OUR REPORTS

Fundamental
Company Report
Sector Report
Theme Based Report

Daily & Weekly
Fundamental Market Update
Technical Market Update
Derivative Market Update

Fortnightly
Banking Sector Report
Currency Report

Monthly
India Strategy Report
IIP Report
Auto Sector Update
Cement Sector Update
Metal Sector Update
Telecom Sector Update
Insurance and Mutual Fund Report
Inflation Report
Exports-Imports Report

Quarterly
India and Global Strategy Report
India Economy Report

Others
Event Based Report
RBI Monitory Review Report
Annual Budget Review Report

MICROSEC
MICRO FOCUS. MEGA WEALTH

MICROSEC RESEARCH REPORT

INDIA STRATEGY

OUTLOOK 2012

MICROSEC
MICRO FOCUS. MEGA WEALTH

The Year in Retrospect - 2011

CY11 has been eventful and unpredictable, albeit both on the negative sense. Although not much was expected in the first half of CY11 on economic or corporate growth, as reiterated in our previous years' strategy report due to the ensuing head winds visible at the beginning of the CY11, much was expected in the second half of CY11. Rising Inflation was expected to be arrested and so was the rising trend in interest rates in the second half on better expected monsoons. However, both defied our expectations as inflation continued to rise to 10.2 percent in September 2011 levels and RBI remained defiant to arrest the same through hawkish stance, which saw repo rates raised to 8.50 percent. This led to decline in IIP and GDP growth, which touched to abysmally low figures towards the close of the CY11. The government was caught off- guard on a number of issues. If policy paralysis was a new coinage that described the inability of the government to push through pending reforms, the fear of crumbling majority in support of the UPA were visible with the government 'postponement' of FDI in the Retail sector, which when announced, gave a ray of hope of the government's move towards reforms. On the global front, regime changes were seen in countries like Egypt, Libya and other MENA and North African countries, which were shadowed down on continuous coverage of debt crisis in the PIIGS countries which lived the day through a balancing act on support from Germany and France, backed by the IMF. (***Details in Economy coverage section***).

Corporate India was seen tired and helpless towards the end of year, with most giving up hope for a revival in the short term. The long term India growth stories were seen to fade, even though there were silver linings in most of the developments that may be structurally positive in the long term. The cleanup act of the system continued with visible enforcement of law towards those who flouted the same and the Supreme Court was seen active in pinning those where linkages of scams or wrongdoings were noticed, which gives hopes for a better judiciary in the country.

The SENSEX EPS that was expected to grow ~15% for FY12 in the beginning of CY11, were revised down to ~3% growth on a YoY basis. No wonder, SENSEX returns for CY11 was worst, not only among the BRIC countries, but major global countries as well. Sensex and Nifty fell ~25% percent respectively, during CY11. *In USD terms the benchmark index were down more than* ~45%, giving *a heavy blow to FII's returns.* (*Detailed Global Market Return in slide 14*). FII remained *net seller* of INR2889.74 crores for CY11 whereas DII were *net buyers* of 27039.62 crores CY11. The INR fell 18.7 percent to close the year at 53.0650, after touching a peak of 54.3050 vs USD. The INR, which remained stable for the first half of CY11, went for a relentless fall in the second half as expected ***(please find the LINK of our trailing mailer on INR along with the report).***

http://www.microsec.in/Static/Pdf/634613624123040000_mailer.pdf

MICROSEC
MICRO FOCUS. MEGA WEALTH

Outlook 2012

As we enter the NEW CY12 with lot of negative developments in CY11 and sharp correction in markets, we strongly believe that the 'negatives' are at their peak or near peak on the domestic economic front and corporate performance are at their bottom or near bottom. The word 'near' should be read with a margin of safety for a quarter, from where we may see reversals in domestic macroeconomic and corporate performance. Fall in Inflation may prompt cut in interest rate, as indicated by RBI, IIP numbers may improve and corporate earnings may brighten from 2nd quarter of CY12. The major risk remains on the political front with elections in 5 key states, the result of which may determine the fate of the government and their reforms agenda.

We give less Weightage on global front, even though the chances of deterioration of global macroeconomic factors led by Euro Zone and US are higher which may create volatilities across asset classes. The reason we give less Weightage on global adverse developments' impact on Indian market is because Indian markets have sharply under-performed Global markets, hence further downslide on adverse global factors looks minimal for Indian markets. But among the adversity, we may see prosperity as the rising crude oil price trends, the single most factor which remains a major risk to India's growth may correct, although there are fewer indications of the same in the near term due to escalating tensions between US and Iran

On the earnings front, we expect 14% and 16% growth in Sensex and Nifty Earnings respectively for FY13 (E), with EPS of 1320 and 410 respectively. Nifty at close of CY11 was trading at 13.6xFY12 earnings and 11.60XFY13(E) Earnings estimates. Nifty is trading 19% discount to 10 year average PE and 30% discount to 5 year average forward earnings. This gives us confidence that the Indian market is likely to swing higher rather than going lower from current levels, unless there is further damage in fundamentals which may call for more downgrades on earnings. We expect the **Nifty to trade between 4500-5950 levels in CY12**, with a probable uptrend in the second half of the CY12 on factors mentioned above. The INR may trade between 48-54 in CY12 with more bias to settle down around 48 towards end of CY12. ***We may see FII flows to pick up this year, as they are not only poised for higher returns on compelling Equity valuations, the INR appreciation may further boost their returns from Indian markets.***

Top Picks:

Large Caps: Hind Lever, ITC, L&T, RIL, BHEL, NTPC, INFOSYS, TCS, Coal India, Bharti Airtel, SBI.

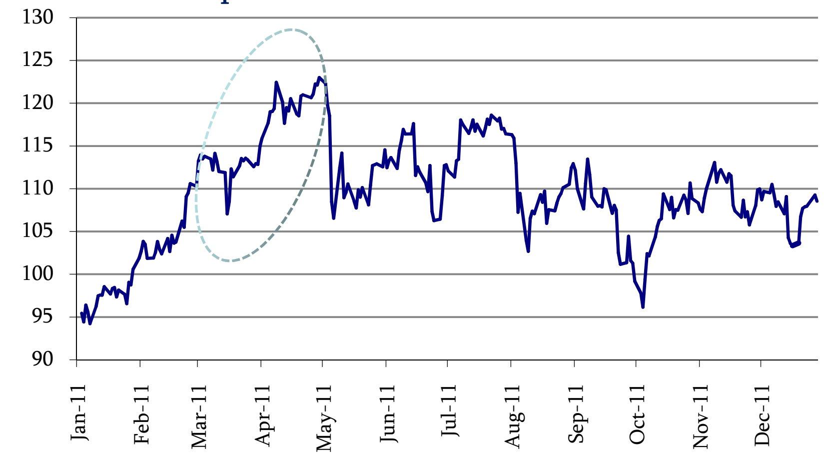
Mid & Small Caps: Bata, Aditya Birla Nuvo, Exide, Tube Investment, Dish TV, LICHF, Coromondel Intl, Rallis, Bosch Ltd.

Global Macro Scan - 2011

The year 2011 has begun with a hope of recovery for the global economy from the issues like - excessive housing debt in the U.S., debt problems in countries at the periphery of the Euro area, volatile capital inflows to emerging economies and financial sector regulation. However, as the year closed, the recovery in many advanced economies remains standstill and many economies have gone into recession. Fiscal and financial uncertainties, which have been particularly pronounced since August 2011, worsen much more than anticipated.

Growth, which had been strong in 2010, decreased dramatically in 2011. One-time events, from the earthquake and tsunami in Japan to unrest in the Middle East and North African (MENA) region and the related shocks to the supply of oil offered plausible explanations for a further slowdown. According to estimates, the number of cars manufactured worldwide dropped by around 30 percent in the two months following the Japanese earthquake and tsunami because of supply-chain disruptions. For the U.S., estimates put losses on the order of more than half of a percentage point of GDP in Q2 of 2011. During the same time, oil prices briefly rose more than 25 percent above the levels that prevailed in January 2011. Assuming that a significant share of the price increase reflected lower supply, it has reduced output in advanced economies by ¼ to ½ percentage point of GDP.

Impact of Middle East unrest in Oil Prices



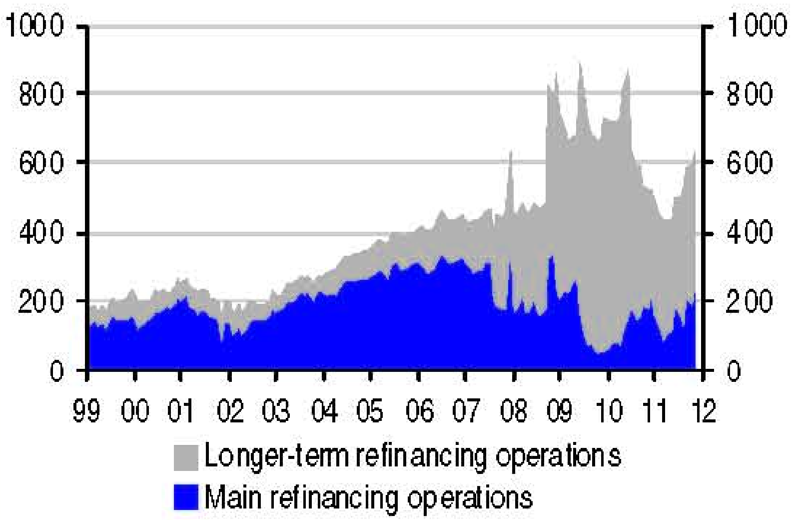
Although, the economic activity in the MENA region suffered from political and social conflict, emerging and developing economies performed broadly as expected during the first half of 2011. However, the net result of the various developments in advanced and emerging market economies was resulted in an unexpected weak global activity in the second half.

Year of Downgrades & Debt Crises

From August 2011, financial volatility has increased drastically, driven by concerns about developments in the U.S. and in the euro area. In the U.S., Democrats and Republicans sparred on the issue of raising debt ceiling beyond USD14.3 trillion sent out worrying signals. After weeks of bipartisan negotiations, the Democrats and the Republicans ultimately agreed to a compromise deal but did not prevent the country from losing its “AAA” credit rating. Credit rating agency, Standard & Poor’s (S&P) for the first time downgraded the U.S. “AAA” credit rating by one notch to “AA plus”. According to S&P, American Government’s fiscal consolidation plan wouldn’t sufficient to stabilize the Government’s medium-term debt. The move rattled markets across the world and the greenback took a severe beating for a few weeks.

Thereon, the focus shifted from the U.S.’s worsening public finances to the debt problems of Euro zone members. Grappling with severe credit crunch, massive protests against austerity measures and political transition, Greece continued to remain in the headlines. Greece has already gulped down hundreds of billions of dollars -- including 110 billion euro bailout package -- in assistance from various sources including the euro zone members and the International Monetary Fund (IMF). Technically, Greece has averted defaulting on its bonds, but the ‘Euro Debt Crisis’ as the region’s problem has come to be know as, is far from over.

Increasing dependency of Euro zone Banks upon ECB

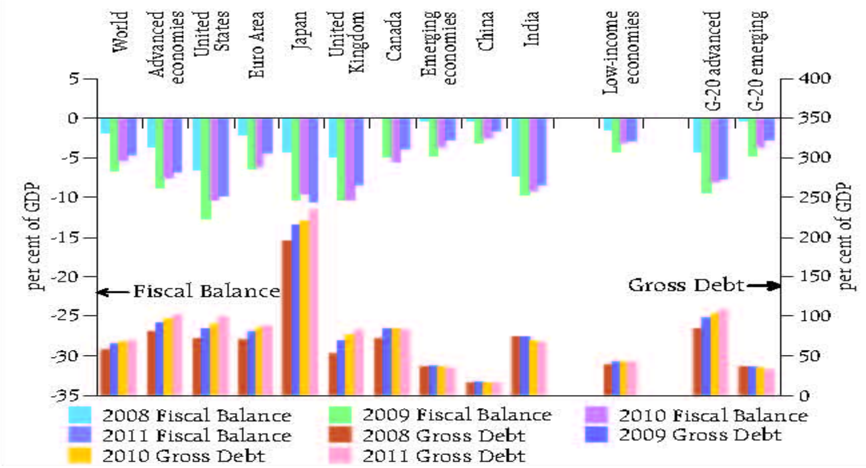


Other euro-zone members, including Portugal and Ireland, too were saved from the brink with bailout plans. The financial instability across the region also saw change of guard at least in three nations - Greece, Italy and Spain. More interestingly, technocrats and economists rather than politicians are taking centre stage as seen in the case of Greece's Lucas Papademos and Italy's Mario Monti.

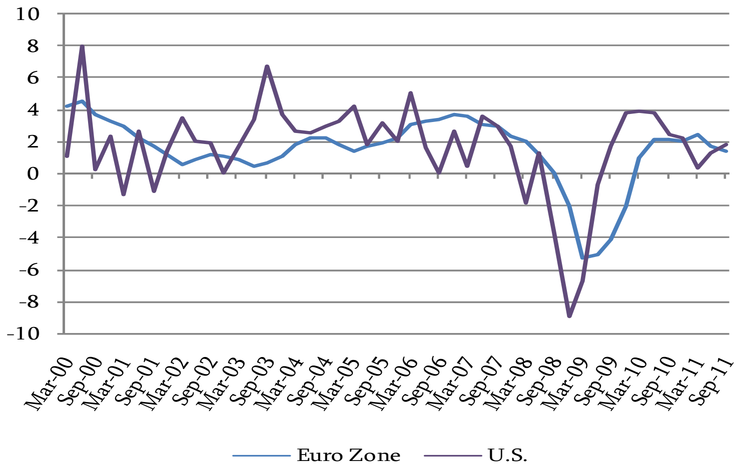
While the famed G-20 grouping fell short of coming up with radical solutions towards Euro zone problems, the European leaders summit, in early December, pledged stringent financial discipline, even as disagreements saw the U.K. standing at ‘go- it-alone’ stance’ in the 27-nation European Union.

Global Snapshot

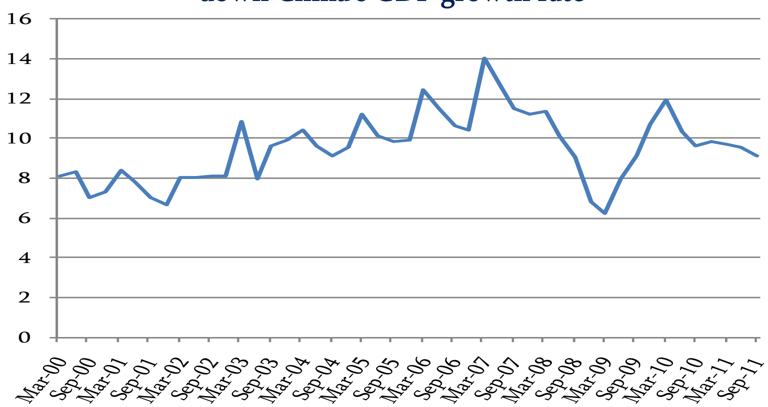
Sovereign Debt and Borrowings Remains High



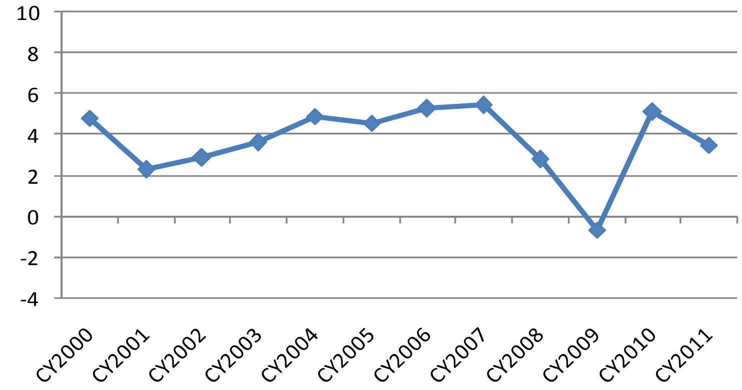
Euro and U.S. GDP growth has been disappointing, given the extent of monetary stimulus



Policy tightening & declining external demand pulled down China's GDP growth rate



Global GDP growth is moderating, as well

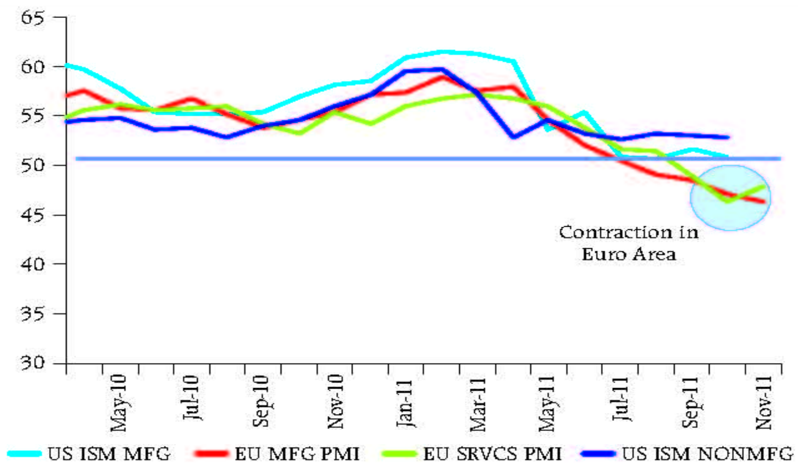


MICROSEC
MICRO FOCUS. MEGA WEALTH

Global recovery looks more prolonged in 2012

Recovery in advanced economies is likely to take longer time than initially anticipated. Forward looking indicators like Purchasing Managers' Indexes (PMIs) have been declining; though there was a marginal uptick in case of the manufacturing sector in the U.S. where better prospects of recovery have been further reinforced by early Christmas Retail Sales data and a drop in the Unemployment Rate. By contrast, the European PMI has slid down to contractionary level providing strong indications of a recession in Europe in 2012.

PMI: Marginal uptick for the U.S. while contraction continues for Europe



In view of the prolonged slowdown in developed economics, reduction of debt levels would entail structural measures which, in some cases, may not be politically expedient. Both the indebted and the bailing-out' countries have to overcome some political resistance to take steps towards effective resolution of the problem and prevent credibility from weakening. In this scenario upcoming policy decisions are going to be the key towards the global economic outlook.

After the recent EU summit which has failed to reverse the negative market sentiments, European governments are likely to make a big step towards fiscal integration soon and that the U.S. Congress extends most of this year's stimulus. Failure on these fronts would risk a full-blown recession, with global GDP growth falling below the 2.5 percent recession threshold.

In case of emerging economies, policy tightening (as inflation has been a major concern in 2011) and falling external demand moderate economic activities. In China, GDP growth number is likely to come at around 9 percent YoY in 2011 against an average of 10.5 percent during 2000–07. In 2012 the scenario is unlikely to change much as global slowdown, domestic housing market weakness and limited room for policy stimulus will lead China towards registering a second year of below-trend growth in 2012.

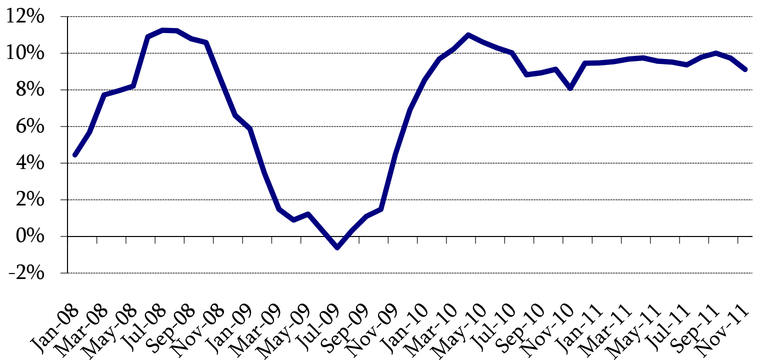
Domestic Economy – a review of 2011

Along with the external headwinds, higher Inflation, moderating GDP growth, falling Industrial output, high interest rates, weak rupee, policy logjam, fund outflows and higher commodity prices led the domestic economy towards a difficult end in 2011.

The picture was totally different in the beginning of 2011. India started the year as a strong growing economy, with a stable currency. Though inflation was on the way up, it was expected that a good monsoon and a correction in commodity prices on account of slow down in euro zone and the U.S. would help to bring it down. Less dependency on global economy and pronounced consumption story were expected to protect the economy from global downtrend. However, Government's policy paralysis and stagnant reform process changed the prospect.

Inflation clearly remained the biggest concern for India in 2011 and compelled the Reserve Bank of India (RBI) to raise rates 13 times in a row totaling 300 basis points. Inflation path has been shaped upward by both demand and supply side factors. Along with aggregate demand on account of rising per capita income (increase in wage, MSP, NREGA), lower productivity of agricultural sector, higher international crude prices, structural imbalance in availabilities of some commodities and pass on of petroleum prices were the main drivers of inflation. There are also substantial distributional and infrastructure inefficiencies that cause prices of goods to jump in a disorderly manner in the event of weather or transportation-related shocks.

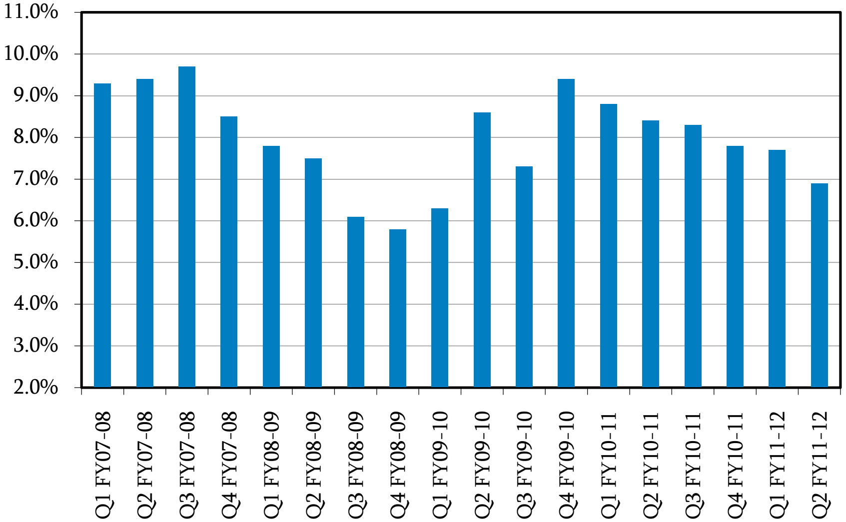
Inflation at elevated level

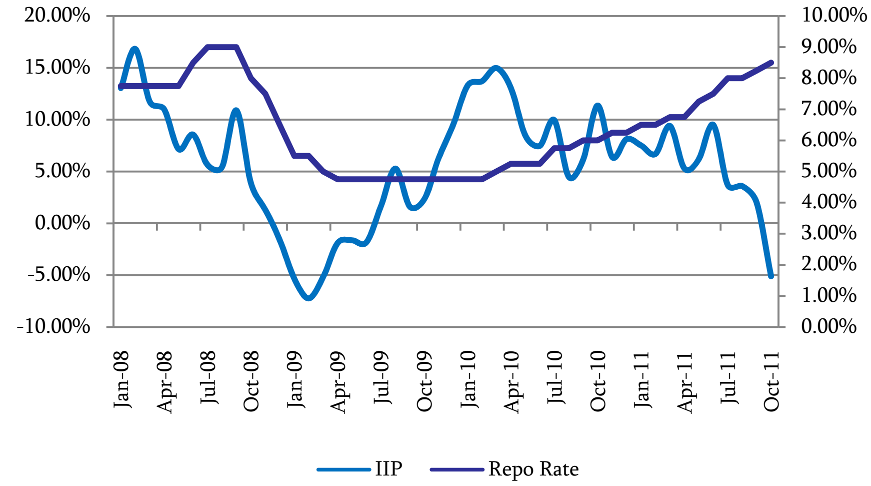


Rising interest rates had its obvious impact on growth. India's GDP grew by only 6.9 percent YoY in Q2 of FY2011-12 from a year earlier, after expanding by 7.7 percent YoY in Q1 of FY2011-12. This was the slowest growth in nine quarters, as the lag effect of policy tightening, runway of inflation and global uncertainty hurt economic activities. In the first two quarters of FY2011-12, GDP growth in India averaged 7.3 percent YoY as compared to 8.6 percent YoY in the corresponding period of last year. Drag in growth number was led by a contraction in Mining sector coupled with a slowdown in Manufacturing activity. The mining sector is facing a slowdown as a result of a poor coal and natural gas production. Industrial production (IIP) for the month of Oct 11' contracted by 5.1 percent YoY which was the first decline since Jun 09'. Production of Capital Goods too fell sharply by 25 percent YoY. Services sector slowdown in comparison has been relatively modest, though downside risks have increased in recent months. Agricultural sector growth momentum has gained some traction in 2011 over 2010 on account of a favorable monsoon.

Cont…

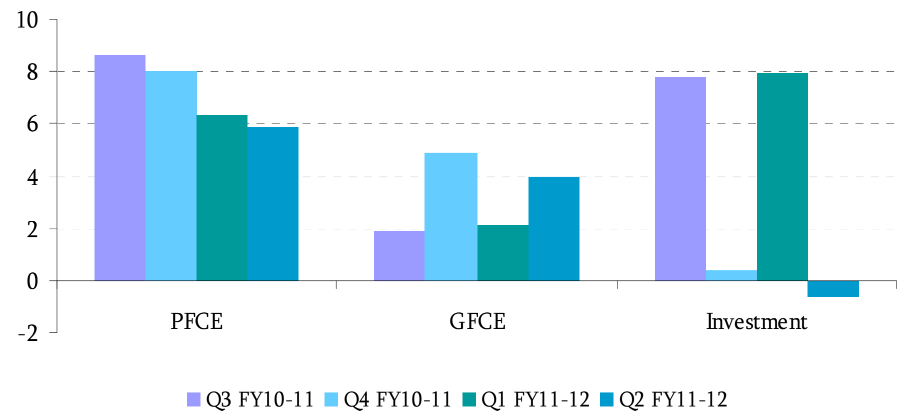
Lag effect of rising interest rate on GDP and specially in industry





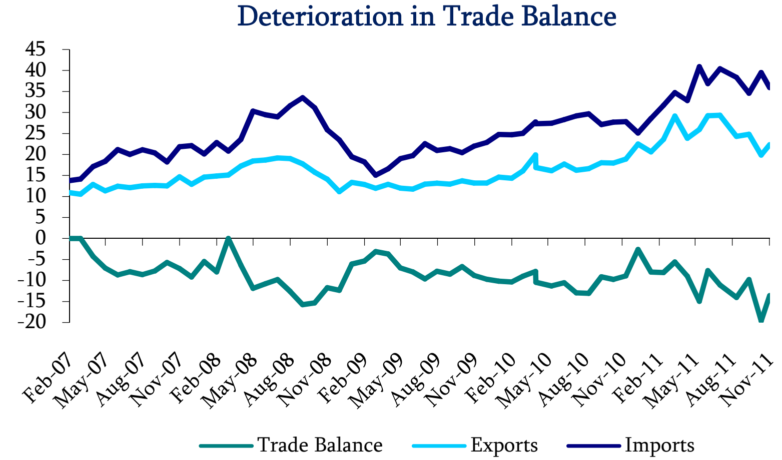
Domestic demand, the prime driver of growth in India, especially during the crisis, also showing weakness. Its components, viz. private final consumption expenditure(PFCE), government final consumption expenditure (GFCE) and investment, recorded deceleration in the first half of FY2011-12. Due to the policy deadlock, high interest rate and economic uncertainty, investment growth decelerated to -0.6 percent in Q2 of FY2011-12 vis-a-vis 7.9 percent in Q1 of FY2011-12.

Declaration in components of domestic demand

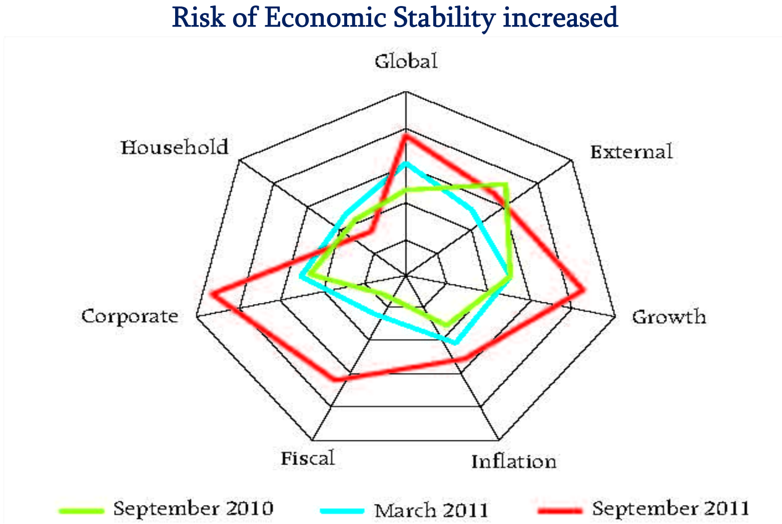


Continued…

The adverse global developments are reflected in the external sector transactions in India. Both the IMF and WTO have projected a lower growth in world trade volume. Though the depreciation of INR help Indian exports a bit, slowdown in economic activities in India's two biggest markets - the U.S. and Europe, accounting for about 30 percent of total shipments dampen the demand. Industry sectors which depend heavily on European markets were the worst hit, like the electronic goods sector - witnessing a sharp fall in exports in recent time. Also the increasing cost of credit might have a negative impact on exports, especially the small and medium sector, which accounts for 40 percent of the India's total exports. On the other hand, higher oil prices and a depreciating rupee keep the import bill at a elevated level and resulted in a continued buoyancy in trade deficit.



As a result of these domestic as well as global headwinds, the risk of economic stability has increased. Growth has weakened, fiscal outlook deteriorated on account of higher market borrowing and lower than expected collection of revenue. Declining profit margins have increased the stress in corporate sector. Nevertheless, overall macroeconomic stress has been increased but remain below the levels reached in the aftermath of global crisis.



On the other hand, despite all of these concerns, WPI inflation is expected to moderate below 7 percent YoY by Mar 12', on account of softening prices of essential food items and favorable base effect. Pointing towards the same India's food inflation fell to 0.42 percent YoY for the week ended Dec 17, 11'. This should allow the RBI to start cutting interest rates from Mar-12'. If growth surprises to the downside, rate cuts could come even earlier.

Indian Economic Snapshot

	FY2008-09	FY2009-10	FY2010-11	FY2011-12 E
Key Growth Numbers				
Real GDP Growth (% YoY)	6.8	8	8.5	7.2
Agriculture (% YoY)	-0.1	0.4	6.6	3
Industry (% YoY)	4	8.3	7.8	4.5
Services (% YOY)	9.5	9.7	9.2	8.9
Real Investment Growth (%YoY)	2.7	7.3	8.6	4.1
Real Consumption Growth (% YoY)	7.9	8.7	8	5.9
Real Private Consumption Growth (%YoY)	7.4	7.3	8.6	6.7
Real Government Consumption Growth (% YoY)	10.7	16.4	4.8	2.5
Prices				
WPI Inflation (YoY %) End Year	1.65	10.36	9.68	6.8
USD-INR End Year	50.73	44.92	44.59	51.5
Monetary Sector				
M3 Growth (%YoY)	19.3	16.8	16	16.3
Non Food Credit Growth (% YoY)	17.5	16.9	21.3	17
RBI Policy Rete - Repo	5	5	6.75	8.25
Reveres Repo	3.5	3.5	5.75	7.25
CRR	5	5.75	6	6
External Sector				
Current Account Balance (USD Billion)	-28.7	-38.4	-44.1	-60
Current Account Balance (% of GDP)	-2.4	-2.8	-2.6	-3
Trade Balance (USD Billion)	-118.4	-118.4	-130.4	-146
Savings & Investment				
Savings (% of GDP)	32.2	33.7	33.7	33.6
Investment (% of GDP)	34.9	34.7	34.7	33.2

Source: RBI, IMF, Bloomberg & Microsec Research

YEARLY SNAPSHOT

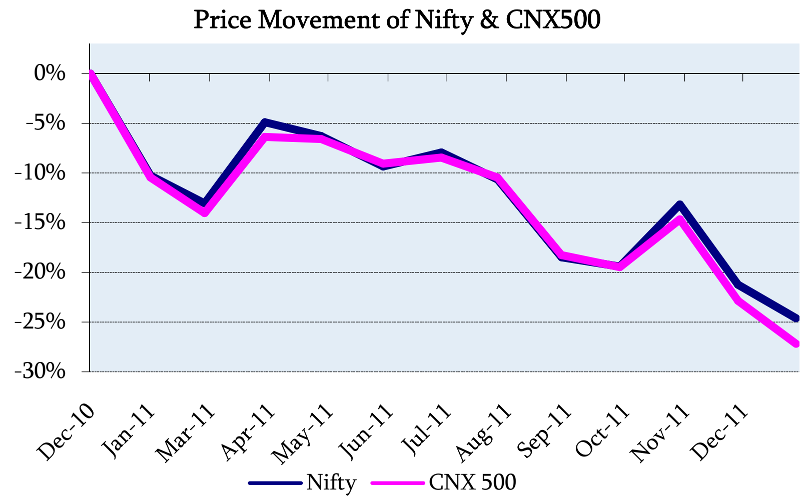
MICROSEC
MICRO FOCUS. MEGA WEALTH

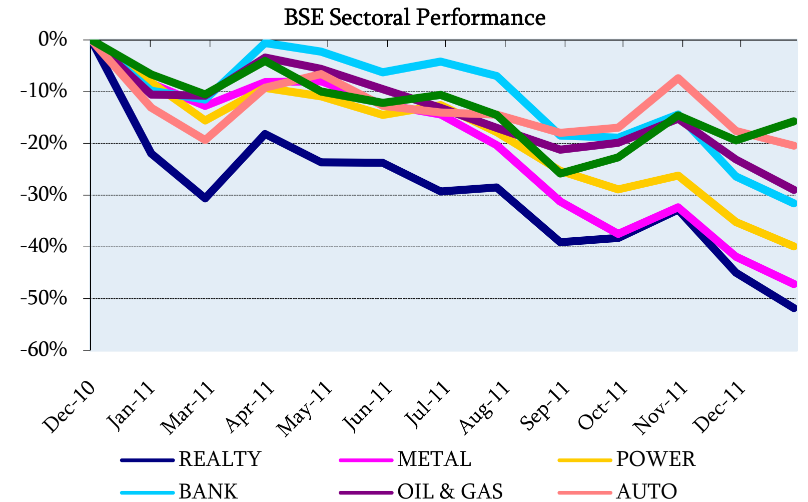
Key Highlights

- Indian stock markets fell sharply in CY11 due to global and domestic factors, primarily on RBI rate tightening due to unabated increase in inflation which crippled growth, INR depreciation and earning downgrades. Nifty registered fall of (24.62)% and CNX500 by (27.19)%. Indian markets were one of the worst performing during the year vis-à-vis to global peers (Refer page 14).

- Markets remained downcast during the year due to policy paralysis, fiscal slippages, earning downgrades, monetary tightening and uncertain external environment weighing heavily on the investment cycle. Indian markets in CY11 has been the second worst year in the history of Indian markets. In USD terms the performance was even more disastrous with losses of ~45% given the 19% decline in the value of the INR. Elevated crude oil prices further fuelled inflation which called for hawkish stance by RBI which affected growth. Rate sensitive sectors were worst performers.

- Yearly returns of major BSE Sectoral Indices:
  Realty – (51.84)%, Metal – (47.19)%,
  Power – (39.91)%, Bank – (31.59)%,
  Oil & Gas – (28.98)%, Auto – (20.44)%
  and IT – (15.72)%

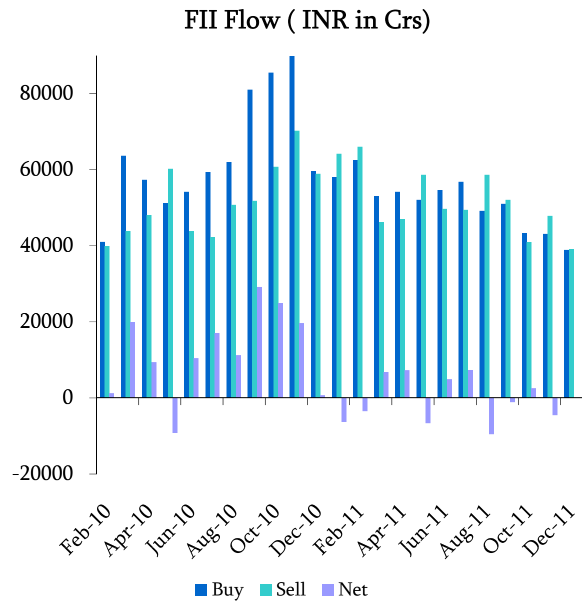


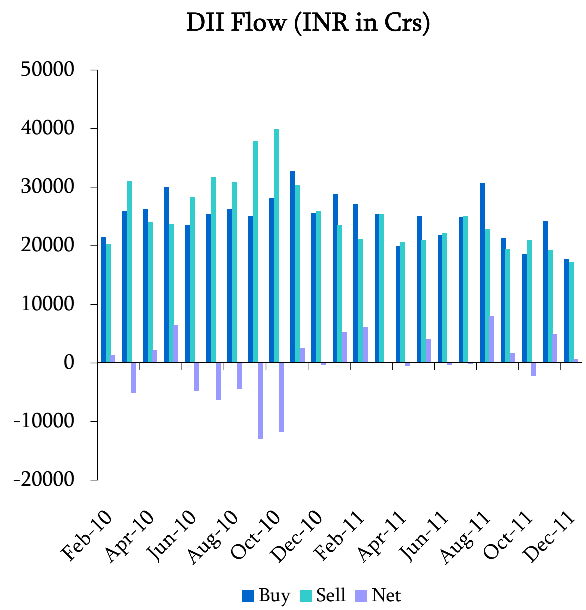


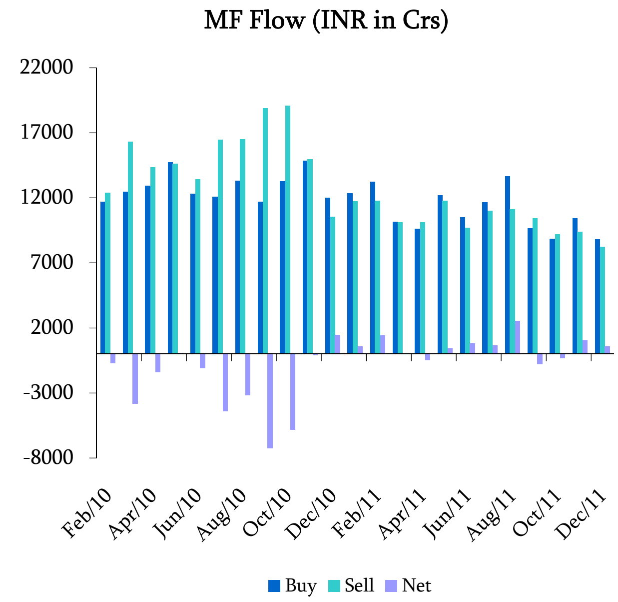
Source: Bloomberg, Microsec Research

Domestic and Foreign Institution

- FIIs were net sellers of INR128.50 crores in the equity segment during the month of Dec 11', whereas during the first 9 months (Apr-Dec) of FY12 they were the net sellers of INR58.14 crores. During CY11 (Jan-Dec) FIIs were the net sellers of INR2889.74 crores.
- DIIs were net buyers of INR592.71 crore in the month of Dec 11', whereas during Apr-Dec FY12 they were the net buyers of INR15726.34 crore. During CY11 (Jan-Dec) DIIs were the net buyers of INR27039.62 crore.







Source: NSE, SEBI, Bloomberg, Microsec Research

Global Market Returns

Particulars	1M %	3M %	6M %	1YR %	3 YR %
DOW JONES INDUS. AVG	1.43	11.95	(2.90)	5.53	35.23
PSEi - PHILIPPINE SE IDX	3.82	9.31	1.88	4.07	133.44
S&P 500 INDEX	0.85	11.15	(6.13)	(0.00)	34.96
NASDAQ COMPOSITE INDEX	(0.58)	7.86	(7.49)	(1.80)	59.61
MEXICO IPC INDEX	0.67	10.67	0.75	(3.82)	59.47
FTSE 100 INDEX	1.21	8.65	(6.97)	(5.55)	22.15
KOSPI INDEX	(1.18)	3.17	(13.09)	(10.98)	62.36
DAX INDEX	(3.13)	7.20	(20.50)	(14.69)	18.61
CAC 40 INDEX	0.16	5.96	(21.15)	(16.95)	(5.67)
FTSE STRAITS TIMES INDEX	(2.08)	(1.08)	(15.69)	(17.04)	44.63
NIKKEI 225	0.25	(2.82)	(14.32)	(17.34)	(4.56)
BRAZIL BOVESPA INDEX	(0.21)	8.47	(9.05)	(18.11)	51.14
HANG SENG INDEX	2.47	4.79	(17.70)	(19.97)	22.55
TAIWAN TAIEX INDEX	2.43	(2.12)	(19.08)	(21.18)	54.03
SHANGHAI SE COMPOSITE	(5.74)	(6.77)	(20.29)	(21.68)	20.79
RUSSIAN RTS INDEX $	(10.32)	3.04	(28.75)	(21.94)	118.47
NSE S&P CNX NIFTY INDEX	(4.30)	(6.45)	(17.82)	(24.62)	51.78
BSE SENSEX 30 INDEX	(4.15)	(6.07)	(17.63)	(24.64)	55.20

Source: Bloomberg, Microsec Research *Note: Returns are as on 30st Dec 2011*

MICROSEC
MICRO FOCUS. MEGA WEALTH

Global Markets Valuation

	Current EPS	PE ratio	FY12E EPS	FY12E PE	FY13E EPS	FY13E PE	Current BV	PB Ratio	FY12E BV	FY12E PB	FY13E BVPS	FY13E PB
INDIAN MARKETS												
SENSEX	1,094.67	14.12	1,149.15	13.45	1,320.39	11.70	6,220.77	2.48	7,225.26	2.14	8,272.28	1.87
NIFTY	340.35	13.59	351.50	13.19	410.09	11.28	2,009.54	2.30	2,280.36	2.03	2,605.85	1.77
U.S. MARKETS												
DOW JONES	968.44	12.62	975.19	12.53	1,066.10	11.46	4,714.59	2.59	4,863.61	2.51	5,418.30	2.25
NASDAQ	116.73	22.32	165.44	15.75	196.29	13.27	989.70	2.63	NA	NA	1,186.02	2.20
S&P 500	94.97	13.24	98.79	12.73	108.38	11.60	614.80	2.05	631.53	1.99	694.88	1.81
MEXICO	1,994.03	18.59	2,600.98	15.89	2,971.19	-	14,742.77	2.51	15,286.21	2.43	15,414.36	2.41
BRAZIL	6,171.49	9.20	6,387.62	10.01	7,239.21	7.84	44,610.55	1.27	49,042.96	1.16	58,200.81	0.98
EUROPEAN MARKETS												
FTSE	559.20	NA	554.57	10.05	597.53	9.33	3,476.75	1.60	3,582.47	1.56	3,904.04	1.43
CAC	341.48	9.25	356.04	9.22	392.66	8.05	2,931.15	1.08	3,094.72	1.02	3,480.31	0.91
DAX	595.43	NA	645.99	9.85	720.34	8.19	4,838.70	1.22	5,060.43	1.17	5,771.19	1.02
RUSSIAN RTS	275.65	5.01	280.72	4.92	264.43	5.22	1,558.75	0.89	1,703.69	0.81	1,910.89	0.72
ASIAN MARKETS												
NIKKEI	509.60	NA	513.38	16.47	658.22	12.85	7,691.29	1.10	7,985.51	1.06	8,490.32	1.00
HANG SENG	2,210.83	8.34	1,837.87	10.03	2,003.19	9.20	13,953.52	1.32	14,309.60	1.29	15,561.29	1.18
SINGAPORE	409.56	6.46	210.67	12.56	224.81	11.77	2,085.04	1.27	2,116.39	1.25	2,243.77	1.18
SHANGHAI	190.73	11.53	207.50	10.60	247.80	8.88	1,232.74	1.78	1,347.48	1.63	1,537.18	1.43
KOSPI	99.75	18.30	214.49	9.81	246.56	7.40	1,709.44	1.07	1,559.69	1.17	1,949.04	0.94
PHILIPPINE SE	280.32	15.60	336.70	14.43	372.48	11.74	1,815.35	2.41	2,045.68	2.14	2,410.53	1.81

Note: Data as on 30st December 2011

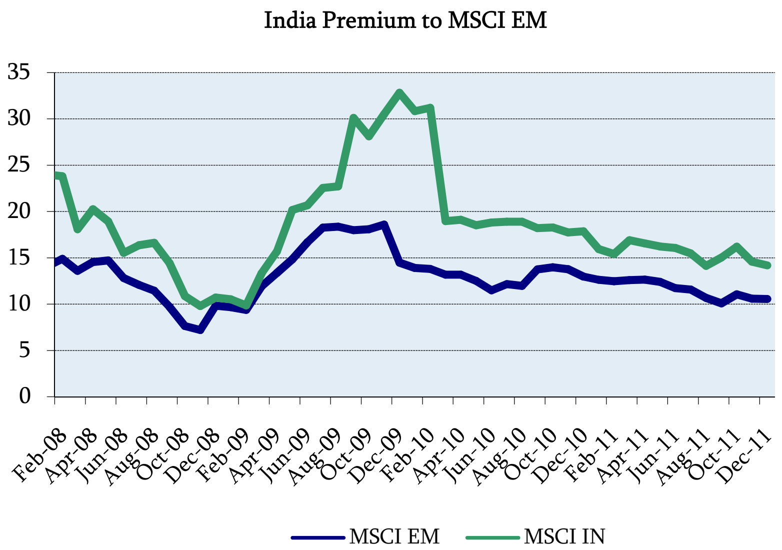
Source: Bloomberg

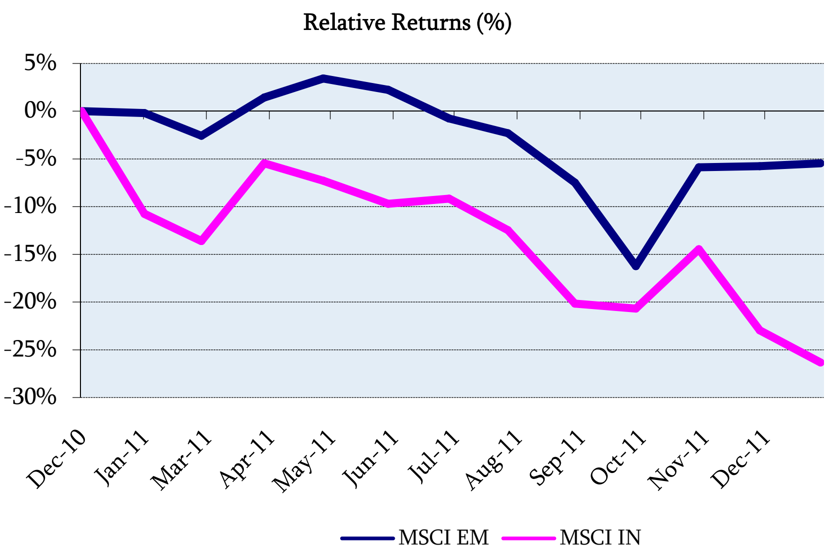
Note: FTSE, DAX & KOSPI index P/E data has discrepancies, Global markets EPS are based on Calendar year

MICROSEC
MICRO FOCUS. MEGA WEALTH

MSCI India performance against other emerging markets

- Over the past 3 years, MSCI India P/E commanded premium over MSCI Emerging Markets. Since Feb 09', Indian markets were at par with the Emerging Markets and are gaining momentum post Jan 10'. Currently, MSCI India Market and Emerging Markets P/E gap has been widening and India is commanding a decent premium. Post the CY11 correction MSCI IN still quoting a handsome premium on valuation front to MSCI EM.
- On a yearly basis, relative returns of MSCI Emerging Markets has outperformed the MSCI India Market. MSCI India declined by (26.33)%, whereas MSCI EM fell (5.45)% in absolute terms over the last one year.





Source: Bloomberg, Microsec Research

MSCI Sectoral Performance

- All MSCI the U.S. and Global peers outperformed India on yearly basis while on quarterly basis MSCI India IT outperformed the US and Global peers.
- On a monthly basis, MSCI India IT outperformed the US and Global peers.

	India			USA			Global		
	1M (%)	3M (%)	1Yr (%)	1M (%)	3M (%)	1Yr (%)	1M (%)	3M (%)	1Yr (%)
Consumer Staple	(1.95)	4.48	6.31	2.65	8.70	10.33	1.97	7.30	5.98
Energy	(12.70)	(12.74)	(29.41)	(0.43)	17.75	1.99	(0.44)	15.86	(1.88)
Finance	(11.13)	(12.40)	(29.35)	1.37	10.27	(17.88)	(1.50)	3.52	(20.71)
HealthCare	(3.75)	3.10	(8.68)	3.94	8.88	10.07	3.90	7.59	7.17
Industrial	(18.61)	(29.52)	(51.12)	1.08	15.92	(3.03)	(0.30)	10.08	(10.03)
IT	1.09	9.82	(14.90)	(1.41)	8.41	1.41	(2.03)	6.61	(3.43)
Material	(12.92)	(12.15)	(40.00)	(1.16)	15.65	(11.26)	(4.60)	5.69	(21.22)
Telecom	(12.34)	(8.34)	(54.75)	3.81	6.09	(0.42)	0.76	2.76	(4.10)
Utility	(7.81)	(6.54)	(33.73)	4.31	7.21	15.17	0.55	0.62	(6.82)

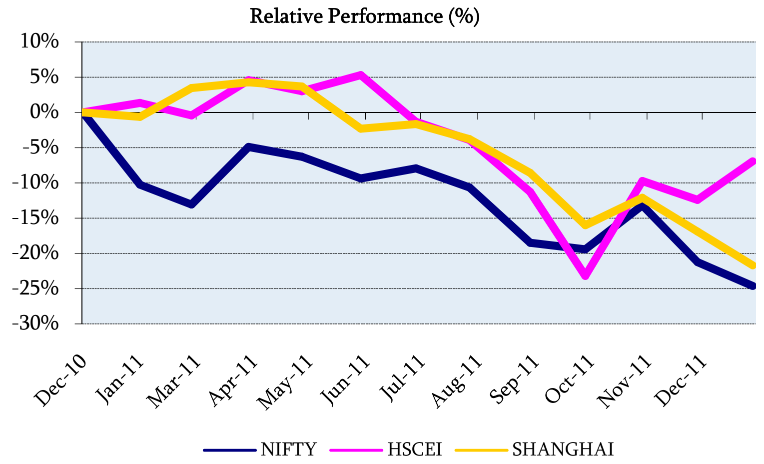
Source: Bloomberg, Microsec Research *Note: Data as on 30th, December, 2011*

Twin Pillars of Emerging Markets

- India and China registered Manufacturing PMI (Purchasing Managers Index) value of 54.2 and 50.3 respectively for the month of Dec 11'. In CY2011 India's PMI has outperformed China in 11 out of 12 months.
- On a sequential basis, India's PMI surged to a six-month high in Dec 11'. India's PMI jumped to 54.2 from 51.0 in Nov 11', its biggest monthly rise since Apr 09', while during the same period, China's PMI rose to 50.3 in Dec 11' from 49.0 in Nov 11'. A reading above 50 means an expansion in manufacturing activity, while one below 50 indicates a contraction.
- China's domestic market (Shanghai composite) declined by (21.68)% in the last one year. However, China's HSCEI declined by (6.93)% in CY11'. In comparison with China, India's Nifty fell by (24.62)% respectively.

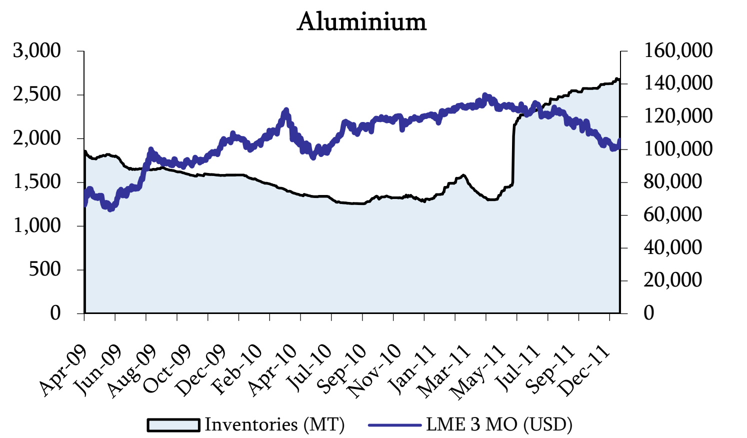
PMI

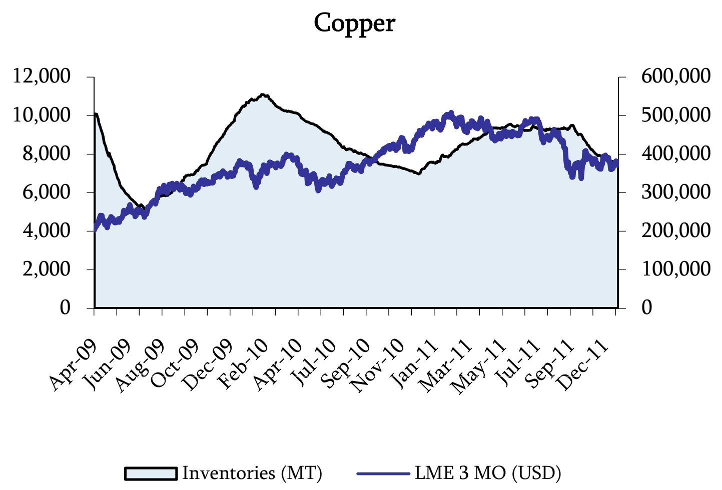
	INDIA	CHINA
Dec-11	54.2	50.3
Nov-11	51.0	49.0
Oct-11	52.0	50.4
Sep-11	50.4	51.2
Aug-11	52.6	50.9
Jul-11	53.6	50.7
Jun-11	55.3	50.9
May-11	57.5	52.0
Apr-11	58.0	52.9
Mar-11	57.9	53.4
Feb-11	57.9	52.2
Jan-11	56.8	52.9
Dec-10	56.7	53.9

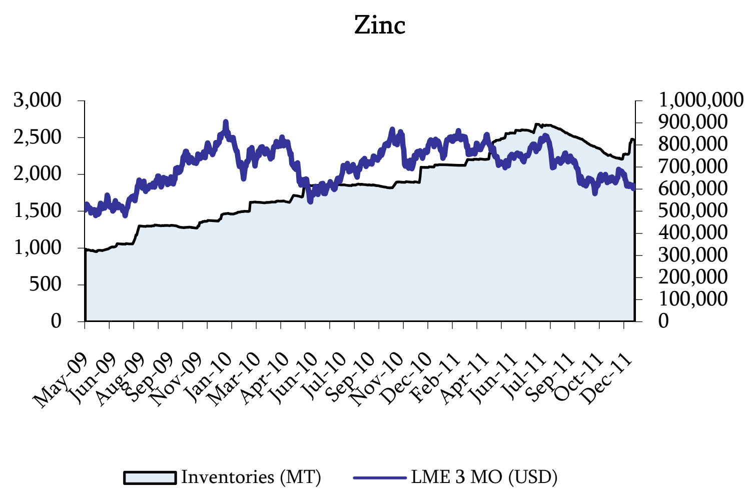


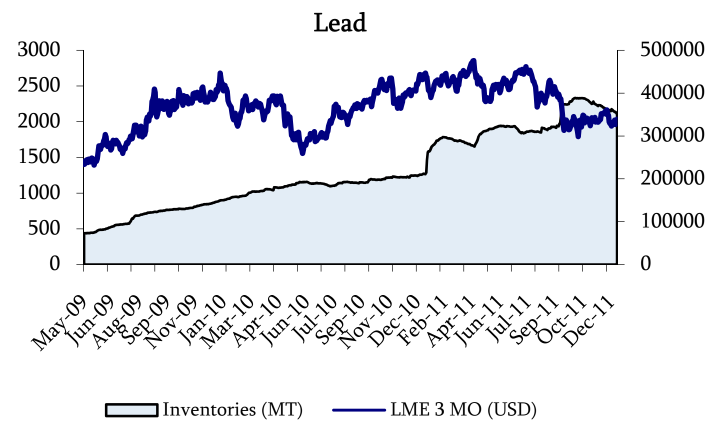
Source: Bloomberg, Microsec Research

LME Base metals





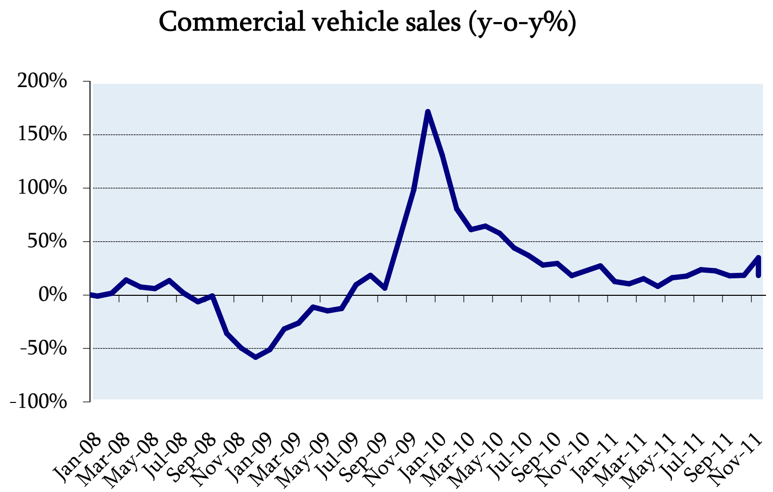


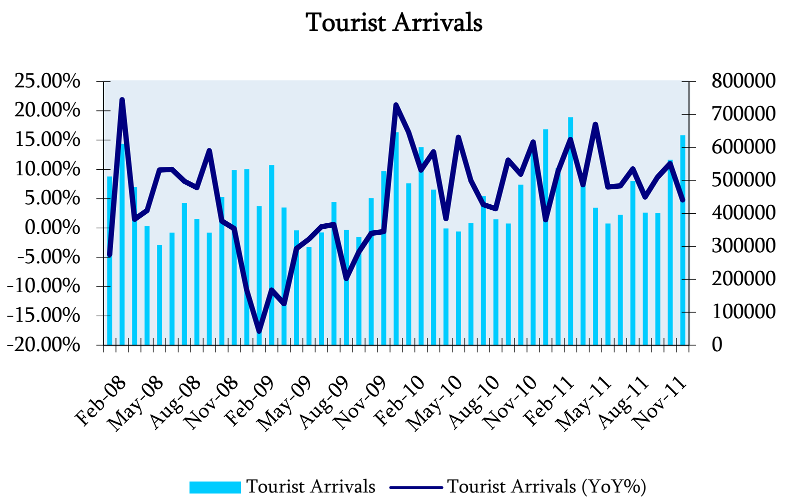


Source: Bloomberg, Microsec Research

Contd…

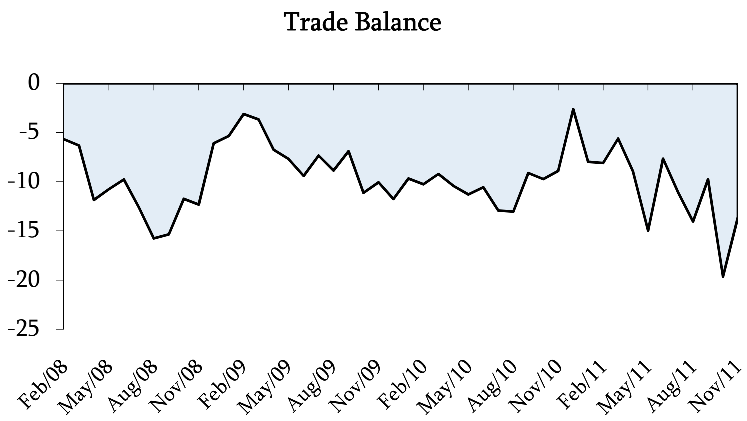
- India's Commercial Vehicles sales during Jan-Nov CY2011 were 701,210 units with a growth rate of 18.68% against 590,825 during the same period of CY2010. During the month of Nov 11' India's Commercial Vehicles sales increased by 35% YoY to 66,264 units against 61,800 units in the previous month. Medium & Heavy Commercial Vehicles (M&HCVs) registered growth at 18.9% YoY and Light Commercial Vehicles grew at 48.0% YoY.
- Tourist Arrivals in India during Jan-Nov CY2011 were 54.2 lakh with a growth rate of 9.96% against 49.3 lakh during the same period of CY2010. In the month of Nov 11', Tourist Arrivals in India increased by 4.8% YoY to 6.37 lakh against 6.06 lakh in the month of Nov10'.

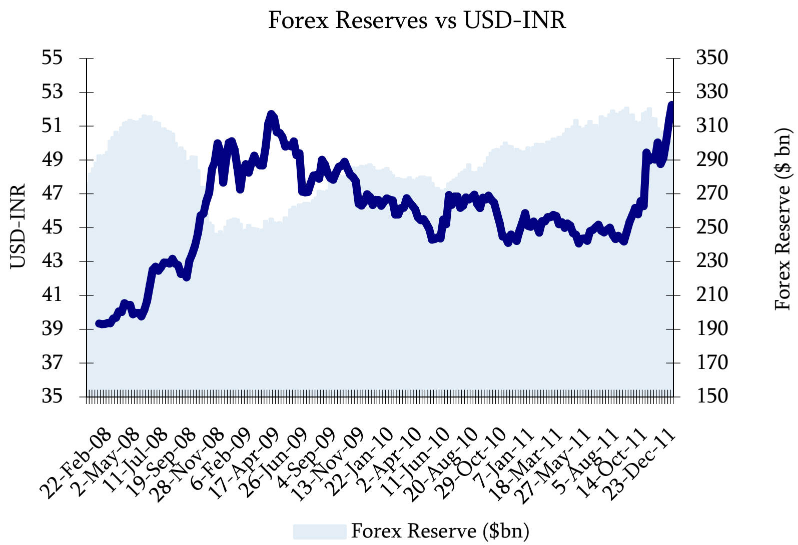




Source: Bloomberg, Microsec Research

Trade Balance & Currency





- Slowdown in major developed countries and a falling INR resulted in a trade deficit of USD121.44 billion in the first 11 months (Jan-Nov) of CY11'. Deficit was USD115.13 billion during the same period of last year. In the month of Nov 11', trade deficit stood at USD13.60 billion against USD19.64 billion in the previous month. In INR terms, trade deficit decreased to INR691,690 million against INR967,610 million last month.
- India's Rupee slumped 18.7% against USD in CY11. On a yearly basis, INR depreciated against USD from 44.7050 to 53.0650. On monthly basis, INR depreciated by 1.64 percent.
- India's Foreign Exchange Reserves increased to USD300.86 billion at the end of CY11' (week ended Dec 23, 11') from USD297.33 billion last year. However, it declined from its peak of USD320.79 billion reached on Sep 02, 11'.

Source: Bloomberg, Microsec Research

MICROSEC
MICRO FOCUS. MEGA WEALTH

Auto & Auto Ancillary

- The Indian automobile sector, which was hit by poor sales growth in 2011, is expected to grow moderately in 2012 due to healthy growth prospects and strong fundamentals of the economy. After the robust 30.8% increase in sales in 2010, growth in domestic automobile sales volumes had slackened to a mere 4.6% in 2011 (January-November).

- Vehicle exports will remain on growth trajectory. Exports of automobiles is expected to grow strongly in 2012 although the industry may not be able to sustain the high growth (27-33%) recorded in the recent couple of years. While two-wheelers dominate with a majority share in total vehicle exports from India, in 2012, all the segments are expected to witness healthy performance.

- Regarding the passenger vehicle segment, the moderation in interest rates which were increased 11 times in 2011—coupled with a stable economic outlook would be the key drivers of sales.

- Rising disposable income, aspirations for a better lifestyle and a slew of new product launches in 2012 would aid overall car sales and would also lead to an increase in sales of two wheelers in the country.

- Both in 2010 and 2011, scooters were the fastest growing two-wheeler segment and in 2012 also we expect sales of scooters to record strong growth. Attractive product offerings, along with rising number of working women and higher aspiration levels among the youth, would keep demand robust.

Source: IBEF, Microsec Research

Cont…

- With prices of steel and rubber likely to remain firm, and an unlikely rise in prices of other commodities coupled with the auto industry resorting to cost-cutting measures, the industry is expected to maintain profit margins.

Auto& Auto Ancillary Sector Matrix With Current estimated number (30th Dec 2011)

Automobile Companies		EPS			BVPS			P/E			P/BV		
	CMP	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E
Bajaj Auto Ltd	1592.80	119.40	108.13	118.39	166.12	281.40	358.24	12.26	14.70	13.43	8.81	5.65	4.44
Hero MotoCorp Ltd.	1905.25	100.53	117.24	136.12	148.03	183.11	230.33	16.46	16.25	14.00	10.74	1040.00	8.27
Mahindra & Mahindra Ltd.	683.05	53.46	51.73	61.21	243.13	256.57	301.95	13.10	13.18	11.18	2.88	2.66	2.26
Maruti Suzuki India Ltd.	920.05	82.46	66.61	85.92	495.26	545.18	621.84	15.31	13.79	10.69	2.55	1.68	1.48
Tata Motors Ltd.	178.40	31.05	27.42	30.03	60.41	92.06	120.37	8.04	6.52	5.95	4.13	1.94	1.48

Source: Bloomberg, Microsec Research, Note: (#) numbers as per Calender year

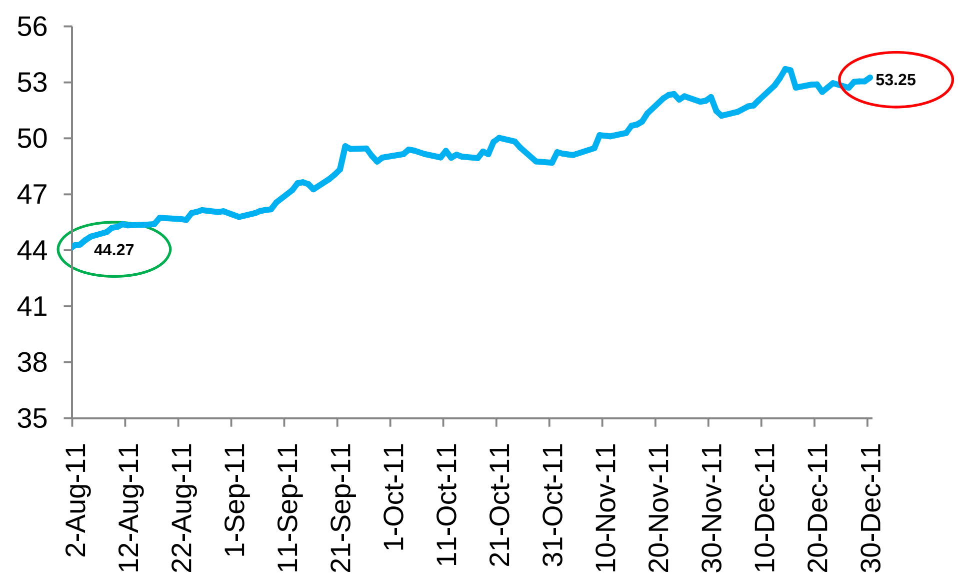
Source: Bloomberg, Microsec Research

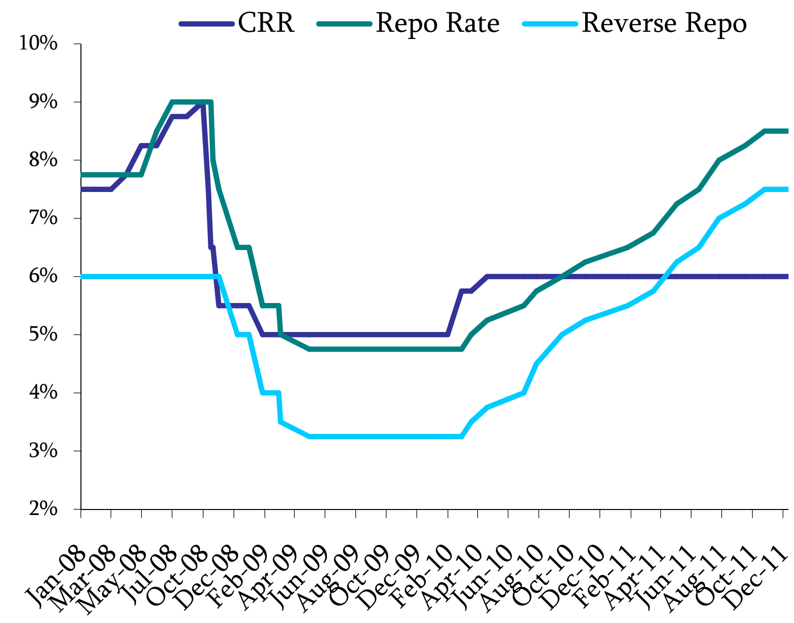
MICROSEC
MICRO FOCUS. MEGA WEALTH

Banking Sector - A Quick Flashback 2011

- In CY2011, the Indian Banks under-performed, mainly because of high inflation, high interest rates, slowing domestic economy, depreciation in rupee, and strong global headwinds.
- During the year, the Bankex dropped by 26% and performance parameters showed a decline of 19% in the credit growth of Indian Banks. The total credit disbursement by banks was INR2,96,762 crore till September 2011 as compared to INR3,54,161 crore in the corresponding period last year. Deposits increased by 43% (YoY) to INR5,05,359 crore, mainly because of high interest rate.
- The higher deposit growth and lower credit growth prompted banks to deploy resources in government securities in a big way. They collectively invested INR2,42,769 crore in these securities in CY2011, as compared to INR1,01,571 crore in CY2010.
- Due to the higher deposits accompanied by high interest rate and lower credit disbursement, the Net Interest Margin (NIM) of Indian Banking Industry declined to 3.22% in Q2FY12 against 3.40% in Q2FY11, depicting a fall of 18bps. It is expected that this trend may continue in the next couple of quarters of CY12.
- On the asset quality front, the Indian Banking sector suffered from high NPA in the second half of the CY2011. The Priority sector, Real Estate, Infrastructure and Retail sectors contributed significantly to the rise in NPAs. The Power and Telecom sectors which together accounted for 77 per cent of infrastructure credit saw a rise in impairments and restructuring. The outcome constrained the Gross Non Performing Assets (GNPA) of 37 listed Indian Banks to cross INR1.06 trillion during the September Quarter from INR790.78bn in the corresponding quarter last year. Loan given to Mining, Power & Realty companies may become NPAs for the Indian Banking sector due to delay in completion of projects.

Dollar Vs Rupee





Source – Bloomberg, Microsec Research

During the year, the Indian currency fell to a record low of nearly INR54.2/USD, since March 2011 mainly, because of high dollar demand by oil companies as well as high interest rate on loan in the country. As a result, there was high demand of loan from overseas countries by Indian corporate through External Commercial Borrowings (ECBs). To tame the volatility of rupee, RBI sought to end speculative trading seen in the currency market in the Nov-Dec period by announcing withdrawal of the facility to cancel and rebook forward contracts by resident and Foreign Institutional Investors (FIIs) and reducing the overnight open position limit of Banks authorized to deal in foreign exchange.

MICROSEC
MICRO FOCUS. MEGA WEALTH

Banking Outlook – 2012

The outlook of the Indian banking sector looks subdued for the first half of CY2012, because the sector has faced profitability issues due to higher funding cost and assets quality pressure. Owing to slowing economy, there could be marginal deterioration in stability. Asset quality is the big concern for INR64 trillion Indian Banking Industry and could remain volatile over the next couple of quarters. Some more pain is expected from Small and Medium enterprises (SMEs) and Agriculture portfolios.

The second half of CY2012 could be positive for the Indian Banking sector. We are bullish on future prospect of the Banking sector in long run. We believe, banks would benefit from the rising GDP growth, as the RBI has targeted the GDP growth between 7.4% to 8.5%. The RBI has paused the interest rates cycle and indicated that the reversal of the rate cycle would help in the credit growth of the banks. We are anticipating a credit growth of 16% for FY13. We believe that the NPA of the Indian banks can come down in the second half of the CY2012.

Banking sector Matrix with Current and estimated numbers (31st Dec 2011)

Particulars		EPS			BVPS			P/E			P/BV		
	CMP	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E
Bankex (TTM)	9153.39	849.15	870.71	1100.39	5641.83	7091.99	8107.34	10.78	10.51	8.32	1.62	1.29	1.13
State Bank of India (SBI)	1619.5	168.28	215.69	266.78	1315	1512	1738	16.43	7.51	6.07	2.10	1.07	0.93
ICICI Bank	684.60	53.54	59.11	69.40	480.15	506.50	549.31	20.85	11.58	9.86	2.32	1.35	1.25
Axis Bank	806.75	81.77	95.19	118.25	460.23	537.93	639.30	17.17	8.47	6.82	3.05	1.50	1.26
Punjab National Bank (PNB)	784.00	140.60	157.26	187.25	678.90	757.26	908.70	8.62	4.99	4.19	1.79	1.04	0.86
HDFC Bank	427.05	17.30	21.18	26.13	109.99	292.99	342.78	27.13	20.16	16.34	4.27	1.46	1.25

Source: Bloomberg, Microsec Research

Cement sector – Outlook 2012

- The current annual capacity of the cement industry is 300 million tonnes, second-largest in the world after China.
- Cement prices in the eastern region have averaged Rs 265 while prices in the western, southern and central regions stood at Rs 260, Rs 255 and Rs 240 respectively per bag in the current month.
- Indian cement demand is expected to grow by 4.5 percent in 2012 which is slightly higher than the 4.4 percent growth rate in 2011. Demand is expected to grow despite the continued cost and regulatory pressures experienced by the real estate and infrastructure sectors.
- The growth in demand is expected to continue to be dampened next year with the utilization rate pegged at 73 percent. The lackluster performance of the industry is seen to continue until 2013 as the industry deals with a slowdown in the Indian economy.

Cement Sector Matrix With Current estimated number (30th Dec 2011)

Cement Companies		EPS			BVPS			P/E			P/BV		
	CMP	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E	FY11	FY12E	FY13E	FY11	FY12 E	FY13E
ACC *	1136.35	57.33	58.92	68.59	334.53	368.94	411.78	18.94	19.30	16.57	3.22	3.08	2.76
Ambuja Cement *	155.40	8.28	8.19	9.19	47.89	52.88	57.70	17.29	18.97	16.89	2.99	2.94	2.69
Ultratech Cement	1160.45	61.39	70.76	83.57	388.50	432.52	529.88	22.68	16.48	13.96	2.91	2.70	2.20

SOURCE: BLOOMBERG,MICROSEC RESEARCH;(*) NUMBERS AS PER CALENDAR YEAR

MICROSEC
MICRO FOCUS. MEGA WEALTH

Consumer Durables-A Hindsight of 2011

- In the year 2011, the estimated `35000crore Indian Consumer Durables industry grew by only 8-9 percent as compared to 13 percent in 2011.

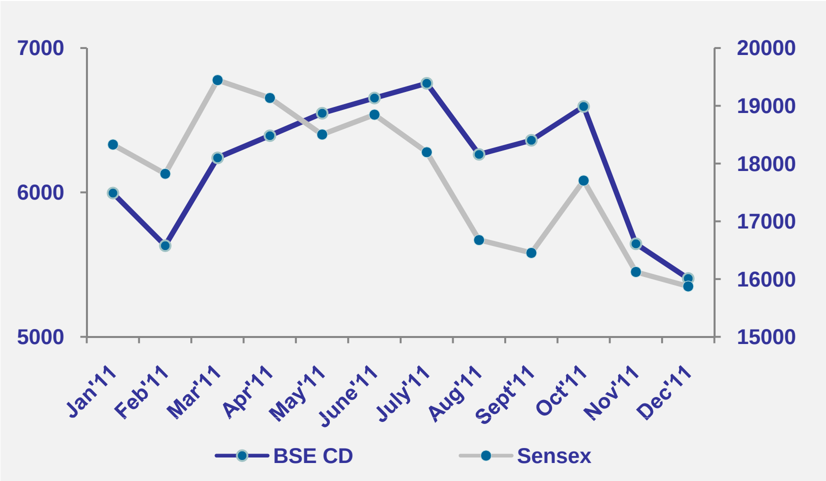
- Industry growth was modest with sales of Air conditioner and Refrigerator segment being hit badly because of late onset of summer, hike in metal prices high interest cost and depreciating Rupee which made imports costlier. As a result of these factors, almost all the companies increased the prices of the products (Air conditioners, washing machines, mobile phones, refrigerators and home appliances) by almost 5-10% during the year. The companies, dealers and trade partners had piled up stocks as they had not been able to liquidate the same and in return most of the companies ended up performing with lower margins and revenues.

- The Air-conditioning & Refrigerator segment which was anticipated to grow by 40% and 20%, grew by 17% and 4% respectively. In the premium segment of Refrigerators, the sales were sluggish. The frost-free segment grew only 0.4% and direct cool segment grew 5.1%.

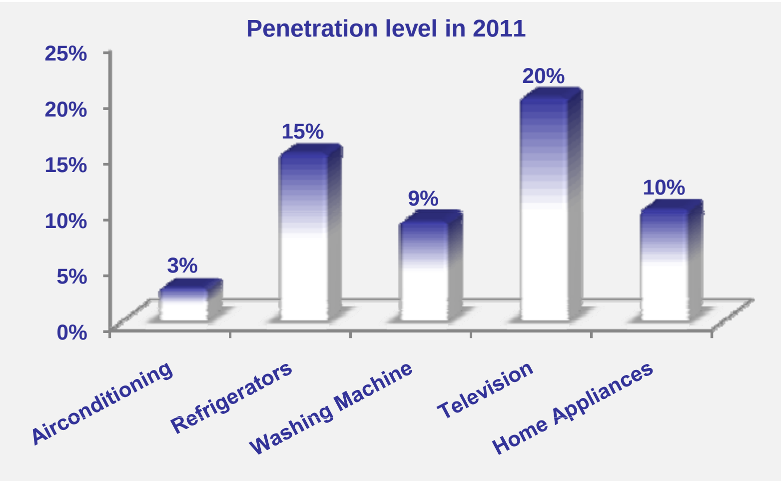
- Sales of high-valued fully automatic washing machines increased 10.3%, while sales of the semi-automatic segment grew just 0.4%.

- Flat panel Televisions, including high value LCD's and LED's, was the only category that posted high double digit growth of 76% during the year.

- Home Appliances grew by almost 10%. Changing demographics in society, with more nuclear families and increasing percentage of floating population is one key reason for the growing demand for home appliances.



Source : BSE India



Source : CEAMA,ASSOCHAM

Top Picks for the Year 2012

Consumer Durables Sector Matrix with Current and Estimated Figures (30th Dec,2011)

Company		EPS			BVPS			P/E			P/BV		
	CMP	FY11A	FY12E	FY13E	FY11A	FY12E	FY13E	FY11A	FY12E	FY13E	FY11A	FY12E	FY13E
Blue Star Limited	168.60	17.90	8.57	16.28	56.84	59.77	69.55	20.75	19.67	10.36	6.53	2.82	2.42
Whirpool of India	155.00	12.18	11.86	17.32	20.05	42.26	61.58	20.98	13.07	8.95	9.14	3.67	2.52
Voltas	73.50	10.80	7.26	8.58	41.15	48.02	54.54	16.92	10.12	8.57	4.44	1.53	1.35
Bajaj Electricals Ltd	155.15	14.63	15.96	19.74	61.83	73.45	85.94	16.03	9.72	7.86	3.79	2.11	1.81

Source : Bloomberg, Microsec Research

Consumer Durables - Outlook for 2012

- The Consumer Durable Industry is likely to grow by 11-12% in 2012 provided there is early onslaught of strong summers, cooling of f in the commodity prices and stability in rupee.

- On the other hand, rising input costs, depreciation of rupee can adversely impact the margins of most of the companies and the inability to take selective hike in prices in premium models can decrease the demand from consumers in the market.

- The changing lifestyle, improving disposable income and people's desire and preferences to move up the value chain together can bring an array of opportunities across the entire price spectrum for the consumer durable sector.

- Further, the major players look forward to initiatives in the Union Budget 2011-12 to improve rural income, reduce tax incidence and fiscal measures to tame inflation, which together can help improve the disposable incomes, and drive up demand for consumer durables.

- Consumer Electronics makers are rolling out exclusive models for big retailers, initiating strategy to differentiate products sold in large chains from those in small shops. Modern retail accounts for only 6% of `35000crore industry. Plans to allow FDI in multi-brand retail will significantly expand the sector.

- Government has planned to invest Rs 10,000crore EDF(Electronic Development Fund) to promote electronic manufacturing. The Government has identified five major recommendations which include setting; up of a National Electronic Mission, EDF, semiconductor wafer fabs, to create policies for preferential access to procure electronic goods, encourage manufacture of specific high priority product lines by providing capital grant and creation of electronic manufacturing clusters.

MICROSEC
MICRO FOCUS. MEGA WEALTH

FMCG Outlook 2012

- Indian FMCG Companies adopted the price hike strategy and effective cost management in the era of high inflation and increasing commodity prices to consolidate its positions in the year 2011.
- 'Premiumisation' was a key strategy employed during the year to tap the growing middle-class segment.
- Indian FMCG Industry is currently estimated to be worth INR 2,60,000 crore contributing 4.8% of GDP.
- As per industry body FICCI, the Indian FMCG market is expected to grow at a rate of 10% over the next 10 years to reach a size of INR 4,13,000 crore by 2015.
- Key challenge for FMCG companies in 2012 would be to come up with proper innovative strategies to tackle with the Standard Pack size norms issued by Ministry of Consumer Affairs which is likely to be implemented from July next year.
- **Our top picks are Hindustan Unilever and ITC.**

Particulars	CMP	EPS			P / E			BVPS			P / BV		
		2011A	2012E	2013E	2011A	2012E	2013E	2011A	2012E	2013E	2011A	2012E	2013E
Hind Unilever	407	9.6	11.6	13.9	42.4	35.0	29.3	13	16	20	32.6	25.3	20.2
ITC	201	6.5	7.9	9.3	31.1	25.6	21.6	21	24	28	9.5	8.4	7.2
Emami Ltd	341	15.9	17.8	21.5	21.5	19.2	15.9	46	56	69	7.5	6.1	5.0
Colgate Palmolive	991	31.9	32.9	38.1	31.1	30.1	26.0	24	33	40	40.9	29.8	25.1
Nestle India	4,095	84.9	106.4	132.3	48.2	38.5	31.0	89	135	182	46.2	30.4	22.4
Dabur India	99	3.2	3.8	4.6	31.1	26.2	21.8	8	10	12	12.4	10.1	8.1

Fertilizer sector – Outlook 2012

India is the 2nd largest importer in fertilizers. Population growth at 1.4% per annum requires around 2% growth in food production and for that adequate amount of fertilizers are required. Our long term view about fertilizer sector is positive. But due to the Government regulation and policy paralysis, we are little bit cautious in CY12.

The present situation and short term view on urea is bright as huge price increase in complex and nutrient based fertilizers left farmers with no option but to purchase urea, which is the cheaper than complex and other nutrient based fertilizers. But the unavailability of domestic gas, rising trend in international gas price may create margin pressure for urea makers in CY12 as urea price is to be fixed by Government. Though urea investment policy may be implemented this year but the actual production may come into the place after 2-3 years. On the other hand, due to the slow down in global commodity prices, global fertilizers and its feed stock prices is likely to be reduced. In our view, various tie ups with fertilizer makers and Government, acquisitions of potassium and phosphorus mines in overseas and long term contracts with suppliers are likely to help non urea makers to improve margins in the 2nd half of CY12. Our top pick is Coromandel International.

Fertilizer Sector Matrix with Current and Estimated numbers (31st Dec 2011)

		EPS			BVPS			P/E			P/BV		
	CMP	FY11	FY12E	FY13E	FY11	FY12E	FY13E	FY11	FY12E	FY13E	FY11	FY12E	FY13E
Chambal Fertilizers	75.90	5.78	7.75	8.70	37.87	43.53	49.94	13.13	9.79	8.73	2.00	1.74	1.52
Coromandel Int	275.15	24.66	26.97	30.16	69.43	87.35	105.64	11.16	10.20	9.12	3.96	3.15	2.60
Tata Chemicals	311.35	26.10	34.15	38.04	214.00	242.56	270.15	11.93	9.12	8.19	1.45	1.28	1.15

Source: Bloomberg, Microsec Research

MICROSEC
MICRO FOCUS. MEGA WEALTH

Telecom sector – A Quick Flashback 2011

Continuing with the similar trends of CY2010, the Indian Telecom Sector witnessed a healthy subscriber growth in CY2011 as well. As mentioned in our 'India Strategy' report dated 07 January 2011, average monthly net additions during the year soothed down during the end of the year 2011. Apart from increase in tariffs during, VLR based subscriber noting led to slowdown in subscriber addition pace. Furthermore, pace of decline in ARPU, as expected, was capped with launch of 3G services providing cushion. The ongoing tariff war came to an end during the second half with all players in the industry raising call rates. All new players, except Uninor, failed to perform and now seek help from the government for a policy that enable them to return the spectrum in exchange of the price they paid for the same. With Department of Telecom (DoT) accepting TRAI's recommendations on Merger and Acquisition, a consolidation wave may be witnessed in the sector in the near term. The outcome of the 2G case is still pending and we do not expect early results from the same. On a negative note, Telecom Commission proposed a uniform license fee of 8% and is expected to impose a one time charge on extra 2G spectrum. These factors coupled with DoT's negative view on 3G pacts may remain worrisome.

Telecom sector – Outlook 2012

As expected our top pick Bharti Airtel outperformed broader indices in 2011. With clarity on several issues during the first half of 2012, we believe the sector to outpace the broader indices in H2 CY2012. Bharti, being the leader and with its strong fundamentals could produce gains higher than benchmark indices on an overall basis as well. The already soothed subscriber growth is likely to further moderate during the year. On a pleasant note, industry may witness a reversal in ARPU trends. Although acceptance of uniform license fee and one time charge on extra spectrum proposals may pose near term headwinds for incumbents, it is likely to have a minimal impact in the long run. Reframing of spectrum bands, which we think is unlikely to take place, could also hamper the performance of incumbents. On a consolidated basis, while Bharti and Idea will outperform the broader markets, in our view, RCOM may witness some event based buying interest.

MICROSEC
MICRO FOCUS. MEGA WEALTH

IT sector – A Quick Flashback 2011

For IT industry, CY2011 will be better remembered as a year of dramatic currency movements, led by sovereign debt crisis in the Euro Zone. During the year, USD continued to get favor of strategists whether it was the case of European banks looking weak, US banks looking weak, rating downgrade for the US, or bond yields touching all time high in some of the Euro zone regions. The US Dollar Index, opening the year at 79.12, touched a high of 81.31 in January 2011. After touching an yearly low of 72.70 in April the index is again trading near to its yearly high levels of 80+. INR, which as expected traded almost flat during first half of the year, depreciated sharply from 44.07 per USD in August 2011 to above 53 levels at the fag end of the year.

Despite European woes, Indian IT companies fared well during the year with strong growth in business volumes, especially led by the US. According to NASSCOM estimates, the industry grew 19.1% y-o-y to USD88.1 Bn in FY2011, contributing 6.4% of the Indian GDP. Furthermore, H1 FY2012 results of top domestic IT players remained robust with TCS and Infosys reporting 28.1% and 18.6% top line growth, respectively, during the tenure. Apart from volumes, remaining insulated from European crisis so far, depreciation in INR contributed to this growth.

IT sector – Outlook 2012

According to latest NASSCOM survey, the industry is expected to witness a 16-18% growth in both IT-BPO exports and domestic IT-BPO in FY2012. While the industry body expects exports to range between USD68-70 Bn, it predicts the domestic market to generate revenues of USD19-20 Bn. Furthermore, development of new opportunities in verticals of BFSI, retail, healthcare and government may lead to Indian IT-BPO revenues of ~USD220 Bn by 2020. Moreover, management of IT companies are optimistic in near to medium term. Considering the limited impact of European slowdown and INR at 20% lower than year ago levels, we believe that the industry will be able to report healthy performance in INR terms as well during FY2012. These conditions with continued volatility in INR may boost the industry’s growth in domestic currency during the rest of CY2012 as well. TCS and Infosys remains our top picks in the sector.

MICROSEC
MICRO FOCUS. MEGA WEALTH

Media sector – Outlook 2012

According to KPMG-FICCI report Indian Media Industry Frames 2011, the Indian Media Industry is expected to grow at a CAGR of 14% through 2015 to INR1.28 Tn. Apart from robust GDP growth, enhanced media reach; digitization, innovative offerings, and increased penetration are expected to fuel this increase. In addition, TRAI's recommendations to digitize the entire nation by March 2015 are likely to support the industry's performance in near to medium term. According to the report, television alone is expected to constitute half of the industry's revenues by 2015. Dish TV is our top pick in the sector.

Key Stocks – BSETeck Index

Particulars	CMP	EPS			P / E			BVPS			P / BV		
		2011A	2012E	2013E	2011A	2012E	2013E	2011A	2012E	2013E	2011A	2012E	2013E
BSETECK Index*	3,380.25	142.35	158.40	197.01	23.75	21.34	17.16	966.45	994.07	1,149.78	3.50	3.40	2.94
Bharti Airtel**	342.90	15.93	16.61	26.40	21.53	20.64	12.99	128.50	145.11	171.51	2.67	2.36	2.00
Reliance Communications	69.85	5.12	4.51	6.59	13.64	15.49	10.60	196.21	193.41	198.38	0.36	0.36	0.35
Idea Cellular	82.00	2.72	2.19	4.24	30.15	37.44	19.34	37.23	39.49	44.01	2.20	2.08	1.86
Infosys Technologies	2,765.05	119.63	135.74	152.68	23.11	20.37	18.11	454.63	537.94	632.37	6.08	5.14	4.37
TCS	1,161.25	42.67	53.88	65.88	27.21	21.55	17.63	125.04	179.08	244.96	9.29	6.48	4.74
Wipro	398.80	21.72	23.19	26.31	18.36	17.20	15.16	91.66	112.69	131.57	4.35	3.54	3.03
Dish TV**	58.85	(1.80)	0.08	1.35	NA	735.63	43.59	0.35	0.43	1.79	168.14	136.86	32.88

*2011A data for BSETECK Index represents TTM data (Data as at 30 December 2011)
**Microsec Estimates
Source: Bloomberg, Microsec Research

Metal & Mining sector – Outlook 2012

Indian Metal & Mining sector did not perform well in CY2011 due to global and domestic factors. Sluggish demand, higher interest rates and forex volatility led to high cost of production. Absence of appropriate Government policy for a sustained raw material availability and environmental clearance issues has darkened the scenario of this sector. In fact this sector was among the worst performing sector compared to other sectors.

Fundamental Outlook- Neutral: (Decreasing Corporate Earning)

Domestic Factors

- Absence of appropriate policy in handling agitation against mining in many states and spiraling energy costs.
- Mining ban in Karnataka, possible ban in Goa increasing concerns for raw material sustainability.
- Sharp fall in metal prices in last 3 months likely to continue (copper -16%, aluminum -16%, zinc -14%, iron ore -14%).
- Weak investment sentiment due to stalled second generation policy reforms and higher interest rates.
- Corporate margins are under pressure driven by higher input costs, interest rates and lower capacity utilization.

Global factors

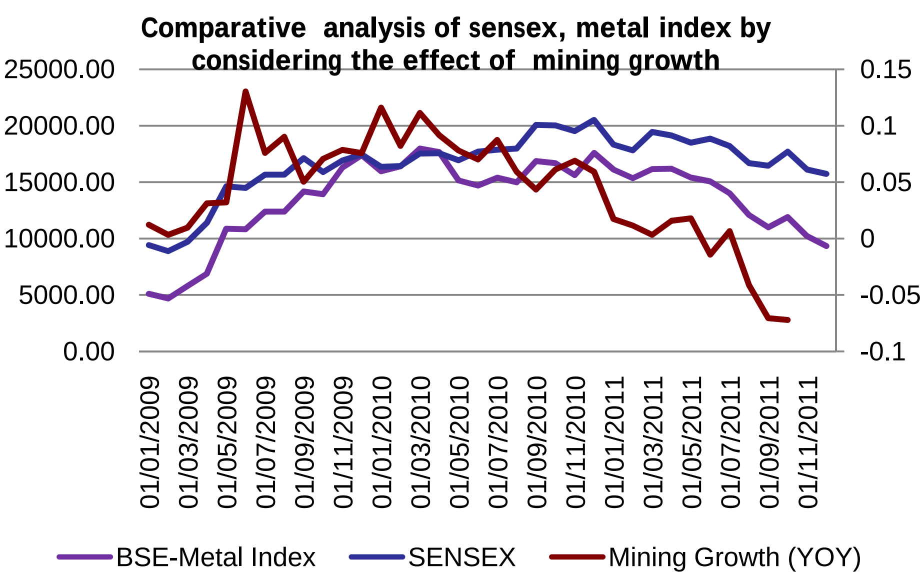
- Falling commodity prices which were due to increasing EU crisis and demand slowdown in China. As India exporting more to EU than in US so feeling the hit due to worsening EU crisis.
- Euro crisis could take much longer to resolve thus India is expected to suffer more as exposure to Europe has increased in last 3 years.
- Most of the company has high FCCB. Sharp depreciation of the INR against the US$ is resulting losses for companies with un-hedged forex loans.
- Depreciating rupee is putting pressure on the costs as imports of oil, coal, metals and minerals and intermediate products will get costlier.

MICROSEC
MICRO FOCUS. MEGA WEALTH

Contd…

Recent Developments

- New Land Acquisition bill was introduced in September, 2011.
- New Mining Bill introduced for mining companies to share their profit and royalty with project-affected people.
- Food inflation fell to a four-year low of 1.81 % in November.
- Growth in key infrastructure output stood around 6.8% in November(0.3% in October).
- Growth in coal output by a 20-month high of 4.9 per cent in November yoy.



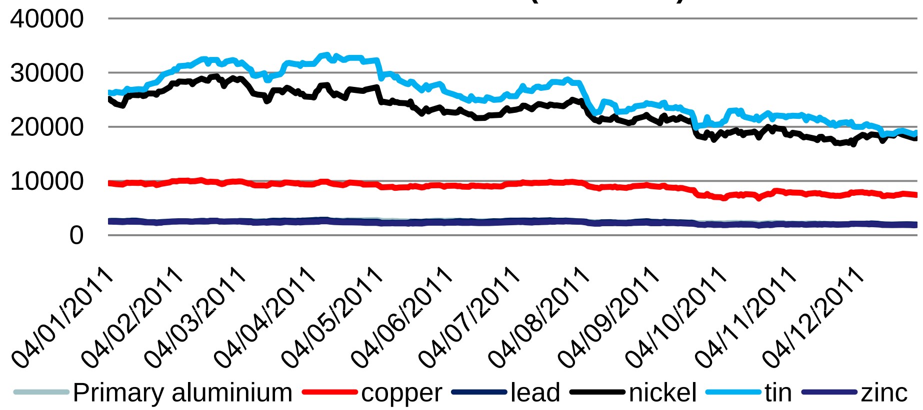
Our View

- We expect that it would be very difficult for companies in the sector to maintain profit in FY2012 until the Global and Local macro situation improves.
- Metal & Mining sector is expected to grow moderately due to moderate expected growth in the Infrastructure in FY12. Lot depends on the actual capital investment in the power, roads and ports.
- Royalty according to New Mining bill will cut profit margins. The Mining Industry, which has been opposing such a provision, may have to incur an additional burden of Rs 10,000 crore, once the Bill is enacted into law.
- Decreasing food inflation and growth in coal production in November may push headline inflation to come down. Hence we are expecting RBI to cut the interest rates after March and thus help companies in their due expansion.
- Growth in infrastructure output brightens the prospects of IIP data for November. Thus indicating good signs for the Metal & Mning sector. It is expected that the index of eight core industries will grow 4.5-5 % in the next three-four months.

Metal & Mining sector – Outlook 2012 – Contd…

Indian crude steel production will grow at a CAGR of around 10% during 2010-2013. Moreover, with the government proactive incentive plans to boost economic growth by injecting funds in various industries, such as construction, infrastructure, automobile, and power will drive the metal & mining industry in future. According to S&P, steel, nickel, aluminum, and possibly coking coal will exhibit negative trends, but the outlook for thermal coal, iron ore, gold, and mineral sands will be more stable in FY12.

LME Price Movement (USD/Tonne)



Source: Bloomberg & Microsec Research

Metal & mining sector matrix with current and estimated numbers (30th Dec, 2011)

	CMP	EPS			BVPS			P/E			EV/EBITDA		
		FY11	FY12E	FY13E	FY11	FY12E	FY13E	FY11	FY12E	FY13E	FY11	FY12E	FY13E
BSE Metal Index	9276	1466	1244	1422	8288	8832	10039	6.33	7.46	6.52	5.40	5.56	4.79
Tata Steel	334	99	52	62	371	406	459	3.37	6.48	5.37	5.53	5.89	4.93
Sail	81	12	11	12	91	98	106	6.81	7.70	6.95	4.71	5.56	4.20
JSW Steel	506	85	55	88	728	777	855	5.98	9.13	5.74	5.13	5.54	4.35
Hindalco	115	13	17	17	152	164	179	8.96	6.94	6.67	5.58	5.27	4.76
Hindustan Zinc	119	12	13	15	53	65	78	10.26	9.00	7.99	6.72	5.88	5.19
NALCO	51	4	4	5	43	47	50	12.27	11.44	10.76	5.72	5.15	4.78
Sterlite India Industries	89	15	17	20	123	142	160	5.93	5.14	4.53	5.46	4.08	3.50
Coal India*	300	17	23	26	55	71	91	17.44	12.95	11.62	9.57	7.51	6.54
Moil	227	35	28	30	127	146	167	6.49	8.22	7.67	5.20	3.20	2.97
NMDC	161	16	20	21	48	65	82	9.82	8.10	7.80	4.34	3.99	3.86

* is under coverage

Source: Bloomberg & Microsec Research

MICROSEC
MICRO FOCUS. MEGA WEALTH

Infrastructure & Construction sector – Outlook 2012

- The Infrastructure Industry tracks the cyclical nature of the economy. During FY10-11, the Industry shifted from the growth phase to the moderation phase because of macro factors like monetary tightening, rising interest rates, trimmed gross domestic product (GDP) estimate and slack demand tracking the global slowdown.
- The India's Infrastructure sector will require investment of about USD 1 trillion in the 12th Five Year Plan, double the amount envisaged in the ongoing plan period. It aims to take up infrastructure projects under public-private partnership (PPP) with minimal private investment.
- Slower order inflow, rising interest rates, regulatory issues and earnings downgrade have been largely discounted by the market. Although the earnings will not improve significantly, concerns over rising interest rates, regulatory issues and execution risks are likely to subside in the short term, thereby leading to outperformance by infrastructure stocks.
- Roads would be the most endearing asset from the perspective of private sector investment in the years to come, as only 2.1m kms (50%) has been upgraded till now. The immediate opportunity on plate is around 9000kms which will throw open investment opportunities of nearly US$20bn.
- In FY12, the construction companies is expected to report a decline in return ratios following moderate growth in earnings. However, during FY13, these companies would report robust growth driven by ongoing concerns waning and the low base of FY12, thereby improving the return ratios. The current valuation indicates the risks and concerns have been factored in and investor sentiment towards the sector is at its lowest level. Hence, a re-rating of the sector is likely to take place. Based on the risk-reward structure, the infrastructure sector provides a good investment opportunity with a long term perspective of 3 years.

MICROSEC
MICRO FOCUS. MEGA WEALTH

Cont…

Our top picks in the Infrastructure & Construction sector are Larsen & Turbo, Reliance Infrastructure.

Infrastructure & Construction sector Matrix with Current and estimated numbers (31 Dec 2011)													
	CMP	EPS			BVPS			P/E			P/BV		
		FY11	FY12E	FY13E	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E
L&T	995.00	73.19	78.65	89.71	411.43	440.93	505.69	22.82	12.65	11.09	4.01	2.26	1.97
Reliance Infrastructure Ltd	340.45	62.05	60.24	72.42	882.79	906.71	969.28	11.12	5.65	4.70	0.78	0.38	0.35
Jaiprakash Associates	52.40	4.82	5.99	6.90	50.69	59.17	65.69	11.00	8.74	7.59	1.83	0.89	0.80
Punj Lloyd	39.55	-1.54	2.71	4.79	89.69	92.07	96.67	NA	14.59	8.26	0.72	0.43	0.41
GVK Infra	11.52	0.98	1.15	1.46	21.44	26.58	28.16	26.40	10.25	8.05	1.21	0.43	0.41
IRB Infrastructure	129.95	13.61	14.58	16.17	73.19	90.27	106.62	15.58	8.91	8.04	2.90	1.44	1.22
Nagarjuna Construction	33.35	8.66	5.71	6.90	100.11	101.92	107.34	11.64	5.84	4.83	1.01	0.33	0.31

Source : Bloomberg & Microsec Research

MICROSEC
MICRO FOCUS. MEGA WEALTH

Textile sector – Outlook 2012

- The Indian textile industry is a key pillar of Indian manufacturing, contributing to 14% of industrial production and 17% to country's export earnings.
- Under 11th Five Year Plan (FYP) it was projected to accelerate to a growth rate of 16% in value and should reach the value of US$115bn (exports US$55bn and domestic market US$60 bn) by 2012. Exports are likely to reach USD 32 billion in 2011-12 and domestic market USD 55 billion – As per Indian Textile Ministry
- Government has enhanced the 11th Five Year Plan allocation for TUFS from Rs. 8000 core to Rs. 15,404 crore.
- Since the rising interest rate scenario is near to its end, high inventory position coming down and yarn prices improving, the indian textile industry is expected to perform better in 2012.
- Key challenges for Indian textile companies will be to keep its leverage position in control .
- **Our Top Picks are Vardhman Textiles, Raymond and Siyaram Silk**

Particulars	CMP	EPS			P / E			BVPS			P / BV		
		2011A	2012E	2013E	2011A	2012E	2013E	2011A	2012E	2013E	2011A	2012E	2013E
Vardhman Textiles	175	82.5	26.1	41.2	2.1	6.7	4.2	362	406	450	0.48	0.43	0.39
Raymond Ltd	310	8.7	27.8	34.1	35.6	11.1	9.1	198	219	244	1.57	1.42	1.27
Siyaram Silk	232	61.5	67.9	82.7	3.8	3.4	2.8	234	289	359	0.99	0.80	0.65

MICROSEC
MICRO FOCUS. MEGA WEALTH

Sugar & Tea sector – Outlook 2012

- India is the 2nd largest Sugar producer and biggest consumer in the world. During October 2011 to September 2012 season, Sugar production in India is estimated at 25-26 Mn tons against annual demand of 22 Mn tons. Our outlook for CY12 is neutral as rise in cane procurement price and softening of global sugar prices may impact the margins of the industry. On the other hand, mounting per capita sugar consumption with the growing population as well as income, may increase volume growth. In addition to that, lower sales quota and expected discontinuation of levy Sugar regime are likely to help sugar industry as a whole in the CY12.

- Outlook for Tea sector looks very promising with nearly six lakh hectares area under cultivation, the domestic Tea industry is expected to grow at a CAGR of 15 percent going forward. This year final production count is expected to be 966 Mn kg which would be 1-2 percent lower than last year. As observed, there is rapid change in market scenario and technological advancement in agri business, there is enormous scope and potential for growth in Tea industry. We may expect some marginal rise in prices of CTC segment tea due to lower production and even tough competition from China, Sri Lanka, UK, Kenya and Japan.

Sugar & Tea sector Matrix with Current and estimated numbers (31st Dec 2011)

Sugar Companies		EPS			BVPS			P/E			P/BV		
	CMP	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E
Bajaj Hindustan#	23.80	0.94	-2.17	-0.92	68.41	66.24	62.17	25.35	NA	NA	0.35	0.36	0.38
Shree Renuka Sugar	25.05	-4.52	5.39	6.43	30.89	35.96	42.10	NA	4.65	3.89	0.81	0.70	0.60
Balrampur Chini# *	33.75	6.29	3.61	2.49	50.60	47.95	52.01	5.37	9.36	13.55	0.67	0.70	0.65
Tea Companies													
Mcleod Russel	188.70	22.52	28.56	30.64	138.55	134.25	157.60	8.38	6.61	6.16	1.36	1.41	1.20
Jayshree Tea	82.50	21.52	18.58	21.43	178.03	145.80	162.20	3.83	4.44	3.85	0.46	0.57	0.51

Source: Bloomberg, Microsec Research, Note: (#) numbers as per September year, (*) Current year is FY2010

Power – Outlook 2012

- During the past two years, the power sector witnessed a slowdown in investments due to delay in obtaining environmental clearances, financial closure issues relating to equity contribution, timely supply of critical components for thermal projects, sourcing of fuel linkage and deteriorating SEBs' financial status leading to low demand. All these factors postponed the investment plans of the government as well.
- Around 76GW of projects are going to be commissioned by FY15 even after considering 20% to 25% of slippage in ongoing projects. This translates into a CAGR of 20% and completion of around 21GW/year of incremental capacity in the first three years of the 12th Plan period. This provides strong visibility of accelerated capacity addition in the next three years. Apart from this, the postponed capacity would give a push to announcement of new projects during FY12-15.
- The market has become increasingly cautious due to the risks on account of fuel issues, weak financials of the State Electricity Board (SEBs) whose losses have almost doubled from US$6bn to US$12bn in the past three years due to increase in the spread between average cost of supply and average power tariff and T&D (transmission and distribution) losses, and higher fuel costs as well as lower Plant Load Factor (PLF). Shunglu Committee is a panel set up by the planning commission has suggested remedies on financial mess of SEBs, if implemented whole heartedly it could cut down losses of SEBs
- Lack of fuel availability is negatively impacting the power companies, which could have an adverse impact on PLFs in the near-term. Coal availability in India will now rise at a CAGR of only 5.2% over FY10-15E, which is insufficient to meet power capacity growth of 11.5%.
- The players with captive linkages – domestic or international – would be relatively better placed. Lower demand from the SEBs as well as lower purchase from the open market at high rate continues to impact the private utilities that are banking on merchant business.

MICROSEC
MICRO FOCUS. MEGA WEALTH

Cont…

The sector benchmark index has corrected 34% on a TTM basis. Many of the concerns shown by the market are justified. In our view, further earnings downgrades would result if (1) SEB financials worsen, prompting backing down and PLF reductions, (2) CIL linkage fuel delivery remains tight. Stock performance could remain subdued in the near-term.

Our top picks are **NTPC, TATA Power** and **Power Grid** in that order. We prefer NTPC on account regulated business model (which provides safety in uncertain environment) and high visibility over upcoming projects.

Power sector Matrix with Current and estimated numbers (31 Dec 2011)

	CMP	EPS			BVPS			P/E			P/BV		
		FY11	FY12E	FY13E	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E	FY11	FY12 E	FY13E
NTPC	160.60	11.34	11.90	12.97	82.93	89.79	97.50	17.03	13.50	12.38	2.33	1.79	1.65
NHPC	18.05	1.88	1.81	2.02	21.57	22.73	24.11	13.44	9.98	8.92	1.17	0.79	0.75
JSW Energy	37.65	5.13	3.15	4.25	34.61	37.22	40.67	13.96	11.94	8.86	2.07	1.01	0.93
CESC	203.40	22.06	27.77	39.65	376.25	386.44	420.99	13.93	7.33	5.13	0.82	0.53	0.48
TATA Power	87.25	8.79	9.01	8.85	55.22	66.71	75.51	15.40	9.68	9.86	2.42	1.31	1.16
Power Grid Ltd	99.90	6.13	6.31	7.29	46.26	50.34	55.26	16.62	15.83	13.70	2.20	1.98	1.81

Source : Bloomberg & Microsec Research

MICROSEC
MICRO FOCUS. MEGA WEALTH

Pharmaceutical sector – Outlook 2012

Despite sharp fall in SENSEX, the BSE Healthcare Index outperformed with a fall of 13% against SENSEX that fell 25% during the CY11. The sharp fall in INR vs the USD partly aided in the outperformed of the sector. As we know the demand of pharmaceutical products is perennial, the growing population along with increasing life expectancy due to the upgraded technology with improved healthcare infrastructure, increasing awareness towards health, insurance coverage is likely to boost this sector. In addition to that, most of the US drugs going off patent during CY2012 that is likely to be beneficial for the Indian Generic manufacturers which have strong presence in overseas market. However, price erosion and stiff competition are likely to create margins pressure. Though our view on healthcare service is positive, we are neutral on Pharmaceuticals as economic slowdown may lead to decline in MNCs investment on R&D that is likely to be negative for CRAMS business. In addition to that new rule (for any merger-acquisition, the overseas investor will have to seek permission from the Foreign Investment Promotion Board) for big ticket acquisitions of domestic firms by MNC is likely to affect the investment in the industry. Due to the expected New Drug Pricing Policy, pharma companies may follow “wait and watch” strategy as they may see how much impact this will have. In this situation, we advise investors not to be sector specific, be the stock specific, but to choose the stocks which have strong balance sheet, healthy product pipeline and proven track record of good performance.

Pharmaceutical Sector Matrix with Current and Estimated numbers

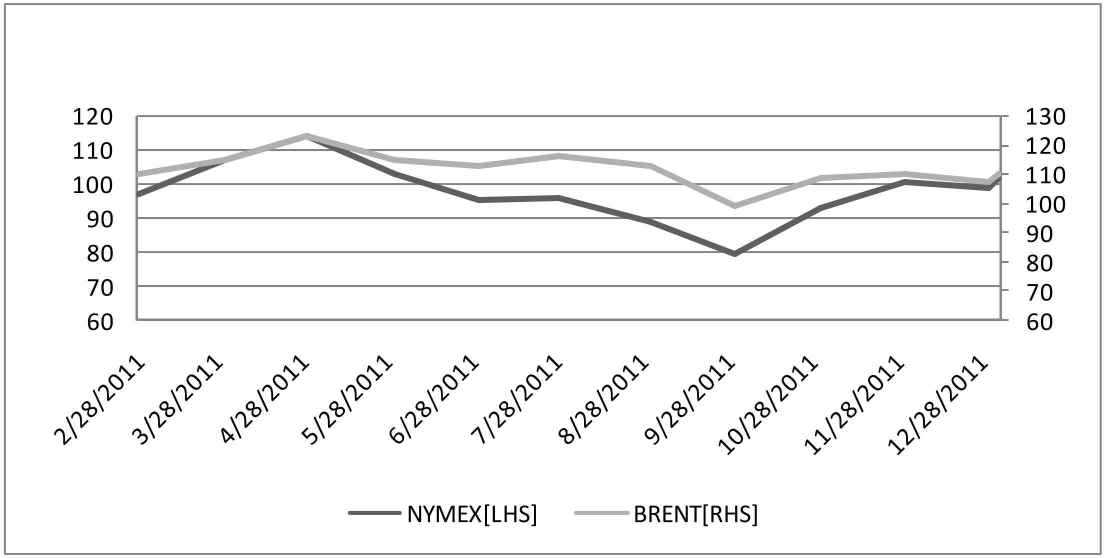
		EPS			BVPS			P/E			P/BV		
	CMP	FY11	FY12E	FY13E	FY11	FY12E	FY13E	FY11	FY12E	FY13E	FY11	FY12E	FY13E
Cipla	319.55	12.85	14.15	16.86	83.02	94.10	107.27	24.87	22.58	18.95	3.85	3.40	2.98
Cadila Healthcare#	704.65	32.89	38.57	49.37	109.32	125.34	169.31	21.42	18.27	14.27	6.45	5.62	4.16
Dr Reddy	1577.95	86.55	77.89	91.51	238.21	330.56	404.20	18.23	20.26	17.24	6.62	4.77	3.90
Ranbaxy	405.25	14.71	22.45	33.77	134.65	149.87	182.47	27.55	18.05	12.00	3.01	2.70	2.22
Sun Pharma	496.85	17.90	21.19	24.85	99.75	108.36	128.43	27.76	23.45	19.99	4.98	4.59	3.87

Source: Bloomberg, Microsec Research; Sep ending CY2011; (#) Microsec coverage

Oil & Gas sector – Outlook 2012

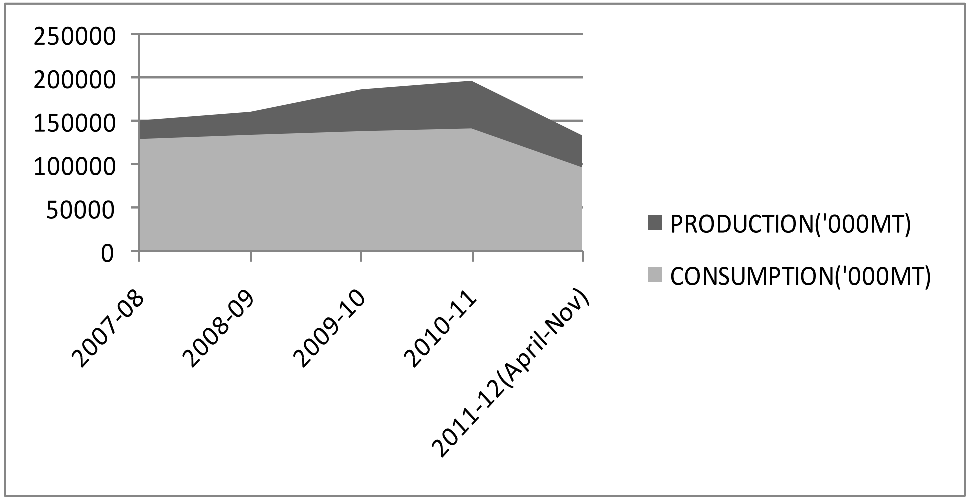
- Robust demand for Oil & Gas is likely to remain in CY12 as the Economy accelerates the pace of growth once the recovery cycle happens.
- After deregulating the price of petrol, the deregulation of the price of diesel is yet to be fructified as the government is not willing to face the wrath of opposition and its allies.
- Pressure in Refining Margins are likely to remain as the supply enhances with the capacity expansion of the various refineries, but the global demand is offset by the weakened economic activities.
- Although the Petroleum and Natural Gas Regulatory Board (PNGRB) is aggressively pushing for deregulation of gas prices to encourage private investment and lure oil companies to invest in exploration and ramp up production from the existing fields, the possibility of price reforms is still remote. Indian Oil Marketing Companies(OMCs) continued to be burdened by the pressure of under-recoveries and the subsidy issues will remain.
- Capex will be high as the Oil & Gas companies have proposed plans for setting up of new refinery as well as capacity expansion of existing refineries.
- Movement of Indian Rupee(INR) will be a key issue to look for the Indian oil companies as rupee depreciation adversely affect the profitability of these companies. Moreover rupee depreciation restricts the oil companies to take advantages of any fall in global crude prices.
- Output from Reliance Industries Ltd operated KG-D6 gas fields has been dipped to 39-40million standard cubic meter per day (mmscmd) from its peak 60mmscmd in end-2009 which leads to increased dependence on imported gas. This implies that natural gas would be more costlier in the times ahead.

contd...



Source:BLoomberg,MicrosecReserch

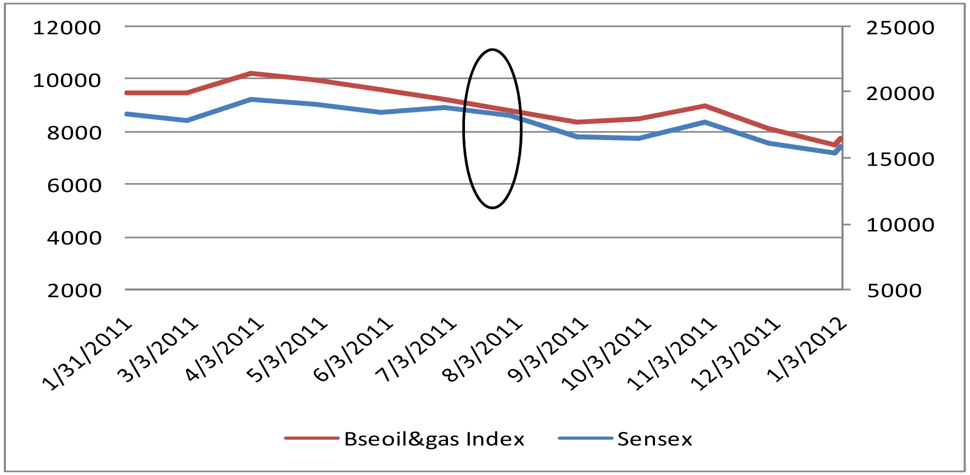
The following chart depicts the movement of NYMEX vis-a-vis Brent Crude Oil in the last 12-months.



Source:PPAC,,Microsec Research

The chart shows the level of crude production as well as the level of consumption in India in the last 5years

contd...



Source:Bloomberg,MicroseResearch

The chart shows the movement of BSE Oil & Gas Index with respect to the movement of Sensex in the last 12 months

The total export of crude oil and petroleum products in the CY2011(Apr-Nov) was INR173284cr while the total import for the same period stood at INR 446674 crores. **Our top pick for the year is GAIL, Cairn India and RIL.**

Oil and Gas Exploration sector Matrix with Current and estimated numbers (31Dec 2011)

Particulars		EPS			BVPS			P/E			P/BV		
	CMP	FY11	FY12 E	FY13E	FY11	FY12E	FY13E	FY11	FY12 E	FY13E	FY11	FY12E	FY13E
ONGC	256.60	26.25	33.24	35.39	134.79	168.11	190.45	11.10	7.76	7.29	2.16	1.53	1.35
Reliance Industries	692.95	67.80	69.96	74.90	516.91	550.52	614.90	16.20	10.26	9.57	2.03	1.29	1.16
Gail	383.65	31.70	32.19	34.87	167.23	187.91	211.57	14.64	11.87	10.96	2.77	2.03	1.81
BPCL	477.80	45.22	40.83	55.57	424.59	454.65	493.17	13.53	11.70	8.60	1.44	1.05	0.97
Cairn India	314.25	33.36	39.80	45.76	211.85	247.92	288.30	10.52	7.64	6.65	1.66	1.23	1.06
HPCL	252.95	50.31	36.80	47.82	392.22	412.69	442.89	7.09	6.87	5.29	0.91	0.61	0.57
IOC	253.75	32.25	28.44	37.51	237.13	257.96	284.87	362.50	8.88	6.73	1.40	0.98	0.70

Source: Bloomberg, Microsec Research

Microsec Research Performance

MICROSEC
MICRO FOCUS. MEGA WEALTH

Stocks Recommended						Benchmark (Nifty Index)				Benchmark (CNX MidCap Index)			
Stocks Covered	Rating	Rec Date	Rec Price	CMP (31/12/11)	Chg (%)	Rec Level	Current Level	(%) Chng	Alpha Generation	Rec Level	Current Level	(%) Chng	Alpha Generation
LIC Housing Finance (28/09/10)	TA/BP	21 Jun 08'	278.00	1444.00	419.4%	4347.55	6029.50	38.7%	380.7%	5890.20	9270.05	57.4%	362.0%
REC Ltd. (19/05/09)	TA/BP	05 Sep 08'	91.00	144.00	58.2%	4352.30	4318.45	-0.8%	59.0%	5733.10	4747.90	-17.2%	75.4%
Cummins India (31/12/11)	BP	4 July 08'	166.67	348.85	109.3%	4585.60	4624.30	0.8%	108.5%	5149.10	6111.85	18.7%	90.6%
R.Com (5/09/09)	DC	05 Sep 08'	393.95	292.05	-25.9%	4352.30	4680.40	7.5%	-33.4%	5733.10	6117.20	6.7%	-32.6%
Idea (21/06/09)	DC	21 June 08'	104.85	80.85	-22.9%	4347.55	4235.25	-2.6%	-20.3%	5890.20	5308.20	-9.9%	-13.0%
Thermax (11/08/08)	TA/BP	07 July 08'	393.70	495.80	25.9%	4030.00	4620.40	14.7%	11.3%	5191.50	5991.70	15.4%	10.5%
Yes Bank (31/05/11)	BP	19 Feb 09'	59.65	300.35	403.5%	2789.35	5560.15	99.3%	304.2%	3285.60	8064.80	145.5%	258.1%
South Indian Bank (31/05/11)	BP	19 Feb 09'	4.51	23.95	431.0%	2789.35	5560.15	99.3%	331.7%	3285.60	8064.80	145.5%	285.6%
TTK Prestige (31/03/11)	BP	13 Aug 09'	157.40	2243.70	1325.5%	4605.00	5833.75	26.7%	1298.8%	5927.85	8040.15	35.6%	1289.8%
Corporation Bank	BP	19 Feb 09'	172.65	568.50	229.3%	2789.35	6029.05	116.1%	113.1%	3285.60	9164.25	178.9%	50.4%
Andhra Bank (31/05/11)	BP	19 Feb 09'	54.75	143.15	161.5%	2789.35	5560.15	99.3%	62.1%	3285.60	8064.80	145.5%	16.0%
Emami Ltd (21/06/10)	TA/BP	26 May 09'	139.00	389.00	179.9%	4116.70	5353.30	30.0%	149.8%	5044.00	8079.10	60.2%	119.7%
Indian Overseas Bank (31/12/11	BP	19 Feb 09'	58.45	73.55	25.8%	2789.35	4624.30	65.8%	-40.0%	3285.60	6111.85	86.0%	-60.2%
Hawkins Cooker (31/03/11)	BP	13 Aug 09'	367.00	895.25	143.9%	4605.00	5833.75	26.7%	117.3%	5927.85	8040.15	35.6%	108.3%
Onmobile Global (8/04/09)	TA/BP	27 Feb 09'	229.25	312.20	36.2%	2763.65	3342.95	21.0%	15.2%	3175.70	3659.90	15.2%	20.9%
Federal Bank (31/05/11)	BP	19 Feb 09'	142.20	443.80	212.1%	2789.35	5560.15	99.3%	112.8%	3285.60	8064.80	145.5%	66.6%
Dolphin Offshore (12/01/10)	TA/BP	26 Sep 09'	258.00	440.00	70.5%	4958.95	5210.40	5.1%	65.5%	6606.65	7634.15	15.6%	55.0%
Bank Of India	BP	19 Feb 09'	250.20	442.15	76.7%	2789.35	6029.05	116.1%	-39.4%	3285.60	9164.25	178.9%	-102.2%
Bajaj Electricals (31/03/11)	BP	13 Aug 09'	111.24	234.50	110.8%	4605.00	5833.75	26.7%	84.1%	5927.85	8040.15	35.6%	75.2%
Zodiac Clothing (31/03/11)	BP	13 Aug 09'	200.00	384.35	92.2%	4605.00	5833.75	26.7%	65.5%	5927.85	8040.15	35.6%	56.5%
Pidilite Industries (31/03/11)	BP	13 Aug 09'	70.05	149.65	113.6%	4605.00	5833.75	26.7%	87.0%	5927.85	8040.15	35.6%	78.0%
United Spirits (04/11/10)	BP	16 Oct 09'	987.10	1505.85	52.6%	5142.15	6281.80	22.2%	30.4%	7129.05	9673.45	35.7%	16.9%
PNB (31/05/11)	BP	17 Aug 09'	676.40	1099.70	62.6%	4387.90	5560.15	26.7%	35.9%	5711.70	8064.80	41.2%	21.4%
Bharat Electronic (31/03/11)	BP	22 Sep 09'	1434.95	1683.30	17.3%	5020.20	5833.75	16.2%	1.1%	6605.80	8040.15	21.7%	-4.4%
Engineers India	BP	22 Sep 09'	181.67	325.30	79.1%	5020.20	6029.05	20.1%	59.0%	6605.80	9164.25	38.73%	40.3%
J&K Bank	BP	17 Aug 09'	475.05	767.00	61.5%	4387.90	6029.05	37.4%	24.1%	5711.70	9164.25	60.4%	1.0%
Greenply Industries (31/03/11)	BP	13 Aug 09'	120.40	196.00	62.8%	4605.00	5833.75	26.7%	36.1%	5927.85	8040.15	35.6%	27.2%
ESAB India (04/11/10)	BP	16 Oct 09'	436.00	551.90	26.6%	5142.15	6281.80	22.2%	4.4%	7129.05	9673.45	35.7%	-9.1%
GMDC (31/03/11)	BP	22 Sep 09'	114.15	135.70	18.9%	5020.20	5833.75	16.2%	2.7%	6605.80	8040.15	21.71%	-2.8%
Castrol India (31/03/11)	BP	13 Aug 09'	228.85	441.45	92.9%	4605.00	5833.75	26.7%	66.2%	5927.85	8040.15	35.6%	57.3%
REC Ltd. (31/12/11)	DC	22 Sep 09'	199.05	153.50	-22.9%	5020.20	4624.30	-7.9%	-15.0%	6605.80	6111.85	-7.5%	-15.4%
Karur Vysya Bank	BP	17 Aug 09'	214.14	533.71	149.2%	4387.90	6029.05	37.4%	111.8%	5711.70	9164.25	60.4%	88.8%

Note: as on 31st Dec 2011.

Cont..

Microsec Research Performance (2)

MICROSEC
MICRO FOCUS. MEGA WEALTH

Stocks Recommended						Benchmark (Nifty Index)				Benchmark (CNX MidCap Index)			
Stocks Covered	Rating	Rec Date	Rec Price	CMP (31/12/11)	Chg (%)	Rec Level	Current Level	(%) Chng	Alpha Generation	Rec Level	Current Level	(%) Chng	Alpha Generation
Bata India (28/04/11)	TA/BP	13 Aug 09'	162.00	439.00	171.0%	4605.00	5785.45	25.6%	145.4%	5927.85	8277.80	39.6%	131.3%
Himadri Chemicals (31/12/11)	BP	13 Nov 09'	33.40	47.30	41.6%	4998.95	4624.30	-7.5%	49.1%	5927.85	6111.85	3.1%	38.5%
Balmer Lawrie (31/12/11)	DC	22 Sep 09'	480.00	473.05	-1.4%	5020.20	4624.30	-7.9%	6.4%	6605.80	6111.85	-7.48%	6.0%
Canara Bank (31/05/11)	BP	5 Nov 09'	329.85	544.60	65.1%	4765.55	5560.15	16.7%	48.4%	6691.55	8064.80	20.5%	44.6%
Crompton Greaves (04/11/10)	BP	16 Oct 09'	208.89	330.35	58.1%	5142.15	6281.80	22.2%	36.0%	7129.05	9673.45	35.7%	22.5%
Navneet Publication (31/03/11)	BP	13 Aug 09'	34.84	54.60	56.7%	4605.00	5833.75	26.7%	30.0%	5927.85	8040.15	35.6%	21.1%
Federal-Mogul Goetze (31/05/11)	BP	10 Nov 09'	133.85	256.75	91.8%	4881.70	5560.15	13.9%	77.9%	6997.75	8064.80	15.2%	76.6%
KSB Pumps (04/11/10)	BP	16 Oct 09'	375.50	505.00	34.5%	5142.15	6281.80	22.2%	12.3%	7129.05	9673.45	35.7%	-1.2%
Axis Bank (31/12/11)	DC	17 Aug 09'	866.75	806.75	-6.9%	4387.90	4624.30	5.4%	-12.3%	5711.70	6111.85	7.0%	-13.9%
Container Corp (31/03/11)	BP	22 Sep 09'	1134.15	1200.05	5.8%	5020.20	5833.75	16.2%	-10.4%	6605.80	8040.15	21.71%	-15.9%
Bosch Ltd. (31/05/11)	BP	10 Nov 09'	4366.50	7042.35	61.3%	4881.70	5560.15	13.9%	47.4%	6997.75	8064.80	15.2%	46.0%
Exide Industries (04/11/10)	BP	16 Oct 09'	106.10	162.55	53.2%	5142.15	6281.80	22.2%	31.0%	7129.05	9673.45	35.7%	17.5%
Blue Star (31/03/11)	BP	13 Aug 09'	345.15	369.00	6.9%	4605.00	5833.75	26.7%	-19.8%	5927.85	8040.15	35.6%	-28.7%
Indian Bank (31/03/11)	BP	22 Sep 09'	161.00	232.75	44.6%	5020.20	5833.75	16.2%	28.4%	6605.80	8040.15	21.71%	22.9%
Adhunik Metaliks (31/08/11)	DC	7 Aug 09'	96.15	57.70	-40.0%	4481.40	5001.00	11.6%	-51.6%	5803.00	7294.75	25.7%	-65.7%
Amara Raja Batteries (31/05/11)	BP	10 Nov 09'	156.35	211.10	35.0%	4881.70	5560.15	13.9%	21.1%	6997.75	8064.80	15.2%	19.8%
Cairn India (04/11/10)	BP	16 Oct 09'	280.60	328.90	17.2%	5142.15	6281.80	22.2%	-4.9%	7129.05	9673.45	35.7%	-18.5%
Apollo Tyre (31/05/11)	BP	10 Nov 09'	52.15	68.85	32.0%	4881.70	5560.15	13.9%	18.1%	6997.75	8064.80	15.2%	16.8%
BEML Ltd. (31/03/11)	BP	22 Sep 09'	1100.60	681.95	-38.0%	5020.20	5833.75	16.2%	-54.2%	6605.80	8040.15	21.71%	-59.8%
Bharat Forge (04/11/10)	BP	16 Oct 09'	294.40	373.95	27.0%	5142.15	6281.80	22.2%	4.9%	7129.05	9673.45	35.7%	-8.7%
Vardhaman Tex (9/9/10)	TA/BP	22 Dec 09'	211.30	326.45	54.5%	4985.85	5640.05	13.1%	41.4%	7225.20	9085.25	25.7%	28.8%
JBF Ind (9/9/10)	TA/BP	22 Dec 09'	94.90	161.45	70.1%	4985.85	5640.05	13.1%	57.0%	7225.20	9085.25	25.7%	44.4%
Bombay Rayon (9/9/10)	TA/BP	22 Dec 09'	182.85	260.30	42.4%	4985.85	5640.05	13.1%	29.2%	7225.20	9085.25	25.7%	16.6%
M&M (31/12/11)	BP	29 Dec 09'	526.15	683.05	29.8%	5187.95	4624.30	-10.9%	40.7%	7413.90	6111.85	-17.6%	47.4%
Hindusthan National (30/09/11)	DC	13 Jan 10'	217.00	180.05	-17.0%	5233.95	4943.25	-5.6%	-11.5%	7686.85	7094.00	-7.7%	-9.3%
NIIT Ltd. (31/03/11)	DC	28 Jan 10'	68.20	58.75	-13.9%	4867.25	5833.75	19.9%	-33.7%	7138.20	8040.15	12.6%	-26.5%
Thermax (28/02/11)	DC	27 Feb 10'	589.00	556.15	-5.6%	4922.30	5333.25	8.3%	-13.9%	7167.25	7370.10	2.8%	-8.4%
Whirpool India (28/02/11)	DC	27 Feb 10'	141.00	228.10	61.8%	4922.30	5333.25	8.3%	53.4%	7167.25	7370.10	2.8%	58.9%
Reliance Capital (28/02/11)	DC	27 Feb 10'	784.00	475.45	-39.4%	4922.30	5333.25	8.3%	-47.7%	7167.25	7370.10	2.8%	-42.2%
Opto Circuits (28/02/11)	DC	27 Feb 10'	211.00	248.70	17.9%	4922.30	5333.25	8.3%	9.5%	7167.25	7370.10	2.8%	15.0%
Monsanto India (28/02/11)	DC	27 Feb 10'	1706.00	1555.80	-8.8%	4922.30	5333.25	8.3%	-17.2%	7167.25	7370.10	2.8%	-11.6%
Neyveli Lignite (31/05/11)	DC	4 May 10'	147.45	104.90	-28.9%	5148.50	5560.15	8.0%	-36.9%	7943.70	8064.80	1.5%	-30.4%
Banco Products (27/7/10)	TA/BP	11Jun 10'	103.00	135.70	31.7%	5119.35	5430.60	6.1%	25.7%	7892.30	8366.85	6.0%	25.7%
Lloyd Electric (30/04/11)	DC	11Jun 10'	76.00	62.65	-17.6%	5119.35	5749.50	12.3%	-29.9%	7892.30	8200.95	3.9%	-21.5%

Cont..

Microsec Research Performance (3)

Stocks Recommended						Benchmark (Nifty Index)				Benchmark (CNX MidCap Index)			
Stocks Covered	Rating	Rec Date	Rec Price	CMP (31/12/11)	Chg (%)	Rec Level	Current Level	(%) Chng	Alpha Generation	Rec Level	Current Level	(%) Chng	Alpha Generation
Surya Pharma (24/8/10)	TA/BP	11Jun 10'	167.00	253.00	51.5%	5119.35	5505.10	7.5%	44.0%	7892.30	8942.20	13.3%	38.2%
Patel Engineering (30/04/11)	DC	11Jun 10'	392.00	161.50	-58.8%	5119.35	5749.50	12.3%	-71.1%	7892.30	8200.95	3.9%	-62.7%
Fedders Lloyd (07/04/11)	DC	11Jun 10'	96.00	90.00	-6.3%	5119.35	5885.70	15.0%	-21.2%	7892.30	8419.05	6.7%	-12.9%
JSW Energy (30/06/11)	DC	17 Jun10'	128.35	66.85	-47.9%	5274.85	5647.40	7.1%	-55.0%	8027.10	7971.50	-0.7%	-47.2%
Rallis India (22/07/11)	TA/BP	12 Aug 10'	129.80	160.00	23.3%	5416.45	5633.95	4.0%	19.3%	8610.20	8153.90	-5.3%	28.6%
Kewal Kiran Clothing(12/10/10)	TA/BP	18 Aug 10'	382.00	495.00	29.6%	5479.15	6090.90	11.2%	18.4%	8832.85	9398.40	6.4%	23.2%
Escorts Ltd.(05/10/10)	TA/BP	23 Aug 10'	180.50	234.00	29.6%	5543.50	6145.80	10.9%	18.8%	9002.35	9415.20	4.6%	25.1%
Phillips Carbon (9/09/10)	TA/BP	21 Aug 10'	198.50	240.00	20.9%	5530.65	5640.05	2.0%	18.9%	8930.85	9085.25	1.7%	19.2%
Siyaram Silk Mills (11/11/10)	TA/BP	24 Aug 10'	331.00	431.00	30.2%	5505.10	6194.25	12.5%	17.7%	8942.20	9661.55	8.0%	22.2%
GE Shipping (02/11/10)	TA/BP	24 Aug 10'	302.00	348.00	15.2%	5505.10	6117.55	11.1%	4.1%	8942.20	9561.10	6.9%	8.3%
Coromandel Inter (13/09/10)	TA/BP	31 Aug 10'	528.75	651.00	23.1%	5402.40	5760.00	6.6%	16.5%	8679.85	9183.50	5.8%	17.3%
JHS Svendgaard (30/09/10)	TA/BP	06 Sep 10'	82.00	112.00	36.6%	5576.95	6029.95	8.1%	28.5%	9020.85	9164.25	1.6%	35.0%
Dewan Housing Finance (30/09/11)	DC	08 Sep 10'	277.50	235.10	-15.3%	5607.85	4943.25	-11.9%	-3.4%	9030.00	7094.00	-21.4%	6.2%
Gruh Finance (16/08/11)	TA/BP	08 Sep 10'	399.00	470.00	17.8%	5607.85	5035.80	-10.2%	28.0%	9030.00	7446.40	-17.5%	35.3%
Bank Of Baroda (31/05/11)	DC	08 Sep 10'	838.30	863.40	3.0%	5607.85	5560.15	-0.9%	3.8%	9030.00	8064.80	-10.7%	13.7%
J&K Bank (31/05/11)	DC	08 Sep 10'	782.95	797.85	1.9%	5607.85	5560.15	-0.9%	2.8%	9030.00	8064.80	-10.7%	12.6%
Elgi Equipment (26/10/10)	TA/BP	10 Sep 10'	135.40	161.00	18.9%	5640.05	6082.00	7.8%	11.1%	9085.25	9499.30	4.6%	14.3%
Orient Paper (30/09/11)	DC	11 Sep 10'	61.95	60.45	-2.4%	5640.05	4943.25	-12.4%	9.9%	9085.25	7094.00	-21.9%	19.5%
Eimco Elecon India (30/09/11)	DC	15 Sep 10'	313.20	173.00	-44.8%	5860.95	4943.25	-15.7%	-29.1%	9135.00	7094.00	-22.3%	-22.4%
ONGC	H	21 Sep 10'	340.02	256.95	-24.4%	6009.05	4624.30	-23.0%	-1.4%	9160.90	6111.85	-33.3%	8.9%
Bharti (22/07/11)	TA/BP	21 Sep 10'	365.50	414.70	13.5%	6009.05	5633.95	-6.2%	19.7%	9160.90	8153.90	-11.0%	24.5%
Mirza International (11/11/10)	TA/BP	30 Sep 10'	17.00	26.00	52.9%	6029.05	6194.25	2.7%	50.2%	9164.25	9661.55	5.4%	47.5%
Ceat Ltd. (31/05/11)	DC	10 Nov 09'	155.35	99.20	-36.1%	4881.70	5560.15	13.9%	-50.0%	6997.75	8064.80	15.2%	-51.4%
Tube Investments (20/07/11)	TA/BP	07 Oct 10'	148.00	169.00	14.2%	6120.30	5567.05	-9.0%	23.2%	9469.90	8108.20	-14.4%	28.6%
Oil India	H	08 Oct 10'	1490.90	1192.35	-20.0%	6103.45	4624.30	-24.2%	4.2%	9403.85	6111.85	-35.0%	15.0%
HPCL	H	08 Oct 10'	514.55	251.70	-51.1%	6103.45	4624.30	-24.2%	-26.8%	9403.85	6111.85	-35.0%	-16.1%
IOC	H	08 Oct 10'	422.35	253.75	-39.9%	6103.45	4624.30	-24.2%	-15.7%	9403.85	6111.85	-35.0%	-4.9%
Bajaj Finance	H	29 Oct 10'	774.45	604.00	-22.0%	6017.70	4624.30	-23.2%	1.1%	9360.70	6111.85	-34.7%	12.7%
BHEL (31/10/11)	DC	04 Nov 10'	505.00	317.85	-37.1%	6281.80	5326.60	-15.2%	-21.9%	9673.45	7267.15	-24.9%	-12.2%
JK Lakshmi Cement (31/10/11)	DC	04 Nov 10'	63.40	43.25	-31.8%	6281.80	5326.60	-15.2%	-16.6%	9673.45	7267.15	-24.9%	-6.9%
Graphite India (31/10/11)	DC	04 Nov 10'	93.55	73.95	-21.0%	6281.80	5326.60	-15.2%	-5.7%	9673.45	7267.15	-24.9%	3.9%
Jay Bharat Maruti (31/10/11)	DC	04 Nov 10'	108.00	53.00	-50.9%	6281.80	5326.60	-15.2%	-35.7%	9673.45	7267.15	-24.9%	-26.1%
Max India (31/10/11)	DC	04 Nov 10'	160.25	189.60	18.3%	6281.80	5326.60	-15.2%	33.5%	9673.45	7267.15	-24.9%	43.2%
VA Tech Wabag (31/10/11)	DC	04 Nov 10'	668.84	352.15	-47.3%	6281.80	5326.60	-15.2%	-32.1%	9673.45	7267.15	-24.9%	-22.5%
Tata Chemical	H	22 Nov 10'	378.00	311.35	-17.6%	6110.00	4624.30	-24.3%	6.7%	9296.55	6111.85	-34.3%	16.6%

Cont..

Microsec Research Performance (4)

MICROSEC
MICRO FOCUS. MEGA WEALTH

Stocks Recommended						Benchmark (Nifty Index)				Benchmark (CNX MidCap Index)			
Stocks Covered	Rating	Rec Date	Rec Price	CMP (31/12/11)	Chg (%)	Rec Level	Current Level	(%) Chng	Alpha Generation	Rec Level	Current Level	(%) Chng	Alpha Generation
Aditya Birla Nuvo	H	06 Dec 10'	743.00	746.00	0.4%	5992.25	4624.30	-22.8%	23.2%	8959.30	6111.85	-31.8%	32.2%
IDBI Bank (31/12/11)	DC	07 Dec 10'	161.00	77.80	-51.7%	5976.55	4624.30	-22.6%	-29.1%	8840.15	6111.85	-30.9%	-20.8%
Bharat Forge (31/12/11)	DC	11 Dec 10'	371.25	251.00	-32.4%	5857.35	4624.30	-21.1%	-11.3%	8511.55	6111.85	-28.2%	-4.2%
IFCI (31/12/11)	DC	10 Dec 10'	57.80	21.85	-62.2%	5857.35	4624.30	-21.1%	-41.1%	8511.55	6111.85	-28.2%	-34.0%
Shree Renuka Sugar (31/05/11)	DC	21 Dec 10'	95.10	62.20	-34.6%	6000.65	5560.15	-7.3%	-27.3%	8702.75	8064.80	-7.3%	-27.3%
Tata Elxsi (31/12/11)	DC	22 Dec 10'	291.00	174.95	-39.9%	5984.40	4624.30	-22.7%	-17.2%	8711.70	6111.85	-29.8%	-10.0%
Sintex Ind (31/12/11)	DC	23 Dec 10'	179.60	62.90	-65.0%	5980.00	4624.30	-22.7%	-42.3%	8685.95	6111.85	-29.6%	-35.3%
Dish TV	H	24 Jan 11'	60.95	58.85	-3.4%	5998.10	4624.30	-22.9%	19.5%	8665.20	6111.85	-29.5%	26.0%
Tata Motor	H	28 Feb 11'	216.36	178.40	-17.5%	5333.25	4624.30	-13.3%	-4.3%	7370.10	6111.85	-17.1%	-0.5%
LIC Housing Finance (29/06/11)	TA/BP	28 Feb 11'	188.00	238.00	26.6%	5333.25	5647.40	5.9%	20.7%	7370.10	7971.50	8.2%	18.4%
Elgi Equipment	H	28 Feb 11'	84.00	65.55	-22.0%	5333.25	4624.30	-13.3%	-8.7%	7370.10	6111.85	-17.1%	-4.9%
Godrej Industries	H	28 Feb 11'	162.00	170.95	5.5%	5333.25	4624.30	-13.3%	18.8%	7370.10	6111.85	-17.1%	22.6%
Whirpool India (31/03/11)	TA/BP	09 Mar 11'	238.00	274.00	15.1%	5531.00	5833.75	5.5%	9.7%	7676.90	8040.15	4.7%	10.4%
Mirza International	H	16 Mar 11'	19.00	16.60	-12.6%	5511.15	4624.30	-16.1%	3.5%	7639.70	6111.85	-20.0%	7.4%
Engineers India	H	24 Mar 11'	296.35	205.65	-30.6%	5522.40	4624.30	-16.3%	-14.3%	7747.20	6111.85	-21.1%	-9.5%
National Peroxide (13/04/11)	TA/BP	01 Apr 11'	504.00	579.00	14.9%	5826.05	5911.50	1.5%	13.4%	8129.10	8349.05	2.7%	12.2%
Navneet Publication	H	14 Apr 11'	63.00	51.70	-17.9%	5911.50	4624.30	-21.8%	3.8%	8349.05	6111.85	-26.8%	8.9%
Exide Industries (20/07/11)	TA/BP	19 Apr 11'	140.05	174.50	24.6%	5740.75	5567.05	-3.0%	27.6%	8204.75	8108.20	-1.2%	25.8%
Coromandel Intern (30/06/11)	TA/BP	23 Apr 11'	317.75	350.00	10.1%	5884.70	5647.40	-4.0%	14.2%	8313.95	7971.50	-4.1%	14.3%
Vesuvius Ind	H	27 Apr 11'	371.45	315.00	-15.2%	5833.90	4624.30	-20.7%	5.5%	8338.95	6111.85	-26.7%	11.5%
Bata India (01/08/11)	TA/BP	7 June 11'	509.00	670.00	31.6%	5556.15	5516.80	-0.7%	32.3%	8043.25	8007.35	-0.4%	32.1%
Yes Bank	H	20 June 11'	282.00	238.60	-15.4%	5257.90	4624.30	-12.1%	-3.3%	7732.40	6111.85	-21.0%	5.6%
TCS	H	25 June 11'	1136.20	1161.25	2.2%	5471.25	4624.30	-15.5%	17.7%	7799.10	6111.85	-21.6%	23.8%
ITC	H	19 July 11'	202.00	200.15	-0.9%	5613.55	4624.30	-17.6%	16.7%	8212.90	6111.85	-25.6%	24.7%
HDFC Ltd.	H	17 Aug 11'	646.00	649.45	0.5%	5056.60	4624.30	-8.5%	9.1%	7381.35	6111.85	-17.2%	17.7%
Rallis India	H	19 Aug 11'	162.60	120.65	-25.8%	4845.65	4624.30	-4.6%	-21.2%	7131.25	6111.85	-14.3%	-11.5%
Infosys Ltd.	H	22 Aug 11'	2195.05	2765.05	26.0%	4898.80	4624.30	-5.6%	31.6%	7239.20	6111.85	-15.6%	41.5%
State Bank of Travoncore	H	26 Aug 11'	602.00	456.10	-24.2%	4747.80	4624.30	-2.6%	-21.6%	7044.00	6111.85	-13.2%	-11.0%
Bharti	H	12 Sep 11'	386.00	342.90	-11.2%	4946.80	4624.30	-6.5%	-4.6%	7235.60	6111.85	-15.5%	4.4%
L&T	H	24 Oct 11'	1294.00	995.10	-23.1%	5098.35	4624.30	-9.3%	-13.8%	6982.20	6111.85	-12.5%	-10.6%
RIL	H	24 Oct 11'	846.25	692.90	-18.1%	5098.35	4624.30	-9.3%	-8.8%	6982.20	6111.85	-12.5%	-5.7%
SBI	H	24 Oct 11'	1907.55	1619.50	-15.1%	5098.35	4624.30	-9.3%	-5.8%	6982.20	6111.85	-12.5%	-2.6%
Coal India	H	24 Oct 11'	329.25	300.85	-8.6%	5098.35	4624.30	-9.3%	0.7%	6982.20	6111.85	-12.5%	3.8%
Exide Ind	H	27 Oct 11'	112.70	105.05	-6.8%	5201.80	4624.30	-11.1%	4.3%	7073.65	6111.85	-13.6%	6.8%
Cadila Heathcare	H	19 Nov 11'	712.55	704.65	-1.1%	4905.80	4624.30	-5.7%	4.6%	6639.45	6111.85	-7.9%	6.8%
Hindusthan National	H	9 Dec 11'	147.00	143.65	-2.3%	4866.70	4624.30	-5.0%	2.7%	6654.25	6111.85	-8.2%	5.9%
Hindustan Unilever	H	26 Dec 11'	419.00	407.80	-2.7%	4779.00	4624.30	-3.2%	0.6%	6235.00	6111.85	-2.0%	-0.7%
Total					36.9%			7.5%	29.4%			9.5%	27.4%

Note: CMP in Blue are droped from the coverage as on dated adjacent to the company.
TA/BK - Target Achieved & Book Profit
DC - Droped Coverage
H - Hold
(#) - Adjusted price

Microsec Research: Phone No.: 91 33 30512100 Email: microsec_research@microsec.in

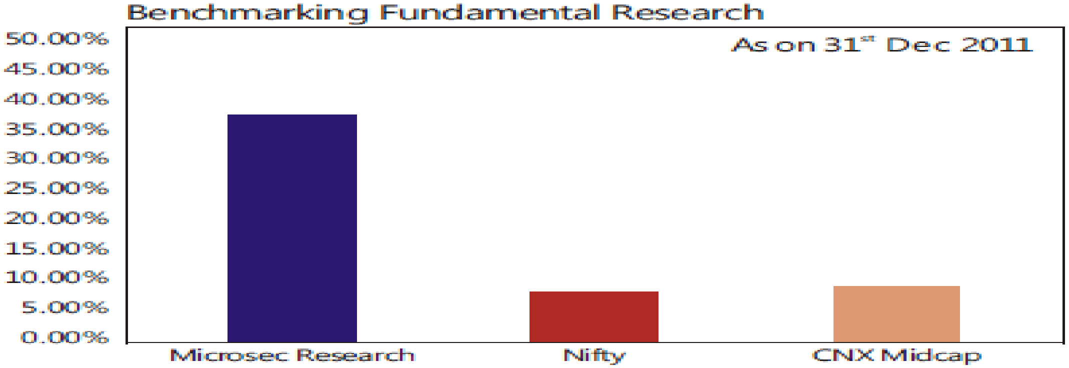
Ajay Jaiswal: President, Investment Strategies, Head of Research: ajaiswal@microsec.in

Fundamental Research			
Name	**Sectors**	**Designation**	**Email ID**
Nitin Prakash Daga	IT, Telecom & Entertainment	AVP-Research	npdaga@microsec.in
Naveen Vyas	Midcaps,Market Strategies	AVP-Research	nvyas@microsec.in
Gargi Deb	Agriculture & Pharma	Research Analyst	gdeb@microsec.in
Sutapa Roy	Economy	Research Analyst	s-roy@microsec.in
Sanjeev Jain	BFSI	Research Analyst	sjain@microsec.in
Anik Das	Mid Cap	Research Analyst	adas4@microsec.in
Neha Majithia	Mid Cap	Research Analyst	nmajithia@microsec.in
Prabir Adhikary	Metal	Research Analyst	padhikary@microsec.in
Soumyadip Raha	Mid Cap	Executive Research	sraha@microsec.in
Saroj Singh	Mid Cap	Executive Research	ssingh2@microsec.in
Technical & Derivative Research			
Vinit Pagaria	Derivatives & Technical	VP	vpagaria@microsec.in
Ranajit Saha`	Technical Research	Sr. Manager	rksaha@microsec.in
Institutional Desk			
Dhruva Mittal	Institutional Equities	Sr. Manager	dmittal@microsec.in
Puja Shah	Institutional Desk	Dealer	pdshah@microsec.in
PMS Division			
Siddharth Sedani	PMS Research	AVP	ssedani@microsec.in
Research: Financial Planning Division			
Shrivardhan Kedia	FPD Products	Manager Research	skedia@microsec.in
Research-Support			
Subhabrata Boral	Research Support	Asst. Manager Technology	sboral@microsec.in

www.microsec.in

Research?

Microsec Benchmark its Research



An amount of Rs 1,00,000 invested individually in all 138 stocks ie, 13,80,0000 investment as and when recommended has appreciated to Rs 1,88,92,914 giving a return of 36.9 percent. On the same basis Nifty has given a return of 7.5 percent and CNXMID CAP has given a return of 9.5 percent.

Microsec benchmark its Research and the same is updated on our website at www.microsec.in. Come, strike the right balance through Benchmarking Research.

Plan and monitor your resources through
www.prpsolutions.com

PRP™ Personal Resource Planning

Club kautilya

MICROSEC
MICRO FOCUS. MEGA WEALTH