

Market Snapshot

Global Indices	Closing	% Chg	% YTD
Dow Jones	11,044	2.5	(4.6)
NASDAQ	2,517	1.3	(5.1)
FTSE	5,089	0.4	(13.7)
CAC	2,859	1.8	(24.8)
DAX	5,346	2.9	(22.7)
Russia	1,326	0.8	(25.1)
Bovespa	53,748	1.0	(22.4)
Nikkei	8,440	1.8	(16.4)
Hang Seng	17,408	(1.5)	(24.4)
Shanghai Composite	2,393	(1.6)	(14.8)

Indian Indices	Closing	% Chg	% YTD
Sensex	16,051	(0.7)	(21.7)
Nifty	4,835	(0.7)	(21.2)
MSCI India	392	(0.9)	(30.0)
CNX Midcap	7,072	(1.6)	(20.2)
BSE Smallcap	6,923	(1.7)	(28.4)

Flows (USDm)	Last	MTD
FII	(240)	(1,853)
Locals	2	204

Provisional flows	(USDm)
FII	(219)
Locals	116

Volumes	USDbn	% Chg
Cash (NSE + BSE)	2.8	(6.8)
F&O (net)	39.1	(3.3)

FII F&O	Stock Fut	Index Fut
Net (\$ mn)	(18)	(23)
Open Int (%)	1.6	1.3

ADR/GDR Gainers	Last	% Chg
Satyam	2.9	4.3
Ranbaxy	9.7	3.0
ICICI Bank	35.7	2.9
TCL	7.7	2.0
Wipro	9.3	1.7

ADR/GDR Losers	Last	% Chg
MTNL	1.3	(2.2)
SBI	82.8	(0.5)

FROM THE RESEARCH DESK

Bank of India - Initiating coverage

Risk reward favourable

Mangalam Cement Limited - Management call update

Attractive valuations

Global News

- Federal Reserve President James Bullard said the long-term rate of U.S. economic expansion may be lower than anticipated in part because the house price bubble last decade created unrealistic expectations for growth.
- Oil was steady after dropping to the lowest level in almost seven weeks in New York amid speculation that the European Central Bank may alleviate the region's sovereign debt crisis, boosting growth and fuel demand.

Sector & Corporate News

- **Politics:** Home Minister Palaniappan Chidambaram offered to resign on Monday after a document emerged that suggested he failed to stop a multi-billion dollar scam over telecoms contracts.
- **Unitech:** Telenor said on Monday its Indian mobile phone joint venture Unitech Wireless has initiated a rights issue of INR82bn (USD1.65bn) to secure long-term funding, a move the Norwegian firm's Indian partner has opposed.
- **Reliance Capital Ltd:** The financial services arm of the Anil Ambani-led Reliance Group is looking to establish a firmer grip on overseas markets with its asset management business through its newly expanded partnership with Nippon Life Insurance Company.
- **GMR Infra:** India's GMR Infrastructure to sell a 30% stake in its unit GMR Energy (Singapore) Pte Ltd to Petronas International Corp, a unit of Malaysian state-run oil firm Petronas.
- **Coal India:** The proposed price hike by state-run Coal India is unlikely before the beginning of next year and will take place after evaluating the impact of the wage revision.
- **GE India:** The USD150bn global major General Electric (GE) is betting on India for exponential growth and plans to hire about 6,000 more people over the next five years.

Sectoral indices

	Closing	% Chg	% MTD	% YTD
BSE Auto	8,328	(1.1)	(0.8)	(18.6)
BSE Bank	10,739	(0.2)	(1.5)	(19.7)
BSE Cap Goods	11,009	(1.4)	(8.6)	(28.6)
BSE Cons dur	6,319	(4.9)	0.9	(0.6)
BSE FMCG	3,782	(1.3)	(4.2)	2.7
BSE IT	5,006	0.4	(1.1)	(26.6)
BSE Health	5,847	(0.4)	(1.9)	(13.2)
BSE Metal	11,183	(2.9)	(7.6)	(36.4)
BSE Oil	8,134	(1.6)	(2.6)	(23.3)
BSE Power	2,109	(1.4)	(5.5)	(29.4)
BSE PSU	7,353	(1.8)	(3.5)	(22.3)
BSE Realty	1,708	(0.9)	(1.8)	(40.2)
BSE TECK	3,138	0.5	(2.1)	(22.5)

Nifty Outperformers

	Price	% Chg	% MTD	% YTD
Jaiprakash Associates Ltd	69	2.8	12.9	(34.6)
Ranbaxy Laboratories Ltd	482	2.1	2.1	(19.4)
DLF Ltd	201	2.0	2.4	(31.0)
ICICI Bank Ltd	858	1.7	(1.7)	(25.1)
Ambuja Cements Ltd	147	1.7	10.6	2.8
Bharti Airtel Ltd	381	1.6	(5.9)	6.2
Cipla Ltd	287	1.1	2.2	(22.4)

Nifty Underperformers

	Price	% Chg	% MTD	% YTD
Sterlite Industries India Lt	117	(4.3)	(8.7)	(37.1)
Hindalco Industries Ltd	129	(3.9)	(14.5)	(47.9)
Sesa Goa Ltd	199	(3.8)	(14.9)	(39.4)
Reliance Capital Ltd	389	(3.1)	-	-
Hero Motocorp Ltd	1,977	(3.0)	(3.7)	(0.6)
Gail India Ltd	410	(2.9)	(0.2)	(20.1)
Axis Bank Ltd	1,056	(2.8)	(1.6)	(21.8)

Bulk Deals

Date	Security Name	Client Name	Buy/Sell	Qty	Price
26-Sep-11	Hexaware Technologies Lim	Elder Venture Llp	BUY	5,300,000	74.70
26-Sep-11	Hexaware Technologies Lim	Elder Hides And Leather Pvt Lt	SELL	5,300,000	74.70

Delivery Spike

Company	Volume	Spike (%)	Chg (%)
GAIL	943,153	141	(2.87)
BPCL	454,840	104	0.21
Sun Pharma	917,935	65	(0.52)
HDIL	2,675,611	63	(2.60)
ICICI Bank	1,358,460	45	1.69
Axis Bank	1,109,092	40	(2.84)
Hindalco	5,758,854	30	(3.88)
JP Associate	3,624,145	24	2.82

Derivatives Update

Long Buildup

Company	Last	% Chg	% Chg OI	OI (in 000)
RANBAXY	484	2.3	1.5	2,358
ICICIBANK	856	1.6	4.7	12,158
BHARATFORG	275	1.0	0.6	4,606
ACC	1,079	0.9	2.1	1,221

Short Buildup

Company	Last	% Chg	% Chg OI	OI (in 000)
TITAN	208	(7.5)	14.4	11,265
GMRINFRA	27	(5.4)	15.7	46,320
PUNJLLOYD	52	(5.4)	8.8	26,204
STER	118	(4.4)	4.3	26,776

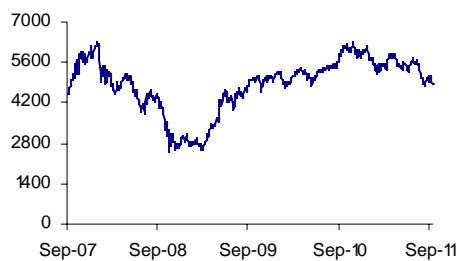
Short Covering

Company	Last	% Chg	% Chg OI	OI (in 000)
BANKBARODA	795	2.5	(6.9)	2,008
JPASSOCIAT	69	2.5	(5.1)	41,604
AMBUJACEM	147	1.8	(3.4)	14,310
BHARTIARTL	381	1.5	(3.2)	11,845

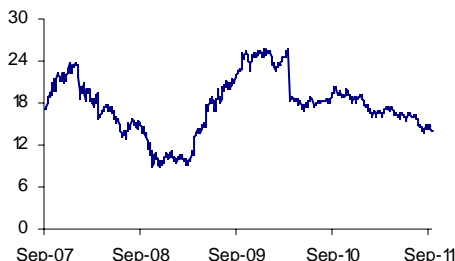
Profit Booking

Company	Last	% Chg	% Chg OI	OI (in 000)
IFCI	31	(4.4)	(4.6)	86,876
SESAGOA	200	(3.7)	(7.4)	9,381
RELCAPITAL	389	(3.4)	(3.6)	3,351

Nifty



Nifty P/E

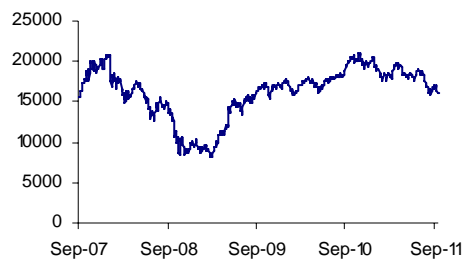


Nifty P/B

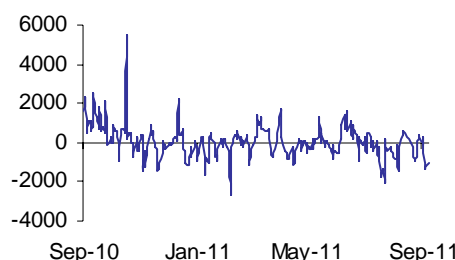


Source: Bloomberg

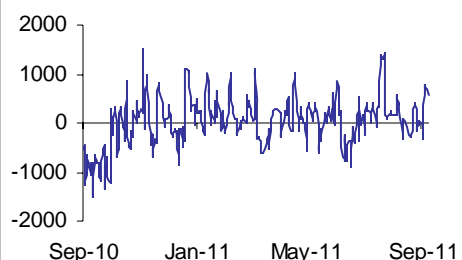
Sensex



FII Provisional Flows (INRcr)



DII Provisional Flows (INRcr)



Source: Bloomberg

Economy, Money & Banking

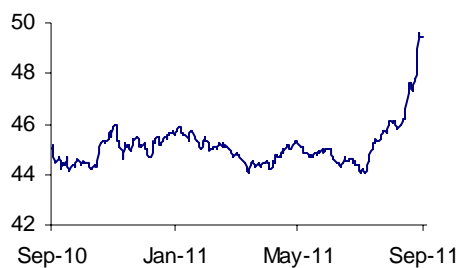
Forex Rate	Last	% Chg	% MTD	% YTD
INR~USD	49.5	(0.1)	(6.8)	(9.6)
INR~EUR	66.9	(0.6)	(1.0)	(10.6)
INR~GBP	76.8	0.2	(2.5)	(9.3)

Bond Market	Last	Chg (bps)	MTD (bps)	YTD (bps)
10 Year Bond	8.3	(0)	(2)	38
Interbank call	8.3	105	25	280

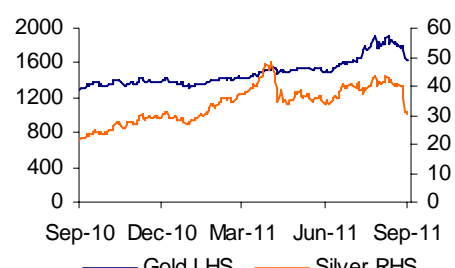
Commodities Update

Commodities	Last	% Chg	% MTD	% YTD
Gold (\$/Ounce)	1,622	(0.3)	(11.2)	14.1
Crude Oil (\$/Bbl)	81	1.0	(9.1)	(14.3)
Aluminium (\$/t)	2,171	(0.1)	(10.7)	(11.8)
Copper (\$/t)	7,251	(1.3)	(21.7)	(24.9)
Zinc (\$/t)	1,859	(1.6)	(17.9)	(24.0)
Lead (\$/t)	1,897	(4.0)	(26.9)	(26.0)
Nickel (\$/t)	17,979	(1.5)	(18.9)	(27.2)

INR/USD



Gold and silver prices

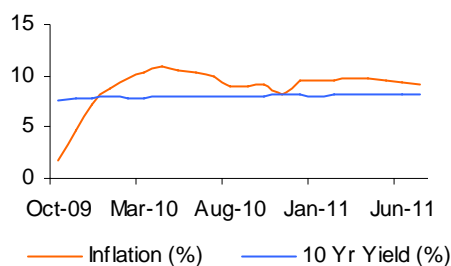


Crude prices

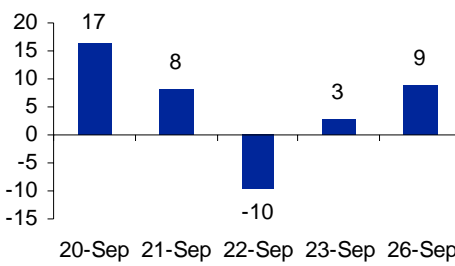


Source: Bloomberg

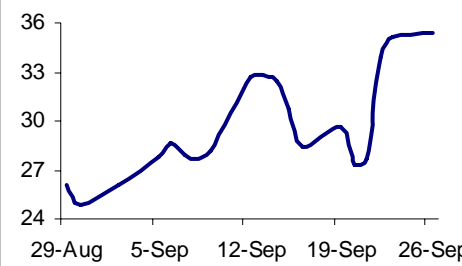
Inflation vs 10 year yield



Nifty premium/discount



NSE volatility index (%)



Source: Bloomberg

Reco	:	BUY
CMP	:	INR301
Target Price	:	INR452
Potential Return	:	50%

Alok Kapadia
 +91 22 4031 3442
 alok.kapadia@antiquelimited.com

Reetu Gandhi
 +91 22 4031 3415
 reetu.gandhi@antiquelimited.com

Sunesh Khanna
 +91 22 4031 3437
 sunesh.khanna@antiquelimited.com

Market data

Sector	:	Financial
Market Cap (INRbn)	:	165
Market Cap (USDbn)	:	3
O/S Shares	:	546
Free Float (m)	:	136
52-wk HI/LO (INR)	:	589/289
Avg Daily Vol ('000)	:	658
Bloomberg	:	BOI IN
Reuters	:	BOI.BO

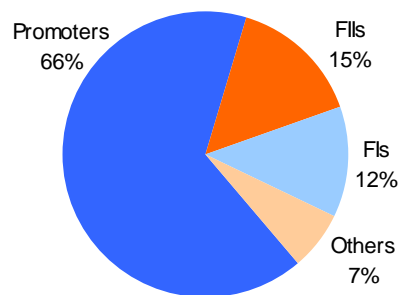
Source: Bloomberg

Returns (%)

	1m	3m	6m	12m
Absolute	1	(27)	(34)	(39)
Relative	0	(17)	(22)	(24)

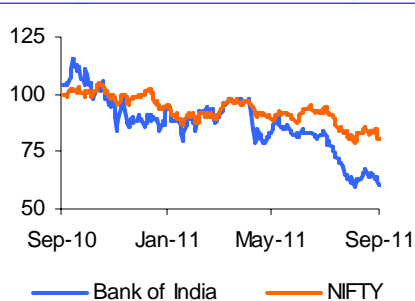
Source: Bloomberg

Shareholding pattern



Source: BSE

Price performance vs Nifty



Source: Bloomberg

INITIATING COVERAGE

Bank of India

Risk reward favourable

Established in 1906 by a group of eminent businessmen from Mumbai, Bank of India (BoI) is the fifth largest state public sector bank with a government holding of 66%. With nearly 3,490 branches within India and over 29 offices abroad, BoI is amongst the top five Indian banks with a balance sheet size of over ~INR3,459 bn.

Investment rationale

Business growth to track industry

We expect BoI's credit growth to mirror the industry trend, given its focus on the large corporate segment, which along with MSME and SME segments, constitutes ~58% of its loan book. Going forward, we expect loan book growth to report a CAGR of 20% for FY11-13e, as the bank stands to benefit from the consolidation and realignment of balance sheet which it has undertaken.

Asset quality pains to ease post 2HFY12

Though BoI has taken conclusive steps to improve its asset quality, there has not been a discernable trend in slippages. Despite its aggressive write-off policy and a robust NPA recovery system, delinquencies at INR29bn in FY11 continue to be high. While the switchover to system-based NPA recognition and additional slippages from restructured and standard assets are an overhang, the anticipated pickup in recoveries and loan upgradations in 2HFY12 should boost the asset quality.

Return ratios to improve

While BoI is likely to witness a muted earnings growth of 13% in FY12e, the same would pick up in FY13e (26%) and bolster return ratios too. This would largely be led by benign credit cost, improving asset quality and income stream constitution. Hence, we expect RoE to improve from ~12.5% in FY10 to 16.9% in FY13e, while RoA should inch up to 0.8% from 0.7% during the same period.

Valuation and outlook

BoI has underperformed the broader bankex over the last year by 39% on concerns related to asset quality and higher infra exposure. However, current valuations at 0.87x FY13e P/ABV (35-40% discount to the BoB) more than adequately price these risks and hence, offer a good entry point. We initiate coverage with a BUY recommendation and a target price of INR452/share based on 1.3x FY13e P/BV using single stage Gordon growth model offering 50% upside from current levels.

Key Financials

INRm	FY09	FY10	FY11	FY12e	FY13e
NII	54,989	57,559	78,107	83,027	98,246
PAT	30,073	17,411	24,887	28,149	35,526
YoY growth (%)	49.7	(42.1)	42.9	13.1	26.2
EPS (INR)	57.2	33.1	45.5	51.4	64.9
BPVS (INR)	224.1	243.4	291.9	333.0	385.0
P/E (x)	5.3	9.1	6.6	5.9	4.6
P/B (x)	1.3	1.2	1.0	0.9	0.8
RoE (%)	25.0	12.6	15.8	15.3	16.9

Source: Company, Antique

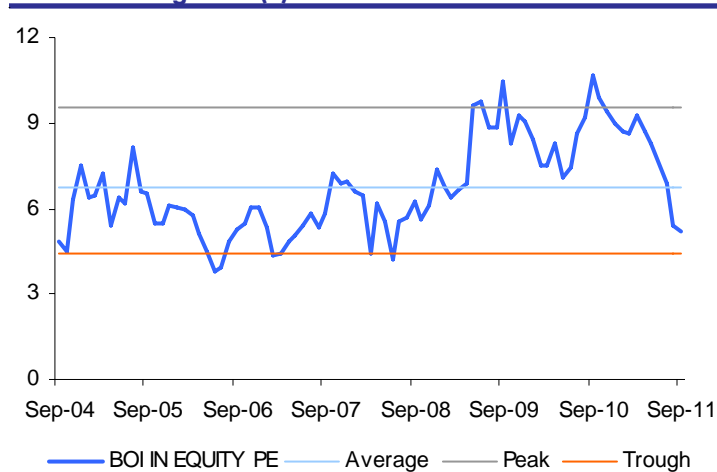
Valuation

Valuations in attractive zone, risk reward favourable

Return ratios for the bank has improved from 8% in FY05 to 25% in FY09 on the back of higher contribution from other income, lower operating cost and lower provisioning cost (improved asset quality). However, during FY10, return ratio for the bank came off significantly and stood at 12.6% due to spike in credit cost (led by deterioration in asset quality) and contraction in NIM (because of weak other income). While there has been some improvement in RoA during FY11, the bank still has lot of catching up to do. While earnings growth for Bol would be muted in FY12e at 13%, we are likely to see rebound in return ratios in FY13e backed by strong earnings. We expect earnings to grow at 26% in FY13e driven by lower credit costs, as asset quality for the bank is likely to improve with stable margins.

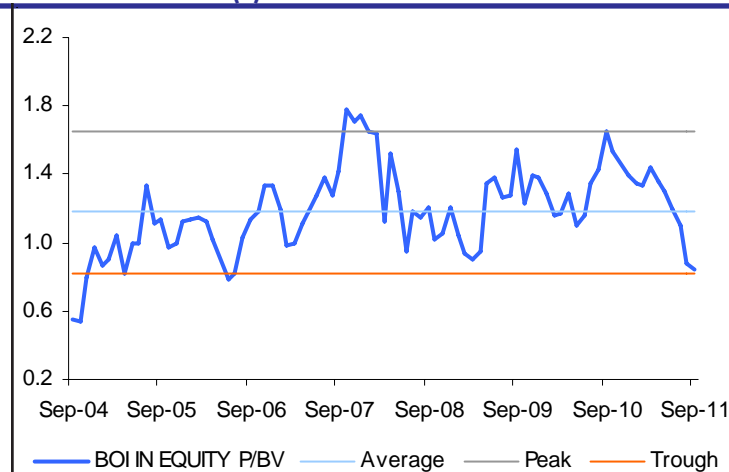
Hence, given our outlook of gradual improvement in income stream and stable provisioning costs, we expect return ratios to revive from FY11 levels. We expect the bank to deliver RoE of 16.9% in FY13e.

Price to earning band (x)



Source: Bloomberg, Antique

Price-to-book band (x)



Source: Bloomberg, Antique

Bol has underperformed the broader bankex by 39% over the last year on account of concerns related to asset quality and high infrastructure exposure. However, current valuations are at 0.8x FY13e P/BV and 4.7x FY13e P/E (which is at 26% discount to its long-term average P/BV valuations), have turned attractive, and hence, offer a good entry point. Further, any signal of easing rates from the RBI resulting in cooling in wholesale money market rates from current levels could see Bol being the biggest beneficiary amongst the larger banks given its weak CASA franchise.

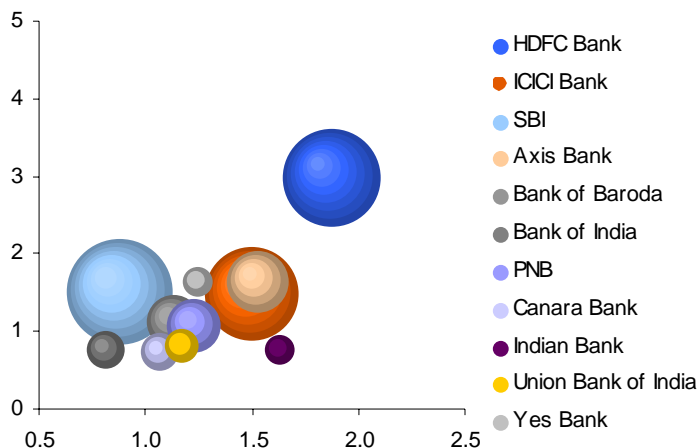
We initiate coverage with a BUY recommendation and a target price of INR452/share based on 1.3x FY13e P/BV using single stage Gordon growth model offering 50% upside from current levels.

Peer group comparison

%	BOB	PNB	UNBK	SBI	CanBank	BoI
Business franchise						
CASA ratio	29.65	40.85	31.73	47.26	29.09	27.84
NIMs	2.13	2.87	2.15	2.25	2.15	2.09
Fee income/average assets	0.82	1.02	1.30	1.27	0.88	0.81
Operating efficiency						
Cost to assets	1.37	1.61	1.29	1.93	1.31	1.33
Cost to income	43.57	39.39	40.66	52.59	40.73	43.81
Profit/branch	9.72	7.82	7.40	7.25	9.92	5.11
Business/branch	1321.73	872.39	1031.57	1136.28	1326.28	1168.58
Profit/employee	0.80	0.70	0.70	0.40	0.70	0.20
Business/employee	98.1	80.80	85.30	63.60	98.30	101.1
Asset quality						
GNPA	1.37	1.72	2.24	3.09	1.53	2.90
NNPA	0.34	0.53	0.81	1.72	1.06	1.31
Loan loss coverage ratio	74.91	69.46	63.86	44.36	30.52	54.79
Slippage ratio	1.16	1.83	1.85	2.18	2.36	2.91
Return ratios						
RoA	1.21	1.44	1.17	0.91	1.25	0.70
RoE	21.89	26.59	26.16	14.80	26.76	14.16

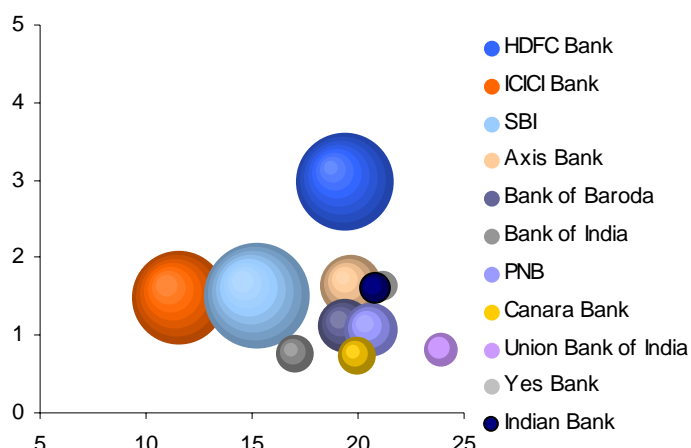
Source: Antique

P/BV to RoA



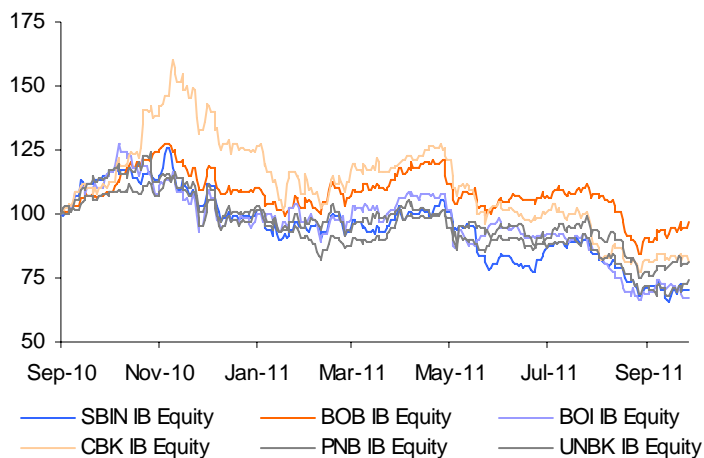
Source: Antique

P/BV to RoE



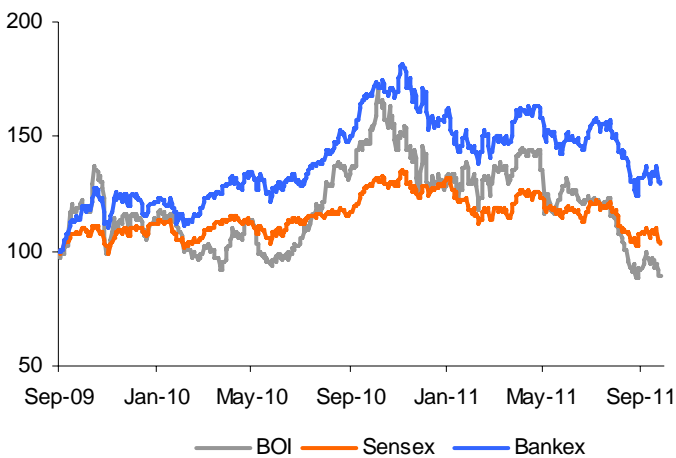
Source: Antique

Relative performance with Bankex



Source: Bloomberg

Relative performance with Sensex



Source: Bloomberg

Financials

Profit and loss account (INRm)

Year ended 31st Mar	2009	2010	2011	2012e	2013e
Net interest income	54,989	57,559	78,107	83,027	98,246
Other income	30,519	26,166	26,418	30,532	35,571
Trading profits	7,564	6,125	3,483	4,015	4,265
Non-trading income	22,954	20,042	22,935	26,517	31,306
Net revenue	85,508	83,726	104,525	113,559	133,817
Operating expenses	30,940	36,678	50,682	51,829	59,935
Operating profit	54,568	47,048	53,842	61,730	73,882
Provisions	12,924	22,109	18,888	21,517	23,130
PBT	41,644	24,938	34,954	40,213	50,752
Provision for tax	11,571	7,528	10,067	12,064	15,225
PAT	30,073	17,411	24,887	28,149	35,526

Balance sheet

Year ended 31st Mar	2009	2010	2011	2012e	2013e
Assets					
Advances	1,429,094	1,684,907	2,130,962	2,517,865	3,021,437
Investments	526,072	670,802	858,724	985,601	1,156,456
Cash and bank balances	217,613	312,301	373,100	343,167	391,304
Fixed assets	25,319	23,518	24,807	26,048	27,350
Other assets	56,920	58,136	124,132	140,460	176,607
Total	2,255,018	2,749,665	3,511,725	4,013,141	4,773,154
Liabilities					
Share Capital	5,259	5,259	5,472	5,472	5,472
Total Reserves	129,690	137,041	167,435	189,954	218,375
Networth	134,949	142,300	172,907	195,426	223,847
Borrowings	156,732	223,999	220,214	246,639	276,236
Deposits	1,897,085	2,297,619	2,988,858	3,428,354	4,116,077
Other liabilities	66,252	85,746	129,747	142,722	156,994
Total	2,255,018	2,749,665	3,511,725	4,013,141	4,773,154

Operating ratios (%)

Year ended 31st Mar	2009	2010	2011	2012e	2013e
Operating cost to income	36.2	43.8	48.5	45.6	44.8
Opex/avg. assets	1.5	1.5	1.6	1.4	1.4

Source: Company, Antique

Per share data (INR)

Year ended 31st Mar	2009	2010	2011	2012e	2013e
Shares outstanding (m)	525.9	525.9	547.2	547.2	547.2
EPS	57.2	33.1	45.5	51.4	64.9
Book value per share	224.1	243.4	291.9	333.0	385.0
Adjusted Book Value per share	215.7	214.0	267.0	301.2	347.6

Growth ratios (%)

Year ended 31st Mar	2009	2010	2011	2012e	2013e
NII	30	5	36	6	18
net revenue	35	-2	25	9	18
PAT	50	-42	43	13	26
Total assets	26	22	28	14	19
Advances	26	18	26	18	20
Deposits	26	21	30	15	20
Casa as % Deposit	31	27	28	25	27

Valuation ratios (x)

Year ended 31st Mar	2009	2010	2011	2012e	2013e
P/E	5.3	9.1	6.6	5.9	4.6
P/BV	1.3	1.2	1.0	0.9	0.8
P/ABV	1.4	1.4	1.1	1.0	0.9

Profitability ratios (%)

Year ended 31st Mar	2009	2010	2011	2012e	2013e
Net interest margin	2.7	2.3	2.5	2.2	2.2
Return on avg. assets	1.5	0.7	0.8	0.7	0.8
Return on avg. net worth	25.0	12.6	15.8	15.3	16.9

Asset quality and capital (%)

Year ended 31st Mar	2009	2010	2011	2012e	2013e
Gross NPAs	1.7	2.9	2.3	2.5	2.5
Net NPAs	0.44	1.31	0.91	0.99	0.97
Provisioning coverage	74.58	54.79	59.58	60.00	62.00
Loan loss provisions/avg loans	0.49	1.13	0.55	0.75	0.80
Tier I capital adequacy	8.91	8.48	8.33	7.18	6.69

Source: Company Antique

NOT RATED	
CMP	: INR104
Market Cap	: INR2.8bn

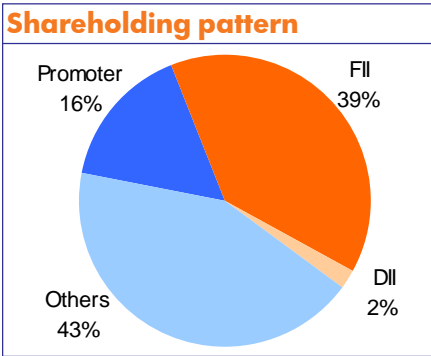
Nirav Shah
 +91 22 40313473
 nirav.shah@antiquelimited.com

Market data	
Sector	: Cement
Market Cap (INRbn)	: 3
Market Cap (USDm)	: 56
O/S Shares	: 27
Free Float (m)	: 16
52-wk HI/LO (INR)	: 169/90
Avg Daily Vol ('000)	: 43
Bloomberg	: MGC IN
Reuters	: MGLC.BO

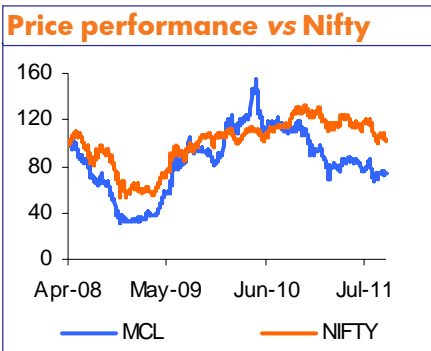
Source: Bloomberg

Returns (%)				
	1m	3m	6m	12m
Absolute	8.2	(2.8)	(5.0)	(32.0)
Relative	7.0	10.7	11.5	(15.0)

Source: Bloomberg



Source: BSE



Source: Bloomberg

MANAGEMENT CALL UPDATE

Mangalam Cement Limited

Attractive valuations

We had a call with Mr. R C Gupta (Company Secretary - Mangalam Cement) to get an update on their operations and their expansion plans; following are the key takeaways:

Key highlights

- Mangalam Cement Limited (MCL) is a part of B K Birla Group and has been in the cement manufacturing business since 1981. It has a cement and clinker capacity of 2mmt and 1.75mmt, respectively at its plant located at Morak, Rajasthan.
- The company also has a captive power capacity of 48.65MW, of which 35MW is coal-based and balance 13.65MW is wind power. It has recently doubled its coal-based power capacity in March 2011, post which it has become self sufficient in meeting its power requirement captively.
- The company predominantly caters to the northern and central markets with Rajasthan accounting for 40% of the despatches, Western UP 30%, NCR 20% and balance 10% from Madhya Pradesh, Punjab and Haryana.
- Over the last five years, MCL has strengthened its balance sheet by undertaking prudent expansion plans and repaying debt from operating cash flows. It continues to enjoy a very strong balance sheet with a net cash of INR123m as on March 2011. At the same time, it has doubled its cement capacity to the present 2mmt.

Valuation

- At the CMP of INR104, the stock trades at a P/E and EV/EBIDTA of 7.3x and 3.7x discounting its FY11 earnings. It trades at an EV/ton of USD29 its FY11 numbers.
- Although a mid-sized player, the stock appears to be attractively valued on most of the parameters viz. asset base, P/E and EV/EBIDTA. Additionally, the dividend yields on the CMP of INR104 seems attractive at ~5.8% on FY11 DPS of INR6.

Financial summary

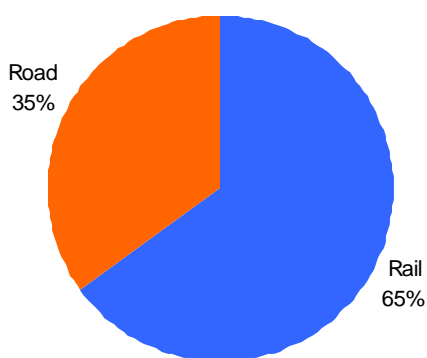
YE March (INRm)	2008	2009	2010	2011
Net revenues	5,099	5,641	6,137	4,916
EBITDA	1,547	1,362	1,914	588
EBITDA growth (%)	130.6	0.9	30.5	(66.4)
PAT	1,135	972	1,188	382
PAT growth (%)	136.4	(14.4)	22.3	(67.8)
EPS (INR)	42.5	37.4	44.5	14.3
EPS growth (%)	136.4	(11.5)	25.1	(67.8)
P/E (x)	2.6	3.1	2.3	7.3
P/BV (x)	1.3	1.0	0.7	0.7
EV/EBITDA (x)	2.2	1.6	1.0	3.7
RoE (%)	61.4	38.6	34.9	9.8

Source: Company, Antique

Other highlights

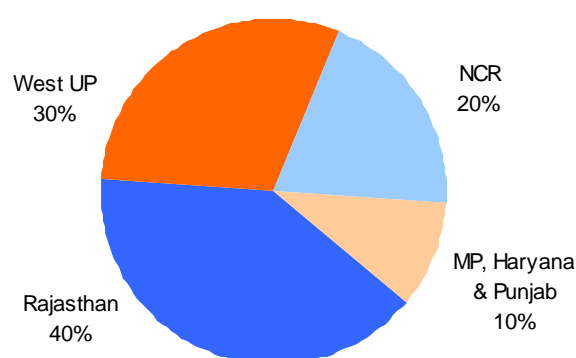
- The company proposes to amalgamate Mangalam Timbers Ltd. (MTL), a promoter group company, with itself and the share swap ratio has been fixed at 1 share of MCL for every 10 shares of MTL. However, it is awaiting approval from the share holders. In case the amalgamation goes through, the fully diluted equity shares will increase to ~28.5m.
- Due to poor quality of limestone reserves from its mines, MCL has to rely on external purchase of good quality limestone to the extent of ~20% for blending it with captive limestone. While the cost of captive limestone stands at ~INR200/mt, the cost of externally purchased limestone is ~INR900/mt, thereby impacting its profitability to the extent of ~INR300m.
- MCL plans to set up a 1.25mmt grinding unit at Aligarh (Uttar Pradesh) which is expected to commission by 4QFY13e, taking the total cement capacity to 3.25mmt. It also plans to augment the clinker capacity at its existing facility by 0.5mmt to 2.25mmt.
- The total capex of INR4bn on the above expansion coupled with other maintenance capex is expected to be funded in the D/E of 3x. It plans to spend INR1bn in FY12e and the balance INR3bn in FY13e.
- MCL plans to meet the clinker requirement of Aligarh unit from the existing facility (distance is ~450kms) and intends to use rail mode for transporting clinker.
- It has deferred its plan of setting up a 1.75mmt brownfield expansion considering the volatility in cement prices and impact on free cash flows.
- In terms of coal sourcing, it meets 100% of its requirement for power and 75% for the kiln from linkages. It relies on e-auction coal for meeting the balance 25% of fuel requirement of the kilns.
- The company's lead distance stands at a higher level of ~900kms (average lead distance for mid-sized company is ~550-600kms). However, a higher share of rail transport (65%) has ensured that freight costs are under control to an extent.

Rail road mix



Source: Company, Antique

Region-wise despatches (mmt)



Source: Company, Antique

Financials

Profit and Loss Account (INRm)

Year ended 31st Mar	2007	2008	2009	2010	2011
Revenues	2,280	5,099	5,641	6,137	4,916
Expenses	1,604	3,552	4,279	4,222	4,327
Operating Profit	676	1,547	1,362	1,914	588
Other income	20	58	258	200	122
EBIDT	696	1,605	1,620	2,115	711
Depreciation	61	177	243	254	275
Interest expense	6	29	32	20	22
Profit before tax	629	1,398	1,346	1,841	414
Taxes incl deferred taxation	148	263	348	653	31
Profit after tax before MI & EO Items	480	1,135	997	1,188	382
Extra ordinary items	-	-	(26)	-	-
Profit after tax	480	1,135	972	1,188	382
Diluted EPS (INR)	18.0	42.5	37.4	44.5	14.3

Balance Sheet (INRm)

Year ended 31st Mar	2007	2008	2009	2010	2011
Share Capital	282	282	280	267	267
Reserves & Surplus	1,194	1,938	2,663	3,601	3,680
Networth	1,477	2,221	2,943	3,868	3,947
Debt	766	724	155	102	135
Deferred Tax Liability	252	469	525	492	591
Capital Employed	2,494	3,413	3,623	4,462	4,674
Gross Fixed Assets	3,010	4,468	5,015	5,082	6,287
Accumulated Depreciation	1,910	2,081	2,250	2,501	2,776
Net Assets	1,100	2,387	2,765	2,581	3,511
Capital work in progress	842	192	48	632	89
Investments	11	60	81	195	11
Current Assets, Loans & Advances					
Inventory	432	849	463	634	656
Debtors	34	54	58	92	118
Cash & Bank balance	251	145	441	701	258
Loans & advances and others	402	794	1,244	1,586	1,762
Current Liabilities & Provisions					
Creditors	300	450	507	706	725
Other liabilities & provisions	277	617	969	1,254	1,006
Net Current Assets	542	775	729	1,054	1,063
Misc. Expenses	-	-	-	-	-
Application of Funds	2,494	3,413	3,623	4,462	4,674

Per share data

Year ended 31st Mar	2007	2008	2009	2010	2011
No. of shares (m)	28	28	28	27	27
BVPS (INR)	52.3	78.6	105.0	144.9	147.9
CEPS (INR)	19.2	46.5	43.3	54.0	24.6
DPS (INR)	2.0	5.0	5.5	6.0	6.0

Source: Company, Antique

Cash flow statement (INRm)

Year ended 31st Mar	2007	2008	2009	2010	2011
PBT	629	1,398	1,320	1,841	414
Depreciation & amortisation	61	177	243	254	275
Interest expense	6	29	32	20	22
Interest / Dividend Recd	(6)	(16)	(38)	(101)	(71)
Other Adjustments	1	2	(174)	(13)	(6)
(Inc)/Dec in working capital	(76)	(368)	362	(57)	(384)
Tax paid	(75)	(349)	(381)	(662)	(131)
CF from operating activities	540	874	1,363	1,282	120
Capital expenditure	(718)	(815)	(412)	(655)	(663)
Net Investments	-	(50)	(47)	(101)	190
Income from investments	2	19	36	78	85
CF from investing activities	(717)	(847)	(422)	(678)	(389)
Inc/(Dec) in share capital	-	-	(11)	(100)	-
Inc/(Dec) in debt	329	(42)	(436)	(54)	33
Dividends & Interest paid	(9)	(92)	(198)	(191)	(207)
CF from financing activities	320	(133)	(645)	(345)	(174)
Net cash flow	143	(106)	296	260	(443)
Opening balance	108	251	145	441	701
Closing balance	251	145	441	701	258

Growth indicators (%)

Year ended 31st Mar	2007	2008	2009	2010	2011
Revenue	(46.8)	123.6	10.6	8.8	(19.9)
EBITDA	(35.1)	130.6	0.9	30.5	(66.4)
PAT	(30.4)	136.4	(14.4)	22.3	(67.8)
EPS	(30.4)	136.4	(11.5)	25.1	(67.8)

Valuation (x)

Year ended 31st Mar	2007	2008	2009	2010	2011
PE	6.1	2.6	3.1	2.3	7.3
P/BV	2.0	1.3	1.0	0.7	0.7
EV/EBITDA	5.0	2.2	1.6	1.0	3.7
EV/Sales	1.5	0.7	0.5	0.4	0.5
Dividend Yield (%)	1.9	4.8	5.3	5.8	5.8

Financial ratios

Year ended 31st Mar	2007	2008	2009	2010	2011
RoE (%)	36.9	61.4	38.6	34.9	9.8
RoCE (%)	46.2	68.8	47.5	58.2	11.9
Debt/Equity (x)	0.5	0.3	0.1	0.0	0.0
EBIT/Interest (x)	84.9	45.5	39.2	74.5	31.0

Margins (%)

Year ended 31st Mar	2007	2008	2009	2010	2011
EBITDA	29.7	30.3	24.2	31.2	12.0
EBIT	27.9	28.0	24.4	30.3	8.9
PAT	21.1	22.3	17.2	19.4	7.8

Source: Company, Antique

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No



Antique Stock Broking Limited

Nirmal, 2nd Floor, Nariman Point, Mumbai 400 021.
Tel. : +91 22 4031 3444 • Fax : +91 22 4031 3445
www.antiquelimited.com