

May 15, 2009

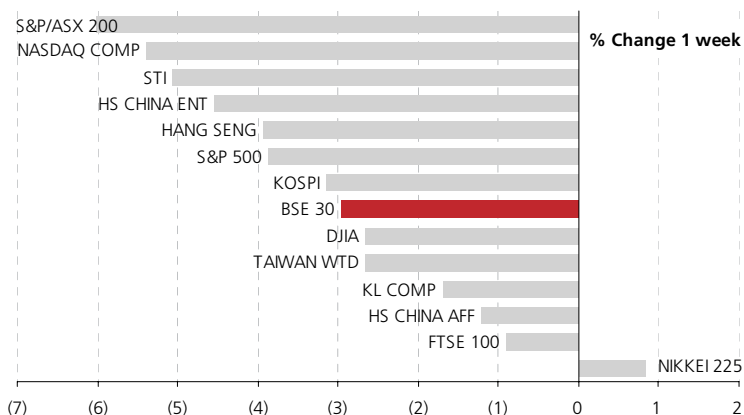
BSE-30: 11,873

Election jitters. During the past week, the BSE-30 Index lost 244 points (2%) to close at 11,873. The fall was led by State Bank of India, ONGC and L&T, which together contributed 103 points to the Index fall. However, FIIs continued to invest heavily in the markets with net inflows of US\$1.3 bn in the past five trading sessions. Domestic institutions turned net buyers, investing US\$86 mn in Indian equities. The BSE-30 Index is quoting at 13.4X on FY2010E and 11X on FY2011E.

Market highlights for the week ending Thursday, May 14, 2009

- Largest gainers: Aban Offshore (19%), Bajaj Auto (18%), Sadbhav Engineering (15.3%)
- Largest losers: Sterlite (-13%), Hindustan Zinc (-13%), Tata Steel (-10%)

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-May-09	217	22	6	28	80	353
8-May-09	147	(2)	(8)	-	252	389
11-May-09	(139)	6	2	41	37	(54)
12-May-09	-	(26)	2	(17)	100	58
13-May-09	-	6	(7)	47	828	874
Total	226	6	(5)	99	1,297	1,622

Source: Bloomberg

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OUR TOP RECOMMENDATIONS

Kotak Institutional Equities, Top-10, March fiscal year-ends, 2009-11E

Companies	Sector	Rating	Mkt cap.	CMP	Target	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
			(US\$ mn)	(Rs)	(Rs)	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E
State Bank of India	Banking	BUY	16,142	1,267	1,600	143.6	121.1	139.2	8.8	10.5	9.1	—	—	—
Sun Pharmaceuticals	Pharmaceuticals	BUY	5,253	1,264	1,800	86.8	85.7	94.0	14.6	14.8	13.4	11.3	10.6	9.0
ITC	Consumer products	ADD	14,120	187	200	8.7	9.8	11.2	21.6	19.1	16.7	13.3	11.8	10.3
Oil & Natural Gas Corporation	Energy	ADD	35,637	831	900	102.6	94.6	125.5	8.1	8.8	6.6	2.9	2.8	2.2
Sterlite Industries	Metals	ADD	6,364	448	490	49.2	41.0	50.5	9.1	10.9	8.9	5.1	5.6	4.1
Cairn India	Energy	BUY	7,443	196	225	4.2	4.4	28.5	0.0	44.2	6.9	27.5	20.2	5.7
HDFC Bank	Banking	ADD	9,821	1,164	1,150	55.4	64.1	75.0	21.0	18.2	15.5	—	—	—
Tata Power	Utilities	BUY	3,950	885	1,000	65.2	90.2	101.5	13.6	9.8	8.7	9.7	9.2	8.7
Wipro	Technology	ADD	10,657	363	325	25.7	27.0	29.4	14.1	13.5	12.4	10.3	9.3	7.8
Jindal Steel and Power	Metals	BUY	4,944	1,601	1,400	179.7	171.6	195.4	8.9	9.3	8.2	6.1	6.0	4.9
BSE-30				11,873										

Source: Company, Bloomberg, Kotak Institutional Equities estimates

OUR MODEL PORTFOLIO

Kotak Institutional Equities Model Portfolio

Company	14-May	Rating	Weightage (%)		Diff. (bps)
	Price (Rs)		BSE-30	KS reco.	
Mahindra & Mahindra	510	ADD	1.2	1.2	—
Maruti Suzuki	833	REDUCE	1.5	1.5	—
Tata Motors	260	SELL	1.3	—	(128)
Automobiles			4.0	2.7	(128)
Punjab National Bank	562	BUY	—	1.5	150
State Bank of India	1,267	BUY	4.6	7.1	250
Union Bank	175	BUY	—	1.5	150
PSU Banking			4.6	10.1	550
HDFC	1,861	SELL	5.4	—	(543)
HDFC Bank	1,164	ADD	4.6	6.6	200
ICICI Bank	536	ADD	6.2	5.2	(100)
Rural Electrification Corp.	117	BUY	—	1.0	100
Pvt. Banking/Financing			16.2	12.8	(343)
ACC	614	REDUCE	0.8	—	(80)
Grasim Industries	1,793	REDUCE	1.4	1.4	—
Jaiprakash Associates	136	ADD	1.3	1.3	—
Cement			3.5	2.7	(80)
Hindustan Unilever	225	REDUCE	3.2	4.2	100
ITC	187	ADD	6.1	8.1	200
Consumers			9.4	12.4	300
Cairn India	196	BUY	—	4.0	400
Oil & Natural Gas Corporation	831	ADD	4.8	6.8	200
Reliance Industries	1,909	REDUCE	15.8	9.9	(585)
Energy			20.6	20.8	15
Bharat Heavy Electricals	1,658	REDUCE	3.6	1.6	(200)

Note:

1. Weights are with respect to April 15, 2009 prices.

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Company	14-May	Rating	Weightage (%)		Diff. (bps)
	Price (Rs)		BSE-30	KS reco.	
Larsen & Toubro	946	SELL	5.9	2.9	(300)
Industrials			9.5	4.5	(500)
Hindalco Industries	71	ADD	1.0	—	(96)
Jindal Steel and Power	1,601	BUY	—	3.0	300
Sterlite Industries	448	ADD	1.5	3.0	150
Tata Steel	264	BUY	2.1	2.1	—
Metals			4.6	8.1	354
Glenmark Pharmaceuticals	166	BUY	—	1.0	100
Ranbaxy Laboratories	184	REDUCE	0.4	—	(42)
Sun Pharmaceuticals	1,264	BUY	1.3	4.3	300
Pharmaceuticals			1.7	5.3	358
DLF	250	REDUCE	0.8	—	(83)
Real estate			0.8	—	(83)
Infosys Technologies	1,567	BUY	8.4	6.4	(200)
TCS	620	REDUCE	1.8	—	(178)
Wipro	363	ADD	1.0	3.0	200
Technology			11.2	9.4	(178)
Bharti Airtel	765	ADD	5.7	4.7	(100)
Reliance Communications	225	SELL	2.1	—	(209)
Telecom			7.8	4.7	(309)
NTPC	189	REDUCE	3.1	—	(307)
Reliance Infrastructure	810	BUY	1.3	1.3	—
Tata Power	885	BUY	1.8	5.3	350
Utilities			6.2	6.6	43
BSE-30	11,873		100.0	100.0	—

SENSEX VALUATION SUMMARY

Valuation summary of BSE-30 sectors, March fiscal year-ends, 2009-11E

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2008	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2009E	2010E	2009E	2010E
Automobiles	10,472	6.0	(40.5)	30.9	14.8	18.6	14.2	12.4	11.9	7.9	6.8	1.8	1.6	0.7	0.8	9.9	11.3
Banking	48,703	43.9	16.7	(4.1)	16.3	13.9	14.5	12.5	—	—	—	1.9	1.8	1.8	1.8	13.7	12.7
Cement	5,629	25.7	(18.1)	(11.5)	(7.5)	8.9	10.1	10.9	4.9	5.0	5.1	1.7	1.5	2.7	2.7	19.4	15.2
Consumers	24,025	14.9	7.6	12.3	14.1	22.7	20.2	17.7	15.3	12.7	11.0	7.6	6.7	2.8	3.0	33.4	33.2
Diversified	3,848	20.7	51.3	20.0	49.6	20.8	17.3	11.6	12.0	10.4	10.0	3.2	2.8	—	—	15.3	16.0
Energy	88,484	13.9	9.0	7.1	35.1	11.7	10.9	8.1	5.7	4.7	3.6	1.9	1.7	2.1	2.3	16.2	15.5
Industrials	27,694	23.7	13.9	28.5	13.5	23.8	18.5	16.3	13.2	10.5	9.3	4.8	3.9	1.0	1.2	20.1	21.1
Metals	13,246	13.2	13.7	(47.5)	54.5	4.4	8.4	5.4	3.8	5.0	3.9	0.6	0.6	1.6	1.6	14.1	7.1
Pharmaceuticals	6,849	82.1	(37.8)	4.7	41.2	23.2	22.2	15.7	16.4	14.5	10.2	2.9	2.4	1.9	2.3	12.4	10.8
Property	8,579	304.9	(36.6)	(45.2)	8.4	8.5	15.6	14.4	8.9	12.5	10.8	1.7	1.6	1.2	1.2	20.3	10.2
Technology	40,994	19.1	15.9	0.8	10.0	13.7	13.6	12.4	9.7	8.9	7.3	4.2	3.4	1.6	2.0	30.3	25.0
Telecom	38,528	74.9	15.3	(1.1)	11.4	13.1	13.2	11.9	8.4	7.6	6.5	2.9	2.4	0.5	0.6	22.1	17.9
Utilities	38,982	9.9	9.7	19.2	12.0	19.0	16.0	14.2	10.9	10.6	10.4	2.3	2.1	1.7	1.9	11.8	12.9
BSE-30 Index	356,033	28.8	5.8	(1.8)	22.3	13.2	13.4	11.0	7.7	7.2	6.0	2.2	2.0	1.6	1.8	16.8	14.8
BSE-30 ex-Energy	267,549	35.5	4.6	(5.3)	16.6	13.8	14.6	12.5	8.7	8.6	7.5	2.3	2.1	1.5	1.7	17.0	14.5
BSE-30 ex-Energy, Com.	248,674	40.9	4.1	3.0	13.8	15.8	15.3	13.5	10.7	9.6	8.5	2.8	2.5	1.5	1.6	17.6	16.1
BSE-30 ex-Technology	315,039	30.0	4.6	(2.2)	23.9	13.1	13.4	10.8	7.5	7.0	5.9	2.1	1.9	1.6	1.8	15.9	14.1

Note:

(1) EV/EBITDA excludes banks.

Source: Company, Kotak Institutional Equities estimates

NIFTY VALUATION SUMMARY

Valuation summary of Nifty sectors, March fiscal year-ends, 2009-11E

	Mkt cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2008	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2009E	2010E	2009E	2010E
Automobiles	15,296	7.1	(28.1)	30.8	12.9	18.7	14.3	12.7	11.6	8.0	6.8	2.4	2.0	1.0	1.1	12.7	14.2
Banking	56,699	43.5	22.5	(2.4)	15.4	12.8	13.1	11.4	—	—	—	1.9	1.8	1.9	1.9	14.9	13.9
Consumers	23,950	14.9	7.6	12.3	14.1	22.7	20.2	17.7	15.3	12.7	11.0	7.6	6.7	2.8	3.0	33.4	33.2
Cement	7,932	14.7	(15.1)	(9.8)	(11.0)	9.4	10.4	11.7	5.1	5.2	5.5	1.8	1.6	3.0	2.6	19.0	15.2
Energy	115,498	11.6	6.4	18.3	44.3	13.9	11.8	8.2	6.9	5.5	4.1	1.9	1.7	1.8	2.1	13.4	14.3
Industrials	34,289	26.7	9.6	23.4	18.6	21.6	17.5	14.8	12.0	9.9	8.6	3.9	3.3	0.9	1.1	18.2	18.6
Metals	16,610	5.7	9.8	(47.5)	54.8	5.1	9.7	6.3	4.0	5.2	4.0	0.7	0.7	1.6	1.4	13.9	7.0
Property	10,574	193.8	(36.9)	(41.6)	4.0	8.8	15.0	14.4	9.0	11.9	10.7	1.8	1.6	1.0	1.0	20.6	10.4
Pharmaceuticals	10,419	55.8	(27.0)	17.0	29.1	23.3	19.9	15.4	16.5	13.4	10.4	3.2	2.7	1.6	1.9	13.9	13.5
Telecom	45,214	(70.2)	13.4	(0.9)	11.3	14.2	14.3	12.8	8.6	7.7	6.6	2.6	2.2	0.5	0.6	18.3	15.4
Technology	42,845	15.2	15.8	(0.7)	10.9	13.3	13.4	12.1	9.4	8.7	7.1	3.9	3.2	1.9	2.3	29.0	23.9
Utilities	45,029	10.9	11.3	22.0	12.6	21.5	17.6	15.7	12.0	12.4	12.3	2.2	2.1	1.5	1.7	10.5	11.8
NIFTY	424,356	25.6	5.2	1.7	25.0	13.9	13.7	11.0	8.3	7.8	6.4	2.2	2.0	1.6	1.8	15.6	14.3
NIFTY ex-Energy	308,858	31.6	4.7	(4.6)	16.1	13.9	14.6	12.6	9.0	9.3	8.1	2.3	2.1	1.5	1.7	16.6	14.2
NIFTY ex-Energy ex Com	292,247	37.2	3.9	2.9	12.7	15.5	15.0	13.3	10.5	10.1	9.0	2.7	2.4	1.5	1.7	17.2	15.7

Note:

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

Source: Company, Kotak Institutional Equities estimates

REGIONAL VALUATION SUMMARY

Valuation summary of regional indices, Calendar year-ends, 2008-10E

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

	Index	Earnings growth (%)			P/E (X)		
		2008	2009E	2010E	2008	2009E	2010E
Brazil	MSCI BRAZIL	(7.0)	(2.3)	13.7	11.7	12.0	10.5
China	I/B/E/S CHINA	(14.7)	17.4	18.2	22.9	19.0	16.1
Hong Kong	I/B/E/S HONG KONG	(36.8)	0.2	14.1	15.0	13.9	12.2
India	MSCI INDIA	(4.0)	(2.3)	19.5	14.7	15.0	12.5
Korea	MSCI KOREA	(36.5)	6.5	45.8	16.1	15.1	10.4
Malaysia	MSCI MALAYSIA	(14.7)	(19.4)	9.9	12.3	15.2	13.8
Mexico	MSCI MEXICO	14.4	(19.8)	14.1	9.7	12.1	10.6
Russia	MSCI RUSSIA	8.9	(44.2)	27.6	4.4	7.9	6.2
Taiwan	MSCI TAIWAN	(69.0)	(24.3)	142.8	32.9	43.3	17.8
Thailand	MSCI THAILAND	56.6	2.1	17.1	10.7	10.5	9.0
Asia - Emerging markets	MSCI EM ASIA	(30.6)	(0.4)	33.7	16.5	16.5	12.4

Source: Thomson Datastream

VALUATION SUMMARY OF BRICS SECTORS (1)

Valuation summary of BRICs sectors, Calendar year-ends, 2008-10E

Index		Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Banking									
Russia	MSCI Russia Banks Industry Group	(5.8)	(75.2)	136.2	4.9	19.9	8.4	NA	0.1
India	MSCI India Banks Industry Group	NA	18.3	25.0	20.0	16.2	13.0	1.1	0.7
China	MSCI China Banks Industry Group	NA	NA	26.5	NA	11.9	9.4	NA	0.5
Consumers									
Russia	MSCI Russia Consumer Staples Sector	(27.4)	(16.6)	53.2	20.0	24.0	15.7	NA	0.5
India	MSCI India Consumer Discretionary Sector	(9.8)	22.4	12.8	14.6	12.7	11.2	0.7	1.0
China	MSCI China Consumer Discretionary Sector	NA	NA	12.8	NA	17.2	15.3	NA	1.3
Energy									
Russia	MSCI Russia Energy Sector	22.9	(44.0)	19.6	3.9	6.9	5.8	NA	0.4
India	MSCI India Energy Sector	(9.5)	(7.0)	15.0	10.1	12.9	11.2	NA	0.9
China	MSCI China Energy Sector	NA	NA	19.4	NA	12.5	10.4	NA	0.6
Industrials									
India	MSCI India Industrials Sector	1.7	(14.5)	18.5	18.1	21.5	18.1	NA	1.2
China	MSCI China Industrials Sector	NA	NA	13.7	NA	19.7	17.4	NA	1.4
Metals									
Russia	MSCI Russia Metals & Mining Industry	(38.1)	(70.4)	28.8	4.2	14.1	10.9	NA	0.5
India	MSCI India Metals & Mining Industry	(25.0)	(19.0)	29.5	6.3	8.7	6.7	NA	0.3
China	MSCI China Metals & Mining Industry	NA	NA	106.1	NA	38.2	18.5	NA	0.4

Source: Thomson Datastream

VALUATION SUMMARY OF BRICS SECTORS (2)

Valuation summary of BRICs sectors, Calendar year-ends, 2008-10E

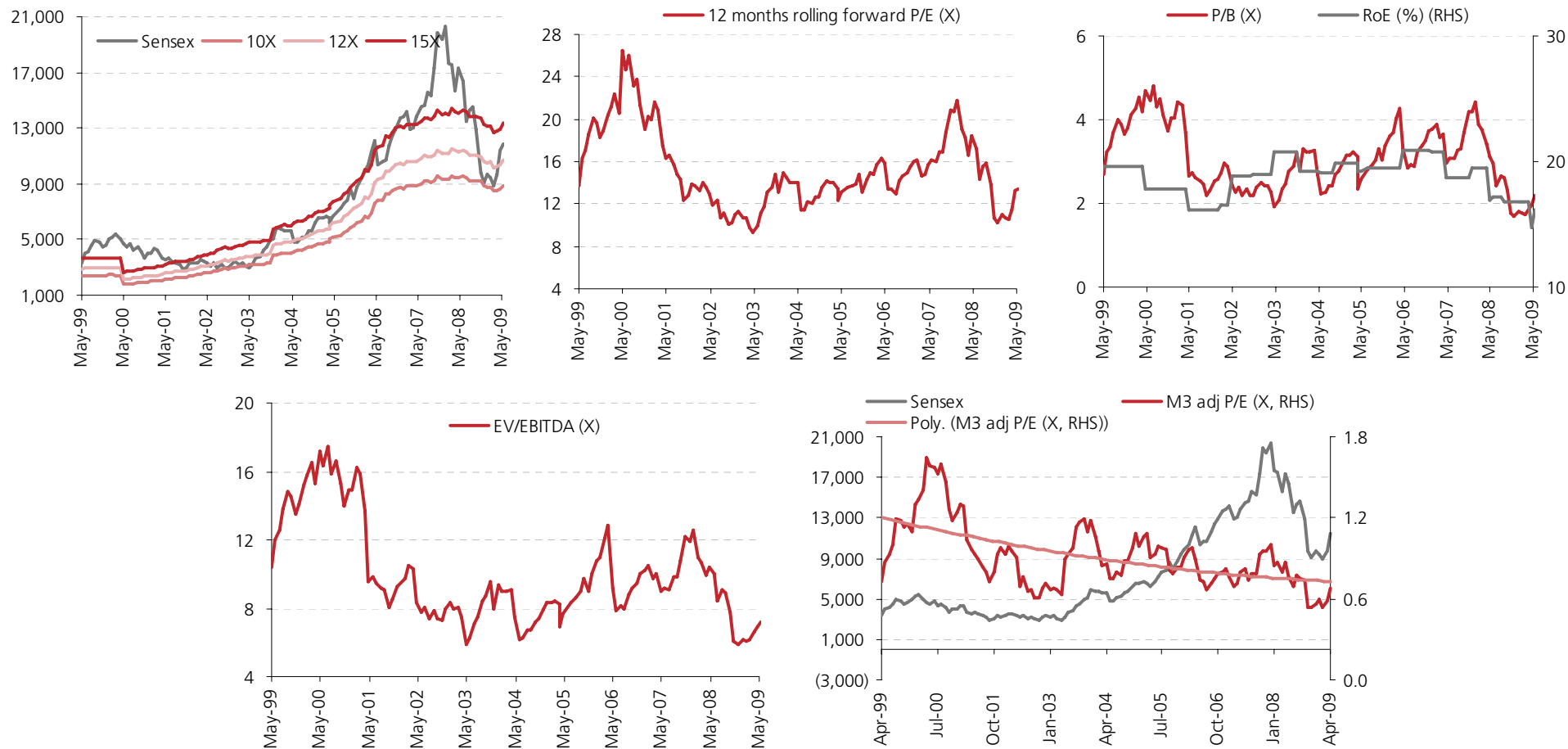
Index		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Property									
India	MSCI India Real Estate Industry Group	NA	(20.8)	(6.7)	9.1	11.9	12.7	NA	NA
China	MSCI China Real Estate Industry Group	(39.5)	4.0	27.7	15.7	16.1	12.6	3.9	0.6
Technology									
India	MSCI India Software & Services Industry Group	20.6	(1.8)	4.5	14.4	14.7	14.1	NA	3.3
China	MSCI China Software & Services Industry Group	NA	NA	27.2	NA	38.4	30.2	NA	1.4
Telecom									
Russia	MSCI Russia Diversified Telecommunications Services Industry	(3.3)	(30.5)	43.0	11.5	16.5	11.5	NA	0.4
India	MSCI India Telecommunication Services Sector	9.7	(14.3)	17.9	9.9	11.5	9.8	NA	0.6
China	MSCI China Telecommunication Services Sector	29.4	2.4	(3.3)	11.5	12.2	12.6	4.8	NA
Utilities									
Russia	MSCI Russia Utilities Sector	NA	NA	NA	NA	NA	NA	NA	NA
India	MSCI India Utilities Sector	11.3	(5.6)	13.5	15.0	16.4	14.4	NA	1.2
China	MSCI China Utilities Sector	(49.7)	103.9	14.9	40.7	16.2	14.1	0.4	1.1

Source: Thomson Datastream

BSE-SENSEX KEY PARAMETERS

Key fundamental indicators of BSE-30 Index

BSE-30 Index P/B, EV/EBITDA and 12-month forward rolling P/E, April 1999- current



Source: Bloomberg, RBI, Kotak Institutional Equities

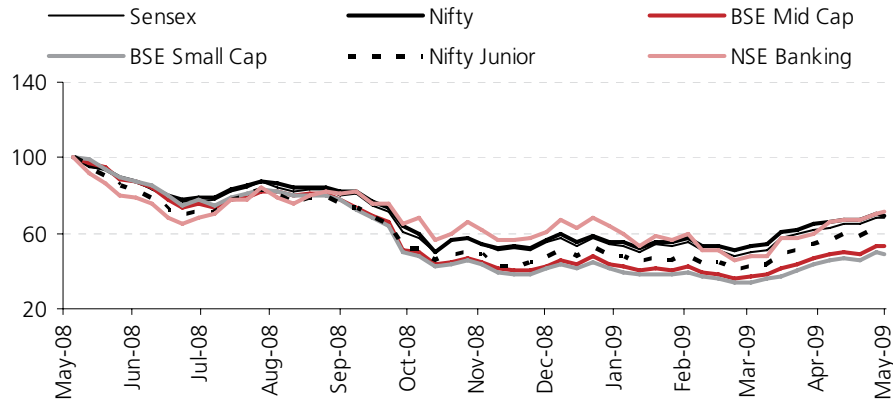
MARKET PERFORMANCE

- PERFORMANCE OF BENCHMARK INDICES
- PERFORMANCE OF GLOBAL INDICES
- PRICING PERFORMANCE OF SENSEX SECTORS
- TOP GAINERS AND LOSERS (STOCKS UNDER KOTAK COVERAGE)
- TECHNICAL INDICATORS

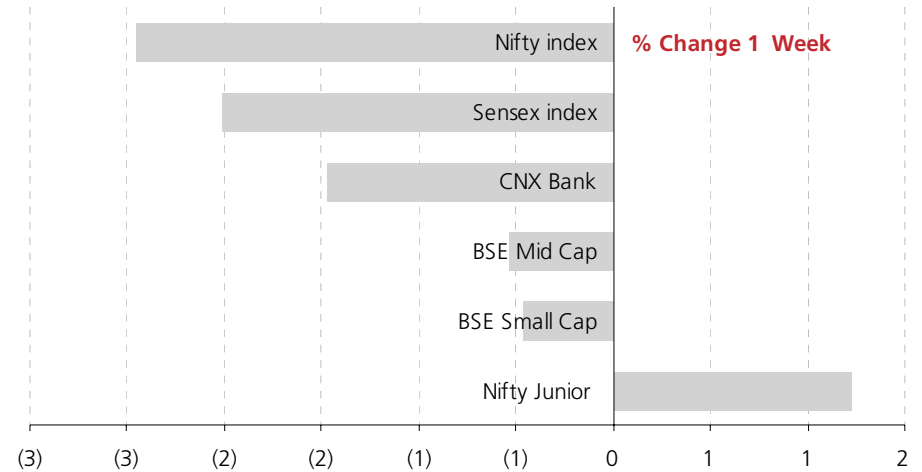
RELATIVE PERFORMANCE OF INDIAN MARKETS

Key performance of benchmark indices

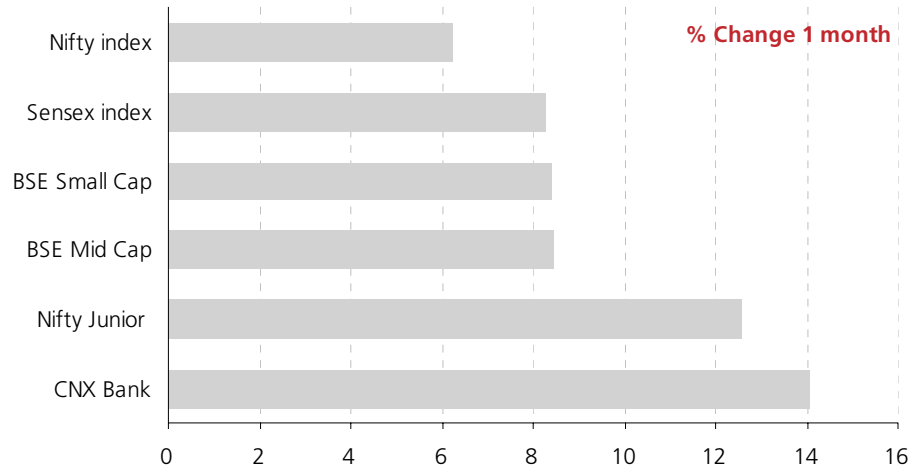
(base 100 as of April, 2008)



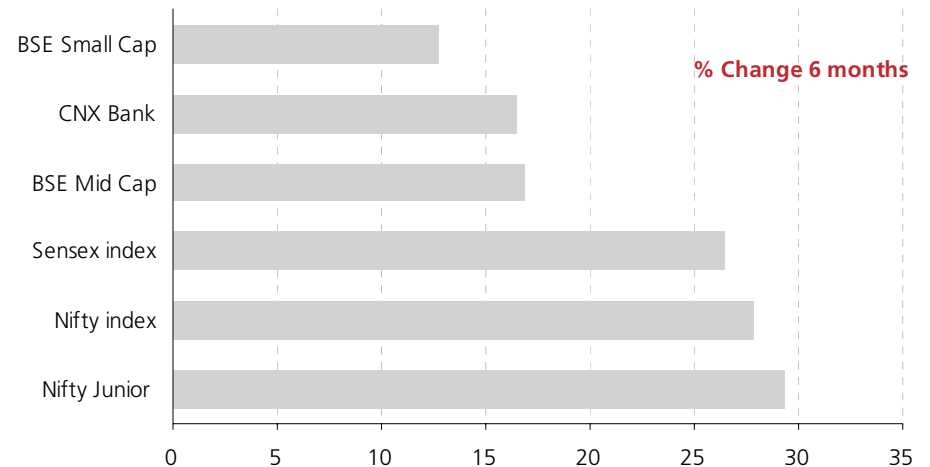
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



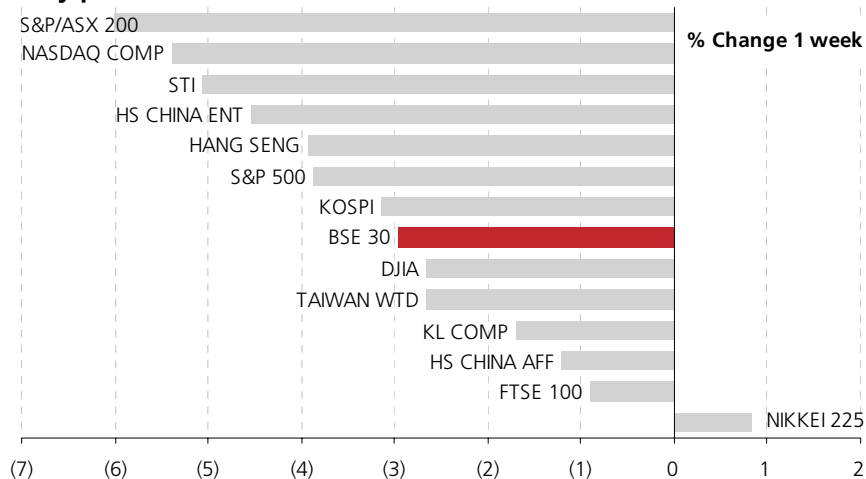
6-month performance of the benchmark indices



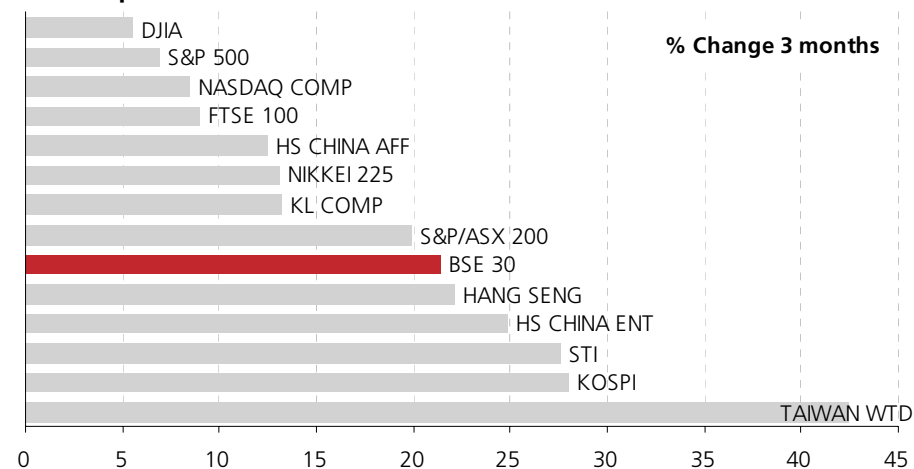
Source: Bloomberg, Kotak Institutional Equities

BSE-SENSEX VERSUS REGIONAL INDICES

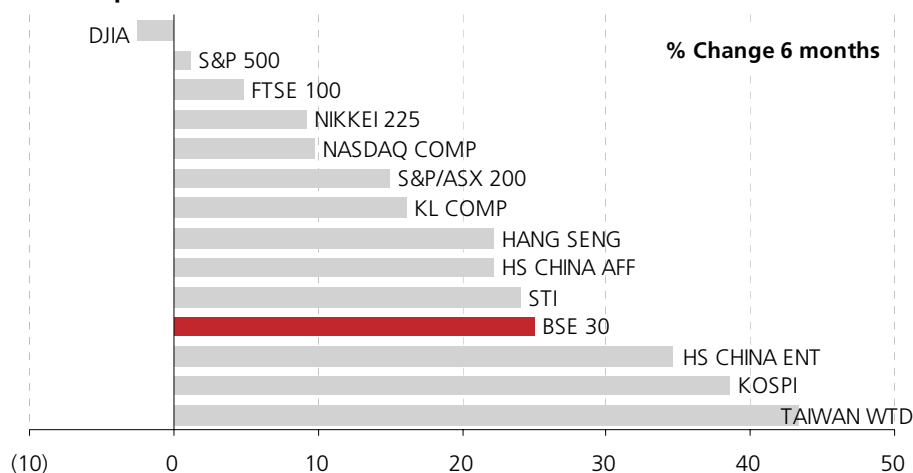
Weekly performance



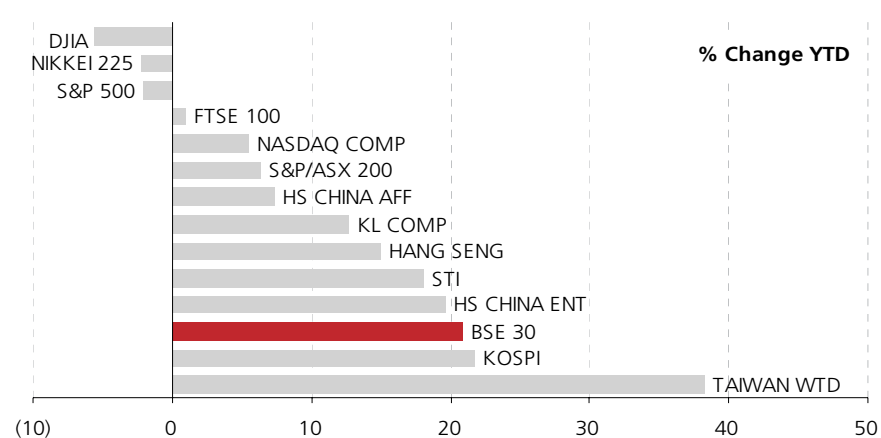
3-month performance



6-month performance



CYTD performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities

SECTORAL PERFORMANCE

Market performance of Sensex sectors, April 23, 2009

	Mkt cap.	Change (%)				Relative change (%)			
	(US\$ m)	1-Day	1-mo	6-mo	1-Year	1-Day	1-mo	6-mo	1-Year
Automobiles	10,472	(17.9)	(11.0)	39.4	(40.8)	(16.5)	(17.8)	10.2	(8.3)
Banking	48,703	(1.1)	11.1	17.9	(29.8)	0.2	2.6	(6.8)	0.2
Consumers	24,025	0.1	(1.0)	3.8	(13.6)	1.3	(8.5)	(18.0)	12.7
Cement	5,629	(0.4)	9.9	62.7	(15.5)	0.8	1.5	28.6	11.2
Diversified	3,848	(0.7)	15.6	85.8	(47.5)	0.5	6.7	46.8	(13.4)
Energy	88,484	(1.9)	1.1	43.9	(19.8)	(0.7)	(6.6)	13.7	7.9
Industrials	27,694	(2.2)	11.0	25.2	(18.9)	(1.0)	2.5	(1.0)	8.6
Metals	13,246	(2.9)	3.4	63.9	(59.9)	(1.7)	(4.5)	29.6	(22.9)
Pharmaceuticals	6,849	(1.2)	7.0	0.7	(30.8)	0.1	(1.2)	(20.4)	(0.5)
Property	8,579	6.5	6.5	3.6	(59.9)	7.6	(1.6)	(18.1)	(22.9)
Telecom	38,541	(2.8)	11.9	13.9	(30.7)	(1.6)	3.4	(9.9)	(0.5)
Technology	40,994	(1.1)	14.4	29.9	(25.2)	0.1	5.6	2.7	3.8
Utilities	38,982	0.0	0.0	28.0	(11.6)	1.2	(7.6)	1.2	14.2
Sensex sum	356,046	(1.2)	8.3	26.5	(30.1)				

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 Aban Offshore	18.9	1 Sterlite Industries	(13.4)
2 Bajaj Auto	17.5	2 Hindustan Zinc	(13.0)
3 Sadbhav Engineering	15.3	3 Tata Steel	(10.2)
4 Jindal Saw	14.9	4 Biocon	(9.8)
5 IDFC	11.2	5 India Cements	(9.8)
6 Petronet LNG	10.4	6 Cairn India	(9.3)
7 Union Bank	10.0	7 Jyothy Laboratories	(9.2)
8 Vishal Retail	9.8	8 Havells India	(8.9)
9 Sesa Goa	8.8	9 Unitech	(8.5)
10 Federal Bank	8.4	10 IVRCL	(8.5)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Bajaj Auto	103.2	1 Vishal Retail	(49.4)
2 Mahindra & Mahindra	85.7	2 Divi's Laboratories	(31.0)
3 India Infoline	79.0	3 Consolidated Construction Co.	(30.8)
4 JSW Steel	78.6	4 Indian Bank	(28.4)
5 Shree Cement	77.8	5 Ranbaxy Laboratories	(27.1)
6 Havells India	77.4	6 United Spirits	(24.5)
7 Polaris Software Lab	77.2	7 Aban Offshore	(24.4)
8 Jindal Steel and Power	75.7	8 Wockhardt	(19.0)
9 MTNL	75.0	9 Bank of India	(18.2)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Bajaj Hindustan	59.0	1 Jyothy Laboratories	(19.1)
2 Mindtree	46.6	2 Jagran Prakashan	(8.4)
3 IDFC	39.9	3 Radico Khaitan	(8.4)
4 Axis Bank	38.0	4 Biocon	(8.0)
5 Sintex	36.9	5 Oil & Natural Gas Corporation	(7.3)
6 Wipro	35.2	6 United Spirits	(6.9)
7 Shriram Transport	35.2	7 Bank of India	(6.8)
8 Jindal Saw	35.2	8 Tata Steel	(6.6)
9 Housing Development & Infrastr	32.7	9 Tata communications	(6.6)
10 Bajaj Auto	31.2	10 Zee News	(6.4)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Hero Honda	47.7	1 Vishal Retail	(93.5)
2 Suzlon Energy	38.6	2 Aban Offshore	(86.0)
3 Lupin	29.9	3 Unitech	(82.0)
4 Novartis India	29.0	4 Sobha	(80.0)
5 Bank of Baroda	17.9	5 Consolidated Construction Co.	(77.7)
6 Siemens	16.3	6 IVR Prime Urban Developers	(77.5)
7 Pfizer	14.7	7 Puravankara Projects	(75.0)
8 GlaxoSmithKline Consumer (a)	14.1	8 Indiabulls Real Estate	(72.7)
9 GlaxoSmithkline (India)	12.7	9 Future Capital Holdings	(72.4)
10 PFC	11.3	10 PSL	(72.1)

Source: 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)
Havells India	3,106,054	284	30.7
Maharashtra Seamless	952,410	207	17.7
Mahindra & Mahindra Financial	76,620	183	0.0
Jindal Saw	2,001,351	174	35.2
DLF	61,073,810	105	6.5
Hindustan Zinc	354,758	93	10.8

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

Company	5-day average volumes	Price Change (%)	
		% decrease	(1 month basis)
Shriram Transport	66,629	(85)	35.2
Jyothy Laboratories	6,541	(79)	(19.1)
Phoenix Mills	68,295	(72)	17.9
Jagran Prakashan	21,510	(71)	(8.4)
Container Corporation	18,836	(68)	13.6
PFC	681,102	(65)	29.1

Date	Sensex	Avg daily value traded	Institutional participation in total turnover	
		(US\$ mn)	FII%	MF%
May-08	16,416	4,903	15.7	3.2
Jun-08	14,422	4,433	17.8	3.5
Jul-08	14,355	4,497	15.6	3.9
Aug-08	14,565	4,107	14.3	3.3
Sep-08	12,860	4,344	19.6	3.7
Oct-08	9,788	3,632	19.3	4.0
Nov-08	9,093	3,247	12.8	3.7
Dec-08	9,647	3,458	9.9	3.3
Jan-09	9,424	3,233	11.8	4.1
Feb-09	8,692	2,653	11.4	3.3
Mar-09	9,709	3,374	11.8	4.1
Apr-09	11,403	4,624	10.5	3.4
May-09	11,873	4,145	10.8	3.6

Source: Bloomberg, Kotak Institutional Equities

EARNINGS MOMENTUM

- UPGRADES/DOWNGRADES IN EARNINGS IN PAST WEEK
- UPGRADES/DOWNGRADES IN EARNINGS IN PAST MONTH
- TOP CHANGES IN TARGET PRICES IN THE PAST MONTH
- CHANGES IN RATINGS IN THE PAST MONTH

CHANGES IN EARNINGS ESTIMATES

Changes in earnings estimates in the past weeks

FY2009 Earning Upgrades (KIE) (1 week)

Company	% Change
1 JSW Steel	50.4
2 Lupin	19.5
3 Andhra Bank	10.0
4 Asian Paints	7.6
5 State Bank of India	6.0
6 SREI	5.4
7 Jagran Prakashan	0.4

FY2010 earnings upgrade (KIE) (1 week)

Company	% Change
1 Suzlon Energy	16.9
2 Asian Paints	10.7
3 IVRCL	4.6
4 Zee Entertainment Enterprises	3.2
5 HT Media	3.1
6 Jagran Prakashan	1.2
7 Lupin	1.0
8 Bajaj Auto	0.7
9 Maruti Suzuki	0.7
10 Punj Lloyd	0.7
11 SREI	0.5
12 Mahindra & Mahindra	0.0

FY2009 Earning Downgrades (KIE) (1 week)

Company	% Change
1 Union Bank	(6.8)
2 IVRCL	(3.5)
3 Oil & Natural Gas Corporation	(1.2)
4 Suzlon Energy	(0.5)
5 Bajaj Auto	(0.5)
6 Zee Entertainment Enterprises	(0.4)
7 Wipro	-

FY2010 earnings downgrades (KIE) (1 week)

Company	% Change
1 Oil & Natural Gas Corporation	(8.9)
2 Union Bank	(5.3)
3 Andhra Bank	(3.4)
4 State Bank of India	(2.4)
5 Tata Motors	(0.2)
6 Federal Bank	(0.0)

Source: Kotak Institutional Equities estimates

CHANGES IN EARNINGS ESTIMATES

Changes in earnings estimates in the past one month

FY2009 earnings upgrades (KIE) (1 month)

Company	% Change
1 Jubilant organosys	398.3
2 JSW Steel	50.4
3 Shree Cement	34.5
4 Petronet LNG	25.0
5 Jaiprakash Associates	23.3
6 Bank of Baroda	21.4
7 Lupin	19.5
8 Piramal Healthcare	16.8
9 Mahindra & Mahindra Financial	15.0
10 Canara Bank	13.1
11 Andhra Bank	10.0
12 IDEA	10.0
13 Titan Industries	9.4
14 UltraTech Cement	9.2
15 PFC	8.2

FY2010 earnings upgrades (KIE) (1 month)

Company	% Change
1 IDEA	39.2
2 Patni Computer Systems	34.2
3 Petronet LNG	29.9
4 Siemens	26.5
5 Shree Cement	26.4
6 Mahindra & Mahindra Financial	21.8
7 ACC	21.1
8 Hexaware Technologies	20.6
9 Mindtree	18.7
10 Ambuja Cements	18.4
11 Suzlon Energy	16.9
12 LIC Housing Finance	15.9
13 UltraTech Cement	13.2
14 Indiabulls Real Estate	12.5
15 GlaxoSmithkline Consumer (a)	11.2
16 IDFC	11.0
17 Jaiprakash Associates	10.9
18 Asian Paints	10.7
19 Bank of Baroda	8.9
20 HDFC	8.8

FY2009 earnings downgrades (KIE) (1 month)

Company	% Change
1 Aban Offshore	(38.3)
2 Mindtree	(36.8)
3 Reliance Power	(24.0)
4 Biocon	(16.2)
5 Polaris Software Lab	(12.0)
6 Consolidated Construction Co.	(11.5)
7 Puravankara Projects	(11.4)
8 Maruti Suzuki	(9.4)
9 Unitech	(7.5)
10 Union Bank	(6.8)
11 Zee News	(6.6)
12 United Phosphorus	(5.7)
13 Jindal Saw	(5.2)
14 Ambuja Cements	(5.2)
15 Indian Overseas Bank	(4.4)

FY2010 earnings downgrades (KIE) (1 month)

Company	% Change
1 Ranbaxy Laboratories	(176.9)
2 Tech Mahindra	(35.2)
3 DLF	(29.3)
4 Unitech	(28.9)
5 Indian Overseas Bank	(20.3)
6 Aban Offshore	(20.1)
7 Biocon	(14.7)
8 Jubilant organosys	(14.3)
9 Maharashtra Seamless	(13.0)
10 TCS	(12.3)
11 Sterlite Industries	(12.1)
12 Bank of India	(11.1)
13 United Phosphorus	(9.2)
14 Oil & Natural Gas Corporation	(8.9)
15 Zee News	(8.6)
16 Corporation Bank	(7.8)
17 HCL Technologies	(7.5)
18 Puravankara Projects	(6.8)
19 Reliance Industries	(6.8)
20 Cipla	(5.7)

Source: Kotak Institutional Equities estimates

CHANGES IN OUR TARGET PRICES

Changes in target prices in the past one month

Upgrades in target prices (1 month)

	Company	% Change	New	Old
1	JSW Steel	83.8	340	185
2	Suzlon Energy	50.0	90	60
3	Sintex	40.0	175	125
4	ABB	38.5	450	325
5	Jaiprakash Associates	33.3	140	105
6	GlaxoSmithkline Consumer (a)	28.6	900	700
7	Punj Lloyd	28.6	135	105
8	Asian Paints	25.0	1,000	800
9	IVRCL	22.9	215	175
10	Nagarjuna Construction Co.	20.0	120	100
11	Reliance Communications	20.0	180	150
12	LIC Housing Finance	18.2	390	330
13	Ambuja Cements	16.7	70	60
14	Wipro	16.1	325	280
15	Container Corporation	15.6	850	735
16	Patni Computer Systems	15.4	150	130
17	Bharti Airtel	14.8	775	675
18	ACC	13.6	625	550
19	UltraTech Cement	13.6	625	550
20	IDFC	13.3	85	75
21	ICICI Bank	13.1	475	420
22	Siemens	12.7	310	275
23	Tech Mahindra	12.5	360	320
24	Shree Cement	11.8	950	850

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	Ranbaxy Laboratories	(55.9)	150	340
2	Oriental Bank of Commerce	(25.0)	150	200
3	Jubilant organosys	(16.7)	250	300
4	Indian Bank	(15.4)	165	195
5	Indian Overseas Bank	(8.3)	110	120
6	HDFC Bank	(8.0)	1,150	1,250
7	TCS	(7.3)	510	550
8	Axis Bank	(6.7)	700	750

Source: Kotak Institutional Equities estimates

CHANGES IN OUR RATINGS

Changes in ratings over the past one month

Company name		Rating	
		Current	Previous
Tata Chemicals	Downgraded	ADD	BUY
Jaiprakash Associates	Downgraded	ADD	BUY
Welspun Gujarat Stahl Rohren	Downgraded	REDUCE	BUY
Tech Mahindra	Downgraded	ADD	BUY
Sterlite Industries	Downgraded	ADD	BUY
Zee Entertainment Enterprises	Downgraded	REDUCE	BUY
HDFC Bank	Downgraded	ADD	BUY
Ranbaxy Laboratories	Downgraded	REDUCE	ADD

Company name		Rating	
		Current	Previous
Mahindra & Mahindra Financial	Upgraded	ADD	SELL
Punj Lloyd	Upgraded	ADD	REDUCE
Suzlon Energy	Upgraded	ADD	REDUCE
Axis Bank	Upgraded	BUY	ADD
Patni Computer Systems	Upgraded	REDUCE	SELL
ABB	Upgraded	REDUCE	SELL
Asian Paints	Upgraded	ADD	REDUCE

Source: Kotak Institutional Equities estimates

FLOWS

- TREND IN EQUITY FLOWS
- FII FLOWS IN OTHER EMERGING MARKETS
- IPO ANALYSIS
- BULK DEALS
- DELIVERY POSITION ANALYSIS

TREND IN EQUITY FLOWS

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

	FII	MF
CY1999	1,537	0
CY2000	1,462	(150)
CY2001	2,807	(1,110)
CY2002	751	(685)
CY2003	6,658	118
CY2004	8,382	(217)
CY2005	10,776	2,873
CY2006	8,632	3,585
CY2007	17,335	1,525
CY2008	(13,336)	3,312
CY2009	1,893	(39)
Jan	(1,054)	(173)
Feb	(667)	(253)
Mar	101	303
Apr	1,641	8
May	1,871	75

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

	Index Futures	Stock Futures
CY2004	(91)	(796)
CY2005	(676)	(668)
CY 2006	345	(3,690)
CY2007	(772)	(11,600)
CY2008	4,528	1,532
CY2009	515	294
Jan	(220)	473
Feb	(551)	143
Mar	814	(167)
Apr	342	(170)
May	131	15

Source: Bloomberg, Kotak Institutional Equities

FII FLOWS IN OTHER EMERGING MARKETS

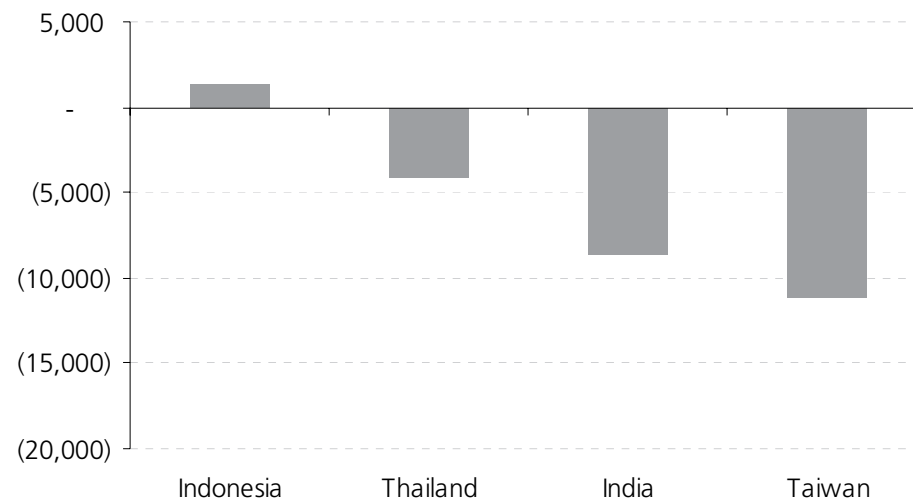
FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
13-Apr-09	231.9	37.2	(7.7)	-	159.1
15-Apr-09	(55.1)	17.1	(7.0)	-	191.4
16-Apr-09	235.8	49.1	(5.9)	(75.5)	98.1
17-Apr-09	305.1	25.7	(21.8)	(7.8)	158.7
20-Apr-09	95.9	(7.7)	0.2	(15.1)	66.6
21-Apr-09	(186.2)	(43.0)	(2.1)	(17.9)	(12.5)
22-Apr-09	(0.1)	(1.4)	(6.1)	(4.3)	0.4
23-Apr-09	(12.9)	(20.1)	(1.5)	1.3	62.1
24-Apr-09	67.9	(1.6)	(6.3)	33.4	99.5
27-Apr-09	165.1	(2.7)	(2.2)	20.0	368.1
28-Apr-09	167.1	8.1	(0.4)	17.5	(34.5)
29-Apr-09	299.7	12.4	(7.5)	(4.0)	68.3
4-May-09	602.3	30.3	4.1	16.5	295.6
5-May-09	836.9	63.7	6.5	-	140.0
6-May-09	512.9	(11.9)	(12.7)	24.8	139.1
7-May-09	217.3	22.0	6.1	28.0	79.9
8-May-09	147.0	(1.6)	(7.9)	-	251.9
11-May-09	(138.8)	5.6	1.9	40.6	37.1
12-May-09	-	(26.2)	1.6	(16.7)	99.6
13-May-09	-	6.2	(6.8)	47.1	828.0
Total	3,492	161	(75)	88	3,097

Source: Bloomberg

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



IPO ANALYSIS

Market performance since IPO/ Follow on offering

Name	Shares (mn)	Price (Rs)	Value (Rs mn)	Date of Listing	Price		Performance (%)	
					Day 1	Latest	Day 1	Since Listing
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	8	26	(73)
Onmobile Global Ltd	11	450	4,905	19-Feb-08	522	322	16	(29)
Rural electrification	156	105	16,393	11-Mar-08	121	117	15	12
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	126	(11)	(62)
IRB Infrastructure Developers Ltd	51	220	11,233	25-Feb-08	189	110	(14)	(50)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	36	2	(73)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	61	(14)	(49)
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	17	17	(62)
Reliance Power Ltd	260	450	117,000	11-Feb-08	373	128	(17)	(71)
Future Capital Holding	6	765	4,913	31-Jan-08	908	150	19	(80)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	36	(8)	(76)
Porwal Auto Components	5	75	375	14-Jan-08	80	8	6	(89)
Aries Agro Limited	5	130	585	11-Jan-08	252	34	94	(74)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	39	5	(76)
BGR	9	480	4,385	03-Jan-08	901	190	88	(60)
Burnpur Cement	22	12	263	03-Jan-08	46	11	286	(10)
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	188	57	(60)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	49	(3)	(87)
Eclerx Services	3	315	1,010	31-Dec-07	448	161	42	(49)
Jyothy Lab	4	690	3,057	19-Dec-07	793	62	15	(91)
Kaushalya Infra	9	60	510	14-Dec-07	82	11	37	(82)
Empee Distilleries	5	400	1,920	26-Nov-07	318	61	(21)	(85)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	462	119	5
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	330	83	(60)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	28	10	(82)
Kolte Patil	19	145	2,755	13-Dec-07	181	30	25	(79)
Maytas Infra	9	370	3,275	25-Oct-07	614	44	66	(88)
Consolidated Construction	4	510	1,887	15-Oct-07	791	142	55	(72)
Religare Enterprises	76	185	1,402	21-Nov-07	521	320	182	73
Supreme Infrastructure	35	108	375	18-Oct-07	175	44	62	(60)
Dhanus Technologies	38	295	1,131	17-Oct-07	311	22	5	(93)
Koutons Retail	35	415	1,462	12-Oct-07	590	423	42	2
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	99	92	91
Magnum Ventures	176	30	529	20-Sep-07	49	7	62	(78)
Indowind Energy	125	65	813	14-Sep-07	115	22	76	(66)
Motilal Oswal Financial	30	825	2,461	11-Sep-07	977	118	18	(86)
Puravankara Projects	215	400	8,587	30-Aug-07	362	64	(10)	(84)
KPR Mill	59	225	1,330	28-Aug-07	174	41	(23)	(82)
TakeSolutions	21	730	1,533	27-Aug-07	926	32	27	(96)

Source: Bloomberg, Kotak Institutional Equities

Forthcoming IPO/Follow on offerings

Company Name	Issue
BHARAT OMAN REFINERIES LTD.	IPO
NHPC LTD.	IPO
OIL INDIA LTD.	IPO
GODREJ PROPERTIES LTD.	IPO
PIPAVAV SHIPYARD LTD.	IPO
GREAT EASTERN ENERGY CORP.LTD.	IPO
MAHINDRA HOLIDAYS & RESORTS INDIA LTD.	IPO
GUJARAT PIPAVAV PORT LTD.	IPO
C.MAHENDRA EXPORTS LTD.	IPO
BS TRANSCOMM LTD.	IPO
TRIVENI INFRASTRUCTURE DEVELOPMENT CO.LTD.	IPO
AMR CONSTRUCTIONS LTD.	IPO
JINDAL COTEX LTD.	IPO
PRADIP OVERSEAS LTD.	IPO
EURO MULTIVISION LTD.	IPO
MAYAJAAL ENTERTAINMENT LTD.	IPO
MBL INFRASTRUCTURES LTD.	IPO
RADIANT INFO SYSTEMS LTD.	IPO
ARSS INFRASTRUCTURE PROJECTS LTD.	IPO
ARAVALI INFRAPOWER LTD.	IPO
EXCEL INFOWAYS LTD.	IPO
RAJ OIL MILLS LTD.	IPO
CHIRIPAL INDUSTRIES LTD.	IPO
INFINITE COMPUTER SOLUTIONS (INDIA) LTD.	IPO
GLOBUS SPIRITS LTD.	IPO
SYNCOM HEALTHCARE LTD.	IPO
TEXMO PIPES & PRODUCTS LTD.	IPO
TRINITY INDIA LTD.	IPO
ASTEC LIFESCIENCES LTD.	IPO
SEA TV NETWORK LTD.	IPO
GINI & JONY LTD.	IPO
MIDVALLEY ENTERTAINMENT LTD.	IPO
NEOTERIC INFORMATIQUE LTD.	IPO
USHER ECO POWER LTD.	IPO
RISHABHDEV TECHNOCABLE LTD.	FPO
FINEOTEX CHEMICAL LTD.	IPO

Source: Primedatabase

BULK DEALS

Major bulk deals

Date	Company	Action	Quantity	Price	Value	Exchange
					(Rs mn)	
08-May-09	HDFC BANK LT	BUY	3,782,799	1,115	4,216	BSE
12-May-09	INDBUL REAL	SELL	1,375,000	143	197	BSE
11-May-09	Adlabs Films Limited	BUY	467,507	234	109	BSE
08-May-09	Great Offshore Limited	SELL	328,266	302	99	BSE
08-May-09	Bajaj Hindusthan Ltd	BUY	906,616	106	96	BSE
07-May-09	ASIAN HOTELS	BUY	400,276	223	89	BSE
11-May-09	ADLABS FILMS	BUY	250,000	234	58	BSE
08-May-09	Orbit Corporation Limited	SELL	430,655	89	38	BSE
08-May-09	Orbit Corporation Limited	BUY	430,655	89	38	BSE
07-May-09	CCL PRODUTS	BUY	409,453	89	36	BSE
07-May-09	Birla Power Solutions Ltd	SELL	9,651,360	3	29	BSE
07-May-09	AURIONPRO SO	SELL	338,512	80	27	BSE
11-May-09	BRAND HOUSE	BUY	1,003,344	15	15	BSE
11-May-09	BRAND HOUSE	SELL	1,003,344	15	15	BSE
11-May-09	ACCENT TECH	SELL	150,000	84	13	NSE
12-May-09	ACCENT TECH	SELL	122,263	74	9	NSE
08-May-09	Allsec Technologies Ltd	BUY	250,000	30	8	NSE
11-May-09	G V FILMS LT	SELL	1,870,681	1	2	NSE

Source: BSE, NSE

DELIVERY POSITIONS

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Sadbhav Engineering Ltd	24	93
Patni Computer Systems Ltd	21	66
Indian Oil Corporation Ltd	31	75
Colgate Palmolive (India)	34	73
United Breweries Ltd	56	90
Glaxosmithkline Pharmaceutic	64	95
Jagran Prakashan Limited	61	92
Canara Bank	29	58
Central Bank Of India	33	61

Decrease in delivery % (KIE universe)

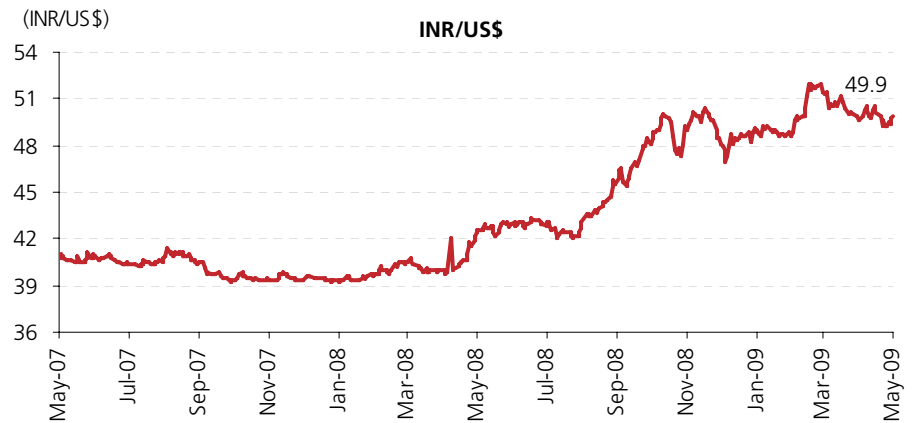
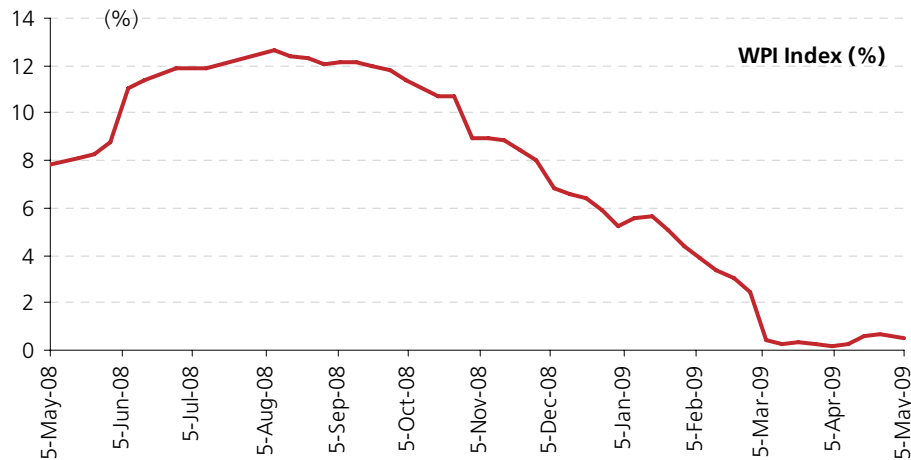
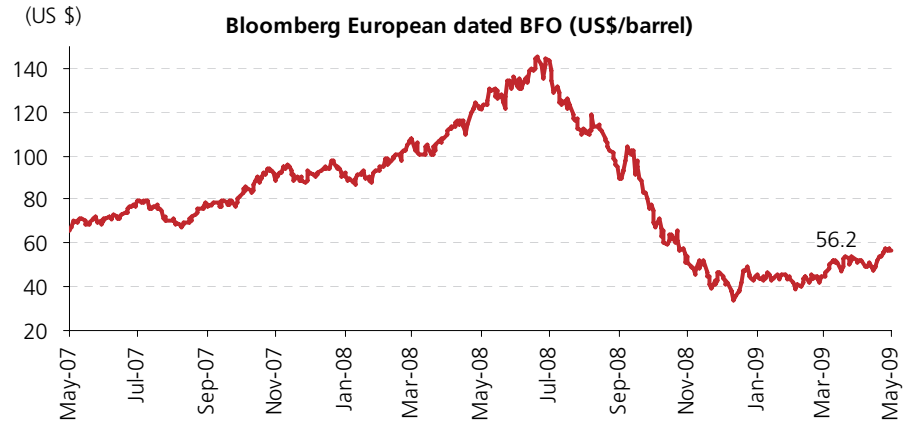
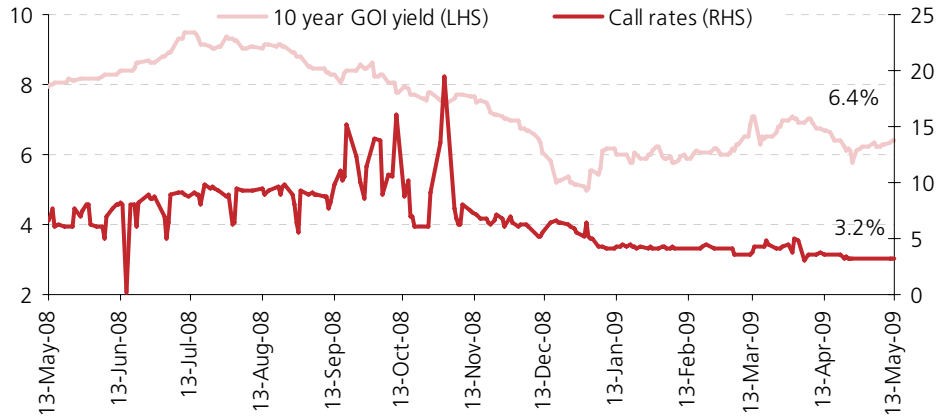
Name	Delivery %	
	Previous week	Current week
Shriram Transport Finance	88	31
Havells India Limited	62	12
Ht Media Ltd	91	44
India Cements Limited	70	29
Jindal Saw Ltd	60	22
Mahindra Lifespace Developer	73	40
Bgr Energy Systems Limited	56	26
Sun Tv Network Limited	52	23
Divi'S Laboratories Ltd	65	36

Source: Bloomberg, Kotak Institutional Equities

ECONOMIC INDICATORS

ECONOMIC INDICATORS

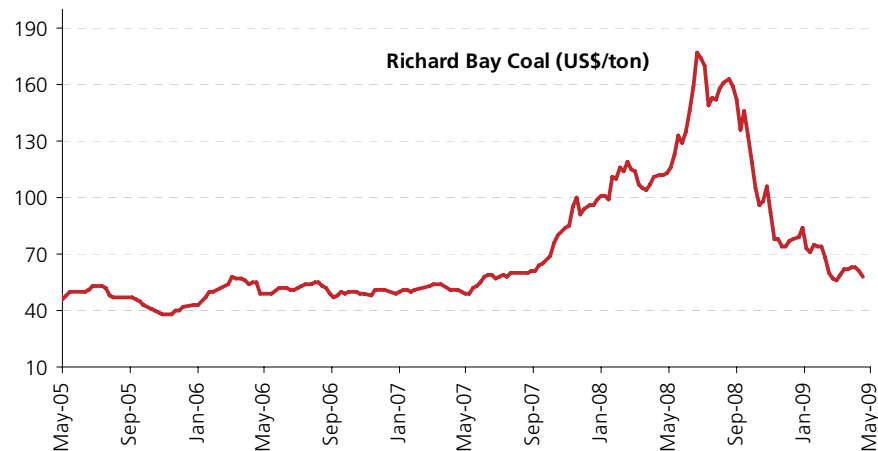
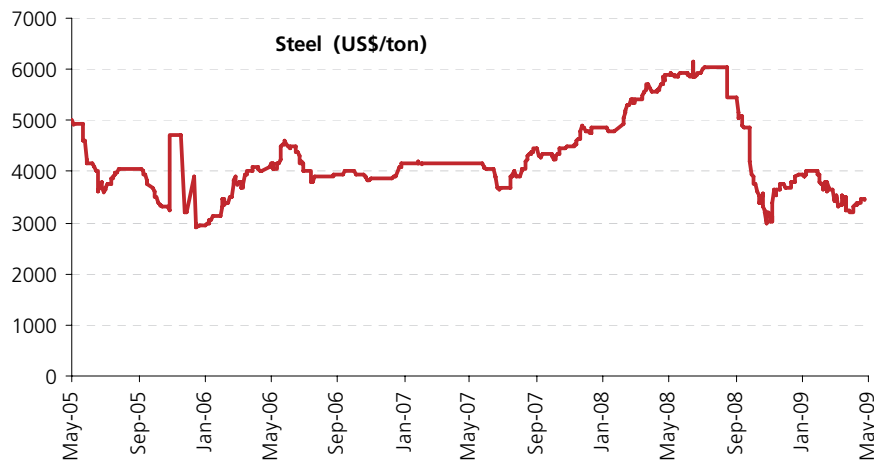
Key economic parameters



Source: Bloomberg, Kotak Institutional Equities

COMMODITIES

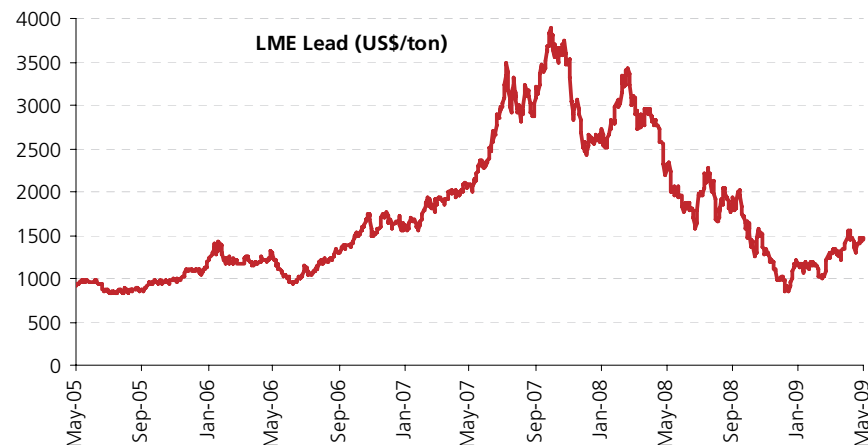
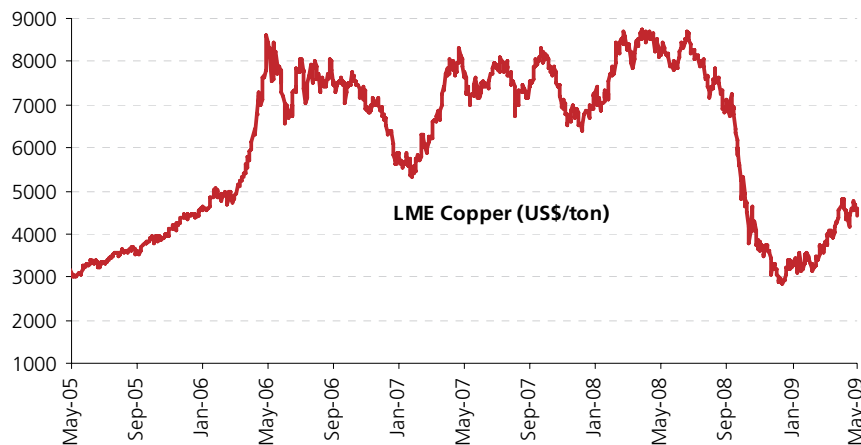
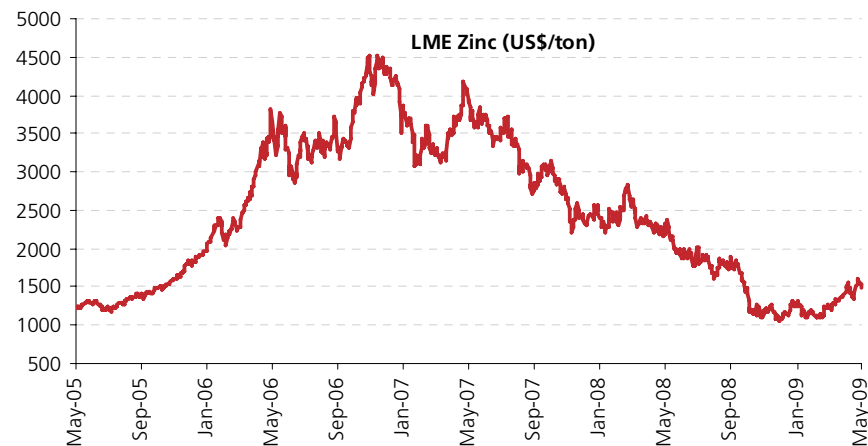
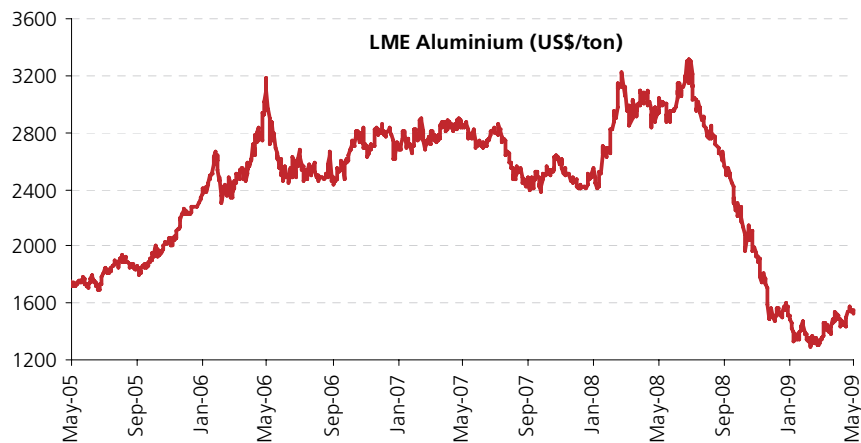
Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

COMMODITIES

Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

KOTAK VALUATION SUMMARY

VALUATION SUMMARY

Kotak Institutional Equities Universe

	14-May-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target	ADVT-	
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	(Rs)	Upside (%)	(US\$ mn)
Automobiles																													
Bajaj Auto	795	REDUCE	114,987	2,306	145	50.5	62.0	65.6	(3.4)	22.9	5.9	15.7	12.8	12.1	8.9	7.2	7.3	5.8	4.6	3.7	2.5	2.5	2.5	40.8	39.7	33.4	615	(22.6)	2.2
Hero Honda	1,213	REDUCE	242,136	4,857	200	64.2	83.8	91.2	32.4	30.5	8.8	18.9	14.5	13.3	10.8	8.2	7.1	6.2	4.8	3.8	1.6	1.8	1.8	36.6	37.4	31.9	1,000	(17.5)	16.1
Mahindra & Mahindra	510	ADD	135,226	2,712	265	21.6	34.7	39.1	(43.2)	60.6	12.8	23.6	14.7	13.0	16.1	9.4	8.2	2.8	2.2	1.9	1.8	1.8	1.8	12.2	16.9	15.8	450	(11.7)	13.6
Maruti Suzuki	833	REDUCE	240,650	4,827	289	42.2	58.3	63.4	(29.5)	38.1	8.6	19.7	14.3	13.1	10.7	7.0	5.8	2.5	2.1	1.9	0.4	0.6	0.6	13.3	16.1	15.1	780	(6.3)	25.9
Tata Motors	260	SELL	144,590	2,900	556	18.5	19.0	24.0	(62.8)	2.6	26.3	14.0	13.7	10.8	11.2	8.0	6.8	1.0	1.0	0.9	-	-	-	9.1	7.3	-	195	(25.0)	28.4
Automobiles	Cautious		877,589	17,603					(25.2)	29.6	11.9	18.2	14.1	12.6	11.2	7.9	6.9	2.6	2.2	1.9	1.2	1.3	1.3	14.1	15.6	15.2			
Banks/Financial Institutions																													
Andhra Bank	65	ADD	31,743	637	485	13.5	11.1	12.6	14.0	(17.9)	13.6	4.8	5.9	5.2	-	-	-	0.9	0.9	0.9	6.9	4.2	4.8	19.0	14.0	14.4	75	14.6	0.8
Axis Bank	638	BUY	228,887	4,591	359	50.6	55.8	64.5	56.9	10.3	15.6	12.6	11.4	9.9	-	-	-	2.5	2.2	1.9	1.5	1.7	1.9	19.2	18.2	18.3	700	9.8	56.5
Bank of Baroda	339	ADD	123,859	2,484	366	60.9	54.9	58.5	55.1	(9.8)	6.5	5.6	6.2	5.8	-	-	-	1.2	1.1	1.0	2.7	2.4	2.5	18.7	14.9	14.2	370	9.2	9.2
Bank of India	235	ADD	123,485	2,477	526	57.2	45.6	55.1	40.7	(20.2)	20.7	4.1	5.1	4.3	-	-	-	1.2	1.2	1.1	2.5	2.0	2.5	29.6	19.2	19.5	310	32.0	13.6
Canara Bank	223	REDUCE	91,451	1,834	410	50.5	38.6	41.4	32.4	(23.6)	7.1	4.4	5.8	5.4	-	-	-	1.1	1.0	1.0	3.6	3.6	4.5	18.3	12.4	12.2	220	(1.4)	4.5
Corporation Bank	235	BUY	33,679	676	143	62.2	51.5	55.3	21.4	(17.3)	7.4	3.8	4.6	4.2	-	-	-	0.7	0.6	0.6	5.4	4.5	4.8	19.6	14.3	13.8	310	32.0	0.6
Federal Bank	186	BUY	31,752	637	171	32.0	34.0	39.3	(6.9)	6.4	15.6	5.8	5.5	4.7	-	-	-	0.8	0.7	0.6	3.2	3.4	3.9	13.2	12.7	13.2	280	50.8	1.4
Future Capital Holdings	150	BUY	9,455	190	63	4.5	28.8	NA	(198.6)	546.1	(100.0)	33.6	5.2	NA	-	-	-	1.2	1.0	NA	-	-	-	3.8	21.4	NA	440	194.2	0.9
HDFC	1,861	SELL	529,333	10,617	284	80.2	93.4	109.1	(6.5)	16.5	16.7	23.2	19.9	17.1	-	-	-	4.0	3.6	3.2	1.6	1.8	2.1	18.2	18.7	19.2	1,730	(7.0)	70.8
HDFC Bank	1,164	ADD	489,611	9,821	421	55.4	64.1	75.0	20.4	15.7	17.1	21.0	18.2	15.5	-	-	-	3.3	2.9	2.5	0.9	1.0	1.2	16.9	16.7	17.3	1,150	(1.2)	49.0
ICICI Bank	536	ADD	596,846	11,972	1,113	33.8	32.7	38.5	(15.4)	(3.1)	17.6	15.9	16.4	13.9	-	-	-	1.2	1.1	1.1	2.1	1.7	1.8	7.8	7.2	8.0	475	(11.4)	185.1
IDFC	98	ADD	127,100	2,549	1,294	5.8	7.0	8.0	2.3	21.0	13.3	16.9	14.0	12.3	-	-	-	2.1	1.8	1.6	1.0	1.2	1.3	12.9	14.1	14.2	85	(13.4)	19.3
India Infoline	91	ADD	28,370	569	311	5.0	5.8	6.5	(10.0)	15.5	12.3	18.1	15.7	13.9	-	-	-	2.2	2.0	1.8	2.9	3.7	4.4	11.7	13.5	14.6	90	(1.2)	5.4
Indian Bank	98	BUY	42,117	845	430	28.1	26.1	30.0	24.7	(7.2)	15.1	3.5	3.8	3.3	-	-	-	0.8	0.7	0.7	4.3	4.0	4.6	22.7	17.9	17.8	165	68.4	2.2
Indian Overseas Bank	64	BUY	34,894	700	545	24.3	16.6	22.2	10.3	(31.9)	33.8	2.6	3.9	2.9	-	-	-	0.6	0.5	0.5	8.2	5.8	6.4	24.7	14.5	17.0	110	71.7	2.7
J&K Bank	348	ADD	16,853	338	48	82.8	72.2	92.8	11.5	(12.7)	28.4	4.2	4.8	3.7	-	-	-	0.7	0.7	0.7	5.0	4.3	5.6	16.5	12.9	14.9	480	38.1	0.3
LIC Housing Finance	377	BUY	32,018	642	85	62.5	68.8	80.3	37.3	10.0	16.8	6.0	5.5	4.7	-	-	-	1.3	1.1	0.9	3.7	4.0	4.7	-	-	-	390	3.5	6.1
Mahindra & Mahindra Financial	200	ADD	19,121	384	96	22.4	27.5	30.0	7.5	22.9	8.7	8.9	7.3	6.7	-	-	-	1.4	1.2	1.0	2.8	3.4	3.7	15.4	16.9	16.3	240	20.1	0.1
Oriental Bank of Commerce	134	ADD	33,447	671	251	36.1	27.3	34.6	51.4	(24.5)	26.7	3.7	4.9	3.9	-	-	-	0.6	0.7	0.7	5.4	4.1	5.2	14.8	10.2	11.8	150	12.4	2.8
PFC	174	ADD	199,367	3,999	1,148	13.0	16.5	19.3	14.3	26.7	17.6	13.4	10.6	9.0	-	-	-	1.8	1.6	1.4	1.6	2.8	2.5	13.8	15.8	16.7	160	(7.9)	3.9
Punjab National Bank	562	BUY	177,279	3,556	315	90.7	90.7	99.7	39.6	(0.0)	10.0	6.2	6.2	5.6	-	-	-	1.5	1.4	1.2	3.2	3.2	3.5	21.5	18.6	18.0	650	15.6	21.2
Rural Electrification Corp.	117	BUY	100,757	2,021	859	15.2	17.7	20.0	38.8	16.8	13.0	7.7	6.6	5.9	-	-	-	1.4	1.2	1.1	4.1	4.8	5.5	19.6	19.9	19.6	125	6.5	1.8
Shriram Transport	250	REDUCE	52,854	1,060	211	28.6	27.0	27.7	49.0	(5.6)	2.6	8.8	9.3	9.0	-	-	-	2.5	2.2	1.9	3.3	3.2	3.3	28.8	23.6	20.9	215	(14.1)	1.1
SREI	44	ADD	5,134	103	116	7.7	6.9	8.2	(32.8)	(10.1)	18.6	5.7	6.4	5.4	-	-	-	0.5	0.4	0.4	5.2	6.3	7.2	14.0	11.5	13.0	50	13.3	2.2
State Bank of India	1,267	BUY	804,767	16,142	635	143.6	121.1	139.2	34.8	(15.7)	14.9	8.8	10.5	9.1	-	-	-	1.6	1.7	1.5	2.3	2.4	2.5	17.1	12.7	13.3	1,600	26.2	101.0
Union Bank	175	BUY	88,598	1,777	505	34.2	29.6	35.5	24.5	(13.5)	19.9	5.1	5.9	4.9	-	-	-	1.0	0.9	0.8	2.9	2.5	3.0	27.2	19.5	19.9	220	25.4	4.8
Banks/Financial Institutions	Attractive		4,052,779	81,291					27.0	(4.9)	14.9	9.6	10.1	8.8	-	-	-	1.6	1.5	1.4	2.2	2.2	2.5	16.8	15.1	15.7			
Cement																													
ACC	614	REDUCE	115,405	2,315	188	56.3	55.2	42.2	(12.2)	(1.9)	(23.6)	10.9	11.1	14.6	5.4	5.5	6.4	2.2	1.9	1.8	3.8	3.8	3.8	24.7	21.3	15.1	625	1.8	10.6
Ambuja Cements	76	REDUCE	115,701	2,321	1,522	7.2	6.8	5.4	(5.0)	(4.7)	(20.5)	10.6	11.1	14.0	5.6	5.8	7.0	1.9	1.7	1.6	3.9	2.5	2.8	19.7	16.6	12.0	70	(7.9)	3.9
Grasim Industries	1,793	REDUCE	164,359	3,297	92	225.7	188.5	192.6	(20.7)	(16.5)	2.2	7.9	9.5	9.3	4.7	4.8	4.5	1.5	1.3	1.2	1.9	1.9	1.9	20.7	14.9	13.6	1,500	(16.3)	9.6
India Cements	110	ADD	31,118	624	282	22.7	19.8	17.5	n/a	(12.8)	(11.2)	4.9	5.6	6.3	3.7	3.8	4.0	0.8	0.7	0.7	1.9	1.9	2.9	15.7	14.7	11.7	130	17.8	3.7
Shree Cement	818	BUY	28,499	572	35	174.7	91.6	86.2	93.7	(47.6)	(5.9)	4.7	8.9	9.5	3.3	3.6	3.7	2.4	1.9	1.7	1.3	1.3	1.3	65.7	24.0	18.9	950	16.1	0.4
UltraTech Cement	574	ADD	71,880	1,442	125	78.0	70.5	49.3	(4.1)	(9.7)	(30.0)	7.4	8.1	11.6	4.9	4.6	5.6	1.7	1.4	1.3	1.4	1.4	1.4	31.2	22.3	13.4	625	8.9	1.0
Cement	Cautious		526,962	10,570					(6.8)	(14.5)	(13.8)	8.1	9.5	11.0	4.8	4.8	5.3	1.7	1.5	1.3	2.7	2.3	2.5	20.7	15.5	12.1			
Consumer products																													
Asian Paints	951	ADD	91,215	1,830	96	38.4	49.1	57.5	(2.2)	27.9	17.1	24.8	19.4	16.6	14.4	11.2	9.4	8.0	6.6	5.4	1.8	2.1	2.4	36.3	38.5	36.8	1,000	5.2	0.6
Colgate-Palmolive (India)	459	ADD	62,366	1,251	136	20.4	23.3	25.7	19.4	14.1	10.1	22.5	19.7	17.9	19.5	16.3	14.2	37.0	40.9	46.5	4.0	4.6	5.0	157.8	198.4	245.6	490	6.8	1.9
GlaxoSmithkline Consumer (a)	815	ADD	34,275	687	42	44.8	56.1	63.6	15.8	25.2	13.5	18.2	14.5	12.8	10.0	8.0	7.0	4.5</											

VALUATION SUMMARY

Kotak Institutional Equities Universe

	14-May-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price	Upside	ADVT-3mo
Company	83.2	BUY	(Rs mn)	(US\$ mn)	(mn)	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	(Rs)	(%)	(US\$ mn)
Energy																													
Bharat Petroleum	365	SELL	119,753	2,402	328	0.0	42.0	51.5	(99.9)	#####	NA	####	NA	7.1	7.5	4.4	3.9	0.9	0.8	0.8	—	5.1	6.3	0.0	10.2	11.6	425	16.3	5.2
Cairn india	196	BUY	371,083	7,443	1,897	4.2	4.4	28.5	(3,628)	5	543.2	47	44	6.9	27.5	20.2	5.7	1.1	1.1	1.1	—	—	15.3	2.5	2.5	15.9	225	15.0	18.8
Castrol India (a)	329	BUY	40,684	816	124	21.3	25.5	26.6	20.8	19.5	4.3	15.4	12.9	12.4	8.6	7.4	7.0	9.1	8.2	7.6	4.6	5.5	6.1	61.2	66.5	63.7	390	18.5	0.3
GAIL (India)	265	SELL	335,512	6,730	1,268	23.3	19.7	20.7	14.2	(15.6)	5.1	11.4	13.5	12.8	6.2	7.6	8.0	2.1	1.9	1.7	2.8	2.5	2.5	18.3	13.8	13.3	240	(9.3)	11.0
GSPL	50	REDUCE	27,999	562	563	1.9	2.5	3.7	4.4	30.5	52.6	26.4	20.3	13.3	9.1	5.9	5.0	2.1	1.9	1.9	1.0	1.4	7.5	8.2	9.8	14.4	45	(9.5)	2.5
Hindustan Petroleum	263	SELL	89,278	1,791	339	(10.5)	30.2	41.8	(131.5)	(386.8)	38.3	(25.0)	8.7	6.3	6.9	4.7	NA	0.7	0.7	NA	—	4.6	6—	(2.9)	7.6	10—	300	13.9	5.6
Indian Oil Corporation	435	REDUCE	512,474	10,279	1,179	24.3	46.8	49.6	(60.3)	92.1	6.1	17.9	9.3	8.8	8.3	4.6	4.1	1.1	1.0	0.9	—	4.2	4.5	6.2	10.3	10.2	525	20.8	2.5
Oil & Natural Gas Corporation	831	ADD	1,776,666	35,637	2,139	102.6	94.6	125.5	10.7	(7.8)	32.7	8.1	8.8	6.6	2.9	2.8	2.2	1.6	1.4	1.3	4.1	4.3	5.8	19.3	15.8	18.8	900	8.3	35.8
Petronet LNG	57	ADD	42,863	860	750	6.9	7.7	9.0	—	10.8	17.6	8.3	7.5	6.3	7.0	5.5	4.8	1.9	1.5	1.3	2.6	2.6	3.5	24.0	21.8	20.9	57	(0.3)	3.1
Reliance Industries	1,909	REDUCE	2,620,988	52,572	1,373	103.4	127.7	175.7	(1.5)	23.5	37.7	18.5	15.0	10.9	11.0	6.9	5.1	2.2	2.0	1.7	0.7	0.8	1.0	15.1	15.9	19.2	1,650	(13.6)	202.5
Reliance Petroleum	119	NR	534,150	10,714	4,500	—	8.3	13.8	n/a	n/a	n/a	n/a	n/a	8.6	n/a	n/a	7.2	3.9	3.3	2.5	—	1.7	1.7	0.6	25.1	33.0	—	—	22.3
Energy		Neutral	6,471,450	129,805					(6.3)	26.5	39.9	14.5	11.4	8.2	7.1	5.4	4.1	1.7	1.6	1.4	1.6	2.3	3.8	12.0	13.7	17.3			
Industrials																													
ABB	465	REDUCE	98,442	1,975	212	25.8	24.9	29.6	11.3	(3.6)	18.7	18.0	18.7	15.7	10.5	10.3	8.3	4.6	3.8	3.2	0.5	0.6	0.7	29.2	22.6	22.1	450	(3.1)	6.5
BGR Energy Systems	190	REDUCE	13,705	275	72	15.3	20.7	24.3	26.1	35.4	17.5	12.4	9.2	7.8	7.0	6.0	5.2	2.4	2.0	1.7	1.3	1.8	2.1	21.3	23.9	23.2	165	(13.3)	1.2
Bharat Electronics	989	REDUCE	79,112	1,587	80	101.9	111.1	119.0	(0.0)	9.0	7.1	9.7	8.9	8.3	3.5	3.1	2.6	2.0	1.7	1.5	2.5	2.5	2.5	22.4	20.9	19.2	1,025	3.7	1.0
Bharat Heavy Electricals	1,658	REDUCE	811,673	16,281	490	59.8	89.0	105.5	2.3	48.9	18.5	27.7	18.6	15.7	14.5	10.1	8.4	6.3	5.0	4.0	1.0	1.1	1.4	24.7	30.0	28.5	1,475	(11.0)	53.8
Crompton Greaves	169	ADD	61,806	1,240	367	14.2	15.7	17.9	27.0	10.8	13.9	11.9	10.7	9.4	6.9	6.1	5.4	3.5	2.8	2.2	1.0	1.1	1.2	34.1	28.9	26.0	210	24.6	5.3
Larsen & Toubro	946	SELL	564,717	11,327	597	48.2	51.6	54.6	27.1	7.0	5.9	19.6	18.3	17.3	12.1	11.0	10.5	3.5	2.9	2.5	1.0	1.2	1.3	20.6	17.6	15.8	650	(31.3)	66.7
Maharashtra Seamless	203	BUY	14,342	288	71	35.9	33.0	39.6	22.2	(8.1)	20.3	5.7	6.2	5.1	3.8	3.8	3.0	1.1	0.9	0.8	2.6	2.4	3.5	20.3	16.0	16.8	225	10.6	0.8
Siemens	344	REDUCE	115,882	2,324	337	14.2	19.8	21.1	(22.2)	39.7	6.4	24.2	17.4	16.3	11.0	9.4	8.9	5.1	4.3	3.6	0.9	1.9	1.2	23.3	27.1	24.2	310	(9.8)	6.1
Suzlon Energy	76	ADD	118,745	2,382	1,571	7.0	7.1	11.4	6.0	2.1	59.7	10.8	10.6	6.7	8.5	7.5	6.0	1.2	1.0	0.9	0.7	0.7	1.3	11.3	10.1	13.9	90	19.0	53.3
Industrials		Cautious	1,878,424	37,678					9.7	20.8	17.5	19.6	16.2	13.8	11.0	9.2	8.0	3.7	3.1	2.6	1.0	1.2	1.4	18.9	18.8	18.6			
Infrastructure																													
IRB Infrastructure	110	ADD	36,510	732	332	5.6	10.4	10.8	63.5	85.5	3.9	19.6	10.6	10.2	11.5	6.5	5.9	2.0	1.6	1.4	—	—	—	10.6	16.8	14.5	110	0.1	4.4
Media																													
DishTV	34	REDUCE	32,082	644	946	(7.3)	(4.1)	(3.2)	n/a	(44.4)	(22.6)	(4.6)	(8.3)	(10.7)	(20.9)	(125.7)	40.6	(5.0)	(15.8)	(6.4)	—	—	—	86.1	91.1	NA	22	(35.1)	5.4
HT Media	69	BUY	16,163	324	234	2.9	4.2	7.1	(32.4)	43.6	69.5	23.6	16.4	9.7	10.5	7.3	5.0	1.8	1.7	1.5	0.6	1.2	3.6	7.7	10.5	16.4	100	44.9	0.1
Jagran Prakashan	54	BUY	16,263	326	301	2.9	4.1	5.9	(11.6)	42.4	44.7	18.7	13.2	9.1	10.3	7.2	5.1	2.8	2.6	2.3	2.7	3.8	5.5	15.6	20.6	26.9	80	48.1	0.1
Sun TV Network	202	REDUCE	79,762	1,600	394	9.3	11.1	12.8	11.8	19.2	15.8	21.8	18.3	15.8	11.6	10.1	8.7	4.7	4.3	4.0	2.0	3.0	4.0	23.5	25.1	26.7	200	(1.2)	0.9
Zee Entertainment Enterprises	139	ADD	60,353	1,211	434	8.1	9.3	11.2	(9.0)	15.5	20.0	17.2	14.9	12.4	12.2	10.4	8.6	1.8	1.7	1.6	1.6	2.0	2.3	11.6	12.2	13.7	145	4.2	7.4
Zee News	34	ADD	8,236	165	240	1.9	2.1	2.5	20.4	11.1	18.8	18.4	16.6	14.0	9.7	8.3	7.3	3.3	2.9	2.5	1.2	1.2	1.7	20.0	19.0	19.5	40	16.4	0.4
Media		Neutral	212,858	4,270					(18.5)	66.4	50.8	48.8	29.3	19.4	15.8	11.5	8.9	3.5	3.0	2.9	1.5	2.1	2.9	7.1	10.3	14.8			
Metals																													
Hindalco Industries	71	ADD	123,647	2,480	1,753	7.7	2.4	8.2	(44.4)	(69.2)	248.7	9.2	29.9	8.6	5.7	7.9	6.7	0.4	0.4	0.4	—	—	—	10.3	5.2	6.7	55	(22.0)	12.8
National Aluminium Co.	264	SELL	169,776	3,405	644	19.7	10.3	16.3	(22.2)	(47.8)	58.3	13.4	25.6	16.2	6.6	8.5	5.6	1.6	1.5	1.4	1.3	0.8	0.8	12.7	6.2	9.2	135	(48.8)	2.3
Jindal Steel and Power	1,601	BUY	246,508	4,944	154	179.7	171.6	195.4	117.2	(4.5)	13.9	8.9	9.3	8.2	6.1	6.0	4.9	3.4	2.5	1.9	—	0.5	0.6	48.4	31.0	26.5	1,400	(12.6)	24.8
JSW Steel	409	SELL	76,531	1,535	187	13.1	24.1	53.5	(84.7)	83.3	121.8	31.1	17.0	7.7	8.1	8.1	6.4	0.7	0.6	0.6	0.2	1.2	1.2	11.0	4.3	8.3	340	(16.9)	24.9
Hindustan Zinc	528	BUY	223,118	4,475	423	64.6	62.9	80.9	(38.0)	(2.6)	28.7	8.2	8.4	6.5	4.4	3.9	2.2	1.5	1.3	1.1	0.8	0.9	0.9	20.1	16.5	17.9	610	15.5	3.7
Sesa Goa	138	BUY	108,324	2,173	787	24.8	20.8	24.6	30.8	(16.1)	18.6	5.6	6.6	5.6	3.1	3.3	2.1	2.4	1.8	1.4	2.5	2.5	2.5	52.8	31.3	28.8	150	9.0	19.2
Sterite Industries	448	ADD	317,299	6,364	708	49.2	41.0	50.5	(23.6)	(16.7)	23.4	9.1	10.9	8.9	5.1	5.6	4.1	1.2	1.1	1.0	—	—	—	14.3	10.7	11.8	490	9.4	35.4
Tata Steel	264	BUY	217,375	4,360	822	123.9	55.5	87.0	63.6	(55.2)	56.7	2.1	4.8	3.0	3.3	4.3	3.2	0.5	0.4	0.4	4.9	4.9	4.9	36.8	15.7	21.3	280	5.9	76.0
Metals		Attractive	1,482,578	29,738					5.4	(35.6)	41.7	6.0	9.3	6.6	4.6	5.5	4.2	1.0	0.9	0.8	1.2	1.3	1.3	16.1	9.6	12.1			
Pharmaceutical																													
Biocon	141	BUY	28,240	566	200	4.7	13.6	19.4	(80.0)	192.2	42.8	30.3	10.4	7.3	12.8	5.7	4.0	1.8	1.6	1.4	0.0	0.1	0.1	6.2	16.9	20.9	235	66.4	0.9
Cipla	230	ADD	179,049	3,591	777	9.9	13.9	15.5	9.5	40.6	11.9	23.3	16.6	14.8	16.7	12.0	10.6	4.2	3.5	3.0	1.1	1.3	1.5	19.1	23.0	21.8	260	12.9	7.2
Dishman Pharma & chemicals	117	BUY	9,532	191	81	11.4	24.8	28.0	(22.7)	118.0	13.0	10.3	4.7	4.2	8.5	4.7	4.1	1.5	1.1	0.9	0.0	0.0	0.0	15.1	27.1	24.3	280	138.9	0.3
Divi's Laboratories	921	BUY	59,460	1,193	65	65.2	75.1	91.1	22.5	15.2	21.3	14.1	12.3	10.1	10.9	8.8	6.8	4.8	3.6	2.7	0.1	0.1	0.2	40.3	33.3	30.3	1,450	575	

VALUATION SUMMARY

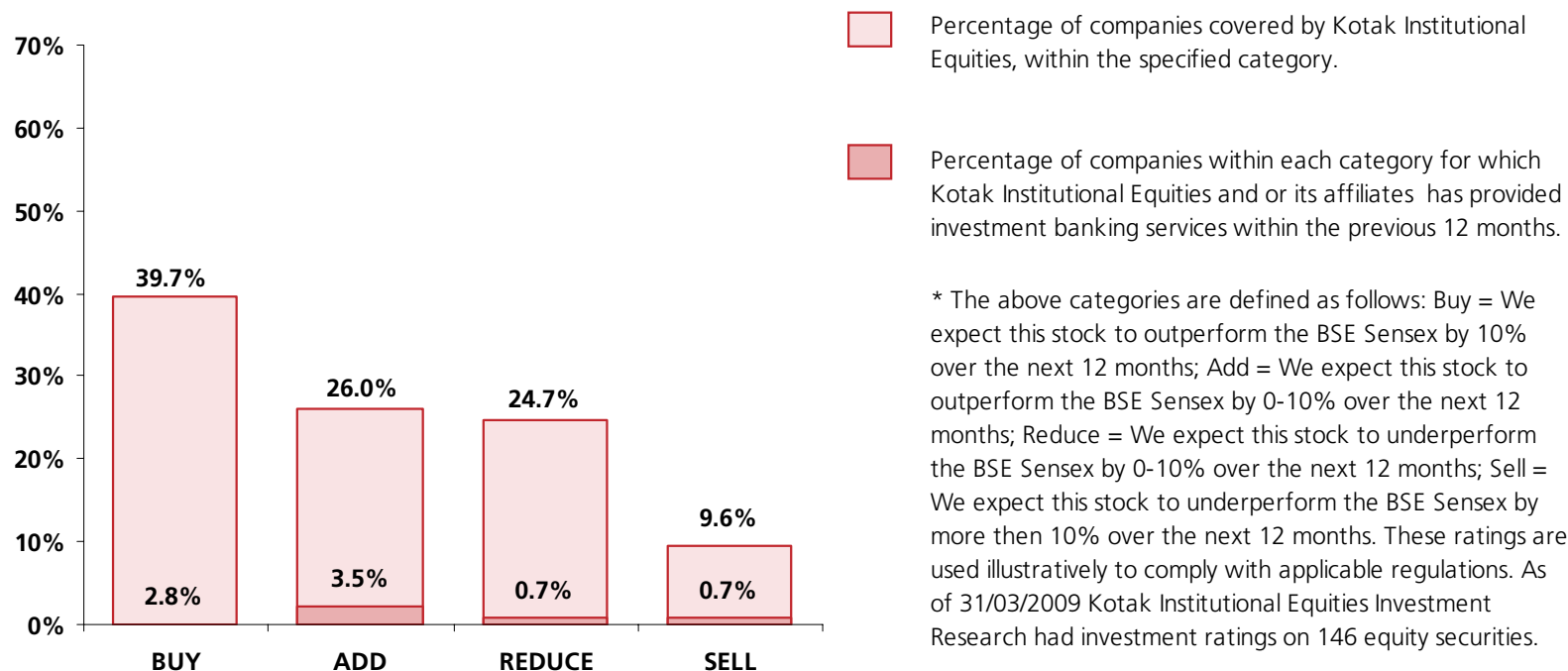
Kotak Institutional Equities Universe

	14-May-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price		Upside	ADVT-3mo
Company	33.9	REDUCE	(Rs mn)	(US\$ mn)	shares (mn)	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	2009E	2010E	2011E	(Rs)	(%)	(US\$ mn)	
Retail																														
Titan Industries	870	REDUCE	38,621	775	44	45.9	50.1	56.9	30.8	9.2	13.7	19.0	17.4	15.3	12.3	10.6	9.1	6.7	5.2	4.1	1.1	1.3	1.4	38.9	33.6	29.9	850	(2.3)	3.7	
Retail		Neutral	38,621	775					30.8	9.2	13.7	19.0	17.4	15.3	12.3	10.6	9.1	6.7	5.2	4.1	1.1	1.3	1.4	35.3	29.7	26.8				
Technology																														
HCL Technologies	142	REDUCE	98,621	1,978	695	16.2	12.5	16.7	5.8	(22.6)	33.4	8.8	11.3	8.5	5.0	4.8	4.6	1.6	1.4	1.4	8.5	8.5	8.5	18.3	13.0	16.8	110	(22.5)	4.6	
Infosys Technologies	1,567	BUY	899,573	18,044	574	102.4	104.1	116.1	29.6	1.6	11.5	15.3	15.1	13.5	10.9	10.6	8.7	4.9	4.0	3.3	1.5	1.6	1.8	36.7	29.3	26.8	1,500	(4.3)	52.9	
Mphasis BFL	254	REDUCE	53,009	1,063	208	14.2	32.6	27.9	15.7	129.8	(14.4)	17.9	7.8	9.1	13.6	5.4	4.8	3.7	2.6	2.2	1.6	1.8	2.0	22.8	39.5	26.0	190	(25.3)	2.2	
Mindtree	359	BUY	14,793	297	41	13.2	44.0	50.7	(50.5)	232.5	15.1	27.1	8.2	7.1	4.7	4.8	4.0	2.7	2.0	1.6	0.5	—	1.4	5.5	20.4	18.4	400	11.3	4.1	
Patni Computer Systems	173	REDUCE	22,253	446	129	26.8	23.5	26.1	(19.3)	(12.4)	11.1	6.5	7.4	6.6	1.7	1.2	1.0	0.9	0.7	0.7	1.0	2.7	3.0	16.2	10.0	10.3	150	(13.4)	1.2	
Polaris Software Lab	76	SELL	7,521	151	99	13.1	13.3	12.1	76.0	1.7	(8.9)	5.8	5.7	6.3	1.8	2.1	2.1	1.0	0.9	0.8	3.6	2.6	2.6	18.1	15.9	12.9	50	(34.4)	2.5	
TCS	620	REDUCE	606,542	12,166	979	52.9	51.3	55.9	3.1	(2.9)	8.8	11.7	12.1	11.1	8.1	8.1	7.1	3.9	3.2	2.8	2.3	2.5	3.6	36.9	29.1	26.8	510	(17.7)	24.4	
Tech Mahindra	361	ADD	46,669	936	129	70.4	38.0	37.2	19.3	(46.0)	(2.1)	5.1	9.5	9.7	3.3	6.6	6.2	2.1	1.7	1.5	1.1	1.7	2.0	52.8	20.3	17.0	360	(0.4)	14.2	
Wipro	363	ADD	531,291	10,657	1,462	25.7	27.0	29.4	15.8	4.7	9.1	14.1	13.5	12.4	10.3	9.3	7.8	3.5	2.9	2.5	1.1	2.1	2.3	26.9	23.7	21.7	325	(10.6)	11.4	
Technology		Cautious	2,285,163	45,836					15.0	(0.5)	9.1	12.8	12.9	11.8	8.7	8.3	7.2	3.6	3.0	2.6	1.9	2.3	2.7	28.1	23.2	21.9				
Telecom																														
Bharti Airtel	765	ADD	1,451,688	29,118	1,899	44.6	52.2	59.8	26.4	17.0	14.6	17.1	14.6	12.8	10.0	8.6	7.4	4.6	3.5	2.7	0.5	0.8	1.0	31.4	27.0	23.8	775	1.4	69.3	
IDEA	60	REDUCE	187,318	3,757	3,104	2.9	2.9	3.2	(26.5)	(0.1)	10.9	20.8	20.8	18.8	8.0	7.4	6.2	1.4	1.3	1.2	—	—	—	10.4	6.4	6.8	55	(8.9)	7.9	
MTNL	76	SELL	48,006	963	630	4.0	4.1	4.6	(44.3)	2.6	11.8	19.1	18.7	16.7	7.3	5.4	3.7	0.4	0.4	0.4	7.9	7.9	7.9	1.6	1.6	1.9	50	(34.4)	1.3	
Reliance Communications	225	SELL	463,785	9,303	2,064	27.7	20.3	21.1	4.7	(26.6)	3.9	8.1	11.1	10.6	7.6	7.3	5.7	1.3	1.2	1.1	0.4	—	—	18.6	11.7	10.9	180	(19.9)	49.1	
Tata Communications	533	REDUCE	152,019	3,049	285	13.6	14.0	15.2	24.0	3.2	8.2	39.3	38.1	35.2	16.7	15.2	14.0	2.2	2.1	2.1	0.9	1.2	1.4	5.4	5.2	5.5	400	(25.0)	3.0	
Telecom		Cautious	2,302,816	46,190					11.5	(0.5)	11.3	14.3	14.4	12.9	9.2	8.2	6.8	2.3	2.0	1.7	0.6	0.7	0.9	16.3	14.0	13.6				
Transportation																														
Container Corporation	859	ADD	111,659	2,240	130	64.4	71.4	83.3	11.6	10.8	16.6	13.3	12.0	10.3	9.3	7.8	6.5	2.9	2.5	2.1	1.7	1.9	2.2	24.0	22.5	22.2	850	(1.1)	0.9	
Transportation		Cautious	111,659	2,240					11.6	10.8	16.6	13.3	12.0	10.3	9.3	7.8	6.5	2.9	2.5	2.1	1.7	1.9	2.2	22.1	20.8	20.5				
Utilities																														
CESC	251	BUY	31,359	629	125	31.2	38.0	42.1	12.3	21.8	10.8	8.0	6.6	6.0	4.5	5.4	5.9	0.9	0.8	0.7	1.8	2.2	2.4	11.4	12.2	11.9	385	53.4	0.9	
Lanco Infratech	229	BUY	50,807	1,019	222	14.6	17.1	24.9	(1.3)	16.6	45.7	15.6	13.4	9.2	22.5	17.0	9.4	2.3	1.9	1.6	—	—	—	16.2	15.8	19.0	270	18.1	9.6	
NTPC	189	REDUCE	1,557,156	31,234	8,245	8.8	10.7	12.0	(5.2)	20.8	12.7	21.4	17.7	15.7	14.5	13.1	12.6	2.7	2.5	2.3	1.9	2.1	2.4	12.9	14.4	15.0	180	(4.7)	27.3	
Reliance Infrastructure	810	BUY	183,334	3,677	226	64.1	58.8	62.9	70.5	(8.2)	6.9	12.6	13.8	12.9	13.4	14.1	11.1	1.1	1.0	1.0	0.9	1.0	1.1	6.3	7.0	9.0	970	19.8	105.6	
Reliance Power	128	REDUCE	307,503	6,168	2,397	1.0	2.5	3.1	—	140.3	25.3	125.8	52.3	41.8	—	—	—	2.2	2.1	2.0	—	—	—	1.8	4.2	5.0	120	(6.5)	16.3	
Tata Power	885	BUY	196,931	3,950	223	65.2	90.2	101.5	104.6	38.4	12.5	13.6	9.8	8.7	9.7	9.2	8.7	1.9	1.6	1.4	1.2	1.4	1.6	15.0	17.5	17.0	1,000	13.0	11.7	
Utilities		Attractive	2,327,090	46,677					11.2	21.8	13.5	20.9	17.1	15.1	14.5	14.4	13.3	2.2	2.0	1.9	1.4	1.6	1.8	10.6	11.8	12.3				
Others																														
Aban Offshore	508	REDUCE	19,226	386	38	87.8	148.2	277.7	21	68.8	87.4	5.8	3.4	1.8	8.2	6.4	5.0	1.4	1.0	0.7	0.8	1.0	1.0	33.7	36.9	41.2	300	(40.9)	32.1	
Havells India	217	REDUCE	13,154	264	61	(1.0)	10.3	14.7	(104)	NA	43—	NA	21.2	14.8	9.3	8.0	7.2	1.8	1.8	1.6	1.5	1.9	2.3	(0.9)	8.5	11.4	120	(44.8)	2.0	
Jaiprakash Associates	136	ADD	191,221	3,836	1,403	6.6	7.9	11.8	34	20.0	49.6	20.8	17.3	11.6	13.4	11.1	10.4	3.2	2.8	2.3	0.0	0.0	0.0	16.8	17.1	21.8	140	2.8	61.7	
Jindal Saw	305	BUY	16,734	336	55	64.3	47.8	41.7	(1)	(25.6)	(12.8)	4.7	6.4	7.3	3.4	3.3	3.1	0.5	0.5	0.4	1.6	1.3	1.3	10.8	7.4	6.2	300	(1.6)	2.1	
PSL	96	BUY	4,173	84	44	24.3	43.7	37.8	15	79.6	(13.4)	3.9	2.2	2.5	4.9	4.1	3.5	0.5	0.4	0.4	8.3	8.4	8.4	10.6	14.2	12.4	145	51.4	0.2	
Sintex	166	BUY	22,617	454	136	23.8	24.8	27.3	22	4.1	10.2	7.0	6.7	6.1	5.2	4.7	3.9	1.2	1.0	0.9	0.7	0.7	0.7	16.6	14.8	14.1	175	5.6	3.4	
Tata Chemicals	179	ADD	42,154	846	235	25.5	23.4	27.5	(36)	(8.3)	17.6	7.0	7.7	6.5	4.9	4.1	3.5	0.9	0.8	0.7	4.5	4.5	4.5	17.2	13.3	14.0	190	6.0	2.3	
Welspun Gujarat Stahl Rohren	114	REDUCE	21,549	432	189	20.8	21.6	16.6	1	4.1	(23.5)	5.5	5.3	6.9	4.8	4.1	4.3	1.0	0.9	0.8	1.6	1.2	1.3	19.9	17.8	11.7	100	(12.4)	11.0	
United Phosphorus	124	BUY	57,334	1,150	462	10.7	13.5	18.0	28	25.7	33.9	11.6	9.2	6.9	8.0	5.8	4.4	1.9	1.6	1.3	1.0	1.2	1.6	18.1	18.2	20.5	140	12.8	1.9	
Others			388,161	7,786					14.9	10.9	30.2	10.4	9.4	7.2	7.8	6.7	6.2	1.6	1.4	1.2	1.0	1.0	1.1	15.6	15.1	16.8				
KS universe (b)			26,282,614	527,181					3.4	3.4	22.7	13	12.5	10.2	8.5	7.5	6.3	2.0	1.8	1.6	1.6	1.9	2.4	15.5	14.4	15.8				
KS universe (b) ex-Energy			19,811,164	397,376					6.5	(3.1)	16.4	12.4	12.8	11.0	9.2	8.8	7.7	2.1	1.9	1.7	1.6	1.7	2.0	16.9	14.7	15.2				
KS universe (d) ex-Energy & ex-Commodities			17,801,624	357,068					7.5	3.8	14.6	13.9	13.4	11.7	11.1	9.9	8.7	2.4	2.1	1.9	1.6	1.8	2.0	17.0	15.7	16.0				

DISCLOSURES

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of March 31, 2009

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RATINGS AND OTHER DEFINITIONS/IDENTIFIERS

New rating system

Definitions of ratings

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

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

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

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

Old rating system

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

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

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

Other definitions

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

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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NC = Not Covered. Kotak Securities does not cover this company.

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