	: INR86
Target Price	: INR104
Potential Return	: 21%

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Market data

Sector	:	Metals
Market Cap (INRbn)	:	353
Market Cap (USDbn)	:	7
O/S Shares (m)	:	4,130
Free Float (m)	:	391
52-wk HI/LO (INR)	:	197/80
Avg Daily Vol ('000)	:	13,360
Bloomberg	:	SAIL IN

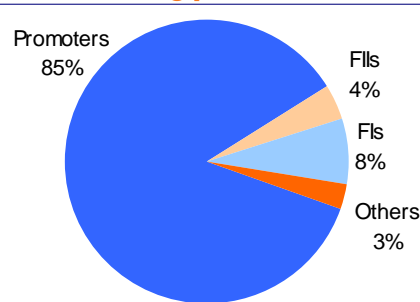
Source: Bloomberg

Returns (%)

	1 m	3 m	6 m	12 m
Absolute	(23)	(21)	(41)	(53)
Relative	(18)	(20)	(33)	(43)

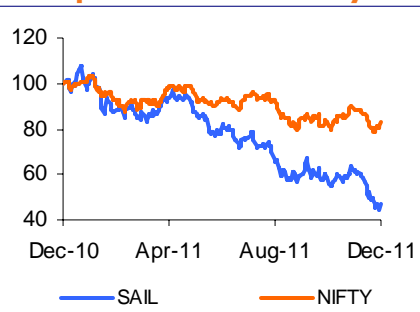
Source: Bloomberg

Shareholding pattern



Source: BSE

Price performance vs Nifty



Source: Bloomberg

COMPANY UPDATE

Steel Authority of India Limited

Pricing in the worst

Key highlights

Capex delays factored in

SAIL's massive ~USD15bn expansion cum modernisation program to scale up to 20mtpa finished steel capacity from 13mtpa has been facing delays and cost runs. This and the anticipated nil volume growth along with margin squeeze seem to be factored in at the CMP. However, a sense of urgency has been expressed in the ministry and SAIL's management is expected to fast track the expansion. Our channel checks convey that parts of the projects like sinter plants and coke ovens are getting commissioned in phases and acceleration in development would be visible soon. Accordingly, SAIL should be able to post ~2-3mtpa incremental production from FY14e onwards till FY17e as integrated commissioning of plants commences from 4QFY13e.

Efficiency gains getting overlooked

The poor performance in bad economic scenario has brought to fore SAIL's inefficiencies and high fixed cost structure. Its 1HFY12 USD381/tn (ex raw mat) cost has negated the captive iron ore advantage. However, we expect FY14e to be a turning point in efficiency parameters as incremental capacity will lead to better overhead cost distribution. Employee cost and other expenses can itself lead to USD212/tn (USD167 + USD45) savings on incremental production.

Demand continues to be subdued but cost pressure to ease

Steel prices could continue to be sluggish given the uncertainties in the global economy. The steel cycle is yet to bottom out with uncertainty regarding stocking and demand will continue in the near term. But raw material prices have started to soften and the impact of Asian steel price decline would be largely be mitigated by these savings.

Valuation and outlook

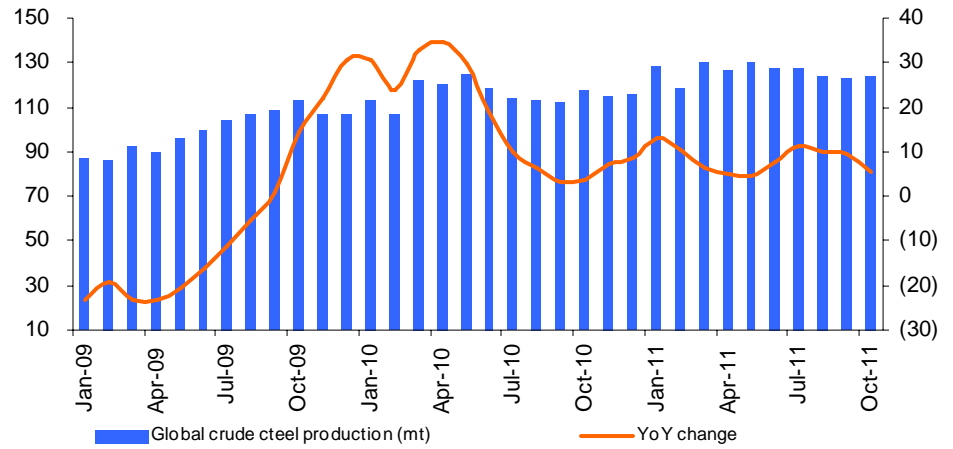
SAIL has faced multiple derating due to project delays, poor coking coal efficiency, expected equity dilution, MSCI exclusion and PSU cross holding in an uncertain business environment. Current valuations at USD510/tn of FY13e end 20mtpa capacity is overlooking SAIL's superior balance sheet and efficiency improvement from FY14e onwards. We upgrade SAIL to BUY with target price of INR104 at 7x EV/EBITDA multiple - a premium compared to its peers - as commissioning of new capacity and associated benefits will lead to rerating going forward.

Key financials

INRbn	FY09	FY10	FY11	FY12e	FY13e
Revenues	439	415	435	481	475
EBITDA	91	100	77	63	79
EBITDA growth (%)	(23)	10	(23)	(18)	26
PAT	62	68	49	35	42
PAT growth (%)	(18)	9	(27)	(28)	20
EPS (INR)	14.9	16.4	11.9	8.6	10.3
EPS growth (%)	(18)	9	(27)	(28)	20
P/E (x)	5.8	5.3	7.2	10.0	8.4
P/BV (x)	1.3	1.1	1.0	1.6	2.6
EV/EBITDA (x)	2.7	2.9	4.9	6.8	6.1
RoE (%)	22	20	13	9	10

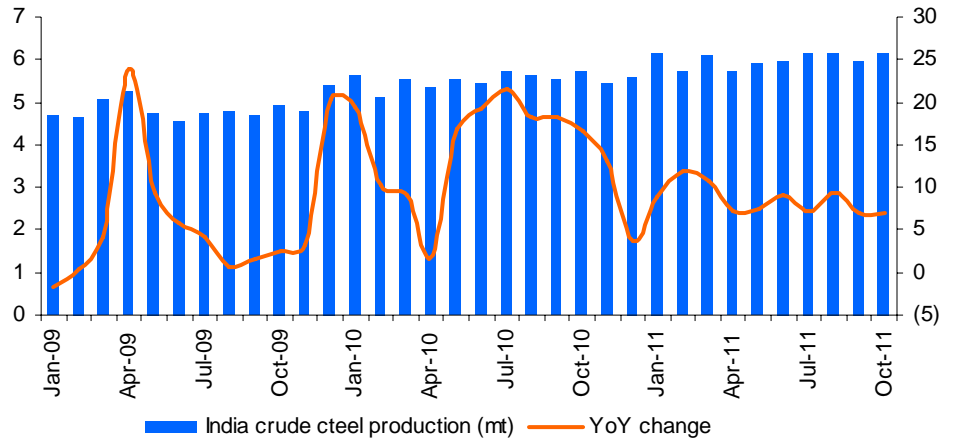
Source: Company, Antique

Global crude steel production (mt)



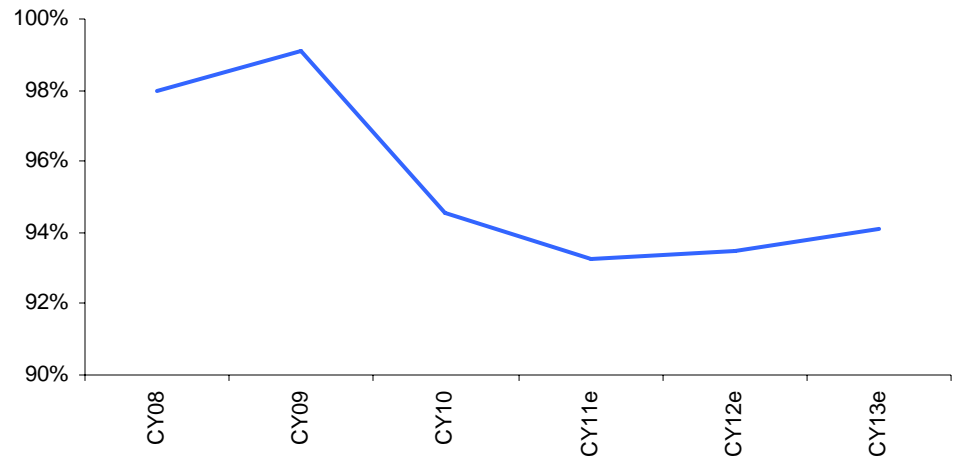
Source: Bloomberg, Company, Antiqua

India crude steel production (mt)



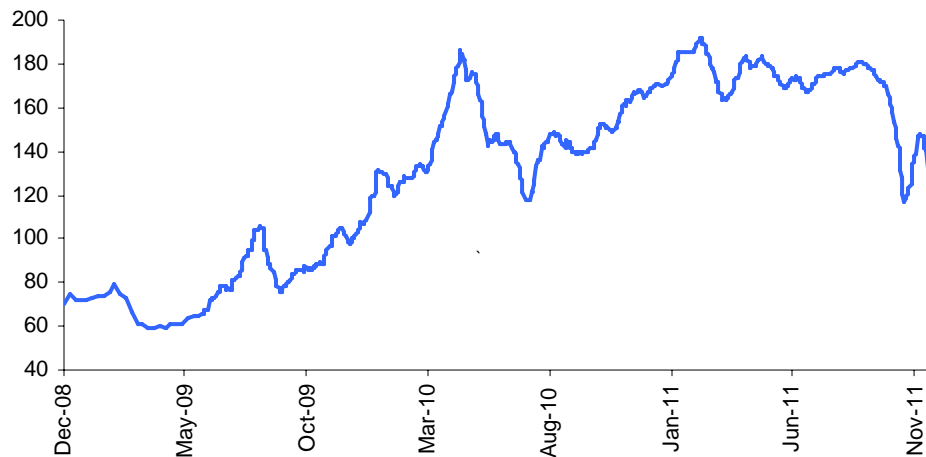
Source: Bloomberg, Company, Antiqua

Steel capacity utilisation



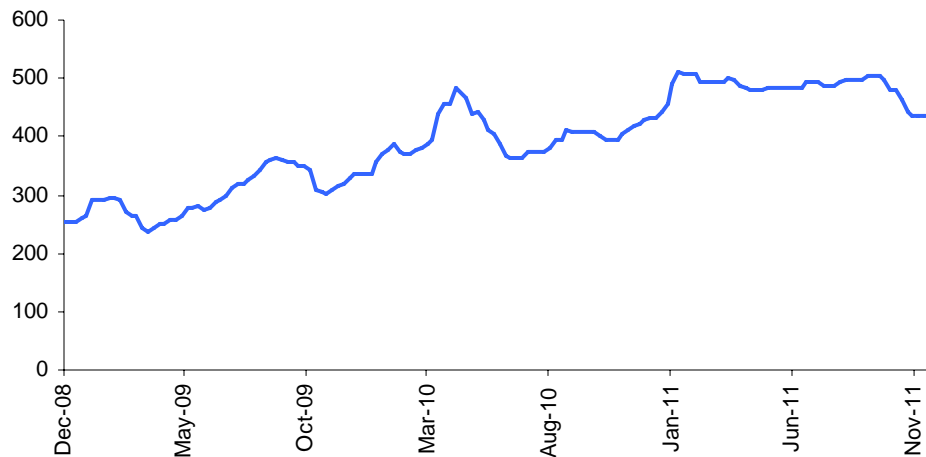
Source: Bloomberg, Company, Antiqua

62% Fe CFR - China Imports (USD/t)



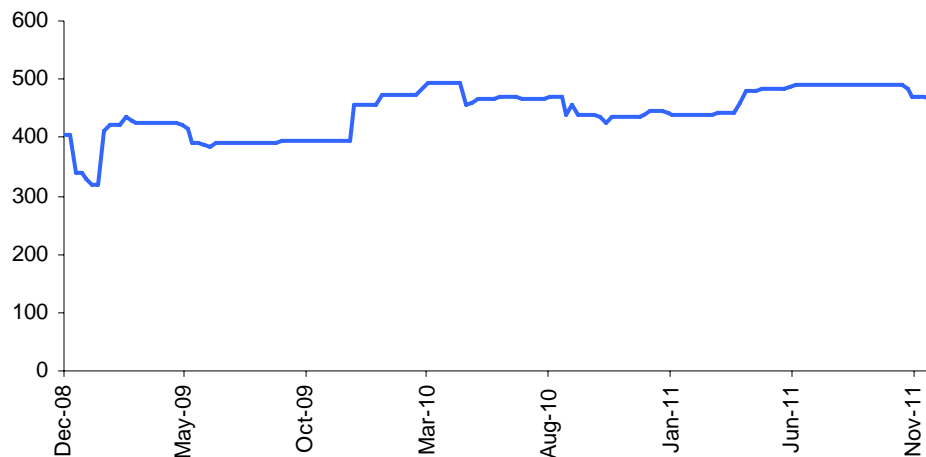
Source: Bloomberg, Company, Antique

East Asia Scrap Import FOB (USD/t)



Source: Bloomberg, Company, Antique

China Coke Export FOB (USD/t)



Source: Bloomberg, Company, Antique

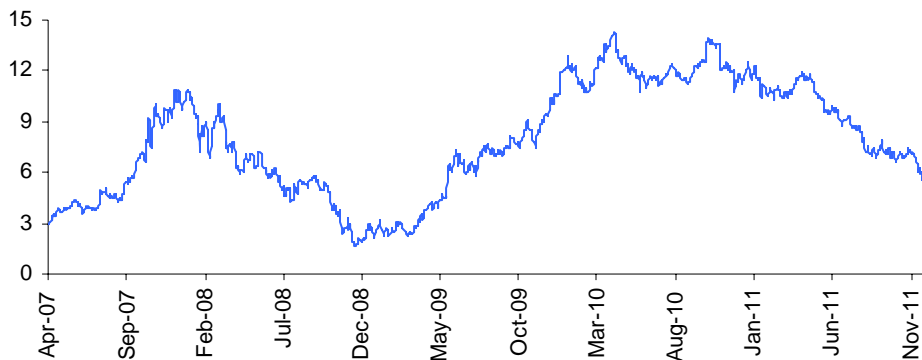
Relative valuation

Company	MCAP (USDm)	EV/EBITDA (x)		PE (x)		RoE (%)		P/BV (x)		Price Performance			
		FY12e	FY13e	FY12e	FY13e	FY12e	FY13e	FY12e	FY13e	1m	3m	6m	12m
Steel Authority of India Ltd	6,860	7.7	6.1	11.4	9.1	9.9	11.5	1.1	1.0	(23)	(21)	(41)	(53)
Tata Steel Ltd	7,503	6.2	5.0	5.2	5.5	17.9	14.7	0.9	0.8	(15)	(14)	(31)	(34)
JSW Steel Ltd	2,685	7.9	4.7	15.0	6.5	5.4	11.3	0.8	0.7	(3)	(9)	(36)	(49)
Jindal Steel and Power Ltd.	9,464	9.2	8.2	11.8	10.0	23.8	21.9	2.8	2.2	(6)	0	(21)	(21)
India Average	6,628	7.8	6.0	10.9	7.8	14.2	14.8	1.4	1.2	(13)	(14)	(36)	(45)
China Steel Corp*	14,576	8.9	8.4	18.7	17.7	8.9	10.1	1.5	1.5	(2)	(5)	(11)	(3)
Baoshan Iron & Steel*	13,507	6.0	5.5	9.0	7.5	8.6	10.4	0.7	0.7	(6)	(7)	(23)	(22)
Angang Steel Co Ltd.*	5,474	7.7	7.0	39.4	20.9	3.1	4.5	0.6	0.6	(8)	(12)	(30)	(37)
Maanshan Iron & Steel*	3,155	6.6	5.8	33.1	18.7	3.9	5.7	0.7	0.7	(7)	(8)	(20)	(19)
Wuhan Iron & Steel Co. Ltd.*	5,058	7.1	6.2	11.3	8.5	10.0	11.9	0.9	0.8	(7)	(9)	(25)	(25)
China Average	8,354	7.2	6.6	22.3	14.7	6.9	8.5	0.9	0.9	(6)	(8)	(22)	(21)
Posco*	30,579	5.4	4.9	8.5	7.0	11.0	10.8	0.8	0.7	4	(3)	(10)	(14)
Hyundai Steel Co.*	7,926	8.6	7.7	8.2	6.8	13.1	12.1	0.9	0.8	5	(4)	(11)	(4)
Korea Average	19,253	7.0	6.3	8.4	6.9	12.0	11.5	0.8	0.8	4	(3)	(10)	(9)
Nippon Steel Corp	17,171	7.3	6.8	12.7	9.8	5.1	7.4	0.7	0.6	(4)	(17)	(19)	(29)
JFE Holdings Inc	11,958	7.1	6.5	101.3	10.2	1.1	6.4	0.6	0.5	4	(17)	(25)	(43)
Kobe Steel Ltd	5,173	5.8	5.4	16.9	12.7	4.1	5.8	0.7	0.7	(2)	(12)	(26)	(33)
Japan Average	11,434	6.7	6.2	43.6	10.9	3.4	6.5	0.6	0.6	(1)	(15)	(23)	(35)
Bluescope Steel Ltd*	737	5.2	2.9	-	5.8	(0.8)	4.1	0.2	0.2	(45)	(46)	(68)	(76)
Onesteel Ltd*	1,159	4.7	3.2	6.1	3.4	4.5	8.0	0.3	0.2	(30)	(45)	(55)	(66)
Australia Average	948	4.9	3.1	6.1	4.6	1.9	6.0	0.2	0.2	(37)	(46)	(62)	(71)
Thyssenkrupp Ag*	13,213	4.9	4.3	10.4	8.3	10.4	13.2	0.8	0.7	(4)	(17)	(41)	(37)
Voestalpine Ag	4,887	4.5	4.4	6.7	6.1	13.1	13.0	0.8	0.7	(14)	(19)	(38)	(34)
Arcelormittal*	29,161	5.6	5.3	8.5	7.5	6.2	8.0	0.4	0.4	(2)	(8)	(39)	(42)
Europe Average	15,753	5.0	4.7	8.5	7.3	9.9	11.4	0.7	0.6	(7)	(15)	(40)	(38)
US Steel Corp*	3,931	7.3	5.0	359.2	11.3	7.5	13.2	0.9	0.8	11	(6)	(38)	(46)
Nucor Corp	12,488	7.2	6.0	16.0	12.3	13.1	15.6	1.5	1.4	6	11	(4)	1
Usiminas	7,918	14.5	9.7	35.4	22.6	3.0	5.8	0.6	0.5	(10)	(14)	(30)	(45)
Americas Average	8,112	9.7	6.9	136.9	15.4	7.9	11.5	1.0	0.9	3	(3)	(24)	(30)
Magnitogorsk Iron & Steel Works*	5,157	-	-	13.0	8.5	6.0	7.8	0.5	0.4	8	(24)	(50)	(55)
Severstal	13,610	4.3	4.0	6.1	5.6	24.4	22.8	1.3	1.1	(8)	(11)	(27)	(7)
Russia Average	9,384	4.3	4.0	9.5	7.0	15.2	15.3	0.9	0.8	0	(18)	(38)	(31)

* December ending company

Source: Antique

One year forward EV/EBITDA (x)



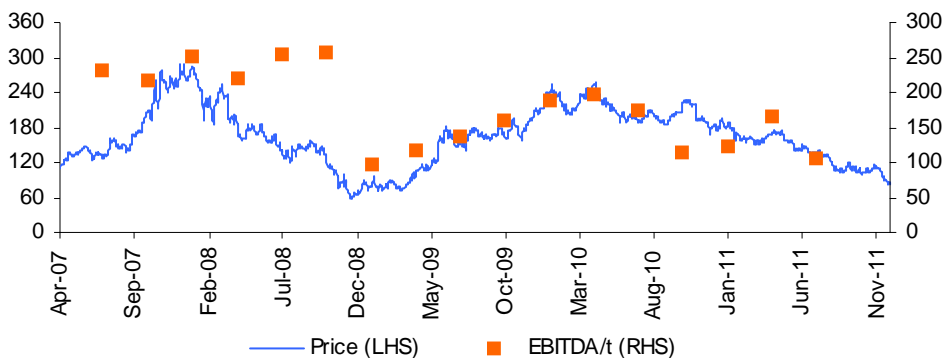
Source: Bloomberg, Company, Antique

One year forward EV/tn sold



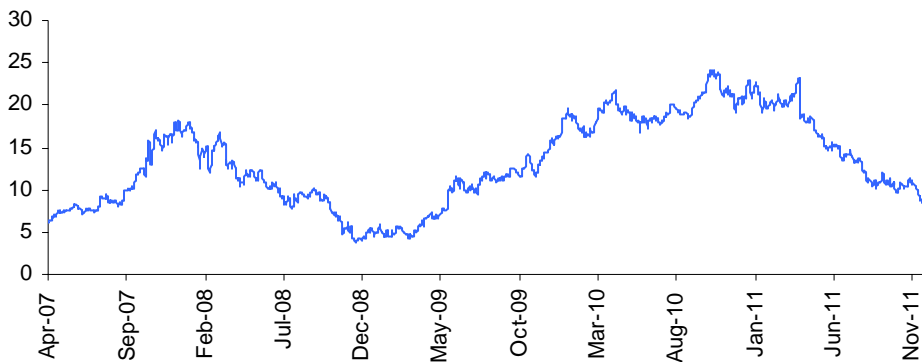
Source: Bloomberg, Company, Antique

Stock Price (INR) v/s EBITDA (USD/t)



Source: Bloomberg, Company, Antique

One year forward PE



Source: Bloomberg, Company, Antique

Financials

Profit and loss account (INRbn)

Year ended 31 Mar	2009	2010	2011e	2012e	2013e
Revenues	439	415	435	481	475
Expenses	348	315	359	419	396
EBITDA	91	100	77	63	79
Depreciation & amortisation	13	13	15	16	18
EBIT	78	86	62	46	61
Interest expense	3	4	5	6	8
Other income	18	19	14	13	11
Profit before tax	94	101	72	53	63
Taxes incl deferred taxation	32	34	23	17	21
Profit after tax	62	68	49	35	42
Adjusted profit after tax	62	68	49	35	42
Recurring EPS (INR)	14.9	16.4	11.9	8.6	10.3

Balance sheet (INRbn)

Year ended 31 Mar	2009	2010	2011e	2012e	2013e
Share Capital	41	41	41	41	41
Reserves & Surplus	240	292	329	345	372
Networth	281	333	371	386	413
Debt	76	165	202	202	202
Capital Employed	357	498	572	588	615
Gross Fixed Assets	329	354	383	433	483
Accumulated Depreciation	205	218	232	248	266
Net Assets	123	136	151	185	216
Capital work in progress	65	150	222	297	347
Investments	7	7	7	7	7
Current Assets, Loans & Advances					
Inventory	102	90	113	120	109
Debtors	30	35	42	46	46
Cash & Bank balance	183	224	175	124	69
Loans & advances and others	22	34	47	47	47
Current Liabilities & Provisions					
Creditors	77	109	115	138	130
Other liabilities & provisions	95	62	59	86	81
Net Current Assets	175	220	207	114	59
Deferred tax assets/(liabilities)	(13)	(14)	(15)	(15)	(15)
Application of Funds	357	498	572	588	614

Per share data

Year ended 31 Mar	2009	2010	2011e	2012e	2013e
No. of shares (m)	4,130	4,130	4,130	4,130	4,130
BVPS (INR)	68	81	90	94	100
CEPS (INR)	18	20	15	13	15
DPS (INR)	2.6	3.3	2.4	3.3	3.3

Margins (%)

Year ended 31 Mar	2009	2010	2011e	2012e	2013e
EBITDA	21	24	18	13	17
EBIT	18	21	14	10	13
PAT	14	16	11	7	9

Source: Company, Antique

Cash flow statement (INRbn)

Year ended 31 Mar	2009	2010	2011e	2012e	2013e
PBT & extraordinary items	94	101	72	53	63
Depreciation & amortisation	13	13	15	16	18
Interest expense	3	4	5	6	8
(Inc)/Dec in working capital	(24)	15	(33)	38	0
Tax paid	31	37	22	17	21
CF from operating activities	61	48	22	83	59
Capital expenditure	(55)	(102)	(107)	(125)	(100)
Inc/(Dec) in investments	(1)	(0)	(0)	-	-
Income from investments	11	21	17	13	11
CF from investing activities	(44)	(80)	(89)	(113)	(90)
Inc/(Dec) in share capital	-	-	-	-	-
Inc/(Dec) in debt	45	89	36	-	-
Dividends & Interest paid	(16)	(13)	(16)	(20)	(22)
CF from financing activities	27	74	18	(22)	(24)
Net cash flow	44	42	(50)	(51)	(55)
Opening balance	138	183	224	175	124
Closing balance	182	224	175	124	69

Growth indicators (%)

Year ended 31 Mar	2009	2010	2011e	2012e	2013e
Revenue (%)	8	(6)	5	11	(1)
EBITDA (%)	(23)	10	(23)	(18)	26
PAT (%)	(18)	9	(27)	(28)	20
EPS (%)	(18)	9	(27)	(28)	20

Valuation (x)

Year ended 31 Mar	2009	2010	2011e	2012e	2013e
PE (x)	6	5	7	10	8
P/BV (x)	1.3	1.1	1.0	0.9	0.9
EV/EBITDA (x)	2.7	2.9	4.9	6.8	6.1
EV/Sales (x)	0.6	0.7	0.9	0.9	1.0
Dividend Yield (%)	3.0	3.8	2.8	3.8	3.8

Financial ratios

Year ended 31 Mar	2009	2010	2011e	2012e	2013e
RoE (%)	22	20	13	9	10
RoCE (%)	22	17	11	8	10
Debt/Equity (x)	0.3	0.5	0.5	0.5	0.5
EBIT/Interest (x)	30	22	13	8	8

Source: Company Antique

NOT RATED

CMP : INR350

Market Cap : INR89bn

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Market data

Sector	:	Chemicals
Market Cap (INRbn)	:	89.4
Market Cap (USDbn)	:	1.7
O/S Shares	:	255
Free Float (m)	:	165
52-wk HI/LO (INR)	:	412/287
Avg Daily Vol	:	414,119
Bloomberg	:	TTCH IN

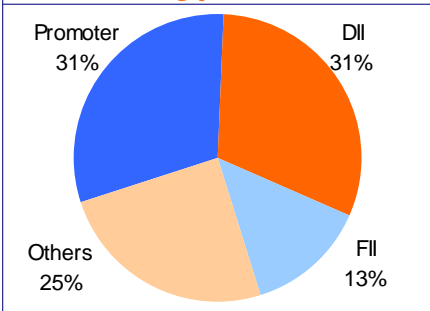
Source: Bloomberg

Returns (%)

	1 m	3m	6m	12m
Absolute	9	5	(8)	(6)
Relative	16	6	4	13

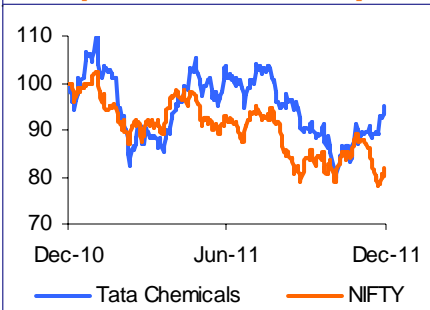
Source: Bloomberg

Shareholding pattern



Source: BSE

Price performance vs Nifty



Source: Bloomberg

MANAGEMENT MEET UPDATE

Tata Chemicals Limited

Global player with strong costing advantages

We met up with the management of Tata Chemicals Limited recently and the following are the key takeaways:

Key highlights

Commendable size and diversified revenues stream

The company has over the years built commendable size in two of its main business lines i.e. soda ash and fertilizers. Being a global player in soda ash has enabled it to build a geographically diversified revenues stream as well. The ability to post stable operating metrics on account of the diversity against the backdrop of the perceived commodity nature of its business' makes the company stand out amongst its peers.

Predictability of cashflows

Despite the multiple acquisitions undertaken by the company in the recent past, it has managed to keep its leverage and debt servicing ability under control. It also exhibited resilience in its working capital management and the same has been borne out by its consistent dividend payout policy. The relatively high degree of predictability of cashflows would also stand in good stead in the coming years for the company in completing its declared capex.

Attractive option values in new business and capex

The company has been investing in a slew of new business related to its existing ones like speciality fertilizers, TKS, water purifiers, trading in pulses, etc. It has also taken a conscious decision to undertake a substantial capex overseas in setting up an integrated fertilizer facility internationally. While some of these business have been exhibiting signs of attaining maturity, their fructification offer an attractive option value which could positively alter the financial metrics.

Valuation

At the CMP of INR350, the stock is trading at a P/E and EV/EBIDTA of 13.6x and 7.2x respectively, discounting its FY11a numbers.

Key financials

YE March (INRm)	2007	2008	2009	2010	2011
Net Revenue	57,632	59,817	126,520	95,436	110,602
YoY Gr (%)	44.2	3.8	111.5	(24.6)	15.9
Operating Profits	9,571	10,154	18,300	17,642	18,459
OPM (%)	16.6	17.0	14.5	18.5	16.7
PAT	5,080	9,644	6,481	6,060	6,535
Dil. EPS (INR)	23.6	41.2	27.6	24.9	25.6
ROCE (%)	19.0	19.6	14.9	14.0	13.8
RONW (%)	20.0	15.1	15.3	12.8	12.9
PE (x)	14.8	8.5	12.7	14.1	13.6
EV/Sales (x)	2.3	2.2	1.0	1.4	1.2
EV/EBIDTA (x)	13.9	13.1	7.3	7.5	7.2

Source: Company, Antique

Introduction

Tata Chemicals Ltd. (Tatachem), is one of the oldest companies in the Tata group and commenced operations in 1937. Starting as salt works operation, it made a logical foray into soda ash production and broadened its offerings in the inorganic chemicals segment. In '94, it set up a fertilizer plant at Babrala (UP), which was considered to be a technological hallmark at that time as it was a dual feed plant setup up in a record time span of 36 months.

Tatachem always has been on the prowl to build up scale and integration in both fertilisers and inorganic chemicals. In that regards, it undertook multiple acquisitions namely a. A 33% stake in IMACID along with Chambal Fertilisers and Morocco based OCP group as equal partners, b. The UK based Brunner Mond group, which made them the world's leading producer of soda ash and its associated products, c. US based General Chemical Industrial Products & d. British Salt, a leading UK based vacuum salt producer.

These have enabled Tatachem to emerge as the second largest player globally in soda ash with a capacity of 5.17mtpa, bettered only by Solvay with a capacity of 8.07mtpa. It is also a leading producer of urea and phosphatic fertilizer in India & has a dominant position in iodized salt segment.

Dissecting its revenue geographically, Asia has the largest share at 72% followed by Americas & Europe at 16% & 11% respectively. It has its manufacturing facilities in India, Kenya, UK & USA and caters to industries such as pharmaceuticals, food processing, food essentials etc. In terms of product categories, it has classified its business model as a. Living essentials, b. Industry essentials and c. Farm essentials

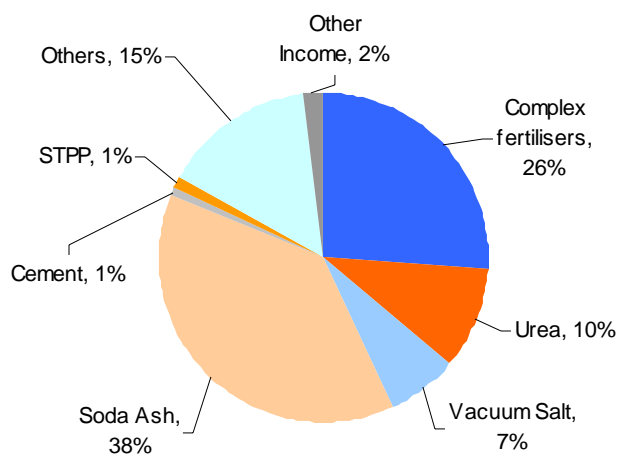
Living essentials primarily comprises of products used for daily consumption of common man such as salt, sodium bicarbonate, fresh produce etc. Industry essentials products are used in glass, detergents, mining and chemical processing and include soda ash, allied chemicals such as caustic soda etc and industrial salt. The third segment is farm essentials and products included are used for improving the productivity & health of crop. It comprises of fertilizers, customized fertilizers and biofuels.

Acquisitions

Year	Name	Cost
2005	IMACID	USD38m
2005	Brunner Mond, UK	INR7.98bn
2008	GCIP Inc, USA	USD1.05bn
2010	Methalix	INR995m
2010	British Salt, UK	GBP93m
2011	EPM, Canada	CAD16m

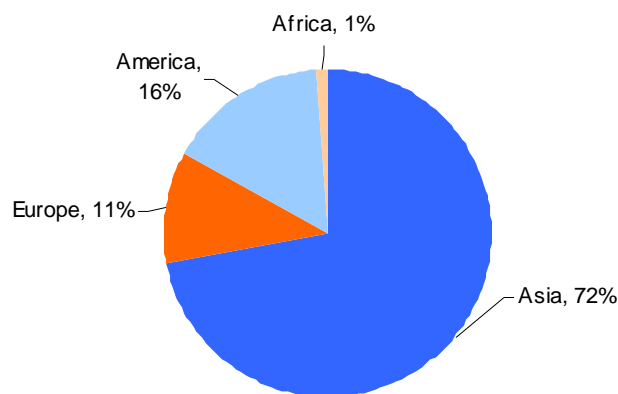
Source: Company

Revenue breakp business wise (FY11 Consol)



Source: Company, Antique

Geographical revenues breakup (FY11 Consol)



Source: Company, Antique

Over the years, it has not only developed global scale, but also managed to retain operational efficiencies despite operating in multiple geographies and having multiple lines of business. Consistent market share in its product ranges and cost effective capex have been the hallmark of the company in recent times.

Product wise market share (%)

	FY06	FY07	FY08	FY09	FY10	FY10 Mkt Size (INR bn)
Urea	5	6	7	8	8	135
Mixed & complex fertilisers other than dap	10	11	12	21	15	69
Di-ammonium phosphate	7	7	6	12	5	68
Ammonia	7	7	8	7	14	40
Soda Ash	31	31	29	29	27	29
Phosphatic fertilisers	7	6	5	10	5	10
Iodised Salt	72	71	70	69	76	7
Sodium Bi-carbonate	51	55	56	60	59	2
Sodium tri-poly-phosphate	38	58	50	46	26	1

Source: CMIE

Details of manufacturing facilities

	Segment	Product	Plant Information
Mithapur, Gujarat	Chemicals Consumer products	Soda ash Chloro-caustic group Marine Chemicals Cement Salt Cooking Soda	a. Installed capacity of 8,75,000 tpa - about 34% of the country's capacity b. one of the largest producers of synthetic soda ash in the world
Babrala, UP	Crop Nutrition	Urea	a. Installed urea capacity of 864,000tpa & constitutes nearly 12% of the total urea produced by the country's pvt. Sector b. two identical streams, each with 1,310tonnes per day capacity of urea c. Ammonia plant with a capacity of 1,520 tonnes per day
Haldia, WB	Chemicals Crop Nutrition	Sulphuric acid phosphoric acid sodium tripolyphosphate (STPP) Di-ammonium phosphate (DAP) NPK complexes Single super phosphate (SSP)	a. capacity is over 1.2mtpa b. India's largest producer of STPP c. sole manufacturing unit for DAP/NPK complexes in West Bengal
Green River Basin, Wyoming, US	Chemicals	Soda ash	a. The site contains the world's largest reserves of trona ore, a unique, naturally occurring deposit of exceptionally pure sodium carbonates, readily convertible to high quality soda ash. b. The facility has a 2.5mtpa capacity c. It consists of an underground trona mine and a surface refining plant that processes the ore into soda ash
UK, Europe Northwich West (Winnington) Northwich East (Lostock)	Chemicals	Soda ash Sodium bicarbonate Calcium chloride Associated alkaline chemicals	a. new 50,000tpa sodium bicarbonate plant, targeted at flue gas treatment applications, is coming up on site
Lake Magadi, Kenya	Chemicals	Soda ash Crushed refined soda Salt	a.the facility recovers trona from one of the purest surface deposits in the base of the rift valley and converts it into sodium carbonate (soda ash) b.It produces dense soda ash or anhydrous sodium carbonate c. It produces crushed refined soda, a chemical composition similar to that of natural sodium sesquicarbonate

Source: Company

Business Model

The company has diversified both on geographical as well as business stream fronts. Broadly it has six primary product categories, namely complex fertilizers, urea, vacuum salt, soda ash, cement and STPP. On a standalone basis, complex fertilizers accounts for ~40% of revenues while on a consolidated basis soda ash dominates.

For purpose of brevity, the company has segregated its operations as a. inorganic chemicals, b. fertilizers, c. other agri inputs and d. others.

A. Inorganic Chemicals

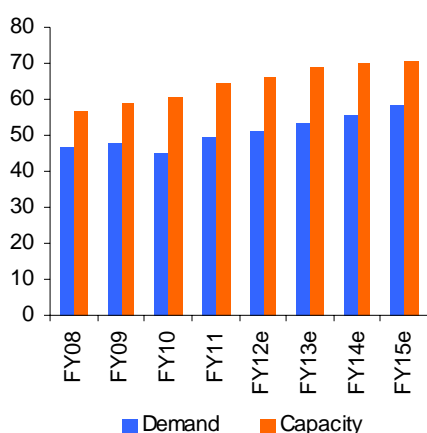
This is the largest segment by revenues and comprises of soda ash, salt, marine chemicals, caustic soda, cement and bulk chemicals. Tatachem is second largest soda ash manufacturer in the world and presently has capacity of 5.17mtpa.

Soda ash is produced through two routes i.e. Synthetic route & Natural route. The former route entails higher cost and necessitates raw materials like limestone, sea water/salt, coke etc and the latter is just a value added mined mineral route. Due to obvious reasons, the latter route is more profitable and hence preferable. In Tatachem, almost two thirds of capacity is through the natural route and hence affords costing, operational and financial advantage to the company.

As the company has manufacturing locations across the globe, it is able to cater to a diverse set of customer base. Soda ash is primarily applied to manufacture flat/float glasses (used in automobile and housing), bottle/container glass, detergents etc. While globally, glass manufacturing is the largest consuming segment of soda ash, in India it is the detergent segment which dominates.

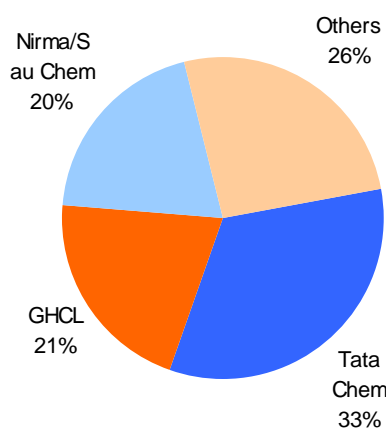
Demand for soda ash has been exhibiting consistent uptrend (both globally and domestically) on account of increasing urbanization, general economic growth, changing life-style preferences etc and hence realizations have been stable despite capacities being set up. We gather that all soda ash facilities of Tatachem are operating at full capacities & have good revenue visibility. It is in process of expanding its Mithapur facility by 0.2mtpa at an estimated capex of INR1.8-2bn and also considering a de-bottlenecking at its US plant.

Soda ash: Global demand/supply



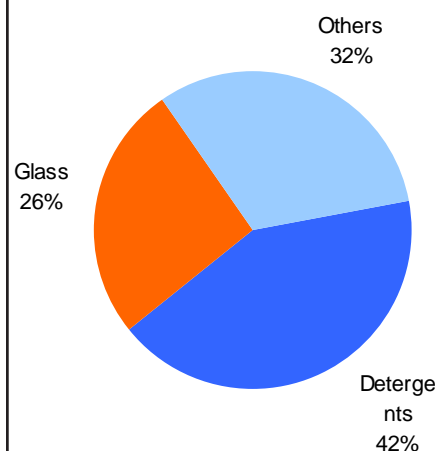
Source: Industry, Company

Soda ash: India market share



Source: Industry, Company

Soda Ash: Usage pattern in India



Source: Industry, Company

Another of its products is Sodium bicarbonate, a derivative product of soda ash and it recorded highest ever production in FY11 at 78,278mt. The products is primarily used as pharmaceutical ingredient & food additive and tatachem commands a ~60% market share domestically.

The company set up a small cement capacity in '93 primarily to handle solid wastes generated as by-products in the manufacture of soda ash. Through effective use of technology, solid effluents are extracted and used to manufactures ordinary port cement and masonry cement. The plant has a capacity of 1,500tpd and is located in Mithapur, Gujarat. Despite being small in the scheme of operations for the company, the cement operation reports high EBDITA margins has good capital efficiencies.

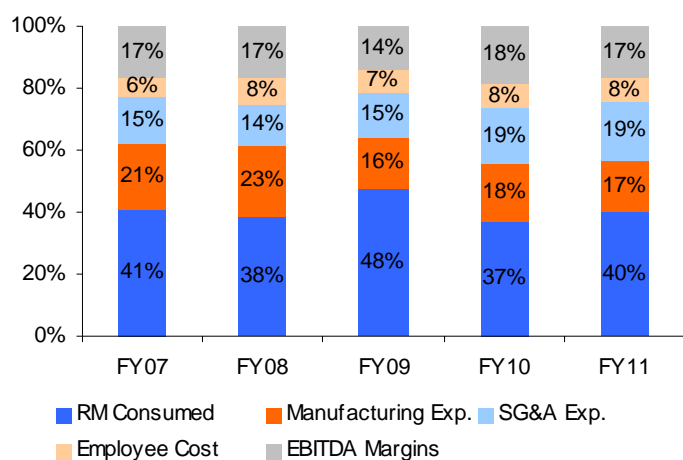
In salts, which is basically a bye product for it, Tatachem has garnered leadership position in India and has been able to post robust performance by leveraging its strong distribution network and brand equity. In FY11, overall salt sales grew by 9% to 808,165mt and reported revenues of INR7.7bn.

B. Fertilizers & Other Agri Inputs

In early nineties, Tatachem set up an integrated fertilizer plant at Babrala, UP which was one of the most efficient plants producing urea, in terms of operating performance. Being one of the earliest dual feedstock plant i.e. able to use naphtha as well as natural gas and located on the HBJ pipeline, the plant has multiple operational advantages. The capacity of the plant has now been assessed at 864,600tpa and in FY11 reported production of 1.17mmt. On a consolidated basis, Urea accounts of 10% of the total sales and 18% on a standalone basis.

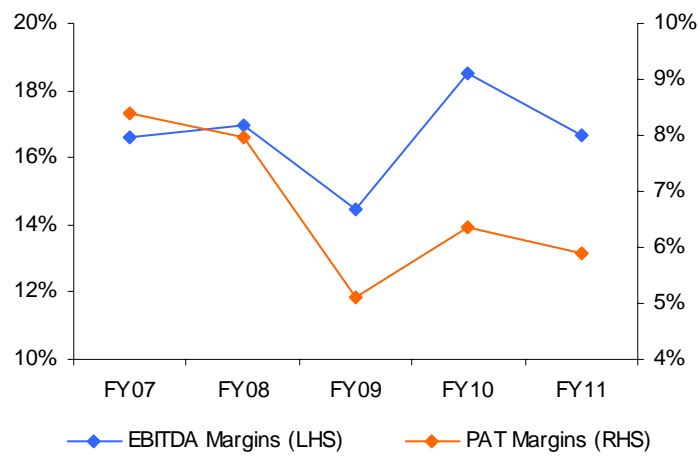
The company also has presence in phosphatic fertilisers (DAP, SSP and NPK) and has a facility in Haldia. To secure control over a key raw material for production of complex fertilisers, Tatachem in 2005, took a one-third stake in IMACID, Morocco for USD38m. This company produces phosphoric acid and has OCP of Morocco and Chambal Fertilisers of India as equal partners. This acquisition has proved to be one of the best cost stabilizers for Tatachem as it insulates it from price gyrations and supply uncertainties. In FY11, the Haldia plant recorded production of 710,379mt of DAP, NPKs and SSP. Presently, the company is expanding its SSP facility by 50,000tpa in Haldia at a cost of INR120-150m and the capacity is expected to come on stream by Dec'11.

Costing trend



Source: Company, Antique

Margin profile



Source: Company, Antique

The company in FY08, started a new subset of business under its fertilizer business namely specialty fertilizers. Initially started as a marketing initiative with specific fertilizer products laced with chemicals like calcium nitrate, zinc sulphate etc., the business has now grown to almost INR1.25bn annually. Tatachem has now invested resources to set up a plant to manufacture the same as this line has all the potential to emerge as a niche business by itself.

C. Others

This segment includes new emerging sectors such as water purifier, pulses and biofuels.

Water Purifier: Tata Swatch was launched in FY10 and is presently available in 12 states across the country. Product has been able to generate substantial interest among the consumers and has attained leadership position in most of the existing markets. The company is looking to capture the growing potential of this underpenetrated business and is in the process of increasing its production capacity from 1.8m units

Pulses: In FY11, the company pilot launched I-shakti pulses in TN, Maharashtra & Delhi. They aim to enhance connect with the farming community and help improve productivity of pulses. Going forward, it also intends to roll out pulses in other states.

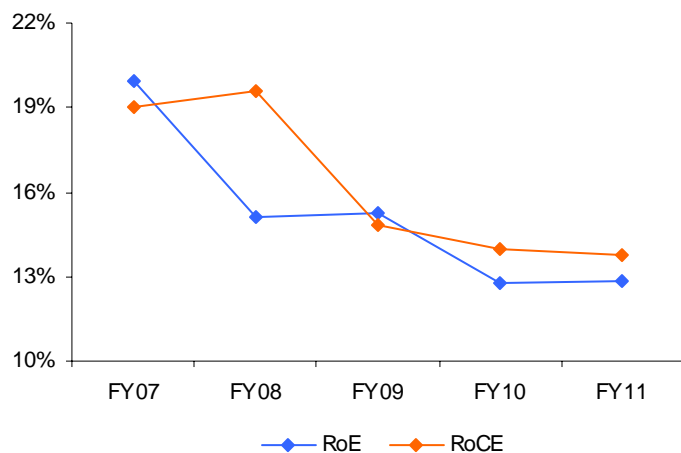
Biofuels: The Company is in the process of setting up a trial bio ethanol plant in Mozambique through a subsidiary. Presently, they have a 30KLPD bio ethanol plant at Nanded, Maharashtra. On back of rising oil prices, the company aims to increase their presence in this space.

Misc details.

Pesticides

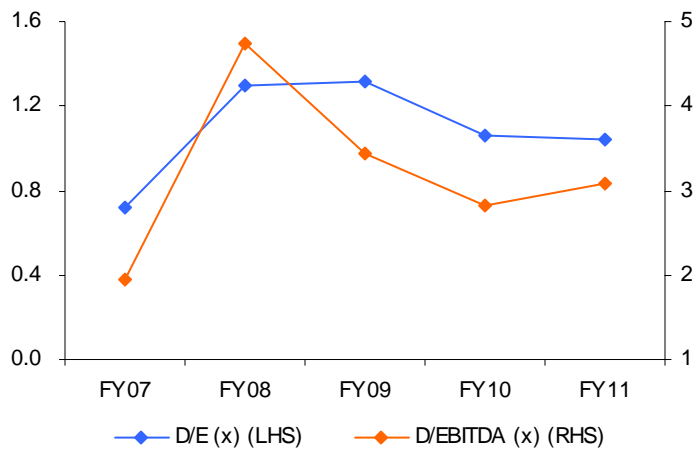
Tatachem has a 50.6% stake in Rallis India Ltd , a listed company of the Tata group. It is the second largest player in the agrochemical space in India and posted revenues of INR10.7bn with an EBIDTA of INR2bn and PAT of INR1.26bn in FY11. For 1HFY12, revenues were INR7.2bn (up 29% YoY), with an EBIDTA of INR1.4bn (up 27% YoY) and PAT of INR847m (up 16% YoY). With business being commendable and considering the synergy both on addressable market as well as manufacturing front with Tatachem, the traction is expected to be mutually beneficial for both the companies.

RoE & RoCE Profile



Source: Company, Antique

Leverage Profile



Source: Company, Antique

Tata Kisan Sansar

The company set up its first kisan sansar in FY98 in order to provide advisory services and fertilizers to farmers. As of date, total number of kisan sansar’s stands at 739 with members in excess of 40,000; primarily in the northern and eastern states to help the farming community improve productivity.

Within the fertilizers segment, TKS provides urea, DAP, MOP, NPK etc; & calcium nitrate, Zinc sulphate in the specialty fertilizers segment. TKS centers are structured in such a fashion that it can provide solution to 30-40 villages in the surrounding areas. The company also provides products of other leading companies in order to help farmers get all nutrients under a single umbrella.

Financials

The company over the past four years has exhibited a CAGR of 18%, 18% and 6% on revenues, operating profits and PAT respectively, despite the acquisitions it has undertaken. It has been able to maintain its operating margins in the range of 16-18% over the last five years, except for FY09 where a substantial jump in raw material costs impacted the same.

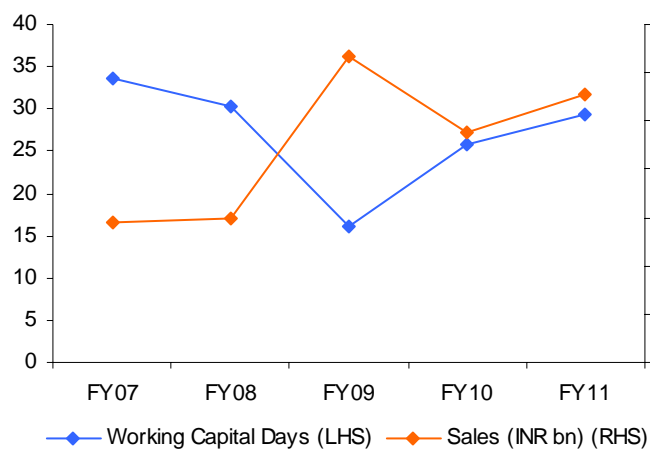
The scale-up post the GCIP acquisition, which made it the second largest soda ash player globally has increased the leverage (from 0.7x in FY07 to 1.3x in FY09) and impacted RoCE/RoE. Despite the size of the acquisition and its associated issues, the company has been able to generate strong cash flows and maintain its working capital cycle in the range of 30-35 days.

The company has been paying dividend regularly over the last decade and has consistently maintained their dividend payout policy in the range of 30-40%.

Capex in Gabon

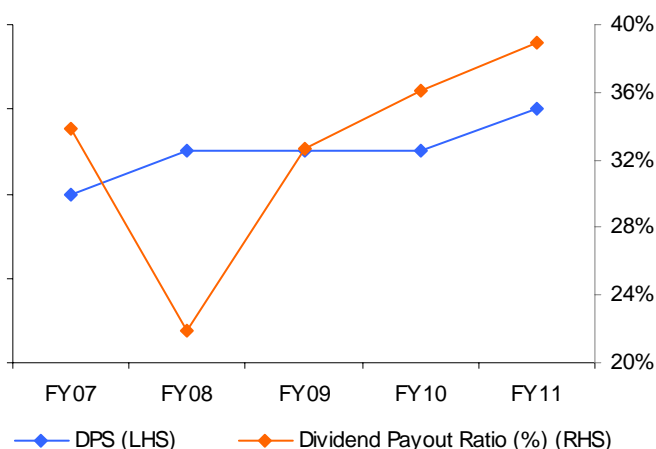
In Apr’11, Tatachem inked an agreement to invest of upto USD290m in a greenfield Urea plant located in Gabon, in Africa. An integrated port-based urea facility with two lines of 1.3mtpa each to be set up in two phases, the first phase is expected to be commissioned in three years and a 25 year agreements on feedstock has been inked at competitive prices. This project has all the makings of emerging as a scale-changer for Tatachem in the near future.

Working Capital Days & Sales Growth



Source: Company, Antique

DPS & Payout Ratio



Source: Company, Antique

Summing up

The company has emerged as one of the largest players in soda ash globally, largely on account of acquisitions. With scale and a favorable production mix, the operations are expected to ensure consistent de-leveraging in the near future. While there are certain issues regarding pricing pressures and realization swings on account of Chinese competition, the company is well poised in India (due to the safeguard duty) and internationally (due to its advantage of natural manufacturing source) to tide of the same in a much better manner than its peers.

The fertilisers industry in India is one of the more regulated ones and thus has always been constrained for growth. However, Tatachem with its operational efficiency has exhibited profitability consistently despite the constraints. The latest policy offers import parity for production in excess of 110% of a plants assessed capacity. Considering the potential production capability of ~1.3mmt, and assessed capacity 0.846mmt, there is a high degree of operating leverage for Tatachem which could pan out in the coming years.

While the company has been mulling increasing its urea capacity at Babrala, post clarity on the policy front it has been wary of incurring capex towards the same. The move to invest in Gabon under such circumstances would go a long way in imparting scalability as well as predictability in its fertilizer business with high capital efficiency.

Despite being a commodity player, the company has advantages of scale and control over inputs (natural resources) to a large extent. The operating leverage in the majority of its business segments is also tremendous. The new business it has been seeding like speciality fertilizers, pulses trading, TKS, water purifiers, etc all have high scalability potential with low capital requirements. This along with its prudent implementation of capex make this company one of the more attractive player in a natural resource base commodity sector.

Financials

Profit and loss account (INRm)

Year ended 31st Mar	2007	2008	2009	2010	2011
Revenues	57,632	59,817	126,520	95,436	110,602
Expenses	48,061	49,663	108,220	77,794	92,143
Operating Profit	9,571	10,154	18,300	17,642	18,459
Other income	1,704	6,267	2,040	1,688	962
EBIDT	11,275	16,421	20,340	19,330	19,421
Depreciation	2,739	3,138	5,419	4,468	4,511
Interest expense	962	1,365	3,953	3,932	3,508
Profit before tax	7,574	11,918	10,968	10,930	11,402
Taxes incl deferred taxation	2,401	2,115	1,575	2,093	2,749
Extra ordinary items	93	159	1,795	1,601	192
Profit after tax before MI	5,080	9,644	7,598	7,236	8,461
Minority Interest	-	-	1,117	1,176	1,926
Profit after tax	5,080	9,644	6,481	6,060	6,535
EPS (INR)	23.6	41.2	27.6	24.9	25.6

Balance sheet (INRm)

Year ended 31st Mar	2007	2008	2009	2010	2011
Share Capital	2,152	2,341	2,352	2,433	2,548
Reserves & Surplus	23,778	34,844	45,346	44,731	51,969
Networth	25,930	37,185	47,698	47,164	54,517
Minority Interest	-	423	1,522	3,501	4,065
Debt	18,642	48,215	62,928	49,980	56,997
Deferred Tax Liability	2,337	2,695	125	139	44
Capital Employed	46,908	88,517	112,273	100,784	115,623
Gross Fixed Assets	65,455	109,760	126,409	127,969	143,607
Accumulated Depreciation	29,558	32,216	37,351	41,597	49,468
Net Assets	35,897	77,544	89,058	86,372	94,138
Capital work in progress	2,296	2,660	4,825	5,184	7,091
Investments	7,753	4,174	8,698	5,577	4,479
Current Assets, Loans & Advances					
Inventory	6,352	9,302	12,677	9,587	11,456
Debtors	9,665	11,999	16,358	11,111	13,654
Cash & Bank balance	1,545	6,767	9,899	11,589	13,450
Loans & advances and others	2,582	6,200	7,578	5,425	7,819
Current Liabilities & Provisions					
Creditors	8,428	15,214	17,279	10,377	11,823
Other liabilities & provisions	10,789	14,921	19,539	23,764	24,641
Net Current Assets	926	4,133	9,693	3,572	9,915
Miscellaneous Expenditure	37	5	79		
Application of Funds	46,908	88,517	112,273	100,784	115,623

Per share data

Year ended 31st Mar	2007	2008	2009	2010	2011
No. of shares (m)	215	234	235	243	255
BVPS (INR)	120.5	158.9	202.8	193.8	213.9
CEPS (INR)	36.3	54.6	50.6	43.3	43.3
DPS (INR)	8	9	9	9	10

Margins (%)

Year ended 31st Mar	2007	2008	2009	2010	2011
EBITDA	16.6	17.0	14.5	18.5	16.7
EBIT	14.8	22.2	11.8	15.6	13.5
PAT	8.4	8.0	5.1	6.3	5.9

Source: Company, Antique

Cash flow statement (INRm)

Year ended 31st Mar	2007	2008	2009	2010	2011
PBT	7,481	11,759	9,173	9,329	11,210
Depreciation & amortisation	2,739	3,138	5,419	4,841	4,611
Interest expense	1,194	1,365	3,953	3,932	3,508
Interest / Dividend Recd	(920)	(964)	(826)	(692)	(763)
Other Adjustments	(565)	(4,472)	1,825	1,842	(416)
(Inc)/Dec in working capital	1,336	816	(6,842)	3,522	(4,286)
Tax paid	(2,144)	(2,836)	(2,423)	(2,877)	(4,271)
CF from operating activities	9,121	8,806	10,279	19,896	9,594
Capital expenditure	(5,204)	(2,445)	(7,331)	(5,885)	(5,932)
(Purchase) / Sale of Investments	(2,255)	(31,967)	(280)	690	(6,879)
Income from investments	923	945	762	768	778
CF from investing activities	(6,536)	(33,467)	(6,849)	(4,428)	(12,033)
Inc/(Dec) in share capital	-	-	-	-	3,634
Inc/(Dec) in debt	471	33,044	5,257	(6,524)	6,634
Dividends & Interest paid	(2,741)	(3,502)	(6,172)	(7,503)	(6,657)
CF from financing activities	(2,270)	29,542	(916)	(14,027)	3,610
Net cash flow	316	4,881	2,514	1,441	1,172
Opening balance	1,229	1,886	7,385	10,148	12,278
Closing balance	1,545	6,767	9,899	11,589	13,450

Growth indicators (%)

Year ended 31st Mar	2007	2008	2009	2010	2011
Revenue	44.2	3.8	111.5	(24.6)	15.9
EBITDA	36.3	6.1	80.2	(3.6)	4.6
PAT	18.6	89.8	(32.8)	(6.5)	7.8
EPS	18.6	74.5	(33.1)	(9.6)	3.0

Valuation (x)

Year ended 31st Mar	2007	2008	2009	2010	2011
PE	14.8	8.5	12.7	14.1	13.6
P/BV	2.9	2.2	1.7	1.8	1.6
EV/EBITDA	13.9	13.1	7.3	7.5	7.2
EV/Sales	2.3	2.2	1.0	1.4	1.2
Dividend Yield (%)	2.3	2.6	2.6	2.6	2.9

Financial ratios

Year ended 31st Mar	2007	2008	2009	2010	2011
RoE (%)	20.0	15.1	15.3	12.8	12.9
RoCE (%)	19.0	19.6	14.9	14.0	13.8
Debt/Equity (x)	0.7	1.3	1.3	1.1	1.0
EBIT/Interest (x)	8.9	9.7	3.8	3.8	4.3

Source: Company Antique

Valuation Guide

Company	Reco	CMP	TP	Return	M.Cap	Net profit (INRbn)		EPS (INR)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yld (%)	RoE (%)	RoCE (%)	Absolute (%)	
		(INR)	(INR)	(%)	(INRbn)	FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12	FY12	FY12	FY12	FY12	1m	12m
AUTOMOBILES																			
Ashok Leyland	HOLD	25	32	28	66	6.3	6.5	2.4	2.4	10.5	10.3	7.4	7.0	1.5	2.8	14.8	14.4	(5)	(33)
Bajaj Auto	BUY	1,704	1,935	14	493	26.2	32.0	90.4	110.7	18.9	15.4	14.5	11.9	7.8	2.9	50.4	67.9	(1)	8
Bosch	BUY	6,956	8,056	16	218	8.6	11.2	273.5	358.2	25.4	19.4	20.8	16.1	4.3	0.8	22.4	27.8	1	9
Exide Industries	SELL	116	102	(12)	99	6.2	4.4	7.3	5.1	16.0	22.7	11.2	15.9	3.2	0.9	14.1	20.8	(4)	(30)
Escorts	HOLD	81	87	8	9	1.3	1.3	13.2	12.9	6.1	6.3	5.0	4.0	0.4	2.1	6.9	9.1	(5)	(59)
Hero MotoCorp	BUY	2,088	2,672	28	417	19.3	23.5	100.5	117.6	20.8	17.8	19.5	16.8	10.5	4.8	79.1	96.0	(2)	8
Mahindra & Mahindra	BUY	730	874	20	448	25.4	26.3	40.6	40.2	18.0	18.2	13.5	12.7	3.9	1.4	21.6	26.8	(12)	(9)
Maruti Suzuki	HOLD	962	1,178	22	278	22.9	17.8	79.2	61.7	12.2	15.6	7.2	8.9	1.8	0.6	11.5	19.0	(15)	(32)
Tata Motors	BUY	183	207	13	540	89.4	94.6	28.0	29.7	6.5	6.2	4.5	3.8	2.1	0.9	34.0	30.4	(5)	(29)
CEMENT																			
ACC	HOLD	1,172	1,122	(4)	220	11.2	11.5	59.6	61.4	19.7	19.1	13.8	11.2	3.2	2.6	25.9	17.2	(1)	18
Ambuja Cements	HOLD	149	146	(2)	228	12.6	13.2	8.1	8.6	18.4	17.3	11.6	9.6	2.8	1.8	17.0	22.1	(4)	6
Shree Cements	BUY	2,079	2,275	9	72	2.1	2.6	61.2	75.8	33.9	27.4	9.0	7.4	3.1	0.6	11.7	12.7	8	(1)
Ultratech Cements	BUY	1,165	1,206	4	319	14.4	18.7	52.4	68.2	22.2	17.1	14.4	10.2	2.6	0.5	16.6	18.3	2	1
DIVERSIFIED																			
Aditya Birla Nuvo	BUY	905	1,060	17	103	3.4	3.7	29.9	32.6	30.3	27.7	16.2	14.7	1.9	0.4	6.7	7.7	(5)	17
FMCG & RETAIL																			
Asian Paints	HOLD	2,796	3,102	11	268	8.8	10.0	87.4	100.3	32.0	27.9	20.5	18.2	11.8	1.3	42.2	42.1	(11)	4
Britannia Industries	HOLD	470	452	(4)	56	1.5	2.2	12.2	18.2	38.6	25.8	27.1	18.3	9.7	1.6	32.2	20.1	(1)	15
Colgate Palmolive India	SELL	1,002	832	(17)	136	4.0	4.1	29.6	30.5	33.9	32.8	29.4	27.0	30.8	2.3	104.8	108.4	(4)	13
Dabur India	BUY	94	113	20	164	5.7	6.6	3.3	3.8	28.8	24.8	23.4	19.4	9.1	1.5	40.8	27.3	(6)	(1)
Radico Khaitan	BUY	119	186	56	16	0.7	0.9	5.5	6.5	21.7	18.3	13.9	11.7	2.2	0.7	12.0	10.7	(3)	(27)
Godrej Consumer Products	HOLD	396	411	4	128	4.7	5.7	14.4	17.7	27.5	22.3	22.8	17.0	6.3	1.6	35.6	38.7	(6)	(5)
Hindustan Unilever	BUY	391	443	13	844	21.6	25.7	10.0	11.9	39.0	32.9	35.0	27.6	25.4	1.9	77.1	81.5	1	31
ITC	HOLD	204	218	7	1,586	49.9	62.1	6.4	8.0	31.6	25.4	21.9	17.8	8.8	2.4	31.3	40.5	(2)	20
Jyothy Laboratories	HOLD	145	153	5	12	0.8	0.7	9.5	8.3	15.3	17.6	9.8	14.3	1.7	2.2	11.9	11.1	5	(46)
Marico	HOLD	148	148	(0)	91	2.6	2.9	4.2	4.7	35.5	31.9	23.7	20.1	7.9	0.4	28.0	19.8	(5)	15
Nestle India	SELL	4,191	3,699	(12)	404	8.4	10.4	86.8	108.3	48.3	38.7	32.1	25.7	38.7	1.9	97.8	131.2	(4)	17
Pantaloon Retail	HOLD	208	180	(14)	45	1.9	2.1	8.7	9.0	23.9	23.2	8.8	8.0	1.4	0.7	6.1	9.9	11	(48)
Titan Industries	BUY	186	248	33	165	4.3	5.8	4.9	6.5	38.1	28.5	26.4	20.8	11.2	1.0	39.3	46.6	(14)	(2)
United Breweries	HOLD	401	372	(7)	102	1.9	2.2	7.3	8.5	54.8	47.3	29.8	26.0	1.6	0.2	13.2	10.2	(1)	(1)
United Spirits	HOLD	702	942	34	92	3.4	4.0	29.2	32.6	24.0	21.6	14.0	12.6	1.9	0.3	8.3	8.9	(17)	(50)
INFRASTRUCTURE																			
IL&FS TransportationNetworks	BUY	171	330	93	33	4.3	4.9	22.3	25.3	7.7	6.8	6.8	6.7	1.3	1.8	19.6	14.0	(17)	(42)
Mundra Port And SEZ	BUY	126	164	30	253	8.2	11.1	3.9	5.4	32.0	23.3	22.9	15.4	5.1	0.6	19.4	14.6	(21)	(18)
INFORMATION TECHNOLOGY																			
HCL Technologies	HOLD	401	428	7	277	17.1	20.0	24.6	28.6	16.3	14.0	10.6	9.0	2.8	2.0	19.8	27.3	(7)	(2)
Infosys Ltd.	BUY	2,655	3,318	25	1,525	68.2	83.5	119.4	146.1	22.2	18.2	15.2	12.1	4.7	1.1	25.8	31.0	(6)	(13)
Persistent Systems	BUY	317	418	32	13	1.4	1.4	34.7	33.9	9.1	9.4	7.4	5.3	1.5	2.8	15.7	16.1	1	(20)
Tata Consultancy Services	BUY	1,135	1,344	18	2,221	90.7	105.7	46.3	54.0	24.5	21.0	19.2	15.4	7.3	1.5	34.7	43.1	2	5
Wipro	BUY	386	421	9	950	310.5	364.3	21.8	22.1	17.7	17.5	14.6	13.7	3.5	1.8	19.9	18.3	4	(7)
KPIT Cummins	BUY	160	208	30	14	0.9	1.2	11.7	14.2	13.7	11.3	8.7	7.5	2.0	0.6	17.5	16.7	(1)	8
MEDIA																			
Den Networks	BUY	61	75	23	8	0.4	0.3	2.9	2.1	21.3	29.6	6.7	7.4	1.0	-	3.5	5.2	(20)	(67)
Dish TV India	HOLD	66	80	22	70	(1.9)	(1.3)	(1.8)	(1.2)	(36.6)	(53.9)	32.4	16.7	4.3	-	(7.9)	0.1	(13)	(11)
Hathway Cable & Datacom	BUY	107	119	12	15	(0.3)	0.0	(2.1)	0.1	(49.9)	1,296.1	12.1	9.7	1.8	-	0.1	3.2	(8)	(35)
TV 18 Broadcast	BUY	38	74	97	14	(0.2)	0.7	(0.7)	1.9	(51.4)	19.5	40.4	13.5	1.4	-	7.2	6.4	(16)	(60)
Sun TV Network	BUY	265	454	71	105	7.7	8.0	19.5	20.4	13.6	13.0	6.2	5.9	4.0	3.5	30.5	40.0	4	(49)
UTV Software Communications	HOLD	937	729	(22)	38	1.4	2.0	33.3	49.1	28.1	19.1	26.1	14.4	3.4	-	14.4	1.0	(2)	76
Zee Entertainment Enterprises	BUY	126	148	17	123	6.4	6.2	6.5	6.3	19.4	20.0	14.5	13.8	3.5	1.4	17.6	23.7	7	(13)

UR: Under Review

Valuation Guide

Company	Reco	CMP (INR)	TP (INR)	Return (%)	M.Cap (INRbn)	Net profit (INRbn)		EPS (INR)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yld (%)	RoE (%)	RoCE (%)	Absolute (%)	
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					FY12	FY12
METALS																			
Graphite India	BUY	69	111	60	14	1.9	2.1	10.3	10.6	6.7	6.5	5.4	5.2	0.8	4.3	13.1	16.0	(5)	(26)
Hindalco Industries	HOLD	131	143	9	251	12.8	16.9	12.8	16.9	10.2	7.8	6.6	6.1	0.8	1.9	10.2	9.6	(3)	(39)
Hindustan Zinc	BUY	126	148	18	531	49.2	48.4	11.6	11.5	10.8	11.0	6.8	6.0	2.0	0.9	18.1	18.1	4	6
Jindal Steel & Power	BUY	521	603	16	487	37.5	44.0	47.1	55.4	11.1	9.4	9.9	8.8	2.6	0.3	23.8	14.6	(6)	(21)
JSW Steel	BUY	620	750	21	138	20.1	10.8	90.1	44.8	6.9	13.8	6.7	7.3	0.7	1.6	5.4	5.5	(3)	(49)
Monnet Ispat	BUY	364	618	70	23	2.6	3.2	40.9	50.2	8.9	7.3	11.8	9.7	12.1	4.3	17.4	13.2	(19)	(34)
Prakash Industries	BUY	35	107	203	5	2.2	2.1	16.3	15.7	2.2	2.2	2.4	2.6	0.2	-	11.6	12.8	(23)	(68)
Sesa Goa	HOLD	189	205	8	164	42.2	22.2	49	25	3.9	7.4	3.8	5.6	1.1	1.7	33.0	15.0	(9)	(37)
Steel Authority of India	HOLD	86	108	26	353	48.8	38.1	11.8	9.2	7.2	9.3	5.0	6.5	0.9	3.9	9.9	8.6	(23)	(53)
Sterlite Industries	BUY	106	148	40	355	50.4	44.4	15.0	13.2	7.0	8.0	4.4	4.1	0.8	1.0	9.8	11.4	(14)	(36)
TATA Steel	HOLD	403	418	4	386	89.8	51.8	93.7	53.4	4.3	7.5	5.7	7.5	0.9	2.9	12.4	6.7	(15)	(34)
OIL & GAS																			
Bharat Petroleum Corp.	BUY	526	607	15	190	17.2	12.6	52.4	38.3	10.0	13.7	11.0	11.5	1.2	1.5	12.2	5.4	(16)	(25)
Cairn India	HOLD	312	312	0	593	63.2	72.0	33.3	43.6	9.4	7.1	6.9	4.8	2.1	1.9	17.5	17.7	4	(2)
Essar Oil	BUY	69	138	100	94	6.5	8.0	4.8	5.8	14.4	11.9	8.7	9.1	1.3	-	10.8	7.6	(18)	(47)
GAIL India	BUY	397	463	17	504	35.6	41.2	28.1	32.5	14.1	12.2	9.2	8.0	2.3	1.9	18.5	21.6	(6)	(20)
Gujarat State Petronet	BUY	90	134	49	51	5.1	4.5	9.0	8.0	10.0	11.3	6.6	7.0	18.8	8.3	18.7	19.6	(9)	(19)
Hindustan Oil Exploration Co.	BUY	121	183	52	16	0.8	1.0	6.2	7.6	19.3	15.9	8.6	6.9	8.4	1.9	7.9	8.5	5	(47)
Hindustan Petroleum Corp.	BUY	277	356	29	94	15.4	5.7	45.4	17.0	6.1	16.3	10.4	12.5	0.7	1.8	12.3	5.0	(18)	(36)
Indian Oil Company	BUY	259	314	21	628	74.5	38.7	31.4	16.3	8.2	15.8	9.7	10.7	1.1	2.0	13.5	6.6	(12)	(33)
MRPL	BUY	60	108	79	106	11.6	7.2	6.6	4.1	9.2	14.7	4.9	10.0	6.6	0.8	10.5	9.7	(4)	(18)
Oil India	BUY	1,136	1,638	44	273	28.9	33.2	120.1	138.2	9.5	8.2	4.1	3.1	1.5	3.4	18.6	21.3	(11)	(19)
Oil & Natural Gas Corp.	BUY	266	335	26	2,279	189.3	207.3	25.3	29.3	10.5	9.1	5.9	5.5	2.1	3.6	19.4	19.0	(4)	(17)
Petronet LNG	BUY	162	216	33	122	6.2	10.5	8.3	14.0	19.6	11.6	13.5	8.5	3.5	1.5	29.8	21.8	(0)	34
Reliance Industries	HOLD	799	880	10	2,616	192.9	206.1	58.9	62.9	13.6	12.7	8.3	8.2	1.4	1.0	12.0	9.2	(7)	(19)
PHARMACEUTICALS																			
Aurobindo Pharma	UR	93	UR	NA	27	5.8	5.3	19.9	18.2	4.6	5.1	5.1	5.5	1.0	0.8	16.1	22.9	(29)	(64)
Cadila Healthcare	UR	705	UR	NA	144	7.1	8.8	33.3	43.0	21.2	16.4	14.8	11.3	5.0	1.0	21.6	35.9	(6)	(8)
Claris Lifesciences	UR	119	UR	NA	8	1.5	1.9	24.1	29.2	4.9	4.1	3.6	3.3	0.6	6.1	16.5	21.5	0	-
Dr Reddy's	UR	1,546	UR	NA	262	10.0	11.5	59.0	68.0	26.2	22.7	18.2	14.2	5.3	1.1	20.7	25.8	(4)	(13)
Indoco Remedies	UR	400	UR	NA	5	0.5	0.6	39.2	50.3	10.2	8.0	7.0	5.0	1.2	2.9	16.4	16.6	7	(18)
Ipca Laboratories	UR	253	UR	NA	32	2.4	3.4	19.2	27.3	13.2	9.3	9.1	6.4	2.2	-	18.5	26.8	(7)	(20)
Lupin	UR	466	UR	NA	208	8.8	10.9	19.9	24.5	23.4	19.0	16.7	13.2	4.8	0.5	29.1	28.7	(2)	(9)
Sun Pharma	UR	523	UR	NA	538	15.5	21.7	15.0	20.9	34.9	25.0	27.4	19.5	4.9	0.5	22.4	21.4	3	17
Ranbaxy Laboratories	UR	443	UR	NA	187	15.9	7.8	35.5	18.4	12.5	24.1	6.6	13.4	3.0	0.5	9.6	13.0	(12)	(23)
REAL ESTATE																			
D B Realty	UR	68	UR	NA	17	3.8	4.8	15.6	19.6	4.4	3.5	3.9	2.9	0.4	-	12.2	16.4	(4)	(69)
DLF	UR	219	UR	NA	371	16.4	14.9	9.7	8.8	22.6	24.8	15.9	15.3	1.4	0.9	5.5	6.2	(8)	(31)
HDIL	UR	63	UR	NA	26	8.3	8.8	19.9	19.9	3.1	3.2	6.1	4.9	0.3	-	8.1	7.9	(36)	(68)
Indiabulls Real Estate	UR	64	UR	NA	26	1.6	2.8	4.0	6.5	16.1	9.9	17.7	8.8	0.3	-	1.6	2.0	(10)	(59)
Phoenix Mills	UR	193	UR	NA	28	0.9	1.1	6.5	7.9	29.7	24.6	26.7	17.8	1.6	0.6	5.6	3.6	(4)	(17)
Sobha Developers	UR	233	UR	NA	23	1.9	2.3	19.5	23.0	11.9	10.1	10.1	8.7	1.1	1.3	10.9	9.5	(4)	(29)
Unitech	UR	24	UR	NA	63	5.7	6.4	2.2	2.4	11.1	9.8	12.6	10.5	0.5	-	4.9	5.1	(19)	(63)
SHIPPING AND LOGISTICS																			
Container Corp. of India	HOLD	914	1,024	12	119	8.3	9.0	63.9	68.9	14.3	13.3	9.3	8.7	2.1	1.9	15.8	22.5	(7)	(29)
Essar Ports Ltd	BUY	68	120	77	28	0.5	1.4	1.1	3.2	60.3	21.3	14.3	10.1	1.2	-	5.7	7.4	(26)	(43)
Great Eastern Shipping Co	BUY	223	305	37	34	4.2	2.6	27.8	17.1	8.0	13.0	8.3	7.3	0.5	3.6	4.1	5.2	(4)	(40)
Great Offshore	BUY	98	315	222	4	0.6	0.9	17.4	24.8	5.6	3.9	8.3	6.9	0.3	4.1	7.5	6.1	(22)	(74)
Mercator Lines	BUY	22	48	121	5	1.0	1.3	3.8	4.8	5.7	4.5	4.9	5.2	0.3	4.6	5.6	5.6	(17)	(64)
SUGAR																			
Balrampur Chini Mills	BUY	44	57	31	11	1.7	(0.1)	6.4	(0.5)	6.8	(82.1)	5.9	14.6	0.9	2.3	(1.1)	3.4	(19)	(44)
Shree Renuka Sugars	SELL	32	40	26	21	7.0	(2.9)	10.5	(4.3)	3.0	3.0	6.8	7.3	1.1	3.1	(13.4)	8.4	(44)	(63)

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Valuation Guide

Company	Reco	CMP (INR)	TP (INR)	Return (%)	M.Cap (INRbn)	Net profit (INRbn)		EPS (INR)		PE (x)		EV/EBITDA (x)		P/BV (x) FY12	Div Yld (%) FY12	RoE (%) FY12	RoCE (%) FY12	Absolute (%)	
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					1m	12m
UTILITIES & INDUSTRIALS																			
ABB	SELL	602	533	(11)	128	2.2	3.6	10.4	17.0	58.1	35.3	149.5	23.3	4.5	0.0	12.8	16.5	(12)	(24)
Adani Power	UR	72	UR	NA	156	10.6	21.8	4.9	10.0	14.7	7.2	21.1	9.6	1.6	-	22.8	8.7	(18)	(48)
BGR	BUY	260	618	137	19	3.2	3.7	44.9	51.5	5.8	5.1	3.9	4.9	1.5	4.4	34.1	19.9	(20)	(65)
Bharat Heavy Electricals	BUY	276	405	47	677	54.8	64.7	22.4	26.4	12.3	10.5	7.8	6.0	2.8	2.6	26.4	33.7	(13)	(37)
CESC	BUY	259	391	51	32	2.5	3.0	20.1	23.9	12.9	10.9	11.7	13.1	0.7	2.3	8.6	3.1	(6)	(30)
Coal India	BUY	331	374	13	2,088	109.3	141.5	17.3	22.4	19.1	14.8	12.2	9.4	4.8	0.3	32.4	31.2	0	3
Lanco Infrastructure	BUY	13	35	180	30	4.5	6.0	1.9	2.5	6.7	5.0	14.5	8.9	0.7	-	13.3	7.8	(20)	(80)
Larsen & Toubro	BUY	1,295	1,643	27	792	44.6	49.7	73.2	81.6	17.7	15.9	14.1	12.5	2.7	1.3	17.2	11.4	(7)	(36)
McNally Bharat Eng. Ltd.	BUY	100	202	103	3	0.6	0.8	20.4	25.3	4.9	3.9	4.6	4.1	0.8	2.0	20.8	16.6	(18)	(58)
NTPC	BUY	167	203	22	1,373	93.7	97.8	11.4	11.9	14.7	14.0	11.1	10.3	1.9	2.8	13.3	10.8	(6)	(11)
Power Grid	BUY	100	124	24	463	23.9	29.1	5.2	6.3	19.3	15.9	11.9	10.6	2.0	1.6	12.3	8.1	(4)	3
PTC India	BUY	47	96	103	14	1.4	1.3	4.7	4.4	10.0	10.8	5.0	5.1	0.6	3.2	7.6	5.3	(33)	(62)
Reliance Infrastructure	BUY	406	1,065	162	109	15.0	16.0	65.6	70.2	6.2	5.8	11.8	11.3	0.4	6.0	6.4	2.0	(9)	(53)
Siemens	SELL	701	818	17	238	9.8	11.0	29.1	32.7	24.1	21.4	17.4	15.8	18.8	1.0	21.8	30.8	(17)	(11)
Suzlon Energy	BUY	23	70	199	42	(5.5)	4.9	(3.0)	2.6	(7.9)	9.0	19.7	6.9	0.7	1.9	7.5	7.4	(37)	(55)
Tata Power	SELL	93	92	(1)	221	20.6	19.0	86.8	77.1	1.1	1.2	9.7	7.6	0.2	14.2	12.9	4.3	(8)	(29)
Tecpro Systems	BUY	176	306	74	9	1.3	1.7	7.0	30.0	25.2	25.2	2.0	1.3	1.3	2.4	21.3	21.9	(20)	(55)

MISCELLANEOUS

Amtek Auto	HOLD	117	NA	NA	27	1.6	4.0	6.9	17.2	17.0	6.8	5.9	4.8	0.5	1.7	7.4	8.9	(8)	(9)
Bajaj Electricals	BUY	181	268	48	18	1.4	1.5	14.5	15.6	12.4	11.6	7.3	7.0	2.4	1.7	23.0	33.5	(7)	(27)
Cummins India	HOLD	356	385	8	99	6.3	5.5	22.9	20.0	15.6	17.8	14.8	16.2	4.4	2.2	24.9	24.9	(9)	(37)
Havell's India	BUY	420	520	24	52	3.0	3.8	24.3	30.2	17.3	13.9	11.1	8.7	5.3	0.7	57.6	30.1	10	6
Maharashtra Seamless	BUY	336	436	30	24	3.4	3.5	48.6	49.5	6.9	6.8	5.8	4.1	0.8	1.8	14.2	21.5	(1)	(15)
Mahindra Holidays	BUY	304	481	58	26	1.0	1.4	12.5	16.4	24.4	18.6	19.8	12.7	4.3	1.6	25.0	13.5	(8)	(14)
McLeod Russel	BUY	227	291	28	25	2.3	2.7	21.2	24.2	10.7	9.4	9.5	7.4	1.4	2.2	16.3	18.7	(11)	5
Nava Bharat Ventures	BUY	185	245	33	17	3.1	1.4	33.9	15.9	5.5	11.6	4.9	7.4	0.9	1.4	7.5	6.2	2	(45)
Opto Circuits	BUY	202	287	42	38	3.7	4.8	19.7	25.8	10.3	7.8	9.9	6.8	2.2	2.2	24.1	0.5	(19)	(30)
Rainbow Papers	HOLD	61	60	(3)	6	0.4	0.6	4.1	6.2	15.0	10.0	10.1	6.2	1.6	0.8	14.7	9.5	(3)	2
REI Agro	BUY	21	32	51	20	2.7	3.5	2.8	3.6	7.6	5.9	6.0	5.5	0.8	1.9	16.5	13.3	(9)	(17)
S Kumars Nationwide	BUY	29	89	204	8	3.3	3.8	11.1	12.8	2.6	2.3	4.2	3.6	0.3	-	15.2	16.0	(25)	(67)
Spice Jet	BUY	22	41	88	10	1.0	0.4	2.6	0.9	8.5	24.9	1.6	2.7	2.4	-	9.8	(1.3)	(8)	(74)
Sterlite Technologies	HOLD	34	39	14	13	1.4	1.0	3.8	2.7	9.1	12.7	6.9	6.7	0.4	1.5	9.0	13.3	(12)	(56)
V-Guard Industries	HOLD	181	214	18	5	0.4	0.4	14.3	14.8	12.7	12.2	9.3	8.1	2.6	1.7	23.4	22.7	(13)	2
West Coast Paper Mills	BUY	52	90	75	3	0.9	0.1	14.4	1.6	3.6	31.8	6.3	5.2	0.5	3.9	14.2	7.7	(26)	(43)

Company	Reco	CMP (INR)	TP (INR)	Return (%)	M.Cap (INRbn)	Net profit (INRbn)		EPS (INR)		PE (x)		NNPA Ratio (%)		P/AdjBV (x) FY11	Div Yld (%) FY12	RoE (%) FY12	RoA (%) FY12	Absolute (%)	
						FY11	FY12	FY11	FY12	FY11	FY12	FY11	FY12					1m	12m

FINANCIALS

Axis Bank	BUY	973	1,580	62	401	34	41	83	99	11.8	9.8	0.3	0.4	1.8	1.7	19.7	1.5	(14)	(32)
Bajaj Auto Finance	BUY	638	800	25	23	2	3	67	78	14.4	8.2	1.8	1.8	2.2	0.2	3.2	0.8	(8)	(11)
HDFC	HOLD	656	714	9	966	35	40	24	27	27.2	23.9	0.4	0.4	5.0	1.4	21.8	2.8	(4)	(6)
HDFC Bank	HOLD	454	484	7	1061	39	50	17	22	26.7	21.0	0.2	0.3	3.7	0.8	18.3	1.7	(6)	(4)
ICICI Bank	BUY	762	1,320	73	878	52	64	45	55	17.0	13.7	1.1	1.4	1.6	2.1	10.7	1.4	(15)	(35)
LIC Housing Finance	HOLD	226	238	5	107	10	10	21	22	11.0	10.4	0.0	0.1	2.2	1.7	22.6	1.7	(4)	7
Punjab National Bank	BUY	901	1,340	49	285	44	50	140	158	6.4	5.7	0.8	1.0	1.3	0.3	21.2	1.2	(11)	(28)
Shriram Transprt finance	BUY	521	720	38	118	12	15	54	65	9.6	8.1	0.6	0.5	1.9	0.6	26.4	4.1	(14)	(37)
State Bank Of India	BUY	1,824	2,376	30	1158	83	113	130	169	14.0	10.8	1.4	1.7	2.0	1.6	15.6	0.9	(4)	(41)
YES Bank	HOLD	279	330	18	98	7	9	21	26	13.3	10.7	0.0	0.0	2.1	1.0	21.7	1.4	(9)	(15)
Bank of Baroda	BUY	711	1,063	49	278	42	45	108	114	6.6	6.2	0.3	0.5	1.3	2.7	19.7	1.2	(11)	(26)
Union Bank of India	BUY	217	321	48	114	21	24	40	46	5.5	4.7	1.2	1.6	1.1	3.7	20.2	1.0	(2)	(41)
Rural Electrification Corp.	BUY	189	220	16	187	26	30	24	30	7.8	6.3	0.0	0.0	1.3	3.2	20.1	21.5	4	(45)
Power Finance Corp.	BUY	169	200	18	224	27	30	23	23	7.3	7.4	0.0	0.3	1.1	3.0	16.7	2.6	10	(50)
Bank of India	BUY	334	452	35	182	25	23	45	42	7.3	7.9	2.3	2.8	1.2	2.4	12.6	0.6	(1)	(31)
Canara Bank	BUY	439	572	30	195	40	36	91	82	4.8	5.4	1.1	1.3	1.1	2.5	16.8	1.0	(8)	(41)

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