

June 6, 2008

India Strategy Friday Flash

BSE-30: 15,770

India

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Kotak Institutional Equities
Research

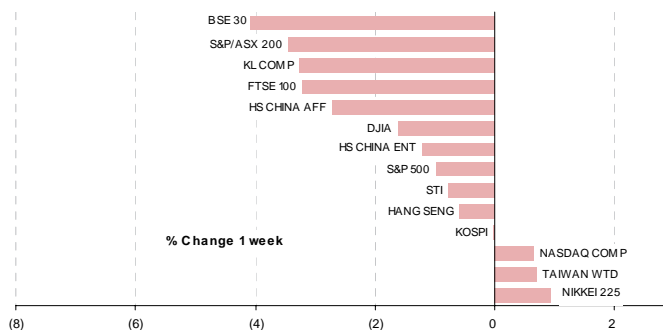
Important disclosures appear at the back of this report.

Sub-16K again. During the past week, the Sensex lost 547 points (3.4%) to close below 16,000. Market sentiment continued to remain weak owing to (1) high crude price (although down from the previous week's high) (2) increased concerns on inflation (after the government increased retail prices of petrol, diesel and LPG) and (3) heavy selling by foreign institutional investors who divested US\$700 mn from Indian equities.

Market highlights for the week ending Thursday, June 5, 2008

- Largest gainers: ONGC (12%), Sun TV Network (9%), Jet Airways (8%)
- Largest losers: Lanco Infratech (-19%), ABG Shipyard (-18%), Bharat Petroleum (-16%)

Relative performance of regional indices (% Change 1 Week)



Source: Bloomberg.

Flows in emerging markets

Date	Taiwan	Indonesia	Philippines	Thailand	India	Total
Investments in past week (US\$ mn)						
28-May-08	(186)	6	(2)	(3)	(182)	(367)
29-May-08	257	34	(1)	(2)	(269)	19
30-May-08	271	39	2	(5)	63	371
2-Jun-08	333	(6)	(5)	(2)	(87)	233
3-Jun-08	(322)	(46)	(2)	(3)	(236)	(610)
Total	354	27	(8)	(17)	(710)	(354)

Our top recommendations

Kotak Institutional Equities, Top-10, June 5, 2008

Companies	Sector	Rating	Mkt cap. (US\$ mn)	CMP (Rs)	Target (Rs)	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
						2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E
ITC	Consumer products	BUY	19,410	223	250	8.4	9.5	11.0	26.6	23.5	20.3	17.6	15.4	13.1
Larsen & Toubro	Industrials	BUY	18,738	2,716	3,600	77.9	116.7	148.9	34.9	23.3	18.2	19.3	14.0	11.0
ICICI Bank	Banking	ADD	20,194	778	933	39.9	35.4	46.2	19.5	22.0	16.9	—	—	—
DLF	Property	BUY	21,411	539	850	46.2	55.7	62.3	11.7	9.7	8.6	10.4	8.4	6.6
HDFC Bank	Banking	BUY	13,081	1,248	1,500	46.0	53.4	76.0	27.1	23.4	16.4	—	—	—
Maruti Suzuki	Automobiles	BUY	5,130	761	1,000	59.9	72.1	79.6	12.7	10.6	9.6	7.2	6.0	5.2
Jindal Steel and Power	Metals	ADD	7,952	2,215	2,900	80.4	111.6	117.0	27.6	19.8	18.9	17.2	12.8	11.6
Tata Power	Utilities	ADD	6,836	1,258	1,540	29.7	38.1	39.9	42.4	33.0	31.6	27.9	24.9	25.2
Sun Pharmaceuticals	Pharmaceuticals	BUY	7,045	1,453	1,720	71.5	86.7	73.7	20.3	16.8	19.7	16.6	13.2	14.2
Mid-cap. pharmaceutical basket														
Biocon	Pharmaceuticals	BUY	1,074	461	700	22.4	24.6	32.8	20.6	18.7	14.0	13.1	12.6	9.4
Dishman Pharma & Chemicals	Pharmaceuticals	BUY	588	310	515	14.9	20.5	27.1	20.7	15.1	11.4	15.4	10.8	8.5
Divi's Laboratories	Pharmaceuticals	BUY	2,294	1,524	1,915	51.4	65.9	95.7	29.7	23.1	15.9	24.3	18.6	12.6
Jubilant Organosys	Pharmaceuticals	BUY	1,448	343	530	22.8	23.7	27.9	15.0	14.5	12.3	12.0	11.3	8.8
Piramal Healthcare	Pharmaceuticals	BUY	1,778	365	470	17.6	21.9	26.7	20.7	16.7	13.7	15.0	11.7	9.3
BSE-30				15,770										

Source: Company, Bloomberg, Kotak Institutional Equities.

Our model portfolio

Kotak Institutional Equities Model Portfolio

Company	05-Jun		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Mahindra & Mahindra	563	ADD	1.1	—	(109)
Maruti Suzuki	761	BUY	1.0	2.5	150
Tata Motors	533	SELL	1.8	—	(176)
Automobiles			3.9	2.5	(136)
State Bank of India	1,355	ADD	3.5	—	(353)
PSU Banking			3.5	—	(353)
HDFC	2,393	ADD	5.4	5.4	—
HDFC Bank	1,248	BUY	4.1	5.6	150
ICICI Bank	778	ADD	7.9	9.4	150
Pvt. Banking/Financing			17.4	20.4	300
ACC	640	REDUCE	0.7	—	(67)
Ambuja Cements	86	REDUCE	0.7	—	(68)
Grasim Industries	2,248	ADD	1.4	—	(140)
Jaiprakash Associates	207	BUY	1.2	1.2	—
Cement			3.9	1.2	(275)
Hindustan Unilever	238	ADD	2.3	2.3	—
ITC	223	BUY	5.3	8.3	300
Consumers			7.6	10.6	300
Oil & Natural Gas Corporation	957	BUY	3.5	4.5	100
Reliance Industries	2,247	RS	14.2	10.6	(354)
Energy			17.7	15.2	(254)
Bharat Heavy Electricals	1,445	ADD	2.4	—	(236)
Larsen & Toubro	2,716	BUY	6.9	8.9	200
Industrials			9.2	8.9	(36)
Hindalco Industries	182	ADD	1.5	—	(152)
Jindal Steel & Power	2,215	ADD	—	3.0	300
Tata Steel	842	ADD	4.6	4.6	—
Metals			6.1	7.6	148

Company	05-Jun		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Cipla	211	REDUCE	1.0	—	(98)
Sun Pharmaceuticals	1,453	BUY	—	3.0	300
Ranbaxy Laboratories	525	BUY	1.3	—	(126)
Pharmaceuticals			2.2	3.0	76
DLF	539	BUY	1.3	2.8	150
Real estate			1.3	2.8	150
Infosys Technologies	1,980	BUY	8.5	10.3	175
Satyam Computer Services	512	BUY	2.9	2.9	—
TCS	982	REDUCE	2.2	—	(219)
Wipro	529	ADD	1.3	1.3	—
Technology			15.0	14.6	(44)
Bharti Airtel Limited	823	REDUCE	5.0	4.3	(75)
Reliance Communications	546	SELL	3.6	—	(361)
Telecom			8.6	4.3	(436)
Lanco Infratech	404	BUY	—	0.6	60
NTPC	167	ADD	1.8	1.8	—
Reliance Infrastructure	1,128	NR	1.6	1.6	—
Tata Power	1,258	ADD	—	2.0	200
Utilities			3.5	6.1	260
Biocon	461	BUY	—	0.6	60
Dishman Pharma & chemicals	310	BUY	—	0.6	60
Divi's Laboratories	1,524	BUY	—	0.6	60
Jubilant Organosys	343	BUY	—	0.6	60
Piramal Healthcare	365	BUY	—	0.6	60
Pharmaceutical mid-cap. basket			—	3.0	300
BSE-30	15,770		100.0	100.0	—

Note:
(a) Weights are with respect to June 4, 2008 prices.

Source: BSE, Bloomberg, Kotak Institutional Equities.

Sensex valuation summary

Valuation summary of BSE-30 sectors, June 5, 2008

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2007	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2008E	2009E	2008E	2009E
Automobiles	15,726	32.0	5.8	11.1	5.6	14.4	12.9	12.2	9.3	8.4	7.8	3.1	1.9	1.5	1.6	21.3	14.7
Banking	69,035	14.2	43.9	5.3	26.0	19.9	18.9	15.0	—	—	—	2.6	2.2	1.2	1.2	13.1	11.7
Cement	10,650	89.5	19.1	(1.6)	(4.6)	8.8	9.0	9.4	4.8	4.7	4.5	2.2	1.8	2.5	2.6	24.3	19.5
Consumers	31,465	19.8	15.1	13.2	15.6	27.6	24.4	21.1	19.5	15.5	13.2	9.5	8.3	2.7	2.4	34.4	34.1
Diversified	5,192	172.9	20.8	80.3	56.7	36.6	20.3	12.9	16.0	10.9	9.8	5.2	4.2	—	—	14.1	20.9
Energy	116,528	25.7	22.1	23.7	29.3	13.5	10.9	8.4	6.9	5.7	4.2	2.6	2.1	1.9	2.2	18.9	19.0
Industrials	35,210	48.8	25.1	35.1	27.2	29.4	21.8	17.1	16.0	12.3	9.7	6.6	4.9	0.7	0.9	22.5	22.3
Metals	22,409	33.1	(0.6)	26.5	(1.4)	13.9	11.0	11.2	8.1	6.7	6.8	2.0	1.7	1.3	1.3	14.0	15.3
Pharmaceuticals	8,378	39.6	23.9	1.1	25.1	24.6	24.4	19.5	17.0	16.8	13.8	5.2	4.7	1.5	1.7	21.3	19.1
Property	21,401	913.2	305.2	20.7	11.8	11.7	9.7	8.6	10.1	8.2	6.5	4.6	3.3	0.9	1.3	39.2	33.7
Technology	74,889	44.3	19.3	18.6	14.0	22.2	18.7	16.4	16.4	13.3	11.1	6.9	5.5	1.7	1.7	31.2	29.6
Telecom	62,372	182.9	71.6	30.4	22.7	21.5	16.5	13.4	13.5	9.9	7.8	5.3	4.0	0.2	0.4	24.5	24.4
Utilities	38,270	21.2	6.0	2.4	8.4	19.5	19.0	17.5	11.8	13.2	14.4	2.5	2.4	2.0	2.0	13.1	12.5
BSE-30 Index	511,523	38.5	29.6	18.6	19.8	17.7	14.9	12.5	10.4	8.8	7.3	3.5	2.8	1.5	1.6	19.6	18.9
BSE-30 ex-Energy	394,996	45.3	33.0	16.4	15.5	19.5	16.7	14.5	12.5	10.5	9.2	3.9	3.2	1.3	1.4	19.9	18.9
BSE-30 ex-Energy, Com.	361,937	44.3	38.4	16.8	18.3	20.7	17.8	15.0	13.9	11.5	9.9	4.2	3.4	1.3	1.3	20.5	19.3
BSE-30 ex-Technology	436,634	37.7	31.1	18.6	20.6	17.1	14.4	12.0	9.7	8.2	6.9	3.2	2.6	1.4	1.5	18.7	18.1

Note:

(1) EV/EBITDA excludes banks.

Source: Company reports, Kotak Institutional Equities estimates.

Nifty valuation summary

Valuation summary of Nifty sectors, June 5, 2008

	Mkt cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2007	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2008E	2009E	2008E	2009E
Automobiles	19,301	22.2	6.9	10.5	6.2	14.6	13.2	12.5	9.4	8.5	7.8	3.3	2.1	1.7	1.8	22.5	16.0
Banking	72,350	13.2	42.5	5.1	24.8	18.3	17.4	14.0	—	—	—	2.5	2.1	1.3	1.3	13.8	12.2
Consumers	31,459	19.8	15.1	13.2	15.6	27.6	24.4	21.1	19.5	15.5	13.2	9.5	8.3	2.7	2.4	34.4	34.1
Cement	10,647	89.5	19.1	(1.6)	(4.6)	8.8	9.0	9.4	4.8	4.7	4.5	2.2	1.8	2.5	2.6	24.3	19.5
Energy	146,502	29.6	22.4	24.0	44.8	14.8	11.9	8.2	7.7	6.4	4.4	2.4	2.0	1.8	1.9	16.0	16.5
Industrials	45,831	41.6	23.6	41.7	32.6	28.0	19.7	14.9	15.1	11.6	8.9	5.8	4.4	0.7	0.8	20.9	22.4
Metals	35,334	65.6	(8.0)	13.5	(0.0)	11.8	10.4	10.4	6.3	5.6	5.3	1.9	1.6	1.1	1.1	15.7	15.4
Media	2,279	11.2	49.4	29.7	29.8	27.6	21.3	16.4	18.1	12.4	9.5	3.4	3.0	0.9	1.2	12.3	14.3
Property	29,323	1,062.5	199.7	22.2	14.7	12.9	10.6	9.2	10.8	8.6	7.0	5.3	3.7	0.8	1.2	41.0	35.1
Pharmaceuticals	18,159	87.3	16.9	16.0	4.4	22.8	19.6	18.8	16.0	13.9	12.7	4.7	4.0	1.1	1.3	20.6	20.2
Telecom	71,293	(149.5)	66.7	30.2	22.6	22.3	17.1	14.0	13.6	9.9	7.9	5.0	3.9	0.2	0.4	22.5	22.9
Technology	79,827	46.6	17.3	18.5	13.9	21.8	18.4	16.1	15.9	13.0	10.8	6.6	5.3	1.8	1.8	30.3	29.1
Utilities	45,094	19.6	7.1	4.4	8.0	21.2	20.3	18.8	13.0	14.1	15.3	2.7	2.5	1.8	1.8	12.7	12.1
NIFTY	607,400	43.1	26.1	18.5	23.9	17.7	14.9	12.1	10.4	9.4	7.6	3.3	2.7	1.4	1.5	18.6	18.1
NIFTY ex-Energy	460,898	49.8	27.6	16.2	14.9	18.9	16.3	14.1	12.0	11.2	9.8	3.8	3.1	1.3	1.4	19.9	18.9
NIFTY ex-Energy ex Com	425,564	46.9	34.9	16.6	16.9	19.9	17.1	14.6	13.1	12.4	10.7	4.1	3.3	1.3	1.4	20.6	19.5

Note:

(a) Following companies are excluded: Power Grid, SAIL.

Source: Company reports, Kotak Institutional Equities estimates.

Regional valuation summary

Valuations of Indian markets are reasonable based on CY2008E PEG ratio, June 4, 2008

Earnings growth (%), P/E (X) and PEG ratio of regional indices

	Index	Earnings growth (%)				P/E (X)				PEG ratio (X)		
		2007	2008E	2009E	2010E	2007	2008E	2009E	2010E	2007	2008E	2009E
Brazil	MSCI BRAZIL	18.5	16.7	17.3	16.0	15.9	13.6	11.6	10.0	1.0	0.8	0.7
China	V/B/E/S CHINA	59.5	29.7	21.4	16.5	26.2	18.6	15.4	12.9	0.9	0.9	0.9
Hong Kong	V/B/E/S HONG KONG	43.7	(5.8)	17.4	15.4	14.8	16.2	13.8	12.4	NA	0.9	0.9
India	MSCI INDIA	16.9	19.4	24.6	14.2	20.4	17.4	14.0	12.0	1.1	0.7	1.0
Korea	MSCI KOREA	7.2	15.4	14.7	11.7	14.0	12.2	10.6	9.5	0.9	0.8	0.9
Malaysia	MSCI MALAYSIA	49.5	(12.0)	9.9	8.0	12.4	14.1	12.8	11.9	NA	1.4	1.6
Mexico	MSCI MEXICO	13.0	7.8	13.7	10.4	15.3	14.2	12.5	12.2	2.0	1.0	1.2
Russia	MSCI RUSSIA	24.9	21.7	11.5	4.2	13.0	10.7	9.6	9.3	0.6	0.9	2.3
Taiwan	MSCI TAIWAN	22.0	(1.6)	14.1	6.9	14.4	14.4	12.5	11.2	NA	1.0	1.8
Thailand	MSCI THAILAND	(29.6)	100.3	7.4	8.7	23.7	11.7	10.9	10.0	0.2	1.6	1.3
Asia - Emerging markets	MSCI EM ASIA	18.8	12.6	16.0	11.1	15.8	14.1	12.1	10.8	1.3	0.9	1.1

Source: Thomson Datastream.

Valuation summary of BRICs sectors (1)

Valuation summary of BRICs sectors, June 4, 2008

Earnings growth (%), P/E (X) and PEG ratio of regional indices

Index	Earnings growth (%)				P/E (X)				PEG ratio (X)			
	2007	2008E	2009E	2010E	2007	2008E	2009E	2010E	2007	2008E	2009E	
Banking												
Brazil	MSCI Brazil Banks Industry Group	18.9	10.9	20.3	16.8	13.7	12.3	10.3	8.8	1.3	0.6	0.6
Russia	MSCI Russia Banks Industry Group	15.4	33.4	24.9	27.7	19.3	14.4	11.6	9.1	0.6	0.6	0.4
India	MSCI India Banks Industry Group	17.2	23.4	24.0	NA	35.1	22.7	18.3	NA	1.5	0.9	NA
China	MSCI China Banks Industry Group	46.9	47.0	19.6	17.9	21.6	14.7	12.3	10.4	0.5	0.8	0.7
Consumers												
Brazil	MSCI Brazil Consumer Discretionary Sector	(25.1)	57.9	48.7	25.9	50.9	24.4	16.4	13.0	0.9	0.5	0.6
Russia	MSCI Russia Consumer Staples Sector	46.5	41.5	29.4	24.8	43.7	30.9	23.8	19.1	1.1	1.0	1.0
India	MSCI India Consumer Discretionary Sector	0.4	23.8	18.0	32.6	17.1	13.6	11.5	11.6	0.7	0.8	0.4
China	MSCI China Consumer Discretionary Sector	40.1	3.7	19.9	17.2	17.1	16.5	13.8	12.0	4.7	0.8	0.8
Energy												
Brazil	MSCI Brazil Energy Sector	(17.0)	44.6	7.3	21.7	21.0	14.5	13.5	11.1	0.5	2.0	0.6
Russia	MSCI Russia Energy Sector	21.2	24.9	12.1	(2.8)	12.5	10.0	8.9	9.3	0.5	0.8	NA
India	MSCI India Energy Sector	24.0	19.3	40.0	4.9	20.7	18.4	13.2	12.7	1.1	0.5	2.7
China	MSCI China Energy Sector	6.2	18.6	11.2	2.4	16.0	13.5	12.2	11.9	0.9	1.2	5.2
Industrials												
Brazil	MSCI Brazil Industrials Sector	(12.3)	74.2	20.8	27.5	29.2	16.8	13.9	10.9	0.4	0.8	0.5
India	MSCI India Industrials Sector	(0.9)	29.4	30.7	6.8	30.8	23.8	18.2	17.5	1.0	0.8	2.7
China	MSCI China Industrials Sector	89.1	3.0	13.8	20.0	15.8	15.4	13.5	11.2	5.2	1.1	0.7
Metals												
Brazil	MSCI Brazil Metals & Mining Industry	58.6	3.3	24.1	8.1	13.7	13.3	10.7	9.9	4.2	0.6	1.3
Russia	MSCI Russia Metals & Mining Industry	48.2	(1.3)	(3.3)	(7.2)	9.7	9.8	10.1	10.9	NA	NA	NA
India	MSCI India Metals & Mining Industry	12.5	21.2	22.6	NA	14.2	11.6	9.5	NA	0.7	0.5	NA
China	MSCI China Metals & Mining Industry	(2.5)	20.1	7.2	9.6	16.9	14.1	13.1	12.0	0.8	2.0	NA

Source: Thomson Datastream.

Valuation summary of BRICs sectors (2)

Valuation summary of BRICs sectors, June 4, 2008

Earnings growth (%), P/E (X) and PEG ratio of regional indices

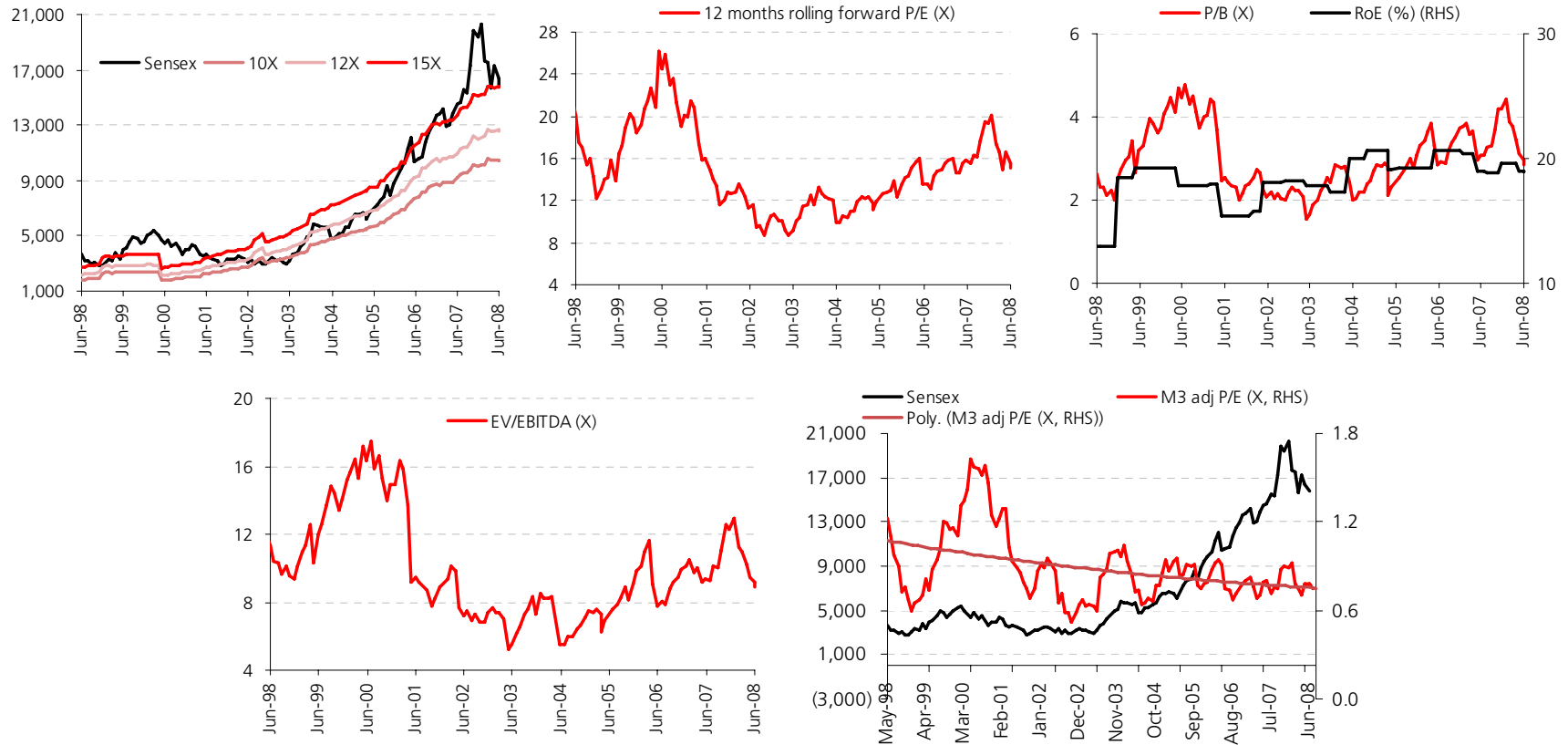
Index		Earnings growth (%)				P/E (X)				PEG ratio (X)		
		2007	2008E	2009E	2010E	2007	2008E	2009E	2010E	2007	2008E	2009E
Property												
Brazil	MSCI Brazil Real Estate Industry Group	NA	606.1	48.7	33.2	117.1	16.6	11.2	8.4	NA	0.3	NA
India	MSCI India Real Estate Industry Group	181.9	21.2	70.1	37.9	21.2	17.5	10.3	7.1	1.0	0.2	0.3
China	MSCI China Real Estate Industry Group	52.8	23.5	37.4	25.8	16.6	13.4	9.8	7.7	0.7	0.4	0.4
Technology												
Brazil	MSCI Brazil Information Technology Sector	565.9	34.7	20.2	14.2	31.9	23.7	19.7	17.2	0.9	1.2	1.4
India	MSCI India Software & Services Industry Gr	18.9	15.3	12.8	17.6	22.4	18.5	16.4	14.0	1.5	1.4	0.9
China	MSCI China Software & Services Industry Gr	24.1	17.7	28.2	29.1	43.7	37.2	29.0	22.5	2.5	1.3	1.0
Telecom												
Brazil	MSCI Brazil Telecommunication Services Sec	105.0	(2.5)	12.4	22.3	10.9	11.2	10.0	8.1	NA	0.9	0.4
Russia	MSCI Russia Diversified Telecommunications	11.5	7.7	35.7	10.3	28.2	26.2	19.3	17.5	3.7	0.7	1.9
India	MSCI India Telecommunication Services Sec	41.6	27.8	20.3	12.5	25.5	19.7	16.4	14.5	0.9	1.0	1.3
China	MSCI China Telecommunication Services Ser	20.7	24.2	15.7	14.3	24.6	19.8	17.1	15.0	1.0	1.3	1.2
Utilities												
Brazil	MSCI Brazil Utilities Sector	3.4	10.3	9.6	22.4	12.5	11.3	10.3	8.4	1.2	1.2	0.5
Russia	MSCI Russia Utilities Sector	(63.0)	16.4	5.2	171.6	40.3	34.6	32.9	12.1	2.5	6.7	0.2
India	MSCI India Utilities Sector	1.2	9.1	14.1	19.5	20.8	21.3	18.6	14.3	2.3	1.5	1.0
China	MSCI China Utilities Sector	9.2	(3.4)	19.4	11.0	15.7	16.2	13.6	12.5	NA	0.8	1.2

Source: Thomson Datastream.

BSE-Sensex key parameters

Key fundamental indicators of BSE Sensex

Sensex (BSE-30) P/B, EV/EBITDA and 12-month forward rolling P/E, May 1998 - current



Source: Bloomberg, Company reports, Kotak Institutional Equities.

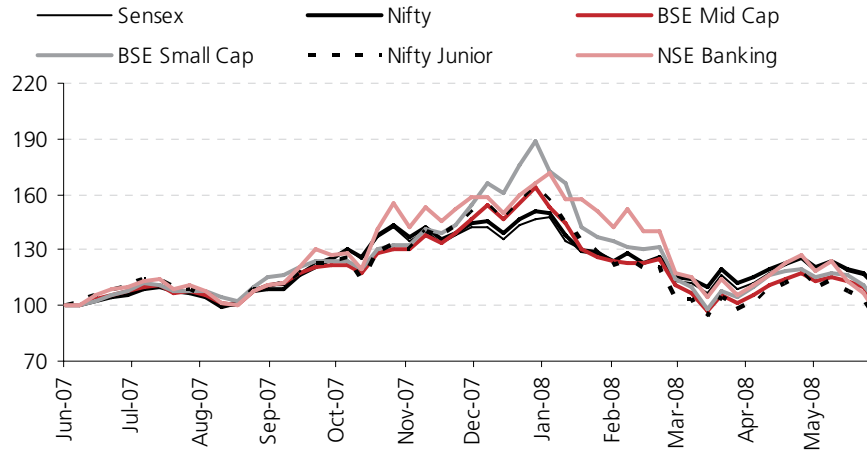
Market performance

- Performance of benchmark indices
- Performance of global indices
- Pricing performance of Sensex sectors
- Top gainers and losers (Stocks under Kotak coverage)

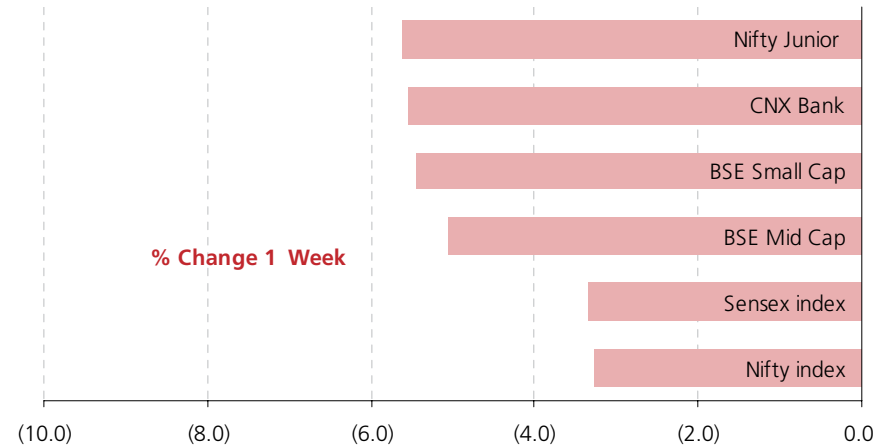
Relative performance of Indian markets

Key performance of benchmark indices

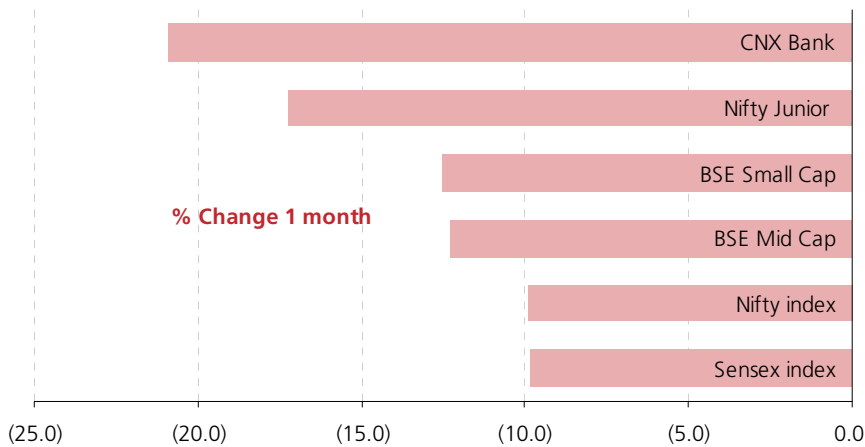
(base 100 as of June, 2007)



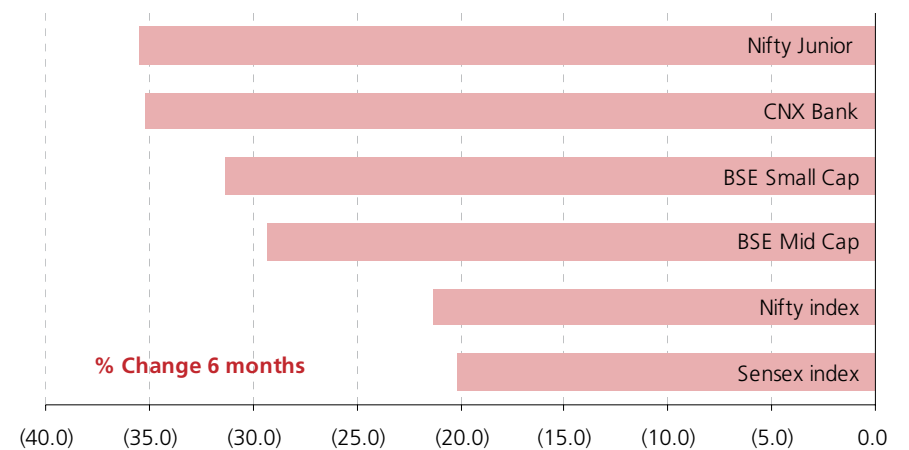
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



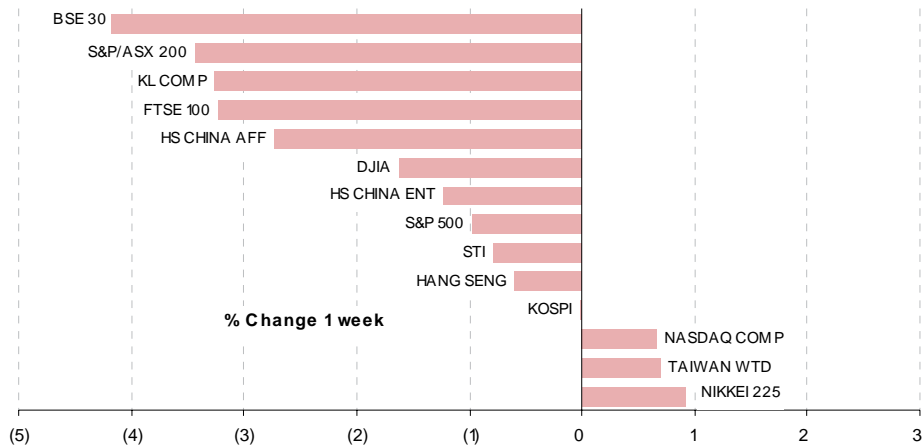
6-month performance of the benchmark indices



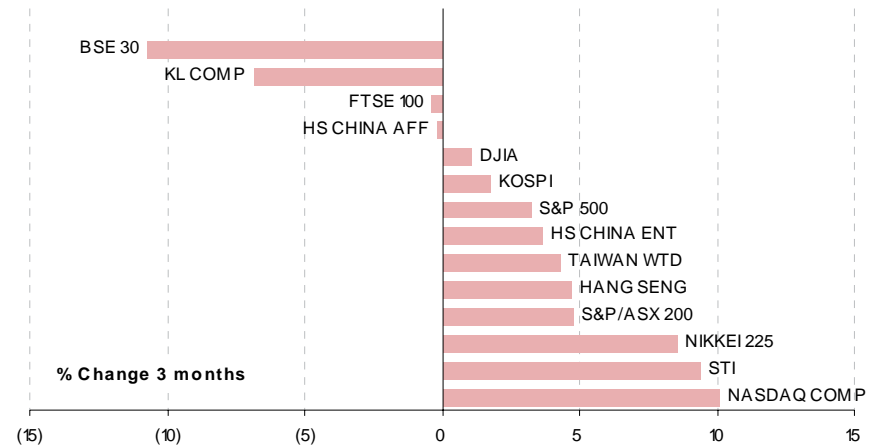
Source: Bloomberg, Kotak Institutional Equities.

BSE-Sensex versus regional indices

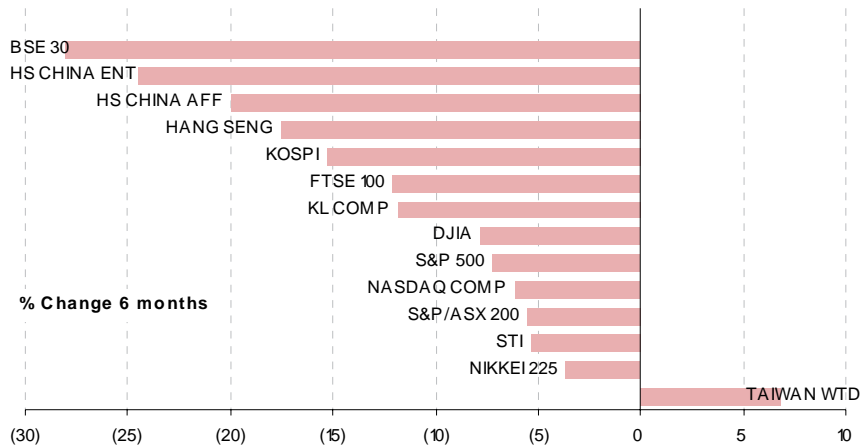
Weekly performance



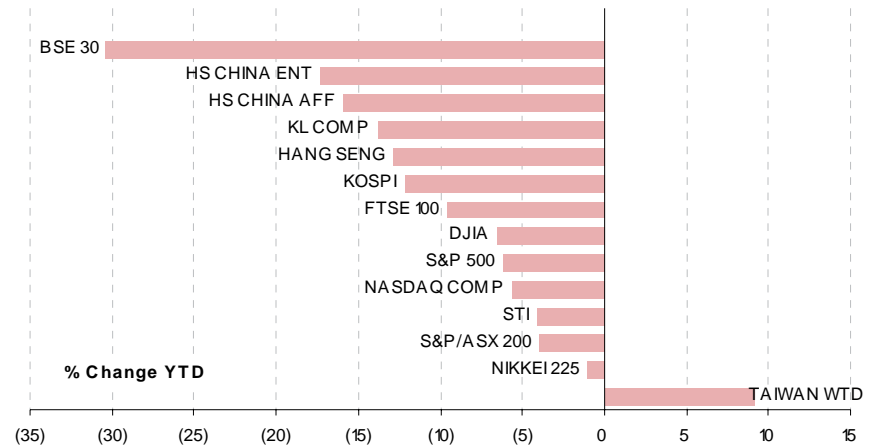
3-month performance



6-month performance



Year-to-date performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities.

Kotak Institutional Equities Research, June 6, 2008

Sectoral performance

Market performance of Sensex sectors, June 5, 2008

	Mkt cap.	Change (%)						Relative change (%)			
	(US\$ m)	1-Day	1-mo	3-mo	6-mo	1-Year	CYTD	1-Day	1-mo	6-mo	1-Year
Automobiles	17,171	0.2	(14.2)	(19.8)	(26.7)	(17.8)	(26.2)	(1.4)	(4.0)	(5.5)	(24.2)
Banking	69,130	1.9	(18.1)	(18.1)	(30.5)	0.2	(32.4)	0.2	(7.5)	(8.7)	(7.7)
Consumers	31,404	3.0	(1.4)	10.5	15.2	30.6	7.9	1.3	7.7	29.4	20.4
Cement	10,638	0.9	(13.9)	(22.2)	(42.1)	(17.4)	(39.3)	(0.7)	(3.7)	(18.3)	(23.9)
Diversified	5,996	4.8	(27.7)	(8.5)	(47.2)	-	(51.5)	3.1	(16.3)	(22.6)	39.3
Energy	116,460	1.4	(12.8)	(2.7)	(21.9)	18.8	(22.3)	(0.2)	(2.7)	(1.5)	9.5
Industrials	35,170	(1.7)	(18.9)	(23.2)	(43.3)	20.5	(39.6)	(3.3)	(8.2)	(19.3)	11.0
Metals	22,434	3.2	3.4	0.4	(4.2)	41.8	(11.3)	1.5	12.1	13.2	30.7
Pharmaceuticals	8,369	1.2	3.7	9.1	21.9	14.4	10.9	(0.4)	12.3	35.0	5.5
Property	21,401	(2.8)	(23.6)	(20.9)	(43.6)	-	(49.8)	(4.3)	(12.5)	(19.5)	-
Telecom	62,490	1.2	(5.5)	6.7	(16.9)	1.4	(21.8)	(0.5)	3.9	2.7	(6.5)
Technology	74,570	4.5	7.5	21.4	8.3	(5.6)	1.9	2.8	15.8	23.7	(13.0)
Utilities	38,222	5.5	(17.7)	(16.0)	(33.5)	13.4	(36.2)	3.8	(7.2)	(11.2)	4.5
Sensex sum	513,455	1.6	(9.8)	(4.7)	(20.1)	8.5	(22.3)				

Source: Bloomberg, Kotak Institutional Equities.

Top gainers and losers

Top gainers and losers (stocks in Kotak Institutional Equities universe)

1-week performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Oil & Natural Gas Corporation	12.2	1 LANCO	(18.7)
2 Sun TV Network	8.6	2 ABG Shipyard	(17.9)
3 Jet Airways	7.5	3 Bharat Petroleum	(15.5)
4 Divi's Laboratories	7.3	4 BGR Energy Systems	(15.3)
5 IVR Prime Urban Developers	6.5	5 Sesa Goa	(14.4)
6 Sun Pharmaceuticals	5.0	6 Bank of Baroda	(14.2)
7 Infosys Technologies	5.0	7 Educomp Solutions	(13.9)
8 Ranbaxy Laboratories	4.3	8 Corporation Bank	(13.8)
9 Jindal Saw	3.9	9 Ambuja cements	(12.0)
10 Dr Reddy's Laboratories	3.6	10 Unitech	(11.9)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Ranbaxy Laboratories	23.5	1 India Infoline	(64.2)
2 Sun Pharmaceuticals	20.7	2 JSL	(57.8)
3 Piramal Healthcare	20.3	3 Rico Auto	(57.8)
4 Nestle India	16.9	4 Unitech	(57.2)
5 Asian Paints	14.3	5 DishTV	(55.9)
6 Satyam Computer Services	13.3	6 Jagran Prakashan	(55.5)
7 Infosys Technologies	11.8	7 ABG Shipyard	(54.3)
8 Hindustan unilever	11.3	8 HT Media	(52.4)
9 Hero Honda	10.4	9 Puravankara Projects	(52.3)
10 GlaxoSmithkline (India)	6.5	10 Jaiprakash Associates	(51.9)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Lakshmi	27.1	1 Unitech	(36.7)
2 JSW Steel	24.5	2 BGR Energy Systems	(32.9)
3 Lupin	18.5	3 JSL	(31.2)
4 Glaxo SmithKline Consumer	11.8	4 PFC	(30.2)
5 Infosys Technologies	10.8	5 India Infoline	(29.8)
6 Ranbaxy Laboratories	9.9	6 Jaiprakash Associates	(28.2)
7 Dr Reddy's Laboratories	9.7	7 Sobha	(27.9)
8 Mahindra Life Space Developer	8.4	8 Puravankara Projects	(27.7)
9 Wipro	7.9	9 Shree Cement	(27.0)
10 Mphasis BFL	6.4	10 Indian Bank	(26.7)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jindal Steel and Power	209.5	1 DishTV	(63.3)
2 Welspun Gujarat Stahl Rohren	122.0	2 Hexaware Technologies	(61.2)
3 Shriram Transport	116.1	3 Sobha	(51.8)
4 Sesa Goa	113.0	4 TVS Motor Co	(50.4)
5 Tata Power	108.4	5 Patni Computer Systems	(48.7)
6 Monnet Ispat	105.8	6 Maharashtra Seamless	(46.3)
7 Reliance Infrastructure	105.0	7 Siemens	(45.5)
8 LIC Housing Finance	89.4	8 HT Media	(44.7)
9 Educomp Solutions	88.6	9 Aventis Pharma	(44.1)
10 JSW Steel	86.5	10 Tech Mahindra	(44.0)

Source: Kotak Institutional Equities.

Fundamental & technical indicators

- Price-to-Earnings ratio analysis
- EV-EBTDA ratio analysis
- Volume momentum analysis

Price-to-Earnings ratio analysis

Companies trading at a premiums/discounts to the sector based on comparable companies covered by Kotak Institutional Equities

Premium to 1 year rolling forward P/E (%)

Company	Premium to sector
Cairn India	409.0
Centurion Bank of Punjab	213.8
United Breweries	211.7
HDFC	195.5
Aditya Birla Nuvo	189.8
Jindal Steel and Power	189.7

Discount to 1 year rolling forward P/E (%)

Company	Discount to sector
Maharashtra Seamless	73.4
Rajesh Exports	67.4
Monnet Ispat	64.5
Indian Bank	61.3
Union Bank	60.6
Dredging Corporation	57.9

Exhibit 19: Companies trading at lowest P/E in the Kotak universe

Lowest 1 year rolling forward P/E (X)

Company	Lowest P/E
Vardhman	3.4
Jindal Saw	5.1
Indian Bank	6.1
Union Bank	6.2
Maharashtra Seamless	6.4
Andhra Bank	6.9
Hindustan Petroleum	7.2
Oil & Natural Gas Corporation	7.3
Federal Bank	7.4
Corporation Bank	7.4

Exhibit 20: Companies trading at highest P/E in the Kotak universe

Highest 1 year forward P/E (X)

Company	Highest P/E
GMR Infrastructure	93.7
United Breweries	77.6
Aditya Birla Nuvo	54.0
Cairn India	53.5
Educomp Solutions	52.1
Reliance Infrastructure	38.4
ABB	36.5
Pantaloon Retail	35.9
Tata Power	34.5
Tata Communications	34.1

Companies trading at all-time high historical P/Es, indicating re-rating of the multiples by market

Company % discount to historical high

Company	% discount to historical high
HDFC	3.5
KEC	8.6
Tata Power	8.9
GE Shipping	12.6
Sterlite Industries	15.6
Monnet Ispat	15.9
Reliance Industries	15.9
ITC	16.2
Sun Pharmaceuticals	17.6
Dishman Pharma & Chemicals	18.9
Punjab National Bank	19.0
State Bank of India	19.8
Nestle India	20.2
Sintex	20.5
GAIL (India)	20.8
Andhra Bank	22.9

Note:

(a) Historical figures are generated since May 2000.

Source: Bloomberg, Kotak Institutional Equities

Enterprise Value-to-EBITDA ratio analysis

Companies trading at a premium to the sector based on comparable companies covered by Kotak Institutional Equities. Analysis done on 1- year forward EV-EBITDA

Trading at premium to the sectors

Premium to 1 year rolling forward EV/EBITDA (%)

Company	Sector premium
Cairn India	439.4
Reliance Infrastructure	186.4
Jindal Steel and Power	185.2
Ipca Laboratories	181.8
Petronet LNG	181.7

Trading at discount to sectors

Discount to 1 year rolling forward EV/EBITDA (%)

Company	Sector discount
MTNL	19.1
Maharashtra Seamless	23.4
Hexaware Technologies	26.9
Dredging Corporation	29.9
Tata Tea	34.6

Exhibit 23: Companies trading at highest EV/EBITDA amongst the Kotak coverage list

Highest 1 year rolling forward EV/EBITDA (X)

Company	Highest EV/EBITDA
GMR Infrastructure	29.5
Reliance Infrastructure	28.9
Tata Power	25.0
Ipca Laboratories	22.8
Aditya Birla Nuvo	21.8
Educomp Solutions	21.7

Exhibit 24: Companies trading at lowest EV/EBITDA amongst the Kotak coverage list

Lowest 1 year rolling forward EV/EBITDA (X)

Company	Lowest EV/EBITDA
MTNL	1.9
Maharashtra Seamless	2.9
Oil & Natural Gas Corporation	2.9
Hindustan Petroleum	3.0
Hexaware Technologies	3.4
Bharat Petroleum	3.4

Source: Bloomberg, Kotak Institutional Equities

Technical indicators

Volume momentum analysis

Volume Positive Momentum (5-day volume v/s 30-day volume)

Company	5-day average volumes	Price Change (%)	
		% increase (1 month basis)	
Aventis Pharma	27,553	267	(7.2)
Godrej Consumer Products	638,599	245	(3.8)
AIA Engineering	33,888	243	(15.2)
Hindustan Petroleum	3,135,857	124	(14.8)
Larsen & Toubro	2,803,662	102	(13.3)
GlaxoSmithkline (India)	80,926	80	3.0

Volume Negative Momentum (5-day volume v/s 30-day volume)

Company	5-day average volumes	Price Change (%)	
		% decrease (1 month basis)	
United Breweries	8,172	(96)	(20.5)
Lakshmi	4,965	(96)	27.1
Motherson Sumi	6,321	(90)	(9.7)
MMFSL	4,871	(88)	(6.9)
Jyothy Laboratories	3,719	(85)	(15.0)
Castrol India	50,672	(76)	(3.0)

Date	Sensex	Avg daily value traded (US\$ mn)	Institutional participation in total turnover	
			FII%	MF%
Apr-07	13,872	2,776	18.0	4.7
May-07	14,544	3,420	16.3	4.5
Jun-07	14,651	3,327	17.6	3.9
Jul-07	15,551	4,309	18.6	4.4
Aug-07	15,318	3,742	18.6	4.3
Sep-07	17,291	4,703	16.0	4.2
Oct-07	19,724	7,118	18.4	3.6
Nov-07	19,003	6,771	16.0	3.0
Dec-07	20,217	6,802	14.3	3.1
Jan-08	17,649	6,695	18.4	4.6
Feb-08	17,579	4,631	17.8	4.2
Mar-08	15,833	4,955	19.6	4.4
Apr-08	17,287	6,176	16.3	3.2
May-08	16,416	4,903	15.7	3.2
Jun-08	15,770	4,782	12.6	2.4

Source: Bloomberg, Kotak Institutional Equities.

Earnings momentum

- **Upgrades/downgrades in FY2009E**
- **Top changes in target prices in the past month**
- **Changes in ratings in the past month**

Changes in earnings estimates

Changes in earnings estimates in the past one week and one month

FY2009 Earning Upgrades (KIE) (1 week)

Company	% Change
1 Oil & Natural Gas Corporation	6.5
2 Sun Pharmaceuticals	5.6
3 Hindustan Petroleum	4.3
4 J&K Bank	3.1
5 Bharat Petroleum	1.5

FY2009 Earning Downgrades (KIE) (1 week)

Company	% Change
1 Punj Lloyd	(12.3)
2 Nagarjuna Construction Co.	(11.5)
3 Lanco	(5.8)
4 Indian Oil Corporation	(4.9)
5 Sobha	(3.4)

FY2009 earnings upgrades (KIE) (1 month)

Company	% Change
1 IVR Prime Urban Developers	52.8
2 Punjab National Bank	21.5
3 Oil & Natural Gas Corporation	15.7
4 Shriram Transport	8.9
5 Larsen & Toubro	7.0
6 Sun Pharmaceuticals	5.6
7 J&K Bank	3.1
8 IDFC	2.8
9 Bank of Baroda	2.4
10 Axis Bank	1.2
11 Tech Mahindra	0.5
12 India Infoline	0.5
13 Hindustan Unilever	0.4
14 Mahindra & Mahindra	0.2
15 SREI	0.0

FY2009 earnings downgrades (KIE) (1 month)

Company	% Change
1 HT Media	(39.9)
2 Indian Oil Corporation	(36.4)
3 Tata Motors	(35.2)
4 Hindustan Petroleum	(22.3)
5 Bharat Petroleum	(15.7)
6 Suzlon Energy	(12.8)
7 Punj Lloyd	(12.3)
8 Nagarjuna Construction Co.	(11.5)
9 NTPC	(8.6)
10 Dishman Pharma & chemicals	(6.9)
11 Lanco	(5.8)
12 IVRCL	(5.0)
13 Sobha	(3.4)
14 Indian Bank	(2.8)
15 ITC	(2.6)

Source:Kotak Institutional Equities estimates.

Changes in our target prices

Changes in target prices in the past 1 month

Upgrades in target prices (1 month)

	Company	% Change	New	Old
1	Sun Pharmaceuticals	14.7	1,720	1,500
2	Larsen & Toubro	5.9	3,600	3,400
3	Tech Mahindra	5.9	900	850
4	Housing Development & Infrast	3.8	960	925
5	Indian Oil Corporation	2.2	460	450

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	Tata Motors	(36.4)	525	825
2	Hindustan Petroleum	(35.0)	260	400
3	Andhra Bank	(22.9)	81	105
4	Mahindra & Mahindra Financial	(20.7)	230	290
5	Corporation Bank	(20.2)	375	470
6	Canara Bank	(20.0)	200	250
7	Oriental Bank of Commerce	(19.2)	210	260
8	HT Media	(17.8)	185	225
9	Bharat Heavy Electricals	(16.7)	1,750	2,100
10	SREI	(16.7)	200	240
11	Mahindra & Mahindra	(16.3)	720	860
12	Union Bank	(16.0)	210	250
13	BGR Energy Systems	(15.2)	390	460
14	Sobha	(14.1)	610	710
15	Bharat Petroleum	(12.5)	350	400
16	Punj Lloyd	(11.9)	370	420
17	Indian Bank	(11.8)	150	170
18	J&K Bank	(11.8)	750	850
19	ABB	(10.0)	1,125	1,250
20	Oil & Natural Gas Corporation	(9.4)	1,200	1,325
21	Indian Overseas Bank	(9.4)	145	160
22	PFC	(9.1)	150	165
23	Federal Bank	(8.8)	310	340
24	Nagarjuna Construction Co.	(8.1)	285	310

Source: Kotak Institutional Equities.

Changes in our ratings

Changes in ratings over the past 1 month

Company name		Rating	
		Current	Previous
AIA Engineering	Downgraded	REDUCE	BUY
Andhra Bank	Downgraded	REDUCE	BUY
Canara Bank	Downgraded	SELL	REDUCE
Corporation Bank	Downgraded	ADD	BUY
Hindustan Petroleum	Downgraded	REDUCE	BUY
Indian Overseas Bank	Downgraded	REDUCE	ADD
Mahindra & Mahindra	Downgraded	ADD	BUY
Tata Motors	Downgraded	SELL	BUY
Tech Mahindra	Downgraded	ADD	BUY

Company name		Rating	
		Current	Previous
BGR Energy Systems	Upgraded	ADD	REDUCE
Bharat Heavy Electricals	Upgraded	ADD	REDUCE
HDFC	Upgraded	ADD	REDUCE

Source:Kotak Institutional Equities.

Flows

- Trend in equity flows
- FII flows in other emerging markets
- IPO analysis
- Bulk deals
- Delivery position analysis
- Open interest analysis

Trend in equity flows

Net investments by mutual funds and FIIs in the cash market (US\$ mn)

	FII	MF
CY 1999	1,537	0
CY 2000	1,462	(150)
CY 2001	2,807	(1,110)
CY 2002	751	(685)
CY 2003	6,658	118
CY 2005	8,382	(217)
CY 2006	8,632	3,585
CY 2007	17,335	1,525
CY 2008	(4,400)	1,463
Jan	(4,271)	1,848
Feb	1,211	125
Mar	31	(459)
Apr	315	(6)
May	(1,158)	(83)
June	(527)	37

Net foreign flows in the Derivatives market (US\$ mn)

	Index Futures	Index Options	Stock Futures	Stock Options
CY2004	(91)	608	(796)	4
CY2005	(676)	2,199	(668)	(42)
CY 2006	345	3,950	(3,690)	(83)
CY2007	(772)	12,436	(11,600)	(170)
CY2008	965	7,760	2,013	240
Jan	(573)	1,479	1,566	(21)
Feb	563	1,379	334	(21)
Mar	1,122	822	394	32
Apr	1,162	2,299	(26)	119
May	(755)	1,450	(384)	105
June	(554)	331	129	25

Source: Bloomberg, Kotak Institutional Equities

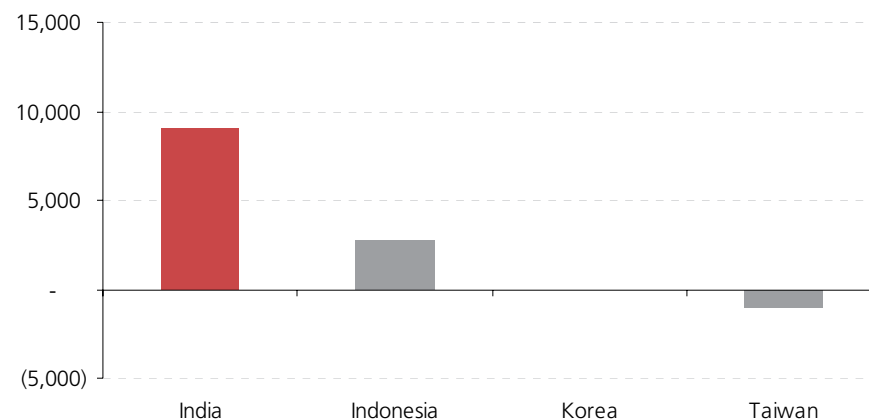
FII flows in other emerging markets

FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
7-May-08	56	72	(6)	1	81
8-May-08	(495)	20	(10)	0	(100)
9-May-08	(295)	(1)	(8)	(0)	(92)
12-May-08	(200)	4	91	(1)	(31)
13-May-08	433	45	3	(1)	46
14-May-08	459	2	(2)	0	64
15-May-08	765	19	(1)	1	181
16-May-08	742	45	(6)	3	14
20-May-08	(158)	-	(8)	3	(79)
21-May-08	(410)	(17)	(7)	1	(152)
22-May-08	(500)	5	(2)	3	(137)
23-May-08	(81)	37	2	1	(124)
26-May-08	(78)	(52)	(6)	(1)	(276)
27-May-08	(57)	(3)	3	(1)	(88)
28-May-08	(186)	6	(2)	(3)	(182)
29-May-08	257	34	(1)	(2)	(269)
30-May-08	271	39	2	(5)	63
2-Jun-08	333	(6)	(5)	(2)	(87)
3-Jun-08	(322)	(46)	(2)	(3)	(236)
4-Jun-08	(80)	(9)	(1)	(3)	(205)
Total	455	193	35	(10)	(1,607)

Net investments by FIIs in the cash market (US\$ mn) over last 1 year



Source: Bloomberg.

IPO analysis

Market performance since IPO/ Follow on offering

Name	Shares (mn)	Price (Rs)	Value (Rs mn)	Date of Listing	Price		Performance (%)	
					Day 1	Latest	Day 1	Since Listing
Aishwarya Telecom Limited	4	35	140	07-May-08	91	73	160	110
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	30	26	1
Rural electrification	156	105	16,393	11-Mar-08	121	102	15	(3)
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	220	(11)	(33)
IRB Infrastructure Developers Ltd	51	220	11,233	25-Feb-08	189	188	(14)	(15)
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	90	(14)	(50)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	106	2	(22)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	101	(14)	(16)
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	22	17	(50)
Reliance Power Ltd	260	450	117,000	11-Feb-08	373	199	(17)	(56)
Future Capital Holding	6	765	4,913	31-Jan-08	908	440	19	(43)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	81	(8)	(46)
Porwal Auto Components	5	75	375	14-Jan-08	80	22	6	(70)
Aries Agro Limited	5	130	585	11-Jan-08	252	118	94	(9)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	75	5	(53)
BGR	9	480	4,385	03-Jan-08	901	304	88	(37)
Burnpur Cement	22	12	263	03-Jan-08	46	19	286	56
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	362	57	(22)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	175	(3)	(55)
Eclerx Services	3	315	1,010	31-Dec-07	448	238	42	(24)
Jyothy Lab	4	690	3,057	19-Dec-07	793	511	15	(26)
Kaushalya Infra	9	60	510	14-Dec-07	82	30	37	(50)
Empee Distilleries	5	400	1,920	26-Nov-07	318	141	(21)	(65)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	658	119	49
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	668	83	(19)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	64	10	(57)
Kolte Patil	19	145	2,755	13-Dec-07	181	100	25	(31)
Maytas Infra	9	370	3,275	25-Oct-07	614	512	66	38
Consolidated Construction	4	510	1,887	15-Oct-07	791	588	55	15
Religare Enterprises	76	185	1,402	21-Nov-07	521	390	182	111
Supreme Infrastructure	35	108	375	18-Oct-07	175	76	62	(29)
Dhanus Technologies	38	295	1,131	17-Oct-07	311	275	5	(7)
Koutons Retail	35	415	1,462	12-Oct-07	590	750	42	81
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	88	92	69
Magnum Ventures	176	30	529	20-Sep-07	49	13	62	(57)
Indowind Energy	125	65	813	14-Sep-07	115	60	76	(7)
Motilal Oswal Financial	30	825	2,461	11-Sep-07	977	725	18	(12)
Puravankara Projects	215	400	8,587	30-Aug-07	362	217	(10)	(46)
KPR Mill	59	225	1,330	28-Aug-07	174	99	(23)	(56)
TakeSolutions	21	730	1,533	27-Aug-07	926	667	27	(9)
Central Bank of India	800	102	8,160	21-Aug-07	115	76	13	(25)
SEL manufacturing	41	90	372	21-Aug-07	142	506	58	463
Refex Refrigerants	38	65	247	20-Aug-07	62	231	(5)	255
Zylog Systems	36	350	1,260	17-Aug-07	431	220	23	(37)
IVR Prime	142	550	7,783	16-Aug-07	418	226	(24)	(59)
OMAXE Ltd	178	310	5,517	09-Aug-07	349	185	13	(40)
Alpa Laboratories	95	68	646	06-Aug-07	55	21	(19)	(69)

Source: Bloomberg and Kotak Institutional Equities.

Forthcoming IPO/Follow on offerings

Company Name	Issue
RELIANCE INFRATEL LTD.	IPO
ADANI POWER LTD.	IPO
JAIPRAKASH POWER VENTURES LTD.	IPO
JSW ENERGY LTD.	IPO
FUTURE VENTURES INDIA LTD.	IPO
BHARAT OMAN REFINERIES LTD.	IPO
KSK ENERGY VENTURES LTD.	IPO
UTI ASSET MANAGEMENT CO.LTD.	IPO
OIL INDIA LTD.	IPO
ACME TELE POWER LTD.	IPO
MAHINDRA HOLIDAYS & RESORTS INDIA LTD.	IPO
D.B.CORP.LTD.	IPO
PIPAVAV SHIPYARD LTD.	IPO
GODREJ PROPERTIES LTD.	IPO
MULTI COMMODITY EXCHANGE OF INDIA LTD.	IPO
COX & KINGS (INDIA) LTD.	IPO
RAMKY INFRASTRUCTURE LTD.	IPO
RITES LTD.	IPO
AJANTA MANUFACTURING LTD.	IPO
ASHOKA BUILDCON LTD.	IPO
AUSTRAL COKE & PROJECTS LTD.	IPO
PRIDE HOTELS LTD.	IPO
VIRGO ENGINEERS LTD.	IPO
TRIVENI INFRASTRUCTURE DEVELOPMENT CO.LTD.	IPO
RESURGERE MINES & MINERALS INDIA LTD.	IPO
TCG LIFESCENCES LTD.	IPO
APOLLO HEALTH STREET LTD.	IPO
MICROSEC FINANCIAL SERVICES LTD.	IPO
BIRLA COTSYN (INDIA) LTD.	IPO
INFINITY INFOTECH PARKS LTD.	IPO
PNC INFRATECH LTD.	IPO
SURYA FOODS & AGRO LTD.	IPO
EURO MULTIVISION LTD.	IPO
VRL LOGISTICS LTD.	IPO
ARSS INFRASTRUCTURE PROJECTS LTD.	IPO
MAN INFRACONSTRUCTION LTD.	IPO
NU TEK INDIA LTD.	IPO
MANDHANA INDUSTRIES LTD.	IPO
SHANKARA PIPES INDIA LTD.	IPO
JHAVERI FLEXO INDIA LTD.	FPO
NKG INFRASTRUCTURE LTD.	IPO
CHIRIPAL INDUSTRIES LTD.	IPO
INFINITE COMPUTER SOLUTIONS (INDIA) LTD.	IPO
VVAJ INFRASTRUCTURE LTD.	IPO

Source: Primedatabase.

Bulk Deals

Major bulk/block deals

Deal Date	Scrip Name	Action	Quantity	Price	Value		Exchange
					(Rs mn)		
03-Jun	Shriram City	BUY	771483	389	300		BSE
03-Jun	Balrampur Chini Mills	SELL	2179542	80	175		NSE
03-Jun	Ganesh Housing Corp Ltd	BUY	520669	311	162		NSE
03-Jun	Ganesh Housing Corp Ltd	SELL	520669	311	162		NSE
29-May	Maha Tel Nigam Ltd.	SELL	1691200	95	160		NSE
30-May	Mercator Lines Limited	BUY	1303053	117	153		NSE
30-May	Maha Tel Nigam Ltd.	SELL	1470741	94	138		NSE
04-Jun	Bharat Bijlee Ltd	BUY	69434	1822	127		NSE
04-Jun	Bharat Bijlee Ltd	SELL	69175	1822	126		NSE
29-May	Piramal Life Sciences Lim	SELL	227000	449	102		NSE
29-May	Piramal Life Sciences Lim	SELL	297067	343	102		NSE
29-May	Piram Life	SELL	270000	364	98		BSE
03-Jun	Prajay Eng S	BUY	500000	195	98		BSE
03-Jun	Prajay Eng S	SELL	500000	195	98		BSE
30-May	Uniphos Enterprises Limit	SELL	2035000	44	90		NSE
30-May	Piramal Life Sciences Lim	SELL	288563	305	88		NSE
30-May	Rallis India Ltd.	BUY	203511	420	85		NSE
03-Jun	Strides Arcolab Limited	SELL	500000	154	77		NSE
29-May	Arvind Mills Ltd.	SELL	1621105	47	76		NSE
30-May	Prajay Engineers Syndicat	SELL	324654	219	71		NSE
30-May	Prajay Engineers Syndicat	BUY	323728	219	71		NSE
30-May	Rallis India Ltd.	SELL	152115	420	64		NSE
29-May	Alok Industries Limited	BUY	1000000	63	63		NSE
30-May	Piramal Life Sciences Lim	BUY	200000	303	61		NSE
29-May	Kohinoor Foods Limited	SELL	700000	83	58		NSE
29-May	Oswal Chem & Fert Ltd.	SELL	1455300	38	55		NSE
03-Jun	Oriental Hotels Ltd	SELL	200000	260	52		NSE

Source: BSE, NSE.

Delivery positions

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Apollo Hospitals Enterprise	26	94
Castrol (India) Limited	35	75
Gail India Ltd	23	55
Glaxosmithkline Consumer Hea	67	99
Oriental Bank Of Commerce	37	68
Indian Overseas Bank	27	58
Jagran Prakashan Limited	70	98
Divi'S Laboratories Ltd	15	43
Rico Auto Industries Ltd	55	81

Decrease in delivery % (KIE universe)

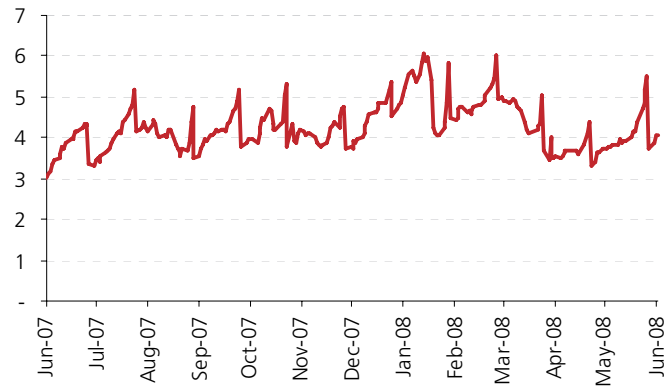
Name	Delivery %	
	Previous week	Current week
Dishman Pharmaceuticals & Ch	99	43
Sobha Developers Ltd	60	9
Aia Engineering Ltd	71	26
Glaxosmithkline Pharmaceutic	84	40
Indian Bank	69	25
Consolidated Construction Co	77	35
Andhra Bank	58	18
Mahindra & Mahindra Fin Secs	91	54
Godrej Consumer Products Ltd	79	43

Source: Bloomberg and Kotak Institutional Equities.

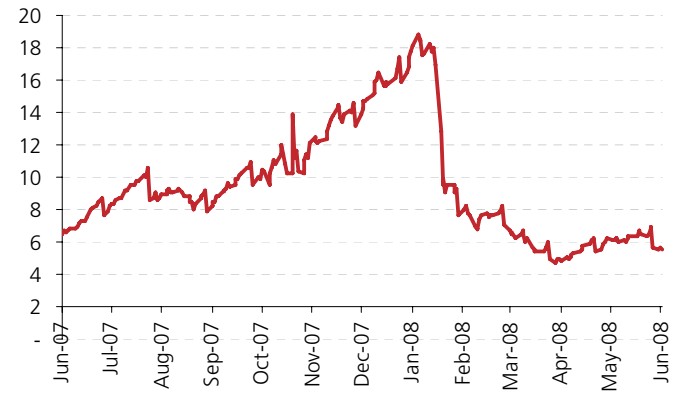
Open interest analysis

National Stock Exchange (US\$ bn)

India Index futures open interest



India stock futures open interest

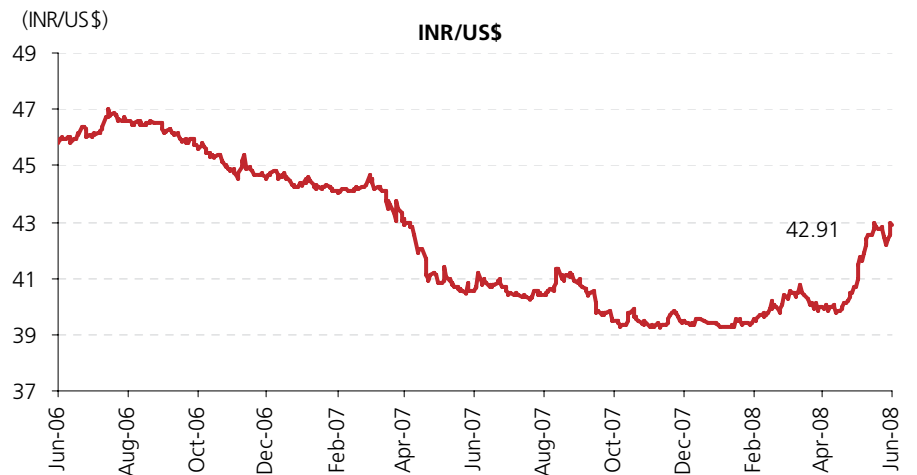
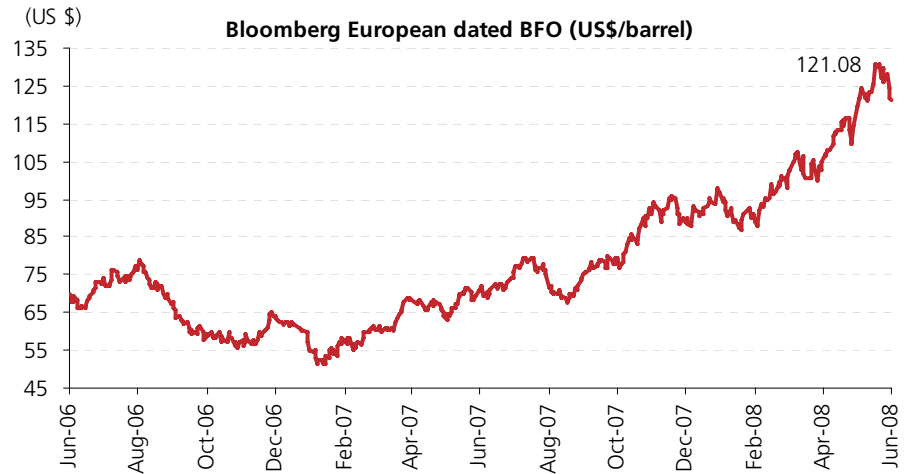
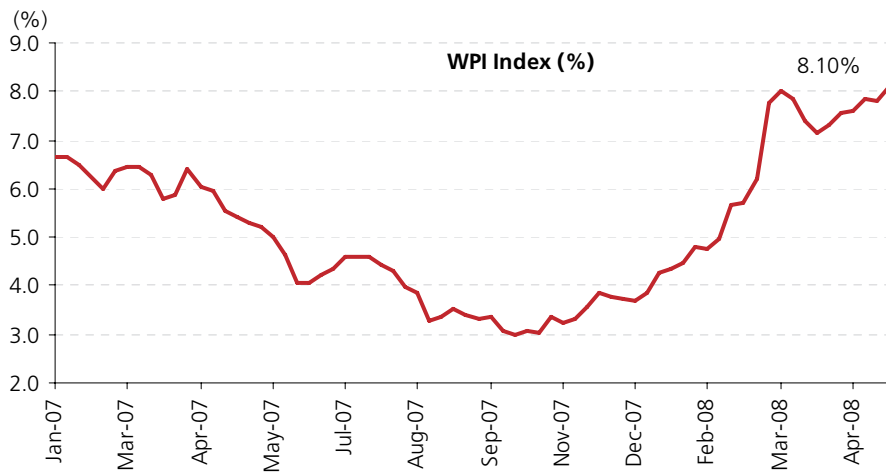
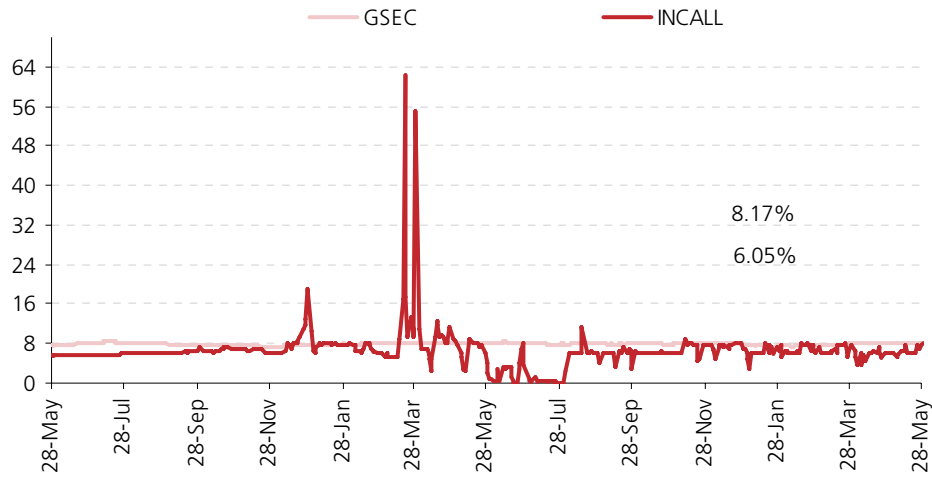


Source: Bloomberg and Kotak Institutional Equities.

Economic indicators

Economic indicators

Key economic parameters



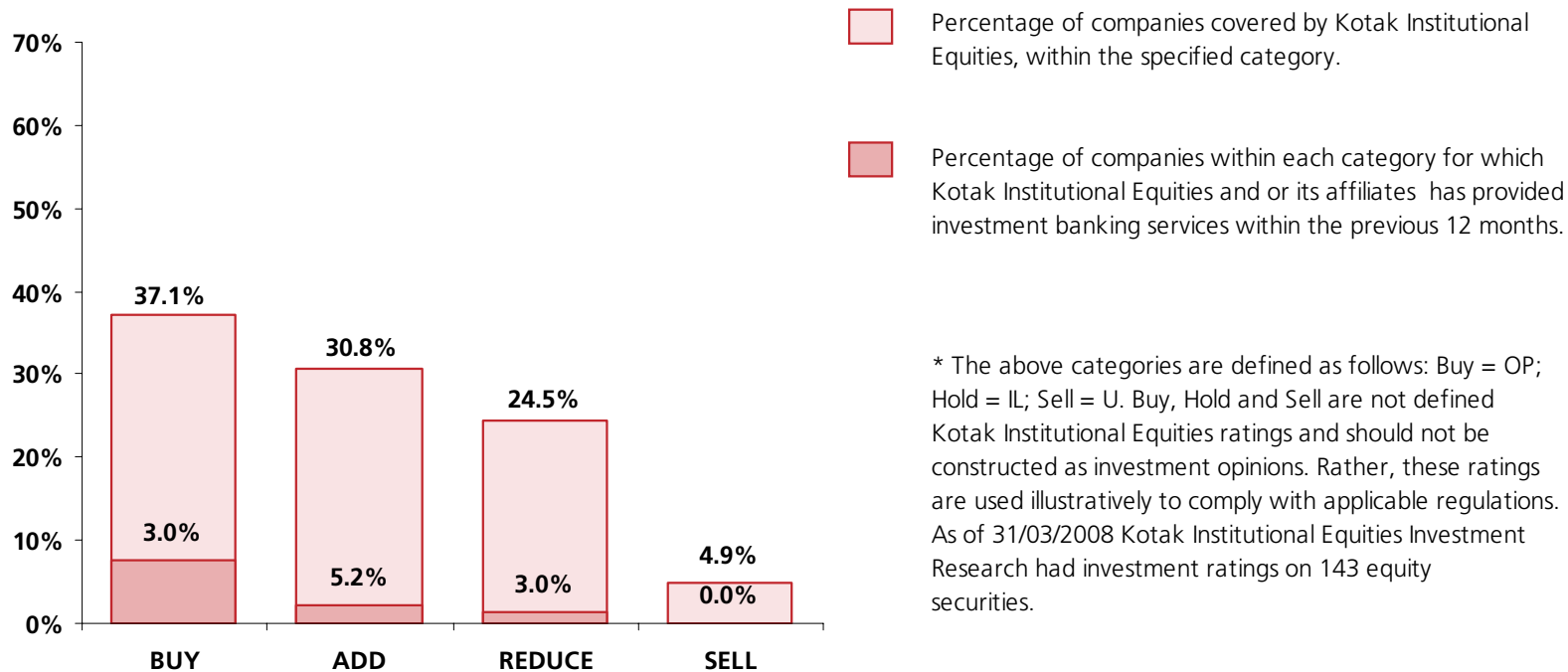
Source: Bloomberg and Kotak Institutional Equities.

Kotak valuation summary

Disclosures

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities.

As of March 31, 2008

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Ratings and other definitions/identifiers

New rating system

Definitions of ratings

BUY. We expect this stock to outperform the BSE Sensex by 10% over the next 12 months.

ADD. We expect this stock to outperform the BSE Sensex by 0-10% over the next 12 months.

REDUCE: We expect this stock to underperform the BSE Sensex by 0-10% over the next 12 months.

SELL: We expect this stock to underperform the BSE Sensex by more than 10% over the next 12 months

Old rating system

OP = Outperform. We expect this stock to outperform the BSE Sensex over the next 12 months.

IL = In-Line. We expect this stock to perform in line with the BSE Sensex over the next 12 months.

U = Underperform. We expect this stock to underperform the BSE Sensex over the next 12 months.

Other definitions

Coverage view. The coverage view represents each analyst's overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: Attractive (A), Neutral (N), Cautious (C).

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