

Dealer's Diary

The Indian market is expected to open flat to positive, mirroring SGX Nifty which is trading marginally higher in the opening trades. Other Asian markets had a mixed opening today with markets remaining alert for G-7/G-20 meeting.

The US markets ended mostly higher after a lackluster performance through the day. Reports showing contractions in fourth quarter GDP in Germany, France, and Japan led to renewed concerns about the global economy. German GDP fell by 0.6% in the fourth quarter, while French GDP dropped by 0.3; both decreases were slightly steeper than expected. A separate report showed that Japanese GDP edged down by 0.1% in the fourth quarter compared to economists' estimates of a 0.1% growth. However, an upbeat jobs report from the US helped to offset the negative sentiment, with the Labor Department report showing that initial jobless claims fell to 341,000, a decrease of 27,000 from the previous week's revised figure of 368,000.

Meanwhile Indian markets fell in yesterday's trading session as concerns over high current account deficit and caution ahead of the upcoming Union Budget overshadowed data showing continued moderation in inflation (6.62%).

Markets Today

The trend deciding level for the day is 19,527 / 5,907 levels. If NIFTY trades above this level during the first half-an-hour of trade then we may witness a further rally up to 19,610 – 19,723 / 5,930 – 5,963 levels. However, if NIFTY trades below 19,527 / 5,907 levels for the first half-an-hour of trade then it may correct up to 19,414 – 19,332 / 5,874 – 5,852 levels.

Indices	S2	S1	PIVOT	R1	R2
SENSEX	19,332	19,414	19,527	19,610	19,723
NIFTY	5,852	5,874	5,907	5,930	5,963

News Analysis

- WPI inflation at a three-year low
- MM to increase its stake in SYMC by ~3% to 73%
- 3QFY2013 Result Review: State Bank of India, Tata Motors, GAIL, DLF, Dr. Reddy's Lab, LIC Housing, Page Industries, HDIL, India Cements, FAG Bearings, Monnet Ispat, Simplex Infrastructures, IVRCL, Siyaram Silk Mills
- 3QFY2013 Result Preview: GSK Consumer

Refer detailed news analysis on the following page

Net Inflows (February 13, 2013)

₹ cr	Purch	Sales	Net	MTD	YTD
FII	3,209	2,396	813	19,496	41,741
MFs	474	450	24	(1,325)	(6,537)

FII Derivatives (February 14, 2013)

₹ cr	Purch	Sales	Net	Open Interest
Index Futures	1,072	1,462	(390)	9,058
Stock Futures	2,026	1,687	339	29,634

Gainers / Losers

Gainers			Losers		
Company	Price (₹)	chg (%)	Company	Price (₹)	chg (%)
Suzlon Energy	24	3.7	Opto Circuits	62	(10.3)
Unitech	30	3.0	JPPower	29	(7.4)
Eicher Motors	2,693	2.8	Pantaloon Retail	215	(6.1)
Petronet LNG	151	2.7	LIC Housing Fin	252	(5.9)
Hindustan Unilever	464	2.2	United Phos	118	(5.7)

Domestic Indices	Chg (%)	(Pts)	(Close)
BSE Sensex	(0.6)	(110.9)	19,497
Nifty	(0.6)	(36.0)	5,897
MID CAP	(1.4)	(95.7)	6,608
SMALL CAP	(1.9)	(124.5)	6,583
BSE HC	(1.1)	(89.1)	7,923
BSE PSU	(0.7)	(52.4)	7,292
BANKEX	(0.7)	(92.4)	14,117
AUTO	(1.5)	(163.1)	10,790
METAL	0.0	4.2	9,917
OIL & GAS	(1.6)	(145.4)	9,003
BSE IT	0.3	17.6	6,515

Global Indices	Chg (%)	(Pts)	(Close)
Dow Jones	(0.1)	(9.5)	13,973
NASDAQ	0.1	1.8	3,199
FTSE	(0.5)	(31.7)	6,327
Nikkei	0.5	55.9	11,307
Hang Seng	0.9	198.1	23,413
Straits Times	(0.3)	(10.6)	3,290
Shanghai Com	0.6	13.9	2,432

Indian ADR	Chg (%)	(Pts)	(Close)
INFY	(1.1)	(0.6)	\$51.6
WIT	(1.0)	(0.1)	\$9.2
IBN	(0.5)	(0.2)	\$44.0
HDB	2.1	0.8	\$40.0

Advances / Declines	BSE	NSE
Advances	768	301
Declines	2,061	1,149
Unchanged	126	73

Volumes (₹ cr)	
BSE	2,166
NSE	12,747

WPI inflation at a three-year low

Wholesale Price Index (WPI) inflation for January 2013 positively moderated for the fourth straight month and slipped below 7.0% for the first time since December 2009, marking a three-year low. Headline WPI inflation stood at 6.6% yoy in January 2013 as compared to 7.2% yoy in the previous month as well as in January 2012. On a 3MMA basis, headline WPI inflation eased to 7.0% yoy as compared to 7.3% yoy in November 2012. Core inflation receded for the fifth straight month to 4.1% yoy as compared to 4.2% yoy in the previous month and 7.0% yoy in the corresponding period of the previous year.

Although inflation in primary articles moderated slightly to 10.3% yoy from 10.6% in the previous month, it still remains elevated at double digits. Amongst this category, inflation in food articles inched slightly higher to 11.9% yoy as compared to 11.2% yoy in December 2012 and a 0.7% yoy contraction in January 2012. This can be mainly attributed to the 16.7% yoy rise in fruits and vegetables inflation owing to a low base (it declined by 0.3% mom) as compared to 13.2% in the previous month and a decline of 22.2% in January 2012.

Fuel and power inflation moderated for the fourth straight month to 7.1% yoy as compared to almost double-digit growth since the past three years, mainly owing to inflation in coal remaining flat and a slight deceleration in mineral oil such as ATF, naphtha, furnace oil, etc. On a 3MMA basis, the momentum of inflation in fuel and power weakened as it reported an 8.8% yoy rise.

Inflation in manufactured products eased for the fourth straight month to 4.8% yoy as compared to 5.0% in the previous month and 6.7% in January 2012. Core inflation, the non-food manufacturing component of inflation, slipped for the fifth consecutive month to 4.1% yoy as against 4.2% yoy in the previous month and 7.0% yoy in January 2012. At the same time, inflation in manufactured food products eased to 8.2% yoy as compared to 9.0% yoy in the previous month.

We believe that in light of the weakness in industrial production and CSO's modest projections for FY2013 of 5.0% real GDP growth and 1.9% manufacturing sector growth and the positive inflationary trend, the RBI's monetary policy stance is likely to be more growth-supportive going forward.

However, we believe that the RBI is unlikely to adopt aggressive policy easing since risk factors continue to persist owing to 1) food inflation at double-digits keeping CPI inflation elevated, 2) the release of suppressed inflation in the economy, through hike in diesel prices, railway fares etc (though fiscally prudent), is likely to be inflationary in the near-term, 3) expectations of current account deficit (CAD) at a record-high level of almost 5.0% of GDP for FY2013. We believe a high CAD would be a key factor limiting headroom for the RBI to cut rates since it could stoke demand for imports further and also lead to higher imported inflation. At the same time, attracting capital flows is imperative to finance the current account deficit and lower interest rates could discourage capital flows, particularly debt inflows to finance the CAD.

In our view, the RBI's policy stance is also likely to be influenced by the headline fiscal deficit number for FY2013 in the forthcoming budget and the deficit target for FY2014 along with the roadmap to narrow the fiscal deficit. We expect a 25bp rate cut in the March or April policy, maintaining our view of a 50-bp rate cut for the rest of CY2013.

MM to increase its stake in SYMC by ~3% to 73%

Mahindra and Mahindra (MM) has announced that it will increase its stake in Ssangyong Motor (SYMC) by subscribing to new shares being issued by SYMC. The SYMC board has approved to increase the paid in capital of the company by KRW80bn by issuing 14.5mn new shares to MM at a price of KRW5,500/ share, which is at a discount of ~13% to SYMC's closing price on February 14, 2013. With the subscription to the additional shares, MM's stake in SYMC which currently stands ~70% will be increased by ~3% to ~73%. We see the capital infusion as a positive development for SYMC as it will strengthen the company's financial position and more importantly it will enable the company to invest in its product development plans for the future. As far as MM is concerned, the fresh capital infusion into SYMC reinforces its strong commitment towards SYMC and its resolve for an early turnaround. **We maintain our Accumulate rating on MM with a SOTP based target price of ₹1,019.**

3QFY2013 Result Review

SBI (CMP: ₹2,216/ TP: Under Review)

State Bank of India reported subdued operating performance for 3QFY2013, as its net interest income (NII) and operating profit declined by 2.7% and 4.2% yoy, respectively. The bank has been aggressive in cutting its lending rates, so the decline in NII, was in-line with our expectations. The bank witnessed continued pressures on the asset quality front, as elevated slippages and sequentially lower recoveries/upgrades resulted in 8.6% sequential increase in gross NPA levels, with net slippages being about ₹800cr higher than our estimates. As a result, in spite of slightly higher provisioning expenses than estimated by us, provisioning coverage ratio declined by about 130bp sequentially. At the current market price, the stock is trading at 1.4x FY2014E ABV (adjusting for value of subsidiaries 1.3x FY2014E ABV) vis-à-vis its historic range of 1.3–2.3x and median of 1.6x. **We recommend an Accumulate rating on the stock, however, the target price is under review.**

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	60,677	3.3	15,051	224.3	1,319.4	1.0	17.6	9.9	1.7
FY2014E	69,712	3.3	17,269	257.3	1,548.6	1.0	17.7	8.6	1.4

Tata Motors (CMP: ₹297/ TP: -/ Upside: -)

For 3QFY2013, Tata Motors (TTMT) bottom-line performance was significantly lower-than-expected led by higher depreciation expense (up 29.8% qoq), forex loss of ₹174cr and higher tax rate (at 38.7% as against 32% in 2QFY2013). The top-line performance too was lower-than-expected due to unfavorable product-mix at Jaguar and Land Rover (JLR) and standalone operations which resulted in a sequential decline in net average realization. The standalone operations posted a loss (adjusted) of ₹450cr, against our expectations of a loss of ₹25cr, primarily on account of dismal operating performance (EBITDA margins deteriorated to 1.4% on higher discounts and marketing spends in the passenger vehicle and medium and heavy commercial vehicle business and lower utilization levels).

The consolidated top-line registered a modest sequential growth of 6.2% to ₹46,090cr, which was below our estimates of ₹49,094cr on account of lower-than-expected top-line in the JLR and standalone operations. The JLR top-line (up 15.7% qoq) was impacted mainly due to 5.5% qoq decline in net average realization led by unfavorable product-mix (higher share of Evoque and Freelander). The standalone top-line (down 14.8% qoq) too was below our estimates on account of inferior product-mix (higher share of light commercial vehicles) and higher discounts leading to a 7.9% qoq decline in net average realization.

On a sequential basis, consolidated EBITDA margins stood flat at 12.3% (lower than our estimates of 12.8%) which led to a 6.1% growth in operating profit to ₹5,657cr. The EBITDA margins at JLR declined 80bp sequentially led by inferior product-mix and higher marketing costs related to the launch of the new Range Rover. On the standalone front, EBITDA margins contracted sharply by 387bp qoq to 1.4% due to adverse volume-mix, lower utilization levels and higher discounts and marketing spends in the passenger vehicle and medium and heavy commercial vehicle business. However, adjusted net profit declined 13.6% qoq (49.5% yoy) to ₹1,801cr, lower than our expectations of ₹2,865cr, on account of higher depreciation expense (up 29.8% qoq), forex loss of ₹174cr and higher tax rate (at 38.7% as against 32% in 2QFY2013). **We are still in the process of revising our numbers and therefore the rating is under review.**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	190,883	12.8	11,638	35.5	30.2	8.4	2.2	4.2	0.5
FY2014E	217,164	13.1	13,801	42.5	27.6	7.0	1.7	3.6	0.4

GAIL (CMP: ₹334/ TP: -/ Upside: -)

GAIL's 3QFY2013 result was above our expectations. The company's top line grew by 10.8% yoy to ₹12,474cr (above our estimate of ₹11,986cr) mainly due to higher than expected performance from Petrochemicals and Natural gas trading segment which grew by 26.1% and 10.6% yoy to ₹1107cr and ₹10118cr respectively. The company's fuel subsidy burden stood at ₹700cr in 3QFY2013, compared to ₹536cr in 3QFY2012 and ₹786cr in 2QFY2013. The petrochemical and LPG segment EBIT grew by 13.4% and 93.8% yoy to ₹439cr and ₹592cr, respectively. However, natural gas trading and LPG transmission EBIT decreased 7.5% and 82.9% yoy to ₹299cr and ₹13cr, respectively. However GAIL's EBITDA improved by 16.4% yoy to ₹2,049cr in 3QFY2013 and EBITDA margin improved by 79bp yoy to 16.4% and therefore the company's net profit increased by 17.6% yoy to ₹1,284cr (above our estimate of ₹1,147cr). **We maintain our Neutral view on the stock.**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	46,652	15.7	4,314	34.0	18.5	9.8	1.7	5.3	0.8
FY2014E	54,142	15.7	4,472	35.3	16.8	9.5	1.5	4.2	0.7

DLF (CMP: ₹254/ TP:-/ Upside :-)

For 3QFY2013, DLF reported disappointing set of numbers both on revenue and profitability front. On the top-line front, DLF's revenue decline by 35.8% yoy to ₹1,310cr in 3QFY2013; which was below consensus estimate of ₹2,040cr. EBIDTAM came in at 6.6% in 3QFY2013 which was significantly below street estimate of 36.6%. However, owing to surge in other income mainly due to asset sale company reported a PAT of ₹285cr for the quarter, indicating a growth of 20.2% yoy. We will come out with a detailed note a conference call with the management. **We maintain Neutral rating on the stock.**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	9,189	40.9	1,022	5.6	3.9	45.1	1.6	14.8	6.6
FY2014E	10,835	41.4	1,373	8.1	5.1	31.3	1.6	11.8	5.4

DRL (CMP: ₹1,906/ Target: -/ Upside :-)

DRL came out with results higher than expectations. The company, is expected to post a 23% yoy growth (adjusted for the base effect) to end the period at `2,870cr, while the net profit came in Rs364cr, which dipped 39.1% yoy. The sales growth (adjusted) came in back of global generics of 24% yoy, primarily driven by North America and Emerging markets. Both the net sales and profit came in higher than expectations. The OPM came in lower than expected at 19.9% (V/s 20.7% expected). **We maintain our Neutral view on the stock.**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	10,696	20.7	1,420	83.7	22.4	22.4	4.7	16.4	3.4
FY2014E	11,662	21.0	1,576	92.9	20.8	20.2	3.9	14.3	3.0

LIC Housing – (CMP: ₹252/ TP: -/ Upside :-)

LIC Housing Finance reported disappointing set of numbers for 3QFY2013, as growth in its net interest income, came below expectations at 11.3% yoy. Operating profit growth came in moderate at 8.0% yoy. Provisioning expenses for the bank jumped up to ₹32cr during the quarter, which was much higher than ours as well as consensus estimates and hence earnings declined by 22.7% yoy. At CMP, it trades at valuations of 1.8x FY 2014E ABV. We await clarity from the management about the quarterly performance and the future outlook and till then **keep our rating and target price is under review.**

Y/E	Op. Inc	NIM	PAT	EPS	ABV	ROA	ROE	P/E	P/ABV
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	1,769	2.3	1,041	20.6	128.1	1.4	17.1	12.2	2.0
FY2014E	2,137	2.2	1,317	26.1	148.4	1.5	18.8	9.7	1.7

Page Industries (CMP – ₹3,365/ TP: -/ Upside: -)

For 3QFY2013, Page Industries reported mixed set of numbers. The company's top line grew by 25.6% yoy to ₹216cr from ₹172cr in same quarter last year, marginally above our estimate of ₹207cr for the quarter. On the other hand, the

EBITDA margin for the quarter contracted marginally by 17bp and came in at 17.0%, against our estimate of 20.8%. On qoq basis the operating margin dipped substantially by 302bp on account of higher employee cost (on account of the capacity expansion plans) and other expense (mainly the selling and advertisement expense) as a per cent of net sales. Consequently, the company reported a profit of ₹25cr, 27.6% higher yoy from ₹20cr in 3QFY2012, against our estimate of ₹31cr.

The company is on expansion mode and expects the capacity to increase to 154mn pieces p.a. by December, 2013 from current capacity of 128mn pieces p.a. At the CMP of ₹3,365, the stock is trading at a PE of 25.9x FY2014E earning.

We recommend Neutral view on the stock due to the high valuation.

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	856	19.1	114	102.7	58.1	33.2	16.6	23.6	4.5
FY2014E	1,046	19.6	145	130.1	52.8	26.2	11.8	18.7	3.7

HDIL (CMP: ₹68/ TP: -/ Upside: -)

For 3QFY2013, Housing Development & Infrastructure Ltd (HDIL) reported mixed set of numbers with revenue coming in above street expectations but owing to lower-than-expected EBITDAM, earnings were below consensus estimates. On the top-line front, HDIL reported revenue of ₹423cr in 3QFY2013 indicating a decline of 0.6% yoy but was ahead of street estimate of ₹325cr. EBITDAM improved by 1111bp yoy to 49.1% for the quarter, and was below consensus estimate of 74.1%. Interest cost came at ₹23cr, indicating a growth of 21% yoy. The company's PAT declined by 31.1% yoy to ₹107cr (against consensus estimate of ₹154cr) in 3QFY2013. **Currently, the target price and rating is under review. We shall revise our estimates post earnings conference call with the management which is scheduled on 15th February 2013 at 4pm.**

Y/E	Sales	OPM	PAT	EPS	RoE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	2,434	54.9	945	22.8	8.8	3.0	0.3	5.3	2.9
FY2014E	3,336	48.0	1,107	26.7	9.4	2.5	0.2	4.6	2.2

India Cements (CMP: ₹80/ TP: -/ Upside: -)

India Cements posted a 15.0% yoy growth in top-line to ₹1,082cr, which was higher than our estimates. The top-line growth was aided by a 10% increase in sales volume during the quarter. The company's OPM fell by 238bp yoy to 17.9% on account of steep increase in freight costs. The company's freight costs/tonne rose by 25.6% yoy to ₹982. Net Plant Realization stood at ₹3,359/tonne (vs. ₹3,461/tonne in 3QFY2012). Finance costs went up by 12.3% yoy to ₹82cr. Thus, Bottomline fell by 53.6% yoy to ₹26cr. **We maintain our Neutral rating on the stock.**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/tonne*
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(US \$)
FY2013E	4,293	17.7	264	8.6	7.5	9.4	0.7	6.6	62
FY2014E	4,666	18.1	330	10.8	9.0	7.5	0.7	5.9	

Note: * Computed on TTM basis

FAG Bearings (CMP: ₹1,396/ TP: Under Review/ Upside: -)

FAG Bearings (FAG) posted extremely poor results for 4QCY2012 owing to sharp deterioration in EBITDA margins which declined 591bp yoy (258bp qoq) mainly led by raw-material cost pressures.

For 4QCY2012, FAG's top-line stood flat (down 2.5% qoq) at ₹347cr, which was lower than our expectations of ₹369cr. The top-line performance was impacted by a slowdown in the automotive and industrial sectors which are the primary drivers of the company's revenues. The operating profit fell significantly by 33.4% yoy (19.9% qoq) as margins registered a sharp fall led by raw-material cost pressures and lower operating leverage. While, the raw-material cost as a percentage of sales surged 389bp yoy; employee expenditure as a percentage of sales jumped 90bp yoy during the quarter. Led by a weak operating performance, the net profit declined 30.9% yoy (19.6% qoq) to ₹30cr, lower than our expectations of ₹39cr. At the CMP of ₹1,396 the stock is trading at 10.5x its CY2014E earnings. **We maintain our Buy rating on the stock; however our target price is under review.**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
Dec.	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
CY2013E	1,671	16.0	188	113.0	19.7	12.4	2.2	7.0	1.1
CY2014E	1,890	16.6	221	132.8	19.4	10.5	1.9	5.6	0.9

Monnet Ispat & Energy (CMP: ₹235 / TP: -/ Upside: -)

Monnet Ispat reported disappointing 3QFY2013 results. The net sales declined by 4.7% yoy to ₹459cr mainly due to weak performance from power business. EBITDA declined by 9.8% yoy to ₹116cr, while EBITDA margin contracted by 144bp yoy to 25.3% mainly due to higher staff cost and other expenditure. Interest expenses and depreciation expenses grew by 53.5% and 16.7% yoy to ₹29cr and ₹22cr, respectively, on account of capitalization of various projects. Consequently, net profit decreased by 24.8% yoy to ₹58cr. **We keep our rating and target price under review.**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	2,501	22.5	286	42.7	11.5	5.5	0.6	7.4	1.7
FY2014E	3,264	24.9	377	56.3	13.6	4.2	0.5	4.8	1.2

Simplex Infrastructures (CMP: ₹163/ TP: -/ Upside: -)

Simplex Infrastructures (SINF) reported slow execution and lower profitability in 3QFY2013 due to stagnant order book and delayed payments from clients. On the top-line front, the company reported a decline of 13.9% yoy to ₹1,352cr, which was 24.7% and 21% lower than our and consensus estimate. EBITDAM came in at 9.6% showing an improvement of 138bp/ 103bp on a yoy/qoq basis

and was above our estimate of 8.7%. Interest cost grew by 34% yoy to ₹73cr for the quarter. The company reported adjusted PAT of ₹12cr in 3QFY2013, a decline of 43.8% yoy which was significantly below our estimate of ₹28cr respectively. The company's has a order book of ₹15,064cr (2.5x trailing revenue) in 3QFY2013. SINF had secured order worth ₹1,239cr and 4,254cr in 3QFY2013 and 9MFY2013 respectively. **The stock rating and target price is currently under review. We shall revise our estimates post earnings conference call with the management which is scheduled on 18th February 2013 at 4pm.**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	6,887	9.1	116	23.5	9.2	7.0	0.6	4.9	0.4
FY2014E	8,045	9.1	159	32.1	11.5	5.1	0.6	4.6	0.4

IVRCL (CMP: ₹29/ TP: Under Review/ Upside :-)

For 2QFY2013, IVRCL Ltd (IVRCL) reported disappointing set of numbers on the operating front, which were significantly below our and consensus estimates. The company reported revenue of ₹1,270cr in 2QFY2013, registering a growth of 5.6% yoy which was head of our estimate by 19%. However on the operating margins, the company posted Abysmal margins of 5.4%, a decline of 250 bp/172 bp on yoy/qoq basis and was significantly below our estimates of 8.5%. This was mainly on account of high subcontracting cost (up 169% yoy) during the quarter. Interest cost came in at ₹114cr in 2QFY2013, a jump of 18.5% yoy. On earnings front, IVRCL reported loss of ₹68cr (our estimate was a loss of ₹15cr) against a profit of ₹7cr in 3QFY2012. This was mainly on back of lower-than-expected operating performance and high interest cost. **Currently, the target price and rating is under review. We shall revise our estimates post earnings conference call with the management which is scheduled on 15th February 2013 at 12pm.**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E(9M)	4,249	7.8	10	0.3	0.4	94.5	0.4	10.2	0.8
FY2014E	6,897	8.2	104	3.4	4.5	8.7	0.4	6.4	0.5

Siyaram Silk Mills (CMP: ₹278/ TP: ₹332/ Upside: 19%)

For 3QFY2013, Siyaram Silk Mills (SSM) reported mixed set of numbers. The company's top line grew by 25.6% yoy to ₹279cr, 7.8% higher than our estimate of ₹259cr for the quarter. However, the company disappointed on the operating margin front as it dipped by 199bp yoy to 11.2% for the quarter, against our estimate of 13.1%. This was due to higher expenses, majorly the raw material cost and the employee cost. This resulted in a bottomline growth of 4.6% yoy, at ₹14cr, in line with our expectation.

We remain positive on the company as the company is on strong expansion mode in order to take advantage of the growing demand for branded fabric and garments in India. The company has already installed 72 looms in 1HY2013 and expects to add another 50 by the end of FY2013E. At CMP of ₹278, the stock is trading at a PE of 4.2x FY2014E earnings. **We maintain our Buy recommendation on the stock with a revised target price of ₹332 based on a target P/E of 5.0x for FY2014E.**

Y/E	Sales	OPM	PAT	EPS	RoE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
FY2013E	1,048	11.3	55	58.7	18.9	4.7	0.8	4.5	0.5
FY2014E	1,157	12.0	62	66.5	18.3	4.2	0.7	4.0	0.5

3QFY2013 Result Previews

GSK Consumer (CMP: ₹3,835/ TP: -/ Upside: -)

GSK consumer is slated to announce its 4QCY2012 results today. We expect the topline to grow by 18.6% yoy to ₹714cr. OPM is expected to increase by 47bp yoy to 10.7%. Bottom-line is expected to grow by 29.4% yoy to ₹77cr. **We maintain a neutral recommendation on the stock.**

Y/E	Sales	OPM	PAT	EPS	ROE	P/E	P/BV	EV/EBITDA	EV/Sales
March	(₹ cr)	(%)	(₹ cr)	(₹)	(%)	(x)	(x)	(x)	(x)
CY2012E	3,084	15.3	426	101.2	33.5	37.9	11.5	31.9	4.9
CY2013E	3,617	15.5	497	118.3	31.9	32.4	9.4	26.4	4.1

Note: Estimates for consolidated financials are furnished in the table

Economic and Political News

- Inflation likely to ease to 6.5% by March end: PMEAC
- Government needs extra ₹20,000cr to implement Food Security Bill
- Hike in petrol price likely today
- NSSO data not necessarily helps reach right conclusion: Montek

Corporate News

- Aurobindo Pharma gets USFDA nod for anti-diabetes drug
- Cadila Healthcare gets USFDA final nod to market anti-diabetic drug
- KFA lenders to recover ₹1,000cr by March: SBI
- India Cement planning to invest ₹700cr in Rajasthan
- Mahindra Satyam appoints Manoj Chugh as global head of Business Development
- Maruti Suzuki dropped from MSCI India index

Source: Economic Times, Business Standard, Business Line, Financial Express, Mint

Result Calendar

Date	Company
February 15, 2013	GlaxoSmith Con
February 13, 2013	
February 14, 2013	
February 15, 2013	
February 16, 2013	GSK Pharma
February 17, 2013	Nestle, Abbott India
February 18, 2013	ABB, Gujarat Gas
February 19, 2013	
February 20, 2013	
February 21, 2013	
February 22, 2013	Styrolution
February 23, 2013	Ranbaxy
February 24, 2013	Bosch India, Goodyear
February 25, 2013	Mphasis

Source: Bloomberg, Angel Research

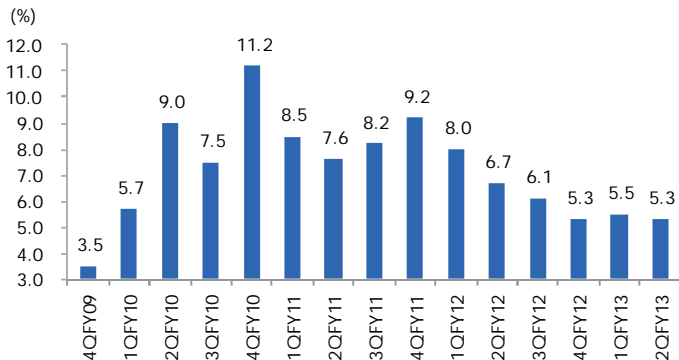
Global economic events release calendar

Date	Time	Country	Event Description	Unit	Period	Bloomberg Data	
						Last Reported	Estimated
February 15, 2013	12:30PM	Germany	GDP nsa (YoY)	% Change	4Q F	0.10	0.10
February 20, 2013	7:45PM	US	Industrial Production	%	Jan	0.26	0.20
	7:00PM	US	Housing Starts	Thousands	Jan	954.00	922.00
	11:00AM	India	RBI Reverse Repo rate	%	Mar 19	6.75	--
February 21, 2013	3:00PM	UK	Jobless claims change	% Change	Jan	(12.10)	(6.00)
	2:00PM	Germany	PMI Manufacturing	Value	Feb A	49.80	50.00
February 22, 2013	3:30PM	Euro Zone	Euro-Zone GDP s.a. (QoQ)	% Change	4Q P	(0.60)	--
February 26, 2013	8:30PM	US	Existing home sales	Millions	Jan	4.94	4.90
	7:00PM	US	Consumer price index (mom)	% Change	Jan	--	0.10
February 27, 2013	8:30PM	US	Consumer Confidence	S.A./ 1985=100	Feb	58.60	--
February 28, 2013	8:30PM	US	New home sales	Thousands	Jan	369.00	--
	2:25PM	Germany	Unemployment change (000's)	Thousands	Feb	(16.00)	--
March 1, 2013	7:00PM	US	GDP Qoq (Annualised)	% Change	4Q S	(0.10)	--
	11:00AM	India	Qtrly GDP YoY%	% Change	4Q	5.30	--
March 6, 2013	12:00PM	India	Monthly Wholesale Prices YoY%	% Change	Feb	6.62	--
March 7, 2013	3:00PM	UK	PMI Manufacturing	Value	Feb	50.80	--
	7:00PM	US	Change in Nonfarm payrolls	Thousands	Feb	157.00	--
March 8, 2013	6:30AM	China	PMI Manufacturing	Value	Feb	50.40	--
	11:00AM	China	Industrial Production (YoY)	% Change	Feb	10.30	--

Source: Bloomberg, Angel Research

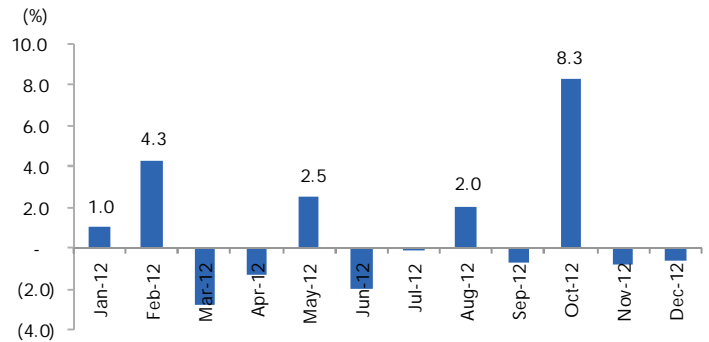
Macro watch

Exhibit 1: Quarterly GDP trends



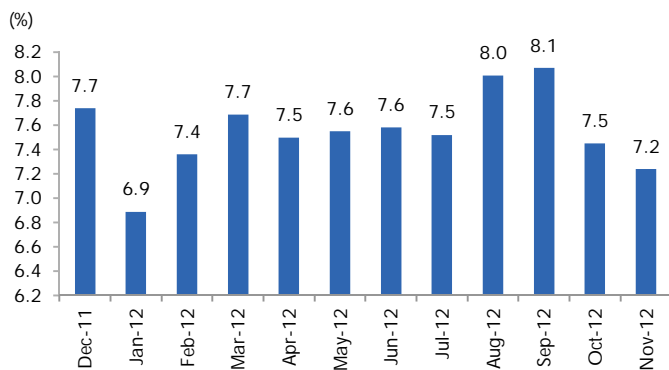
Source: CSO, Angel Research

Exhibit 2: IIP trends



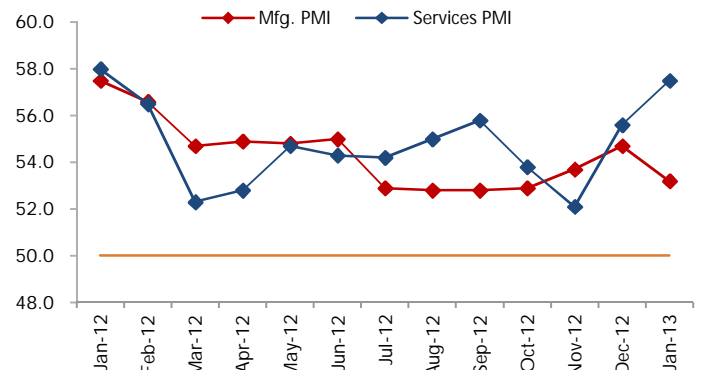
Source: MOSPI, Angel Research

Exhibit 3: Monthly WPI inflation trends



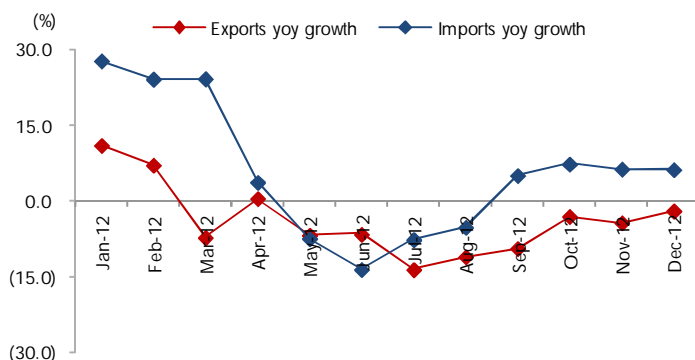
Source: MOSPI, Angel Research

Exhibit 4: Manufacturing and services PMI



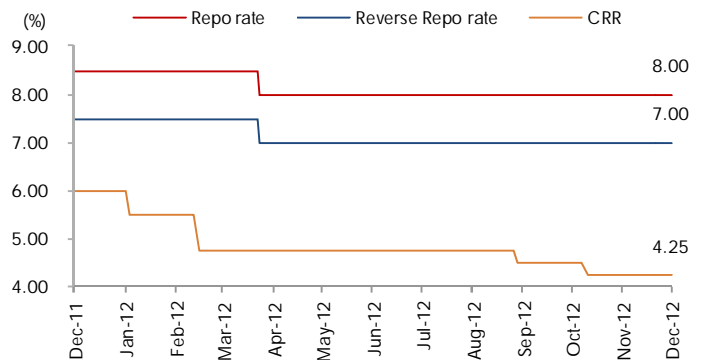
Source: Market, Angel Research; Note: Level above 50 indicates expansion

Exhibit 5: Exports and imports growth trends



Source: Bloomberg, Angel Research

Exhibit 6: Key policy rates



Source: RBI, Angel Research

Stock Watch

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
					FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E
Agri / Agri Chemical																			
Rallis	Neutral	127	-	2,471	1,466	1,686	14.8	14.8	7.0	8.1	18.2	15.7	3.9	3.3	22.6	22.5	1.8	1.5	
United Phosphorus	Buy	126	170	5,559	8,421	9,263	16.5	16.5	15.0	17.0	8.4	7.4	1.2	1.1	15.6	15.5	0.8	0.7	
Auto & Auto Ancillary																			
Amara Raja Batteries	Accumulate	294	323	5,024	2,983	3,477	16.1	16.1	18.5	21.6	15.9	13.6	4.6	3.5	32.9	29.1	1.6	1.4	
Apollo Tyres	Accumulate	84	97	4,246	13,066	14,503	11.5	11.8	13.0	14.5	6.5	5.8	1.2	1.0	21.0	19.4	0.5	0.5	
Ashok Leyland	Buy	23	28	6,146	12,910	14,836	8.8	9.6	1.5	2.2	15.6	10.4	2.1	1.9	9.3	13.4	0.6	0.5	
Automotive Axle#	Neutral	335	-	507	934	1,103	10.2	10.7	24.5	34.3	13.7	9.8	1.7	1.6	13.2	16.9	0.6	0.5	
Bajaj Auto	Neutral	2,018	-	58,400	20,775	23,889	18.5	19.0	107.6	126.4	18.8	16.0	7.7	6.1	45.8	42.8	2.4	2.0	
Bharat Forge	Accumulate	220	242	5,120	5,973	6,707	14.4	15.2	13.4	18.6	16.5	11.8	2.1	1.9	13.6	16.9	1.0	0.8	
Bosch India*	Accumulate	8,982	9,570	28,202	9,973	11,320	17.8	18.0	396.2	455.7	22.7	19.7	4.3	3.6	18.8	18.2	2.5	2.1	
CEAT	Buy	100	163	343	4,822	5,403	8.2	8.3	29.8	40.8	3.4	2.5	0.5	0.4	14.5	17.0	0.3	0.2	
Exide Industries	Neutral	131	-	11,127	6,016	7,026	12.7	14.4	5.8	7.8	22.4	16.7	3.3	2.9	15.4	18.2	1.5	1.3	
FAG Bearings*	Accumulate	1,421	1,620	2,361	1,671	1,890	16.0	16.6	113.0	132.8	12.6	10.7	2.3	1.9	19.7	19.4	1.2	1.0	
Hero Motocorp	Accumulate	1,694	1,923	33,818	23,990	27,038	13.8	14.6	105.8	120.2	16.0	14.1	6.5	5.2	44.3	41.0	1.1	1.0	
JK Tyre	Buy	113	165	464	7,169	7,929	6.9	7.1	40.4	41.3	2.8	2.7	0.5	0.5	20.5	18.0	0.4	0.3	
Mahindra and Mahindra	Accumulate	897	1,019	55,053	40,060	46,301	11.5	11.7	55.3	64.3	16.2	14.0	3.7	3.1	24.5	23.8	1.1	0.9	
Maruti	Neutral	1,535	-	44,359	42,304	51,088	7.5	8.7	64.4	92.9	23.9	16.5	2.6	2.3	11.6	14.9	0.9	0.7	
Motherson Sumi	Neutral	203	-	11,945	25,769	29,010	7.1	7.5	10.2	13.1	20.0	15.6	5.0	3.9	28.1	28.3	0.6	0.5	
Subros	Buy	28	35	168	1,296	1,476	9.8	9.9	3.4	5.0	8.3	5.6	0.6	0.5	7.2	10.2	0.4	0.4	
Tata Motors	Accumulate	305	337	81,183	190,883	217,164	12.8	13.1	35.5	42.5	8.6	7.2	2.3	1.8	30.2	27.6	0.5	0.4	
TVS Motor	Buy	41	47	1,929	7,019	7,827	6.0	6.3	4.3	5.3	9.5	7.7	1.5	1.3	16.4	18.0	0.2	0.2	
Capital Goods																			
ABB*	Reduce	638	573	13,519	7,790	9,653	4.5	7.8	8.7	22.1	73.3	28.9	5.1	4.5	7.1	16.5	1.7	1.4	
BGR Energy	Neutral	218	-	1,575	3,412	4,104	13.0	11.6	24.6	26.2	8.9	8.4	1.3	1.2	30.7	25.7	0.8	0.7	
BHEL	Neutral	206	-	50,396	47,801	43,757	18.0	17.1	24.1	20.8	8.6	9.9	2.5	2.2	32.9	23.6	0.9	1.0	
Blue Star	Buy	172	238	1,545	2,748	2,896	4.4	5.6	6.8	9.3	25.3	18.5	3.5	3.0	14.5	17.6	0.7	0.6	
Crompton Greaves	Buy	103	129	6,607	12,136	13,790	3.8	6.3	3.3	6.9	31.2	15.0	1.8	1.7	5.8	11.5	0.6	0.5	
Jyoti Structures	Buy	37	49	307	2,802	3,074	9.5	9.8	7.7	10.9	4.9	3.4	0.4	0.4	9.6	12.1	0.3	0.3	
KEC International	Buy	56	75	1,437	6,909	7,723	6.2	7.2	5.4	8.4	10.4	6.6	1.2	1.1	17.0	22.8	0.3	0.3	
LMW	Neutral	2,066	-	2,327	2,369	2,727	11.7	11.7	143.4	166.0	14.4	12.4	2.4	2.2	17.4	18.4	0.5	0.4	
Thermax	Neutral	573	-	6,823	5,529	5,798	9.0	9.6	27.1	30.3	21.1	18.9	3.7	3.2	18.6	18.2	1.1	1.0	

Stock Watch

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
					FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	
Cement																			
ACC	Neutral	1,250	-	23,466	11,358	12,366	19.9	19.6	75.1	74.9	16.6	16.7	3.2	2.9	19.4	18.1	1.8	1.6	
Ambuja Cements	Neutral	190	-	29,294	10,210	11,811	26.0	25.7	11.2	12.6	17.0	15.1	3.6	3.3	20.3	20.7	2.5	2.0	
India Cements	Neutral	82	-	2,527	4,293	4,666	17.7	18.1	8.6	10.8	9.6	7.7	0.7	0.7	7.5	9.0	1.0	0.9	
J K Lakshmi Cements	Neutral	133	-	1,626	2,119	2,478	22.9	22.3	20.3	22.8	6.5	5.8	1.1	1.0	18.0	17.7	0.9	1.1	
Madras Cements	Neutral	241	-	5,734	3,814	4,045	28.8	27.1	18.3	18.7	13.2	12.9	2.4	2.0	19.4	17.0	2.2	1.9	
Shree Cements ^	Neutral	4,506	-	15,699	5,678	6,251	29.0	28.6	288.1	334.0	15.6	13.5	4.4	3.4	31.7	28.4	2.2	1.8	
UltraTech Cement	Neutral	1,936	-	53,070	20,466	23,017	23.3	24.3	100.0	117.1	19.4	16.5	3.5	3.0	19.6	19.5	2.5	2.4	
Construction																			
Ashoka Buildcon	Buy	221	268	1,165	20,466	23,017	22.5	22.5	24.4	27.0	9.1	8.2	1.1	0.9	12.3	12.1	0.2	0.2	
Consolidated Co	Neutral	15	-	275	2,262	2,522	5.9	6.3	0.9	1.6	16.3	9.6	0.4	0.4	2.7	4.6	0.4	0.4	
IRB Infra	Buy	116	164	3,849	3,843	4,212	43.1	43.6	16.8	17.8	6.9	6.5	1.2	1.0	18.3	17.0	3.1	3.4	
ITNL	Buy	194	225	3,771	6,564	7,054	27.2	27.4	26.3	29.0	7.4	6.7	1.2	1.0	17.0	16.3	2.7	2.7	
IVRCL Infra	Neutral	30	-	933	4,249	6,897	7.8	8.2	0.3	3.4	98.6	8.9	0.4	0.4	0.4	4.4	0.8	0.5	
Jaiprakash Asso.	Buy	71	97	15,711	14,243	16,382	26.2	26.1	3.2	4.3	22.1	16.3	1.2	1.1	5.4	7.0	2.6	2.3	
Larsen & Toubro	Buy	1,483	1,788	91,166	60,666	69,525	10.6	11.2	71.9	85.0	20.6	17.4	3.2	2.8	14.5	15.2	1.7	1.5	
Nagarjuna Const.	Neutral	43	-	1,103	5,863	6,576	8.1	8.2	3.1	4.1	14.0	10.5	0.5	0.4	3.2	4.2	0.6	0.6	
Punj Lloyd	Neutral	49	-	1,627	11,892	13,116	10.2	10.2	(0.4)	3.0	(115.0)	16.5	0.6	0.6		3.8	0.6	0.5	
Sadbhav Engg.	Buy	120	168	1,818	2,344	2,804	10.6	10.7	7.2	8.7	16.8	13.9	2.0	1.8	13.0	13.5	1.1	1.0	
Simplex Infra	Buy	163	251	804	6,882	8,032	9.1	9.1	23.2	31.3	7.0	5.2	0.6	0.6	9.1	11.2	0.5	0.4	
Unity Infra	Buy	36	59	270	2,180	2,455	13.7	13.4	13.3	15.0	2.7	2.4	0.3	0.3	12.5	12.5	0.5	0.5	
Financials																			
Allahabad Bank	Buy	143	183	7,158	6,509	7,264	2.7	2.8	28.2	33.5	5.1	4.3	0.7	0.6	13.8	14.7	-	-	
Andhra Bank	Neutral	101	-	5,677	4,795	5,475	3.0	3.0	21.8	21.9	4.6	4.6	0.8	0.7	15.4	13.8	-	-	
Axis Bank	Buy	1,477	1,753	68,977	15,959	18,660	3.2	3.2	119.2	139.0	12.4	10.6	2.3	2.0	20.3	20.1	-	-	
Bank of Baroda	Buy	761	935	31,282	14,889	17,393	2.5	2.6	108.2	134.0	7.0	5.7	1.0	0.9	15.3	16.7	-	-	
Bank of India	Accumulate	336	380	19,296	12,793	14,823	2.3	2.4	49.5	65.1	6.8	5.2	1.0	0.8	13.6	16.0	-	-	
Bank of Maharashtra	Neutral	56	-	3,275	3,720	4,268	2.9	2.8	10.9	13.0	5.1	4.3	0.8	0.7	16.2	16.9	-	-	
Canara Bank	Buy	440	517	19,472	10,783	12,000	2.1	2.3	64.8	82.2	6.8	5.4	0.9	0.8	13.2	15.0	-	-	
Central Bank	Neutral	77	-	5,639	7,158	8,217	2.4	2.6	13.1	20.1	5.8	3.8	0.9	0.7	10.3	14.3	-	-	
Corporation Bank	Buy	410	517	6,077	4,919	5,634	2.1	2.2	96.7	99.9	4.2	4.1	0.7	0.6	16.3	14.9	-	-	
Dena Bank	Buy	101	124	3,520	3,090	3,462	2.7	2.7	25.6	24.6	3.9	4.1	0.7	0.6	19.2	15.9	-	-	

Stock Watch

Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)	(₹ cr)	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	
Financials																			
Federal Bank	Accumulate	508	557	8,678	2,667	2,920	3.2	3.2	49.1	51.4	10.3	9.9	1.4	1.2	13.9	13.1	-	-	
HDFC	Neutral	815	-	125,611	7,446	8,923	3.5	3.5	32.2	38.5	25.3	21.1	5.2	4.6	35.4	32.6	-	-	
HDFC Bank	Neutral	664	-	157,507	21,724	26,578	4.3	4.3	28.7	36.1	23.2	18.4	4.4	3.7	20.7	22.1	-	-	
ICICI Bank	Buy	1,143	1,404	131,385	22,317	26,217	2.9	3.0	72.0	84.6	15.9	13.5	2.0	1.8	14.9	15.9	-	-	
IDBI Bank	Buy	99	122	12,656	8,196	9,305	1.9	2.1	15.4	22.3	6.5	4.4	0.7	0.6	10.7	14.1	-	-	
Indian Bank	Buy	188	221	8,067	5,716	6,362	3.2	3.2	37.7	41.1	5.0	4.6	0.8	0.7	16.9	16.2	-	-	
IOB	Buy	76	88	6,017	7,231	8,369	2.4	2.5	10.2	20.2	7.4	3.7	0.6	0.5	7.4	13.4	-	-	
J & K Bank	Accumulate	1,296	1,406	6,284	2,784	2,932	3.7	3.7	229.2	199.6	5.7	6.5	1.3	1.1	24.6	18.2	-	-	
LIC Housing Finance	Buy	268	328	13,520	1,799	2,255	2.3	2.4	20.3	27.3	13.2	9.8	2.1	1.8	16.9	19.7	-	-	
Oriental Bank	Accumulate	299	336	8,734	6,360	7,004	2.6	2.8	48.1	59.4	6.2	5.0	0.8	0.7	12.1	13.5	-	-	
Punjab Natl.Bank	Buy	850	1,053	28,839	19,202	22,040	3.2	3.4	146.8	167.9	5.8	5.1	1.0	0.9	17.6	17.5	-	-	
South Ind.Bank	Buy	26	34	3,500	1,583	1,789	3.0	2.9	3.5	4.1	7.5	6.5	1.2	1.1	19.1	17.7	-	-	
St Bk of India	Buy	2,255	2,600	151,324	60,677	69,712	3.3	3.3	224.3	257.3	10.1	8.8	1.7	1.5	17.6	17.7	-	-	
Syndicate Bank	Buy	127	153	7,666	6,673	7,644	2.9	3.0	32.0	27.9	4.0	4.6	0.8	0.7	22.0	16.5	-	-	
UCO Bank	Neutral	65	-	4,341	5,388	6,262	2.4	2.6	9.0	14.9	7.3	4.4	0.9	0.8	9.1	13.8	-	-	
Union Bank	Buy	233	286	12,820	10,006	11,558	2.8	2.8	36.4	47.0	6.4	5.0	0.9	0.8	14.6	16.6	-	-	
United Bank	Buy	68	83	2,464	3,566	3,832	2.5	2.7	13.3	21.8	5.1	3.1	0.6	0.5	11.1	16.3	-	-	
Vijaya Bank	Neutral	55	-	2,701	2,342	2,763	1.9	2.1	8.0	10.9	6.8	5.0	0.7	0.6	10.1	12.6	-	-	
Yes Bank	Accumulate	513	576	18,378	3,364	4,260	2.8	3.0	36.3	42.6	14.1	12.0	3.2	2.6	24.6	23.6	-	-	
FMCG																			
Asian Paints	Neutral	4,474	-	42,918	11,198	13,319	15.9	15.7	122.1	147.1	36.6	30.4	12.4	9.7	37.7	35.7	3.8	3.1	
Britannia	Buy	482	584	5,765	5,627	6,581	4.9	5.7	18.3	24.7	26.4	19.6	9.6	7.4	39.1	42.7	0.9	0.8	
Colgate	Neutral	1,334	-	18,143	3,120	3,588	20.3	21.1	38.4	45.1	34.8	29.6	32.3	25.9	104.6	97.0	5.6	4.9	
Dabur India	Neutral	134	-	23,329	6,196	7,183	16.3	16.8	4.5	5.5	29.7	24.4	12.3	9.6	43.4	44.0	3.8	3.2	
GlaxoSmith Con*	Neutral	3,833	-	16,121	3,084	3,617	15.3	15.5	101.2	118.3	37.9	32.4	11.5	9.4	33.5	31.9	4.9	4.1	
Godrej Consumer	Neutral	706	-	24,019	6,386	7,743	15.7	17.0	20.8	27.1	33.9	26.0	7.3	6.0	23.7	26.4	4.0	3.2	
HUL	Neutral	454	-	98,177	25,350	28,974	13.3	13.5	15.1	17.0	30.1	26.8	23.9	17.1	85.7	74.3	3.7	3.2	
ITC	Neutral	300	-	236,580	29,148	34,191	35.7	36.1	9.4	11.1	32.0	27.0	10.7	8.8	35.9	35.7	7.8	6.6	
Marico	Neutral	217	-	13,993	4,747	5,402	13.6	13.6	6.3	7.8	34.2	27.7	7.0	5.7	26.0	22.6	3.0	2.6	
Nestle*	Neutral	4,610	-	44,444	8,487	10,081	21.2	22.1	113.0	142.5	40.8	32.4	24.5	16.8	70.5	61.6	5.3	4.3	

Stock Watch

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
					FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	
FMCG																			
Tata Global	Neutral	142	-	8,753	7,272	7,998	9.1	9.5	6.9	8.1	20.7	17.4	2.2	2.1	8.9	9.8	1.1	1.0	
IT																			
HCL Tech ^	Accumulate	708	765	49,144	25,325	28,476	21.7	20.7	51.0	52.8	13.9	13.4	3.7	3.0	26.8	22.9	1.8	1.6	
Hexaware*	Buy	84	118	2,479	1,941	2,118	20.8	19.0	10.7	10.7	7.8	7.8	1.9	1.7	25.3	22.0	1.0	0.9	
Infosys	Neutral	2,789	-	160,172	40,746	44,283	28.9	28.8	162.6	172.9	17.2	16.1	4.0	3.4	23.5	21.3	3.3	2.9	
Infotech Enterprises	Accumulate	162	184	1,811	1,881	1,987	17.9	17.4	18.5	19.4	8.8	8.4	1.3	1.1	14.8	13.6	0.6	0.5	
KPIT Cummins	Buy	106	140	2,032	2,234	2,477	15.8	15.2	10.9	12.8	9.7	8.2	2.1	1.7	22.2	20.6	0.9	0.7	
Mahindra Satyam	Accumulate	117	126	13,824	7,711	8,467	21.6	19.8	8.7	11.3	13.5	10.4	3.2	2.5	30.6	23.7	1.4	1.2	
Mindtree	Accumulate	798	868	3,303	2,357	2,580	21.0	19.3	84.4	86.8	9.5	9.2	2.5	2.0	26.8	21.7	1.1	0.9	
Mphasis&	Accumulate	358	396	7,515	5,531	5,874	17.6	17.5	35.4	37.7	10.1	9.5	1.5	1.3	14.7	13.5	0.9	0.7	
NIIT	Buy	25	36	417	1,048	1,161	9.1	10.9	4.1	6.2	6.1	4.1	0.6	0.6	10.3	14.1	0.2	0.1	
Persistent	Neutral	535	-	2,140	1,297	1,433	25.6	24.1	46.5	54.0	11.5	9.9	2.1	1.8	18.5	18.0	1.3	1.1	
TCS	Neutral	1,431	-	279,990	62,954	70,871	29.0	28.9	71.6	79.1	20.0	18.1	6.6	5.4	33.2	29.7	4.2	3.7	
Tech Mahindra	Accumulate	1,000	1,105	12,788	6,789	7,609	21.0	19.6	95.8	110.7	10.4	9.0	2.5	2.0	24.3	22.3	2.0	1.7	
Wipro	Neutral	410	-	100,873	43,514	47,304	20.1	19.4	26.6	27.7	15.4	14.8	3.0	2.6	19.7	17.9	2.0	1.7	
Media																			
D B Corp	Accumulate	238	266	4,363	1,583	1,787	23.9	25.4	11.9	14.5	20.1	16.4	4.0	3.4	21.4	22.4	2.7	2.3	
HT Media	Accumulate	102	113	2,391	2,061	2,205	14.0	15.1	6.6	7.9	15.3	13.0	1.5	1.4	10.3	11.0	0.8	0.7	
Jagran Prakashan	Buy	103	125	3,270	1,511	1,698	23.2	23.4	6.4	7.3	16.1	14.2	4.0	3.6	25.9	26.6	2.4	2.0	
PVR	Neutral	258	-	749	820	1,307	17.3	17.3	11.2	17.8	23.2	14.5	1.1	1.0	9.7	10.8	1.0	0.6	
Sun TV Network	Neutral	439	-	17,281	1,942	2,237	77.2	75.5	17.6	19.1	24.9	23.0	6.0	5.4	25.8	25.2	8.4	7.2	
Metals & Mining																			
Bhushan Steel	Neutral	464	-	10,519	10,746	13,982	30.8	31.1	43.3	55.5	10.7	8.4	1.1	1.0	11.4	12.6	3.1	2.4	
Coal India	Accumulate	348	368	219,683	66,666	70,292	25.7	27.3	24.2	26.6	14.4	13.1	4.3	3.4	33.1	29.1	2.3	2.1	
Electrosteel Castings	Buy	24	34	820	1,984	2,074	10.6	11.6	1.8	2.6	13.5	9.1	0.5	0.2	3.6	5.1	0.6	0.5	
Hind. Zinc	Buy	123	149	52,056	12,002	13,759	49.7	50.8	14.7	16.4	8.4	7.5	1.6	1.4	21.1	19.8	2.4	1.7	
Hindalco	Neutral	110	-	21,137	80,205	88,987	9.0	9.2	13.4	13.8	8.2	8.0	0.6	0.6	7.9	7.6	0.6	0.6	
JSW Steel	Neutral	806	-	17,988	39,072	40,493	16.5	18.2	82.4	90.3	9.8	8.9	1.0	0.9	10.7	10.7	0.9	0.9	
MOIL	Neutral	252	-	4,239	933	954	46.9	45.5	25.8	26.1	9.8	9.7	1.5	1.4	16.7	15.1	2.1	1.9	
Monnet Ispat	Buy	244	344	1,554	2,501	3,264	22.2	24.6	41.8	55.2	5.8	4.4	0.6	0.5	11.3	13.4	1.7	1.2	
Nalco	Neutral	46	-	11,958	6,630	8,357	11.4	14.5	2.1	3.3	21.8	14.2	1.0	1.0	4.6	6.9	1.1	1.0	
NMDC	Buy	147	198	58,182	11,209	12,525	78.4	78.3	18.5	20.6	7.9	7.1	1.9	1.6	27.0	24.6	3.3	2.7	

Stock Watch

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
					FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	
Metals & Mining																			
SAIL	Neutral	79	-	32,549	43,438	56,199	12.0	12.2	6.5	8.5	12.1	9.3	0.8	0.7	6.6	8.2	1.0	0.8	
Sesa Goa	Accumulate	166	183	14,418	2,412	3,911	30.8	33.1	29.6	31.8	5.6	5.2	0.9	0.8	16.3	15.4	7.4	4.6	
Sterlite Inds	Accumulate	99	110	33,321	43,185	45,442	23.3	23.7	16.8	17.9	5.9	5.5	0.7	0.6	11.6	11.2	0.8	0.7	
Tata Steel	Buy	376	463	36,532	145,725	154,108	8.3	9.5	22.0	44.5	17.1	8.4	0.8	0.8	4.9	9.3	0.5	0.5	
Sarda	Buy	125	148	447	1,442	1,494	19.0	19.1	29.2	31.7	4.3	3.9	0.5	0.5	12.3	12.0	0.7	0.6	
Prakash Industries	Buy	37	52	502	2,512	2,816	12.4	13.7	10.0	12.6	3.8	3.0	0.2	0.2	7.2	8.4	0.5	0.4	
Godawari Power and Ispat	Accumulate	104	112	329	2,367	2,425	14.2	13.7	33.3	33.5	3.1	3.1	0.4	0.3	12.9	11.2	0.6	0.5	
Oil & Gas																			
Cairn India	Buy	315	383	60,140	17,394	17,034	76.4	72.3	60.8	55.1	5.2	5.7	1.0	0.9	21.9	17.0	2.6	2.3	
GAIL	Neutral	328	-	41,593	46,652	54,142	15.7	15.7	34.0	35.3	9.6	9.3	1.7	1.5	18.5	16.8	0.6	0.5	
ONGC	Accumulate	324	357	276,856	144,089	158,065	32.8	34.7	28.7	34.4	11.3	9.4	1.8	1.6	17.0	18.3	1.6	1.4	
Reliance Industries	Neutral	878	-	283,541	362,700	380,031	8.9	8.9	68.1	71.5	12.9	12.3	1.4	1.3	12.4	11.8	0.8	0.7	
Gujarat Gas*	Neutral	292	-	3,751	3,128	3,707	13.2	11.7	22.8	23.5	12.8	12.4	3.9	3.4	33.2	29.2	1.1	0.9	
Indraprastha Gas	Neutral	259	-	3,621	3,365	3,700	22.8	23.4	25.3	26.6	10.2	9.7	2.4	2.0	26.0	22.6	1.2	1.1	
Petronet LNG	Buy	147	179	11,029	32,210	41,362	6.1	5.8	15.4	15.6	9.6	9.4	2.5	2.1	29.1	24.1	0.4	0.3	
Gujarat State Petronet Ltd.	Neutral	70	-	3,928	1,079	983	91.8	91.9	8.8	7.8	8.0	8.9	1.3	1.2	17.8	14.1	3.4	3.6	
Pharmaceuticals																			
Alembic Pharma	Buy	74	95	1,397	1,490	1,714	16.2	17.1	7.4	9.5	10.0	7.8	2.7	2.1	30.7	30.2	1.0	0.9	
Aurobindo Pharma	Accumulate	181	208	5,274	5,463	6,279	15.0	15.0	12.4	14.0	14.6	12.9	1.9	1.6	18.8	17.8	1.6	1.3	
Aventis*	Neutral	2,262	-	5,209	1,482	1,682	17.5	16.6	82.9	87.8	27.3	25.8	4.3	3.4	16.3	14.8	3.3	2.8	
Cadila Healthcare	Accumulate	762	817	15,598	6,148	7,386	15.3	18.0	24.6	39.5	31.0	19.3	5.8	4.7	18.4	25.1	2.9	2.4	
Cipla	Accumulate	388	419	31,153	8,151	9,130	25.8	24.8	20.2	21.6	19.2	18.0	3.4	2.9	19.4	17.6	3.6	3.1	
Dr Reddy's	Neutral	1,906	-	32,350	10,696	11,662	20.7	21.0	83.7	92.9	22.8	20.5	4.7	3.9	22.4	20.8	3.3	2.9	
Dishman Pharma	Buy	92	155	739	1,280	1,536	20.2	20.2	12.1	15.5	7.6	5.9	0.7	0.7	10.0	11.6	1.3	1.1	
GSK Pharma*	Neutral	2,096	-	17,752	2,651	2,993	31.7	31.2	76.0	82.4	27.6	25.4	8.0	7.1	20.1	26.3	5.9	5.1	
Indoco Remedies	Buy	60	78	556	642	784	14.2	15.2	5.7	7.8	10.6	7.7	1.3	1.1	12.9	16.4	1.0	0.9	
Ipca labs	Buy	480	559	6,052	2,850	3,474	21.0	21.0	29.9	37.3	16.0	12.9	3.8	3.0	26.7	26.4	2.3	1.9	
Lupin	Accumulate	594	655	26,590	8,426	10,082	19.7	20.0	26.1	31.1	22.8	19.1	5.3	4.2	25.8	24.7	3.3	2.7	
Ranbaxy*	Neutral	424	-	17,919	12,046	11,980	16.0	15.8	37.3	32.1	11.4	13.2	4.4	3.5	45.3	29.7	1.5	1.4	
Sun Pharma	Neutral	775	-	80,159	10,111	12,563	42.6	42.6	28.9	29.8	26.8	26.0	5.5	4.6	22.3	19.2	7.3	5.7	
Power																			
GIPCL	Neutral	75	-	1,135	1,502	1,535	32.1	31.9	11.4	12.5	6.6	6.0	0.8	0.7	7.6	11.9	1.2	1.0	

Stock Watch

Company Name	Reco	CMP (₹)	Target Price (₹)	Mkt Cap (₹ cr)	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
					FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	
Power																			
NTPC	Accumulate	148	163	122,198	72,809	81,951	23.0	23.7	12.0	13.4	12.4	11.1	1.5	1.4	12.5	12.9	2.3	2.2	
Real Estate																			
DLF	Neutral	259	-	43,911	9,878	12,033	44.7	46.1	9.6	13.4	27.0	19.3	1.7	1.6	6.4	8.7	6.9	5.7	
HDIL	Neutral	68	-	2,860	2,441	3,344	55.1	48.2	22.7	26.6	3.0	2.6	0.3	0.2	8.8	9.4	3.0	2.3	
MLIFE	Accumulate	412	446	1,680	786	888	26.3	26.7	31.0	36.3	13.3	11.4	1.3	1.2	10.1	10.8	2.5	2.1	
Telecom																			
Bharti Airtel	Neutral	326	-	123,610	80,521	87,160	30.5	30.5	6.4	10.4	50.9	31.3	2.4	2.2	4.6	7.0	2.4	2.1	
Idea Cellular	Neutral	110	-	36,590	22,087	23,927	26.6	27.7	2.9	3.9	37.8	28.3	2.6	2.4	6.9	8.4	2.2	2.0	
Rcom	Neutral	70	-	14,489	21,087	22,067	31.8	31.9	2.6	4.0	26.8	17.5	0.4	0.4	1.5	2.2	2.4	2.2	
zOthers																			
Abbot India	Buy	1,379	1,590	2,929	1,629	1,886	11.8	13.3	60.8	79.5	22.7	17.3	4.7	3.9	22.0	24.4	1.6	1.3	
Bajaj Electricals	Accumulate	196	217	1,952	3,497	3,968	6.6	7.6	9.8	15.5	20.0	12.6	2.6	2.2	12.7	17.4	0.6	0.5	
Cera Sanitaryware	Buy	409	495	518	460	596	16.4	16.2	34.7	45.0	11.8	9.1	2.9	2.2	27.7	27.8	1.2	1.0	
Cravatex	Buy	371	545	96	272	308	7.2	7.3	37.5	45.4	9.9	8.2	2.4	1.9	23.7	22.7	0.5	0.4	
CRISIL	Neutral	964	-	6,774	982	1,136	34.3	34.3	34.3	40.0	28.1	24.1	12.7	10.2	50.9	46.9	6.5	5.4	
Finolex Cables	Accumulate	56	61	859	2,304	2,552	9.9	9.1	8.2	10.1	6.9	5.6	0.9	0.8	13.7	14.7	0.3	0.3	
Force Motors	Buy	420	550	547	2,027	2,299	4.6	5.1	35.3	50.0	11.9	8.4	0.5	0.5	3.9	5.3	0.1	0.1	
Goodyear India	Buy	301	360	694	1,494	1,607	6.4	7.8	23.9	33.0	12.6	9.1	2.0	1.7	16.5	20.1	0.3	0.2	
Greenply Industries	Sell	399	309	962	1,925	2,235	10.6	10.9	29.6	44.1	13.5	9.0	2.2	1.8	16.8	21.0	0.8	0.7	
Hitachi	Neutral	137	-	314	905	1,025	4.8	6.0	7.7	12.4	17.8	11.1	1.7	1.5	9.9	14.4	0.4	0.4	
Honeywell Automation*	Accumulate	2,631	2,842	2,326	1,809	2,117	5.5	7.5	84.9	135.3	31.0	19.4	3.4	2.9	11.3	16.0	1.2	1.0	
Styrolution ABS India*	Buy	599	744	1,053	1,059	1,116	8.5	9.5	36.0	42.0	16.6	14.3	2.4	2.1	15.4	16.0	1.0	0.9	
ITD Cementation	Buy	205	334	236	1,455	1,630	12.4	12.6	29.8	40.5	6.9	5.1	0.5	0.5	8.2	9.8	0.6	0.6	
Jyothy Laboratories	Neutral	141	-	2,279	1,228	1,443	9.0	10.9	3.9	6.4	36.4	22.1	3.6	3.3	10.1	15.6	2.4	2.0	
MCX	Buy	1,200	1,440	6,119	553	624	65.3	66.3	62.5	72.0	19.2	16.7	5.3	4.6	27.5	27.4	8.1	6.7	
MRF	Neutral	12,904	-	5,473	13,030	14,405	10.3	10.6	1,418.1	1,677.1	9.1	7.7	1.6	1.3	19.1	18.7	0.5	0.5	
Page Industries	Accumulate	3,260	3,602	3,636	836	1,023	20.2	20.6	105.6	133.4	30.9	24.4	15.7	11.1	59.3	53.2	4.4	3.6	
Relaxo Footwears	Buy	678	887	813	989	1,148	10.7	11.7	41.8	55.5	16.2	12.2	3.7	2.9	25.5	26.3	1.0	0.8	
Sintex Industries	Buy	60	79	1,871	4,751	5,189	16.3	16.6	13.6	15.8	4.4	3.8	0.6	0.5	12.9	13.2	0.8	0.6	
Siyaram Silk Mills	Buy	276	366	259	1,043	1,149	12.3	12.9	65.7	73.3	4.2	3.8	0.8	0.7	21.0	19.6	0.5	0.5	
S. Kumars Nationwide	Neutral	10	-	308	6,765	7,393	18.1	18.0	6.4	7.5	1.6	1.4	0.1	0.1	6.1	6.7	0.6	0.6	
SpiceJet	Neutral	42	-	2,027	5,720	6,599	5.3	6.8	3.6	5.4	11.6	7.8	16.8	5.3	-	-	0.5	0.4	

Stock Watch

Company Name	Reco	CMP	Target	Mkt Cap	Sales (₹ cr)		OPM(%)		EPS (₹)		PER(x)		P/BV(x)		RoE(%)		EV/Sales(x)		
		(₹)	Price (₹)		(₹ cr)	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	FY13E	FY14E
zOthers																			
TAJ GVK	Buy	67	108	419	300	319	35.8	36.2	7.9	9.1	8.5	7.3	1.1	1.0	13.9	14.4	1.7	1.5	
Tata Sponge Iron	Buy	299	379	460	782	818	16.5	17.0	61.8	65.4	4.8	4.6	0.7	0.6	15.7	14.7	0.2	0.1	
TTK Healthcare	Buy	488	643	379	374	425	7.9	9.5	24.1	32.7	20.3	14.9			19.7	22.5	0.8	0.7	
TVS Srichakra	Buy	232	322	178	1,461	1,625	6.9	8.2	24.6	53.7	9.4	4.3	1.2	1.0	12.9	24.9	0.3	0.3	
United Spirits	Neutral	1,862	-	24,360	10,473	11,939	15.0	15.8	30.4	56.9	61.3	32.7	4.7	3.0	10.8	12.3	3.0	2.3	
Vesuvius India	Neutral	334	-	679	560	611	16.1	17.0	24.7	28.8	13.5	11.6	2.0	1.8	15.8	16.2	1.1	1.0	

Source: Company, Angel Research; Note: *December year end; #September year end; &October year end; Price as on February 14, 2013

Research Team Tel: 022 - 39 357800

E-mail: research@angelbroking.com

Website: www.angelbroking.com

DISCLAIMER

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel Broking Limited, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Limited endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Angel Broking Limited and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Neither Angel Broking Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Limited and its affiliates may have investment positions in the stocks recommended in this report.