

September 21, 2007

India Strategy Friday Flash

BSE-30: 16,348

India

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**Kotak Institutional Equities
Research**

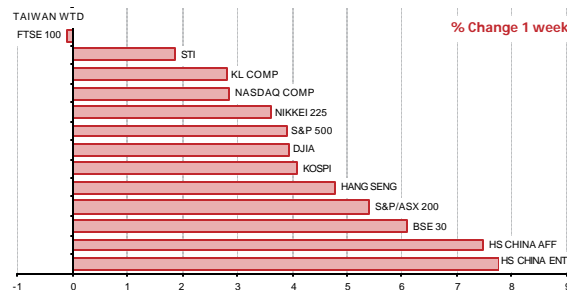
Important disclosures appear at the back of this report.

Fed bonanza. Regional markets witnessed a buoyant week on the back of a 50 bps cut in the Federal Funds Rate (ahead of consensus estimate of 25 bps). The Sensex gained 734 points (4.7%), closing at 16,348—one of the largest gainers in the region. The Rupee appreciated another 1.38%, closing at Rs39.9 per US\$. Institutional activities remained robust with FIIs investing US\$243 mn in Indian equities.

Market highlights for the week ending Thursday, September 20, 2007

- Largest gainers: Mahindra Gesco (14%), Reliance Energy (11%), Sterlite (11%)
- Largest losers: Mphasis (-7%), KEC (-6%), Wipro (-5%)

Relative performance of Indian indices (% Change 1 Week)



Source: Company, Bloomberg.

Flows in emerging markets

Flows in the cash markets

Date	Taiwan	Indonesia	Philippines	Thailand	India	Total
Investments in past week (US\$m)						
12-Sep-07	(41)	(28)	(14)	(24)	69	(37)
13-Sep-07	(60)	(17)	(31)	(19)	(11)	(139)
14-Sep-07	289	23	(13)	4	284	587
17-Sep-07	(247)	-	(11)	(34)	(66)	(358)
18-Sep-07	-	-	0	-	(34)	(33)
Total	(59)	(21)	(69)	(73)	243	19

Our top recommendations

Exhibit 1: Kotak Institutional Equities, Top 10, 20 September, 2007

Companies	Sector	Rating	CMP	Mkt Cap	Target	EPS (Rs)			P/E (X)			EV/EBDITA (X)			Liquidity: 3mo
			(Rs)	(US\$ mn)	(Rs)	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	(Rs mn)
Larsen & Toubro	Industrials	OP	2,746	19,682	2,725	65.1	88.0	112.4	42.2	31.2	24.4	27.4	19.7	15.3	258
ICICI Bank	Banking	OP	967	25,140	1,000	34.6	37.4	51.3	27.9	25.9	18.8	—	—	—	2,765
ITC	Consumer Products	OP	194	18,189	225	7.2	8.3	9.6	26.9	23.3	20.2	17.1	14.6	12.3	1,147
Wipro	Technology	OP	434	15,760	560	19.8	23.1	29.2	21.9	18.7	14.8	17.0	14.4	10.5	579
Bharat Heavy Electricals	Industrials	OP	1,943	23,841	2,025	49.3	66.4	84.1	39.4	29.2	23.1	21.2	15.9	12.4	1,884
Bajaj Auto	Automobiles	OP	2,499	6,340	2,750	127.2	114.5	151.9	19.6	21.8	16.5	13.6	14.6	11.5	615
Reliance Energy	Utilities	IL	988	5,639	810	34.8	35.2	36.4	28.4	28.1	27.2	32.8	28.6	27.0	2,708
Maruti Udyog	Automobiles	—	910	6,594	910	54.0	58.4	68.5	16.8	15.6	13.3	8.7	7.4	6.2	128
Punjab National Bank	Banking	OP	511	4,037	610	48.8	55.2	63.3	10.5	9.2	8.1	—	—	—	438
Mid Cap Basket															
Andhra Bank	Banking	OP	94	1,145	120	11.1	12.4	13.0	8.5	7.6	7.2	—	—	—	111
Kalpataru Power Transmission	Transmission	OP	1,523	1,012	1,650	60.2	77.4	91.8	25.3	19.7	16.6	15.7	12.5	10.2	41
Mahindra Gesco	Property	OP	641	675	920	8.9	11.3	47.5	72.3	56.6	13.5	44.4	34.6	11.2	240
Nagarjuna Construction Co.	Construction	OP	238	1,239	221	6.5	9.6	13.0	36.5	24.8	18.4	21.6	14.8	11.7	294
PSL	Pipes	OP	357	371	420	21.2	27.6	41.1	16.8	12.9	8.7	10.8	8.1	5.7	55
BSE-30			16,348												

Source: Company, Bloomberg, Kotak Institutional Equities.

Our model portfolio

Exhibit 2: Kotak Institutional Equities Model Portfolio

Company	20-Sep		Weightage (%)		Diff. (bps)	Company	20-Sep		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.			Price (Rs)	Rating	BSE-30	KS reco.	
Bajaj Auto	2,499	OP	1.6	2.6	100	ABB	1,277	OP	—	1.5	150
Mahindra & Mahindra	770	—	1.4	2.4	100	Bharat Heavy Electricals	1,943	OP	2.9	4.9	200
Maruti Udyog	910	—	0.9	1.9	100	Larsen & Toubro	2,746	OP	6.3	8.3	200
Tata Motors	732	—	1.6	0.6	(100)	Industrials			9.1	14.6	550
Automobiles			5.5	7.5	200	Hindalco Industries	162	—	1.5	—	(153)
Andhra Bank	94	OP	—	0.6	60	Tata Steel	740	IL	3.9	2.9	(100)
Punjab National Bank	511	OP	—	2.0	200	Metals			5.4	2.9	(253)
State Bank of India	1,759	IL	4.0	4.0	—	Cipla	169	—	0.9	—	(91)
PSU Banking			4.0	6.6	260	Dr Reddy's Laboratories	639	—	0.8	—	(78)
HDFC	2,339	IL	5.0	—	(498)	Ranbaxy Laboratories	408	—	1.0	1.0	—
HDFC Bank	1,326	IL	3.1	2.6	(50)	Pharmaceuticals			2.7	1.0	(170)
ICICI Bank	967	OP	9.8	11.8	200	Infosys Technologies	1,800	OP	9.0	8.0	(100)
Pvt Banking/Financing			17.9	14.4	(348)	Satyam Computer Services	421	OP	2.9	2.9	—
ACC	1,138	U	1.1	—	(110)	TCS	1,001	IL	2.1	—	(214)
Grasim Industries	3,373	IL	2.0	2.0	—	Wipro	434	OP	1.3	3.3	200
Ambuja Cements	146	IL	1.5	—	(152)	Technology			15.4	14.3	(114)
Cement			4.6	2.0	(262)	Bharti Airtel Limited	891	U	5.7	4.2	(150)
Hindustan Unilever	214	IL	2.2	—	(219)	Reliance Communications	566	U	3.8	2.3	(150)
ITC	194	OP	4.5	6.5	200	Telecom			9.5	6.5	(300)
Consumers			6.7	6.5	(19)	NTPC	189	IL	2.0	2.0	—
Bharat Petroleum	322	IL	—	0.8	75	Reliance Energy	988	IL	1.3	2.8	150
Hindustan Petroleum	252	IL	—	0.8	75	Utilities			3.3	4.8	150
Oil & Natural Gas Corporation	905	OP	3.7	3.7	—	Kalpataru Power Transmission	1,523	OP	—	0.6	60
Reliance Industries	2,192	U	12.3	11.0	(134)	Mahindra Gesco	641	OP	—	0.6	60
Reliance Petroleum	139	OP	—	0.5	50	Nagarjuna Construction Co.	238	OP	—	0.6	60
Energy			16.0	16.7	66	PSL	357	OP	—	0.6	60
						Infrastructure basket			2.4	240	

Note:

(a) weightages are with respect to August 6, 2007 prices.

Source: BSE, Bloomberg, Kotak Institutional Equities.

Sensex valuation summary

Exhibit 3: Valuation summary of BSE-30 sectors, 20 September, 2007

	Mkt-cap. (US\$ mn)	EPS Growth (%)				PER (X)			EV/EBITDA (X)		Price/BV (X)		Div Yield (%)		RoE (%)	
		2006	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2007	2008E	2007	2008E	2007	2008E
Banking	76,696	13.3	14.2	23.7	23.9	29.5	23.9	19.3	—	—	4.9	3.0	0.8	0.9	16.5	12.7
Technology	73,304	28.6	44.4	21.5	23.0	24.1	19.8	16.1	17.9	14.3	8.1	6.3	1.1	1.6	33.5	31.9
Consumers	30,008	21.2	19.4	15.2	14.3	28.2	24.5	21.4	19.3	15.6	8.8	7.8	2.2	2.4	31.3	31.8
Pharmaceuticals	9,742	(15.1)	136.7	(17.3)	20.2	17.1	20.7	17.2	12.4	13.9	3.6	3.2	1.5	1.5	21.2	15.6
Metals	21,261	6.3	33.1	(3.5)	(14.9)	12.2	12.7	14.9	7.6	7.7	2.9	1.8	1.3	1.5	23.6	14.1
Automobiles	25,327	26.9	28.9	6.8	19.9	18.1	17.0	14.1	9.3	8.3	4.2	3.6	1.4	1.5	23.4	21.1
Energy	125,123	16.9	15.2	17.7	16.3	17.7	15.0	12.9	8.7	7.7	3.2	2.8	1.6	1.7	18.2	18.8
Industrials	43,523	57.2	56.3	35.8	28.0	40.9	30.1	23.5	23.7	17.5	10.8	8.2	0.5	0.6	26.4	27.4
Cement	18,693	27.7	89.5	21.3	8.6	17.2	14.2	13.1	10.0	7.9	4.6	3.6	1.1	1.4	26.5	25.0
Telecom	71,425	(107.4)	182.9	63.9	33.8	39.3	24.0	17.9	21.0	13.6	8.2	6.2	0.0	0.2	20.9	26.0
Utilities	44,732	17.0	16.1	11.0	6.9	23.4	21.1	19.7	12.8	14.6	3.0	2.8	1.5	1.8	13.0	13.3
BSE-30	539,834	20.5	32.9	19.7	17.8	23.1	19.3	16.4	12.5	10.8	4.7	3.7	1.1	1.3	20.4	19.3
BSE-30 ex-Energy	414,712	22.5	42.3	20.6	18.4	25.5	21.1	17.8	14.9	12.6	5.5	4.1	1.0	1.2	21.5	19.5
BSE-30 ex-Energy, Com.	374,757	24.7	40.7	23.6	22.5	27.8	22.5	18.4	16.6	13.8	5.8	4.5	0.9	1.1	20.9	19.9

Source: Company reports, Kotak Institutional Equities estimates.

Nifty valuation summary

Exhibit 4: Valuation summary of Nifty sectors, 20 September, 2007

	Mkt-cap. (US\$ mn)	EPS Growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2006	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2007E	2008E	2007E	2008E
Banking	80,743	11.6	13.2	22.3	22.8	27.1	22.1	18.0	—	—	—	4.5	2.9	0.9	0.9	16.6	13.0
Technology	78,109	28.3	46.8	19.3	22.9	23.2	19.4	15.8	17.1	13.9	10.9	7.5	6.0	1.2	1.6	32.2	30.6
Consumers	30,012	21.2	19.4	15.2	14.3	28.2	24.5	21.4	19.3	15.6	13.3	8.8	7.8	2.2	2.4	31.3	31.8
Metals	35,573	22.1	64.3	(11.7)	(14.9)	10.2	11.6	13.6	6.3	6.8	7.6	2.7	1.8	1.3	1.4	26.2	15.8
Automobiles	28,869	25.6	21.5	6.0	18.3	17.9	16.9	14.3	9.2	8.3	6.8	4.3	3.7	1.5	1.7	24.3	21.8
Energy	153,031	8.8	22.8	14.1	19.2	18.2	15.9	13.4	9.1	8.3	6.8	3.0	2.7	1.7	1.7	16.5	16.7
Industrials	66,801	64.0	46.7	40.2	32.1	45.7	32.6	24.7	26.9	19.4	14.6	12.2	9.2	0.4	0.5	26.7	28.4
Cement	18,695	27.7	89.5	21.3	8.6	17.2	14.2	13.1	10.0	7.9	7.1	4.6	3.6	1.1	1.4	26.5	25.0
Telecom	76,822	(53.9)	133.2	58.6	31.7	37.4	23.6	17.9	19.5	12.8	9.9	5.8	4.8	0.2	0.4	15.6	20.2
Utilities	10,161	39.1	(2.8)	23.5	17.3	32.3	26.1	22.3	17.6	17.0	16.5	2.5	2.3	0.7	1.0	7.9	8.8
Media	3,439	(34.6)	2.9	72.6	32.4	62.5	36.2	27.3	43.9	21.4	16.2	5.0	4.6	0.3	0.6	8.1	12.6
NIFTY	599,548	18.6	37.8	16.5	18.3	22.4	19.2	16.3	12.4	10.7	9.0	4.5	3.6	1.1	1.3	20.0	18.6
NIFTY ex-Energy	446,517	24.7	46.0	17.7	17.8	24.4	20.7	17.6	14.6	12.2	10.3	5.4	4.0	0.9	1.1	22.1	19.5
NIFTY ex-Energy ex Com	410,943	25.2	42.3	24.6	23.3	27.7	22.2	18.0	17.0	13.3	10.7	5.9	4.5	0.9	1.1	21.4	20.3

Note:

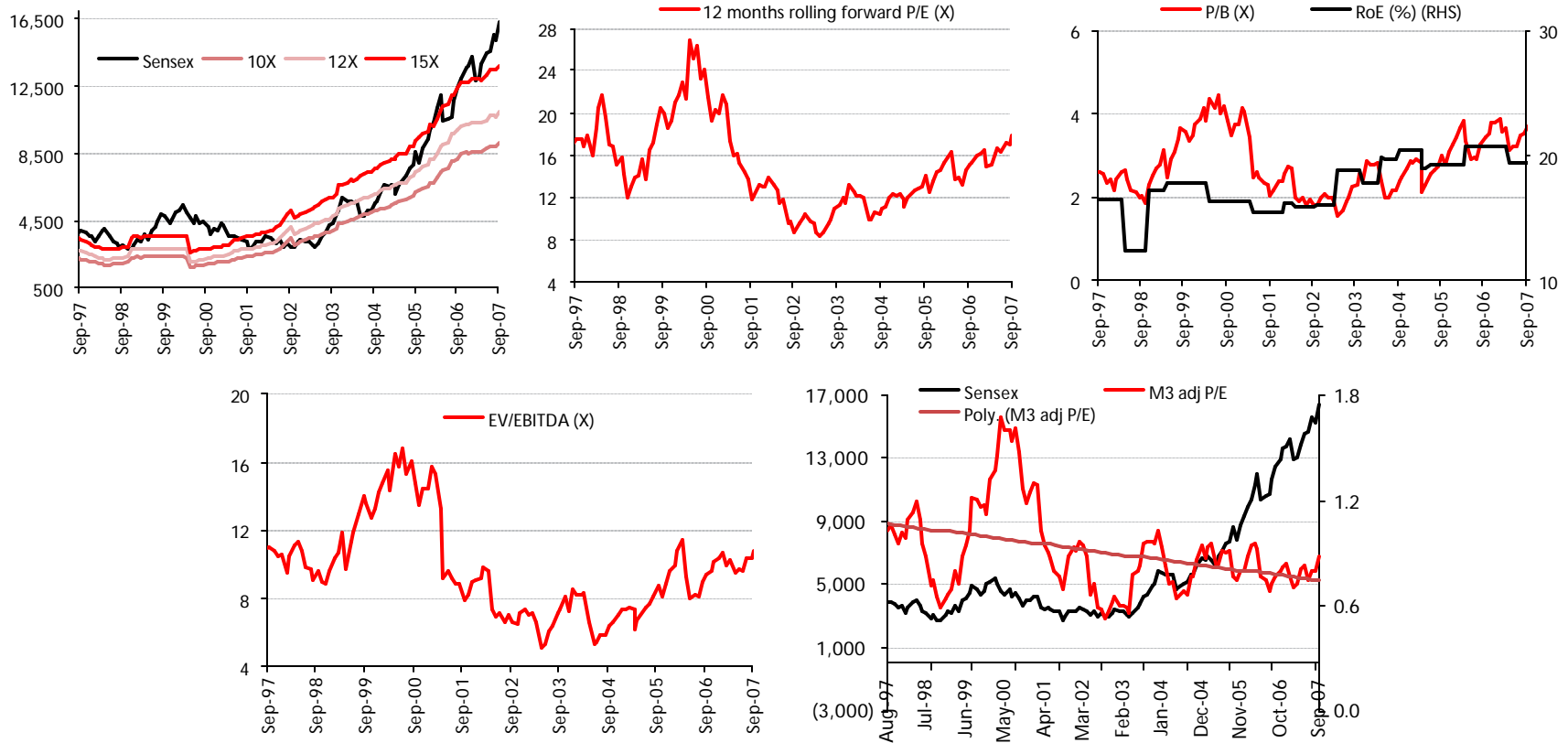
(a) Following companies are excluded: SAIL, Dabur and IPCL

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 1997 - 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 September 24, 2006)

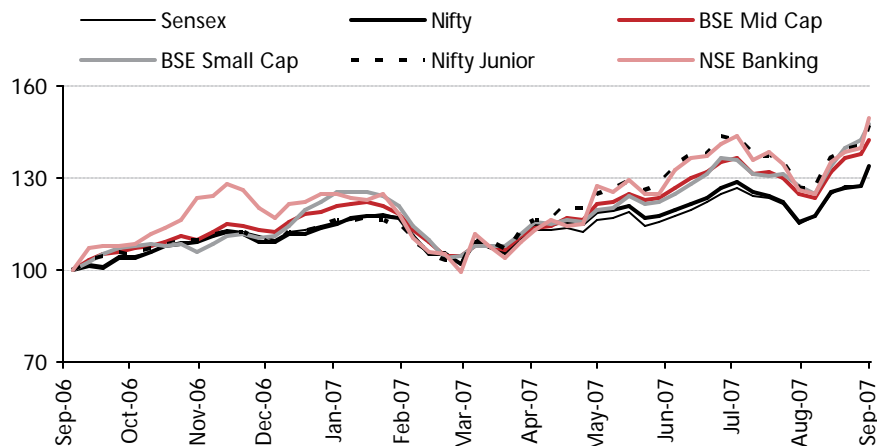


Exhibit 7: Weekly performance of the benchmark indices

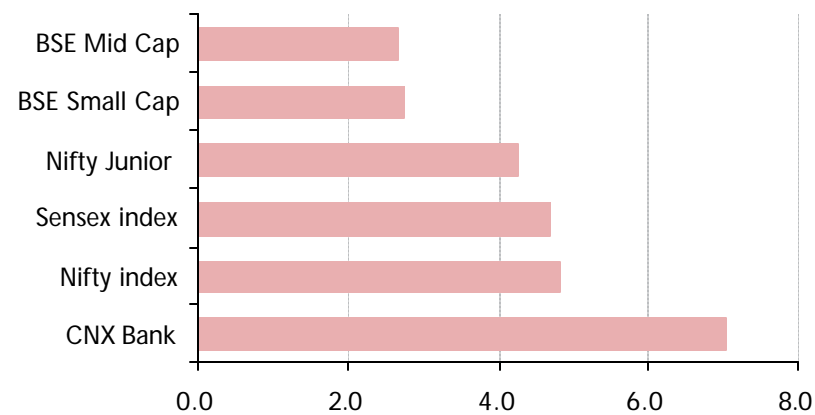


Exhibit 8: 1-month performance of the benchmark indices

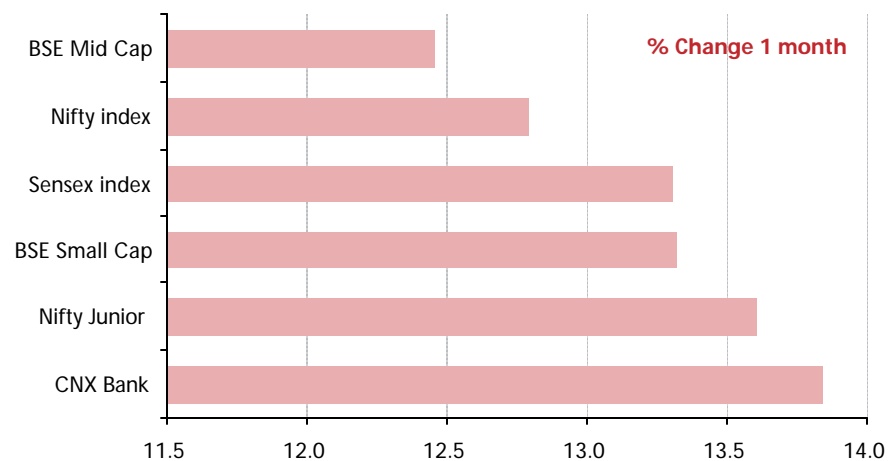
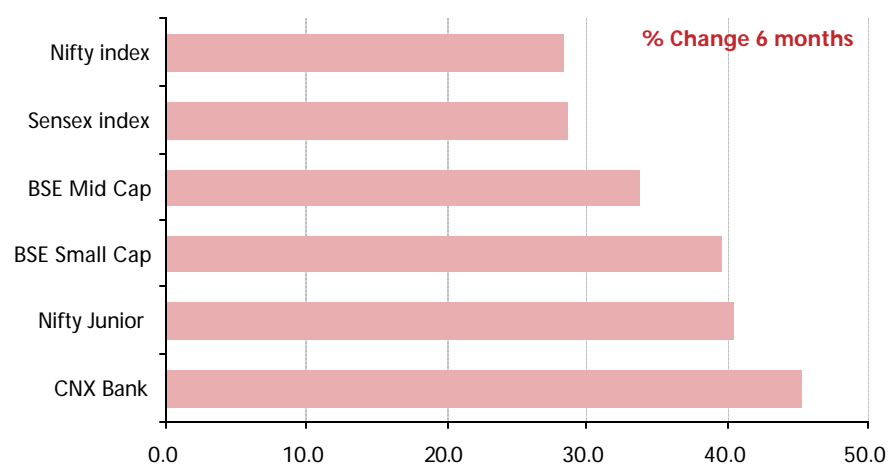


Exhibit 9: 6-month performance of the benchmark indices



Source: Bloomberg, Kotak Institutional Equities.

BSE-Sensex versus regional indices

Exhibit 10: Weekly performance

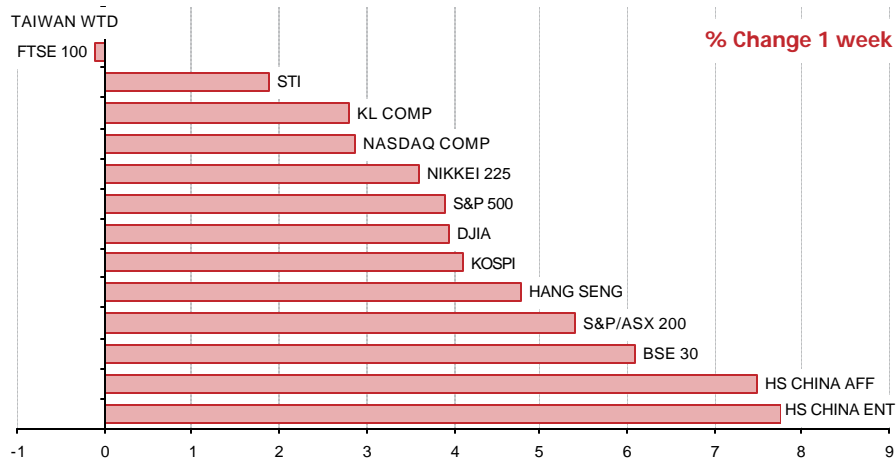


Exhibit 11: 3-month performance

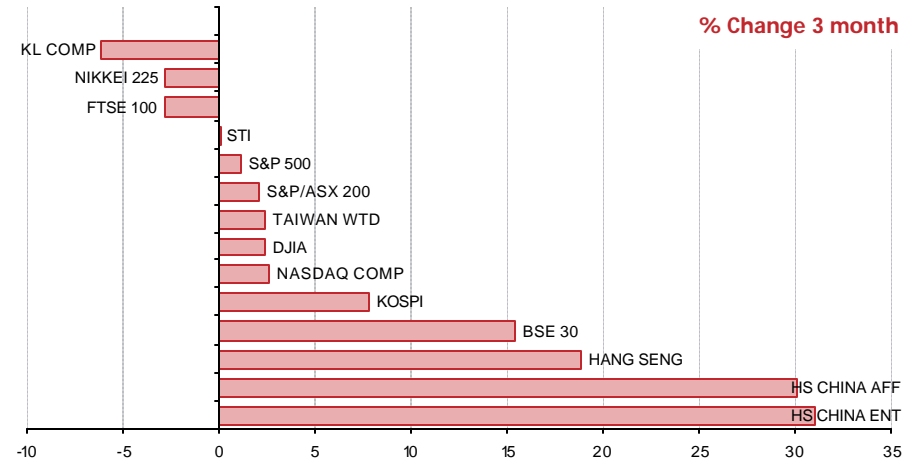
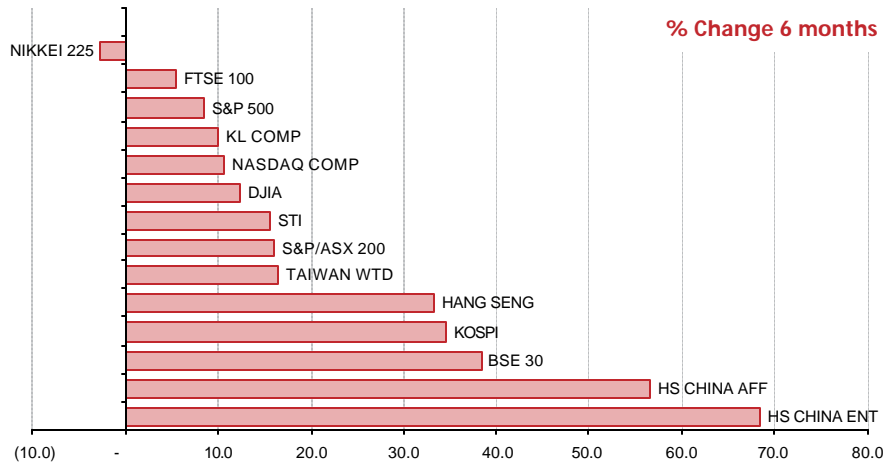


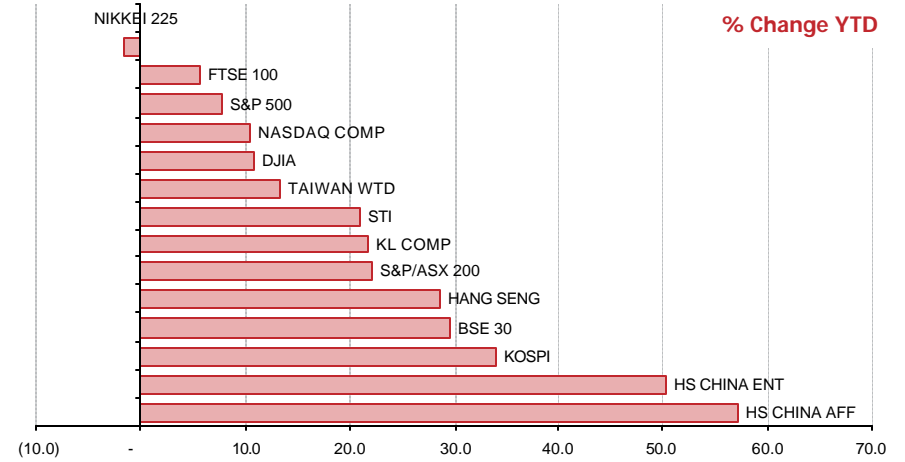
Exhibit 12: 6-month performance



note.

(a) Returns are adjusted for the currency changes

Exhibit 13: Year-to-date performance



Source: Bloomberg, BSE, Kotak Institutional Equities.

Kotak Institutional Equities Research, September 21, 2007

Sectoral performance

Exhibit 14: Market performance of Sensex sectors, 20 September, 2007

	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
Banking	76,696	(0.4)	15.0	16.2	43.2	62.3	26.6	(0.6)	1.5	11.3	20.3
Technology	73,304	(2.6)	(4.2)	(11.8)	(17.3)	(5.3)	(20.5)	(2.8)	(15.5)	(35.7)	(29.8)
Consumers	30,008	1.7	17.2	20.3	28.4	(4.3)	5.5	1.6	3.4	(0.2)	(29.1)
Pharmaceuticals	9,742	(0.9)	1.7	(2.8)	(6.6)	(18.5)	(18.1)	(1.1)	(10.2)	(27.4)	(39.6)
Metals	21,261	(0.1)	25.7	15.4	57.5	31.2	32.0	(0.2)	11.0	22.4	(2.8)
Automobiles	25,327	0.6	14.4	12.0	2.6	(4.5)	(10.6)	0.4	1.0	(20.2)	(29.3)
Energy	125,123	0.7	17.5	14.1	41.3	53.9	37.5	0.6	3.7	9.8	14.0
Industrials	43,523	1.7	18.8	35.7	88.1	85.4	78.1	1.5	4.8	46.2	37.3
Cement	18,693	(0.1)	18.3	30.9	47.9	29.6	10.5	(0.3)	4.4	14.9	(4.0)
Telecom	71,387	0.5	9.2	9.6	28.3	80.0	32.1	0.3	(3.6)	(0.3)	33.3
Utilities	44,732	0.3	17.6	31.0	38.7	51.9	43.5	0.2	3.8	7.8	12.5
Sensex sum	539,796	0.2	13.3	13.4	28.7	35.0	18.6				

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 Mahindra Gesco	13.6	1 Mphasis BFL	(6.9)
2 Reliance Energy	11.0	2 KEC	(5.7)
3 Sterlite Industries	11.0	3 Wipro	(5.2)
4 Motherson Sumi	10.5	4 Hexaware Technologies	(5.2)
5 Bank of Baroda	9.7	5 iGate Global Solutions	(4.5)
6 ICICI Bank	9.4	6 Torrent Pharma	(4.2)
7 HDFC Bank	9.4	7 Rico Auto	(3.9)
8 Nagarjuna Construction Co.	9.2	8 Vardhman	(3.8)
9 Mahindra & Mahindra	8.9	9 Cipla	(3.5)
10 Sesa Goa	8.6	10 Lupin	(3.5)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jindal Steel and power	116.0	1 Vardhman	(45.6)
2 Divi's Laboratories	103.1	2 Rico Auto	(42.5)
3 Larsen & Toubro	90.3	3 Hexaware Technologies	(37.7)
4 Reliance Energy	90.0	4 iGate Global Solutions	(37.1)
5 IDFC	83.3	5 Polaris Software Lab	(34.1)
6 Monnet Ispat	77.8	6 Cipla	(32.6)
7 Reliance Industries	72.6	7 Wipro	(28.3)
8 ABB	72.0	8 Mahindra Gesco	(26.9)
9 JSL	69.9	9 Hotel Leela	(24.9)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Reliance Energy	36.2	1 HCL Technologies	(10.3)
2 Sesa Goa	34.9	2 Cipla	(8.2)
3 Tata Steel	30.1	3 Wipro	(7.7)
4 Mahindra Gesco	29.9	4 Pfizer	(5.9)
5 TVS Motor Co	28.7	5 iGate Global Solutions	(5.9)
6 Jindal Steel and power	26.7	6 Mphasis BFL	(5.6)
7 Motherson Sumi	24.5	7 Torrent Pharma	(5.4)
8 Sterlite Industries	24.1	8 TCS	(5.1)
9 ITC	24.1	9 Aventis Pharma	(5.0)
10 ABB	23.4	10 GlaxoSmithkline (India)	(5.0)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 GVK Power	236.1	1 Rico Auto	(55.4)
2 Jindal Steel and power	211.0	2 Vardhman	(50.0)
3 Divi's Laboratories	190.9	3 TVS Motor Co	(37.4)
4 Sesa Goa	141.9	4 Novartis India	(35.1)
6 ABB	122.9	5 Cipla	(34.1)
7 KEC	122.9	6 Hotel Leela	(29.1)
8 JSL	116.0	7 Pfizer	(27.0)
9 Tech Mahindra	114.5	8 Aventis Pharma	(26.7)
10 Reliance Energy	114.2	9 Indian Oil Corporation	(24.0)
11 Monnet Ispat	112.4	10 Hexaware Technologies	(21.2)

Source: Kotak Institutional Equities.

Fundamental & technical indicators

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

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
i-flex solutions	201.5
GVKPIL	196.5
Jet Airways	189.5
HDFC	183.8
Reliance Industries	181.4
Aditya Birla Nuvo	172.2
ABB	159.5

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

Company	Discount to sector
Monnet Ispat	78.2
LIC Housing Finance	66.9
Andhra Bank	55.9
Canara Bank	53.8
iGate Global Solutions	50.7
Bank of Baroda	49.1
Punjab National Bank	48.8

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

Lowest 1 year rolling forward P/E (X)

Company	Lowest P/E
LIC Housing Finance	5.6
Monnet Ispat	7.1
Andhra Bank	7.4
Indian Oil Corporation	7.7
Hindustan Petroleum	7.7
Canara Bank	7.8
Oil & Natural Gas Corporation	8.6
Bank of Baroda	8.6
iGate Global Solutions	8.6
Punjab National Bank	8.6
Corporation Bank	8.9

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

Highest 1 year forward P/E (X)

Company	Highest P/E
Aditya Birla Nuvo	56.1
ABB	41.9
GVKPIL	40.2
Siemens	35.4
i-flex solutions	35.1
Jet Airways	31.8
Zee Entertainment Enterprises	31.2
HDFC	30.9
Sun TV Network	30.2
Nestle India	28.3

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

Company	% discount to historical high
Bharat Heavy Electricals	0.0
CESC	0.0
Grasim Industries	0.0
HDFC	0.0
Larsen & Toubro	0.0
NTPC	0.0
Reliance Energy	0.0
Reliance Industries	0.0
State Bank of India	0.0
Sintex	0.0
Monnet Ispat	0.0
Shriram Transport	0.0
Axis Bank	0.4
IDFC	0.6
GE Shipping	1.1
Kalpataru Power Transmission	1.3
Asian Paints	1.3
Bharat Electronics	5.6

Note:

(a) Historical figures are generated since May 2000.

Source: Bloomberg, Kotak Institutional Equities

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

Trading at premium to the sectors
Premium to 1 year rolling forward EV/EBITDA (%)

Company	Sector premium
Petronet LNG	194.0
i-flex solutions	184.4
Castrol India	184.1
Reliance Energy	180.9
Gateway Distriparks	177.6

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

Company	Sector discount
Dredging Corporation	32.5
iGate Global Solutions	37.3
Novartis India	43.0
MTNL	49.3
Abbott India	49.7

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 Energy	28.3
i-flex solutions	25.2
ABB	24.8
Divi's Laboratories	24.0
Siemens	20.5
Larsen & Toubro	19.5
Hindustan Lever	19.5

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
Bharat Petroleum	4.1
Hindustan Petroleum	4.2
Indian Oil Corporation	4.3
Lakshmi	4.8
Vardhman	5.0
Hindustan Zinc	5.1
Rico Auto	5.2
MTNL	5.9

Source: Bloomberg, Kotak Institutional Equities

Technical indicators

Exhibit 25: Volume momentum analysis

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

Company	5-day average volumes	Increase (%)	Price Change (1month basis %)
GlaxoSmithkline (India)	26,297	155	(5.0)
IDFC	6,511,157	147	22.3
Jindal Steel and Power	17,538	121	26.7
Cadila Healthcare	39,259	121	(4.2)
Container Corporation	35,167	90	13.1
GVKPIL	83,884	87	13.4
Arvind Mills	5,109,210	62	(1.2)

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

Company	5-day average volumes	% decrease	% Price Change (1month basis)
Ipca Laboratories	6,651	(83)	(0.5)
Godrej Consumer Products	14,967	(80)	(1.2)
Glaxo SmithKline Consumer	1,426	(77)	6.6
Nicholas Piramal	48,166	(76)	12.5
Motherson Sumi	12,376	(70)	24.5
iGate Global Solutions	11,064	(66)	(5.9)
Sun Pharmaceuticals	17,154	(62)	3.6

Date	Sensex	Avg daily value traded	Institutional participation in total turnover		Sensex Put-Call delivery	Put-Call (X)
		(US\$ mn)	FII%	MF%	(%)	
Apr-07	13,872	2,776	18.0	4.7	49.2	1.12
May-07	14,544	3,420	16.3	4.5	49.8	1.38
Jun-07	14,651	3,327	17.6	3.9	49.9	1.44
Jul-07	15,551	4,309	18.6	4.4	49.8	1.38
Aug-07	15,318	3,742	18.6	4.3	45.2	1.32
Sep-07	16,348	3,775	13.3	3.4	46.0	1.60

Source: Bloomberg, Kotak Institutional Equities.

Earnings momentum

Top upgrades and downgrades in 2008 estimates in the past month

- **Top changes in target prices in the past month**
- **Top changes in ratings in the past month**

Top upgrades/downgrades

Exhibit 26: Kotak Institutional Equities earning upgrades/downgrades in the past 1 month

FY2008 earnings upgrades (KIE) (1 month)

	Company	% Change
1	Bharat Heavy Electricals	8.1
2	ICICI Bank	6.7
3	DishTV	5.9
4	Bharat Electronics	2.3
5	GAIL (India)	2.3
6	Nagarjuna Construction Co.	0.4

FY2008 earnings downgrades (KIE) (1 month)

	Company	% Change
1	Bharat Petroleum	(15.9)
2	Hindustan Petroleum	(10.9)

Source: Kotak Institutional Equities, Bloomberg.

Changes in our target prices

Exhibit 28: Changes in target prices in the past 1 month

Upgrades in target prices (1 month)

	Company	% Change	New	Old
1	Tata Steel	11.7	670	600
2	Bharat Heavy Electricals	11.0	2,025	1,825
3	Bharat Electronics	6.4	1,900	1,785

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	DishTV	(13.0)	100	115
2	Bharat Petroleum	(11.1)	400	450
3	Hindustan Petroleum	(1.5)	325	330

Source:Kotak Institutional Equities.

Changes in our ratings

Exhibit 29: Changes in ratings in the past 1 month

Company name		Rating	
		Current	Previous
Hindustan Petroleum	Downgraded	IL	OP
Bharat Petroleum	Downgraded	IL	OP

Source: Kotak Institutional Equities.

Flows

- **Trend in equity flows**
- **FII flows in other emerging markets**
- **IPO analysis**
- **Delivery position analysis**
- **Bulk deals of the week**

Trend in equity flows

Exhibit 31: Net investments by mutual funds and FII in the cash market (US\$ mn)

	FII	MF
CY 1999	1,537	0
CY 2000	1,462	(150)
CY 2001	2,807	(1,110)
CY 2002	751	(685)
CY 2003	6,658	118
CY2004	8,382	(217)
CY 2005	10,776	2,873
CY 2006	8,632	3,585
CY 2007	9,426	748
Jan	40	(298)
Feb	1,249	(61)
March	317	(365)
April	1,257	217
May	1,085	401
June	1,759	100
July	4,530	(218)
August	(1,861)	1,037
September	1,052	(66)

Source: Bloomberg, Kotak Institutional Equities

Exhibit 32: 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	161	8,449	(4,833)	(106)
Jan	13	960	(632)	(27)
Feb	(937)	682	(313)	0
Mar	1,132	630	467	(8)
Apr	264	810	(111)	(15)
May	320	516	(1,246)	(10)
June	(1,025)	980	(568)	(16)
July	(821)	1,860	(1,649)	(4)
August	1,037	1,235	(303)	(15)
September	177	777	(477)	(11)

Exhibit 33: Net investments by all domestic institutions (MFs, FIs, Banks and Insurance) (US\$ mn)

Date	Amount	Date	Amount
Apr-07	208	18-Sep	(60)
May-07	753	17-Sep	(36)
Jun-07	1,120	14-Sep	(67)
Jul-07	(145)	13-Sep	(9)
Aug-07	2,230	12-Sep	(23)
Sep-07	(416)	Total	(195)
Total	3,750		

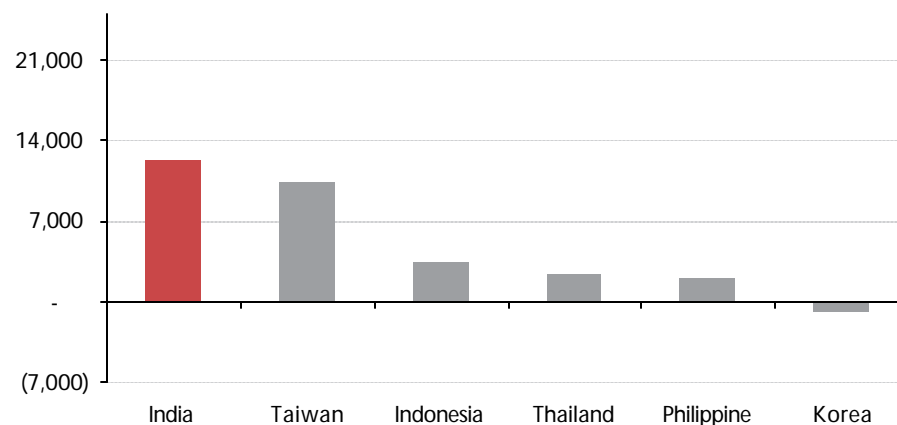
FII flows in other emerging markets

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

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
22-Aug-07	(140)	(4)	(3)	(12)	(165)
23-Aug-07	369	35	(2)	49	82
24-Aug-07	(179)	21	(1)	0	103
27-Aug-07	118	35	-	11	297
28-Aug-07	(58)	(66)	(3)	20	91
29-Aug-07	(306)	(7)	(2)	2	(48)
30-Aug-07	340	22	0	11	(164)
31-Aug-07	513	13	5	49	168
3-Sep-07	39	41	4	36	131
4-Sep-07	106	3	(6)	2	156
5-Sep-07	(4)	63	6	7	101
6-Sep-07	209	(10)	5	(35)	153
7-Sep-07	183	29	(0)	(9)	142
10-Sep-07	(392)	(32)	5	(17)	(15)
11-Sep-07	(121)	10	(1)	3	109
12-Sep-07	(41)	(28)	(14)	(24)	69
13-Sep-07	(60)	(17)	(31)	(19)	(11)
14-Sep-07	289	23	(13)	4	284
17-Sep-07	(247)	-	(11)	(34)	(66)
18-Sep-07	-	-	0	-	(34)
Total	617	131	(61)	42	1,381

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



Source: Bloomberg.

IPO analysis

Exhibit 33: 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
Magnum Ventures	176	30	529	20-Sep-07	49	49	62	62
Indowind Energy	125	65	813	14-Sep-07	115	129	76	98
Motilal Oswal Financial	30	825	2,461	11-Sep-07	977	978	18	19
TakeSolutions	21	730	1,533	27-Aug-07	926	998	27	37
Refex Refrigerants	38	65	247	20-Aug-07	62	60	(5)	(7)
Zylog Systems	36	350	1,260	17-Aug-07	431	445	23	27
IVR Prime	142	550	7,783	16-Aug-07	418	414	(24)	(25)
OMAXE Ltd	178	310	5,517	09-Aug-07	349	361	13	16
Alpa Laboratories	95	68	646	06-Aug-07	55	46	(19)	(32)
Simplex projects	30	185	555	03-Aug-07	272	306	47	66
Everonn Systems	36	140	500	01-Aug-07	478	747	241	434
Allied Digital	45	190	859	25-Jul-07	331	356	74	87
Housing Development & Infra	297	500	14,850	24-Jul-07	558	647	12	29
Soice Communications	1,131	46	5,203	18-Jul-07	61	55	32	19
Roman Tarmat	29	175	508	09-Jul-07	319	219	82	25
DLF	1,750	525	91,875	05-Jul-07	570	750	9	43
Vishal Retail	40	270	1,082	04-Jul-07	752	708	179	162
Nitin Fire Protection	34	190	644	05-Jun-07	484	439	155	131
Insecticides Ind	32	115	369	30-May-07	110	67	(5)	(41)
MIC Electronics	51	150	765	30-May-07	336	541	124	261
Binani Cements	205	75	1,538	28-May-07	69	90	(8)	20
Hilton Metal Forging	55	70	382	24-May-07	68	40	(3)	(42)
Bhagwati Hotels	230	40	920	17-May-07	51	43	27	8
Fortis Healthcare	460	108	4,968	09-May-07	100	87	(7)	(20)
Advanta IndiaLtd	34	640	2,163	19-Apr-07	850	1,034	33	62
ICRA Ltd	26	330	852	13-Apr-07	798	1,020	142	209
Orbit Corp Ltd	91	110	1,001	12-Apr-07	128	498	16	353
Gremach Infrastructure	69	86	590	11-Apr-07	84	230	(2)	168
Astral Polytechn	30	115	342	20-Mar-07	105	115	(9)	0
Abhishek Mills L	41	100	410	19-Mar-07	91	46	(9)	(54)
AMD Metplast Ltd	102	75	763	19-Mar-07	78	45	4	(40)
Jagjanani Textil	81	25	203	19-Mar-07	23	12	(7)	(53)
Lawreshwar Polym	87	16	139	19-Mar-07	14	10	(13)	(36)
Page Industries	28	360	1,009	16-Mar-07	282	431	(22)	20
Raj Television N	36	257	917	16-Mar-07	226	220	(12)	(14)
Euro Ceramics	56	165	928	09-Mar-07	119	181	(28)	10
Idea Cellular	2,833	75	21,250	09-Mar-07	86	123	14	64
Mudra Lifestyle	96	90	862	09-Mar-07	64	66	(29)	(26)
Vijayeshwari Textiles	90	100	900	09-Mar-07	69	72	(31)	(28)
Indus Fila Ltd	48	170	823	08-Mar-07	132	215	(22)	27
Broadcast Initiatives	86	120	1,026	07-Mar-07	69	57	(42)	(52)
Evinix Accessories	35	120	420	07-Mar-07	74	186	(39)	55
Mindtree Consulting	56	425	2,377	07-Mar-07	620	536	46	26
Oriental Trimex	100	48	480	07-Mar-07	29	21	(39)	(57)
Indian Bank	896	91	8,149	01-Mar-07	98	159	8	74

Source: Bloomberg and Kotak Institutional Equities.

Exhibit 34: Forthcoming IPO/Follow on offerings

Company	Issue
National Hydroelectric Power Corp.Ltd.	IPO
Mundra Port & Special Economic Zone Ltd.	IPO
Rural Electrification Corp.Ltd.	IPO
Wockhardt Hospitals Ltd.	IPO
Bgr Energy Systems Ltd.	IPO
Kolte-Patil Developers Ltd.	IPO
Edelweiss Capital Ltd.	IPO
Maytas Infra Ltd.	IPO
Jyothy Laboratories Ltd.	IPO
Rns Infrastructure Ltd.	IPO
Consolidated Construction Consortium Ltd.	IPO
Manaksia Ltd.	FPO
Empee Distilleries Ltd.	IPO
Ramsarup Lohh Udyog Ltd.	IPO
Religare Enterprises Ltd.	IPO
Tecpro Systems Ltd.	IPO
Gss America Infotech Ltd.	IPO
Man Infraconstruction Ltd.	IPO
Mbl Infrastructures Ltd.	IPO
Uma Precision Ltd.	IPO
Bang Overseas Ltd.	IPO
Precision Pipes & Profiles Co.Ltd.	IPO
Globus Spirits Ltd.	IPO
Brahmaputra Consortium Ltd.	IPO
Essel Shyam Communication Ltd.	IPO
M.S.Khurana Engineering Ltd.	IPO
Midvalley Entertainment Ltd.	IPO
Varun Industries Ltd.	IPO
Veena Industries Ltd.	IPO
Aries Agro Ltd.	IPO
Alkali Metals Ltd.	IPO
Niraj Cement Structurals Ltd.	IPO
Renaissance Jewellery Ltd.	IPO
Tulsi Extrusions Ltd.	IPO
Kiri Dyes & Chemicals Ltd.	IPO
Kaushalya Infrastructure Development Corp.Ltd.	IPO
Svec Constructions Ltd.	IPO
Steel City Securities Ltd.	IPO
Manjushree Extrusions Ltd.	FPO
Barak Valley Cements Ltd.	IPO
Porwal Auto Components Ltd.	FPO

Source: Primedatabase .

Summary of bulk/block deals

Exhibit 35: Bulk/block deals for the week

Date	Company	Action	Quantity	Price	Value (Rs mn)	Exchange
14-Sep-07	IDFC	BUY	23,630,000	128	3,025	BSE
14-Sep-07	India Infoline Limited	BUY	900,000	810	729	NSE
14-Sep-07	Financial Technologies	SELL	258,161	2,450	632	BSE
14-Sep-07	Financial Technologies	SELL	258,161	2,450	632	NSE
14-Sep-07	India Infoline Limited	BUY	558,546	808	451	BSE
17-Sep-07	Century BOP	SELL	9,770,543	41	396	BSE
18-Sep-07	South India	BUY	2,000,000	170	340	BSE
18-Sep-07	South India	SELL	1,853,947	170	315	BSE
14-Sep-07	Srei Infra	BUY	2,594,217	101	263	BSE
14-Sep-07	India Infoline Limited	SELL	275,000	825	227	NSE
18-Sep-07	Raymond Ltd	SELL	747,655	272	204	BSE
14-Sep-07	Karnataka Bank Limited	BUY	792,526	208	165	NSE
18-Sep-07	Nav Bhar Ven	SELL	780,000	186	145	BSE
14-Sep-07	Aftek Limited	BUY	1,610,000	88	142	NSE
14-Sep-07	Gremac Infra	BUY	500,000	214	107	BSE
17-Sep-07	Milkfood	BUY	202,000	502	101	BSE
17-Sep-07	Standard Ind	BUY	1,499,700	64	96	BSE
14-Sep-07	Indowind Energy Limited	BUY	704,776	98	69	NSE
14-Sep-07	Indowind Energy Limited	SELL	699,776	99	69	NSE
14-Sep-07	It People	BUY	2,000,000	30	60	BSE
17-Sep-07	Tempt.Foods	BUY	250,000	215	54	BSE
14-Sep-07	Aftek Limited	SELL	600,000	88	53	NSE
14-Sep-07	Iwind Energy	BUY	500,000	90	45	BSE
14-Sep-07	Indowind Energy Limited	BUY	500,000	90	45	NSE

Source: BSE and NSE website.

Delivery positions

Exhibit 36: Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Jet Airways India Ltd	25	78
Oriental Bank Of Commerce	28	70
Glaxosmithkline Pharmaceutic	16	55
Bharat Forge Limited	39	72
Punjab National Bank	25	51
Mahindra & Mahindra Fin Secs	68	93
Ntpc Limited	40	65
EIH Limited	71	95
Gail India Ltd	36	60

Decrease in delivery % (KIE universe)

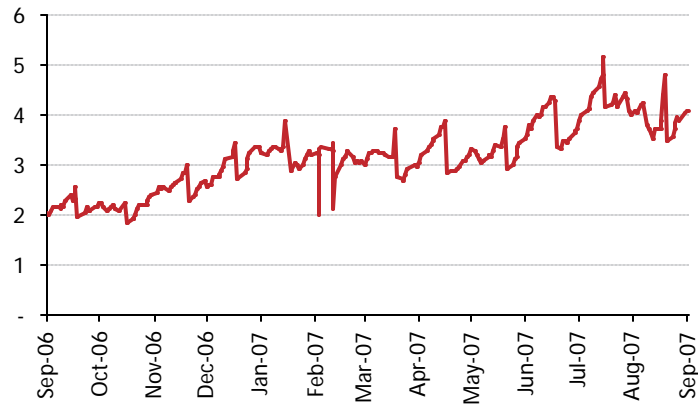
Name	Delivery %	
	Previous week	Current week
CESC Limited	87	33
Pfizer Limited	73	34
Ipca Laboratories Limited	62	29
Bharat Electronics Limited	87	56
IvrcI Infrastructures & Proj	64	34
Apollo Hospitals Enterprise	55	25
Punj Lloyd Limited	30	-
Castrol (India) Limited	84	60
Sintex Industries Limited	74	53

Source: Bloomberg and Kotak Institutional Equities.

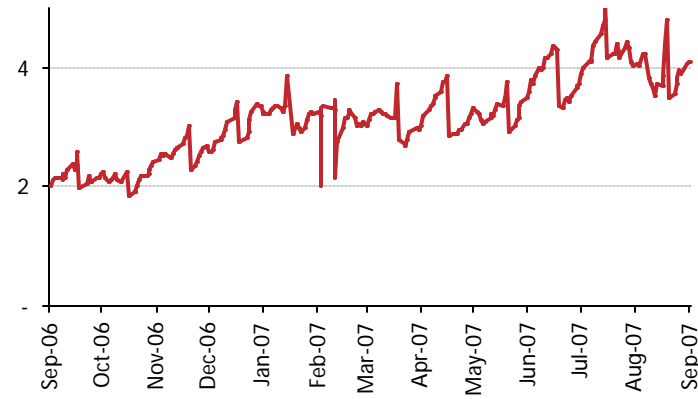
Open interest analysis

Exhibit 37: National Stock Exchange (US\$ bn)

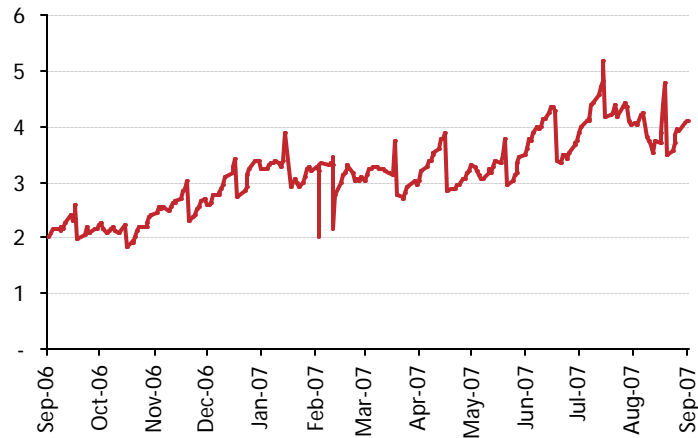
India Index futures open interest



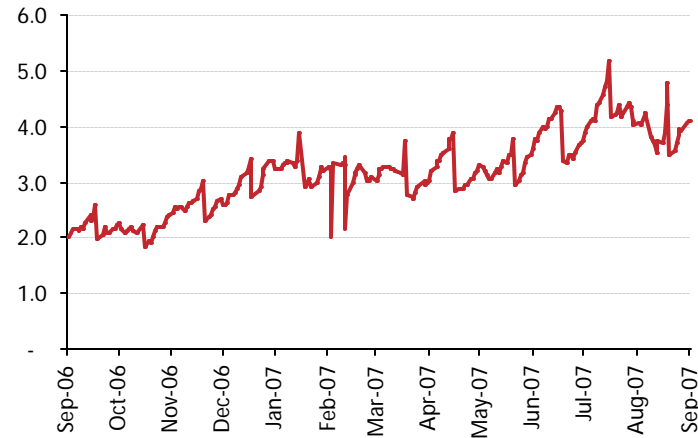
India stock futures open interest



India Index option open interest



India stock option open interest

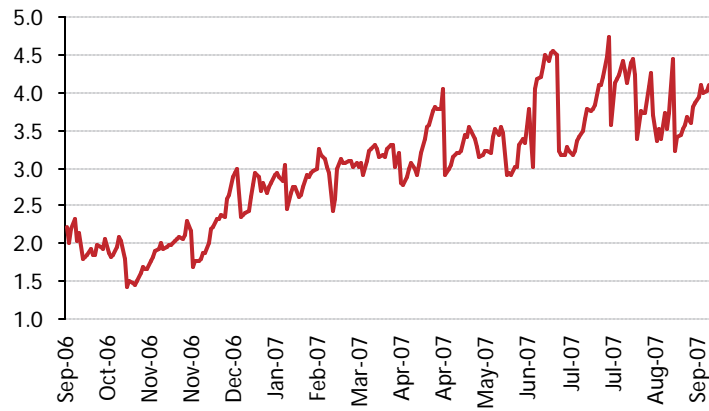


Source: Bloomberg and Kotak Institutional Equities.

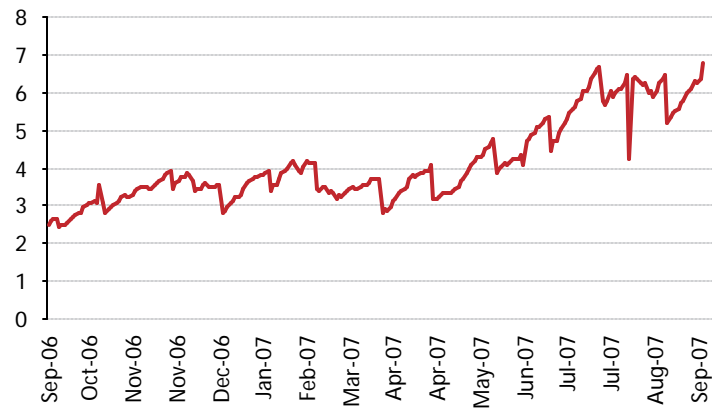
Open interest analysis

Exhibit 38: Open interest position movement for foreign institutional investors (US\$ bn)

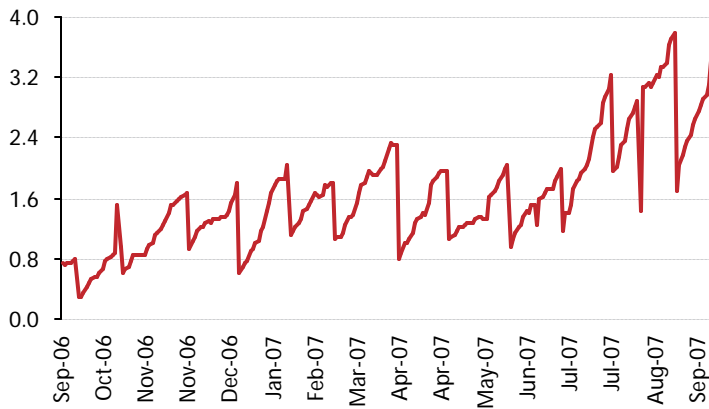
Index futures value of open interest



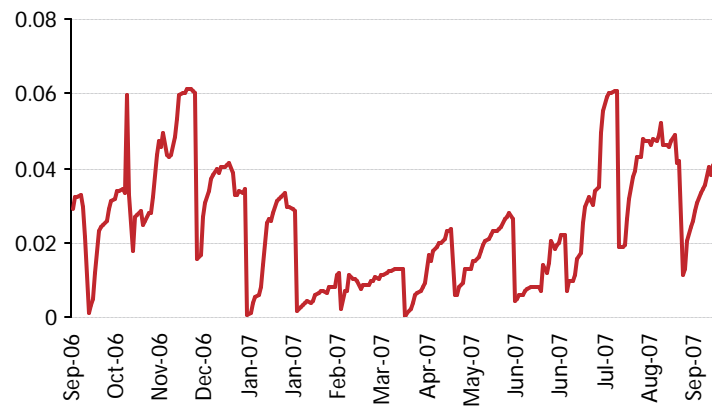
Stock futures value of open interest



Index options value of open interest



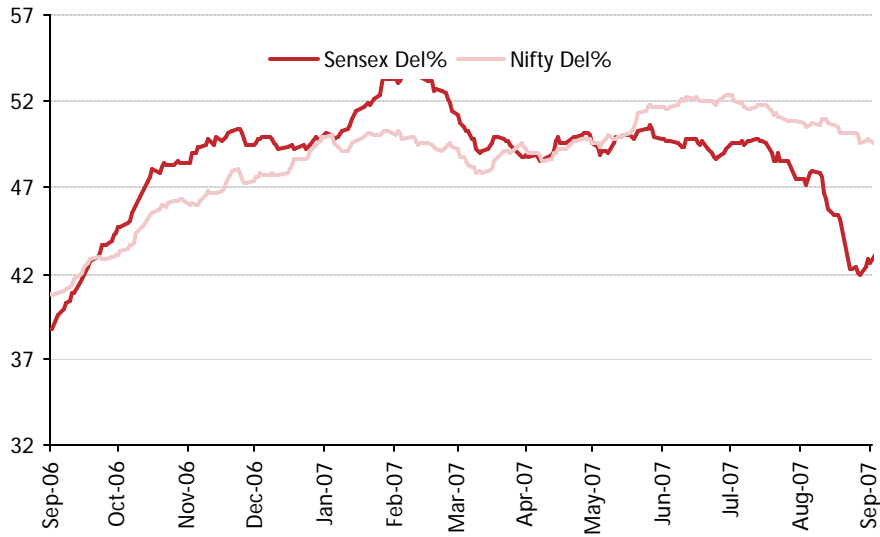
Stock options value of open interest



Source: Bloomberg and Kotak Institutional Equities.

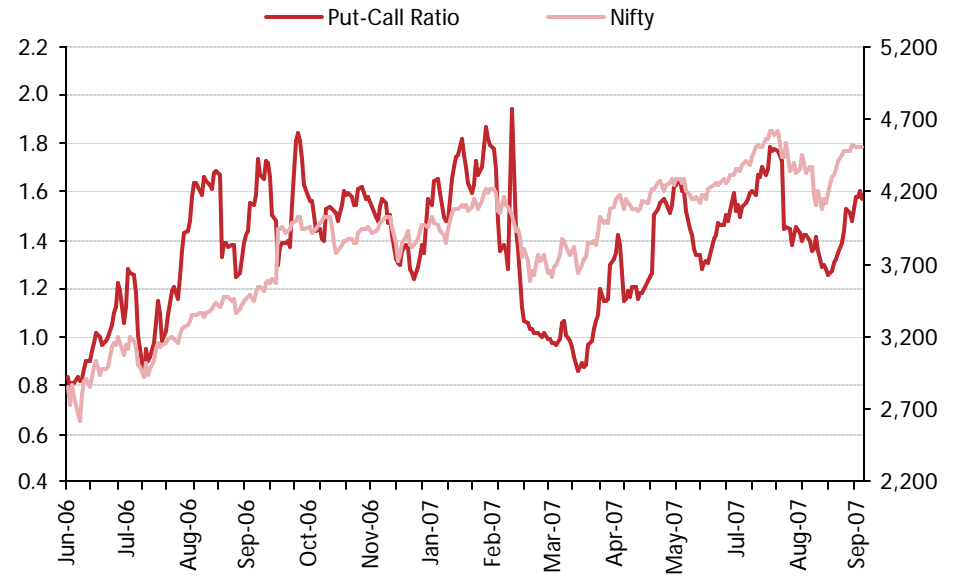
Market movement indicators

Exhibit 39: Aggregate delivery percentage



Source: Bloomberg and Kotak Institutional Equities.

Exhibit 40: Put call ratio versus Nifty



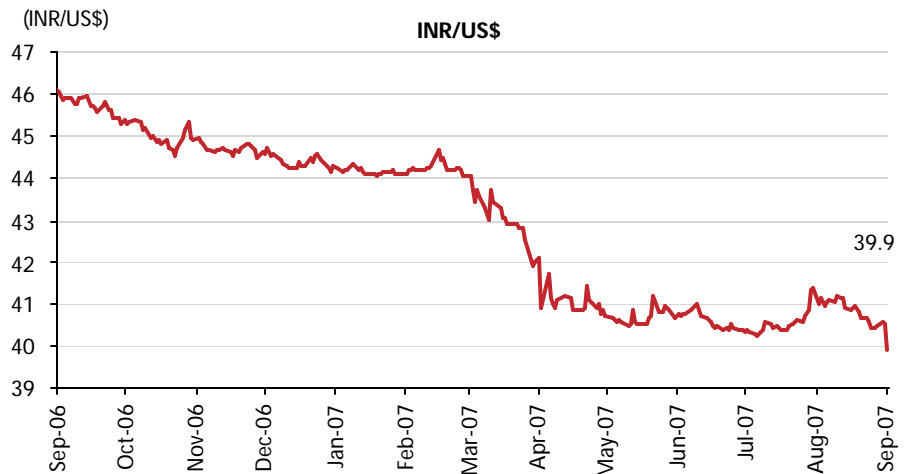
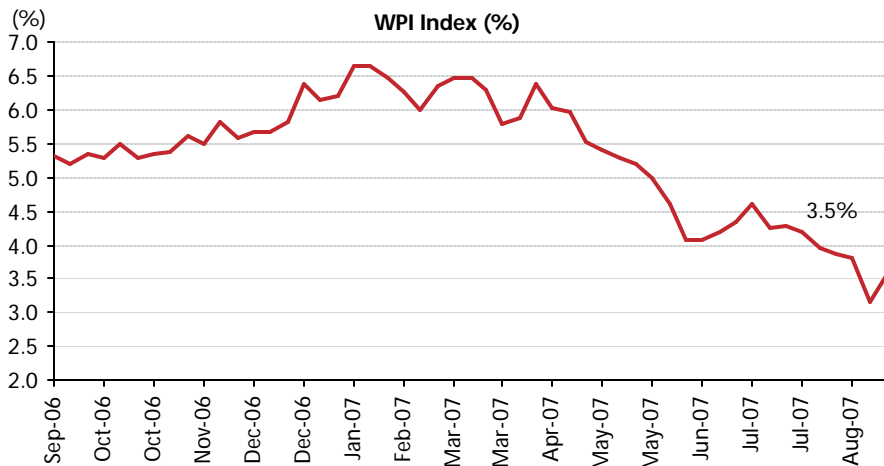
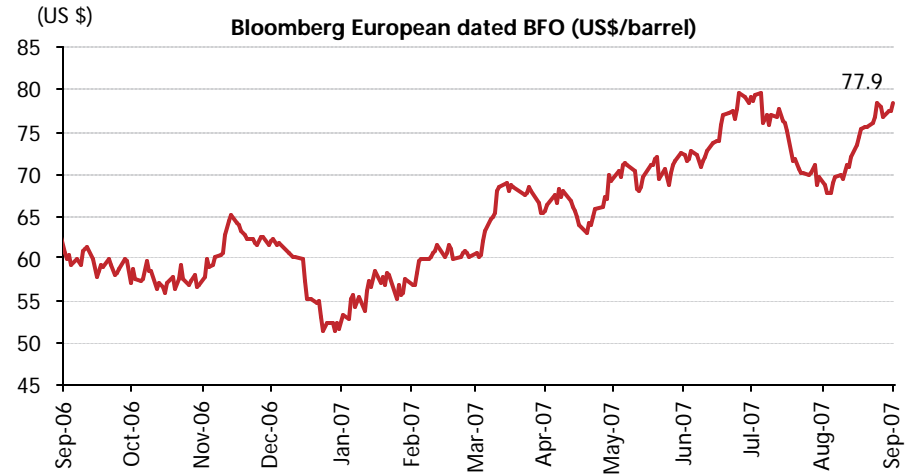
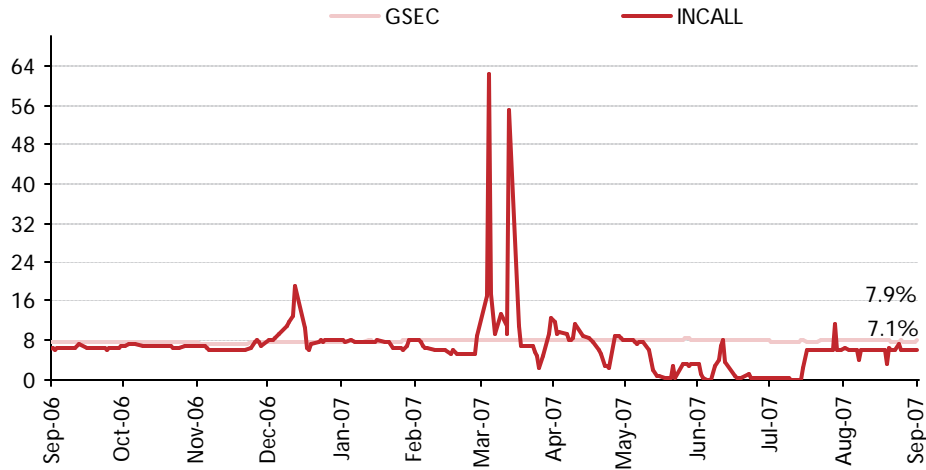
Put call is for Nifty open interest

Source: Bloomberg and Kotak Institutional Equities.

Economic indicators

Economic indicators

Exhibit 41: Key economic parameters



Source: Bloomberg and Kotak Institutional Equities.

Kotak valuation summary

Valuation summary

Kotak Institutional Equities Universe

Company	20-Sep-07		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 m)	(US\$ m)		2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007	2008E	2009E	2007E	2008E	2009E				
Automobiles																														
Bajaj Auto	2,499	OP	252,878	6,363	101	127.2	114.5	151.9	14.5	(10.0)	32.7	19.6	21.8	16.5	13.6	14.6	11.5	4.5	4.1	3.5	1.6	1.6	1.6	23.7	18.8	22.3	2,750	10.0	15.5	
Banks/Financial Institutions																														
Andhra Bank	94	OP	45,687	1,150	485	11.1	12.4	13.0	10.8	11.5	5.1	8.5	7.6	7.2	—	—	—	1.5	1.4	1.3	4.0	4.5	4.7	17.8	18.4	17.8	120	27.4	2.8	
Axis Bank	705	U	230,575	5,802	327	23.4	30.2	38.7	34.4	29.2	28.0	30.1	23.3	18.2	—	—	—	7.7	2.9	2.4	0.6	0.9	1.2	21.0	16.8	15.2	570	(19.2)	6.4	
Bank of Baroda	310	OP	113,459	2,855	366	28.1	35.0	37.4	24.1	24.7	6.7	11.1	8.9	8.3	—	—	—	1.5	1.3	1.2	2.2	2.5	2.6	12.4	14.4	14.2	330	6.3	6.5	
Canara Bank	264	IL	108,363	2,727	410	34.7	30.5	37.4	5.8	(11.9)	22.6	7.6	8.7	7.1	—	—	—	1.5	1.3	1.1	2.6	2.5	2.6	16.3	11.9	13.6	250	(5.4)	4.3	
Corporation Bank	376	IL	53,932	1,357	143	37.4	40.5	44.2	20.6	8.3	9.2	10.1	9.3	8.5	—	—	—	1.4	1.3	1.2	2.4	2.6	2.9	15.0	14.9	14.9	360	(4.3)	1.6	
Centurion Bank of Punjab	43	U	72,882	1,834	1,691	0.8	1.1	1.6	35.6	31.4	48.0	51.0	38.8	26.2	—	—	—	6.4	5.1	4.3	-	-	-	11.5	11.9	15.8	35	(18.8)	2.1	
Federal Bank	353	OP	30,205	760	86	34.2	43.4	46.4	30.0	27.0	6.8	10.3	8.1	7.6	—	—	—	2.2	1.8	1.5	1.1	2.5	2.6	21.2	22.2	20.4	340	(3.6)	2.0	
HDFC	2,339	IL	670,660	16,876	287	62.1	68.9	82.3	23.6	11.0	19.4	37.7	34.0	28.4	—	—	—	12.1	5.6	5.0	0.8	1.0	1.2	31.3	22.5	18.5	1,700	(27.3)	34.9	
HDFC Bank	1,326	IL	459,677	11,567	347	35.7	47.2	61.2	28.5	32.1	29.5	37.1	28.1	21.7	—	—	—	7.1	3.9	3.4	0.5	0.7	0.9	19.5	17.9	17.1	1,250	(5.7)	18.1	
ICICI Bank	967	OP	1,002,727	25,232	1,037	34.6	37.4	51.3	5.6	8.0	37.4	27.9	25.9	18.8	—	—	—	4.1	2.1	2.0	0.9	0.9	1.4	13.4	10.8	11.5	1,000	3.4	70.1	
IDFC	142	IL	183,427	4,616	1,291	4.4	5.2	7.2	25.8	19.8	38.3	32.6	27.2	19.7	—	—	—	6.3	3.3	3.0	0.6	0.9	1.4	17.9	16.0	16.0	120	(15.5)	25.2	
India Infoline	849	U	45,641	1,148	54	15.1	19.2	31.6	39.3	27.5	64.4	56.4	44.2	26.9	32.5	17.8	12.2	14.0	9.2	4.3	0.3	0.4	0.7	29.1	25.1	26.2	670	(21.1)	32.8	
Indian Bank	159	IL	68,226	1,717	430	16.8	23.9	22.8	148.1	42.0	(4.6)	9.4	6.6	7.0	—	—	—	2.3	1.9	1.6	1.9	3.8	3.6	25.8	27.3	22.5	135	(15.0)	4.5	
Indian Overseas Bank	139	OP	75,972	1,912	545	18.5	21.5	22.6	28.7	16.1	5.3	7.5	6.5	6.2	—	—	—	1.9	1.6	1.4	2.5	3.2	3.6	28.1	27.2	24.2	150	7.6	1.9	
J&K Bank	700	OP	33,942	854	48	56.6	65.4	78.2	55.2	15.6	19.5	12.4	10.7	9.0	—	—	—	1.9	1.6	1.4	1.6	1.9	2.2	14.4	14.9	15.8	875	25.0	0.7	
LIC Housing Finance	208	OP	17,692	445	85	32.8	35.9	38.9	33.9	9.3	8.2	6.3	5.8	5.4	—	—	—	1.4	1.0	0.9	3.8	3.8	4.5	24.0	15.3	1.8	240	15.3	1.8	
Mahindra & Mahindra Financial	232	IL	19,526	491	84	15.7	18.5	23.3	25.5	17.6	25.9	14.8	12.6	10.0	—	—	—	2.7	2.4	2.1	1.8	2.0	2.5	18.1	18.6	20.4	265	14.0	0.5	
Oriental Bank of Commerce	232	IL	58,238	1,465	251	33.0	32.9	34.7	2.9	(0.1)	5.4	7.1	7.1	6.7	—	—	—	1.2	1.1	1.0	2.0	2.0	2.2	10.9	10.1	10.2	240	3.2	2.7	
PFC	203	U	232,480	5,850	1,148	11.1	11.2	12.8	9.5	1.2	14.3	18.3	18.1	15.8	—	—	—	2.4	2.3	2.1	0.7	1.7	2.0	12.6	12.8	13.5	125	(38.3)	22.0	
Punjab National Bank	511	OP	161,009	4,052	315	48.8	55.2	63.3	7.0	13.1	14.7	10.5	9.2	8.1	—	—	—	1.8	1.5	1.3	2.5	1.4	1.6	15.5	15.6	15.7	610	19.5	11.0	
Shriram Transport SREI	184	OP	35,168	885	191	10.3	13.7	16.5	23.5	32.7	20.5	17.8	13.4	11.1	—	—	—	3.4	2.7	2.4	1.6	2.2	2.6	19.8	21.6	21.9	200	8.7	0.8	
SREI	114	IL	12,398	312	109	7.3	8.2	10.3	63.6	13.1	24.9	15.6	13.8	11.1	—	—	—	2.8	2.4	2.1	0.9	0.9	0.9	18.0	17.4	18.5	110	(3.2)	2.3	
State Bank of India	1,759	IL	925,944	23,300	526	86.3	101.3	107.7	3.1	17.4	6.4	20.4	17.4	16.3	—	—	—	3.5	3.1	2.6	0.8	0.9	1.0	15.4	16.7	16.2	1,450	(17.6)	90.5	
Banks/Financial Institutions		Attractive	4,531,974	114,041					16.4	19.7	20.4	22.2	18.5	15.4	—	—	—	3.8	2.6	2.3	1.0	1.2	1.4	16.9	14.0	14.9				
Cement									123.4	20.8	8.2	16.5	13.6	12.6	10.1	7.9	7.0	4.6	3.6	2.8	1.0	1.2	1.0	28.1	26.1	22.5				
ACC	1,138	U	214,587	5,400	189	56.7	71.7	77.6	93.7	26.4	8.2	20.1	15.9	14.7	12.0	9.7	8.5	6.2	4.6	3.8	1.5	1.5	1.5	39.7	36.8	30.8	900	(20.9)	32.9	
Ambuja Cements	146	IL	221,683	5,578	1,517	8.5	10.1	11.1	72.9	18.6	9.3	17.1	14.4	13.2	12.3	8.5	7.7	5.7	4.3	3.4	1.2	1.8	1.0	44.5	35.8	30.5	130	(11.1)	17.5	
Grasim Industries	3,373	IL	309,298	7,783	92	214.6	258.1	279.6	98.9	20.3	8.3	15.7	13.1	12.1	8.2	6.8	6.1	3.4	2.7	2.2	0.8	0.9	1.0	24.5	23.2	20.2	2,900	(14.0)	11.4	
India Cements	286	IL	74,401	1,872	260	26.1	29.6	27.7	n/a	13.5	(6.4)	10.9	9.6	10.3	12.4	7.9	6.8	3.4	2.7	2.2	0.4	0.7	0.7	31.4	31.8	23.6	230	(19.5)	21.9	
Shree Cement	1,437	IL	50,052	1,259	35	101.6	125.5	135.9	111.6	23.4	8.3	14.1	11.5	10.6	9.2	6.8	6.0	7.0	4.4	3.1	0.3	0.4	0.4	65.5	47.0	34.5	1,300	(9.5)	0.5	
UltraTech Cement	1,013	U	126,077	3,173	124	63.3	68.2	81.3	255.1	7.6	19.2	16.0	14.9	12.5	9.5	8.7	7.6	5.4	4.1	3.1	0.6	0.8	0.8	55.8	39.6	34.0	750	(25.9)	3.2	
Cement		Cautious	996,099	25,065					123.4	20.8	8.2	16.5	13.6	12.6	10.1	7.9	7.0	4.6	3.6	2.8	1.0	1.2	1.0	28.1	26.1	22.5				
Consumer Products																														
Asian Paints	946	IL	90,731	2,283	96	28.1	34.3	41.4	22.0	21.8	20.7	33.6	27.6	22.9	19.6	16.0	13.3	11.8	9.8	8.0	1.4	1.6	1.9	39.5	39.9	39.5	890	(5.9)	1.4	
Colgate-Palmolive (India)	402	IL	54,635	1,375	136	14.6	16.1	17.6	32.6	10.0	9.5	27.4	25.0	22.8	19.9	18.7	16.4	19.5	29.5	25.4	2.4	3.0	3.3	72.2	94.1	120.1	340	(15.4)	3.5	
GlaxoSmithkline Consumer (a)	625	IL	26,285	661	42	30.2	35.9	40.0	18.5	19.0	11.4	20.7	17.4	15.6	10.6	8.8	7.6	4.6	4.0	3.5	1.6	1.9	2.1	24.9	25.6	24.5	625	-	0.3	
Godrej Consumer Products	138	OP	31,246	786	226	5.9	7.0	8.1	11.4	18.9	16.0	23.5	19.8	17.1	18.2	14.9	12.8	22.6	16.7	12.3	2.7	2.9	3.1	127.4	102.5	86.6	185	33.7	0.4	
Hindustan Unilever	214	IL	471,396	11,862	2,201	7.0	8.0	9.1	17.6	14.8	12.9	30.6	26.6	23.6	24.2	21.4	18.0	17.7	17.1	16.5	3.2	3.5	4.0	62.2	65.4	71.1	230	7.4	15.0	
ITC	194	OP	725,479	18,256	3,742	7.2	8.3	9.6	20.4	15.4	15.1	26.9	23.3	20.2	17.1	14.6	12.3</													

Valuation summary

Kotak Institutional Equities Universe

Company	20-Sep-07		Mkt cap (Rs m)	Mkt cap (US\$ m)	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				2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E			
Industrials																													
ABB	1,277	OP	270,533	6,783	212	16.1	25.5	35.4	55.6	58.5	39.2	79.5	50.2	36.0	48.0	29.4	20.9	22.6	16.2	11.5	0.2	0.2	0.2	32.4	37.7	37.4	1,325	3.8	16.4
AIA Engineering	1,389	OP	26,105	655	19	51.4	70.4	98.8	74.4	37.1	40.3	27.0	19.7	14.1	18.8	13.2	9.0	5.4	4.2	3.3	0.3	0.4	0.7	25.4	24.0	26.3	1,750	26.0	3.3
Bharat Electronics	1,810	L	144,836	3,631	80	91.7	105.7	126.0	21.9	15.3	19.3	19.8	17.1	14.4	10.6	8.7	7.1	5.4	4.4	3.5	1.0	1.4	1.4	30.3	28.1	27.2	1,900	4.9	4.7
Bharat Heavy Electricals	1,943	OP	950,893	23,841	490	49.3	66.4	84.1	44.1	34.7	26.6	39.4	29.2	23.1	21.2	15.9	12.4	10.8	8.5	6.6	0.6	0.8	1.0	30.0	32.5	32.2	2,025	4.2	47.2
Dredging Corporation	631	L	17,655	443	28	55.9	71.6	68.9	(8.4)	28.0	(3.8)	11.3	8.8	9.2	6.3	5.0	4.6	1.6	1.4	1.2	2.4	2.4	2.4	13.2	12.4	10.8	625	(0.9)	0.5
Larsen & Toubro	2,746	OP	785,025	19,682	286	65.1	88.0	112.4	71.9	35.2	27.8	42.2	31.2	24.4	27.4	19.7	15.3	10.8	8.0	6.0	0.4	0.4	0.4	29.4	29.4	28.5	2,725	(0.8)	6.5
Maharashtra Seamless	607	OP	43,006	1,078	71	32.7	42.6	46.3	34.8	30.3	8.9	18.6	14.3	13.1	11.4	8.4	7.2	4.3	3.3	2.7	0.7	0.7	0.8	31.9	26.3	22.8	600	(1.2)	2.5
Siemens	1,364	L	229,935	5,765	169	22.7	30.3	46.8	31.3	33.5	54.3	60.1	45.0	29.2	33.7	25.8	15.5	18.5	14.1	10.3	0.3	0.4	0.6	35.3	35.5	40.7	1,550	13.6	10.4
Suzlon Energy	1,501	L	431,571	10,820	288	30.1	46.2	64.1	14.4	53.4	38.7	49.9	32.5	23.4	33.6	22.1	15.7	12.8	9.6	7.1	0.5	0.5	0.5	28.3	34.6	35.6	1,450	(3.4)	31.4
Industrials		Attractive	2,899,558	72,698					42.8	37.0	29.7	41.1	30.0	23.2	24.5	18.0	13.7	10.7	8.2	6.3	0.5	0.6	0.7	26.0	27.3	27.2			
Infrastructure																													
GMR Infrastructure	804	U	266,329	6,677	331	5.3	8.8	10.3	97.5	66.6	17.6	152.7	91.7	78.0	53.1	59.5	29.1	11.7	9.8	8.1	—	—	—	10.6	11.6	11.4	675	(16.1)	93.8
Media																													
DishTV	76	OP	32,416	813	428	(5.9)	(7.7)	(6.0)	n/a	31.3	(21.7)	(12.9)	(9.8)	(12.5)	(17.9)	(23.1)	###	(82.1)	(8.8)	(5.2)	-	-	-	###	161.4	51.8	100	32.1	7.8
HT Media	212	L	49,680	1,246	234	4.1	6.9	9.9	53.6	66.2	43.5	51.3	30.9	21.5	28.4	17.1	12.1	6.3	5.4	4.5	0.1	0.5	0.9	12.8	18.7	22.8	220	3.7	0.8
Sun TV Network	353	U	139,268	3,492	394	6.3	10.0	13.4	20.8	57.4	34.6	55.7	35.4	26.3	31.2	19.6	14.4	11.7	9.5	7.6	0.4	0.7	1.1	32.9	29.6	32.2	310	(12.3)	4.4
Zee Entertainment Enterprises	316	U	137,182	3,439	435	5.0	8.7	11.5	2.9	72.6	32.4	62.5	36.2	27.3	43.9	24.2	18.0	5.0	4.6	4.0	0.3	0.6	0.8	9.1	13.2	15.7	230	(27.1)	18.7
Media		Cautious	358,546	8,990					(1.7)	93.8	66.4	115.3	59.5	35.7	48.5	26.1	17.4	7.7	7.1	6.3	0.3	0.6	0.9	6.7	12.0	17.6			
Metals																													
Jindal Steel and Power	4,898	OP	150,824	3,781	31	228.3	318.9	400.0	(20.0)	39.7	25.5	21.5	15.4	12.2	13.4	9.7	8.1	5.2	3.8	2.8	0.4	0.4	0.5	24.2	24.8	23.2	4,500	(8.1)	3.2
JSW Steel	719	L	123,631	3,100	172	73.3	82.6	89.4	51.3	12.8	8.1	9.8	8.7	8.0	5.8	6.0	6.9	1.9	1.5	1.3	1.9	2.8	2.8	22.1	19.6	17.5	580	(19.3)	11.6
Sesa Goa	2,311	L	90,977	2,281	39	154.1	157.0	195.6	12.5	1.9	24.6	15.0	14.7	11.8	9.9	9.2	7.0	5.9	4.8	3.9	2.2	3.0	3.5	45.4	36.1	36.5	1,950	(15.6)	7.3
Tata Steel	740	L	636,117	15,949	860	50.9	51.4	44.7	(20.9)	1.1	(13.0)	14.5	14.4	16.5	8.9	8.8	10.3	4.0	2.1	1.9	1.5	1.6	1.6	36.8	19.0	10.4	670	(9.4)	54.2
Metals		Cautious	1,001,549	25,111					25.7	7.2	(0.8)	14.4	13.4	13.5	8.7	8.3	8.8	3.7	2.2	2.0	1.4	1.7	1.7	25.8	16.7	14.6			
Oil & Gas																													
Bharat Petroleum	322	L	116,254	2,915	362	52.3	39.3	35.4	577.3	(24.8)	(10.0)	6.1	8.2	9.1	3.5	4.0	4.2	1.0	0.9	0.9	5.0	5.0	4.0	16.2	10.9	9.2	400	24.4	3.1
Cairn india	175	U	308,586	7,737	1,765	0.6	0.4	1.0	(66.0)	(29.2)	126.4	285.1	402.5	177.7	51.9	36.6	35.2	1.1	1.1	1.1	-	-	-	0.7	0.3	0.6	140	(19.9)	10.2
Castrol India (a)	261	OP	32,270	809	124	12.2	18.2	20.7	3.3	49.3	13.4	21.4	14.3	12.6	12.3	8.2	7.2	7.6	6.8	6.2	3.4	4.6	5.4	36.6	50.3	51.3	310	18.8	0.3
GAIL (India)	338	L	285,830	7,166	846	25.3	31.0	32.3	(9.5)	22.4	4.3	13.4	10.9	10.5	7.7	6.5	5.7	2.2	2.0	1.8	3.0	3.0	3.3	16.8	18.1	16.7	350	3.6	4.8
GSPL	60	L	32,865	824	545	1.6	2.0	4.1	40.4	21.0	108.6	36.8	30.4	14.6	13.9	10.7	6.9	3.1	2.9	2.5	0.8	1.0	2.1	8.9	9.8	18.2	58	(3.9)	0.9
Hindustan Petroleum	252	L	85,466	2,143	339	40.0	31.8	34.0	503.8	(20.6)	6.9	6.3	7.9	7.4	4.2	4.9	4.2	0.8	0.7	0.7	7.1	4.8	5.1	11.9	8.9	8.9	325	28.9	5.4
Indian Oil Corporation	400	L	477,008	11,960	1,192	49.3	60.7	43.7	16.7	23.1	(28.0)	8.1	6.6	9.2	4.6	3.7	4.2	1.3	1.1	1.0	4.7	5.5	5.5	15.8	16.8	10.8	500	25.0	2.9
Oil & Natural Gas Corporation	905	OP	1,936,549	48,553	2,139	80.9	102.5	108.8	10.2	26.6	6.1	11.2	8.8	8.3	4.6	3.8	3.3	2.2	1.9	1.7	3.4	3.6	3.6	19.6	21.8	20.4	1,075	18.7	26.3
Petronet LNG	69	U	51,488	1,291	750	4.2	5.7	5.2	-	35.5	(8.0)	16.4	12.1	13.2	9.1	8.8	9.4	3.4	2.8	2.3	1.8	2.2	1.5	22.4	24.0	18.4	53	(22.8)	9.2
Reliance Industries	2,192	U	3,053,968	76,569	1,393	78.3	81.1	105.8	24.1	3.5	30.5	28.0	27.0	20.7	17.2	16.5	11.6	4.6	4.1	3.0	0.5	0.5	0.7	18.0	15.9	17.4	1,650	(24.7)	157.8
Reliance Petroleum	139	OP	624,825	15,666	4,500	(0.0)	(0.0)	4.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	27.4	4.6	4.6	4.1	-	-	-	(0.0)	(0.1)	13.0	125	(10.0)	40.3
Oil & Gas		Neutral	7,005,108	175,633					22.6	16.0	11.5	17.4	15.0	13.5	8.7	7.8	6.8	2.6	2.3	2.0	1.8	1.9	2.0	14.7	15.3	14.7			
Property																													
DLF	750	OP	1,278,119	32,045	1,705	12.7	37.2	55.7	25.1	192.7	49.8	59.0	20.2	13.5	49.0	16.2	10.7	32.2	6.9	4.8	-	0.7	0.9	79.0	56.4	42.0	705	(6.0)	-
Mahindra Gesco	641	OP	26,908	675	42	8.9	11.3	47.5	66.7	27.8	319.4	72.3	56.6	13.5	44.4	34.6	11.2	3.3	3.0	2.6	0.3	0.5	0.6	7.2	5.5	20.5	920	43.6	6.0
Sobha	826	OP	60,235	1,510	73	22.1	36.1	51.3	(47.7)	63.2	42.2	37.4	22.9	16.1	25.5	16.6	11.4	7.1	5.6	4.2	0.2	0.4	0.5	32.9	27.3	29.9	930	12.6	3.2
Property		Neutral	1,365,263	34,230					618.9	210.6	51.4	63.8	20.5	13.6	47.0	16.4	10.8	24.2	6.7	4.7	0.0	0.6	0.9	119.1	89.2	92.4			
Pipes																													
Jindal Saw	652	OP	36,529	916	56	51.7	53.8	87.1	68.0	4.1	61.9	12.6	12.1	7.5	7.6	5.6	3.6	2.1	1.3	1.1	0.9	1.0	1.0	18.9	14.0	16.4	790	21.1	2.5
PSL	357	OP	14,785	371	41	21.2	27.6	41.1	22.1	30.2	48.8	16.8	12.9	8.7	10.8	8.1	5.7	3.9	2.1	1.8	1.2	1.5							

Valuation summary

Kotak Institutional Equities Universe

Company	20-Sep-07		Mkt cap (Rs m)	Mkt cap (US\$ m)	O/S Shares (mn)	EPS (Rs)			EPS Growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price	Upside	ADVT-3mo
	Price (Rs)	Rating				2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E
Technology																													
HCL Technologies	275	IL	191,264	4,795	695	18.9	18.4	22.3	65.7	(2.4)	21.2	14.6	14.9	12.3	13.1	10.6	8.3	3.5	3.2	2.6	2.9	2.9	2.9	28.4	24.2	25.9	360	30.8	6.3
Hexaware Technologies	124	IL	17,681	443	142	8.9	10.0	12.7	16.1	12.3	27.3	14.0	12.5	9.8	10.8	8.0	5.9	2.4	2.0	1.7	1.3	1.3	1.3	22.8	17.6	19.2	165	32.6	0.6
i-flex solutions	1,855	U	154,496	3,874	83	33.2	41.7	64.1	15.9	25.4	53.7	55.8	44.5	28.9	41.1	30.9	20.6	6.8	6.2	5.3	-	0.5	0.6	15.3	14.6	19.6	1,675	(9.7)	3.8
iGate Global Solutions	218	U	6,918	173	32	15.7	22.3	28.5	101.5	42.0	28.0	13.9	9.8	7.7	7.4	5.7	4.1	2.2	1.9	1.5	1.1	1.2	1.3	17.2	20.7	22.2	310	42.0	0.4
Infosys Technologies	1,800	OP	1,033,057	25,901	574	67.0	80.7	99.9	48.7	20.5	23.8	26.9	22.3	18.0	22.1	18.3	13.9	9.1	6.9	5.3	0.7	0.9	1.1	40.7	35.2	33.5	2,250	25.0	83.4
Mphasis BFL	272	IL	56,699	1,422	208	7.3	14.1	18.8	(21.5)	92.5	33.7	37.2	19.3	14.5	27.1	11.9	8.8	5.6	0.8	3.8	0.9	1.3	1.5	14.4	26.4	28.8	300	10.3	1.4
Mindtree	536	U	20,694	519	39	21.8	25.7	33.8	18.2	18.0	31.2	24.6	20.8	15.9	18.6	16.0	11.6	4.8	3.9	3.1	0.2	0.5	0.6	30.5	21.0	22.4	650	21.3	2.9
Patni Computer Systems	467	OP	64,885	1,627	139	25.7	30.0	34.2	19.2	16.7	13.9	18.2	15.6	13.7	10.8	9.7	7.8	2.8	2.7	2.3	0.4	0.6	0.7	12.5	18.6	18.2	530	13.5	12.6
Polaris Software Lab	114	U	11,201	281	98	10.3	10.5	12.9	359.1	1.8	23.3	11.1	10.9	8.8	6.2	6.1	4.5	1.9	1.6	1.4	1.5	1.5	1.5	17.7	16.0	17.2	130	14.1	2.9
Satyam Computer Services	421	OP	282,692	7,088	671	21.4	25.3	31.5	41.7	18.0	24.5	19.6	16.6	13.4	15.9	12.6	9.4	4.9	4.0	3.2	1.9	2.4	2.8	27.9	26.4	26.7	570	35.3	36.3
TCS	1,001	IL	979,393	24,555	979	42.2	51.8	61.9	43.3	22.7	19.5	23.7	19.3	16.2	18.9	15.6	12.4	10.9	8.4	6.6	1.1	2.1	2.5	55.8	49.3	45.8	1,300	29.9	34.3
Tech Mahindra	1,297	IL	158,079	3,963	122	47.0	66.0	96.0	124.3	40.5	45.6	27.6	19.7	13.5	21.4	15.8	9.9	17.7	9.2	5.4	0.2	0.3	0.4	81.3	66.0	54.1	1,500	15.6	7.7
Wipro	434	OP	628,575	15,760	1,450	19.8	23.1	29.2	39.3	16.7	26.4	21.9	18.7	14.8	17.0	14.4	10.5	6.2	5.0	4.0	1.2	1.5	2.0	31.7	29.4	29.8	560	29.2	14.5
Technology																													
Telecom																													
Bharti Airtel Ltd	891	U	1,689,088	42,349	1,896	21.4	34.4	45.8	n/a	60.9	33.1	41.6	25.9	19.4	23.3	15.1	11.0	14.5	9.5	6.5	-	0.2	0.4	42.4	44.2	39.8	750	(15.8)	27.3
IDEA	123	U	323,924	8,121	2,635	2.2	4.9	6.0	146.3	125.9	21.8	56.4	24.9	20.5	23.8	14.6	11.0	9.1	6.7	5.0	0.8	-	-	21.5	30.8	27.9	110	(10.5)	19.4
MTNL	151	U	95,099	2,384	630	7.2	9.4	10.0	8.1	31.4	6.5	21.1	16.0	15.1	8.0	6.1	5.8	0.8	0.8	0.8	4.0	5.1	5.3	3.4	4.4	4.6	135	(10.6)	5.6
Reliance Communications	566	U	1,158,175	29,038	2,045	14.2	23.9	32.1	n/a	68.4	34.4	39.9	23.7	17.6	20.7	13.7	10.1	5.1	4.2	3.4	0.1	0.2	0.3	17.8	20.3	22.3	500	(11.7)	84.1
VSNL	420	OP	119,771	3,003	285	17.2	18.1	20.6	(7.8)	5.3	13.7	24.5	23.2	20.4	9.9	10.0	8.9	1.9	1.8	1.6	1.1	1.1	1.2	7.4	7.4	8.0	550	30.9	4.2
Telecom																													
Textiles																													
Vardhman	150	IL	9,432	236	63	29.5	22.7	31.6	3.9	(22.9)	39.0	5.1	6.6	4.7	5.8	6.9	5.0	0.6	0.6	0.5	2.4	2.1	3.0	14.1	8.9	11.2	220	46.9	0.1
Transmission Towers																													
JSL	223	OP	18,477	463	83	6.6	10.7	13.1	81.2	61.1	23.0	33.7	20.9	17.0	15.6	11.2	9.3	7.3	5.5	4.2	0.2	0.3	0.3	29.8	30.0	28.0	275	23.3	1.0
Kalpataru Power Transmission	1,523	OP	40,355	1,012	26	60.2	77.4	91.8	67.6	28.7	18.6	25.3	19.7	16.6	15.7	12.5	10.2	6.1	4.8	3.8	0.5	0.7	0.7	38.8	27.6	25.9	1,650	8.3	1.0
KEC	553	OP	20,966	526	38	27.3	34.5	42.6	92.4	26.3	23.4	20.2	16.0	13.0	9.3	8.2	7.1	7.4	5.2	3.8	0.4	0.5	0.6	43.5	37.9	33.8	725	31.1	0.7
Transmission																													
Transportation																													
Container Corporation	2,262	IL	147,017	3,686	65	106.3	129.6	149.8	31.9	22.0	15.5	21.3	17.4	15.1	14.9	12.1	10.4	5.5	4.4	3.5	0.8	0.9	1.0	29.1	28.1	25.9	2,425	7.2	2.3
Gateway Distriparks	137	OP	15,761	395	115	6.8	6.8	9.0	8.7	(0.4)	33.2	20.1	20.2	15.2	16.3	14.7	10.8	2.5	2.3	2.1	1.2	1.2	1.7	13.0	11.8	14.4	180	31.6	2.4
GE Shipping	337	IL	51,307	1,286	152	59.6	35.6	29.7	(3.9)	(40.2)	(16.6)	5.7	9.5	11.3	5.7	6.6	7.1	1.7	1.5	1.4	4.4	2.6	2.2	33.1	16.6	12.5	335	(0.6)	5.7
Jet Airways	909	U	78,439	1,967	86	(0.2)	0.2	57.0	(116.5)	(190.5)	-	-	-	-	30.6	12.3	6.1	2.8	3.2	2.8	0.1	0.0	1.3	(0.1)	0.1	18.7	800	(13.9)	4.3
Transportation																													
Utilities																													
CESC	505	IL	58,218	1,460	115	36.0	23.7	28.4	31.8	(34.1)	19.5	14.0	21.3	17.8	9.6	10.1	7.9	2.9	2.4	2.1	0.5	0.7	0.8	16.1	12.4	12.8	425	(15.8)	5.4
LANCO	339	OP	75,449	1,892	222	8.5	15.2	30.5	52.4	79.5	100.7	40.0	22.3	11.1	21.7	18.7	11.3	5.0	4.1	3.0	-	-	-	23.5	20.1	31.0	252	(25.8)	19.9
NTPC	189	IL	1,559,217	39,093	8,245	8.3	9.3	10.0	17.8	11.4	7.3	22.7	20.4	19.0	15.4	17.4	17.2	3.2	2.9	2.7	1.7	2.0	2.1	14.5	14.9	14.7	170	(10.1)	20.4
Reliance Energy	988	IL	224,919	5,639	228	34.8	35.2	36.4	(4.0)	1.0	3.4	28.4	28.1	27.2	32.8	28.6	27.0	2.3	2.2	2.1	0.4	0.9	0.9	8.5	8.1	8.0	810	(18.0)	67.9
Tata Power	774	IL	180,284	4,520	233	23.8	32.2	42.5	(9.8)	35.4	32.1	32.6	24.1	18.2	20.4	19.3	18.0	2.9	2.4	1.9	1.0	1.2	1.2	8.4	10.9	11.8	670	(13.4)	9.4
Utilities																													
KS universe (b)																													
KS universe (b) ex-Energy																													
KS universe (d) ex-Energy & ex-Commodities																													

Note:
(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
(c) Rupee-US Dollar exchange rate (Rs/US\$) = 39.89

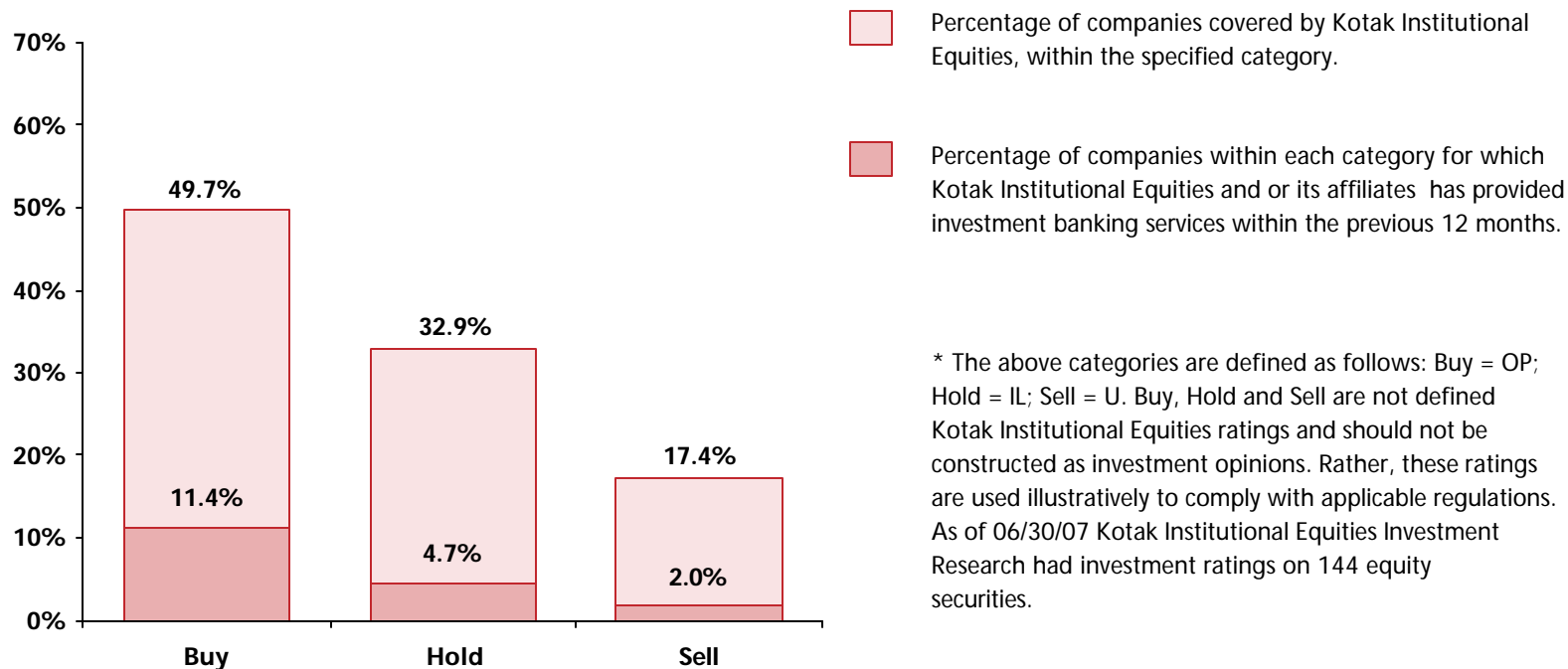
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As of June 30, 2007

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