

June 22, 2007

India Strategy Friday Flash

BSE-30: 14,499

India

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**Kotak Institutional Equities
Research**

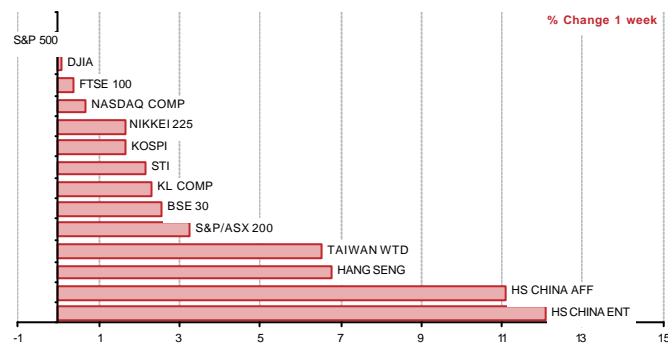
Important disclosures appear at the back of this report.

Moves along regional indices. During the week to June 21 (Thursday), the Sensex gained 296 points (2%) to close at 14,499. The gain can be attributed to Banking sector which contributed 122 points to the Sensex rise. Technology stocks were major draggers pulling the Sensex down by 93 points. Institutional flows continued to remain positive with FIIs investing US\$126mn during the week.

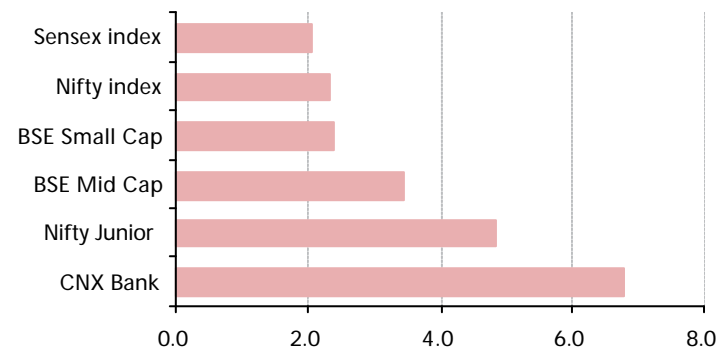
Market highlights for the week ending Thursday, June 21, 2007

- Largest gainers: Kalpataru (17%), Hindustan Zinc (16%), Divi's Lab (14%)
- Largest losers: Vardhman (-8%), PVR (-6%), Rico (-5%)

Relative performance of regional indices (% Change 1 Week)



Relative performance of Indian indices (% Change 1 Week)



Source: Company, Bloomberg, Kotak Institutional Equities., Note: _ indicates that the figure is not available

Our Top Recommendations

Exhibit 1: Kotak Institutional Equities, Top 10

21-Jun-07		Rating	CMP (Rs)	Mkt Cap (mn USD)	Target (Rs)	EPS (Rs)			P/E (X)			EV/EBDITA (X)			Liquidity: 3mo (Rs mn)
Companies	Sector					2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	
Larsen & Toubro	Industrials	OP	2,107	14,783	2,125	65.1	73.3	87.9	32.4	28.7	24.0	21.2	17.7	14.6	184
Infosys technologies	Technology	OP	1,957	27,571	2,300	67.0	83.8	103.4	29.2	23.4	18.9	24.2	18.7	14.3	3,811
Punjab National Bank	Banking	OP	527	4,079	610	48.8	60.5	66.3	10.8	8.7	7.9	0.0	0.0	0.0	430
Tata Power	Utilities	IL	637	3,325	670	20.2	33.4	44.3	31.6	19.1	14.4	15.3	10.9	9.2	214
Oil & Natural Gas Corporation	Energy	OP	913	47,929	1,075	86.8	99.1	99.3	10.5	9.2	9.2	4.5	3.9	3.6	1,112
Wipro	Technology	OP	524	18,764	655	20.3	24.3	30.4	25.9	21.5	17.2	21.0	16.3	12.2	783
Bharat Heavy Electricals	Industrials	OP	1,482	17,807	1,350	48.7	63.6	74.5	30.4	23.3	19.9	14.3	13.5	11.2	1,605
HDFC Bank	Banking	IL	1,103	8,650	1,180	35.7	46.1	59.2	30.9	23.9	18.6	0.0	0.0	0.0	872
Maruti Udyog	Automobiles	OP	761	5,402	910	54.0	58.4	68.5	14.1	13.0	11.1	7.1	5.9	5.0	688
Mid Cap Basket															
Indian Overseas Bank	Banking	OP	115	1,536	150	18.5	20.6	23.0	6.2	5.6	5.0	0.0	0.0	0.0	45
Kalpataru	Transmission	OP	1,513	984	1,495	60.2	77.4	91.8	25.2	19.5	16.5	15.6	12.4	10.1	66
Mahindra Gescoc	Property	OP	550	567	920	10.1	16.3	44.4	54.5	33.8	12.4	30.9	20.6	9.9	400
NCCL	Construction	OP	176	898	204	7.3	8.9	12.0	24.1	19.8	14.7	16.4	12.0	9.5	186
Maharashtra Seamless	Industrials	OP	644	1,120	600	32.7	42.6	46.3	19.7	15.1	13.9	12.2	8.9	7.7	123
BSE-30			14,499												

Source: Company, Bloomberg, Kotak Institutional Equities.

Our Model Portfolio

Exhibit 2: Kotak Institutional Equities Model Portfolio

Company	21-Jun Price (Rs)	Rating	Weightage, %		Diff (bps)
			BSE-30	KS Reco	
Punjab National Bank	527	OP	-	2.0	200
State Bank of India	1,446	OP	3.7	3.0	-
Indian Overseas Bank	115	OP	-	0.8	80
Banking			3.7	6.5	280
HDFC Bank	1,103	IL	3.2	5.2	200
ICICI Bank	950	IL	9.1	9.1	-
HDFC	1,849	IL	4.6	-	(464)
Pvt Banking/ Financing			17.0	14.3	(264)
Infosys Technologies	1,957	OP	9.7	11.7	200
Satyam Computer Services	467	IL	3.2	3.2	-
Wipro	524	OP	1.7	3.7	200
Technology			17.3	18.6	139
Reliance Industries	1,733	U	14.4	10.1	(429)
Chemicals			14.4	10.1	(429)
Hindustan Lever	189	IL	2.4	0.4	(200)
ITC	154	OP	4.6	4.6	-
Consumers			7.0	5.0	(200)
Ranbaxy Laboratories	356	OP	1.1	1.1	-
Sun Pharmaceuticals	1,032	OP	-	1.0	100
Pharmaceuticals			3.2	2.1	(109)
Tata Motors	687	OP	1.9	1.9	-
Maruti Udyog	761	OP	1.0	3.0	200
Bajaj Auto	2,178	OP	1.7	1.7	-
Automobiles			5.4	6.6	121

Company	21-Jun Price (Rs)	Rating	Weightage, %		Diff (bps)
			BSE-30	KS heco	
Bharat Heavy Electricals	1,482	OP	2.6	4.6	200
Larsen & Toubro	2,107	OP	5.4	7.4	200
Industrials			8.0	12.0	400
NTPC	150	IL	2.1	2.1	-
Tata Power	637	IL	-	2.0	200
Utilities			3.1	4.1	106
Grasim Industries	2,507	OP	2.0	2.0	-
ACC	855	IL	1.1	1.1	-
Cement			4.6	3.1	(149)
Bharti Airtel Limited	818	U	6.1	3.7	(239)
Reliance Communication	517	U	1.8	-	(176)
Telecom			7.9	3.7	(415)
Maharashtra Seamless	644	OP	-	0.8	80
NCCL	176	OP	-	0.8	80
Mahindra Gesco	550	OP	-	0.8	80
Kalpataru	1,513	OP	-	0.8	80
Infrastructure basket			-	3.2	320
Oil & Natural Gas Corporation	913	OP	4.1	6.1	200
Bharat Petroleum	348	OP	-	0.5	50
Reliance Petroleum	97	OP	-	0.5	50
Energy			4.1	7.1	300
Tata Iron & Steel Co	608	U	3.1	3.1	-
Sterlite Industries	598	OP	-	0.5	50
Metals			4.5	3.6	(94)
BSE-30			100.0	100.1	5

Source: Bloomberg, BSE, Kotak Institutional Equities. Note the weightages are with respect to February 28, 2006 prices.

Sensex Valuation Summary

Exhibit 3: Valuation summary of BSE-30 sectors

21-Jun-07	Mkt cap	EPS Growth, %				PER (X)			EV/EBITDA (X)		Price/BV (X)		Div Yield (%)		RoE, %	
Company	(US\$ m)	2006	2007E	2008E	2009E	2007	2008E	2009E	2007E	2008E	2007E	2008E	2007E	2008E	2007E	2008E
Banking	59,775	13.3	14.2	20.6	17.4	23.5	19.5	16.6	—	—	3.9	3.1	1.0	1.1	16.4	16.0
Technology	80,615	28.6	44.4	25.3	22.9	27.0	21.6	17.6	20.2	15.8	9.1	7.0	1.0	1.4	33.5	32.6
Chemicals	59,279	22.6	21.8	(10.0)	45.7	22.5	25.0	17.2	13.2	14.1	3.3	3.0	0.6	0.7	14.6	11.9
Consumers	24,410	21.2	18.9	16.0	13.8	23.5	20.3	17.8	15.9	12.7	7.3	6.5	2.6	2.9	31.2	31.9
Pharmaceuticals	9,868	(15.1)	136.7	(17.2)	20.0	17.7	21.4	17.8	12.8	14.5	3.8	3.4	1.4	1.4	21.3	15.7
Metals	13,641	6.3	34.3	(13.1)	(11.6)	7.9	9.1	10.3	4.6	4.3	1.8	1.3	1.9	2.6	22.9	14.0
Automobiles	20,888	25.1	17.1	8.3	14.2	15.6	14.4	12.6	7.5	6.7	3.8	3.2	1.8	2.0	24.1	22.0
Energy	47,929	14.0	18.2	14.2	0.3	10.5	9.2	9.2	4.5	3.9	2.2	1.9	3.3	3.6	20.8	21.0
Industrials	32,357	57.2	55.2	23.5	19.1	31.3	25.3	21.3	16.8	15.1	8.1	6.3	0.6	0.7	25.8	24.8
Cement	13,989	28.9	82.6	9.9	4.4	13.4	12.2	11.7	7.7	6.8	3.6	2.8	1.0	1.1	26.5	23.0
Telecom	64,078	(107.4)	192.9	54.4	37.0	34.8	22.5	16.4	19.2	12.8	8.8	6.4	—	—	25.2	28.5
Utilities	33,306	17.0	11.6	7.1	11.1	18.5	17.3	15.6	12.3	12.3	2.3	2.2	2.1	2.2	12.7	12.6
bse30	460,136	20.4	33.3	13.4	16.6	19.9	17.6	15.1	10.9	9.8	4.1	3.4	1.3	1.5	20.5	19.4
BSE-30 ex-Energy	412,207	22.4	37.6	13.2	20.6	22.3	19.7	16.3	13.4	11.8	4.5	3.8	1.0	1.2	20.4	19.1
BSE-30 ex-Energy ex Com	339,287	24.8	41.5	20.7	19.9	23.9	19.8	16.5	14.9	12.3	5.2	4.3	1.0	1.3	21.7	21.6

(a) EV/EBITDA excludes Banking Sector

Source: Company reports, Kotak Institutional Equities estimates.

Nifty Valuation Summary

Exhibit 4: Valuation summary of Nifty sectors

21-Jun-07 Company	Mkt cap (US\$ m)	EPS Growth, %				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE, %	
		2006	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2007E	2008E	2007E	2008E
Banking	65,191	8.7	12.8	20.6	16.0	21.3	17.6	15.2	—	—	—	3.4	2.8	1.0	1.2	16.1	15.9
Technology	86,272	28.2	45.8	23.4	22.8	26.3	21.3	17.4	19.6	15.5	12.1	8.7	6.8	1.1	1.5	32.9	31.9
Chemicals	61,868	23.0	21.7	(11.8)	39.6	21.0	23.8	17.0	12.0	13.0	8.8	3.1	2.8	0.7	0.7	14.9	11.9
Consumers	24,413	21.2	18.9	16.0	13.8	23.5	20.3	17.8	15.9	12.7	10.9	7.3	6.5	2.6	2.9	31.2	31.9
Pharmaceuticals	12,517	(9.4)	108.0	(13.7)	18.4	19.3	22.4	18.9	13.4	14.7	12.7	4.3	3.9	1.6	1.7	22.3	17.3
Metals	17,759	9.5	38.9	(16.7)	(12.5)	7.7	9.3	10.6	4.3	4.3	4.9	1.9	1.4	2.2	2.7	24.1	14.7
Automobiles	25,482	25.6	20.7	10.0	15.4	16.2	14.8	12.8	7.7	6.7	5.5	3.9	3.3	1.7	1.9	24.1	22.3
Energy	59,443	3.3	28.5	13.5	2.7	10.1	8.9	8.7	4.6	4.0	3.6	1.9	1.7	3.5	3.8	19.2	19.3
Industrials	52,427	64.0	45.9	35.0	22.4	36.8	27.2	22.3	20.5	16.6	13.2	9.6	7.4	0.5	0.6	26.2	27.1
Cement	13,991	28.9	82.6	9.9	4.4	13.4	12.2	11.7	7.7	6.8	6.1	3.6	2.8	1.0	1.1	26.5	23.0
Telecom	43,960	(32.8)	73.4	50.8	29.8	34.1	22.6	17.4	19.3	12.4	9.6	6.0	4.9	0.3	0.5	17.7	21.6
Utilities	36,636	18.3	8.8	10.4	12.9	19.3	17.5	15.5	12.4	12.0	12.3	2.3	2.2	2.0	2.2	12.1	12.4
Media	3,179	(34.6)	2.9	71.0	31.1	59.0	34.5	26.3	41.5	20.7	15.8	4.8	4.3	0.3	0.6	8.1	12.5
NIFTY	503,138	16.0	30.9	12.1	14.8	19.0	17.0	14.8	10.5	9.4	8.1	3.7	3.2	1.4	1.6	19.6	18.6
NIFTY ex-Energy	443,695	20.3	31.6	11.6	18.3	21.6	19.3	16.3	13.1	11.6	9.7	4.3	3.6	1.1	1.3	19.7	18.5
NIFTY ex-Energy ex Com	364,069	21.4	32.6	20.4	18.5	23.8	19.7	16.7	15.1	12.5	10.5	4.9	4.1	1.1	1.4	20.5	20.6

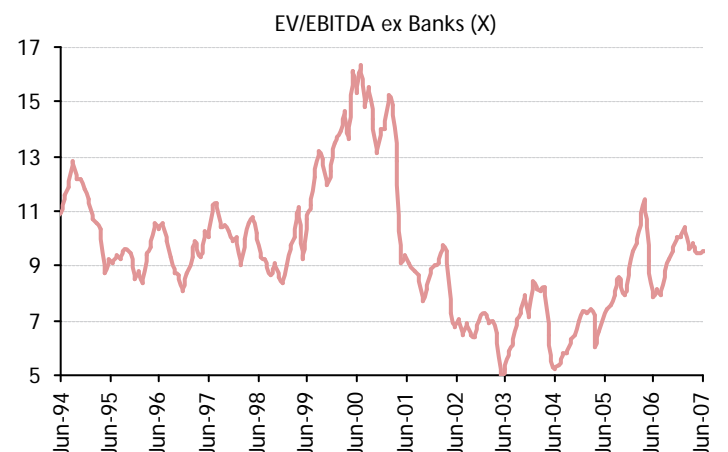
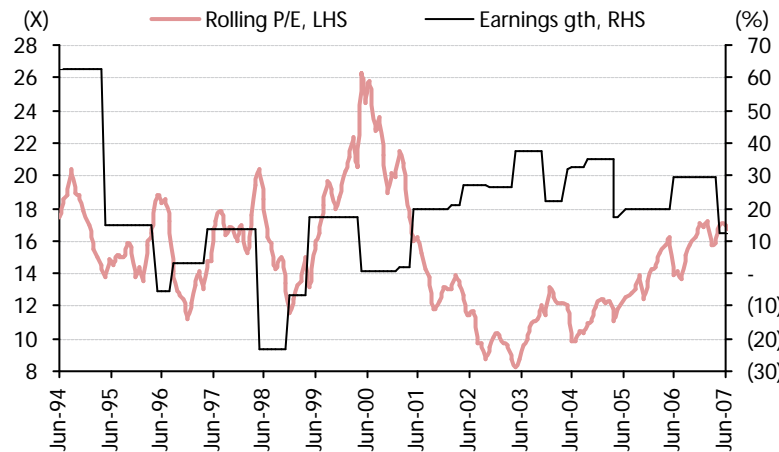
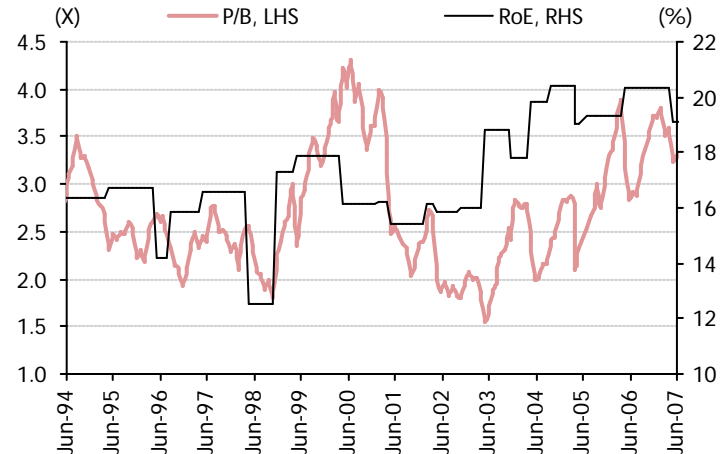
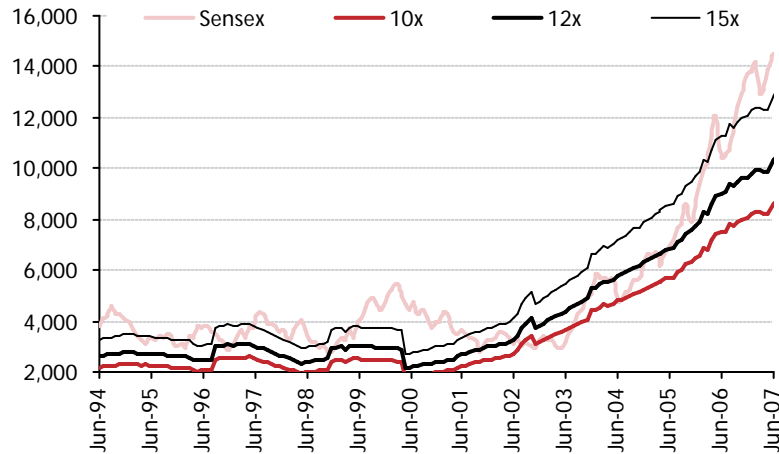
Note: Following companies are excluded: SAIL and Dabur.

Source: Company reports, Kotak Institutional Equities estimates.

BSE-Sensex Key Parameters

Exhibit 5: Key fundamental indicators of BSE Sensex

Sensex (BSE-30) P/B, EV/EBITDA and 12-month forward rolling P/E, April 1993 - 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)**
- **Price-to-Earnings ratio analysis**
- **EV-to-EBITDA ratio analysis**
- **Volume momentum analysis**

Relative performance of Indian markets

Exhibit 6: Key performance of benchmark indices
(base 100 as of September 10, 2005)

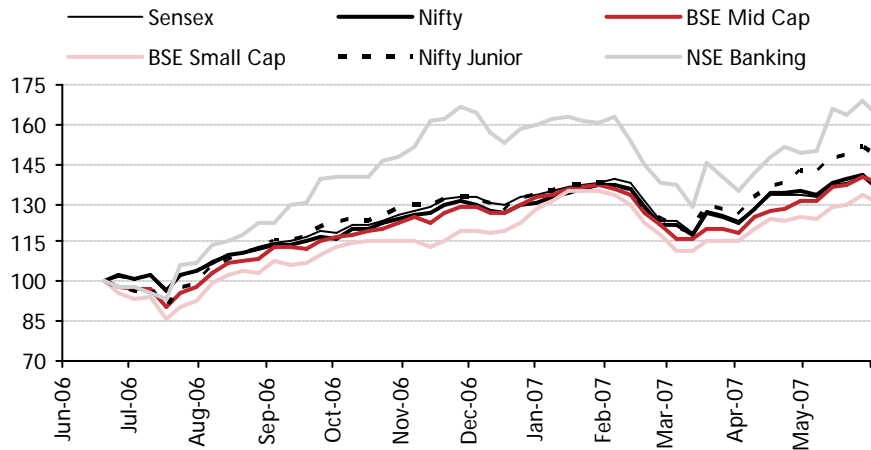


Exhibit 7: Weekly performance of the benchmark indices

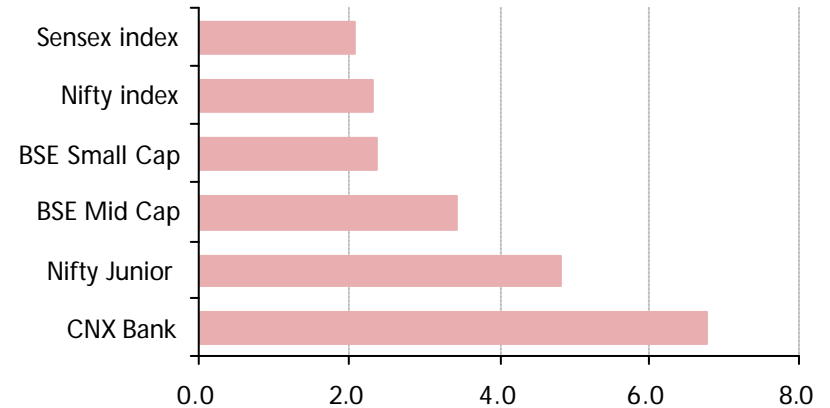


Exhibit 8: 1-month performance of the benchmark indices

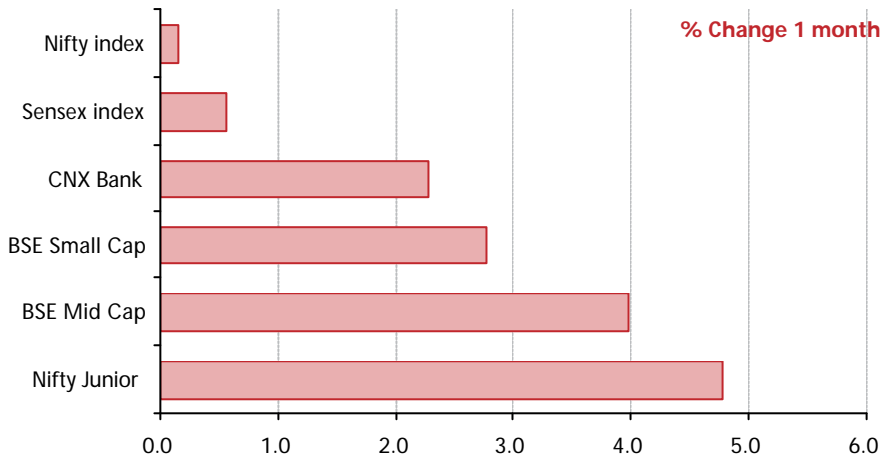
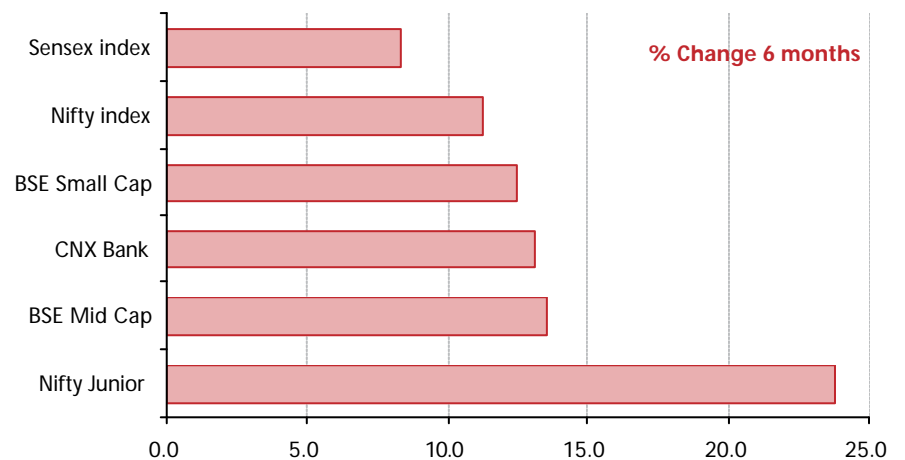


Exhibit 9: 6-month performance of the benchmark indices



Source: Bloomberg, Kotak Institutional Equities.

BSE-Sensex v/s regional indices

Exhibit 10: Weekly performance

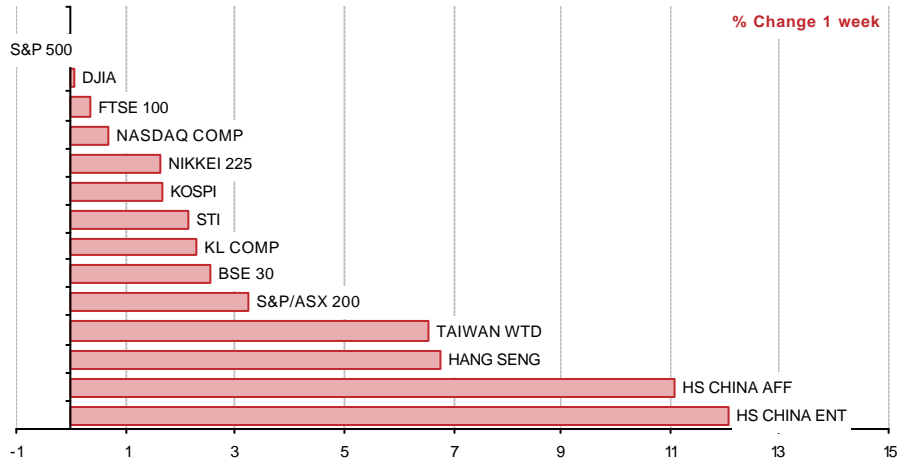


Exhibit 11: 3-month performance

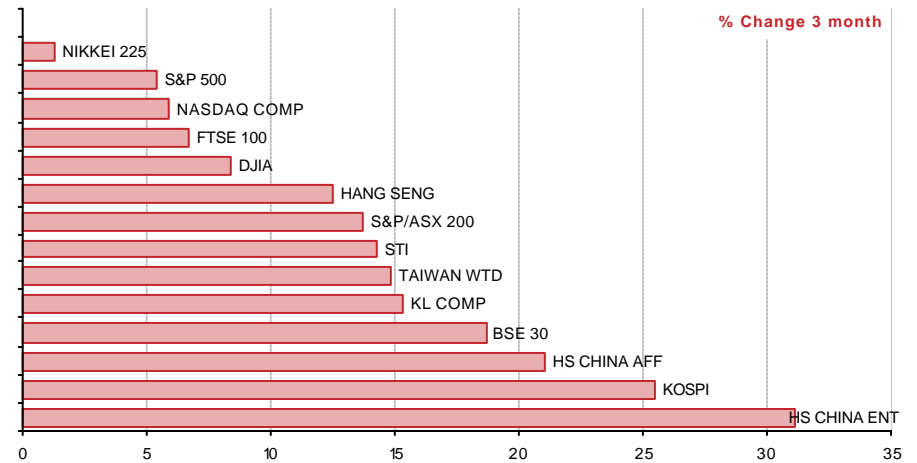


Exhibit 12: 6-month performance

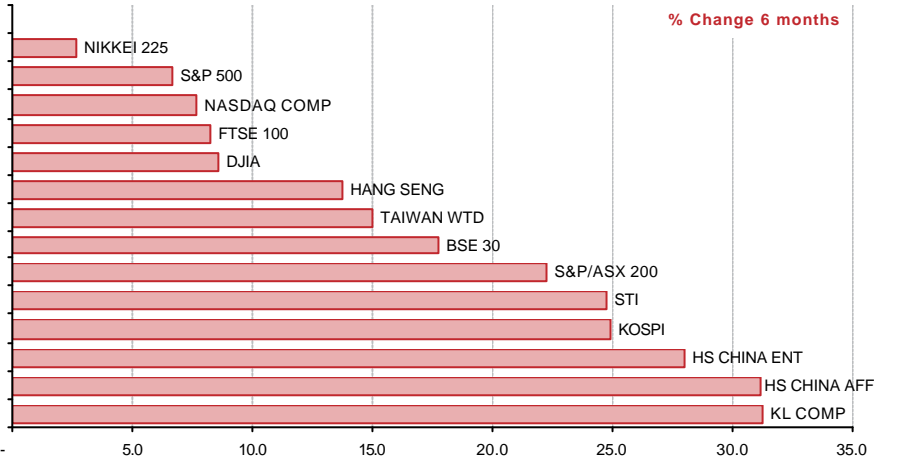
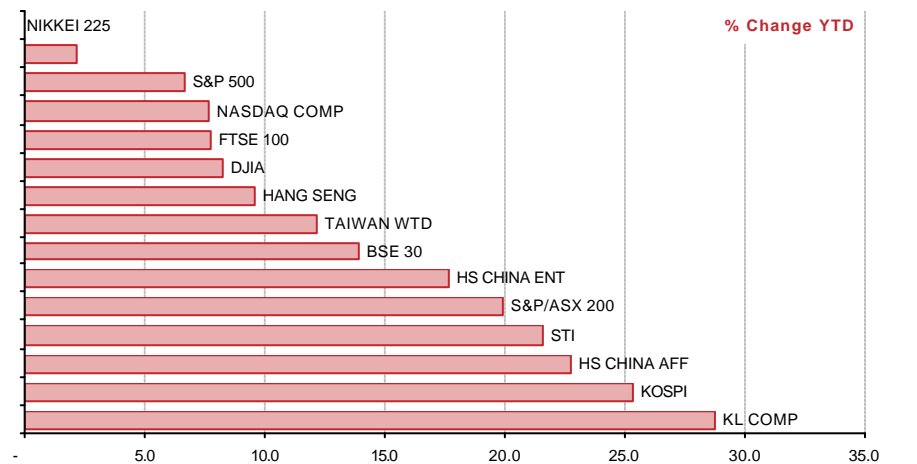


Exhibit 13: Year-to-date performance



Source: Bloomberg, BSE, Kotak Institutional Equities.

Note: Returns are adjusted for the currency changes

Sectoral performance

Exhibit 14: Market performance of Sensex sectors

21-Jun-07 Company	Mkt cap (US\$ m)	Change, %						Relative Change, %			
		1-Day	1-mo	3-mo	6-mo	1-Year	CYTD	1-Day	1-mo	6-mo	1-Year
Banking	59,771	1.0	4.0	21.8	14.5	84.6	10.2	0.4	3.4	5.7	27.8
Technology	81,351	(0.0)	(2.8)	(7.6)	(4.5)	32.7	(9.9)	(0.6)	(3.4)	(11.9)	(8.1)
Chemicals	59,293	0.1	(1.6)	29.3	37.4	79.8	36.4	(0.5)	(2.2)	26.8	24.5
Consumers	24,515	(0.1)	(6.7)	3.4	(11.5)	(10.6)	(12.4)	(0.7)	(7.2)	(18.3)	(38.1)
Pharmaceuticals	9,925	0.5	(3.9)	(3.4)	(14.1)	(4.7)	(15.3)	(0.1)	(4.5)	(20.7)	(34.0)
Metals	14,122	1.0	2.6	34.8	16.2	17.0	13.4	0.4	2.1	7.2	(19.0)
Automobiles	20,552	(0.2)	(4.8)	(8.1)	(16.7)	(9.9)	(18.9)	(0.8)	(5.4)	(23.1)	(37.6)
Energy	47,929	(0.4)	(2.2)	12.3	7.1	33.4	4.9	(1.0)	(2.8)	(1.1)	(7.6)
Industrials	32,449	3.7	16.3	40.6	38.6	79.3	36.1	3.1	15.6	27.9	24.1
Cement	14,034	0.4	(0.5)	15.3	(10.5)	27.5	(15.2)	(0.2)	(1.0)	(17.4)	(11.7)
Telecom	64,067	0.4	(1.5)	14.3	24.4	118.1	21.0	(0.2)	(2.0)	14.8	51.0
Utilities	33,529	0.3	(3.4)	5.5	11.9	30.8	9.8	(0.3)	(3.9)	3.3	(9.4)
Sensex sum	461,537	0.6	0.6	12.0	8.3	44.4	5.2				

Source: Kotak Institutional Equities.

Top gainers and losers

Exhibit 15: Top gainers and losers (stocks in Kotak Institutional Equities universe)

1-week performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Kalpataru	16.5	1 Vardhman	(8.2)
2 Hindustan Zinc	15.7	2 PVR	(5.6)
3 Divi's Laboratories	14.3	3 Rico Auto	(5.4)
4 Cadila Healthcare	12.8	4 Patni Computer Systems	(5.0)
5 LIC Housing Finance	11.9	5 TCS	(4.9)
6 Sterlite Industries	10.7	6 Satyam Computer Services	(4.9)
7 Lakshmi	10.1	7 iGate Global Solutions	(4.6)
8 Gateway Distriparks	10.0	8 Pfizer	(4.5)
9 State Bank of India	10.0	9 Ranbaxy Laboratories	(3.8)
10 Bharat Heavy Electricals	9.8	10 Wockhardt	(3.5)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Divi's Laboratories	98.9	1 Vardhman	(38.3)
2 GE Shipping	61.7	2 Mahindra Gesco	(37.2)
3 Jindal Steel and power	55.5	3 Rico Auto	(32.2)
4 Sterlite Industries	55.5	4 TVS Motor Co	(25.5)
5 Monnet Ispat	55.0	5 Welspun India	(25.3)
6 IDFC	54.3	6 UltraTech Cement	(23.7)
7 Kalpataru	52.8	7 Tata Motors	(23.7)
8 KEC	49.5	8 ACC	(21.2)
9 JSL	46.9	9 Dr Reddy's Laboratories	(20.4)
10 Larsen & Toubro	46.0	10 Mahindra & Mahindra	(19.6)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Divi's Laboratories	56.3	1 Welspun India	(13.5)
2 Punj	46.1	2 Mahindra Gesco	(13.1)
3 Torrent Pharma	22.5	3 Hotel Leela	(12.2)
4 Suzlon Energy	21.5	4 Bharat Petroleum	(11.2)
5 Larsen & Toubro	21.4	5 Oriental Bank of Commerce	(11.0)
6 Lakshmi	19.9	6 Indian Oil Corporation	(10.9)
7 Cadila Healthcare	18.1	7 Ranbaxy Laboratories	(10.7)
8 Kalpataru	18.0	8 Hindustan Petroleum	(10.3)
9 MICO	17.6	9 Vardhman	(9.9)
10 i-flex solutions	17.1	10 ITC	(9.7)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Divi's Laboratories	385.5	1 Vardhman	(44.8)
2 HT Media	191.3	2 Rico Auto	(39.2)
3 Ipca Laboratories	177.5	3 TVS Motor Co	(38.0)
4 Jindal Steel and power	161.8	4 Arvind Mills	(28.6)
5 #N/A	#N/A	5 Novartis India	(20.1)
6 i-flex solutions	153.2	6 Bajaj Auto	(17.0)
7 JSL	150.9	7 Godrej Consumer Products	(14.4)
8 GVK Power	147.3	8 Hindustan Lever	(13.3)
9 UTI Bank	133.4	9 Hero Honda	(12.6)
10 Kalpataru	132.0	10 Tata Motors	(9.9)

Source: Kotak Institutional Equities.

Price-to-Earnings ratio analysis

Exhibit 16 and 17: 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
Max	1,216.4
GSPL	275.3
i-flex solutions	218.9
GVKPIL	185.2
HDFC	176.7
Aditya Birla Nuvo	170.0

Discount to 1 year rolling forward P/E	
Company	Discount to sector
Jet Airways	223.2
Monnet Ispat	78.8
LIC Housing Finance	63.8
Lakshmi	62.6
Dredging Corporation	57.3
Sintex	55.6

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

Lowest 1 year rolling forward P/E	
Company	Lowest P/E
Hindustan Petroleum	5.0
LIC Housing Finance	5.5
Bharat Petroleum	6.6
Monnet Ispat	6.6
Vardhman	6.8
Canara Bank	7.0
Andhra Bank	7.0
Indian Oil Corporation	7.2
Bank of Baroda	7.5
Lakshmi	7.5
Corporation Bank	7.5
Punjab National Bank	8.5

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

Highest 1 year forward P/E	
Company	Highest P/E
Max	379.7
Shoppers Stop	54.9
Aditya Birla Nuvo	53.1
i-flex solutions	45.0
ABB	36.5
Siemens	34.2
Divi's Laboratories	32.1
GVKPIL	31.1
SunTV	30.8
Nestle India	30.0
Apollo Hospital	29.1
HT Media	28.3

Exhibit 18: Companies trading at all-time high historical P/Es, indicating re-rating of the multiples by market

1 year rolling fwd P/E closest to historical high	
Company	% discount to historical high
Bharat Electronics	0.0
HDFC	0.0
Larsen & Toubro	0.0
MICO	0.0
State Bank of India	0.0
UTI Bank	0.0
IDFC	0.0
Max	0.0
Shriram Transport	0.0
KEC	1.1
ABB	1.3
Asian Paints	1.8
Sun Pharmaceuticals	2.8
Shoppers Stop	3.2
Aditya Birla Nuvo	4.3
Bharat Heavy Electricals	4.9
Reliance Industries	4.9
Container Corporation	7.3

Note: Historic figures are generated since May 2000

Source: Bloomberg, Kotak Institutional Equities

Enterprise Value-to-EBITDA ratio analysis

Exhibit 21 and 22: 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

Premium to 1 year rolling forward EV/ EBITDA

Company	Sector Premium
Max	16.1
i-flex solutions	1.0
Castrol India	1.0
Gateway Distriparks	0.9
Divi's Laboratories	0.8

Discount to 1 year rolling forward EV/ EBITDA

Company	Sector Discount
Dredging Corporation	0.6
IPCL	0.6
Polaris Software Lab	0.6
iGate Global Solutions	0.6
CESC	0.5

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

Highest 1 year rolling forward EV/EBITDA

Company	Highest EV/ EBITDA
Max	308.0
i-flex solutions	32.7
Aditya Birla Nuvo	25.8
Shoppers Stop	24.8
Divi's Laboratories	24.5
ABB	21.3
Siemens	21.0
Larsen & Toubro	18.6
Nestle India	18.2
Sun Pharmaceuticals	17.9

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

Lowest 1 year rolling forward EV/EBITDA

Company	Lowest EV/ EBITDA
Bharat Petroleum	3.7
Oil & Natural Gas Corporation	4.2
Indian Oil Corporation	4.4
National Aluminium Co	4.6
Monnet Ispat	4.7
IPCL	4.9
Hindustan Zinc	4.9
Sesa	5.1
Lakshmi	5.3
Vardhman	5.4

Source: Bloomberg, Kotak Institutional Equities

Technical indicators

Exhibit 25: Volume momentum analysis

Volume Positive Momentum

(5 day volume v/s 30 day volume)

Company	5day average volumes	% Increase	% Price Change (1month basis)
Cadila Healthcare	76,357	255.2	18.1
Pfizer	33,683	249.0	(2.1)
Rico Auto	210,376	218.3	(5.3)
Sun Pharmaceuticals	178,248	211.8	(3.0)
GE Shipping	786,835	168.5	28.3
Nestle India	212,865	157.8	5.6
Wockhardt	76,671	134.4	(4.9)
Micro Inks	23,334	131.9	(1.4)
i-flex solutions	52,147	108.3	17.1
Shoppers Stop	9,720	93.5	(4.1)
Divi's Laboratories	138,206	91.1	56.3
Apollo Hospital	9,388	88.3	5.7
Sesa	61,014	71.9	4.3
Ranbaxy Laboratories	320,058	67.0	(10.7)
Hero Honda	95,782	63.4	(2.8)
ICICI Bank	418,509	60.8	1.0
EIH	139,039	58.2	1.4
TVS Motor Co	472,603	48.7	5.9
Colgate-Palmolive (India)	92,354	47.4	(2.9)
Nicholas Piramal	259,975	43.6	8.0
TCS	222,080	36.6	(7.5)
Tata Power	108,319	30.9	6.6
Welspun India	17,612	27.6	(13.5)
UTI Bank	250,570	25.0	11.3

Volume Negative Momentum

(5 day volume v/s 30 day volume)

Company	5day average volumes	% decrease	% Price Change (1month basis)
GlaxoSmithkline (India)	6,231	(88.8)	3.8
GVKPIL	17,197	(85.0)	2.4
Monnet Ispat	4,616	(85.0)	(5.9)
Glaxo SmithKline Consumer	1,965	(84.7)	0.4
Torrent Pharma	10,264	(80.6)	22.5
Reliance Energy	153,999	(78.9)	1.6
Godrej Consumer Products	6,045	(75.8)	(8.0)
Arvind Mills	495,363	(71.4)	(4.0)
Bajaj Auto	52,256	(70.7)	(3.2)
iGate Global Solutions	6,997	(70.0)	5.6
Asian Paints	3,985	(68.5)	4.0
Dredging Corporation	787	(67.1)	(7.7)
VSNL	42,168	(66.1)	4.9
PVR	19,573	(65.3)	(7.3)
HDFC Bank	49,470	(64.7)	0.0
Tata Tea	48,214	(64.7)	0.0
Indian Oil Corporation	31,851	(63.6)	(10.9)
Shree Cement	6,277	(62.5)	13.0
Castrol India	38,347	(62.5)	(4.2)
Petronet LNG	979,003	(60.4)	1.7
HCL Technologies	80,484	(59.3)	(3.9)
Dr Reddy's Laboratories	79,591	(59.0)	(2.0)
Corporation Bank	17,457	(58.9)	(6.2)
Jindal Steel and Power	3,764	(57.0)	12.1

Source: Bloomberg, Kotak Institutional Equities.

Earnings Momentum

- **Top upgrades and downgrades in 2007 estimates in the past month**
- **Top upgrades and downgrades in 2008 estimates in the past month**
- **Top changes in target prices in the past month**
- **Top changes in ratings in the past month**

Top upgrades/downgrades

Exhibit 26: Kotak Institutional Equities earning upgrades/downgrades in the past 1 month

FY2008 earnings upgrades (KIE) (1 month)

	Company	% Change
1	Zee Entertainment Enterprises	14.3
2	Torrent Pharma	13.3
3	GSPL	12.4
4	Hindustan Petroleum	7.7
5	Bharat Petroleum	5.5
6	Petronet LNG	4.1
7	Oriental Bank of Commerce	3.4
8	VSNL	3.1
9	UTI Bank	2.9
10	Larsen & Toubro	2.5

FY2008 earnings downgrades (KIE) (1 month)

	Company	% Change
1	Vardhman	(30.4)
2	NCCL	(11.0)
3	Corporation Bank	(6.5)
4	Canara Bank	(4.6)
5	HDFC	(4.2)
6	Wipro	(3.5)
7	Andhra Bank	(3.4)
8	Shriram Transport	(3.3)
9	HCL Technologies	(3.2)
10	Punj	(2.6)

Source: Kotak Institutional Equities, Bloomberg.

Note: FY07 earnings upgrade/ downgrade refers to variation in analyst's expectations and actual reported numbers

Changes in our target prices

Exhibit 28: Changes in target prices in the past 1 month

Upgrades in target prices (1 month)				
	Company	% Change	Old	New
1	srei	50.7	73	110
2	Tata Tea	38.7	715	992
3	Punj	31.3	182	239
4	Torrent Pharma	30.0	200	260
5	Shriram Transport	16.1	155	180
6	ABG Shipyard	15.0	400	460
7	Aventis Pharma	12.2	1,470	1,650
8	ICICI Bank	8.7	920	1,000
9	AIA Engineering	8.4	1,615	1,750
10	GSPL	7.5	53	57
11	HCL Technologies	6.7	338	360
12	Petronet LNG	6.4	47	50

Downgrades in target prices (1 month)				
	Company	% Change	Old	New
1	Vardhman	(32.3)	325	220
2	Infosys Technologies	(8.0)	2,500	2,300
3	Wipro	(7.7)	710	655
4	TCS	(7.1)	1,400	1,300
5	Satyam Computer Services	(4.7)	535	510

Source: Kotak Institutional Equities.

Changes in our ratings

Exhibit 29: Changes in ratings in the past 1 month

Company Name		Rating	
		Current	Previous
Indian Bank	Downgraded	IL	OP
srei	Downgraded	IL	OP
Vardhman	Downgraded	IL	OP
GSPL	Upgraded	IL	U

Source: Kotak Institutional Equities.

Flows

- **Trend in equity flows**
- **FII flows in other emerging markets**
- **IPO analysis**
- **Delivery position analysis**
- **Bulk deals of the week**

Trend in equity flows

Exhibit 31: Net investments by Mutual Funds and FII in the cash market (US\$m)

	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
CY2004	8,382	(217)
CY 2005	10,776	2,873
CY 2006	8,632	3,585
Jan	1,431	(229)
Feb	1,691	(55)
March	1,473	996
April	222	657
May	(1,829)	1,754
June	313	(341)
July	306	(18)
August	1,027	94
September	1,339	298
October	1,450	0
November	2,024	59
December	(814)	369
CY 2007	4,056	(116)
Jan	40	(298)
Feb	1,249	(61)
March	317	(365)
April	1,257	217
May	1,085	401
June	109	(10)

Exhibit 32: Net Foreign flows in the Derivatives market (US\$m)

	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)
Jan	424	268	(505)	(11)
Feb	(284)	438	(623)	(13)
Mar	209	342	(1,135)	26
Apr	(454)	229	(1,382)	(3)
May	211	165	754	2
June	562	(22)	891	(4)
July	128	226	468	(10)
August	(15)	346	(421)	(9)
Sep	(331)	322	(632)	(8)
Oct	850	674	(648)	(15)
November	(231)	662	(849)	(28)
December	(724)	300	391	(11)
CY2007	(199)	4,162	(2,007)	(73)
Jan	13	960	(632)	(27)
Feb	(937)	682	(313)	0
Mar	1,132	630	467	(8)
Apr	264	810	(111)	(15)
May	320	516	(1,246)	(10)
June	(991)	564	(171)	(15)

Source: Bloomberg, Kotak Institutional Equities

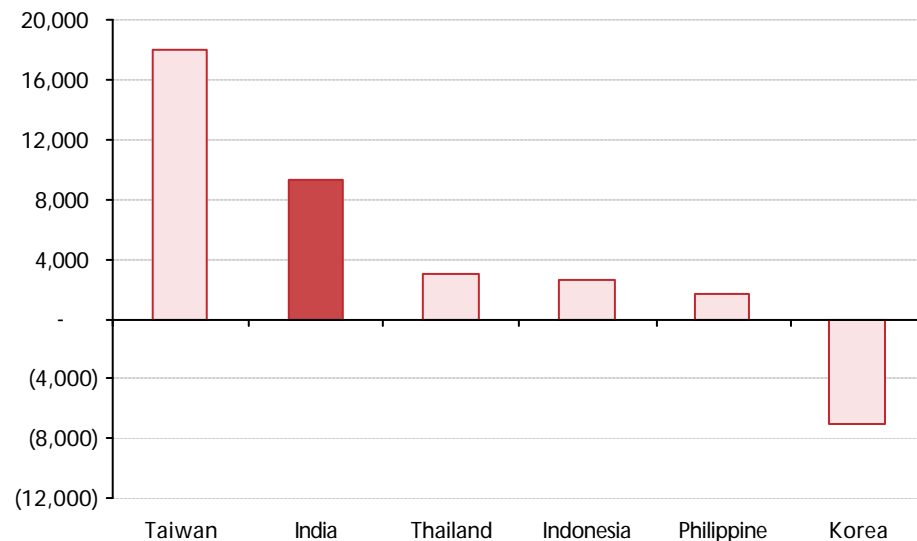
FII flows in other emerging markets

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

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
23-May-07	256	17	26	60	106
24-May-07	109	(13)	37	55	76
25-May-07	(310)	(7)	2	(9)	(35)
28-May-07	65	5	6	9	77
29-May-07	174	(9)	22	59	199
30-May-07	(143)	(1)	35	28	(90)
31-May-07	139	125	9	-	74
1-Jun-07	215	-	26	247	115
4-Jun-07	121	34	29	224	53
5-Jun-07	183	21	23	0	(9)
6-Jun-07	346	(4)	5	2	(17)
7-Jun-07	39	8	6	(19)	(53)
8-Jun-07	(317)	16	(3)	(16)	(222)
11-Jun-07	138	34	-	113	(13)
12-Jun-07	171	47	14	63	129
13-Jun-07	(24)	19	2	(11)	(76)
14-Jun-07	487	26	34	(15)	52
15-Jun-07	712	35	39	46	(3)
18-Jun-07	-	11	238	40	(7)
19-Jun-07	-	51	19	-	160
Total	2,361	415	567	876	516

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



Source: Bloomberg.

IPO analysis

Exhibit 33: Market performance since IPO/ Follow on offering

Name	Offer Shares	Price (Rs)	Value (Rs mn)	Date of Listing	Price		Performance (%)	
					Day 1	Latest	Day 1	Since Listing
Nitin Fire Protection	34	190	644	5-Jun-07	484	422	155	122
Insecticides Ind	32	115	369	30-May-07	110	95	(5)	(17)
MIC Electronics	51	150	765	30-May-07	336	395	124	163
Binani Cements	205	75	1,538	28-May-07	69	61	(8)	(19)
Hilton Metal Forging	55	70	382	24-May-07	68	51	(3)	(27)
Bhagwati Hotels	230	40	920	17-May-07	51	40	27	-
Fortis Healthcare	460	108	4,968	9-May-07	100	86	(7)	(20)
Advanta India Ltd	34	640	2,163	19-Apr-07	850	986	33	54
ICRA Ltd	26	330	852	13-Apr-07	798	889	142	169
Orbit Corp Ltd	91	110	1,001	12-Apr-07	128	249	16	127
Gremach Infrastructure	69	86	590	11-Apr-07	84	184	(2)	114
Astral Polytechn	30	115	342	20-Mar-07	105	105	(9)	(9)
Abhishek Mills L	41	100	410	19-Mar-07	91	46	(9)	(54)
AMD Metplast Ltd	102	75	763	19-Mar-07	78	53	4	(29)
Jagjanani Textil	81	25	203	19-Mar-07	23	12	(7)	(50)
Lawreshwar Polym	87	16	139	19-Mar-07	14	12	(13)	(26)
Page Industries	28	360	1,009	16-Mar-07	282	405	(22)	12
Raj Television N	36	257	917	16-Mar-07	226	243	(12)	(6)
Euro Ceramics	56	165	928	9-Mar-07	119	165	(28)	(0)
Idea Cellular	2,833	75	21,250	9-Mar-07	86	116	14	55
Mudra Lifestyle	96	90	862	9-Mar-07	64	71	(29)	(22)
Vijayeshwari Textiles	90	100	900	9-Mar-07	69	59	(31)	(41)
Indus Fila Ltd	48	170	823	8-Mar-07	132	168	(22)	(1)
Broadcast Initiatives	86	120	1,026	7-Mar-07	69	79	(42)	(34)
Evinix Accessories	35	120	420	7-Mar-07	74	79	(39)	(34)
Mindtree Consulting	56	425	2,377	7-Mar-07	620	774	46	82
Oriental Trimex	100	48	480	7-Mar-07	29	23	(39)	(52)
Indian Bank	896	91	8,149	1-Mar-07	98	123	8	36
SMS Pharma	26	380	979	28-Feb-07	358	331	(6)	(13)
C&C Construction	43	291	1,242	26-Feb-07	240	190	(18)	(35)
Transwarranty Finance	60	52	312	26-Feb-07	47	32	(9)	(39)
Power Finance Corp	1,173	85	9,972	23-Feb-07	112	150	31	76
Firstsource Solutions	693	64	4,435	22-Feb-07	80	88	24	37
House of Pearl Fashions	60	550	3,292	15-Feb-07	469	322	(15)	(41)
Redington India	132	113	1,495	15-Feb-07	163	229	44	103
Cinemax India	89	155	1,383	14-Feb-07	152	152	(2)	(2)
Technocraft Industries	83	105	874	12-Feb-07	101	81	(4)	(23)
Pochiraju Industries	125	30	376	9-Feb-07	49	26	64	(13)
Global Broadcast	42	250	1,050	8-Feb-07	510	893	104	257
Akruti Nirman	67	540	3,618	7-Feb-07	564	352	4	(35)
Cambridge Technologies	63	38	240	7-Feb-07	100	52	163	36
Autoline Industries	33	225	750	31-Jan-07	258	222	15	(1)
Lumax Auto	30	75	226	16-Jan-07	110	98	47	30
Shree Ashtavinayak	37	160	596	10-Jan-07	226	253	41	58
Cairn India	5,385	160	86,155	9-Jan-07	138	140	(14)	(13)
Pyramid Saimira	84	100	844	5-Jan-07	158	348	58	248
Tanla Solutions	159	265	4,210	5-Jan-07	380	413	43	56
Nissan Copper Ltd.	6	39	25	29-Dec-06	129	32	230	(19)
Ess Dee Aluminium	70	225	1,566	28-Dec-06	238	517	6	130

Source: Bloomberg and Kotak Institutional Equities.

Exhibit 34: Forthcoming IPO/Follow on offerings

Company	Issue
HOUSING DEVELOPMENT & INFRASTRUCTURE LTD.	IPO
NATIONAL HYDROELECTRIC POWER CORP.LTD.	IPO
MUNDRA PORT & SPECIAL ECONOMIC ZONE LTD.	IPO
POWER GRID CORP.OF INDIA LTD.	IPO
OMAXE LTD.	IPO
PURAVANKARA PROJECTS LTD.	IPO
CENTRAL BANK OF INDIA	IPO
IVR PRIME URBAN DEVELOPERS LTD.	IPO
SPICE COMMUNICATIONS LTD.	IPO
KOLTE-PATIL DEVELOPERS LTD.	IPO
MAYTAS INFRA LTD.	IPO
AFCONS INFRASTRUCTURE LTD.	IPO
OSWAL WOOLLEN MILLS LTD.	IPO
SEL MANUFACTURING CO.LTD.	IPO
MANAKSIA LTD.	FFO
K.P.R.MILL LTD.	IPO
EMPEE DISTILLERIES LTD.	IPO
MOTILAL OSWAL FINANCIAL SERVICES LTD.	IPO
ZYLOG SYSTEMS LTD.	IPO
CONSOLIDATED CONSTRUCTION CONSORTIUM LTD.	IPO
KOUTONS RETAIL INDIA LTD.	IPO
DHANUS TECHNOLOGIES LTD.	IPO
GSS AMERICA INFOTECH LTD.	IPO
ODYSSEY INDIA LTD.	IPO
ALLIED DIGITAL SERVICES LTD.	IPO
ASIAN GRANITO INDIA LTD.	IPO
INDO FARM TRACTORS & MOTORS LTD.	IPO
MAN INFRACONSTRUCTION LTD.	IPO
MBL INFRASTRUCTURES LTD.	IPO
TITAGARH WAGONS LTD.	IPO
SIMPLEX PROJECTS LTD.	IPO
KAVERI SEED CO.LTD.	IPO
UMA PRECISION LTD.	IPO
TAKE SOLUTIONS LTD.	IPO
ALPA LABORATORIES LTD.	IPO
INDOWIND ENERGY LTD.	IPO
BRAHAMPUTRA CONSORTIUM LTD.	IPO

Source: Primedatabase .

Summary of bulk/block deals

Exhibit 35: Bulk/block deals for the week

Deal Date	Scrip Name	Action	Quantity	Price	Value	Exchange
18-Jun	NESTLE LTD	BUY	1,010,000	1,200	1,212	BSE
18-Jun	NESTLE LTD	SELL	1,000,000	1,200	1,200	BSE
15-Jun	Hexaware Technologies Lim	BUY	2,055,000	166	341	NSE
15-Jun	Hexaware Technologies Lim	SELL	2,055,000	166	341	NSE
18-Jun	SUVEN LIFE	SELL	3,000,000	42	125	BSE
15-Jun	ASTRA MICRO	SELL	433,000	146	63	BSE
15-Jun	ASTRA MICRO	BUY	351,604	145	51	BSE
15-Jun	Pratibha Industries Limit	BUY	233,733	210	49	NSE
15-Jun	SWAN MILLS	BUY	500,000	85	43	BSE
18-Jun	ALLSEC TECH	BUY	150,000	260	39	BSE
18-Jun	Allsec Technologies Limit	BUY	150,000	260	39	NSE
15-Jun	Cholamandalam DBS Fin Ltd	SELL	190,000	156	30	NSE
15-Jun	Lumax Auto Technologies L	SELL	289,936	93	27	NSE
15-Jun	G V FILMS LT	SELL	2,000,000	9	18	BSE
18-Jun	PRIME SECU L	BUY	210,000	75	16	BSE
19-Jun	RPG TRANSM	BUY	62,900	228	14	BSE
15-Jun	VAKRAN SOFTW	BUY	99,334	131	13	BSE
18-Jun	VAKRAN SOFTW	BUY	95,827	132	13	BSE
19-Jun	BIHAR TUBES	BUY	100,000	102	10	BSE

Source: BSE and NSE website.

Delivery positions

Exhibit 36: Top increase/(decrease) in volumes and delivery percentage

Increase in delivery % (KIE)

Name	Delivery %	
	Previous week	Current week
Abbott India Ltd	6.9	50.0
Gujarat State Petronet Ltd	28.8	69.9
Glaxosmithkline Pharmaceutic	37.1	75.1
Hexaware Technologies Ltd	55.6	89.4
Colgate-Palmolive (India)	34.1	67.8
Novartis India Limited	61.3	94.1
Ipca Laboratories Limited	39.1	70.7
ABB Ltd India	23.4	52.9
CESC Limited	45.3	74.5

Decrease in delivery % (KIE)

Name	Delivery %	
	Previous week	Current week
Nicholas Piramal India Ltd	82.4	37.2
Shree Cement Limited	84.1	45.7
ACC Limited	53.7	15.8
Castrol (India) Limited	89.0	60.7
Hindustan Petroleum Corp	73.0	45.2
ZEE ENTERTAINMENT ENTERPRISE	53.2	25.7
Shoppers' Stop Ltd	100.0	72.6
Videsh Sanchar Nigam Ltd	45.5	19.4
Grasim Industries Limited	77.6	52.9

Increase in total volumes during the week (BSE+NSE)

Name	Volume in	
	Current week	% Increase
Pfizer Limited	108,852	810.7
Hexaware Technologies Ltd	2,499,295	702.5
Ntpc Limited	7,137,497	410.7
Novartis India Limited	33,674	343.8
Nicholas Piramal India Ltd	896,053	288.7
Apollo Hospitals Enterprise	52,640	228.4
Divi'S Laboratories Ltd	153,005	222.8
Kec International Ltd	35,707	195.9
Monnet Ispat & Energy Ltd	30,633	182.8
Sesa Goa Limited	426,987	160.0

Decrease in total volumes during the week (BSE+NSE)

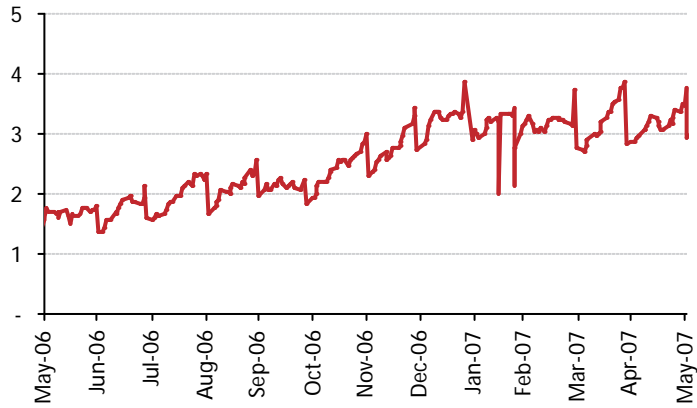
Name	Volume in	
	Current week	% Decrease
Godrej Consumer Products Ltd	12,053	-91.6
Gvk Power & Infrastructure	24,706	-89.5
Satyam Computer Services Ltd	1,427,820	-87.1
Polaris Software Lab	751,360	-80.6
Indian Oil Corporation Ltd	196,070	-77.9
Videsh Sanchar Nigam Ltd	120,478	-76.8
Bharti Airtel Limited	396,467	-75.5
Bharat Petroleum Corp Ltd	246,743	-75.3
Aurobindo Pharma Ltd	296,958	-74.4
Abbott India Ltd	3,627	-69.3

Source: Bloomberg and Kotak Institutional Equities.

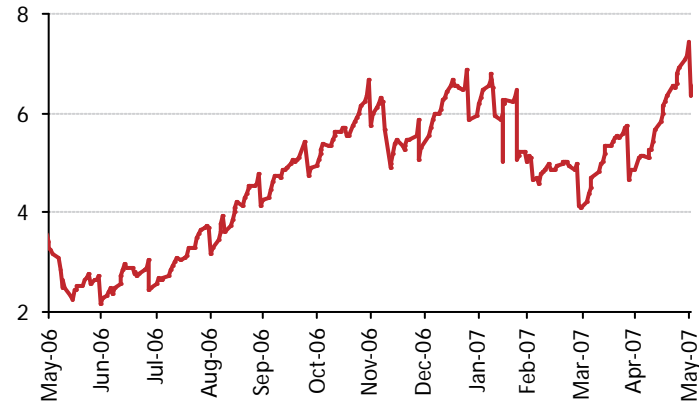
Open interest analysis

Exhibit 37: National Stock Exchange (US\$ bn)

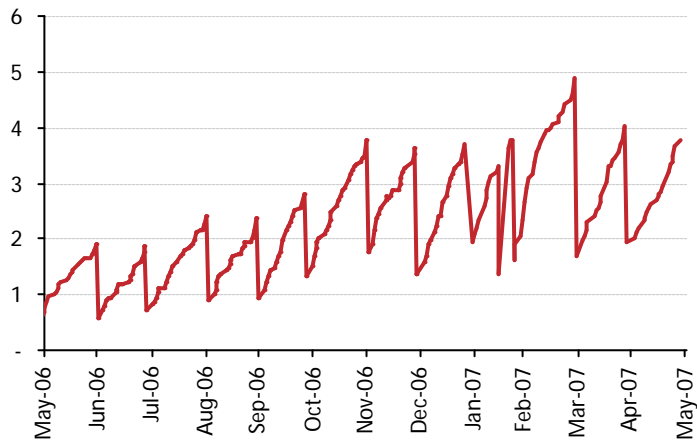
India Index futures open interest



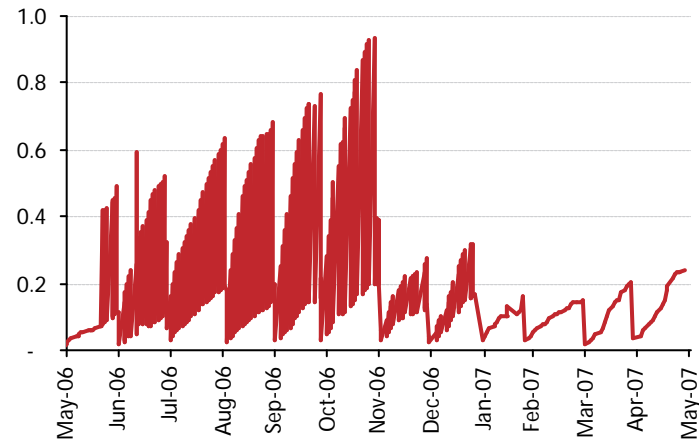
India stock futures open interest



India Index option open interest



India stock option open interest

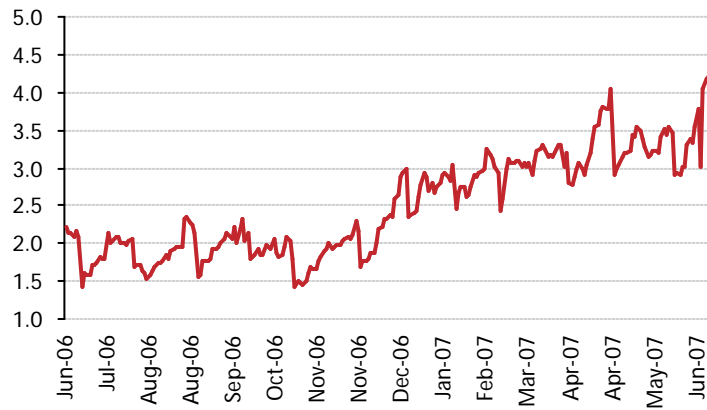


Source: Bloomberg and Kotak Institutional Equities.

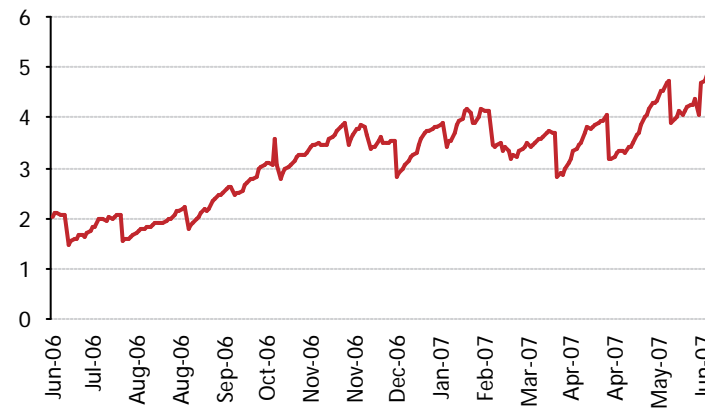
Open interest analysis

Exhibit 38: Open interest position movement for Foreign Institutional Investors (US\$ bn)

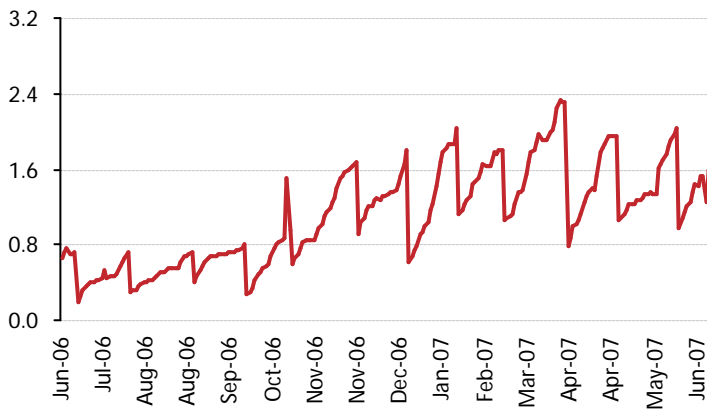
Index futures value of open interest



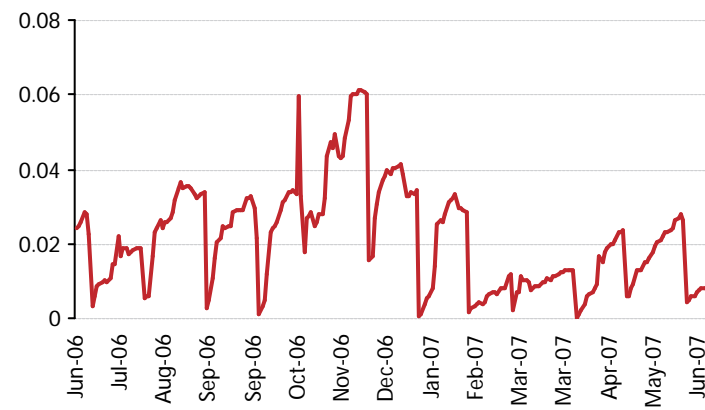
Stock futures value of open interest



Index options value of open interest



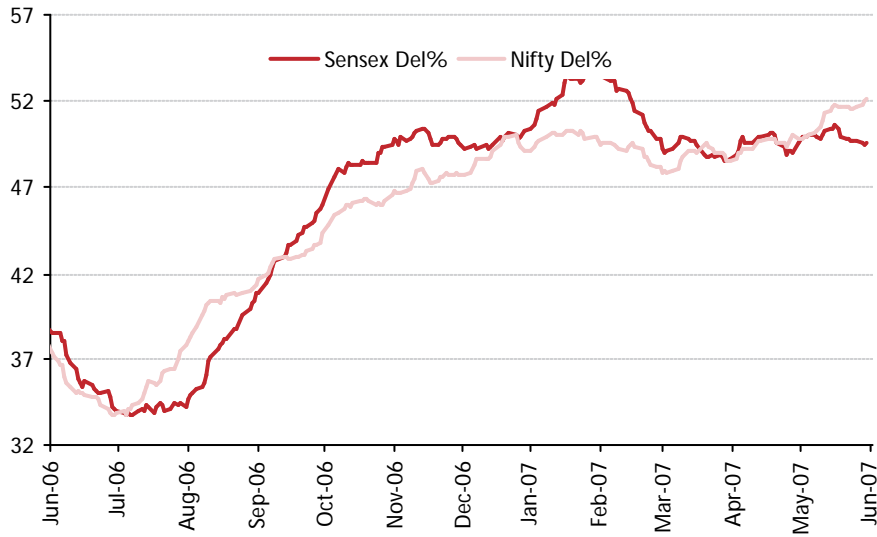
Stock options value of open interest



Source: Bloomberg and Kotak Institutional Equities.

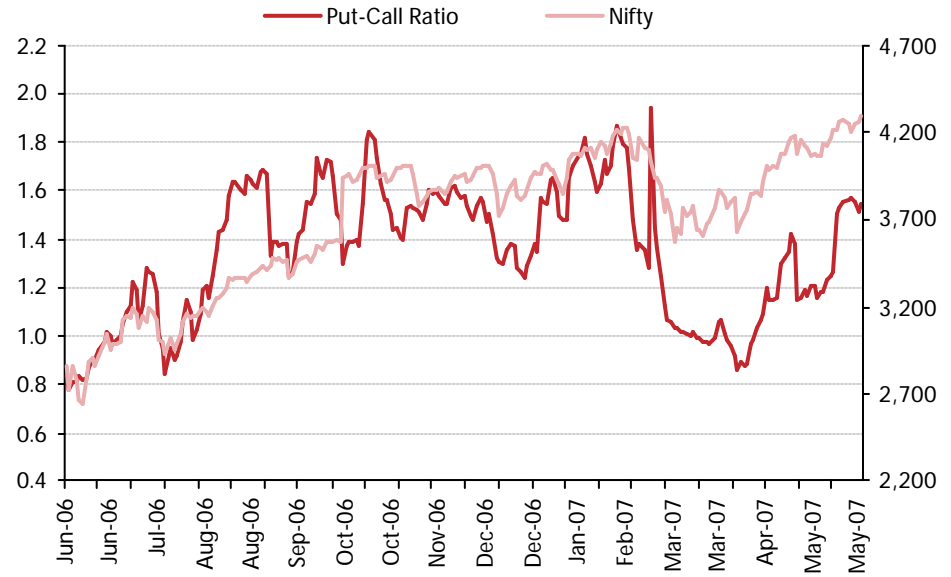
Market movement indicators

Exhibit 39: Aggregate delivery percentage



Source: Bloomberg and Kotak Institutional Equities.

Exhibit 40: Put call ratio v/s Nifty



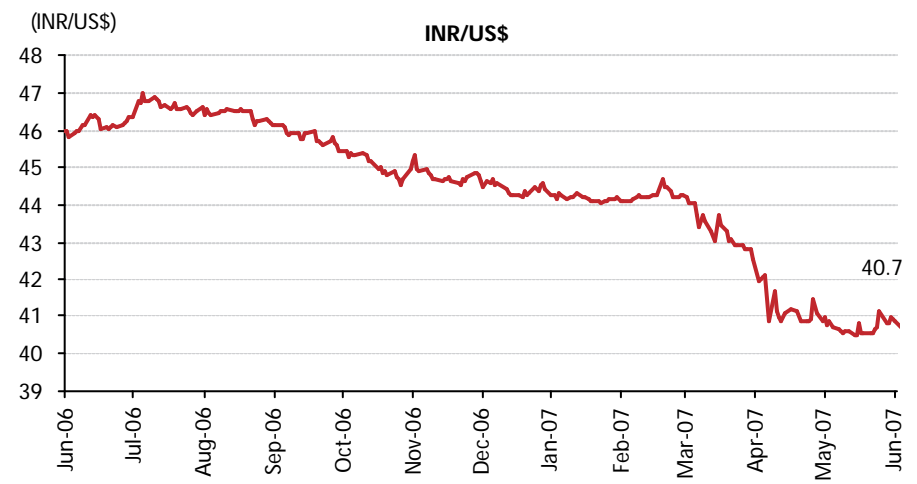
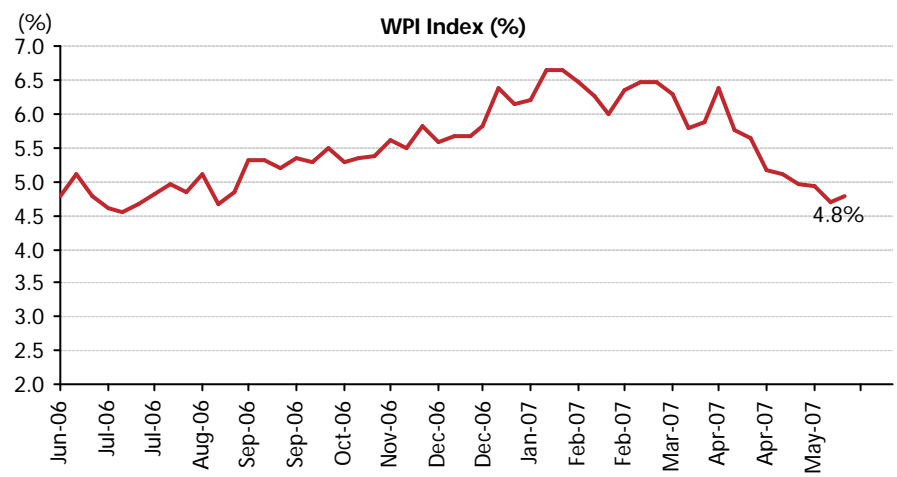
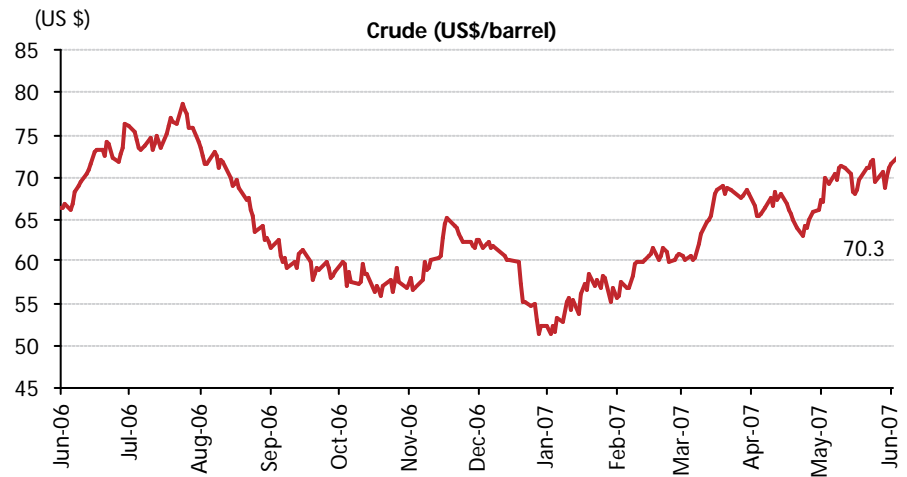
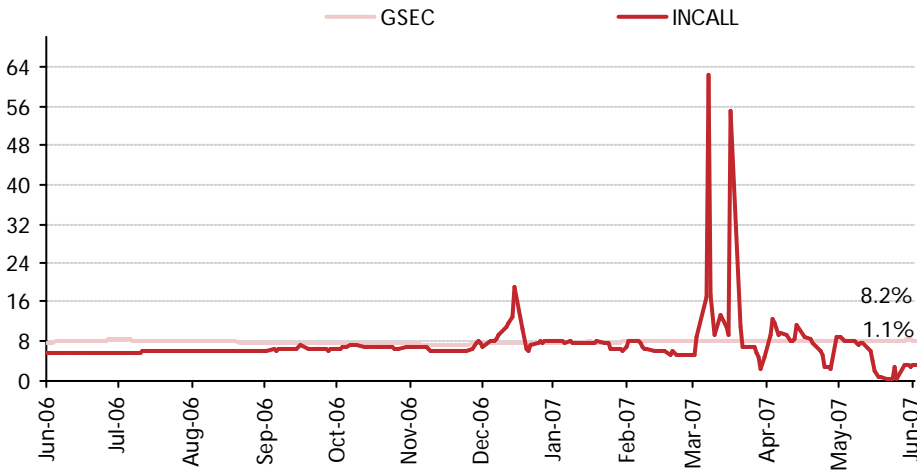
Put call is for Nifty open interest

Source: Bloomberg and Kotak Institutional Equities.

Economic Indicators

Economic indicators

Exhibit 41: Key economic parameters



Source: Bloomberg and Kotak Institutional Equities.

Kotak Valuation Summary

Valuation summary

Kotak Institutional Equities Universe

Company	21-Jun-07		Mkt cap		O/S Shares (m)	EPS (Rs)			EPS Growth, %			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price	Upside	ADVT-3mo
	Price (Rs)	Rating	(Rs m)	(US\$ m)		2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	(Rs)	(%)	US\$ mn
Banks/Financial Institutions																													
Andhra Bank	86	OP	41,565	1,020	485	11.1	11.9	13.1	10.8	7.0	10.0	7.7	7.2	6.6	-	-	-	1.4	1.3	1.2	4.4	4.7	5.2	17.8	17.7	17.9	125	45.9	1.5
Canara Bank	263	OP	107,728	2,645	410	34.7	36.4	40.7	5.8	5.0	11.8	7.6	7.2	6.5	-	-	-	1.5	1.3	1.1	2.7	2.5	2.7	16.3	14.0	14.3	320	21.8	4.0
Corporation Bank	319	IL	45,728	1,123	143	37.4	40.8	47.0	20.6	9.3	15.1	8.5	7.8	6.8	-	-	-	1.2	1.1	1.0	2.8	3.1	3.7	15.0	15.0	15.7	360	12.9	2.1
HDFC	1,849	IL	530,217	13,017	287	62.1	66.1	79.6	23.6	6.5	20.4	29.8	28.0	23.2	-	-	-	9.6	4.4	4.0	1.0	1.3	1.5	31.3	21.6	18.0	1,550	(16.2)	23.0
HDFC Bank	1,103	IL	352,351	8,650	319	35.7	46.1	59.2	28.5	29.0	28.3	30.9	23.9	18.6	-	-	-	5.5	4.7	3.9	0.6	0.8	1.1	19.5	21.0	22.8	1,180	7.0	21.4
ICICI Bank	950	IL	853,780	20,961	899	34.6	39.7	53.4	5.6	14.9	34.4	27.5	23.9	17.8	-	-	-	3.5	3.2	2.8	0.9	1.0	1.3	13.4	14.0	16.8	1,000	5.3	36.7
IDFC	120	IL	134,605	3,305	1,126	4.4	5.1	6.1	25.8	15.9	20.1	27.4	23.7	19.7	-	-	-	4.6	4.0	3.5	0.8	1.0	1.4	17.9	18.1	19.1	95	(20.5)	14.5
India Infoline	723	IL	38,557	947	53	15.1	19.8	25.6	39.3	31.1	29.5	47.8	36.5	28.2	-	-	-	11.9	8.5	6.9	0.4	0.5	0.7	29.2	27.1	26.9	420	(41.9)	n/a
Indian Bank	123	IL	53,034	1,302	430	16.8	23.6	21.8	148.1	40.2	(7.6)	7.3	5.2	5.7	-	-	-	1.8	1.5	1.2	2.4	4.8	4.4	25.8	27.0	21.7	120	(2.8)	n/a
Indian Overseas Bank	115	OP	62,570	1,536	545	18.5	20.6	23.0	28.7	11.4	11.6	6.2	5.6	5.0	-	-	-	1.6	1.3	1.1	3.1	3.9	4.3	28.1	25.4	23.4	150	30.6	1.1
LIC Housing Finance	187	OP	15,877	390	85	32.9	33.2	37.5	33.9	1.0	12.9	5.7	5.6	5.0	-	-	-	1.3	0.9	0.8	4.3	4.3	4.8	-	-	-	220	17.8	1.2
Mahindra & Mahindra Financial	236	OP	19,841	487	84	15.8	19.1	22.1	26.4	20.4	16.2	14.9	12.4	10.7	-	-	-	2.7	2.4	2.1	1.7	2.0	2.3	18.2	19.2	19.4	265	12.2	0.5
Oriental Bank of Commerce	216	IL	54,154	1,330	251	33.0	34.7	35.7	2.9	5.2	3.0	6.6	6.2	6.0	-	-	-	1.2	1.0	0.9	2.2	2.3	2.4	10.9	10.9	10.6	240	11.0	2.4
PFC	150	U	171,878	4,220	1,148	11.1	10.2	11.2	9.5	(8.2)	10.5	13.5	14.7	13.3	-	-	-	1.8	1.7	1.6	1.0	2.1	2.4	12.6	11.7	12.0	105	(29.9)	n/a
Punjab National Bank	527	OP	166,149	4,079	315	48.8	60.5	66.3	7.0	23.8	9.6	10.8	8.7	7.9	-	-	-	1.8	1.6	1.4	2.5	1.5	1.6	15.5	17.5	17.1	610	15.8	10.6
Shriram Transport	158	OP	30,191	741	191	10.3	12.0	14.7	23.5	16.0	22.2	15.3	13.2	10.8	-	-	-	2.9	2.4	2.1	1.8	2.5	3.0	19.8	19.2	20.1	180	13.9	0.3
SREI	97	IL	10,576	260	109	5.6	7.7	8.7	25.8	37.5	13.5	17.4	12.6	11.1	-	-	-	2.5	2.2	1.9	1.8	1.8	1.8	14.3	17.4	17.3	110	13.5	3.3
State Bank of India	1,446	OP	760,791	18,678	526	86.3	102.6	108.0	3.1	18.9	5.3	16.8	14.1	13.4	-	-	-	2.9	2.6	2.1	1.0	1.1	1.2	15.4	16.8	16.2	1,400	(3.2)	61.1
UTI Bank	616	U	173,611	4,262	282	23.4	30.4	35.9	34.4	29.9	18.1	26.3	20.3	17.2	-	-	-	5.8	4.5	3.6	0.9	0.9	1.1	21.0	22.9	22.7	410	(33.5)	15.8
Banks/Financial Institutions																													
Neutral		3,456,397	84,856	15.3	17.3	15.8	18.4	15.6	13.5	-	-	-	3.1	2.6	2.3	1.2	1.3	1.6	16.8	16.7	16.7								
Cement																													
ACC	855	IL	160,138	3,931	187	56.3	66.4	66.5	78.6	18.0	0.1	15.2	12.9	12.9	9.1	8.0	7.6	4.7	3.7	3.0	2.0	2.0	2.0	40.3	35.2	27.9	810	(5.3)	22.1
Grasim Industries	2,507	OP	229,867	5,643	92	207.4	215.6	238.5	92.3	4.0	10.6	12.1	11.6	10.5	6.2	5.8	5.0	2.5	2.0	1.7	0.6	0.7	0.7	23.5	19.4	17.4	2,440	(2.7)	8.7
Gujarat Ambuja	119	IL	179,800	4,414	1,506	8.6	9.6	9.6	55.2	11.8	(0.4)	13.9	12.4	12.4	9.8	7.6	7.4	5.1	3.8	3.0	0.6	1.0	1.1	48.2	38.0	28.7	110	(7.9)	19.0
India Cements	187	IL	48,581	1,193	260	19.3	21.6	23.2	n/a	12.3	7.3	9.7	8.6	8.0	8.8	6.3	5.4	3.6	2.5	1.9	-	-	-	42.1	35.4	27.5	170	(8.9)	13.9
Shree Cement	1,186	OP	41,317	1,014	35	101.6	112.2	127.4	111.6	10.4	13.6	11.7	10.6	9.3	7.7	6.4	5.4	5.8	3.8	2.7	0.4	0.5	0.5	65.5	43.1	33.8	1,090	(8.1)	0.9
UltraTech Cement	837	IL	104,155	2,557	124	61.5	62.7	76.1	244.6	1.9	21.5	13.6	13.4	11.0	7.9	7.4	6.4	4.4	3.3	2.5	0.3	0.3	0.3	54.4	36.3	31.7	710	(15.1)	2.3
Cautious		763,857	18,753	104.1	10.5	7.3	13.2	11.9	11.1	7.8	6.8	6.0	3.7	2.9	2.3	0.8	0.9	0.9	28.4	24.2	20.7								
Chemicals																													
IPCL	349	U	105,142	2,581	302	42.9	31.5	24.6	21.1	(26.7)	(21.9)	8.1	11.1	14.2	3.8	4.2	4.5	1.4	1.2	1.2	1.7	1.3	1.0	18.5	11.5	8.3	270	(22.6)	8.7
Reliance Industries	1,733	U	2,414,573	59,279	1,393	76.9	71.5	98.5	21.8	(7.0)	37.6	22.5	24.2	17.6	13.2	14.1	9.1	3.3	3.0	2.3	0.6	0.7	0.8	16.7	13.0	15.3	1,400	(19.2)	121.4
Neutral		2,519,714	61,860	21.7	(11.8)	39.6	21.0	23.8	17.0	12.0	13.0	8.8	3.1	2.8	2.2	0.7	0.7	0.8	14.9	11.9	12.9								
Consumer Products																													
Asian Paints	853	IL	81,829	2,009	96	27.8	33.2	40.6	20.5	19.3	22.3	30.7	25.7	21.0	17.9	14.8	12.1	10.6	8.8	7.1	1.6	1.7	1.8	39.1	38.8	38.7	850	(0.4)	0.9
Colgate-Palmolive (India)	370	U	50,331	1,236	136	13.4	15.2	16.3	21.2	13.8	6.8	27.7	24.3	22.8	20.0	17.0	15.5	16.3	14.5	13.0	2.5	2.9	3.1	62.8	63.4	60.5	300	(18.9)	2.3
GlaxoSmithkline Consumer (a)	544	IL	22,872	562	42	30.2	32.1	36.7	18.4	6.5	14.3	18.0	16.9	14.8	8.6	7.8	6.5	4.0	3.5	3.1	1.8	2.0	2.2	24.7	22.7	22.6	625	14.9	0.5
Godrej Consumer Products	133	IL	30,094	739	226	5.8	6.7	7.8	9.2	15.6	17.1	23.1	20.0	17.1	18.1	15.2	13.0	23.7	16.8	12.4	2.6	2.8	3.2	131.9	104.2	87.2	185	38.8	0.5
Hindustan Lever (a)	189	IL	416,585	10,227	2,201	7.0	8.0	9.1	17.6	14.8	12.9	27.0	23.5	20.8	21.2	18.8	15.8	15.7	15.1	14.5	3.6	4.0	4.6	62.2	65.4	71.1	230	21.5	16.5
ITC	154	OP	577,689	14,183	3,742	7.2	8.4	9.6	19.6	16.7	14.3	21.5	18.5	16.1	13.5	11.4	9.6	5.3	4.6	4.0	1.8	2.1	2.3	27.3	27.4	26.9	215	39.2	24.7
Tata Tea	841	IL	51,989	1,276	62	52.0	46.2	57.3	0.1	(11.1)	24.2	16.2	18.2	14.7	11.9	10.9	10.5	1.8	1.4	1.4	1.4	1.4	1.4	14.9	8.1	8.3	992	18.0	7.4
Attractive		1,358,113	33,342	16.9	15.5	15.3	24.1	20.9	18.1	15.9	13.6	11.6	7.2	6.2	5.4	2.4	2.7	3.0	29.7	29.5	30.0								

Valuation summary

Kotak Institutional Equities Universe

Company	21-Jun-07		Mkt cap	Mkt cap	O/S Shares	EPS (Rs)			EPS Growth, %			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price	Upside	DVT-3mo
	Price (Rs)	Rating	(Rs m)	(US\$ m)	(m)	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	(Rs)	(%)	US\$ mn
Constructions																													
NCCL	176	OP	36,569	898	208	7.3	8.9	12.0	20.4	21.9	34.8	24.1	19.8	14.7	16.4	12.0	9.5	3.4	2.9	2.4	0.3	0.3	0.3	15.0	15.8	18.2	204	15.8	4.6
Punj	264	IL	68,852	1,690	261	6.7	10.6	14.7	225.3	57.0	38.7	39.1	24.9	18.0	20.8	13.3	10.2	5.4	4.4	3.6	0.2	0.4	0.5	14.7	21.0	23.8	239	(9.4)	12.0
Construction		Attractive	149,422	3,668					84.5	48.0	33.2	32.2	21.7	16.3	19.9	13.5	10.6	5.0	4.2	3.4	0.3	0.3	0.4	15.7	19.1	20.6			
Diversified																													
Aditya Birla Nuvo	1,351	OP	126,088	3,096	93	22.8	25.0	26.8	2.5	9.9	7.1	59.4	54.0	50.4	27.9	26.3	23.8	3.8	3.6	3.4	0.4	0.4	0.5	7.5	6.9	7.0	1,350	(0.1)	5.0
Max	244	IL	43,804	1,075	180	0.5	0.7	0.4	51.3	39.0	(40.3)	474.6	341.4	572.1	1,334.2	368.2	229.7	4.4	4.3	4.3	-	-	-	0.9	1.3	0.8	220	(9.7)	0.8
Monnet Ispat	292	OP	15,232	374	52	32.8	41.1	53.4	(1.5)	25.3	30.1	8.9	7.1	5.5	10.8	6.2	3.9	1.4	1.1	0.9	0.7	0.8	1.0	15.2	17.5	18.9	325	11.3	0.6
Sintex	233	OP	28,358	696	122	10.3	15.4	21.0	10.9	49.3	36.1	22.6	15.1	11.1	13.9	9.8	6.9	3.1	2.5	2.1	0.4	0.5	0.7	13.7	16.9	18.7	260	11.4	1.3
Healthcare																													
Apollo Hospital	514	OP	26,516	651	52	11.3	16.3	19.6	12.0	44.4	20.4	45.6	31.5	26.2	20.8	16.8	13.9	3.3	3.1	2.7	0.9	1.1	1.3	13.2	11.2	12.0	500	(2.6)	0.3
Industrials																													
ABB	4,719	OP	200,008	4,910	42	80.3	121.4	152.7	55.6	51.2	25.8	58.8	38.9	30.9	34.9	22.3	17.2	16.8	12.2	9.1	0.2	0.3	0.3	32.5	36.5	33.7	4,575	(3.1)	10.5
AIA Engineering	1,632	OP	30,683	753	19	51.4	70.4	98.8	74.4	37.1	40.3	31.8	23.2	16.5	22.4	15.6	10.7	6.3	5.0	3.9	0.2	0.4	0.6	25.4	24.0	26.3	1,750	7.2	2.3
Bharat Electronics	1,863	IL	149,024	3,659	80	86.3	103.3	119.0	14.8	19.7	15.1	21.6	18.0	15.7	10.2	8.4	7.5	5.7	4.6	3.8	1.2	1.3	1.3	29.0	28.3	26.5	1,450	(22.2)	7.0
Bharat Heavy Electricals	1,482	OP	725,322	17,807	490	48.7	63.6	74.5	42.3	30.5	17.3	30.4	23.3	19.9	14.3	13.5	11.2	8.0	6.3	5.1	0.7	1.0	1.1	29.1	30.3	28.5	1,350	(8.9)	39.4
Bredging Corporation	499	IL	13,980	343	28	55.9	48.5	44.8	(8.4)	(13.3)	(7.6)	8.9	10.3	11.1	4.7	5.0	4.9	1.3	1.2	1.1	3.0	3.0	3.0	13.2	12.4	10.8	575	15.2	0.1
Larsen & Toubro	2,107	OP	602,157	14,783	286	65.1	73.3	87.9	71.9	12.6	19.9	32.4	28.7	24.0	21.2	17.7	14.6	8.3	6.3	4.9	0.5	0.5	0.5	29.4	24.9	23.4	2,125	0.9	4.5
Maharashtra Seamless	644	OP	45,627	1,120	71	32.7	42.6	46.3	34.8	30.3	8.9	19.7	15.1	13.9	12.2	8.9	7.7	4.6	3.5	2.9	0.6	0.7	0.8	31.9	26.3	22.8	600	(6.8)	3.0
Siemens	1,338	OP	225,628	5,539	169	22.7	34.7	52.2	31.3	52.9	50.5	58.9	38.6	25.6	33.0	22.8	14.5	18.1	13.3	9.5	0.3	0.4	0.6	35.3	39.9	43.3	1,375	2.7	14.2
Suzlon Energy	1,375	OP	395,471	9,709	288	30.1	52.1	63.4	14.4	72.9	21.9	45.7	26.4	21.7	31.3	18.6	14.0	11.7	8.5	6.3	0.5	0.6	0.6	28.3	38.2	34.2	1,390	1.1	28.4
Industrials		Attractive	2,387,899	58,624					41.3	32.3	21.1	34.2	25.9	21.3	19.3	15.7	12.6	8.7	6.8	5.3	0.6	0.7	0.8	25.5	26.2	24.9			
Infrastructure																													
GMR Infrastructure	601	OP	198,841	4,882	331	2.0	1.1	9.0	(24.8)	(45.5)	718.6	299.4	549.3	67.1	43.9	48.2	23.7	9.5	8.2	6.7	-	-	-	4.3	1.6	11.0	465	(22.6)	13.2
Media																													
DishTV	112	OP	48,089	1,181	428	(5.8)	(5.4)	(3.2)	n/a	(5.5)	(41.5)	(19.5)	(20.7)	(35.3)	(29.0)	(151.2)	33.8	(87.5)	(16.7)	(11.3)	-	-	-	(361.0)	135.9	38.3	125	11.3	n/a
HT Media	226	IL	52,912	1,299	234	4.1	7.3	10.1	53.6	76.1	38.5	54.7	31.0	22.4	30.6	17.6	12.9	6.6	5.6	4.7	0.1	0.4	0.9	12.8	19.7	23.0	200	(11.5)	1.1
SunTV	1,563	U	107,701	2,644	69	29.2	46.2	64.5	39.2	58.1	39.5	53.5	33.8	24.2	30.2	18.4	13.4	10.0	8.2	6.6	0.4	0.6	1.0	29.1	26.8	30.3	1,200	(23.2)	4.8
Zee Entertainment Enterprises	298	U	129,508	3,179	435	5.0	8.6	11.3	2.9	71.0	31.1	59.0	34.5	26.3	41.5	23.0	17.4	4.8	4.3	3.8	0.3	0.6	0.8	9.1	13.1	15.4	215	(27.8)	12.1
Media		Neutral	294,995	7,242					32.8	68.0	28.2	54.2	32.3	25.2	32.7	19.0	15.2	6.1	5.3	4.8	0.3	0.6	0.9	11.3	16.5	19.1			
Oil & Gas																													
Bharat Petroleum	348	OP	125,708	3,086	362	50.1	51.3	58.5	548.6	2.4	14.0	6.9	6.8	5.9	4.2	3.1	2.8	1.1	1.0	0.9	4.6	4.6	5.2	15.5	14.3	14.6	450	29.4	4.3
Cairn India	140	U	246,886	6,061	1,765	0.6	0.4	0.6	(66.2)	(38.9)	59.9	229.3	375.4	234.7	41.3	39.5	33.1	0.9	0.9	0.9	-	-	-	0.7	0.2	0.4	130	(7.0)	8.0
Castrol India (a)	272	OP	33,599	825	124	12.1	18.4	20.0	1.9	52.4	9.1	22.5	14.8	13.6	12.9	8.8	8.0	7.9	7.1	6.5	3.3	4.4	5.2	36.1	50.6	50.1	300	10.4	0.7
GAIL (India)	296	IL	250,312	6,145	846	25.3	26.9	28.9	(9.3)	6.0	7.6	11.7	11.0	10.2	6.7	5.8	4.9	2.0	1.8	1.6	3.4	3.4	3.7	16.8	15.8	15.3	325	9.8	6.0
GSPL	60	IL	32,702	803	545	1.6	2.0	4.1	40.4	21.0	108.6	36.6	30.2	14.5	13.8	10.6	6.9	3.1	2.8	2.4	0.8	1.0	2.1	8.9	9.8	18.2	57	(5.1)	1.2
Hindustan Petroleum	273	OP	92,666	2,275	339	40.0	52.6	59.5	503.7	31.5	13.1	6.8	5.2	4.6	4.5	3.5	2.8	0.8	0.8	0.7	6.6	7.3	8.3	12.0	14.4	14.8	375	37.2	5.3
Indian Oil Corporation	448	IL	534,004	13,110	1,192	47.0	62.1	61.2	11.1	32.3	(1.6)	9.5	7.2	7.3	5.0	4.1	3.8	1.4	1.2	1.1	4.2	4.9	4.9	15.0	17.3	15.2	500	11.6	2.9
Oil & Natural Gas Corporation	913	OP	1,952,270	47,929	2,139	86.8	99.1	99.3	18.2	14.2	0.3	10.5	9.2	9.2	4.5	3.9	3.6	2.2	1.9	1.7	3.3	3.6	3.6	21.1	21.0	18.7	1,075	17.8	27.3
Petronet LNG	54	U	40,838	1,003	750	4.2	5.5	5.2	-	31.4	(5.8)	13.0	9.9	10.5	7.5	7.5	8.3	2.7	2.2	1.8	2.3	2.8	1.8	22.4	23.3	18.4	50	(8.2)	6.7
Reliance Petroleum	97	OP	436,500	10,716	4,500	-	-	3.9	n/a	n/a	n/a	n/a	n/a	25.1	n/a	n/a	22.0	3.8	3.8	3.3	-	-	-	-	-	14.0	100	3.1	27.1
Oil & Gas		Attractive	3,745,485	91,953					25.8	17.2	7.1	12.4	10.6	9.9	5.9	5.2	4.7	1.8	1.7	1.5	2.9	3.2	3.3	14.7	15.6	15.1			

Valuation summary

Kotak Institutional Equities Universe

Company	21-Jun-07		Mkt cap (Rs m)	Mkt cap (US\$ m)	O/S Shares (m)	EPS (Rs)			EPS Growth, %			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield			RoE (%)			Target Price		ADVT-3m US\$ mn
	Price (Rs)	Rating				2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	(Rs)	(%)	
Pharmaceuticals																													
Aventis (a)	1,391	OP	32,030	786	23	73.5	83.5	92.4	8.3	13.6	10.6	18.9	16.7	15.1	10.5	8.8	7.6	5.5	4.7	4.0	2.3	2.3	2.4	31.4	30.4	28.4	1,650	18.6	0.3
Biocon	460	IL	46,020	1,130	100	20.0	22.7	25.7	15.0	13.6	12.9	23.0	20.2	17.9	16.1	13.4	11.6	4.3	3.7	3.2	0.7	0.9	1.1	20.6	19.9	19.3	460	(0.0)	3.8
Cadilla Healthcare	389	OP	48,895	1,200	126	17.0	21.3	24.9	40.3	24.9	17.4	22.9	18.3	15.6	14.7	12.3	10.7	5.0	4.2	3.5	1.1	1.4	1.6	27.4	27.8	26.9	420	7.9	0.4
Cipla	210	U	160,900	3,950	766	8.6	9.6	11.5	10.9	11.7	19.1	24.3	21.8	18.3	17.5	16.0	13.7	4.8	4.2	3.6	1.0	1.1	1.3	25.4	21.1	21.6	225	7.2	12.2
Divi's Laboratories	6,079	U	79,197	1,944	13	143.9	182.9	207.8	165.4	27.1	13.6	42.2	33.2	29.3	32.0	24.8	21.7	14.1	10.0	7.5	0.2	0.2	0.2	42.6	36.7	30.3	3,400	(44.1)	18.5
Dr Reddy's Laboratories	646	U	108,392	2,661	168	65.7	30.0	34.4	669.6	(54.3)	14.6	9.8	21.5	18.8	7.1	12.6	11.3	2.3	2.1	1.9	0.6	0.6	0.8	34.8	11.7	12.1	620	(4.0)	13.4
GlaxoSmithkline Pharmaceuticals (a)	1,273	U	107,823	2,647	85	42.7	46.3	51.4	18.1	8.5	10.9	29.8	27.5	24.8	16.7	15.6	14.0	9.2	8.8	8.5	2.4	2.7	3.0	33.8	32.2	34.3	1,100	(13.6)	2.4
Ipca Laboratories	709	OP	17,736	435	25	50.1	60.0	72.3	103.8	19.8	20.4	14.2	11.8	9.8	9.6	8.2	6.8	3.4	2.7	2.2	1.1	1.5	1.8	29.6	28.1	27.2	800	12.8	0.5
Lupin	700	IL	56,270	1,381	80	35.0	35.0	38.9	78.3	0.0	11.2	20.0	20.0	18.0	13.4	13.8	12.0	5.7	4.4	3.5	0.7	0.7	0.8	40.8	30.3	26.5	730	4.2	5.6
Nicholas Piramal	301	IL	62,972	1,546	209	11.0	14.0	18.0	85.1	26.9	29.2	27.4	21.6	16.7	17.8	14.2	11.3	5.3	4.6	3.8	1.2	1.2	1.3	22.8	25.1	26.8	265	(12.0)	2.4
Novartis India	346	IL	11,073	272	32	24.6	28.1	32.3	(0.4)	14.2	14.9	14.1	12.3	10.7	8.0	6.9	5.9	3.2	2.9	2.6	4.3	4.6	4.9	22.5	23.8	-	465	34.2	0.2
Pfizer	808	OP	24,112	592	30	39.3	48.3	53.8	23.8	23.0	11.4	20.6	16.7	15.0	12.7	10.0	8.5	5.9	3.5	3.2	2.8	2.8	3.1	30.0	26.6	22.4	900	11.4	0.5
Ranbaxy Laboratories (a)	356	OP	132,674	3,257	373	12.8	16.0	20.0	92.4	25.4	25.1	27.9	22.2	17.8	18.0	14.5	12.2	5.1	4.6	4.1	2.6	2.6	2.9	20.3	23.8	26.8	450	26.4	10.7
Sun Pharmaceuticals	1,032	OP	213,804	5,249	207	37.4	43.5	54.6	35.0	16.4	25.4	27.6	23.7	18.9	22.6	17.9	13.7	8.1	4.9	4.0	0.7	0.7	0.8	37.8	26.7	24.0	1,050	1.7	3.3
Torrent Pharma	242	IL	20,507	503	85	11.1	15.0	17.4	66.4	35.7	16.3	21.9	16.2	13.9	14.6	11.7	9.9	4.4	3.6	3.0	1.0	1.4	1.7	24.4	27.4	26.2	260	7.3	0.4
Wockhardt (a)	396	U	43,287	1,063	109	20.9	22.5	25.9	(3.0)	7.8	15.2	19.0	17.6	15.3	12.7	9.7	8.3	3.7	3.0	2.4	1.3	1.3	1.5	26.5	22.5	21.1	390	(1.4)	0.8
Pharmaceuticals		Neutral	1,173,296	28,805					64.9	1.9	18.5	21.6	21.2	17.9	15.0	14.1	11.9	5.1	4.2	3.6	1.3	1.4	1.5	23.6	19.7	20.1			
Property																													
Mahindra Gesco	550	OP	23,109	567	42	10.1	16.3	44.4	90.0	61.1	173.0	54.5	33.8	12.4	30.9	20.6	9.9	2.8	2.5	2.2	0.4	0.5	0.7	8.2	7.8	18.8	920	67.2	9.8
Sobha	878	OP	64,026	1,572	73	22.9	40.1	60.4	(45.9)	75.4	50.5	38.4	21.9	14.5	26.3	15.9	10.0	7.5	5.7	4.2	0.2	0.3	0.5	33.8	29.8	33.4	940	7.0	7.5
Retail																													
Pantaloon Retail	438	IL	64,277	1,578	147	6.1	10.5	15.0	26.7	73.1	42.7	72.3	41.8	29.3	29.0	20.6	15.1	6.2	5.6	5.0	0.8	0.9	1.0	10.7	13.2	16.3	425	(3.0)	1.3
Shipyards																													
ABG Shipyard	426	OP	21,663	532	51	21.3	32.7	46.1	29.6	53.7	40.7	20.0	13.0	9.2	12.6	8.1	5.2	3.4	2.6	1.9	0.5	0.6	0.7	19.1	22.5	23.9	460	8.1	0.9
Technology																													
HCL Technologies	335	IL	232,999	5,720	695	17.6	18.1	22.1	54.5	3.2	22.0	19.1	18.5	15.1	16.8	13.5	10.7	5.3	4.7	3.8	2.4	2.4	2.4	26.7	28.3	29.6	360	7.4	11.1
Hexaware Technologies	162	IL	22,961	564	142	8.9	11.5	14.4	16.1	29.1	25.6	18.2	14.1	11.2	14.8	10.2	7.6	3.1	2.6	2.2	1.0	1.0	1.0	22.8	19.9	21.0	195	20.7	0.9
i-flexsolutions	2,555	U	212,840	5,225	83	33.2	51.0	74.2	15.9	53.3	45.5	76.9	50.2	34.5	57.4	35.8	25.1	9.4	8.2	6.9	-	0.4	0.5	15.3	17.5	21.8	1,675	(34.5)	5.3
iGate Global Solutions	318	U	10,071	247	32	15.7	22.5	30.0	101.5	43.5	33.2	20.3	14.1	10.6	10.8	7.3	5.2	3.3	2.7	2.2	0.7	0.8	0.9	17.2	20.9	23.2	325	2.3	0.5
Infosys Technologies	1,957	OP	1,123,031	27,571	574	67.0	83.8	103.4	48.7	25.1	23.5	29.2	23.4	18.9	24.2	18.7	14.3	9.9	7.5	5.8	0.7	0.9	1.1	40.7	36.5	34.5	2,300	17.6	93.6
Mphasis BFL	315	IL	51,724	1,270	164	7.3	12.5	16.1	(21.5)	71.5	28.6	43.2	25.2	19.6	25.0	17.5	13.5	6.9	1.2	4.8	1.0	1.1	1.3	17.0	25.0	26.8	320	15.1	13.6
Mindtree	774	IL	29,881	734	39	21.6	30.7	40.0	17.1	41.9	30.4	35.8	25.2	19.3	27.1	19.5	14.0	6.9	5.4	4.3	0.1	0.4	0.5	30.5	24.8	25.5	750	(3.1)	24.6
Patni Computer Systems	515	OP	71,529	1,756	139	25.9	31.5	38.2	19.8	21.7	21.4	19.9	16.4	13.5	12.3	10.0	7.6	3.1	2.8	2.3	0.5	0.6	0.7	12.5	18.4	18.9	530	3.0	7.7
Polaris Software Lab	157	U	15,409	378	98	10.3	12.3	13.5	359.1	19.5	10.0	15.2	12.8	11.6	8.8	7.0	5.7	2.6	2.2	1.9	1.1	1.1	1.1	17.7	18.5	17.5	150	(4.3)	5.2
Satyam Computer Services	467	IL	313,223	7,690	671	21.4	26.4	32.0	41.7	23.1	21.3	21.8	17.7	14.6	17.9	13.7	10.3	5.4	4.4	3.5	1.7	2.1	2.6	27.9	27.4	26.8	510	9.3	45.6
TCS	1,145	IL	1,120,166	27,501	979	42.2	51.8	62.9	43.3	22.8	21.3	27.1	22.1	18.2	21.7	17.5	14.0	12.5	9.6	7.5	1.0	1.8	2.2	55.8	49.2	46.3	1,300	13.6	42.9
Tech Mahindra	1,464	IL	178,434	4,381	122	47.0	73.5	104.6	124.3	56.5	42.3	31.2	19.9	14.0	24.3	14.8	9.8	20.0	9.8	5.7	0.2	0.3	0.3	81.3	70.8	55.2	1,850	26.3	19.3
Wipro	524	OP	764,297	18,764	1,459	20.3	24.3	30.4	42.4	20.1	25.0	25.9	21.5	17.2	21.0	16.3	12.2	7.5	6.0	4.7	1.0	1.3	1.7	31.7	30.9	30.7	655	25.0	19.2

Valuation summary

Kotak Institutional Equities Universe

Company	21-Jun-07		Mkt cap (Rs m)	Mkt cap (US\$ m)	O/S Shares (m)	EPS (Rs)			EPS Growth, %			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield			RoE (%)			Target Price		ADVT-3m US\$ mn
	Price (Rs)	Rating				2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007E	2008E	
Telecom																													
Bharti Airtel Ltd	818	U	1,552,666	38,119	1,898	22.2	34.9	46.6	n/a	57.0	33.4	36.8	23.4	17.6	21.6	13.7	10.2	13.2	8.6	6.0	-	0.2	0.5	43.9	44.5	40.1	600	(26.7)	25.1
IDEA	116	U	305,745	7,506	2,635	2.2	3.3	4.1	146.3	50.2	25.7	53.2	35.4	28.2	22.5	15.0	11.6	8.6	6.9	5.5	0.8	-	-	21.5	21.6	21.8	100	(13.8)	25.4
MTNL	159	U	100,107	2,458	630	7.2	9.4	10.0	8.1	31.4	6.5	22.2	16.9	15.9	8.6	6.5	6.2	0.9	0.9	0.8	3.8	4.8	5.0	3.4	4.4	4.6	135	(15.0)	10.1
Reliance Communication	517	U	1,057,375	25,959	2,045	14.7	22.2	31.6	n/a	51.4	42.1	35.3	23.3	16.4	18.6	13.3	10.0	5.9	4.7	3.6	0.1	0.2	0.3	21.5	23.6	26.4	400	(22.7)	78.3
VSNL	483	OP	137,627	3,379	285	17.2	18.6	20.3	(7.9)	8.5	8.9	28.1	25.9	23.8	12.1	11.3	10.3	2.1	2.0	1.9	0.9	0.9	1.0	7.4	7.6	7.8	560	16.0	7.4
Telecom		Cautious	2,847,775	69,914					141.1	51.6	34.4	34.0	22.4	16.7	19.0	13.0	10.0	6.0	4.8	3.8	0.2	0.4	0.6	17.6	21.5	23.0			
Textiles																													
Vardhman	170	IL	10,700	263	63	29.5	22.7	31.6	3.9	(22.9)	39.0	5.8	7.5	5.4	6.2	7.2	5.2	0.7	0.6	0.6	2.1	1.9	2.7	14.1	8.9	11.2	220	29.4	0.2
Transmission T																													
JSL	193	OP	15,974	392	83	6.6	10.7	13.1	81.2	61.1	23.0	29.1	18.1	14.7	13.6	9.7	8.1	6.3	4.7	3.6	0.3	0.3	0.3	29.8	30.0	28.0	225	16.7	0.7
Kalpataru	1,513	OP	40,096	984	26	60.2	77.4	91.8	67.6	28.7	18.6	25.2	19.5	16.5	15.6	12.4	10.1	6.1	4.8	3.8	0.5	0.7	0.7	38.8	27.6	25.9	1,495	(1.2)	1.6
KEC	552	OP	20,936	514	38	27.3	36.0	41.1	92.4	31.8	14.2	20.2	15.3	13.4	9.3	8.1	7.2	7.4	5.1	3.8	0.4	0.5	0.6	43.5	39.1	32.2	585	5.9	0.8
Transmission		Attractive	77,006	1,891					115.0	35.3	18.1	24.2	17.9	15.2	12.6	10.2	8.6	6.4	4.9	3.8	0.4	0.6	0.6	26.6	27.2	24.8			
Transportation																													
Container Corporation	2,145	IL	139,387	3,422	65	106.3	129.7	135.3	31.9	22.1	4.3	20.2	16.5	15.9	14.0	10.9	10.4	5.3	4.2	3.4	0.8	0.9	1.0	29.1	28.1	23.7	2,200	2.6	0.7
Gateway Distriparks	193	IL	17,837	438	92	8.6	9.7	11.0	10.2	12.7	13.6	22.5	19.9	17.5	17.9	16.5	14.1	2.8	2.6	2.3	1.1	1.3	1.4	13.1	13.5	13.9	186	(3.9)	2.5
Jet Airways	812	U	70,116	1,721	86	(6.2)	(35.5)	18.7	(130)	546.9	177	(130.9)	(22.9)	43.3	42.3	12.7	5.9	2.6	3.3	3.1	(0.2)	(0.9)	0.5	(2.0)	(12.7)	7.4	400	(58.9)	10.1
Transportation		Attractive	276,622	6,791					(18.5)	(29.5)	37.1	17.0	24.2	17.6	13.1	10.3	7.5	3.1	2.9	2.6	1.3	0.8	1.1	17.9	11.9	14.5			
Utilities																													
CESC	354	IL	29,823	732	84	36.0	29.6	38.3	31.8	(17.9)	29.6	9.8	12.0	9.2	5.8	6.2	4.5	1.5	1.3	1.1	1.0	1.3	1.6	16.1	11.3	12.8	396	12.0	4.9
LANCO	205	OP	45,617	1,120	222	8.7	14.0	24.9	55.9	61.1	78.2	23.7	14.7	8.2	15.3	17.3	11.6	2.7	2.3	1.8	-	-	-	21.9	17.0	24.5	204	(0.6)	4.9
NTPC	150	IL	1,237,644	30,385	8,245	8.0	8.8	9.8	13.5	9.2	11.8	18.7	17.1	15.3	17.3	15.2	15.1	2.5	2.3	2.1	2.1	2.3	2.6	14.0	14.1	14.6	160	6.6	14.2
Tata Power	637	IL	135,449	3,325	213	20.2	33.4	44.3	(23.5)	65.6	32.8	31.6	19.1	14.4	15.3	10.9	9.2	2.2	2.0	1.7	1.3	1.4	1.5	7.2	11.1	12.7	670	5.2	5.3
Utilities		Attractive	1,531,610	37,602					9.7	9.4	13.5	19.0	17.4	15.3	16.1	14.2	13.4	2.3	2.1	1.9	2.0	2.1	2.4	12.1	12.3	12.7			
KS universe (b)			28,626,057	702,782					36.9	13.2	15.3	19.5	17.2	14.9	11.2	9.9	8.5	3.7	3.1	2.7	1.3	1.5	1.6	18.9	18.2	17.9			
KS universe (b) ex-Energy			24,880,572	610,829					40.1	12.1	17.5	21.3	19.0	16.2	13.4	11.8	9.8	4.4	3.6	3.0	1.0	1.2	1.4	20.5	19.1	18.7			
KS universe (d) ex-Energy & ex-Commodities			19,909,131	488,778					33.0	22.1	20.7	25.2	20.6	17.1	17.1	13.7	11.1	5.0	4.2	3.5	1.1	1.3	1.5	19.7	20.3	20.6			

(a) 2003 means calendar year 2002, similarly for 2004 and 2005 for these particular companies

(b) EV/Sales & EV/EBITDA for KS universe excludes Banking Sector

Rupee-US Dollar exchange rate (Rs/US\$)= 40.73

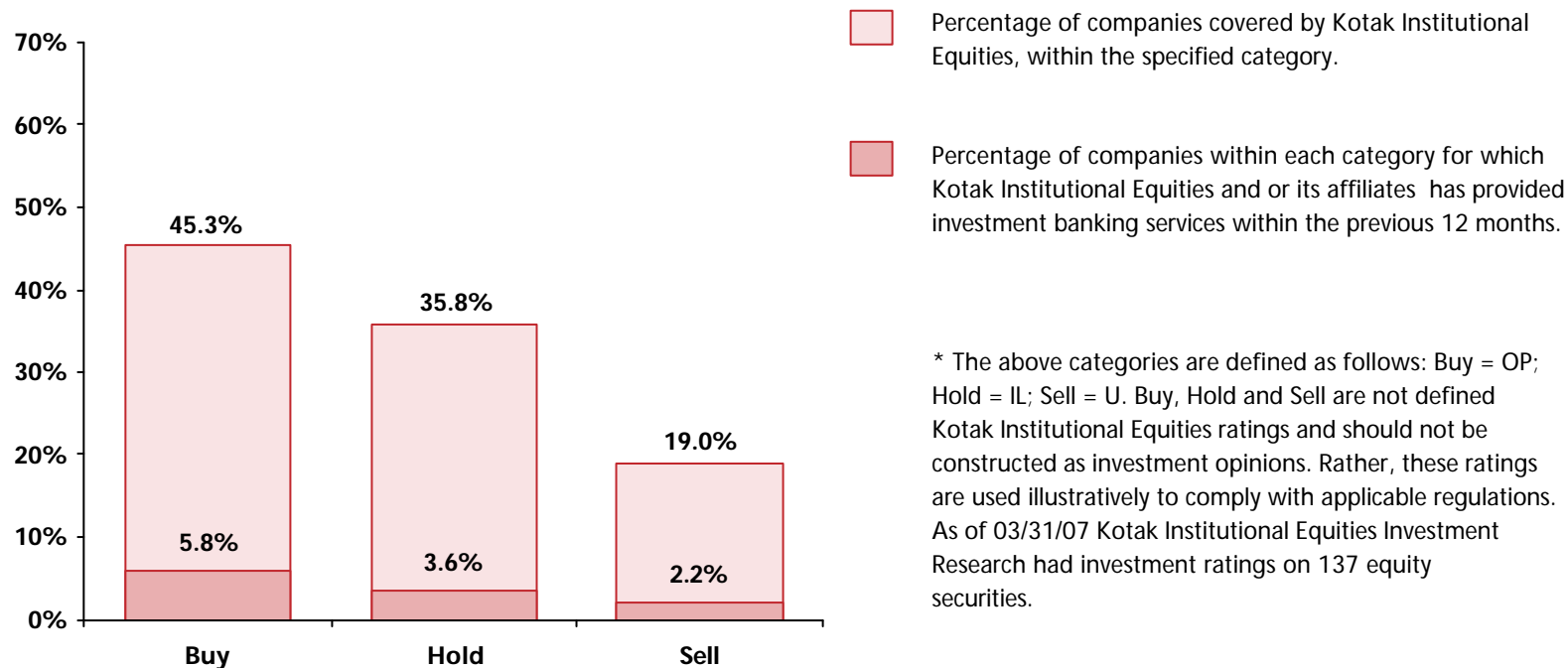
Source: Kotak Institutional Equities.

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Source: Kotak Institutional Equities.

As of March 31, 2007

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