RESULT REVIEW Q1FY09

Edelweiss
Ideas create, values protect

Earnings surprise; margins remain under pressure

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Market earnings growth surprises positively

Earnings growth in Q1FY09 surprised positively. Sensex (ex-ONGC) earnings grew 13% Y-o-Y against our expectation of 6% Y-o-Y in Q1FY09. Telecom, capital goods and IT led the earnings growth as expected, while automobiles and cement were a drag. Earnings growth in the banking and financial services sector surprised the most. The sector (23 stocks under our coverage) earnings grew 10% Y-o-Y against our expectation of an earnings decline of 28% Y-o-Y.

Margins remain under pressure

Margins remained under pressure as expected. EBITDA margins declined 198bps Y-o-Y to 22.1% for the Sensex and 168bps Y-o-Y to 21.1% for our coverage universe (excluding banking, financial services, insurance and oil PSUs) reflecting rising input costs. PAT margins for the Sensex (ex-ONGC) declined to 16.1% from 18.3% in Q1FY08. Forex losses on external; liabilities also marred the profitability of many companies.

Earnings growth expectations revised down for FY09

Sensex earnings expectation for FY09 has been revised down to just 5% Y-o-Y from high-teens at the beginning of CY08. We have downgraded FY09E earnings expectations for 36 stocks under our coverage compared to only nine upgrades (using a 5% revision cut-of on either side). Among the large-caps, FY09 earnings have been downgraded in Ranbaxy, Lanco Infratech and oil marketing companies such as HPCL, BPCL and IOC. Downgrades have been more severe in the mid-caps. The risk of further downward revisions to earnings remains high, especially if the macro-economic environment does not improve according to our expectations and commodity prices remain high.

Recommendation changes post Q1FY09 results

We have upgraded our recommendation post Q1FY09 results for SBI, TCS, Cairn, JSW Steel, Thermax and Gati; and downgraded Maruti, Patni Computer, Hexaware, Shoppers' Stop, Kalpataru Power and Essel Propack.

Q1FY09 result summary for Sensex

Sector	Revenues % yoy		Ebitda margin bps yoy		PAT % yoy	
	Q1FY09	estimate	Q1FY09	estimate	Q1FY09	estimate
Auto	18.8	11.9	(392)	(231)	(27.6)	(14.0)
BFSI	27.5	17.1	541	466	14.0	(28.1)
Capital goods	45.1	29.1	(30)	109	31.4	31.6
Cement	7.7	9.6	(372)	(286)	(13.0)	(13.6)
FMCG	19.2	12.4	(325)	(92)	4.4	8.8
IT	32.4	32.8	(35)	36	16.5	18.8
Metals	21.8	24.6	764	(284)	19.7	6.0
Oil & gas	42.6	13.9	263	(817)	67.8	(18.4)
Pharma	19.5	11.4	240	405	(23.2)	(0.3)
Power	15.8	12.4	(18)	111	13.1	10.0
Real estate	24.0	8.7	(1017)	(261)	23.0	7.1
Telecom	35.2	40.4	7	40	32.9	25.8
Sensex (ex ONGC)	28.7	22.9	(136)	(88)	12.9	6.0
Sensex (ex ONGC & BFSI)	28.8	23.3	(198)	(121)	12.7	10.9

Source: Edelweiss research

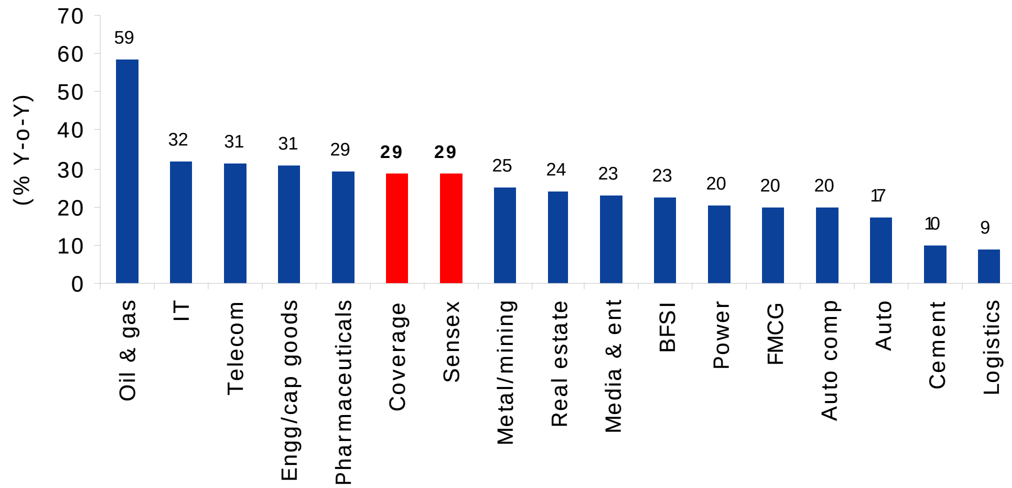
Note: Q1FY09 refers to the April–June 2008 quarter in this report, unless otherwise mentioned.

Revenue growth strong; led by IT, capital goods and telecom

Revenue growth for Sensex (ex-ONGC) was strong at 29% Y-o-Y in Q1FY09 against our expectation of 23% Y-o-Y. The growth was led by energy, IT, telecom and capital goods, while top-line growth in cement and logistics remained sluggish.

Real estate surprised positively on the revenue front while telecom and logistics disappointed.

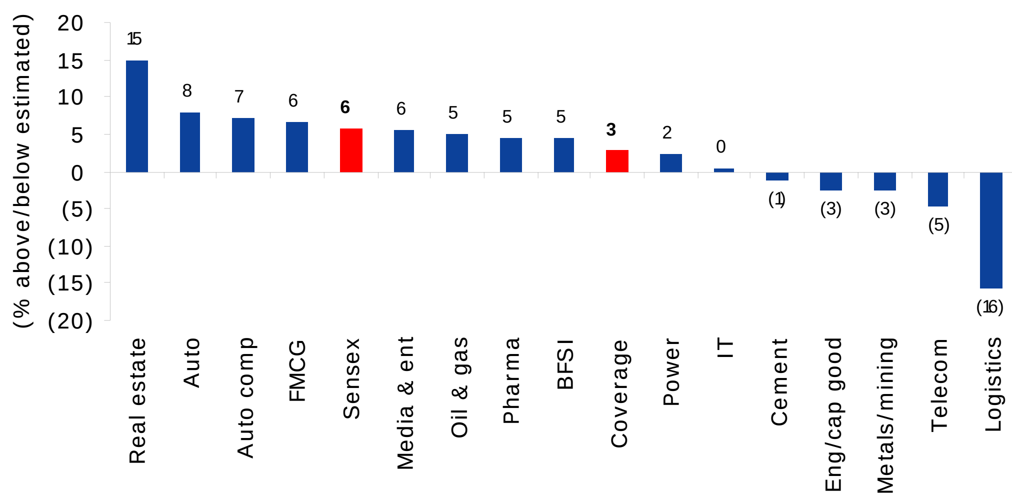
Revenue growth of 29% Y-o-Y for Sensex and our coverage universe in Q1FY09



Source: Edelweiss research

Note: Sensex and coverage universe aggregates exclude revenues of oil-PSUs

Revenue growth surprises positively in most sectors



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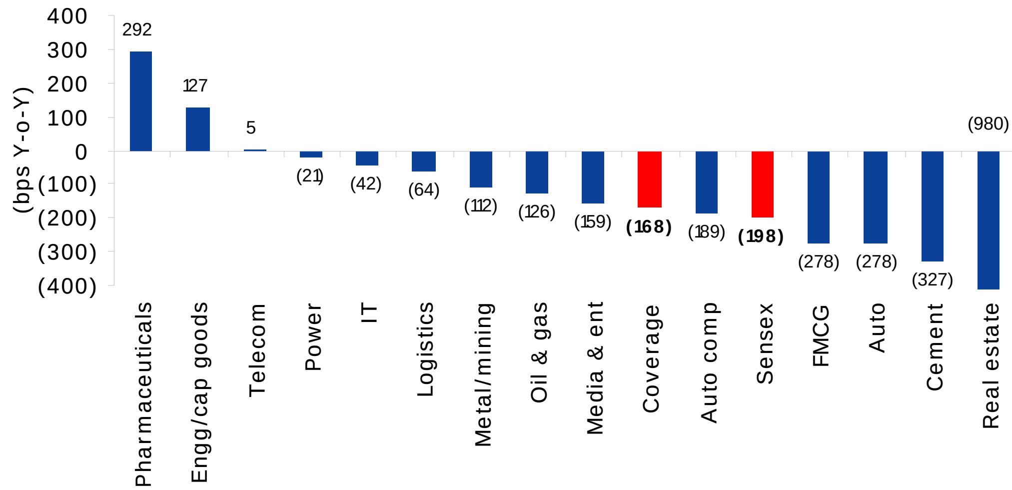
EBITDA margins declined across the board

EBITDA margins declined 198bps Y-o-Y to 22.1% for the Sensex and 168bps Y-o-Y to 21.1% for our coverage universe (excluding banking, financial services, insurance and oil PSUs) reflecting rising raw material costs and employee expenses.

Margin compression was more than expected in most sectors. EBITDA margins declined in real estate, cement, auto and FMCG. The only sector that saw a meaningful increase in EBITDA margins were pharmaceuticals and capital goods. Metal sector surprised positively on the margin front.

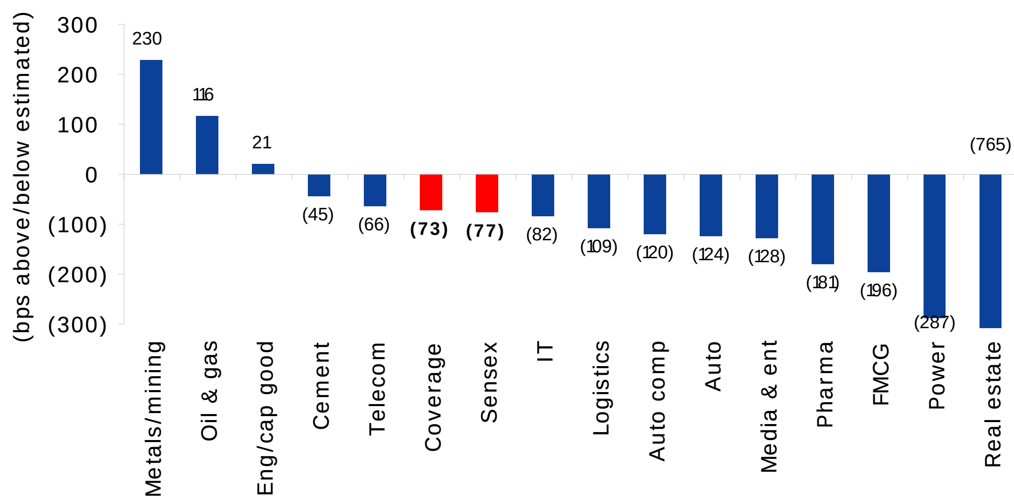
EBITDA margin declines in most sectors



Source: Edelweiss research

Note: Sensex and coverage aggregates exclude oil-PSUs, banking and financial services

Margin compression more than expected; metals surprises positively



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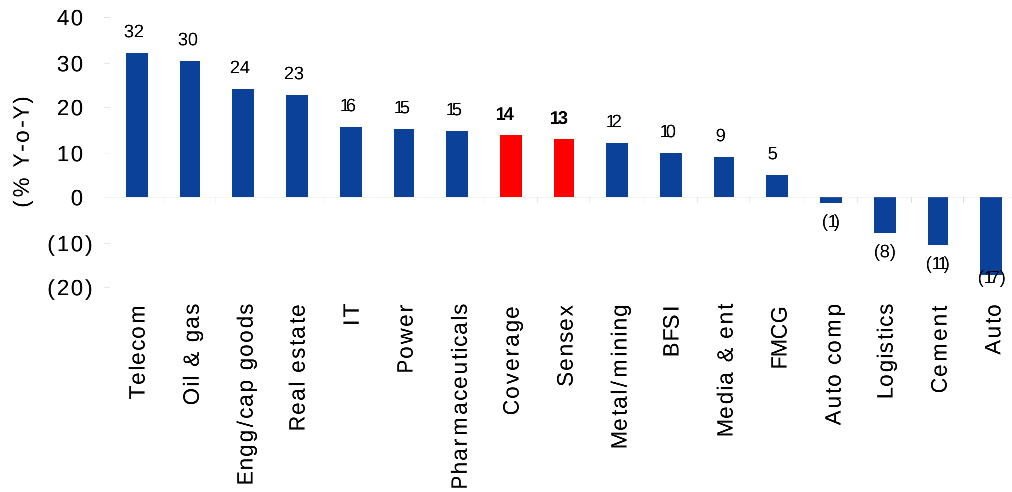
Earnings growth surprises positively

Sensex (ex-ONGC) earnings grew 13% Y-o-Y against our expectation of 6% Y-o-Y during Q1FY09. Telecom, capital goods and IT led the earnings growth as expected, while automobiles and cement were a drag. PAT margins for the Sensex (ex-ONGC) declined to 16.1% from 18.3% in Q1FY08.

Earnings growth in the banking and financial services sector surprised the most in Q1FY09. The sector (23 stocks under our coverage) earnings grew 10% Y-o-Y against our expectation of an earnings decline of 28% Y-o-Y.

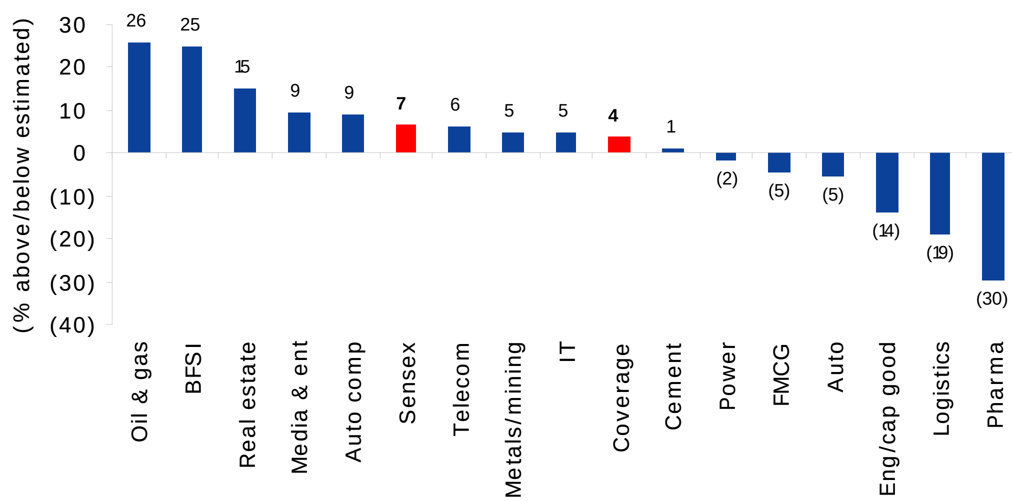
Earnings growth healthy, led by telecom, capital goods, real estate & IT



Source: Edelweiss research

Note: Sensex and coverage universe aggregates exclude PAT of oil-PSUs

Earnings growth surprises positively; banking & financial services led the pack



Source: Edelweiss research

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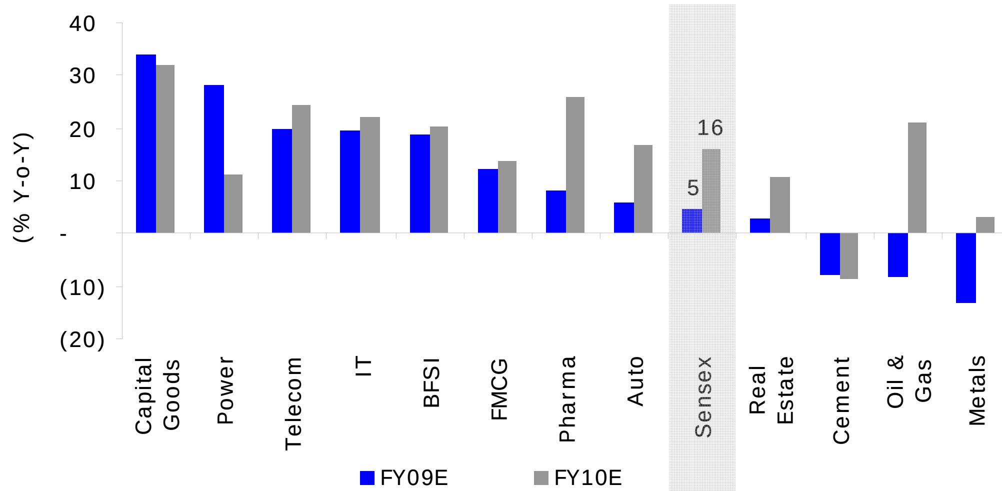
Earnings growth expectations for FY09 beaten down

Market earnings outlook for FY09 has been revised down to just 5% Y-o-Y from high-teens at the beginning of CY08. However, FY10 growth expectations still remain encouraging at 16%. Capital goods, telecom, and power are expected to lead earnings growth over the next two years. Cement is likely to remain a drag on earnings growth.

Sensex earnings growth outlook for FY09E and FY10E

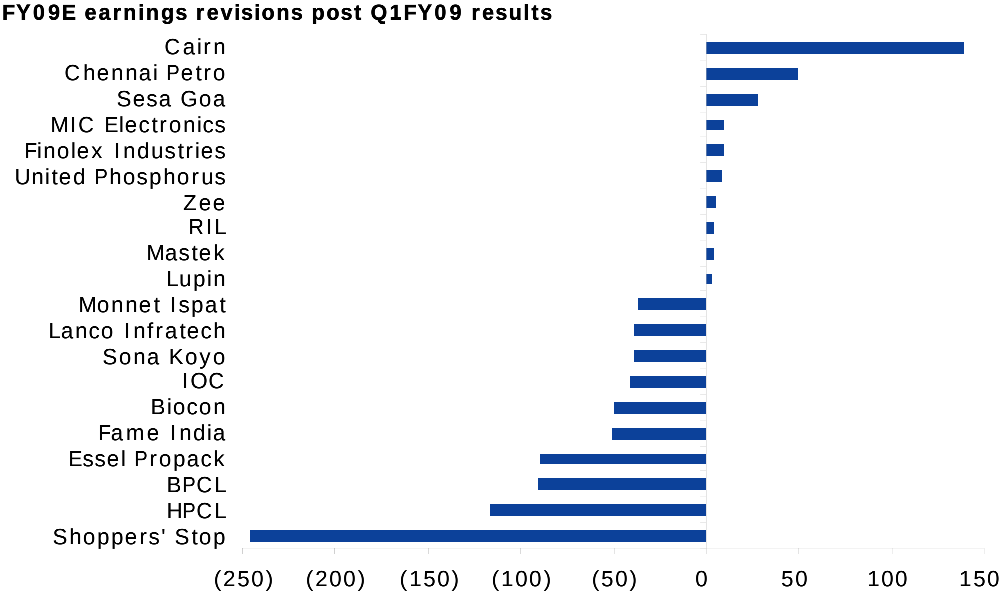


Source: Edelweiss research

Earnings downgraded; further risk remain

FY09E earnings expectations have been downgraded for 36 stocks under our coverage compared to only nine upgrades (using a 5% revision cut-of on either side). Most of the downgrades have been in case of mid-caps. Among the large-caps, FY09 earnings have downgraded in Ranbaxy, Lanco Infratech and oil marketing companies such as HPCL, BPCL and IOC. The risk of further downward revisions to earnings remains high, especially if the macro-economic environment does not improve according to our expectations and commodity prices remain high.

FY09E earnings revisions post Q1FY09 results



Source: Edelweiss research

Note: % change in FY09E PAT since July 7, 2008

Recommendation changes post Q1FY09 results

We have upgraded five stocks and downgraded ten stocks post results. Details on recommendation changes summarised hereunder:-

Stocks	Recommendation	
	Post-result	Pre-result
Upgrades		
SBI	Buy	Accumulate
TCS	Buy	Accumulate
Cairn	Buy	Accumulate
JSW Steel	Buy	Accumulate
Gati	Buy	Reduce
Graphite India	Buy	Accumulate
Thermax	Accumulate	Reduce
Downgrades		
Patni Computer Systems	Sell	Accumulate
Hexaware Technologies	Sell	Accumulate
Shoppers' Stop	Sell	Accumulate
Essel Propack	Sell	Accumulate
Vardhman Textiles	Reduce	Accumulate
Himatsingka Seide	Reduce	Accumulate
Maruti Suzuki	Accumulate	Buy
Kalpataru Power	Accumulate	Buy
Nucleus Software	Accumulate	Buy

Source: Edelweiss research

Sector highlights during the quarter

Summarised are the sector highlights during the quarter, top picks from the sector and stocks to avoid within the sector.

Auto	**Key positive highlights**
	Good volumes growth despite strong pricing action and interest rate tightening
Top picks - M&M, Bajaj Auto	Most of the input cost increase has been passed on through pricing action
	Despite the sluggish outlook, new product launches and expansion plans on track
Avoid - Ashok Leyland	**Key negatives/concerns/risks**
	Raw material cost increase especially that of steel (up ~20% Y-o-Y)
	Further credit tightening , interest-rate increase and fuel price increase hurt demand
Auto components	**Key positive highlights**
	Topline growth has been healthy overall
Top pick - Bharat Forge	Capex plans for all players on schedule
	Customer acquisitions have been steady for the quarter
Avoid - Sona Koyo	**Key negatives/concerns/risks**
	Margin compression has been felt across the sector
	Assemblies product manufacturers have been hit the hardest
	Capex funding could lead to debt raising causing interest expense to increase. Equity dilution also a possibility
Banking & financial services	**Key positive highlights**
	NII and PAT growth better than expected
Top picks - HDFC Bank, SBI	Loan growth was strong this quarter quite unlike the trend witnessed in last three years
	HFCs saw strong disbursements and stable margins
Avoid - IDFC	**Key negatives/concerns/risks**
	CASA dipped due to lower current account floats and margins came under pressure due to higher reserve ratios
	Private banks witness rise in NPA due to stress in retail portfolio
	Investment depreciation marred earnings for all banks
Cement	**Key positive highlights**
	~3% sequential realization increase provided some cushion against cost increases, albeit small
Top pick - Jaiprakash Associates	Grasim - high commodity prices helped sponge iron & chemicals unit; low RM cost & o/h helped VSF segment
	Key negatives/concerns/risks
Avoid - Madras Cement	Cost pressures with freight, power & fuel costs rising due to hike in diesel prices and surge in imported coal rates
	Margin compression key concern with pricing inflexibility due to capacity additions & cost increases
	Risk of lower than estimated volumes for FY09E due to project delays

(contd.)

Construction	**Key positive highlights**
	No slowdown in order intake momentum
Top pick - Simplex Infrastructure	Robust order backlog; revenue visibility intact for the medium term
	Revenue growth remains steady; companies focussing on execution front
	Key negatives/concerns/risks
	Rising commodity prices have hurt operating margins
	Rising interest expenditure due to hike in interest rates; project viability at stake for public private partnership projects
	Slump in real estate sector affecting companies negatively on the company's own real estate development portfolio
Engineering & capital goods	**Key positive highlights**
	Strong order books lend visibility to the larger engineering and capital goods companies
Top pick - BHEL, Thermax	Margin pressures have been curtailed to an extent
	Key negatives/concerns/risks
Avoid - Siemens, KEC International	Order intake growth slowing down
	Medium term outlook on margins is negative
	In stray cases execution has slowed down
FMCG	**Key positive highlights**
	Demand is still strong as demonstrated by volume growth despite price hikes across the board
Top pick - Marico	Pricing power intact, especially for large-caps
	80% up-trading in cigarettes for ITC was the most pleasant surprise for the quarter
Avoid - Asian Paints, GCPL	Improvisation in portfolio mix (up-trading) eases concerns on down-trading because of higher inflation
	Key negatives/concerns/risks
	Raw material costs denting gross margins for all companies
	Higher ad expenses, necessitated by changing competitive landscape putting EBITDA margins under pressure
	Some slow-down in mass categories is evident e.g. Soaps, Biscuits
IT	**Key positive highlights**
	Margin maintenance
Top pick - Infosys	Stable billing rates
	Better growth rates in H2
Avoid - Wipro	**Key negatives/concerns/risks**
	Muted revenue growth, lack of outperformance relative to guidance (Infosys/Satyam)
	Specific client weaknesses are not contained
	Pricing renegotiations likely in H2 could be incrementally downward affecting margins and profit growth
	Strong back-ended growth less likely as global environment is not showing signs of improvement

(contd.)

Logistics	**Key positive highlights**	
	Container traffic growth robust	
Top picks - Gateway Distriparks,	Ramp up in container train services (Concor & Gateway Distriparks)	
Container Corp.	Margins in container train service strong as Indian railways allow passing on sufficient rail freight hikes	
	Key negatives/concerns/risks	
	Any likely slowdown in automobiles/automotive components segment could affect profitability for the service providers	
	Profits likely to be backended for some of the companies as heavy capex planned for the coming years	
	Any delay in implementation of GST & phase out of CST is likely to hurt growth in some key segments	
Media	**Key positive highlights**	
	Ad revenues remains bouyant for TV channels as FMCG players continue to spend heavily	
Top picks - Zee, PVR,	DTH revenues rose strongly for TV channels (esp ZEEL)	
MIC Electronics	Regional TV channels continue to grow faster than the industry	
	Growing use of digital boards in OOH and sports applications has helped screen manufacturers (LED)	
	Key negatives/concerns/risks	
	Newsprint prices continue to be a big concern for print companies like HT, Jagran and Deccan Chronicle	
	Multiplexes continue to remain dependent on success of movies and get impacted by sports events like IPL	
	Capex may continue to hurt profitability in the coming quarters (esp TV18, NDTV, ENIL)	
	Sun TV impacted on subscription revenues due to power problems & changing distribution landscape in Tamil Nadu	
Metals & mining	**Key positive highlights**	
	Impressive topline growth for all steel players on higher realization (particularly mid caps)	
Top picks - Tata Steel,	Strong margins in steel companies due to higher realisation, low cost raw material inventory & backward integration	
Adhunik Metaliks	Aluminum players gained from higher realization in the last quarter and had stable to good volume growth	
	Key negatives/concerns/risks	
Avoid - Nalco	All the steel players reported higher than expected other expenses and forex/translation losses	
	Non-integrated steel players to come under pressure as higher RM costs come into effect from Q209	
	TC/RC margins for copper players down by 50% Y-o-Y on average. Zinc prices were also down by 42% Y-o-Y	
MHE	**Key positive highlights**	
	Order intake slow from power (impacting Elecon, TRF); strong from steel & ports (benefitting Mc Nally, TIL)	
Top picks - Mc Nally Bharat,	Mc Nally's order book ~ 4.5x FY08 revenues, translating into a revenue growth in excess of 50% over FY08-10	
Elecon Engineering	Margin pressure on tighter steel prices, low steel inventory for existing contracts & limited escalation clauses	
	Key negatives/concerns/risks	
	Delay in execution continues to be the biggest risk	
	Any slow down in capex plans of user industries like power, steel and ports is a big threat	

(contd.)

Oil & gas	**Key positive highlights**
Top pick - Cairn India	Refining margins were high due to higher crude prices
	Upstream share of under-recoveries were the lowest ever at 23% of gross under-recoveries
Avoid - IGL	**Key negatives/concerns/risks**
	Forex losses of firms on account of rupee depreciation on forex loans
	Higher other (inflation) and employee expenses (provisions for salary increases)
Pharmaceuticals	**Key positive highlights**
Top picks - Sun Pharma, Lupin,	Strong growth in exports; expected to continue going forward
Dishman	Operational efficiency & INR depreciation boosted margins; unsustainable in Q2FY09 due to RM issues in China
	Key negatives/concerns/risks
Avoid - Ranbaxy	MTM forex losses impacted net profits negatively for most companies
	Slow growth in domestic formulations for most companies concerning; this trend might reverse from 2QFY09 onwards
Pipes	**Key positive highlights**
	Blended realisations helped margin expansion; increase in steel prices largely passed-on
Top pick - Welspun Gujarat	Welspun Gujarat's EBITDA margins highest; PSL & Man managed to improve margins against the trend
	Capacity expansion on track/schedule
Avoid - Man Industries	**Key negatives/concerns/risks**
	Sales volumes lower due to a 36-days imposition of excise duties and temporary shutdown in some plants
Power	**Key positive highlights**
	Ability to maintain margins and pass through fuel cost without impacting receivables
Top picks - Lanco Infrastructure,	Improved earnings due to higher incentive gains
Power Grid	Robust addition to order books / improved project
	Key negatives/concerns/risks
Avoid - Reliance Infrastructure	Marginal delay / teething problems in projects which are expected to be commissioned in FY09 / FY10
	Timely execution and at cost levels which would be approved by the regulator in the rising cost environment
	Earnings lower than expected due to routine maintenance getting preponed and forex loss on foreign currency loans
Real estate	**Key positive highlights**
	Higher realizations in many parts of India
Top pick - Orbit	Construction activities on track/schedule
	Increase in bank lending to real estate companies
	Key negatives/concerns/risks
	Slowdown in demand as macro-environment weakens
	Increase of 150 bps in home lending rates
	Both borrowing & construction costs under pressure

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Retail	**Key positive highlights**
	Effective sourcing strategies deployed by retailers resulting in gross margin expansion
Top pick - Pantaloon	Focused efforts to lower operating costs
	Softening of rentals across the board
Avoid - Shoppers' Stop	**Key negatives/concerns/risks**
	Roll out delays intensifying due to developer troubles
	Reduction in footfalls and down trading by consumers
	Pressure on same store sales growth and realizations on new area being added
Telecom	**Key positive highlights**
	Continued traction in wireless subscriber growth across players
Top picks - Bharti Airtel,	Second quarter of positive surprise on MoU, usage elasticity cushions ARPU fall for some operators
Tulip Telecom	Strong performance on the non-wireless segment for BHARTI; operating margin relatively stable Q-o-Q
	Key negatives/concerns/risks
Avoid - MTNL	Sharper than expected decline in revenue per minute; raises concern on mobility business profitability going forward
	Underperformance across business segments for RCOM; topline disappoints, accounting changes boost bottomline
	MTNL: core business continues to disappoint; non-operating income boosts bottomline

Source: Edelweiss research

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
ABB	Revenues	16,163	*(10.0)*	*15.4*	Q2CY08 revenues grew a disappointing 15% Y-o-Y, to INR 16 bn, primarily on dismal performance of its project divisions (process automation and power systems. We believe higher execution timelines, due to large ticket size orders in the past few quarters, have resulted in this tepid revenue growth. Order intake grew 11% Y-o-Y, to INR 22 bn, which we see as an aberration. We expect the order intake to pick up in H2CY08 (20% growth Y-o-Y).
	EBITDA	1,902	*(10.5)*	*16.1*	
	PAT	1,318	*(9.8)*	*21.4*	
ACC	Revenues	17,857	*(2.4)*	*(3.1)*	Marginal increase in realisation sequentially was overshadowed by a higher increase in power & fuel and freight cost, impacting margins by 348 bps Q-o-Q.
	EBITDA	4,136	*(17.1)*	*(24.0)*	
	PAT	2,591	*(15.3)*	*(26.2)*	
Adani Enterprises	Revenues	50,493	*(3.0)*	*54.3*	Results were slightly below expectations on the revenue and the profitability front. The surprise came mainly on the forex loss front wherein Adani provided INR 298 mn as notional loss on FCCB. Adjusting for the same the growth in the PAT would have been 80% Y-o-Y to INR 1242 mn as against our expecttaion of INR 1170 mn
	EBITDA	2,066	*(7.7)*	*78.6*	
	PAT	979	*(16.6)*	*42.9*	
Adhunik Metaliks	Revenues	3,286	*(0.8)*	*57.9*	Revenue and EBITDA in-line with expectation wheras reported net profit was higher than expectation due to lower than anticipated deferred tax. Average net realisation up 20% sequentially. Flat production and sales volume sequentially were a disappointment. OMM results exceeded expectations due to better operational performance and lower tax provisions.
	EBITDA	543	*1.4*	*57.3*	
	PAT	216	*20.1*	*53.2*	
AIA Engineering	Revenues	1,999	*1.9*	*45.8*	Results were ahead of expectations on the revenue and profitability front. However on the production front there was a disappointment with production of 23987 MT as against our expectations of 26000 MT. The outlook continues to be positive on the back of mining approvals received from world class companies like Rio Tinto BHP Billiton, Arcelor Mittal etc and robust outllok from the cement industry which involves 70% of replacement demand.
	EBITDA	535	*18.1*	*96.7*	
	PAT	399	*20.9*	*82.6*	
Allahabad Bank	Revenues	6,125	*1.4*	*12.2*	Net profit was down mainly due to higher MTM provisions.NII was better due to improvements in NIM's while fee income growth continues top be sluggish.We believe it will face pressure on margins due to worsening rural credit culture, it is trading at 0.6x adjusted book and 4.5x earnings for FY09E and therefore we maintain ACCUMULATE
	EBITDA	3,067	*4.0*	*9.7*	
	PAT	934	*(36.8)*	*(53.4)*	
Allcargo	Revenues	5,443	*43.5*	*35.3*	Numbers better than expectations due to revenue booking for Project cargo division because of which MTO business grew by 49% Y-o-Y.CFS business also registered revenue growth of 51% Y-o-Y due to volume growth of 44.6% Y-o-Y. EBITDA margin in Eculine also expanded 40 bps sequentially.
	EBITDA	569	*76.2*	*115.6*	
	PAT	296	*40.4*	*36.4*	
Ambuja Cements	Revenues	15,698	*(8.8)*	*7.2*	Export ban lasting for nearly half the quarter impacted volumes. Cost hikes on account of power & fuel and freight further impacted marrgins leading to a decline of ~100 bps sequentially.
	EBITDA	4,743	*(10.0)*	*(13.0)*	
	PAT	3,029	*(2.8)*	*(25.0)*	
Amtek Auto	Revenues	13,284	*5.1*	*21.7*	Margin pressure for the standalone entity. Despite attempts to reduce other costs, RM cost increase was overbearing. Merger with Amtek india and Ahmednagar forgings announces at a swap of 0.44 and 0.56 respectively
	EBITDA	2,058	*(10.5)*	*(6.5)*	
	PAT	837	*(22.7)*	*(14.7)*	
Amtek India	Revenues	2,792	*(5.0)*	*0.7*	Margin pressure for the standalone entity. Despite attempts to reduce other costs, RM cost increase was overbearing. Merger with Amtek auto announced. swap of 0.44. Near term pressure on margins to continue. Reported profits had one time extraordinary income of INR 2.15 bn, due to sale of investments of INR 2.85 bn, and revaluation of outstanding FCCBs, which was a loss of INR 700 mn
	EBITDA	602	*(6.9)*	*(14.4)*	
	PAT	267	*(12.9)*	*(29.3)*	
Apar	Revenues	5,397	*21.3*	*55.6*	Strong revenue driven by strong volume growth. Margins also improved but the outlook for the company and the conductor segment remains cautious.
	EBITDA	314	*18.3*	*84.7*	
	PAT	192	*53.3*	*13.3*	
Ashok Leyland	Revenues	18,839	*15.5*	*16.2*	Revenues up on higher realisations (up 14.6% Y-o-Y), healthy growth in engine segment and spare parts segment. Total volumes for the quarter were up marginally, by 1.4% Y-o-Y to 18,425 units. EBITDA margins down 150bps Y-o-Y as raw material cost was up 200bps Y-o-Y. MTM loss of INR 339 mn on ECB.
	EBITDA	1,511	*14.3*	*(13.3)*	
	PAT	527	*(18.0)*	*(42.5)*	
Asian Paints	Revenues	12,420	*7.4*	*29.3*	Pre-price hike inventory stocking drives volume growth; standalone paints sales grew about 35% Y-o-Y. Gross margins were hit on account of rising prices of crude based derivatives and vegetable oils.
	EBITDA	1,722	*6.3*	*27.2*	
	PAT	1,062	*7.2*	*29.6*	
Aurobindo	Revenues	6,797	*1.4*	*27.7*	Reported lower forex loss than estimate of INR 1,000 mn
	EBITDA	1,145	*13.1*	*64.8*	
	PAT	692	*8.8*	*12.1*	

(contd.)

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
Axis Bank	Revenues	14,353	*11.0*	*81.9*	NII declined due to margin compression.There was strong fee income growth of 73%Y-oY NIM's declined mainly due to decline in CASA ratio to 40% from 46% in earlier quarter.The stock trades at 17x earnings FY09E and 2.4x FY09E adjusted book, we maintain our BUY
	EBITDA	8,023	*43.9*	*170.0*	
	PAT	3,302	*40.9*	*88.7*	
Bajaj Auto	Revenues	23,108	*7.5*	*9.6*	EBITDA margins in Q109 were down 190bps Y-o-Y due to substantial increase in raw material cost, which was up 310bps Y-o-Y. Management said that margins improved towards the end of the quarter (12.9% for June v/s 11.5% for Q109) and are likely to stabilise at 13-14% levels for FY09E. . We recommend 'BUY' ratinngs given the cheap valuations, high ROE of 45%, dividend yield of 4%, and strong earnings growth in FY10E following modest growth in FY09E.
	EBITDA	2,668	*(4.6)*	*(5.5)*	
	PAT	1,751	*0.6*	*(4.0)*	
Bharat Forge	Revenues	13,113	*12.2*	*23.5*	Core profit does not include the loss of INR 698 mn on account of revaluation of FCCBs and ECBs. Usually the company reports this in their other income, but has made another line item this time. Reported profit was INR 409 mn, which was below our expectations. Standalone numbers showed commendable margin improvement, increasing 410bps Y-o-Y. Subsidiary margins were stable at 7.2% as compared to the previous quarter, but subsidiary profits were down 8% Y-o-Y
	EBITDA	2,045	*18.3*	*39.5*	
	PAT	1,103	*98.3*	*37.1*	
BHARTI	Revenues	84,833	*(0.9)*	*43.7*	Consolidated numbers were in-line but re-organisation of segment-wise financials; hike in carriage rates drove the exponential growth in carrier segment & led to lower profitability for mobility business; Second quarter of positive surprise on usage elasticity - MoU jumped 5% on back of 7% tariff cut.
	EBITDA	35,221	*(0.6)*	*44.0*	
	PAT	20,532	*5.4*	*35.8*	
BHEL	Revenues	43,292	*9.7*	*33.9*	Bharat Heavy Electricals' (BHEL) Q1FY09 revenues grew impressively, which we believe was due to higher revenue booking the quarter given the poor performance in the the two preceeding quarters. However higher wage provisioning is likely to impact margins. We remain positive on BHEL's long-term outlook, given that the demand for power equipment players is likely to remain strong over the next few years.
	EBITDA	3,737	*(25.0)*	*20.3*	
	PAT	3,844	*(13.4)*	*33.1*	
Biocon	Revenues	2,639	*(24.0)*	*(2.6)*	Forex loss impacted the numbers
	EBITDA	576	*(38.9)*	*(24.2)*	
	PAT	140	*(78.7)*	*(73.1)*	
BPCL	Revenues	390,220	*5.0*	*63.5*	Escalated crude prices, Govt. share of under-recoveries at 50%, Upstream discounts (for sharing under-recoveries) at 23%, High employee expenses for provisioning for salary revision, High forex losses
	EBITDA	-7,693	*NM*	*NM*	
	PAT	-10,667	*NM*	*NM*	
Cadila	Revenues	7,140	*19.4*	*24.8*	Performance was much better than expectations
	EBITDA	1,617	*35.6*	*45.4*	
	PAT	897	*15.2*	*21.3*	
Cairn India	Revenues	4,036	*1.0*	*65.9*	No surprise, development projects are on track
	EBITDA	2,975	*(0.3)*	*57.0*	
	PAT	1,386	*3.5*	*NM*	
CESC	Revenues	7,830	*6.4*	*9.2*	Fairly inline with estimates. No adjustments to reported PAT
	EBITDA	1,220	*(37.5)*	*(6.2)*	
	PAT	940	*0.9*	*14.6*	
Cipla	Revenues	12,071	*11.6*	*28.6*	Forex loss resulted in lower profits but revenues were better than expected
	EBITDA	1,954	*(12.8)*	*32.9*	
	PAT	1,400	*(20.1)*	*11.4*	
Colgate	Revenues	4,076	*3.3*	*16.2*	Volume growth were better than expectation. Other income saw increase on account of IT and R&D services rendered to parent company.
	EBITDA	661	*(2.6)*	*7.6*	
	PAT	719	*5.3*	*18.1*	
Container Corporation	Revenues	8,228	*(21.8)*	*6.0*	Lower volume growth was on account of disruption of services on account of gujjar agitation. Postive surprise was on account of margin expansion for the compnay which improved by 310 bps Y-o-Y.
	EBITDA	2,390	*(15.1)*	*4.7*	
	PAT	2,018	*(8.4)*	*7.9*	

(contd.)

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
CPCL	Revenues	112,532	1.3	80.9	No surprise
	EBITDA	11,689	(1.8)	97.6	
	PAT	7,033	(1.0)	117.6	
Crompton Greaves	Revenues	10,829	3.3	20.8	Revenues at the parent level grew 21% Y-o-Y to INR 11 bn, with the power segment growing at 13% Y-o-Y to INR 5 bn. EBITDA margins improved 110bps YoY to 12.8% for the quarter. Net profit, at INR 889 mn, grew 29% Y-o-Y. CRG, with its vast array of products across the power transmission and consumer sectors, is likely to be one of the main beneficiaries of the above in the long term.
	EBITDA	1,381	24.1	32.1	
	PAT	889	28.0	29.3	
Cummins	Revenues	7,070	9.1	30.4	Higher reveune growth in Q1FY09 driven by engines and spare parts and services business. Revenue growth expected to be modest on account of expected slowdown in corporate capex. Higher PAT growth on account of higher other income.
	EBITDA	938	10.3	26.8	
	PAT	882	37.3	37.8	
Dabur	Revenues	6,040	(0.1)	13.9	Inline performance with turnarround in CHD and strong performance in International business. EBIT margins in Foods witnessed ~400bps improvement which is a positive .
	EBITDA	871	(2.7)	9.6	
	PAT	707	2.2	13.2	
Deepak Fertilizers	Revenues	3,327	52.7	51.4	The company's chemical and fertiliser businesses grew 52% and 44%, respectively, mainly on account of contribution from iso-propyl alcohol (IPA) and trading volumes in the chemicals business
	EBITDA	687	30.8	77.7	
	PAT	449	66.6	98.8	
Dishman	Revenues	2,359	(1.0)	40.4	Broadly inline. Recorded forex loss
	EBITDA	663	32.5	142.1	
	PAT	277	(10.3)	29.3	
DLF	Revenues	38,106	14.0	24.0	EBITDA margins declined in Q1FY09 by 10% due to shift and growth in the poduct mix to lower margin mid income houses. The company currently has a sales backlog of 3.6 mn sq ft in the mid-income homes segment on which it is expected to commence construction in coming quarters.
	EBITDA	23,445	1.5	6.4	
	PAT	18,640	14.9	23.0	
Dredging Corporation	Revenues	1,960	(0.7)	0.9	Earnings were lower on account of increased cost pressure for Sethu samudram project. DCI has in-chartered 6 dredgers to carry out work for SCCP and is incurring environmental cost for the project.
	EBITDA	246	(55.4)	(56.5)	
	PAT	245	(48.2)	(54.7)	
DRL	Revenues	15,038	1.7	25.1	Operational profitability was lower than expected
	EBITDA	1,844	(25.6)	(13.5)	
	PAT	1,348	(36.5)	(26.2)	
Elecon Engineering	Revenues	1,686	(2.2)	30.1	Revenues and EBITDA were ahead of expectations on the back of strong revenue and EBIT margins reported by the MHE segment. However increase in interest cost was disappointing. We have increased our interest rate assumptions by 100 bps resulting in downgrading our earnings by ~6% in FY09E and FY10E resepctively.
	EBITDA	287	6.8	37.3	
	PAT	119	0.6	13.3	
Emco	Revenues	1,833	(21.8)	18.8	Lower revenue growth in the quarter on account delay in project execution however we believe the same to be covered up in the coming quarters. Margins have been in line with expectation. To watch out for update on the power project, coal mine acquisition and South African venture
	EBITDA	239	(17.7)	18.5	
	PAT	100	(25.8)	11.5	
Essel Propack	Revenues	3,113	3.3	4.2	Revenue growth was only 4% with a steep decline in EBITDA and PAT. The company is facing business disruptions and has reported meager revenue growth for the second quarter in a row. It has been investing heavily in new businesses, which have not fully scaled up. Further, the company has been facing difficulties in passing on higher raw material costs, and is expected to continue reporting high depreciation and interest costs.
	EBITDA	398	(22.8)	(27.0)	
	PAT	-97	NM	NM	
Fame India	Revenues	238	(13.3)	26.0	Disappointing growth in revenue due to IPL, weak movie line up and below average performance of key movies which had a negative impact on occupancy. EBITDA margin decline due to higher e-tax, rental and promotion expenses. PAT was negative due to notional loss on FCCB outstanding to the tune of INR 38.7 mn as rupee appreciated
	EBITDA	14	(72.1)	(60.4)	
	PAT	-37	NM	NM	

(contd.)

Stock		Q1FY09 INR mn	*vs est* %	*growth* *% y-o-y*	Key highlights of the result (surprises/disappointments)
Federal Bank	Revenues	3,744	*1.2*	*27.7*	Broadly the numbers were in line,higher then expected MTM provisions but control on expenses.Cost-to-income ratio for the bank was one of the least in the industry, at 32%. The bank took a hit of INR 1.32 bn on its investment book.The bank has started leveraging its tier-I capital of INR 21 bn, raised in its rights issue through robust business growth.We have revised our earnings downwards by 10% for FY09, factoring in higher provisions for investments but increasing the
	EBITDA	2,535	*2.5*	*34.6*	
	PAT	681	*(15.2)*	*1.7*	
Finolex	Revenues	4,201	*(21.1)*	*50.2*	Volumes lower than expected, Forex losses at INR 297 mn was higher than expected
	EBITDA	418	*(41.6)*	*182.9*	
	PAT	117	*(49.4)*	*(52.2)*	
Finolex cables	Revenues	4,018	*19.1*	*32.9*	Results on the operating front were ahead of expectations both on the revenue and profitability front. However there was an exceptional item (loss) of INR 341 mn on account of losses related to foreign exchange/derivative contracts. We do not know the nature of this transaction and hence have put the stock under review.
	EBITDA	475	*21.0*	*63.2*	
	PAT	75	*(73.3)*	*(76.5)*	
Gateway Distriparks	Revenues	962	*6.8*	*99.0*	CFS business continues to outperform with 19.9% volume growth. Positive surprise came from turnaround of container business. GDL has started 2 container trains on the EXIM business & fill factor for domestic trains reached 72%.
	EBITDA	337	*14.6*	*53.2*	
	PAT	209	*6.6*	*12.4*	
Geometric	Revenues	1,404	*9.7*	*24.4*	Revenues beat expectations. One-time cost and project over run dampen the operating (EBITDA) margins. One-time item - profit on sale of property (INR 120mn) help post better profit nos.
	EBITDA	130	*(31.6)*	*65.0*	
	PAT	162	*805.1*	*39.5*	
GIPCL	Revenues	2,625	*3.8*	*22.0*	Earnings lower due to an additional INR 100 mn incurred on plant maintenance and lower generation in the 145 MW IPP plant. Need to monitor recovery of O&M expenses in the tariff and the progress of the 250 MW expansion in Surat.
	EBITDA	555	*(9.5)*	*(21.3)*	
	PAT	225	*(31.8)*	*(40.4)*	
Glaxo	Revenues	4,169	*(11.0)*	*5.4*	Results were broadly inline with much better profitability
	EBITDA	1,511	*16.5*	*23.6*	
	PAT	1,149	*14.2*	*19.1*	
Glenmark	Revenues	4,608	*(13.3)*	*31.2*	Had soft quarter, deferred tax write back boosted profits
	EBITDA	1,410	*(20.1)*	*37.5*	
	PAT	1,154	*(0.5)*	*101.7*	
Godrej Consumer	Revenues	3,616	*4.8*	*26.3*	Disappointing quarter with PAT growing by mere 1% Y-o-Y. Gross margins hit on account of rising palm oil prices while ASP expenses also rose 64% Y-o-Y . Market share in both hair colour and soaps declined Y-o-Y.
	EBITDA	496	*(18.2)*	*(3.0)*	
	PAT	391	*(14.8)*	*1.2*	
Grasim Industries	Revenues	44,295	*7.2*	*9.0*	The other small segments like sponge iron & chemicals posted impressive performance. VSF also reported a margin improvement sequentially despite volume and realisation decline. Cement was in line with expectation
	EBITDA	12,633	*12.9*	*(0.3)*	
	PAT	6,719	*26.5*	*0.3*	
Havells India	Revenues	5,533	*(4.3)*	*16.7*	Results were above expectations both on stand alone and consolidated basis. All segments except cables and wires reported significant improvements in segmental EBIT margins. Sylvania reported growth of 17% in rupee terms and flattish in Euro terms. We expect sylvania to report 5% growth in Euro terms for FY09.
	EBITDA	543	*2.0*	*31.8*	
	PAT	407	*2.7*	*28.8*	
HCL Tech	Revenues	11,078	*(47.2)*	*(31.3)*	Dividend raise to 150% (quarterly) renders dividend yield attarctive (6%), quarter's performance ahead of expectations on revenues and margins, net employee addition (meagre)
	EBITDA	619	*(87.1)*	*(82.2)*	
	PAT	-135	*NM*	*NM*	
HDFC	Revenues	7,503	*(2.2)*	*28.2*	Lower-than-expected NIMs. Loan disbursement continued its traction with 28% Y-o-Y growth to INR 72 bn and asset quality remained robust. In order to maintain its 23% stake in HDFC Bank, we expect the company to fully subscribe to 26.2 mn warrants, allotted at INR 1,530 per share, over next 18 months. Consequently core mortgage earnings will grow at 17% CAGR over FY08-10E due to funding cost pressures.
	EBITDA	6,635	*(1.1)*	*28.4*	
	PAT	4,681	*(3.1)*	*25.6*	

(contd.)

Stock		Q1FY09 INR mn	*vs est %*	*growth % y-o-y*	Key highlights of the result (surprises/disappointments)
HDFC Bank	Revenues	23,169	*(10.3)*	*48.7*	HDFC's numbers are consolidated with CBoP. CASA ratio of the standalone entity has declined; and roughly INR 6.5 bn adjustment to net-worth Also, merger expenses are adjusted against the net-worth.HDFC Bank continues to be well placed in a tough environment. We maintain 'BUY' stable and consistent growth.
	EBITDA	10,275	*(9.1)*	*31.1*	
	PAT	4,643	*(6.8)*	*44.6*	
Hero Honda Motors	Revenues	28,435	*5.5*	*16.2*	Total volumes up 11.4% Y-o-Y, average realisations up 4.3% Y-o-Y. EBITDA margins down sequentially due to input cost (130bps hit) and advertisement cost (120bps hit).
	EBITDA	3,410	*(0.4)*	*29.4*	
	PAT	2,729	*13.2*	*43.8*	
Hexaware	Revenues	2,845	*(1.7)*	*8.7*	Bad quarter on many fronts, tepid revenue growth, lowered FY09 revenue guidance by 13-15% to USD 270-275 mn, provisions made for certain contracts
	EBITDA	177	*(44.3)*	*(44.9)*	
	PAT	95	*87.6*	*(61.7)*	
Hindalco	Revenues	46,475	*(11.7)*	*(0.6)*	Net revenue was below expectation due to lower sales volumes in both aluminium and copper segment. Copper business affected due to a planned shutdown of smelter-I at Dahej. Negative impact of lower copper Tc/Rc margin (16.5 c/lb v/s 31.2 c/lb in Q1FY08) was negated to some extent by higher by-product realization. Average realisation increased across all major products due to higher average LME prices.
	EBITDA	9,490	*11.2*	*7.3*	
	PAT	6,968	*24.8*	*15.6*	
Hinduja foundries	Revenues	1,252	*(0.2)*	*19.8*	Revenue growth healthy, but margins did come under pressure. Profits were accentuated by a 12x increase in other income (at INR 46 mn), most likely due to underutilization of GDR funds that were raised at the beginning of Q1FY09
	EBITDA	135	*(13.9)*	*28.3*	
	PAT	46	*2.3*	*12.5*	
Hindustan lever	Revenues	42,157	*3.3*	*21.1*	Please Note HUL has changed and regrouped few of the Nos. in the base quarter (ie., Q2CY07). Topline growth has been strong on account of sustained volume growth. Margins from Export increased due to trimming of the loss making export units. Pureit, water purifier has been rolled out in 20 states now.
	EBITDA	5,515	*(5.5)*	*10.0*	
	PAT	5,401	*(0.1)*	*19.6*	
Hindustan Zinc	Revenues	16,437	*(9.2)*	*(16.6)*	42% Y-o-Y decline in zinc price was partially offset by higher sales of byproducts. Zinc production was down 6% Q-o-Q as certain equipment did not function optimally. Mining and mfg expenses were up due to sharp increase in power costs as spot coal costs were up significantly. Other income was much higher than estimates and HZL had lower tax rate as Chanderiya plant recieved EOU status thus enabling it avail various tax benefits.
	EBITDA	9,777	*(10.9)*	*(31.9)*	
	PAT	8,478	*2.3*	*(28.5)*	
HPCL	Revenues	347,493	*(2.8)*	*58.8*	Escalated crude prices, Govt. share of under-recoveries at 50%, Upstream discounts (for sharing under-recoveries) at 23%, High employee expenses for provisioning for salary revision, High forex losses
	EBITDA	-4,110	*NM*	*NM*	
	PAT	-8,881	*NM*	*NM*	
ICICI Bank	Revenues	36,279	*(2.1)*	*5.8*	ICICI Bank's Net profit declined by 6% Y-o-Y and 37% sequentially to INR 7.3 bn mainly due to MTM provisions in its investment book.Fee income grew by 21% Adjusted for lease income; core fee income growth was strong at 37%. We have revised our numbers downwards marginally by 4% for FY09 and 2% for FY10 to factor in lower non-interest income mainly from subsidiaries.
	EBITDA	17,140	*5.7*	*12.4*	
	PAT	7,280	*44.5*	*(6.1)*	
IDFC	Revenues	3,130	*(1.4)*	*15.9*	IDFC reported strong numbers net profit growing 20% Y-o-Y and NII growing 61% Y-o-Y.While core fee income dipped during the quarter, income from treasury and gains from principal investments was surprising. NIM for infrastructure loans remained stable at 2.4%.We have revised our earnings upwards by ~7% for both FY09E and FY10E to factor in marginal improvement from our earlier expected margins, fees from its asset
	EBITDA	2,350	*(2.1)*	*38.2*	
	PAT	2,150	*40.6*	*18.8*	
IGL	Revenues	1,907	*5.3*	*17.9*	Higher CNG car conversion
	EBITDA	755	*1.1*	*9.9*	
	PAT	437	*2.1*	*13.8*	
India Cements	Revenues	8,375	*1.8*	*19.4*	Marginal 3.3% sequential increase in power and fuel cost per tonne was attributed to the low cost coal inventory and 5.2% Q-o-Q decline if freight was on account of reduced lead distance. As a result margins for the quarter expanded by ~445 bps and EBITDA/tonne increased by ~18% Q-o-Q
	EBITDA	2,981	*10.6*	*12.8*	
	PAT	1,421	*(1.5)*	*(22.5)*	
Indian Overseas Bank	Revenues	6,959	*(26.5)*	*(9.7)*	NII was flat Y-o-Y to INR 7.3 bn.The bank has taken a one-time hit of INR 1.17 bn due to the transfer of securities from AFS to HTM and losses of INR 500 mn in its equity portfolio.CASA ratio has declined sharply.While overall revenue continues to grow at a much rapid pace, asset quality is witnessing a gradual decline. Provision coverage has dropped to 57% in Q1FY09.We have revised our numbers downwards by 4% for FY09E and maintain accumulate.
	EBITDA	2,412	*(58.1)*	*(41.1)*	
	PAT	2,560	*45.9*	*(4.7)*	

(contd.)

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
Infosys	Revenues	48,540	(1.7)	28.7	Disappointing revenue performance due to top-client impact, client win and traction in manufacturing a positive. Volume growth has been the lowest since Q3FY02
	EBITDA	14,790	(8.6)	36.4	
	PAT	13,020	(1.8)	20.7	
Infotech	Revenues	2,006	(0.1)	34.8	Highest quarterly client addition (24), renewal of multi-year engagement with with Tele Atlas. Margin expansion despite salary increases. Engineering segment posted impressive 15% Q-o-Q growth.
	EBITDA	369	3.9	39.6	
	PAT	246	18.8	89.4	
ING Vysya Bank	Revenues	2,859	15.6	48.4	ING Vysya Banks's earnings growing 60% Y-o-Y and NII growing 52% Y-o-Y. fee income saw a healthy growth of 40%.We are maintaining our earnings estimates for FY09 and FY10. We are factoring in the loan book growing at 21% CAGR over FY08-10E to INR 216 bn and EPS growing at 32% CAGR to INR 27 for FY10E.we maintain BUY
	EBITDA	1,047	27.2	96.3	
	PAT	406	(2.9)	73.4	
Inox Leisure	Revenues	519	(10.1)	15.9	Lower occupancy due to IPL, weak movie line up and below average perfomance of key movies. EBITDA margin decline as fixed overheads such as employee, rental and other expenses could not be recovered due to lower revenue growth.
	EBITDA	72	(47.7)	(40.0)	
	PAT	37	(47.6)	(67.0)	
IOCL	Revenues	883,996	(6.6)	67.2	Escalated crude prices, Govt. share of under-recoveries at 50%, Upstream discounts (for sharing under-recoveries) at 23%, High employee expenses for provisioning for salary revision, High forex losses
	EBITDA	9,603	(70.9)	(32.3)	
	PAT	4,151	(78.4)	(71.7)	
IPCA	Revenues	2,951	6.1	19.7	Forex loss impacted the numbers
	EBITDA	597	(1.3)	7.2	
	PAT	237	(40.8)	(31.9)	
ITC	Revenues	38,997	9.1	17.3	Better than expected performance in core Cigarettes business with only ~3% volume decline. We estimate a higher ~80% conversion from Non Filter to Filter cigarettes. Other division viz., Hotels , Paper and Agribusiness also reported strong sales with improvement in margins. FMCG-others, however disappointed with higher losses resulting in decline of 4% Y-o-Y in overall net profit.
	EBITDA	11,271	(5.3)	(0.0)	
	PAT	7,487	(9.2)	(4.4)	
Jaiprakash Associates	Revenues	11,487	(18.5)	23.9	PAT came down with lower sequential bookings from Jaypee Greens real estate. While cement margins came off 443 bps Q-o-Q, construction margins remained robusr and went up by ~200 bps Y-o-Y.
	EBITDA	3,123	(29.1)	30.7	
	PAT	1,273	(37.3)	(9.1)	
Jindal Saw	Revenues	10,175	(7.6)	(20.9)	Voluumes lower than expectation due to shutdown in DI Plant
	EBITDA	1,613	4.7	0.4	
	PAT	702	(14.1)	(14.5)	
Jindal Steel and Power	Revenues	18,953	(16.0)	55.0	Results below our estimates and consenus due to lower sales volume (0.36mt against our estimates of 0.42mt). The company is maintaining significant level of inventory (200kt). We think that the company is looking for moratorium with government to end before making sales.
	EBITDA	7,056	(15.6)	47.3	
	PAT	4,023	(18.5)	60.8	
JSW	Revenues	44,562	2.8	102.3	Rupee depreciation that resulted in unrealized foreign exchange loss of INR 3.11 bn on ~ USD 1 bn of forex loans and FCCBs. Cost of production up 61% Y-o-Y. Production and sales volume up 22% and 13% Y-o-Y respectively. US pipe business realisations are robust with EBITDA/ t being USD 319/t in Q1FY09. On adjusting EBITDA with exchange loss, results are above our and consensus estimates.
	EBITDA	8,158	(0.3)	10.1	
	PAT	2,503	(22.7)	(41.7)	
Jubilant	Revenues	8,266	18.2	53.1	Recorded much higher forex loss than estimates of INR 760 mn. Operational performance was better than expected
	EBITDA	1,658	10.9	74.2	
	PAT	128	(90.0)	(91.1)	
JYS	Revenues	4,016	1.1	35.4	Strong quarter with revenues growing ~35% Y-o-Y. Operating performance were in line and order intake was strong. Interest cost was lower than estimate in the quarter which is likely to increase with rising interest rate scenario. Margins in the power transmission EPC sector is expected to decline on account of commodity inflation and increased competition.
	EBITDA	480	5.9	30.8	
	PAT	205	20.9	28.2	

(contd.)

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
Karnataka Bank	Revenues	1,906	25.1	16.8	banks earnings was muted mainly due to higher MTM provisions. Business growth was below industry growth.The exposed investment book will ensure higher provisioning requirement for the coming quarter,We are revising our numbers downwards to factor the higher MTM provisions for the current quarter.the subdued business performance at lower margins remains a key risk to the stock.
	EBITDA	1,159	39.5	24.5	
	PAT	207	(41.8)	(60.0)	
KEC	Revenues	6,001	(17.1)	17.3	Poor revenue growth and decline in margins led to poor quarterly performance. Margins have already shown impact of rising commodity prices on fixed price contracts. While revenue growth is likely to be decent and quarterly margin performance can distort the macro picture, we believe margins are likely to be under pressure.
	EBITDA	614	(22.5)	(3.9)	
	PAT	255	(19.7)	0.8	
KEI	Revenues	2,270	(6.1)	23.1	
	EBITDA	218	(21.5)	(9.9)	
	PAT	71	(48.1)	(40.9)	
Kirloskar	Revenues	5,823	(9.0)	18.5	Demand in the engines segment is likely to remain soft due to slowdown in industrial capex in FY09E. Margins are also likely to be under pressure due to increase in raw material prices. To watch out for ramp up in capacities.
	EBITDA	685	17.5	66.0	
	PAT	295	6.3	7.8	
Kotak Mahindra Bank	Revenues	7,253	(26.7)	(7.7)	Consolidated PAT (excluding life insurance) grew 10% Y-o-Y, to INR 1.77 bn (below our expectation), led by lower-than-estimated growth of 17% Y-o-Y in the banking business and 30% Y-o-Y decline in earnings from the securities business, offset by two-fold growth in profit of auto financing and debt market activities, to INR 413 mn. Advances growth remained strong at 39% Y-o-Y and it reported better NIMs of 5.9%. We are revising our EPS estimates in FY09E, to INR
	EBITDA	3,033	(15.9)	15.8	
	PAT	1,793	(8.3)	9.2	
KPP	Revenues	4,750	10.5	28.8	Revenue growth in line with expectations, Margins decline because of one-offs. However margins pressure are likely given the increase in raw material prices, slower domestic demand, and higher competition. We have downgraded FY09E EPS by 9%.
	EBITDA	559	2.2	(7.3)	
	PAT	290	(7.5)	(21.9)	
L&T	Revenues	69,014	14.2	53.2	Execution in the engineering and construction (E&C) segment was ahead of our estimates, leading to higher revenue growth. It is notable that in the current challenging environment that is marred by rising commodity prices, tightening monetary policy, and expected slowdown in private corporate capex, management continues to guide owards strong order accretion and sustaining profitability in FY09E. Given LT's proven execution capabilites and potential to surprise
	EBITDA	6,574	17.8	55.4	
	PAT	4,906	13.5	30.2	
Lanco Infratech	Revenues	9,268	(17.8)	53.6	Lower than expected result in real estate segment due to slump in Hyderabad realty market. We have reduced our FY09 and FY10 estimates by 37% and 24% to factor in lack of visibility in the Hyderabad real estate market and also potential drop in EPC margins Adjustments fo reported PAT: foreign exchange mtm loss of INR 209 mn on mark up of loan
	EBITDA	1,642	(28.3)	29.8	
	PAT	800	(20.6)	56.0	
LIC Housing Finance	Revenues	1,789	6.4	42.3	NII grew by 43% Y-o-Y to INR 1.5 bn supported by 25% Y-o-Y growth in loan book and 36 bps Y-o-Y improvement in net interest margins. PAT grew by 124% Y-o-Y to INR 1 bn due to lower loan loss provisioning and operating expenses. Disbursement grew by 24% Y-o-Y to INR 15 bn and gross NPA declined by 186 bps Y-o-Y to 2.2%. We expect EPS to grow at 14% CAGR over FY08-10E and RoE in the range of 22%. We maintain 'BUY'.
	EBITDA	1,523	42.8	57.1	
	PAT	1,047	67.1	124.2	
Lupin	Revenues	8,623	7.7	49.8	Performance was much better than expectations
	EBITDA	1,527	20.7	85.9	
	PAT	1,120	25.2	100.5	
Madras Cements	Revenues	6,150	6.6	31.0	Robust sequential realisation improvement of 6.3% was fuelled by full impact of Jan-Jun '08 price hikes. Marginal decline (1%) in power and fuel and freight cost, both, on a per tonne basis was due to increased blending, savings from 36 MW CPP and increased usage of rail for transport. Consequently, at 36.2%, EBITDA margin improved by 523 bps q-o-q, though down 269 bps y-o-y.
	EBITDA	2,229	2.3	22.0	
	PAT	1,140	8.2	13.3	
Maharashtra Seamless	Revenues	3,517	(26.4)	(0.1)	Lower than expected volumes
	EBITDA	830	(16.0)	1.2	
	PAT	603	(14.8)	3.8	
Mahindra & Mahindra	Revenues	32,934	3.6	26.1	Volume growth seen across all product segments with MUVs (+21.6%) and three-wheelers (+55.3%) as the main contributors . Hike in prices also led to 26.1% Y-o-Y growth in Revenues. However, EBITDA Margins adversely affected by 133 bps Y-o-Y increase in Raw Material costs. Earnings were further negatively affected by exchange loss of INR 779 mn and higher interest coats (+29%). Additionally, the company announced its entry into two-wheeler segment by acquiring Kinectic Motor Company.
	EBITDA	3,248	(2.7)	17.2	
	PAT	1,593	(26.8)	(17.4)	

(contd.)

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
Man Inds	Revenues	3,169	(36.5)	(1.3)	Equity Dilution, volume decline, EBITDA margins increased
	EBITDA	388	(33.4)	1.4	
	PAT	145	(45.9)	(16.4)	
Marico	Revenues	6,009	7.8	28.1	Volume growth remained strong despite price hikes. Gross margins under pressure since complete pass through of RM price increase hasn't been effected.
	EBITDA	757	0.6	14.7	
	PAT	463	(0.8)	15.2	
Maruti Suzuki India	Revenues	47,536	3.2	20.9	MSIL's Q109 EBITDA margins for the quarter were down 490bps Y-o-Y due to appreciation of the yen against INR (~170bps impact) and all round cost pressures. Net profits were above our expectations due to an increase in other income, up 47.3% Y-o-Y to INR 3.3 bn. This was due to substantial increase in financial income due to growth in investment book. We downgrade stock to ACCUMULATE from BUY due to subdued margin outlook
	EBITDA	4,636	(17.2)	(19.3)	
	PAT	4,659	10.0	(6.8)	
Mastek	Revenues	2,448	(6.3)	35.5	FY09 growth target at 32%. Surpised on EBITDA margins that improved 60bps at 19.9%. Sustenance of the momentum is the key. Order book at 4.5bn. Q1 guidance at 4% Q-o-Q growth is unimpressive, implying 10% GQGR for remaining three quarters.
	EBITDA	487	(7.2)	84.0	
	PAT	386	(3.7)	63.1	
Mcnally Bharat	Revenues	1,318	(2.4)	18.5	Revenues and EBITDA came in line with expectations but PAT came slightly below expectations. The main reason for the same was higher interest expense (INR 29 mn versus INR 20 mn) and higher tax provision (34% against 30%)
	EBITDA	98	6.7	7.7	
	PAT	45	(3.8)	4.7	
MIC Electronics	Revenues	930	50.2	(22.5)	Significant margin improvement is the key highlight of the quarter. The margin improvement is on account of lower raw material prices and modifications in the product to reduce hardware components. Higher than expected revenue growth was partly on account of higher non LED revenues and partly becasue of quicker implementation of some LED orders
	EBITDA	316	82.7	29.5	
	PAT	249	83.1	14.2	
Monnet Ispat	Revenues	3,788	4.5	61.5	Revenues in-line whereas EBITDA and PAT higher than expectation. Impact of lower production and sales of steel and ferro alloys due to maintenance shutdown of power plant was negated by higher realization across all the products. Sales volume of sponge iron increased by 69% Y-o-Y and 22% Q-o-Q. Realisation increase strong enough to pass on the cost increase.
	EBITDA	1,048	23.2	69.2	
	PAT	703	13.5	52.7	
MphasiS	Revenues	7,422	2.3	39.6	Strong topline performance complemented by improving productivity metrics. Hedging policy continues to be restricted to balance sheet exposure. Infrastructure management services continues to grow 20% plus on a Q-o-Q basis.
	EBITDA	1,247	1.3	27.6	
	PAT	790	4.3	54.0	
MTNL	Revenues	11,216	(3.6)	(6.2)	Results were below expectations due to a fall in ARPU in both wireline and wireless segment and customer base erosion in wireline segment. EBITDA fell sharply because of a one-time provisioning in the employee cost. Sharp increase in other income helped maintain the adjusted net profits
	EBITDA	1,677	(22.1)	(35.9)	
	PAT	1,152	(3.7)	3.9	
Nalco	Revenues	14,675	(4.2)	25.9	The results at EBITDA and PAT level were above our and consensus estimates as company on Q-o-Q basis reported lower staff costs and lower other expenses.
	EBITDA	7,368	17.1	19.5	
	PAT	5,253	18.1	17.6	
NTPC	Revenues	95,395	5.3	12.8	Adjustments to Reported PAT is lower by 2721 mn due to provisioning for pay revision and employee beenefits. 305 mn was reported as financing charges due to forex rate fluctuations.
	EBITDA	24,218	(4.5)	10.8	
	PAT	20,292	(1.1)	9.1	
ONGC	Revenues	200,522	0.5	46.5	Upstream subsidy share at 26%
	EBITDA	148,904	12.8	88.0	
	PAT	97,180	20.8	110.8	
Orbit Corporation	Revenues	818	(0.7)	28.6	EBIDTA margins were 40.5% as against our expectation of 56.1%; reduction in margins was primarily due to increase in corporate expenditure, rise in raw material costs and higher cost booking than our expectation.
	EBITDA	331	(28.3)	43.3	
	PAT	182	(36.8)	(0.5)	

(contd.)

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
Oriental Bank	Revenues	6,522	*10.1*	*10.7*	Revesal in tax provisioning, strong growth in non interest income aided by investment gains gave strong numbers. NII was flat Y-o-Y and sequentailly at INR 4.5bn.mark to mark provisions were INR 1.47bn for the quarter.The stock is trading at 0.5x adjusted book and 4.2x earnings.
	EBITDA	3,537	*4.8*	*8.8*	
	PAT	2,205	*32.8*	*10.0*	
Patel Engg	Revenues	5,584	*16.8*	*34.5*	Strong topline growth; move towards higher margin segments ensures positive surprise on EBITDA margins front, more so since the first quarter has been historically weak for the company. However, higher interest charges have started to hurt the company, effectively nullifying the benefit of improving operating margins.
	EBITDA	786	*22.8*	*70.1*	
	PBT	467	*9.4*	*33.4*	
Patni	Revenues	7,673	*9.2*	*16.5*	Revenue ahead of expectations, however next quarter outlook of flat revenues disappointing. Continues to have bleak visibillity in the current tough enviornment. Initiated the buy-back plan and till date bought ~0.6mn shares.
	EBITDA	979	*3.3*	*(19.7)*	
	PAT	1,191	*65.9*	*(19.5)*	
Phoenix Mills	Revenues	207	*(10.4)*	*58.0*	Revenue was below our expectation but PAT was above expectation. Strong growth on Y-o-Y basis. The devation in PAT against our expaectation is primarly because during this quarter no interest expenses is charged to P&L as all of it has been capitalised.
	EBITDA	155	*(7.7)*	*80.9*	
	PAT	110	*14.6*	*50.7*	
Piramal Healthcare	Revenues	7,083	*(8.9)*	*9.8*	Forex loss impacted the numbers
	EBITDA	1,195	*(26.3)*	*40.8*	
	PAT	681	*(38.0)*	*23.9*	
Power Finance Corp	Revenues	5,160	*(0.4)*	*20.4*	Power Finance Corporation's NII grew by 24% Y-o-Y to INR 5.1 bn, driven by 20% plus growth in loan book and improvement in margins. Net profit was flat Q-o-Q but declined marginally Y-o-Y (4%) after providing for MTM notional loss of INR 576 mn on unhedged forex borrowings (MTM gain of INR 409 mn in Q1FY08). Disbursement growth was impressive at 47% Y-o-Y and Interest spreads improved by 25bps Y-o-Y to 2.2% due to re-pricing of loans. We expect
	EBITDA	4,987	*0.7*	*19.6*	
	PAT	2,964	*2.6*	*(4.0)*	
Power Grid	Revenues	12,940	*(10.2)*	*32.7*	Powergrid has been slow in both its core capex roll out as also in the development of its other business avenues in telecom and consultancy. This could lead to backended revenues and earnings and the could show an impact only in Q4 FY09 and FY10. Therefore we are revising the earnings downwards by 9% for FY09 and 8% for FY10 Adjustments from reported PAT: ADD Forex gains of INR 594 mn and wage provisioning of INR 287 mn
	EBITDA	10,683	*(19.4)*	*32.4*	
	PAT	3,946	*(16.2)*	*39.8*	
PSL	Revenues	6,436	*(11.6)*	*67.1*	On track, Realisation & margins improved
	EBITDA	594	*(0.6)*	*46.2*	
	PAT	260	*(6.9)*	*51.8*	
Punjab National Bank	Revenues	19,009	*(5.8)*	*5.0*	PAT was higher due to lower NPA provisions on account of write-back of INR 948 mn due to loan waiver.Margins came under pressure due to decline in CASA and PLR cut effected in February.PNB has a well-etched strategy of stable and quality asset growth along with focus on margins and 78% coverage.We are revising our estimates upwards by 4%, building in lower provisioning in FY09E.and maintain as accumulate
	EBITDA	9,824	*(0.6)*	*5.3*	
	PAT	5,124	*7.6*	*20.3*	
PVR	Revenues	602	*(6.4)*	*10.3*	Subdued revenue growth of 9.9% Y-o-Y and 10.9% Q-o-Q due to IPL, weak movie line up and below average performance of key movies which led to lower occupancy. EBITDA margin decline due to higher employee and other expenses. Other expenses were high on account of repair and maintenance expenses and higher publicity expenses of new multiplexes
	EBITDA	97	*(14.4)*	*(18.4)*	
	PAT	39	*(18.8)*	*(35.7)*	
Ranbaxy	Revenues	19,286	*4.8*	*14.4*	Recorded much higher forex loss than estimates of INR 1,300 mn
	EBITDA	3,261	*5.1*	*44.0*	
	PAT	1,608	*(25.3)*	*(39.6)*	
RCOM	Revenues	53,222	*(7.8)*	*23.7*	Unimpressive quarter; topline disappoints, lower net finance costs boost bottomline. Weak wireless operating metrics - ARPU declined 10% Q-o-Q accompanied by lack of usage elasticity. Treasury gains and change in accounting policy relating to foreign currency borrowings aided bottomline growth
	EBITDA	22,502	*(9.8)*	*24.0*	
	PAT	15,763	*6.0*	*29.3*	

(contd.)

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
Reliance Capital	Revenues	15,446	*16.9*	*31.3*	Consolidated revenues grew 31% Y-o-Y to INR 15 bn primarily due to higher profit on sale of investments of INR 3.7 bn. However, due to rising claims in the general insurance business and higher employee costs, PAT grew a mere 5% Y-o-Y to INR 3.4 bn. The company has managed to sustain its growth momentum in life insurance and retail broking but is deliberately going slow on consumer financing and general insurance, stressing more on profitability. We have revised our EPS estimates downwards by 5% to INR 43.8 for FY09E and 7% to INR 48.2 for FY10E and our revised sum-of-the-parts (SOTP) fair value stands at INR 1,417 per share for FY10E. We maintain 'ACCUMULATE'.
	EBITDA	4,068	*22.4*	*6.2*	
	PAT	3,430	*31.3*	*5.6*	
Reliance Infra.	Revenues	21,007	*(6.0)*	*32.2*	Other income higher than expected on account of prior period adjustments, and income from amalgamatation of a group company - Reliance Projects. EPC performance better than expected. Adjustments to the reported PAT: ADD Forex loss writeback of INR 2160 mn, SUB prior period revenue adjustment 789 mn, Tax adjustment of INR291 mn, post tax gain on merger of subsidiary company INR 351 mn
	EBITDA	1,314	*51.0*	*249.6*	
	PAT	3,254	*37.0*	*46.9*	
RIL	Revenues	415,790	*10.7*	*40.8*	Lower refining margins at USD 15.5/bbl as against our expectation of USD 18.5/bbl
	EBITDA	61,210	*(6.7)*	*7.9*	
	PAT	41,100	*(1.1)*	*13.2*	
Rolta	Revenues	3,211	*0.8*	*58.1*	Strong guidance of 38-40% for FY09, emanating from high order book proving visibility. MTM loss on account of outstanding FCCBs of INR 300mn. Current order book stands at INR 15.1bn and cash in hand at INR 5bn.
	EBITDA	1,122	*2.4*	*40.3*	
	PAT	508	*10.0*	*4.1*	
Sanghvi Movers	Revenues	787	*32.0*	*48.5*	Numbers were beter than expectation on account of favorable demand scenario for cranes. Company also is planning to incur capex to the tune of INR 2.5 bn for the year which would help it to sustain the momentum.Margins for the year are expected to be in the range of 72-73%
	EBITDA	576	*33.0*	*42.0*	
	PAT	227	*30.4*	*56.4*	
Sasken	Revenues	1,681	*9.5*	*31.0*	Guidance contingent upon new deal wins; excluding that expected growth in services at 17-20%. Higher contribution from products helped offset the loss due to MTM of forward contracts.
	EBITDA	366	*42.0*	*269.9*	
	PAT	137	*256.3*	*114.8*	
Satyam	Revenues	26,208	*(2.3)*	*43.2*	Q1 guidancemiss a bad one, outperformance relative to guidance in FY09 unlikely, focus on margins during FY09E
	EBITDA	6,323	*(0.5)*	*54.1*	
	PAT	5,477	*4.0*	*44.8*	
SBI	Revenues	72,215	*17.8*	*35.2*	The numbers were significantly higher, due to fee income driven by commissions and forex income. Considering its aggressive branch expansion and employee addition, we believe, SBI's business performance will be ahead of the industry, with credit growth of 23% for FY09, though the eventuality will be rise in NPA which will lead to rise in credit cost in FY10E.We are revising upwards estimates for FY09 by 3% and upgrade the stock from Accumulate to BUY.
	EBITDA	39,623	*37.1*	*67.8*	
	PAT	16,408	*99.0*	*15.1*	
Sesa Goa	Revenues	12,800	*(10.8)*	*181.8*	Production and sales volume of iron ore was up 58% and 47%, respectively, to 4.56 mt and 3.25 mt, respectively. This implies an additional iron ore inventory of 1.3 mt which may be sold in the monsoon quarter (Q2FY09). Unit inland transportation cost has increased 110% Q-o-Q to INR 650/t.PAT was above our estimates due to lower tax rate of 26% against our estimated 33%. Other income at INR 611 mn was up 474% Y-o-Y.
	EBITDA	8,051	*0.9*	*359.3*	
	PAT	6,331	*16.5*	*432.6*	
Shoppers Stop	Revenues	2,944	*7.2*	*27.2*	Severe cost pressures visible and the outlook for the next 12-18 months looks bleak with footfalls and volumes slowing down. Store roll out is well behind schedule and future growth could face delays if the planned fund raising through rights issue doesnt go through soon. Slower consumption and rising inflation in addidtion to comapny specific issues make the outlook quite bleak.
	EBITDA	-88	*NM*	*NM*	
	PAT	-231	*NM*	*NM*	
Shriram City union	Revenues	1,989	*(1.6)*	*53.5*	Core operating performance remained strong with net operating income growing by 54% Y-o-Y and 17% Q-o-Q to INR 1.1 bn. Loan book grew by 16% Q-o-Q to INR 34 bn in Q1FY09 due to robust disbursement of ~INR 13 bn. Recent round of equity dilution aided in easing off pressure on funding cost in rising interest rate scenario. PAT grew by 58% Y-o-Y and 27% Q-o-Q to INR 275 mn. We expect the company to grow its EPS (post dilution and warrant conversion) at 36% CAGR
	EBITDA	610	*15.6*	*122.9*	
	PAT	275	*22.5*	*58.9*	
Sical	Revenues	1,621	*(28.7)*	*(36.2)*	Lower revenues were on acccount of discontinuation of KPCL contract and non availaibility of dredgers. Net profit was lower on account of MTM loss of INR 76 mn.
	EBITDA	206	*(32.0)*	*(7.4)*	
	PAT	1	*(99.4)*	*(99.5)*	

(contd.)

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
Siemens	Revenues	18,097	*(20.0)*	*1.5*	To factor in low revenue growth reported in 9mFY08, we have downgraded our topline estimates by 10% and 8% for FY08E and FY09E, respectively. We continue to maintain our negative stance on SIEM due to concerns on the strategy to restructure the India portfolio, missing order intake traction, and adhoc provisioning policies.
	EBITDA	2,547	*59.7*	*206.5*	
	PAT	1,694	*45.7*	*107.2*	
Simplex Infra	Revenues	10,167	*23.0*	*71.0*	Results ahead of expectation on both topline and margin fronts. Stellar performance on overseas projects improves profitability despite a reduction in margins on domestic projects amidst rising commodity prices. Margins on domestic projects lower than expecetd since most projecst were in resource mobilization stage.
	EBITDA	1,101	*24.5*	*88.9*	
	PAT	383	*25.2*	*95.4*	
Sintex Industries	Revenues	7,148	*(0.0)*	*107.9*	Revenue growth was in line with expectations but EBITDA margins declined significantly. The decline was to the tune of 600 bps Y-o-Y mainly on account of INR 150 mn expenditure booked in the monolithic segment for which there was no corresponding revenue recognised.
	EBITDA	785	*(32.2)*	*34.4*	
	PAT	567	*(17.8)*	*70.8*	
Sona Koyo Steering Systems	Revenues	1,704	*(0.3)*	*11.6*	Revenue growth was in line, but the company has been struggling with getting cost increases from its customers. Only 10% of customers (by value) have given 85% of the cost increases. Unlikely to get all the increase in the near term. Exports are however growing healthily. Localisation of CEPS was delayed by ~5 months due to delays in approvals from OEMs, thereby impacting margin expansion for FY09. Interest expense to increase since the company has had to resort
	EBITDA	95	*(44.4)*	*(40.8)*	
	PAT	0	*NM*	*NM*	
South Indian Bank	Revenues	1,371	*(1.1)*	*12.8*	SIB's business income was inline with our expectations. Net profit grew 27% Y-o-Y but was belo our expectations due to higher Opes and tax rate.NIM's (calc) declined 14bps sequentially. The stock is valued at 0.8x FY09 book and 6.1x FY09 earnings and delivering ROE's of 16% for fy08-10E.
	EBITDA	694	*(13.9)*	*37.0*	
	PAT	386	*(10.9)*	*27.1*	
SREI Infrastructure	Revenues	1,021	*58.6*	*137.5*	SREI Infrastructure Finance (SREI) reported consolidated profit of INR 432 mn in Q1FY09. The standalone entity, engaged in project financing and advisory businesses, reported PAT of INR 322 mn; proft from SREI Equipment Finance (JV with BNP Paribas), where SREI has 50% stake, were ~INR 101 mn. Earnings of the standalone entity were buoyed by ~INR 890 mn of interest income on funds provided to Quipo. Consolidated disbursements grew 22% Y-o-Y, to INR 18
	EBITDA	701	*65.7*	*146.5*	
	PAT	431	*44.4*	*85.1*	
Sterlite	Revenues	57,701	*0.2*	*(6.0)*	Revenues declined 6% Y-o-Y due to 42% Y-o-Y decline in zinc LME prices and 16% Y-o-Y decline in copper production due to 26 day maintenance shutdown in the quarter. Tax rate of 19.3% was lower for the quarter as against 23.8% in Q1FY08 as zinc smelter at Chanderiya and certain units of Sterlite have received EOU status and tax at BALCO is calculated under MAT. Other income also was up 15% Y-o-Y to
	EBITDA	18,266	*(1.4)*	*(15.3)*	
	PAT	11,511	*17.5*	*0.7*	
Sun Pharmaceuticals	Revenues	10,418	*(16.8)*	*66.0*	Lower revenues from genric protonix than expected
	EBITDA	5,379	*(21.5)*	*150.4*	
	PAT	5,015	*(26.3)*	*120.7*	
Suzlon	Revenues	27,605	*5.8*	*42.0*	Revenue growth supported by volume growth of 6%, favorable currency movement and 3-5% price realisation. Positive surprise was on account of margin expansion in both wind business and gearbox. Net profit was lower than expectation on account of notional loss of INR 1.6 bn on FCCB restatement.
	EBITDA	4,240	*8.3*	*203.3*	
	PAT	13	*(99.4)*	*(92.9)*	
Syndicate Bank	Revenues	6,501	*(6.6)*	*(7.1)*	Banks eranings were down mainly due to higher then expected impact in its investment book and lower yield on advances.NII delcined sharply and the profits were down 60% YoY and 30% sequebtially. CASA was down to 30% form 31% last quarter. Due to all these reasons we have revised our estimates downwards by8% for FY09 and we maintain accumulate
	EBITDA	2,938	*(1.9)*	*(6.6)*	
	PAT	879	*(18.0)*	*(60.2)*	
Tata Motors	Revenues	69,284	*9.8*	*14.4*	Realisations for the quarter were up 10.6% Y-o-Y reflecting price hikes. Total volumes up by 3.4% Y-o-Y. EBITDA margins down with raw material cost up 230bps Y-o-Y. Other income more than doubles with high dividend and investment income. MTM losses of INR 2bn on forex liability. Effective tax-rate 8.2% from 21.2% in Q1FY08.
	EBITDA	5,305	*(7.6)*	*(29.5)*	
	PAT	2,124	*(40.1)*	*(54.3)*	
Tata Power	Revenues	20,261	*14.4*	*34.0*	Accounting policy changed. The incentives are now booked every quarter instead of booking at the end of the year. Adjustments from reported PAT: ADD prior period tax adj. of INR 290 mn, SUB forex gains of INR 370 mn and incentive booking of INR 460 mn, all adjusted for tax at 11.6%
	EBITDA	3,438	*26.9*	*36.2*	
	PAT	1,422	*(6.6)*	*(5.5)*	
Tata Steel	Revenues	61,650	*3.4*	*46.9*	The result was above our estimates on all key numbers. Sales volume up 11% Y-o-Y while, steel realisation was up 25% Y-o-Y. EBITDA margin was at all time high of 49.1%. Sales of branded products was up 47% Y-o-Y while share in sales to automotive sector increased to 42%. Costs were also in control both Q-o-Q and Y-o-Y due to internal improvement/cost reduction projects at Jamshedpur plant. Forex loss of INR 3030 mn
	EBITDA	30,246	*23.9*	*78.0*	
	PAT	14,880	*7.4*	*21.8*	

(contd.)

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
TCS	Revenues	64,110	*0.2*	*23.2*	Revenue likely to be back-ended in FY09, SG&A control a good surprise. Impact from one more problem account playing out in Q2FY09; employee addition positive
	EBITDA	15,317	*(4.0)*	*15.5*	
	PAT	12,437	*(1.1)*	*4.9*	
Techno Electric	Revenues	1,152	*16.1*	*63.1*	Strong revenue growth (63% YoY) and margins hit marginally by ~100bps on account of increase in RM cost. Strong operating cash flows drive higher opther income. Strong growth in order intake and very strong quarter.
	EBITDA	84	*17.3*	*62.1*	
	PAT	110	*80.9*	*147.6*	
Texmaco	Revenues	1,968	*36.8*	*37.6*	Numbers better than expectation on account of robust performance from rolling stock division (40% growth Y-o-Y) and steel foundry division (74% Y-o-Y growth). EBITDA margin expanded by 480 bps Y-o-Y due to improvement in price realisations and significant cost reduction
	EBITDA	352	*57.1*	*88.1*	
	PAT	228	*74.9*	*97.9*	
Thermax	Revenues	7,725	*(4.5)*	*9.6*	Environment business supports revenue growth in the quarter. Key order win in the utility range boiler segment and its improving visibilty is likely to change the growth drivers for the company going forward. We see it to be a positive development for the company.
	EBITDA	864	*16.4*	*27.9*	
	PAT	584	*(2.4)*	*5.0*	
TIL	Revenues	1,856	*13.9*	*42.0*	Results were above expectations on growth as well as profitability front. The growth was led by strong performance from construction equipment group which is a caterpillar division. We continue to remain positive on the caterpillar business on the back of the mining operations opening up for the private sector
	EBITDA	167	*22.5*	*39.2*	
	PAT	59	*25.7*	*48.2*	
Torrent	Revenues	3,906	*2.4*	*16.9*	Performance was much better than expectations
	EBITDA	680	*9.5*	*52.8*	
	PAT	493	*23.3*	*84.1*	
Transport Corp of India	Revenues	3,149	*(12.4)*	*18.6*	TCI is able to maintain growth across the divisions viz Transport, XPS, Shipping and Supply chain division. However, lower margins on shipping division (change in depreciation policy from WDV to SLM) and higher interest burden suppressed the profitability.
	EBITDA	196	*(27.2)*	*1.6*	
	PAT	59	*(35.9)*	-	
TRF	Revenues	1,247	*11.4*	*88.1*	Results were in line with expectations. The surprise was from its subsidiary York transport which reported revenues of INR 650 mn against our full year estimate of INR 1.97 bn (revised to INR 2.75 bn) with the third quarter historically the best for York
	EBITDA	120	*7.7*	*60.0*	
	PAT	62	*(2.6)*	*33.0*	
TRIL	Revenues	822	*(2.2)*	*NA*	Strong order intake during the quarter, but margins to remain under pressure on account of lower expected realisations. Business with utilities likely to increase as new capacity commences production. Higher other income during the quarter which is likely to reduce going forward.
	EBITDA	118	*(5.0)*	*NA*	
	PAT	93	*4.1*	*NA*	
TTSL	Revenues	3,324	*3.6*	*56.2*	IP VPN business continues to outperform - subscriber growth in-line with expectations; operating margins dipped Q-o-Q owing to higher equipment costs on account of rupee depreciation and higher staff costs. Non-operating income declined Q-o-Q owing to translation losses on FCCB.
	EBITDA	654	*(11.4)*	*52.2*	
	PAT	460	*(14.2)*	*61.6*	
TV Today	Revenues	641	*15.0*	*24.5*	Revenues for the quarter grew 24.5% Y-o-Y to INR 641 mn, which was above our expectation. However, the company's flagship channel, *Aaj Tak*, has been facing stiff competition from *Star News* and *India TV*, and in the past few weeks it has lost it leadership position to *India TV*. EBITDA margin for the quarter declined to 20.3% from 23.0% in Q1FY08, primarily led by higher marketing and personnel expenses. Net margin for the quarter stood at 14.3% vis-à-vis 15.5% in Q1FY08.
	EBITDA	130	*9.8*	*10.1*	
	PAT	92	*3.8*	*14.9*	
TV-18	Revenues	753	*0.0*	*30.1*	News buisness revenues grew 30.1% Y-o-Y which were in line with our expectations. However improvement in EBITDA and PAT margins of news business were better than our expectations.
	EBITDA	250	*3.7*	*47.3*	
	PAT	97	*34.2*	*141.3*	
TVS Motor Company	Revenues	9,111	*8.2*	*16.3*	Realisations up 12% Y-o-Y on favourable change in product mix. Motorcycle sales +9.2% Y-o-Y, moped +4.5% Y-o-Y, scooters -9.4% Y-o-Y. Adjusted PAT almost tripled on a very small base of Q1FY08. No disclosure of MTM loss/gain on its ECB liability of USD 100mn.
	EBITDA	312	*68.4*	*63.2*	
	PAT	70	*133.3*	*184.0*	

(contd.)

Stock		Q1FY09 INR mn	vs est %	growth % y-o-y	Key highlights of the result (surprises/disappointments)
UltraTech Cement	Revenues	14,960	(1.5)	10.7	Results were in line with our expectations. Volume took a hit this quarter due to ban on exports for nearly half of the quarter. With marginal improvement in realisation, the EBITDA margins were nearly flat sequentially.
	EBITDA	4,458	(0.6)	2.8	
	PAT	2,650	1.6	2.2	
Union Bank	Revenues	10,317	(6.4)	8.6	Numbers were broadly in line but the net profit growth was muted due to Mark to mark hit of 3.4bn on the investment portfolio. The improving asset quality is one of the positive for the bank. UNBK provides the best play amongst PSU banks with stable margins, improving fee income. With provisioning coverage at 93%, even a stressful macro environment will not impose provision cost pressure on its earnings.
	EBITDA	6,160	(4.9)	17.2	
	PAT	2,283	(0.2)	1.4	
Uphos	Revenues	12,993	38.4	54.3	Performance was much better than expectations
	EBITDA	2,509	38.4	50.3	
	PAT	1,477	46.4	100.1	
Usha Martin	Revenues	6,987	(5.2)	38.7	Net revenue below expectation because of lower than expected production and sales volume in India operations. Average blended realization on a consolidated basis was up 45% Y-o-Y and 6% Q-o-Q. Highest quarterly consolidated EBITDA margin of 22.2% which was up 320bps both Y-o-Y and Q-o-Q due to lower raw material cost (including stock in trade).
	EBITDA	1,549	0.9	62.4	
	PAT	651	3.3	72.8	
VAMP	Revenues	1,701	(0.5)	31.6	Strong quarter with headline numbers in line. Margin improvement surprised us but we believe the same to be on account of efficient raw material procurement. We believe realisation in the transformer industry is likely to fall to cool off margins from current levels.
	EBITDA	344	3.8	43.1	
	PAT	232	(5.1)	36.1	
Welspun Gujarat	Revenues	10,903	(43.1)	35.2	Strong order book, Realisation & EBITDA margins increased further.
	EBITDA	1,739	(27.5)	30.5	
	PAT	711	(37.7)	2.6	
Wipro	Revenues	59,623	1.4	42.5	Revenue growth ahead of expectations but guidance for Q2 disappointing; magintude of sequential pricing improvement a pleasant surprise but perhaps unsustainable
	EBITDA	12,120	4.4	34.9	
	PAT	8,139	(6.7)	14.6	
Yes Bank	Revenues	1,845	(8.3)	43.7	Numbers were in line, Fee income growth of 22% Y-o-Y, The bank realized loss of INR 230 mn on its AFS portfolio which has distorted the reported non interest income, while provisions was lower than estimated, due to release of MTM provisions that were created for these losses in earlier quarters. Operating expenses were curtailed in spite of bank opening 11 branches as the staff expenses remained flat Q-o-Q suggesting cost cutting measures.We believe that bank will be able to maintain margins as it has aggressively passed on the cost by hiking PLR at regular interval; also increased network will help build liability franchise.we maintain our numbers and reco.
	EBITDA	914	0.7	50.3	
	PAT	543	9.7	50.8	
ZEEL	Revenues	5,420	2.9	38.4	Ad revenues grew 36.9% and subscription revenues grew 27.9%. EBITDA margin was down Y-o-Y at 26.6% due to one time employee costs, and losses booked on account of *Zee Next* . We believe most of the risks (new channel launches in GEC space, audience fragmentation, ad revenue growth) is already factored in and the stock is trading at really attractive levels.
	EBITDA	1,442	(3.5)	20.5	
	PAT	973	3.7	26.3	

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Distribution of Ratings / Market Cap

Edelweiss Research Coverage Universe

	Buy	Accumulate	Reduce	Sell	Total
Rating Distribution*	101	62	14	2	188

* 8 stocks under review / 1 rating withheld

	> 50bn	Between 10bn and 50 bn	< 10bn
Market Cap (INR)	77	70	41

Rating Interpretation

Rating	Expected to
Buy	appreciate more than 20% over a 12-month period
Accumulate	appreciate up to 20% over a 12-month period
Reduce	depreciate up to 10% over a 12-month period
Sell	depreciate more than 10% over a 12-month period

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