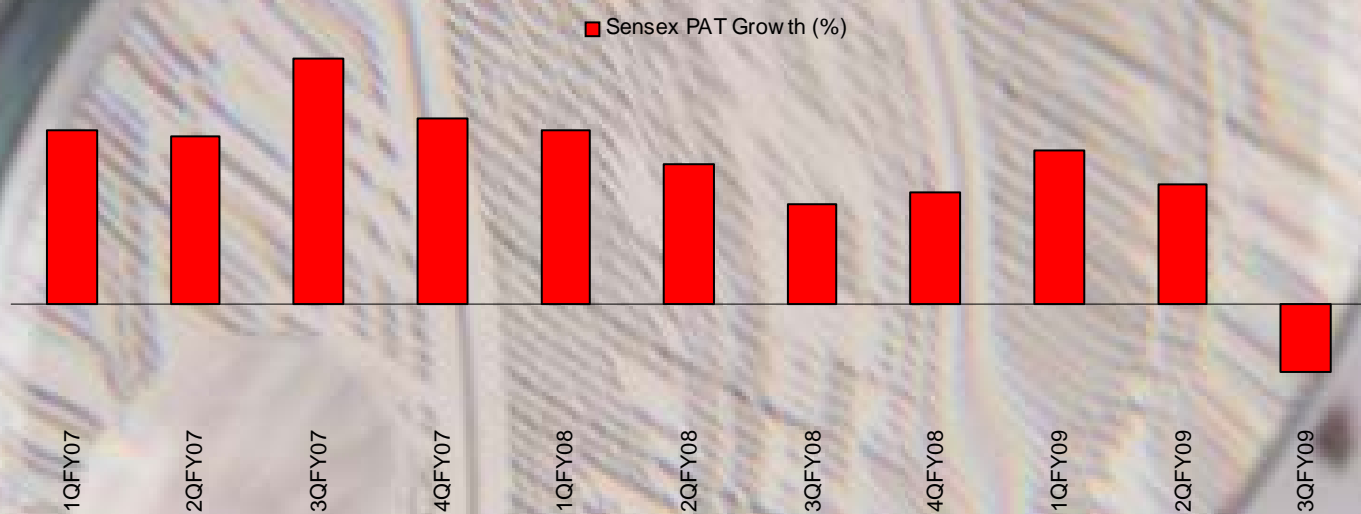


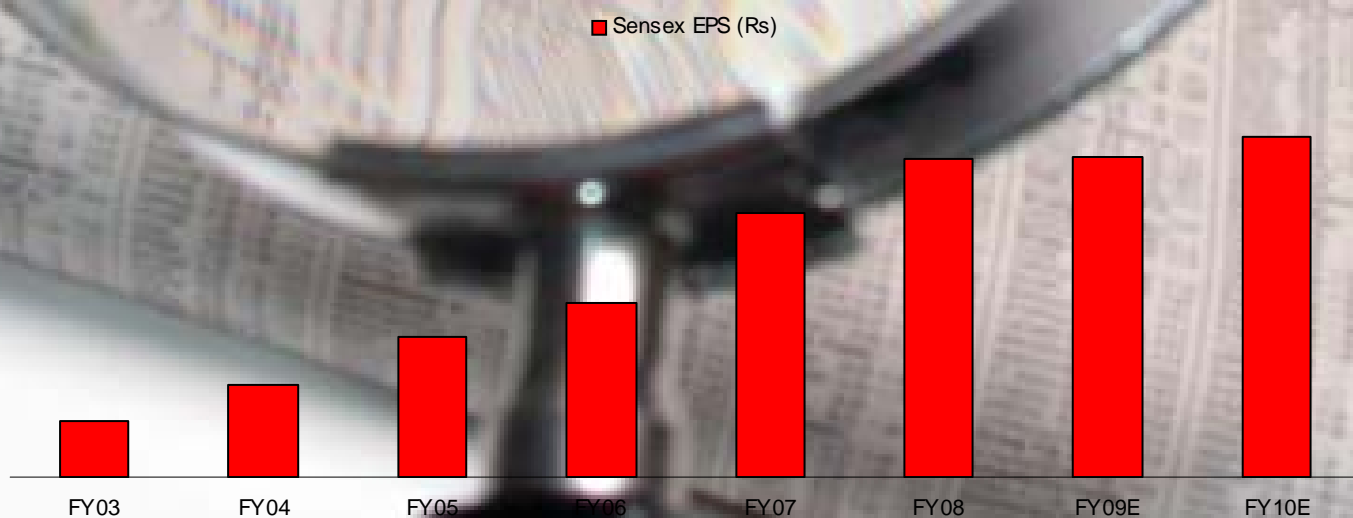
# Results Review

Quarter ended December 2008

## 3QFY09: FIRST QUARTER OF EARNINGS DECLINE



## VIRTUALLY NO EARNINGS GROWTH IN FY09 AND FY10



## Contents

---

	<b>Page No.</b>
<b>Aggregate performance .....</b>	<b>3-16</b>
<b>Sector snapshot .....</b>	<b>17-28</b>
<b>Automobiles .....</b>	<b>18</b>
<b>Banking .....</b>	<b>19</b>
<b>Cement .....</b>	<b>21</b>
<b>Engineering .....</b>	<b>22</b>
<b>FMCG .....</b>	<b>23</b>
<b>Information Technology .....</b>	<b>24</b>
<b>Metals .....</b>	<b>25</b>
<b>Oil &amp; Gas .....</b>	<b>26</b>
<b>Real Estate .....</b>	<b>27</b>
<b>Telecom .....</b>	<b>28</b>
<b>Sectoral EBITDA &amp; PAT growth: leaders &amp; laggards .....</b>	<b>29-31</b>
<b>Ready reckoner: quarterly performance .....</b>	<b>32-35</b>

---

## 3QFY09 Results Review

BSE Sensex: 9,202

S&amp;P CNX: 2,803

4 February 2009



## Aggregate performance

- ✦ 114 companies from our Universe have reported their results for the quarter ended December 2008. Sales grew 8% YoY (v/s estimate of 1% growth), EBITDA declined 6% YoY (v/s estimate of flat EBITDA) and PAT declined 10% YoY (v/s estimated decline of 7%).
- ✦ Performance of MOSL Universe was impacted by 8 companies (including Tata Motors, Ranbaxy and Chennai Petro) that reported losses and ONGC, which reported numbers significantly below estimates. Adjusted for these, EBITDA grew 5% YoY (v/s estimated growth of 3%) and PAT grew 2% YoY (v/s estimated decline of 5%).
- ✦ Banking was the best performing sector, with EBITDA growth of 38% (contributed 29% of aggregate EBITDA). Ex Banks, the MOSL Universe reported 16% decline in EBITDA and 20% decline in PAT.
- ✦ 42 companies from our Universe reported higher than estimated PAT, while 50 have reported lower than estimated PAT. On the EBITDA front, 40 companies surpassed our estimates while 49 lagged our estimates.

## QUARTERLY PERFORMANCE - MOSL UNIVERSE

(RS MILLION)

SECTOR (NO OF COMPANIES)	SALES				EBITDA				PAT			
	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR
	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)
Automobiles (5)	168,778	-17.3	-16.2	1.4	13,796	-39.4	-46.8	-12.2	6,829	-51.8	-59.3	-15.6
Banking (18)	226,826	25.7	31.3	4.5	207,987	22.3	38.8	13.5	112,539	21.9	38.0	13.2
Cement (5)	61,547	7.0	8.5	1.4	14,392	-23.0	-25.4	-3.1	8,471	-26.0	-22.8	4.3
Engineering (8)	234,833	21.2	20.7	-0.4	32,687	23.9	25.0	0.9	23,008	17.2	28.6	9.8
FMCG (11)	151,066	19.6	15.0	-3.8	28,705	14.8	5.4	-8.2	20,479	12.7	2.9	-8.7
Infrastructure (7)	66,387	33.8	31.8	-1.5	7,383	37.0	8.7	-20.7	3,730	2.8	10.5	7.5
IT (5)	225,432	33.1	28.8	-3.2	58,883	33.2	32.6	-0.4	44,053	20.6	14.5	-5.1
Media (6)	16,371	14.2	6.3	-6.9	4,620	0.3	-22.5	-22.7	2,744	-4.4	-30.4	-27.2
Metals (8)	290,479	2.4	-7.8	-10.0	55,977	-37.2	-46.1	-14.2	34,450	-36.3	-44.7	-13.2
Oil & Gas (10)	1,950,528	-11.6	2.8	16.3	138,684	-9.9	-28.8	-20.9	85,958	-23.4	-27.7	-5.6
Pharma (12)	107,506	21.8	18.0	-3.1	21,200	11.7	1.1	-9.5	10,105	16.7	-19.4	-31.0
Real Estate (2)	18,561	-12.9	-60.8	-55.0	10,163	-31.5	-68.6	-54.1	8,088	-40.3	-69.7	-49.2
Retail (2)	25,495	41.9	25.6	-11.5	2,292	51.2	43.5	-5.1	757	31.7	21.1	-8.0
Telecom (3)	182,122	35.5	34.4	-0.8	69,925	25.8	24.0	-1.4	38,586	11.6	15.0	3.1
Textiles (3)	20,610	17.3	23.0	4.8	3,894	21.2	46.6	21.0	332	-48.2	-65.2	-32.9
Utilities (5)	186,050	20.7	35.9	12.6	38,949	7.3	11.5	3.9	25,863	1.7	8.7	6.9
Others (4)	21,544	27.4	23.1	-3.4	3,508	27.1	20.5	-5.2	1,507	25.1	5.7	-15.5
<b>MOSL Universe (114)</b>	<b>3,954,134</b>	<b>1.4</b>	<b>7.6</b>	<b>6.1</b>	<b>713,044</b>	<b>0.0</b>	<b>-5.7</b>	<b>-5.7</b>	<b>427,499</b>	<b>-7.4</b>	<b>-9.7</b>	<b>-2.5</b>
<b>MOSL Excl Banks (96)</b>	<b>3,727,308</b>	<b>0.2</b>	<b>6.4</b>	<b>6.2</b>	<b>505,057</b>	<b>-5.5</b>	<b>-16.7</b>	<b>-11.8</b>	<b>314,960</b>	<b>-13.5</b>	<b>-19.7</b>	<b>-7.2</b>
<b>MOSL Excl Oil &amp; Gas (104)</b>	<b>2,003,607</b>	<b>15.3</b>	<b>12.7</b>	<b>-2.2</b>	<b>574,360</b>	<b>3.4</b>	<b>2.3</b>	<b>-1.1</b>	<b>341,541</b>	<b>-2.0</b>	<b>-3.7</b>	<b>-1.7</b>
<b>MOSL Excl Banks &amp; Oil (86)</b>	<b>1,776,781</b>	<b>14.1</b>	<b>10.7</b>	<b>-3.0</b>	<b>366,374</b>	<b>-3.5</b>	<b>-11.0</b>	<b>-7.8</b>	<b>229,001</b>	<b>-9.2</b>	<b>-16.2</b>	<b>-7.7</b>
<b>MOSL Excl OMCs (111)</b>	<b>2,637,736</b>	<b>11.6</b>	<b>6.6</b>	<b>-4.5</b>	<b>660,935</b>	<b>0.9</b>	<b>-8.3</b>	<b>-9.1</b>	<b>389,330</b>	<b>-4.2</b>	<b>-13.3</b>	<b>-9.5</b>
<b>Sensex (29)</b>	<b>1,607,545</b>	<b>12.9</b>	<b>3.7</b>	<b>-8.1</b>	<b>443,109</b>	<b>6.3</b>	<b>-7.3</b>	<b>-12.7</b>	<b>268,898</b>	<b>0.8</b>	<b>-12.0</b>	<b>-12.8</b>

For Banks: Sales = Net interest income, EBITDA = Operating profits. Tata Steel is standalone; PL: Profit to Loss

Navin Agarwal (Navin@MotilalOswal.com)/Rajat Rajgarhia (Rajat@MotilalOswal.com)

- ✂ 44 companies reported YoY decline in EBITDA while 50 companies reported PAT decline during the quarter.

### Sectoral performance

- ✂ Sectors that delivered the highest earnings growth v/s our estimates are Banking (PAT growth of 38% YoY v/s our estimate of 22% growth) and Engineering (PAT growth of 29% YoY v/s our estimate of 17% growth). Other sectors with strong growth were IT (EBITDA grew 32% YoY) and Wireless (EBITDA grew 25% YoY).
- ✂ Sectors with disappointing earnings growth include FMCG (PAT growth of 3% YoY v/s estimate of 13% growth), Real Estate (PAT declined 70% YoY v/s estimate of 40% decline) and Infrastructure (EBITDA grew 8% YoY v/s estimated growth of 37%). Other sectors with weak earnings momentum are Autos (PAT decline of 59% YoY), Metals (PAT decline of 44% YoY) and Media (PAT decline of 30% YoY). Another large sector which disappointed was Pharmaceuticals, where PAT declined 19% YoY (v/s estimated growth of 17%).

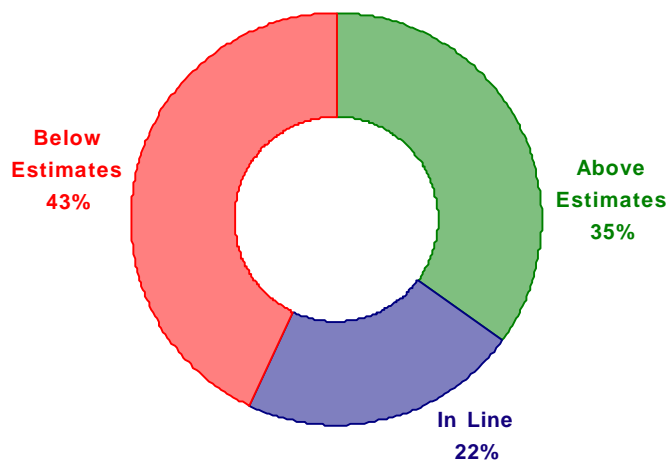
### Sensex performance

- ✂ 29 Sensex companies (ACC yet to report) have already reported December 2008 quarter results. The aggregate Sensex performance was below expectations, with EBITDA decline of 7% YoY (v/s estimated growth of 6% YoY) and PAT decline of 12% YoY (v/s estimated growth of 1% YoY).
- ✂ Sensex aggregate performance was impacted by ONGC, DLF and 2 loss-making companies – Ranbaxy and Tata Motors.
- ✂ While 7 companies have surprised positively on EBITDA, 12 have disappointed. On the PAT front, 6 companies beat estimates while 12 lagged estimates.

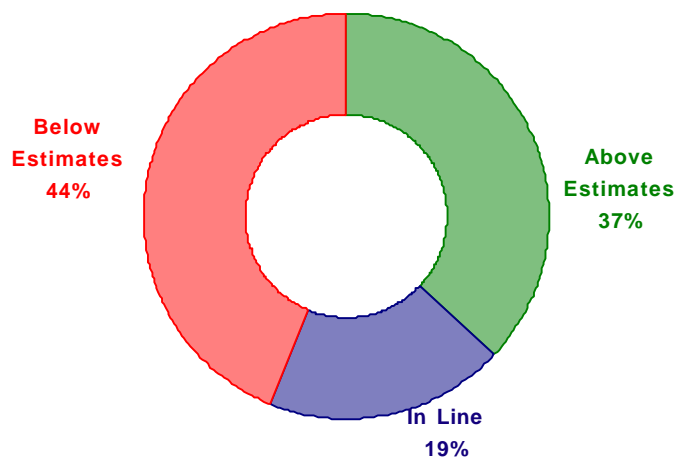
### Best and worst performers

- ✂ Companies that reported significantly better than estimated PAT are JSPL (JPL's PAT was a big positive surprise), IOC (PAT grew 37% v/s estimated decline of 70%), BPCL (PAT grew 4x v/s estimated decline of 39%), BoB (PAT grew 41% v/s estimated growth of 12%), Bajaj Auto (PAT declined 16% v/s estimated decline of 41%). Other companies that reported strong earnings growth were SBI, Bharti, Infosys, HDFC Bank and BHEL.
- ✂ Companies that reported significantly lower than estimated earnings are ONGC, DLF, United Spirits, Zee, and Divi's Lab. Other stocks with disappointing earnings include ICICI Bank, Grasim, Tata Steel, Tata Motors, and Asian Paints.

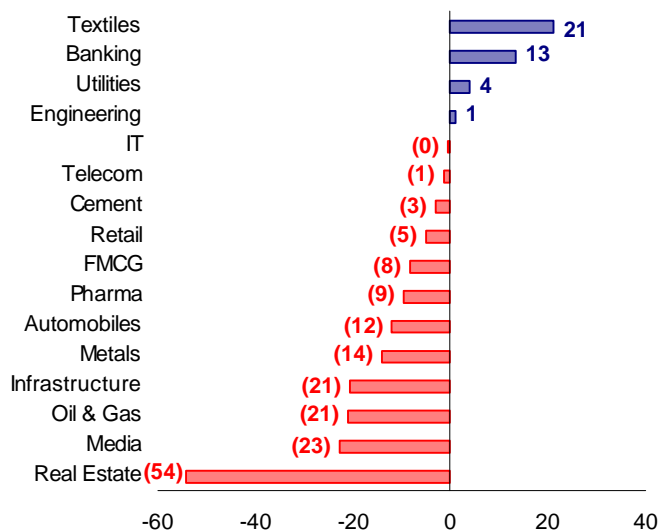
EBITDA DEVIATION (114 COMPANIES)



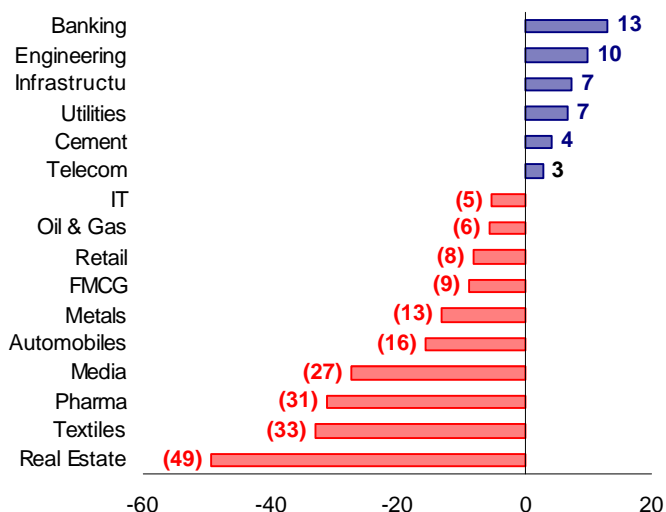
NET PROFIT DEVIATION (114 COMPANIES)



EBITDA DEVIATION (SECTORS)



NET PROFIT DEVIATION (SECTORS)



Source: MOSL

STOCKS WITH POSITIVE SURPRISE (RS M)

COMPANY	EBITDA				PAT			
	ACTUAL DEC-08	EST. CHG (%)	ACTUAL CHG (%)	VAR (%)	ACTUAL DEC-08	EST. CHG (%)	ACTUAL CHG (%)	VAR (%)
Jindal Steel & Power#	6,846	11.4	28.6	15.5	3,792	0.3	18.8	18.4
Jindal Power*	9,046	5,097			5,746	3,147		
IOC	32,177	-44.8	8.4	96.5	32,333	-70.5	37.1	364.5
BPCL	15,209	66.4	247.9	109.1	9,175	-24.6	392.6	553.1
Bank of Baroda	13,456	13.6	44.3	27.1	7,084	12.1	41.4	26.1
Bajaj Auto	3,058	-37.6	-16.7	33.5	2,082	-40.6	-16.2	41.1

\* For JPL in Est chg column figures are absolute numbers for Sep 08 Qtr.; # Standalone

## STOCKS WITH STRONG EARNINGS GROWTH (RS M)

COMPANY	EBITDA				PAT			
	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR
	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)
State Bank	44,826	21.8	22.5	0.6	24,784	34.3	37.0	2.0
Bharti Airtel	39,450	33.9	33.1	-0.6	21,592	30.8	25.4	-4.2
Infosys	20,310	38.7	45.9	5.2	15,790	30.3	33.7	2.6
HDFC Bank	14,581	25.1	36.7	9.3	6,217	43.2	44.8	1.1
BHEL	11,008	26.3	26.9	0.4	8,426	27.7	22.6	-4.0

## STOCKS WITH NEGATIVE SURPRISE (RS M)

COMPANY	EBITDA				PAT			
	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR
	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)
ONGC	50,011	5.1	-37.7	-40.8	21,900	5.9	-49.8	-52.7
DLF	7,720	-27.9	-69.1	-57.2	6,708	-35.1	-68.7	-51.8
United Spirits	1,063	18.3	-37.8	-47.4	306	20.2	-65.3	-71.1
Zee Entertainment	1,201	22.7	-23.5	-37.6	917	26.5	-16.4	-33.9
Divis Labs	1,083	58.1	-3.4	-38.9	795	50.6	-21.0	-47.5

## STOCKS WITH WEAK EARNINGS GROWTH (RS M)

COMPANY	EBITDA				PAT			
	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR
	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)
ICICI Bank	17,953	3.3	-9.2	-12.1	12,722	-19.3	3.4	28.1
Grasim Industries	4,995	-32.9	-40.6	-11.4	3,296	-41.3	-40.0	2.2
Tata Steel	14,780	21.1	-29.5	-41.8	5,930	24.9	-45.1	-56.0
Tata Motors	917	-56.9	-88.8	-74.1	-1,593	-96.6	PL	-
Glenmark Pharma	1,891	-42.4	-47.3	-8.5	814	6.3	-34.3	-38.3
Asian Paints	1,093	13.7	-41.1	-48.2	596	7.9	-49.8	-53.5

Note: EBITDA for ICICI Bank is excl treasury gains.

## STOCKS WITH LOSSES DURING QUARTER (RS M)

COMPANY	EBITDA				PAT		
	ACTUAL	EST.	ACTUAL		ACTUAL	EST.	ACTUAL
	DEC-08	CHG (%)	CHG (%)		DEC-08	CHG (%)	CHG (%)
Ranbaxy Labs	-1,085	-31.2	PL		-1,055	-55.0	PL
Tata Motors	917	-56.9	-88.8		-1,593	-96.6	PL
JSW Steel	3,915	-66.2	-53.5		-165	PL	PL
Jubilant Organosys	1,411	50.4	8.9		-715	-37.1	PL
Chennai Petroleum	-17,812	PL	PL		-12,068	PL	PL
HPCL	4,723	251.3	218.9		-3,338	-97.4	-237.5
MRPL	-3,543	PL	PL		-2,334	PL	PL
Arvind Mills	817	78.1	122.7		-308	-89.5	PL

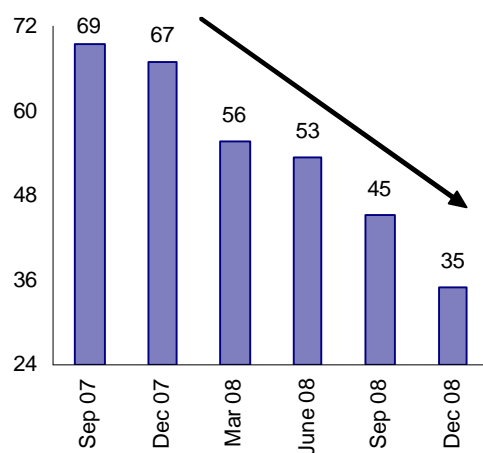
### I] Comparison of earnings based on growth rates

- ✘ The breadth of earnings performance has deteriorated over the last six quarters.
- ✘ Just 35% of the companies in MOSL Universe have reported earnings growth of over 15% in 3QFY09 as compared with 67% in 3QFY08.
- ✘ The proportion of companies with negative earnings growth has increased from 20% to 45% during this period.

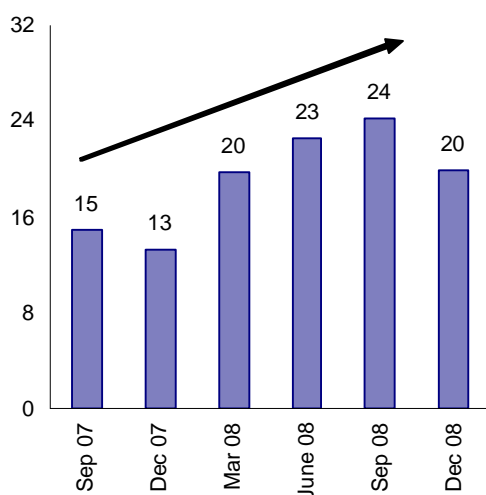
DISTRIBUTION OF COMPANIES BASED ON EARNINGS GROWTH (% OF COMPANIES IN MOSL UNIVERSE)

	PAT GR. (%)	EARNINGS GROWTH %		
		>15	>0-15	< 0
Sep 07	24.9	69	15	16
Dec 07	16.2	67	13	20
Mar 08	25.2	56	20	25
Jun 08	25.4	53	23	24
Sep 08	19.3	45	24	31
Dec 08	-13.3	35	20	45

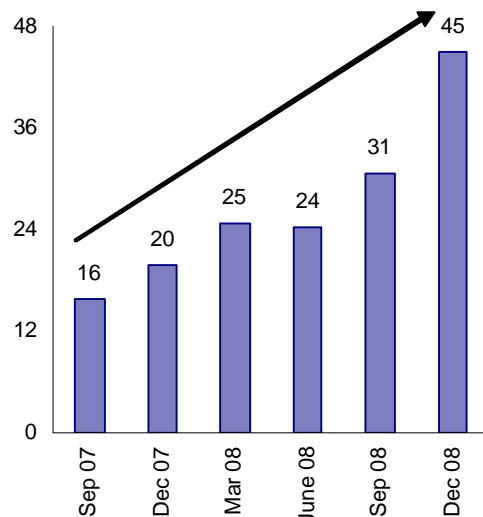
EARNINGS GROWTH OF >15% (% OF MOSL UNIVERSE)



EARNINGS GROWTH OF 0-15% (% OF MOSL UNIV.)



EARNINGS GROWTH OF < 0% (% OF MOSL UNIVERSE)



Source: MOSL

- ✘ 35% of companies in MOSL Universe with earnings contribution of 44% have reported earnings growth of 15%+.
- ✘ Another 20% of the MOSL Universe with earnings contribution of 29% have reported earnings growth of under 15%.
- ✘ 45% of the MOSL Universe with earnings contribution of 27% have reported earnings de-growth.

### II] Intra-sector performance comparison

- ✎ While there has been significant divergence in inter-sector performance, there are significant intra-sector divergences in 3QFY09 performance, as well.
- ✎ Hero Honda reported earnings growth of 9% YoY, while other **auto** majors reported decline in earnings.
- ✎ **In Banking**, all the companies reported NII growth in line with or above estimates. However, while earnings of HDFC Bank grew 45% YoY, ICICI Bank reported growth of 3% YoY (entirely driven by treasury gains).
- ✎ **In Engineering**, while BHEL and L&T reported earnings growth of 23% and 24% respectively, Thermax reported earnings decline of 4% YoY.
- ✎ **In FMCG**, while Colgate and Marico reported earnings growth of 29% and 19% respectively, United Spirits reported earnings decline of 65% YoY.
- ✎ **Infosys reported growth of 34%, while Wipro reported growth of 8%.**
- ✎ **In Telecom**, Bharti reported earnings growth of 25%, v/s 6% growth for RCOM and 7% decline for Idea.
- ✎ **In Pharma**, while Sun Pharma reported 28% growth, Ranbaxy reported loss.

#### INTRA-SECTOR 3QFY09 EARNINGS DIVERGENCE

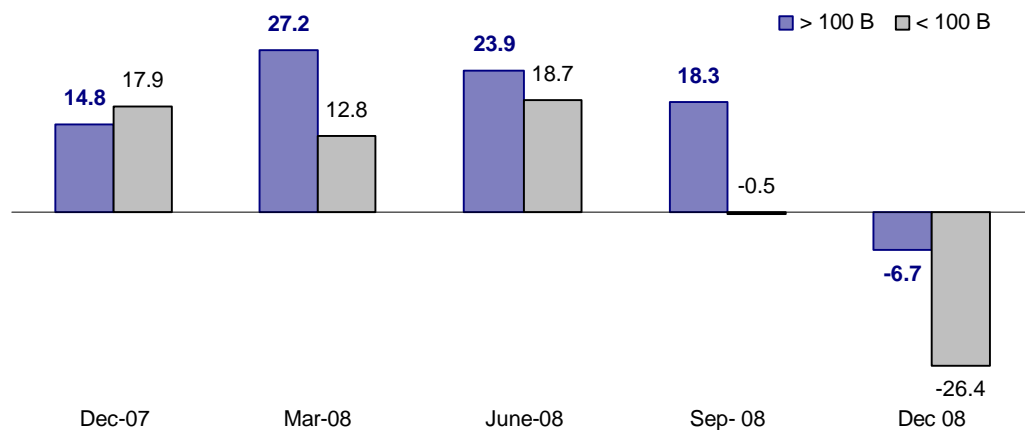
SECTORS	PAT GR. (%)	EARNINGS GROWTH IN EXCESS OF 15%	EARNINGS GROWTH IN 0-15%	NEGATIVE EARNINGS GROWTH	EARNINGS MOMENTUM
Auto	-59.3	-	Hero Honda	Bajaj Auto, Mahindra & Mah., Maruti Suzuki, Tata Motors	0 1 4
Banks	38.0	PNB, Union Bk, Axis Bk, Canara Bk, HDFC Bk, BoB, SBI, OBC	Indian Bank, ICICI Bank	HDFC	14 3 1
Cement	-22.8	Shree Cement		UltraTech Cement, Birla Corp., Grasim Ind., India Cements	1 0 4
Engineering	28.6	Crompton Greaves, Siemens, L&T, BHEL	Bharat Electronics	Thermax	6 1 1
FMCG	2.9	Colgate, Marico, GSK Consumer	Dabur, Hind. Unilever, ITC,	Godrej Consumer, Asian Paints, United Spirits	3 4 4
Infrastructure	10.5	HCC, Simplex Infra, Jaiprakash Associates		NCC, IVRCL Infra, B.L.Kashyap, Gammon India	3 0 4
IT	14.5	Infosys	HCL Tech, Wipro, TCS		1 4 0
Media	-30.4		Sun TV	Zee Entert., HT Media, Deccan Chronicle	0 1 5
Metals	-44.7	Jindal Steel & Power	Hindalco	Sterlite Inds, Tata Steel, Hindustan Zinc, SAIL, JSW Steel	1 1 6
Oil and Gas	-27.7	Cairn India		Reliance Inds, ONGC, GAIL	1 0 6
Pharma	-19.4	Dr Reddy's Labs, Sun Pharma,	Cadila Health, Lupin, Cipla	Divis Labs, Piramal Healthcare, Glenmark Pharma, Ranbaxy	3 3 6
Retail	21.1	Titan Industries	Pantaloon Retail		1 1 0
Real Estate	-69.7			DLF, Unitech	0 0 2
Telecom	15.0	Bharti Airtel	Reliance Comm	Idea Cellular	1 1 1
Textiles	-65.2			Alok Ind, Vardhman, Arvind Mills	0 0 3
Utilities	8.7	PTC India, Reliance Infra	CESC, NTPC	Tata Power	2 2 1
Other	5.7	Everest Kanto, United Phosp		Blue Star, Greaves Cotton	2 0 2

Source: MOSL



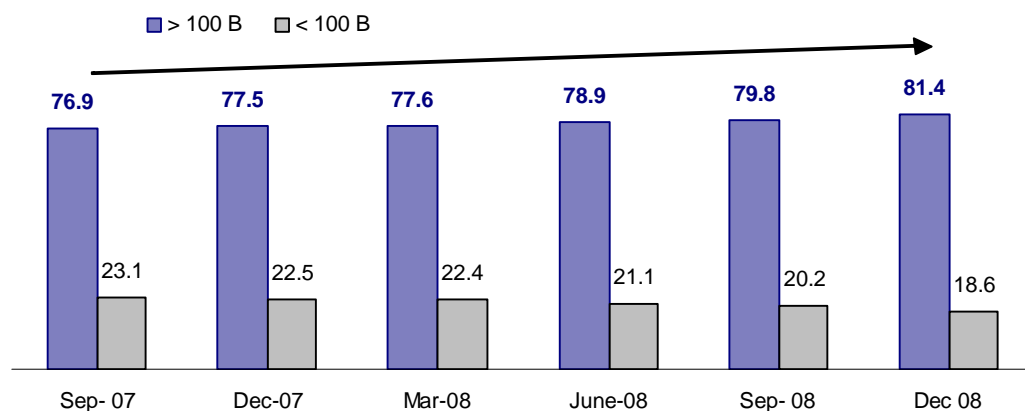
### III) Comparison of performance based on market cap

LARGE CAP COMPANIES HAVE SHOWN BETTER EARNINGS TRACTION V/S MID-CAPS (% YOY)



Earnings have declined 7% YoY for large cap companies and 26% YoY for mid-cap companies

CONTRIBUTION FROM LARGE CAPS IS ON A RISE (%)



Earnings contribution from large caps has risen by 390bp in the last 12 months. We expect this to rise further over the next few quarters

Note: Excluding BPCL, HPCL & IOC & Uncomparable Cos

Source: MOSL

BEST 3QFY09 EARNINGS GROWTH IN LARGE-CAPS AND MID-CAPS

TOP 5 EARNINGS GROWTH OF LARGE-CAPS		TOP 5 EARNINGS GROWTH OF MID-CAPS	
	GR. (%)		GR. (%)
Reliance Infrastructure	118.6	PTC India	344.5
Punjab National Bank	85.8	Shree Cement	264.7
Bank of India	70.4	Federal Bank	98.1
Axis Bank	63.2	Suzlon Energy	92.1
HDFC Bank	44.8	Union Bank	84.1

Source: MOSL

LOWEST 3QFY09 EARNINGS GROWTH IN LARGE-CAPS AND MID-CAPS

BOTTOM 5 EARNINGS GR. OF LARGE-CAPS		BOTTOM 5 EARNINGS GR. OF MID-CAPS	
	GR. (%)		GR. (%)
GAIL	-59.2	Gammon India	-83.3
SAIL	-58.0	Unitech	-73.6
Maruti Suzuki	-54.6	United Spirits	-65.3
Hindustan Zinc	-53.0	Ranbaxy Labs	PL
ONGC	-49.8	Tata Motors	PL

Source: MOSL

Note: Large-Caps comprise of 34 companies with MCAP of over Rs100b; Mid-Caps comprise of 74 companies with MCAP of under Rs100b.

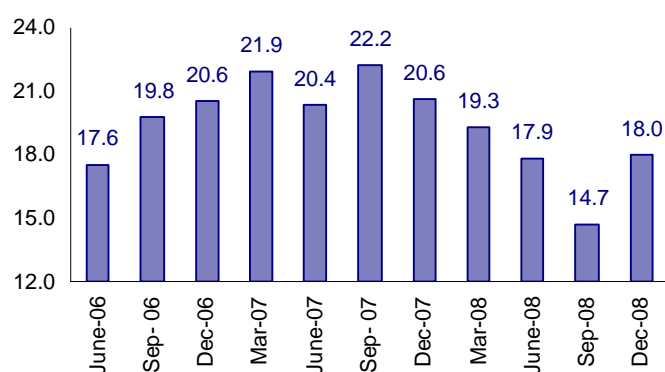
## IV) Comparison of performance based on margins

QUARTERLY PERFORMANCE - EBITDA AND PAT MARGIN (%)

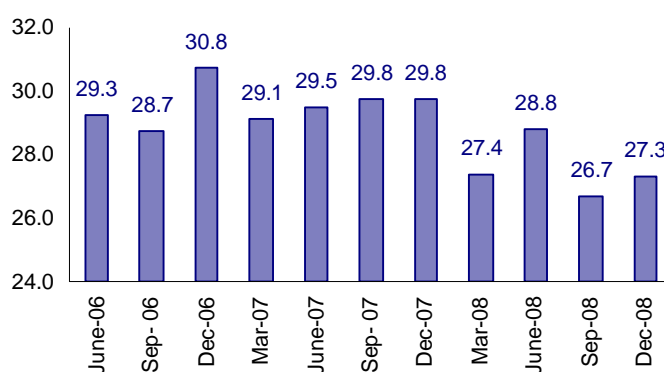
SECTOR	EBDITA MARGIN					PAT MARGIN				
	ACTUAL	EST.	ACTUAL	EST.	ACTUAL	ACTUAL	EST.	ACTUAL	EST.	ACTUAL
	DEC-07	DEC-08	DEC-08	CHG	CHG	DEC-07	DEC-08	DEC-08	CHG	CHG
Automobiles	12.9	9.4	8.2	-3.4	-4.7	8.3	4.9	4.0	-3.5	-4.3
Banking	86.7	84.4	91.7	-2.3	5.0	47.2	45.8	49.6	-1.4	2.4
Cement	34.0	24.5	23.4	-9.5	-10.6	19.3	13.4	13.8	-5.9	-5.6
Engineering	13.4	13.7	13.9	0.3	0.5	9.2	8.9	9.8	-0.3	0.6
FMCG	20.7	19.9	19.0	-0.8	-1.7	15.2	14.3	13.6	-0.9	-1.6
Infrastructure	13.5	13.8	11.1	0.3	-2.4	6.7	5.1	5.6	-1.6	-1.1
IT	25.4	25.4	26.1	0.0	0.7	22.0	19.9	19.5	-2.1	-2.4
Media	38.7	34.0	28.2	-4.7	-10.5	25.6	21.5	16.8	-4.2	-8.8
Metals	33.0	20.2	19.3	-12.8	-13.7	19.8	12.3	11.9	-7.5	-7.9
Oil & Gas	10.3	10.5	7.1	0.2	-3.2	6.3	5.4	4.4	-0.8	-1.9
Pharma	23.0	21.1	19.7	-1.9	-3.3	13.8	13.2	9.4	-0.6	-4.4
Real Estate	68.3	53.7	54.8	-14.6	-13.5	56.3	38.6	43.6	-17.7	-12.7
Retail	7.9	8.4	9.0	0.5	1.1	3.1	2.9	3.0	-0.2	-0.1
Telecom	41.6	38.6	38.4	-3.0	-3.2	24.8	20.4	21.2	-4.4	-3.6
Textiles	15.8	16.4	18.9	0.5	3.0	5.7	2.5	1.6	-3.2	-4.1
Utilities	25.5	22.7	20.9	-2.8	-4.6	17.4	14.6	13.9	-2.7	-3.5
Others	16.6	16.6	16.3	0.0	-0.4	8.1	8.0	7.0	-0.1	-1.2
<b>MOSL Universe</b>	<b>20.6</b>	<b>20.3</b>	<b>18.0</b>	<b>-0.3</b>	<b>-2.5</b>	<b>12.9</b>	<b>11.8</b>	<b>10.8</b>	<b>-1.1</b>	<b>-2.1</b>
<b>MOSL Excl. Banks</b>	<b>17.3</b>	<b>16.3</b>	<b>13.6</b>	<b>-1.0</b>	<b>-3.8</b>	<b>11.2</b>	<b>9.7</b>	<b>8.5</b>	<b>-1.5</b>	<b>-2.7</b>
<b>MOSL Excl. Oil &amp; Gas</b>	<b>31.6</b>	<b>28.3</b>	<b>28.7</b>	<b>-3.2</b>	<b>-2.9</b>	<b>19.9</b>	<b>17.0</b>	<b>17.0</b>	<b>-3.0</b>	<b>-2.9</b>
<b>MOSL Excl Banks &amp; Oil</b>	<b>25.6</b>	<b>21.7</b>	<b>20.6</b>	<b>-4.0</b>	<b>-5.0</b>	<b>17.0</b>	<b>13.5</b>	<b>12.9</b>	<b>-3.5</b>	<b>-4.1</b>
<b>MOSL Excl OMCs</b>	<b>29.1</b>	<b>26.3</b>	<b>25.1</b>	<b>-2.8</b>	<b>-4.1</b>	<b>18.1</b>	<b>15.6</b>	<b>14.8</b>	<b>-2.6</b>	<b>-3.4</b>
<b>Sensex Universe</b>	<b>30.8</b>	<b>29.0</b>	<b>27.6</b>	<b>-1.8</b>	<b>-3.3</b>	<b>19.7</b>	<b>17.6</b>	<b>16.7</b>	<b>-2.1</b>	<b>-3.0</b>

Source: MOSL

MOSL UNIVERSE EBITDA MARGIN TREND (%)



SENSEX UNIVERSE EBITDA MARGIN TREND\* (%)



\*Sensex EBITDA Margin (Excl. DLF)

Source: MOSL

- EBITDA margins of MOSL Universe dropped by 250bp YoY in 3QFY09.
- Margins for Banking expanded by 500bp v/s estimated decline of 230bp. However, margins for FMCG and Metals declined more than we had estimated.
- PAT margins of MOSL Universe dropped by 210bp during the quarter.
- Aggregate Sensex EBITDA margins dropped by 330bp during the quarter. Aggregate Sensex PAT margins declined by 300bp.

## V) Comparison of performance for Sensex companies

QUARTERLY PERFORMANCE - SENSEX

(RS BILLION)

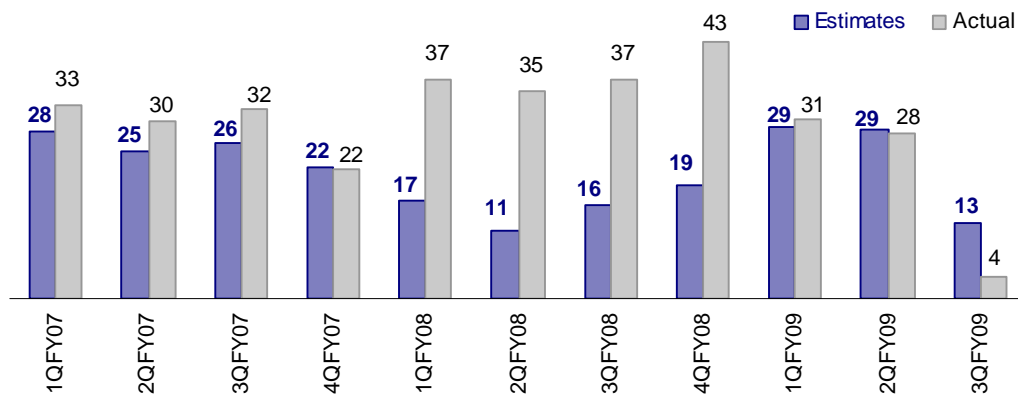
COMPANIES	SALES				EBITDA				NET PROFIT			
	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR
	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)
Reliance Infrastructure	27.2	42.5	77.5	24.5	3.1	194.3	211.6	5.9	3.1	56.2	118.6	39.9
HDFC Bank	19.8	37.2	37.7	0.4	14.6	25.1	36.7	9.3	6.2	43.2	44.8	1.1
State Bank	57.6	31.7	35.3	2.7	44.8	21.8	22.5	0.6	24.8	34.3	37.0	2.0
Jaiprakash Associates	13.2	49.7	46.9	-1.9	2.5	65.3	10.9	-32.9	2.1	-1.0	34.9	36.3
Infosys	57.9	36.4	35.5	-0.7	20.3	38.7	45.9	5.2	15.8	30.3	33.7	2.6
Sun Pharma	9.2	38.7	16.2	-16.2	4.1	33.7	16.6	-12.8	4.1	44.2	28.4	-11.0
Bharti Airtel	96.3	38.8	38.3	-0.4	39.5	33.9	33.1	-0.6	21.6	30.8	25.4	-4.2
Larsen & Toubro	85.9	23.9	34.6	8.7	9.4	28.1	25.0	-2.4	6.4	11.1	24.3	11.9
BHEL	60.2	28.1	21.3	-5.3	11.0	26.3	26.9	0.4	8.4	27.7	22.6	-4.0
Hind. Unilever	43.1	23.2	16.8	-5.2	6.9	25.5	22.8	-2.2	6.1	15.3	10.1	-4.5
ITC	38.3	20.2	10.9	-7.8	13.5	15.1	12.8	-2.0	9.0	14.1	8.7	-4.7
Wipro	58.6	35.3	29.6	-4.2	10.3	35.8	18.7	-12.6	9.0	16.2	8.7	-6.5
Reliance Comm	58.5	23.9	20.0	-3.1	23.5	15.7	11.7	-3.5	14.8	-8.2	6.1	15.6
ICICI Bank	19.9	5.4	1.6	-3.7	27.7	3.7	22.7	18.3	12.7	-19.3	3.4	28.1
NTPC	112.8	11.5	20.9	8.4	32.1	-1.2	8.1	9.3	20.4	-2.0	2.4	4.6
TCS	72.8	27.0	22.8	-3.3	19.5	23.6	23.3	-0.2	13.5	14.2	1.6	-11.0
Hindalco	41.2	-9.4	-9.1	0.3	7.8	-22.1	-2.7	25.0	5.4	-42.8	0.4	75.6
HDFC	8.8	8.8	5.1	-3.5	7.9	6.5	2.8	-3.4	5.5	7.9	-1.5	-8.8
Reliance Inds.	315.6	14.8	-8.8	-20.5	53.6	-4.1	-8.1	-4.1	35.0	-12.6	-9.8	3.1
Tata Power	17.4	30.0	22.7	-5.6	2.2	34.2	-17.7	-38.7	1.2	-6.7	-23.1	-17.6
Sterlite Inds.	45.4	-26.1	-13.3	17.3	5.7	-33.6	-64.0	-45.8	5.3	-1.4	-38.2	-37.4
Grasim Industries	26.5	-0.6	2.3	2.9	5.0	-32.9	-40.6	-11.4	3.3	-41.3	-40.0	2.2
Tata Steel	48.0	34.9	-3.5	-28.4	14.8	21.1	-29.5	-41.8	5.9	24.9	-45.1	-56.0
ONGC	124.4	1.3	-17.8	-18.8	50.0	5.1	-37.7	-40.8	21.9	5.9	-49.8	-52.7
Maruti Suzuki	46.8	-10.9	-1.7	10.4	3.5	-41.8	-49.6	-13.4	2.1	-54.7	-54.6	0.3
Mahindra & Mahindra	25.1	-16.7	-14.6	2.5	2.2	-36.1	-32.2	6.1	1.2	-50.0	-55.2	-10.5
DLF	13.7	-9.7	-62.0	-57.9	7.7	-27.9	-69.1	-57.2	6.7	-35.1	-68.7	-51.8
Ranbaxy Labs	16.4	7.5	-13.9	-19.9	-1.1	-31.2	PL	-153.2	-1.1	-55.0	PL	PL
Tata Motors	47.1	-30.0	-34.6	-6.6	0.9	-56.9	-88.8	-74.1	-1.6	-96.6	PL	PL
<b>Sensex Universe</b>	<b>1,607.5</b>	<b>12.9</b>	<b>3.7</b>	<b>-8.1</b>	<b>443.1</b>	<b>6.3</b>	<b>-7.3</b>	<b>-12.7</b>	<b>268.9</b>	<b>0.8</b>	<b>-12.0</b>	<b>-12.8</b>

PL: Profit to Loss

- ✍ The key disappointment in Sensex earnings performance has come from ONGC, DLF, and 2 loss making companies (Ranbaxy and Tata Motors). Excluding them, the earnings have been in line with estimates.
- ✍ Reliance Infra, Infosys, HDF Bank, Bharti, and BHEL delivered the highest EBITDA growth among Sensex companies. Stocks with lowest EBITDA growth (or highest EBITDA decline) were Ranbaxy, Tata Motors, DLF, Sterlite, and Maruti.
- ✍ Companies with the highest growth in PAT were Reliance Infra, HDFC Bank, SBI, Jaiprakash Associates, and Infosys. Key stocks with negative growth/decline in PAT were Ranbaxy, Tata Motors, DLF, ONGC, and Tata Steel.

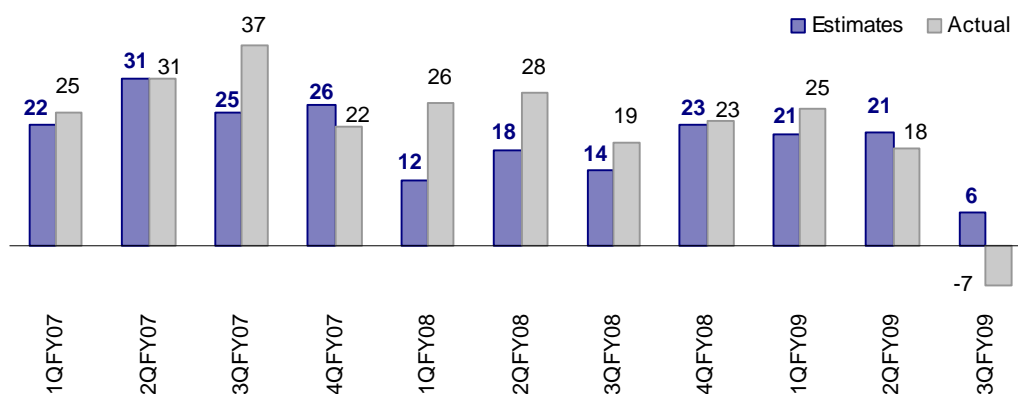
### Comparison of Sensex performance v/s estimates

TREND IN SENSEX SALES GROWTH (%) ACTUAL V/S ESTIMATES



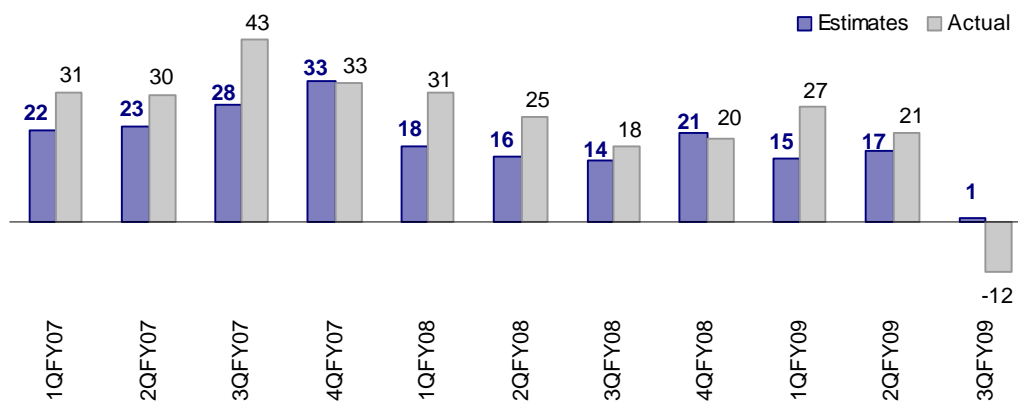
*Sales growth has been below our estimates*

TREND IN SENSEX EBITDA GROWTH (%) ACTUAL V/S ESTIMATES



*3QFY09 EBITDA lower than estimated - disappointment driven by ONGC, Ranbaxy, Tata Motors and DLF*

TREND IN SENSEX PAT GROWTH (%) ACTUAL V/S ESTIMATES



*3QFY09 - first quarter of earnings decline*

Source: MOSL

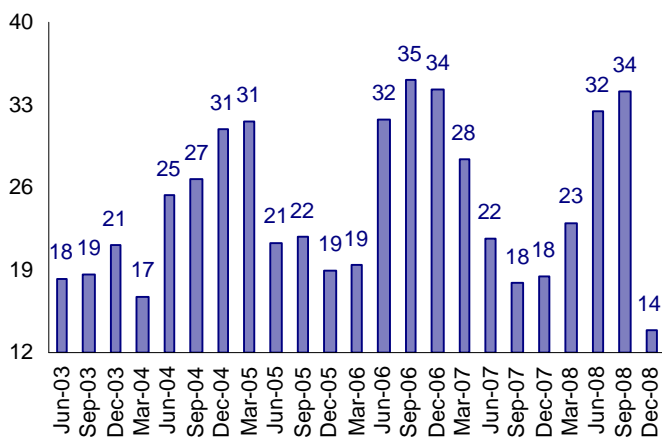
### VI) Comparison of performance for BSE-500

We present the aggregates over past 23 quarters for BSE-500, which accounts for almost the entire market cap of listed equities.

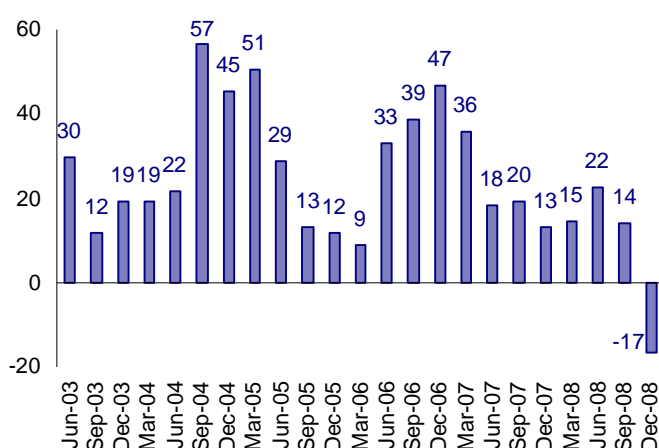
#### Key observations:

- ✗ Sales growth, which had picked up in the last three quarters, slowed down in 3QFY09.
- ✗ EBITDA growth declined to 17% in 3QFY09, as compared to 14% in 2QFY09.
- ✗ PAT declined 29% in 3QFY09, the first negative growth.
- ✗ EBITDA margins for BSE-500 were 15% in 3QFY09, the lowest in the last 23 quarters.

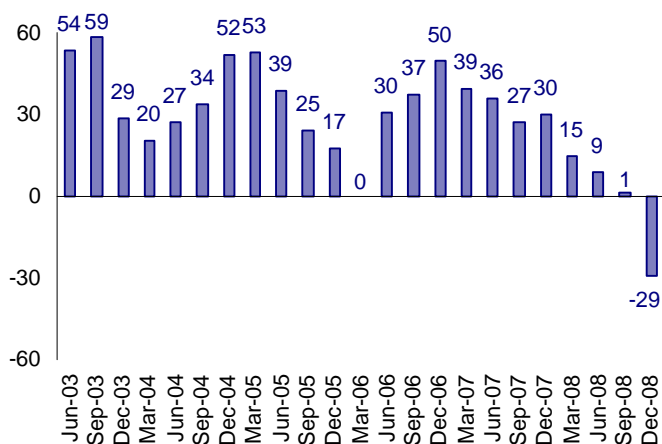
QUARTERLY SALES GROWTH (%)



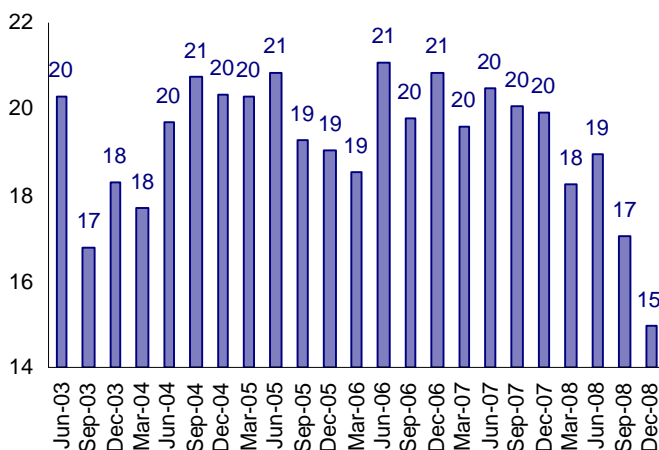
QUARTERLY EBITDA GROWTH (%)



QUARTERLY PAT GROWTH (%)



QUARTERLY EBITDA MARGIN (EXCL. OTHER INCOME) %



Source: Capitaline/MOSL

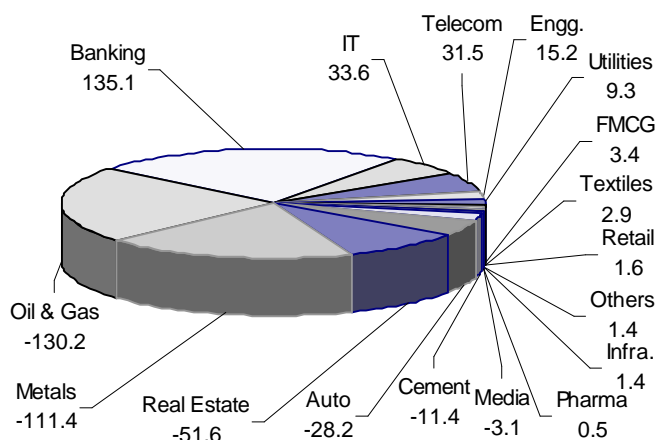
Note: BSE 500 comparable companies (December 2008 comprise of 390 companies).

**VII) Comparison of performance on contribution to growth**

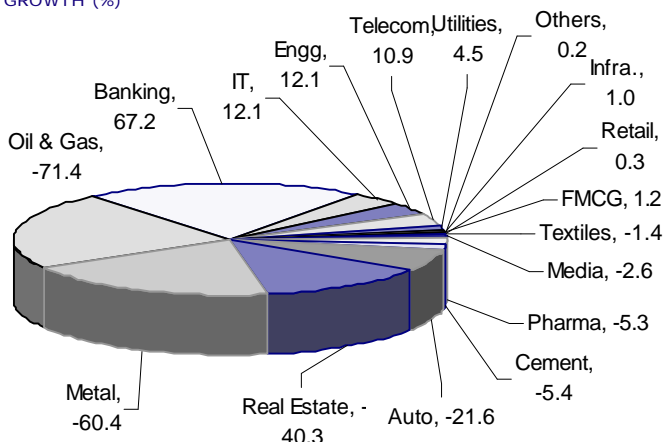
SECTORAL CONTRIBUTION TO GROWTH IN SALES, EBITDA AND PAT (%)

SECTOR	CONTRIBUTION TO SALES GR.	SECTOR	CONTRIBUTION TO EBITDA GR.	SECTOR	CONTRIBUTION TO PAT GR.
Banking	19.4	Banking	135.1	Banking	67.2
Oil & Gas	19.1	IT	33.6	IT	12.1
IT	18.1	Telecom	31.5	Engg	11.1
Utilities	17.6	Engg	15.2	Telecom	10.9
Telecom	16.7	Utilities	9.3	Utilities	4.5
Engineering	14.5	FMCG	3.4	FMCG	1.2
FMCG	7.1	Textiles	2.9	Infra	0.8
Pharma	5.9	Retail	1.6	Retail	0.3
Infrastructure	5.7	Others	1.4	Others	0.2
Retail	1.9	Infra	1.4	Textiles	-1.4
Cement	1.7	Pharma	0.5	Media	-2.6
Others	1.4	Media	-3.1	Pharma	-5.3
Textiles	1.4	Cement	-11.4	Cement	-5.4
Media	0.3	Auto	-28.2	Auto	-21.6
Metals	-8.9	Real Estate	-51.6	Real Estate	-40.3
Real Estate	-10.3	Metals	-111.4	Metals	-60.4
Automobiles	-11.7	Oil & Gas	-130.2	Oil & Gas	-71.4

CONTRIBUTION TO EBITDA GROWTH (%)



CONTRIBUTION TO PAT GROWTH (%)



*Oil & Gas had the largest negative contribution to growth. Banking led aggregate growth; with a contribution of 135% to EBITDA growth and 67% to PAT growth*

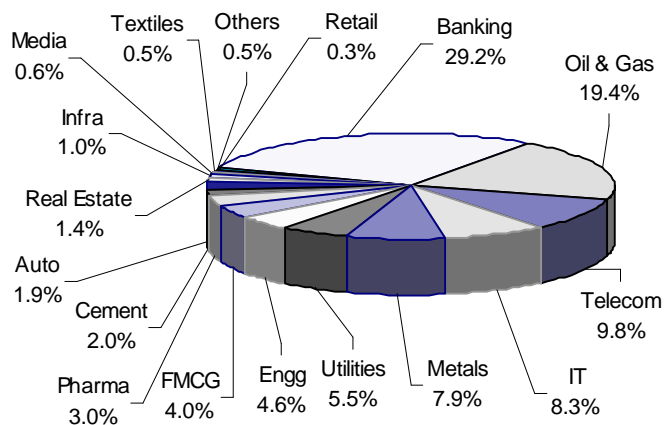
Source: MOSL

**VIII) Comparison of performance on contribution**

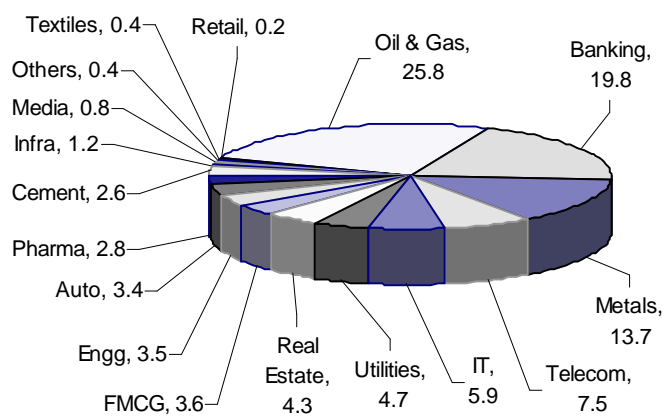
SECTORAL CONTRIBUTION TO SALES, EBITDA AND PAT (%)

SECTOR	CONTRIBUTION TO SALES	SECTOR	CONTRIBUTION TO EBITDA	SECTOR	CONTRIBUTION TO PAT
Oil & Gas	49.3	Banking	29.2	Banking	26.3
Metals	7.3	Oil & Gas	19.4	Oil & Gas	20.1
Engg	5.9	Telecom	9.8	IT	10.3
Banking	5.7	IT	8.3	Telecom	9.0
IT	5.7	Metals	7.9	Metals	8.1
Utilities	4.7	Utilities	5.5	Utilities	6.0
Telecom	4.6	Engg	4.6	Engg	5.4
Auto	4.3	FMCG	4.0	FMCG	4.8
FMCG	3.8	Pharma	3.0	Pharma	2.4
Pharma	2.7	Cement	2.0	Cement	2.0
Infra	1.7	Auto	1.9	Real Estate	1.9
Cement	1.6	Real Estate	1.4	Auto	1.6
Retail	0.6	Infra	1.0	Infra	0.9
Others	0.5	Media	0.6	Media	0.6
Textiles	0.5	Textiles	0.5	Others	0.4
Real Estate	0.5	Others	0.5	Retail	0.2
Media	0.4	Retail	0.3	Textiles	0.1

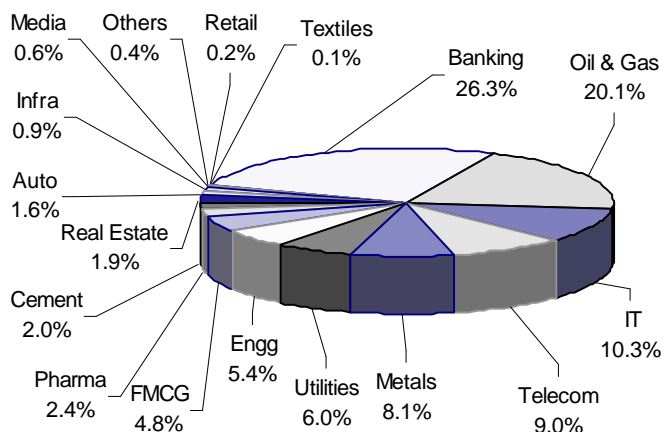
SECTORAL CONTRIBUTION TO EBITDA (%) - 3QFY09



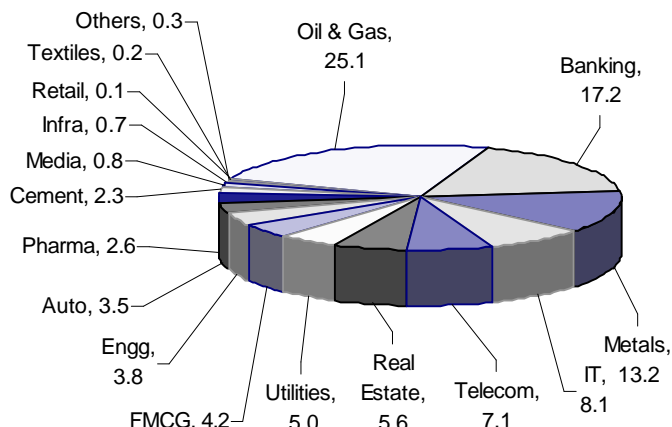
SECTORAL CONTRIBUTION TO EBITDA (%) - 3QFY08



SECTORAL CONTRIBUTION TO PAT (%) - 3QFY09



SECTORAL CONTRIBUTION TO PAT (%) - 3QFY08

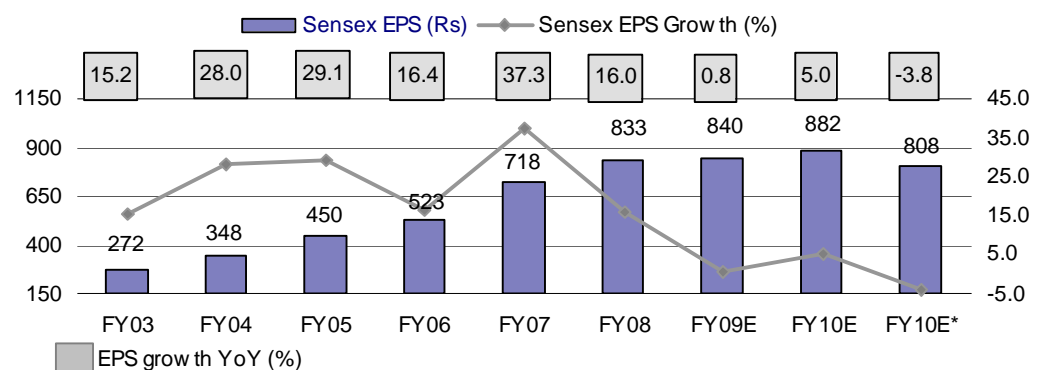


Source: MOSL

### Sensex EPS estimate at Rs840 for FY09, Rs882 for FY10

- ✘ Our revised Sensex EPS estimates are Rs840 (v/s Rs894 earlier) for FY09, and Rs882 (v/s Rs970 earlier) for FY10.
- ✘ Our current Sensex EPS estimates imply a growth of 0.8% in FY09 and a growth of 5% in FY10.
- ✘ Excluding the new business contribution from Reliance, FY10E Sensex EPS would decline 3.8% to Rs808.

SENSEX EPS AND GROWTH (% YOY)



Source: MOSL

STOCKS EPS AND GROWTH (% YOY)

COMPANY	EPS (RS)			GR. (%)
	FY08	FY09E	FY10E	FY10E
Tata Motors	36.1	9.1	15.1	65.3
Reliance Inds.	105.0	98.9	133.1	34.6
BHEL	51.3	67.6	86.5	28.1
Jaiprakash Associates	5.2	6.0	7.6	27.2
HDFC Bank	41.0	53.2	67.1	26.0
Ranbaxy Labs	13.3	3.3	4.2	25.4
Hind. Unilever	8.1	9.1	11.2	23.5
Mahindra & Mahindra	64.5	59.9	71.9	20.1
Tata Power	32.7	58.9	70.0	18.9
ITC	8.3	8.7	10.2	16.8
Bharti Airtel	35.4	44.9	52.3	16.6
Sun Pharma	71.8	55.3	64.4	16.4
ICICI Bank	37.4	33.8	38.6	14.3
HDFC	68.4	77.7	87.2	12.2
State Bank	141.9	178.7	196.2	9.8
Maruti Suzuki	59.2	43.5	46.1	6.1
Larsen & Toubro	39.3	53.9	56.8	5.3
<b>Sensex (30)</b>	<b>833.4</b>	<b>840.3</b>	<b>882.5</b>	<b>5.0</b>
NTPC	9.0	9.4	9.5	1.7
Infosys	79.5	101.1	102.7	1.6
Reliance Infrastructure	30.0	45.4	45.7	0.5
TCS	51.3	56.5	56.2	-0.6
Wipro	22.2	22.7	22.5	-0.9
ONGC	92.9	94.1	84.5	-10.2
Tata Steel	94.2	87.6	78.0	-10.9
Reliance Comm	26.7	30.4	24.6	-19.0
Sterlite Inds.	64.2	49.1	35.8	-27.1
ACC	68.1	57.7	39.7	-31.1
Grasim Industries	293.9	236.9	155.7	-34.3
DLF	45.8	29.3	15.6	-46.7
Hindalco	16.1	11.8	2.8	-76.4

Source: MOSL



## Sector snapshot

BSE Sensex: 9,202

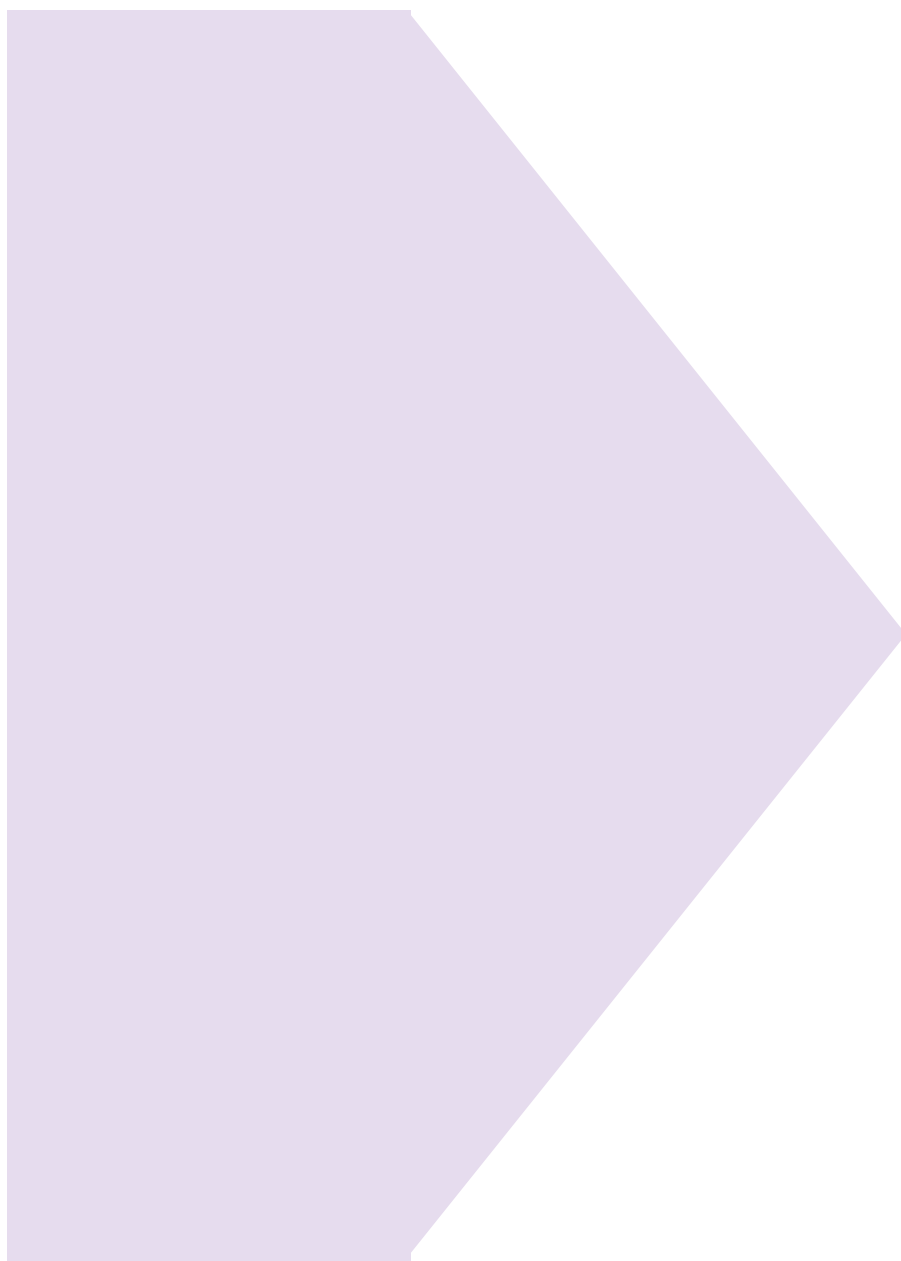
S&amp;P CNX: 2,803

4 February 2009

---

SECTOR	PG.
Automobiles	18
Banking	19
Cement	21
Engineering	22
FMCG	23
Information Technology	24
Metals	25
Oil & Gas	26
Real Estate	27
Telecom	28

---



# Automobiles

BSE Sensex: 9,202

S&P CNX: 2,803

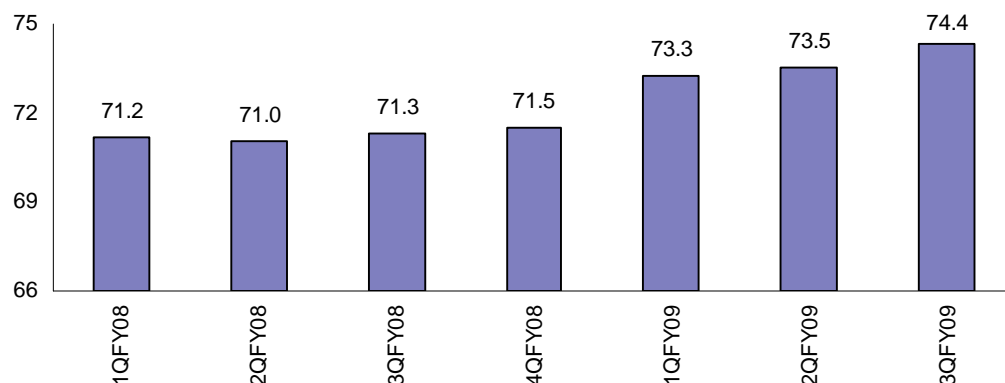
4 February 2009

## Mixed bag

- ✂ Industry volumes declined 11% in 3QFY09, with CVs being worst hit, with 47% decline.
- ✂ Higher raw material cost, coupled with negative operating leverage, impacted margins. However, two-wheeler segment margins improved due to better product mix and RM cost savings.
- ✂ RM cost benefit to be realized fully in 4QFY09/1QFY10
- ✂ Expect increase in volumes from 1QFY10, as benefit of easing liquidity is realized.
- ✂ **Top picks:** Hero Honda, Maruti and Bajaj Auto.

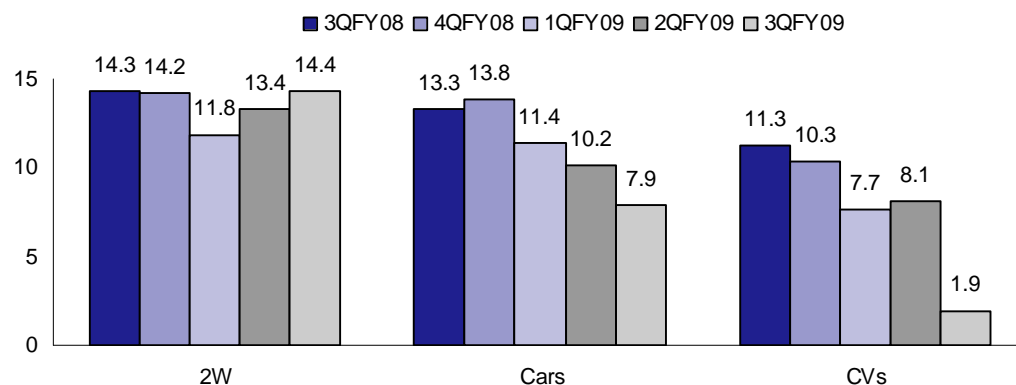
TREND IN EBITDA MARGIN (%)

*RM cost – hurting the most, worst is behind*



SEGMENT-WISE EBITDA MARGIN (%)

*Two-wheelers witness improvement in EBITDA margin*



Source: Company/MOSL

2Ws - POSITIVE SURPRISE, 4W/CVS - NEGATIVE SURPRISE

	EBDITA (RS M)			PAT (RS M)		
	ACTUAL	EST	VAR (%)	ACTUAL	EST	VAR (%)
Bajaj Auto	3,058	2,291	33.5	2,082	1,476	41.1
Hero Honda	4,098	3,741	9.5	3,004	2,998	0.2
Maruti Suzuki	3,518	2,079	69.2	2,122	1,355	56.6
M&M	2,206	4,064	-45.7	1,213	2,116	-42.7
Tata Motors	917	3,533	-74.1	-1,593	142	-

Source: Company/MOSL

## Banking

BSE Sensex: 9,202

S&amp;P CNX: 2,803

4 February 2009

**Strong operating performance**

- ✎ For state-owned banks, there was significant improvement in NIMs, backed by strong loan growth, pricing power and CRR benefit. For private banks, CRR cut benefit was negated by lower loan growth (except Axis Bank) and shift of deposits to state-owned banks (flight to safety).
- ✎ For large banks (except for ICICI Bank), loans grew above industry growth of ~24% YoY. However, for private banks (except Axis Bank) loan growth declined QoQ.
- ✎ MOSL Banking Universe operating profits grew 40% v/s our estimate of 23% growth, backed by strong trading profits and continued traction in fee income.
- ✎ State-owned banks used strong growth in operating profits to make provisions for likely wage increase and NPAs.

## KEY PARAMETERS

% GROWTH	NII		FEE INCOME		PAT		DEPOSITS		LOANS		GROSS NPA		NIMS (%)		
	QOQ	YOY	QOQ	YOY	QOQ	YOY	QOQ	YOY	QOQ	YOY	QOQ	YOY	3QFY08	2QFY09	3QFY09
<b>PSU Banks</b>	<b>10.3</b>	<b>36.9</b>	<b>7.3</b>	<b>31.8</b>	<b>26.4</b>	<b>47.6</b>	<b>7.5</b>	<b>29.0</b>	<b>5.0</b>	<b>31.2</b>	<b>7.4</b>	<b>13.0</b>			
SBI	5.6	35.3	17.4	38.1	9.7	37.0	11.8	35.8	2.1	29.1	6.1	25.1	2.8	3.2	3.2
PNB	14.9	38.1	18.8	66.3	42.2	85.8	5.8	29.1	8.5	39.4	4.5	-23.2	3.6	3.5	3.7
Canara Bank	8.3	33.2	18.2	-22.2	32.5	52.9	1.9	21.3	8.1	30.8	59.8	65.0	2.4	2.7	2.8
Bol	11.6	41.0	-20.1	28.1	14.3	70.4	4.5	26.4	5.3	31.3	11.9	12.4	3.1	3.2	3.4
BoB	28.9	46.6	-1.6	24.1	79.2	41.4	4.7	23.2	6.5	33.2	-1.7	-5.8	3.0	3.1	3.3
<b>Private Banks</b>	<b>0.4</b>	<b>21.8</b>	<b>-13.6</b>	<b>-6.3</b>	<b>25.0</b>	<b>25.0</b>	<b>0.1</b>	<b>15.6</b>	<b>-1.5</b>	<b>15.6</b>	<b>10.0</b>	<b>61.0</b>			
ICICI Bank	-7.3	1.6	-24.2	-28.2	25.4	3.4	-6.4	-9.0	-4.3	-1.4	9.0	55.0	2.3	2.4	2.3
HDFC Bank	6.0	37.7	9.0	36.2	17.8	44.8	8.3	45.8	-3.4	38.4	14.1	120.5	4.3	4.2	4.3
Axis Bank	1.8	24.4	-1.3	53.4	24.3	63.2	2.8	54.2	9.4	54.9	10.9	76.0	3.9	3.5	3.1

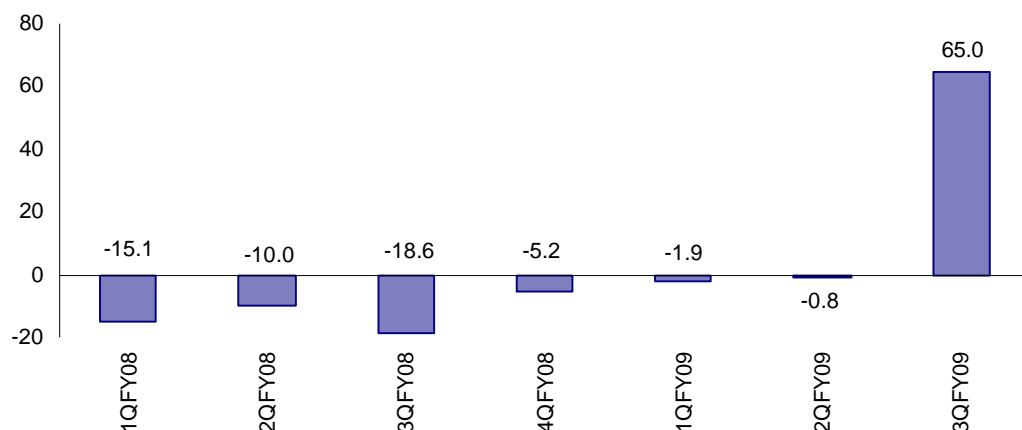
Note: Fee income = Non interest income (Ex treasury, forex and recoveries). Nims (%) for SBI, PNB & Canara are on cummulative basis, where as rest are on qtrly basis.

Source: Company/MOSL

## FEW ABBERATIONS DURING THE QUARTER

## CANARA BANK - GROSS NPAs (% GROWTH YOY)

Gross NPAs increased significantly; largely technical in nature

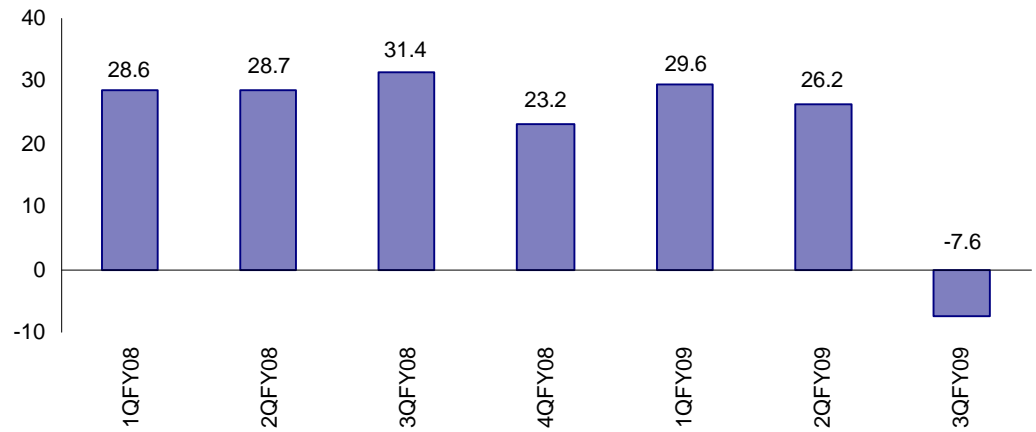


Source: Company/MOSL

FEW ABBERATIONS DURING THE QUARTER

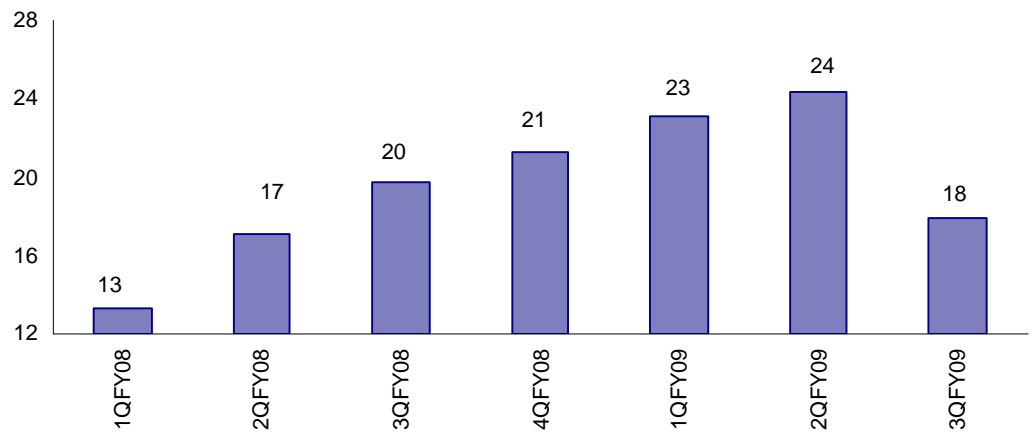
HDFC: APPROVALS (% GROWTH YOY)

*Decline in approvals , a negative surprise*



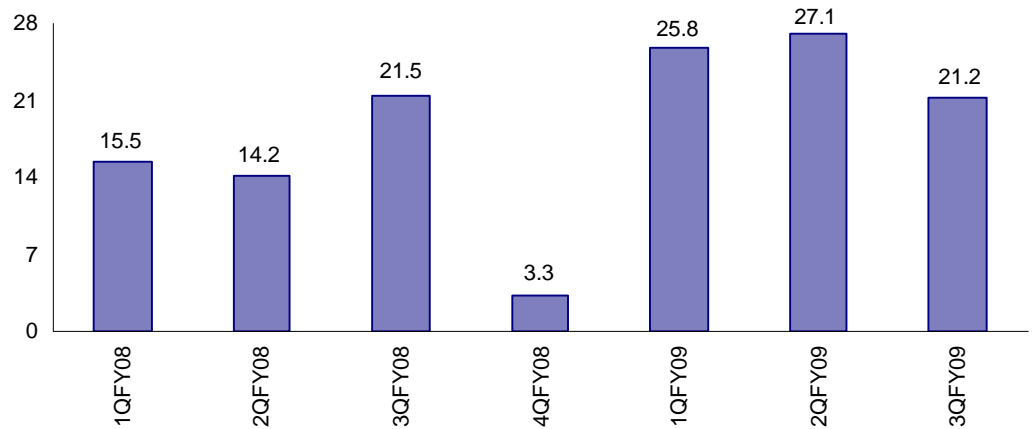
ICICI BANK - CORE OPERATING PROFITS (RS B)

*Significant fall in core operating profits, due to fall in loans and core fee income*



SBI - CASA DEPOSITS (% GROWTH YOY)

*Strong growth in CASA - big beneficiary of the flight to safety*



Source: Company/MOSL

# Cement

BSE Sensex: 9,202

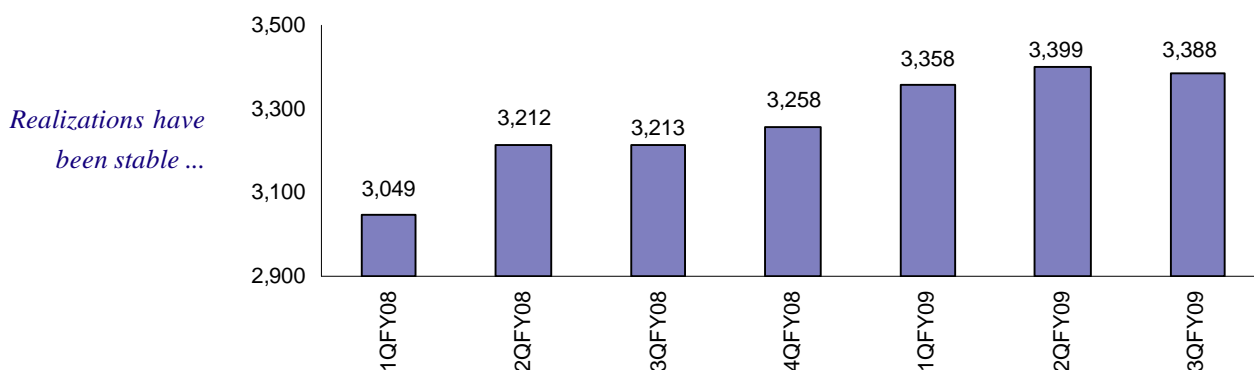
S&P CNX: 2,803

4 February 2009

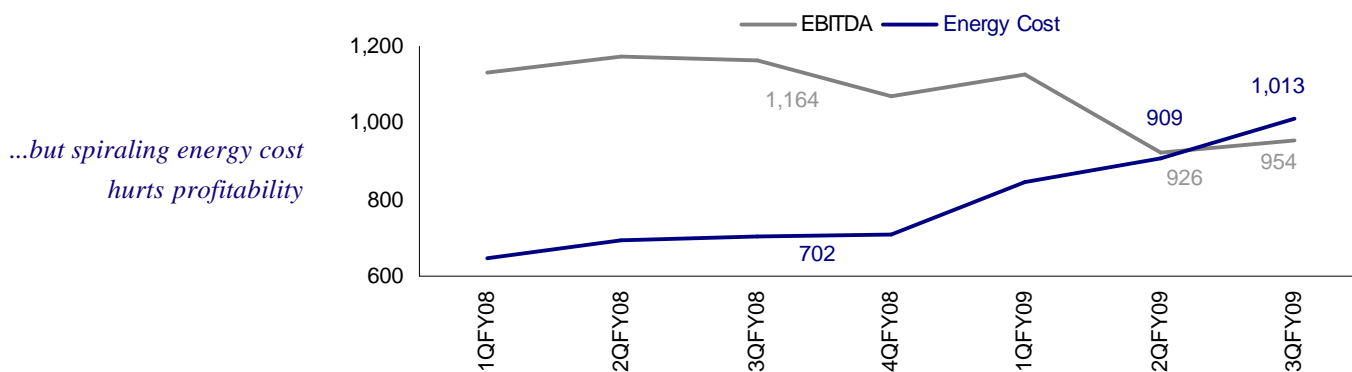
## Cost push abates

- ✂ Pick-up in demand witnessed in 3QFY09, with industry volumes growing by 9.3%.
- ✂ Realizations remain stable at Rs169/bag.
- ✂ 3QFY09 witnessed easing of cost pressure, benefiting from lower energy, packing and other expenditure. Full benefit of lower energy cost to reflect in 4QFY09/1QFY10.
- ✂ EBITDA margins improve Rs1.5/bag QoQ.
- ✂ **Top picks:** Grasim, Birla Corporation and Shree Cement.

REALIZATIONS (RS/TON)



TREND IN EBITDA AND ENERGY COST (RS/TON)



Source: Company/MOSL

## POSITIVE SURPRISE, EXCEPT INDIA CEMENTS

	EBITDA (RS M)			EBITDA (RS/TON)			PAT (RS M)		
	ACTUAL	EST	VAR (%)	ACTUAL	EST	VAR (%)	ACTUAL	EST	VAR (%)
Grasim	4,076	3,846	6.0	980	970	1.0	3,296	3223	2.2
UltraTech	4,308	3,710	16.1	943	810	16.4	2,384	1899	25.5
Birla Corp	1,019	1,088	-6.3	809	793	2.0	814	734	10.8
India Cement	1,801	2,577	-30.1	901	1221	-26.2	700	1319	-46.9
Shree Cement	2,269	1,841	23.3	1078	877	22.9	1,278	948	34.8
<b>Aggregate</b>	<b>14,392</b>	<b>14,855</b>	<b>-3.1</b>	<b>914</b>	<b>877</b>	<b>4.2</b>	<b>8,471</b>	<b>8124</b>	<b>4.3</b>

Source: Company/MOSL

## Engineering

BSE Sensex: 9,202

S&amp;P CNX: 2,803

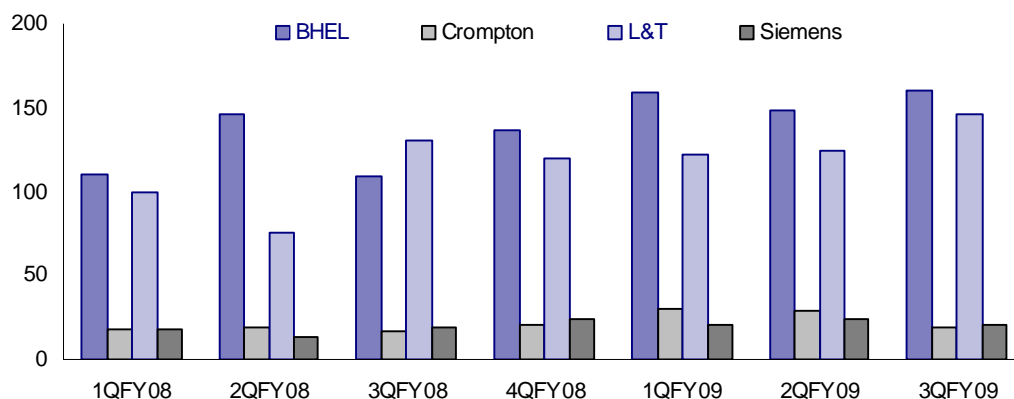
4 February 2009

## Signs of margin pressure

- ✂ Steady order intake for larger players, but others witnessed QoQ decline. Visibility remains strong for BHEL due to government exposure.
- ✂ First sign of order delays/cancellations in BHEL (RIL's Nagothane plant), L&T (management indicated possible delays in metals/real estate), etc.
- ✂ Largely in-line results, but segmental margin pressure visible. High cost inventory impact to ease from 4QFY09/1QFY09.
- ✂ **Top picks:** BHEL, Crompton.

ORDER INTAKE (RS B) – LARGER (L&amp;T/BHEL) EMERGE STRONGER...

*BHEL and L&T witness robust order intake, providing strong near term revenue visibility*



Source: Company/MOSL

... BUT HEADWINDS TO VOLUMES / PROFITABILITY

*Slowdown in industrial segment has impacted L&T, Crompton and Siemens in 3QFY09*

	EBDITA (RS M)			PAT (RS M)		
	ACTUAL	EST	VAR (%)	ACTUAL	EST	VAR (%)
BHEL	11,008	10,960	0.4	8,426	8,777	-4.0
Crompton	1,386	1,365	1.5	847	855	-0.9
L&T	9,435	9,172	2.9	6,401	5,721	11.9
Siemens	1,702	2,111	-19.4	1,073	1,370	-21.7
Suzlon*	39,320	37,050	6.1	2,914	1,328	119.4

\* Reported loss of Rs1,575m

Source: Company/MOSL

IN LINE EXCEPT SIEMENS / SUZLON

(YOY) NUMBERS	REVENUE GROWTH (%)	EBIT MARGIN(% VARI)
<b>L&amp;T</b>		
EBG	5.1	(5.0)
MIP	10.2	(7.2)
<b>Crompton</b>		
Industrial	3.5	(2.9)
Consumer	14.2	(0.7)
<b>Siemens</b>		
Industrial	13.0	0.4
Others	6.0	(0.4)

Source: Company/MOSL

# FMCG

BSE Sensex: 9,202

S&P CNX: 2,803

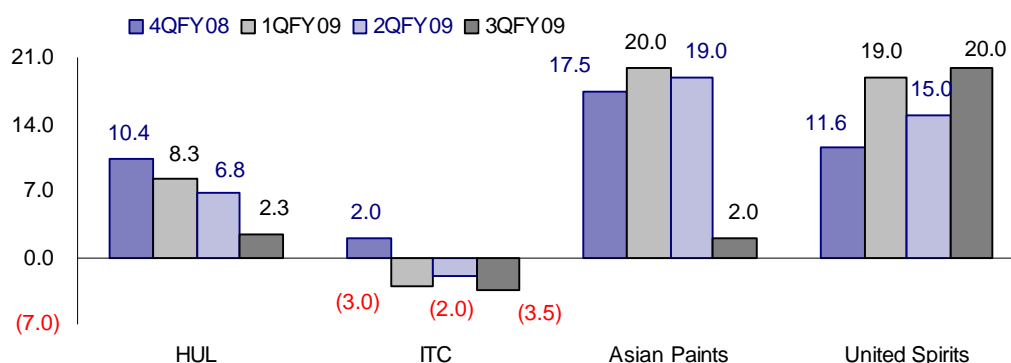
4 February 2009

## Wash out

- ✘ FMCG results have been disappointing as volume growth has drifted lower.
- ✘ Gross margins have declined, as benefit of decline in input costs has not started accruing due to high inventory levels.
- ✘ We expect volume growth to trend lower, as lower income growth will check the entry/upgradation of consumers.
- ✘ Sales growth will be volume-led, as companies reduce prices to boost volume growth. Margin expansion will be the key profit driver in FY10.
- ✘ **Our top picks:** ITC and Nestle.

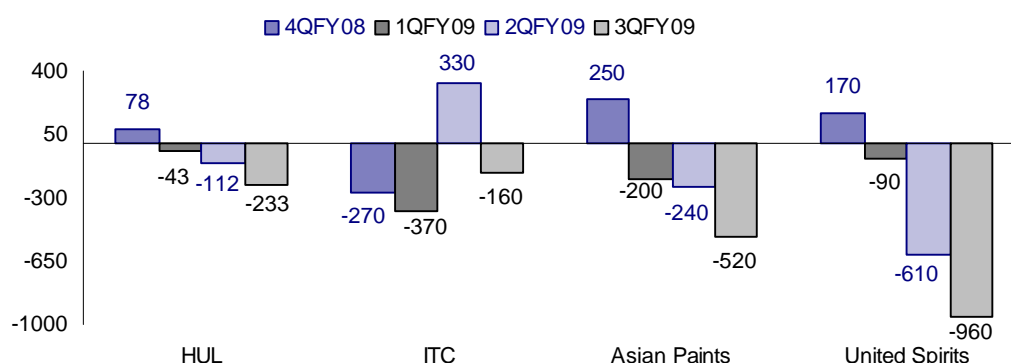
VOLUME GROWTH OF KEY FMCG PLAYERS (%)

*Asian Paints, and HUL reported steep decline in volume growth*



GROSS MARGIN DECLINES YOY (BP)

*United Spirits and Asian Paints witness steep gross margin decline*



Source: Company/MOSL

### DISAPPOINTMENTS ARE VERY LARGE

COMPANIES	SALES GR. (%)		EBITDA GR. (%)		PAT GR. (%)	
	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL
HUL	23.2	16.8	25.5	22.8	15.3	10.1
ITC	20.2	10.9	15.1	12.8	14.1	8.7
Asian Paints	19.3	12.2	13.7	-41.1	7.9	-49.8
Godrej Consumer	19.5	25.4	9.1	-15	16.2	-6.9
United Spirits	21.3	15.8	18.3	-37.8	20.2	-65.3

Source: Company/MOSL

## Information Technology

BSE Sensex: 9,202

S&amp;P CNX: 2,803

4 February 2009

**Holding up amidst uncertainty**

- ✗ 3QFY09 results were largely in line with our expectations.
- ✗ The sector saw lack of accord in pricing growth and hiring.
- ✗ Decent margin performance due to higher offshoring and favorable SG&A leverage.
- ✗ Extreme lack of visibility for FY10 with clients delaying decisions on IT spends.
- ✗ Sector valuations at all time low, with Infosys at 12.7x FY10E earnings.

## VOLUME LED QOQ GROWTH (%)

*While Infosys recorded realization de-growth, TCS, Wipro and HCL Tech maintained pricing*

	REVENUE	REALIZATIONS	VOLUME
Infosys	1.0	-1.8	2.0
TCS	1.2	-0.1	2.4
Wipro	3.5	1.2	2.2
HCL Tech	8.1	* 0.0	2.8

Note: Revenue & realization growth in constant currency; \*Including Axon; 2.3% excl. Axon

Source: Company/MOSL

## DIVERGENCE IN HIRING EMERGES

*Infosys, TCS stepped-up hiring*

	3QFY09		FY08	9MFY09		AS % OF FY08
	HEADCOUNT	NET ADDITION		HEADCOUNT	NET ADDITION	
	HEADCOUNT	NET ADDITION	HEADCOUNT	NET ADDITION	HEADCOUNT	
Infosys	103,078	2,772	91,187	11,891	13.0	
TCS	130,343	8,733	111,407	18,936	17.0	
Wipro	96,965	-587	95,567	1,398	1.5	
HCL Tech	31,237	-34	30,387	850	2.8	

Source: Company/MOSL

## ACTUALS V/S ESTIMATES

*Operating performance marginally below estimates*

	US\$ REV GR. (%)		EBIT MARGINS (%)		PAT (RS M)	
	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE
Infosys	-3.7	-3.2	31.9	29.3	15,790	15,391
TCS	-5.8	-3.4	24.8	23.9	13,525	15,202
Wipro	-0.9	-0.3	15.8	17.3	8,979	9,602
HCL Tech	1.3	3.2	18.6	18.7	3,530	3,924

Source: Company/MOSL

## DEPRECIATION OF NON-DOLLAR CURRENCIES RESULTED IN HIGH TRANSLATION LOSSES (RS M)

FOREX GAIN / (LOSS)	TCS	INFOSYS	WIPRO	HCL TECH
<b>3QFY09</b>	<b>-2,030</b>	<b>-1,920</b>	<b>-201</b>	<b>-1,419</b>
<b>2QFY09</b>	<b>-2,610</b>	<b>-1,260</b>	<b>-680</b>	<b>-974</b>
Amount in OCI (B/S) as of Dec 08	-7,500	-	-9,628	-9,960
Total Hedges outstanding - in US\$ Mn	1,020	576	1,800	1,581

Source: Company/MOSL



# Metals

BSE Sensex: 9,202

S&P CNX: 2,803

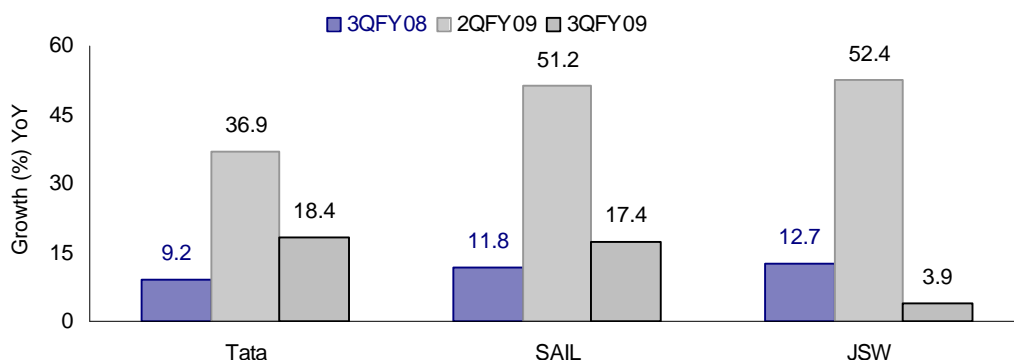
4 February 2009

## Stressed

- Steel results have been disappointing, as volumes declined due to weak demand during the quarter.
- Margins have declined as most of the companies are stuck with high cost coking coal inventory contracted at 200% higher prices of US\$300/ton. High coking coal costs will continue to hit margins till 4QFY09.
- Non-ferrous results have been disappointing in a back-drop of 25% YoY correction in aluminum prices and 54% correction in zinc. We expect Tc/Rc for copper smelters to improve, going forward.
- Our top pick: JSPL** - higher volumes of both steel and power will drive earnings in FY10.

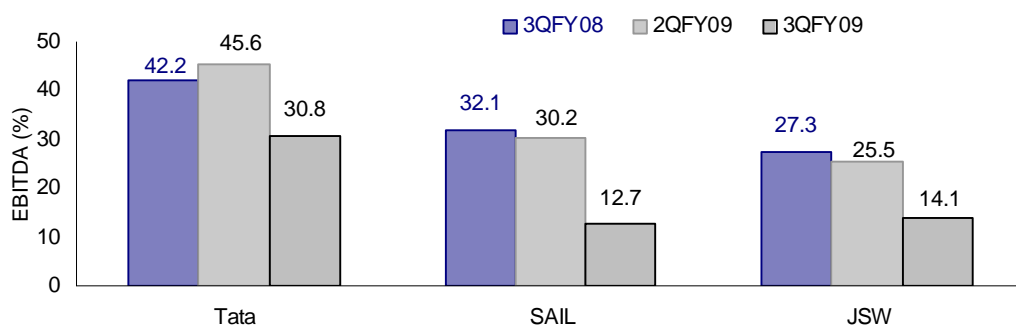
REALIZATION GROWTH TUMBLES (% YOY)

*Sharp correction in steel prices led to a significant decline in realization*



HIGH COST COAL INVENTORY ERODES MARGINS

*Coking coal contracted at US\$300/ton will hit margins till March 2009*



Source: Company/MOSL

MIXED BAG (3QFY09)

	EBITDA (RS M)		ADJ. PAT (RS M)	
	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL
Tata	25,386	14,780	13,491	5,930
SAIL	5,548	11,287	3,945	8,279
JSW	2,843	3,915	-579	-165
JSPL	5,929	6,846	3,201	3,792
Sterlite	10,432	5,653	8,433	5,283

Source: Company/MOSL

## Oil &amp; Gas

BSE Sensex: 9,202

S&amp;P CNX: 2,803

4 February 2009

## Inventory losses; ad-hoc subsidy steal the show

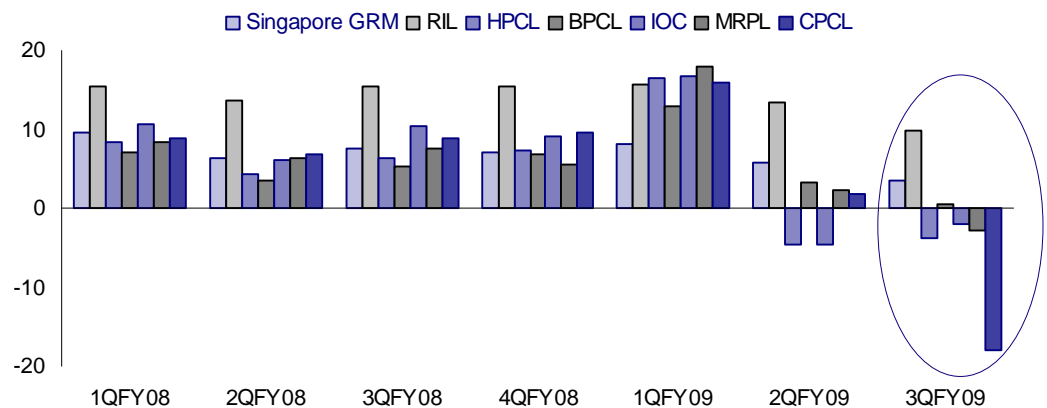
## SUBSIDY SHARING

	1QFY08	2QFY08	3QFY08	4QFY08	1QFY09	2QFY09	3QFY09
<b>Subsidy Sharing (Rs b)</b>							
Oil Bonds	-	112.6	90.8	149.6	244.1	205.6	160.0
Upstream	43.0	44.8	70.9	98.3	112.5	146.8	60.7
OMC's Sharing	86.1	(22.9)	50.9	48.9	131.6	88.7	(96.8)
<b>Total</b>	<b>129.1</b>	<b>134.5</b>	<b>212.6</b>	<b>296.8</b>	<b>488.2</b>	<b>441.0</b>	<b>123.9</b>
<b>Subsidy Sharing (%)</b>							
Oil Bonds	0.0	83.7	42.7	50.4	50.0	46.6	129.1
Upstream	33.3	33.3	33.3	33.1	23.0	33.3	49.0
OMC's Sharing	66.7	-17.0	24.0	16.5	27.0	20.1	-78.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

*Ad-hoc subsidy sharing  
continued....*

Source: Company/MOSL

## REPORTED GRM (US\$/BBL)



*Refiners impacted by  
inventory losses...except RIL*

Source: Company/MOSL

## PETCHEM EBIT (RS B)

	ESTIMATE	ACTUAL	VAR (%)
GAIL	0.7	1.3	88
RIL	15.0	16.6	10

Source: Company/MOSL

## ACTUAL V/S ESTIMATE

	EBITDA (RS M)		PAT (RS M)	
	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL
BPCL	7,273	15,209	1,405	9,175
GAIL	4,855	2,660	3,425	2,534
IOC	16,379	32,177	6,960	32,333
ONGC	84,434	50,011	46,262	21,900
Reliance Inds.	55,934	53,630	33,945	35,010

Source: Company/MOSL

## Real Estate

BSE Sensex: 9,202

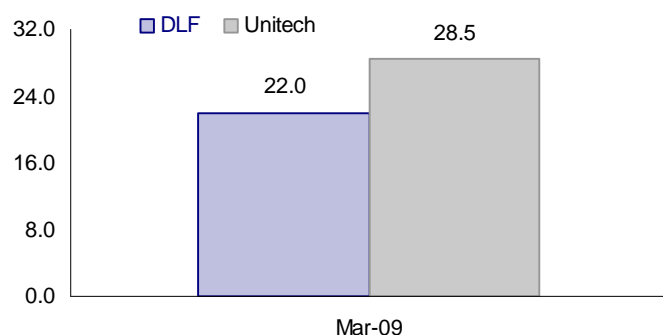
S&P CNX: 2,803

4 February 2009

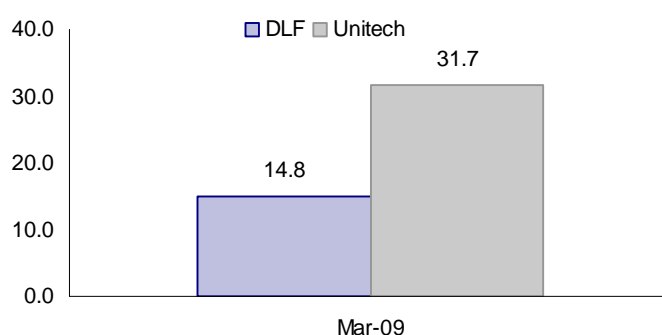
### Annus horribilis

- ✘ While the real estate sector has been in a downturn since September 2007, 3QFY09 would be remembered as the quarter when the real estate industry came to a 'virtual standstill' and forced most real estate companies to come out of their denial mode and acknowledge the severity of the downturn.
- ✘ Several companies announced drastic measures to effectively deal with the downturn: (i) suspending several ongoing projects, (ii) postponing majority of new launches, (iii) recalibrating development plans, etc.
- ✘ Another significant event during 3QFY09 was RBI's bailout for the real estate sector. Consequently, almost all real estate companies used the rescheduling window provided by RBI to refinance or reschedule their bullet debt repayment obligations falling due up to March 2009.
- ✘ Due to the virtual paralysis in the real estate sector since November 2008, we believe 4QFY09 could be worse than 3QFY09.
- ✘ Our top pick remains **DLF**.

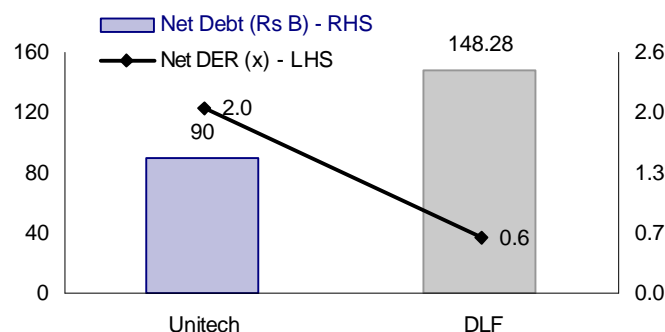
DEBT REPAYMENT OBLIGATIONS (RS B)



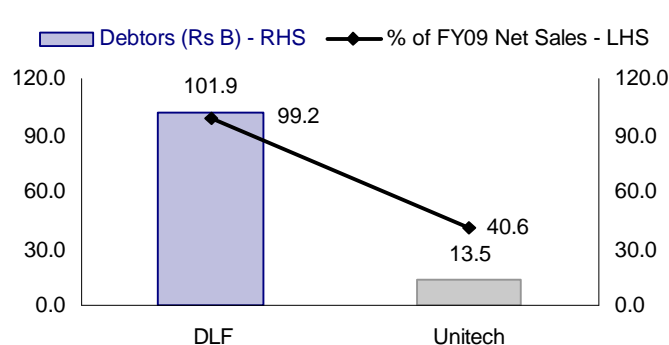
DEBT REPAYMENT OBLIGATIONS AS % OF NET DEBT



LEVERAGE REMAINS HIGH



DEBTORS (AS ON DEC-08) AS % OF FY09 SALES



3Q RESULTS: ESTIMATES V/S ACTUAL (DEC-08)

	REVENUE (RS M)		EBITDA (RS M)		PAT (RS M)	
	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL
DLF	32,481	13,667	18,027	7,720	13,913	6,708
Unitech	8,793	4,894	4,133	2,443	2,004	1,380

Source: Company/MOSL

# Telecom

BSE Sensex: 9,202

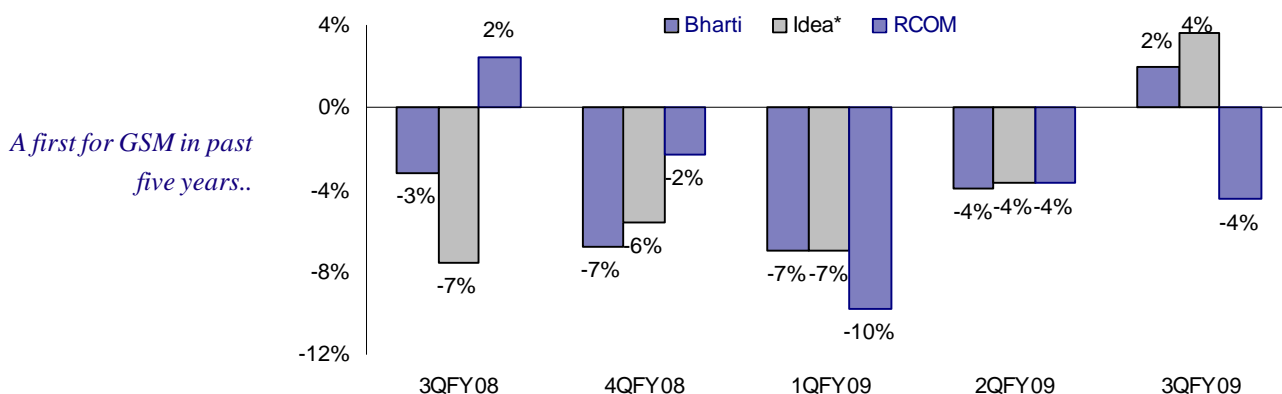
S&P CNX: 2,803

4 February 2009

## RPM arrest appears temporary

- ✍ Telecom results were broadly in line with expectations, with in-line revenues and stable margins.
- ✍ Bharti and Idea delivered in-line EBITDA performance.
- ✍ RCOM's operating performance was marginally negative on flat wireless EBITDA and disappointing performance in the enterprise segment. Earnings were supported by strong treasury/forex translational gains.
- ✍ We view the RPM increase during the quarter for Bharti and Idea as an aberration and expect RPM pressure to increase on aggressive discounting, led by new rollouts. We like Bharti due to higher earnings visibility and RCOM on cheap valuations and possibility of the GSM expansion driving turnaround in wireless performance.

RPM INCREASES QOQ



*A first for GSM in past five years..*

Source: Company/MOSL

QOQ MOU TREND (%)

*..on withdrawal of discounted minutes..*

	3QFY08	4QFY08	1QFY09	2QFY09	3QFY09
Bharti	1	7	5	-1	-4
Idea Cellular *	5	9	4	-3	-2
RCOM	-8	-4	-1	0	-3

QOQ TRAFFIC GR. (%)

*...leading to soft traffic growth despite positive seasonality*

	3QFY08	4QFY08	1QFY09	2QFY09	3QFY09
Bharti	15	20	18	10	7
Idea Cellular *	19	24	19	10	11
RCOM	4	8	10	10	7

\* On ex-Spice basis

Source: Company/MOSL

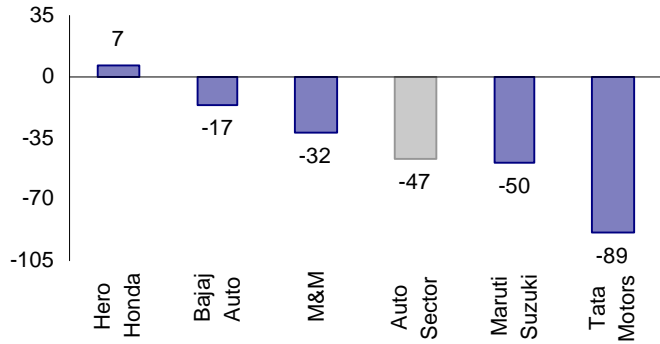
3Q RESULTS: BHARTI AND IDEA INLINE, RCOM SURPRISED NEGATIVELY DESPITE MUTED EXPECTATION

	REVENUE GR. (%)		EBITDA GR. (%)		PAT GR. (%)	
	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL	ESTIMATE	ACTUAL
Bharti Airtel	38.8	38.3	33.9	33.1	30.8	25.4
Idea Cellular	54.9	59.7	20.7	22.5	-11.9	-7.3
Reliance Comm	23.9	20.0	15.7	11.7	-8.2	6.1

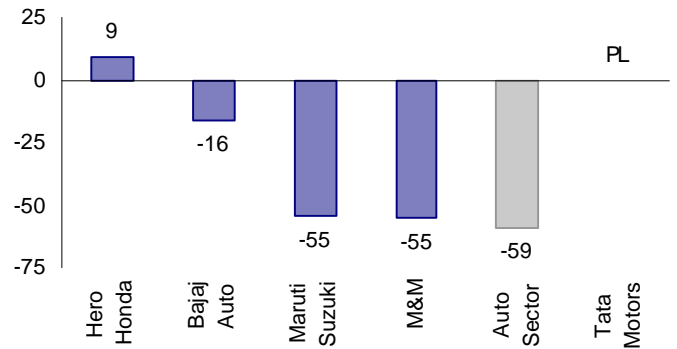
Source: Company/MOSL

**Sectoral EBITDA & PAT growth: leaders & laggards (quarter ended December 2008)**

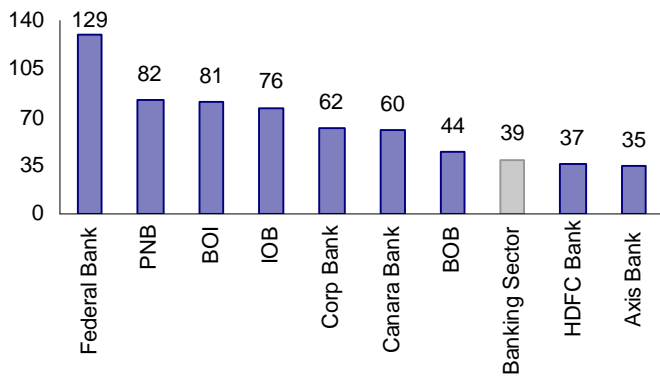
AUTO EBITDA GROWTH (%): LEADERS & LAGGARDS



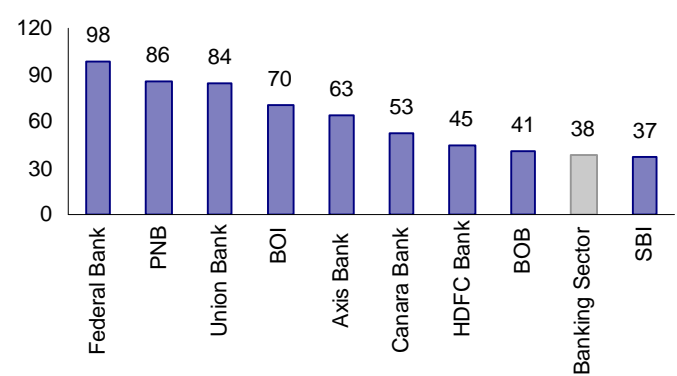
AUTO PAT GROWTH (%): LEADERS & LAGGARDS



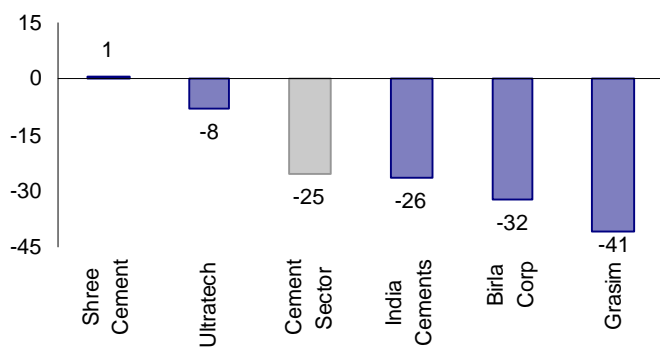
BANKS EBITDA GROWTH (%): LEADERS & LAGGARDS



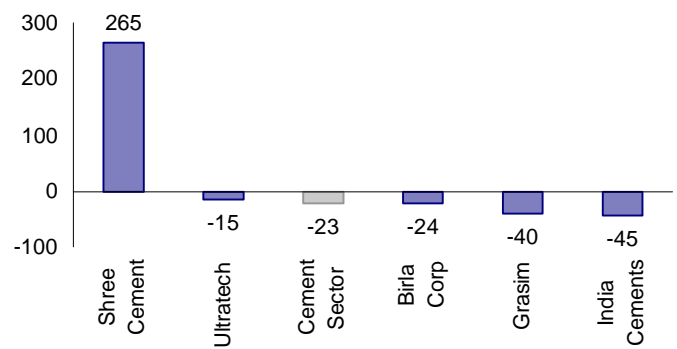
BANKS PAT GROWTH (%): LEADERS & LAGGARDS



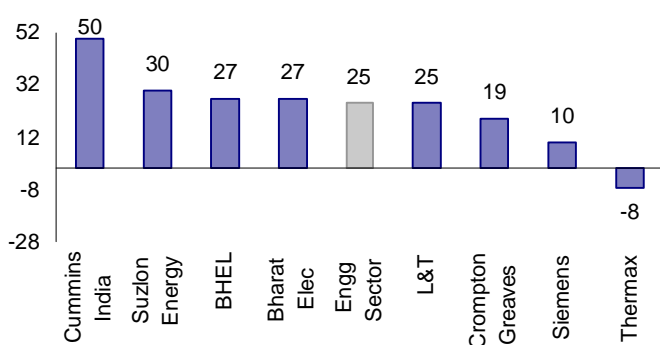
CEMENT EBITDA GROWTH (%): LEADERS & LAGGARDS



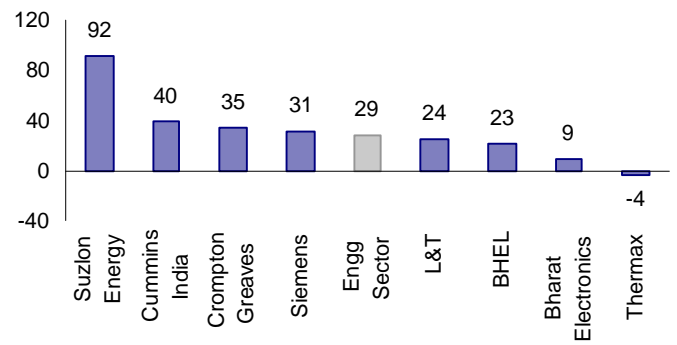
CEMENT PAT GROWTH (%): LEADERS & LAGGARDS



ENGINEERING EBITDA GROWTH (%): LEADERS & LAGGARDS



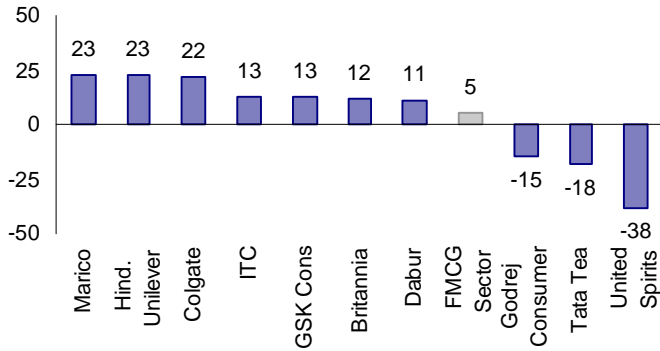
ENGINEERING PAT GROWTH (%): LEADERS & LAGGARDS



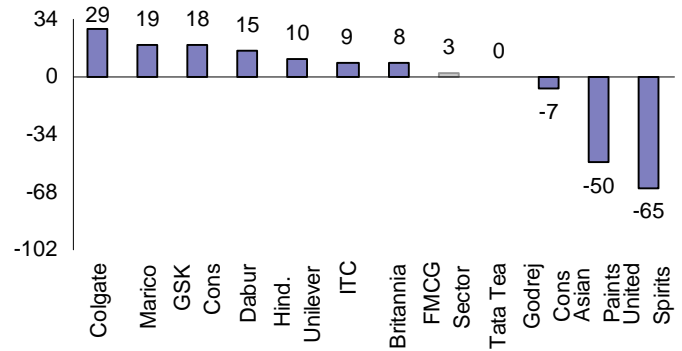
Source: MOSL

**Sectoral EBITDA & PAT growth: leaders & laggards (quarter ended December 2008)**

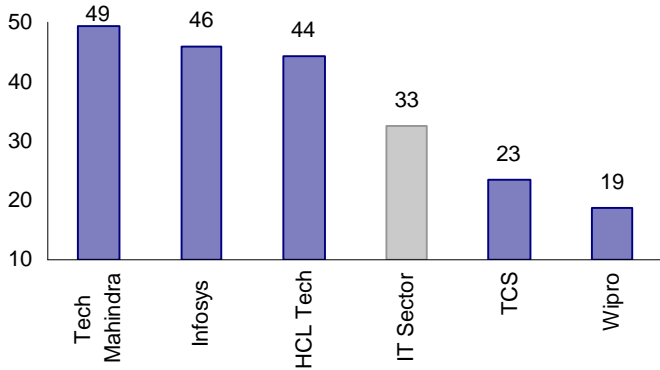
FMCG EBITDA GROWTH (%): LEADERS & LAGGARDS



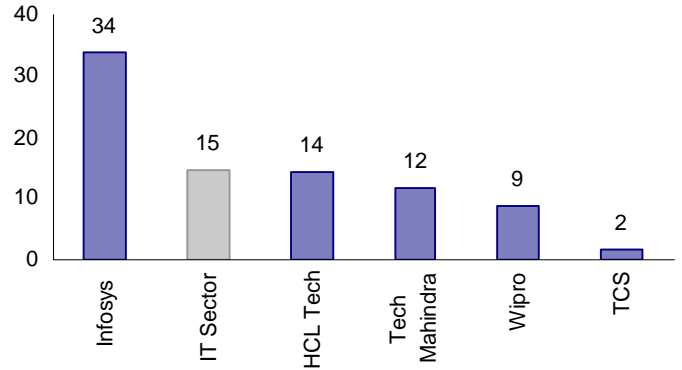
FMCG PAT GROWTH (%): LEADERS & LAGGARDS



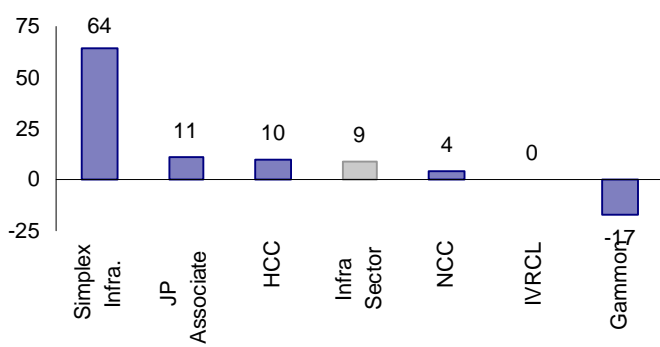
IT EBITDA GROWTH (%): LEADERS & LAGGARDS



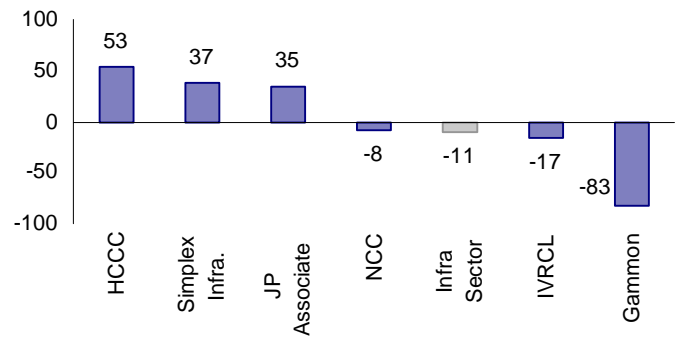
IT PAT GROWTH (%): LEADERS & LAGGARDS



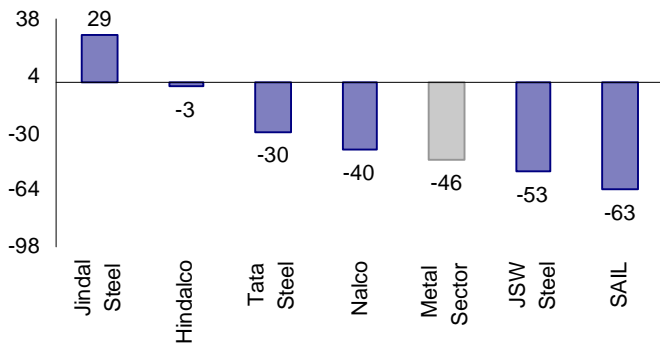
INFRASTRUCTURE EBITDA GROWTH (%): LEADERS & LAGGARDS



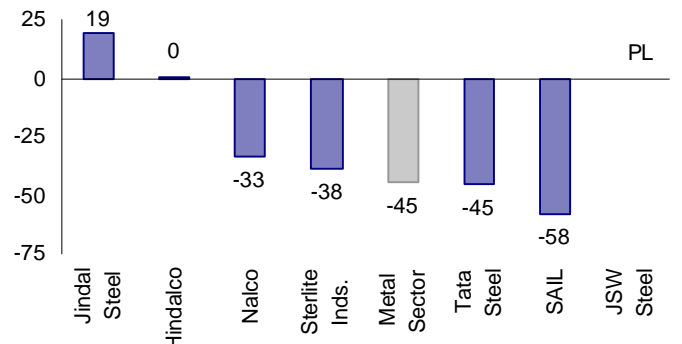
INFRASTRUCTURE PAT GROWTH (%): LEADERS & LAGGARDS



METALS EBITDA GROWTH (%): LEADERS & LAGGARDS



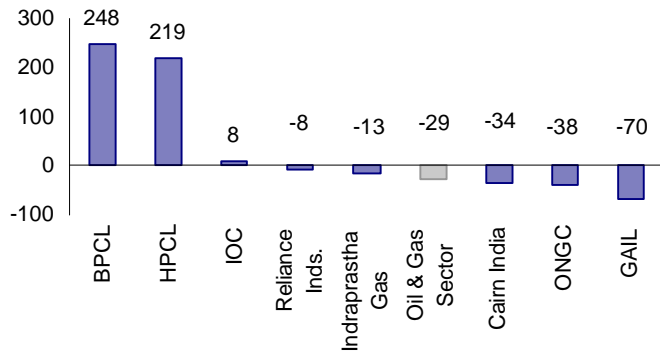
METALS PAT GROWTH (%): LEADERS & LAGGARDS



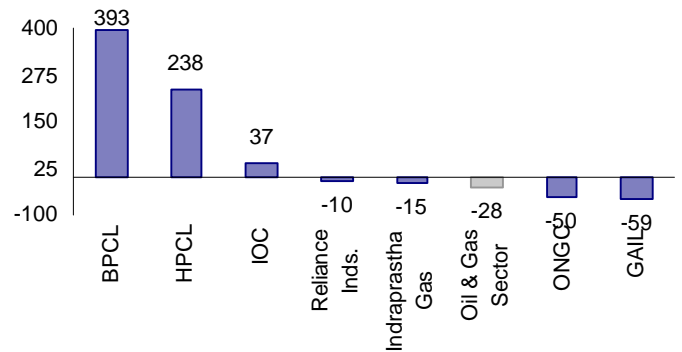
Source: MOSL

**Sectoral EBITDA & PAT growth: leaders & laggards (quarter ended December 2008)**

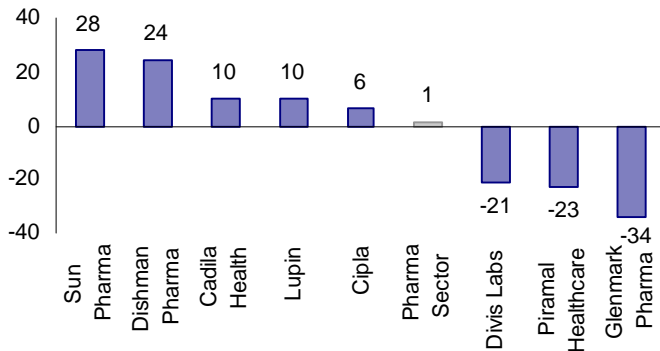
OIL AND GAS EBITDA GROWTH - EXCL. OMC (%): LEADERS & LAGGARDS



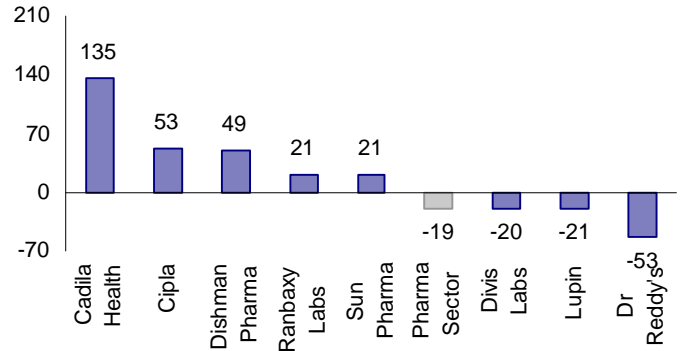
OIL AND GAS PAT GROWTH - EXCL. OMC (%): LEADERS & LAGGARDS



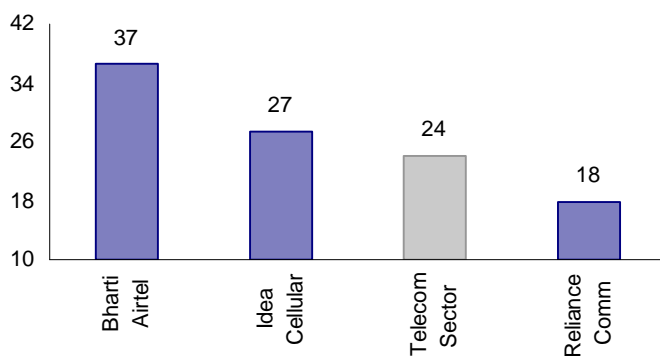
PHARMA EBITDA GROWTH (%): LEADERS & LAGGARDS



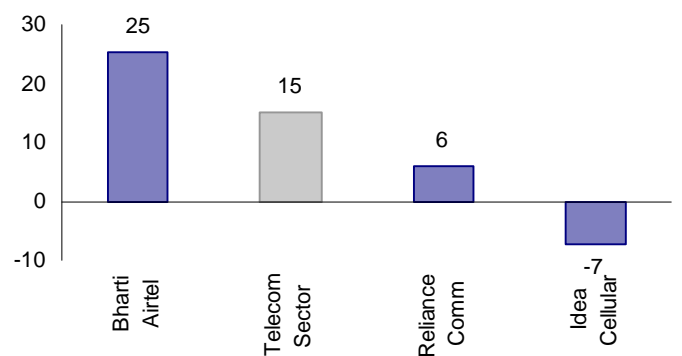
PHARMA PAT GROWTH (%): LEADERS & LAGGARDS



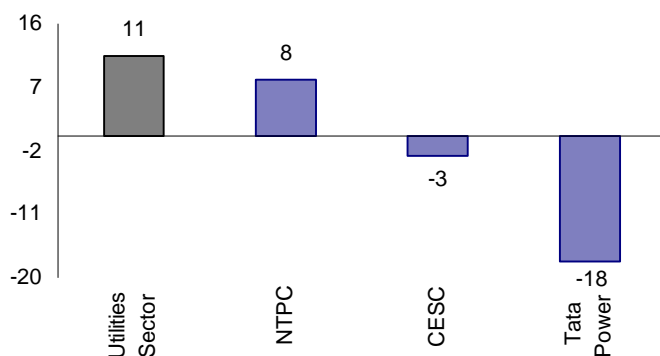
TELECOM EBITDA GROWTH (%): LEADERS & LAGGARDS



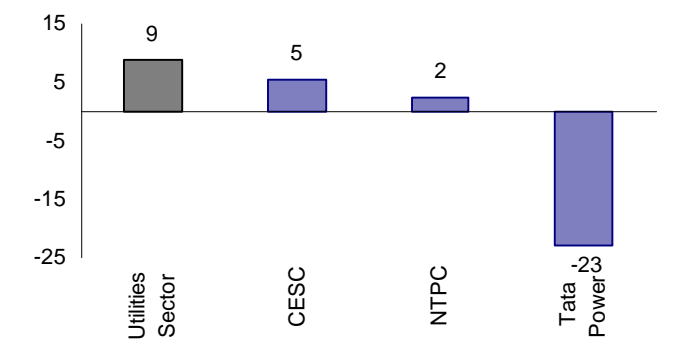
TELECOM PAT GROWTH (%): LEADERS & LAGGARDS



UTILITIES EBITDA GROWTH (%): LEADERS & LAGGARDS



UTILITIES PAT GROWTH (%): LEADERS & LAGGARDS



Source: MOSL

## Ready reckoner: quarterly performance

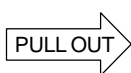
COMPANIES	SALES (RS M)				EBITDA (RS M)				NET PROFIT (RS M)			
	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR
	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)
<b>Automobiles</b>												
Bajaj Auto	21,031	-20.3	-15.9	5.5	3,058	-37.6	-16.7	33.5	2,082	-40.6	-16.2	41.1
Hero Honda	28,740	6.6	4.8	-1.7	4,098	-2.2	7.1	9.5	3,004	9.0	9.2	0.2
Mahindra & Mahindra	25,063	-16.7	-14.6	2.5	2,206	-36.1	-32.2	6.1	1,213	-50.0	-55.2	-10.5
Maruti Suzuki	46,808	-10.9	-1.7	10.4	3,518	-41.8	-49.6	-13.4	2,122	-54.7	-54.6	0.3
Tata Motors	47,136	-30.0	-34.6	-6.6	917	-56.9	-88.8	-74.1	-1,593	-96.6		PL
<b>Sector Aggregate</b>	<b>168,778</b>	<b>-17.3</b>	<b>-16.2</b>	<b>1.4</b>	<b>13,796</b>	<b>-39.4</b>	<b>-46.8</b>	<b>-12.2</b>	<b>6,829</b>	<b>-51.8</b>	<b>-59.3</b>	<b>-15.6</b>
<b>Cement</b>												
Birla Corporation	4,521	4.7	4.5	-0.2	1,019	-27.8	-32.3	-6.3	814	-31.0	-23.6	10.8
Grasim Industries	26,536	-0.6	2.3	2.9	4,995	-32.9	-40.6	-11.4	3,296	-41.3	-40.0	2.2
India Cements	7,529	7.4	2.0	-5.0	1,801	5.2	-26.4	-30.1	700	3.9	-44.9	-46.9
Shree Cement	6,653	20.8	25.6	4.0	2,269	-18.3	0.7	23.3	1,278	170.5	264.7	34.8
UltraTech Cement	16,308	16.3	18.2	1.6	4,308	-20.6	-7.9	16.1	2,384	-32.1	-14.7	25.5
<b>Sector Aggregate</b>	<b>61,547</b>	<b>7.0</b>	<b>8.5</b>	<b>1.4</b>	<b>14,392</b>	<b>-23.0</b>	<b>-25.4</b>	<b>-3.1</b>	<b>8,471</b>	<b>-26.0</b>	<b>-22.8</b>	<b>4.3</b>
<b>Engineering</b>												
Bharat Electronics	6,709	10.3	1.3	-8.2	1,606	9.4	26.6	15.7	1,228	4.1	8.7	4.4
BHEL	60,223	28.1	21.3	-5.3	11,008	26.3	26.9	0.4	8,426	27.7	22.6	-4.0
Crompton Greaves	10,797	18.4	18.0	-0.4	1,386	17.7	19.5	1.5	847	36.0	34.7	-0.9
Cummins India	7,495	27.0	27.0	0.0	1,519	22.1	50.0	22.8	1,042	17.0	39.7	19.4
Larsen & Toubro	85,940	23.9	34.6	8.7	9,435	28.1	25.0	-2.4	6,401	11.1	24.3	11.9
Siemens	16,399	5.1	-14.6	-18.7	1,702	36.4	10.0	-19.4	1,427	25.7	30.9	4.2
Suzlon Energy	39,320	16.9	24.0	6.1	5,063	14.3	30.2	13.9	2,914	-12.5	92.1	119.4
Thermax	7,951	21.3	-6.0	-22.5	968	16.0	-7.8	-20.5	723	14.1	-3.7	-15.6
<b>Sector Aggregate</b>	<b>234,833</b>	<b>21.2</b>	<b>20.7</b>	<b>-0.4</b>	<b>32,687</b>	<b>23.9</b>	<b>25.0</b>	<b>0.9</b>	<b>23,008</b>	<b>17.2</b>	<b>28.6</b>	<b>9.8</b>
<b>FMCG</b>												
Asian Paints	13,210	19.3	12.2	-6.0	1,093	13.7	-41.1	-48.2	596	7.9	-49.8	-53.5
Britannia	8,183	21.9	24.7	2.3	656	17.3	11.6	-4.9	526	10.2	7.7	-2.3
Colgate	4,192	15.6	14.1	-1.4	746	18.6	22.0	2.9	777	16.4	28.6	10.4
Dabur	7,787	18.1	19.9	1.5	1,290	10.5	10.9	0.4	1,085	10.7	14.8	3.7
Godrej Consumer	3,421	19.5	25.4	5.0	483	9.1	-15.0	-22.0	401	16.2	-6.9	-19.9
GSK Consumer	3,334	7.0	17.3	9.6	402	-2.0	12.7	14.9	326	-8.5	18.5	29.4
Hind. Unilever	43,077	23.2	16.8	-5.2	6,931	25.5	22.8	-2.2	6,101	15.3	10.1	-4.5
ITC	38,333	20.2	10.9	-7.8	13,527	15.1	12.8	-2.0	9,032	14.1	8.7	-4.7
Marico	6,228	25.4	23.0	-1.9	791	15.2	23.2	6.9	509	12.3	19.0	6.0
Tata Tea	13,009	6.8	9.8	2.8	1,722	-12.4	-18.4	-6.9	821	-14.8	-0.1	17.2
United Spirits	10,293	21.3	15.8	-4.6	1,063	18.3	-37.8	-47.4	306	20.2	-65.3	-71.1
<b>Sector Aggregate</b>	<b>151,066</b>	<b>19.6</b>	<b>15.0</b>	<b>-3.8</b>	<b>28,705</b>	<b>14.8</b>	<b>5.4</b>	<b>-8.2</b>	<b>20,479</b>	<b>12.7</b>	<b>2.9</b>	<b>-8.7</b>





## Ready reckoner: quarterly performance

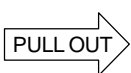
COMPANIES	SALES (RS M)				EBITDA (RS M)				NET PROFIT (RS M)			
	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR
	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)
<b>Information Technology</b>												
HCL Technologies	24,908	42.0	37.1	-3.4	5,601	48.4	44.2	-2.9	3,530	27.1	14.3	-10.0
Infosys	57,860	36.4	35.5	-0.7	20,310	38.7	45.9	5.2	15,790	30.3	33.7	2.6
TCS	72,770	27.0	22.8	-3.3	19,474	23.6	23.3	-0.2	13,525	14.2	1.6	-11.0
Tech Mahindra	11,322	28.4	16.7	-9.1	3,180	29.0	49.4	15.8	2,229	14.5	11.8	-2.3
Wipro	58,572	35.3	29.6	-4.2	10,318	35.8	18.7	-12.6	8,979	16.2	8.7	-6.5
<b>Sector Aggregate</b>	<b>225,432</b>	<b>33.1</b>	<b>28.8</b>	<b>-3.2</b>	<b>58,883</b>	<b>33.2</b>	<b>32.6</b>	<b>-0.4</b>	<b>44,053</b>	<b>20.6</b>	<b>14.5</b>	<b>-5.1</b>
<b>Infrastructure</b>												
B.L.Kashyap	3,575	17.6	-11.9	-25.1	321	5.9	-32.1	-35.9	162	12.5	-35.8	-43.0
Gammon India	6,536	13.7	25.1	10.0	389	0.6	-16.9	-17.4	32	-35.6	-83.3	-74.1
Hindustan Construction	8,194	22.0	9.3	-10.4	1,060	25.5	9.5	-12.7	300	31.7	52.7	15.9
IVRCL Infra.	11,896	31.3	22.0	-7.1	1,085	12.2	0.1	-10.8	465	-8.6	-16.6	-8.8
Jaiprakash Associates	13,217	49.7	46.9	-1.9	2,473	65.3	10.9	-32.9	2,105	-1.0	34.9	36.3
Nagarjuna Construction	10,266	40.4	31.7	-6.2	899	36.3	4.2	-23.5	363	18.8	-8.4	-22.9
Simplex Infra.	12,703	46.3	80.4	23.3	1,156	47.5	63.9	11.1	303	26.2	37.3	8.8
<b>Sector Aggregate</b>	<b>66,387</b>	<b>33.8</b>	<b>31.8</b>	<b>-1.5</b>	<b>7,383</b>	<b>37.0</b>	<b>8.7</b>	<b>-20.7</b>	<b>3,730</b>	<b>2.8</b>	<b>10.5</b>	<b>7.5</b>
<b>Media</b>												
Deccan Chronicle	2,147	12.6	-0.7	-11.8	544	-44.9	-61.5	-30.2	257	-57.0	-75.1	-42.0
HT Media	3,338	10.2	4.5	-5.2	424	-27.5	-28.4	-1.3	206	-39.1	-44.1	-8.1
Jagran Prakashan	2,070	15.6	4.0	-10.0	301	6.5	-30.4	-34.6	155	6.4	-40.1	-43.8
Sun TV	2,708	21.7	24.4	2.2	2,013	22.4	17.7	-3.9	1,122	22.8	9.7	-10.6
TV Today	652	18.9	-6.0	-21.0	138	18.8	-43.4	-52.3	87	11.2	-48.0	-53.2
Zee Entertainment	5,456	12.9	5.3	-6.7	1,201	22.7	-23.5	-37.6	917	26.5	-16.4	-33.9
<b>Sector Aggregate</b>	<b>16,371</b>	<b>14.2</b>	<b>6.3</b>	<b>-6.9</b>	<b>4,620</b>	<b>0.3</b>	<b>-22.5</b>	<b>-22.7</b>	<b>2,744</b>	<b>-4.4</b>	<b>-30.4</b>	<b>-27.2</b>
<b>Metals</b>												
Hindalco	41,172	-9.4	-9.1	0.3	7,792	-22.1	-2.7	25.0	5,448	-42.8	0.4	75.6
Hindustan Zinc	10,692	-20.2	-35.5	-19.2	3,051	-56.0	-70.8	-33.6	3,688	-36.5	-53.0	-26.0
Jindal Steel & Power	17,811	31.1	27.6	-2.6	6,846	11.4	28.6	15.5	3,792	0.3	18.8	18.4
JSW Steel	27,855	5.0	-9.6	-13.9	3,915	-66.2	-53.5	37.7	-165	PL	PL	-71.5
Nalco	10,360	4.0	-6.6	-10.2	2,655	-3.3	-39.7	-37.6	2,195	-6.2	-33.4	-29.0
Sterlite Inds.	45,362	-26.1	-13.3	17.3	5,653	-33.6	-64.0	-45.8	5,283	-1.4	-38.2	-37.4
SAIL	89,206	5.4	-6.4	-11.2	11,287	-81.9	-63.2	103.4	8,279	-80.0	-58.0	109.9
Tata Steel	48,021	34.9	-3.5	-28.4	14,780	21.1	-29.5	-41.8	5,930	24.9	-45.1	-56.0
<b>Sector Aggregate</b>	<b>290,479</b>	<b>2.4</b>	<b>-7.8</b>	<b>-10.0</b>	<b>55,977</b>	<b>-37.2</b>	<b>-46.1</b>	<b>-14.2</b>	<b>34,450</b>	<b>-36.3</b>	<b>-44.7</b>	<b>-13.2</b>
<b>Oil &amp; Gas</b>												
BPCL	318,845	-18.2	10.2	34.8	15,209	66.4	247.9	109.1	9,175	-24.6	392.6	553.1
Cairn India	2,108	-19.8	-21.0	-1.5	950	-3.3	-34.0	-31.7	2,364	LP	LP	76.2
Chennai Petroleum	56,376	-18.8	-20.2	-1.7	-17,812	PL	PL	2679.8	-12,068	PL	PL	716.1
GAIL	58,117	8.7	35.2	24.4	2,660	-44.3	-69.5	-45.2	2,534	-44.9	-59.2	-26.0
HPCL	293,867	-15.1	8.4	27.7	4,723	251.3	218.9	-9.2	-3,338	-97.4	237.5	12,715
Indraprastha Gas	2,194	20.1	20.1	0.0	678	9.2	-13.1	-20.4	383	8.9	-14.9	-21.9
IOC	703,687	-22.2	9.9	41.4	32,177	-44.8	8.4	96.5	32,333	-70.5	37.1	364.5
MRPL	75,340	-34.3	-7.4	40.9	-3,543	PL	PL	1157.5	-2,334	PL	PL	83.4
ONGC	124,364	1.3	-17.8	-18.8	50,011	5.1	-37.7	-40.8	21,900	5.9	-49.8	-52.7
Reliance Inds.	315,630	14.8	-8.8	-20.5	53,630	-4.1	-8.1	-4.1	35,010	-12.6	-9.8	3.1
<b>Sector Aggregate</b>	<b>1,950,528</b>	<b>-11.6</b>	<b>2.8</b>	<b>16.3</b>	<b>138,684</b>	<b>-9.9</b>	<b>-28.8</b>	<b>-20.9</b>	<b>85,958</b>	<b>-23.4</b>	<b>-27.7</b>	<b>-5.6</b>



## Ready reckoner: quarterly performance

COMPANIES	SALES (RS M)				EBITDA (RS M)				NET PROFIT (RS M)			
	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR
	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)
<b>Pharmaceuticals</b>												
Biocon	4,362	77.2	84.1	3.8	943	32.3	59.6	20.7	281	-48.8	-47.0	3.7
Cadila Health	7,491	22.8	29.3	5.3	1,425	29.5	37.6	6.3	606	14.7	10.3	-3.8
Cipla	13,420	17.0	21.5	3.9	3,385	3.8	29.1	24.4	2,234	-28.7	6.1	48.7
Dishman Pharma	2,820	28.3	36.5	6.4	717	50.2	80.0	19.9	397	-60.2	24.0	211.2
Divis Labs	2,648	31.0	-6.9	-28.9	1,083	58.1	-3.4	-38.9	795	50.6	-21.0	-47.5
Dr Reddy's Labs	18,401	21.6	49.3	22.9	4,202	49.6	203.8	103.1	897	-251.4	-205.4	-30.4
Glenmark Pharma	5,814	-5.1	-14.4	-9.8	1,891	-42.4	-47.3	-8.5	814	6.3	-34.3	-38.3
Jubilant Organosys	9,096	53.3	41.8	-7.5	1,411	50.4	8.9	-27.6	-715	-37.1		PL-224.8
Lupin	9,618	25.7	33.3	6.1	1,540	34.1	26.8	-5.5	1,165	1.3	9.9	8.5
Piramal Healthcare	8,283	18.1	13.1	-4.2	1,555	41.9	28.3	-9.6	599	25.4	-23.1	-38.6
Ranbaxy Labs	16,370	7.5	-13.9	-19.9	-1,085	-31.2		PL -153.2	-1,055	-55.0		PL-237.0
Sun Pharma	9,183	38.7	16.2	-16.2	4,134	33.7	16.6	-12.8	4,086	44.2	28.4	-11.0
<b>Sector Aggregate</b>	<b>107,506</b>	<b>21.8</b>	<b>18.0</b>	<b>-3.1</b>	<b>21,200</b>	<b>11.7</b>	<b>1.1</b>	<b>-9.5</b>	<b>10,105</b>	<b>16.7</b>	<b>-19.4</b>	<b>-31.0</b>
<b>Real Estate</b>												
DLF	13,667	-9.7	-62.0	-57.9	7,720	-27.9	-69.1	-57.2	6,708	-35.1	-68.7	-51.8
Unitech	4,894	-23.0	-57.1	-44.3	2,443	-43.7	-66.7	-40.9	1,380	-61.7	-73.6	-31.1
<b>Sector Aggregate</b>	<b>18,561</b>	<b>-12.9</b>	<b>-60.8</b>	<b>-55.0</b>	<b>10,163</b>	<b>-31.5</b>	<b>-68.6</b>	<b>-54.1</b>	<b>8,088</b>	<b>-40.3</b>	<b>-69.7</b>	<b>-49.2</b>
<b>Retailing</b>												
Pantaloon Retail	15,257	48.4	24.4	-16.2	1,573	54.2	43.5	-6.9	335	38.7	6.0	-23.6
Titan Industries	10,238	32.1	27.6	-3.4	719	44.8	43.6	-0.8	421	24.5	36.6	9.7
<b>Sector Aggregate</b>	<b>25,495</b>	<b>41.9</b>	<b>25.6</b>	<b>-11.5</b>	<b>2,292</b>	<b>51.2</b>	<b>43.5</b>	<b>-5.1</b>	<b>757</b>	<b>31.7</b>	<b>21.1</b>	<b>-8.0</b>
<b>Telecom</b>												
Bharti Airtel	96,334	38.8	38.3	-0.4	39,450	33.9	33.1	-0.6	21,592	30.8	25.4	-4.2
Idea Cellular	27,286	54.9	59.7	3.1	6,950	20.7	22.5	1.6	2,195	-11.9	-7.3	5.2
Reliance Comm	58,502	23.9	20.0	-3.1	23,525	15.7	11.7	-3.5	14,799	-8.2	6.1	15.6
<b>Sector Aggregate</b>	<b>182,122</b>	<b>35.5</b>	<b>34.4</b>	<b>-0.8</b>	<b>69,925</b>	<b>25.8</b>	<b>24.0</b>	<b>-1.4</b>	<b>38,586</b>	<b>11.6</b>	<b>15.0</b>	<b>3.1</b>
<b>Textiles</b>												
Alok Ind	8,164	19.5	48.2	24.1	2,144	18.1	59.1	34.7	473	-24.0	-3.0	27.6
Arvind Mills	5,995	22.2	17.7	-3.6	817	78.1	122.7	25.1	-308	-89.5		PL -4,602
Vardhman Textiles	6,451	11.3	4.7	-5.9	933	3.4	-0.9	-4.2	166	-71.0	-58.6	43.1
<b>Sector Aggregate</b>	<b>20,610</b>	<b>17.3</b>	<b>23.0</b>	<b>4.8</b>	<b>3,894</b>	<b>21.2</b>	<b>46.6</b>	<b>21.0</b>	<b>332</b>	<b>-48.2</b>	<b>-65.2</b>	<b>-32.9</b>
<b>Utilities</b>												
CESC	7,520	8.5	11.2	2.5	1,510	-1.8	-2.6	-0.8	980	-9.7	5.4	16.6
NTPC	112,771	11.5	20.9	8.4	32,086	-1.2	8.1	9.3	20,378	-2.0	2.4	4.6
PTC India	21,168	85.3	188.5	55.7	27	317.0	66.9	-60.0	275	334.8	344.5	2.2
Reliance Infrastructure	27,176	42.5	77.5	24.5	3,120	194.3	211.6	5.9	3,080	56.2	118.6	39.9
Tata Power	17,415	30.0	22.7	-5.6	2,206	34.2	-17.7	-38.7	1,151	-6.7	-23.1	-17.6
<b>Sector Aggregate</b>	<b>186,050</b>	<b>20.7</b>	<b>35.9</b>	<b>12.6</b>	<b>38,949</b>	<b>7.3</b>	<b>11.5</b>	<b>3.9</b>	<b>25,863</b>	<b>1.7</b>	<b>8.7</b>	<b>6.9</b>

PL: Profit to Loss

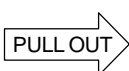


## Ready reckoner: quarterly performance

COMPANIES	SALES (RS M)				EBITDA (RS M)				NET PROFIT (RS M)			
	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR
	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)
<b>Others</b>												
Blue Star	5,667	25.0	10.1	-11.9	522	23.8	-6.4	-24.4	322	17.9	-9.2	-22.9
Everest Kanto	2,503	88.9	99.4	5.5	811	44.5	76.5	22.1	468	22.1	60.4	31.3
Greaves Cotton	2,429	9.0	-19.1	-25.8	221	-5.5	-48.6	-45.6	71	-26.8	-75.9	-67.1
United Phosphorous	10,944	26.2	35.2	7.1	1,954	32.4	33.3	0.7	646	63.6	33.1	-18.7
<b>Sector Aggregate</b>	<b>21,544</b>	<b>27.4</b>	<b>23.1</b>	<b>-3.4</b>	<b>3,508</b>	<b>27.1</b>	<b>20.5</b>	<b>-5.2</b>	<b>1,507</b>	<b>25.1</b>	<b>5.7</b>	<b>-15.5</b>

PL: Profit to Loss

COMPANIES	SALES (RS M)				OPERATING PROFIT (RS M)				NET PROFIT (RS M)			
	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR	ACTUAL	EST.	ACTUAL	VAR
	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)	DEC-08	CHG (%)	CHG (%)	(%)
<b>Banks</b>												
Andhra Bank	4,519	18.5	29.2	9.0	3,725	4.9	29.2	23.1	2,127	26.3	33.8	5.9
Axis Bank	9,297	28.7	24.4	-3.4	9,096	17.2	35.3	15.4	5,009	31.9	63.2	23.8
Bank of Baroda	14,618	31.5	46.6	11.5	13,456	13.6	44.3	27.1	7,084	12.1	41.4	26.1
Bank of India	15,217	30.1	41.0	8.3	17,616	35.9	81.4	33.5	8,722	40.6	70.4	21.2
Canara Bank	12,443	25.1	33.2	6.4	12,141	24.6	60.2	28.6	7,015	28.8	52.9	18.7
Corporation Bank	4,780	19.3	37.3	15.1	4,494	39.8	61.9	15.8	2,565	21.9	34.3	10.2
Federal Bank	3,846	61.5	88.8	16.9	3,844	87.3	129.3	22.4	2,039	32.0	98.1	50.1
HDFC	8,766	8.8	5.1	-3.5	7,861	6.5	2.8	-3.4	5,468	7.9	-1.5	-8.8
HDFC Bank	19,793	37.2	37.7	0.4	14,581	25.1	36.7	9.3	6,217	43.2	44.8	1.1
ICICI Bank	19,904	5.4	1.6	-3.7	27,708	3.7	22.7	18.3	12,722	-19.3	3.4	28.1
Indian Bank	7,196	19.1	24.6	4.6	6,237	32.3	34.6	1.8	3,507	21.7	14.0	-6.3
Indian Overseas Bank	8,227	23.9	25.4	1.2	8,677	56.2	76.0	12.7	3,884	22.7	26.0	2.7
J&K Bank	2,621	35.2	30.2	-3.7	1,870	30.8	11.4	-14.8	1,207	21.9	10.6	-9.3
Karnataka Bank	1,383	25.6	19.4	-4.9	1,383	14.1	13.9	-0.2	893	16.9	29.3	10.6
Oriental Bank of Commerce	5,678	25.0	41.1	12.9	3,862	59.5	30.2	-18.4	2,522	36.1	26.3	-7.2
Punjab National Bank	19,674	23.2	38.1	12.1	18,059	24.9	82.2	45.9	10,058	28.5	85.8	44.7
State Bank	57,582	31.7	35.3	2.7	44,826	21.8	22.5	0.6	24,784	34.3	37.0	2.0
Union Bank	11,284	30.0	50.0	15.4	8,548	28.5	34.3	4.5	6,717	44.2	84.1	27.6
<b>Sector Aggregate</b>	<b>226,826</b>	<b>25.7</b>	<b>31.3</b>	<b>4.5</b>	<b>207,987</b>	<b>22.3</b>	<b>38.8</b>	<b>13.5</b>	<b>112,539</b>	<b>21.9</b>	<b>38.0</b>	<b>13.2</b>





For more copies or other information, contact

**Institutional:** Navin Agarwal. **Retail:** Manish Shah

Phone: (91-22) 39825500 Fax: (91-22) 22885038. E-mail: inquire@motilaloswal.com

Motilal Oswal Securities Ltd, 3rd Floor, Hoechst House, Nariman Point, Mumbai 400 021

This report is for the personal information of the authorized recipient and does not constitute to be any investment, legal or taxation advice to you. Motilal Oswal Securities Limited (*hereinafter referred as MOST*) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your information and should not be reproduced or redistributed to any other person in any form.

The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. MOST or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOST or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

MOST and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. To enhance transparency, MOST has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

#### Disclosure of Interest Statement

The MOST group and its Directors own shares in the following companies covered in this report: Bharat Electronics, Bharti Airtel, Birla Corporation, GSK Pharma, Hero Honda, IOC, Marico, Oriental Bank, Siemens and State Bank.

MOST has broking relationships with a few of the companies covered in this report.

MOST is engaged in providing investment-banking services in the following companies covered in this report: Alok Industries and Great Offshore.

This information is subject to change without any prior notice. MOST reserves the right to make modifications and alternations to this statement as may be required from time to time. Nevertheless, MOST is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.