

Q2FY12 Results Review: Negatives > Positives



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Surprises

Positive	Negative	Negative
Century Plyboards	Aurobindo Pharma	Sterlite Industries
Coromandel International Corporation Bank	Ballarpur Inds	Tamilnadu Newsprint
Grasim Industries	Blue Star	Tata Steel
HBL Power Systems	BPCL	TRF
HEG	EMCO	TRIL
ICRA	Essel Propack	Union Bank of India
IL&FS Transportation	Glenmark Pharma	Voltas
India Cements	HPCL	
Ipca Lab	Indian Oil	
IRB Infrastructure	Jaiprakash Associates	
IVRCL	JK Paper	
Jubilant Life Sciences	JSW Energy	
Madras Cements	JSW Steel	
Mindtree	KSK Energy	
NIIT Tech	Lanco Infratech	
Punj Lloyd	Nava Bharat Ventures	
Reliance Communications	Panacea Biotec	
Reliance Power	Ranbaxy Labs	
	Sesa Goa	

Negatives > Positives

- 'Funnel Impact' continues for Emkay Universe as indicated in earlier communication. Foreign exchange impact took center stage, swinging earnings in the quarter. On aggregate basis, Q2FY12 performance was below expectations - disappointment does not abate.
- Nothing to cheer about; Price-led benefits drives 19.8% yoy growth in revenues for Emkay universe. But, 'Funnel Impact' and foreign exchange impact resulted in APAT decline of 0.7% yoy. The Ebidta margins decline 134 bps yoy and Ebit margin decline 142 bps yoy. Consequently, Ebidta grows 11.6% yoy, despite robust revenue growth.
- Even, Nifty 50 and BSE 500 APAT growths have moderated to 5.3% yoy and 6.2% yoy respectively.
- Expectations missed; Emkay universe disappoints 2% on revenues, 16% on Ebidta and 35% on APAT. Also, reports 250 bps lower Ebidta margin versus expectations.
- Expectations missed; Emkay universe (excluding Banks, Financial Services, and Oil & Gas) disappoints 1% on Ebidta and 4% on APAT. Also, reports 83 bps lower Ebidta margin versus expectations.
- Disappointments were reported by Capital Goods, Paper, Metals, Oil & Gas and Power.
- Negative Surprise –BPCL, HPCL, IOC, JSW Energy, JSW Steel, Lanco Infratech, Ranbaxy Lab, Sesa Goa, Sterlite Industries, Tata Steel, Voltas
- Positive Surprise – Corporation Bank, Grasim Industries, Hindustan Unilever, India Cements, IRB Infra, Reliance Power
- Revision in earnings, Downgrades higher than Upgrades; In Q2FY12, revised earnings of 86 companies, of which Downward revision for 53 companies and Upward revision for 33 companies.

... Negatives > Positives

- **Highest Earnings Upgrades (FY12E) – Bajaj Auto, Hindustan Unilever, Honda Motocorp, India Cements, Reliance Power, Tata Chemicals, TVS Motor**
- **Highest Earnings Downgrades (FY12E) – Adani Power, Bank Of India, Bharti Airtel, Canara Bank, Cummins, GSK Pharma, Maruti Suzuki, Sesa Goa, Sterlite Industries, Voltas**
- **Concerns didn't subside; Ratings downgrades outpace Ratings upgrades. 30 companies undergo rating changes, 18 downgrades and 12 upgrades.**
- **Management commentary highlights risks and challenging business conditions (1) rising inflation and impact on spending (2) higher interest rates and rising cost of capital (3) uncertainty in global markets and (4) weak political scenario, hurting clearance of infrastructure projects and corporate expansion projects**
- **Downward revision in consensus earnings continues. Sensex EPS for FY12E is revised downwards to Rs1160 against Rs1203 in August 2011. Sensex EPS for FY13E is revised downwards to Rs1326 against Rs1407 in August 2011**
- **On portfolio basis**
 - **Top Buys – ACC, Bharti Airtel, Divi's Lab, Glenmark, Hind Zinc, Infosys, IPCA, Jubilant Life, LIC Housing, Marico, Nestle, NHPC, Reliance Power, Tata Chemicals, Tata Motors, United Phosphorous,**
 - **Top Sells – Adani Power, Asian Paints, Ambuja, BHEL, Bhushan Steel, BOI, BPCL, Cadilla, HPCL, PTC, SBI**

Emkay v/s Other Indices Quarterly Analysis

Parameters ---->	Net Sales Growth	EBITDA Growth	EBITDA Margin Growth	EBIT Margin Growth	Adjusted PBT Growth	Adjusted PAT Growth	Interest Cost Growth	Tax Growth
Sensex	23.9%	15.7%	-123 bps	-90 bps	9.5%	5.1%	45.2%	45.2%
NIFTY	22.9%	18.0%	-76 bps	-34 bps	10.2%	5.3%	49.6%	49.6%
BSE 500	20.4%	13.1%	-106 bps	-86 bps	8.2%	6.2%	52.5%	52.5%
BSE 200	21.5%	17.2%	-64 bps	-43 bps	14.3%	12.3%	55.2%	55.2%
BSE100	23.6%	17.4%	-95 bps	-61 bps	14.6%	12.0%	49.5%	49.5%
NSE Midcap	17.3%	13.7%	-44 bps	-33 bps	0.9%	3.3%	60.1%	60.1%
BSE 500 ex-Nifty	18.1%	7.5%	-142 bps	-143 bps	5.5%	7.5%	54.7%	54.7%
BSE 200 ex-Nifty	19.0%	15.6%	-47 bps	-62 bps	23.7%	29.2%	65.2%	65.2%
BSE 100 ex-Nifty	26.3%	15.3%	-159 bps	-156 bps	32.4%	41.0%	49.0%	49.0%
Emkay Universe	19.8%	11.6%	-134 bps	-142 bps	3.8%	-0.7%	51.9%	9.6%
Emkay Large Cap	20.0%	11.4%	-144 bps	-151 bps	5.9%	-0.6%	44.4%	13.8%
Emkay Mid Cap	19.7%	13.1%	-99 bps	-107 bps	-7.4%	-0.3%	74.1%	-9.7%
Emkay Small Cap	15.8%	10.9%	-58 bps	-79 bps	-23.2%	-12.1%	58.7%	-37.6%
Emkay Universe ex Top 3 Cos #	20.0%	12.6%	-114 bps	-119 bps	1.4%	-5.5%	56.7%	14.5%
Emkay Universe ex Top 5 Cos #	19.7%	11.5%	-127 bps	-131 bps	-0.4%	-7.8%	55.8%	14.1%
Emkay Universe ex Top 3 and Bottom 3 Cos	20.8%	15.6%	-79 bps	-86 bps	7.4%	4.5%	52.7%	18.2%
Emkay Universe ex Top 5 and Bottom 5 Cos	22.4%	17.2%	-78 bps	-79 bps	9.6%	6.4%	50.9%	22.0%

*All numbers are Ex- oil & gas and banking

Top companies based on Contribution to incremental PAT

Top 5 companies based on Contribution to PAT Growth are NTPC, Hindustan Zinc, TCS, BHEL and Jaiprakash Power Ventures

Bottom 5 companies based on Contribution to PAT Growth are Tata Steel, Bharti Airtel, JSW Steel, Sesa Goa and Maruti Suzuki

Actual vs Estimated Results

Company Name	Sector	Sales (Rs mn)			EBITDA (Rs mn)			APAT (Rs mn)			EBITDA Margin (%)		
		Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	bps chg
Chambal Fertilisers	Agri Input & Chemicals	16423	13711	20%	2045	2011	2%	841	884	-5%	12%	15%	-222
Coromandel International	Agri Input & Chemicals	27241	24795	10%	3764	2975	27%	2600	1960	33%	14%	12%	182
Deepak Fertilisers	Agri Input & Chemicals	5772	4566	26%	1059	1091	-3%	619	576	8%	18%	24%	-555
GNFC	Agri Input & Chemicals	10206	8135	25%	1479	1429	4%	808	720	12%	14%	18%	-307
GSFC	Agri Input & Chemicals	12641	14410	-12%	3031	2870	6%	2128	1782	19%	24%	20%	406
Rallis India	Agri Input & Chemicals	4395	4710	-7%	975	1130	-14%	585	719	-19%	22%	24%	-182
Tata Chemicals	Agri Input & Chemicals	35710	38152	-6%	6740	6122	10%	2932	2308	27%	19%	16%	283
United Phosphorus	Agri Input & Chemicals	17757	15742	13%	3255	2991	9%	1592	1433	11%	18%	19%	-67
Apollo Tyres	Auto Ancillaries	28712	28083	2%	2305	2782	-17%	781	1033	-24%	8%	10%	-188
Motherson Sumi	Auto Ancillaries	23387	22770	3%	2036	1981	3%	986	806	22%	9%	9%	1
Ashok Leyland	Automobiles	30946	30641	1%	3312	2996	11%	1541	1290	19%	11%	10%	92
Bajaj Auto	Automobiles	52673	51369	3%	10574	9957	6%	8175	7664	7%	20%	19%	69
Eicher Motors	Automobiles	14513	14780	-2%	1511	1454	4%	737	720	2%	10%	10%	57
Hero Motocorp	Automobiles	58293	57836	1%	7146	6827	5%	6036	5691	6%	12%	12%	46
Mah & Mah	Automobiles	73606	74196	-1%	9060	9787	-7%	7615	8042	-5%	12%	13%	-88
Maruti Suzuki India	Automobiles	78316	74118	6%	5212	5787	-10%	2598	3399	-24%	7%	8%	-115
Tata Motors	Automobiles	361975	347414	4%	45039	42348	6%	22459	21341	5%	12%	12%	25
TVS Motor	Automobiles	19918	19597	2%	1383	1393	-1%	765	746	3%	7%	7%	-16
Allahabad Bank	Banks & Financial Services	13182	11639	13%	9493	8783	8%	4880	3983	23%	72%	75%	-345
Andhra Bank	Banks & Financial Services	9512	9037	5%	6869	6966	-1%	3162	3267	-3%	72%	77%	-488
Axis Bank	Banks & Financial Services	20073	17275	16%	17756	15555	14%	9203	8551	8%	88%	90%	-158
Bank of Baroda	Banks & Financial Services	25669	23475	9%	21400	19169	12%	11753	10633	11%	83%	82%	171
Bank of India	Banks & Financial Services	19039	18944	1%	15515	14440	7%	4911	5759	-15%	81%	76%	527

Actual vs Estimated Results (Contd...)

Company Name	Sector	Sales (Rs mn)			EBITDA (Rs mn)			APAT (Rs mn)			EBITDA Margin (%)		
		Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	bps chg
Canara Bank	Banks & Financial Services	19617	18273	7%	16053	13704	17%	8522	6623	29%	82%	75%	684
Corporation Bank	Banks & Financial Services	7436	6859	8%	7001	5617	25%	4011	2721	47%	94%	82%	1227
HDFC Bank	Banks & Financial Services	29445	29995	-2%	21258	23221	-8%	11994	12055	-1%	72%	77%	-522
ICICI Bank	Banks & Financial Services	25064	23949	5%	23538	23034	2%	15032	11779	28%	94%	96%	-227
LIC Housing Finance	Banks & Financial Services	3341	3609	-7%	3354	3700	-9%	2370	2409	-2%	100%	103%	-214
Mah & Mah Fin. Services	Banks & Financial Services	3902	3608	8%	2539	2360	8%	1355	1129	20%	65%	65%	-31
Manappuram General Fin	Banks & Financial Services	3713	3813	-3%	2034	2171	-6%	1353	1489	-9%	55%	57%	-217
Punjab National Bank	Banks & Financial Services	34526	31199	11%	25278	22692	11%	12050	11406	6%	73%	73%	48
South Indian bank	Banks & Financial Services	2588	2139	21%	1664	1504	11%	950	899	6%	64%	70%	-603
State Bank of India	Banks & Financial Services	104219	98531	6%	74743	72837	3%	28104	23621	19%	72%	74%	-221
Union Bank of India	Banks & Financial Services	16612	15829	5%	12050	11734	3%	3525	5086	-31%	73%	74%	-159
United Bank Of India	Banks & Financial Services	6235	5745	9%	4504	4154	8%	1248	1280	-3%	72%	72%	-7
Yes Bank	Banks & Financial Services	3856	3649	6%	3859	3217	20%	2350	2064	14%	100%	88%	1193
ACC	Cement	21500	21289	1%	2204	2700	-18%	1228	1551	-21%	10%	13%	-243
Ambuja Cements	Cement	18051	18179	-1%	3115	2893	8%	1921	1654	16%	17%	16%	134
India Cements	Cement	10891	10150	7%	2520	1762	43%	767	404	90%	23%	17%	578
Madras Cements	Cement	8190	7621	7%	2660	2122	25%	1120	732	53%	32%	28%	464
Orient Paper	Cement	5066	5144	-2%	556	654	-15%	241	269	-11%	11%	13%	-173
Shree Cements	Cement	8546	7624	12%	2014	1488	35%	232	-874	n.a	24%	20%	405
Ultratech Cement	Cement	39098	37343	5%	5816	5976	-3%	2789	2509	11%	15%	16%	-113
GMR Infrastructure	Construction	18122	17505	4%	5014	4681	7%	-625	-483	n.a	28%	27%	92
IL&FS Transportation	Construction	6483	5916	10%	1332	1004	33%	609	412	48%	21%	17%	358
IRB Infrastructure	Construction	7359	6237	18%	3215	2776	16%	1101	843	31%	44%	45%	-83

Actual vs Estimated Results (Contd...)

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		Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	bps chg
IVRCL	Construction	10460	10936	-4%	937	809	16%	81	27	202%	9%	7%	156
Jaiprakash Associates	Construction	28974	32881	-12%	5132	6121	-16%	97	727	-87%	18%	19%	-90
Asian Paints	Consumers	22508	22937	-2%	3229	3770	-14%	2087	2381	-12%	14%	16%	-209
Berger Paints	Consumers	7206	7446	-3%	773	776	0%	493	509	-3%	11%	10%	31
Colgate-Palmolive	Consumers	6572	6345	4%	1207	1333	-9%	1097	1107	-1%	18%	21%	-263
GSK Consumer	Consumers	7201	7290	-1%	1180	1203	-2%	1030	953	8%	16%	17%	-11
Godrej Consumer Products	Consumers	11919	12055	-1%	2147	2076	3%	1310	1482	-12%	18%	17%	79
Hindustan Unilever	Consumers	56105	53906	4%	8267	7356	12%	6445	5775	12%	15%	14%	109
Jubilant FoodWorks	Consumers	2404	2347	2%	436	441	-1%	246	250	-2%	18%	19%	-65
Marico	Consumers	9745	9809	-1%	1167	1128	3%	783	750	4%	12%	12%	47
Nestle	Consumers	19631	19876	-1%	4103	4013	2%	2685	2607	3%	21%	20%	71
Titan Industries	Consumers	20965	20766	1%	2004	1859	8%	1482	1434	3%	10%	9%	61
Bharat Bijlee	Engineering & Capital Goods	1828	1649	11%	99	116	-14%	60	55	9%	5%	7%	-159
BHEL	Engineering & Capital Goods	105455	101019	4%	19592	19384	1%	14120	13159	7%	19%	19%	-61
Blue Star	Engineering & Capital Goods	6047	6119	-1%	136	390	-65%	-208	163	-228%	2%	6%	-412
Cummins India	Engineering & Capital Goods	10903	12340	-12%	1759	2336	-25%	1286	1693	-24%	16%	19%	-279
Elecon Engineering	Engineering & Capital Goods	3368	3086	9%	496	462	7%	155	161	-4%	15%	15%	-27
EMCO	Engineering & Capital Goods	1979	2871	-31%	198	201	-1%	18	33	-46%	10%	7%	301
Greaves Cotton	Engineering & Capital Goods	4396	4211	4%	631	662	-5%	386	382	1%	14%	16%	-137
Indo Tech	Engineering & Capital Goods	333	238	40%	-121	-45	n.a	-138	-50	n.a	-36%	-19%	-1704
Lakshmi Machine Works	Engineering & Capital Goods	5814	5247	11%	889	732	21%	492	429	15%	15%	14%	134
Larsen & Toubro	Engineering & Capital Goods	112452	108517	4%	11741	11476	2%	7984	6958	15%	10%	11%	-14
Mcnally Bharat Eng.	Engineering & Capital Goods	4986	4037	23%	307	247	24%	107	91	18%	6%	6%	5

Actual vs Estimated Results (Contd...)

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		Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	bps chg
Punj Lloyd	Engineering & Capital Goods	23917	21542	11%	2015	1726	17%	247	38	554%	8%	8%	41
Thermax	Engineering & Capital Goods	13035	12564	4%	1405	1532	-8%	1017	1001	2%	11%	12%	-141
TRF	Engineering & Capital Goods	2657	2904	-9%	232	164	41%	26	67	-61%	9%	6%	307
TRIL	Engineering & Capital Goods	1401	1349	4%	55	163	-66%	21	99	-79%	4%	12%	-815
Voltamp Transformers	Engineering & Capital Goods	1355	1410	-4%	125	149	-16%	94	111	-15%	9%	11%	-133
Voltas	Engineering & Capital Goods	11216	10054	12%	271	818	-67%	169	558	-70%	2%	8%	-573
CRISIL	Financial Services - Others	2095	2073	1%	734	641	14%	525	453	16%	35%	31%	409
ICRA	Financial Services - Others	519	440	18%	194	133	46%	140	105	34%	37%	30%	715
eClerx Services	IT Services	1137	1095	4%	443	439	1%	443	378	17%	39%	40%	-113
HCL Tech	IT Services	46513	49665	-6%	7763	8815	-12%	4799	5679	-15%	17%	18%	-106
Hexaware Technologies	IT Services	3660	3596	2%	686	556	23%	646	512	26%	19%	15%	329
Infinite Computer	IT Services	2571	2760	-7%	434	491	-12%	307	297	3%	17%	18%	-93
Infosys	IT Services	80990	80350	1%	25160	24490	3%	19060	19447	-2%	31%	30%	59
Mahindra Satyam	IT Services	15777	15465	2%	2417	2381	2%	2382	1961	22%	15%	15%	-8
Mindtree	IT Services	4567	4412	4%	588	536	10%	545	301	81%	13%	12%	73
NIIT Tech	IT Services	3710	3534	5%	668	605	10%	457	343	33%	18%	17%	87
Patni Computer	IT Services	9453	9347	1%	1661	1378	21%	842	793	6%	18%	15%	283
Persistent Systems	IT Services	2382	2373	0%	454	416	9%	324	270	20%	19%	18%	150
TCS	IT Services	116335	116891	0%	33829	34412	-2%	24390	24664	-1%	29%	29%	-36
Tech Mahindra	IT Services	13333	13612	-2%	2042	2297	-11%	2392	2582	-7%	15%	17%	-156
Wipro	IT Services	90945	90171	1%	14878	14748	1%	13009	13160	-1%	16%	16%	0
Bhushan Steel	Metals & Mining	24654	22383	10%	7211	6187	17%	2069	1812	14%	29%	28%	160
Godawari Power	Metals & Mining	4287	4137	4%	526	573	-8%	106	106	1%	12%	14%	-158

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		Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	bps chg
HEG	Metals & Mining	3192	2837	13%	442	426	4%	251	183	37%	14%	15%	-117
Hindustan Zinc	Metals & Mining	26368	29842	-12%	14648	16289	-10%	13686	14848	-8%	56%	55%	97
JSW Steel	Metals & Mining	81443	57193	42%	13938	9289	50%	-1553	1641	-195%	17%	16%	87
Sesa Goa	Metals & Mining	7897	7973	-1%	259	3260	-92%	13	2042	-99%	3%	41%	-3761
Sterlite Industries	Metals & Mining	101957	100787	1%	24820	28412	-13%	10277	16027	-36%	24%	28%	-385
Tata Steel	Metals & Mining	327979	286262	15%	27500	27258	1%	2124	8115	-74%	8%	10%	-114
Aban Offshore	Others	7627	8014	-5%	4588	4833	-5%	793	872	-9%	60%	60%	-14
BPCL	Oil & Gas	423019	478956	-12%	-26948	9791	-375%	-32293	4614	-800%	-6%	2%	-841
GAIL	Oil & Gas	94792	94792	0%	16580	16580	0%	10700	10700	0%	17%	17%	0
Gujarat Gas	Oil & Gas	6528	6114	7%	1178	1276	-8%	802	823	-3%	18%	21%	-282
Gujarat State Petronet	Oil & Gas	2809	2809	0%	2629	2629	0%	1362	1362	0%	94%	94%	0
HPCL	Oil & Gas	371042	427914	-13%	-28697	9633	-398%	-33645	4026	-936%	-8%	2%	-999
Indian Oil	Oil & Gas	891851	1036540	-14%	-53222	38273	-239%	-74856	13810	-642%	-6%	4%	-966
Indraprastha Gas	Oil & Gas	5729	5729	0%	1732	1732	0%	869	869	0%	30%	30%	0
Petronet LNG	Oil & Gas	46568	46568	0%	4326	4326	0%	2380	2380	0%	9%	9%	0
Arshiya International	Others	2480	2325	7%	636	559	14%	319	250	27%	26%	24%	158
Century Plyboards	Others	3913	4072	-4%	595	460	29%	408	244	67%	15%	11%	391
Dish TV	Others	4823	4938	-2%	1218	1206	1%	-486	-164	n.a	25%	24%	84
Essel Propack	Others	3963	4084	-3%	631	745	-15%	91	190	-52%	16%	18%	-232
Grasim Industries	Others	12035	10544	14%	2905	2591	12%	3448	2352	47%	24%	25%	-43
Havells India	Others	8504	7872	8%	1146	846	35%	702	585	20%	13%	11%	273
HBL Power Systems	Others	3111	2323	34%	411	192	115%	116	17	579%	13%	8%	497
Kajaria Ceramics	Others	3179	3000	6%	484	465	4%	193	190	2%	15%	16%	-28

Actual vs Estimated Results (Contd...)

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		Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	bps chg
Piramal Glass	Others	3229	3525	-8%	729	804	-9%	230	282	-19%	23%	23%	-23
Sintex Industries	Others	11570	11803	-2%	2043	2079	-2%	984	1083	-9%	18%	18%	4
Sterlite Tech	Others	7073	6004	18%	504	537	-6%	127	140	-9%	7%	9%	-183
Ballarpur Inds	Paper	11114	11350	-2%	2047	2315	-12%	254	512	-50%	18%	20%	-198
JK Paper	Paper	3218	3295	-2%	331	619	-47%	84	271	-69%	10%	19%	-851
Tamilnadu Newsprint	Paper	3133	4037	-22%	880	1026	-14%	122	187	-35%	28%	25%	266
Aurobindo Pharma	Pharmaceuticals	10753	10788	0%	1146	1620	-29%	291	709	-59%	11%	15%	-436
Cadila Healthcare	Pharmaceuticals	12364	13002	-5%	2691	2669	1%	1767	1753	1%	22%	21%	124
Cipla	Pharmaceuticals	17780	17385	2%	4376	3882	13%	2950	2675	10%	25%	22%	228
Dishman Pharma	Pharmaceuticals	2692	2372	13%	283	463	-39%	125	96	29%	11%	20%	-899
Divi's Lab	Pharmaceuticals	3661	3739	-2%	1382	1370	1%	1061	1039	2%	38%	37%	112
Dr. Reddy's Lab	Pharmaceuticals	22679	21586	5%	4799	4367	10%	2973	2946	1%	21%	20%	93
Glaxosmithkline Pharma	Pharmaceuticals	6146	6767	-9%	1830	2369	-23%	1460	1780	-18%	30%	35%	-522
Glenmark Pharma	Pharmaceuticals	10554	9232	14%	2254	3182	-29%	1253	1890	-34%	21%	34%	-1312
Ipca Lab	Pharmaceuticals	6180	5689	9%	1526	1168	31%	1051	802	31%	25%	21%	415
Jubilant Life Sciences	Pharmaceuticals	10501	9763	8%	2381	1868	27%	1179	792	49%	23%	19%	354
Lupin	Pharmaceuticals	16745	16255	3%	3061	3186	-4%	2083	2296	-9%	18%	20%	-132
Panacea Biotech	Pharmaceuticals	2288	2299	0%	20	454	-96%	-264	107	-346%	1%	20%	-1886
Ranbaxy Labs	Pharmaceuticals	20955	22066	-5%	1741	3071	-43%	1488	2341	-36%	8%	14%	-561
Sun Pharma	Pharmaceuticals	18946	17743	7%	7840	6210	26%	5257	5507	-5%	41%	35%	638
Torrent Pharma	Pharmaceuticals	6578	5805	13%	1151	958	20%	793	758	5%	17%	17%	100
Unichem Labs	Pharmaceuticals	1988	1959	1%	305	308	-1%	191	175	9%	15%	16%	-38
Adani Power	Power	10320	9588	8%	5430	5671	-4%	2070	2673	-23%	53%	59%	-653

Actual vs Estimated Results (Contd...)

Company Name	Sector	Sales (Rs mn)			EBITDA (Rs mn)			APAT (Rs mn)			EBITDA Margin (%)		
		Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	% chg	Actual	Expected	bps chg
Gujarat Industries Power	Power	2999	2997	0%	913	998	-9%	277	231	20%	30%	33%	-286
Jaiprakash Power Ventures	Power	6497	6172	5%	6082	5328	14%	2806	2166	30%	94%	86%	729
JSW Energy	Power	10869	11501	-5%	794	3815	-79%	-300	1174	-126%	7%	33%	-2586
KSK Energy	Power	4343	5442	-20%	1306	2593	-50%	-178	741	-124%	30%	48%	-1758
Lanco Infratech	Power	18966	21635	-12%	4509	5061	-11%	-205	883	-123%	24%	23%	38
Nava Bharat Ventures	Power	2597	2623	-1%	452	673	-33%	362	550	-34%	17%	26%	-826
NTPC	Power	153775	136311	13%	32387	32907	-2%	25428	20128	26%	21%	24%	-308
Reliance Power	Power	4875	4642	5%	1199	1268	-5%	2353	1087	117%	25%	27%	-273
DB Corp	Print Media	3539	3454	2%	771	847	-9%	403	493	-18%	22%	25%	-271
HT Media	Print Media	4931	4655	6%	713	747	-5%	438	380	15%	14%	16%	-159
Jagran Prakashan	Print Media	3054	3063	0%	790	790	0%	458	455	1%	26%	26%	11
DLF	Real Estate	25324	24962	1%	11730	11051	6%	3691	3586	3%	46%	44%	205
Oberoi Realty	Real Estate	2226	1628	37%	1155	936	23%	1114	940	18%	52%	58%	-560
Phoenix Mills	Real Estate	497	522	-5%	347	367	-5%	-390	-297	n.a	70%	70%	-53
Bharti Airtel	Telecommunications	172766	173707	-1%	58153	58015	0%	10272	12889	-20%	34%	33%	26
Idea Cellular	Telecommunications	46199	46203	0%	11866	11972	-1%	1058	1346	-21%	26%	26%	-23
Reliance Communications	Telecommunications	50402	50802	-1%	16052	16690	-4%	2522	1426	77%	32%	33%	-100
Tulip Telecom	Telecommunications	7029	7139	-2%	2032	1997	2%	871	865	1%	29%	28%	93
Emkay Universe		5483740	5592658	-2%	789175	944661	-16%	300274	464532	-35%	14%	17%	-250
Emkay		3290758	3163154	4%	601762	604790	-1%	297516	310636	-4%	18%	19%	-83

*Excluding Banks & FS, FS - Others and Oil & Gas

Emkay Universe Sector Analysis

Sectors	Net Sales (Rs mn)			Growth (%)		Ebitda (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)	
	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ
Agri Input & Chemicals	130144	103702	112539	16%	25%	22349	17943	18982	18%	25%	12106	8901	10606	14%	36%	6.3	4.6	5.6	14%	38%
Auto Ancillaries	52099	51226	39065	33%	2%	4341	4276	3772	15%	2%	1767	1316	1228	44%	34%	2.0	1.5	1.4	44%	34%
Automobiles	690240	648359	576136	20%	6%	83236	79776	78425	6%	4%	49927	48055	48857	2%	4%	6.4	6.1	6.2	2%	4%
Banks & Financial Services	352773	327077	295161	20%	8%	272521	253477	232320	17%	8%	128684	109879	113782	13%	17%	13.4	11.4	13.0	3%	17%
Cement	111341	123306	89996	24%	-10%	18886	31771	11578	63%	-41%	8299	16851	3426	142%	-51%	3.0	6.1	1.2	142%	-51%
Construction	71399	74507	61285	17%	-4%	15629	17810	14793	6%	-12%	1262	2409	2447	-48%	-48%	0.2	0.4	0.4	-48%	-47%
Consumers	164254	158495	134070	23%	4%	24513	22666	20585	19%	8%	17658	16261	15252	16%	9%	4.1	3.7	3.5	16%	9%
Engineering & Capital Goods	311142	255223	261919	19%	22%	39829	30982	35696	12%	29%	25837	19619	22752	14%	32%	5.5	4.2	4.8	13%	32%
Financial Services - Others	2614	2419	2075	26%	8%	927	693	747	24%	34%	665	504	568	17%	32%	38.6	29.3	33.0	17%	32%
IT Services	391373	363559	327242	20%	8%	91022	83044	78131	16%	10%	69597	67455	60011	16%	3%	9.9	9.6	8.5	16%	3%
Metals & Mining	577777	582625	459885	26%	-1%	89344	121370	82688	8%	-26%	26973	61583	44367	-39%	-56%	4.5	10.2	7.5	-40%	-56%
Oil & Gas	1842338	2032629	1560350	18%	-9%	-82422	-40160	140368			-124681	-78068	107950			-20.9	-13.1	18.1		
Paper	17464	18601	16332	7%	-6%	3257	3971	3740	-13%	-18%	460	1392	1108	-59%	-67%	0.5	1.6	1.4	-61%	-67%
Pharmaceuticals	170810	157368	146400	17%	9%	36785	33985	32287	14%	8%	23657	23032	22839	4%	3%	5.3	5.2	5.1	4%	3%
Power	215241	199192	181417	19%	8%	53072	48161	51597	3%	10%	32613	27713	29548	10%	18%	1.6	1.4	1.5	10%	18%
Print Media	11524	11553	10234	13%	0%	2274	2727	2650	-14%	-17%	1299	1623	1583	-18%	-20%	1.8	2.2	2.2	-18%	-20%
Real Estate	28047	26538	25833	9%	6%	13232	12344	10882	22%	7%	4416	5107	5563	-21%	-14%	6.9	8.0	8.7	-21%	-14%
Telecommunications	276397	270975	245778	12%	2%	88103	86968	78228	13%	1%	14722	16281	23652	-38%	-10%	1.6	1.7	2.5	-38%	-10%
Others	71505	64663	58469	22%	11%	15891	15457	15006	6%	3%	6924	6596	6496	7%	5%	2.4	2.3	2.3	7%	5%
Emkay	5488484	5472015	4604188	19%	0%	792787	827262	912474	-13%	-4%	302185	356507	522032	-42%	-15%	3.1	3.7	5.5	-43%	-15%
Emkay*	3290758	3109890	2746601	20%	6%	601762	613251	539040	12%	-2%	297516	324192	299733	-1%	-8%	3.7	4.0	3.7	-1%	-8%
Large Cap*	2689465	2547428	2242117	20%	6%	503785	516175	452200	11%	-2%	257877	281080	259535	-1%	-8%	4.3	4.7	4.3	-1%	-8%
Mid Cap*	521617	486503	435699	20%	7%	87474	85135	77370	13%	3%	36418	38954	36535	0%	-7%	2.0	2.1	2.0	0%	-6%
Small Cap*	79677	75959	68785	16%	5%	10503	11941	9469	11%	-12%	3221	4158	3663	-12%	-23%	1.4	1.9	1.7	-14%	-22%

*Excluding Banks & FS, FS - Others and Oil & Gas

Q2FY12 Strong Results

Company Name	Sector	APAT (Rs mn)		APAT Gr (%)
		Sep-11	Sep-10	
Large Caps				
Adani Power	Power	2070	1258	64.5
Glenmark Pharma	Cement	1253	782	60.2
HCL Tech	IT Services	4799	3108	54.4
Jaiprakash Power Ventures	Power	2806	870	222.6
Petronet LNG	Oil & Gas	2380	1311	81.5
Ultratech Cement	Cement	2789	1158	140.9
Mid Caps				
eClerx Services	IT Services	443	276	60.3
Eicher Motors	Automobiles	737	387	90.7
Hexaware Technologies	IT Services	646	168	284.2
Ipca Lab	Pharmaceuticals	1051	652	61.3
Jubilant Life Sciences	Pharmaceuticals	1179	763	54.6
Madras Cements	Cement	1120	185	505.4
Mahindra Satyam	IT Services	2382	938	154.0
Manappuram General Finance	Banks & Financial Services	1353	602	124.8
Mindtree	IT Services	545	232	134.9
Shree Cements	Cement	232	106	120.1
Tech Mahindra	IT Services	2392	1506	58.8
Small Caps				
Arshiya International	Others	319	182	75.2
Gujarat Industries Power	Power	277	65	326.2
HBL Power Systems	Others	116	26	346.2
Orient Paper	Cement	241	5	4728.1

Q2FY12 Weak Results

Company Name	Sector	APAT (Rs mn)		APAT Gr (%)
		Sep-11	Sep-10	
Large Caps				
Bharti Airtel	Telecommunications	10272	16615	-38.2
Idea Cellular	Telecommunications	1058	1797	-41.2
Jaiprakash Associates	Construction	97	1155	-91.6
Maruti Suzuki India	Automobiles	2598	6032	-56.9
Reliance Communications	Telecommunications	2522	4459	-43.4
Sesa Goa	Metals & Mining	13	3849	-99.7
Tata Steel	Metals & Mining	2124	13834	-84.6
Mid Caps				
Aurobindo Pharma	Pharmaceuticals	291	972	-70.1
Ballarpur Inds	Paper	254	410	-38.0
DB Corp	Print Media	403	640	-37.1
Nava Bharat Ventures	Power	362	889	-59.3
Patni Computer	IT Services	842	1281	-34.2
Sterlite Tech	Others	127	576	-78.0
Voltas	Engineering & Capital Goods	169	746	-77.4
Small Cap				
Bharat Bijlee	Engineering & Capital Goods	60	151	-60.3
Essel Propack	Others	91	135	-32.0
IVRCL	Construction	81	233	-65.0
JK Paper	Paper	84	291	-71.1
Tamilnadu Newsprint	Paper	122	408	-70.1
TRF	Engineering & Capital Goods	26	80	-67.7
TRIL	Engineering & Capital Goods	21	102	-79.2
Unichem Labs	Pharmaceuticals	191	347	-44.9

Surprises

Positive	Negative	Negative
Century Plyboards	Aurobindo Pharma	Sterlite Industries
Coromandel International	Ballarpur Inds	Tamilnadu Newsprint
Corporation Bank	Blue Star	Tata Steel
Grasim Industries	BPCL	TRF
HBL Power Systems	EMCO	TRIL
HEG	Essel Propack	Union Bank of India
ICRA	Glenmark Pharma	Voltas
IL&FS Transportation	HPCL	
India Cements	Indian Oil	
Ipca Lab	Jaiprakash Associates	
IRB Infrastructure	JK Paper	
IVRCL	JSW Energy	
Jubilant Life Sciences	JSW Steel	
Madras Cements	KSK Energy	
Mindtree	Lanco Infratech	
NIIT Tech	Nava Bharat Ventures	
Punj Lloyd	Panacea Biotec	
Reliance Communications	Ranbaxy Labs	
Reliance Power	Sesa Goa	

Earnings Upgrade/Downgrade

Company Name	FY12E		
	Previous	Current	% chg
Aban Offshore	90.3	85.5	-5.3%
ACC	58.8	56.8	-3.3%
Adani Power	8.6	6.1	-29.0%
Apollo Tyres	7.7	8.2	5.8%
Ashok Leyland	2.3	2.4	3.6%
Asian Paints	103.2	101.4	-1.8%
Aurobindo Pharma	18.0	13.1	-27.0%
Bajaj Auto	99.1	112.4	13.5%
Ballarpur Inds	4.1	3.1	-23.6%
Bank of India	57.4	44.2	-23.0%
Bharti Airtel	17.7	15.3	-13.4%
Blue Star	11.0	9.2	-16.7%
Canara Bank	88.5	70.8	-20.0%
Century Plyboards	7.5	7.1	-5.4%
Chambal Fertilisers	8.7	9.0	2.9%
Colgate-Palmolive	32.6	31.4	-3.7%
Cummins India	21.2	19.6	-7.7%
DB Corp	13.7	12.0	-12.1%
Deepak Fertilisers	25.2	26.7	6.1%
eClerx Services	52.1	53.6	2.7%
Eicher Motors	103.7	111.6	7.6%
Essel Propack	4.2	3.4	-18.7%
GlaxoSmithkline Consumer	84.6	85.5	1.1%
Glaxosmithkline Pharma	77.5	68.4	-11.8%
Godawari Power	35.3	26.5	-25.0%
Godrej Consumer Products	19.3	17.8	-8.0%
Grasim Industries	241.0	243.4	1.0%
Greaves Cotton	7.0	6.9	-1.8%
Gujarat Gas	3.5	3.4	-2.6%

Company Name	FY12E		
	Previous	Current	% chg
Havells India	27.7	27.4	-1.1%
HCL Tech	31.2	32.5	4.1%
Hexaware Technologies	7.5	8.3	11.2%
Hindustan Unilever	11.1	11.8	5.9%
Hindustan Zinc	13.3	13.2	-0.7%
Honda MotoCorp	116.7	122.9	5.3%
HT Media	9.2	8.6	-7.0%
IL&FS Transportation	22.3	19.9	-11.0%
India Cements	5.0	6.8	37.0%
Infinite Computer	28.3	25.9	-8.5%
Infosys	134.5	141.9	5.5%
IRB Infrastructure	14.4	14.7	2.0%
Jagran Prakashan	7.1	6.9	-3.2%
Jaiprakash Associates	3.2	2.7	-14.6%
JK Paper	2.9	3.7	28.8%
JSW Energy	6.5	2.6	-60.0%
Jubilant Foodworks	19.8	15.9	-19.7%
KSK Energy	11.5	3.0	-74.0%
Lakshmi Machine Works	173.2	169.5	-2.2%
Lanco Infratech	2.0	0.6	-70.0%
Madras Cements	9.8	11.1	12.7%
Mah & Mah	46.9	45.1	-3.9%
Mahindra Satyam	6.4	7.4	14.8%
Manappuram General Finance	5.9	6.1	3.5%
Marico	6.3	5.4	-14.0%
Maruti Suzuki India	79.5	63.9	-19.6%
Mindtree	37.6	41.1	9.2%
Motherson Sumi	11.7	10.5	-10.5%
Nava Bharat Ventures	46.5	23.7	-49.0%

Company Name	FY12E		
	Previous	Current	% chg
NIIT Tech	29.6	31.5	6.4%
Patni Computer	25.0	27.5	9.9%
Persistent Systems	31.7	31.8	0.2%
Phoenix Mills	10.2	8.7	-14.9%
Piramal Glass	16.9	13.2	-21.9%
Rallis India	8.9	8.0	-10.4%
Reliance Communications	5.2	5.0	-3.8%
Reliance Power	2.1	2.6	21.0%
Sesa Goa	36.0	24.2	-32.8%
Sintex Industries	19.8	17.8	-10.3%
South Indian bank	2.6	2.4	-7.1%
Sterlite Industries	19.5	16.6	-15.0%
Sterlite Tech	4.0	2.9	-26.9%
Tamilnadu Newsprint	18.9	9.1	-51.8%
Tata Chemicals	32.2	35.8	11.0%
Tata Motors	27.7	27.3	-1.4%
TCS	52.3	54.5	4.2%
Tech Mahindra	60.9	63.5	4.2%
Titan Industries	6.5	6.8	3.4%
TRIL	37.1	23.4	-37.0%
Tulip Telecom	25.8	25.1	-2.7%
TVS Motor	5.3	5.8	9.4%
Ultratech Cement	70.2	73.3	4.4%
Union Bank of India	50.0	40.7	-18.6%
United Bank Of India	18.3	15.0	-18.0%
United Phosphorus	17.7	17.8	0.5%
Voltas	8.3	6.0	-27.8%
Wipro	22.3	22.7	1.9%

Post Q2 results; we have revised FY12E earnings of 86 companies (33 upwards, 53 downwards).

Earnings Upgrade/Downgrade

Company Name	FY13E		
	Previous	Current	% chg
Aban Offshore	115.6	106.8	-7.6%
ACC	70.0	71.9	2.8%
Adani Power	13.8	10.8	-22.0%
Ambuja Cements	10.9	11.2	2.8%
Apollo Tyres	8.9	10.0	12.6%
Ashok Leyland	2.9	3.0	4.2%
Asian Paints	121.0	117.5	-3.0%
Aurobindo Pharma	23.0	16.8	-27.0%
Bajaj Auto	114.7	130.1	13.4%
Ballarpur Inds	5.0	5.1	1.0%
Bank of India	72.3	60.7	-16.0%
Bharti Airtel	26.7	25.1	-6.0%
Blue Star	15.9	15.0	-5.3%
Canara Bank	105.5	97.5	-7.6%
Century Plyboards	9.4	9.1	-2.9%
Chambal Fertilisers	9.2	8.9	-3.7%
Colgate-Palmolive	37.6	34.3	-8.8%
DB Corp	17.3	15.8	-8.9%
Deepak Fertilisers	27.9	30.6	9.6%
eClerx Services	60.6	63.0	4.0%
Eicher Motors	120.8	140.5	16.3%
Essel Propack	6.3	5.3	-15.0%
GlaxoSmithkline Consumer	101.9	101.1	-0.8%
Glaxosmithkline Pharma	86.5	78.0	-9.8%
Godawari Power	40.8	31.8	-22.0%
Godrej Consumer Products	23.7	22.3	-5.9%
Grasim Industries	251.5	254.5	1.2%
Greaves Cotton	8.3	7.9	-3.9%
Gujarat Gas	3.8	3.6	-5.0%

Company Name	FY13E		
	Previous	Current	% chg
Havells India	33.1	33.7	1.9%
HCL Tech	34.8	36.5	4.9%
Hexaware Technologies	7.4	8.7	17.4%
Hindustan Unilever	12.6	13.3	5.6%
Honda MotoCorp	138.2	145.4	5.2%
HT Media	12.2	11.5	-6.2%
IL&FS Transportation	26.8	21.7	-19.0%
India Cements	5.4	6.1	13.0%
Infinite Computer	32.9	28.1	-14.6%
Infosys	146.9	160.9	9.6%
IRB Infrastructure	13.2	12.3	-7.0%
IVRCL	5.2	5.5	5.0%
Jagran Prakashan	9.2	8.4	-8.1%
Jaiprakash Associates	3.9	3.5	-11.0%
Jaiprakash Power Ventures	2.7	3.2	19.0%
JK Paper	5.0	6.4	28.7%
JSW Energy	5.7	4.2	-26.0%
Jubilant Foodworks	29.1	25.7	-11.8%
KSK Energy	14.6	6.0	-59.0%
Lakshmi Machine Works	201.6	206.6	2.5%
Lanco Infratech	2.5	1.7	-31.0%
Mah & Mah	53.4	53.6	0.3%
Mahindra Satyam	6.4	7.5	17.0%
Manappuram General Finance	8.0	8.2	2.3%
Marico	7.5	7.6	1.0%
Maruti Suzuki India	86.2	77.6	-10.0%
Mindtree	42.0	44.9	6.8%
Motherson Sumi	15.7	15.5	-1.3%
Nava Bharat Ventures	46.5	31.6	-32.0%

Company Name	FY13E		
	Previous	Current	% chg
NIIT Tech	34.1	34.6	1.5%
Patni Computer	28.4	31.4	10.6%
Persistent Systems	33.3	34.3	3.0%
Phoenix Mills	7.0	6.8	-3.2%
Piramal Glass	23.3	17.5	-24.8%
Rallis India	11.6	10.9	-5.9%
Reliance Communications	7.5	8.0	6.3%
Reliance Power	6.2	3.6	-42.0%
Sesa Goa	39.8	29.0	-27.1%
Shree Cements	137.9	93.8	-32.0%
Sintex Industries	23.7	21.2	-10.4%
South Indian bank	3.3	3.0	-8.1%
Sterlite Industries	23.7	19.8	-16.1%
Sterlite Tech	5.6	5.2	-8.0%
Tamilnadu Newsprint	24.8	15.6	-37.0%
Tata Chemicals	36.3	36.7	1.1%
Tata Motors	31.0	30.0	-3.3%
Tata Steel	78.9	71.8	-9.0%
TCS	57.5	62.6	8.9%
Tech Mahindra	64.3	67.0	4.2%
Titan Industries	8.2	8.2	-0.1%
TRIL	46.0	31.3	-32.0%
Tulip Telecom	27.5	26.9	-2.2%
TVS Motor	6.2	7.2	15.7%
Ultratech Cement	82.5	84.1	2.0%
Union Bank of India	58.5	53.7	-8.1%
United Bank Of India	31.4	24.8	-21.0%
United Phosphorus	21.4	21.4	0.2%
Wipro	23.7	25.8	8.6%

Post Q2 results; we have revised FY13E earnings of 87 companies (37 upwards, 50 downwards).

Changes in Recommendation

Company Name	Previous	Current	Company Name	Previous	Current
ACC	Hold	Accumulate	India Cements	UR	Hold
Ambuja Cements	Reduce	Hold	Jaiprakash Associates	Accumulate	Hold
Apollo Tyres	Reduce	Accumulate	Jaiprakash Power Ventures	Hold	Buy
Ashok Leyland	Accumulate	Hold	JK Paper	Buy	Accumulate
Aurobindo Pharma	Buy	Accumulate	Madras Cements	Accumulate	Hold
Axis Bank	Hold	Accumulate	Manappuram General Finance	Buy	Hold
Bajaj Auto	Accumulate	Buy	Maruti Suzuki India	Accumulate	Hold
Bank of Baroda	Hold	Accumulate	Persistent Systems	Accumulate	Hold
Chambal Fertilisers	Buy	Accumulate	Sesa Goa	Accumulate	Hold
CRISIL	Hold	Buy	State Bank of India	Hold	Reduce
Eicher Motors	Buy	Accumulate	Tamilnadu Newsprint	Buy	Accumulate
GSK Pharma	Hold	Reduce	Ultratech Cement	Reduce	Hold
HBL Power Systems	Buy	UR	Union Bank of India	Hold	Reduce
Hindustan Unilever	Accumulate	Hold	United Bank Of India	Accumulate	Hold
Honda MotoCorp	Reduce	Accumulate	Yes Bank	Hold	Accumulate

Post Q2 results; we have changed recommendation for 30 companies (12 upgraded, 18 downgraded).

Changes in Target Price

Company Name	Target Price		
	Previous	Current	% chg
Aban Offshore	580	522	-10%
ACC	1100	1290	17%
Adani Power	82	72	-12%
Allahabad Bank	240	200	-17%
Ambuja Cements	140	165	18%
Apollo Tyres	66	71	8%
Ashok Leyland	29	30	3%
Asian Paints	3026	2820	-7%
Aurobindo Pharma	238	136	-43%
Bajaj Auto	1950	2210	13%
Bank of India	420	320	-24%
Bharat Bijlee	884	836	-5%
Bhushan Steel	425	315	-26%
Blue Star	196	185	-6%
Cadila HealthCare	806	760	-6%
Canara Bank	535	500	-7%
Century Plyboards	84	82	-2%
Chambal Fertilisers	110	98	-11%
Cipla	282	299	6%
Corporation Bank	570	520	-9%
CRISIL	770	1050	36%
Dishman Pharma	125	53	-58%
Dr. Reddy's Lab	1583	1604	1%
Eicher Motors	1700	1975	16%
Essel Propack	63	54	-14%
GlaxoSmithkline Consumer	2547	2743	8%
Glaxosmithkline Pharma	2161	1714	-21%

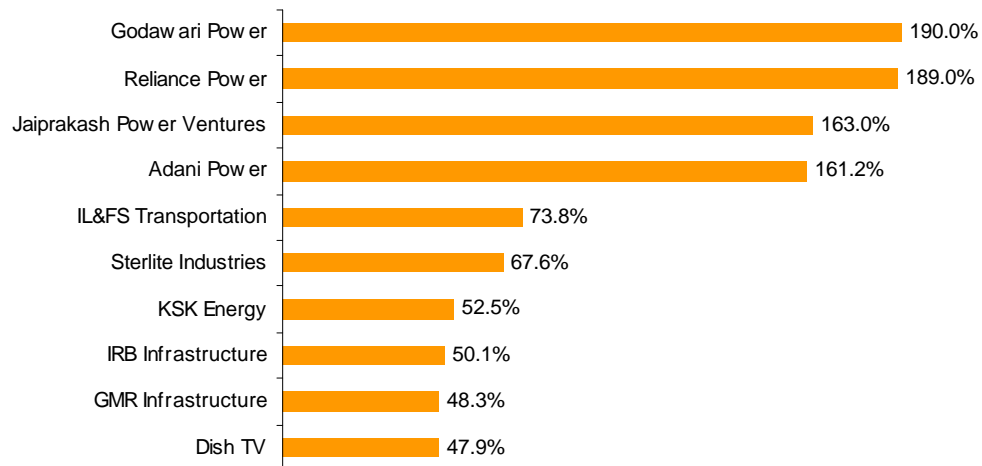
Company Name	Target Price		
	Previous	Current	% chg
Godawari Power	210	193	-8%
Godrej Consumer Products	474	446	-6%
Grasim Industries	2600	2700	4%
Havells India	450	460	2%
HCL Tech	385	415	8%
HEG	261	224	-14%
Hexaware Technologies	80	100	25%
Hindustan Unilever	328	347	6%
Hindustan Zinc	173	159	-8%
Honda MotoCorp	2140	2250	5%
HT Media	183	172	-6%
IL&FS Transportation	243	234	-4%
Infinite Computer	150	120	-20%
Infosys	2500	2800	12%
Jagran Prakashan	149	135	-9%
Jaiprakash Associates	72	66	-8%
Jaiprakash Power Ventures	42	45	7%
JK Paper	61	48	-21%
JSW Energy	74	46	-38%
KSK Energy	110	75	-32%
Lakshmi Machine Works	2535	2466	-3%
Lanco Infratech	23	17	-26%
Madras Cements	100	125	25%
Mahindra Satyam	80	75	-6%
Manappuram General Finance	60	65	8%
Maruti Suzuki India	1250	1140	-9%
Mindtree	415	450	8%

Company Name	Target Price		
	Previous	Current	% chg
Motherson Sumi	260	210	-19%
Nava Bharat	290	210	-28%
Nestle	4268	5110	20%
Oberoi Realty	272	275	1%
Persistent Systems	350	330	-6%
Piramal Glass	205	160	-22%
Rallis India	209	197	-6%
Sesa Goa	308	239	-22%
Shree Cements	2050	2400	17%
Sintex Industries	225	150	-33%
South Indian bank	30	27	-10%
State Bank of India	2200	1750	-20%
Sterlite Industries	203	162	-20%
Sterlite Tech	51	47	-8%
Sun Pharma	513	554	8%
Tamilnadu Newsprint	180	108	-40%
Tata Motors	246	220	-11%
Tata Steel	670	503	-25%
TCS	960	1060	10%
TRIL	352	293	-17%
TVS Motor	62	72	16%
Ultratech Cement	1050	1170	11%
Union Bank of India	330	210	-36%
United Bank Of India	110	73	-34%
Wipro	320	360	13%

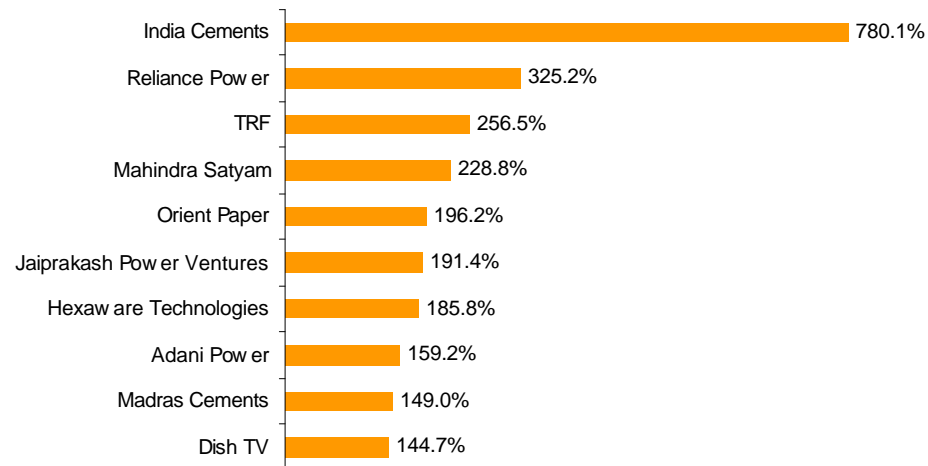
Post Q2 results; we have changed target prices of 79 companies (29 upwards, 50 downwards).

Top 10 Companies

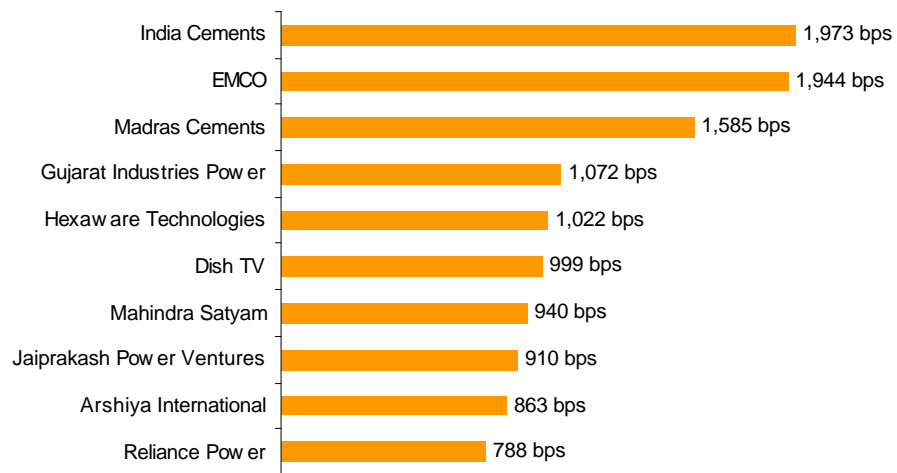
Net Sales Growth



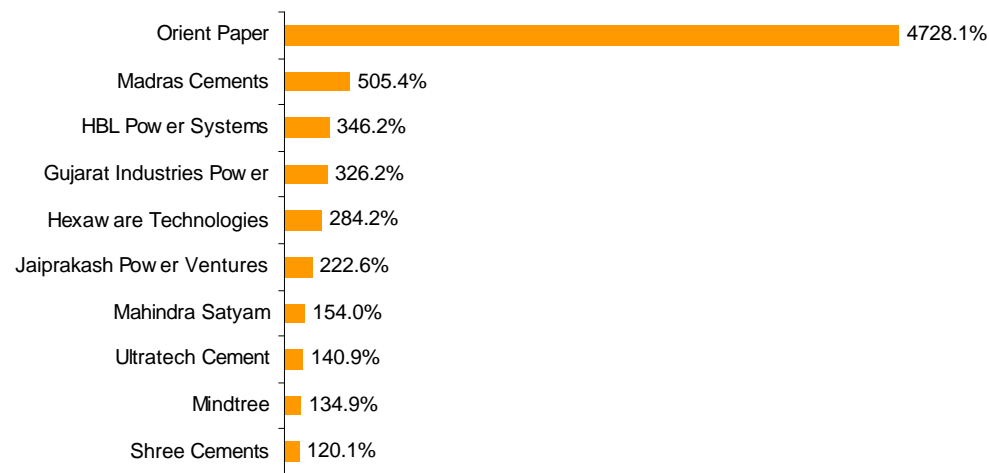
Ebitda Growth



Ebitda Margin Growth

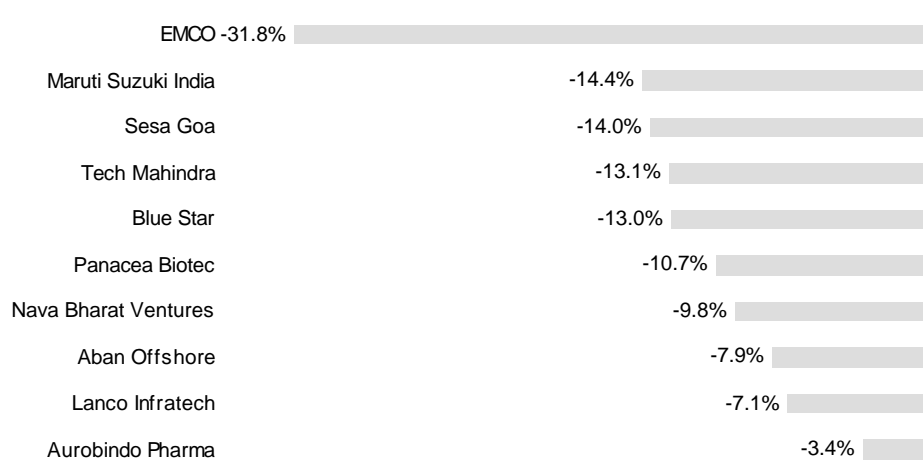


PAT Growth

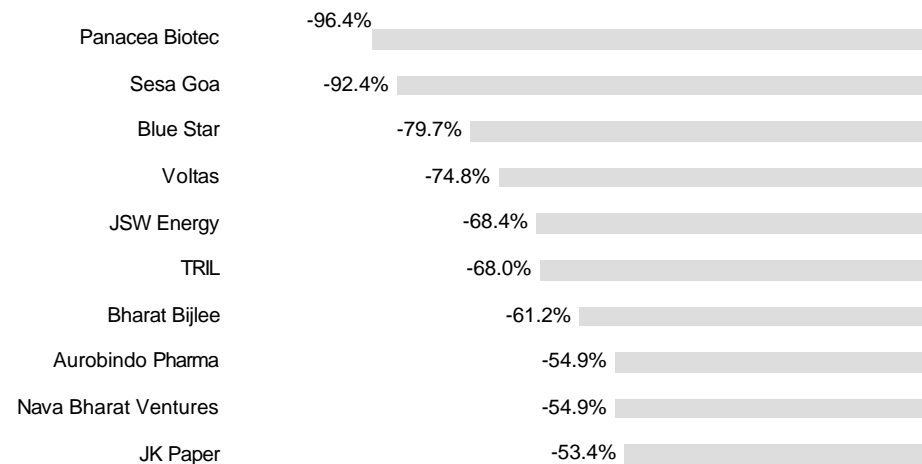


Bottom 10 Companies

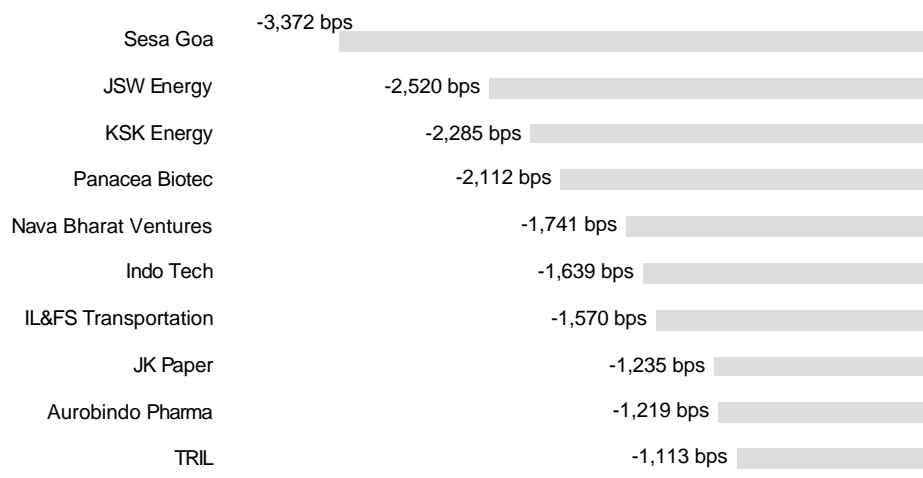
Net Sales Growth



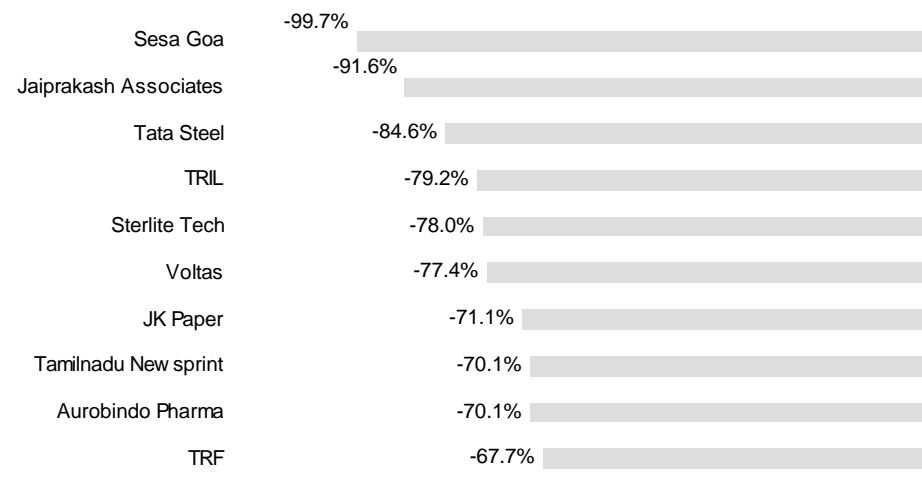
Ebitda Growth



Ebitda Margin Growth

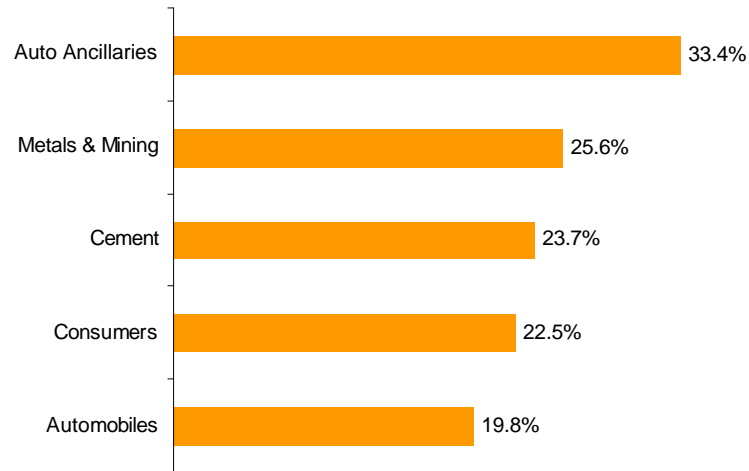


PAT Growth

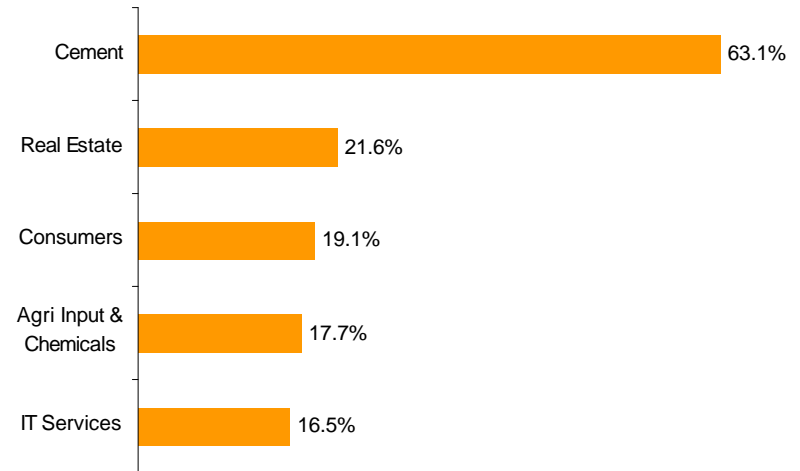


Top 5 Sectors

Net Sales Growth



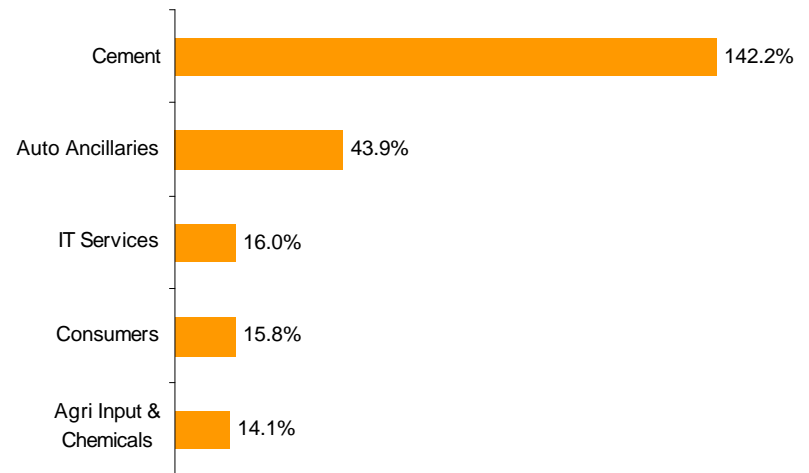
Ebitda Growth



Ebitda Margin Growth

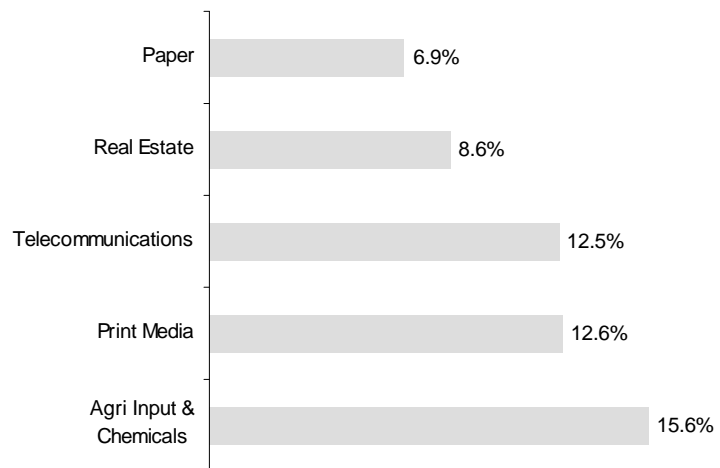


PAT Growth

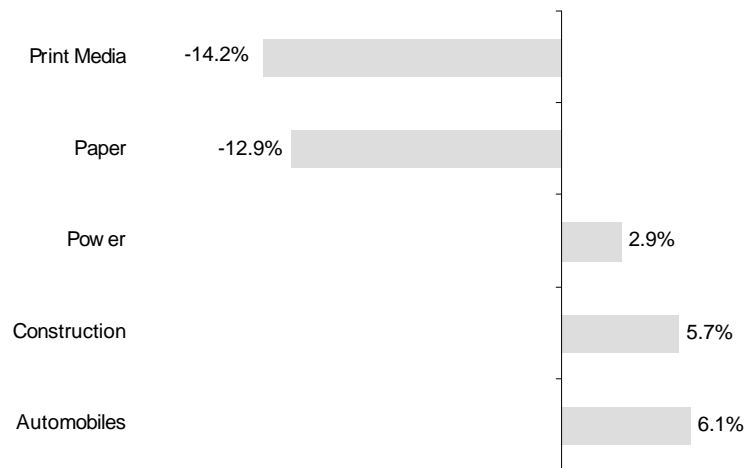


Bottom 5 Sectors

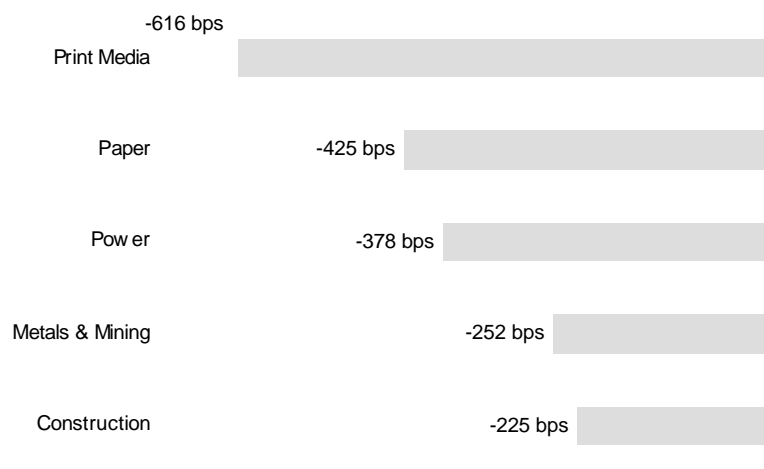
Net Sales Growth



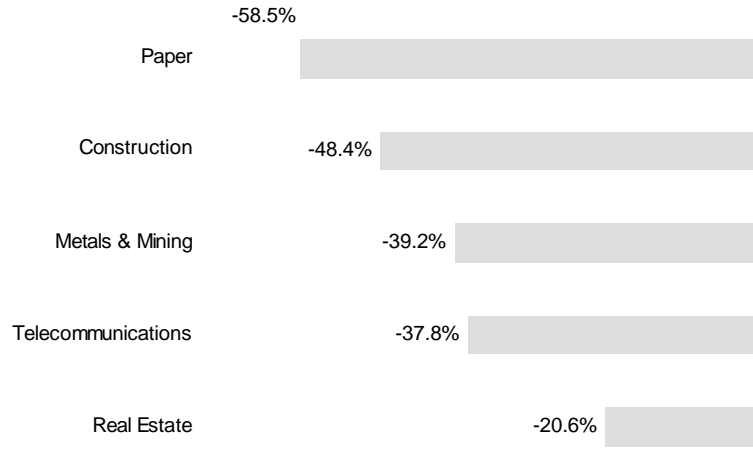
Ebitda Growth



Ebitda Margin Growth

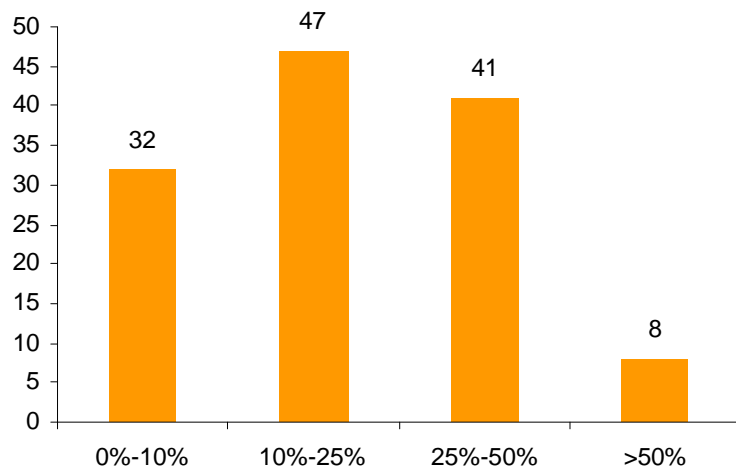


PAT Growth

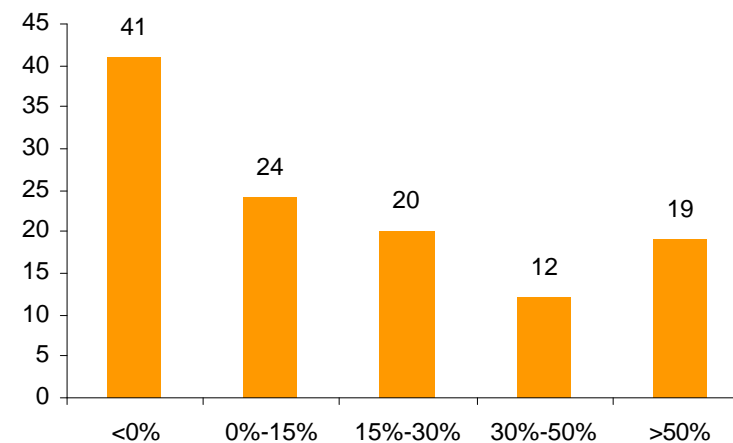


Frequency Distribution (No. of Companies)

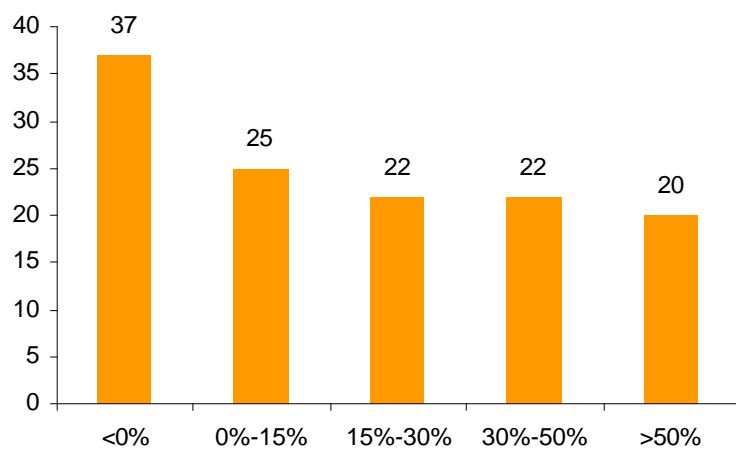
Net Sales Growth



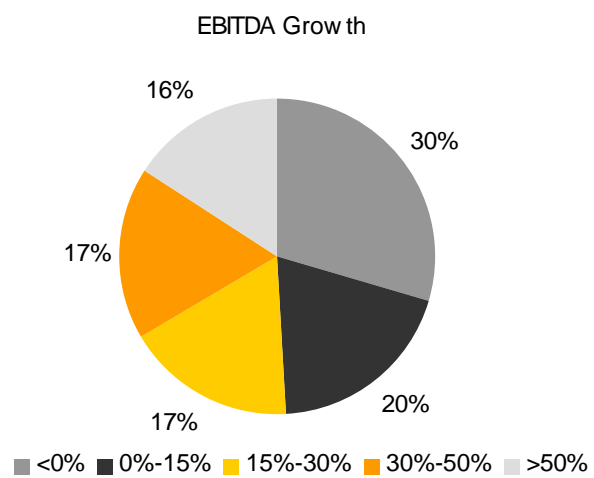
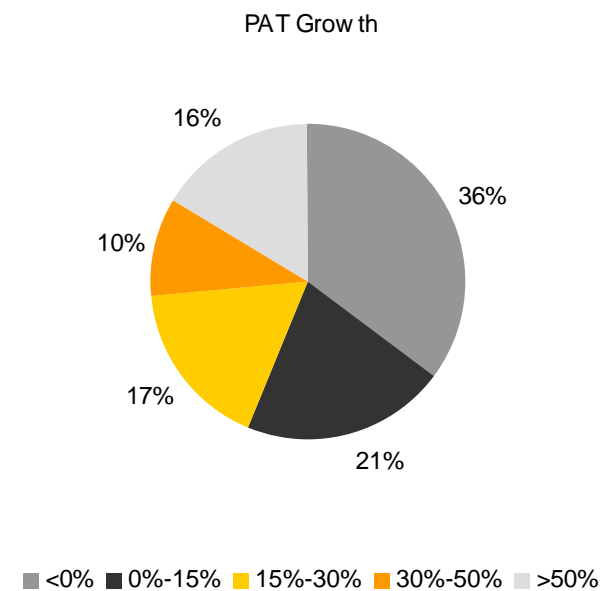
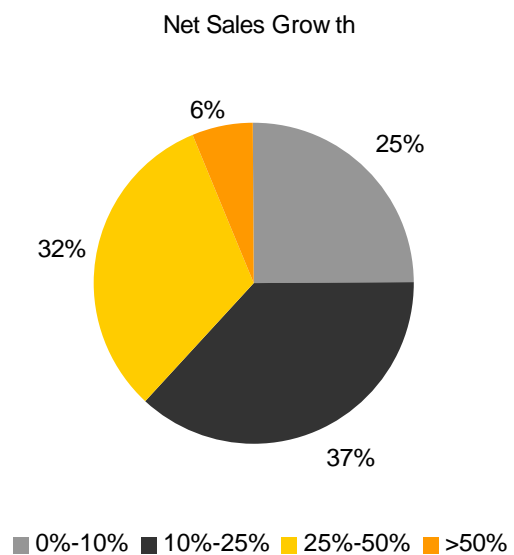
PAT Growth



EBITDA Growth

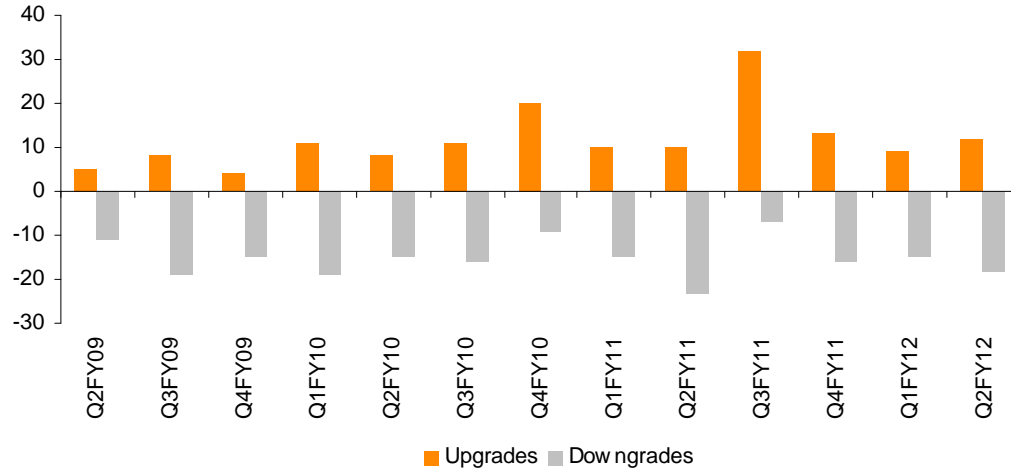


Frequency Distribution (Percentage)

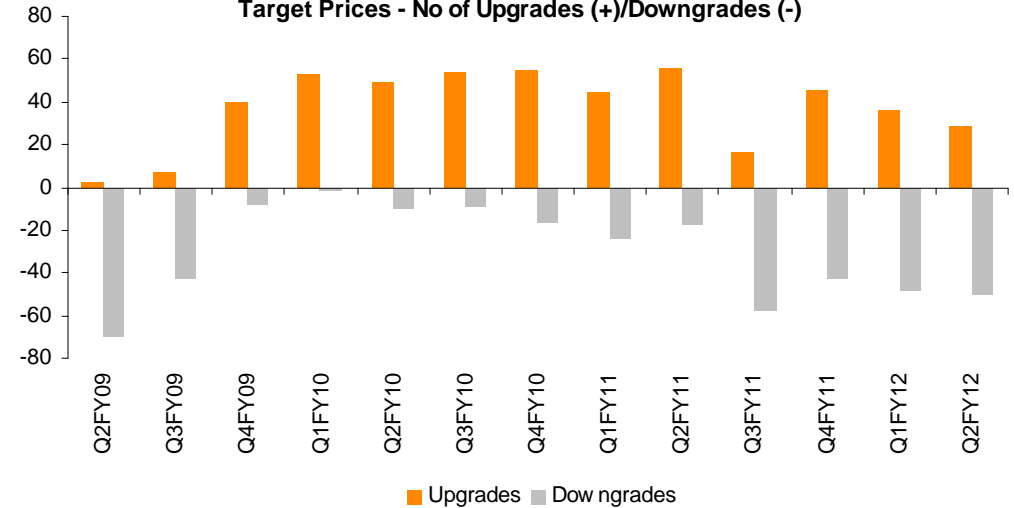


Quarterly Comparison: More earnings downgrades than upgrades

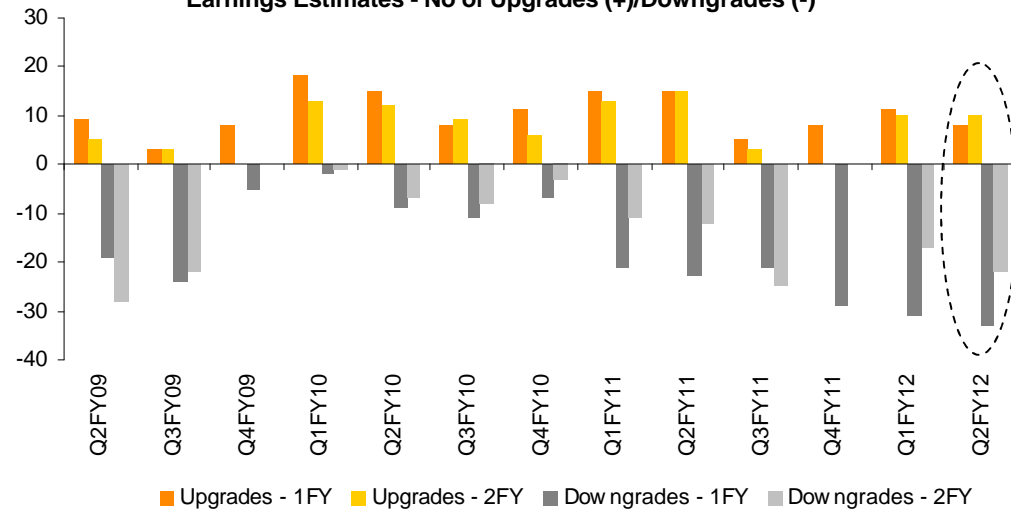
Recommendations - No of Upgrades (+)/Downgrades (-)



Target Prices - No of Upgrades (+)/Downgrades (-)



Earnings Estimates - No of Upgrades (+)/Downgrades (-)



Note: 1FY=FY09 & 2FY = FY10 for Q2FY09 - Q3FY09, 1FY=FY10 & 2FY = FY11 for Q4FY09 - Q3FY10, 1FY=FY11 & 2FY = FY12 for Q4FY10 - Q3FY11, 1FY=FY12 & 2FY = FY13 for Q4FY11 – Q2FY12

Sectoral Analysis of Q2FY12 Results

- Q2FY12 results for agri-inputs universe have been encouraging with revenues and APAT above our est by 13% and 11%, respectively. On an aggregate basis, revenues grew by 16% yoy while APAT increased by 14% yoy.
- Companies' fertiliser division performance has been encouraging due to sharp increase in fertiliser prices despite 140bps yoy / 80bps qoq decline in EBIT margins to 11.7%. Chemical segment margins also remain robust with EBIT margins at 30% (+20bps yoy / 150 bps qoq)
- Post Q2 results we have upgraded earnings for DFPCL, Tata Chemicals while Rallis has seen downgrade. Chambal (upgrade) has been adjusted for withdrawal of its shipping demerger.
- Managements outlook on agri business (fertilisers and agrochemicals) remain positive on account of encouraging outlook for Rabi crop and strong farm produce prices. We expect that while rising input cost may put pressure on chemical segment margins in subsequent quarters global slowdown may also hurt demand
- Raw material availability for complex fertiliser remain our key concern while any further price increase in complex fertiliser prices may hamper fertiliser demand
- UPL, Tata Chemicals & DFPCL are our top picks post the results along with GSFC (BUY on attractive valuations) and Coromandel (earnings momentum to continue).

Agri Input and Chemicals

Name		Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Chambal Fertilisers							↔	Results were broadly in line with APAT of Rs 841 mn, (-14%yoy) despite disappointment in shipping (EBIT loss of Rs 49 mn) and textiles (loss of Rs 90 mn). Manufactured fertiliser and trading business posted encouraging results with EBIT margins of 16.8% and 6% resp. Withdrawal of proposed demerger of shipping is the biggest disappointment and is expected to put pressure on company's earnings due to adverse business environment. Post results, we have revised est to Rs 9.0/8.9 for FY12/FY13 resp. and revised target price stands at Rs 98
CMP(Rs)	84	Net Sales (Rs mn)	16,423	11,644	15,453	6.3%	41.0%	
Mkt Cap (Rs bn)	35	EBITDA (Rs mn)	2,045	1,796	2,253	-9.2%	13.9%	
Reco	Accumulate	EBITDA Margin (%)	12.5	15.4	14.6	-212 bps	-297 bps	
Target Price (Rs)	98	PAT (Rs mn)	841	729	982	-14.4%	15.4%	
% Upside	16%	EPS (Rs)	2.0	1.8	2.4	-14.4%	15.4%	
Coromandel Fertilisers							↑	Revenue growth of 5.7% yoy to Rs 27.2 bn despite 12% decline in volumes is led by higher fertilizer prices which were up by 30-40% yoy. Coromandel reported EBITDA of Rs 3.8bn, +13% yoy, higher than est of Rs 3bn. EBITDA margins improved by 85bps yoy/135bps qoq to 13.8%. Company reported APAT of Rs 2.6bn, 17% yoy. AEPS for the quarter stood at Rs 9.3. Coromandel announced bonus debenture of Rs 15 / - for every one share. We expect volume growth to pick up in H2FY12 due to improved availability of phos acid from Tunisia and increased imports of MOP to facilitate higher NPK production.
CMP(Rs)	303	Net Sales (Rs mn)	27,241	17,665	25,761	5.7%	54.2%	
Mkt Cap (Rs bn)	85	EBITDA (Rs mn)	3,764	2,203	3,340	12.7%	70.8%	
Reco	Buy	EBITDA Margin (%)	13.8	12.5	13.0	85 bps	135 bps	
Target Price (Rs)	435	PAT (Rs mn)	2,600	1,387	2,226	16.8%	87.5%	
% Upside	44%	EPS (Rs)	9.3	4.9	7.9	16.8%	87.5%	
Deepak Fertilisers							↔	Results were in line with estimates. Revenues of Rs 5.8bn, +39%yoy, was above est due to strong fertiliser revenues but APAT of Rs 619 mn, +38%yoy, was broadly in line with est. Strong results in fertiliser were driven by higher trading of specialty fertilizer. TAN demand remained sluggish due to Telangana stir & monsoon related floods. Margin pressures also intensified as company was unable to push cost related increases. Driven by strong performance of fertiliser, we raised our EPS to Rs 26.7/30.6 for FY12/FY13.
CMP(Rs)	152	Net Sales (Rs mn)	5,772	4,739	4,141	39.4%	21.8%	
Mkt Cap (Rs bn)	13	EBITDA (Rs mn)	1,059	1,129	800	32.4%	-6.2%	
Reco	Buy	EBITDA Margin (%)	18.3	23.8	19.3	-96 bps	-548 bps	
Target Price (Rs)	250	PAT (Rs mn)	619	639	448	38.2%	-3.2%	
% Upside	65%	EPS (Rs)	7.0	7.2	5.1	38.2%	-3.2%	

Agri Input and Chemicals

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
GNFC								↑	Revenues grew by 27% yoy to Rs 10.2bn while company reported PAT of Rs 808mn ,27% yoy. Results were in line at the EBITDA level however higher other income and lower interest costs boosted APAT. Fertiliser segment reported revenues of Rs 6bn, 28% yoy higher than est driven by higher volumes. Fert margins were in line at 2.9%. Chemical reported revenues of Rs 4bn, 26% yoy higher than est. Chemical margins came in at 24% (-510bps yoy/ 700bps qoq). WNAll plant commenced operations in July
CMP(Rs)	83	Net Sales (Rs mn)	10,206	6,442	8,019	27.3%	58.4%		
Mkt Cap (Rs bn)	13	EBITDA (Rs mn)	1,479	925	1,153	28.3%	59.9%		
Reco	Buy	EBITDA Margin (%)	14.5	14.4	14.4	12 bps	13 bps		
Target Price (Rs)	135	PAT (Rs mn)	808	417	639	26.6%	94.1%		
% Upside	63%	EPS (Rs)	5.2	2.7	4.1	26.6%	94.1%		
GSFC								↑	GSFC reported revenues of Rs 12.6bn, -3% yoy. Fertiliser segment reported revenues of Rs 8bn, -12% yoy while chemicals segment reported revenues of Rs 4.6bn, 20% yoy. Fertiliser EBIT margins at 15% and chemical margins at 34.3%, driven by higher spread in caprolactam, supported PAT growth despite lower revenues. EBITDA of Rs 3.0bn, -4% yoy was in line with est due to higher fertilizer margins. Company reported EBITDA margin of 24% (-41bps yoy/131bps qoq). APAT of Rs 2.1bn, 3% yoy was led by higher margins & higher other income
CMP(Rs)	467	Net Sales (Rs mn)	12,641	12,077	13,007	-2.8%	4.7%		
Mkt Cap (Rs bn)	37	EBITDA (Rs mn)	3,031	2,738	3,172	-4.4%	10.7%		
Reco	Buy	EBITDA Margin (%)	24.0	22.7	24.4	-41 bps	131 bps		
Target Price (Rs)	530	PAT (Rs mn)	2,128	1,773	2,070	2.8%	20.0%		
% Upside	14%	EPS (Rs)	26.7	22.2	26.0	2.8%	20.0%		
Rallis India								↓	Rallis India reported consolidated revenues of Rs 4.39bn, +19% yoy, marginally lower than our est due to lower than expected revenue contribution of Metahelix, and slower ramp-up in Dahej. Rallis reported consolidated EBITDA of Rs 975mn, +10%yoy, lower than our est. EBITDA margins during the quarter declined by 182bps yoy to 22.2%. Rallis reported consol APAT of Rs 585mn, flat yoy and AEPS of Rs 3.0. Due to their renewed focus on topline growth, working capital situation deteriorated during the quarter.
CMP(Rs)	144	Net Sales (Rs mn)	4,395	2,975	3,680	19.4%	47.7%		
Mkt Cap (Rs bn)	28	EBITDA (Rs mn)	975	435	883	10.4%	124.2%		
Reco	Buy	EBITDA Margin (%)	22.2	14.6	24.0	-182 bps	756 bps		
Target Price (Rs)	197	PAT (Rs mn)	585	231	587	-0.4%	153.1%		
% Upside	37%	EPS (Rs)	3.0	1.2	3.0	-0.4%	153.1%		

Agri Input and Chemicals

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Tata Chemicals								↑	Q2FY12 results were above estimates with revenues of Rs 35.7 bn, +19% yoy and APAT of Rs 2.9 bn, +25% yoy with positive surprise at EBITDA margins at 18.9%. Subsidiary in US with PAT of Rs 770 mn (+43%yoy) and in UK with PAT of Rs 190 mn (+171% yoy) along with strong domestic margins contributed to profit growth. Upgrade FY12E estimates by 11% to Rs 35.7 on back of strong H1FY12 results however our outlook on global soda ash demand remains cautious.
CMP(Rs)	330	Net Sales (Rs mn)	35,710	29,539	29,909	19.4%	20.9%		
Mkt Cap (Rs bn)	84	EBITDA (Rs mn)	6,740	5,267	5,056	33.3%	28.0%		
Reco	Accumulate	EBITDA Margin (%)	18.9	17.8	16.9	197 bps	104 bps		
Target Price (Rs)	400	PAT (Rs mn)	2,932	2,043	2,347	24.9%	43.5%		
% Upside	21%	EPS (Rs)	11.5	8.0	9.2	24.9%	43.5%		
United Phosphorus								↑	Q2FY12 results were above est driven by strong revenue growth of 41% to Rs 17.8 bn. APAT at Rs 1.6bn, +22% yoy were ahead of our est. RoW (revenue growth of 105%yoy) & India (25% yoy) supported strong sales. Overall volume growth of 32% was a positive surprise. Management upped revenue guidance to 30-35% (previous 25-30%) while management guided for EBITDA margins at 19-20% (from 20-21%).
CMP(Rs)	133	Net Sales (Rs mn)	17,757	18,621	12,569	41.3%	-4.6%		
Mkt Cap (Rs bn)	61	EBITDA (Rs mn)	3,255	3,449	2,326	39.9%	-5.6%		
Reco	Buy	EBITDA Margin (%)	18.3	18.5	18.5	-17 bps	-19 bps		
Target Price (Rs)	215	PAT (Rs mn)	1,592	1,682	1,307	21.9%	-5.4%		
% Upside	62%	EPS (Rs)	3.6	3.6	3.0	21.9%	-0.6%		

Automobiles

- The revenue growth of 20% YoY to Rs690bn for our automobile universe was marginally ahead of our est. Rs670bn.
- Adj. EBIDTA at Rs83.2bn (6% YoY) was also ahead of our est. of Rs 80bn. Surprise was largely led by lower than expected RM costs. Excl. TML subs, EBITDA declined ~5% YoY to Rs 47bn (2.5% below est.). This is driven by sharp disappointment by MSIL and TTMT (standalone)
- APAT at Rs 49.9bn (2% YoY) was 2% our est. 49bn. Reported profits were impacted by notional mark to market losses on forward covers/forex loans. Excl. TML subs, APAT increased marginally to Rs 30.3 bn (-5% YoY) was 5% below est. This is driven by sharp disappointment by MSIL and TTMT (standalone)
- 2QFY12 results saw EPS upgrades in Eicher Motors (16%), TVS Motor (16%), Hero Motocorp (5%), Bajaj Auto (13%) and Ashok Leyland (4%). EPS downgrade in Tata Motors (-3%) to factor in subdued standalone operations and Maruti (-10%) on unfavorable forex/low capacity utilization.
- We maintain our overweight outlook on the sector. We have retained our BUY rating on Tata Motors and M&M. We upgrade Hero Motocorp to ACCUMULATE and Bajaj Auto to BUY. We downgrade Eicher to ACCUMULATE, Ashok Leyland and Maruti to HOLD. We maintain HOLD on TVS Motor.

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Ashok Leyland								↑	Results above est. driven by better operating performance. Volume outlook impacted by regional disparity in demand. Key factors to watch out for (1) Volume pick up in 2HFY12 (2) accounting of LCV sales and (3) implementation of overloading ban in some states
CMP(Rs)	25	Net Sales (Rs mn)	30,946	24,955	27,140	14.0%	24.0%		
Mkt Cap (Rs bn)	66	EBITDA (Rs mn)	3,312	2,352	3,063	8.1%	40.8%		
Reco	Hold	EBITDA Margin (%)	10.7	9.4	11.3	-58 bps	128 bps		
Target Price (Rs)	30	PAT (Rs mn)	1,541	768	1,671	-7.8%	100.6%		
% Upside	20%	EPS (Rs)	0.6	0.3	0.6	-7.8%	100.6%		
Bajaj Auto								↑	Performance strongly above est. driven by impressive top line and improved margins. VAT refund of Rs ~8.6bn has been received from govt. Demand outlook remains good but base effect to lowr volume growth. Positive surprise can arise from favorable forex. .Key factors to watch for (1) opening up of 3 wheeler permits in various states and (2) exports momentum
CMP(Rs)	1,623	Net Sales (Rs mn)	52,673	47,773	43,418	21.3%	10.3%		
Mkt Cap (Rs bn)	470	EBITDA (Rs mn)	10,574	9,108	9,122	15.9%	16.1%		
Reco	Buy	EBITDA Margin (%)	20.1	19.1	21.0	-93 bps	101 bps		
Target Price (Rs)	2,210	PAT (Rs mn)	8,175	7,111	6,928	18.0%	15.0%		
% Upside	36%	EPS (Rs)	28.3	24.6	23.9	18.0%	15.0%		
Hero MotoCorp								↑	Operating performance above est. due to lower RM costs and higher other income. Demand outlook remains good but base effect to lowr volume growth. Key thing to watch out for is success of two new launches under new brand name Maestro and Impulse
CMP(Rs)	2,171	Net Sales (Rs mn)	58,293	56,833	45,520	28.1%	2.6%		
Mkt Cap (Rs bn)	433	EBITDA (Rs mn)	7,146	6,407	6,079	17.5%	11.5%		
Reco	Accumulate	EBITDA Margin (%)	12.3	11.3	13.4	-110 bps	99 bps		
Target Price (Rs)	2,250	PAT (Rs mn)	6,036	5,579	5,056	19.4%	8.2%		
% Upside	4%	EPS (Rs)	30.2	27.9	25.3	19.4%	8.2%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
M&M									
CMP(Rs)	718	Net Sales (Rs mn)	73,606	67,335	53,635	37.2%	9.3%	↓ Operating perf. (M&M+MVML) was below est. due to higher RM cost. Net profit at Rs 7.9bn (~3% below est.) led by subdued margins in M&M. Higher contribution from MVML and RM costs to sustain margin pressure. Volume outlook remains robust. Key factors to watch are (1) Volume ramp up (2) MVML production and (3) production rampup for XUV500	
Mkt Cap (Rs bn)	441	EBITDA (Rs mn)	9,060	8,973	8,500	6.6%	1.0%		
Reco	Buy	EBITDA Margin (%)	12.3	13.3	15.8	-354 bps	-102 bps		
Target Price (Rs)	930	PAT (Rs mn)	7,615	6,049	7,135	6.7%	25.9%		
% Upside	30%	EPS (Rs)	12.4	9.9	11.6	6.7%	25.9%		
Maruti Suzuki									
CMP(Rs)	943	Net Sales (Rs mn)	78,316	85,293	91,473	-14.4%	-8.2%	↓ Results below est. with EBIDTA/APAT at Rs 5.2bn (est. Rs 5.8bn) and Rs2.6bn (est. Rs 3.4bn) due to higher cost pressures across the board. 3QFY12 results will be affected by adverse currency and lower volumes due to strike. Key factors to watch out for (1) diesel vehicle volumes (2) discount levels and (3) Currency hedging	
Mkt Cap (Rs bn)	272	EBITDA (Rs mn)	5,212	8,144	9,746	-46.5%	-36.0%		
Reco	Hold	EBITDA Margin (%)	6.7	9.5	10.7	-400 bps	-289 bps		
Target Price (Rs)	900	PAT (Rs mn)	2,598	5,492	6,032	-56.9%	-52.7%		
% Upside	-5%	EPS (Rs)	9.0	19.0	20.9	-56.9%	-52.7%		
Tata Motors									
CMP(Rs)	161	Net Sales (Rs mn)	361,975	335,725	287,820	25.8%	7.8%	↑ EBIDTA/APAT at Rs 45bn/22.4bn was ~6%/5% above est. driven by JLR. Standalone margins nosedived to ~6.7% on poor performance in car segment. Key highlight was ~90bps margin improvement in JLR to 15.9%, despite adverse product mix. Major factors to watch going forward are (1) Evoque volumes (2) currency movement and (3) uptick in domestic passenger vehicle sales	
Mkt Cap (Rs bn)	435	EBITDA (Rs mn)	45,039	42,359	40,016	12.6%	6.3%		
Reco	Buy	EBITDA Margin (%)	12.4	12.6	13.9	-146 bps	-17 bps		
Target Price (Rs)	220	PAT (Rs mn)	22,459	21,705	21,112	6.4%	3.5%		
% Upside	36%	EPS (Rs)	6.8	6.6	6.4	6.4%	3.5%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
TVS Motor								↔	Results in line with EBITDA/PAT at Rs 1.4bn/765mn. Investments of Rs 769mn in various subsidiaries continue to be a concern. Standalone performance to improve driven by favorable forex, price hikes and lower RM costs. Major factors to watch going forward are (1) Volume growth esp three wheelers and (2) investments in subs
CMP(Rs)	62	Net Sales (Rs mn)	19,918	17,460	16,147	23.4%	14.1%		
Mkt Cap (Rs bn)	30	EBITDA (Rs mn)	1,383	1,171	1,060	30.5%	18.1%		
Reco	Hold	EBITDA Margin (%)	6.9	6.7	6.6	38 bps	24 bps		
Target Price (Rs)	72	PAT (Rs mn)	765	588	536	42.6%	30.2%		
% Upside	16%	EPS (Rs)	1.6	1.2	1.1	42.6%	30.2%		
Eicher Motor								↔	Performance in line with EBITDA/PAT at Rs 1.5bn/737mn. Two wheeler businesses disappointed while CV surprised positively on margins. Strong traction in volumes to continue via further debottlenecking in two wheelers and demand in CVs. Major factors to watch going forward are (1) capacity ramp up and (2) moderation of RM costs on margins
CMP(Rs)	1,630	Net Sales (Rs mn)	14,513	12,984	10,984	32.1%	11.8%		
Mkt Cap (Rs bn)	44	EBITDA (Rs mn)	1,511	1,262	839	80.1%	19.8%		
Reco	Buy	EBITDA Margin (%)	10.4	9.7	7.6	277 bps	69 bps		
Target Price (Rs)	1,975	PAT (Rs mn)	737	763	387	90.7%	-3.4%		
% Upside	21%	EPS (Rs)	27.4	28.3	14.4	89.6%	-3.4%		

Auto Ancillaries

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Apollo Tyres								↓	Consolidated performance below est. driven by poor performance in standalone business. APAT at Rs 781mn was ~25% below est. Subsidiaries perf. was above est. driven by Europe and SA. Domestic performance was impacted due to adverse product mix. Expect APTY to benefit from lower rubber prices, strong performance in Europe and sequential improvement in product mix in India
CMP(Rs)	60	Net Sales (Rs mn)	28,712	28,224	19,489	47.3%	1.7%		
Mkt Cap (Rs bn)	30	EBITDA (Rs mn)	2,305	2,403	1,853	24.4%	-4.1%		
Reco	Accumulate	EBITDA Margin (%)	8.0	8.5	9.5	-148bps	-49bps		
Target Price (Rs)	71	PAT (Rs mn)	781	775	533	46.7%	0.8%		
% Upside	19%	EPS (Rs)	1.6	1.5	1.1	46.7%	0.8%		
Motherson Sumi								↑	Consolidated results above est. driven by strong operating performance in the standalone and other subs (ex SMR). SMR margins nosedived on slow ramp up from new plants. Expect H2FY12 for SMR to remain subdued on low utilization from new plants. Uptick to be visible only from FY13 onwards
CMP(Rs)	150	Net Sales (Rs mn)	23,387	23,002	19,576	19.5%	1.7%		
Mkt Cap (Rs bn)	58	EBITDA (Rs mn)	2,036	1,874	1,919	6.1%	8.7%		
Reco	Accumulate	EBITDA Margin (%)	8.7	8.1	9.8	-110 bps	56 bps		
Target Price (Rs)	210	PAT (Rs mn)	986	541	695	41.8%	82.4%		
% Upside	40%	EPS (Rs)	2.5	1.4	1.8	41.8%	82.4%		

Banking and Financial Services

- NII growth for our banking coverage universe came in at 19% yoy (7.8% qoq), higher than our estimates. For PSU banks the growth came in at 19.5%, however excluding SBI growth was relatively lower, though still strong at 15.3%. For pvt banks, the growth was equally strong at 17.6% yoy (7.2% qoq).
- Earnings also beat estimates with 12.7%yoy growth reported by our banking universe with both PSU's as well as pvt banks exceeding expectations. PSU banks reported ~7% (22.3%qoq) growth in earnings while pvt banks reported 26.4% growth (8.9%qoq).
- The better than expected NII and PAT growth for PSU banks were driven by higher NIM's. NIM expansion was seen across banks with PSU banks witnessing 18bps qoq expansion, while pvt banks witnessed 8bps qoq expansion. Higher yield on advances with limited rise in cost of funds helped banks to score higher NIM's.
- For our coverage universe - Credit growth remained healthy at 19.3% yoy (2.7%qoq) with Deposit growth too higher at 18.7% (3.9%qoq). Resultantly LDR came down by 90bps to 76.5%.
- Asset quality deteriorated sharply for PSU Banks as they migrated completely to system based method of NPA recognition. The gross NPAs as % of advances went up to 3.0% from 2.6% in Q1FY12.
- Of the 16 banks and 5 NBFCs under our coverage, 5 saw downgrades while 1 saw upgrade in the earnings.
- Our top picks from the quarterly results – Allahabad Bank and PNB in banking space. LICHF, and CRISIL are our top picks in NBFC space

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Allahabad Bank								↑	ALBK results well ahead of estimates with NII at Rs13.2bn. Net profit at Rs4.9bn further aided by lower tax rate of 9%. The NII grew by 36%yoy to Rs13.2n driven by 28bps expansion in NIM's, albeit advance growth remain moderate at just 16.6%yoy. Key highlight for the quarter was- significantly lower slippages at just Rs5.2bn. Mgmt guided for slippage to fall back to normal levels. Positively surprised by the substantial improvement in NIMs and lower slippage numbers. Maintain ACCUMUALTE rating with TP of Rs200
CMP(Rs)	147	NII (Rs mn)	13,182	11,755	9,692	36.0%	12.1%		
Mkt Cap (Rs bn)	70	Op. Profit (Rs mn)	9,493	8,896	7,815	21.5%	6.7%		
Reco	Accumulate	NIM (%)	3.3	3.1	3.0	27 bps	24 bps		
Target Price (Rs)	200	PAT (Rs mn)	4,880	4,181	4,025	21.2%	16.7%		
% Upside	36%	EPS (Rs)	10.2	8.8	9.0	13.7%	16.7%		
Andhra Bank								↓	Andhra Bank's results inline with exp at p&l front with NII at Rs9.5bn and PAT at Rs3.2bn. The growth was driven by 10bps improvement in margins to 3.5%, albeit advances declined 2.7%qoq. Asset quality deteriorates sharply with GNPA rising by ~70% to Rs19.9bn. provision cover also came down from 82% to 61.7% (inc tech w/off)
CMP(Rs)	100	NII (Rs mn)	9,512	9,105	7,832	21.4%	4.5%		
Mkt Cap (Rs bn)	56	Op. Profit (Rs mn)	6,869	6,998	5,645	21.7%	-1.8%		
Reco	Accumulate	NIM (%)	3.4	3.3	3.5	-5 bps	10 bps		
Target Price (Rs)	150	PAT (Rs mn)	3,162	3,859	3,030	4.4%	-18.0%		
% Upside	49%	EPS (Rs)	5.7	6.9	6.2	-9.3%	-18.0%		
Axis Bank								↔	AXSB's Q2FY12 NII at Rs20bn ahead of consensus. Net profit of Rs9.2bn marginally lower due to higher Opex and provisions. NIMs bounce back sharply (50bps qoq) with help of better yields and CASA (up 170bps qoq). We expect lower NIMs in coming quarters due to higher balance sheet growth. Slippages move up sharply at Rs5bn, highest in last 6 qtrs. Rs2.3bn of MFI exposure restructured in Q2FY12. Slippage guidance of 1.3%, marginally higher than our estimate. Estimates already factor in higher slippages and NIMs compression. Expect no -ve surprise. Upgrade to ACCUMULATE
CMP(Rs)	946	NII (Rs mn)	20,073	17,241	16,151	24.3%	16.4%		
Mkt Cap (Rs bn)	390	Op. Profit (Rs mn)	17,756	15,585	14,864	19.5%	13.9%		
Reco	Hold	NIM (%)	3.3	2.9	3.3	0 bps	42 bps		
Target Price (Rs)	1,380	PAT (Rs mn)	9,203	9,424	7,351	25.2%	-2.3%		
% Upside	46%	EPS (Rs)	22.3	22.9	18.0	24.1%	-2.4%		

Banking and Financial Services

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Bank of Baroda								↑	BOB's Q2FY12 NII at Rs25.7bn and PAT at Rs11.6bn above our/consensus estimates. PAT further aided by higher non-interest income. Balance sheet expanded 4.7% sequentially; growth in deposits / loans came in at 5.2% / 2.9% qoq respectively. Domestic NIM up 28bps qoq to 3.67%. Asset quality remains stable sequentially. Slippages came in at Rs4.9bn (0.9% annualized). However, reco/upgrade rates equally lower at 24% of opening GNPA's. Valuations at 1.3x/1.1x FY12E/FY13E ABV. Upgrade to ACCUMULATE on recent correction with price target of Rs950
CMP(Rs)	703	NII (Rs mn)	25,669	22,972	20,381	25.9%	11.7%		
Mkt Cap (Rs bn)	275	Op. Profit (Rs mn)	21,400	18,183	16,567	29.2%	17.7%		
Reco	Accumulate	NIM (%)	2.7	2.5	2.7	4 bps	19 bps		
Target Price (Rs)	950	PAT (Rs mn)	11,753	10,329	10,193	15.3%	13.8%		
% Upside	35%	EPS (Rs)	29.9	26.3	27.9	7.3%	13.8%		
Bank of India								↓	BOI's Q2FY12 NII marginally ahead of estimates. Higher non-int inc. and tax w/back compensated for higher provisions. PAT at Rs4.9bn (-20% yoy) below estimates. Slippages at Rs45bn (H1FY12) primarily due to system-based NPA recognition and 23% NPA's from restructured accounts.. B/s expansion of 1.6% qoq led by 15%/10% qoq growth in foreign deposits/advances. Net NPL/network now stands at 23% with Tier I CAR at 8.3% Lowered our estimates by 23%/16% for FY12E/FY13E driven by growth moderation and higher provisions. Maintain HOLD
CMP(Rs)	322	NII (Rs mn)	19,039	18,410	17,761	7.2%	3.4%		
Mkt Cap (Rs bn)	176	Op. Profit (Rs mn)	15,515	13,959	13,796	12.5%	11.1%		
Reco	Hold	NIM (%)	2.2	2.1	2.5	-31 bps	7 bps		
Target Price (Rs)	320	PAT (Rs mn)	4,911	5,176	6,167	-20.4%	-5.1%		
% Upside	-1%	EPS (Rs)	9.0	9.5	11.7	-23.5%	-5.1%		
Canara Bank								↓	CBK results ahead of expectation at P&L front with NII at Rs19.6bn and Net profit at Rs8.5bn, however continues to disappoint on asset quality side. NII grew by 9.4%qoq (-2.1%qoq) to Rs19.6bn ahead of consensus led by 22bps expansion in NIM's, albeit advances grew by just 1.4%qoq. Slippages remain higher at 2.4%. Building in 2% slippage rate for FY12, reco/upgrades rate at 80% of opening NPAs can surprise positively on credit costs. Lowering earnings by 20%/ 7.6% for FY12/13 for higher prov. However better recoveries can give positive surprise to our numbers.
CMP(Rs)	422	NII (Rs mn)	19,617	17,931	20,033	-2.1%	9.4%		
Mkt Cap (Rs bn)	187	Op. Profit (Rs mn)	16,053	12,704	14,157	13.4%	26.4%		
Reco	Hold	NIM (%)	2.2	2.1	2.9	-67 bps	13 bps		
Target Price (Rs)	500	PAT (Rs mn)	8,522	7,259	10,078	-15.4%	17.4%		
% Upside	18%	EPS (Rs)	4.8	4.8	24.6	-80.4%	0.0%		

Banking and Financial Services

Name		Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Corporation Bank							↔	CRPBK's Q2FY12 NII at Rs7.4bn was marginally ahead of expectations. Net profit at Rs4bn aided by higher non-interest income and lower tax provisions during the quarter. Loan portfolio expanded 3.5% qoq; deposits were up 2.4% qoq largely being in the nature of CASA deposits. Reported NIM at 2.4% remained flat sequentially. Asset quality surprised negatively with GNPA up 46% yoy. Slippages for H1FY12 stood at Rs8.2bn (2% annualized) primarily due to migration to system-based NPA recognition. Prolonged period of lower NIMs and CASA proportion have dragged operational performance for long now.
CMP(Rs)	372	NII (Rs mn)	7,436	7,076	6,958	6.9%	5.1%	
Mkt Cap (Rs bn)	55	Op. Profit (Rs mn)	7,001	5,764	5,735	22.1%	21.5%	
Reco	Accumulate	NIM (%)	2.1	2.0	2.4	-27 bps	12 bps	
Target Price (Rs)	520	PAT (Rs mn)	4,011	3,515	3,517	14.0%	14.1%	
% Upside	40%	EPS (Rs)	27.1	23.7	24.5	10.4%	14.1%	
Federal Bank							↔	FB Q2FY12 NII came inline with expectation at Rs4.7bn, however net profit at Rs1.9bn was above expectation led by lower provisioning. NII grew by 8.2%yoy to Rs4.7bn led by 21.6% yoy (5.1% qoq) growth in loan book, albeit NIM's contracted by 10bps qoq to 3.4%. Slippages down from Rs3.2bn in Q1FY12 to 2.6bn in Q2FY12. Further aided by higher recovery/ upgradation (63% of NPA), GNPA ratio improved from 3.9% in Q1FY12 to 3.6% in Q2FY12. Improvement in asset quality and pick up in balance sheet growth vindicates our view on the bank. Maintain ACCUMULATE with TP of Rs425.
CMP(Rs)	360	NII (Rs mn)	4,744	4,598	4,384	8.2%	3.2%	
Mkt Cap (Rs bn)	62	Op. Profit (Rs mn)	3,613	3,541	3,849	-6.1%	2.0%	
Reco	Accumulate	NIM (%)	3.4	3.5	4.0	-59 bps	-9 bps	
Target Price (Rs)	425	PAT (Rs mn)	1,912	1,462	1,404	36.2%	30.8%	
% Upside	18%	EPS (Rs)	11.2	8.5	8.2	36.2%	30.8%	
HDFC Bank							↔	HDFC Bank's Q2FY12 results largely inline with NII at Rs29.4bn and net profit at Rs12bn. Reported NIM declined 10bps qoq due to higher interest cost. Loan portfolio expanded 7.4% qoq aided by 11% sequential growth in retail loan portfolio. Term deposits were up 13% qoq and comprised 71% of the incremental total deposits. Asset quality remains well within comfort zone. Annualised slippage rate still low at 0.8%. Restructured loan portfolio stands at 0.4% of gross advances. Remain positive given superior operating matrix and stable asset quality.
CMP(Rs)	445	NII (Rs mn)	29,445	28,480	25,263	16.6%	3.4%	
Mkt Cap (Rs bn)	1,041	Op. Profit (Rs mn)	21,258	20,334	18,071	17.6%	4.5%	
Reco	Hold	NIM (%)	3.9	4.0	4.2	-27 bps	-13 bps	
Target Price (Rs)	510	PAT (Rs mn)	11,994	10,850	9,121	31.5%	10.5%	
% Upside	15%	EPS (Rs)	25.6	23.2	19.7	30.1%	10.3%	

Banking and Financial Services

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
ICICI Bank								↑	ICICI Bank's NII at Rs25.1bn inline with consensus estimates. PAT at Rs15bn above estimates driven by lower provisions. Advances grew by robust 6%qoq aided by strong growth in international and domestic corp book. But, retail reported 1.1%qoq decline led by decline across retail portfolio. The bank asset quality remained largely stable with just 1.2% increase in GNPA, while NNPA reported decline of 2.9%qoq to Rs22.4bn. Valuations at 1.9x/1.7x FY12E/FY13E standalone ABV not unreasonable with improving operating matrix. Maintain ACCUMULATE rating with TP of Rs1200
CMP(Rs)	732	NII (Rs mn)	25,064	24,109	22,044	13.7%	4.0%		
Mkt Cap (Rs bn)	844	Op. Profit (Rs mn)	23,538	22,340	22,125	6.4%	5.4%		
Reco	Accumulate	NIM (%)	2.3	2.3	2.3	0 bps	-1 bps		
Target Price (Rs)	1,200	PAT (Rs mn)	15,032	13,322	12,369	21.5%	12.8%		
% Upside	64%	EPS (Rs)	13.0	11.6	10.7	21.4%	12.8%		
Punjab National Bank								↑	PNB reports stellar results with NII (Rs34.5bn) and PAT (Rs12.1bn) sharply ahead of our/street estimates. Improved reco/upgrades (60% of op GNPA's) remain stand-out points. CASA eases to 37%, but NIMs still expand 11bps qoq led by better yields. Asset quality surprised +vely with slippages at Rs9.9bn. Major restructuring in troubled segments of Power (SEB) and drilling – a prudent step. With material improvement in asset quality, we are now factoring in lower credit cost (avg 81bps). Valuations at 1.4x FY12E/1.1x FY13E ABV appear reasonable
CMP(Rs)	868	NII (Rs mn)	34,526	31,152	29,767	16.0%	10.8%		
Mkt Cap (Rs bn)	275	Op. Profit (Rs mn)	25,278	24,739	21,001	20.4%	2.2%		
Reco	Accumulate	NIM (%)	3.5	3.3	3.7	-23 bps	24 bps		
Target Price (Rs)	1,270	PAT (Rs mn)	12,050	11,050	10,746	12.1%	9.1%		
% Upside	46%	EPS (Rs)	38.0	34.9	34.1	11.6%	9.1%		
South Indian Bank								↑	SIB's Q2FY12 earnings at Rs950mn ahead of expectation led by higher than expected NII growth. The NII grew by 31.1% to Rs2.6bn led by strong ~19%qoq growth in gold loan portfolio, and 20bps qoq expansion in NIM's to 3%. High concentration of gold loan at 26% of the book, a concern. In case of any slowdown in gold loan book growth, rest of the book need to grow at more than 25%. Lowering earnings by 7.1/8.1% each for FY12/13 for higher opex and prov cost. Maintain ACCUMULATE with revised TP of Rs27
CMP(Rs)	22	NII (Rs mn)	2,588	2,050	1,973	31.1%	26.2%		
Mkt Cap (Rs bn)	25	Op. Profit (Rs mn)	1,664	1,431	1,248	33.3%	16.2%		
Reco	Accumulate	NIM (%)	2.9	2.4	3.0	-8 bps	48 bps		
Target Price (Rs)	27	PAT (Rs mn)	950	824	770	23.3%	15.2%		
% Upside	24%	EPS (Rs)	0.8	0.7	0.7	21.6%	14.5%		

Banking and Financial Services

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
State Bank of India									
CMP(Rs)	1,673	NII (Rs mn)	104,219	96,995	81,149	28.4%	7.4%	↓ SBI's B/S quality deteriorates sharply with slippages of Rs80bn, GNPA's @ 4.2%, PCR slipping 400bps qoq and steep pressure on tier I CAR with net NPLs/net worth @23%. P&L provides some grim smile as NII/PAT at Rs104bn/28bn beat the consensus handsomely by 4%/12% respectively. No immediate catalyst in sight with no clarity on tone-down in slippages. Recoveries @ 40% of op. GNPA's not sufficient to stem the provision costs. Operational numbers likely to stay on track, but NPLs pressure to persist.	
Mkt Cap (Rs bn)	1,062	Op. Profit (Rs mn)	74,743	72,424	63,570	17.6%	3.2%		
Reco	Reduce	NIM (%)	3.4	3.2	3.0	45 bps	21 bps		
Target Price (Rs)	1,750	PAT (Rs mn)	28,104	15,835	25,014	12.4%	77.5%		
% Upside	5%	EPS (Rs)	44.3	24.9	39.4	12.4%	77.5%		
Union Bank of India									
CMP(Rs)	203	NII (Rs mn)	16,612	15,902	15,358	8.2%	4.5%	↓ UNBK NII at Rs16.6bn marginally ahead of expectation. However, lower non-int inc and higher provisions drag net profit to Rs3.5bn, down 24% qoq. Asset quality worst in the past 20-quarters. Slippages came in at Rs18bn. With slower recovery rates and under provisions in past quarters, credit costs to remain high. PCR slips by 770bps qoq. Despite steeply high slippages (50% yoy) in H2FY12, provision costs remain at 58bps, same as in H1FY11. Cutting earnings by 18%/8% for FY12E/FY13E. Growth in FY13E to be under further pressure if NPLs pressure fails to recede. Downgrade to REDUCE with TP of Rs210	
Mkt Cap (Rs bn)	106	Op. Profit (Rs mn)	12,050	11,658	11,301	6.6%	3.4%		
Reco	Reduce	NIM (%)	2.9	2.7	3.0	-18 bps	15 bps		
Target Price (Rs)	210	PAT (Rs mn)	3,525	4,644	3,028	16.4%	-24.1%		
% Upside	3%	EPS (Rs)	5.5	7.3	6.0	-7.5%	-24.1%		
United Bank Of India									
CMP(Rs)	59	NII (Rs mn)	6,235	5,690	5,262	18.5%	9.6%	↓ UNTDB's NII marginally ahead of exp. Net profit at Rs1.25bn was dragged by higher NPA provisions and tax outflow. Slippages at Rs6.2bn was a key -ve. NIM expansion was aided by improvement in LDR and broad based loan growth, however, with net NPL/networth at high 27%, tier-I CAR, adjusted for same, will fall to sub-7%. Resultant, growth rate is set to moderate. Lowered our FY12/FY13 earnings estimates by 18%/21% by factoring in relatively higher credit cost, growth moderation and margin compression. Downgrade to HOLD with tp of Rs73.	
Mkt Cap (Rs bn)	20	Op. Profit (Rs mn)	4,504	4,173	3,546	27.0%	7.9%		
Reco	Hold	NIM (%)	2.8	2.5	2.7	8 bps	23 bps		
Target Price (Rs)	73	PAT (Rs mn)	1,248	1,324	1,098	13.7%	-5.8%		
% Upside	25%	EPS (Rs)	3.6	3.8	3.5	4.4%	-5.8%		

Banking and Financial Services

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Yes Bank								↔	Yes Bank's Q2FY12 NII at Rs3.8bn was largely inline. PAT at Rs2.35bn was above estimates, aided by higher non-interest income. B/s growth remains moderate at 10% qoq; helps maintain NIM at 2.9%. Retail + CASA deposits grew 53% yoy (6% qoq) and comprised 29% of total deposits. Restructured portfolio doubles to Rs1.7bn driven by 3 MFI accounts, albeit bank has made adequate provisions for the same. Drive comfort in smooth transition of the business mix. Valuations of 2.2x/1.5x FY12E / FY13E ABV provide room for decent upside. Upgrade to ACCUMULATE. Maintain TP of 340
CMP(Rs)	263	NII (Rs mn)	3,856	3,541	3,132	23.1%	8.9%		
Mkt Cap (Rs bn)	92	Op. Profit (Rs mn)	3,859	3,250	2,813	37.2%	18.7%		
Reco	Accumulate	NIM (%)	2.6	2.4	2.7	-12 bps	13 bps		
Target Price (Rs)	340	PAT (Rs mn)	2,350	2,160	1,762	33.4%	8.8%		
% Upside	29%	EPS (Rs)	6.7	6.2	5.1	31.2%	7.6%		

Banking and Financial Services

Name		Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
LIC Housing Finance							↓	LICHF's NII below exp. Net profit at Rs980mn (-58% yoy) was dragged by higher regulatory prov requirement. Adj PAT, however was flat yoy. Loan growth (+29% yoy) and individual disbursements (+24% yoy) remained strong. NIM declined 35bps qoq to 2.45% largely due to higher interest cost. GNPA at Rs3.6bn are down 19% qoq. PCR improved to 82% qoq. NHB requirement of Rs2.1bn passed through P&L. Continues to carry Rs1bn of provisions on balance sheet. Superior return ratios with stable asset quality reaffirm our stand on LICHF. Maintain BUY with target price of Rs250
CMP(Rs)	216	NII (Rs mn)	3,341	3,610	3,051	9.5%	-7.4%	
Mkt Cap (Rs bn)	103	Op. Profit (Rs mn)	3,354	3,789	3,192	5.1%	-11.5%	
Reco	Buy	NIM (%)	2.5	2.9	2.9	-42 bps	-35 bps	
Target Price (Rs)	250	PAT (Rs mn)	2,370	2,565	2,341	1.2%	-7.6%	
% Upside	16%	EPS (Rs)	5.0	5.4	4.9	1.2%	-7.6%	
Mah & Mah Financial Services							↔	MMFS' results inline with expectation with NII at Rs3.3bn and net profit at Rs1.0bn. NII grew by 22.8%yoy to Rs3.9bn driven by 32.4%yoy growth in value of asset financed, albeit NIM's contracted by 207bps yoy to 9.9% (although increased qoq by 61bps). MMFS' asset quality improved with GNPA ratio coming down from 4.6% in Q1FY12 to 4.0%, while NNPA ratio remained stable at 1%. Lowered FY12E/FY13E NII estimates by 3.1%/3.4% adj for the securitization inc. However with lower opex and prov, earning remains unchanged. Maintain BUY with PT of Rs800
CMP(Rs)	644	NII (Rs mn)	3,902	3,317	3,178	22.8%	17.6%	
Mkt Cap (Rs bn)	67	Op. Profit (Rs mn)	2,539	2,074	2,077	22.3%	22.4%	
Reco	Buy	NIM (%)	9.9	9.3	12.0	-207 bps	61 bps	
Target Price (Rs)	800	PAT (Rs mn)	1,355	1,022	1,165	16.3%	32.6%	
% Upside	24%	EPS (Rs)	13.2	10.0	12.1	9.1%	32.5%	
Manappuram General Finance							↑	MAGFIL results ahead of expectation with NII at Rs3.7bn and Net profit at Rs1.4bn. Asset quality stable with GNPA at 0.44% and NNPA at 0.25%. The company's AUMs grew by a robust 17.4% qoq to Rs106bn in Q2FY12 aided by 12%qoq increase in customer base and ~10%qoq increase in branch network. Rising competition and possibility of NPA recognition on 90dpd as mentioned in the draft discussion paper could hurt growth and margins. Downgrade to HOLD with TP of Rs65
CMP(Rs)	57	NII (Rs mn)	3,713	3,145	1,792	107.2%	18.1%	
Mkt Cap (Rs bn)	47	Op. Profit (Rs mn)	2,034	1,635	947	114.7%	24.4%	
Reco	Hold	NIM (%)	13.1	13.1	14.6	-156 bps	3 bps	
Target Price (Rs)	65	PAT (Rs mn)	1,353	1,078	602	124.8%	25.5%	
% Upside	14%	EPS (Rs)	1.6	1.3	1.7	-3.7%	25.5%	

Banking and Financial Services

Name		Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
CRISIL							↔	CRISIL's reve came in at Rs2.1bn, inline with expectation. However net profit at Rs602mn was ahead of expectation led by lower opex and one off gains of Rs104mn. While rating revenues remain stable qoq, Research business continues to show strong growth (7.8%qoq). Continued momentum in IREVNA & leverage on pipal bus to drive rev. Operating margins expanded by 63bps qoq to 35% led by 165/ 41bps yoy improvement in rating and research margins. Shifting our valuation methodology from premium to Sensex valuations to cash flow discounting. Accordingly, revising price target to Rs1050 and upgrade to BUY
CMP(Rs)	889	Net Sales (Rs mn)	2,095	2,031	1,591	31.7%	3.2%	
Mkt Cap (Rs bn)	63	EBITDA (Rs mn)	734	599	547	34.1%	22.5%	
Reco	Buy	EBITDA Margin (%)	35.0	29.5	34.4	63 bps	552 bps	
Target Price (Rs)	1,050	PAT (Rs mn)	525	419	426	23.1%	25.4%	
% Upside	18%	EPS (Rs)	72.7	57.9	59.0	23.1%	25.4%	
ICRA							↑	ICRA's results surprise positively with revenue at Rs519mn and adj net profit at Rs140mn (vs our estimate Rs 105mn). The rating revenues grow by whopping 48%qoq growth (despite low loan growth/low bond floatations during the quarter). Margins bounced back to a near normalized level of 37.3% during the quarter, albelt still lower than 41.2% of Q2FY11. Rating margins improved to 47.9% from 26.3% in Q1FY12. Sustainability of the growth in rating revenue look difficult given rising competition, sluggish debt issuances and lower bank loan growth. Maintain REDUCE with PT of Rs900
CMP(Rs)	885	Net Sales (Rs mn)	519	387	484	7.2%	34.0%	
Mkt Cap (Rs bn)	9	EBITDA (Rs mn)	194	94	200	-3.1%	105.5%	
Reco	Reduce	EBITDA Margin (%)	37.3	24.3	41.2	-394 bps	1,299 bps	
Target Price (Rs)	900	PAT (Rs mn)	140	85	141	-0.6%	64.6%	
% Upside	2%	EPS (Rs)	14.0	8.5	14.1	-0.6%	64.6%	

Cement

- Q2FY12 cement earnings came in better than expected, driven by higher than expected cement realizations. Realizations at Rs4083/t (vs est of Rs3945/t) grew 19% yoy & surprised us positively as cement prices remained firm in the southern region (as opposed to the drop seen in Q2FY11).
- The uptick in prices which started in Sept-11 has gained momentum & as of Oct-11 all India cement prices at Rs265 are already up Rs18-20/bag from Q2FY12 average of Rs247/bag. This increased momentum in cement price hikes has led to higher exit realizations driving upgrades in earnings for companies under our coverage.
- Net sales grew 24% yoy driven 19% growth in cement realizations. The effect of domestic coal price hike and higher freight costs (led by diesel price hike) was visible for all companies as total cost/ton at Rs3390/t increased 13.4% yoy & 7% qoq. Though total costs increased 13% yoy, 19% growth in realizations resulted in EBITDA/t at Rs693 (our Estimate – Rs656/t) + 57% yoy.
- Though severe cost pressures continue due to higher coal and fuel costs, we expect cost push intensity to peak over next couple of quarters. For companies that rely on imported coal, the recent volatility in the Rupee dollar is expected to impact the P&F costs for the December quarter as well. Additionally, the industry remains exposed to the risk of proposed new mining tax as it would increase the limestone mining costs by Rs75+80/t and it remains a potential dampener.
- We believe that aggregate demand momentum is yet to pick as the private capex investments remain sluggish & infra spending at standstill. We remain concerned on the demand as this remains the only trigger to sustain cement prices & help recovery for the sector.
- We maintain neutral stance on the sector. Prefer ACC (volume growth to help drive operating leverage and protect margins), Grasim (attractive valuations) and Shree cements amongst mid caps (at 25% discount to ACC valuation, cement biz alone yields value of Rs2200/share implying negative value for power biz)

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
ACC									
CMP(Rs)	1,133	Net Sales (Rs mn)	21,500	24,030	16,372	31.3%	-10.5%	↓	EBITDA of Rs2.2bn (+30% yoy) below est dragged by higher P&F costs (Rs972/t +30% yoy) & higher other exp.Revenues in line- up 31.3% yoy fuelled by 18% volume growth and 11.5% jump in realizations (led by minimal seasonal drop in prices in south , 20% of ACC's sales).Downgrade CY11EPS by 2.4% led by higher costs. However momentum in cement price hikes lead to higher exit realizations driving 2.8% upgrade in CY12 earnings. Introduce CY13 EPS at Rs87.Upgrade to Accumulate - revised TP to Rs1290 by rolling over to CY13
Mkt Cap (Rs bn)	213	EBITDA (Rs mn)	2,204	5,503	1,699	29.7%	-59.9%		
Reco	Hold	EBITDA Margin (%)	10.3	22.9	10.4	-13 bps	-1,265 bps		
Target Price (Rs)	1,290	PAT (Rs mn)	1,228	3,366	900	36.4%	-63.5%		
% Upside	14%	EPS (Rs)	6.5	17.9	4.8	36.4%	-63.5%		
Ambuja									
CMP(Rs)	150	Net Sales (Rs mn)	18,051	21,733	15,640	15.4%	-16.9%	↑	EBITDA of Rs3.1bn (+10% yoy) above est led by higher Cement realizations (Rs3848/t , +7% yoy.). Higher other income boost above est APAT (Rs1.9bn, +13% yoy). Though P&F costs at Rs1055/t was higher than est, tight control on fixed costs restricted cost pressures. Momentum in cement price hikes lead to higher CY11 exit realizations driving 2.8% upgrade in CY12E EPS. Introduce CY13 EPS at Rs11.2. Recent decline in petcoke & sharp cement price hikes to improve ACL's margins. Upgrade to Hold -revise TP to Rs165 by rolling over to CY13E numbers
Mkt Cap (Rs bn)	229	EBITDA (Rs mn)	3,115	5,826	2,832	10.0%	-46.5%		
Reco	Reduce	EBITDA Margin (%)	17.3	26.8	18.1	-85 bps	-955 bps		
Target Price (Rs)	165	PAT (Rs mn)	1,921	3,475	1,521	26.3%	-44.7%		
% Upside	10%	EPS (Rs)	1.3	2.3	1.0	26.3%	-44.7%		
India Cements									
CMP(Rs)	68	Net Sales (Rs mn)	10,891	10,568	8,412	29.5%	3.1%	↑	APAT at Rs.76bn significantly above est led by higher cement prices. Southern markets held on to elevated price levels- realizations at Rs4223/t (vs est of Rs3922/t). Higher prices drive EBITDA/t to Rs887. Cost pressure continue as impact of higher imported coal prices aggravated with sharp appreciation in INR impacting company's P&F cost. Though ICEM's valuation at EV/t of USD77 are attractive, unrelated diversification, leveraged balance sheet, sub-optimal return ratios are re-rating hurdles-Maintain HOLD
Mkt Cap (Rs bn)	21	EBITDA (Rs mn)	2,520	2,417	286	780.1%	4.3%		
Reco	Hold	EBITDA Margin (%)	23.1	22.9	3.4	1,973 bps	27 bps		
Target Price (Rs)	86	PAT (Rs mn)	767	1,057	-449	n.a	-27.4%		
% Upside	26%	EPS (Rs)	2.5	3.4	-1.5	n.a	-27.4%		

Cement

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Madras Cement								↑	EBITDA at Rs2.6bn (+149% yoy) above est led by higher Cement realizations (Rs4347/t , +55% yoy) as southern cement prices held fort. APAT grows 5X on low base. Cement price remain firm in south .Post recent momentum seen in prices from Sept-2011, H2FY12 prices expected to be higher leading to EPS upgrade for FY12 by 12.7%.Revise TP to Rs125 by rolling over to FY13 est but downgrade reco to HOLD as the recent run up in stock already factors in the cement price hikes trigger leaving limited upside
CMP(Rs)	109	Net Sales (Rs mn)	8,190	7,642	6,421	27.6%	7.2%		
Mkt Cap (Rs bn)	26	EBITDA (Rs mn)	2,660	2,444	1,068	149.0%	8.9%		
Reco	Accumulate	EBITDA Margin (%)	32.5	32.0	16.6	1,585 bps	51 bps		
Target Price (Rs)	125	PAT (Rs mn)	1,120	983	185	505.4%	13.9%		
% Upside	15%	EPS (Rs)	4.7	4.1	0.8	505.4%	13.9%		
Orient Paper								↓	EBITDA at Rs556 mn (+196.2% yoy), lower than est led by poor performance of electricals division. Electrical revenues grew 7% with EBIT margins at mere 1.9%.Cement revenues grew 57% yoy (Rs2.9) bn entirely driven by a sharp 55% yoy jump in realization (Rs3555/t). However with higher energy & freight cost, cement EBIT/t at Rs683 came in lower than est(Rs730/t).De-merger of cement business into a new wholly owned sub- Orient Cement Ltd - triggers the much awaited value unlocking process. Maintain Earnings.
CMP(Rs)	52	Net Sales (Rs mn)	5,066	5,339	3,829	32.3%	-5.1%		
Mkt Cap (Rs bn)	10	EBITDA (Rs mn)	556	1,109	188	196.2%	-49.9%		
Reco	Buy	EBITDA Margin (%)	11.0	20.8	4.9	608 bps	-980 bps		
Target Price (Rs)	82	PAT (Rs mn)	241	584	5	4728.1%	-58.8%		
% Upside	57%	EPS (Rs)	1.2	3.0	0.0	4728.1%	-58.8%		
Shree Cement								↑	EBITDA at Rs2.0bn (+41% yoy) significantly ahead of est (Rs1.49bn) led by higher cement realizations (Rs3412/t,+13% yoy).Revenues grow 24% yoy to Rs8.54bn. Better realization & higher share of cement in dispatches help 39% improvement EBIDTA/t to Rs816. Muted power offtake lead to 96% decline in Power EBIDTA. Despite factoring higher RM cost & lower power volumes, recent price hikes drive EBITDA upgrade of 8%/5% for FY12E/13E.Shree remains our top pick. Raise TP to Rs2400 driven by earnings upgrade & roll over to FY13.
CMP(Rs)	2,026	Net Sales (Rs mn)	8,546	10,340	7,176	19.1%	-17.3%		
Mkt Cap (Rs bn)	71	EBITDA (Rs mn)	2,014	2,591	1,427	41.1%	-22.3%		
Reco	Accumulate	EBITDA Margin (%)	23.6	25.1	19.9	368 bps	-149 bps		
Target Price (Rs)	2,400	PAT (Rs mn)	232	555	106	120.1%	-58.2%		
% Upside	18%	EPS (Rs)	6.7	15.9	3.0	120.1%	-58.2%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Ultratech								↓	EBITDA of Rs5.81bn (+43% yoy) below est dragged by higher freight costs (Rs 819/t up 15% yoy) & RM costs (Rs594/t, 14% yoy). Higher other income drive net profit beat. Minimal sequential drop in cement prices in south (22% of UTCEM's sales) & low base drive +20% yoy jump in realization to Rs4241/t, helping 21% growth in topline. Despite factoring in higher costs, the momentum in price hikes has led to EPS upgrade of 3.6%/2.5%- for FY12E/13E. Upgrade to HOLD, revise price target to Rs1170.
CMP(Rs)	1,109	Net Sales (Rs mn)	39,098	43,654	32,147	21.6%	-10.4%		
Mkt Cap (Rs bn)	304	EBITDA (Rs mn)	5,816	11,881	4,078	42.6%	-51.0%		
Reco	Hold	EBITDA Margin (%)	14.9	27.2	12.7	219 bps	-1,234 bps		
Target Price (Rs)	1,170	PAT (Rs mn)	2,789	6,831	1,158	140.9%	-59.2%		
% Upside	6%	EPS (Rs)	10.2	25.0	4.2	140.9%	-59.2%		

Consumers

- Though, aggregate level for EMKAY's Consumer universe saw continuation of growth momentum, but clear tussle between discretionary and non-discretionary portfolios was witnessed in the quarter. Revenues were Rs164.2 bn +23% yoy, being in-line with estimates. However, discretionary portfolios of Titan Industries and Asian Paints were impacted, reporting lower revenue growth and being price-led. Whereas, HUL generated positive surprise in the quarter with strong growth across portfolios; growing at 18% yoy to Rs56.1 bn.
- Recalling 'Holding Fort, Slipping Realm' – Q2FY12 saw stress in the discretionary portfolios. Volume growth moderated for Asian Paints and Titan Industries (Jewellery Segment) to 10% and 3% respectively. Whereas, non-discretionary saw continued momentum; volumes of Marico, GSK Consumer, Nestle and Colgate grew at 10-14% range. HUL volume growth was 9%; high base was not a deterrent.
- Operating margins trailing price increases for Consumer universe. Also, raw material prices, though lower than the peak levels, are still ruling high on a yoy basis – not a comforting factor. Only HUL reported 116 bps expansion in margins, gaining from improvement in Soaps & Detergents portfolio. Led by gross margin decline, EMKAY's Consumer universe reported lower Ebidta growth at 19% yoy with margins declining 43 bps to 14.9% and APAT growth at 16% yoy, but on expected lines. HUL reported +12% and Asian Paints -12% surprises to expected APAT.
- Concerns on volume growth have increased; especially after moderation in discretionary categories. This alongside gross margin pressure and increasing competition provides no respite, also rich valuations are at fore. Despite positive surprise, we have downgraded HUL to HOLD with all-levers playing out and rich valuations. We have clear preference for non-discretionary products and under-penetrated categories alongside strong pricing power or strong upgrade catalyst. We prefer Marico, GCPL, Jubilant FoodWorks, Nestle, GSK Consumer and Berger Paints as our preferred picks in our coverage universe. Our top avoids are Asian Paints, Titan Industries, Colgate and HUL.

Name		Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Asian Paints							↓	Revenue increased 24% to Rs 22.5 bn, marginally below our expectations. Ebidta margins at 14.3% and APAT of Rs 2.1 bn (decline of 3%) is much below our expectations. Domestic volume growth in decorative paints moderated to 10% vs our expectation of 12%. Industrial coatings continued its subdued demand performance. Continued increase in TiO2 prices, coupled with higher operating costs resulted in sharp decline of 400 bps in EBITDA margins to 14.3%. Revise FY12E/13E EPS by -2%/-3% to Rs 101.4 and Rs 117.5, respectively. No upgrade catalysts- Re-iterate Hold with revised TP of Rs 2,820/share.
CMP(Rs)	2,936	Net Sales (Rs mn)	22,508	22,604	18,108	24.3%	-0.4%	
Mkt Cap (Rs bn)	281	EBITDA (Rs mn)	3,229	3,922	3,315	-2.6%	-17.7%	
Reco	Hold	EBITDA Margin (%)	14.3	17.3	18.3	-396 bps	-300 bps	
Target Price (Rs)	2,820	PAT (Rs mn)	2,087	2,637	2,147	-2.8%	-20.8%	
% Upside	-4%	EPS (Rs)	21.8	27.5	22.4	-2.8%	-20.8%	
Berger Paints							↑	Standalone volume disappoints, but gross margins expand and Ebidta margins intact at 10.4%. Swinging positive surprise. APAT at Rs430 mn + 17% yoy, above expectation. Domestic volume growth in the decorative paints segment moderates to 8-10% for the quarter, but market shares retained. Seasonally strong quarter for Bollix, SA. Subsidiaries churn APAT growth of 68% yoy, Even Consol APAT at Rs493 mn up 21.7% yoy, ahead of expectations. Retain our FY12E and FY13E EPS of Rs 5.1/share and Rs 6.2/share, respectively. Maintain ACCUMULATE rating with target price of Rs 109/share.
CMP(Rs)	99	Net Sales (Rs mn)	7,206	6,931	5,899	22.1%	4.0%	
Mkt Cap (Rs bn)	34	EBITDA (Rs mn)	773	609	669	15.6%	27.0%	
Reco	Accumulate	EBITDA Margin (%)	10.7	8.8	11.3	-61 bps	195 bps	
Target Price (Rs)	109	PAT (Rs mn)	493	372	405	21.7%	32.6%	
% Upside	10%	EPS (Rs)	1.4	1.1	1.2	21.7%	32.6%	
Colgate							↓	Sales growth at 19% to Rs 6.6bn, higher than our expectations, driven by 13% volume growth. APAT (ex-VRS of Rs82mn) at Rs.1 bn is marginally below our estimates. Volume market shares in key categories of toothpastes and toothbrush witness a decline-70 bps to 53% and 420 bps to 36.3%, respectively. While higher realizations offset input cost pressure, higher A&P spends resulted in 196bps decline in operating margins to 18.4%. Reduce FY12E/FY13E EPS by 4% and 9% to Rs 31.4 and Rs 34.3, respectively. Maintain our Reduce rating on the stock with a target price of Rs 826/share.
CMP(Rs)	996	Net Sales (Rs mn)	6,572	6,111	5,518	19.1%	7.6%	
Mkt Cap (Rs bn)	135	EBITDA (Rs mn)	1,207	1,173	1,122	7.6%	2.9%	
Reco	Reduce	EBITDA Margin (%)	18.4	19.2	20.3	-196 bps	-83 bps	
Target Price (Rs)	826	PAT (Rs mn)	1,097	1,004	1,003	9.3%	9.2%	
% Upside	-17%	EPS (Rs)	8.1	7.4	7.4	9.3%	9.2%	

Consumers

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Godrej Consumer								↓	GCPL consol. revenue grew 24% to Rs 12 bn, in line with our estimates. However, forex loss restricted APAT growth. Domestic growth remained strong at 24%–HI at 29% and soaps at 32%.Continued input costs pressure resulted in standalone EBITDA margin contraction of 220bps. International revenue growth of 24% - Megasari at 24% and South-Africa at 48%.Favourable sales mix with prudent cost management resulted in 200bps margin expansion. Downward revise our FY12E EPS by 8% to Rs 17.8 and FY13E EPS by 6% to Rs 22.3 – Maintain ACCUMULATE rating on the stock with revised target price of Rs 446/share.
CMP(Rs)	394	Net Sales (Rs mn)	11,919	10,030	9,647	23.5%	18.8%		
Mkt Cap (Rs bn)	127	EBITDA (Rs mn)	2,147	1,480	1,810	18.7%	45.1%		
Reco	Accumulate	EBITDA Margin (%)	18.0	14.8	18.8	-74 bps	326 bps		
Target Price (Rs)	446	PAT (Rs mn)	1,310	1,026	1,302	0.6%	27.7%		
% Upside	13%	EPS (Rs)	4.0	3.2	4.0	0.6%	27.7%		
GSK Consumer								↑	Buoyed by other income, results ahead of expectations. Sales growth of 17.5% yoy to Rs 7.2 bn and APAT growth of 31.1% yoy to Rs 1.0 bn. Swings in volume growth–Moderates to 8% yoy in the domestic MFD segment, with Horlicks growing at 10% and Boost at 8% for the quarter. Non-MFD portfolio remains mixed bag. Biscuits grew by 35% yoy, but Foodles slows downs to 0-2% facing distribution issues. Maintain estimates for CY11E/12E at Rs 85.6/share and Rs 101.1/share. Maintain 'ACCUMULATE' rating with revised target price of Rs 2,743/share.
CMP(Rs)	2,426	Net Sales (Rs mn)	7,201	6,534	6,126	17.5%	10.2%		
Mkt Cap (Rs bn)	102	EBITDA (Rs mn)	1,180	985	951	24.1%	19.7%		
Reco	Accumulate	EBITDA Margin (%)	16.4	15.1	15.5	87 bps	131 bps		
Target Price (Rs)	2,527	PAT (Rs mn)	1,030	825	786	31.1%	24.9%		
% Upside	4%	EPS (Rs)	24.5	19.6	18.7	31.1%	24.9%		
HUL								↑	Results beat our expectations–Sales growth of 17.8% to Rs 56bn driven by 9.8% volume growth and APAT growth of 22.6% to Rs 6.4bn. Soaps and detergents outshine–revenue growth of 21.8% with PBIT margin expansion of 60bps yoy and 320bps qoq –catalyst played out earlier than expected. No near term upgrade catalysts. While we raise our FY12E/13E EPS by 5.9% to Rs 11.8 and by 5.6% to Rs 13.3, respectively, we downgrade the stock to HOLD with a revised TP of Rs 347/share.
CMP(Rs)	390	Net Sales (Rs mn)	56,105	55,794	47,647	17.8%	0.6%		
Mkt Cap (Rs bn)	843	EBITDA (Rs mn)	8,267	7,543	6,469	27.8%	9.6%		
Reco	Accumulate	EBITDA Margin (%)	14.7	13.5	13.6	116 bps	122 bps		
Target Price (Rs)	347	PAT (Rs mn)	6,445	5,686	5,257	22.6%	13.3%		
% Upside	-11%	EPS (Rs)	3.0	2.6	2.4	22.6%	13.3%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Jubilant Foodworks								↔	Results in line-sales growth of 47% yoy to Rs 2.4 bn, driven by strong 27% same store growth. APAT growth of 33% yoy to Rs 246 mn. Moderation in SSG to 27% in Q2FY12, as expected, due to base effects. Incurred expenditure of Rs9 mn on Dunkin Donuts, reiterates to open its first Dunkin Donuts outlet in H1CY12E. Continue to remain positive on its robust business model with high operating cash flows – Re-iterate our ACCUMULATE rating with a target price of Rs 900/share.
CMP(Rs)	762	Net Sales (Rs mn)	2,404	2,169	1,634	47.1%	10.8%		
Mkt Cap (Rs bn)	49	EBITDA (Rs mn)	436	413	297	46.8%	5.5%		
Reco	Accumulate	EBITDA Margin (%)	18.1	19.1	18.2	-5 bps	-91 bps		
Target Price (Rs)	900	PAT (Rs mn)	246	232	184	33.4%	6.2%		
% Upside	18%	EPS (Rs)	3.8	3.6	2.9	33.2%	6.2%		
Marico								↔	14% vol. growth driving performance; write back of excise duty resulted in net profit growth of 9.4% yoy to Rs783 mn, in-line with estimates. Both volume growth and market shares remain intact for core portfolio; Vol. growth of 10% in Parachute, 11% in Saffola and 26% in Hair Oils. Int. business grew 19% yoy to Rs2.4 bn; 14% organic growth and 19% inorganic growth gets marginally offset by -19% FX changes. Earnings factor - softening of input prices. Retain FY13E earnings at Rs7.5/Share. Maintain ACCUMULATE rating with target price of Rs172/Share.
CMP(Rs)	146	Net Sales (Rs mn)	9,745	10,486	7,758	25.6%	-7.1%		
Mkt Cap (Rs bn)	90	EBITDA (Rs mn)	1,167	1,251	991	17.7%	-6.8%		
Reco	Accumulate	EBITDA Margin (%)	12.0	11.9	12.8	-81 bps	4 bps		
Target Price (Rs)	172	PAT (Rs mn)	783	850	716	9.4%	-7.9%		
% Upside	18%	EPS (Rs)	1.3	1.4	1.2	8.5%	-7.9%		
Nestle								↑	Marginally lower sales growth at 19.9% yoy to Rs19.6 bn, Ebidta growth at 27.2% yoy to Rs4.1 bn and APAT growth at 23.5% yoy to Rs2.7 bn, beats expectation. Domestic growth of 20.7% yoy remains broad-based; indicative of volume growth of 16% yoy; but exports stumbles with growth of 4.6% yoy. Better product mix & cost and operations management resulted in 90 bps expansion in gross margins and 120 bps expansion in Ebidta margins. Maintain estimates for CY11E/12E at Rs 102.4/share and Rs 121.9/share. Maintain 'ACCUMULATE' rating with target price of Rs 5,110/share..
CMP(Rs)	4,371	Net Sales (Rs mn)	19,631	17,631	16,373	19.9%	11.3%		
Mkt Cap (Rs bn)	421	EBITDA (Rs mn)	4,103	3,445	3,226	27.2%	19.1%		
Reco	Accumulate	EBITDA Margin (%)	20.9	19.5	19.7	120 bps	136 bps		
Target Price (Rs)	5,110	PAT (Rs mn)	2,685	2,196	2,175	23.5%	22.3%		
% Upside	17%	EPS (Rs)	27.9	22.8	22.6	23.5%	22.3%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Titan Industries								↔	Sales registered 36.5% yoy to Rs 21 bn, PAT grew 16% yoy to Rs 1.5 bn, both in line with our estimates. As expected, volumes in jewellery remained muted at 3% yoy-driven by gold prices, jewellery reported 45% yoy growth to Rs 16.3 bn with PBIT margins remaining stable at 9.2%. Watches div. recorded 16% yoy revenue growth to Rs 4.2 bn, driven by 19% yoy volume growth. PBIT margins in this segment declined 540 bps to 16.1%. Revise our EPS estimates upwards by +3% to Rs 6.8 for FY12E and maintain FY13E EPS of Rs 8.2 - Maintain our HOLD rating with target price of Rs 225/share.
CMP(Rs)	198	Net Sales (Rs mn)	20,965	20,206	15,361	36.5%	3.8%		
Mkt Cap (Rs bn)	176	EBITDA (Rs mn)	2,004	1,846	1,736	15.4%	8.6%		
Reco	Hold	EBITDA Margin (%)	9.6	9.1	11.3	-175 bps	42 bps		
Target Price (Rs)	225	PAT (Rs mn)	1,482	1,434	1,278	16.0%	3.4%		
% Upside	13%	EPS (Rs)	1.7	1.6	1.4	16.0%	3.4%		

Engineering & Capital Goods (ECG)

Though, EMKAY ECG universe' Q2FY12 APAT growth at 13.6% yoy meets expectations – but moderation in growth rate is clearly visible. Also, 11.7% yoy decline in H1FY12 order inflows and declining book-to-bill has impacted revenue visibility and clearly hinting at challenging quarters ahead. Our analysis for the sector is as follows:

- With projects execution remaining unaffected at large, EMKAY ECG universe saw continuity in momentum; revenues grew 18.8% yoy to Rs311.1 bn. Only L&T's revenue performance at Rs112.4 bn +20.5% yoy beats expectations. Whereas, Cummins (-0.1%), Voltas (+5.3%) and Blue Star (-13.0%) were sharply below expectations.
- On expected lines, decline in Ebidta margins curtailed Ebidta growth at 11.6% yoy to Rs398.3 bn. Input cost inflation and operating expenditure alongside unfavorable mix lead to 80 bps yoy decline in Ebidta margins to 12.8%. Infact, 13 out-of 16 companies reported yoy decline in Ebidta margins.
- Even, EMKAY universe APAT growth slows down to 13.6% yoy to Rs25.8 bn; but stays on expected lines. Companies reported increase in working capital cycle and highlighted slippages in receivables. This alongside higher interest rates influenced profitability; impacting leveraged operations and gains for cash-rich operations.
- Delays and postponement was at fore impacting order inflows and visibility; Order inflow declines 5.4% yoy to Rs393.1 bn, but improved on qoq basis. With 11.7% yoy decline in H1FY12 order inflows, implied rates has risen and book-to-bill has reduced. With worsening conditions, sustaining order inflows is big challenge.

'Delusional Optimism To Reality' emphasized challenges in operating environment; done earnings revision of -6% and -11% for FY12E and FY13E. Further earnings revision undertaken; cut FY12E earnings and retaining the FY13E earnings. Catalysts nowhere in sight, risks dominating capital and financial investments. Higher weightage given to sustenance of cash flows, working capital intensity, quality of balance sheets and return ratios. Prefer L&T, Thermax, Voltas and Greaves Cotton.

Engineering & Capital Goods (ECG)

Name		Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Larsen & Toubro							↑	Mixed Bag performance—Ebidta margins decline 30 bps yoy but APAT grew 28% to Rs8.0 bn – led by higher other income.Q2FY12 order inflows of Rs161 bn (down 21% yoy) & H1FY12 down 11% to Rs330 bn – Asking rate for H2FY12 increases Order book of Rs1,422 bn –3.2X revenues. Lowered guidance—order inflows growth of 5% and Ebidta margins decline 75-125 bps – Same remains factored in our estimates. L&T at attractive valuations of 14.9X FY13E earnings, but lacks re-rating catalysts-Maintain ACCUMULATE with target price of Rs1603/Shares.
	(Standalone)							
CMP(Rs)	1,226	Net Sales (Rs mn)	112,452	94,826	93,308	20.5%	18.6%	
Mkt Cap (Rs bn)	750	EBITDA (Rs mn)	11,741	11,265	10,057	16.7%	4.2%	
Reco	Accumulate	EBITDA Margin (%)	10.4	11.9	10.8	-34 bps	-144 bps	
Target Price (Rs)	1,603	PAT (Rs mn)	7,984	7,461	6,241	27.9%	7.0%	
% Upside	31%	EPS (Rs)	13.1	12.2	10.3	26.6%	6.8%	
BHEL							↑	Results beat expectations, though Ebidta margins decline higher than expected—(1) Revenue +24% yoy to Rs105 bn(2) EBITDA +20% yoy to Rs20 bn(3) APAT +24% yoy to Rs14 bn. 'Industry' segment reports best performance—Revenue +59% to Rs30 bn and Ebit margins highest-ever at 27%; 'Power' segment trips with Ebit margin decline of 430 bps to 16.9%. Provisions on contractual obligations, considered 'Normal', recurring for last 3 quarters—yet again made additional provisions of Rs2.0-2.5 bn in quarter and Rs4.3 bn for H1FY12. Maintain earning of Rs26.4 for FY12E & Rs27.9 for FY13E. With lack of re-rating catalyst, Retain HOLD.
CMP(Rs)	262	Net Sales (Rs mn)	105,455	72,715	84,907	24.2%	45.0%	
Mkt Cap (Rs bn)	641	EBITDA (Rs mn)	19,592	11,132	16,324	20.0%	76.0%	
Reco	Hold	EBITDA Margin (%)	18.6	15.3	19.2	-65 bps	327 bps	
Target Price (Rs)	376	PAT (Rs mn)	14,120	8,155	11,423	23.6%	73.2%	
% Upside	43%	EPS (Rs)	5.8	3.3	4.7	23.6%	73.2%	
Cummins India							↓	Cummins disappoints-(1) revenues unchanged at Rs10.9 bn (2) 380 bps yoy decline in EBITDA margins to16.1% (3) 23% yoy drop in APAT to Rs1.3 bn. Domestic business decline -5% yoy with Power Co-gen declining -20% yoy, negative surprise. CIL tones down revenue guidance for second successive quarter - led by domestic market (down from 10-15% to 5-10%). Cut FY12E earnings by 8% to Rs19.6/Share.Retain FY13E earnings of Rs22.4/Share; With muted earnings growth and no catalyst, Retain HOLD rating.
CMP(Rs)	335	Net Sales (Rs mn)	10,903	10,453	10,914	-0.1%	4.3%	
Mkt Cap (Rs bn)	93	EBITDA (Rs mn)	1,759	1,856	2,172	-19.0%	-5.2%	
Reco	Hold	EBITDA Margin (%)	16.1	17.8	19.9	-377 bps	-163 bps	
Target Price (Rs)	388	PAT (Rs mn)	1,286	1,427	1,679	-23.4%	-9.9%	
% Upside	16%	EPS (Rs)	4.6	5.1	6.1	-23.4%	-9.9%	

Engineering & Capital Goods (ECG)

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Thermax		(Standalone)						↔	Meets expectations – (1) Revenue up 19% yoy to Rs13.0 bn (2) EBITDA% down 100 bps yoy to 10.8% - due to high RM prices (3) APAT up 14% yoy to Rs1.0 bn. Order inflow momentum sustains – amongst few in ECG universe. Bags Rs12.8 bn orders (YTD 49% of FY12E target). Order book at Rs65.3 bn. Highlights concerns – (1) Pressure on EBITDA margins to continue (2) Subdued order inflows in near-term. Already factored above concerns in our earnings estimates. Trading at attractive valuations of 11.8X FY13E – but no near term re-rating catalysts. Have Accumulate rating. TP Rs495
CMP(Rs)	446	Net Sales (Rs mn)	13,035	10,444	10,916	19.4%	24.8%		
Mkt Cap (Rs bn)	53	EBITDA (Rs mn)	1,405	1,137	1,286	9.3%	23.6%		
Reco	Accumulate	EBITDA Margin (%)	10.8	10.9	11.8	-100 bps	-11 bps		
Target Price (Rs)	495	PAT (Rs mn)	1,017	799	895	13.6%	27.3%		
% Upside	11%	EPS (Rs)	8.5	6.7	7.5	13.6%	27.3%		
Voltas								↓	Voltas net profits down 77% yoy to Rs169 mn due to (1) cost over-runs in Qatar project (2) rising input costs and (3) high interest and depreciation charges. Order inflows improve qoq–secures Rs6.7bn orders. But H2FY12E implied growth rate remains high at 76% yoy. Downgrade FY12E earnings by 28% to factor lower margins in H1FY12. Retain FY13E earnings of Rs8.8 per share. At CMP, concerns are factored and upside triggers outweigh any concerns. Retain Accumulate rating with target of Rs121. Consensus earnings downgrades remains key overhang.
CMP(Rs)	83	Net Sales (Rs mn)	11,216	13,484	10,651	5.3%	-16.8%		
Mkt Cap (Rs bn)	27	EBITDA (Rs mn)	271	1,089	1,075	-74.8%	-75.1%		
Reco	Accumulate	EBITDA Margin (%)	2.4	8.1	10.1	-768 bps	-566 bps		
Target Price (Rs)	121	PAT (Rs mn)	169	723	746	-77.4%	-76.6%		
% Upside	46%	EPS (Rs)	0.5	2.2	2.3	-77.4%	-76.6%		
Blue Star								↓	Results disappointing, with net loss of Rs208 mn ? Revenues down 13% yoy, EBITDA% down 740 bps yoy, forex loss of Rs194 mn, Interest cost up 129% yoy. EMP&PAC segment posts EBIT loss of Rs34 mn. Cooling Products margins drop 610 bps yoy to 5.4%. Secures orders worth Rs6.7bn–YTD achieves 49% of FY12E target inflows. Gross debt rises 48% over Mar'11 to 6.2bn while DER deteriorates further to 1.1X from 0.7X in Mar'11. Cut earnings estimates by 17% for FY12E to Rs9.2 and by 5% for FY13E to Rs15.0. Amidst ambiguity and risk to earnings in near term, retain Hold rating with price target of Rs185.
CMP(Rs)	172	Net Sales (Rs mn)	6,047	7,047	6,948	-13.0%	-14.2%		
Mkt Cap (Rs bn)	16	EBITDA (Rs mn)	136	276	672	-79.7%	-50.6%		
Reco	Hold	EBITDA Margin (%)	2.3	3.9	9.7	-742 bps	-166 bps		
Target Price (Rs)	196	PAT (Rs mn)	-208	98	386	n.a	n.a		
% Upside	14%	EPS (Rs)	-2.3	1.1	4.3	n.a	n.a		

Engineering & Capital Goods (ECG)

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Punj Lloyd									
CMP(Rs)	47	Net Sales (Rs mn)	23,917	22,633	19,875	20.3%	5.7%	↑	Punj reports net profit of Rs247 mn – Led by (1)revenue growth at 20% yoy (2)EBITDA margins +8% for 3rd consecutive quarter(3)forex gains. YTD secures orders worth Rs103 bn–or 88% of FY12E target order. Encouraging outlook for domestic offshore and international orders. Debt rises 10% to Rs51.5bn; DER increases to 1.62X.Arbitrations remain unresolved – over-shadowing stable operating performance of past 3 quarters. See no re-rating catalysts. Reiterate Hold rating with price target of Rs63 per share.
Mkt Cap (Rs bn)	15	EBITDA (Rs mn)	2,015	1,809	1,832	10.0%	11.4%		
Reco	Hold	EBITDA Margin (%)	8.4	8.0	9.2	-79 bps	43 bps		
Target Price (Rs)	63	PAT (Rs mn)	247	-123	239	3.5%	n.a		
% Upside	35%	EPS (Rs)	0.7	-0.4	0.7	3.5%	n.a		
Lakshmi Machine Works									
CMP(Rs)	1,707	Net Sales (Rs mn)	5,814	5,111	4,430	31.2%	13.7%	↑	Strong revenue growth of 31.2% yoy to Rs5814mn, driven by robust performance in both Textile and machine tools division. EBITDA at Rs889mn grew 14.3% yoy with margin at 15.3% declined 226bps yoy but improved 142bps qoq. PAT at Rs492mn was better than our est. of Rs429mn. Order inflow moderated to Rs2.2bn v/s Rs5.9bn in Q1FY12 and total order book stands at Rs47bn v/s Rs49bn in Q1FY12.
Mkt Cap (Rs bn)	19	EBITDA (Rs mn)	889	709	777	14.3%	25.4%		
Reco	Accumulate	EBITDA Margin (%)	15.3	13.9	17.5	-226 bps	142 bps		
Target Price (Rs)	2,466	PAT (Rs mn)	492	411	459	7.4%	19.7%		
% Upside	44%	EPS (Rs)	43.7	36.5	40.7	7.4%	19.7%		
Greaves Cotton									
CMP(Rs)	75	Net Sales (Rs mn)	4,396	4,019	3,784	16.2%	9.4%	↔	Net Profit growth at 7% yoy to Rs386 mn in line but (1) Revenues up 16% yoy to Rs4.4 bn (2) EBITDA margins down 150 bps yoy to 14.4% below expectation. Engines deliver despite tough business conditions–Sales up 22% yoy with EBIT margins at 16.6%. Infrastructure revenues fall 21% yoy with EBIT loss of Rs12 mn. Commences sales to Tata Motors–supplied 6,000 units in Q2FY12. Expects to supply 30,000 to 35,000 units in H2FY12E. Revise earnings down by 2% for FY12E to Rs6.9 and by 4% for FY13E to Rs7.9 per share. Retain BUY rating with price target of Rs103 per share–Reiterate top mid-cap pick.
Mkt Cap (Rs bn)	18	EBITDA (Rs mn)	631	570	599	5.4%	10.7%		
Reco	Buy	EBITDA Margin (%)	14.4	14.2	15.8	-147 bps	17 bps		
Target Price (Rs)	103	PAT (Rs mn)	386	350	363	6.5%	10.6%		
% Upside	38%	EPS (Rs)	1.6	1.4	1.5	6.5%	10.6%		

Engineering & Capital Goods (ECG)

Name		Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Voltamp Transformers							↓	PAT of Rs94mn (flat qoq and yoy) is below estimate due to lower dispatch and EBITDA margins (9.2%). Order book at Rs4.4bn (7938MVA) is up 1% yoy. Order inflows healthy at Rs1.5bn, up 5% yoy and 53% qoq. Has built in 10%/11% EBITDA margins in FY12E/FY13E. Considering - (1) 1H margins are at 9.3%, (2) healthy order inflows and (3) 2H is normally better - we retain our estimate. But looking at Voltamp's track record, do not see significant downside in stock which is trading at near 1yr fwd book. Maintain 'Hold'
CMP(Rs)	509	Net Sales (Rs mn)	1,355	941	1,243	9.0%	44.0%	
Mkt Cap (Rs bn)	5	EBITDA (Rs mn)	125	88	125	-0.1%	42.0%	
Reco	Hold	EBITDA Margin (%)	9.2	9.4	10.1	-84 bps	-13 bps	
Target Price (Rs)	491	PAT (Rs mn)	94	93	93	1.1%	1.3%	
% Upside	-4%	EPS (Rs)	9.3	9.2	9.2	1.1%	1.3%	
Elecon Engineering							↔	Meets expectations-(1) Revenue up 20% yoy to Rs3.4 bn led by TE div. (+22%); MHE div. (+19%) (2) EBITDA mgn up 50 bps (3) APAT up 9% to Rs156 mn. Order inflows at Rs2.6 bn (down 47% qoq)-YTD secured 52% of FY12E target inflows. Order book healthy at Rs14.4 bn. Debt remains high at 1.3X.EEL and remains in high capex mode - to spend Rs1-1.2 bn in FY12E (equal to past 2 years capex spends).Maintain earnings estimates with H2FY12E asking rate undemanding at 14% yoy. With risk of equity dilution, Retain HOLD rating with price target of Rs61 per share.
CMP(Rs)	58	Net Sales (Rs mn)	3,368	2,573	2,809	19.9%	30.9%	
Mkt Cap (Rs bn)	5	EBITDA (Rs mn)	496	450	400	24.0%	10.3%	
Reco	Hold	EBITDA Margin (%)	14.7	17.5	14.2	49 bps	-276 bps	
Target Price (Rs)	61	PAT (Rs mn)	155	149	142	9.0%	3.8%	
% Upside	4%	EPS (Rs)	1.7	1.6	1.5	9.0%	3.8%	
McNally Bharat Engineering							↔	(Standalone) Strong execution props Q2FY12 performance – (1) revenue grew 24% yoy to Rs5.0 bn (2) 70 bps increase in EBITDA margin to 6.2% and (3) APAT grew 11% yoy to Rs107 mn. Standalone debt propel to Rs3.9 bn and Consolidated debt to Rs6.3 bn; Interest expenditure increased 65% yoy to Rs143mn.MSE white-washed with APAT down 79% yoy to Rs11 mn; CMT reported APAT of Rs37 mn. Order inflow guidance revised to Rs30.0bn, We had already factored Rs20.0 bn in FY12E; Retain ACCUMULATE rating with target price of Rs147.
CMP(Rs)	103	Net Sales (Rs mn)	4,986	3,625	4,018	24.1%	37.5%	
Mkt Cap (Rs bn)	3	EBITDA (Rs mn)	307	243	219	40.4%	26.3%	
Reco	Accumulate	EBITDA Margin (%)	6.2	6.7	5.4	71 bps	-55 bps	
Target Price (Rs)	147	PAT (Rs mn)	107	76	97	11.0%	40.3%	
% Upside	43%	EPS (Rs)	3.4	2.5	3.1	11.0%	40.3%	

Engineering & Capital Goods (ECG)

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
TRF		(Consolidated)						↓	Improved operational performance—Standalone sales up 13% yoy to Rs1.2 bn with EBITDA mgn of 10.5%-negated by forex loss of Rs54 mn. Auto components surprises positively with 7.1% EBITDA margins (+380 bps qoq).Revenue growth at 18% qoq to Rs1.4 bn. Net loss of Rs2 mn due to forex loss of Rs60 mn. Order book down 3% qoq to Rs12.8 bn. Retain our FY12E and FY13E consolidated earnings estimates of Rs32.7 and Rs29.4 per share respectively. With no upside catalysts, retain HOLD rating with price target of Rs282.
CMP(Rs)	249	Net Sales (Rs mn)	2,657	2,720	1,925	38.1%	-2.3%		
Mkt Cap (Rs bn)	3	EBITDA (Rs mn)	232	141	65	256.5%	64.7%		
Reco	Hold	EBITDA Margin (%)	8.7	5.2	3.4	534 bps	355 bps		
Target Price (Rs)	282	PAT (Rs mn)	26	36	80	-67.7%	-28.0%		
% Upside	13%	EPS (Rs)	2.4	3.3	7.3	-67.7%	-28.0%		
Bharat Bijlee								↑	PAT of Rs60mn (down 60% yoy) is ahead of estimates of Rs55mn - mainly due to higher revenues (flat yoy vs. expected decline). Motors business posted solid performance again with revenue gr. of 42% and EBIT margin of 16.8%, up 580bps yoy. Maintain earnings; 65% of the current mkt cap is net cash and investments (at mkt value), therefore downside is limited. For any meaningful upside clarity has to emerge on transformers business; Retain Accumulate with revised TP of Rs836/Share.
CMP(Rs)	603	Net Sales (Rs mn)	1,828	1,149	1,846	-0.9%	59.1%		
Mkt Cap (Rs bn)	3	EBITDA (Rs mn)	99	26	255	-61.2%	280.8%		
Reco	Accumulate	EBITDA Margin (%)	5.4	2.3	13.8	-841 bps	315 bps		
Target Price (Rs)	836	PAT (Rs mn)	60	13	151	-60.3%	361.5%		
% Upside	39%	EPS (Rs)	10.6	2.3	26.8	-60.3%	361.5%		
TRIL								↓	Performance (rev - Rs1.4bn, up 23% yoy, PAT - Rs21mn, down 79% yoy) is lower than est due to low margin orders execution. Healthy inflow at Rs2.2bn, 765kv order (20 transformers) from PGCIL. Few low margin orders including 765kv to impact in mid-term - cut FY12/13E EPS by 37% and 32%. We maintain that TRIL is quickly entering into big league of transformer mfrs (CG, ABB, Areva and Siemens) with a capacity to deliver across ranges - should lead to re-rating. Expect gradual re-rating; Retain Buy.
CMP(Rs)	185	Net Sales (Rs mn)	1,401	1,373	1,141	22.9%	2.1%		
Mkt Cap (Rs bn)	2	EBITDA (Rs mn)	55	138	172	-68.0%	-60.1%		
Reco	Buy	EBITDA Margin (%)	3.9	10.1	15.1	-1,113 bps	-613 bps		
Target Price (Rs)	293	PAT (Rs mn)	21	77	102	-79.2%	-72.5%		
% Upside	59%	EPS (Rs)	1.6	6.0	7.9	-79.2%	-72.5%		

Engineering & Capital Goods (ECG)

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
EMCO								↓	PAT at Rs 18mn, lower than our estimate (Rs 33mn) led by disappointment in transformer business both on volumes and margins. Project revenues (21% yoy growth) neutralize the fall in transformers revenues (down 34% yoy). Overall revenues stand at Rs3.4bn down 11% yoy. Reduce FY12E earnings by 48% to Rs2.1/share introduce FY13E earnings of Rs4/share; Trading at 13.6x FY13E earnings and 6.9x FY12E EBITDA- expensive; Maintain Reduce
CMP(Rs)	38	Net Sales (Rs mn)	1,979	1,879	2,902	-31.8%	5.3%		
Mkt Cap (Rs bn)	2	EBITDA (Rs mn)	198	186	-274	n.a	6.5%		
Reco	UR	EBITDA Margin (%)	10.0	9.9	-9.4	1,944 bps	11 bps		
Target Price (Rs)	UR	PAT (Rs mn)	18	18	-286	n.a	0.0%		
% Upside	n.a	EPS (Rs)	1.0	0.3	-4.4	n.a	244.2%		
Indo Tech								↓	Lackluster performance continues. Revenues grew by 10% yoy to Rs 333mn – ahead of our estimate of Rs 238mn. Reported losses at EBITDA level at Rs 121mn, almost doubled than a year ago. Raw material cost remained at elevated levels (93% of sales vs 84% in Q2FY11), Net loss reported at Rs 138mn versus our estimate of loss of Rs 50mn. At CMP of Rs 123, stock is trading at 1.2x FY12E Book Value. We currently have a hold rating on the stock
CMP(Rs)	93	Net Sales (Rs mn)	333	231	303	9.9%	44.3%		
Mkt Cap (Rs bn)	1	EBITDA (Rs mn)	-121	-132	-60	n.a	n.a		
Reco	UR	EBITDA Margin (%)	-36.2	-57.1	-19.8	-1,639 bps	2,097 bps		
Target Price (Rs)	UR	PAT (Rs mn)	-138	-145	-58	n.a	n.a		
% Upside	n.a	EPS (Rs)	-13.0	-13.7	-5.5	n.a	n.a		

Infrastructure

- Revenues for Emkay Infra coverage has grown by 17% yoy driven by 3 integrated infrastructure conglomerates IRB Infra, IL&FS Transportation & GMR Infrastructure witnessing 50%, 74%, 48% yoy growth. IVRCL & Jaiprakash Associates (JPA) have reported a dismal show on the top line with 0%, -3% yoy growth respectively. Road developers continue to lower execution issues compared to companies which are executing third party contracts. The quarter also witnessed removal of projects based out of Goa due to land acquisition issues for IRB infra (Rs 8.3bn) & IVRCL (Rs 31 bn) worth of TPC
- Core construction and infrastructure revenues have grown by 10.1% yoy. IRB witnessed a 50% growth with continued traction in execution at Surat-Dahisar, Jaipur-Deoli, Amritsar-Pathankot & Amravati-Talegaon projects. With the completion of Surat Dahisar in Q2FY12, we feel that traction would taper over 2HFY12E again picking up in FY13E for the E&C vertical. IL&FS transportation (ILFT) also sustained the construction momentum in Q2, although at a slower pace, the revenue grew 74%yoy. GMR Infrastructure has gained significant traction although this vertical is relatively smaller. GMR witnessed 3.8x growth in Q2FY12. JPA reported a 12% yoy decline in construction revenues at Rs 13.8bn as key projects like Karcham Wangtoo achieved CoD during Q2. The time lag between new projects commencing in the overall order backlog will ensure a subdued performance from this vertical in 2HFY12. IVRCL reported flat growth yoy led by continued execution issues, however late additions to the order backlog will ensure that it reclaims the growth trajectory in FY13E.
- Aggregate EBITDA for coverage universe to grew by 6% yoy, 225 bps contraction in EBITDA margins led by reduction in margins of the entire universe barring IVRCL. Integrated players also witnessed margin contraction led by higher contribution from low margin construction segment. Growth in fixed overheads at a relatively faster pace continue to mar the performance in an overall lull quarter with regards to execution for the construction companies.

- Higher cost of debt, increased parent's leverage (higher equity investments in SPV's & higher working capital days) is pinching the profits for the sector. Adjusted interest expense for the quarter grew 45% yoy.
- Overall profitability declined 48% yoy led by interest expense and subdued operating performance for the quarter. IRB Infrastructure was the smartest performer in the overall universe with 11% yoy APAT growth, however other companies in the universe reported flat to negative performance with JPA reporting leading the overall decline with 92% yoy decline.
- NHAI awarding is expected to gain significant traction again in 2HfY12E with NHAI confident of achieving the 7300 kms in FY12E. NHAI has already awarded 3050 kms and has called for 4,600 kms worth of bids. We believe sustained pick up in awarding and high cost of interest rates will lead to sanity returning in the bidding scene. Stocks in the infrastructure universe appears to be trading at significant discount to their intrinsic value with the recent correction and although significant short term headwinds persists, we believe the stocks are already trailing at significant discounts to their long term averages which means that downside is limited. We maintain our positive bias on IRB Infra, GMR Infrastructure and retain IRB Infrastructure as our top pick in the sector.

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
GMR Infrastructure									
								↔	Net loss at Rs 625mn v/s Rs 483mn - led by marginally lower operational numbers for Power and Airport segment, Roads inline, EPC & other segment ahead of estimates. Rev. up 48.3% to Rs 18.1bn v/s exp. of Rs 17.5bn led by EPC segment +282% yoy to Rs2.9 bn v/s 1.7 bn & others at Rs 1.9bn v/s 1.2bn, EBITDA up 41% at Rs 5bn v/s exp. Rs 4.7bn. Delays in aero charge hike at DIAL continue to drag the overall performance. Restriction to collect ADF leading to higher bridge loan & hence higher interest exp. Maintain BUY rating with PT of Rs 38. Peaking interest rates cycle will be the key drivers of value in the near term
CMP(Rs)	21	Net Sales (Rs mn)	18,122	18,636	12,217	48.3%	-2.8%		
Mkt Cap (Rs bn)	81	EBITDA (Rs mn)	5,014	4,979	3,561	40.8%	0.7%		
Reco	Buy	EBITDA Margin (%)	27.7	26.7	29.1	-148 bps	94 bps		
Target Price (Rs)	38	PAT (Rs mn)	-625	-667	-718	n.a	n.a		
% Upside	84%	EPS (Rs)	-0.2	-0.2	-0.2	n.a	n.a		
IL&FS Transportation									
								↑	APAT down 22.5%yoy at Rs0.61bn v/s exp. Rs0.41bn, EBITDA at Rs 1.30bn v/s Rs 1.0bn led by higher than exp. fee booking – Sustenance of outlook depends on fresh orders. Revenue at Rs 6.48bn, up 74% yoy led by construction rev. doubling yoy to Rs 5.1bn v/s exp. of Rs 5bn, Construction margins at 10.4% v/s exp of 12.8% Conso. Rev. up 42%yoy to Rs 12.5 bn led by 69% yoy growth in construction Rev (Rs8.9bn) & avg. daily toll collection +27.8% yoy at Rs 8.75mn/day, Elsamax Rev down 32% to Rs 1.8bn. Reduced order inflow for FY12E to Rs25bn v/s Rs50bn leading to 11%/19% downgrade for FY12E/13E earnings. Rolled over valuation to FY13E- Maintain Accumulate - Reduce TP Rs234
CMP(Rs)	179	Net Sales (Rs mn)	6,483	5,216	3,730	73.8%	24.3%		
Mkt Cap (Rs bn)	35	EBITDA (Rs mn)	1,332	1,331	1,352	-1.5%	0.1%		
Reco	Accumulate	EBITDA Margin (%)	20.5	25.5	36.2	-1,570 bps	-497 bps		
Target Price (Rs)	234	PAT (Rs mn)	609	621	786	-22.5%	-2.0%		
% Upside	30%	EPS (Rs)	3.4	3.2	4.0	-14.8%	7.8%		
IRB Infrastructure									
								↑	Execution led surprise continues. Q2FY12 EBITDA at Rs3.2 bn (+36%yoy) above est. led by E&C revenues (Rs5bn-est Rs4bn). APAT at Rs 1.1bn (+11% yoy) also surprise positively. Revenues at Rs7.4 bn (+50% yoy) - aided by 73% yoy growth in E&C Rev. Net toll revenues +16% yoy, gross tolls +22% yoy led by toll hikes in MPEW, Surat Dahisar & Surat Bharuch. We upgrade FY12 EPS by 2% led by 2Q surprise, however cut FY13 EPS by 7% led by exclusion of Goa – Karnataka from estimates as the project yet to get the requisite land acqn Financial closure for Ahd-Vad in the fast lane (exp. by Jan-12), Mgmt considering hybrid option to fund the project. Maintain BUY-TP of Rs250
CMP(Rs)	138	Net Sales (Rs mn)	7,359	8,013	4,903	50.1%	-8.2%		
Mkt Cap (Rs bn)	46	EBITDA (Rs mn)	3,215	3,294	2,364	36.0%	-2.4%		
Reco	Buy	EBITDA Margin (%)	43.7	41.1	48.2	-452 bps	257 bps		
Target Price (Rs)	250	PAT (Rs mn)	1,101	1,342	991	11.1%	-18.0%		
% Upside	81%	EPS (Rs)	3.3	4.0	3.0	11.1%	-18.0%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
IVRCL								↑	APAT at Rs81mn (-65% yoy) marginally above est. Execution continues to remains sluggish – Rev. -0.4% yoy to Rs10.5bn, below est. EBITDA at Rs0.94bn (+32.8%yoy) v/s est. Rs0.81bn – margins expanded 224 bps yoy to 9%, cost pressures seems to have stabilized for 1st time in last 5 quarters. IVRCL looking to remerge IVRCL A&H with IVRCL infra. Asset sale on fast track – Already identified 2 BOT's & Noida land parcel for divestment. Probable easing of liquidity crunch led by divestment of non core assets is improving the outlook. Improved margins leading to 5% FY13E EPS - Maintain BUY with a Target Price of Rs60
CMP(Rs)	32	Net Sales (Rs mn)	10,460	11,219	10,502	-0.4%	-6.8%		
Mkt Cap (Rs bn)	9	EBITDA (Rs mn)	937	832	706	32.8%	12.6%		
Reco	Buy	EBITDA Margin (%)	9.0	7.4	6.7	224 bps	154 bps		
Target Price (Rs)	60	PAT (Rs mn)	81	42	233	-65.0%	93.1%		
% Upside	85%	EPS (Rs)	0.3	0.2	0.9	-65.0%	93.1%		
Jaiprakash Associates								↓	APAT at Rs 0.1bn (-92%yoy) below est. (Rs 0.73bn) led by EBIT loss in Cement (Rs0.3bn). Cement realizations decline 9% yoy, RPAT at Rs1.3bn driven by Rs1.7 bn one off in Construction. Adj. Revenues at Rs 29bn (-3.2% yoy), Real estate rev. decline 37.6%yoy (Rs 2bn), Key project near completion lead to 12% yoy decline in cons. Rev. to Rs13.85bn. Looking to divest stake in Gujarat & Andhra cement plants (capacity - ~10MTPA). Key monitor able are deal valuation & cash inflow to parent. Dismal Q2 leading to earnings downgrade of -14.6%/-11% for FY12E/FY13E. Valuations at 7.1X FY13 EV/EBITDA appears fairly priced. Downgrade to HOLD with a Target price of Rs66.
CMP(Rs)	61	Net Sales (Rs mn)	28,974	31,423	29,933	-3.2%	-7.8%		
Mkt Cap (Rs bn)	129	EBITDA (Rs mn)	5,132	7,373	6,811	-24.6%	-30.4%		
Reco	Hold	EBITDA Margin (%)	17.7	23.5	22.8	-504 bps	-575 bps		
Target Price (Rs)	66	PAT (Rs mn)	97	1,070	1,155	-91.6%	-91.0%		
% Upside	9%	EPS (Rs)	0.0	0.5	0.5	-91.6%	-91.0%		

- Indian techs reported largely in line show to relatively moderate expectations after lower resets to street expectations in August/Sep'11 (including us). Tier 1's reported a 4.1-4.7% QoQ US\$ revenue growth with TCS leading the pack while HCL Tech at the lower end at 4.1% QoQ growth
- Amongst our Tier II coverage universe, Hexaware, MindTree, eClerx, Patni and NIIT Tech delivered in line with our positive thesis, Tech Mahindra, Infinite Solutions and Persistent disappointed.
- While lower currency resets (we have assumed US\$/INR at Rs 48/\$ for H2FY12/FY13)drove raises in our FY12/13E nearly across the board albeit for Infinite (wherein we cut our US\$ revenue estimates sharply), we see downside risks to our FY13 revenue/volume estimates increasing if the global macro continues to worsen
- Infosys did mark down it's FY12 revenue guidance to 17.2-19.2% YoY growth marginally along expected lines(V/s 18-20% earlier), however we note that the company maintained it's volume guidance with the mark down driven primarily by cross currency exchange movements which we view positively and could be based on ramp ups in some of the recent deal wins in the recent quarters
- While companies cited no delays/deferrals in client decision making, recent macro uncertainty in our view could impair CY12 budgeting cycle and we see possibility of pricing cuts/volume discounts given the sharp currency depreciation.
- We continue to be selectively positive on Indian tech names. While Infosys remains the lone ACCUMULATE rated stock amongst our Tier 1 coverage universe, we continue to back MindTree, Hexaware and eClerx (all rated ACCUMULATE) in our Tier II coverage universe. We cut our rating on Persistent to HOLD V/s ACCUMULATE earlier

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
eClerx Services								↔	eClerx continued its consistent thesis with a 9% US\$ QoQ revenue growth (Emkay est +7.2% QoQ) with margins nearly flat sequentially at 38.9%. Profits at Rs 443 mn beat estimates aided by higher than expected forex gains during the qt. Sharp increase in DSO to 76 (V/s 59 at March'11 qtr end) was the sole blip in eClerx's results. Lower currency resets drive a 3%/4% raise in our FY12/13E earnings to Rs 53.6/63 respectively while we maintain our revenue estimates. ACCUMULATE, TP Rs 800
CMP(Rs)	719	Net Sales (Rs mn)	1,137	996	823	38.2%	14.2%		
Mkt Cap (Rs bn)	21	EBITDA (Rs mn)	443	391	298	48.6%	13.3%		
Reco	Accumulate	EBITDA Margin (%)	38.9	39.2	36.2	-30 bps	272 bps		
Target Price (Rs)	800	PAT (Rs mn)	443	352	276	60.3%	25.9%		
% Upside	11%	EPS (Rs)	14.7	11.9	9.3	60.3%	25.9%		
HCL Tech								↔	HCLT's 4.1% QoQ US\$ revenue growth came in below peers as well as below street expectations. While margins show was decent (given wage increments during the qtr), we believe that Sep'11 results did little to lend confidence to a positive thesis on HCL Tech which hinges on stronger than peer growth with 'atleast stable' margins ahead. Lower currency resets drive a 4/5% raise in our FY12/13E earnings despite marginal cuts in revenue assumptions. HOLD, TP Rs 415
CMP(Rs)	394	Net Sales (Rs mn)	46,513	42,995	37,081	25.4%	8.2%		
Mkt Cap (Rs bn)	272	EBITDA (Rs mn)	7,763	7,728	5,787	34.2%	0.5%		
Reco	Hold	EBITDA Margin (%)	16.7	18.0	15.6	110 bps	-130 bps		
Target Price (Rs)	415	PAT (Rs mn)	4,799	4,910	3,108	54.4%	-2.2%		
% Upside	5%	EPS (Rs)	6.8	7.0	4.5	53.0%	-2.2%		
Hexaware Technologies								↑	Hexaware continued with its positive streak of surprises and delivering along our investment thesis. While revenues were largely in line, margins surprised positively as they expanded further by ~340 bps QoQ to 18.7%, marking the 5 th successive qtr of sharp improvement on this front. We raised our CY11/12E earnings by ~11/17% to Rs 8.3/8.7 driven by lower currency resets and higher margin assumptions. Retain ACCUMULATE with a revised TP of Rs 100.
CMP(Rs)	81	Net Sales (Rs mn)	3,660	3,341	2,817	29.9%	9.5%		
Mkt Cap (Rs bn)	24	EBITDA (Rs mn)	686	511	240	185.8%	34.2%		
Reco	Accumulate	EBITDA Margin (%)	18.7	15.3	8.5	1022 bps	345 bps		
Target Price (Rs)	100	PAT (Rs mn)	646	603	421	53.7%	7.2%		
% Upside	24%	EPS (Rs)	2.2	2.1	1.4	53.7%	7.2%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Infinite Computer									
CMP(Rs)	79	Net Sales (Rs mn)	2,571	2,623	2,194	17.2%	-2.0%	↓	Infinite missed expectations with revenues declining by ~4% QoQ to US\$ 56.2 mn while margins were flat QoQ (Emkay est of ~80 bps improvement). Profit beat was aided by higher other income despite miss on op performance expectations. We have pared down our US\$ rev estimates by ~7.4%/11.6% driven by near loss of business from a key client account which drives a 8/15% cut in earnings despite lower currency resets. Retain BUY with a revised TP of Rs 120 on account of inexpensive valuations
Mkt Cap (Rs bn)	3	EBITDA (Rs mn)	434	447	364	19.2%	-3.0%		
Reco	Buy	EBITDA Margin (%)	16.9	17.0	16.6	28 bps	-17 bps		
Target Price (Rs)	120	PAT (Rs mn)	307	300	256	20.3%	2.6%		
% Upside	53%	EPS (Rs)	7.0	6.8	5.8	20.3%	2.6%		
Infosys									
CMP(Rs)	2,661	Net Sales (Rs mn)	80,990	74,850	69,470	16.6%	8.2%	↔	Infy reported in line op performance with a 4.5% QoQ US\$ revenue growth with mgns improving by ~200 bps QoQ (Emkay est of 140 bps QoQ). Although co's US\$ rev guidance for H2FY12 appears aggressive at ~5.5% QoQ, we believe it could be hinging on ramp ups on the some recent deal wins. Lower currency resets drive a 6/10% raise in FY12/13E EPS to Rs 142/161 (our currency assumptions based at Rs 48/\$ now). ACCUMULATE, TP Rs 2800
Mkt Cap (Rs bn)	1,528	EBITDA (Rs mn)	25,160	21,750	23,110	8.9%	15.7%		
Reco	Accumulate	EBITDA Margin (%)	31.1	29.1	33.3	-220bps	200 bps		
Target Price (Rs)	2,800	PAT (Rs mn)	19,060	17,230	17,350	9.9%	10.6%		
% Upside	5%	EPS (Rs)	33.4	30.2	30.4	9.8%	10.6%		
Mahindra Satyam									
CMP(Rs)	67	Net Sales (Rs mn)	15,777	14,339	12,424	27.0%	10%	↔	MahSatyam's opperformance was a tad disappointing after strong show in the past 2 qtrs with a relatively anemic 3.1% U\$ QoQ rev growth and a 50 bps sequential improvement in margins (despite lower than peers avg currency conversion rate). Profit beat was driven by forex gains. While we moderate our US\$ rev assumptions by 1.8/2.3% , lower currency resets coupled with Q2 beat drive a 15/17% raise in FY12/13E earnings to Rs 7.3/7.5. Sep'11 qtr results in our view do little to drive a re rating as hoped by certain sections on the street. Retain HOLD with a revised TP of Rs 80
Mkt Cap (Rs bn)	79	EBITDA (Rs mn)	2,4171	2,100	735	229.0%	13.7%		
Reco	Hold	EBITDA Margin (%)	15.3	14.6	5.9	940bps	50 bps		
Target Price (Rs)	80	PAT (Rs mn)	2,382	2,252	938	154%	5.8%		
% Upside	19%	EPS (Rs)	1.9	1.9	0.8	154%	5.8%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
MindTree Ltd									
CMP(Rs)	400	Net Sales (Rs mn)	4,567	4,131	3,844	18.8%	10.6%	↑ MindTree reported superlative performance with a 10% QoQ US\$ revenue growth driving a ~180 bps QoQ improvement in margins to 12.9% despite strong net hiring (+10% QoQ). Profit beat was aided further by hedging gains of Rs 170 mn. We raised our FY12/13E earnings by 9%/7% to Rs 41.1/44.9 driven by marginal increases in US\$ revenue estimates and lower currency resets. Retain ACCUMULATE with a revised TP of Rs 450(V/s Rs 415 earlier)	
Mkt Cap (Rs bn)	16	EBITDA (Rs mn)	588	460	448	31.8%	27.8%		
Reco	Accumulate	EBITDA Margin (%)	12.9	11.1	11.7	120 bps	180 bps		
Target Price (Rs)	450	PAT (Rs mn)	545	345	234	135%	58%		
% Upside	12%	EPS (Rs)	13.5	8.5	7.3	135%	58%		
NIIT Tech									
CMP(Rs)	203	Net Sales (Rs mn)	3,710	3,288	3,246	14.3%	12.8%	↑ NIIT Tech beat estimates driven by higher than expected revenues growth. Revenues grew by ~13% QoQ however margins declined by ~50 bps sequentially to 18% (ex one off costs) on account of higher onsite business. Fresh order intake during the qtr was US\$ 200 mn (including ~US\$ 4-45 mn from Morris contract and a similar size from domestic SI deal). While we raise our FY12/13E rev by 8%/6%, we assume lower mgns on account of higher onsite centrlicity of business/ lower margins associated with SI business which limits FY12/13 upgrade to 6.4/1.5% despite lower currency resets. ACCUMULATE, TP unchanged at Rs 235	
Mkt Cap (Rs bn)	12	EBITDA (Rs mn)	669	609	593	12.8%	9.9%		
Reco	Accumulate	EBITDA Margin (%)	18.0	18.5	18.3	-24 bps	-50 bps		
Target Price (Rs)	235	PAT (Rs mn)	458	412	431	12.5%	10.4%		
% Upside	16%	EPS (Rs)	7.7	7.0	7.3	12.5%	10.4%		
Patni Computer									
CMP(Rs)	431	Net Sales (Rs mn)	9,453	8,221	7,967	18.7%	15.0%	↑ Impressive results after a near washout in June'11 qtr. Patni reported a 4% QoQ US\$ revenue growth coupled with a 600 bps +improvement in margins helped Patni report a decent operating performance. Raised our CY11/12E by 10/11% to Rs 27.5/31.4 driven by higher margin assumptions and lower currency resets.	
Mkt Cap (Rs bn)	58	EBITDA (Rs mn)	1,661	940	1,505	10.3%	76.7%		
Reco	NR	EBITDA Margin (%)	17.6	11.4	18.9	-133 bps	613 bps		
Target Price (Rs)	NA	PAT (Rs mn)	842	889	1,281	-34.2%	-5.3%		
% Upside	n.a	EPS (Rs)	6.2	6.6	9.6	-34.3%	-5.3%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Persistent									
CMP(Rs)	322	Net Sales (Rs mn)	2,382	2,238	1,870	27.4%	6.4%	↔ While Persistent missed relatively moderate revenue growth expectations for Sep'11 qtr, lower currency and SG&A leverage drove a 110 bps improvement in margins to 19% during the qtr despite strong net hiring (total HC increased by ~280 QoQ to 6,900). Profits beat was driven by better than expected margin show and hedging gains. We pared our US\$ revenue estimates by 4%/5.4% respectively however lower currency resets drive a 3% raise in our FY13E earnings. Retain HOLD, TP Rs 330	
Mkt Cap (Rs bn)	13	EBITDA (Rs mn)	454	401	430	5.4%	13.0%		
Reco	Hold	EBITDA Margin (%)	19.0	17.9	23.0	-400 bps	110 bps		
Target Price (Rs)	330	PAT (Rs mn)	324	276	358	-9.5%	17.5%		
% Upside	2%	EPS (Rs)	8.1	6.9	9.0	-9.5%	17.5%		
TCS									
CMP(Rs)	1,065	Net Sales (Rs mn)	116,635	107,971	92,864	25.3%	7.7%	↔ TCS's Sep'11 qtr performance was lower than street's heightened expectations post a superior show in the recent past. A 4.7% US\$ rev growth coupled with ~100 bps QoQ margin expansion was tad disappointment. While vol growth was good, co reported a further decline in pricing which in our view is disappointing in the context of co's expectations on flat/improvement in pricing for FY12. Lower currency resets drive a 4/9% raise in our FY12/13E earnings to Rs 54.5/62.6. HOLD, TP Rs 1060	
Mkt Cap (Rs bn)	2,084	EBITDA (Rs mn)	33,829	30,311	27,773	21.8%	11.6%		
Reco	Hold	EBITDA Margin (%)	29.1	28.1	29.9	-83 bps	100 bps		
Target Price (Rs)	1,060	PAT (Rs mn)	24,390	23,804	21,260	14.7%	2.5%		
% Upside	0%	EPS (Rs)	12.5	12.2	10.9	14.7%	2.5%		
Tech Mahindra									
CMP(Rs)	581	Net Sales (Rs mn)	13,333	12,925	15,339	-13.1	3.2%	↓ While Tech M reported an inline revenue performance at ~2.2% QoQ US\$ revenue growth despite a sharp 5% decline in business from BT, margins continued to disappoint and fell sharply by ~340 bps sequentially to 15.3% (note that TechM's margins have been on a declining trend for the past 10 qtrs now).We cut our standalone FY12/13E EPS by2/3% to Rs 47/50 despite lower currency resets. Valuations at <8x adjusted standalone P/E should limit sharp downsides. HOLD,TP Rs 650	
Mkt Cap (Rs bn)	74	EBITDA (Rs mn)	2,042	2,418	2,818	-27.7%	-15.5%		
Reco	Hold	EBITDA Margin (%)	15.3	18.7	18.4	-310 bps	-340 bps		
Target Price (Rs)	650	PAT (Rs mn)	2,404	2,734	1,506	59.6%	-12.1%		
% Upside	12%	EPS (Rs)	18.3	21.1	11.5	59.6%	-12.1%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Wipro								↔	Wipro reported a 4.5% QoQ growth in US\$ terms aided by better than expected performance from the recently acquired SAIC subsidiary. However IT Svcs EBIT mgns declined by ~220 bps impacted adversely by full impact of wage increments and consolidation of SAIC subsidiary. All in all a mixed result with marginal beat on revenues coupled with deterioration on cash flow and margins. Raise FY12/13E earnings by 2/9% to Rs 22.7/25.8 respectively. REDUCE, TP Rs 360
CMP(Rs)	371	Net Sales (Rs mn)	90,945	85,640	77,304	17.6%	6.2%		
Mkt Cap (Rs bn)	911	EBITDA (Rs mn)	14,878	14,952	14,032	6.0%	-0.5%		
Reco	Reduce	EBITDA Margin (%)	16.4	17.5	18.2	-180 bps	-110 bps		
Target Price (Rs)	360	PAT (Rs mn)	13,009	13,349	12,848	1.3%	-2.3%		
% Upside	-3%	EPS (Rs)	5.3	5.5	5.3	1.3%	-2.3%		

Metals and Mining

- Q2FY12 remained an eventful quarter for the Metals and Mining sector with issues related to MMDR bill, mining ban in Karnataka, survey of illegal mining activities in Goa, continuous rise in raw material prices and then decent correction towards the end and last but not the least- sharp depreciation in INR against USD during September. All of these had meaningful impact on the companies in this space and we expect more to unravel in future
- Our Metals and Mining universe though saw a 26% YoY growth in the topline, remained flat QoQ as weak INR helped offset slight fall in metals prices sequentially. Sterlite Industries (+68%), Bhushan Steel (+43%) and JSW Steel (+36%) have been best performers on YoY basis, while on QoQ basis HEG (+14%), Bhushan Steel and JSW Steel (both +10%) saw improvement in topline. Sesa Goa remained the worst performers on both YoY (-14%) and QoQ (-63%) on sharp drop in volume due to Karnataka issue and seasonality and weak realizations on low grade iron ore sales
- Higher input costs loomed large on the margins. As a result, EBITDA for our universe fell 26% QoQ despite rising by 8% on YoY basis. Weak INR also had a role to play in this regard with higher costs of imports and realized/ unrealized forex losses. Margins for all the companies under our coverage fell on QoQ basis with sharpest contraction seen in Sesa Goa (-5105 bps) followed by Tata Steel (-502 bps), Sterlite Industries (-363 bps) and JSW Steel (-218 bps)
- Bottomline performance was further marred by the higher fixed costs. APAT declined significantly for our universe both on YoY (-39%) and QoQ (-56%), primarily on higher interest rates. JSW Steel remained the worst performer (-142% YoY and -132% QoQ) due to Ispat's provisioning. Sesa Goa (-100% both YoY and QoQ), Tata Steel (-85% both QoQ and YoY) remained other underperformers
- While we have maintained our recommendations for all the stocks under our coverage, we have revised down our earning estimates and target price for most of them factoring in domestic demand slow down and global uncertainties along with company specific issues

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Tata Steel									
CMP(Rs)	381	Net Sales (Rs mn)	327979	330002	286462	14.5%	-0.6%	↓ Consolidated topline came higher than estimates, mainly as the realizations and volumes remained strong. Higher raw material costs weighed on EBITDA. EBITDA/ tonne in Europe and India declined to US\$30 and US\$342 (Rs 16786) respectively. While the standalone APAT stood at Rs 15 bn, weaker performance at other subsidiaries and inter-company tax adjustments dragged the consolidated APAT down to Rs2.1 bn. Revising FY12 and FY13 EPS to Rs 70 and Rs 72 respectively; cutting TP to Rs 503; Maintain Buy	
Mkt Cap (Rs bn)	365	EBITDA (Rs mn)	27500	44229	36723	-25.1%	-37.8%		
Reco	Buy	EBITDA Margin (%)	8.4	13.4	12.8	-443 bps	-502 bps		
Target Price (Rs)	503	PAT (Rs mn)	2124	14274	13834	-84.6%	-85.1%		
% Upside	32%	EPS (Rs)	2	15	16	-85.8%	-85.1%		
JSW Steel									
CMP(Rs)	568	Net Sales (Rs mn)	81442.6	74386.9	59722.0	36.4%	9.5%	↓ Standalone business volumes remained well above estimates at 1.882 mt. EBITDA/ tonne for the quarter stood at US\$162. Consolidated topline was aided by good performance in the US unit. APAT at Rs 6,042 mn though was up 66% YoY and 23% QoQ, forex loss of Rs 5.14 bn and Rs 7.54 bn adjustment on account of Ispat's loss resulted into a net loss of Rs 6.7 bn for the quarter. We revised down our target price to Rs 742 with Accumulate rating. We keep close monitoring on the developments related to ongoing issues with respect to mining ban in Karnataka	
Mkt Cap (Rs bn)	127	EBITDA (Rs mn)	13937.7	14348.3	10226.8	36.3%	-2.9%		
Reco	Accumulate	EBITDA Margin (%)	17.1	19.3	17.1	-1 bps	-218 bps		
Target Price (Rs)	742	PAT (Rs mn)	-1552.8	4851.6	3732.6	-142%	-132%		
% Upside	31%	EPS (Rs)	-7.0	21.7	16.7	-142%	-132%		
Sterlite Industries									
CMP(Rs)	103	Net Sales (Rs mn)	101957.0	98607.0	60843.5	67.6%	3.4%	↓ Topline performance came in line with our estimates at Rs 102 bn. Weak INR and volume growth remained the key growth drivers for the revenue. As expected, on account of higher CoP in Aluminium and power businesses, EBITDA declined 10% QoQ. Higher interest costs, lower than expected other income and losses in aluminium businesses during the quarter restricted the PAT at Rs 10 bn. International zinc operations did well as expected. Revised down our SOTP target price to Rs 162 on uncertainty in businesses other than zinc; Maintain Accumulate on cheaper valuation	
Mkt Cap (Rs bn)	346	EBITDA (Rs mn)	24820.3	27583.9	15289.2	62.3%	-10.		
Reco	Accumulate	EBITDA Margin (%)	24.3	28.0	25.1	-78 bps	-363 bps		
Target Price (Rs)	162	PAT (Rs mn)	10277.0	16442.5	10291.9	-0.1%	-37.5%		
% Upside	57%	EPS (Rs)	3.1	4.9	3.1	-0.1%	-37.5%		

Metals and Mining

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Sesa Goa									
CMP(Rs)	172	Net Sales (Rs mn)	7897.4	21088.7	9183.4	-14.0%	-62.6%	↓	<p>Topline performance for the quarter was in line with estimates due to lower sales volume at 1.55 mt, down 63% QoQ and lower realizations of Rs 3847/ tonne. EBITDA was almost depleted entirely due to impact of higher expenses and a forex loss of Rs 2.6 bn. PAT on the back of other income of Rs 504 mn was reported at a mere Rs 12.8 mn. Adjusted for forex loss and tax rate, APAT stood at Rs 1.6 bn. While Karnataka continue to be under the mining ban, Goa operations can also play a spoil sport. Cut our SOTP target price to Rs 239/share, wit Hold rating on the stock</p>
Mkt Cap (Rs bn)	149	EBITDA (Rs mn)	259.1	11458.3	3397.9	-92.4%	-97.7%		
Reco	Hold	EBITDA Margin (%)	3.3	54.3	37.0	-3372 bps	-5105 bps		
Target Price (Rs)	239	PAT (Rs mn)	12.8	8405.9	3849.4	-99.7%	-99.8%		
% Upside	39%	EPS (Rs)	0.0	9.7	4.6	-99.7%	-99.8%		
Bhushan Steel									
CMP(Rs)	319	Net Sales (Rs mn)	24653.6	22317.8	17189.1	43.4%	10.5%	↔	<p>Topline performance came better than our expectations mainly backed by 43% YoY and 11% QoQ growth in sales volume to 5.53 lakh tonne and firm realizations. EBITDA performance also has been better than our estimate at Rs 7.2 bn, up 47% YoY and 9% QoQ. EBITDA/ tonne stood at Rs 13030, down 4% QOQ but up 10% YoY. APAT, although affected by higher interest costs and depreciation and lower other income, remained above our estimates. Uncertainty prevails in Orissa due to environmental issues. Valuing at 5.5x FY13 EV/ EBITDA, our TP comes at Rs 315/ share; Hold</p>
Mkt Cap (Rs bn)	68	EBITDA (Rs mn)	7210.7	6610.4	4892.7	47.4%	9.1%		
Reco	Hold	EBITDA Margin (%)	29.2	29.6	28.5	+78 bps	-37 bps		
Target Price (Rs)	315	PAT (Rs mn)	2068.8	2099.6	2590.2	-20.1%	-1.5%		
% Upside	-1%	EPS (Rs)	9.7	9.9	12.2	-20.1%	-1.5%		
GPIL									
CMP(Rs)	119	Net Sales (Rs mn)	4287.2	4957.2	1478.1	190.0%	-13.5%	↔	<p>GPIL results for Q2FY12 came in line with our estimates due to firm realizations offset slightly lower volumes on QoQ basis. YoY figures are not exactly comparable due to mergers and consolidations in Q4FY11. EBITDA margin contracted 309 bps QoQ on higher employee and other expenses. Satisfactory performance of other subsidiaries gave some respite to the overall EBITDA. Lower interest costs on QoQ basis aided PAT to remain at Rs 106 mn. Cut our EPS for FY13 to Rs 32; Revised target price to Rs 193/ share; Maintain Buy</p>
Mkt Cap (Rs bn)	4	EBITDA (Rs mn)	526.2	776.8	303.8	73.2%	-32.3%		
Reco	Buy	EBITDA Margin (%)	12.3	15.7	20.6	-828 bps	-340 bps		
Target Price (Rs)	193	PAT (Rs mn)	106.3	318.5	72.4	46.8%	-66.6%		
% Upside	62%	EPS (Rs)	3.9	11.8	2.7	46.8%	-66.6%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
HEG									
CMP(Rs)	176	Net Sales (Rs mn)	3191.7	2794.9	2996.3	6.5%	14.2%	↑	Revenue for the quarter came above our estimates primarily driven by growth in sales volume. Utilization remained in high 80s (%). Due to increased domestic input costs and weak INR (that raised landed cost of needle coke), EBITDA remained subdued in the quarter, in line with our estimates. After adjusting for forex losses, APAT came well above our estimates. We expect the volumes to improve. Adjusted for share buy back, our FY12E and FY13E EPS stand at Rs 22.5 and Rs 32.9 respectively; Revised our target price to Rs 224; Maintain Accumulate
Mkt Cap (Rs bn)	8	EBITDA (Rs mn)	441.5	441.0	601.7	-26.6%	0.1%		
Reco	Accumulate	EBITDA Margin (%)	13.8	15.8	20.1	-625 bps	-195 bps		
Target Price (Rs)	224	PAT (Rs mn)	250.9	197.7	297.4	-15.6%	26.9%		
% Upside	28%	EPS (Rs)	6.2	4.6	7.0	-11.2%	33.6%		
Hindustan zinc									
CMP(Rs)	111	Net Sales (Rs mn)	26368.2	28470.7	22010.4	19.8%	-7.4%	↓	Subdued sales of refined zinc and lead pulled topline below our estimates. While zinc CoP declined to US\$847/tonne without royalty, EBITDA for the quarter remained below our estimates. APAT was in line with our estimates at Rs. 13.7 bn as the decline in sales volume was offset by higher other income of Rs 3.9 bn (up 110% YoY). The company had announced an interim dividend of Rs 1.5/ share in Q2FY12. Due to contraction in global multiples, we revised our target price to Rs 159/share (6x FY13 EV/ EBITDA); Maintain Buy
Mkt Cap (Rs bn)	468	EBITDA (Rs mn)	14648.0	15923.0	11252.6	30.2%	-8.0%		
Reco	Buy	EBITDA Margin (%)	55.6	55.9	51.1	+443 bps	-38 bps		
Target Price (Rs)	159	PAT (Rs mn)	13685.5	14993.3	9698.8	41.1%	-8.7%		
% Upside	43%	EPS (Rs)	3.2	3.5	2.3	41.1%	-8.7%		

- OMC's reported results which were above our estimates, preliminary due to denial of cash compensation from the government. Revenue has increased by 17.4% YoY and -10.5% QoQ. However, due to high under recovery and no budgetary support from the government, OMC's have reported net loss during the quarter.
- During the quarter OMC's couldn't get better realisation mainly due to small correction in crude oil in mid quarter and also product spreads declined in some of the light and mid distillate segment resulting in lower gross refining margin for the quarter. GRM during the quarter were in the range of \$-0.03-\$1.9 per bbl as against \$0.1-\$4.7 per bbl sequentially.
- The gross under recovery for the quarter stood at Rs.214bn. OMC's had received upstream discount of Rs.71.3bn (33.3% share from upstream companies) in respect of crude oil/LPG/SKO purchased from them and the same has been accounted during the quarter.
- The total under recovery for FY12E previously was expected at Rs.1700bn (considering average crude oil price at \$110-115/bbl). Considering the steps taken by the EGOM, the total under recovery will reduce by Rs.490bn to Rs.1200bn for FY12E.
- There is the still uncertainty hovering on subsidy sharing mechanism for FY12E under recovery, which remains a key overhang on the stock.
- OMC's are trading at 0.7-1x 1-year forward P/BV, We maintained our Buy rating on HPCL and Accumulate rating on BPCL and IOCL.

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Indian Oil									
CMP(Rs)	268	Net Sales (Rs mn)	891,851	1,012,845	773,357	15.3%	-11.9%	↓	Revenue for the quarter was at Rs.891bn, growth of 15.3% YoY, mainly on account of higher volumes plus better realisation. EBIDTA loss during the quarter was at Rs.513.2bn, as against EBIDTA profit of Rs.Rs.68.9bn, YoY. During the quarter the company reported net loss of Rs.74.8bn, against net profit of Rs.52.9bn YoY, mainly attributable to higher under recovery lead by higher crude oil prices, forex loss of Rs.23.1bn and increase in interest outgo. During the quarter GRM has decline significantly on sequentially from \$4.7/bbl to \$-0.03/bbl.
Mkt Cap (Rs bn)	651	EBITDA (Rs mn)	-53,222	-18,618	68,900	n.a	n.a		
Reco	Accumulate	EBITDA Margin (%)	-6.0	-1.8	8.9	-1,488 bps	-413 bps		
Target Price (Rs)	381	PAT (Rs mn)	-74,856	-37,187	52,939	n.a	n.a		
% Upside	42%	EPS (Rs)	-30.8	-15.3	21.8	n.a	n.a		
BPCL									
CMP(Rs)	504	Net Sales (Rs mn)	423,019	461,396	354,348	19.4%	-8.3%	↓	Revenue for the quarter was at Rs.423bn, growth of 19.4% YoY, mainly on account of higher volumes plus better realisation. EBIDTA loss during the quarter was at Rs.26.4bn, as against EBIDTA profit of Rs.24.8bn YoY. During the quarter the company reported net loss of Rs.32.9bn, against net profit of Rs.21.4bn YoY. Net loss was mainly attributable to higher under recovery lead by higher crude oil prices, forex loss and increase in interest outgo. GRM was at \$1.6/bbl as compared to \$3/bbl declined by 45.4% QoQ and 41.4% YoY.
Mkt Cap (Rs bn)	182	EBITDA (Rs mn)	-26,948	-21,642	24,865	n.a	n.a		
Reco	Accumulate	EBITDA Margin (%)	-6.4	-4.7	7.0	-1,339 bps	-168 bps		
Target Price (Rs)	684	PAT (Rs mn)	-32,293	-25,619	21,422	n.a	n.a		
% Upside	36%	EPS (Rs)	-89.3	-70.9	59.3	n.a	n.a		
HPCL									
CMP(Rs)	290	Net Sales (Rs mn)	371,042	409,169	308,702	20.2%	-9.3%	↓	Revenue for the quarter was at Rs.371bn, growth of 20% YoY, mainly on account of higher volumes plus better realisation. EBIDTA loss during the quarter was at Rs.28.6bn, as against EBIDTA profit of Rs.24.8bn YoY. During the quarter the company reported net loss of Rs.33.6bn, against net profit of Rs.20.9bn YoY. Net loss was mainly attributable to higher under recovery lead by higher crude oil prices, forex loss and increase in interest outgo. GRM was at \$1.9/bbl as compared to \$2.7/bbl declined by 27.5% YoY.
Mkt Cap (Rs bn)	98	EBITDA (Rs mn)	-28,697	-25,684	24,829	n.a	n.a		
Reco	Buy	EBITDA Margin (%)	-7.7	-6.3	8.0	-1,578 bps	-146 bps		
Target Price (Rs)	463	PAT (Rs mn)	-33,645	-30,815	20,898	n.a	n.a		
% Upside	60%	EPS (Rs)	-99.4	-91.0	61.7	n.a	n.a		

Natural Gas

- Natural gas sector reported results which were inline with our estimates except for Petronet LNG, which beat both our and street expectations.
- Revenue has increased by 70% YoY to Rs.166bn (+57.5% QoQ) mainly due to better realisation in both transmission and distribution companies and higher volumes of Imported LNG (mainly for distribution companies). During the quarter EBIDTA grew by 22.1% YoY to 26.5bn (+3.1% QoQ). While profitability of the sector grew by 29.3% YoY to Rs.16.4bn (6.6% QoQ).
- However, EBIDTA margin for the distribution companies has decline by 452.8bps QoQ to 22.1%, mainly due to higher input cost (mainly RLNG) during the quarter. We believe margin would improve going forward as the full impact of price hike in both CNG and Industrial retail would come in the next quarter.
- Natural gas transmission volume was flat on YoY and QoQ basis to 154mmscmd (including GSPL & GAIL). We believe transmission volume would remain at same level or marginally higher in comings quarters as domestic natural gas supply continues to fall short to meet growing demand.
- We maintain our BUY rating on GSPL, Petronet LNG and GGCL and maintain ACCUMULATE rating on GAIL and IGL.

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
GAIL								↔	GAIL reported results which were inline with our estimates. Revenue for the quarter was at Rs97.2bn, growth of 19.7% YoY, mainly due to better performance from petrochemical and LPG & other LHC segment. EBITDA during the quarter was at Rs.16.7bn, growth of 15%, YoY. During the quarter the company reported net profit of Rs.10.9bn, growth of 18.5% YoY. Subsidy payout stood at Rs.5.7bn growth of 64% YoY, mainly due to higher crude oil prices during the quarter.
CMP(Rs)	374	Net Sales (Rs mn)	97264	88890.0	81282.2	19.7%	9.4%		
Mkt Cap (Rs bn)	474	EBITDA (Rs mn)	16755	15772.2	14570.2	15.0%	6.2%		
Reco	Accumulate	EBITDA Margin (%)	17.2	17.7	17.9	-69.9 bps	-51.7 bps		
Target Price (Rs)	510	PAT (Rs mn)	10944	9846.7	9235.5	18.5%	11.1%		
% Upside	36%	EPS (Rs)	8.6	7.8	7.3	18.1%	10.8%		
Gujarat State Petronet								↔	Revenue for the quarter was at Rs.2.8bn, growth of 10.6% YoY, mainly on account of better realisation and higher revenue contribution from sale of electricity (power business). EBITDA during the quarter was at Rs.2.6bn, growth of 10.8% YoY. Net profit for the quarter stood at Rs.1.3bn, growth of 41% YoY, mainly attributable to change in depreciation rate to 3.2%. However, on sequential basis net profit has decline by 6%, mainly due to lower transmission tariff and decline in transmission volume. Transmission volume for the quarter stood at 35.2mmcmd, decline by 4.2% sequentially and almost flat on YoY.
CMP(Rs)	89	Net Sales (Rs mn)	2813.7	2876.1	2544.7	10.6%	-2.2%		
Mkt Cap (Rs bn)	50	EBITDA (Rs mn)	2589.8	2652.5	2336.4	10.8%	-2.4%		
Reco	Buy	EBITDA Margin (%)	92.0	92.2	91.8	22.7 bps	-18.3 bps		
Target Price (Rs)	120	PAT (Rs mn)	1293.2	1373.7	915.2	41.3%	-5.9%		
% Upside	35%	EPS (Rs)	2.3	2.4	1.6	41.4%	-5.9%		
Petronet LNG								↔	Revenue for the quarter was at Rs.53.6bn, growth of 75.5% YoY, mainly due to higher offtake of both firm and spot volumes plus higher regasification charges compared to last year. EBITDA during the quarter was at Rs.4.5bn, growth of 65%, YoY. EBITDA margin has marginally declined by 53bps YoY to 8.4% (-112bps QoQ). The sequential decline in margin was mainly attributable to higher other expenditure. During the quarter the company reported net profit of Rs.2.6bn, growth of 98.6% on YoY basis.
CMP(Rs)	156	Net Sales (Rs mn)	53,669	46,234	30,577	75.5%	16.1%		
Mkt Cap (Rs bn)	117	EBITDA (Rs mn)	4,484	4,382	2,716	65.1%	2.3%		
Reco	Buy	EBITDA Margin (%)	8.4	9.5	8.9	-52.9 bps	-112.4 bps		
Target Price (Rs)	170	PAT (Rs mn)	2,604	2,569	1,311	98.6%	1.4%		
% Upside	9%	EPS (Rs)	3.5	3.4	1.7	98.5%	1.3%		

Natural Gas

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Indraprastha Gas								↔	Revenue for the quarter was at Rs.5.9bn, growth of 33% YoY, mainly on account of higher volume growth in both CNG and PNG segment and better price realisation. EBITDA during the quarter was at Rs.1.6bn, growth of 26.6%. EBITDA margin has declined by 148bps to 26.4% YoY and 303.8bps sequentially; mainly on account of higher input cost (RLNG). During the quarter company reported net profit of Rs.0.77bn, growth of 16.5% on YoY basis. Volume increased by 25.1% YoY to 307mmscm in Q2 FY12. CNG and PNG volumes increased by 14.4% to 177.4mnkg and 62.2% to 68.2mmscm respectively, YoY.
CMP(Rs)	390	Net Sales (Rs mn)	5974.9	5373.9	4467.9	33.7%	11.2%		
Mkt Cap (Rs bn)	55	EBITDA (Rs mn)	1579.5	1580.0	1247.1	26.7%	0.0%		
Reco	Accumulate	EBITDA Margin (%)	26.4	29.4	27.9	-147.6bps	-296.6bps		
Target Price (Rs)	425	PAT (Rs mn)	772.4	797.4	662.7	16.6%	-3.1%		
% Upside	9%	EPS (Rs)	5.5	5.7	4.7	16.6%	-3.1%		
Gujarat Gas								↔	Revenue for the quarter stood at Rs.6.5bn, growth of 28.7% YoY, mainly on account of higher volumes plus better realisation led by recent price hike in across the segment. EBITDA during the quarter was at Rs.1.2bn, growth of 30.4% YoY. During the quarter EBITDA margin declined by 587bps QoQ and flat on YoY to 18%, mainly due to high cost of raw material (RLNG). Consequently company reported net profit of Rs.0.8bn, an increase of 41.6% YoY. Natural gas volume sold during the quarter was 326mmscm, marginal growth of 1% YoY and 8% sequentially.
CMP(Rs)	371	Net Sales (Rs mn)	6528.4	5844.6	5071.0	28.7%	11.7%		
Mkt Cap (Rs bn)	48	EBITDA (Rs mn)	1177.9	1398.1	903.5	30.4%	-15.7%		
Reco	Buy	EBITDA Margin (%)	18.0	23.9	17.8	22.7bps	-587.9bps		
Target Price (Rs)	481	PAT (Rs mn)	801.5	965.8	565.9	41.6%	-17.0%		
% Upside	30%	EPS (Rs)	6.2	7.5	4.4	40.5%	-17.7%		

Paper

- **Q2FY12 results disappointed due to margin pressures. Aggregate revenues increased by 7% yoy primarily on account of higher realizations. However, aggregate EBITDA declined by 13% yoy as increase in pulp and coal costs outweighed increase in realizations**
- **Aggregate production volumes of 363,000mt increased 9% yoy due to commissioning of TNPL's paper plant in Q4 FY11. However, aggregate sales volumes of 327,000mt remained flat on a yoy basis as demand failed to keep pace with rapid increase in supply**
- **Rising input prices like pulp, wood, coal and chemicals adversely affected EBITDA margins by 430 bps yoy to 18.6%. JK Paper's EBITDA margins declined to 10.3% compared to 22.6% last year due to sharp reduction in linkage coal availability and significantly higher prices of market coal. TNPL reported margin decline of 350bps while BILT reported margin squeeze of 200bps yoy**
- **BILT's Rayon Grade Pulp (RGP) realizations declined from their peak of Rs 67,700 / mt in Q4FY11 to Rs 56,000/mt during this quarter, yet they remain higher by 16% on a yoy basis. RGP segment EBIT margins increased 220bps yoy to 29.5% resulting in EBIT / mt of Rs 16,500 /mt**
- **On the back of poor Q2 results, challenging environment and downward pressure on earnings, we have downgraded our sector view to Accumulate from Buy. At current prices, our paper sector universe is trading at 7x/5x FY12/FY13 earnings respectively.**

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
BILT									
CMP(Rs)	24	Net Sales (Rs mn)	11,114	11,920	10,227	8.7%	-6.8%	↓ Q1FY12 results disappointed due to margin pressures. Revenues of Rs 11.1bn, +9% yoy were in line however APAT of Rs 254mn, -38% yoy disappointed due to lower margins. Paper realizations increased by 11% yoy/ 3% qoq to Rs 45,000/mt however inventory buildup of 9,000mt impacted sales volumes at 195,800 mt, flat yoy / -5.7% qoq. Pulp realizations declined from their peak of Rs 67,700 / mt in Q4FY11 to Rs 56,000/mt in line with estimates	
Mkt Cap (Rs bn)	16	EBITDA (Rs mn)	2,047	2,466	2,092	-2.1%	-17.0%		
Reco	Accumulate	EBITDA Margin (%)	18.4	20.7	20.5	-203 bps	-227 bps		
Target Price (Rs)	35	PAT (Rs mn)	254	986	410	-38.0%	-74.3%		
% Upside	43%	EPS (Rs)	0.4	1.5	0.6	-38.0%	-74.3%		
JK Paper									
CMP(Rs)	37	Net Sales (Rs mn)	3,218	3,240	3,133	2.7%	-0.7%	↓ Q2 results disappointed led by significant drop in EBITDA margins. Net sales at Rs 3.2 bn, +2.7% yoy, was in line with est while EBITDA margins at 10.3% as against 22.6% in Q2FY11 and 18.8% in Q1FY12 disappointed. Sharp reduction in linkage coal availability and significantly higher prices of market coal (~50% higher than linkage coal) adversely affected EBITDA margins. On back of poor Q2 results, challenging environment and pressure on earnings due to lower margins we have reduced PAT estimates by 55% / 29% for FY12E / FY13	
Mkt Cap (Rs bn)	5	EBITDA (Rs mn)	331	608	709	-53.4%	-45.7%		
Reco	Accumulate	EBITDA Margin (%)	10.3	18.8	22.6	-1,235 bps	-851 bps		
Target Price (Rs)	48	PAT (Rs mn)	84	277	291	-71.1%	-69.8%		
% Upside	29%	EPS (Rs)	0.6	2.0	3.7	-83.5%	-69.8%		
TNPL									
CMP(Rs)	86	Net Sales (Rs mn)	3,133	3,441	2,972	5.4%	-9.0%	↓ Q2FY12 results were disappointing due to lower sales volumes. Sales increased by 5% to Rs 3.1 bn but PAT declined by 70% yoy to Rs 122 mn. Though company was able to hold EBITDA margins at 28.1%, increase in depreciation and interest due to commissioning of new plant affected PAT. Lower sales resulted into significant inventory built up and is likely to put pressure on realisations and EBITDA margins in near future. we have reduced our FY12/FY13 est by 52%/ 37% to Rs 9.1 / 15.6, target price by 40% to Rs 108	
Mkt Cap (Rs bn)	6	EBITDA (Rs mn)	880	897	940	-6.4%	-1.9%		
Reco	Accumulate	EBITDA Margin (%)	28.1	26.1	31.6	-354 bps	201 bps		
Target Price (Rs)	108	PAT (Rs mn)	122	128	408	-70.1%	-5.0%		
% Upside	25%	EPS (Rs)	1.8	1.8	5.9	-70.1%	-5.0%		

Pharmaceutical

- Q2FY12 results have been encouraging with revenues above expectations and APAT falling in-line with expectations. Emkay Pharma universe grew by 17% YoY (9% QoQ) - driven by Divi's Lab (+43%), Sun Pharma (+38%), Jubilant Life (+22%), Dr. Reddys (+21%) and Ipca Labs (+20%) YoY growth. However, domestic business remained subdued this quarter also with Unichem (-9%), Ipca (+3%), GSK (+4%) and 7% growth each for Cadila, Ranbaxy & Torrent. Acute therapies continue to witness intense competition in the market. Lupin (+22%), Glenmark (+20%) and Sun Pharma (+18%) grew above industry rate of 14% in the Indian market.
- OPM for the Emkay Pharma Universe remained flat YoY (EBIDTA grew by 14%) to 21.5% led by Sun Pharma (+729bps YoY & 791bps QoQ), Jubilant (+544 YoY & 304 QoQ), Ipca Labs (+252bps YoY & 728bps QoQ) and Divi's Lab (+336bps YoY & 102 QoQ). EBITDA margins of Sun Pharma (41%) and Jubilant (23%) surprised us positively, however GSK Pharma (30% margins, down 687bps YoY) was a negative surprise.
- In the CRAMS space, Jubilant Life & Divi's performed above expectations. However, Dishman & Aurobindo Pharma continued to disappoint this quarter as well with US FDA issues continuing to haunt Aurobindo Pharma. Outlook for Jubilant and Divi's looks strong going ahead.
- Overall, we remain positive on the sector because of huge Para-IV opportunities panning out in the US market. In the domestic market although challenges in short-term prevail, long-term potential remains intact. Companies with higher exposure to acute therapies will continue to face pressure such as Cadila, Ranbaxy and GSK. However, companies with strong chronic portfolio will outperform the market growth viz. Sun Pharma and Lupin. CRAM companies with strong order book and execution capabilities will continue to report good growth, going ahead.
- Our preferred picks: Formulation space - Ipca Labs & Glenmark Pharma and CRAMS space – Divi's & Jubilant Life

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Aurobindo									
CMP(Rs)	84	Net Sales (Rs mn)	10,753	10,769	11,126	-3.4%	-0.2%	↓	Q2FY12 results were disappointing. Net sales down 3% to Rs10.7bn, EBITDA down 55% to Rs1.1bn and APAT (adj. for forex loss of Rs1.85bn) down 70% to Rs291mn. Revenue growth was mainly driven by 9% growth in API business on account of 100% growth in ARV business.. Formulations de-grew by 4% to Rs5.9bn. Base EBITDA margins declined 835bps YoY & 439bps QoQ due to volume driven sales of ARV in API. With increasing pressure on margins and low visibility in revenues – we downgrade the stock to Accumulate with a revised target price of Rs136 (10x FY13E Core EPS of Rs13.6)
Mkt Cap (Rs bn)	24	EBITDA (Rs mn)	1,146	1,640	2,542	-54.9%	-30.1%		
Reco	Accumulate	EBITDA Margin (%)	10.7	15.2	22.8	-1,219 bps	-457 bps		
Target Price (Rs)	136	PAT (Rs mn)	291	960	972	-70.1%	-69.7%		
% Upside	63%	EPS (Rs)	1.0	3.3	3.3	-70.1%	-69.7%		
Cadila									
CMP(Rs)	713	Net Sales (Rs mn)	12,364	12,457	11,167	10.7%	-0.7%	↔	Muted revenue growth (up 11% YoY) to Rs12.4bn and poor operating performance (up 6% YoY) to Rs2.7bn resulted in 2% YoY de-growth in Adjusted PAT to Rs1.77bn. Muted revenue growth was due to 7% growth in domestic formulations, 5% growth in Consumer business and 5% in Europe business. Higher interest expenses because of increase in debt by ~Rs10bn to Rs20bn over the last 6 months. Company is looking for strategic investment in US. With business momentum slowing down and possibility of earnings downgrade going forward– we maintain Hold rating with a revised target price of Rs760 (17x FY13 EPS of Rs44.7)
Mkt Cap (Rs bn)	146	EBITDA (Rs mn)	2,691	2,932	2,529	6.4%	-8.2%		
Reco	Hold	EBITDA Margin (%)	21.8	23.5	22.6	-88 bps	-177 bps		
Target Price (Rs)	760	PAT (Rs mn)	1,767	2,147	1,795	-1.5%	-17.7%		
% Upside	7%	EPS (Rs)	8.6	10.5	8.8	-1.5%	-17.7%		
Cipla									
CMP(Rs)	310	Net Sales (Rs mn)	17,780	15,914	16,344	8.8%	11.7%	↑	Cipla's Q2FY12 results were above expectation with a) Revenues up 9% to Rs17.8bn b) EBITDA up 19% to Rs4.4bn and c) APAT up 20% to Rs2.9bn. Revenues were driven 9% growth in Exports & 12% growth in domestic business. Adj EBITDA margins improved by 290bps to 23.7% led by improvement in gross margins by 630bps to 59% which is the highest since FY08. Going forward – we believe such higher gross margins are not sustainable and will return to 53-55%. EBITDA margins will subsequently come down to 22% in H2FY12. Maintain Hold with a target price of Rs299 (17x FY13 EPS of Rs17.6).
Mkt Cap (Rs bn)	249	EBITDA (Rs mn)	4,376	3,695	3,666	19.4%	18.4%		
Reco	Hold	EBITDA Margin (%)	24.6	23.2	22.4	218 bps	139 bps		
Target Price (Rs)	299	PAT (Rs mn)	2,950	2,393	2,455	20.1%	23.2%		
% Upside	-3%	EPS (Rs)	3.7	3.0	3.1	20.1%	23.2%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Dishman								↓	Q2FY12 revenues at Rs2.7 bn grew by 27% YoY, EBIDTA at Rs283 mn de-grew by 23% YoY and APAT at Rs125mn was up 46% YoY. Revenue growth was mainly driven by 28% growth in MM business. Improvement in profitability was primarily due to non-cash forex loss of Rs188mn vs. gain of Rs197mn in Q2FY11. Going forward, commencement of supplies to Abbott for Teveten & Tricor API, commencement of Vit D plant in next month and ongoing supplies of Gemcitabine from Unit IX are key performance indicators. We expect gradual recovery in business with +ve contribution from all the subsidiaries, however mounting debt remains a concern. Maintain Accumulate with a target price of Rs53.
CMP(Rs)	45	Net Sales (Rs mn)	2,692	2,383	2,128	26.5%	13.0%		
Mkt Cap (Rs bn)	4	EBITDA (Rs mn)	283	448	369	-23.4%	-36.9%		
Reco	Hold	EBITDA Margin (%)	10.5	18.8	17.4	-685 bps	-829 bps		
Target Price (Rs)	53	PAT (Rs mn)	125	107	85	45.8%	16.9%		
% Upside	19%	EPS (Rs)	1.5	1.3	1.1	45.8%	16.9%		
Divi's Lab								↔	Divi's Q2FY12 performance was in-line with expectations with (a) Revenue at Rs3.66bn (up 43% YoY); (b) EBIDTA at Rs1.38bn (up 56% YoY) & (c) APAT at Rs1.1bn (up 45% YoY). Robust performance was on the back of commissioning of new SEZ plant at Vizag during June 2011. Going forward, improvement of capacity utilization at Vizag plant and ramp up in its carotenoids business will boost top-line and bottom-line. Strong quarter – Re-iterate Buy with a target price of Rs927 on the stock (20x FY13 EPS of Rs46.3)
CMP(Rs)	711	Net Sales (Rs mn)	3,661	3,648	2,569	42.5%	0.3%		
Mkt Cap (Rs bn)	94	EBITDA (Rs mn)	1,382	1,340	883	56.4%	3.1%		
Reco	Buy	EBITDA Margin (%)	37.8	36.7	34.4	336 bps	102 bps		
Target Price (Rs)	927	PAT (Rs mn)	1,061	1,026	730	45.4%	3.4%		
% Upside	30%	EPS (Rs)	8.0	7.7	5.5	45.4%	3.4%		
Dr. Reddys								↔	Q2FY12 revenues were in-line with our expectations. Revenues at Rs22.7bn (up 21%YoY), b) EBIDTA at Rs4.8bn (up 18% YoY) and c) APAT at Rs3bn (up 4% YoY). Revenues were driven by 42% growth in North America and 23% increase in Russia & CIS revenues. Growth in India business still remains a concern with a growth of 9% this quarter vs. 13-14% industry growth. Upsides from Para-IVs largely factored-in. Maintain Hold rating with a price target of Rs1604
CMP(Rs)	1,520	Net Sales (Rs mn)	22,679	19,783	18,704	21.3%	14.6%		
Mkt Cap (Rs bn)	258	EBITDA (Rs mn)	4,799	3,971	4,055	18.3%	20.8%		
Reco	Hold	EBITDA Margin (%)	21.2	20.1	21.7	-52 bps	109 bps		
Target Price (Rs)	1,604	PAT (Rs mn)	2,973	2,591	2,872	3.5%	14.8%		
% Upside	6%	EPS (Rs)	17.6	15.4	17.0	3.5%	14.8%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Glenmark Pharma								↔	Q2FY12 revenues were in-line with expectations. Revenues at Rs10.5bn (up 46%YoY), b) EBITDA at Rs2.2bn (up 60% YoY), and c) APAT at Rs1.25bn (up 60% YoY). Revenue growth was driven by a) 36% growth in Specialty business (56% contribution to top-line) and b) 22% growth in Generics business (44% contribution to top-line). Licensing income of Rs. 1.2 bn from Sanofi for GBR 500 was offset by payment of Rs1.3bn to Paul Capital. On account of good momentum in key business verticals, we maintain our Buy rating on the stock with a target price of Rs401 (18x FY12 Base Business EPS + Adjusted NPV of Rs45)
CMP(Rs)	311	Net Sales (Rs mn)	10,554	8,683	7,236	45.9%	21.6%		
Mkt Cap (Rs bn)	84	EBITDA (Rs mn)	2,254	2,963	1,409	60.0%	-23.9%		
Reco	Buy	EBITDA Margin (%)	21.4	34.1	19.5	188 bps	-1,278 bps		
Target Price (Rs)	401	PAT (Rs mn)	1,253	1,124	782	60.2%	11.5%		
% Upside	29%	EPS (Rs)	4.6	4.2	2.9	60.2%	11.5%		
GSK Pharma								↓	GSK Pharma Q3CY11 results were below exp. with a) Revenues at Rs6bn (up 4% YoY) b) EBITDA at Rs1.8bn (down 15% YoY) and c) PAT at Rs1.5bn (down 8% YoY). Lower revenue growth at 4% & decline in EBITDA margins by 687bps to 29.8% was due to intense pricing pressure in existing brands & new launches at lower prices. Going forward – high dependence on acute therapy will keep the top-line growth subdued & intense competition and govt. price control policy will keep the margins under pressure. We downgrade the stock one notch from Hold to Reduce with a revised target price of Rs1,714 (22x CY12E EPS)
CMP(Rs)	2,426	Net Sales (Rs mn)	6,146	5,739	5,893	4.3%	7.1%		
Mkt Cap (Rs bn)	102	EBITDA (Rs mn)	1,830	1,993	2,160	-15.2%	-8.2%		
Reco	Accumulate	EBITDA Margin (%)	29.8	34.7	36.6	-687 bps	-495 bps		
Target Price (Rs)	2,527	PAT (Rs mn)	1,460	1,517	1,578	-7.5%	-3.7%		
% Upside	4%	EPS (Rs)	17.2	17.9	18.6	-7.5%	-3.7%		
Ipca								↑	IPCA's Q2FY12 results were above expectations with a) Revenues at Rs6.2bn (up 20% YoY), b) EBITDA at Rs1.5bn (up 34% YoY) and c) APAT at Rs1bn (up 61% YoY). Loss of anti-malarial sales in domestic market was more than compensated by institutional anti-malarial sales in African market. Management has guided for 20% growth in top-line in H2FY12 and 1% improvement in overall EBITDA margins in FY12. Maintain Buy with a target of Rs392 (14xFY13 EPS)
CMP(Rs)	245	Net Sales (Rs mn)	6,180	5,263	5,143	20.2%	17.4%		
Mkt Cap (Rs bn)	31	EBITDA (Rs mn)	1,526	916	1,140	33.8%	66.5%		
Reco	Buy	EBITDA Margin (%)	24.7	17.4	22.2	252 bps	728 bps		
Target Price (Rs)	392	PAT (Rs mn)	1,051	526	652	61.3%	99.9%		
% Upside	60%	EPS (Rs)	8.4	4.2	5.2	61.3%	99.9%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Jubilant Life								↑	Jubilant's Q2FY12 numbers were above expectations with Revenues at Rs10.5bn (up 22% YoY), EBITDA at Rs2.4bn (up 61% YoY) and APAT at Rs1.2bn (up 55% YoY). Top-line growth and EBITDA margin expansion was primarily led by ramp-up in Cadista business & favorable impact of INR depreciation since company has no forward covers. Going forward, new capacity additions in pyridine & vitamin business, momentum in Cadista and +ve impact of currency depreciation will boost the top-line and the bottom-line. Maintain Buy with a target price of Rs359 (10x FY13E EV/EBITDA)
CMP(Rs)	194	Net Sales (Rs mn)	10,501	9,485	8,603	22.1%	10.7%		
Mkt Cap (Rs bn)	31	EBITDA (Rs mn)	2,381	1,862	1,482	60.6%	27.8%		
Reco	Buy	EBITDA Margin (%)	22.7	19.6	17.2	544 bps	304 bps		
Target Price (Rs)	359	PAT (Rs mn)	1,179	806	763	54.6%	46.3%		
% Upside	84%	EPS (Rs)	7.4	5.1	4.8	54.6%	46.3%		
Lupin								↓	Lupin's Q2FY12 results were below expectations. Revenues at Rs16.7bn (up 17% YoY), b) EBITDA at Rs3.0bn (up 2.5% YoY), and c) APAT at Rs2.1bn (down 3.1% YoY). Revenues were largely driven by growth in India, and Export Formulations. Going forward, margins will remain stressed due to adverse rupee movement as company has hedged \$200mn of exports at ~Rs 46 and losses are parked in balance sheet. Maintain Accumulate with a target price of Rs513
CMP(Rs)	442	Net Sales (Rs mn)	16,745	15,677	14,340	16.8%	6.8%		
Mkt Cap (Rs bn)	197	EBITDA (Rs mn)	3,061	2,944	2,986	2.5%	4.0%		
Reco	Accumulate	EBITDA Margin (%)	18.3	18.8	20.8	-255 bps	-50 bps		
Target Price (Rs)	513	PAT (Rs mn)	2,083	2,101	2,150	-3.1%	-0.9%		
% Upside	16%	EPS (Rs)	4.7	4.7	4.8	-3.1%	-0.9%		
Panacea								↓	Panacea's Q2FY12 results were below estimates with Revenues at Rs2.3bn (down 11% YoY), EBITDA at Rs20mn (down 96% YoY), and APAT at Rs(264) mn. Revenue de-growth was led by no revenues from Easy five sales due to ban from WHO. Pharma sales grew 13% led by new product launches. On account of ban on Easy Five supplies by WHO – we put the stock under review
CMP(Rs)	87	Net Sales (Rs mn)	2,288	2,257	2,562	-10.7%	1.4%		
Mkt Cap (Rs bn)	5	EBITDA (Rs mn)	20	530	564	-96.4%	-96.2%		
Reco	UR	EBITDA Margin (%)	0.9	23.5	22.0	-2,112 bps	-2,261 bps		
Target Price (Rs)	UR	PAT (Rs mn)	-264	178	181	n.a.	n.a.		
% Upside	n.a	EPS (Rs)	-4.3	2.9	2.9	n.a.	n.a.		

Pharmaceutical

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Ranbaxy								↔	Ranbaxy's Q3CY11 results were in-line. Revenue grew 8% YoY to Rs21bn, EBITDA de-grew 29% to Rs1.7bn and APAT de-grew 15% to Rs1.5bn. Revenue growth was driven by 44% growth in Europe, CIS, Africa & Russia and 52% increase in API sales. Domestic business grew at a lower rate of 7%. Current valuations fully factor - in the future potential of Para-IV opportunities. With Lipitor getting ready to strike, we maintain Hold with a target price of Rs513 (20xbase business earnings + Rs82 Para-IV NPV)
CMP(Rs)	447	Net Sales (Rs mn)	20,955	20,931	19,347	8.3%	0.1%		
Mkt Cap (Rs bn)	189	EBITDA (Rs mn)	1,741	1,817	2,456	-29.1%	-4.2%		
Reco	Hold	EBITDA Margin (%)	8.3	8.7	12.7	-439 bps	-37 bps		
Target Price (Rs)	513	PAT (Rs mn)	1,488	1,498	1,754	-15.2%	-0.7%		
% Upside	15%	EPS (Rs)	3.5	3.6	4.2	-15.2%	-0.7%		
Sun Pharma								↔	Sun Pharma's Q2FY12 was in-line with expectations - Revenues at Rs19bn (up 38% YoY), EBITDA at Rs7.8bn (up 68% YoY) and APAT at Rs5.3bn (up 4% YoY). Revenue growth was led by 15% growth in domestic business and 77% growth in US business largely driven by Taro and new launches- Gemzar, Taxotere, Uroxatral and Imitrex. Going forward - Management has maintained its guidance of 28-30% growth in top-line for FY12. With strong traction from Taro and a stable domestic business - we maintain Accumulate rating with a revised target price of Rs554
CMP(Rs)	498	Net Sales (Rs mn)	18,946	16,357	13,701	38.3%	15.8%		
Mkt Cap (Rs bn)	513	EBITDA (Rs mn)	7,840	5,474	4,670	67.9%	43.2%		
Reco	Accumulate	EBITDA Margin (%)	41.4	33.5	34.1	729 bps	791 bps		
Target Price (Rs)	554	PAT (Rs mn)	5,257	5,010	5,037	4.4%	4.9%		
% Upside	11%	EPS (Rs)	5.1	4.8	4.9	4.4%	4.9%		
Torrent Pharma								↓	Q2FY12 results were subdued - with Revenues at Rs6.6bn (up 19% YoY), EBITDA at Rs1.1bn (up 31%) & APAT at Rs793mn (up 15% YoY). Growth in revenues were led by 32% growth in exports - 57% growth in US, 28% growth in Heumann (German subsidiary) and 34% growth in Brazil . Domestic business growth remained subdued at 7% on back of increased competition in gastro and anti-biotic segment. We maintain our earnings estimates and target price of Rs618 (14x FY13 earnings of Rs44). Maintain Hold
CMP(Rs)	569	Net Sales (Rs mn)	6,578	6,134	5,519	19.2%	7.2%		
Mkt Cap (Rs bn)	48	EBITDA (Rs mn)	1,151	1,190	880	30.9%	-3.3%		
Reco	Hold	EBITDA Margin (%)	17.5	19.4	15.9	156 bps	-191 bps		
Target Price (Rs)	618	PAT (Rs mn)	793	892	687	15.5%	-11.1%		
% Upside	9%	EPS (Rs)	9.4	10.5	8.1	15.5%	-11.1%		

Pharmaceutical

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Unichem Labs								↔	Unichem's Q2FY12 results were in-line with a) Revenues at Rs2bn (down 2% YoY) b) EBITDA at Rs305mn (down 39% YoY) and c) APAT at Rs191mn (down 45% YoY). Domestic growth was subdued as expected due to ongoing rationalization of inventory at the distributor level, negatively impacting company-level sales. EBITDA margins at 15.3% (down 922bps) was led by higher raw material cost (up 386bps), increase in sales & marketing cost and higher employee cost due to increase in sales force. We continue to maintain Hold rating on the stock with a target price of Rs148 (11x FY13E EPS of Rs13.4)
CMP(Rs)	108	Net Sales (Rs mn)	1,988	1,887	2,020	-1.6%	5.3%		
Mkt Cap (Rs bn)	10	EBITDA (Rs mn)	305	269	496	-38.6%	13.1%		
Reco	Hold	EBITDA Margin (%)	15.3	14.3	24.5	-922 bps	105 bps		
Target Price (Rs)	148	PAT (Rs mn)	191	156	347	-44.9%	22.6%		
% Upside	37%	EPS (Rs)	2.1	1.7	3.9	-44.9%	22.6%		

Power

- Post results, we retain status quo with NHPC and Reliance Power (Top pick) while adding Jai Prakash Power to our sector top picks, followed by PGCIL and NTPC. Overall we reiterate negative view on private power utilities (except Reliance power and Jaiprakash Power) and prefer regulated utilities. Adani power is our top sell.
- Our utilities universe reported 19% yoy revenue growth led by commissioning of capacities. EBITDA grew by 3% yoy only due to lower realizations. PAT grew by 10% yoy. EBITDA margins for our coverage universe declined by 383bps yoy
- We downgraded earnings of Adani power, JSW energy, Lanco infratech, Jaiprakash power, Nava Bharat, KSK Energy and upgraded Reliance power and Jai Prakash Power.
- Power utilities have underperformed the Nifty by 25% during past 12 months, leading to a steep correction in valuations by 35%. Avg. P/B of utilities is 1.3x FY13E Book vs. 1.9xFY13E Book, a year back. The valuation correction in private utilities has been 45%+ , while in NTPC and Power Grid , the correction has been restricted to just 10-12%.
- But we believe that the pain is still pending with large earnings downgrades likely during next 4 qtrs. Plus we expect/see (1) emerging surplus situation by FY13E end, (2) along with merchant even lower PPA tariffs, (3) no short term solution to SEB issues and (4) more than the fuel supplies, fuel cost poses a bigger risk.
- We believe that Indian power sector story (especially generation) would be driven by cheap cost of generation (one and only solution to SEB issues). Driven by this theme, we would buy NHPC (Valuations comfort, regulatory triggers and commissioning pick up), Jai Prakash Power (healthy accruals, easing stretch on BS and captive coal) and Reliance power (IPP with lowest cost of generation and no fuel and SEB issues) and will sell Adani power (downgrades to continue; best case operations factored).
- Post results, we reiterate our Buy recommendation on NHPC and Reliance Power (top pick) while we upgrade Jai Prakash Power to Buy. We retain our negative view on Adani power.

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Adani Power								↓	PAT of Rs1.8bn is below expectation of Rs2.7bn due to (1) Rs0.8bn of extraordinary items (forex loss, receivable recovery) and (2) fuel cost higher at Rs1.26/unit. Adjusted PAT stood at Rs2.1bn. Aggressive accounting continued - 1) MAT not provided and 2) recognized SEZ duty (Rs213mn) as revenues. Reiterate earnings downgrade by 23%/22% for FY12E/13E - driven by higher fuel cost and one-two month delay in capacities. Foresee further downgrades due to - (1) fuel cost assumed at Rs1.14/unit (2Q - 1.26), (2) Indonesian regulations impact & (3) operating parameters (aux, heat rate & PLF); Maintain Reduce; Cut TP to Rs72
CMP(Rs)	76	Net Sales (Rs mn)	10,320	8,187	3,952	161.2%	26.1%		
Mkt Cap (Rs bn)	165	EBITDA (Rs mn)	5,430	4,102	2,095	159.2%	32.4%		
Reco	Reduce	EBITDA Margin (%)	52.6	50.1	53.0	-40 bps	251bps		
Target Price (Rs)	72	PAT (Rs mn)	2,070	1,519	1,258	64.5%	36.3%		
% Upside	-5%	EPS (Rs)	0.9	0.7	0.6	64.5%	36.3%		
GIPCL								↔	APAT of Rs277mn (growth of 326% yoy, adjustment of Rs90mn of tax refund in Q2FY11), marginally above estimates mainly helped by negative tax. Lower PAF at Surat-II (61% vs. 78% in 1Q12) impacted qoq performance - PAT decline of 35%. We estimate the impact of Surat II at Rs150mn (under-recovery) vs. 1Q12. Surat II PAF got impacted due to (1) 6 days forced shut down of one unit (to start by October end - impacting 3Q as well) and (2) lower extraction of lignite due to monsoons. We maintain FY12E/FY13E EPS of Rs9.9 and Rs10.7/share. Stock trading at 0.8x FY12E book with dividend yield of 4.5% in FY12E. Maintain Buy but upside only once new plant runs hassle free
CMP(Rs)	70	Net Sales (Rs mn)	2,999	3,407	2,120	41.5%	-12.0%		
Mkt Cap (Rs bn)	11	EBITDA (Rs mn)	913	1,275	418	118.4%	-28.4%		
Reco	Buy	EBITDA Margin (%)	30.4	37.4	19.7	1,072 bps	-698 bps		
Target Price (Rs)	115	PAT (Rs mn)	277	429	65	326.2%	-35.4%		
% Upside	65%	EPS (Rs)	1.8	2.8	0.4	326.2%	-35.4%		
Jaiprakash Power								↑	Performance ahead - driven by strong generation across plants esp. Karcham. We upgrade FY13E EPS by 19% mainly led by Karcham Issues/overhang on JPVL - (1) huge funding gap for equity inv and to repay corporate debt, (2) uncertainty on Karcham offtake, (3) fuel availability and (4) captive mine under no-go. Issues addressed with (1) few projects on hold - lower funding & fuel needs, (2) high court's order on Karcham & healthy internal accruals - easing of cash flows, (3) forest clearance of Nigrie mine in 2mths & (4) use of captive coal for Bina. Valuations factoring in the risks aggressively - value of the operational projects at 90% of mkt cap - implying low value of under construction projects (low fuel and offtake risks). Upgrade the stock to buy with TP of Rs45/Share
CMP(Rs)	35	Net Sales (Rs mn)	6,497	2,753	2,470	163.0%	136.0%		
Mkt Cap (Rs bn)	91	EBITDA (Rs mn)	6,082	2,467	2,087	191.4%	146.5%		
Reco	Buy	EBITDA Margin (%)	93.6	89.6	84.5	910 bps	400 bps		
Target Price (Rs)	45	PAT (Rs mn)	2,806	696	870	222.6%	303.2%		
% Upside	30%	EPS (Rs)	1.3	0.3	0.4	222.6%	303.2%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
JSW Energy									
CMP(Rs)	40	Net Sales (Rs mn)	10,869	11,454	7,724	40.7%	-5.1%	↓	Loss of Rs1.1bn attributed to forex loss of Rs778mn and poor operational performance – due to Barmer and Vijayanagar. No operation at Barmer leading to under-recoveries (Rs590mn), lower PLF at Vijayanagar & Ratnagiri (due to lower demand). Avg realizations stood at Rs4.2/unit, significantly lower qoq and yoy. Fuel cost further increased to Rs3.3/unit. Earnings cut by 60%/26% in FY12E/FY13E on no profit from Barmer, higher fuel cost and lower PLF/merchant tariffs. Maintain Reduce; risky business model - open from both sides (fuel and off-take). Cut target price to Rs46/share
Mkt Cap (Rs bn)	66	EBITDA (Rs mn)	794	2,662	2,511	-68.4%	-70.2%		
Reco	Reduce	EBITDA Margin (%)	7.3	23.2	32.5	-2,520 bps	-1,594 bps		
Target Price (Rs)	46	PAT (Rs mn)	-300	1,364	1,845	n.a	n.a		
% Upside	15%	EPS (Rs)	-0.2	0.8	1.1	n.a	n.a		
KSK Energy									
CMP(Rs)	56	Net Sales (Rs mn)	4,343	4,419	2,848	52.5%	-1.7%	↓	Consol loss of Rs 178mn on account of i) higher fixed charges related to Wardha and Arasmeta expansion and ii) subdued revenue booking due to low PLFs. Linkage coal supply (though started for Wardha) issues continued with Arasmeta and Sitapuram. Factoring in- i) higher fuel cost, ii) lower PLFs and iii) 3 month delay in Mahanadi – resulting in significant earnings cut in FY12E/13E. Even though KSK is not an exception to macro headwinds prevailing in power sector, valuations after recent slide are attractive at 0.6x FY12E Book, considering Rs59/Share is the value of operational projects and cash
Mkt Cap (Rs bn)	21	EBITDA (Rs mn)	1,306	1,656	1,507	-13.3%	-21.1%		
Reco	Hold	EBITDA Margin (%)	30.1	37.5	52.9	-2,285 bps	-740 bps		
Target Price (Rs)	75	PAT (Rs mn)	-178	406	547	n.a	n.a		
% Upside	34%	EPS (Rs)	-0.5	1.1	1.5	n.a	n.a		
Lanco Infra									
CMP(Rs)	12	Net Sales (Rs mn)	21,635	19,492	20,418	6.0%	11.0%	↓	Reported a consolidated loss of Rs2.6bn – mainly due to (1) Amarkantak reporting marginal loss and (2) Rs2.8bn forex loss (griffin, EPC and power). Adjusted consol loss, after adjusting (1) forex losses of Rs2.8bn and (2) exceptional gain of Rs489mn, stood at Rs205mn. Further delay in Udupi and Anpara COD (4Q12-1Q13). Cut earnings by 70/31% in FY12E/13E - driven by delays, higher fuel cost and Amarkantak lower tariffs. Issues persist - (1) fuel, (2) Udupi and Anpara delays, (3) perdaman case, (4) stretched BS, (5) gas plants merchant & (6) int. rates; maintain hold
Mkt Cap (Rs bn)	29	EBITDA (Rs mn)	5,061	4,910	4,167	21.4%	3.1%		
Reco	Hold	EBITDA Margin (%)	23.4	25.2	20.4	298 bps	-180 bps		
Target Price (Rs)	17	PAT (Rs mn)	883	137	704	25.4%	544.7%		
% Upside	40%	EPS (Rs)	0.4	0.1	0.3	25.4%	544.7%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Nava Bharat									
CMP(Rs)	184	Net Sales (Rs mn)	2,597	2,347	2,880	-9.8%	10.7%	↓	APAT of Rs362mn (down 59% yoy) is below est. on low merchant realizations (Rs3.3/unit vs. Rs3.7/unit expected), lower PLF (82% vs. 87% expected) and lower MAT credit. Contract with TISCO to start from mid 3Q - to provide some hedge for falling power profitability but insufficient. We increase our fuel cost & reduce tariff assumptions – earnings cut of 49%/32% in FY12E/FY13E. Zambia coal trading and 64MW COD expected in 4Q. Indonesian investment safe, NBVL to get 20% offtake also. Though NBVL is affected by all power sector concerns but is better placed in terms of fuel security (washery rejects and Zambia hedge) and offtake (natural hedge - ferro alloys). Maintain Accumulate.
Mkt Cap (Rs bn)	16	EBITDA (Rs mn)	452	576	1,003	-54.9%	-21.5%		
Reco	Accumulate	EBITDA Margin (%)	17.4	24.5	34.8	-1,741 bps	-714 bps		
Target Price (Rs)	210	PAT (Rs mn)	362	528	889	-59.3%	-31.4%		
% Upside	14%	EPS (Rs)	4.1	6.1	10.2	-60.4%	-33.3%		
NTPC									
CMP(Rs)	156	Net Sales (Rs mn)	153,775	141,715	137,319	12.0%	8.5%	↔	PAT of Rs24.2bn is above est. mainly due to previous yr sales of Rs7.6bn. APAT stood at Rs25.4bn, in line. Commissioned 660MW and commercialized 1,160MW in YTD FY12. Guidance retained. We reiterate FY12 is sunset yr of 80IA – expect positive surprises in COD. Highlights - (1) PAF of coal plants low at 83.4% but no under-recoveries as cumulative PAF for 1H12 above 85% level and (2) mgmt guided for 90%+ PAF in FY12. Maintain estimates. Positive news to continue 1) higher COD in FY12-sunset yr of 80IA, (2) FY12/13 grossing & (3) in medium-term, acquiring distressed plants. Maintain Buy; Risk - rising interest rates
Mkt Cap (Rs bn)	1,290	EBITDA (Rs mn)	32,387	28,663	37,527	-13.7%	13.0%		
Reco	Buy	EBITDA Margin (%)	21.1	20.2	27.3	-627 bps	84 bps		
Target Price (Rs)	204	PAT (Rs mn)	25,428	20,673	21,021	21.0%	23.0%		
% Upside	30%	EPS (Rs)	3.1	2.5	2.5	21.0%	23.0%		
Reliance Power									
CMP(Rs)	90	Net Sales (Rs mn)	4,875	5,418	1,687	189.0%	-10.0%	↑	PAT of Rs2.35bn beat est. on other income of Rs2.6bn vs. est. of Rs1.1bn, driven by change in a/c ing policy (+Rs700mn) and better yields. Earlier COD of Samalkot from Mar13 vs Mar12 (open cycle and adjust other income estimates – leading to 21% upgrade and 42% downgrade in FY12E/FY13E earnings. Building solidity - (1) huge cheap captive coal, (2) merchant capacity in captive coal plants only, (3) plants near load centers, (4) minimizing cost of capital & (5) low to reasonable tariffs - offtake and payment risk minimized. Mid-term triggers - 1) COD of 4,260MW by Dec12 (incl 1 unit of Sasan), 2) coal production in Sasan – 2Q13, 3) milestones in Tilaiya & Indonesian mines & 4) gas plant and gas supplies. We foresee RPL as the most sustainable private utility; Reiterate 'Buy'
Mkt Cap (Rs bn)	251	EBITDA (Rs mn)	1,199	1,850	282	325.2%	-35.2%		
Reco	Buy	EBITDA Margin (%)	24.6	34.1	16.7	788 bps	-955 bps		
Target Price (Rs)	155	PAT (Rs mn)	2,353	1,961	2,348	0.2%	20.0%		
% Upside	73%	EPS (Rs)	0.8	0.7	0.8	0.2%	20.0%		

Print Media

- Ad revenue during Q2FY12 saw signs of sluggishness due to weakening of macro economic conditions. National advertising was highly impacted due to cut in ad spends by major corporates, leading slowdown in overall ad growth across the segments (Broadcasting and Print). Our coverage universe reported ad revenue growth of 12.6% yoy to Rs8.4bn
- English ad revenue (HT Media) growth was impacted due to weak ad spends by the advertisers leading to growth of just 8.1% yoy while vernacular (DB Corp, HMTL and Jagran) ad revenue growth was at 14.6%. HMTL surprised with the strong ad revenue growth of 24.0% yoy while Jagran's 9% yoy growth was a drag to overall ad growth for our coverage universe
- During the quarter DB Corp further extended its reach in Maharashtra market with its Jalgaon and Ahamadnagar edition in Oct, 2011. With expansion in new markets and increased circulation in existing markets led to strong circulation revenue growth of 15.0% yoy to Rs1.7bn for the companies under our coverage
- The international newsprint prices remained stable at \$665/tonne in Q2FY12. Continuously increasing domestic newsprint prices (due to high scrap prices) saw some respite as it reported ~3% qoq decline in Q2FY12. Raw material cost for our coverage universe increased 25.2% yoy, leading to margin contraction of 617bps to 19.7%, due to 981bps yoy decline for DB Corp
- Slower ad revenue growth (owing to slowdown in macro economy) and higher operating costs (led by expansion in new markets and higher international newsprint prices due to rupee depreciation v/s USD) would keep margins of print media companies under pressure in near term. We do not foresee any significant ad growth despite festive season in H2FY12E.
- We maintain our BUY rating on Jagran and HT Media and ACCUMULATE on DB Corp.

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
DB Corp								↓	Strong ad revenue of Rs2.7bn, growing by 15.7% yoy. Print ad revenues grew 15.2% yoy to Rs2.6bn, driven by strong growth in local ads (+20% yoy). EBITDA at Rs771mn declined 18.9% yoy. EBITDA margin declined 981bps to 21.8%, on account of high opex pertaining to continued new launches in Maharashtra. Q2FY12 PAT at Rs403mn, declined 37.1% yoy due to lower EBITDA and forex loss of Rs58.1mn. Maintain ACCUMULATE with target price Rs271.
CMP(Rs)	200	Net Sales (Rs mn)	3,539	3,537	3,010	17.6%	0.0%		
Mkt Cap (Rs bn)	37	EBITDA (Rs mn)	771	1,003	951	-18.9%	-23.1%		
Reco	Accumulate	EBITDA Margin (%)	21.8	28.4	31.6	-981 bps	-657 bps		
Target Price (Rs)	271	PAT (Rs mn)	403	611	640	-37.1%	-34.1%		
% Upside	35%	EPS (Rs)	2.2	3.4	3.5	-37.1%	-34.1%		
HT Media								↑	Cons. revenue grew 10.7% yoy to Rs4.9bn. Print ad-rev grew 12.5% yoy with Hindi ad-rev. growing 24% yoy & English by 8.1% yoy. EBIDTA declined 9.9% yoy, led by Rs63mn forex loss & Rs55mn provision for ad-equity. Adj. for one-offs EBITDA margin was at 16.8%. Burda JV EBITDA stood at Rs3mn v/s loss of Rs33mn. PAT at Rs438mn (our estimate of Rs380mn) was up 13.0% yoy, on account of high other income and lower tax outgo.
CMP(Rs)	120	Net Sales (Rs mn)	4,931	4,969	4,455	10.7%	-0.8%		
Mkt Cap (Rs bn)	28	EBITDA (Rs mn)	713	903	791	-9.9%	-21.1%		
Reco	Buy	EBITDA Margin (%)	14.4	18.2	17.7	-330 bps	-372 bps		
Target Price (Rs)	172	PAT (Rs mn)	438	515	388	13.0%	-14.9%		
% Upside	43%	EPS (Rs)	1.9	2.2	1.7	13.0%	-14.9%		
Jagran Prakashan								↔	Standalone revenue at Rs3054mn grew 10.3% yoy. Ad revenue growth remains subdued at 9.6% yoy growth (lagged peers in ad growth). Circulation revenue registered growth of 11.6% yoy to Rs612mn. Event & OOH revenues stood at Rs226.4mn. EBITDA was down 13.0% yoy to Rs790.5mn with EBITDA margin at 25.9%, down 693bps yoy. Decline was led by significant increase raw material cost.
CMP(Rs)	103	Net Sales (Rs mn)	3,054	3,046	2,769	10.3%	0.2%		
Mkt Cap (Rs bn)	32	EBITDA (Rs mn)	790	820	908	-13.0%	-3.6%		
Reco	Buy	EBITDA Margin (%)	25.9	26.9	32.8	-693 bps	-105 bps		
Target Price (Rs)	135	PAT (Rs mn)	458	497	555	-17.5%	-7.9%		
% Upside	32%	EPS (Rs)	1.4	1.6	1.8	-17.5%	-7.9%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
DLF									
CMP(Rs)	196	Net Sales (Rs mn)	25,324	24,458	23,690	6.9%	3.5%	↓ DLF's Revenue and PAT were above expectation mainly driven by the accounting of sale of land. What disappointed was the fall in Operating Cash Flows QoQ from Rs 8.4bn to Rs 2.8bn despite of net cash generation from sale of land. Sales bookings of 1.2msf in the quarter were in-line to expectation considering there were no new launches in the quarter. Net debt increased by Rs 8.5bn adjusting the currency impact on Aman Resorts' foreign currency loans. The Operating Cash Flows was not able to meet company's interest cost outflow of Rs 6.8bn leading to higher borrowings. We maintain our Reduce rating on the stock	
Mkt Cap (Rs bn)	332	EBITDA (Rs mn)	11,730	11,110	9,559	22.7%	5.6%		
Reco	Reduce	EBITDA Margin (%)	46.3	45.4	40.4	597 bps	90 bps		
Target Price (Rs)	220	PAT (Rs mn)	3,724	3,542	4,387	(15.1) %	5.1%		
% Upside	12%	EPS (Rs)	2.2	2.1	2.6	n.a	n.a		
Oberoi Realty									
CMP(Rs)	218	Net Sales (Rs mn)	2226	1,609	1,700	31.0%	38.4%	↑ Oberoi Realty's results were above expectation on the back of strong execution of Oberoi Exquisite leading to high accounting on PCM method. Sales booking slowed down, as expected. Company sold 1,86,036 sf in Q2FY12 against 2,10,346 sf in Q1FY12 and 1,70,399 sf our expectation. Co. remains confident of the sales booking traction despite of huge slowdown in Mumbai realty market. . We maintain Accumulate rating on the stock with TP upgrade to Rs 275 due to company's recent 50% stake purchase in Oberoi Skyz for ~ Rs 2.8bn	
Mkt Cap (Rs bn)	72	EBITDA (Rs mn)	1,155	903	1,006	14.9%	27.9%		
Reco	Accumulate	EBITDA Margin (%)	51.9	56.1	59.2	-725 bps	-424 bps		
Target Price (Rs)	275	PAT (Rs mn)	1,114	1,058	954	16.8%	5.4%		
% Upside	26%	EPS (Rs)	3.4	3.2	2.9	n.a	n.a		
Phoenix Mills									
CMP(Rs)	189	Net Sales (Rs mn)	474	471	443	6.9%	0.8%	↓ Phoenix Mills standalone quarterly results were marginally below estimates due to lower rentals and higher interest cost. Company borrowed Rs 2.4bn in its parent book to gap fund the capex of Market City (MC) projects and / or to purchase stake through joint development of Phase 2 of these projects. Company launches MC Bangalore in October' 11 and has planned launch of MC Mumbai in November' 11. MC Chennai and Shangri La hotel's launch delay by one quarter was disappointing. We maintain our Accumulate rating with TP of Rs 231.	
Mkt Cap (Rs bn)	27	EBITDA (Rs mn)	332	331	316	5.3%	0.5%		
Reco	Accumulate	EBITDA Margin (%)	70.1	70.3	71.2	-109 bps	-18 bps		
Target Price (Rs)	231	PAT (Rs mn)	238	272	219	8.3%	-12.7%		
% Upside	22%	EPS (Rs)	1.6	1.9	1.5	n.a	n.a		

- Led by pronounced seasonally weak quarter, operators like Bharti and Idea reported decline in traffic on network. Wireless revenue was weak on expected lines with qoq growth of ~2.0% for Bharti (driven by strong growth in Africa), Idea and Rcom. However, ARPM across the operators improved in the range of 1-4% qoq led by higher non-voice revenues and revenue from 3G roaming agreements
- Companies indicated that major impact of price hike would be visible in coming quarters. This signifies that ARPM would continue to improve in H2FY12E with the higher tariff and discontinuation of incentive schemes.
- Subscriber addition during Q2FY12 further moderated as compared to previous quarter. Net adds for Q2FY12 stood at 22.5mn v/s 40.2mn in Q1FY12. Weak minutes were attributed to 1) pronounced seasonality, 2) lower net adds and 3) slight impact of elasticity due to tariff hike. H2FY12E to regain the momentum, led by festive season in Q3FY12E. We do not anticipate significant negative elasticity due to tariff hike in coming quarters.
- Consolidated EBITDA of our coverage universe grew by 1.1% with EBITDA margin remained stable at 32.0%. Profitability for Bharti & Idea was impacted by forex loss of Rs2.4bn and Rs313mn, respectively. However due change in accounting of forex adjustments PAT for Rcom boosted in Q2FY12
- Off-take in 3G services remained slower than anticipated, according to Bharti and Idea only 25-30% of 3G subs are actively using services. Rcom reported net active 3G subscribers at 2.1mn
- Recent Trai's recommendation on M&A, spectrum sharing and uniform license fees came as a positive for the sector. However, spectrum pricing uncertainty still remains
- We maintain ACCUMULATE on Bharti and Idea and HOLD on RCOM. Bharti Airtel and Idea are the preferred picks in the sector

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Bharti									
CMP(Rs)	389	Net Sales (Rs mn)	172,766	169,828	152,150	13.5%	1.7%	↓	Cons. revenue at Rs172.8bn was up 1.7% qoq, by strong revenue growth of 7% qoq from African operations. EBITDA at Rs58.1bn was up 1.9% qoq. PAT at Rs10.3bn below est. of Rs12.9bn on account of forex loss (Rs2.4bn) & higher tax rate. KPI's remained weak qoq due to pronounced seasonally weak quarter. APRU at Rs183 down 3.8% qoq, MoU was down 4.9% qoq to 423, subsequently ARPM was up 0.9% qoq to Rs0.43. Cons. EBITDA margin was flat qoq to 33.7%. EBITDA margin from African operation stood at 26.4% v/s 26.7% in Q1FY12.
Mkt Cap (Rs bn)	1,475	EBITDA (Rs mn)	58,153	57,059	51,212	13.6%	1.9%		
Reco	Accumulate	EBITDA Margin (%)	33.7	33.6	33.7	0 bps	6 bps		
Target Price (Rs)	464	PAT (Rs mn)	10,272	12,152	16,615	-38.2%	-15.5%		
% Upside	19%	EPS (Rs)	2.7	3.2	4.4	-38.2%	-15.5%		
Idea Cellular									
CMP(Rs)	99	Net Sales (Rs mn)	46,199	45,207	36,592	26.3%	2.2%	↓	Cons. revenue grew 2.2% qoq to Rs46.2bn, primarily due pronounced seasonally weak quarter. EBITDA at Rs11.9bn declined 1.4% qoq with EBITDA margin at 25.7%. PAT at Rs1.0bn declined 40.3% qoq due to forex loss of Rs313mn. Traffic on network declined 2.2%. ARPU declined to Rs155 v/s Rs 160 in Q1FY12. MOUs declined 7.8% qoq to 364 v/s 391 in Q1FY12. ARPM improved 4.1% qoq to Rs0.43, driven by VAS and revenue from roaming agreements.
Mkt Cap (Rs bn)	327	EBITDA (Rs mn)	11,866	12,040	8,788	35.0%	-1.4%		
Reco	Accumulate	EBITDA Margin (%)	25.7	26.6	24.0	167 bps	-95 bps		
Target Price (Rs)	105	PAT (Rs mn)	1,058	1,773	1,797	-41.2%	-40.3%		
% Upside	6%	EPS (Rs)	0.3	0.5	0.5	-41.2%	-40.3%		
RCom									
CMP(Rs)	70	Net Sales (Rs mn)	5,040	4,940	5,118	-1.5%	2.0%	↑	Cons. revenue at Rs50.4bn was up 2.0% qoq, in line with our est of Rs50.8bn. Wireless reported growth of 2.1% qoq, despite of seasonally weak quarter. EBITDA at Rs16.0bn was flat sequentially, led by higher SG&A expenses. & admin expenses. EBITDA margin declined 58bps qoq to 31.8%. ARPU decline of 1.9% qoq to Rs101 against our est of Rs99.6. MOU declined 2.6% qoq to 227, RPM improved 2.3% qoq Rs0.45. Wireless traffic was up 1.6% qoq to 98.9bn mins.
Mkt Cap (Rs bn)	145	EBITDA (Rs mn)	1,605	1,602	1,659	-3.3%	0.2%		
Reco	Hold	EBITDA Margin (%)	31.8	32.4	32.4	-57 bps	-58 bps		
Target Price (Rs)	82	PAT (Rs mn)	252	158	446	-43.4%	59.2%		
% Upside	17%	EPS (Rs)	0.1	0.1	0.2	-43.4%	59.2%		

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Tulip Telecom								↑	Revenue at Rs7.0bn grew 20.1% yoy, led by strong revenue from the fibre business which aided the strong margins as well. Q2FY12 EBIDTA grew 24.4% to Rs2.0bn with EBITDA margin improving 100bps yoy to 28.9%. APAT grew 11.6% yoy to Rs870mn. Net-debt further increased to Rs18.9bn at the end of Q2FY12 v/s Rs16.5bn in Q1FY11, to fund ongoing expansion in both NLD & data centre. Debt/EBITDA stands at 2.7x & D/E at 1.6x. Data Centre would commence its operations from Q3FY12E with 10k sq feet out of total contracted space of 30K sq feet.
CMP(Rs)	129	Net Sales (Rs mn)	7,139	6,539	5,853	22.0%	9.2%		
Mkt Cap (Rs bn)	19	EBITDA (Rs mn)	1,991	1,848	1,633	21.9%	7.7%		
Reco	Buy	EBITDA Margin (%)	27.9	28.3	27.9	-1 bps	-37 bps		
Target Price (Rs)	218	PAT (Rs mn)	860	772	780	10.3%	11.4%		
% Upside	69%	EPS (Rs)	5.9	5.3	5.4	10.3%	11.4%		

Others

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Aban Offshore								↓	EBITDA at Rs4.6bn (-17.5% yoy) below est of Rs4.8bn dragged by lower standalone profitability due to lower operating days for Aban IV. Standalone net loss of Rs0.7bn and higher consolidated depreciation & interest charges drag Q2FY12 APAT to Rs0.79bn (-15.5% qoq). Lower revenues from standalone business leads to earnings downgrade for FY12E/13E by -5.3% /-7.6%. We also lower our TP to Rs522 (Rs580 earlier) to factor in earnings downgrade.
CMP(Rs)	355	Net Sales (Rs mn)	7,627	7,313	8,281	-7.9%	4.3%		
Mkt Cap (Rs bn)	15	EBITDA (Rs mn)	4,588	4,589	5,563	-17.5%	0.0%		
Reco	Buy	EBITDA Margin (%)	60.2	62.7	67.2	-702 bps	-258 bps		
Target Price (Rs)	522	PAT (Rs mn)	793	941	891	-11.1%	-15.8%		
% Upside	47%	EPS (Rs)	18.2	21.6	20.5	-11.1%	-15.8%		
Arshiya International								↑	Arshiya Intl. Q2FY12 results were above expectation due to higher revenue in Rail and FTWZ segments as well as higher Other Income from forex gain. Co. completes its Phase 1 of Mumbai FTWZ with launch of 4th warehouse. The FTWZ posts strong revenue growth with high profitability margins in the quarter with value-added-service to Rental ratio is at 1 with peaking at 3 for one of the four w/hs operational. Co. intends to launch Khurja integrated facility and add another 5 rakes to its rail segment fleet in H2FY12. Co. incurs capex of Rs 2.7bn in the quarter with Rs 1.6bn spent on Mumbai FTWZ. The total project spending increased to Rs 24.4bn of which Rs 16.0bn is debt funded
CMP(Rs)	148	Net Sales (Rs mn)	2,480	2,226	1,951	27.1%	11.4%		
Mkt Cap (Rs bn)	9	EBITDA (Rs mn)	636	539	332	91.7%	18.0%		
Reco	UR	EBITDA Margin (%)	25.6	24.2	17.0	863 bps	144 bps		
Target Price (Rs)	UR	PAT (Rs mn)	319	236	181	76.1%	34.8%		
% Upside	n.a	EPS (Rs)	5.4	4.0	3.1	n.a	n.a		
Century Plyboards								↑	EBITDA at Rs595mn, above est led by better profitability of Plywood & Laminates (P&L) division. Net profit at Rs141mn, -66.4%, below est due to MTM forex losses of Rs267mn. Robust topline growth (+33.6% yoy) continues driven by P&L revenue growth of 23.7% while cement segment registered +16.5% revenue growth. Delay in commissioning of Cement Grinding unit project at Kahalgaon by 3 mnths has led to volume downgrades and revision in earnings for FY12E/13E by -5.4%/-2.9%. De-merger remains potential value un-locking trigger-BUY with revised price target of Rs82
CMP(Rs)	50	Net Sales (Rs mn)	3,913	4,158	3,215	21.7%	-5.9%		
Mkt Cap (Rs bn)	11	EBITDA (Rs mn)	595	743	688	-13.6%	-20.0%		
Reco	Buy	EBITDA Margin (%)	15.2	17.9	21.4	-621 bps	-268 bps		
Target Price (Rs)	82	PAT (Rs mn)	408	436	420	-2.8%	-6.5%		
% Upside	64%	EPS (Rs)	1.8	2.0	1.9	-2.8%	-6.5%		

Others

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Dish TV									
CMP(Rs)	61	Net Sales (Rs mn)	4,823	4,604	3,261	47.9%	4.8%	↓	Revenue stood at Rs4.8bn up 4.8% qoq. EBITDA improved 8.6% qoq on account of strong revenue growth and lower programming and content exp. (declined 6.3% qoq). Net loss for the quarter expanded to 486mn due to Rs304mn of forex loss pertaining to its USD denominated debt of Rs7.5bn ARPU improved sequentially to Rs152 v/s Rs150. Subscriber edition registered moderation to 0.57mn v/s 0.73 in Q1FY12.
Mkt Cap (Rs bn)	65	EBITDA (Rs mn)	1,218	1,122	498	144.7%	8.6%		
Reco	Accumulate	EBITDA Margin (%)	25.3	24.4	15.3	999 bps	90 bps		
Target Price (Rs)	96	PAT (Rs mn)	-486	-183	-452	n.a	n.a		
% Upside	57%	EPS (Rs)	-0.5	-0.2	-0.4	n.a	n.a		
Essel Propack									
CMP(Rs)	29	Net Sales (Rs mn)	3,963	3,601	3,687	7.5%	10.1%	↓	Q2FY12 was below expectations - Revenues up 7.5% yoy at Rs 4.0bn, EBIDTA down 7.6% at Rs 631mn and APAT down 32% at Rs 91mn. All regions report steady growth led by AMESA and Europe, except EAP, which countered short term volume impact with lower offtake from a large client. Ebidta margins continues to decline, down 260 bps yoy to 15.9% - impacted by input cost pressure and delayed price pass through. Regaining CY06 profits postponed to FY13E. Revised earnings downwards by 19% and 15% to Rs 3.4/Share in FY12E and Rs 5.3/Share in FY13E.
Mkt Cap (Rs bn)	4	EBITDA (Rs mn)	631	576	683	-7.6%	9.5%		
Reco	Buy	EBITDA Margin (%)	15.9	16.0	18.5	-261 bps	-7 bps		
Target Price (Rs)	54	PAT (Rs mn)	91	94	135	-32.0%	-2.6%		
% Upside	88%	EPS (Rs)	0.6	0.6	0.9	-32.0%	-2.6%		
Grasim									
CMP(Rs)	2,275	Net Sales (Rs mn)	12,035	10,234	9,326	29.0%	17.6%	↑	EBIDTA at Rs2.9 bn (+10% yoy) above est led by higher VSF volumes. PAT at Rs3.44 bn (+23%yoy) ahead of est, led by high other income.17% jump in VSF volumes help rev. growth of 29%. Post high volatility seen in VSF prices in Q1FY12, prices have started recovering in Sept-11. Upgrade in Ultratech earnings along with higher volumes for VSF have led to EPS upgrade for FY12E/13E by 1%/1.2%. Maintain Accumulate with revised price target of Rs2700
Mkt Cap (Rs bn)	209	EBITDA (Rs mn)	2,905	3,529	2,638	10.1%	-17.7%		
Reco	Accumulate	EBITDA Margin (%)	24.1	34.5	28.3	-415 bps	-1,035 bps		
Target Price (Rs)	2,700	PAT (Rs mn)	3,448	3,141	2,796	23.3%	9.8%		
% Upside	19%	EPS (Rs)	37.6	34.3	30.5	23.3%	9.8%		

Others

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Havells India								↑	Q2FY12 standalone performance above expectations - revenues at Rs 8.5bn, grew 28.6% yoy; EBIDTA margins 175bps to 13.5% & APAT at Rs 702mn, up 20% yoy. Against expectation of moderation, delivers strong performance with healthy growth in lighting and consumer durables. Improves Ebidta margins despite cost pressure. Strong operating performance in Sylvania- with Europe registering 4% growth being positive surprise, but forex loss curtails PAT to € 1.7mn. Domestic business driver remains intact, Improvement in performance of Sylvania to continue.
CMP(Rs)	383	Net Sales (Rs mn)	8,504	8,000	6,613	28.6%	6.3%		
Mkt Cap (Rs bn)	48	EBITDA (Rs mn)	1,146	857	776	47.7%	33.8%		
Reco	Buy	EBITDA Margin (%)	13.5	10.7	11.7	175 bps	277 bps		
Target Price (Rs)	460	PAT (Rs mn)	702	575	581	20.9%	22.2%		
% Upside	20%	EPS (Rs)	5.6	4.6	4.7	20.0%	22.2%		
HBL Power								↑	Pick up visible; results significantly above estimates. PAT at Rs116mn driven by higher revenues driving operational leverage. Revenues stood at Rs3.1bn, up by 21% YoY against our expectation of Rs 2323mn. EBITDA has more than doubled on YoY basis to Rs 411mn, indicating 533bps improvement in EBITDA margins to 13.2% on YoY basis. At CMP of Rs18, the stock is trading at 20x FY13E earnings & 0.8x FY13E Book Value. We maintain our BUY rating on the stock with a target price of Rs58/Share.
CMP(Rs)	15	Net Sales (Rs mn)	3,111	2,044	2,581	20.5%	52.2%		
Mkt Cap (Rs bn)	4	EBITDA (Rs mn)	411	159	204	102.0%	158.5%		
Reco	UR	EBITDA Margin (%)	13.2	7.8	7.9	533 bps	543 bps		
Target Price (Rs)	UR	PAT (Rs mn)	116	-104	26	346.2%	n.a		
% Upside	n.a	EPS (Rs)	0.5	-0.4	0.1	346.2%	n.a		
Kajaria Ceramics								↔	Q2 FY12 results were in line with our est. Revenues grew by 43% yoy to Rs 3.18bn while EBITDA grew by 39% yoy to Rs 484mn. Company reported PAT of Rs 193mn, 45% yoy. Margin pressures intensified due to higher trading, increase in gas & other input costs, rupee depreciation. However, increasing share of high end products cushioned margins. Management expects to clock 25% topline growth over the next 2-3 years. Despite intensifying cost pressures, EBITDA margins are likely to remain rangebound.
CMP(Rs)	94	Net Sales (Rs mn)	3,179	2,718	2,222	43.0%	17.0%		
Mkt Cap (Rs bn)	7	EBITDA (Rs mn)	484	433	349	38.7%	11.8%		
Reco	Buy	EBITDA Margin (%)	15.2	15.9	15.7	-48 bps	-71 bps		
Target Price (Rs)	143	PAT (Rs mn)	193	171	133	44.6%	12.8%		
% Upside	53%	EPS (Rs)	2.6	2.3	1.8	44.6%	12.8%		

Others

Name			Sep'11	June'11	Sep'10	% Chg YoY	% Chg QoQ	Actual v/s Expect	Comments
Piramal Glass								↓	Q2FY12 was below expectations – revenue growth at 7.4% yoy to Rs 3.2bn and APAT growth at 11% to Rs 229.5mn. C&P grows 20% yoy, while contribution to revenues rises to 54%. Premium C&P saw strong traction growing by 41%, but mass C&P growth was tepid at 3%. Capacity expansion to aid growth momentum – Greenfield capacity expansion well on track; 2 out of 4 realignments completed. Full impact to be visible in FY13E. Fine-tuning of earnings, FY12E revised downwards by 21.9% to Rs 13.2/Share and FY13E by 24.8% to Rs 17.5/Share.
CMP(Rs)	104	Net Sales (Rs mn)	3,229	3,172	3,007	7.4%	1.8%		
Mkt Cap (Rs bn)	8	EBITDA (Rs mn)	729	717	653	11.6%	1.7%		
Reco	Buy	EBITDA Margin (%)	22.6	22.6	21.7	86 bps	-1 bps		
Target Price (Rs)	160	PAT (Rs mn)	230	290	207	11.0%	-20.9%		
% Upside	54%	EPS (Rs)	2.9	3.6	2.6	11.0%	-20.9%		
Sintex Industries								↓	APAT lower than est. due to lower monolithic execution (16% growth) and lower other income (by about Rs80mn); also the forex loss was higher at Rs596mn vs. est. of Rs450mn. Working capital cycle has increased; We increase our FY12 capex to Rs5bn and against Rs 3.1bn already spend – leading to negative free cash flows in FY12. Earnings cut by 10% for FY12/13E mainly driven by lower monolithic, higher capex. Current valuations pricing in negative free cash. Maintain buy with revised TP of Rs150/Share
CMP(Rs)	92	Net Sales (Rs mn)	11,570	11,120	9,231	25.3%	4.0%		
Mkt Cap (Rs bn)	25	EBITDA (Rs mn)	2,043	1,892	1,716	19.0%	8.0%		
Reco	Buy	EBITDA Margin (%)	17.7	17.0	18.6	-94 bps	64 bps		
Target Price (Rs)	150	PAT (Rs mn)	984	946	1,001	-1.7%	4.0%		
% Upside	63%	EPS (Rs)	3.6	3.5	3.7	-1.7%	4.0%		
Sterlite Tech								↓	Revenue at Rs7.0bn, up 38.8% yoy led by strong growth from power segment. EBITDA at Rs504mn declined 44.3% yoy with EBITDA margin at 7.1%. Telecom margin down 1318bps yoy. PAT at Rs127mn was down 78.0% yoy, led by 44.4% and 41.8% decline in EBITDA in Power & Telecom segment, respectively followed with high interest cost. Volumes in fibre segment increased to 2.8mn fkm v/s 2.3mn fkm in Q2FY11, however, correction in fibre prices has led to just 7.6% yoy increase in revenues. STL sold 36500MT conductors with EBITDA/MT of ~Rs6500 v/s ~Rs2700 in Q1FY12.
CMP(Rs)	34	Net Sales (Rs mn)	7,073	5,473	5,094	38.8%	29.2%		
Mkt Cap (Rs bn)	13	EBITDA (Rs mn)	504	302	906	-44.3%	66.9%		
Reco	Hold	EBITDA Margin (%)	7.1	5.5	17.8	-1,065 bps	161 bps		
Target Price (Rs)	47	PAT (Rs mn)	127	52	576	-78.0%	142.1%		
% Upside	40%	EPS (Rs)	0.3	0.1	1.5	-78.0%	142.1%		

Quarterly Results

Company Name	Net Sales (Rs mn)			Growth (%)		EBITDA (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)	
	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ
Agri Input & Chemicals																				
Chambal Fertilisers	16423	11644	15453	6%	41%	2045	1796	2253	-9%	14%	841	729	982	-14%	15%	2.0	1.8	2.4	-14%	15%
Coromandel International	27241	17665	25761	6%	54%	3764	2203	3340	13%	71%	2600	1387	2226	17%	87%	9.3	4.9	7.9	17%	87%
Deepak Fertilisers	5772	4739	4141	39%	22%	1059	1129	800	32%	-6%	619	639	448	38%	-3%	7.0	7.2	5.1	38%	-3%
GNFC	10206	6442	8019	27%	58%	1479	925	1153	28%	60%	808	417	639	27%	94%	5.2	2.7	4.1	27%	94%
GSFC	12641	12077	13007	-3%	5%	3031	2738	3172	-4%	11%	2128	1773	2070	3%	20%	26.7	22.2	26.0	3%	20%
Rallis India	4395	2975	3680	19%	48%	975	435	883	10%	124%	585	231	587	0%	153%	3.0	1.2	3.0	0%	153%
Tata Chemicals	35710	29539	29909	19%	21%	6740	5267	5056	33%	28%	2932	2043	2347	25%	44%	11.5	8.0	9.2	25%	44%
United Phosphorus	17757	18621	12569	41%	-5%	3255	3449	2326	40%	-6%	1592	1682	1307	22%	-5%	3.6	3.6	3.0	22%	-1%
Auto Ancillaries																				
Apollo Tyres	28712	28224	19489	47%	2%	2305	2403	1853	24%	-4%	781	775	533	47%	1%	1.6	1.5	1.1	47%	1%
Motherson Sumi	23387	23002	19576	19%	2%	2036	1874	1919	6%	9%	986	541	695	42%	82%	2.5	1.4	1.8	42%	82%
Automobiles																				
Ashok Leyland	30946	24955	27140	14%	24%	3312	2352	3063	8%	41%	1541	768	1671	-8%	101%	0.6	0.3	0.6	-8%	101%
Bajaj Auto	52673	47773	43418	21%	10%	10574	9108	9122	16%	16%	8175	7111	6928	18%	15%	28.3	24.6	23.9	18%	15%
Eicher Motors	14513	12984	10984	32%	12%	1511	1262	839	80%	20%	737	763	387	91%	-3%	27.4	28.3	14.4	90%	-3%
Hero Motocorp	58293	56833	45520	28%	3%	7146	6407	6079	18%	12%	6036	5579	5056	19%	8%	30.2	27.9	25.3	19%	8%
Mah & Mah	73606	67335	53635	37%	9%	9060	8973	8500	7%	1%	7615	6049	7135	7%	26%	12.4	9.9	11.6	7%	26%
Maruti Suzuki India	78316	85293	91473	-14%	-8%	5212	8144	9746	-47%	-36%	2598	5492	6032	-57%	-53%	9.0	19.0	20.9	-57%	-53%
Tata Motors	361975	335725	287820	26%	8%	45039	42359	40016	13%	6%	22459	21705	21112	6%	3%	6.8	6.6	6.4	6%	3%
TVS Motor	19918	17460	16147	23%	14%	1383	1171	1060	30%	18%	765	588	536	43%	30%	1.6	1.2	1.1	43%	30%
Banks & Financial Services																				
Allahabad Bank	13182	11755	9692	36%	12%	9493	8896	7815	21%	7%	4880	4181	4025	21%	17%	10.2	8.8	9.0	14%	17%
Andhra Bank	9512	9105	7832	21%	4%	6869	6998	5645	22%	-2%	3162	3859	3030	4%	-18%	5.7	6.9	6.2	-9%	-18%
Axis Bank	20073	17241	16151	24%	16%	17756	15585	14864	19%	14%	9203	9424	7351	25%	-2%	22.3	22.9	18.0	24%	-2%
Bank of Baroda	25669	22972	20381	26%	12%	21400	18183	16567	29%	18%	11753	10329	10193	15%	14%	29.9	26.3	27.9	7%	14%
Bank of India	19039	18410	17761	7%	3%	15515	13959	13796	12%	11%	4911	5176	6167	-20%	-5%	9.0	9.5	11.7	-23%	-5%
Canara Bank	19617	17931	20033	-2%	9%	16053	12704	14157	13%	26%	8522	7259	10078	-15%	17%	4.8	4.8	24.6	-80%	0%
Corporation Bank	7436	7076	6958	7%	5%	7001	5764	5735	22%	21%	4011	3515	3517	14%	14%	27.1	23.7	24.5	10%	14%
Federal Bank	4744	4598	4384	8%	3%	3613	3541	3849	-6%	2%	1912	1462	1404	36%	31%	11.2	8.5	8.2	36%	31%
HDFC Bank	29445	28480	25263	17%	3%	21258	20334	18071	18%	5%	11994	10850	9121	31%	11%	25.6	23.2	19.7	30%	10%
ICICI Bank	25064	24109	22044	14%	4%	23538	22340	22125	6%	5%	15032	13322	12369	22%	13%	13.0	11.6	10.7	21%	13%
LIC Housing Finance	3341	3610	3051	10%	-7%	3354	3789	3192	5%	-11%	2370	2565	2341	1%	-8%	5.0	5.4	4.9	1%	-8%
Mah & Mah Financial Services	3902	3317	3178	23%	18%	2539	2074	2077	22%	22%	1355	1022	1165	16%	33%	13.2	10.0	12.1	9%	32%
Manappuram General Finance	3713	3145	1792	107%	18%	2034	1635	947	115%	24%	1353	1078	602	125%	25%	1.6	1.3	1.7	-4%	25%
Punjab National Bank	34526	31152	29767	16%	11%	25278	24739	21001	20%	2%	12050	11050	10746	12%	9%	38.0	34.9	34.1	12%	9%
South Indian Bank	2588	2050	1973	31%	26%	1664	1431	1248	33%	16%	950	824	770	23%	15%	0.8	0.7	0.7	22%	14%
State Bank of India	104219	96995	81149	28%	7%	74743	72424	63570	18%	3%	28104	15835	25014	12%	77%	44.3	24.9	39.4	12%	77%
Union Bank of India	16612	15902	15358	8%	4%	12050	11658	11301	7%	3%	3525	4644	3028	16%	-24%	5.5	7.3	6.0	-7%	-24%
United Bank Of India	6235	5690	5262	18%	10%	4504	4173	3546	27%	8%	1248	1324	1098	14%	-6%	3.6	3.8	3.5	4%	-6%
Yes Bank	3856	3541	3132	23%	9%	3859	3250	2813	37%	19%	2350	2160	1762	33%	9%	6.7	6.2	5.1	31%	8%

Quarterly Results (contd...)

Company Name	Net Sales (Rs mn)			Growth (%)		EBITDA (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)	
	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ
Cement																				
ACC	21500	24030	16372	31%	-11%	2204	5503	1699	30%	-60%	1228	3366	900	36%	-64%	6.5	17.9	4.8	36%	-64%
Ambuja Cements	18051	21733	15640	15%	-17%	3115	5826	2832	10%	-47%	1921	3475	1521	26%	-45%	1.3	2.3	1.0	26%	-45%
India Cements	10891	10568	8412	29%	3%	2520	2417	286	780%	4%	767	1057	-449		-27%	2.5	3.4	-1.5		-27%
Madras Cements	8190	7642	6421	28%	7%	2660	2444	1068	149%	9%	1120	983	185	505%	14%	4.7	4.1	0.8	505%	14%
Orient Paper	5066	5339	3829	32%	-5%	556	1109	188	196%	-50%	241	584	5	4728%	-59%	1.2	3.0	0.0	4728%	-59%
Ultratech Cement	39098	43654	32147	22%	-10%	5816	11881	4078	43%	-51%	2789	6831	1158	141%	-59%	10.2	25.0	4.2	141%	-59%
Shree Cements	8546	10340	7176	19%	-17%	2014	2591	1427	41%	-22%	232	555	106	120%	-58%	6.7	15.9	3.0	120%	-58%
Construction																				
GMR Infrastructure	18122	18636	12217	48%	-3%	5014	4979	3561	41%	1%	-625	-667	-718			-0.2	-0.2	-0.2		
IL&FS Transportation	6483	5216	3730	74%	24%	1332	1331	1352	-1%	0%	609	621	786	-23%	-2%	3.4	3.2	4.0	-15%	8%
IRB Infrastructure	7359	8013	4903	50%	-8%	3215	3294	2364	36%	-2%	1101	1342	991	11%	-18%	3.3	4.0	3.0	11%	-18%
IVRCL	10460	11219	10502	0%	-7%	937	832	706	33%	13%	81	42	233	-65%	93%	0.3	0.2	0.9	-65%	93%
Jaiprakash Associates	28974	31423	29933	-3%	-8%	5132	7373	6811	-25%	-30%	97	1070	1155	-92%	-91%	0.0	0.5	0.5	-92%	-91%
Consumers																				
Asian Paints	22508	22604	18108	24%	0%	3229	3922	3315	-3%	-18%	2087	2637	2147	-3%	-21%	21.8	27.5	22.4	-3%	-21%
Berger Paints	7206	6931	5899	22%	4%	773	609	669	16%	27%	493	372	405	22%	33%	1.4	1.1	1.2	22%	33%
Colgate-Palmolive	6572	6111	5518	19%	8%	1207	1173	1122	8%	3%	1097	1004	1003	9%	9%	8.1	7.4	7.4	9%	9%
Glaxosmithkline Consumer	7201	6534	6126	18%	10%	1180	985	951	24%	20%	1030	825	786	31%	25%	24.5	19.6	18.7	31%	25%
Godrej Consumer Products	11919	10030	9647	24%	19%	2147	1480	1810	19%	45%	1310	1026	1302	1%	28%	4.0	3.2	4.0	1%	28%
Hindustan Unilever	56105	55794	47647	18%	1%	8267	7543	6469	28%	10%	6445	5686	5257	23%	13%	3.0	2.6	2.4	23%	13%
Jubilant FoodWorks	2404	2169	1634	47%	11%	436	413	297	47%	6%	246	232	184	33%	6%	3.8	3.6	2.9	33%	6%
Marico	9745	10486	7758	26%	-7%	1167	1251	991	18%	-7%	783	850	716	9%	-8%	1.3	1.4	1.2	8%	-8%
Nestle	19631	17631	16373	20%	11%	4103	3445	3226	27%	19%	2685	2196	2175	23%	22%	27.9	22.8	22.6	23%	22%
Titan Industries	20965	20206	15361	36%	4%	2004	1846	1736	15%	9%	1482	1434	1278	16%	3%	1.7	1.6	1.4	16%	3%
Engineering & Capital Goods																				
Bharat Bijlee	1828	1149	1846	-1%	59%	99	26	255	-61%	281%	60	13	151	-60%	362%	10.6	2.3	26.8	-60%	362%
BHEL	105455	72715	84907	24%	45%	19592	11132	16324	20%	76%	14120	8155	11423	24%	73%	5.8	3.3	4.7	24%	73%
Blue Star	6047	7047	6948	-13%	-14%	136	276	672	-80%	-51%	-208	98	386			-2.3	1.1	4.3		
Cummins India	10903	10453	10914	0%	4%	1759	1856	2172	-19%	-5%	1286	1427	1679	-23%	-10%	4.6	5.1	6.1	-23%	-10%
Elecon Engineering	3368	2573	2809	20%	31%	496	450	400	24%	10%	155	149	142	9%	4%	1.7	1.6	1.5	9%	4%
EMCO	1979	1879	2902	-32%	5%	198	186	-274		6%	18	18	-286		0%	1.0	0.3	-4.4		244%
Greaves Cotton	4396	4019	3784	16%	9%	631	570	599	5%	11%	386	350	363	7%	11%	1.6	1.4	1.5	7%	11%
Indo Tech	333	231	303	10%	44%	-121	-132	-60			-138	-145	-58			-13.0	-13.7	-5.5		
Lakshmi Machine Works	5814	5111	4430	31%	14%	889	709	777	14%	25%	492	411	459	7%	20%	43.7	36.5	40.7	7%	20%
Larsen & Toubro	112452	94826	93308	21%	19%	11741	11265	10057	17%	4%	7984	7461	6241	28%	7%	13.1	12.2	10.3	27%	7%
Mcnally Bharat Engineering	4986	3625	4018	24%	38%	307	243	219	40%	26%	107	76	97	11%	40%	3.4	2.5	3.1	11%	40%
Punj Lloyd	23917	22633	19875	20%	6%	2015	1809	1832	10%	11%	247	-123	239	3%		0.7	-0.4	0.7	3%	
Thermax	13035	10444	10916	19%	25%	1405	1137	1286	9%	24%	1017	799	895	14%	27%	8.5	6.7	7.5	14%	27%
TRF	2657	2720	1925	38%	-2%	232	141	65	257%	65%	26	36	80	-68%	-28%	2.4	3.3	7.3	-68%	-28%
TRIL	1401	1373	1141	23%	2%	55	138	172	-68%	-60%	21	77	102	-79%	-72%	1.6	6.0	7.9	-79%	-72%
Voltamp Transformers	1355	941	1243	9%	44%	125	88	125	0%	42%	94	93	93	1%	1%	9.3	9.2	9.2	1%	1%
Voltas	11216	13484	10651	5%	-17%	271	1089	1075	-75%	-75%	169	723	746	-77%	-77%	0.5	2.2	2.3	-77%	-77%

Quarterly Results (contd...)

Company Name	Net Sales (Rs mn)			Growth (%)		EBITDA (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)	
	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ
Financial Services - Others																				
CRISIL	2095	2031	1591	32%	3%	734	599	547	34%	22%	525	419	426	23%	25%	72.7	57.9	59.0	23%	25%
ICRA	519	387	484	7%	34%	194	94	200	-3%	106%	140	85	141	-1%	65%	14.0	8.5	14.1	-1%	65%
IT Services																				
eClerx Services	1137	996	823	38%	14%	443	391	298	49%	13%	443	352	276	60%	26%	14.7	11.9	9.3	57%	24%
HCL Tech	46513	42995	37081	25%	8%	7763	7728	5787	34%	0%	4799	4910	3108	54%	-2%	6.8	7.0	4.5	53%	-2%
Infinite Computer	2571	2623	2194	17%	-2%	434	447	364	19%	-3%	307	300	256	20%	3%	7.0	6.8	5.8	20%	3%
Hexaware Technologies	3660	3341	2817	30%	10%	686	511	240	186%	34%	646	603	168	284%	7%	2.2	2.1	0.6	284%	7%
Infosys	80990	74850	69470	17%	8%	25160	21750	23110	9%	16%	19060	17230	17350	10%	11%	33.4	30.2	30.4	10%	11%
Mahindra Satyam	15777	14339	12424	27%	10%	2417	2126	735	229%	14%	2382	2252	938	154%	6%	2.0	1.9	0.8	154%	6%
Mindtree	4567	4131	3844	19%	11%	588	460	446	32%	28%	545	345	232	135%	58%	13.5	8.5	5.7	137%	58%
NIIT Tech	3710	3288	3246	14%	13%	668	609	593	13%	10%	457	412	431	6%	11%	7.7	7.0	7.3	5%	11%
Patni Computer	9453	8221	7967	19%	15%	1661	940	1505	10%	77%	842	889	1281	-34%	-5%	6.2	6.6	9.6	-35%	-6%
Persistent Systems	2382	2238	1870	27%	6%	454	401	430	5%	13%	324	276	358	-10%	18%	8.1	6.9	9.0	-10%	18%
TCS	116335	107971	92864	25%	8%	33829	30311	27773	22%	12%	24390	23804	21260	15%	2%	12.5	12.2	10.9	15%	2%
Tech Mahindra	13333	12925	15339	-13%	3%	2042	2418	2818	-28%	-16%	2392	2734	1506	59%	-12%	18.3	20.9	11.5	59%	-12%
Wipro	90945	85640	77304	18%	6%	14878	14952	14032	6%	0%	13009	13350	12848	1%	-3%	5.3	5.5	5.3	1%	-3%
Metals & Mining																				
Bhushan Steel	24654	22318	17189	43%	10%	7211	6610	4893	47%	9%	2069	2100	2590	-20%	-1%	9.7	9.9	12.2	-20%	-1%
Godawari Power	4287	4957	1478	190%	-14%	526	777	304	73%	-32%	106	318	72	47%	-67%	3.9	11.8	2.7	47%	-67%
HEG	3192	2795	2996	7%	14%	442	441	602	-27%	0%	251	198	297	-16%	27%	6.2	4.6	7.0	-11%	34%
Hindustan Zinc	26368	28471	22010	20%	-7%	14648	15923	11253	30%	-8%	13686	14993	9699	41%	-9%	3.2	3.5	2.3	41%	-9%
JSW Steel	81443	74387	59722	36%	9%	13938	14348	10227	36%	-3%	-1553	4852	3733			-7.0	21.7	16.7		
Sesa Goa	7897	21089	9183	-14%	-63%	259	11458	3398	-92%	-98%	13	8406	3849	-100%	-100%	0.0	9.7	4.6	-100%	-100%
Sterlite Industries	101957	98607	60844	68%	3%	24820	27584	15289	62%	-10%	10277	16443	10292	0%	-37%	3.1	4.9	3.1	0%	-37%
Tata Steel	327979	330002	286462	14%	-1%	27500	44229	36723	-25%	-38%	2124	14274	13834	-85%	-85%	2.2	14.9	15.6	-86%	-85%
Oil & Gas																				
BPCL	423019	461396	354348	19%	-8%	-26948	-21642	24865			-32293	-25619	21422			-89.3	-70.9	59.3		
GAIL	94792	88890	81282	17%	7%	16580	15772	14570	14%	5%	10700	9847	9236	16%	9%	8.4	7.8	7.3	16%	9%
Gujarat Gas	6528	5845	5071	29%	12%	1178	1398	903	30%	-16%	802	966	566	42%	-17%	6.3	7.5	4.4	42%	-17%
Gujarat State Petronet	2809	2876	2545	10%	-2%	2629	2652	2336	13%	-1%	1362	1374	915	49%	-1%	2.4	2.4	1.6	49%	-1%
HPCL	371042	409169	308702	20%	-9%	-28697	-25684	24829			-33645	-30815	20898			-99.4	-91.0	61.7		
Indian Oil	891851	1012845	773357	15%	-12%	-53222	-18618	68900			-74856	-37187	52939			-30.8	-15.3	21.8		
Indraprastha Gas	5729	5374	4468	28%	7%	1732	1580	1247	39%	10%	869	797	663	31%	9%	6.2	5.7	4.7	31%	9%
Petronet LNG	46568	46234	30577	52%	1%	4326	4382	2716	59%	-1%	2380	2569	1311	82%	-7%	3.2	3.4	1.7	82%	-7%
Paper																				
Ballarpur Inds	11114	11920	10227	9%	-7%	2047	2466	2092	-2%	-17%	254	986	410	-38%	-74%	0.4	1.5	0.6	-38%	-74%
JK Paper	3218	3240	3133	3%	-1%	331	608	709	-53%	-46%	84	277	291	-71%	-70%	0.6	2.0	3.7	-84%	-70%
Tamilnadu Newsprint	3133	3441	2972	5%	-9%	880	897	940	-6%	-2%	122	128	408	-70%	-5%	1.8	1.8	5.9	-70%	-5%

Quarterly Results (contd...)

Company Name	Net Sales (Rs mn)			Growth (%)		EBITDA (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)	
	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ
Pharmaceuticals																				
Aurobindo Pharma	10753	10769	11126	-3%	0%	1146	1640	2542	-55%	-30%	291	960	972	-70%	-70%	1.0	3.3	3.3	-70%	-70%
Cadila Healthcare	12364	12457	11167	11%	-1%	2691	2932	2529	6%	-8%	1767	2147	1795	-2%	-18%	8.6	10.5	8.8	-2%	-18%
Cipla	17780	15914	16344	9%	12%	4376	3695	3666	19%	18%	2950	2393	2455	20%	23%	3.7	3.0	3.1	20%	23%
Dishman Pharma	2692	2383	2128	27%	13%	283	448	369	-23%	-37%	125	107	85	46%	17%	1.5	1.3	1.1	46%	17%
Divi's Lab	3661	3648	2569	43%	0%	1382	1340	883	56%	3%	1061	1026	730	45%	3%	8.0	7.7	5.5	45%	3%
Dr. Reddy's Lab	22679	19783	18704	21%	15%	4799	3971	4055	18%	21%	2973	2591	2872	4%	15%	17.6	15.4	17.0	4%	15%
Glaxosmithkline Pharma	6146	5739	5893	4%	7%	1830	1993	2160	-15%	-8%	1460	1517	1578	-7%	-4%	17.2	17.9	18.6	-7%	-4%
Glenmark Pharma	10554	8683	7236	46%	22%	2254	2963	1409	60%	-24%	1253	1124	782	60%	11%	4.6	4.2	2.9	60%	11%
Ipca Lab	6180	5263	5143	20%	17%	1526	916	1140	34%	67%	1051	526	652	61%	100%	8.4	4.2	5.2	61%	100%
Jubilant Life Sciences	10501	9485	8603	22%	11%	2381	1862	1482	61%	28%	1179	806	763	55%	46%	7.4	5.1	4.8	55%	46%
Lupin	16745	15677	14340	17%	7%	3061	2944	2986	2%	4%	2083	2101	2150	-3%	-1%	4.7	4.7	4.8	-3%	-1%
Panacea Biotec	2288	2257	2562	-11%	1%	20	530	564	-96%	-96%	-264	178	181			-4.3	2.9	2.9		
Ranbaxy Labs	20955	20931	19347	8%	0%	1741	1817	2456	-29%	-4%	1488	1498	1754	-15%	-1%	3.5	3.6	4.2	-15%	-1%
Sun Pharma	18946	16357	13701	38%	16%	7840	5474	4670	68%	43%	5257	5010	5037	4%	5%	5.1	4.8	4.9	4%	5%
Torrent pharma	6578	6134	5519	19%	7%	1151	1190	880	31%	-3%	793	892	687	16%	-11%	9.4	10.5	8.1	16%	-11%
Unichem Labs	1988	1887	2020	-2%	5%	305	269	496	-39%	13%	191	156	347	-45%	23%	2.1	1.7	3.9	-45%	23%
Power																				
Adani Power	10320	8187	3952	161%	26%	5430	4102	2095	159%	32%	2070	1519	1258	64%	36%	0.9	0.7	0.6	64%	36%
Gujarat Industries Power	2999	3407	2120	41%	-12%	913	1275	418	118%	-28%	277	429	65	326%	-35%	1.8	2.8	0.4	326%	-35%
Jaiprakash Power Ventures	6497	2753	2470	163%	136%	6082	2467	2087	191%	147%	2806	696	870	223%	303%	1.3	0.3	0.4	223%	303%
JSW Energy	10869	11454	7724	41%	-5%	794	2662	2511	-68%	-70%	-300	1364	1845			-0.2	0.8	1.1		
KSK Energy	4343	4419	2848	52%	-2%	1306	1656	1507	-13%	-21%	-178	406	547			-0.5	1.1	1.5		
Lanco Infratech	18966	19492	20418	-7%	-3%	4509	4910	4167	8%	-8%	-205	137	704			-0.1	0.1	0.3		
Nava Bharat Ventures	2597	2347	2880	-10%	11%	452	576	1003	-55%	-22%	362	528	889	-59%	-31%	4.1	6.1	10.2	-60%	-33%
NTPC	153775	141715	137319	12%	9%	32387	28663	37527	-14%	13%	25428	20673	21021	21%	23%	3.1	2.5	2.5	21%	23%
Reliance Power	4875	5418	1687	189%	-10%	1199	1850	282	325%	-35%	2353	1961	2348	0%	20%	0.8	0.7	0.8	0%	20%
Print Media																				
DB Corp	3539	3537	3010	18%	0%	771	1003	951	-19%	-23%	403	611	640	-37%	-34%	2.2	3.4	3.5	-37%	-34%
HT Media	4931	4969	4455	11%	-1%	713	903	791	-10%	-21%	438	515	388	13%	-15%	1.9	2.2	1.7	13%	-15%
Jagran Prakashan	3054	3046	2769	10%	0%	790	820	908	-13%	-4%	458	497	555	-18%	-8%	1.4	1.6	1.8	-18%	-8%
Real Estate																				
DLF	25324	24458	23690	7%	4%	11730	11110	9559	23%	6%	3691	3771	4387	-16%	-2%	2.2	2.2	2.6	-16%	-2%
Oberoi Realty	2226	1609	1700	31%	38%	1155	903	1006	15%	28%	1114	1063	954	17%	5%	3.4	3.2	2.9	17%	5%
Phoenix Mills	497	471	443	12%	6%	347	331	317	9%	5%	-390	272	221			-2.7	1.9	1.5		

Quarterly Results (contd...)

Company Name	Net Sales (Rs mn)			Growth (%)		EBITDA (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)		
	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	Q2FY12	Q1FY12	Q2FY11	YoY	QoQ	
Telecommunications																					
Bharti Airtel	172766	169828	152150	14%	2%	58153	57059	51212	14%	2%	10272	12152	16615	-38%	-15%	2.7	3.2	4.4	-38%	-15%	
Idea Cellular	46199	45207	36592	26%	2%	11866	12040	8788	35%	-1%	1058	1773	1797	-41%	-40%	0.3	0.5	0.5	-41%	-40%	
Reliance Communications	50402	49401	51183	-2%	2%	16052	16021	16595	-3%	0%	2522	1584	4459	-43%	59%	1.2	0.8	2.2	-43%	59%	
Tulip Telecom	7029	6539	5853	20%	8%	2032	1848	1633	24%	10%	871	772	780	12%	13%	6.0	5.3	5.4	12%	13%	
Others																					
Aban Offshore	7627	7313	8281	-8%	4%	4588	4589	5563	-18%	0%	793	941	891	-11%	-16%	18.2	21.6	20.5	-11%	-16%	
Arshiya International	2480	2226	1951	27%	11%	636	539	332	92%	18%	319	236	182	75%	35%	5.4	4.0	3.1	75%	35%	
Century Plyboards	3913	4158	3215	22%	-6%	595	743	688	-14%	-20%	408	436	420	-3%	-6%	1.8	2.0	1.9	-3%	-6%	
Dish TV	4823	4604	3261	48%	5%	1218	1122	498	145%	9%	-486	-183	-452	-0.5	-0.2	-0.4	-0.5	-0.2	-0.4	-32%	-3%
Essel Propack	3963	3601	3687	7%	10%	631	576	683	-8%	10%	91	94	135	-32%	-3%	0.6	0.6	0.9	-32%	-3%	
Grasim Industries	12035	10234	9326	29%	18%	2905	3529	2638	10%	-18%	3448	3141	2796	23%	10%	37.6	34.3	30.5	23%	10%	
Havells India	8504	8000	6613	29%	6%	1146	857	776	48%	34%	702	575	581	21%	22%	5.6	4.6	4.7	21%	22%	
HBL Power Systems	3111	2044	2581	21%	52%	411	159	204	102%	158%	116	-104	26	346%		0.5	-0.4	0.1	346%		
Kajaria Ceramics	3179	2718	2222	43%	17%	484	433	349	39%	12%	193	171	133	45%	13%	2.6	2.3	1.8	45%	13%	
Piramal Glass	3229	3172	3007	7%	2%	729	717	653	12%	2%	230	290	207	11%	-21%	2.9	3.6	2.6	11%	-21%	
Sintex Industries	11570	11120	9231	25%	4%	2043	1892	1716	19%	8%	984	946	1001	-2%	4%	3.6	3.5	3.7	-2%	4%	
Sterlite Tech	7073	5473	5094	39%	29%	504	302	906	-44%	67%	127	52	576	-78%	142%	0.3	0.1	1.5	-78%	142%	

Valuations



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Company Name	Price	Mkt Cap	Reco	Price	Sales (Rs mn)		EBITDA (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROCE (%)		ROE (%)		
	(Rs)	(Rs bn)		(Rs)	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	
Agri Input & Chemicals																					
Chambal Fertilisers	84	35	Accumulate	98	51,240	51,398	8,181	8,030	3,726	3,688	9.0	8.9	9.4	9.5	1.8	1.6	14.2	13.7	20.6	17.4	
Coromandel International	303	85	Buy	435	97,619	112,424	11,250	13,785	7,419	9,069	26.3	32.2	11.5	9.4	3.6	2.8	24.6	32.1	24.1	33.5	
Deepak Fertilisers	152	13	Buy	250	20,981	22,137	6,263	4,754	4,373	2,698	49.6	30.6	3.1	5.0	1.0	0.9	28.3	19.6	36.3	18.6	
GNFC	83	13	Buy	135	32,425	35,825	6,217	8,248	3,007	3,972	19.3	25.6	4.3	3.2	0.5	0.5	12.8	15.7	13.1	15.4	
GSFC	467	37	Buy	530	49,483	56,078	10,417	9,733	6,745	6,248	84.6	78.4	5.5	6.0	1.1	0.9	28.2	22.5	21.4	16.5	
Rallis India	144	28	Buy	197	13,950	17,607	2,851	4,025	1,778	2,623	9.1	13.5	15.8	10.7	4.5	3.6	38.0	45.8	31.7	37.6	
Tata Chemicals	330	84	Accumulate	400	110,853	115,367	21,541	22,912	7,843	8,831	32.2	36.3	10.2	9.1	1.1	1.1	12.2	14.9	8.8	11.6	
United Phosphorus	133	61	Buy	215	76,494	82,760	14,728	16,307	8,218	9,904	17.8	21.4	7.5	6.2	1.4	1.2	19.4	19.4	20.3	20.6	
Automobiles																					
Ashok Leyland	25	66	Hold	30	125,427	142,747	13,492	15,415	6,274	7,862	2.4	3.0	10.6	8.4	2.2	2.0	17.4	24.2	22.3	24.7	
Bajaj Auto	1,623	470	Buy	2,210	201,056	233,410	40,924	48,066	32,538	37,638	112.4	130.1	14.4	12.5	7.3	5.7	73.8	69.9	57.2	51.1	
Eicher Motors	1,630	44	Buy	1,975	56,067	67,948	5,704	7,383	3,004	3,786	111.5	140.5	14.6	11.6	3.0	2.5	31.1	32.4	22.4	23.8	
Hero Motocorp	2,171	433	Accumulate	2,250	236,229	270,842	27,583	33,455	24,537	29,028	122.9	145.4	17.7	14.9	12.7	11.4	84.8	91.2	77.0	80.6	
Mah & Mah	718	441	Buy	930	309,394	372,576	37,357	43,747	27,685	32,911	45.1	53.6	15.9	13.4	3.6	3.0	25.8	26.8	24.5	24.6	
Maruti Suzuki India	943	272	Hold	900	358,685	434,906	27,489	30,467	18,467	20,165	63.9	69.8	14.8	13.5	1.8	1.6	16.9	16.5	12.6	12.3	
Tata Motors	161	435	Buy	220	1,467,066	1,684,269	176,620	195,174	90,095	98,788	27.3	29.9	5.9	5.4	2.0	1.5	23.0	22.9	39.1	31.7	
TVS Motor	62	30	Hold	72	76,042	86,619	5,235	6,181	2,738	3,436	5.8	7.2	10.8	8.6	2.5	2.1	21.0	23.7	25.0	26.1	
Auto Ancillaries																					
Apollo Tyres	60	30	Accumulate	71	120,668	135,413	11,157	12,895	4,083	5,081	8.1	10.1	7.4	5.9	1.1	1.0	14.4	15.5	15.8	17.2	
JK Tyre	62	3	Accumulate	118	70,516	80,991	3,737	4,405	791	968	19.3	23.6	3.2	2.6	0.3	0.3	10.5	11.7	9.0	10.4	
Motherson Sumi	150	58	Accumulate	210	98,466	109,790	7,266	10,371	3,634	6,062	9.3	15.5	16.2	9.7	3.2	2.7	19.5	24.5	21.1	30.1	
Cement																					
ACC	1,133	213	Hold	1,290	94,353	106,984	17,547	21,587	10,684	13,519	56.8	71.9	19.9	15.8	3.0	2.7	20.8	23.3	15.7	17.9	
Ambuja Cements	150	229	Reduce	165	83,663	93,523	19,398	22,890	12,198	14,684	8.0	9.6	18.8	15.6	2.8	2.5	24.9	26.3	15.8	17.1	
Grasim Industries	2,275	209	Accumulate	2,700	224,493	245,500	51,554	57,842	22,276	23,291	243.0	253.9	9.4	9.0	1.3	1.1	16.1	15.7	14.4	13.3	
India Cements	68	21	Hold	86	40,438	45,507	8,085	8,360	2,092	1,872	6.8	6.1	10.0	11.2	0.6	0.5	8.5	8.2	5.8	5.0	
Madras Cements	109	26	Accumulate	125	29,566	32,934	8,230	8,569	2,632	2,841	11.1	11.9	9.8	9.1	1.3	1.2	11.3	11.5	14.4	13.7	
Orient Paper	52	10	Buy	82	24,792	28,839	3,783	4,555	1,800	2,186	9.3	11.3	5.6	4.6	1.0	0.8	20.7	22.4	18.5	19.0	
Shree Cements	2,026	71	Accumulate	2,400	42,972	50,634	10,821	13,077	2,260	3,267	64.9	93.8	31.2	21.6	3.3	2.9	11.7	14.4	10.9	14.3	
Ultratech Cement	1,109	304	Hold	1,170	177,214	197,467	37,189	43,559	20,094	23,048	73.3	84.1	15.1	13.2	2.4	2.1	18.0	18.4	17.4	17.0	
Construction																					
GMR Infrastructure	21	81	Buy	38	82,906	117,609	21,538	36,557	-631	4,437	-0.2	1.1	-127.6	18.2	0.8	0.8	3.6	5.5	-0.7	4.6	
IL&FS Transportation	179	35	Accumulate	234	26,135	33,906	4,224	4,891	1,848	1,848	9.5	9.5	18.8	18.8	1.8	1.6	12.7	12.0	9.8	9.0	
IRB Infrastructure	138	46	Buy	250	29,831	40,211	13,183	15,224	4,887	4,086	14.7	12.3	9.4	11.2	1.6	1.4	13.3	10.7	17.9	13.1	
IVRCL	32	9	Buy	60	58,374	65,196	5,311	6,029	1,215	1,480	4.5	5.5	7.1	5.9	0.4	0.4	10.6	23.4	6.0	6.9	
Jaiprakash Associates	61	129	Hold	66	134,989	148,933	30,126	34,219	5,712	7,353	2.7	3.5	22.6	17.6	1.3	1.3	8.3	9.2	6.1	7.4	

Valuations



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	(Rs)	(Rs bn)		(Rs)	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	
Consumers																					
Asian Paints	2,936	281	Hold	2,820	95,268	108,222	15,354	17,786	9,724	11,266	101.4	117.5	29.0	25.0	10.1	8.0	55.2	50.6	40.4	36.9	
Berger Paints	99	34	Accumulate	109	28,955	33,154	2,815	3,460	1,744	2,163	5.0	6.2	19.7	15.9	4.2	3.6	36.1	37.4	23.2	24.4	
Colgate-Palmolive	996	135	Reduce	826	25,235	28,334	5,340	6,073	4,438	5,110	32.6	37.6	30.5	26.5	34.9	34.6	140.3	157.9	114.9	131.0	
Glaxosmithkline Consumer	2,426	102	Accumulate	2,527	26,921	31,521	4,305	5,098	3,599	4,251	85.6	101.1	28.3	24.0	8.6	7.0	43.3	42.0	33.5	32.2	
Godrej Consumer Products	394	127	Accumulate	446	48,252	60,446	8,450	10,869	5,857	7,560	18.1	23.4	21.8	16.9	6.3	5.3	21.2	23.7	31.3	34.1	
Hindustan Unilever	390	843	Accumulate	347	229,431	255,587	35,988	40,537	25,465	28,799	11.8	13.3	33.1	29.3	26.4	22.2	115.2	237.5	87.4	82.4	
Jubilant FoodWorks	762	49	Accumulate	900	9,628	13,624	1,795	2,743	1,025	1,659	15.9	25.7	48.0	29.6	17.3	11.8	62.6	68.7	43.1	47.3	
Marico	146	90	Accumulate	172	40,077	46,026	5,053	6,687	3,327	4,583	5.4	7.5	26.9	19.6	7.6	5.7	25.9	31.6	32.4	33.9	
Nestle	4,371	421	Accumulate	5,110	74,838	88,991	15,470	18,836	9,892	11,731	102.6	121.7	42.6	35.9	32.9	22.5	105.6	83.0	92.5	74.4	
Titan Industries	198	176	Hold	225	84,354	103,783	7,602	9,590	5,802	7,246	6.5	8.2	30.4	24.3	11.9	8.6	62.3	56.4	46.4	41.1	
Engineering & Capital Goods																					
Bharat Bijlee	603	3	Accumulate	836	7,917	9,151	476	641	220	321	39.0	56.7	15.5	10.6	1.2	1.1	11.7	15.5	7.7	9.8	
BHEL	262	641	Hold	376	495,787	554,104	100,970	107,272	64,721	68,180	26.4	27.9	9.9	9.4	3.5	3.9	48.9	56.9	33.6	39.1	
Blue Star	172	16	Hold	196	29,468	33,634	2,005	2,808	825	1,353	9.2	15.0	18.8	11.5	2.5	2.3	15.2	19.8	14.0	21.0	
Cummins India	335	93	Hold	388	41,798	47,710	6,109	7,116	5,421	6,212	19.6	22.4	17.1	15.0	4.6	4.3	38.8	40.4	28.5	29.7	
Elecon Engineering	58	5	Hold	61	12,958	16,792	1,943	2,609	679	1,102	7.3	11.9	8.0	4.9	1.2	1.0	15.5	19.9	16.2	22.4	
EMCO	38	2	UR	UR	11,308	13,150	828	1,025	139	261	2.1	4.0	17.8	9.4	0.4	0.4	6.4	7.6	2.5	4.5	
Greaves Cotton	75	18	Buy	103	18,428	21,088	2,863	3,275	1,683	1,942	6.9	8.0	10.8	9.4	2.9	2.4	42.1	40.5	29.2	27.9	
Indo Tech	93	1	UR	UR	1,791	2,351	-35	150	-41	81	-3.9	7.7	-24.0	12.2	0.9	0.8	-6.0	8.9	-3.6	7.1	
Larsen & Toubro	1,226	750	Accumulate	1,603	610,615	675,814	97,283	116,890	44,600	52,619	73.3	86.4	16.7	14.2	2.6	2.3	12.3	12.6	16.6	17.1	
Lakshmi Machine Works	1,707	19	Accumulate	2,466	22,604	24,910	3,461	4,082	1,910	2,328	169.5	206.6	10.1	8.3	2.0	1.7	31.0	32.0	21.6	22.0	
Mcnally Bharat Engineering	103	3	Accumulate	147	19,633	19,935	1,307	1,278	513	525	16.5	16.9	6.2	6.1	1.0	0.9	18.0	16.5	17.7	15.8	
Punj Lloyd	47	15	Hold	63	98,691	109,222	8,564	9,396	478	847	1.4	2.5	32.3	18.3	0.5	0.5	7.8	8.2	1.6	2.8	
Thermax	446	53	Accumulate	495	58,692	62,563	7,143	7,097	4,331	4,298	36.3	36.1	12.3	12.4	3.3	2.8	41.0	35.3	29.5	24.2	
TRF	249	3	Hold	282	13,992	14,517	803	816	360	324	32.7	29.4	7.6	8.5	1.5	1.3	14.3	13.2	22.3	16.9	
TRIL	185	2	Buy	293	6,867	8,213	550	697	302	403	23.4	31.3	7.9	5.9	0.7	0.6	11.5	14.2	9.1	11.1	
Voltamp Transformers	509	5	Hold	491	5,854	6,935	588	761	443	575	43.8	56.8	11.6	9.0	1.3	1.1	12.8	15.8	11.3	13.3	
Voltas	83	27	Accumulate	121	51,391	57,364	3,610	5,003	1,990	2,921	6.0	8.8	13.8	9.4	1.7	1.5	20.1	25.2	13.6	17.5	
Financial Services - Others																					
CRISIL	889	63	Buy	1,050	8,095	9,807	2,780	3,378	2,001	2,233	28.6	31.9	31.1	27.9	24.1	12.6			70.1	59.3	
ICRA	885	9	Reduce	900	2,012	2,278	704	798	452	568	45.2	56.8	19.6	15.6	3.2	2.8			17.2	19.1	

Valuations



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	(Rs)	(Rs bn)		(Rs)	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	
IT Services																					
eClerx Services	719	21	Accumulate	800	4,650	5,840	1,860	2,304	1,617	1,900	53.6	63.0	13.4	11.4	6.6	5.1	61.8	57.5	57.3	50.4	
HCL Tech	394	272	Hold	415	205,701	235,703	36,292	38,635	22,783	25,586	32.5	36.5	12.1	10.8	2.7	2.3	26.4	24.0	24.1	22.8	
Hexaware Technologies	81	24	Accumulate	100	14,148	17,444	2,389	3,055	2,411	2,522	8.3	8.7	9.7	9.3	2.2	2.0	21.0	24.6	23.9	22.5	
Infinite Computer	79	3	Buy	120	10,577	12,025	1,770	1,999	1,140	1,234	25.9	28.0	3.0	2.8	0.7	0.6	26.0	25.0	25.0	22.8	
Infosys	2,661	1,528	Accumulate	2,800	336,172	394,196	105,856	118,975	81,064	91,937	141.9	160.9	18.8	16.5	4.7	3.9	32.2	30.5	27.1	25.8	
Mahindra Satyam	67	79	Hold	80	63,462	74,779	9,384	11,365	8,661	8,865	7.3	7.5	9.2	9.0	3.1	2.3	35.1	31.1	40.1	29.2	
Mindtree	400	16	Accumulate	450	18,692	22,057	2,490	3,194	1,661	1,815	41.0	44.8	9.8	8.9	1.9	1.7	16.8	18.8	21.6	20.1	
Mphasis	301	63	Reduce	325	51,322	53,797	9,972	9,385	8,520	6,863	40.4	32.6	7.5	9.3	1.6	1.4	22.5	17.2	23.2	15.7	
NIIT	46	8	Accumulate	80	14,443	15,372	1,951	2,324	947	1,118	5.7	6.7	8.0	6.8	1.2	1.0	8.5	9.4	15.3	16.1	
NIIT Tech	203	12	Accumulate	235	16,041	19,050	2,786	3,406	1,983	2,263	33.5	38.2	6.1	5.3	1.4	1.0	29.2	28.0	24.4	21.9	
Persistent Systems	322	13	Hold	330	9,851	11,477	1,981	2,282	1,272	1,372	31.8	34.3	10.1	9.4	1.5	1.4	17.0	17.3	16.0	15.3	
TCS	1,065	2,084	Hold	1,060	483,256	579,523	142,708	166,039	106,627	122,519	54.5	62.6	19.5	17.0	7.0	6.0	47.0	47.0	38.7	38.0	
Tech Mahindra	581	74	Hold	650	55,099	63,084	9,191	10,474	9,864	10,337	75.3	78.9	7.7	7.4	1.8	1.5	20.7	18.9	26.8	22.1	
Wipro	371	911	Reduce	360	369,791	417,745	73,446	82,036	55,762	63,185	22.7	25.8	16.3	14.4	3.6	3.0	22.1	21.3	24.1	22.8	
Metals & Mining																					
Bhushan Steel	319	68	Hold	315	94,685	105,774	27,317	30,570	8,909	9,890	41.9	46.6	7.6	6.8	1.0	0.9	8.3	8.0	14.2	13.7	
Godawari Power	119	4	Buy	193	19,045	20,513	2,687	3,276	841	1,009	26.5	31.8	4.5	3.7	0.6	0.5	12.6	13.4	13.2	14.0	
HEG	176	8	Accumulate	224	12,850	15,829	2,201	2,928	909	1,328	22.5	32.9	7.8	5.3	0.8	0.7	8.6	22.6	10.1	14.1	
Hindustan Zinc	111	468	Buy	159	110,265	132,199	61,626	75,002	56,494	66,905	13.4	15.8	8.3	7.0	1.8	1.5	27.4	27.6	23.0	22.9	
JSW Steel	568	127	Accumulate	742	310,146	367,439	56,957	75,248	21,174	30,662	88.0	127.5	6.5	4.5	0.9	0.8	11.0	13.9	13.2	18.2	
Sesa Goa	172	149	Hold	239	77,879	91,467	31,848	38,056	21,000	25,219	24.2	29.0	7.1	5.9	1.0	0.9	20.7	20.2	15.3	16.1	
Sterlite Industries	103	346	Accumulate	162	376,606	426,412	98,773	117,523	51,716	62,031	15.4	18.5	6.7	5.6	0.8	0.7	15.8	16.4	11.9	12.7	
Tata Steel	381	365	Buy	503	1,245,300	1,386,140	117,082	172,233	68,248	69,715	70.3	71.8	5.4	5.3	1.3	0.8	7.4	12.6	17.3	15.4	
Offshore Oil Field Services																					
Aban Offshore	355	15	Buy	522	33,425	36,133	20,187	20,979	3,722	4,649	85.5	106.8	4.2	3.3	0.7	0.6	9.9	10.5	18.8	19.5	
Global Offshore Services	79	2	Hold	110	2,076	2,103	987	1,056	354	444	14.9	18.6	5.3	4.2	0.6	0.5	7.5	8.7	11.6	13.1	
Great Offshore	99	4	Buy	425	9,555	11,557	4,418	5,677	995	1,584	26.7	42.5	3.7	2.3	0.3	0.3	7.4	9.4	8.4	12.1	

Valuations

Company Name	Price	Mkt Cap	Reco	Price	Sales (Rs mn)		EBITDA (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROCE (%)		ROE (%)		
	(Rs)	(Rs bn)		(Rs)	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	
Oil & Gas																					
BPCL	504	182	Accumulate	684	1,677,455	1,678,176	59,621	59,623	16,359	16,505	45.2	45.7	11.1	11.0	1.1	1.0	8.8	8.5	9.9	9.1	
GAIL	374	474	Accumulate	510	403,422	461,809	71,784	79,107	39,348	42,089	31.0	33.2	12.1	11.3	2.0	1.8	18.1	16.2	17.7	16.7	
Gujarat Gas	371	48	Buy	481	24,190	27,567	5,274	5,629	3,262	3,437	25.4	26.8	14.6	13.8	4.0	3.3	39.7	35.5	29.7	26.2	
Gujarat State Petronet	89	50	Buy	120	11,320	12,342	10,808	11,743	5,453	5,865	9.7	10.4	9.2	8.5	2.0	1.7	23.9	22.9	24.3	21.4	
HPCL	290	98	Buy	463	1,521,815	1,530,304	49,715	51,167	15,515	16,496	45.8	48.7	6.3	6.0	0.7	0.6	7.9	7.9	11.2	10.9	
Indian Oil	268	651	Accumulate	381	3,742,483	3,772,461	173,166	188,721	77,976	87,064	32.1	35.9	8.3	7.5	1.0	0.9	12.1	12.3	12.5	12.5	
Indraprastha Gas	390	55	Accumulate	425	23,117	27,558	6,857	7,388	3,380	3,513	24.1	25.1	16.1	15.5	4.4	3.7	39.7	74.3	30.1	25.8	
Petronet LNG	156	117	Buy	170	187,331	207,608	18,441	19,551	9,749	9,480	13.0	12.6	12.0	12.3	3.3	2.7	24.5	22.0	31.4	24.3	
Reliance Industries	787	2,577	Buy	1,119																	
Paper																					
Ballarpur Inds	24	16	Accumulate	35	47,994	51,020	9,455	11,423	2,055	3,311	3.1	5.1	7.8	4.8	0.6	0.6	8.6	10.9	8.1	12.0	
JK Paper	37	5	Accumulate	48	12,759	12,954	1,758	2,267	511	881	3.7	6.4	9.9	5.8	0.5	0.5	5.5	5.6	6.2	8.0	
Tamilnadu Newsprint	86	6	Accumulate	108	15,555	16,400	4,875	5,536	1,426	1,632	20.5	23.5	4.2	3.7	0.6	0.6	11.7	12.5	15.4	16.8	
Pharmaceuticals																					
Aurobindo Pharma	84	24	Accumulate	136	47,741	57,047	6,301	7,987	3,918	4,919	13.5	16.9	6.2	4.9	1.0	0.9	12.2	14.3	16.2	18.8	
Cadila Healthcare	714	146	Hold	760	51,562	60,618	11,495	13,581	7,452	9,159	36.4	44.7	19.6	16.0	5.3	4.2	29.1	31.2	31.3	30.4	
Cipla	310	249	Hold	299	71,863	83,325	15,444	18,765	11,395	14,169	14.2	17.6	21.8	17.5	3.3	2.9	17.8	19.6	16.0	17.5	
Dishman Pharma	45	4	Hold	53	10,777	11,772	1,951	2,190	648	774	8.0	9.6	5.5	4.6	0.4	0.4	6.3	7.0	7.3	8.1	
Divi's Lab	711	94	Buy	927	16,087	19,284	6,200	7,620	4,976	6,145	37.5	46.3	19.0	15.3	4.3	3.5	29.3	29.6	24.9	25.0	
Dr. Reddy's Lab	1,520	258	Hold	1,604	89,789	96,268	20,443	22,621	13,659	15,431	80.7	91.2	18.8	16.7	5.0	4.2	25.1	25.7	22.2	23.2	
Glaxosmithkline Pharma	1,961	166	Hold	1,714	22,971	25,670	8,826	10,164	5,789	6,676	68.3	77.9	28.7	25.2	7.9	7.5	42.6	45.8	28.6	30.7	
Glenmark Pharma	311	84	Buy	401	36,475	39,323	9,993	9,966	6,477	6,413	24.0	23.8	13.0	13.1	3.2	2.6	20.0	18.2	27.9	22.0	
Ipca Lab	245	31	Buy	392	21,506	25,567	4,276	5,336	2,760	3,489	22.2	28.0	11.0	8.7	2.4	1.9	21.4	22.9	23.6	24.1	
Jubilant Life Sciences	194	31	Buy	359	38,505	46,325	7,368	8,919	2,810	3,967	17.7	25.0	11.0	7.8	1.4	1.2	9.2	11.3	12.7	16.6	
Lupin	442	197	Accumulate	513	67,682	82,022	14,769	16,951	9,825	11,435	22.0	25.6	20.1	17.2	4.7	3.8	25.1	25.1	26.6	24.6	
Panacea Biotech	87	5	UR	UR	8,184	7,752	1,657	1,612	300	247	4.9	4.0	17.8	21.6	0.8	0.8	5.6	5.2	4.5	3.6	
Pfizer	1,239	37	Accumulate	1,574	10,642	12,345	2,299	2,728	1,974	2,349	66.2	78.7	18.7	15.7	2.8	2.5	17.7	18.6	15.9	16.7	
Ranbaxy Labs	447	189	Hold	513	97,660	118,963	18,602	24,310	13,147	17,206	31.3	40.9	14.3	10.9	2.7	2.2	17.5	22.9	21.0	22.1	
Sun Pharma	498	513	Accumulate	554	73,135	90,360	25,204	33,836	22,365	29,533	21.6	28.5	23.1	17.5	4.5	3.8	21.8	24.4	22.6	24.8	
Torrent Pharma	569	48	Hold	618	24,201	28,242	4,470	5,352	3,051	3,738	36.1	44.2	15.8	12.9	4.3	3.8	23.4	25.7	30.2	31.1	
Unichem Labs	108	10	Hold	148	9,324	10,848	1,403	1,915	817	1,210	9.1	13.4	11.9	8.0	1.4	1.3	14.8	19.3	12.6	16.8	

Valuations

Company Name	Price	Mkt Cap	Reco	Price	Sales (Rs mn)		EBITDA (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROCE (%)		ROE (%)		
	(Rs)	(Rs bn)		(Rs)	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	
Power																					
Adani Power	76	165	Reduce	72	58,020	124,444	35,520	70,863	14,685	25,769	6.1	10.8	12.3	7.0	2.2	1.7	8.3	12.3	19.4	26.8	
Gujarat Industries Power	70	11	Buy	115	13,690	14,101	4,422	4,508	1,502	1,622	9.9	10.7	7.0	6.5	0.7	0.7	11.1	10.5	10.7	10.9	
Jaiprakash Power Ventures	35	91	Buy	45	15,967	28,050	14,326	23,374	4,445	7,193	1.9	3.2	17.8	11.0	2.0	1.7	6.3	8.4	11.8	16.5	
JSW Energy	40	66	Reduce	46	50,174	62,826	16,764	27,293	4,325	6,889	2.6	4.2	15.2	9.5	1.1	1.0	6.9	10.4	7.2	10.5	
KSK Energy	56	21	Hold	75	19,339	26,019	7,575	10,756	1,118	2,254	3.0	6.0	18.7	9.3	0.6	0.5	4.8	5.9	3.6	6.5	
Lanco Infratech	12	29	Hold	17	66,665	108,997	14,742	32,832	1,445	4,078	0.6	1.7	20.0	7.1	0.5	0.4	4.4	7.4	4.8	8.3	
Nava Bharat Ventures	184	16	Accumulate	210	12,985	13,613	2,582	3,196	2,082	2,778	23.7	31.6	7.8	5.8	0.8	0.7	6.1	5.5	10.7	12.1	
NTPC	156	1,290	Buy	204	575,780	668,880	148,031	171,899	95,251	106,450	11.6	12.9	13.5	12.1	1.7	1.6	9.8	10.1	13.3	13.8	
Reliance Power	90	251	Buy	155	14,858	40,090	8,385	23,773	7,404	10,193	2.6	3.6	33.9	24.7	1.4	1.4	2.2	4.1	4.3	5.6	
Print Media																					
DB Corp	200	37	Accumulate	271	14,876	17,375	3,806	4,808	2,203	2,890	12.0	15.8	16.6	12.7	3.8	3.3	29.5	34.3	24.9	27.8	
Deccan Chronicle	48	10	Buy	149	10,877	11,402	3,069	3,158	1,429	1,546	5.9	6.4	8.1	7.5	1.0	1.0	16.2	17.8	11.9	13.2	
HT Media	120	28	Buy	172	20,600	23,221	3,632	4,667	2,009	2,694	8.5	11.5	14.0	10.5	1.7	1.4	18.2	21.3	13.2	14.8	
Jagran Prakashan	103	32	Buy	135	13,648	15,301	3,700	4,417	2,175	2,662	6.9	8.4	14.9	12.2	4.1	3.5	33.2	37.5	29.1	31.0	
Real Estate																					
DLF	196	332	Reduce	220	100,672	103,747	45,182	47,723	15,287	17,051	9.0	10.0	21.7	19.6	1.3	1.2	6.8	7.1	5.8	6.4	
Oberoi Realty	218	72	Accumulate	275	9,684	15,603	6,001	9,963	5,500	8,625	16.8	26.3	13.0	8.3	1.9	1.5	19.8	26.4	15.4	20.4	
Phoenix Mills	189	27	Accumulate	231	4,503	5,655	2,729	3,179	1,084	1,119	7.5	7.7	25.3	24.5	1.6	1.5	8.0	7.6	6.4	6.2	
Telecommunications																					
Bharti Airtel	389	1,475	Accumulate	464	721,383	839,383	249,745	303,010	57,647	94,376	15.2	24.9	25.6	15.6	2.6	2.2	12.1	16.4	10.6	15.3	
Idea Cellular	99	327	Accumulate	105	193,255	228,901	50,144	59,722	6,496	11,646	2.0	3.5	50.3	28.1	2.5	2.3	8.9	11.1	5.1	8.6	
Reliance Communications	70	145	Hold	82	209,243	242,855	68,265	80,937	12,991	18,278	6.3	8.9	11.1	7.9	0.3	0.3	3.9	5.4	3.1	4.2	
Tulip Telecom	129	19	Buy	218	28,386	32,431	8,205	9,471	3,634	4,434	25.1	26.9	5.2	4.8	1.2	1.1	22.3	22.5	26.4	25.3	
Others																					
Century Plyboards	50	11	Buy	82	16,993	24,478	2,694	4,783	1,571	2,018	7.1	9.1	7.1	5.5	1.5	1.2	13.1	16.7	22.6	23.8	
Dish TV	61	65	Accumulate	96	20,217	25,802	5,439	7,432	-500	990	-0.5	0.9	-130.2	65.8	4.0	4.0	4.0	7.5	-3.1	6.0	
Essel Propack	29	4	Buy	54	15,784	17,423	2,611	3,046	531	832	3.4	5.3	8.5	5.4	0.5	0.5	12.0	14.7	6.9	10.2	
Havells India	383	48	Buy	460	66,581	73,346	6,663	7,637	3,419	4,209	27.4	33.7	14.0	11.4	4.9	3.5	28.3	28.7	42.2	36.3	
HBL Power Systems	15	4	UR	UR	8,987	9,886	789	1,081	-8	227	0.0	0.9	-492.2	16.5	0.7	0.7	4.4	7.1	-0.1	4.3	
Kajaria Ceramics	94	7	Buy	143	12,532	14,223	1,910	2,226	815	1,049	11.1	14.3	8.5	6.6	2.4	1.8	26.1	28.5	32.0	31.7	
Piramal Glass	104	8	Buy	160	13,330	14,873	3,068	3,552	1,063	1,406	13.2	17.5	7.9	6.0	2.3	1.8	16.4	18.0	36.3	36.6	
Sintex Industries	92	25	Buy	150	53,127	61,342	9,165	10,629	4,822	5,753	17.8	21.2	5.2	4.3	0.9	0.7	12.3	13.3	18.3	18.3	
Sterlite Tech	34	13	Hold	47	28,095	32,347	2,751	3,995	1,132	2,026	2.9	5.2	11.6	6.5	1.2	1.0	12.3	16.6	10.5	16.6	

Valuations

Company Name	Price (Rs)	Mkt Cap (Rs bn)	Reco	Target Price (Rs)	Net Interest Income (Rs mn)		Pre Provision Profit (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROA (%)		ROE (%)		
					FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	FY12E
Banks & Financial Services																					
Allahabad Bank	147	70	Accumulate	200	51,069	60,726	37,330	46,420	17,038	20,513	35.8	43.1	4.1	3.4	0.9	0.7	1.0	1.0	18.6	19.2	
Andhra Bank	100	56	Accumulate	150	36,381	41,673	27,035	31,899	13,656	16,652	24.4	29.8	4.1	3.4	0.8	0.6	1.1	1.2	19.2	19.6	
Axis Bank	946	390	Hold	1,380	77,163	91,929	73,701	87,398	40,417	48,479	97.6	116.1	9.7	8.2	1.8	1.5	1.4	1.4	19.6	19.9	
Bank of Baroda	703	275	Accumulate	950	103,778	119,561	83,875	96,972	48,216	56,406	122.7	143.6	5.7	4.9	1.2	1.1	1.2	1.2	21.0	20.7	
Bank of India	322	176	Hold	320	79,890	94,001	63,366	77,695	24,174	33,210	44.2	60.7	7.3	5.3	1.3	1.0	0.6	0.8	13.3	16.2	
Canara Bank	422	187	Hold	500	80,387	100,654	63,576	79,468	31,380	43,210	70.8	97.5	6.0	4.3	1.1	0.9	0.9	1.0	14.7	17.7	
Corporation Bank	372	55	Accumulate	520	31,520	37,346	27,069	30,340	13,866	15,722	93.6	106.1	4.0	3.5	0.7	0.7	0.9	0.9	18.1	17.9	
Federal Bank	360	62	Accumulate	425	20,061	23,745	16,162	19,022	6,889	8,624	40.3	50.4	8.9	7.1	1.1	0.9	1.2	1.3	12.8	14.1	
HDFC Bank	445	1,041	Hold	510	125,912	154,818	92,542	116,017	51,738	67,505	22.0	28.3	20.3	15.7	3.5	2.9	1.7	1.8	18.5	20.0	
ICICI Bank	732	844	Accumulate	1,200	105,488	122,415	99,436	114,670	60,633	70,676	52.6	61.4	13.9	11.9	1.5	1.3	1.4	1.4	10.6	11.3	
LIC Housing Finance	216	103	Buy	250	16,177	21,741	16,187	21,759	11,576	15,062	24.4	31.7	8.9	6.8	2.1	1.6	1.6	2.0	21.4	26.9	
Mah & Mah Financial Services	644	67	Buy	800	16,177	21,741	16,187	21,759	11,576	15,062	56.9	76.9	11.3	8.4	2.3	1.9	3.8	3.9	21.5	24.4	
Manappuram General Finance	57	47	Hold	65	15,557	120	8,800	67	5,091	46	6.1	1.7	9.3	34.3	2.0	9.8	4.9	0.1	23.7	0.4	
Punjab National Bank	868	275	Accumulate	1,270	138,933	164,143	108,602	128,444	53,490	65,632	168.8	207.2	5.1	4.2	1.2	1.0	1.3	1.3	22.5	22.8	
South Indian Bank	22	25	Accumulate	27	9,686	11,258	6,592	7,603	3,659	4,593	2.4	3.0	9.0	7.2	1.1	1.0	1.0	1.0	14.6	13.7	
State Bank of India	1,673	1,062	Reduce	1,750	422,001	477,233	321,584	363,455	100,202	131,178	157.8	206.6	10.6	8.1	1.9	1.6	0.8	0.9	14.5	16.9	
Union Bank of India	203	106	Reduce	210	68,309	80,897	51,392	63,399	21,316	28,157	40.7	53.7	5.0	3.8	1.1	0.9	0.8	1.0	15.8	18.2	
United Bank Of India	59	20	Hold	73	24,615	29,138	18,649	23,571	5,167	8,530	15.0	24.8	3.9	2.4	0.7	0.6	0.5	0.8	11.8	17.8	
Yes Bank	263	92	Accumulate	340	15,542	21,402	15,361	20,366	9,579	12,760	27.3	30.1	9.6	8.7	2.0	1.4	1.5	1.5	22.8	20.4	

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