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# India Equities Top Picks

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# Auto

Banking

IT

Metals

Mid-Caps

Oil & Gas

Power Equipments

Power Utility

IDBI Capital Earnings Monitor

# Mahindra & Mahindra

CMP: Rs727

MCAP: Rs453 bn

BUY

Target: Rs814

## Investment Argument

- Play on buoyant rural economy and pro agri. government initiatives like rising MSPs, NREGA scheme, among others, with domestic tractor business expected to grow at 11-13% CAGR over FY11-13E.
- Strong sales momentum from Scorpio and Bolero and incremental volumes from new and recent launches of Maximo & Gio truck/passenger variant, Genio cab truck, resulting in strengthening of leadership position in Uvs and LCV space.
- Market leadership in least competitive auto segments like UVs and tractors, with pricing power, has aided in maintaining healthy profitability.
- Market share gains likely in both Auto and FES, led by strong product pipeline.
- Gearing at 0.2x as on June 2011 provides balance sheet comfort.
- Strong performance from subsidiaries and joint ventures; Ssangyong volume ramp up on, with investment in R&D and product development to be internally funded (not to put pressure on MM balance sheet)
- **Valuation:** Valuation at 12.1x FY12E and 10.5x FY13E (adjusted for subsidiary valuation). Recommend **BUY and target price of Rs814**, led by leadership position in two of the least competitive auto segments, strong performance from most subsidiaries and favourable risk reward. **MM is our preferred pick in the auto space and a safer bet in this uncertain macro environment.**

## Financial snapshot (Standalone)

(Rs mn)

Year-end: March	Revenue	EBITDA	EBITDA (%)	Adj. PAT	EPS (Rs)	PE (x)	EV/EBITDA (x)	RoE (%)	RoCE (%)
FY10	185,296	29,033	15.7	20,181	36.3	20.1	14.8	30.9	24.3
FY11	232,950	32,346	13.9	25,198	43.7	16.7	13.7	27.8	23.1
FY12E	293,491	39,504	13.5	30,197	51.4	14.2	11.1	26.5	24.3
FY13E	342,108	45,752	13.4	34,924	59.5	12.3	9.5	25.5	24.4

# Preferred pick in auto

Company	Valuation Method	Per share (Rs)	Multiple	Value (Rs)	Remarks	CMP Date
Mahindra &Mahindra (Standalone)	P/E	56.4	12.0	677	Core EPS for FY13E	
Mahindra Holiday & Resorts	CMP	43.3	0.7	30	30% discount	11-Aug-11
Swaraj Engines	CMP	3.3	0.7	2	30% discount	11-Aug-11
Tech Mahindra	CMP	65.6	0.7	46	30% discount	11-Aug-11
Mahindra Lifespace Developers	CMP	12.3	0.7	9	30% discount	11-Aug-11
M&M Financial Services	CMP	65.3	0.7	46	30% discount	11-Aug-11
Mahindra Forgings	CMP	4.7	0.7	3	30% discount	11-Aug-11
Mahindra Ugine Steel	CMP	1.4	0.7	1	30% discount	11-Aug-11
<b>SOTP</b>				814		

# Financial Summary

## Income Statement

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
<b>Net sales</b>	<b>185,296</b>	<b>232,950</b>	<b>293,491</b>	<b>342,108</b>
<i>Growth (%)</i>	42.0	25.7	26.0	16.6
Operating expenses	(156,263)	(200,605)	(253,987)	(296,356)
<b>EBITDA</b>	<b>29,033</b>	<b>32,346</b>	<b>39,504</b>	<b>45,752</b>
<i>Growth (%)</i>	176.0	11.4	22.1	15.8
Depreciation	(3,708)	(4,139)	(5,008)	(6,074)
<b>EBIT</b>	<b>25,325</b>	<b>28,207</b>	<b>34,496</b>	<b>39,677</b>
Interest paid	(1,569)	(709)	(1,152)	(1,045)
Other income	4,014	6,275	6,919	7,933
<b>Pre-tax profit</b>	<b>28,678</b>	<b>34,948</b>	<b>40,262</b>	<b>46,566</b>
Tax	(7,590)	(8,575)	(10,066)	(11,641)
Effective tax rate (%)	26.5	24.5	25.0	25.0
<b>Net profit</b>	<b>21,088</b>	<b>26,373</b>	<b>30,197</b>	<b>34,924</b>
<b>Adjusted net profit</b>	<b>20,181</b>	<b>25,198</b>	<b>30,197</b>	<b>34,924</b>
<i>Growth (%)</i>	142.9	24.9	19.8	15.7
<i>Shares o/s (mn nos)</i>	585	587	587	587

## Balance Sheet

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Net fixed assets	37,027	43,719	55,255	65,725
Investments	55,848	90,008	103,167	116,667
Other non-curr assets	1,822	1,736	1,593	1,593
<b>Current assets</b>	<b>65,636</b>	<b>61,813</b>	<b>70,867</b>	<b>83,639</b>
Inventories	11,888	16,942	21,345	24,881
Sundry Debtors	12,581	13,547	17,068	19,895
Cash and Bank	17,432	6,146	6,769	11,480
Loans and advances	15,094	20,864	22,407	24,105
<b>Total assets</b>	<b>160,333</b>	<b>197,275</b>	<b>230,881</b>	<b>267,623</b>
<b>Shareholders' funds</b>	<b>78,261</b>	<b>103,134</b>	<b>124,399</b>	<b>149,018</b>
Share capital	2,910	3,276	3,276	3,276
Reserves & surplus	75,358	99,858	121,123	145,742
<b>Total Debt</b>	<b>28,802</b>	<b>24,053</b>	<b>20,865</b>	<b>19,865</b>
Secured loans	28,777	23,981	20,793	19,793
Unsecured loans	24	72	72	72
Other liabilities	33,027	29,333	26,505	25,902
<b>Curr Liab &amp; prov</b>	<b>59,037</b>	<b>74,664</b>	<b>91,141</b>	<b>105,350</b>
Current liabilities	49,045	64,808	79,977	92,704
Provisions	9,992	9,856	11,165	12,647
<b>Total liabilities</b>	<b>82,072</b>	<b>94,141</b>	<b>106,482</b>	<b>118,606</b>
<b>Total equity &amp; liabilities</b>	<b>160,333</b>	<b>197,275</b>	<b>230,881</b>	<b>267,623</b>
<b>Book Value (Rs)</b>	141	179	212	254

# Tata Motors

BUY

CMP: Rs846

MCAP: Rs436 bn

Target: Rs1,133

## Investment Argument

- Macro concerns on JLR volumes being impacted by slow down in developed markets like Europe and US overdone. We believe that slow down in these markets will be more than compensated by strong traction from geographies like China, Russia, Brazil, other emerging markets and strong response to the soon-to-be-launched Evoque, which has already received ~20k pre-bookings.
- Maintaining healthy pace in the CV space, despite moderating macro environment on continued strong momentum in the LCV space (especially sub-1 tonne segment, with Ace and its variants) and moderate growth in MHCV space (strong franchisee).
- Expected volume decline in cars segment (weak franchisee and lack of new launches), which has <10% impact of revenue and even lower impact on profitability.
- **Valuation:** Valuation at 7.1x FY12E and 6.1x FY13E consolidated earnings is attractive. We believe that most concerns on macro environment and cash flow generation and priced in and **recommend BUY on the stock with price target of Rs1,133.**

## Financial snapshot (Consolidated)

(Rs mn)

Year-end: March	Revenue	EBITDA	EBITDA (%)	Adj. PAT	EPS (Rs)	PE (x)	EV/EBITDA (x)	RoE (%)	RoCE (%)
FY10	925,193	81,160	8.8	10,791	18.9	44.9	8.5	15.2	9.5
FY11	1,231,333	168,175	13.7	90,426	141.8	6.0	4.2	64.5	23.7
FY12E	1,383,584	172,476	12.5	79,014	119.9	7.1	4.5	33.7	20.4
FY13E	1,610,622	202,046	12.5	92,251	138.2	6.1	3.7	29.4	22.1

# Financial Summary

## Income Statement

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
<b>Net sales</b>	<b>925,193</b>	<b>1,231,333</b>	<b>1,383,584</b>	<b>1,610,622</b>
<i>Growth (%)</i>	<i>31.6</i>	<i>33.1</i>	<i>12.4</i>	<i>16.4</i>
Operating expenses	(844,033)	(1,063,158)	(1,211,108)	(1,408,575)
<b>EBITDA</b>	<b>81,160</b>	<b>168,175</b>	<b>172,476</b>	<b>202,046</b>
<i>Growth (%)</i>	<i>533.9</i>	<i>107.2</i>	<i>2.6</i>	<i>17.1</i>
Depreciation	(38,871)	(46,555)	(52,449)	(61,812)
<b>EBIT</b>	<b>42,288</b>	<b>121,620</b>	<b>120,026</b>	<b>140,234</b>
Interest paid	(24,653)	(23,853)	(21,767)	(20,650)
Other income	2,672	4,295	4,242	4,290
<b>Pre-tax profit</b>	<b>35,227</b>	<b>104,372</b>	<b>102,501</b>	<b>123,875</b>
Tax	(10,058)	(12,164)	(24,068)	(32,274)
<i>Effective tax rate (%)</i>	<i>28.6</i>	<i>11.7</i>	<i>23.5</i>	<i>26.1</i>
<b>Net profit</b>	<b>25,169</b>	<b>92,208</b>	<b>78,433</b>	<b>91,600</b>
<b>Adjusted net profit</b>	<b>10,791</b>	<b>90,426</b>	<b>79,014</b>	<b>92,251</b>
<i>Growth (%)</i>	<i>(149.8)</i>	<i>737.9</i>	<i>(12.6)</i>	<i>16.8</i>
<i>Shares o/s (mn nos)</i>	<i>571</i>	<i>638</i>	<i>659</i>	<i>668</i>

## Balance Sheet

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Net fixed assets	419,292	470,779	553,853	627,564
Investments	19,347	22,497	22,497	22,497
Other non-curr assets	13,077	27,596	27,596	27,596
<b>Current assets</b>	<b>428,141</b>	<b>513,295</b>	<b>453,381</b>	<b>490,513</b>
Inventories	113,120	140,705	158,103	184,047
Sundry Debtors	71,912	68,774	77,277	89,958
Cash and Bank	87,433	109,479	23,664	22,172
Loans and advances	152,807	191,372	191,372	191,372
<b>Total assets</b>	<b>879,856</b>	<b>1,034,168</b>	<b>1,057,327</b>	<b>1,168,170</b>
<b>Shareholders' funds</b>	<b>86,111</b>	<b>194,181</b>	<b>275,252</b>	<b>353,213</b>
Share capital	5,706	6,377	6,589	6,677
Reserves & surplus	78,270	185,338	265,892	343,423
<b>Total Debt</b>	<b>351,924</b>	<b>327,914</b>	<b>295,532</b>	<b>263,099</b>
Secured loans	156,985	148,630	141,747	119,314
Unsecured loans	194,939	179,284	153,784	143,784
Other liabilities	376,537	370,148	337,766	305,333
<b>Curr Liab &amp; prov</b>	<b>480,026</b>	<b>548,667</b>	<b>458,515</b>	<b>523,830</b>
Current liabilities	417,208	469,838	444,309	509,624
Provisions	62,817	78,828	14,206	14,206
<b>Total liabilities</b>	<b>793,745</b>	<b>839,987</b>	<b>782,075</b>	<b>814,957</b>
<b>Total equity &amp; liabilities</b>	<b>879,856</b>	<b>1,034,167</b>	<b>1,057,327</b>	<b>1,168,170</b>
<b>Book Value (Rs)</b>	<b>148</b>	<b>302</b>	<b>416</b>	<b>527</b>

Auto

**Banking**

IT

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Mid-Caps

Oil & Gas

Power Equipments

Power Utility

IDBI Capital Earnings Monitor



## Growing cautiously – Improving return ratios

- Stable balance sheet growth:** Advances stood at Rs2,207 bn as on Q1FY12. Loan book consists of 24% of large corporate, 5% of SME, 38% of retail. Management is not going very aggressive in the asset book expansion as it is visible by their leverage ratio of 7.3 times. We believe with improvement in the macro economic environment and increase in leverage, RoE will improve. However, the management has given a guidance of 18% growth in overall loan book for FY12E.
- Margins likely to be maintained at current levels:** Overall margins stood at 2.6% in Q1FY12. Domestic margins stood at ~3% while overseas margins stood at 90bps. Overseas margins are expected to increase by 20-30bps; however that would be negated by a fall in domestic margins due to pressure on cost of funds.
- Incremental slippages peaked out:** Incremental slippages were around Rs2 bn in the last quarter due to MFI exposure. Total MFI exposure stood at ~Rs10 bn. GNPA Ratio has declined by 11bps to 4.4% and NNPA ratio by 3bps to 0.91% in the last quarter. Provision coverage ratio stood at 77%. Restructured book remained flat at Rs19.7 bn sequentially. The stress assets portfolio (GNPA + Restructured assets) declined to 5.4% of the total loan book from 5.6% in Q4FY11. We believe slippages have peaked out for ICICI Bank.
- Valuation:** On a standalone basis the stock is currently trading at 1.9x on our FY13E BV. ICICI Bank has changed structurally in last couple of years and seems back on growth path now. We believe that RoE will improve to ~12.5% in FY12E. However, as the ROE will remain lower than that of its peers, the bank will not be able to attract superior valuations. We estimate that due to the improvement in core banking business, the bank will trade at 2.2x its FY13E BV of Rs437. Further, we value life insurance subsidiary at Rs123.7 per share due to headwinds on regulation and shrinking NBAP margins. We have also reduced our other subsidiary values due to subdued performance in Q1FY12 and sluggish economic outlook. Hence, we value the subsidiaries at Rs243 per share. Our SOTP based target price stands at Rs1,189/share. **ACCUMULATE.**

## Financial snapshot (Standalone)

(Rs mn)

Year-end: March	NII (Rs bn)	PAT (Rs bn)	EPS (Rs)	P/E (x)	BV (Rs)	P/BV (x)	RoA (%)	RoE (%)	CAR (%)	GNPA (%)	NNPA (%)
FY10	81.1	40.2	36.1	26.1	36.1	2.1	1.1	7.9	19.4	5.1	2.1
FY11	90.2	51.5	44.7	21.1	44.7	2.0	1.3	9.6	19.5	4.6	1.1
FY12E	104.2	61.2	53.1	17.7	53.1	1.8	1.3	10.7	18.2	4.0	0.9
FY13E	123.4	75.7	65.7	14.3	65.7	2.2	1.3	12.2	15.5	3.4	0.8

# Financial Summary

## Profit & Loss Account (Rs bn)

Year-end: March	FY10	FY11	FY12E	FY13E
Interest earned	257.1	259.7	330.9	399.2
Interest expended	175.9	169.6	226.7	275.8
<b>NII</b>	<b>81.1</b>	<b>90.2</b>	<b>104.2</b>	<b>123.4</b>
<b>Other Income</b>	<b>74.8</b>	<b>66.5</b>	<b>81.4</b>	<b>96.9</b>
Fee Based	48.3	55.1	66.7	80.1
Treasury Profit	5.5	2.2	3.5	4.0
<b>Net Opt. Inc. (NOI)</b>	<b>155.9</b>	<b>156.6</b>	<b>185.6</b>	<b>220.4</b>
Employee Cost	19.3	28.2	33.9	39.3
Opt. Expenses	39.3	38.0	43.7	50.3
<b>Opt. Profit</b>	<b>97.3</b>	<b>90.5</b>	<b>108.0</b>	<b>130.8</b>
Provisions	43.9	22.9	25.3	28.5
Profit before tax	53.5	67.6	82.7	102.3
<b>Net Profit</b>	<b>40.2</b>	<b>51.5</b>	<b>61.2</b>	<b>75.7</b>

## Balance Sheet (Rs bn)

Year-end: March	FY10	FY11	FY12E	FY13E
Capital	14.6	15.0	15.0	15.0
Net Worth	519.7	554.4	594.7	643.8
<b>Deposit</b>	<b>2,020.2</b>	<b>2,256.0</b>	<b>2,677.3</b>	<b>3,222.1</b>
<b>Total Liab. &amp; Equity</b>	<b>3,634.0</b>	<b>4,062.3</b>	<b>4,663.7</b>	<b>5,419.5</b>
Investments	1,208.9	1,346.9	1,425.8	1,708.1
Advances	1,812.1	2,163.7	2,559.7	3,058.7
<b>Total Assets</b>	<b>3,634.0</b>	<b>4,062.3</b>	<b>4,663.7</b>	<b>5,419.5</b>

## Growth (%)

Year-end: March	FY10	FY11	FY12E	FY13E
Deposits	(7.5)	11.7	18.7	20.3
Advances	(17.0)	19.4	18.3	19.5
<b>Total Assets</b>	<b>(4.2)</b>	<b>11.8</b>	<b>14.8</b>	<b>16.2</b>
NII	(3.0)	11.1	15.5	18.5
Other Income	(1.7)	(11.1)	22.5	19.1
<b>Net Profit</b>	<b>7.1</b>	<b>28.0</b>	<b>18.8</b>	<b>23.7</b>

## Spreads

Year-end: March	FY10	FY11	FY12E	FY13E
NII/Avg Total Assets (%)	2.2	2.3	2.4	2.4
NII/Avg Int Earning Assets (%)	2.5	2.7	2.7	2.7
<b>NIMs (%)</b>	<b>2.2</b>	<b>2.3</b>	<b>2.4</b>	<b>2.4</b>
<b>CASA (%)</b>	<b>41.7</b>	<b>45.1</b>	<b>45.6</b>	<b>46.7</b>
Avg Int earnings assets (Rs bn)	3,236.3	3,388.5	3,907.4	4,562.6
Avg Int bearing liabilities (Rs bn)	3,058.1	3,184.4	3,696.5	4,360.5

# Bank of Baroda

CMP: Rs840

MCAP: Rs325 bn

Target: Rs1,140

BUY

## Consistent Performer

Bank of Baroda (BoB) is the third largest public sector bank in India in terms of asset size and the fifth largest bank in terms of branches. It has shown a tremendous growth in business from FY06 onwards. While its total business posted a CAGR of 27% during FY07-FY11, its share of overseas advances to total advances increased from 16% to 26% during FY06-FY11 period.

- **Margins expected to remain at current level:** Domestic margins stood at 3.4% and overseas margins remained at 1.4% in the last quarter. Going ahead, we believe that domestic margin will remain at 3.1-3.2% and overseas margins will remain at current levels.
- **Strong Balance sheet:** Advances grew by 25% YoY to Rs2,323.4 bn in Q1FY12. Within domestic loans, wholesale portfolio stood at 42%, SME stood at 17%, agriculture stood 14% and retail stood at 18%.
- **No system overhang:** As the bank has already shifted to system based NPA recognition method, delinquencies in this quarter stood at Rs5.8 bn in Q1FY12, which is amongst the lowest compared to peers in the industry. Going ahead, since all the loans are covered under system generation process, **we believe that negative surprise in terms of NPAs will not come.** GNPA ratio has stood at 1.46% and NNPA ratio remained at 0.44%. Provision coverage ratio remained healthy at 82.5%.
- **Valuation:** The bank will continue to post strong operating performance in the coming quarters due to its stable margins and better NPA profile than peers, we believe. BoB has traded at its average one year forward multiple of 1.6x and is currently trading at 1.2x on our FY13E BV with an attractive RoE of 22% estimated in FY13E. We value the bank at 1.6x FY13E BV of Rs712 with a price target of Rs1,140.

## Financial snapshot (Standalone)

(Rs mn)

Year-end: March	NII (Rs bn)	PAT (Rs bn)	EPS (Rs)	P/E (x)	BV (Rs)	P/BV (x)	RoA (%)	RoE (%)	CAR (%)	GNPA (%)	NNPA (%)
FY10	59.4	30.6	83.7	10.0	376.0	2.2	1.2	22	13.2	1.4	0.3
FY11	88.0	42.4	111.9	7.5	497.6	1.7	1.3	23	14.5	1.4	0.3
FY12E	104.4	48.2	122.8	6.8	594.4	1.4	1.2	21	12.6	1.3	0.4
FY13E	126.2	58.8	149.7	5.6	712.4	1.2	1.2	22	12.0	1.1	0.3

# Financial Summary

## Profit & Loss Account

(Rs bn)

Year-end: March	FY10	FY11	FY12E	FY13E
Interest earned	167.0	218.9	282.2	349.6
Interest expended	107.6	130.8	177.8	223.4
<b>NII</b>	<b>59.4</b>	<b>88.0</b>	<b>104.4</b>	<b>126.2</b>
<b>Other Income</b>	<b>28.1</b>	<b>28.1</b>	<b>30.0</b>	<b>35.3</b>
Fee Based	9.0	10.2	13.0	16.2
Treasury Profit	7.2	4.4	2.4	3.0
<b>Net Opt. Inc. (NOI)</b>	<b>87.5</b>	<b>116.1</b>	<b>134.4</b>	<b>161.5</b>
Employee Cost	23.5	29.2	26.9	29.0
Opt. Expenses	14.6	17.1	20.6	24.7
<b>Opt. Profit</b>	<b>49.4</b>	<b>69.8</b>	<b>86.9</b>	<b>107.9</b>
Provisions	7.0	13.3	18.0	23.9
Profit before tax	42.4	56.5	68.9	84.0
<b>Net Profit</b>	<b>30.6</b>	<b>42.4</b>	<b>48.2</b>	<b>58.8</b>

## Growth

(%)

Year-end: March	FY10	FY11	FY12E	FY13E
Deposits	25.3	26.7	24.9	18.9
Advances	22.2	30.6	21.0	19.9
<b>Total Assets</b>	<b>22.8</b>	<b>28.8</b>	<b>20.2</b>	<b>18.8</b>
NII	15.9	48.2	18.6	20.9
Other Income	1.8	0.1	6.7	17.8
<b>Net Profit</b>	<b>37.3</b>	<b>38.7</b>	<b>13.7</b>	<b>21.9</b>

## Balance Sheet

(Rs bn)

Year-end: March	FY10	FY11	FY12E	FY13E
Capital	3.7	3.9	3.9	3.9
Net Worth	151.1	209.9	248.0	294.3
<b>Deposit</b>	<b>2,410.4</b>	<b>3,054.4</b>	<b>3,813.5</b>	<b>4,533.9</b>
<b>Total Liab. &amp; Equity</b>	<b>2,783.2</b>	<b>3,584.0</b>	<b>4,308.8</b>	<b>5,118.3</b>
Investments	611.8	712.6	905.6	1,069.5
Advances	1,750.4	2,286.8	2,766.0	3,316.0
<b>Total Assets</b>	<b>2,783.2</b>	<b>3,584.0</b>	<b>4,308.8</b>	<b>5,118.3</b>

## Spreads

Year-end: March	FY10	FY11	FY12E	FY13E
NII/Avg Total Assets (%)	2.4	2.8	2.6	2.7
NII/Avg Int Earning Assets (%)	2.5	3.0	2.9	2.9
<b>NIMs (%)</b>	<b>2.5</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>
<b>CASA (%)</b>	<b>38.6</b>	<b>37.5</b>	<b>36.9</b>	<b>38.8</b>
Avg Int earnings assets (Rs bn)	2,336.7	2,940.7	3,648.9	4,368.7
Avg Int bearing liabilities (Rs bn)	2,297.8	2,906.1	3,653.7	4,417.6

Auto

Banking

**IT**

Metals

Mid-Caps

Oil & Gas

Power Equipments

Power Utility

IDBI Capital Earnings Monitor

# Tata Consultancy Services

BUY

CMP: Rs978

MCAP: Rs1,866 bn

Target: Rs1,342

## Investment Argument

- **Best bet in IT sector:** TCS's "Must Own" status is justifiable largely on account of superior top-line performance and healthy improvement in margins in the past few quarters over its peers such as Infosys and Wipro. The management has reasonable visibility on demand which makes them comfortable for 20% plus dollar growth in revenues for FY12E on the base of 29% in FY11.
- The management commentary is fairly robust on discretionary spend and expects uniform growth unlike Infosys and Wipro (high reliance on back-ended growth). Though, pricing is still under pressure as seen from dip in the current quarter.
- **Margin commentary has improved post Q1FY12 result:** TCS now believes that it can achieve EBIT margin of over 27% for FY12 compared to 27% expected at the time of Q4FY11 results.
- Post S&P's downgrade on US rating (from AAA to AA+), Indian IT stocks were hammered severely largely with the underlying assumption of US is heading towards slow down/recession. We believe that tier-I companies such as **TCS** and **Infosys** are better placed in this uncertain environment due to attractive valuations and flight to safety, however, our preference still remains on **TCS** over Infosys.
- **Valuation:** At CMP of Rs978, the stock is trading at 18.5x FY12E and 16.0x FY13E earnings which is much lower than its fair value of Rs1,342. We recommend **BUY** with the potential upside of 37% from current levels.

## Financial snapshot

(Rs mn)

Year-end: March	Revenue	EBITDA	EBITDA (%)	Adj. PAT	EPS (Rs)	PE (x)	EV/EBITDA (x)	RoE (%)	RoCE (%)
FY10	300,289	86,800	28.9	68,736	35.1	27.8	22.3	36.8	40.3
FY11	373,245	111,987	30.0	87,167	44.5	22.0	17.3	37.1	42.6
FY12E	465,772	137,688	29.6	103,614	52.9	18.5	14.1	34.6	41.1
FY13E	567,869	164,682	29.0	119,416	61.0	16.0	11.6	30.4	37.7

# Financial Summary

## Income Statement

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
<b>Net sales</b>	<b>300,289</b>	<b>373,245</b>	<b>465,772</b>	<b>567,869</b>
<i>Growth (%)</i>	8.0	24.3	24.8	21.9
Operating expenses	(213,489)	(261,258)	(328,085)	(403,187)
<b>EBITDA</b>	<b>86,800</b>	<b>111,987</b>	<b>137,688</b>	<b>164,682</b>
<i>Growth (%)</i>	20.9	29.0	22.9	19.6
Depreciation	(7,209)	(7,214)	(9,637)	(11,357)
<b>EBIT</b>	<b>79,591</b>	<b>104,773</b>	<b>128,051</b>	<b>153,325</b>
Other income	2,256	5,324	7,336	7,586
<b>Pre-tax profit</b>	<b>81,846</b>	<b>110,097</b>	<b>135,387</b>	<b>160,911</b>
Tax	(12,089)	(21,739)	(30,600)	(40,228)
<i>Effective tax rate (%)</i>	14.8	19.7	22.6	25.0
<b>Net profit</b>	<b>69,758</b>	<b>88,358</b>	<b>104,786</b>	<b>120,683</b>
<b>Adjusted net profit</b>	<b>68,736</b>	<b>87,167</b>	<b>103,614</b>	<b>119,416</b>
<i>Growth (%)</i>	32.9	26.8	18.9	15.3
<i>Shares o/s (mn nos)</i>	1,957	1,957	1,958	1,958

## Balance Sheet

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Net fixed assets	96,609	142,269	167,375	197,168
Investments	37,816	18,390	22,068	27,585
<b>Current assets</b>	<b>140,120</b>	<b>171,948</b>	<b>239,546</b>	<b>319,893</b>
Inventories	178	228	308	400
Sundry Debtors	70,109	95,479	117,464	144,473
Cash and Bank	10,249	15,078	53,401	95,832
<b>Total assets</b>	<b>274,546</b>	<b>332,608</b>	<b>428,989</b>	<b>544,647</b>
<b>Shareholders' funds</b>	<b>213,439</b>	<b>257,053</b>	<b>342,000</b>	<b>444,375</b>
Share capital	1,957	1,957	1,958	1,958
Reserves & surplus	207,427	250,432	334,206	435,314
<b>Total Debt</b>	<b>10,110</b>	<b>11,718</b>	<b>12,890</b>	<b>14,179</b>
<b>Curr Liab &amp; prov</b>	<b>58,307</b>	<b>71,963</b>	<b>84,257</b>	<b>98,789</b>
Current liabilities	50,996	63,837	74,100	86,093
Provisions	7,311	8,126	10,157	12,696
<b>Total liabilities</b>	<b>61,106</b>	<b>75,555</b>	<b>86,990</b>	<b>100,272</b>
<b>Total equity &amp; liabilities</b>	<b>274,546</b>	<b>332,608</b>	<b>428,989</b>	<b>544,647</b>
<b>Book Value (Rs)</b>	<b>109</b>	<b>131</b>	<b>175</b>	<b>227</b>

Auto

Banking

IT

**Metals**

Mid-Caps

Oil & Gas

Power Equipments

Power Utility

IDBI Capital Earnings Monitor



# Hindustan Zinc

BUY

CMP: Rs124

MCAP: Rs529 bn

Target: Rs153

## Investment Argument

- **Global cost competitiveness an edge:** HZL's zinc-lead mining and smelting cost of production is one of the lowest in the world largely due to captive mines and power. Continuous improvements in operational efficiencies and productivity by using latest technology has also kept costs low. HZL mine portfolio includes one of the largest mines in the world - Rampura Agucha. This is an open pit mine with 114.36mn tonnes of reserves and resources (~19 years mine life) and high average reserve grade (14.28% of Zinc and 1.96% of Lead).
- **Volume expansion propels growth prospects:** HZL is set to become the world's largest zinc-lead smelter after its expansion goes on stream in FY12. Zinc-Lead capacity is being expanded from 0.762mn tonnes to 1.064 mn tonnes. It must be noted that HZL is the only company in the non-ferrous space domestically to have visible volume growth post commissioning of its projects unlike other non-ferrous players that are facing delays due to land acquisition or environmental issues.
- **Strong balance sheet:** HZL has a strong balance sheet with net cash balance of Rs157.2 bn (Rs 37/share, ~30% of its current market capitalisation).
- **Valuation:** At the CMP, the stock is trading at 8.2x FY13E EPS and 3.8x FY13E EV/EBITDA. Historically HZL has traded in an EV/EBITDA range of 5-7x (7-year average is 4.3x). Recommend **BUY** with target price of Rs153 (5.5x FY13 EV/EBITDA, which is at the lower end of the historical band).

## Financial snapshot (Standalone)

(Rs mn)

Year-end: March	Revenue	EBITDA	EBITDA (%)	Adj. PAT	EPS (Rs)	PE (x)	EV/EBITDA (x)	RoE (%)	RoCE (%)
FY10	80,170	46,701	58.3	40,414	9.6	13.0	8.7	24.9	25.6
FY11	99,121	54,957	55.4	49,217	11.6	10.7	6.8	24.2	23.7
FY12E	114,756	66,379	57.8	57,876	13.7	9.1	5.0	23.2	23.5
FY13E	126,185	73,057	57.9	64,166	15.2	8.2	3.8	21.4	21.7

# Financial Summary

## Income Statement

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
<b>Net sales</b>	<b>80,170</b>	<b>99,121</b>	<b>114,756</b>	<b>126,185</b>
<i>Growth (%)</i>	<i>41.1</i>	<i>23.6</i>	<i>15.8</i>	<i>10.0</i>
Operating expenses	(33,469)	(44,165)	(48,378)	(53,128)
<b>EBITDA</b>	<b>46,701</b>	<b>54,957</b>	<b>66,379</b>	<b>73,057</b>
<i>Growth (%)</i>	<i>70.8</i>	<i>17.7</i>	<i>20.8</i>	<i>10.1</i>
Depreciation	(3,343)	(4,747)	(5,339)	(5,639)
<b>EBIT</b>	<b>43,358</b>	<b>50,210</b>	<b>61,040</b>	<b>67,418</b>
Interest paid	(439)	(194)	(150)	(150)
Other income	7,222	9,792	10,562	11,950
<b>Pre-tax profit</b>	<b>50,141</b>	<b>60,020</b>	<b>71,452</b>	<b>79,218</b>
Tax	(9,727)	(10,590)	(13,576)	(15,051)
<i>Effective tax rate (%)</i>	<i>19.4</i>	<i>17.6</i>	<i>19.0</i>	<i>19.0</i>
<b>Net profit</b>	<b>40,414</b>	<b>49,430</b>	<b>57,876</b>	<b>64,166</b>
<b>Adjusted net profit</b>	<b>40,414</b>	<b>49,217</b>	<b>57,876</b>	<b>64,166</b>
<i>Growth (%)</i>	<i>48.2</i>	<i>21.8</i>	<i>17.6</i>	<i>10.9</i>
<i>Shares o/s (mn nos)</i>	<i>4,225</i>	<i>4,225</i>	<i>4,225</i>	<i>4,225</i>

## Balance Sheet

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Net fixed assets	72,771	81,294	81,956	82,317
Investments	-	-	-	-
Other non-curr assets	-	-	-	-
<b>Current assets</b>	<b>129,444</b>	<b>169,235</b>	<b>220,030</b>	<b>275,211</b>
Inventories	4,517	7,624	10,658	12,818
Sundry Debtors	1,518	2,089	3,997	4,395
Cash and cash equivalents	118,767	149,675	194,543	246,083
Loans and advances	4,572	7,523	8,275	9,103
<b>Total assets</b>	<b>202,215</b>	<b>250,530</b>	<b>301,985</b>	<b>357,528</b>
<b>Shareholders' funds</b>	<b>181,240</b>	<b>225,332</b>	<b>273,321</b>	<b>325,623</b>
Share capital	8,451	8,451	8,451	8,451
Reserves & surplus	172,789	216,881	264,870	317,172
<b>Total Debt</b>	<b>605</b>	<b>4</b>	<b>-</b>	<b>-</b>
Secured loans	-	4	-	-
Unsecured loans	605	-	-	-
Other liabilities	7,717	9,451	10,486	11,954
<b>Curr Liab &amp; prov</b>	<b>16,653</b>	<b>21,418</b>	<b>24,700</b>	<b>27,451</b>
Current liabilities	13,258	15,747	18,178	19,951
Provisions	3,395	5,671	6,521	7,500
<b>Total liabilities</b>	<b>20,975</b>	<b>25,198</b>	<b>28,664</b>	<b>31,905</b>
<b>Total equity &amp; liabilities</b>	<b>202,215</b>	<b>250,530</b>	<b>301,985</b>	<b>357,528</b>
<b>Book Value (Rs)</b>	<b>43</b>	<b>53</b>	<b>65</b>	<b>77</b>

Auto

Banking

IT

Metals

**Mid-Caps**

Oil & Gas

Power Equipments

Power Utility

IDBI Capital Earnings Monitor

# V-Guard Industries Ltd.

CMP: Rs220

MCAP: Rs6.6 bn

ACCUMULATE

Target: Rs244

## Investment Argument

- **A play on the mass consumption market in India:** V-Guard products are consumed by the mass market. As per NCAER, the number of middle income households in India is going to increase by ~70% to 238 mn households by 2015. The growing middle class in India, lower penetration of household appliances, increasing housing activity will lead to sustained demand for the company's product portfolio. Also, the increased per capita availability of power from 700KWH in FY08 to 1000KWH by FY12 will result in higher demand.
- **Broad portfolio + wide distributor network + expanding geographical reach + prominent brand name = High Growth:** V-Guard over the last decade has expanded its product portfolio from stabilizers and cables to products such as pumps, electric and solar water heaters, UPS, Digital UPS and Fans. These products have high demand especially in the semi-urban and rural market. It has also over the past few years built a wide distribution network (208 distributors, 2688 dealers and ~ 11,000 retailers) and thus addressed the wide spread market. V-Guard has become a pan India company with ~22% revenues coming from markets beyond South India and it plans to have ~30% of its turnover from these markets in FY12.
- **Revenue/PAT CAGR of 28/25% during FY11-13E:** V-Guard had a top line and bottom line CAGR of ~34% during FY06-11. Going ahead, we expect a top line and bottom line CAGR of 28% and 25% respectively during FY11-13E.
- **Valuation:** At CMP, the stock is trading at 10.8x FY13E earnings. We believe given the growth trajectory, the valuations are attractive. **ACCUMULATE** with a price target of Rs244 (PER of 12x FY13E).

## Financial snapshot

(Rs mn)

Year-end: March	Revenue	EBITDA	EBITDA (%)	Adj. PAT	EPS (Rs)	PE (x)	EV/EBITDA (x)	RoE (%)	RoCE (%)
FY10	4,541	504	11.1	255	8.5	25.8	14.5	19.0	15.0
FY11	7,263	730	10.1	390	13.1	16.8	10.8	24.9	17.2
FY12E	9,382	931	9.9	488	16.3	13.5	8.7	25.6	17.3
FY13E	11,858	1,159	9.8	607	20.3	10.8	7.1	26.2	18.7

# Financial Summary

## Income Statement

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
<b>Net sales</b>	<b>4,541</b>	<b>7,263</b>	<b>9,382</b>	<b>11,858</b>
<i>Growth (%)</i>	<i>43.3</i>	<i>60.0</i>	<i>29.2</i>	<i>26.4</i>
Operating expenses	(4,037)	(6,533)	(8,451)	(10,698)
<b>EBITDA</b>	<b>504</b>	<b>730</b>	<b>931</b>	<b>1,159</b>
<i>Growth (%)</i>	<i>60.4</i>	<i>44.9</i>	<i>27.5</i>	<i>24.5</i>
Depreciation	(71)	(79)	(87)	(94)
<b>EBIT</b>	<b>433</b>	<b>651</b>	<b>843</b>	<b>1,065</b>
Interest paid	(51)	(113)	(156)	(205)
Other income	14	17	19	19
<b>Pre-tax profit</b>	<b>395</b>	<b>591</b>	<b>707</b>	<b>879</b>
Tax	(140)	(165)	(219)	(273)
<i>Effective tax rate (%)</i>	<i>35.5</i>	<i>27.9</i>	<i>31.0</i>	<i>31.0</i>
<b>Net profit</b>	<b>255</b>	<b>426</b>	<b>488</b>	<b>607</b>
<b>Adjusted net profit</b>	<b>255</b>	<b>390</b>	<b>488</b>	<b>607</b>
<i>Growth (%)</i>	<i>46.8</i>	<i>53.1</i>	<i>25.1</i>	<i>24.4</i>
<i>Shares o/s (mn nos)</i>	<i>30</i>	<i>30</i>	<i>30</i>	<i>30</i>

## Balance Sheet

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Net fixed assets	1,152	1,158	1,286	1,242
Investments	46	-	-	-
Other non-curr assets	-	-	-	-
<b>Current assets</b>	<b>1,904</b>	<b>2,892</b>	<b>3,515</b>	<b>4,445</b>
Inventories	985	1,424	1,748	2,209
Sundry Debtors	756	1,231	1,517	1,917
Cash and Bank	74	71	36	48
Loans and advances	89	166	215	271
<b>Total assets</b>	<b>3,102</b>	<b>4,050</b>	<b>4,801</b>	<b>5,687</b>
<b>Shareholders' funds</b>	<b>1,415</b>	<b>1,720</b>	<b>2,085</b>	<b>2,552</b>
Share capital	298	298	298	298
Reserves & surplus	1,116	1,421	1,787	2,254
<b>Total Debt</b>	<b>805</b>	<b>1,398</b>	<b>1,556</b>	<b>1,706</b>
Secured loans	56	26	56	56
Unsecured loans	749	1,372	1,500	1,650
Other liabilities	862	1,459	1,613	1,763
<b>Curr Liab &amp; prov</b>	<b>824</b>	<b>871</b>	<b>1,103</b>	<b>1,372</b>
Current liabilities	824	871	1,103	1,372
Provisions	-	-	-	-
<b>Total liabilities</b>	<b>1,687</b>	<b>2,330</b>	<b>2,716</b>	<b>3,135</b>
<b>Total equity &amp; liabilities</b>	<b>3,102</b>	<b>4,050</b>	<b>4,801</b>	<b>5,687</b>
<b>Book Value (Rs)</b>	<b>47</b>	<b>58</b>	<b>70</b>	<b>86</b>

Auto

Banking

IT

Metals

Mid-Caps

**Oil & Gas**

Power Equipments

Power Utility

IDBI Capital Earnings Monitor

# ONGC Ltd.

CMP: Rs277

MCAP: Rs2,420 bn

BUY

Target: Rs331

## Investment Argument

- **Lower under-recoveries to improve net realization:** We expect ONGC's subsidy burden to be ~Rs323 bn in FY12 and Rs224 bn in FY13, which is likely to improve ONGC's net realization to US\$63.2/bbl and US\$62.6/bbl in FY12 and FY13, respectively from US\$53.8/bbl in FY11.
- **Royalty as 'cost recoverable' adds significant value:** As Cairn's management indicated to accept royalty from Rajasthan field to be cost-recoverable, it would add significant value to ONGC. As ONGC has 30% stake and currently paying 100% royalty for Rajasthan field, royalty becoming cost recoverable adds about Rs14/share in its valuation.
- **Production volume to spike in FY13:** We expect ONGC's crude oil production to grow to ~29.2mmt by FY13 from 27.3mmt in FY11 driven by monetization of marginal fields including Cluster 7, B-193, D-1 Additional and B-22 fields. Also, natural gas production is expected to grow to 72mmscmd by FY13E from the current production of ~63mmscmd. This is primarily driven by new capacity from B-series, North Tapti field and B-193 fields, mostly coming by the end of 2012.
- **Valuations:** The stock is currently trading at a P/E multiple of 9.3x and EV/EBITDA of 4.2x on FY13E, which is below to its five year average P/E multiple of 10x. **We recommend BUY with a target price of Rs331** on the back of healthy 7% PAT CAGR during FY11-FY13E led by sectoral reforms and volume growth.

## Financial snapshot

(Rs mn)

Year-end: March	Revenue	EBITDA	EBITDA (%)	Adj. PAT	EPS (Rs)	PE (x)	EV/EBITDA (x)	RoE (%)	RoCE (%)
FY10	1,017,546	443,896	43.6	194,035	22.7	12.3	5.0	20.0	19.1
FY11	1,176,106	484,363	41.2	224,559	26.2	10.7	4.6	20.7	19.8
FY12E	1,323,368	532,534	40.2	256,619	30.0	9.3	4.2	20.7	19.9
FY13E	1,271,478	534,581	42.0	257,177	30.1	9.3	4.2	18.1	17.7

# Financial Summary

## Income Statement

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
<b>Revenues</b>	<b>1,017,546</b>	<b>1,176,106</b>	<b>1,323,368</b>	<b>1,271,478</b>
<i>Growth (%)</i>	<i>(2.7)</i>	<i>15.6</i>	<i>12.5</i>	<i>(3.9)</i>
<b>EBITDA</b>	<b>443,896</b>	<b>484,363</b>	<b>532,534</b>	<b>534,581</b>
<i>Growth (%)</i>	<i>6.4</i>	<i>9.1</i>	<i>9.9</i>	<i>0.4</i>
Depreciation & amortisation	187,188	206,284	209,251	214,149
<b>EBIT</b>	<b>256,708</b>	<b>278,079</b>	<b>323,283</b>	<b>320,432</b>
<i>Growth (%)</i>	<i>(2.3)</i>	<i>8.3</i>	<i>16.3</i>	<i>(0.9)</i>
Interest	5,022	4,374	4,059	4,002
Other income	52,728	69,458	72,931	76,578
<b>EBT</b>	<b>304,414</b>	<b>343,163</b>	<b>392,155</b>	<b>393,008</b>
Income taxes	107,138	114,913	131,319	131,605
<i>Effective tax rate (%)</i>	<i>35.2</i>	<i>33.5</i>	<i>33.5</i>	<i>33.5</i>
Min int / inc from assoc	3,240	3,690	4,217	4,226
Reported net income	194,035	224,559	256,619	257,177
<b>Adjusted net income</b>	<b>194,035</b>	<b>224,559</b>	<b>256,619</b>	<b>257,177</b>
<i>Growth (%)</i>	<i>(1.7)</i>	<i>15.7</i>	<i>14.3</i>	<i>0.2</i>
Shares outstanding (mn)	8,555.5	8,555.5	8,555.5	8,555.5
<b>Adjusted EPS (Rs)</b>	<b>22.7</b>	<b>26.2</b>	<b>30.0</b>	<b>30.1</b>
<i>Growth (%)</i>	<i>(1.7)</i>	<i>15.7</i>	<i>14.3</i>	<i>0.2</i>
<i>DPS (Rs)</i>	<i>8.2</i>	<i>16.0</i>	<i>8.0</i>	<i>8.0</i>

## Balance Sheet

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Cash and cash eq	223,842	286,883	375,829	403,871
Accounts receivable	71,424	97,724	109,960	105,648
Inventories	82,400	85,676	98,380	92,762
Others current assets	127,998	119,036	124,036	129,036
Investments	51,593	33,561	33,561	33,561
Gross fixed assets	1,933,001	2,115,868	2,115,868	2,175,868
Net fixed assets	755,427	938,294	938,294	998,294
CWIP	256,164	278,418	399,049	471,605
Intangible assets	95,385	89,929	89,929	89,929
Deferred tax assets, net	(102,912)	(111,526)	(121,486)	(131,468)
Other assets	8,413	7,961	7,961	7,961
<b>Total assets</b>	<b>1,569,734</b>	<b>1,825,954</b>	<b>2,055,511</b>	<b>2,201,198</b>
Accounts payable	126,817	190,722	236,864	207,243
Other current liabilities	99,503	149,644	150,070	149,569
Provisions	75,656	50,880	58,962	59,999
Debt funds	62,669	62,912	57,420	51,227
Other liabilities	191,022	218,523	222,740	226,966
Equity capital	42,778	42,778	42,778	42,778
Reserves & surplus	971,289	1,110,495	1,286,677	1,463,417
Shareholder's funds	1,014,066	1,153,273	1,329,455	1,506,195
<b>Total liabilities</b>	<b>1,569,734</b>	<b>1,825,954</b>	<b>2,055,511</b>	<b>2,201,198</b>
BVPS (Rs)	123.5	139.8	160.4	181.0



Auto

Banking

IT

Metals

Mid-Caps

Oil & Gas

**Power Equipments**

Power Utility

IDBI Capital Earnings Monitor

# KEC International

BUY

CMP: Rs73

MCAP: Rs18.7 bn

Target: Rs110

## Investment Argument

- **Diversified O/B, inflows continue to sustain:** KEC is our top pick in the transmission tower space owing to 1) diversified nature of its O/B 2) firmness in international order inflows 3) efficient w/c management strengths vis-à-vis peers. And 4) entry into newer segments to sustain growth (viz. water, EHV cables, E-BoP). KEC's O/B grew 44% YoY to Rs81.2 bn (1.4x FY12E revenue) on the back of Rs13 bn order inflow in Q1FY12. Consequently, its revenue visibility improved from 1.2x in Q2FY11 to 1.4x FY12E revenue. This gives us confidence on its visibility over FY13E.
- **SAE in-line; US\$5 mn debt pre-paid:** SAE performed on the expected lines. In Q1FY12, SAE's O/B stood at Rs8 bn with order inflows of Rs1 bn. Revenue stood at Rs1.9 bn, whereas as EBITDA margin stood at ~13% The management expects 10-12% revenue growth, with 100bps dip in the EBITDA margin (13%) for SAE in CY11E, as higher input cost comes into effect. Due to healthy cash flow generation, SAE prepaid US\$5 mn (Rs225 mn) debt. The management is upbeat on SAE tower's growth in the medium term. We maintain revenue/earnings CAGR of 9.5%/5.7% for SAE over CY11-13E.
- **Valuation undemanding:** At 9.0/7.6x on our FY12/13E EPS of Rs8.3/9.8, KEC factors in most negatives pertaining to macro outlook, SEB/PGCIL order delays and heightened competition. International orders continue to be firm. Our revenue/earnings CAGR expectation of 16%/21% over FY11-13E is realistic and could offer upside if domestic orders pick up pace in H2FY12. Recommend **BUY** with a target price of Rs110 (47% upside).

## Financial snapshot (Consolidated)

(Rs mn)

Year-end: March	Revenue	EBITDA	EBITDA (%)	Adj. PAT	EPS (Rs)	PE (x)	EV/EBITDA (x)	RoE (%)	RoCE (%)
FY10	39,057	3,873	9.9	1,959	7.9	9.2	7.3	31.1	24.7
FY11	47,510	4,337	9.1	1,718	6.7	10.9	6.6	22.7	21.4
FY12E	56,553	5,080	9.0	2,132	8.3	8.8	5.6	23.8	22.4
FY13E	63,785	5,908	9.3	2,519	9.8	7.4	4.8	23.4	23.5

# Financial Summary

## Income Statement

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
<b>Net sales</b>	<b>39,057</b>	<b>47,510</b>	<b>56,553</b>	<b>63,785</b>
<i>Growth (%)</i>	<i>13.9</i>	<i>21.6</i>	<i>19.0</i>	<i>12.8</i>
Operating expenses	(35,185)	(43,174)	(51,473)	(57,877)
<b>EBITDA</b>	<b>3,873</b>	<b>4,337</b>	<b>5,080</b>	<b>5,908</b>
<i>Growth (%)</i>	<i>28.5</i>	<i>12.0</i>	<i>17.1</i>	<i>16.3</i>
Depreciation	(265)	(415)	(466)	(495)
<b>EBIT</b>	<b>3,607</b>	<b>3,922</b>	<b>4,615</b>	<b>5,413</b>
Interest paid	(883)	(1,194)	(1,353)	(1,438)
Other income	264	25	25	-
<b>Pre-tax profit</b>	<b>2,988</b>	<b>2,754</b>	<b>3,287</b>	<b>3,976</b>
Tax	(1,030)	(1,035)	(1,155)	(1,456)
<i>Effective tax rate (%)</i>	<i>34.5</i>	<i>37.6</i>	<i>35.1</i>	<i>36.6</i>
<b>Net profit</b>	<b>1,959</b>	<b>1,718</b>	<b>2,132</b>	<b>2,519</b>
<b>Adjusted net profit</b>	<b>1,959</b>	<b>1,718</b>	<b>2,132</b>	<b>2,519</b>
<i>Growth (%)</i>	<i>67.7</i>	<i>(12.3)</i>	<i>24.1</i>	<i>18.2</i>
<i>Shares o/s (mn nos)</i>	<i>247</i>	<i>257</i>	<i>257</i>	<i>257</i>

## Balance Sheet

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Net fixed assets	7,876	8,067	8,793	9,328
Investments	1,333	1,368	1,389	1,389
Other non-curr assets	-	-	-	-
<b>Current assets</b>	<b>27,492</b>	<b>33,979</b>	<b>36,303</b>	<b>41,700</b>
Inventories	2,614	2,296	5,047	5,670
Sundry Debtors	20,082	25,450	24,130	26,962
Cash and Bank	281	917	1,671	2,888
Loans and advances	4,515	5,315	5,454	6,180
<b>Total assets</b>	<b>36,701</b>	<b>43,414</b>	<b>46,485</b>	<b>52,417</b>
<b>Shareholders' funds</b>	<b>7,008</b>	<b>8,148</b>	<b>9,748</b>	<b>11,754</b>
Share capital	514	514	535	535
Reserves & surplus	6,493	7,634	9,213	11,219
<b>Total Debt</b>	<b>9,693</b>	<b>10,915</b>	<b>11,360</b>	<b>12,340</b>
Secured loans	9,206	10,478	10,893	11,793
Unsecured loans	487	438	468	548
Other liabilities	10,154	11,393	11,838	12,818
<b>Curr Liab &amp; prov</b>	<b>18,632</b>	<b>22,198</b>	<b>23,224</b>	<b>26,170</b>
Current liabilities	18,030	21,657	22,638	25,452
Provisions	601	541	585	717
<b>Total liabilities</b>	<b>28,184</b>	<b>33,050</b>	<b>34,476</b>	<b>38,270</b>
<b>Total equity &amp; liabilities</b>	<b>35,192</b>	<b>41,198</b>	<b>44,224</b>	<b>50,024</b>
<b>Book Value (Rs)</b>	<b>28</b>	<b>32</b>	<b>38</b>	<b>46</b>

# Havells India

CMP: Rs353

MCAP: Rs44 bn

BUY

Target: Rs450

## Investment Argument

- **Emerging pan-India appliance brand:** The company has established itself as one of the key brands for household appliances for the Indian consumer. Its strong distribution network, aggressive promotions and continuous entry into new product segments like small appliances (mixers, grinders, geysers etc.) is building a stronger Havells franchise, which can take advantage of the rising spends by Indians on appliances.
- **Sylvania in recovery mode; debt's shrinking:** Sylvania's continues to turnaround. Its revenue grew 5.9% YoY to €107 mn (up 12.5% YoY to Rs6.9 bn in rupee terms) in June quarter. Furthermore, its LatAm business grew 8.1% YoY to €36.1 mn partially negated by Europe de-growth of 3.2% YoY to €64.0 mn. Its consolidated OPM was up ~190bps YoY to 7.3%. The company's turnaround has helped Sylvania strengthen its balance sheet. It repaid €1.8 mn debt (with recourse to Havells) in the current quarter. The O/S consol. debt stood at €150.4 mn as on 30th June, 2011 and FY12E D/E ratio remains comfortable at ~1.2x.
- **Valuation is now attractive:** We anticipate Havells (standalone) revenue/earnings CAGR of 14%/19% over FY11-13E respectively. Whereas Consolidated revenue/earnings is set to clock 9%/20% CAGR respectively over the same period. Havells trades at 12.7/10.2x on our consolidated FY12/13E EPS of Rs28.3/34.9. Recommend **BUY** with DCF-based target price of Rs450 (25% upside). At our target price, HAVL trades at 12.9x on FY13E EPS.

## Financial snapshot (Consolidated)

(Rs mn)

Year-end: March	Revenue	EBITDA	EBITDA (%)	Adj. PAT	EPS (Rs)	PE (x)	EV/EBITDA (x)	RoE (%)	RoCE (%)
FY10	54.3	3.2	5.9	0.5	4.0	89.2	19.0	9.6	9.8
FY11	57.7	5.7	9.9	3.0	24.4	14.5	12.2	50.8	43.7
FY12E	62.2	6.3	10.2	3.5	28.3	12.5	9.9	43.3	45.1
FY13E	69.0	7.3	10.6	4.4	34.9	10.1	8.7	52.1	54.3

# Financial Summary

## Income Statement

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
<b>Net sales</b>	<b>54,315</b>	<b>57,710</b>	<b>62,191</b>	<b>69,032</b>
<i>Growth (%)</i>	<i>(0.8)</i>	<i>6.2</i>	<i>7.8</i>	<i>11.0</i>
Operating expenses	(51,093)	(52,012)	(55,864)	(61,733)
<b>EBITDA</b>	<b>3,222</b>	<b>5,697</b>	<b>6,326</b>	<b>7,298</b>
<i>Growth (%)</i>	<i>11.6</i>	<i>76.8</i>	<i>11.0</i>	<i>15.4</i>
Depreciation	(837)	(797)	(829)	(834)
<b>EBIT</b>	<b>2,385</b>	<b>4,901</b>	<b>5,497</b>	<b>6,464</b>
Interest paid	(979)	(823)	(771)	(626)
Other income	20	-	-	-
<b>Pre-tax profit</b>	<b>1,426</b>	<b>4,077</b>	<b>4,726</b>	<b>5,838</b>
Tax	(932)	(1,033)	(1,198)	(1,479)
<i>Effective tax rate (%)</i>	<i>65.3</i>	<i>25.3</i>	<i>25.3</i>	<i>25.3</i>
<b>Net profit</b>	<b>495</b>	<b>3,044</b>	<b>3,529</b>	<b>4,359</b>
<b>Adjusted net profit</b>	<b>619</b>	<b>3,169</b>	<b>3,654</b>	<b>4,484</b>
<i>Growth (%)</i>	<i>46.1</i>	<i>411.6</i>	<i>15.3</i>	<i>22.7</i>
<i>Shares o/s (mn nos)</i>	<i>125</i>	<i>125</i>	<i>125</i>	<i>125</i>

## Balance Sheet

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Net fixed assets	9,208	9,243	9,287	9,322
Investments	-	-	-	-
Other non-curr assets	-	-	-	-
<b>Current assets</b>	<b>21,682</b>	<b>24,209</b>	<b>24,207</b>	<b>25,580</b>
Inventories	8,246	10,698	11,631	12,899
Sundry Debtors	6,982	7,905	8,519	9,456
Cash and Bank	4,775	3,600	1,896	826
Loans and advances	1,578	1,897	2,045	2,270
<b>Total assets</b>	<b>30,890</b>	<b>33,452</b>	<b>33,495</b>	<b>34,902</b>
<b>Shareholders' funds</b>	<b>3,952</b>	<b>8,029</b>	<b>8,253</b>	<b>8,477</b>
Share capital	312	312	312	312
Reserves & surplus	3,640	7,717	7,941	8,165
<b>Total Debt</b>	<b>11,022</b>	<b>10,478</b>	<b>9,657</b>	<b>9,157</b>
Secured loans	9,963	9,420	8,599	8,099
Unsecured loans	1,058	1,058	1,058	1,058
Other liabilities	11,288	10,745	9,923	9,423
<b>Curr Liab &amp; prov</b>	<b>16,176</b>	<b>15,064</b>	<b>16,143</b>	<b>17,842</b>
Current liabilities	15,855	14,789	15,903	17,578
Provisions	321	275	239	265
<b>Total liabilities</b>	<b>27,143</b>	<b>25,534</b>	<b>25,826</b>	<b>27,001</b>
<b>Total equity &amp; liabilities</b>	<b>31,094</b>	<b>33,562</b>	<b>34,079</b>	<b>35,478</b>
<b>Book Value (Rs)</b>	<b>32</b>	<b>64</b>	<b>66</b>	<b>68</b>

Auto

Banking

IT

Metals

Mid-Caps

Oil & Gas

Power Equipments

**Power Utility**

IDBI Capital Earnings Monitor

# TATA Power Company Ltd.

CMP: Rs1,123

MCAP: Rs266.6 bn

Target: Rs1,407

BUY

## Investment Argument

- **Power generation capacity to grow ~3x to 8.6GW in 2 years:** TPWR has 3.2GW power generation capacity – 2449MW thermal, 447MW hydro and 277MW wind power. The company is adding additional 2.8GW and 2.5GW capacity during FY12 and FY13, which is on schedule. Further, other pipeline projects would enable TPWR to scale up its capacity to 14GW by FY15E.
- **High visibility on upcoming projects:** TPWR is expected to announce commissioning of the first unit (800MW) at Mundra UMPP by Oct 2011. Maithon Unit I (525MW) is already commissioned, wherein COD would be announced during Sep 2011. Moreover, unit II (525MW) is progressing well towards commissioning in Jan 2012. The company is expected to add another 126MW of hydro, 100MW of wind and 25MW of solar power by end-FY12.
- **Coal business adds value:** TPWR owns 30% stake in Indonesian coal mines namely Arutmin, KPC and Indocoal Resources (proven reserve 2.2BT), which offers fuel security to its Mundra UMPP. Moreover, in prevailing high coal price regime (US\$94/ton during Q1FY12), coal business offers upside.
- **Outlook and Valuation:** We expect TPC to report 22% revenue and 14% earnings CAGR over FY11-FY13E. Our weighted average value for TPC (equal weightage to DCF based SOTP valuation and book value multiple) stands at Rs1407/share. At CMP, the stock is trading at 1.6x FY12E and 1.4x FY13E book value; 11.6x FY12E and 11.0x FY13E EPS. **TPWR is our top pick in the power utility space on account of bright prospects from coal business and rapid capacity addition following an integrated business model.**

## Financial snapshot (consolidated)

(Rs mn)

Year-end: March	Revenue	EBITDA	Adj. PAT	EPS (Rs)	BV (Rs)	PE(x)	P/B (x)	ROE (%)	ROCE (%)
FY10	189,858	38,532	19,052	80.8	534.8	13.9	2.1	17.2	12.3
FY11	194,508	45,964	19,854	83.7	611.8	13.4	1.8	14.6	11.0
FY12E	247,393	58,647	22,883	96.4	710.2	11.6	1.6	14.6	12.4
FY13E	288,540	69,151	24,155	101.8	814.0	11.0	1.4	13.4	12.2

# Financial Summary (consolidated)

## Income Statement

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
<b>Net sales</b>	<b>189,858</b>	<b>194,508</b>	<b>247,393</b>	<b>288,540</b>
<i>Growth (%)</i>	5.1	2.4	27.2	16.6
<b>Operating expenses</b>	<b>(151,326)</b>	<b>(148,544)</b>	<b>(188,746)</b>	<b>(219,389)</b>
EBITDA	38,532	45,964	58,647	69,151
<i>Growth (%)</i>	5.6	19.3	27.6	17.9
Depreciation	(8,930)	(9,811)	(11,437)	(13,339)
<b>EBIT</b>	<b>35,491</b>	<b>40,258</b>	<b>54,336</b>	<b>63,650</b>
Interest paid	(7,818)	(8,684)	(12,671)	(22,552)
Other income	5,889	4,105	7,125	7,838
<b>Pre-tax profit</b>	<b>27,673</b>	<b>31,575</b>	<b>41,664</b>	<b>41,099</b>
Tax	(6,287)	(9,756)	(14,868)	(12,869)
<i>Effective tax rate (%)</i>	22.7	30.9	35.7	31.3
<b>Net profit</b>	<b>21,386</b>	<b>21,819</b>	<b>26,797</b>	<b>28,230</b>
<b>Adjusted net profit</b>	<b>19,052</b>	<b>19,854</b>	<b>22,883</b>	<b>24,155</b>
<i>Growth (%)</i>	59.9	4.2	15.3	5.6
<i>Shares o/s (mn nos)</i>	236	237	237	237

## Balance Sheet

(Rs mn)

Year-end: March	FY10	FY11	FY12E	FY13E
Net fixed assets	224,658	313,844	283,963	352,123
Investments	30,823	28,410	33,926	48,840
Other non-curr assets	46,668	49,758	49,690	49,690
<b>Current assets</b>	<b>96,901</b>	<b>110,928</b>	<b>183,688</b>	<b>224,996</b>
Inventories	9,539	11,333	14,911	17,391
Sundry Debtors	39,845	50,689	71,168	79,052
Cash and Bank	23,108	22,066	59,653	84,284
Loans and advances	24,089	26,589	37,278	43,479
<b>Total assets</b>	<b>399,050</b>	<b>502,939</b>	<b>551,267</b>	<b>675,649</b>
<b>Shareholders' funds</b>	<b>126,101</b>	<b>145,179</b>	<b>168,525</b>	<b>193,158</b>
Share capital	2,373	2,373	2,373	2,373
Reserves & surplus	111,631	128,663	148,095	168,653
<b>Total Debt</b>	<b>184,469</b>	<b>247,624</b>	<b>282,470</b>	<b>371,792</b>
Secured loans	147,001	195,507	230,353	319,675
Unsecured loans	37,468	52,117	52,117	52,117
Other liabilities	198,868	262,674	297,520	386,842
<b>Curr Liab &amp; prov</b>	<b>88,657</b>	<b>112,897</b>	<b>106,054</b>	<b>116,198</b>
Current liabilities	74,081	95,087	85,222	95,649
Provisions	14,576	17,810	20,832	20,549
<b>Total liabilities</b>	<b>272,949</b>	<b>357,761</b>	<b>382,742</b>	<b>482,491</b>
<b>Total equity &amp; liabilities</b>	<b>399,050</b>	<b>502,939</b>	<b>551,267</b>	<b>675,649</b>
<b>Book Value (Rs)</b>	<b>535</b>	<b>612</b>	<b>710</b>	<b>814</b>



Auto

Banking

IT

Metals

Mid-Caps

Oil & Gas

Power Equipments

Power Utility

**IDBI Capital Earnings Monitor**

# Earnings Monitor

Company	Sector	CMP (Rs)	Rating	MCap (Rs bn)	EPS (Rs)		BV (Rs)		PE(x)		P/B (x)		EV/EBITDA (x)	
					CY11E/ FY12E	CY12E/ FY13E	CY11E/ FY12E	CY12E/ FY13E	CY11E/ FY12E	CY12E/ FY13E	CY11E/ FY12E	CY12E/ FY13E	CY11E/ FY12E	CY12E/ FY13E
<b>SENSEX</b>		<b>17,059</b>		<b>13,814</b>	<b>1,233</b>	<b>1,452</b>	<b>6,155</b>	<b>7,051</b>	<b>13.8</b>	<b>11.7</b>	<b>2.8</b>	<b>2.4</b>	<b>10.0</b>	<b>8.6</b>
<b>NIFTY</b>		<b>5,138</b>		<b>16,462</b>	<b>379</b>	<b>446</b>	<b>1,892</b>	<b>2,165</b>	<b>13.6</b>	<b>11.5</b>	<b>2.7</b>	<b>2.4</b>	<b>10.3</b>	<b>8.8</b>
<b>BSE100</b>		<b>8,983</b>		<b>20,135</b>	<b>653</b>	<b>776</b>	<b>3,837</b>	<b>4,422</b>	<b>13.8</b>	<b>11.6</b>	<b>2.3</b>	<b>2.0</b>	<b>4.7</b>	<b>4.0</b>
<b>BSE200</b>		<b>2,125</b>		<b>22,768</b>	<b>155</b>	<b>185</b>	<b>930</b>	<b>1,069</b>	<b>13.7</b>	<b>11.5</b>	<b>2.3</b>	<b>2.0</b>	<b>4.6</b>	<b>3.9</b>
<b>BSE500</b>		<b>6,697</b>		<b>27,273</b>	<b>505</b>	<b>600</b>	<b>2,765</b>	<b>3,146</b>	<b>13.3</b>	<b>11.2</b>	<b>2.4</b>	<b>2.1</b>	<b>4.6</b>	<b>3.9</b>
Ashok Leyland	Auto	25	HOLD	68	4.0	4.8	22	24	6.4	5.3	1.2	1.0	8.0	7.2
Bajaj Auto	Auto	1,460	ACCUMULATE	423	97.4	110.4	218	272	15.0	13.2	6.7	5.4	11.8	10.1
Escorts	Auto	76	HOLD	8	8.9	12.2	190	202	8.5	6.2	0.4	0.4	4.4	3.3
Hero Motocorp	Auto	1,858	REDUCE	371	104.6	121.4	193	256	17.8	15.3	9.6	7.3	14.2	11.6
Mahindra & Mahindra	Auto	727	BUY	446	51.4	59.5	212	254	14.1	12.2	3.4	2.9	11.6	9.9
Maruti Suzuki India	Auto	1,247	HOLD	360	85.8	99.8	561	653	14.5	12.5	2.2	1.9	7.2	5.7
Tata Motors	Auto	846	BUY	503	119.9	138.2	416	527	7.1	6.1	2.0	1.6	4.5	3.7
TVS Motor Co	Auto	55	BUY	26	5.2	7.2	24	30	10.5	7.6	2.2	1.8	6.3	4.6
Axis Bank	Banks & Financial services	1,211	BUY	499	97.3	117.0	541	644	12.5	10.4	2.2	1.9	NA	NA
Bank of Baroda	Banks & Financial services	840	BUY	329	122.8	149.7	594	712	6.8	5.6	1.4	1.2	NA	NA
Bank of India	Banks & Financial services	347	ACCUMULATE	190	50.4	67.3	322	374	6.9	5.2	1.1	0.9	NA	NA
Central Bank Of India	Banks & Financial services	111	BUY	72	26.9	28.1	141	163	4.1	4.0	0.8	0.7	NA	NA
ICICI Bank *	Banks & Financial services	942	ACCUMULATE	1,086	53.1	65.7	400	437	17.7	14.3	2.4	2.2	NA	NA
Punjab National Bank	Banks & Financial services	1,108	BUY	351	155.9	189.1	752	901	7.1	5.9	1.5	1.2	NA	NA
Union Bank of India	Banks & Financial services	282	ACCUMULATE	148	47.9	61.0	252	303	5.9	4.6	1.1	0.9	NA	NA
United Bank of India	Banks & Financial services	87	BUY	30	19.8	24.3	119	138	4.4	3.6	0.7	0.6	NA	NA
Areva T&D India	Engineering	228	HOLD	54	9.3	12.3	51	63	24.6	18.6	4.5	3.6	11.9	9.0
BGR Energy Systems	Engineering	354	HOLD	26	52.8	44.4	196	240	6.7	8.0	1.8	1.5	5.9	7.3
Bharat Heavy Electricals	Engineering	1,762	BUY	863	133.9	145.0	505	606	13.2	12.2	3.5	2.9	7.8	6.5
Havells India	Engineering	353	BUY	44	29.3	35.9	66	68	12.1	9.8	5.3	5.2	8.2	7.2
Jyoti Structures	Engineering	73	BUY	6	15.9	15.3	87	83	4.6	4.7	0.8	0.9	3.0	2.6
Kalpataru Power Transmission	Engineering	121	ACCUMULATE	18	16.6	19.7	143	163	7.3	6.1	0.8	0.7	3.7	3.1
KEC International/India	Engineering	73	BUY	19	8.3	9.8	38	46	8.8	7.4	1.9	1.6	5.6	4.8
Sunil Hitech Engineers	Engineering	101	BUY	1	28.7	29.3	262	291	3.5	3.4	0.4	0.3	2.4	2.2
Thermax	Engineering	517	REDUCE	62	36.1	40.1	143	183	14.3	12.9	3.6	2.8	8.7	7.2
V-Guard Industries	Engineering	220	ACCUMULATE	7	16.3	20.3	70	86	13.5	10.8	3.1	2.6	8.7	7.1
Voltamp Transformers	Engineering	472	SELL	5	53.9	57.2	434	491	8.8	8.3	1.1	1.0	4.9	3.9
Jyothy Laboratories	FMCG	208	REDUCE	17	5.9	6.1	81	86	35.3	34.2	2.6	2.4	24.7	21.1
Jubilant Foodworks	FMCG	787	ACCUMULATE	51	15.2	22.0	40	56	51.9	35.7	19.5	14.1	28.7	20.3
Hindustan Construction Co	Infrastructure	29	ACCUMULATE	18	0.8	1.6	25	26	37.4	18.7	1.1	1.1	8.6	8.0
IVRCL Infrastructures & Projects	Infrastructure	49	BUY	13	7.6	9.3	81	89	2.8	2.3	0.3	0.2	5.7	5.3
Nagarjuna Construction Co	Infrastructure	67	BUY	17	6.5	8.1	97	104	3.2	2.6	0.2	0.2	8.1	7.2
Simplex Infrastructures	Infrastructure	294	BUY	15	24.9	31.2	241	269	11.8	9.5	1.2	1.1	5.6	5.0
eClerx Services	IT - Services	794	HOLD	23	50.8	59.0	113	154	15.6	13.5	7.0	5.2	12.1	9.5
HCL Technologies	IT - Services	412	BUY	284	31.1	39.0	145	177	13.2	10.6	2.8	2.3	9.2	6.8

Note: Price as on 11-August-2011; Source: IDBI Capital Research, Bloomberg

# Earnings Monitor (cont'd)

Company	Sector	CMP (Rs)	Rating	MCap (Rs bn)	EPS (Rs)		BV (Rs)		PE(x)		P/B (x)		EV/EBITDA (x)	
					CY11E/ FY12E	CY12E/ FY13E	CY11E/ FY12E	CY12E/ FY13E	CY11E/ FY12E	CY12E/ FY13E	CY11E/ FY12E	CY12E/ FY13E	CY11E/ FY12E	CY12E/ FY13E
Infosys	IT - Services	2,439	ACCUMULATE	1,400	134.5	161.0	558	690	18.1	15.1	4.4	3.5	12.0	9.5
Infotech Enterprises	IT - Services	120	SELL	13	12.9	15.6	98	111	9.3	7.7	1.2	1.1	4.7	3.5
Tata Consultancy Services	IT - Services	978	BUY	1,914	52.7	61.0	185	237	18.6	16.0	5.3	4.1	14.1	11.6
Wipro	IT - Services	353	HOLD	868	23.7	26.5	114	136	14.9	13.3	3.1	2.6	11.7	9.8
Everest Kanto Cylinder	Metals / Mining	87	BUY	9	9.9	11.3	78	81	8.7	7.6	1.1	1.1	6.0	5.0
Hindustan Zinc	Metals / Mining	124	BUY	525	13.7	15.2	65	77	9.1	8.2	1.9	1.6	5.0	3.8
Steel Authority of India	Metals / Mining	111	REDUCE	460	10.5	13.4	96	106	10.7	8.3	1.2	1.0	7.7	6.4
Bharat Petroleum Corp	Oil & Gas	688	BUY	249	68.5	70.5	486	486	10.0	9.8	1.4	1.4	8.6	8.2
Cairn India	Oil & Gas	276	HOLD	525	48.3	42.2	257	297	5.7	6.5	1.1	0.9	4.9	4.9
GAIL India	Oil & Gas	441	ACCUMULATE	559	35.4	37.4	198	226	12.5	11.8	2.2	1.9	8.3	8.0
Hindustan Petroleum Corp	Oil & Gas	392	BUY	133	67.1	67.8	440	490	5.8	5.8	0.9	0.8	9.5	9.1
Indian Oil Corp	Oil & Gas	324	BUY	787	40.3	40.2	275	303	8.0	8.1	1.2	1.1	8.9	8.2
Oil & Natural Gas Corp	Oil & Gas	277	BUY	2,372	30.0	30.1	157	178	9.2	9.2	1.8	1.6	3.9	3.8
Oil India	Oil & Gas	1,347	BUY	324	151.6	157.5	761	877	8.9	8.6	1.8	1.5	3.6	3.0
Petronet LNG	Oil & Gas	167	BUY	125	12.5	13.8	42	50	13.3	12.1	3.9	3.3	9.2	7.6
Reliance Industries	Oil & Gas	773	BUY	2,532	77.9	83.7	603	675	9.9	9.2	1.3	1.1	6.4	5.6
Gujarat State Petronet	Oil & Gas	101	ACCUMULATE	57	9.3	9.6	44	52	10.8	10.6	2.3	1.9	6.4	6.1
CESC	Power Utilities	330	BUY	41	38.7	40.8	480	516	8.5	8.1	0.7	0.6	5.8	6.1
JSW Energy	Power Utilities	62	HOLD	102	6.6	7.0	40	46	9.4	8.9	1.5	1.3	6.3	4.9
Power Grid Corp of India	Power Utilities	103	ACCUMULATE	477	6.8	8.1	51	57	15.1	12.7	2.0	1.8	10.6	10.0
PTC India	Power Utilities	76	BUY	22	5.3	6.9	77	80	14.3	11.0	1.0	0.9	7.1	4.7
Adani Power	Power Utilities	94	BUY	204	7.8	13.5	39	53	12.0	7.0	2.4	1.8	10.2	5.7
Tata Power Co	Power Utilities	1,123	BUY	267	96.4	101.8	695	788	11.6	11.0	1.6	1.4	7.6	7.0
Phoenix Mills	Real Estate	220	REDUCE	32	8.6	7.8	122	129	25.7	28.3	1.8	1.7	20.2	15.7
Godrej Properties	Real Estate	700	SELL	49	18.2	25.4	145	164	38.4	27.6	4.8	4.3	40.1	27.9
Oberoi Realty	Real Estate	230	HOLD	76	16.2	23.8	118	141	14.2	9.7	2.0	1.6	9.2	5.0
Sobha Developers	Real Estate	231	ACCUMULATE	23	18.2	21.4	207	226	12.7	10.8	1.1	1.0	9.7	8.1
DLF	Real Estate	207	HOLD	351	9.7	11.1	151	159	21.3	18.5	1.4	1.3	13.0	12.6
Great Eastern Shipping Co/The	Shipping	238	HOLD	36	39.7	41.3	430	463	6.0	5.8	0.6	0.5	5.5	3.6
Mercator Lines	Shipping	30	ACCUMULATE	7	3.7	7.5	125	161	8.2	4.0	0.2	0.2	4.1	2.4
Shipping Corp of India	Shipping	93	HOLD	43	3.1	5.1	149	146	29.8	18.2	0.6	0.6	10.5	8.9
Gujarat Pipavav Port	Transportation	67	ACCUMULATE	28	0.8	2.0	18	20	87.0	33.0	3.7	3.3	19.8	14.9
Kalindee Rail Nirman Engineers	Transportation	111	REDUCE	1	7.8	8.5	118	125	14.3	13.0	0.9	0.9	6.2	0.5
Texmaco Rail & Engineering	Transportation	83	REDUCE	15	6.7	7.4	29	36	12.4	11.2	2.8	2.3	7.5	6.4
Titagarh Wagons	Transportation	398	ACCUMULATE	7	42.2	43.5	301	338	9.4	9.1	1.3	1.2	3.9	3.8
Container Corp Of India	Transportation	1,026	HOLD	133	72.4	84.1	433	492	14.2	12.2	2.4	2.1	9.8	8.0
Allcargo Global Logistics	Transportation	156	BUY	20	15.4	16.3	109	126	10.1	9.5	1.4	1.2	5.8	4.6
Gateway Distriparks	Transportation	132	HOLD	14	9.6	10.4	104	110	13.7	12.6	1.3	1.2	6.5	5.8
Transport Corp of India	Transportation	85	BUY	6	9.2	11.2	44	49	9.3	7.6	1.9	1.7	5.2	4.4

Note: Price as on 11-August-2011; Source: IDBI Capital Research, Bloomberg

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