

September 5, 2008

# India Strategy Friday Flash

BSE-30: 14,899

India

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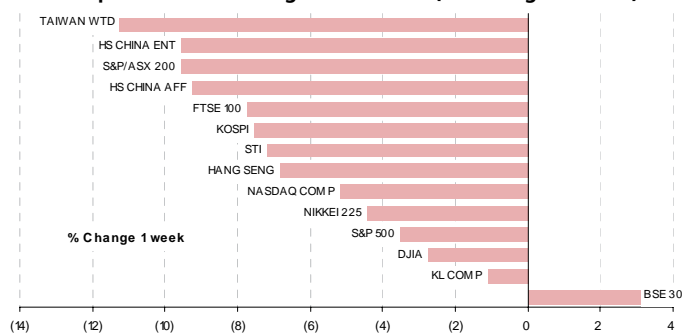
Important disclosures appear at the back of this report.

**Sentiment rises as crude falls** During the past week, the Sensex gained 851 points (6.1%) to close at 14,899. A sharp decline in the crude price (now close to US\$104/bbl) despite supply disruptions caused by Hurricane Gustav boosted investor sentiments. Banking stocks were the largest gainers contributing 330 points to the Sensex rise. A steep depreciation in the INR (Rs 44.4/US\$) lifted technology stocks, which contributed 119 points to the rise.

### Market highlights for the week ending Thursday, September 4, 2008

- Largest gainers: Canara Bank (17%), Bank of India (16%), Jet Airways (16%)
- Largest losers: Consolidated Construction (-9%), GE Shipping (-6%), GSPL (-4%)

### Relative performance of regional indices (% Change 1 Week)



Source: Bloomberg.

### Flows in emerging markets

Date	Taiwan	Indonesia	Philippines	Thailand	India	Total
Investments in past week (US\$ mn)						
28-Aug-08	(78)	23	(9)	0	36	(28)
29-Aug-08	(172)	51	4	(26)	(64)	(205)
1-Sep-08	(442)	2	(4)	(15)	(43)	(501)
2-Sep-08	(407)	(40)	(5)	-	332	(121)
3-Sep-08	30	(58)	(5)	-	-	(33)
<b>Total</b>	<b>(1,069)</b>	<b>(23)</b>	<b>(18)</b>	<b>(40)</b>	<b>261</b>	<b>(889)</b>

# Our top recommendations

## Kotak Institutional Equities, Top-10, September 4, 2008

Companies	Sector	Rating	Mkt cap.	CMP	Target	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
			(US\$ mn)	(Rs)	(Rs)	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E
ITC	Consumer products	BUY	16,707	189	230	8.0	9.1	10.4	23.5	20.8	18.2	15.5	13.6	11.7
Larsen & Toubro	Industrials	BUY	18,685	2,671	3,600	75.9	117.5	149.1	35.2	22.7	17.9	21.8	13.7	10.8
ICICI Bank	Banking	ADD	18,824	717	870	39.9	31.1	41.8	18.0	23.0	17.1	0.0	0.0	0.0
State Bank of India	Banking	ADD	22,878	1,535	1,700	106.6	90.1	119.0	14.4	17.0	12.9	0.0	0.0	0.0
Oil & Natural Gas Corporation	Energy	BUY	53,944	1,068	1,225	92.8	129.3	149.2	11.5	8.3	7.2	4.4	3.3	2.9
Reliance Infrastructure	Utilities	BUY	5,547	1,018	1,250	46.0	49.7	50.2	22.1	20.5	20.3	21.3	39.6	31.2
Jindal Steel and Power	Metals	BUY	6,879	1,893	2,900	80.4	111.6	117.0	23.5	17.0	16.2	14.9	11.0	10.0
Tata Power	Utilities	BUY	6,017	1,094	1,540	29.7	38.1	39.9	36.9	28.7	27.4	25.0	22.2	22.5
Sun Pharmaceuticals	Pharmaceuticals	BUY	7,423	1,512	1,780	71.5	84.3	77.5	21.1	17.9	19.5	17.3	13.6	14.1
<b>Mid-cap. pharmaceutical basket</b>														
Biocon	Pharmaceuticals	BUY	971	411	615	22.5	24.5	32.0	18.2	16.8	12.8	11.6	10.5	8.4
Dishman Pharma & Chemicals	Pharmaceuticals	BUY	617	321	515	14.7	19.7	27.7	21.8	16.3	11.6	16.1	12.1	9.0
Divi's Laboratories	Pharmaceuticals	BUY	2,351	1,543	2,330	56.6	77.9	103.6	27.3	19.8	14.9	23.6	16.2	11.7
Jubilant Organosys	Pharmaceuticals	BUY	1,507	352	700	22.1	19.5	35.5	15.9	18.0	9.9	12.6	13.6	8.6
Piramal Healthcare	Pharmaceuticals	BUY	1,709	346	530	17.6	20.0	26.5	19.7	17.3	13.1	14.3	11.8	9.1
<b>BSE-30</b>				<b>14,899</b>										

Source: Company, Bloomberg, Kotak Institutional Equities.

# Our model portfolio

## Kotak Institutional Equities Model Portfolio

Company	04-Sep		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Mahindra & Mahindra	589	ADD	1.2	—	(117)
Maruti Suzuki	688	ADD	0.9	0.9	—
Tata Motors	427	SELL	1.5	—	(150)
<b>Automobiles</b>			<b>3.6</b>	<b>0.9</b>	<b>(267)</b>
State Bank of India	1,535	ADD	3.9	5.4	150
<b>PSU Banking</b>			<b>3.9</b>	<b>5.4</b>	<b>150</b>
HDFC	2,419	ADD	5.6	4.6	(100)
HDFC Bank	1,303	BUY	4.2	4.2	—
ICICI Bank	717	ADD	7.3	9.3	200
<b>Pvt. Banking/Financing</b>			<b>17.1</b>	<b>18.1</b>	<b>100</b>
ACC	588	REDUCE	0.6	—	(62)
Grasim Industries	2,020	ADD	1.3	—	(130)
Jaiprakash Associates	177	BUY	1.2	1.7	50
<b>Cement</b>			<b>3.1</b>	<b>1.7</b>	<b>(143)</b>
Hindustan Unilever	241	REDUCE	2.6	2.6	—
ITC	189	BUY	4.8	6.8	200
<b>Consumers</b>			<b>7.5</b>	<b>9.5</b>	<b>200</b>
Oil & Natural Gas Corporation	1,068	BUY	4.3	6.3	200
Reliance Industries	2,152	RS	13.7	8.6	(510)
<b>Energy</b>			<b>18.0</b>	<b>14.9</b>	<b>(310)</b>
Bharat Heavy Electricals	1,766	ADD	2.9	—	(286)
Larsen & Toubro	2,671	BUY	6.8	8.8	200
<b>Industrials</b>			<b>9.6</b>	<b>8.8</b>	<b>(86)</b>
Zee Entertainment Enterprises	225	ADD	—	1.0	100
<b>Media</b>			<b>—</b>	<b>1.0</b>	<b>100</b>
Hindalco Industries	127	REDUCE	1.5	—	(146)
Jindal Steel & Power	1,893	BUY	—	3.0	300

Company	04-Sep		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Sterlite Industries	613	ADD	1.7	1.7	—
Tata Steel	583	REDUCE	3.4	0.9	(250)
<b>Metals</b>			<b>6.6</b>	<b>5.6</b>	<b>(96)</b>
Dr Reddy's Laboratories	601	BUY	—	1.5	150
Ranbaxy Laboratories	493	REDUCE	1.5	—	(149)
Sun Pharmaceuticals	1,512	BUY	—	3.0	300
<b>Pharmaceuticals</b>			<b>1.5</b>	<b>4.5</b>	<b>301</b>
DLF	523	BUY	1.2	1.2	—
<b>Real estate</b>			<b>1.2</b>	<b>1.2</b>	<b>—</b>
Infosys Technologies	1,789	BUY	8.4	9.9	150
Satyam Computer Services	433	BUY	2.7	3.2	50
TCS	844	REDUCE	1.9	—	(195)
Wipro	448	ADD	1.2	1.2	—
<b>Technology</b>			<b>14.2</b>	<b>14.2</b>	<b>5</b>
Bharti Airtel Limited	826	REDUCE	5.4	3.9	(150)
Reliance Communications	397	SELL	2.9	—	(292)
<b>Telecom</b>			<b>8.4</b>	<b>3.9</b>	<b>(442)</b>
NTPC	174	REDUCE	2.1	—	(212)
Reliance Infrastructure	1,018	BUY	1.6	3.6	200
Tata Power	1,094	BUY	1.6	3.6	200
<b>Utilities</b>			<b>5.2</b>	<b>7.1</b>	<b>188</b>
Biocon	411	BUY	—	0.6	60
Dishman Pharma & chemicals	321	BUY	—	0.6	60
Divi's Laboratories	1,543	BUY	—	0.6	60
Jubilant Organosys	352	BUY	—	0.6	60
Piramal Healthcare	346	BUY	—	0.6	60
<b>Pharmaceutical mid-cap. basket</b>			<b>—</b>	<b>3.0</b>	<b>300</b>
<b>BSE-30</b>	<b>14,899</b>		<b>100.0</b>	<b>100.0</b>	<b>—</b>

Note:

(1) Weights are with respect to August 29, 2008 prices.

Source: BSE, Bloomberg, Kotak Institutional Equities

# Sensex valuation summary

## Valuation summary of BSE-30 sectors, September 4, 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	13,492	32.0	6.0	(11.9)	(0.2)	12.7	14.5	14.5	8.3	8.7	8.2	2.7	1.7	1.7	1.9	21.2	12.0
Banking	67,832	14.2	43.9	(7.6)	31.1	20.2	21.9	16.7	—	—	—	2.7	2.4	1.2	1.1	13.3	11.1
Cement	6,668	97.6	25.7	(7.9)	(11.7)	7.8	8.4	9.5	4.3	4.4	4.6	1.8	1.5	2.4	2.5	23.7	18.2
Consumers	27,730	19.8	12.2	13.3	14.6	25.8	22.8	19.9	18.2	14.5	12.4	8.7	7.7	2.9	2.7	33.8	33.9
Diversified	4,949	172.9	20.7	54.7	53.5	36.1	23.4	15.2	16.7	12.3	11.3	4.4	3.8	—	—	12.2	16.3
Energy	115,154	25.2	12.9	24.3	39.1	15.0	12.1	8.7	7.3	5.8	4.2	2.7	2.1	1.7	1.9	17.7	17.8
Industrials	37,291	48.8	23.7	39.0	30.6	32.6	23.5	18.0	18.9	13.3	10.3	7.3	5.3	0.7	0.8	22.4	22.7
Metals	25,534	245.3	12.9	23.9	(7.6)	8.7	7.0	7.6	5.3	4.8	4.7	1.5	1.2	1.3	1.2	16.7	16.5
Pharmaceuticals	4,656	115.8	70.5	(44.5)	83.2	23.8	42.8	23.4	16.6	19.3	11.3	6.9	3.2	1.5	2.1	29.0	7.4
Property	20,075	913.2	284.0	13.9	10.5	12.0	10.5	9.5	10.3	8.8	7.2	4.5	3.3	1.0	1.3	38.0	31.7
Technology	63,001	44.3	19.3	22.9	17.1	19.3	15.7	13.4	14.1	11.1	8.9	6.0	4.8	1.7	1.9	31.2	30.3
Telecom	54,591	182.9	71.6	24.8	21.2	19.5	15.6	12.9	12.3	9.6	7.5	4.8	3.7	0.2	0.4	24.5	23.6
Utilities	43,355	33.4	7.3	8.2	6.9	21.0	19.4	18.2	13.1	14.2	15.1	2.5	2.3	1.7	1.8	11.9	11.8
<b>BSE-30 Index</b>	<b>484,329</b>	<b>50.3</b>	<b>26.9</b>	<b>16.1</b>	<b>21.3</b>	<b>17.2</b>	<b>14.8</b>	<b>12.2</b>	<b>9.7</b>	<b>8.3</b>	<b>6.9</b>	<b>3.3</b>	<b>2.7</b>	<b>1.4</b>	<b>1.5</b>	<b>19.0</b>	<b>18.0</b>
<b>BSE-30 ex-Energy</b>	<b>369,175</b>	<b>64.9</b>	<b>33.1</b>	<b>13.0</b>	<b>14.0</b>	<b>18.0</b>	<b>15.9</b>	<b>13.9</b>	<b>11.0</b>	<b>9.6</b>	<b>8.6</b>	<b>3.5</b>	<b>2.9</b>	<b>1.3</b>	<b>1.4</b>	<b>19.5</b>	<b>18.1</b>
<b>BSE-30 ex-Energy, Com.</b>	<b>336,973</b>	<b>47.1</b>	<b>37.8</b>	<b>12.2</b>	<b>19.2</b>	<b>20.1</b>	<b>17.9</b>	<b>15.0</b>	<b>13.4</b>	<b>11.4</b>	<b>9.7</b>	<b>4.0</b>	<b>3.3</b>	<b>1.3</b>	<b>1.4</b>	<b>20.0</b>	<b>18.4</b>
<b>BSE-30 ex-Technology</b>	<b>421,328</b>	<b>51.2</b>	<b>28.0</b>	<b>15.2</b>	<b>21.9</b>	<b>16.9</b>	<b>14.6</b>	<b>12.0</b>	<b>9.2</b>	<b>8.0</b>	<b>6.7</b>	<b>3.1</b>	<b>2.5</b>	<b>1.3</b>	<b>1.4</b>	<b>18.1</b>	<b>17.0</b>

Note:

(1) EV/EBITDA excludes banks.

Source: Company reports, Kotak Institutional Equities estimates.

# Nifty valuation summary

## Valuation summary of Nifty sectors, September 4, 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	17,392	22.2	7.1	(6.9)	2.0	13.6	14.6	14.3	8.7	9.0	8.4	3.1	2.0	1.8	2.0	22.5	13.8
Banking	71,467	13.2	42.5	(6.0)	29.2	18.7	19.9	15.4	—	—	—	2.6	2.3	1.3	1.2	13.9	11.7
Consumers	27,709	19.8	12.2	13.3	14.6	25.8	22.8	19.9	18.2	14.5	12.4	8.7	7.7	2.9	2.7	33.8	33.9
Cement	9,478	89.5	14.7	(4.6)	(13.2)	8.5	8.9	10.2	4.6	4.8	5.1	2.0	1.6	2.7	2.8	23.5	18.4
Energy	151,580	28.6	9.7	28.4	56.6	17.8	13.9	8.8	8.6	6.9	4.6	2.6	2.1	1.4	1.6	14.4	15.3
Industrials	53,648	41.6	26.7	39.8	35.0	33.1	23.6	17.5	18.6	13.7	10.5	6.8	5.1	0.6	0.7	20.5	21.6
Metals	31,101	185.6	5.3	23.5	(5.6)	9.4	7.6	8.1	5.5	5.0	4.8	1.6	1.3	1.4	1.3	16.8	16.6
Media	2,202	11.2	62.6	17.8	32.7	25.4	21.5	16.2	18.5	12.3	9.5	3.5	3.1	0.9	1.1	13.6	14.2
Property	26,082	1,062.5	178.0	15.7	13.2	12.8	11.1	9.8	10.7	9.1	7.5	5.0	3.7	0.9	1.3	39.2	32.9
Pharmaceuticals	18,224	87.3	19.4	3.5	14.3	23.2	22.4	19.6	16.3	14.4	12.0	4.9	3.5	0.9	1.1	21.0	15.8
Telecom	62,200	(149.5)	67.2	23.8	20.9	20.0	16.2	13.4	12.4	9.6	7.7	4.5	3.6	0.2	0.4	22.6	22.0
Technology	66,887	46.6	15.7	24.5	16.9	19.1	15.4	13.2	13.8	10.8	8.7	5.8	4.6	1.8	2.0	30.3	29.9
Utilities	43,321	33.4	7.3	8.2	6.9	21.0	19.4	18.2	13.1	14.2	15.1	2.5	2.3	1.7	1.8	11.9	11.8
<b>NIFTY</b>	<b>581,291</b>	<b>50.7</b>	<b>23.1</b>	<b>17.8</b>	<b>26.3</b>	<b>18.0</b>	<b>15.3</b>	<b>12.1</b>	<b>10.3</b>	<b>9.2</b>	<b>7.4</b>	<b>3.2</b>	<b>2.7</b>	<b>1.3</b>	<b>1.4</b>	<b>17.9</b>	<b>17.4</b>
<b>NIFTY ex-Energy</b>	<b>429,712</b>	<b>62.4</b>	<b>28.8</b>	<b>14.0</b>	<b>14.1</b>	<b>18.1</b>	<b>15.9</b>	<b>13.9</b>	<b>11.2</b>	<b>10.6</b>	<b>9.4</b>	<b>3.6</b>	<b>2.9</b>	<b>1.3</b>	<b>1.4</b>	<b>19.7</b>	<b>18.4</b>
<b>NIFTY ex-Energy ex Com</b>	<b>398,611</b>	<b>49.3</b>	<b>33.6</b>	<b>12.4</b>	<b>17.6</b>	<b>19.5</b>	<b>17.3</b>	<b>14.7</b>	<b>12.8</b>	<b>12.2</b>	<b>10.5</b>	<b>3.9</b>	<b>3.2</b>	<b>1.3</b>	<b>1.4</b>	<b>20.2</b>	<b>18.7</b>

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, September 3, 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	19.6	11.9	20.2	6.5	10.9	9.8	8.2	7.7	0.9	0.5	1.3
China	V/B/E/S CHINA	60.1	27.9	20.6	16.1	18.3	13.7	11.4	9.9	0.7	0.7	0.7
Hong Kong	V/B/E/S HONG KONG	47.9	(3.1)	16.1	14.7	12.1	12.8	11.0	10.2	NA	0.8	0.8
India	MSCI INDIA	19.0	14.5	24.6	10.6	18.7	15.6	12.5	10.7	1.3	0.6	1.2
Korea	MSCI KOREA	6.5	6.7	16.2	14.1	11.2	10.5	9.1	8.0	1.7	0.6	0.6
Malaysia	MSCI MALAYSIA	48.3	(10.9)	5.4	9.2	10.6	11.9	11.3	10.4	NA	2.2	1.2
Mexico	MSCI MEXICO	11.7	8.6	15.2	11.6	12.8	11.9	10.3	10.1	1.5	0.8	0.9
Russia	MSCI RUSSIA	30.8	31.1	14.8	3.2	8.2	6.3	5.5	5.3	0.3	0.4	1.7
Taiwan	MSCI TAIWAN	25.4	(16.3)	13.4	16.8	11.6	13.9	12.2	10.4	NA	1.0	0.7
Thailand	MSCI THAILAND	(35.1)	115.0	7.1	9.3	20.1	9.3	8.7	7.9	0.2	1.3	0.9
<b>Asia - Emerging markets</b>	<b>MSCI EM ASIA</b>	<b>19.6</b>	<b>4.7</b>	<b>16.8</b>	<b>13.9</b>	<b>13.2</b>	<b>12.5</b>	<b>10.7</b>	<b>9.3</b>	<b>2.8</b>	<b>0.7</b>	<b>0.8</b>

Source: Thomson Datastream.

# Valuation summary of BRICs sectors (1)

## Valuation summary of BRICs sectors, September 3, 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
<b>Banking</b>												
Brazil	MSCI Brazil Banks Industry Group	21.2	7.3	23.4	12.5	10.8	10.1	8.2	7.3	1.5	0.4	0.7
Russia	MSCI Russia Banks Industry Group	15.4	33.3	24.4	23.9	14.0	10.5	8.4	6.8	0.4	0.4	0.4
India	MSCI India Banks Industry Group	16.5	14.8	22.8	NA	22.2	19.3	15.8	NA	1.5	0.8	NA
China	MSCI China Banks Industry Group	46.7	53.8	16.8	16.4	17.9	11.7	10.0	8.6	0.3	0.7	0.6
<b>Consumers</b>												
Brazil	MSCI Brazil Consumer Discretionary Sector	6.7	68.2	50.1	32.7	31.5	18.7	12.5	9.4	0.5	0.4	0.4
Russia	MSCI Russia Consumer Staples Sector	46.5	40.9	28.4	18.7	22.7	16.1	12.6	10.6	0.6	0.6	0.7
India	MSCI India Consumer Discretionary Sector	12.0	8.9	14.0	22.3	12.0	11.0	9.6	9.3	1.3	0.8	0.4
China	MSCI China Consumer Discretionary Sector	35.8	4.0	20.1	17.2	15.2	14.6	12.2	10.4	3.8	0.7	0.7
<b>Energy</b>												
Brazil	MSCI Brazil Energy Sector	(17.0)	48.1	19.6	10.3	14.0	9.5	7.9	7.2	0.3	0.5	0.8
Russia	MSCI Russia Energy Sector	26.8	35.2	15.2	0.0	8.4	6.2	5.4	5.4	0.2	0.4	185.7
India	MSCI India Energy Sector	27.3	25.5	44.9	6.3	23.5	16.1	11.1	10.5	0.9	0.4	1.8
China	MSCI China Energy Sector	5.9	9.7	17.5	5.8	12.0	10.9	9.3	8.8	1.2	0.6	1.6
<b>Industrials</b>												
Brazil	MSCI Brazil Industrials Sector	(11.8)	20.4	30.5	30.2	22.4	18.6	14.3	11.0	1.1	0.6	0.5
India	MSCI India Industrials Sector	0.7	8.5	28.6	23.3	24.6	22.7	17.7	14.3	2.9	0.8	0.8
China	MSCI China Industrials Sector	89.0	(2.9)	14.4	21.2	10.9	11.2	9.8	8.2	NA	0.8	0.5
<b>Metals</b>												
Brazil	MSCI Brazil Metals & Mining Industry	58.6	13.2	21.0	2.1	8.4	7.4	6.1	6.0	0.6	0.4	2.9
Russia	MSCI Russia Metals & Mining Industry	46.5	2.7	1.7	(3.3)	6.6	6.4	6.3	6.5	2.5	3.9	NA
India	MSCI India Metals & Mining Industry	1.7	17.2	19.4	NA	10.6	7.9	6.6	NA	0.6	0.4	NA
China	MSCI China Metals & Mining Industry	(3.8)	12.7	12.4	4.5	8.6	7.6	6.8	6.5	0.7	0.6	NA

Source: Thomson Datastream.

# Valuation summary of BRICs sectors (2)

## Valuation summary of BRICs sectors, September 3, 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
<b>Property</b>												
Brazil	MSCI Brazil Real Estate Industry Group	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
India	MSCI India Real Estate Industry Group	367.5	7.4	39.4	15.1	12.5	11.7	8.4	7.3	1.7	0.3	0.6
China	MSCI China Real Estate Industry Group	45.5	3.5	33.2	26.1	9.9	9.6	7.2	5.7	2.8	0.3	0.3
<b>Technology</b>												
Brazil	MSCI Brazil Information Technology Sector	565.9	39.5	21.8	15.6	26.7	19.2	15.7	13.6	0.7	0.9	1.0
India	MSCI India Software & Services Industry Grc	18.8	21.9	16.5	12.3	18.7	15.4	13.2	11.8	0.9	0.9	1.1
China	MSCI China Software & Services Industry Gi	56.5	57.2	35.6	34.5	64.0	40.7	30.0	22.3	1.1	1.1	0.9
<b>Telecom</b>												
Brazil	MSCI Brazil Telecommunication Services Sec	108.4	(2.0)	9.1	14.3	9.4	9.6	8.8	7.7	NA	1.1	0.6
Russia	MSCI Russia Diversified Telecommunications	62.0	37.0	20.8	20.8	20.1	14.6	12.1	10.0	0.5	0.7	0.6
India	MSCI India Telecommunication Services Sec	50.4	13.1	17.0	15.7	16.4	14.5	12.4	10.7	1.3	0.8	0.8
China	MSCI China Telecommunication Services Se	20.7	23.5	14.7	10.4	17.4	14.1	12.3	11.1	0.7	1.0	1.2
<b>Utilities</b>												
Brazil	MSCI Brazil Utilities Sector	3.8	5.7	6.3	18.2	11.5	10.9	10.3	8.7	2.0	1.7	0.6
Russia	MSCI Russia Utilities Sector	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
India	MSCI India Utilities Sector	6.1	14.6	14.0	10.4	19.4	15.2	13.3	12.1	1.3	1.1	1.3
China	MSCI China Utilities Sector	11.0	(19.8)	25.6	20.0	14.3	17.8	14.2	11.8	NA	0.7	0.7

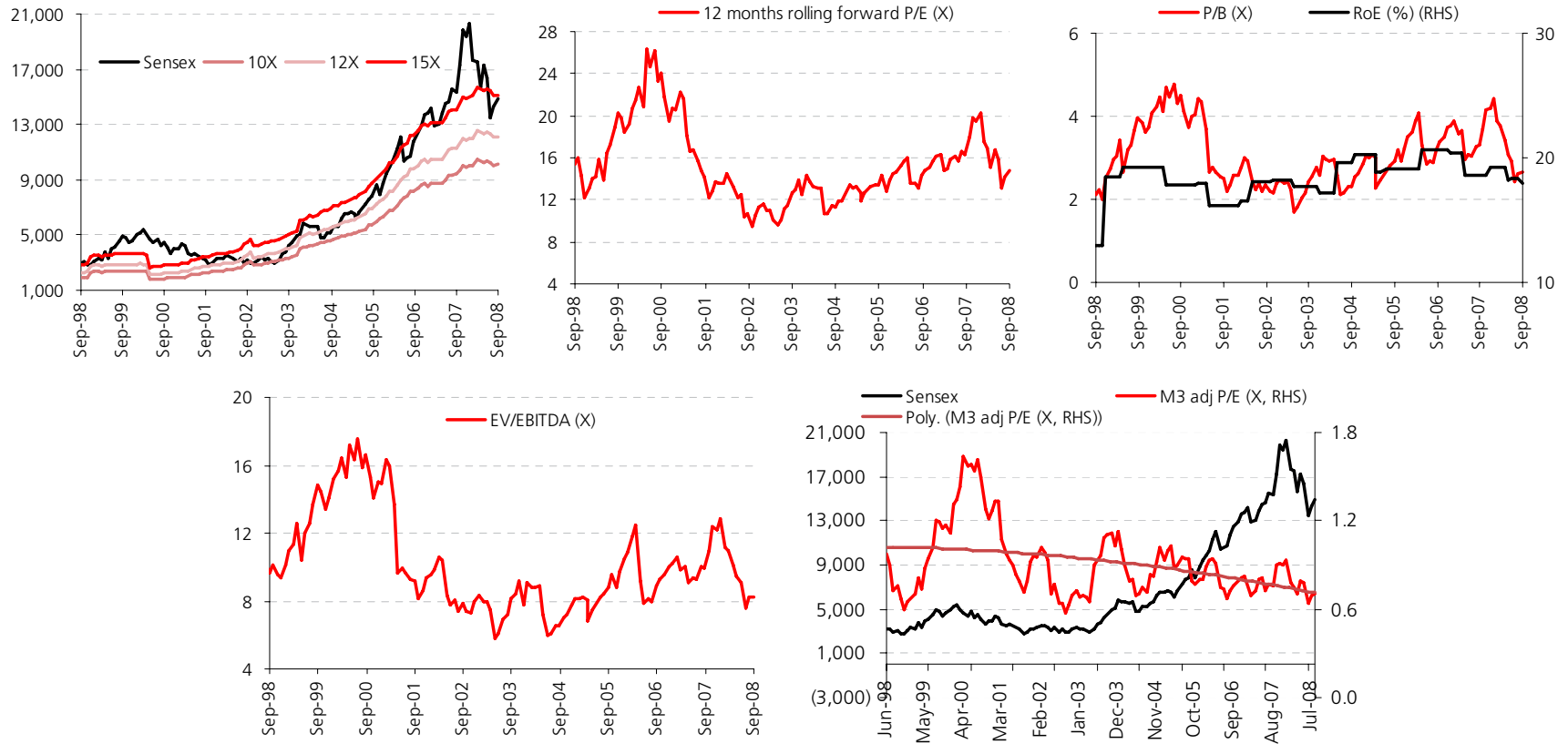
Source: Thomson Datastream.



# BSE-Sensex key parameters

## Key fundamental indicators of BSE Sensex

Sensex (BSE-30) P/B, EV/EBITDA and 12-month forward rolling P/E, August 1999 - current



Source: Bloomberg, Company reports, Kotak Institutional Equities.

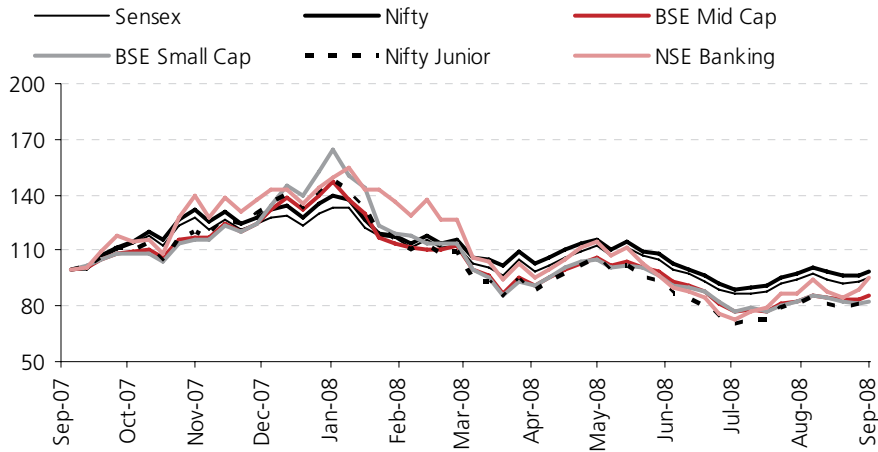
## Market performance

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

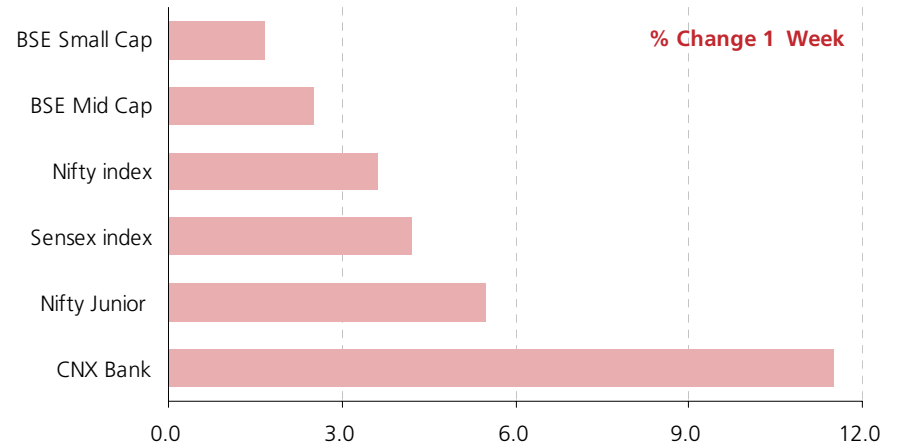
# Relative performance of Indian markets

## Key performance of benchmark indices

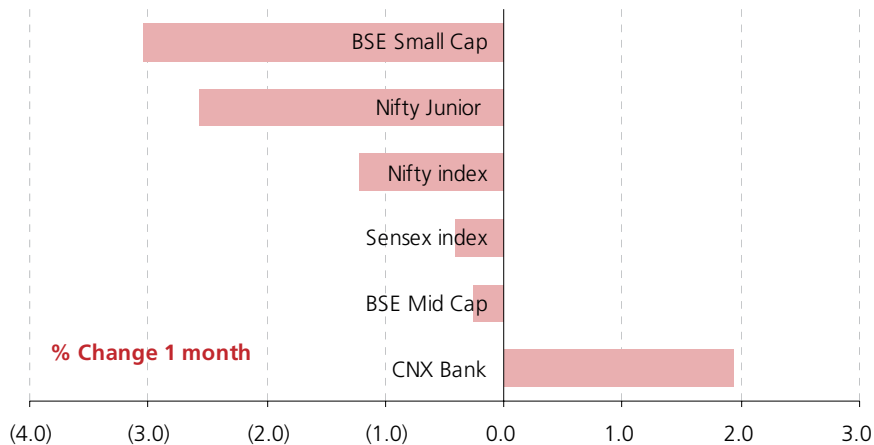
(base 100 as of September, 2007)



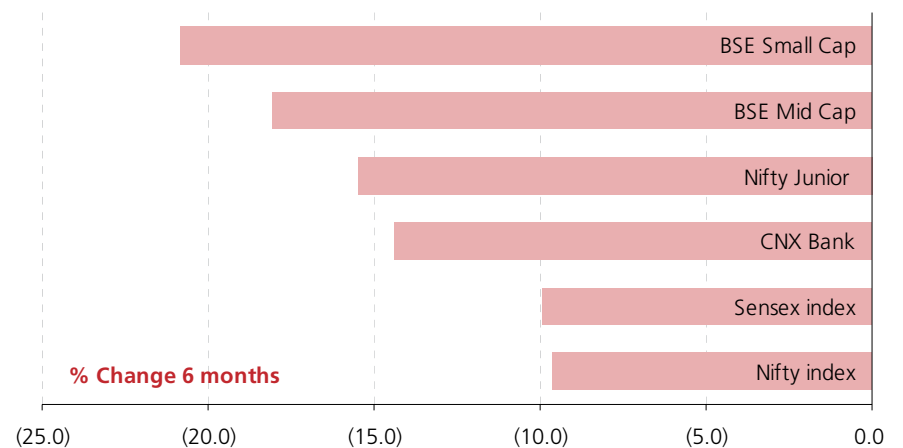
## Weekly performance of the benchmark indices



## 1-month performance of the benchmark indices



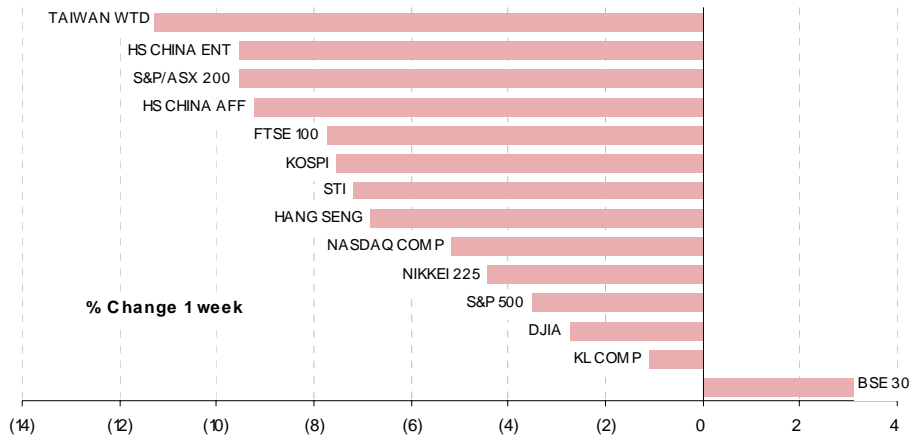
## 6-month performance of the benchmark indices



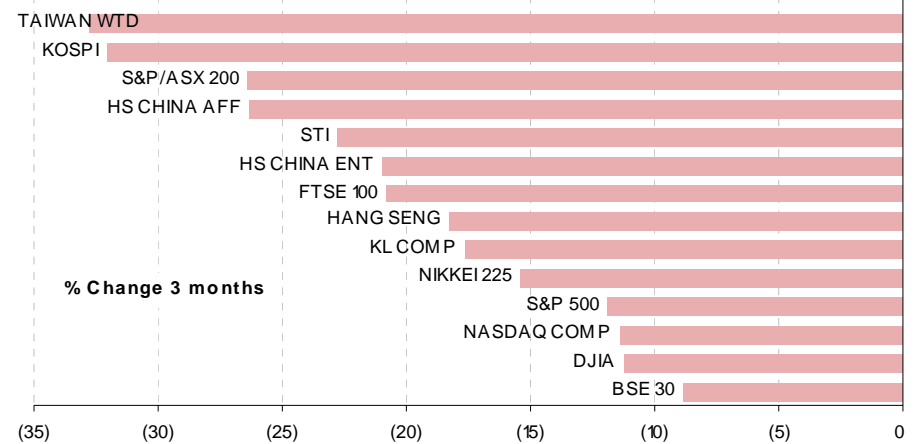
Source: Bloomberg, Kotak Institutional Equities.

# BSE-Sensex versus regional indices

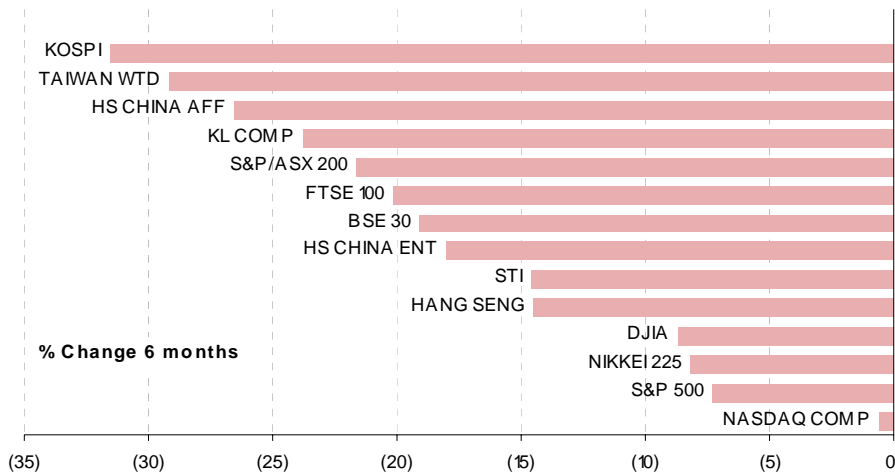
## Weekly performance



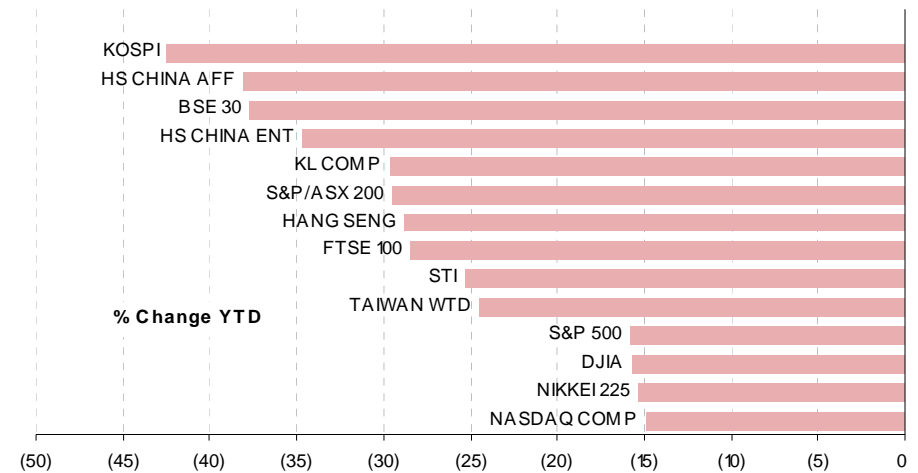
## 3-month performance



## 6-month performance



## Year-to-date performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities.

# Sectoral performance

## Market performance of Sensex sectors, September 4, 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	15,481	0.9	6.5	(9.9)	(27.6)	(26.1)	(33.2)	1.9	6.9	(16.0)	(21.8)
Banking	67,832	(0.4)	1.2	2.6	(16.2)	(1.3)	(30.7)	0.6	1.6	(5.7)	2.1
Consumers	27,730	(2.6)	(0.2)	(8.8)	1.0	11.4	(1.4)	(1.6)	0.2	10.0	14.4
Cement	6,668	0.7	(1.4)	(9.4)	(26.5)	(39.0)	(44.0)	1.7	(1.0)	(15.1)	(34.2)
Diversified	4,949	1.9	(4.2)	(14.0)	(21.9)	(2.0)	(58.6)	2.9	(3.8)	(10.9)	1.5
Energy	115,154	(2.9)	(0.4)	2.3	(0.4)	17.3	(20.5)	(1.9)	(0.0)	8.7	20.1
Industrials	37,291	(0.9)	(0.6)	9.5	(15.8)	(2.4)	(33.8)	0.1	(0.2)	(5.3)	1.1
Metals	25,534	(1.6)	(4.9)	(27.7)	(26.1)	(4.3)	(38.4)	(0.6)	(4.5)	(14.7)	(0.7)
Pharmaceuticals	4,656	0.7	(4.5)	(6.1)	8.6	23.3	16.0	1.7	(4.1)	16.9	25.9
Property	20,075	(1.3)	(5.3)	(3.0)	(23.2)	(18.2)	(51.3)	(0.3)	(4.8)	(12.1)	(14.2)
Telecom	53,759	(1.3)	(4.8)	(11.2)	(5.1)	(12.4)	(30.4)	(0.3)	(4.4)	4.4	(8.5)
Technology	63,001	(0.0)	3.7	(12.9)	6.2	(10.6)	(10.9)	1.0	4.1	14.7	(6.8)
Utilities	43,355	(1.3)	(4.0)	(0.2)	(13.4)	2.0	(33.7)	(0.3)	(3.6)	(3.2)	5.4
<b>Sensex sum</b>	<b>485,485</b>	<b>(1.0)</b>	<b>(0.4)</b>	<b>(5.5)</b>	<b>(9.9)</b>	<b>(3.5)</b>	<b>(26.6)</b>				

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 Canara Bank	17.0	1 Consolidated Construction Co.	(8.7)
2 Bank of India	16.4	2 GE Shipping	(6.2)
3 Jet Airways	16.4	3 GSPL	(3.8)
4 Union Bank	16.2	4 Godrej Consumer Products	(3.6)
5 State Bank of India	15.3	5 Ranbaxy Laboratories	(3.6)
6 Oriental Bank of Commerce	15.0	6 Aditya Birla Nuvo	(3.6)
7 Jaiprakash Associates	13.1	7 MTNL	(3.3)
8 Punjab National Bank	12.9	8 IVR Prime Urban Developers	(2.8)
9 Bank of Baroda	12.0	9 Cairn India	(2.7)
10 Indian Overseas Bank	11.7	10 Sun TV Network	(2.7)

### CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Sun Pharmaceuticals	25.6	1 Sobha	(69.5)
2 Hero Honda	25.0	2 Rajesh Exports	(67.5)
3 Lupin	19.4	3 Unitech	(66.3)
4 Nestle India	18.7	4 Rico Auto	(65.2)
5 Ranbaxy Laboratories	16.0	5 India Infoline	(64.6)
6 GlaxoSmithkline (India)	14.9	6 Lanco Infratech	(63.8)
7 Piramal Healthcare	14.2	7 IVR Prime Urban Developers	(63.0)
8 Hindustan unilever	12.6	8 Nagarjuna Construction Co.	(62.8)
9 Cipla	11.1	9 Housing Development & Infrastru	(62.4)
10 Asian Paints	10.9	10 Phoenix Mills	(62.0)

### 1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 DishTV	23.0	1 Housing Development & Infrastru	(19.8)
2 Educomp Solutions	19.0	2 Tata Steel	(13.8)
3 Indian Bank	16.5	3 Aban Offshore	(13.8)
4 ABG Shipyard	14.8	4 GE Shipping	(13.7)
5 Motherson Sumi	14.7	5 Jindal Steel and Power	(13.4)
6 Mphasis BFL	14.3	6 JSW Steel	(12.5)
7 Jagran Prakashan	13.1	7 Indian Hotels	(12.5)
8 KEC	12.8	8 Mindtree	(12.1)
9 Castrol India	12.3	9 Sintex	(11.8)
10 Maruti Suzuki	12.0	10 IDFC	(11.3)

### 1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jindal Steel and Power	137.0	1 Sobha	(63.8)
2 Shriram Transport	85.7	2 Hexaware Technologies	(60.4)
3 LIC Housing Finance	63.1	3 Radico Khaitan	(58.2)
4 Cairn India	59.3	4 Phoenix Mills	(57.0)
5 Monnet Ispat	54.4	5 IVR Prime Urban Developers	(55.8)
6 Sun Pharmaceuticals	54.0	6 Shree Cement	(55.2)
7 Tata Power	53.4	7 Patni Computer Systems	(53.8)
8 Sesa Goa	52.3	8 Central Bank of India	(53.7)
9 National Aluminium Co.	46.0	9 Rajesh Exports	(53.5)
10 Nestle India	41.2	10 DishTV	(51.5)

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
Reliance Power	332.5
Mahindra Life Space Developer	298.5
Tata Communications	236.8
Phoenix Mills	224.6
Jindal Steel and Power	202.6
Cairn India	196.7

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

Company	Discount to sector
Maharashtra Seamless	62.0
Jyothy Laboratories	61.5
Rajesh Exports	59.3
Andhra Bank	56.4
LIC Housing Finance	55.7
Central Bank of India	54.7

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

### Lowest 1 year rolling forward P/E (X)

Company	Lowest P/E
Housing Development & Infrastru	5.2
PSL	5.7
Andhra Bank	5.7
Aban offshore	5.8
JSW Steel	5.8
Jindal Saw	5.8
LIC Housing Finance	5.8
Central Bank of India	6.0
GE Shipping	6.0
Indian Bank	6.1
Corporation Bank	6.2

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

### Highest 1 year forward P/E (X)

Company	Highest P/E
Reliance Power	68.5
Educomp Solutions	48.2
United Breweries	46.9
Aditya Birla Nuvo	45.4
Tata Communications	34.4
Ranbaxy Laboratories	30.3
Mahindra Life Space Developer	29.9
Tata Power	28.0
Nestle India	27.6
ABB	27.4
Titan Industries	27.3

## 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	6.5
Sun Pharmaceuticals	8.0
Asian Paints	12.4
GE Shipping	18.3
HDFC	21.1
Nestle India	25.3
Shriram Transport	25.5
Tata Power	26.1
Jubilant Organosys	28.0
Punjab National Bank	28.6
Dishman Pharma & Chemicals	28.9
Oil & Natural Gas Corporation	29.8
ITC	29.9
Bank of India	30.0
HDFC Bank	30.4

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
Mahindra Life Space Developer	250.2
Titan Industries	219.1
Jindal Steel and Power	201.8
Puravankara Projects	190.7
Reliance Infrastructure	177.9
Phoenix Mills	171.4

## Trading at discount to sectors Discount to 1 year rolling forward EV/EBITDA (%)

Company	Sector discount
MTNL	27.7
Patni Computer Systems	30.7
Bharat Electronics	31.6
Tata Tea	32.1
Dredging Corporation	37.5
CESC	38.3

## 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	34.8
Tata Power	22.3
Mahindra Life Space Developer	21.2
Aditya Birla Nuvo	20.6
Educomp Solutions	19.1
Hindustan Lever	18.6
Nestle India	17.0

## 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
Hindustan Petroleum	2.8
Patni Computer Systems	3.1
Oil & Natural Gas Corporation	3.1
Bharat Petroleum	3.1
Bharat Electronics	3.6
Vardhman	3.8
Sesa	3.9

Source: Bloomberg, Kotak Institutional Equities

# Technical indicators

## Volume momentum analysis

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

Company	5-day average volumes	Price Change (%)	
		% increase (1 month basis)	
Nestle India	78,871	251	10.4
Glaxo SmithKline Consumer	29,856	218	(3.2)
Mindtree	232,861	214	(12.1)
Maharashtra Seamless	320,546	151	(4.2)
GSPL	5,043,562	129	(4.1)
Educomp Solutions	576,356	88	19.0

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

Company	5-day average volumes	Price Change (%)	
		% decrease (1 month basis)	
HT Media	3,113	(95)	7.1
Alia Engineering	1,238	(81)	(2.8)
Dredging Corporation	2,250	(79)	(4.1)
Vishal Retail	7,058	(71)	0.6
Polaris Software Lab	1,511,064	(65)	(1.7)
Bharat Electronics	33,690	(64)	(2.9)

Date	Sensex	Avg daily value traded (US\$ mn)	Institutional participation in total turnover	
			FII%	MF%
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	14,355	4,497	15.6	3.9
Aug-08	14,565	4,107	14.3	3.3
Sep-08	14,048	4,409	6.8	2.4

Source: Bloomberg, Kotak Institutional Equities.

## Earnings momentum

- Upgrades/downgrades in Earnings
- 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 month

### FY2009 earnings upgrades (KIE) (1 month)

	Company	% Change
1	LIC Housing Finance	8.5
2	Cipla	7.1
3	Reliance Infrastructure	3.7
4	Bharat Heavy Electricals	3.0
5	Punj Lloyd	2.6
6	GAIL (India)	0.4

### FY2009 earnings downgrades (KIE) (1 month)

	Company	% Change
1	Educomp Solutions	(30.6)
2	Housing Development & Infrastructure	(22.2)
3	Mahindra & Mahindra	(15.2)
4	Dr Reddy's Laboratories	(7.7)
5	Nagarjuna Construction Co.	(6.1)
6	Welspun Gujarat Stahl Rohren	(5.8)
7	IVRCL	(3.6)
8	Sun TV Network	(3.1)
9	Dishman Pharma & chemicals	(1.6)

### FY2010 earnings upgrades (KIE) (1 month)

	Company	% Change
1	LIC Housing Finance	7.8
2	Bharat Heavy Electricals	5.8
3	Punj Lloyd	2.9
4	Cipla	2.9
5	Educomp Solutions	2.7

### FY2010 earnings downgrades (KIE) (1 month)

	Company	% Change
1	Housing Development & Infrastructure	(22.2)
2	Mahindra & Mahindra	(17.3)
3	IVRCL	(9.6)
4	Nagarjuna Construction Co.	(6.4)
5	Sun TV Network	(5.8)
6	Dishman Pharma & chemicals	(5.6)
7	Dr Reddy's Laboratories	(4.8)
8	PSL	(3.5)
9	Siemens	(2.9)

Source:Kotak Institutional Equities estimates.

# Changes in our target prices

## Changes in target prices in the past 1 month

### Upgrades in target prices (1 month)

	Company	% Change	New	Old
1	Punj Lloyd	9.4	350	320
2	LIC Housing Finance	8.6	380	350
3	Bharat Heavy Electricals	8.1	2,000	1,850
4	GAIL (India)	4.4	470	450
5	DishTV	1.8	56	55

### Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	Sobha	(37.5)	250	400
2	Housing Development & Infrastr	(21.8)	610	780
3	Mahindra & Mahindra	(11.1)	640	720
4	Nagarjuna Construction Co.	(7.1)	195	210
5	Aban Offshore	(3.6)	2,700	2,800
6	IVRCL	(3.5)	415	430
7	Sun TV Network	(1.9)	260	265

Source: Kotak Institutional Equities.

# Changes in our ratings

## Changes in ratings over the past 1 month

Company name		Rating	
		Current	Previous
BGR Energy Systems	Downgraded	REDUCE	BUY
Colgate-Palmolive (India)	Downgraded	REDUCE	ADD
MTNL	Downgraded	REDUCE	ADD
Siemens	Downgraded	REDUCE	ADD

Company name		Rating	
		Current	Previous
AIA Engineering	Upgraded	BUY	REDUCE
Castrol India	Upgraded	ADD	REDUCE
Lanco Infratech	Upgraded	BUY	ADD
Maharashtra Seamless	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 FIIs in the cash market (US\$ mn)

	FII	MF
CY 1999	1,537	0
CY 2000	1,462	(150)
CY 2001	2,807	(1,110)
CY 2002	751	(685)
CY 2003	6,658	118
CY2004	8,382	(217)
CY 2005	10,776	2,873
CY 2006	8,632	3,585
CY 2007	17,335	1,525
<b>CY 2008</b>	(6,969)	2,467
Jan	(4,271)	1,848
Feb	1,211	125
Mar	31	(459)
Apr	315	(6)
May	(1,158)	(83)
June	(2,622)	775
July	(251)	345
August	(512)	(88)
September	289	9

## 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)
<b>CY2008</b>	3,102	414
Jan	(573)	1,566
Feb	563	334
Mar	1,122	394
Apr	1,162	(26)
May	(755)	(384)
June	(1,011)	236
July	2,292	(310)
August	168	(1,044)
September	134	(352)

Source: Bloomberg, Kotak Institutional Equities



# FII flows in other emerging markets

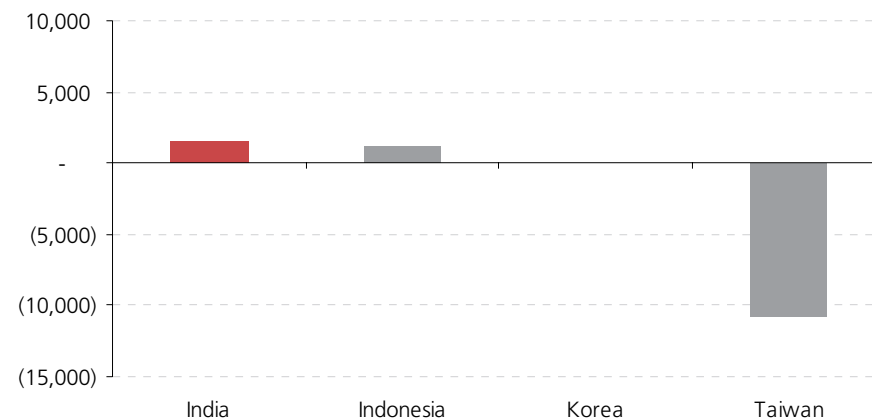
## FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
5-Aug-08	(180)	(83)	(14)	(67)	16
6-Aug-08	355	(17)	(6)	9	404
7-Aug-08	(22)	16	(6)	(25)	(5)
8-Aug-08	194	6	(4)	13	20
11-Aug-08	246	(16)	(8)	(13)	102
12-Aug-08	182	(19)	(12)	(13)	(95)
13-Aug-08	(168)	0	(6)	(39)	(160)
14-Aug-08	(201)	43	(10)	2	(98)
19-Aug-08	(428)	(31)	(9)	(24)	(282)
20-Aug-08	(225)	39	(4)	(38)	(71)
21-Aug-08	(285)	28	(8)	(29)	(69)
22-Aug-08	(51)	47	1	(7)	(28)
25-Aug-08	199	(8)	-	6	23
26-Aug-08	(92)	(3)	(7)	(11)	(125)
27-Aug-08	253	3	(5)	(26)	69
28-Aug-08	(78)	23	(9)	0	36
29-Aug-08	(172)	51	4	(26)	(64)
1-Sep-08	(442)	2	(4)	(15)	(43)
2-Sep-08	(407)	(40)	(5)	-	332
3-Sep-08	30	(58)	(5)	-	-
<b>Total</b>	<b>(1,291)</b>	<b>(18)</b>	<b>(115)</b>	<b>(302)</b>	<b>(39)</b>

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
Austral Coke & Projects Ltd	7	196	1,423	04-Sep-08	226	208	15	6
Resurgere Mines & Minerals	4	272	1,210	01-Sep-08	534	400	96	47
Nu Tek India Ltd	5	192	864	27-Aug-08	199	199	4	4
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	16	26	(46)
Onmobile Global Ltd	11	450	4,905	19-Feb-08	522	488	16	8
Rural electrification	156	105	16,393	11-Mar-08	121	89	15	(15)
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	251	(11)	(24)
IRB Infrastructure Developers Ltd	51	220	11,233	25-Feb-08	189	159	(14)	(28)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	86	2	(36)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	90	(14)	(25)
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	22	17	(50)
Reliance Power Ltd	260	450	117,000	11-Feb-08	373	159	(17)	(65)
Future Capital Holding	6	765	4,913	31-Jan-08	908	401	19	(48)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	67	(8)	(55)
Porwal Auto Components	5	75	375	14-Jan-08	80	17	6	(77)
Aries Agro Limited	5	130	585	11-Jan-08	252	145	94	12
Manaksia Ltd	16	160	2,480	08-Jan-08	168	72	5	(55)
BGR	9	480	4,385	03-Jan-08	901	326	88	(32)
Burnpur Cement	22	12	263	03-Jan-08	46	16	286	35
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	334	57	(28)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	133	(3)	(66)
Eclerx Services	3	315	1,010	31-Dec-07	448	197	42	(37)
Jyothy Lab	4	690	3,057	19-Dec-07	793	443	15	(36)
Kaushalya Infra	9	60	510	14-Dec-07	82	24	37	(59)
Empee Distilleries	5	400	1,920	26-Nov-07	318	114	(21)	(72)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	584	119	33
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	556	83	(33)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	46	10	(70)
Kolte Patil	19	145	2,755	13-Dec-07	181	66	25	(54)
Maytas Infra	9	370	3,275	25-Oct-07	614	459	66	24
Consolidated Construction	4	510	1,887	15-Oct-07	791	548	55	7
Religare Enterprises	76	185	1,402	21-Nov-07	521	385	182	108
Supreme Infrastructure	35	108	375	18-Oct-07	175	72	62	(33)
Dhanus Technologies	38	295	1,131	17-Oct-07	311	172	5	(42)
Koutons Retail	35	415	1,462	12-Oct-07	590	800	42	93
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	95	92	83
Magnum Ventures	176	30	529	20-Sep-07	49	18	62	(41)
Indowind Energy	125	65	813	14-Sep-07	115	54	76	(17)
Motilal Oswal Financial	30	825	2,461	11-Sep-07	977	113	18	(86)
Puravankara Projects	215	400	8,587	30-Aug-07	362	200	(10)	(50)
KPR Mill	59	225	1,330	28-Aug-07	174	90	(23)	(60)
TakeSolutions	21	730	1,533	27-Aug-07	926	613	27	(16)
Central Bank of India	800	102	8,160	21-Aug-07	115	60	13	(41)
SEL manufacturing	41	90	372	21-Aug-07	142	268	58	198
Refex Refrigerants	38	65	247	20-Aug-07	62	308	(5)	374
Zylog Systems	36	350	1,260	17-Aug-07	431	223	23	(36)

Source: Bloomberg and Kotak Institutional Equities.

## Forthcoming IPO/Follow on offerings

Company Name	Issue
ADANI POWER LTD.	IPO
FUTURE VENTURES INDIA LTD.	IPO
BHARAT OMAN REFINERIES LTD.	IPO
NHPC LTD.	IPO
OIL INDIA LTD.	IPO
D.B. CORP. LTD.	IPO
GODREJ PROPERTIES LTD.	IPO
PIPAVAV SHIPYARD LTD.	IPO
RAMKY INFRASTRUCTURE LTD.	IPO
ASHOKA BUILDCON LTD.	IPO
AJANTA MANUFACTURING LTD.	IPO
C.MAHENDRA EXPORTS LTD.	IPO
TRIVENI INFRASTRUCTURE DEVELOPMENT CO.LTD.	IPO
APOLLO HEALTH STREET LTD.	IPO
MICROSEC FINANCIAL SERVICES LTD.	IPO
PNC INFRASTRUCTURE LTD.	IPO
JINDAL COTEX LTD.	IPO
PERSISTENT SYSTEMS LTD.	IPO
VRL LOGISTICS LTD.	IPO
EURO MULTIVISION LTD.	IPO
RADIANT INFO SYSTEMS LTD.	IPO
ARSS INFRASTRUCTURE PROJECTS LTD.	IPO
MANDHANA INDUSTRIES LTD.	IPO
EXCEL INFOWAYS LTD.	IPO
SHANKARA PIPES INDIA LTD.	IPO
RAJ OIL MILLS LTD.	IPO
VJAI INFRASTRUCTURE LTD.	IPO
CHIRIPAL INDUSTRIES LTD.	IPO
INFINITE COMPUTER SOLUTIONS (INDIA) LTD.	IPO
GEMINI ENGI-FAB LTD.	IPO
TRINITY INDIA LTD.	IPO
ASTEC LIFESCIENCES LTD.	IPO
ALKALI METALS LTD.	IPO
GINI & JONY LTD.	IPO
NEOTERIC INFORMATIQUE LTD.	IPO
SEA TV NETWORK LTD.	IPO
RISHABHDEV TECHNOCABLE LTD.	FFO
EDSERV SOFTSYSTEMS LTD.	IPO
CHEMCEL BIO-TECH LTD.	IPO
FINEOTEX CHEMICAL LTD.	IPO

Source: Primedatabase.

# Bulk Deals

## Major bulk/block deals

Date	Security Name	Buy/Sell	Quantity	Price	Value		Exchange
					(Rs mn)		
29-Aug	Bharti Airtel	BUY	10,173,455	814	8,279		BSE
28-Aug	Mastek	SELL	1,288,020	361	465		BSE
28-Aug	Mastek	BUY	1,288,020	361	465		BSE
29-Aug	Indiabulls Financial Serv	SELL	1,733,156	249	431		NSE
28-Aug	Triveni Engi	SELL	3,538,716	96	339		BSE
28-Aug	Triveni Engi	BUY	3,538,716	96	339		BSE
29-Aug	Asahi India Glass Limited	SELL	5,824,077	52	301		NSE
29-Aug	Asahi India Glass Limited	BUY	5,824,077	52	301		NSE
29-Aug	Utv Software	BUY	250,000	799	200		BSE
29-Aug	Great Offshore Limited	BUY	282,662	514	145		NSE
29-Aug	Utv Software	SELL	167,843	799	134		BSE
29-Aug	Zenith Infot	SELL	400,000	295	118		BSE
29-Aug	Good Luck St	SELL	324,400	296	96		BSE
29-Aug	Zenith Infot	BUY	299,500	295	88		BSE
1-Sep	Dynamatic Tech. Ltd.	BUY	38,500	1,250	48		NSE
1-Sep	Dynamatic Tech. Ltd.	SELL	38,500	1,250	48		NSE
29-Aug	Zenith Infot	BUY	138,000	295	41		BSE
29-Aug	Zenith Infot	SELL	100,000	295	30		BSE
29-Aug	Matra Realt	BUY	1,100,000	9	10		BSE
29-Aug	Mawana Sugar	BUY	225,000	40	9		BSE
29-Aug	Mawana Sugar	SELL	225,000	40	9		BSE
29-Aug	Ganeshforgin	SELL	225,000	28	6		BSE
29-Aug	Shree Ganesh Forgings Lim	SELL	124,500	28	4		NSE
1-Sep	Intens Tech	SELL	200,000	15	3		BSE
27-Aug	Intens Tech	SELL	123,541	15	2		BSE
1-Sep	G.S. Auto	SELL	21,137	88	2		BSE
29-Aug	Vintage Cards & Creations	BUY	8,969	109	1		NSE

Source: BSE, NSE.

# Delivery positions

## Top increase/(decrease) in delivery percentage

### Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Jammu & Kashmir Bank Ltd	27	100
Ultratech Cement Ltd	34	80
Bharti Airtel Limited	45	90
Sadbhav Engineering Ltd	51	93
Mindtree Limited	54	95
IvrcI Infrastructures & Proj	13	54
Jet Airways India Ltd	17	55
Glaxosmithkline Consumer Hea	66	99
LIC Housing Finance	26	58

### Decrease in delivery % (KIE universe)

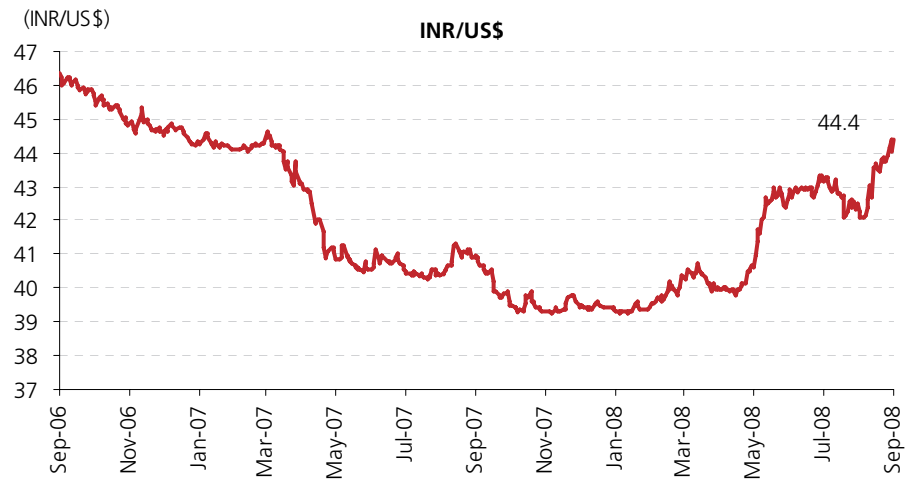
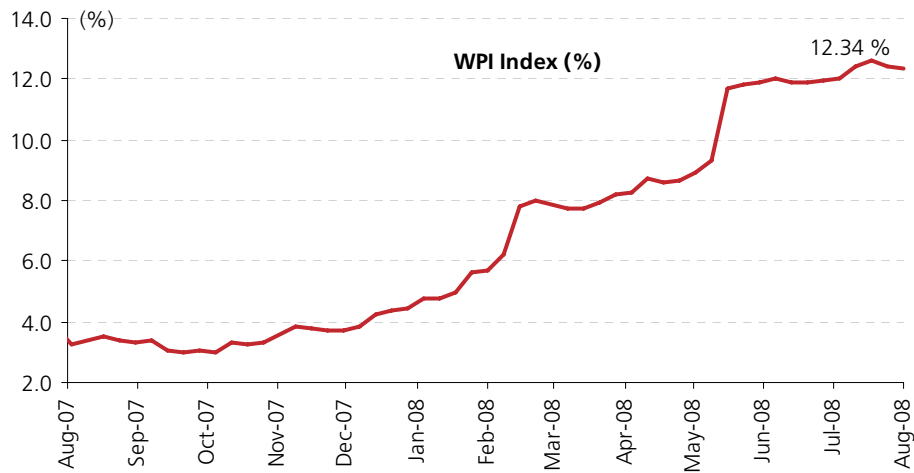
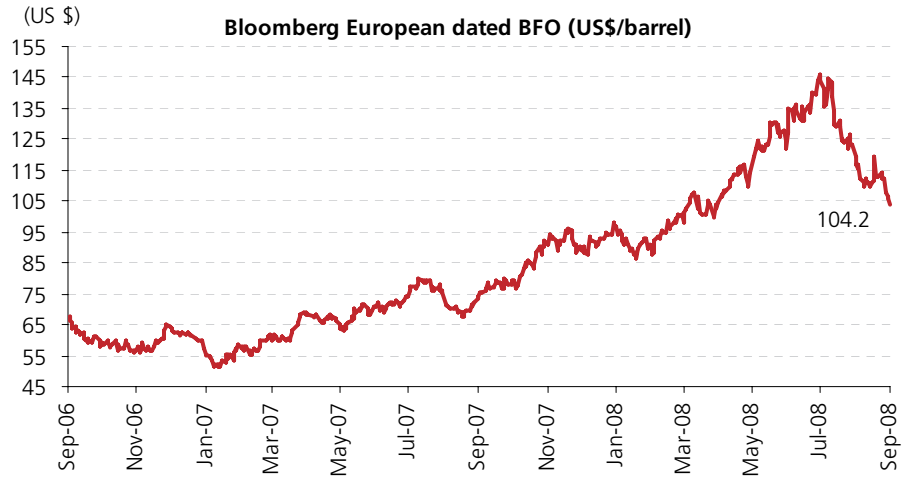
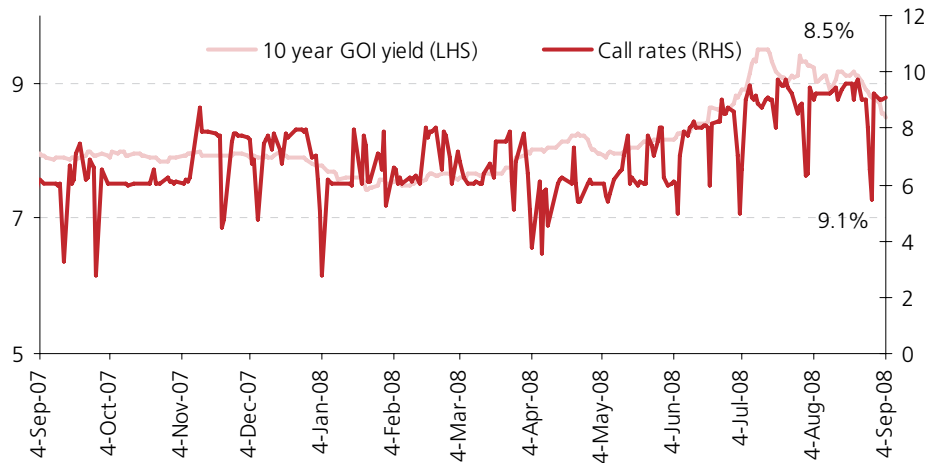
Name	Delivery %	
	Previous week	Current week
TATA TEA LTD	77	34
Maharashtra Seamless Ltd	88	46
Jindal Saw Ltd	80	38
Castrol (India) Limited	88	52
Oracle Financial Services	48	15
Bharat Petroleum Corp Ltd	71	42
Jubilant Organosys Ltd	65	37
Kalpataru Power Transmission	65	39
Motherson Sumi Systems Ltd	87	60

Source: Bloomberg and Kotak Institutional Equities.

## Economic indicators

# Economic indicators

## Key economic parameters



Source: Bloomberg and Kotak Institutional Equities.

## **Kotak valuation summary**





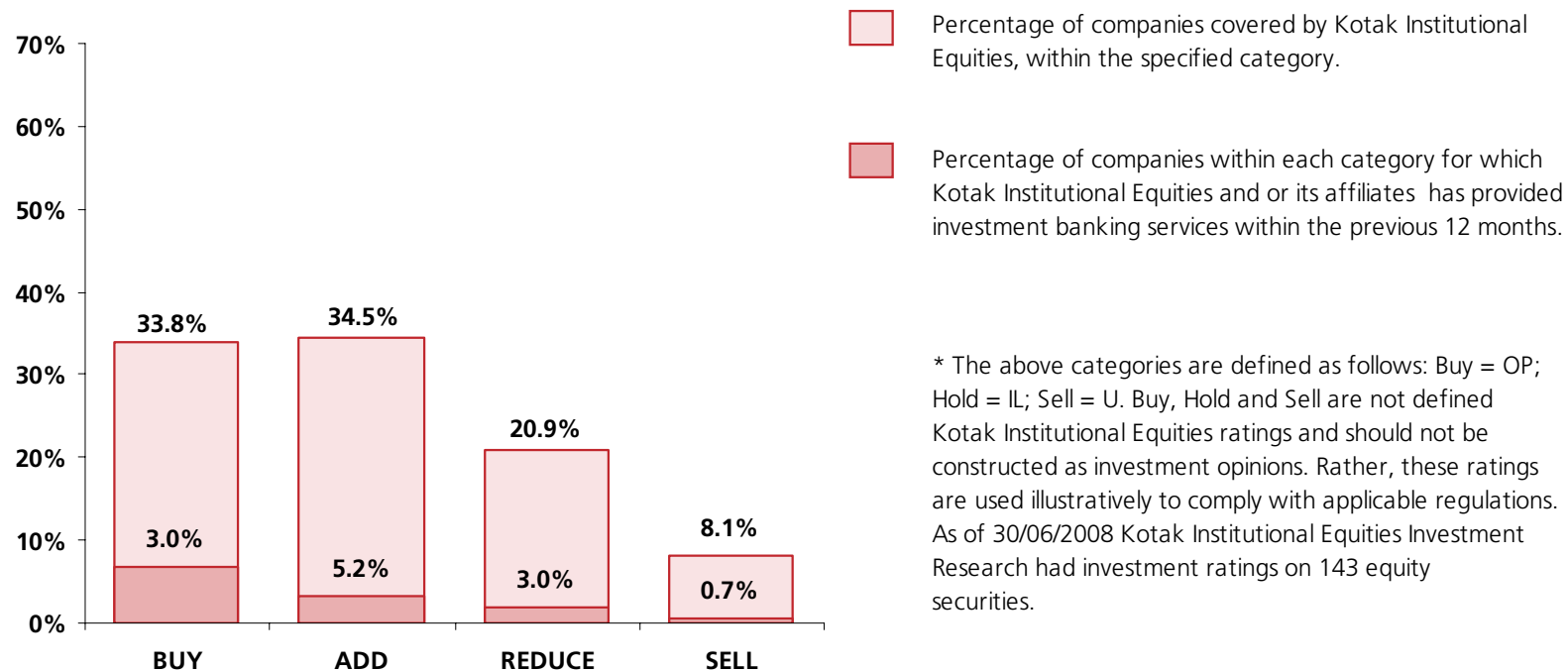




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Source: Kotak Institutional Equities.

As of June 30, 2008

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**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

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