

July 25, 2008

India Strategy Friday Flash

BSE-30: 14,777

India

Analysts

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**Kotak Institutional Equities
Research**

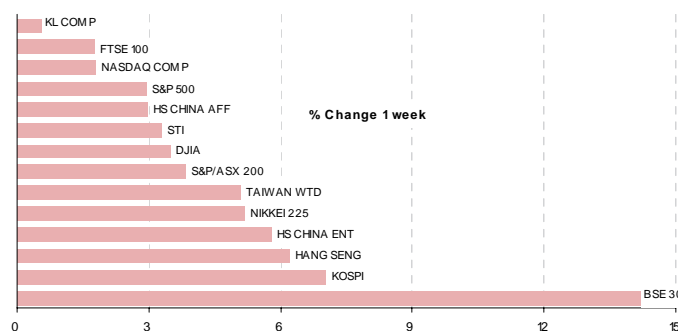
Important disclosures appear at the back of this report.

Market makes a 'Right' turn. During the past week, the BSE-30 Index gained 1,665 points (12.7 %) as investors cheered (1) the UPA government's trust vote victory and (2) a fall in crude prices. The Sensex closed at 14,777 led by Reliance Industries, ICICI Bank and HDFC, which together contributed 750 points to the Sensex rise. FII flows turned positive with net investment of US\$102 mn in the Indian markets.

Market highlights for the week ending Thursday, July 24, 2008

- Largest gainers: Phoenix Mills (36%), Indian Bank (35%), Lanco Infratech (32%)
- Largest losers: Satyam Computer (-11%), Mphasis BFL (-7%), Radico Khaitan (-5%)

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)						
16-Jul-08	(106)	63	(6)	(3)	(52)	(105)
17-Jul-08	(39)	(28)	(1)	-	133	65
18-Jul-08	(37)	(15)	(4)	(2)	146	87
21-Jul-08	282	1	(3)	(0)	(28)	253
22-Jul-08	(165)	29	(5)	(0)	(97)	(238)
Total	(64)	50	(19)	(7)	102	62

Our top recommendations

Kotak Institutional Equities, Top-10, July 24, 2008

Companies	Sector	Rating	Mkt cap. (US\$ mn)	CMP (Rs)	Target (Rs)	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
						2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E
ITC	Consumer products	BUY	16,901	191	250	8.4	9.5	11.0	22.8	20.1	17.4	15.0	13.1	11.0
Larsen & Toubro	Industrials	BUY	18,962	2,703	3,600	77.9	116.7	148.9	34.7	23.2	18.2	19.3	13.9	10.9
ICICI Bank	Banking	ADD	19,187	727	870	39.9	30.5	39.7	18.2	23.8	18.3	—	—	—
DLF	Property	BUY	20,451	506	660	44.5	51.2	55.3	11.4	9.9	9.2	10.3	8.7	7.2
HDFC Bank	Banking	BUY	12,341	1,222	1,400	53.6	52.3	74.2	22.8	23.4	16.5	—	—	—
Maruti Suzuki	Automobiles	ADD	4,235	618	790	59.9	60.0	65.1	10.3	10.3	9.5	5.8	5.6	5.1
Jindal Steel and Power	Metals	ADD	7,120	1,950	2,900	80.4	111.6	117.0	24.3	17.5	16.7	15.3	11.3	10.3
Tata Power	Utilities	BUY	5,773	1,045	1,540	29.7	38.1	39.9	35.2	27.4	26.2	24.1	21.4	21.8
Sun Pharmaceuticals	Pharmaceuticals	BUY	7,225	1,465	1,720	71.5	86.7	73.7	20.5	16.9	19.9	16.8	13.3	14.4
Mid-cap. pharmaceutical basket														
Biocon	Pharmaceuticals	BUY	865	365	615	22.5	24.5	32.0	16.2	14.9	11.4	10.2	9.3	7.3
Dishman Pharma & Chemicals	Pharmaceuticals	BUY	521	270	515	14.9	20.5	27.1	18.1	13.2	10.0	13.8	9.6	7.6
Divi's Laboratories	Pharmaceuticals	BUY	2,112	1,380	2,400	53.2	79.4	110.8	25.9	17.4	12.5	21.1	14.2	9.6
Jubilant Organosys	Pharmaceuticals	BUY	1,549	361	700	22.1	19.5	35.5	16.3	18.4	10.2	12.8	13.8	8.8
Piramal Healthcare	Pharmaceuticals	BUY	1,460	295	530	17.6	21.9	26.7	16.7	13.5	11.0	12.4	9.6	7.6
BSE-30				14,777										

Source: Company, Bloomberg, Kotak Institutional Equities.

Our model portfolio

Kotak Institutional Equities Model Portfolio

Company	24-Jul		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Mahindra & Mahindra	540	ADD	1.1	—	(109)
Maruti Suzuki	618	ADD	1.0	2.5	150
Tata Motors	434	SELL	1.8	—	(176)
Automobiles			3.9	2.5	(136)
State Bank of India	1,468	ADD	3.5	—	(353)
PSU Banking			3.5	—	(353)
HDFC	2,351	ADD	5.4	5.4	—
HDFC Bank	1,222	BUY	4.1	5.6	150
ICICI Bank	727	ADD	7.9	9.4	150
Pvt. Banking/Financing			17.4	20.4	300
ACC	565	REDUCE	0.7	—	(67)
Ambuja Cements	83	REDUCE	0.7	—	(68)
Grasim Industries	1,836	REDUCE	1.4	—	(140)
Jaiprakash Associates	170	BUY	1.2	1.2	—
Cement			3.9	1.2	(275)
Hindustan Unilever	224	ADD	2.3	2.3	—
ITC	191	BUY	5.3	8.3	300
Consumers			7.6	10.6	300
Oil & Natural Gas Corporation	1,025	BUY	3.5	4.5	100
Reliance Industries	2,305	RS	14.2	10.6	(354)
Energy			17.7	15.2	(254)
Bharat Heavy Electricals	1,714	ADD	2.4	—	(236)
Larsen & Toubro	2,703	BUY	6.9	8.9	200
Industrials			9.2	8.9	(36)
Hindalco Industries	152	REDUCE	1.5	—	(152)
Jindal Steel & Power	1,950	ADD	—	3.0	300
Tata Steel	629	ADD	4.6	4.6	—
Metals			6.1	7.6	148

Company	24-Jul		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Cipla	235	—	1.0	—	(98)
Sun Pharmaceuticals	1,465	BUY	—	3.0	300
Ranbaxy Laboratories	466	REDUCE	1.3	—	(126)
Pharmaceuticals			2.2	3.0	76
DLF	506	BUY	1.3	2.8	150
Real estate			1.3	2.8	150
Infosys Technologies	1,559	BUY	8.5	10.3	175
Satyam Computer Services	370	BUY	2.9	2.9	—
TCS	807	REDUCE	2.2	—	(219)
Wipro	408	ADD	1.3	1.3	—
Technology			15.0	14.6	(44)
Bharti Airtel Limited	791	REDUCE	5.0	4.3	(75)
Reliance Communications	501	SELL	3.6	—	(361)
Telecom			8.6	4.3	(436)
Lanco Infratech	380	BUY	—	0.6	60
NTPC	186	ADD	1.8	1.8	—
Reliance Infrastructure	1,018	BUY	1.6	1.6	—
Tata Power	1,045	BUY	—	2.0	200
Utilities			3.5	6.1	260
Biocon	365	BUY	—	0.6	60
Dishman Pharma & chemicals	270	BUY	—	0.6	60
Divi's Laboratories	1,380	BUY	—	0.6	60
Jubilant Organosys	361	BUY	—	0.6	60
Piramal Healthcare	295	BUY	—	0.6	60
Pharmaceutical mid-cap. basket			—	3.0	300
BSE-30	14,777		100.0	100.0	—

Note:
(a) Weights are with respect to June 30, 2008 prices.

Source: BSE, Bloomberg, Kotak Institutional Equities.

Sensex valuation summary

Valuation summary of BSE-30 sectors, July 24, 2008

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2007	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2008	2009E	2008	2009E
Automobiles	13,507	32.0	5.8	3.6	4.6	12.1	11.7	11.2	8.0	7.7	7.3	2.6	1.6	1.7	1.9	21.3	13.9
Banking	69,510	14.2	46.4	(10.8)	31.9	19.3	21.7	16.4	—	—	—	2.6	2.3	1.2	1.1	13.4	10.4
Cement	9,501	89.5	14.7	(8.4)	(12.4)	8.1	8.8	10.0	4.3	4.7	4.9	1.9	1.6	2.8	3.0	23.5	17.9
Consumers	28,480	19.8	15.1	13.2	15.6	24.5	21.7	18.7	17.3	13.7	11.6	8.4	7.4	3.0	2.7	34.4	34.1
Diversified	4,344	172.9	20.7	54.7	53.5	30.1	19.5	12.7	14.8	11.0	10.2	3.7	3.2	—	—	12.2	16.3
Energy	123,822	25.2	13.1	30.5	34.9	15.3	11.7	8.7	7.4	5.9	4.3	2.7	2.2	1.6	2.0	17.7	18.8
Industrials	38,858	48.8	25.1	34.9	29.2	31.9	23.7	18.3	17.4	13.4	10.4	7.2	5.3	0.7	0.8	22.5	22.3
Metals	19,094	33.1	(2.7)	35.6	(1.4)	11.9	8.8	8.9	6.9	5.5	5.5	1.6	1.3	1.5	1.6	13.7	14.7
Pharmaceuticals	8,962	39.6	25.2	(2.5)	29.6	25.6	26.3	20.3	17.6	16.4	12.0	5.6	3.5	1.4	1.8	22.0	13.2
Property	20,451	913.2	290.1	15.2	7.9	11.4	9.9	9.2	10.0	8.5	7.0	4.4	3.2	1.0	1.4	38.3	32.2
Technology	59,957	44.3	19.3	22.9	17.1	17.5	14.2	12.1	12.7	10.0	8.0	5.5	4.3	1.9	2.1	31.2	30.3
Telecom	59,868	182.9	71.6	25.4	23.0	20.3	16.2	13.2	12.7	9.5	7.5	5.0	3.8	0.2	0.4	24.5	23.6
Utilities	41,940	36.6	6.2	6.2	9.1	20.9	19.7	18.1	12.5	13.9	14.7	2.7	2.5	1.8	1.9	12.9	12.8
BSE-30 Index	498,294	39.8	26.4	18.1	22.0	17.4	14.7	12.1	10.0	8.4	6.9	3.3	2.7	1.4	1.6	19.2	18.4
BSE-30 ex-Energy	374,472	47.7	32.5	13.2	16.1	18.2	16.1	13.9	11.5	9.9	8.6	3.6	2.9	1.4	1.5	19.8	18.2
BSE-30 ex-Energy, Com.	345,876	47.2	38.4	12.6	19.5	19.5	17.3	14.5	12.9	10.9	9.2	4.0	3.2	1.3	1.4	20.4	18.7
BSE-30 ex-Technology	438,337	39.2	27.4	17.4	22.7	17.4	14.8	12.1	9.7	8.2	6.8	3.2	2.6	1.4	1.5	18.2	17.4

Note:

(1) EV/EBITDA excludes banks.

Source: Company reports, Kotak Institutional Equities estimates.

Nifty valuation summary

Valuation summary of Nifty sectors, July 24, 2008

	Mkt cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2007	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2008E	2009E	2008E	2009E
Automobiles	17,106	22.2	6.9	3.6	5.4	12.7	12.3	11.7	8.3	8.0	7.4	2.9	1.9	1.9	2.1	22.5	15.2
Banking	73,077	13.2	44.7	(9.9)	30.8	17.9	19.9	15.2	—	—	—	2.5	2.2	1.3	1.2	14.0	11.0
Consumers	28,465	19.8	15.1	13.2	15.6	24.5	21.7	18.7	17.3	13.7	11.6	8.4	7.4	3.0	2.7	34.4	34.1
Cement	9,496	89.5	14.7	(8.4)	(12.4)	8.1	8.8	10.0	4.3	4.7	4.9	1.9	1.6	2.8	3.0	23.5	17.9
Energy	153,432	28.6	10.0	33.7	52.5	17.1	12.8	8.4	8.3	6.6	4.5	2.5	2.1	1.5	1.8	14.4	16.1
Industrials	49,119	41.6	28.3	35.2	34.0	28.4	21.0	15.7	15.6	12.3	9.3	6.1	4.6	0.7	0.8	21.5	22.1
Metals	29,763	65.6	(9.0)	18.2	(0.1)	9.9	8.4	8.4	5.2	4.5	4.3	1.5	1.3	1.4	1.4	15.6	15.0
Media	2,248	11.2	62.6	17.8	32.7	24.6	20.9	15.7	17.9	11.9	9.2	3.3	3.0	0.9	1.2	13.6	14.2
Property	26,981	1,062.5	181.7	16.8	11.0	12.4	10.7	9.6	10.5	8.9	7.4	4.9	3.5	0.9	1.3	39.5	33.3
Pharmaceuticals	18,730	87.3	16.1	13.4	6.9	23.2	20.5	19.2	16.0	13.5	11.7	4.8	3.4	1.0	1.2	20.5	16.8
Telecom	67,677	(149.5)	67.3	24.5	22.7	20.7	16.6	13.5	12.7	9.6	7.6	4.7	3.7	0.2	0.4	22.6	22.1
Technology	63,386	46.6	15.5	24.6	17.3	17.2	13.8	11.8	12.4	9.6	7.7	5.2	4.1	2.0	2.2	30.0	29.6
Utilities	47,688	33.4	7.3	7.9	8.6	22.0	20.4	18.8	13.3	14.5	15.3	2.8	2.5	1.6	1.8	12.6	12.4
NIFTY	587,170	44.1	21.9	18.5	26.8	17.4	14.7	11.6	10.0	8.9	7.1	3.1	2.6	1.4	1.5	18.0	17.5
NIFTY ex-Energy	433,738	51.8	26.9	13.0	15.7	17.6	15.5	13.4	11.0	10.3	9.0	3.5	2.8	1.3	1.4	19.8	18.2
NIFTY ex-Energy ex Com	403,974	49.3	34.3	12.3	18.0	18.6	16.6	14.1	12.2	11.6	9.9	3.8	3.1	1.3	1.4	20.5	18.8

Note:

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

Source: Company reports, Kotak Institutional Equities estimates.

Regional valuation summary

Valuations of Indian markets are reasonable based on CY2008E PEG ratio, July 23, 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	19.4	17.5	18.9	10.2	13.2	11.3	9.5	8.6	0.8	0.6	0.9
China	V/B/E/S CHINA	59.7	30.1	21.7	17.0	21.8	15.6	12.8	10.8	0.7	0.7	0.8
Hong Kong	V/B/E/S HONG KONG	48.6	(2.7)	17.5	15.3	12.5	13.4	11.4	10.5	NA	0.8	0.7
India	MSCI INDIA	19.7	15.9	24.3	13.8	16.2	13.5	10.8	9.1	1.0	0.6	0.8
Korea	MSCI KOREA	6.4	14.9	15.4	12.3	11.4	9.9	8.6	7.7	0.8	0.6	0.7
Malaysia	MSCI MALAYSIA	48.3	(10.8)	9.9	8.7	11.2	12.5	11.4	10.5	NA	1.3	1.3
Mexico	MSCI MEXICO	11.7	6.1	13.1	14.2	13.3	12.6	11.1	10.5	2.2	1.0	0.8
Russia	MSCI RUSSIA	30.3	31.8	13.9	3.8	11.3	8.6	7.5	7.3	0.4	0.6	2.0
Taiwan	MSCI TAIWAN	25.5	(4.9)	14.0	6.5	11.2	11.8	10.3	9.6	NA	0.8	1.6
Thailand	MSCI THAILAND	(35.1)	114.8	8.7	9.6	20.5	9.5	8.7	8.0	0.2	1.1	0.9
Asia - Emerging markets	MSCI EM ASIA	19.4	10.6	16.8	12.1	13.1	11.8	10.1	9.0	1.2	0.7	0.8

Source: Thomson Datastream.

Valuation summary of BRICs sectors (1)

Valuation summary of BRICs sectors, July 23, 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	21.2	12.2	20.2	14.7	11.1	9.9	8.3	7.2	0.9	0.5	0.6
Russia	MSCI Russia Banks Industry Group	15.4	34.6	24.5	25.3	16.2	12.1	9.7	7.7	0.5	0.5	0.4
India	MSCI India Banks Industry Group	16.5	20.0	22.3	NA	17.5	14.6	11.9	NA	0.9	0.7	NA
China	MSCI China Banks Industry Group	46.7	52.4	18.9	17.3	18.8	12.3	10.4	8.8	0.4	0.7	0.6
Consumers												
Brazil	MSCI Brazil Consumer Discretionary Sector	6.7	70.2	51.0	29.5	32.5	19.1	12.7	9.8	0.5	0.4	0.4
Russia	MSCI Russia Consumer Staples Sector	46.5	44.7	32.8	21.9	31.8	22.0	16.5	13.6	0.7	0.7	0.8
India	MSCI India Consumer Discretionary Sector	11.2	9.0	16.5	18.7	10.6	10.0	8.6	8.3	1.2	0.6	0.5
China	MSCI China Consumer Discretionary Sector	34.9	3.1	20.5	17.3	14.7	14.2	11.8	10.1	4.7	0.7	0.7
Energy												
Brazil	MSCI Brazil Energy Sector	(17.0)	46.2	11.6	8.5	16.5	11.3	10.1	9.3	0.4	1.0	1.2
Russia	MSCI Russia Energy Sector	26.3	37.0	14.1	0.2	10.5	7.7	6.7	6.8	0.3	0.5	38.9
India	MSCI India Energy Sector	27.3	20.3	41.3	8.0	19.7	14.0	9.9	9.0	1.0	0.3	1.2
China	MSCI China Energy Sector	5.9	10.3	16.9	6.6	13.4	12.2	10.4	9.7	1.3	0.7	1.6
Industrials												
Brazil	MSCI Brazil Industrials Sector	(11.8)	55.9	19.6	23.4	22.9	14.7	12.3	9.9	0.4	0.7	0.5
India	MSCI India Industrials Sector	0.7	13.7	28.1	22.1	21.3	18.6	14.5	11.9	1.5	0.7	0.7
China	MSCI China Industrials Sector	89.0	0.3	14.5	21.9	12.8	12.7	11.1	9.1	45.8	0.9	0.5
Metals												
Brazil	MSCI Brazil Metals & Mining Industry	59.0	5.2	24.1	2.9	10.6	10.1	8.1	7.9	2.0	0.4	2.8
Russia	MSCI Russia Metals & Mining Industry	46.5	(0.9)	(0.7)	0.2	8.0	8.1	8.2	8.1	NA	NA	35.5
India	MSCI India Metals & Mining Industry	1.7	21.5	18.2	NA	10.6	8.0	6.7	NA	0.5	0.4	NA
China	MSCI China Metals & Mining Industry	(3.8)	12.5	11.5	7.4	12.0	10.7	9.6	8.9	1.0	0.9	NA

Source: Thomson Datastream.

Valuation summary of BRICs sectors (2)

Valuation summary of BRICs sectors, July 23, 2008

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

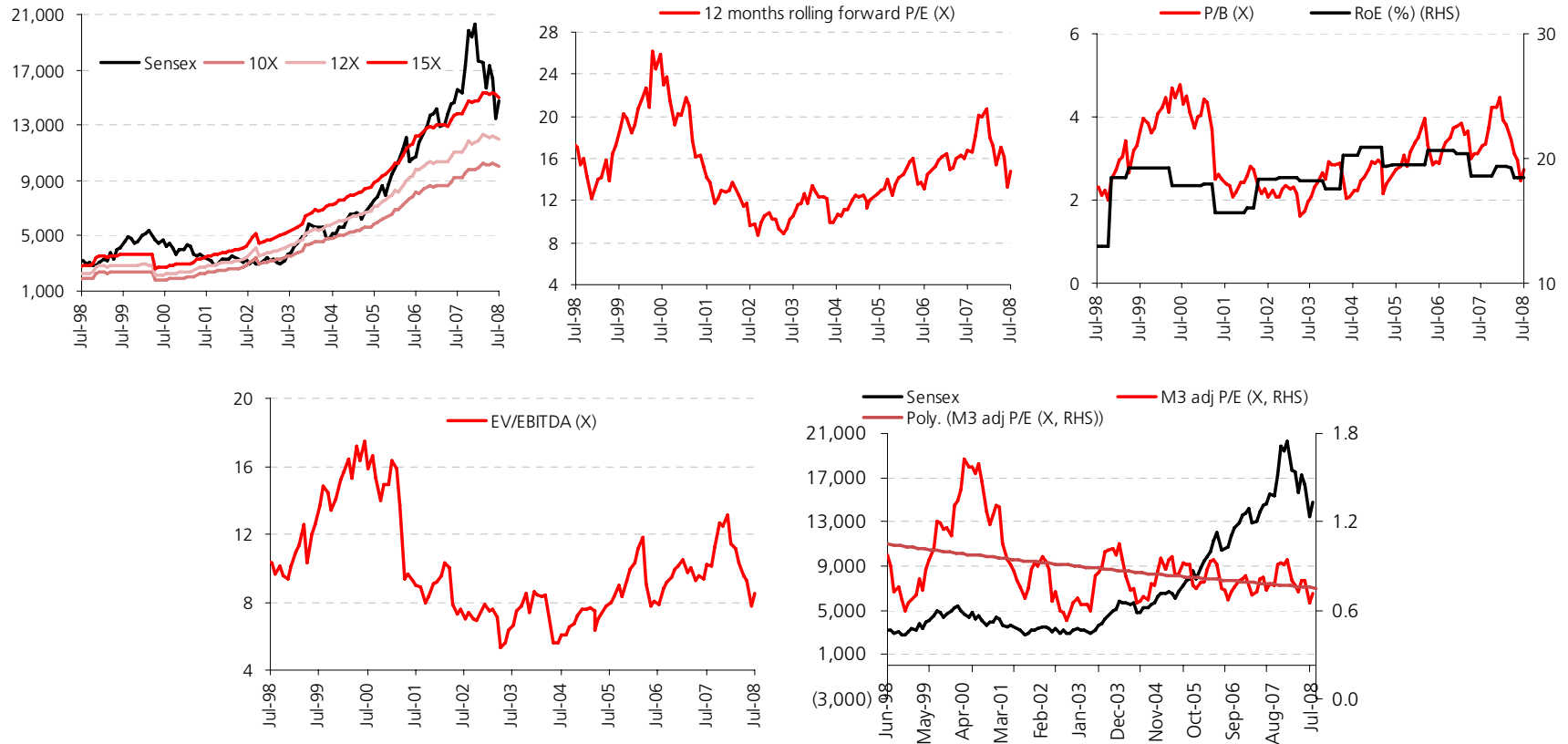
Index		Earnings growth (%)				P/E (X)				PEG ratio (X)		
		2007	2008E	2009E	2010E	2007	2008E	2009E	2010E	2007	2008E	2009E
Property												
Brazil	MSCI Brazil Real Estate Industry Group	NA	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	NA	#N/A	NA
India	MSCI India Real Estate Industry Group	367.5	15.6	39.5	15.3	10.7	9.5	6.8	5.9	0.7	0.2	0.4
China	MSCI China Real Estate Industry Group	45.4	14.1	34.6	29.7	12.1	10.6	7.9	6.0	0.9	0.3	0.3
Technology												
Brazil	MSCI Brazil Information Technology Sector	565.9	35.3	20.5	12.9	26.2	19.4	16.1	14.2	0.7	0.9	1.2
India	MSCI India Software & Services Industry Gr	18.8	20.8	16.0	14.5	17.2	14.2	12.3	10.7	0.8	0.9	0.8
China	MSCI China Software & Services Industry Gr	56.5	50.4	36.9	34.8	59.6	39.7	29.0	21.5	1.2	1.1	0.8
Telecom												
Brazil	MSCI Brazil Telecommunication Services Sec	103.8	(4.4)	11.3	17.8	10.2	10.7	9.6	8.2	NA	1.0	0.5
Russia	MSCI Russia Diversified Telecommunications	62.0	37.6	22.0	20.1	22.8	16.6	13.6	11.3	0.6	0.8	0.7
India	MSCI India Telecommunication Services Sec	50.4	17.8	22.3	21.0	16.4	13.9	11.4	9.4	0.9	0.6	0.5
China	MSCI China Telecommunication Services Ser	20.7	24.8	14.6	11.8	19.0	15.2	13.3	11.9	0.8	1.0	1.1
Utilities												
Brazil	MSCI Brazil Utilities Sector	3.8	3.7	9.1	16.3	13.1	12.6	11.5	9.9	3.6	1.4	0.7
Russia	MSCI Russia Utilities Sector	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	NA	NA	NA
India	MSCI India Utilities Sector	14.4	1.1	11.8	38.5	15.7	15.6	13.9	9.9	14.1	1.3	0.4
China	MSCI China Utilities Sector	11.0	(12.2)	24.6	14.0	13.0	14.8	11.9	10.4	NA	0.6	0.8

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, July 1999 - current



Source: Bloomberg, Company reports, Kotak Institutional Equities.

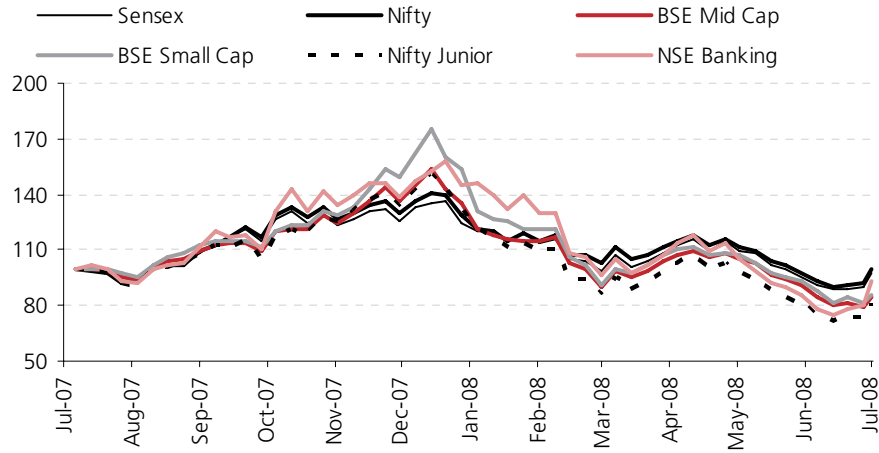
Market performance

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

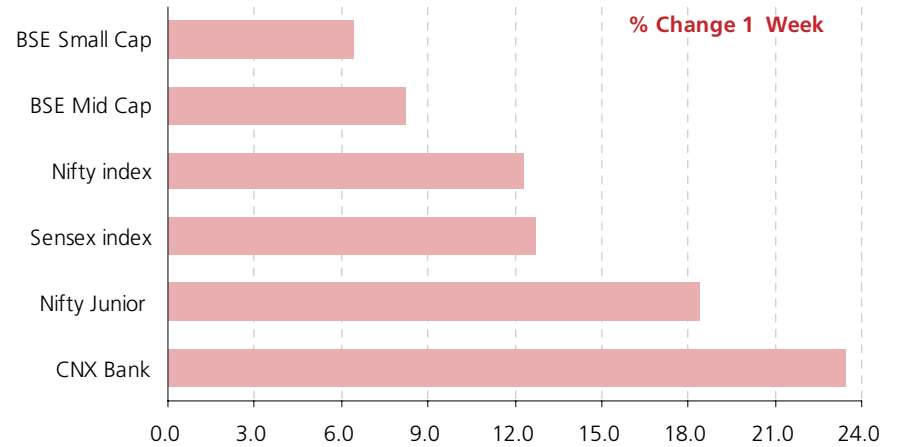
Relative performance of Indian markets

Key performance of benchmark indices

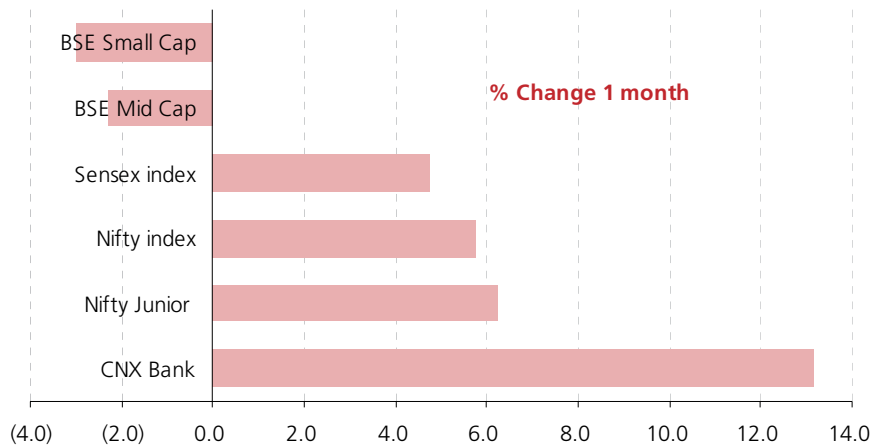
(base 100 as of June, 2007)



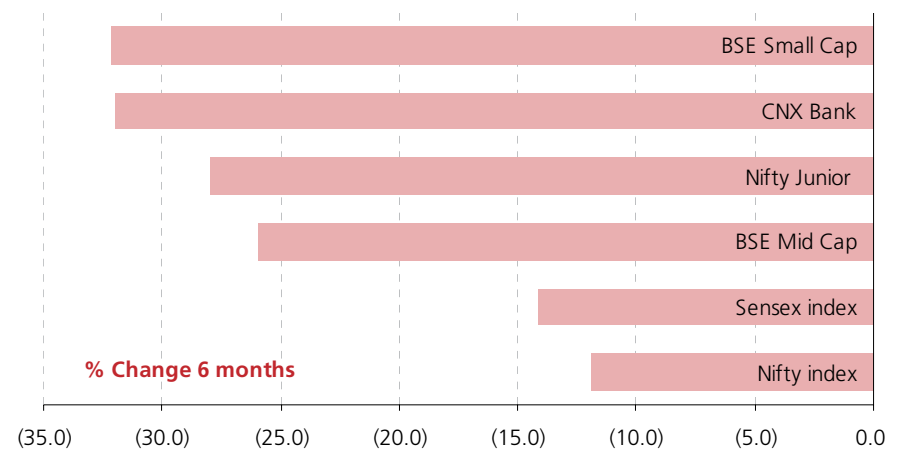
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



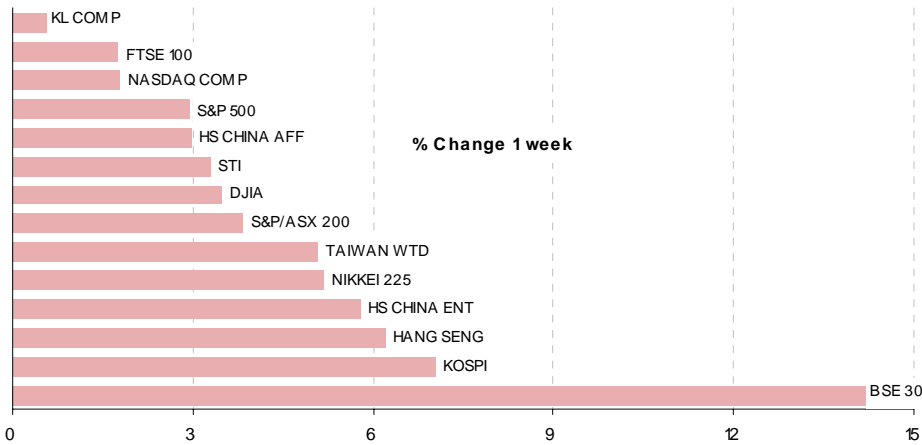
6-month performance of the benchmark indices



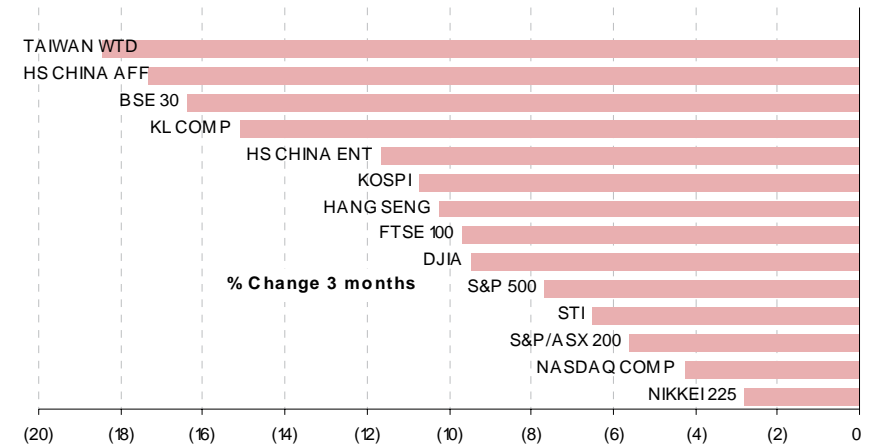
Source: Bloomberg, Kotak Institutional Equities.

BSE-Sensex versus regional indices

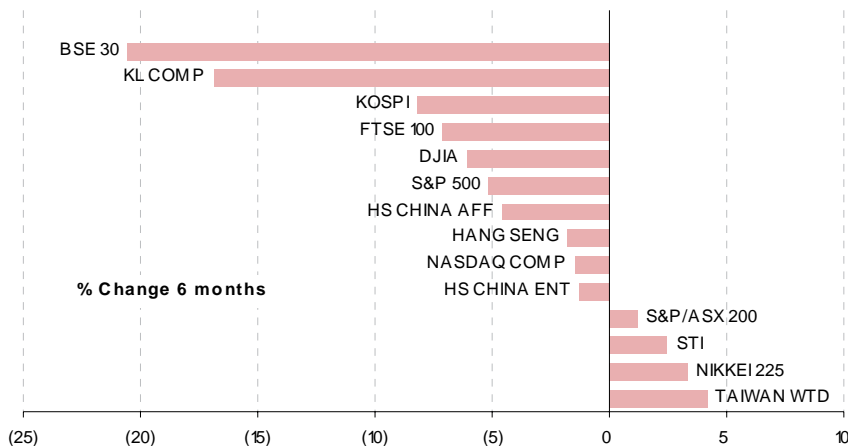
Weekly performance



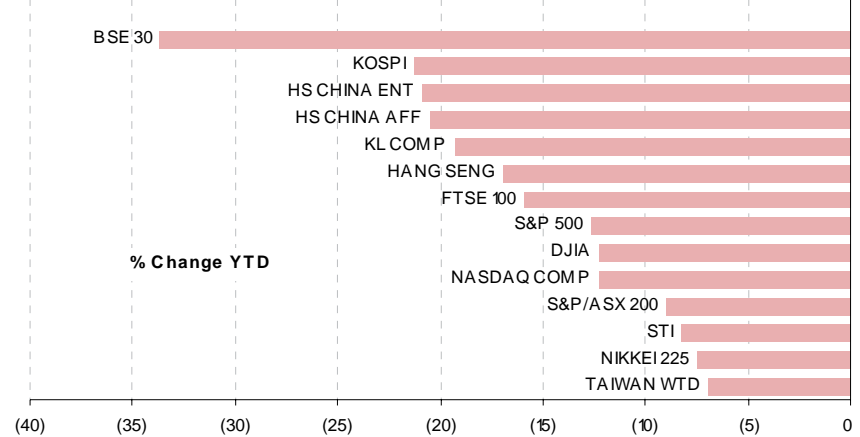
3-month performance



6-month performance



Year-to-date performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities.

Kotak Institutional Equities Research, July 25, 2008

Sectoral performance

Market performance of Sensex sectors, July 24, 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	15,325	(0.8)	(6.6)	(21.9)	(23.8)	(32.1)	(36.5)	0.3	(10.9)	(8.4)	(24.1)
Banking	69,510	(2.0)	10.8	(13.8)	(27.6)	(5.9)	(32.7)	(0.9)	5.8	(11.7)	0.5
Consumers	28,480	(1.5)	1.4	(9.5)	8.5	19.6	(3.8)	(0.4)	(3.2)	19.9	24.5
Cement	9,501	(1.6)	(6.0)	(29.5)	(31.3)	(42.1)	(46.8)	(0.5)	(10.3)	(15.0)	(33.5)
Diversified	5,019	(1.4)	9.7	(30.9)	(51.9)	-	(60.1)	(0.3)	4.7	(33.0)	4.1
Energy	123,822	2.2	15.1	(6.8)	(1.4)	16.7	(18.8)	3.3	9.9	11.2	21.7
Industrials	38,858	(2.9)	20.0	(7.7)	(20.8)	(2.8)	(34.5)	(1.8)	14.5	(5.8)	3.4
Metals	19,094	(4.0)	(6.8)	(19.1)	(3.9)	(7.8)	(31.7)	(2.9)	(11.0)	9.0	(1.3)
Pharmaceuticals	8,962	0.7	(1.9)	0.8	35.0	29.9	10.0	1.8	(6.4)	43.1	34.2
Property	20,451	2.1	15.0	(25.1)	(43.2)	(23.0)	(52.9)	3.2	9.8	(25.4)	-
Telecom	60,066	(3.8)	5.5	(6.0)	(12.7)	(14.4)	(26.1)	(2.6)	0.7	1.3	(7.5)
Technology	59,957	(3.2)	(11.2)	(9.6)	0.7	(24.9)	(19.5)	(2.0)	(15.2)	13.1	(17.3)
Utilities	41,940	(2.0)	18.5	(5.4)	(15.7)	15.7	(31.0)	(0.9)	13.1	(1.3)	20.8
Sensex sum	500,985	(1.1)	4.8	(11.6)	(14.2)	(6.4)	(27.2)				

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 Phoenix Mills	35.9	1 Satyam Computer Services	(10.8)
2 Indian Bank	34.7	2 Mphasis BFL	(6.8)
3 Lanco Infratech	31.8	3 Radico Khaitan	(5.1)
4 ICICI Bank	31.7	4 GlaxoSmithkline (India)	(2.9)
5 LIC Housing Finance	29.0	5 Novartis India	(2.0)
6 SREI	28.0	6 Lakshmi	(1.6)
7 HDFC Bank	27.5	7 HCL Technologies	(1.6)
8 National Aluminium Co.	26.6	8 Infosys Technologies	(1.5)
9 Reliance Infrastructure	26.1	9 Piramal Healthcare	(1.2)
10 Sadbhav Engineering	25.9	10 Mindtree	(0.6)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Sun Pharmaceuticals	21.7	1 Sobha	(70.9)
2 Lupin	14.5	2 DishTV	(68.8)
3 Cipla	10.5	3 Phoenix Mills	(68.2)
4 Ranbaxy Laboratories	9.5	4 Rico Auto	(65.4)
5 Hero Honda	9.4	5 Unitech	(65.3)
6 GlaxoSmithkline (India)	7.1	6 India Infoline	(65.0)
7 Hindustan unilever	5.0	7 Rajesh Exports	(63.2)
8 Jubilant organosys	4.5	8 ABG Shipyard	(62.9)
9 Nestle India	4.5	9 GMR Infrastructure	(62.9)
10 Asian Paints	1.9	10 TVS Motor Co	(60.7)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 BGR Energy Systems	38.0	1 Phoenix Mills	(26.5)
2 Tata communications	34.2	2 HCL Technologies	(21.4)
3 Siemens	31.7	3 Rajesh Exports	(19.8)
4 Bharat Heavy Electricals	22.6	4 Jet Airways	(18.9)
5 Hindustan Petroleum	21.7	5 Satyam Computer Services	(18.4)
6 State Bank of India	21.6	6 Sobha	(18.2)
7 India Infoline	21.3	7 Mphasis BFL	(17.7)
8 Bharat Petroleum	20.2	8 Biocon	(17.4)
9 Oil & Natural Gas Corporation	20.0	9 JSW Steel	(17.2)
10 NTPC	19.5	10 IDFC	(15.5)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jindal Steel and Power	134.4	1 Sobha	(71.5)
2 Shriram Transport	83.0	2 DishTV	(63.7)
3 Sesa Goa	71.8	3 Hexaware Technologies	(63.1)
4 Lanco Infratech	62.2	4 Phoenix Mills	(62.4)
5 LIC Housing Finance	52.9	5 Shree Cement	(59.1)
6 Tata Power	52.3	6 Radico Khaitan	(58.6)
7 Sun Pharmaceuticals	50.8	7 Patni Computer Systems	(55.1)
8 Educomp Solutions	50.3	8 TVS Motor Co	(54.6)
9 Monnet Ispat	49.3	9 Rico Auto	(53.0)
10 National Aluminium Co.	47.2	10 Wockhardt	(52.0)

Source: Kotak Institutional Equities.

Fundamental & technical indicators

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

Price-to-Earnings ratio analysis

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

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

Company	Premium to sector
Tata Communications	264.5
Cairn India	235.4
Aditya Birla Nuvo	226.0
Phoenix Mills	200.7
HDFC	187.4
United Breweries	184.2

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

Company	Discount to sector
Maharashtra Seamless	70.0
Rajesh Exports	68.9
Indian Bank	64.5
Andhra Bank	63.4
Union Bank	60.6

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	2.8
Jindal Saw	4.3
Indian Bank	4.9
Andhra Bank	5.0
Union Bank	5.4
Hexaware Technologies	5.5
Oriental Bank of Commerce	5.8
Rajesh Exports	5.8
Maharashtra Seamless	6.0
PSL	6.1
IVR Prime Urban Developers	6.1

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

Highest 1 year forward P/E (X)

Company	Highest P/E
United Breweries	45.8
Aditya Birla Nuvo	45.0
Educomp Solutions	41.5
Tata Communications	40.1
Siemens	27.0
ABB	26.7
Reliance Infrastructure	26.0
HDFC	25.8
Ranbaxy Laboratories	25.5
Nestle India	25.1

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
Monnet Ispat	2.2
Sun Pharmaceuticals	12.5
GE Shipping	15.3
Asian Paints	17.2
Ashok Leyland	17.5
Jubilant Organosys	19.2
Cipla	19.8
HDFC	21.4
Tata Power	28.9
NTPC	28.9
HDFC Bank	29.0
ITC	30.6
Oil & Natural Gas Corporation	31.5
Punjab National Bank	32.1

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	307.1
Puravankara Projects	210.3
Jindal Steel and Power	199.0
Titan Industries	196.0
Tata Communications	190.5
Aditya Birla Nuvo	174.4

Trading at discount to sectors

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

Company	Sector discount
MTNL	17.0
Maharashtra Seamless	20.6
Hexaware Technologies	24.3
CESC	36.2
Tata Tea	36.4

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 Infrastructure	25.4
Tata Power	21.6
Aditya Birla Nuvo	20.4
Educomp Solutions	19.8
Hindustan Lever	17.8
Puravankara Projects	17.6
Cipla	17.2

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

Lowest 1 year rolling forward EV/EBITDA (X)

Company	Lowest EV/EBITDA
MTNL	1.5
Hexaware Technologies	2.1
Maharashtra Seamless	2.5
Hindustan Petroleum	3.0
Hindustan Zinc	3.1
Oil & Natural Gas Corporation	3.1
Patni Computer Systems	3.2

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)	
United Breweries	149,498	372	3.7
BGR Energy Systems	3,615,428	331	38.0
Jubilant Organosys	150,732	257	9.5
Aventis Pharma	15,227	233	0.2
Polaris Software Lab	3,950,822	181	(2.0)
Indian Bank	2,090,169	170	7.0

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

Company	5-day average volumes	Price Change (%)	
		% decrease (1 month basis)	
Apollo Hospital	5,439	(97)	(0.5)
Torrent Pharma	37,154	(93)	(7.0)
Lakshmi	3,465	(93)	(7.8)
Motherson Sumi	7,135	(90)	(5.7)
Glaxo SmithKline Consumer	1,195	(89)	(8.4)
Puravankara Projects	24,606	(86)	16.5

Date	Sensex	Institutional participation in total turnover		
		Avg daily value traded (US\$ mn)	FII%	MF%
Apr-07	13,872	2,776	18.0	4.7
May-07	14,544	3,420	16.3	4.5
Jun-07	14,651	3,327	17.6	3.9
Jul-07	15,551	4,309	18.6	4.4
Aug-07	15,318	3,742	18.6	4.3
Sep-07	17,291	4,703	16.0	4.2
Oct-07	19,724	7,118	18.4	3.6
Nov-07	19,003	6,771	16.0	3.0
Dec-07	20,217	6,802	14.3	3.1
Jan-08	17,649	6,695	18.4	4.6
Feb-08	17,579	4,631	17.8	4.2
Mar-08	15,833	4,955	19.6	4.4
Apr-08	17,287	6,176	16.3	3.2
May-08	16,416	4,903	15.7	3.2
Jun-08	14,422	4,433	17.8	3.5
Jul-08	14,777	4,387	14.1	3.4

Source: Bloomberg, Kotak Institutional Equities.

Earnings momentum

- **Upgrades/downgrades in FY2009E (in the past one week and one 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 one week

FY2009 Earning Upgrades (KIE) (1 week)

	Company	% Change
1	GE Shipping	70.2
2	LIC Housing Finance	18.3
3	Petronet LNG	11.4
4	Cipla	10.0
5	Siemens	7.7
6	Housing Development & Infracor	6.3
7	Polaris Software Lab	5.7
8	Indian Bank	2.1
9	Tech Mahindra	0.8
10	Shree Cement	0.8

FY2009 Earning Downgrades (KIE) (1 week)

	Company	% Change
1	Radico Khaitan	(21.8)
2	Maruti Suzuki	(16.8)
3	IDFC	(15.1)
4	Dr Reddy's Laboratories	(11.5)
5	United Spirits	(10.6)
6	Mahindra & Mahindra Financial	(7.1)
7	ACC	(5.9)
8	Wipro	(2.1)
9	UltraTech Cement	(1.6)
10	PFC	(1.5)
11	Zee Entertainment Enterprises	(1.1)
12	Satyam Computer Services	(0.9)
13	Biocon	(0.6)

FY2010 earnings upgrade (KIE) (1 week)

	Company	% Change
1	Petronet LNG	16.1
2	GE Shipping	10.4
3	LIC Housing Finance	10.0
4	Cipla	9.2
5	PFC	3.8
6	Siemens	3.4
7	Polaris Software Lab	3.4
8	Bharat Heavy Electricals	2.8
9	Zee Entertainment Enterprises	1.2

FY2010 earnings downgrades (KIE) (1 week)

	Company	% Change
1	IDFC	(24.8)
2	Maruti Suzuki	(18.2)
3	Radico Khaitan	(15.0)
4	Reliance Petroleum	(13.1)
5	United Spirits	(9.7)
6	Housing Development & Infrastructure	(8.1)
7	ACC	(7.6)
8	Dr Reddy's Laboratories	(5.6)
9	Mahindra & Mahindra Financial	(4.8)
10	Satyam Computer Services	(4.5)
11	UltraTech Cement	(3.8)
12	Wipro	(2.9)
13	Biocon	(2.4)
14	Tech Mahindra	(2.3)
15	Indian Bank	(1.4)

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 GE Shipping	70.2
2 LIC Housing Finance	18.3
3 Petronet LNG	11.4
4 Cipla	10.0
5 Sintex	8.1
6 Siemens	7.7
7 Housing Development & Infrastructure	6.3
8 Polaris Software Lab	5.7
9 Titan Industries	4.1
10 Container Corporation	3.8
11 BGR Energy Systems	2.6
12 Indian Bank	2.1
13 Tech Mahindra	0.8
14 Shree Cement	0.8

FY2010 earnings upgrades (KIE) (1 month)

Company	% Change
1 Jubilant organosys	27.2
2 Petronet LNG	16.1
3 GE Shipping	10.4
4 LIC Housing Finance	10.0
5 Cipla	9.2
6 Container Corporation	4.6
7 Welspun Gujarat Stahl Rohren	4.5
8 PFC	3.8
9 Siemens	3.4
10 Polaris Software Lab	3.4
11 Bharat Heavy Electricals	2.8
12 Axis Bank	1.9
13 Zee Entertainment Enterprises	1.2
14 Titan Industries	0.6

FY2009 earnings downgrades (KIE) (1 month)

Company	% Change
1 Radico Khaitan	(21.8)
2 Jubilant organosys	(17.5)
3 Maruti Suzuki	(16.8)
4 IDFC	(15.1)
5 Jaiprakash Associates	(14.3)
6 Dr Reddy's Laboratories	(11.5)
7 United Spirits	(10.6)
8 Reliance Communications	(8.9)
9 Mahindra & Mahindra Financial	(7.1)
10 Nagarjuna Construction Co.	(6.8)
11 ACC	(5.9)
12 Axis Bank	(5.3)
13 Punj Lloyd	(3.9)
14 TCS	(3.5)
15 IVRCL	(3.4)

FY2010 earnings downgrades (KIE) (1 month)

Company	% Change
1 IDFC	(24.8)
2 Maruti Suzuki	(18.2)
3 Jaiprakash Associates	(16.1)
4 Radico Khaitan	(15.0)
5 Reliance Petroleum	(13.1)
6 Nagarjuna Construction Co.	(10.9)
7 United Spirits	(9.7)
8 Reliance Communications	(8.4)
9 Housing Development & Infrastructure	(8.1)
10 ACC	(7.6)
11 Punj Lloyd	(6.1)
12 TCS	(5.9)
13 Dr Reddy's Laboratories	(5.6)
14 Consolidated Construction Co.	(5.6)
15 Mahindra & Mahindra Financial	(4.8)

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	Jubilant organosys	32.1	700	530
2	Cipla	15.0	230	200
3	LIC Housing Finance	14.8	350	305
4	Piramal HealthCare	12.8	530	470
5	Siemens	9.6	570	520
6	Petronet LNG	6.1	70	66
7	Bharat Heavy Electricals	5.7	1,850	1,750

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	IDFC	(24.2)	125	165
2	Reliance Communications	(23.6)	420	550
3	Maruti Suzuki	(21.0)	790	1,000
4	IVRCL	(19.6)	430	535
5	Nagarjuna Construction Co.	(19.3)	230	285
6	TCS	(18.2)	900	1,100
7	Sintex	(17.9)	460	560
8	Jaiprakash Associates	(17.7)	255	310
9	Reliance Petroleum	(15.0)	170	200
10	Satyam Computer Services	(13.8)	500	580
11	Punj Lloyd	(13.5)	320	370
12	Wipro	(12.5)	490	560
13	Biocon	(12.1)	615	700
14	HDFC	(11.3)	2,350	2,650
15	Axis Bank	(9.6)	750	830
16	Consolidated Construction Co.	(8.8)	730	800
17	Colgate-Palmolive (India)	(7.7)	420	455
18	PFC	(7.1)	130	140
19	UltraTech Cement	(6.7)	700	750
20	ACC	(6.2)	610	650
21	Tech Mahindra	(5.3)	900	950
22	Infosys Technologies	(4.5)	2,100	2,200
23	Mahindra & Mahindra Financial	(4.4)	215	225

Source:Kotak Institutional Equities.

Changes in our ratings

Changes in ratings over the past 1 month

Company name		Rating	
		Current	Previous
IDFC	Downgraded	REDUCE	ADD
Mahindra & Mahindra Financial	Downgraded	SELL	REDUCE
Maruti Suzuki	Downgraded	ADD	BUY
Reliance Petroleum	Downgraded	REDUCE	ADD

Company name		Rating	
		Current	Previous
BGR Energy Systems	Upgraded	BUY	ADD
Consolidated Construction Co.	Upgraded	BUY	ADD
GE Shipping	Upgraded	BUY	ADD
GSPL	Upgraded	ADD	REDUCE
LIC Housing Finance	Upgraded	ADD	REDUCE
Petronet LNG	Upgraded	ADD	SELL
Sesa Goa	Upgraded	BUY	ADD
Sintex	Upgraded	BUY	ADD
Tech Mahindra	Upgraded	BUY	ADD

Source:Kotak Institutional Equities.

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 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
CY 2005	8,382	(217)
CY 2006	8,632	3,585
CY 2007	17,335	1,525
CY 2008	(6,971)	2,350
Jan	(4,271)	1,848
Feb	1,211	125
Mar	31	(459)
Apr	315	(6)
May	(1,158)	(83)
June	(2,622)	775
July	(476)	149

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	967	2,474
Jan	(573)	1,566
Feb	563	334
Mar	1,122	394
Apr	1,162	(26)
May	(755)	(384)
June	(1,011)	236
July	459	354

Source: Bloomberg, Kotak Institutional Equities

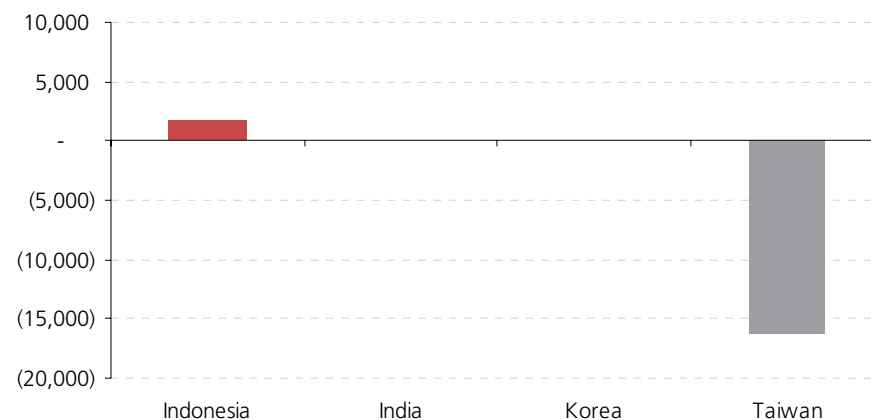
FII flows in other emerging markets

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

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
25-Jun-08	79	(14)	(4)	(1)	(26)
26-Jun-08	(131)	(21)	6	0	(116)
27-Jun-08	(344)	6	107	(2)	(185)
30-Jun-08	(45)	(5)	5	(1)	(56)
1-Jul-08	181	12	10	-	43
2-Jul-08	(474)	6	(4)	(2)	(87)
3-Jul-08	(537)	(109)	(42)	(4)	(174)
4-Jul-08	(363)	2	(5)	(1)	132
7-Jul-08	2	(20)	(3)	(1)	(79)
8-Jul-08	(689)	(13)	(15)	(3)	42
9-Jul-08	(161)	(47)	(2)	(3)	(71)
10-Jul-08	(21)	(33)	6	(3)	(86)
11-Jul-08	(154)	13	3	(1)	(77)
14-Jul-08	(227)	13	(4)	(2)	(53)
15-Jul-08	(276)	(1)	(3)	(2)	(169)
16-Jul-08	(106)	63	(6)	(3)	(52)
17-Jul-08	(39)	(28)	(1)	-	133
18-Jul-08	(37)	(15)	(4)	(2)	146
21-Jul-08	282	1	(3)	(0)	(28)
22-Jul-08	(165)	29	(5)	(0)	(97)
Total	(3,225)	(160)	35	(33)	(860)

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



Source: Bloomberg.

IPO analysis

Market performance since IPO/ Follow on offering

Name	Shares (mn)	Price (Rs)	Value (Rs mn)	Date of Listing	Price		Performance (%)	
					Day 1	Latest	Day 1	Since Listing
Archidply Industries Ltd	7	74	490	04-Jul-08	51	38	(31)	(48)
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	18	26	(39)
Onmobile Global Ltd	11	450	4,905	19-Feb-08	522	528	16	17
Rural electrification	156	105	16,393	11-Mar-08	121	89	15	(15)
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	162	(11)	(51)
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	62	(14)	(65)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	83	2	(39)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	96	(14)	(20)
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	21	17	(53)
Reliance Power Ltd	260	450	117,000	11-Feb-08	373	176	(17)	(61)
Future Capital Holding	6	765	4,913	31-Jan-08	908	372	19	(51)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	72	(8)	(52)
Porwal Auto Components	5	75	375	14-Jan-08	80	17	6	(77)
Aries Agro Limited	5	130	585	11-Jan-08	252	97	94	(25)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	68	5	(57)
BGR	9	480	4,385	03-Jan-08	901	338	88	(30)
Burnpur Cement	22	12	263	03-Jan-08	46	17	286	43
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	314	57	(32)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	118	(3)	(70)
Eclerx Services	3	315	1,010	31-Dec-07	448	204	42	(35)
Jyothy Lab	4	690	3,057	19-Dec-07	793	452	15	(34)
Kaushalya Infra	9	60	510	14-Dec-07	82	27	37	(55)
Empee Distilleries	5	400	1,920	26-Nov-07	318	107	(21)	(73)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	585	119	33
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	566	83	(31)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	48	10	(68)
Kolte Patil	19	145	2,755	13-Dec-07	181	77	25	(47)
Maytas Infra	9	370	3,275	25-Oct-07	614	443	66	20
Consolidated Construction	4	510	1,887	15-Oct-07	791	587	55	15
Religare Enterprises	76	185	1,402	21-Nov-07	521	393	182	112
Supreme Infrastructure	35	108	375	18-Oct-07	175	74	62	(32)
Dhanus Technologies	38	295	1,131	17-Oct-07	311	146	5	(51)
Koutons Retail	35	415	1,462	12-Oct-07	590	772	42	86
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	99	92	90
Magnum Ventures	176	30	529	20-Sep-07	49	14	62	(55)
Indowind Energy	125	65	813	14-Sep-07	115	59	76	(10)
Motilal Oswal Financial	30	825	2,461	11-Sep-07	977	526	18	(36)
Puravankara Projects	215	400	8,587	30-Aug-07	362	199	(10)	(50)
KPR Mill	59	225	1,330	28-Aug-07	174	92	(23)	(59)
TakeSolutions	21	730	1,533	27-Aug-07	926	525	27	(28)
Central Bank of India	800	102	8,160	21-Aug-07	115	61	13	(40)
SEL manufacturing	41	90	372	21-Aug-07	142	508	58	464
Refex Refrigerants	38	65	247	20-Aug-07	62	212	(5)	226
Zylog Systems	36	350	1,260	17-Aug-07	431	283	23	(19)
IVR Prime	142	550	7,783	16-Aug-07	418	190	(24)	(65)
OMAXE Ltd	178	310	5,517	09-Aug-07	349	128	13	(59)

Source: Bloomberg and Kotak Institutional Equities.

Forthcoming IPO/Follow on offerings

Company Name	Issue
RELIANCE INFRATEL LTD.	IPO
ADANI POWER LTD.	IPO
JSW ENERGY LTD.	IPO
FUTURE VENTURES INDIA LTD.	IPO
BHARAT OMAN REFINERIES LTD.	IPO
OIL INDIA LTD.	IPO
D.B.CORP.LTD.	IPO
MAHINDRA HOLIDAYS & RESORTS INDIA LTD.	IPO
GODREJ PROPERTIES LTD.	IPO
PIPAVAV SHIPYARD LTD.	IPO
MULTI COMMODITY EXCHANGE OF INDIA LTD.	IPO
COX & KINGS (INDIA) LTD.	IPO
RAMKY INFRASTRUCTURE LTD.	IPO
BITES LTD.	IPO
AJANTA MANUFACTURING LTD.	IPO
ASHOKA BUILDCON LTD.	IPO
C.MAHENDRA EXPORTS LTD.	IPO
AUSTRAL COKE & PROJECTS LTD.	IPO
TRIVENI INFRASTRUCTURE DEVELOPMENT CO.LTD.	IPO
CELLEBRUM TECHNOLOGIES LTD.	IPO
APOLLO HEALTH STREET LTD.	IPO
MICROSEC FINANCIAL SERVICES LTD.	IPO
INFINITY INFOTECH PARKS LTD.	IPO
PERSISTENT SYSTEMS LTD.	IPO
PNC INFRATECH LTD.	IPO
RESURGERE MINES & MINERALS INDIA LTD.	IPO
EURO MULTIVISION LTD.	IPO
VRL LOGISTICS LTD.	IPO
ARSS INFRASTRUCTURE PROJECTS LTD.	IPO
MAN INFRACONSTRUCTION LTD.	IPO
MANDHANA INDUSTRIES LTD.	IPO
SHANKARA PIPES INDIA LTD.	IPO
RAJ OIL MILLS LTD.	IPO
VIJAI INFRASTRUCTURE LTD.	IPO
CHIRIPAL INDUSTRIES LTD.	IPO
INFINITE COMPUTER SOLUTIONS (INDIA) LTD.	IPO
KHADIM INDIA LTD.	IPO
GEMINI ENGI-FAB LTD.	IPO
ALKALI METALS LTD.	IPO
GINI & JONY LTD.	IPO
NEOTERIC INFORMATIQUE LTD.	IPO
SEA TV NETWORK LTD.	IPO
20 MICRONS LTD.	IPO
EDSERV SOFTSYSTEMS LTD.	IPO

Source: Primedatabase.

Bulk Deals

Major bulk/block deals

Date	Security Name	Buy/Sell	Quantity	Price	Value		Exchange
					(Rs mn)		
23-Jul	Indiabulls Real Estate Li	BUY	4,100,000	332	1,363		NSE
23-Jul	Indiabulls Real Estate Li	SELL	3,029,485	331	1,002		NSE
18-Jul	LIC Housing Finance Ltd	SELL	936,167	236	221		NSE
21-Jul	KOHINORFOODS	SELL	900,000	117	106		BSE
21-Jul	RALLI INDIA	BUY	200,000	407	81		BSE
21-Jul	RALLI INDIA	SELL	200,000	407	81		BSE
16-Jul	RALLI INDIA	BUY	141,000	412	58		BSE
18-Jul	Kalindee Rail Nirman (Eng	SELL	291,697	185	54		NSE
17-Jul	BASF Ltd.	SELL	172,975	286	49		NSE
18-Jul	Development Credit Bank L	SELL	943,761	51	48		NSE
18-Jul	PRIME SECU L	SELL	1,249,040	37	46		BSE
17-Jul	BASF Ltd.	BUY	142,000	291	41		NSE
21-Jul	DS KULKARNI	SELL	424,294	90	38		BSE
18-Jul	Kalindee Rail Nirman (Eng	BUY	200,000	185	37		NSE
18-Jul	MARG LTD	SELL	186,973	148	28		BSE
16-Jul	GRANULES IND	SELL	481,091	50	24		BSE
21-Jul	BIHAR TUBES	SELL	150,000	160	24		BSE
18-Jul	MARG LTD	BUY	155,000	148	23		BSE
18-Jul	PRIME SECU L	SELL	571,530	37	21		BSE
17-Jul	Webel-SL Energy Systems L	SELL	73,150	215	16		NSE
16-Jul	KOTAK SENSEX	SELL	120,000	126	15		BSE
17-Jul	WEAROLOGY LT	BUY	200,000	73	15		BSE
17-Jul	WEAROLOGY LT	SELL	199,778	73	15		BSE
16-Jul	FIRST WIN	SELL	119,832	100	12		BSE
22-Jul	Tourism Finance Corp	SELL	715,000	15	11		NSE
23-Jul	Prajay Engineers Syndicat	SELL	172,000	57	10		NSE
17-Jul	Prime Securities Limited	SELL	250,000	36	9		NSE

Source: BSE, NSE.

Delivery positions

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Pfizer Limited	43	97
Shopper'S Stop Ltd	47	91
Rico Auto Industries Ltd	37	78
Aia Engineering Ltd	58	98
Max India Limited	24	59
Glaxosmithkline Pharmaceutic	61	95
Indian Bank	27	59
Aditya Birla Nuvo Limited	28	59
Monnet Ispat & Energy Ltd	43	73

Decrease in delivery % (KIE universe)

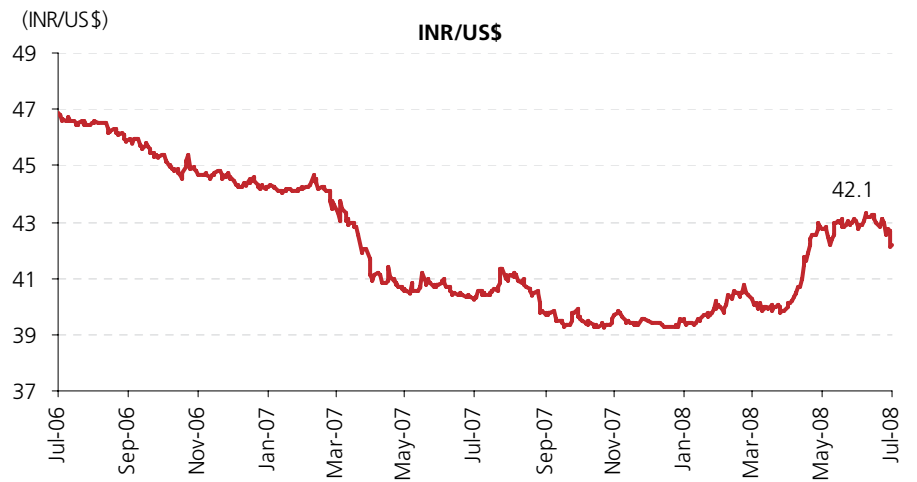
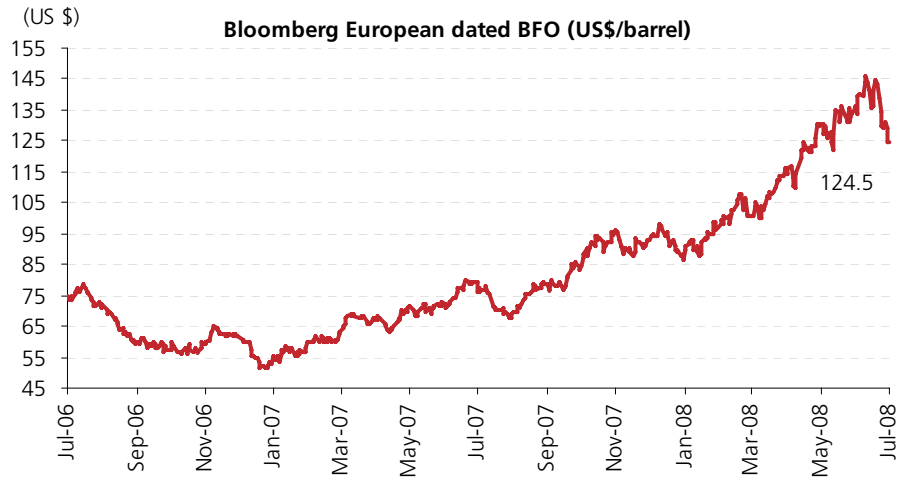
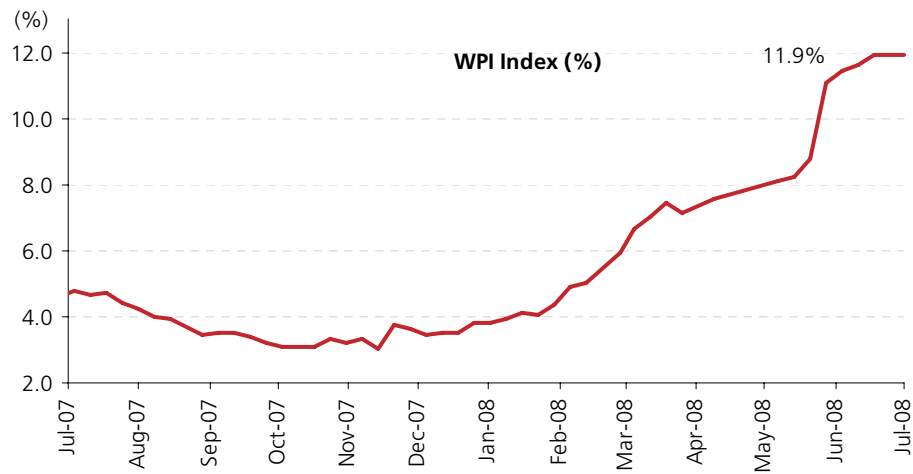
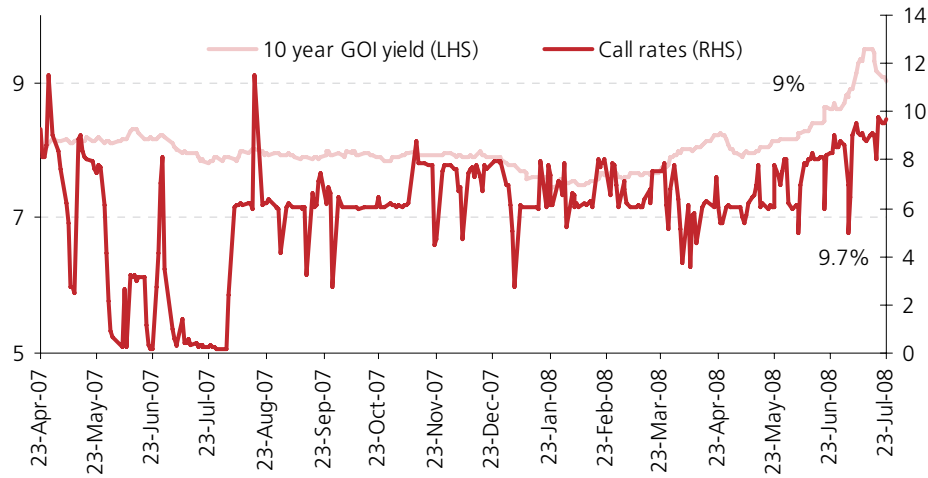
Name	Delivery %	
	Previous week	Current week
Ipca Laboratories Limited	100	32
Shriram Transport Finance	98	58
Bharat Petroleum Corp Ltd	63	26
Gateway Distriparks Ltd	68	31
Novartis India Limited	100	66
Mahindra & Mahindra Limited	91	58
IvrcI Infrastructures & Proj	46	14
Educomp Solutions Ltd	46	16
EIH Limited	95	67

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	24-Jul-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)		2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E			
Automobiles																													
Bajaj Auto	530	ADD	76,682	1,818	145	59.3	58.7	63.2	(53.4)	(1.1)	7.8	8.9	9.0	8.4	6.3	6.4	5.8	4.8	3.9	3.1	3.8	3.8	3.8	21.0	41.5	36.4	630	18.9	—
Hero Honda	762	REDUCE	152,171	3,608	200	48.5	50.0	54.8	12.8	3.3	9.5	15.7	15.2	13.9	9.8	9.3	8.4	4.9	4.2	3.6	2.6	2.6	2.6	34.0	29.7	27.8	700	(8.1)	5.1
Mahindra & Mahindra	540	ADD	139,015	3,296	257	37.8	43.5	44.9	(2.8)	15.1	3.2	14.3	12.4	12.0	10.9	9.6	8.9	3.2	2.5	2.1	2.0	1.7	1.8	28.0	23.7	19.6	720	33.3	8.3
Maruti Suzuki	618	ADD	178,602	4,235	289	59.9	60.0	65.1	10.8	0.2	8.4	10.3	10.3	9.5	5.8	5.6	5.1	2.1	1.7	1.5	0.7	0.7	0.7	22.1	18.3	16.8	790	27.8	14.9
Tata Motors	434	SELL	251,986	5,975	581	47.4	34.6	35.4	0.9	(26.9)	2.1	9.1	12.5	12.3	8.7	8.6	8.3	2.8	1.0	1.2	2.3	2.9	2.9	24.3	14.1	10.2	525	21.1	11.6
Automobiles		Cautious	798,457	18,933					(0.9)	3.0	5.7	12.2	11.9	11.2	8.0	7.8	7.3	3.0	2.0	1.7	2.1	2.3	2.3	24.3	16.5	15.4			
Banks/Financial Institutions																													
Andhra Bank	58	REDUCE	27,985	664	485	11.9	11.0	12.3	7.0	(7.0)	11.1	4.9	5.2	4.7	—	—	—	0.9	0.8	0.7	6.9	5.7	6.4	18.0	15.6	15.7	75	30.0	0.8
Axis Bank	760	REDUCE	271,859	6,446	358	32.2	36.9	55.1	37.7	14.5	49.4	23.6	20.6	13.8	—	—	—	3.3	2.8	2.4	0.8	0.9	1.4	17.6	14.2	18.7	750	(1.3)	43.0
Bank of Baroda	250	ADD	91,217	2,163	366	39.3	29.8	40.5	39.8	(24.2)	35.9	6.4	8.4	6.2	—	—	—	1.0	0.9	0.8	3.2	2.4	3.3	14.4	9.4	11.9	310	24.2	3.9
Canara Bank	191	SELL	78,310	1,857	410	38.2	23.1	35.5	10.1	(39.6)	53.9	5.0	8.3	5.4	—	—	—	1.1	0.9	0.8	4.2	3.7	3.9	15.0	8.8	12.6	190	(0.5)	3.4
Central Bank of India	61	SELL	24,451	580	404	13.6	6.0	15.6	(11.4)	(55.9)	159.5	4.4	10.1	3.9	—	—	—	1.2	1.0	0.8	3.3	—	—	14.1	6.9	16.3	70	15.7	0.9
Centurion Bank of Punjab	41	REDUCE	82,670	1,960	1,997	1.0	1.3	2.3	18.3	33.7	74.1	41.4	30.9	17.8	—	—	—	4.6	4.0	—	—	—	—	9.6	11.7	17.5	45	8.7	3.4
Corporation Bank	279	ADD	39,983	948	143	51.2	41.2	52.9	37.1	(19.7)	28.5	5.4	6.8	5.3	—	—	—	0.9	0.9	0.8	3.8	3.0	3.9	18.4	13.3	15.3	355	27.4	0.4
Federal Bank	202	BUY	34,584	820	171	34.4	22.4	31.3	0.5	(34.9)	39.8	5.9	9.0	6.5	—	—	—	0.9	0.8	0.7	2.0	2.1	2.9	13.6	9.4	12.1	275	36.1	2.3
HDFC	2,351	ADD	674,808	16,001	287	85.8	83.7	100.1	38.2	(2.4)	19.6	27.4	28.1	23.5	—	—	—	5.6	4.8	4.3	1.1	1.1	1.3	27.8	18.6	19.3	2,350	(0.0)	60.7
HDFC Bank	1,222	BUY	520,459	12,341	426	53.6	52.3	74.2	49.8	(2.3)	41.9	22.8	23.4	16.5	—	—	—	4.5	3.3	2.4	0.6	0.7	1.0	20.7	16.3	16.7	1,400	14.6	31.5
ICICI Bank	727	ADD	809,151	19,187	1,113	39.9	30.5	39.7	15.4	(23.6)	30.0	18.2	23.8	18.3	—	—	—	1.7	1.6	1.5	1.5	1.0	1.4	11.6	7.0	8.6	870	19.7	111.3
IDFC	99	REDUCE	127,877	3,032	1,294	5.7	6.7	8.1	2.9	18.4	19.8	17.4	14.7	12.3	—	—	—	2.3	2.1	1.8	1.2	1.8	2.1	17.6	14.9	16.0	125	26.5	25.8
India Infoline	675	ADD	47,456	1,125	70	27.7	36.5	50.6	83.7	3.9	38.7	24.4	18.5	13.3	12.1	9.5	8.0	3.6	2.3	2.1	0.6	0.7	0.9	19.3	15.2	16.5	1,225	81.5	6.4
Indian Bank	109	ADD	46,759	1,109	430	22.5	19.5	25.6	33.9	(13.3)	30.8	4.8	5.6	4.3	—	—	—	1.1	0.9	0.8	2.8	2.3	3.0	23.4	16.4	18.4	140	28.7	2.4
Indian Overseas Bank	92	ADD	50,013	1,186	545	22.1	18.9	23.6	19.2	(14.6)	25.1	4.2	4.9	3.9	—	—	—	1.0	0.9	0.8	4.1	5.4	6.0	27.2	19.6	21.0	130	41.6	1.1
J&K Bank	478	ADD	23,179	550	48	74.2	69.0	75.1	31.2	(7.1)	8.9	6.4	6.9	6.4	—	—	—	1.1	1.0	0.9	3.1	2.9	3.2	16.8	13.8	13.6	750	56.9	0.2
LIC Housing Finance	302	ADD	25,669	609	85	45.5	52.1	55.2	38.7	14.3	6.1	6.6	5.8	5.5	—	—	—	1.4	1.2	1.0	3.3	3.8	4.0	—	—	—	350	15.9	6.8
Mahindra & Mahindra Financial	251	SELL	23,920	567	95	20.8	22.9	27.3	32.6	9.9	19.4	12.0	11.0	9.2	—	—	—	1.9	1.7	1.5	1.8	2.3	2.7	16.9	15.7	16.7	215	(14.3)	0.2
Oriental Bank of Commerce	151	ADD	37,831	897	251	23.9	22.6	33.2	(27.6)	(5.3)	47.1	6.3	6.7	4.5	—	—	—	0.8	0.6	0.6	3.1	3.0	4.4	6.2	9.4	12.8	200	32.5	1.6
PFCL	132	REDUCE	151,505	3,593	1,148	11.4	13.0	15.8	2.6	14.3	21.1	11.6	10.1	8.4	—	—	—	1.5	1.3	1.2	1.2	1.3	1.6	13.4	13.6	14.6	130	(1.5)	5.6
Punjab National Bank	482	BUY	152,007	3,604	315	65.0	63.0	77.5	33.0	(3.0)	22.9	7.4	7.6	6.2	—	—	—	1.6	1.3	1.2	2.7	2.6	3.2	19.3	17.2	18.4	625	29.6	9.2
SREI	110	BUY	14,723	349	134	11.4	4.9	9.7	57.4	(57.0)	97.7	9.6	22.3	11.3	—	—	—	2.3	1.2	1.2	0.9	2.1	2.6	23.1	10.9	14.0	175	59.4	0.7
State Bank of India	1,468	ADD	926,999	21,981	631	106.6	87.2	117.2	23.5	(18.2)	34.4	13.8	16.8	12.5	—	—	—	2.2	1.9	1.7	1.5	1.5	1.5	16.8	10.8	13.3	1,700	15.8	51.6
Union Bank	129	BUY	65,009	1,541	505	27.5	20.9	29.3	64.1	(23.8)	39.9	4.7	6.2	4.4	—	—	—	0.9	0.8	0.7	3.1	2.4	3.4	26.8	17.5	20.8	200	55.4	3.1
Banks/Financial Institutions		Neutral	4,348,422	103,110					35.5	(9.1)	32.9	14.1	15.5	11.6	—	—	—	2.1	1.8	1.6	1.5	1.4	1.7	15.0	11.8	14.0			
Cement																													
ACC	565	REDUCE	106,582	2,527	189	64.1	61.2	47.7	13.0	(4.5)	(22.0)	8.8	9.2	11.8	4.5	4.6	6.1	2.4	2.0	1.9	4.1	4.1	4.1	33.3	25.3	17.5	610	8.0	11.2
Ambuja Cements	83	REDUCE	125,748	2,982	1,522	7.6	8.0	6.6	(11.2)	6.4	(17.5)	10.9	10.3	12.4	5.6	6.2	6.8	2.5	2.0	1.8	3.1	3.6	2.6	26.6	21.7	15.4	95	15.0	4.9
Grasim Industries	1,836	REDUCE	168,343	3,992	92	284.6	228.9	218.4	32.6	(19.6)	(4.6)	6.5	8.0	8.4	3.7	4.2	3.9	1.4	1.2	1.1	1.7	1.8	1.8	25.3	16.5	13.6	2,320	26.4	7.3
India Cements	145	ADD	40,871	969	282	24.5	22.2	21.9	n/a	(9.3)	(1.5)	5.9	6.5	6.6	4.3	4.4	3.6	1.2	1.0	0.9	1.3	1.5	1.5	25.9	18.0	15.3	160	10.3	5.6
Shree Cement	580	BUY	20,206	479	35	85.9	98.5	60.0	90.0	14.7	(39.0)	6.8	5.9	9.7	2.8	2.5	2.5	3.0	2.1	1.8	1.2	1.4	1.4	53.5	42.5	20.5	1,080	86.2	0.2
UltraTech Cement	540	BUY	67,665	1,604	125	81.4	80.6	59.1	28.5	(0.9)	(26.7)	6.6	6.7	9.1	4.6	4.6	5.3	2.1	1.6	1.4	1.4	1.5	1.5	45.2	32.1	18.9	700	29.6	0.9
Cement		Cautious	529,414	12,554					19.0	(7.4)	(15.1)	7.6	8.2	9.7	4.3	4.5	4.7	1.9	1.5	1.4	2.4	2.6	2.4	24.5	18.7	14.1			
Consumer (Discretionary)																													
Radico Khaitan	77	REDUCE	9,036	214	118	3.4	3.2	3.8	8.4	(7.0)	21.5	22.6	24.3	20.0	10.5	10.5	9.6	1.8	1.7	1.6	0.6	0.6	0.6	9.4	8.1	9.0	91	18.5	0.3
United Breweries	156	REDUCE	37,412	887	240	1.9	2.4	4.4	(11.6)	25.7	82.1	81.8	65.1	35.7	20.0	15.7	11.8	6.5	3.6	3.3	—	—	—	8.3	7.1	9.6	160	2.7	0.6
United Spirits	1,260	BUY	118,020	2,799	94	40.0	45.5	59.1	50.8	13.7</																			

Valuation summary

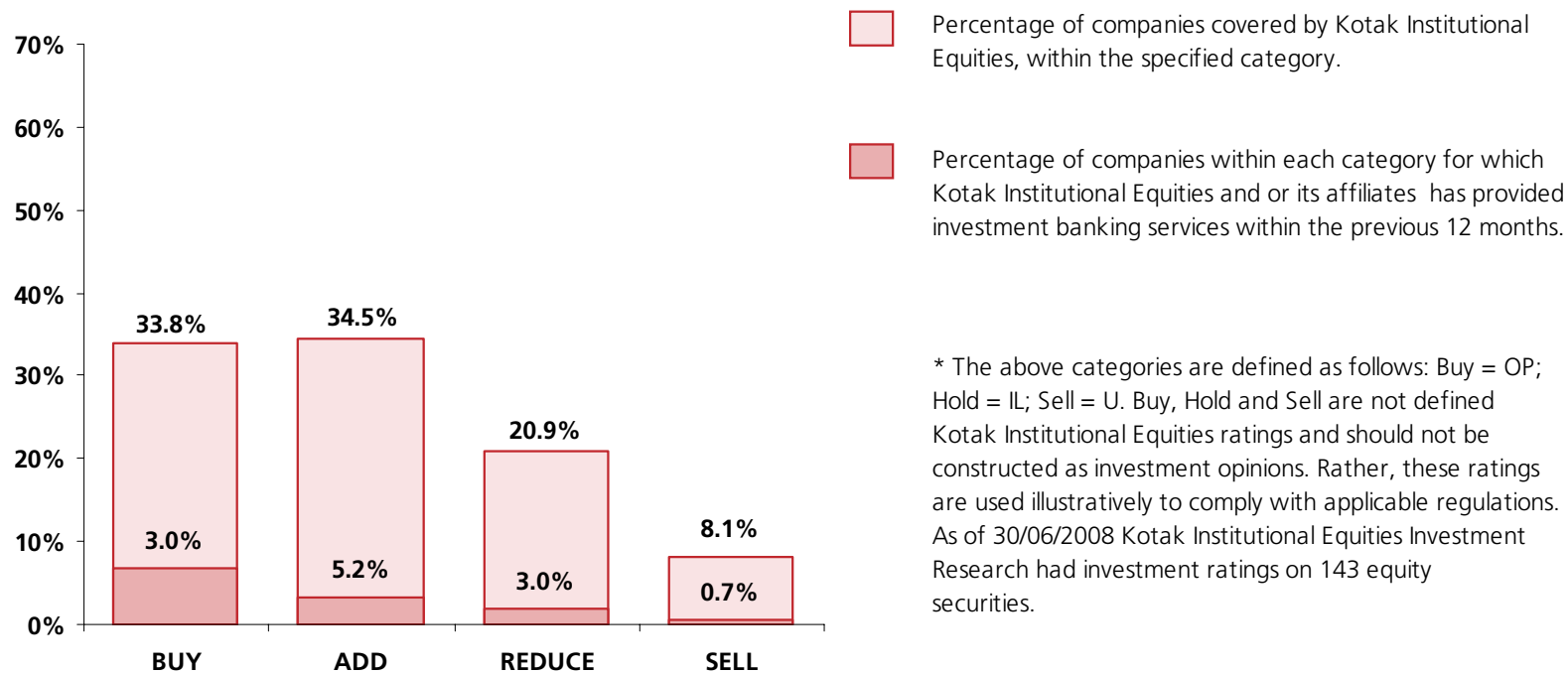
Kotak Institutional Equities Universe

Company	24-Jul-08		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price		ADVT-3mo (US\$ mn)		
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E		2010E	(Rs)
Energy																															
Bharat Petroleum	317	REDUCE	103,887	2,463	328	40.7	38.4	39.1	(22.2)	(5.6)	1.8	7.8	8.2	8.1	3.2	3.8	2.7	0.8	0.8	0.6	1.4	1.2	1.2	11.7	9.9	9.1	350	10.4	5.6		
Cairn India	228	SELL	425,702	10,094	1,868	(0.1)	3.9	19.4	(105)	(3,390)	395	(1,912)	58	11.7	53.2	23.7	8.1	1.4	1.3	1.2	—	—	—	(0.1)	2.3	10.5	230	0.9	78.7		
Castrol India (a)	262	REDUCE	32,357	767	124	20.1	19.5	20.9	64.6	(3.1)	7.4	13.0	13.4	12.5	7.4	7.8	7.3	7.9	7.5	7.1	5.3	5.7	6.1	59.5	57.0	58.2	305	16.5	0.8		
GAIL (India)	377	ADD	318,387	7,550	846	30.8	36.6	42.0	21.7	19.0	14.8	12.2	10.3	9.0	7.0	6.3	6.4	2.2	1.9	1.6	2.7	2.9	3.5	18.2	19.1	18.7	450	19.5	13.4		
GSPL	58	ADD	32,722	776	563	1.8	3.6	5.1	8.5	103.8	40.2	32.7	16.1	11.5	10.3	7.2	5.1	2.6	2.3	2.0	0.9	1.8	2.5	8.7	15.3	18.8	68	16.9	2.8		
Hindustan Petroleum	232	REDUCE	78,467	1,861	339	33.5	31.1	33.5	(16.4)	(7.2)	8.0	6.9	7.5	6.9	5.7	3.4	2.5	0.6	0.6	0.6	1.3	7.8	8.4	9.6	7.5	7.7	260	12.3	6.6		
Indian Oil Corporation	405	REDUCE	477,625	11,325	1,179	60.5	41.0	60.2	29.2	(32.2)	46.9	6.7	9.9	6.7	4.4	8.4	7.7	1.1	1.0	0.8	1.4	1.2	1.7	17.2	10.1	13.2	460	13.6	6.1		
Oil & Natural Gas Corporation	1,025	BUY	2,192,359	51,986	2,139	93.1	133.6	153.1	9.5	43.4	14.7	11.0	7.7	6.7	4.2	3.3	2.8	2.1	1.8	1.6	3.1	3.9	4.1	19.4	24.3	23.9	1,200	17.1	59.7		
Petronet LNG	59	ADD	44,100	1,046	750	6.3	5.8	6.5	—	(7.6)	10.5	9.3	10.1	9.1	5.9	7.2	6.0	2.3	1.9	1.6	2.6	2.6	2.6	26.7	20.2	18.6	70	19.0	4.0		
Reliance Industries	2,305	RS	3,029,538	71,837	1,314	101.7	106.0	174.3	23.0	4.2	64.4	22.7	21.7	13.2	13.5	10.7	6.0	3.4	3.0	2.3	0.5	0.6	0.9	18.5	15.6	21.9	—	—	261.5		
Reliance Petroleum	167	REDUCE	749,700	17,777	4,500	(1.1)	2.0	19.1	n/a	n/a	840.9	n/a	82.2	8.7	n/a	35.9	7.3	5.6	5.2	3.4	—	—	—	1.2	(3.5)	6.6	47.3	170	2.0	128.5	
Energy		Cautious	7,484,843	177,482					11.4	23.0	50.7	16.0	13.0	8.6	7.9	7.0	5.0	2.3	2.0	1.7	1.4	1.8	2.1	14.4	15.1	19.5					
Industrials																															
ABB	903	REDUCE	191,353	4,537	212	23.2	30.4	40.7	44.5	31.1	33.6	38.9	29.7	22.2	23.2	17.3	12.5	11.8	8.8	6.5	0.2	0.3	0.4	34.8	33.8	33.5	1,125	24.6	9.1		
AIA Engineering	1,255	BUY	23,590	559	19	69.1	92.2	117.3	34.5	33.5	27.2	18.2	13.6	10.7	12.5	8.7	6.3	3.9	3.1	2.5	0.5	0.7	1.0	23.4	25.0	25.1	1,750	39.4	0.3		
BGR Energy Systems	335	BUY	24,113	572	72	12.3	18.3	23.2	(67.1)	49.5	26.7	27.3	18.8	14.4	16.5	11.0	9.3	4.8	3.9	3.1	0.4	0.5	0.7	30.1	23.5	24.1	325	(3.0)	3.4		
Bharat Electronics	1,165	ADD	93,200	2,210	80	96.9	108.1	115.5	5.7	11.6	6.8	12.0	10.8	10.1	5.7	4.6	4.2	2.9	2.4	2.0	2.1	2.1	2.1	26.2	24.2	21.8	1,350	15.9	1.9		
Bharat Heavy Electricals	1,714	ADD	839,037	19,895	490	58.4	71.0	91.6	23.0	21.4	29.0	29.3	24.1	18.7	15.7	12.8	9.8	7.7	6.2	5.0	0.7	0.9	1.1	29.0	28.4	29.5	1,850	7.9	71.7		
Dredging Corporation	552	REDUCE	15,456	366	28	55.3	57.1	65.6	(8.3)	3.2	15.0	10.0	9.7	8.4	5.9	4.8	4.0	1.2	1.1	1.0	2.7	2.7	2.7	12.5	11.8	12.4	550	(0.4)	0.1		
Larsen & Toubro	2,703	BUY	799,683	18,962	296	77.9	116.7	148.9	24.0	49.9	27.6	34.7	23.2	18.2	19.3	13.9	10.9	6.8	4.6	3.6	0.6	0.7	0.7	23.3	23.5	22.4	3,600	33.2	107.8		
Maharashtra Seamless	290	ADD	20,520	487	71	37.8	45.0	55.0	12.7	19.0	22.3	7.7	6.4	5.3	3.9	2.9	1.9	1.6	1.3	1.1	1.6	1.7	1.7	23.6	22.6	22.3	585	10.2	1.6		
Siemens	546	ADD	184,089	4,365	337	18.2	18.8	26.7	60.4	3.1	42.1	30.0	29.1	20.5	17.7	16.9	11.6	10.0	7.8	5.9	0.4	0.5	0.6	39.9	30.2	32.9	570	4.4	9.7		
Suzlon Energy	214	ADD	335,066	7,945	1,566	6.8	10.6	16.1	n/a	n/a	56.7	51.5	31.5	31.5	20.1	13.3	17.3	13.8	10.4	4.4	3.7	3.0	0.5	0.5	0.5	19.0	19.9	24.9	325	51.9	54.6
Industrials		Neutral	2,526,107	59,899					25.1	32.1	31.2	29.0	21.9	16.7	16.2	12.8	9.9	6.2	4.8	3.8	0.7	0.8	0.9	21.4	21.8	22.9					
Infrastructure																															
IRB Infrastructure	145	BUY	48,192	1,143	332	3.4	7.3	15.7	150.9	111.5	116.3	42.3	20.0	9.2	14.9	13.5	6.4	2.9	2.5	1.9	—	—	—	10.7	13.4	23.3	195	34.5	1.9		
Media																															
DishTV	32	BUY	20,555	487	642	(6.4)	(7.5)	(4.7)	n/a	16.1	(37.1)	(5.0)	(4.3)	(6.8)	(14.0)	(13.0)	49.6	(4.5)	(27.1)	(5.4)	—	—	—	167.9	181.5	133.0	55	71.9	2.7		
HT Media	114	BUY	26,585	630	234	4.3	4.5	7.8	4.7	5.1	72.7	26.2	25.0	14.5	14.9	14.2	8.3	3.1	2.9	2.6	0.9	1.3	1.8	12.3	11.9	18.7	185	63.0	0.3		
Jagran Prakashan	64	BUY	19,320	458	301	3.3	3.2	4.9	33.5	(2.2)	54.9	19.7	20.1	13.0	11.3	10.7	7.1	3.4	3.1	2.8	2.0	2.0	3.1	18.3	16.3	22.7	95	48.1	0.1		
Sun TV Network	276	SELL	108,766	2,579	394	8.3	10.8	14.2	30.7	30.7	31.1	33.3	25.5	19.4	17.4	13.3	10.8	7.8	6.7	6.5	0.9	1.4	3.9	25.2	28.0	33.2	300	8.7	2.0		
Zee Entertainment Enterprises	218	ADD	94,626	2,244	434	8.9	10.5	13.9	62.6	17.8	32.7	24.6	20.9	15.7	17.9	13.5	10.2	3.3	3.0	2.6	0.9	1.2	1.6	14.2	15.1	17.8	260	19.1	6.8		
Media		Neutral	269,852	6,399					24.0	21.2	97.6	54.1	44.6	22.6	21.6	16.2	10.7	5.2	4.3	4.1	0.9	1.2	2.5	9.6	9.6	18.0					
Metals																															
Hindalco Industries	152	REDUCE	264,415	6,270	1,742	13.1	16.2	14.6	(10.9)	23.5	(9.9)	11.6	9.4	10.4	7.0	5.6	5.5	1.4	0.9	0.9	0.9	1.2	1.2	14.3	12.7	9.4	150	(1.2)	14.2		
National Aluminium Co.	427	REDUCE	275,120	6,524	644	26.3	27.6	31.0	(28.8)	4.7	12.7	16.2	15.5	13.8	8.4	8.3	6.6	2.9	2.6	2.3	1.8	1.8	1.8	19.1	17.7	17.7	400	(6.3)	6.0		
Jindal Steel and Power	1,950	ADD	300,263	7,120	154	80.4	111.6	117.0	83.2	38.9	4.8	24.3	17.5	16.7	15.3	11.3	10.3	7.0	4.9	3.7	—	—	—	34.3	32.8	25.1	2,900	48.7	31.5		
JSW Steel	797	ADD	148,093	3,512	186	92.0	103.1	146.8	35.7	12.0	42.4	8.7	7.7	5.4	6.2	6.4	4.6	1.5	1.3	1.0	2.3	2.3	2.3	21.2	18.1	21.0	1,040	30.5	26.9		
Hindustan Zinc	532	ADD	224,833	5,331	423	97.5	86.0	83.4	(7.3)	(11.8)	(3.0)	5.5	6.2	6.4	3.7	3.2	2.8	1.9	1.4	1.2	1.4	1.4	1.9	43.6	26.3	20.5	850	59.7	6.5		
Sesa Goa	3,174	BUY	124,935	2,962	39	376.8	451.1	463.2	144.6	19.7	2.7	8.4	7.0	6.9	5.5	4.3	3.8	4.5	3.0	2.2	2.2	2.5	3.2	68.6	50.8	36.9	3,900	22.9	57.4		
Sterite Industries	628	ADD	445,005	10,552	708	60.1	57.7	56.1	(27.7)	(4.0)	(2.6)	10.5	10.9	11.2	5.6	4.8	4.5	1.9	1.6	1.4	—	—	—	26.4	16.3	13.7	1,000	59.2	28.4		
Tata Steel	629	ADD	540,846	12,825	860	51.9	73.7	75.4	2.1	41.8	2.4	12.1	8.5	8.3	6.8	5.4	5.5	1.8	1.5	1.3	1.9	1.9	2.1	22.5	18.6	15.7	800	27.2	72.1		
Metals		Attractive	2,323,511	55,095					1.5	13.2	3.4	10.9	9.6	9.3	6.6	5.7	5.2	2.1	1.7	1.5	1.1	1.2	1.3	19.3	17.5	15.6					
Pharmaceutical																															

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 30/06/2008 Kotak Institutional Equities Investment Research had investment ratings on 143 equity securities.

Source: Kotak Institutional Equities.

As of June 30, 2008

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Ratings and other definitions/identifiers

New rating system

Definitions of ratings

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

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

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

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

Old rating system

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

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

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

Other definitions

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