

1 October 2008 | 12 pages

India Equity Strategy

2QFY09 Preview: Slowing...

- Ex-oil Sensex profits at 8.5%, CIR universe at 12%** — It should be a slower quarter; earnings for the narrow Sensex companies, as well as the broader CIR universe (145 companies), should be lower than the 14-15% recorded in 1QFY09, and substantially off its highs (49%yoy, 3Q07). 2Q09 growth expectations are also at odds with our 18.7% FY09 earnings growth; suggesting either near-term caution, or medium-term over-estimation. We exclude oil because of its earnings uncertainty/unpredictability – incorporating the companies would revise Sensex growth to 14%, lower CIR growth to -3.6%.
- Top line should moderate but remain robust, margins should ease** — The quarter should continue to see robust sales levels: 25%, though a step down over 32% growth in 1Q09; suggests relatively strong demand, but possibly inflationary environment too. Margins should continue to moderate yoy, though interestingly, aggregates suggest margins should pick up over the quarter. Signs of easing cost and macro pressures? Not just yet – probably some seasonality, and some surprises, rather than a trend.
- Leaders and Laggards – watch for rate, currency and market risks** — We do not see any driving theme for the quarter; the leaders – capital goods, telecom, consumers, IT services and pharmaceuticals will drive growth (similar to in 1Q09). Energy, metals and materials will bring up the rear, with negative growth. Watch points – cost and interest rate pressures, currency pains/exposures and market risks.

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Figure 1. Sensex and CIR Universe 2QFY09 Estimates

Sector	QoQ Growth - Expected			YoY Growth - Expected		
	Sales	EBITDA	PAT	Sales	EBITDA	PAT
Sensex (30/30)	0.8%	4.2%	2.2%	22.5%	20.9%	12.7%
Sensex ex-oil (29/29)	0.3%	4.3%	2.2%	20.9%	15.1%	8.5%
Citi Universe	4.0%	25.1%	3.9%	36.4%	15.7%	-3.6%
Citi Universe ex-oil	1.4%	3.1%	3.3%	24.7%	19.6%	12.6%
Sensex-ex Fin	0.5%	6.0%	-0.9%	21.3%	21.9%	14.4%

Source: Citi Investment Research

See Appendix A-1 for Analyst Certification and important disclosures.

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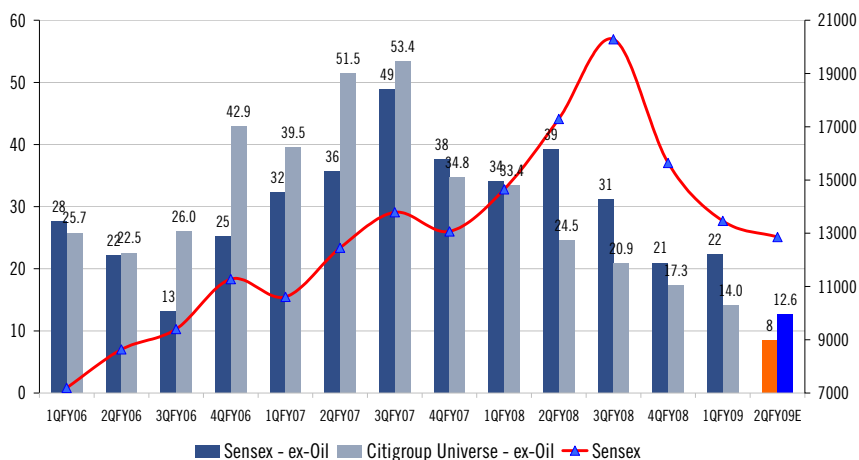
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Sep-08 Quarter Results Preview

Slowing....?

We do expect earnings growth to slow....the narrow Sensex aggregates suggest a pretty marked run-off in growth...the broader CIR suggests it's a better story at the wider level

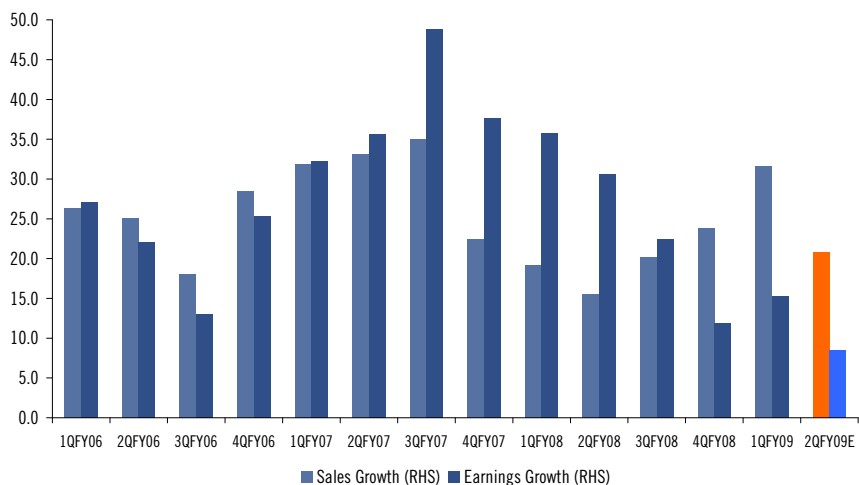
Figure 2. Ex-oil Earnings Growth Trends—Sensex and Citi India Universe



Source: Citi Investment Research * based on latest Sensex composition

Sales momentum should also flag.....but it remains at a substantially robust level...suggesting either demand remains robust...or that it is inflation showing...or most likely a mix of both

Figure 3. Sensex ex-oil Sales and Earnings Growth



Source: Citi Investment Research

Oil has a keen and inconsistent influence.... pushes CIR aggregates into negative territory (Downstream oil companies losing money hand over fist)... while ONGC's upsides actually raise Sensex earnings growth levels

Figure 4. Sensex and CIR Universe 2QFY09 Estimates

Sector	QoQ Growth - Expected			YoY Growth - Expected		
	Sales	EBITDA	PAT	Sales	EBITDA	PAT
Sensex (30/30)	0.8%	4.2%	2.2%	22.5%	20.9%	12.7%
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Citi Universe ex-oil	1.4%	3.1%	3.3%	24.7%	19.6%	12.6%
Sensex-ex Fin	0.5%	6.0%	-0.9%	21.3%	21.9%	14.4%

Source: Citi Investment Research

Capital goods should continue its well above industry growth momentum...energy, cement and real estate the drags

Figure 5. CIR Universe 2QFY09 Estimates by Sector

Sector	QoQ Growth - Expected			YoY Growth - Expected		
	Sales	EBITDA	PAT	Sales	EBITDA	PAT
Auto & Components	-1.8%	1.9%	-12.9%	8.9%	-24.7%	-4.0%
Banks	2.7%	0.0%	18.3%	26.5%	19.7%	7.4%
Capital Goods	15.1%	43.5%	41.3%	34.3%	37.2%	30.3%
Cons Durables & Apparel	6.6%	20.6%	17.8%	29.9%	22.9%	18.9%
Hotels	-1.2%	-8.1%	-4.2%	10.8%	9.0%	-2.4%
Diversified Financials	1.9%	-5.4%	-5.3%	67.0%	4.5%	7.5%
Energy	4.4%	217.6%	-5.7%	50.9%	9.6%	-36.7%
Food Beverage & Tobacco	-2.9%	7.2%	10.7%	11.7%	10.6%	7.1%
Health Care & Services	9.2%	8.1%	8.4%	83.8%	60.9%	38.8%
Hhold & Personal Products	-1.0%	5.6%	-1.8%	19.8%	20.4%	18.9%
Metals	12.8%	2.0%	-1.3%	27.6%	25.9%	21.1%
Cement	-5.1%	-11.3%	-16.5%	6.4%	-8.3%	-10.6%
Media	-1.2%	-1.0%	-5.4%	28.7%	15.5%	11.0%
Pharma, Biotech	-2.8%	-7.2%	-11.1%	13.7%	14.7%	15.1%
Real Estate	-2.6%	-4.8%	-6.7%	13.3%	1.5%	-12.0%
Retailing	35.3%		-69.7%	35.0%	-3.1%	
Software & Services	3.6%	13.2%	13.5%	24.4%	32.5%	19.0%
Tech Hardware	4.3%	181.3%		11.5%	-12.1%	
Telecom	6.0%	7.4%	5.0%	30.1%	33.4%	26.8%
Transportation	4.3%	-86.7%	-52.6%	64.5%	-47.7%	101.4%
Utilities	-4.2%	5.6%	-0.6%	19.8%	10.4%	8.5%

Source: Citi Investment Research

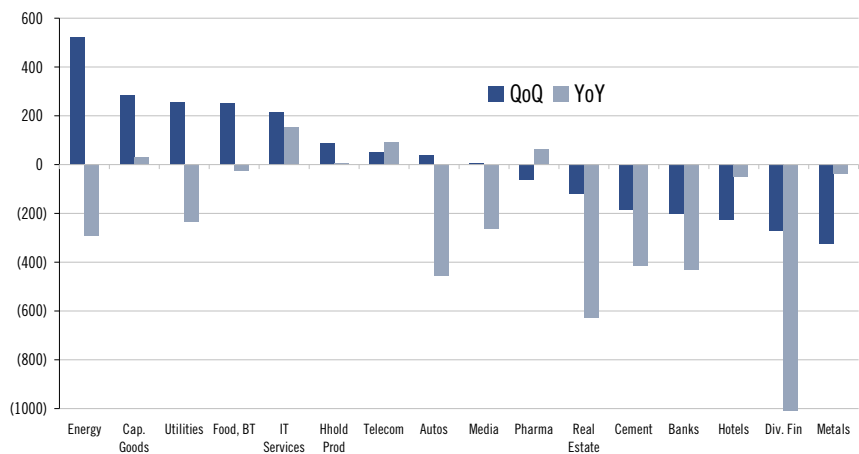
Figure 6. Sensex and CIR Universe EBITDA and PAT Margins

Sector	EBITDA		PAT		EBITDA		PAT	
	This Quarter	Last Quarter	This Quarter	Last Quarter	Last Year	Last Year	Last Year	Last Year
Sensex (30/30)	29.7%	18.6%	28.7%	18.4%	30.1%	20.2%		
Sensex ex-oil (29/29)	25.9%	16.8%	24.9%	16.5%	27.2%	18.7%		
Citi Universe	17.4%	10.4%	14.5%	10.4%	20.6%	14.7%		
Citi Universe ex-oil	27.7%	16.9%	27.3%	16.6%	28.9%	18.7%		
Sensex-ex Fin	24.7%	16.3%	23.5%	16.6%	24.6%	17.3%		

Source: Citi Investment Research

EBITDA Margins continue to trend down yoy...but over the quarter, there appears a surprise uptick

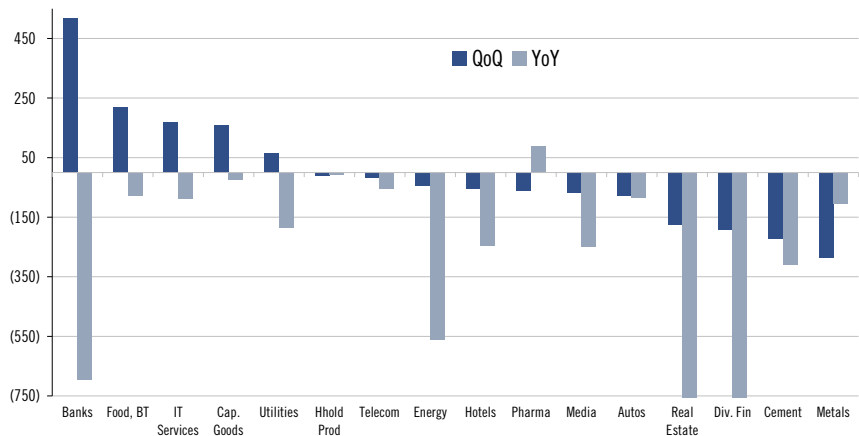
Figure 7. CIR Universe EBITDA Margin Change (bps) by Sector—QoQ compared with YoY



Source: Citi Investment Research

And this trend flows through to the profit margin level

Figure 8. CIR Universe PAT Margin Change (bps) by Sector—QoQ Compared with YoY



Source: Citi Investment Research

Sectorally, it's a mixed and divergent trend

Figure 9. CIR Universe 2QFY09 Margins by Sector

Margins Sector	EBITDA This Quarter	PAT	EBITDA Last Quarter	PAT	EBITDA Last Year	PAT
Auto & Components	10.2%	6.3%	9.8%	7.1%	14.8%	7.2%
Banks	76.5%	39.4%	78.6%	34.2%	80.9%	46.4%
Capital Goods	14.3%	8.6%	11.5%	7.0%	14.0%	8.9%
Cons Durables & Apparel	12.6%	8.4%	11.1%	7.6%	13.3%	9.2%
Hotels	30.6%	18.3%	32.8%	18.8%	31.1%	20.7%
Diversified Financials	35.6%	25.3%	38.3%	27.2%	56.8%	39.3%
Energy	7.8%	4.1%	2.6%	4.5%	10.7%	9.7%
Food Beverage & Tobacco	26.8%	18.0%	24.3%	15.8%	27.1%	18.7%
Health Care & Services	15.2%	6.3%	15.4%	6.4%	17.4%	8.4%
Hhold & Personal Products	14.3%	12.4%	13.4%	12.5%	14.2%	12.5%
Metals	30.8%	20.0%	34.1%	22.8%	31.2%	21.0%
Cement	26.1%	16.2%	27.9%	18.4%	30.2%	19.3%
Media	22.9%	15.7%	22.9%	16.4%	25.6%	18.2%
Pharma, Biotech	22.1%	14.4%	23.2%	15.8%	21.9%	14.3%
Real Estate	54.0%	40.5%	55.2%	42.2%	60.3%	52.1%
Retailing	3.0%	-1.2%	-0.2%	-5.6%	4.2%	0.2%
Software & Services	25.1%	19.2%	22.9%	17.6%	23.5%	20.1%
Tech Hardware	20.0%	0.0%	7.4%	-21.7%	25.4%	0.7%
Telecom	37.8%	20.7%	37.3%	20.9%	36.8%	21.3%
Transportation	-1.8%	-12.2%	-13.8%	-26.9%	-5.5%	-10.0%
Utilities	27.5%	17.7%	24.9%	17.1%	29.8%	19.6%

Source: Citi Investment Research

Figure 10. Company-wise 2QFY09 Quarterly Results Estimates (Contd.)

Company	RIC	30-Sep-08			QoQ Growth			YoY Growth			EBITDA		PAT		EBITDA		PAT	
		Price	Rating	Sales	EBITDA	PAT	Sales	EBITDA	PAT	Margins	This Quarter	Margins	Last Quarter	Margins	Last Year	Margins	Last Year	
Indian Oil	IOC.BO	405	3M	17.3	-103.0	-135.5	76.4	-130.1	-103.9	0.4	-0.2	-16.8	0.6	-2.5	7.7			
Indraprastha Gas	IGAS.BO	115	2M	-1.2	-0.2	-1.3	8.2	0.5	0.6	40.0	22.9	39.6	22.9	43.1	24.6			
Oil & Natural Gas	ONGC.BO	1,036	1L	4.5	4.1	2.3	36.0	45.4	33.1	58.4	32.4	58.6	33.1	54.6	33.1			
Petronet LNG	PLNG.BO	52	3M	-2.0	-3.6	-9.5	-3.5	-13.8	-17.3	11.5	5.9	11.7	6.4	12.8	6.9			
Reliance Industries	RELI.BO	1,946	1L	-7.5	-2.6	-6.9	20.0	3.1	-0.3	15.5	10.0	14.7	9.9	18.0	12.0			
Areva T & D India	AREV.BO	1,423	2M	1.9	4.5	4.2	46.4	46.2	38.6	18.2	10.5	17.7	10.3	18.2	11.1			
Power Grid	PGRD.BO	86	3L	4.6	5.1	-5.2	30.9	30.7	21.2	82.9	33.3	82.5	36.8	83.1	36.0			
Sesa Goa	SESA.BO	119	3H	-26.3	-46.4	-47.2	178.7	302.4	314.4	46.6	36.9	64.0	51.5	32.3	24.8			
Andhra Bank	ADBK.BO	55	1M	4.6	25.1	104.3	5.1	10.6	4.9	70.9	43.8	59.3	22.4	67.4	43.9			
Bank of Baroda	BOB.BO	298	1M	2.1	-8.1	10.5	10.0	24.0	25.2	73.2	37.9	81.4	35.1	64.9	33.3			
Canara Bank	CNBK.BO	189	1M	-0.9	9.9	240.5	28.3	18.9	4.0	76.6	41.4	69.0	12.0	82.6	51.0			
Corporation Bank	CRBK.BO	272	2M	-0.2	-12.4	-5.0	6.4	-4.5	8.5	74.5	46.4	84.9	48.7	83.1	45.5			
EdelWeiss Capital	EDEL.BO	415	3H	0.1	2.6	4.3				40.5	24.7	39.5	23.7					
Federal Bank	FED.BO	205	1M	-2.8	-4.4	87.3	31.1	37.2	33.9	89.6	47.2	91.1	24.5	85.6	46.2			
HDFC Bank	HDBK.BO	1,229	1L	6.3	10.5	11.9	57.5	37.3	41.1	62.0	28.4	59.6	26.9	71.1	31.7			
ICICI Bank	ICBK.BO	535	1L	2.3	8.3	3.7	19.7	-1.7	-24.7	86.8	35.3	82.0	34.8	105.7	56.1			
Indiabulls	IBUL.BO	154	3H	5.0	8.4	5.7	19.7	-17.0	-10.4	36.7	26.2	35.5	26.0	52.9	35.0			
IDFC	IDFC.BO	72	3M	5.7	2.7	0.3	15.4	14.2	11.8	139.4	96.1	143.4	101.3	140.9	99.2			
Kotak Mahindra Bank	KTKM.BO	555	2M	7.0	-20.2	-20.5	55.0	-42.1	-45.7	39.3	23.1	52.6	31.1	105.1	66.0			
Motilal Oswal	MOFS.BO	102	3M	8.8	-6.3	-1.1	0.4	-24.9	-20.5	24.7	16.9	28.6	18.6	33.0	21.3			
Oriental Bank	ORBC.BO	148	3H	4.6	-6.3	-14.3	16.9	21.7	8.0	70.9	40.4	79.2	49.4	68.1	43.8			
Punjab National Bank	PNBK.BO	475	3M	8.0	12.5	18.2	20.8	29.3	12.5	70.9	38.8	68.0	35.5	66.2	41.7			
Religare Enterprises	RELG.BO	356	3H	-3.5	6.0	138.0				9.3	3.1	8.4	1.3					
Reliance Capital	RLCP.BO	1,143	3M	-1.0	-10.0	-9.4	60.5	47.6	55.4	23.3	20.3	25.6	22.2	25.3	21.0			
State Bank of India	SBI.BO	1,466	1L	0.0	-7.3	14.5	28.1	35.4	16.6	76.2	39.0	82.2	34.1	72.1	42.8			
Yes Bank	YESB.BO	121	3H	5.7	-5.8	11.6	44.3	59.1	34.0	89.8	50.8	100.7	48.1	81.4	54.7			
Union Bank Of India	UNBK.BO	144	1L	0.0	6.9	46.5	27.4	24.7	21.3	81.4	41.3	76.0	28.2	83.1	43.4			
AXIS Bank	AXBK.BO	721	1L	3.3	-23.1	-7.3	42.2	33.4	34.3	73.7	36.6	99.0	40.7	78.6	38.7			

Source: Citi Investment Research

Figure 11. Company-wise 2QFY09 Quarterly Results Estimates

Company	RIC	30-Sep-08		QoQ Growth			YoY Growth			EBITDA	PAT	EBITDA	PAT	EBITDA	PAT
		Price	Rating	Sales	EBITDA	PAT	Sales	EBITDA	PAT	Margins This Quarter	Margins Last Quarter	Margins Last Year			
ABG Shipyard	ABGS.BO	299	1M	24.4	16.8	5.0	59.9	39.4	44.7	26.5	14.6	28.2	17.3	30.4	16.1
Amtek Auto	AMTK.BO	165	1M	-5.9	-7.0	-38.8	10.0	-79.0	-25.3	15.3	5.2	15.5	8.1	80.1	7.7
Ashok Leyland	ASOK.BO	27	3L	-10.7	-12.1	-27.7	-3.6	-18.9	-23.8	7.9	3.7	8.0	4.6	9.4	4.7
Bharat Forge	BFRG.BO	183	2L	5.6	12.9	-15.4	19.5	27.4	-0.6	26.2	8.9	24.5	11.1	24.6	10.7
Bharati Shipyard	BHAR.BO	176	1M	-1.3	-2.8	-2.5	37.0	22.3	12.3	19.0	14.3	19.3	14.5	21.3	17.4
Hero Honda	HROH.BO	869	2L	9.5	25.9	24.0	32.4	47.3	65.6	13.8	10.9	12.0	9.6	12.4	8.7
Jet Airways	JET.BO	400	3M	4.3	-86.7	-52.6	64.5	-47.7	101.4	-1.8	-12.2	-13.8	-26.9	-5.5	-10.0
Mahindra & Mahindra	MAHM.BO	509	1L	-8.1	-6.5	-9.0	11.7	3.8	-12.3	10.0	6.5	9.9	6.6	10.8	8.3
Maruti Suzuki India	MRTI.BO	687	2L	-3.9	3.6	-20.0	0.5	-16.6	-17.7	10.9	8.4	10.1	10.1	13.1	10.3
TVS Motor	TVSM.BO	33	3M	9.3	10.9	191.4	21.0	74.3	300.8	3.5	2.0	3.4	0.8	2.4	0.6
ABB (India)	ABB.BO	785	3L	0.6	8.3	7.2	18.1	19.4	22.1	12.7	8.7	11.8	8.2	12.5	8.4
Bharat Heavy	BHEL.BO	1,586	2L	19.0	138.5	88.4	29.9	28.2	30.1	17.3	14.1	8.6	8.9	17.5	14.0
CESC	CESC.BO	279	1L	0.9	15.2	17.8	8.2	-0.3	36.8	17.8	14.0	15.6	12.0	19.3	11.1
Gammon India	GAMM.BO	138	1M	-4.1	-4.3	-14.2	22.0	14.2	-14.3	8.4	2.6	8.4	2.9	9.0	3.7
Hindustan Construction	HCNS.BO	77	3M	-22.2	-24.4	-86.1	22.7	14.5	3.0	10.2	0.4	10.5	2.3	11.0	0.5
IVRCL Infra & Projects	IVRC.BO	235	1M	-3.1	-3.9	-13.1	30.7	42.4	37.5	8.8	4.2	8.8	4.7	8.0	4.0
Jaiprakash	JAIA.BO	111	1L	-3.5	-2.4	5.5	28.6	37.9	29.1	27.5	12.1	27.2	11.1	25.6	12.1
Larsen & Toubro	LART.BO	2,443	1L	11.2	25.8	3.4	41.4	41.6	45.8	10.7	6.5	9.5	7.0	10.7	6.3
Nagarjuna Construction	NGCN.BO	95	1M	-10.0	-9.4	-23.3	29.0	-2.2	-15.4	9.5	3.3	9.4	3.8	12.5	5.0
NTPC	NTPC.BO	172	1L	-9.3	4.5	-0.7	7.9	-7.9	-9.4	29.3	20.2	25.4	18.4	34.3	24.0
Punjab Lloyds	PJL.BO	287	1M	3.4	6.2	14.4	44.7	35.0	24.8	8.2	4.1	8.0	3.7	8.8	4.7
Reliance Infrastructure	RLIN.BO	790	1M	1.4	-437.5	-4.0	44.6	-54.9	-1.6	3.7	10.9	-1.1	11.5	11.8	16.0
Suzlon Energy	SUZL.BO	152	3M	77.2	121.8	205.7	34.3	60.2	27.0	19.2	10.3	15.4	6.0	16.1	10.9
Tata Power	TTPW.BO	906	1L	-9.8	-5.5	-1.5	35.4	6.6	3.8	15.8	10.3	15.0	9.4	20.0	13.4
Thermax	THMX.BO	416	1L	26.2	40.7	31.8	18.0	14.2	16.2	13.3	8.6	11.9	8.3	13.7	8.8
Voltas	VOLT.BO	92	3M	-10.4	-10.5	-19.0	26.6	9.1	16.4	7.7	5.6	7.7	6.2	8.9	6.0
JSW Steel	JSTL.BO	480	1M	11.1	62.4	114.7	71.2	41.8	-7.1	25.2	11.5	17.2	6.0	30.4	21.3
Sterlite Industries (India)	STRL.BO	428	1M	28.6	-34.2	-26.9	7.6	24.4	22.9	5.5	6.9	10.7	12.1	4.7	6.0
Hindustan Zinc	HZNC.BO	430	3M	-1.6	-13.5	-16.8	-18.4	-40.4	-32.6	52.3	43.6	59.5	51.6	71.5	52.8
Tata Steel	TISC.BO	426	1M	9.1	5.3	8.2	40.5	50.3	61.6	47.4	27.1	49.1	27.4	44.3	23.6
National Aluminium	NALU.BO	369	1M	2.5	5.4	5.1	15.0	36.6	25.6	51.6	36.7	50.2	35.8	43.5	33.6
ACC	ACC.BO	612	3M	-6.0	-14.3	-16.6	2.0	-21.0	-24.3	20.7	12.8	22.7	14.4	26.7	17.3
Grasim Industries	GRAS.BO	1,688	3M	1.9	4.5	-2.0	4.8	-2.3	0.8	29.8	19.1	29.0	19.8	32.0	19.8
Ambuja Cements	ABUJ.BO	78	3M	-9.6	-21.3	-28.6	9.1	-13.9	-23.1	26.3	17.0	30.2	21.5	33.3	24.1
UltraTech Cement	ULTC.BO	528	3M	-11.4	-24.7	-29.3	12.9	1.8	0.9	25.3	14.2	29.8	17.7	28.1	15.8
Asian Paints	ASPN.BO	1,183	3L	20.4	34.6	38.6	32.0	27.7	19.7	15.5	10.2	13.9	8.8	16.0	11.2
Colgate Palmolive (India)	COLG.BO	403	1L	2.7	-4.4	-9.6	15.0	12.0	18.7	15.1	15.5	16.2	17.6	15.5	15.0
Dabur India	DABU.BO	91	2L	21.2	51.2	53.9	17.0	13.6	13.7	18.0	14.9	14.4	11.7	18.5	15.3
Hindustan Unilever	HLL.BO	252	1L	-4.7	-0.2	-8.6	19.4	23.0	20.6	13.7	12.3	13.1	12.8	13.3	12.2
ITC	ITC.BO	188	1L	-9.7	0.0	4.1	7.6	9.2	1.1	32.0	22.1	28.9	19.2	31.5	23.5
Marico	MRCO.BO	58	2L	0.3	4.4	5.4	30.0	22.0	15.5	13.1	8.1	12.6	7.7	14.0	9.1
Nestle India	NEST.BO	1,691	3L	9.4	19.1	21.4	25.0	21.3	26.7	20.5	13.3	18.8	12.0	21.1	13.1
Shoppers Stop	SHOP.BO	213	3M	35.3		-69.7	35.0	-3.1		3.0	-1.2	-0.2	-5.6	4.2	0.2
Tata Tea	TTTE.BO	670	1L	9.2	45.0	53.8	13.0	8.1	30.0	18.0	10.4	13.6	7.4	18.8	9.1
EIH	EIH.BO	129	3L	0.5	-9.6	-9.1	10.0	10.7	-19.1	27.0	14.6	30.0	16.1	26.8	19.8
Hotel Leela Venture	HTLE.BO	29	3H	-7.2	-9.1	19.1	15.0	4.7	-0.8	43.0	34.6	43.9	26.9	47.2	40.1
Indian Hotels	IHTL.BO	67	1L	-0.4	-6.7	-13.0	10.0	10.1	9.9	29.0	15.6	31.0	17.9	29.0	15.6
HT Media	HTML.BO	100	2H	0.4	-21.3	-25.3	16.0	7.5	-11.7	16.0	8.6	20.4	11.6	17.3	11.4
Jagran Prakashan	JAGP.BO	70	1H	3.0	-18.6	-29.2	20.0	3.6	1.7	19.0	10.5	24.0	15.3	22.0	12.4
UTV Software Communications	UTVS.BO	715	3H	1.3	8.1	1.6	92.9	1.4	45.1	13.0	18.5	12.2	18.5	24.7	24.6

Source: Citi Investment Research

Figure 12. Company-wise 2QFY09 Quarterly Results Estimates (Contd.)

Company	RIC	30-Sep-08		QoQ Growth			YoY Growth			EBITDA		PAT		EBITDA		PAT	
		Price	Rating	Sales	EBITDA	PAT	Sales	EBITDA	PAT	Margins This Quarter	Margins Last Quarter	Margins Last Year	EBITDA	PAT	EBITDA	PAT	
Zee Entertainment	ZEE.BO	198	1M	-4.4	13.4	7.4	30.0	23.8	14.4	31.6	21.4	26.6	19.1	33.1	24.4		
Apollo Hospitals	APLH.BO	449	1M	11.0	10.1	9.2	30.0	21.8	35.4	16.3	8.8	16.4	8.9	17.4	8.4		
Biocon	BION.BO	178	3H	19.7	30.4	18.1	-5.2	-6.9	-11.7	28.4	18.1	26.0	18.3	28.9	19.4		
Cadila Healthcare	CADI.BO	310	1M	4.8	27.9	2.6	20.0	26.0	12.7	21.8	11.9	17.9	12.1	20.8	12.6		
Cipla	CIPL.BO	229	3L	12.5	40.4	46.5	21.5	12.2	20.2	22.0	15.1	17.6	11.6	23.8	15.3		
Dishman	DISH.BO	309	1H	13.7	5.1	-6.2	43.8	62.4	46.9	26.0	15.4	28.1	18.7	23.0	15.1		
Dr Reddy	REDY.BO	509	2M	-0.5	-20.7	-0.5	18.1	-16.2	14.5	9.6	9.0	12.1	9.0	13.6	9.2		
Fortis Healthcare	FOHE.BO	62	3H	5.0	2.4	-16.6				12.7	0.5	13.0	0.7				
Glenmark Pharma	GLEN.BO	492	1M	14.8	15.9	-0.2	39.4	38.1	53.3	30.5	21.5	30.2	24.7	30.8	19.6		
GlaxoSmithKline Pharma	GLAX.BO	1,180	3L	2.6	-3.0	-2.1	1.5	7.3	3.1	34.3	26.3	36.3	27.6	32.5	25.9		
Jubilant Organosys	JUBO.BO	281	1M	2.5	2.2	-17.8	37.0	49.6	22.0	20.0	11.7	20.1	14.6	18.3	13.1		
Piramal Healthcare	PIRA.BO	331	1M	19.5	24.8	25.6	10.7	31.8	34.0	20.7	13.4	19.8	12.8	17.4	11.1		
Orchid Chemicals	ORCD.NS	213	1H	25.0	48.8	51.0	31.3	-1.3	-29.2	26.4	7.4	22.2	6.2	35.1	13.8		
Ranbaxy	RANB.BO	248	3H	9.1	-14.9	-13.3	15.2	2.1	-20.4	15.3	6.7	19.6	8.4	17.2	9.7		
Sun Pharmaceuticals	SUN.BO	1,468	1M	-2.4	-6.6	-8.7	43.8	108.7	109.5	50.3	45.8	52.5	49.0	34.7	31.5		
United Phosphorus	UNPO.BO	309	1L	-8.5	-10.5	-25.2	34.3	37.6	53.1	20.0	11.4	20.4	13.9	19.5	10.0		
Ansal Properties	ANSP.BO	87	3H	7.8	4.4	5.9	-23.6	-46.9	-60.9	21.0	10.5	21.7	10.7	30.2	20.6		
DLF	DLF.BO	352	1M	-5.5	-7.9	-9.0	10.8	-4.6	-16.0	60.0	47.1	61.5	48.9	69.7	62.1		
Omaxe	OMAX.BO	97	3H	-15.8	-22.3	-31.0				25.0	13.3	27.1	16.2				
Parsvnath Developers	PARV.BO	91	3H	-3.2	-9.8	-12.9	-9.9	-29.6	-37.3	30.0	17.9	32.2	19.8	38.4	25.6		
Puravankara Projects	PPRO.BO	163	3H	7.9	7.2	-3.6	20.6	10.6	-0.9	38.0	35.1	38.3	39.3	41.4	42.7		
Unitech	UNTE.BO	117	2H	9.0	9.1	6.8	11.0	30.9	10.2	59.0	40.2	59.0	41.0	50.0	40.5		
Educomp Solutions	EDSO.BO	3,382	3H	37.6	32.5	67.1	112.5	119.4	106.2	52.6	29.4	54.6	24.2	50.9	30.3		
Hexaware Technologies	HEXT.BO	31	3H	2.5	84.6	184.3	11.5	7.5	0.4	11.2	9.3	6.2	3.3	11.6	10.3		
KPIT Cummins	KPIT.BO	35	3H	13.5	29.7	26.0	32.2	24.8	16.1	14.9	8.3	13.0	7.5	15.8	9.5		
MindTree Consulting	MINT.BO	308	3H	13.2	21.2	-434.2	38.2	87.6	60.3	22.3	17.3	20.8	-5.9	16.4	14.9		
Moser Baer India	MOSR.BO	109	3H	4.3	181.3		11.5	-12.1		20.0	0.0	7.4	-21.7	25.4	0.7		
Mphasis	MBFL.BO	189	1H	8.8	20.1	13.4	34.2	38.8	35.1	18.5	11.1	16.8	10.6	17.9	11.0		
NIIT	NIIT.BO	51	3H	22.6	123.2	76.1	17.8	16.3	40.4	13.1	9.4	7.2	6.5	13.3	7.8		
Patni Computer Systems	PTNI.BO	178	3H	4.5	36.5	-8.3	19.1	-5.1	-15.3	16.6	11.6	12.7	13.2	20.8	16.3		
Satyam Computers	SATY.BO	297	1M	-35.7	5.0	-1.6	-17.1	64.9	31.7	39.4	32.0	24.1	20.9	19.8	20.1		
Tata Consultancy	TCS.BO	663	2M	8.8	14.5	9.6	23.6	18.3	9.3	25.1	19.6	23.9	19.4	26.3	22.1		
Tech Mahindra	TEML.BO	615	3H	12.2	9.9	3.6	39.6	59.9	47.4	25.2	21.4	25.7	23.2	22.0	20.2		
Wipro	WIPR.BO	340	2M	5.2	7.6	12.3	32.6	31.1	12.5	19.8	14.6	19.4	13.6	20.1	17.2		
Bharti Airtel	BRTI.BO	785	1L	6.1	6.4	5.9	42.1	38.2	32.9	41.6	23.8	41.5	23.9	42.8	25.5		
IDEA Cellular	IDEA.BO	75	1L	3.8	4.0	1.3	44.4	45.8	20.9	33.0	11.8	32.9	12.1	32.7	14.1		
MTNL	MTNL.BO	84	2L	-1.9	4.9	-12.8	-8.2	-0.8	6.0	16.0	9.1	15.0	10.3	14.8	7.9		
Reliance Comm.	RLCM.BO	334	2L	8.0	9.8	5.2	25.5	26.0	24.8	43.0	28.9	42.3	29.6	42.8	29.0		
Spice Communications	SPCM.BO	76	3M	3.9	14.8	4.4	31.4	-13.6	-3289.3	16.0	-29.3	14.5	-29.2	24.3	1.2		
Tata Teleservices	TTML.BO	22	3M	5.0	11.0	-3.1	20.0	61.4	-31.8	34.2	-6.7	32.4	-7.3	25.5	-11.8		
Tulip Telecom Ltd	TULP.BO	900	1M	14.8	10.9	0.0	47.7	40.8	24.3	19.0	12.0	19.7	13.8	19.9	14.3		
Tata Communications	TATA.BO	468	2M	5.4	8.8	13.8	-4.0	37.5	82.0	23.0	12.3	22.3	11.4	16.1	6.5		
Aban Offshore	ABAN.BO	2,050	1H	13.6	14.6	7.1	69.6	90.3	62.2	57.0	27.3	56.5	29.0	50.8	28.6		
Chennai Petroleum	CHPC.BO	212	1M	-9.0	-90.7	-97.3	61.7	-74.6	-91.8	1.1	0.2	10.4	6.3	6.8	3.6		
Everest Kanto Cylinder	EKCL.BO	269	1M	20.8	4.8	15.9	78.9	61.3	42.9	28.0	17.8	32.3	18.5	31.0	22.2		
GAIL	GAIL.BO	408	1L	0.6	2.4	2.1	27.3	63.2	60.0	24.9	15.9	24.4	15.7	19.4	12.6		
Great Offshore	GOFSS.BO	479	1M	3.0	6.6	180.2				43.0	16.1	41.6	5.9				
Gujarat Gas	GGAS.BO	260	1L	8.3	16.9	-10.0	21.7	16.9	15.8	19.8	11.7	18.4	14.1	20.7	12.3		
Gujarat State Petronet	GSPT.BO	46	1L	-2.7	-4.9	-6.7	22.0	26.4	87.0	88.0	26.2	90.0	27.3	84.9	17.1		
Hindustan Petroleum	HPCL.BO	242	3M	-1.2	100.6	0.4	41.7	-162.6	-204.6	-2.4	-2.6	-1.2	-2.6	5.4	3.5		

Source: Citi Investment Research

Appendix A-1

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India Equity Strategy

1 October 2008

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