

25 June 2010 | 14 pages

India Equity Strategy

 Equity

1QFY11 Earnings Preview: Easing Earnings, Easing Expectations?

- Earnings growth pace is easing** — India's earnings growth for Sensex (Ex-oil) should be 16% YoY in 1QFY11, higher at 19% YoY for the broader Citi Univ. (Ex-oil) – but is a step back from the rising earnings growth momentum in evidence over the last three quarters (23% in 4QFY10). This growth is also lower than Citi's 27% earnings growth expectation for the full year: lowering expectations, but also the bar – given that its coming off a relatively low-base quarter.
- Sales growth remains high - but will slip along with margins** — Overall Sales growth should remain high - 32% ex-oil, and 19% ex-metals, but this is lower than in the previous quarter (and in a more inflationary one). We also see expect some pressure on margins; a mix suggesting this quarter is overall likely to be a reality check on what has so far been a strong earnings recovery. We believe part of this easing in growth has been captured in the weakening earnings revision indicator; but the quarter risks dampening some expectations and estimates.
- Commodities lead the way – cyclical stalwarts follow** — The expected commodity bounce should drive earnings (ex-commodity earnings growth at 12.3%); Cap goods, Autos and Banks further bolster growth. Energy brings down the averages; in large measure a function of regulatory pricing, along with the Telecom and Cement sectors, all of which should see meaningful earnings drops.
- Will this quarter start to lower earnings expectations?** — Our numbers, and recent earnings revisions data, suggests the quarter could well start bringing some moderation in earnings expectations – in part because commodity price support will start easing. We don't see the quarter challenging the direction of earnings growth – but the pace of this growth will probably face more questions.

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Figure 1. Sensex and CIRA Universe 1QFY11 Estimates – Aggregates

Sector	QoQ Growth—Expected			YoY Growth—Expected		
	Sales	EBITDA	PAT	Sales	EBITDA	PAT
Sensex (30/30)	-5.8%	-7.7%	-6.8%	27.5%	11.8%	7.7%
Sensex ex-oil (29/29)	-4.8%	-6.1%	-5.3%	32.1%	21.3%	16.0%
Citi Universe	-6.5%	-20.0%	-24.8%	23.8%	2.4%	-8.1%
Citi Universe ex-oil	-6.1%	-7.2%	-5.7%	19.3%	20.1%	19.0%
Sensex ex-commodities	-4.4%	-4.7%	-3.4%	32.4%	18.9%	12.7%
Citi Universe ex-commodities	-6.0%	-5.5%	-2.8%	16.9%	14.3%	12.2%

Source: Citi Investment Research and Analysis

See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

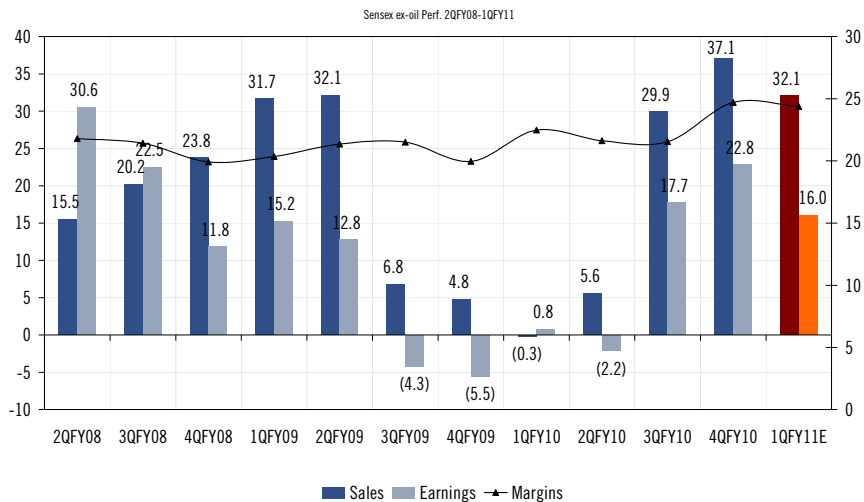
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India Equity Strategy

Easing Earnings, Easing Expectations

Earnings growth ex-oil should moderate to 16% for Sensex cos, and 19% for Citi Universe...Sales growth will remain strong, but moderate over the quarter, and margins will also dip

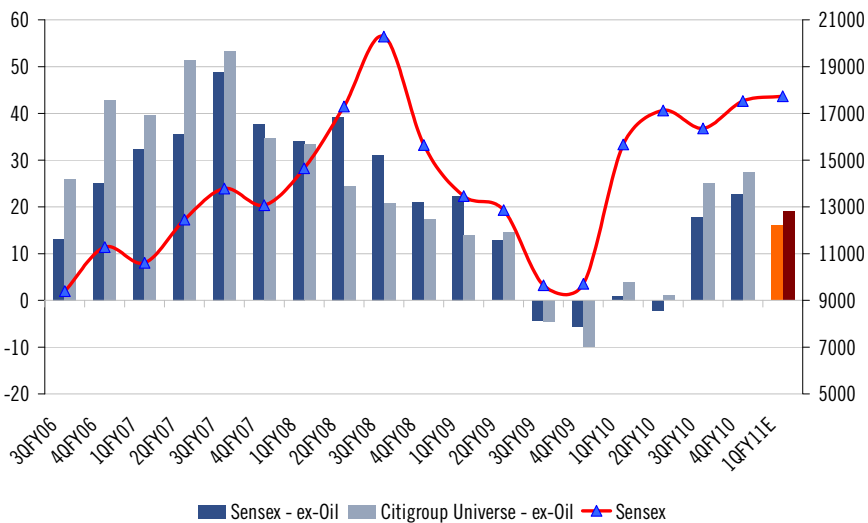
Figure 2. Sensex ex-oil Sales, Earnings Growth and EBITDA Margins



Source: Company Data, Citi Investment Research and Analysis

The market this time has moved up even as earnings momentum is expected to ease....if the market is following earnings, this could be risky

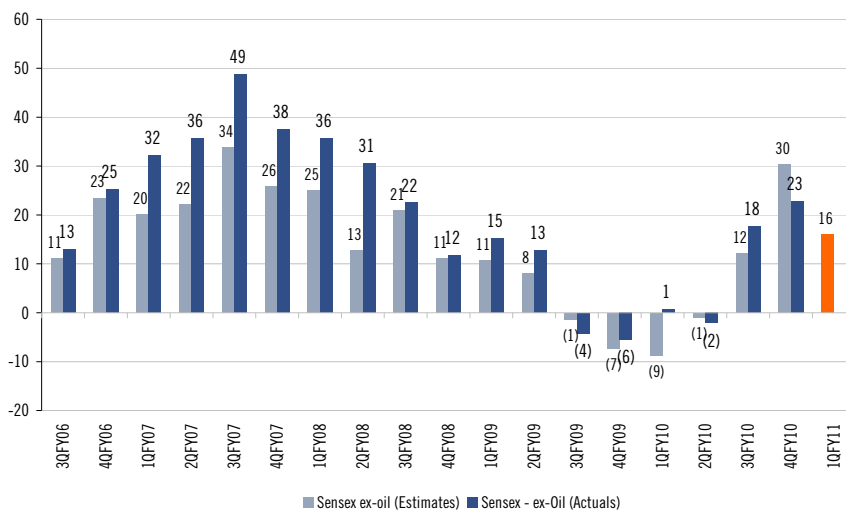
Figure 3. Ex-oil Earnings Growth Trends – Sensex and Citi India Universe



Source: Company Data, Citi Investment Research and Analysis

Earnings fell meaningfully short vs. expectations in the previous quarter – unlike historically when actuals have typically been ahead of expectations (in good and bad years)...have we got too cautious after a quarter's miss?...or is the market set up for a significant disappointment?

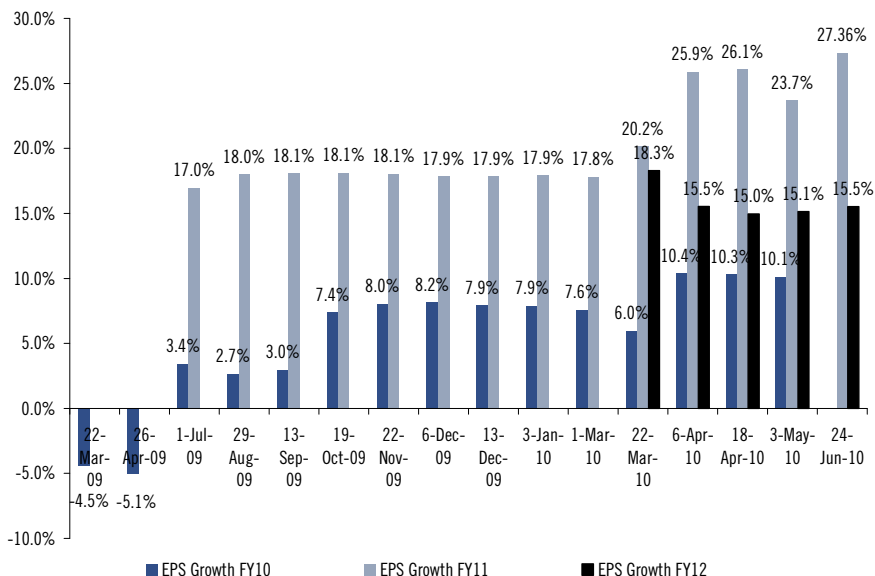
Figure 4. Sensex ex-oil Earnings Growth – Estimates vs. Actual



Source: Company Data, Citi Investment Research and Analysis

We are expecting a pretty robust year ahead – but with 1Q expectations at 16% vs. 27% for the full year (and a base effect), the market will need a decent upside beat to sustain earnings optimism

Figure 5. Sensex FY10-FY12 Earnings Growth Revision Trends



Source: Citi Investment Research and Analysis

Energy and Metals are the outliers ... but seasonality apart, the weak QoQ numbers clearly suggesting some easing in expectations bottom up

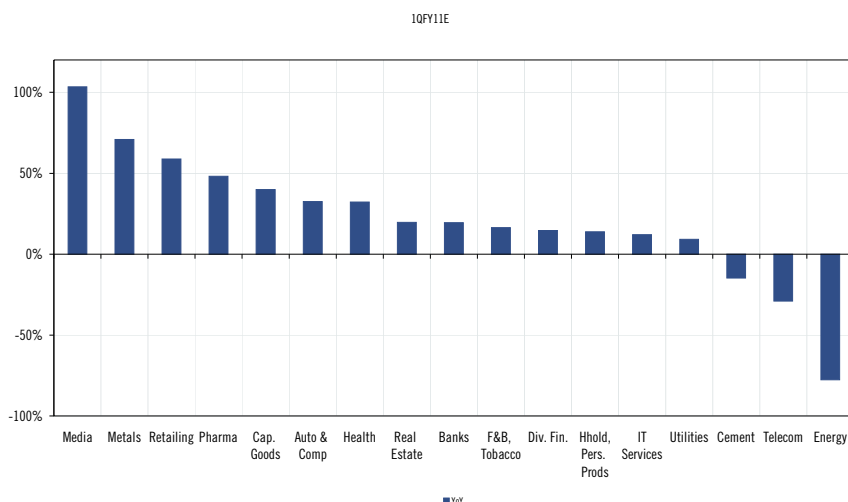
Figure 6. Sensex and CIRA Universe 1QFY11 Estimates - Aggregates

Sector	QoQ Growth—Expected			YoY Growth—Expected		
	Sales	EBITDA	PAT	Sales	EBITDA	PAT
Sensex (30/30)	-5.8%	-7.7%	-6.8%	27.5%	11.8%	7.7%
Sensex ex-oil (29/29)	-4.8%	-6.1%	-5.3%	32.1%	21.3%	16.0%
Sensex ex-fin	-6.1%	-7.7%	-9.5%	27.4%	11.3%	6.0%
Sensex ex-oil, ex-fin	-5.1%	-5.7%	-8.1%	32.3%	22.9%	15.6%
Citi Universe	-6.5%	-20.0%	-24.8%	23.8%	2.4%	-8.1%
Citi Universe ex-fin	-6.8%	-23.1%	-31.2%	23.4%	-1.9%	-14.2%
Citi Universe ex-oil	-6.1%	-7.2%	-5.7%	19.3%	20.1%	19.0%
Citi Universe ex-Energy ex-fin	-6.5%	-6.8%	-9.5%	18.1%	20.7%	19.0%
Sensex ex-metals	-5.5%	-6.7%	-5.3%	27.4%	9.3%	4.5%
Citi Univ. ex-metals	-6.5%	-20.6%	-25.9%	22.9%	-3.3%	-15.3%
Sensex ex-metals, ex-auto	-5.3%	-6.6%	-5.2%	26.4%	7.8%	2.8%
Citi Univ. ex-metals, ex-auto	-7.0%	-21.3%	-27.0%	22.6%	-4.5%	-17.1%
Citi Univ. ex-metals, ex-auto, ex-energy	-6.8%	-5.6%	-2.9%	15.7%	13.3%	11.0%
Sensex ex-energy, ex-metals	-4.4%	-4.7%	-3.4%	32.4%	18.9%	12.7%
Citi Univ. ex-oil, ex-metals	-6.0%	-5.5%	-2.8%	16.9%	14.3%	12.2%

Source: Citi Investment Research and Analysis estimates

There are large negative growth sectors, but growth seems fairly broad-based across sectors

Figure 7. CIRA Universe 1QFY11 Earnings Growth by Sector



Source: Citi Investment Research and Analysis

Metals, Cap goods, Autos, Banks and Pharma take the lead...Energy, Cement and Telecom keep the averages down

Figure 8. CIRA Universe 1QFY11 Estimates by Sector

	QoQ Growth—Expected			YoY Growth—Expected		
	Sales	EBITDA	PAT	Sales	EBITDA	PAT
Auto & Comp	2.7%	-3.2%	-1.6%	29.2%	36.6%	32.6%
Banks	-1.5%	-8.9%	6.9%	33.4%	19.3%	19.5%
Cap. Goods	-26.6%	-32.2%	-37.1%	28.7%	38.7%	40.0%
Div. Fin.	-6.3%	1.8%	14.7%	12.0%	7.4%	14.6%
Energy	-7.1%	-55.8%	-80.1%	29.8%	-45.3%	-77.7%
F&B, Tobacco	-1.2%	4.6%	4.9%	18.0%	16.8%	16.4%
Health	5.9%	19.7%	-1.7%	34.9%	28.1%	32.2%
Hhold, Pers. Prods	5.4%	11.9%	17.1%	9.7%	9.3%	13.8%
Metals	-6.7%	-15.4%	-18.0%	33.8%	64.4%	70.9%
Cement	-3.1%	-3.0%	-11.0%	1.9%	-10.9%	-14.7%
Media	6.9%	1.9%	7.7%	36.4%	75.1%	103.4%
Pharma	2.3%	-8.5%	-19.4%	15.3%	39.7%	48.1%
Real Estate	-10.2%	-10.2%	0.2%	32.1%	13.5%	19.7%
Retailing	0.5%	1.5%	3.6%	24.3%	19.4%	58.8%
IT Services	3.4%	1.0%	-3.1%	12.0%	13.0%	12.1%
Telecom	2.9%	7.2%	4.2%	2.6%	-9.7%	-28.9%
Utilities	-1.8%	6.2%	5.7%	4.7%	9.7%	9.2%

Source: Citi Investment Research and Analysis estimates

Margins are down....over the quarter and over the year, which is a little disappointing given Indian corporates have traditionally managed them well, and the fall is fairly broad-based, metals apart

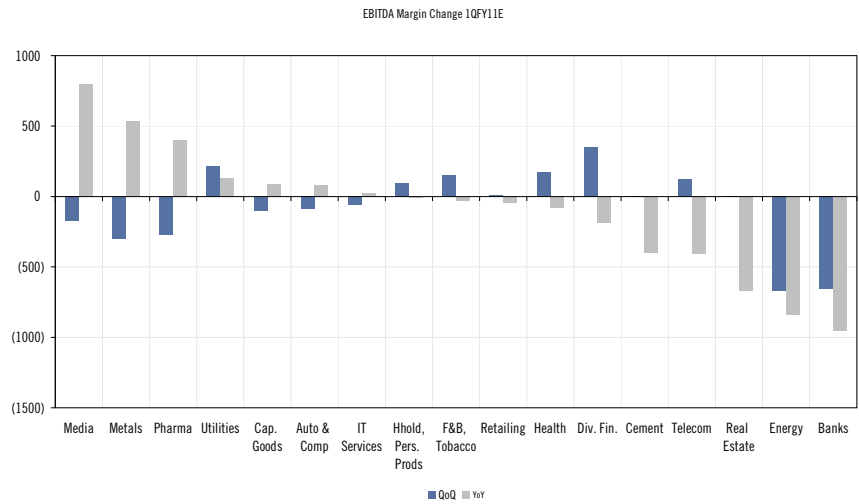
Figure 9. Sensex and CIRA Univ. EBITDA and PAT Margins - Aggregates

Margins Sector	EBITDA PAT		EBITDA PAT		EBITDA PAT	
	This Quarter		Last Quarter		Last Year	
Sensex (30/30)	26.06%	15.10%	26.60%	15.27%	29.70%	17.88%
Sensex ex-oil (29/29)	24.37%	14.51%	24.71%	14.59%	26.53%	16.52%
Sensex ex-fin	22.94%	13.53%	23.35%	14.04%	26.27%	16.27%
Sensex ex-oil, ex-fin	20.97%	12.81%	21.12%	13.23%	22.57%	14.66%
Citi Univ.	18.80%	10.27%	21.96%	12.76%	22.73%	13.83%
Citi Univ. ex-fin	15.18%	8.31%	18.39%	11.26%	19.08%	11.95%
Citi Univ. ex-oil	29.04%	17.30%	29.40%	17.23%	28.85%	17.35%
Citi Univ. ex-Energy ex-fin	23.38%	14.40%	23.45%	14.88%	22.87%	14.30%
Sensex ex-metals	25.92%	15.02%	26.26%	14.99%	30.22%	18.32%
Citi Universe ex-metals	17.84%	9.51%	21.02%	12.00%	22.68%	13.80%
Sensex ex-metals, ex-auto	27.99%	16.14%	28.37%	16.11%	32.82%	19.84%
Citi Univ. ex-metals, ex-auto	17.99%	9.43%	21.27%	12.02%	23.11%	13.95%
Citi Univ. ex-metals, ex-auto, ex-energy	30.65%	17.81%	30.27%	17.09%	31.30%	18.57%
Sensex ex-energy, ex-metals	24.07%	14.37%	24.15%	14.22%	26.80%	16.87%
Citi Univ. ex-oil, ex-metals	29.10%	17.14%	28.96%	16.58%	29.75%	17.86%

Source: Citi Investment Research and Analysis

Margin pressure is expected to be fairly broad-based at the operating level

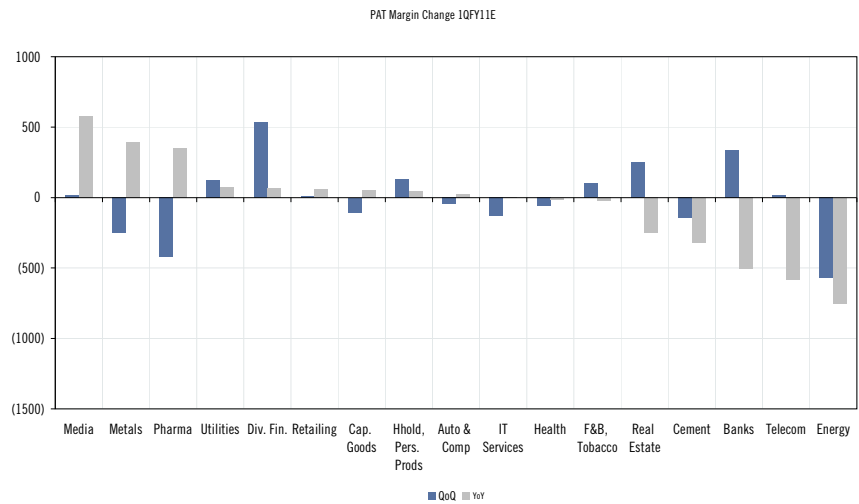
Figure 10. CIRA Universe 1QFY11 EBITDA Margin Change by Sector – YoY vs. QoQ



Source: Citi Investment Research and Analysis

...and at the PAT level

Figure 11. CIRA Universe PAT Margin Change by Sector – QoQ vs. YoY



Source: Citi Investment Research and Analysis

Banks and Financials apart (where such margins are not an appropriate reflection), there is not a whole lot of divergence in sectoral profitability

Figure 12. CIRA Universe EBITDA and PAT Margin Estimates

Margins Sector	EBITDA This Qtr	PAT	EBITDA Last Qtr	PAT	EBITDA Last Year	PAT
Auto & Comp	15.0%	11.0%	15.9%	11.5%	14.2%	10.7%
Banks	80.7%	43.2%	87.3%	39.9%	90.3%	48.3%
Cap. Goods	12.1%	6.3%	13.1%	7.3%	11.3%	5.8%
Div. Fin.	43.8%	29.1%	40.3%	23.8%	45.7%	28.4%
Energy	6.1%	1.6%	12.8%	7.3%	14.5%	9.1%
F&B, Tobacco	27.7%	17.6%	26.2%	16.6%	28.0%	17.8%
Health	15.3%	7.6%	13.5%	8.2%	16.1%	7.7%
Hhold, Pers. Prods	16.8%	12.8%	15.9%	11.5%	16.9%	12.3%
Metals	28.7%	18.2%	31.7%	20.7%	23.4%	14.2%
Cement	27.8%	16.4%	27.8%	17.9%	31.8%	19.7%
Media	36.2%	17.6%	37.9%	17.4%	28.2%	11.8%
Pharma	22.9%	15.7%	25.6%	19.9%	18.9%	12.2%
Real Estate	41.0%	24.4%	41.0%	21.9%	47.7%	26.9%
Retailing	10.6%	2.8%	10.5%	2.7%	11.0%	2.2%
IT Services	26.2%	19.6%	26.9%	20.9%	26.0%	19.5%
Telecom	29.9%	13.2%	28.7%	13.1%	34.0%	19.1%
Utilities	28.1%	17.4%	26.0%	16.1%	26.9%	16.6%

Source: Citi Investment Research and Analysis estimates

Figure 13. CIRA Universe 1QFY11 Company-wise Estimates

Company	RIC	Price	Rating	1QFY11E			4QFY10			1QFY10			QoQ Growth			YoY Growth		
				Sales Exp.	EBITDA Exp.	PAT Exp.	Sales Act.	EBITDA Act.	PAT Act.	Sales Act.	EBITDA Act.	PAT Act.	Sales Growth	EBITDA Growth	PAT Growth	Sales Growth	EBITDA Growth	PAT Growth
Ashok Leyland	ASOK.BO	62.4	3M	20,506	2,450	1,294	29,390	4,160	2,520	9,125	122	(427)	-30%	-41%	-49%	125%	1914%	-403%
Bajaj Auto	BAJA.BO	2417.75	3L	37,081	8,366	5,915	33,995	7,771	5,632	23,385	4,554	3,103	9%	8%	5%	59%	84%	91%
Hero Honda	HROH.BO	2049.95	2L	42,560	7,260	6,020	41,223	7,117	5,988	38,111	6,387	5,001	3%	2%	1%	12%	14%	20%
Mahindra Mahindra	MAHM.BO	614.7	1L	51,191	7,730	5,010	53,046	8,456	5,702	42,426	6,090	4,009	-3%	-9%	-12%	21%	27%	25%
Maruti Suzuki	MRTI.BO	1397.05	1L	85,379	9,000	6,849	82,349	10,085	6,849	63,403	6,649	5,835	4%	-11%	0%	35%	35%	17%
Tata Motors	TAMO.BO	769.45	1M	100,601	11,745	4,295	122,297	13,327	5,316	64,046	7,280	1,949	-18%	-12%	-19%	57%	61%	120%
AXIS Bank	AXBK.BO	1247.85	2L	14,296	13,019	6,837	14,601	13,838	7,649	10,456	11,764	5,620	-2%	-6%	-11%	37%	11%	22%
HDFC Bank	HDBK.BO	1947.8	2L	23,586	16,300	8,144	23,514	16,944	8,366	18,556	15,187	6,061	0%	-4%	-3%	27%	7%	34%
ICICI	ICBK.BO	857.5	2M	20,420	23,414	10,390	20,349	23,989	10,056	19,853	25,291	8,782	0%	-2%	3%	3%	-7%	18%
Kotak	KTKM.BO	750.05	3H	7,639	5,830	3,537	7,839	6,966	3,741	6,251	5,693	2,562	-3%	-16%	-5%	22%	2%	38%
SBI	SBI.BO	2300.8	1L	69,497	47,633	25,706	67,214	51,939	18,666	50,249	36,739	23,304	3%	-8%	38%	38%	30%	10%
Andhra	ADBK.BO	133.6	1M	6,460	4,412	2,598	6,562	5,272	2,403	4,414	3,480	2,562	-2%	-16%	8%	46%	27%	1%
BoB	BOB.BO	695.65	3M	17,399	13,674	6,889	17,450	15,473	9,063	12,047	10,099	6,854	0%	-12%	-24%	44%	35%	1%
Canara	CNBK.BO	433.5	1M	15,663	13,712	7,174	15,976	14,305	5,031	12,915	10,413	5,553	-2%	-4%	43%	21%	32%	29%
Central Bank IN	CBI.BO	142.5	3M	7,268	4,087	2,318	6,637	5,940	1,711	5,772	3,609	2,668	10%	-31%	35%	26%	13%	-13%
Corp. Bank	CRBK.BO	513.9	2M	6,171	5,647	3,265	6,398	5,450	1,595	4,675	5,712	2,612	-4%	4%	105%	32%	-1%	25%
Edelweiss Cptl	EDEL.BO	516.85	1M	2,739	984	628	2,624	747	522	2,246	864	583	4%	32%	20%	22%	14%	8%
Federal	FED.BO	318.25	1M	4,025	3,328	1,677	4,097	3,518	1,169	2,901	2,783	1,364	-2%	-5%	44%	39%	20%	23%
IDFC	IDFC.BO	168.3	3M	3,156	4,572	3,086	3,151	3,704	2,281	2,440	3,653	2,724	0%	23%	35%	29%	25%	13%
LIC Housing Fin	LICH.BO	1015.4	3M	2,463	2,344	1,554	2,980	2,856	2,135	1,742	1,788	1,238	-17%	-18%	-27%	41%	31%	26%
Motilal Oswal Fin	MOFS.BO	171.75	3M	1,494	525	369	1,666	737	519	1,492	546	340	-10%	-29%	-29%	0%	-4%	9%
ORBC	ORBC.BO	323.05	1M	9,310	7,104	4,087	9,894	7,769	3,170	4,842	5,169	2,574	-6%	-9%	29%	92%	37%	59%
PNB	PNBK.BO	1044.75	3M	24,349	19,071	10,644	24,980	22,510	11,350	18,618	15,693	8,321	-3%	-15%	-6%	31%	22%	28%
Reliance Capital	RLCP.BO	768.75	3M	15,358	1,411	1,222	17,162	936	645	14,693	1,643	1,507	-11%	51%	89%	5%	-14%	-19%
Union Bank	UNBK.BO	302.95	3L	12,398	10,717	5,652	13,961	11,475	5,935	8,016	7,875	4,422	-11%	-7%	-5%	55%	36%	28%
Yes Bank	YESB.BO	272.05	1M	2,482	2,554	1,490	2,442	2,576	1,400	1,637	1,978	1,001	2%	-1%	6%	52%	29%	49%
Larsen & Toubro	LART.BO	1761.25	1L	90,219	10,244	7,048	133,749	20,508	13,420	73,627	8,319	5,783	-33%	-50%	-47%	23%	23%	22%
JAL	JAIA.BO	129.2	1M	29,429	7,637	2,322	33,452	8,537	2,457	20,671	5,417	1,846	-12%	-11%	-5%	42%	41%	26%
ABB (India)	ABB.BO	873.2	3L	14,881	948	706	14,559	852	722	15,050	1,281	836	2%	11%	-2%	-1%	-26%	-16%
ACC	ACC.BO	861.4	3M	19,988	5,797	3,687	21,018	6,222	4,051	20,813	7,337	4,856	-5%	-7%	-9%	-4%	-21%	-24%
Hindustan Construction	HCNS.BO	116	3H	9,597	1,152	302	10,867	1,247	430	8,725	1,218	269	-12%	-8%	-30%	10%	-5%	13%
Thermax	THMX.BO	709	1M	9,440	1,133	798	12,193	1,466	992	5,376	689	465	-23%	-23%	-19%	76%	64%	72%
Grasim Ind	GRAS.BO	1794.9	3M	32,498	8,748	4,899	34,373	9,702	6,030	30,787	9,187	5,305	-5%	-10%	-19%	6%	-5%	-8%
Ambuja Cements	ABUJ.BO	117.25	3M	20,317	6,279	4,035	19,902	6,227	4,470	18,474	4,797	3,247	2%	1%	-10%	10%	31%	24%
UltraTech Cement	ULTC.BO	933.2	3M	18,341	4,559	2,371	18,802	4,026	2,285	19,413	7,168	4,178	-2%	13%	4%	-6%	-36%	-43%
Nagarjuna Constr	NGCN.BO	188.3	1M	11,605	1,160	456	15,218	1,518	679	10,004	1,032	382	-24%	-24%	-33%	16%	13%	19%
IVRCL Infra & Projects	IVRC.BO	183.45	1M	12,104	1,150	439	18,870	1,950	852	10,807	943	351	-36%	-41%	-49%	12%	22%	25%
Punj Lloyd	PUJL.BO	128.9	3M	25,000	1,800	439	17,001	(5,911)	(6,080)	29,551	2,918	1,272	47%	-130%	-107%	-15%	-38%	-66%
Info Edge	INED.BO	904.85	1L	667	207	173	653	216	132	529	129	133	2%	-4%	30%	26%	61%	30%
Everest Kanto	EKCL.BO	133.05	1M	1,783	267	106	1,818	(51)	286	1,535	433	168	-2%	-630%	-63%	16%	-38%	-37%
UTV Software	UTVS.BO	403.95	3H	2,135	441	359	1,268	369	310	865	(629)	(318)	68%	19%	16%	147%	-170%	-213%

Source: Company data, Citi Investment Research and Analysis estimates

Figure 14. CIRA Universe 1QFY11 Company-wise Estimates (contd.)

Company	RIC	Price	Rating	1QFY11E			4QFY10			1QFY10			QoQ Growth			YoY Growth		
				Sales Exp.	EBITDA Exp.	PAT Exp.	Sales Act.	EBITDA Act.	PAT Act.	Sales Act.	EBITDA Act.	PAT Act.	Sales Growth	EBITDA Growth	PAT Growth	Sales Growth	EBITDA Growth	PAT Growth
Asian Paints	ASPN.BO	2392.8	1L	16,963	3,181	2,163	18,768	3,109	2,138	14,602	2,758	1,801	-10%	2%	1%	16%	15%	20%
Hindustan Unilever	HLL.BO	266.55	3L	47,442	7,120	5,679	43,158	5,955	4,223	44,757	7,150	5,367	10%	20%	34%	6%	0%	6%
Marico	MRCO.BO	125.65	3L	7,455	1,176	803	6,023	849	578	6,967	965	600	24%	38%	39%	7%	22%	34%
United Spirits	UNSP.BO	1299.8	1M	14,324	2,521	1,001	12,663	1,955	660	12,417	2,283	1,076	13%	29%	52%	15%	10%	-7%
Voltas	VOLT.BO	195.9	3M	13,033	1,173	862	14,598	1,245	999	11,704	882	678	-11%	-6%	-14%	11%	33%	27%
ITC	ITC.BO	302.15	1L	47,767	15,763	10,569	50,538	15,401	10,282	40,827	13,371	8,787	-5%	2%	3%	17%	18%	20%
Glenmark Pharma	GLEN.BO	273	1M	6,387	1,919	974	6,628	1,943	913	5,487	1,604	807	-4%	-1%	7%	16%	20%	21%
Dishman	DISH.BO	216.8	1M	2,569	655	358	2,503	519	212	2,281	536	241	3%	26%	69%	13%	22%	49%
Fortis Healthcare	FOHE.BO	153.55	3M	3,526	551	282	3,295	469	272	1,854	281	75	7%	17%	4%	90%	96%	273%
Zee Entertainment	ZEE.BO	290.5	2M	6,443	1,895	1,442	6,493	1,836	1,299	4,759	1,170	913	-1%	3%	11%	35%	62%	58%
Sun TV Network	SUTV.BO	411.95	2L	3,809	3,010	1,480	3,919	3,309	1,651	2,877	2,236	1,198	-3%	-9%	-10%	32%	35%	24%
Dish TV	DSTV.BO	45.2	1M	3,153	358	(602)	3,031	349	(598)	2,467	145	(692)	4%	2%	1%	28%	146%	-13%
DB Corp	DBCL.BO	241.65	1L	2,933	983	567	2,572	696	350	2,579	896	493	14%	41%	62%	14%	10%	15%
Hindalco Inds	HALC.BO	148.55	1M	52,214	7,914	4,685	54,044	8,354	5,508	38,905	6,148	3,376	-3%	-5%	-15%	34%	29%	39%
Sesa Goa	SESA.BO	366.95	3M	23,452	13,765	11,061	24,035	14,877	11,579	9,986	4,402	4,223	-2%	-7%	-4%	135%	213%	162%
JSW Steel	JSTL.BO	1042.8	1M	56,185	12,901	5,693	51,671	12,929	6,207	38,939	7,237	1,001	9%	0%	-8%	44%	78%	469%
Tata Steel	TISC.BO	490.05	2M	64,372	24,636	12,129	73,394	31,307	17,123	56,156	17,422	7,898	-12%	-21%	-29%	15%	41%	54%
Steel Authority	SAIL.BO	195.8	2M	115,396	25,309	16,213	123,983	30,971	20,412	92,659	17,436	11,941	-7%	-18%	-21%	25%	45%	36%
Nation Alum	NALU.BO	426.45	3M	13,905	4,515	3,024	16,036	5,187	3,915	9,216	1,537	1,265	-13%	-13%	-23%	51%	194%	139%
Sterlite Industries	STRL.BO	168.25	3M	64,028	17,302	12,073	71,108	20,685	13,809	45,371	9,791	6,727	-10%	-16%	-13%	41%	77%	79%
Hindustan Zinc	HZNC.BO	965.95	3M	20,431	11,474	9,659	24,985	15,018	12,390	15,122	7,679	7,188	-18%	-24%	-22%	35%	49%	34%
Reliance Industries	RELI.BO	1063.25	2L	604,927	96,788	49,663	575,700	91,360	47,100	320,550	59,210	36,360	5%	6%	5%	89%	63%	37%
Nestle India	NEST.BO	2907.6	3L	15,000	3,050	1,978	14,798	3,040	1,971	12,095	2,618	1,782	1%	0%	0%	24%	17%	11%
Colgate India	COLG.BO	847.9	3L	5,655	1,466	1,156	5,360	1,441	1,144	4,854	1,226	1,028	6%	2%	1%	17%	20%	12%
Dabur India	DABU.BO	200	2L	8,682	1,572	1,247	8,488	1,620	1,353	7,427	1,182	910	2%	-3%	-8%	17%	33%	37%
Jubilant Organos	JUBO.BO	338.9	1M	10,141	2,303	1,253	9,903	2,230	1,226	9,013	1,672	819	2%	3%	2%	13%	38%	53%
Glaxosmith P	GLAX.BO	2169.1	3L	5,316	1,954	1,518	5,411	2,056	1,612	4,613	1,674	1,317	-2%	-5%	-6%	15%	17%	15%
Apollo Hospitals	APLH.BO	782.05	1M	5,074	763	371	4,829	629	392	4,521	745	418	5%	21%	-5%	12%	2%	-11%
Dr Reddy	REDY.BO	1484.15	2M	18,423	2,712	2,129	16,424	2,114	1,900	18,189	3,295	1,379	12%	28%	12%	1%	-18%	54%
Cadila Healthcare	CADI.BO	642.85	3M	10,502	2,368	1,558	8,567	1,894	1,199	9,036	2,037	1,271	23%	25%	30%	16%	16%	23%
Cipla	CIPL.BO	346.8	3M	15,330	3,604	2,551	13,747	2,580	2,090	14,022	3,685	2,637	12%	40%	22%	9%	-2%	-3%
Ranbaxy	RANB.BO	452.65	1M	20,194	3,103	1,804	27,671	10,517	9,606	18,792	569	650	-27%	-70%	-81%	7%	445%	178%
Piramal Health	PIRA.BO	493.7	2M	9,669	2,207	1,423	9,418	2,212	1,609	8,215	1,602	851	3%	0%	-12%	18%	38%	67%
Sun Pharma	SUN.BO	1793.3	1L	12,489	5,196	4,706	11,092	4,185	3,945	7,876	1,706	2,050	13%	24%	19%	59%	205%	130%
Biocon	BION.BO	321	3H	6,318	1,251	796	6,568	1,304	806	4,959	1,013	576	-4%	-4%	-1%	27%	24%	38%
Lupin	LUPN.BO	1917.8	1L	15,008	3,464	2,460	13,282	2,924	2,206	11,005	2,091	1,401	13%	18%	11%	36%	66%	76%
DLF	DLF.BO	286.05	1L	19,500	8,775	4,290	19,944	10,000	4,264	16,499	7,441	3,960	-2%	-12%	1%	18%	18%	8%
Areva T & D	AREV.BO	289.85	3M	9,254	1,100	464	7,768	423	35	7,883	1,035	501	19%	160%	1236%	17%	6%	-8%
Educomp Solutions	EDSO.BO	540.1	3M	2,381	1,267	737	2,734	1,521	675	1,480	746	363	-13%	-17%	9%	61%	70%	103%
Puravankara Projects	PPRO.BO	104.65	3H	1,000	350	300	1,228	428	437	560	110	102	-19%	-18%	-31%	79%	218%	193%

Source: Company data, Citi Investment Research and Analysis estimates

Figure 15. CIRA Universe 1QFY11 Company-wise Estimates (contd.)

Company	RIC	Price	Rating	1QFY11E			4QFY10			1QFY10			QoQ Growth			YoY Growth		
				Sales Exp.	EBITDA Exp.	PAT Exp.	Sales Act.	EBITDA Act.	PAT Act.	Sales Act.	EBITDA Act.	PAT Act.	Sales Growth	EBITDA Growth	PAT Growth	Sales Growth	EBITDA Growth	PAT Growth
Phoenix Mills	PHOE.BO	209.25	1M	400	228	132	345	198	157	248	189	153	16%	15%	-16%	61%	21%	-14%
BPCL	BPCL.BO	621.35	1H	351,839	(12,399)	(12,699)	375,509	11,272	7,032	255,144	7,670	6,141	-6%	-210%	-281%	38%	-262%	-307%
HPCL	HPCL.BO	401.05	1H	286,853	(13,221)	(14,421)	313,213	13,139	7,575	241,976	10,876	6,491	-8%	-201%	-290%	19%	-222%	-322%
Indian Oil	IOC.BO	377.3	2H	668,788	(30,524)	(28,924)	772,299	72,986	55,568	583,215	41,409	36,828	-13%	-142%	-152%	15%	-174%	-179%
ONGC	ONGC.BO	1264	2L	116,661	66,089	30,205	147,133	81,290	37,764	148,793	95,010	48,479	-21%	-19%	-20%	-22%	-30%	-38%
Aban Offshore	ABAN.BO	752.65	1H	10,012	6,408	(1,125)	10,210	5,389	393	7,935	4,689	1,109	-2%	19%	-386%	26%	37%	-201%
Cairn India	CAIL.BO	311.6	1L	8,356	4,506	3,678	6,928	3,678	2,452	2,050	1,321	2,091	21%	23%	50%	308%	241%	76%
Oil India	OILI.BO	1360.2	2L	16,062	6,963	5,005	18,706	7,043	4,310	19,746	10,236	7,397	-14%	-1%	16%	-19%	-32%	-32%
Unitech	UNTE.BO	73.5	3M	8,000	2,400	1,760	11,329	2,730	1,634	5,400	3,402	1,578	-29%	-12%	8%	48%	-29%	12%
Indiabulls Real	INRL.BO	152.95	1M	650	(110)	50	607	(120)	9	46	(32)	60	7%	-9%	485%	1301%	244%	-16%
Housing Dev	HDIL.BO	244.25	3M	4,400	2,288	1,760	4,341	2,271	1,778	2,954	1,161	1,075	1%	1%	-1%	49%	97%	64%
Wipro	WIPR.BO	390.55	1L	70,636	15,823	11,974	69,772	15,464	12,091	63,188	13,136	10,676	1%	2%	-1%	12%	20%	12%
HCL Techno	HCLT.BO	358.35	1M	32,629	6,319	2,900	30,757	6,073	3,215	29,085	6,441	3,091	6%	4%	-10%	12%	-2%	-6%
Infosys Tech	INFY.BO	2777.75	2L	62,457	20,456	16,107	59,440	20,220	16,170	54,720	18,680	15,270	5%	1%	0%	14%	10%	5%
RoIta India	ROLT.BO	168.25	1M	4,115	1,536	672	3,946	1,492	671	3,327	1,125	762	4%	3%	0%	24%	37%	-12%
Patni Computer	PTNI.BO	511.05	3M	7,745	1,591	1,398	7,745	1,591	1,398	7,729	1,647	1,365	0%	0%	0%	0%	-3%	2%
Tata Consult	TCS.BO	761.55	2L	80,651	23,246	18,380	77,365	23,121	19,312	72,070	19,619	15,203	4%	1%	-5%	12%	18%	21%
Tech Mahindra	TEML.BO	737.55	3M	11,840	2,546	2,095	11,833	2,788	2,275	11,130	2,805	1,316	0%	-9%	-8%	6%	-9%	59%
Mindtree	MINT.BO	554	1M	3,535	660	438	3,444	632	545	3,048	507	567	3%	4%	-20%	16%	30%	-23%
Tata Tele	TTML.BO	22.35	3M	6,468	1,714	(916)	6,214	1,828	(644)	5,119	1,579	(343)	4%	-6%	42%	26%	9%	167%
TataComm	TATA.BO	257	2M	30,000	3,300	(2,625)	29,725	515	(4,043)	25,617	3,580	(424)	1%	540%	-35%	17%	-8%	519%
MTNL	MTNL.BO	64.55	3L	9,000	475	(675)	9,002	619	(107)	9,377	(385)	(468)	0%	-23%	531%	-4%	-223%	44%
Bharti	BRTI.BO	262.95	2L	103,029	39,059	20,279	100,557	38,222	20,552	99,416	41,518	25,167	2%	2%	-1%	4%	-6%	-19%
RCOM	RLCM.BO	192.5	3M	53,265	17,435	12,542	50,927	16,019	11,383	61,452	24,525	17,208	5%	9%	10%	-13%	-29%	-27%
IDEA	IDEA.BO	56.55	3M	33,026	8,422	2,272	32,003	8,318	2,567	28,883	7,700	3,075	3%	1%	-11%	14%	9%	-26%
Tulip Telecom	TULP.BO	853	1M	5,621	1,462	913	5,307	1,545	795	4,429	1,086	505	6%	-5%	15%	27%	35%	81%
OnMobile Global	ONMO.BO	290.55	3M	1,350	270	152	1,229	219	111	1,072	244	87	10%	23%	37%	26%	11%	74%
GAIL	GAIL.BO	482.75	1L	66,682	14,629	9,667	65,221	13,168	9,108	60,214	10,655	6,558	2%	11%	6%	11%	37%	47%
Tata Power	TTPW.BO	1303.45	1L	19,210	5,333	2,541	17,951	4,491	2,306	17,832	4,329	2,297	7%	19%	10%	8%	23%	11%
CESC	CESC.BO	373.8	1M	8,252	1,898	1,100	7,540	1,840	1,000	8,090	1,900	1,050	9%	3%	10%	2%	0%	5%
Reliance Infracore	RLIN.BO	1168.05	1M	22,623	1,810	2,732	25,531	1,806	2,511	24,072	2,604	3,166	-11%	0%	9%	-6%	-30%	-14%
NTPC	NTPC.BO	196.15	1L	122,337	32,201	21,737	123,534	26,657	20,177	120,027	31,757	21,936	-1%	21%	8%	2%	1%	-1%
Petronet LNG	PLNG.BO	78.3	3H	21,097	2,416	1,083	23,855	2,022	973	26,124	1,818	1,033	-12%	19%	11%	-19%	33%	5%
Indraprastha Gas	IGAS.BO	256.5	3M	3,148	1,025	583	2,878	925	515	2,326	849	483	9%	11%	13%	35%	21%	21%
Gujarat Petro	GSPT.BO	99.6	1M	2,753	2,533	1,117	2,668	2,460	1,079	2,108	1,980	805	3%	3%	4%	31%	28%	39%
Pwr Grid Corp	PGRD.BO	101.35	2L	17,754	14,459	6,123	22,305	18,205	6,438	16,230	13,299	5,452	-20%	-21%	-5%	9%	9%	12%
Bharat Heavy	BHEL.BO	2450.9	1L	69,384	8,640	6,627	135,591	24,873	19,096	55,957	5,162	4,706	-49%	-65%	-65%	24%	67%	41%
NIIT	NIIT.BO	66.9	3H	2,787	393	157	2,950	476	248	2,610	285	98	-6%	-17%	-37%	7%	38%	60%
United Phosphorus	UNPO.BO	191.65	1H	17,333	3,565	1,960	15,159	3,004	1,809	16,377	3,070	1,862	14%	19%	8%	6%	16%	5%
Pantaloon	PART.BO	419.85	1M	20,671	2,188	579	20,576	2,156	559	16,627	1,832	365	0%	1%	4%	24%	19%	59%

Source: Company data, Citi Investment Research and Analysis estimates

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Rohini Malkani has in the past worked with the India government or its divisions in her personal capacity.

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