

May 27, 2011

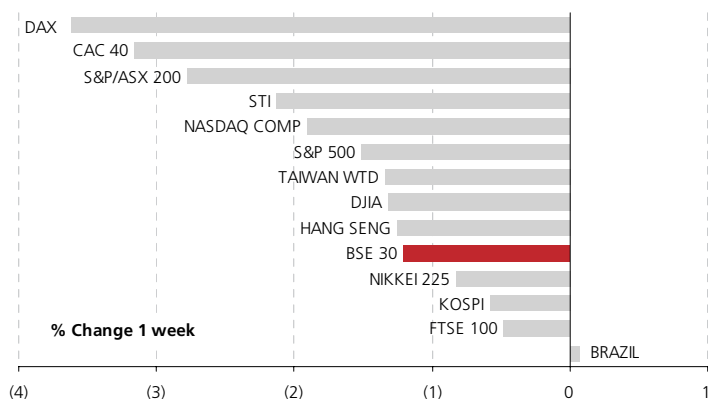
BSE-30: 18,045

Lackluster 4QFY11 takes shine off the Street. During the past week, the BSE-30 Index lost 97 points (-0.5%) to close at 18,045. The stocks that disappointed on earnings or guidance, SBI, Infosys and BHEL, contributed 131 points to the index fall. The broad risk-aversion trend continued with (1) FIIs pulling out another US\$99 mn from the Indian equity markets and (2) the large-caps (BSE-30, NIFTY Indices) outperforming their mid-cap and small-cap counterparts. The good news in the sea of red (1) commodity prices have taken a breather in the past few months, lending support to an otherwise fragile macro-economic environment globally and in India, and (2) valuations continue to become cheaper (BSE-30 Index is trading at 14X FY2012E and 12.2X FY2013E earnings).

Market highlights for the week ending Thursday, May 26, 2011

- Largest gainers: Jubilant Foodworks (+19%), Dish TV (+14%), Crompton Greaves (+8%)
- Largest losers: Tata Global Beverages (-11%), Balrampur Chini Mills (-10%), IRB Infrastructure (-8%)

Relative performance of regional indices (% Change 1 week)



Note:
Returns are adjusted for currency changes

Source: Bloomberg, Kotak Institutional Equities

Flows in emerging markets

Date	Korea	Taiwan	Indonesia	Philippines	Thailand	India
Investments in past week (US\$ mn)						
18-May-11	(48)	39	(6)	0	(130)	(58)
19-May-11	(343)	150	7	12	19	(2)
20-May-11	(123)	(82)	10	(5)	(47)	(17)
23-May-11	(384)	(432)	(78)	(14)	(90)	(31)
24-May-11	(233)	(91)	(51)	(92)	(93)	8
Total	(1,131)	(416)	(119)	(99)	(341)	(99)

Source: Bloomberg, SEBI, Kotak Institutional Equities

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OUR TOP RECOMMENDATIONS

Kotak Institutional Equities, Top-10, March fiscal year-ends, 2011-13E

Companies	Sector	Rating	Mkt cap. (US\$ mn)	CMP (Rs)	Target (Rs)	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
						2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E
Infosys Technologies	Technology	BUY	35,178	2,777	3,450	119.7	144.8	172.6	23.2	19.2	16.1	15.9	12.9	10.6
ICICI Bank	Banking	ADD	26,091	1,026	1,300	44.7	58.2	69.0	22.9	17.6	14.9	—	—	—
State Bank of India	Banking	BUY	30,913	2,188	3,100	129.1	212.3	264.6	16.9	10.3	8.3	—	—	—
Oil & Natural Gas Corporation	Energy	BUY	51,828	274	360	26.6	32.5	33.3	10.3	8.4	8.2	4.0	3.4	3.1
TCS	Technology	BUY	49,065	1,136	1,350	44.4	54.2	63.1	25.6	21.0	18.0	19.3	15.1	12.8
ITC	Consumer	ADD	31,771	187	230	6.5	8.0	9.1	28.9	23.4	20.7	19.5	15.8	13.7
Wipro	Technology	ADD	23,557	435	525	21.6	24.2	27.5	20.1	18.0	15.8	15.0	12.7	10.7
Tata Steel	Metals & Mining	BUY	12,311	574	750	76.0	70.8	85.8	7.5	8.1	6.7	6.6	6.2	5.3
Sterlite Industries	Metals & Mining	BUY	12,473	168	220	15.2	21.3	24.4	11.1	7.9	6.9	7.4	4.6	3.7
PSU bank basket														
Bank of Baroda	Banking	BUY	7,066	815	1,250	108.0	116.4	139.6	7.5	7.0	5.8	—	—	—
Indian Bank	Banking	BUY	2,059	217	350	38.8	43.7	53.3	5.6	5.0	4.1	—	—	—
Punjab National Bank	Banking	BUY	7,567	1,082	1,500	139.9	166.4	201.5	7.7	6.5	5.4	—	—	—
Union Bank	Banking	BUY	3,560	307	425	39.4	52.0	62.2	7.8	5.9	4.9	—	—	—
BSE-30				18,045										

Source: Company, Bloomberg, Kotak Institutional Equities estimates

OUR MODEL PORTFOLIO

Kotak Institutional Equities Model Portfolio

Company	26-May		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Bajaj Auto	1,297	ADD	1.3	1.3	—
Hero Honda	1,884	REDUCE	1.1	—	(107)
Mahindra & Mahindra	685	BUY	2.3	2.8	50
Maruti Suzuki	1,215	BUY	1.2	1.2	—
Tata Motors	1,162	ADD	3.9	1.9	(200)
Automobiles			9.8	7.2	(257)
Bank of Baroda	815	BUY	—	1.5	150
Indian Bank	217	BUY	—	1.0	100
Punjab National Bank	1,082	BUY	—	1.5	150
State Bank of India	2,188	BUY	5.1	6.6	150
Union Bank	307	BUY	—	1.0	100
PSU Banking			5.1	11.6	650
HDFC	643	REDUCE	5.8	3.8	(200)
HDFC Bank	2,264	ADD	5.6	6.6	100
ICICI Bank	1,026	ADD	8.1	9.6	150
Pvt. Banking/Financing			19.4	19.9	50
Jaiprakash Associates	80	BUY	0.8	0.8	—
Cement			0.8	0.8	—
Hindustan Unilever	309	ADD	1.9	—	(193)
ITC	187	ADD	6.3	7.8	150
Consumers			8.2	7.8	(43)
Bharat Petroleum	616	ADD	—	1.0	100
Oil & Natural Gas Corporation	274	BUY	3.3	4.8	150
Reliance Industries	934	REDUCE	10.9	7.0	(392)
Energy			14.2	12.8	(142)
Bharat Heavy Electricals	1,923	REDUCE	2.4	—	(241)

Note:

(a) Weights are with respect to April 6, 2011 prices.

Source: Company, Kotak Institutional Equities estimates

Company	26-May		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Larsen & Toubro	1,638	ADD	5.8	4.3	(150)
Industrials/Construction			8.2	4.3	(391)
Coal India	389	BUY	—	1.0	100
Hindalco Industries	187	ADD	1.8	2.3	50
Jindal Steel and Power	641	REDUCE	1.9	—	(191)
Sterlite Industries	168	BUY	1.7	3.2	150
Tata Steel	574	BUY	2.9	3.9	100
Metals & Mining			8.3	10.4	209
Cipla	320	REDUCE	1.1	—	(107)
Pharmaceuticals			1.1	—	(107)
DLF	218	ADD	0.7	0.7	—
Real estate			0.7	0.7	—
Infosys Technologies	2,777	BUY	10.2	11.7	150
TCS	1,136	BUY	4.6	6.1	150
Wipro	435	ADD	1.8	3.3	150
Technology			16.6	21.1	450
Bharti Airtel	367	REDUCE	3.0	—	(300)
Reliance Communications	80	SELL	0.5	—	(53)
Telecom			3.5	—	(353)
NTPC	171	REDUCE	2.0	2.0	—
Reliance Infrastructure	536	BUY	0.7	—	(65)
Tata Power	1,200	ADD	1.4	1.4	—
Utilities			4.1	3.5	(65)
BSE-30			18,045	100.0	100.0
					—

SENSEX VALUATION SUMMARY

Valuation summary of BSE-30 sectors, March fiscal year-ends, 2011-13E

	Mkt-cap. (US\$ mn)	EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2011E	2012E	2011E	2012E
Automobiles	50,725	91.1	5.8	11.7	12.4	11.7	10.5	8.4	7.9	6.9	4.3	3.4	2.3	1.9	34.4	29.0
Banking	101,129	10.1	41.5	23.2	21.9	15.5	12.6	—	—	—	2.8	2.5	1.2	1.4	12.9	16.0
Consumers	46,503	15.8	21.1	14.8	29.7	24.5	21.4	21.2	17.4	14.9	11.4	9.7	2.4	2.3	38.4	39.6
Diversified	3,892	214.7	5.2	(0.3)	14.5	13.7	13.8	11.4	9.7	9.4	1.8	1.6	—	—	12.3	11.7
Energy	113,268	20.0	16.7	4.3	11.9	10.2	9.8	5.8	4.9	4.3	1.7	1.5	2.8	2.2	14.2	14.6
Industrials	42,686	30.7	14.5	16.2	19.0	16.6	14.3	13.1	10.6	9.0	4.2	3.4	1.0	1.2	21.9	20.4
Metals	45,900	73.6	15.2	16.0	10.8	9.4	8.1	7.7	6.5	5.7	1.8	1.5	0.9	0.4	16.6	16.2
Pharmaceuticals	5,680	(10.6)	35.4	15.4	26.6	19.6	17.0	21.5	15.3	12.8	3.9	3.3	0.8	0.8	14.6	17.0
Property	8,235	(14.5)	31.3	31.8	24.2	18.4	14.0	16.0	12.6	9.6	1.4	1.3	0.9	1.1	5.9	7.3
Technology	107,853	17.9	19.2	16.8	23.4	19.7	16.8	17.1	13.8	11.6	6.5	5.4	1.6	1.6	27.7	27.3
Telecom	34,580	(45.1)	22.2	27.7	20.8	17.1	13.4	9.4	7.5	6.1	1.7	1.5	—	—	8.0	8.9
Utilities	40,827	7.5	11.3	9.8	14.7	13.2	12.0	12.0	10.7	9.5	1.7	1.6	2.0	1.9	11.8	12.0
BSE-30 Index	601,279	20.5	18.8	13.9	16.6	14.0	12.3	9.6	8.2	7.2	2.7	2.3	1.7	1.6	16.1	16.7
BSE-30 ex-Energy	488,011	20.6	19.6	17.2	18.3	15.3	13.1	11.6	9.7	8.4	3.1	2.7	1.5	1.4	16.8	17.5
BSE-30 ex-Energy, Com.	442,112	14.0	20.4	17.4	19.7	16.4	14.0	12.7	10.7	9.1	3.3	2.9	1.5	1.5	16.9	17.7
BSE-30 ex-Technology	493,426	20.8	18.8	13.4	15.6	13.2	11.6	8.8	7.5	6.7	2.4	2.1	1.7	1.5	15.1	15.8

Note:

(1) EV/EBITDA excludes banks.

Source: Company, Kotak Institutional Equities estimates

NIFTY VALUATION SUMMARY

Valuation summary of Nifty sectors, March fiscal year-ends, 2011-13E

	Mkt cap. (US\$ mn)	EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2011E	2012E	2011E	2012E
Automobiles	50,699	91.1	5.8	11.7	12.4	11.7	10.5	8.4	7.9	6.9	4.3	3.4	2.3	1.9	34.4	29.0
Banking	126,447	12.5	35.6	23.5	19.0	14.0	11.3	—	—	—	2.6	2.3	1.3	1.5	13.7	16.3
Consumers	46,480	15.8	21.1	14.8	29.7	24.5	21.4	21.2	17.4	14.9	11.4	9.7	2.4	2.3	38.4	39.6
Cement	13,371	(20.9)	14.6	20.8	13.8	12.1	10.0	8.1	6.4	5.0	2.1	1.8	2.1	1.8	15.0	15.2
Diversified	3,891	214.7	5.2	(0.3)	14.5	13.7	13.8	11.4	9.7	9.4	1.8	1.6	—	—	12.3	11.7
Energy	144,926	29.2	24.6	4.3	12.1	9.7	9.3	6.3	5.2	4.6	1.7	1.5	2.4	2.1	14.3	15.7
Industrials	49,121	31.2	16.3	15.4	20.3	17.5	15.2	13.8	11.1	9.5	4.5	3.6	1.0	1.1	22.0	20.8
Metals & Mining	51,324	71.1	10.3	11.9	9.9	9.0	8.0	7.2	6.3	5.7	1.8	1.5	1.0	0.5	18.2	16.9
Property	8,231	(14.5)	31.3	31.8	24.2	18.4	14.0	16.0	12.6	9.6	1.4	1.3	0.9	1.1	5.9	7.3
Pharmaceuticals	26,356	39.0	10.5	(9.0)	24.3	22.0	24.1	17.8	15.5	18.2	4.5	3.8	0.5	0.5	18.5	17.3
Telecom	34,563	(45.1)	22.2	27.7	20.8	17.1	13.4	9.4	7.5	6.1	1.7	1.5	-	—	8.0	8.9
Technology	115,569	18.7	20.2	16.9	23.3	19.4	16.6	16.7	13.5	11.3	6.3	5.2	1.6	1.6	27.1	27.0
Utilities	47,624	8.0	12.9	6.4	16.1	14.2	13.4	15.3	13.1	10.8	1.7	1.6	1.7	1.7	10.9	11.3
NIFTY	718,602	22.7	20.3	12.6	16.3	13.5	12.0	10.1	8.5	7.5	2.6	2.3	1.6	1.5	16.1	16.9
NIFTY ex-Energy	573,676	20.4	18.6	15.9	17.8	15.0	13.0	12.2	10.3	8.9	3.0	2.6	1.4	1.4	16.9	17.4
NIFTY ex-Energy ex Com	522,352	13.9	20.3	16.6	19.4	16.1	13.8	13.6	11.4	9.7	3.2	2.8	1.5	1.5	16.7	17.5

Note:

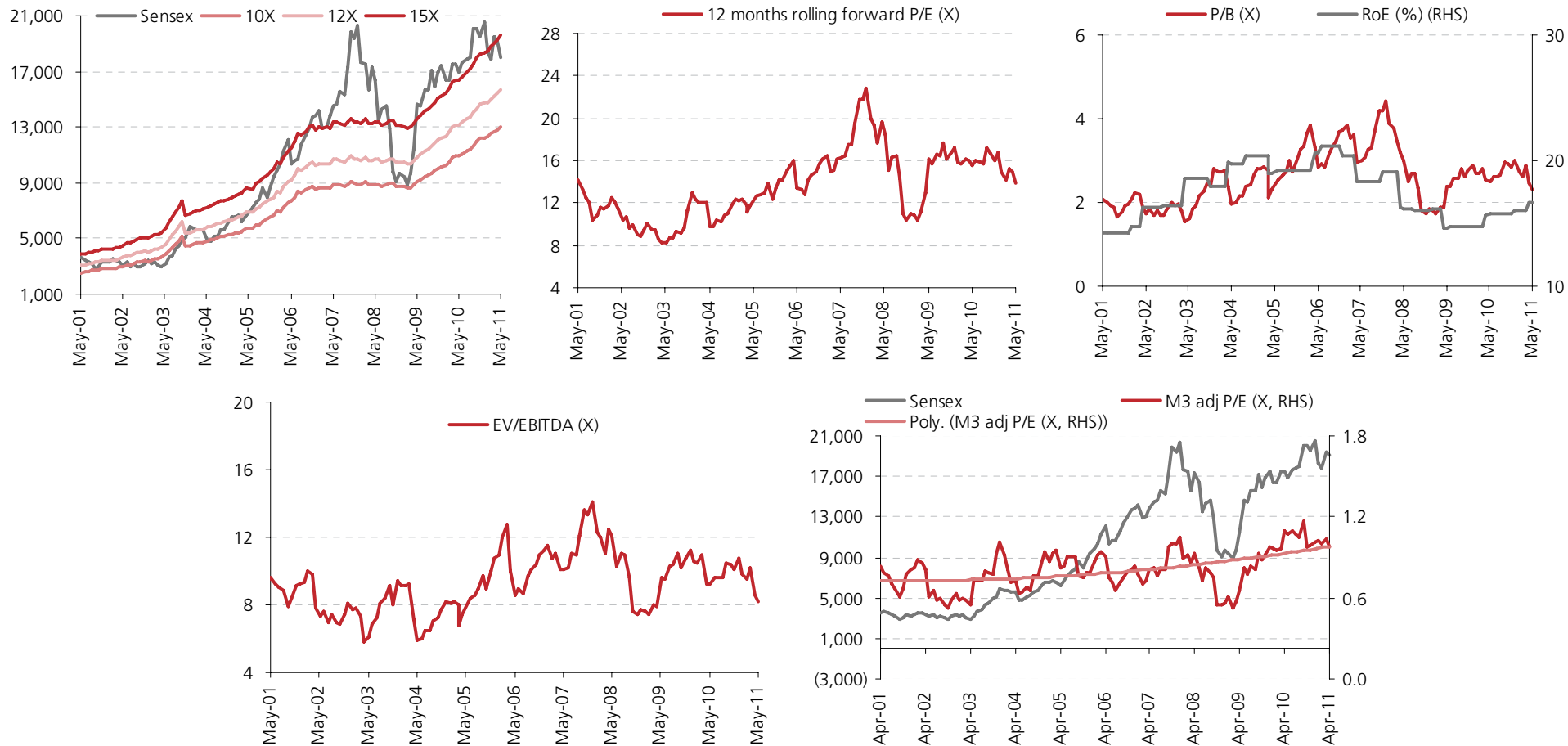
(a) Following companies are excluded: Kotak Mahindra Bank, Power Grid and SAIL.

Source: Company, Kotak Institutional Equities estimates

BSE-SENSEX KEY PARAMETERS

Key fundamental indicators of BSE-30 Index

BSE-30 Index P/B, EV/EBITDA and 12-month forward rolling P/E, May 2001- current



Source: Bloomberg, RBI, Kotak Institutional Equities

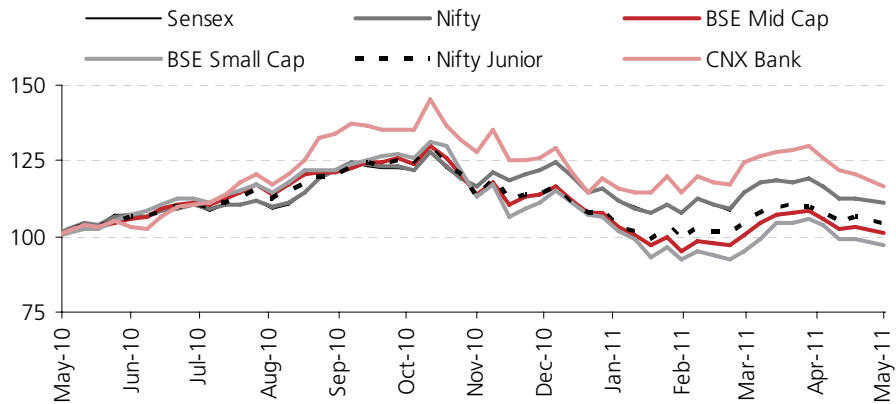
MARKET PERFORMANCE

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

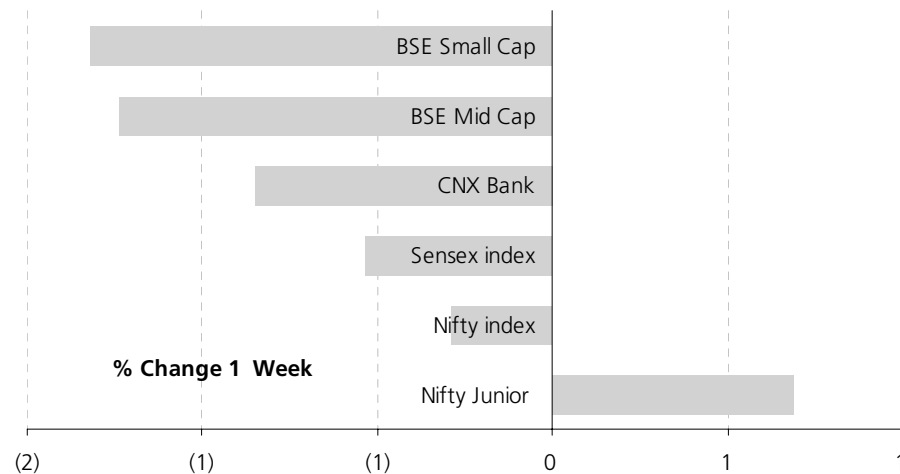
RELATIVE PERFORMANCE OF INDIAN MARKETS

Key performance of benchmark indices

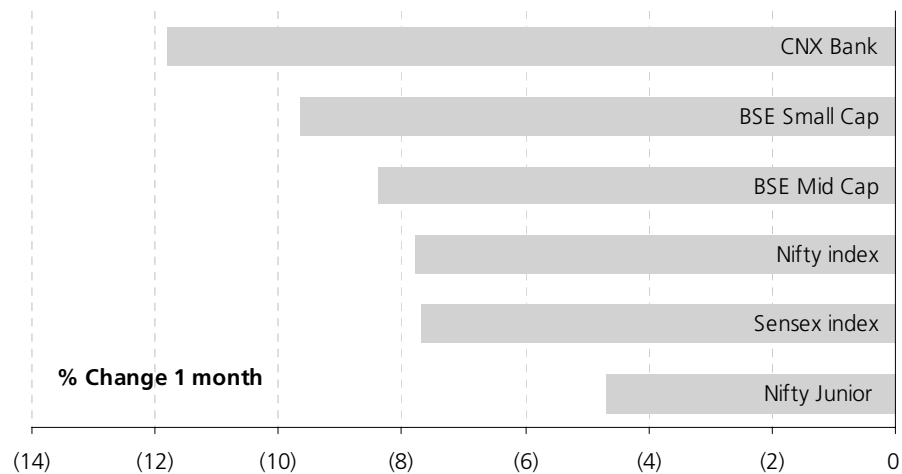
(base 100 as of May 2010)



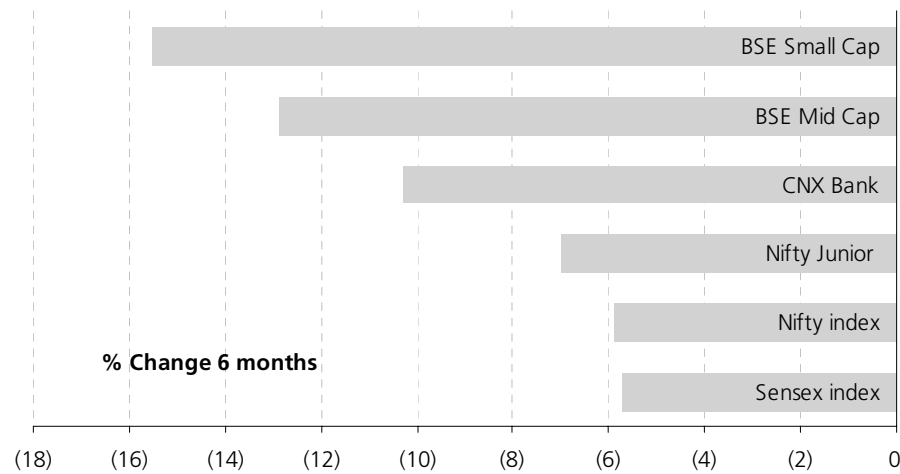
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



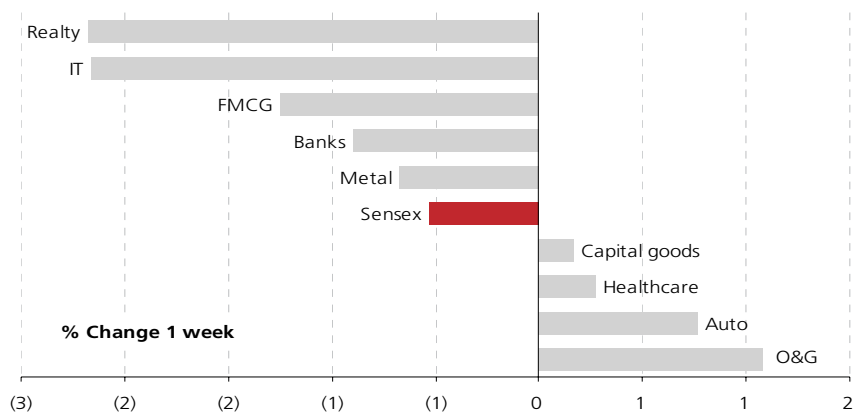
6-month performance of the benchmark indices



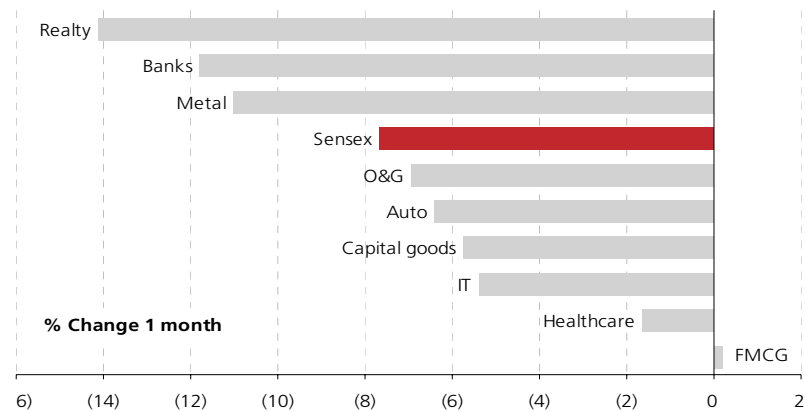
Source: Bloomberg, Kotak Institutional Equities

SECTORAL INDICES PERFORMANCE

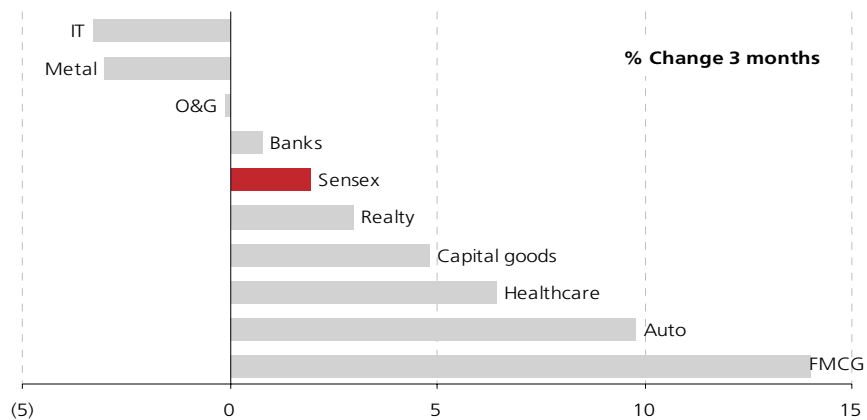
1-week performance



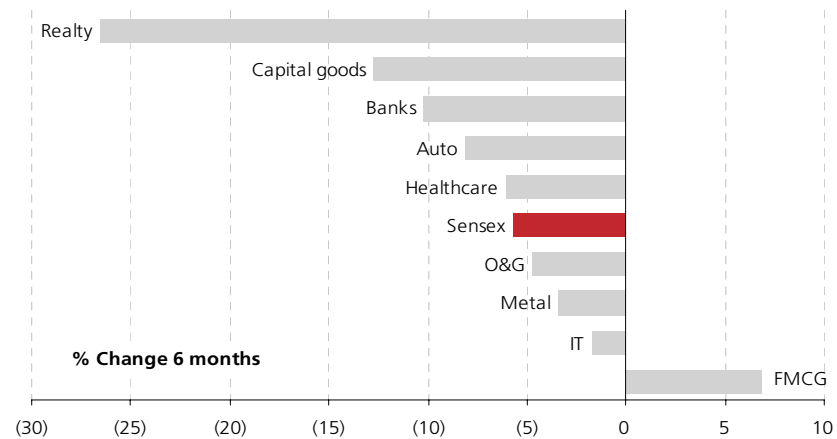
1-month performance



3-month performance



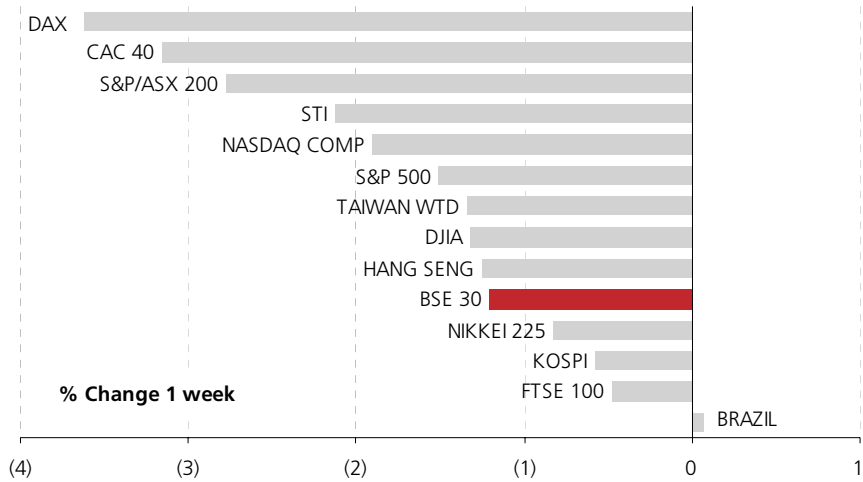
6-month performance



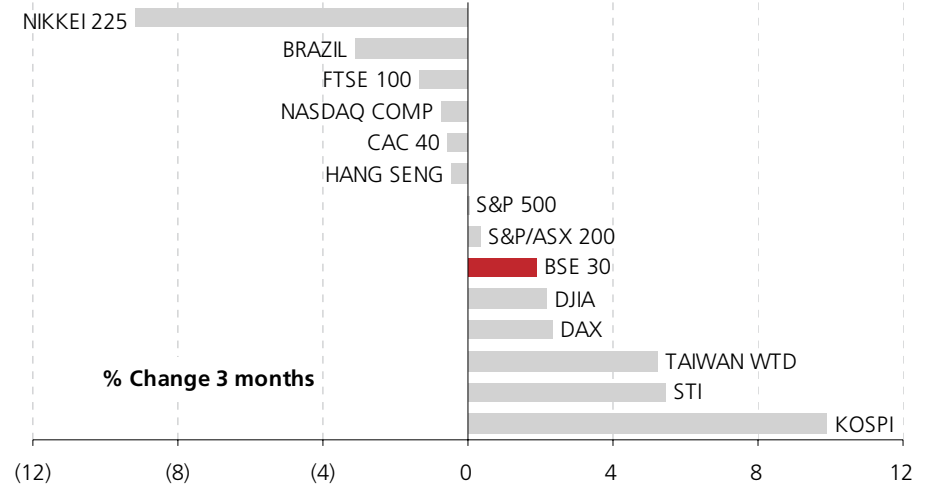
Source: Bloomberg, BSE, Kotak Institutional Equities

BSE-SENSEX VERSUS REGIONAL INDICES

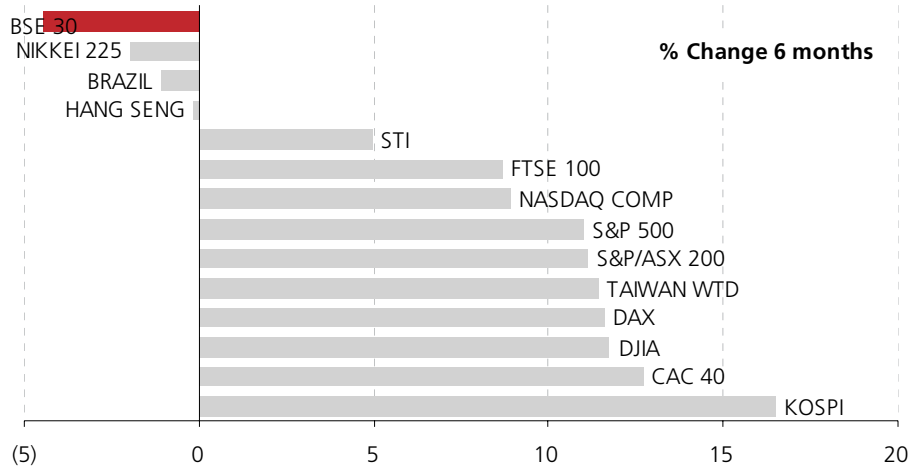
Weekly performance



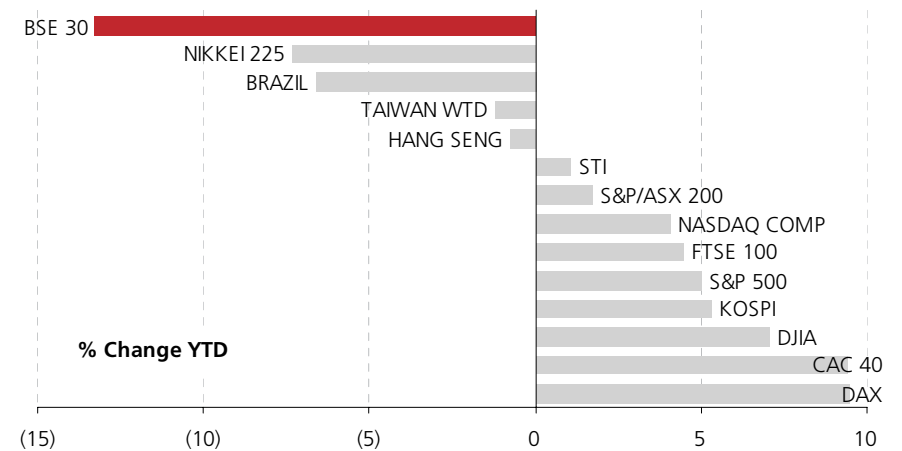
3-month performance



6-month performance



CYTD performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities

SECTORAL PERFORMANCE

Market performance of Sensex sectors

Company	Mkt cap (US\$ m)	Change (%)				Relative Change (%)			
		1-Day	1-mo	6-mo	1-Year	1-Day	1-mo	6-mo	1-Year
Automobiles	50,712	1.9	(6.8)	(7.8)	26.4	0.8	1.0	(2.2)	14.8
Banking	101,129	0.6	(14.0)	(11.9)	14.2	(0.5)	(6.9)	(6.6)	3.8
Consumers	46,503	0.1	0.9	9.5	39.1	(1.0)	9.3	16.1	26.3
Diversified	3,892	1.0	(20.2)	(24.8)	(34.9)	(0.1)	(13.6)	(20.2)	(40.9)
Energy	113,268	3.8	(8.1)	(7.1)	(3.1)	2.6	(0.5)	(1.5)	(12.0)
Industrials	42,686	1.2	(5.7)	(12.1)	(6.9)	0.1	2.1	(6.8)	(15.5)
Metals	45,900	2.1	(9.8)	0.1	12.1	1.0	(2.3)	6.1	1.8
Pharmaceuticals	5,680	2.7	0.8	(5.8)	0.6	1.6	9.2	(0.1)	(8.7)
Property	8,235	3.5	(8.9)	(24.3)	(17.5)	2.4	(1.3)	(19.7)	(25.1)
Technology	107,853	0.3	(5.3)	1.8	26.1	(0.8)	2.6	8.0	14.5
Telecom	34,580	(0.6)	(6.6)	1.3	21.6	(1.7)	1.2	7.4	10.4
Utilities	40,827	1.9	(9.6)	(7.9)	(15.7)	0.8	(2.1)	(2.3)	(23.4)
Sensex sum	601,267	1.1	(7.7)	(5.7)	10.1				

Source: Bloomberg, Kotak Institutional Equities

TOP GAINERS AND LOSERS

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

1-week performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jubilant Foodworks	18.7	1 Tata Global Beverages	(10.9)
2 DishTV	14.0	2 Balrampur Chini Mills	(10.3)
3 Crompton Greaves	8.0	3 IRB Infrastructure	(7.6)
4 Dishman Pharma & chemicals	8.0	4 Bajaj Hindustan	(7.4)
5 Bank of India	7.6	5 Aban Offshore	(7.3)
6 Shriram Transport	7.5	6 GVK Power & Infrastructure	(7.2)
7 Voltas	7.3	7 PFC	(7.1)
8 Mphasis BFL	7.0	8 Unitech	(6.9)
9 Dabur India	5.7	9 Bharat Heavy Electricals	(6.7)
10 Housing Development & Infrastr	5.6	10 Oil India	(6.3)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Mahindra Satyam	18.2	1 Unitech	(52.1)
2 Marico	18.0	2 Punj Lloyd	(51.7)
3 Titan Industries	17.6	3 SpiceJet	(51.0)
4 Divi's Laboratories	12.5	4 IVRCL	(49.1)
5 Sadbhav Engineering	12.2	5 GVK Power & Infrastructure	(49.0)
6 Cadila Healthcare	10.9	6 Lanco Infratech	(48.5)
7 LIC Housing Finance	10.6	7 Bajaj Hindustan	(48.0)
8 HCL Technologies	9.4	8 Reliance Communications	(44.8)
9 Dabur India	9.2	9 Jet Airways	(42.5)
10 Hexaware Technologies	7.9	10 Shree Renuka Sugars	(42.1)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jubilant Foodworks	18.4	1 SKS Microfinance	(31.2)
2 Asian Paints	12.7	2 Patni Computer Systems	(29.3)
3 GlaxoSmithkline Pharmaceutica	10.1	3 IRB Infrastructure	(26.2)
4 Hindustan Unilever	8.8	4 State Bank of India	(25.4)
5 DishTV	8.6	5 Balrampur Chini Mills	(25.2)
6 Dabur India	7.5	6 Punj Lloyd	(24.8)
7 Ranbaxy Laboratories	7.3	7 Lanco Infratech	(24.6)
8 Coal India	6.7	8 Reliance Communications	(24.6)
9 Hero Honda	6.4	9 IVRCL	(23.9)
10 Lupin	5.5	10 Bajaj Hindustan	(23.8)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jubilant Foodworks	204.0	1 Punj Lloyd	(58.8)
2 DishTV	105.9	2 IVRCL	(56.3)
3 Titan Industries	98.6	3 Dishman Pharma & chemicals	(54.6)
4 Hexaware Technologies	65.3	4 Unitech	(53.8)
5 Petronet LNG	64.5	5 Jubilant Life Sciences	(51.0)
6 Tata Motors	63.8	6 Reliance Infrastructure	(48.7)
7 Indian Overseas Bank	59.5	7 GVK Power & Infrastructure	(48.4)
8 Mahindra & Mahindra Financial	59.0	8 Nagarjuna Construction Co.	(46.8)
9 TCS	55.9	9 Lanco Infratech	(42.7)
10 Asian Paints	43.5	10 GMR Infrastructure	(42.2)

Source: Kotak Institutional Equities

TECHNICAL INDICATORS

Volume momentum analysis

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

Company	5-day average		Price Change (%)
	volumes	% increase	(1 month basis)
PFC	7,493,946	226	(12.4)
Divi's Laboratories	1,340,142	178	2.2
Patni Computer Systems	1,896,825	174	(29.3)
Larsen & Toubro	4,635,165	113	(4.4)
Asian Paints	202,913	78	12.7
Bharat Heavy Electricals	1,471,816	75	(7.1)

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

Company	5-day average		Price Change (%)
	volumes	% decrease	(1 month basis)
Cairn India	1,396,434	(90)	(1.5)
Jyothy Laboratories	32,518	(88)	(4.4)
Sadbhav Engineering	37,525	(82)	(8.3)
Ambuja Cements	1,108,250	(72)	(12.2)
Mindtree	10,010	(71)	(8.8)
Puravankara Projects	38,289	(70)	(9.9)

Date	Sensex	Avg daily value traded	Institutional participation in total turnover	
		(US\$ mn)	FII%	MF%
May-10	16,495	3,782	15.2	4.0
Jun-10	17,701	3,674	12.1	3.4
Jul-10	17,868	3,642	14.8	3.7
Aug-10	17,971	4,069	13.5	3.6
Sep-10	20,069	4,471	15.4	3.6
Oct-10	20,032	5,032	15.6	3.4
Nov-10	19,521	4,942	17.3	3.2
Dec-10	20,509	4,355	16.4	3.5
Jan-11	18,226	3,646	18.4	3.6
Feb-11	18,490	3,638	18.4	3.8
Mar-11	19,445	3,289	14.1	3.1
Apr-11	19,136	3,697	18.2	3.3
May-11	18,045	2,858	17.5	3.9

Source: Bloomberg, Kotak Institutional Equities

EARNINGS MOMENTUM

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

CHANGES IN EARNINGS ESTIMATES

Changes in earnings estimates in the past one week

FY2012 earning upgrades (KIE) (1 week)

Company	% Change
1 Mahindra Satyam	15.4
2 Divi's Laboratories	8.6
3 Tata Global Beverages	2.3
4 Crompton Greaves	2.0
5 Shriram Transport	0.9
6 ITC	0.7

FY2013 earnings upgrades (KIE) (1 week)

Company	% Change
1 DishTV	18.4
2 Mahindra Satyam	7.2
3 Crompton Greaves	2.9
4 BGR Energy Systems	2.0
5 Divi's Laboratories	1.0

FY2012 earning downgrades (KIE) (1 week)

Company	% Change
1 GVK Power & Infrastructure	(59.9)
2 IRB Infrastructure	(25.9)
3 DLF	(13.5)
4 Oil India	(8.1)
5 TATa Chemicals	(7.8)
6 Apollo Hospitals	(7.3)
7 Oil & Natural Gas Corporation	(6.9)
8 GSPL	(6.3)
9 Cairn india	(5.7)

FY2013 earnings downgrades (KIE) (1 week)

Company	% Change
1 GVK Power & Infrastructure	(46.5)
2 DLF	(30.0)
3 IRB Infrastructure	(26.2)
4 GAIL (India)	(19.7)
5 Oil India	(17.4)
6 Oil & Natural Gas Corporation	(15.9)
7 GSPL	(13.2)
8 TATa Chemicals	(12.7)
9 Aban Offshore	(11.1)
10 Tata Motors	(8.3)
11 Bharat Forge	(4.7)

Source: Kotak Institutional Equities estimates

CHANGES IN EARNINGS ESTIMATES

Changes in earnings estimates in the past one month

FY2012 earnings upgrades (KIE) (1 month)

Company	% Change
1 Siemens	16.0
2 Mahindra Satyam	15.4
3 Tata Power	13.8
4 Cadila Healthcare	10.3
5 Divi's Laboratories	8.6
6 Union Bank	7.8
7 Hindalco Industries	4.7
8 Exide Industries	4.4
9 DB Corp	4.3
10 Puravankara Projects	3.9
11 HDFC	3.0
12 Jaiprakash Associates	2.7
13 Tata Global Beverages	2.3
14 Sintex	2.1
15 Larsen & Toubro	2.1

FY2013 earnings upgrades (KIE) (1 month)

Company	% Change
1 DishTV	18.4
2 Exide Industries	9.8
3 Cadila Healthcare	8.5
4 Mahindra Satyam	7.2
5 Jaiprakash Associates	7.0
6 Union Bank	6.6
7 Larsen & Toubro	6.2
8 Hindalco Industries	5.5
9 Hindustan Unilever	4.0
10 Crompton Greaves	2.9
11 DB Corp	2.8
12 JSW Steel	2.5
13 Reliance Industries	2.3
14 BGR Energy Systems	2.0
15 GlaxoSmithkline Pharmaceuticals (a)	1.5

FY2012 earnings downgrades (KIE) (1 month)

Company	% Change
1 Suzlon Energy	(100.2)
2 GVK Power & Infrastructure	(59.9)
3 Sesa Goa	(30.9)
4 IRB Infrastructure	(25.9)
5 ABB	(18.9)
6 Hindustan Petroleum	(16.4)
7 DLF	(13.5)
8 JSW Steel	(11.9)
9 Hindustan Media Ventures	(10.3)
10 Ashok Leyland	(9.5)
11 Voltas	(9.1)
12 Lupin	(8.7)
13 Bharat Petroleum	(8.4)
14 Adani Power	(8.3)
15 Oil India	(8.1)

FY2013 earnings downgrades (KIE) (1 month)

Company	% Change
1 GVK Power & Infrastructure	(46.5)
2 Suzlon Energy	(35.9)
3 Sesa Goa	(35.9)
4 DLF	(30.0)
5 IRB Infrastructure	(26.2)
6 Puravankara Projects	(25.5)
7 Hindustan Petroleum	(21.2)
8 GAIL (India)	(19.7)
9 Oil India	(17.4)
10 Ashok Leyland	(17.3)
11 Bharat Petroleum	(16.9)
12 Shree Renuka Sugars	(16.7)
13 Adani Power	(16.0)
14 Oil & Natural Gas Corporation	(15.9)
15 GSPL	(13.2)

Source:Kotak Institutional Equities estimates

CHANGES IN OUR TARGET PRICES

Changes in target prices in the past one month

Upgrades in target prices (1 month)

	Company	% Change	New	Old
1	Hindustan Unilever	33.3	340	255
2	Divi's Laboratories	28.6	900	700
3	Cadila Healthcare	28.4	1,130	880
4	Suzlon Energy	22.2	55	45
5	DishTV	21.4	85	70
6	Jubilant Foodworks	17.0	550	470
7	Siemens	17.0	860	735
8	GlaxoSmithkline Pharmaceutic	15.0	2,300	2,000
9	Mahindra Satyam	14.3	80	70
10	Bharat Petroleum	13.0	740	655
11	ITC	12.2	230	205
12	Dishman Pharma & chemicals	11.8	95	85
13	Asian Paints	11.5	2,900	2,600
14	Sesa Goa	10.9	305	275
15	Puravankara Projects	10.0	110	100
16	Exide Industries	9.4	175	160
17	Hindustan Petroleum	8.3	455	420
18	HDFC	8.0	745	690
19	Indian Oil Corporation	7.7	420	390
20	Lupin	7.5	500	465

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	SKS Microfinance	(50.0)	350	700
2	BGR Energy Systems	(21.7)	470	600
3	GVK Power & Infrastructure	(19.0)	34	42
4	Adani Power	(14.3)	120	140
5	IRB Infrastructure	(13.0)	200	230
6	Shriram Transport	(12.8)	750	860
7	Voltas	(12.5)	175	200
8	Jubilant Life Sciences	(11.4)	195	220
9	Bharat Forge	(10.1)	355	395
10	Rural Electrification Corp.	(9.1)	250	275
11	Tech Mahindra	(7.6)	665	720
12	Ashok Leyland	(7.1)	52	56
13	State Bank of India	(6.1)	3,100	3,300
14	India Infoline	(5.0)	95	100

Source:Kotak Institutional Equities estimates

CHANGES IN OUR RATINGS

Changes in ratings over the past one month

Company name		Rating	
		Current	Previous
Cadila Healthcare	Upgraded	BUY	ADD
Divi's Laboratories	Upgraded	BUY	REDUCE
GAIL (India)	Upgraded	ADD	REDUCE
Hindustan Unilever	Upgraded	ADD	SELL
India Infoline	Upgraded	BUY	ADD
Larsen & Toubro	Upgraded	ADD	REDUCE
Rural Electrification Corp.	Upgraded	ADD	REDUCE
Sun TV Network	Upgraded	ADD	REDUCE
Voltas	Upgraded	ADD	REDUCE

Company name		Rating	
		Current	Previous
ABB	Downgraded	SELL	REDUCE
Adani Power	Downgraded	REDUCE	ADD
Hindustan Petroleum	Downgraded	ADD	BUY
Indian Oil Corporation	Downgraded	ADD	BUY
Indian Overseas Bank	Downgraded	ADD	BUY
Oil India	Downgraded	ADD	BUY
Shriram Transport	Downgraded	REDUCE	ADD
Thermax	Downgraded	REDUCE	BUY

Source:Kotak Institutional Equities estimates

FLOWS

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

TREND IN EQUITY FLOWS

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

	FII	MF
CY1999	1,738	0
CY2000	1,469	(147)
CY2001	2,741	(1,063)
CY2002	738	(619)
CY2003	6,702	110
CY2004	8,627	(257)
CY2005	10,901	3,034
CY2006	8,338	3,379
CY2007	17,335	1,390
CY2008	(13,336)	3,253
CY2009	17,639	(1,154)
CY2010	29,321	(5,939)
CY2011	(780)	283
Jan	(1,387)	131
Feb	(826)	314
Mar	1,556	6
Apr	1,574	(104)
May	(1,697)	(64)

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

	Index Futures	Stock Futures
CY2004	(97)	(829)
CY2005	(670)	(663)
CY2006	293	(3,767)
CY2007	(834)	(12,568)
CY2008	3,901	1,356
CY2009	(1,560)	(2,232)
CY2010	(2,271)	(2,779)
CY2011	(1,282)	(168)
Jan	(1,254)	527
Feb	433	957
Mar	1,732	(495)
Apr	(1,061)	(1,598)
May	(1,133)	440

Source: Bloomberg, Kotak Institutional Equities

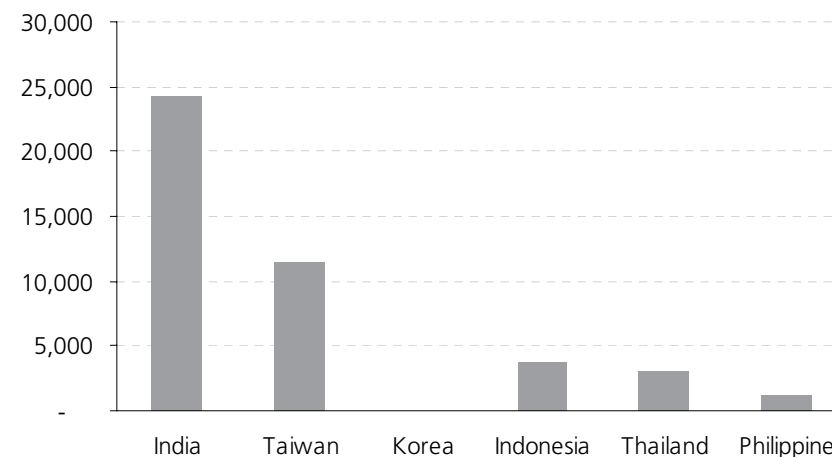
FII FLOWS IN OTHER EMERGING MARKETS

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

Flows in the cash markets

Date	Korea	Taiwan	Indonesia	Philippine	Thailand	India
26-Apr-11	53	28	(15)	(11)	25	(33)
27-Apr-11	651	433	39	13	65	(107)
28-Apr-11	(19)	368	43	16	75	(61)
29-Apr-11	83	221	70	8	(24)	(44)
2-May-11	181	-	89	(3)	-	3
3-May-11	21	255	19	4	24	(282)
4-May-11	5	(285)	29	(3)	(88)	(157)
5-May-11	-	66	16	289	-	(140)
6-May-11	(232)	(89)	28	(28)	(115)	(78)
9-May-11	52	429	(10)	(12)	40	55
10-May-11	-	173	(39)	(13)	60	23
11-May-11	150	210	42	(9)	78	55
12-May-11	(908)	(104)	4	(7)	(32)	(196)
13-May-11	(573)	(171)	22	0	(66)	(825)
16-May-11	(445)	(231)	(49)	3	-	(54)
18-May-11	(48)	39	(6)	0	(130)	(58)
19-May-11	(343)	150	7	12	19	(2)
20-May-11	(123)	(82)	10	(5)	(47)	(17)
23-May-11	(384)	(432)	(78)	(14)	(90)	(31)
24-May-11	(233)	(91)	(51)	(92)	(93)	8
Total	(2,112)	887	169	146	(300)	(1,942)

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



Source: Bloomberg, Kotak Institutional Equities

IPO ANALYSIS

Market performance since IPO/ Follow on offering

Name	Shares	Price	Value	Date of	Price		Performance (%)	
	(mn)	(Rs)	(Rs mn)	Listing	Day 1	Latest	Day 1	since listing
Sanghvi Forging & Engineerin	4	85	369	5/23/2011	112	126	32	48
Innoventive Industries Ltd	19	117	2,174	5/13/2011	94	83	(20)	(29)
Future Ventures India Ltd	750	10	7,500	5/10/2011	8	8	(18)	(20)
Muthoot Finance Ltd	52	175	9,013	5/6/2011	176	158	1	(10)
Shilpi Cable Technologies Lt	8	69	559	4/8/2011	48	19	(30)	(73)
Ptc India Financial Services	157	28	4,388	3/30/2011	25	17	(11)	(39)
Lovable Lingerie Ltd	5	205	934	3/24/2011	250	299	22	46
Sudar Garments Ltd	9	77	700	3/11/2011	113	114	47	48
Fineotex Chemical Ltd	4	70	295	3/11/2011	130	216	86	208
Acropetal Technologies Ltd	19	90	1,700	3/10/2011	98	23	9	(74)
Omkar Speciality Chemicals L	8	98	794	2/18/2010	46	59	(53)	(40)
Midvalley Entertainment Ltd	9	70	600	1/27/2011	56	123	(20)	76
C Mahendra Exports Ltd	15	110	1,650	1/20/2011	111	261	1	138
Shekhawati Poly-Yarn Ltd	12	30	360	1/12/2011	48	33	58	9
Ravi Kumar Distilleries Ltd	12	64	736	12/27/2010	80	28	25	(57)
Punjab & Sind Bank	40	120	4,800	12/30/2010	127	98	6	(18)
A2Z Maintenance And Engine	19	400	7,763	12/23/2010	329	219	(18)	(45)
Claris Lifesciences Ltd	13	228	2,880	12/20/2010	206	161	(10)	(29)
Shipping Corp Of India Ltd	85	133	11,264	12/15/2010	133	101	(0)	(24)
Moil Ltd	34	375	12,600	12/15/2010	465	349	24	(7)
Power Grid Corp Of India Ltd	842	90	75,759	11/25/2010	97	96	7	6
Gravita India Ltd	4	125	450	11/16/2010	210	359	68	187
Coal India Ltd	632	245	154,751	11/4/2010	343	389	40	59
Gyscoal Alloys Limited	8	71	547	10/27/2010	82	14	15	(80)
Bs Transcomm Ltd	8	248	1,904	10/27/2010	381	123	54	(50)
Prestige Estates Projects	65	183	11,817	10/27/2010	193	137	6	(25)
Commercial Engineers & Body	14	127	1,724	10/18/2010	113	36	(11)	(72)
Oberoi Realty Ltd	40	260	10,286	10/20/2010	283	222	9	(15)
Bedmutha Industries Ltd	9	102	918	10/14/2010	179	111	76	9
Sea Tv Network Ltd	5	100	502	10/14/2010	105	22	5	(78)
Ashoka Buildcon Ltd	7	324	2,250	10/14/2010	331	248	2	(23)
Va Tech Wabag Ltd	4	1,310	4,726	10/13/2010	1,708	1,260	30	(4)
Cantabil Retail India Ltd	8	127	1,050	10/12/2010	105	37	(17)	(71)
Tecpro Systems Ltd	8	355	2,680	10/12/2010	406	288	14	(19)
Gallantt Ispat Ltd	8	50	405	10/11/2010	81	93	62	87
Electrosteel Steels Ltd	226	11	2,481	10/8/2010	11	9	2	(19)

Source: Bloomberg, Kotak Institutional Equities

Forthcoming IPO/Follow on offerings

Company Name	Issue
Jindal Power Ltd.	IPO
Hindustan Copper Ltd.	FPO
Sahara Prime City Ltd.	IPO
Embassy Property Developments Ltd.	IPO
Lavasa Corp.Ltd.	IPO
L&T Finance Holdings Ltd.	IPO
Emaar Mgf Land Ltd.	IPO
Avantha Power & Infrastructure Ltd.	IPO
Multi Commodity Exchange Of India Ltd.	IPO
Ind-Barath Power Infra Ltd.	IPO
Kalpataru Ltd.	IPO
Ortel Communications Ltd.	IPO
Reid & Taylor (India) Ltd.	IPO
Nimbus Communications Ltd.	IPO
Raheja Universal Ltd.	IPO
lot Infrastructure & Energy Services Ltd.	IPO
Tata Autocomp Systems Ltd.	IPO
Joyalukkas India Ltd.	IPO
Powerica Ltd.	IPO
Endurance Technologies Ltd.	IPO
Entertainment World Developers Ltd.	IPO
Micromax Informatics Ltd.	IPO
Intas Pharmaceuticals Ltd.	IPO
Greatship (India) Ltd.	IPO
Lokmat Media Ltd.	IPO
Vrl Logistics Ltd.	IPO
You Broadband & Cable India Ltd.	IPO
Jain Infraprojects Ltd.	IPO
Nkg Infrastructure Ltd.	IPO
Icomm Tele Ltd.	IPO
Virgo Engineers Ltd.	IPO
Neesa Leisure Ltd.	IPO
Td Power Systems Ltd.	IPO

Source: Prime Database

BULK DEALS

Major bulk deals

Date	Company	Action	Quantity	Price	Value		Exchange
					(Rs mn)		
19-May-11	Standard Chartered PLC	BUY	2,000,000	111	222		NSE
23-May-11	Standard Chartered PLC	BUY	1,985,000	112	221		NSE
19-May-11	Marg	SELL	1,693,460	88	149		BSE
25-May-11	HSIL Limited	BUY	430,999	157	68		NSE
23-May-11	Action Construction Equipment	BUY	1,600,000	42	67		NSE
20-May-11	Sayaji Hotels	SELL	500,000	130	65		BSE
20-May-11	Crew B.O.S. Products	BUY	575,147	101	58		BSE
23-May-11	Action Construction Equipment	SELL	1,017,620	42	42		NSE
25-May-11	Voltamp Transformers	SELL	77,500	495	38		NSE
25-May-11	V-Guard Industries	BUY	175,000	200	35		NSE
17-May-11	BL Kashyap and Sons	BUY	1,500,000	22	32		BSE
19-May-11	Vikash Metal & Power	BUY	400,000	23	9		NSE
19-May-11	Ankur Drugs and Pharma	SELL	177,000	42	7		NSE
19-May-11	Ankur Drugs and Pharma	SELL	123,000	42	5		BSE
24-May-11	Acropetal Technologies	BUY	200,000	25	5		NSE

Source: BSE, NSE

DELIVERY POSITIONS

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Havells India Ltd	24	92
Glaxosmithkline Consumer Hea	50	99
Sks Microfinance Ltd	12	59
Corporation Bank	36	78
Union Bank Of India	12	52
Phoenix Mills Ltd	43	82
Ranbaxy Laboratories Ltd	16	55
Ambuja Cements Ltd	52	89
Cadila Healthcare Ltd	40	75

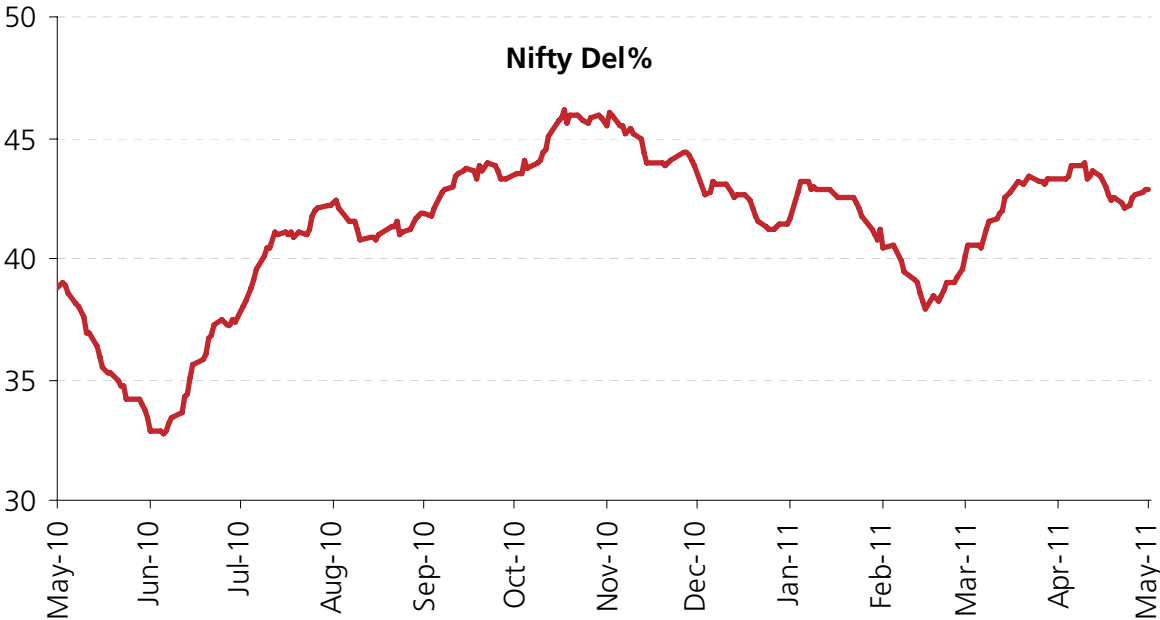
Decrease in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Mahindra & Mahindra Fin Secs	97	30
Ht Media Ltd	72	20
Thermax Ltd	90	41
Exide Industries Ltd	83	39
Castrol India Ltd	64	20
Oracle Financial Services	72	31
Jagran Prakashan Ltd	87	54
Sobha Developers Ltd	47	16
Maruti Suzuki India Ltd	52	21

Source: Bloomberg, Kotak Institutional Equities

NIFTY DELIVERY

Nifty aggregate delivery percentage

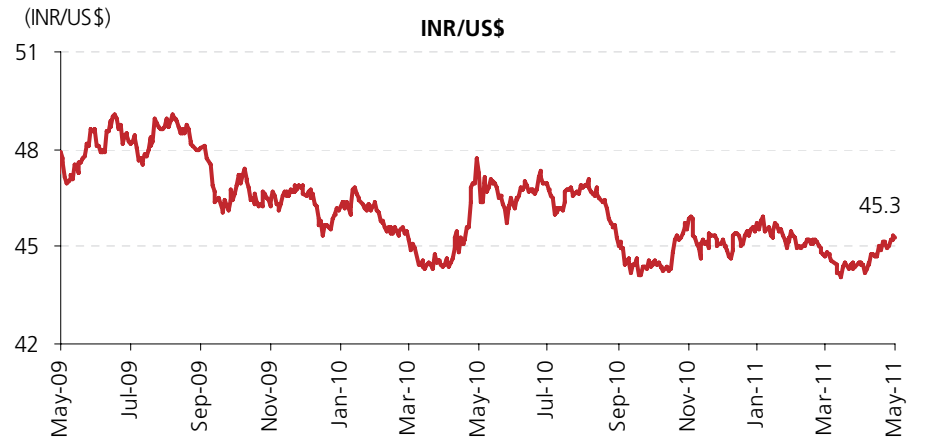
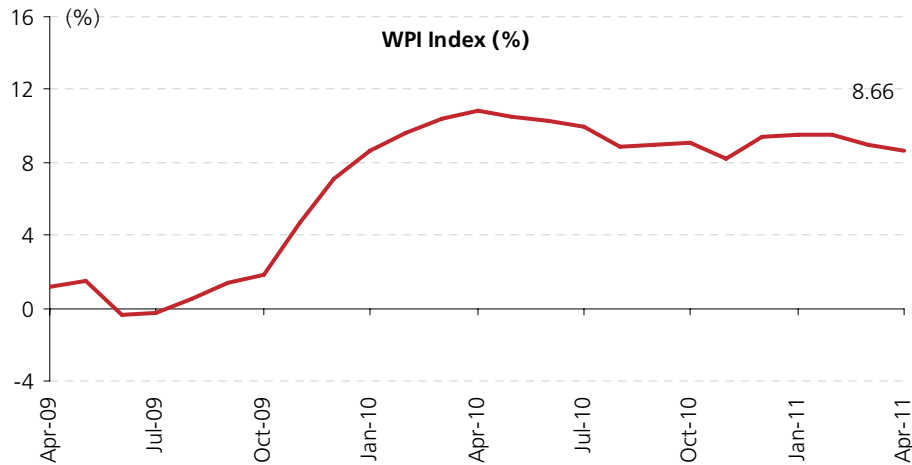
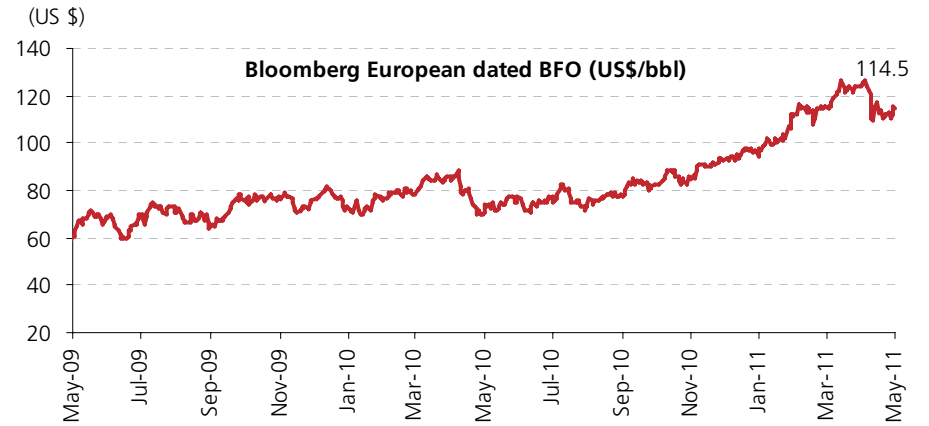
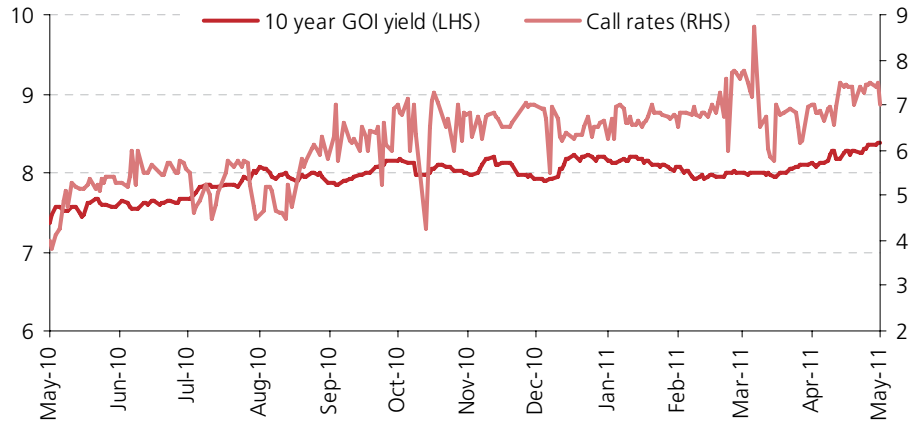


Source: Bloomberg, Kotak Institutional Equities

ECONOMIC INDICATORS

ECONOMIC INDICATORS

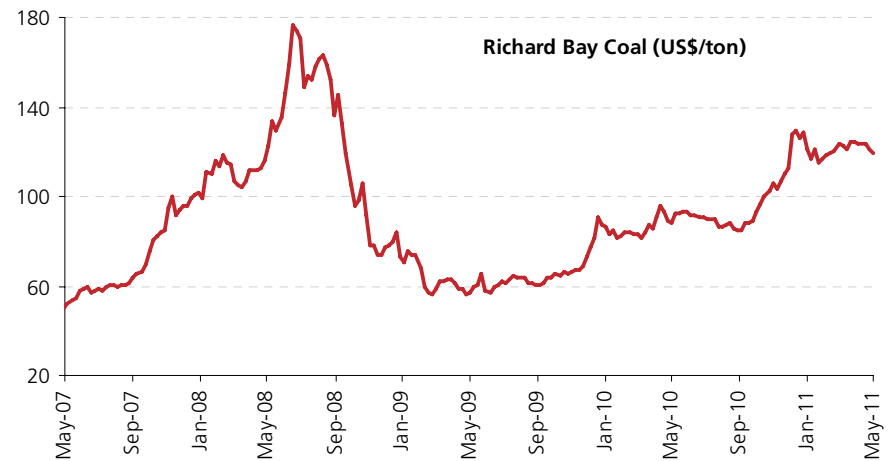
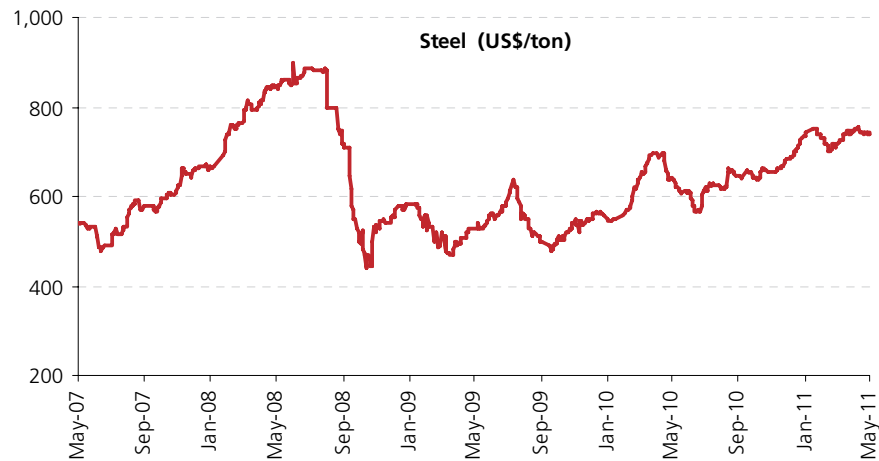
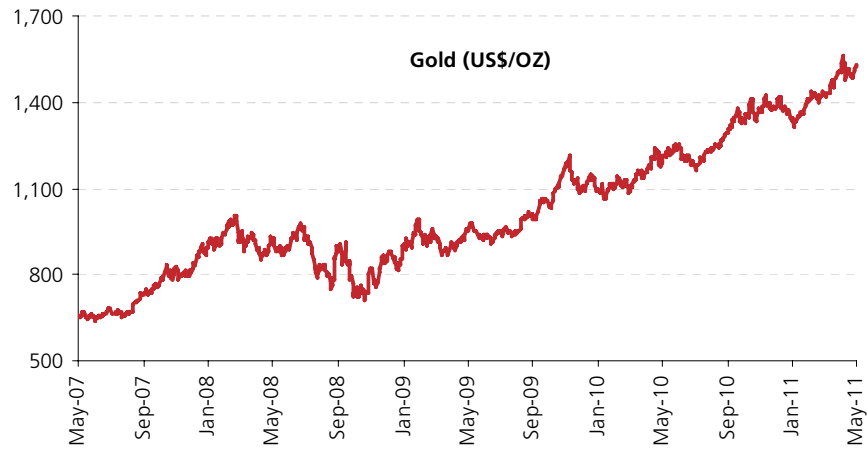
Key economic parameters



Source: Bloomberg, Kotak Institutional Equities

COMMODITIES

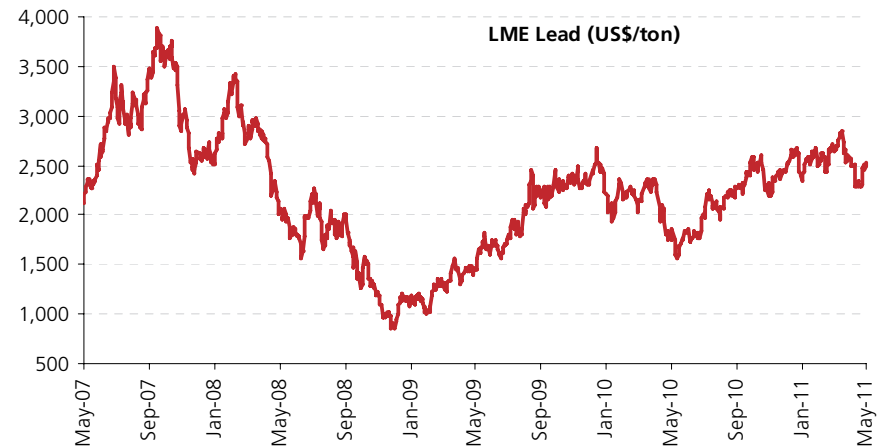
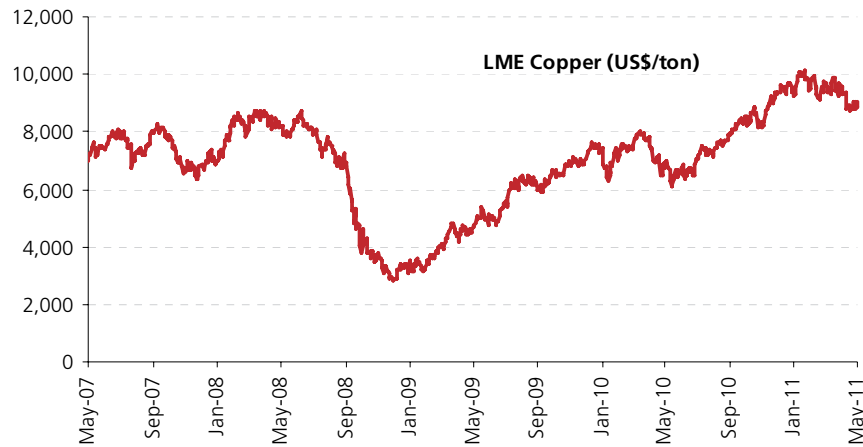
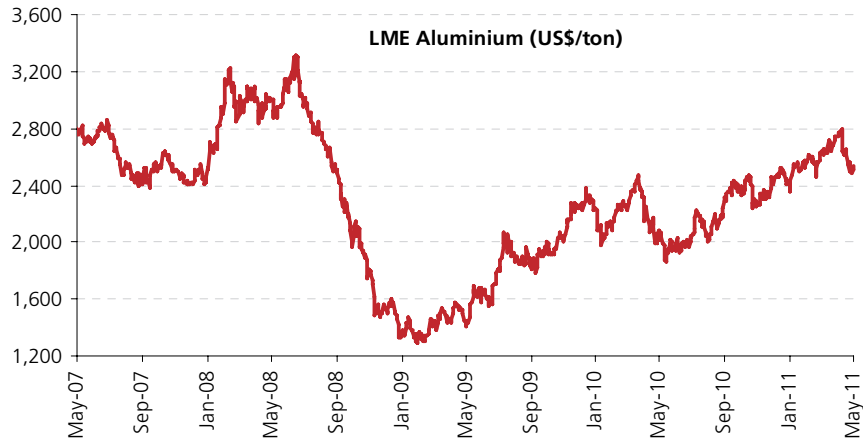
Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

COMMODITIES

Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

KOTAK VALUATION SUMMARY

VALUATION SUMMARY

Kotak Institutional Equities Universe

Company	26-May-11 Price (Rs)	Rating	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)
			(Rs mn)	(US\$ mn)		2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E			
Consumer products																													
Asian Paints	2,993	REDUCE	287,112	6,337	96	80.8	94.6	111.4	13.0	17.1	17.7	37.0	31.6	26.9	24.7	20.1	16.5	14.0	10.8	8.7	1.1	0.9	1.2	43.9	40.0	36.8	2,900	(3.1)	6.0
Colgate-Palmolive (India)	898	SELL	122,156	2,696	136	29.5	34.3	39.3	(5.2)	16.2	14.7	30.4	26.2	22.8	26.1	22.5	18.9	32.6	28.3	23.1	2.5	2.9	3.1	114.5	115.7	111.5	780	(13.2)	1.7
Dabur India	110	ADD	189,566	4,184	1,731	3.3	3.7	4.3	13.4	11.8	16.5	33.3	29.8	25.6	26.3	21.5	18.6	14.6	11.2	8.9	1.1	1.2	1.4	51.5	43.3	39.5	110	0.5	3.7
GlaxoSmithkline Consumer (a)	2,200	ADD	92,535	2,042	42	71.3	85.4	101.5	28.8	19.8	18.9	30.9	25.8	21.7	22.0	18.7	15.5	9.9	8.0	6.5	2.3	1.3	1.5	32.2	33.5	32.5	2,700	22.7	0.7
Godrej Consumer Products	386	ADD	124,825	2,755	324	14.6	17.3	20.7	29.1	18.3	19.7	26.4	22.3	18.6	21.4	16.7	13.7	7.0	6.5	5.9	1.2	0.8	0.8	34.6	30.4	33.3	470	21.8	1.2
Hindustan Unilever	309	ADD	666,402	14,709	2,159	9.6	11.3	13.4	2.1	17.7	17.9	32.1	27.3	23.1	26.4	22.6	18.5	25.3	21.7	18.5	2.5	3.0	3.5	80.6	85.8	86.5	340	10.2	14.1
ITC	187	ADD	1,439,364	31,771	7,697	6.5	8.0	9.1	22.1	23.1	13.5	28.9	23.4	20.7	19.5	15.8	13.7	9.1	7.7	6.7	2.4	2.0	2.4	34.3	37.3	36.2	230	23.0	34.6
Jubilant Foodworks	826	SELL	53,284	1,176	65	11.2	14.7	20.0	98.7	31.7	35.9	74.0	56.2	41.4	44.5	30.2	22.7	27.8	18.6	12.8	—	—	—	46.5	39.7	36.7	550	(33.4)	22.1
Jyothy Laboratories	203	ADD	16,392	362	81	10.4	12.7	14.7	(5.4)	21.3	15.8	19.5	16.1	13.9	13.9	10.6	8.3	2.4	2.2	2.0	1.7	2.3	2.9	11.8	13.8	14.6	240	18.1	1.3
Marico	141	ADD	86,383	1,907	612	4.2	5.5	6.5	10.9	29.4	18.6	33.5	25.9	21.8	22.4	17.7	14.9	9.2	7.2	5.7	0.5	0.7	0.8	32.8	31.8	29.5	160	13.3	1.1
Nestle India (a)	3,933	REDUCE	379,198	8,370	96	86.8	104.6	123.9	16.7	20.5	18.4	45.3	37.6	31.7	30.1	24.5	20.3	44.3	31.9	24.0	1.2	1.5	1.8	116.5	98.7	86.3	3,500	(11.0)	2.9
Tata Global Beverages	86	ADD	53,028	1,170	618	4.0	6.0	6.8	(34.6)	52.6	13.0	21.7	14.2	12.6	8.4	7.1	6.1	1.1	1.0	1.0	2.3	3.6	4.0	6.5	9.6	10.4	110	28.3	3.4
Titan Industries	4,228	ADD	187,689	4,143	44	105.3	130.7	153.6	83.9	24.0	17.6	40.1	32.4	27.5	29.3	22.4	18.3	16.3	11.2	8.2	0.3	0.3	0.4	49.4	41.0	34.4	4,800	13.5	32.1
United Spirits	1,017	ADD	127,673	2,818	126	29.5	39.2	50.6	8.3	32.8	29.0	34.4	25.9	20.1	17.1	13.1	11.3	2.9	2.7	2.4	0.3	0.3	0.4	9.1	10.7	12.5	1,300	27.9	8.8
Consumer products																													
Constructions																													
IVRCL	65	BUY	17,476	386	267	7.0	8.9	12.6	(11.7)	28.1	40.7	9.4	7.3	5.2	6.7	5.7	4.7	0.9	0.8	0.7	0.6	0.6	0.6	9.6	11.2	13.9	125	91.0	6.2
Nagarjuna Construction Co.	86	BUY	22,105	488	257	7.2	9.7	13.1	1.2	34.3	35.4	11.9	8.9	6.6	8.4	7.0	5.4	0.9	0.8	0.8	2.3	2.3	2.3	8.0	10.1	12.5	160	85.7	2.8
Punj Lloyd	54	REDUCE	18,338	405	340	1.3	8.5	12.6	(137.2)	567.0	48.2	42.4	6.4	4.3	7.5	5.4	4.4	0.6	0.6	0.5	0.1	1.4	2.0	1.4	9.0	12.2	90	66.7	7.3
Sadbhav Engineering	133	BUY	19,898	439	150	8.0	10.0	12.1	55.1	25.4	21.1	16.6	13.3	11.0	10.2	8.4	7.1	3.1	2.5	2.1	0.5	0.5	0.5	18.6	19.2	19.0	190	43.2	0.6
Construction																													
Energy																													
Aban Offshore	538	BUY	23,428	517	44	116.2	103.6	104.0	9.0	(10.8)	0.3	4.6	5.2	5.2	7.0	6.6	6.6	1.1	1.0	0.8	0.7	0.7	0.8	29.2	19.9	16.5	775	43.9	14.9
Bharat Petroleum	616	ADD	222,781	4,917	362	42.7	42.6	54.6	(25.8)	(0.2)	28.1	14.4	14.4	11.3	10.5	10.6	8.2	1.5	1.4	1.3	2.1	2.3	2.9	10.1	9.4	11.2	740	20.1	9.0
Cairn India	343	REDUCE	653,214	14,418	1,902	33.3	61.8	63.1	501.1	85.6	2.0	10.3	5.6	5.4	7.6	4.1	3.5	1.6	1.3	1.2	—	1.5	5.8	16.9	25.9	22.7	340	(1.0)	62.4
Castrol India (a)	484	SELL	119,733	2,643	247	19.8	20.7	21.3	28.7	4.6	2.7	24.4	23.4	22.7	15.5	15.3	14.7	23.2	21.3	20.1	3.1	3.3	3.5	100.5	95.0	90.9	385	(20.5)	1.7
GAIL (India)	442	ADD	560,795	12,378	1,268	28.1	34.3	35.0	13.4	22.3	1.8	10.7	12.9	12.6	9.8	9.1	8.6	2.7	2.3	2.0	1.7	2.0	2.1	17.4	18.3	16.0	525	18.8	11.7
GSPL	97	REDUCE	54,486	1,203	563	9.0	8.1	9.0	23.1	(10.3)	11.9	15.8	12.0	10.7	6.9	7.1	6.5	2.4	2.0	1.7	1.0	1.7	2.8	25.5	18.2	17.4	92	(5.0)	2.4
Hindustan Petroleum	355	ADD	120,433	2,658	339	45.7	29.2	39.3	(11.4)	(36.0)	34.6	7.8	12.2	9.0	3.1	3.6	2.9	0.8	0.7	0.7	3.9	2.5	3.4	10.1	5.8	7.4	455	28.1	7.8
Indian Oil Corporation	308	ADD	747,202	16,493	2,428	34.4	30.9	35.9	(30.0)	(10.1)	16.0	9.0	10.0	8.6	6.9	7.3	5.6	1.3	1.2	1.1	3.4	3.0	3.5	13.9	11.6	12.4	420	36.5	5.2
Oil India	1,247	ADD	299,775	6,617	240	122.2	138.9	150.1	6.1	13.7	8.0	10.2	9.0	8.3	4.6	3.8	3.3	1.8	1.6	1.4	3.2	3.6	4.0	16.7	16.9	16.3	1,540	23.5	2.2
Oil & Natural Gas Corporation	274	BUY	2,348,070	51,828	8,556	26.6	32.5	33.3	15.9	22.3	2.4	10.3	8.4	8.2	4.0	3.4	3.1	1.7	1.5	1.3	5.1	3.6	3.8	15.3	17.6	16.0	360	31.2	30.3
Petronet LNG	133	SELL	100,088	2,209	750	8.1	9.3	9.5	50.5	15.0	1.8	16.4	14.3	14.0	9.8	8.8	9.1	3.3	2.8	2.4	1.5	2.2	2.2	20.9	20.2	17.7	105	(21.3)	4.9
Reliance Industries	934	REDUCE	2,781,005	61,384	2,978	62.0	68.5	73.1	24.8	10.5	6.7	15.1	13.6	12.8	8.1	7.2	6.4	1.7	1.5	1.4	0.9	1.0	1.1	13.0	12.9	12.3	1,100	17.8	97.8
Energy																													
Industrials																													
ABB	856	SELL	181,394	4,004	212	3.0	21.1	27.3	(82.2)	606.1	29.6	286.9	40.6	31.3	209.3	27.5	20.5	7.5	6.5	5.5	0.2	0.4	0.4	2.6	17.1	19.1	700	(18.2)	2.4
BGR Energy Systems	460	REDUCE	33,193	733	72	44.8	45.8	46.9	60.0	2.2	2.6	10.3	10.1	9.8	6.6	5.9	5.5	3.5	2.8	2.3	2.0	2.0	2.0	39.0	30.6	25.4	470	2.2	7.5
Bharat Electronics	1,676	REDUCE	134,092	2,960	80	102.9	120.8	133.9	7.0	17.4	10.8	16.3	13.9	12.5	10.0	7.4	6.3	2.6	2.3	2.0	1.5	1.5	1.5	17.2	17.2	2,000	19.3	1.0	
Bharat Heavy Electricals	1,923	REDUCE	941,396	20,779	490	122.8	134.6	150.1	39.7	9.6	11.5	15.7	14.3	12.8	10.5	9.4	8.0	4.7	3.8	3.1	1.4	1.5	1.7	33.3	29.1	26.4	2,275	18.3	41.0
Crompton Greaves	257	BUY	165,058	3,643	642	14.3	15.8	18.4	11.5	10.1	16.6	18.0	16.3	14.0	11.9	9.8	8.0	5.0	4.0	3.2	0.8	0.8	0.9	31.7	27.2	25.4	310	20.5	8.1
Larsen & Toubro	1,638	ADD	991,529	21,886	605	68.9	83.7	102.4	18.9	21.4	22.4	23.8	19.6	16.0	15.9	11.6	9.7	3.8	3.1	2.7	0.7	0.9	0.9	17.2	17.4	17.9	1,875	14.4	75.6
Maharashtra Seamless	357	ADD	25,183	556	71	46.6	42.4	47.2	20.6	(9.0)	11.4	7.7	8.4	7.6	3.7	3.9	3.2	1.0	0.9	0.8	2.3	2.4	2.6	13.4	11.2	11.6	418	17.1	0.3
Siemens	868	REDUCE	292,486	6,456	337	22.4	31.7	33.6	39.5	41.3	5.9	38.7	27.4	25.8	22.9	17.4	16.1	9.0	7.2	5.9	0.6	0.7	0.8	25.2	29.3	25.2	860	(0.9)	12.7
Suzlon Energy	50	REDUCE	79,766	1,761	1,594	(6.0)	(0.0)	4.6	(2.8)	(99.9)	(62,927.5)	(8.3)	(6,877.9)	10.9	30.0	9.8	6.4	1.2	1.3	1.2	—	—	—	0.4	(14.4)	(0.0)	11.1	5.9	28.0
Thermax	586	REDUCE	69,852	1,542	119	32.0	35.6																						

VALUATION SUMMARY

Kotak Institutional Equities Universe

Company	26-May-11		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target	Upside	ADVT-
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	shares (mn)	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	(Rs)	(%)	3mo (US\$ mn)
Media																													
DB Corp	237	BUY	43,079	951	182	14.2	14.6	17.5	33.5	2.8	19.8	16.7	16.2	13.6	10.7	9.7	8.1	5.2	4.5	4.0	1.7	2.5	4.2	35.1	29.8	31.4	320	35.0	0.3
DishTV	76	ADD	80,932	1,786	1,062	(1.8)	(0.0)	1.2	(27.5)	(97.2)	(2,583.4)	(42.6)	(1,531.4)	61.7	37.8	17.7	11.9	38.5	39.5	24.1	—	—	—	(62.3)	(2.5)	48.5	85	11.5	4.1
Eros International	139	BUY	12,844	284	93	12.6	16.6	20.9	30.1	32.5	25.3	11.0	8.3	6.6	7.6	6.1	4.4	1.8	1.5	1.2	—	—	—	24.7	19.8	20.1	200	44.4	0.5
Hindustan Media Ventures	146	BUY	10,706	236	73	7.3	9.0	12.0	198.7	22.7	33.9	19.9	16.2	12.1	9.8	8.6	6.2	2.7	2.3	2.0	—	—	2.1	22.3	15.1	17.5	200	37.1	0.2
HT Media	152	ADD	35,791	790	235	7.7	8.6	11.3	26.3	11.5	31.2	19.7	17.7	13.5	9.4	8.1	6.2	2.6	2.4	2.2	1.3	2.6	3.9	15.0	13.9	17.1	170	11.6	0.4
Jagran Prakashan	120	BUY	36,093	797	301	7.0	7.9	9.3	19.2	13.4	18.4	17.2	15.2	12.8	10.0	9.0	7.5	5.3	4.8	4.4	3.3	4.2	5.0	32.4	33.4	36.1	155	29.3	0.3
Sun TV Network	381	ADD	150,223	3,316	394	19.6	22.5	26.7	48.5	14.8	18.8	19.5	16.9	14.3	11.7	10.1	8.5	6.2	5.4	4.9	2.3	3.1	4.2	36.6	35.9	37.6	480	25.9	2.6
Zee Entertainment Enterprises	138	ADD	135,112	2,982	978	5.8	7.0	8.1	9.1	21.5	15.7	23.8	19.6	16.9	16.2	12.8	10.9	3.2	3.1	3.0	1.0	1.1	1.2	14.0	16.3	18.2	145	5.0	6.0
Media		Neutral	504,780	11,142					50.7	26.8	25.3	25.7	20.2	16.1	13.7	11.1	8.9	4.6	4.3	3.9	1.4	1.9	2.6	18.1	21.0	24.0			
Metals & Mining																													
Coal India	389	BUY	2,456,750	54,227	6,316	17.3	24.0	28.0	13.6	38.6	16.9	22.5	16.2	13.9	13.6	10.7	8.9	7.0	5.5	4.4	1.3	1.8	2.2	35.1	38.1	35.3	390	0.3	38.7
Hindalco Industries	187	ADD	357,057	7,881	1,914	16.4	17.7	19.6	(17.9)	8.1	10.5	11.4	10.5	9.5	7.3	7.2	7.1	1.5	1.3	1.2	0.7	0.7	0.7	13.7	13.2	13.0	250	34.0	33.8
Hindustan Zinc	129	BUY	545,025	12,030	4,225	11.6	14.6	16.0	21.8	25.1	9.5	11.1	8.9	8.1	7.0	4.6	3.5	2.3	1.9	1.5	0.8	0.8	0.8	24.2	24.3	21.5	170	31.8	6.2
Jindal Steel and Power	641	REDUCE	598,559	13,212	934	40.2	51.3	58.6	5.1	27.6	14.2	15.9	12.5	10.9	11.5	9.2	8.5	3.9	3.0	2.3	0.3	0.3	0.3	30.8	29.3	25.7	700	9.3	17.9
JSW Steel	912	REDUCE	226,243	4,994	248	78.6	87.4	113.7	(2.2)	11.2	30.0	11.6	10.4	8.0	7.5	5.5	5.2	1.2	1.0	0.9	1.2	1.0	1.0	11.9	10.3	11.4	990	8.6	32.8
National Aluminium Co.	84	SELL	215,457	4,756	2,577	4.6	5.1	6.2	50.5	12.0	20.2	18.2	16.3	13.6	9.9	8.4	6.6	1.9	1.8	1.6	1.5	1.5	1.5	10.9	11.3	12.5	76	(9.1)	1.7
Sesa Goa	277	REDUCE	246,803	5,448	890	47.5	41.9	36.7	60.6	(11.8)	(12.3)	5.8	6.6	7.6	2.9	4.6	4.9	1.9	1.5	1.2	1.4	1.4	1.5	36.6	23.2	17.2	305	9.9	23.0
Sterlite Industries	168	BUY	565,094	12,473	3,362	15.2	21.3	24.4	26.2	40.2	14.8	11.1	7.9	6.9	7.4	4.6	3.7	1.4	1.2	1.0	0.7	0.7	0.7	13.0	15.9	15.7	220	30.9	18.7
Tata Steel	574	BUY	557,735	12,311	971	76.0	70.8	85.8	(2,278.5)	(6.9)	21.2	7.5	8.1	6.7	6.6	6.2	5.3	1.6	1.3	1.1	2.1	—	—	24.9	17.8	18.4	750	30.6	58.3
Metals & Mining		Attractive	5,768,724	127,331					42.0	20.0	14.1	13.6	11.4	10.0	8.6	7.0	6.2	2.7	2.2	1.8	1.1	1.2	1.3	19.4	19.3	18.5			
Pharmaceutical																													
Apollo Hospitals	475	BUY	62,867	1,388	132	13.9	17.6	21.8	27.0	26.9	23.5	34.2	26.9	21.8	15.8	12.3	10.4	3.4	3.0	2.6	—	—	—	10.0	11.4	12.2	565	18.8	0.8
Biocon	334	BUY	66,710	1,472	200	18.4	21.6	24.2	23.8	17.4	12.3	18.2	15.5	13.8	10.4	8.9	7.8	3.2	2.7	2.4	—	—	—	19.4	19.4	18.7	480	43.9	3.2
Cipla	320	REDUCE	257,216	5,677	803	12.1	16.3	18.8	(12.0)	35.4	15.4	26.6	19.6	17.0	21.5	15.3	12.8	3.9	3.3	2.9	0.8	0.8	0.8	15.4	18.2	—	330	3.0	9.0
Cadila Healthcare	864	BUY	176,944	3,906	205	34.7	42.2	51.7	40.6	21.4	22.7	24.9	20.5	16.7	21.5	16.0	12.8	8.1	6.3	4.9	0.7	1.0	1.2	37.5	34.5	32.8	1,130	30.8	1.9
Dishman Pharma & chemicals	96	SELL	7,767	171	81	9.8	8.0	9.4	(31.8)	(18.7)	17.2	9.7	11.9	10.2	9.9	7.6	6.8	0.9	0.8	0.8	—	—	—	9.6	7.2	7.9	95	(0.5)	0.3
Divi's Laboratories	727	BUY	96,457	2,129	133	32.4	40.3	46.2	25.7	24.4	14.7	22.5	18.1	15.7	18.3	13.6	11.5	5.4	4.5	3.8	—	—	—	25.9	27.1	26.2	900	23.7	5.0
GlaxoSmithkline Pharmaceuticals (a)	2,329	REDUCE	197,244	4,354	85	68.3	80.2	91.8	15.5	17.5	14.4	34.1	29.0	25.4	23.0	19.8	16.8	10.1	9.2	8.4	—	—	—	30.9	33.3	34.7	2,300	(1.2)	1.7
Glenmark Pharmaceuticals	290	REDUCE	81,113	1,790	280	17.6	20.6	25.9	38.3	17.3	25.9	16.5	14.1	11.2	14.7	11.7	9.6	2.9	2.4	2.1	—	—	—	18.4	18.2	19.3	330	13.9	5.4
Jubilant Life Sciences	162	REDUCE	25,815	570	159	14.4	16.4	19.3	(45.6)	13.7	17.4	11.2	9.9	8.4	10.0	8.2	7.5	1.2	1.1	1.0	1.2	1.5	2.2	12.3	11.5	12.2	195	20.3	0.6
Lupin	442	ADD	197,265	4,354	446	19.3	20.4	25.2	26.1	5.6	23.3	22.9	21.7	17.6	19.2	15.9	12.9	5.9	4.8	3.9	0.7	0.8	0.9	29.5	25.0	25.2	500	13.1	9.6
Ranbaxy Laboratories	507	SELL	217,156	4,793	428	23.4	20.3	21.9	231.8	(13.3)	7.6	21.6	24.9	23.2	15.8	16.6	15.8	4.0	3.4	2.9	—	—	—	19.5	13.9	13.0	365	(28.0)	11.5
Sun Pharmaceuticals	441	ADD	456,389	10,074	1,036	17.4	19.7	24.1	33.4	13.1	22.6	25.3	22.4	18.3	21.2	17.4	13.8	4.8	4.0	3.3	0.6	0.6	0.6	21.0	19.9	20.5	480	8.9	9.5
Pharmaceuticals		Cautious	2,184,562	48,219					20.1	14.6	4.6	24.7	21.5	20.6	16.9	13.9	13.5	3.7	3.1	2.9	0.5	0.5	0.5	14.8	14.6	14.3			
Property																													
DLF	218	ADD	372,919	8,231	1,715	9.1	11.9	15.7	(14.5)	31.3	31.8	24.0	18.3	13.9	16.0	12.6	9.6	1.4	1.3	1.2	0.9	1.1	1.4	5.4	7.5	9.2	270	24.1	32.5
Housing Development & Infrastructure	157	ADD	69,083	1,525	441	23.0	28.4	34.2	44.0	23.9	20.1	6.8	5.5	4.6	8.1	4.9	3.3	0.8	0.6	0.6	—	—	—	11.8	12.5	13.1	180	14.9	21.1
Indiabulls Real Estate	111	RS	44,629	985	402	4.0	8.5	15.4	(1,095.5)	114.1	81.5	27.9	13.1	7.2	17.8	14.6	6.4	0.4	0.4	0.3	—	—	0.6	1.4	2.9	5.0	—	—	12.1
Mahindra Life Space Developer	359	ADD	14,667	324	41	25.0	29.7	37.2	30.3	18.9	25.4	14.4	12.1	9.7	11.1	7.9	5.7	1.4	1.3	1.2	1.4	1.3	1.4	10.4	11.2	12.7	470	30.8	0.2
Oberoi Realty	224	BUY	73,930	1,632	330	15.7	20.0	28.0	14.7	27.6	39.7	14.3	11.2	8.0	10.4	7.2	4.4	2.2	1.9	1.6	0.4	0.7	1.1	19.9	18.2	21.3	315	40.5	0.3
Phoenix Mills	185	BUY	26,862	593	145	6.3	7.5	10.7	52.5	18.4	43.8	29.4	24.8	17.3	21.5	17.8	13.1	1.7	1.6	1.5	0.8	1.1	1.1	5.8	6.6	8.9	300	61.8	0.6
Puravankara Projects	93	REDUCE	19,870	439	213	5.5	9.1	11.2	(18.9)	65.2	22.4	16.9	10.2	8.3	21.0	10.6	8.7	1.3	1.2	1.1	1.1	1.6	2.1	8.0	12.1	13.4	110	18.2	0.2
Sobha Developers	244	BUY	23,918	528	98	18.7	23.4	27.7	33.0	25.0	18.5	13.0	10.4																

VALUATION SUMMARY

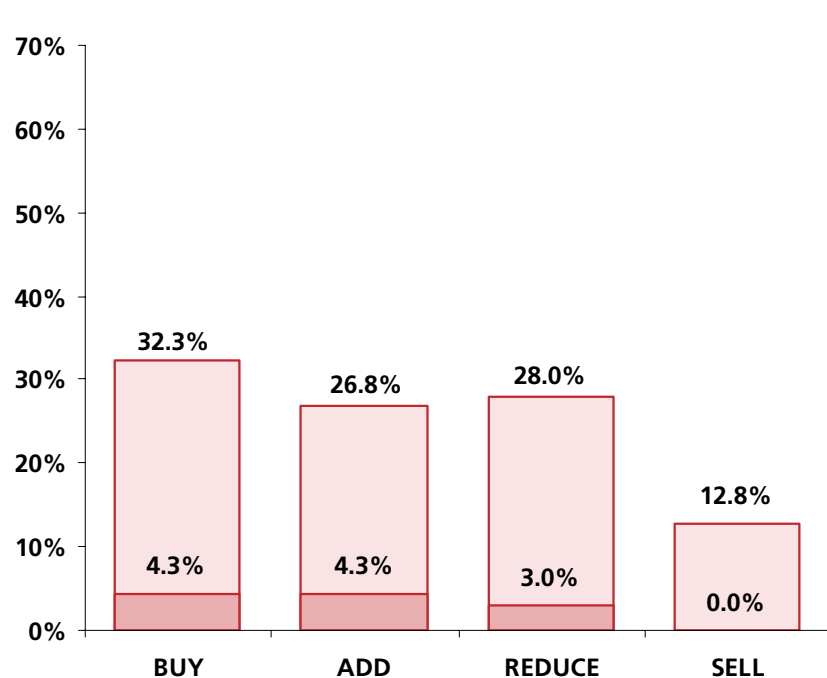
Kotak Institutional Equities Universe

Company	26-May-11		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price	Upside	ADVT-3mo				
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	2011E	2012E	2013E	(Rs)	(%)	(US\$ mn)				
Sugar																																	
Bajaj Hindustan	62	SELL	14,104	311	228	(8.0)	(1.2)	2.1	(348.8)	(85.6)	(282.4)	(7.7)	(53.4)	29.3	18.1	7.4	6.2	0.5	0.5	0.5	0.9	0.9	0.9	(6.0)	(0.9)	1.6	80	29.6	2.2				
Balrampur Chini Mills	57	ADD	14,545	321	257	0.8	8.3	8.4	(89.9)	974.0	1.0	73.1	6.8	6.7	10.7	4.5	3.6	1.1	0.9	0.8	0.8	0.8	1.5	14.8	13.1	90	58.9	2.0					
Shree Renuka Sugars	56	REDUCE	37,676	832	670	10.5	4.3	5.9	214.4	(59.5)	37.9	5.4	13.2	9.6	3.9	2.6	1.9	1.5	1.2	1.0	1.8	1.8	1.8	34.4	11.1	13.8	75	33.3	8.4				
Sugar		Cautious	66,325	1,464					18.4	(17.0)	39.1	11.6	14.0	10.1	8.0	4.3	3.2	1.0	0.9	0.8	1.4	1.4	1.4	8.3	6.1	7.7							
Technology																																	
HCL Technologies	499	REDUCE	351,971	7,769	705	23.1	30.8	36.4	31.9	33.4	18.1	21.6	16.2	13.7	13.1	10.1	8.4	4.5	3.8	3.2	1.5	1.6	1.6	22.1	25.4	25.5	490	(1.9)	10.3				
Hexaware Technologies	62	BUY	18,129	400	291	3.0	6.6	7.4	(36.5)	122.6	11.3	21.0	9.4	8.5	15.7	7.1	5.7	1.9	1.6	1.4	2.4	2.0	2.4	9.4	18.5	17.9	80	28.4	2.7				
Infosys Technologies	2,777	BUY	1,593,740	35,178	574	119.7	144.8	172.6	10.5	20.9	19.2	23.2	19.2	16.1	15.9	12.9	10.6	6.1	5.1	4.2	2.2	1.6	1.9	28.0	29.0	28.7	3,450	24.3	106.3				
Mahindra Satyam	78	REDUCE	91,963	2,030	1,176	4.2	4.9	6.1	68.9	17.0	23.2	18.6	15.9	12.9	14.2	8.1	6.3	5.3	4.0	3.1	—	—	—	27.6	28.8	26.9	80	2.3	11.0				
Mindtree	355	REDUCE	14,606	322	41	24.7	33.9	38.6	(52.7)	37.3	14.0	14.4	10.5	9.2	8.0	6.0	4.9	1.9	1.6	1.5	0.7	1.0	3.3	14.4	16.6	16.7	370	4.3	0.4				
Mphasis BFL	449	SELL	94,530	2,087	211	51.8	37.3	38.1	18.8	(28.0)	2.2	8.7	12.0	11.8	7.4	8.8	7.6	2.9	2.4	2.0	0.9	1.0	1.1	38.6	21.6	18.6	420	(6.4)	8.5				
Polaris Software Lab	183	SELL	18,220	402	100	19.3	18.9	20.9	25.7	(2.2)	10.8	9.5	9.7	8.7	6.1	5.0	4.4	1.8	1.5	1.3	2.0	2.1	2.2	20.2	16.9	16.4	175	(4.2)	4.3				
TCS	1,136	BUY	2,222,890	49,605	1,957	44.4	54.2	63.1	26.3	22.2	16.5	25.6	21.0	18.0	19.3	15.1	12.8	8.8	7.2	5.9	1.6	1.9	2.2	37.6	37.8	36.2	1,350	18.9	45.3				
Tech Mahindra	657	REDUCE	82,820	1,828	126	48.8	66.3	70.8	(25.2)	36.0	6.7	13.5	9.9	9.3	9.2	8.8	8.3	2.5	2.1	1.9	0.6	0.6	1.5	20.5	23.9	22.3	665	1.2	5.1				
Wipro	435	ADD	1,067,245	23,557	2,454	21.6	24.2	27.5	14.5	11.9	13.8	20.1	18.0	15.8	15.0	12.7	10.7	4.5	3.7	3.1	1.0	1.2	1.4	24.3	22.5	21.6	525	20.7	12.7				
Technology		Attractive	5,614,457	123,926					16.9	17.8	16.0	21.8	18.5	15.9	15.7	12.8	10.7	5.7	4.8	4.0	1.7	1.6	1.9	26.4	25.8	25.1							
Telecom																																	
Bharti Airtel	367	REDUCE	1,394,858	30,788	3,798	15.9	19.7	24.5	(32.6)	23.9	24.1	23.1	18.6	15.0	10.0	7.7	6.3	2.9	2.5	2.1	—	—	—	13.3	14.3	15.3	345	(6.1)	35.6				
IDEA	65	REDUCE	215,312	4,752	3,300	2.4	1.2	2.6	(11.2)	(48.9)	107.7	26.9	52.6	25.3	9.3	8.1	6.5	1.8	1.7	1.6	—	—	—	6.9	3.5	6.8	55	(15.7)	4.8				
MTNL	43	SELL	27,122	599	630	(10.4)	(9.1)	(8.4)	(33.7)	(11.9)	(8.1)	(4.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	0.3	0.3	0.3	—	—	—	(6.1)	(5.7)	(5.5)	35	(18.7)	1.1				
Reliance Communications	80	SELL	171,028	3,775	2,133	6.9	7.9	11.3	(65.2)	15.0	43.6	11.7	10.2	7.1	7.5	6.8	5.6	0.4	0.4	0.3	—	—	—	3.3	3.7	5.1	90	12.2	22.7				
Tata Communications	211	REDUCE	60,050	1,325	285	15.2	15.7	15.9	8.2	3.5	1.5	13.9	13.4	13.2	6.4	6.1	5.7	0.8	0.8	0.8	3.6	4.0	4.3	5.5	5.5	5.4	225	6.8	2.0				
Telecom		Cautious	1,868,370	41,240					(42.1)	17.0	32.1	23.1	19.7	14.9	9.5	7.6	6.2	1.5	1.4	1.3	0.1	0.1	0.1	6.6	7.1	8.6							
Utilities																																	
Adani Power	112	REDUCE	243,615	5,377	2,180	2.4	15.2	16.8	200.4	544.8	10.5	47.5	7.4	6.7	33.5	6.5	4.8	3.9	2.5	1.8	—	—	—	8.5	41.6	32.0	120	7.4	2.5				
CESC	268	BUY	33,502	739	125	37.7	42.5	51.3	9.1	12.7	20.8	7.1	6.3	5.2	5.3	5.7	5.4	0.7	0.7	0.6	1.8	2.0	2.2	10.5	10.7	11.5	440	64.1	0.6				
JSW Energy	70	SELL	114,636	2,530	1,640	5.1	7.6	5.9	12.9	47.6	(22.0)	13.6	9.2	11.8	14.0	6.6	6.0	2.0	1.7	1.5	—	—	—	16.2	19.9	13.2	70	0.1	2.2				
Lanco Infratech	33	BUY	72,581	1,602	2,223	3.1	4.9	5.1	44.5	59.8	3.1	10.6	6.6	6.4	11.1	7.4	7.2	1.7	1.3	1.1	—	—	—	17.9	22.0	18.1	65	99.1	7.6				
NHPC	25	BUY	301,983	6,666	12,301	1.5	1.7	2.1	(19.4)	15.6	20.0	16.4	14.2	11.9	12.3	9.7	8.2	1.1	1.1	1.0	1.6	1.9	2.3	7.1	7.8	8.9	28	14.1	3.0				
NTPC	171	REDUCE	1,409,150	31,104	8,245	11.0	11.9	12.7	5.3	7.4	6.8	15.5	14.4	13.5	12.8	11.8	11.0	2.0	1.9	1.7	2.2	2.1	2.2	13.7	13.5	13.3	200	17.0	7.9				
Reliance Infrastructure	536	BUY	143,404	3,165	267	60.8	70.8	84.0	(1.9)	16.3	18.7	8.8	7.6	6.4	6.6	5.0	3.8	0.6	0.6	0.5	1.7	1.9	2.1	9.1	10.7	12.8	1,030	92.1	28.0				
Reliance Power	110	SELL	308,839	6,817	2,805	2.9	4.0	2.5	0.1	38.4	(36.7)	38.5	27.8	44.0	226.5	49.1	19.3	1.9	1.8	1.7	—	—	—	5.2	6.6	4.0	115	4.5	9.4				
Tata Power	1,200	ADD	296,201	6,538	247	76.4	96.1	110.4	20.2	25.7	15.0	15.7	12.5	10.9	12.0	10.4	8.1	2.1	1.8	1.6	1.2	1.3	1.4	13.9	15.4	15.6	1,480	23.3	8.2				
Utilities		Cautious	2,923,911	64,538					8.2	32.0	6.9	16.5	12.5	11.7	15.0	10.7	9.0	1.7	1.5	1.4	1.5	1.4	1.6	10.4	12.4	12.0							
Others																																	
Carborundum Universal	262	BUY	24,455	540	93	17.8	18.0	22.1	62.9	1.3	23.1	14.8	14.6	11.8	9.4	8.5	7.0	3.0	2.6	2.2	1.4	1.4	1.8	21.4	20.0	20.9	300	14.5	0.2				
Havells India	385	ADD	48,007	1,060	125	23.2	28.9	32.0	278.2	24.5	10.7	16.6	13.3	12.0	11.1	8.8	7.6	7.0	4.7	3.5	0.6	0.7	0.8	52.1	42.4	33.3	425	10.5	3.1				
Jaiprakash Associates	80	BUY	176,262	3,891	2,214	5.5	5.8	5.8	214.7	5.2	(0.3)	14.5	13.7	13.8	11.4	9.7	9.4	1.8	1.6	1.5	—	—	—	13.2	12.3	11.1	135	69.6	28.5				
Jet Airways	440	BUY	37,977	838	86	(10.1)	31.6	70.8	(85.6)	(414)	124.2	(43.8)	13.9	6.2	8.9	7.4	5.8	2.2	1.9	1.5	—	—	—	(5.0)	14.6	26.5	650	47.8	12.9				
Sintex	168	SELL	45,778	1,010	272	17.0	19.2	20.3	40.2	13.4	5.7	9.9	8.8	8.3	7.9	7.0	6.2	1.8	1.5	1.3	0.8	0.8	0.9	17.9	16.9	15.1	170	1.0	6.2				
SpiceJet	40	BUY	15,979	353	403	2.4	4.2	5.9	(4.2)	73.5	39.5	16.3	9.4	6.7	12.0	9.5	6.9	5.1	3.3	2													

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Distribution of ratings/investment banking relationships



Percentage of companies covered by Kotak Institutional Equities, within the specified category.



Percentage of companies within each category for which Kotak Institutional Equities and or its affiliates has provided investment banking services within the previous 12 months.

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Source: Kotak Institutional Equities

As of March 31, 2011

Kotak Securities company-specific disclosures

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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

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