

March 14, 2008

India Strategy Friday Flash

BSE-30: 15,357

India

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Kotak Institutional Equities
Research

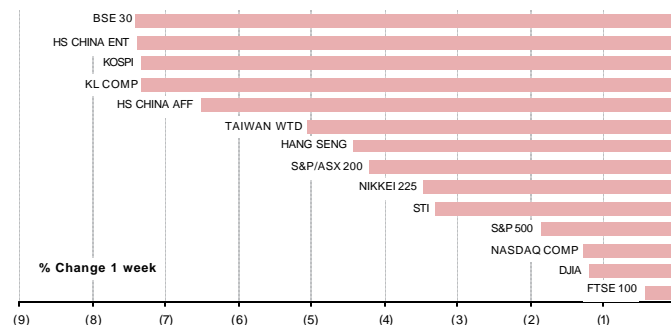
Important disclosures appear at the
back of this report.

Back to 15K. During the past week, the Sensex lost 1,185 points (7.2%) to close at 15,357. The fall was led by ICICI Bank (on continued concerns over MTM losses in credit derivatives and its international fixed income portfolio), L&T (commodity-hedging losses in its international subsidiary) and Infosys Technologies. Unexpected slowdown in industrial growth in January also contributed to the fall. The Sensex is now trading at 14.5X on one-year rolling forward earnings.

Market highlights for the week ending Thursday, March 13, 2008

- Largest gainers: Nicholas Piramal (10%), ACC (5%), Motherson Sumi (5%)
- Largest losers: Max India (-20%), Corporation Bank (-18%), Reliance Energy (-18%)

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)						
7-Mar-08	(161)	-	(7)	(1)	274	105
10-Mar-08	(562)	(152)	(20)	(2)	(282)	(1,017)
11-Mar-08	(370)	(119)	(19)	0	(43)	(551)
12-Mar-08	427	8	(11)	1	-	425
13-Mar-08	-	-	(13)	-	-	(13)
Total	(667)	(262)	(71)	(1)	(50)	(1,051)

Our top recommendations

Kotak Institutional Equities, Top 10, 13 March, 2008

Companies	Sector	Rating	Mkt cap.	CMP	Target	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
			(US\$ mn)	(Rs)	(Rs)	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E
ICICI Bank	Banking	ADD	22,913	838	1,200	34.6	36.7	45.7	24.2	22.8	18.3	—	—	—
Larsen & Toubro	Industrials	BUY	20,233	2,805	3,800	62.8	79.7	114.4	44.7	35.2	24.5	28.7	19.8	15.1
ITC	Consumer Products	BUY	17,156	185	250	7.2	8.3	9.7	25.7	22.3	19.1	16.3	14.0	11.6
DLF	Property	BUY	25,571	607	1,220	12.7	55.1	72.4	47.8	11.0	8.4	40.3	9.2	6.8
HDFC Bank	Banking	BUY	14,447	1,296	1,500	35.7	50.4	59.9	36.3	25.7	21.7	—	—	—
Maruti Suzuki	Automobiles	BUY	6,000	840	1,240	54.0	67.8	93.0	15.5	12.4	9.0	9.1	7.6	5.3
Bajaj Auto	Automobiles	BUY	5,203	2,080	2,550	127.2	119.9	140.7	16.4	17.3	14.8	11.4	11.8	10.4
Oil & Natural Gas Corporation	Energy	BUY	52,162	986	1,325	84.4	102.1	121.2	11.7	9.7	8.1	4.7	4.0	3.3
Tata Power	Utilities	ADD	6,703	1,164	1,540	26.6	29.7	38.1	43.8	39.2	30.5	25.3	26.2	23.5
Mid-cap. basket														
IVRCL	Construction	BUY	1,374	413	570	12.4	13.5	20.4	33.2	30.7	20.2	25.6	15.9	11.7
Jindal Saw	Pipes	BUY	1,003	724	1,150	101.4	70.9	114.2	7.1	10.2	6.3	5.0	5.3	3.2
Lanco Infratech	Utilities	BUY	2,091	380	670	8.5	17.6	33.8	44.9	21.7	11.3	23.9	20.0	11.1
Nagarjuna Construction Co.	Construction	BUY	1,350	236	365	6.5	9.2	12.7	36.2	25.7	18.6	23.6	14.7	11.3
Rajesh Exports	Retail	BUY	685	95	215	4.6	7.6	10.5	20.8	12.6	9.1	12.5	4.7	3.7
BSE-30				15,357										

Source: Company, Bloomberg, Kotak Institutional Equities.

Our model portfolio

Kotak Institutional Equities Model Portfolio

Company	13-Mar		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Bajaj Auto	2,080	BUY	1.3	2.8	150
Mahindra & Mahindra	661	BUY	1.3	1.3	—
Maruti Suzuki	840	BUY	1.2	2.7	150
Tata Motors	620	BUY	1.6	—	(163)
Automobiles			5.4	6.8	137
Punjab National Bank	476	BUY	—	1.0	100
State Bank of India	1,696	NR	4.0	4.0	—
PSU Banking			4.0	5.0	100
HDFC	2,501	ADD	6.1	3.6	(250)
HDFC Bank	1,296	BUY	3.3	4.8	150
ICICI Bank	838	ADD	9.6	11.1	150
Pvt Banking/Financing			19.0	19.5	50
ACC	779	REDUCE	0.8	—	(76)
Ambuja Cements	121	REDUCE	1.0	—	(99)
Grasim Industries	2,792	ADD	1.8	—	(178)
Cement			3.5	—	(353)
Hindustan Unilever	222	ADD	2.2	2.2	—
ITC	185	BUY	4.6	6.1	150
Consumers			6.8	8.3	150
HPCL	269	BUY	—	1.0	100
Oil & Natural Gas Corporation	986	BUY	3.8	5.3	150
Reliance Industries	2,242	RS	13.0	10.9	(207)
Energy			16.8	17.2	43
Bharat Heavy Electricals	1,883	ADD	3.2	1.7	(150)
Larsen & Toubro	2,805	BUY	7.5	9.5	200
Industrials			10.7	11.2	50

Company	13-Mar		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Hindalco Industries	174	ADD	1.7	—	(172)
Jindal Steel & Power	1,984	ADD	—	1.5	150
Tata Steel	697	REDUCE	4.3	3.3	(100)
Metals			6.1	4.8	(122)
Cipla	201	REDUCE	0.9	—	(94)
Sun Pharmaceuticals	1,226	BUY	—	1.0	100
Ranbaxy Laboratories	457	BUY	1.1	1.1	—
Pharmaceuticals			2.0	2.1	6
DLF	607	BUY	1.6	3.1	150
Housing Development & Infrastructure	616	BUY	—	1.0	100
Real estate			1.6	4.1	250
Infosys Technologies	1,334	BUY	6.5	6.5	—
Satyam Computer Services	364	BUY	2.5	2.5	—
TCS	779	ADD	1.9	—	(193)
Wipro	365	ADD	1.1	1.6	50
Technology			12.1	10.6	(143)
Bharti Airtel Limited	778	REDUCE	4.5	3.0	(150)
Reliance Communications	501	SELL	3.4	2.4	(100)
Telecom			7.9	5.4	(250)
NTPC	187	REDUCE	2.2	—	(217)
Reliance Energy	1,197	NR	2.0	—	(202)
Tata Power	1,164	ADD	—	2.0	200
Utilities			4.2	2.0	(219)
IVRCL	413	BUY	—	0.6	60
Jindal Saw	724	BUY	—	0.6	60
Lanco Infratech	380	BUY	—	0.6	60
Nagarjuna Construction Co.	236	BUY	—	0.6	60
Rajesh Exports	95	BUY	—	0.6	60
Mid-cap. basket			—	3.0	300

Note:

(a) Weightages are with respect to March 5, 2008 prices.

Source: BSE, Bloomberg, Kotak Institutional Equities.

Sensex valuation summary

Valuation summary of BSE-30 sectors, 13 March, 2008

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)		Price/BV (X)		Div Yield (%)		RoE (%)	
		2006	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2007	2008E	2007	2008E	2007	2008E
Automobiles	21,984	31.0	27.6	10.9	20.4	15.5	14.0	11.6	9.8	9.1	3.7	3.0	1.6	1.5	24.0	21.4
Banking	77,156	13.3	14.2	35.0	14.1	30.1	22.3	19.6	—	—	5.0	3.1	0.8	0.9	16.5	13.9
Cement	14,497	27.7	89.5	16.5	8.5	13.5	11.6	10.7	8.0	6.2	3.6	2.8	1.4	1.9	26.5	24.0
Consumers	29,127	21.2	19.8	14.8	15.4	27.7	24.1	20.9	18.9	15.2	8.6	8.2	2.3	3.0	31.2	34.0
Energy	121,684	16.9	23.2	17.0	20.0	16.3	13.9	11.6	8.0	7.0	3.1	2.6	1.7	1.9	18.7	18.3
Industrials	43,021	59.6	52.0	30.5	35.4	41.5	31.8	23.5	23.9	17.6	10.6	7.5	0.5	0.6	25.5	23.7
Metals	20,435	6.3	33.1	(0.6)	7.3	11.9	12.0	11.2	7.7	7.0	2.8	1.7	1.4	1.5	23.5	14.0
Pharmaceuticals	8,075	(26.3)	39.6	21.7	(3.0)	27.7	22.8	23.5	19.5	15.7	5.5	4.8	1.4	1.7	19.9	21.0
Property	25,571	121.6	913.2	383.2	31.4	53.2	11.0	8.4	38.8	9.1	26.1	4.8	-	0.8	49.0	43.5
Technology	56,888	28.6	44.4	20.7	18.6	19.0	15.7	13.2	13.8	11.1	6.4	5.0	1.4	2.0	33.5	31.7
Telecom	61,872	(107.4)	182.9	67.6	26.1	34.5	20.6	16.3	18.5	12.3	7.2	5.3	0.0	0.2	20.9	25.7
Utilities	45,040	17.0	16.1	11.8	9.6	23.9	21.4	19.5	12.7	13.1	3.1	2.8	1.5	1.8	12.9	13.2
BSE-30 Index	525,350	20.7	36.5	29.1	19.0	22.1	17.1	14.4	12.0	9.7	4.6	3.4	1.1	1.4	20.7	20.1
BSE-30 ex-Energy	403,666	22.8	43.5	34.7	18.6	24.8	18.4	15.5	14.7	11.2	5.4	3.8	1.0	1.3	21.8	20.9
BSE-30 ex-Energy, Com.	368,734	25.2	42.2	40.6	20.3	27.3	19.4	16.1	16.6	12.3	5.8	4.2	0.9	1.2	21.3	21.7

Source: Company reports, Kotak Institutional Equities estimates.

Nifty valuation summary

Valuation summary of Nifty sectors, 13 March, 2008

	Mkt cap. (US\$ mn)	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	2007	2008E	2007	2008E
Automobiles	25,600	28.9	20.6	9.6	18.9	15.7	14.4	12.1	9.7	9.1	7.6	3.9	3.2	1.7	1.7	24.8	22.0
Banking	80,786	11.6	13.2	33.1	13.2	27.5	20.6	18.2	—	—	—	4.6	2.9	0.9	1.0	16.6	14.2
Consumers	29,097	21.2	19.8	14.8	15.4	27.7	24.1	20.9	18.9	15.2	13.0	8.6	8.2	2.3	3.0	31.2	34.0
Cement	14,482	27.7	89.5	16.5	8.5	13.5	11.6	10.7	8.0	6.2	5.6	3.6	2.8	1.4	1.9	26.5	24.0
Energy	153,044	13.3	27.2	14.7	21.7	17.9	15.6	12.8	8.9	8.0	6.6	2.7	2.4	1.5	1.8	15.1	15.1
Industrials	55,755	65.7	43.8	30.2	46.1	39.0	30.0	20.5	22.8	16.7	12.4	10.1	6.6	0.5	0.6	25.8	22.0
Metals	32,902	20.7	65.6	(8.2)	3.1	9.5	10.4	10.1	5.6	5.5	5.3	2.7	1.6	1.2	1.3	28.7	15.7
Media	2,629	(34.6)	11.2	59.9	40.2	44.9	28.1	20.0	33.9	16.4	12.1	4.1	3.8	0.6	0.8	9.1	13.4
Property	10,664	151.9	1,389.1	38.4	35.8	33.1	23.9	17.6	21.9	16.7	12.5	21.6	11.9	-	0.4	65.4	50.0
Telecom	71,004	(89.6)	149.5	63.2	27.1	34.8	21.3	16.8	17.9	12.4	9.4	6.7	5.0	0.1	0.2	19.1	23.5
Technology	61,178	28.3	46.8	18.8	18.6	18.4	15.5	13.1	13.3	10.9	8.7	6.0	4.8	1.5	2.1	32.3	30.8
Utilities	51,691	18.4	14.8	12.5	11.0	25.6	22.7	20.5	13.5	14.0	14.7	3.2	2.9	1.4	1.7	12.6	12.8
NIFTY	607,666	20.8	39.5	18.2	19.2	21.2	17.9	15.0	11.5	10.1	8.6	4.1	3.2	1.1	1.4	19.5	18.0
NIFTY ex-Energy	454,622	24.8	45.5	19.7	18.2	22.6	18.9	16.0	13.0	11.4	9.8	5.0	3.7	1.0	1.3	22.1	19.5
NIFTY ex-Energy ex Com	421,720	25.5	42.0	25.5	20.4	25.3	20.1	16.7	15.1	12.7	10.6	5.3	4.1	1.0	1.3	21.2	20.2

Note:

(a) Following companies are excluded: SAIL.

Source: Company reports, Kotak Institutional Equities estimates.

Regional valuation summary

Valuations of Indian markets are reasonable based on CY2008E PEG ratio, 13 March, 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	17.6	20.7	15.5	(11.9)	14.3	11.9	10.2	11.8	0.7	0.8	NA
China	I/B/E/S CHINA	55.4	31.3	20.5	11.4	29.3	22.0	17.7	14.0	0.9	1.1	1.5
Hong Kong	I/B/E/S HONG KONG	35.7	(2.6)	18.5	11.0	15.4	15.9	13.6	13.3	NA	0.9	1.2
India	MSCI INDIA	15.4	21.0	23.5	23.6	20.7	17.3	14.0	10.6	1.0	0.7	0.6
Korea	MSCI KOREA	6.8	14.6	14.5	14.2	12.8	11.1	9.7	8.5	0.9	0.8	0.7
Malaysia	MSCI MALAYSIA	51.2	(9.4)	12.0	7.5	13.4	14.7	13.2	12.4	NA	1.2	1.8
Mexico	MSCI MEXICO	11.2	16.5	12.4	9.7	14.9	12.9	11.5	11.3	0.9	1.0	1.2
Russia	MSCI RUSSIA	19.9	13.3	6.5	9.4	11.6	10.2	9.6	8.9	0.9	1.6	1.0
Taiwan	MSCI TAIWAN	30.5	8.6	8.7	3.3	13.7	12.7	11.6	11.2	1.6	1.5	3.6
Thailand	MSCI THAILAND	(29.6)	97.0	7.4	5.4	22.8	11.4	10.6	10.0	0.2	1.5	2.0
Asia - Emerging markets	MSCI EM ASIA	19.1	15.7	14.3	10.8	15.5	13.4	11.7	10.4	1.0	0.9	1.1

Source: Thomson Datastream.

Valuation summary of BRICs sectors (1)

Valuation summary of BRICs sectors, 13 March, 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	40.1	15.3	18.5	10.7	12.8	11.1	9.3	8.8	0.8	0.6	0.9
Russia	MSCI Russia Banks Industry Group	16.6	35.7	23.2	38.4	16.5	12.1	9.9	7.1	0.5	0.5	0.3
India	MSCI India Banks Industry Group	17.6	26.6	27.5	NA	28.0	22.1	17.4	NA	1.1	0.8	NA
China	MSCI China Banks Industry Group	45.9	36.4	19.9	(0.6)	18.6	13.6	11.4	11.5	0.5	0.7	NA
Consumers												
Brazil	MSCI Brazil Consumer Discretionary Sector	(1.5)	63.3	52.8	28.1	37.6	23.0	15.1	11.8	0.6	0.4	0.5
Russia	MSCI Russia Consumer Staples Sector	46.9	50.7	30.1	13.7	33.2	22.0	16.9	14.9	0.7	0.7	1.2
India	MSCI India Consumer Discretionary Sector	11.0	15.8	17.6	68.3	15.9	13.7	11.7	16.0	1.0	0.8	0.2
China	MSCI China Consumer Discretionary Sector	34.6	9.5	20.0	10.7	18.4	16.8	14.0	21.9	1.9	0.8	1.3
Energy												
Brazil	MSCI Brazil Energy Sector	(17.0)	44.2	(2.5)	6.0	16.0	11.1	11.4	10.7	0.4	NA	1.9
Russia	MSCI Russia Energy Sector	15.5	14.3	4.8	4.9	10.2	8.9	8.5	8.3	0.7	1.9	1.7
India	MSCI India Energy Sector	21.3	16.6	40.5	23.4	19.4	16.7	11.9	9.7	1.2	0.4	0.5
China	MSCI China Energy Sector	10.5	19.7	7.9	8.0	14.9	12.4	11.5	10.7	0.8	1.6	1.4
Industrials												
Brazil	MSCI Brazil Industrials Sector	(11.2)	95.0	9.8	21.8	27.3	14.0	12.7	10.5	0.3	1.4	0.6
India	MSCI India Industrials Sector	5.6	29.2	27.7	59.0	30.0	23.9	18.7	18.0	1.0	0.9	0.3
China	MSCI China Industrials Sector	67.0	15.0	15.8	17.5	18.7	16.2	14.0	11.9	1.2	1.0	0.8
Metals												
Brazil	MSCI Brazil Metals & Mining Industry	44.2	10.5	25.7	(49.5)	11.9	10.8	8.6	17.2	1.1	0.4	NA
Russia	MSCI Russia Metals & Mining Industry	48.8	(4.7)	(4.4)	(10.0)	9.4	9.9	10.4	11.4	NA	NA	NA
India	MSCI India Metals & Mining Industry	2.9	18.3	6.5	NA	12.2	10.3	9.7	NA	0.7	1.6	NA
China	MSCI China Metals & Mining Industry	6.7	15.7	6.7	(11.3)	16.4	14.2	13.3	11.4	1.0	2.1	NA

Source: Thomson Datastream.

Valuation summary of BRICs sectors (2)

Valuation summary of BRICs sectors, 13 March, 2008

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

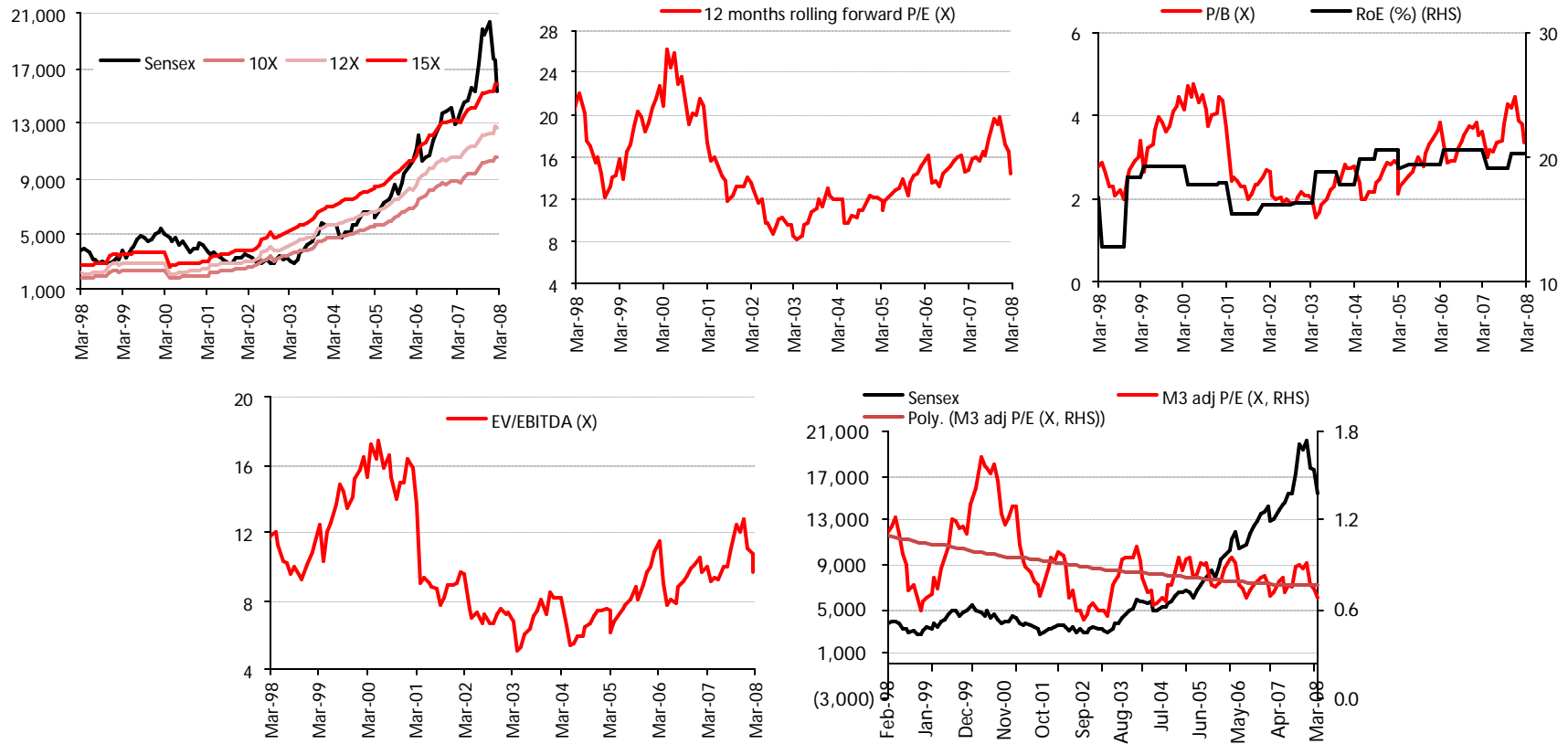
Index		Earnings growth (%)				P/E (X)				PEG ratio (X)		
		2007	2008E	2009E	2010E	2007	2008E	2009E	2010E	2007	2008E	2009E
Property												
Brazil	MSCI Brazil Real Estate Industry Group	NA	182.9	52.8	17.2	53.7	19.0	12.4	10.6	NA	0.4	NA
India	MSCI India Real Estate Industry Group	124.2	42.8	59.6	52.7	23.9	16.7	10.5	6.5	0.6	0.3	0.2
China	MSCI China Real Estate Industry Group	39.7	50.2	36.2	15.3	20.5	13.6	10.0	9.3	0.4	0.4	0.7
Technology												
Brazil	MSCI Brazil Information Technology Sector	637.6	24.0	17.9	17.1	23.8	19.2	16.3	13.9	1.0	1.1	1.0
India	MSCI India Software & Services Industry Gr	18.4	17.7	11.1	21.1	17.1	14.5	13.0	10.8	1.0	1.3	0.6
China	MSCI China Software & Services Industry Gr	14.8	26.1	31.6	9.5	59.0	46.8	35.5	13.0	2.3	1.5	3.7
Telecom												
Brazil	MSCI Brazil Telecommunication Services Sec	73.6	25.0	17.9	16.0	12.6	10.1	8.5	7.4	0.5	0.6	0.5
Russia	MSCI Russia Diversified Telecommunications	13.3	15.7	26.0	2.1	27.2	23.5	18.7	21.6	1.7	0.9	8.8
India	MSCI India Telecommunication Services Seci	40.5	23.8	23.1	12.5	21.0	17.0	13.8	11.9	0.9	0.7	1.1
China	MSCI China Telecommunication Services Ser	14.0	25.8	15.7	10.4	23.4	18.6	16.1	14.5	0.9	1.2	1.5
Utilities												
Brazil	MSCI Brazil Utilities Sector	6.1	(1.8)	10.1	12.8	12.0	12.3	11.1	11.1	NA	1.2	0.9
Russia	MSCI Russia Utilities Sector	(61.3)	(2.0)	42.9	188.2	43.4	44.3	31.0	10.8	NA	1.0	0.2
India	MSCI India Utilities Sector	1.9	10.6	13.6	(0.4)	23.2	21.0	18.5	17.4	2.2	1.5	NA
China	MSCI China Utilities Sector	12.5	12.5	14.9	16.8	15.9	14.1	12.1	10.4	1.3	0.9	0.7

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, December 1997 - current



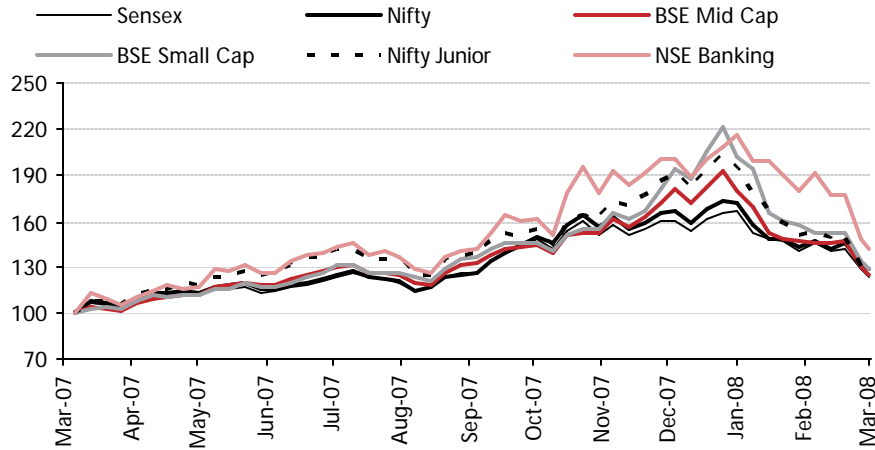
Source: Bloomberg, Company reports, Kotak Institutional Equities.

Market performance

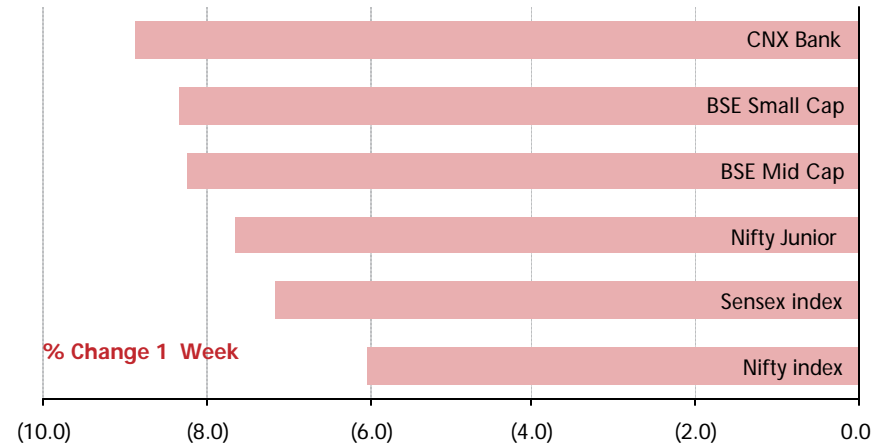
- **Performance of benchmark indices**
- **Performance of global indices**
- **Pricing performance of Sensex sectors**
- **Top gainers and losers (Stocks under Kotak coverage)**

Relative performance of Indian markets

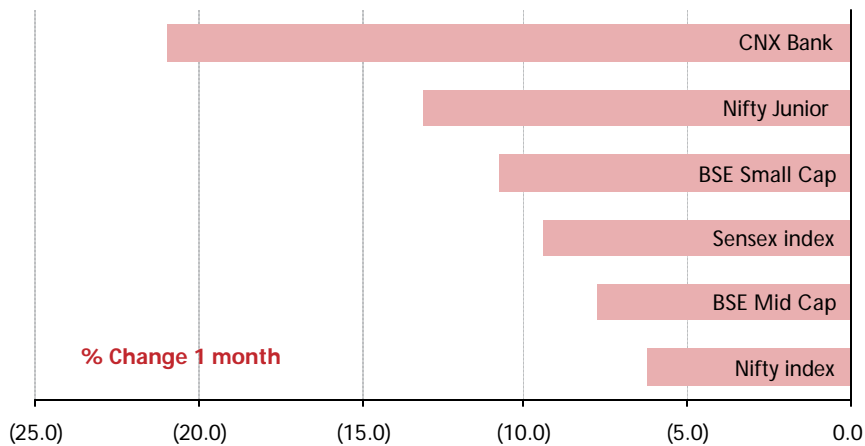
Key performance of benchmark indices
(base 100 as of March, 2007)



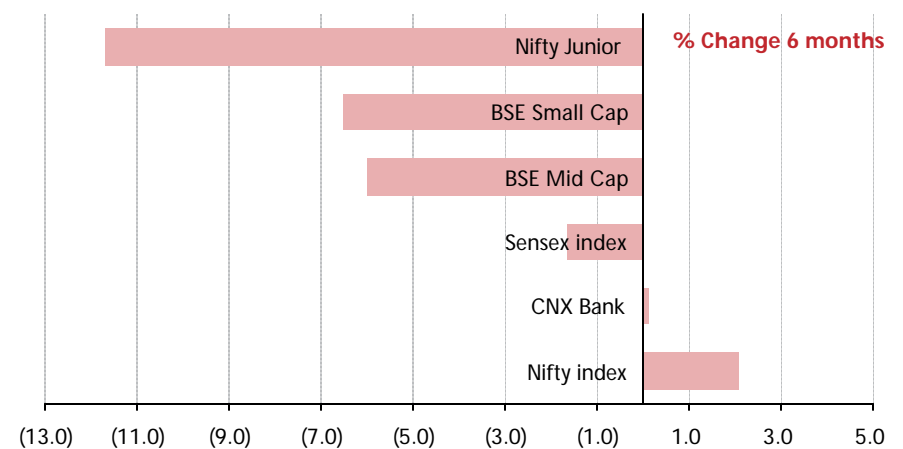
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



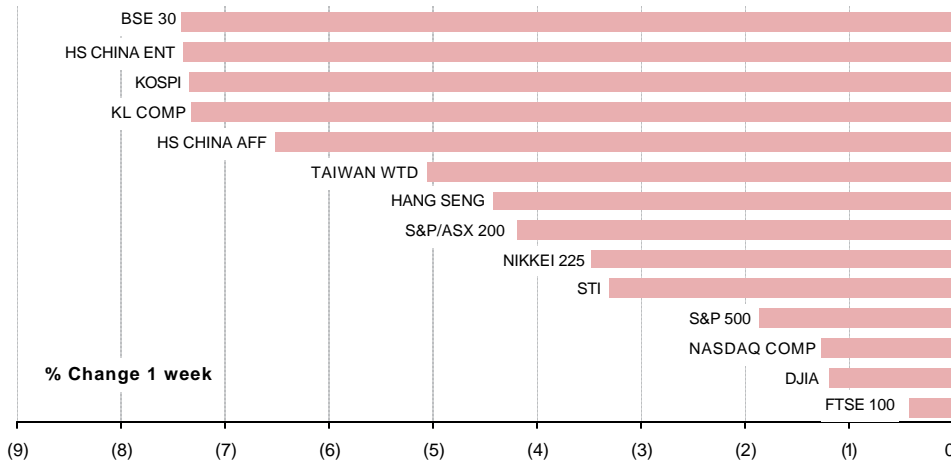
6-month performance of the benchmark indices



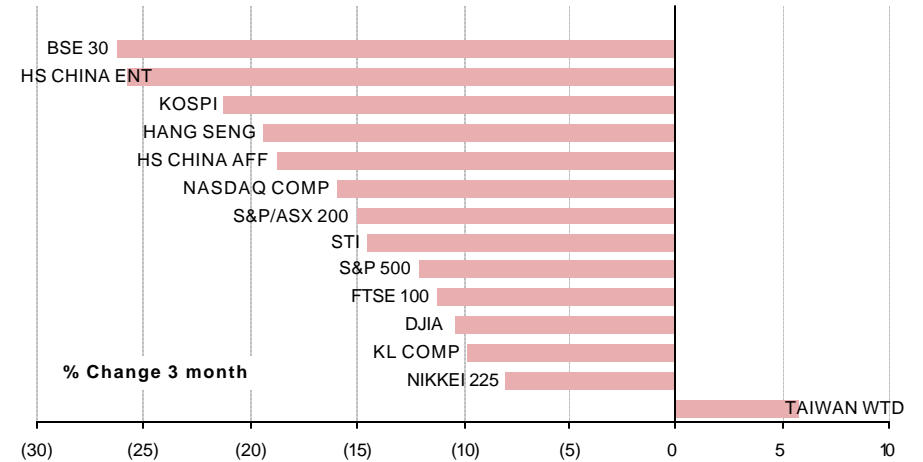
Source: Bloomberg, Kotak Institutional Equities.

BSE-Sensex versus regional indices

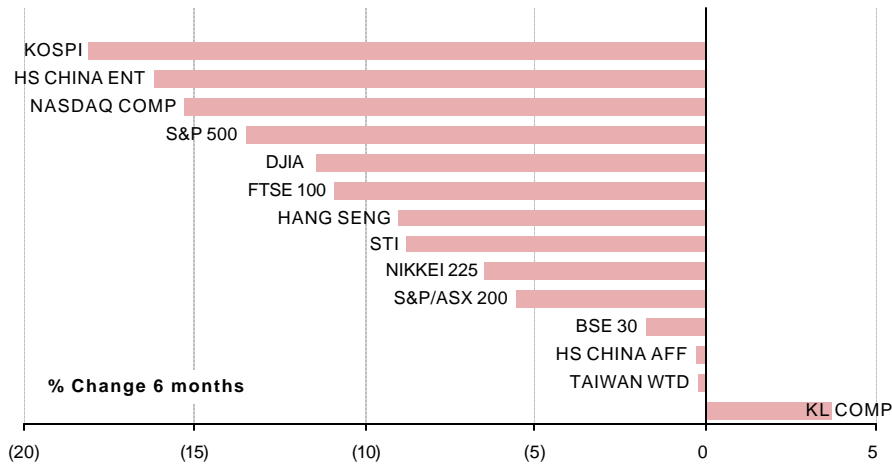
Weekly performance



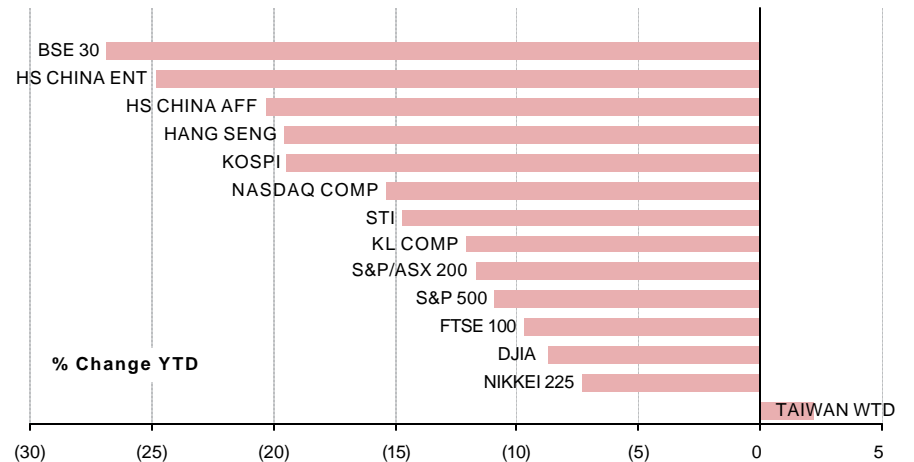
3-month performance



6-month performance



Year-to-date performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities.

Sectoral performance

Market performance of Sensex sectors, 13 March, 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	21,984	(2.5)	(0.7)	(20.3)	(9.5)	(12.4)	(18.4)	2.1	7.9	(7.7)	(25.9)
Banking	77,156	(4.5)	(17.3)	(26.7)	4.4	32.7	(24.7)	0.3	(7.2)	6.0	12.2
Consumers	29,127	(1.4)	2.2	(1.7)	3.5	23.8	(5.9)	3.2	10.6	5.1	4.6
Cement	14,497	(3.1)	3.5	(23.3)	(19.8)	19.5	(21.9)	1.6	11.8	(17.9)	1.1
Energy	121,684	(4.4)	(1.8)	(20.4)	13.7	45.1	(21.4)	0.3	6.9	15.1	22.7
Industrials	43,021	(5.7)	(9.7)	(30.5)	3.3	80.4	(29.9)	(0.9)	(0.2)	4.9	52.5
Metals	20,435	(9.1)	(2.5)	(20.4)	12.0	62.9	(23.8)	(4.2)	6.3	13.4	37.7
Pharmaceuticals	8,075	(1.6)	17.6	4.8	12.0	7.7	0.8	3.1	24.7	13.4	(8.9)
Property	25,571	(14.9)	(25.6)	(40.7)	(5.8)	-	(43.5)	(9.6)	(14.8)	(4.1)	-
Telecom	62,064	(5.3)	(9.6)	(27.1)	(7.9)	8.7	(26.7)	(0.5)	(0.2)	(6.1)	(8.1)
Technology	56,888	(5.0)	(12.3)	(22.5)	(23.7)	(36.0)	(26.7)	(0.2)	(2.7)	(21.7)	(45.9)
Utilities	45,040	(5.0)	(5.0)	(26.5)	1.7	42.2	(29.0)	(0.2)	4.1	3.2	20.2
Sensex sum	525,542	(4.8)	(9.4)	(23.6)	(1.6)	18.3	(24.3)				

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 Nicholas Piramal	10.4	1 Max	(20.1)
2 ACC	5.1	2 Corporation Bank	(18.4)
3 Motherson Sumi	5.1	3 Reliance Energy	(18.0)
4 Kalpataru Power Transmission	4.9	4 Mahindra Life Space Developer	(17.4)
5 Godrej Consumer Products	4.8	5 Educomp Solutions	(16.6)
6 Indian Bank	4.5	6 Hindalco Industries	(16.5)
7 Bharti Airtel Ltd	3.8	7 IDFC	(16.4)
8 National Aluminium Co.	3.2	8 Satyam Computer Services	(16.1)
9 Cairn India	3.0	9 DishTV	(15.8)
10 Tata communications	3.0	10 Wipro	(15.3)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Ranbaxy Laboratories	7.4	1 IVR Prime Urban Developers	(60.3)
2 Hero Honda	5.7	2 India Infoline	(58.6)
3 Hindustan unilever	4.0	3 DishTV	(54.3)
4 GlaxoSmithkline (India)	3.5	4 Maharashtra Seamless	(52.9)
5 Asian Paints	3.2	5 Mahindra Life Space Developer	(50.2)
6 Godrej Consumer Products	2.3	6 GVK Power	(49.6)
7 Sun Pharmaceuticals	0.3	7 TVS Motor Co	(47.8)
		8 Pantaloon Retail	(46.3)
		9 Unitech	(45.5)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Godrej Consumer Products	28.1	1 GVK Power	(31.8)
2 Ranbaxy Laboratories	23.4	2 Mahindra Life Space Developer	(30.0)
3 GlaxoSmithkline (India)	18.1	3 Bank of Baroda	(28.4)
4 Sadbhav Engineering	16.1	4 IVR Prime Urban Developers	(27.4)
5 Hindalco Industries	15.8	5 Oriental Bank of Commerce	(26.7)
6 Hindustan unilever	15.2	6 India Infoline	(26.3)
7 Mahindra & Mahindra	14.5	7 DLF	(25.6)
8 Motherson Sumi	14.4	8 Unitech	(25.0)
9 Sun Pharmaceuticals	12.5	9 Housing Development & Infrastru	(24.1)
10 Nicholas Piramal	12.0	10 ICICI Bank	(23.8)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jindal Steel and Power	368.2	1 Mindtree	(62.1)
2 Educomp Solutions	251.8	2 Hexaware Technologies	(59.4)
3 Welspun Gujarat Stahl Rohren	250.6	3 Tech Mahindra	(57.2)
4 SREI	178.1	4 Polaris Software Lab	(57.0)
6 Sadbhav Engineering	162.5	5 Vardhman	(51.5)
7 Reliance Energy	157.0	6 Patni Computer Systems	(50.1)
8 India Infoline	147.5	7 Maharashtra Seamless	(49.9)
9 Reliance Petroleum	128.0	8 i-flex solutions	(48.5)
10 Tata Power	124.2	9 Rico Auto	(41.6)
11 Divi's Laboratories	109.3	10 TCS	(38.4)

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
Tata Communications	207.3
Aditya Birla Nuvo	204.7
HDFC	198.6
Unitech	176.2
Reliance Energy	171.1
Centurion Bank of Punjab	169.3
Jindal Steel and Power	169.3

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

Company	Discount to sector
Corporation Bank	64.2
Central Bank of India	64.0
Monnet Ispat	63.2
Rajesh Exports	61.5
Union Bank	60.1
LIC Housing Finance	58.5

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
Federal Bank	4.9
Corporation Bank	5.1
Central Bank of India	5.1
Hindustan Petroleum	5.8
LIC Housing Finance	5.9
Hindustan Zinc	6.2
Jindal Saw	6.3
IVR Prime Urban Developers	6.4

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	72.4
Aditya Birla Nuvo	54.1
Educomp Solutions	45.7
Tata Communications	35.0
Reliance Energy	33.7
ABB	31.9
Tata Power	30.5
Pantaloon Retail	29.9
HDFC	28.1

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
AIA Engineering	2.7
Asian Paints	10.7
HDFC	12.1
Jubilant Organosys	12.8
Monnet Ispat	13.3
Indian Bank	16.5
Welspun Gujarat Stahl Rohren	18.0
Shriram Transport	18.5
HDFC Bank	18.9
Tata Power	19.6
GE Shipping	19.7
Cipla	22.3
KEC	22.9
Cairn India	23.1
Hero Honda	23.5
Dishman Pharma & Chemicals	23.6
GAIL (India)	24.8
JSW Steel	25.6

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	742.0
Reliance Energy	235.5
Petronet LNG	164.4
Tata Power	156.9
Castrol India	155.9

Trading at discount to sectors

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

Company	Sector discount
Patni Computer Systems	33.4
Polaris Software Lab	36.6
Dredging Corporation	36.6

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
Reliance Energy	33.2
Aditya Birla Nuvo	23.6
Tata Power	22.1
Ipca Laboratories	21.9
ABB	19.0
Hindustan Lever	18.7
Larsen & Toubro	16.5

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
IVR Prime Urban Developers	2.7
Patni Computer Systems	3.2
Maharashtra Seamless	3.4
Polaris Software Lab	3.5
Hindustan Zinc	3.7
MTNL	3.7
Hindustan Petroleum	3.9

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)
Ipca Laboratories	42,032	244	(14.0)
Corporation Bank	166,114	231	(22.8)
Sun Pharmaceuticals	183,538	202	12.5
GVKPIL	1,935,925	186	(31.8)
Mahindra & Mahindra	312,734	166	14.5
Aventis Pharma	6,468	157	(7.2)
Larsen & Toubro	547,823	129	(14.4)

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

Company	5-day average volumes	Price Change (%)	
		% decrease	(1 month basis)
Hexaware Technologies	131,768	(85)	4.9
MMFSL	8,806	(74)	(7.1)
Canara Bank	144,442	(58)	(22.4)
Asian Paints	4,730	(58)	(0.3)
Hotel Leela	471,481	(57)	(7.5)
Hero Honda	51,586	(57)	2.9
HCL Technologies	80,351	(55)	0.7

Date	Sensex	Avg daily value traded (US\$ mn)	Institutional participation in total turnover		Sensex delivery (%)	Put-Call (X)
			FII%	MF%		
Apr-07	13,872	2,776	18.0	4.7	49.2	1.12
May-07	14,544	3,420	16.3	4.5	49.8	1.38
Jun-07	14,651	3,327	17.6	3.9	49.9	1.44
Jul-07	15,551	4,309	18.6	4.4	49.8	1.38
Aug-07	15,318	3,742	18.6	4.3	45.2	1.32
Sep-07	17,291	4,703	16.0	4.2	48.0	1.23
Oct-07	19,724	7,118	18.4	3.6	43.0	1.15
Nov-07	19,003	6,771	16.0	3.0	38.0	1.02
Dec-07	20,217	6,802	14.3	3.1	42.0	1.12
Jan-08	17,649	6,695	18.4	4.6	41.0	1.23
Feb-08	17,579	4,631	17.8	4.2	39.0	1.15
Mar-08	15,357	5,037	17.5	2.7	37.8	1.20

Source: Bloomberg, Kotak Institutional Equities.

Earnings momentum

- **Upgrades/downgrades in FY2008E and FY2009E in the past month**
- **Top changes in target prices in the past month**
- **Top changes in ratings in the past month**

Changes in earnings estimates in the past 1 month

Changes in earnings estimates in the past 1 month

FY2008 earnings upgrades (KIE) (1 month)

	Company	% Change
1	Housing Development & Infrastructure	32.3
2	Jindal Saw	7.4
3	HDFC Bank	4.1
4	Ranbaxy Laboratories	2.0
5	Hindustan Unilever	1.1
6	Oil & Natural Gas Corporation	1.1
7	Maruti Suzuki	0.4

FY2008 earnings downgrades (KIE) (1 month)

	Company	% Change
1	Larsen & Toubro	(13.0)
2	Suzlon Energy	(11.1)
3	Indian Oil Corporation	(7.8)
4	Hindustan Petroleum	(6.8)
5	HT Media	(6.3)
6	Hexaware Technologies	(4.8)
7	DishTV	(4.5)
8	Reliance Communications	(3.0)
9	Reliance Industries	(2.9)

FY2009 earnings upgrades (KIE) (1 month)

	Company	% Change
1	Cairn India	19.8
2	Hindalco Industries	13.4
3	National Aluminium Co.	11.9
4	Oil & Natural Gas Corporation	7.8
5	Maruti Suzuki	5.2
6	Bajaj Auto	3.2
5	Tata Motors	3.0
6	Jindal Saw	1.8
5	Mahindra & Mahindra	1.0

FY2009 earnings downgrades (KIE) (1 month)

	Company	% Change
1	HT Media	(23.1)
2	Jagran Prakashan	(17.1)
3	Housing Development & Infrastructure	(16.5)
4	Hexaware Technologies	(16.5)
5	Reliance Communications	(7.7)
6	Larsen & Toubro	(7.4)
7	Indian Oil Corporation	(7.3)
8	HDFC Bank	(7.0)
9	Tech Mahindra	(5.9)

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	Cairn India	21.9	195	160
2	Nestle India	11.4	1,560	1,400
3	Ranbaxy Laboratories	8.2	525	485
4	Hindalco Industries	7.1	225	210
5	Jindal Saw	4.5	1,150	1,100
6	HDFC	4.1	2,550	2,450
7	Maruti Suzuki	3.3	1,240	1,200
8	Tata Steel	3.2	800	775
9	Tata Motors	2.7	940	915

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	Suzlon Energy	(22.2)	350	450
2	Tech Mahindra	(15.0)	850	1,000
3	Jagran Prakashan	(10.3)	130	145
4	HT Media	(9.6)	235	260
5	Bajaj Auto	(9.4)	2,550	2,815
6	DishTV	(6.7)	70	75
7	Larsen & Toubro	(6.2)	3,800	4,050
8	Hindustan Petroleum	(5.9)	400	425
9	Indian Oil Corporation	(4.0)	600	625

Source:Kotak Institutional Equities.

Changes in ratings over the past 1 month

Company name		Rating	
		Current	Previous
Hindalco Industries	Downgraded	ADD	BUY

Company name		Rating	
		Current	Previous
HDFC	Upgraded	ADD	REDUCE
HDFC Bank	Upgraded	BUY	ADD
HT Media	Upgraded	BUY	ADD
IDFC	Upgraded	REDUCE	SELL
Oil & Natural Gas Corporation	Upgraded	BUY	ADD
Tech Mahindra	Upgraded	BUY	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 FII 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
CY2004	8,382	(217)
CY 2005	10,776	2,873
CY 2006	8,632	3,585
CY 2007	17,335	1,525
CY 2008	(3,429)	1,809
Jan	(4,271)	1,848
Feb	1,211	125
Mar	(369)	(164)

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	289	3,124	2,146	(31)
Jan	(573)	1,479	1,566	(21)
Feb	563	1,379	334	(21)
Mar	299	266	246	11

Source: Bloomberg, Kotak Institutional Equities

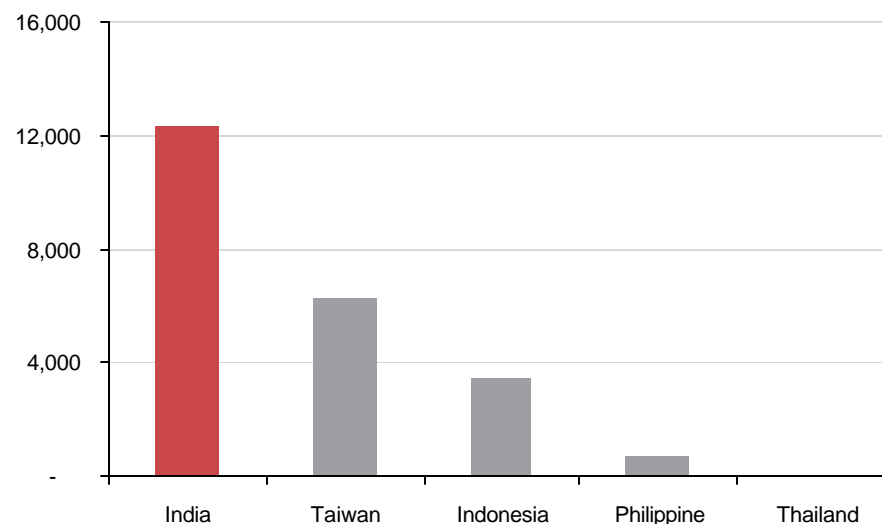
FII flows in other emerging markets

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

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
14-Feb-08	509	78	12	2	(293)
15-Feb-08	141	13	0	(0)	285
18-Feb-08	94	61	(2)	0	(29)
19-Feb-08	213	48	(2)	2	393
20-Feb-08	(50)	36	(1)	0	14
21-Feb-08	335	12	(1)	-	71
22-Feb-08	36	8	(9)	(0)	(113)
25-Feb-08	563	43	-	1	183
26-Feb-08	665	(25)	2	2	21
27-Feb-08	722	(7)	5	(1)	98
28-Feb-08	-	(34)	(4)	1	(131)
29-Feb-08	(164)	(54)	4	0	(61)
3-Mar-08	(434)	(94)	(12)	1	(169)
4-Mar-08	272	(100)	0	(3)	(117)
6-Mar-08	604	18	2	0	(32)
7-Mar-08	(161)	-	(7)	(1)	274
10-Mar-08	(562)	(152)	(20)	(2)	(282)
11-Mar-08	(370)	(119)	(19)	0	(43)
12-Mar-08	427	8	(11)	1	-
13-Mar-08	-	-	(13)	-	-
Total	2,841	(260)	(73)	5	70

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	Price	Value	Date of	Price		Performance (%)	
	(mn)	(Rs)	(Rs mn)	Listing	Day 1	Latest	Day 1	Since Listing
Rural Electrification Corp.	156	105	16,393	11-Mar-08	121	114	15	8
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	235	(11)	(29)
IRB Infrastructure Developers Ltd	51	220	11,233	25-Feb-08	189	186	(14)	(16)
Bang Overseas Ltd	4	207	725	20-Feb-08	172	98	(17)	(53)
Tulsi Extrusions Ltd	6	85	485	25-Feb-08	140	75	64	(12)
Onmobile Global Ltd	11	450	4,905	19-Feb-08	522	512	16	14
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	99	(14)	(45)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	93	2	(31)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	82	(14)	(32)
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	25	17	(44)
Reliance Power Ltd	260	450	117,000	11-Feb-08	373	322	(17)	(28)
Future Capital Holding	6	765	4,913	31-Jan-08	908	492	19	(36)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	68	(8)	(55)
Porwal Auto Components	5	75	375	14-Jan-08	80	27	6	(64)
Aries Agro Limited	5	130	585	11-Jan-08	252	132	94	2
Manaksia Ltd	16	160	2,480	08-Jan-08	168	67	5	(58)
BGR	9	480	4,385	03-Jan-08	901	384	88	(20)
Burnpur Cement	22	12	263	03-Jan-08	46	24	286	98
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	415	57	(11)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	182	(3)	(53)
Eclerx Services	3	315	1,010	31-Dec-07	448	264	42	(16)
Jyothy Lab	4	690	3,057	19-Dec-07	793	650	15	(6)
Kaushalya Infra	9	60	510	14-Dec-07	82	36	37	(39)
Empee Distilleries	5	400	1,920	26-Nov-07	318	143	(21)	(64)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	568	119	29
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	672	83	(19)
Renaissance Jewellery Ltd	5	150	799	12-Dec-07	165	68	10	(55)
Kolte Patil	19	145	2,755	13-Dec-07	181	99	25	(31)
Maytas Infra	9	370	3,275	25-Oct-07	614	553	66	49
Consolidated Construction	4	510	1,887	15-Oct-07	791	715	55	40
Relligare Enterprises	8	185	1,402	21-Nov-07	521	405	182	119
Supreme Infrastructure	3	108	375	18-Oct-07	175	92	62	(15)
Dhanus Technologies	4	295	1,131	17-Oct-07	311	189	5	(36)
Koutons Retail	4	415	1,462	12-Oct-07	590	921	42	122
Power Grid Corp	574	52	29,845	05-Oct-07	100	89	92	72
Magnum Ventures	18	30	529	20-Sep-07	49	16	62	(47)
Indowind Energy	13	65	813	14-Sep-07	115	64	76	(1)
Motilal Oswal Financial	3	825	2,461	11-Sep-07	977	626	18	(24)
Puravankara Projects	21	400	8,587	30-Aug-07	362	287	(10)	(28)
KPR Mill	6	225	1,330	28-Aug-07	174	115	(23)	(49)
TakeSolutions	2	730	1,533	27-Aug-07	926	811	27	11
Central Bank of India	80	102	8,160	21-Aug-07	115	78	13	(24)
SEL manufacturing	4	90	372	21-Aug-07	142	290	58	222
Refex Refrigerants	4	65	247	20-Aug-07	62	178	(5)	174
Zylog Systems	4	350	1,260	17-Aug-07	431	207	23	(41)
IVR Prime	14	550	7,783	16-Aug-07	418	180	(24)	(67)

Source: Bloomberg and Kotak Institutional Equities.

Forthcoming IPO/ Follow on offerings

JAIPRAKASH POWER VENTURES LTD.	IPO
JSW ENERGY LTD.	IPO
NATIONAL HYDROELECTRIC POWER CORP.LTD.	IPO
FUTURE VENTURES INDIA LTD.	IPO
UTI ASSET MANAGEMENT CO.LTD.	IPO
OIL INDIA LTD.	IPO
ACME TELE POWER LTD.	IPO
ASHOKA BUILDCON LTD.	IPO
D.B.CORP.LTD.	IPO
MAHINDRA HOLIDAYS & RESORTS INDIA LTD.	IPO
PIPAVAV SHIPYARD LTD.	IPO
MULTI COMMODITY EXCHANGE OF INDIA LTD.	IPO
COX & KINGS (INDIA) LTD.	IPO
RAMKY INFRASTRUCTURE LTD.	IPO
VASCON ENGINEERS LTD.	IPO
PRINCE FOUNDATIONS LTD.	IPO
RNS INFRASTRUCTURE LTD.	IPO
PRIDE HOTELS LTD.	IPO
AUSTRAL COKE & PROJECTS LTD.	IPO
VIRGO ENGINEERS LTD.	IPO
XENITIS INFOTECH LTD.	IPO
RESURGERE MINES & MINERALS INDIA LTD.	IPO
RAMSARUP LOHH UDYOG LTD.	IPO
TCG LIFESCIENCES LTD.	IPO
GOKUL REFOILS & SOLVENT LTD.	IPO
MICROSEC FINANCIAL SERVICES LTD.	IPO
PERSISTENT SYSTEMS LTD.	IPO
BIRLA COTSYN (INDIA) LTD.	IPO
INFINITY INFOTECH PARKS LTD.	IPO
PNC INFRATECH LTD.	IPO
SURYA FOODS & AGRO LTD.	IPO
NEEL METAL PRODUCTS LTD.	IPO
TECPRO SYSTEMS LTD.	IPO
EURO MULTIVISION LTD.	IPO
ARSS INFRASTRUCTURE PROJECTS LTD.	IPO
RITHVIK PROJECTS LTD.	IPO
TITAGARH WAGONS LTD.	IPO

Source: Primedatabase .

Bulk deals

Bulk/block deals during the week

Deal Date	Scrip Name	Action	Quantity	Price	Value (Rs mn)	Exchange
11-Mar	Reliance Enr	SELL	3397844	1240	4213	BSE
11-Mar	Reliance Enr	BUY	3396161	1240	4211	BSE
11-Mar	Jai Corp Lim	BUY	2679486	660	1770	BSE
11-Mar	Jai Corp Lim	SELL	2657083	660	1754	BSE
11-Mar	Jain Irri Sy	SELL	2286747	634	1450	BSE
11-Mar	Jain Irri Sy	BUY	2286699	634	1450	BSE
12-Mar	Rural Electrification Cor	BUY	8558535	122	1041	NSE
11-Mar	Indbul Real	SELL	1515288	495	750	BSE
11-Mar	Indbul Real	BUY	1508891	495	747	BSE
11-Mar	Monnet Ispat Ltd	BUY	653943	448	293	NSE
11-Mar	Monnet Ispat Ltd	SELL	653943	448	293	NSE
11-Mar	Rain Commodi	BUY	1100000	191	210	BSE
11-Mar	Rain Commodi	SELL	1100000	191	210	BSE
12-Mar	Bajaj Hindusthan Ltd	SELL	728830	243	177	NSE
10-Mar	Country Club	SELL	174600	625	109	BSE
11-Mar	Hind. Oil Exploration	SELL	967934	106	103	NSE
10-Mar	Ipca Lab Ltd.	SELL	187998	543	102	BSE
10-Mar	Voltamp Tran	BUY	71093	1250	89	BSE
12-Mar	Nilkamal Limited	SELL	400000	214	86	NSE
10-Mar	Country Club	BUY	115178	625	72	BSE
10-Mar	Voltamp Tran	SELL	52509	1250	66	BSE
10-Mar	Ghcl Ltd	BUY	610282	100	61	BSE
07-Mar	Gss America Infotech Limi	BUY	100000	504	50	NSE
10-Mar	Country Club	SELL	82901	600	50	BSE
11-Mar	Bang	SELL	448498	107	48	BSE
07-Mar	Phillips Carbon Black	BUY	153000	153	23	NSE
07-Mar	Phillips Carbon Black	SELL	152484	153	23	NSE
10-Mar	Bang	SELL	103060	107	11	BSE
07-Mar	Jj Exporter	BUY	310000	35	11	BSE
07-Mar	Kesar Enterp	BUY	140000	60	8	BSE
07-Mar	Sangam (India) Ltd.	BUY	229000	31	7	NSE

Source: BSE and NSE

Delivery positions

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Apollo Hospitals Enterprise	22	88
Acc Limited	36	89
Titan Industries Limited	38	83
Grasim Industries Ltd	31	73
Punjab Tractors Limited	17	57
Balaji Telefilms Ltd	57	95
Sintex Industries Limited	51	89
Kalpataru Power Transmission	38	75
Vardhman Textiles Ltd	51	87

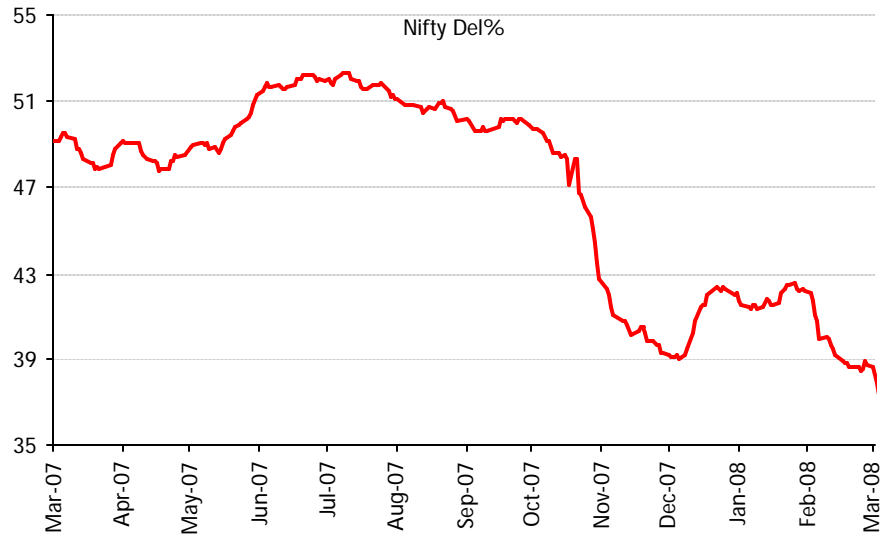
Decrease in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Jammu & Kashmir Bank Ltd	80	27
Jubilant Organosys Ltd	94	57
Shoppers' Stop Ltd	98	61
Ht Media Ltd	54	21
Eih Limited	77	50
Hindalco Industries Limited	48	24
Welspun-Gujarat Stahl Ltd	43	19
Punj Lloyd Limited	53	31
Nicholas Piramal India Ltd	84	62

Source: Bloomberg and Kotak Institutional Equities.

Market movement indicators

Aggregate delivery percentage

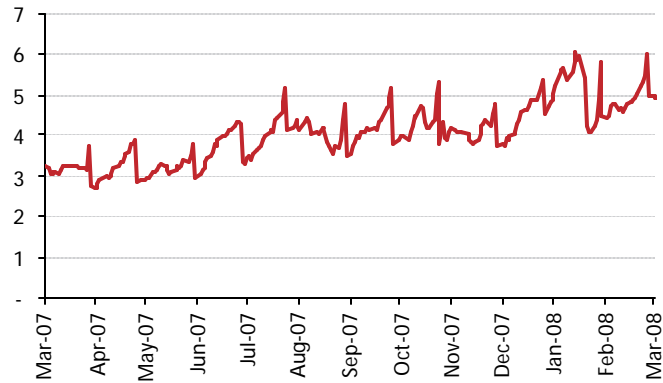


Source: Bloomberg and Kotak Institutional Equities.

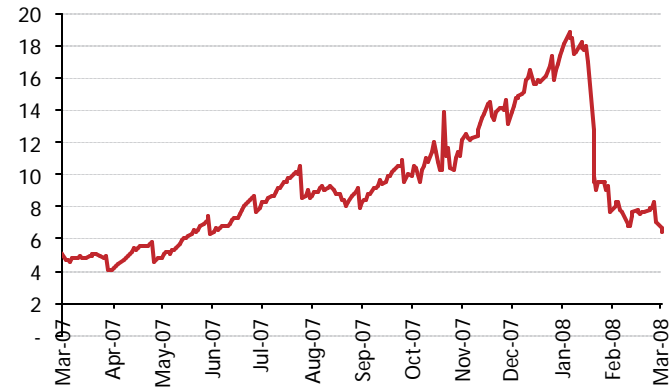
Open interest analysis

National Stock Exchange (US\$ bn)

India Index futures open interest



India stock futures open interest

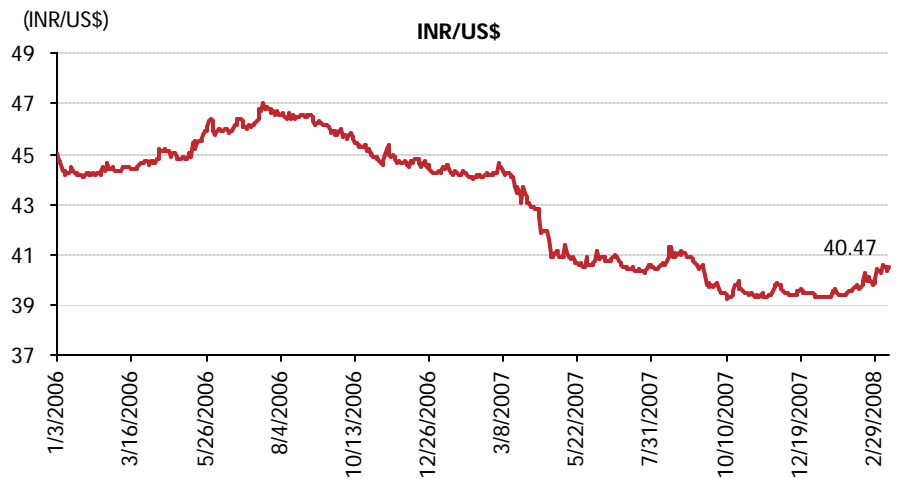
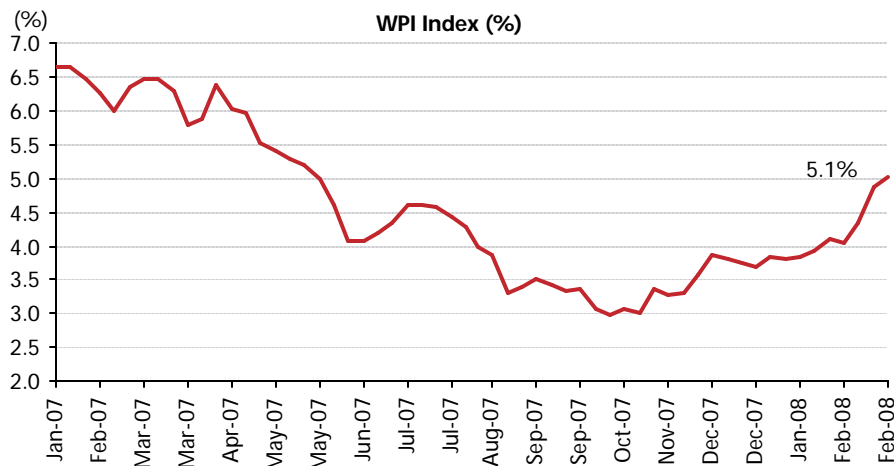
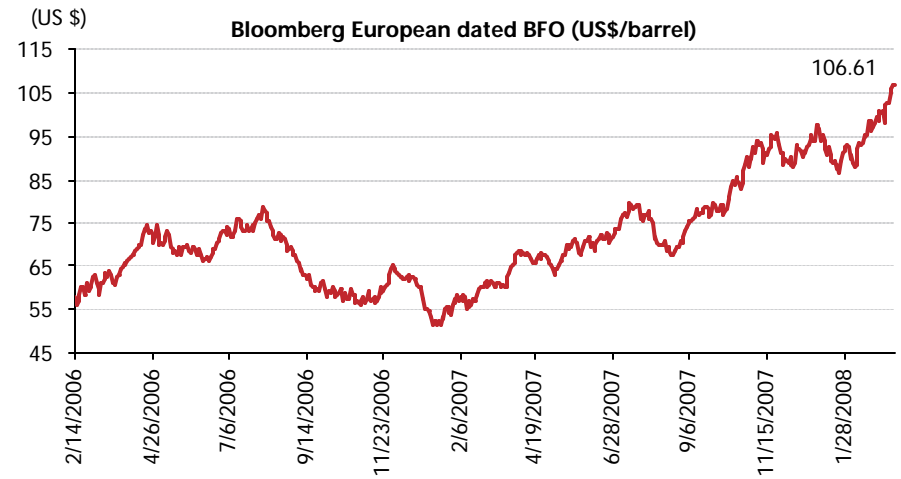
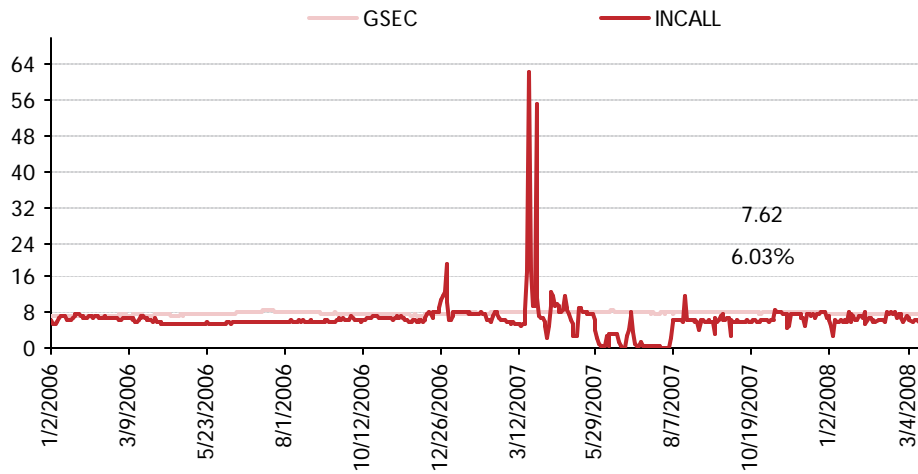


Source: Bloomberg and Kotak Institutional Equities.

Economic indicators

Economic indicators

Key economic parameters



Source: Bloomberg and Kotak Institutional Equities.

Kotak valuation summary

Valuation summary

Kotak Institutional Equities Universe

Company	13-Mar-08		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E			
Automobiles																													
Bajaj Auto	2,080	BUY	210,426	5,203	101	127.2	119.9	140.7	14.5	(5.7)	17.3	16.4	17.3	14.8	11.4	11.8	10.4	3.8	3.4	3.0	1.9	1.9	1.9	23.7	19.7	20.6	2,550	22.6	13.2
Mahindra & Mahindra	661	BUY	170,564	4,217	258	37.4	44.2	45.0	42.4	18.2	17.7	17.7	14.9	14.7	11.9	11.1	10.3	4.8	3.0	2.7	1.7	1.5	1.5	32.4	25.7	20.1	915	38.4	14.9
Maruti Suzuki	840	BUY	242,688	6,000	289	54.0	67.8	93.0	31.4	25.5	37.0	15.5	12.4	9.0	9.1	7.6	5.3	3.5	2.7	2.1	0.5	0.5	0.5	24.9	24.6	26.0	1,240	47.7	3.4
Tata Motors	620	BUY	265,484	6,564	428	47.0	47.7	55.6	20.0	1.4	16.7	13.2	13.0	11.2	8.6	8.2	7.3	3.5	2.6	2.4	2.2	2.2	2.2	27.7	24.2	23.5	940	51.5	22.0
Automobiles																													
Banks/Financial Institutions																													
Andhra Bank	82	BUY	39,625	980	485	11.1	12.5	12.5	10.8	13.1	(0.5)	7.4	6.5	6.5	—	—	—	1.3	1.2	1.1	4.7	4.6	4.6	17.8	18.8	17.3	115	40.8	3.6
Axis Bank	803	REDUCE	265,262	6,559	330	23.4	32.8	42.2	34.4	40.2	28.6	34.3	24.5	19.0	—	—	—	8.9	3.1	2.7	0.6	0.8	1.1	21.0	17.8	16.0	850	5.9	3.8
Bank of Baroda	273	ADD	99,935	2,471	366	28.1	39.1	38.3	24.1	39.2	(2.1)	9.7	7.0	7.1	—	—	—	1.3	1.2	1.0	2.5	2.9	2.8	12.4	15.9	14.3	400	46.3	7.9
Canara Bank	225	REDUCE	92,148	2,278	410	34.7	37.4	28.7	5.8	7.9	(23.1)	6.5	6.0	7.8	—	—	—	1.3	1.1	1.0	3.1	2.9	3.1	16.3	14.4	10.3	250	11.2	8.9
Central Bank of India	78	ADD	31,422	777	404	15.4	15.3	15.3	570.9	(0.6)	(0.1)	5.1	5.1	5.1	—	—	—	1.9	1.1	0.9	3.2	3.9	3.9	16.0	16.2	13.7	130	67.2	3.2
Centurion Bank of Punjab	41	REDUCE	69,800	1,726	1,696	0.8	1.0	1.5	35.6	24.1	39.9	49.0	39.4	28.2	—	—	—	6.1	3.9	3.4	—	—	—	11.5	10.1	12.7	45	8.7	26.4
Corporation Bank	241	BUY	34,604	856	143	37.4	46.4	47.7	20.6	24.1	2.8	6.5	5.2	5.1	—	—	—	0.9	0.8	0.7	3.7	3.8	4.0	15.0	16.8	15.5	470	94.8	1.4
Federal Bank	252	BUY	27,033	668	107	34.2	38.5	32.1	40.0	12.5	(16.6)	7.4	6.6	7.9	—	—	—	2.0	1.1	1.0	1.3	3.0	4.1	21.2	14.8	13.2	340	34.7	3.3
HDFC	2,501	ADD	717,097	17,730	287	62.1	83.7	89.0	23.6	34.8	6.4	40.3	29.9	28.1	—	—	—	12.9	5.8	5.2	0.8	1.2	1.2	31.3	26.9	19.6	2,550	2.0	52.2
HDFC Bank	1,296	BUY	584,299	14,447	451	35.7	50.4	59.9	28.5	41.1	18.7	36.3	25.7	21.7	—	—	—	9.1	4.9	2.9	0.4	0.6	0.8	19.5	19.0	16.8	1,500	15.7	29.7
ICICI Bank	838	ADD	926,717	22,913	1,106	34.6	36.7	45.7	5.6	6.2	24.3	24.2	22.8	18.3	—	—	—	3.8	1.8	1.8	1.0	1.0	1.4	13.4	10.7	10.3	1,200	43.2	134.9
IDFC	151	REDUCE	194,790	4,816	1,291	4.4	6.1	8.2	25.8	40.5	34.3	34.6	24.6	18.3	—	—	—	6.6	3.5	3.2	0.6	0.9	1.3	17.9	18.6	18.5	150	(0.6)	40.1
India Infoline	798	ADD	45,838	1,133	57	15.1	28.8	54.9	39.3	91.3	90.3	53.0	27.7	14.5	32.7	13.5	6.9	14.1	4.1	2.2	0.3	—	—	29.1	23.1	23.9	1,400	75.4	11.9
Indian Bank	170	SELL	73,125	1,808	430	16.8	27.9	24.8	148.1	65.8	(11.2)	10.1	6.1	6.9	—	—	—	2.4	2.0	1.6	1.8	4.1	3.6	25.8	31.3	23.7	170	(0.1)	5.6
Indian Overseas Bank	139	ADD	75,727	1,872	545	18.5	22.3	22.7	28.7	20.7	1.7	7.5	6.2	6.1	—	—	—	1.9	1.6	1.3	2.5	3.2	3.6	28.1	27.9	23.5	150	7.9	2.7
J&K Bank	657	ADD	31,871	788	48	56.6	73.3	74.6	55.2	29.5	1.8	11.6	9.0	8.8	—	—	—	1.8	1.5	1.3	1.7	2.2	2.3	14.4	16.6	14.9	850	29.3	0.4
LIC Housing Finance	274	BUY	23,314	576	85	32.8	42.9	46.7	33.9	30.5	9.0	8.4	6.4	5.9	—	—	—	1.9	1.3	1.1	2.9	3.8	4.1	—	—	—	350	27.6	9.0
Mahindra & Mahindra Financial	288	REDUCE	27,331	676	95	15.7	20.1	24.9	25.5	28.2	23.8	18.3	14.3	11.6	—	—	—	3.8	2.2	1.9	1.3	1.6	2.2	18.1	16.3	16.9	290	0.7	0.8
Official Bank of Commerce	194	SELL	48,530	1,200	251	33.0	33.4	34.5	2.9	1.3	3.3	5.9	5.8	5.6	—	—	—	1.0	0.9	0.8	2.4	2.5	2.6	10.9	10.3	10.1	240	23.9	3.0
PFC	153	SELL	175,551	4,340	1,148	11.1	12.3	15.0	9.8	10.7	21.8	13.8	12.5	10.2	—	—	—	1.8	1.7	1.5	1.5	1.1	1.3	12.7	14.1	15.2	150	(1.9)	7.2
Punjab National Bank	476	BUY	150,131	3,712	315	48.8	58.6	62.3	7.0	19.9	6.3	9.7	8.1	7.6	—	—	—	1.6	1.4	1.2	2.7	2.2	2.4	15.5	16.5	15.5	650	36.5	11.7
SREI	144	BUY	15,671	387	109	7.3	9.6	7.6	63.6	31.5	(20.1)	19.8	15.0	18.8	—	—	—	3.4	2.9	1.3	0.7	1.4	2.0	18.1	23.4	17.3	240	67.1	2.4
State Bank of India	1,696	NR	892,445	22,066	526	86.3	114.7	107.5	3.1	32.9	(6.3)	19.7	14.8	15.8	—	—	—	3.4	3.0	2.6	0.8	0.9	1.0	15.4	18.7	16.0	—	—	71.1
Union Bank	148	BUY	74,707	1,847	505	16.7	22.7	26.2	14.8	35.9	15.1	8.8	6.5	5.6	—	—	—	1.4	1.2	1.1	2.4	3.1	3.5	19.2	22.1	21.4	250	69.0	5.4
Banks/Financial Institutions																													
Cement																													
ACC	779	REDUCE	146,998	3,635	189	56.7	65.1	68.8	93.7	14.9	5.7	13.7	12.0	11.3	8.2	6.6	6.2	4.2	3.3	2.8	2.2	3.0	3.0	39.7	34.0	28.1	800	2.7	17.2
Ambuja Cements	121	REDUCE	183,308	4,532	1,517	8.5	8.8	9.1	72.9	2.4	4.1	14.1	13.8	13.2	10.2	7.8	7.5	4.7	3.6	2.8	1.5	2.2	2.5	44.5	31.0	24.4	117	(3.2)	5.3
Grasim Industries	2,792	ADD	256,012	6,330	92	214.6	271.8	305.3	98.9	26.7	12.3	13.0	10.3	9.1	7.0	5.4	4.7	2.8	2.2	1.7	1.0	1.1	1.2	24.5	24.3	21.4	3,400	21.8	9.3
India Cements	184	REDUCE	51,807	1,281	282	26.1	25.4	27.9	n/a	(2.8)	9.8	7.0	7.2	6.6	9.4	5.3	4.4	2.4	1.5	1.3	—	1.0	1.2	31.4	26.5	21.6	270	46.9	13.7
Shree Cement	1,093	ADD	38,067	941	35	45.2	112.5	132.3	(5.9)	148.8	17.6	24.2	9.7	8.3	7.4	4.5	3.6	8.4	4.5	3.2	0.5	0.6	0.7	38.6	60.8	45.3	1,600	46.4	0.5
UltraTech Cement	840	REDUCE	104,584	2,586	124	63.3	84.0	86.7	255.1	32.7	3.2	13.3	10.0	9.7	8.1	6.2	6.0	4.5	3.3	2.5	0.8	0.9	1.0	55.8	46.7	33.7	850	1.2	2.9
Cement																													
Consumer Products																													
Asian Paints	1,138	ADD	109,190	2,700	96	28.1	38.3	44.3	22.0	36.1	15.8	40.5	29.7	25.7	23.6	17.9	15.1	14.3	11.3	9.1	1.1	1.3	1.5	39.5	43.5	40.2	1,110	(2.5)	2.4
Colgate-Palmolive (India)	385	ADD	52,350	1,294	136	14.6	17.3	19.2	32.6	18.4	10.6	26.3	22.2	20.0	19.1	17.5	14.8	18.7	28.0	23.8	2.5	3.4	3.7	72.2	100.8	128.5	455	18.2	2.2
GlaxoSmithKline Consumer (a)	585	ADD	24,602	608	42	30.2	38.5	41.8	18.5	27.4	8.7	19.4	15.2	14.0	9.8	7.9	7.0	4.3	3.7	3.2	1.7	2.2	2.4	24.9	27.3	25.2	650	11.1	0.3
Godrej Consumer Products	139	ADD	31,494	779	226	5.9	7.3	8.0	12.5	22.9	9.0	23.5	19.1	17.5	17.8	14.5	11.5	24.2	14.8	4.5	2.7	2.9	3.3	133.7	100.9	46.1	140	0.4	0.4
Hindustan Unilever	222	ADD	484,171	11,971	2,177	7.0	8.1	9.2	18.3	15.3	13.3	31.6	27.4	24.2	24.6	22.0	18.7	17.8	28.6	26.5	3.1	4.8	3.9	61.9	79.7	113.2	230	3.4	13.7
ITC	185	BUY	693,863	17,156	3,742	7.2	8.3	9.7	20.4	15.4	16.6	25.7	22.3	19.1	16.3	14.0	11.6	6.4	5.5	4.7	1.7	1.7	1.9	27.7	27.6	27.6	250	34.8	46.1
Jyothy Laboratories	650	BUY	9,432	233	15	35.6	45.1																						

Valuation summary

Kotak Institutional Equities Universe

Company	13-Mar-08		Mkt cap.		O/S Shares (mm)	EPS (Rs)			EPS Growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price (Rs)	Upside (%)	ADVT-3mo (US\$ mm)	
	Price (Rs)	Rating	(Rs mm)	(US\$ mm)		2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E				(Rs)
Industrials																														
ABB	1,103	ADD	233,799	5,781	212	16.1	23.2	34.6	55.6	44.5	49.2	68.7	47.6	31.9	41.3	28.3	18.6	19.6	14.4	10.3	0.2	0.3	0.3	32.4	34.9	37.6	1,575	42.8	13.2	
AIA Engineering	1,522	BUY	28,602	707	19	51.4	69.1	92.2	74.4	34.5	33.5	29.6	22.0	16.5	21.1	15.4	10.7	5.8	4.7	3.8	0.2	0.4	0.6	25.1	23.4	25.0	1,750	15.0	0.7	
Bharat Electronics	1,284	REDUCE	102,732	2,540	80	91.7	88.7	112.3	21.9	(3.3)	26.7	14.0	14.5	11.4	7.0	6.6	4.9	3.8	3.2	2.7	1.4	1.9	1.9	30.3	24.1	25.5	1,750	36.3	3.3	
Bharat Heavy Electricals	1,883	ADD	921,668	22,788	490	49.3	64.3	82.1	44.1	30.4	27.7	38.2	29.3	22.9	20.5	15.8	12.3	10.5	8.3	6.5	0.6	0.8	1.0	30.0	31.6	31.8	2,500	32.8	57.6	
Dredging Corporation	601	REDUCE	16,818	416	28	57.9	49.5	60.9	(9.4)	(14.6)	23.0	10.4	12.1	9.9	5.8	5.9	4.3	1.5	1.4	1.2	2.5	2.5	2.5	14.9	11.8	13.1	775	29.0	0.9	
Larsen & Toubro	2,805	BUY	818,330	20,233	292	62.8	79.7	114.4	59.4	26.8	43.6	44.7	35.2	24.5	28.7	19.8	15.1	10.7	6.8	5.3	0.3	0.4	0.4	27.6	23.7	24.8	3,800	35.5	89.5	
Maharashtra Seamless	297	BUY	21,026	520	71	33.5	37.8	45.0	38.3	12.7	19.0	8.8	7.9	6.6	5.0	4.1	3.0	2.1	1.7	1.3	1.3	1.5	1.7	32.6	23.6	22.6	585	97.1	3.1	
Siemens	647	REDUCE	217,991	5,390	337	11.4	18.2	23.3	31.3	60.4	27.8	56.9	35.5	27.8	31.8	21.1	16.2	17.5	11.9	8.9	0.3	0.4	0.6	35.3	39.9	36.6	850	31.5	19.3	
Suzlon Energy	241	ADD	377,106	9,324	1,566	6.0	6.1	13.2	14.2	1.0	118.0	40.1	39.7	18.2	29.1	21.5	13.8	10.7	5.0	4.0	0.4	0.4	0.4	27.6	17.1	24.2	350	45.3	41.0	
Industrials																														
Infrastructure																														
GMR Infrastructure	149	NR	247,392	6,117	1,655	1.1	1.8	2.1	97.5	66.6	17.6	141.8	85.1	72.4	49.6	56.1	27.6	10.8	9.1	7.5	—	—	—	10.6	11.6	11.4	—	—	52.8	
Media																														
DishTV	47	REDUCE	20,041	496	428	(5.9)	(9.4)	(9.2)	na	59.7	(1.8)	(8.0)	(5.0)	(5.1)	(11.2)	(12.6)	(31)	(50.8)	(4.7)	(2.4)	—	—	—	(330.6)	171.6	63.0	70	49.6	7.5	
HT Media	166	ADD	38,812	960	234	4.1	6.2	9.8	53.6	50.9	57.8	40.1	26.6	16.8	21.9	14.8	9.2	4.9	4.3	3.6	0.2	0.6	1.2	12.8	17.2	23.1	260	56.9	0.8	
Jagran Prakashan	102	ADD	30,674	758	301	2.4	3.5	4.6	44.5	41.9	33.6	41.7	29.4	22.0	24.4	17.0	12	6.0	5.5	4.9	1.5	1.5	2.0	14.7	19.5	23.5	130	27.6	0.4	
Sun TV Network	298	REDUCE	117,515	2,906	394	6.3	9.3	12.5	20.8	45.9	34.7	47.0	32.2	23.9	26.1	17.5	13.0	9.9	8.2	6.7	0.5	0.8	1.3	32.9	27.8	30.8	320	7.3	4.4	
Zee Entertainment Enterprises	245	ADD	106,159	2,625	434	5.5	8.7	12.2	11.2	59.9	40.2	44.9	28.1	20.0	33.8	19.0	14	4.1	3.7	3.4	0.6	0.8	1.1	10.0	13.9	17.7	290	18.4	9.3	
Media																														
Metals																														
Hindalco Industries	174	ADD	226,996	5,612	1,307	19.6	17.5	18.1	55.2	(10.9)	3.4	8.9	9.9	9.6	6.7	6.1	5.6	1.7	1.2	1.1	0.8	1.0	1.0	21.0	14.3	12.2	225	29.5	21.7	
National Aluminium Co.	468	REDUCE	301,312	7,450	644	37.0	26.3	27.6	55.4	(28.8)	4.7	12.7	17.8	17.0	6.7	9.3	9.1	3.6	3.2	2.8	1.6	1.6	1.6	32.1	19.1	17.7	400	(14.5)	4.7	
Jindal Steel and Power	1,984	ADD	305,413	7,551	154	56.2	77.3	106.9	47.6	37.6	38.3	35.3	25.7	18.6	21.8	16.1	12.2	10.0	7.1	5.1	0.2	0.2	0.2	28.2	27.7	27.3	2,900	46.2	68.9	
JSW Steel	897	ADD	166,680	4,121	186	67.8	92.0	107.6	51.3	35.7	16.9	13.2	9.7	8.3	7.3	6.8	6.6	2.5	1.7	1.4	1.4	2.1	2.1	22.1	21.2	18.7	1,040	15.9	22.1	
Hindustan Zinc	581	ADD	245,599	6,072	423	105.1	95.6	93.9	201.7	(9.1)	(1.7)	5.5	6.1	6.2	3.8	3.9	3.2	3.1	2.1	1.6	0.9	1.3	1.3	73.4	41.1	29.2	1,000	72.0	1.7	
Sesa Goa	3,246	BUY	127,755	3,159	39	154.1	314.6	468.8	12.5	104.2	49.0	21.1	10.3	6.9	14.1	6.3	3.8	8.3	5.1	3.2	1.5	2.2	2.5	45.4	61.2	56.4	4,500	38.6	16.3	
Sterlite Industries	731	ADD	518,122	12,811	708	83.1	59.7	57.2	37.5	(28.1)	(4.3)	8.8	12.2	12.8	6.2	6.3	5.6	4.8	2.2	1.9	—	—	—	50.7	24.9	16.3	1,000	36.7	39.3	
Tata Steel	697	REDUCE	599,488	14,822	860	50.9	53.6	73.9	(20.9)	5.4	37.9	13.7	13.0	9.4	8.4	7.4	5.9	3.8	1.9	1.7	1.6	1.7	1.7	36.8	23.3	18.6	800	14.7	55.6	
Metals																														
Oil & Gas																														
Bharat Petroleum	407	NR	133,522	3,301	328	52.3	42.4	25.6	578.0	(18.9)	(39.6)	7.8	9.6	15.9	3.9	4.3	5.7	1.1	1.2	1.0	4.3	4.3	2.6	16.2	11.8	6.7	—	—	10.3	
Cairn India	218	SELL	384,750	9,513	1,765	2.3	0.5	2.3	28.4	(80.3)	395.4	94.2	478.4	96.6	51.1	46.1	34.8	1.3	1.3	1.3	—	—	—	2.7	0.3	1.3	195	(10.5)	29.0	
Castrol India (a)	234	REDUCE	28,975	716	124	12.2	17.6	19.4	3.2	44.4	10.0	19.2	13.3	12.1	11.1	7.7	7.0	6.8	6.6	6.4	3.8	6.0	6.4	36.6	50.7	53.8	290	23.7	0.7	
GAIL (India)	408	REDUCE	344,687	8,522	846	25.3	30.8	30.9	(9.5)	21.8	0.2	16.1	13.2	13.2	9.4	7.8	7.1	2.7	2.4	2.1	2.5	2.5	2.7	16.8	18.0	16.0	400	(1.9)	24.5	
GSPL	63	SELL	34,379	850	544	1.6	1.7	4.9	40.0	3.1	188.3	38.6	37.5	13.0	14.4	11.4	6.6	3.3	3.0	2.6	0.8	0.8	2.3	8.8	8.4	21.3	65	2.8	15.1	
Hindustan Petroleum	269	BUY	91,330	2,258	339	40.0	55.0	46.1	503.8	37.3	(16.2)	6.7	4.9	5.8	4.4	3.7	3.7	0.8	0.7	0.7	6.7	8.2	6.7	11.9	15.0	11.4	400	48.5	16.7	
Indian Oil Corporation	478	ADD	564,246	13,951	1,179	46.8	94.3	64.4	21.3	101.3	(31.7)	10.2	5.1	7.4	4.9	3.0	3.6	1.5	1.3	1.1	4.0	8.0	5.3	15.0	25.5	15.4	600	25.4	18.2	
Oil & Natural Gas Corporation	986	BUY	2,109,691	52,162	2,139	84.4	102.1	121.2	15.0	20.9	18.7	11.7	11.7	9.7	8.1	4.7	4.0	3.3	2.3	2.0	1.8	3.1	3.6	4.1	20.3	21.1	19.9	1,325	34.3	55.6
Petronet LNG	68	SELL	51,150	1,265	750	4.2	6.2	5.4	—	48.0	(12.7)	16.3	11.0	12.6	9.1	6.9	8.7	3.4	2.6	2.2	1.8	2.2	1.5	22.4	25.3	18.0	65	(4.7)	13.0	
Reliance Industries	2,242	RS	2,811,814	69,522	1,254	83.4	97.9	108.8	32.0	17.5	11.1	26.9	22.9	20.6	14.4	13.1	10.4	4.0	3.7	2.4	0.5	0.6	0.8	19.3	17.9	16.2	—	—	281.5	
Reliance Petroleum	156	ADD	701,775	17,351	4,500	—	—	4.5	na	na	na	na	na	na	na	na	28.6	5.2	5.2	4.5	—	—	—	—	—	—	14.0	175	122	161.2
Oil & Gas																														
Pharmaceutical																														
Biocon	424	BUY	42,395	1,048	100	20.6	20.0	25.9	14.7	(2.8)	29.3	20.6	21.2	16.4	15.1	13.0	10.6	4.0	2.9	2.5	0.7	0.8	0.9	20.5	15.8	16.5	665	56.9	2.1	
Cipla	201	REDUCE	156,158	3,861	777	8.6	8.7	8.4	6.0	1.0	(2.9)	23.4	23.1	23.8	16.9	16.0	16.3	4.8	4.2	3.8	1.0	1.2	1.5	25.6	19.5	16.9	180	(10.4)	8.1	
Dishman Pharma & chemicals	295	BUY	23,997	593	81	11.3	14.6	21.9	80.4	29.1	50.7	26.2	20.3	13.5	21.0	13.8	9.9	7.5	3.1	2.7	0.0	0.0	0.0	36.2	22.8	22.4	540	83.0	0.7	
Div's Laboratories	1,227	BUY	79,222	1,959	65	28.6	51.4	65.9	169.1	79.4	28.3	42.8	23.9	18.6	32.0	19.5	14.8	15.0	9.3	6.4	0.2	0.2	0.2	42.5	48.4	40.8	1,915	56.0	5.2	
Dr Reddy's Laboratories	539	ADD	90,555	2,239	168	60.9	30.1	40.6	536.8	(50.5)	34.7	8.9	17.9	13.3	5.5	9.5	7.5	2.3	2.1	1.9	0.7	1.5	2.0	31.8	12.1	14.8	700	29.8	6.5	
Glenmark Pharmaceuticals	467	ADD	124,207	3,071	266	13.0	24.0																							

Valuation summary

Kotak Institutional Equities Universe

Company	13-Mar-08		Mkt cap.		O/S Shares (mn)	EPS (Rs)			EPS Growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E			
Pipes																													
Jindal Saw	724	BUY	40,561	1,003	56	101.4	70.9	114.2	229.6	(30.1)	61.1	7.1	10.2	6.3	5.0	5.3	3.2	1.5	1.1	1.0	0.8	0.9	0.9	19.7	12.5	17.8	1,150	58.8	5.8
PSL	340	ADD	14,058	348	41	20.2	28.4	40.5	16.7	40.1	42.9	16.8	12.0	8.4	10.2	7.6	5.5	4.0	2.0	1.8	1.3	1.6	1.9	10.7	12.5	14.5	500	47.0	0.7
Welspun Gujarat Stahl Rohren	375	SELL	69,993	1,731	187	10.6	22.0	25.9	48.7	108.5	17.5	35.4	17.0	14.5	24.4	13.7	8.6	9.5	3.8	3.2	0.5	0.7	1.2	22.0	30.4	25.1	310	(17.2)	16.7
Pipes																													
Retail																													
Pantaloon Retail	448	REDUCE	65,693	1,624	147	6.1	10.5	15.0	26.7	73.1	42.7	73.9	42.7	29.9	29.6	21.0	15.4	6.3	5.8	5.1	0.8	0.9	1.0	10.7	13.2	16.3	425	(5.1)	3.1
Rajesh Exports	95	BUY	27,704	685	291	4.6	7.6	10.5	47.2	65.6	38.5	20.8	12.6	9.1	12.5	4.7	3.7	9.0	2.6	2.2	0.3	2.4	2.6	32.9	20.8	23.8	215	125.8	11.2
Titan Industries	979	BUY	43,459	1,075	44	22.6	26.2	38.8	21.7	16.1	48.0	43.3	37.4	25.2	22.6	20.6	15.2	12.4	10.0	7.8	0.5	0.7	1.0	34.8	29.5	34.7	1,300	32.8	3.9
Retail																													
Shipyards																													
ABC Shipyard	604	NR	30,754	760	51	22.2	32.7	57.4	35.1	47.5	75.3	27.2	18.5	10.5	16.9	11.5	6.1	4.8	3.6	2.5	0.3	0.4	0.5	19.8	22.3	28.4	—	—	2.1
Technology																													
HCL Technologies	253	REDUCE	175,974	4,351	695	18.9	18.7	22.1	65.7	(1.0)	18.5	13.4	13.6	11.4	11.9	9.9	8.1	3.3	3.2	2.8	3.1	3.2	3.2	28.5	25.2	26.4	320	26.4	6.3
Hexaware Technologies	63	SELL	8,940	221	142	8.9	7.7	8.4	16.1	(13.7)	9.7	7.1	8.2	7.5	4.2	4.8	3.8	1.2	1.3	1.1	2.5	2.5	2.5	22.8	15.1	16.1	90	43.1	1.2
I-flex solutions	956	SELL	79,636	1,969	83	33.2	34.4	48.1	15.9	3.4	39.9	28.8	27.8	19.9	20.2	18.5	12.8	3.5	3.3	2.9	—	1.0	1.3	15.3	12.2	15.5	1,350	41.2	1.6
Infosys Technologies	1,334	BUY	765,429	18,925	574	67.0	79.7	94.7	48.7	19.0	18.8	19.9	16.7	14.1	16.0	13.1	10.4	6.7	5.1	4.0	1.0	1.2	1.4	40.7	34.8	31.9	2,000	50.0	60.0
Mphasis BFL	187	REDUCE	39,081	966	208	7.3	12.5	16.8	(21.5)	70.6	35.1	25.7	15.0	11.1	18.4	8.6	6.6	3.9	0.5	2.7	1.3	1.9	2.1	14.4	23.7	26.8	250	33.4	0.5
Mindtree	333	BUY	12,868	318	39	22.8	23.6	30.3	23.3	3.8	28.3	14.6	14.1	11.0	11.4	10.0	7.6	3.0	2.5	2.0	0.3	0.7	0.9	31.9	19.4	20.6	460	38.1	0.7
Patni Computer Systems	200	SELL	27,849	689	139	25.7	32.8	24.8	19.2	27.4	(24.3)	7.8	6.1	8.1	3.0	3.1	2.9	1.2	1.0	1.0	1.0	1.2	1.2	12.5	19.2	12.4	320	59.7	2.3
Polaris Software Lab	75	SELL	7,377	182	98	10.3	7.6	10.5	359.1	(26.1)	38.1	7.3	9.9	7.1	3.8	4.5	3.2	1.2	1.1	1.0	2.3	2.3	2.3	17.7	11.9	14.8	95	26.6	3.4
Satyam Computer Services	364	BUY	244,278	6,040	671	21.4	25.5	30.2	41.7	19.0	18.6	17.0	14.3	12.0	13.4	10.6	8.2	4.2	3.4	2.8	2.1	2.7	3.3	27.9	26.6	25.7	520	42.8	33.5
TCS	779	ADD	761,897	18,838	979	42.2	52.6	60.3	43.3	24.7	14.5	18.4	14.8	12.9	14.7	11.9	9.8	8.5	6.5	5.2	1.5	2.7	3.1	55.8	50.0	44.7	1,175	50.9	23.0
Tech Mahindra	638	BUY	77,742	1,922	122	47.0	58.2	70.7	124.4	24.0	21.3	13.6	11.0	9.0	10.5	8.7	6.3	8.5	4.7	3.1	0.5	0.6	0.8	79.9	59.3	44.4	880	33.2	2.1
Wipro	365	ADD	529,250	13,086	1,450	19.8	22.2	27.7	39.3	12.1	24.8	18.4	16.4	13.2	14.1	12.7	9.3	5.2	4.2	3.4	1.5	1.7	2.2	31.7	28.4	28.6	545	49.3	10.3
Technology																													
Telecom																													
Bharti Airtel Ltd	778	REDUCE	1,475,795	36,489	1,896	21.4	35.0	45.5	100.3	63.3	30.2	36.4	22.3	17.1	20.4	13.5	9.7	12.6	8.0	5.5	—	0.3	0.5	42.4	44.1	38.3	810	4.1	79.5
IDEA	95	SELL	251,413	6,216	2,635	2.2	4.0	5.2	149.8	80.5	30.9	43.1	23.9	18.2	18.8	13.1	9.8	11.5	7.1	5.1	—	—	—	30.9	36.7	32.5	115	20.5	12.9
MTNL	101	SELL	63,788	1,577	630	8.0	6.4	8.6	21.1	(20.5)	34.9	12.6	15.9	11.8	5.6	5.4	4.7	0.5	0.5	0.5	4.0	5.9	5.9	4.1	2.8	3.7	110	8.6	15.1
Reliance Communications	501	NR	1,034,391	25,575	2,063	14.2	24.5	29.7	554.4	72.8	21.0	35.3	20.5	16.9	18.5	13.0	9.7	4.5	3.6	3.0	0.1	—	—	17.8	15.7	20.1	—	—	123.4
Tata Communications	503	REDUCE	143,469	3,547	285	17.2	9.2	14.4	(7.8)	(46.2)	55.6	29.3	54.5	35.0	12.0	18.7	14.0	2.2	2.2	2.1	0.9	0.9	1.0	7.4	3.7	5.7	530	5.3	—
Telecom																													
Textiles																													
Vardhman	106	ADD	6,680	165	63	29.5	22.7	31.6	3.9	(22.9)	39.0	3.6	4.7	3.4	5.1	6.3	4.5	0.4	0.4	0.4	3.4	3.0	4.3	14.1	8.9	11.2	175	64.9	0.4
Textiles																													
Transmission Towers																													
JSL	185	ADD	15,287	378	83	6.6	10.7	13.1	81.2	61.1	23.0	27.9	17.3	14.1	13.1	9.3	7.7	6.0	4.5	3.5	0.3	0.3	0.3	29.8	30.0	28.0	275	49.1	1.0
Kalpataru Power Transmission	1,140	ADD	30,196	747	26	60.2	67.5	86.5	67.6	12.2	28.1	18.9	16.9	13.2	11.6	10.4	7.9	4.6	3.7	3.0	0.7	0.9	0.9	38.8	24.5	25.3	1,700	49.2	2.1
KEC	651	BUY	24,678	610	38	27.3	37.4	48.9	92.4	36.9	30.8	23.8	17.4	13.3	10.7	8.7	7.2	8.7	6.0	4.2	0.3	0.5	0.5	43.5	40.4	37.0	835	28.3	0.6
Transmission																													
Transportation																													
Container Corporation	1,673	REDUCE	108,758	2,689	65	106.3	126.6	143.7	31.9	19.1	13.5	15.7	13.2	11.6	10.7	9.0	7.8	4.1	3.3	2.7	1.1	1.2	1.3	29.1	27.5	25.2	2,200	31.5	2.8
Gateway Distriparks	98	ADD	11,341	280	115	6.8	6.8	9.0	8.7	(0.4)	33.2	14.5	14.5	10.9	11.0	10.0	7.3	1.8	1.6	1.5	1.7	1.7	2.3	13.0	11.8	14.4	180	82.9	3.9
GE Shipping	370	ADD	56,340	1,393	152	59.6	85.9	46.6	(3.9)	44.1	(45.8)	6.2	4.3	7.9	6.3	5.7	7.0	1.8	1.3	1.2	3.1	3.5	3.1	32.7	35.7	15.9	525	41.9	5.8
Jet Airways	631	REDUCE	54,440	1,346	86	(0.2)	6.4	62.4	—	—	—	—	—	—	23.4	10.3	5.1	1.9	2.3	2.0	0.1	0.2	2.0	(0.1)	2.2	21.3	800	31.2	3.4
Transportation																													
Utilities																													
LANCO	380	BUY	84,563	2,091	222	8.5	17.6	33.8	52.4	107.1	92.4	44.9	21.7	11.3	23.9	20.0	11.1	5.6	4.4	3.2	—	—	—	23.5	22.9	33.0	670	76.1	32.9
NTPC	187	REDUCE	1,539,428	38,062	8,245	8.3	9.4	10.3	17.8	12.9	9.6	22.4	19.9	18.1	14.7	14.7	15.5	3.1	2.9	2.6	1.7	2.0	2.2	14.5	15.1	15.2	215	15.2	79.5
Reliance Energy	1,197	NR	282,216	6,978	236	34.8	32.5	35.6	(4.0)	(6.8)	9.5	34.4	36.9	33.7	40.4	36.1	32.6	2.9	2.6	2.4	0.3	0.7	0.7	8.5	7.4	7.4	—	—	207.7
Tata Power	1,164	ADD	271,090	6,703	233	26.6	29.7	38.1	(0.1)	11.6	28.5	43.8	39.2	30.5	25.3	26.2	23.5	4.3	3.6	2.9	0.7	0.8	0.8	9.4	10.0	10.5	1,540	32.4	30.6
Utilities																													
KS universe (b)																													
KS universe (b) ex-Energy																													
KS universe (d) ex-Energy & ex-Commodities																													

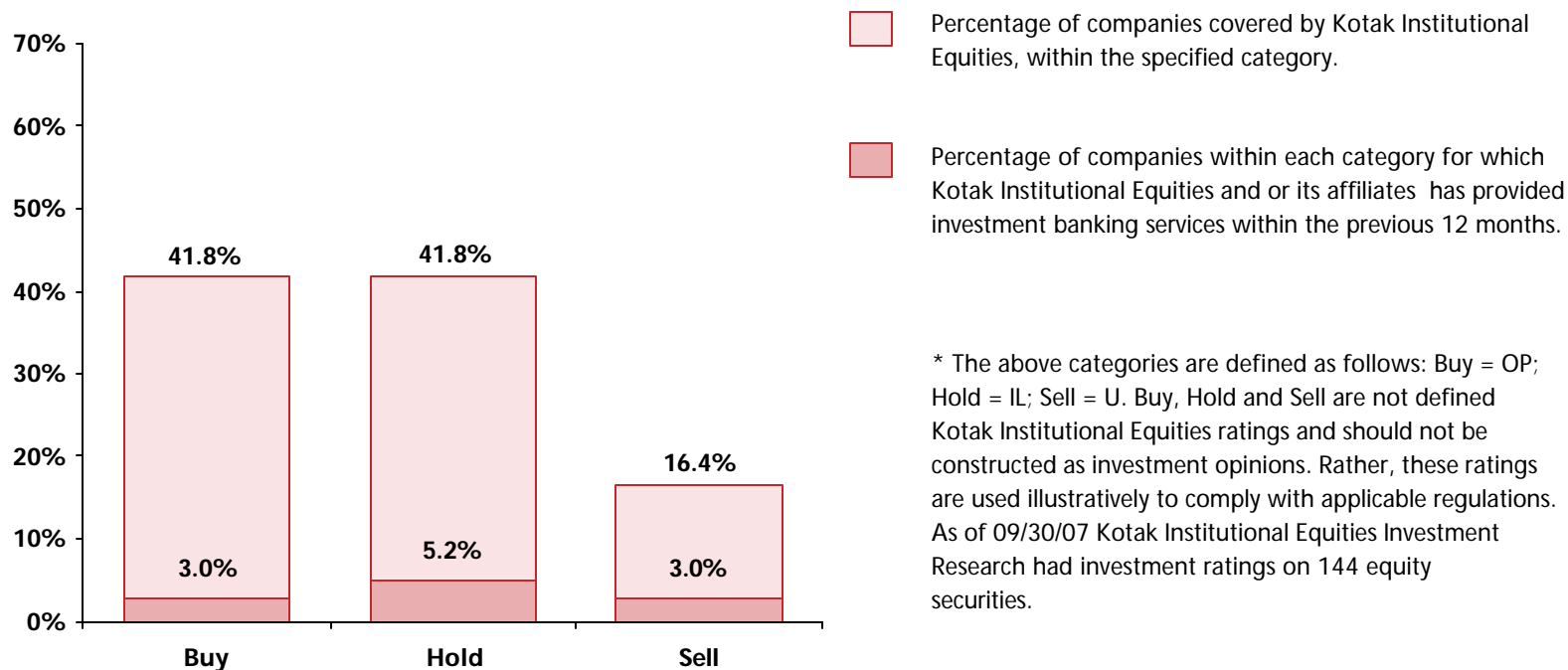
Note:
(a) 2007 means calendar year 2006, similarly for 2008 and 2009 for these particular companies.
(b) EV/Sales & EV/EBITDA for KS universe excludes Banking Sector.

Source: Bloomberg, Company data, Kotak Institutional Equities estimates.

Disclosures

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



* The above categories are defined as follows: Buy = OP; Hold = IL; Sell = U. Buy, Hold and Sell are not defined Kotak Institutional Equities ratings and should not be constructed as investment opinions. Rather, these ratings are used illustratively to comply with applicable regulations. As of 09/30/07 Kotak Institutional Equities Investment Research had investment ratings on 144 equity securities.

Source: Kotak Institutional Equities.

As of September 30, 2007

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Kotak Securities Limited and or its affiliates has acted as a book runner to its GDR offering of Cipla, LIC housing finance, CESC with in the last 12 months.

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).

Other ratings/identifiers

NR = Not Rated. The investment rating and target price, if any, have been suspended temporarily. Such suspension is in compliance with applicable regulation(s) and/or Kotak Securities policies in circumstances when Kotak Securities or its affiliates is acting in an advisory capacity in a merger or strategic transaction involving this company and in certain other circumstances.

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