

Earnings Guide

December 2008



Large Caps

- Reliance Industries
- GAIL
- Punjab National Bank
- Reliance Communication
- ICICI Bank
- State Bank of India
- Hindustan Unilever
- BHEL
- Hero Honda
- BPCL
- Mundra Port & SEZ

Mid Caps

- IVRCL
- Lupin
- Voltas
- Jyoti Structures
- Nagarjuna Construction
- Tulip Telecom
- Bharti Shipyard
- Bombay Rayon Fashions
- Bank of Baroda
- IBN 18
- Tata Chemicals
- Chambal Fertilisers

PL Universe - A Snapshot



| | Last Year (FY08) | | 1-year forward (FY09E) | | | | | | | | | | |
|--------------------------|------------------|------------------|------------------------|------------------|-------------|-------------|----------------|------------|------------|------------|--------|---------|----------|
| | (Rs.m) | | (Rs.m) | | Growth (%) | | Valuations (x) | | | | | RoE (%) | RoCE (%) |
| | Sales | PAT | Sales | PAT | Sales | PAT | PER | MC/sales | EV/EBITDA | EV/sales | | | |
| Automobile | 1,013,325 | 81,552 | 1,111,813 | 54,817 | 9.7 | (32.8) | 9.1 | 0.4 | 9.5 | 1.0 | 17.1 | 10.6 | |
| Auto Ancl. | 155,493 | 15,012 | 179,688 | 15,015 | 15.6 | 0.0 | 10.8 | 0.9 | 9.8 | 1.5 | 17.6 | 13.4 | |
| Aviation | 115,853 | (7,874) | 141,294 | (17,842) | 22.0 | 126.6 | (1.0) | 0.1 | (42.7) | 1.7 | (53.9) | (8.4) | |
| Capital Goods | 737,808 | 70,681 | 933,057 | 80,277 | 26.5 | 13.6 | 13.4 | 1.2 | 9.0 | 1.2 | 25.4 | 35.1 | |
| Cement | 405,262 | 72,071 | 444,502 | 61,981 | 9.7 | (14.0) | 5.9 | 0.8 | 4.0 | 1.0 | 22.9 | 15.7 | |
| Construction | 517,657 | 39,144 | 691,485 | 44,757 | 33.6 | 14.3 | 15.0 | 1.0 | 10.3 | 1.3 | 18.2 | 11.6 | |
| Fertilizers | 93,082 | 6,417 | 145,423 | 12,419 | 56.2 | 93.5 | 4.6 | 0.4 | 3.8 | 0.7 | 23.0 | 8.4 | |
| Consumer | 334,416 | 56,076 | 384,249 | 64,915 | 14.9 | 15.8 | 20.4 | 3.4 | 16.6 | 3.6 | 41.0 | 37.8 | |
| Financial Services | 77,157 | 16,030 | 90,499 | 16,205 | 17.3 | 1.1 | 10.7 | 1.9 | 9.1 | 3.9 | 13.6 | 9.1 | |
| IT | 821,956 | 169,924 | 1,063,226 | 195,365 | 29.4 | 15.0 | 8.9 | 1.6 | 6.4 | 1.5 | 32.4 | 30.2 | |
| Media | 70,413 | 10,590 | 88,267 | 12,724 | 25.4 | 20.1 | 16.2 | 2.3 | 10.3 | 2.5 | 13.7 | 12.3 | |
| Offshore & Ship Building | 52,377 | 8,300 | 81,452 | 22,636 | 55.5 | 172.7 | 7.1 | 2.0 | 7.7 | 3.8 | 31.8 | 11.8 | |
| Oil & Gas | 2,571,574 | 386,367 | 3,298,996 | 452,583 | 28.3 | 17.1 | 8.4 | 1.2 | 5.7 | 1.4 | 23.4 | 17.0 | |
| Pharma | 210,314 | 40,827 | 253,084 | 36,967 | 20.3 | (9.5) | 16.9 | 2.5 | 11.7 | 2.6 | 17.9 | 15.2 | |
| Real Estate | 9,615 | 5,684 | 17,185 | 7,259 | 78.7 | 27.7 | 3.9 | 1.7 | 2.2 | 1.3 | 17.8 | 16.9 | |
| Steel | 189,936 | 30,840 | 287,515 | 38,966 | 51.4 | 26.3 | 5.2 | 0.7 | 4.9 | 1.5 | 27.7 | 13.1 | |
| Telecom | 540,365 | 130,261 | 713,396 | 157,602 | 32.0 | 21.0 | 13.4 | 3.0 | 8.2 | 3.2 | 23.7 | 13.9 | |
| Others | 60,528 | 6,642 | 81,470 | 8,787 | 34.6 | 32.3 | 3.8 | 0.4 | 4.8 | 0.9 | 19.9 | 14.6 | |
| Sub-Total | 7,977,129 | 1,138,547 | 10,006,600 | 1,265,436 | 25.4 | 11.1 | 10.5 | 1.3 | 7.4 | 1.6 | | | |

| | Last Year (FY08) | | 1-year forward (FY09E) | | | | | | | | | | |
|--------------------|------------------|------------------|------------------------|------------------|-------------|-------------|----------------|-------|------|-------|------|---------|---------|
| | (Rs.m) | | (Rs.m) | | Growth (%) | | Valuations (x) | | | | | RoE (%) | RoA (%) |
| | Total Inc. | PAT | Total inc. | PAT | Total inc. | PAT | PER | MCTBS | P/BV | P/ABV | | | |
| Banks | 1,774,560 | 207,749 | 2,251,206 | 238,325 | 26.9 | 14.7 | 10.1 | 9.6 | 1.4 | 1.6 | 14.3 | 1.0 | |
| Financial Services | 109,715 | 26,864 | 141,535 | 32,216 | 29.0 | 19.9 | 17.2 | 40.9 | 2.8 | 2.8 | 16.2 | 2.4 | |
| Total | 9,861,403 | 1,373,160 | 12,399,341 | 1,535,977 | 25.7 | 11.9 | 10.6 | | | | | | |

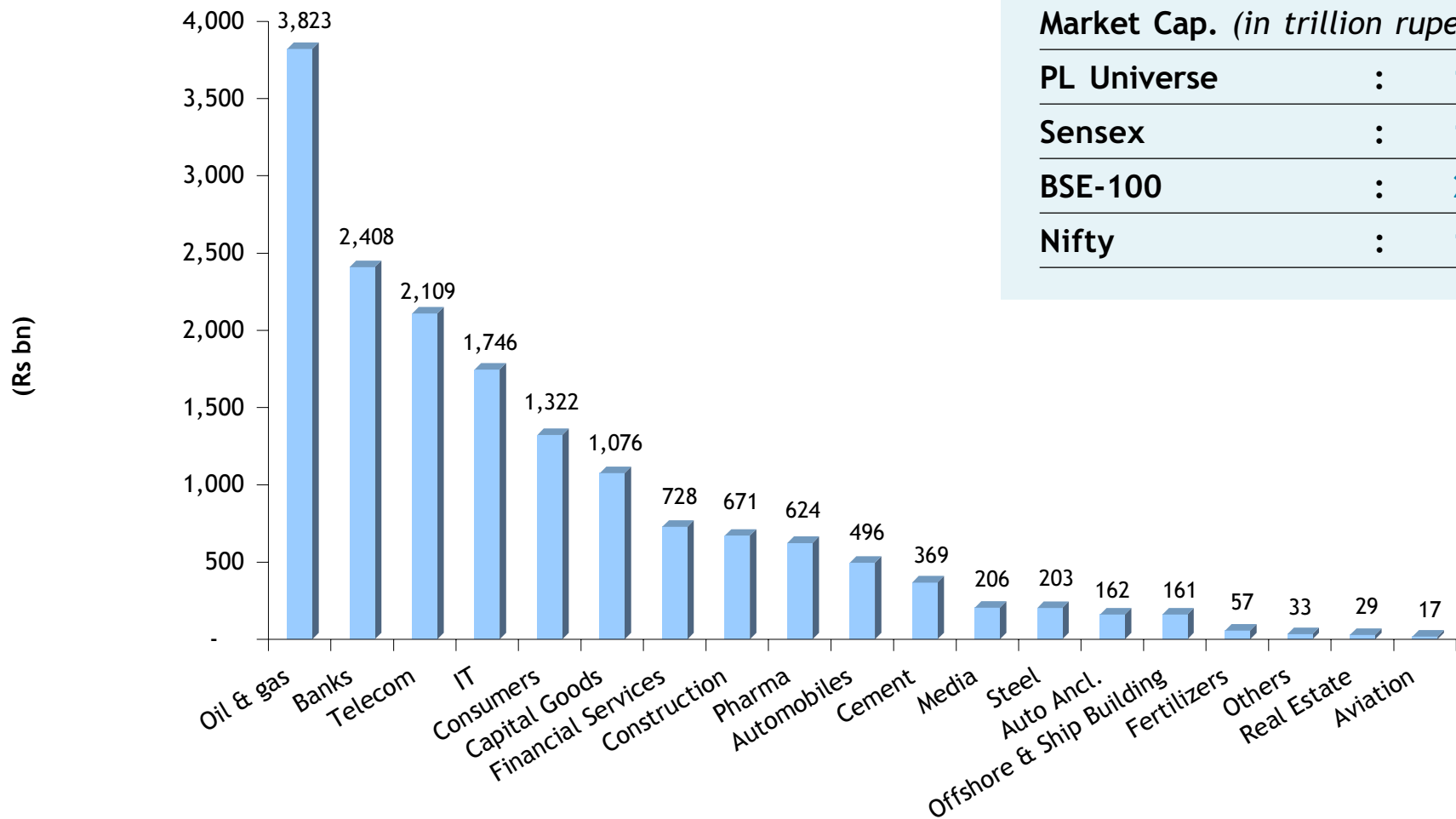
PL Universe - A Snapshot



| | 1yr. Fwd. (FY09E) | | 2-years forward (FY10E) | | | | | | | | | | |
|--------------------------|-------------------|------------------|-------------------------|------------------|-------------|-------------|----------------|------------|------------|------------|--------|---------|----------|
| | (Rs.m) | | (Rs.m) | | Growth (%) | | Valuations (x) | | | | | RoE (%) | RoCE (%) |
| | Sales | PAT | Sales | PAT | Sales | PAT | PER | MC/sales | EV/EBITDA | EV/sales | | | |
| Automobile | 1,111,813 | 54,817 | 1,269,075 | 66,832 | 14.1 | 21.9 | 7.7 | 0.4 | 7.9 | 0.8 | 18.3 | 11.2 | |
| Auto Ancl. | 179,688 | 15,015 | 209,878 | 19,245 | 16.8 | 28.2 | 8.4 | 0.8 | 7.7 | 1.3 | 19.5 | 15.2 | |
| Aviation | 141,294 | (17,842) | 158,758 | (10,342) | 12.4 | (42.0) | (1.7) | 0.1 | 39.1 | 1.7 | (54.4) | (3.6) | |
| Capital Goods | 933,057 | 80,277 | 1,160,689 | 104,580 | 24.4 | 30.3 | 10.3 | 0.9 | 6.8 | 1.0 | 27.2 | 36.6 | |
| Cement | 444,502 | 61,981 | 456,576 | 51,166 | 2.7 | (17.4) | 7.2 | 0.8 | 4.4 | 0.9 | 15.8 | 11.8 | |
| Construction | 691,485 | 44,757 | 887,116 | 55,497 | 28.3 | 24.0 | 12.1 | 0.8 | 8.6 | 1.0 | 19.2 | 12.0 | |
| Fertilizers | 145,423 | 12,419 | 145,319 | 11,530 | (0.1) | (7.2) | 5.0 | 0.4 | 3.6 | 0.7 | 18.3 | 8.0 | |
| Consumer | 384,249 | 64,915 | 453,023 | 74,265 | 17.9 | 14.4 | 17.8 | 2.9 | 14.3 | 3.0 | 40.9 | 38.3 | |
| Financial Services | 90,499 | 16,205 | 110,808 | 18,670 | 22.4 | 15.2 | 9.3 | 1.6 | 8.2 | 3.7 | 13.7 | 8.7 | |
| IT | 1,063,226 | 195,365 | 1,125,247 | 204,769 | 5.8 | 4.8 | 8.6 | 1.6 | 5.6 | 1.3 | 32.8 | 29.6 | |
| Media | 88,267 | 12,724 | 108,029 | 15,084 | 22.4 | 18.5 | 13.7 | 1.9 | 7.4 | 2.0 | 13.8 | 12.1 | |
| Offshore & Ship Building | 81,452 | 22,636 | 117,529 | 36,383 | 44.3 | 60.7 | 4.4 | 1.4 | 4.8 | 2.5 | 37.4 | 15.3 | |
| Oil & Gas | 3,298,996 | 452,583 | 4,187,580 | 544,604 | 26.9 | 20.3 | 7.0 | 0.9 | 4.7 | 1.1 | 23.2 | 31.8 | |
| Pharma | 253,084 | 36,967 | 317,005 | 58,918 | 25.3 | 59.4 | 10.8 | 2.0 | 8.7 | 2.1 | 20.8 | 19.7 | |
| Real Estate | 17,185 | 7,259 | 29,685 | 13,307 | 72.7 | 83.3 | 2.2 | 1.0 | 1.4 | 0.9 | 26.7 | 24.8 | |
| Steel | 287,515 | 38,966 | 309,330 | 37,338 | 7.6 | (4.2) | 5.4 | 0.7 | 5.3 | 1.6 | 21.5 | 11.2 | |
| Telecom | 713,396 | 157,602 | 861,186 | 181,565 | 20.7 | 15.2 | 11.6 | 2.4 | 6.8 | 2.6 | 20.2 | 13.5 | |
| Others | 81,470 | 8,787 | 107,479 | 13,717 | 31.9 | 56.1 | 2.6 | 0.3 | 3.3 | 0.7 | 23.3 | 17.3 | |
| Sub-Total | 10,006,600 | 1,265,436 | 12,014,310 | 1,497,128 | 20.1 | 18.3 | 8.9 | 1.1 | 6.2 | 1.3 | | | |

| | 1yr. Fwd. (FY09E) | | 2-years forward (FY10E) | | | | | | | | | | |
|--------------------|-------------------|------------------|-------------------------|------------------|-------------|-------------|----------------|-------|------|-------|------|---------|---------|
| | (Rs.m) | | (Rs.m) | | Growth (%) | | Valuations (x) | | | | | RoE (%) | RoA (%) |
| | Total Inc. | PAT | Total inc. | PAT | Total inc. | PAT | PER | MCTBS | P/BV | P/ABV | | | |
| Banks | 2,251,206 | 238,325 | 2,629,582 | 282,875 | 16.8 | 18.7 | 8.6 | 8.1 | 1.3 | 1.5 | 15.0 | 0.9 | |
| Financial Services | 141,535 | 32,216 | 168,810 | 39,101 | 19.3 | 21.4 | 14.2 | 32.8 | 2.5 | 2.5 | 17.3 | 2.3 | |
| Total | 12,399,341 | 1,535,977 | 14,812,702 | 1,819,104 | 19.5 | 18.4 | 9.0 | | | | | | |

PL Universe - Market Capitalisation



| Market Cap. (in trillion rupees) | | |
|----------------------------------|---|------|
| PL Universe | : | 16.2 |
| Sensex | : | 14.6 |
| BSE-100 | : | 22.8 |
| Nifty | : | 18.1 |

All stock prices as on December 12, 2008

Sector View

Equal Weight

Top Picks

Hero Honda

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|---------------|--------|-----|------------------|---------------|------|---------|------------------------|---------------|------|---------|------------------------|---------------|------|---------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Ashok Leyland | Reduce | 13 | 77,291 | 4,777 | 3.6 | 0.7 | 63,560 | 2,247 | 1.7 | (2.0) | 69,472 | 2,851 | 2.1 | (2.2) |
| Bajaj Auto | Acc | 393 | 93,706 | 7,559 | 54.2 | 128.4 | 89,611 | 6,649 | 46.0 | 39.8 | 97,603 | 7,918 | 54.7 | 41.0 |
| Hero Honda | Acc | 781 | 101,294 | 9,679 | 46.2 | 55.0 | 121,859 | 11,820 | 59.2 | 80.2 | 136,868 | 13,983 | 70.0 | 35.7 |
| M&M* | Acc | 293 | 237,748 | 18,736 | 59.8 | (150.1) | 244,757 | 12,419 | 47.3 | (103.5) | 268,745 | 16,677 | 63.5 | (108.5) |
| Maruti Suzuki | Reduce | 506 | 179,362 | 19,125 | 66.2 | 85.8 | 192,952 | 13,065 | 45.2 | 67.2 | 220,386 | 16,230 | 56.2 | 84.6 |
| Tata Motors* | Reduce | 154 | 325,145 | 21,677 | 54.4 | 20.0 | 399,074 | 8,618 | 15.8 | (131.3) | 476,001 | 9,173 | 16.9 | (31.9) |
| SECTOR | | | 1,014,546 | 81,553 | | | 1,111,813 | 54,817 | | | 1,269,075 | 66,832 | | |

* Consolidated

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|---------------|-------------|-------------|---------------|--------|----------------|------------|------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Ashok Leyland | FY09 | (17.8) | (53.0) | (53.0) | 7.7 | 0.3 | 4.6 | 0.3 | 10.5 | 7.3 |
| | FY10 | 9.3 | 26.9 | 26.9 | 6.1 | 0.2 | 4.2 | 0.4 | 13.2 | 8.7 |
| Bajaj Auto | FY09 | (4.4) | (12.0) | (15.2) | 8.6 | 0.4 | 3.1 | 0.4 | 38.0 | 37.5 |
| | FY10 | 8.9 | 19.1 | 19.1 | 7.2 | 0.6 | 2.5 | 0.3 | 35.9 | 38.0 |
| Hero Honda | FY09 | 20.3 | 22.1 | 28.2 | 13.2 | 1.3 | 7.6 | 1.0 | 34.7 | 43.1 |
| | FY10 | 12.3 | 18.3 | 18.3 | 11.1 | 1.1 | 6.0 | 0.8 | 32.2 | 39.3 |
| M&M* | FY09 | 2.9 | (33.7) | (21.0) | 6.2 | 0.3 | 8.4 | 1.0 | 20.1 | 9.1 |
| | FY10 | 9.8 | 34.3 | 34.3 | 4.6 | 0.3 | 6.6 | 0.9 | 21.3 | 9.7 |
| Maruti Suzuki | FY09 | 7.6 | (31.7) | (31.7) | 11.2 | 0.8 | 13.7 | 1.1 | 14.6 | 13.8 |
| | FY10 | 14.2 | 24.2 | 24.2 | 9.0 | 0.7 | 9.7 | 1.0 | 15.9 | 15.0 |
| Tata Motors* | FY09 | 22.7 | (60.2) | (70.9) | 9.7 | 0.2 | 12.2 | 1.1 | 9.5 | 6.1 |
| | FY10 | 19.3 | 6.4 | 6.4 | 9.1 | 0.1 | 11.3 | 0.9 | 9.4 | 5.9 |
| SECTOR | FY09 | 9.6 | (32.8) | | 9.1 | 0.4 | 9.5 | 1.0 | 17.1 | 10.6 |
| | FY10 | 14.1 | 21.9 | | 7.7 | 0.4 | 7.9 | 0.8 | 18.3 | 11.2 |

* Consolidated

Sector View

Under Weight

Top Picks

Amtek India

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|--------------------------|--------|-------|------------------|---------------|-------|--------|------------------------|---------------|-------|--------|------------------------|---------------|-------|--------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Ahmednagar Forging* | NR | 25 | 7,249 | 599 | 20.7 | (1.7) | 9,148 | 657 | 25.7 | 15.0 | 10,976 | 955 | 32.9 | 21.9 |
| Amtek India* | Acc | 20 | 11,499 | 1,381 | 14.2 | 33.4 | 13,752 | 1,699 | 13.9 | 19.0 | 17,155 | 2,324 | 18.9 | 23.4 |
| Bharat Forge | Acc | 80 | 21,965 | 2,736 | 11.4 | (4.8) | 24,808 | 2,430 | 10.1 | 17.1 | 32,342 | 3,545 | 14.8 | 12.8 |
| Bosh** | NR | 3,062 | 42,796 | 6,092 | 190.1 | 74.0 | 49,169 | 7,621 | 238.2 | 80.0 | 58,019 | 9,167 | 286.5 | 78.0 |
| Ceat | Reduce | 36 | 23,300 | 687 | 20.0 | (46.3) | 24,903 | 232 | 6.8 | 24.9 | 27,789 | 620 | 18.1 | (1.6) |
| Everest Kanto Cylinder | NR | 150 | 5,057 | 1,078 | 10.0 | (0.4) | 10,230 | 1,555 | 17.8 | (21.2) | 14,186 | 1,947 | 23.4 | (11.6) |
| Motherson Sumi | Acc | 55 | 13,031 | 1,203 | 3.4 | 3.0 | 14,986 | 1,450 | 4.1 | 2.5 | 17,683 | 1,717 | 4.9 | 2.6 |
| Rico Auto | Reduce | 11 | 7,087 | 221 | 1.8 | 2.1 | 7,588 | 68 | 0.5 | (1.3) | 8,700 | 151 | 1.2 | (0.8) |
| Sona Koyo | Reduce | 9 | 6,836 | 252 | 1.3 | (9.5) | 7,497 | 27 | 0.1 | (2.3) | 8,351 | 191 | 1.0 | (0.3) |
| Sundaram Fast. | NR | 17 | 16,673 | 765 | 3.6 | 1.9 | 18,365 | 837 | 4.0 | 2.4 | 21,095 | 1,024 | 4.9 | 3.1 |
| SECTOR | | | 155,493 | 15,012 | | | 180,446 | 16,578 | | | 216,295 | 21,639 | | |

* Y/e June

** Y/e December

Standalone

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Sector View

Under Weight

Top Picks

Amtek India

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|------------------------|-------------|-------------|-------------|--------|----------------|------------|------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Ahmednagar Forging* | FY09 | 26.2 | 9.8 | 24.2 | 1.0 | 0.1 | 3.7 | 0.6 | 18.8 | 18.0 |
| | FY10 | 20.0 | 45.3 | 28.0 | 0.7 | 0.1 | 2.9 | 0.5 | 24.7 | 17.4 |
| Amtek India* | FY09 | 19.6 | 23.0 | (2.6) | 1.4 | 0.2 | 2.8 | 0.6 | 11.8 | 10.9 |
| | FY10 | 24.7 | 36.8 | 36.8 | 1.0 | 0.1 | 2.3 | 0.5 | 12.9 | 13.3 |
| Bharat Forge | FY09 | 12.9 | (11.2) | (11.2) | 7.9 | 0.7 | 7.3 | 1.7 | 15.2 | 10.1 |
| | FY10 | 30.4 | 45.8 | 45.8 | 5.4 | 0.6 | 4.9 | 1.2 | 18.7 | 12.1 |
| Bosh** | FY09 | 14.9 | 25.1 | 25.3 | 12.9 | 2.0 | 12.5 | 2.6 | 27.6 | 34.2 |
| | FY10 | 18.0 | 20.3 | 20.3 | 10.7 | 1.7 | 10.3 | 2.2 | 27.3 | 35.2 |
| Ceat | FY09 | 6.9 | (66.2) | (66.2) | 5.3 | 0.0 | 6.6 | 0.2 | 4.6 | 5.9 |
| | FY10 | 11.6 | 166.6 | 166.6 | 2.0 | 0.0 | 4.6 | 0.2 | 12.7 | 10.6 |
| Everest Kanto Cylinder | FY09 | 102.3 | 44.3 | 79.2 | 8.4 | 1.5 | 11.7 | 3.0 | 27.8 | 21.9 |
| | FY10 | 38.7 | 25.2 | 31.4 | 6.4 | 1.1 | 9.3 | 2.2 | 26.8 | 18.1 |
| Motherson Sumi | FY09 | 15.0 | 20.6 | 20.6 | 13.4 | 1.3 | 10.3 | 1.6 | 35.7 | 28.6 |
| | FY10 | 18.0 | 18.4 | 18.4 | 11.3 | 1.1 | 8.6 | 1.4 | 35.4 | 31.1 |
| Rico Auto | FY09 | 7.1 | (69.3) | (69.3) | 21.3 | 0.2 | 4.5 | 0.4 | 2.6 | 7.0 |
| | FY10 | 14.6 | 122.6 | 122.6 | 9.6 | 0.2 | 4.0 | 0.4 | 5.8 | 9.2 |
| Sona Koyo | FY09 | 9.7 | (89.4) | (89.4) | 63.2 | 0.2 | 10.6 | 0.6 | 1.4 | 4.5 |
| | FY10 | 11.4 | 612.8 | 612.8 | 8.9 | 0.2 | 5.8 | 0.5 | 9.2 | 7.6 |
| Sundaram Fast. | FY09 | 10.1 | 9.5 | 9.5 | 4.3 | 0.2 | 8.5 | 0.8 | 17.2 | 9.4 |
| | FY10 | 14.9 | 22.3 | 22.3 | 3.6 | 0.2 | 7.1 | 0.7 | 18.7 | 10.6 |
| SECTOR | FY09 | 16.0 | 10.4 | | 9.8 | 0.9 | 9.1 | 1.5 | 19.3 | 14.5 |
| | FY10 | 19.9 | 30.5 | | 7.5 | 0.7 | 7.0 | 1.2 | 21.3 | 16.4 |

* Y/e June

** Y/e December

Standalone

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Sector View

Under Weight

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|---------------|--------|-----|------------------|----------------|------|------|------------------------|-----------------|------|------|------------------------|-----------------|------|------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Jet Airways | Reduce | 149 | 102,456 | (6,539) | - | - | 120,555 | (13,587) | - | - | 130,519 | (7,941) | - | - |
| SpiceJet | Reduce | 14 | 13,397 | (1,335) | - | - | 20,739 | (4,255) | - | - | 28,239 | (2,401) | - | - |
| SECTOR | | | 115,853 | (7,874) | | | 141,294 | (17,842) | | | 158,758 | (10,342) | | |

Top Picks

None

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|---------------|-------------|-------------|---------------|-----|----------------|------------|---------------|------------|---------------|--------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTAR | EV/sales | RoE (%) | RoCE (%) |
| Jet Airways | FY09 | 17.7 | NA | NA | - | 0.1 | (67.0) | 1.7 | (39.1) | (6.0) |
| | FY10 | 8.3 | - | - | - | 0.1 | 32.4 | 1.7 | - | (2.0) |
| SpiceJet | FY09 | 54.8 | NA | NA | - | 0.2 | (12.8) | 1.6 | - | (129.9) |
| | FY10 | 36.2 | - | - | - | 0.2 | - | 1.4 | 48.6 | (355.4) |
| SECTOR | FY09 | 22.0 | 126.6 | | (1.0) | 0.1 | (42.7) | 1.7 | (53.9) | (8.4) |
| | FY10 | 12.4 | (42.0) | | (1.7) | 0.1 | 39.1 | 1.7 | (54.4) | (3.6) |

Sector View

Over Weight

Top Picks

ICICI Bank

State Bank of India

Bank of India

Bank of Baroda

| Financials | Reco | CMP | Last Year (FY08) | | | | | | 1-year forward (FY09E) | | | | | | 2-year forward (FY10E) | | | | | |
|----------------------|------|-------|------------------|---------|---------|-------|-------|-------|------------------------|---------|---------|-------|-------|-------|------------------------|---------|---------|-------|-------|-------|
| | | | (Rs.m) | | | (Rs) | | | (Rs.m) | | | (Rs) | | | (Rs.m) | | | (Rs) | | |
| | | | Total Income | NII | PAT | EPS | BV | ABV | Total Income | NII | PAT | EPS | BV | ABV | Total Income | NII | PAT | EPS | BV | ABV |
| Axis Bank | BUY | 469 | 88,009 | 25,854 | 10,710 | 29.9 | 245.1 | 238.2 | 130,539 | 34,862 | 14,332 | 40.1 | 277.0 | 266.0 | 163,324 | 42,755 | 17,697 | 49.5 | 317.1 | 304.2 |
| Bank of Baroda | Acc | 256 | 138,645 | 39,118 | 14,355 | 39.3 | 264.4 | 250.9 | 175,489 | 46,291 | 16,501 | 45.1 | 299.1 | 279.6 | 200,956 | 52,406 | 19,225 | 52.6 | 340.0 | 314.7 |
| Bank of India | BUY | 269 | 144,722 | 42,293 | 20,094 | 38.2 | 167.8 | 156.6 | 185,215 | 52,451 | 26,125 | 49.7 | 212.8 | 198.4 | 220,382 | 62,238 | 31,279 | 59.5 | 267.6 | 248.1 |
| HDFC Bank | Acc | 920 | 146,119 | 57,812 | 17,364 | 49.0 | 324.4 | 322.4 | 199,768 | 76,286 | 22,513 | 53.0 | 358.7 | 354.4 | 254,256 | 97,688 | 30,941 | 68.6 | 473.6 | 468.6 |
| ICICI Bank | Buy | 411 | 395,991 | 73,041 | 41,577 | 37.4 | 420.8 | 389.4 | 432,310 | 84,254 | 39,346 | 35.4 | 442.3 | 392.0 | 461,301 | 95,457 | 45,588 | 41.0 | 468.7 | 412.4 |
| Punjab National Bank | Acc | 468 | 162,626 | 55,342 | 20,488 | 65.0 | 342.0 | 318.1 | 214,476 | 67,301 | 24,959 | 79.2 | 405.3 | 374.5 | 248,500 | 79,237 | 29,457 | 93.4 | 482.4 | 443.5 |
| State Bank of India | BUY | 1,215 | 576,452 | 170,212 | 67,291 | 106.5 | 776.3 | 709.6 | 756,798 | 214,082 | 77,078 | 122.0 | 875.9 | 811.4 | 892,503 | 242,193 | 88,096 | 139.5 | 989.7 | 897.5 |
| Union Bank of India | Acc | 147 | 105,343 | 30,864 | 13,870 | 27.5 | 111.3 | 108.8 | 134,002 | 36,792 | 14,766 | 29.2 | 135.3 | 127.5 | 155,571 | 41,775 | 16,720 | 33.1 | 162.5 | 153.9 |
| Yes Bank | NR | 74 | 16,654 | 3,367 | 2,000 | 6.9 | 44.6 | 44.3 | 22,609 | 5,020 | 2,706 | 8.9 | 61.2 | 60.7 | 32,789 | 7,630 | 3,873 | 12.3 | 71.9 | 71.3 |
| SECTOR | | | 1,774,560 | 497,902 | 207,749 | | | | 2,251,206 | 617,339 | 238,325 | | | | 2,629,582 | 721,379 | 282,875 | | | |

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Sector View

Over Weight

Top Picks

ICICI Bank

State Bank of India

Bank of India

Bank of Baroda

| Valuations | | Growth (%) | | | | Valuations (x) | | | | | |
|----------------------|------|------------|------|-------|-------|----------------|------------------|------|-------|---------|----------|
| | | Total inc. | NII | PAT | EPS | PER | MC/balance sheet | P/BV | P/ABV | RoE (%) | RoAA (%) |
| Axis Bank | FY09 | 48.3 | 34.8 | 33.8 | 33.8 | 11.7 | 11.5 | 1.7 | 1.8 | 15.3 | 1.1 |
| | FY10 | 25.1 | 22.6 | 23.5 | 23.5 | 9.5 | 9.2 | 1.5 | 1.5 | 16.7 | 1.1 |
| Bank of Baroda | FY09 | 26.6 | 18.3 | 14.9 | 14.9 | 5.7 | 4.3 | 0.9 | 0.9 | 14.1 | 0.8 |
| | FY10 | 14.5 | 13.2 | 16.5 | 16.5 | 4.9 | 3.6 | 0.8 | 0.8 | 14.7 | 0.8 |
| Bank of India | FY09 | 28.0 | 24.0 | 30.0 | 30.0 | 5.4 | 6.5 | 1.3 | 1.4 | 22.2 | 1.3 |
| | FY10 | 19.0 | 18.7 | 19.7 | 19.7 | 4.5 | 5.4 | 1.0 | 1.1 | 21.7 | 1.3 |
| HDFC Bank | FY09 | 36.7 | 32.0 | 29.7 | 8.1 | 17.4 | 18.7 | 2.6 | 2.6 | 16.8 | 1.2 |
| | FY10 | 27.3 | 28.1 | 37.4 | 29.5 | 13.4 | 15.3 | 1.9 | 2.0 | 16.9 | 1.2 |
| ICICI Bank | FY09 | 9.2 | 15.4 | (5.4) | (5.4) | 11.6 | 14.3 | 0.9 | 1.0 | 8.2 | 1.0 |
| | FY10 | 6.7 | 13.3 | 15.9 | 15.9 | 10.0 | 12.6 | 0.9 | 1.0 | 9.0 | 1.0 |
| Punjab National Bank | FY09 | 31.9 | 21.6 | 21.8 | 21.8 | 5.9 | 6.0 | 1.2 | 1.3 | 18.7 | 1.1 |
| | FY10 | 15.9 | 17.7 | 18.0 | 18.0 | 5.0 | 5.1 | 1.0 | 1.1 | 19.0 | 1.1 |
| State Bank of India | FY09 | 31.3 | 25.8 | 14.5 | 14.5 | 10.0 | 8.8 | 1.4 | 1.5 | 14.8 | 1.0 |
| | FY10 | 17.9 | 13.1 | 14.3 | 14.3 | 8.7 | 7.4 | 1.2 | 1.4 | 15.0 | 0.9 |
| Union Bank of India | FY09 | 27.2 | 19.2 | 6.5 | 6.5 | 5.0 | 4.9 | 1.1 | 1.2 | 18.6 | 1.1 |
| | FY10 | 16.1 | 13.5 | 13.2 | 13.2 | 4.4 | 4.2 | 0.9 | 1.0 | 18.1 | 1.0 |
| Yes Bank | FY09 | 35.8 | 49.1 | 35.3 | 27.6 | 8.3 | 9.6 | 1.2 | 1.2 | 16.7 | 1.3 |
| | FY10 | 45.0 | 52.0 | 43.1 | 38.8 | 6.0 | 6.7 | 1.0 | 1.0 | 18.5 | 1.3 |
| SECTOR | FY09 | 26.9 | 24.0 | 14.7 | | 10.1 | 9.6 | 1.4 | 1.6 | 14.3 | 1.0 |
| | FY10 | 16.8 | 16.9 | 18.7 | | 8.6 | 8.1 | 1.3 | 1.5 | 15.0 | 0.9 |

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Sector View

Equal Weight

Top Picks

Crompton
Greaves

Voltas

Jyoti Structures

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|-------------------|--------|-------|------------------|---------------|------|--------|------------------------|---------------|------|--------|------------------------|----------------|-------|--------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| ABB* | Reduce | 432 | 59,303 | 4,917 | 23.2 | 8.0 | 68,966 | 5,348 | 25.2 | 14.0 | 88,414 | 6,802 | 32.1 | 21.1 |
| Action Const. | Reduce | 15 | 4,056 | 363 | 4.0 | (1.4) | 4,908 | 357 | 4.0 | 0.7 | 5,439 | 414 | 4.6 | 0.8 |
| AIA Engineering | NR | 143 | 6,912 | 1,330 | 14.1 | (14.4) | 10,094 | 1,820 | 96.8 | (2.4) | 14,267 | 2,483 | 132.1 | (2.4) |
| Areva T&D* | Acc | 145 | 20,222 | 2,168 | 9.1 | (1.4) | 27,113 | 2,530 | 10.6 | (12.8) | 36,960 | 3,381 | 14.1 | (8.0) |
| BHEL | Acc | 1,360 | 197,269 | 28,594 | 58.4 | 77.5 | 260,366 | 33,643 | 68.7 | 37.9 | 327,681 | 46,883 | 95.8 | 28.4 |
| Crompton Greaves | Acc | 152 | 68,323 | 4,098 | 11.2 | 2.5 | 85,625 | 5,148 | 14.0 | 3.4 | 101,548 | 6,242 | 17.0 | 8.8 |
| Elecon Eng. | Reduce | 35 | 8,264 | 672 | 7.2 | (12.6) | 10,889 | 766 | 8.3 | (10.3) | 13,485 | 945 | 10.2 | (12.7) |
| EMCO | Reduce | 34 | 9,443 | 648 | 11.0 | (26.3) | 12,104 | 718 | 12.2 | (17.3) | 15,426 | 871 | 14.8 | (13.4) |
| Hindustan Dorr | Acc | 32 | 3,060 | 229 | 5.9 | (11.4) | 4,555 | 330 | 9.2 | (11.4) | 6,738 | 506 | 14.1 | (14.0) |
| Jyoti Structures | BUY | 60 | 13,704 | 724 | 8.9 | (7.1) | 18,363 | 873 | 10.7 | (19.7) | 24,056 | 1,142 | 14.0 | (12.9) |
| KEC International | Acc | 117 | 28,145 | 1,722 | 34.9 | (37.9) | 36,914 | 1,739 | 35.2 | (31.6) | 42,925 | 2,126 | 43.1 | (17.6) |
| KEI Industries | Reduce | 13 | 8,747 | 435 | 7.1 | (24.9) | 10,718 | 266 | 4.3 | (21.7) | 13,838 | 473 | 7.7 | (19.8) |
| Siemens** | Reduce | 240 | 94,175 | 6,927 | 20.5 | (3.6) | 97,296 | 5,995 | 17.8 | 17.0 | 110,917 | 5,944 | 17.6 | 7.0 |
| Sujana Towers# | Acc | 18 | 6,993 | 576 | 12.3 | (14.7) | 9,363 | 524 | 11.2 | (14.8) | 11,723 | 636 | 13.5 | 3.0 |
| Suzlon Energy | Acc | 52 | 136,794 | 11,813 | 7.6 | (4.4) | 186,601 | 13,657 | 8.8 | (17.3) | 237,430 | 17,873 | 11.5 | (10.2) |
| Thermax | NR | 189 | 34,815 | 2,907 | 24.4 | 12.5 | 40,560 | 3,156 | 26.5 | 3.4 | 48,672 | 3,726 | 31.3 | 9.0 |
| Voltamp Transf. | Reduce | 340 | 5,553 | 799 | 79.0 | 37.4 | 6,720 | 893 | 88.3 | 39.7 | 7,929 | 939 | 92.8 | 34.9 |
| Voltas | BUY | 55 | 32,029 | 1,760 | 5.3 | 9.0 | 41,904 | 2,516 | 7.6 | 3.2 | 53,242 | 3,193 | 9.7 | 2.5 |
| SECTOR | | | 737,808 | 70,681 | | | 933,057 | 80,277 | | | 1,160,689 | 104,580 | | |

* Y/e Dec

** Y/e Sept

Sector View

Equal Weight

Top Picks

Crompton Greaves

Voltas

Jyoti Structures

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|-------------------|------|------------|--------|--------|----------------|----------|-----------|----------|---------|----------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| ABB* | FY09 | 16.3 | 8.8 | 8.8 | 17.1 | 1.3 | 10.9 | 1.3 | 27.6 | 27.8 |
| | FY10 | 28.2 | 27.2 | 27.2 | 13.5 | 1.0 | 8.6 | 1.0 | 28.3 | 28.5 |
| Action Const. | FY09 | 21.0 | (1.8) | (1.8) | 3.7 | 0.3 | 2.7 | 0.3 | 22.4 | 23.1 |
| | FY10 | 10.8 | 16.1 | 16.1 | 3.2 | 0.2 | 2.2 | 0.2 | 22.6 | 23.6 |
| AIA Engineering | FY09 | 46.0 | 36.9 | 584.3 | 1.5 | 0.3 | 2.2 | 0.6 | 24.7 | 26.8 |
| | FY10 | 41.3 | 36.5 | 36.5 | 1.1 | 0.2 | 1.6 | 0.4 | 25.9 | 28.6 |
| Areva T&D* | FY09 | 34.1 | 16.7 | 16.7 | 13.7 | 1.3 | 8.5 | 1.4 | 39.2 | 31.9 |
| | FY10 | 36.3 | 33.7 | 33.7 | 10.2 | 0.9 | 6.7 | 1.1 | 38.1 | 26.8 |
| BHEL | FY09 | 32.0 | 17.7 | 17.7 | 19.8 | 2.6 | 13.4 | 2.2 | 28.0 | 27.8 |
| | FY10 | 25.9 | 39.4 | 39.4 | 14.2 | 2.0 | 8.8 | 1.7 | 31.1 | 31.1 |
| Crompton Greaves | FY09 | 25.3 | 25.6 | 25.6 | 10.8 | 0.7 | 6.7 | 0.7 | 29.6 | 22.7 |
| | FY10 | 18.6 | 21.3 | 21.3 | 8.9 | 0.5 | 5.3 | 0.6 | 27.5 | 22.8 |
| Elecon Eng. | FY09 | 31.8 | 14.0 | 14.0 | 4.3 | 0.3 | 5.2 | 0.8 | 28.5 | 20.6 |
| | FY10 | 23.8 | 23.4 | 23.4 | 3.5 | 0.2 | 4.8 | 0.7 | 27.6 | 20.2 |
| EMCO | FY09 | 28.2 | 10.8 | 11.3 | 2.8 | 0.2 | 3.2 | 0.4 | 18.2 | 17.2 |
| | FY10 | 27.4 | 21.4 | 21.4 | 2.3 | 0.1 | 2.9 | 0.4 | 19.0 | 18.3 |
| Hindustan Dorr | FY09 | 48.9 | 43.9 | 55.3 | 3.5 | 0.3 | 3.4 | 0.4 | 23.5 | 24.6 |
| | FY10 | 47.9 | 53.6 | 53.6 | 2.3 | 0.2 | 2.3 | 0.3 | 26.9 | 20.8 |
| Jyoti Structures | FY09 | 34.0 | 20.6 | 20.0 | 5.6 | 0.3 | 3.9 | 0.5 | 16.3 | 20.9 |
| | FY10 | 31.0 | 30.8 | 30.8 | 4.3 | 0.2 | 3.4 | 0.4 | 16.9 | 21.9 |
| KEC International | FY09 | 31.2 | 1.0 | 1.0 | 3.3 | 0.2 | 3.3 | 0.3 | 26.6 | 16.4 |
| | FY10 | 16.3 | 22.2 | 22.2 | 2.7 | 0.1 | 3.0 | 0.3 | 25.6 | 16.6 |
| KEI Industries | FY09 | 22.5 | (39.0) | (39.0) | 2.9 | 0.1 | 5.4 | 0.5 | 12.3 | 10.9 |
| | FY10 | 29.1 | 78.0 | 78.0 | 1.6 | 0.1 | 4.7 | 0.5 | 19.0 | 12.6 |
| Siemens** | FY09 | 3.3 | (13.4) | (13.4) | 13.5 | 0.8 | 9.4 | 0.9 | 26.9 | 27.8 |
| | FY10 | 14.0 | (0.9) | (0.9) | 13.6 | 0.7 | 8.4 | 0.8 | 24.4 | 24.7 |
| Sujana Towers# | FY09 | 33.9 | (8.9) | (8.9) | 1.6 | 0.1 | 2.5 | 0.4 | 16.8 | 21.7 |
| | FY10 | 25.2 | 21.2 | 21.2 | 1.3 | 0.1 | 2.0 | 0.3 | 16.1 | 21.5 |
| Suzlon Energy | FY09 | 36.4 | 15.6 | 15.6 | 5.9 | 0.4 | 6.7 | 0.9 | 14.9 | 10.4 |
| | FY10 | 27.2 | 30.9 | 30.9 | 4.5 | 0.3 | 5.7 | 0.8 | 16.7 | 11.9 |
| Thermax | FY09 | 16.5 | 8.5 | 8.5 | 7.1 | 0.6 | 4.6 | 0.5 | 32.6 | 33.8 |
| | FY10 | 20.0 | 18.1 | 18.1 | 6.0 | 0.5 | 3.8 | 0.4 | 30.5 | 33.8 |
| Voltamp Transf. | FY09 | 21.0 | 11.7 | 11.7 | 3.8 | 0.5 | 2.4 | 0.5 | 43.8 | 46.8 |
| | FY10 | 18.0 | 5.2 | 5.2 | 3.7 | 0.4 | 2.5 | 0.4 | 37.7 | 38.9 |
| Voltas | FY09 | 30.8 | 42.9 | 42.9 | 7.2 | 0.4 | 4.3 | 0.4 | 37.2 | 33.4 |
| | FY10 | 27.1 | 26.9 | 26.9 | 5.7 | 0.3 | 3.3 | 0.3 | 35.4 | 33.0 |
| SECTOR | FY09 | 26.5 | 13.6 | | 13.4 | 1.2 | 9.0 | 1.2 | 25.4 | 35.1 |
| | FY10 | 24.4 | 30.3 | | 10.3 | 0.9 | 6.8 | 1.0 | 27.2 | 36.6 |

* Y/e Dec

** Y/e Sept

Sector View

Under Weight

Top Picks

None

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|-------------------|--------|-------|------------------|---------------|-------|---------|------------------------|---------------|-------|--------|------------------------|---------------|-------|-------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| ACC* | Reduce | 494 | 70,072 | 12,798 | 68.2 | 58.1 | 77,151 | 10,449 | 55.6 | (12.8) | 75,808 | 9,273 | 49.4 | (0.4) |
| Ambuja Cement* | Sell | 61 | 57,048 | 13,123 | 8.6 | 6.4 | 62,309 | 11,647 | 7.6 | (2.4) | 62,409 | 9,535 | 6.3 | 1.7 |
| Grasim Industries | Reduce | 1,074 | 170,370 | 26,091 | 284.6 | (124.1) | 184,399 | 22,205 | 242.2 | 137.6 | 196,032 | 17,453 | 190.3 | 240.8 |
| India Cement | Reduce | 95 | 30,443 | 6,857 | 23.4 | 12.1 | 35,017 | 5,621 | 19.1 | (5.6) | 36,514 | 4,980 | 17.0 | 2.2 |
| Shree Cement | Acc | 450 | 21,091 | 3,044 | 87.4 | 86.9 | 23,785 | 3,854 | 110.6 | 100.2 | 21,187 | 2,524 | 72.4 | 66.4 |
| Ultratech Cement | Acc | 341 | 56,238 | 10,159 | 81.6 | (40.8) | 61,842 | 8,205 | 65.9 | (13.2) | 64,626 | 7,402 | 59.5 | 49.6 |
| SECTOR | | | 405,262 | 72,071 | | | 444,502 | 61,981 | | | 456,576 | 51,166 | | |

* Y/e Dec

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|-------------------|-------------|------------|---------------|--------|----------------|------------|------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/Sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| ACC* | FY09 | 10.1 | (18.4) | (18.4) | 8.9 | 1.2 | 5.1 | 1.1 | 23.5 | 28.6 |
| | FY10 | (1.7) | (11.3) | (11.3) | 10.0 | 1.2 | 5.8 | 1.2 | 18.6 | 23.0 |
| Ambuja Cement* | FY09 | 9.2 | (11.2) | (11.2) | 8.0 | 1.5 | 4.3 | 1.3 | 24.5 | 31.5 |
| | FY10 | 0.2 | (18.1) | (18.1) | 9.8 | 1.5 | 5.1 | 1.3 | 16.0 | 22.2 |
| Grasim Industries | FY09 | 8.2 | (14.9) | (14.9) | 4.4 | 0.5 | 3.6 | 0.8 | 25.6 | 29.2 |
| | FY10 | 6.3 | (21.4) | (21.4) | 5.6 | 0.5 | 4.1 | 0.7 | 22.0 | 20.5 |
| India Cement | FY09 | 15.0 | (18.0) | (18.0) | 5.0 | 0.7 | 3.8 | 1.2 | 19.7 | 18.7 |
| | FY10 | 4.3 | (11.4) | (11.4) | 5.6 | 0.7 | 4.1 | 1.2 | 14.7 | 14.5 |
| Shree Cement | FY09 | 12.8 | 26.6 | 26.6 | 4.1 | 0.7 | 2.3 | 0.7 | 43.6 | 27.9 |
| | FY10 | (10.9) | (34.5) | (34.5) | 6.2 | 0.7 | 2.7 | 0.7 | 22.2 | 18.0 |
| Ultratech Cement | FY09 | 10.0 | (19.2) | (19.2) | 5.2 | 0.7 | 4.0 | 1.0 | 26.8 | 22.9 |
| | FY10 | 4.5 | (9.8) | (9.8) | 5.7 | 0.7 | 3.7 | 0.8 | 19.8 | 18.5 |
| SECTOR | FY09 | 9.7 | (14.0) | | 5.9 | 0.8 | 4.0 | 1.0 | 22.9 | 15.7 |
| | FY10 | 2.7 | (17.4) | | 7.2 | 0.8 | 4.4 | 0.9 | 15.8 | 11.8 |

* Y/e Dec

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Sector View

Over Weight

Top Picks

IVRCL

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|-------------------|--------|-----|------------------|---------------|------|---------|------------------------|---------------|------|---------|------------------------|---------------|------|---------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Gammon India | Reduce | 65 | 23,449 | 883 | 10.0 | (5.4) | 27,272 | 912 | 10.3 | (39.8) | 33,237 | 657 | 7.4 | (35.3) |
| Gayatri Projects | Reduce | 87 | 7,523 | 402 | 39.9 | (127.9) | 10,823 | 420 | 41.5 | (312.1) | 15,063 | 453 | 44.8 | (260.2) |
| Hindustan Const. | Reduce | 44 | 30,828 | 1,088 | 4.0 | (15.7) | 38,093 | 1,330 | 5.0 | (15.4) | 47,228 | 1,500 | 5.7 | (3.1) |
| IVRCL | Acc | 153 | 36,606 | 2,105 | 15.8 | (47.0) | 48,939 | 2,332 | 17.3 | (58.4) | 63,622 | 2,956 | 21.9 | (26.3) |
| Jaiprakash Assoc. | NR | 84 | 39,850 | 6,100 | 5.3 | 0.4 | 61,213 | 7,470 | 6.4 | (2.4) | 80,523 | 10,318 | 8.9 | (16.2) |
| Larsen & Toubro | Reduce | 787 | 248,547 | 21,734 | 74.3 | (101.1) | 328,552 | 24,420 | 41.8 | (29.1) | 425,655 | 29,461 | 50.4 | (1.6) |
| Nagarjuna Const. | BUY | 73 | 34,729 | 1,620 | 7.1 | (6.1) | 44,639 | 1,537 | 6.7 | (34.0) | 57,945 | 2,205 | 9.6 | (20.2) |
| Patel Engineering | Reduce | 136 | 18,596 | 1,628 | 25.5 | (30.4) | 24,487 | 1,341 | 21.5 | (110.7) | 29,788 | 1,571 | 25.7 | (87.1) |
| Punj Lloyd | Acc | 150 | 77,529 | 3,584 | 11.8 | 0.4 | 107,468 | 4,995 | 15.6 | 0.4 | 134,054 | 6,375 | 19.9 | 0.4 |
| SECTOR | | | 517,657 | 39,144 | | | 691,485 | 44,757 | | | 887,116 | 55,497 | | |

* Consolidated

Note: IVRCL & Patel Engineering FY09/FY10 estimate Tax @34.0%

Sector View

Over Weight

Top Picks

IVRCL

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|-------------------|------|------------|--------|--------|----------------|----------|-----------|----------|---------|----------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Gammon India | FY09 | 16.3 | 3.2 | 3.2 | 6.3 | 0.2 | 6.1 | 0.5 | 7.2 | 12.3 |
| | FY10 | 21.9 | (27.9) | (27.9) | 8.7 | 0.2 | 6.0 | 0.5 | 4.9 | 12.4 |
| Gayatri Projects | FY09 | 43.9 | 4.4 | 4.2 | 2.1 | 0.1 | 6.1 | 0.8 | 20.5 | 16.9 |
| | FY10 | 39.2 | 7.9 | 7.9 | 1.9 | 0.1 | 6.2 | 0.7 | 18.0 | 15.6 |
| Hindustan Const. | FY09 | 23.6 | 22.3 | 27.2 | 8.7 | 0.3 | 7.7 | 0.9 | 12.0 | 13.9 |
| | FY10 | 24.0 | 12.7 | 12.7 | 7.7 | 0.2 | 6.4 | 0.7 | 11.8 | 15.2 |
| IVRCL | FY09 | 33.7 | 10.8 | 9.8 | 8.8 | 0.4 | 8.0 | 0.8 | 14.0 | 15.1 |
| | FY10 | 30.0 | 26.8 | 26.8 | 7.0 | 0.3 | 6.7 | 0.7 | 15.9 | 15.7 |
| Jaiprakash Assoc. | FY09 | 53.6 | 22.5 | 22.5 | 13.1 | 1.6 | 8.2 | 2.2 | 17.5 | 8.6 |
| | FY10 | 31.5 | 38.1 | 38.1 | 9.5 | 1.2 | 7.2 | 1.9 | 20.3 | 10.3 |
| Larsen & Toubro | FY09 | 32.2 | 12.4 | (43.8) | 18.8 | 1.4 | 13.8 | 1.5 | 23.5 | 24.6 |
| | FY10 | 29.6 | 20.6 | 20.6 | 15.6 | 1.1 | 11.0 | 1.2 | 24.1 | 26.0 |
| Nagarjuna Const. | FY09 | 28.5 | (5.1) | (5.1) | 10.8 | 0.4 | 7.4 | 0.7 | 9.4 | 14.9 |
| | FY10 | 29.8 | 43.5 | 43.5 | 7.5 | 0.3 | 6.4 | 0.6 | 12.3 | 15.5 |
| Patel Engineering | FY09 | 31.7 | (17.6) | (15.7) | 6.3 | 0.3 | 6.4 | 0.9 | 14.5 | 16.6 |
| | FY10 | 21.6 | 17.2 | 19.5 | 5.3 | 0.3 | 6.5 | 0.9 | 14.5 | 15.1 |
| Punj Lloyd | FY09 | 38.6 | 39.4 | 31.8 | 9.6 | 0.4 | 7.6 | 0.7 | 18.6 | 18.6 |
| | FY10 | 24.7 | 27.6 | 27.6 | 7.5 | 0.4 | 6.3 | 0.6 | 18.6 | 18.6 |
| SECTOR | FY09 | 33.6 | 14.3 | | 15.0 | 1.0 | 10.3 | 1.3 | 18.2 | 11.6 |
| | FY10 | 28.3 | 24.0 | | 12.1 | 0.8 | 8.6 | 1.0 | 19.2 | 12.0 |

* Consolidated

Note: IVRCL & Patel Engineering FY09/FY10 estimate Tax @34.0%

Sector View

Over Weight

Top Picks

Hindustan
Unilever

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|-------------------|------|-----|------------------|---------------|------|-------|------------------------|---------------|------|-------|------------------------|---------------|------|-------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Colgate Palmolive | NR | 384 | 14,734 | 2,317 | 17.0 | 238.5 | 16,687 | 2,634 | 19.4 | 221.2 | 19,030 | 2,917 | 21.4 | 235.1 |
| Dabur India | NR | 78 | 23,963 | 3,339 | 3.9 | 5.0 | 29,316 | 3,852 | 4.5 | 3.5 | 36,772 | 4,609 | 5.3 | 1.2 |
| Hind Unilever | NR | 240 | 137,178 | 17,635 | 8.1 | 78.2 | 156,552 | 20,956 | 9.6 | 102.3 | 179,482 | 24,697 | 11.3 | 120.5 |
| ITC | NR | 172 | 139,475 | 31,201 | 8.3 | 7.0 | 158,852 | 35,496 | 9.4 | 7.0 | 190,467 | 39,614 | 10.5 | 8.3 |
| Marico | NR | 50 | 19,067 | 1,585 | 2.6 | 1.8 | 22,842 | 1,978 | 3.2 | 1.4 | 27,272 | 2,428 | 4.0 | 2.2 |
| SECTOR | | | 334,416 | 56,076 | | | 384,249 | 64,915 | | | 453,023 | 74,265 | | |

* Y/e Dec

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|-------------------|-------------|-------------|-------------|------|----------------|------------|-------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Colgate Palmolive | FY09 | 13.3 | 13.7 | 13.7 | 19.8 | 3.1 | 16.6 | 2.7 | 145.8 | 132.8 |
| | FY10 | 14.0 | 10.7 | 10.7 | 17.9 | 2.7 | 14.7 | 2.4 | 132.9 | 123.1 |
| Dabur India | FY09 | 22.3 | 15.4 | 15.4 | 17.5 | 2.3 | 16.0 | 2.6 | 53.2 | 47.0 |
| | FY10 | 25.4 | 19.7 | 19.7 | 14.6 | 1.8 | 13.8 | 2.1 | 48.0 | 43.4 |
| Hind Unilever | FY09 | 14.1 | 18.8 | 18.8 | 24.9 | 3.3 | 24.3 | 3.4 | 129.5 | 109.6 |
| | FY10 | 14.6 | 17.9 | 17.9 | 21.1 | 2.9 | 20.3 | 2.9 | 121.1 | 104.0 |
| ITC | FY09 | 13.9 | 13.8 | 13.8 | 18.3 | 4.1 | 13.5 | 4.3 | 27.4 | 26.2 |
| | FY10 | 19.9 | 11.6 | 11.6 | 16.4 | 3.4 | 11.9 | 3.5 | 26.5 | 25.7 |
| Marico | FY09 | 19.8 | 24.8 | 24.8 | 15.4 | 1.3 | 12.1 | 1.5 | 51.0 | 29.5 |
| | FY10 | 19.4 | 22.8 | 22.8 | 12.5 | 1.1 | 9.8 | 1.3 | 42.3 | 28.3 |
| SECTOR | FY09 | 14.9 | 15.8 | | 20.4 | 3.4 | 16.6 | 3.6 | 41.0 | 37.8 |
| | FY10 | 17.9 | 14.4 | | 17.8 | 2.9 | 14.3 | 3.0 | 40.9 | 38.3 |

*Y/e Dec

Sector View

Over Weight

Top Picks

Tata Chemicals

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|---------------------|------|-----|------------------|--------------|------|------|------------------------|---------------|------|------|------------------------|---------------|------|------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Chambal Fertilizers | BUY | 40 | 32,850 | 1,648 | 4.0 | 9.9 | 45,118 | 4,016 | 9.6 | 16.6 | 46,262 | 4,175 | 10.0 | 18.0 |
| Tata Chemicals | BUY | 157 | 60,232 | 4,769 | 19.6 | 53.3 | 100,304 | 8,404 | 34.5 | 92.4 | 99,057 | 7,355 | 30.2 | 85.4 |
| SECTOR | | | 93,082 | 6,417 | | | 145,423 | 12,419 | | | 145,319 | 11,530 | | |

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|---------------------|-------------|--------------|--------------|--------|----------------|------------|------------|------------|-------------|------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Chambal Fertilizers | FY09 | 37.3 | 143.7 | 143.7 | 4.1 | 0.4 | 3.7 | 0.8 | 27.1 | 25.7 |
| | FY10 | 2.5 | 4.0 | 4.0 | 3.9 | 0.4 | 3.5 | 0.8 | 23.0 | 25.7 |
| Tata Chemicals | FY09 | 66.5 | 76.2 | 76.2 | 4.6 | 0.4 | 3.8 | 0.7 | 19.0 | 21.9 |
| | FY10 | (1.2) | (12.5) | (12.5) | 5.2 | 0.4 | 3.6 | 0.6 | 15.1 | 21.1 |
| SECTOR | FY09 | 56.2 | 93.5 | | 4.6 | 0.4 | 3.8 | 0.7 | 23.0 | 8.4 |
| | FY10 | (0.1) | (7.2) | | 5.0 | 0.4 | 3.6 | 0.7 | 18.3 | 8.0 |

Sector View

Under Weight

Top Picks

HDFC

| Financials | Reco | CMP | Last Year (FY08) | | | | | | 1-year forward (FY09E) | | | | | | 2-year forward (FY10E) | | | | | |
|------------|------|-------|------------------|--------|--------|------|-------|-------|------------------------|--------|--------|------|-------|-------|------------------------|--------|--------|------|-------|-------|
| | | | (Rs.m) | | | (Rs) | | | (Rs.m) | | | (Rs) | | | (Rs.m) | | | (Rs) | | |
| | | | Total income | NII | PAT | EPS | BV | ABV | Total income | NII | PAT | EPS | BV | ABV | Total income | NII | PAT | EPS | BV | ABV |
| HDFC | BUY | 1,636 | 81,764 | 26,411 | 19,443 | 68.4 | 420.3 | 420.3 | 103,946 | 31,858 | 23,485 | 81.7 | 472.8 | 472.8 | 124,578 | 38,463 | 28,714 | 99.9 | 542.8 | 542.8 |
| IDFC | Acc | 65 | 27,951 | 5,881 | 7,422 | 5.7 | 33.0 | 33.0 | 37,589 | 7,725 | 8,730 | 6.7 | 45.7 | 45.7 | 44,232 | 9,521 | 10,386 | 8.0 | 51.0 | 51.0 |
| SECTOR | | | 109,715 | 32,292 | 26,864 | | | | 141,535 | 39,583 | 32,216 | | | | 168,810 | 47,984 | 39,101 | | | |

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|------------------|--------|-----|------------------|--------|------|------|------------------------|--------|------|------|------------------------|--------|------|------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Edelwiess | Reduce | 257 | 10,868 | 2,732 | 39.6 | 40.6 | 10,261 | 2,016 | 26.8 | 29.1 | 11,776 | 2,054 | 27.2 | 29.7 |
| India Infoline | Reduce | 39 | 10,200 | 1,598 | 6.1 | 6.7 | 11,121 | 1,486 | 5.0 | 5.4 | 12,863 | 1,769 | 5.5 | 6.7 |
| Motilal Oswal | Reduce | 66 | 6,898 | 1,610 | 11.0 | 2.6 | 5,842 | 1,321 | 8.9 | 2.0 | 6,223 | 1,295 | 8.6 | 2.0 |
| Reliance Capital | Acc | 530 | 49,191 | 10,090 | 41.0 | 42.7 | 63,275 | 11,381 | 46.2 | 48.4 | 79,945 | 13,552 | 55.1 | 57.6 |
| SECTOR | | | 77,157 | 16,030 | | | 90,499 | 16,205 | | | 110,808 | 18,670 | | |

Sector View

Under Weight

Top Picks

HDFC

| Valuations | | Growth (%) | | | | Valuations (x) | | | | | |
|------------|------|------------|------|------|------|----------------|------------------|------|-------|---------|----------|
| | | Total inc. | NII | PAT | EPS | PER | MC/balance sheet | P/BV | P/ABV | RoE (%) | RoAA (%) |
| HDFC | FY09 | 27.1 | 20.6 | 20.8 | 19.4 | 20.0 | 46.1 | 3.5 | 3.5 | 18.4 | 2.6 |
| | FY10 | 19.8 | 20.7 | 22.3 | 22.3 | 16.4 | 37.0 | 3.0 | 3.0 | 19.7 | 2.5 |
| IDFC | FY09 | 34.5 | 31.4 | 17.6 | 17.6 | 9.7 | 25.1 | 1.4 | 1.4 | 14.8 | 2.9 |
| | FY10 | 17.7 | 23.3 | 19.0 | 19.0 | 8.1 | 20.0 | 1.2 | 1.2 | 15.7 | 2.8 |
| SECTOR | FY09 | 29.0 | 22.6 | 19.9 | | 17.2 | 40.9 | 2.8 | 2.8 | 16.2 | 2.4 |
| | FY10 | 19.3 | 21.2 | 21.4 | | 14.2 | 32.8 | 2.5 | 2.5 | 17.3 | 2.3 |

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|------------------|------|------------|--------|--------|----------------|----------|-----------|----------|---------|----------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Edelwiess | FY09 | (5.6) | (26.2) | (32.2) | 9.6 | 1.9 | 6.9 | 3.7 | 10.4 | 7.8 |
| | FY10 | 14.8 | 1.9 | 1.4 | 9.4 | 1.6 | 5.8 | 3.1 | 9.6 | 7.9 |
| India Infoline | FY09 | 9.0 | (7.0) | (18.0) | 7.7 | 1.3 | 5.5 | 1.9 | 7.1 | 6.7 |
| | FY10 | 15.7 | 19.1 | 10.3 | 7.0 | 1.1 | 3.9 | 1.5 | 7.2 | 6.9 |
| Motilal Oswal | FY09 | (15.3) | (17.9) | (19.2) | 7.5 | 1.6 | 2.9 | 1.1 | 15.4 | 14.1 |
| | FY10 | 6.5 | (2.0) | (3.5) | 7.8 | 1.5 | 4.1 | 1.5 | 13.1 | 11.6 |
| Reliance Capital | FY09 | 28.6 | 12.8 | 12.8 | 11.5 | 2.1 | 10.6 | 4.5 | 10.1 | 1.5 |
| | FY10 | 26.3 | 19.1 | 19.1 | 9.6 | 1.6 | 9.4 | 4.3 | 8.4 | 1.3 |
| SECTOR | FY09 | 17.3 | 1.1 | | 10.7 | 1.9 | 9.1 | 3.9 | 13.6 | 9.1 |
| | FY10 | 22.4 | 15.2 | | 9.3 | 1.6 | 8.2 | 3.7 | 13.7 | 8.7 |

Sector View

Under Weight

Top Picks

None

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|------------------|--------|-------|------------------|----------------|------|--------|------------------------|----------------|-------|-------|------------------------|----------------|-------|--------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Geometric | Sell | 24 | 4,858 | 335 | 5.4 | 8.1 | 6,257 | 237 | 3.8 | (1.9) | 6,488 | 229 | 3.7 | 0.2 |
| HCL Tech* | Reduce | 107 | 76,394 | 11,245 | 16.6 | 9.2 | 99,145 | 13,657 | 20.1 | 9.6 | 101,269 | 11,189 | 16.5 | 18.2 |
| Infosys | Reduce | 1,107 | 166,920 | 46,590 | 81.3 | 65.0 | 218,443 | 58,623 | 102.2 | 86.4 | 230,826 | 60,873 | 105.9 | 114.2 |
| KPIT Cummins | Reduce | 28 | 6,005 | 511 | 6.5 | 3.3 | 7,578 | 563 | 7.1 | 5.5 | 7,222 | 410 | 5.2 | 2.6 |
| Rolta India | Acc | 125 | 10,722 | 1,795 | 11.0 | 2.7 | 15,483 | 2,345 | 14.4 | 4.0 | 20,927 | 4,280 | 26.3 | 16.3 |
| Satyam Computers | Reduce | 221 | 84,735 | 16,879 | 24.7 | 10.1 | 114,170 | 22,482 | 32.8 | 22.6 | 114,970 | 21,826 | 31.7 | 34.4 |
| Tanla Solutions | NR | 81 | 4,598 | 1,665 | 16.7 | (11.6) | 8,658 | 2,831 | 28.3 | 36.4 | 12,434 | 3,895 | 38.9 | (35.5) |
| Tata Elxsi | Reduce | 93 | 4,020 | 528 | 17.0 | 21.3 | 4,654 | 537 | 17.3 | 22.3 | 6,287 | 808 | 25.9 | 31.7 |
| TCS | Reduce | 482 | 228,614 | 50,191 | 51.3 | 46.4 | 282,671 | 50,535 | 51.6 | 51.4 | 294,917 | 53,142 | 54.2 | 31.3 |
| Tech Mahindra | Reduce | 261 | 37,661 | 7,598 | 58.2 | (1.3) | 46,892 | 10,110 | 77.3 | 54.9 | 53,763 | 11,643 | 89.1 | 62.6 |
| Wipro | Reduce | 239 | 197,428 | 32,587 | 22.4 | 17.4 | 259,274 | 33,445 | 23.0 | 20.1 | 276,144 | 36,475 | 25.0 | 22.3 |
| SECTOR | | | 821,956 | 169,924 | | | 1,063,226 | 195,365 | | | 1,125,247 | 204,769 | | |

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Sector View

Under Weight

Top Picks

None

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|------------------|-------------|-------------|-------------|--------|----------------|------------|------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Geometric | FY09 | 28.8 | (29.2) | (29.2) | 6.2 | 0.2 | 2.6 | 0.3 | 15.6 | 15.9 |
| | FY10 | 3.7 | (3.3) | (3.3) | 6.4 | 0.2 | 2.7 | 0.3 | 13.0 | 11.0 |
| HCL Tech* | FY09 | 29.8 | 21.4 | 21.2 | 5.3 | 0.7 | 4.5 | 1.0 | 31.0 | 25.2 |
| | FY10 | 2.1 | (18.1) | (18.0) | 6.5 | 0.7 | 4.0 | 0.8 | 21.6 | 16.2 |
| Infosys | FY09 | 30.9 | 25.8 | 25.8 | 10.8 | 2.9 | 7.9 | 2.6 | 36.8 | 36.8 |
| | FY10 | 5.7 | 3.8 | 3.6 | 10.5 | 2.8 | 7.0 | 2.2 | 30.1 | 30.1 |
| KPIT Cummins | FY09 | 26.2 | 10.3 | 10.3 | 3.9 | 0.3 | 2.0 | 0.3 | 19.0 | 15.7 |
| | FY10 | (4.7) | (27.2) | (27.2) | 5.4 | 0.3 | 1.9 | 0.2 | 11.6 | 9.9 |
| Rolta India | FY09 | 44.4 | 30.6 | 30.6 | 8.7 | 1.3 | 4.1 | 1.4 | 27.9 | 17.1 |
| | FY10 | 35.2 | 82.5 | 82.5 | 4.7 | 1.0 | 2.7 | 1.0 | 32.1 | 20.2 |
| Satyam Computers | FY09 | 34.7 | 33.2 | 32.7 | 6.7 | 1.3 | 3.8 | 0.9 | 27.5 | 27.1 |
| | FY10 | 0.7 | (2.9) | (3.4) | 7.0 | 1.3 | 3.2 | 0.7 | 22.0 | 21.6 |
| Tanla Solutions | FY09 | 88.3 | 70.0 | 70.0 | 2.9 | 0.9 | 0.9 | 0.4 | 32.7 | 32.7 |
| | FY10 | 43.6 | 37.6 | 37.6 | 2.1 | 0.7 | 0.1 | 0.0 | 31.7 | 31.7 |
| Tata Elxsi | FY09 | 15.8 | 1.7 | 1.7 | 5.4 | 0.6 | 3.6 | 0.6 | 40.6 | 34.6 |
| | FY10 | 35.1 | 50.3 | 50.3 | 3.6 | 0.5 | 2.2 | 0.4 | 47.1 | 47.6 |
| TCS | FY09 | 23.6 | 0.7 | 0.7 | 9.3 | 1.7 | 7.4 | 1.8 | 36.0 | 33.9 |
| | FY10 | 4.3 | 5.2 | 4.9 | 8.9 | 1.6 | 6.8 | 1.6 | 30.7 | 29.1 |
| Tech Mahindra | FY09 | 24.5 | 33.1 | 32.9 | 3.4 | 0.7 | 2.2 | 0.6 | 41.4 | 41.0 |
| | FY10 | 14.7 | 15.2 | 15.2 | 2.9 | 0.6 | 1.5 | 0.4 | 32.5 | 32.3 |
| Wipro | FY09 | 31.3 | 2.6 | 2.6 | 10.4 | 1.3 | 6.8 | 1.1 | 23.7 | 21.3 |
| | FY10 | 6.5 | 9.1 | 9.1 | 9.5 | 1.3 | 6.4 | 1.0 | 22.6 | 20.7 |
| SECTOR | FY09 | 29.4 | 15.0 | | 8.9 | 1.6 | 6.4 | 1.5 | 32.4 | 30.2 |
| | FY10 | 5.8 | 4.8 | | 8.6 | 1.6 | 5.6 | 1.3 | 32.8 | 29.6 |

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Sector View

Under Weight

Top Picks

Sun TV

IBN 18

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|------------------|--------|-----|------------------|---------------|-------|---------|------------------------|---------------|-------|---------|------------------------|---------------|-------|---------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Ent. Network | Reduce | 129 | 4,135 | (171) | (3.6) | (67.6) | 4,741 | (318) | (6.7) | (10.3) | 6,520 | 161 | 3.4 | (10.9) |
| HT Media | Acc | 78 | 12,033 | 1,013 | 4.3 | 1.2 | 13,305 | 997 | 4.3 | 3.4 | 14,911 | 1,202 | 5.1 | 3.2 |
| IBN 18 Broadcast | Acc | 88 | 1,312 | (69) | (0.5) | (1.2) | 2,068 | (422) | (3.2) | (4.5) | 2,609 | (228) | (1.7) | (2.6) |
| Jagran Prakashan | Acc | 53 | 7,496 | 981 | 3.3 | 0.6 | 8,720 | 1,003 | 3.3 | 0.9 | 9,900 | 1,248 | 4.1 | 2.3 |
| PVR | BUY | 80 | 2,659 | 216 | 9.4 | 2.0 | 3,765 | 251 | 10.9 | (71.2) | 5,618 | 420 | 17.4 | (30.0) |
| Saregama India | Acc | 66 | 1,423 | 82 | 5.6 | (12.4) | 1,607 | 122 | 8.3 | 1.1 | 2,327 | 182 | 12.4 | 10.7 |
| Sun TV | Acc | 166 | 8,699 | 3,267 | 8.3 | (1.3) | 10,657 | 4,053 | 10.3 | 6.0 | 12,071 | 4,538 | 11.5 | 9.5 |
| TV Today | Acc | 69 | 2,311 | 436 | 7.5 | 7.0 | 2,827 | 528 | 8.2 | 3.6 | 3,281 | 626 | 9.7 | 11.6 |
| TV-18 | Reduce | 76 | 3,976 | 56 | 0.5 | (4.1) | 5,439 | (40) | (0.3) | (1.4) | 7,064 | 422 | 3.5 | 1.2 |
| UTV Software | BUY | 252 | 4,342 | 577 | 23.2 | (186.0) | 7,656 | 751 | 21.6 | (132.0) | 12,490 | 1,084 | 27.6 | (104.4) |
| Zee Ent. | Reduce | 129 | 18,354 | 3,833 | 8.9 | 9.4 | 22,757 | 5,330 | 9.1 | 12.9 | 25,210 | 4,792 | 11.0 | 11.7 |
| Zee News | Acc | 33 | 3,674 | 370 | 1.5 | (0.0) | 4,726 | 468 | 2.0 | 0.3 | 6,029 | 637 | 2.7 | 0.3 |
| SECTOR | | | 70,413 | 10,590 | | | 88,267 | 12,724 | | | 108,029 | 15,084 | | |

Sector View

Under Weight

Top Picks

Sun TV

IBN 18

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|------------------|------|------------|-----------|-----------|----------------|----------|-----------|----------|---------|----------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Ent. Network | FY09 | 14.7 | 86.0 | 86.0 | (19.3) | 1.3 | (297.5) | 1.9 | (7.8) | (3.4) |
| | FY10 | 37.5 | (150.8) | (150.8) | 38.0 | 0.9 | 10.9 | 1.4 | 4.2 | 3.5 |
| HT Media | FY09 | 10.6 | (1.6) | (1.6) | 18.4 | 1.4 | 14.9 | 2.1 | 11.1 | 7.4 |
| | FY10 | 12.1 | 20.5 | 20.5 | 15.2 | 1.2 | 12.2 | 1.8 | 12.1 | 8.5 |
| IBN 18 Broadcast | FY09 | 57.6 | 514.4 | 514.4 | (27.9) | 5.7 | (218.1) | 5.0 | (19.3) | 2.2 |
| | FY10 | 26.2 | (46.0) | (46.0) | (51.7) | 4.5 | 71.0 | 4.1 | (12.8) | (3.9) |
| Jagran Prakashan | FY09 | 16.3 | 2.3 | 2.3 | 15.9 | 1.8 | 11.9 | 2.4 | 17.8 | 13.3 |
| | FY10 | 13.5 | 24.3 | 24.3 | 12.8 | 1.6 | 9.5 | 2.1 | 20.1 | 15.2 |
| PVR | FY09 | 41.6 | 15.9 | 15.9 | 7.4 | 0.5 | 3.5 | 0.7 | 9.2 | 7.9 |
| | FY10 | 49.2 | 67.6 | 59.3 | 4.6 | 0.3 | 2.8 | 0.6 | 11.3 | 9.6 |
| Saregama India | FY09 | 12.9 | 49.0 | 49.0 | 7.9 | 0.6 | 7.6 | 0.7 | 11.9 | 11.4 |
| | FY10 | 44.8 | 48.4 | 48.4 | 5.3 | 0.4 | 3.4 | 0.4 | 15.4 | 14.6 |
| Sun TV | FY09 | 22.5 | 24.1 | 24.1 | 16.2 | 6.1 | 7.0 | 4.8 | 24.5 | 20.3 |
| | FY10 | 13.3 | 12.0 | 12.0 | 14.4 | 5.4 | 5.4 | 3.9 | 21.8 | 18.9 |
| TV Today | FY09 | 22.3 | 21.2 | 10.0 | 8.5 | 1.4 | 2.2 | 0.6 | 16.6 | 16.6 |
| | FY10 | 16.1 | 18.6 | 18.6 | 7.1 | 1.2 | 1.2 | 0.3 | 17.0 | 17.0 |
| TV-18 | FY09 | 36.8 | (171.6) | (171.6) | (228.0) | 1.7 | 12.3 | 2.8 | (0.8) | 8.4 |
| | FY10 | 29.9 | (1,162.6) | (1,162.6) | 21.5 | 1.3 | 7.3 | 2.3 | 7.9 | 6.4 |
| UTV Software | FY09 | 76.3 | 30.3 | (6.8) | 11.7 | 1.1 | 14.4 | 1.7 | 7.5 | 6.4 |
| | FY10 | 63.1 | 44.3 | 27.7 | 9.1 | 0.8 | 9.1 | 1.1 | 6.4 | 6.1 |
| Zee Ent. | FY09 | 24.0 | 39.1 | 2.6 | 14.1 | 2.5 | 10.3 | 2.4 | 14.0 | 13.6 |
| | FY10 | 10.8 | (10.1) | 20.9 | 11.7 | 2.2 | 7.4 | 2.1 | 17.4 | 17.4 |
| Zee News | FY09 | 28.6 | 26.5 | 26.5 | 16.9 | 1.7 | 9.8 | 1.8 | 7.5 | 6.4 |
| | FY10 | 27.6 | 36.1 | 36.1 | 12.4 | 1.3 | 7.4 | 1.4 | 23.8 | 20.1 |
| SECTOR | FY09 | 25.4 | 20.1 | | 16.2 | 2.3 | 10.3 | 2.5 | 13.7 | 12.3 |
| | FY10 | 22.4 | 18.5 | | 13.7 | 1.9 | 7.4 | 2.0 | 13.8 | 12.1 |

Sector View

Over Weight

Top Picks

Aban Offshore

Bharati Shipyard

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|-------------------|------|-----|------------------|--------------|------|---------|------------------------|---------------|-------|---------|------------------------|---------------|-------|---------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| ABG Shipyard | Acc | 99 | 8,851 | 1,607 | 29.3 | (3.6) | 12,831 | 1,731 | 31.5 | 24.9 | 21,834 | 3,052 | 55.6 | 106.4 |
| Bharati Shipyard | BUY | 70 | 6,369 | 1,078 | 47.9 | (41.4) | 9,315 | 1,272 | 56.5 | 57.1 | 14,053 | 1,817 | 80.8 | (74.5) |
| Aban Offshore | Acc | 763 | 20,211 | 1,230 | 24.5 | (239.3) | 38,002 | 11,665 | 244.5 | (112.5) | 51,742 | 19,980 | 452.0 | (48.9) |
| Garware Offshore | BUY | 77 | 1,137 | 264 | 11.1 | (147.7) | 1,542 | 426 | 17.9 | 33.4 | 2,562 | 922 | 38.7 | 37.3 |
| Great Offshore | Acc | 226 | 7,639 | 2,016 | 50.3 | 25.7 | 8,450 | 2,099 | 53.6 | 0.7 | 11,658 | 2,690 | 68.7 | (146.3) |
| Mundra Port & SEZ | BUY | 283 | 8,170 | 2,104 | 5.3 | 7.6 | 11,312 | 5,443 | 13.6 | (19.5) | 15,681 | 7,923 | 19.8 | 6.1 |
| SECTOR | | | 52,377 | 8,300 | | | 81,452 | 22,636 | | | 117,529 | 36,383 | | |

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|-------------------|-------------|-------------|--------------|-------|----------------|------------|------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| ABG Shipyard | FY09 | 45.0 | 7.8 | 7.8 | 3.1 | 0.4 | 2.7 | 0.7 | 18.4 | 13.3 |
| | FY10 | 70.2 | 76.3 | 76.3 | 1.8 | 0.2 | 0.9 | 0.2 | 23.4 | 15.8 |
| Bharati Shipyard | FY09 | 46.3 | 18.0 | 18.0 | 1.2 | 0.2 | 1.7 | 0.3 | 19.0 | 13.5 |
| | FY10 | 50.9 | 42.8 | 42.8 | 0.9 | 0.1 | 2.3 | 0.4 | 21.6 | 14.7 |
| Aban Offshore | FY09 | 88.0 | 848.5 | 898.4 | 3.1 | 0.8 | 6.1 | 3.7 | 70.3 | 10.5 |
| | FY10 | 36.2 | 71.3 | 84.9 | 1.7 | 0.6 | 3.5 | 2.4 | 65.4 | 14.7 |
| Garware Offshore | FY09 | 35.6 | 61.1 | 61.1 | 4.3 | 1.2 | 6.4 | 4.3 | 19.9 | 13.2 |
| | FY10 | 66.1 | 116.5 | 116.5 | 2.0 | 0.7 | 3.4 | 2.3 | 33.7 | 19.2 |
| Great Offshore | FY09 | 10.6 | 4.1 | 6.5 | 4.2 | 1.0 | 6.0 | 2.3 | 22.5 | 15.5 |
| | FY10 | 38.0 | 28.1 | 28.1 | 3.3 | 0.8 | 4.0 | 1.6 | 25.5 | 17.0 |
| Mundra Port & SEZ | FY09 | 38.5 | 158.7 | 158.7 | 20.8 | 10.0 | 16.5 | 11.6 | 18.0 | 12.8 |
| | FY10 | 38.6 | 45.6 | 45.6 | 14.3 | 7.2 | 11.5 | 8.4 | 22.0 | 16.5 |
| SECTOR | FY09 | 55.5 | 172.7 | | 7.1 | 2.0 | 7.7 | 3.8 | 31.8 | 11.8 |
| | FY10 | 44.3 | 60.7 | | 4.4 | 1.4 | 4.8 | 2.5 | 37.4 | 15.3 |

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Sector View

Equal Weight

Top Picks

GAIL
Reliance Industries

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|---------------------|--------|-------|------------------|----------------|-------|--------|------------------------|----------------|-------|-------|------------------------|----------------|-------|------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| GAIL | BUY | 212 | 180,082 | 26,015 | 20.5 | 28.4 | 218,728 | 33,202 | 26.2 | 10.3 | 240,760 | 35,229 | 27.8 | 11.5 |
| Guj. State Petronet | Acc | 28 | 4,179 | 999 | 1.8 | (0.8) | 5,235 | 806 | 1.4 | (2.9) | 7,209 | 1,351 | 2.4 | 1.3 |
| Gujarat Gas** | Acc | 202 | 12,446 | 1,529 | 23.7 | (1.6) | 12,923 | 1,614 | 25.0 | 10.0 | 16,269 | 1,682 | 26.0 | 17.1 |
| Indraprastha Gas | Reduce | 100 | 7,060 | 1,745 | 12.5 | 10.2 | 8,250 | 1,912 | 13.7 | 5.0 | 9,586 | 2,150 | 15.4 | 9.6 |
| ONGC (cons) | Acc | 646 | 967,824 | 198,723 | 92.9 | 52.0 | 1,112,998 | 248,305 | 116.1 | 59.0 | 1,213,168 | 268,170 | 125.4 | 60.0 |
| Petronet LNG | BUY | 35 | 65,553 | 4,747 | 6.3 | 0.1 | 84,312 | 4,538 | 6.1 | (0.5) | 101,419 | 4,536 | 6.0 | 10.6 |
| Reliance Inds.* | Acc | 1,306 | 1,334,430 | 152,610 | 105.0 | (10.0) | 1,856,549 | 162,206 | 101.6 | 40.0 | 2,599,169 | 231,487 | 147.1 | 75.0 |
| SECTOR | | | 2,571,574 | 386,367 | | | 3,298,996 | 452,583 | | | 4,187,580 | 544,604 | | |

* Equity increase assumed; warrants and IPCL merger

** Y/e Dec

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|---------------------|-------------|-------------|-------------|--------|----------------|------------|------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| GAIL | FY09 | 21.5 | 27.6 | 27.6 | 8.1 | 1.2 | 4.4 | 1.0 | 23.7 | 26.1 |
| | FY10 | 10.1 | 6.1 | 6.1 | 7.6 | 1.1 | 4.1 | 0.9 | 22.0 | 24.0 |
| Guj. State Petronet | FY09 | 25.3 | (19.3) | (19.3) | 19.5 | 11.8 | 6.0 | 5.2 | 7.0 | 10.9 |
| | FY10 | 37.7 | 67.6 | 67.6 | 11.6 | 8.6 | 4.6 | 4.0 | 11.0 | 14.8 |
| Gujarat Gas** | FY09 | 3.8 | 5.5 | 5.6 | 8.1 | 1.0 | 5.1 | 1.0 | 25.3 | 24.7 |
| | FY10 | 25.9 | 4.2 | 4.2 | 7.8 | 0.8 | 3.9 | 0.7 | 21.8 | 24.9 |
| Indraprastha Gas | FY09 | 16.9 | 9.6 | 9.6 | 7.3 | 1.7 | 3.8 | 1.6 | 30.1 | 40.2 |
| | FY10 | 16.2 | 12.4 | 12.4 | 6.5 | 1.5 | 3.1 | 1.3 | 28.3 | 38.1 |
| ONGC (cons) | FY09 | 15.0 | 25.0 | 25.0 | 5.6 | 1.2 | 4.2 | 1.8 | 30.8 | 22.7 |
| | FY10 | 9.0 | 8.0 | 8.0 | 5.2 | 1.1 | 3.8 | 1.6 | 26.9 | 22.7 |
| Petronet LNG | FY09 | 28.6 | (4.4) | (4.4) | 5.8 | 0.3 | 4.7 | 0.5 | 25.5 | 19.3 |
| | FY10 | 20.3 | (0.1) | (0.1) | 5.8 | 0.3 | 3.6 | 0.4 | 21.6 | 18.4 |
| Reliance Inds.* | FY09 | 39.1 | 6.3 | (3.2) | 12.9 | 1.1 | 9.0 | 1.2 | 17.2 | 12.2 |
| | FY10 | 40.0 | 42.7 | 44.7 | 8.9 | 0.8 | 6.3 | 0.9 | 20.1 | 15.5 |
| SECTOR | FY09 | 28.3 | 17.1 | | 8.4 | 1.2 | 5.7 | 1.4 | 23.4 | 17.0 |
| | FY10 | 26.9 | 20.3 | | 7.0 | 0.9 | 4.7 | 1.1 | 23.2 | 31.8 |

* Equity increase assumed; warrants and IPCL merger

** Y/e Dec

Sector View

Over Weight

Top Picks

Sun Pharma

Dishman
Pharma

Lupin

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|-------------------|--------|-------|------------------|---------------|-------|-------|------------------------|---------------|-------|-------|------------------------|---------------|-------|-------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Ankur Drugs | BUY | 92 | 6,738 | 635 | 24.4 | 46.5 | 9,869 | 1,074 | 41.3 | 10.4 | 12,178 | 1,445 | 55.6 | 13.1 |
| Cipla | Reduce | 175 | 42,033 | 7,015 | 9.0 | 1.0 | 52,372 | 7,458 | 9.6 | 1.7 | 61,698 | 9,258 | 11.9 | 2.2 |
| Dishman Pharma | Acc | 127 | 8,031 | 1,215 | 15.1 | 4.7 | 10,556 | 908 | 11.3 | 3.0 | 14,004 | 2,384 | 29.5 | 1.2 |
| Glaxo Smithkline* | Acc | 1,136 | 16,082 | 4,097 | 48.4 | 18.3 | 17,136 | 4,834 | 57.1 | 11.5 | 19,107 | 5,489 | 64.8 | 16.2 |
| Lupin | BUY | 545 | 27,064 | 4,084 | 46.4 | 33.4 | 36,909 | 4,585 | 52.1 | 59.1 | 50,152 | 6,476 | 73.6 | 26.9 |
| Pfizer** | Acc | 499 | 6,979 | 3,574 | 119.8 | 160.8 | 7,350 | 1,475 | 49.4 | 271.4 | 8,020 | 1,708 | 57.2 | 299.5 |
| Ranbaxy* | Reduce | 210 | 69,823 | 5,339 | 10.9 | 11.7 | 73,146 | (2,160) | (4.7) | 1.7 | 96,462 | 11,136 | 23.1 | 49.4 |
| Sun Pharma | Acc | 1,104 | 33,565 | 14,869 | 71.8 | 64.6 | 45,746 | 18,794 | 90.7 | 143.1 | 55,384 | 21,023 | 101.5 | 191.7 |
| SECTOR | | | 210,314 | 40,827 | | | 253,084 | 36,967 | | | 317,005 | 58,918 | | |

*December ending

**November ending

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Sector View

Over Weight

Top Picks

Sun Pharma

Dishman
Pharma

Lupin

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|-------------------|------|------------|---------|---------|----------------|----------|-----------|----------|---------|----------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Ankur Drugs | FY09 | 46.5 | 69.1 | 69.1 | 2.2 | 0.2 | 3.3 | 0.6 | 29.7 | 16.1 |
| | FY10 | 23.4 | 34.5 | 34.5 | 1.6 | 0.2 | 2.7 | 0.5 | 25.2 | 19.2 |
| Cipla | FY09 | 24.6 | 6.3 | 6.3 | 18.2 | 2.6 | 14.2 | 2.7 | 18.6 | 16.2 |
| | FY10 | 17.8 | 24.1 | 24.1 | 14.7 | 2.2 | 11.6 | 2.3 | 20.1 | 17.9 |
| Dishman Pharma | FY09 | 31.4 | (25.3) | (25.3) | 11.3 | 1.0 | 7.4 | 1.6 | 14.0 | 8.8 |
| | FY10 | 32.7 | 162.5 | 162.5 | 4.3 | 0.7 | 5.0 | 1.2 | 27.3 | 17.6 |
| Glaxo Smithkline* | FY09 | 6.6 | 18.0 | 18.0 | 19.9 | 5.6 | 15.3 | 5.6 | 32.1 | 32.7 |
| | FY10 | 11.5 | 13.6 | 13.6 | 17.5 | 5.0 | 13.5 | 5.0 | 31.4 | 32.2 |
| Lupin | FY09 | 36.4 | 12.3 | 12.3 | 10.5 | 1.3 | 8.9 | 1.5 | 28.3 | 15.1 |
| | FY10 | 35.9 | 41.3 | 41.3 | 7.4 | 1.0 | 6.2 | 1.1 | 29.4 | 19.7 |
| Pfizer** | FY09 | 5.3 | (58.7) | (58.7) | 10.1 | 2.0 | 8.4 | 2.0 | 18.6 | 18.9 |
| | FY10 | 9.1 | 15.8 | 15.8 | 8.7 | 1.9 | 7.4 | 1.9 | 17.5 | 17.6 |
| Ranbaxy* | FY09 | 4.8 | (140.5) | (142.8) | (45.0) | 1.2 | 11.8 | 1.5 | (8.8) | (1.5) |
| | FY10 | 31.9 | (615.6) | (595.8) | 9.1 | 1.0 | 5.6 | 1.0 | 14.3 | 12.1 |
| Sun Pharma | FY09 | 36.3 | 26.4 | 26.4 | 12.2 | 5.0 | 11.5 | 5.0 | 32.6 | 31.8 |
| | FY10 | 21.1 | 11.9 | 11.9 | 10.9 | 4.1 | 10.2 | 4.1 | 28.5 | 28.1 |
| SECTOR | FY09 | 20.3 | (9.5) | | 16.9 | 2.5 | 11.7 | 2.6 | 17.9 | 15.2 |
| | FY10 | 25.3 | 59.4 | | 10.8 | 2.0 | 8.7 | 2.1 | 20.8 | 19.7 |

*December ending

**November ending

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Sector View

Under Weight

Top Picks

None

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|----------------|------|-----|------------------|--------------|------|------|------------------------|--------------|------|------|------------------------|---------------|------|------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Anantraj Inds | Acc | 76 | 6,041 | 4,364 | 14.8 | 47.0 | 8,565 | 4,806 | 16.3 | 46.3 | 16,438 | 8,929 | 30.3 | 72.7 |
| Peninsula Land | Acc | 22 | 3,574 | 1,321 | 4.7 | 10.3 | 8,620 | 2,453 | 8.8 | 18.8 | 13,248 | 4,378 | 15.7 | 33.0 |
| SECTOR | | | 9,615 | 5,684 | | | 17,185 | 7,259 | | | 29,685 | 13,307 | | |

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|----------------|-------------|-------------|-------------|------|----------------|------------|------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Anantraj Inds | FY09 | 41.8 | 10.1 | 10.1 | 4.7 | 2.6 | 3.1 | 2.3 | 15.6 | 19.8 |
| | FY10 | 91.9 | 85.8 | 85.8 | 2.5 | 1.4 | 2.1 | 1.5 | 24.5 | 29.7 |
| Peninsula Land | FY09 | 141.2 | 85.8 | 85.8 | 2.5 | 0.7 | 0.8 | 0.3 | 24.2 | 29.3 |
| | FY10 | 53.7 | 78.5 | 78.5 | 1.4 | 0.5 | 0.3 | 0.1 | 32.4 | 37.8 |
| SECTOR | FY09 | 78.7 | 27.7 | | 3.9 | 1.7 | 2.2 | 1.3 | 17.8 | 16.9 |
| | FY10 | 72.7 | 83.3 | | 2.2 | 1.0 | 1.4 | 0.9 | 26.7 | 24.8 |

Sector View

Under Weight

Top Picks

Jindal Steel and Power

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|--------------------------|--------|-----|------------------|---------------|------|---------|------------------------|---------------|-------|---------|------------------------|---------------|-------|--------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Jindal Steel & Power Acc | | 942 | 54,890 | 13,993 | 88.2 | (28.2) | 102,608 | 25,119 | 157.7 | 60.2 | 100,067 | 24,093 | 151.3 | 66.4 |
| JSW Steel | Reduce | 227 | 123,455 | 15,187 | 79.4 | (354.8) | 171,593 | 11,495 | 59.6 | (119.2) | 194,823 | 11,100 | 57.5 | (9.7) |
| Monnet Ispat | Sell | 130 | 11,591 | 1,661 | 29.4 | (57.2) | 13,315 | 2,352 | 41.6 | (4.2) | 14,440 | 2,145 | 37.9 | (33.0) |
| SECTOR | | | 189,936 | 30,840 | | | 287,515 | 38,966 | | | 309,330 | 37,338 | | |

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|----------------------|-------------|-------------|--------------|--------|----------------|------------|------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Jindal Steel & Power | FY09 | 86.9 | 79.5 | 78.7 | 6.0 | 1.5 | 4.5 | 2.1 | 50.4 | 37.6 |
| | FY10 | (2.5) | (4.1) | (4.1) | 6.2 | 1.5 | 4.6 | 2.1 | 33.1 | 30.3 |
| JSW Steel | FY09 | 39.0 | (24.3) | (24.9) | 3.8 | 0.3 | 5.7 | 1.2 | 9.1 | 12.1 |
| | FY10 | 13.5 | (3.4) | (3.5) | 3.9 | 0.2 | 6.3 | 1.3 | 13.0 | 11.3 |
| Monnet Ispat | FY09 | 14.9 | 41.6 | 41.6 | 3.1 | 0.6 | 3.2 | 1.0 | 18.9 | 15.6 |
| | FY10 | 8.5 | (8.8) | (8.8) | 3.4 | 0.5 | 3.4 | 0.9 | 13.8 | 13.2 |
| SECTOR | FY09 | 51.4 | 26.3 | | 5.2 | 0.7 | 4.9 | 1.5 | 27.7 | 13.1 |
| | FY10 | 7.6 | (4.2) | | 5.4 | 0.7 | 5.3 | 1.6 | 21.5 | 11.2 |

Sector View

Over Weight

Top Picks

Reliance
Communication

Tulip Telecom

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|----------------|--------|-----|------------------|----------------|------|--------|------------------------|----------------|------|--------|------------------------|----------------|-------|--------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Bharti Airtel | Acc | 722 | 270,122 | 63,954 | 33.2 | (26.5) | 363,591 | 86,946 | 45.1 | (17.7) | 426,447 | 100,826 | 52.4 | 14.1 |
| Idea Cellular | Reduce | 54 | 67,376 | 10,424 | 4.0 | (11.8) | 96,678 | 8,238 | 2.5 | (19.0) | 119,098 | 12,641 | 3.9 | (5.3) |
| Reliance Comm. | BUY | 249 | 190,678 | 54,012 | 25.6 | (68.4) | 236,373 | 59,574 | 28.3 | (45.8) | 295,198 | 64,568 | 30.6 | (12.0) |
| Tulip Telecom | BUY | 501 | 12,189 | 1,872 | 54.5 | (28.5) | 16,754 | 2,844 | 82.8 | (27.1) | 20,443 | 3,530 | 102.7 | 56.1 |
| SECTOR | | | 540,365 | 130,261 | | | 713,396 | 157,602 | | | 861,186 | 181,565 | | |

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|----------------|-------------|-------------|-------------|--------|----------------|------------|------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Bharti Airtel | FY09 | 34.6 | 36.0 | 36.0 | 16.0 | 3.8 | 9.0 | 3.6 | 33.3 | 24.0 |
| | FY10 | 17.3 | 16.0 | 16.0 | 13.8 | 3.3 | 7.6 | 3.0 | 28.4 | 22.2 |
| Idea Cellular | FY09 | 43.5 | (21.0) | (36.3) | 21.2 | 1.8 | 8.1 | 2.1 | 10.4 | 8.3 |
| | FY10 | 23.2 | 53.4 | 53.4 | 13.8 | 1.5 | 7.0 | 1.9 | 9.7 | 7.0 |
| Reliance Comm. | FY09 | 24.0 | 10.3 | 10.3 | 8.8 | 2.2 | 7.1 | 2.9 | 18.8 | 10.1 |
| | FY10 | 24.9 | 8.4 | 8.4 | 8.1 | 1.8 | 5.7 | 2.3 | 16.2 | 10.6 |
| Tulip Telecom | FY09 | 37.5 | 51.9 | 51.9 | 6.1 | 1.0 | 6.7 | 1.5 | 32.1 | 20.9 |
| | FY10 | 22.0 | 24.1 | 24.1 | 4.9 | 0.8 | 5.2 | 1.2 | 23.7 | 20.9 |
| SECTOR | FY09 | 32.0 | 21.0 | | 13.4 | 3.0 | 8.2 | 3.2 | 23.7 | 13.9 |
| | FY10 | 20.7 | 15.2 | | 11.6 | 2.4 | 6.8 | 2.6 | 20.2 | 13.5 |

Top Picks

Bombay Rayon Fashions

XL Telecom & Energy

Country Club

Parekh Aluminex

| Financials | Reco | CMP | Last Year (FY08) | | | | 1-year forward (FY09E) | | | | 2-year forward (FY10E) | | | |
|----------------------------|------|-----|------------------|--------------|------|--------|------------------------|--------------|------|--------|------------------------|---------------|------|--------|
| | | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | | (Rs.m) | | (Rs) | |
| | | | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS | Sales | PAT | EPS | FCPS |
| Bhagwati Banquets & Hotels | BUY | 26 | 591 | 90 | 2.4 | 16.3 | 979 | 160 | 4.3 | 0.8 | 2,228 | 449 | 12.2 | 1.2 |
| Bombay Rayon Fashions | BUY | 134 | 10,891 | 1,235 | 17.9 | (14.9) | 16,735 | 1,836 | 26.6 | (17.7) | 26,970 | 3,927 | 56.8 | 16.4 |
| Country Club | BUY | 18 | 3,062 | 653 | 7.1 | 37.8 | 5,533 | 1,105 | 11.9 | 19.1 | 8,884 | 1,845 | 19.9 | 28.3 |
| Ess Dee Aluminium | BUY | 125 | 3,169 | 734 | 26.4 | 7.0 | 4,809 | 1,099 | 39.5 | 2.9 | 5,500 | 1,323 | 47.6 | 2.7 |
| FAG Bearings India* | Acc | 226 | 6,413 | 795 | 47.6 | 38.5 | 7,841 | 881 | 53.0 | 53.2 | 9,708 | 1,124 | 67.6 | 66.1 |
| Indage Vinters | Acc | 84 | 2,545 | 387 | 18.1 | 3.3 | 5,955 | 609 | 28.5 | 7.5 | 9,993 | 1,042 | 48.8 | 7.2 |
| Kansai Nerolac Paints | Acc | 380 | 13,999 | 1,194 | 44.2 | 12.7 | 14,408 | 1,168 | 43.3 | 8.5 | 15,718 | 1,334 | 49.4 | 9.3 |
| Parekh Aluminex | BUY | 62 | 2,986 | 261 | 16.9 | 6.3 | 3,770 | 297 | 19.2 | 12.7 | 5,450 | 514 | 33.2 | 6.3 |
| Phillips Carbon Black | BUY | 37 | 10,332 | 893 | 31.6 | 6.0 | 12,079 | 850 | 30.1 | 19.7 | 11,925 | 1,095 | 38.8 | 21.2 |
| XL Telecom & Energy** | BUY | 52 | 6,541 | 401 | 21.3 | 22.5 | 9,360 | 782 | 30.0 | (8.0) | 11,101 | 1,063 | 40.8 | (13.9) |
| SECTOR | | | 60,528 | 6,642 | | | 81,470 | 8,787 | | | 107,479 | 13,717 | | |

* Y/e Dec

** Y/e Jun

Top Picks

**Bombay Rayon
Fashions**

**XL Telecom &
Energy**

Country Club

**Parekh
Aluminex**

| Valuations | | Growth (%) | | | Valuations (x) | | | | | |
|-------------------------------|-------------|-------------|-------------|-------|----------------|------------|------------|------------|-------------|-------------|
| | | Sales | PAT | EPS | PER | MC/sales | EV/EBIDTA | EV/sales | RoE (%) | RoCE (%) |
| Bhagwati Banquets & Hotels | FY09 | 65.9 | 78.8 | 78.8 | 6.0 | 0.3 | 5.5 | 1.5 | 10.7 | 9.7 |
| | FY10 | 127.5 | 180.1 | 180.1 | 2.1 | 0.4 | 2.3 | 0.8 | 21.2 | 17.4 |
| Bombay Rayon Fashions | FY09 | 53.7 | 48.6 | 48.6 | 5.0 | 0.6 | 8.1 | 2.0 | 26.6 | 15.3 |
| | FY10 | 61.2 | 113.9 | 113.9 | 2.4 | 0.3 | 4.8 | 1.4 | 40.7 | 21.0 |
| Country Club | FY09 | 80.7 | 69.3 | 69.3 | 1.5 | 0.3 | 1.3 | 0.5 | 13.8 | 13.5 |
| | FY10 | 60.6 | 67.0 | 67.0 | 0.9 | 0.2 | 0.6 | 0.2 | 17.4 | 16.5 |
| Ess Dee Aluminium | FY09 | 51.8 | 49.7 | 49.7 | 3.2 | 0.7 | 3.2 | 0.9 | 25.9 | 23.2 |
| | FY10 | 14.4 | 20.4 | 20.4 | 2.6 | 0.7 | 2.6 | 0.8 | 24.7 | 23.5 |
| FAG Bearings India* | FY09 | 22.3 | 11.3 | 11.3 | 4.3 | 0.5 | 2.6 | 0.5 | 24.6 | 23.6 |
| | FY10 | 23.8 | 27.6 | 27.6 | 3.3 | 0.4 | 2.0 | 0.4 | 25.1 | 24.0 |
| Indage Vinters | FY09 | 134.0 | 57.3 | 57.3 | 2.9 | 0.2 | 5.1 | 1.0 | 14.4 | 12.7 |
| | FY10 | 67.8 | 71.3 | 71.3 | 1.7 | 0.3 | 2.8 | 0.6 | 14.5 | 14.3 |
| Kansai Nerolac Paints | FY09 | 2.9 | (2.2) | (2.2) | 8.8 | 0.7 | 6.0 | 0.8 | 18.3 | 12.8 |
| | FY10 | 9.1 | 14.2 | 14.2 | 7.7 | 0.7 | 5.4 | 0.7 | 18.6 | 13.0 |
| Parekh Aluminex | FY09 | 26.3 | 13.9 | 13.9 | 3.2 | 0.3 | 3.0 | 0.5 | 11.7 | 10.9 |
| | FY10 | 44.6 | 73.0 | 73.0 | 1.9 | 0.2 | 2.1 | 0.4 | 17.4 | 15.3 |
| Phillips Carbon Black | FY09 | 16.9 | (4.8) | (4.8) | 1.2 | 0.1 | 3.7 | 0.4 | 28.8 | 15.1 |
| | FY10 | (1.3) | 28.8 | 28.8 | 1.0 | 0.1 | 3.3 | 0.4 | 27.6 | 15.9 |
| XL Telecom & Energy** | FY09 | 43.1 | 95.1 | 40.5 | 1.7 | 0.1 | 3.9 | 0.6 | 20.6 | 15.8 |
| | FY10 | 18.6 | 36.0 | 36.0 | 1.3 | 0.1 | 3.1 | 0.5 | 20.2 | 17.0 |
| SECTOR | FY09 | 34.6 | 32.3 | | 3.8 | 0.4 | 4.8 | 0.9 | 19.9 | 14.6 |
| | FY10 | 31.9 | 56.1 | | 2.6 | 0.3 | 3.3 | 0.7 | 23.3 | 17.3 |

* Y/e Dec

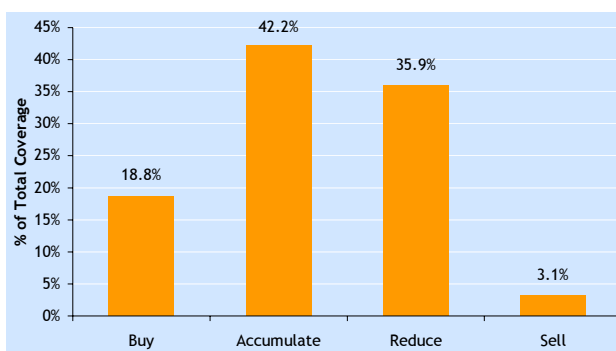
** Y/e Jun

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| | | | |
|-----------------------|--|--------------------------|--|
| BUY | : Over 15% Outperformance to Sensex over 12-months | Accumulate | : Outperformance to Sensex over 12-months |
| Reduce | : Underperformance to Sensex over 12-months | Sell | : Over 15% underperformance to Sensex over 12-months |
| Trading Buy | : Over 10% absolute upside in 1-month | Trading Sell | : Over 10% absolute decline in 1-month |
| Not Rated (NR) | : No specific call on the stock | Under Review (UR) | : Rating likely to change shortly |

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