

August 21, 2009

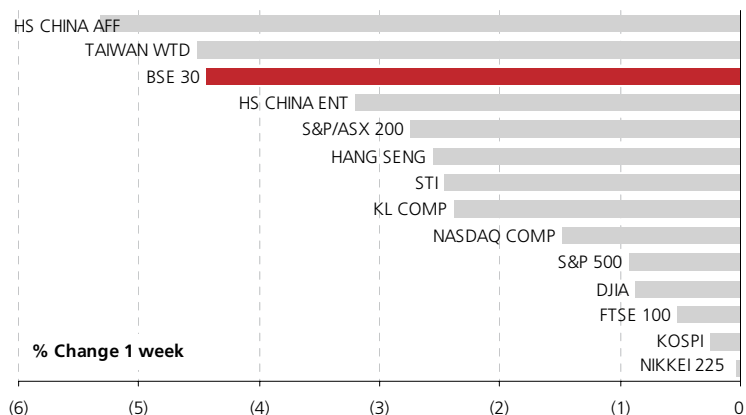
BSE-30: 15,012

Slips on global cues. During the past week, the BSE-30 index lost 502 points to close at 15,012. The fall was in line with weakness in regional indices. Reliance Industries, ITC and ICICI Bank were the largest losers in the index, contributing 240 points to the fall. We estimate earnings of BSE-30 Index to grow by 1.8% in FY2010E and 21.6% in FY2011E. The BSE-30 Index ex-Energy, Commodities is trading at 18.7X FY2010E and 16.4X FY2011E.

Market highlights for the week ending Thursday, August 20, 2009

- Largest gainers: Purvankara Projects (18%), Indian Oil Corp. (7%), J&K Bank (6%),
- Largest losers: Unitech (-11%), ACC (-11%), Sesa Goa (-10%)

Relative performance of regional indices (% Change 1 Week)



Source: Bloomberg

Flows in emerging markets

Date	Taiwan	Indonesia	Philippines	Thailand	India	Total
Investments in past week (US\$ mn)						
11-Aug-09	(83)	(1)	(7)	4	147	60
12-Aug-09	(143)	(30)	(7)	-	(23)	(203)
13-Aug-09	219	8	(5)	5	195	422
14-Aug-09	153	5	(3)	(17)	214	351
17-Aug-09	(192)	-	(3)	(63)	(200)	(458)
Total	(46)	(19)	(24)	(71)	332	173

Source: Bloomberg

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OUR TOP RECOMMENDATIONS

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

Companies	Sector	Rating	Mkt cap. (US\$ mn)	CMP (Rs)	Target (Rs)	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
						2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E
State Bank of India	Banking	BUY	22,867	1,753	1,870	143.7	129.8	149.1	12.2	13.5	11.8	—	—	—
Oil & Natural Gas Corporation	Energy	BUY	51,830	1,180	1,200	91.4	95.8	114.6	12.9	12.3	10.3	4.7	4.4	3.8
Infosys Technologies	Technology	BUY	23,472	1,990	1,900	102.4	102.5	112.8	19.4	19.4	17.6	14.3	13.7	11.6
Hindustan Unilever	Consumer products	BUY	11,489	257	320	9.5	10.6	12.2	27.0	24.3	21.1	20.6	18.1	15.6
ITC	Consumer products	BUY	17,432	225	255	8.7	10.3	11.8	26.0	21.8	19.1	15.9	13.4	11.7
Reliance Infrastructure	Utilities	BUY	5,094	1,095	1,250	62.7	63.7	68.6	17.5	17.2	16.0	21.9	20.1	16.0
Hindustan Zinc	Metals	BUY	6,155	709	825	64.6	57.3	74.1	11.0	12.4	9.6	7.1	7.1	4.7
Bharti Airtel	Telecom	ADD	31,207	400	425	22.3	26.9	30.6	17.9	14.9	13.1	10.5	8.8	7.6
Larsen & Toubro	Industrials	ADD	17,966	1,483	1,525	50.1	60.7	75.4	29.6	24.4	19.7	18.9	14.6	12.1
PSU bank basket														
Bank of Baroda	Banking	ADD	3,191	425	480	60.9	60.9	62.1	7.0	7.0	6.8	—	—	—
Corporation Bank	Banking	BUY	1,091	370	420	62.3	58.0	57.1	5.9	6.4	6.5	—	—	—
Punjab National Bank	Banking	BUY	4,307	665	800	98.0	100.7	115.2	6.8	6.6	5.8	—	—	—
Union Bank	Banking	BUY	2,127	205	280	34.2	32.4	35.4	6.0	6.3	5.8	—	—	—
BSE-30				15,012										

Source: Company, Bloomberg, Kotak Institutional Equities estimates

OUR MODEL PORTFOLIO

Kotak Institutional Equities Model Portfolio

Company	20-Aug	Rating	Weightage (%)		Diff.
	Price (Rs)		BSE-30	KS reco.	(bps)
Bajaj Auto	1,107	ADD	—	1.0	100
Hero Honda	1,414	REDUCE	1.4	—	(140)
Mahindra & Mahindra	774	ADD	1.7	2.2	50
Maruti Suzuki	1,371	SELL	1.8	1.3	(50)
Tata Motors	429	SELL	1.1	—	(114)
Automobiles			6.1	4.6	(153)
Bank of Baroda	425	ADD	—	1.0	100
Corporation Bank	370	BUY	—	1.0	100
Punjab National Bank	665	BUY	—	1.0	100
State Bank of India	1,753	BUY	4.5	6.5	200
Union Bank	205	BUY	—	1.0	100
PSU Banking			4.5	10.5	600
HDFC	2,393	NR	5.6	2.6	(300)
HDFC Bank	1,480	REDUCE	4.9	2.4	(250)
ICICI Bank	720	REDUCE	7.4	5.9	(150)
Rural Electrification Corp.	196	BUY	—	1.0	100
Pvt. Banking/Financing			17.9	11.9	(600)
ACC	759	REDUCE	0.8	—	(79)
Grasim Industries	2,541	REDUCE	1.7	1.7	—
Jaiprakash Associates	208	REDUCE	1.5	1.0	(50)
Ultratech Cement	710	BUY	—	1.0	100
Cement			4.0	3.7	(29)
Hindustan Unilever	257	BUY	2.7	4.7	200
ITC	225	BUY	5.6	7.1	150
Consumers			8.3	11.8	350
GAIL (India)	323	ADD	—	1.0	100
Oil & Natural Gas Corporation	1,180	BUY	4.3	5.8	150
Reliance Industries	1,898	SELL	11.9	5.8	(614)
Energy			16.3	12.6	(364)

Note:

1. Weights are with respect to August 3, 2009 prices.

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Company	20-Aug	Rating	Weightage (%)		Diff.
	Price (Rs)		BSE-30	KS reco.	(bps)
Bharat Heavy Electricals	2,254	REDUCE	3.5	2.0	(150)
IVRCL	330	BUY	—	0.5	50
Larsen & Toubro	1,483	ADD	7.0	7.5	50
Nagarjuna Construction	132	NR	—	0.5	50
Punj Lloyd	234	BUY	—	1.0	100
Industrials/Construction			10.5	11.5	100
Hindalco Industries	103	BUY	1.1	1.6	50
Hindustan Zinc	709	BUY	—	2.0	200
Sterlite Industries	619	REDUCE	1.9	—	(194)
Tata Steel	442	BUY	2.6	2.1	(50)
Metals			5.6	5.7	6
Sun Pharmaceuticals	1,189	ADD	0.8	0.8	—
Pharmaceuticals			0.8	0.8	—
DLF	375	SELL	1.5	—	(148)
Real estate			1.5	—	(148)
Infosys Technologies	1,990	BUY	8.7	10.2	150
TCS	501	ADD	2.2	2.2	—
Wipro	505	ADD	1.2	2.7	150
Technology			12.2	15.2	300
Bharti Airtel	400	ADD	4.7	5.7	100
Reliance Communications	245	SELL	1.8	—	(180)
Telecom			6.5	5.7	(80)
Lanco Infratech	406	ADD	—	1.0	100
NTPC	204	SELL	2.3	—	(230)
Reliance Infrastructure	1,095	BUY	1.5	3.0	150
Tata Power	1,282	ADD	1.9	1.9	—
Utilities			5.8	6.0	20
BSE-30	15,012		100.0	100.0	—

SENSEX VALUATION SUMMARY

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

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2008	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2009	2010E	2009	2010E
Automobiles	23,476	6.8	(23.5)	54.0	6.8	26.4	17.1	16.0	15.8	10.3	9.2	3.5	3.0	1.0	1.0	13.4	17.3
Banking	67,052	43.9	16.7	1.0	15.4	18.7	18.6	16.1	—	—	—	2.4	2.1	1.3	1.4	12.8	11.6
Cement	7,714	25.7	(15.0)	14.0	(5.0)	11.6	10.1	10.7	6.3	5.1	5.1	2.2	1.9	2.0	2.0	19.3	18.6
Consumers	28,921	15.5	8.6	16.2	14.5	26.4	22.7	19.8	17.4	14.2	12.3	8.4	7.4	2.4	2.5	32.0	32.6
Diversified	6,006	20.7	(30.8)	123.8	70.2	69.4	31.0	18.2	21.0	13.3	12.3	5.3	4.4	—	—	7.6	14.3
Energy	105,379	13.9	2.0	6.9	31.1	14.6	13.6	10.4	6.9	5.8	4.6	2.2	2.0	1.7	1.9	15.3	14.6
Industrials	40,632	21.3	19.7	33.9	19.2	32.6	24.3	20.4	19.1	14.0	11.8	7.0	5.4	0.7	0.8	21.6	22.4
Metals	22,470	11.3	0.3	(49.7)	78.9	8.4	16.7	9.3	6.3	7.4	5.6	1.2	1.0	1.2	0.6	14.3	6.2
Pharmaceuticals	5,060	89.6	22.2	(45.8)	34.9	13.5	25.0	18.5	10.1	17.1	12.1	3.6	3.3	1.2	1.1	26.8	13.1
Property	13,077	304.9	(36.6)	(49.9)	19.2	12.8	25.5	21.4	12.2	16.9	14.6	2.6	2.4	0.8	0.8	20.3	9.4
Technology	58,774	19.1	15.9	7.0	12.0	19.3	18.0	16.1	13.9	11.9	10.0	5.8	4.7	1.2	1.5	30.3	26.2
Telecom	41,561	74.9	15.3	3.0	12.1	13.8	13.4	12.0	8.7	7.7	6.6	2.8	2.3	0.5	0.6	20.3	17.4
Utilities	45,930	9.9	10.9	17.8	12.0	21.7	18.4	16.4	13.0	11.8	11.5	2.6	2.3	1.5	1.7	12.0	12.7
BSE-30 Index	466,051	28.2	3.9	1.8	21.6	17.2	16.9	13.9	9.9	8.8	7.5	2.9	2.5	1.3	1.4	16.6	14.7
BSE-30 ex-Energy	360,672	34.5	4.7	(0.1)	17.9	18.2	18.2	15.5	11.5	10.4	9.1	3.1	2.7	1.2	1.3	17.1	14.7
BSE-30 ex-Energy, Com.	330,488	40.0	6.4	7.4	14.3	20.1	18.7	16.4	13.3	11.4	10.0	3.5	3.0	1.2	1.3	17.6	16.3
BSE-30 ex-Technology	407,278	29.3	2.6	1.1	22.9	17.0	16.8	13.7	9.5	8.5	7.2	2.7	2.3	1.3	1.4	15.7	13.9

Note:

(1) EV/EBITDA excludes banks.

Source: Company, Kotak Institutional Equities estimates

NIFTY VALUATION SUMMARY

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

	Mkt cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2008	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2009	2010E	2009	2010E
Automobiles	23,476	6.8	(23.5)	54.0	6.8	26.4	17.1	16.0	15.8	10.3	9.2	3.5	3.0	1.0	1.0	13.4	17.3
Banking	81,628	44.3	22.2	1.3	14.8	17.1	16.8	14.7	—	—	—	2.4	2.1	1.4	1.5	14.0	12.6
Consumers	28,921	15.5	8.6	16.2	14.5	26.4	22.7	19.8	17.4	14.2	12.3	8.4	7.4	2.4	2.5	32.0	32.6
Cement	10,825	14.7	(12.7)	13.1	(7.9)	12.1	10.7	11.7	6.6	5.4	5.6	2.3	2.0	2.3	2.0	19.0	18.3
Energy	126,703	12.3	0.3	11.7	36.9	15.8	14.2	10.4	7.4	6.3	4.9	2.1	1.9	1.6	1.8	13.2	13.4
Industrials	49,716	24.9	14.5	21.7	20.5	29.3	24.1	20.0	17.0	13.6	11.5	5.8	4.5	0.6	0.8	19.7	18.9
Metals	36,350	7.7	9.1	(35.2)	48.3	10.2	15.7	10.6	6.9	7.6	5.9	1.6	1.4	0.9	0.5	15.9	8.7
Property	17,222	193.8	(34.7)	(44.0)	16.5	13.5	24.0	20.6	12.2	16.0	14.1	2.8	2.3	0.6	0.6	21.2	9.5
Pharmaceuticals	11,829	55.8	(26.2)	(2.8)	28.2	25.5	26.3	20.5	18.3	16.6	13.5	3.8	3.4	0.8	1.1	14.7	13.1
Telecom	49,637	(70.2)	13.4	3.8	12.2	15.2	14.6	13.0	9.0	7.9	6.9	2.6	2.2	0.4	0.5	17.2	15.2
Technology	62,411	15.2	15.2	5.2	13.0	19.1	18.1	16.0	13.6	11.9	9.9	5.5	4.5	1.4	1.7	28.9	25.1
Utilities	53,645	10.9	12.5	20.7	12.6	24.8	20.5	18.2	14.9	13.9	13.8	2.6	2.4	1.3	1.5	10.6	11.6
NIFTY	552,362	26.1	4.3	3.4	22.2	17.6	17.0	13.9	10.3	9.5	8.0	2.8	2.4	1.2	1.4	15.7	14.1
NIFTY ex-Energy	425,659	31.9	5.8	0.5	16.6	18.2	18.1	15.5	11.9	11.3	9.9	3.0	2.6	1.1	1.3	16.7	14.4
NIFTY ex-Energy ex Com	389,309	37.2	5.2	6.9	13.1	19.6	18.4	16.2	13.4	12.2	10.9	3.3	2.9	1.2	1.3	16.9	15.6

Note:

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

Source: Company, Kotak Institutional Equities estimates

REGIONAL VALUATION SUMMARY

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

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

	Index	Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Brazil	MSCI BRAZIL	(4.1)	(15.6)	25.9	11.9	14.1	11.2	NA	0.5
China	VB/E/S CHINA	(20.1)	23.3	24.7	33.9	23.7	18.9	1.5	1.0
Hong Kong	VB/E/S HONG KONG	(40.6)	4.7	18.6	20.7	17.9	15.1	4.4	1.0
India	MSCI INDIA	(13.5)	15.6	21.5	21.0	17.9	14.8	1.3	0.8
Korea	MSCI KOREA	(38.4)	34.2	36.2	19.3	14.4	10.6	0.6	0.4
Malaysia	MSCI MALAYSIA	(13.8)	(18.8)	15.4	14.5	17.8	15.5	NA	1.2
Mexico	MSCI MEXICO	8.5	(28.1)	17.9	11.6	16.1	13.6	NA	0.9
Russia	MSCI RUSSIA	(3.2)	(40.4)	31.0	5.5	9.3	7.1	NA	0.3
Taiwan	MSCI TAIWAN	(68.4)	10.2	82.1	34.9	31.5	17.4	NA	0.4
Thailand	MSCI THAILAND	13.9	15.1	16.9	14.0	12.2	10.4	0.9	0.7
Asia - Emerging markets	MSCI EM ASIA	(32.9)	13.7	31.0	20.5	18.0	13.7	1.5	0.6

Source: Thomson Datastream

VALUATION SUMMARY OF BRICS SECTORS (1)

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

Index		Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Banking									
Russia	MSCI Russia Banks Industry Group	(19.4)	(107.4)	NA	9.3	NA	21.8	NA	NA
India	MSCI India Banks Industry Group	9.5	13.8	21.7	22.0	19.3	15.9	1.6	0.9
China	MSCI China Banks Industry Group	29.2	5.3	21.5	13.7	13.0	10.7	2.6	0.6
Brazil	MSCI Brazil Banks Industry Group	(17.7)	12.9	18.8	14.0	12.4	10.4	1.1	0.7
Consumers									
Russia	MSCI Russia Consumer Staples Sector	(27.4)	6.8	61.4	27.9	26.1	16.2	4.1	0.4
India	MSCI India Consumer Discretionary Sector	(10.1)	33.1	14.0	20.7	15.5	13.6	0.6	1.1
China	MSCI China Consumer Discretionary Sector	(27.0)	6.2	18.1	22.3	21.0	17.8	3.6	1.2
Brazil	MSCI Brazil Consumer Discretionary Sector	(25.2)	149.0	35.4	44.3	17.8	13.1	0.3	0.5
Energy									
Russia	MSCI Russia Energy Sector	2.9	(32.5)	20.7	4.7	7.0	5.8	NA	0.3
India	MSCI India Energy Sector	(10.2)	58.8	26.6	17.7	14.8	11.7	0.3	0.6
China	MSCI China Energy Sector	0.5	(14.7)	25.3	12.8	15.0	11.9	NA	0.6
Brazil	MSCI Brazil Energy Sector	54.9	(31.6)	25.9	9.8	14.4	11.4	NA	0.6
Industrials									
India	MSCI India Industrials Sector	(61.8)	146.6	42.1	74.3	30.1	21.2	0.5	0.7
China	MSCI China Industrials Sector	(67.1)	45.5	30.9	36.9	25.4	19.4	0.8	0.8
Brazil	MSCI Brazil Industrials Sector	(18.0)	78.3	24.1	26.4	14.8	11.9	0.3	0.6
Metals									
Russia	MSCI Russia Metals & Mining Industry	(24.7)	(80.6)	132.0	4.9	24.9	10.8	NA	0.2
India	MSCI India Metals & Mining Industry	(28.5)	(11.9)	41.1	12.0	13.6	9.7	NA	0.3
China	MSCI China Metals & Mining Industry	(66.8)	(14.6)	82.2	39.9	37.2	20.4	NA	0.5
Brazil	MSCI Brazil Metals & Mining Industry	(5.6)	(50.0)	41.9	7.9	15.8	11.1	NA	0.4

Source: Thomson Datastream

VALUATION SUMMARY OF BRICS SECTORS (2)

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

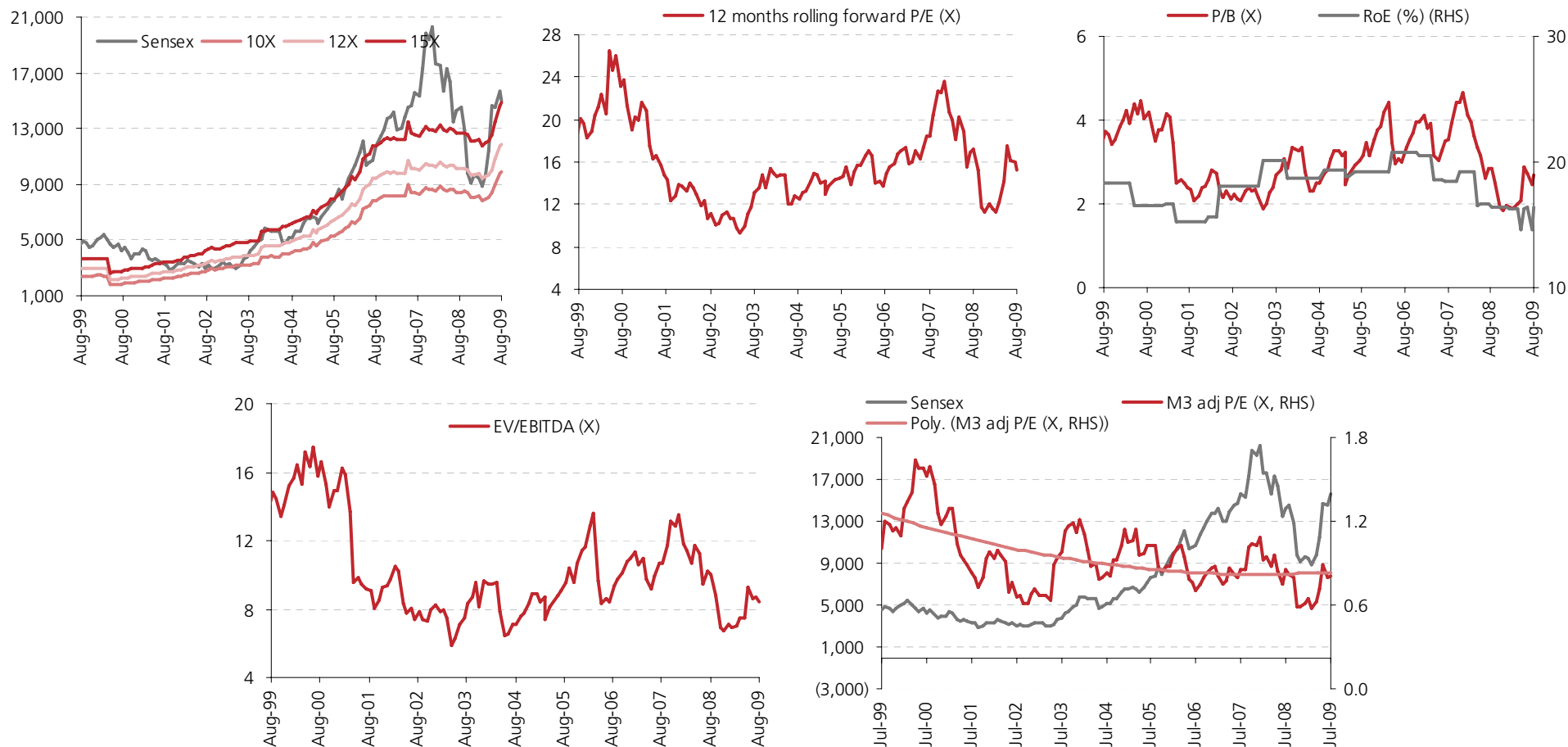
Index		Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Property									
India	MSCI India Real Estate Industry Group	(54.9)	(39.8)	40.5	19.8	32.9	23.4	NA	0.8
China	MSCI China Real Estate Industry Group	(9.6)	4.8	27.0	18.9	18.0	14.2	4.0	0.7
Technology									
India	MSCI India Software & Services Industry Group	19.8	0.1	8.1	19.7	19.7	18.2	171.6	2.4
China	MSCI China Software & Services Industry Group	62.2	52.9	33.6	67.3	44.0	33.0	1.3	1.3
Brazil	MSCI Brazil Software & Services Industry Group	70.7	8.9	13.7	16.4	15.1	13.3	1.8	1.1
Telecom									
Russia	MSCI Russia Diversified Telecommunications Services Industry	(62.5)	89.6	58.9	26.7	14.1	8.9	0.3	0.2
India	MSCI India Telecommunication Services Sector	4.7	(12.9)	8.5	10.4	11.9	11.0	NA	1.4
China	MSCI China Telecommunication Services Sector	22.3	(1.4)	2.1	14.6	14.8	14.5	NA	7.2
Brazil	MSCI Brazil Telecommunication Services Sector	(32.4)	4.7	38.2	12.7	12.2	8.8	2.7	0.3
Utilities									
Russia	MSCI Russia Utilities Sector	-	26.2	36.5	34.5	27.3	20.0	1.3	0.7
India	MSCI India Utilities Sector	9.3	11.3	11.2	21.1	17.6	15.8	1.9	1.6
China	MSCI China Utilities Sector	(90.0)	766.7	24.4	163.4	18.9	15.2	0.2	0.8
Brazil	MSCI Brazil Utilities Sector	11.6	(1.9)	9.8	9.4	9.6	8.8	NA	1.0

Source: Thomson Datastream

BSE-SENSEX KEY PARAMETERS

Key fundamental indicators of BSE-30 Index

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



Source: Bloomberg, RBI, Kotak Institutional Equities

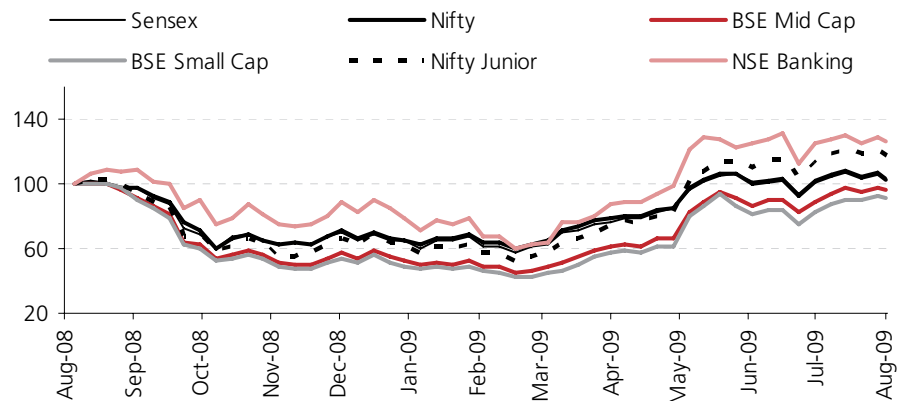
MARKET PERFORMANCE

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

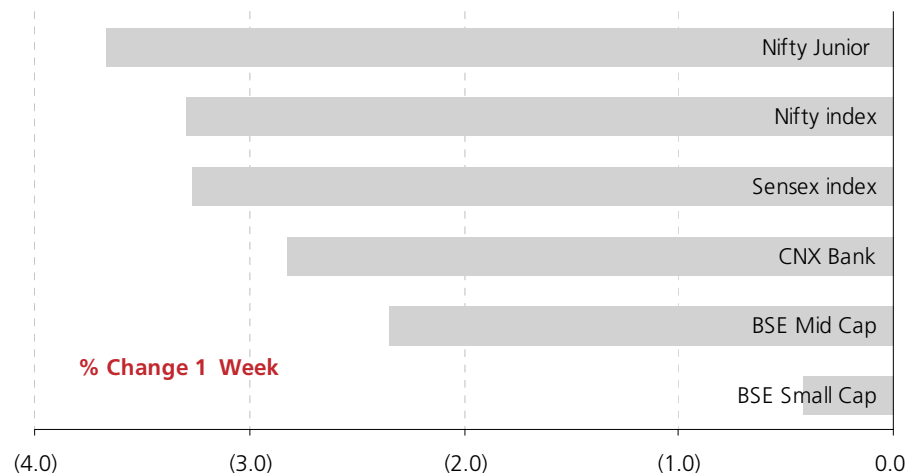
RELATIVE PERFORMANCE OF INDIAN MARKETS

Key performance of benchmark indices

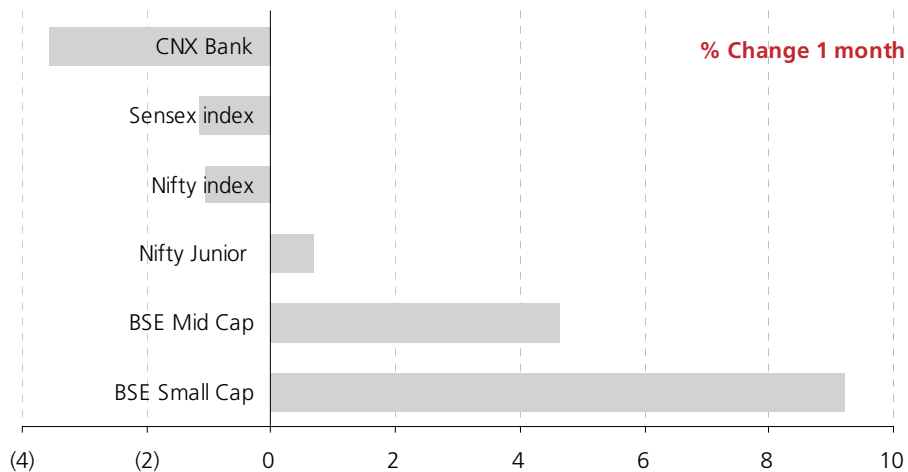
(base 100 as of August, 2008)



Weekly performance of the benchmark indices

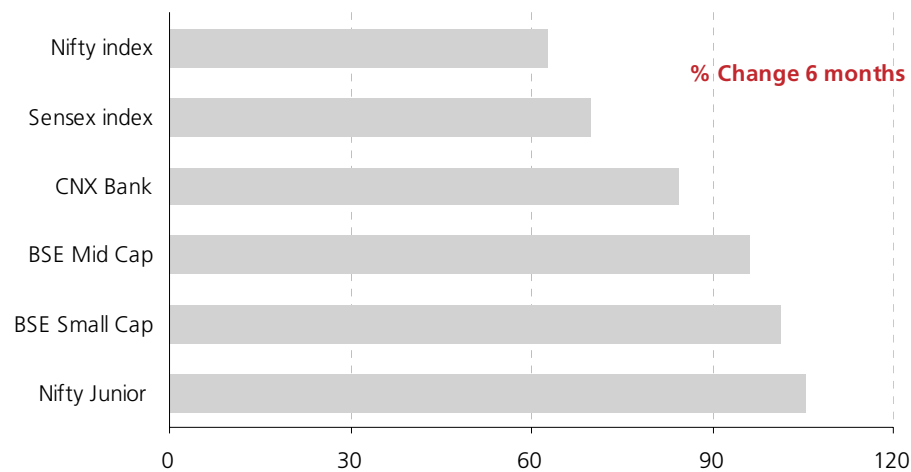


1-month performance of the benchmark indices



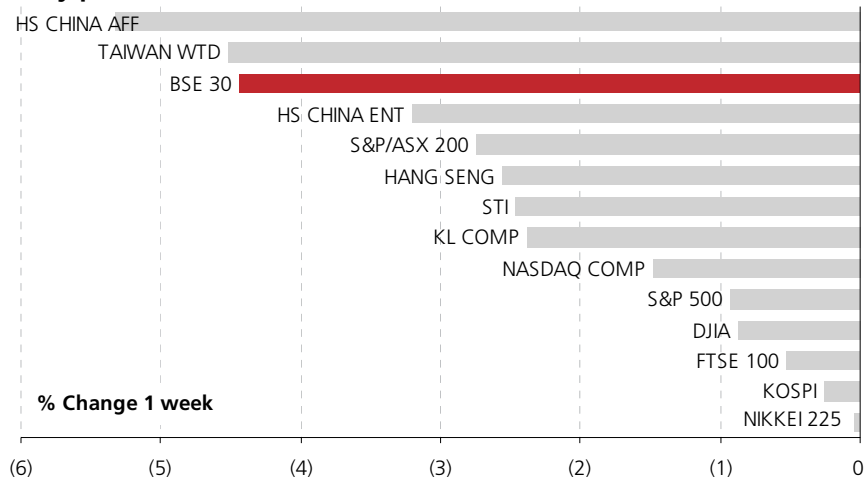
Source: Bloomberg, Kotak Institutional Equities

6-month performance of the benchmark indices

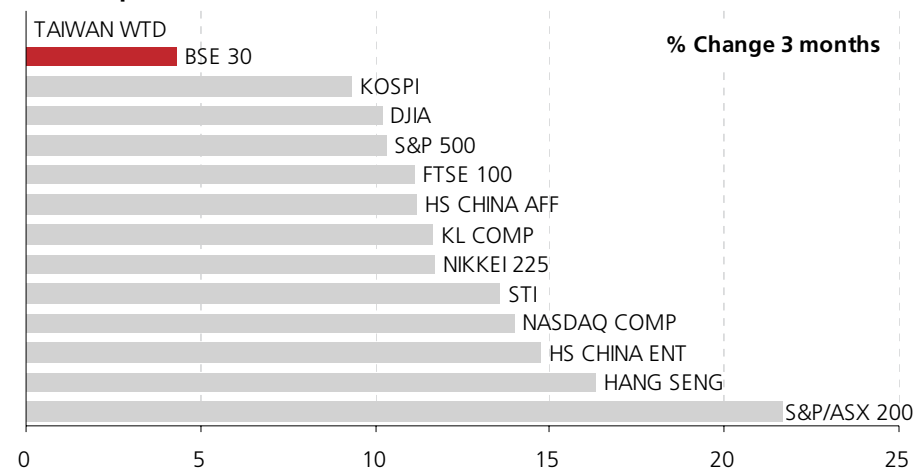


BSE-SENSEX VERSUS REGIONAL INDICES

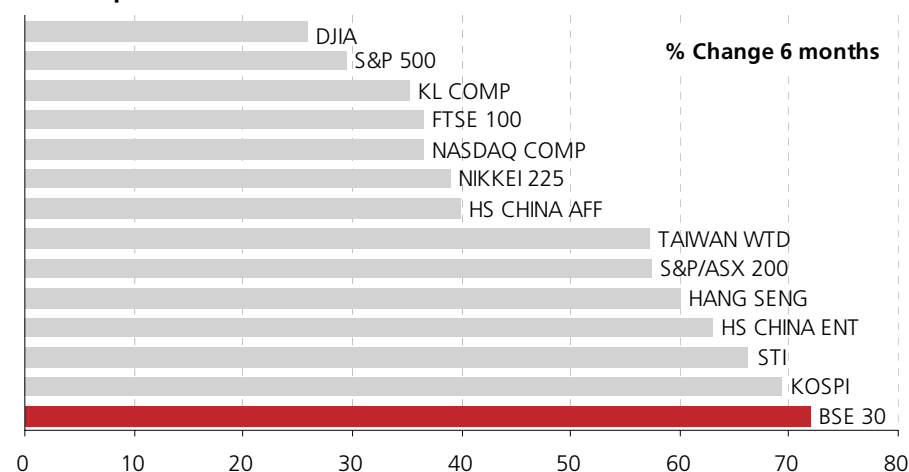
Weekly performance



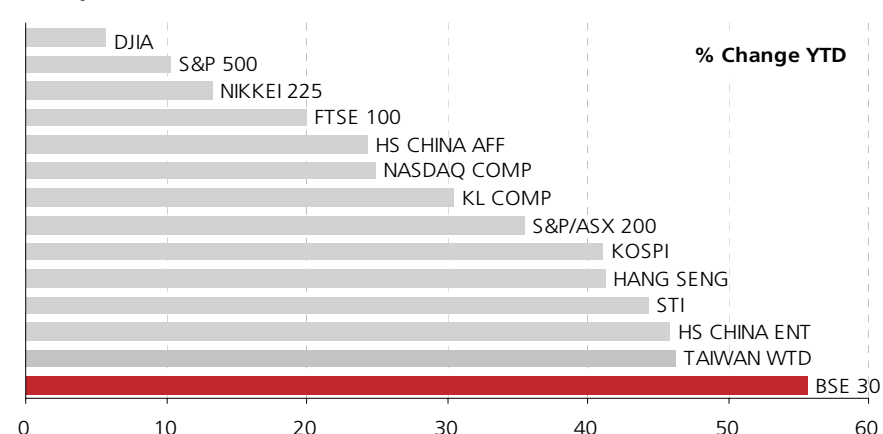
3-month performance



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, August 20, 2009

	Mkt cap. (US\$ m)	Change (%)				Relative change (%)			
		1-Day	1-mo	6-mo	1-Year	1-Day	1-mo	6-mo	1-Year
Automobiles	23,476	3.6	4.3	119.1	58.6	2.2	4.6	29.0	50.5
Banking	67,052	2.1	(1.9)	80.0	19.8	0.7	(1.5)	6.0	13.7
Consumers	28,921	0.6	(0.6)	15.2	17.2	(0.8)	(0.2)	(32.2)	11.2
Cement	7,714	1.9	(8.6)	65.1	32.5	0.5	(8.2)	(2.8)	25.7
Diversified	6,006	0.8	(7.6)	211.1	27.5	(0.6)	(7.2)	83.3	21.0
Energy	105,379	1.2	2.4	62.3	(1.3)	(0.2)	2.8	(4.4)	(6.4)
Industrials	40,632	1.0	1.3	91.2	24.2	(0.4)	1.6	12.6	17.8
Metals	22,470	1.5	7.0	156.5	(11.1)	0.1	7.3	51.1	(15.7)
Pharmaceuticals	5,060	1.5	(5.3)	16.3	(18.0)	0.2	(5.0)	(31.5)	(22.2)
Property	13,077	0.7	9.1	142.0	(22.2)	(0.6)	9.4	42.5	(26.2)
Telecom	41,606	(0.5)	(5.5)	31.4	(13.4)	(1.8)	(5.2)	(22.6)	(17.9)
Technology	58,774	1.5	5.1	96.7	20.7	0.1	5.5	15.9	14.5
Utilities	45,930	1.3	1.9	27.6	18.3	(0.0)	2.2	(24.8)	12.2
Sensex sum	466,096	1.4	(0.3)	69.8	5.4				

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 Puravankara Projects	17.7	1 Unitech	(10.7)
2 Indian Oil Corporation	6.8	2 ACC	(10.6)
3 J&K Bank	6.4	3 Sesa Goa	(10.1)
4 Mindtree	6.3	4 Housing Development & Infrastru	(9.9)
5 Castrol India (a)	6.3	5 HCL Technologies	(9.9)
6 Jubilant organosys	5.2	6 Cipla	(9.8)
7 Sadbhav Engineering	5.1	7 Tata Motors	(9.3)
8 PSL	4.9	8 India Infoline	(8.4)
9 GSPL	4.8	9 IDFC	(8.2)
10 Container Corporation	4.2	10 Tata Chemicals	(8.1)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Hexaware Technologies	263.3	1 Divi's Laboratories	(27.7)
2 Tech Mahindra	236.1	2 Mahindra & Mahindra Financial	(13.9)
3 Mphasis BFL	231.5	3 Indian Bank	(5.8)
4 Jindal Steel and Power	229.7	4 United Spirits	(1.6)
5 Shree Cement	223.7		
6 Polaris Software Lab	212.6		
7 Patni Computer Systems	209.8		
8 JSW Steel	203.7		
9 Bajaj Auto	183.2		

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Hexaware Technologies	43.9	1 Union Bank	(20.9)
2 MTNL	42.2	2 Mahindra & Mahindra Financial	(15.3)
3 Patni Computer Systems	41.7	3 Hero Honda	(14.1)
4 Jindal Saw	36.9	4 Bank of India	(13.0)
5 Tata Motors	31.1	5 Divi's Laboratories	(11.0)
6 Phoenix Mills	29.8	6 United Spirits	(9.8)
7 Jubilant organosys	28.7	7 Grasim Industries	(8.9)
8 Aban Offshore	24.7	8 Cipla	(8.8)
9 Castrol India (a)	24.6	9 Federal Bank	(8.7)
10 PSL	23.7	10 UltraTech Cement	(8.5)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Shree Cement	144.7	1 IVR Prime Urban Developers	(60.1)
2 Maharashtra Seamless	139.0	2 PSL	(54.6)
3 Mphasis BFL	127.3	3 Aban Offshore	(50.0)
4 Rural Electrification Corp.	127.1	4 Unitech	(47.3)
5 Maruti Suzuki	121.6	5 SREI	(42.5)
6 Suzlon Energy	106.9	6 Ranbaxy Laboratories	(41.1)
7 Siemens	102.8	7 Puravankara Projects	(39.8)
8 LIC Housing Finance	92.4	8 Jubilant organosys	(39.6)
9 Hindustan Petroleum	78.6	9 Reliance Communications	(38.4)
10 Patni Computer Systems	76.7	10 Welspun Gujarat Stahl Rohren	(38.1)

Source: Kotak Institutional Equities

TECHNICAL INDICATORS

Volume momentum analysis

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

Company	5-day average		Price Change (%)
	volumes	% increase	(1 month basis)
Puravankara Projects	1,600,069	176	29.7
PSL	1,344,867	123	23.7
Mphasis BFL	2,718,600	94	22.5
GSPL	9,451,586	49	23.1
Jyothy Laboratories	93,359	49	22.5
Indian Oil Corporation	1,067,768	47	9.9

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

Company	5-day average		Price Change (%)
	volumes	% decrease	(1 month basis)
Shriram Transport	46,771	(91)	13.2
HT Media	22,231	(85)	10.8
United Breweries	48,417	(85)	4.5
Asian Paints	9,838	(83)	4.9
Jagran Prakashan	123,000	(80)	16.3
Mahindra Life Space Developer	35,001	(76)	4.3

Date	Sensex	Avg daily value traded	Institutional participation in total turnover	
		(US\$ mn)	FII%	MF%
Aug-08	14,565	4,107	14.3	3.3
Sep-08	12,860	4,344	19.6	3.7
Oct-08	9,788	3,632	19.3	4.0
Nov-08	9,093	3,247	12.8	3.7
Dec-08	9,647	3,458	9.9	3.3
Jan-09	9,424	3,233	11.8	4.1
Feb-09	8,692	2,653	11.4	3.3
Mar-09	9,709	3,374	11.8	4.1
Apr-09	11,403	4,624	10.5	3.4
May-09	14,625	5,235	13.3	3.5
Jun-09	14,494	6,380	9.8	3.4
Jul-09	15,670	5,049	11.5	3.8
Aug-09	15,012	4,854	8.9	3.4

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 month

FY2010 earnings upgrades (KIE) (1 month)

Company	% Change
1 Mahindra & Mahindra	26.6
2 Indian Overseas Bank	13.5
3 Godrej Consumer Products	9.8
4 Federal Bank	9.2
5 Asian Paints	6.9
6 Mphasis BFL	6.6
7 Reliance Industries	5.9
8 Maruti Suzuki	4.7
9 Reliance Communications	4.5
10 Larsen & Toubro	1.0

FY2011 earnings upgrades (KIE) (1 month)

Company	% Change
1 Mphasis BFL	26.1
2 Mahindra & Mahindra	22.1
3 Godrej Consumer Products	9.7
4 Reliance Communications	8.9
5 Reliance Industries	6.8
6 Indian Overseas Bank	6.4
7 Asian Paints	6.3
8 Maruti Suzuki	6.0
9 Larsen & Toubro	5.2
10 Federal Bank	4.3

FY2010 earnings downgrades (KIE) (1 month)

Company	% Change
1 Suzlon Energy	(38.5)
2 Tata Chemicals	(22.6)
3 DLF	(9.7)
4 DishTV	(8.3)
5 ABB	(6.6)
6 Tata Steel	(6.0)
7 Unitech	(2.8)
8 Tata Power	(2.6)
9 Jyothy Laboratories	(0.7)

FY2011 earnings downgrades (KIE) (1 month)

Company	% Change
1 DishTV	(41.0)
2 Suzlon Energy	(35.3)
3 Tata Steel	(5.9)
4 Jyothy Laboratories	(3.4)
5 Tata Power	(2.8)
6 Tata Chemicals	(1.2)
7 Tata Motors	(0.5)

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	Puravankara Projects	54.5	85	55
2	Mahindra & Mahindra	36.6	915	670
3	Mphasis BFL	34.3	450	335
4	ABB	32.0	660	500
5	Tata Chemicals	30.0	260	200
6	Reliance Communications	20.0	240	200
7	Siemens	14.4	515	450
8	Asian Paints	14.3	1,600	1,400
9	Tata Power	13.6	1,250	1,100
10	Godrej Consumer Products	11.9	235	210
12	DishTV	9.4	35	32
13	Jindal Saw	9.3	470	430
14	Indian Overseas Bank	7.7	140	130
15	Larsen & Toubro	7.0	1,525	1,425
16	Maruti Suzuki	5.5	1,160	1,100
17	Tata Steel	3.2	480	465

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	Divi's Laboratories	(17.5)	565	685

Source: Kotak Institutional Equities estimates

CHANGES IN OUR RATINGS

Changes in ratings over the past one month

Company name		Rating	
		Current	Previous
DLF	Downgraded	SELL	REDUCE
Jagran Prakashan	Downgraded	ADD	BUY
Jaiprakash Associates	Downgraded	REDUCE	ADD
Jindal Saw	Downgraded	ADD	BUY
Jindal Steel and Power	Downgraded	SELL	REDUCE
Suzlon Energy	Downgraded	ADD	BUY

Company name		Rating	
		Current	Previous
Andhra Bank	Upgraded	BUY	REDUCE
Bank of Baroda	Upgraded	ADD	REDUCE
BGR Energy Systems	Upgraded	ADD	REDUCE
Hexaware Technologies	Upgraded	REDUCE	SELL
Hindustan Petroleum	Upgraded	REDUCE	SELL
Siemens	Upgraded	ADD	REDUCE

Source: Kotak Institutional Equities estimates

FLOWS

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

TREND IN EQUITY FLOWS

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

	FII	MF
CY1999	1,537	0
CY2000	1,462	(150)
CY2001	2,807	(1,110)
CY2002	751	(685)
CY2003	6,658	118
CY2004	8,382	(217)
CY2005	10,776	2,873
CY2006	8,632	3,585
CY2007	17,335	1,389
CY2008	(13,336)	3,312
CY2009	7,467	744
Jan	(1,054)	(173)
Feb	(667)	(253)
Mar	101	297
Apr	1,641	8
May	4,253	477
June	695	175
July	2,400	381
Aug	98	(169)

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	3,008	439
CY2009	(1,005)	(799)
Jan	(220)	473
Feb	(551)	143
Mar	814	(167)
Apr	326	(162)
May	(640)	(1,000)
June	(573)	(541)
July	130	196
August	(290)	260

Source: Bloomberg, Kotak Institutional Equities

FII FLOWS IN OTHER EMERGING MARKETS

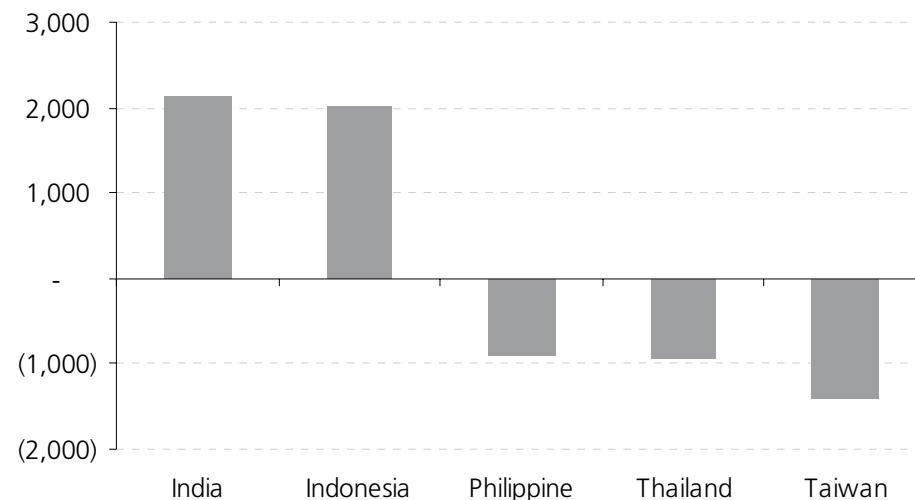
FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
21-Jul-09	294.6	32.0	8.6	31.6	10.4
22-Jul-09	108.0	37.3	3.4	19.8	30.1
23-Jul-09	141.2	0.4	(1.7)	7.7	146.6
24-Jul-09	5.8	32.4	7.5	22.0	217.2
27-Jul-09	207.9	45.5	11.4	47.1	92.5
28-Jul-09	145.9	46.9	15.3	47.1	153.1
29-Jul-09	35.8	47.1	44.4	99.3	28.7
30-Jul-09	(101.4)	114.3	(34.2)	(9.3)	244.2
31-Jul-09	211.9	130.5	15.4	28.6	163.5
3-Aug-09	114.1	29.9	6.3	59.7	99.4
4-Aug-09	(81.6)	90.5	9.1	82.0	43.7
5-Aug-09	(105.9)	(4.2)	-	18.3	(100.8)
6-Aug-09	(137.2)	36.0	(2.2)	28.7	(51.8)
7-Aug-09	-	41.3	1.9	10.5	(176.8)
10-Aug-09	39.7	24.4	(3.4)	(21.3)	(47.5)
11-Aug-09	(83.5)	(1.4)	(6.7)	4.5	146.9
12-Aug-09	(143.0)	(30.2)	(6.6)	-	(22.9)
13-Aug-09	219.2	8.1	(4.5)	4.9	194.7
14-Aug-09	152.9	4.7	(2.8)	(17.5)	213.5
17-Aug-09	(192.1)	-	(3.0)	(62.8)	(200.1)
Total	832	685	58	401	1,185

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
Rishabhdev Technocable Ltd	9	33	297	29-Jul-09	27	17	(18)	(48)
Mahindra Holidays & Resorts	9	300	2,780	15-Jul-09	317	327	6	9
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
EdservSoftsystems	4	60	238	02-Mar-09	138	78	130	31
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	12	26	(61)
Onmobile Global Ltd	11	450	4,905	19-Feb-08	522	521	16	16
Rural electrification	156	105	16,393	11-Mar-08	121	196	15	87
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	92	(14)	(49)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	38	2	(72)
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	23	17	(49)
Reliance Power Ltd	260	203	52,676	11-Feb-08	373	157	84	(23)
Future Capital Holding	6	765	4,913	31-Jan-08	908	261	19	(66)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	48	(8)	(68)
Porwal Auto Components	5	75	375	14-Jan-08	80	10	6	(87)
Aries Agro Limited	5	130	585	11-Jan-08	252	50	94	(62)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	49	5	(70)
BGR	9	480	4,385	03-Jan-08	901	380	88	(21)
Burnpur Cement	22	12	263	03-Jan-08	46	12	286	2
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	294	57	(37)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	105	(3)	(73)
Eclerx Services	3	138	1,010	31-Dec-07	448	318	42	1
Jyothy Lab	4	138	611	19-Dec-07	793	124	475	(10)
Kaushalya Infra	9	60	510	14-Dec-07	82	20	37	(66)
Empee Distilleries	5	400	1,920	26-Nov-07	318	137	(21)	(66)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	530	119	21
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	421	83	(49)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	39	10	(74)
Kolte Patil	19	145	2,755	13-Dec-07	181	42	25	(71)
Maytas Infra	9	370	3,275	25-Oct-07	614	84	66	(77)
Consolidated Construction	4	510	1,887	15-Oct-07	791	270	55	(47)
Religare Enterprises	76	185	1,402	21-Nov-07	521	381	182	106
Supreme Infrastructure	35	108	375	18-Oct-07	175	78	62	(28)
Dhanus Technologies	38	295	1,131	17-Oct-07	311	38	5	(87)
Koutons Retail	35	415	1,462	12-Oct-07	590	389	42	(6)
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	107	92	106
Magnum Ventures	176	30	529	20-Sep-07	49	9	62	(70)
Indowind Energy	125	65	813	14-Sep-07	115	40	76	(38)
Motilal Oswal Financial	30	165	492	11-Sep-07	977	146	492	(12)
Puravankara Projects	215	400	8,587	30-Aug-07	362	111	(10)	(72)
KPR Mill	59	225	1,330	28-Aug-07	174	56	(23)	(75)
TakeSolutions	21	73	153	27-Aug-07	926	39	1,168	(46)

Source: Bloomberg, Kotak Institutional Equities

Forthcoming IPO/Follow on offerings

Company Name	Issue
Jsw Energy Ltd	IPO
Indiabulls Power Ltd	IPO
D.B.Corp.Ltd	IPO
Pipavav Shipyard Ltd	IPO
Godrej Properties Ltd	IPO
Den Networks Ltd	IPO
Great Eastern Energy Corp.Ltd	IPO
C.Mahendra Exports Ltd	IPO
Bs Transcomm Ltd	IPO
Triveni Infrastructure Development Co.Ltd	IPO
Amr Constructions Ltd	IPO
Pradip Overseas Ltd	IPO
Euro Multivision Ltd	IPO
Mbl Infrastructures Ltd	IPO
Radiant Info Systems Ltd	IPO
Mayajaal Entertainment Ltd	IPO
Arss Infrastructure Projects Ltd	IPO
Aravali Infrapower Ltd	IPO
Vipul Impex & Infrabuild Ltd	IPO
Chiripal Industries Ltd	IPO
Infinite Computer Solutions (India) Ltd	IPO
Globus Spirits Ltd	IPO
Kabirdass Motor Co.Ltd	IPO
Syncom Healthcare Ltd	IPO
Texmo Pipes & Products Ltd	IPO
Trinity India Ltd	IPO
Astec Lifesciences Ltd	IPO
Usher Eco Power Ltd	IPO
Sea Tv Network Ltd	IPO
Gini & Jony Ltd	IPO
Midvalley Entertainment Ltd	IPO
Neoteric Informatique Ltd	IPO
Thangamayil Jewellery Ltd	IPO

Source: Primedatabase

BULK DEALS

Major bulk deals

Date	Compnay	Action	Quantity	Price	Value	Exchange
					(Rs mn)	
17-Aug	SEL Manufacturing Company	BUY	700,000	63	44	NSE
14-Aug	Webel-SL Energy Systems L	BUY	149,477	290	43	NSE
17-Aug	NIIT Technologies Limited	BUY	300,000	139	42	NSE
12-Aug	RAJ OIL	Sell	260,000	130	34	BSE
17-Aug	Eveready Industries India	SELL	500,000	58	29	NSE
13-Aug	Jayashree Tea Ltd.	SELL	100,000	213	21	NSE
17-Aug	Jayashree Tea Ltd.	BUY	56,000	208	12	NSE
19-Aug	Kopran Ltd.	SELL	248,000	14	3	NSE
12-Aug	WINDSOR MACH	Sell	155,000	13	2	BSE
13-Aug	Windsor Machines Limited	SELL	133,584	14	2	NSE

Source: BSE, NSE

DELIVERY POSITIONS

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Maharashtra Seamless Ltd	33	75
Jyothy Laboratories Ltd	42	81
Shriram Transport Finance	17	53
Asian Paints Ltd	48	83
Corporation Bank	53	85
Piramal Healthcare Limited	47	78
Colgate Palmolive (India)	51	79
Castrol (India) Limited	63	90
Phoenix Mills Limited	36	58

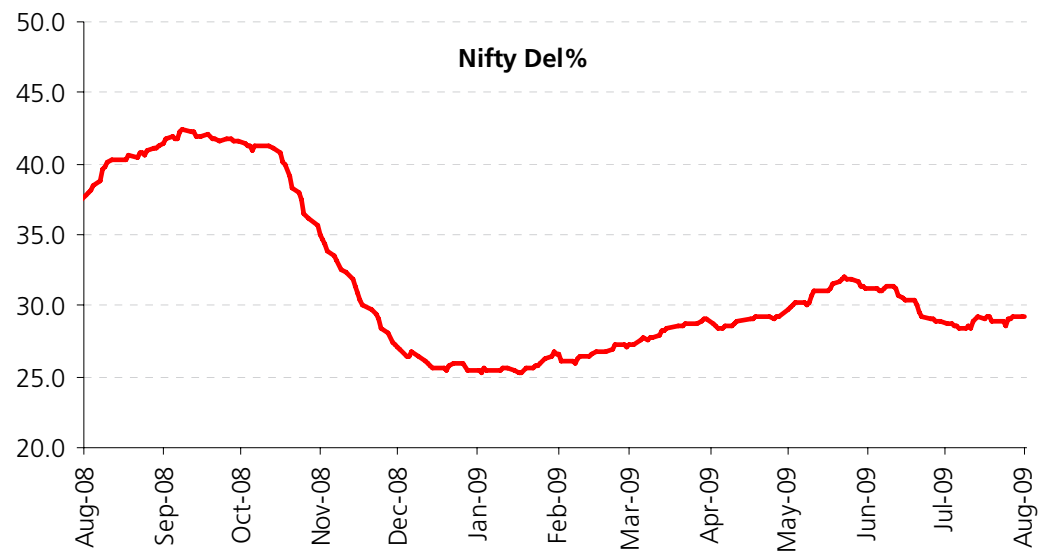
Decrease in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Ht Media Ltd	98	45
Jagran Prakashan Limited	89	46
Tata Power Co Ltd	61	23
Dr. Reddy'S Laboratories	59	24
Maruti Suzuki India Ltd	55	24
Indian Bank	82	52
Tech Mahindra Ltd	38	9
Divi'S Laboratories Ltd	65	36
Pantaloon Retail India Ltd	49	23

Source: Bloomberg, Kotak Institutional Equities

NIFTY DELIVERY

Nifty delivery percentage

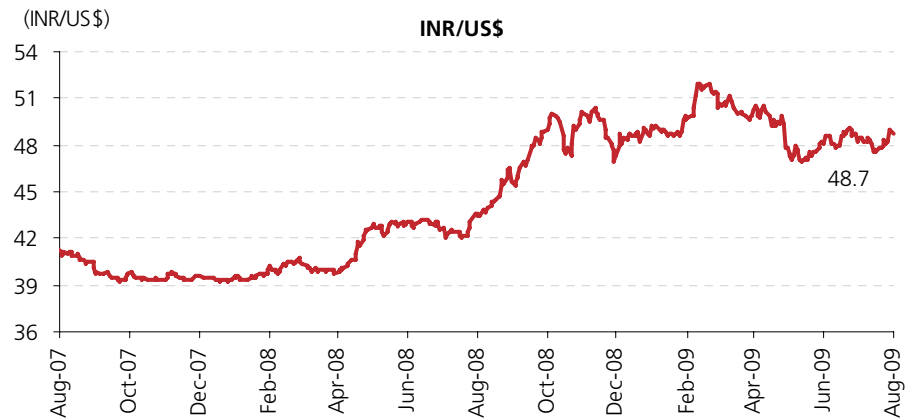
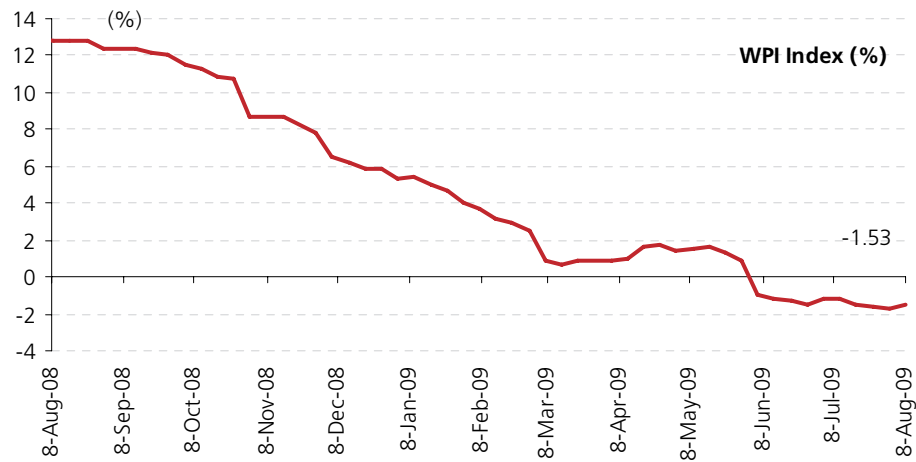
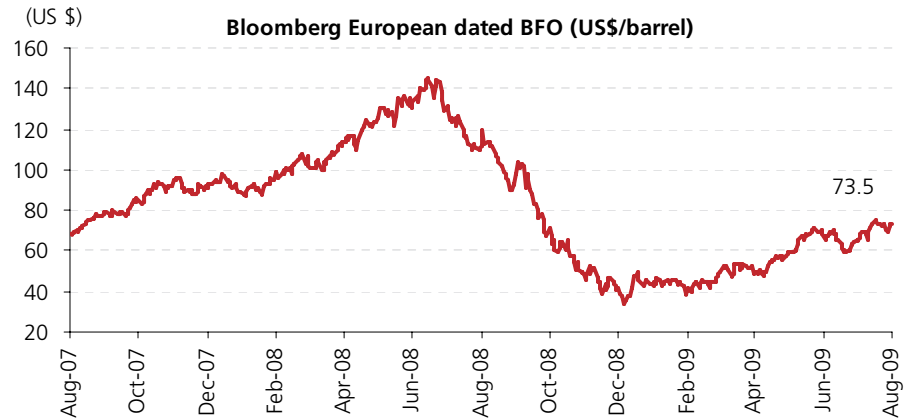
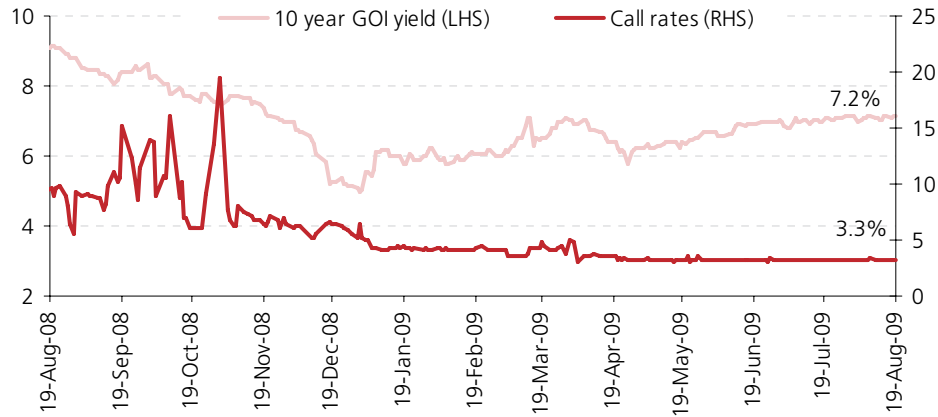


Source: Bloomberg, Kotak Institutional Equities

ECONOMIC INDICATORS

ECONOMIC INDICATORS

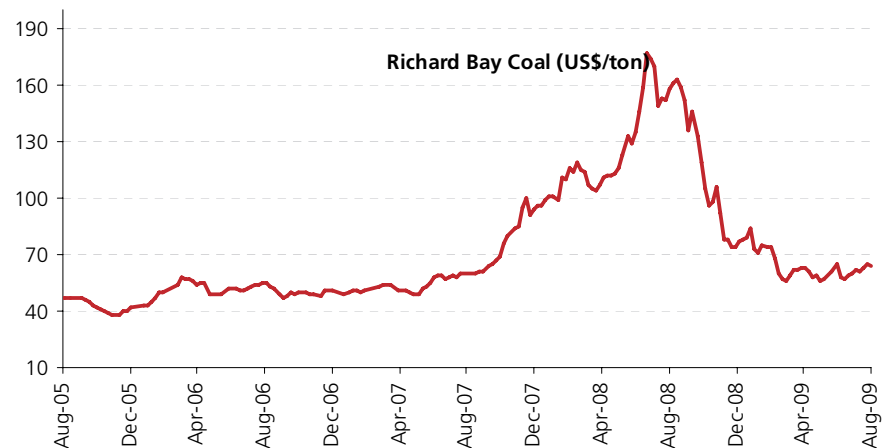
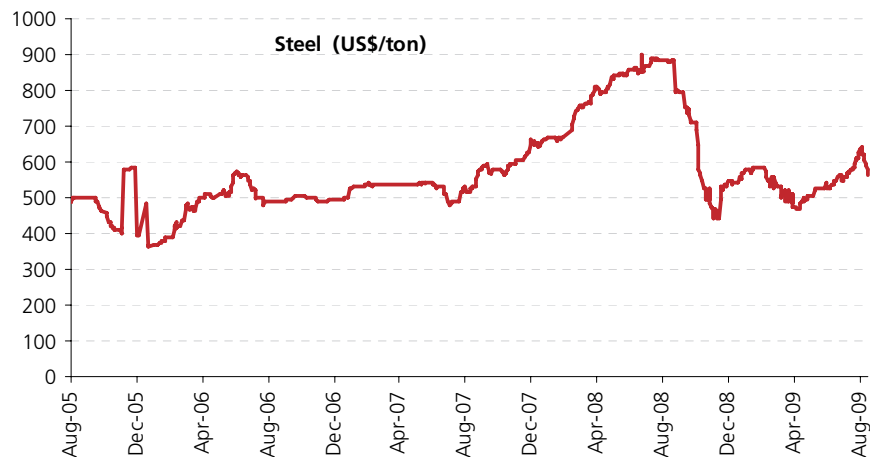
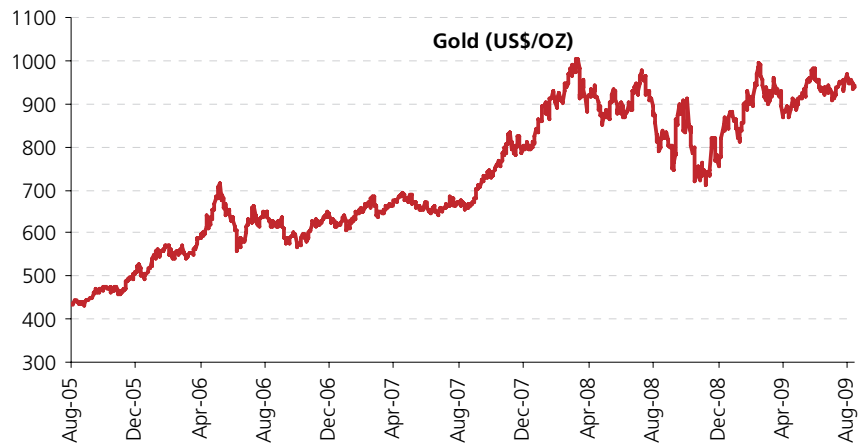
Key economic parameters



Source: Bloomberg, Kotak Institutional Equities

COMMODITIES

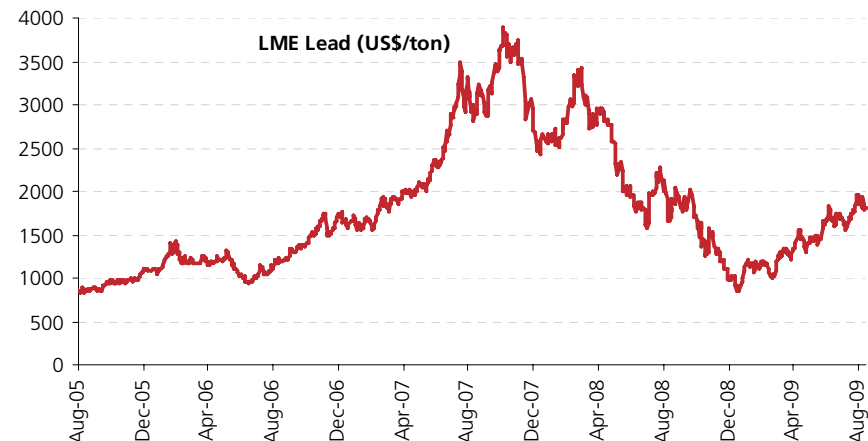
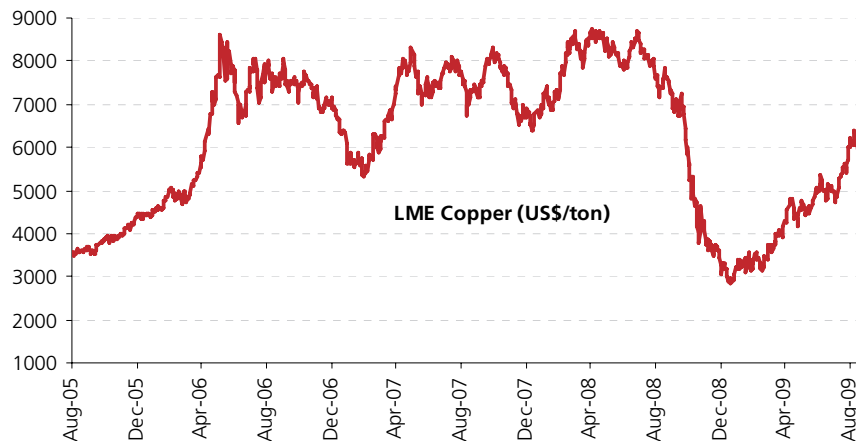
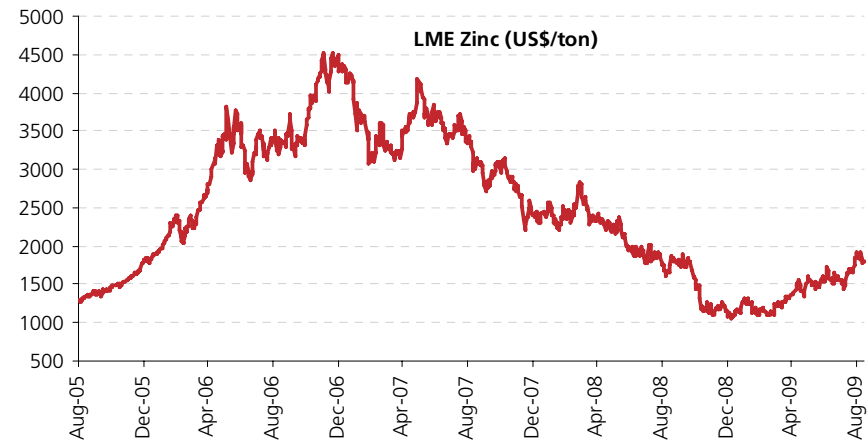
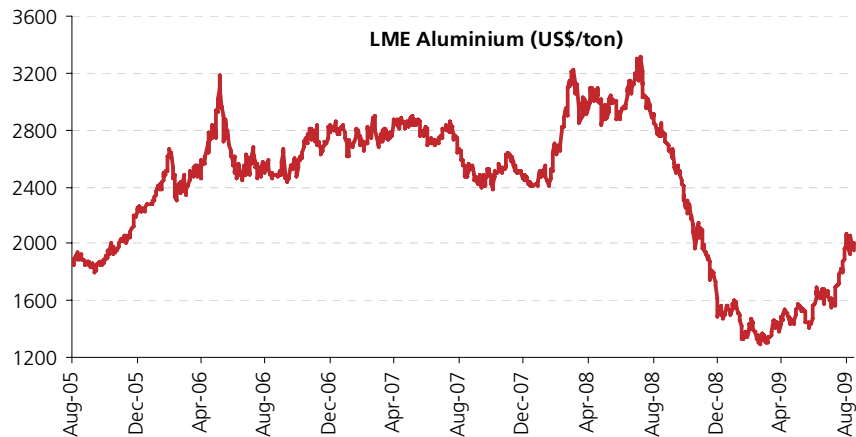
Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

COMMODITIES

Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

KOTAK VALUATION SUMMARY

VALUATION SUMMARY

Kotak Institutional Equities Universe

	20-Aug-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price		ADVT-	
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	shares (mn)	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	(Rs)	(%)	3mo	
Automobiles																														
Ashok Leyland	35	ADD	46,761	961	1,330	1.5	2.3	2.4	(57.8)	50.3	5.8	23.0	15.3	14.5	13.6	8.8	7.2	1.2	1.2	1.2	2.8	2.8	2.8	6.2	8.1	8.2	37	5.3	4.5	
Bajaj Auto	1,107	ADD	160,230	3,292	145	45.2	85.0	100.9	(13.4)	87.9	18.7	24.5	13.0	11.0	13.3	7.7	6.8	8.6	5.9	4.2	1.8	1.8	1.8	37.7	53.1	44.0	1,260	13.8	6.2	
Hero Honda	1,414	REDUCE	282,306	5,800	200	64.2	87.5	94.9	32.5	36.3	8.5	22.0	16.2	14.9	12.9	9.5	8.3	7.2	5.5	4.3	1.4	1.6	1.6	36.6	38.7	32.6	1,330	(5.9)	20.7	
Maruti Suzuki	1,371	SELL	396,075	8,137	289	42.2	73.3	77.3	(29.6)	73.8	5.5	32.5	18.7	17.7	19.4	10.4	9.3	4.2	3.5	2.9	0.3	0.4	0.4	13.5	20.2	17.8	1,160	(15.4)	23.9	
Tata Motors	429	SELL	238,600	4,902	556	20.8	23.6	25.9	(58.3)	13.5	9.6	20.6	18.2	16.6	14.2	10.6	9.5	1.8	1.6	1.5	1.3	1.3	1.3	9.0	9.3	9—	335	(21.9)	56.2	
Automobiles																														
Banks/Financial Institutions																														
Andhra Bank	89	BUY	43,214	888	485	13.5	13.3	15.2	13.5	(1.5)	14.4	6.6	6.7	5.9	—	—	—	1.2	1.1	0.9	5.1	3.7	4.3	18.9	16.6	16.9	105	17.8	1.6	
Axis Bank	845	BUY	303,485	6,235	359	50.6	59.1	68.2	56.9	16.8	15.6	16.7	14.3	12.4	—	—	—	3.0	2.6	2.2	1.2	1.4	1.6	19.1	19.2	19.2	850	0.6	70.9	
Bank of Baroda	425	ADD	155,313	3,191	366	60.9	60.9	62.1	55.1	0.0	1.9	7.0	7.0	6.8	—	—	—	1.4	1.2	1.0	2.1	2.1	2.2	18.7	16.3	14.7	480	13.0	8.0	
Bank of India	308	ADD	161,929	3,327	526	57.2	51.5	56.2	40.7	(9.9)	9.1	5.4	6.0	5.5	—	—	—	1.4	1.2	1.0	2.6	2.3	2.6	29.2	21.0	19.3	370	20.2	13.5	
Canara Bank	263	ADD	107,789	2,214	410	50.5	41.4	51.1	32.4	(18.1)	23.3	5.2	6.4	5.1	—	—	—	1.1	0.9	0.8	3.0	3.0	3.8	18.3	13.2	14.7	295	12.2	4.8	
Corporation Bank	370	BUY	53,086	1,091	143	62.3	58.0	57.1	21.5	(6.8)	(1.6)	5.9	6.4	6.5	—	—	—	1.1	1.0	0.9	3.4	3.1	3.1	19.6	16.0	14.0	420	13.5	1.0	
Federal Bank	218	BUY	37,208	764	171	27.8	34.3	39.9	(19.2)	23.6	16.1	7.8	6.3	5.5	—	—	—	0.9	0.8	0.7	2.4	2.9	3.4	11.5	12.9	13.5	320	47.1	3.3	
HDFC	2,393	NR	680,589	13,982	284	80.2	93.4	105.4	(6.4)	16.4	12.9	29.8	25.6	22.7	—	—	—	5.2	4.6	4.1	1.3	1.4	1.5	18.2	18.7	18.6	—	—	59.0	
HDFC Bank	1,480	REDUCE	669,070	13,746	452	52.8	63.3	73.5	17.6	20.0	16.0	28.0	23.4	20.1	—	—	—	4.4	3.1	2.8	0.6	0.8	0.9	16.9	15.8	14.7	1,430	(3.4)	42.8	
KICICI Bank	720	REDUCE	801,068	16,457	1,113	33.8	34.3	40.4	(15.4)	1.7	17.6	21.3	21.0	17.8	—	—	—	1.6	1.5	1.5	1.5	1.6	1.9	7.8	7.5	8.4	685	(4.8)	165.5	
IDFC	131	ADD	169,228	3,477	1,295	5.8	7.7	8.7	1.9	33.9	12.6	22.6	16.9	15.0	—	—	—	2.7	2.4	2.1	0.9	1.0	1.1	12.9	15.4	15.3	120	(8.2)	45.5	
India Infoline	126	ADD	39,287	807	312	5.1	7.7	8.2	(8.7)	50.5	7.3	24.7	16.4	15.3	—	—	—	3.2	2.6	2.2	2.0	2.6	3.1	11.9	17.5	17.2	145	15.1	18.1	
Indian Bank	129	BUY	55,376	1,138	430	28.0	27.6	30.2	24.1	(1.4)	9.7	4.6	4.7	4.3	—	—	—	1.0	0.9	0.7	3.9	3.7	4.0	22.9	19.2	18.2	185	43.6	2.5	
Indian Overseas Bank	80	BUY	43,502	894	545	24.3	19.7	25.4	10.3	(18.9)	28.6	3.3	4.0	3.1	—	—	—	0.7	0.6	0.5	6.6	4.7	5.2	22.1	14.2	16.1	140	75.3	3.5	
J&K Bank	529	BUY	25,640	527	48	84.5	86.6	96.3	13.8	2.4	11.2	6.3	6.1	5.5	—	—	—	1.1	1.0	0.9	3.2	3.3	3.6	16.7	15.1	14.9	550	4.0	0.8	
Mahindra & Mahindra Financial	218	ADD	20,891	429	96	22.4	26.7	28.8	7.5	19.0	8.1	9.7	8.2	7.6	—	—	—	1.5	1.3	1.1	2.5	3.1	3.3	15.4	16.4	15.8	270	23.7	0.9	
Oriental Bank of Commerce	166	REDUCE	41,514	853	251	36.1	29.1	31.5	51.4	(19.4)	8.3	4.6	5.7	5.3	—	—	—	0.8	0.8	0.8	4.4	3.5	3.8	13.7	9.6	9.7	190	14.7	2.9	
PFC	220	SELL	252,050	5,178	1,148	13.0	18.0	20.0	14.3	38.6	11.1	16.9	12.2	11.0	—	—	—	2.3	2.0	1.8	1.2	2.5	2.7	13.8	17.3	17.2	185	(15.8)	5.7	
Punjab National Bank	665	BUY	209,645	4,307	315	98.0	100.7	115.2	50.9	2.7	14.4	6.8	6.6	5.8	—	—	—	1.6	1.3	1.1	2.9	3.0	3.5	23.0	20.3	20.1	800	20.3	15.3	
Reliance Capital	798	ADD	196,325	4,033	246	39.3	29.0	28.9	(5.6)	(26.2)	(0.5)	20.3	27.5	27.6	—	—	—	2.9	2.7	2.5	0.7	0.5	0.5	15.3	10.2	9.3	875	9.7	146.3	
Rural Electrification Corp.	196	BUY	168,200	3,456	859	16.5	19.6	21.3	50.7	19.1	8.8	11.9	10.0	9.2	—	—	—	2.4	2.0	1.7	1.0	1.8	2.0	21.2	21.5	19.9	190	(3.0)	6.6	
Shriram Transport	344	ADD	72,706	1,494	212	30.1	32.5	36.9	56.8	7.9	13.7	11.4	10.6	9.3	—	—	—	3.3	2.8	2.3	2.5	2.8	3.2	29.6	27.0	25.8	350	1.8	2.5	
SREI	63	ADD	7,280	150	116	7.0	7.5	6.8	(38.4)	6.1	(9.5)	8.9	8.4	9.3	—	—	—	0.7	0.6	0.6	1.6	1.9	1.9	12.5	10.3	10.2	90	43.8	3.8	
State Bank of India	1,753	BUY	1,113,040	22,867	635	143.7	129.8	149.1	34.8	(9.6)	14.9	12.2	13.5	11.8	—	—	—	1.9	1.7	1.6	1.7	1.7	1.8	17.1	13.5	14.0	1,870	6.7	102.4	
Union Bank	205	BUY	103,549	2,127	505	34.2	32.4	35.4	24.5	(5.1)	9.2	6.0	6.3	5.8	—	—	—	1.5	1.2	1.0	2.4	2.3	2.5	27.2	21.2	19.5	280	36.6	6.6	
Banks/Financial Institutions																														
Cement																														
ACC	759	REDUCE	142,545	2,928	188	56.3	74.0	57.1	(12.2)	31.6	(22.8)	13.5	10.2	13.3	6.7	5.2	6.0	2.7	2.2	2.0	3.1	3.1	3.1	24.7	27.1	18.4	875	15.3	14.0	
Ambuja Cements	99	REDUCE	151,400	3,110	1,522	7.2	7.9	6.6	(5.0)	10.2	(16.8)	13.8	12.6	15.1	7.5	6.9	7.8	2.5	2.2	2.0	3.0	1.9	2.1	19.7	19.1	14.1	85	(14.5)	8.8	
Grasim Industries	2,541	REDUCE	232,957	4,786	92	238.6	251.9	266.5	(16.2)	5.6	5.8	10.6	10.1	9.5	6.1	5.0	4.8	2.0	1.7	1.5	1.3	1.3	1.4	21.1	18.4	16.8	2,560	0.8	12.5	
India Cements	128	ADD	36,250	745	282	17.8	19.4	15.2	n/a	9.1	(21.8)	7.2	6.6	8.5	5.1	4.1	4.6	1.0	0.9	0.8	1.4	1.7	2.5	14.8	14.6	10.4	155	20.8	10.1	
Shree Cement	1,490	BUY	51,892	1,066	35	174.7	209.9	195.6	93.7	20.1	(6.8)	8.5	7.1	7.6	5.8	4.1	3.7	4.3	2.6	1.9	0.7	0.7	0.7	65.7	46.0	29.4	2,000	34.3	0.8	
UltraTech Cement	710	BUY	88,394	1,816	124	78.8	90.2	73.8	(3.1)	14.5	(18.2)	9.0	7.9	9.6	5.4	4.2	4.7	2.0	1.7	1.4	0.8	1.2	1.2	31.1	27.3	18.3	900	26.8	6.1	
Cement																														
Consumer products																														
Asian Paints	1,312	ADD	125,847	2,585	96	38.6	60.0	69.8	(1.7)	55.5	16.3	34.0	21.9	18.8	20.3	13.2	11.2	11.0	8.9	7.2	1	3.1	2.1	2.4	36.6	46.8	43.8	1,600	22.0	1.2
Colgate-Palmolive (India)	601	REDUCE	81,752	1,680	136	21.6	28.0	31.0	26.3	29.7	10.7	27.9	21.5	19.4	22.9	18.0	15.1	37.8	34.2	38.0	2.5	3.7	4.7	155.1	167.1	185.2	620	3.1	3.0	
GlaxoSmithkline Consumer (a)	1,021	ADD	42,928	882	42	44.8	60.9	68.5	15.8	36.0	12.4	22.8	16.8	14.9	12.9	9.6	8.6	5.6	4.7	4.1	1.5	2.2	3.1	26.8	30.7	29.6	1,200	17.6	0.8	
Godrej Consumer Products	218	ADD	56,345	1,158	258	6.7	9.6	11.0	(5.3)	43.0	14.9	32.6	22.8	19.9	22.5	14.6	12.5	9.9	5.9	5.0	1.8	1.8	1.8	46.9	32.7	27.6	235	7.7	0.9	
Hindustan Unilever	257	BUY	559,250	11,489	2,179	9.5	10.6	12.2	19.0	11.1	15.0	27.0	24.3	21.1	20.6	18.1	15.6	27.1	24.3	21.7	3.4	3.7	4.2	112.4	105.9	108.9	320	24.7	25.3	
ITC	225	BUY	848,503	17,432	3,769	8.7	10.3	11.8	2.8	19.3	14.3	26.0	21.8	19.1	15.9	13.4	11.1	5.8	5.1	4.4	1.6	1.8	2.0	25.3	26.3	26.0	255	13.3	35.8	
Jyothy Laboratories	123	ADD	8,915	183	73	5.5	10.0	12.1	(12.9)	80.6	21.7	22.2	12.3	10.1	14.4	7.7	5.9	2.5	2.1	1.8	1.9	2.4	2.9	10.7	16.8	19.0	145	18.0		
Nestle India (a)	2,207	ADD	212,794	4,372	96	58.6	73.0	85.6	31.0	24.6	17.3	37.7	30.2	25.8	24.0	20.1	17.0	45.0	36.7	30.2	1.9	2.4	2.8	126.7	133.6	128.5	2,400	8.7	1.4	
Tata Tea	886	BUY	54,812	1,126	62	57.0	62.8	69.2	5.3	10.1	10.2	15.5	14.1	12.8	8.2	7.4	6.1	1.1	1.1	1.0	1.9	2.1	2.3	9.8	10.1	10.4	900	1.5	3.2	
Consumer products																														
Constructions																														
IVRCL	330	BUY	44,633	917	135	16.7	18.2	22.4	7.4	9.3	22.9	19.7	18.1	14.7	13.6	10.6	8.7	2.5	2.2	1.9	0.2	0.2	0.2	13.2	12.8	13.8	360	9.2		

VALUATION SUMMARY

Kotak Institutional Equities Universe

Company	20-Aug-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target		ADVT-		
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	shares (mn)	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	price (Rs)	Upside (%)	3mo (US\$ mn)		
Energy																															
Bharat Petroleum	516	SELL	169,222	3,477	328	20.4	38.2	41.8	(50.7)	87.6	9.5	25.4	13.5	12.3	5.6	5.5	5.2	1.2	1.2	1.1	1.5	3.2	3.5	5.2	9.1	9.4	475	(8.0)	11.6		
Cairn India	242	REDUCE	458,899	9,428	1,897	4.3	8.8	30.8	(3,703)	105	249.9	56	27	7.9	39.6	13.8	5.5	1.4	1.3	1.2	—	—	8.3	2.5	4.9	16.2	225	(7.0)	28.3		
Castrol India (a)	485	BUY	59,990	1,232	124	21.3	31.1	32.0	20.8	45.9	3.0	22.8	15.6	15.1	13.0	9.3	8.9	13.4	11.8	10.6	3.1	4.5	4.7	61.2	80.2	73.5	480	(1.1)	1.2		
GAIL (India)	323	ADD	409,844	8,420	1,268	22.1	20.6	22.1	8.4	(6.8)	7.2	14.6	15.7	14.6	7.7	8.9	9.0	2.5	2.2	2.0	1.4	1.7	1.7	17.6	14.4	13.9	330	2.1	17.8		
GSPL	74	REDUCE	41,478	852	563	2.2	3.5	6.7	21.7	58.3	92.7	33.6	21.2	11.0	11.7	6.9	4.4	3.1	2.8	2.8	1.0	1.6	9.1	9.6	13.9	25.7	65	(11.8)	8.3		
Hindustan Petroleum	365	REDUCE	123,756	2,542	339	17.0	41.4	38.6	(49.3)	144.0	(6.8)	21.5	8.8	9.5	6.5	5.2	NA	1.0	0.9	NA	1.4	4.4	4.1	4.4	10.1	8.8	375	2.7	14.6		
Indian Oil Corporation	589	REDUCE	694,502	14,268	1,179	18.9	63.8	43.5	(69.1)	236.9	(31.8)	31.1	9.2	13.5	10.9	5.0	5.7	1.5	1.3	1.2	1.3	3.1	2.1	4.6	14.6	9.1	550	(6.6)	10.6		
Oil & Natural Gas Corporation	1,180	BUY	2,522,817	51,830	2,139	91.4	95.8	114.6	(1.5)	4.9	19.6	12.9	12.3	10.3	4.7	4.4	3.8	2.2	2.0	1.8	2.7	3.1	3.6	17.3	16.2	17.5	1,200	1.7	61.2		
Petronet LNG	69	REDUCE	51,638	1,061	750	6.9	7.2	8.6	—	3.6	19.6	10.0	9.6	8.0	7.2	6.5	5.6	2.3	1.9	1.6	2.5	2.9	3.3	23.9	20.6	20.6	64	(7.0)	7.8		
Reliance Industries	1,898	SELL	2,606,503	53,549	1,373	103.4	109.3	158.3	(1.5)	5.7	44.9	18.4	17.4	12.0	10.9	7.7	5.5	2.2	2.0	1.7	0.7	0.8	1.1	15.1	13.7	17.6	1,600	(15.7)	224.2		
Reliance Petroleum	118	NR	530,325	10,895	4,500	—	3.1	10.0	n/a	n/a	n/a	n/a	n/a	11.7	n/a	n/a	9.1	3.9	3.8	3.1	—	1.7	1.7	0.6	10.1	29.0	—	—	22.0		
Energy																															
Industrials																															
ABB	691	REDUCE	146,429	3,008	212	25.8	23.3	30.0	11.3	(9.8)	28.6	26.7	29.6	23.0	15.8	16.6	12.7	6.9	5.8	4.8	0.3	0.4	0.4	29.2	21.3	22.7	660	(4.5)	8.6		
BGR Energy Systems	380	ADD	27,328	561	72	15.6	25.9	30.9	29.0	65.4	19.2	24.3	14.7	12.3	13.4	9.0	7.5	4.8	3.8	3.0	0.7	1.2	1.4	21.6	28.8	27.4	400	5.4	1.6		
Bharat Electronics	1,450	REDUCE	116,016	2,383	80	101.9	113.7	121.2	(0.0)	11.5	6.6	14.2	12.8	12.0	6.3	5.6	5.0	3.0	2.5	2.2	1.7	1.7	1.7	22.4	21.3	19.5	1,450	(0.0)	2.8		
Bharat Heavy Electricals	2,254	REDUCE	1,103,256	22,666	490	64.1	93.1	106.8	9.8	45.1	14.8	35.1	24.2	21.1	19.2	13.5	11.6	8.5	6.7	5.4	0.7	0.9	1.0	26.4	31.0	28.5	2,100	(6.8)	53.2		
Crompton Greaves	283	ADD	103,565	2,128	367	15.3	17.7	20.3	37.3	15.3	15.0	18.4	16.0	13.9	9.8	8.5	7.2	5.7	4.3	3.4	0.7	0.8	0.9	35.9	30.8	27.6	315	11.5	5.2		
Larsen & Toubro	1,483	ADD	874,496	17,966	590	50.1	60.7	75.4	32.1	21.1	24.3	29.6	24.4	19.7	18.9	14.6	12.1	5.8	4.4	3.6	0.7	0.7	0.8	21.7	20.4	20.3	1,525	2.8	104.1		
Maharashtra Seamless	285	BUY	20,087	413	71	35.9	33.0	35.3	22.2	(7.9)	6.9	7.9	8.6	8.1	4.6	4.8	4.2	1.5	1.3	1.1	1.9	1.7	2.2	20.3	16.0	15.0	285	0.1	1.1		
Siemens	452	ADD	152,346	3,130	337	14.2	22.8	22.7	(22.2)	61.0	(0.5)	31.9	19.8	19.9	15.0	11.2	11.3	6.7	5.6	4.6	0.7	1.6	1.0	23.3	30.8	25.2	515	14.0	7.3		
Suzlon Energy	85	ADD	143,378	2,946	1,678	7.4	3.9	6.1	12.8	(47.2)	54.7	11.5	21.8	14.1	10.1	11.4	9.5	1.5	1.2	1.1	-	-	0.2	12.5	6.2	8.3	110	28.7	161.1		
Industrials																															
Infrastructure																															
GVK Power & Infrastructure	46	BUY	71,933	1,478	1,579	0.8	0.7	1.0	(20.6)	(13.6)	54.9	59.7	69.1	44.6	53.6	17.8	16.3	3.1	2.3	2.2	—	—	0.7	4.8	3.8	5.0	50	9.8	23.2		
IRB Infrastructure	188	BUY	62,385	1,282	332	5.3	10.7	13.6	54.3	101.7	27.6	35.5	17.6	13.8	18.7	9.8	9.0	3.4	2.8	2.3	0.6	—	—	10.1	17.4	18.1	200	6.6	9.8		
Infrastructure																															
Media																															
DishTV	45	REDUCE	42,539	874	946	(8.8)	(3.2)	(1.3)	n/a	(63.4)	(60.8)	(5.1)	(14.0)	(35.7)	(30.5)	65.9	15.3	(6.9)	(8.4)	(20.1)	—	—	—	84.4	54.0	NA	35	(22.1)	15.2		
HT Media	107	ADD	24,959	513	234	0.9	4.8	6.6	(78.8)	422.4	37.4	116.3	22.3	16.2	26.6	10.9	8.8	3.0	2.7	2.5	0.4	0.8	2.4	2.5	12.8	16.3	125	17.3	0.6		
Jagran Prakashan	94	ADD	28,174	579	301	3.0	4.8	5.8	(6.6)	58.0	20.0	30.8	19.5	16.2	17.5	11.2	9.3	5.0	4.7	4.2	2.1	3.1	3.4	16.7	24.9	27.4	105	12.2	1.3		
Sun TV Network	269	REDUCE	106,086	2,179	394	9.1	11.3	13.3	9.3	24.4	18.4	29.7	23.9	20.2	15.6	13.3	11.1	6.1	5.3	4.8	0.9	1.5	2.2	22.5	24.0	24.9	235	(12.7)	2.6		
Zee Entertainment Enterprises	190	REDUCE	82,356	1,692	434	8.3	10.0	12.0	(6.5)	20.6	19.5	22.9	19.0	15.9	16.3	13.6	11.0	2.5	2.3	2.1	1.2	1.4	1.7	11.9	13.0	14.4	160	(15.8)	7.2		
Zee News	41	ADD	9,746	200	240	1.9	2.2	2.7	21.3	14.7	23.4	21.7	18.9	15.3	11.2	9.2	7.8	3.9	3.4	2.9	1.0	1.0	1.5	20.1	19.6	20.7	45	10.7	1.5		
Media																															
Metals																															
Hindalco Industries	103	BUY	180,957	3,718	1,753	2.8	3.5	11.1	(77.9)	25.5	218.4	37.3	29.7	9.3	11.7	8.6	6.7	0.5	0.5	0.5	—	—	—	10.3	5.2	6.5	135	30.8	29.7		
National Aluminium Co.	331	SELL	213,009	4,376	644	19.7	13.7	20.4	(22.0)	(30.6)	48.8	16.7	24.1	16.2	8.6	9.1	6.2	2.0	1.9	1.7	1.1	0.6	0.6	12.7	8.1	11.1	290	(12.3)	3.7		
Jindal Steel and Power	3,005	SELL	462,600	9,504	154	198.0	247.1	236.4	139.3	24.8	(4.3)	15.2	12.2	12.7	10.0	8.0	7.6	6.1	4.1	3.1	—	0.2	0.2	51.9	40.3	27.6	2,150	(28.4)	56.2		
JSW Steel	696	SELL	130,176	2,674	187	13.1	36.8	65.9	(84.7)	180.1	79.1	52.9	18.9	10.6	9.8	9.3	7.0	1.4	1.2	1.0	0.1	0.4	0.7	11.7	5.1	10.7	440	(36.8)	54.4		
Hindustan Zinc	709	BUY	299,617	6,155	423	64.6	57.3	74.1	(38.0)	(11.2)	29.3	11.0	12.4	9.6	7.1	7.1	4.7	2.0	1.7	1.5	0.6	0.7	0.7	20.1	15.1	16.7	825	16.3	5.8		
Sesa Goa	219	BUY	172,091	3,536	787	25.1	25.5	34.2	32.6	1.3	34.3	8.7	8.6	6.4	5.6	5.1	3.2	3.8	2.7	2.0	1.6	1.6	1.6	53.3	36.9	35.9	240	9.8	56.8		
Sterlite Industries	619	REDUCE	520,476	10,693	840	49.2	29.8	38.0	(23.6)	(39.3)	27.2	12.6	20.7	16.3	9.0	8.7	6.5	2.0	1.4	1.3	—	—	—	14.3	8.1	8.4	550	(11.2)	65.0		
Tata Steel	442	BUY	392,275	8,059	887	110.1	38.7	74.2	45.3	(64.8)	91.9	4.0	11.4	6.0	5.1	7.5	5.6	1.3	1.2	1.0	3.3	1.8	1.8	24.0	11.0	18.8	480	8.6	148.6		
Metals																															
Pharmaceutical																															
Biocon	215	BUY	42,910	882	200	4.7	14.4	18.6	(79.9)	206.8	29.3	45.7	14.9	11.5	18.4	8.6	6.8	2.8	2.4	2.1	0.0	0.1	0.1	6.2	17.8	20.0	270	25.8	6.6		
Disman Pharma & chemicals	201	BUY	16,368	336	81	18.0	21.2	27.3	22.1	17.9	28.7	11.2	9.5	7.4	9.1	7.2	5.7	2.3	1.9	1.5	0.0	0.0	0.0	22.8	21.9	22.9	280	39.1	0.8		
Divi's Laboratories	483	BUY	31,162	640	65	31.9	36.8	43.3	19.9	15.2	17.7	15.1	13.1	11.2	5.9	4.5	3.4	5.3	4.0	3.1	0.1	0.1	0.1	40.4	34.4	31.1	565	17.0	3.5		
Dr Reddy's Laboratories	803	BUY	135,957	2,793	169	32.4	49.3	52.5	24.3	52.2	6.4	24.8	16.3	15.3	10.7	8.5	7.6	3.9	3.2	2.7	0.8	0.9	1.0	13.6	21.4	19.2	860	7.2	7.9		
Glentnam Pharmaceutical's	215	NR	57,026	1,172	266	11.1	11.6	15.7	(57.0)	4.2	35.1	19.3	18.5	13.7	11.7	11.1	8.9	2.7	2.4	2.1	0.0	0.0	0.0	15.9	13.8	16.2	-	(100.0)	13.8		
Juliant Organosys	218	BUY	37,191	764	171	16.6	24.5	32.9	(26.1)	48.2	34.2	13.1	8.9	6.6	13.5	8.5	6.8	2.9	2.2	1.8	0.6	0.6	0.8	16.2	28.7	30.8	250	14.9	0.5		
Lupin	989	BUY	87,835	1,800	89	60.2	67.1	72.3	21.0	11.4	7.8	16.4	14.7	7.2	15.3	12.6	10.9	6.1	3.9	3.2	1.2	1.3	1.5	37.1	32.9	26.1	1,180	19.3	4.0		
Viramal Healthcare	322	BUY	67,194	1,380	209	17.3	22.1	28.5	(1.9)	28.0	19.9	18.6	14.6	11.3	13.5	9.6	7.8	5.1	4.0	3.1	1.4	1.4	1.4	26.2	30.9	31.1	390	21.3	2.1		
Ranbaxy Laboratories	302	REDUCE	129,167	2,654	427	(8.1)	4.7	5.1	(134.7)	(158.6)	6.6	(37.4)	NA	59.9	(174.2)	22.1	24.0	3.1	3.1	3.0	—	—	—	1.3	1.3	(9.6)	4.9	5.3	165	(45.4)	17.5
Sun Pharmaceuticals	1,189	ADD	246,272	5,060	207	87.8	47.6	64.2	17.6	(45.8)	34.9	13.5	25.0																		

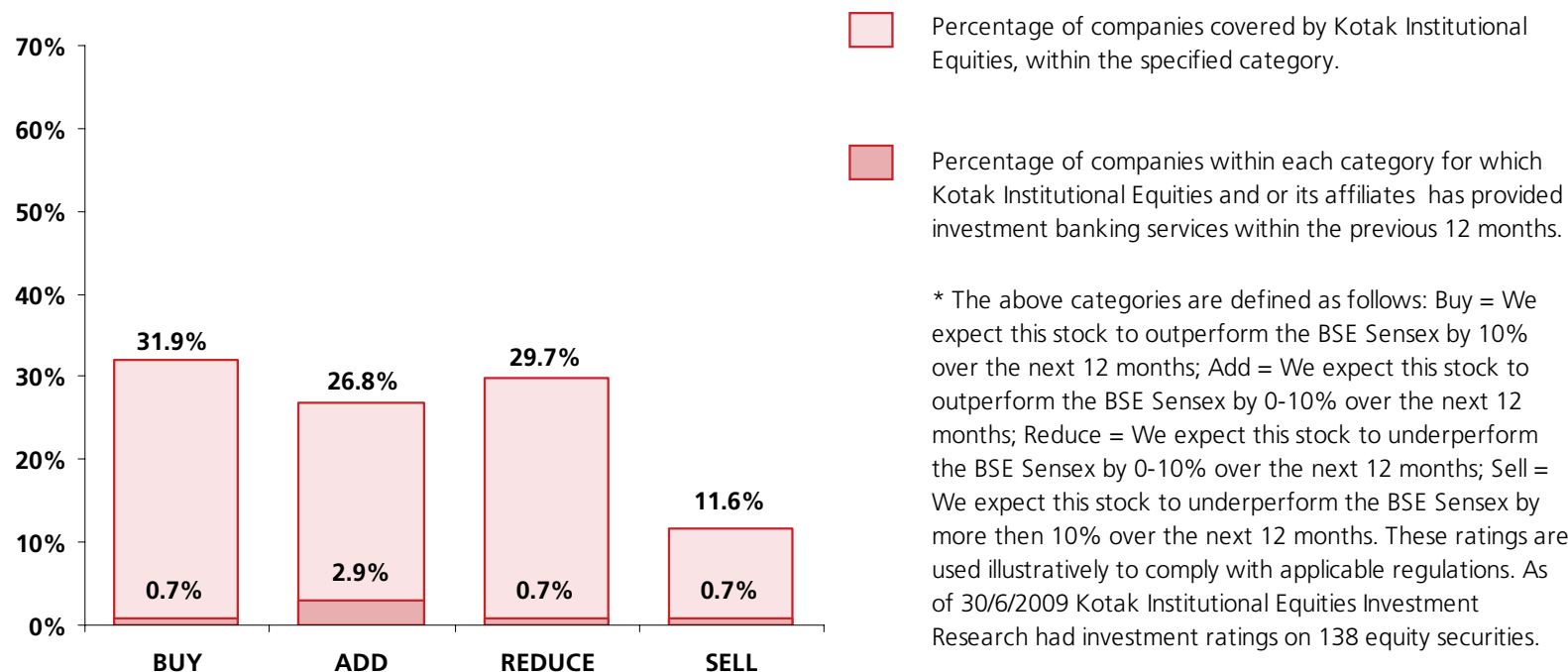
VALUATION SUMMARY

Kotak Institutional Equities Universe

	20-Aug-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target	ADVT-	
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	shares (mn)	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	(Rs)	Upside (%)	3mo (US\$ mn)
Retail																													
Titan Industries	1,198	REDUCE	53,176	1,092	44	44.3	49.4	58.7	26.4	11.6	18.7	27.0	24.2	20.4	16.3	14.9	12.4	9.2	7.1	5.6	0.8	0.8	1.0	37.5	33.1	30.6	1,040	(13.2)	1.7
Retail		Neutral	53,176	1,092					26.4	11.6	18.7	27.0	24.2	20.4	16.3	14.9	12.4	9.2	7.1	5.6	0.8	0.8	1.0	34.1	29.3	27.4			
Technology																													
HCL Technologies	255	REDUCE	177,051	3,637	695	16.2	13.1	17.0	6.0	(19.0)	29.5	15.7	19.4	15.0	8.7	8.6	8.2	2.8	2.7	2.5	4.7	4.7	4.7	18.6	14.4	17.7	135	(47.0)	6.9
Infosys Technologies	1,990	BUY	1,142,518	23,472	574	102.4	102.5	112.8	29.6	0.1	10.1	19.4	19.4	17.6	14.3	13.7	11.6	6.3	5.1	4.3	1.2	1.3	1.6	36.7	28.9	26.3	1,900	(4.5)	66.2
Mphasis BFL	516	REDUCE	107,550	2,210	208	14.2	41.5	42.2	15.7	192.6	1.8	36.4	12.4	12.2	27.7	9.0	7.9	7.5	4.9	3.6	0.8	0.9	1.0	22.8	47.7	34.2	450	(12.8)	8.6
Mindtree	483	BUY	19,872	408	41	13.2	37.0	43.9	(50.5)	179.5	18.5	36.5	13.0	11.0	6.3	9.0	6.9	3.6	2.8	2.2	0.4	—	0.9	5.5	24.0	22.5	500	3.6	3.3
Patni Computer Systems	401	REDUCE	51,505	1,058	129	26.8	33.8	36.7	(19.3)	26.1	8.6	14.9	11.8	10.9	7.4	5.5	5.3	2.1	1.7	1.5	0.5	1.7	1.8	16.2	14.8	14.6	320	(20.1)	5.8
Polaris Software Lab	134	SELL	13,265	273	99	13.1	13.8	12.9	76.0	5.4	(6.4)	10.3	9.7	10.4	4.2	5.1	5.3	1.7	1.5	1.3	2.0	1.5	1.5	18.1	16.4	13.6	80	(40.5)	4.2
TCS	501	ADD	980,557	20,145	1,957	26.4	30.5	33.8	3.1	15.2	10.8	18.9	16.4	14.8	13.2	11.6	10.3	6.3	5.0	4.3	1.4	1.8	2.7	36.9	33.9	31.1	510	1.8	38.6
Wipro	505	ADD	737,725	15,156	1,462	25.7	27.5	32.0	15.8	6.6	16.6	19.6	18.4	15.8	14.4	12.9	10.7	4.9	4.0	3.4	0.8	1.5	1.8	26.9	24.0	23.3	520	3.1	15.2
Technology		Neutral	3,241,054	66,586					14.2	9.7	12.2	19.2	17.5	15.6	13.3	11.8	10.3	5.3	4.3	3.7	1.3	1.7	2.1	27.6	24.8	23.7			
Telecom																													
Bharti Airtel	400	ADD	1,518,990	31,207	3,797	22.3	26.9	30.6	26.4	20.5	13.8	17.9	14.9	13.1	10.5	8.8	7.6	4.8	3.7	2.9	0.5	0.7	1.0	31.4	28.0	24.6	425	6.2	86.2
IDEA	81	REDUCE	252,343	5,184	3,104	2.9	3.4	3.6	(26.5)	15.8	7.3	28.0	24.2	22.6	10.3	8.5	7.6	1.8	1.7	1.6	—	—	—	10.4	7.4	8.0	65	(20.0)	22.4
MTNL	94	SELL	59,063	1,213	630	3.1	(4.8)	(3.9)	(57.1)	(256.5)	(18.1)	30.6	(19.5)	(23.8)	12.2	(15.3)	(52.6)	0.5	0.5	0.5	6.4	—	—	1.1	(2.6)	(2.2)	50	(46.7)	4.8
Reliance Communications	245	SELL	506,201	10,400	2,064	27.7	21.2	23.0	4.7	(23.3)	8.3	8.9	11.5	10.7	7.9	7.7	6.1	1.2	1.1	1.0	0.3	—	—	17.0	10.6	10.3	240	(2.1)	76.1
Tata Communications	494	REDUCE	140,733	2,891	285	13.6	14.0	15.2	24.0	3.2	8.2	36.4	35.2	32.6	15.5	14.1	13.0	2.0	2.0	1.9	1.0	1.3	1.5	5.4	5.2	5.5	400	(19.0)	8.7
Telecom		Cautious	2,477,330	50,895					11.1	1.1	12.8	15.4	15.3	13.5	9.8	8.8	7.4	2.4	2.1	1.8	0.6	0.5	0.7	15.4	13.5	13.3			
Transportation																													
Container Corporation	1,179	ADD	153,298	3,149	130	64.4	67.8	80.3	11.6	5.3	18.5	18.3	17.4	14.7	13.4	12.1	10.1	4.0	3.5	2.9	1.2	1.3	1.5	24.0	21.4	21.7	1,125	(4.6)	1.3
Transportation		Cautious	153,298	3,149					11.6	5.3	18.5	18.3	17.4	14.7	13.4	12.1	10.1	4.0	3.5	2.9	1.2	1.3	1.5	22.1	19.9	20.1			
Utilities																													
CESC	320	ADD	39,948	821	125	32.3	37.9	42.0	16.2	17.4	11.0	9.9	8.4	7.6	5.5	5.6	5.9	1.1	0.9	0.8	1.3	1.5	1.7	11.7	11.9	11.6	345	7.9	3.4
Lanco Infratech	406	ADD	90,343	1,856	222	14.5	20.8	36.6	(2.5)	43.8	76.2	28.1	19.5	11.1	24.0	16.2	7.9	4.2	3.2	2.5	—	—	—	16.1	18.7	25.2	440	8.3	31.5
NTPC	204	SELL	1,683,312	34,583	8,245	9.5	10.8	12.2	1.6	14.1	12.6	21.5	18.9	16.8	17.0	14.0	13.3	2.9	2.6	2.4	1.8	2.0	2.2	13.8	14.5	15.0	180	(11.8)	38.9
Reliance Infrastructure	1,095	BUY	247,929	5,094	226	62.7	63.7	68.6	66.7	1.6	7.8	17.5	17.2	16.0	21.9	20.1	16.0	1.5	1.4	1.3	0.6	0.8	0.8	4.9	6.1	7.8	1,250	14.2	105.3
Reliance Power	157	REDUCE	375,571	7,716	2,397	1.0	2.5	3.1	—	141.5	24.4	153.6	63.6	51.1	—	—	—	2.7	2.6	2.5	—	—	—	1.8	4.2	5.0	160	2.1	35.3
Tata Power	1,282	ADD	304,379	6,253	237	47.7	74.6	84.1	49.7	56.5	12.7	26.9	17.2	15.2	11.8	11.6	11.2	3.1	2.3	2.1	0.8	0.9	1.1	11.4	15.4	14.3	1,250	(2.5)	15.8
Utilities		Attractive	2,741,482	56,322					12.3	21.2	14.7	24.3	20.1	17.5	18.1	16.3	14.6	2.6	2.4	2.2	1.3	1.4	1.6	10.7	11.7	12.3			
Others																													
Havells India	285	REDUCE	17,272	355	61	4.9	12.3	19.1	(8.2)	NA	56.2	NA	23.3	14.9	10.0	8.1	7.1	2.7	3.1	2.7	0.9	0.9	0.9	4.5	12.4	19.3	175	(38.7)	1.1
Jaiprakash Associates	208	REDUCE	292,341	6,006	1,403	3.0	6.7	11.4	(39)	123.8	70.2	69.4	31.0	18.2	23.3	14.2	12.8	5.3	4.4	3.6	—	—	—	8.0	15.5	21.9	220	5.6	103.3
Jindal Saw	550	ADD	31,676	651	58	74.3	61.5	61.1	20	(17.2)	(0.7)	7.4	8.9	9.0	5.0	5.3	4.7	0.9	0.8	0.8	0.9	0.7	0.7	11.6	8.9	8.6	470	(14.6)	4.0
PSL	149	BUY	6,480	133	44	22.2	37.6	30.1	5	69.2	(19.8)	6.7	4.0	4.9	4.4	3.6	3.0	1.0	0.8	0.7	3.3	4.3	4.3	11.9	13.4	11.3	160	7.6	1.5
Sintex	204	BUY	27,845	572	136	23.8	25.2	27.6	22	5.6	9.6	8.6	8.1	7.4	6.2	5.6	4.7	1.4	1.2	1.0	0.5	0.6	0.6	16.6	15.0	14.2	275	34.8	4.4
Tata Chemicals	244	ADD	59,456	1,221	243	26.6	17.8	26.8	(33)	(33.0)	50.4	9.2	13.7	9.1	6.1	6.3	5.0	1.2	1.2	1.1	3.6	3.6	3.6	17.9	11.0	14.7	260	6.5	6.4
Welspun Gujarat Stahl Rohren	212	REDUCE	40,049	823	189	17.3	24.0	17.8	(16)	38.7	(25.8)	12.2	8.8	11.9	7.0	5.1	5.9	2.2	1.7	1.5	1.0	0.7	0.8	17.8	21.7	13.4	145	(31.7)	25.1
United Phosphorus	157	BUY	72,372	1,487	462	10.7	13.9	18.0	28	29.7	29.6	14.6	11.3	8.7	9.8	7.1	5.6	2.4	2.0	1.7	0.8	1.0	1.3	18.1	19.1	20.8	160	2.1	6.4
Others			590,690	12,135					(8.1)	28.1	30.2	18.9	14.8	11.3	11.0	8.9	8.2	2.5	2.2	1.9	0.7	0.7	0.7	13.2	14.7	16.3			
KS universe (b)			34,278,764	704,238					1.2	9.1	20.8	17	15.7	13.0	11.1	9.4	8.0	2.6	2.3	2.0	1.3	1.5	1.8	15.2	14.4	15.4			
KS universe (b) ex-Energy			26,609,791	546,683					5.0	3.7	17.3	16.9	16.3	13.9	12.5	11.1	9.6	2.8	2.4	2.1	1.2	1.3	1.5	16.7	14.8	15.3			
KS universe (d) ex-Energy & ex-Commodities			23,535,152	483,516					6.9	9.3	15.4	18.4	16.8	14.6	14.6	12.4	10.7	3.0	2.6	2.3	1.2	1.4	1.6	16.5	15.5	15.8			

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of June 30, 2009

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New rating system

Definitions of ratings

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

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

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

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

Old rating system

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

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

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

Other definitions

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

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