



A different view

Getting to the grassroots

Unique insights into India

India Reality Research (IRR) builds on CLSA's unique research strengths. Using a countrywide network of local tie-ups and on-the-ground contacts, IRR gathers local-level business and economic data to support your analysis of India's business and economic trends.

We have people on the ground and "in the know" about industries of importance to you. We target gaps in the

economic data, and look beyond the big cities to the new economic growth centres.

We are growing our coverage in cities and sectors and welcome your input on where we can provide assistance. We can also tailor requests to meet your specifications.

For any queries contact vanessa.voss@clsa.com.



Feel the pulse on the street

We have people on the ground keeping an eye out for upcoming trends in the places you can't get to yourself.



Fill the gaps

We target gaps in geographic, sectoral and economic coverage, to help you broaden your knowledge of this complex market.



Find the local in the global

We have people "in the know" about industries of importance to you. Our local information will complement your analysis of global sector trends.

More to India than Mumbai, Delhi and Bangalore . . .

- Venture outside the major cities and you will find considerable opportunities for those willing to look beyond the obvious. We capture grassroots information from across the country, not just the major cities, to provide you with a broader picture of the Indian economy and to identify emerging trends.

Chandigarh had the highest average household income in India at Rs484,774 pa in FY04/05.

Of India's population, 70% live in **rural areas**.

Of new mobile subscriptions each month, 50% are in **rural areas**.

Internet users grew 45x in small towns between 2000 and 2007.

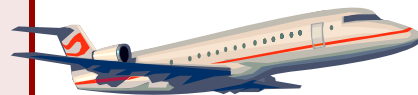
Surat has the fastest GDP growth of any city in India at 11.5% pa for the past seven years.



Two-thirds of **Maruti's** sales are outside the top-10 cities.



Coimbatore, Pune, Guwahati and **Ahmedabad** airports' passenger traffic more than doubled between FY04 and FY07.

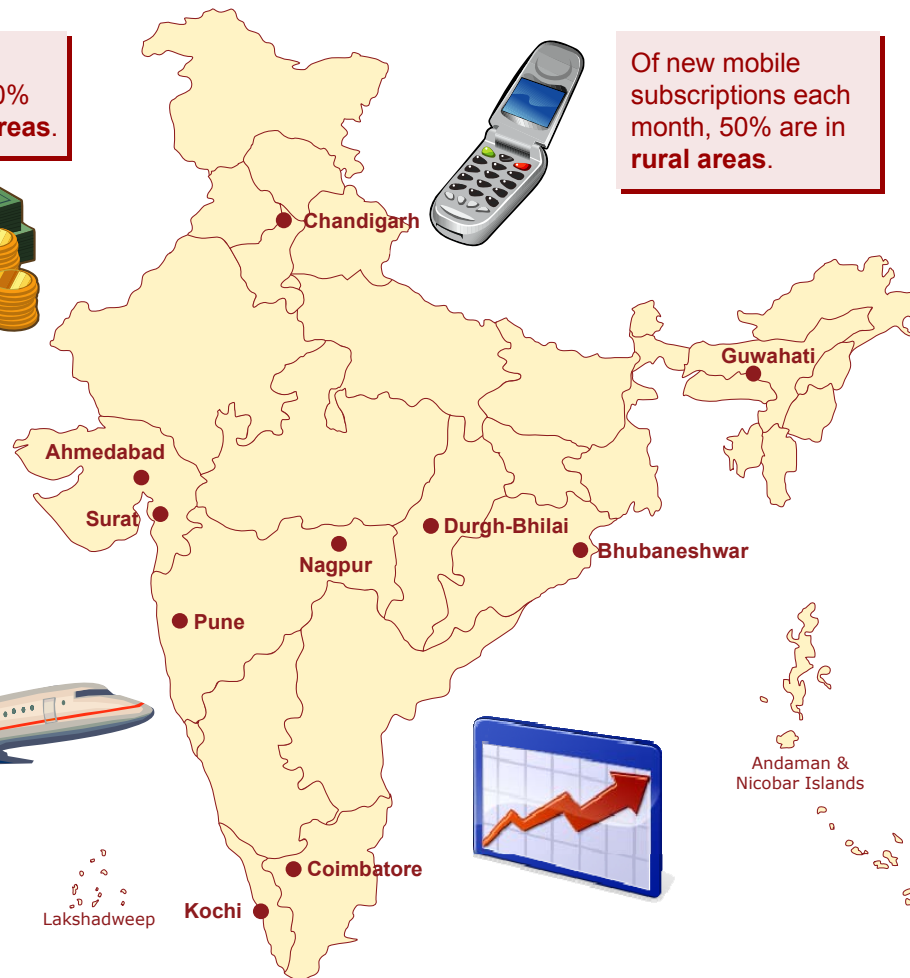


Durgh-Bhilai was the sixth fastest-growing city in the world in 2007.

In **Nagpur**, tax collections grew 89% in the first five months of FY09.



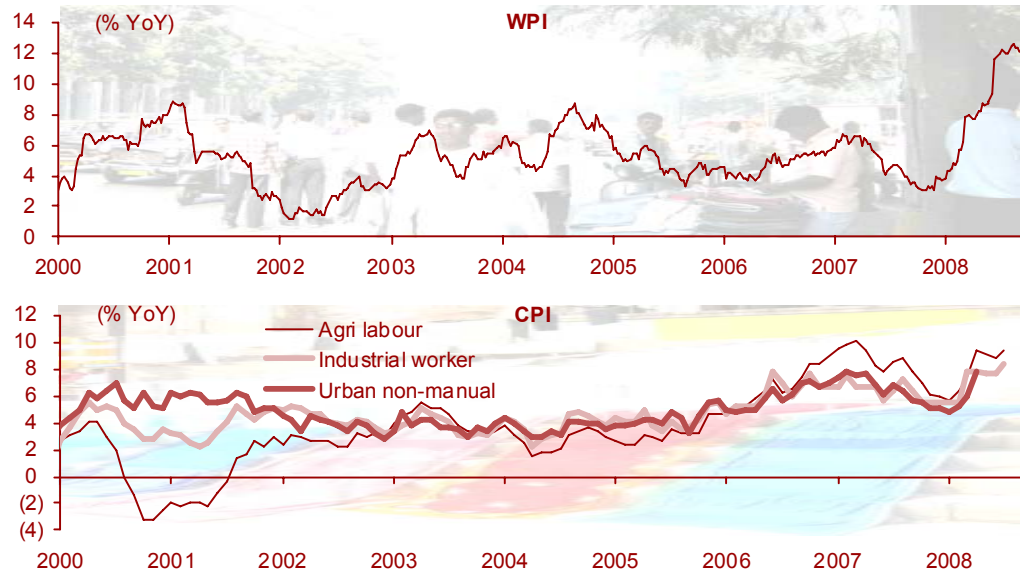
Source: NCAER, Indicus Analytics, RBI, AAI, GOI, TOI, IIED



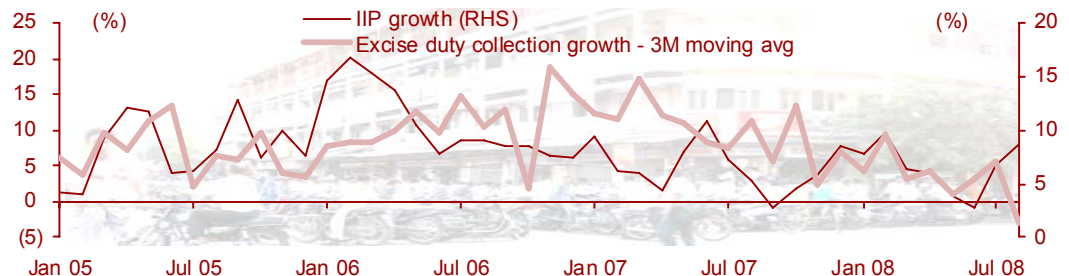
Which numbers should you believe?

- India is at an economic turning point. Getting to grips with developments in this vast market is vital.
- Investors must make critical decisions based on data that at times can be conflicting. It is not always easy to know which numbers can be trusted.
- IRR can support your analysis with on-the-ground data, giving you a reality check on the official numbers.

Wholesale and Consumer Price Inflation can diverge . . .



. . . while the index of industrial production and excise collection can be inconsistent.



Source: Bloomberg, CEIC

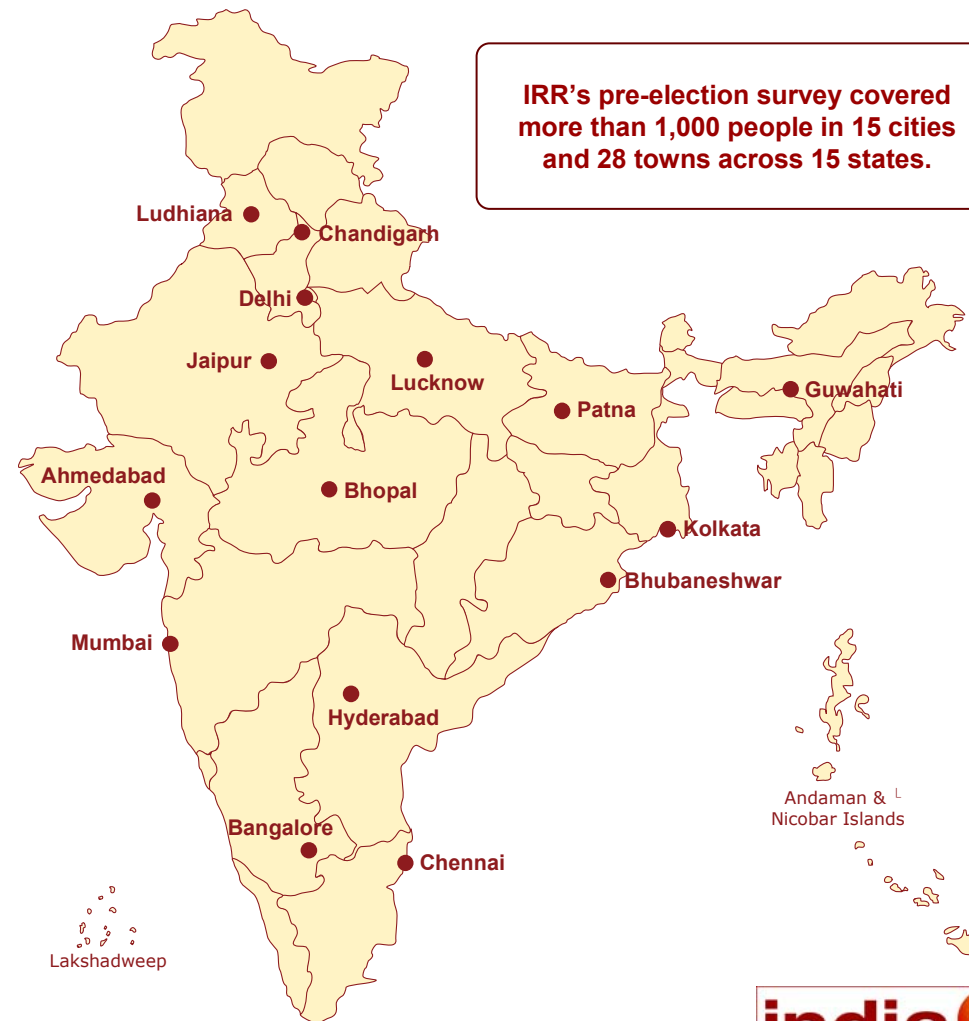
Some recent insights from IRR

IRR pre-election opinion poll

- The survey covered more than 1,000 people in 15 cities and 28 towns across 15 states and territories, including Jammu & Kashmir and Bihar.
- IRR found that rising prices, unemployment and prevention of terrorism were at the top of the list of people's concerns, while the nuclear deal with the US was the most commonly cited major achievement of the UPA government.

SME survey

- IRR talked to more than 80 engineering SMEs in industrial centres in eight states, including engineering clusters at Rajkot and Haridwar.
- IRR found that most companies were hit by a combination of rising raw-material costs and an inability to pass those cost increases to customers, resulting in considerable margin squeeze.



India's macroeconomic data

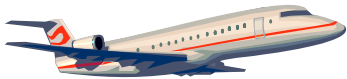
- IRR supports your analysis of emerging trends and developments in the seventh-largest country in the world by area.

	2008	YoY %
Population (m)	1,145.0	1.5
GDP (Nominal, US\$bn) ¹	1,174.4	28.1
Wholesale price index	238.8	11.1
Foreign exchange reserves (US\$bn)	274.0	4.4
Total exports (US\$bn) ¹	155.5	23.0
Total imports (US\$bn) ¹	235.9	27.0
Trade deficit (US\$bn) ¹	80.4	41.0
FDI (US\$bn) ¹	24.6	57.0
Privately owned cars (m)	14.0	12.0
Two-wheelers (m)	80.3	10.0
Mobile phone users (m)	310.0	51.0
Per capita power consumption (kWh/person) ²	615.0	5.0
Commercial building floor space (Grade A) in the top seven cities (m m ²)	11.2	38.0
Retail market (US\$bn)	330.0	14.0
Foreign visitor arrivals (m/year)	5.1	14.3
Number of Indian nationals travelling overseas (m/year)	9.8	17.3

¹FY08; ²CY07. Source: Govt, CEIC, Bloomberg, Jones Lang LaSalle, CLSA Asia-Pacific Markets

A growing consumer market

- Our ability to monitor trends across India is key to understanding this vast country's appetite for consumer and electronic goods, financial products and a range of other services.



- Private passenger cars on India's roads almost tripled over the 10 years between 1998 and 2008 from 5.1 million to 14.6 million, while the number of two-wheelers also nearly tripled from 28.6 million to 80.3 million.
- Mobile-phone subscribers grew 51% in one year from 205 million in September 2007 to 310 million in September 2008.
- Domestic air-passenger traffic rose four-fold from 11 million in 1998 to 43 million in 2007.
- Foreign tourist arrivals almost doubled between 2002 and 2007 from 2.38 million to 5.08 million, while foreign-exchange earnings from tourism more than tripled over the same period from US\$3.1 billion to US\$10.7 billion.
- Outbound trips by Indians tripled over 10 years from 3.8 million in 1997 to 9.8 million in 2007.
- Visits by domestic tourists have more than tripled from 168.2 million in 1998 to 526.6 million in 2007.
- Bank deposits recorded an 18% Cagr between 1998 and 2008 to reach around US\$700 billion.

IRR complements our diverse India product mix . . .

- On the roads provides a view of what is happening on the ground as discovered during our travels around the country, as well as through surveys and meetings with key decision makers in government and industry. **Masaala Mix** is a weekly summary of nationally and noteworthy events in India's economy and business sectors.

CLSA REALITY RESEARCH
Sector outlook

On the roads

CLSA's new report on the road sector provides a comprehensive overview of the industry's performance, challenges, and opportunities. It covers the latest developments in road construction, infrastructure financing, and government policies. The report also includes a detailed analysis of the market's growth prospects and key players.

India Strategy

CLSA's India Strategy report provides a comprehensive overview of the Indian economy, including key sectors, growth prospects, and investment opportunities. It covers the latest developments in the Indian market, including the impact of government policies, inflation, and the rupee's value.

The new report and the sector

CLSA's new report on the road sector provides a comprehensive overview of the industry's performance, challenges, and opportunities. It covers the latest developments in road construction, infrastructure financing, and government policies. The report also includes a detailed analysis of the market's growth prospects and key players.

Key highlights

- India's road sector is expected to grow at a CAGR of 10% over the next five years.
- The government's focus on infrastructure development is a key driver of growth.
- Private equity investment in the road sector is increasing significantly.
- Government policies are expected to support the sector's growth.

CLSA India
IT Services

Placements Survey: Job offers down 11%

CLSA's latest survey shows that job offers in the IT services sector have declined by 11% compared to the previous quarter. This is primarily due to a slowdown in hiring by major IT companies. However, there is still a strong demand for skilled professionals in key areas like AI, cloud computing, and cybersecurity.

Key findings

- Overall job offers in the IT services sector are down 11%.
- Major IT companies are reducing hiring.
- Strong demand for AI, cloud, and cybersecurity skills.
- Government policies are expected to support the sector's growth.

CLSA Masaala Mix

Business Standard
Nuclear breakthrough

CLSA's Masaala Mix provides a comprehensive overview of the Indian economy, including key sectors, growth prospects, and investment opportunities. It covers the latest developments in the Indian market, including the impact of government policies, inflation, and the rupee's value.

Key highlights

- India's economy is expected to grow at a CAGR of 7% over the next five years.
- The government's focus on infrastructure development is a key driver of growth.
- Private equity investment in the road sector is increasing significantly.
- Government policies are expected to support the sector's growth.

CLSA Masaala Mix

Business Standard
Nuclear breakthrough

CLSA's Masaala Mix provides a comprehensive overview of the Indian economy, including key sectors, growth prospects, and investment opportunities. It covers the latest developments in the Indian market, including the impact of government policies, inflation, and the rupee's value.

Key highlights

- India's economy is expected to grow at a CAGR of 7% over the next five years.
- The government's focus on infrastructure development is a key driver of growth.
- Private equity investment in the road sector is increasing significantly.
- Government policies are expected to support the sector's growth.

CLSA India
On the Roads

From Car Dances to "Butter Naxos"

CLSA's new report on the road sector provides a comprehensive overview of the industry's performance, challenges, and opportunities. It covers the latest developments in road construction, infrastructure financing, and government policies. The report also includes a detailed analysis of the market's growth prospects and key players.

Key highlights

- India's road sector is expected to grow at a CAGR of 10% over the next five years.
- The government's focus on infrastructure development is a key driver of growth.
- Private equity investment in the road sector is increasing significantly.
- Government policies are expected to support the sector's growth.

CLSA Maruti Suzuki
R662.0 - OUTERFLUX

Pay commission booster

CLSA's report on Maruti Suzuki provides a comprehensive overview of the company's performance, challenges, and opportunities. It covers the latest developments in the Indian market, including the impact of government policies, inflation, and the rupee's value.

Key highlights

- Maruti Suzuki's sales are expected to grow at a CAGR of 10% over the next five years.
- The company's focus on infrastructure development is a key driver of growth.
- Private equity investment in the road sector is increasing significantly.
- Government policies are expected to support the sector's growth.

CLSA Masaala Mix

FLOOD OF FURY

CLSA's Masaala Mix provides a comprehensive overview of the Indian economy, including key sectors, growth prospects, and investment opportunities. It covers the latest developments in the Indian market, including the impact of government policies, inflation, and the rupee's value.

Key highlights

- India's economy is expected to grow at a CAGR of 7% over the next five years.
- The government's focus on infrastructure development is a key driver of growth.
- Private equity investment in the road sector is increasing significantly.
- Government policies are expected to support the sector's growth.

Note: Contact your CLSA sales representative if you would like to receive these products.

... including top-ranking equities research ...

- Equities research from India's top-rated research team.



GREENWICH ASSOCIATES
Focused financial intelligence

No. 1 Indian Equities Research

US Institutions
European Institutions
2008



CLSA
ASIA-PACIFIC MARKETS

India Steel
Sector outlook

Analyst Note
Steel downturn worsens

India
Sector Outlook

20 September 2008

Market
Steel

15th Anniversary

Key Points

Market performance (%)



CLSA
ASIA-PACIFIC MARKETS

India Accenture Ltd
US\$36.20 - OUTPERFORM

Analyst Note
Walking the talk

India
Equities

20 September 2008

Market
Equities

15th Anniversary

Key Points

Market performance (%)



CLSA
ASIA-PACIFIC MARKETS

India Bharti Airtel
Rs10.40 - BUY

Analyst Note
Growth shelter

India
Equities

20 September 2008

Market
Equities

15th Anniversary

Key Points

Market performance (%)



CLSA
ASIA-PACIFIC MARKETS

India HDFC
Rs1,145 - BUY

Analyst Note
Sustaining growth

India
Equities

20 September 2008

Market
Equities

15th Anniversary

Key Points

Market performance (%)



CLSA
ASIA-PACIFIC MARKETS

India ITC
Rs90.50 - BUY

Analyst Note
Smoking ban?

India
Equities

20 September 2008

Market
Equities

15th Anniversary

Key Points

Market performance (%)



CLSA
ASIA-PACIFIC MARKETS

India BHEL
Rs1,409.20 - BUY

Analyst Note
Return of private sector

India
Equities

20 September 2008

Market
Equities

15th Anniversary

Key Points

Market performance (%)



CLSA
ASIA-PACIFIC MARKETS

India Oil and Gas
Sector outlook

Analyst Note
Crude price, earnings changes

India
Equities

20 September 2008

Market
Equities

15th Anniversary

Key Points

Market performance (%)



CLSA
ASIA-PACIFIC MARKETS

India Ranbaxy
Rs347.20 - UNDERPERFORM

Analyst Note
Acting tough

India
Equities


20 September 2008

Market
Equities

15th Anniversary

Key Points

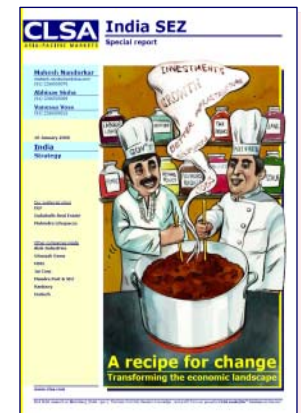
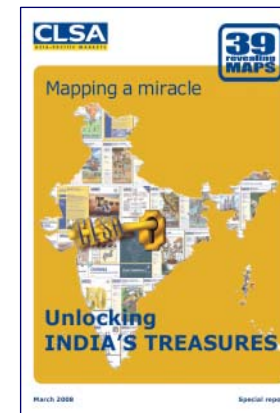
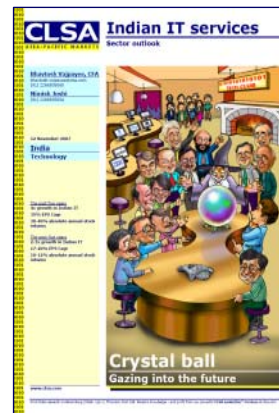
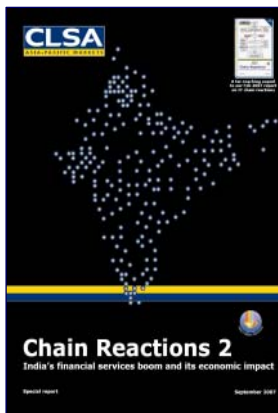
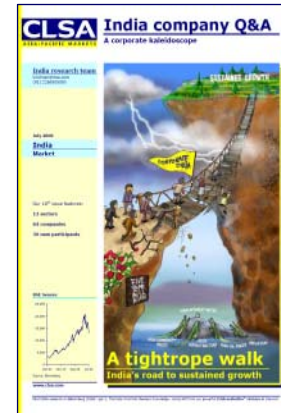
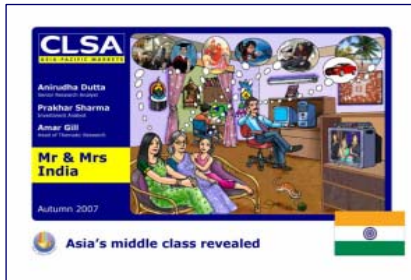
Market performance (%)



Note: Contact your CLSA sales representative if you would like to receive these products.

... and thematic reports on key issues

- Reports on diverse subjects, blockbuster surveys, as well as interviews with India's opinion makers, leaders and achievers.

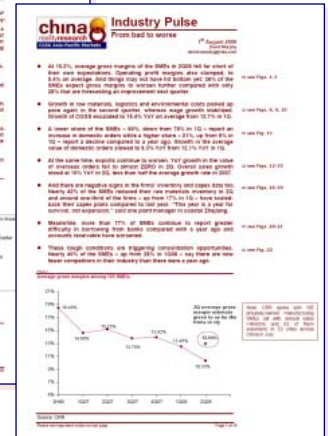
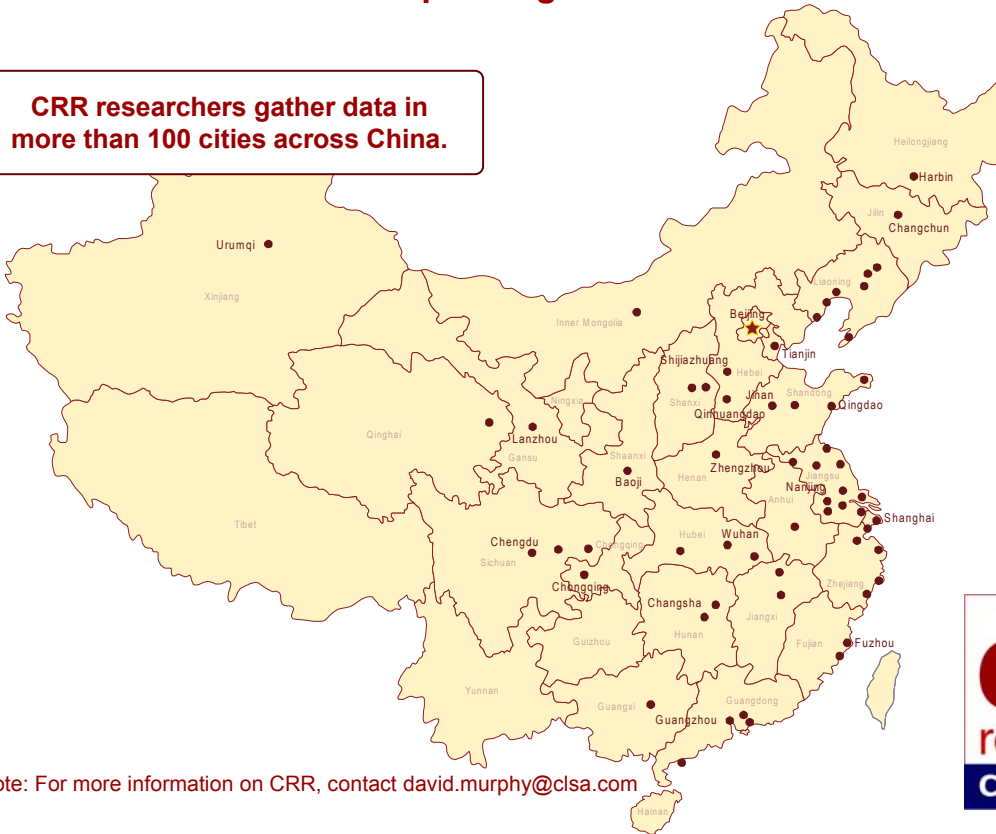


Note: Contact your CLSA sales representative if you would like to receive these products.

Where it all began

- CLSA pioneered this process with China Reality Research (CRR), based on grassroots economic research across China. CRR has grown into a proprietary network of local researchers covering more than 100 cities with populations of over one million.
- Our CRR team offers regular reports and proprietary data across a range of sectors including banks, steel, real estate and consumer spending.

CRR researchers gather data in more than 100 cities across China.



Note: For more information on CRR, contact david.murphy@cls.com



Vanessa Voss
Research Analyst
India Reality Research
Email: vanessa.voss@clsa.com
Direct: (91) 2266505052
Mobile: (91) 9930478390
Fax: (91) 2222840271