

June 23, 2006

India Strategy Friday Flash

BSE-30: 10,276

India

Analysts

Alroy Lobo, CFA
alroy_lobo@kotak.com
Mumbai: +91-22-6634-1214

Puneet Jain
puneet.j@kotak.com
Mumbai: +91-22-6634-1255

Bhavesh Shah
bhavesh.shah@kotak.com
Mumbai: +91-22-6634-1498

**Kotak Institutional Equities
Research**

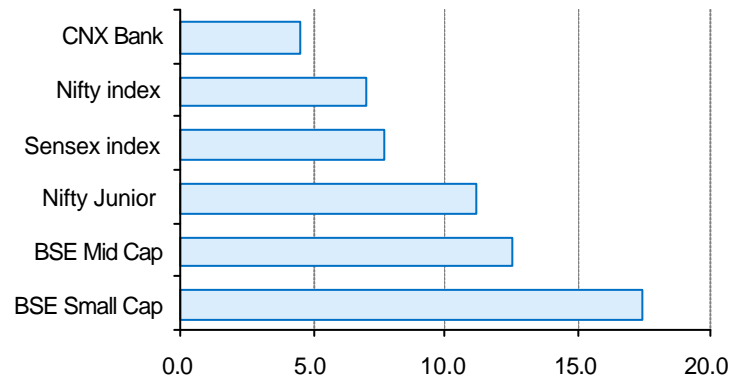
Important disclosures appear at the back of this report.

Against all odds. Last week saw large volatility in macro economic parameters with INR weakening by 0.3%, 10 year G-sec yield gaining by 17 basis points and WTI crude price rising by \$2.6 per barrel to \$69 per barrel. In spite of these factors BSE sensex gained 730 points to close at 10,276 (7.7%), largest amongst the regional peer indices. We continue to expect the markets to remain volatile over the medium term.

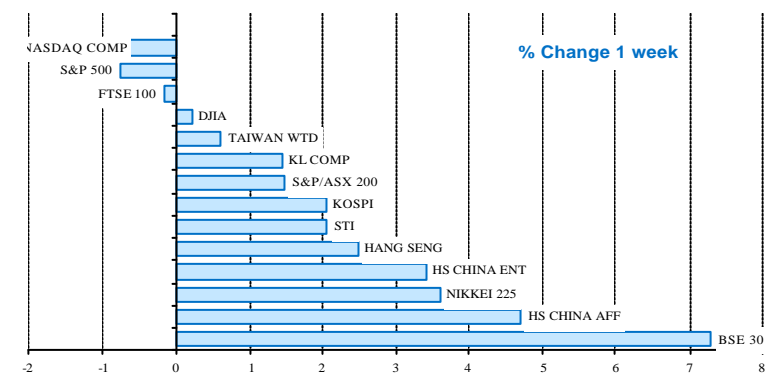
Market highlights for the week ending Thursday, June 22, 2006

- Largest gainers: Hotel Leela (35%), Motherson Sumi (22%), Glaxo Consumer (21%)
- Year-to-date investments: FII-US\$2.7bn, Mutual Funds: US\$2.6bn

% Change 1 week



Sensex v/s Regional Indices (adjusted for currency changes)



Source: Company, Bloomberg, Kotak Institutional Equities.

Our Top Recommendations

Exhibit 1: Kotak Institutional Equities, Top 10

22-Jun-06 Companies	Sector	Rating	CMP (Rs)	Mkt Cap (mn USD)	Target (Rs)	EPS (Rs)			P/E (X)			EV/EBDITA (X)			Liquidity: 3mo (Rs mn)
						2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	
Infosys Technologies	Technology	OP	2,952	17,597	3,600	90.1	119.4	147.5	32.8	24.7	20.0	25.0	18.6	14.4	4,098
Tata Motors	Automobiles	OP	781	6,786	1,123	44.8	64.2	77.9	17.4	12.2	10.0	9.3	6.9	5.5	2,247
Punjab National Bank	Banking	OP	336	2,295	550	45.6	44.4	61.5	7.4	7.6	5.5	-	-	-	299
Bharat Heavy Electricals	Industrials	OP	1,869	9,916	2,800	68.6	94.4	112.1	27.2	19.8	16.7	15.1	10.9	9.2	930
Wipro	Technology	IL	449	13,686	560	14.5	19.0	23.4	31.0	23.6	19.2	23.2	17.4	13.9	815
ITC	Consumer Products	OP	171	13,849	200	6.1	7.1	8.4	28.0	23.9	20.4	17.7	14.6	12.3	1,877
Maruti Udyog	Automobiles	OP	776	4,858	1,050	42.4	53.6	67.7	18.3	14.5	11.5	9.0	6.9	5.1	1,797
State Bank of India	Banking	IL	773	8,820	920	83.7	71.9	100.3	9.2	10.8	7.7	-	-	-	2,416
Oil & Natural Gas Corporation	Energy	OP	1,064	32,868	1,350	120.3	135.4	168.2	8.8	7.9	6.3	4.4	4.0	3.3	2,887
Mid Cap Basket															
GSPL	Energy	OP	32	382	42	1.2	1.3	1.9	27.6	25.8	17.4	10.6	8.2	5.8	65
India Cements	Cement	OP	155	738	145	1.5	10.2	14.1	102.7	15.1	11.0	18.8	8.8	6.8	1,629
Indian Overseas Bank	Banking	OP	87	1,029	130	14.4	15.4	17.2	6.1	5.7	5.1	-	-	-	57
IVRCL	Construction	OP	233	541	306	8.8	14.5	19.9	26.6	16.1	11.7	22.0	12.6	10.2	1,081
Sesa	Metals	OP	1,056	911	1,530	141.7	194.7	202.1	7.5	5.4	5.2	3.7	2.4	1.8	415
BSE-30			10,276												

Source: Company, Bloomberg, Kotak Institutional Equities.

Our Model Portfolio

Exhibit 2: Kotak Institutional Equities Model Portfolio

Company	22-Jun		Weightage, %		Diff (bps)
	Price (Rs)	Rating	BSE-30	KS Reco	
HDFC Bank	731	U	3.0	1.0	(200)
ICICI Bank	512	IL	6.6	7.6	100
Private Banks			13.3	8.6	(473)
Punjab National Bank	336	OP	—	2.5	250
State Bank of India	773	IL	3.2	5.2	200
Indian Overseas Bank	87	OP	—	0.8	80
PSU Banks			3.2	8.5	530
Infosys Technologies	2,952	OP	10.5	13.5	300
HCL Technologies	467	OP	-	1.5	150
Wipro	449	IL	2.1	4.1	200
Technology			17.7	19.1	136
Reliance Industries	974	IL	12.0	10.0	(200)
Chemicals			12.0	10.0	(200)
Hindustan Lever	219	IL	3.9	1.9	(200)
ITC	171	OP	7.1	9.1	200
Asian Paints	560	OP	—	-	-
Consumers			11.0	11.0	(0)
Ranbaxy Laboratories	371	OP	1.5	1.5	—
Cipla	225	OP	1.6	1.6	-
Pharmaceuticals			4.3	3.1	(122)
Tata Power	445	OP	1.1	-	(112)
NTPC	117	OP	2.3	2.3	-
Reliance Energy	468	OP	0.8	-	(77)

Company	22-Jun		Weightage, %		Diff (bps)
	Price (Rs)	Rating	BSE-30	KS Reco	
Tata Motors	781	OP	3.0	5.5	250
Maruti Udyog	776	OP	1.1	3.1	200
Hero Honda	770	OP	1.2	1.7	50
Automobiles			8.4	10.3	190
Oil & Natural Gas Corporation	1,064	OP	3.9	5.9	200
GSPL	32	OP	—	0.8	80
Energy			3.9	6.7	280
Bharat Heavy Electricals	1,869	OP	2.8	4.8	200
Larsen & Toubro	2,196	OP	4.3	4.3	—
Industrials			7.0	9.0	200
Bharti Airtel Limited	364	U	4.0	2.6	(139)
Telecom	-	0	4.0	2.6	(139)
Grasim Industries	1,852	OP	2.3	3.3	100
ACC	779	OP	2.1	2.1	-
India Cements	155	OP	—	0.8	80
Cement			6.0	6.2	18
MRCL	233	OP	—	0.8	80
Construction				0.8	80
Tata Iron & Steel Co	489	IL	3.0	1.0	(200)
Sesa	1,056	OP	-	0.8	80
Metals	-	0	4.9	1.8	(311)

Source: Bloomberg, BSE, Kotak Institutional Equities. Note the weightages are with respect to February 28, 2006 prices.

Sensex Valuation Summary

Exhibit 3: Valuation summary of BSE-30 sectors

22-Jun-06	Mkt cap	EPS Growth, %				PER (X)			EV/EBITDA (X)		Price/BV (X)		Div Yield (%)		RoE, %	
Company	(US\$ m)	2005E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2006E	2007E	2006E	2007E	2006E	2007E
Banking	28,691	21.0	17.4	2.5	37.7	15.9	15.5	11.2	—	—	2.5	2.1	1.6	1.6	15.5	13.7
Technology	54,295	45.3	33.2	29.1	22.0	29.4	22.8	18.6	21.4	16.2	9.3	7.1	1.3	1.0	31.7	31.3
Chemicals	29,636	60.5	22.6	6.2	(20.7)	15.4	14.5	18.3	9.8	9.0	2.3	1.9	1.0	1.0	14.8	12.8
Consumers	24,473	(8.8)	24.1	17.6	15.5	30.6	26.0	22.5	20.4	16.2	8.9	7.7	1.9	2.1	29.2	29.7
Pharmaceuticals	8,806	(17.4)	(16.7)	106.4	21.4	43.7	21.2	17.5	30.8	15.5	5.8	4.5	1.2	1.4	13.2	21.2
Metals	9,497	74.6	5.9	25.2	(20.0)	8.4	6.7	8.4	4.7	3.6	1.9	1.5	2.4	2.4	23.0	23.0
Automobiles	20,599	24.5	28.8	35.1	18.9	20.1	14.9	12.5	9.9	7.4	5.3	4.2	1.7	1.9	26.4	28.5
Energy	33,128	49.1	21.9	12.5	24.3	8.8	7.9	6.3	4.4	3.6	2.1	1.9	4.7	4.7	24.2	23.7
Industrials	16,358	29.0	51.5	31.5	25.8	27.1	20.6	16.4	16.3	12.3	6.4	5.2	0.9	1.0	23.7	25.2
Cement	9,592	52.0	5.6	40.7	9.9	23.3	16.5	15.1	15.2	10.6	4.1	3.5	1.1	1.2	17.5	20.9
Telecom	14,990	110.8	78.9	64.1	29.8	31.0	18.9	14.6	17.0	11.2	9.3	6.1	-	-	30.1	32.2
Utilities	25,176	8.0	11.8	(1.1)	10.7	16.3	16.5	14.9	8.5	8.7	1.7	1.6	2.0	2.1	10.7	9.9
BSE: 30	275,241	33.3	20.4	19.9	12.4	19.1	15.9	14.2	14.1	11.2	3.7	3.1	1.5	1.5	19.3	19.2
BSE-30 ex-Energy	242,113	32.1	20.2	20.5	11.4	20.0	16.6	14.9	15.4	12.2	3.8	3.1	1.4	1.4	18.9	18.9

(a) EV/EBITDA excludes Banking Sector

(b) Figures are adjusted for free float

Source: Company reports, Kotak Institutional Equities estimates.

Nifty Valuation Summary

Exhibit 4: Valuation summary of Nifty sectors

22-Jun-06 Company	Mkt cap (US\$ m)	EPS Growth, %				PER (X)			EV/EBITDA (X)		Price/BV (X)		Div Yield (%)		RoE, %	
		2005	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2006E	2007E	2006E	2007E	2006E	2007E
Banking	31,659	20.2	8.7	(2.7)	37.2	13.2	13.6	9.9	—	—	2.2	1.9	1.6	1.6	16.5	13.8
Technology	57,138	44.2	29.0	28.3	21.3	28.6	22.3	18.4	20.9	16.0	9.4	7.2	1.2	1.1	32.8	32.3
Chemicals	30,812	64.1	21.4	2.5	(21.1)	14.6	14.3	18.1	9.1	8.6	2.2	1.8	1.1	1.0	15.2	12.8
Consumers	24,282	(12.4)	22.6	17.7	15.1	31.2	26.5	23.0	21.2	16.8	9.6	8.3	2.0	2.2	30.7	31.3
Pharmaceuticals	10,597	(7.3)	(10.1)	77.8	20.9	38.9	21.9	18.1	26.6	15.3	6.3	5.0	1.5	1.7	16.3	22.7
Metals	12,769	74.5	9.6	29.0	(23.9)	8.7	6.8	8.9	4.7	3.5	2.0	1.6	2.4	2.5	23.1	23.7
Automobiles	23,443	28.4	29.2	35.2	20.3	20.0	14.8	12.3	9.9	7.4	5.1	4.1	1.5	1.7	25.4	27.3
Energy	41,690	22.5	10.5	10.1	24.9	9.5	8.7	6.9	4.8	4.0	1.9	1.7	4.3	4.3	19.6	19.3
Industrials	18,344	34.0	58.6	34.8	24.0	28.4	21.1	17.0	16.5	12.1	6.7	5.4	0.8	1.0	23.5	25.5
Cement	9,517	50.7	6.9	37.9	9.3	22.7	16.5	15.1	15.0	10.6	4.0	3.4	1.1	1.2	17.8	20.8
Telecom	19,391	(4.7)	33.8	53.1	26.8	29.3	19.1	15.1	15.1	10.0	3.6	3.1	0.6	1.2	12.4	16.0
Utilities	24,980	15.6	12.6	(1.7)	10.9	15.3	15.5	14.0	9.0	9.8	2.0	1.8	2.3	2.2	12.8	11.7
Media	2,050	10.9	(34.0)	21.6	43.5	43.9	36.1	25.2	36.3	22.4	6.3	5.6	0.3	0.4	14.4	15.5
Nifty	306,672	27.9	16.4	16.1	14.4	17.1	14.7	12.8	10.0	8.3	3.2	2.7	1.8	1.9	18.8	18.6
NIFTY ex-Energy	264,982	29.8	18.4	18.1	11.2	19.5	16.5	14.8	12.6	10.2	3.6	3.0	1.4	1.5	18.6	18.4

(a) EV/EBITDA excludes Banking Sector

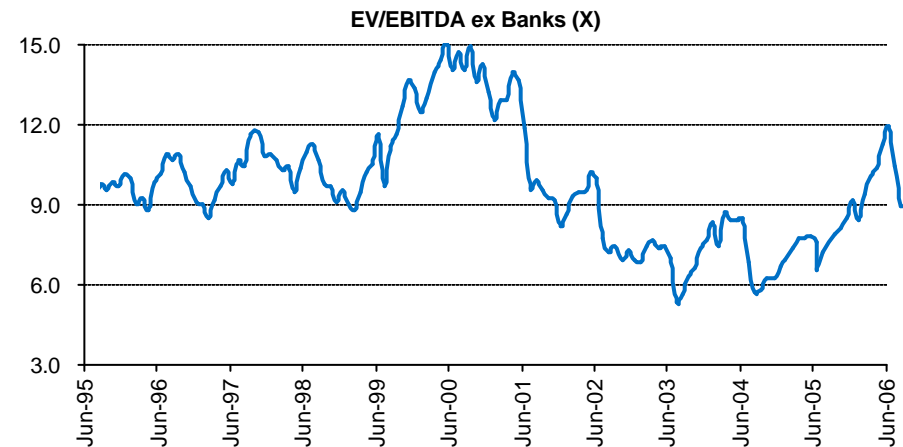
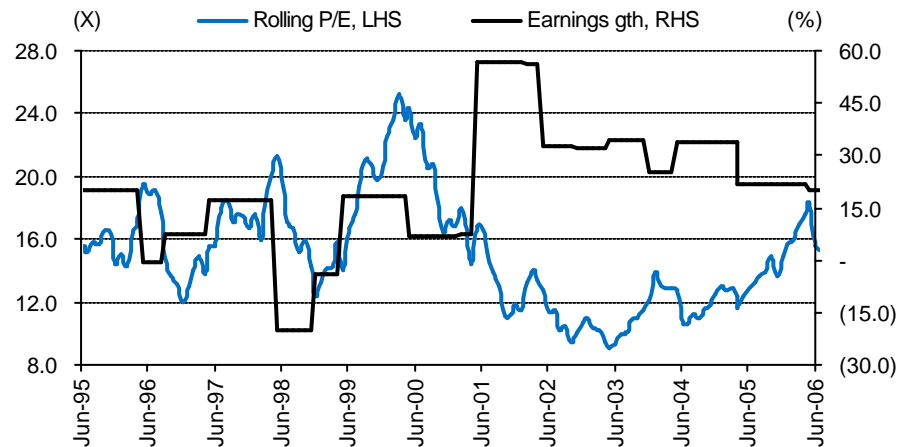
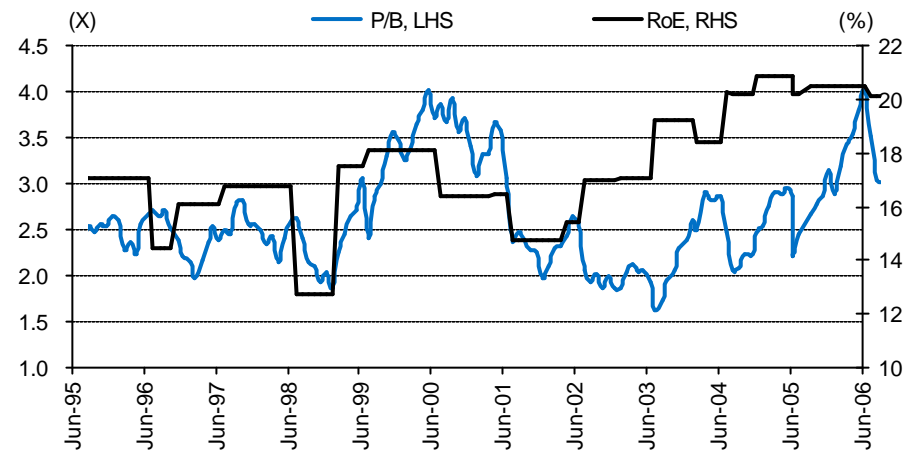
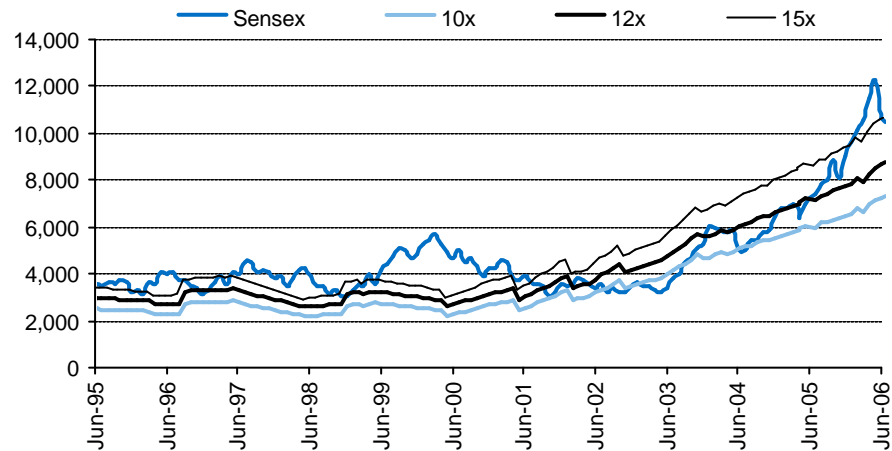
Note: Following companies are excluded: Tata Chemicals, SAIL, SCI and Dabur.

Source: Company reports, Kotak Institutional Equities estimates.

BSE-Sensex key parameters

Exhibit 5: Key fundamental indicators of BSE Sensex

Sensex (BSE-30) P/B, EV/EBITDA and 12-month forward rolling P/E, April 1993 - 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)
- Price-to-Earnings ratio analysis
- EV-to-EBITDA ratio analysis
- Volume momentum analysis

Relative performance of Indian markets

Exhibit 6: Key performance of benchmark indices

(base 100 as of May 21, 2005)

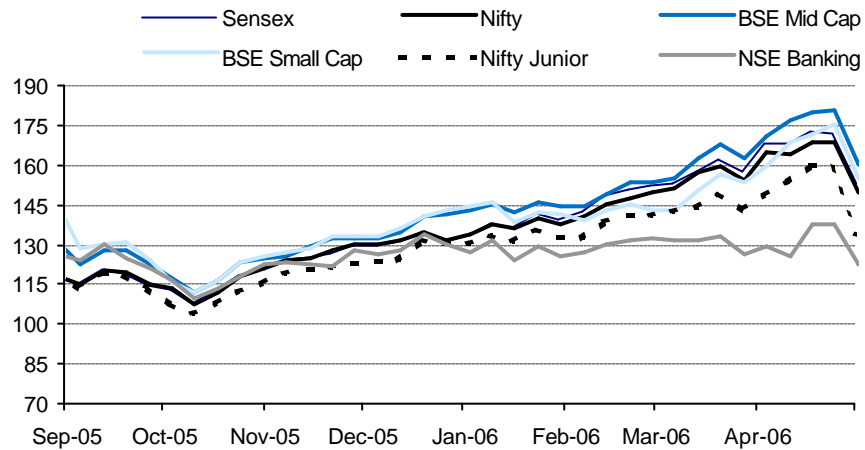


Exhibit 7: Weekly performance of the benchmark indices

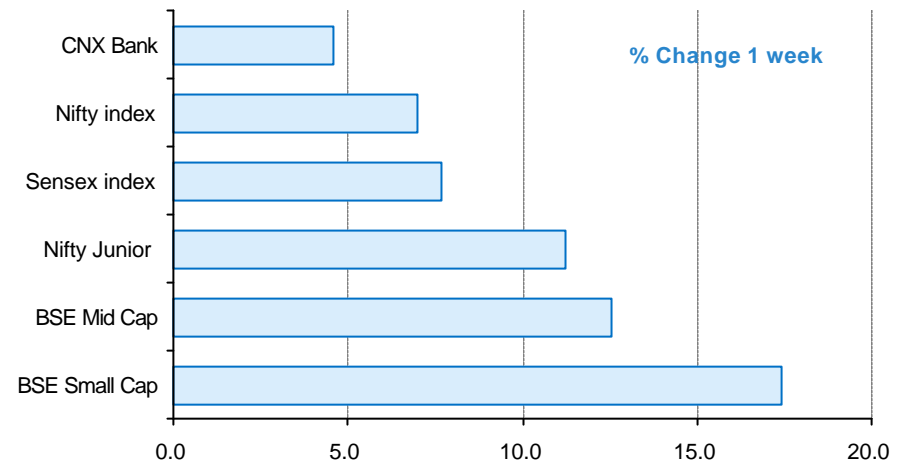


Exhibit 8: 1-month performance of the benchmark indices

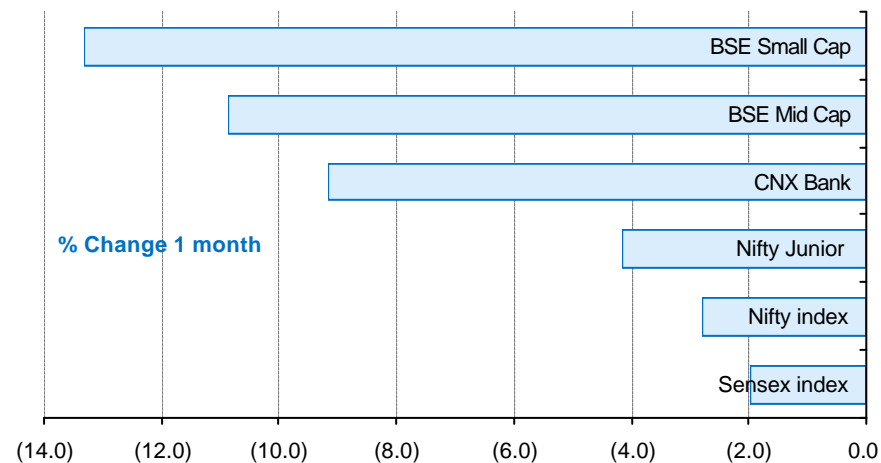
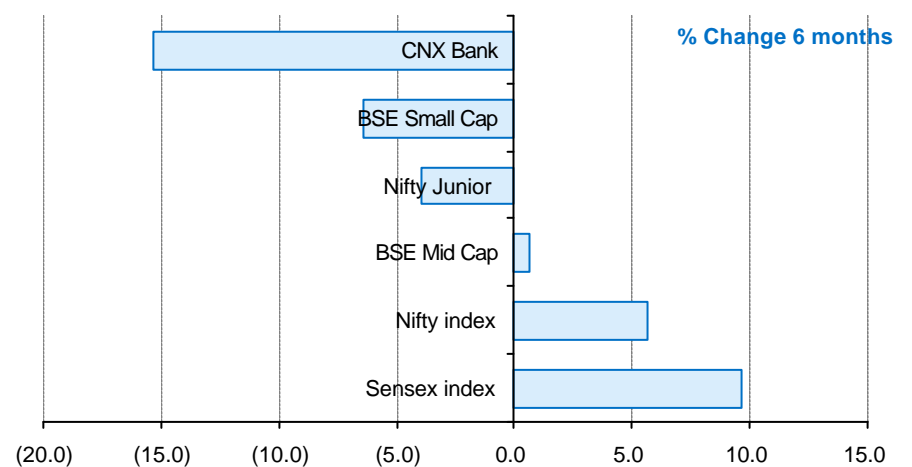


Exhibit 9: 6-month performance of the benchmark indices



Source: Bloomberg, Kotak Institutional Equities.

BSE-Sensex v/s regional indices

Exhibit 10: Weekly performance

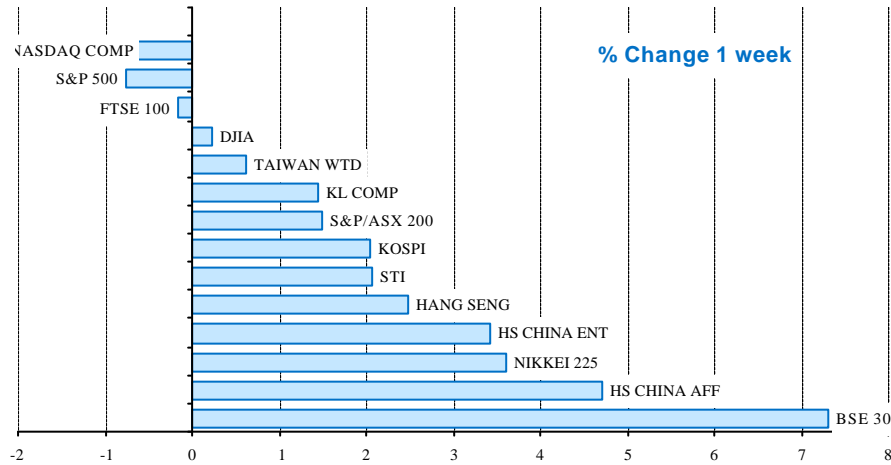


Exhibit 11: 3-month performance

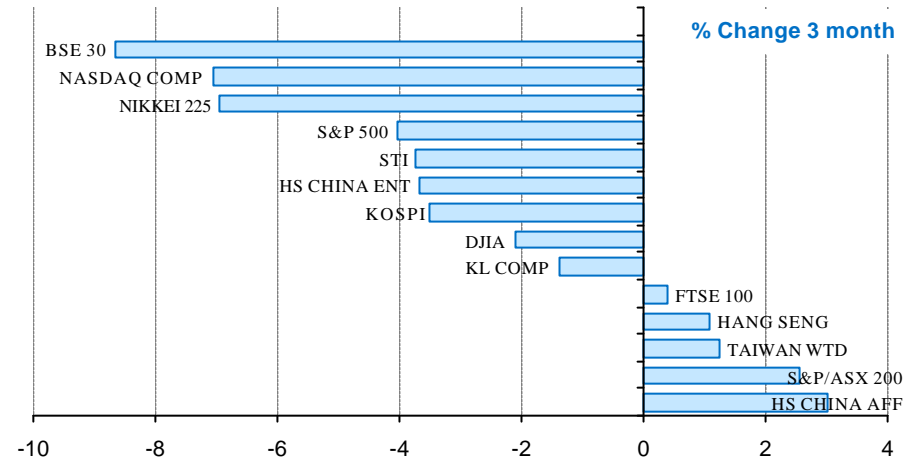


Exhibit 12: 6-month performance

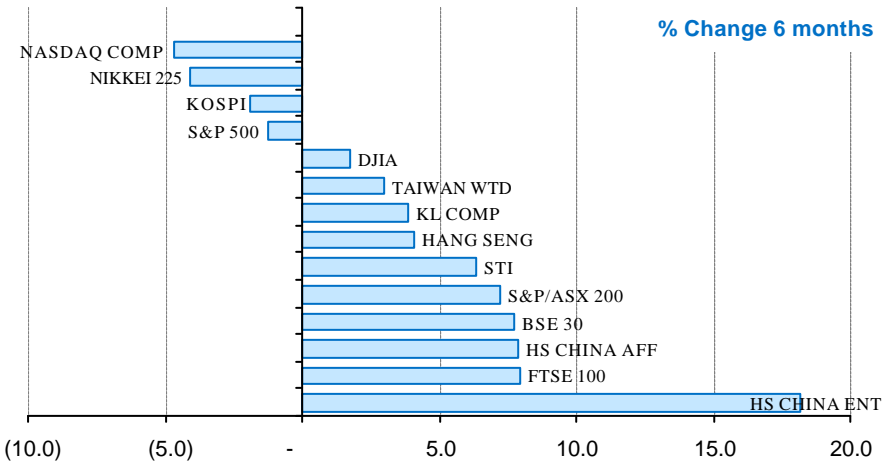
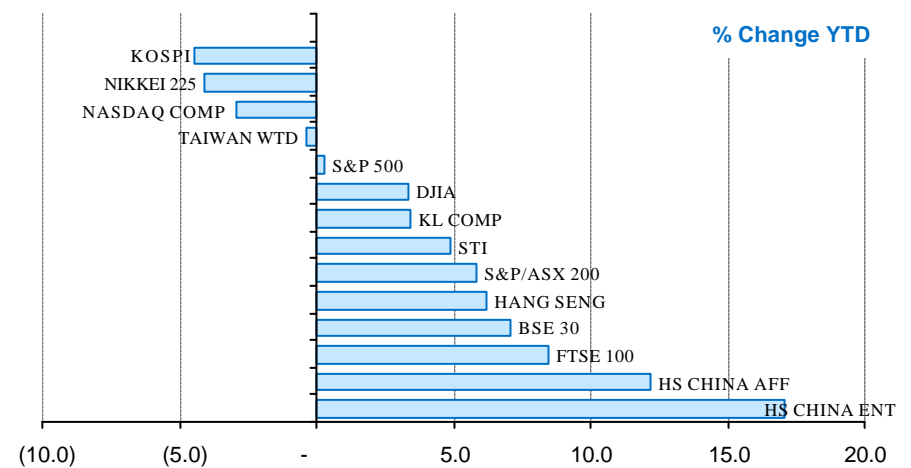


Exhibit 13: Year-to-date performance



Source: Bloomberg, BSE, Kotak Institutional Equities.

Note: Returns are adjusted for the currency changes

Sectoral performance

Exhibit 14: Market performance of Sensex sectors

22-Jun-06 Company	Mkt cap (US\$ m)	Change, %						Relative Change, %			
		1-Day	1-mo	3-mo	6-mo	1-Year	CYTD	1-Day	1-mo	6-mo	1-Year
Banking	29,986	5.0	(8.2)	(13.8)	(11.1)	22.0	(9.8)	2.6	(6.1)	(19.0)	(15.2)
Technology	54,652	2.0	(0.1)	(9.0)	(1.6)	23.6	(2.5)	(0.4)	1.8	(10.2)	(14.0)
Chemicals	29,645	1.0	4.5	26.3	48.1	93.1	42.3	(1.3)	6.4	35.0	34.3
Consumers	24,538	0.7	(4.1)	(8.5)	16.5	52.8	16.0	(1.6)	(2.1)	6.2	6.2
Pharmaceuticals	8,945	(1.1)	(8.3)	(8.9)	18.8	15.6	17.7	(3.4)	(6.2)	8.3	(19.6)
Metals	10,252	3.4	(0.1)	6.0	25.3	42.2	24.6	1.0	1.8	14.2	(1.1)
Automobiles	20,626	1.9	(2.1)	(9.7)	15.9	75.7	16.8	(0.5)	(0.1)	5.7	22.2
Energy	33,128	3.6	(12.6)	(13.1)	(10.6)	10.9	(9.5)	1.2	(10.4)	(18.5)	(22.9)
Industrials	16,611	4.2	(3.1)	(12.3)	31.0	107.9	28.1	1.8	(1.1)	19.4	44.6
Cement	9,700	2.6	5.4	(1.4)	31.2	71.1	32.4	0.2	7.2	19.6	19.0
Telecom	15,076	(1.5)	1.0	(5.9)	2.2	53.0	5.4	(3.7)	2.9	(6.8)	6.4
Utilities	25,144	2.6	1.7	(15.9)	0.2	(12.1)	1.1	0.3	3.6	(8.6)	(38.8)
Sensex sum	278,303	2.3	(2.0)	(5.2)	9.6	43.8	9.3	-	-	-	-

Source: Kotak Institutional Equities.

Top gainers and losers

Exhibit 15: Top gainers and losers (stocks in Kotak Institutional Equities universe)

1-week performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Hotel Leela	35.2	2 State Bank of India	0.0
2 Motherson Sumi	21.7	3 Container Corporation	0.1
3 Glaxo SmithKline Consumer	21.0	4 Bharat Forge	0.9
4 Bharat Electronics	20.8	5 Bharat Petroleum	1.1
5 Pantaloon Retail	20.2	6 Hexaware Technologies	1.8
6 Tata Iron & Steel Co	18.3	7 Colgate-Palmolive (India)	1.8
7 CESC	18.3	8 Bharat Heavy Electricals	1.8
8 Shree Cement	17.3	9 Welspun India	1.9
9 Micro Inks	17.1	10 Grasim Industries	2.1

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Shree Cement	74.3	1 Micro Inks	(47.2)
2 UltraTech Cement	64.1	2 Polaris Software Lab	(44.1)
3 Zee Telefilms	46.2	3 Oriental Bank of Commerce	(39.1)
4 ACC	45.8	4 Jet Airways	(38.5)
5 Reliance Industries	42.3	5 Ipca Laboratories	(36.7)
6 Bharat Heavy Electricals	34.9	6 Arvind Mills	(34.4)
7 Grasim Industries	33.1	7 Patni Computer Systems	(34.3)
8 Bajaj Auto	32.0	8 Welspun India	(33.9)
9 Colgate-Palmolive (India)	31.9	9 Nicholas Piramal	(31.0)
10 Dr Reddy's Laboratories	29.2	10 Castrol India	(30.7)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 IPCL	14.7	1 Welspun India	(24.9)
2 Indian Overseas Bank	7.7	2 Oriental Bank of Commerce	(23.8)
3 UltraTech Cement	5.9	3 HT Media	(22.6)
4 Tata Tea	4.8	4 Jindal Steel and power	(21.1)
5 ACC	3.6	5 Bharat Petroleum	(20.8)
6 Asian Paints	2.7	6 Mphasis BFL	(19.5)
7 Infosys Technologies	1.1	7 Torrent Pharma	(19.4)
8 Reliance Industries	0.5	8 Punjab National Bank	(19.2)
9 Tata Motors	0.0	9 Tata Power	(19.1)
10 Satyam Computer Services	(0.1)	10 Hindustan Petroleum	(17.7)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Shree Cement	156.4	1 Arvind Mills	(52.0)
2 Bharat Heavy Electricals	119.0	2 Micro Inks	(41.9)
3 Bajaj Auto	107.8	3 Polaris Software Lab	(36.7)
4 ACC	103.4	4 Oriental Bank of Commerce	(35.8)
5 Mahindra & Mahindra	100.0	5 Welspun India	(35.7)
6 Godrej Consumer Products	96.6	6 Ranbaxy Laboratories	(31.4)
7 Larsen & Toubro	93.2	7 Corporation Bank	(30.7)
8 Reliance Industries	93.1	8 LIC Housing Finance	(28.5)
9 Tata Motors	83.6	9 Reliance Energy	(28.2)
10 Cipla	79.6	10 Ipca Laboratories	(24.0)

Source: Kotak Institutional Equities.

Price-to-Earnings ratio analysis

Exhibit 16 and 17: Companies trading at a premiums/discounts to the sector based on comparable companies covered by Kotak Institutional Equities

Premium to 1 year rolling forward P/E

Company	Premium to sector
Bharat Petroleum	274.5
Bharat Petroleum	92.1
Castrol India	71.6
HDFC	70.7
HDFC Bank	65.0
Bharat Forge	54.7
Tata Power	51.1
ABB	51.0
UltraTech Cement	48.9
Jet Airways	32.8

Discount to 1 year rolling forward P/E

Company	Discount to sector
Ipca Laboratories	55.3
Dredging Corporation	52.1
HT Media	50.3
Tata Tea	44.0
LIC Housing Finance	43.8
Polaris Software Lab	43.6
Abbott India	41.9
Canara Bank	41.0
Punjab National Bank	40.9
Mphasis BFL	37.2

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

Lowest 1 year rolling forward P/E

Company	Lowest P/E
Petronet LNG	5.6
Jindal Steel and Power	6.1
LIC Housing Finance	6.6
Welspun India	6.6
Canara Bank	6.9
Punjab National Bank	6.9
Oil & Natural Gas Corporation	7.4
Hindalco Industries	7.5
Bank of Baroda	7.6
National Aluminium Co	7.7

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

Highest 1 year forward P/E

Company	Highest P/E
Zee Telefilms	32.6
Bharat Petroleum	31.9
Hindustan Lever	30.1
ABB	27.7
Godrej Consumer Products	25.6
UltraTech Cement	25.3
Colgate-Palmolive (India)	25.0
Nestle India	23.7
GlaxoSmithkline (India)	23.6
Infosys Technologies	23.1

Note: Historic figures are generated since May 2000

Source: Bloomberg, Kotak Institutional Equities

Exhibit 18: Companies trading at all-time high historical P/Es, indicating re-rating of the multiples by market

1 year rolling fwd P/E closest to historical high

Company	% discount to historical high
Reliance Industries	2.7
Bajaj Auto	12.2
MICO	14.1
UltraTech Cement	14.9
NTPC	15.5
Godrej Consumer Products	16.0
HDFC	17.5
ITC	17.7
Sun Pharmaceuticals	17.9
TCS	18.0
Gujarat Ambuja	18.1
Hero Honda	18.4
Container Corporation	18.5
Tata Power	19.7
ACC	20.4
Shree Cement	21.2
Asian Paints	21.4
VSNL	21.5
Motherson Sumi	22.0

Enterprise Value-to-EBITDA ratio analysis

Exhibit 21 and 22: 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

Premium to 1 year rolling forward EV/ EBITDA

Company	Sector Premium
Castrol India	91.9
Bharat Petroleum	69.9
Jindal Steel and Power	68.4
Indian Oil Corporation	67.4
Bharat Forge	64.3
Hindustan Lever	50.4
Hindustan Petroleum	32.2
Godrej Consumer Products	30.4
ABB	29.8

Discount to 1 year rolling forward EV/ EBITDA

Company	Sector Discount
Polaris Software Lab	70.7
Abbott India	60.7
iGate Global Solutions	60.6
CESC	57.2
HT Media	54.7
Dredging Corporation	53.8
Glaxo SmithKline Consumer	51.0
IPCL	50.6
Tata Tea	49.8

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

Highest 1 year rolling forward EV/EBITDA

Company	Highest EV/ EBITDA
Hindustan Lever	23.4
Zee Telefilms	22.6
Godrej Consumer Products	20.3
Infosys Technologies	17.3
Cipla	17.0
Colgate-Palmolive (India)	16.7
Wipro	16.4
TCS	16.1
Sun Pharmaceuticals	16.0
Ranbaxy Laboratories	15.9

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

Lowest 1 year rolling forward EV/EBITDA

Company	Lowest EV/ EBITDA
Oil & Natural Gas Corporation	3.3
National Aluminium Co	3.5
Hindalco Industries	3.8
Tata Iron & Steel Co	4.2
Welspun India	4.3
IPCL	4.4
Polaris Software Lab	4.4
Arvind Mills	5.0
CESC	5.0
GAIL (India)	5.1

Source: Bloomberg, Kotak Institutional Equities

Technical indicators

Exhibit 25: Volume momentum analysis

Volume Positive Momentum (5 day volume v/s 30 day volume)			
Company	5day average volumes	% Increase	% Price Change (1month basis)
Glaxo SmithKline Consumer	43,625	221.2	(8.0)
Hotel Leela	94,962	151.4	(7.0)
HCL Technologies	225,077	61.9	(5.0)
Aventis Pharma	5,734	54.4	(10.2)
Patni Computer Systems	65,195	49.9	(4.8)
Polaris Software Lab	323,293	45.8	(12.8)
Indian Oil Corporation	137,454	45.6	(13.8)
HDFC Bank	148,190	37.2	(7.1)
TCS	236,468	34.9	(6.1)
GlaxoSmithkline (India)	87,754	34.7	(2.7)
Bharat Heavy Electricals	130,769	34.5	(1.3)
IPCL	1,507,290	28.7	23.6
CESC	43,840	28.6	(6.1)
Infosys Technologies	342,437	26.6	4.4
Jet Airways	60,155	22.8	(7.7)
Novartis India	40,267	18.6	(8.3)
State Bank of India	969,674	17.1	(10.2)
Satyam Computer Services	1,218,951	16.5	1.9
Hindustan Petroleum	101,841	14.9	(14.3)
Bajaj Auto	69,693	14.1	(8.1)
Maruti Udyog	624,949	12.6	2.4
ABB	23,505	9.7	(2.6)
Hindustan Lever	933,364	8.2	(8.3)
Welspun India	43,423	8.2	(18.7)
Larsen & Toubro	315,233	8.0	(5.7)

Volume Negative Momentum (5 day volume v/s 30 day volume)			
Company	5day average volumes	% decrease	% Price Change (1month basis)
Dredging Corporation	1,924	(81.3)	(11.2)
Godrej Consumer Products	2,419	(79.7)	(7.3)
EIH	4,699	(77.6)	(0.4)
iGate Global Solutions	1,760	(72.9)	(6.7)
Abbott India	4,713	(68.5)	(8.4)
Ipca Laboratories	6,994	(67.4)	(11.4)
Torrent Pharma	11,418	(65.7)	(11.9)
Cadila Healthcare	9,169	(65.3)	(8.6)
Lupin	10,338	(64.2)	(5.3)
Wockhardt	21,398	(62.2)	(1.3)
UTI Bank	40,141	(61.9)	(12.8)
Sun Pharmaceuticals	35,559	(61.2)	(7.1)
Hero Honda	62,702	(55.3)	(5.4)
Bharat Petroleum	29,889	(52.8)	(15.3)
Rico Auto	61,121	(51.1)	0.9
GAIL (India)	220,302	(50.6)	1.6
Jindal Steel and Power	7,599	(48.0)	(17.0)
Container Corporation	5,165	(48.0)	(5.1)
Indian Hotels	48,786	(47.8)	10.2
LIC Housing Finance	55,710	(47.4)	(7.8)
Ashok Leyland	1,134,757	(46.7)	(3.4)
Colgate-Palmolive (India)	56,501	(46.2)	(0.6)
Divi's Laboratories	3,429	(46.1)	(4.2)
Petronet LNG	301,674	(44.6)	(6.8)
i-flex solutions	14,831	(43.1)	(6.2)

Source: Bloomberg, Kotak Institutional Equities.

Earnings Momentum

- BSE-30 weekly upgrades and downgrades in 2006 and 2007 estimates by Kotak Institutional Equities
- Top upgrades and downgrades in 2007 estimates in the past month
- Top upgrades and downgrades in 2007 estimates in the past week
- Kotak Institutional Equities 2007 EPS estimates v/s consensus
- Top changes in target prices in the past month
- Top changes in ratings in the past month

Historical upgrades/downgrades

Exhibit 26: Number of weekly upgrades in FY2006 EPS estimates for BSE Sensex universe

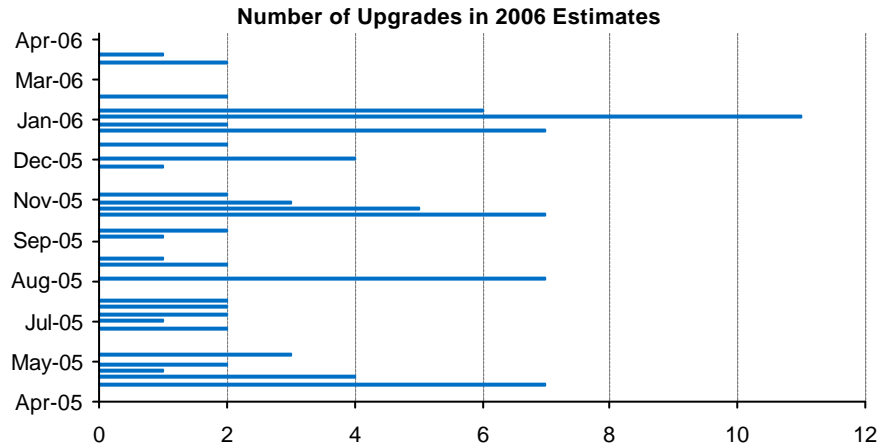


Exhibit 27: Number of weekly downgrades in FY2006 estimates for BSE Sensex universe

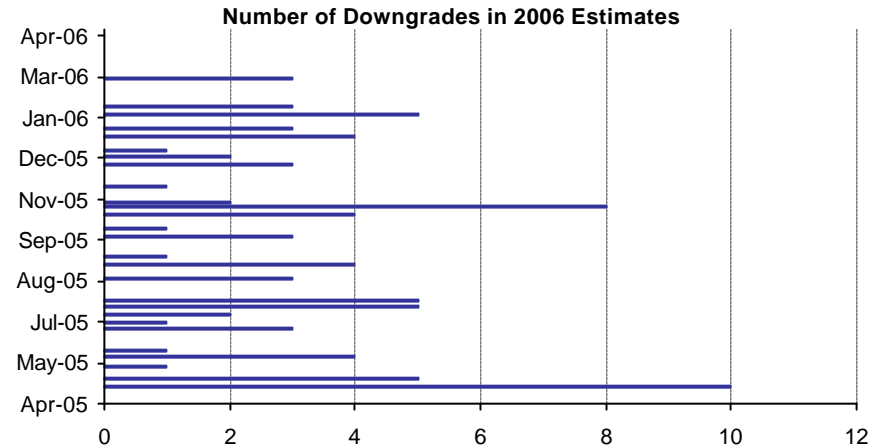


Exhibit 28: Number of weekly upgrades in FY2007 estimates for BSE Sensex universe

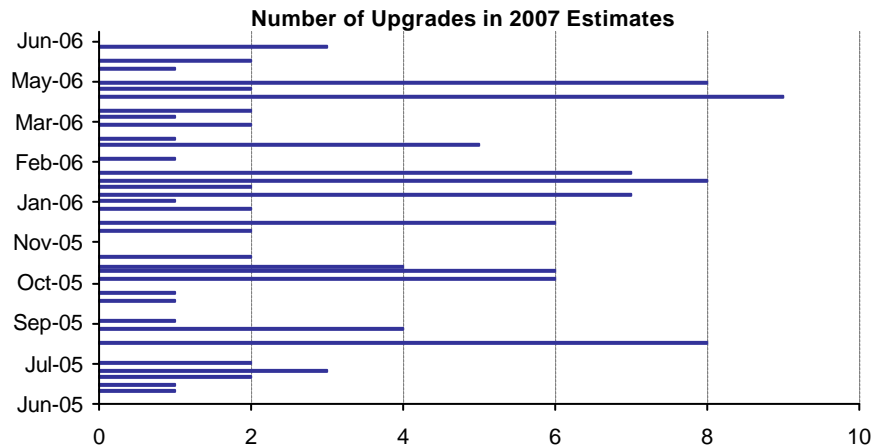
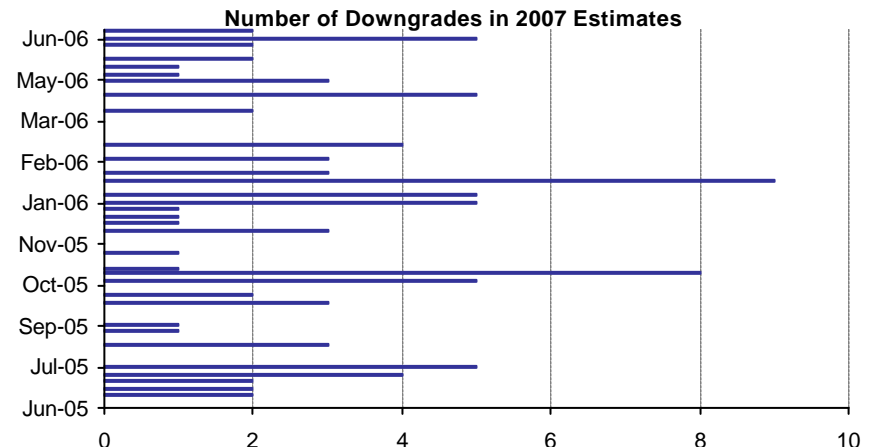


Exhibit 29: Number of weekly downgrades in FY2007 estimates for BSE Sensex universe



Source: Kotak Institutional Equities, Bloomberg.

Top upgrades/downgrades in the past 1 month

Exhibit 30: Kotak Institutional Equities earning upgrades/downgrades in the past 1 month

FY2007 earnings upgrades (KIE) (1 month)		FY2007 earnings downgrades (KIE) (1 month)	
Company	% Change	Company	% Change
1 Nicholas Piramal	18.3	1 Bharat Petroleum	(83.3)
2 Petronet LNG	12.8	2 Hindustan Petroleum	(45.1)
3 Mahindra & Mahindra	10.3	3 Indian Oil Corporation	(36.9)
4 Cipla	7.1	4 Ranbaxy Laboratories (a)	(27.6)
5 Novartis India	6.4	5 Dr Reddy's Laboratories	(23.8)
6 Suzlon Energy	6.4	6 Punjab Tractors	(17.7)
7 Oriental Bank of Commerce	5.0	7 Oil & Natural Gas Corporation	(16.3)
8 Tata Motors	4.8	8 State Bank of India	(15.9)
9 i-flex solutions	4.5	9 Motherson Sumi	(15.8)
10 Ipca Laboratories	2.8	10 Canara Bank	(15.2)

Source: Kotak Institutional Equities, Bloomberg.

Exhibit 31: Consensus earning upgrades/downgrades in the past 1 month

FY2007 earnings upgrades (Consensus) (1 month)		FY2007 earnings downgrades (Consensus) (1 month)	
Company	% Change	Company	% Change
1 Shree Cement	7.4	1 Indian Oil Corporation	(5.7)
2 Reliance Industries	6.2	2 TVS Motor Co	(4.9)
3 Pantaloon Retail	5.7	3 Sun Pharmaceuticals	(2.5)
4 Gujarat Ambuja	3.1	4 Bharat Forge	(2.2)
5 Lupin	2.7	5 Container Corporation	(2.1)
6 Hindustan Petroleum	2.6	6 Oil & Natural Gas Corporation	(1.6)
7 Nicholas Piramal	2.5	7 Hero Honda	(1.3)
8 Godrej Consumer Products	2.4	8 Wockhardt (a)	(1.2)
9 Mahindra & Mahindra	2.4	9 Ranbaxy Laboratories (a)	(1.1)
10 GlaxoSmithkline (India) (a)	2.1	10 Hotel Leela	(1.1)

Source: Kotak Institutional Equities, Bloomberg.

Top upgrades/downgrades in the past 1 week

Exhibit 32: Kotak Institutional Equities earning upgrades/downgrades in the past 1 week

FY2007 Earning Upgrades (KIE) (1 week)		FY2007 Earning Downgrades (KIE) (1 week)	
Company	% Change	Company	% Change
1 Nicholas Piramal	18.3	1 Bharat Petroleum	(83.3)
2 Cipla	7.1	2 Hindustan Petroleum	(44.2)
3 Lupin	0.0	3 Indian Oil Corporation	(36.9)
4 -	-	4 Ranbaxy Laboratories (a)	(27.6)
5 -	-	5 Dr Reddy's Laboratories	(21.1)
6 -	-	4 Divi's Laboratories	(2.5)
7 -	-	7 Wipro	-
8 -	-	8 -	-
9 -	-	9 -	-

Source: Kotak Institutional Equities, Bloomberg.

Exhibit 33: Consensus earning upgrades/downgrades in the past 1 week

FY2007 Earning Upgrades (Consensus) (1 week)		FY2007 Earning Downgrades (Consensus) (1 week)	
Company	% Change	Company	% Change
1 Pantaloon Retail	6.3	1 Indian Oil Corporation	(5.7)
2 Nicholas Piramal	3.4	2 TVS Motor Co	(4.9)
3 Gujarat Ambuja	3.1	3 Container Corporation	(2.1)
4 Hindustan Petroleum	2.6	4 Ranbaxy Laboratories (a)	(1.9)
5 Reliance Industries	2.5	5 Oil & Natural Gas Corporation	(1.6)
6 Mahindra & Mahindra	2.4	6 Sun Pharmaceuticals	(1.5)
7 Bharat Petroleum	2.0	7 Hero Honda	(1.3)
8 Dr Reddy's Laboratories	1.9	8 Indian Hotels	(1.0)
9 CESC	1.9	9 Welspun India	(0.1)
10 Zee Telefilms	1.2	10 TCS	(0.1)

Source: Kotak Institutional Equities, Bloomberg.

Premium/Discount to street expectations

Exhibit 34: Premium/(Discount) to consensus based on FY2007 EPS

Above consensus (Kotak) based on FY2007 EPS		Below consensus (Kotak) based on FY2007 EPS	
Company	% Change	Company	% Change
1 HT Media	71.2	1 Bharat Petroleum	(84.0)
2 National Aluminium Co	50.3	2 Hindustan Petroleum	(54.5)
3 Hindalco Industries	38.4	3 Hotel Leela	(38.3)
4 Tata Motors	20.3	4 Canara Bank	(37.2)
5 Petronet LNG	16.5	5 Polaris Software Lab	(36.9)
6 Abbott India	16.5	6 Zee Telefilms	(36.4)
7 Bharat Forge	15.4	7 Micro Inks	(35.5)
8 Pfizer	11.4	8 UTI Bank	(35.4)
9 Suzlon Energy	11.2	10 ICICI Bank	(35.3)
10 Shree Cement	10.9	11 Jet Airways	(34.7)
11 Dr Reddy's Laboratories	8.5	12 Patni Computer Systems	(34.7)
12 Cipla	7.1	13 Biocon	(33.4)
13 Larsen & Toubro	6.4	14 Indian Oil Corporation	(32.1)
14 Mahindra & Mahindra	5.0	15 Bank of Baroda	(32.0)

Source: Kotak Institutional Equities, Bloomberg

Changes in our target prices and ratings

Exhibit 35: Changes in target prices in the past 1 month

Upgrades in target prices (1 month)				
	Company	% Change	Old	New
1	Shree Cement	50.0	800	1,200
2	EIH	27.6	456	582
3	Hotel Leela	27.1	303	385
4	Suzlon Energy	20.0	1,125	1,350
5	Lupin	16.7	900	1,050
6	IDFC	15.4	65	75
7	Nicholas Piramal	12.5	200	225
8	Divi's Laboratories	9.5	1,050	1,150
9	HT Media	6.8	515	550
10	-	-	-	-
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	-	-	-	-

Downgrades in target prices (1 month)				
	Company	% Change	Old	New
1	Ranbaxy Laboratories	(25.0)	600	450
2	Dr Reddy's Laboratories	(19.0)	1,635	1,325
3	Tata Iron & Steel Co	(11.8)	510	450
4	Bharat Petroleum	(11.1)	450	400
5	LIC Housing Finance	(10.5)	190	170
6	Hindustan Petroleum	(7.2)	345	320
7	Oil & Natural Gas Corporation	(3.6)	1,400	1,350

Source: Kotak Institutional Equities.

Exhibit 36: Changes in ratings in the past 1 month

Company Name		Rating	
		Current	Previous
IDFC	Upgraded	OP	L
Lupin	Downgraded	IL	OP
LIC Housing Finance	Downgraded	U	L
Nicholas Piramal	Upgraded	OP	L
Indian Oil Corporation	Upgraded	OP	L
Tata Iron & Steel Co	Upgraded	IL	U
Hindustan Lever	Upgraded	IL	U
-	-	-	-
-	-	-	-
-	-	-	-

Source: Kotak Institutional Equities.

Flows

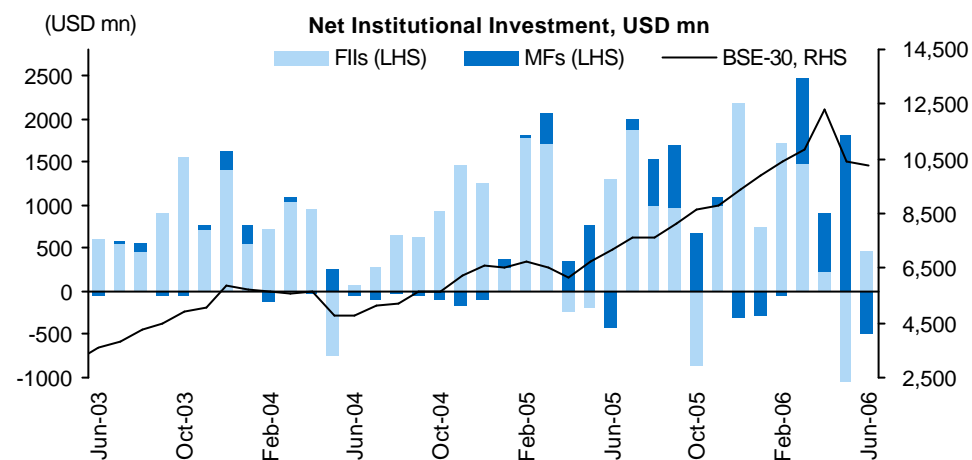
- Trend in equity flows
- IPO analysis
- Delivery position analysis
- Bulk deals of the week

Trend in equity flows

Exhibit 37: Net investments by Mutual Funds and FIIs in the cash market (US\$m)

	FII	MF
CY 1999	1,461.8	0.0
CY 2000	1,415.6	(149.7)
CY 2001	2,917.5	(1,110.1)
CY 2002	807.3	(684.6)
CY 2003	6,832.7	117.6
CY2004	8,518.9	(217.5)
CY 2005	10,561.9	2,872.8
Jan	276.8	72.2
Feb	1,738.5	22.7
Mar	1,670.7	342.8
Apr	(232.7)	325.5
May	(179.5)	743.3
Jun	1,273.2	(403.9)
Jul	1,824.9	112.2
Aug	980.6	509.5
Sep	941.8	718.5
Oct	(845.7)	645.3
Nov	979.8	90.0
Dec	2,133.4	(305.4)
CY 2006	2,687.9	2,612.2
Jan	715.7	(265.2)
Feb	1,682.6	(54.6)
March	1,451.6	996.3
April	219.0	656.8
May	(1,832.7)	1,754.1
June	451.6	(475.2)

Source: Bloomberg, Kotak Institutional Equities



IPO analysis

Exhibit 40: Market performance since IPO/ Follow on offering

Name	Offer Shares	Price (Rs)	Value (Rs mn)	Date of Listing	Price		Performance	
					Day 1	Latest	Day 1	Since Listing
Prime focus	24	417	1,000	19-Jun-06	325	329.8	(22.1)	(20.9)
Unity Infra	34	675	2,315	9-Jun-06	471	457.1	(30.2)	(32.3)
Deccan Aviation	246	148	3,641	9-Jun-06	98	89.8	(33.8)	(39.4)
Reliance Petroleum	13,500	60	81,000	11-May-06	85	65.1	42.4	8.4
Sun TV	69	875	6,028	21-Apr-06	1466	963.7	67.5	10.1
Kewal Kiran Clothing	31	260	806	12-Apr-06	247	187.7	(5.0)	(27.8)
Uttam Sugar Mills	40	340	1,360	7-Apr-06	417	200.6	22.6	(41.0)
Adhunik Metaliks	270	37	1,000	4-Apr-06	42	35.3	12.7	(4.7)
Solar Explosives	44	190	836	20-Mar-06	263	174.7	38.4	(8.1)
Nitco	100	168	1,680	20-Mar-06	183	180.3	8.9	7.3
Visa Steel	350	57	1,995	17-Mar-06	57	25.8	0.3	(54.7)
BL Kashyap	27	685	1,850	17-Mar-06	972	925.5	41.9	35.1
M&M Financial	200	200	4,000	16-Mar-06	233	195.2	16.5	(2.4)
Pratibha Industries Ltd	43	120	516	12-Mar-06	181	203.1	51.0	69.2
Gitanjali Gems	170	195	3,315	10-Mar-06	167	163.8	(14.3)	(16.0)
K Sera Sera	500	68	3,400	8-Mar-06	62	26.0	(9.6)	(61.8)
Sadbhav Engineering	29	185	537	1-Mar-06	320	292.7	73.0	58.2
GVK Power and Infrastructure	83	310	2,564	27-Feb-06	315	172.4	1.6	(44.4)
INOX Leisure Ltd	165	120	1,980	23-Feb-06	175	129.5	45.6	7.9
Jagran Prakashan Pvt Ltd	100	320	3,200	22-Feb-06	274	201.2	(14.5)	(37.1)
Gujarat State Petronet Ltd	1,380	27	3,726	16-Feb-06	40	32.4	49.3	19.8
Entertainment Network India	132	162	2,138	15-Feb-06	265	216.0	63.5	33.3
Andhra Bank	850	90	7,650	Follow on	90	63.3	0.3	(29.7)
Bank Of Baroda	710	230	16,330	Follow on	234	206.9	1.6	(10.1)
Raj Rayon Limited	85	65	553	3-Feb-06	56	36.4	(13.9)	(44.1)
Royal Orchid Hotels Ltd	68	165	1,122	6-Feb-06	231	135.9	40.1	(17.7)
Nitin Spinners Ltd	222	21	466	2-Feb-06	26	12.9	24.8	(38.6)
Bartronics India Ltd	60	75	450	12-Jan-06	111	58.4	47.5	(22.1)
Ginni Filaments Limited	253	22	556	22-Jan-06	23	17.6	5.7	(20.2)
Celebrity Fashions Ltd	46	180	819	12-Jan-06	230	143.5	27.6	(20.3)
Educomp Solutions Ltd	40	125	500	13-Jan-06	285	390.7	128.3	212.5
Punj Lloyd Limited	92	700	6,421	6-Jan-06	1058	778.1	51.1	11.2
Tulip IT Services Ltd	90	120	1,080	5-Jan-06	183	271.2	52.1	126.0
PVR Ltd	74	225	1,665	4-Jan-06	296	213.3	31.5	(5.2)
ICICI Bank Ltd	858	520	44,616	Follow on	576	512.4	10.7	(1.5)
Kernex Microsystems (I) Ltd	44	250	1,100	20-Dec-05	345	185.0	38.0	(26.0)
Everest Kanto Cylinder Ltd	64	160	1,029	15-Dec-05	202	312.5	26.1	95.3
ABG Shipyard Limited	85	185	1,573	13-Dec-06	272	285.4	47.2	54.2
Triveni Engineering & Indus	500	48	2,400	13-Dec-05	83	76.3	72.1	58.9
AIA Engineering Ltd	47	315	1,481	14-Dec-05	491	600.9	56.0	90.7
Prithvi Information Solution	50	270	1,350	16-Nov-05	282	339.7	4.6	25.8

Source: Bloomberg and Kotak Institutional Equities.

Exhibit 41: Forthcoming IPO/Follow on offerings

Received the approval from SEBI

Name	Issue Type	Date of approval	Rs mn
GMR INFRASTRUCTURE LTD.	IPO	5/6/2006	12,000
PARSVNATH DEVELOPERS LTD.	IPO	5/5/2006	10,000
DEVELOPMENT CREDIT BANK LTD.	IPO	8/5/2006	3,000
MULTI COMMODITY EXCHANGE OF INDIA LTD.	IPO	6/6/2006	3,000
MSPL LTD.	IPO	10/3/2006	1,530
SOMA TEXTILES & INDUSTRIES LTD.	FPO	2/2/2006	1,050
BHARAT HOTELS LTD.	FPO	5/5/2006	1,000
TECHNOCRAFT INDUSTRIES (INDIA) LTD.	IPO	2/6/2006	1,000
SUNSTAR OVERSEAS LTD.	IPO	13/03/2006	500
VOLTAMP TRANSFORMERS LTD.	IPO	31/05/2006	500
SHIRT CO.(INDIA) LTD.	IPO	8/5/2006	450
TODAY'S WRITING PRODUCTS LTD.	FPO	14/03/2006	390
MANGA CAPSULES LTD.	IPO	8/5/2006	251
LUMAX AUTOMOTIVE SYSTEMS LTD.	FPO	5/5/2006	250
PARABOLIC DRUGS LTD.	IPO	11/5/2006	250
SUPREME INFRASTRUCTURE INDIA LTD.	IPO	26/04/2006	218

Received the approval from SEBI

Name	Issue Type	Date of approval	Rs mn
DLF UNIVERSAL LTD.	IPO	12/5/2006	120,000
POWER FINANCE CORP.LTD.	IPO	5/6/2006	15,000
GAMMON INFRASTRUCTURE PROJECTS LTD.	IPO	28/03/2006	3,750
AHLUWALIA CONTRACTS (INDIA) LTD.	FPO	24/05/2006	2,500
TANLA SOLUTIONS LTD.	FPO	8/12/2005	1,900
INFO EDGE (INDIA) LTD.	IPO	29/05/2006	1,500
SHIRDI INDUSTRIES LTD.	IPO	23/01/2006	1,500
ZENITH BIRLA (INDIA) LTD.	FPO	11/5/2006	1,310
HOV SERVICES LTD.	IPO	13/04/2006	1,250
ODYSSEY INDIA LTD.	IPO	10/4/2006	1,100
ACCEL FRONTLINE LTD.	IPO	2/5/2006	1,000
AML STEEL LTD.	FPO	31/03/2006	1,000
ATLANTA LTD.	IPO	21/03/2006	1,000
BINANI CEMENT LTD.	IPO	13/02/2006	1,000
BROADCAST INITIATIVES LTD.	IPO	24/05/2006	1,000
GLOBAL VECTRA HELICORP LTD.	IPO	22/05/2006	1,000
HANUNG TOYS & TEXTILES LTD.	IPO	13/03/2006	1,000
SRS ENTERTAINMENT LTD.	IPO	14/09/2005	1,000
MINAR INTERNATIONAL LTD.	IPO	16/05/2006	850
ACTION CONSTRUCTION EQUIPMENT LTD.	IPO	28/03/2006	800
GWALIOR CHEMICAL INDUSTRIES LTD.	IPO	20/03/2006	800
INDO ASIA LEISURE SERVICES LTD.	IPO	18/05/2006	750
TUBEKNIT FASHIONS LTD.	IPO	18/05/2006	650
XL TELECOM LTD.	IPO	11/5/2006	650
EVINIX ACCESSORIES LTD.	IPO	29/05/2006	600
JHS SVENDGAARD LABORATORIES LTD.	IPO	14/03/2006	600
MALWA INDUSTRIES LTD.	IPO	8/5/2006	600
GREMACH INFRASTRUCTURE EQUIPMENTS & PR	IPO	20/02/2006	590
SHREE ASHTAVINAYAK CINE VISION LTD.	IPO	4/5/2006	520
ABHISHEK MILLS LTD.	IPO	1/6/2006	500
JANKI CORP LTD.	IPO	30/01/2006	500
RENAISSANCE JEWELLERY LTD.	IPO	28/04/2006	500
STEEL CITY SECURITIES LTD.	IPO	17/02/2006	500
SURYACHAKRA POWER CORP.LTD.	IPO	1/6/2006	500
SVP INDUSTRIES LTD.	IPO	24/04/2006	380
DEEP INDUSTRIES LTD.	IPO	10/3/2006	310
INDUSTRIAL ORGANICS LTD.	FPO	21/03/2006	300
TRANSWARRANTY CAPITAL LTD.	IPO	6/6/2006	300
DAGGER FORST TOOLS LTD.	FPO	29/08/2005	290
RICHA KNITS LTD.	IPO	17/03/2006	270
CAMBRIDGE TECHNOLOGY ENTERPRISES LTD.	IPO	1/6/2006	240

Issue amounts are taken from Primedatabase.

Source: Primedatabase.

Summary of bulk/block deals

Exhibit 42: Bulk/block deals for the week

DATE	Scrip Name	Buy/Sell	Quantity	Price	Value	EXCHNGE
16/6/2006	SATYAM COMP	BUY	2,600,000	669.7	1,741.22	NSE
21/6/2006	AMTEK AUTO	BUY	4,586,000	300	1,375.80	BSE
21/6/2006	AMTEK AUTO	SELL	2,898,498	300	869.55	BSE
19/6/2006	M&M	SELL	1,000,000	550	550.00	NSE
20/6/2006	AMTEK AUTO	SELL	1,000,000	300	300.00	BSE
19/6/2006	M&M	BUY	490,000	550	269.50	NSE
19/6/2006	M&M	BUY	343,000	550	188.65	NSE
16/6/2006	AMTEK AUTO	BUY	598,349	302.7	181.12	BSE
16/6/2006	AMTEK AUTO	SELL	598,349	302.1	180.76	BSE
16/6/2006	CADILA	SELL	318,500	508.12	161.84	NSE
20/6/2006	KARUR VYSYA	SELL	206,757	532	109.99	BSE
19/6/2006	M&M	BUY	167,000	550	91.85	NSE
22/6/2006	AUTOMAT EXL	SELL	191,050	450	85.97	BSE
22/6/2006	AUTOMAT EXL	BUY	191,000	450	85.95	BSE
22/6/2006	GHCL	SELL	686,235	113.01	77.55	NSE
20/6/2006	BOMBAY RAYON	BUY	355,000	171.93	61.04	NSE
16/6/2006	TATA INVE CORP	BUY	186,352	326	60.75	BSE
16/6/2006	TAT INVE CORP	SELL	186,352	326	60.75	BSE
20/6/2006	VALECHA ENG	BUY	246,494	207.26	51.09	BSE
21/6/2006	DHAMPUR SUG	SELL	300,000	159.72	47.92	NSE
21/6/2006	DHAMPUR SUG	SELL	291,462	158.52	46.20	BSE
20/6/2006	KARUR VYSYA	SELL	86,543	532	46.04	BSE
20/6/2006	EMCO LTD	SELL	100,000	435	43.50	BSE
20/6/2006	EMCO LTD	BUY	99,500	435	43.28	BSE
16/6/2006	MEGA SOFT	BUY	276,063	140	38.65	BSE

Source: BSE and NSE website.

Delivery positions

Exhibit 43: Top increase/(decrease) in volumes and delivery percentage

Increase in delivery % (KIE)

Name	Delivery %	
	Previous week	Current week
Pfizer Limited	52.0	95.0
National Aluminium Co Ltd	35.3	66.8
Motherson Sumi Systems Ltd	64.0	91.3
HDFC Bank Limited	46.4	71.7
Aventis Pharma Ltd	73.3	97.6
Container Corp Of India Ltd	73.6	95.3
Biocon Ltd	52.4	73.0
Nestle India Limited	59.8	79.8
Glaxosmithkline Consumer Hea	81.2	99.3

Decrease in delivery % (KIE)

Name	Delivery %	
	Previous week	Current week
CESC Limited	90.5	37.2
Godrej Industries Ltd	76.4	41.6
Ultratech Cement Ltd	74.1	45.5
Tvs Motor Co Ltd	61.8	34.2
Uti Bank Limited	79.1	52.0
Dr. Reddy'S Laboratories	59.7	38.3
Reliance Energy Ltd	54.2	32.9
Colgate-Palmolive (India)	64.1	43.7
Arvind Mills Limited	52.9	33.0

Increase in total volumes during the week (BSE+NSE)

Name	Volume in Current week	% Increase
Glaxosmithkline Consumer Hea	395,737	4376.7
Motherson Sumi Systems Ltd	193,512	2527.1
Cadila Healthcare Ltd	354,735	679.7
Pfizer Limited	118,798	309.5
Satyam Computer Services Ltd	11,359,223	273.6
HDFC Bank Limited	1,577,847	209.5
Bharat Electronics Limited	230,092	206.0
Asian Paints Ltd	59,102	185.4
HCL Technologies Ltd	1,233,882	176.6
Bajaj Auto Limited	437,777	171.2

Decrease in total volumes during the week (BSE+NSE)

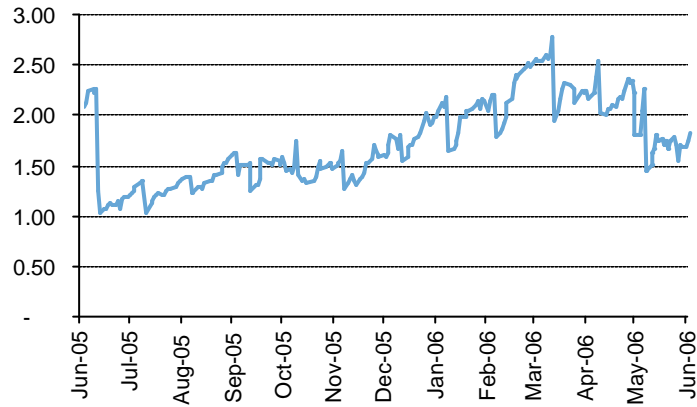
Name	Volume in Current week	% Decrease
Nestle India Limited	8,066	(91.5)
Novartis India Limited	32,525	(85.5)
CESC Limited	57,259	(79.5)
Abbott India Ltd	2,169	(64.4)
Arvind Mills Limited	1,675,465	(64.2)
Dr. Reddy'S Laboratories	215,025	(60.3)
Ht Media Ltd	14,877	(58.6)
Shree Cement Limited	15,964	(58.4)
Mphasis Bfl Limited	124,479	(58.3)
Aventis Pharma Ltd	9,643	(57.0)

Source: Bloomberg and Kotak Institutional Equities.

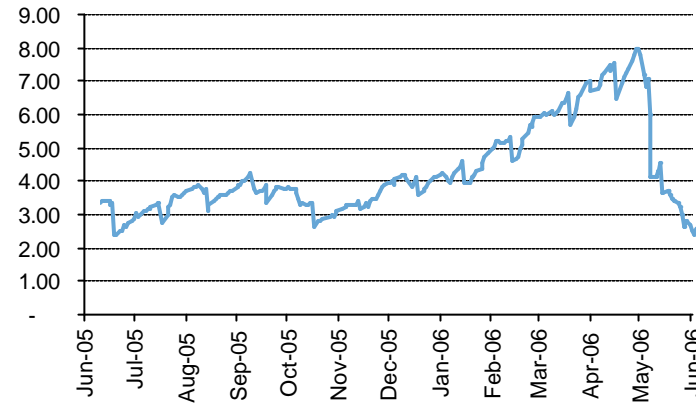
Open interest analysis

Exhibit 44: National Stock Exchange (US\$ bn)

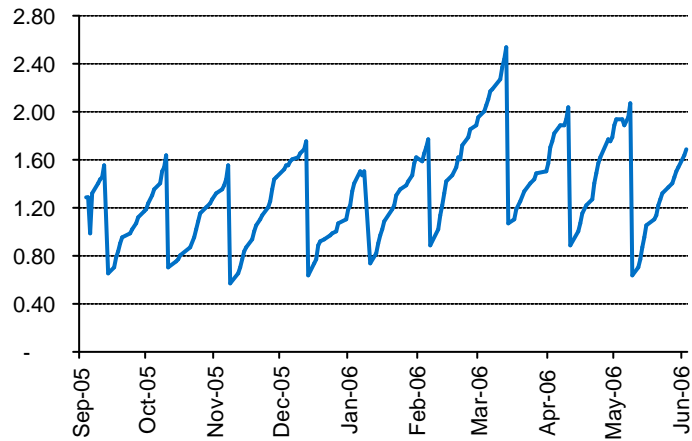
India Index futures open interest



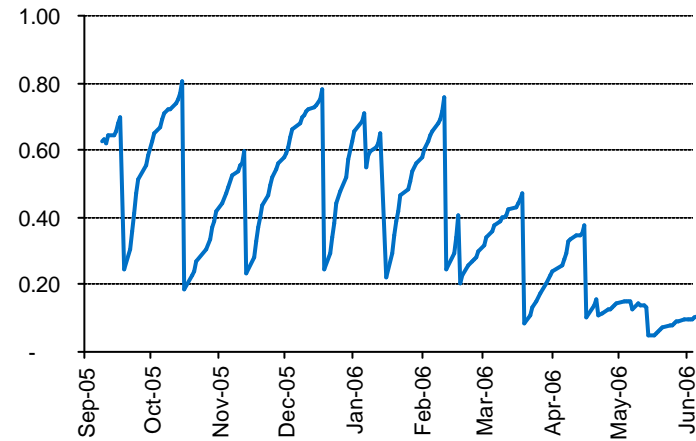
India stock futures open interest



India Index option open interest



India stock option open interest

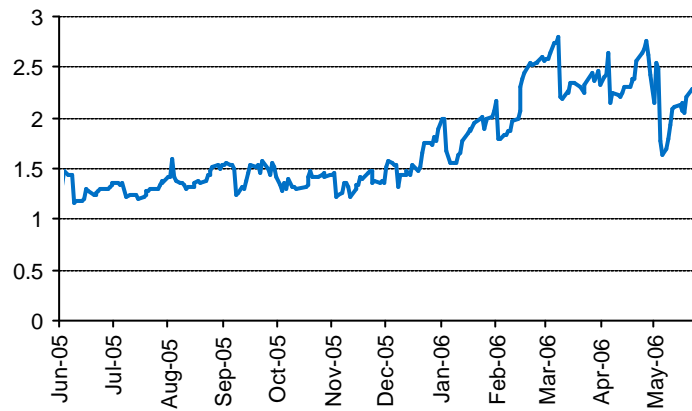


Source: Bloomberg and Kotak Institutional Equities.

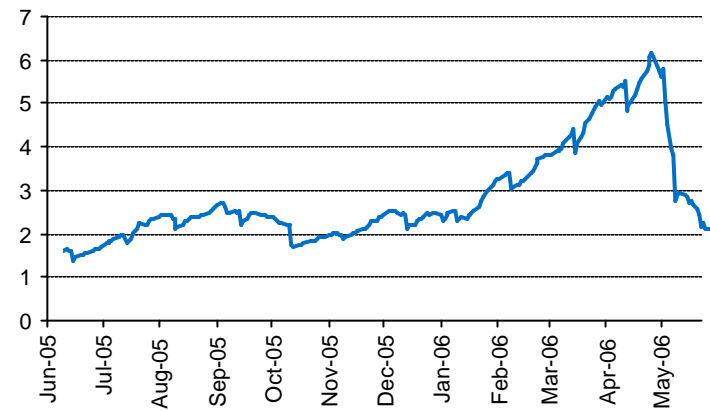
Open interest analysis

Exhibit 45: Open interest position movement for Foreign Institutional Investors (US\$ bn)

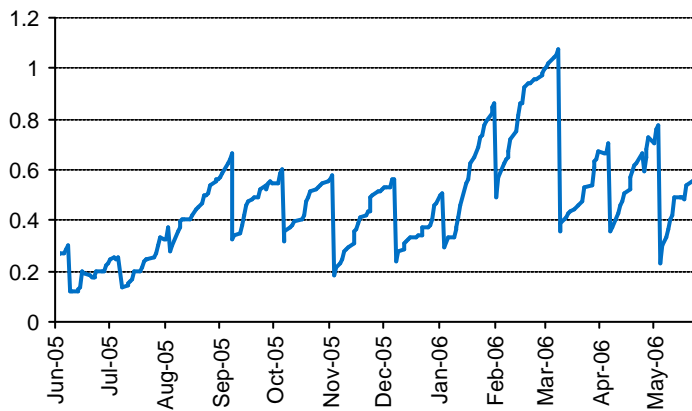
Index futures value of open interest



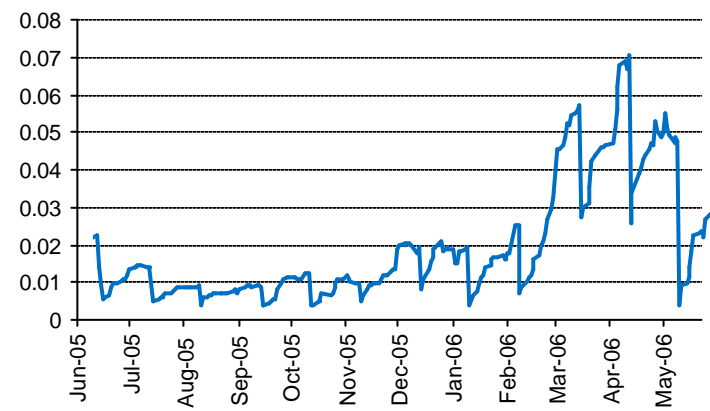
Stock futures value of open interest



Index options value of open interest



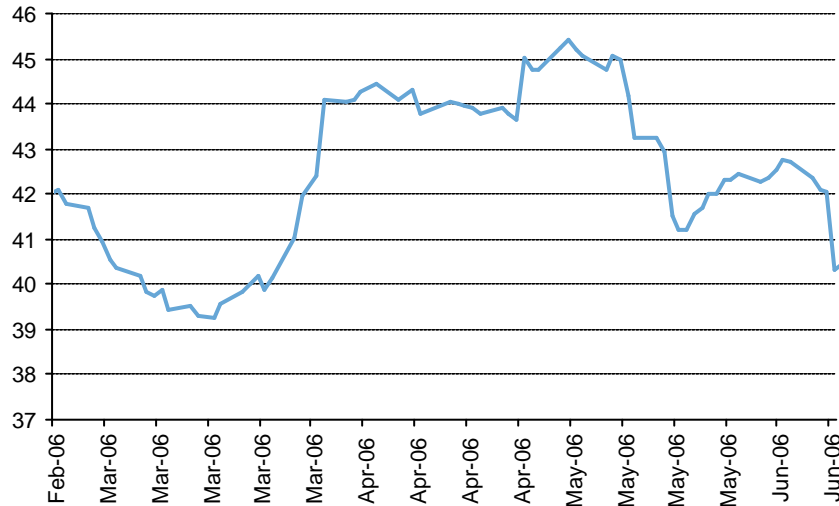
Stock options value of open interest



Source: Bloomberg and Kotak Institutional Equities.

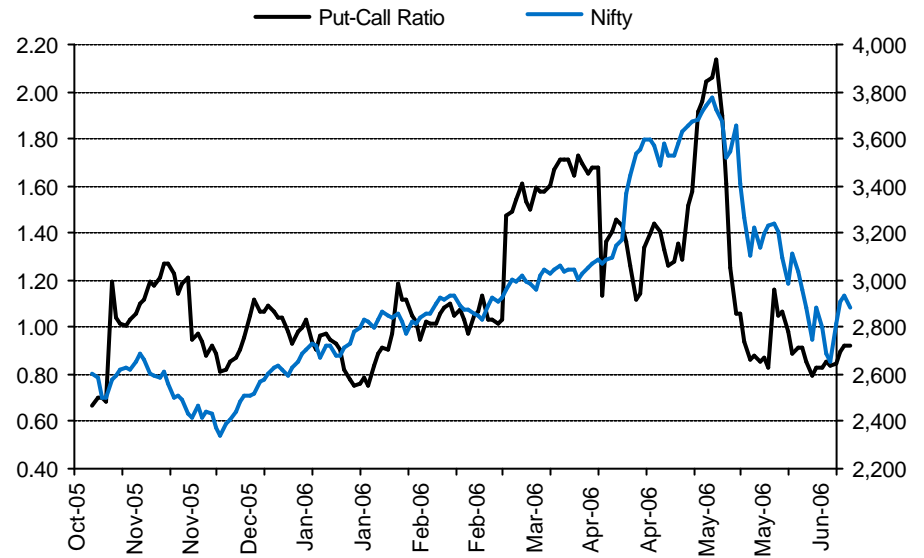
Market movement indicators

Exhibit 46: Aggregate delivery percentage of BSE Sensex universe



Source: Bloomberg and Kotak Institutional Equities.

Exhibit 47: Put call ratio v/s Nifty



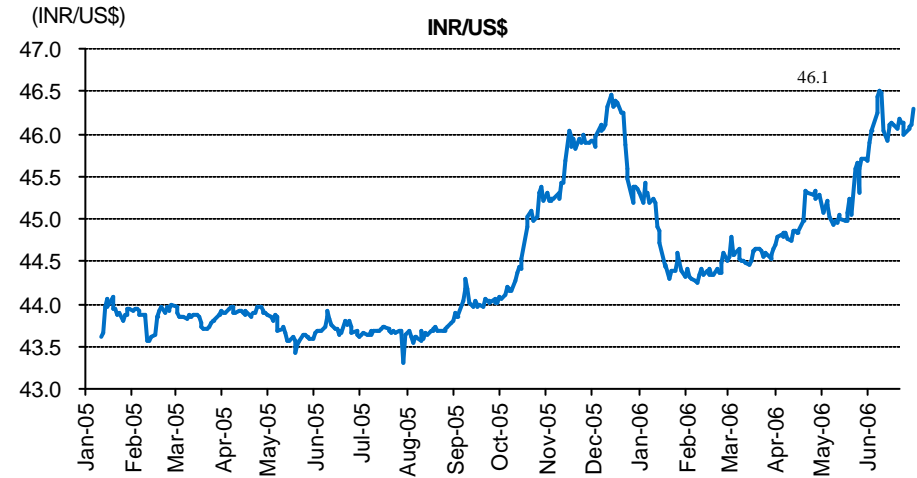
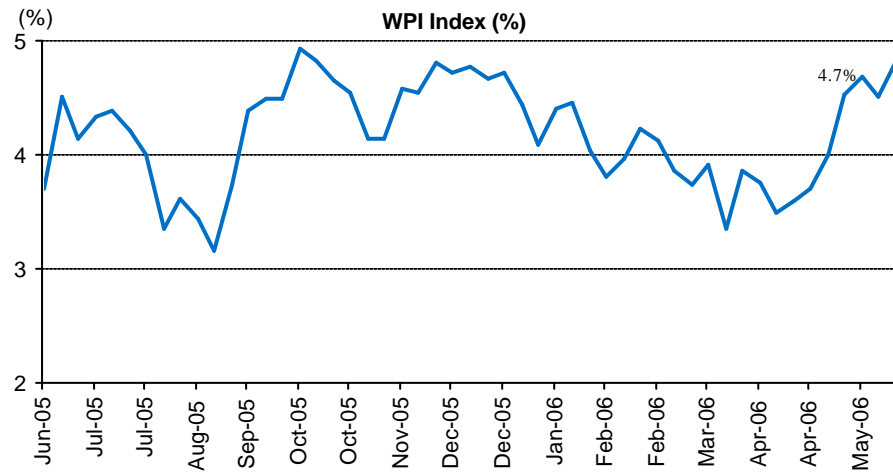
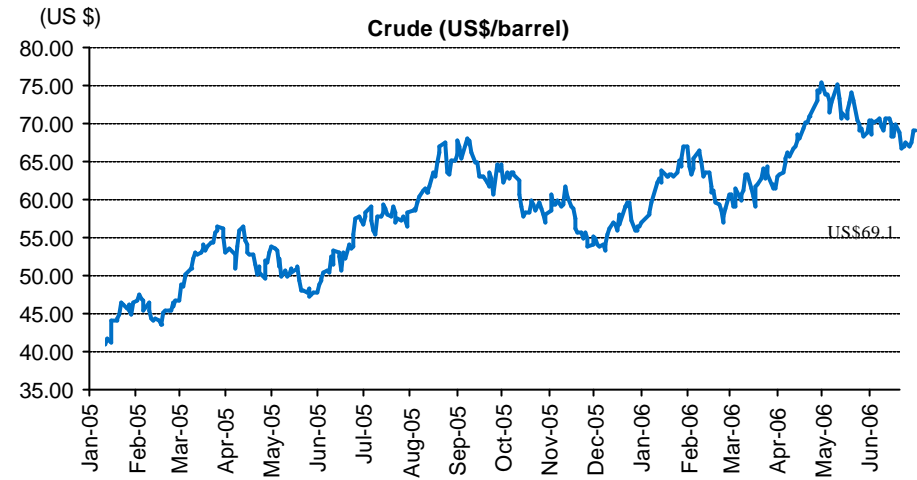
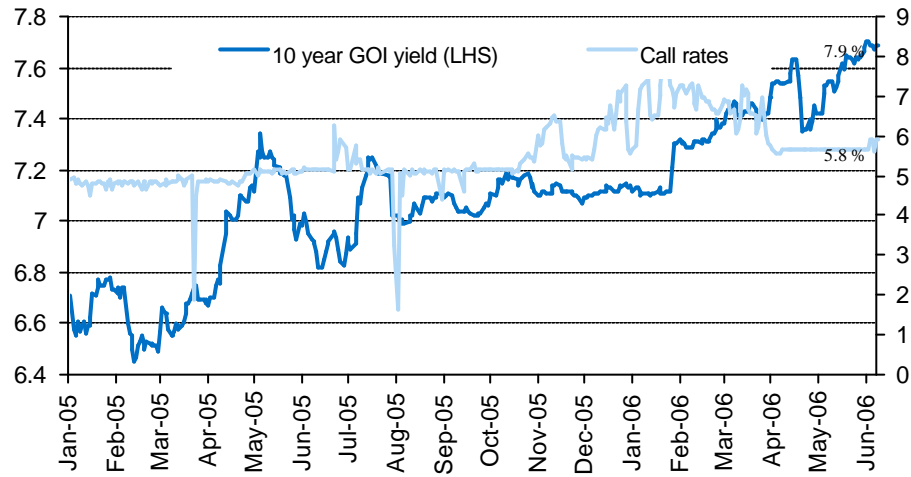
Put call is for Nifty open interest

Source: Bloomberg and Kotak Institutional Equities.

Economic Indicators

Economic indicators

Exhibit 48: Key economic parameters



Source: Bloomberg and Kotak Institutional Equities.

Kotak Valuation Summary

Valuation summary

Kotak Institutional Equities Universe

Company	22-Jun-06 Price (Rs)	Rating	Mkt cap (Rs m)	Mkt cap (US\$ m)	O/S Shares (m)	EPS			EPS Growth, %			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price (Rs)	Upside (%)	3m avg value traded
						2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E			
Healthcare																													
Apollo Hospital	442	IL	22,798	494	52	10.1	13.8	16.5	(6.5)	36.9	19.8	43.9	32.0	26.7	19.5	15.9	13.4	3.3	3.1	2.9	0.9	1.2	1.5	10.8	10.7	12.1	425	(4)	1
Construction																													
Punj	778	IL	40,614	880	52	20.0	54.6	58.3	278.6	173.8	6.7	39.0	14.2	13.3	13.3	7.7	6.8	3.3	2.7	2.3	-	0.4	0.6	12.1	21.1	18.8	1,080	39	6
NCCL	267	OP	27,736	601	104	11.8	17.6	25.2	21.8	48.3	43.2	22.5	15.2	10.6	16.1	10.7	7.8	2.9	2.5	2.0	0.4	0.4	0.5	15.9	17.4	20.8	460	72	5
IVRCL	233	OP	24,950	541	107	8.8	14.5	19.9	23.8	64.8	37.4	26.6	16.1	11.7	22.0	12.6	10.2	5.0	3.9	2.9	0.3	0.3	0.3	20.7	27.2	28.5	306	31	23
Construction	-	Attractive	93,301	2,022					134.3	107.9	25.0	31.2	15.0	12.0	15.8	9.5	7.9	3.5	2.9	2.3	0.2	0.4	0.5	11.2	19.1	19.5	-	-	-
Diversified																													
Sintex	156	OP	18,987	411	121	7.7	10.8	13.9	85.5	40.6	29.0	20.4	14.5	11.3	11.5	8.1	6.6	3.7	2.1	1.8	0.5	0.6	1.0	17.0	18.4	17.2	260	66	0
Monnet Ispat	197	OP	10,224	222	52	20.5	34.7	58.0	(12.8)	69.2	67.5	9.6	5.7	3.4	9.6	4.8	3.4	2.6	1.0	0.8	1.9	3.6	4.1	30.1	24.6	25.2	280	42	0
KS universe (b)			17,880,265	387,501					16.9	16.0	13.9	17.0	14.7	12.9	10.5	8.7	7.6	3.2	2.7	2.4	1.7	1.9	2.1	18.6	18.4	18.3	-	-	
KS universe (b) ex-Energy			15,420,055	334,183					20.2	18.4	13.2	19.4	16.4	14.5	13.2	10.6	9.4	3.6	3.0	2.6	1.4	1.5	1.7	18.7	18.6	18.3	-	-	

(a) 2003 means calendar year 2002, similarly for 2004 and 2005 for these particular companies

(b) EV/Sales & EV/EBITDA for KS universe excludes Banking Sector

Rupee-US Dollar exchange rate (Rs/US\$)= 46.1425

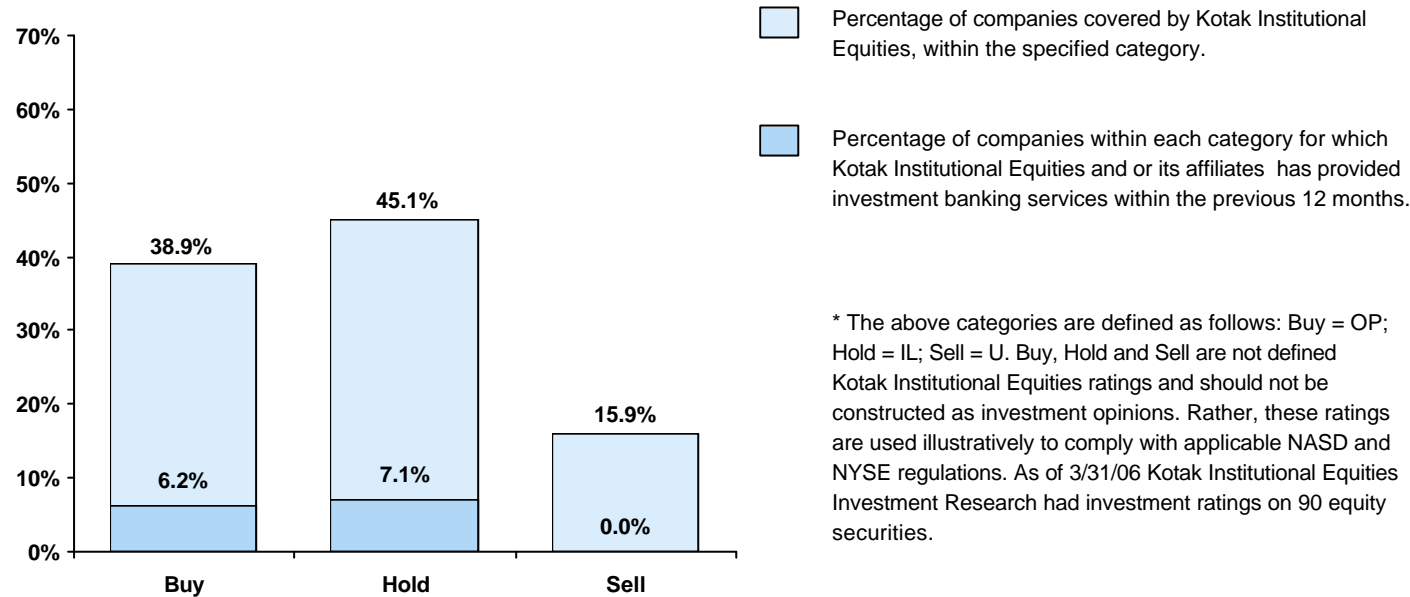
Source: Bloomberg, Company reports, Kotak Institutional Equities estimates

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Source: Kotak Institutional Equities.

As of March 31, 2006

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