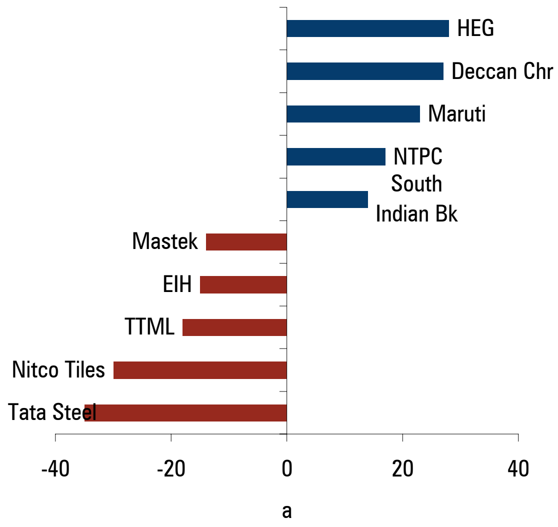
April 7, 2010

Sectoral Index performance

Index	1M	3M	6M	12M
S&P CNX NIFTY	5.4	1.6	6.7	64.8
SENSEX	5.6	1.4	5.8	70.3
Auto index	2.5	2.8	18.6	135.9
Bank index	7.5	7.1	10.6	122.7
FMCG index	2.4	-0.4	4.9	43.3
Healthcare index	6.6	4.2	23.6	88.1
IT index	1.4	2.6	16.7	116.1
Metal index	5.9	2.1	31.4	188.3
Midcap index	4.1	1.0	13.0	119.0
Oil & Gas	6.7	-1.7	1.5	34.5
Power	3.0	-1.9	3.6	62.2
PSU	-1.4	-5.4	4.3	66.0
Realty index	-0.4	-13.2	-20.1	86.4
Technology	2.2	1.3	7.0	66.8

Most/Least preferred (Top 5)



Analyst

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Topline growth to steal the show…

Recovery on stronger foot

The Q4FY10E performance of India Inc is all set to go past the Q3FY10 performance to post even better growth in all parameters. The sequential improvement would be modest while YoY the performance is likely to be robust. So far, 2010 has proved to be a good year for the market with both indices touching their two-year highs. Though we believe much of it has already been factored in, still the actual Q4 earnings numbers would be closely watched by the market. Sectors viz. auto, bank, IT, metals, healthcare, midcaps and realty index outperformed both the Sensex and the Nifty on the yearly return matrix. On a three-month return matrix also the same sectors except realty and midcaps provided better returns than both indices. We feel that most of the better earning expectations have already been factored into the performances of these sectors. We prefer sectors like banking, infrastructure and capital goods.

Handsome revenue growth

We expect the ICICIdirect.com universe (ex-banking and financials) to post a healthy revenue growth of ~16% YoY and ~7% QoQ, powered by robust growth in automobiles, metals, sugar and oil and gas companies. On the other hand, pipe, tea, pharma, power and media companies would contribute negatively to overall revenue growth. NII for banking is also likely to improve 32% YoY and 9% QoQ.

Exhibit 1: Sector wise estimate for Q4FY10E

Sector	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Automobiles	31817.4	51.9	18.3	4191.9	120.3	3.4	3950.1	199.5	84.8
Broking	771.4	67.2	9.0	340.0	97.3	12.7	161.0	96.2	7.4
Cement	10018.1	6.9	12.6	2373.2	-16.4	11.1	1304.8	-20.4	16.8
FMCG	3203.3	13.8	-2.8	546.0	36.8	-9.7	382.7	45.9	-8.0
Hotels	1053.3	9.2	10.6	377.9	20.8	14.0	168.4	-12.5	21.5
IT	27656.4	7.9	2.4	7312.7	13.7	0.6	5439.6	17.1	0.0
Logistics	1975.8	11.6	2.0	373.1	6.6	0.7	253.1	5.7	-3.0
Media	1774.0	18.1	-6.8	579.3	50.3	-16.7	219.3	103.6	-19.8
Metals	59516.9	18.7	11.2	13766.4	198.0	21.6	7064.8	LP	28.6
Oil and Gas	4223.1	20.5	14.7	1088.4	79.2	14.9	653.3	95.2	9.8
Pharma	5574.3	9.7	-1.3	1289.5	31.1	-1.8	946.7	38.6	-1.5
Pipes	4562.5	-21.1	0.6	826.7	47.4	-7.4	419.0	69.3	-9.0
Power	17637.4	2.1	-5.6	4899.2	44.7	-14.5	2993.4	21.3	-14.8
Shipping	3778.3	-7.8	2.7	1277.3	-1.5	7.8	308.5	-18.3	-15.8
Sugar	3162.7	186.5	27.6	715.0	100.1	1.1	362.2	111.0	-14.3
Tea	245.7	-28.0	-65.5	-52.5	-	-	-138.5	-	-
Telecom	19951.5	0.9	2.2	6621.8	-7.4	-3.1	2633.7	-35.5	-24.3
Others	12154.0	20.2	14.0	1742.5	37.6	6.7	795.8	133.9	18.7
Total	**209075.8**	**15.7**	**7.4**	**48268.5**	**46.5**	**3.9**	**27917.8**	**81.0**	**7.5**

Banks	NII	Change (%)		PPP	Change (%)		NP	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
PSU banks	17003.1	36.4	9.9	13751.7	9.9	18.4	6968.7	5.9	14.6
Private Banks	4909.4	36.1	10.5	3970.3	19.6	8.2	1875.6	29.8	3.9
NBFCs	1982.9	-1.1	-0.5	836.9	7.0	14.4	593.1	83.3	21.6
Banks Total	**23895.4**	**32.2**	**9.1**	**18558.9**	**11.7**	**15.9**	**9437.4**	**13.1**	**12.7**

Source: Company, ICICIdirect.com Research

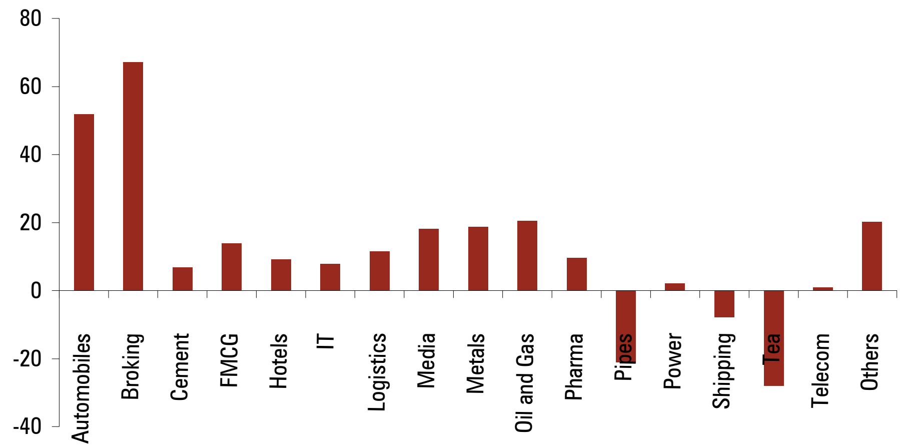
- **EBITDA margin to post strong growth YoY**

  Total EBITDA for the ICICIdirect.com coverage universe is expected to show decent growth of ~46% YoY signifying a ~500 bps expansion in margin from 18.2% in Q4FY09 to ~23% in Q4FY10E. On a QoQ basis, however, the EBITDA margin is likely to fall marginally by ~80 bps on the back of higher raw material cost in FMCG, pipes, pharma and lower realisations in media and telecom. In banking and financials, PPP is expected to show better growth QoQ (~16%) than YoY (~12%).

- **Strong YoY PAT growth likely to continue**

  After a stellar performance in the previous quarter, we expect the overall PAT for our coverage universe to show robust YoY growth of ~81% in Q4FY10E also. On a QoQ basis also, PAT is expected to grow by ~8% despite de-growth in sectors like telecom, media shipping, power and sugar. After showing a muted performance, NP in banks and financial institutions is expected to grow both YoY and QoQ by ~13% each.

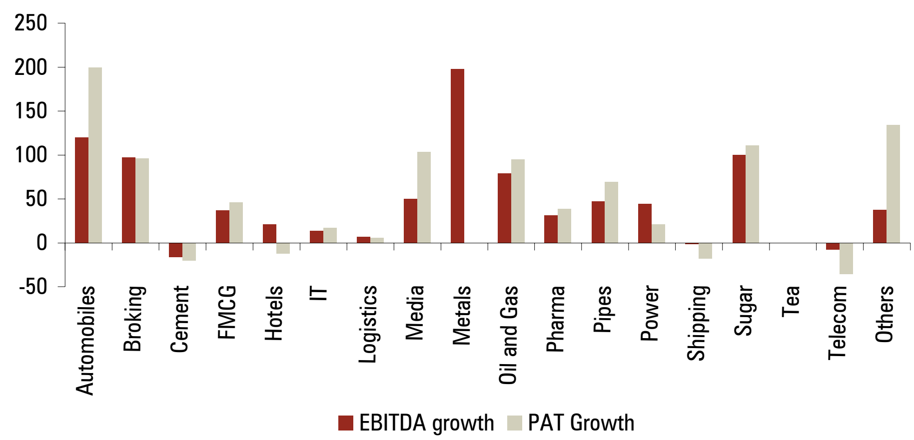
Exhibit 2: Sector wise YoY revenue growth (%)



Source: Company, ICICIdirect.com Research

Note: Revenue growth not reflected for Sugar sector

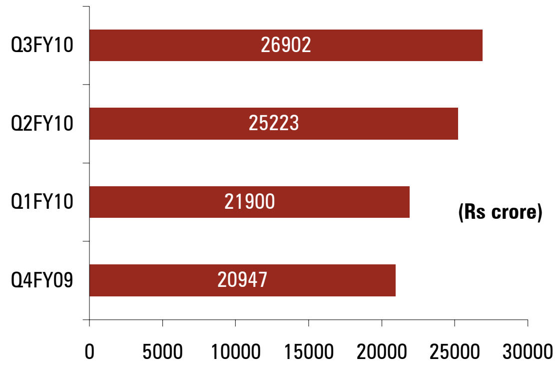
Exhibit 3: Sector wise YoY profitability growth (%)



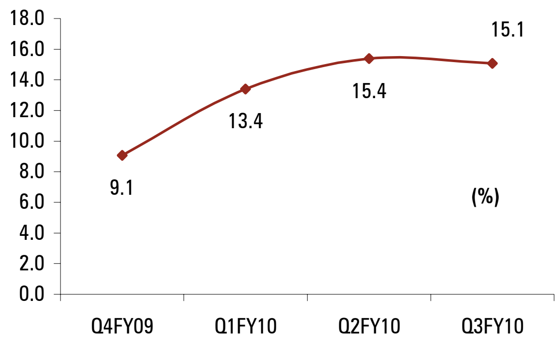
Source: Company, ICICIdirect.com Research

Note: PAT growth not reflected for Metals and Tea sector

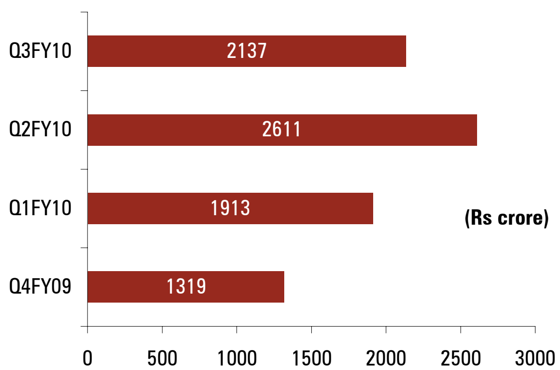
Topline performance (Coverage universe)



Margin movement (Coverage universe)



Bottomline performance (Coverage universe)



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Auto and Auto Ancillary

- **Strong volume growth in Q4FY10**

Continuing their growth momentum in Q3FY10, all auto majors reported strong volume growth in Q4FY10, despite excide duty roll back and marginal increase in interest costs. We believe this is pre buying witnessed on the expectation of rise in vehicle prices aided by rising raw material costs. Post rise in prices on account of roll back of excise duties, all auto majors have signalled a 3-6% rise in prices to pass on rising steel and rubber prices from April 2010. Also, financial institutions have withdrawn their low interest rate schemes and hiked interest rates by 25-50 bps. This would lead to vehicle and its financing costs rising, which resulted in pre-buying.

Exhibit 4: Volume performance (%)

Companies	Q4 YoY Gr	FY10 YoY Gr
Baja Auto	78.0	30.0
TVS Motors	19.7	14.4
Maruti Suzuki	11.0	28.6
Tata Motors	39.0	29.0
Hyundai Motors	27.3	26.2
Mahindra & Mahindra	20.9	29.5
Ashok Leyland	97.4	17.4

Source: Company, ICICIdirect.com Research

The strong volume growth from original equipment manufacturers (OEMs) will bring substantial improvement in sales growth of auto ancillary companies. We expect the ICICIdirect.com coverage universe to report 18.3% topline growth in Q4FY10. For FY11, we expect sustenance of demand for a few months. This would taper down with rise in prices and squeeze liquidity with high interest costs.

- **EBITDA margin to come under pressure, despite strong volumes**

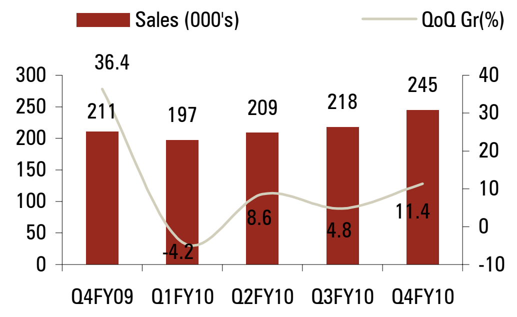
Q4FY10 witnessed many new launches across the segment. This can change the product mix and tilt towards premium products. However, steel and rubber prices are continuously moving northward. This would result in rising costs for OEMs. The same has not been passed fully through a price hike. Auto ancillary companies can manage to raise prices in the replacement market but constraints remains with OEMs. We expect the ICICIdirect.com coverage universe to see a 190 bps decline in the EBITDA margin in Q4FY10 from Q3FY10. This can mute further in the coming quarters.

Exhibit 5: Estimates for Q4FY10E: Automobiles (Rs Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Automotive Axle	146.5	160.7	7.5	16.8	143.5	3.7	7.2	LP	11.3
Bajaj Auto	3164.8	68.0	-4.0	633.0	121.5	-12.5	433.2	230.2	-8.8
Balkrishna Ind	347.7	7.8	0.3	83.8	26.6	-4.1	44.50	104.2	-6.5
Bharat Forge	640.5	119.7	26.1	133.2	211.9	11.8	53.2	-12.9	40.0
Escorts	626	27.3	3.3	53.2	48.2	-1.8	22.9	518.9	-2.1
JK Tyre	918.3	5.0	14.5	109.3	LP	12.9	43.1	LP	18.1
M&M	5754.39	57.5	28.0	674.3	20.1	0.7	436.7	4.5	5.6
Maruti Suzuki	10486.1	63.0	39.8	1443.4	221.3	27.3	865.9	256.2	25.9
Subros	245.4	13.8	7.5	29.7	90.4	14.2	11.2	NC	28.0
Tata Motors	9487.7	41.1	5.7	1015.2	128.6	-10.1	2032.2	331.1	407.9
Total	**31,817.4**	**51.9**	**18.3**	**4,191.9**	**120.3**	**3.4**	**3,950.1**	**199.5**	**84.8**

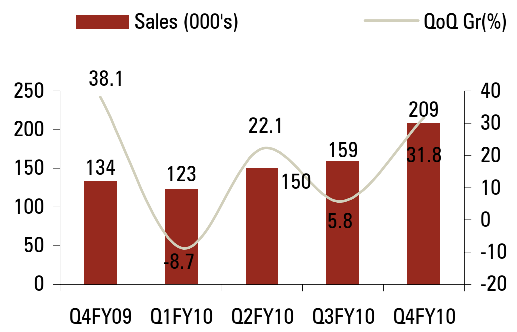
Source: Company, ICICIdirect.com Research

Maruti Suzuki's sales performance



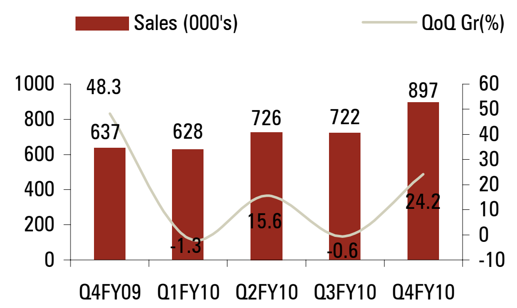
Source: Company

Tata Motors' sales performance



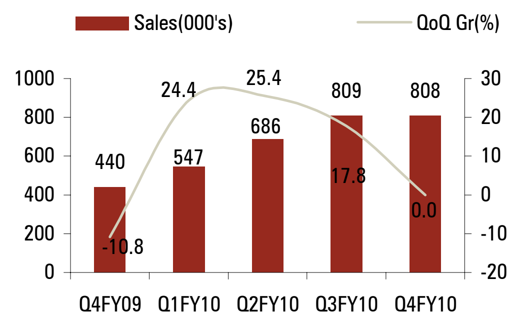
Source: Company

M&M's sales performance



Source: Company

Bajaj Auto's sales performance

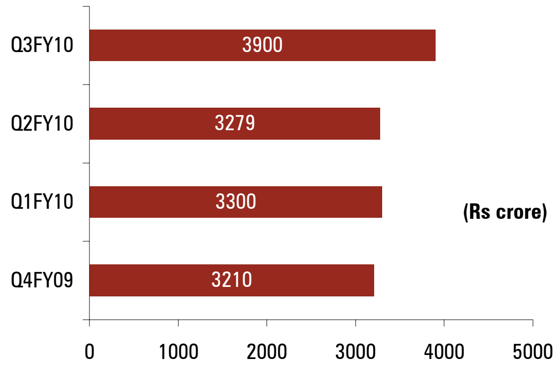


Source: Company

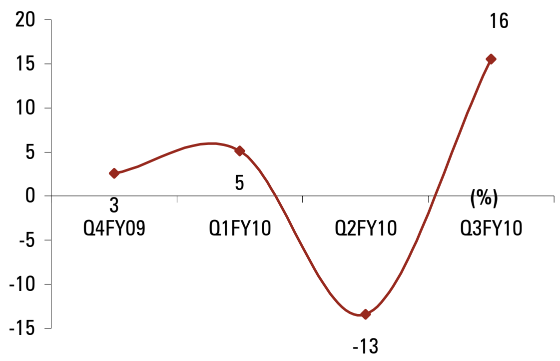
Exhibit 6: Company specific view

Company	Remarks
Automotive Axle	A pick-up in commercial vehicles sales and improving export market would bring a strong 160.7% YoY sales growth and profit of Rs 7.2 crore at net levels. Concerns remain on the EBITDA margin front where we expect a dip of 80 bps YoY and 40 bps QoQ
Bajaj Auto	Launch of the sub-150 cc Pulsar and Discover, brought strong volume growth. Moreover, increasing count of three-wheelers aided the total sales of the company. The rising cost of raw material and increasing tilt towards sub-150 cc motorcycles sales would, however, pressurise the margins of the company
Balkrishna Ind	Expected recovery in export sales will bring 7.8% YoY growth in sales while rising rubber prices and rupee appreciation are concerns for the company. We expect a 110 bps QoQ dip in the EBITDA margin
Bharat Forge	Improving sales from the CV segment and recovery in the export market are likely to cheer BFL's sales growth. We expect a 26.1% QoQ jump in net sales. The EBITDA margin, however, will decline by 270 bps to 20.8% on account of a rise in steel price as well as impact on realisation on account of rupee appreciation
Escorts	Tractor sales are expected to be good for the quarter bringing 27.3% YoY and 3.3% MoM sales growth. Restructuring of the balance sheet and cleaning high costs debt will help maintain bottomline at Q3 levels. We expect a 40 bps decline in the EBITDA margin
JK Tyre	Strong volume growth and price hikes taken during the period will partially mitigate the impact of rising rubber prices. We expect a 14.5% QoQ sales growth and marginal dip of 30 bps in the EBITDA margin
M&M	The newly launched Gio and Maximmo are likely to garner higher market share from Tata ACE, while its UV portfolio and tractor sales continued their strong performance. We expect a 28% QoQ and 57.5% YoY sales growth but margins will narrow down to 11.7%
Maruti Suzuki	MSIL has crossed the 1 million mark in the current year. It has witnessed a splendid volume perfornance in the quarter. The company is yet to pass on the impact of rising raw material prices. Hence, we expect to see a 130 bps dip in EBITDA margin on strong 39.8% QoQ volume growth
Subros	Rising sales from Tata Motors and Maruti Suzuki along with increasing count of premium cars from key customers would bring 13.8% YoY and 7.5% QoQ sales growth. Also, we expect strong EBITDA margin expansion to 12.1% from 11.4% in Q3FY10 and 7.2% in Q4FY09
Tata Motors	Strong CV sales and rising car sales will bring strong 41.1% YoY and 5.7% QoQ sales growth. However, with rising raw material costs, margins will remain under pressre at 10.7% from 12.6% in Q3FY10. The 20% stake sale in TELCON would bring one-time gain of ~ Rs 1,000 crore, inflating the bottomline

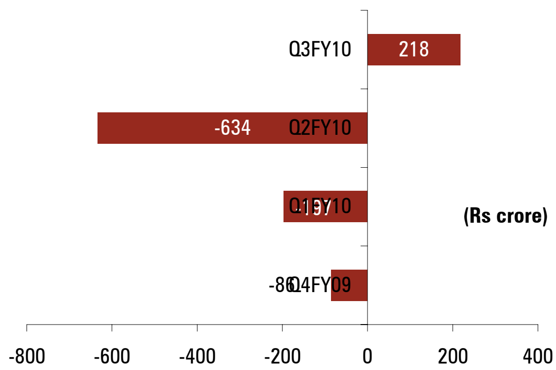
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Spicejet Ltd.

Analyst

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Aviation

- **Robust pax traffic to drive revenue growth in Q4FY10**

  Domestic passenger traffic witnessed an upturn in Q3FY10 (growth of 28% YoY) driven by an improved macroeconomic performance and lower airline fares. In Q4FY10, we expect the trend to remain positive, as a robust booking window has been observed in the past two months. We expect our ICICIdirect.com aviation universe revenues to increase by 26.4% YoY.

- **Operating margins to remain under pressure**

  Operating margins are expected to decline marginally due to a rise in operating cost on a quarterly basis, especially fuel charges. We expect our ICICIdirect.com aviation operating margins to decline by 440 bps QoQ to 11.0% while YoY the same is expected to improve 840 bps due to the low base effect of last year.

- **To report second consecutive positive bottomline**

  With robust growth in sales and efficient cost control measures undertaken by carriers, we expect our ICICIdirect.com aviation universe to again report positive bottomline. SpiceJet's profitability is expected to be better than Jet Airways in this quarter.

Exhibit 7: Company specific view

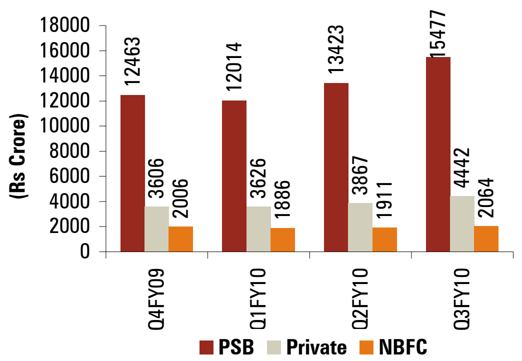
Company	Remarks
Jet Airways	Consolidated net revenues will grow by 23.8% YoY. The growth would be driven by a revival of domestic and international traffic on the back of a strong macroeconomic performance. However, operating margins are expected to decline by 400 bps QoQ to 11.7% in Q4FY10 due to a rise in operating costs
SpiceJet	We expect robust growth of 43.4% YoY in revenues backed by a revival of the domestic pax demand and preference towards low cost travel. However, QoQ we expect a dip of 6.9% in total revenues due to seasonal impact. Margins are expected to decline by 380 bps QoQ due to a rise in operating costs

Exhibit 8: Estimates for Q4FY10E: Aviation (Rs Crore)

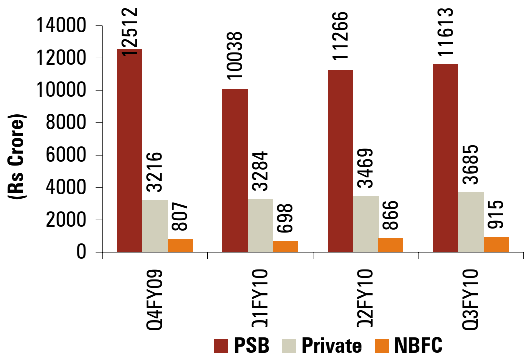
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Jet Airways	3,428.4	23.8	3.8	402.2	70.6	-21.1	78.5	LP	-28.2
SpiceJet	597.8	43.4	-6.9	74.2	LP	-39.0	67.3	LP	-38.3
Total	**4,026.2**	**26.4**	**2.1**	**476.4**	**115.4**	**-24.6**	**145.8**	**NA**	**-33.2**

Source: Company, ICICIdirect.com Research

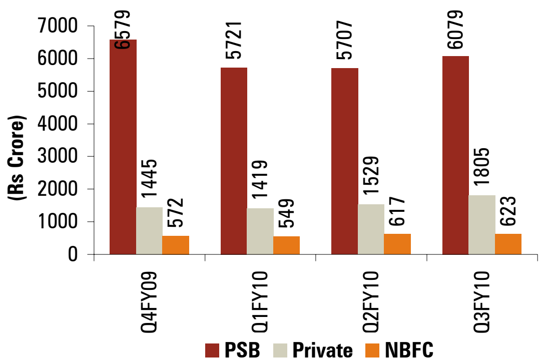
Net interest income (past 4 quarters)



PPP (past 4 quarters)



Net Profit (past 4 quarters)



Top pick of sector

Oriental bank
IDBI Bank
South Indian Bank

Analyst

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Banking and Financial Institutions

- **Offtake in credit to boost net interest income and support NIMs**

  Sequentially, Q4FY10 witnessed the comeback of credit growth into the system (credit grew by 16.1% as of March 12, 2010). We believe this will help banks to expand their loan portfolios. This will, in turn, lead to robust NII growth and sustain the net interest margins. This is clearly indicative of the fact that the C/D ratio currently stands at 71% vs. 70% in Q3FY10. We expect banks in the ICICIdirect.com coverage to report 36% YoY growth in NIMs and expect banks to maintain their margins QoQ.

- **Treasury gains to be muted; banks to report low MTM losses**

  Upward movement in benchmark yields limited the scope for treasury gains for PSB. On the other hand, the core fee income is expected to grow in line with business growth. Also, better scheduling of the government borrowing programme saved the day for PSUs as the 10 year yields on the reporting day stood at 7.83% vs. a consensus of over 8%. We believe this will be highly beneficial for PSU banks **(SBI and BOI are highly sensitive to yield movements)** as they will take lesser than anticipated MTM hits.

- **Asset quality to remain stable but provisions to inch up**

  Though the Indian banking system has seen the worst there will be some incremental slippages in Q4FY10. Also, we have built in higher provisioning for banks under our coverage as they all gear up to meet RBI targets of mandatory provisioning of 70%.

Exhibit 9: Estimates for Q4FY10E: BFSI (Rs Crore)

	NII	Change (%)		PPP	Change (%)		NP	Change (%)	
	Q3FY10E	YoY	QoQ	Q3FY10E	YoY	QoQ	Q3FY10E	YoY	QoQ
Public Sector Banks									
Bank of India	1567.0	9.3	4.8	1150.0	-18.3	1.8	563.4	-30.5	38.9
Bank of Baroda	1775.0	20.7	10.9	1610.4	23.5	27.3	872.5	15.9	4.8
Dena Bank	350.8	46.8	24.0	282.2	50.3	42.7	121.8	9.5	-9.5
IDBI Bank	744.2	54.6	3.5	585.5	21.0	-8.5	310.9	-0.9	8.2
IOB	963.3	36.8	21.3	528.2	-35.1	30.1	191.7	-40.5	88.4
PNB	2681.9	40.7	15.1	2132.9	34.3	17.3	1174.3	35.7	16.1
OBC	860.6	87.0	-1.4	668.8	24.2	7.4	277.4	41.7	-4.2
SBI#	6716.3	38.7	6.3	5607.9	6.3	21.4	2842.1	3.7	14.5
Union Bank	1343.9	45.1	26.2	1185.8	30.1	29.7	614.6	32.2	15.1
Total	**17003.1**	36.4	9.9	**13751.7**	9.9	18.4	**6968.7**	5.9	14.6
Private Banks									
Axis Bank	1507.9	46.0	11.8	1572.4	38.1	14.4	715.8	23.1	9.1
HDFC Bank	2449.5	32.3	10.1	1674.7	6.6	3.1	808.7	28.2	-1.2
Kotak Bank#	520.9	24.6	7.0	358.2	39.7	6.3	146.2	42.5	2.7
SIB	196.9	33.0	14.6	133.6	38.9	13.0	70.5	40.2	12.8
Yes Bank	234.2	50.9	11.0	231.5	50.4	7.1	134.4	67.8	6.7
Total	**4909.4**	36.1	10.5	**3970.3**	19.6	8.2	**1875.6**	29.8	3.9
NBFCs									
IDFC	258.6	2.3	-7.5	353.4	25.0	-14.0	223.2	83.6	-17.6
LIC HF	275.7	33.8	20.9	264.5	41.0	22.2	191.9	38.2	24.9
Rel Cap*	1448.6	-6.4	-7.0	219.0	-34.9	-23.8	178.1	-42.9	-10.2
Total	**1982.9**	-1.1	-3.9	**836.9**	7.0	-8.5	**593.1**	29.3	-4.7

*NII is Revenue, PPP is EBIDTA,, # Standalone figures

NII: Net Interest Income, PPP: Pre provisioning profits, NP: Net Profit

Source: Company, ICICIdirect.com Research

Incremental C/D ratio (past 4 quarters)

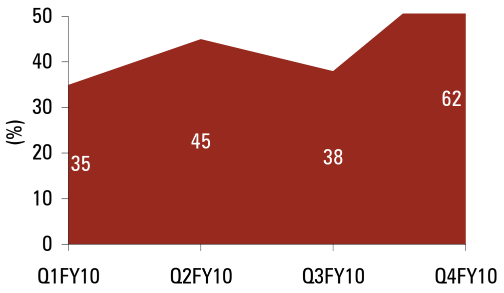
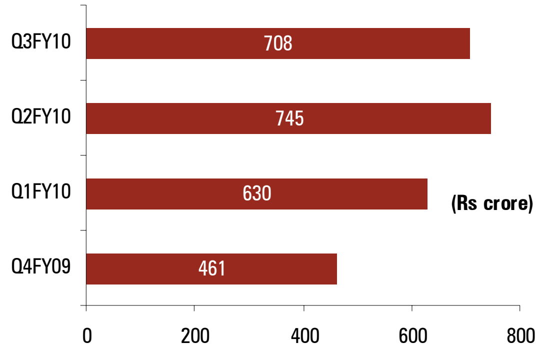


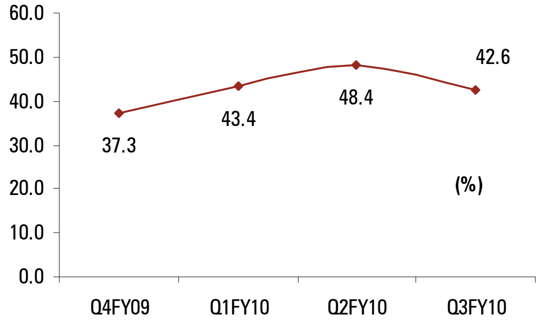
Exhibit 10: Company specific view

Company	Remarks
Bank of Baroda	We expect the loan book to grow 9% QoQ and 18% YoY. Asset quality is expected to stay strong and no surprises are expected on that front
Bank of India	We expect the NIM to improve QoQ marginally but be under pressure YoY. We are cautious on asset quality, which will result in higher provisions for this quarter as well
Dena Bank	Repricing of bulk deposits in the previous quarter will lead to lower cost of funds and improve the NIM QoQ. CASA is expected to stay stable around 37%
IDBI Bank	We expect NIM of 1.2% for Q4FY10 and ~1% for FY10. The RoA of the bank is improving and is expected at 0.6%. Recent branch additions will pressurise the cost to income ratio for this quarter
IOB	The Rs 82-crore provision due to the recent merger of Suvarna Sahakari Bank will weigh on the bank's Q3 profit. Asset quality will remain under pressure. Asset quality will be keenly watched this quarter
OBC	We expect 21% and 19% YoY growth in advances and deposits, respectively. CD ratio is expected to stabilise around 71% and NIM at 2.7%
PNB	We expect it to close fiscal with 20% growth in core business. We expect 6% QoQ rise in advances and 6% QoQ rise in deposits. NIM is expected to remain one of the best in industry on 36% NII rise. We expect fee income to grow 5% QoQ
SBI	Due to yields coming off from their high of 8%, SBI's MTM provisions requirement has come down and will record descent trading gains, leading the bank to maintain overall total income growth of 45% YoY
Union Bank	We expect total business to grow 11% QoQ. Incremental slippages are expected but adequate provisioning will take care of it. We expect 20% PAT growth YoY
Axis Bank	We expect business growth at 11% YoY. We expect NIMs to remain flat sequentially and other income to grow 20% YoY. Asset quality will remain stable on higher provisioning. PAT is expected to grow 23% YoY and 11% QoQ
HDFC Bank	We expect CASA of 48% and NIM of over 4.2%. The bank has sufficient cash on the balance sheet after warrant conversion by HDFC to the tune of Rs 3900 crore. We expect another quarter of strong performance on the fee income side
Kotak Bank	We expect the bank to grow its advances by 6% QoQ. We forecast a 42% YoY rise in PAT on a standalone basis. On the other business front, we expect the securities and investment banking business to report healthy numbers
South Indian Bank	We expect strong business growth for the bank on a sequential basis. Non-interest income is liekly to stay subdued due to moderate treasury performance. Asset quality should be maintained
Yes Bank	No major surprises are expected this quarter. We expect some moderation in non-interest income due to lower treasury gains compared to Q3FY10
IDFC	We expect a pick-up in credit growth leading to NII jump of 2.3%. Also, we do not expect any material principal investment gain as seen in the last three quarters leading to overall PAT jump of 91% YoY to Rs 2236 crore
LIC HF	We expect LICHF to continue with its robust performance and report 35% YoY growth in the mortgage portfolio. On the margin front, we expect NIMs to improve sequentially. We expect the asset quality to remain healthy
Reliance Capital Ltd	As the expected stake sale has not come in Q4FY10, we believe overall PAT for the quarter and FY09 will fall 43% YoY. We believe FY11 profits will be higher on account of improved business and value unlocking in insurance subsidiaries

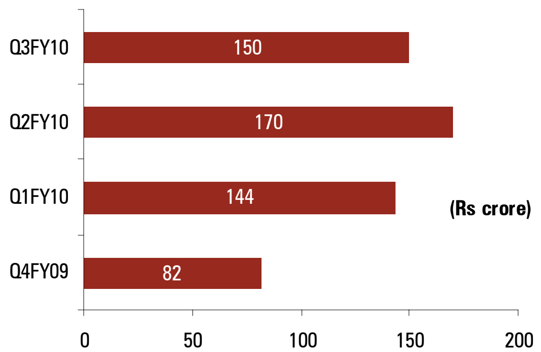
Topline performance (Coverage universe)



Margin movement (Coverage universe)



Bottomline (Coverage universe)



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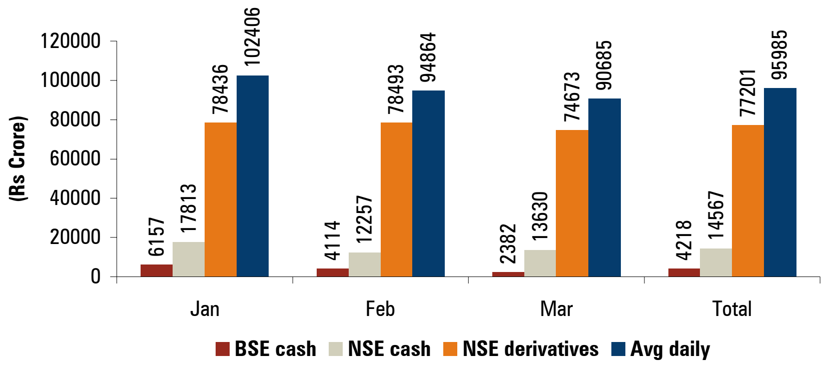
Broking

- **Sequential decline in average daily turnover**

  Average daily turnover for Q4FY10 stood at Rs 96,985 crore vs. Rs 98,600 crore in Q3FY10. The 3% QoQ decline in average daily turnover came despite the increase in trading hours for markets. Foreign funds have poured a net $4.7 billion into Indian stocks so far in 2010. Of this, around $4.4 billion arrived in March alone helps to maintain higher market turnover. A part of these flows were absorbed by the primary market

Exhibit 11: Break-up of average daily turnover for Q4FY10



Source: Company, ICICIdirect.com Research

- **Organised brokers to maintain their market share at best**

  The organised broking industry has been losing market share to the increasing competition arising in the institutional segment and also increased activities from proprietary based firms. Till 9MFY10, proprietary based firms had gained about 200 bps in FY09.

- **Other revenue stream to pick up QoQ**

  We expect broking companies to report healthy growth in the other income segment especially from investment banking and the fund based activities division (margin funding and LAS).

Exhibit 12: Company specific view

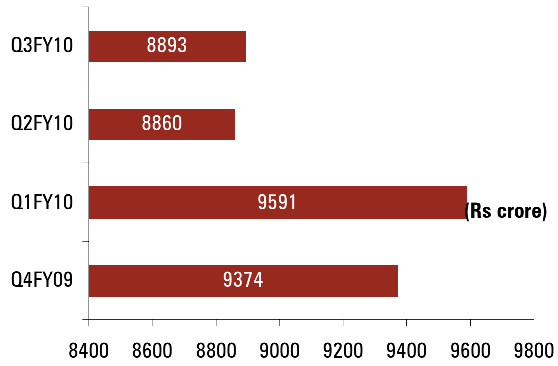
Company	Remarks
Edelweiss	We expect marginal pressure on yields on account of higher share of derivatives volume. IB fees should contribute sigbnificantly because oif closure of many deals during the quarter
India Infoline	We expect the loan book size to grow to Rs 1250 crore from Rs 956 crore in Q4FY09. We expect yields and market share to stay stable on a sequential basis
MOSL	We expect some traction from the fund based vertical and asset manament business.We expect the company to maintian its broking market share at 3%. We expect the company to maintian EBITDA margins of 37% and deliver PAT growth of 106% YoY and a degrowth of 7% QoQ

Exhibit 13: Estimates for Q4FY10E: Broking (Rs Crore)

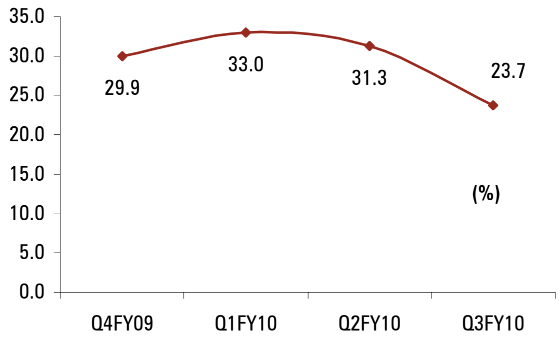
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Edelweiss	280.4	52.9	21.8	168.3	76.4	35.2	66.1	61.6	23.3
India Infoline	325.8	74.3	2.0	111.5	159.6	-1.2	60.8	147.2	2.2
MOSL	165.2	81.5	4.3	60.2	77.2	-6.5	34.1	105.9	-7.4
Total	**771.4**	**67.2**	**9.0**	**340.0**	**97.3**	**12.7**	**161.0**	**96.2**	**7.4**

Source: Company, ICICIdirect.com Research

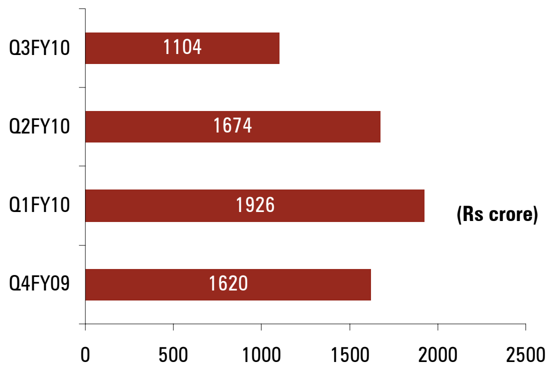
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

JK Lakshmi
Orient Paper & Industries

Analyst

Vijay Goel
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Cement

- ### Robust demand leads to strong volume growth

The all-India cement industry has reported 8% YoY growth in dispatches in Jan-Feb 2010. We expect it to grow by 10% in Q4FY10E. Our cement coverage universe is expected to report volume growth of 7.3% YoY (8.3% QoQ). The volumes of the industry have been driven by strong demand in the central and northern region mainly driven by infrastructure projects in Delhi and housing projects in Haryana and Uttar Pradesh. The western region has also shown good demand growth on the back of housing projects in Maharashtra. Only the southern region has seen lacklustre demand on account of delays in infrastructure projects and political disturbance in Andhra Pradesh.

- ### Increase in cement prices during the quarter

In Q4FY10E, all-India average cement prices increased by Rs 15-20/bag, primarily on account of passing on the cost increase to end users. Also, robust demand coupled with delay in commissioning of capacities has been the reason for price hikes. Prices in Mumbai have increased by Rs 8/bag QoQ (flat YoY) to Rs 248/bag in Q4FY10. During the quarter, prices in Delhi increased by Rs 11/bag QoQ (flat YoY) to Rs 232/bag while prices in Kolkata jumped by Rs 35/bag QoQ (Rs 10/bag YoY) to Rs 277/bag. However, cement prices in Chennai have declined by 40/bag QoQ (Rs 20/bag down YoY) to Rs 231/bag in Q4FY10.

- ### Increase in costs but part of it passed on to end-users

The cement industry has been facing cost pressure from increasing imported coal prices, rising raw material costs and increase in freight costs. The major factors that caused the increase in cost of production during the quarter were 2% hike in excise duty, Rs 50/tonne of cess on coal, hike in petrol and diesel prices and shortage of railway wagons. However, part of the cost increase has been passed on to consumers leading to hike in cement prices.

- ### Net profit to decline 20% YoY

Our coverage universe is expected to report ~7% YoY growth in topline on account of an increase in volumes. We expect 20.4% YoY decline in net profit for our universe as increase in costs will drag down the operating income by 16% YoY. Sequentially, we expect net sales and net profit to grow by ~13% and ~17%, respectively, on account of a rise in volumes and increase in realisations.

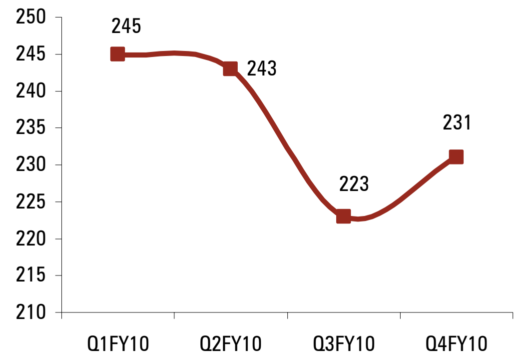
Exhibit 14: Estimates for Q4FY10E: Cement (Rs Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
ACC	2,091.5	1.8	8.8	494.9	-21.2	9.9	323.4	-16.0	9.7
Ambuja	2,041.8	10.5	15.3	518.6	-4.8	12.5	328.0	-5.2	26.7
Dalmia Cement	489.9	1.0	-5.6	92.5	-46.2	-2.6	20.0	-54.8	-13.2
India Cement	970.4	9.2	12.3	123.0	-45.4	5.6	33.7	-67.7	24.2
JK Cement	534.5	24.2	24.6	110.9	-16.4	16.7	41.8	-30.1	-10.1
JK Lakshmi	387.5	6.3	9.7	101.3	-9.7	13.9	51.0	-10.5	12.5
Mangalam	178.2	5.4	20.7	57.9	37.5	33.0	35.9	-7.0	33.9
Orient Paper	529.0	13.3	42.9	92.1	-21.7	36.8	47.3	-29.0	57.1
Shree Cement	935.8	16.1	8.1	365.2	10.5	8.9	191.4	-15.8	13.6
UltraTech Cement	1,859.5	0.0	12.6	416.6	-21.8	8.6	232.4	-24.9	18.6
Total	**10,018.1**	**6.9**	**12.6**	**2,373.2**	**-16.4**	**11.1**	**1,304.8**	**-20.4**	**16.8**

Source: Company, ICICIdirect.com Research

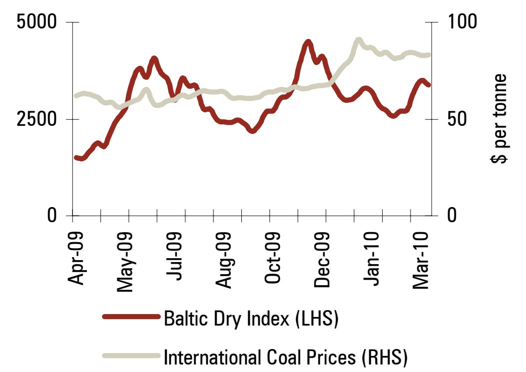
Note: For ACC & Ambuja, Q4FY10E indicates Q1CY10E

All India average cement prices



Source: Bloomberg, ICICIdirect.com Research

International coal prices vs. Baltic dry index

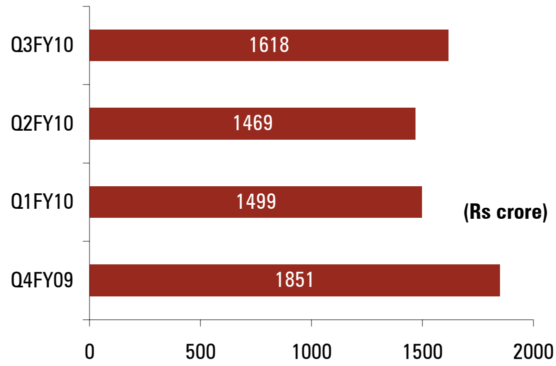


Source: Bloomberg, ICICIdirect.com Research

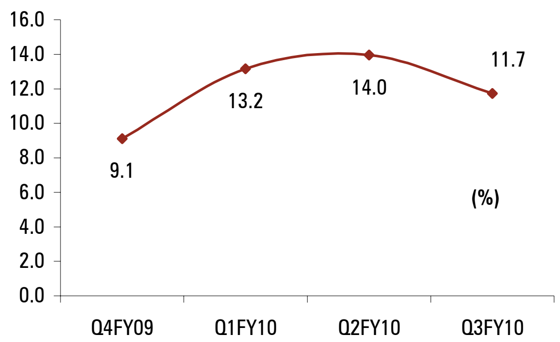
Exhibit 15: Company specific view

Company	Remarks
ACC	Sales volume is expected to decline by 2% YoY to 5.6 mtpa and realisation to increase by 4% to Rs 3735/tonne. Total cost/tonne is expected to increase by 14% YoY which would drag down OPM by 680 bps YoY. However, on QoQ basis, volumes and realisation are expected to increase by 4.5% and 4.2% respectively.
Ambuja	Net sales is expected to grow by 10.5% YoY (15.3% QoQ) on account of 4% YoY (10% QoQ) increase in sales volume in 5.3 mtpa and 6.3% YoY (4.1% QoQ) increase in realisation to Rs 3852 per tonne. However, increase in total cost by 12% YoY (5% QoQ) will erode the OPM by 390 bps YoY and 60 bps QoQ.
Dalmia Cement	Net sales to remain flat on YoY basis as the 15% growth in cement sales volume and 35% growth in sugar realisation would be offset by 29% decline in sugar sales volume and 11% decline in cement realisation. We expect 27% YoY increase in total expenditure will drag down OPM by 1658 bps
India Cement	Net sales to grow by 10% YoY on account of 28% increase in sales volume to 2.98 mtpa. However, 15% YoY decline in realisation to Rs 3252 per tonne would lead to margin erosion of 1270 bps YoY. Sequentially, 8% increase in sales volume and 4.1% growth in realisation leads to net sales growth of 12.3%.
JK Cement	We expect net sales growth of 24% YoY (25% QoQ) driven by increase in blended sales volumes by 20% YoY (23% QoQ) to 1.33 mtpa. Also, we expect blended realisation to increase by 3% YoY. However, operating margin to decline by 1000 bps YoY on account of 17% increase in total expenditure, led by freight cost.
JK Lakshmi	We expect net sales to grow by 6.3% YoY on account of increase in cement sales volume by 1.5% YoY to 1.17 mtpa, 1% increase in cement realisation and contribution from power revenues. On QoQ basis, 5% increase in cement realisation would help the topline to grow by 10%.
Mangalam	we expect net sales to increase by 5.4% YoY on account of 9% YoY increase in realisation to Rs 3636 per tonne. Sales volume is expected to decline by 3.3% YoY to 0.49 mtpa on account of 13 day plant shutdown during the quarter. On QoQ basis, we expect 12% growth in sales volume and 7.6% growth in realisation.
Orient Paper	We expect net sales growth of 13% YoY, led by 32% growth in cement volumes to 0.98 mtpa. However, OPM to decline by 850 bps YoY on account of 14% decline in cement realisation to Rs 1973 per tonne and 5% increase in cost. Sequentially, cement volume and cement realisation to grow by 10.5% and 12% respectively.
Shree Cement	Net sales to grow by 16% YoY on account of 8.3% YoY increase in cement volumes to 2.61 mtpa, 7.2% YoY (6.5% QoQ) increase in net realisation to Rs 3588 per tonne and ~45 crores of power revenue. We expect operating margin to decline by 200 bps YoY on account of 11% increase in total expenditure.
UltraTech Cement	Net sales is expected to remain flat as the 6.4% increase in sales volume to 5.6 mtpa would be offset by 6% decline in realisation to Rs 3326 per tonne. Also, decline in realisation coupled with increase in cost per tonne would erode operating margin by 670 bps.

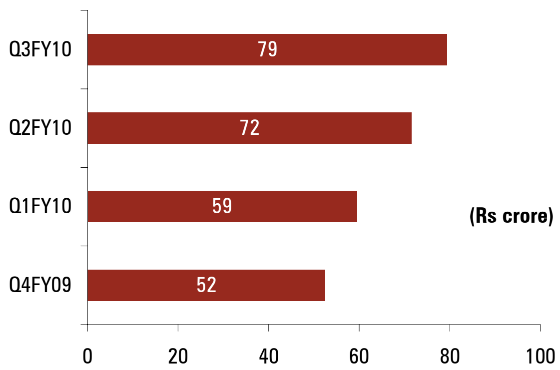
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Simplex Infrastructure

Analyst

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Construction and Real Estate

- **Construction - Healthy growth in earnings**

We expect the revenues of construction companies under our coverage to grow at 9.1% YoY in Q4FY10.

Despite moderate topline growth, we expect the earnings of construction companies to grow at 45.5% YoY on the back of improvement in OPM (180 bps up YoY for our coverage) and lower interest expenses.

In terms of order inflow, SIL reported a healthy order inflow of Rs 2166 crore during this quarter. Unity's order flow was subdued during the quarter.

- **Real estate – sales volume to taper off during this quarter**

The sales volume for real estate developers in Mumbai has come down post price hike.

Orbit has not been an exception to this trend. After showing a marked improvement in sales volume, we expect Orbit's sales volume to come down this quarter. We have modeled the sales volume of ~75,000 in Q4FY10 vs. ~1,72,000 in Q3FY10 due to a slowdown in sales volume in the industry and no launch of new project during this quarter.

In terms of Q4FY10 results, we expect Orbit to report strong earnings growth YoY in this quarter on the back of strong sales volume in recent quarters and a low base effect in Q4FY09.

Exhibit 16: Company specific view

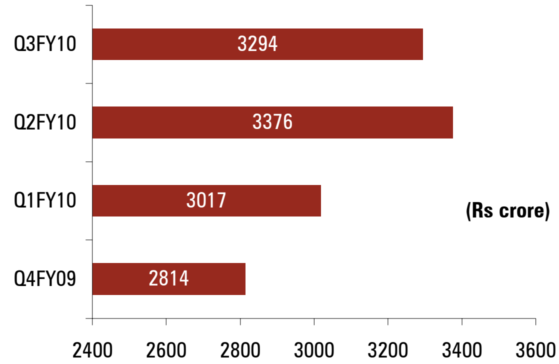
Company	Remarks
Simplex Infra	SIL's management guidance for FY10 (flat revenues growth) implies strong Q4FY10 earnings growth. Furthermore, SIL bagged an order inflow of Rs 2166 crore in Q4FY10 exceeding our expectation. Now we expect it to easily outperform its FY11 guidance (10% YoY revenues growth)
Unity Infra	The order inflow has seen a lull for Unity during this quarter (just announced one order aggregating Rs 100 crore). Nonetheless, we expect strong topline growth on the back of execution of a strong order book of ~Rs 3750 crore
Orbit Corporation	The pre-sales volume for Orbit Corporation is likely to be lower than Q3FY09 (~172,000 sq ft). In this quarter, we have modeled pre-sales volume of ~75,000 sq ft as none of the new project were launched during this quarter

Exhibit 17: Estimates for Q4FY10E: Construction and Real Estate (Rs Crore)

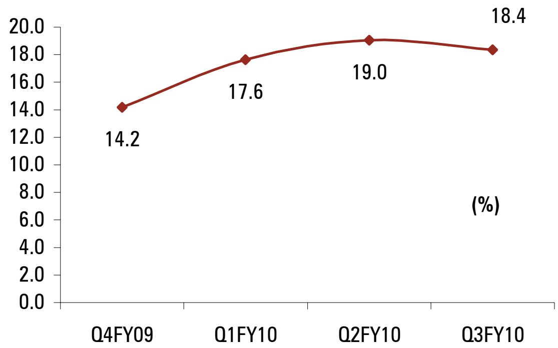
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Simplex Infra	1,444.8	4.2	46.4	130.2	31.0	31.0	43.7	46.4	89.4
Unity Infra	486.9	26.9	21.3	63.7	28.8	26.4	30.3	44.1	24.2
Orbit Corporation	151.7	90.6	1.4	61.2	173.9	43.9	29.7	1,740.7	-7.4
Total	**2,083.4**	**12.6**	**35.5**	**255.2**	**49.1**	**32.7**	**103.7**	**97.5**	**30.4**

Source: Company, ICICIdirect.com Research

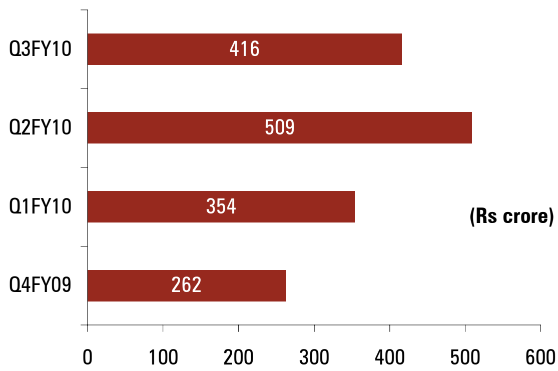
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Marico
Dabur India

Analyst

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FMCG

- **Volume growth to sustain**

  Increasing volume growth and falling raw material prices will help FMCG companies to maintain their margins. The paint industry would benefit from increasing automotive and real estate demand led by increase in consumer spending, hence maintaining industrial and decorative paints sales growth.

- **Robust rural demand**

  Increasing government spending in rural India has increased income levels. This, in turn, has helped consumer discretionary companies to enter the untapped rural markets with products especially packed at lower price points. However, innovation remains the key for saturated and competitive urban markets.

- **Relief from rising commodity prices**

  Falling raw material prices, like sugar for Dabur and copra for Marico would help companies to curtail raw material prices providing a cushion against rising advertisement expenses experienced in the past quarters, thereby sustaining margins in the face of falling retail prices.

- **Rising packaging costs to be a concern**

  The increase in operating costs due to higher crude prices would be a matter of concern in the coming quarters for both paint and FMCG companies. Moreover, the increase in prices of packaging material such as corrugated boxes and packaging plastics (which constitutes 8-10% of the costs of companies like Dabur and Marico) would put further pressure on margins, going forward.

Exhibit 18: Company specific view

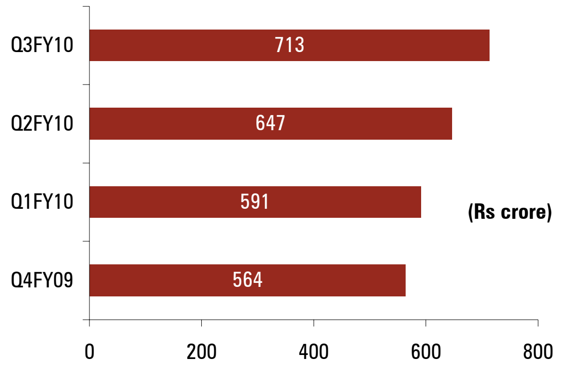
Company	Remarks
Asian Paints	With a revival in the economy, the demand for decorative & automotive paints is expected to remain buoyant. The company has been able to maintain its margin due to lower raw material prices. However, these may not be sustainable due to the expected increase in crude prices and competitive pressures
Dabur India Ltd	Increasing hair, health and skin care and growing rural demand has helped the company to sustain its sales volumes in spite of higher inflation. However, margins were under pressure due to the upsurge in sugar prices and increasing promotional and advertising spends in the face of intensifying competition
Kansai Nerolac	The revival in housing and automative demand has increase the demand for aotomotive and decorative paints. This, in turn, has helped the company to increase its sales volume. However, margins would be under pressure due to firming crude prices and dollar and yen exchange rates
Marico Ltd	Volumes were maintained due to an improvement in overall economic conditions and revival in demand. Lower raw material prices further helped to maintain the margins. Value growth was, however, lower due to a correction in retail prices and increasing competition

Exhibit 19: Estimates for Q4FY10E: FMCG (Rs Crore)

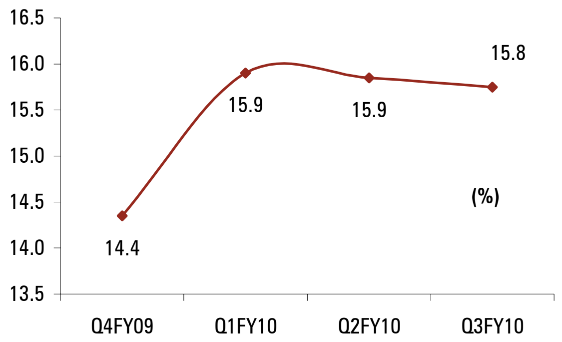
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Asian Paints	1,223.4	11.2	-4.2	220.2	39.1	-15.3	143.2	54.7	-19.9
Dabur India Ltd	837.7	14.5	-9.6	157.9	17.7	-13.0	130.8	24.2	-5.2
Kansai Nerolac	446.5	6.1	6.1	64.8	94.4	0.1	41.5	106.5	14.2
Marico Ltd	695.7	24.0	3.9	103.1	40.8	4.4	67.3	51.6	6.5
Total	**3,203.3**	**13.84**	**-2.8**	**546.0**	**36.82**	**-9.7**	**382.7**	**45.92**	**-8.0**

Source: Company, ICICIdirect.com Research

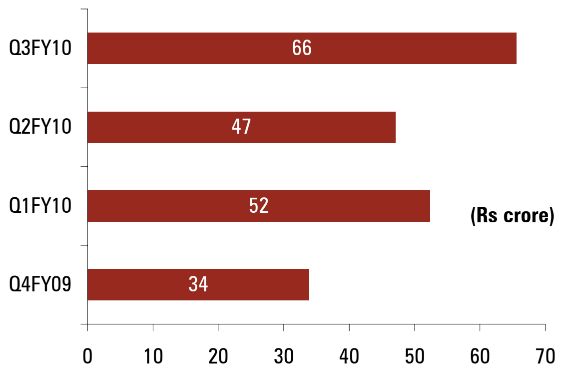
Topline performance



EBITDA Margin



Bottomline



Top pick of sector

Apollo Hospitals

Analyst

Rashesh Shah
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Hospitals

- **Volume to drive sales growth**

  We expect the revenues of our ICICIdirect.com hospital universe to increase by 54.2% YoY on the back of robust revenue growth by Fortis Healthcare, as there would be incremental revenue inflow of ~Rs 102 crore from 10 Wockhardt hospitals. Overall, we expect in-patient volume and average revenue per bed (ARPOB) to grow by 16% and 15% YoY, respectively, for the quarter.

- **Stable operating margin**

  Overall, we expect the ICICIdirect.com hospital universe to maintain its operating margin for Q4FY10. The operating margin of Apollo Hospitals is likely to improve by 30 bps to 16.4% QoQ due to improvement in its pharmacy business while the operating margin of Fortis Healthcare is likely to decline by 20 bps to 15.1% for the quarter.

- **PAT growth to remain robust for the quarter**

  PAT growth is expected to remain robust on account of growth in sales and stable operating margins for the quarter. The net profit margin of Apollo Hospitals is expected to be better than Fortis Healthcare during the current quarter.

Exhibit 20: Company specific view

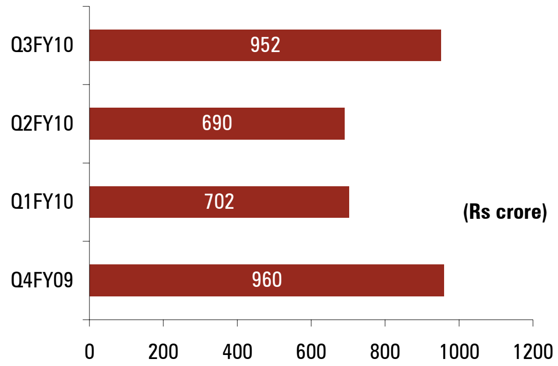
Company	Remarks
Apollo Hospitals	The growth in revenues is expected to come from a rise in in-patient volume and increase in realisation (ARPOB), which we expect to grow by 14% and 12% YoY, respectively. Margins are expected to remain stable. As a result, we expect the net profit to grow by 68.8% YoY
Fortis Healthcare	Revenues will grow by 104% YoY and 51.7% QoQ, respectively, as there would be additional revenue inflow of ~Rs 102 crore from 10 Wockhardt hospitals for the quarter. Net margins are likely to get impacted due to increase in finance costs

Exhibit 21: Estimates for Q4FY10E: Hospitals (Rs Crore)

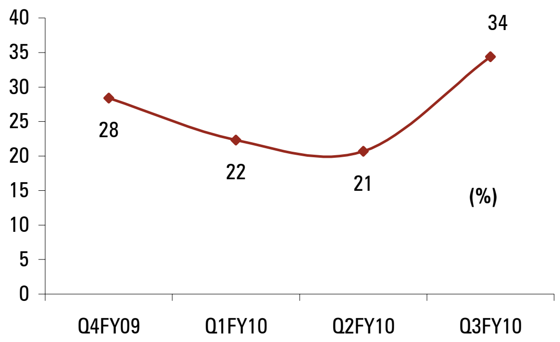
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Apollo Hospitals	517.0	32.2	7.5	83.7	56.3	7.5	49.1	68.8	11.9
Fortis Healthcare	352.7	104.1	51.7	52.2	101.4	46.7	31.0	546.6	43.0
Total	**869.7**	**54.2**	**21.9**	**135.9**	**71.0**	**19.8**	**80.1**	**136.4**	**22.2**

Source: Company, ICICIdirect.com Research

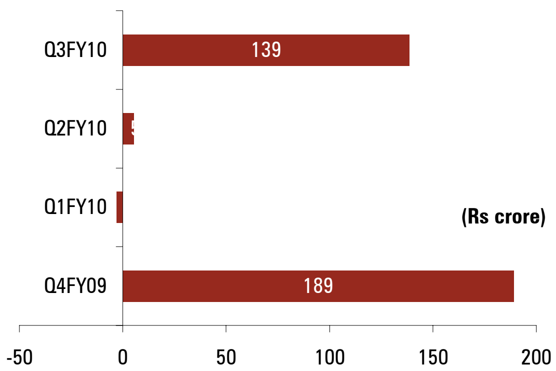
Topline performance (Coverage universe)



EBITDA Margins (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Indian Hotels
Royal Orchid Hotels
Taj GVK Hotels

Analyst

Rashesh Shah
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Hotels

To report robust sequential revenue growth in Q4FY10E

The sequential revenue growth for companies in the ICICIdirect.com universe is expected to be in the range of 10.6% in Q4FY10E as against negative growth of 2.6% QoQ reported in Q4FY09. The growth in revenues would be mainly driven by improvement in occupancy levels, which we expect to improve by 400 bps QoQ. Average room rates (ARRs) are expected to improve by 3-4% during the same period. On a YoY basis, companies are expected to report average revenue growth of 21% (except EIH) as against de-growth of 3.4% YoY in the last quarter.

Operating margin to improve

Due to the continuing declining trend in sales over the last few quarters, the companies had resorted to various effective cost control measures. The benefits of these measures have started accruing from the last quarter onwards. With these measures along with a sequential marginal improvement in sales, we expect the operating margin to improve by 750 bps YoY and 150 bps QoQ to 35.9%.

Profitability growth to remain muted compared to last year

Due to adoption of revised AS-11 guidelines in the last year, companies like Kamat Hotels and Hotel Leela reversed provision related to exchange difference on foreign currency loans. Due to this, Leela and Kamat both reported gains of Rs 14.5 crore and Rs 10.4 crore, respectively. Apart from this, Hotel Leela also booked an additional gain of Rs 64.6 crore on FCCB buyback during the same period. Hence, considering these last year's extraordinary items, we expect the PAT of Kamat hotels and Hotel Leela to de-grow 46.7% and 58.8% YoY, respectively, despite robust operating performance.

Economic recovery leads to improvement in FTAs data

Demand for hotel rooms, especially five star hotel rooms, is largely driven by foreign tourists arrivals (FTAs). Due to the economic slowdown and Mumbai terror attacks, FTAs had recorded consistent negative growth for six months i.e. from December 2008 to May 2009. With the passage of time coupled with an improvement in the global economic scenario, FTAs growth has again started showing improvements, though marginally from June 2009 onwards.

Exhibit 22: Estimates for Q4FY10E: Hotels (Rs. Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
EIH	275.9	-10.6	15.4	92.4	-35.1	18.4	35.3	-47.5	58.2
Hotel Leela	134.7	32.2	6.5	50.9	269.1	2.1	27.6	-58.8	-4.3
Indian Hotel	479.3	14.6	9.5	174.9	50.0	15.7	79.7	111.8	22.9
Kamat Hotels	32.7	22.0	10.8	12.7	128.4	13.8	4.1	-46.7	-25.6
Royal Orchid	34.6	14.2	10.6	9.2	39.6	18.4	3.0	-5.1	21.3
Taj GVK Hotels	69.8	22.5	8.7	30.2	44.2	16.3	16.4	107.6	34.5
Viceroy Hotels	26.2	20.3	10.5	7.6	10.9	2.8	2.2	37.4	-6.4
Total	**1,053.3**	**9.2**	**10.6**	**377.9**	**20.8**	**14.0**	**168.4**	**-12.5**	**21.5**

**LP – Loss to Profit*

Source: ICICIdirect.com Research

Foreign tourist arrivals (Since Feb 2008)

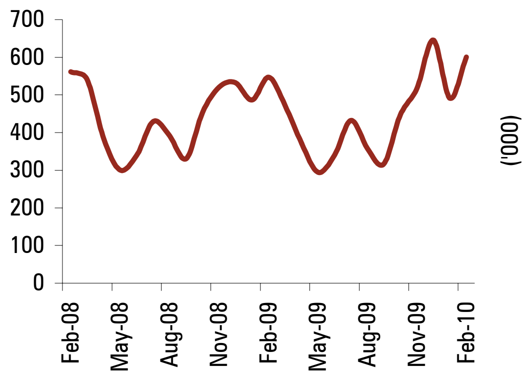
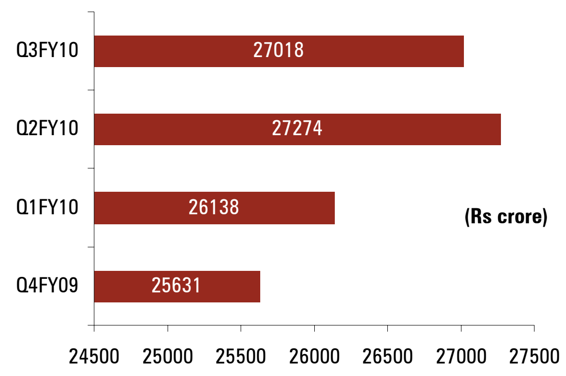


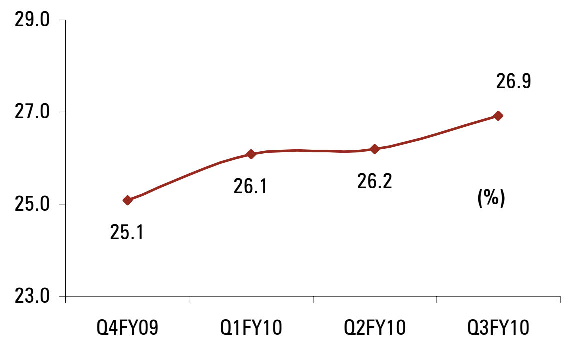
Exhibit 23: Company specific view

Company	Remarks
EIH	Revenue for the quarter is expected to improve by 15.4% QoQ on acccount of robust growth in foreign tourist arrivals (FTAs) and opening of its new five star hotel at Mumbai BKC. We expect average occupancy levels to improve by 300 bps to 73% whereas average ARRs are likely to improve by 9% QoQ
Hotel Leela	Leela is expected to benefit from sharp rebound in FTAs data as the company has a strong presence in leisure destinations like Goa and Kovalam. However, its net profit is expected to decline 59% YoY as the company earned extraordinary income of Rs 64.6 crore in the last year
Indian Hotel	Revenue for the quarter is expected to improve by 9.5% QoQ on acccount of improvement in foreign tourists data. We expect average occupancy levels to improve by 220 bps to 72.2% whereas avergae blended ARRs are likely to improve by 5% QoQ.to Rs 10,035
Kamat Hotels	Revenues will improve due to a pick-up in business class travellers and rebound in demand from the MICE segment. OPM will improve by 110 bps QoQ to 38.9%. However, net profit is expected to remain lower compared to last year on extraordinary gain of Rs 14.3 crore in the last year
Royal Orchid	Growth will mainly come from a rebound in the IT/BFSI segment. Apart from this, we also expect additional revenue flow of ~Rs 2.5 crore from its new hotel in Ahmedabad. Margins are also expected to improve by 180 bps QoQ to 26.5% on account of efficient cost control management and growth in revenues
Taj GVK Hotels	We expect the company to benefit from IPL matches especially for hotels located in Chandigarh, where the company has a strong presence and rise in foreign tourist arrivals growth. However, the ongoing issue over Telangana in Hyderabad remains a concern for the company in the near term
Viceroy Hotels	We expect the company to get impected by ongoing Telanagana agitations. However, with the opening of a new four star hotel we expect the company to post 10.5% growth in revenues. Margins are going to remain under pressure for the quarter due to low business volume on account of the Telangana issue

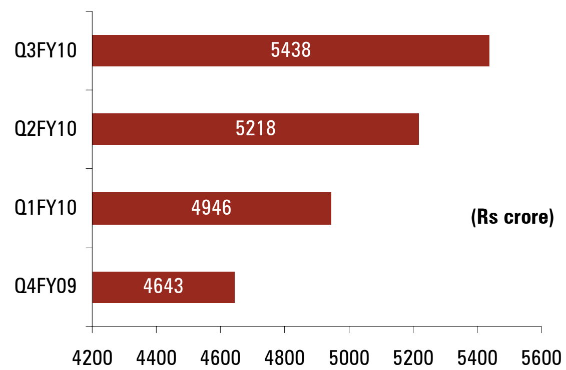
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Infosys
TCS
Firstsource Solution

Analyst

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Information Technology

- **Muted growth in volumes**

  We expect the volume growth to be muted in this quarter with the top three companies expected to grow in the range of 4-5.5% and TCS leading the pack followed by Wipro and Infosys. HCL Technologies as well as Patni Computers will have sluggish volume growth at 1.4% and 2.4%, respectively.

- **Cross-currency volatility a major headwind**

  In this quarter, cross-currency volatility has proved to be a spoil-sport with US$ appreciating against GBP and euro steeply by 4.3% and 6.1%, respectively, resulting in 0.5-1.5% lower dollar realisation. Also, the rupee has appreciated against the US$ by 1.4% QoQ negatively impacting the rupee realisation by 1.5%-2% QoQ. Hence, our entire universe is expected to grow merely by 2.5% QoQ.

- **EBITDA margin to be under pressure**

  EBITDA margins will be negatively impacted due to unfavourable currency as well as higher SGA negating the effect of higher sequential utilisation. Hence, we expect our Tier I companies to have an EBITDA dip in the range of 40-75 bps QoQ.

- **Key trends observed**

  Attrition rates have spiked up due to the improving demand situation. Clients across verticals have indicated that IT budgets will be flat to marginally positive for CY10. The MAT rate has been hiked from 15% to 18% in the Union Budget 2010 impacting net profits. Infosys and TCS outlined their initial hiring plans for FY11 at 25,000 and 30,000 campus offers, respectively.

- **Key things to watch out for**

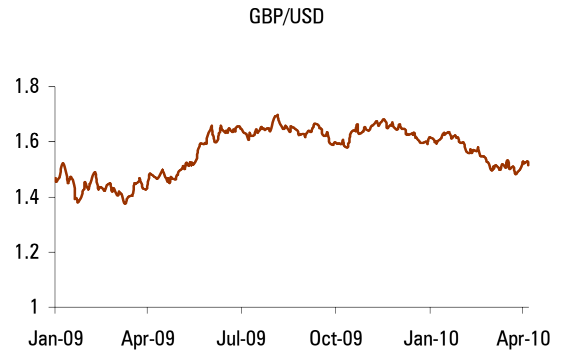
  The most important data point to look out for this result season is Infosys management's guidance for FY11, wage hike plans, final hiring numbers for FY11, attrition rates and status on deal flow with US$15 billion worth outsourcing contracts coming up for renewals in April 2010.

Exhibit 24: Estimates for Q4FY10E: Information Technology (Rs Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
First Source	490.1	3.8	-0.1	71.3	17.7	5.3	34.8	-14.9	6.1
HCL Tech	3,011.0	5.2	-0.7	612.4	0.4	-4.1	291.3	33.9	-1.8
ICSA	334.8	17.0	6.9	68.6	8.0	8.3	33.8	-0.9	11.9
Infosys	5,893.6	4.6	2.7	2,066.6	9.3	1.4	1,607.6	-0.4	1.6
KLG Systel	63.0	5.0	30.8	23.5	98.6	19.4	7.6	19.4	42.8
Mastek	184.7	-20.1	-3.3	22.1	-48.9	-4.8	15.2	-54.4	-35.4
NIIT Ltd.	330.1	9.7	16.4	46.5	27.7	49.5	22.0	25.0	134.1
Patni Computers	800.3	3.1	1.5	174.1	61.3	-8.2	138.6	81.1	-32.6
Rolta	401.7	21.0	7.0	150.8	41.6	6.0	65.0	32.3	3.6
TCS	7,897.4	10.1	3.2	2,286.0	21.6	0.6	1,829.1	39.2	1.8
Tech Mahindra	1,140.2	8.5	0.1	227.5	-20.0	-2.2	187.5	-18.7	7.3
Wipro	7,109.4	10.2	2.1	1,563.2	17.1	0.6	1,207.3	19.5	-0.8
Total	**27,656.4**	**7.9**	**2.4**	**7,312.7**	**13.7**	**0.6**	**5,439.6**	**17.1**	**0.0**

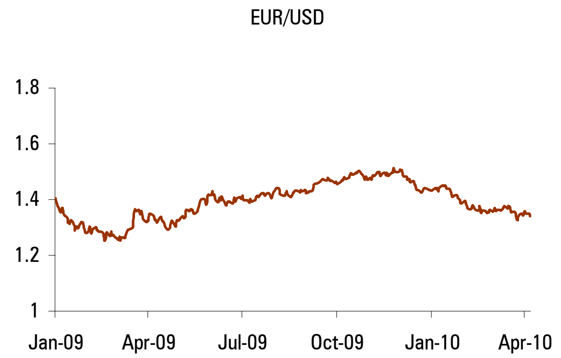
Source: Company, ICICIdirect.com Research

GBP/USD movement



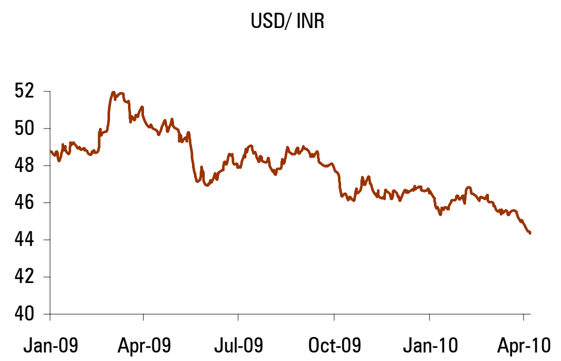
Source: Bloomberg, ICICIdirect.com Research

EUR/USD movement



Source: Bloomberg, ICICIdirect.com Research

USD/INR movement



Source: Bloomberg, ICICIdirect.com Research

Exhibit 25: Company specific view

Company	Remarks
First Source	We expect it to record 4.5% QoQ growth in dollar terms on the back of pick-up in the collection business in BFSI segment. Due to strong rupee appreciation against US$ and GBP it will register flat growth in INR. EBITDA margins will expand by 70 bps QoQ due to strong improvement in the seat fill factor
HCL Tech	We expect the core software business to have subdued growth and BPO to continue de-growing. Infrastructure will act as a growth driver with 7% QoQ growth resulting in overall revenues growing at 1.3% QoQ and -0.7% in INR. The EBITDA margin will dip by 70.bps and hedging losses will be Rs 101crore
ICSA	We expect the bill to book ratio to remain subdued at 17% of Rs 2005 crore opening orderbook since the major order backlog is for IPS business. ESS segment share will improve marginally adding to profitability scaling EBITDA by 20 bps. Order Inflow in the quarter was muted with just Rs 130 crore for IPS
Infosys	We expect it to report 4.1% QoQ growth with stable pricing. Cross currency headwinds of US$ appreciation against GBP & euro and INR against US$ will result in 2.7% QoQ in INR. EBITDA margin is expected to dip 43 bps due to the above and higher SGA that will be mitigated to an extent by higher utilisation
KLG Systel	We expect power solutions as well as life cycle solution to return to growth with marginal revenue uptick of 5% YoY. Profitability in life science solution will still be under pressure dragging the overall EBITDA by 350 bps QoQ but almost double YoY
Mastek	We expect a dismal quarter again with revenues de-growing at 1.7% QoQ and due to steep appreciation of the INR against GBP it will be down 3.2% QoQ. EBITDA margin will slump to 12% due to unfavourable currency, wage hike given to half employee base, continued investment in Elixir and pricing pressure
NIIT Ltd.	We expect SLS to drive growth with 20% YoY followed by ILS-IT outlined to grow at 15% YoY on the back of a pick-up in enrollment. CLS will return to growth trajectory of 3% YoY with improved demand for its e-learning products. New business will move closer towards breaking even at EBITDA
Patni Computers	We expect subdued volume driven growth of 2.4% QoQ on the back of the soft nature of the quarter. Pricing continues to remain flat. EBITDA margins will be under pressure with rupee appreciation against US$ as well as lower utilisation as many freshers would have joined in
Rolta	We expect GIS to continue as the growth driver and utilisation for EICT to inch up supplementing growth. Also, we assume marginal uptick in billing rates in these verticals. EDA vertical will remain stable with flat utilisation & billing. EBITDA margins will dip merely by 40 bps after peaking at 37.9% in Q2FY10
TCS	We expect it to register strong volume growth of 5.3% QoQ on the back of robust demand from BFSI as well as good traction for its BPO services (CGSL). Pricing will be flat. EBITDA margins will be under pressure to the tune of 74 bps due to currency headwinds as well as higher fresher intake and SGA
Tech Mahindra	We expect non-BT accounts to drive growth. BT will remain under pressure with volume driven 2.1% QoQ growth lower due to US$ appreciation and 0.1% in INR. EBITDA margins will drop by 50 bps due to currency. Restructuring fees added to bottomline directly will act as saviour for PAT
Wipro	We expect IT services to record 4.9% QoQ growth at US$1181.8 million and 3.5% QoQ in INR. It has given wage hike in Q4, which will impact its EBITDA inaddition to negative cross-currency impact but this will be cushioned partially by higher utilisation as well as stable margins in IT products & consumer care

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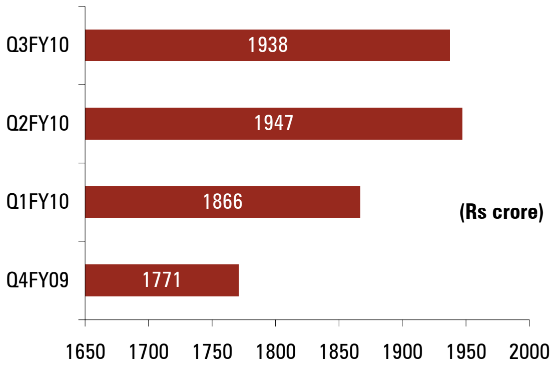
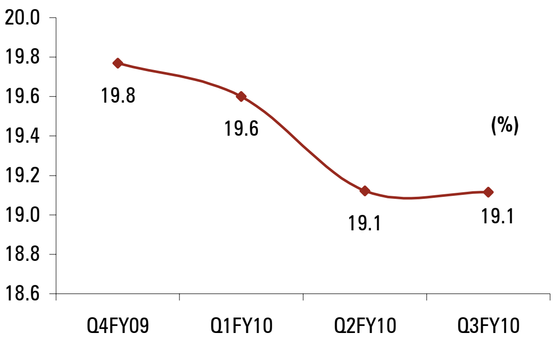
Markets on Your Fingertips

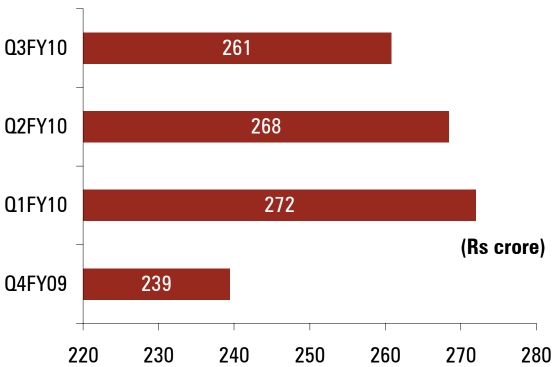
Topline performance (past 4 quarters)



EBITDA Margin (past 4 quarters)



Bottomline (past 4 quarters)



Top pick of sector

Allcargo Global
Transport Corp

Analyst

Supriya Madye (Khedkar)
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Rajni Mahadevan
rajni.mahadevan@icicisecurities.com

Logistics

- **Port volumes remain subdued in FY10E**

  Container traffic grew 27.8% YoY to 1,163,854 TEUs in January-February 2010. However, we expect container volumes in March 2010 to decline by 20-25% YoY as March 2009 was an exceptional month with unusually high volumes. Therefore, we believe volumes will register growth of 3.5–5% YoY in Q4FY10E and flat growth in FY10E. However, we believe companies will register higher volume growth in FY10E than ports on account of higher capacities as compared to FY09.

- **Realisations to improve**

  We expect realisations of logistics players to improve in Q4FY10E considering the revision of freight rates and shift towards higher revenue generating segments. After three quarters of flat growth, we expect our ICICIdirect.com coverage universe to record topline growth of 11.6% YoY and 2% QoQ on the back of improved realisation and low base effect YoY.

- **Plunging margins**

  Considering the higher operating cost on account of increase in empty running expenses and fuel price hike, we expect the EBITDA and PAT margins to plunge in Q4FY10E. We expect the ICICIdirect.com coverage universe to record EBITDA margin of 18.8% and PAT margin of 12.8% in Q4FY10E.

Exhibit 26: Company specific view

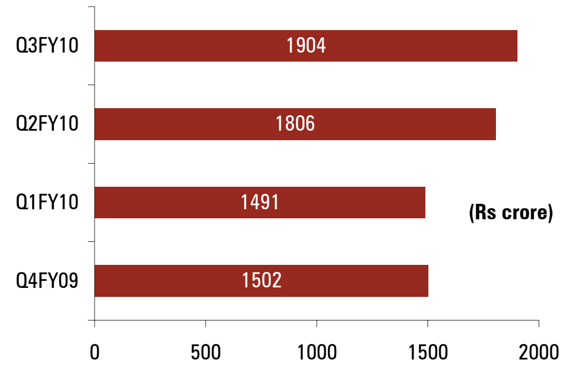
Company	Remarks
Allcargo Global	We expect more than 25% YoY jump in volumes of ECU Line, the subsidiary which contributes ~70% to the topline. Operating expenses are usually low in the first quarter of the calendar year for the company. Therefore, we expect the EBITDA margin to improve by 322 bps QoQ
Concor	We believe the company will register ~15% YoY growth in exim voulmes on the basis of low volumes registered in Q4F09 and more than 10% YoY growth in domestic volumes backed by 16% growth in IIP figures. With revision of 3-8% in rail freight rates we believe the realisation will grow by 3% QoQ in Q4FY10E
Gateway Distriparks	GDL operated 18 rakes in Q4FY10E. There was no addition in the number of rakes QoQ. However, rail freight rates were hiked from January 2010.We believe GDL has effectively passed on the hike to its customers. Therefore, with the same capacity we believe revenues will grow by 4.9% QoQ in FY10E
Transport Corp	Low freight rates had boosted the EBITDA margin to 10.9% in Q4FY09. Howvever, with the diesel price hike in February 2010 we believe TCI will post an EBITDA margin of 7.5% in Q4FY10E. We expect revenues to remain flat QoQ. However, lower revenue in Q4FY09 projects a high growth of 18.2% YoY

Exhibit 27: Estimates for Q4FY10E: Logistics (Rs Crore)

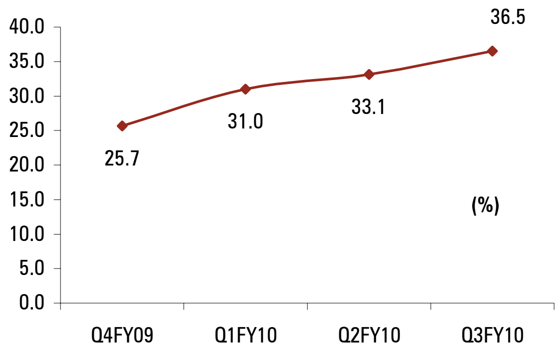
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Allcargo Global *	519.9	8.2	-4.4	66.0	18.5	28.1	31.9	15.6	12.5
Concor	935.1	11.2	5.7	241.7	7.3	-5.2	191.3	1.9	-4.6
Gateway DP	134.6	9.8	4.9	36.3	8.1	0.1	17.7	37.1	-11.5
Transport Corp	386.2	18.2	1.3	29.0	-18.1	5.3	12.1	7.9	2.5
Total	**1,975.8**	**11.56**	**2.0**	**373.1**	**6.57**	**0.7**	**253.1**	**5.70**	**-3.0**

Source: Company, ICICIdirect.com Research

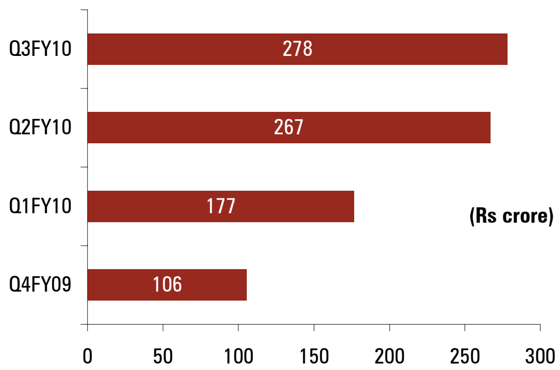
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Deccan Chronicle
PVR Limited

Analyst

Karan Mittal
Karan.mittal@icicisecurities.com

Naval Seth
Naval.seth@icicisecurities.com

Media

- **Ad revenue to post YoY growth**

  Traditionally, the fourth quarter is a relatively slow one for all media companies after a robust third quarter with all the major festivals. However, the ad revenue for media companies across the sector is expected to post YoY growth due to the historically dull Q4FY09 coupled with an increase in ad volumes across markets. In addition to this, the ad rate hike taken during Q3FY10 by some companies would also support ad revenue growth. Ad revenues for companies with a regional presence are expected to outperform as compared to that of their national counterparts.

- **Occupancy and footfalls to remain under pressure for multiplexes**

  The fourth quarter is primarily a weak one for multiplexes due to the examination season. The industry did not see any blockbuster movie in this quarter. Moreover, the box office failed to attract audience even to the screening of IPL matches. Initial occupancy level for IPL matches remained in single digits, which is expected to improve during finals. We expect the occupancy for Q4FY10E to be ~29%.

- **Margins to show mixed trend**

  Print media companies are expected to post healthy margins primarily on the back of lower newsprint prices and healthy ad revenue growth as compared to the same period last year. We expect print media companies to maintain the margins posted in Q3FY10. However, multiplexes are expected to post subdued margins on a QoQ basis on the back of lower occupancy and fixed nature of operating costs. Nevertheless, the EBITDA margin for our media universe is expected to expand to 33.2% in Q4FY10E as compared to 25.7% in Q4FY09.

- **Strong subscriber addition by Dish TV and Sun Direct**

  The increasing penetration of DTH over analogue TV would benefit DTH operators. We expect all DTH companies under our coverage to post healthy subscribers additions in Q4FY10E. We expect the average revenue per user (ARPU) to stabilise as compared to Q3FY10, primarily due to the exit of low priced schemes and higher value added services (VAS) usage by subscribers.

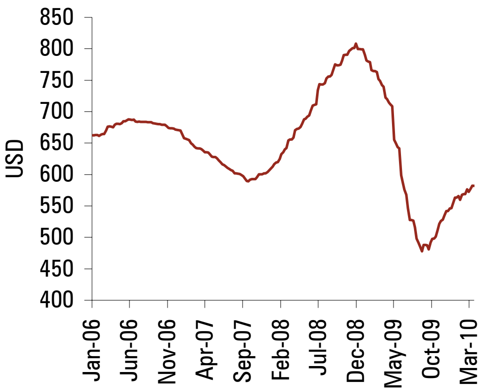
Exhibit 28: Estimates for Q4FY10E: Media (Rs Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Cinemax	42.8	26.2	-28.0	8.0	99.7	-54.7	2.6	82.5	-75.4
DB Corp	248.5	9.5	-11.0	71.9	49.8	-23.3	40.3	71.8	-20.3
Deccan Chr *	198.9	10.3	-14.8	95.9	126.7	-24.3	55.3	578.3	-28.8
Dish TV	292.9	41.4	5.6	25.8	525.7	122.6	-65.4	-	-
HT Media	371.8	10.2	13.0	82.4	87.9	7.8	41.6	77.4	125.6
PVR	94.6	63.2	-17.2	14.2	133.0	-25.9	2.0	126.7	-24.3
Sun TV *	335.4	21.6	-15.1	253.1	10.2	-19.0	133.7	13.5	-12.0
UTV Software	189.1	3.8	-12.5	27.9	278.3	-26.1	9.1	-18.7	-75.9
Total	**1,774.0**	**18.1**	**-6.8**	**579.3**	**50.3**	**-16.7**	**219.3**	**103.6**	**-19.8**

** Standalone numbers*

Source: Company, ICICIdirect.com Research

International newsprint prices

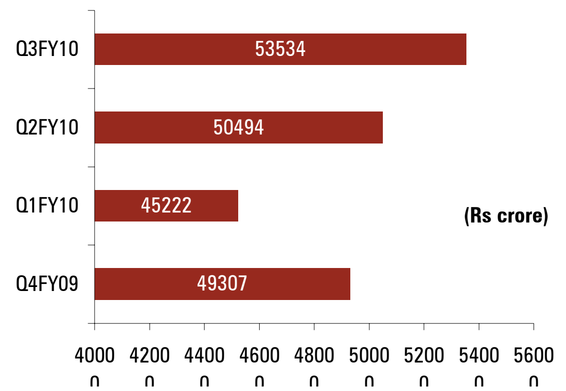


Source: Bloomberg, ICICIdirect.com Research

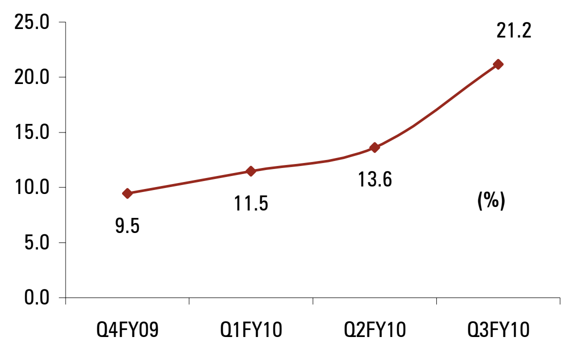
Exhibit 29: Company specific view

Company	Remarks
Cinemax	The company rolled out one new property during Q4FY10E. After a blockbuster Q3FY10, Q4FY10E is expected to be a slow quarter, primarily due to the early start of IPL season-3 and lack of good content released in Q4FY10. We expect occupancy of ~25% and ATP of 122
DB Corp	DB Corp, being a regional player, is expected to post better-than-expected results. Growth can be attributed to an increase in ad volumes across markets. We expect ad revenues to grow at 6.7% YoY. On the back of lower raw material cost, EBITDA margins are also expected to remain stable
Deccan Chronicle	The company took an ad rate hike of 20% effective from Q3FY10. This would certainly contribute to ad revenue growth in Q4FY10E. We expect the company to post standalone ad revenue growth of Rs 8.8%. We expect margins to remain stable on the back of lower newsprint prices
Dish TV	We expect Dish TV to add ~0.65 million subscribers in Q4FY10E and end FY10E with a total subscriber base of 7.1 million. With the end of low priced festive schemes and aggressive competitive offers, the ARPU is expected to stabilise at Rs 135
HT Media	The English ad market has started witnessing some improvement. However, it is expected to grow flattish YoY as compared to de-growth in the last few quarters. Hindi ad revenues are expected to grow at ~17%, which would be a silver lining for the company
PVR	PVR added three new properties with total seating capacity of 2,523 seats and 11 screens. We expect PVR to end this quarter at ~30% occupancy, ATP of Rs 164 and SPH of Rs 39. BluO is expected to post revenue of Rs 2.6 crore. Revenues from IPL screening will remain subdued due to very low occupancy levels
Sun TV	We expect Sun TV to post YoY ad revenue growth of 15.6%. Subscription revenues are expected to grow by ~38.0% (YoY), primarily due to re-structuring done by the company to improve its distribution business. In the DTH segment, we expect it to add 0.59 million subscribers
UTV Software	We expect some improvement in television revenues for the company as it has few new game shows and reality shows in the south. However, the recent movies produced by UTV have not performed at the box office. The movie revenues would be supported by sale of satellite rights and deferred revenues

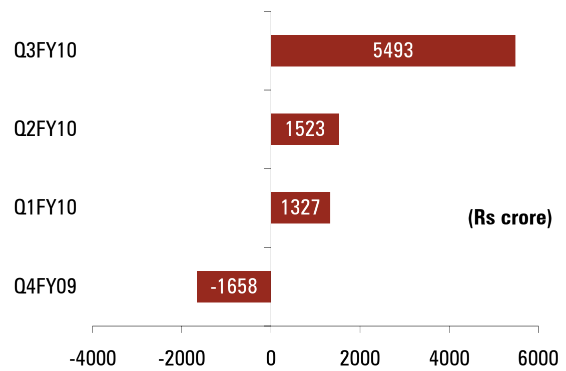
Topline performance (Coverage universe)



Margin movement (Coverage universe)



Bottomline performance (Coverage universe)



Top picks of the sector

Sterlite Industries
Adhunik Metaliks
Visa Steel

Analyst

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Metals and Mining

■ Increased capacity utilisation on strong domestic demand

Robust domestic demand from sectors like auto, consumer goods and construction during the quarter is expected to have resulted into higher capacity utilisation (above 90%) and sales volume for players across the industry. SAIL, Tata Steel (India) and JSW Steel have operated at well above 95% capacity utilisation levels during Q4FY10E. They are expected to record volume growth in the range of 5-55% YoY and 5-15% QoQ. Smaller players like Adhunik Metaliks, Visa Steel and Usha Martin are also expected to report better sales volume on the back of improved overall demand.

■ Up-tick in blended realisations, to be above global levels

Steel product prices in domestic markets have tracked global price movements with a lag. However, they have remained well above average global levels due to better product quality, mix and pricing as well as existence of 5% import duty on HR coils. We expect blended product realisations in Q4FY10E to expand 5-6% on a sequential basis due to price hikes during the quarter.

Sesa Goa is expected to reap the benefits of high spot prices of iron ore across grades (up 15-25% QoQ) and higher sales volume. Base metals major, Sterlite, is expected to put up a strong show due to sustenance in LME base metal prices and strong global demand in base metals leading to volume growth.

■ Margins to show improvement

Margins across the industry (ICICIdirect.com coverage universe Q4FY10E EBITDA margin ~23%) are expected to improve on account of sequential and yearly revenue growth due to increase in sales volume, reduction in raw material costs (especially contracted raw materials like coal, coke and iron-ore) and lower fixed operating costs. We expect PAT for the metal universe to show significant improvement on a yearly basis due to the low base effect of last year when the industry was going through a recessionary phase.

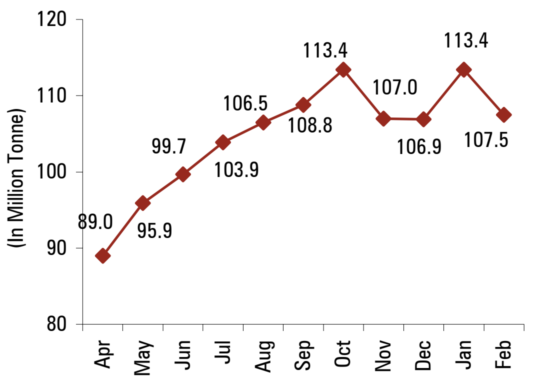
Exhibit 30: Estimates for Q4FY10E: Metals and Mining (Rs Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Adhunik Metalik*	451.2	56.8	24.2	115.9	112.8	1.4	47.8	3,064.7	25.8
Godawari Ispat	215.3	25.4	6.6	37.3	116.0	17.8	15.8	61.8	16.0
Graphite India	273.7	34.6	-1.9	78.6	137.6	-23.5	47.9	-42.5	-24.0
HEG	281.9	11.1	-2.9	101.0	58.3	8.4	44.2	83.3	-3.2
Hindustan Zinc	2,268.3	79.6	2.3	1,404.5	141.6	1.3	1,158.6	110.1	0.9
JSW Steel*	5,024.2	38.7	4.2	1,222.7	418.2	13.3	458.4	LP	6.7
SAIL	11,567.8	-3.2	17.1	3,090.4	46.5	19.9	1,947.8	31.0	16.2
Sesa Goa	2,366.2	63.9	25.2	1,241.3	64.7	19.8	967.4	76.4	16.5
Sterlite Inds.*	7,035.0	62.2	5.4	1,962.4	133.9	10.7	1,035.0	73.0	41.5
Tata Steel*	29,034.5	12.8	11.4	4,306.6	NA	46.0	1,266.9	LP	168.0
Usha Martin*	744.4	5.4	25.8	154.9	181.9	17.2	62.9	116.6	81.0
Visa Steel	254.5	56.0	0.7	50.7	LP	14.6	12.1	LP	39.3
Total	**59,516.9**	**18.7**	**11.2**	**13,766.4**	**198.0**	**21.6**	**7,064.8**	**LP**	**28.6**

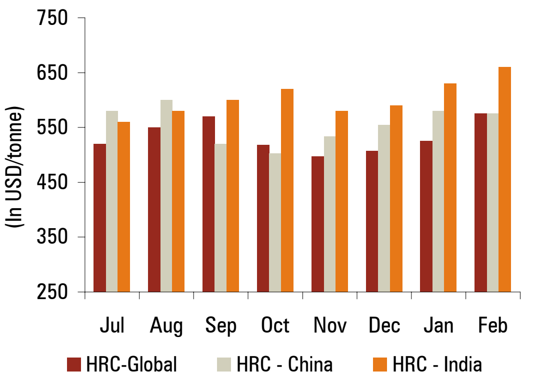
* Consolidated numbers, LP - Loss to Profit, NA - Not applicable

Source: Company, ICICIdirect.com Research

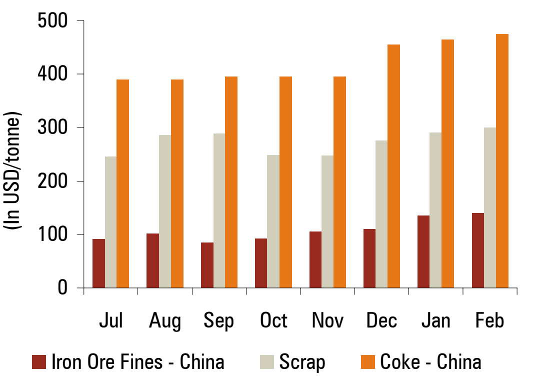
World crude steel production (2009)



Steel HRC price trend (2009)



Raw material price movement (2009)

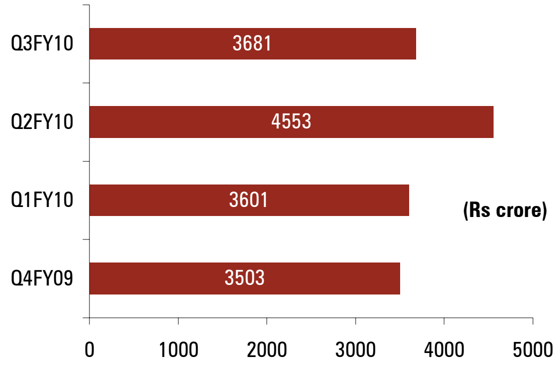


Source: Bloomberg, Worldsteel.org

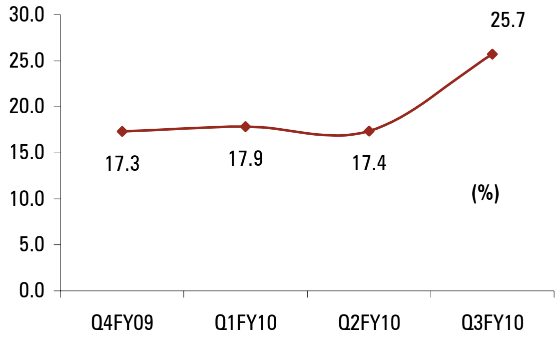
Exhibit 31: Company specific view

Company	Remarks
Adhunik Metalik	The company's steel segment is expected to show QoQ flat sales volume of ~87,000 tonne while blended realisations would improve by ~5% QoQ. OMML is expected to achieve iron ore sales volume of ~3,10,000 tonne and manganese ore sales volume of ~45,000 tonne and help in lifting consolidated net profits by ~26% QoQ
Godawari Ispat	The company is expected to see moderate growth in both topline (~7%) and bottomline (~16%) on a QoQ basis due to improvement in realisations, as volume growth remaiend steady. EBITDA is likely to see strong improvememt YoY (116%) and also QoQ (~18%) on higher use of captive iron ore
Graphite India	Capacity utilisation is expected to increase sequentially as graphite demand bounce-back has gathered steam globally. Softening of graphite product prices is expected to keep the topline and bottomline subdued. The company's steel and GRP pipes division is expected to show revenue growth over previous quarters
HEG	The company is expected to achieve higher capacity utilisation (~80%) sequentially on the back of improving global graphite demand. However, pressure on graphite product prices is expected to mitigate the positive effect of improved volumes, resulting in ~3% QoQ drop in net profit
Hindustan Zinc	Better capacity utilisation would result in 3-4% QoQ sales volume growth in zinc and lead with silver sales volume expected to be ~37,500 tonne. Zinc and lead prices are up YoY by ~93% and ~89%, respectively. This is expected to help net profits zoom to ~Rs 1,160 crore in Q4FY10E, up by ~110% YoY
JSW Steel	JSW Steel is expected to see volume growth of ~55% during Q4FY10E. Coupled with higher realisations, the topline is expected to post a ~39% YoY growth. The company is also expected to post a bottomline growth of ~7% QoQ. The EBITDA margin is likely to grow significantly both YoY (~1780 bps) and QoQ (~200 bps)
SAIL	Increase in sales volume to ~3.3 MT (up 13% QoQ) and ~5% QoQ increase in blended realisations would result in a sequential inprovement in revenues and profit. Margins are expected to improve significantly by ~900 bps YoY due to reduced raw material costs and operational improvement benefits coming in
Sesa Goa	Robust iron ore blended realisations of ~Rs 2944/tonne (up ~15% YoY & QoQ) and higher sales volume (up ~11% QoQ) is expected to result in a bottomline growth of ~76% YoY and ~16% QoQ. Increase in export duty on iron ore fines and lumps would have an adverse effect of ~Rs 131 crore
Sterlite Inds.	Robust LME prices across all base metals and better capacity utilisation in aluminium and zinc operations would result in topline growth of ~62% YoY. Zinc operations are expected to be the main profit contributor (accounting for~70% of company's profits). Aluminium and power operations would show QoQ improvement
Tata Steel	Consolidated sales volume is expected to be ~6.6 MT and blended realisations would improve by ~4% QoQ. Standalone margins are expected to be ~37%, up by 290 bps. Shut down of TCP plant could hurt the overall profitability due to severance costs and Corus's subdued performance would keep the bottomline subdued
Usha Martin	We expect the company to achieve sales volume increase of ~9% QoQ while blended realisations are expected to improve ~5% QoQ. The starting of captive coal feed and captive power ramp-up would help in keeping margins at a robust 20.8%. Interest costs would be lower post QIP issue of ~Rs 468 crore
Visa Steel	Strong realisations and modest volume growth are likely to boost both the topline and bottomline during Q4FY10. On a YoY basis, both EBITDA and PAT would come back to the positive territory and are likely to see QoQ growth of ~20% and 45%, respectively. For FY10, the topline is set to cross Rs 1000 crore

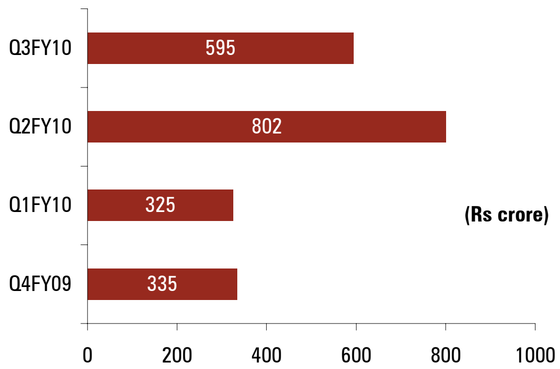
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Petronet LNG

Analyst

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Oil and Gas

- **Robust growth in volumes and increase in realisations YoY**

  Gas sales volumes are expected to increase YoY on account of production from Reliance KG-D6 basin and increase in contracted LNG volume. Oil production is expected to increase on commencement of production from the Rajasthan fields. The increase in crude oil prices from $57 per barrel to $78.5 per barrel in Q4FY10 would increase the realisations of E&P companies.

- **EBITDA margin to improve YoY**

  The EBITDA margin is expected to improve 850 bps YoY to 25.8% on the back of higher gas realisations and increase in crude oil prices. However, the EBITDA margin QoQ is expected to improve marginally by 10 bps.

- **Gross refining margin (GRMs) to improve significantly QoQ**

  The GRMs would improve significantly QoQ from $1.9 per barrel in Q3FY10 to $4.8 per barrel in Q4FY10 on account of higher light and middle distillate spreads.

Exhibit 32: Company specific view

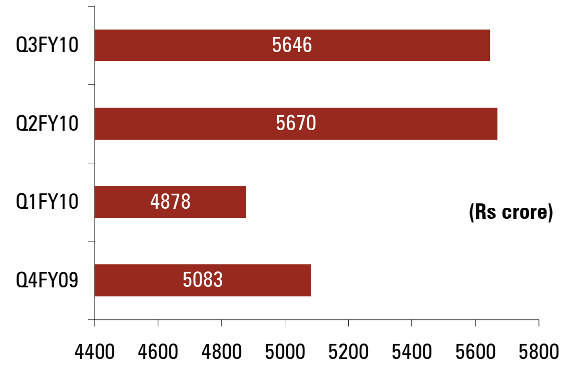
Company	Remarks
Cairn India Ltd	Revenues are expected to increase 252.6% YoY due to the commencement of oil production from the Rajasthan fields. The net oil and gas production is expected to increase 69.8% YoY to 26,872 boepd while oil realisation is expected to increase 58% YoY to $74.2 per barrel
Gujarat Gas	Volumes are expected to increase 23.6% YoY to 3.2 mmscmd on account of increase in procurement of spot LNG from markets. The realisations would improve 8.8% YoY to Rs 14.1 per scm in Q4FY10. The EBITDA margin would increase 300 bps YoY to 21.3%
GSPL	Revenues are expected to exhibit robust growth of 108.6% YoY in revenues on account of 191.4% increase in gas sales volume to 37.3 mmscmd. The profitability would increase by 236.5% YoY on lower operational costs and deferred taxes
Indraprastha Gas	Revenues would increase 29.2% YoY on account of 16.7% increase in sales volume to 2.26 mmscmd and 10.6% increase in realisations to Rs 16.3 per scm. The profitability is expected to improve 48.9% YoY mainly on account of increase in the CNG prices
Petronet LNG	The absence of spot volumes would lead to a YoY decline in revenues as well as profitability. However, we expect revenues to increase 16% QoQ on additional contracted volume from RasGas. The PAT is expected to increase 30.5% QoQ on account of an increase in regasification charges in the current quarter

Exhibit 33: Estimates for Q4FY10E: Oil and Gas (Rs Crore)

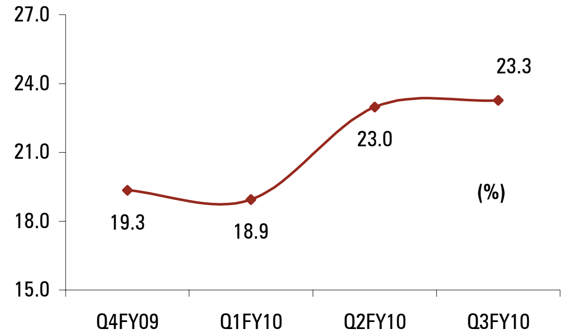
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Cairn India Ltd	640.9	252.6	29.4	397.2	1,550.3	31.0	313.8	1,579.9	7.9
Gujarat Gas	408.0	33.2	5.7	86.8	55.0	12.9	53.9	47.3	16.5
GSPL	275.3	108.6	2.5	258.3	128.8	2.1	117.0	236.5	1.4
Indraprastha Gas	295.1	29.2	3.1	106.7	46.8	1.5	60.0	48.9	1.8
Petronet LNG	2,603.8	-1.9	16.0	239.4	-30.0	14.7	108.6	-46.9	30.5
Total	**4,223.1**	**20.54**	**14.7**	**1,088.4**	**79.20**	**14.9**	**653.3**	**95.18**	**9.8**

Source: Company, ICICIdirect.com Research

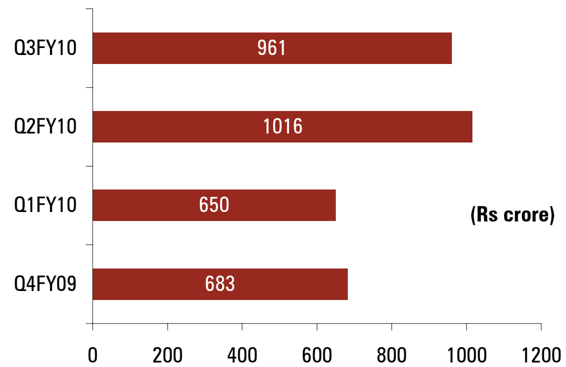
Topline performance (Coverage universe)



EBITDA Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Biocon
Glenmark Pharma

Analyst

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Pharmaceuticals

- **Consolidated topline to grow at ~10% YoY**

The consolidated topline of the ICICIdirect.com pharma coverage universe is likely to grow at ~10% YoY to Rs 5574 crore. Among companies under our coverage, we expect Biocon (36% YoY growth), Glenmark (21% YoY), Lupin (16% YoY) and Ipca (16% YoY) to lead the pack while Sun Pharma (-11% YoY) and Dishman Pharma (16% YoY) are likely to lag during Q4FY10E on topline. Lower US sales will likely impact Sun Pharma's topline. Dishman Pharma's Q4FY10E performance is likely to be impacted by lower sales from Carbogen-Amcis. Contribution from US branded business and robust Indian sales will keep Lupin's sales upbeat. In the domestic market, Ipca and Biocon are expected to grow above industry growth rates of 12-14%.

- **EBITDA to grow at ~31% YoY**

We expect the EBITDA of the coverage universe to witness ~31% YoY growth to Rs 1290 crore. The EBITDA margin is expected to improve 379 bps YoY at 23.1% in Q4FY10E. However, sequentially margins are expected to remain flat. Ipca Labs, Biocon and Unichem Laboratories are expected to witness robust growth in EBITDA leading to YoY expansion of 393 bps, 189 bps and 206 bps in EBITDA margin, respectively.

- **PAT likely to witness robust YoY growth**

We expect the PAT of the coverage universe to witness ~39% YoY growth to Rs 947 crore. The net profit margin for the coverage universe is expected to be ~17% for Q4FY10E. We believe Ipca Lab and Indoco Remedies will lead the pack with ~5x and 1.17x growth in bottomline YoY. Ipca Lab's net profit is expected to jump on account of lower base in the previous year due to extraordinary items while Indoco's net profit is expected to spike on account of working capital management. This will likely lead its interest cost to decline sharply. Glenmark Pharma is expected to report a positive bottomline as compared to a net loss in the previous year's corresponding quarter. Absence of forex related adjustment will likely lead Biocon to post ~34% YoY net profit growth. Margins are likely to expand by 355 bps YoY and remain flat QoQ.

Exhibit 34: Estimates for Q4FY10E : Pharmaceuticals (Rs Crore)

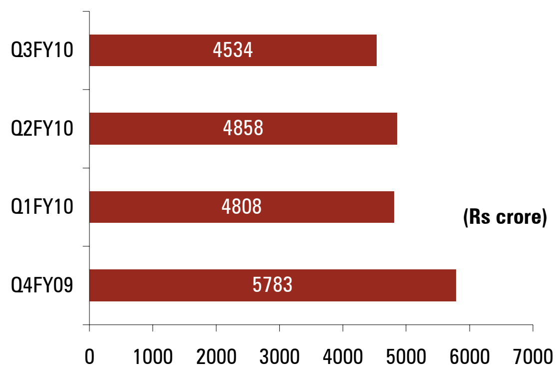
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Alembic	294.2	14.9	-2.1	33.8	139.0	8.5	16.4	NA	19.8
Biocon	634.0	36.0	-0.2	134.2	49.3	5.9	89.0	34.2	10.1
Dishman Pharma	244.4	-16.4	9.9	57.0	-22.5	11.1	30.9	-8.2	-6.5
Glenmark	597.6	21.7	-6.9	155.4	NA	-5.0	86.0	NA	-8.6
Indoco Remedie	95.1	12.3	-0.6	11.9	85.5	6.3	7.9	117.5	1.9
IPCA Labs	367.2	15.8	-6.8	76.2	42.9	-14.0	47.9	506.6	-17.9
Lupin	1,232.3	18.1	-1.8	225.2	19.4	-8.6	164.2	4.6	-0.4
Nicholas Piramal	939.6	10.4	3.5	188.5	-3.5	4.3	114.7	0.7	-15.6
Sunpharma	1,004.8	-11.4	-1.6	369.3	-1.4	0.2	362.2	-8.3	6.8
Unichem	165.2	12.8	-4.4	38.2	23.8	-16.9	27.7	-0.2	-17.7
Total	**5,574.3**	**9.67**	**-1.3**	**1,289.5**	**31.1**	**-1.8**	**946.7**	**38.64**	**-1.5**

Source: Company, ICICIdirect.com Research

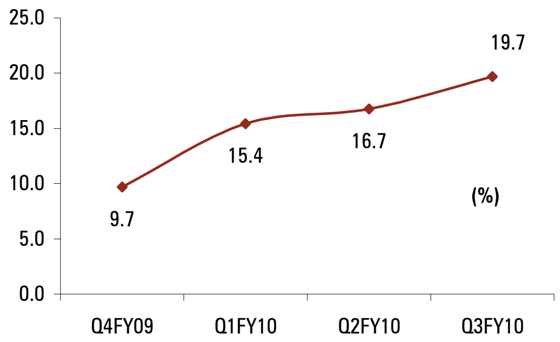
Exhibit 35: Company specific view

Company	Remarks
Alembic	We believe revenues will be driven by exports to regulated markets and domestic formulations business. Domestic operations are expected to grow at a rate of 12% YoY to Rs 209 crore, contributing 70% to overall revenues. Benefit of restructuring in domestic business is likely to be visible this quarter
Biocon	We expect Biocon's standalone business to grow at 30% YoY on topline to Rs 291 crore on traction in biopharma segment. However, we expect Axicorp's EBITDA margin to expand. Its higher contribution will keep overall margins low. Order execution under BMS deal will likely keep consolidated revenues upbeat
Dishman Pharma	Dishman's quarterly performance is likely to be impacted by lower contribution from Carbogen Amcis. We expect revenue flows to improve in H2FY11E on account of a revamp in the CRAMS segment. Extraordinary expenditure at Carbogen Amcis may impact profitability
Glenmark	Revival in ANDA approvals for Glenmark is expected to improve revenue flow. Robust performance from the Indian and RoW markets is expected to drive the specialty business by 18% YoY. However, the generic segment is expected to grow at a subdued rate of 5% YoY, contributing 44% to the topline
Indoco Remedies	A strong foothold in the domestic market will likely lead formulation sales to grow in line with the industry. On the exports front, order execution will likely lead Indoco to perform better in regulated markets. On continued improvement in working capital management, we believe margins will improve YoY
IPCA Labs	We expect Ipca's revenues to grow at 16% YoY on back of robust growth in the domestic market and better revenue contribution from the US markets. Consistent out performance in the domestic and promotional markets and improving business scenario in the CIS region will lead the company to post robust sales growth
Lupin	We expect Lupin's topline to grow at 18% YoY on account of good growth in the domestic formulation business and the advanced markets of US, Europe and Japan. Antara, which was acquired in Q3FY10, will likely lead the US branded sales to post robust growth
Nicholas Piramal	On account of better contribution from the domestic market, Minrad & Rx-elite, we expect sales to grow at a modest rate. The Morepeth facility's capacity utilisation will improve on account of contract renewal with Pfizer. CRAMS from Indian operation will likely contribute to better margins
Sunpharma	Sun Pharma's quarterly performance will likely be impacted by USFDA action on Caraco. Generics Protonix contribution will likely remain low. Indian market revenues are likely to remain healthy due to higher chronic exposure. Margins will likely be under pressure due to lower contribution from Protonix
Unichem	We expect Unichem's domestic formulation sales to grow at better than industry growth rates. On account of higher focus on Telsar group of products, the group is likely to grow at ~40% YoY in Q4FY10E. The company's UK subsidiary Niche Generics is also likely to contribute positively at the EBITDA level

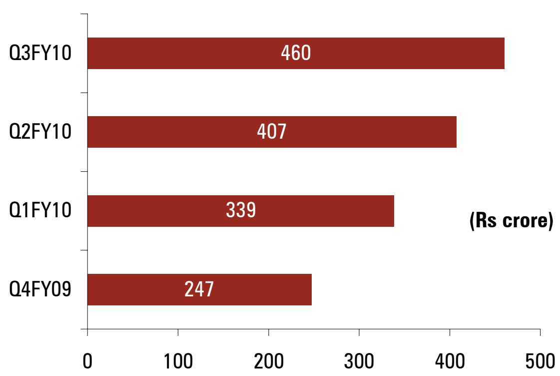
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of the sector

PSL Limited
Welspun Gujarat

Analyst

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Pipes

Bottomline to grow on better margins

The overall revenues of pipe companies under our coverage universe are likely to post de-growth of ~21% YoY mainly due to a fall in realisations. On a QoQ basis, however, revenues are likely to show modest improvement for most companies. Bottomline, on the other hand, is likely to improve YoY by ~69% on the back of improvement in margins, which are also likely to improve by ~47% on a relatively higher fall in raw material prices.

Order inflow starting to pick up

Order inflows have started to pick up pace and all players have been successful in increasing their order book during Q4FY10. The pipe industry is expected to bag substantial orders from both domestic and overseas oil and gas majors during the next six months. This is on the back of massive plans of putting up pipeline infrastructure by oil & gas companies and a pick-up in crude oil prices.

Exhibit 36: Company specific view

Company	Remarks
Jindal SAW*	Fall in realisations is expected to pull down the topline during Q5FY10 by ~20% YoY and ~15% QoQ. EBITDA and PAT, however, are likely to improve YoY as the cost of production fell on a decline in raw material costs. Volume growth is likely to remain subdued QoQ
Mah. Seamless	The company is expected to show a slightly better performance as compared to Q3FY10 due to execution of some export orders. Topline, though, is expected to dip ~27% YoY. However, QoQ it is likely to improve slightly. EBITDA and PAT are both likely to see modest improvement both YoY and QoQ
Man Industries	Revenues are expected to improve sequentially on the back of higher pipe sales volume (up ~36% QoQ) and strong order inflow during the quarter. EBITDA/tonne is expected to inch upto ~ Rs 6,300/tonne and profitability is expected to increase sharply YoY on a possible reduction in realised foreign exchange losses
PSL Limited	The company is expected to achieve pipe sales volume of ~1,21,000 tonne, down 28% YoY and up 21% QoQ. Pipe blended EBITDA/tonne is expected to be ~Rs 7,000/tonne while revenue and net profits are expected to go up sequentially
Welspun Gujarat	The company's order book has grown smartly to ~Rs 7,800 crore on the back of new order wins from international clients to the tune of Rs 1,200 crore during the quarter. Consolidated pipe sales volumes are expected to increase to ~2,30,000 tonne while pipe EBITDA is expected to be ~Rs 11,000/tonne

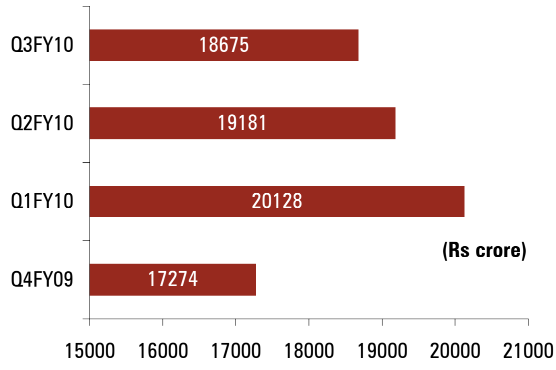
Exhibit 37: Estimates for Q4FY10E: Pipes (Rs Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Jindal SAW*	1,172.6	-19.9	-14.5	252.1	36.6	-13.7	140.1	43.2	-17.6
Mah. Seamless	400.6	-27.1	7.5	116.4	14.1	12.6	81.2	25.6	12.5
Man Industries	484.0	-32.9	10.2	50.8	-0.2	-26.3	24.3	25.4	-21.4
PSL Limited	798.9	-34.3	12.2	85.4	36.7	6.9	28.3	108.4	39.1
Welspun Gujarat	1,706.3	-6.8	4.1	322.1	100.2	-7.6	145.1	179.0	-13.0
Total	**4,562.5**	**-21.1**	**0.6**	**826.7**	**47.42**	**-7.4**	**419.0**	**69.3**	**-9.0**

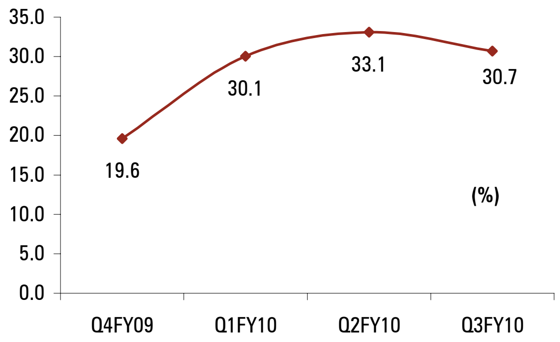
* Jindal SAW nos are for Q5FY10 as the company would be reporting 15 months nos

Source: Company, ICICIdirect.com Research

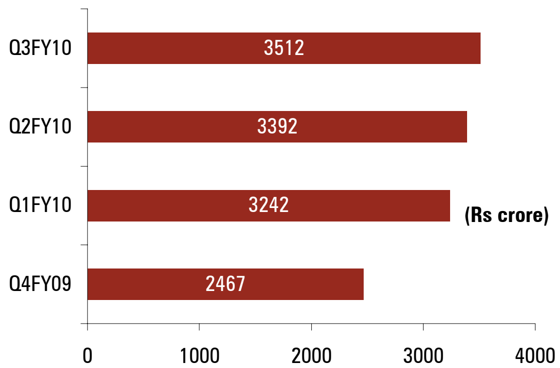
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Lanco Infratech
NTPC

Analyst

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Power

Generation volumes witness growth of 7.6% in Q4FY10

The run rate of growth in electricity generation has started witnessing an uptick in Q4FY10. Generation has witnessed a 7.6% growth bettering the average growth for the nine-month period ending December 2009, which stands at 6.2%. Overall, India has fallen short in achieving the annual electricity generation target for FY10 by 2.3%. Initially, the overall growth rate was projected at 9.1% with a target of 789 billion units (BU). However, generation of 771 BU has been achieved, with growth of 6.5%. Generation stands at 771 BU compared to the initial targets of 789 BU for FY 09-10. Hydro generation has witnessed de growth of 5.7% in FY10, which is the primary culprit in pulling down the overall performance. Also, shortage of domestic coal and non-materialisation of planned imports has resulted in muted growth rates.

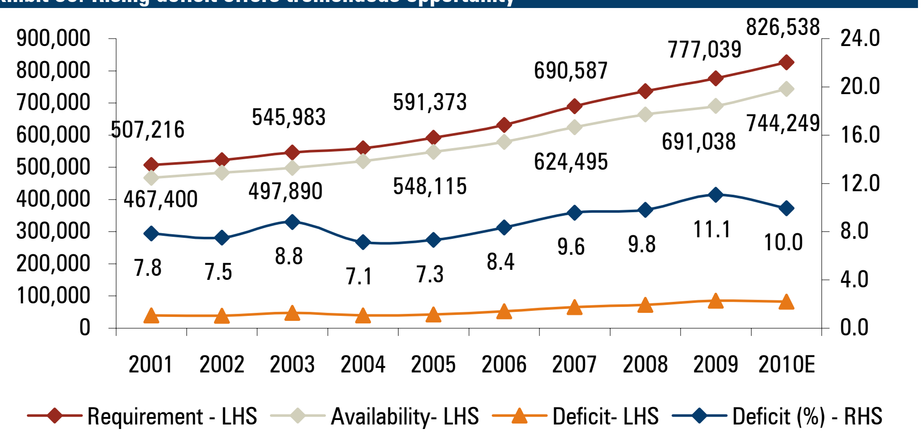
Progress on XIth Plan

India's overall installed capacity has reached 157.2 GW in February 2010. The interregional transmission capacity stands at 20,800 MW. The XIth plan envisaged a capacity addition of 78,700 MW during the first three years and 20,227 MW were added to the installed capacity by February 2010. During the first two months of the quarter, India has commissioned 1,260 MW of generating assets. As on December 2009, the sector has over 43,200 MW in the construction stage, which will come up over the coming years. According to CEA assessment, nearly a capacity of ~44,100 MW is likely to be commissioned with a high level of certainty.

Power deficit continues to remain high

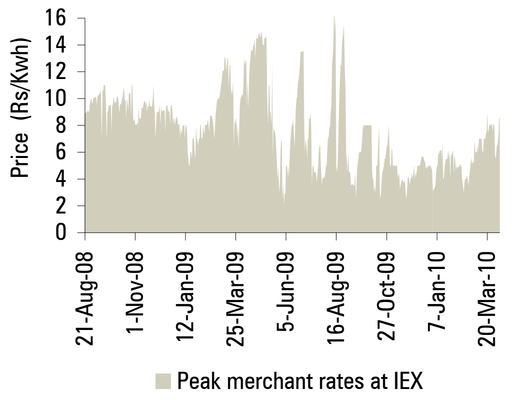
Following the global crises, the growth rate during 2008-09 has slipped to 6.7% from over 9% during the three preceding year. This led to an easing of demand requirement temporarily. However, the Indian economy has shown resilience and bounced back sharply. The power deficit is expected to shrink marginally from 11.1% in FY09 to 10% in FY10E. In the near term, the supply side pressure will continue to bolster merchant tariffs in the higher trajectory. We believe these higher merchant tariffs are sustainable for the first quarter and, subsequently, will correct to more reasonable levels of Rs 5 and below.

Exhibit 38: Rising deficit offers tremendous opportunity

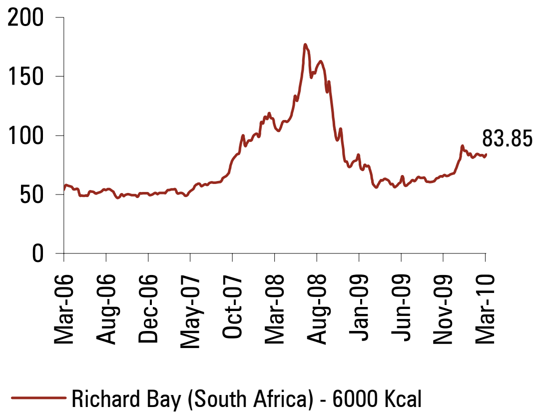


Source: CEA, ICICIdirect.com Research

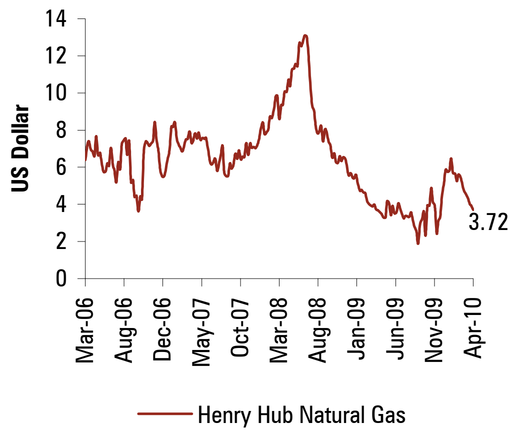
Peak merchant rates at IEX



International coal rates – Spot market



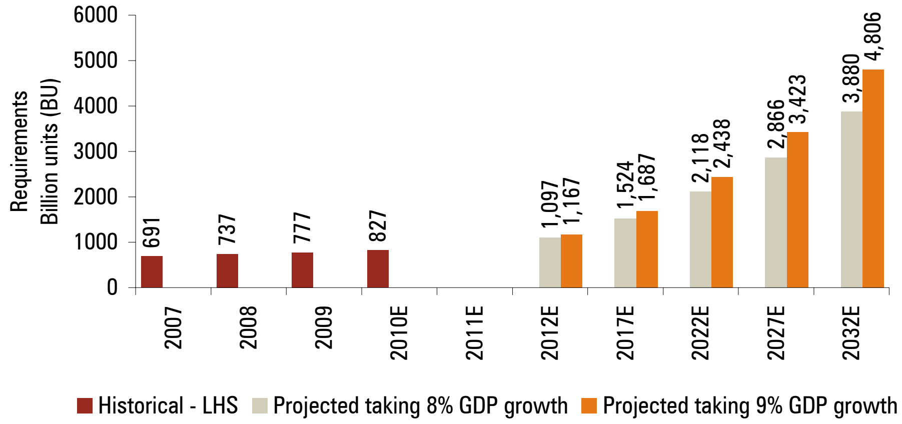
International Gas rates – Spot market



- **Projection of electricity demand**

  The demand for electricity is projected to be ~1,097 BU in FY12 according to the integrated energy policy considering an achievable GDP growth of 8%. If GDP growth witnesses a marginal up tick from 8% to 9%, the requirement is likely to jump to ~1,167 BU in FY12E. Subsequently, the requirements will rise to 3,880 BU and 4,806 BU in 2032E in the respective scenarios.

Exhibit 39: Rising deficit augurs tremendous opportunity



Source: Report of expert committee on Integrated energy policy, ICICIdirect.com Research

- **Status of ultra mega power projects (UMPP)**

  Nine ultra mega power projects (UMPPs) of 4000 MW each have been originally identified for development under the international competitive bidding route. These include four pit head and five coastal sites. Four UMPPs, namely Sasan in MP, Krishnapatnam in Andhra Pradesh, and Tilaiya in Jharkhand have been awarded to Reliance Power Ltd while Mundra in Gujarat has been awarded to Tata Power. Two units each of 800 MW of Mundra UMPP are expected to come up in the Eleventh Plan.

  Sites with respect to UMPPs in Chhattisgarh and Tamil Nadu have been finalised. The RFQ for Chhattisgarh UMPP has already been issued and the process of awarding is likely to achieve completion by May 2010. RFQ for the Orissa UMPP is also expected by the end of April 2010. Andhra Pradesh has confirmed its second UMPP in Prakasham district. Efforts are being made for the selection of sites for additional UMPPs in Orissa and the second UMPP in Gujarat.

Exhibit 40: Estimates for Q4FY10E: Power (Rs Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
NTPC	11,631.6	1.6	4.0	3,398.7	50.7	-0.2	2,439.3	13.5	3.1
NHPC	389.7	-25.7	-69.5	223.5	31.8	-76.5	35.9	31.2	-93.8
Neyveli Lignite	930.1	21.5	-25.7	314.6	-6.0	-35.4	291.9	138.0	-21.4
JP Hydro	81.1	49.2	-29.0	74.5	55.2	-23.0	34.2	NA	103.0
GVK Power	493.4	195.5	4.2	164.7	356.2	17.0	32.6	128.6	-28.9
GMR	1,078.2	-18.8	1.1	340.2	18.8	-1.5	48.3*	-9.1	425.5
Lanco Infra	1,850.1	2.1	14.9	374.5	47.0	25.8	142.6	58.6	33.4
PTC India Ltd	1,183.3	0.5	-30.3	8.5	262.2	-19.1	17.0	9.4	6.8
Total	**17,637.4**	**2.10**	**-5.6**	**4,899.2**	**44.67**	**-14.5**	**2,993.4**	**21.31**	**-14.8**

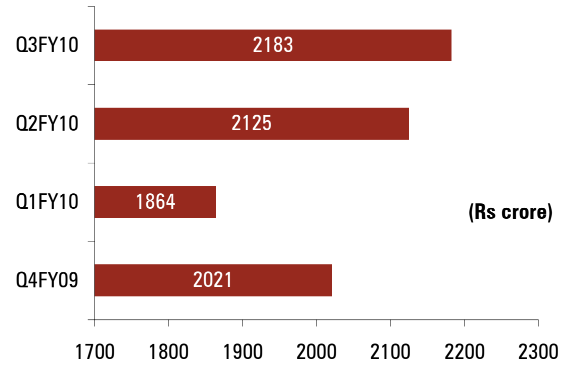
* Normalised PAT excluding one time relocation expenditure for barge mounted 220MW facility

Source: Company, ICICIdirect.com Research

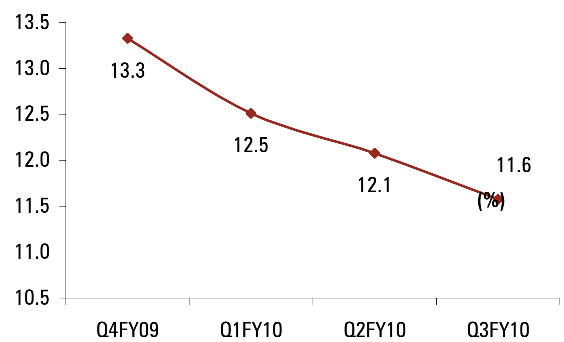
Exhibit 41: Company specific view

Company	Remarks
NTPC	NTPC is expected to report muted volume growth of 2.8% from ~56.8BU in Q4FY09 to ~58.5 BU in Q4FY10E. Generic realisation is expected to be Rs ~2.16 per unit. The Kahalgaon plant has started commercial operations in March 2010 raising the installed generation capacity to 31,134 MW
NHPC	The generation capacity of 3,620 MW is expected to decline 9.5% and generate ~2,235 million units (MU) as against 2,353 MU in the same quarter last year. The generic realisation per unit is expected to be ~Rs 1.98 per unit
Neyveli Lignite	The generation capacity of 2,490 MW is expected to decline 9% and generate ~4,536 million units (MU) as against 5,043 MU in the same quarter last year. New Barsinger Ph- I (125 MW) has been synchronised in October 2009 and is expected to achieve commissioning in April 2010
JP Hydro	JP Power, the consolidated entity, is expected to maintain the generation in Q4FY10 at the Baspa and Vishnuprayag plants. The overall generation is expected to be around 600 million units(MU) as against 590 MU in the same quarter last year
GVK Power	GVK Power is expected to achieve a sale of ~ 164 million units in Q4FY10E from the 901 MW of operational capacity under their belt. The transportation vertical continues to witness traction and on the volume front continues to deliver robust numbers
GMR	Integrated terminal 3 at the Delhi Airport is expected to become operational by July 10 before the Commonwealth Games. The renegotiation of the power purchase agreement for the barge mounted facility is due in the next month. This will throw up upsides to the operational performance
Lanco Infra	The EPC vertical is expected to witness an order inflow of Rs 5,600 crore from the Babandh project over the next quarter. The execution of upcoming projects is on track and we expect LITL to reach 2,000 MW of installed generating capacity from ~1,044 MW in the next six months
PTC India Ltd	We expect PTC India to report an overall volume growth of 15.8% from 2,153 MU in Q4FY09 to 2,493 MU in Q4FY10E. The long-term PPAs have started contributing to the growth with 2.5 fold growth from 172 MU to 427 MU

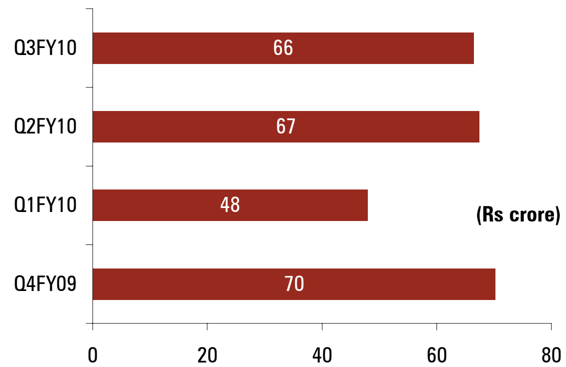
Topline performance (past 4 quarters)



EBITDA Margin (past 4 quarters)



Bottomline (past 4 quarters)



Top pick of sector

Koutons Retail India

Analyst

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Retail

- **Improving consumer sentiment**

  Consumer sentiments improved during the quarter. Retailers have announced that same store sales growth has been in double digits in the quarter. The lifestyle segment has also reported double digit growth.

- **Net sales to grow at 24.7% YoY**

  Our ICICIdirect.com retail universe is expected to grow at 24.7% YoY to reach Rs 2520.4 crore in Q4FY10. This is on account of 16.6% growth in space under operations. We expect 12.3 million sq ft to be under operations at the end of Q4FY10 as compared to 10.5 million sq ft in the corresponding period of the previous year. Average realisation per sq ft is also expected to report robust growth on account of improved consumer sentiment.

- **EBITDA growth of 16.1%**

  Despite improved consumer sentiment, we expect Koutons to report EBITDA de-growth due to higher selling expenses undertaken. We expect Pantaloon Retail India (PRIL) to report 27% EBITDA growth on account of benefits from economies of scale. Our ICICIdirect.com retail universe EBITDA is expected to grow by 16.6% YoY with an EBITDA margin of 12.5% for Q4FY10.

- **PAT margin to improve by 55 bps**

  Our ICICIdirect.com retail universe PAT is expected to grow at 44.4% YoY to reach Rs 101.4 crore. This is on account of interest savings resulting from continuous efforts taken by retailers to reduce debt. Koutons has gone for restructuring of debt while PRIL raised money through a QIP to fund the capex plans and working capital requirement. Consequently, the PAT margin of the retail universe is expected to improve by 55 bps to reach 4.0% in Q4FY10 from 3.5% in the corresponding period FY09.

Exhibit 42: Company specific view

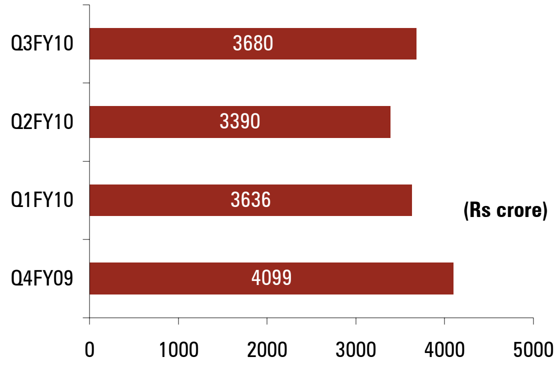
Company	Remarks
Koutons Retail	We expect 21.6% YoY revenue growth on higher average realisations on the back of improved consumer sentiments. We also expect EBITDA margins to decline by 526 bps on higher selling expenses and cost of goods sold. We expect a modest growth of 11.1% in PAT on account of lower interest expense
Pantaloon	We expect a 25.4% YoY growth in revenue on account of 18.8% growth in space. PAT is expected to grow at 79.% YoY with a 90 bps improvement in the margin on account of lower interest expense and higher operational benefits of economies of scale

Exhibit 43: Estimates for Q4FY10E: Retail (Rs Crore)

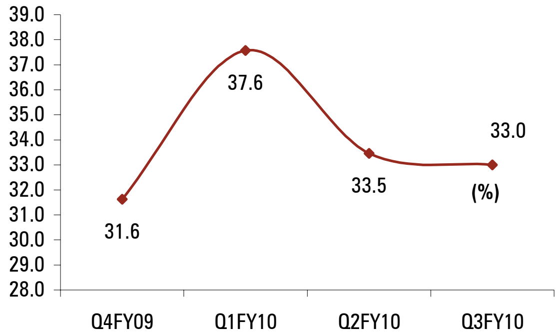
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Koutons Retail	460.9	21.6	70.9	91.0	-4.0	84.8	39.8	11.1	152.0
Pantaloon	2,059.4	25.4	7.7	221.8	27.0	9.0	61.6	79.1	21.5
Total	**2,520.4**	**24.7**	**15.5**	**312.8**	**16.1**	**23.8**	**101.4**	**44.4**	**52.5**

Source: Company, ICICIdirect.com Research

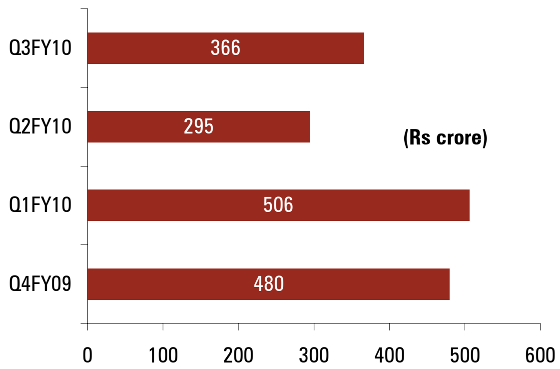
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Bharati Shipyard
GE Shipping

Analyst

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Shipping

- **Dry bulk segment – range bound movement**

  Dry bulk freight rates have been volatile but range bound throughout Q4FY10. The BDI corrected from ~ 3000 level at the start of Q4FY10 to ~ 2600 level then back to ~ 3600 level and ended the quarter at sub-3000 levels. Earnings from the dry bulk segment for shipping companies are expected to decline QoQ while the operating margin is also expected to be under pressure on account of a rise in bunker costs as a result of higher crude oil prices.

- **Tanker/product segment – gaining traction**

  Tanker and product carrier rates had collapsed in H1FY10 but since then rates have shown a steady recovery. As Indian shipping companies have a large exposure to the wet cargo segment, the performance of companies QoQ would be better. The operating margin is also expected to improve significantly from the tanker segment for most shipping companies.

- **Offshore segment – marginal improvement**

  Rising crude oil prices have improved the outlook for offshore companies. However, in Q4FY10, utilisation levels have reported a gradual rise while day rates have remained almost constant. Hence, the performance of offshore companies in Q4FY10 would be marginally better QoQ with a stable operating margin.

- **Shipbuilding segment – riding on order backlog**

  Shipbuilding companies procured very few new build orders during entire FY10 largely due to oversupply of vessels and sluggish freight rates. However, execution of the pending order book would ensure stable revenue booking by shipyards in Q4FY10.

- **Q4FY10E performance – Slated for gradual recovery**

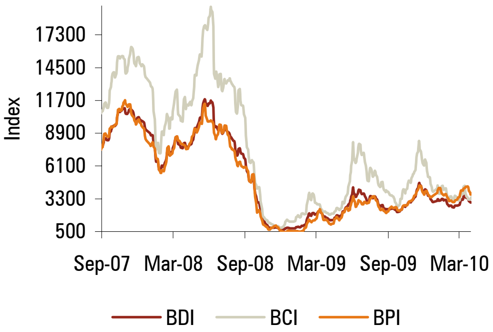
  Shipping companies are expected to post a modest improvement in performance over the immediately preceding quarter. Revenues of companies in our coverage are expected to grow by 2.7% mainly led by superior performance of GE Shipping, Mercator Lines and SCI. We also expect a 7.8% growth in EBITDA with respect to companies in our coverage. However, the bottomline of most companies in our coverage is expected to be under strain. GE Shipping is likely to emerge as the best performer in Q4FY10.

Exhibit 44: Estimates for Q4FY10E: Shipping (Rs Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Aban Offshore	814.0	5.1	-3.2	489.5	13.3	0.0	86.7	LP	-3.1
Bharati Shipyard	322.5	5.2	-4.1	77.7	8.8	1.9	33.0	-6.4	0.3
Garware Offshore	64.8	28.7	1.5	29.2	43.8	10.3	13.0	78.2	-0.9
GE Shipping	740.4	-41.0	4.8	235.4	-14.7	18.1	114.0	-49.7	20.7
Great Offshore	245.3	-9.0	1.4	103.6	-21.4	-10.8	38.2	-46.4	-22.9
Mercator Lines	504.3	11.8	6.7	151.4	-22.9	7.3	5.5	-77.5	448.8
SCI	912.5	13.1	7.9	124.3	35.4	41.7	64.6	-67.8	-25.9
Varun Shipping	174.4	-6.0	1.4	66.2	-13.6	37.2	-46.6	PL	-
Total	**3,778.3**	**-7.83**	**2.7**	**1,277.3**	**-1.47**	**7.8**	**308.5**	**-18.31**	**-15.8**

Source: Company, ICICIdirect.com Research

Dry Bulk Indices



Wet Cargo Indices

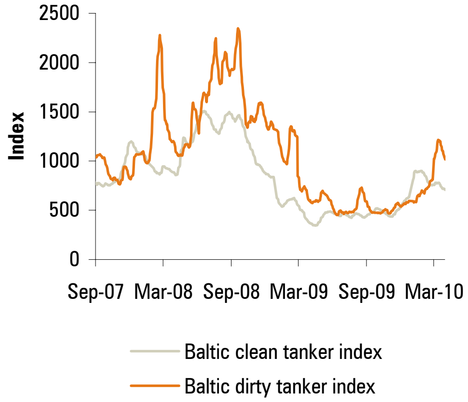
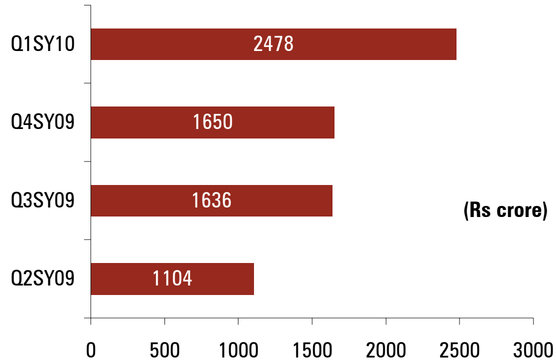


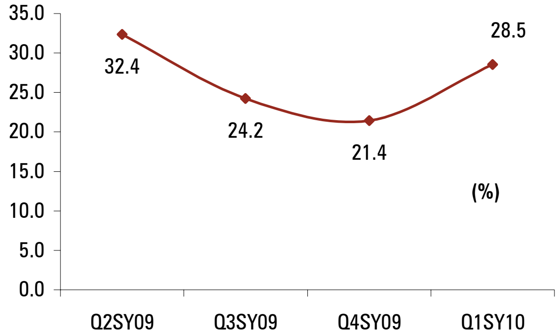
Exhibit 45: Company specific view

Company	Remarks
Aban Offshore	It is expected to post subdued performance in Q4FY10. Revenue is expected to register 3% decline QoQ while PAT also expected to drop marginally. Four jack-up rigs (out of its total fleet of 20 vessels) were idle during the quarter. This is the main reason for the subdued performance
Bharati Shipyard	The company is expected to report a flat performance on account of steady execution of its order book through the quarter. Order backlog with the company would ensure stable revenue recognition as the company accounts for revenues on percentage of work completion basis
Garware Offshore	Garware Offshore operates 13 vessels of which 11 are deployed on long-term charter contracts. This ensures a stable revenue stream for the company. The performance of the company on a QoQ basis is expected to be flat but YoY the performance is expected to be significantly better
GE Shipping	Tanker rates in Q4FY10 have recovered after bottomng out in Q3FY10. As more than 80% of GE's fleet consists of crude tankers & product carriers the performance of the company is expected to improve QoQ. However, on a YoY basis the performance is expected to be disappointing
Great Offshore	The performance of Great Offshore is expected to be stable in line with the performance of other offshore companies. We expect a marginal rise in revenue on a QoQ basis in Q4FY10. However, the operating margin is expected to be under pressure on account of higher repairs & maintenance expenses
Mercator Lines	MLL is expected to report a 6.5% rise in revenue QoQ and also 11.8% rise in topline YoY mainly driven by higher revenues from its coal mining business. Recovery in tanker rates would be beneficial for MLL as 50% of its fleet consists of tankers/product carriers
SCI	SCI is expected to report 7.9% topline growth led by buoyancy in tanker freight rates. Its liner division is also expected to post a significantly better performance as SCI had raised freight charges for 20" and 40" containers in Q4FY10. This would help the company to reduce its losses from the liner division
Varun Shipping	Freight rates for LPG carriers have been under pressure while day rates for AHTS vessels have also remained subdued despite rising crude oil prices. As Varun Shipping's fleet consists of LPG carriers, AHTS vessels & crude carriers its topline is expected to be flat but is likely to post a loss in Q4FY10

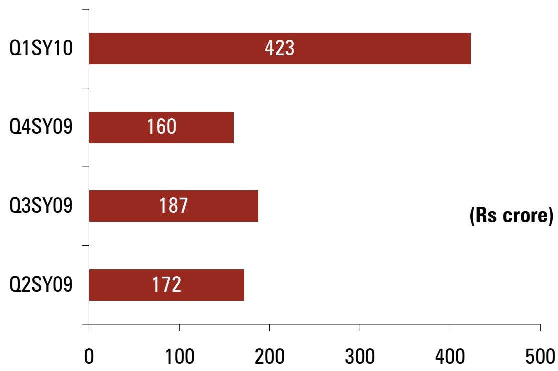
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Analyst

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Sugar

- **Global prices fall by 46%**

  Global sugar prices have fallen from 30 cents/lb to 16 cents/lb due to the expected higher production in Brazil, India and Thailand. Brazil's production for 2010-11, starting from May 2010, is likely to be 10% higher than 2009-10. We believe global prices would remain in the range of 18-22 cents/lb as higher sugarcane diversion towards ethanol would limit sugar production in Brazil.

- **Domestic prices to firm up in medium-term**

  With fall in global sugar prices, domestic sugar prices have also witnessed a similar decline from their peak of Rs 43 per kg to Rs 30 per kg. Moreover, Higher recoveries and crushing of sugarcane seeds have resulted in higher-than-expected production to 17.0 million tonnes (MT). Simultaneously significant increase in sugarcane area is expected to increase production in SY11 to 22-24 MT level, which could hammer prices to Rs 25-26 per kg in SY11. However,in medium term sugar prices are likley to firm up to Rs 33-35 per kg on back of lower than required imports of 3.5 MT in SY10.

- **Importers abandon deals**

  Indian companies contracted for 5 MT of sugar to meet deficit in SY10. However, after recent fall in global prices almost 1.5 MT of white sugar contracts have been cancelled. This would result in import requirement of 2 MT before end of SY10. This along with ~3 MT of import requirement for SY11 would push global sugar prices to ~20 cents per lb and domestic prices to Rs ~34 per kg.

- **Revising price targets**

  We believe profitability of companies would be impacted as sugar prices have fallen from Rs 43 per kg to Rs 30 per kg. Hence, we are revising our estimates and price targets for coverage universe.

Exhibit 46: Company specific view

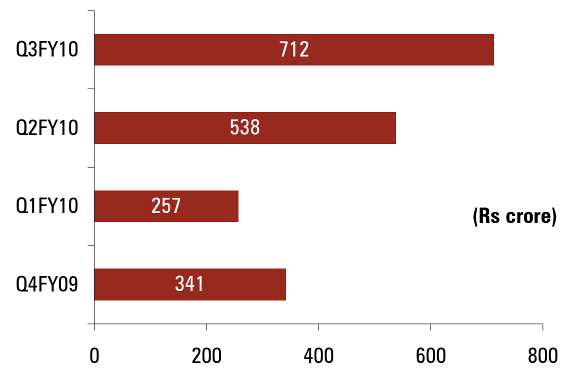
Company	Remarks
Bajaj Hindustan	We expect the company to witness a 111% YoY increase in sugar volumes to 3.8 lakh tonnes with average realisations of Rs 33 per kg. Volatility in sugar prices has increased margins. However, an expected increase in production in India and Brazil resulted in a decline in prices, which would hurt the margin.
Balrampur Chini	We expect the company to witness a 61% YoY growth in sugar volumes to 2.0 lakh tonnes with average realisations of Rs 32 per kg. We believe an increase in power revenue due to an increase in the tariff to Rs 4 per unit would help the company to sustain profitability even in a down-cycle of sugar prices.
Shree Renuka Sugars	Significant raw sugar imports by company would result in a 116% YoY increase in sugar volumes to 3.4 lakh tonnes with average realisations of Rs 32.2 per kg. We believe the company's raw sugar imports at lower average prices of $450 per tonne would result in sustainable margin despite a fall in sugar prices.

Exhibit 47: Estimates for Q2SY10E: Sugar (Rs Crore)

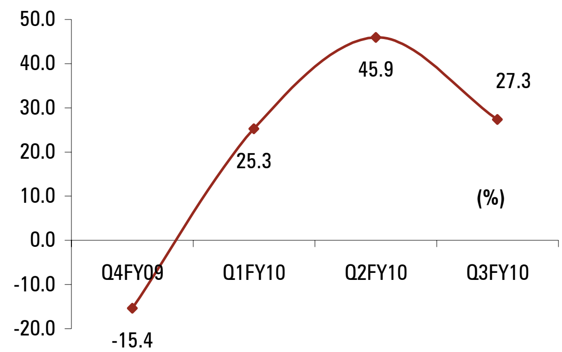
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q2SY10E	YoY	QoQ	Q2SY10E	YoY	QoQ	Q2SY10E	YoY	QoQ
Bajaj Hindustan	1,258.1	196.1	104.4	228.2	57.4	6.5	81.9	0.6	-3.9
Balrampur Chini	693.0	95.2	59.8	146.0	11.3	10.9	79.1	19.5	3.3
Shree Renuka	1,211.6	273.8	-15.2	340.8	319.7	-5.6	201.3	735.1	-22.9
Total	**3,162.7**	**186.5**	**27.6**	**715.0**	**100.1**	**1.1**	**362.2**	**111.0**	**-14.3**

Source: Company, ICICIdirect.com Research

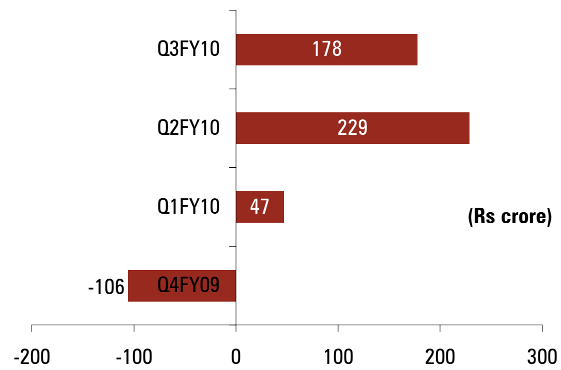
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

McLeod Russel
Jayshree Tea

Analyst

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Tea

- **Global tea prices may ease**

In 2010, the production in Kenya and Sri Lanka is likely to increase on the back of improved weather conditions. Each of these countries produces around 300-320 million kg of tea every year. We believe the production in these countries will rise by 10-15% from 2009 levels and, hence, result in a dip in prices.

- **Indian tea prices to remain firm**

Indian tea prices are likely to remain firm as India experiences an incremental demand of ~30 million kg of tea every year. However, production remained stagnant from 2006 at ~980 million kg. Considering domestic demand at 840 million kg, exports demand at ~200 million kg and production at 1000 million kg in 2010, India would be unable to export more than 155-165 million kg in 2010.

- **Export demand to continue from Russia and Middle East**

In 2009, tea exports from India came down by 5.7% to 191.4 million kg compared to 203.1 million kg in 2008 on back of increasing domestic demand. We believe exports demand from India in 2011 would increase to more than 200 million kg mainly due to higher demand for orthodox tea from countries like Russia, Iran, Iraq and Pakistan, which would lead to a firming up of tea prices.

- **Tea prices expected to remain firm**

Domestic tea prices had risen almost by 22% to Rs 135 per kg in 2009 due to decline in tea production in India. Currently, domestic tea prices are the highest in last nine years. Simultaneously, Kenya's benchmark tea prices Broken Pekoe Ones (BP1s) has touched $3.59 per kg. We expect tea prices to firm up above Rs 150 per kg in FY11 as domestic and global supply remains tight.

Exhibit 48: Company specific view

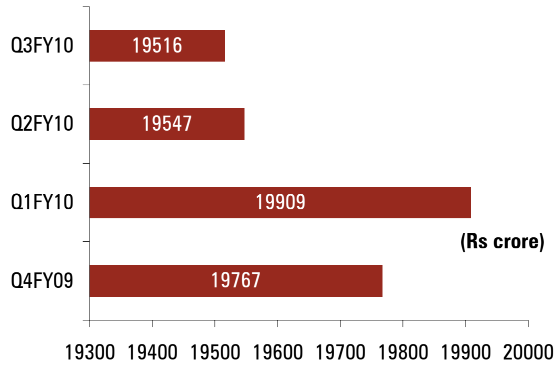
Company	Remarks
Harrison Malyalam	We expect the company to sell 3.5 million kg of tea and 3,000 tonnes of rubber with averge realisations of Rs 100 and Rs 120 per kg, respectively. The decline in tea prices has been set off by a rise in rubber prices. We expect tea prices to firm up from May onwards, which would keep margins sustainable
Jayshree Tea	We expect the company to sell 3.4 million kg of tea with average realisation of Rs 100 per kg in Q4FY10E. With the production of low quality tea in Q4FY10, we expect the company to fetch lower realisations. This would result in a net loss in Q4FY10, which is a usual phenomenon
Mcleod Russel	We expect the company to sell 20.8 million kg of tea with average realisation of Rs 116 per kg in Q4FY10E. The company has sold most of the year's production in the first three quarter and the remaining production is dust tea, which is very low quality tea and fetches lower realisations

Exhibit 49: Estimates for Q4FY10E: Tea (Rs Crore)

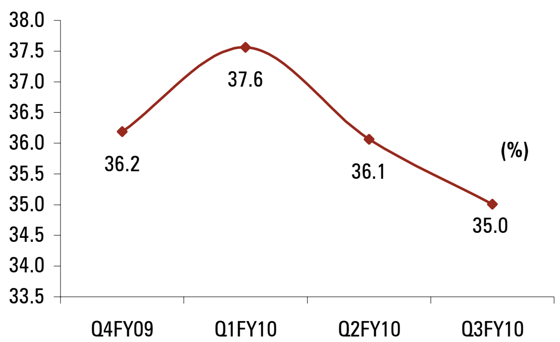
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Harrison Mal.	72.9	21.7	-12.9	0.8	-	-92.8	-0.5	-	-
Jayshree Tea	54.8	-25.5	-61.1	-28.9	-	-184.2	-42.9	-	-
Mcleod Russel	117.9	-43.3	-75.8	-24.4	-	-133.3	-95.1	-	-
Total	**245.7**	**-28.0**	**-65.5**	**-52.5**	**-**	**-**	**-138.5**	**-**	**-**

Source: Company, ICICIdirect.com Research

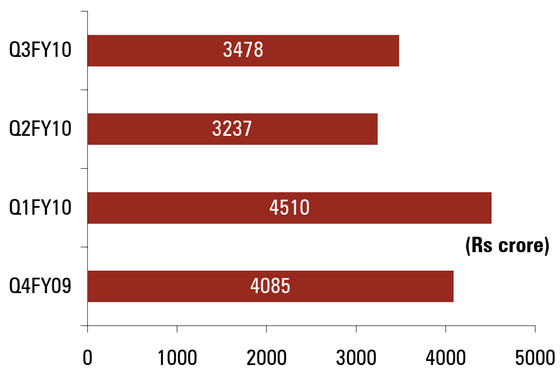
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Bharti Airtel

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Telecom

Tariff war — the spoil sport

In Q4FY10E, the ongoing tariff war had intensified in the backdrop of several new launches and introduction of historically low pricing plans. While this had led to a substantial rise in subscriber numbers, which are expected to have increased to 571 million by the end of Q4FY10 from 516 million at the end of Q3FY10, it has not translated into revenue growth for telcos. We expect revenue growth to remain subdued in this quarter. Also, KPIs and profitability are expected to be impacted severely in this quarter.

KPIs to remain under pressure

Both ARPU and ARPM are expected to remain under pressure in this quarter. We expect the ARPU to decline by ~5-10% across telecom service providers. Also, with more or less stabilising MoU, the ARPM is also expected to decline to below 50 paisa for most telcos.

Margin to remain under pressure

With declining revenues, telcos are expected to see margin pressure in Q4FY10E. High network operating cost and advertising and distribution expenses would further dent margins. Idea, which is still in an expansion mode, is expected to witness the steepest decline in EBITDA margin. Integrated players like Airtel and RCom are, however, expected to sustain margins in the non-voice business. OnMobile Global is expected to post a QoQ improvement in margin on the back of higher revenue realisation in international markets. Nevertheless, the overall universe margins are expected to decline from 35.0% in Q3FY10 to 33.2% in Q4FY10E.

PAT to show mixed trend

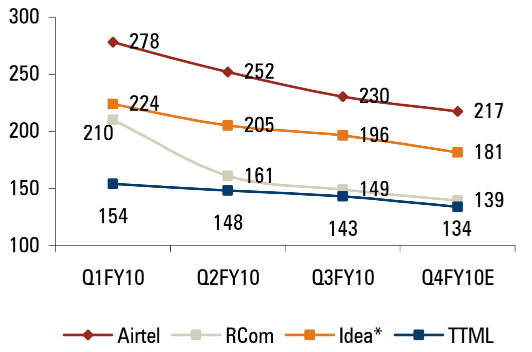
PAT is expected to show a mixed trend. While telecom service providers are expected to post either flattish or declining PAT, value-added service companies are expected to post a QoQ increase. We have factored a net interest cost of Rs 267.5 crore in Q4FY10E as against a net interest income of Rs 407.5 crore in Q3FY10 and Rs 167.8 crore in Q4FY09 for RCom. Consequently, we expect our telecom universe PAT to decline 35.6% YoY and 24.2% QoQ. However, if the company reports net interest income in this quarter, de-growth in PAT would be far lesser.

Exhibit 50: Estimates for Q4FY10E: Telecom (Rs Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Bharti Airtel	9,906.8	0.8	1.4	3,854.7	-3.7	-1.4	1,930.6	-13.8	-12.6
Idea Cellular	3,310.1	12.7	5.1	782.0	-3.6	-4.0	129.7	-52.7	-23.8
OnMobile	124.0	7.6	7.4	23.2	-39.8	0.7	12.0	-50.0	-8.7
Reliance Comm.	5,327.0	-8.1	0.8	1,656.3	-19.5	-7.3	592.4	-59.3	-46.5
Tanla Solutions	97.3	-31.7	5.3	32.6	-27.0	14.9	14.6	-50.0	16.8
TTML	628.8	30.3	4.5	132.8	32.8	-0.5	-115.0	-	-
Tulip Telecom	557.4	19.2	11.3	140.2	39.8	3.8	69.4	-34.9	1.2
Total	**19,951.5**	**0.9**	**2.2**	**6,621.8**	**-7.4**	**-3.1**	**2,633.7**	**-35.5**	**-24.3**

Source: Company, ICICIdirect.com research

ARPU expectation

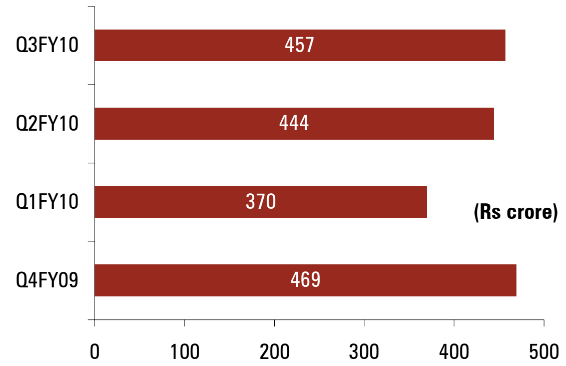


** Idea ARPU includes Spice*

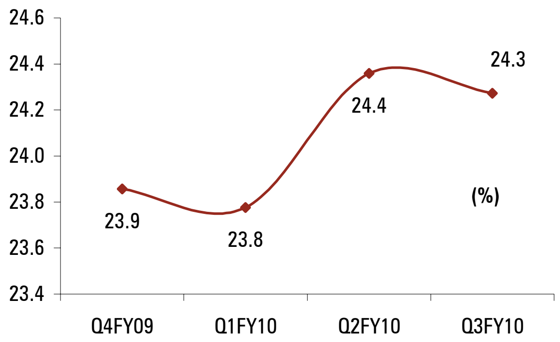
Exhibit 51: Company specific view

Company	Remarks
Bharti Airtel	With increasing competition, the key metrics are expected to remain under pressure. The ARPU is expected to fall 6.3% QoQ. We expect the MoU to remain more or less stable, while the ARPM is expected to decline to 49 paisa. Non-voice businesses are expected to record a modest 2.0% QoQ growth
Idea Cellular	On the back of 5.8 million net additions in Q4FY10, the company is expected to perform the best in the whole telecom pack. We expect the blended ARPU to fall 7.0%. The MoU is expected to increase 1.0% QoQ, while the ARPM is expected to fall to 46 paisa
OnMobile	The company is expected to launch services for Vodafone and Telefonica in Q4FY10E, which would generate higher revenue growth. Margins are expected to be marginally lower than that in Q3FY10, primarily due to higher content cost incurred in the launch of newer services
Reliance Comm.	Key metrics are declining steeply with rapid addition of low quality subscribers. Subscriber base is expected to increase by 7.6 million in Q4FY10. The ARPU is expected to decline by 6.1% QoQ. The ARPM is expected to decline to 42 paisa. Non voice businesses are expected to grow by a healthy 9.4% QoQ
Tanla Solutions	With some improvement in the UK and European markets, we expect revenues to stabilise. However, the company has been focusing on emerging markets like India, Dubai and South Africa for mobile payments. The mobile payment segment has been the fastest growing segment for the company
TTML	TTML has been adding subscribers at a rapid pace since the launch of DoCoMo GSM services. The company is expected to add 1.4 million subscribers in Q4FY10. The ARPU, however, is expected to fall 6.5% QoQ, while the ARPM is expected to decline to 53 paisa
Tulip Telecom	Several of its clients are expected to renew their account in this quarter which would aid revenue growth. With the roll out of optical fibre network in major business centres, we expect major incremental revenues in Q4FY10E. On higher bandwith on optical fibre, Tulip is expected to generate higher realisation

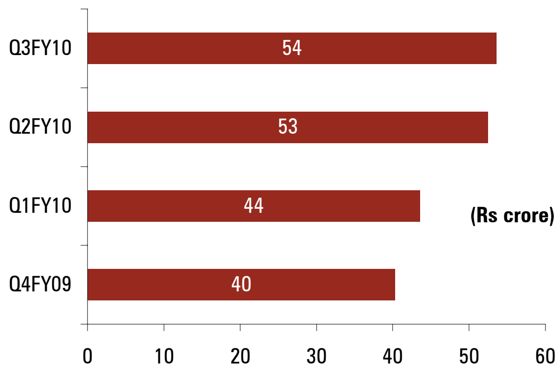
Topline performance



EBITDA Margin



Bottomline



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Textile

- **Revenues to remain flat**

  We expect the I-direct textile universe revenues to increase by 2.5% YoY. Though Kewal Kiran Clothing (KKCL) is expected to register a growth of 18% in revenues overall I-direct textile universe growth would remain subdued due to flattish revenue growth of 1.2% in Bombay Rayon Fashion's (BRFL) revenues, which constitute a majority of the revenues for the I-direct textile universe.

- **Stable EBITDA margin**

  EBITDA margin for the I-direct textile universe is expected to improve by 70 bps to 24.6% on account of higher captive consumption of fabrics.

- **PAT to improve YoY largely on low base effect**

  In spite of a flat topline and marginal improvement in EBITDA margin, PAT of the consolidated universe is expected to improve by 32% YoY due to lower profitability during Q4FY09 on account of higher interest expenses for BRFL.

Exhibit 52: Company specific view

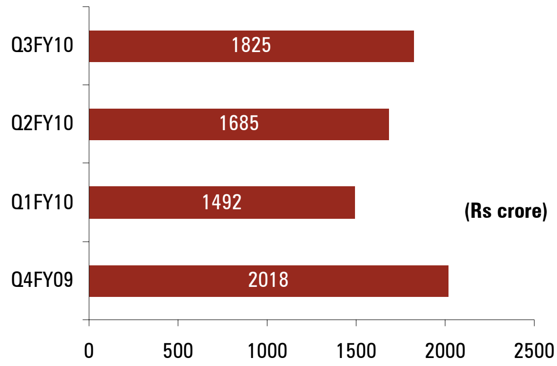
Company	Remarks
Bombay Rayon	Revenue growth is expected to remain flattish with stable EBITDA margin. We expect the interest cost to be comparatively lower than Q4FY09, which would lead to decent growth in bottomline
Kewal Kiran	Q4 is generally a slack quarter for KKCL. We expect flattish topline growth and lower EBITDA margins due to higher expenses on sales promotions to push the volumes.

Exhibit 53: Estimates for Q4FY10E: Textile (Rs Crore)

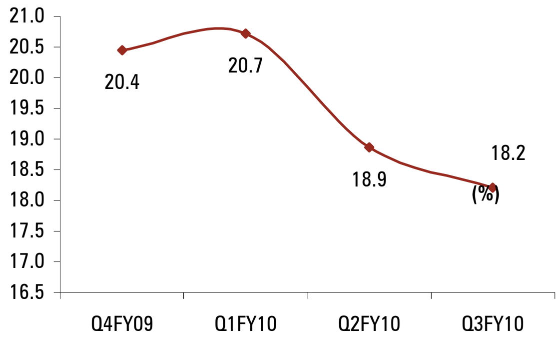
Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Bombay Rayon	440.7	1.2	5.5	108.2	3.3	6.4	48.1	36.8	2.0
Kewal Kiran	40.2	18.3	3.4	7.5	4.8	-18.2	5.2	1.4	-18.1
Total	**480.9**	**2.5**	**5.3**	**115.8**	**3.4**	**4.4**	**53.4**	**32.3**	**-0.4**

Source: Company, ICICIdirect.com Research

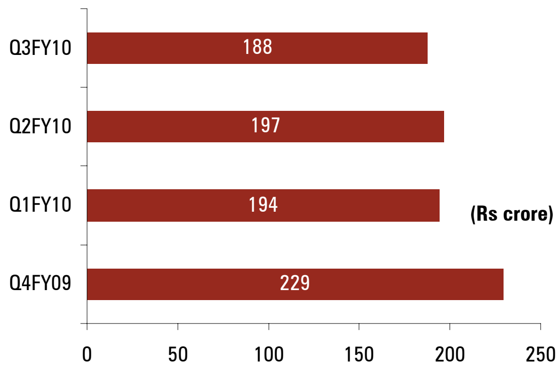
Topline performance (Coverage universe)



Margin (Coverage universe)



Bottomline (Coverage universe)



Top pick of sector

Bartonincs

Analyst

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Others

Exhibit 54: Company specific view

Company	Remarks
Bartronics	We expect company to post a whopping YoY revenue growth of 54.6% in Q4FY10E. This growth would be attributed to higher growth from solution business and higher utilization in smart card business.
Everest Kanto	With the decline in demand for CNG cylinders from Middle East, the company witnessed a 10% decline in average realisations to Rs 8050 cr. However, company bagged order for Industrial cylinders from China and is likley to bag another CNG cylinders too. This would inturn help to boost the topline in future.
InfoEdge	With improving senario of the job market, we expect the company to post a revenue growth of 8.9% YoY. Job index moved up by 4% and 17% in Jan and Feb respectively. Strong growth in job index reflects strong rebound in the job market. This is shows the positve trend for the company.
Murudeshwar	We Expect marginal improvement in sales on the back of rising construction activity on QoQ basis. Profit however would continue to be in red for quarter as well as for year.
Nitco Limited	The significant decline in new real estate projects has distorted the demand for ceramic tiles. This would continue to hammer growth for the company.
Nitin Fire	Nitin Fire derives a majority of its revenues from exports to Iran. It is however eyeing a company for a acquisition in UAE. We believe high crude prices have improved the demand for CNG cylinders, which inturn could result in robust volume growth in future.
Opto Circuits	With growing revenues from Criticarea, EuroCor and Mediaid we expect con. Revenues to rise by 24.3% and net profit by 26.4%
Praj Industries	With crude prices steadily rising, an improvement in demand and viability for ethanol is looming. Government's commitment to ethanol blending with petrol would result in increasing demand for ethanol and, thereby, ethanol plants. Hence, this would result in higher order book going forward.
Thermax Ltd	We expect Thermax to report 29% QoQ jump in revenues in Q4FY10 mainly lead by 31% QoQ rise in energy segment revenues and pick up in execution rate . Key monitarbles would be the order inflow in the quarter. We expect thermax to end FY10E with a order book growth of 45% YoY. EBIDTA margins are expected at 14.3%. We expect PAT to grow by 10% YoY to Rs 103 crore

Exhibit 55: Estimates for Q4FY10E: Textile (Rs Crore)

Company	Revenue	Change (%)		EBITDA	Change (%)		PAT	Change (%)	
	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ	Q4FY10E	YoY	QoQ
Bartronics	260.2	56.7	9.0	80.6	37.7	21.2	51.5	438.8	136.3
Everest Kanto	181.8	-7.3	7.3	52.7	15.5	137.1	25.2	-9.5	1,671.3
InfoEdge	62.9	8.9	6.8	16.8	-7.2	-6.6	14.9	7.8	-4.7
Murudeshwar	32.8	-8.4	5.5	8.0	2.6	12.7	-3.1	-	-
Nitco Limited	109.2	-22.4	43.2	2.4	-30.8	-124.3	-2.4	LP	-
Nitin Fire	74.7	43.5	-24.1	13.0	26.4	-26.4	8.4	72.4	-28.7
Opto Circuits	265.0	24.4	3.1	90.1	22.9	2.3	70.1	26.4	6.6
Praj Industries	224.7	7.7	52.5	47.9	-5.2	44.2	38.4	39.6	31.8
Thermax Ltd	962.0	1.4	28.6	135.0	-7.0	51.0	103.0	9.2	83.9
Total	**2,173.4**	**7.6**	**19.1**	**446.5**	**8.2**	**34.4**	**306.0**	**33.3**	**63.5**

Source: Company, ICICIdirect.com Research

ICICI direct.com Markets on Your Fingertips

ICICIdirect.com Coverage Universe

Exhibit 56: Valuation Matrix

Sector / Company	CMP (Rs)	TP(Rs)	Ratings	M Cap (Rs Cr)	EPS (Rs) FY09	EPS (Rs) FY10E	EPS (Rs) FY11E	P/E (x) FY09	P/E (x) FY10E	P/E (x) FY11E	EV/EBITDA (x) FY09	EV/EBITDA (x) FY10E	EV/EBITDA (x) FY11E	RoCE (%) FY09	RoCE (%) FY10E	RoCE (%) FY11E	RoE (%) FY09	RoE (%) FY10E	RoE (%) FY11E
Auto & Auto ancillary																			
Automotive Axle (AUTAXL)	392	457	Buy	589	3.6	22.6	29.1	110.1	17.4	13.5	19.0	8.6	6.4	6.3	22.8	26.6	3.1	18.2	19.7
Bajaj Auto (BAAUTO)	2,041	1,952	Reduce	29,617	44.0	103.8	112.1	46.4	19.7	18.2	27.5	12.3	12.0	36.8	63.6	53.4	19.5	19.5	19.5
Balkrishna Industries Ltd (BALIND)	633	662	Add	1,223	32.7	100.7	110.4	19.4	6.3	5.7	7.8	4.4	3.7	13.5	26.8	28.8	14.5	36.0	30.7
Bharat Forge (BHAFOR)	262	254	Reduce	5,828	1.1	4.4	9.3	229.8	59.2	28.1	13.7	9.9	8.0	9.6	15.6	18.2	3.6	5.9	11.6
Escorts (ESCORT)	164	168	Add	1,550	9.9	11.0	15.1	16.6	15.0	10.9	9.4	7.8	6.0	9.8	11.7	14.3	11.0	11.7	13.9
JK Tyre & Industries (JKIND)	197	202	Add	805	39.9	50.5		4.9	3.9		4.0	3.3		22.5	22.3		25.2	25.0	
Mahindra & Mahindra (MAHMAH)	534	608	Buy	30,903	30.0	33.9	34.4	17.8	15.8	15.5	30.6	11.8	10.4	9.9	29.8	25.2	17.4	31.3	24.5
Maruti Suzuki India (MARUTI)	1,377	1,689	Strong Buy	39,764	40.3	83.7	94.1	34.2	16.4	14.6	19.8	9.7	8.3	18.5	33.2	29.8	13.3	23.1	21.0
Subros (SUBROS)	47	61	Strong Buy	280	2.2	3.9	5.6	21.2	12.0	8.3	6.4	3.8	3.2	12.2	16.5	20.9	7.6	12.1	15.5
Tata Motors (TELCO)	774	864	Buy	40,107	19.5	42.4	58.3	39.7	18.3	13.3	48.0	15.7	13.3	7.1	12.7	11.7	10.0	16.4	18.2
Aviation																			
Jet Airways (JETAIR)	480	444	Reduce	4,137	-111.4	-53.6	2.9	NA	NA	164.9	-22.5	16.6	12.9	-10.0	0.2	1.4	-30.3	-23.9	1.2
SpiceJet (MODLUF)	61	72	Buy	1,563	-14.0	4.4	8.0	NA	14.0	7.6	-4.2	22.2	6.6	NA	62.6	71.0	NA	LP	296.8
Broking																			
Edelweiss Capital (EDECAP)	438	474	Add	3,280	24.9	31.2	36.3	13.8	11.0	9.4	7.3	7.9	7.2	29.5	14.7	16.0	10.6	11.2	11.9
Indiainfoline (INDINF)	122	121	Reduce	3,469	5.1	8.1	8.3	67.1	42.4	41.2	9.9	7.5	8.0	28.2	13.5	22.8	10.6	15.2	14.0
Motilal Oswal (MOTOSW)	162	184	Buy	2,335	6.6	9.9	13.0	52.2	34.6	26.4	11.3	8.7	6.3	13.3	15.7	17.2	11.8	15.9	17.5
Capital Goods																			
Thermax Ltd (THERMA)	706	705	Reduce	8,391	24.1	8.2	31.3	99.7	292.1	76.9	16.2	18.0	11.0	49.6	33.9	43.4	33.8	9.7	30.2
Construction																			
Simplex Infrastructure (SIMCON)	466	521	Buy	2,303	23.2	25.4	32.1	5.9	5.4	4.3	8.7	7.7	6.5	14.7	13.1	14.6	13.9	13.1	14.7
Unity Infraprojects (UNIINF)	604	623	Add	896	52.1	59.4	68.7	11.6	10.2	8.8	8.8	6.4	5.5	18.8	19.0	19.0	18.0	17.9	16.6

Exhibit 57: Valuation Matrix continued….

Sector / Company	CMP (Rs)	TP(Rs)	Ratings	M Cap (Rs Cr)	EPS (Rs) FY09	EPS (Rs) FY10E	EPS (Rs) FY11E	P/E (x) FY09	P/E (x) FY10E	P/E (x) FY11E	EV/EBITDA (x) FY09	EV/EBITDA (x) FY10E	EV/EBITDA (x) FY11E	RoCE (%) FY09	RoCE (%) FY10E	RoCE (%) FY11E	RoE (%) FY09	RoE (%) FY10E	RoE (%) FY11E
Cement																			
ACC ^ (ACC)	951	873	Reduce	17,857	85.5	63.1	51.5	11.1	15.1	18.5	6.5	9.0	10.6	37.5	24.1	19.0	29.4	18.7	14.1
Ambuja Cement ^ (GUJAMB)	117	95	Sell	17,820	8.0	7.4	6.5	14.6	15.8	18.1	8.8	8.8	9.1	27.1	21.5	17.5	20.1	16.4	12.9
Dalmia Cement (DALCEM)	248	228	Reduce	2,005	19.6	19.4	11.4	12.6	12.8	21.8	7.5	7.4	7.4	12.0	9.5	7.9	13.1	11.6	6.3
India Cement (INDCEM)	134	111	Sell	4,107	17.2	11.6	7.1	7.8	11.5	18.8	5.9	7.3	9.3	17.0	11.4	7.3	17.4	10.5	6.5
JK Cement (JKCEME)	184	193	Add	1,282	21.1	32.0	29.1	8.7	5.7	6.3	5.3	5.0	4.9	17.2	18.0	13.3	17.7	22.2	16.9
JK Laxmi Cement (JKCORP)	73	86	Buy	901	14.6	18.1	11.6	5.0	4.0	6.3	3.8	2.6	3.7	16.8	20.3	12.2	24.2	23.2	12.3
Mangalam Cement (MANCEM)	196	201	Add	525	34.7	49.8	39.1	5.7	3.9	5.0	3.6	2.0	3.7	37.1	51.5	28.0	37.6	37.8	23.3
Orient Paper (ORIPAP)	53	64	Strong Buy	1,016	12.0	7.9	9.7	4.4	6.7	5.5	3.7	4.3	3.3	43.1	23.2	25.5	41.3	21.5	22.0
Shree Cement (SHRCEM)	2,351	2,450	Add	8,166	165.9	269.3	229.4	14.2	8.7	10.2	8.8	5.0	5.6	33.9	37.5	26.3	61.4	57.1	32.7
UltraTech Cement (ULTCEM)	1,147	916	Sell	14,263	77.4	80.9	70.6	14.8	14.2	16.2	8.9	7.7	4.8	29.2	27.1	38.2	31.0	25.1	35.4
Diversified																			
GMR Infrastructure Ltd (GMRINF)	62	74	Buy	22,793	0.8	0.0	0.8	81.3	NA	77.4	30.3	28.8	19.9	3.2	3.7	4.4	3.3	-0.7	3.1
FMCG																			
Asian Paints (ASIPAI)	2,043	1,890	Reduce	19,581	37.8	77.2	82.0	50.7	24.8	23.4	32.2	17.7	14.3	48.4	69.9	52.0	45.5	62.8	51.4
Dabur India Ltd (DABIND)	168	154	Reduce	14,519	4.5	5.8	6.5	37.1	29.1	25.6	30.6	22.4	20.5	51.1	51.5	48.7	54.4	54.3	50.0
Kansai Nerolac (GOONER)	1,332	1,125	Sell	3,582	44.4	36.6	64.2	16.6	20.1	11.5	15.3	14.8	10.3	30.8	18.3	31.4	21.1	15.1	22.1
Marico Ltd (MARIN)	115	114	Reduce	6,992	3.1	4.1	5.1	37.0	28.1	22.3	23.9	18.0	14.7	35.7	37.9	44.5	49.1	46.6	44.5
Hospital																			
Apollo Hospitals (APOHOS)	732	732	Add	4,540	16.6	24.9	33.4	44.1	29.4	21.9	22.3	17.1	13.2	7.6	8.0	10.1	7.0	7.8	9.6
Fortis Healthcare (FORHEA)	174	192	Buy	5,521	0.9	2.2	4.1	189.4	80.8	42.6	64.4	38.2	23.6	2.5	3.1	4.4	1.9	3.2	6.0
Hotel																			
EIH (EIH)	131	111	Sell	5,132	170.9	75.2	162.1	0.8	1.7	0.8	15.8	23.4	15.7	13.2	7.9	12.7	12.1	5.4	10.7
Hotel Leela (HOTLEE)	50	53	Add	1,878	3.8	1.5	2.5	13.0	33.8	19.8	26.4	31.6	20.6	2.9	2.1	3.5	7.5	2.7	4.1
Indian Hotel (INDHOT)	106	118	Buy	7,625	0.2	2.7	4.7	612.5	39.6	22.6	21.5	19.8	14.0	4.7	6.0	8.5	0.4	5.5	8.8
Kamat Hotels (KAMHOT)	87	75	Sell	114	3.4	-4.0	5.5	25.7	NA	15.8	11.5	14.2	8.6	5.2	6.0	8.9	10.1	-3.3	4.4
Royal Orchid Hotel (ROYORC)	80	105	Strong Buy	220	7.3	1.2	3.7	10.9	69.2	21.7	7.0	14.2	11.6	7.9	2.3	4.2	9.8	1.5	4.8
Taj GVK Hotels (TAJGVK)	158	166	Add	989	8.4	5.5	8.5	18.7	28.8	18.5	11.1	14.5	11.3	14.4	9.6	11.0	19.5	11.3	14.9
Viceroy Hotels (PALHEI)	49	52	Add	210	1.6	0.2	1.1	30.9	227.4	44.6	27.9	37.1	32.0	2.1	1.5	1.9	2.8	0.4	1.9

Exhibit 58: Valuation Matrix continued….

Sector / Company	CMP (Rs)	TP(Rs)	Ratings	M Cap (Rs Cr)	EPS (Rs) FY09	EPS (Rs) FY10E	EPS (Rs) FY11E	P/E (x) FY09	P/E (x) FY10E	P/E (x) FY11E	EV/EBITDA (x) FY09	EV/EBITDA (x) FY10E	EV/EBITDA (x) FY11E	RoCE (%) FY09	RoCE (%) FY10E	RoCE (%) FY11E	RoE (%) FY09	RoE (%) FY10E	RoE (%) FY11E
IT																			
First Source (FIRSOU)	30	38	Strong Buy	1,290	0.7	3.1	3.6	41.4	9.6	8.3	11.6	9.1	8.0	5.0	6.5	7.0	2.2	8.9	9.3
HCL Tech* (HCLTEC)	347	399	Buy	23,474	19.0	17.4	24.2	18.3	20.0	14.3	10.4	9.4	8.3	14.9	15.6	14.9	22.5	18.9	22.4
ICSA (INNCOM)	132	190	Strong Buy	625	32.6	26.6	34.9	4.1	5.0	3.8	4.0	4.3	3.3	0.2	0.2	0.2	0.3	0.2	0.2
Infosys (INFTEC)	2,651	2,915	Add	151,958	104.6	109.2	119.7	25.3	24.3	22.2	19.8	17.6	15.0	37.9	36.0	34.4	32.8	28.3	26.0
KLG Systel (KLGSYS)	135	198	Strong Buy	172	23.0	17.1	23.1	5.9	7.9	5.9	4.0	3.6	3.3	0.3	0.3	0.3	0.2	0.1	0.1
Mastek (MASTEK)	351	302	Sell	950	52.5	30.2	35.5	6.7	11.6	9.9	4.9	7.4	5.3	0.2	0.1	0.2	0.3	0.2	0.2
NIIT Ltd. (NIIT)	61	76	Strong Buy	1,008	4.2	4.1	5.5	14.4	14.9	11.0	9.9	7.3	5.4	0.2	0.2	0.2	0.2	0.1	0.2
Patni Computers (PATCOM)	553	570	Add	7,125	45.0	39.9	41.1	12.3	13.9	13.5	8.2	7.1	5.8	0.1	0.1	0.1	0.2	0.1	0.1
Rolta* (ROLIND)	183	216	Buy	2,953	18.2	16.0	18.4	10.1	11.4	9.9	6.8	5.4	4.2	0.2	0.1	0.1	0.2	0.2	0.2
TCS (TCS)	796	862	Add	155,550	26.4	34.6	39.2	30.1	23.0	20.3	21.1	17.3	15.2	39.6	36.8	32.7	33.2	33.0	29.7
Tech Mahindra (TECMAH)	861	923	Add	10,536	77.4	64.2	80.6	11.1	13.4	10.7	8.2	10.7	11.0	65.6	28.8	22.7	52.2	22.5	28.0
Wipro (WIPRO)	715	755	Add	104,958	26.7	31.4	34.3	26.8	22.8	20.8	20.0	17.4	14.9	23.3	22.4	21.4	28.6	26.4	23.3
Logistics																			
Allcargo Global (ALLGLO)	187	206	Buy	2,345	9.6	11.1	14.3	19.4	16.9	13.1	11.8	10.0	6.9	19.4	20.0	23.5	17.6	16.7	17.9
Container Corporation (CONCOR)	1,394	1,276	Reduce	18,090	60.9	59.3	70.2	22.9	23.5	19.9	17.5	16.8	14.5	25.9	21.9	22.3	21.0	17.7	18.0
Gateway Distriparks (GATDIS)	126	129	Add	1,366	7.4	8.1	9.0	17.1	15.5	14.1	10.3	10.6	8.9	14.6	11.3	12.0	13.6	12.6	12.4
Transport Corp (TRACOR)	109	116	Add	785	3.9	5.9	6.7	27.8	18.5	16.2	10.9	9.7	8.5	13.3	14.2	14.3	9.9	13.2	13.2
Media																			
Cinemax (CININD)	68	70	Add	190	3.9	4.3	3.6	17.2	15.9	19.0	8.5	10.5	9.8	9.0	5.2	5.7	7.2	7.4	5.9
DB Corp (DBCORP)	259	269	Add	4,691	2.6	10.3	13.0	98.5	25.2	19.9	34.0	12.2	10.4	13.0	31.9	29.7	18.5	26.6	25.4
Deccan Chronicle (DECCHR)	159	201	Strong Buy	3,838	5.8	12.8	13.3	27.3	12.4	11.9	12.6	6.9	5.6	12.2	19.4	20.7	11.2	20.8	18.5
DISH TV (DISHTV)	38	50	Strong Buy	7,934	-7.0	-2.5	-1.9	NA	NA	NA	-71.8	103.1	33.0	-23.5	-8.2	-4.5	-138.1	-17.5	-10.3
HT Media (HTMED)	142	164	Buy	3,321	0.0	1.2	7.4		120.4	19.1	37.1	19.6	9.7	1.6	7.7	18.8	0.1	3.2	16.6
PVR (PVRLIM)	174	209	Strong Buy	533	3.7	-0.7	16.1	46.3	NA	10.8	13.0	14.4	4.7	3.7	3.2	12.6	3.1	-0.4	13.4
Sun TV (SUNTV)	433	436	Add	17,076	9.3	12.8	15.2	46.4	33.8	28.6	18.4	13.0	11.0	28.1	32.9	31.3	21.2	23.7	22.8
UTV Software (UTVSOF)	463	516	Buy	1,881	9.0	7.9	26.7	51.2	58.6	17.3	-27.6	38.0	12.5	-4.6	2.0	6.6	2.7	2.3	7.2

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Exhibit 59: Valuation Matrix continued….

Sector / Company	CMP (Rs)	TP(Rs)	Ratings	M Cap (Rs Cr)	EPS (Rs) FY09	EPS (Rs) FY10E	EPS (Rs) FY11E	P/E (x) FY09	P/E (x) FY10E	P/E (x) FY11E	EV/EBITDA (x) FY09	EV/EBITDA (x) FY10E	EV/EBITDA (x) FY11E	RoCE (%) FY09	RoCE (%) FY10E	RoCE (%) FY11E	RoE (%) FY09	RoE (%) FY10E	RoE (%) FY11E
Metals & Mining																			
Adhunik Metaliks (ADHMET)	134	149	Buy	1,602	4.8	10.8	15.9	27.8	12.3	8.4	12.8	6.7	5.3	9.1	13.8	17.1	13.3	16.8	20.3
Godawari Ispat (GODPOW)	271	254	Reduce	764	22.8	17.9	36.9	11.9	15.1	7.3	8.2	8.7	4.9	13.6	10.6	17.6	14.6	10.2	18.4
Graphite India (CAREVE)	91	108	Buy	1,558	13.8	12.0	9.7	6.6	7.5	9.4	6.2	4.5	4.3	18.3	19.3	16.4	25.2	17.3	13.6
HEG (HEG)	364	466	Strong Buy	1,548	25.1	43.1	38.1	14.5	8.4	9.6	8.5	6.1	5.9	15.9	20.6	19.4	18.8	27.0	20.3
Hindustan Zinc (HINZIN)	1,259	1,355	Add	53,182	64.6	93.7	111.5	19.5	13.4	11.3	15.1	9.1	6.8	19.8	26.7	25.8	20.8	24.5	23.3
JSW Steel (JINVIJ)	1,274	800	Sell	23,813	14.7	77.2	59.6	86.7	16.5	21.4	12.6	10.3	9.8	9.3	11.4	10.6	3.5	16.3	11.6
SAIL (SAIL)	257	235	Reduce	105,883	14.9	15.8	18.2	17.2	16.3	14.1	10.4	9.8	8.6	21.0	16.7	16.5	22.1	19.7	19.4
Sesa Goa (SESGOA)	475	437	Reduce	39,898	25.3	29.0	54.2	18.8	16.4	8.8	14.1	12.2	5.7	51.9	28.0	38.8	42.2	31.8	37.8
Sterlite (STEIND)	870	918	Add	73,127	50.0	39.8	54.2	17.4	21.9	16.1	12.1	9.3	7.0	16.4	13.7	14.1	14.8	10.8	11.9
Tata Steel (TISCO)	688	450	Sell	60,819	67.8	-35.8	47.9	10.1	NA	14.4	5.7	13.9	7.4	15.0	3.4	11.0	17.0	-12.1	13.8
Usha Martin (USHBEL)	105	105	Add	3,178	6.6	6.5	10.4	15.9	16.1	10.0	9.6	8.1	5.9	13.9	13.1	17.8	14.6	16.0	20.9
Visa Steel (VISST)	45	52	Buy	493	-6.1	4.4	8.5	NA	10.2	5.3	-32.9	7.6	5.7	-5.2	14.2	12.8	-23.8	14.8	22.1
Oil & Gas																			
Cairn India Ltd (CAIIND)	310	296	Reduce	58,635	4.2	5.9	21.9	73.1	52.4	14.1	73.9	63.9	10.4	1.3	1.9	12.6	2.4	3.3	11.3
Gujarat Gas (GUJGAS)	293	282	Reduce	3,749	12.4	13.5	19.3	23.5	21.7	15.1	14.3	12.0	8.1	26.7	29.9	35.4	26.2	26.2	26.2
Gujarat State Petronet Ltd (GSPL)	91	99	Add	5,124	2.2	7.5	6.4	41.5	12.1	14.2	14.6	6.6	6.6	10.8	24.4	19.6	10.2	26.6	19.1
Indraprastha Gas Ltd (INDGAS)	226	219	Reduce	3,155	12.3	16.0	16.6	18.3	14.1	13.6	9.5	7.4	6.6	34.7	38.5	33.4	25.2	26.9	23.5
Petronet LNG (PETLNG)	80	88	Buy	5,989	6.9	5.5	6.5	11.6	14.4	12.3	8.1	8.6	8.0	18.7	16.3	15.3	26.1	18.5	19.1
Pharma																			
Alembic (ALECHE)	51	49	Reduce	681	3.4	4.0	5.4	15.1	12.7	9.4	9.0	6.7	5.3	11.3	10.8	12.7	14.0	11.1	13.5
Biocon (BIOCON)	306	335	Add	6,112	12.0	15.1	19.9	25.5	20.3	15.3	19.6	14.7	10.4	13.2	18.6	22.8	11.4	14.8	18.7
Dishman Pharma (DISHPHA)	219	230	Add	1,767	18.2	15.8	19.8	12.0	13.8	11.1	9.3	11.0	7.8	13.6	9.5	12.1	20.8	18.0	18.4
Glenmark (GLEPHA)	277	296	Add	7,466	7.7	10.9	16.8	36.2	25.5	16.5	21.9	14.6	11.1	16.4	14.1	20.6	19.4	12.8	19.7
Indoco Remedies (INDREM)	401	389	Reduce	495	25.6	34.0	38.8	10.8	8.2	7.1	11.3	9.2	7.6	10.9	11.1	12.5	11.3	13.2	13.2
IPCA Labs (IPCLAB)	269	266	Reduce	3,374	8.1	17.3	18.2	33.3	15.5	14.8	2.9	2.4	2.0						
Lupin (LUPIN)	1,604	1,840	Buy	14,302	61.3	71.6	92.2	26.2	22.4	17.4	23.8	18.3	13.4	0.2	0.2	0.3	0.4	0.3	0.3
Nicholas Piramal (NICPIR)	448	458	Add	9,388	15.1	21.0	26.2	29.6	21.3	17.1	18.2	15.4	11.9	30.7	30.7	30.7	30.7	30.7	30.7
Sunpharma (SUNPHA)	1,822	1,600	Sell	37,726	88.1	63.7	84.2	5.1	7.0	5.3	18.4	25.9	18.6	28.5	17.9	20.8	25.9	17.4	19.3
Unichem Laboratories (UNILAB)	427	486	Buy	1,546	30.0	28.6	39.3	15.9	16.7	12.1	10.9	10.2	7.3	23.2	20.1	23.6	22.3	18.0	20.9

Exhibit 60: Valuation Matrix continued….

Sector / Company	CMP (Rs)	TP(Rs)	Ratings	M Cap (Rs Cr)	EPS (Rs) FY09	EPS (Rs) FY10E	EPS (Rs) FY11E	P/E (x) FY09	P/E (x) FY10E	P/E (x) FY11E	EV/EBITDA (x) FY09	EV/EBITDA (x) FY10E	EV/EBITDA (x) FY11E	RoCE (%) FY09	RoCE (%) FY10E	RoCE (%) FY11E	RoE (%) FY09	RoE (%) FY10E	RoE (%) FY11E
Pipes																			
Jindal SAW (SAWPIP)	225	217	Reduce	6,141	13.1	25.9	18.0	17.1	8.7	12.5	10.8	5.4	6.2	15.6	20.0	13.5	15.4	18.7	11.7
Mah. Seamless (MAHSEA)	363	380	Add	2,551	35.9	39.9	41.5	10.1	9.1	8.7	7.0	5.8	4.9	30.0	27.1	23.7	19.3	18.2	16.2
Man Industries (MANIN)	74	76	Add	396	3.8	11.5	12.6	19.3	6.4	5.9	4.8	3.5	3.0	14.3	17.3	17.6	5.4	14.8	14.2
PSL Limited (PSLHOL)	147	186	Strong Buy	784	22.3	17.4	20.4	6.6	8.4	7.2	5.5	5.5	5.1	14.5	12.5	13.3	15.1	11.5	11.2
Welspun Gujarat (WELGUJ)	291	325	Buy	5,938	11.2	28.9	28.6	26.0	10.1	10.2	11.9	5.7	5.6	12.5	24.0	20.0	13.7	28.2	20.3
Power																			
GVK Power (GVKPOW)	45	54	Strong Buy	7,091	0.5	0.8	1.4	83.0	56.0	32.6	56.2	21.8	18.2	2.2	5.3	6.1	3.4	5.9	7.8
JP Hydro (JAIHYD)	69	71	Add	3,403	0.7	0.9	1.1	106.7	73.8	60.9	15.3	12.0	18.5	11.8	10.7	5.5	13.3	6.7	7.5
Lanco Infra (LANINF)	55	61	Buy	13,279	1.2	2.0	4.1	47.2	27.1	13.6	22.9	16.8	6.9	5.8	6.4	11.5	14.3	18.1	26.3
Neyveli Lignite (NEYLIG)	152	140	Reduce	25,526	5.0	7.1	8.4	30.2	21.4	18.2	24.5	18.2	15.2	4.6	7.1	7.7	9.1	11.9	12.8
NHPC (NHPC)	31	39	Strong Buy	38,132	1.0	1.4	1.0	31.2	21.9	30.1	25.3	14.3	17.7	4.9	6.5	4.5	6.4	8.4	5.3
NTPC (NTPC)	210	245	Buy	172,949	9.9	10.5	11.0	21.1	20.0	19.1	13.9	13.3	12.3	13.3	13.3	12.7	14.9	14.6	14.3
PTC India Ltd (POWTRA)	112	134	Buy	3,290	3.9	3.5	3.8	28.3	31.5	29.6	93.8	26.7	23.7	7.5	7.8	7.2	5.9	5.7	5.2
Real Estate																			
Orbit Corporation (ORBCOR)	288	333	Buy	1,558	9.8	19.7	19.6	29.4	14.6	14.7	16.8	10.3	9.0	10.9	14.6	14.0	5.5	15.1	12.1
Retail																			
Koutons Retail (KOURET)	347	505	Strong Buy	1,059	26.0	29.7	39.5	13.3	11.7	8.8	7.9	6.7	5.5	23.1	21.0	22.6	20.5	19.3	21.1
Pantaloon (PANRET)	412	451	Add	8,248	8.1	14.3	14.6	51.1	28.9	28.3	52.3	88.8	83.8	10.2	10.7	11.8	6.2	7.0	8.6
Shipping																			
Aban Offshore (ABALLO)	1,231	1,448	Buy	5,347	143.1	80.2	330.4	8.6	15.3	3.7	12.0	10.1	5.5	6.4	8.4	14.9	24.6	7.6	30.7
Bharati Shipyard (BHASHI)	272	369	Strong Buy	748	48.5	49.3	76.7	5.6	5.5	3.5	5.9	8.0	7.0	14.8	11.3	12.3	19.0	16.5	13.7
Garware Offshore (GARSHI)	178	182	Add	426	17.8	22.4	23.3	10.0	8.0	7.6	11.0	8.3	7.5	8.4	9.4	10.0	18.1	19.0	16.9
GE Shipping (GESHIP)	317	387	Strong Buy	4,826	93.1	33.0	41.4	3.4	9.6	7.7	4.1	7.7	6.0	12.7	4.4	6.4	27.1	8.8	10.1
Great Offshore (GREOFF)	436	430	Reduce	1,620	74.2	46.3	49.8	5.9	9.4	8.7	7.1	7.7	5.9	13.1	11.2	11.6	36.9	19.4	17.8
Mercator Lines (MERLIN)	61	74	Strong Buy	1,454	16.0	1.5	3.3	3.9	42.1	18.6	3.6	5.9	5.0	12.6	5.4	6.0	16.5	1.5	3.3
Shipping Corporation of India (SCI)	163	159	Reduce	6,877	22.2	7.9	8.5	7.3	20.6	19.1	3.7	11.9	14.0	14.2	5.9	6.0	15.9	5.3	5.6
Varun Shipping (VARSHI)	53	40	Sell	794	8.2	-3.3	-1.2	6.4	NA	NA	7.5	16.6	10.3	12.8	5.8	9.6	14.6	-28.1	-2.3

Exhibit 61: Valuation Matrix continued...

Sector / Company	CMP (Rs)	TP(Rs)	Ratings	M Cap (Rs Cr)	EPS (Rs)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
					FY09	FY10E	FY11E	FY09	FY10E	FY11E	FY09	FY10E	FY11E	FY09	FY10E	FY11E	FY09	FY10E	FY11E
Sugar																			
Bajaj Hindustan (BAJHIN)	137	163	Buy	2,618	8.7	18.1	13.2	15.7	7.5	10.4	13.9	6.7	8.1	5.1	10.2	8.2	5.0	9.5	6.5
Balrampur Chini (BALCHI)	91	121	Strong Buy	2,347	8.5	10.9	10.1	10.6	8.3	9.0	7.3	5.5	5.6	13.7	17.9	17.1	14.3	17.2	15.1
Shree Renuka Sugars (RENSUG)	70	102	Strong Buy	4,702	7.1	13.0	8.5	9.9	5.4	8.3	11.7	4.1	5.0	16.4	51.7	31.8	23.3	54.6	24.6
Tea																			
Harrison Malayalam (HARMAL)	139	150	Add	255	3.5	6.5	10.2	40.1	21.3	13.6	6.5	6.0	5.0	5.4	6.9	9.1	2.3	4.3	6.4
Jayshree Tea (JAYTEA)	310	410	Strong Buy	345	12.0	32.4	36.2	25.9	9.6	8.5	17.0	6.7	4.6	8.5	17.8	19.8	7.9	20.6	20.0
Mcleod Russel (MCLRUS)	259	334	Strong Buy	2,839	7.6	21.3	24.7	34.0	12.2	10.5	15.4	8.1	6.7	10.6	21.1	20.1	7.1	16.5	16.4
Telecom																			
Bharti Airtel (BHATE)	316	388	Strong Buy	120,021	22.3	23.6	24.0	14.2	13.4	13.2	7.3	6.6	5.7	24.6	20.6	18.9	27.9	23.0	19.1
Idea Cellular (IDECEL)	64	61	Reduce	21,036	2.8	2.5	2.9	22.4	25.8	21.8	7.3	6.2	5.3	6.4	5.9	6.6	6.6	5.7	6.3
OnMobile (ONMGLO)	420	450	Add	2,453	14.7	7.5	13.7	28.5	56.1	30.8	14.3	21.0	12.2	12.0	5.3	9.9	12.2	5.9	9.7
Reliance Comm. (RELCOM)	177	165	Reduce	36,564	29.3	19.8	16.2	6.0	9.0	10.9	7.0	7.9	7.0	6.1	4.9	5.0	14.3	8.8	6.7
Tanla Solutions (TANSOL)	46	52	Buy	479	19.4	4.8	7.4	2.4	9.7	6.2	1.1	2.1	2.4	24.4	5.6	8.3	21.9	5.3	7.8
TTML (HUGTEL)	24	20	Sell	4,648	-0.9	-1.9	-2.3	NA	NA	NA	15.7	15.2	14.5	0.4	-0.1	0.0	-6.9	-14.9	-17.9
Tulip Telecom (TULITS)	858	1,070	Strong Buy	2,489	64.6	76.2	80.6	13.3	11.3	10.6	12.1	10.3	6.6	31.9	24.7	24.2	42.1	36.7	28.3
Textiles																			
Bombay Rayon (BOMRAY)	217	223	Add	2,432	21.5	16.4	20.9	10.1	13.3	10.4	12.8	11.1	9.3	9.3	8.2	9.7	12.5	9.8	11.2
Kewal Kiran (KEWKIR)	247	260	Add	310	11.6	23.8	26.2	21.3	10.4	9.4	13.3	6.6	5.8	11.6	20.7	20.9	9.4	17.2	16.2
Others																			
Bartronics (BARLTD)	155	171	Buy	524	7.1	51.6	68.2	21.7	3.0	2.3	11.8	2.9	2.1	4.9	16.2	18.5	6.6	22.3	22.8
Everest Kanto (EVEKAN)	125	110	Sell	1,264	13.6	3.7	9.1	9.2	33.4	13.7	7.2	14.9	8.1	20.6	9.7	16.6	23.3	5.7	12.3
InfoEdge (INFEDG)	877	795	Reduce	2,395	20.9	21.3	25.2	42.0	41.2	34.9	31.0	32.2	25.8	26.3	23.3	22.8	17.5	15.5	15.9
Murudeshwar Ceramics (MURCER)	37	37	Add	64	0.1	-11.4	1.5	364.0	NA	24.9	4.2	8.8	3.9	5.7	-1.0	5.0	0.1	-7.8	1.0
Nitco Limited (NITTIL)	57	40	Sell	183	7.8	-2.9	4.8	7.3	NA	11.9	2.2	10.0	2.0	4.8	-1.8	2.9	2.0	-3.5	1.6
Nitin Fire (NITFIR)	371	406	Add	467	27.3	26.3	33.9	13.6	14.1	11.0	9.8	9.4	8.8	20.8	18.4	17.3	21.3	19.3	19.7
Opto Circuits India (OPTCIR)	220	227	Add	4,027	14.9	15.1	21.6	14.8	14.5	10.2	25.7	23.4	19.2	31.5	18.0	18.4	35.4	20.3	19.5
Praj Industries (PRAIN)	89	98	Buy	1,642	7.1	7.2	8.2	12.6	12.3	10.8	8.4	8.3	6.4	39.0	33.0	32.8	32.7	27.5	26.4

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Exhibit 62: Valuation Matrix continued...

	CMP (Rs)	TP(Rs)	Ratings	M Cap (Rs Cr)	EPS(Rs) FY09	EPS(Rs) FY10E	EPS(Rs) FY11E	P/E (x) FY09	P/E (x) FY10E	P/E (x) FY11E	PABV (x) FY09	PABV (x) FY10E	PABV (x) FY11E	RoNA (%) FY09	RoNA (%) FY10E	RoNA (%) FY11E	RoE (%) FY09	RoE (%) FY10E	RoE (%) FY11E
PSU Banks																			
Bank of Baroda (BANBAR)	675	645	Reduce	24,583	61.1	77.2	93.7	11.0	8.7	7.2	1.9	1.6	1.3	1.1	1.2	1.2	18.7	19.9	20.1
Bank of India (BANIND)	361	363	Add	18,946	57.2	37.0	49.3	6.3	9.7	7.3	1.6	1.4	1.3	1.5	0.8	0.9	25.0	13.7	16.7
Dena Bank (DENBAN)	84	86	Add	2,396	14.7	17.2	14.9	5.7	4.9	5.6	1.1	0.9	0.9	1.0	1.0	0.9	21.3	21.0	18.6
IDBI Bank (IDBI)	124	141	Buy	8,995	7.8	14.0	17.2	16.0	8.9	7.2	1.3	1.2	1.1	0.6	0.5	0.6	12.1	12.9	15.1
Indian Overseas Bank (INDOVE)	100	90	Sell	5,459	24.3	14.8	16.5	4.1	6.8	6.1	0.8	0.8	0.7	1.2	0.6	0.6	22.1	11.4	12.0
Oriental Bank of Commerce (ORIBAN)	331	345	Add	8,288	36.2	44.0	52.0	9.2	7.5	6.4	1.1	1.0	0.9	0.9	0.9	0.9	13.8	14.1	14.7
Punjab National Bank (PUNBAN)	1,036	855	Sell	32,708	98.0	103.4	131.3	10.6	10.0	7.9	2.2	1.9	1.7	1.4	1.2	1.3	22.9	20.4	22.8
State Bank of India (STABAN)	2,124	2,216	Add	134,852	143.7	154.1	172.5	14.8	13.8	12.3	2.3	2.1	1.8	1.1	0.9	0.9	17.1	15.9	15.7
Union Bank (UNIBAN)	303	290	Reduce	15,305	34.2	37.3	45.7	8.9	8.1	6.6	1.7	1.5	1.2	1.2	1.1	1.1	21.4	19.7	20.4
Private Banks																			
Axis Bank (UTIBAN)	1,175	1,188	Add	47,460	50.6	53.0	62.9	23.2	22.2	18.7	4.1	2.9	2.6	1.4	1.3	1.2	19.1	16.2	14.7
HDFC Bank (HDFBAN)	1,933	1,880	Reduce	88,434	52.8	69.5	92.9	36.6	27.8	20.8	5.6	4.1	3.7	1.4	1.6	1.8	17.2	17.4	18.7
Kotak Bank (KOTMAH)	782	734	Reduce	27,219	8.0	12.9	15.5	98.0	60.7	50.4	7.1	6.4	6.3	1.0	1.5	1.6	7.5	11.1	12.6
South Indian Bank (SOUINO)	176	200	Buy	1,982	17.2	21.9	28.5	45.4	35.7	27.4	6.9	6.0	5.1	1.0	1.1	1.2	16.0	18.0	20.2
Yes Bank (YESBAN)	262	286	Add	8,942	10.3	13.2	17.8	25.6	19.8	14.7	4.8	2.9	2.4	1.6	1.6	1.6	20.7	18.9	17.8
NBFCs																			
IDFC (IDFC)	167	180	Add	21,733	6.5	7.9	9.2	25.5	21.0	18.1	3.5	3.1	2.8	2.8	3.1	3.1	14.3	15.5	16.0
LIC HF (LICHF)	896	805	Sell	8,503	62.6	59.7	77.2	14.3	15.0	11.6	3.2	2.7	2.3	2.0	1.7	1.8	25.3	20.7	21.3
Reliance Capital Ltd (RELCAP)	791	800	Add	19,376	41.2	42.0	45.4	19.2	18.8	17.4	2.6	2.3	2.1	5.9	5.2	5.0	14.4	13.0	12.6

Source: Company, ICICIdirect.com Research

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