

AMP

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16 May 2013

ANTIQUÉ'S MORNING PRESENTATION

FROM THE RESEARCH DESK

QUARTERLY RESULTS REVIEW

Adani Ports & SEZ Limited

Strong performance

Bajaj Finance Limited

Going strong

IRB Infrastructure Developers Limited

Healthy commissioning pipeline to fuel growth

Global News

- Industrial production declined in April by the most in eight months, reflecting broad-based cutbacks in U.S. manufacturing that show factories will provide little support for the economy.
- European stocks rose, extending their highest level since June 2008, after the Bank of England raised its growth forecast for Europe's third-biggest economy.
- Italy set the size of a sale of 30-year bonds via banks at 6 billion euros (\$7.72 billion), according to a person familiar with the matter who asked not to be identified because they're not authorized to speak about it.

Sector & Corporate News

- L&T:** Is planning to raise INR1bn in 10-year inflation-linked bonds at 1.65 percent over wholesale price inflation. IDFC is the sole arranger to the deal and the pay-in for the bond is set for May 21.
- Cipla:** Cipla Medpro South Africa shareholders had approved a USD500mn buyout offer of Cipla. The deal will result in Cipla Medpro being delisted from the Johannesburg exchange in September 2013.
- Glenmark:** Has received approval from the US health regulator to sell generic versions of AstraZeneca's Zomig and Zomig ZMT tablets, a migraine drug, in the American market. The products garnered annual sales of USD176mn.
- United Bank:** Is planning to raise INR10bn capital and would soon seek the government's nod for the same. It would raise capital to fuel future business and investment in the foreign branches.
- Videocon:** Would launch high speed data LTE (Long Term Evolution) in 6 circles namely viz, Gujarat, Haryana, Madhya Pradesh, Chattisgarh, UP (East & West), Bihar & Jharkhand by the end of FY14.

Market Snapshot

Global Indices	Closing	% Chg	% YTD
Dow Jones	15,276	0.4	16.6
NASDAQ	3,472	0.3	15.0
FTSE	6,694	0.1	13.5
CAC	3,982	0.4	9.4
DAX	8,362	0.3	9.9
Russia	1,397	0.4	(8.5)
Bovespa	54,936	0.5	(9.9)
Nikkei	15,090	-	46.2
Hang Seng	23,050	0.0	1.7
Shanghai Composite	2,225	0.4	(2.0)

Indian Indices	Closing	% Chg	% YTD
Sensex	20,213	2.5	4.0
Nifty	6,147	2.5	4.1
MSCI India	444	2.2	3.2
CNX Midcap	8,094	2.1	(4.8)
BSE Smallcap	6,177	1.0	(16.3)

Flows (USDm)	Last	MTD
FII	84	1,649
Locals	-	(306)

Provisional flows	(USDm)
FIIs	301
Locals	(136)

Volumes	USDbn	% Chg
Cash (NSE + BSE)	2.8	43.3%
F&O (net)	34.0	38.9%

FII F&O	Stock Fut	Index Fut
Net (\$ mn)	(33)	59
Open Int (%)	3.0	4.9

ADR/GDR Gainers	Last	% Chg
SBI	86.1	3.7
Ranbaxy	8.5	3.2
ICICI Bank	47.9	2.5
Reliance	29.9	1.9
HDFC	43.0	1.4

ADR/GDR Losers	Last	% Chg
Infosys	42.5	(1.0)

Sectoral indices

	Closing	% Chg	% MTD	% YTD
BSE Auto	11,268	2.3	2.8	(1.4)
BSE Bank	14,963	3.9	4.2	4.3
BSE Cap Goods	10,040	3.0	3.3	(7.6)
BSE Cons dur	7,635	1.6	2.7	(1.1)
BSE FMCG	6,757	1.5	3.2	14.2
BSE IT	5,986	0.4	4.8	5.3
BSE Health	9,062	2.0	4.3	11.4
BSE Metal	8,770	1.9	1.4	(20.8)
BSE Oil	8,907	2.2	2.3	4.6
BSE Power	1,783	1.6	1.2	(10.4)
BSE PSU	6,959	2.4	1.4	(5.1)
BSE Realty	1,956	4.0	2.9	(7.3)
BSE TECK	3,627	0.6	4.4	5.8

Nifty Outperformers

	Price	% Chg	% MTD	% YTD
Punjab National Bank	822	7.4	7.1	(5.6)
Kotak Mahindra Bank Ltd	768	5.3	8.6	18.2
DLF Ltd	242	5.0	1.5	4.8
Indusind Bank Ltd	514	4.8	9.9	23.3
Reliance Infrastructure Ltd	408	4.8	8.7	(21.7)
Housing Development Finance	910	4.5	7.4	9.8
IDFC Ltd	158	4.5	3.3	(7.7)

Nifty Underperformers

	Price	% Chg	% MTD	% YTD
Power Grid Corp Of India Ltd	114	(0.5)	1.4	(0.9)
Cairn India Ltd	296	(0.2)	(5.2)	(7.3)
Ultratech Cement Ltd	1,974	(0.0)	3.8	(0.6)
Tata Power Co Ltd	94	-	(0.7)	(14.8)
HCL Technologies Ltd	746	0.1	3.3	20.5
Ambuja Cements Ltd	186	0.2	(0.1)	(7.2)
Hindustan Unilever Ltd	586	0.3	0.3	11.6

Bulk Deals

Date	Security Name	Client Name	Buy/Sell	Qty	Price
15-May-13	MT Educare	Prashant Janardan Agarwal	SELL	742,500	97.00
15-May-13	MT Educare	India Max Investment Fund Limited	BUY	742,500	97.00

Delivery Spike

Company	Volume	Spike (%)	Chg (%)
Cipla	1,121,214	515	3.12
PNB	850,653	337	7.40
Kotak Bank	700,995	329	5.25
PFC	1,820,989	327	3.02
Cairn	2,728,978	323	(0.24)
Union Bank	1,695,936	318	5.50
HDIL	5,092,023	263	4.53
Wipro	1,022,021	250	(0.43)
Bank of India	895,175	219	2.21
Bank of Baroda	999,403	218	3.37

Derivatives Update

Long Build Up

Company	Last	% Chg	% Chg OI	OI (in 000)
UCOBANK	82	9.3	34.5	17,132
GMRINFRA	23	7.2	9.7	54,320
KOTAKBANK	770	5.5	12.4	4,657
HDFC	915	4.6	11.7	9,135

Short Buildup

Company	Last	% Chg	% Chg OI	OI (in 000)
OFSS	2,529	(1.0)	0.1	453
CAIRN	297	(0.2)	10.8	12,429

Short Covering

Company	Last	% Chg	% Chg OI	OI (in 000)
IBREALEST	80	6.1	(7.0)	14,144
LICHSGFIN	259	5.0	(2.7)	11,021
TATAGLOBAL	147	3.9	(3.3)	13,226
JPASSOCIAT	76	3.5	(1.4)	55,364

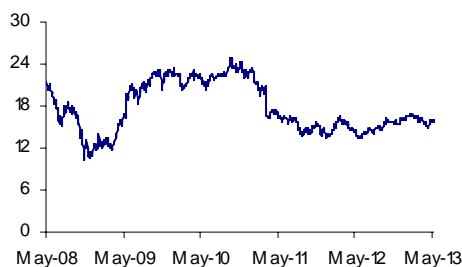
Profit Booking

Company	Last	% Chg	% Chg OI	OI (in 000)
IFCI	29	(0.8)	(5.1)	49,240

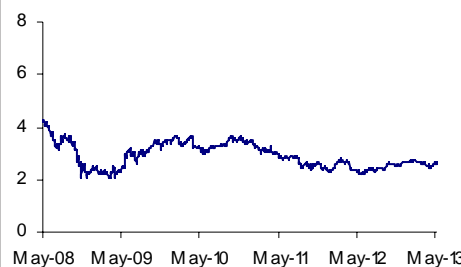
Nifty



Nifty P/E

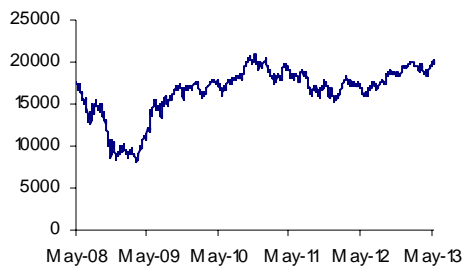


Nifty P/B

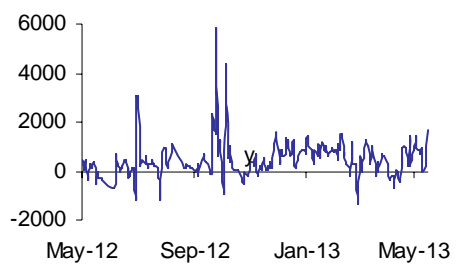


Source: Bloomberg

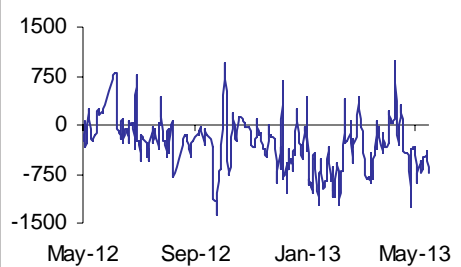
Sensex



FII Provisional Flows (INRcr)



DII Provisional Flows (INRcr)



Source: Bloomberg

Economy, Money & Banking

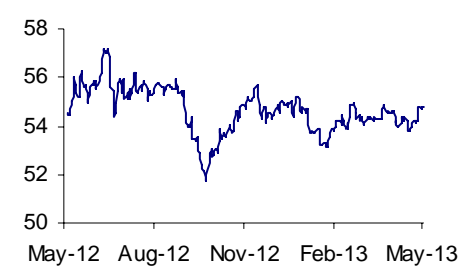
Forex Rate	Last	% Chg	% MTD	% YTD
INR~USD	54.8	0.1	(1.8)	0.4
INR~EUR	70.5	0.7	(0.2)	2.9
INR~GBP	83.3	0.5	(0.1)	6.7

Bond Market	Last	Chg (bps)	MTD (bps)	YTD (bps)
10 Year Bond	7.5	(2)	(27)	(59)
Interbank call	7.3	5	(95)	(170)

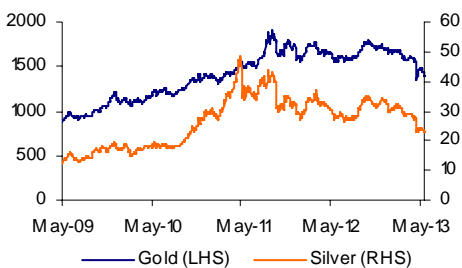
Commodities Update

Commodities	Last	% Chg	% MTD	% YTD
Gold (\$/Ounce)	1,392	(0.1)	(5.7)	(16.9)
Crude Oil (\$/Bbl)	94	(0.0)	0.9	0.8
Aluminium (\$/t)	1,807	(1.1)	(1.4)	(11.5)
Copper (\$/t)	7,170	(0.6)	2.1	(9.3)
Zinc (\$/t)	1,792	(1.2)	(2.3)	(12.6)
Lead (\$/t)	1,957	(0.4)	(2.5)	(15.5)
Nickel (\$/t)	14,829	(1.4)	(3.2)	(12.8)

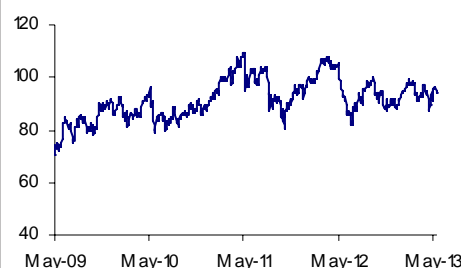
INR/USD



Gold and silver prices

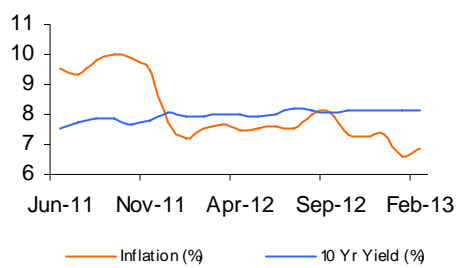


Crude prices

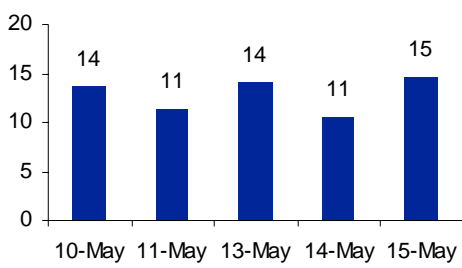


Source: Bloomberg

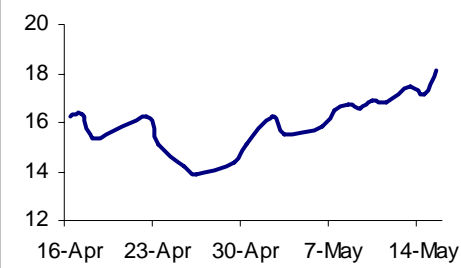
Inflation vs 10 year yield



Nifty premium/discount



NSE volatility index (%)



Source: Bloomberg

Current Reco	: BUY
Previous Reco	: BUY
CMP	: INR152
Target Price	: INR180
Potential Return	: 18%

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Market data

Sensex	:	20,213
Sector	:	Ports
Market Cap (INRbn)	:	275
Market Cap (USDbn)	:	5
O/S Shares	:	2,004
52-wk HI/LO (INR)	:	163/105
Avg Daily Vol ('000)	:	1,970
Bloomberg	:	ADSEZ IN

Source: Bloomberg

Valuation

	FY13	FY14e	FY15e
EPS (INR)	7.6	9.2	12.1
PE (x)	18.1	14.8	11.4
P/BV (x)	4.4	3.5	2.8
EV/EBITDA (x)	12.4	9.0	7.1
Dividend Yield (%)	0.7	0.7	1.0

Source: Bloomberg

Returns (%)

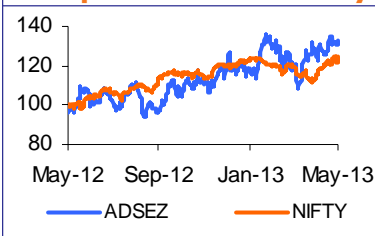
	1m	3m	6m	12m
Absolute	4	2	20	37
Relative	(5)	(2)	9	11

Source: Bloomberg

Shareholding pattern

Promoters	:	77%
FII	:	11%
DII	:	5%
Others	:	7%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg

4QFY13 RESULTS REVIEW

Adani Ports & SEZ Limited

Strong performance

- Standalone revenue increased by 42.6% YoY (QoQ increase of 2.6%) to INR9.15bn. The company reported SEZ revenue of INR1.3bn during the quarter as compared to revenue of INR487m in 3QFY12. The revenue was 2% higher than our estimates of INR8.95bn.
- Standalone EBITDA increased by 38% YoY from INR4.6bn in 4QFY12 to INR6.4bn in 4QFY13. EBITDA margins declined from 72.2% in 4QFY12 to 69.9% in 4QFY13 mainly due 69% YoY increase in other expenditure to INR467m. Operating expenses as percentage of sales increased from 20.1% in 3QFY12 to 22% in 4QFY13. The adjusting for SEZ income margins would have been ~65% in 4QFY13 compared to ~70% in 4QFY12.
- Depreciation cost increased by 26.7% YoY to INR972m. Net interest cost increased by 321% on YoY basis to INR1.25bn due to funding of capacity expansion.
- Adjusted net Profits increased by 17.3% YoY (QoQ marginal decline of 2.5%) to INR4bn translating into EPS of INR2, in line with our estimates of INR2.1. Profits are adjusted for INR700.1m extraordinary income from divestment of equity of subsidiaries in Australia. The company divested entire holding in Adani Abbot Point in Australia to promoter company Abbot point Port Holding Pte Ltd, Singapore for AUD235.7m.
- On consolidated basis, the company reported revenue growth of 16.15% YoY to INR10.3bn. The company has not consolidated Abbot Point numbers during the quarter so numbers are not comparable. EBITDA increased by 60.9% YoY to INR6.3bn with stable margins of 60.9%. Adjusted net profits increased by 60.6%YoY (QoQ decline of 8%) to INR3.49bn, translating into EPS of INR1.7. Reported net profit at INR7.1bn was significantly higher mainly due to profit on sale of Abbot Point of INR4.19bn.

Valuation and outlook

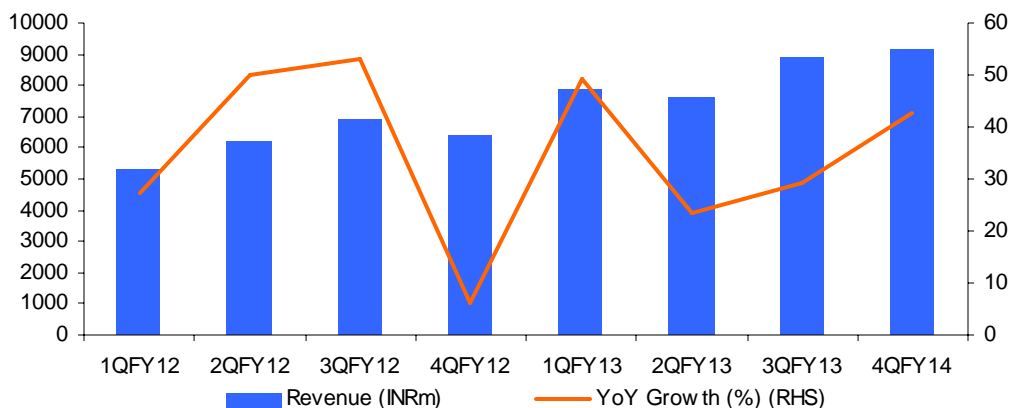
- At CMP of INR152, the stock is trading at 14.8x FY14e and 11.4x FY15e earnings and P/BV of 4.4x FY13e. We have revised our estimates considering Abbot Point sale for FY14 with 18% revenue decline to INR48.4bn. We have reduced EBITDA by 20% to INR32.5bn while maintained profit estimates at INR18.6bn. The sale consideration Abbot Point port was in line with our earlier valuation of INR5 per share. The company enjoys a unique combination of port and SEZ and operates one of the deepest draft ports in India with an advantageous location and high degree of scalability. We expect re-rating in valuation with de-leveraging of balance sheet and value company at 15x FY15e with target price of INR180 (previous INR165).

Quarterly financials - Standalone

INRm	4QFY13	4QFY12	Chg (%)	3QFY13	Chg (%)
Net sales	9,152	6,419	42.6	8,922	2.6
Expenses	2,751	1,782	54.4	2,267	21.4
Operating profit	6,401	4,637	38.0	6,655	(3.8)
OPM (%)	69.9	72.2		74.6	
Interest	1,254	297	321.5	1,582	(20.7)
Depreciation	972	767	26.7	915	6.3
Tax	587	205	185.8	375	56.5
PAT	4,047	3,450	17.3	4,135	(2.1)
Reported PAT	4,908	3,389	44.8	4,000	22.7
EPS (INR)	2.0	1.7	17.3	2.1	(2.1)

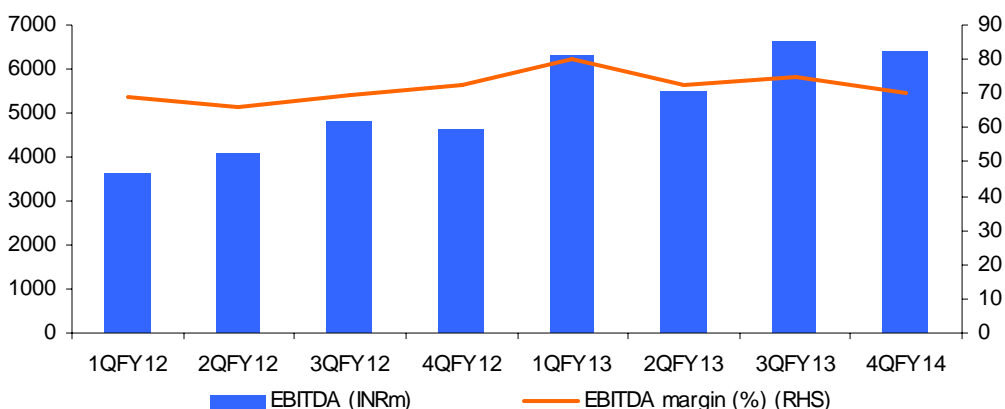
Source: Company, Antique

Revenue growth trend



Source: Company, Antique

EBITDA and EBITDA margin trend

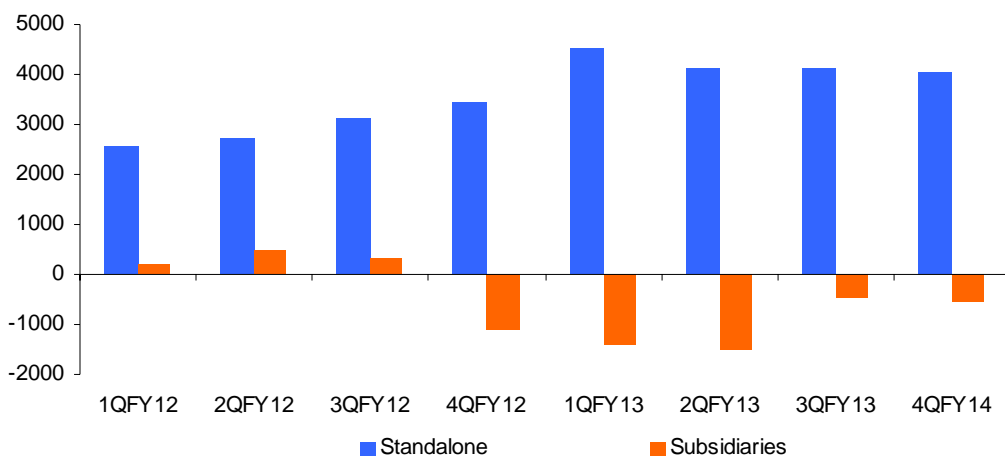


Source: Company, Antique

Transfer of Abbot Point to de-leverage balance sheet

APSEZ acquired Abbot Point X50 Coal Terminal (APCT) in Australia’s Queensland state with a AUD1.85 bn in May 2011 on international competitive bidding. The leveraged deal was concluded with marginal equity contribution of ~USD235 m and debt of ~USD1.8bn. Abbot point contributes to ~60% of consolidated debt and transfer of business would bring down the D/E ratio from 3x to 1x. The cash infusion and de-leveraging along with improvement in consolidated earnings would be positive for the company going ahead. The financial performance was recently impacted due to losses in subsidiary companies. We believe the deal would improve risk reward for the consolidated entity leading to re-rating of stock.

Quarterly profitability trend (INRm)



Source: Company, Antique

Consolidated Financials

On consolidated basis, the company reported revenue growth of 16.15% YoY to INR10.35bn. The company has not consolidated Abbot Point numbers during the quarter so numbers are not comparable. EBITDA increased by 60.9% YoY to INR6.3bn with stable margins of 60.9%. Adjusted net profits increased by 60.6%YoY (QoQ decline of 8%) to INR3.49bn, translating into EPS of INR1.7. Reported net profit at INR7.1bn was significantly higher mainly due to profit on sale of Abbot Point of INR4.19bn.

Quarterly financials - Consolidated

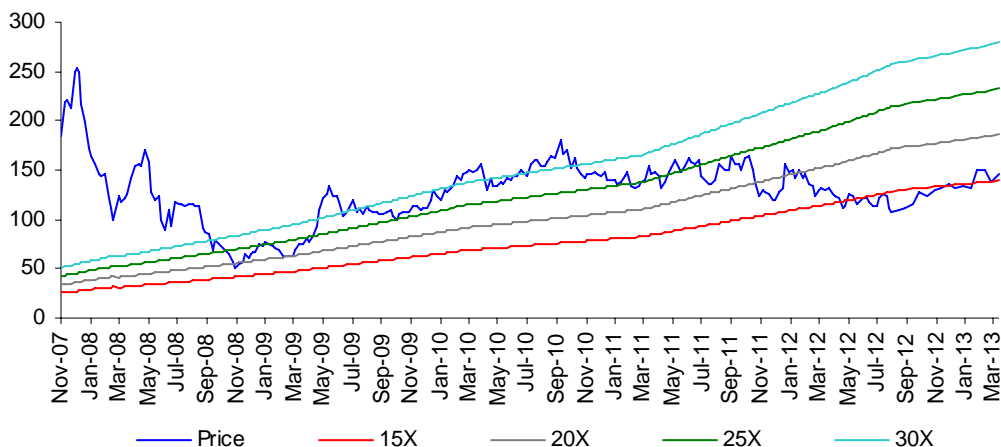
INRm	4QFY13	4QFY12	Chg (%)	3QFY13	Chg (%)
Net sales	10,355	8,916	16.1	13,499	(23.3)
Expenses	4,045	3,164	27.8	4,294	(5.8)
Operating profit	6,310	5,751	9.7	9,205	(31.4)
OPM (%)	60.9	64.5		68.2	
Interest	1,617	1,787	(9.5)	3,689	(56.2)
Depreciation	1,244	1,706	(27.0)	1,943	(35.9)
Tax	413	155	165.9	158	161.2
PAT	3,498	2,177	60.7	3,811	(8.2)
Reported PAT	7,103	2,395	196.6	3,611	96.7
EPS (INR)	1.7	1.1	60.7	1.9	(8.2)

Source: Company, Antique

Valuation and outlook

At CMP of INR152, the stock is trading at 14.8x FY14e and 11.4x FY15e earnings and P/BV of 4.4x FY13e. We have revised our estimates considering Abbot Point sale for FY14 with 18% revenue decline to INR48.4bn. We have reduced EBITDA by 20% to INR32.5bn while maintained profit estimates at INR18.6bn. The sale consideration Abbot Point port was in line with our earlier valuation of INR5 per share. The company enjoys a unique combination of port and SEZ and operates one of the deepest draft ports in India with an advantageous location and high degree of scalability. We expect re-rating in valuation with de-leveraging of balance sheet and value company at 15x FY15e with target price of INR180 (previous INR165).

One year forward PE Chart



Source: Company, Antique

Financials

Profit and loss account (INRm)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
Revenue	20,001	32,708	35,756	48,445	60,439
Expenses	7,007	12,056	11,932	15,881	19,143
EBIDTA	12,994	20,652	23,825	32,565	41,296
Depreciation & amortisation	2,388	4,631	4,220	4,980	5,840
EBIT	10,606	16,022	19,605	27,585	35,456
Interest expense	1,626	4,796	4,894	5,202	5,954
Other income	1,055	596	1,944	626	648
Profit before tax	10,036	11,822	16,655	23,008	30,150
Taxes incl deferred taxation	874	896	1,231	4,464	5,849
Profit after tax	9,162	11,020	15,268	18,629	24,324
Reported PAT	9,181	11,020	16,222	18,629	24,324
Recurring EPS (INR)	4.6	5.5	7.6	9.2	12.1

Note: no does not include non recurring items.

Balance sheet (INRm)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
Share Capital	4,007	4,007	4,035	4,035	4,035
Reserves & Surplus	37,631	44,117	59,969	76,297	97,020
Networth	41,638	48,123	64,004	80,332	101,055
Minority interest	803	709	1,423	1,339	1,316
Debt	30,807	170,702	112,492	107,269	97,810
Capital Employed	73,247	219,534	177,919	188,939	200,180
Gross Fixed Assets	74,216	189,285	145,122	152,786	163,791
Accumulated Depreciation	10,229	15,441	19,660	24,640	30,480
Net Assets	63,987	173,844	125,462	128,145	133,311
Capital work in progress	17,167	36,377	16,733	20,080	16,064
Goodwill on consolidation	404	11,125	404	404	404
Investments	666	697	2,216	2,881	3,745
Current Assets, Loans & Advances					
Inventory	423	691	980	1,185	1,434
Debtors	2,813	3,339	8,023	10,430	13,037
Cash & Bank balance	2,271	11,166	8,387	6,449	6,287
Loan & advances and others	7,921	22,630	48,192	56,870	69,348
Current Liabilities & Provisions					
Creditors	2,013	4,655	1,742	2,004	2,304
Other liabilities & provisions	16,924	20,503	25,449	29,064	33,201
Net Current Assets	(5,509)	12,669	38,390	43,866	54,601
Deffered tax assets/(liabilities)	(3,468)	(15,179)	(5,286)	(6,436)	(7,944)
Application of Funds	73,247	219,534	177,919	188,939	200,180

Per share data

Year ended 31 Mar	2011	2012	2013	2014e	2015e
No. of shares (m)	2003.4	2003.4	2017.4	2017.4	2017.4
BVPS (INR)	20.3	23.6	31.0	39.1	49.4
CEPS (INR)	5.8	8.2	9.7	12.3	15.7
DPS(INR)	0.9	0.9	1.0	1.0	1.5

Margins (%)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
EBIDTA	65.0	63.1	66.6	67.2	68.3
EBIT	11.9	14.2	11.8	10.3	9.7
PAT	45.9	33.7	42.7	38.5	40.2

Source: Company, Antique

Cash flow statement (INRm)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
EBT	8,981	11,225	14,711	22,382	29,503
Depreciation & amortisation	2,388	4,631	4,220	4,980	5,840
Interest expense	1,626	4,796	4,894	5,202	5,954
Interest / Dividend Recd	1,055	596	1,944	626	648
Other Adjustments	(941)	(1,983)	(423)	(2,815)	(1,433)
(Inc)/Dec in working capital	10,665	(8,686)	(23,706)	(4,499)	(9,464)
Tax paid	(874)	(145)	(1,231)	(3,313)	(4,342)
CF from operating activities	22,898	10,434	409	22,564	26,705
Capital expenditure	(15,859)	(134,278)	63,806	(11,011)	(6,989)
(Purchase) /Sale of Investments	1,553	(31)	(1,518)	(665)	(864)
Income from investments					
CF from investing activities	(14,306)	(134,310)	62,288	(11,675)	(7,853)
Inc/(Dec) in share capital	-	-	28	0	-
Inc/(Dec) in debt	(12,547)	139,895	(58,210)	(5,223)	(9,459)
Dividends & Interest paid	(3,771)	(7,125)	(7,295)	(7,603)	(9,555)
CF from financing activities	(16,318)	132,770	(65,477)	(12,826)	(19,014)
Net cash flow	(7,726)	8,895	(2,779)	(1,938)	(162)
Opening balance	9,997	2,271	11,166	8,387	6,449
Closing balance	2,271	11,166	8,387	6,449	6,287

Growth indicators (%)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
Revenue	33.7	63.5	9.3	35.5	24.8
EBIDTA	34.5	58.9	15.4	36.7	26.8
PAT	36.1	20.0	47.2	14.8	30.6
EPS	45.6	20.0	37.6	22.0	30.6

Valuation (x)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
P/E	29.9	24.9	18.1	14.8	11.4
P/BV	6.7	5.8	4.4	3.5	2.8
EV/EBIDTA	22.7	14.3	12.4	9.0	7.1
EV/Sales	15.3	13.6	10.8	7.9	6.2

Financial ratios

Year ended 31 Mar	2011	2012	2013	2014e	2015e
RoE (%)	18.3	22.1	23.0	23.9	24.1
Roce (%)	16.9	8.8	13.0	16.7	19.8
Debt/Equity (x)	0.7	3.6	1.8	1.3	1.0
EBIT/ Interest (x)	6.5	3.3	4.0	5.3	6.0

Source: Company Antique

Current Reco	: BUY
Previous Reco	: BUY
CMP	: INR1,400
Target Price	: INR1,600
Potential Return	: 14%

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4QFY13 RESULTS REVIEW

Bajaj Finance Limited

Going strong

Bajaj Finance reported strong performance in Q4FY13 with earnings growth at 51%, driven by strong asset growth and stable asset quality. Despite ~50% decline in disbursements to the commercial space (Infrastructure, CE and vendor finance), overall disbursement growth was strong at 21% YoY and driven by 67% growth in SME and 37% growth in consumer disbursements. Margins declined 120bps sequentially to 11% due the change in the asset mix. Asset quality remained stable with GNPA's at 1.1% and provisioning costs were contained at 27bps.

Given the diverse asset growth drivers, we expect growth to remain robust at 24% CAGR over FY13-15E. Consumer finance and SME loans are likely to make a larger contribution to growth over the next two years. While newer products may pressurize yields, declining cost of wholesale funds would arrest sharp margin compression. Asset quality will likely remain benign as prudent management policies and lower risk profile of new businesses lend stability. Earnings Cagr of 25% over FY13-15E will drive RoAs of 3.7% and RoE of 19%. We reiterate Buy on the stock and value the stock at Rs1,600/share.

SME drives strong AUM accretion, future opportunities large

Overall disbursements grew 21% YoY even as disbursements in the commercial space declined 45% YoY. The growth was largely driven by SME segment, which grew 66% YoY. Even as the infrastructure, construction equipment, 2-wheeler and select consumer durable business has moderated, growth opportunities will continue to emerge from new initiatives such a life style financing, salary home loans, gold financing, etc and drive AUM CAGR of 24% over FY13-15E.

Margin decline, operating leverage benefits accrues

Margins declined 120bps sequentially, led by seasonal decline in yields. Benefits from operating leverage continued to accrue, resulting in 41% YoY growth in operating profits. Going ahead, we expect the benefit from declining interest rates to be offset by declining yields on the relatively de-risked consumer & SME portfolio. Operating leverage benefits will ensure pre-provisioning profit CAGR of 26% over FY13-15E.

Asset quality stable, capital adequacy healthy

Although GNPA's increased 10bps sequentially to 1.1%, it was largely on account of a single account in the SME segment. Improvement was witnessed across all major businesses and credit costs were contained at 27bps for the quarter. Going ahead, we expect credit costs to be contained at 140bps and 120bps for FY14E and FY15E respectively given that the company has consciously focused on diversifying its asset base. Capital position remains strong with tier 1 ratio at ~19% (augmented after the recent rights issue).

Key financials

INRm	FY11	FY12	FY13	FY14E	FY15E
NII (Rs.mn)	9,128	12,501	17,191	21,812	26,919
Net income (Rs.mn0)	2,469	4,064	5,913	7,276	9,219
% growth	176.2	64.6	45.5	23.1	26.7
EPS	67.4	98.4	118.8	146.2	185.2
BVPS	370.8	492.1	676.4	801.5	962.1
RoA	3.8	3.8	3.8	3.7	3.8
RoE	18.2	20.0	17.6	18.2	19.2
P/B	3.8	2.8	2.1	1.7	1.5

Market data

Sensex	:	20,213
Sector	:	NBFC
Market Cap (INRbn)	:	70
Market Cap (USDbn)	:	1
O/S Shares	:	50
52-wk HI/LO (INR)	:	1450/787
Avg Daily Vol ('000)	:	41
Bloomberg	:	BAF IN

Source: Bloomberg

Valuation

	FY13	FY14e	FY15e
EPS (INR)	118.8	146.2	185.2
PE (x)	11.8	9.6	7.6
BPVS (INR)	676.4	801.5	962.1
P/B (x)	2.1	1.7	1.5

Source: Bloomberg

Returns (%)

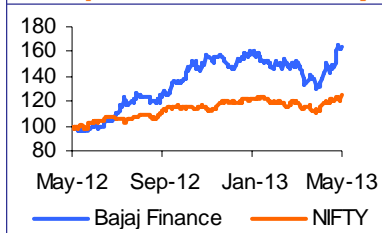
	1m	3m	6m	12m
Absolute	26	9	5	65
Relative	14	5	(4)	33

Source: Bloomberg

Shareholding pattern

Promoters	:	62%
FII	:	7%
DII	:	11%
Others	:	20%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg

Source: Company, Antique

Takeaways from management concall

1) On asset growth opportunities

- a. Stress in the commercial segment, especially the construction equipment has bottomed out and growth could gradually pick up.
- b. Within the commercial segment, vendor financing could grow by 20-25% given the small base and the large scope in the non-Bajaj eco-system.
- c. Test marketing of it rural business has begin in 13 districts of Maharashtra with gold loans and mobile asset financing (cars and UVs)
- d. Disbursements in the SME segment remain robust, given the strong growth in each of the working capital, LAP and LAS products and channel expansion.
- e. Salaried home loans constitute a small portion of SME book currently and will be migrated to consumer segment once it attains size. The company aims to securitize 70% of this home loan portfolio.

2) On asset quality

- a. Seeing some semblance of stabilization in the commercial vehicle segment.
- b. Have consciously kept away from financing low value mobile phones such as Samsung.
- c. Have witnessed benign asset quality trends across business divisions and credit costs for FY14 could be in the range of 120-130bps

Quarterly performance – Profit & Loss

(Rs.mn)	Q4FY13	Q4FY12	% YoY	Q3FY13	% QoQ
Interest Earned	7,803	5,739		7,917	
Interest Expended	3,265	2,340		3,209	
Net Interest Income	4,538	3,399	33.5	4,708	(3.6)
Other Income	632	495		366	
Total Net Income	5,170	3,893	32.8	5,074	1.9
Staff Expenses	650	489		634	
Other operating expenses	1,686	1,389		1,561	
Operating Profit	2,834	2,016	40.6	2,879	(1.6)
Provision & Contingencies	450	403		513	
Provision for tax	746	530		765	
Reported Profit	1,638	1,083	51.3	1,601	2.3

Source: Company, Antique

Quarterly performance – Balance sheet & key ratios

	Q4FY13	Q4FY12	% YoY	Q3FY13	% QoQ
Yields & Margins - Calculated					
Yield on Assets (%)	18.9	19.7		20.4	
Net interest margin (%)	10.99	11.65		12.15	
Asset quality					
Gross NPAs (%)	1.10	1.16		1.00	
Net NPAs (%)	0.19	0.12		0.20	
Provisioning coverage (%)	82.7	89.7		80.0	
Balance sheet (Rs. mn)					
Loans Outstanding	167,436	122,830	36.3	162,830	2.8
Disbursements	51,060	42,080	21.3	52,000	(1.8)
AUM	175,170	131,070	33.6	168,440	4.0

Source: Company, Antique

Financials

Profit and loss account (INRm)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
Interest Earned	12,838	19,963	29,248	37,108	45,039
Interest Expended	3,710	7,462	12,057	15,296	18,120
Net Interest Income	9,128	12,501	17,191	21,812	26,919
Other income	1,223	1,757	1,866	2,146	2,468
Total income	10,351	14,257	19,057	23,958	29,387
Operating Expenses	4,607	6,691	8,523	10,542	12,695
Operating Profit	5,745	7,566	10,534	13,417	16,692
Total Provision and Contingencies	2,046	1,544	1,818	2,637	3,034
Profit Before Tax (PBT)	3,702	6,022	8,716	10,779	13,658
Taxes	1,232	1,958	2,803	3,503	4,439
Profit After Tax	2,469	4,064	5,913	7,276	9,219
Reported PAT	2,469	4,064	5,913	7,276	9,219

Balance sheet (INRm)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
Equity Capital	366	413	498	498	498
Reserves & surplus	11,159	13,215	19,921	33,173	39,400
Networth	13,581	20,334	33,670	39,898	47,894
Total Loan Funds	67,086	102,264	140,857	174,518	215,165
Total liabilities	85,181	129,267	178,212	218,994	268,757
Loans Outstanding	72,701	122,831	167,436	209,296	257,433
Investments	4,453	55	53	63	76
Cash & Bank Balance	4,320	598	4,164	2,093	2,574
Fixed Assets	1,026	1,388	1,762	2,026	2,330
Deferred Tax Asset	649	692	904	1,039	1,195
Total assets	85,181	129,267	178,212	218,994	268,757

Per share data

Year ended 31 Mar	2011	2012	2013	2014e	2015e
No. of shares	36.6	41.3	49.8	49.8	49.8
BVPS	370.8	492.1	676.4	801.5	962.1
EPS	67.4	98.4	118.8	146.2	185.2
DPS	6	10	12	15	18

Margins (%)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
Yield on advances	22.7	20.4	20.2	19.7	19.3
Cost of borrowings	7.5	8.8	9.9	9.7	9.3
NIMs	15.5	12.5	11.7	11.4	11.4

Source: Company, Antique

Growth indicators (%)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
Net interest income	50.2	36.9	37.5	26.9	23.4
Operating profit	45.3	31.7	39.2	27.4	24.4
Net profit	176.2	64.6	45.5	23.1	26.7
Loans	80.3	69.0	36.3	25.0	23.0

Valuation (x)

Year ended 31 Mar	2011	2012	2013	2014e	2015e
P/E	20.8	14.2	11.8	9.6	7.6
P/BV	3.8	2.8	2.1	1.7	1.5

Opex analysis

Year ended 31 Mar	2011	2012	2013	2014e	2015e
Operating cost / income	44.5	46.9	44.7	44.0	43.2
Operating cost / Assets	8.2	6.8	5.9	5.6	5.4

Financial ratios

Year ended 31 Mar	2011	2012	2013	2014e	2015e
RoA	3.8	3.8	3.8	3.7	3.8
RoE	18.2	20.0	17.6	18.2	19.2

Source: Company Antique

Current Reco	: BUY
Previous Reco	: BUY
CMP	: INR124
Target Price	: INR175
Potential Return	: 41%

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Market data	
Sensex	: 20,213
Sector	: Infrastructure
Market Cap (INRbn)	: 41
Market Cap (USDm)	: 753
O/S Shares	: 332
52-wk HI/LO (INR)	: 161/104
Avg Daily Vol ('000)	: 822
Bloomberg	: IRB IN

Source: Bloomberg

	FY13e	FY14e	FY15e
EPS (INR)	17.0	13.3	15.6
PE (x)	7.3	9.3	8.0
P/BV (x)	1.2	1.1	1.0
EV/EBITDA (x)	6.8	6.4	6.3
Dividend Yield (%)	1.2	1.2	1.2

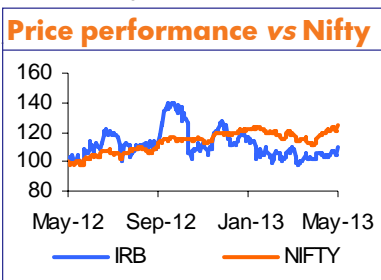
Source: Bloomberg

Returns (%)				
	1m	3m	6m	12m
Absolute	8	12	(3)	10
Relative	(2)	8	(12)	(11)

Source: Bloomberg

Shareholding pattern	
Promoters	: 63%
FII	: 22%
DII	: 4%
Others	: 11%

Source: Bloomberg



Source: Bloomberg

4QFY13 RESULTS REVIEW

IRB Infrastructure Developers Limited

Healthy commissioning pipeline to fuel growth

IRB Infrastructure Developers Ltd. (IRB) reported a steady performance during the quarter. While revenues at INR9.5bn was below our estimated INR9.7bn, EBIDTA was 3% higher than our estimates at ~INR4.2bn on account of healthy margins of construction segment. Lower than expected capital charges and lower tax rate led to net profits beat our estimates by 20% at INR1.5bn.

Revenue growth led by steady performance of construction and BOT segments

IRB reported a revenue growth of 11% YoY to INR9.5bn in 4QFY13, which was largely led by 10% and 13% rise in revenues of construction and BOT segment. Revenues from BOT segment (including other income) stood at INR2.9bn, a YoY and QoQ growth of 12.8% and 3.2% respectively. Adjusted for contribution from MVR and Ahmedabad Vadodara projects, gross BOT revenues rose by 8.6% to INR3.5bn.

Healthy margin trend continues

EBIDTA margins contracted marginally by 50bps YoY to 44.6% (flat on QoQ), and accordingly, EBIDTA rose by 10% to ~INR4.2bn. Margins (incl other income) of construction segment contracted by 20bps to 29.8% (margins of 27.8% excl other income) whereas margins in BOT contracted by 350bps to 84.8%. Net profits rose by 26% to INR1.5bn (our estimate of INR1.26bn) on account of lower capital charges and lower tax rate at 17.9% against our estimate of 27.3%.

Healthy order book provides visibility to construction revenues

As on March 2013, IRB has an order-book of ~INR84.3bn executable over the next 10 quarters and the same comprises of INR41.3bn worth of EPC contracts on ongoing BOT projects, INR23bn on BOT projects where construction is yet to commence and ~INR20bn on projects in O&M phase. High order-book coverage (~3.1x TTM construction revenues) provides enough visibility for the next 2 years.

Valuation and outlook

At the CMP of INR124, the stock trades at a PE and EV/EBIDTA of 9.2x and 6.4x discounting its FY15e numbers. Given the size, scale and ability to bid for large projects, IRB is well-placed to capitalise on the potential order awarding by NHAI going forward. We maintain our BUY recommendation and an SOTP based target price of INR175. While we have valued MRM at 5x FY14e EPS, we have valued the road SPVs on DCF basis.

Key financials (consolidated)

INRm	4QFY13	4QFY12	YoY (%)	3QFY13	QoQ (%)
Net sales	9,483	8,509	11.4	9,139	3.8
- Raw materials	466	419	11.1	368	26.6
(% of net sales)	4.9	4.9	(0.0)	4.0	0.9
- Power & fuel	3,250	1,980	64.1	3,209	1.3
(% of net sales)	34.3	23.3	11.0	35.1	(0.8)
- Freight, Handling & Others	1,160	1,950	(40.5)	1,135	2.3
(% of net sales)	12.2	22.9	(10.7)	12.4	(0.2)
- Other expenses	379	320	18.3	348	8.9
(% of net sales)	4.0	3.8	0.2	3.8	0.2
EBIDTA	4,228	3,839	10.1	4,079	3.6
EBIDTA margins (%)	44.6	45.1	(0.5)	44.6	(0.1)
PAT	1,511	1,204	25.6	1,427	5.9
EPS (INR)	4.5	3.6	25.6	4.3	5.9

Source: Company, Antique;

Other key highlights

- The project wise break-up of construction revenues for the quarter is as follows: INR260m from Talegaon - Amravati, INR760m from Jaipur - Deoli, INR1.65bn from Amritsar - Pathankot, INR1.63bn from Tumkur - Chitradurga, INR2.4bn from Ahmedabad Vadodara and balance from ancillary projects.
- Traffic growth on Surat - Dahisar and Bharuch - Surat has recovered and stood at ~4% and ~10% respectively during the quarter. The growth was aided by completion of 4 of the 5 flyovers on the Thane Ghodbunder adjoining road.
- IRB commenced tolling on the Ahmedabad - Vadodara expressway and generated gross revenues of INR291m during the quarter. Adjusted for the premium, net revenues stood at INR5m. It expects revenues of ~INR1.3bn from tolling on the expressway in FY14e.
- As on March 2013, IRB has a gross debt of INR87.7bn and a cash balance of INR14.7bn, translating into a net debt of ~INR73bn and a net D:E of 2.24x against 2.09x as on December 2012. The company has a pending equity commitment of ~INR17bn over the next 3 years for the projects under construction and is confident of meeting the same from internal accruals. For FY14e, equity commitment stands at ~INR2.5-3bn.
- On the execution for projects under construction, Jaipur - Deoli is 95% complete, Talegaon - Amravati is 95% complete, Amritsar - Pathankot is 80% complete and Tumkur - Chitradurga is 75% complete. IRB has already received provisional CoD for Talegaon Amravati and has also commenced tolling on the project. It has approached NHAI for the provisional CoD on Jaipur Deoli and expects tolling to commence by end of 1QFY14e. IRB targets to complete Amritsar - Pathankot by June 2013.
- IRB has a total BOT road portfolio of 18 projects, of which 13 are operational. Of the 4 projects under implementation, all projects except Ahmedabad - Vadodara are expected to commission by FY14e while the Ahmedabad - Vadodara (NH-8 section) will commission in FY16e. This should significantly improve the cash flows of the company.
- IRB has declared an interim dividend of INR1/share, its fourth dividend payment in FY13, taking the total dividend to INR4/share. It plans a dividend payout of 20% of the consolidated net profits.

Valuations and outlook

- At the CMP of INR124, the stock trades at a PE and EV/EBIDTA of 9.2x and 6.4x discounting its FY15e numbers.
- Given the size, scale and ability to bid for large projects, IRB is well-placed to capitalise on the potential order awarding by NHAI going forward. We maintain our BUY recommendation and an SOTP based target price of INR175. While we have valued MRM at 5x FY14e EPS, we have valued the road SPVs on DCF basis.

SOTP Valuation

	Valuation method	INR/share
EPC	(5x FY14e EPS)	51
BOT	DCF	119
Real Estate	BV	4
Airport	BV	1
Target price		175

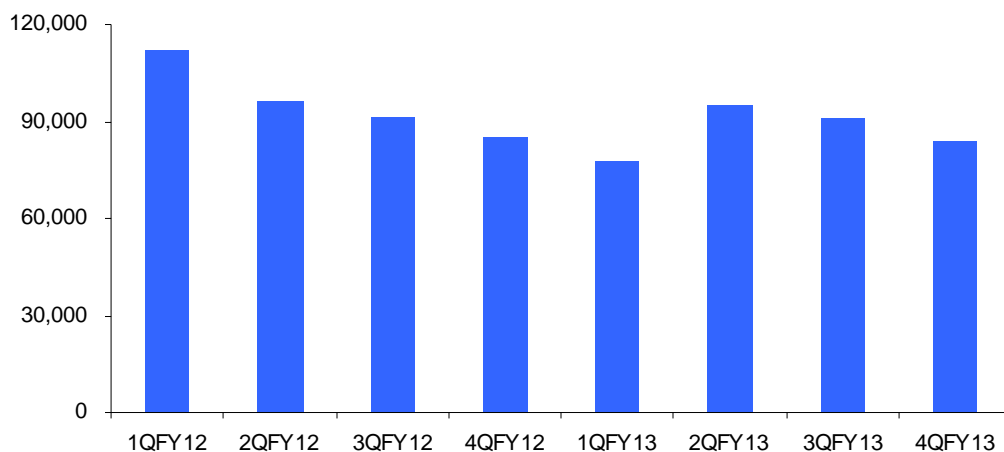
Source: Antique

SPV valuation

SPV	Stake (%)	NPV (INRm)	Value of IRB's stake (INRm)	Per share value (INR)
Mumbai-Pune	100%	12,845	12,845	39
Surat-Dahisar	90%	1,331	1,198	4
Kolhapur	100%	1,296	1,296	4
Thane Bhiwandi bypass	100%	2,825	2,825	8
Bharuch Surat	100%	526	526	2
Mohol-Mandrup	100%	350	350	1
Thane - Ghodbunder	100%	661	661	2
Tumkur - Chitradurga	100%	1,599	1,599	5
Pune-Nashik	100%	1,667	1,667	5
Pune-Sholapur	100%	753	753	2
NKT	100%	547	547	2
Kharpada bridge	100%	212	212	1
Jaipur - Tonk - Deoli BOT	100%	8,077	8,077	24
Talegaon Amravati	100%	2,172	2,172	7
Amritsar Pathankot	100%	1,942	1,942	6
Ahmedabad Vadodara	100%	2,975	2,975	9
Total value of BOT				119

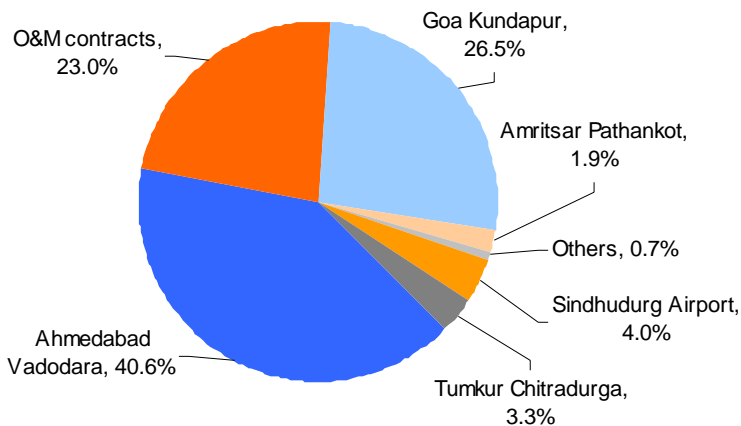
Source: Antique

Quarterly trend in order book (INRm)



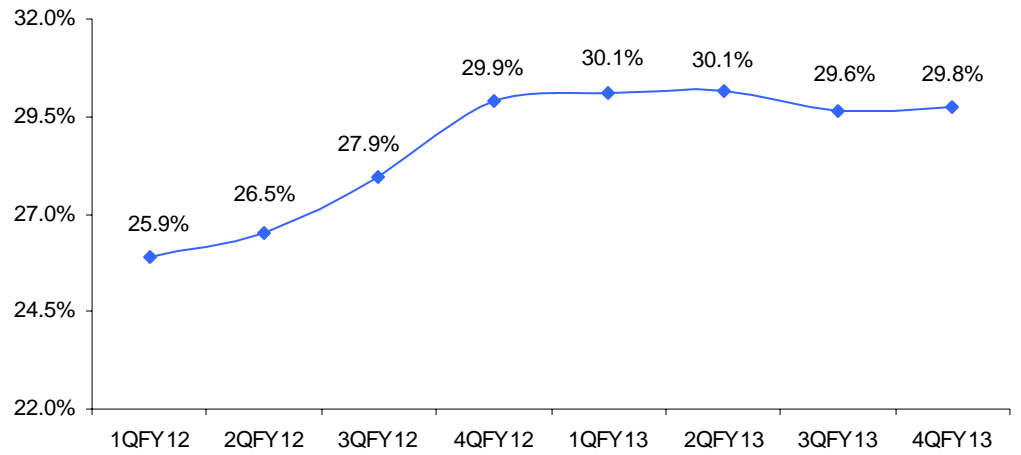
Source: Company, Antique

Order book break up (%)



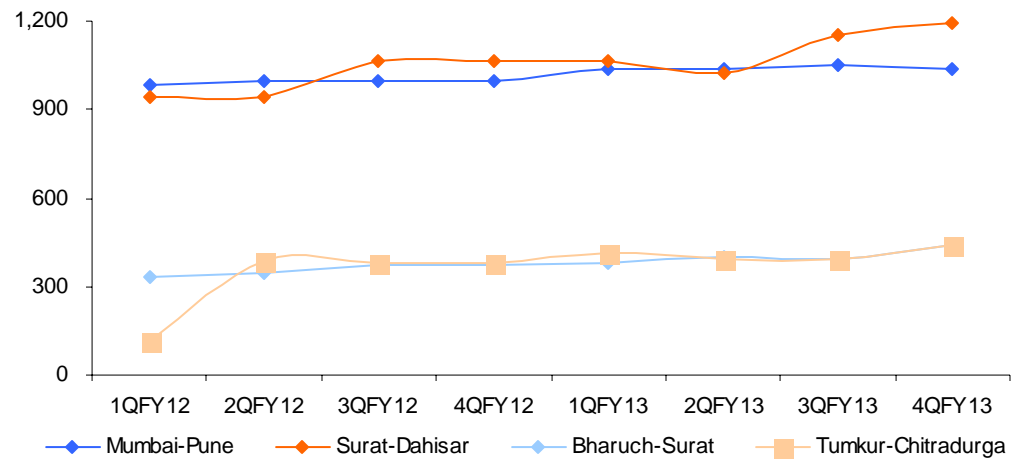
Source: Company, Antique

Quarterly trend in EBITDA margins of EPC (%)



Source: Company, Antique

Quarterly trend in gross toll revenues of key projects (INRm)



Source: Company, Antique

Financials

Profit and loss account (INRm)

Year ended 31 Mar	2011	2012	2013e	2014e	2015e
Revenues	24,381	31,330	38,146	42,485	47,618
Expenses	13,499	17,637	21,610	23,666	26,826
Operating Profit	10,883	13,694	16,536	18,819	20,792
Other income	645	1,252	1,063	1,329	745
EBIDT	11,527	14,946	17,599	20,149	21,537
Depreciation	2,254	2,970	3,970	5,090	5,807
Interest expense	3,515	5,464	6,652	9,073	8,823
Profit before tax	5,758	6,512	6,977	5,986	6,908
Taxes incl deferred taxation	1,117	1,552	1,397	1,621	1,777
Profit after tax before MI & EO Items	4,641	4,960	5,580	4,365	5,131
Minority Interest	117	0	(59)	(50)	(38)
Profit after tax	4,524	4,960	5,639	4,415	5,169
Diluted EPS (INR)	13.6	14.9	17.0	13.3	15.6

Balance sheet (INRm)

Year ended 31 Mar	2011	2012	2013e	2014e	2015e
Share Capital	3,324	3,324	3,324	3,324	3,324
Reserves & Surplus	21,002	25,243	30,299	34,130	38,716
Networth	24,326	28,566	33,622	37,454	42,039
Debt	44,668	68,367	77,791	89,897	100,747
Minority Interest	896	1,123	1,064	1,014	976
Deferred Tax Liability	232	259	154	94	25
Capital Employed	70,122	98,315	112,631	128,459	143,787
Gross Fixed Assets & CWIP	66,391	90,641	118,359	136,179	155,999
Accumulated Depreciation	7,695	10,647	14,617	19,706	25,513
Net Assets	58,696	79,995	103,742	116,472	130,486
Investments	551	139	139	139	139
Current Assets, Loans & Advances					
Inventory	1,638	1,624	2,368	2,594	2,940
Debtors	397	141	627	698	783
Cash & Bank balance	12,000	18,208	7,339	10,221	11,639
Loans & advances and others	6,517	8,474	9,321	10,253	11,279
Current Liabilities & Provisions					
Creditors	8,313	10,017	10,657	11,671	13,229
Other liabilities & provisions	1,362	248	248	248	248
Net Current Assets	10,876	18,181	8,750	11,847	13,162
Misc. Expenses	-	-	-	-	-
Application of Funds	70,122	98,315	112,631	128,459	143,787

Per share data

Year ended 31 Mar	2011	2012	2013e	2014e	2015e
No. of shares (m)	332	332	332	332	332
BVPS (INR)	73.2	85.9	101.2	112.7	126.5
CEPS (INR)	20.4	23.9	28.9	28.6	33.0
DPS (INR)	1.5	1.5	1.5	1.5	1.5

Source: Company, Antique Note: FY13e numbers not adjusted for actuals

Cash flow statement (INRm)

Year ended 31 Mar	2011	2012	2013e	2014e	2015e
PBT	5,758	6,512	6,977	5,986	6,908
Depreciation & amortisation	2,254	2,970	3,970	5,090	5,807
Interest expense	3,040	5,144	6,652	9,073	8,823
Interest / Dividend Recd	(618)	(1,194)	(1,063)	(1,329)	(745)
Other Adjustments	496	37	-	-	-
(Inc)/Dec in working capital	1,314	(779)	(1,438)	(215)	103
Tax paid	(1,463)	(1,587)	(1,502)	(1,681)	(1,846)
CF from operating activities	10,781	11,103	13,597	16,924	19,049
Capital expenditure	(17,719)	(24,094)	(27,717)	(17,820)	(19,820)
Net Investments	(6,403)	(3,802)	-	-	-
Income from investments	394	1,167	1,063	1,329	745
CF from investing activities	(23,728)	(26,729)	(26,654)	(16,491)	(19,075)
Inc/(Dec) in debt	17,086	24,450	9,424	12,106	10,850
Dividends & Interest paid	(3,675)	(6,872)	(7,236)	(9,656)	(9,406)
CF from financing activities	13,411	17,579	2,188	2,449	1,444
Net cash flow	464	1,953	(10,869)	2,882	1,418
Opening balance	5,102	12,000	18,208	7,339	10,221
Closing balance	5,566	13,952	7,338	10,221	11,639

Growth indicators (%)

Year ended 31 Mar	2011	2012	2013e	2014e	2015e
Revenue	43.0	28.5	21.8	11.4	12.1
EBITDA	36.2	25.8	20.8	13.8	10.5
PAT	17.4	9.6	13.7	(21.7)	17.1
EPS	17.4	9.6	13.7	(21.7)	17.1

Valuation (x)

Year ended 31 Mar	2011	2012	2013e	2014e	2015e
PE	9.1	8.3	7.3	9.3	8.0
P/BV	1.7	1.4	1.2	1.1	1.0
EV/EBITDA	6.8	6.7	6.8	6.4	6.3
EV/Sales	3.0	2.9	2.9	2.8	2.7
Dividend Yield (%)	1.2	1.2	1.2	1.2	1.2

Financial ratios

Year ended 31 Mar	2011	2012	2013e	2014e	2015e
RoE (%)	18.6	17.4	16.8	11.8	12.3
RoCE (%)	20.6	16.2	13.5	12.7	11.8
Debt/Equity (x)	1.8	2.4	2.3	2.4	2.4
EBIT/Interest (x)	2.6	2.2	2.0	1.7	1.8

Margins (%)

Year ended 31 Mar	2011	2012	2013e	2014e	2015e
EBITDA	44.6	43.7	43.4	44.3	43.7
EBIT	38.0	38.2	35.7	35.4	33.0
PAT	18.6	15.8	14.8	10.4	10.9

Source: Company, Antique Note: FY13e numbers not adjusted for actuals

Valuation Guide

Company	Reco	CMP	TP	Return	M.Cap	Net profit (INRbn)		EPS (INR)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yld (%)	RoE (%)	RoCE (%)	Absolute (%)	
		(INR)	(INR)	(%)	(INRbn)	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY13	FY13	FY13	1m	12m
AUTOMOBILES																			
Ashok Leyland	HOLD	23	26	16	60	1.4	2.6	0.5	1.0	41.5	22.7	11.8	9.8	1.3	2.7	3.2	7.1	2	(13)
Bajaj Auto	HOLD	1,822	2,065	13	527	31.2	38.9	107.9	134.4	16.9	13.6	13.4	10.6	7.2	3.0	42.8	59.5	6	13
Bosch	HOLD	9,001	9,422	5	283	9.9	9.3	316.5	376.9	28.4	23.9	22.4	23.2	5.1	0.5	17.8	25.6	4	0
Eicher Motors	HOLD	3,401	2,817	(17)	92	3.2	4.1	120.1	153.6	28.3	22.1	15.3	12.4	5.2	0.6	18.5	31.1	24	69
Exide Industries	HOLD	139	145	4	118	5.2	7.0	6.2	8.3	22.5	16.8	14.9	11.1	3.4	1.2	15.3	17.9	14	18
Escorts	HOLD	64	64	1	8	0.9	1.3	9.2	12.7	6.9	5.0	3.3	2.4	0.3	1.8	5.0	7.0	17	(5)
Hero MotoCorp	HOLD	1,704	1,858	9	340	21.2	23.7	106.1	118.8	16.1	14.3	14.8	11.9	6.8	3.5	42.3	63.8	18	(10)
Mahindra & Mahindra	HOLD	984	910	(8)	604	34.7	36.0	52.9	54.8	18.6	18.0	12.2	11.8	4.4	1.5	23.8	28.7	21	50
Maruti Suzuki	BUY	1,739	2,214	27	525	23.9	38.0	79.2	125.7	22.0	13.8	12.6	8.4	2.8	0.5	12.9	17.9	22	43
Tata Motors	BUY	309	353	14	905	90.0	131.5	28.2	41.2	10.9	7.5	4.9	3.9	2.4	1.3	21.5	25.3	15	6
CEMENT																			
ACC	HOLD	1,230	1,191	(3)	231	10.6	12.9	74.3	68.9	16.5	17.9	11.4	11.9	3.1	2.8	19.2	23.5	8	5
Ambuja Cements	HOLD	186	183	(2)	288	13.0	14.6	10.2	9.5	18.2	19.7	9.4	9.8	3.3	2.0	15.4	21.6	6	28
Shree Cements	BUY	4,703	5,195	10	164	8.0	9.1	230.4	262.5	20.4	17.9	10.4	8.8	4.7	0.3	25.8	32.3	16	77
Ultratech Cements	BUY	1,974	2,098	6	541	30.1	34.4	110.0	125.5	17.9	15.7	11.5	9.9	3.5	0.5	21.2	21.7	5	41
FMCG & RETAIL																			
Asian Paints	HOLD	4,824	4,264	(12)	463	12.1	15.3	122.7	154.5	39.3	31.2	25.5	19.8	16.2	1.1	41.2	48.8	4	28
Colgate Palmolive India	HOLD	1,549	1,304	(16)	211	5.1	6.1	37.1	45.0	41.7	34.4	35.2	28.3	41.9	1.8	100.4	107.9	15	26
Dabur India	HOLD	161	145	(10)	281	7.6	9.3	4.4	5.3	36.9	30.3	28.2	22.2	13.0	1.0	35.2	27.2	17	53
Radico Khaitan	BUY	128	169	32	17	0.9	1.1	6.7	8.7	19.2	14.8	11.2	9.4	2.2	0.7	11.5	11.1	3	3
Godrej Consumer Products	SELL	868	737	(15)	296	8.0	8.7	20.5	25.6	42.4	33.9	30.5	23.1	8.9	1.1	21.1	17.0	12	67
Hindustan Unilever	SELL	586	484	(17)	1,266	33.1	36.6	15.3	16.9	38.2	34.6	36.7	33.2	47.3	1.5	123.9	118.3	23	37
ITC	BUY	342	334	(2)	2,706	73.9	87.2	9.5	11.1	36.2	30.7	25.8	21.5	12.7	1.7	35.1	44.7	14	48
Jyothy Laboratories	HOLD	178	159	(11)	29	0.9	1.1	5.6	6.7	32.0	26.6	22.9	19.7	4.1	1.2	12.7	8.8	6	84
Marico	HOLD	218	209	(4)	140	4.1	5.0	6.3	7.7	34.6	28.2	23.1	18.9	7.0	0.3	20.3	19.8	2	26
Nestle India	HOLD	4,939	4,972	1	476	10.5	12.2	110.8	127.0	44.6	38.9	26.5	23.4	26.5	0.9	59.4	54.4	8	7
Future Retail	BUY	154	246	59	35	0.5	1.1	2.3	4.9	67.6	31.4	7.7	6.4	1.1	1.6	1.6	7.3	4	5
Titan Industries	HOLD	285	289	1	253	7.3	8.4	8.2	9.5	34.9	29.9	24.3	20.4	12.9	0.8	36.9	47.8	19	17
TBZ	BUY	218	293	35	15	0.9	1.3	12.9	19.8	16.8	11.0	8.4	4.9	3.3	-	19.9	30.8	2	96
United Spirits	BUY	2,305	2,428	5	301	3.4	7.8	28.1	53.7	81.9	42.9	23.4	18.5	3.4	0.1	4.2	9.7	15	246
Tata Global	BUY	147	134	(9)	91	5.1	6.4	8.3	8.3	17.8	17.8	8.8	6.8	1.9	1.7	10.5	12.8	11	40
Tilaknagar Industries	BUY	69	101	46	8	0.6	0.7	4.6	5.6	15.0	12.4	8.8	7.6	1.6	1.6	10.6	10.6	8	24
INDUSTRIALS																			
ABB	SELL	521	519	(0)	110	1.4	3.7	6.5	17.3	80.3	30.1	43.8	17.9	4.2	0.1	5.2	5.6	10	(26)
Bajaj Electricals	HOLD	175	191	9	17	1.4	1.6	14.2	16.3	12.3	10.7	6.2	5.5	2.2	1.7	18.8	33.7	5	(19)
BGR	HOLD	198	251	27	14	1.7	1.9	23.6	26.7	8.4	7.4	5.1	5.7	1.2	5.1	14.6	12.3	8	(31)
Bharat Heavy Electricals	HOLD	191	180	(6)	468	64.9	49.5	26.5	20.2	7.2	9.5	4.1	5.6	1.6	3.9	21.8	29.9	7	(12)
Crompton Greaves Ltd.	BUY	97	156	62	62	(0.5)	6.3	2.9	10.0	33.2	9.7	13.5	7.0	2.0	1.6	5.9	7.2	9	(14)
Cummins India	BUY	503	588	17	140	7.0	7.6	25.3	27.5	19.9	18.3	16.3	15.1	5.8	2.6	34.3	40.1	5	13
Havells India	BUY	682	690	1	85	4.0	5.1	31.9	41.2	21.4	16.5	12.2	9.9	6.7	0.9	35.8	32.5	9	28
Larsen & Toubro	BUY	1,581	1,825	15	973	52.2	59.2	84.9	96.3	18.6	16.4	15.3	13.2	3.4	1.2	16.7	15.0	14	29
Siemens	HOLD	563	512	(9)	200	4.7	7.2	13.4	20.5	42.2	27.5	21.5	14.6	4.7	1.1	11.2	16.9	18	(22)
KEC	HOLD	47	51	10	12	1.3	2.1	4.9	8.3	9.6	5.6	5.2	4.3	1.0	2.6	10.4	14.2	(8)	(10)
Voltas	HOLD	89	105	19	29	1.7	3.0	5.3	9.2	16.8	9.7	14.4	7.3	1.9	2.3	11.2	9.3	10	(20)

UR: Under Review

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Valuation Guide

Company	Reco	CMP (INR)	TP (INR)	Return (%)	M.Cap (INRbn)	Net profit (INRbn)		EPS (INR)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yld (%)	RoE (%)	RoCE (%)	Absolute (%)	
						FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14					FY13	FY14
INFRASTRUCTURE																			
Adani Port and SEZ	BUY	152	180	18	306	15.2	18.6	7.6	9.2	18.1	14.8	15.4	36.7	4.4	0.7	23.0	13.0	5	33
Spice Jet	BUY	39	60	54	19	0.6	2.1	1.2	4.1	33.1	9.6	3.6	2.8	-	-	-	-	33	33
IRB INFRASTRUCTURE	BUY	124	175	41	41	5.6	4.4	17.0	13.3	7.3	9.3	6.8	6.4	1.2	1.2	16.8	13.5	8	10
IL&FS Transportation Networks	BUY	178	221	24	35	5.3	5.3	27.0	27.4	6.6	6.5	8.7	8.0	1.1	2.2	16.4	10.4	(1)	11
INFORMATION TECHNOLOGY																			
HCL Technologies	HOLD	746	785	5	519	38.7	42.6	55.4	60.8	13.5	12.3	9.2	8.3	3.9	1.2	32.4	26.8	(3)	52
Hexaware Technologies	HOLD	81	90	11	24	2.9	3.1	9.8	10.4	7.8	7.8	7.9	7.7	1.9	6.0	24.1	21.9	(10)	(33)
Infosys Ltd.	HOLD	2,360	2,460	4	1,355	94.3	94.4	164.8	164.9	14.3	14.3	9.8	9.0	3.4	1.8	27.4	26.9	1	(2)
Tata Consultancy Services	BUY	1,472	1,615	10	2,880	139.4	160.8	71.2	82.1	20.7	17.9	15.3	12.9	7.0	1.7	34.0	38.0	(0)	21
Wipro	BUY	346	400	16	853	66.7	67.6	27.3	27.5	12.7	12.6	10.3	9.6	3.0	2.0	23.5	22.9	(9)	(4)
Mphasis	HOLD	428	390	(9)	90	7.7	8.6	36.5	40.8	10.5	10.5	8.5	7.2	2.0	4.0	18.6	21.3	19	8
Satyam Computer Services	BUY	110	145	32	129	13.3	13.9	11.3	11.8	9.7	9.3	5.9	5.0	3.3	0.9	38.7	21.9	(1)	59
Tech Mahindra	BUY	954	1,215	27	122	6.5	8.0	51.5	63.1	18.5	15.1	11.1	9.7	3.0	0.5	24.9	67.7	(2)	50
MEDIA																			
Den Networks	BUY	219	252	15	32	0.6	1.3	4.6	9.7	47.1	22.5	17.6	8.7	3.3	-	4.8	4.8	3	126
Dish TV India	BUY	66	95	44	70	(1.0)	0.3	(1.0)	0.3	-	254.2	13.1	10.2	4.5	-	(6.7)	(0.8)	(2)	19
Hathway Cable & Datacom	BUY	290	370	28	42	0.4	2.2	3.0	15.7	96.5	18.4	15.0	7.2	4.8	-	3.9	8.0	8	71
Sun TV Network	BUY	437	510	17	172	7.5	9.1	19.0	23.2	23.0	18.9	14.6	11.9	6.1	2.3	26.8	35.9	24	52
Zee Entertainment Enterprises	HOLD	251	220	(12)	241	7.2	8.8	7.5	9.2	33.5	27.2	24.2	19.2	6.1	0.8	17.2	17.0	21	107
METALS & MINING																			
Graphite India	BUY	76	101	33	15	1.8	1.9	9.2	9.5	8.2	8.0	6.3	5.9	0.8	4.6	10.6	13.3	(2)	(19)
Hindalco Industries	BUY	108	139	29	207	31.4	37.3	16.4	19.5	6.6	5.6	6.7	6.1	0.6	2.3	9.1	7.2	19	(5)
Hindustan Zinc	BUY	118	150	27	499	69.1	68.3	16.3	16.2	7.2	7.3	6.9	7.2	1.5	2.6	23.3	23.4	5	(1)
Jindal Steel & Power	BUY	313	440	41	292	28.2	39.6	30.2	42.4	10.3	7.4	7.4	7.3	1.4	0.6	24.8	13.9	(5)	(33)
JSW Steel	HOLD	693	920	33	155	15.6	24.5	69.8	109.7	9.9	6.3	5.5	4.9	0.9	1.1	9.1	7.5	4	6
Steel Authority of India	HOLD	63	71	12	261	21.9	35.9	5.7	8.7	11.1	7.3	9.0	6.7	0.6	3.2	5.4	4.5	10	(29)
Sterlite Industries	BUY	96	129	34	324	64.1	66.2	19.1	19.7	5.1	4.9	3.3	3.0	0.6	2.1	10.5	11.0	12	(1)
TATA Steel	BUY	308	465	51	299	4.7	42.4	4.6	41.9	67.1	7.4	7.2	4.8	0.7	3.9	0.0	0.1	5	(26)
Coal India	BUY	300	387	29	1,896	165.1	184.2	26.1	29.2	11.5	10.3	7.3	5.9	3.8	3.3	36.6	31.0	2	(4)
OIL & GAS																			
Bharat Petroleum Corp.	BUY	416	442	6	301	20.2	20.8	30.8	31.8	13.5	13.1	9.1	9.2	1.7	3.0	12.7	6.6	5	14
Cairn India	BUY	296	351	19	565	116.1	92.8	63.1	48.4	4.7	6.1	3.1	3.3	1.2	3.9	16.4	16.2	2	(6)
Essar Oil	BUY	81	99	21	111	(11.1)	6.5	(8.1)	4.8	(10.1)	17.0	8.8	7.3	11.1	-	(20.6)	5.2	1	62
GAIL India	HOLD	340	356	5	431	42.0	35.2	33.1	27.8	10.3	12.2	7.3	8.4	1.8	2.6	17.2	18.0	7	8
Gujarat State Petronet	BUY	62	96	56	35	5.1	4.8	9.0	8.6	6.8	7.2	4.4	4.4	1.2	1.6	17.5	19.5	(10)	(4)
Hindustan Oil Exploration Co	BUY	71	194	172	9	0.9	1.9	7.2	14.9	9.9	4.8	5.5	2.7	0.7	3.0	7.3	6.8	15	(31)
Hindustan Petroleum Corp	SELL	311	287	(8)	105	(1.3)	5.1	(3.9)	14.9	-	20.9	12.7	8.0	0.8	-	(1.0)	1.5	(0)	3
Indian Oil Corp	HOLD	310	337	9	753	56.7	59.2	23.9	25.0	13.0	12.4	8.9	8.9	1.2	2.4	9.2	7.2	3	16
MRPL	BUY	47	95	103	82	(0.8)	17.7	(0.5)	10.1	-	4.6	15.2	4.0	1.0	(0.3)	18.3	0.3	(5)	(18)
Oil India	BUY	585	616	5	352	34.4	37.0	57.2	61.6	10.2	9.5	4.6	4.3	1.8	3.4	19.5	20.7	9	32
Oil & Natural Gas Corp.	BUY	335	316	(6)	2,867	228.3	226.6	29.5	29.9	11.4	11.2	5.7	5.9	2.3	3.2	20.6	24.6	5	34
Petronet LNG	BUY	144	196	37	108	11.5	10.6	15.3	14.1	9.4	10.2	6.9	6.8	2.4	1.7	30.0	25.1	6	8
Reliance Industries	HOLD	819	875	7	2,645	208.0	227.7	63.6	69.6	12.9	11.8	9.4	8.7	1.3	1.0	11.4	7.8	3	20

UR: Under Review

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Valuation Guide

Company	Reco	CMP (INR)	TP (INR)	Return (%)	M.Cap (INRbn)	Net profit (INRbn)		EPS (INR)		PE (x)		EV/EBITDA (x)		P/BV (x)	Div Yld (%)	RoE (%)	RoCE (%)	Absolute (%)	
						FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14					FY13	FY14
PHARMACEUTICALS																			
Cipla	HOLD	411	388	(6)	330	15.8	16.8	19.7	20.9	20.8	19.7	13.2	12.1	3.8	0.9	18.0	16.9	4	27
Dr Reddy's	BUY	2,065	2395	16	351	16.8	17.9	99.1	105.8	20.8	19.5	13.9	11.7	5.6	0.8	27.0	17.2	11	24
Lupin	BUY	782	850	9	350	13.1	14.9	29.4	33.2	26.6	23.5	15.5	13.0	6.7	0.6	25.3	20.4	19	46
Sun Pharma	BUY	974	916	(6)	1,007	29.4	40.5	28.4	39.1	34.3	24.9	18.2	14.8	7.0	0.5	20.3	18.0	12	64
Ranbaxy Laboratories	SELL	465	383	(18)	197	10.3	7.5	24.3	17.8	19.1	26.2	8.6	14.5	4.8	-	25.2	10.2	6	(6)
Cadila Health	SELL	829	672	(19)	170	5.8	7.8	28.4	38.1	29.2	21.8	17.2	14.0	5.7	0.9	19.6	9.7	14	3
Divis Labs	BUY	1,142	1223	7	152	6.7	8.2	50.3	61.8	22.7	18.5	20.6	16.5	2.4	0.9	25.6	24.7	12	27
Glenmark	BUY	562	615	10	152	6.1	7.2	22.7	26.6	24.8	21.1	20.9	17.4	5.5	0.1	19.2	10.9	14	54
Ipca Labs	BUY	563	606	8	71	3.8	4.2	30.3	33.7	18.6	16.7	31.3	27.7	4.5	0.1	24.0	17.2	9	56
Biocon	BUY	285	335	17	57	5.1	3.6	26.0	18.1	11.0	15.7	39.6	34.5	2.1	2.6	18.9	14.6	(1)	35

SHIPPING AND LOGISTICS

Container Corp. of India	HOLD	1,144	1,007	(12)	149	9.7	10.9	74.3	83.9	15.4	13.6	11.7	10.1	2.4	1.6	15.4	20.8	6	30
Essar Ports Ltd	BUY	89	120	34	38	2.2	3.9	5.2	9.1	17.3	9.8	10.4	7.6	1.5	-	8.7	8.6	(3)	(0)
Great Eastern Shipping Co	BUY	243	282	16	37	3.7	5.1	24.9	33.7	9.8	7.2	6.5	5.5	0.6	2.7	6.2	6.7	12	1
Gujarat Pipavav	BUY	48	59	24	23	0.8	1.4	1.9	3.3	25.6	14.5	13.2	9.2	2.4	-	9.6	9.6	(3)	(11)

SUGAR

Balrampur Chini Mills	BUY	50	59	18	12	1.6	0.9	6.6	3.6	7.6	13.8	6.2	8.1	0.9	4.0	12.6	11.3	1	(1)
Shree Renuka Sugars	BUY	24	35	45	16	0.1	2.6	0.1	0.1	199.0	199.0	7.5	5.9	0.9	4.2	0.4	6.7	(1)	(17)

UTILITIES

CESC	HOLD	315	343	9	39	3.2	3.9	25.7	31.4	12.3	10.0	9.8	9.4	0.8	1.3	6.3	5.2	15	17
Nava Bharat Ventures	BUY	173	267	54	15	2.6	3.3	28.4	36.3	6.1	4.8	3.1	1.7	0.7	1.9	8.5	7.5	5	(11)
NTPC	BUY	157	185	17	1,297	102.7	118.7	12.4	14.4	12.6	10.9	10.6	8.7	1.6	3.5	13.0	9.8	12	10
Power Grid	BUY	114	140	23	527	39.8	48.7	8.6	10.5	13.2	10.8	11.0	9.4	2.0	1.1	14.9	7.7	9	11
PTC India	BUY	63	86	37	19	2.0	2.7	6.9	9.2	9.0	6.8	7.0	2.8	0.8	2.6	5.9	7.5	8	21
Tata Power	HOLD	94	94	0	223	13.2	14.5	5.6	6.1	16.9	15.4	7.7	5.8	1.7	0.9	14.4	8.2	0	(1)

Company	Reco	CMP (INR)	TP (INR)	Return (%)	M.Cap (INRbn)	Net profit (INRbn)		EPS (INR)		PE (x)		NNPA Ratio (%)		P/AdjBV (x)	Div Yld (%)	RoE (%)	RoA (%)	Absolute (%)	
						FY13	FY14	FY13	FY14	FY13	FY14	FY13	FY14					FY13	FY14

FINANCIALS

Axis Bank	BUY	1,509	1,580	5	707	52	60	111	129	13.6	11.7	0.3	0.4	1.9	1.4	18.5	1.7	17	52
Bajaj Auto Finance	BUY	1,400	1,600	14	70	5	7	130	158	10.8	8.9	1.1	1.2	1.8	0.7	23.5	3.8	26	65
Bank of Baroda	HOLD	728	800	10	307	42	45	102	110	7.1	6.6	1.3	1.6	1.0	3.0	14.5	0.9	7	15
Bank of India	HOLD	328	369	12	196	28	37	49	64	6.6	5.1	3.2	3.2	0.9	3.9	12.9	0.7	5	2
Canara Bank	BUY	430	488	14	190	29	39	65	87	6.6	4.9	2.2	2.2	0.9	3.1	12.1	0.7	5	6
HDFC	HOLD	910	840	(8)	1408	47	55	31	36	29.4	25.2	0.4	0.4	5.0	1.4	21.3	2.7	17	41
HDFC Bank	HOLD	715	710	(1)	1702	67	87	28	37	25.1	19.5	0.2	0.2	4.0	1.0	20.3	1.8	11	43
ICICI Bank	BUY	1,191	1,320	11	1374	83	96	72	83	16.5	14.3	0.8	1.0	1.9	1.8	12.5	1.6	14	46
IndusInd Bank	BUY	514	500	(3)	269	11	15	20	28	25.3	18.4	0.3	0.4	3.1	0.9	17.7	1.8	28	68
LIC Housing Finance	BUY	259	296	14	131	10	15	20	29	12.8	8.9	0.1	0.1	1.7	1.5	16.8	1.4	15	6
Power Finance Corp.	BUY	198	220	11	261	35	43	27	32	7.4	6.1	0.9	0.9	1.0	3.0	16.9	2.4	2	35
Punjab National Bank	HOLD	822	800	(3)	291	47	52	138	152	5.9	5.4	2.3	2.1	1.0	3.5	15.8	1.0	12	12
Rural Electrification Corp.	BUY	235	250	6	232	33	40	33	40	7.1	5.9	0.2	0.2	1.1	2.8	20.8	2.7	7	32
Shriram Transprt finance	BUY	771	850	10	175	14	16	64	73	12.0	10.6	2.5	2.3	2.0	2.6	21.9	3.8	16	52
State Bank Of India	HOLD	2,383	2,300	(3)	1630	142	167	212	248	11.2	9.6	2.1	2.1	2.1	1.9	15.8	1.0	11	28
Union Bank of India	BUY	244	280	15	145	19	29	35	52	7.0	4.7	2.2	2.5	1.3	4.3	14.0	0.7	9	20
YES Bank	BUY	528	558	6	189	13	15	36	43	14.6	12.3	0.0	0.0	2.7	1.2	23.1	1.5	15	67
Mahindra & Mahindra Fin.	BUY	255	240	(6)	145	9	10	16	18	16.3	14.3	1.1	1.9	2.8	1.8	23.8	3.5	29	92
Cholamandalam Invst & Fin.	BUY	282	302	7	40	2.6	3.4	20	26	14.3	11.1	0.4	0.5	1.9	-	15.9	1.3	12	60

UR: Under Review

Events Calendar

May 2013

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sun
13 May	14 May	15 May	16 May	17 May	18 May	19 May
			Bajaj Auto Satyam Computer	Sun TV Network ITC		
20 May	21 May	22 May	23 May	24 May	25 May	26 May
Coal India Voltas Divi's Lab	Tech Mahindra	Larsen & Toubro Jyothy Laboratories Zee Entertainment	PTC India BHEL Nava Bharat Ventures Tata Steel Dish TV State Bank of India	Oil India Crompton Greaves MRPL	Container Corp	
27 May	28 May	29 May	30 May	31 May		
Bajaj Electricals GSPL	Colgate Palmolive Gail (India) Ltd. REC Hindalco HPCL Sun Pharma Havells India CESC	BPCL Mphasis ONGC	Mahindra & Mahindra Tata Power Ipca Labs IOCL SAIL			

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