

June 13, 2008

India Strategy Friday Flash

BSE-30: 15,250

India

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Kotak Institutional Equities
Research

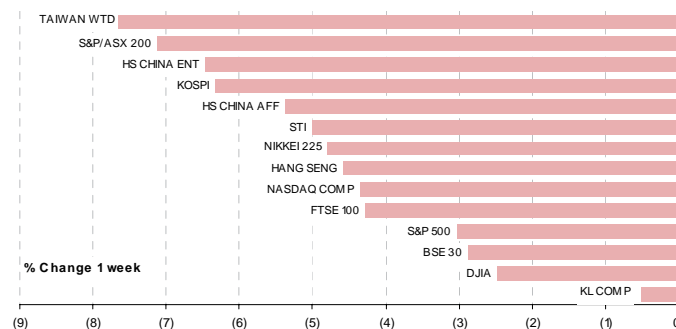
Important disclosures appear at the back of this report.

Testing lows. During the past week, the Sensex lost 520 points (3.3%) to close at 15,250. ITC, HDFC and ONGC were the largest losers contributing 250 points to the Sensex fall. Market sentiments continued to remain weak owing to (1) high crude prices (US\$134/bbl) (2) concerns on high inflation and (3) heavy selling by foreign institutional investors who divested US\$855 mn from Indian equities. RBI raised the repo rate by 25 bps to 8% to curtail inflationary pressures and monetary expansion. However, better-than-expected IIP growth (7% for April 2008) acted as a breather, pulling back from the intra-week's low of sub-15,000.

Market highlights for the week ending Thursday, June 12, 2008

- Largest gainers: Carin India (9%), Lupin (9%), Sesa Goa (9%)
- Largest losers: Phoneix Mills (-19%), Hindustan Petroleum (-15%), United Spirits (-14%)

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)						
5-Jun-08	(82)	(51)	(8)	(3)	(352)	(496)
6-Jun-08	201	113	(12)	0	76	378
9-Jun-08	(449)	(30)	-	(1)	(333)	(813)
10-Jun-08	(794)	25	13	(1)	(209)	(966)
11-Jun-08	(64)	(62)	(13)	(1)	(37)	(178)
Total	(1,189)	(5)	(21)	(6)	(855)	(2,075)

Our top recommendations

Kotak Institutional Equities, Top-10, June 12, 2008

Companies	Sector	Rating	Mkt cap. (US\$ mn)	CMP (Rs)	Target (Rs)	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
						2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E
ITC	Consumer products	BUY	17,462	200	250	8.4	9.5	11.0	23.9	21.1	18.2	15.7	13.8	11.6
Larsen & Toubro	Industrials	BUY	18,676	2,704	3,600	77.9	116.7	148.9	34.7	23.2	18.2	19.3	14.0	10.9
ICICI Bank	Banking	ADD	19,309	743	933	39.9	35.4	46.2	18.6	21.0	16.1	—	—	—
DLF	Property	BUY	19,792	497	850	46.2	55.7	62.3	10.8	8.9	8.0	9.7	7.8	6.1
HDFC Bank	Banking	BUY	12,187	1,162	1,500	46.0	53.4	76.0	25.2	21.7	15.3	—	—	—
Maruti Suzuki	Automobiles	BUY	4,970	737	1,000	59.9	72.1	79.6	12.3	10.2	9.3	7.0	5.8	5.1
Jindal Steel and Power	Metals	ADD	7,637	2,125	2,900	80.4	111.6	117.0	26.4	19.0	18.2	16.6	12.3	11.2
Tata Power	Utilities	BUY	7,136	1,312	1,640	29.7	38.1	39.9	44.2	34.4	32.9	28.9	25.5	25.5
Sun Pharmaceuticals	Pharmaceuticals	BUY	7,166	1,476	1,720	71.5	86.7	73.7	20.6	17.0	20.0	16.9	13.4	14.5
Mid-cap. pharmaceutical basket														
Biocon	Pharmaceuticals	BUY	1,113	477	700	22.4	24.6	32.8	21.3	19.4	14.5	13.6	13.1	9.8
Dishman Pharma & Chemicals	Pharmaceuticals	BUY	573	302	515	14.9	20.5	27.1	20.2	14.7	11.1	15.1	10.5	8.3
Divi's Laboratories	Pharmaceuticals	BUY	2,289	1,519	2,400	53.2	79.4	110.8	28.5	19.1	13.7	23.2	15.6	10.7
Jubilant Organosys	Pharmaceuticals	BUY	1,442	341	530	22.8	23.7	27.9	14.9	14.4	12.2	11.9	11.2	8.8
Piramal Healthcare	Pharmaceuticals	BUY	1,808	371	470	17.6	21.9	26.7	21.1	16.9	13.9	15.3	11.8	9.5
BSE-30				15,250										

Source: Company, Bloomberg, Kotak Institutional Equities.

Our model portfolio

Kotak Institutional Equities Model Portfolio

Company	12-Jun		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Mahindra & Mahindra	580	ADD	1.1	—	(109)
Maruti Suzuki	737	BUY	1.0	2.5	150
Tata Motors	508	SELL	1.8	—	(176)
Automobiles			3.9	2.5	(136)
State Bank of India	1,340	ADD	3.5	—	(353)
PSU Banking			3.5	—	(353)
HDFC	2,174	ADD	5.4	5.4	—
HDFC Bank	1,162	BUY	4.1	5.6	150
ICICI Bank	743	ADD	7.9	9.4	150
Pvt. Banking/Financing			17.4	20.4	300
ACC	632	REDUCE	0.7	—	(67)
Ambuja Cements	86	REDUCE	0.7	—	(68)
Grasim Industries	2,213	ADD	1.4	—	(140)
Jaiprakash Associates	186	BUY	1.2	1.2	—
Cement			3.9	1.2	(275)
Hindustan Unilever	232	ADD	2.3	2.3	—
ITC	200	BUY	5.3	8.3	300
Consumers			7.6	10.6	300
Oil & Natural Gas Corporation	832	BUY	3.5	4.5	100
Reliance Industries	2,277	RS	14.2	10.6	(354)
Energy			17.7	15.2	(254)
Bharat Heavy Electricals	1,510	ADD	2.4	—	(236)
Larsen & Toubro	2,704	BUY	6.9	8.9	200
Industrials			9.2	8.9	(36)
Hindalco Industries	178	ADD	1.5	—	(152)
Jindal Steel & Power	2,125	ADD	—	3.0	300
Tata Steel	856	ADD	4.6	4.6	—
Metals			6.1	7.6	148

Company	12-Jun		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Cipla	217	REDUCE	1.0	—	(98)
Sun Pharmaceuticals	1,476	BUY	—	3.0	300
Ranbaxy Laboratories	544	REDUCE	1.3	—	(126)
Pharmaceuticals			2.2	3.0	76
DLF	497	BUY	1.3	2.8	150
Real estate			1.3	2.8	150
Infosys Technologies	1,875	BUY	8.5	10.3	175
Satyam Computer Services	483	BUY	2.9	2.9	—
TCS	888	REDUCE	2.2	—	(219)
Wipro	482	ADD	1.3	1.3	—
Technology			15.0	14.6	(44)
Bharti Airtel Limited	820	REDUCE	5.0	4.3	(75)
Reliance Communications	541	SELL	3.6	—	(361)
Telecom			8.6	4.3	(436)
Lanco Infratech	350	BUY	—	0.6	60
NTPC	163	ADD	1.8	1.8	—
Reliance Infrastructure	1,048	NR	1.6	1.6	—
Tata Power	1,312	BUY	—	2.0	200
Utilities			3.5	6.1	260
Biocon	477	BUY	—	0.6	60
Dishman Pharma & chemicals	302	BUY	—	0.6	60
Divi's Laboratories	1,519	BUY	—	0.6	60
Jubilant Organosys	341	BUY	—	0.6	60
Piramal Healthcare	371	BUY	—	0.6	60
Pharmaceutical mid-cap. basket			—	3.0	300
BSE-30	15,250		100.0	100.0	—

Note:
(a) Weights are with respect to June 4, 2008 prices.

Source: BSE, Bloomberg, Kotak Institutional Equities.

Sensex valuation summary

Valuation summary of BSE-30 sectors, June 12, 2008

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2007	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2008E	2009E	2008E	2009E
Automobiles	15,347	32.0	5.8	11.1	5.6	14.0	12.6	11.9	9.1	8.2	7.6	3.0	1.9	1.5	1.7	21.3	14.7
Banking	65,659	14.2	43.9	5.3	26.0	18.9	17.9	14.2	—	—	—	2.5	2.1	1.3	1.2	13.1	11.7
Cement	10,560	89.5	19.1	(1.6)	(4.6)	8.8	8.9	9.3	4.8	4.6	4.4	2.1	1.7	2.5	2.6	24.3	19.5
Consumers	29,254	19.8	15.1	13.2	15.6	25.6	22.6	19.6	18.0	14.3	12.2	8.8	7.7	2.9	2.6	34.4	34.1
Diversified	4,679	172.9	20.8	80.3	56.7	32.9	18.3	11.6	14.8	10.2	9.2	4.6	3.8	—	—	14.1	20.9
Energy	111,425	25.7	22.1	23.7	29.3	12.9	10.4	8.1	6.6	5.4	4.0	2.4	2.0	2.0	2.3	18.9	19.0
Industrials	35,932	48.8	25.1	35.1	27.2	30.0	22.2	17.4	16.3	12.6	9.9	6.8	4.9	0.7	0.9	22.5	22.3
Metals	22,593	33.1	(0.6)	26.5	(1.4)	14.0	11.1	11.3	8.1	6.7	6.8	2.0	1.7	1.3	1.3	14.0	15.3
Pharmaceuticals	9,263	39.6	25.2	(7.2)	30.5	26.9	29.0	22.2	18.4	17.8	13.1	5.9	3.7	1.3	1.7	22.0	12.7
Property	19,792	913.2	305.2	20.7	11.8	10.8	8.9	8.0	9.4	7.6	6.0	4.2	3.0	1.0	1.4	39.2	33.7
Technology	69,421	44.3	19.3	25.4	19.0	20.6	16.4	13.8	15.1	11.6	9.3	6.4	5.1	1.9	2.0	31.2	30.9
Telecom	62,148	182.9	71.6	30.4	22.7	21.4	16.4	13.4	13.4	9.8	7.8	5.2	4.0	0.2	0.4	24.5	24.4
Utilities	37,168	20.1	3.2	6.3	8.4	19.6	18.4	17.0	11.5	12.9	14.1	2.5	2.3	2.0	2.1	12.6	12.5
BSE-30 Index	493,241	38.4	29.4	19.6	20.4	17.1	14.3	11.9	10.0	8.4	7.0	3.3	2.7	1.5	1.6	19.6	19.0
BSE-30 ex-Energy	381,816	45.2	32.7	17.9	16.4	18.9	16.0	13.8	12.1	10.1	8.8	3.8	3.0	1.4	1.4	19.9	18.9
BSE-30 ex-Energy, Com.	348,663	44.1	38.1	18.4	19.4	20.0	16.9	14.2	13.4	11.0	9.3	4.1	3.3	1.3	1.4	20.4	19.4
BSE-30 ex-Technology	423,820	37.6	30.8	18.8	20.6	16.6	14.0	11.6	9.4	8.0	6.7	3.1	2.5	1.5	1.6	18.7	18.0

Note:

(1) EV/EBITDA excludes banks.

Source: Company reports, Kotak Institutional Equities estimates.

Nifty valuation summary

Valuation summary of Nifty sectors, June 12, 2008

	Mkt cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2007	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2008E	2009E	2008E	2009E
Automobiles	19,109	22.2	6.9	10.5	6.2	14.5	13.1	12.3	9.3	8.4	7.8	3.3	2.1	1.7	1.8	22.5	16.0
Banking	68,845	13.2	42.5	5.1	24.8	17.4	16.6	13.3	—	—	—	2.4	2.0	1.4	1.3	13.8	12.2
Consumers	29,202	19.8	15.1	13.2	15.6	25.6	22.6	19.6	18.0	14.3	12.2	8.8	7.7	2.9	2.6	34.4	34.1
Cement	10,541	89.5	19.1	(1.6)	(4.6)	8.8	8.9	9.3	4.8	4.6	4.4	2.1	1.7	2.5	2.6	24.3	19.5
Energy	141,954	29.6	22.4	24.0	44.8	14.3	11.5	8.0	7.5	6.2	4.3	2.3	1.9	1.9	2.0	16.0	16.5
Industrials	46,034	41.6	28.3	34.7	33.0	27.1	20.1	15.1	14.8	11.7	9.0	5.8	4.4	0.7	0.8	21.5	22.0
Metals	34,962	65.6	(8.0)	13.5	(0.0)	11.7	10.3	10.3	6.2	5.5	5.3	1.8	1.6	1.1	1.1	15.7	15.4
Media	2,185	11.2	49.4	29.7	29.8	26.5	20.4	15.7	17.3	11.9	9.1	3.3	2.9	1.0	1.2	12.3	14.3
Property	26,901	1,062.5	199.7	22.2	14.7	11.9	9.7	8.5	10.0	8.0	6.4	4.9	3.4	0.9	1.3	41.0	35.1
Pharmaceuticals	19,150	87.3	17.4	12.4	5.7	23.9	21.3	20.1	16.7	14.3	12.4	5.0	3.6	1.0	1.3	20.9	17.0
Telecom	70,668	(149.5)	66.7	30.2	22.6	22.1	16.9	13.8	13.5	9.9	7.9	5.0	3.9	0.2	0.4	22.5	22.9
Technology	74,022	46.6	17.1	25.1	19.1	20.2	16.1	13.6	14.7	11.3	9.0	6.1	4.9	1.9	2.0	30.3	30.1
Utilities	44,225	18.5	4.4	8.0	8.0	21.5	19.9	18.5	12.7	13.9	15.0	2.6	2.4	1.8	1.9	12.2	12.1
NIFTY	587,798	43.1	26.1	19.0	24.5	17.1	14.4	11.6	10.1	9.1	7.3	3.2	2.6	1.5	1.6	18.6	18.1
NIFTY ex-Energy	445,844	49.6	27.7	17.0	15.8	18.3	15.6	13.5	11.6	10.7	9.4	3.6	2.9	1.3	1.4	19.9	18.9
NIFTY ex-Energy ex Com	410,882	46.7	35.0	17.5	17.9	19.2	16.3	13.9	12.7	11.9	10.1	4.0	3.2	1.3	1.4	20.6	19.4

Note:

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

Source: Company reports, Kotak Institutional Equities estimates.

Regional valuation summary

Valuations of Indian markets are reasonable based on CY2008E PEG ratio, June 11, 2008

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

	Index	Earnings growth (%)				P/E (X)				PEG ratio (X)		
		2007	2008E	2009E	2010E	2007	2008E	2009E	2010E	2007	2008E	2009E
Brazil	MSCI BRAZIL	19.4	17.0	17.3	16.0	15.4	13.2	11.2	9.7	0.9	0.8	0.7
China	V/B/E/S CHINA	59.8	29.7	21.6	16.7	26.5	18.9	15.6	13.1	0.9	0.9	0.9
Hong Kong	V/B/E/S HONG KONG	44.9	(5.8)	17.3	15.1	14.7	16.2	13.9	12.5	NA	0.9	0.9
India	MSCI INDIA	19.8	16.5	24.8	16.2	20.3	16.9	13.7	11.5	1.2	0.7	0.8
Korea	MSCI KOREA	6.7	15.8	15.7	11.6	14.0	12.1	10.5	9.4	0.9	0.8	0.9
Malaysia	MSCI MALAYSIA	48.5	(10.1)	10.0	8.3	12.6	14.0	12.7	11.8	NA	1.4	1.5
Mexico	MSCI MEXICO	12.0	6.9	13.4	12.0	15.3	14.3	12.6	12.3	2.2	1.1	1.1
Russia	MSCI RUSSIA	28.0	24.1	11.1	2.9	13.1	10.5	9.5	9.3	0.5	0.9	3.3
Taiwan	MSCI TAIWAN	25.1	0.8	12.3	8.6	14.2	13.8	12.2	11.4	17.1	1.1	1.4
Thailand	MSCI THAILAND	(35.1)	112.9	7.9	9.6	24.1	11.3	10.4	9.5	0.2	1.4	1.1
Asia - Emerging markets	MSCI EM ASIA	19.4	13.0	16.2	11.5	15.9	14.0	12.1	10.8	1.2	0.9	1.0

Source: Thomson Datastream.

Valuation summary of BRICs sectors (1)

Valuation summary of BRICs sectors, June 11, 2008

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

Index		Earnings growth (%)				P/E (X)				PEG ratio (X)		
		2007	2008E	2009E	2010E	2007	2008E	2009E	2010E	2007	2008E	2009E
Banking												
Brazil	MSCI Brazil Banks Industry Group	21.2	13.1	18.9	15.7	13.2	11.7	9.8	8.5	1.0	0.6	0.6
Russia	MSCI Russia Banks Industry Group	15.4	33.9	24.4	25.9	18.4	13.8	11.1	8.8	0.5	0.6	0.4
India	MSCI India Banks Industry Group	9.4	34.6	23.5	NA	26.7	19.4	15.7	NA	0.8	0.8	NA
China	MSCI China Banks Industry Group	46.7	47.2	19.8	17.8	20.9	14.2	11.9	10.1	0.4	0.7	0.7
Consumers												
Brazil	MSCI Brazil Consumer Discretionary Sector	6.7	74.4	48.7	28.1	38.8	22.3	15.0	11.7	0.5	0.5	0.5
Russia	MSCI Russia Consumer Staples Sector	46.5	44.7	32.7	22.3	38.9	26.9	20.3	16.6	0.9	0.8	0.9
India	MSCI India Consumer Discretionary Sector	32.9	22.0	16.0	22.1	21.7	12.0	10.4	10.2	1.0	0.7	0.5
China	MSCI China Consumer Discretionary Sector	35.8	4.2	21.5	17.7	20.1	19.3	15.9	13.5	4.8	0.9	0.9
Energy												
Brazil	MSCI Brazil Energy Sector	(17.0)	44.3	8.5	21.4	19.4	13.4	12.4	10.2	0.4	1.6	0.6
Russia	MSCI Russia Energy Sector	22.9	26.8	11.1	(0.1)	12.2	9.6	8.7	8.8	0.5	0.9	NA
India	MSCI India Energy Sector	24.0	14.2	40.8	3.2	18.0	16.9	12.0	11.6	1.3	0.4	3.7
China	MSCI China Energy Sector	5.9	16.2	12.7	1.9	15.5	13.3	11.8	11.6	1.0	1.0	6.1
Industrials												
Brazil	MSCI Brazil Industrials Sector	(11.8)	72.9	18.1	28.8	26.6	15.4	13.0	10.1	0.4	0.9	0.5
India	MSCI India Industrials Sector	0.1	43.2	31.9	27.2	51.0	22.6	17.1	13.9	1.2	0.7	0.6
China	MSCI China Industrials Sector	89.7	3.5	14.0	19.3	15.2	14.7	12.9	10.8	4.3	1.1	0.7
Metals												
Brazil	MSCI Brazil Metals & Mining Industry	59.0	2.9	23.3	6.5	12.6	12.3	10.0	9.4	4.3	0.5	1.5
Russia	MSCI Russia Metals & Mining Industry	48.1	(1.1)	0.5	(5.5)	9.9	10.0	10.0	10.5	NA	20.9	NA
India	MSCI India Metals & Mining Industry	2.1	13.5	14.2	NA	11.9	10.4	9.1	NA	0.9	0.7	NA
China	MSCI China Metals & Mining Industry	(3.7)	16.0	9.3	8.4	15.8	13.6	12.5	11.5	1.0	1.5	NA

Source: Thomson Datastream.

Valuation summary of BRICs sectors (2)

Valuation summary of BRICs sectors, June 11, 2008

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

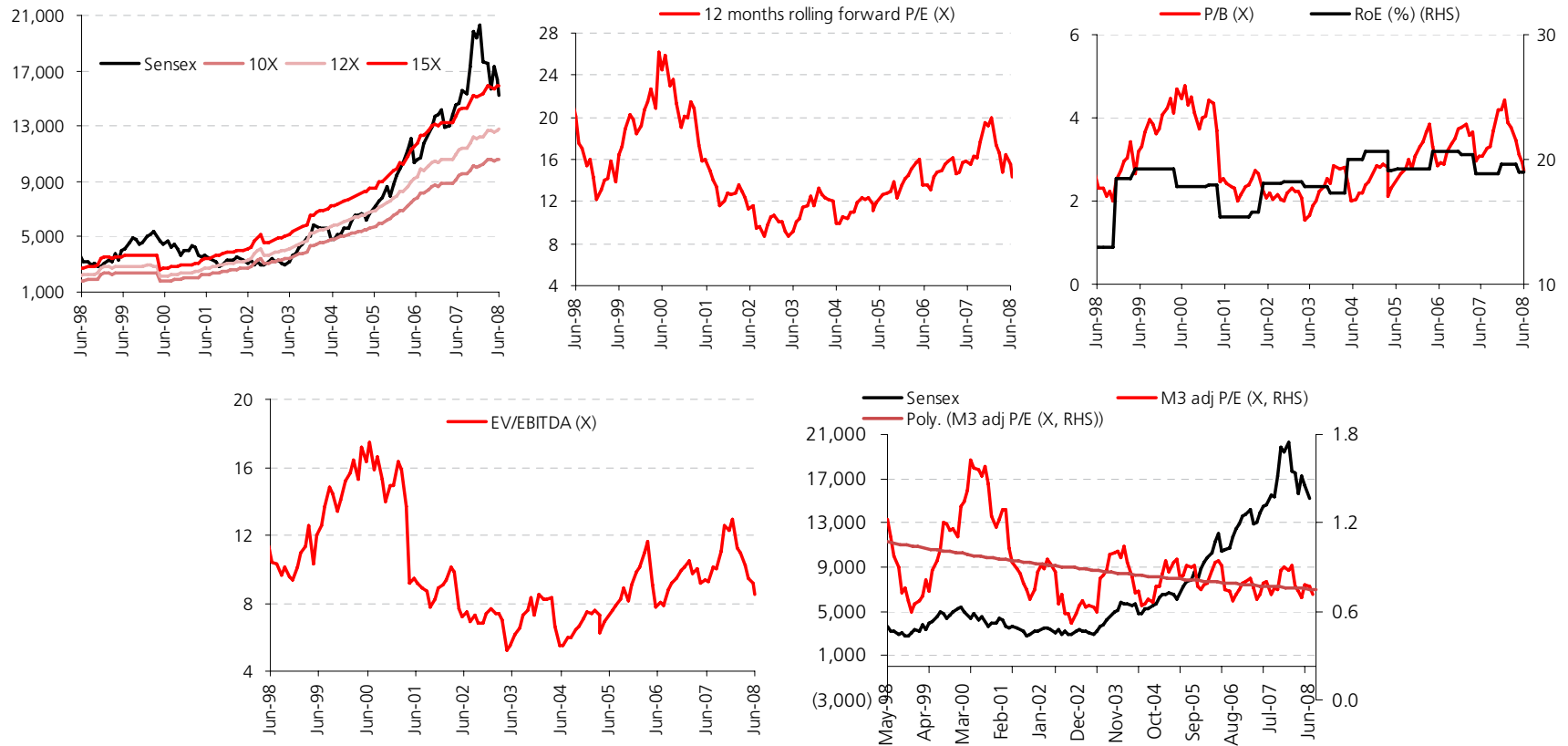
Index		Earnings growth (%)				P/E (X)				PEG ratio (X)		
		2007	2008E	2009E	2010E	2007	2008E	2009E	2010E	2007	2008E	2009E
Property												
Brazil	MSCI Brazil Real Estate Industry Group	NA	606.1	48.7	33.2	111.8	15.8	10.7	8.0	NA	0.3	NA
India	MSCI India Real Estate Industry Group	181.9	21.2	70.1	37.9	21.2	17.5	10.3	7.1	1.0	0.2	0.3
China	MSCI China Real Estate Industry Group	52.8	23.5	37.4	25.8	16.6	13.4	9.8	7.7	0.7	0.4	0.4
Technology												
Brazil	MSCI Brazil Information Technology Sector	565.9	34.6	20.4	13.7	31.9	23.7	19.7	17.3	0.9	1.2	1.4
India	MSCI India Software & Services Industry Gr	18.9	15.3	12.8	17.6	22.4	18.5	16.4	14.0	1.5	1.4	0.9
China	MSCI China Software & Services Industry Gr	24.1	17.7	28.2	29.1	43.7	37.2	29.0	22.5	2.5	1.3	1.0
Telecom												
Brazil	MSCI Brazil Telecommunication Services Sec	103.8	(1.4)	12.9	22.8	11.2	11.4	10.1	8.2	NA	0.9	0.4
Russia	MSCI Russia Diversified Telecommunications	11.5	7.7	35.7	10.3	28.2	26.2	19.3	17.5	3.7	0.7	1.9
India	MSCI India Telecommunication Services Sec	41.6	27.8	20.3	12.5	25.5	19.7	16.4	14.5	0.9	1.0	1.3
China	MSCI China Telecommunication Services Ser	20.7	24.2	15.7	14.3	24.6	19.8	17.1	15.0	1.0	1.3	1.2
Utilities												
Brazil	MSCI Brazil Utilities Sector	3.8	10.2	9.7	21.7	12.5	11.3	10.3	8.5	1.2	1.2	0.5
Russia	MSCI Russia Utilities Sector	(63.0)	16.4	5.2	171.6	40.3	34.6	32.9	12.1	2.5	6.7	0.2
India	MSCI India Utilities Sector	1.2	9.1	14.1	19.5	20.8	21.3	18.6	14.3	2.3	1.5	1.0
China	MSCI China Utilities Sector	9.2	(3.4)	19.4	11.0	15.7	16.2	13.6	12.5	NA	0.8	1.2

Source: Thomson Datastream.

BSE-Sensex key parameters

Key fundamental indicators of BSE Sensex

Sensex (BSE-30) P/B, EV/EBITDA and 12-month forward rolling P/E, May 1998 - current



Source: Bloomberg, Company reports, Kotak Institutional Equities.

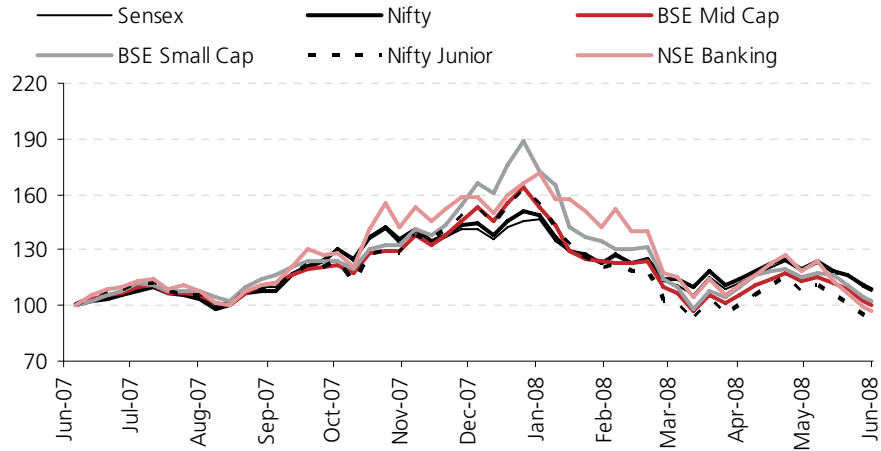
Market performance

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

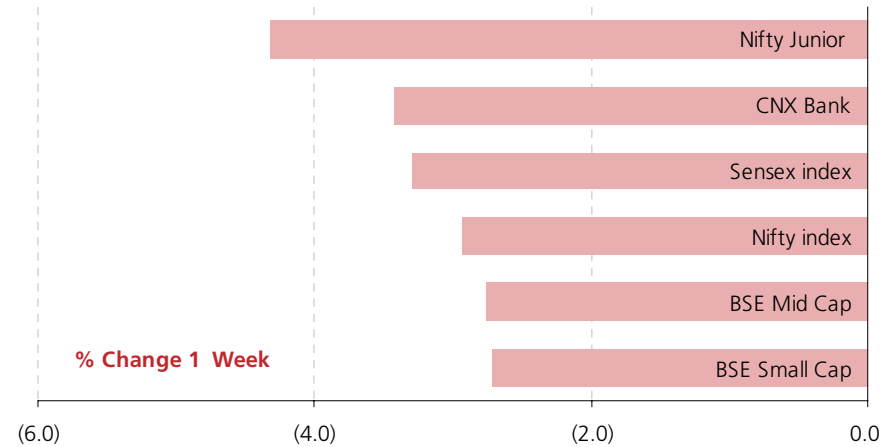
Relative performance of Indian markets

Key performance of benchmark indices

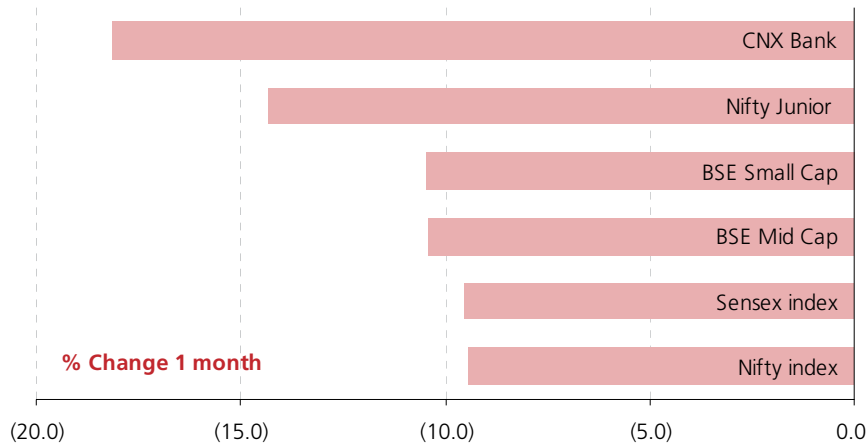
(base 100 as of June, 2007)



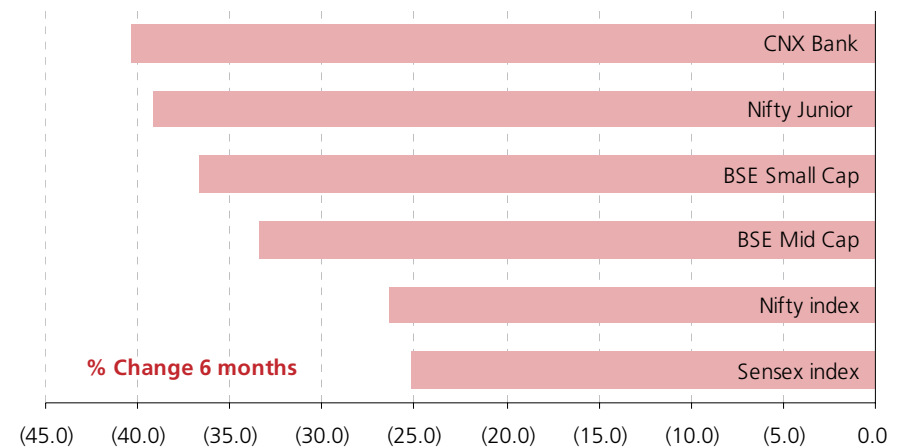
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



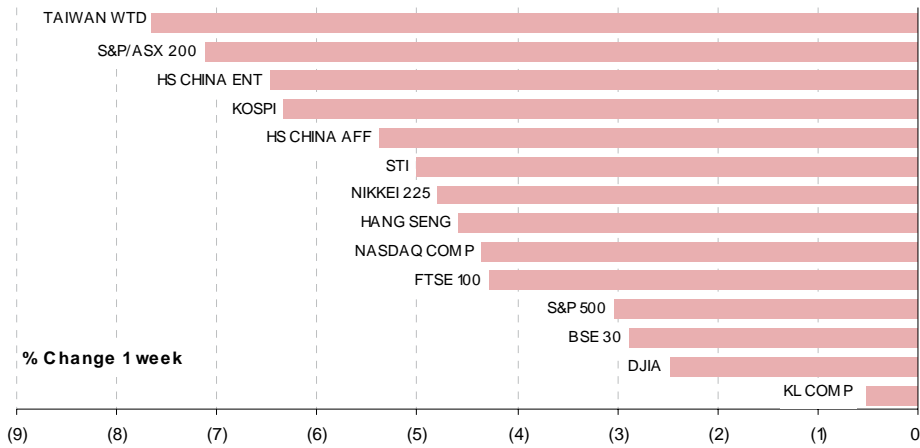
6-month performance of the benchmark indices



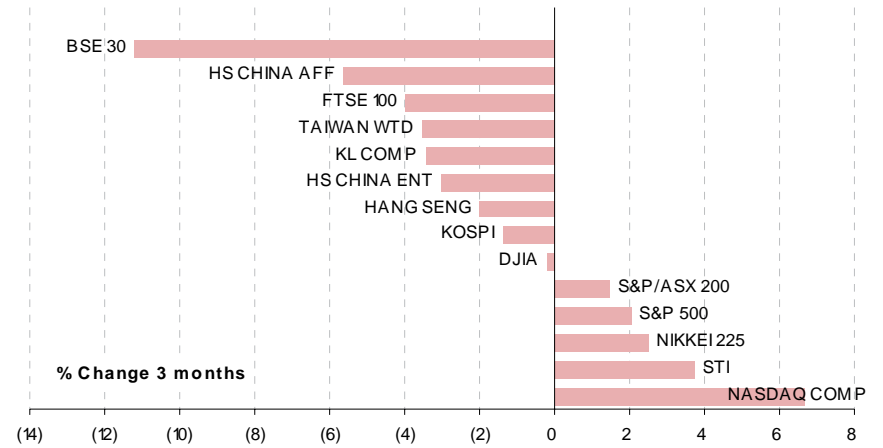
Source: Bloomberg, Kotak Institutional Equities.

BSE-Sensex versus regional indices

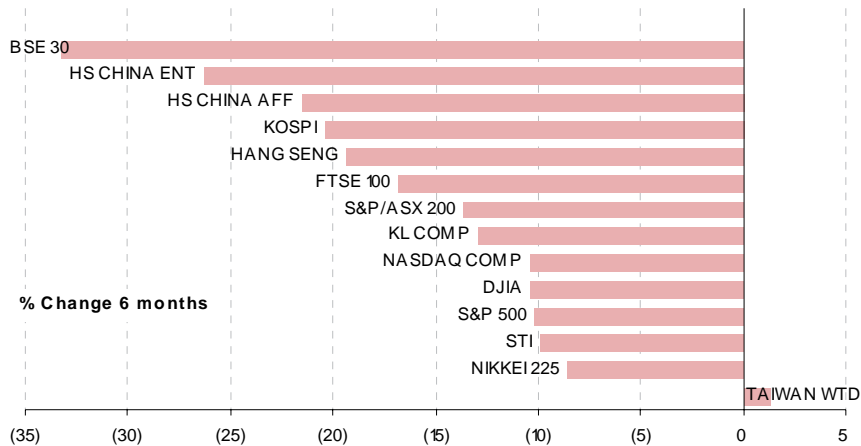
Weekly performance



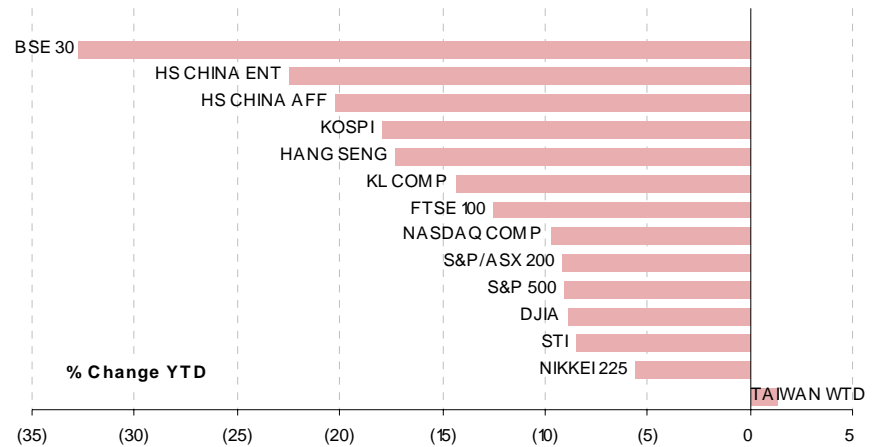
3-month performance



6-month performance



Year-to-date performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities.

Kotak Institutional Equities Research, June 13, 2008

Sectoral performance

Market performance of Sensex sectors, June 12, 2008

	Mkt cap.	Change (%)						Relative change (%)			
	(US\$ m)	1-Day	1-mo	3-mo	6-mo	1-Year	CYTD	1-Day	1-mo	6-mo	1-Year
Automobiles	16,532	0.5	(14.9)	(16.6)	(30.0)	(12.6)	(28.6)	0.0	(4.9)	(3.9)	(19.0)
Banking	65,659	0.1	(18.6)	(18.6)	(38.5)	0.0	(35.9)	(0.4)	(8.3)	(10.7)	(7.3)
Consumers	29,254	(0.0)	(8.9)	4.7	7.4	26.7	0.4	(0.4)	0.6	26.0	17.4
Cement	10,560	(0.5)	(11.1)	(25.2)	(41.5)	(15.8)	(39.8)	(0.9)	(1.4)	(13.0)	(22.0)
Diversified	5,403	1.7	(24.3)	(24.2)	(53.8)	-	(56.4)	1.3	(13.4)	(22.9)	30.6
Energy	111,425	0.5	(14.1)	(9.7)	(26.2)	17.2	(25.8)	0.1	(4.2)	(0.8)	8.6
Industrials	35,932	1.9	(9.2)	(17.1)	(40.0)	27.1	(38.4)	1.5	0.3	(11.8)	17.8
Metals	22,593	1.8	1.5	6.2	(4.5)	45.2	(10.8)	1.4	10.1	16.5	34.5
Pharmaceuticals	9,263	(2.0)	7.6	12.1	21.6	25.5	15.5	(2.4)	15.7	37.4	16.3
Property	19,792	(2.9)	(20.0)	(30.3)	(51.2)	-	(53.7)	(3.3)	(9.5)	(20.8)	-
Telecom	62,360	0.8	(2.0)	0.7	(25.6)	4.5	(22.1)	0.4	6.9	(0.4)	(3.2)
Technology	69,421	(0.1)	(0.6)	22.6	(1.8)	(13.6)	(5.3)	(0.5)	8.2	18.7	(19.9)
Utilities	37,168	(0.9)	(16.3)	(17.0)	(37.0)	15.0	(38.1)	(1.3)	(6.2)	(9.4)	6.6
Sensex sum	495,362	0.4	(9.6)	(5.4)	(25.2)	7.9	(24.8)				

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 Cairn India	9.3	1 Phoenix Mills	(18.5)
2 Lupin	8.8	2 Hindustan Petroleum	(14.8)
3 Sesa Goa	8.7	3 United Spirits	(13.8)
4 EIH	7.6	4 Patni Computer Systems	(13.2)
5 JSL	7.2	5 Housing Development & Infrastru	(13.2)
6 Reliance Petroleum	6.8	6 LANCO	(13.2)
7 Dredging Corporation	6.0	7 Oil & Natural Gas Corporation	(13.0)
8 Hero Honda	5.9	8 GMR Infrastructure	(12.9)
9 Cadila Healthcare	5.4	9 SREI	(12.8)
10 Bharat Heavy Electricals	4.5	10 Welspun Gujarat Stahl Rohren	(11.4)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Ranbaxy Laboratories	27.9	1 India Infoline	(67.2)
2 Sun Pharmaceuticals	22.6	2 Unitech	(61.4)
3 Piramal Healthcare	22.2	3 DishTV	(60.9)
4 Hero Honda	17.0	4 Rico Auto	(59.2)
5 Lupin	15.2	5 GMR Infrastructure	(56.8)
6 Nestle India	14.6	6 Jaiprakash Associates	(56.4)
7 Asian Paints	14.5	7 PFC	(55.9)
8 Cairn India	12.2	8 ABG Shipyard	(55.7)
9 Hindustan unilever	8.6	9 Sobha	(55.6)
10 Satyam Computer Services	6.8	10 JSL	(54.8)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Lupin	31.3	1 BGR Energy Systems	(33.9)
2 Lakshmi	20.7	2 Unitech	(32.4)
3 IVR Prime Urban Developers	12.8	3 Phoenix Mills	(30.5)
4 Dr Reddy's Laboratories	11.3	4 ABG Shipyard	(29.7)
5 Mphasis BFL	10.4	5 GMR Infrastructure	(28.8)
6 Ranbaxy Laboratories	10.0	6 Indian Overseas Bank	(28.3)
7 Sun Pharmaceuticals	9.7	7 Max	(28.3)
8 Divi's Laboratories	9.2	8 Shree Cement	(28.0)
9 Piramal Healthcare	8.1	9 Sobha	(27.5)
10 JSW Steel	7.4	10 Oriental Bank of Commerce	(26.8)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jindal Steel and Power	222.6	1 Hexaware Technologies	(65.6)
2 Sesa Goa	127.1	2 DishTV	(63.5)
3 Tata Power	125.3	3 Patni Computer Systems	(54.7)
4 Cairn India	115.9	4 Sobha	(51.8)
5 Reliance Infrastructure	102.7	5 Siemens	(51.0)
6 Educomp Solutions	98.6	6 Maharashtra Seamless	(50.8)
7 Monnet Ispat	96.1	7 Tech Mahindra	(48.2)
8 Shriram Transport	92.8	8 TVS Motor Co	(44.7)
9 Welspun Gujarat Stahl Rohren	88.6	9 Rico Auto	(43.8)
10 Reliance Petroleum	88.0	10 HT Media	(43.5)

Source: Kotak Institutional Equities.

Fundamental & technical indicators

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

Price-to-Earnings ratio analysis

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

Premium to 1 year rolling forward P/E (%)		Discount to 1 year rolling forward P/E (%)	
Company	Premium to sector	Company	Discount to sector
Phoenix Mills	440.7	Maharashtra Seamless	73.7
Cairn India	408.9	Rajesh Exports	65.1
Centurion Bank of Punjab	213.8	Monnet Ispat	64.5
United Breweries	211.7	Indian Bank	61.3
HDFC	195.5	Union Bank	60.6
Aditya Birla Nuvo	189.8	Dredging Corporation	58.4

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

Lowest 1 year rolling forward P/E (X)

Company	Lowest P/E
Jindal Saw	5.1
Indian Bank	6.1
Union Bank	6.2
Maharashtra Seamless	6.4
Andhra Bank	6.9
Hindustan Petroleum	7.2
Oil & Natural Gas Corporation	7.3
Federal Bank	7.4
Corporation Bank	7.4
Oriental Bank of Commerce	7.4

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

Highest 1 year forward P/E (X)

Company	Highest P/E
GMR Infrastructure	93.7
United Breweries	77.6
Phoenix Mills	62.5
Aditya Birla Nuvo	54.0
Cairn India	53.5
Educomp Solutions	52.1
Reliance Infrastructure	38.4
ABB	36.5
Tata Power	34.5
Tata Communications	34.1

Companies trading at all-time high historical P/Es, indicating re-rating of the multiples by market

Company	% discount to historical high
HDFC	3.5
KEC	8.6
Tata Power	8.9
GE Shipping	12.6
Monnet Ispat	12.6
Sterlite Industries	15.6
Reliance Industries	15.9
ITC	16.2
Sun Pharmaceuticals	17.6
Dishman Pharma & Chemicals	18.9
Punjab National Bank	19.0
Phoenix Mills	19.3
State Bank of India	19.8
Nestle India	20.2
Sintex	20.5
GAIL (India)	20.8

Note:

(a) Historical figures are generated since May 2000.

Source: Bloomberg, Kotak Institutional Equities

Enterprise Value-to-EBITDA ratio analysis

Companies trading at a premium to the sector based on comparable companies covered by Kotak Institutional Equities. Analysis done on 1- year forward EV-EBITDA

Trading at premium to the sectors

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

Company	Sector premium
Cairn India	517.7
Petronet LNG	188.2
Puravankara Projects	184.1
Jindal Steel and Power	181.6
Indian Oil Corporation	181.4

Trading at discount to sectors

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

Company	Sector discount
MTNL	17.5
Maharashtra Seamless	23.5
Hexaware Technologies	25.4
Dredging Corporation	33.0
Patni Computer Systems	33.1

Exhibit 23: Companies trading at highest EV/EBITDA amongst the Kotak coverage list

Highest 1 year rolling forward EV/EBITDA (X)

Company	Highest EV/EBITDA
Reliance Infrastructure	26.8
GMR Infrastructure	26.8
Tata Power	25.5
Cairn India	22.4
Ipca Laboratories	22.2
Educomp Solutions	21.3

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

Lowest 1 year rolling forward EV/EBITDA (X)

Company	Lowest EV/EBITDA
MTNL	1.7
Oil & Natural Gas Corporation	2.4
Hexaware Technologies	2.7
Hindustan Petroleum	2.8
Maharashtra Seamless	2.9
Bharat Petroleum	3.1

Source: Bloomberg, Kotak Institutional Equities

Technical indicators

Volume momentum analysis

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

Company	5-day average volumes	Price Change (%)	
		% increase (1 month basis)	
Ranbaxy Laboratories	13,062,339	289	10.0
HT Media	221,202	165	(12.3)
Asian Paints	41,891	86	4.6
Nestle India	49,320	78	(6.9)
Reliance Industries	7,055,724	77	(10.8)
IDFC	10,603,596	77	(21.0)

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

Company	5-day average volumes	Price Change (%)	
		% decrease (1 month basis)	
Lakshmi	6,422	(95)	20.7
United Breweries	14,564	(93)	(22.8)
Consolidated Construction Co.	453	(93)	(6.3)
Maharashtra Seamless	48,081	(84)	(11.7)
Bharat Electronics	16,159	(81)	(10.3)
Welspun India	24,113	(80)	0.0

Date	Sensex	Avg daily value traded (US\$ mn)	Institutional participation in total turnover	
			FII%	MF%
Apr-07	13,872	2,776	18.0	4.7
May-07	14,544	3,420	16.3	4.5
Jun-07	14,651	3,327	17.6	3.9
Jul-07	15,551	4,309	18.6	4.4
Aug-07	15,318	3,742	18.6	4.3
Sep-07	17,291	4,703	16.0	4.2
Oct-07	19,724	7,118	18.4	3.6
Nov-07	19,003	6,771	16.0	3.0
Dec-07	20,217	6,802	14.3	3.1
Jan-08	17,649	6,695	18.4	4.6
Feb-08	17,579	4,631	17.8	4.2
Mar-08	15,833	4,955	19.6	4.4
Apr-08	17,287	6,176	16.3	3.2
May-08	16,416	4,903	15.7	3.2
Jun-08	15,250	4,663	18.4	3.3

Source: Bloomberg, Kotak Institutional Equities.

Earnings momentum

- **Upgrades/downgrades in FY2009E**
- **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 and one month

FY2009 Earning Upgrades (KIE) (1 week)

Company	% Change
1 Mindtree	9.8
2 Mphasis BFL	9.4
3 Hexaware Technologies	8.6
4 Infosys Technologies	8.5
5 Polaris Software Lab	6.7

FY2009 Earning Downgrades (KIE) (1 week)

Company	% Change
1 Ranbaxy Laboratories	(23.2)
2 Suzlon Energy	(7.8)
3 Castrol India (a)	(5.2)

FY2009 earnings upgrades (KIE) (1 month)

Company	% Change
1 IVR Prime Urban Developers	52.8
2 Hindustan Petroleum	12.1
3 Mindtree	9.8
4 Mphasis BFL	9.4
5 Shriram Transport	8.9
6 Hexaware Technologies	8.6
7 Infosys Technologies	8.5
8 Larsen & Toubro	7.0
9 Polaris Software Lab	6.7
10 Satyam Computer Services	6.5
11 Oil & Natural Gas Corporation	6.5
12 Patni Computer Systems	6.3
13 Sun Pharmaceuticals	5.6
14 TCS	5.1
15 Tech Mahindra	4.5

FY2009 earnings downgrades (KIE) (1 month)

Company	% Change
1 Tata Motors	(35.2)
2 Ranbaxy Laboratories	(23.2)
3 Punj Lloyd	(12.3)
4 Nagarjuna Construction Co.	(11.5)
5 NTPC	(8.6)
6 Suzlon Energy	(7.8)
7 Dishman Pharma & chemicals	(6.9)
8 Lanco	(5.8)
9 Castrol India (a)	(5.2)
10 IVRCL	(5.0)
11 Indian Oil Corporation	(4.9)
12 Sobha	(3.4)
13 Indian Bank	(2.8)
14 ITC	(2.6)
15 Oriental Bank of Commerce	(2.4)

Source:Kotak Institutional Equities estimates.

Changes in our target prices

Changes in target prices in the past 1 month

Upgrades in target prices (1 month)

	Company	% Change	New	Old
1	Divi's Laboratories	25.3	2,400	1,915
2	Infosys Technologies	22.2	2,200	1,800
3	Satyam Computer Services	16.0	580	500
4	TCS	15.8	1,100	950
5	HCL Technologies	15.4	300	260
6	Sun Pharmaceuticals	14.7	1,720	1,500
7	Mindtree	14.6	550	480
8	Wipro	14.3	560	490
9	Mphasis BFL	10.0	220	200
10	Patni Computer Systems	7.4	290	270
11	Hexaware Technologies	7.1	75	70
12	Tata Power	6.5	1,640	1,540
13	Polaris Software Lab	5.9	90	85
14	Larsen & Toubro	5.9	3,600	3,400
15	Tech Mahindra	5.6	950	900
16	Oil & Natural Gas Corporation	4.3	1,200	1,150

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	Tata Motors	(36.4)	525	825
2	Andhra Bank	(22.9)	81	105
3	Mahindra & Mahindra Financial	(20.7)	230	290
4	Corporation Bank	(20.2)	375	470
5	Canara Bank	(20.0)	200	250
6	Oriental Bank of Commerce	(19.2)	210	260
7	Bharat Heavy Electricals	(16.7)	1,750	2,100
8	SREI	(16.7)	200	240
9	Mahindra & Mahindra	(16.3)	720	860
10	Union Bank	(16.0)	210	250
11	BGR Energy Systems	(15.2)	390	460
12	Sobha	(14.1)	610	710
13	Punj Lloyd	(11.9)	370	420
14	Indian Bank	(11.8)	150	170
15	J&K Bank	(11.8)	750	850
16	Indian Overseas Bank	(9.4)	145	160
17	PFC	(9.1)	150	165
18	Federal Bank	(8.8)	310	340
19	Nagarjuna Construction Co.	(8.1)	285	310
20	Ranbaxy Laboratories	(8.0)	520	565
21	Suzlon Energy	(7.1)	325	350
22	ICICI Bank	(6.7)	933	1,000
23	IVRCL	(6.1)	535	570
24	LIC Housing Finance	(5.7)	330	350

Source: Kotak Institutional Equities.

Changes in our ratings

Changes in ratings over the past 1 month

Company name		Rating	
		Current	Previous
AIA Engineering	Downgraded	REDUCE	BUY
Andhra Bank	Downgraded	REDUCE	BUY
Canara Bank	Downgraded	SELL	REDUCE
Corporation Bank	Downgraded	ADD	BUY
Hindustan Petroleum	Downgraded	REDUCE	BUY
Indian Overseas Bank	Downgraded	REDUCE	ADD
Mahindra & Mahindra	Downgraded	ADD	BUY
Ranbaxy Laboratories	Downgraded	REDUCE	BUY
Tata Motors	Downgraded	SELL	BUY
Tech Mahindra	Downgraded	ADD	BUY
Wipro	Downgraded	ADD	ADD

Company name		Rating	
		Current	Previous
BGR Energy Systems	Upgraded	ADD	REDUCE
Bharat Heavy Electricals	Upgraded	ADD	REDUCE
HDFC	Upgraded	ADD	REDUCE
IDFC	Upgraded	ADD	REDUCE
NTPC	Upgraded	ADD	REDUCE
Sobha	Upgraded	ADD	REDUCE
Tata Power	Upgraded	BUY	ADD

Source:Kotak Institutional Equities.

Flows

- Trend in equity flows
- FII flows in other emerging markets
- IPO analysis
- Bulk deals
- Delivery position analysis
- Open interest analysis

Trend in equity flows

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

	FII	MF
CY 1999	1,537	0
CY 2000	1,462	(150)
CY 2001	2,807	(1,110)
CY 2002	751	(685)
CY 2003	6,658	118
CY 2005	8,382	(217)
CY 2006	8,632	3,585
CY 2007	17,335	1,525
CY 2008	(5,255)	1,566
Jan	(4,271)	1,848
Feb	1,211	125
Mar	31	(459)
Apr	315	(6)
May	(1,158)	(83)
June	(1,382)	140

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

	Index Futures	Index Options	Stock Futures	Stock Options
CY2004	(91)	608	(796)	4
CY2005	(676)	2,199	(668)	(42)
CY 2006	345	3,950	(3,690)	(83)
CY2007	(772)	12,436	(11,600)	(170)
CY2008	1,222	7,861	1,913	244
Jan	(573)	1,479	1,566	(21)
Feb	563	1,379	334	(21)
Mar	1,122	822	394	32
Apr	1,162	2,299	(26)	119
May	(755)	1,450	(384)	105
June	(298)	432	29	29

Source: Bloomberg, Kotak Institutional Equities

FII flows in other emerging markets

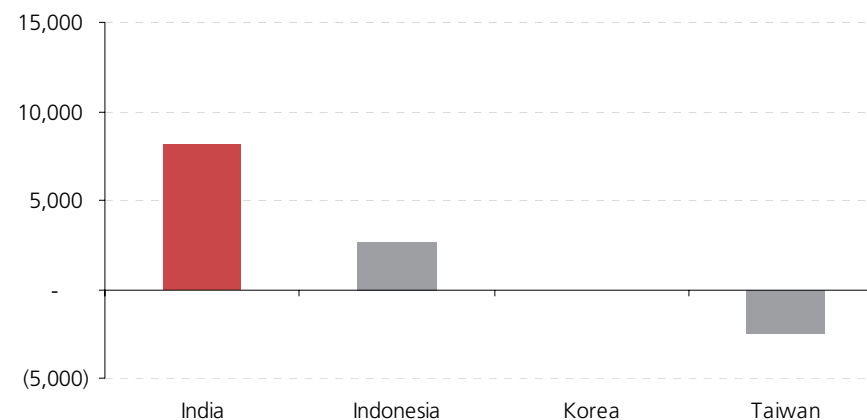
FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
14-May-08	459	2	(2)	0	64
15-May-08	765	19	(1)	1	181
16-May-08	742	45	(6)	3	14
20-May-08	(158)	-	(8)	3	(79)
21-May-08	(410)	(17)	(7)	1	(152)
22-May-08	(500)	5	(2)	3	(137)
23-May-08	(81)	37	2	1	(124)
26-May-08	(78)	(52)	(6)	(1)	(276)
27-May-08	(57)	(3)	3	(1)	(88)
28-May-08	(186)	6	(2)	(3)	(182)
29-May-08	257	34	(1)	(2)	(269)
30-May-08	271	39	2	(5)	63
2-Jun-08	329	(6)	(5)	(2)	(87)
3-Jun-08	(332)	(46)	(2)	(3)	(236)
4-Jun-08	(70)	(9)	(1)	(3)	(205)
5-Jun-08	(82)	(51)	(8)	(3)	(352)
6-Jun-08	201	113	(12)	0	76
9-Jun-08	(449)	(30)	-	(1)	(333)
10-Jun-08	(794)	25	13	(1)	(209)
11-Jun-08	(64)	(62)	(13)	(1)	(37)
Total	(237)	49	(58)	(16)	(2,366)

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
Aishwarya Telecom Limited	4	35	140	07-May-08	91	57	160	63
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	26	26	(15)
Rural electrification	156	105	16,393	11-Mar-08	121	101	15	(3)
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	189	(11)	(43)
IRB Infrastructure Developers Ltd	51	220	11,233	25-Feb-08	189	181	(14)	(18)
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	87	(14)	(52)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	102	2	(25)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	90	(14)	(25)
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	23	17	(48)
Reliance Power Ltd	260	450	117,000	11-Feb-08	373	186	(17)	(59)
Future Capital Holding	6	765	4,913	31-Jan-08	908	411	19	(46)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	82	(8)	(45)
Porwal Auto Components	5	75	375	14-Jan-08	80	21	6	(72)
Aries Agro Limited	5	130	585	11-Jan-08	252	124	94	(5)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	73	5	(54)
BGR	9	480	4,385	03-Jan-08	901	285	88	(41)
Burnpur Cement	22	12	263	03-Jan-08	46	18	286	49
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	346	57	(26)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	167	(3)	(57)
Eclerx Services	3	315	1,010	31-Dec-07	448	243	42	(23)
Jyothy Lab	4	690	3,057	19-Dec-07	793	508	15	(26)
Kaushalya Infra	9	60	510	14-Dec-07	82	29	37	(51)
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	594	119	35
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	624	83	(24)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	66	10	(56)
Kolte Patil	19	145	2,755	13-Dec-07	181	88	25	(39)
Maytas Infra	9	370	3,275	25-Oct-07	614	465	66	26
Consolidated Construction	4	510	1,887	15-Oct-07	791	583	55	14
Religare Enterprises	76	185	1,402	21-Nov-07	521	403	182	118
Supreme Infrastructure	35	108	375	18-Oct-07	175	75	62	(31)
Dhanus Technologies	38	295	1,131	17-Oct-07	311	286	5	(3)
Koutons Retail	35	415	1,462	12-Oct-07	590	725	42	75
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	86	92	66
Magnum Ventures	176	30	529	20-Sep-07	49	13	62	(56)
Indowind Energy	125	65	813	14-Sep-07	115	59	76	(10)
Motilal Oswal Financial	30	825	2,461	11-Sep-07	977	685	18	(17)
Puravankara Projects	215	400	8,587	30-Aug-07	362	210	(10)	(48)
KPR Mill	59	225	1,330	28-Aug-07	174	98	(23)	(56)
TakeSolutions	21	730	1,533	27-Aug-07	926	660	27	(10)
Central Bank of India	800	102	8,160	21-Aug-07	115	74	13	(28)
SEL manufacturing	41	90	372	21-Aug-07	142	519	58	477
Refex Refrigerants	38	65	247	20-Aug-07	62	230	(5)	253
Zylog Systems	36	350	1,260	17-Aug-07	431	237	23	(32)
IVR Prime	142	550	7,783	16-Aug-07	418	229	(24)	(58)
OMAXE Ltd	178	310	5,517	09-Aug-07	349	183	13	(41)
Alpa Laboratories	95	68	646	06-Aug-07	55	26	(19)	(62)

Source: Bloomberg and Kotak Institutional Equities.

Forthcoming IPO/Follow on offerings

Company Name	Issue
RELIANCE INFRA TEL LTD.	IPO
ADANI POWER LTD.	IPO
JAIPRAKASH POWER VENTURES LTD.	IPO
JSW ENERGY LTD.	IPO
FUTURE VENTURES INDIA LTD.	IPO
BHARAT OMAN REFINERIES LTD.	IPO
KSK ENERGY VENTURES LTD.	IPO
UTI ASSET MANAGEMENT CO.LTD.	IPO
OIL INDIA LTD.	IPO
MAHINDRA HOLIDAYS & RESORTS INDIA LTD.	IPO
D.B.CORP.LTD.	IPO
PIPAVAV SHIPYARD LTD.	IPO
GODREJ PROPERTIES LTD.	IPO
MULTI COMMODITY EXCHANGE OF INDIA LTD.	IPO
COX & KINGS (INDIA) LTD.	IPO
RAMKY INFRASTRUCTURE LTD.	IPO
BITES LTD.	IPO
AJANTA MANUFACTURING LTD.	IPO
ASHOKA BUILDCON LTD.	IPO
AUSTRAL COKE & PROJECTS LTD.	IPO
VIRGO ENGINEERS LTD.	IPO
TRIVENI INFRASTRUCTURE DEVELOPMENT CO.LTD.	IPO
APOLLO HEALTH STREET LTD.	IPO
MICROSEC FINANCIAL SERVICES LTD.	IPO
BIRLA COTSYN (INDIA) LTD.	IPO
INFINITY INFOTECH PARKS LTD.	IPO
PNC INFRA TECH LTD.	IPO
RESURGERE MINES & MINERALS INDIA LTD.	IPO
EURO MULTIVISION LTD.	IPO
VRL LOGISTICS LTD.	IPO
ARSS INFRASTRUCTURE PROJECTS LTD.	IPO
MAN INFRACONSTRUCTION LTD.	IPO
NU TEK INDIA LTD.	IPO
MANDHANA INDUSTRIES LTD.	IPO
SHANKARA PIPES INDIA LTD.	IPO
RAJ OIL MILLS LTD.	IPO
CHIRIPAL INDUSTRIES LTD.	IPO
INFINITE COMPUTER SOLUTIONS (INDIA) LTD.	IPO
VIJAI INFRASTRUCTURE LTD.	IPO
KHADIM INDIA LTD.	IPO
ALKALI METALS LTD.	IPO
GINI & JONY LTD.	IPO
NEOTERIC INFORMATIQUE LTD.	IPO
SEA TV NETWORK LTD.	IPO

Source: Primedatabase.

Bulk Deals

Major bulk/block deals

Deal Date	Scrip Name	Action	Quantity	Price	Value		Exchange
					(Rs mn)		
04-Jun	S. Kumars Nat	SELL	6319379	105	660		BSE
11-Jun	Britannia Ind Ltd.	SELL	411978	1425	587		NSE
11-Jun	Britannia Ind Ltd.	BUY	411000	1425	586		NSE
10-Jun	Bajaj Electr	SELL	1380958	400	552		BSE
10-Jun	Bajaj Electr	BUY	1347218	400	539		BSE
10-Jun	IvrcI Infra & Proj Ltd	BUY	1185000	345	409		NSE
09-Jun	Monnet Ispat Ltd	BUY	700000	541	379		NSE
10-Jun	Titan Ind.	BUY	225059	1085	244		BSE
06-Jun	Gujarat N R E Coke Ltd	SELL	1775000	134	238		NSE
11-Jun	Bombay Dyeing & Mfg Co.	BUY	304580	701	214		NSE
04-Jun	Indus Ind Bk	BUY	1784700	72	129		BSE
11-Jun	Rallis India Ltd.	BUY	190593	420	80		NSE
11-Jun	Development Credit Bank L	SELL	1200000	57	69		NSE
11-Jun	Rallis India Ltd.	SELL	150000	421	63		NSE
04-Jun	Anu Labs	SELL	233678	264	62		BSE
06-Jun	Tempt.Foods	SELL	160000	233	37		BSE
10-Jun	Automo Cor G	BUY	150000	248	37		BSE
06-Jun	Pvr Limited	BUY	139400	182	25		NSE
10-Jun	Automo Cor G	SELL	96910	248	24		BSE
04-Jun	Anu Labs	SELL	75000	276	21		BSE
04-Jun	Anu Labs	SELL	75000	268	20		BSE
11-Jun	Natco Pharma Limited	SELL	202525	82	17		NSE
10-Jun	Automo Cor G	SELL	50687	248	13		BSE
06-Jun	Kalpana Indu	SELL	89189	111	10		BSE
05-Jun	Kalpana Indu	SELL	40811	110	5		BSE

Source: BSE, NSE.

Delivery positions

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Dishman Pharmaceuticals & Ch	43	97
Jindal Saw Ltd	46	93
Consolidated Construction Co	35	82
Pantaloon Retail India Ltd	39	85
Indian Bank	25	70
Gateway Distriparks Ltd	24	67
Psl Ltd	41	80
Aventis Pharma Ltd	61	98
Kalpataru Power Transmission	60	97

Decrease in delivery % (KIE universe)

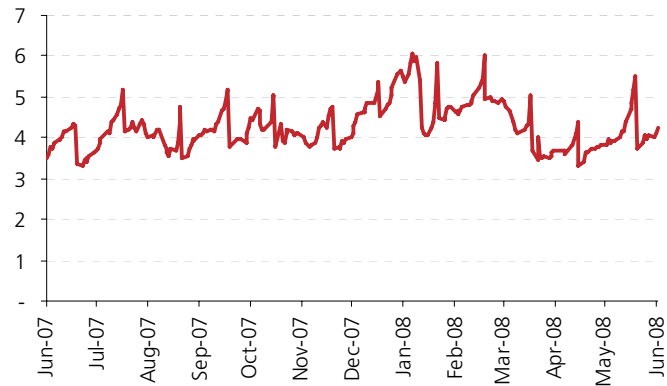
Name	Delivery %	
	Previous week	Current week
Pvr Ltd	82	24
CESC Limited	77	23
Castrol (India) Limited	75	26
Phoenix Mills Limited	76	30
Jet Airways India Ltd	65	20
Maharashtra Seamless Ltd	81	41
Oil & Natural Gas Corp Ltd	67	33
Rico Auto Industries Ltd	81	49
Nestle India Limited	86	56

Source: Bloomberg and Kotak Institutional Equities.

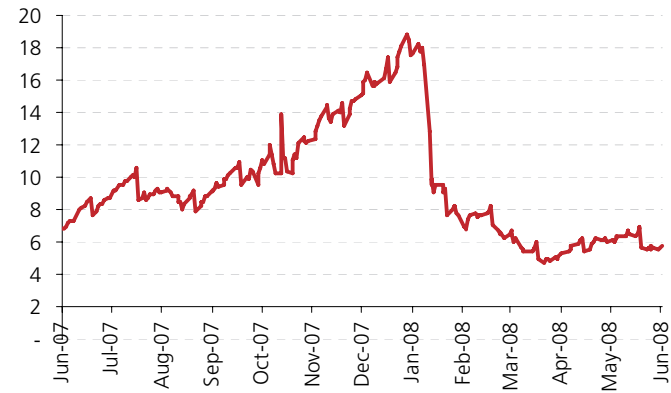
Open interest analysis

National Stock Exchange (US\$ bn)

India Index futures open interest



India stock futures open interest

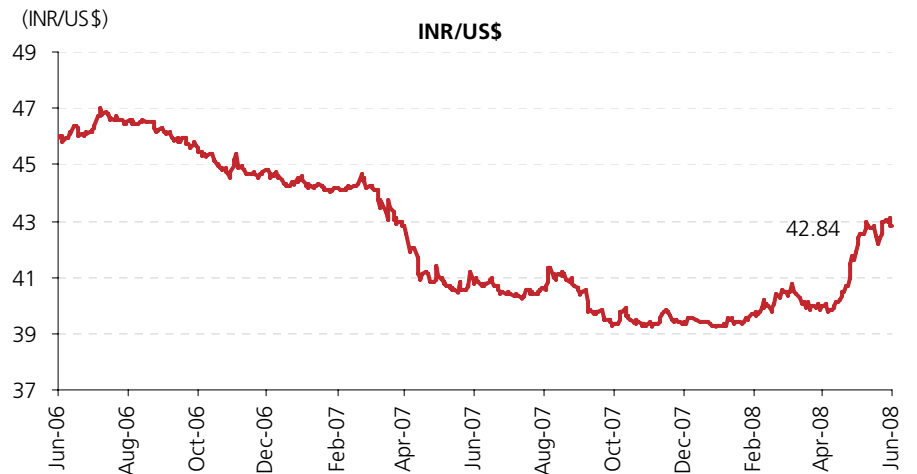
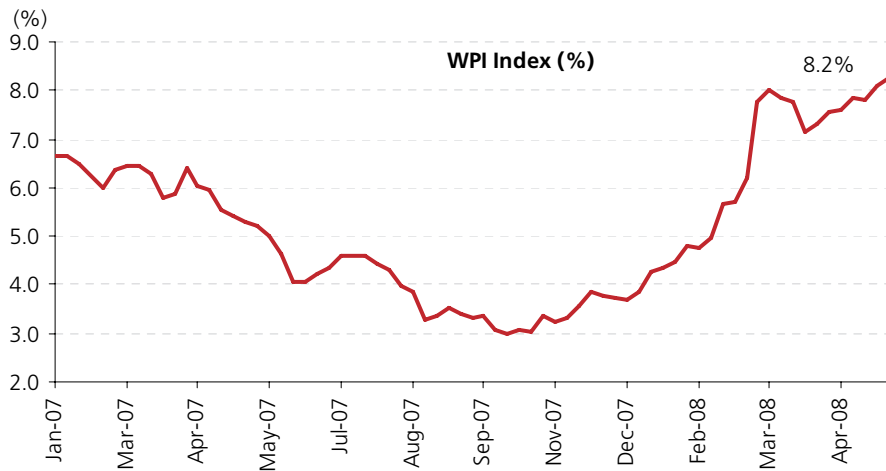
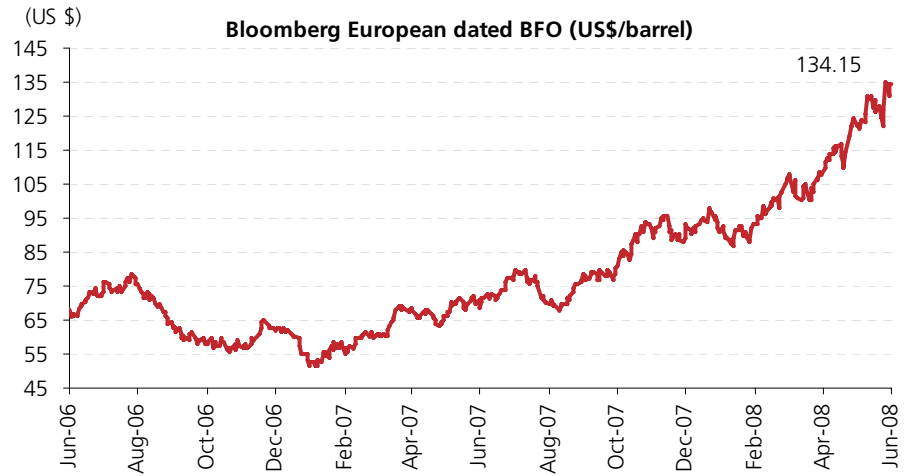
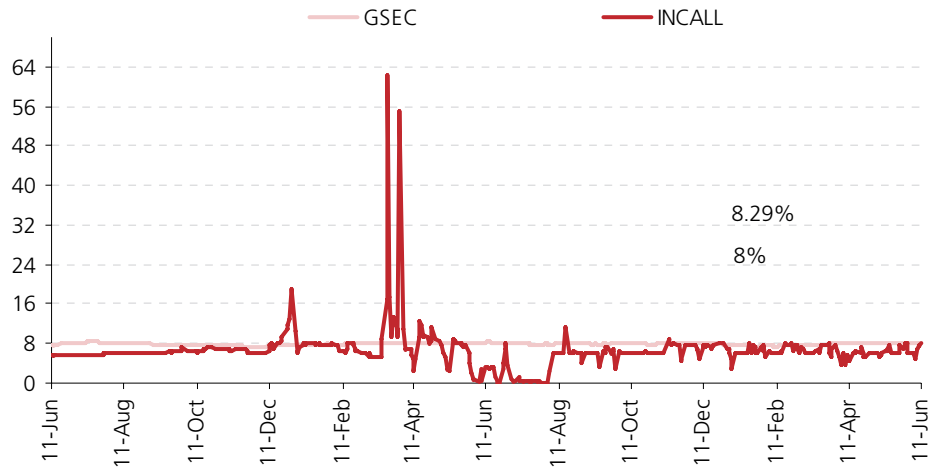


Source: Bloomberg and Kotak Institutional Equities.

Economic indicators

Economic indicators

Key economic parameters



Source: Bloomberg and Kotak Institutional Equities.

Kotak valuation summary

Valuation summary

Kotak Institutional Equities Universe

Company	12-Jun-08		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E			
Energy																													
Bharat Petroleum	269	REDUCE	88,299	2,061	328	75.7	39.7	39.7	44.6	(47.5)	(0.1)	3.6	6.8	6.8	2.2	3.4	2.5	0.7	0.7	0.6	11.5	5.8	5.8	20.4	9.7	9.0	350	29.9	6.0
Cairn India	289	SELL	535,495	12,500	1,855	(0.1)	3.2	18.4	(105.9)	(2,374)	482	(2,077)	91	15.7	65.5	35.1	10.8	1.8	1.6	1.5	—	—	—	(0.1)	1.9	10.0	220	(23.8)	75.8
Castrol India (a)	266	REDUCE	32,938	769	124	20.1	19.5	20.9	64.6	(3.1)	7.4	13.3	13.7	12.7	7.5	7.9	7.4	8.0	7.6	7.2	5.3	5.6	6.0	59.5	57.0	58.2	305	14.5	0.8
GAIL (India)	377	REDUCE	318,725	7,440	846	30.8	32.6	35.7	21.7	6.0	9.4	12.3	11.6	10.6	7.0	6.5	5.7	2.2	2.0	1.8	2.7	2.9	3.2	18.2	17.1	16.7	440	16.7	14.0
GSPL	62	REDUCE	34,860	814	563	1.6	4.7	5.5	(1.1)	192.4	15.2	38.2	13.1	11.4	11.2	6.6	5.1	2.8	2.4	2.1	0.8	2.3	2.7	7.9	19.8	19.7	65	4.9	4.0
Hindustan Petroleum	192	REDUCE	65,214	1,522	339	33.5	35.8	33.5	(16.4)	6.9	(6.3)	5.7	5.4	5.7	5.2	3.0	2.3	0.5	0.5	0.5	1.6	9.4	8.8	9.6	8.7	7.7	260	35.1	6.5
Indian Oil Corporation	363	REDUCE	428,565	10,004	1,179	60.5	41.0	60.2	29.2	(32.2)	46.9	6.0	8.9	6.0	4.1	8.0	7.5	1.0	0.9	0.8	1.5	1.4	1.9	17.2	10.1	13.2	460	26.6	7.0
Oil & Natural Gas Corporation	832	BUY	1,780,410	41,558	2,139	104.4	140.2	150.3	22.8	34.2	7.2	8.0	5.9	5.5	3.2	2.5	2.1	1.7	1.4	1.2	4.3	4.8	5.0	21.6	25.0	22.9	1,200	44.2	57.5
Petronet LNG	64	SELL	47,738	1,114	750	6.3	5.2	5.6	—	(16.3)	6.1	10.2	12.1	11.4	6.5	8.5	7.2	2.5	2.1	1.8	2.4	1.6	1.6	26.5	18.4	16.3	66	3.7	5.6
Reliance Industries	2,277	RS	2,993,169	69,866	1,314	105.0	104.7	172.5	25.5	(0.3)	64.7	21.7	21.7	13.2	13.0	11.1	6.4	3.3	2.9	2.2	0.6	0.7	1.1	18.9	15.2	21.6	—	—	231.8
Reliance Petroleum	180	REDUCE	810,450	18,917	4,500	—	4.9	20.6	n/a	n/a	321.6	n/a	36.8	8.7	n/a	30.8	7.7	6.0	5.2	3.4	—	—	1.1	—	15.1	47.0	185	2.7	127.4
Energy		Cautious	7,135,863	166,565					21.6	16.4	43.4	13.9	11.9	8.3	7.3	6.7	4.9	2.2	1.8	1.6	1.8	1.9	2.3	15.7	15.4	19.2			
Industrials																													
ABB	962	REDUCE	203,845	4,758	212	23.2	30.4	40.7	44.5	31.1	33.6	41.5	31.6	23.7	24.7	18.5	13.4	12.5	9.3	6.9	0.2	0.3	0.3	34.8	33.8	33.5	1,125	16.9	10.0
AIA Engineering	1,402	BUY	26,361	615	19	69.1	92.2	117.3	34.5	33.5	27.2	20.3	15.2	12.0	14.1	9.8	7.1	4.3	3.5	2.8	0.4	0.7	0.9	23.4	25.0	25.1	1,750	24.8	0.5
BGR Energy Systems	285	ADD	20,538	479	72	11.9	16.6	23.0	(67.9)	38.9	38.6	23.9	17.2	12.4	13.8	10.1	7.8	4.1	3.4	2.7	0.4	0.6	0.8	29.3	21.4	24.2	390	36.7	1.3
Bharat Electronics	1,095	ADD	87,608	2,045	80	96.9	108.1	115.5	5.7	11.6	6.8	11.3	10.1	9.5	5.2	4.2	3.8	2.7	2.3	1.9	2.3	2.3	2.3	26.2	24.2	21.8	1,475	34.7	3.4
Bharat Heavy Electricals	1,510	ADD	739,273	17,256	490	58.4	71.2	89.1	23.0	21.8	25.2	25.8	21.2	16.9	13.6	11.1	8.7	6.8	5.5	4.4	0.8	1.0	1.3	29.0	28.5	28.7	1,750	15.9	77.5
Dredging Corporation	594	REDUCE	16,636	388	28	49.5	60.9	64.2	(14.0)	23.0	5.4	12.0	9.8	9.3	5.8	4.2	3.4	1.4	1.2	1.1	2.5	2.5	2.5	11.8	13.1	12.5	775	30.4	0.2
Larsen & Toubro	2,704	BUY	800,097	18,676	296	77.9	116.7	148.9	24.0	49.9	27.6	34.7	23.2	18.2	19.3	14.0	10.9	6.8	4.6	3.6	0.6	0.7	0.7	23.3	23.5	22.4	3,600	33.1	98.1
Maharashtra Seamless	310	ADD	21,962	513	71	37.8	45.0	55.0	12.7	19.0	22.3	8.2	6.9	5.6	4.3	3.2	2.2	1.7	1.4	1.1	1.5	1.6	1.6	23.6	22.6	22.3	585	88.7	1.8
Siemens	480	REDUCE	161,972	3,781	337	18.2	17.4	25.8	60.4	(4.2)	47.9	26.4	27.5	18.6	15.4	15.8	10.4	8.8	7.0	5.3	0.5	0.5	0.6	39.9	28.3	32.3	600	24.9	11.7
Suzlon Energy	255	ADD	399,026	9,314	1,566	6.8	10.6	16.1	13.0	56.7	51.5	37.6	24.0	15.8	20.2	16.0	12.0	5.2	4.4	3.6	0.4	0.4	0.4	19.0	19.9	24.9	325	27.5	56.2
Industrials		Neutral	2,477,318	57,825					25.0	31.9	30.3	28.4	21.6	16.6	15.9	12.6	9.8	6.1	4.7	3.8	0.7	0.8	0.9	21.4	21.7	22.7			
Media																													
DishTV	40	ADD	17,150	400	428	(9.5)	(9.5)	(6.4)	n/a	0.3	(33.2)	(4.2)	(4.2)	(6.3)	(10.9)	(24.7)	30.4	(3.9)	(2.0)	(1.5)	—	—	—	172.0	64.0	27.7	65	62.3	3.5
HT Media	125	BUY	29,337	685	234	4.3	4.5	7.8	4.7	5.1	72.7	29.0	27.6	16.0	16.5	15.7	9.1	3.4	3.2	2.8	0.8	1.2	1.6	12.3	11.9	18.7	185	47.7	0.5
Jagran Prakashan	73	BUY	22,016	514	301	3.5	4.6	6.4	41.9	33.6	38.8	21.1	15.8	11.4	12.1	8.8	6.4	3.9	3.5	3.1	2.1	2.8	4.0	19.5	23.5	28.8	130	77.8	0.2
Sun TV Network	343	SELL	135,130	3,154	394	9.3	12.6	15.8	46.9	35.2	25.6	36.8	27.2	21.7	22.5	16.3	13.2	9.4	7.7	7.3	0.7	1.1	3.5	27.9	31.0	34.7	320	(6.7)	1.5
Zee Entertainment Enterprises	216	ADD	93,542	2,183	434	8.2	10.6	13.7	49.4	29.7	29.8	26.5	20.4	15.7	17.3	13.5	10.2	3.2	2.9	2.6	1.0	1.2	1.5	12.9	15.1	17.4	260	20.5	8.3
Media		Neutral	297,175	6,937					29.2	52.6	66.9	57.2	37.5	22.4	23.5	16.8	11.5	5.6	5.2	4.9	1.0	1.2	2.5	9.8	14.0	21.7			
Metals																													
Hindalco Industries	178	ADD	232,028	5,416	1,307	17.5	18.1	16.5	(10.9)	3.4	(8.6)	10.2	9.8	10.7	6.3	5.7	5.6	1.3	1.1	1.0	1.0	1.0	1.0	14.3	12.2	10.0	215	21.1	15.9
National Aluminium Co.	478	REDUCE	307,884	7,187	644	26.3	27.6	31.0	(28.8)	4.7	12.7	18.1	17.3	15.4	9.5	9.3	7.5	3.3	2.9	2.6	1.6	1.6	1.6	19.1	17.7	17.7	400	(16.3)	6.0
Jindal Steel and Power	2,125	ADD	327,176	7,637	154	80.4	111.6	117.0	83.2	38.9	4.8	26.4	19.0	18.2	16.6	12.3	11.2	7.6	5.3	4.0	—	—	—	34.3	32.8	25.1	2,900	36.5	38.3
JSW Steel	997	ADD	185,202	4,323	186	92.0	103.1	146.8	35.7	12.0	42.4	10.8	9.7	6.8	7.3	7.3	5.3	1.9	1.6	1.3	1.9	1.9	1.9	21.2	18.1	21.0	1,040	4.3	24.6
Hindustan Zinc	595	ADD	251,472	5,870	423	97.5	86.0	83.4	(7.3)	(11.8)	(3.0)	6.1	6.9	7.1	4.2	3.7	3.3	2.1	1.6	1.3	1.3	1.3	1.7	43.6	26.3	20.5	850	42.8	6.1
Sesa Goa	3,845	ADD	151,357	3,533	39	376.8	512.4	561.2	144.6	36.0	9.5	10.2	7.5	6.9	6.7	4.6	3.7	5.5	3.4	2.4	1.8	2.1	2.6	68.6	55.8	41.1	4,400	14.4	51.1
Sterile Industries	804	ADD	569,877	13,302	708	60.1	57.7	56.1	(27.7)	(4.0)	(2.6)	13.4	13.9	14.3	7.1	6.3	6.0	2.5	2.1	1.8	—	—	—	26.4	16.3	13.7	1,000	24.3	28.0
Tata Steel	856	ADD	735,903	17,177	860	53.6	73.9	74.9	5.4	37.9	1.3	16.0	11.6	11.4	9.0	7.2	7.2	2.4	2.0	1.8	1.4	1.4	1.5	23.3	18.6	15.6	800	(6.5)	61.7
Metals		Attractive	2,760,897	64,445					2.2	11.5	4.1	12.9	11.6	11.1	7.8	6.7	6.2	2.5	2.1	1.8	1.0	1.0	1.1	19.4	18.0	16.0			
Pharmaceutical																													
Biocon	477	BUY	47,670	1,113	100	22.4	24.6	32.8	8.7	9.9	33.3	21.3	19.4	14.5	13.6	13.1	9.8	3.2	2.9	2.5	0.1	0.1	0.1	17.6	15.5	18.0	700	46.8	2.6
Cipla	217	REDUCE	168,828	3,941																									

Valuation summary

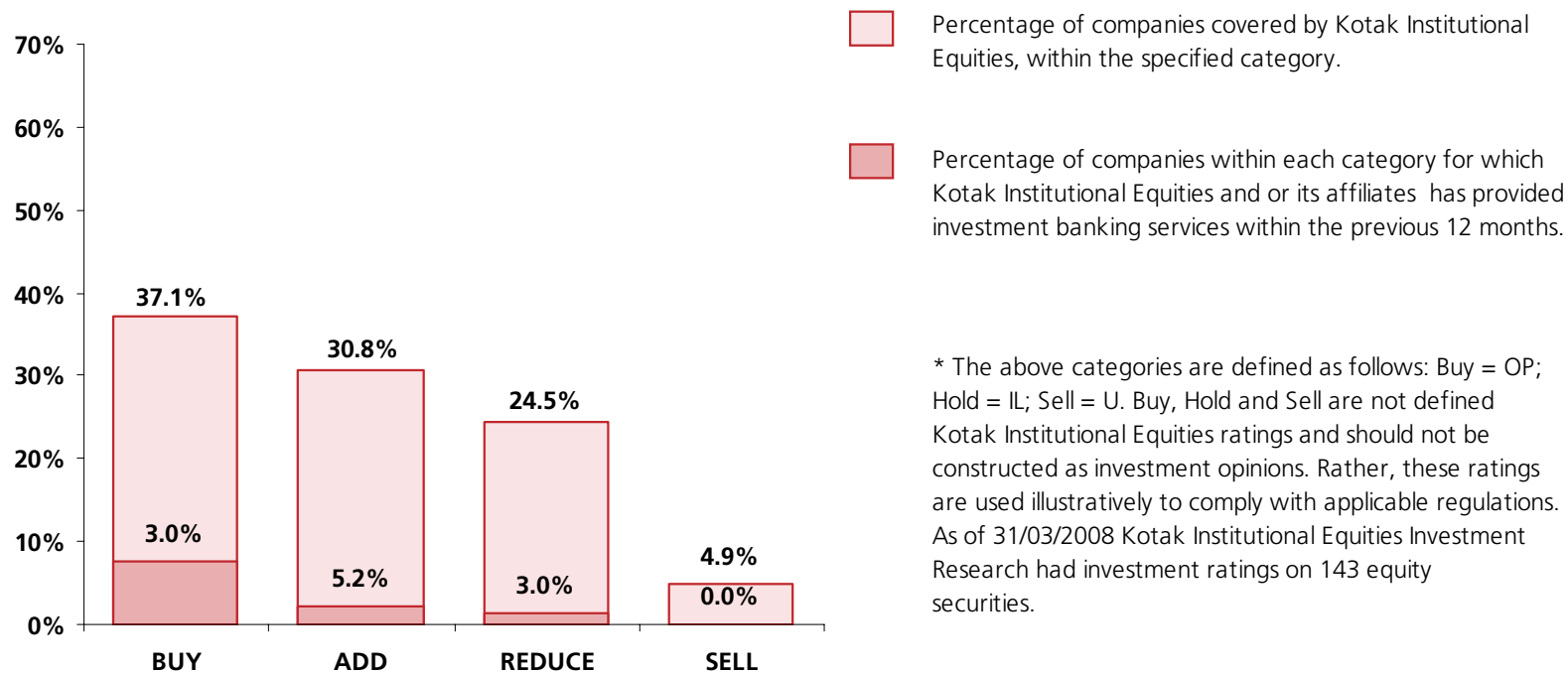
Kotak Institutional Equities Universe

Company	12-Jun-08		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)	(mn)	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	price	Upside	3mo
Retail																																
Pantaloon Retail	432	BUY	74,325	1,735	172	8.0	14.2	19.9	93.2	76.5	39.9	53.8	30.5	21.8	19.9	13.0	10.6	4.4	2.8	2.5	0.1	0.2	0.2	8.6	10.7	11.5	460	6.4	1.3			
Rajesh Exports	79	BUY	23,121	540	291	7.7	10.5	12.3	69.3	36.0	17.2	10.3	7.6	6.4	3.6	2.6	1.9	2.2	1.8	1.5	2.8	3.1	3.5	21.2	23.8	23.1	200	151.7	4.8			
Titan Industries	1,064	BUY	47,246	1,103	44	35.1	43.8	54.6	55.2	25.1	24.6	30.4	24.3	19.5	20.2	16.1	12.6	10.1	7.6	5.8	0.8	0.9	1.0	37.8	35.6	33.7	1,350	26.8	5.3			
Retail			144,692	3,377					57.7	47.0	26.6	28.6	19.4	15.3	13.7	10.1	8.4	4.5	3.1	2.7	0.8	0.9	1.0	15.6	16.2	17.5						
Technology																																
HCL Technologies	292	REDUCE	202,801	4,734	695	18.0	22.1	26.4	(4.4)	22.4	19.7	16.2	13.2	11.0	11.3	9.0	7.3	3.6	3.0	2.6	2.7	2.7	2.7	23.9	24.7	25.8	300	2.8	8.1			
Hexaware Technologies	56	SELL	8,023	187	142	7.7	8.4	10.2	(13.7)	10.1	21.2	7.4	6.7	5.5	4.0	2.9	2.1	1.1	1.0	0.9	2.8	2.8	2.8	15.1	16.1	17.1	75	32.9	0.6			
Infosys Technologies	1,875	BUY	1,076,193	25,120	574	79.1	102.8	119.6	18.0	30.0	16.3	23.7	18.2	15.7	18.9	14.0	11.3	7.8	6.0	4.7	1.8	1.3	1.5	36.1	37.0	33.4	2,200	17.3	96.1			
Mphasis BFL	244	SELL	50,872	1,187	208	12.2	14.7	17.8	67.6	20.4	20.7	19.9	16.5	13.7	12.0	10.0	8.3	4.4	0.6	3.1	1.4	1.6	1.8	23.6	24.4	24.8	220	(9.8)	2.6			
Mindtree	456	BUY	17,895	418	39	26.1	35.7	43.4	14.8	36.5	21.7	17.4	12.8	10.5	14.6	9.1	7.1	3.4	2.7	2.2	0.6	0.8	1.0	21.3	23.5	22.9	550	20.5	1.3			
Patni Computer Systems	241	SELL	33,457	781	139	33.4	25.5	30.1	29.7	(23.4)	18.0	7.2	9.4	8.0	4.2	3.8	2.8	1.2	1.1	1.1	0.8	1.0	1.2	19.2	11.9	12.9	290	20.5	1.5			
Polaris Software Lab	92	SELL	9,044	211	98	7.4	9.6	11.4	(27.6)	28.7	18.8	12.4	9.6	8.1	6.1	4.4	3.5	1.4	1.2	1.1	1.9	1.9	1.9	11.7	13.6	14.4	90	(2.2)	4.4			
Satyam Computer Services	483	BUY	329,244	7,685	682	25.2	32.5	39.3	17.7	28.7	20.9	19.1	14.9	12.3	15.6	11.3	8.9	4.5	3.7	3.0	2.0	2.5	2.9	26.0	27.3	26.7	580	20.1	56.0			
TCS	888	REDUCE	869,250	20,290	979	51.3	60.8	72.1	21.5	18.6	18.5	17.3	14.6	12.3	14.1	11.2	9.3	7.0	5.6	4.5	2.3	2.7	3.2	47.0	42.6	40.4	1,100	23.8	36.4			
Tech Mahindra	777	ADD	96,750	2,258	125	59.1	74.2	91.5	25.7	25.7	23.2	13.1	10.5	8.5	11.7	7.8	5.8	8.0	4.5	3.0	0.5	0.6	0.8	72.2	58.1	44.3	950	22.3	13.2			
Wipro	482	ADD	699,408	16,326	1,450	22.2	28.1	34.5	12.6	26.3	22.7	21.7	17.2	14.0	17.4	12.5	9.8	5.4	4.4	3.6	1.3	1.7	2.2	27.9	28.1	28.0	560	16.1	16.0			
Technology		Neutral	3,392,935	79,198					17.4	24.5	19.2	19.4	15.6	13.1	15.3	11.6	9.3	5.7	4.6	3.7	1.8	1.9	2.3	29.5	29.3	28.2						
Telecom																																
Bharti Airtel Ltd	820	REDUCE	1,554,761	36,291	1,896	35.3	46.0	55.7	65.0	30.2	21.2	23.2	17.8	14.7	14.0	10.0	7.5	6.9	4.9	3.7	—	0.5	0.7	39.1	32.3	28.6	840	2.4	84.6			
IDEA	108	REDUCE	284,495	6,641	2,639	4.0	4.8	5.8	78.9	21.1	21.5	27.2	22.5	18.5	15.1	11.3	9.2	8.0	5.9	4.5	—	—	—	36.5	30.3	27.5	110	2.0	30.0			
MTNL	94	ADD	59,504	1,389	630	6.0	6.4	7.2	(25.2)	6.2	13.4	15.7	14.8	13.1	1.5	1.4	1.3	0.5	0.5	0.5	6.4	6.4	6.4	2.7	2.9	3.4	120	27.1	5.9			
Reliance Communications	541	SELL	1,116,830	26,069	2,064	25.0	32.6	40.1	76.4	30.4	22.9	21.6	16.6	13.5	14.8	11.0	8.8	3.9	3.2	2.7	0.1	—	1.6	16.1	22.2	22.2	550	1.6	83.0			
Tata Communications	445	REDUCE	126,882	2,962	285	9.2	14.4	17.2	(46.2)	55.6	19.9	48.2	31.0	25.8	16.4	12.3	10.5	1.9	1.9	1.8	1.0	1.1	1.5	3.7	5.7	6.6	530	19.0	4.8			
Telecom		Cautious	3,142,472	73,351					61.3	30.1	22.4	22.3	17.2	14.0	14.1	10.3	8.1	4.3	3.5	2.9	0.3	0.5	1.1	19.3	20.3	20.5						
Transportation																																
Container Corporation	755	REDUCE	98,083	2,289	130	58.3	65.1	71.7	8.8	11.7	10.2	13.0	11.6	10.5	8.8	7.5	6.3	3.1	2.6	2.2	1.6	1.8	2.0	26.0	24.1	22.3	950	25.9	1.0			
Gateway Striparks	91	REDUCE	10,472	244	115	6.4	8.1	10.8	(5.0)	26.5	33.5	14.1	11.2	8.4	9.9	7.4	5.6	1.5	1.4	1.3	3.2	3.6	3.8	10.8	12.9	15.8	125	37.8	2.0			
GE Shipping	452	ADD	68,826	1,607	152	95.4	42.7	43.7	60.2	(55.2)	2.3	4.7	10.6	10.3	6.0	8.1	7.2	1.6	1.4	1.3	3.3	2.4	2.4	39.1	14.3	13.3	500	10.6	4.3			
Jet Airways	544	REDUCE	46,998	1,097	86	6.4	62.4	65.2	(3,208)	1,007	(5.1)	84.4	8.7	8.3	9.7	4.8	4.6	2.0	1.7	1.5	0.2	2.4	2.5	2.2	21.3	18.9	800	54.5	1.7			
Transportation		Neutral	224,379	5,237					39.4	(9.0)	7.3	9.6	10.5	9.8	8.0	6.3	5.6	2.1	1.9	1.6	1.9	2.1	2.2	22.2	17.6	16.5						
Utilities																																
CESC	440	BUY	54,984	1,283	125	27.4	29.1	33.4	(24.4)	6.2	14.8	16.1	15.1	13.2	9.1	7.9	6.2	1.8	1.6	1.4	0.9	1.0	1.1	12.5	11.0	11.2	630	43.1	2.2			
LANCO	350	BUY	77,872	1,818	222	15.9	31.8	69.8	88.1	99.5	119.3	22.0	11.0	5.0	16.2	12.2	7.2	3.9	2.9	1.8	(1.7)	—	—	20.2	30.1	44.6	650	85.6	25.8			
NTPC	163	ADD	1,345,248	31,401	8,245	8.9	9.4	10.2	3.3	5.4	8.2	18.3	17.3	16.0	13.2	14.5	14.7	2.5	2.3	2.2	2.2	2.3	3.1	14.4	14.0	14.2	210	28.7	42.8			
Reliance Infrastructure	1,048	NR	247,094	5,768	236	32.5	37.1	40.7	(6.8)	14.3	9.8	32.3	28.2	25.7	37.0	27.1	26.0	2.2	2.1	2.0	1.1	0.9	1.0	10.3	7.6	8.0	—	—	91.9			
Tata Power	1,312	BUY	305,735	7,136	233	29.7	38.1	39.9	11.6	28.5	4.6	44.2	34.4	32.9	28.9	25.5	25.5	4.1	3.2	2.8	0.7	0.7	0.7	10.0	10.3	9.0	1,640	25.0	20.9			
Utilities		Attractive	2,030,932	47,406					6.3	11.6	15.7	21.4	19.2	16.6	15.7	15.7	14.5	2.6	2.4	2.2	1.6	1.7	2.3	12.3	12.4	13.2						
Others																																
Aban Offshore	3,631	ADD	140,010	3,268	39	150.1	490.3	730.0	#####	226.6	48.9	24.2	7.4	5.0	18.1	7.8	5.3	10.2	4.1	2.3	0.1	0.3	0.4	55.4	61.4	48.8	3,900	7.4	18.9			
ABG Shipyard	439	-	22,368	522	51	22.8	32.1	56.2	39.0	40.6	74.8	19.2	13.7	7.8	12.8	9.5	5.5	3.5	2.6	1.5	—	—	0.6	20.4	21.5	24.7	-	77.5	0.8			
Educomp Solutions	3,444	REDUCE	65,147	1,521	19	33.9	66.6	109.1	91.6	96.4	63.7	101.5	51.7	31.6	55.0	24.7	15.0	22.3	8.1	6.8	0.1	0.2	0.3	29.3	24.2	24.2	3,650	6.0	17.9			
Jindal Saw	535	BUY	29,985	700	56	71.7	115.9	130.8	(38.2)	61.7	12.9	7.5	4.6	4.1	4.4	2.7	2.1	1.0	0.8	0.7	1.6	2.6	3.0	13.9	20.1	19.2	1,080	101.7	2.2			
JSL	126	ADD	10,464	244	83	11.7	15.0	17.0	75.8	28.2	13.5	10.8	8.4	7.4	6.5	5.2	4.5	2.8	2.1	1.7	0.8	0.8	0.8	29.7	29.0	25.5	275	117.7	0.8			
Kalpataru Power Transmission	855	ADD	22,656	529	26	67.5	86.5	93.7	12.2	28.1	8.3	12.7	9.9	9.1	7.6	5.7	4.8	2.8	2.2	1.8	1.2	1.2	1.5	24.5	25.3	22.2						

Disclosures

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



* The above categories are defined as follows: Buy = OP; Hold = IL; Sell = U. Buy, Hold and Sell are not defined Kotak Institutional Equities ratings and should not be constructed as investment opinions. Rather, these ratings are used illustratively to comply with applicable regulations. As of 31/03/2008 Kotak Institutional Equities Investment Research had investment ratings on 143 equity securities.

Source: Kotak Institutional Equities.

As of March 31, 2008

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Ratings and other definitions/identifiers

New rating system

Definitions of ratings

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

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

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

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

Old rating system

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

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

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

Other definitions

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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