

**Q1FY13 Results Preview:
Revenue growth to moderate further**



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Emkay Global Financial Services Ltd.

Revenue growth to moderate further

- Result expectation for Q1FY13E for Emkay Universe (ex financials & oil) indicate some moderation in aggregate sales growth at 18.8% vs 19.6% in Q4FY12 and APAT growth of 8.8%YoY vs 11.1% in Q4FY12.
- Strong sales growth is likely to come from IT and Pharma sectors, which have benefited from INR depreciation and hence, are likely to post sales growth of around 32-33%. Excluding these two sectors and one offs in Auto ancillary (Motherson Sumi) sales growth is likely to be around 15.5%.
- Margin pressure is likely to sustain with Emkay Universe (ex financials & oil) expected to see EBIDTA margin at 19.7% in Q1FY13, nearly 66bp lower over last year. Hence our universe is likely to deliver EBIDTA growth of 15% yoy. However Ex IT, Pharma & Motherson Sumi, margins are expected to contract 133 bps to 18.7% leading to a modest 7% yoy growth in EBIDTA.
- Of the 128 companies in Emkay Universe (ex financials & oil) 39 (or 30%) are expected to show sales growth of less than 10% while 38 are expected to growth over 25%.
- Sales for Mid cap and Small cap companies is expected to growth at 20.2% and 15.5% while their APAT are expected to contract by 5.5% and 4.8% respectively. Adjusted for Motherson Sumi the sales and APAT growths for our Mid cap universe is likely to be lower at 12% and -6.2% respectively

% yoy growth	Sales		EBIDTA		APAT	
	Q4FY12	Q1FY13E	Q4FY12	Q1FY13E	Q4FY12	Q1FY13E
Emkay Universe	19.6%	18.8%	12.8%	14.9%	11.1%	8.8%
Emkay Large Cap	18.3%	18.6%	12.5%	15.3%	12.7%	10.5%
Emkay Mid Cap	29.0%	20.2%	14.9%	13.0%	-2.3%	-5.5%
Emkay Small Cap	8.4%	15.5%	12.7%	9.8%	-4.0%	-4.8%

Source: Company, Emkay Research

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- Outside of Financial and Oil sectors, robust APAT expansion is expected for Autos (13% YoY), Consumers (22%), IT (36%) and Pharma (45%). Stress is likely to be visible markedly in Agri inputs (-15%), Engineering and Cap goods (5% YoY), Metals & Mining (-23%) and Real Estate (-17%)
- For Consumer Goods space APAT (22%) growth will likely be contributed by price increases in recent months but we think volume growth may disappoint.
- We expect a subdued quarter from our Tier-I IT services coverage with cross currency moves driving further weakness in US\$ revenue growth. Amongst Tier-I companies, we expect a 0.2%-2.9% QoQ growth with TCS at the upper end and Infosys at the lower end. Our Tier II IT universe is expected to grow at 0.3-10.3% QoQ US\$ revenue growth with MindTree at the lower end and eClerx at the upper end.
- We expect our automobile universe to report 24% YoY growth (-11% QoQ) in sales. Excl. TML subs, sales growth to moderate to 10% YoY (-15% QoQ). APAT to increase 13% YoY (decline 44% QoQ). Ex TML subs, APAT to decline 13% YoY and 30% QoQ. Highest sequential decline is expected in AL (73%), TTMT (55%) and MSIL (39%) driven by weak demand, lower operating leverage and adverse currency. Only improvement is seen in HMCL (10% QoQ)
- Key things to watch for: Management concerns are likely to around (a) Demand slow down (b) Implications of global slowdown (c) Policy logjam (d) volatility in commodity prices, (e) Currency volatility. Hence, management guidance in the backdrop of the above uncertainties on demand outlook, future price actions and external demand will be critical
- Potential result surprises:
 - Positive - Marico, Berger Paints, KSK Energy, Cummins, MindTree, Persistent, Shree Cement, LIC Housing Finance, Cipla & Torrent
 - Negative - JSW Steel, Tata Steel, Crompton Greaves, Adani Power, Petronet LNG, Bajaj Auto, Maruti Suzuki & Ultratech

Note: ex Banks & FS, FS - Others and Oil & Gas # Nos in bracket are % yoy change in PAT

Q1FY13 Preview

Parameters ---->	Net Sales Growth	Ebitda Growth	EBITDA Margin growth	EBIT margin growth	Adjusted PBT Growth	Adjusted PAT Growth	Interest Cost Growth	Tax Growth
Emkay Universe	18.8%	14.9%	-66 bps	-72 bps	8.3%	8.8%	27.4%	14.2%
Emkay Large Cap	18.6%	15.3%	-60 bps	-62 bps	9.1%	10.5%	29.4%	15.1%
Emkay Mid Cap	20.2%	13.0%	-95 bps	-127 bps	2.6%	-5.5%	19.0%	8.6%
Emkay Small Cap	15.5%	9.8%	-94 bps	-86 bps	-3.4%	-4.8%	33.6%	1.3%
Emkay Universe ex Top 3 Cos	16.4%	11.2%	-94 bps	-106 bps	2.2%	2.4%	29.4%	9.5%
Emkay Universe ex Top 5 Cos	15.8%	9.1%	-122 bps	-138 bps	-1.3%	-0.1%	29.4%	7.2%
Emkay Universe ex Top 3 and Bottom 3 Cos	18.5%	16.7%	-33 bps	-40 bps	9.1%	8.9%	29.0%	17.0%
Emkay Universe ex Top 5 and Bottom 5 Cos	17.5%	15.2%	-41 bps	-49 bps	7.4%	8.7%	26.0%	16.2%

Top 5 companies based on Contribution to PAT Growth are TCS, Tata Motors, Infosys, Ranbaxy Labs, and Wipro

Bottom 5 companies based on Contribution to PAT Growth are Tata Steel, Sterlite Industries, Adani Power, Hindustan Zinc and Lanco Infra

Q1FY13 Strong Results

Company Name	Sector	APAT (Rs mn)		APAT Gr (%)
		June-12 E	June-11	
Large Caps				
Bank of India	Banks & Financial Services	9149	5176	76.7
Divi's Lab	Pharmaceuticals	1553	1026	51.4
Dr. Reddy's Lab	Pharmaceuticals	4168	2346	77.7
Godrej Consumer Products	Consumers	1651	1026	61.0
Idea Cellular	Telecommunications	3147	1724	82.6
Jaiprakash Power Ventures	Power	2009	696	188.6
Ranbaxy Labs	Pharmaceuticals	5304	1499	253.9
Shree Cements	Cement	997	555	79.5
State Bank of India	Banks & Financial Services	42311	15835	167.2
Union Bank of India	Banks & Financial Services	7792	4644	67.8
Mid Caps				
Apollo Tyres	Auto Ancillaries	1334	775	72.1
Berger Paints	Consumers	570	372	53.3
Federal Bank	Banks & Financial Services	2226	1462	52.3
GNFC	Agri Input & Chemicals	706	417	69.5
ICRA	Financial Services - Others	192	71	169.4
Ipca Lab	Pharmaceuticals	934	526	77.6
IVRCL	Construction	66	42	55.8
Mah & Mah Financial Services	Banks & Financial Services	2534	1022	148.0
Mindtree	IT Services	895	345	159.4
Persistent Systems	IT Services	616	276	123.5
Sobha Developers	Real Estate	459	304	51.0
Sterlite Tech	Others	121	52	130.7
United Bank Of India	Banks & Financial Services	2064	1324	55.8
Small Caps				
CEBBCO	Auto Ancillaries	144	69	107.1
Dishman Pharma	Pharmaceuticals	163	107	52.6
HEG	Metals & Mining	379	198	91.6
Unichem Labs	Pharmaceuticals	240	156	54.0

Q1FY13 Weak Results

Company Name	Sector	APAT (Rs mn)		APAT Gr
		Jun-12 E	Jun-11	(%)
Large Caps				
DLF	Real Estate	2413	3771	-36.0
Grasim Industries	Others	1607	3141	-48.8
JSW Steel	Metals & Mining	3132	4852	-35.5
Sterlite Industries	Metals & Mining	11451	16443	-30.4
Tata Steel	Metals & Mining	6363	14274	-55.4
Mid Caps				
Ballarpur Inds	Paper	318	986	-67.7
Coromandel International	Agri Input & Chemicals	714	1387	-48.5
Gujarat Gas	Oil & Gas	550	966	-43.0
India Cements	Cement	52	1057	-95.1
Lakshmi Machine Works	Engineering & Capital Goods	174	411	-57.6
Tulip Telecom	Telecommunications	483	772	-37.4
Small Cap				
JK Paper	Paper	106	277	-61.8
Piramal Glass	Others	105	290	-63.9
TRF	Engineering & Capital Goods	9	36	-74.3

Possible Surprises – Positives

Name of the company	EPS (Rs)	yoy gr (%)	Reason
Berger Paints	1.6	53%	Could positively surprise on earnings on account of better product mix
Cipla	4.4	47%	Launch of Lexapro, strong growth in domestic biz and rupee depreciation can result into positive surprise in numbers
Cummins India	5.4	5%	Stronger demand in genset resulting in positive surprise in volume and sales growth
KSK Energy	1.2	13%	Lower fuel cost in 540MW Wardha Warora plant on account of coal supply by Coal India
LIC Housing Finance	4.9	-10%	Could surprise positively on account of higher than expected disbursements, lower than expected NIMs contraction QoQ
Marico	1.9	36%	Higher profit growth arising from reduction in input cost; positive impacted by decline in copra price
MindTree	21.8	156%	Sharp INR depreciation (margins uplifts by ~40-45 bps for every 1% change in US\$/INR); We build in a conservative 150 bps QoQ margin expansion despite an 7% INR depreciation; wage increments for ~75% of staff is effective only for 1 month starting from June 2012
Persistent Systems	15.4	124%	We build in 180 bps QoQ improvement in margins for Persistent for Q1FY13 despite ~10% INR depreciation (month end basis; every 1% change in US\$/INR benefits margins by 45-50 bps)
Shree Cement	28.6	80%	June-12 volu,es and pricing better than expected. Continued improvement in product mix (higher proportion of cement:clinker) to aide margin improvement
Torrent Pharma	12.4	18%	Launch of lansaprozole, Serequil and Plavix will help Torrent to report strong US sales, which in turn can boost its margins which were under pressure last whole year

Possible Surprises – Negatives

Name of the company	EPS (Rs)	yoy gr (%)	Reason
Adani Power	-0.5	N/A	Higher spot coal mix and landed fuel cost
Bajaj Auto	25.3	3%	Margin headwinds from deteriorating product mix and new launch expenses
Greaves Cotton	1.1	-23%	Weaker than expected volume growth
JSW Steel	14.0	-35%	During Q1 FY13 potential surprise could be at JSW Steel & Tata Steel on account of the forex movement during the quarter. The negative impact could be to the extent of about Rs 10bn each which could be part absorbed in the P&L and part shown as MTM loss
Tata Steel	6.6	-55%	
Maruti Suzuki	13.5	-29%	Margin headwinds owing to lower volumes (down 18% QoQ) and higher discounts/royalty
Petronet LNG	3.3	-3%	Any negative surprises on marketing margin due to regulatory headwinds could surprise negatively
Ultratech Cement	23.7	-1%	Our PAT numbers are 15% below consensus. Price decline in Andhra Pradesh and Gujarat in the Month of April-May may lead to lower than expected realization.

Emkay Universe Q1FY13 Result Preview



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Sector Name	Net Sales (Rs mn)			Growth (%)		Ebitda (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)	
	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ
Agri Input & Chemicals	99746	138156	103702	-4%	-28%	16364	18974	17943	-9%	-14%	7609	9453	8901	-15%	-20%	4.0	4.9	4.6	-14%	-18%
Auto Ancillaries	96487	97930	52048	85%	-1%	7269	8106	4412	65%	-10%	2241	2696	1385	62%	-17%	2.4	2.8	1.5	62%	-17%
Automobiles	800939	903417	648359	24%	-11%	93632	111883	81547	15%	-16%	54314	96273	48055	13%	-44%	7.0	12.4	6.2	13%	-44%
Banks & Financial Services	408105	409116	338433	21%	0%	325713	339080	266124	22%	-4%	178494	180713	118866	50%	-1%	13.4	13.6	9.1	48%	-1%
Cement	135793	152432	123306	10%	-11%	32954	36335	31771	4%	-9%	17348	21499	16595	5%	-19%	6.3	7.8	6.0	5%	-19%
Construction	97366	108746	84106	16%	-10%	23199	24345	20704	12%	-5%	2551	4797	3269	-22%	-47%	0.4	0.7	0.5	-22%	-47%
Consumers	187070	174349	158700	18%	7%	28369	26908	22813	24%	5%	19744	19112	16203	22%	3%	4.6	4.4	3.7	21%	3%
Engineering & Capital Goods	276449	486755	249650	11%	-43%	32947	84787	30676	7%	-61%	20460	56516	19563	5%	-64%	4.5	12.3	4.3	5%	-64%
Financial Services - Others	2897	2845	2419	20%	2%	973	1029	693	40%	-5%	760	788	490	55%	-4%	9.5	9.6	6.0	59%	-1%
IT Services	484550	436824	368273	32%	11%	122168	106619	84619	44%	15%	93147	85918	68508	36%	8%	13.0	12.0	9.6	36%	8%
Metals & Mining	691066	726556	642934	7%	-5%	107577	123593	130041	-17%	-13%	52138	60866	68023	-23%	-14%	6.6	7.7	8.6	-23%	-14%
Oil & Gas	2554692	3460341	2842809	-10%	-26%	-6225	349772	59100			-77799	289631	-21458			-8.4	31.3	-2.3		
Paper	19494	21695	18601	5%	-10%	3435	3251	3971	-14%	6%	535	594	1392	-62%	-10%	0.6	0.7	1.6	-62%	-10%
Pharmaceuticals	209059	207567	157723	33%	1%	54125	58386	33931	60%	-7%	33494	35922	23133	45%	-7%	7.9	8.4	5.2	51%	-6%
Power	374332	376029	302658	24%	0%	117836	113131	91591	29%	4%	49086	48031	46100	6%	2%	1.2	1.2	1.2	6%	2%
Print Media	12261	11651	11553	6%	5%	2417	1898	2727	-11%	27%	1327	1102	1623	-18%	20%	1.8	1.5	2.2	-18%	20%
Real Estate	33406	36037	32201	4%	-7%	13875	12474	13655	2%	11%	4792	4687	5774	-17%	2%	5.2	4.9	6.1	-14%	6%
Telecommunications	314494	300546	270926	16%	5%	101231	93659	86919	16%	8%	18074	16166	16232	11%	12%	1.9	1.7	1.7	11%	12%
Others	45529	52699	40027	14%	-14%	7456	8392	8074	-8%	-11%	2946	4058	4381	-33%	-27%	1.4	2.0	2.1	-33%	-27%
Emkay	6843736	8103693	6448427	6%	-16%	1085316	1522619	991311	9%	-29%	481263	938822	447035	8%	-49%	3.9	7.5	3.6	8%	-49%
Emkay*	3878042	4231390	3264767	19%	-8%	764855	832739	665394	15%	-8%	379807	467689	349138	9%	-19%	3.7	4.6	3.4	9%	-19%
Large Cap*	3265886	3534983	2753241	19%	-8%	670712	733182	581828	15%	-9%	343770	424712	311050	11%	-19%	4.1	5.0	3.7	10%	-19%
Mid Cap*	552009	626296	459431	20%	-12%	83156	88090	73562	13%	-6%	32388	38510	34256	-5%	-16%	1.9	2.3	2.0	-4%	-15%
Small Cap*	60148	70111	52095	15%	-14%	10987	11468	10004	10%	-4%	3648	4467	3832	-5%	-18%	2.9	3.5	3.0	-5%	-18%

Note: ex Banks & FS, FS - Others and Oil & Gas

Emkay Universe Q1FY13 Result Preview

Company Name	Net Sales (Rs mn)			Growth (%)		Ebitda (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)	
	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ
Agri Input & Chemicals																				
Chambal Fertilisers	9803	18833	11644	-16%	-48%	1639	2545	1796	-9%	-36%	650	1385	729	-11%	-53%	1.6	3.3	1.8	-11%	-53%
Coromandel International	12090	27498	17665	-32%	-56%	1390	1668	2203	-37%	-17%	714	770	1387	-49%	-7%	2.5	2.7	4.9	-49%	-7%
Deepak Fertilisers	5683	6903	4739	20%	-18%	1008	904	1129	-11%	12%	520	455	639	-19%	14%	5.9	5.2	7.2	-19%	14%
GNFC	8533	11543	6442	32%	-26%	1398	1517	925	51%	-8%	706	752	417	69%	-6%	4.5	4.8	2.7	69%	-6%
GSFC	11756	15300	12077	-3%	-23%	1935	2941	2738	-29%	-34%	1266	1863	1773	-29%	-32%	15.9	23.4	22.2	-29%	-32%
Rallis India	3100	2160	2975	4%	44%	407	124	435	-6%	229%	205	30	231	-11%	576%	1.1	0.2	1.2	-11%	576%
Tata Chemicals	28736	34650	29539	-3%	-17%	4878	5408	5267	-7%	-10%	1710	1891	2043	-16%	-10%	6.7	7.4	8.0	-16%	-10%
United Phosphorus	20045	21269	18621	8%	-6%	3708	3867	3449	8%	-4%	1838	2307	1682	9%	-20%	4.2	5.0	3.6	15%	-16%
Auto Ancillaries																				
Apollo Tyres	31731	32314	28224	12%	-2%	3342	3602	2403	39%	-7%	1334	1580	775	72%	-16%	2.6	3.1	1.5	72%	-16%
CEBSCO	1489	1364	822	81%	9%	261	229	136	92%	14%	144	131	69	107%	9%	2.6	2.4	1.3	107%	9%
Motherson Sumi	63268	64252	23002	175%	-2%	3666	4275	1874	96%	-14%	764	984	541	41%	-22%	1.9	2.5	1.4	41%	-22%
Automobiles																				
Ashok Leyland	30003	43110	24955	20%	-30%	2425	4909	2352	3%	-51%	758	2781	768	-1%	-73%	0.3	1.0	0.3	-1%	-73%
Bajaj Auto	48103	46514	47773	1%	3%	9394	9206	9108	3%	2%	7320	7673	7111	3%	-5%	25.3	26.5	24.6	3%	-5%
Eicher Motors	14951	16950	12984	15%	-12%	1409	1802	1262	12%	-22%	856	1096	763	12%	-22%	31.8	40.7	28.3	12%	-22%
Hero Motocorp	64265	60349	56833	13%	6%	9864	9253	8178	21%	7%	6637	6036	5579	19%	10%	33.2	30.2	27.9	19%	10%
Mah & Mah	89368	93872	67335	33%	-5%	8700	9694	8973	-3%	-10%	5514	7663	6049	-9%	-28%	9.0	12.5	9.9	-9%	-28%
Maruti Suzuki India	105656	117270	85293	24%	-10%	7265	8585	8144	-11%	-15%	3905	6398	5492	-29%	-39%	13.5	22.1	19.0	-29%	-39%
Tata Motors	432697	509079	335725	29%	-15%	53598	67445	42359	27%	-21%	28899	64053	21705	33%	-55%	9.0	19.9	6.8	33%	-55%
TVS Motor	15896	16272	17460	-9%	-2%	978	989	1171	-17%	-1%	424	572	588	-28%	-26%	0.9	1.2	1.2	-28%	-26%

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	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	
Banks & Financial Services																					
Allahabad Bank	13381	12882	11755	14%	4%	10791	9009	8896	21%	20%	4145	4012	4181	-1%	3%	8.3	8.0	8.8	-6%	3%	
Andhra Bank	9308	9139	9105	2%	2%	6976	6609	6998	0%	6%	3695	3396	3859	-4%	9%	6.6	6.1	6.9	-4%	9%	
Axis Bank	21764	21461	17241	26%	1%	20192	20376	15585	30%	-1%	12800	12773	9424	36%	0%	31.0	30.9	22.9	35%	0%	
Bank of Baroda	27824	27974	22972	21%	-1%	23313	20509	18183	28%	14%	14431	15318	10329	40%	-6%	35.0	37.1	26.3	33%	-6%	
Bank of India	23652	25010	18410	28%	-5%	18433	20146	13959	32%	-8%	9149	9527	5176	77%	-4%	15.9	16.6	9.5	68%	-4%	
Canara Bank	19676	20402	17931	10%	-4%	15570	14907	12704	23%	4%	9541	8291	7259	31%	15%	23.3	20.2	17.7	31%	15%	
Corporation Bank	8113	8339	7076	15%	-3%	7083	8143	5764	23%	-13%	3671	3513	3515	4%	4%	24.8	23.7	23.7	4%	4%	
Dewan Housing	1830	1674	1373	33%	9%	1128	874	874	29%	29%	795	700	658	21%	14%	6.8	6.0	6.3	8%	14%	
Federal Bank	4951	4912	4598	8%	1%	3927	3724	3541	11%	5%	2226	2376	1462	52%	-6%	13.0	13.9	8.5	52%	-6%	
HDFC	12886	16808	9982	29%	-23%	14198	17701	11773	21%	-20%	9799	12687	8328	18%	-23%	6.6	8.6	5.7	17%	-23%	
HDFC Bank	34240	33883	28480	20%	1%	23407	24132	20334	15%	-3%	14069	14531	10850	30%	-3%	6.0	6.2	4.6	29%	-3%	
ICICI Bank	31172	31048	24109	29%	0%	27428	31111	22340	23%	-12%	17234	19013	13322	29%	-9%	15.0	16.5	11.6	29%	-9%	
LIC Housing Finance	3777	3708	3610	5%	2%	3490	3464	3789	-8%	1%	2460	2519	2565	-4%	-2%	4.9	5.0	5.4	-10%	-2%	
Mah & Mah Financial Services	5426	5085	3317	64%	7%	3949	3563	2074	90%	11%	2534	2277	1022	148%	11%	24.7	22.2	10.0	147%	11%	
Manappuram General Finance	3130	4362	3145	0%	-28%	1719	2778	1635	5%	-38%	1157	1870	1078	7%	-38%	1.4	2.2	1.3	6%	-38%	
Punjab National Bank	34651	33108	31152	11%	5%	26923	29370	24739	9%	-8%	14777	14249	11050	34%	4%	43.6	42.0	34.9	25%	4%	
South Indian bank	2909	2846	2050	42%	2%	1930	1630	1431	35%	18%	1090	1220	824	32%	-11%	1.0	1.1	0.7	34%	-11%	
State Bank of India	118165	117038	96995	22%	1%	90331	95968	72424	25%	-6%	42311	40503	15835	167%	4%	63.1	60.4	24.9	153%	4%	
Union Bank of India	19532	18766	15902	23%	4%	14948	15984	11658	28%	-6%	7792	7730	4644	68%	1%	11.8	11.7	7.3	61%	1%	
United Bank Of India	7094	6191	5690	25%	15%	5610	4778	4173	34%	17%	2064	1493	1324	56%	38%	5.7	4.1	3.8	49%	38%	
Yes Bank	4622	4482	3541	31%	3%	4368	4304	3250	34%	1%	2755	2718	2160	28%	1%	7.8	7.7	6.2	25%	1%	
Cement																					
ACC	26970	28602	24030	12%	-6%	5695	6161	5503	3%	-8%	3646	4028	3366	8%	-9%	19.4	21.5	17.9	8%	-9%	
Ambuja Cements	25196	26333	21733	16%	-4%	6396	7445	5826	10%	-14%	4224	5075	3475	22%	-17%	2.8	3.3	2.3	22%	-17%	
India Cements	3810	11160	10568	-64%	-66%	699	2152	2417	-71%	-68%	52	649	1057	-95%	-92%	0.3	2.1	3.4	-93%	-88%	
Madras Cements	9809	9119	7642	28%	8%	2940	2097	2444	20%	40%	1306	1113	983	33%	17%	5.5	4.7	4.1	33%	17%	
Orient Paper	6375	8424	5339	19%	-24%	1277	1460	1109	15%	-13%	636	864	584	9%	-26%	3.3	4.5	3.0	9%	-26%	
Ultratech Cement	50143	53366	43654	15%	-6%	11941	12641	11881	1%	-6%	6487	8673	6576	-1%	-25%	23.7	31.7	24.1	-1%	-25%	
Shree Cements	13492	15428	10340	30%	-13%	4006	4380	2591	55%	-9%	997	1096	555	80%	-9%	28.6	31.5	15.9	80%	-9%	

Emkay Universe Q1FY13 Result Preview

Company Name	Net Sales (Rs mn)			Growth (%)		Ebitda (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)		
	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	
Construction																					
Ashoka Buildcon	4651	4673	3884	20%	0%	1002	929	912	10%	8%	247	171	323	-23%	45%	4.7	3.2	6.1	-23%	45%	
GMR Infrastructure	23171	19482	18636	24%	19%	5248	3690	4979	5%	42%	-1351	-1523	-667			-0.3	-0.4	-0.2			
IL&FS Transportation	16262	19887	10932	49%	-18%	4145	4571	3313	25%	-9%	1062	1773	1157	-8%	-40%	5.5	9.1	6.0	-8%	-40%	
IRB Infrastructure	8328	8480	8013	4%	-2%	3863	3809	3294	17%	1%	1017	1204	1342	-24%	-16%	3.1	3.6	4.0	-24%	-16%	
IVRCL	12311	15960	11219	10%	-23%	958	1510	832	15%	-37%	66	384	42	56%	-83%	0.2	1.4	0.2	56%	-83%	
Jaiprakash Associates	32643	40264	31423	4%	-19%	7983	9836	7373	8%	-19%	1511	2789	1072	41%	-46%	0.7	1.3	0.5	41%	-46%	
Consumers																					
Asian Paints	28054	25460	22604	24%	10%	4470	3827	3922	14%	17%	2935	2595	2637	11%	13%	30.6	27.1	27.5	11%	13%	
Berger Paints	8674	7418	6931	25%	17%	904	686	609	49%	32%	570	446	372	53%	28%	1.6	1.3	1.1	53%	28%	
Colgate-Palmolive	7047	6859	6111	15%	3%	1440	1529	1173	23%	-6%	1246	1308	1004	24%	-5%	9.2	9.6	7.4	24%	-5%	
Glaxosmithkline Consumer	8007	8364	6739	19%	-4%	1465	1851	1190	23%	-21%	1010	1320	825	22%	-23%	24.0	31.4	19.6	22%	-23%	
Godrej Consumer Products	13355	13249	10030	33%	1%	2547	2500	1480	72%	2%	1651	1677	1026	61%	-1%	4.9	4.9	3.2	53%	-1%	
Hindustan Unilever	60778	57659	55794	9%	5%	8620	8334	7543	14%	3%	6835	6543	5686	20%	4%	3.1	3.0	2.6	18%	2%	
Jubilant FoodWorks	2910	2832	2169	34%	3%	559	525	413	35%	7%	312	309	232	35%	1%	4.8	4.8	3.6	35%	1%	
Marico	12613	9215	10486	20%	37%	1680	1137	1251	34%	48%	1154	714	850	36%	61%	1.9	1.2	1.4	36%	61%	
Nestle	21445	20475	17631	22%	5%	4437	4444	3387	31%	0%	2420	2757	2138	13%	-12%	25.1	28.6	22.2	13%	-12%	
Titan Industries	24188	22818	20206	20%	6%	2245	2075	1846	22%	8%	1611	1443	1434	12%	12%	1.8	1.6	1.6	12%	12%	
Engineering & Capital Goods																					
BHEL	84334	195889	72715	16%	-57%	12909	49372	11132	16%	-74%	8944	33580	8155	10%	-73%	3.7	13.7	3.3	10%	-73%	
Blue Star	7048	8069	7047	0%	-13%	266	-441	276	-4%		76	-520	98	-22%		0.8	-5.8	1.1	-22%		
Cummins India	11430	10404	10453	9%	10%	2008	1948	1856	8%	3%	1499	1446	1427	5%	4%	5.4	5.2	5.1	5%	4%	
Elecon Engineering	2654	4420	2573	3%	-40%	437	639	450	-3%	-32%	135	239	149	-9%	-43%	1.5	2.6	1.6	-9%	-43%	
Greaves Cotton	3756	4454	4019	-7%	-16%	488	597	570	-14%	-18%	268	345	350	-23%	-22%	1.1	1.4	1.4	-23%	-22%	
Lakshmi Machine Works	4123	5020	5111	-19%	-18%	406	487	709	-43%	-17%	174	70	411	-58%	149%	15.5	6.2	36.5	-58%	149%	
Larsen & Toubro	106000	184609	94826	12%	-43%	12124	25608	11265	8%	-53%	7986	18654	7461	7%	-57%	13.1	30.5	12.2	7%	-57%	
Mcnally Bharat Engineering	4175	7277	3625	15%	-43%	251	530	243	3%	-53%	64	224	76	-16%	-72%	2.1	7.2	2.5	-16%	-72%	
Punj Lloyd	27276	30380	22633	21%	-10%	2103	2550	1809	16%	-18%	1	90	-123		-99%	0.0	0.3	-0.4		-99%	
Thermax	9312	16868	10444	-11%	-45%	959	1853	1137	-16%	-48%	675	1298	799	-16%	-48%	5.7	10.9	6.7	-16%	-48%	
TRF	2456	3620	2720	-10%	-32%	118	278	141	-16%	-58%	9	79	36	-74%	-88%	0.8	7.1	3.3	-74%	-88%	
Voltas	13886	15744	13484	3%	-12%	879	1366	1089	-19%	-36%	628	1013	723	-13%	-38%	1.9	3.1	2.2	-13%	-38%	

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Company Name	Net Sales (Rs mn)			Growth (%)		Ebitda (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)	
	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ
Financial Services - Others - Others																				
CRISIL	2370	2219	2031	17%	7%	809	773	599	35%	5%	569	537	419	36%	6%	8.1	7.4	5.8	40%	9%
ICRA	527	626	387	36%	-16%	164	256	94	74%	-36%	192	251	71	169%	-24%	19.2	25.1	7.1	169%	-24%
IT Services																				
eClerx Services	1547	1276	996	55%	21%	595	468	391	52%	27%	433	305	353	23%	42%	14.4	10.1	11.9	21%	42%
HCL Tech	58376	52156	42995	36%	12%	11329	9373	7728	47%	21%	6930	5829	4910	41%	19%	9.9	8.3	7.0	41%	19%
Infinite Computer	3018	2669	2623	15%	13%	493	414	447	10%	19%	316	207	300	6%	52%	7.2	4.7	6.8	6%	52%
Hexaware Technologies	5023	4383	3341	50%	15%	1174	982	511	130%	20%	796	884	603	32%	-10%	2.7	3.0	2.1	32%	-10%
Infosys	97605	88520	74850	30%	10%	32146	28900	21750	48%	11%	24028	23160	17230	39%	4%	42.1	40.5	30.2	39%	4%
Mahindra Satyam	18814	16658	14339	31%	13%	3555	2916	2126	67%	22%	3156	4248	2252	40%	-26%	2.7	3.6	1.9	40%	-26%
Mindtree	5616	5257	4131	36%	7%	1137	985	460	147%	15%	895	690	345	159%	30%	21.8	16.8	8.5	156%	30%
Mphasis	14360	13289	12936	11%	8%	3000	2613	2515	19%	15%	2304	1893	1942	19%	22%	10.9	9.0	9.2	19%	22%
NIIT Tech	4698	4435	3288	43%	6%	799	744	609	31%	7%	538	461	412	31%	17%	9.2	7.8	7.0	33%	19%
Persistent Systems	3032	2706	2238	35%	12%	923	773	401	130%	19%	616	412	276	124%	50%	15.4	10.3	6.9	124%	50%
TCS	149819	132593	107971	39%	13%	44170	39117	30311	46%	13%	33472	29324	23804	41%	14%	17.1	15.0	12.2	41%	14%
Tech Mahindra	15444	14190	12925	19%	9%	2900	2391	2418	20%	21%	2874	3695	2734	5%	-22%	23.2	28.2	20.9	11%	-18%
Wipro	107197	98692	85640	25%	9%	19948	16943	14952	33%	18%	16790	14809	13350	26%	13%	7.0	6.0	5.5	28%	16%
Metals & Mining																				
Bhushan Steel	26086	28368	22318	17%	-8%	7641	8976	6610	16%	-15%	2441	3309	2100	16%	-26%	11.5	15.6	9.9	16%	-26%
Godawari Power	5397	6568	4957	9%	-18%	820	972	777	6%	-16%	239	329	318	-25%	-27%	7.5	10.4	10.0	-25%	-27%
HEG	4337	4074	2795	55%	6%	790	724	441	79%	9%	379	532	198	92%	-29%	8.9	12.5	4.6	92%	-29%
Hindalco	70256	76471	60309	16%	-8%	7754	8648	8671	-11%	-10%	5164	6400	6440	-20%	-19%	2.7	3.3	3.4	-20%	-19%
Hindustan Zinc	27348	31350	28471	-4%	-13%	14383	16590	15923	-10%	-13%	12850	14213	14993	-14%	-10%	3.0	3.4	3.5	-14%	-10%
JSW Steel	87665	103610	74387	18%	-15%	14006	18873	14348	-2%	-26%	3132	5696	4852	-35%	-45%	14.0	25.5	21.7	-35%	-45%
Sesa Goa	21886	27942	21089	4%	-22%	7790	9967	11458	-32%	-22%	10120	12280	8406	20%	-18%	11.6	14.1	9.7	20%	-18%
Sterlite Industries	101473	108189	98607	3%	-6%	22319	27054	27584	-19%	-18%	11451	13774	16443	-30%	-17%	3.4	4.1	4.9	-30%	-17%
Tata Steel	346616	339986	330002	5%	2%	32072	31788	44229	-27%	1%	6363	4335	14274	-55%	47%	6.6	4.5	14.9	-55%	47%

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Company Name	Net Sales (Rs mn)			Growth (%)		Ebitda (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)	
	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ
Oil & Gas																				
BPCL	367597	621357	461396	-20%	-41%	-31694	72166	-21642			-35994	64203	-25619			-99.6	177.6	-70.9		
GAIL	109610	104884	88890	23%	5%	13054	7677	15772	-17%	70%	7596	4833	9846	-23%	57%	6.0	3.8	7.8	-23%	57%
Gujarat Gas	7869	7235	5845	35%	9%	817	761	1398	-42%	7%	550	652	966	-43%	-16%	4.3	5.1	7.5	-43%	-16%
Gujarat State Petronet	2769	2788	2876	-4%	-1%	2520	2544	2652	-5%	-1%	1235	1293	1374	-10%	-4%	2.2	2.3	2.4	-10%	-4%
HPCL	295452	523936	409169	-28%	-44%	-30763	54667	-25684			-34463	46327	-30815			-101.7	136.7	-90.9		
Indian Oil	813935	1277355	1012845	-20%	-36%	-41386	140402	-18618			-64291	126705	-37187			-26.5	52.2	-15.3		
Indraprastha Gas	7438	7212	5374	38%	3%	1496	1695	1580	-5%	-12%	651	808	797	-18%	-19%	4.6	5.8	5.7	-18%	-19%
Petronet LNG	67640	63754	46234	46%	6%	4378	4230	4382	0%	3%	2487	2451	2569	-3%	1%	3.3	3.3	3.4	-3%	1%
Reliance Industries	882382	851820	810180	9%	4%	75354	65630	99260	-24%	15%	44430	42360	56610	-22%	5%	13.6	12.9	17.3	-22%	5%
Paper																				
Ballarpur Inds	12215	12490	11920	2%	-2%	2091	2002	2466	-15%	4%	318	278	986	-68%	14%	0.3	0.4	1.5	-77%	-20%
JK Paper	3319	3574	3240	2%	-7%	398	348	608	-35%	14%	106	111	277	-62%	-5%	0.8	0.8	2.0	-62%	-5%
Tamilnadu Newsprint	3960	5632	3441	15%	-30%	945	900	897	5%	5%	111	205	128	-14%	-46%	1.6	2.9	1.8	-14%	-46%
Pharmaceuticals																				
Aurobindo Pharma	12381	11907	10769	15%	4%	2121	1404	1640	29%	51%	1012	45	1072	-6%	2138%	10.4	0.3	3.7	183%	3257%
Cadila Healthcare	15469	13979	12457	24%	11%	3248	2828	2932	11%	15%	2107	1780	2147	-2%	18%	10.3	8.7	10.5	-2%	18%
Cipla	20068	18656	15914	26%	8%	4777	3988	3695	29%	20%	3515	2737	2393	47%	28%	4.4	3.4	3.0	47%	28%
Dishman Pharma	2945	3501	2383	24%	-16%	594	825	448	33%	-28%	163	373	107	53%	-56%	2.0	4.6	1.3	53%	-56%
Divi's Lab	5722	7215	3648	57%	-21%	2082	2903	1340	55%	-28%	1553	2169	1026	51%	-28%	11.7	16.3	7.7	51%	-28%
Dr. Reddy's Lab	26354	26585	19783	33%	-1%	6520	6617	4023	62%	-1%	4168	4236	2346	78%	-2%	24.7	25.1	13.9	78%	-2%
Glaxosmithkline Pharma	6491	6299	5739	13%	3%	1939	2028	1993	-3%	-4%	1736	1852	1517	14%	-6%	20.4	21.9	17.9	14%	-7%
Glenmark Pharma	10576	10659	8683	22%	-1%	2319	2217	2968	-22%	5%	1431	1226	1124	27%	17%	5.3	4.5	4.2	27%	17%
Ipca Lab	6162	5531	5263	17%	11%	1347	1037	916	47%	30%	934	715	526	78%	31%	7.5	5.7	4.2	78%	31%
Jubilant Life Sciences	11293	11755	9485	19%	-4%	2409	2107	1862	29%	14%	840	580	806	4%	45%	5.3	3.7	5.1	4%	45%
Lupin	20601	19237	15677	31%	7%	4119	3727	2944	40%	11%	2490	1688	2101	19%	48%	5.6	3.8	4.7	19%	48%
Pfizer	2957	2735	2612	13%	8%	531	515	419	27%	3%	471	481	412	14%	-2%	15.8	16.1	13.8	14%	-2%
Ranbaxy Labs	33827	37677	20931	62%	-10%	10555	17588	1817	481%	-40%	5304	9023	1499	254%	-41%	12.6	21.5	3.6	254%	-41%
Sun Pharma	24602	23362	16357	50%	5%	9855	9627	5474	80%	2%	6478	8258	5010	29%	-22%	6.2	8.0	4.8	29%	-22%
Torrent pharma	7528	6540	6134	23%	15%	1347	647	1190	13%	108%	1052	526	892	18%	100%	12.4	6.2	10.5	18%	100%
Unichem Labs	2084	1930	1887	10%	8%	362	329	269	34%	10%	240	232	156	54%	4%	2.6	2.6	1.7	52%	3%

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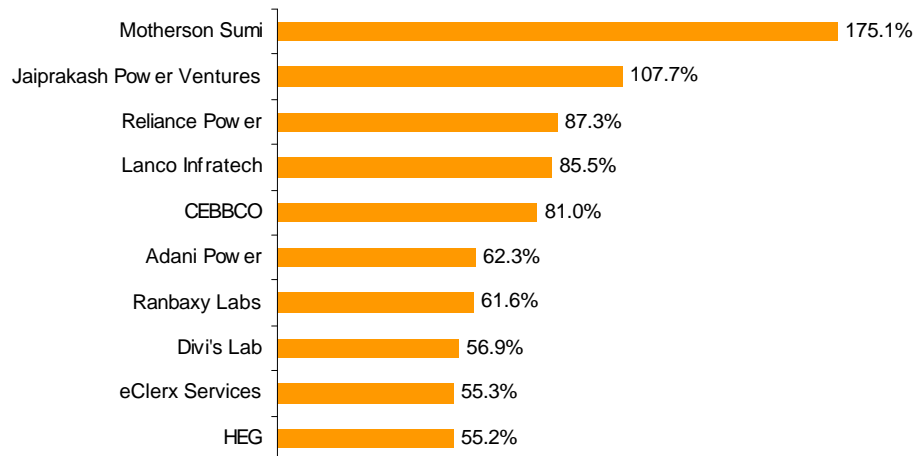
Company Name	Net Sales (Rs mn)			Growth (%)		Ebitda (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)		
	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	
Power																					
Adani Power	13288	9983	8187	62%	33%	3061	413	4102	-25%	642%	-1312	-4043	1519			-0.5	-1.7	0.6			
CESC	12367	13790	11830	5%	-10%	3029	4320	2670	13%	-30%	1466	2660	1110	32%	-45%	11.7	21.3	8.9	32%	-45%	
Gujarat Industries Power	3018	2626	3407	-11%	15%	1288	1151	1275	1%	12%	465	382	430	8%	22%	3.1	2.5	2.8	8%	22%	
Indiabulls Power	0	0	0			-101	-70	-93			-51	-88	759			0.0	0.0	0.4			
Jaiprakash Power Ventures	5719	2937	2753	108%	95%	5396	2438	2467	119%	121%	2009	-68	696	189%		0.9	0.0	0.3	189%		
JSW Energy	17301	20361	11454	51%	-15%	5580	5418	2662	110%	3%	1809	1758	1364	33%	3%	1.1	1.1	0.8	33%	3%	
KSK Energy	5682	5010	4419	29%	13%	2346	1477	1656	42%	59%	459	-225	406	13%		1.2	-0.6	1.1	13%		
Lanco Infratech	36166	33762	19492	86%	7%	5417	3767	4910	10%	44%	-1739	-508	137			-0.7	-0.2	0.1			
Nava Bharat Ventures	2612	2443	2347	11%	7%	813	839	576	41%	-3%	671	671	528	27%	0%	7.5	7.5	6.1	24%	0%	
NHPC	11103	14437	11564	-4%	-23%	8090	10308	8362	-3%	-22%	5707	7759	5961	-4%	-26%	0.5	0.6	0.5	-4%	-26%	
NTPC	159963	162639	141715	13%	-2%	39942	41293	28663	39%	-3%	23518	23104	20758	13%	2%	1.6	2.8	2.5	-37%	-43%	
Power Grid Corporation	28698	31017	22024	30%	-7%	24463	26037	18454	33%	-6%	10095	10794	7065	43%	-6%	2.2	2.3	1.5	43%	-6%	
Reliance Power	10147	5326	5418	87%	91%	3883	1788	1850	110%	117%	2503	2313	1961	28%	8%	0.9	0.8	0.7	28%	8%	
Tata Power	68266	71699	58048	18%	-5%	14628	13951	14037	4%	5%	3486	3522	3406	2%	-1%	1.5	1.5	1.4	2%	-1%	
Print Media																					
DB Corp	3896	3606	3537	10%	8%	972	758	1003	-3%	28%	556	454	611	-9%	22%	3.1	2.5	3.4	-9%	22%	
HT Media	5158	4941	4969	4%	4%	699	482	903	-23%	45%	380	220	515	-26%	73%	1.6	0.9	2.2	-26%	73%	
Jagran Prakashan	3206	3104	3046	5%	3%	746	659	820	-9%	13%	392	428	497	-21%	-9%	1.2	1.4	1.6	-21%	-9%	
Real Estate																					
DLF	24364	26168	24458	0%	-7%	10250	7976	11110	-8%	29%	2413	1705	3771	-36%	42%	1.4	1.0	2.2	-36%	42%	
Oberoi Realty	2211	2548	1609	37%	-13%	1406	1642	903	56%	-14%	1236	1436	1063	16%	-14%	3.8	4.4	3.2	17%	-13%	
Phoenix Mills	534	531	471	13%	1%	376	363	331	14%	3%	263	273	272	-3%	-4%	9.1	9.4	9.4	-3%	-4%	
Prestige Estates	2629	2021	2484	6%	30%	745	686	689	8%	9%	420	383	364	16%	10%	1.3	1.2	1.1	17%	11%	
Sobha Developers	3669	4769	3179	15%	-23%	1097	1806	623	76%	-39%	459	890	304	51%	-48%	4.7	9.1	3.1	51%	-48%	
Telecommunications																					
Bharti Airtel	198484	187388	169828	17%	6%	66404	62331	57059	16%	7%	12609	10061	12152	4%	25%	3.3	2.7	3.2	4%	25%	
Idea Cellular	55672	53447	45158	23%	4%	15457	13321	11991	29%	16%	3147	2140	1724	83%	47%	1.0	0.6	0.5	83%	47%	
Reliance Communications	53509	53095	49401	8%	1%	17599	16315	16021	10%	8%	1835	3305	1584	16%	-44%	0.9	1.6	0.8	16%	-44%	
Tulip Telecom	6830	6617	6539	4%	3%	1771	1692	1848	-4%	5%	483	660	772	-37%	-27%	3.3	4.6	5.3	-37%	-27%	

Emkay Universe Q1FY13 Result Preview

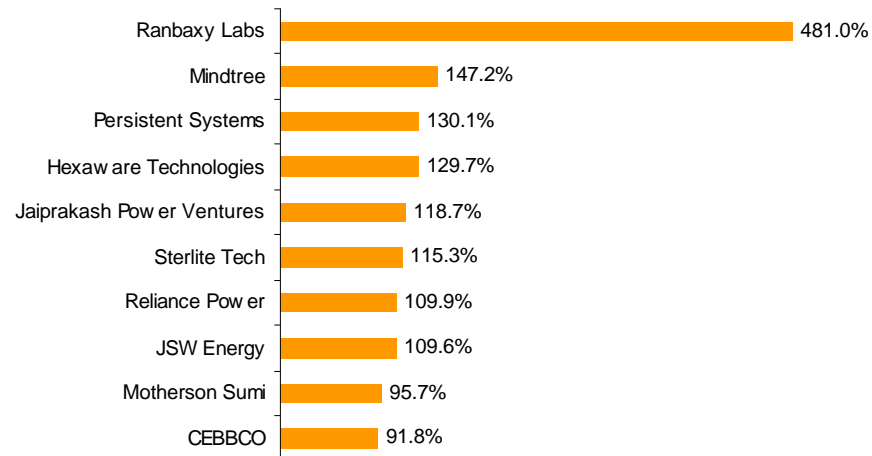
Company Name	Net Sales (Rs mn)			Growth (%)		Ebitda (Rs mn)			Growth (%)		APAT (Rs mn)			Growth (%)		EPS (Rs)			Growth (%)		
	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	Q1FY13	Q4FY12	Q1FY12	YoY	QoQ	
Others																					
Arshiya International	3095	3108	2226	39%	0%	881	795	539	63%	11%	301	277	236	27%	9%	5.1	4.7	4.0	27%	9%	
Dish TV	5060	5247	4604	10%	-4%	1330	1442	1122	19%	-8%	-278	-490	-183			-0.3	-0.5	-0.2			
Essel Propack	4079	4126	3601	13%	-1%	663	650	576	15%	2%	105	137	99	7%	-23%	0.7	0.9	0.6	7%	-23%	
Grasim Industries	9386	13885	10234	-8%	-32%	1613	2168	3529	-54%	-26%	1607	2436	3141	-49%	-34%	17.5	26.6	34.3	-49%	-34%	
Havells India	9318	10467	8000	16%	-11%	1117	1236	857	30%	-10%	783	915	575	36%	-14%	6.3	7.3	4.6	36%	-14%	
Kajaria Ceramics	3370	3727	2718	24%	-10%	526	585	433	21%	-10%	202	235	171	18%	-14%	2.7	3.2	2.3	18%	-14%	
Piramal Glass	3788	4047	3172	19%	-6%	675	849	717	-6%	-21%	105	384	290	-64%	-73%	1.3	4.8	3.6	-64%	-73%	
Sterlite Tech	7433	8093	5473	36%	-8%	650	667	302	115%	-3%	121	165	52	131%	-27%	0.3	0.4	0.1	131%	-27%	

Top 10 Companies

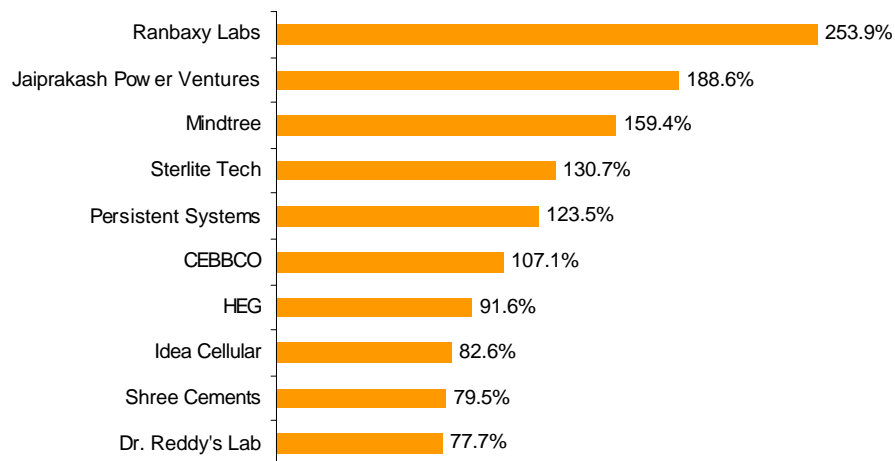
Net Sales Growth



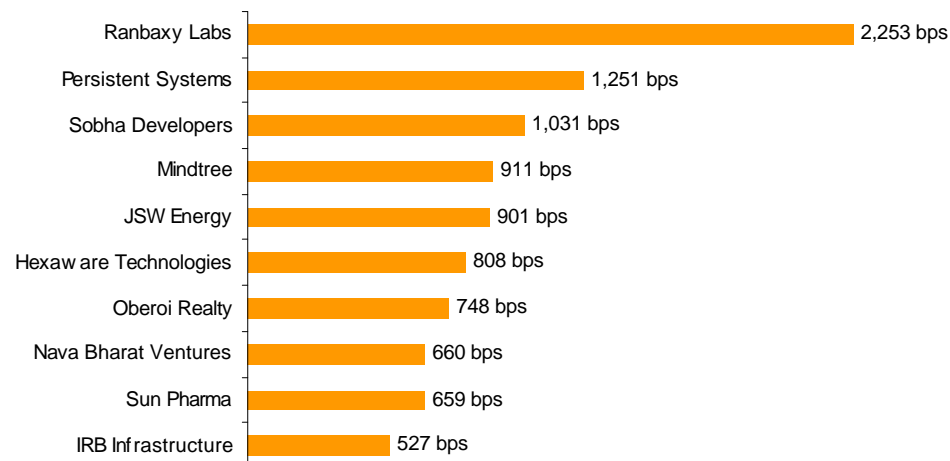
Ebitda Growth



PAT Growth

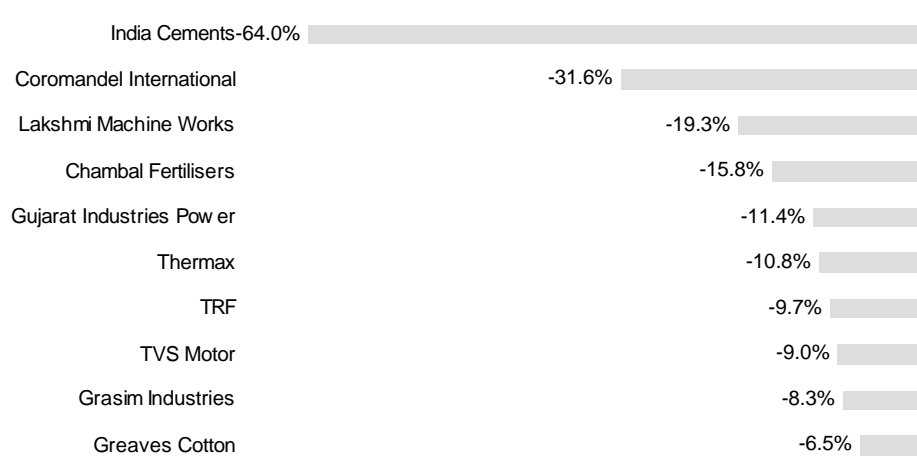


Ebitda Margin Growth

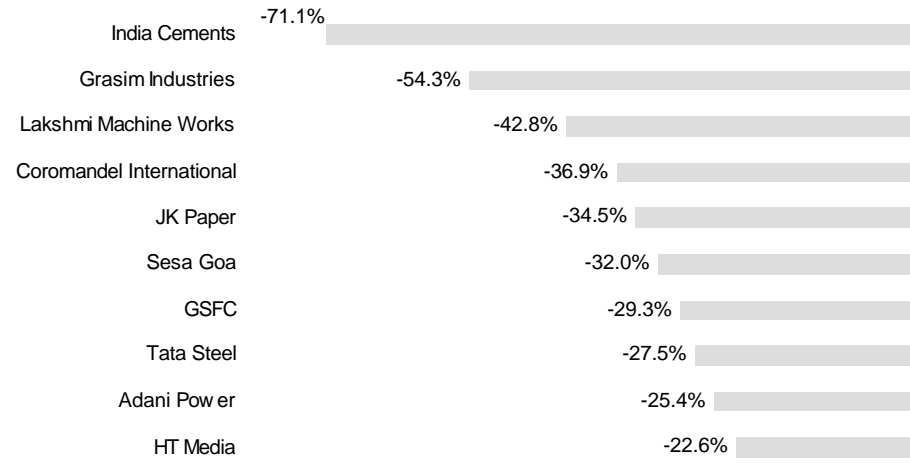


Bottom 10 Companies

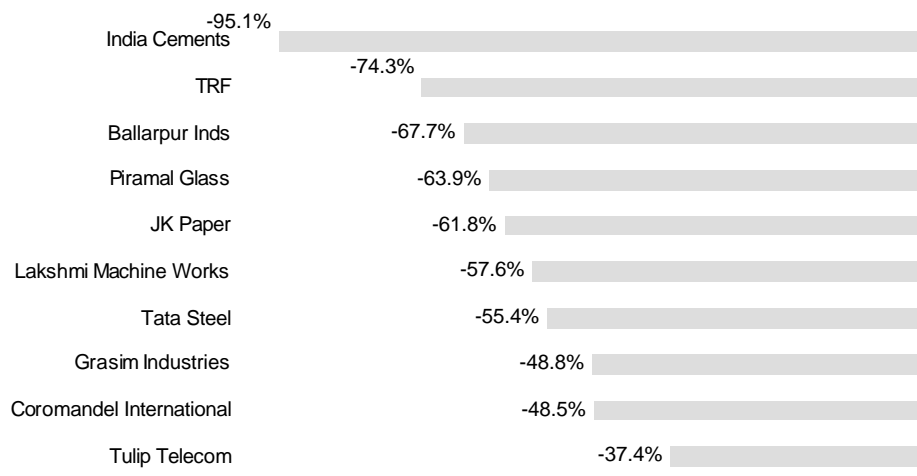
Net Sales Growth



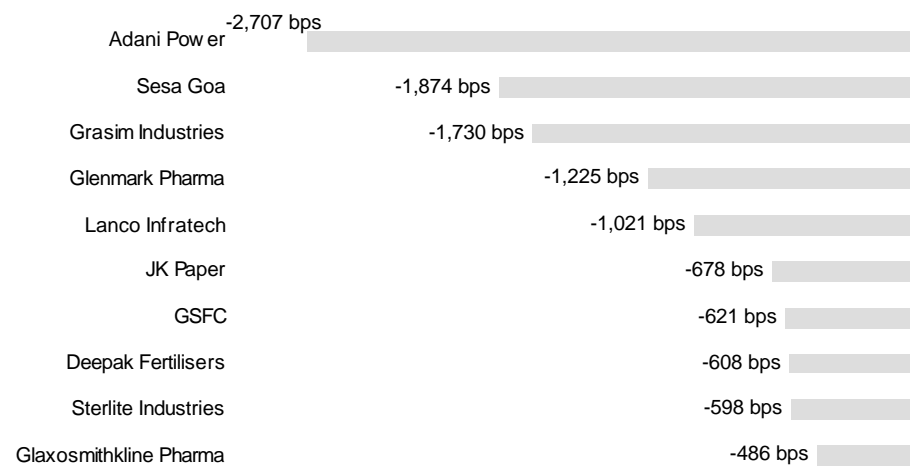
Ebitda Growth



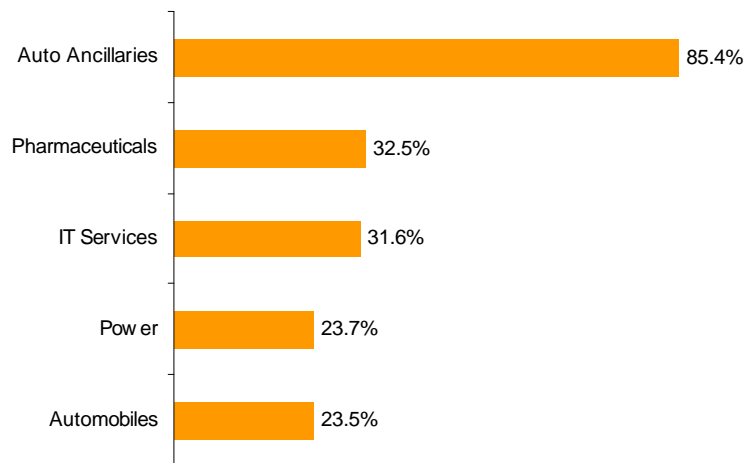
PAT Growth



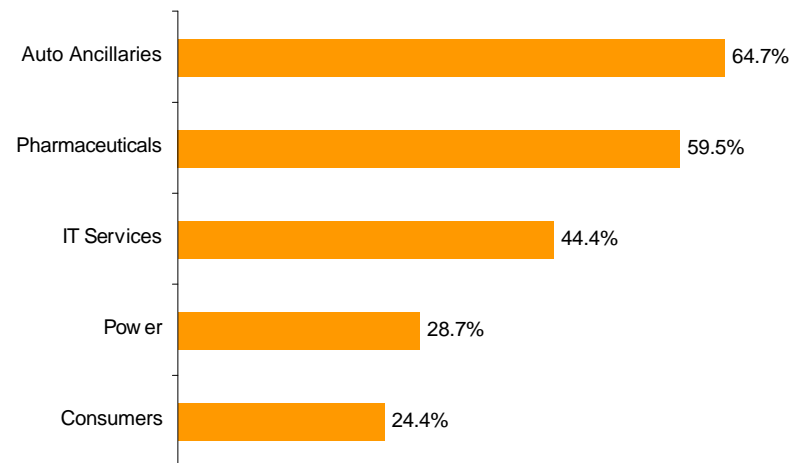
Ebitda Margin Growth



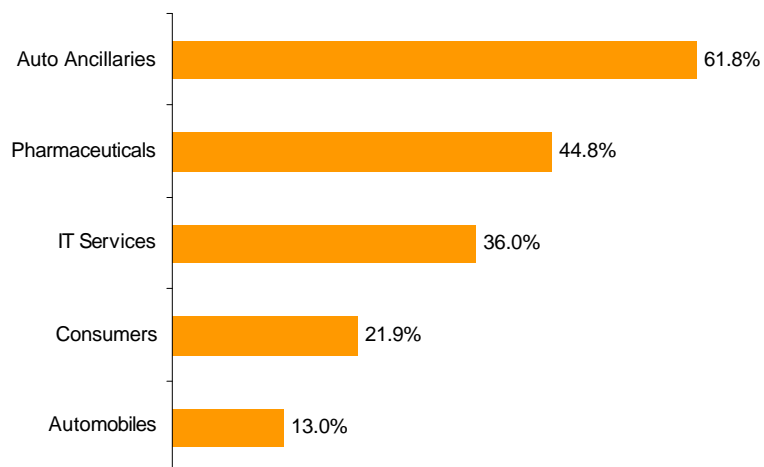
Net Sales Growth



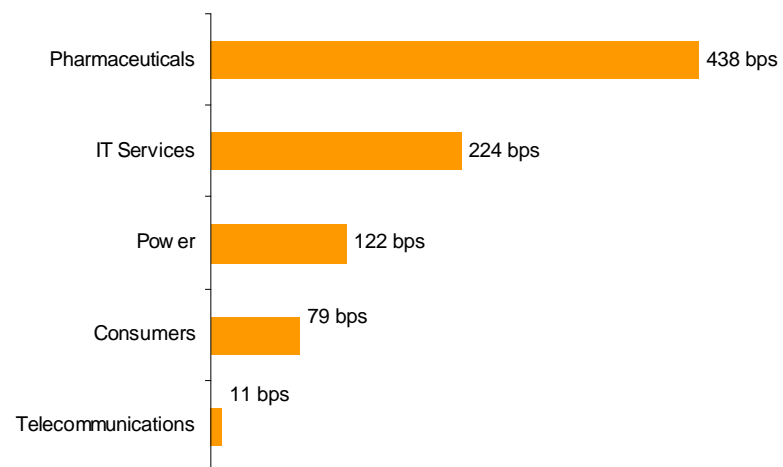
Ebitda Growth



PAT Growth

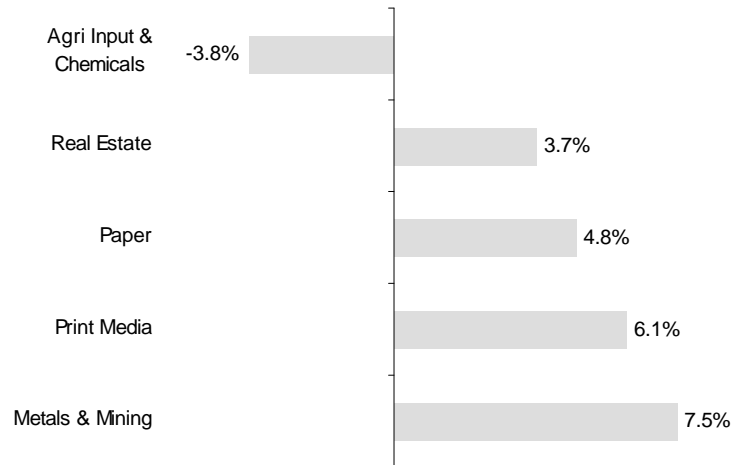


Ebitda Margin Growth

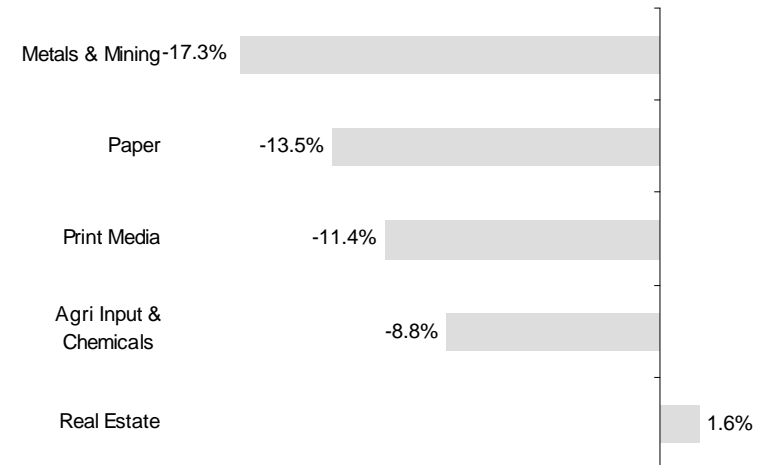


Bottom 5 Sectors

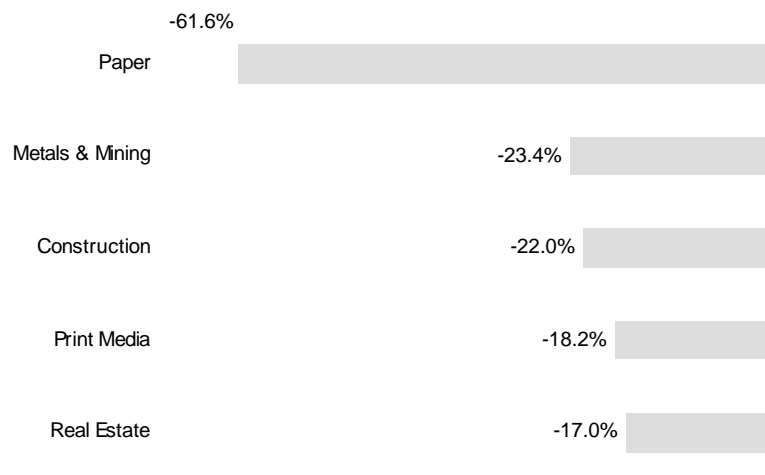
Net Sales Growth



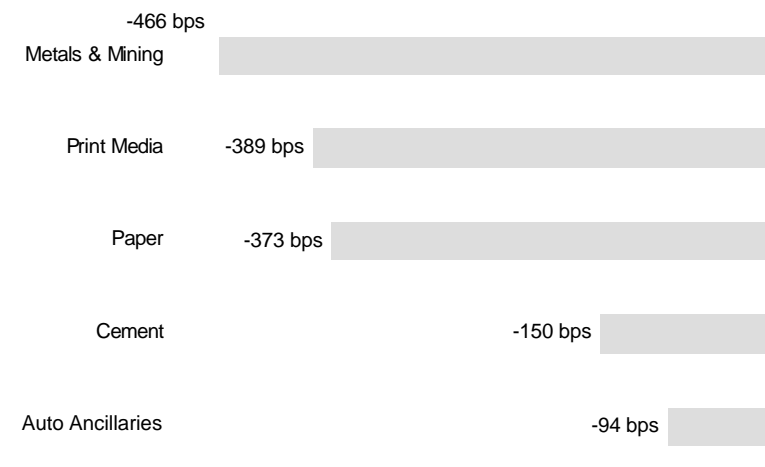
Ebitda Growth



PAT Growth

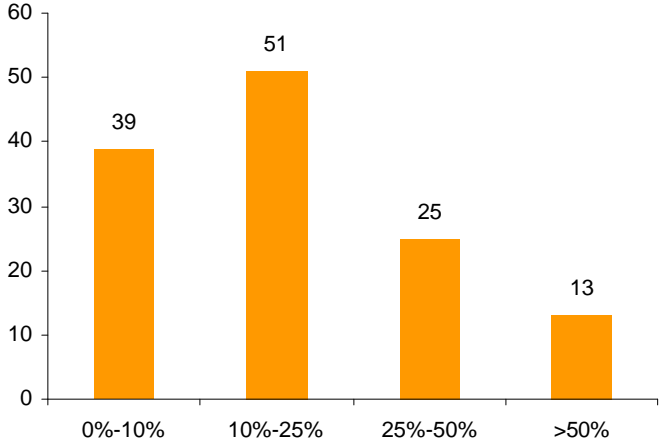


Ebitda Margin Growth

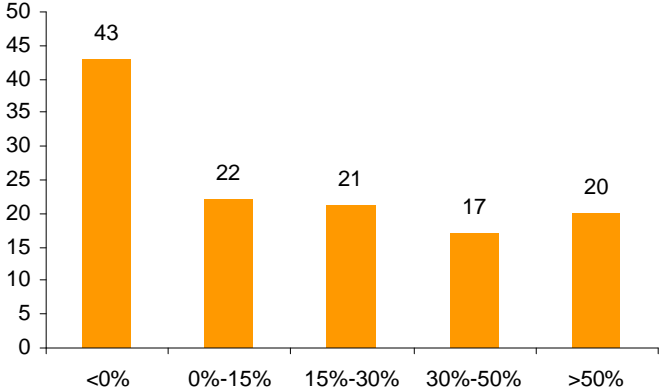


Frequency Distribution (No. of Companies)

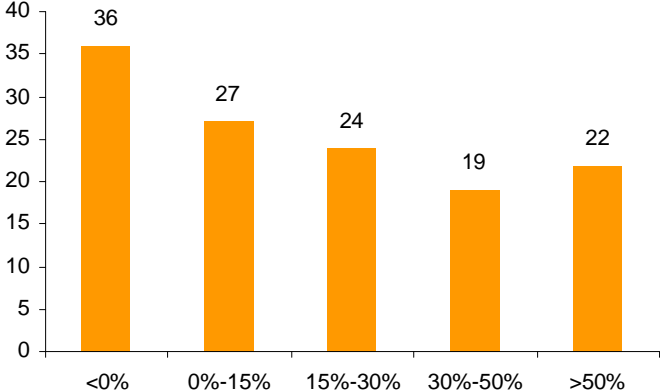
Net Sales Growth



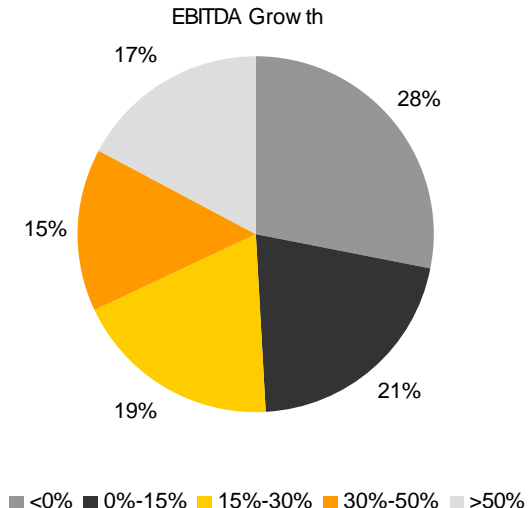
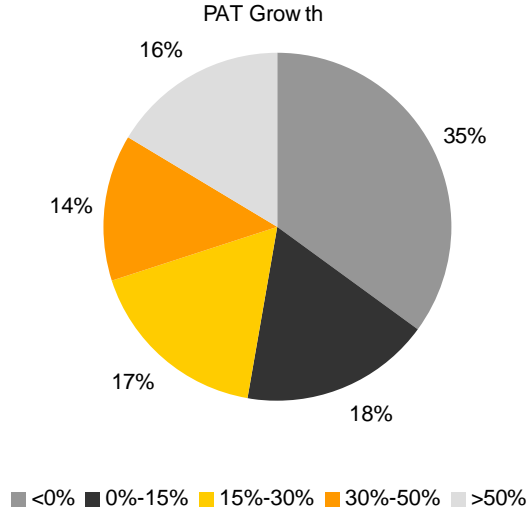
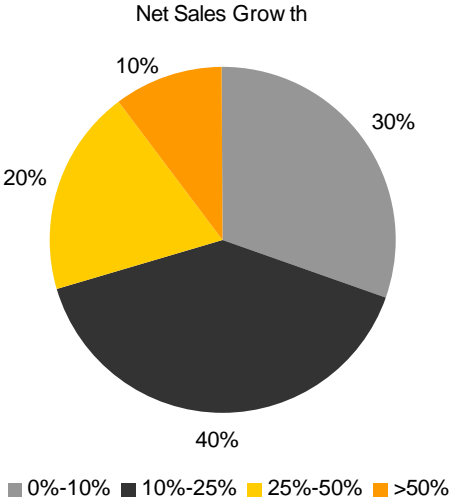
PAT Growth



EBITDA Growth



Frequency Distribution (Percentage)



Sectoral Analysis of Q1FY13 Results

Agri Input and Chemicals

- On an aggregate basis, we expect our universe to report topline degrowth of 4%yoy and APAT degrowth of 15%yoy for Q1FY13. This is the first instance in last several quarters that we expect aggregate topline to witness degrowth.
- Fertiliser revenues for our universe are expected to decline by 17% yoy while we expect margins to decline by 160bps yoy to 9.8%. Decontrolled fertiliser sales (includes DAP, MOP and other NPK fertiliser) declined by 14%yoy to 2mn mt in Apr - May 2012 while urea sales volumes have declined by 1% during Apr – May.
- On the chemicals side, we expect chemicals revenues for our universe to increase by 16% (mainly driven by price increase) while margins are expected to decline by 600bps yoy (largely due to contraction in GSFC's margins). Emkay Chemical Index indicates increase in chemical prices by 7% yoy
- Sharp increase in the prices of complex fertilizer by 15-30% mainly driven by currency depreciation is likely to impact consumption of complex fertilisers further. Though Q1FY13 is likely to be a muted quarter since companies have already pushed huge inventory into the system in Q4FY12, however the impact might be sharper in Q2FY13 as lower cost stock moves out of system and farmers have to bear with increased prices.
- Currency depreciation of 20-25% has pushed input costs for agrochemicals higher since approx. 50-55% of the raw material is imported. As a result pesticide companies have taken price increase of 8-10% across the products.
- Though govt has raised MSPs of key crops for the ensuing kharif season to counter the rising costs of farmers, however huge grain supply in the system would act as a hindrance for the effective implementation of new MSPs.
- We maintain our cautious outlook on the sector. Deepak Fertiliser & Tata Chemicals remain our top picks in the agri space due to attractive valuations.

Agri Input and Chemicals

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Chambal Fertilisers								
CMP(Rs)	74	Net Sales (Rs mn)	9,803	18,833	11,644	-15.8%	-47.9%	We expect revenues to decline by 16% yoy to Rs 9.8 bn. We expect manufactured fertilizer revenues to decline by 10% yoy to Rs 6.3bn while we expect trading revenues to decline by 40% yoy to Rs 1.7bn. We expect shipping and textiles segment to report revenue growth of 18% and 0% resp. We expect company to report EBITDA of Rs 1.6bn, -9%yoy with margins of 16.7%. We expect PAT to decline by 11% yoy to Rs 650mn and expect company to report AEPS of Rs 1.6
Mkt Cap (Rs bn)	31	EBITDA (Rs mn)	1,639	2,545	1,796	-8.8%	-35.6%	
Reco	Accumulate	EBITDA Margin (%)	16.7	13.5	15.4	129 bps	320 bps	
Target Price (Rs)	98	PAT (Rs mn)	650	1,385	729	-10.8%	-53.1%	
% Upside	33%	EPS (Rs)	1.6	3.3	1.8	-10.8%	-53.1%	
Coromandel International								
CMP(Rs)	261	Net Sales (Rs mn)	12,090	27,498	17,665	-31.6%	-56.0%	We expect revenues to decline by 32% yoy to Rs 12.0bn. We expect manufactured volumes to decline by 40% yoy to 350,000mt while trading volumes are expected to remain flat at 28,000mt. Resultant, total fertiliser volumes are expected to decline by 38% yoy to 378,000 mt. Aggressive pushing of inventory last quarter has restricted company's ability to further push volumes in Q1FY13. We expect company to report EBITDA of Rs. 1.4bn, -37% yoy with margins of 11.5%. We expect company to report PBT of Rs 1bn, -49% yoy. We expect company to report APAT of Rs 714mn and AEPS of Rs 2.5
Mkt Cap (Rs bn)	74	EBITDA (Rs mn)	1,390	1,668	2,203	-36.9%	-16.7%	
Reco	Hold	EBITDA Margin (%)	11.5	6.1	12.5	-97 bps	543 bps	
Target Price (Rs)	286	PAT (Rs mn)	714	770	1,387	-48.5%	-7.2%	
% Upside	10%	EPS (Rs)	2.5	2.7	4.9	-48.5%	-6.5%	
Deepak Fertilisers								
CMP(Rs)	133	Net Sales (Rs mn)	5,683	6,903	4,739	19.9%	-17.7%	We expect net revenues to increase by 20% yoy to Rs 5.7bn. We expect chemicals revenues to increase by 24% yoy to Rs 4.1bn while we expect fertiliser revenues to increase by 16% yoy to Rs 1.7bn. Manufactured fertilizer revenues are expected to increase by 41% yoy to Rs 1.2bn while traded fertiliser revenues are expected to decline by 19% yoy to Rs 500mn. Company is likely to report EBITDA of Rs 1.0bn, -11% yoy with margins of 17.7%. We expect company to report APAT of Rs 520mn, -19% yoy with EPS of Rs 5.9
Mkt Cap (Rs bn)	12	EBITDA (Rs mn)	1,008	904	1,129	-10.7%	11.6%	
Reco	Buy	EBITDA Margin (%)	17.7	13.1	23.8	-608 bps	465 bps	
Target Price (Rs)	185	PAT (Rs mn)	520	455	639	-18.6%	14.4%	
% Upside	39%	EPS (Rs)	5.9	5.2	7.2	-18.6%	14.4%	

Agri Input and Chemicals

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
GNFC								
CMP(Rs)	86	Net Sales (Rs mn)	8,533	11,543	6,442	32.5%	-26.1%	We estimate net revenues to increase by 33% yoy to Rs 8.5 bn. We expect fertiliser revenues to increase by 30% yoy to Rs 4.2bn while we expect chemical segment revenues to increase by 35% yoy to Rs 4.1bn. We expect fertiliser segment to report EBIT of Rs 170 mn while chemical segment is expected to report EBIT of Rs 829mn. We expect company to report EBITDA of Rs 1.4bn, 51% yoy with margins of 16.4%. Company is likely to report PAT of Rs 706mn, 70% yoy with EPS of Rs 4.5
Mkt Cap (Rs bn)	13	EBITDA (Rs mn)	1,398	1,517	925	51.2%	-7.8%	
Reco	Buy	EBITDA Margin (%)	16.4	13.1	14.4	203 bps	324 bps	
Target Price (Rs)	135	PAT (Rs mn)	706	752	417	69.5%	-6.1%	
% Upside	57%	EPS (Rs)	4.5	4.8	2.7	69.5%	-6.1%	
GSFC								
CMP(Rs)	417	Net Sales (Rs mn)	11,756	15,300	12,077	-2.7%	-23.2%	We expect revenues to decline by 3% yoy to Rs 11.8bn. We expect fertiliser revenues to decline by 2% yoy to Rs 8.4bn while we expect chemicals revenues to decline by 5% yoy to Rs 3.3bn. Though caprolactam prices have declined steeply compared on a yoy basis however rupee depreciation has benefited GSFC. We expect company to report EBITDA of Rs 1.9bn,-29% yoy with margins of 16.5%. Company is likely to report APAT of Rs 1.3bn, -29% yoy with margins of 10.8%. EPS for the quarter is likely to be around Rs 15.9
Mkt Cap (Rs bn)	33	EBITDA (Rs mn)	1,935	2,941	2,738	-29.3%	-34.2%	
Reco	Accumulate	EBITDA Margin (%)	16.5	19.2	22.7	-621 bps	-276 bps	
Target Price (Rs)	530	PAT (Rs mn)	1,266	1,863	1,773	-28.6%	-32.0%	
% Upside	27%	EPS (Rs)	15.9	23.4	22.2	-28.6%	-32.0%	
Rallis India								
CMP(Rs)	140	Net Sales (Rs mn)	3,100	2,160	2,975	4.2%	43.5%	We estimate consol revenue growth of 4% yoy to Rs 3.1 bn. We expect standalone revenues to decline by 12% yoy to Rs 2.4bn. Metahelix is likely to report revenues of Rs 742mn, 25% yoy. We expect company to report standalone EBITDA of Rs 251mn, -20% yoy with margins of 10.6%. Company is likely to report consol EBITDA of Rs 407mn, -7% yoy with margins of 13.1%. We expect company to report consol APAT of Rs 205mn, -11% yoy with EPS of Rs 1.1
Mkt Cap (Rs bn)	27	EBITDA (Rs mn)	407	124	435	-6.5%	228.8%	
Reco	Hold	EBITDA Margin (%)	13.1	5.7	14.6	-149 bps	739 bps	
Target Price (Rs)	120	PAT (Rs mn)	205	30	231	-11.4%	575.9%	
% Upside	-14%	EPS (Rs)	1.1	0.2	1.2	-11.4%	575.9%	

Agri Input and Chemicals

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Tata Chemicals								
CMP(Rs)	316	Net Sales (Rs mn)	28,736	34,650	29,539	-2.7%	-17.1%	We expect standalone revenues at Rs 13.6 bn, -14% yoy and APAT of Rs 883 mn, -23% yoy. We expect increase in revenues for BMGL by 6% yoy to Rs 5.0 bn. IMACID is likely to report revenues of Rs 600mn, -65% yoy while we expect revenues for GCIP to increase by 17% yoy to Rs 6.4 bn. We estimate consolidated revenues to decline by 3% yoy to Rs 28.7 bn, Company is likely to report consol EBITDA of Rs 4.9bn, -7% yoy with margins of 17%. APAT is likely to be around Rs 1.7bn, -16% yoy with EPS of Rs 6.7
Mkt Cap (Rs bn)	80	EBITDA (Rs mn)	4,878	5,408	5,267	-7.4%	-9.8%	
Reco	Accumulate	EBITDA Margin (%)	17.0	15.6	17.8	-86 bps	137 bps	
Target Price (Rs)	400	PAT (Rs mn)	1,710	1,891	2,043	-16.3%	-9.6%	
% Upside	27%	EPS (Rs)	6.7	7.4	8.0	-16.3%	-9.6%	
United Phosphorus								
CMP(Rs)	125	Net Sales (Rs mn)	20,045	21,269	18,621	7.6%	-5.8%	We expect consol revenue growth of 8% yoy to Rs 20.0 bn. Indian revenues are expected to decline by 15% yoy to Rs 4.5bn while North American revenues are expected to increase by 10% yoy to Rs 5.6bn. Europe is likely to report revenue growth of 15% yoy while RoW revenues are expected to increase by 20% yoy. Company is likely to report EBITDA of Rs 3.7bn, 8% yoy with margins of 18.5%. We expect company to report APAT of Rs 1.8bn, 9% yoy with EPS of Rs 4.2
Mkt Cap (Rs bn)	57	EBITDA (Rs mn)	3,708	3,867	3,449	7.5%	-4.1%	
Reco	Accumulate	EBITDA Margin (%)	18.5	18.2	18.5	-2 bps	32 bps	
Target Price (Rs)	172	PAT (Rs mn)	1,838	2,307	1,682	9.2%	-20.3%	
% Upside	38%	EPS (Rs)	4.2	5.0	3.6	9.2%	-20.3%	

- We expect our automobile universe to report 24% YoY growth (-11% QoQ) in sales to Rs 801 bn driven by volumes and pricing action. Excl. TML subs, sales growth to moderate to 10% YoY (-15% QoQ) to Rs 476bn
- Adjusted EBIDTA at Rs 93.6 bn is expected to grow only 15% YoY due to higher input costs. Sequentially, EBIDTA is expected to decline 16% due to lower operating leverage benefits, adverse currency and higher discounts. Excl. TML subs, EBITDA is likely to decline 21% QoQ (-3% YoY) to Rs 47 bn
- Adjusted EBIDTA margins to decline by 90bps YoY and 70bps QoQ to 11.7%. Excluding TML subs, margin decline to increase to 9.9% (-145 bps YoY/-75 bps QoQ). Sequential decline is largely expected across most companies. AL (330 bps), BJAUT (26 bps) Eicher (121 bps), MM (60 bps) and MSIL (40 bps) to report decline QoQ. HMCL and TVSL to show marginal improvement in margins QoQ
- APAT to increase 13% YoY (decline 44% QoQ) to Rs 54 bn. Ex TML subs, APAT to decline 13% YoY and 30% QoQ to Rs 26.3 bn. Highest sequential decline is expected in AL (73%), TTMT (55%) and MSIL (39%) driven by weak demand, lower operating leverage and adverse currency. Only improvement is seen in HMCL (10% QoQ)
- Key things to focus will be impact of shift in product mix, discount levels, currency swings and hedges
- We maintain our preference for 2 wheelers. We have BUY rating on BJAUT and ACCUMULATE rating on TTMT and AL. We maintain HOLD on TVSL, MM, EIM and REDUCE on MSIL and HMCL

Automobiles

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Ashok Leyland								
CMP(Rs)	24	Net Sales (Rs mn)	30,003	43,110	24,955	20.2%	-30.4%	AL performance to be driven by M&HCV volume growth of 6% YoY (41% YoY incl. LCV "Dost"). EBITDA margins to decline 330 bps QoQ (decline 130 bps YoY) led by lower operating leverage and higher share of LCV. Key things to watch out for (1) demand outlook for FY13 (2) working capital debt (3) LCV new launch plan and (3) Pantnagar volumes
Mkt Cap (Rs bn)	65	EBITDA (Rs mn)	2,425	4,909	2,352	3.1%	-50.6%	
Reco	Accumulate	EBITDA Margin (%)	8.1	11.4	9.4	-134bps	-331bps	
Target Price (Rs)	31	PAT (Rs mn)	758	2,781	768	-1.2%	-72.7%	
% Upside	27%	EPS (Rs)	0.3	1.0	0.3	-1.2%	-72.7%	
Bajaj Auto								
CMP(Rs)	1,561	Net Sales (Rs mn)	48,103	46,514	47,773	0.7%	3.4%	BJAUT results to be driven by vol growth of -1.3% YoY/6% QoQ. Margins to decline 30 bps QoQ (up 46 bps YoY) due to adverse product mix and higher advertisement/promotion costs. Key things to watch out for (1) demand for new Discover/Pulsar (2) tax refund from Mah. Govt. and (3) raw material contracts
Mkt Cap (Rs bn)	452	EBITDA (Rs mn)	9,394	9,206	9,108	3.1%	2.0%	
Reco	Buy	EBITDA Margin (%)	19.5	19.8	19.1	46bps	-26bps	
Target Price (Rs)	1,920	PAT (Rs mn)	7,320	7,673	7,111	3.0%	-4.6%	
% Upside	23%	EPS (Rs)	25.3	26.7	24.6	3.0%	-4.6%	
Eicher Motors								
CMP(Rs)	1,987	Net Sales (Rs mn)	14,951	16,950	12,984	15.2%	-11.8%	EIM to sustain earnings momentum driven by strong volumes (33% YoY/3 % QoQ). EBIDTA margins to decline 30 bps QoQ/120 bps YoY led by weak performance in CV business (adverse product mix and higher discounts). Key things to watch out for (1) CV demand outlook (2) resale value/discount levels of trucks (3) new launches in motorcycle segment and (4) raw material contracts
Mkt Cap (Rs bn)	54	EBITDA (Rs mn)	1,409	1,802	1,262	11.7	-21.85	
Reco	Hold	EBITDA Margin (%)	9.4	10.6	9.7	-29 bps	-121 bps	
Target Price (Rs)	2,145	PAT (Rs mn)	856	1,096	763	12.2	-21.8%	
% Upside	8%	EPS (Rs)	31.8	40.7	28.3	12.3	-21.8%	

Automobiles

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Hero MotoCorp								
CMP(Rs)	2,114	Net Sales (Rs mn)	64,265	60,349	56,833	13.1%	6.5%	HMCL's performance to remain strong driven by volume growth of 8% YoY (5% QoQ). Margins to remain flat QoQ (100 bps YoY) due to adverse forex, and higher input costs. Expect royalty to be impacted by adverse forex rates. Key things to watch out for (1) demand outlook (2) new launches and (3) impact of adverse forex
Mkt Cap (Rs bn)	422	EBITDA (Rs mn)	9,864	9,253	8,178	20.6%	6.6%	
Reco	Reduce	EBITDA Margin (%)	15.3	15.3	14.4	96bps	2bps	
Target Price (Rs)	2,245	PAT (Rs mn)	6,637	6,036	5,579	19.0%	10.0%	
% Upside	6%	EPS (Rs)	33.2	30.2	27.9	19.0%	10.0%	
M&M								
CMP(Rs)	714	Net Sales (Rs mn)	89,368	93,872	67,335	32.7%	-4.8%	Revenue growth to remain strong driven by volume growth of 17% YoY/-0.2% QoQ. Adjusted EBITDA margins to decline by 60 bps QoQ, (decline 360 bps YoY) due to higher share of MVML. Expect production at 100% subsidiary MVML at 40,000 units and EBITDA of Rs 2.1bn. Results not comparable YoY due to impact of MADPL merger from Q4. Key things to watch out for (1) tractor demand outlook (2) new launches and (3) Chakan ramp up
Mkt Cap (Rs bn)	438	EBITDA (Rs mn)	8,700	9,694	8,973	-3.0%	-10.2%	
Reco	Hold	EBITDA Margin (%)	9.7	10.3	13.3	-359 bps	-59 bps	
Target Price (Rs)	740	PAT (Rs mn)	5,514	7,663	6,049	-8.8%	-28.0%	
% Upside	4%	EPS (Rs)	8.4	11.7	9.2	-8.8%	-28.0%	
Maruti Suzuki								
CMP(Rs)	1,181	Net Sales (Rs mn)	105,656	117,270	85,293	23.9%	-9.9%	MSIL performance to remain lackluster led by lower volumes and high discounts. Adj. EBITDA margins to decline 40 bps QoQ (270 bps YoY) led by higher input costs, adverse USD/INR and new launch related expenses. Key things to watch out for (1) Currency hedges (2) petrol demand outlook and (3) new launch plan
Mkt Cap (Rs bn)	341	EBITDA (Rs mn)	7,265	8,585	8,144	-10.8%	-15.4%	
Reco	Reduce	EBITDA Margin (%)	6.9	7.3	9.5	-267bps	-44bps	
Target Price (Rs)	1,270	PAT (Rs mn)	3,905	6,398	5,492	-28.9%	-39.0%	
% Upside	8%	EPS (Rs)	13.5	22.1	19.0	-28.9%	-39.0%	

Automobiles

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Tata Motors								
CMP(Rs)	238	Net Sales (Rs mn)	432,697	509,079	335,725	28.9%	-15.0%	Strong JLR to drive earnings while standalone performance to remain significantly under pressure. Expect JLR EBITDA margins to decline 30 bps QoQ (up 120 bps YoY). Standalone business margins (-260 bps QoQ/-160 bps YoY) to be impacted by adverse product mix and lower operating leverage. Key things to watch for (1) JLR China outlook (2) MHCV/LCV demand outlook and (3) impact of currency swings
Mkt Cap (Rs bn)	635	EBITDA (Rs mn)	53,598	67,445	42,359	26.5%	-20.5%	
Reco	Accumulate	EBITDA Margin (%)	12.4	13.2	12.6	-23bps	-86bps	
Target Price (Rs)	322	PAT (Rs mn)	28,899	64,053	21,705	33.1%	-54.9%	
% Upside	35%	EPS (Rs)	45.32	100.44	34.04	33.1%	-54.9%	
TVS Motor								
CMP(Rs)	36	Net Sales (Rs mn)	15,896	16,272	17,460	-9.0%	-2.3%	TVSL performance to remain lacklustre on weak volumes (-3% YoY, -1.7% QoQ). EBIDTA margins to improve 7 bps QoQ (decline 50 bps YoY) to 6.1%. Key things to watch out for (1) new launch plans (2) investment in subsidiaries and (3) currency benefits
Mkt Cap (Rs bn)	17	EBITDA (Rs mn)	978	989	1,171	-16.5%	-1.2%	
Reco	Hold	EBITDA Margin (%)	6.1	6.1	6.7	-56bps	7bps	
Target Price (Rs)	34	PAT (Rs mn)	424	572	588	-27.9%	-26.0%	
% Upside	-4%	EPS (Rs)	0.9	1.2	1.2	-27.9%	-26.0%	

Auto Ancillaries

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Apollo Tyres								
CMP(Rs)	79	Net Sales (Rs mn)	31,731	32,314	28,224	12.4	-1.8	APTY performance to remain robust driven by higher volumes (4% YoY/-3% QoQ) and improved product mix. Standalone margins to benefit from moderation in rubber prices. Conso margins to decline 60 bps QoQ (up 200 bps YoY) due to seasonally weaker margins in Europe. Key things to watch out for is share of replacement demand, SA/Europe performance, debt position and capacity ramp up
Mkt Cap (Rs bn)	40	EBITDA (Rs mn)	3,342	3,602	2,403	39.1	-7.2	
Reco	Accumulate	EBITDA Margin (%)	10.5	11.1	8.5	200 bps	-60 bps	
Target Price (Rs)	95	PAT (Rs mn)	1,334	1,580	775	72.1	-15.6	
% Upside	20%	EPS (Rs)	2.6	3.1	1.5	72.1	-15.6	
CEBBCO								
CMP(Rs)	88	Net Sales (Rs mn)	1,534	1,364	822	87%	12%	CEBBCO performance to sustain strong momentum driven by ~11% QoQ growth in FBV volumes. EBITDA margins to benefit from withdrawal of bill discounting scheme from Tata Motors. Expect 100 bps YoY/70 bps QoQ expansion in EBITDA margins. Key things to watch out for is FBV demand outlook, railway segment performance and power segment outlook
Mkt Cap (Rs bn)	5	EBITDA (Rs mn)	269	229	136	98%	18%	
Reco	Buy	EBITDA Margin (%)	17.6%	16.8%	16.5%	104	76	
Target Price (Rs)	90	PAT (Rs mn)	150	131	69	116%	14%	
% Upside	3%	EPS (Rs)	2.7	2.4	1.3	116%	14%	
Motherson Sumi								
CMP(Rs)	164	Net Sales (Rs mn)	63,268	64,252	23,002	175.1%	-1.5%	MSS performance to benefit from strong domestic business, increased contribution from Hungary in SMR and improvement in SMP. We expect Adjusted EBITDA margins to decline by 70 bps QoQ (-215 bps YoY). Expect SMR/SMP margins to improve marginally to 7%/1.7%. Key things to look out for is demand outlook for FY13, performance of Peguform business, Hungary plant output and currency translation impact
Mkt Cap (Rs bn)	64	EBITDA (Rs mn)	3,666	4,275	1,874	95.7%	-14.2%	
Reco	Accumulate	EBITDA Margin (%)	5.8	6.7	8.1	-235bps	-86bps	
Target Price (Rs)	194	PAT (Rs mn)	764	1,009	541	41.3%	-24.3%	
% Upside	19%	EPS (Rs)	2.0	2.6	1.4	41.3%	-24.3%	

Banking and Financial Services

- We expect NII growth for our banking coverage universe to come in at 0.9%qoq (20.2%yoy) as against ~4-7%qoq (16-21% yoy) growth reported in earlier two quarters. The lower NII growth to be driven by sluggish advance growth and 5-15bps contraction in NIMs led by decline in yield on assets and cost pressures.
- While treasury gains are likely to remain healthy at 24%qoq growth, lower fee income on account of sluggish advance growth to result in 19%qoq decline on other income. Resultantly net profit growth to remain muted at 0.7%qoq (53.7%yoy), with PSB's expected to grow at 3.3%qoq as against decline of 4.7%qoq for private banks.
- Most of the banks are likely to report write back on investment depreciation, as short term bond yields has come down by 22-42bps over the last quarter.
- Advance and deposit growth (as on 15 June, 2012) remained stable at 17.8%yoy and 14.3% respectively. However on YTD basis while advances growth remains marginally negative at -0.1%, deposit growth was slightly up by 0.3%. Resultantly, CD ratio declined to 75.3% as on 15th June from 77% in April 6, 2012.
- Asset quality pressure likely to persist with couple of big corporate accounts like Hotel Leela, Moser Baer, HCC, Bharti Shipyard along with few SEB's accounts likely to be restructured during the quarter.
- Slippages are expected to remain higher during the quarter with expected slippage rate (annualised) at 1.7% vs 1.8% for previous quarter. Recoveries could also be high this quarter but will not continue in coming quarters. Resultant provision cost (annualised) for the quarter to come down to 0.79% from 0.90% in Q1FY12 and 0.97% in Q4FY12.
- Our top picks for the quarterly results – HDFC Bank and United bank in the banking space. Mahindra Finance and CRISIL are our top picks in NBFC space.

Banking and Financial Services

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Allahabad Bank								
CMP(Rs)	151	NII (Rs mn)	13,381	12,882	11,755	13.8%	3.9%	Expect 13.8% yoy growth in NII helped by stable NIM's, even as credit growth to remain moderate at 13.5%yoy. Even with a lower tax rate at 20% for the quarter vs 26% last year, higher provisions to result in flattish growth in net profit at Rs4.1bn. Expect slippage at Rs5.4bn with upgradation/ recovery also higher at Rs3.2bn. Restructuring to be higher at Rs35bn driven by UP SEB (Rs20bn) and Bharti Shipyard (Rs3bn).
Mkt Cap (Rs bn)	75	Op. Profit (Rs mn)	10,791	9,009	8,896	21.3%	19.8%	
Reco	Accumulate	NIM (%)	2.9	2.9	3.1	-13 bps	1 bps	
Target Price (Rs)	180	PAT (Rs mn)	4,145	4,012	4,181	-0.9%	3.3%	
% Upside	19%	EPS (Rs)	8.3	8.0	8.8	-5.6%	3.3%	
Andhra Bank								
CMP(Rs)	118	NII (Rs mn)	9,308	9,139	9,105	2.2%	1.9%	Expect muted 2.2% yoy growth in NII driven by higher 42bps / 500bps yoy contraction in NIM and LDR respectively. Credit growth to remain weak at 13.1% against healthy 21% yoy growth in deposits. Slippages likely to be at Rs4bn (Rs4.7bn in Q4FY12). With improvement in credit cost to 52bps annualized, expect PCR to inch upwards to 58%. Key things to watch – Slippages / recoveries and restructured portfolio.
Mkt Cap (Rs bn)	66	Op. Profit (Rs mn)	6,976	6,609	6,998	-0.3%	5.6%	
Reco	Accumulate	NIM (%)	2.9	3.0	3.3	-41 bps	-9 bps	
Target Price (Rs)	120	PAT (Rs mn)	3,695	3,396	3,859	-4.2%	8.8%	
% Upside	1%	EPS (Rs)	6.6	6.1	6.9	-4.2%	8.8%	
Axis Bank								
CMP(Rs)	1,029	NII (Rs mn)	21,764	21,461	17,241	26.2%	1.4%	Expect 26.2% yoy growth in NII driven by 26% loan growth and flat margins at 3.1%. However, lower provision requirements likely keep PAT growth higher at 35.8%. Key negative surprises could arise from higher than expected slippages and inability to keep up fee income.
Mkt Cap (Rs bn)	426	Op. Profit (Rs mn)	20,192	20,376	15,585	29.6%	-0.9%	
Reco	Hold	NIM (%)	3.1	3.1	2.9	16 bps	-4 bps	
Target Price (Rs)	1,050	PAT (Rs mn)	12,800	12,773	9,424	35.8%	0.2%	
% Upside	2%	EPS (Rs)	31.0	30.9	22.9	35.4%	0.2%	

Banking and Financial Services

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Bank of Baroda								
CMP(Rs)	728	NII (Rs mn)	27,824	27,974	22,972	21.1%	-0.5%	NII to grow by 21.1%yoy as advances grow by 25%yoy, even as NIM's contract by 14bps qoq to 2.5%. However with lower provisions, net profit to grow by a higher 40%yoy to Rs14.4bn. While slippage are expected to remain higher at Rs10bn, recoveries/ upgradation also to be higher at Rs6bn. Restructured loans would be a key monitorable.
Mkt Cap (Rs bn)	285	Op. Profit (Rs mn)	23,313	20,509	18,183	28.2%	13.7%	
Reco	Accumulate	NIM (%)	2.5	2.6	2.5	-5 bps	-14 bps	
Target Price (Rs)	800	PAT (Rs mn)	14,431	15,318	10,329	39.7%	-5.8%	
% Upside	10%	EPS (Rs)	35.0	37.1	26.3	33.1%	-5.8%	
Bank of India								
CMP(Rs)	348	NII (Rs mn)	23,652	25,010	18,410	28.5%	-5.4%	Expect 28.5% yoy growth in NII driven by 34bps yoy expansion in NIM to 2.5% (decline 22bps qoq) and 16.6% yoy growth in loan portfolio. Stable growth in non-int inc and operating cost to aid operating profit growth at 32% yoy. We are factoring in slippages of Rs6bn (Rs3.8bn in Q4FY12). However, with better recoveries and higher provisioning cost, expect NNPA to decline 9% qoq. Key things to watch – Slippages / recoveries and restructured portfolio.
Mkt Cap (Rs bn)	200	Op. Profit (Rs mn)	18,433	20,146	13,959	32.1%	-8.5%	
Reco	Hold	NIM (%)	2.5	2.7	2.1	34 bps	-22 bps	
Target Price (Rs)	315	PAT (Rs mn)	9,149	9,527	5,176	76.7%	-4.0%	
% Upside	-10%	EPS (Rs)	15.9	16.6	9.5	68.3%	-4.0%	
Canara Bank								
CMP(Rs)	415	NII (Rs mn)	19,676	20,402	17,931	9.7%	-3.6%	Expect 9.7% yoy growth in NII aided by 10.3% growth in loan portfolio and mere 3bps yoy contraction in NIM. With healthy non-int income growth and operating cost controls, operating profit is expected to remain higher at 22.6% yoy. Asset quality woes to continue with gross slippages expected to remain higher at Rs10bn. Higher NPA provisioning would be offset by w/back off investment depreciation. Resultant, expect net profit to grow by 31.4% yoy. Restructuring and slippages would be key events to watch out for.
Mkt Cap (Rs bn)	184	Op. Profit (Rs mn)	15,570	14,907	12,704	22.6%	4.4%	
Reco	Reduce	NIM (%)	2.1	2.2	2.1	-3 bps	-13 bps	
Target Price (Rs)	410	PAT (Rs mn)	9,541	8,291	7,259	31.4%	15.1%	
% Upside	-1%	EPS (Rs)	23.3	20.2	17.7	31.4%	15.1%	

Banking and Financial Services

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Corporation Bank								
CMP(Rs)	418	NII (Rs mn)	8,113	8,339	7,076	14.7%	-2.7%	NII to grow by 14.7% led by 28.6%yoy growth in advances, albeit NIMs to contract by 14bpsyoy. With provision cover at 65%, credit cost to remain higher. Resultant, net profit to grow by just 4.4%yoy to Rs3.7bn. Bulk deposit, Restructured assets and slippages would be the key thing to watch out for.
Mkt Cap (Rs bn)	62	Op. Profit (Rs mn)	7,083	8,143	5,764	22.9%	-13.0%	
Reco	Accumulate	NIM (%)	2.0	2.1	2.0	-3 bps	-14 bps	
Target Price (Rs)	460	PAT (Rs mn)	3,671	3,513	3,515	4.4%	4.5%	
% Upside	10%	EPS (Rs)	24.8	23.7	23.7	4.4%	4.5%	
Federal Bank								
CMP(Rs)	452	NII (Rs mn)	4,951	4,912	4,598	7.7%	0.8%	Expect NII to remain flat qoq at Rs4.9bn as advance growth to remain sluggish at 16%yoy(-1%qoq), while NIM's also to contract by 9bps qoq to 3.2%. Moreover with low provision base in the previous quarter, PAT will decline by 6.3%qoq to Rs2.2bn. Key thing to watch out will be 1) slippages in the corporate book and recoveries 2) NRI deposits flow 3) cost of funds as Rs11bn of NRI deposit was left to be reprised.
Mkt Cap (Rs bn)	77	Op. Profit (Rs mn)	3,927	3,724	3,541	10.9%	5.5%	
Reco	Accumulate	NIM (%)	3.2	3.3	3.5	-31 bps	-9 bps	
Target Price (Rs)	425	PAT (Rs mn)	2,226	2,376	1,462	52.3%	-6.3%	
% Upside	-6%	EPS (Rs)	13.0	13.9	8.5	52.3%	-6.3%	
HDFC Bank Ltd.								
CMP(Rs)	574	NII (Rs mn)	34,240	33,883	28,480	20.2%	1.1%	Expect HDFC bank to report 20.2% yoy growth in NII driven by 18.6% yoy growth in advances and largely stable NIM's at 4% despite 120bps of yoy contraction in LDR. Asset quality is expected to remain largely stable with adequate credit cost and higher PCR. Key things to watch: CASA movement given intense competition posts the deregulation of savings interest rates and loan mix.
Mkt Cap (Rs bn)	1,352	Op. Profit (Rs mn)	23,407	24,132	20,334	15.1%	-3.0%	
Reco	Accumulate	NIM (%)	4.0	4.0	4.0	-4 bps	-2 bps	
Target Price (Rs)	610	PAT (Rs mn)	14,069	14,531	10,850	29.7%	-3.2%	
% Upside	6%	EPS (Rs)	6.0	6.2	4.6	28.9%	-3.2%	

Banking and Financial Services

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
ICICI Bank Ltd.								
CMP(Rs)	894	NII (Rs mn)	31,172	31,048	24,109	29.3%	0.4%	Expect 29% growth in NII led by 17.5% growth in advances and 26bps yoy improvement in NIM to 2.6%. Steady growth in non-int inc would off-set higher opex resulting in 23% yoy growth in operating profit. Do not expect any major shocks in terms of NPA / restructuring portfolio. 80% PCR would provide cushion. Key things to watch out: NIM, CASA movement and trend in fee income growth.
Mkt Cap (Rs bn)	1,027	Op. Profit (Rs mn)	27,428	31,111	22,340	22.8%	-11.8%	
Reco	Accumulate	NIM (%)	2.6	2.7	2.3	26 bps	-6 bps	
Target Price (Rs)	1,000	PAT (Rs mn)	17,234	19,013	13,322	29.4%	-9.4%	
% Upside	12%	EPS (Rs)	15.0	16.5	11.6	29.3%	-9.4%	
Punjab National Bank								
CMP(Rs)	814	NII (Rs mn)	34,651	33,108	31,152	11.2%	4.7%	PNB's NII to grow by 11.2% yoy aided by stable NIMs at 3%, and 20% growth in advances. While slippages expected to remain higher at Rs16bn, recoveries are also likely to remain higher at Rs15bn, hence keeping the GNPA stable qoq. Key things to watch out 1) restructured assets
Mkt Cap (Rs bn)	276	Op. Profit (Rs mn)	26,923	29,370	24,739	8.8%	-8.3%	
Reco	Hold	NIM (%)	3.0	3.0	3.3	-25 bps	1 bps	
Target Price (Rs)	850	PAT (Rs mn)	14,777	14,249	11,050	33.7%	3.7%	
% Upside	4%	EPS (Rs)	43.6	42.0	34.9	24.9%	3.7%	
South Indian Bank								
CMP(Rs)	24	NII (Rs mn)	2,909	2,846	2,050	41.9%	2.2%	Expect NII growth of 41.9% yoy driven by 24% loan growth, albeit NIM's to contract by 8bps qoq to 2.8%. Resultantly PAT to grow by 32.2%yoy to Rs1.1bn. Key thing to watch out will be -commentary on the gold loan portfolio in the light of recent guidelines for gold loan NBFC'S and rising competition in the segment 2) cost of funds as Rs3.5bn of low cost NRI deposit was left to be repriced.
Mkt Cap (Rs bn)	27	Op. Profit (Rs mn)	1,930	1,630	1,431	34.9%	18.4%	
Reco	Hold	NIM (%)	2.8	2.9	2.4	43 bps	-8 bps	
Target Price (Rs)	25	PAT (Rs mn)	1,090	1,220	824	32.2%	-10.6%	
% Upside	4%	EPS (Rs)	1.0	1.1	0.7	34.3%	-10.6%	

Banking and Financial Services

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
State Bank of India								
CMP(Rs)	2,180	NII (Rs mn)	118,165	117,038	96,995	21.8%	1.0%	Expect NII to grow by 21.8%yoy led by 14% growth in advances, even as NIM contract slightly by 5bps to 3.5%. However net profit likely to grow by a higher 167%yoy to Rs42.3bn helped by low base. Recoveries will be key thing to watch out even as we expect slippages to remain higher at Rs60bn.
Mkt Cap (Rs bn)	1,463	Op. Profit (Rs mn)	90,331	95,968	72,424	24.7%	-5.9%	
Reco	Reduce	NIM (%)	3.5	3.6	3.2	30 bps	-5 bps	
Target Price (Rs)	1,900	PAT (Rs mn)	42,311	40,503	15,835	167.2%	4.5%	
% Upside	-13%	EPS (Rs)	63.1	60.4	24.9	152.8%	4.5%	
Union Bank of India								
CMP(Rs)	210	NII (Rs mn)	19,532	18,766	15,902	22.8%	4.1%	NII to grow by a moderate 22.8%yoy led by a moderate 23.4% growth in advances, while NIMs to remain broadly stable. However with 9% increase in opex, operating profit to grow by 28.2%yoy. Moreover with 22.6% decline in provisions, net profit to grow by 67.8%yoy. Key thing to watch out will be slippages and recoveries number
Mkt Cap (Rs bn)	115	Op. Profit (Rs mn)	14,948	15,984	11,658	28.2%	-6.5%	
Reco	Reduce	NIM (%)	2.9	3.0	2.7	24 bps	-3 bps	
Target Price (Rs)	190	PAT (Rs mn)	7,792	7,730	4,644	67.8%	0.8%	
% Upside	-9%	EPS (Rs)	11.8	11.7	7.3	61.1%	0.8%	
United Bank of India								
CMP(Rs)	61	NII (Rs mn)	7,094	6,191	5,690	24.7%	14.6%	Expect 24.7% yoy growth in NII aided by 21bps yoy improvement in NIM to 2.8% and a higher 22.6% advance growth. Asset quality woes to continue with slippages expected higher at Rs3.5bn. PCR expected at 51%.
Mkt Cap (Rs bn)	22	Op. Profit (Rs mn)	5,610	4,778	4,173	34.4%	17.4%	
Reco	Buy	NIM (%)	2.8	2.6	2.5	21 bps	17 bps	
Target Price (Rs)	75	PAT (Rs mn)	2,064	1,493	1,324	55.8%	38.2%	
% Upside	23%	EPS (Rs)	5.7	4.1	3.8	48.7%	38.2%	

Banking and Financial Services

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
YES Bank								
CMP(Rs)	343	NII (Rs mn)	4,622	4,482	3,541	30.5%	3.1%	Expect 31% yoy growth in NII driven by 8bps yoy improvement in NIM and 14.8% yoy growth in loan portfolio. Expect relative higher growth in credit substitutes. Key things to watch out: Changing loan mix towards retail + SME segment and margin performance.
Mkt Cap (Rs bn)	122	Op. Profit (Rs mn)	4,368	4,304	3,250	34.4%	1.5%	
Reco	Hold	NIM (%)	2.5	2.5	2.4	8 bps	5 bps	
Target Price (Rs)	355	PAT (Rs mn)	2,755	2,718	2,160	27.6%	1.4%	
% Upside	3%	EPS (Rs)	7.8	7.7	6.2	25.5%	1.4%	

Banking and Financial Services

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Dewan Housing Finance								
CMP(Rs)	175	NII (Rs mn)	1,830	1,674	1,373	33.3%	9.4%	Expect 33.3% yoy growth in NII aided by 21% growth in disbursements and 35% yoy growth in loan portfolio. Borrowing cost pressure would be off-set by securitization business and re-pricing of loan portfolio. Key things to watch out: margin performance and growth momentum in tier-II and smaller cities.
Mkt Cap (Rs bn)	20	Op. Profit (Rs mn)	1,128	874	874	29.1%	29.0%	
Reco	Accumulate	NIM (%)	3.3	3.2	3.3	3 bps	7 bps	
Target Price (Rs)	254	PAT (Rs mn)	795	938	658	20.8%	-15.2%	
% Upside	46%	EPS (Rs)	6.8	8.0	6.3	8.3%	-15.2%	
HDFC Ltd								
CMP(Rs)	661	NII (Rs mn)	12,886	16,808	9,982	29.1%	-23.3%	Expect healthy 29.1% NII growth aided by healthy 18.6% growth in loan portfolio and 19.5% yoy growth in disbursements. With volatile capital market activities we expect minimal gains from sale of investments. Expect PAT growth at 17.7% yoy. Key things to watch : Growth in developer loan portfolio and borrowing calendar for FY13.
Mkt Cap (Rs bn)	985	Op. Profit (Rs mn)	14,198	17,701	11,773	20.6%	-19.8%	
Reco	Hold	NIM (%)	3.0	4.2	2.8	24 bps	-117 bps	
Target Price (Rs)	700	PAT (Rs mn)	9,939	13,261	8,445	17.7%	-25.1%	
% Upside	6%	EPS (Rs)	6.7	9.0	5.7	17.3%	-25.1%	
LIC Housing Finance								
CMP(Rs)	269	NII (Rs mn)	3,777	3,708	3,610	4.6%	1.9%	Expect muted 4.6% yoy growth in NII driven by 55bps contraction in NIMs to 2.3%. Expect disbursement to grow at 26.7% yoy with loan growth at 23.1% yoy for Q1FY13. Loans floated under dual rate scheme are due for re-pricing beginning Q1FY13 and will aid margin performance over FY13.
Mkt Cap (Rs bn)	136	Op. Profit (Rs mn)	3,490	3,464	3,789	-7.9%	0.7%	
Reco	Hold	NIM (%)	2.3	2.4	2.9	-55 bps	-11 bps	
Target Price (Rs)	285	PAT (Rs mn)	2,460	2,519	2,565	-4.1%	-2.3%	
% Upside	6%	EPS (Rs)	4.9	5.0	5.4	-9.8%	-2.3%	

Banking and Financial Services

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Mahindra Finance								
CMP(Rs)	647	Net Sales (Rs mn)	5,426	5,085	3,317	63.6%	6.7%	MFSL likely to report 63.6% growth in NII led by 35% growth in AUM's, while NIM to expandt by 17bps qoq to 11.3%. Net profit to grow by 148%yoy (11.3%qoq) to Rs2.5bn. Key things to watch – 1) Growth in CV and car loans 2) NIMs
Mkt Cap (Rs bn)	67	EBITDA (Rs mn)	3,949	3,563	2,074	90.4%	10.9%	
Reco	Buy	EBITDA Margin (%)	11.3	11.1	9.3	195 bps	17 bps	
Target Price (Rs)	800	PAT (Rs mn)	2,534	2,277	1,022	148.0%	11.3%	
% Upside	24%	EPS (Rs)	24.7	22.2	10.0	147.4%	11.3%	
Manappuram General Finance								
CMP(Rs)	31	Net Sales (Rs mn)	3,130	4,362	3,145	-0.5%	-28.3%	MAFGIL NII to remain flat yoy, however decline by 28%qoq to Rs3.1bn, led by 20%qoq decline in AUM's and 250bps contraction in NIM's, which is primarily on account of 60% LTV cap which was introduced recently. Resultantly net profit to also decline by 38%qoq to Rs1.2bn. Key things to watch out – 1) what proportion of higher LTV customers have closed their accounts or shifted to other lenders. 2) Yield on new loans 3) addition of new customers
Mkt Cap (Rs bn)	26	EBITDA (Rs mn)	1,719	2,778	1,635	5.1%	-38.1%	
Reco	Hold	EBITDA Margin (%)	9.8	12.4	13.1	-323 bps	-254 bps	
Target Price (Rs)	25	PAT (Rs mn)	1,157	1,870	1,078	7.3%	-38.1%	
% Upside	-18%	EPS (Rs)	1.4	2.2	1.3	6.4%	-38.1%	

Banking and Financial Services

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
CRISIL								
CMP(Rs)	1,072	Net Sales (Rs mn)	2,370	2,219	2,031	16.7%	6.8%	We expect CRISIL's revenues to grow by 18% yoy led by robust growth in Rating and Research and moderate growth in Advisory business. The OPMs to expand by 464bps yoy to 34.1%. Traction in research will be the key think to watch out for.
Mkt Cap (Rs bn)	75	EBITDA (Rs mn)	809	773	599	35.0%	4.6%	
Reco	Buy	EBITDA Margin (%)	34.1	34.8	29.5	464 bps	-70 bps	
Target Price (Rs)	1,240	PAT (Rs mn)	569	537	419	35.9%	5.9%	
% Upside	16%	EPS (Rs)	8.1	7.4	5.8	40.1%	9.2%	
ICRA								
CMP(Rs)	1,330	Net Sales (Rs mn)	527	626	387	36.2%	-15.8%	We expect ICRA to report a 36% increase in revenues primarily driven by rating business. The operating margins to expand by 679bps yoy to 31.1%. Resultantly net profit to grow by 170%yoy to Rs169mn. Key thing to watch out – traction in bank loan ratings.
Mkt Cap (Rs bn)	13	EBITDA (Rs mn)	164	256	94	74.2%	-35.8%	
Reco	Accumulate	EBITDA Margin (%)	31.1	40.8	24.3	679 bps	-971 bps	
Target Price (Rs)	1,250	PAT (Rs mn)	192	251	71	169.4%	-23.7%	
% Upside	-6%	EPS (Rs)	19.2	25.1	7.1	169.4%	-23.7%	

- Q1FY13 is expected to post revenue growth of +17% yoy as volumes grow 9.5% yoy while realizations are estimated to post growth of +7.3% yoy. Even though April volume growth took a hit due to sand mining ban implemented in various states across Northern and Southern region, the dip in volumes is controlled led by low base and delayed monsoons in June leading to better offtake. Also average realizations grew 7.3% yoy despite price decline in May (due to lower offtake on account of sand shortage obstructing construction activities) as prices sharply bounce back in June.
- On the cost front, railway freight hike (Hike of 23% in base freight by railways from 6th March, 2012) and higher fuel costs (even though international coal prices have softened, the effect is negated by sharp rupee depreciation) are expected to increase total cost/t by 9.8% yoy. However sequentially costs are estimated to increase by only 0.5% and with realizations growth of 5.2% qoq (Rs4508/t, +7.3% yoy) , we estimate 21.6% qoq growth in EBITDA/t to Rs1166/t (+0.7% yoy)
- In the current quarter we expect EBDITA to grow 12% yoy but decline 1.6% qoq due to lower volumes despite better qoq EBITDA/t growth this quarter. Consequently, we estimate APAT (for cement companies under our coverage) to grow by 12.3% yoy but decline 13.6% qoq.
- Maintain REDUCE ratings on Ambuja, Ultratech & India Cement. Prefer ACC & Shree Cement

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
ACC								
CMP(Rs)	1,312	Net Sales (Rs mn)	26,970	28,602	24,030	12.2%	-5.7%	ACC revenue for Q2CY12 is expected to grow by 12.2% yoy to Rs26.97bn on account of 8.7% growth in cement realization yoy to Rs4407/ton and 3.2% growth in cement volumes at 6.12 mnt. ACC's EBIDTA at Rs5.69 bn is expected to grow by 3.5%yoy due to better volumes and realizations. EBIDTA margins are expected to contract by 180 bps qoq to 21.1%. Consequently APAT for the quarter is expected to grow by 8.3% to Rs3.64 bn.
Mkt Cap (Rs bn)	246	EBITDA (Rs mn)	5,695	6,161	5,503	3.5%	-7.5%	
Reco	Hold	EBITDA Margin (%)	21.1	21.5	22.9	-178 bps	-42 bps	
Target Price (Rs)	1,220	PAT (Rs mn)	3,646	4,028	3,366	8.3%	-9.5%	
% Upside	-7%	EPS (Rs)	19.4	21.5	17.9	8.3%	-9.5%	
ACL								
CMP(Rs)	176	Net Sales (Rs mn)	25,196	26,333	21,733	15.9%	-4.3%	ACL is expected to do revenues of Rs25.19bn, growth of 15.9% yoy. Volume growth is expected to be at 10% yoy (5.3 mnt) while cement realizations are expected to grow by 5.3% yoy to Rs4326/t. EBITDA/t is expected to remain flat at Rs1098/t led by 7.3% increase in total costs/t. However EBITDA is expected to grow by 9.8% yoy to Rs6.4bn with EBIDTA margin contracting 140 bps yoy to 25.4%. PAT is expected to grow by 21.5%yoy to Rs4.2bn.
Mkt Cap (Rs bn)	270	EBITDA (Rs mn)	6,396	7,445	5,826	9.8%	-14.1%	
Reco	Reduce	EBITDA Margin (%)	25.4	28.3	26.8	-143 bps	-289 bps	
Target Price (Rs)	165	PAT (Rs mn)	4,224	5,075	3,475	21.5%	-16.8%	
% Upside	-6%	EPS (Rs)	2.8	3.3	2.3	21.5%	-16.8%	
India Cement								
CMP(Rs)	90	Net Sales (Rs mn)	12,057	11,160	10,568	14.1%	8.0%	Net revenues for the quarter are expected to grow by 14% yoy to Rs12.05bn. Cement revenue at Rs11.3bn are expected to improve by 18% yoy as volumes are expected to grow by 11% and realizations by 6.3% to Rs4406/t. EBITDA is expected to grow by 21.4% (Rs2.93bn). EBITDA/t is expected to improve by 16.2% qoq to Rs952/t with overall EBITDA margins expanding 147 bps yoy and 510 bps qoq to 24.3%. APAT is expected to remain almost flat yoy at Rs1.05bn.
Mkt Cap (Rs bn)	28	EBITDA (Rs mn)	2,934	2,152	2,417	21.4%	36.4%	
Reco	Hold	EBITDA Margin (%)	24.3	19.3	22.9	147 bps	510 bps	
Target Price (Rs)	101	PAT (Rs mn)	1,049	649	1,057	-0.7%	61.6%	
% Upside	13%	EPS (Rs)	3.41	2.1	3.4	-0.7%	61.6%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Madras Cement								
CMP(Rs)	158	Net Sales (Rs mn)	9,809	9,119	7,642	28.4%	7.6%	MCL's revenues are expected to grow by 28.4% yoy to Rs9.8bn. Net realizations are expected to improve by 7% yoy (Rs4494/t). Volumes are expected to grow 21.2% at 2.11mnt. EBITDA/t is expected to decline 1% but improve 24% yoy to Rs1240/tonne with EBIDTA margins expanding 700 bps qoq to 30%. Consequently net profit for the quarter is expected to be at Rs1.3bn, up 33% yoy.
Mkt Cap (Rs bn)	37	EBITDA (Rs mn)	2,940	2,097	2,444	20.3%	40.2%	
Reco	Hold	EBITDA Margin (%)	30.0	23.0	32.0	-201 bps	697 bps	
Target Price (Rs)	138	PAT (Rs mn)	1,306	1,113	983	32.9%	17.3%	
% Upside	-12%	EPS (Rs)	5.5	4.7	4.1	32.9%	17.3%	
Orient Paper								
CMP(Rs)	59	Net Sales (Rs mn)	6,375	8,424	5,339	19.4%	-24.3%	OPI's net revenues are estimated to grow 19.4% yoy to Rs6.37bn. Cement volumes are expected to grow by 14% yoy while realizations are set to improve 7%yoy at Rs3814/t. Resultant revenues from cement are expected to grow 22.3% at Rs3.87bn. Revenues from paper segment are expected to grow 17% to Rs0.6bn while electrical segment is expected to register growth of 15% in revenues at Rs1.89bn. However OPM is expected to contract by 74bps to 20%. Consequently net profit is expected to be at Rs636mn,+8.9% yoy.
Mkt Cap (Rs bn)	12	EBITDA (Rs mn)	1,277	1,460	1,109	15.1%	-12.5%	
Reco	Buy	EBITDA Margin (%)	20.0	17.3	20.8	-74 bps	270 bps	
Target Price (Rs)	80	PAT (Rs mn)	636	864	584	8.9%	-26.5%	
% Upside	36%	EPS (Rs)	3.3	4.5	3.0	8.9%	-26.5%	
Shree Cement								
CMP(Rs)	3,101	Net Sales (Rs mn)	13,492	15,428	10,340	30.5%	-12.6%	Shree's revenues for the quarter are estimated to grow by 30% yoy to Rs13.49bn. Cement revenues at Rs12.33bn are expected to grow by 34% yoy. Cement Volumes are expected to grow 20% to 3.23mnt while realizations at Rs3813/t are expected to grow 12%yoy. Revenues from Power segment are expected to decline 36%yoy at Rs1.16bn.Cement EBITDA/t at Rs1140/t is expected to grow 30% yoy. Consequently APAT at Rs0.99bn is expected to post growth of 80% yoy.
Mkt Cap (Rs bn)	108	EBITDA (Rs mn)	4,006	4,380	2,591	54.6%	-8.5%	
Reco	Accumulate	EBITDA Margin (%)	29.7	28.4	25.1	464 bps	131 bps	
Target Price (Rs)	3,000	PAT (Rs mn)	997	1,096	555	79.5%	-9.0%	
% Upside	-3%	EPS (Rs)	28.6	31.5	15.9	79.5%	-9.0%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Ultratech								
CMP(Rs)	1,513	Net Sales (Rs mn)	50,143	53,366	43,654	14.9%	-6.0%	Revenues are expected to grow 15% yoy to Rs50.14 bn. Cement volumes are expected to grow 7% yoy at 10.7 mnt. Realizations at Rs4693/tonne are set to improve by 7% yoy. EBITDA/t is expected to decline 6% yoy to Rs1118/tonne as total cost/t is estimated to go up by 12%yoy.with EBITDA margins estimated to contract 340 bps yoy to 23.8%. Consequently EBITDA at Rs11.9bn is expected to grow by 1%yoy while APAT is expected to be at Rs6.48bn, -1% yoy.
Mkt Cap (Rs bn)	415	EBITDA (Rs mn)	11,941	12,641	11,881	0.5%	-5.5%	
Reco	Reduce	EBITDA Margin (%)	23.8	23.7	27.2	-340 bps	13 bps	
Target Price (Rs)	1,290	PAT (Rs mn)	6,487	8,673	6,576	-1.3%	-25.2%	
% Upside	-15%	EPS (Rs)	23.7	31.7	24.1	-1.3%	-25.2%	

Construction & Infrastructure

- Revenue for Construction & Infra companies within Emkay universe is expected to grow 16% yoy to Rs 97bn. IL&FS transportation (ILFT), GMR infra & Ashoka Buildcon (ABL) will lead the growth with 48%, 24% and 20% YoY respectively. Remaining universe to depict flattish growth.
- Core infrastructure revenues are set to grow 12%yoy for the Emkay universe led by ILFT & ABL witnessing 59% & 20% growth respectively due to low order backlog visibility & execution issues respectively.
- Aggregate EBITDA for coverage universe is expected to grow 12% at Rs 23.2bn, Overall EBITDA margins are expected to decline 80bps to 23.8%. Momentum in IRB infra is expected to slow down temporarily before the ramp up at Ahmedabad – Vadodara which will be visible from Q2FY13E.
- Higher cost of debt and increased parent's leverage due to higher equity investments in several SPV's is expected to pinch the infrastructure developer. Interest expense for the infrastructure universe will grow 23% yoy with major contribution coming from ABL & ILFT with 82% & 53% yoy growth respectively.
- Although rains were delayed by a month which will improve the number of working days for construction industry, however, we don't foresee significant improvement in execution. With burgeoning interest cost the construction industry's overall profitability is expected to languish. Aggregate APAT for coverage universe is expected to decline 21% yoy to Rs 2.6bn, mix set of numbers are expected. GMR to report 8th consecutive loss in quarter, Although tariff implementation has commenced form May 15, 2012 the operating performance to gain momentum from Q2FY13E.
- We prefer players with strong order-book visibility, strong cash generating ability coupled with lower risk of delay in commencement of toll collection. We maintain our positive stance and retain IRB Infrastructure & Ashoka Buildcon as our top pick in the sector.

Construction & Infrastructure

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Ashoka Buildcon								
CMP(Rs)	216	Net Sales (Rs mn)	4,651	4,673	3,884	19.8%	-0.5%	Ashoka Buildcon (ABL) is expected to report revenues of Rs4.65bn registering a +20% yoy growth led by 17% yoy increase in Construction rev. and 25%yoy growth in BOT revenues. ABL during the last quarter commenced toll collection for Durg & Jaora Nayegaon project, & during the quarter has commenced toll collection at Dhankuni Kharagpur, the initial collection is ahead of management estimates. We expect EBIDTA for the quarter at Rs1bn growing 9%yoy with EBITDA margins of 21.5%. Net profit at Rs0.25 bn for the quarter is expected to witness a 23% decline owing to 82% increase in interest outgo.
Mkt Cap (Rs bn)	11	EBITDA (Rs mn)	1,002	929	912	9.9%	7.8%	
Reco	Buy	EBITDA Margin (%)	21.5	19.9	23.5	-193 bps	166 bps	
Target Price (Rs)	317	PAT (Rs mn)	247	171	323	-23.4%	44.9%	
% Upside	47%	EPS (Rs)	4.7	3.2	6.1	-23.4%	44.9%	
GMR Infrastructure								
CMP(Rs)	26	Net Sales (Rs mn)	23,171	19,482	18,636	24.3%	18.9%	GMR Infrastructure is expected to report revenues of Rs23.2bn registering a 24% yoy growth. Airport revenues are expected to witness +20% yoy growth to Rs 12.7bn, Power revenues are expected to decline -14.4%yoy to Rs 5.9bn. EBITDA for the quarter is expected at Rs5.2bn registering a 5.4% yoy increase. GMR is expected to report a Net loss at Rs1.3 bn due to 24% yoy increase in interest outgo to Rs4.6bn. Tariff implementation commenced from May 15, 2012 as a result the losses have moderated during Q1. The full quarter effect will be visible from Q2 onwards.
Mkt Cap (Rs bn)	100	EBITDA (Rs mn)	5,248	3,690	4,979	5.4%	42.2%	
Reco	Hold	EBITDA Margin (%)	22.7	18.9	26.7	-407 bps	371 bps	
Target Price (Rs)	22	PAT (Rs mn)	-1,351	-1,523	-667	n.a	n.a	
% Upside	-14%	EPS (Rs)	-0.3	-0.4	-0.2	n.a	n.a	
IL&FS Transportation								
CMP(Rs)	189	Net Sales (Rs mn)	16,262	19,887	10,932	48.8%	-18.2%	IL&FS Transportation is expected to report revenues of Rs16.5bn registering a +51% yoy growth. Construction its revenues are likely to witness 58% yoy growth at Rs 11.8bn. Toll/Annuity income will witness ~27% yoy growth to Rs1.6bn. EBITDA expected at Rs4.15bn registering a 25.1%yoy growth. Margins are expected to contract 482 bps to 25.5%, driven by contraction in high margin fee income. Net profit for the quarter is expected at Rs 1.06 bn a decline of 8% yoy led by 53% increase in interest outgo and a 88% increase in depreciation, dragging the overall PAT.
Mkt Cap (Rs bn)	37	EBITDA (Rs mn)	4,145	4,571	3,313	25.1%	-9.3%	
Reco	Accumulate	EBITDA Margin (%)	25.5	23.0	30.3	-482 bps	250 bps	
Target Price (Rs)	200	PAT (Rs mn)	1,062	1,773	1,157	-8.2%	-40.1%	
% Upside	6%	EPS (Rs)	5.5	9.1	6.0	-8.2%	-40.1%	

Construction & Infrastructure

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
IRB Infrastructure								
CMP(Rs)	132	Net Sales (Rs mn)	8,328	8,480	8,013	3.9%	-1.8%	IRB is expected to report revenues of Rs8.3bn (+4% yoy) led by 1% yoy decline in Construction rev. as ramp up on Ahmedabad- Vadodara to commence from Q2 & 16% yoy growth in BOT revenues led by inclusion of Namakkal – Omallur from Q1FY13. With larger share of high margin BOT segment expanding, EBIDTA for the quarter is expected at Rs3.86bn growing 17%yoy. Consolidated EBITDA margins of 46.4% registering an expansion of 527bps yoy. Net profit at Rs1.02bn is expected to witness a 24% yoy decline, mainly led by 70% growth in depreciation & 32% increase in interest expense.
Mkt Cap (Rs bn)	44	EBITDA (Rs mn)	3,863	3,809	3,294	17.3%	1.4%	
Reco	Buy	EBITDA Margin (%)	46.4	44.9	41.1	527 bps	147 bps	
Target Price (Rs)	240	PAT (Rs mn)	1,017	1,204	1,342	-24.2%	-15.5%	
% Upside	81%	EPS (Rs)	3.1	3.6	4.0	-24.2%	-15.5%	
IVRCL								
CMP(Rs)	53	Net Sales (Rs mn)	12,311	15,960	11,219	9.7%	-22.9%	IVRCL's is expected to report revenues of Rs12.3bn registering a 10% growth yoy. EBITDA for the quarter at Rs 0.96bn is expected to register 15% growth yoy with EBITDA margins expanding 36.1 bps to 7.8%. Adj. Net profit for the quarter at Rs 66 mn increasing 56% yoy. Lower base is leading to aggression in growth. Execution issues continue to persist, however positive developments like possible monetization of some BOT's or Real estate will be the key triggers for the stock.
Mkt Cap (Rs bn)	14	EBITDA (Rs mn)	958	1,510	832	15.1%	-36.6%	
Reco	Hold	EBITDA Margin (%)	7.8	9.5	7.4	36 bps	-168 bps	
Target Price (Rs)	52	PAT (Rs mn)	66	384	42	55.8%	-82.9%	
% Upside	-3%	EPS (Rs)	0.2	1.4	0.2	55.8%	-82.9%	
Jaiprakash Associates								
CMP(Rs)	75	Net Sales (Rs mn)	32,643	40,264	31,423	3.9%	-18.9%	Jaiprakash Associates (JPA) is expected to report revenue of Rs32.4bn (-19% qoq) driven by flattish expectation in cement revenues (Volume decline 6% & realization growth 7%), 33% correction in real estate revenue to Rs 3.7bn & 30% decline in construction revenue at Rs 12.5bn. EBITDA to decline 19%yoy to Rs 8bn with a 99bps improvement in margins yoy to 24.5%. Adjusted net profit to decline 46% yoy to Rs 1.5bn due to 1.6x increase in tax expenditure. Tax rate was unusually low at 9.1% during Q4FY12 which will return back to 33% during Q1FY13E.
Mkt Cap (Rs bn)	159	EBITDA (Rs mn)	7,983	9,836	7,373	8.3%	-18.8%	
Reco	Hold	EBITDA Margin (%)	24.5	24.4	23.5	99 bps	3 bps	
Target Price (Rs)	73	PAT (Rs mn)	1,511	2,789	1,072	40.9%	-45.8%	
% Upside	-3%	EPS (Rs)	0.7	1.3	0.5	40.9%	-45.8%	

Consumers

- **Moderation in growth momentum to begin w.e.f Q1FY13E – Since, price-led and volume-led growth balanced-out against lop-sided in past quarters. Revenues of Consumer universe expected to grow at 18% yoy to Rs187.8 bn against 21% yoy in Q4FY12. The volume-led (@ 10%) and price-led (8%) growth balances out.**
- **Emkay expectation for volume growth - Titan (-12%) in Jewellery, Asian Paints (+12%), Berger (+12%), HUL (+10%), Colgate (+10%), Nestle (+9%), GSK Consumer (+10%), Marico (+10%) and Jubilant FoodWorks (SSG 30%).**
- **Q1FY13E is quite alike Q4FY12 – some softening in input cost, benefits from previous price increases and favorable base effects in select few companies. Emkay expects Core Ebitda margins to expand 81 bps yoy, post expansion of 115 bps yoy in Q4FY12. All companies excepting Asian Paints (-142 bps) to report margin expansion. GCPL to report highest margin expansion at 432 bps yoy.**
- **Favorable base effect (Berger Paints, GCPL and Marico) alongside expansion of Core Ebitda margins - Ebitda growth forecasted at 25% yoy to Rs28.5 bn and APAT growth at 23% yoy to Rs19.8 bn. In EMKAY universe – ‘Weak’ performance expected for Asian Paints (11%), Titan (12%) and Nestle (13%) and ‘Strong’ performance expected for GCPL (61%) and Berger (53%).**
- **Roll-over to FY14E earnings was key feature in Q1FY13. Hence, delivery of near-term earnings expectation is extremely important for the sector. Any deviation or negative surprise could lead to sharp de-rating in the sector.**
- **Emkay’s Macro analysis clearly indicates stress and hints at multiple risks to sustenance of volume growth. While, earnings expectation factor moderation of growth in select categories, but valuations completely ignore the emerging risks. Our preference for companies is clearly driven by earnings visibility and stock-selection around base theme. We prefer Berger, GSK Consumer, Jubilant FoodWorks, Marico, Nestle India and Titan. Whereas, top avoids are Asian Paints, Hindustan Unilever and Godrej Consumer.**

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Asian Paints								
CMP(Rs)	3,920	Net Sales (Rs mn)	28,054	25,460	22,604	24.1%	10.2%	Our expectations for volumes growth is 12% yoy, moderated against run-rate of 16% yoy. This coupled with 12.5% price hike, translates into revenue growth of 24% yoy to Rs28.0 bn. Ebidta margin expected to decline 142 bps yoy to 15.9%. Consequently, we expect Ebidta growth at 14% yoy to Rs4.5 bn. Whereas, APAT growth of 11% yoy to Rs 2.9bn.
Mkt Cap (Rs bn)	376	EBITDA (Rs mn)	4,470	3,827	3,922	14.0%	16.8%	
Reco	Hold	EBITDA Margin (%)	15.9	15.0	17.3	-142 bps	90 bps	
Target Price (Rs)	3,340	PAT (Rs mn)	2,935	2,595	2,637	11.3%	13.1%	
% Upside	-15%	EPS (Rs)	30.6	27.1	27.5	11.3%	13.1%	
Berger Paints								
CMP(Rs)	137	Net Sales (Rs mn)	8,674	7,418	6,931	25.1%	16.9%	Berger to gain from favorable base-effect. We expect volume growth of 12% and price-led growth of 12.5%. This translates into revenue growth of 25% yoy to Rs8.7 bn. Gaining from base effect; Ebidta margins will expand 164 bps yoy to 10.4%. We forecast Ebidta growth at 48% yoy to Rs904 mn and APAT growth at 53% yoy to Rs570 mn.
Mkt Cap (Rs bn)	47	EBITDA (Rs mn)	904	686	609	48.5%	31.8%	
Reco	Accumulate	EBITDA Margin (%)	10.4	9.2	8.8	164 bps	117 bps	
Target Price (Rs)	152	PAT (Rs mn)	570	446	372	53.3%	27.7%	
% Upside	11%	EPS (Rs)	1.6	1.3	1.1	53.3%	27.7%	
Colgate-Palmolive								
CMP(Rs)	1,181	Net Sales (Rs mn)	7,046	6,859	6,111	15.3%	2.7%	Colgate expected to report 10% volume growth and 5% price growth. This translates into revenue growth of 15% yoy to Rs7.0 bn. Gaining from favorable base effect; Colgate would report 120 bps expansions in Ebidta margins to 20.4% yoy. Hence, EBITDA is likely to register growth of 23% yoy to Rs1.4 bn and APAT to grow 24% yoy to Rs1.2 bn.
Mkt Cap (Rs bn)	161	EBITDA (Rs mn)	1,440	1,529	1,173	22.8%	-5.8%	
Reco	Hold	EBITDA Margin (%)	20.4	22.3	19.2	120 bps	-190 bps	
Target Price (Rs)	1,155	PAT (Rs mn)	1,246	1,308	1,004	24.1%	-4.7%	
% Upside	-2%	EPS (Rs)	9.2	9.6	7.4	24.1%	-4.7%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Godrej Consumer								
CMP(Rs)	574	Net Sales (Rs mn)	13,355	13,249	10,030	33.1%	0.8%	Both, consolidation-led and domestic business driven growth features in quarter. GCPL would gain from Darling consolidation and base effect in Domestic business. Expect 33% yoy growth in revenue to Rs13.5 bn. Expect Ebidta margin at 19.1% yoy, +432 bps. Forecast Ebidta growth of 72.1% yoy to Rs2.5 bn and APAT growth of 61% yoy to Rs1.6 bn.
Mkt Cap (Rs bn)	195	EBITDA (Rs mn)	2,547	2,500	1,480	72.1%	1.9%	
Reco	Hold	EBITDA Margin (%)	19.1	18.9	14.8	432 bps	21 bps	
Target Price (Rs)	548	PAT (Rs mn)	1,651	1,677	1,026	61.0%	-1.5%	
% Upside	-5%	EPS (Rs)	4.9	4.9	3.2	53.1%	-1.5%	
GSK Consumer								
CMP(Rs)	2,733	Net Sales (Rs mn)	8,007	8,364	6,739	18.8%	-4.3%	Growth momentum continues in current quarter. GSK continues to gain from a blend of volume-led growth, price-led growth and mix-led growth. Expect volumes to register a growth of 10% yoy. We have forecasted (1) revenue growth of 19% yoy to Rs 8.0 bn (2) EBIDTA growth 23% yoy to Rs 1.5 bn and (3) APAT growth of 22% yoy to Rs 1.0 bn.
Mkt Cap (Rs bn)	115	EBITDA (Rs mn)	1,465	1,851	1,190	23.0%	-20.9%	
Reco	Accumulate	EBITDA Margin (%)	18.3	22.1	17.7	63 bps	-383 bps	
Target Price (Rs)	3,000	PAT (Rs mn)	1,010	1,320	825	22.5%	-23.5%	
% Upside	10%	EPS (Rs)	24.0	31.4	19.6	22.5%	-23.5%	
HUL								
CMP(Rs)	447	Net Sales (Rs mn)	60,778	57,659	55,794	8.9%	5.4%	With de-merger of Export Business, reported performance would appear subdued. Expect revenue growth at 9% yoy to Rs60.8 bn and Ebidta growth of 14% yoy to Rs8.6 bn. This is led by 10% volume growth and balance price-led. Expect 66 bps yoy expansion in Ebidta margin to 14.2%. Forecast Ebidta growth of 14% yoy to Rs8.6 bn and APAT growth of 20% yoy to Rs6.8 bn.
Mkt Cap (Rs bn)	966	EBITDA (Rs mn)	8,620	8,334	7,543	14.3%	3.4%	
Reco	Hold	EBITDA Margin (%)	14.2	14.5	13.5	66 bps	-27 bps	
Target Price (Rs)	398	PAT (Rs mn)	6,835	6,543	5,686	20.2%	4.5%	
% Upside	-11%	EPS (Rs)	3.1	3.0	2.6	17.9%	2.5%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Jubilant FoodWorks								
CMP(Rs)	1,224	Net Sales (Rs mn)	2,910	2,832	2,169	34.2%	2.7%	We expect (1) revenue growth of 34% yoy to Rs 2.9 bn, (2) EBITDA growth of 35% yoy to Rs 559 mn and (3) APAT growth of 34% yoy to Rs 312 mn. Momentum in SSG to continue; expect SSG of 27-30%. Opening of Dunkin Donuts implies no pre-operative expenses from current quarter.
Mkt Cap (Rs bn)	80	EBITDA (Rs mn)	559	525	413	35.3%	6.6%	
Reco	Accumulate	EBITDA Margin (%)	19.2	18.5	19.1	17 bps	69 bps	
Target Price (Rs)	1,225	PAT (Rs mn)	312	309	232	34.5%	0.7%	
% Upside	0%	EPS (Rs)	4.8	4.8	3.6	34.5%	0.7%	
Marico								
CMP(Rs)	184	Net Sales (Rs mn)	12,613	9,215	10,486	20.3%	36.9%	'Action Will Start', Marico gains from decline in input costs and reports improvement in Ebitda Margins. Expect robust volume growth in Parachute and Saffola and International business. We expect India consumer business to report volume growth of 10% yoy. Decline in input costs to drive 139 bps yoy expansions in Ebitda margins to 13.3%. Consequently, APAT to grow 36% yoy Rs 1.1 bn.
Mkt Cap (Rs bn)	119	EBITDA (Rs mn)	1,680	1,137	1,251	34.3%	47.7%	
Reco	Accumulate	EBITDA Margin (%)	13.3	12.3	11.9	139 bps	98 bps	
Target Price (Rs)	191	PAT (Rs mn)	1,154	714	850	35.7%	61.5%	
% Upside	4%	EPS (Rs)	1.9	1.2	1.4	35.9%	61.5%	
Nestle								
CMP(Rs)	4,541	Net Sales (Rs mn)	21,445	20,475	17,631	21.6%	4.7%	Tahliwal capacity commences operations. Some gains to flow from these capacities. Led by, product-mix changes and pick-up in volume growth, revenues to grow at 22% yoy to Rs21.4 bn. With 148 bps yoy expansion in Ebitda margins, Ebitda growth at 31% yoy to Rs4.4 bn. Considering, rise in interest costs and depreciation costs on new capacity, APAT growth curtailed to 13% yoy to Rs2.4 bn.
Mkt Cap (Rs bn)	438	EBITDA (Rs mn)	4,437	4,444	3,387	31.0%	-0.1%	
Reco	Accumulate	EBITDA Margin (%)	20.7	21.7	19.2	148 bps	-101 bps	
Target Price (Rs)	5,110	PAT (Rs mn)	2,420	2,757	2,138	13.2%	-12.2%	
% Upside	13%	EPS (Rs)	25.1	28.6	22.2	13.2%	-12.2%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Titan Industries								
CMP(Rs)	225	Net Sales (Rs mn)	24,188	22,818	20,206	19.7%	6.0%	Volume decline in Jewellery too accentuate in Q1FY13. We expect volume decline of 12% in Q1FY13E against 7% in Q4FY12. Considering 32% rise in Gold prices and price rise in Watches; total revenue to grow at 19.7% yoy to Rs24.2 bn. Ebidta margins to expand 15 bps yoy to 9.3%. Expect Ebidta growth of 22% yoy to Rs2.2 bn and APAT growth of 12.4% yoy to Rs1.6 bn.
Mkt Cap (Rs bn)	200	EBITDA (Rs mn)	2,245	2,075	1,846	21.7%	8.2%	
Reco	Buy	EBITDA Margin (%)	9.3	9.1	9.1	15 bps	19 bps	
Target Price (Rs)	273	PAT (Rs mn)	1,611	1,443	1,434	12.4%	11.7%	
% Upside	21%	EPS (Rs)	1.8	1.6	1.6	12.4%	11.7%	

Engineering & Capital Goods (ECG)

Deceleration in earnings growth to continue in Q1FY13E; Owing to deceleration in revenue growth momentum and yoy decline in EBITDA margins. At this juncture, resumption of investment spend is important versus earnings performance.

- **Revenue growth would moderate to 11% yoy to Rs276.9 bn – owing to lower order book covers, moderation in economic activity and longer execution cycles**
- **Growth moderation combined with rising input costs and lack of operating leverage, EBITDA margin expected to contract by 30 bps yoy to 11.9%. Correspondingly, EBITDA growth to be muted at 8% yoy to Rs33.1 bn**
- **Led by muted operational performance and higher interest & depreciation charges, APAT growth to decelerate to 5% yoy to Rs20.5 bn. Bhel (+10%), L&T (+7%), Thermax (+6%) and Blue Star (+68%) are expected to be outperformers while the rest of the universe is expected to post decline in net profits**
- **Expect marginal pick-up in order inflows in Q1FY13E following slippage of order finalizations in Mar'12 quarter. We expect order inflows to rise by 6% yoy to Rs281.5 bn and comprise 17% of FY13E target order inflows**

At 12.9X, the sector is trading just above the recent low (Lehman Crisis) of 11.5X. We believe that negatives and concerns are getting priced in. But, catalysts to sector i.e. order inflows and earnings growth are missing. Though, few catalysts like reduction in interest rates and input costs, easing of working capital are on anvil; timing is misplaced.

Emkay's stock selection is purely driven by visibility, cash flows and ROIC of the business models. Our preferred BUYS are L&T, Cummins India and Greaves Cotton. These companies appear to be richly valued (on relative basis); these should be viewed in conjunction to strength of the business model.

Engineering & Capital Goods (ECG)

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
BHEL		Standalone						
CMP(Rs)	235	Net Sales (Rs mn)	84,334	195,889	72,715	16.0%	-56.9%	Expect subdued operating performance on back of declining order backlog. (1) Revenue growth at 16% yoy led by both divisions (Industry +16%, Power +16%) (2) Stable EBITDA margins (3) Lower growth in APAT at 10% yoy to Rs8.9 bn – attributed to higher depreciation (+49% yoy). Expect healthy inflows at Rs67 bn – led by finalization of bulk tenders by NTPC. Key things to watch out will be outlook on order inflows, sustainable operating margins and profitable execution of order backlog
Mkt Cap (Rs bn)	576	EBITDA (Rs mn)	12,909	49,372	11,132	16.0%	-73.9%	
Reco	Hold	EBITDA Margin (%)	15.3	25.2	15.3	0 bps	-990 bps	
Target Price (Rs)	185	PAT (Rs mn)	8,944	33,580	8,155	9.7%	-73.4%	
% Upside	-21%	EPS (Rs)	3.7	13.7	3.3	9.7%	-73.4%	
Larsen & Toubro		Standalone						
CMP(Rs)	1,399	Net Sales (Rs mn)	106,000	184,609	94,826	11.8%	-42.6%	Expect subdued performance on back of deceleration in order book execution and lower EBITDA margins (1) Revenue growth at 12% yoy - led by 10% growth in E&C and 7% growth in both E&E and M&IP (2) 40 bps drop in EBIDTA margins to 11.4% (3) Led by drop in EBITDA margins, APAT growth lower at 7% yoy to Rs8.0 bn. Strong order inflows at Rs150 bn. Management comment on (1) order inflow outlook (2) guidance for FY13E (3) sustainable operating margins and (4) risk to order execution will be key monitorable.
Mkt Cap (Rs bn)	858	EBITDA (Rs mn)	12,124	25,608	11,265	7.6%	-52.7%	
Reco	Accumulate	EBITDA Margin (%)	11.4	13.9	11.9	-44 bps	-243 bps	
Target Price (Rs)	1,603	PAT (Rs mn)	7,986	18,654	7,461	7.0%	-57.2%	
% Upside	15%	EPS (Rs)	13.1	30.5	12.2	7.0%	-57.1%	
Cummins India								
CMP(Rs)	445	Net Sales (Rs mn)	11,430	10,404	10,453	9.3%	9.9%	Cummins expected to report improved operational performance in Q1FY13E. However, net profit growth to expected to be muted (+5%) due to higher depreciation charges (1) Healthy revenue growth at 9% yoy to Rs11.4 bn – led by export market (+15%) and CSS (+14%). Domestic markets to grow by 6% yoy – lower growth attributed to decline in industrial and auto segment (2) Marginal decline in EBITDA margins at 20 bps yoy to 17.6% (4) EBITDA growth at 8% yoy to Rs2.0 bn. Management comment on sustainable operating margins & outlook for FY13E awaited
Mkt Cap (Rs bn)	123	EBITDA (Rs mn)	2,008	1,948	1,856	8.2%	3.1%	
Reco	Accumulate	EBITDA Margin (%)	17.6	18.7	17.8	-19 bps	-115 bps	
Target Price (Rs)	460	PAT (Rs mn)	1,499	1,446	1,427	5.1%	3.7%	
% Upside	3%	EPS (Rs)	5.4	5.2	5.1	5.1%	3.7%	

Engineering & Capital Goods (ECG)

Name		Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments	
Thermax							Standalone	
CMP(Rs)	495	Net Sales (Rs mn)	9,312	16,868	10,444	-10.8%	-44.8%	Expect weak performance owing to muted order inflows in H2FY12 and low opening order book cover. Revenues to decline by 11% yoy – led by Energy (-12% yoy to Rs7.1 bn. Environment to decline marginally by 3% yoy to Rs2.6 bn. Expect EBITDA margins to fall by 60 bps yoy – due to negative impact of operating leverage. Led by decline in revenues and EBITDA margins, net profit to decline by 18% yoy to Rs658 mn. Pick-up in order inflow momentum crucial to prevent further cut in earnings estimates.
Mkt Cap (Rs bn)	59	EBITDA (Rs mn)	959	1,853	1,137	-15.6%	-48.3%	
Reco	Hold	EBITDA Margin (%)	10.3	11.0	10.9	-59 bps	-69 bps	
Target Price (Rs)	400	PAT (Rs mn)	675	1,298	799	-15.6%	-48.0%	
% Upside	-19%	EPS (Rs)	5.7	10.9	6.7	-15.6%	-48.0%	
Voltas							Consolidated	
CMP(Rs)	107	Net Sales (Rs mn)	13,886	15,744	13,484	3.0%	-11.8%	Expect weak performance from Voltas led by decline in EBITDA margins (1) Muted revenue growth at 3% yoy – led by EMP segment (+5% to Rs7.1 bn – led by execution of Sidra project). Muted growth expected in UCP (+1% to Rs5.7 bn – industry-wide decline) and EPS (0% to Rs1.0 bn) (2) 170 bps drop in EBITDA margins from execution of low margin orders and rise in input costs (3) net profit decline restricted to 14% to Rs0.7 bn – due to higher other income. Progress on Sidra project, outlook for order inflows, performance of Rohini Electricals will be key monitorables
Mkt Cap (Rs bn)	35	EBITDA (Rs mn)	879	1,366	1,089	-19.3%	-35.6%	
Reco	Accumulate	EBITDA Margin (%)	6.3	8.7	8.1	-175 bps	-235 bps	
Target Price (Rs)	121	PAT (Rs mn)	628	1,013	723	-13.1%	-38.0%	
% Upside	13%	EPS (Rs)	1.9	3.1	2.2	-13.1%	-38.0%	
Blue Star								
CMP(Rs)	164	Net Sales (Rs mn)	7,048	8,069	7,047	0.0%	-12.7%	After a dismal performance in FY12, expect operational performance to stabilize in Q1FY13E (1) Stable revenues at Rs7.0 bn – EMP&PAC (+0% to Rs3.4 bn), Cooling products (+0% to Rs3.3 bn), PEIS (+5% to Rs0.4 bn) (2) Stable EBITDA margins at 3.8% (-10 bps) (3) But decline in APAT higher at 22% to Rs76 mn due to higher depreciation and interest charges. Traction in order book and BLSR's ability to improve profitability will be monitored
Mkt Cap (Rs bn)	15	EBITDA (Rs mn)	266	-441	276	-3.7%	n.a.	
Reco	Hold	EBITDA Margin (%)	3.8	-5.5	3.9	-15 bps	923 bps	
Target Price (Rs)	185	PAT (Rs mn)	76	-520	98	-22.3%	n.a.	
% Upside	13%	EPS (Rs)	0.8	-5.8	1.1	-22.3%	n.a.	

Engineering & Capital Goods (ECG)

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Lakshmi Machine Works								
CMP(Rs)	1,635	Net Sales (Rs mn)	4,123	5,020	5,111	-19.3%	-17.9%	On the back tough macro economic conditions, LMW is expected to witness weak order inflows and lower proportion of active orders in existing order book. We expect revenue decline of 19% yoy to Rs4.1bn. EBITDA margin for LMW is expected to remain under pressure at 9.8% on account of decline in revenue. PAT is expected to decline by 58% to Rs174mn. Order book at the end of Q4FY12 stood at Rs 42bn with weak order inflows. In the backdrop of slow economic growth, we expect order inflows during Q1FY13E would remain subdued.
Mkt Cap (Rs bn)	18	EBITDA (Rs mn)	406	487	709	-42.8%	-16.8%	
Reco	Hold	EBITDA Margin (%)	9.8	9.7	13.9	-403 bps	13 bps	
Target Price (Rs)	1,444	PAT (Rs mn)	174	70	411	-57.6%	149.4%	
% Upside	-12%	EPS (Rs)	15.5	6.2	36.5	-57.6%	149.4%	
Punj Lloyd								
		Consolidated						
CMP(Rs)	51	Net Sales (Rs mn)	27,276	30,380	22,633	20.5%	-10.2%	Expect Punj Lloyd to continue to report healthy operational performance in Q1FY13E. We expect (1) Healthy revenue growth at 21% yoy to Rs27.3 bn – due to healthy order book and sustained order inflow momentum (2) EBITDA margins at 7.7% (-30 bps yoy) – remains in the 7.5-8.0% band (3) But higher interest and depreciation charges offset operational performance. Consequently net profit expected at Rs1 mn. Sustained momentum in orders to trigger earnings upgrade. Await management outlook on EBITDA margins
Mkt Cap (Rs bn)	17	EBITDA (Rs mn)	2,103	2,550	1,809	16.3%	-17.5%	
Reco	Accumulate	EBITDA Margin (%)	7.7	8.4	8.0	-28 bps	-68 bps	
Target Price (Rs)	74	PAT (Rs mn)	1	90	-123	n.a.	-99.2%	
% Upside	45%	EPS (Rs)	0.0	0.3	-0.4	n.a.	-99.2%	
Greaves Cotton								
CMP(Rs)	70	Net Sales (Rs mn)	3,756	4,454	4,019	-6.5%	-15.7%	Expect sharp decline in net profit in Q1FY13E – led by decline in demand in both 3-W and LCV markets (1) 7% yoy decline in revenues to Rs3.8 bn – Engines down 5% to Rs3.2 bn and Infrastructure down 19% yoy to Rs393 bn (2) 120 bps yoy fall in EBITDA margins. Expect EBIT loss for Infrastructure of Rs27 mn (3) Higher decline in APAT at 23% yoy to Rs268 mn – owing to higher depreciation costs. We keenly await outlook for Infrastructure division, ramp-up with Tatas & M&M and sustainable EBITDA margins
Mkt Cap (Rs bn)	17	EBITDA (Rs mn)	488	597	570	-14.4%	-18.3%	
Reco	Buy	EBITDA Margin (%)	13.0	13.4	14.2	-120 bps	-41 bps	
Target Price (Rs)	90	PAT (Rs mn)	268	345	350	-23.2%	-22.1%	
% Upside	28%	EPS (Rs)	1.1	1.4	1.4	-23.2%	-22.1%	

Engineering & Capital Goods (ECG)

Name		Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments	
McNally Bharat Engineering	Standalone							
CMP(Rs)	97	Net Sales (Rs mn)	4,175	7,277	3,625	15.2%	-42.6%	Expect decline in standalone APAT owing to drop in EBITDA margins (1) Healthy revenue growth at 15% yoy to Rs4.2 bn (2) Muted EBITDA growth at 3% yoy due to Rs251 mn – led by 70 bps yoy drop in EBITDA margins (3) Led by decline in EBITDA and high interest costs, NPAT to fall by 16% yoy to Rs64 mn. Outlook on order inflows, EBITDA Margins & FY13E to be tracked.
Mkt Cap (Rs bn)	3	EBITDA (Rs mn)	251	530	243	3.3%	-52.6%	
Reco	Hold	EBITDA Margin (%)	6.0	7.3	6.7	-69 bps	-127 bps	
Target Price (Rs)	135	PAT (Rs mn)	64	224	76	-16.3%	-71.5%	
% Upside	39%	EPS (Rs)	2.1	7.2	2.5	-16.3%	-71.5%	
Elecon Engineering								
CMP(Rs)	54	Net Sales (Rs mn)	2,654	4,420	2,573	3.1%	-40.0%	Expect net profit to decline - led by muted revenue growth and decline in EBITDA margins (1) 3% yoy revenue growth to Rs2.7 bn - TE division (+7% to Rs1.3 bn), MHE division (+2% to Rs1.5 bn) (2) 100 bps decline in EBITDA margins – owing to unfavourable revenue mix and rise in input costs (3) EBITDA down 3% yoy to Rs437 mn (4) led by decline in EBITDA margins and high depreciation charges, APAT to decline by 9% yoy to Rs135 bn. Management view on (1) Fresh order inflows (2) outlook for newly acquired business of Benzler Radicon group awaited
Mkt Cap (Rs bn)	5	EBITDA (Rs mn)	437	639	450	-2.8%	-31.6%	
Reco	Hold	EBITDA Margin (%)	16.5	14.5	17.5	-100 bps	201 bps	
Target Price (Rs)	61	PAT (Rs mn)	135	239	149	-9.4%	-43.4%	
% Upside	13%	EPS (Rs)	1.5	2.6	1.6	-9.4%	-43.4%	
TRF	Consolidated							
CMP(Rs)	293	Net Sales (Rs mn)	2,456	3,620	2,720	-9.7%	-32.2%	TRF (standalone) revenues to decline by 12% yoy to Rs1.3 bn on back of declining order backlog. Healthy EBITDA margins at 4.5% (-220 bps yoy). Sharp 97% yoy decline in APAT to mere Rs1 mn – due to high interest costs. Auto business performance impacted by slow down in demand in domestic trailer market (1) Revenue down 6% yoy to Rs1.1 bn (1) EBITDA margin up 180 bps yoy to 5.1% (3) APAT at Rs10 mn (Vs Rs5 mn in Q1FY12) after considering higher interest and depreciation costs guidance (2) outlook for FY13E (3) sustainable EBITDA margins
Mkt Cap (Rs bn)	3	EBITDA (Rs mn)	118	278	141	-16.3%	-57.6%	
Reco	Hold	EBITDA Margin (%)	4.8	7.7	5.2	-38 bps	-289 bps	
Target Price (Rs)	282	PAT (Rs mn)	9	79	36	-74.3%	-88.2%	
% Upside	-4%	EPS (Rs)	0.8	7.1	3.3	-74.3%	-88.2%	

- We expect a subdued quarter from our Tier I IT services coverage universe with cross currency moves (100-150 bps QoQ adverse impact) driving further weakness in US\$ revenue growth. Amongst Tier I companies, we expect a 0.2%-2.9% QoQ growth with TCS at the upper end and Infosys at the lower end.
- For our Tier II universe we expect a 0.3-10.3% QoQ US\$ revenue growth with MindTree at the lower end and eClerx at the upper end (aided by consolidation of recently acquired Agilyst). We expect Hexaware to report a 3.8% QoQ growth, in line with co guidance of US\$ 91-92 mn despite ~90 bps cross currency headwinds
- We expect Infosys to revise it's FY13 revenue outlook to ~6.5-8.5% YoY growth V/s 8-10% earlier driven by cross currency movements , however expect EPS outlook to be raised to ~Rs 172-174 (V/s Rs 159-161 earlier)driven by lower currency resets. We believe that investors will majorily focus on Sep'12 qtr guidance for both Infosys and Wipro(expect Infosys to guide for 3-4% QoQ growth and Wipro to guide for a 2-4% QoQ growth for Sep'12 qtr)
- Key areas of investor focus (1) outlook on decision making and project ramp ups , (2) pricing outlook specifically in US BFS clients , (3) opportunities in Europe and (4) reasons for subdued commentary and outlook from Indian vendors given both strong performance and outlook from Accenture recently
- We continue to be selectively positive on the sector with Infosys and HCL Tech rated ACCUMULATE in the Tier I coverage universe. Amongst Tier II companies, MindTree and Hexaware remain our preferred bets.

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Infosys Ltd								
CMP(Rs)	2,501	Net Sales (Rs mn)	97,605	88,520	74,850	30.4%	10.3%	We expect Infosys to report a 0.2% QoQ US\$ rev growth impacted adversely by ~100 bps QoQ cross currency headwinds. Margins estimated to improve by ~30 bps QoQ to 32.9% helped by currency depreciation albeit impacted adversely by onsite investments/visa costs. Profits estimated at Rs 24 bn (+3.7% QoQ). Key things to watch out (1) revision in FY13 guidance (we estimate co to moderate US\$ revenue outlook to 6.5-8.5% on account of cross currency movements) and EPS outlook to be raised to ~Rs 172-174 V/s Rs 159-161 earlier), (2) wage hikes and hiring outlook and (3) demand trends and pricing outlook in financial services vertical
Mkt Cap (Rs bn)	1,436	EBITDA (Rs mn)	32,146	28,900	21,750	47.8%	11.2%	
Reco	Accumulate	EBITDA Margin (%)	32.9	32.6	29.1	388 bps	29 bps	
Target Price (Rs)	2,800	PAT (Rs mn)	24,028	23,160	17,230	39.5%	3.7%	
% Upside	12%	EPS (Rs)	42.1	40.5	30.2	39.4%	3.7%	
TCS								
CMP(Rs)	1,260	Net Sales (Rs mn)	149,819	132,593	107,971	38.8%	13.0%	We estimate TCS to report a 2.9% US\$ QoQ revenue growth to US\$ 2,724mn (-150 bps QoQ cross currency headwinds). Margins estimated to be flat QoQ at 29.5% impacted adversely by wage increments/visa costs however cushioned by currency depreciation. Profits estimated at Rs 33.5bn (+14% QoQ) aided b13% QoQ EBITDA growth. Key things to watch out for (1) outlook on client spending and project ramp ups in top clients, and (2) comments on demand and pricing trends in financial services vertical
Mkt Cap (Rs bn)	2,466	EBITDA (Rs mn)	44,170	39,117	30,311	45.7%	12.9%	
Reco	Hold	EBITDA Margin (%)	29.5	29.5	28.1	141 bps	-2 bps	
Target Price (Rs)	1,150	PAT (Rs mn)	33,472	29,324	23,804	40.6%	14.1%	
% Upside	-9%	EPS (Rs)	17.1	15.0	12.2	40.6%	14.1%	
Wipro								
CMP(Rs)	400	Net Sales (Rs mn)	107,197	98,692	85,640	25.2%	8.6%	Wipro estimated to a 0.3% QoQ revenue growth (-140 bps QoQ cross currency headwinds), in line with a -1 to +1% QoQ growth outlook. IT Svcs EBITmargins expected to improve by ~120 bps QoQ due to favorable US\$/INR realization rate for Wipro. Profits estimated at Rs 16.8 bn(+13.4% QoQ) aided by margin improvement. Key things to watch out for (1) guidance for Sep'12 qtr(we est a 2-4% QoQ growth outlook, (2) outlook on demand from key verticals and top clients
Mkt Cap (Rs bn)	984	EBITDA (Rs mn)	19,948	16,943	14,952	33.4%	17.7%	
Reco	Reduce	EBITDA Margin (%)	18.6	17.2	17.5	115 bps	144 bps	
Target Price (Rs)	400	PAT (Rs mn)	16,790	14,809	13,350	25.8%	13.4%	
% Upside	0%	EPS (Rs)	7.0	6.0	5.5	28.2%	16.0%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
HCL Tech								
CMP(Rs)	484	Net Sales (Rs mn)	58,376	52,156	42,995	35.8%	11.9%	HCL Tech expected to report a 1.3% QoQ growth in revenues to US\$ 1,061 mn (110 bps cross currency headwinds) with margins improving by ~140 bps QoQ aided by currency depreciation. Profits est at Rs 6.9 mn (+19% QoQ) aided by strong op performance. Key things to watch out for (1) ramp ups on recently won deals, (2) outlook on revenues/margins and (3) wage hikes for FY13
Mkt Cap (Rs bn)	336	EBITDA (Rs mn)	11,329	9,373	7,728	46.6%	20.9%	
Reco	Accumulate	EBITDA Margin (%)	19.4	18.0	18.0	143 bps	144 bps	
Target Price (Rs)	560	PAT (Rs mn)	6,930	5,829	4,910	41.2%	18.9%	
% Upside	16%	EPS (Rs)	9.9	8.3	7.0	n.a	n.a	
Tech Mahindra								
CMP(Rs)	734	Net Sales (Rs mn)	15,444	14,190	12,925	19.5%	8.8%	Tech M expected to report a 0.6% QoQ growth in US\$ revenues (~100 bps QoQ cross currency headwind). Margins expected to improve by ~200 bps QoQ to 18.8% led by currency depreciation. Key things to watch out for(1) outlook for business within top clients BT and AT&T, (2) margin performance and (3) outlook on closure of several managed services deal that the company has been chasing
Mkt Cap (Rs bn)	94	EBITDA (Rs mn)	2,900	2,391	2,418	19.9%	21.3%	
Reco	Accumulate	EBITDA Margin (%)	18.8	16.8	18.7	7 bps	193 bps	
Target Price (Rs)	730	PAT (Rs mn)	2,874	3,695	2,734	5.1%	-22.2%	
% Upside	-1%	EPS (Rs)	23.2	28.2	20.9	11.1%	-17.8%	
eClerx Services								
CMP(Rs)	629	Net Sales (Rs mn)	1,547	1,276	996	55.3%	21.3%	eClerx expected to report a 10.3% QoQ US\$ revenue growth aided by recently acquired Agilyst consolidation. Margins expected to improve by ~180 bps QoQ on account of currency depreciation despite wage hikes during the current qtr. Profits expected at Rs 433 mn(+43% QoQ). Key things to watch out for (1) outlook on demand from top 5 clients as well as pickup in volumes in the core business, (2) Agilyst's performance and (3) pricing outlook
Mkt Cap (Rs bn)	18	EBITDA (Rs mn)	595	468	391	52.0%	27.3%	
Reco	Accumulate	EBITDA Margin (%)	38.5	36.7	39.3	-83 bps	181 bps	
Target Price (Rs)	760	PAT (Rs mn)	433	305	353	22.9%	42.2%	
% Upside	21%	EPS (Rs)	14.4	10.1	11.9	20.8%	42.3%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Hexaware Technologies								
CMP(Rs)	127	Net Sales (Rs mn)	5,023	4,383	3,341	50.3%	14.6%	Hexaware is estimated to report a 3.8% QoQ US\$ revenue growth to US\$ 91.3 mn(-90 bps QoQ cross currency impact). Margins est at 23.4%, up by ~100 bps primarily on a/c of currency depreciation despite wage hikes (11% offshore wage hikes) and visa costs. Profits est at Rs 796 mn (-10% QoQ) impacted adversely by forex losses of ~Rs 180 mn. Key things to watch out for (1) ramp up on the recently bagged large deals , (2) progress in negotiation of deals being chased by the company and (3) comments on revenues/ margins ahead
Mkt Cap (Rs bn)	38	EBITDA (Rs mn)	1,174	982	511	129.7%	19.6%	
Reco	Buy	EBITDA Margin (%)	23.4	22.4	15.3	808 bps	97 bps	
Target Price (Rs)	150	PAT (Rs mn)	796	884	603	31.9%	-10.0%	
% Upside	18%	EPS (Rs)	2.7	3.0	2.1	31.9%	-10.0%	
Persistent								
CMP(Rs)	395	Net Sales (Rs mn)	3,032	2,706	2,238	35.5%	12.1%	Persistent expected to report a 1.7% QoQ US\$ revenue growth to US\$ 55.1 mn with margins expected to improve by ~180 bps QoQ to 30.4% led by currency depreciation. Profits est at Rs 616 mn(+50% QoQ) helped by margin improvement and forex gains. Key things to watch out for (1) revenue/margin outlook, and (2) progress on IP based deals that company has been negotiating
Mkt Cap (Rs bn)	16	EBITDA (Rs mn)	923	773	401	130.1%	19.3%	
Reco	Hold	EBITDA Margin (%)	30.4	28.6	17.9	1,251 bps	186 bps	
Target Price (Rs)	390	PAT (Rs mn)	616	412	276	123.5%	49.5%	
% Upside	-1%	EPS (Rs)	15.4	10.3	6.9	123.5%	49.5%	
Mahindra Satyam								
CMP(Rs)	83	Net Sales (Rs mn)	18,814	16,658	14,339	31.2%	12.9%	We expect Mah Satyam to report a 1.5% QoQ growth in US\$ revenues at US\$ 342 mn. EBITDA margins expected to improve by 140 bps QoQ to 18.9% due to currency depreciation. Key things to watch out for (1) revenue growth, (2) outlook on margin trajectory ahead and (3) hiring trends
Mkt Cap (Rs bn)	97	EBITDA (Rs mn)	3,555	2,916	2,126	67.2%	21.9%	
Reco	Accum	EBITDA Margin (%)	18.9	17.5	14.8	407 bps	139 bps	
Target Price (Rs)	85	PAT (Rs mn)	3,156	4,248	2,252	40.1%	-25.7%	
% Upside	3%	EPS (Rs)	2.7	3.6	1.9	40.1%	-25.7%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Infinite Computer								
CMP(Rs)	121	Net Sales (Rs mn)	3,018	2,669	2,623	15.0%	13.1%	Infinite Solutions expected to report a 3.3% QoQ US\$ revenue growth to US\$ 55 mn with ~80 bps QoQ improvement in margins to 16.3%. Profits est at Rs 316 mn (+52% QoQ), aided by forex gains (V/s losses in Mar'12 qtr). Key things to watch out for (1) FY13 revenue guidance, (2) new client wins and (3)cash generation
Mkt Cap (Rs bn)	5	EBITDA (Rs mn)	493	414	447	10.3%	19.0%	
Reco	Buy	EBITDA Margin (%)	16.3	15.5	17.0	-71 bps	82 bps	
Target Price (Rs)	120	PAT (Rs mn)	316	207	300	5.5%	52.4%	
% Upside	-1%	EPS (Rs)	7.2	4.7	6.8	5.5%	52.4%	
NIIT Tech								
CMP(Rs)	283	Net Sales (Rs mn)	4,698	4,435	3,288	42.9%	5.9%	We expect NIIT Tech to report a 1.3% QoQ US\$ growth with INR revenues estimated at Rs 4.7 bn (+6% QoQ). Margins expected to improve by ~20 bps QoQ to 17% aided by currency depreciation despite forex losses and wage hikes during the current qtr. Profits est at Rs 538 mn (+16% QoQ) helped by translation gains. Key things to watch out for (1) comments on demand from top clients , (2) offshore shift from Morrison deal and (3) order winds during the current qtr
Mkt Cap (Rs bn)	17	EBITDA (Rs mn)	799	744	609	31.2%	7.4%	
Reco	Accumulate	EBITDA Margin (%)	17.0	16.8	18.5	-151 bps	24 bps	
Target Price (Rs)	340	PAT (Rs mn)	538	461	412	30.5%	16.6%	
% Upside	20%	EPS (Rs)	9.0	7.8	7.0	30.5%	16.6%	
Mphasis Lts								
CMP(Rs)	369	Net Sales (Rs mn)	14,360	13,289	12,936	11.0%	8.1%	We expect a 8.1% QoQ INR revenue growth (helped by currency depreciation) with margins expected to improve by ~120 bps QoQ to 20.9% despite wage hikes during the current qtr. Profits est at Rs 2.3 bn(+22% QoQ) aided by strong margin performance and forex gains. Key things to watch out for (1) outlook on business from HP and direct business, (2) ramp up on business in HP (Non ES) segment
Mkt Cap (Rs bn)	78	EBITDA (Rs mn)	3,000	2,613	2,515	19.3%	14.8%	
Reco	Reduce	EBITDA Margin (%)	20.9	19.7	19.4	145 bps	122 bps	
Target Price (Rs)	340	PAT (Rs mn)	2,304	1,893	1,942	18.7%	21.7%	
% Upside	-8%	EPS (Rs)	10.9	9.0	9.2	18.7%	21.7%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
MindTree								
CMP(Rs)	674	Net Sales (Rs mn)	5,616	5,257	4,131	35.9%	6.8%	We expect a 0.3% QoQ US\$ revenue growth with growth in IT Services segment negated by pressures in the PES segment. with margins expected to improve by ~150 bps QoQ to 20.2% helped by weak currency. Profits est at Rs 895 mn(+30% QoQ) aided by strong margin performance and forex gains. Key things to watch out for (1) outlook on business within IT Services and PES segment, (2) revenue growth and margin outlook and (3) hiring trends
Mkt Cap (Rs bn)	27	EBITDA (Rs mn)	1,137	985	460	147.2%	15.4%	
Reco	Buy	EBITDA Margin (%)	20.2	18.7	11.1	911 bps	151 bps	
Target Price (Rs)	730	PAT (Rs mn)	895	690	345	159.4%	29.7%	
% Upside	8%	EPS (Rs)	21.8	16.8	8.5	155.9%	29.7%	

Metals and Mining

- Q1FY13 is expected to be a lack luster quarter for the metals and mining industry due to expected lower volume on QoQ basis and lower realizations due to sharp fall in metals prices. Exchange rate had also a key role to play, while, it helped non-ferrous metal companies in terms of better domestic pricing, hurt ferrous metal companies with higher coking coal costs. Like the previous quarter, there was no respite from the regulatory issues during the quarter.
- Revenue for our Metals and Mining universe is likely to be up ~8% YoY on account of better volumes. Most of the companies (except Tata Steel) are expected to witness a topline degrowth on a QoQ basis. HEG, however is expected to show best topline growth (55% and 7% on YoY and QoQ respectively). Sesa Goa on the other hand is likely to remain a laggard with a 22% fall in topline on QoQ basis.
- EBITDA for the universe is likely to decline by 17% YoY and about 13% on QoQ basis. While there was a significant pressure on LME prices, weakening rupee gave some respite on the realization front to the non-ferrous players. We expect a good YoY EBITDA performance by small cap companies HEG (79%), Bhushan (16%) and GPIL (6%) with larger players showing a degrowth YoY. On a QoQ basis, companies are expected to report muted performance.
- Like the declining trend in EBITDA, the overall APAT of our coverage universe on QoQ and YoY is likely to drop 14% and 23% respectively. Sharper drop in bottomline is expected to be driven by Tata Steel (-55%), JSW Steel (-35%) and Sterlite (-30%) on a YoY basis, while the decline in QoQ bottomline is expected to be driven by JSW Steel (-45%) and small cap companies in the range of -26% to -29%. On a QoQ basis, only Tata Steel likely to show PAT growth of 47%.
- Regulatory issues (iron ore mining restrictions, regulatory clearances, coal linkages, MMDR Bill) continue to surround the metals and mining space. On operational basis, going forward we expect non ferrous metals to do better than ferrous metals, as steel prices broadly are likely to remain under pressure on weak domestic demand

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Tata Steel								
CMP(Rs)	447	Net Sales (Rs mn)	346,616	339,986	330,002	5%	2%	Tata Steel's domestic sales volume is likely to be 1.7 mt for Q1FY13. The EBITDA/ tonne is likely to marginally decline to Rs 16626 (US\$307) during the quarter. The standalone PAT is likely to be Rs 15.8 bn. Overseas operations mainly in Europe are likely to show some improvement on QoQ basis due to slightly higher realizations and lower coking coal cost. We expect a sales volume of 3.5 mt in Europe with an EBITDA/tonne of US\$17. Update on Port Talbot blast furnace shutdown and coking coal supply from Benga mines would be the key things to watch out for
Mkt Cap (Rs bn)	434	EBITDA (Rs mn)	32,072	31,788	44,229	-27%	1%	
Reco	Accumulate	EBITDA Margin (%)	9.3	9.3	13.4	-415 bps	-10 bps	
Target Price (Rs)	451	PAT (Rs mn)	6,363	4,335	14,274	-55%	47%	
% Upside	1%	EPS (Rs)	6.6	4.5	14.9	-55%	47%	
JSW Steel								
CMP(Rs)	679	Net Sales (Rs mn)	87,665	103,610	74,387	18%	-15%	We expect a sales volume of 1.93 mt for Q1FY13. While the problems regarding sourcing of iron ore in Karnataka still persist, the company has been running its operations at 65-70% capacity utilization levels. The EBITDA/ tonne for the quarter should be flat at Rs 7105 (US\$131) for the standalone business. Key thing to watch out for would be JSW Ispat's performance and guidance for FY13 productions considering mining scenario in Karnataka
Mkt Cap (Rs bn)	152	EBITDA (Rs mn)	14,006	18,873	14,348	-2%	-26%	
Reco	Hold	EBITDA Margin (%)	16.0	18.2	19.3	-331 bps	-224 bps	
Target Price (Rs)	676	PAT (Rs mn)	3,132	5,696	4,852	-35%	-45%	
% Upside	0%	EPS (Rs)	14.0	25.5	21.7	-35%	-45%	
Sterlite Industries								
CMP(Rs)	104	Net Sales (Rs mn)	101,473	108,189	98,607	3%	-6%	In Q1FY13, the average LME prices for all the base metals dropped on a QoQ basis. Aluminium remained the worst performer among the metals shedding 9.4% quarter average (viz. Q4FY12) to US\$1973/ tonne, whereas, copper LME fell by 5.6% to US\$7846/ tonne. Along with this, significant depreciation in average INR against USD on QoQ is likely to keep the topline marginally lower on a QoQ basis. We expect margins to decline too on QoQ basis. Domestic and Intl. Zinc businesses are expected to drive the bottomline growth.
Mkt Cap (Rs bn)	350	EBITDA (Rs mn)	22,319	27,054	27,584	-19%	-18%	
Reco	Accumulate	EBITDA Margin (%)	22.0	25.0	28.0	-598 bps	-301 bps	
Target Price (Rs)	124	PAT (Rs mn)	11,451	13,774	16,443	-30%	-17%	
% Upside	19%	EPS (Rs)	3.4	4.1	4.9	-30%	-17%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Sesa Goa								
CMP(Rs)	192	Net Sales (Rs mn)	21,886	27,942	21,089	4%	-22%	We expect the company to report a total sales volume of 3.8 mt for Q1FY13 as against 5.2 mt reported in Q4FY12. Iron ore realizations have declined on a QoQ basis but due to depreciation in rupee, most of the decline has been more than offset in INR terms. We expect the iron ore realization to be US\$90/ tonne for Q1FY13. We keep close watch on the developments regarding Karnataka and Goa mining.
Mkt Cap (Rs bn)	167	EBITDA (Rs mn)	7,790	9,967	11,458	-32%	-22%	
Reco	Accumulate	EBITDA Margin (%)	35.6	35.7	54.3	-1874 bps	-8 bps	
Target Price (Rs)	207	PAT (Rs mn)	10,120	12,280	8,406	20%	-18%	
% Upside	8%	EPS (Rs)	11.6	14.1	9.7	20%	-18%	
Hindustan Zinc								
CMP(Rs)	122	Net Sales (Rs mn)	27,348	31,350	28,471	-4%	-13%	We expect subdued performance for Q1FY13 primarily due to mine development work which was taken up during the quarter adversely affecting production. LME zinc and lead average for the quarter declined QoQ by ~6% and 5% respectively to US\$1969/tonne and US\$1923/tonne. Silver too declined during the quarter (-10%) to US\$29.5/ oz. Silver and lead volumes,, CoP of zinc and any expansion plans would be the key driver to Q1FY13 numbers.
Mkt Cap (Rs bn)	515	EBITDA (Rs mn)	14,383	16,590	15,923	-10%	-13%	
Reco	Buy	EBITDA Margin (%)	52.6	52.9	55.9	-333 bps	-33 bps	
Target Price (Rs)	146	PAT (Rs mn)	12,850	14,213	14,993	-14%	-10%	
% Upside	20%	EPS (Rs)	3.0	3.4	3.5	-14%	-10%	
Bhushan Steel								
CMP(Rs)	464	Net Sales (Rs mn)	26,086	28,368	22,318	17%	-8%	We expect Bhushan Steel to report lower steel volumes with higher realizations in Q1FY13. The sales volume is expected to decline 13% QoQ to 5.5 lakh tonnes. The EBITDA/ tonne is expected to decline significantly on QoQ basis to Rs 13800/ tonne for the quarter, primarily due to lower utilization and hence higher fixed costs per tonne. Key things to watch out for will be the progress in Orissa phase III expansion and any guidance on iron ore availability in Orissa.
Mkt Cap (Rs bn)	99	EBITDA (Rs mn)	7,641	8,976	6,610	16%	-15%	
Reco	Hold	EBITDA Margin (%)	29.3	31.6	29.6	-33 bps	-235 bps	
Target Price (Rs)	394	PAT (Rs mn)	2,441	3,309	2,100	16%	-26%	
% Upside	-15%	EPS (Rs)	11.5	15.6	9.9	16%	-26%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Hindalco								
CMP(Rs)	121	Net Sales (Rs mn)	70,256	76,471	60,309	16%	-8%	During the quarter, we expect primary aluminium volumes to be muted as compared to Q4FY12. LME aluminium and copper declined 9% and 6% on QoQ basis to US\$1973/ tonne and US\$7846/ tonne respectively. This decline in LME is expected to be partially offset by fall in rupee. Margins are expected to decline further due to pressure from input costs. Performance of Novelis going ahead would be key thing to watch out for.
Mkt Cap (Rs bn)	232	EBITDA (Rs mn)	7,754	8,648	8,671	-11%	-10%	
Reco	Buy	EBITDA Margin (%)	11.0	11.3	14.4	-334 bps	-27 bps	
Target Price (Rs)	151	PAT (Rs mn)	5,164	6,400	6,440	-20%	-19%	
% Upside	25%	EPS (Rs)	2.7	3.3	3.4	-20%	-19%	
GPIL								
CMP(Rs)	115	Net Sales (Rs mn)	5,397	6,568	4,957	9%	-18%	Due to merger and amalgamation of Hira Ferro Alloys and RR Ispat during Q4FY11, the YoY figures are not comparable. We believe the capacity utilization of sponge iron has been 70% (77% in Q4FY12). During the quarter, pellet production is likely to be 1.5 lakh tonnes. Iron ore mining is also likely to continue at a robust pace of 1.7 lakh tonne. Key things to watch out for would be mining output and contribution from pellet business
Mkt Cap (Rs bn)	4	EBITDA (Rs mn)	820	972	777	6%	-16%	
Reco	Buy	EBITDA Margin (%)	15.2	14.8	15.7	-48 bps	+39 bps	
Target Price (Rs)	134	PAT (Rs mn)	239	329	318	-25%	-27%	
% Upside	16%	EPS (Rs)	7.5	10.4	10.0	-25%	-27%	
HEG								
CMP(Rs)	214	Net Sales (Rs mn)	4,337	4,074	2,795	55%	6%	We believe the operational performance of the company will be better on both YoY as well as on QoQ basis backed by improved realizations although capacity utilizations are expected to be marginally lower. As a result, both topline as well as margins are expected to improve. Guidance on full utilization of the expanded capacity, realizations trend going forward would be important things to watch out for
Mkt Cap (Rs bn)	9	EBITDA (Rs mn)	790	724	441	79%	9%	
Reco	Hold	EBITDA Margin (%)	18.2	17.8	15.8	+244 bps	+46 bps	
Target Price (Rs)	230	PAT (Rs mn)	379	532	198	92%	-29%	
% Upside	7%	EPS (Rs)	8.9	12.5	4.6	92%	-29%	

Under-recoveries increased marginally QoQ; Margin pressure continue in Refining and Petchem

- For Q1FY13, under-recoveries on sale of HSD, SKO and LPG have increased to Rs.438bn as against Rs.430bn in Q4FY12. On QoQ under-recoveries increased marginally by 1.8% on account of depreciation of Rupee (Averaged \$50.8 v/s \$54.2/bbl). However Brent crude oil price decline by 7.6%QoQ.
- OMCs would have inventory losses during the quarter on account of declining oil prices. We expect OMC's GRM to be in the range of \$3.2-3.5 and assume 33% sharing by upstream companies for the quarter (Rs.146bn). We also factor in government support to the extent of 33%.
- During the quarter, the benchmark refining margins decreased to US\$7/bbl, compared to US\$7.6/bbl in 4QFY12 mainly on account of decrease spreads for LPG, HSD and naphtha. However petchem margins have increased sequentially during the quarter.
- For RIL, a depreciating rupee would have positive impact on overall profitability for the quarter. We factor in lower GRMs for YoY (US\$10.3/bbl) and QoQ (US\$7.6/bbl) at US\$7.4/bbl, on the back of decline in product spreads. Difference between light-heavy crude oil has increased marginally by US\$0.4/bbl to US\$2.4/bbl. Sequentially, petchem margins have increased during the quarter. We factor in lower gas production from KG basin at 32mmscmd in Q1FY13 from 36.5mmscmd in Q4FY12. Our net profit estimate for Q1FY13E stands at Rs44.4bn a growth of 4.9%QoQ and decline of 21.5%YoY.
- Natural Gas universe likely to report revenue and profit growth of 5% and 24.7% QoQ, respectively, primarily driven by higher realization across all the segments. However, on account of increase in prices of RLNG and rupee depreciation; the raw material cost for CGD players (like IGL and GGCL) is expected to be higher. Thereby affecting the margins for CGD players during the quarter.

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Reliance Industries								
CMP(Rs)	737	Net Sales (Rs mn)	882,382	851,820	810,180	8.9%	3.5%	We expect RIL's revenue at Rs.882bn, growth of 8.9% YoY. EBIDTA at Rs.75.3bn, decline of 24.1% YoY and PAT at Rs.44.4bn, decline of 21.5% YoY. We expect EBIDTA margin at 8.5%, up 83.5bps on QoQ. We expect Gross Refining Margin (GRM) at \$7.4per bbl for Q1FY13E. We have factored in gas production of 32mmscmd as against 36.5mmscmd in Q4FY12.
Mkt Cap (Rs bn)	2,415	EBITDA (Rs mn)	75,354	65,630	99,260	-24.1%	14.8%	
Reco	Hold	EBITDA Margin (%)	8.5	7.7	12.3	-371 bps	83.5 bps	
Target Price (Rs)	835	PAT (Rs mn)	44,430	42,360	56,610	-21.5%	4.9%	
% Upside	13%	EPS (Rs)	13.5	12.9	17.3	-21.5%	4.9%	
IOCL								
CMP(Rs)	256	Net Sales (Rs mn)	813,935	1,277,355	1,012,845	-19.6%	-36.3%	We expect IOC's revenue at Rs.813bn, EBIDTA loss at Rs.41.3bn and Net loss of Rs.64.3bn. The total under recovery for Q1 FY13E is expected at Rs.438bn. We expect gross under recovery for IOC at Rs.235bn for the quarter. We expect cash compensation from governments of ~Rs76.8bn and the same has been considered in our estimates. We also consider upstream support of 33%. We expect Gross Refining Margin (GRM) at \$3.2 per bbl for Q1FY13E.
Mkt Cap (Rs bn)	621	EBITDA (Rs mn)	-41,386	140,402	-18,618	n.a	n.a	
Reco	Accumulate	EBITDA Margin (%)	-5.1	11.0	-1.8	-325 bps	-1,608 bps	
Target Price (Rs)	320	PAT (Rs mn)	-64,291	126,705	-37,187	n.a	n.a	
% Upside	25%	EPS (Rs)	-26.5	52.2	-15.3	n.a	n.a	
BPCL								
CMP(Rs)	747	Net Sales (Rs mn)	367,597	621,357	461,396	-20.3%	-40.8%	We expect BPCL's revenue at Rs.367bn, EBIDTA loss at Rs.31.6bn and Net loss of Rs.35.9bn. The total under recovery for Q1FY13E is expected at Rs.438bn. We expect gross under recovery for BPCL at Rs.103bn for the quarter. We expect cash compensation from governments of ~Rs34.6bn and the same has been considered in our estimates. We also consider upstream support of 33%. We expect Gross Refining Margin (GRM) at \$3.5 per bbl for Q1FY13E.
Mkt Cap (Rs bn)	270	EBITDA (Rs mn)	-31,694	72,166	-21,642			
Reco	Accumulate	EBITDA Margin (%)	-8.6	11.6	-4.7	-393 bps	-2,024 bps	
Target Price (Rs)	811	PAT (Rs mn)	-35,994	64,203	-25,619	n.a	n.a	
% Upside	9%	EPS (Rs)	-99.6	177.6	-70.9	n.a	n.a	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
HPCL								
CMP(Rs)	333	Net Sales (Rs mn)	295,452	523,936	409,169	-27.8%	-43.6%	We expect HPCL's revenue at Rs.295bn, EBIDTA loss at Rs.30.7bn and Net loss of Rs.34.4bn. The total under recovery for Q1FY13E is expected at Rs.438bn. We expect gross under recovery for HPCL at Rs.100bn for the quarter. We expect cash compensation from governments of ~Rs33bn and the same has been considered in our estimates. We also consider upstream support of 33%. We expect Gross Refining Margin (GRM) at \$3.4 per bbl for Q1FY13E
Mkt Cap (Rs bn)	113	EBITDA (Rs mn)	-30,763	54,667	-25,684	n.a	n.a	
Reco	Buy	EBITDA Margin (%)	-10.4	10.4	-6.3	-413 bps	-2,085 bps	
Target Price (Rs)	360	PAT (Rs mn)	-34,463	46,327	-30,815	n.a	n.a	
% Upside	8%	EPS (Rs)	-101.7	136.7	-90.9	n.a	n.a	
GAIL								
CMP(Rs)	355	Net Sales (Rs mn)	109,610	104,884	88,890	23.3%	4.5%	We expect GAIL's revenue at Rs.109.6bn, growth of 23.3% YoY. EBIDTA at Rs.13bn, decline of 17.2% YoY and PAT at Rs.7.5bn, down 22.9% YoY basis. We expect EBIDTA margins would reduce by 583bps to 11.9% on YoY basis. We expect transmission volume at 114.3mmscmd for the current quarter. Subsidy burden is the key concern for GAIL's profitability. Based on the expected under recovery for Q1FY13, we expect subsidy burden for GAIL is at ~Rs.9bn.
Mkt Cap (Rs bn)	451	EBITDA (Rs mn)	13,053	7,677	15,772	-17.2%	70.0%	
Reco	Buy	EBITDA Margin (%)	11.9	7.3	17.7	-583 bps	459 bps	
Target Price (Rs)	406	PAT (Rs mn)	7,595	4,833	9,846	-22.9%	57.1%	
% Upside	14%	EPS (Rs)	6.0	3.8	7.8	-22.9%	57.1%	
Gujarat State Petronet								
CMP(Rs)	70	Net Sales (Rs mn)	2,769	2,788	2,876	-3.7%	-0.7%	We expect GSPL's revenue at Rs.2.7bn, decline of 3.7% YoY. EBIDTA at Rs.2.5bn, decline of 5% YoY and PAT at Rs.1.2bn, decline of 10.1% YoY. Lower profitability sequentially is expected mainly on account of lower transmission volumes. We expect EBIDTA margin at 91%, decline of 123bps on YoY. We expect transmission volume at 31mmscmd for Q1 FY13E, marginally lower compared to Q4 FY12.
Mkt Cap (Rs bn)	40	EBITDA (Rs mn)	2,520	2,544	2,652	-5.0%	-1.0%	
Reco	Buy	EBITDA Margin (%)	91.0	91.3	92.2	-123 bps	-26 bps	
Target Price (Rs)	104	PAT (Rs mn)	1,235	1,293	1,374	-10.1%	-4.5%	
% Upside	48%	EPS (Rs)	2.2	2.3	2.4	-10.1%	-4.5%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Indraprastha Gas								
CMP(Rs)	241	Net Sales (Rs mn)	7,439	7,212	5,374	38.4%	3.1%	We expect IGL's revenue at Rs.7.4bn, growth of 38.4% YoY. EBIDTA at Rs.1.4bn, decline of 5.47% YoY and PAT at Rs.0.65bn, decline of 18.7% YoY. We expect EBIDTA margin at 20%, decline of 934bps on YoY. We expect distribution volume at 3.5mmscmd for the current quarter
Mkt Cap (Rs bn)	34	EBITDA (Rs mn)	1,497	1,695	1,580	-5.47%	-11.7%	
Reco	Underreview	EBITDA Margin (%)	20.1	23.5	29.4	-934 bps	-337.4 bps	
Target Price (Rs)	401	PAT (Rs mn)	651	808	797	-18.7%	-19.4%	
% Upside	66%	EPS (Rs)	4.7	5.8	5.7	-18.7%	-19.4%	
Gujarat Gas								
CMP(Rs)	310	Net Sales (Rs mn)	7,869	7,235	5,845	34.6%	8.8%	We expect GGCL's revenue at Rs.7.8bn, growth of 34.6% YoY. EBIDTA at Rs.0.81bn, decline of 41.6% YoY and PAT at Rs.0.55bn, decline of 43% YoY. We expect EBIDTA margin at 10.4%, decline of 1354bps on YoY. We expect distribution volume at 3.2mmscmd for the current quarter.
Mkt Cap (Rs bn)	40	EBITDA (Rs mn)	817	761	1,398	-41.6%	7.3%	
Reco	Accumulate	EBITDA Margin (%)	10.4	10.5	23.9	-1,354 bps	-14 bps	
Target Price (Rs)	397	PAT (Rs mn)	550	652	966	-43.0%	-15.5%	
% Upside	28%	EPS (Rs)	4.3	5.1	7.5	-43.0%	-15.5%	
Petronet LNG								
CMP(Rs)	144	Net Sales (Rs mn)	67,640	63,754	46,234	46.3%	6.9%	We expect Petronet LNG's revenue at Rs.67.6bn, growth of 46.3% YoY. EBIDTA at Rs.4.3bn, flat on YoY and PAT at Rs.2.5bn, marginal decline of 3.2% YoY. We expect EBIDTA margin at 6.5%, decline of 300bps on YoY. We expect total volume offtake at 135tbtu for the current quarter.
Mkt Cap (Rs bn)	108	EBITDA (Rs mn)	4,378	4,230	4,382	-0.1%	3.5%	
Reco	Buy	EBITDA Margin (%)	6.5	6.6	9.5	-300.6 bps	-16.2 bps	
Target Price (Rs)	195	PAT (Rs mn)	2,487	2,451	2,569	-3.2%	1.5%	
% Upside	35%	EPS (Rs)	3.3	3.3	3.4	-3.2%	1.5%	

- Paper industry continues to struggle due to increased costs & higher supply in the industry. Margins are also likely to remain under pressure due to cost pressures. Despite aggregate revenue growth of 5% yoy, we estimate aggregate EBITDA to decline by 14% on a yoy basis.
- Revenue growth of 5% is largely driven by increase in sales volumes. Despite companies undertaking price hikes to offset cost pressures, we expect margin pressure is likely to continue in near term. Consequently we expect aggregate EBITDA margins to decline by 370 bps to 17.6%
- EBITDA/mt is likely to drop by 22%yoy to Rs 8850/mt due to pressure on margins. Aggregate PAT is expected to decline by 62% yoy
- Rayon Grade Pulp (RGP) realizations are expected to remain at Rs 52,000/mt which is 23% down yoy. We expect pulp margins to decline by 500bps qoq to 18.0%.
- Despite minor softening in pulp prices globally, Indian players have not benefited due to currency depreciation. On the contrary, paper realizations are expected to remain weak due to higher supply in the industry.
- We maintain our cautious view on the sector & maintain Accumulate on BILT, JK Paper & TNPL.

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
BILT (Conso)								
CMP(Rs)	21	Net Sales (Rs mn)	12,215	12,490	11,920	2.5%	-2.2%	We expect consol net sales to increase by 3% yoy to Rs 12.2bn. We expect paper segment revenues to increase by 5% yoy to Rs 9.6bn. We have modeled for paper volumes of 218,000mt, 5% yoy. RGP realizations are expected to decline by 23% yoy to Rs 52,000/mt. We expect consol EBITDA to decline by 15% yoy to Rs 2.1bn and APAT is likely to decline by 68% yoy to Rs 318mn. EPS for the quarter is likely to be around Rs 0.5
Mkt Cap (Rs bn)	14	EBITDA (Rs mn)	2,091	2,002	2,466	-15.2%	4.5%	
Reco	Accumulate	EBITDA Margin (%)	17.1	16.0	20.7	-357 bps	109 bps	
Target Price (Rs)	35	PAT (Rs mn)	318	278	986	-67.7%	14.3%	
% Upside	66%	EPS (Rs)	0.5	0.4	1.5	-67.7%	14.3%	
JK Paper								
CMP(Rs)	34	Net Sales (Rs mn)	3,319	3,574	3,240	2.4%	-7.1%	We estimate net sales to increase by 2% yoy to Rs 3.3bn. We expect sales volumes to increase by 5% yoy. Margins are likely to remain under pressure. We expect company to report EBITDA of Rs 398mn, -34% yoy with EBITDA margins of 12.0%. . Company is likely to report PBT of Rs 141mn, -55% yoy and APAT of Rs 106mn, -62% yoy. EPS for the quarter is likely to be around Rs 0.8
Mkt Cap (Rs bn)	5	EBITDA (Rs mn)	398	348	608	-34.5%	14.3%	
Reco	Accumulate	EBITDA Margin (%)	12.0	9.7	18.8	-678 bps	225 bps	
Target Price (Rs)	48	PAT (Rs mn)	106	111	277	-61.8%	-4.7%	
% Upside	40%	EPS (Rs)	0.8	0.8	2.0	-61.8%	-4.7%	
TNPL								
CMP(Rs)	105	Net Sales (Rs mn)	3,960	5,632	3,441	15.1%	-29.7%	We expect net sales to increase by 15% yoy to Rs 4.0bn. We expect paper realizations to remain flat at Rs 44,000/mt while we expect total sales volumes to increase 22% yoy to 90,000mt. Company is likely to report EBITDA of Rs 945mn, 5% yoy with margins of 23.9%. Company is likely to report PAT of Rs 111mn with EPS of Rs 1.6
Mkt Cap (Rs bn)	7	EBITDA (Rs mn)	945	900	897	5.4%	5.0%	
Reco	Accumulate	EBITDA Margin (%)	23.9	16.0	26.1	-220 bps	788 bps	
Target Price (Rs)	108	PAT (Rs mn)	111	205	128	-13.6%	-45.8%	
% Upside	3%	EPS (Rs)	1.6	2.9	1.8	-13.6%	-45.8%	

- We expect our Pharma universe to report a growth of 27% YoY (4% QoQ) in revenues, excluding Lipitor and Geodon
 - Divi's Lab (+57%), Sun Pharma (+50%), Lupin (+31%), Dr. Reddys (+29%), Ranbaxy (+26%), Cipla (+26%), Cadila (+24%) and Torrent Pharma (+23%) will be outperformers
 - Domestic Pharma industry growth rebounded to 18% during Q1FY13. Rebound in growth is mainly due to strong growth in Anti Infective, Gastro and Anti Malaria i.e. Acute Therapy
 - Lipitor is estimated to contribute USD150mn for Ranbaxy, Geodon – USD20mn for Dr. Reddy and Lexapro – USD35mn for Cipla
- OPM for the Emkay Pharma Universe excluding Lipitor and Geodon is expected to be 22.9% in Q1FY13 compared to 22.2% in Q4FY12 and 21.3% in Q1FY12. Expansion in base EBIDTA margins will be ~150-200bps
 - EBITDA margin expansion will be led by Sun Pharma (+659bps YoY & -115bps QoQ), Ranbaxy Labs (+576bps YoY & 34bps QoQ), Ipca Labs (+446bps YoY & +312bps QoQ) and Lupin (+122bps YoY & +62bps QoQ)
- PAT of Pharma universe excluding Lipitor and Geodon, is likely to grow by 30% YoY (9% QoQ)
 - Growth in APAT will be on account of 47% growth in Cipla (led by Lexapro), 33% growth in Dr. Reddy (led by Geodon & Clopidogrel), 29% growth in Sun Pharma (led by Lipodex & Taro), and 78% growth in Ipca Labs
- Our Preferred Bet – Large Caps: Ranbaxy & Cadila; Mid Caps: Divi's and Ipca Labs
- Positive surprise in results: Sun, Cipla and Ranbaxy

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Aurobindo								
CMP(Rs)	114	Net Sales (Rs mn)	12,381	11,907	10,769	15.0%	4.0%	We expect Aurobindo Pharma to record 15% revenue growth led by 39% YoY growth in the US and 32% growth in Europe formulations. US business growth will be lead by launch of Combivir & Plavix. The EBIDTA margin (excluding dossier income) is expected to improve by 300 bps to 16.5%. We expect APAT to decline by 6% to Rs1bn. USFDA ban will continue to remain an overhang on the stock until resolution is in sight.
Mkt Cap (Rs bn)	33	EBITDA (Rs mn)	2,121	1,404	1,640	29.3%	51.0%	
Reco	Accumulate	EBITDA Margin (%)	17.1	11.8	15.2	190	534	
Target Price (Rs)	150	PAT (Rs mn)	1,012	45	1,072	-5.6%	2138%	
% Upside	31%	EPS (Rs)	3.5	0.2	3.7	-5.6%	2138%	
Cadila								
CMP(Rs)	770	Net Sales (Rs mn)	15,469	13,979	12,457	24.2%	10.7%	We expect Cadila to report a revenue growth of 24% YoY driven by 29% growth in domestic and 26% growth in export formulations. Domestic growth would be aided by the consolidation of Biochem. Ex-Biochem, domestic business is expected to clock 14% growth. Growth in export will largely be driven by regulated markets like US (+38% incl. Neshar), albeit on a lower base. We expect operating margins to contract due to consolidation of Biochem.
Mkt Cap (Rs bn)	158	EBITDA (Rs mn)	3,248	2,828	2,931	10.8%	14.9%	
Reco	Buy	EBITDA Margin (%)	21.0	20.2	23.5	-253	77	
Target Price (Rs)	850	PAT (Rs mn)	2,107	1,780	2,147	-1.9%	18%	
% Upside	10%	EPS (Rs)	10.3	8.7	10.5	-1.9%	18%	
Cipla								
CMP(Rs)	316	Net Sales (Rs mn)	20,068	18,656	15,914	26.1%	7.6%	Cipla's is expected to report 26% YoY growth in revenues. Supplies of Lexapro formulation to Teva this quarter is estimated at USD35mn in revenues. Growth in domestic formulations is expected to be at 16% YoY. PAT is expected to be Rs3.5bn and Lexapro is expected to generate Rs700mn.
Mkt Cap (Rs bn)	254	EBITDA (Rs mn)	4,777	3,988	3,695	29.3%	19.8%	
Reco	Hold	EBITDA Margin (%)	23.8	21.4	23.2	59	243	
Target Price (Rs)	340	PAT (Rs mn)	3,515	2,737	2,393	46.9%	28%	
% Upside	8%	EPS (Rs)	4.4	3.4	3.0	46.9%	28%	

Pharmaceutical

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Dishman								
CMP(Rs)	68	Net Sales (Rs mn)	2,945	3,501	2,383	23.6%	-15.9%	Dishman is expected to report 24% growth in revenues led by 34% growth in the MM segment and 19% growth in the CRAMS segment due to execution of MNC contracts. Operating margins will improve by 138bps YoY due to lower expenditure and better product mix. We expect PAT to grow by 53% (on a lower base) to Rs163mn.
Mkt Cap (Rs bn)	5	EBITDA (Rs mn)	594	825	448	32.6%	-27.9%	
Reco	Accumulate	EBITDA Margin (%)	20.2	23.6	18.8	138	-338	
Target Price (Rs)	71	PAT (Rs mn)	163	373	107	52.6%	-56%	
% Upside	5%	EPS (Rs)	2.0	4.6	1.3	52.6%	-56%	
Divi's								
CMP(Rs)	1,044	Net Sales (Rs mn)	5,695	7,180	3,586	58.8%	-20.7%	We expect Divi's Labs to report 59% revenue growth at Rs5.7bn in Q1FY13 driven by traction in Custom Synthesis business and improved take-off in the Generics portfolio. We expect operating margins to remain flat at 37%. PAT is expected to improve by 51% to Rs1.55bn clocking an EPS of Rs11.7
Mkt Cap (Rs bn)	139	EBITDA (Rs mn)	2,082	2,903	1,340	55.4%	-28.3%	
Reco	Buy	EBITDA Margin (%)	36.6	40.4	37.4	-81	-387	
Target Price (Rs)	1,033	PAT (Rs mn)	1,553	2,169	1,026	51.4%	-28%	
% Upside	-1%	EPS (Rs)	11.7	16.3	7.7	51.4%	-28%	
Dr. Reddy								
CMP(Rs)	1,644	Net Sales (Rs mn)	25,284	25,485	19,669	28.5%	-0.8%	DRL is expected to register 28% growth in base revenues led by 76% growth in the US generic business and 15% growth in the India formulation business (on a low base). US growth will be driven by Geodon (USD20mn), Clopidogrel (USD17mn) and Seroquel (USD9mn). PAT of FTF is expected to be Rs722mn clocking an EPS of Rs4.3. Base PAT is expected to increase by 33% to Rs3.5bn, clocking an EPS of Rs20.4
Mkt Cap (Rs bn)	279	EBITDA (Rs mn)	5,557	5,627	3,932	41.3%	-1.2%	
Reco	Hold	EBITDA Margin (%)	22.0	22.1	20.0	199	-10	
Target Price (Rs)	1,700	PAT (Rs mn)	3,446	2,686	2,585	33.3%	28.3%	
% Upside	3%	EPS (Rs)	20.4	15.9	15.3	33.3%	28%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Glenmark Pharma								
CMP(Rs)	372	Net Sales (Rs mn)	10,576	10,659	8,683	21.8%	-0.8%	We expect Glenmark to report 22% growth in top-line led by 47% growth in US (Malorene & Ortho-tricyclen) and 38% growth in Speciality business. India business is expected to grow at 16% during this quarter. Adjusted for licensing income, EBITDA margins are expected to decline by 245bps YoY to 22% YoY. We expect PAT of Rs1.4bn this quarter
Mkt Cap (Rs bn)	101	EBITDA (Rs mn)	2,319	2,217	2,968	-21.9%	4.6%	
Reco	Hold	EBITDA Margin (%)	21.9	20.8	34.2	-1225	113	
Target Price (Rs)	360	PAT (Rs mn)	1,431	1,226	1,124	27.3%	17%	
% Upside	-3%	EPS (Rs)	5.3	4.5	4.1	27.3%	17%	
GlaxoSmithkline								
CMP(Rs)	2,027	Net Sales (Rs mn)	6,491	6,299	5,739	13.1%	3.0%	GSK is expected to report a growth of 13% in revenues driven by higher contribution from the vaccine business. However its anti-infective portfolio is expected to remain under pressure. We expect PAT to grow by 15% to Rs1.7bn.
Mkt Cap (Rs bn)	172	EBITDA (Rs mn)	1,939	2,028	1,993	-2.7%	-4.4%	
Reco	Reduce	EBITDA Margin (%)	29.9	32.2	34.7	-486	-233	
Target Price (Rs)	1,914	PAT (Rs mn)	1,736	1,852	1,517	14.5%	-6%	
% Upside	-6%	EPS (Rs)	20.4	21.8	17.8	14.5%	-6%	
IPCA								
CMP(Rs)	361	Net Sales (Rs mn)	6,162	5,531	5,263	17.1%	11.4%	IPCA is expected to report a growth of 17% in the revenue driven by 21% YoY growth in export formulations (led by aggressive dossier filings and higher contribution from institutional sales). Domestic formulations business is expected to grow at 16%. EBITDA margins are expected to improve by 446bps to 22%. We expect PAT of Rs934mn clocking an EPS of Rs7.4.
Mkt Cap (Rs bn)	46	EBITDA (Rs mn)	1,347	1,037	916	47.1%	29.9%	
Reco	Buy	EBITDA Margin (%)	21.9	18.7	17.4	446	312	
Target Price (Rs)	420	PAT (Rs mn)	934	715	526	77.6%	31%	
% Upside	16%	EPS (Rs)	7.4	5.7	4.2	77.6%	31%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Jubilant Life								
CMP(Rs)	173	Net Sales (Rs mn)	11,273	11,711	9,443	19.4%	-3.7%	Jubilant is expected to report 19% YoY growth in revenues led by 21% growth in the Ingredients business and strong growth in the Generics business. Improved realization on end products will lead to EBITDA margin expansion by 165bps to 21%. PAT is expected to grow by 4% due to higher tax charges (25% in Q1FY13 vs. 16% in Q1FY12).
Mkt Cap (Rs bn)	28	EBITDA (Rs mn)	2,409	2,107	1,862	29.3%	14.3%	
Reco	Buy	EBITDA Margin (%)	21.4	18.0	19.7	165	338	
Target Price (Rs)	340	PAT (Rs mn)	840	580	806	4.2%	45%	
% Upside	96%	EPS (Rs)	5.3	3.6	5.1	4.2%	45%	
Lupin								
CMP(Rs)	543	Net Sales (Rs mn)	20,601	19,237	15,677	31.4%	7.1%	We expect Lupin to report revenue growth of 31% driven by 15% growth in domestic formulations (incl. Lilly deal) and 42% growth in export formulation business. Japan business is expected to grow by 30% led by l'rom acquisition. US formulation business is expected to contribute ~USD160mn led by Ultram (5mn USD), Combivir (4.5mn USD & Fortamet 2mn USD). We expect operating margins to improve by 122bps to 20% led by strong top-line growth. APAT is expected to grow by 19% to Rs2.5bn clocking an EPS of Rs5.6
Mkt Cap (Rs bn)	243	EBITDA (Rs mn)	4,119	3,727	2,944	39.9%	10.5%	
Reco	Buy	EBITDA Margin (%)	20.0	19.4	18.8	122	62	
Target Price (Rs)	550	PAT (Rs mn)	2,490	1,688	2,101	18.5%	48%	
% Upside	1%	EPS (Rs)	5.6	3.8	4.7	18.5%	48%	
Ranbaxy								
CMP(Rs)	496	Net Sales (Rs mn)	24,730	21,304	19,645	25.9%	16.1%	Ranbaxy is likely to report 26% growth in base revenues to Rs24.7bn. Branded generic business of India will remain subdued with just 3% YoY growth due to lower anti-infective sales. Lipitor/ Caduet is expected to generate USD155mn in revenues, USD55mn in PAT and EPS of Rs7.2. Base EBITDA margins are expected to increase by over 500bps YoY to 12%. We expect base APAT of R2.3bn. The consol EPS for the quarter is estimated at Rs5.5
Mkt Cap (Rs bn)	209	EBITDA (Rs mn)	3,020	2,529	1,268	138.2%	19.4%	
Reco	Buy	EBITDA Margin (%)	12.2	11.9	6.5	576	34	
Target Price (Rs)	559	PAT (Rs mn)	2,317	2,050	1,059	118.8%	13%	
% Upside	13%	EPS (Rs)	5.5	4.9	2.5	118.8%	13%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Sun Pharma								
CMP(Rs)	635	Net Sales (Rs mn)	24,602	23,362	16,357	50.4%	5.3%	Sun Pharma is likely to report strong revenue growth at 50% led by 18% growth in domestic formulations, 49% growth in Taro US revenues and niche launches in US viz. Lipodex (USD30mn) and Stalevo (USD5mn). We expect Taro to contribute USD145mn to the top-line (32% of Q1FY13 total sales). Operating margins are likely to expand by over 600bps to 40%. PAT is expected to grow by 29% to Rs6.5bn clocking an EPS of Rs6.3.
Mkt Cap (Rs bn)	654	EBITDA (Rs mn)	9,855	9,627	5,474	80.0%	2.4%	
Reco	Buy	EBITDA Margin (%)	40.1	41.2	33.5	659	-115	
Target Price (Rs)	650	PAT (Rs mn)	6,478	8,258	5,010	29.3%	-22%	
% Upside	2%	EPS (Rs)	6.3	8.0	4.9	29.3%	-22%	
Torrent								
CMP(Rs)	606	Net Sales (Rs mn)	7,528	6,540	6,134	22.7%	15.1%	Torrent Pharma is expected to report revenue growth of 23% driven by 14% growth in domestic branded formulation and 33% growth in export formulations. Growth in exports would be driven by strong US business led by market share gains in Zyprexa ODT and 10% growth in Brazil. The EBITDA margin is expected to decline by 150bps to 18%. The company's PAT is expected to increase by 18% to Rs1052mn.
Mkt Cap (Rs bn)	51	EBITDA (Rs mn)	1,347	647	1,190	13.2%	108.1%	
Reco	Buy	EBITDA Margin (%)	17.9	9.9	19.4	-151	800	
Target Price (Rs)	682	PAT (Rs mn)	1,052	526	892	17.9%	100%	
% Upside	13%	EPS (Rs)	12.4	6.2	10.5	17.9%	100%	
Unichem								
CMP(Rs)	128	Net Sales (Rs mn)	2,058	1,904	1,867	10.2%	8.1%	We expect Unichem to report revenue growth of 10% to Rs2.1bn on account of 6% growth in the domestic formulation business led by restructuring in the domestic business and 35% growth in export formulations led by commencement of CMO contract for an MNC. The EBITDA margin is expected to increase by 316bps to 17.6%. We expect the company to report a profit of Rs240mn clocking an EPS of Rs2.7 in Q1FY13E.
Mkt Cap (Rs bn)	12	EBITDA (Rs mn)	362	329	269	34.4%	10.0%	
Reco	Hold	EBITDA Margin (%)	17.6	17.3	14.4	316	30	
Target Price (Rs)	144	PAT (Rs mn)	240	232	156	54.0%	4%	
% Upside	12%	EPS (Rs)	2.7	2.6	1.7	54.0%	4%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Pfizer								
CMP(Rs)	1,208	Net Sales (Rs mn)	2,957	2,735	2,612	13.2%	8.1%	Pfizer is likely to report revenue growth of 13% led by 15% growth in branded formulations on back of 26 new launches made during FY12 and 7 new launches in Q4FY12 in CNS, CVS and anti-infective segments. Operating margins are likely to expand by 190bps to 18%. PAT is expected to grow by 14% to Rs471mn clocking an EPS of Rs15.7
Mkt Cap (Rs bn)	36	EBITDA (Rs mn)	531	514	419	26.7%	3.2%	
Reco	Accumulate	EBITDA Margin (%)	18.0	18.8	16.0	191	-86	
Target Price (Rs)	1,265	PAT (Rs mn)	471	481	412	14.3%	-2%	
% Upside	5%	EPS (Rs)	15.7	16.0	13.7	14.3%	-2%	

Power

- For the utilities under our coverage universe, top line is expected to decline marginally by 0.5%QoQ while grow by 23.7%YoY, driven by new tariff orders in 4Q12 (eg. NHPC, CESC) and 16% YoY generation growth driven by capacity additions. EBITDA is expected to grow by 4.2% QoQ and 28.7% YoY. Adj. net profit will grow by 2.2% QoQ and 6.5% YoY.
- Merchant prices (over-the-counter) have shown some softness with April and May prices declined respectively by 6% and 2%QoQ. International coal prices have corrected significantly during the quarter (Indonesian coal – 9%, South African coal - 10%, Australian coal - 15%; all QoQ basis) but partially offset by rupee depreciation (~8% QoQ average).
- For 1Q13 results: Positive surprise - KSK energy (lower fuel cost in Wardha driven by coal India supply) and negative surprise: Adani Power (spot coal mix and fuel cost).

View on the sector

- Lots of fast paced events leading to confusion and in turn, driving huge volatility in stock prices.
- But on the other hand, it is also providing opportunities to buy into fundamentally strong businesses/assets at cheaper valuations
- In this note, our focus is to sift the wheat from the chaff, short-listing high conviction ideas
- While choosing stocks, we have kept following important scenario/issues in mind;
 - SEBs problems will take minimum 3-5 yrs to resolve.
 - Though Central Government is trying to bring reforms, states remain by and large reluctant (notwithstanding forced tariff hikes post near bankruptcy of SEBs). However, Central Government unlikely to bail out SEBs, though bonds issuance might ease near term balance sheet concerns.

- **Retail tariffs in India notably higher vs. China/US (except agri) - Limited scope to increase tariffs from hereon (lack of will to increase agri tariffs). Thus, focus to completely shift from tariff hikes to cost reduction.**
- **More important is the emerging surplus power situation, which will have a bigger impact on asset values in the long run**
- **No significant shortage of domestic coal, if seen from the angle of power plants required to cater to incremental electricity demand. However, huge shortage if all projects, coming up, need to be fed**
- **Expect lots of PPA cancellations/termination/dispute.**
- **Issues pending resolution - SEB reforms, competitive bidding norms, clearances to coal blocks/projects, increase in coal production, tariff escalation for affected projects, excess coal use, signing of FSAs, hydro ROE, coal blocks auctioning, MMDR act.**
- **Considering that focus of SEBs will shift from tariff hikes to cost reduction, we believe that cheaper cost of power is the single most important pre-requisite for a sustainable business model for power generators.**
- **Break-even cost of power purchase for SEBs is Rs2.3/unit and at Rs2.8/unit (FY13E-16E) subsidy is maintained. We would look for a utility, which can supply power at these rates, making decent profits. We see low risk of negative surprises in these utilities in terms of (1) offtake (PPAs, lower utilizations, PPA cancellations), (2) fuel (either hydro or captive/linkage fuel) and (3) payment delays/defaults.**
- **Thus, Play stocks based on three themes;**
 - **Theme 1 – Likely winners among private power utilities (IPPs) even in worst case but valuations not pricing in worst case asset values - Reliance Power, KSK Energy, CESC, India Bulls Power**
 - **Theme 2 - Regulated utilities (1) better placed for change in CERC tariff regulations in 2013, (2) least affected by current sector issues and (3) relatively attractive on valuations – NHPC and PGCIL**

- **Theme 3 - Companies likely to benefit from consolidation in the sector – Reliance Power**
 - **Avoid utilities which;**
- **Are structurally not placed to benefit from reforms**
- **Have high cost of generation**
- **Are regulated and (1) unfavorably placed against changes in CERC tariff regulations in 2013 and (2) impacted by current sector issues**
- **Top picks - Reliance Power, KSK Energy, NHPC and Indiabulls Power**

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Adani Power								
CMP(Rs)	51	Net Sales (Rs mn)	13,288	9,983	8,187	62.3%	33.1%	Top line to grow by 62% yoy and 33% qoq to Rs13.3bn, driven by higher generation (42% YoY increase with 1320MW capacity addition since 1Q12). Expect 1mn ton of Bunyu coal consumption during the quarter. 9% decline in Indonesian coal (HBA), spot coal mix and avg exchg rate at Rs54/USD to result into 9% decline in unit fuel cost. APL to report loss at Rs1.3bn. Key things to watch- (1) coal purchase on spot basis, (3) domestic coal supply for Mundra-IV and (4) execution status of under-cons plant. Maintain Sell.
Mkt Cap (Rs bn)	112	EBITDA (Rs mn)	3,061	413	4,102	-25.4%	641.6%	
Reco	Sell	EBITDA Margin (%)	23.0	4.1	50.1	-2,707 bps	1,890 bps	
Target Price (Rs)	40	PAT (Rs mn)	-1,312	-4,043	1,519	n.a	n.a	
% Upside	-22%	EPS (Rs)	-0.5	-1.7	0.6	n.a	n.a	
JSW Energy								
CMP(Rs)	53	Net Sales (Rs mn)	17,301	20,361	11,454	51.0%	-15.0%	Ash handling problem at Unit-3 of Vijaynagar, maintenance shutdown of Unit-1 Barmer and equipments and Grid issues at Ratnagiri to result into 8%qoq decline in overall generation. Consequently top line is expected to decline by 15%qoq further led by lower merchant realization. Improvement in EBITA margins would be result of drop in imported coal prices. APAT expected at Rs1.8bn, up by 33% yoy and 3% qoq. Key things to watch - tariff order of Barmer and realizations under MSEDCL supply. Maintain Hold (upgraded from Reduce in last quarter).
Mkt Cap (Rs bn)	86	EBITDA (Rs mn)	5,580	5,418	2,662	109.6%	3.0%	
Reco	Hold	EBITDA Margin (%)	32.3	26.6	23.2	901 bps	564 bps	
Target Price (Rs)	50	PAT (Rs mn)	1,809	1,758	1,364	32.6%	2.9%	
% Upside	-5%	EPS (Rs)	1.1	1.1	0.8	32.6%	2.9%	
Lanco Infra								
CMP(Rs)	16	Net Sales (Rs mn)	36,166	33,762	19,492	85.5%	7.1%	Impact of consolidation of Udupi Anpara coupled with higher generation at Anpara will drive ~86% YoY top line growth during the quarter. Net sales expected at Rs36.2bn largely driven by Power segment. Drop in EBITDA margins is largely on account of lower profitability in Construction segments and higher losses in Resources segment due to drop in coal prices. 9% YoY growth in absolute EBITDA will be offset by full consolidation effect of loss making Udupi & Anpara. Key things to watch – (i) Realizations at Griffin, (2) status on Amarkantak II coal supplies, (3) status of under construction projects and (4) Udupi and Anpara tariff issues. Maintain Hold.
Mkt Cap (Rs bn)	38	EBITDA (Rs mn)	5,417	3,767	4,910	10.3%	43.8%	
Reco	Hold	EBITDA Margin (%)	15.0	11.2	25.2	-1,021 bps	382 bps	
Target Price (Rs)	16	PAT (Rs mn)	-1,739	-508	137	n.a	n.a	
% Upside	2%	EPS (Rs)	-0.7	-0.2	0.1	n.a	n.a	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Reliance Power								
CMP(Rs)	106	Net Sales (Rs mn)	10,147	5,326	5,418	87.3%	90.5%	Commissioning of Rosa-II in Mar'12 to drive ~99% QoQ generation growth during the quarter. Top line to grow by 90.5% qoq and 87.3% yoy. Execution is on track with Unit-1 Butibori commissioned in last week of June'2012. APAT expected at Rs2.5bn, up by 8% qoq and ~28% yoy. Key things to watch (1) PAF of Rosa, (2) Update on Indo and Sasan mines, (3) Update on Tilaiya mine land acquisition, (4) update on Sasan commissioning and (5) update on start of construction at Chitrangi. Retain as our top pick. Buy
Mkt Cap (Rs bn)	298	EBITDA (Rs mn)	3,883	1,788	1,850	109.9%	117.1%	
Reco	Buy	EBITDA Margin (%)	38.3	33.6	34.1	412 bps	469 bps	
Target Price (Rs)	155	PAT (Rs mn)	2,503	2,313	1,961	27.7%	8.2%	
% Upside	46%	EPS (Rs)	0.9	0.8	0.7	27.7%	8.2%	
Jaiprakash Power								
CMP(Rs)	34	Net Sales (Rs mn)	5,719	2,937	2,753	107.7%	94.7%	Top line to grow by 108% yoy and 95% qoq lead by strong hydro generation growth. Gross generation to increase by 64% yoy and 260% qoq. Moreover we expect better merchant realizations at Karcham on YoY basis. EBITDA margins to improve by 475bps yoy and 1136bps qoq on account of strong revenue growth. APAT expected at Rs1.7bn. Key factors to watch for: (1) Merchant realizations and future off take contract, (2) fund raising and (3) status of under construction projects. Retain Hold.
Mkt Cap (Rs bn)	90	EBITDA (Rs mn)	5,396	2,438	2,467	118.7%	121.3%	
Reco	Hold	EBITDA Margin (%)	94.4	83.0	89.6	475 bps	1,136 bps	
Target Price (Rs)	45	PAT (Rs mn)	2,009	-68	696	188.6%	n.a	
% Upside	31%	EPS (Rs)	0.9	0.0	0.3	188.6%	n.a	
KSK Energy								
CMP(Rs)	53	Net Sales (Rs mn)	5,682	5,010	4,419	28.6%	13.4%	Top line to grow by ~29% yoy and ~13% qoq driven by 28% YoY and 13% QoQ growth in power generation. Higher generation and fuel from CIL in Wardha Warora to lead to lower fuel cost and thus improvement in EBITDA margins. APAT at Rs459mn. Key things to watch - (1) coal supply and cost at Wardha Warora, (2) fuel cost at VS Lignite, (3) coal and gas supply for smaller plants and (4) status on Gare Pelma III and Mahanadi plant. Maintain Buy (upgraded from Hold in previous sector report).
Mkt Cap (Rs bn)	20	EBITDA (Rs mn)	2,346	1,477	1,656	41.7%	58.8%	
Reco	Hold	EBITDA Margin (%)	41.3	29.5	37.5	382 bps	1,181 bps	
Target Price (Rs)	76	PAT (Rs mn)	459	-225	406	13.0%	n.a	
% Upside	42%	EPS (Rs)	1.2	-0.6	1.1	13.0%	n.a	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Nava Bharat								
CMP(Rs)	183	Net Sales (Rs mn)	2,612	2,443	2,347	11.3%	6.9%	Revenue expected at Rs2.6bn, up by 11% YoY and 6% QoQ. Inventory liquidation to drive sugar revenue with 11% YoY growth. Restart of supply to GRIDCO as highlighted by management in previous concall to drive generation volumes and revenues in power sector. Net profit expected at Rs0.67bn on adjusted basis. Key things to watch – (1) merchant realizations, (2) status of its Orissa 64MW power plant, (3) volumes under TISCO contract. Maintain Hold (downgraded to Hold from Accumulate in our latest sector report)
Mkt Cap (Rs bn)	16	EBITDA (Rs mn)	813	839	576	41.2%	-3.0%	
Reco	Hold	EBITDA Margin (%)	31.1	34.3	24.5	660 bps	-320 bps	
Target Price (Rs)	204	PAT (Rs mn)	671	671	528	27.0%	-0.1%	
% Upside	12%	EPS (Rs)	7.5	7.5	6.1	23.5%	-0.1%	
NTPC								
CMP(Rs)	161	Net Sales (Rs mn)	159,963	162,639	141,715	12.9%	-1.6%	Generation to increase by 11% yoy and flat on qoq at ~60BU. Assumed grossing up of RoE at regular tax rate only. PAT to increase by 13% yoy to Rs23.5bn driven by commercialization of 2320MW post June 2011. Key things to watch - (1) coal supply and PAF of its plants, (2) PLF of its plants, (3) adjustments in the qtr - previous year sales, tax recovery and other extra ordinaries not pass through, (4) UI income and (5) gas supply for gas based plants. Downgraded from Accumulate to Hold in our latest sector report.
Mkt Cap (Rs bn)	1,330	EBITDA (Rs mn)	39,942	41,293	28,663	39.4%	-3.3%	
Reco	Hold	EBITDA Margin (%)	25.0	25.4	20.2	474 bps	-42 bps	
Target Price (Rs)	158	PAT (Rs mn)	23,518	23,104	20,758	13.3%	1.8%	
% Upside	-2%	EPS (Rs)	1.6	2.8	2.5	-37.0%	-43.4%	
GIPCL								
CMP(Rs)	65	Net Sales (Rs mn)	3,018	2,626	3,407	-11.4%	14.9%	Generation volumes to grow strongly sequentially by 23% driven by Surat-I (was shut down in 4Q12). Net revenues to grow by ~15% qoq but decline by 11% yoy to Rs3.0bn. The decline yoy is mainly driven by higher lignite based generation and lower gas based. Expect adjusted net profit to grow by 22% qoq and 8% yoy. Key things to watch - PAF of operating plants. Retain Buy.
Mkt Cap (Rs bn)	10	EBITDA (Rs mn)	1,288	1,151	1,275	1.0%	11.9%	
Reco	Buy	EBITDA Margin (%)	42.7	43.8	37.4	525 bps	-115 bps	
Target Price (Rs)	76	PAT (Rs mn)	465	382	430	8.1%	21.8%	
% Upside	17%	EPS (Rs)	3.1	2.5	2.8	8.1%	21.8%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
CESC								
CMP(Rs)	298	Net Sales (Rs mn)	12,367	13,790	11,830	4.5%	-10.3%	Net sales to grow by 4.5% yoy to Rs12.4bn factoring in 5% lower consumption in terms of electricity units. EBITDA margins to improve by 192bps yoy to 24.5%. Adjusted PAT would increase by 32% yoy to Rs1.47bn. Key things to watch- (1) Execution status of under-construction plants and (2) profitability in Spencer's. Maintain Buy.
Mkt Cap (Rs bn)	37	EBITDA (Rs mn)	3,029	4,320	2,670	13.4%	-29.9%	
Reco	Buy	EBITDA Margin (%)	24.5	31.3	22.6	192 bps	-683 bps	
Target Price (Rs)	371	PAT (Rs mn)	1,466	2,660	1,110	32.1%	-44.9%	
% Upside	24%	EPS (Rs)	11.7	21.3	8.9	32.1%	-44.9%	
PGCIL								
CMP(Rs)	178	Net Sales (Rs mn)	28,518	24,666	23,428	21.7%	15.6%	Net sales to grow by 30% yoy to Rs28.7bn driven by full impact of Rs60bn of capitalization in 4Q12 and partial impact of Rs50bn of expected capitalization during 1Q13. EBITDA margins to remain at 85.2%, up by 145bps yoy. Adjusted PAT expected at Rs10.0bn, higher by 43% yoy Key things to watch- (1) Capitalization during the quarter and (2) capex and ordering. Maintain Accumulate.
Mkt Cap (Rs bn)	234	EBITDA (Rs mn)	24,267	21,026	19,890	22.0%	15.4%	
Reco	Accumulate	EBITDA Margin (%)	85.1%	85.2%	84.9%	19bps	-15bps	
Target Price (Rs)	121	PAT (Rs mn)	8,407	8,091	7,510	11.9%	3.9%	
% Upside	-32%	EPS (Rs)	1.8	1.7	1.6	11.9%	3.9%	
NHPC								
CMP(Rs)	18	Net Sales (Rs mn)	12,040	8,820	10,775	11.7%	36.5%	Driven by lesser water flow, gross generation to decline by ~3% yoy to 6.1BU during the quarter. Consequently net sales in absolute terms to decline by 4%yoy to Rs11.1bn. Consequently, adjusted PAT to be reported at Rs5.7bn, lower by 4% yoy. Key things to watch- (1) RoE grossing up (2) status of dispute with J&K Govt. and (3) status of under construction plants. Maintain Buy.
Mkt Cap (Rs bn)	227	EBITDA (Rs mn)	6,591	3,788	5,540	19.0%	74.0%	
Reco	Buy	EBITDA Margin (%)	54.7%	42.9%	51.4%	332bps	1,179bps	
Target Price (Rs)	26	PAT (Rs mn)	6,299	2,121	3,582	75.9%	197.0%	
% Upside	41%	EPS (Rs)	0.5	0.2	0.3	75.9%	197.0%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Tata Power								
CMP(Rs)	104	Net Sales (Rs mn)	68,266	71,699	58,048	17.6%	-4.8%	Net sales to grow by 17% yoy but decline by 5% qoq to Rs68.3bn. YoY growth would be largely driven by IPPs (Mundra and Maithon) whereas sequential decline due to seasonal revenue flow in standalone basis. Adjusted PAT expected at Rs3.5bn, up by 2.4% yoy – mainly helped by exchange rate depreciation despite fall in coal prices. Key things to watch- (1) Production and realization in Indonesian coal JV, (2) PLF, blending and generation cost of Mundra UMPP, (3) status on Mundra UMPP tariff renegotiation and (4) impairment loss in Mundra UMPP. Maintain Hold.
Mkt Cap (Rs bn)	248	EBITDA (Rs mn)	14,628	13,951	14,037	4.2%	4.8%	
Reco	Hold	EBITDA Margin (%)	21.4	19.5	24.2	-275 bps	197 bps	
Target Price (Rs)	98	PAT (Rs mn)	3,486	3,522	3,406	2.4%	-1.0%	
% Upside	-6%	EPS (Rs)	1.5	1.5	1.4	2.4%	-1.0%	
Indiabulls Power								
CMP(Rs)	15	Net Sales (Rs mn)	0	0	0	n.a	n.a	Under-construction plants to start commission from Sep'2012. Expect other income Rs103mn during the quarter. Net loss expected at Rs51mn. Key things to watch-Execution status of under-construction plants. Maintain Buy.
Mkt Cap (Rs bn)	33	EBITDA (Rs mn)	-101	-70	-93	n.a	n.a	
Reco	Buy	EBITDA Margin (%)	-	-	-	n.a	n.a	
Target Price (Rs)	21	PAT (Rs mn)	-51	-88	759	n.a	n.a	
% Upside	43%	EPS (Rs)	0.0	0.0	0.4	n.a	n.a	

Print Media

- We expect further deterioration in the ad growth, due to slowdown in macro economy. Consolidated revenue of our coverage companies is expected to grow by 6.0% YoY to Rs12.3bn.
 - Ad revenue is expected to register growth of 2.8% YoY (slowest in last 12 quarters) to Rs8.8bn. English ad revenue is expected to remain under pressure with 3.5% YoY decline while vernacular ad revenue is expected to grow 5.7% YoY. HT Media is expected to be worst hit in the print media space due tough macro economic conditions and rupee depreciation.
 - Circulation revenue is expected to grow by 7.5% YoY to Rs1.8bn for coverage companies, driven by higher circulation and cover price increase in selected markets during last quarter.
- EBITDA for coverage universe is expected to decline 11.4% YoY with margin contraction of 389bps YoY to 19.7%, due to weak revenue growth. Both international and domestic newsprint cost remained stable during the quarter but rupee depreciation and higher consumption of newsprint would escalate raw material cost, which is expected to increase by 13.5% YoY for our coverage companies.
- Consolidated PAT for coverage universe is expected to decline 18% YoY to Rs1.3bn.
- We maintain HOLD on Jagran, DB Corp and HT Media.

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
DB Corp.								
CMP(Rs)	202	Net Sales (Rs mn)	3,896	3,606	3,537	10.1%	8.0%	DB Corp is expected to register revenue growth of 10.1% yoy. Print ad revenue growth is expected to remain under pressure at 3.0% yoy while circulation revenue would grow by 9.5% yoy. EBITDA margins are likely to fall to 25.0%, due to 15.4% yoy increase in operating costs and weak revenue growth. Cost escalation is attributed to expansion in Maharashtra and Jharkhand. PAT is expected to decline 9.1% yoy, due to lower revenue growth and high opex.
Mkt Cap (Rs bn)	37	EBITDA (Rs mn)	972	758	1,003	-3.1%	28.3%	
Reco	Hold	EBITDA Margin (%)	25.0	21.0	28.4	-342 bps	394 bps	
Target Price (Rs)	214	PAT (Rs mn)	556	454	611	-9.1%	22.4%	
% Upside	6%	EPS (Rs)	3.1	2.5	3.4	-9.1%	22.4%	
HT Media								
CMP(Rs)	97	Net Sales (Rs mn)	5,158	4,941	4,969	3.8%	4.4%	HT Media would be worst affected due to slowdown in macro economy and rupee depreciation. HT Media's English segment is expected to report ad revenue decline of 3.5% yoy. Hindi ad revenue is expected to register growth of 10.0% yoy. We estimate print ad revenues for HT media to remain flat as compared to same period last year. EBITDA is expected to decline by 22.6% yoy. EBITDA margin is expected at 13.5% v/s 18.2% in Q1FY12. PAT is estimated at Rs380mn a decline of 26.3% yoy.
Mkt Cap (Rs bn)	23	EBITDA (Rs mn)	699	482	903	-22.6%	45.0%	
Reco	Hold	EBITDA Margin (%)	13.5	9.8	18.2	-462 bps	380 bps	
Target Price (Rs)	121	PAT (Rs mn)	380	220	515	-26.3%	72.7%	
% Upside	25%	EPS (Rs)	1.6	0.9	2.2	-26.3%	72.7%	
Jagran Prakashan								
CMP(Rs)	87	Net Sales (Rs mn)	3,206	3,104	3,046	5.2%	3.3%	We estimate standalone ad revenue growth of 6.0% yoy to Rs 2.2bn. Circulation revenue is expected at Rs 632mn, growth of 8.6% yoy. Continued increase in circulation leading to higher consumption of newsprint is likely to impact EBITDA during the quarter. We estimate EBITDA margin of 23.3%, decline 366bps yoy. PAT is expected at Rs392mn, declining 21% yoy.
Mkt Cap (Rs bn)	27	EBITDA (Rs mn)	746	659	820	-9.1%	13.2%	
Reco	Hold	EBITDA Margin (%)	23.3	21.2	26.9	-366 bps	204 bps	
Target Price (Rs)	94	PAT (Rs mn)	392	428	497	-21.2%	-8.6%	
% Upside	8%	EPS (Rs)	1.2	1.4	1.6	-21.2%	-8.6%	

- The Real Estate Q1FY13 results (Emkay Universe) are expected to be mix. Sobha Developers (SDL) and Prestige Estates (PEPL) will show jump in revenue with strong sales bookings in last 4 quarters. DLF may again have some one-offs as sale of hotel subsidiary will be accounted, while on core operations it would be subdued. Phoenix Mills' standalone nos, will continue to be subdued as High Street Phoenix is operating at peak capacity. Oberoi Realty (OBRE) is expected post growth in topline YoY while QoQ there will be marginal fall
- Sales bookings of Sobha Developers and Prestige Estates are expected to be strong on back of continuing healthy demand in Bangalore residential market with further rupee depreciation fueling the demand from NRIs. DLF is expected to have much lower sales booking in the quarter due to no new launches. We expect Oberoi Realty sales booking to be lower on back of increased prices in April 2012

Sales Booking (msf)	Q1FY13E	Q4FY12	Q1FY12
DLF	1.10	6.75	2.25
Oberoi Realty	0.15	0.18	0.21
Prestige Estates	0.98	1.33	0.46
Sobha Developers	0.87	0.86	0.67

- The debt of Sobha Developers and DLF are expected to come down marginally QoQ due to higher operating cashflows for former and sale of non-core assets for latter. Debt of Prestige Estates is expected to increase marginally due to on-going capex towards commercial properties

We don't foresee any change in our ratings of companies under coverage post Q1FY13 results

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
DLF								
CMP(Rs)	205	Net Sales (Rs mn)	24,364	26,168	24,458	-0.4	-6.9	DLF's Q1FY13 reported nos. will see some improvement QoQ considering there was one-off cost of Rs 3bn in Q4 FY12. EBITDA margins should improve but will not be as high as earlier quarters owing to construction outsourcing. We expect very subdued sales booking of 1.1msf in the quarter as there were no new launches. Debt is expected to marginally come down on accounting of sales of subsidiary owning hotel assets. Clarity on launch pipeline and sale of non-core assets is what needed on result presentation and interaction
Mkt Cap (Rs bn)	347	EBITDA (Rs mn)	10,250	7,976	1110	-7.7	28.5	
Reco	Hold	EBITDA Margin (%)	42.1	30.5	45.4	-335bps	1159bps	
Target Price (Rs)	220	PAT (Rs mn)	2413	2,219	3,542	-31.9	8.8	
% Upside	8%	EPS (Rs)	1.4	1.3	2.1	n.a.	n.a.	
Phoenix Mills								
CMP(Rs)	178	Net Sales (Rs mn)	534	531	471	13.5	0.5	Phoenix Mills standalone topline is expected to be flat QoQ and 13.5% higher YoY as more space is leased YoY. PAT would be down YoY as Interest costs is much higher on the loans taken in standalone books. On operation side we had expected launch of Market City Chennai in the quarter which is delayed further and would seek reason for the same. Also clarity on the environment clearance for Shangri La hotel is needed as the soft launch of the same is delayed
Mkt Cap (Rs bn)	26	EBITDA (Rs mn)	379	363	331	13.7	3.5	
Reco	Accumulate	EBITDA Margin (%)	70.4	68.4	70.3	13bps	202bps	
Target Price (Rs)	231	PAT (Rs mn)	263	273	272	-3.3	-3.6	
% Upside	30%	EPS (Rs)	1.8	1.9	1.9	n.a.	n.a.	
Oberoi Realty								
CMP	243	Net Sales (Rs mn)	2,211	2,548	1,609	37.4	-13.2	OBRE is expected to report lower revenue QoQ due to expected lower sales bookings, mainly from ready projects viz. Splendour, Seven & Springs. The price hike in April'12 will also have impact on sales bookings in ongoing projects. On YoY basis margins are stand to improve as contribution of low margins project Splendor will be substantially lower. The launch timeline of Oasis at Worli is key thing to watch as it was expected in Q1FY13.
Mkt Cap (Rs bn)	80	EBITDA (Rs mn)	1,406	1,642	903	55.7	-14.4	
Reco	Accumulate	EBITDA Margin (%)	63.6	64.5	56.1	748bps	-84bps	
Target Price (Rs)	315	PAT (Rs mn)	1235	1,435	1,058	16.8	-13.9	
% Upside	29%	EPS (Rs)	3.8	4.4	3.2	n.a.	n.a.	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Sobha Developers								
CMP(Rs)	336	Net Sales (Rs mn)	3,669	4,769	3,179	15.4	-23.1	SDL on YoY basis will report strong growth nos. with increase in topline and profitability margins. QoQ reported growth nos will look bleak considering there was income from land monetisation in Q4FY12 of Rs 1.36bn; adjusting the same QoQ topline is expected to increase by 8%. Company launched two new projects in Bangalore comprising of 0.8msf of saleable area. NCR's sales booking is expected to maintain the quarterly run rate of 0.1msf considering SDL launched phase 2 of the project with increase in price by Rs 1000/ sf. We expect sales bookings of 0.87msf and marginal reduction in net debt.
Mkt Cap (Rs bn)	33	EBITDA (Rs mn)	1,097	1,806	623	59.5	-39.2	
Reco	Accumulate	EBITDA Margin (%)	29.9	37.9	19.6	1031bps	-796bps	
Target Price (Rs)	272	PAT (Rs mn)	459	890	309	48.6	-48.4	
% Upside	-19%	EPS (Rs)	4.5	9.1	3.2	n.a.	n.a.	
Prestige Estates								
CMP(Rs)	118	Net Sales (Rs mn)	2,629	2,021	2,484	5.9	30.0	PEPL is expected to book healthy topline in Q1FY13 with contribution from White Meadows project. The rental income will not increase much QoQ as no significant leasing area is been completed in the quarter. With five new projects soft launches, we expect the sales booking to continue to show strong traction at 0.98msf valued at Rs 4.6bn. No change in the outstanding Debtors QoQ in absolute terms will remain our top concern on the company's business approach and valuations
Mkt Cap (Rs bn)	39	EBITDA (Rs mn)	745	686	689	8.2	8.6	
Reco	Buy	EBITDA Margin (%)	28.3	34.0	27.7	62bps	-560bps	
Target Price (Rs)	114	PAT (Rs mn)	420	383	364	15.5	9.8	
% Upside	-3%	EPS (Rs)	1.3	1.2	1.1	n.a.	n.a.	

- For Q1FY13 we expect reasonable volume growth as the wireless segment saw some tactical tariff cuts by Bharti in Q4FY12 to boost the traffic on network and re-gain its lost minutes market share. Increase in competitive intensity would continue to impact voice ARPM.
 - Wireless revenue is expected to grow 3.1% qoq for our coverage universe. Idea is expected to maintain its out-performance with 4.3% QoQ growth while for Bharti it is expected at 3.3% QoQ. ARPU is expected to remain flat for Q1FY13 as compares ~1% growth in last quarter for coverage companies.
 - Minutes on network is estimated to grow in the range of 3-7% for our coverage universe. We estimate traffic growth of 6.6% QoQ for Idea while for Bharti it is expected at 4.8% QoQ. ARPM is expected to decline by 1.3%/1.0%/1.9% QoQ for Bharti/Idea/Rcom. Bharti has adopted tactical strategy of tariff cuts during Q4FY12 in selected circles to re-gain its lost minutes market share which would lead to decline in ARPM.
 - Subscriber addition during Q1FY13E is expected at 23.2mn v/s 26.6mn in the last quarter. Subscriber addition has slowed down but Bharti has maintained it momentum and it is expected to add 6mn subscriber in Q1FY13 v/s 5.6mn in Q4FY12.
- Consolidated EBITDA of coverage universe is estimated to grow 8.1% QoQ with EBITDA margin improvement of 104bps. PAT is expected to grow by 13% sequentially for our coverage companies.
- Regulatory overhang would continue till some clarity emerges on spectrum reserve pricing for upcoming auction of 1800MHz band. Cash outflow for the incumbent operators on one-time fees, spectrum renewal would get better clarity with finalization of reserve price. We strongly believe if the reserve price is maintained at Rs36.2bn/Mhz, it would lead to lack of participation from the industry.
- Bharti is our preferred pick in the sector followed with Idea. We maintain our cautious stance on Rcom

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Bharti Airtel								
CMP(Rs)	310	Net Sales (Rs mn)	198,484	187,388	169,828	16.9%	5.9%	Bharti is expected to report 5.9% qoq revenue growth. Indian mobile revenue is expected to growth 3.3%. ARPU is expected to remain sequentially flat at Rs 189. We estimate EBITDA improvement of 6.5% qoq with EBITDA margins of 33.5%. African revenue would have added advantage of rupee depreciation. We expect Africa revenue at Rs60.2bn (+11.8% qoq) and EBITDA margin of 28.9%. In USD terms, revenue is expected to grow 4.6% QoQ. The watch out factor for Bharti would be overall guidance for African operations and incremental offtake in 3G services post tariff cut.
Mkt Cap (Rs bn)	1,177	EBITDA (Rs mn)	66,404	62,331	57,059	16.4%	6.5%	
Reco	Accumulate	EBITDA Margin (%)	33.5	33.3	33.6	-14 bps	19 bps	
Target Price (Rs)	375	PAT (Rs mn)	12,609	10,061	12,152	3.8%	25.3%	
% Upside	21%	EPS (Rs)	3.3	2.7	3.2	3.8%	25.3%	
Idea Cellular								
CMP(Rs)	78	Net Sales (Rs mn)	55,672	53,447	45,158	23.3%	4.2%	Idea Cellular is expected to report revenue growth of 4.2% QoQ. ARPU and MoU is expected to be at Rs 160 and 383, respectively. ARPM is expected to decline by 1% sequentially, due to pricing intervention done by Bharti in last quarter. EBITDA margin at 27.8% is expected to remain flat sequentially (adjusted for one-time provision of Rs1.5bn in license fee during last quarter). PAT is expected at Rs 3.4bn.
Mkt Cap (Rs bn)	257	EBITDA (Rs mn)	15,457	13,321	11,991	28.9%	16.0%	
Reco	Accumulate	EBITDA Margin (%)	27.8	24.9	26.6	121 bps	284 bps	
Target Price (Rs)	101	PAT (Rs mn)	3,147	2,140	1,724	82.6%	47.1%	
% Upside	30%	EPS (Rs)	1.0	0.6	0.5	82.6%	47.1%	
RCom								
CMP(Rs)	64	Net Sales (Rs mn)	53,509	53,095	49,401	8.3%	0.8%	We expect the wireless revenue to grow 1.5% QoQ. ARPU for Q1FY13E is estimated at Rs99. EBITDA margin is likely improve 200bps qoq, led by margin stabilization in mobility business due to lower network opex cost. PAT is expected at Rs1.8bn. High leverage and weak operational performance remains cause of concern for Rcom.
Mkt Cap (Rs bn)	132	EBITDA (Rs mn)	17,599	16,315	16,021	9.8%	7.9%	
Reco	Reduce	EBITDA Margin (%)	32.9	30.7	32.4	46 bps	216 bps	
Target Price (Rs)	67	PAT (Rs mn)	1,835	3,305	1,584	15.8%	-44.5%	
% Upside	4%	EPS (Rs)	0.9	1.6	0.8	15.8%	-44.5%	

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Tulip Telecom								
CMP(Rs)	120	Net Sales (Rs mn)	6,830	6,617	6,539	4.4%	3.2%	Tulip is expected to post revenue growth of 4.4% yoy, on the back of weak growth in enterprise business due to over tough economic scenario. EBITDA margin is expected at 26.0%, decline of 233bps yoy on account of weaker revenue growth. High interest cost would keep profitability under pressure. High debt on books and continued capex on data centre are the key concerns for Tulip.
Mkt Cap (Rs bn)	17	EBITDA (Rs mn)	1,771	1,692	1,848	-4.2%	4.7%	
Reco	Reduce	EBITDA Margin (%)	25.9	25.6	28.3	-234 bps	36 bps	
Target Price (Rs)	79	PAT (Rs mn)	483	660	772	-37.4%	-26.8%	
% Upside	-34%	EPS (Rs)	3.3	4.6	5.3	-37.4%	-26.8%	

Others

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Arshiya International								
CMP(Rs)	138	Net Sales (Rs mn)	3,095	3,108	2,226	39.1	-0.4	AIL Q1FY13E results should be good QoQ as Khurja FTWZ phase 1 will have a first full quarter of operations with 2 warehouses. The topline will be flat QoQ as we expect the logistics business to decline. EBITDA margins will improve as high margin Khurja FTWZ revenue will replace low margin logistics. PAT will grow at lower rate than EBITDA QoQ due to higher depreciation and interest cost. Status on Khurja DP and rail sideline is what needs to be seen.
Mkt Cap (Rs bn)	8	EBITDA (Rs mn)	881	795	539	63.5	10.8	
Reco	Buy	EBITDA Margin (%)	28.5	25.6	24.2	425bps	287bps	
Target Price (Rs)	166	PAT (Rs mn)	301	277	236	27.4	8.6	
% Upside	20%	EPS (Rs)	5.1	4.7	4.0	n.a.	n.a.	
Dish TV								
CMP(Rs)	64	Net Sales (Rs mn)	5,060	5,247	4,604	9.9%	-3.6%	We expect revenue growth of 9.9% yoy, driven on the back of 13.6% yoy growth in subscription revenue. We expect gross adds of 0.6mn v/s 0.4mn addition in last quarter. ARPU is estimated at Rs152, flat sequentially. Sequential revenue decline is due to change in accounting treatment of lease rental from 3 years (earlier) to 5 years. EBITDA margin is expected at 26.3%. We expect net loss to reduce to Rs278mn v/s 490mn in Q4FY12.
Mkt Cap (Rs bn)	68	EBITDA (Rs mn)	1,330	1,442	1,122	18.6%	-7.8%	
Reco	Accumulate	EBITDA Margin (%)	26.3	27.5	24.4	193 bps	-119 bps	
Target Price (Rs)	66	PAT (Rs mn)	-278	-490	-183	n.a.	n.a.	
% Upside	2%	EPS (Rs)	-0.3	-0.5	-0.2	n.a.	n.a.	
Essel Propack								
CMP(Rs)	35	Net Sales (Rs mn)	4,079	4,126	3,601	13.3%	-1.1%	Healthy growth in AMESA coupled with strong growth in plastic tubes in Americas to drive 13.3% yoy to Rs 4.1bn. Two new contracts won in Europe and AMESA still in ramp up stage. Losses in Poland and Russia to persist owing to the weak economic conditions in Europe. EBITDA to grow by 19% to Rs 684mn; EBITDA margins at 16.3% vs 16.0% in Q1FY12. (3) APAT is expected to grow at 6.6% yoy to Rs 105mn.
Mkt Cap (Rs bn)	6	EBITDA (Rs mn)	663	650	576	15.2%	2.1%	
Reco	Buy	EBITDA Margin (%)	16.3	15.8	16.0	26 bps	51 bps	
Target Price (Rs)	62	PAT (Rs mn)	105	137	99	6.6%	-23.1%	
% Upside	76%	EPS (Rs)	0.7	0.9	0.6	6.6%	-23.1%	

Others

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Grasim								
CMP(Rs)	2,710	Net Sales (Rs mn)	9,386	13,885	10,234	-8.3%	-32.4%	Grasim's standalone net revenue for the quarter is expected to decline by 8.3%yoy to Rs9.4bn with VSF segment reporting decline of 9.2% yoy at Rs8.2bn whereas the chemical business segment revenues growing just 4.3% yoy. Overall EBIDTA at Rs1.6bn is expected to decline 54.3%yoy. Consequently, pre-exceptional net profit at Rs1.6bn is expected to decline by 48.8% yoy.
Mkt Cap (Rs bn)	249	EBITDA (Rs mn)	1,613	2,168	3,529	-54.3%	-25.6%	
Reco	Hold	EBITDA Margin (%)	17.2	15.6	34.5	-1,730 bps	157 bps	
Target Price (Rs)	2,550	PAT (Rs mn)	1,607	2,436	3,141	-48.8%	-34.0%	
% Upside	-6%	EPS (Rs)	17.5	26.6	34.3	-48.8%	-34.0%	
Havells India								
CMP	583	Net Sales (Rs mn)	9,318	10,467	8,000	16.5%	-11.0%	Domestic business would continue to remain healthy led by rising distribution network, market share gains and new products. Lighting and ECD division to drive revenue growth of 17% yoy to Rs 9.3bn. Despite high raw material cost, EBIDTA margins would continue to remain stable at 12% in Q1FY13 (130bps yoy), with EBIDTA would grow at 30% yoy to Rs 1.1bn. APAT to grow at 36% yoy to Rs 783mn. Sylvania revenues to be tepid owing to continued moderation in Europe and LATAM, while profits would continue to grow.
Mkt Cap (Rs bn)	73	EBITDA (Rs mn)	1,117	1,236	857	30.3%	-9.6%	
Reco	Buy	EBITDA Margin (%)	12.0	11.8	10.7	127 bps	18 bps	
Target Price (Rs)	600	PAT (Rs mn)	783	915	575	36.2%	-14.4%	
% Upside	3%	EPS (Rs)	6.3	7.3	4.6	36.2%	-14.4%	
Kajaria Ceramics								
CMP(Rs)	170	Net Sales (Rs mn)	3,370	3,727	2,718	24.0%	-9.6%	We estimate revenues to grow by 24% yoy to Rs 3.4bn. Company is likely to report EBITDA of Rs 526mn, 21% yoy with EBITDA margins of 15.6%. We expect company to report PBT of Rs 293mn, 16% yoy. We expect company to report PAT of Rs 202mn, 18% yoy with margins of 6.0%. EPS is likely to be around Rs 2.7
Mkt Cap (Rs bn)	13	EBITDA (Rs mn)	526	585	433	21.4%	-10.1%	
Reco	Buy	EBITDA Margin (%)	15.6	15.7	15.9	-33 bps	-9 bps	
Target Price (Rs)	225	PAT (Rs mn)	202	235	171	18.3%	-14.1%	
% Upside	32%	EPS (Rs)	2.7	3.2	2.3	18.3%	-14.1%	

Others

Name			Jun'12E	Mar'12	Jun'11	% Chg YoY	% Chg QoQ	Comments
Piramal Glass								
CMP(Rs)	104	Net Sales (Rs mn)	3,788	4,047	3,172	19.4%	-6.4%	Relining of C&P furnaces could impact revenue as well as PAT growth in Q1FY13E. Despite that, growth in premium C&P and SF&B and added capacities would aid revenue growth of 19% yoy to Rs 3.8bn. Production loss due to relining and stabilization time for new capacity would impact EBIDTA margins 480bps yoy to 17.8% in Q1FY13E. EBIDTA to decline by 6% to Rs 679mn. Subsequently, APAT to decline by 64% yoy to Rs 105mn.
Mkt Cap (Rs bn)	8	EBITDA (Rs mn)	675	849	717	-5.8%	-20.5%	
Reco	Buy	EBITDA Margin (%)	17.8	21.0	22.6	-478 bps	-317 bps	
Target Price (Rs)	155	PAT (Rs mn)	105	384	290	-63.9%	-72.7%	
% Upside	49%	EPS (Rs)	1.3	4.8	3.6	-63.9%	-72.7%	
Sterlite Tech								
CMP(Rs)	33	Net Sales (Rs mn)	7,433	8,093	5,473	35.8%	-8.2%	Revenue is expected to grow 35.8% yoy, led by 33.3% yoy revenue growth in power and 34.5% yoy revenue growth in telecom segment. Fibre optic volumes are expected at 3.2mn fkm v/s 3.1mn fkm in last quarter. EBITDA margin at 8.7% is expected to improve by 322bps yoy, led by 302bps margin expansion in Power segment. PAT is expected to improve by 130% yoy, due to low base effect. Update on UMTP projects and outlook on EBITDA/Tonne for power segment would be key things to out for.
Mkt Cap (Rs bn)	13	EBITDA (Rs mn)	650	667	302	115.3%	-2.6%	
Reco	Hold	EBITDA Margin (%)	8.7	8.2	5.5	323 bps	50 bps	
Target Price (Rs)	34	PAT (Rs mn)	121	165	52	130.7%	-26.9%	
% Upside	4%	EPS (Rs)	0.3	0.4	0.1	130.7%	-26.9%	

Valuations

Company Name	Price (Rs)	Mkt Cap (Rs bn)	Reco	Target Price (Rs)	Sales (Rs mn)		EBITDA (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROCE (%)		ROE (%)		
					FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e
Agri Input & Chemicals																					
Chambal Fertilisers	74	31	Accumulate	98	57,390	59,659	7,379	8,025	3,724	4,189	8.9	10.1	8.3	7.3	1.5	1.3	11.2	12.4	19.4	18.9	
Coromandel International	261	74	Hold	286	93,373	102,422	10,455	12,050	6,704	7,961	23.9	28.4	10.9	9.2	2.6	2.2	20.6	23.3	25.9	26.3	
Deepak Fertilisers	133	12	Buy	185	23,508	24,123	4,932	5,152	2,682	2,893	30.4	32.8	4.4	4.0	0.8	0.7	20.8	20.5	20.2	18.7	
GNFC	86	13	Buy	135	37,059	40,963	6,825	8,965	3,322	4,069	21.4	26.2	4.0	3.3	0.5	0.4	13.2	15.4	12.6	13.8	
GSFC	417	33	Accumulate	530	51,473	51,515	8,858	8,967	5,828	5,900	73.1	74.0	5.7	5.6	0.8	0.7	19.1	17.4	15.4	13.7	
Rallis India	140	27	Hold	120	14,660	16,279	2,486	2,800	1,428	1,634	7.3	8.4	19.1	16.7	4.3	3.8	29.6	30.4	24.2	24.3	
Tata Chemicals	316	80	Accumulate	400	148,026	156,795	24,284	53,303	9,746	39,463	38.2	42.4	8.3	7.4	1.1	1.0	15.5	35.6	14.4	52.6	
United Phosphorus	125	57	Accumulate	172	84,162	91,729	15,455	17,139	7,924	9,262	17.2	20.1	7.3	6.2	1.2		15.8	17.0	17.7	17.9	
Automobiles																					
Ashok Leyland	24	65	Accumulate	31	148,590	175,478	14,249	15,820	7,013	8,450	2.6	3.2	9.3	7.7	1.9	1.7	17.2	18.8	21.8	23.3	
Bajaj Auto	1,561	452	Buy	1,920	216,147	240,474	42,748	47,630	33,147	37,245	114.5	128.7	13.6	12.1	5.9	4.8	67.2	60.8	48.5	43.7	
Eicher Motors	1,987	54	Hold	2,145	68,224	83,528	7,170	8,981	3,742	4,599	138.7	170.4	14.3	11.7	3.0	2.5	31.1	68.7	22.9	23.7	
Hero Motocorp	2,114	422	Reduce	2,245	266,252	307,610	41,834	49,455	29,040	32,596	145.4	163.2	14.5	13.0	7.3	5.6	66.5	141.3	57.7	49.2	
Mah & Mah	714	438	Hold	740	360,244	404,423	34,469	36,697	24,378	26,390	39.7	43.0	18.0	16.6	3.2	2.8	19.5	19.2	18.7	17.8	
Maruti Suzuki India	1,181	341	Reduce	1,270	429,385	508,310	37,877	47,005	24,779	30,328	85.7	104.9	13.8	11.3	1.9	1.7	20.2	46.3	15.0	16.0	
Tata Motors	238	635	Accumulate	322	1,966,829	2,183,133	268,641	304,526	150,869	165,357	47.0	51.5	5.1	4.6	1.6	1.2	26.2	24.8	37.8	30.1	
TVS Motor	36	17	Hold	34	75,008	79,927	4,757	4,996	2,307	2,503	4.9	5.3	7.3	6.8	1.3	1.1	17.7	36.4	18.3	17.5	
Auto Ancillaries																					
Apollo Tyres	79	40	Accumulate	95	134,373	148,218	14,231	15,582	6,289	7,245	12.5	14.4	6.4	5.5	1.2	1.0	18.2	39.0	20.3	19.4	
CEBBCO	88	5	Buy	90	6,186	7,997	833	1,039	547	676	10.0	12.3	8.8	7.1	1.5	1.3	21.8	22.7	19.1	19.5	
Motherson Sumi	164	64	Accumulate	194	244,832	264,014	14,927	18,289	5,920	7,483	15.1	19.1	10.8	8.6	2.8	2.2	17.1	20.1	28.2	28.6	
Cement																					
ACC	1,312	246	Hold	1,220	107,684	121,702	20,181	24,134	12,727	15,612	67.7	83.1	19.4	15.8	3.2	2.8	22.0	24.6	17.0	18.9	
Ambuja Cements	176	270	Reduce	165	97,042	107,948	22,187	25,753	14,699	17,137	9.6	11.2	18.3	15.7	3.1	2.8	26.9	28.2	17.4	18.5	
Grasim Industries	2,710	249	Hold	2,550	258,056		53,828		22,533		245.7		11.0		1.3		14.8		12.6		
India Cements	90	28	Hold	101	45,684	51,319	8,902	10,201	2,406	3,117	7.8	10.1	11.4	8.8	0.7	0.7	9.1	10.3	6.2	7.6	
Madras Cements	158	37	Hold	138	34,521	38,853	8,230	9,333	2,969	3,697	12.5	15.5	12.6	10.1	1.7	1.5	10.7	12.3	13.8	15.4	
Orient Paper	59	12	Buy	80	28,019	31,399	4,566	5,277	2,343	2,775	12.0	14.2	4.9	4.1							
Shree Cements	3,101	108	Accumulate	3,000	53,501		14,158		3,495		100.3		30.9		4.2		14.1		14.4		
Ultratech Cement	1,513	415	Reduce	1,290	209,288	236,303	44,138	49,019	23,533	25,560	85.9	93.3	17.6	16.2	2.8	2.4	18.5	17.7	16.9	15.9	

Valuations

Company Name	Price (Rs)	Mkt Cap (Rs bn)	Reco	Target Price (Rs)	Sales (Rs mn)		EBITDA (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROCE (%)		ROE (%)		
					FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e
Construction																					
Ashoka Buildcon	216	11	Buy	317	20,310	25,197	4,431	5,458	1,172	1,521	22.3	28.9	9.7	7.5	1.0	0.9	-18.2		10.7	12.4	
GMR Infrastructure	26	100	Hold	22	121,107	169,186	39,797	65,861	3,274	9,074	0.8	2.3	30.6	11.0	1.5	1.2	6.1	8.8	5.1	12.3	
IL&FS Transportation	189	37	Accumulate	200	39,341	39,793	5,033	4,660	1,951	1,610	10.0	8.3	18.8	22.8	1.8	1.7	12.4	10.8	9.8	7.7	
IRB Infrastructure	132	44	Buy	240	36,808		15,060		4,007		12.1		11.0		1.3		10.8		12.8		
IVRCL	53	14	Hold	52	58,625	70,319	5,181	6,320	1,025	1,479	3.8	5.5	13.9	9.7	0.7	0.6	18.8		5.0	6.9	
Jaiprakash Associates	75	159	Hold	73	157,668	175,710	33,408	38,343	6,777	9,231	3.2	4.3	23.5	17.3	1.7	1.6	9.4	11.0	7.1	9.6	
Consumers																					
Asian Paints	3,920	376	Hold	3,340	114,309	130,220	17,836	20,657	11,593	13,335	120.9	139.0	32.4	28.2	10.8	8.7	51.5	47.7	38.0	35.1	
Berger Paints	137	47	Accumulate	152	35,040	40,113	3,670	4,266	2,280	2,625	6.6	7.6	20.7	18.0	4.8	4.1	32.4	36.9	25.5	24.6	
Colgate-Palmolive	1,181	161	Hold	1,155	30,235	34,722	6,181	7,331	5,297	6,277	39.0	46.2	30.3	25.6	31.7	27.2	156.2	158.2	112.4	114.5	
Glaxosmithkline Consumer	2,733	115	Accumulate	3,000	32,881	38,231	6,223	7,233	4,284	4,965	101.9	118.1	26.8	23.2	8.3	7.0	53.0	50.8	34.0	32.8	
Godrej Consumer Products	574	195	Hold	548	61,657	70,333	11,495	13,612	7,449	9,318	21.9	27.4	26.2	21.0	5.6	4.7	23.3	26.7	24.7	26.1	
Hindustan Unilever	447	966	Hold	398	254,301	289,752	40,945	46,598	30,120	34,416	13.9	15.9	32.1	28.1	23.5	18.8	104.1	95.4	81.1	74.4	
Jubilant FoodWorks	1,224	80	Accumulate	1,225	14,321	19,755	2,754	3,839	1,652	2,278	25.4	35.0	48.2	35.0	17.8	12.2	65.1	61.8	44.4	41.5	
Marico	184	119	Accumulate	191	48,206	56,672	6,664	7,834	4,569	5,371	7.1	8.3	26.0	22.1	5.7	4.7	25.6	23.3	28.4	23.6	
Nestle	4,541	438	Accumulate	5,110	89,885	108,378	19,083	23,515	10,759	13,314	111.6	138.1	40.7	32.9	27.1	25.1	67.4	87.2	74.5	79.3	
Titan Industries	225	200	Buy	273	111,064	137,693	10,457	13,157	7,497	9,527	8.4	10.7	26.7	21.0	10.4	7.8	65.6	62.3	44.6	42.4	
Engineering & Capital Goods																					
BHEL	235	576	Hold	185	472,052	423,933	97,164	76,005	64,607	50,362	26.4	20.6	8.9	11.4	1.9	1.7	30.9	19.8	23.0	15.4	
Blue Star	164	15	Hold	185	29,515	33,277	2,013	3,069	1,075	1,842	11.9	20.5	13.7	8.0	2.7	2.2	20.5	33.8	21.0	30.2	
Cummins India	445	123	Accumulate	460	46,034	54,188	7,508	8,671	6,414	7,454	23.1	26.9	19.2	16.5	5.3	4.6	40.8	40.0	29.3	29.6	
Elecon Engineering	54	5	Hold	61	12,982	14,174	2,010	2,167	667	748	7.2	8.1	7.5	6.7	1.0	0.9	15.5	15.6	14.2	14.4	
Greaves Cotton	70	17	Buy	90	19,392	22,074	2,646	3,077	1,550	1,801	6.3	7.4	11.0	9.5	2.3	2.0	30.9	31.6	22.4	22.7	
Larsen & Toubro	1,399	858	Accumulate	1,603	712,479	817,771	109,329	130,951	49,832	56,396	81.4	92.1	17.2	15.2	2.6	2.3	10.7	11.1	16.0	15.3	
Lakshmi Machine Works	1,635	18	Hold	1,444	21,651	24,548	2,690	3,262	1,413	1,794	125.4	159.3	13.0	10.3	1.9	1.6	21.7	24.6	15.0	16.9	
Mcnally Bharat Engineering	97	3	Hold	135	21,869	25,268	1,396	1,520	504	584	16.2	18.8	6.0	5.2	0.9	0.8	16.8	17.4	15.2	15.6	
Punj Lloyd	51	17	Accumulate	74	121,500	129,964	10,346	11,107	567	684	1.7	2.1	29.9	24.7	0.5	0.5	8.5	9.0	1.8	2.1	
Thermax	495	59	Hold	400	55,531	58,822	6,234	6,663	3,720	3,998	31.2	33.6	15.9	14.8	3.1	2.7	30.4	28.2	20.9	18.8	
TRF	293	3	Hold	282	13,648	15,772	898	1,137	242	324	22.0	29.4	13.3	10.0	1.8	1.5	14.4	16.5	14.0	15.6	
Voltas	107	35	Accumulate	121	54,888	60,397	4,892	5,415	2,780	3,109	8.4	9.4	12.8	11.4	2.1	1.8	25.2	24.8	17.6	17.0	

Valuations

Company Name	Price (Rs)	Mkt Cap (Rs bn)	Reco	Target Price (Rs)	Sales (Rs mn)		EBITDA (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROCE (%)		ROE (%)		
					FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e
Financial Services - Others																					
CRISIL	1,072	75	Buy	1,240	11,003	13,553	3,931	4,966	2,553	3,127	36.4	44.6	29.4	24.0	14.8	10.3			61.0	50.6	
ICRA	1,330	13	Accumulate	1,250	2,766	3,258	1,015	1,197	740	872	74.0	87.2	18.0	15.3	4.2	3.6			24.2	25.3	
IT Services																					
eClerx Services	629	18	Accumulate	760	6,640	7,676	2,503	2,855	1,816	2,221	60.2	73.6	10.5	8.6	4.3	3.4	58.7	53.1	46.5	44.7	
HCL Tech	484	336	Accumulate	560	238,490	267,248	42,498	47,591	28,121	31,483	40.1	44.9	12.1	10.8	2.9	2.5	27.9	27.2	26.2	24.7	
Hexaware Technologies	127	38	Buy	150	19,642	22,792	4,592	5,338	3,511	4,123	11.7	13.7	10.9	9.3	3.3	2.9	39.4	40.1	32.3	33.2	
Infinite Computer	121	5	Buy	120	11,511	12,591	2,077	1,929	1,254	1,099	28.5	24.4	4.2	5.0	0.9	0.8	25.5	19.6	23.0	17.5	
Infosys	2,501	1,436	Accumulate	2,800	394,830	423,565	128,585	135,816	97,591	104,816	170.8	183.4	14.6	13.6	3.9	3.3	35.5	31.5	29.3	26.4	
Mahindra Satyam	83	97	Accum	85	76,673	84,780	13,466	13,963	10,642	11,362	9.0	9.6	9.2	8.6	2.1	1.7	28.6	23.3	26.1	21.9	
Mindtree	674	27	Buy	730	23,545	26,416	4,468	4,513	2,918	2,969	71.2	72.4	9.5	9.3	2.5	2.0	26.1	21.0	29.0	24.0	
Mphasis	369	78	Reduce	340	55,021	57,315	10,855	10,811	8,013	7,996	38.0	37.9	9.7	9.7	1.8	1.5	20.1	17.5	19.2	16.9	
NIIT Tech	283	17	Accumulate	340	19,702	21,889	3,551	3,920	2,290	2,477	38.7	41.8	7.3	6.8	1.4	1.1	27.6	23.2	21.9	18.0	
Persistent Systems	395	16	Hold	390	12,110	13,278	3,168	3,034	1,880	1,759	47.0	44.0	8.4	9.0	1.6	1.4	24.2	19.2	20.7	16.9	
TCS	1,260	2,466	Hold	1,150	601,646	672,674	176,676	195,096	130,083	146,464	66.5	74.8	19.0	16.8	6.7	5.5	48.4	44.1	38.8	35.9	
Tech Mahindra	734	94	Accumulate	730	61,436	65,552	10,933	11,307	11,229	12,445	85.7	95.0	8.6	7.7	2.0	1.6	21.2	17.3	25.6	22.7	
Wipro	400	984	Reduce	400	431,671	474,747	88,906	98,316	67,304	74,795	27.4	30.5	14.6	13.1	3.3	2.8	23.1	22.7	24.5	23.3	
Metals & Mining																					
Bhushan Steel	464	99	Hold	394	114,897	143,217	33,219	41,615	11,055	13,215	48.8	58.3	9.5	8.0	1.2	1.1	8.8	9.9	14.0	14.6	
Godawari Power	115	4	Buy	134	20,767	21,309	3,194	3,491	887	996	27.9	31.4	4.1	3.7	0.5	0.4	12.5	11.7	12.4	12.5	
HEG	214	9	Hold	230	17,790	20,097	3,235	3,712	1,570	1,888	39.3	47.2	5.5	4.5	0.8	0.7	11.3	11.7	15.1	16.2	
Hindalco	121	232	Buy	151	844,329	915,869	81,474	92,941	30,156	35,422	15.7	18.5	7.7	6.5	0.7	0.6	7.6	8.0	8.9	9.6	
Hindustan Zinc	122	515	Buy	146	118,376	132,712	63,576	73,024	57,443	64,425	13.6	15.2	9.0	8.0	1.6	1.4	23.7	22.9	19.7	19.0	
JSW Steel	679	152	Hold	676	364,299	383,926	59,812	66,791	15,110	17,236	67.7	77.3	10.0	8.8	0.8	0.8	9.6	9.8	8.7	9.2	
Sesa Goa	192	167	Accumulate	207	82,750	86,168	29,199	30,728	39,228	39,267	45.1	45.2	4.2	4.2	0.9	0.8	14.8	14.0	23.4	19.6	
Sterlite Industries	104	350	Accumulate	124	410,036	464,305	99,028	116,206	50,290	55,675	15.0	16.6	7.0	6.3	0.7	0.6	13.7	14.0	10.4	10.4	
Tata Steel	447	434	Accumulate	451	1,372,248	1,461,168	144,205	171,852	38,832	52,854	40.0	54.4	11.2	8.2	1.6	1.4	9.8	11.5	9.3	11.7	

Valuations

Company Name	Price (Rs)	Mkt Cap (Rs bn)	Reco	Target Price (Rs)	Sales (Rs mn)		EBITDA (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROCE (%)		ROE (%)		
					FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	
Oil & Gas																					
BPCL	747	270	Accumulate	811	2,237,311	2,103,540	67,267	72,369	17,677	22,141								9.2	10.0	10.3	12.0
GAIL	355	451	Buy	406	454,157	492,136	65,172	72,728	37,076	41,710	29.2	32.9	12.2	10.8	1.9	1.7	18.1	18.5	16.0	16.4	
Gujarat Gas	310	40	Accumulate	397	32,988	38,722	4,866	5,708	2,917	3,388	22.7	26.4	13.7	11.8	3.3	2.7	35.3	34.2	26.3	24.9	
Gujarat State Petronet	70	40	Buy	104	11,150	11,236	10,698	10,803	4,911	4,848	8.7	8.6	8.1	8.2	1.4	1.2	19.2	17.5	18.4	15.7	
HPCL	333	113	Buy	360	1,860,707	1,775,542	60,937	64,082	14,146	15,075							7.3	7.5	10.3	10.2	
Indian Oil	256	621	Accumulate	320	3,950,373	3,764,673	208,498	207,749	82,048	82,350							12.6	12.2	13.6	12.5	
Indraprastha Gas	241	34	Underreview	401	32,180	36,379	7,400	8,317	3,350	3,648	23.9	26.1	10.1	9.3	2.4	2.0	31.6	28.1	25.3	23.4	
Petronet LNG	144	108	Buy	195	299,614	375,527	20,533	24,314	10,743	11,434	14.3	15.2	10.0	9.4	2.5	2.0	22.5	21.4	27.1	23.6	
Reliance Industries	737	2,415	Hold	835	3,010,333	2,773,899	388,467	394,808	206,721	215,795	63.2	65.9	11.7	11.2	1.3	1.2	11.0	11.0	12.2	11.5	
Paper																					
Ballarpur Inds	21	14	Accumulate	35	51,020	51,490	11,337	12,125	3,254	4,263	5.0	6.5	4.3	3.2	0.5	0.4	9.3	9.9	11.3	13.2	
JK Paper	34	5	Accumulate	48	12,954	18,762	2,267	3,752	881	1,027	6.4	7.5	5.3	4.6	0.5	0.5	6.6	9.1	10.0	10.9	
Tamilnadu Newsprint	105	7	Accumulate	108	17,600	17,760	4,768	5,415	960	1,383	13.8	19.9	7.6	5.3	0.7	0.6	10.6	12.6	9.6	12.9	
Pharmaceuticals																					
Aurobindo Pharma	114	33	Accumulate	150	54,745	63,102	9,033	10,443	5,147	6,134	17.7	21.1	6.5	5.4	1.1	0.9	14.3	15.7	18.7	18.8	
Cadila Healthcare	770	158	Buy	850	61,881	70,915	13,173	15,224	8,282	9,602	40.5	46.9	19.0	16.4	5.1	4.1	23.6	23.7	30.3	28.1	
Cipla	316	254	Hold	340	79,242	90,131	17,990	20,309	12,313	13,844	15.3	17.2	20.6	18.3	3.0	2.7	18.2	18.5	15.3	15.3	
Dishman Pharma	68	5	Accumulate	71	12,776		2,658		785		9.7		7.0		0.6		9.1		8.3		
Divi's Lab	1,044	139	Buy	1,033	22,917	27,718	8,020	9,992	6,135	7,557	46.3	57.0	22.6	18.3	5.2	4.2	31.9	31.5	25.7	25.4	
Dr. Reddy's Lab	1,644	279	Hold	1,700	110,698	122,660	23,936	26,336	15,242	16,925	90.1	100.0	18.2	16.4	4.1	3.5	23.5	22.5	25.0	23.0	
Glaxosmithkline Pharma	2,027	172	Reduce	1,914	27,088	30,878	10,899	12,465	7,050	8,069	83.2	95.3	24.3	21.3	7.8	6.7	51.6	51.3	34.1	33.9	
Glenmark Pharma	372	101	Hold	360	47,458	54,927	9,657	11,137	5,646	6,397	20.9	23.7	17.8	15.7	3.4	2.8	17.2	18.2	21.0	19.6	
Ipca Lab	361	46	Buy	420	27,633	31,291	6,027	6,821	3,809	4,265	30.6	34.3	11.8	10.5	2.8	2.2	25.4	24.6	26.1	23.3	
Jubilant Life Sciences	173	28	Buy	340	49,946	57,919	10,134	11,969	4,189	5,351	26.4	33.7	6.6	5.1	1.0	0.9	11.9	13.9	17.2	18.6	
Lupin	543	243	Buy	550	83,795	97,368	17,373	20,513	11,340	13,664	25.4	30.6	21.4	17.7	4.9	4.0	26.2	27.4	25.5	25.4	
Pfizer	1,208	36	Accumulate	1,265	11,313	12,834	2,014	2,334	1,953	2,220	65.5	74.4	18.5	16.2	2.5	2.2	13.9	14.4	14.2	14.4	
Ranbaxy Labs	496	209	Buy	559	125,827	123,876	31,773	19,864	25,357	15,113	60.2	35.9	8.2	13.8	3.8	3.0	33.7	16.3	61.2	24.5	
Sun Pharma	635	654	Buy	650	94,762	108,731	35,052	40,565	28,368	32,833	27.4	31.7	23.2	20.0	4.7	3.9	25.6	25.0	22.9	21.9	
Torrent Pharma	606	51	Buy	682	31,445	36,312	5,866	6,796	3,840	4,467	45.4	52.8	13.4	11.5	4.1	3.6	30.2	31.3	33.1	33.2	
Unichem Labs	128	12	Hold	144	10,476	11,281	1,675	1,810	1,033	1,123	11.5	12.3	11.2	10.4	1.6	1.4	16.8	16.6	14.5	14.4	

Valuations

Company Name	Price (Rs)	Mkt Cap (Rs bn)	Reco	Target Price (Rs)	Sales (Rs mn)		EBITDA (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROCE (%)		ROE (%)		
					FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	
Power																					
Adani Power	51	112	Sell	40	97,719	167,030	37,949	66,563	7,455	13,460	3.1	5.6	16.4	9.1	1.8	1.5	6.4	10.5	11.7	18.1	
CESC	298	37	Buy	371	50,950	53,862	12,257	12,957	5,485	5,646	43.7	45.0	6.8	6.6	0.7	0.7	8.7	8.8	11.2	10.5	
Gujarat Industries Power	65	10	Buy	76	14,741	15,206	4,586	4,514	1,593	1,667	10.5	11.0	6.2	5.9	0.6	0.6	12.9	22.4	10.7	10.5	
Jaiprakash Power Ventures	34	90	Hold	45	27,890	46,891	23,151	36,043	6,779	10,962	3.0	4.8	11.5	7.1	1.7	1.4	8.2	10.3	15.8	21.2	
JSW Energy	53	86	Hold	50	71,307	80,113	27,183	34,466	7,030	13,173	4.3	8.0	12.3	6.6	1.3	1.1	11.1	14.1	11.5	18.6	
KSK Energy	53	20	Hold	76	24,392	48,089	11,152	21,890	2,481	2,954	6.7	7.9	8.0	6.7	0.5	0.5	5.3	9.0	6.9	8.0	
Lanco Infratech	16	38	Hold	16	146,647	197,651	36,670	58,427	4,112	6,328	1.7	2.6	9.1	5.9	0.6	0.5	6.6	9.0	8.0	10.2	
Nava Bharat Ventures	183	16	Hold	204	13,396	16,169	3,266	4,074	2,710	3,009	30.3	33.7	6.0	5.4	0.6	0.5	7.4	6.8	11.0	10.6	
NHPC	18	227	Buy	26	58,974	68,921	39,990	47,095	24,767	28,242	2.0	2.3	9.2	8.0	0.8	0.7	7.4	7.8	8.5	9.2	
NTPC	161	1,330	Hold	158	631,398	730,706	151,788	172,739	97,131	106,952	11.8	13.0	13.7	12.4	1.7	1.6	9.2	9.2	12.6	13.0	
Power Grid Corporation	178	234	Accumulate	121	128,690	157,718	105,689	127,873	43,239	53,560	9.3	10.4	19.0	17.1	3.1	2.5	8.1	8.4	17.4	17.1	
Reliance Power	106	298	Buy	155	53,853	75,109	21,075	32,686	10,150	11,545	3.6	4.1	29.3	25.8	1.6	1.5	3.8	4.5	5.6	6.0	
Tata Power	104	248	Hold	98	270,841	320,859	64,424	79,321	11,786	11,441	5.0	4.8	21.0	21.7	1.9	1.7	8.3	9.6	11.9	10.6	
Print Media																					
DB Corp	202	37	Hold	214	16,330	18,012	4,236	4,784	2,455	2,844	13.4	15.5	15.1	13.0	3.5	3.0	30.2	31.1	24.5	24.7	
HT Media	97	23	Hold	121	21,416	23,443	3,274	3,973	1,871	2,412	8.0	10.3	12.2	9.4	1.2	0.9	14.8	15.4	10.7	11.2	
Jagran Prakashan	87	27	Hold	94	15,815	17,564	4,113	4,892	2,558	3,106	8.1	9.8	10.7	8.8	3.4	3.1	35.0	39.3	33.0	36.6	
Real Estate																					
DLF	205	347	Hold	220	114,273	98,463	51,123	145,031	16,748	111,280	9.9	65.6	20.7	3.1	1.3	1.3	8.9		6.4	41.1	
Oberoi Realty	243	80	Accumulate	315	14,725	18,098	8,493	11,190	7,446	8,952	22.7	27.3	10.7	8.9	1.8	1.5	23.5		18.2	18.4	
Phoenix Mills	178	26	Accumulate	231	7,190	9,548	4,816	5,789	1,935	2,546	13.4	17.6	13.3	10.1	1.4	1.3	10.9		11.1	13.2	
Prestige Estates	118	39	Buy	114	18,537	26,524	4,965	7,471	2,159	3,588	6.6	10.9	17.9	10.8	1.7	1.5	9.4		9.8	14.6	
Sobha Developers	336	33	Accumulate	272	18,844		4,287	-1,440	2,854	-868	19.7	-6.0	17.0	-56.0	2.6	2.4	13.2		15.9	-4.5	
Telecommunications																					
Bharti Airtel	310	1,177	Accumulate	375	818,301	887,891	276,738	314,692	68,659	86,894	18.1	22.9	17.1	13.5	2.0	1.7	11.7	14.0	12.1	13.6	
Idea Cellular	78	257	Accumulate	101	236,460	269,153	65,061	73,987	14,599	19,078	4.4	5.8	17.6	13.5	1.8	1.6	12.9	14.8	10.6	12.4	
Reliance Communications	64	132	Reduce	67	219,553	233,618	72,000	75,456	8,789	10,724	4.3	5.2	15.1	12.3	0.4	0.3	5.5	5.8	2.4	2.8	
Tulip Telecom	120	17	Reduce	79	29,489	33,211	7,353	8,601	1,904	2,176	13.1	15.0	9.1	8.0	1.1	0.9	13.8	14.7	12.1	12.5	

Valuations

Company Name	Price (Rs)	Mkt Cap (Rs bn)	Reco	Target Price (Rs)	Sales (Rs mn)		EBITDA (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROCE (%)		ROE (%)		
					FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	
Others																					
Aban Offshore	395	17	Hold	405	36,632		20,801		3,599		82.7		4.8		0.6		9.6		13.1		
Arshiya International	138	8	Buy	166	14,082	16,520	4,574	5,817	1,355	1,641	11.5	14.0	12.0	9.9	1.6	1.4	10.6		14.7	15.5	
Century Plyboards	54	12	Accumulate	60	23,244	29,295	4,146	5,662	1,710	2,972	7.7	13.4	7.0	4.0	1.3	1.0	15.1	21.5	20.6	28.8	
Dish TV	64	68	Accumulate	66	21,574	24,609	6,183	7,509	-251	654	-0.2	0.6	-273.1	104.7	4.2	4.2	3.1	6.2	-1.5	4.0	
Essel Propack	35	6	Buy	62	17,800	19,602	2,984	3,367	697	929	4.5	5.9	7.9	6.0	0.6	0.6	15.1	16.7	8.3	10.4	
Havells India	583	73	Buy	600	74,443	83,070	7,633	8,699	4,347	5,180	34.8	41.5	16.7	14.0	5.7	4.3	34.2	34.1	39.0	34.8	
Kajaria Ceramics	170	13	Buy	225	15,437	17,401	2,432	2,798	1,095	1,373	14.9	18.7	11.4	9.1	3.4	2.6	31.3	34.1	33.7	32.4	
Piramal Glass	104	8	Buy	155	17,035	19,615	3,820	4,467	1,300	1,647	16.2	20.5	6.4	5.1	1.7	1.3	17.5	19.8	34.7	33.8	
Sterlite Tech	33	13	Hold	34	31,141	35,027	3,192	4,081	1,035	1,690	2.6	4.3	12.3	7.6	1.1	1.0	11.8	14.3	9.4	13.9	

Company Name	Price (Rs)	Mkt Cap (Rs bn)	Reco	Target Price (Rs)	Net Interest Income (Rs mn)		Pre Provision Profit (Rs mn)		PAT (Rs mn)		EPS (Rs)		PE (x)		PB (x)		ROA (%)		ROE (%)		
					FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e	FY14e	FY13e
Banks & Financial Services																					
Allahabad Bank	151	75	Accumulate	180	57,071	66,277	41,930	48,424	19,023	22,466	38.0	44.9	4.0	3.4	0.8	0.7	1.0	1.0	16.9	17.5	
Andhra Bank	118	66	Accumulate	120	42,587	49,750	31,799	38,039	15,426	19,832	27.6	35.4	4.3	3.3	0.8	0.7	1.1	1.3	18.9	20.3	
Axis Bank	1,029	426	Hold	1,050	91,612	108,515	85,436	101,177	46,538	59,741	108.5	138.2	9.5	7.4	1.6	1.4	1.4	1.6	18.3	19.6	
Bank of Baroda	728	285	Accumulate	800	119,144	151,732	99,159	129,683	55,607	72,838	134.8	176.6	5.4	4.1	1.1	0.9	1.1	1.3	18.7	20.7	
Bank of India	348	200	Hold	315	94,137	111,174	75,273	90,518	28,390	39,777	49.4	69.2	7.0	5.0	1.1	0.9	0.7	0.8	12.9	16.2	
Canara Bank	415	184	Reduce	410	84,217	96,664	63,805	74,310	30,106	38,220	68.0	86.3	6.1	4.8	0.9	0.8	0.7	0.8	12.6	14.4	
Corporation Bank	418	62	Accumulate	460	34,804	41,400	32,176	38,113	15,336	18,530	103.5	125.1	4.0	3.3	0.7	0.6	0.9	0.9	17.4	18.3	
Dewan Housing	175	20	Accumulate	254	8,584	11,026	6,814	8,810	4,708	6,090	36.9	47.7	4.7	3.7	0.9	0.7	1.5	1.5	19.3	19.7	
Federal Bank	452	77	Accumulate	425	23,561	27,938	18,404	22,089	8,897	10,613	52.0	62.0	8.7	7.3	1.2	0.9	1.3	1.3	14.4	14.0	
HDFC	661	985	Hold	700	58,050	67,859	64,064	74,932	44,605	52,449	29.3	34.5	22.6	19.2	3.8	3.5	2.5	2.5	19.3	18.7	
HDFC Bank	574	1,352	Accumulate	610	147,931	182,544	110,558	140,544	65,486	83,716	27.7	35.2	20.7	16.3	3.9	3.3	1.8	1.8	20.0	21.5	
ICICI Bank	894	1,027	Accumulate	1,000	125,135	145,204	123,245	145,520	75,052	88,321	65.1	76.6	13.7	11.7	1.6	1.5	1.5	1.6	11.9	12.9	
LIC Housing Finance	269	136	Hold	285	19,570	24,452	19,473	24,350	13,986	16,930	27.7	33.5	9.7	8.0	2.0	1.6	1.9	1.9	22.4	22.5	
Mah & Mah Financial Services	647	67	Buy	800	21,192	26,272	14,130	17,589	7,752	9,672	75.5	94.2	8.6	6.9	1.9	1.5	3.7	3.5	23.9	24.5	
Manappuram General Finance	31	26	Hold	25	11,907	12,440	6,527	6,856	3,957	4,141	4.7	4.9	6.5	6.2	1.0	0.9	3.3	3.2	15.6	14.5	
Punjab National Bank	814	276	Hold	850	152,413	182,320	121,253	149,593	57,380	75,852	169.2	223.6	4.8	3.6	1.0	0.8	1.1	1.3	19.0	21.2	
South Indian Bank	24	27	Hold	25	12,441	15,146	8,139	9,961	4,923	6,062	4.3	5.3	5.5	4.5	1.2	1.0	1.1	1.1	20.8	21.5	
State Bank of India	2,180	1,463	Reduce	1,900	473,624	562,240	370,276	445,287	158,352	204,945	236.0	305.4	9.2	7.1	1.8	1.5	1.1	1.2	17.5	19.5	
Union Bank of India	210	115	Reduce	190	77,538	92,072	58,748	69,488	21,366	28,763	38.8	52.2	5.4	4.0	1.0	0.9	0.7	0.8	13.9	16.6	
United Bank Of India	61	22	Buy	75	30,160	34,869	23,291	27,517	8,890	10,889	23.5	26.5	2.6	2.3	0.6	0.5	0.8	0.9	17.1	17.7	
Yes Bank	343	122	Hold	355	21,181	30,455	20,347	29,227	12,400	16,670	29.0	38.5	11.8	8.9	1.8	1.6	1.4	1.5	19.6	19.2	

Emkay Global Financial Services Ltd.

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

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