

October 23, 2009

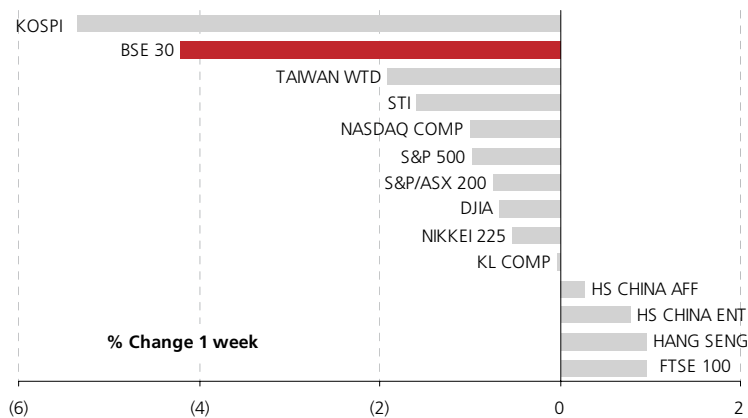
BSE-30: 16,790

**Earnings positive, markets negative.** During the past week, the BSE-30 Index lost 405 points (2.4%) to close at 16,790 despite (1) a strong start to the results season with technology (TCS, Infosys), banking (HDFC Bank, Axis Bank) and autos (Hero Honda, Bajaj Auto) beating expectations as well as (2) strong FII flows (FIIs have invested US\$1.4 bn in past five trading sessions in the cash segment). The fall was mainly led by ICICI Bank, Larsen & Toubro and ONGC, which together contributed 170 points to the index fall. The BSE-30 index is trading at 18X FY2010E earnings and 14.9X FY2011E earnings.

#### Market highlights for the week ending Thursday, October 22, 2009

- Largest gainers: Polaris Software Lab (13%), Andhra Bank (10%), Union Bank (9%),
- Largest losers: DishTV (-11%), Divi's Laboratories (-10%), Bajaj Auto (-9%),

#### Relative performance of regional indices (% Change 1 Week)



Source: Bloomberg

#### Flows in emerging markets

Date	Taiwan	Indonesia	Philippines	Thailand	India	Total
<b>Investments in past week (US\$ mn)</b>						
12-Oct-09	(50)	(31)	2	7	215	143
14-Oct-09	329	36	(2)	(119)	343	586
15-Oct-09	668	75	(1)	(24)	210	927
16-Oct-09	88	9	2	16	259	373
20-Oct-09	-	(33)	12	40	384	404
<b>Total</b>	<b>1,034</b>	<b>56</b>	<b>13</b>	<b>(80)</b>	<b>1,410</b>	<b>2,433</b>

Source: Bloomberg

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# OUR TOP RECOMMENDATIONS

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

Companies	Sector	Rating	Mkt cap. (US\$ mn)	CMP (Rs)	Target (Rs)	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
						2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E
State Bank of India	Banking	BUY	31,578	2,325	2,200	143.7	148.7	172.2	16.2	15.6	13.5	—	—	—
Oil & Natural Gas Corporation	Energy	BUY	53,625	1,172	1,400	89.6	115.8	136.4	13.1	10.1	8.6	4.8	3.7	3.0
Infosys Technologies	Technology	BUY	27,179	2,213	2,500	102.4	104.5	118.0	21.6	21.2	18.8	16.1	15.0	12.7
Hindustan Unilever	Consumer products	BUY	12,977	278	320	9.5	10.6	12.2	29.2	26.3	22.9	22.4	19.7	17.0
ITC	Consumer products	BUY	19,984	248	255	8.7	10.3	11.8	28.6	24.0	21.0	17.6	14.8	13.0
Reliance Infrastructure	Utilities	BUY	6,057	1,250	1,250	62.7	63.7	68.6	20.0	19.6	18.2	25.0	22.7	18.0
GAIL (India)	Energy	ADD	10,303	380	355	22.2	20.9	22.9	17.1	18.2	16.6	9.2	10.5	10.4
Tata Power	Utilities	ADD	7,256	1,428	1,400	50.2	74.4	84.1	28.5	19.2	17.0	12.6	12.5	11.9
Larsen & Toubro	Industrials	ADD	20,699	1,610	1,725	50.1	57.1	74.0	32.1	28.2	21.8	20.6	15.6	12.6
<b>PSU bank basket</b>														
Bank of Baroda	Banking	ADD	3,937	503	520	60.9	63.9	65.6	8.3	7.9	7.7	—	—	—
Corporation Bank	Banking	BUY	1,390	453	500	62.3	58.0	61.8	7.3	7.8	7.3	—	—	—
Punjab National Bank	Banking	BUY	5,732	850	890	98.0	104.3	119.6	8.7	8.1	7.1	—	—	—
Union Bank	Banking	BUY	2,932	271	300	34.2	34.0	37.3	7.9	8.0	7.3	—	—	—
<b>BSE-30</b>				<b>16,790</b>										

Source: Company, Bloomberg, Kotak Institutional Equities estimates

# OUR MODEL PORTFOLIO

## Kotak Institutional Equities Model Portfolio

Company	22-Oct		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Hero Honda	1,595	REDUCE	1.3	—	(132)
Mahindra & Mahindra	897	ADD	1.6	2.1	50
Maruti Suzuki	1,491	SELL	1.9	1.4	(50)
Tata Motors	542	SELL	1.4	—	(139)
<b>Automobiles</b>			<b>6.2</b>	<b>3.5</b>	<b>(271)</b>
Bank of Baroda	503	ADD	—	1.0	100
Corporation Bank	453	BUY	—	1.0	100
Punjab National Bank	850	BUY	—	1.0	100
State Bank of India	2,325	BUY	4.9	6.9	200
Union Bank	271	BUY	—	1.0	100
<b>PSU Banking</b>			<b>4.9</b>	<b>10.9</b>	<b>600</b>
HDFC	2,678	ADD	5.6	3.6	(200)
HDFC Bank	1,666	REDUCE	5.1	2.1	(300)
ICICI Bank	891	REDUCE	8.2	7.2	(100)
<b>Pvt. Banking/Financing</b>			<b>18.8</b>	<b>12.8</b>	<b>(600)</b>
ACC	766	REDUCE	0.7	—	(68)
Grasim Industries	2,217	REDUCE	1.4	—	(139)
Jaiprakash Associates	238	REDUCE	1.3	0.6	(75)
<b>Cement</b>			<b>3.4</b>	<b>0.6</b>	<b>(281)</b>
Hindustan Unilever	278	BUY	2.3	3.8	150
ITC	248	BUY	5.1	6.6	150
<b>Consumers</b>			<b>7.4</b>	<b>10.4</b>	<b>300</b>
GAIL (India)	380	ADD	—	2.0	200
Oil & Natural Gas Corporation	1,172	BUY	4.0	5.5	150
Reliance Industries	2,135	SELL	12.5	6.3	(623)
<b>Energy</b>			<b>16.6</b>	<b>13.8</b>	<b>(273)</b>
Bharat Heavy Electricals	2,415	ADD	3.2	1.7	(150)
IVRCL	378	BUY	—	0.5	50
Larsen & Toubro	1,610	ADD	7.1	7.6	50
Punj Lloyd	270	BUY	—	1.0	100
<b>Industrials/Construction</b>			<b>10.3</b>	<b>10.8</b>	<b>50</b>

Note:

1. Weights are with respect to October 5, 2009 prices.

Source: Company, Bloomberg, Kotak Institutional Equities estimates

Company	22-Oct		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Hindalco Industries	138	BUY	1.1	1.6	50
Sterlite Industries	816	REDUCE	2.3	—	(228)
Tata Steel	542	BUY	2.5	2.0	(50)
<b>Metals</b>			<b>5.9</b>	<b>3.6</b>	<b>(228)</b>
Biocon	273	BUY	—	0.5	50
Divi's Laboratories	559	BUY	—	0.5	50
Piramal Healthcare	366	BUY	—	0.5	50
Sun Pharmaceuticals	1,323	ADD	1.0	1.0	—
<b>Pharmaceuticals</b>			<b>1.0</b>	<b>2.5</b>	<b>150</b>
DLF	449	SELL	1.4	—	(145)
<b>Real estate</b>			<b>1.4</b>	<b>0.0</b>	<b>(145)</b>
Infosys Technologies	2,213	BUY	9.1	10.1	100
TCS	626	ADD	2.4	1.4	(100)
Wipro	577	ADD	1.4	1.4	—
<b>Technology</b>			<b>13.0</b>	<b>13.0</b>	<b>—</b>
Bharti Airtel	337	REDUCE	4.3	—	(428)
Reliance Communications	233	SELL	1.7	—	(174)
<b>Telecom</b>			<b>6.0</b>	<b>—</b>	<b>(602)</b>
NTPC	213	SELL	2.1	2.1	—
Reliance Infrastructure	1,250	BUY	1.4	2.9	150
Tata Power	1,428	ADD	1.7	3.2	150
<b>Utilities</b>			<b>5.2</b>	<b>8.2</b>	<b>300</b>
<b>Cash</b>			<b>—</b>	<b>10.0</b>	<b>1,000</b>
<b>BSE-30</b>			<b>16,790</b>	<b>100.0</b>	<b>100.0</b>

# SENSEX VALUATION SUMMARY

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

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2008	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2009	2010E	2009	2010E
Automobiles	28,307	6.8	(23.5)	73.4	9.4	30.6	17.6	16.1	18.1	10.7	9.5	4.2	3.2	0.8	0.9	13.6	18.4
Banking	85,218	43.9	16.7	11.7	21.4	22.9	20.5	16.9	—	—	—	2.9	2.6	1.1	1.2	12.8	12.7
Cement	7,426	25.7	(15.0)	14.2	(5.1)	10.7	9.4	9.9	5.9	4.7	4.7	2.1	1.7	2.1	2.1	19.3	18.6
Consumers	32,961	15.5	8.6	16.2	14.5	28.9	24.8	21.7	19.2	15.6	13.5	9.2	8.1	2.1	2.3	32.0	32.6
Diversified	7,158	20.7	(30.8)	100.0	82.4	79.4	39.7	21.8	25.0	16.8	14.5	5.1	4.0	—	—	6.4	10.1
Energy	120,185	13.9	1.0	20.0	28.7	16.1	13.4	10.4	7.6	5.8	4.6	2.4	2.1	1.6	2.0	14.9	15.8
Industrials	45,992	21.3	19.4	31.9	26.4	35.5	26.9	21.3	20.7	15.1	12.1	7.6	5.6	0.7	0.8	21.6	20.8
Metals	30,136	11.3	0.3	(49.7)	78.9	10.8	21.5	12.0	7.3	8.7	6.7	1.7	1.4	0.9	0.5	15.6	6.7
Pharmaceuticals	5,862	89.6	22.3	(45.8)	34.9	15.1	27.8	20.6	11.6	19.7	14.0	3.8	3.5	1.0	1.0	25.3	12.5
Property	16,316	304.9	(36.6)	(50.0)	18.4	15.3	30.6	25.9	14.1	19.7	17.4	3.1	2.9	0.7	0.7	20.3	9.4
Technology	71,436	19.1	15.9	10.8	13.7	22.5	20.3	17.9	16.3	13.7	11.5	6.8	5.5	1.0	1.3	30.3	27.0
Telecom	37,615	74.9	15.3	(2.2)	(10.6)	12.0	12.3	13.8	7.7	7.0	7.0	2.4	2.0	0.5	0.6	20.3	16.7
Utilities	50,862	9.9	11.5	17.1	12.1	23.0	19.6	17.5	13.7	12.4	12.1	2.8	2.5	1.4	1.6	12.1	12.7
<b>BSE-30 Index</b>	<b>539,473</b>	<b>28.2</b>	<b>3.7</b>	<b>7.0</b>	<b>20.3</b>	<b>19.2</b>	<b>18.0</b>	<b>14.9</b>	<b>10.8</b>	<b>9.2</b>	<b>7.9</b>	<b>3.2</b>	<b>2.7</b>	<b>1.2</b>	<b>1.4</b>	<b>16.6</b>	<b>15.3</b>
<b>BSE-30 ex-Energy</b>	<b>419,288</b>	<b>34.5</b>	<b>4.7</b>	<b>2.2</b>	<b>16.8</b>	<b>20.3</b>	<b>19.9</b>	<b>17.0</b>	<b>12.4</b>	<b>11.2</b>	<b>10.0</b>	<b>3.5</b>	<b>3.0</b>	<b>1.1</b>	<b>1.2</b>	<b>17.3</b>	<b>15.1</b>
<b>BSE-30 ex-Energy, Com.</b>	<b>381,726</b>	<b>40.0</b>	<b>6.5</b>	<b>10.2</b>	<b>13.1</b>	<b>22.3</b>	<b>20.2</b>	<b>17.9</b>	<b>14.3</b>	<b>12.2</b>	<b>11.0</b>	<b>3.9</b>	<b>3.3</b>	<b>1.0</b>	<b>1.2</b>	<b>17.5</b>	<b>16.5</b>
<b>BSE-30 ex-Technology</b>	<b>468,037</b>	<b>29.3</b>	<b>2.3</b>	<b>6.5</b>	<b>21.2</b>	<b>18.8</b>	<b>17.6</b>	<b>14.5</b>	<b>10.2</b>	<b>8.8</b>	<b>7.6</b>	<b>2.9</b>	<b>2.5</b>	<b>1.2</b>	<b>1.4</b>	<b>15.7</b>	<b>14.5</b>

Note:

(1) EV/EBITDA excludes banks.

Source: Company, Kotak Institutional Equities estimates

# NIFTY VALUATION SUMMARY

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

	Mkt cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2008	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2009	2010E	2009	2010E
Automobiles	28,307	6.8	(23.5)	73.4	9.4	30.6	17.6	16.1	18.1	10.7	9.5	4.2	3.2	0.8	0.9	13.6	18.4
Banking	103,515	44.3	22.2	10.8	20.0	20.8	18.8	15.6	—	—	—	2.9	2.5	1.1	1.3	14.0	13.4
Consumers	32,961	15.5	8.6	16.2	14.5	28.9	24.8	21.7	19.2	15.6	13.5	9.2	8.1	2.1	2.3	32.0	32.6
Cement	10,354	14.7	(12.7)	13.2	(8.0)	11.2	9.9	10.7	6.1	5.0	5.2	2.1	1.8	2.5	2.1	19.0	18.3
Energy	145,667	12.2	3.6	30.0	24.3	16.9	13.0	10.5	8.1	6.1	5.0	2.3	2.0	1.4	2.5	13.4	15.6
Industrials	56,710	24.9	14.0	15.8	30.5	32.2	27.8	21.3	17.8	14.6	11.6	6.2	4.7	0.6	0.7	19.1	17.0
Metals	48,926	7.7	9.1	(35.2)	48.3	13.2	20.3	13.7	8.3	9.2	7.3	2.2	1.9	0.7	0.4	17.1	9.4
Property	21,436	193.8	(34.7)	(44.1)	15.9	16.1	28.8	24.8	14.1	18.6	16.6	3.4	2.7	0.5	0.5	21.2	9.5
Pharmaceuticals	14,131	55.8	(33.8)	11.5	25.6	32.6	29.3	23.3	23.1	18.7	15.5	4.6	4.0	0.7	1.0	14.0	13.6
Telecom	44,357	70.2	13.4	(1.8)	(11.7)	13.0	13.3	15.0	7.9	7.1	7.2	2.2	1.9	0.5	0.6	17.2	14.5
Technology	76,300	15.2	16.4	9.6	14.9	22.1	20.2	17.6	16.0	13.6	11.3	6.5	5.3	1.2	1.5	29.5	26.2
Utilities	59,049	10.9	13.1	20.0	12.7	26.0	21.7	19.3	15.6	14.6	14.3	2.8	2.5	1.2	1.4	10.6	11.6
<b>NIFTY</b>	<b>641,714</b>	<b>26.0</b>	<b>5.2</b>	<b>9.9</b>	<b>18.3</b>	<b>19.5</b>	<b>17.7</b>	<b>15.0</b>	<b>11.2</b>	<b>9.8</b>	<b>8.6</b>	<b>3.1</b>	<b>2.7</b>	<b>1.1</b>	<b>1.5</b>	<b>15.8</b>	<b>15.0</b>
<b>NIFTY ex-Energy</b>	<b>496,047</b>	<b>31.9</b>	<b>5.7</b>	<b>2.8</b>	<b>15.6</b>	<b>20.4</b>	<b>19.8</b>	<b>17.2</b>	<b>12.9</b>	<b>12.2</b>	<b>10.9</b>	<b>3.4</b>	<b>2.9</b>	<b>1.0</b>	<b>1.1</b>	<b>16.9</b>	<b>14.8</b>
<b>NIFTY ex-Energy ex Com</b>	<b>447,121</b>	<b>37.2</b>	<b>5.2</b>	<b>9.6</b>	<b>12.1</b>	<b>21.7</b>	<b>19.8</b>	<b>17.6</b>	<b>14.3</b>	<b>12.9</b>	<b>11.8</b>	<b>3.7</b>	<b>3.1</b>	<b>1.1</b>	<b>1.2</b>	<b>16.9</b>	<b>15.7</b>

Note:

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

Source: Company, Kotak Institutional Equities estimates

# REGIONAL VALUATION SUMMARY

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

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

	Index	Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Brazil	MSCI BRAZIL	(9.3)	(11.2)	26.9	13.2	14.8	11.7	NA	0.6
China	VB/E/S CHINA	(19.4)	24.9	25.5	32.4	22.2	17.7	1.3	0.9
Hong Kong	VB/E/S HONG KONG	(40.9)	10.0	14.9	20.1	16.4	14.3	2.0	1.1
India	MSCI INDIA	(15.1)	14.2	22.3	22.6	19.5	15.9	1.6	0.9
Korea	MSCI KOREA	(38.6)	43.2	33.7	20.7	14.5	10.8	0.5	0.4
Malaysia	MSCI MALAYSIA	(13.2)	(17.4)	15.5	14.5	17.6	15.3	NA	1.1
Mexico	MSCI MEXICO	8.4	(25.9)	20.1	12.4	16.7	13.9	NA	0.8
Russia	MSCI RUSSIA	3.1	(41.5)	28.5	5.9	10.1	7.9	NA	0.4
Taiwan	MSCI TAIWAN	(69.1)	22.1	75.3	38.5	30.8	17.7	NA	0.4
Thailand	MSCI THAILAND	13.9	16.8	16.3	15.1	12.9	11.1	0.9	0.8
<b>Asia - Emerging markets</b>	<b>MSCI EM ASIA</b>	<b>(32.4)</b>	<b>18.8</b>	<b>29.7</b>	<b>21.1</b>	<b>17.6</b>	<b>13.6</b>	<b>1.1</b>	<b>0.6</b>

Source: Thomson Datastream

# VALUATION SUMMARY OF BRICS SECTORS (1)

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

Index	Earnings growth (%)			P/E (X)			PEG ratio (X)		
	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	
<b>Banking</b>									
Russia	MSCI Russia Banks Industry Group	(19.4)	(104.3)	NA	11.4	NA	21.9	NA	NA
India	MSCI India Banks Industry Group	9.5	14.3	21.2	23.8	20.8	17.2	1.7	1.0
China	MSCI China Banks Industry Group	29.4	11.3	21.5	14.7	13.2	10.9	1.3	0.6
Brazil	MSCI Brazil Banks Industry Group	(19.2)	8.3	21.6	13.9	12.9	10.6	1.7	0.6
<b>Consumers</b>									
Russia	MSCI Russia Consumer Staples Sector	(27.4)	12.7	57.5	27.0	24.0	15.2	2.1	0.4
India	MSCI India Consumer Discretionary Sector	(10.3)	36.6	14.1	23.6	17.3	15.1	0.6	1.2
China	MSCI China Consumer Discretionary Sector	(22.9)	10.2	17.1	20.2	18.4	15.7	2.0	1.1
Brazil	MSCI Brazil Consumer Discretionary Sector	(25.2)	157.1	44.7	48.3	18.8	13.0	0.3	0.4
<b>Energy</b>									
Russia	MSCI Russia Energy Sector	11.3	(35.7)	16.2	4.3	6.7	5.7	NA	0.4
India	MSCI India Energy Sector	(10.2)	67.7	24.6	20.5	15.1	12.1	0.3	0.6
China	MSCI China Energy Sector	0.5	(8.0)	22.3	12.6	13.7	11.2	NA	0.6
Brazil	MSCI Brazil Energy Sector	54.9	(28.5)	22.2	10.2	14.3	11.7	NA	0.6
<b>Industrials</b>									
India	MSCI India Industrials Sector	(61.8)	142.2	45.8	82.7	34.1	23.4	0.6	0.7
China	MSCI China Industrials Sector	(67.1)	52.9	27.8	35.2	23.1	18.0	0.7	0.8
Brazil	MSCI Brazil Industrials Sector	(18.0)	79.4	24.8	26.0	14.5	11.6	0.3	0.6
<b>Metals</b>									
Russia	MSCI Russia Metals & Mining Industry	(24.7)	(84.4)	219.0	5.1	32.8	10.3	NA	0.1
India	MSCI India Metals & Mining Industry	(28.5)	(10.0)	42.7	13.3	14.7	10.3	NA	0.3
China	MSCI China Metals & Mining Industry	(57.9)	3.2	74.2	35.2	29.5	16.9	11.1	0.4
Brazil	MSCI Brazil Metals & Mining Industry	(22.0)	(44.2)	62.2	9.8	17.5	10.8	NA	0.3

Source: Thomson Datastream

# VALUATION SUMMARY OF BRICS SECTORS (2)

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

Index	Earnings growth (%)			P/E (X)			PEG ratio (X)		
	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	
<b>Property</b>									
India	MSCI India Real Estate Industry Group	(46.0)	(43.4)	35.9	20.0	35.3	26.0	NA	1.0
China	MSCI China Real Estate Industry Group	(9.7)	6.9	30.6	18.4	17.2	13.2	2.7	0.6
<b>Technology</b>									
India	MSCI India Software & Services Industry Group	8.8	(5.4)	13.4	19.6	20.7	18.2	NA	1.5
China	MSCI China Software & Services Industry Group	62.3	60.0	34.8	74.3	46.5	34.5	1.2	1.3
Brazil	MSCI Brazil Software & Services Industry Group	70.7	10.6	13.2	15.3	13.9	12.3	1.4	1.1
<b>Telecom</b>									
Russia	MSCI Russia Diversified Telecommunications Services Industry	(62.4)	111.9	48.8	33.0	15.6	10.5	0.3	0.3
India	MSCI India Telecommunication Services Sector	4.7	(12.0)	8.2	12.1	13.8	12.8	NA	1.7
China	MSCI China Telecommunication Services Sector	22.3	(3.0)	1.4	13.0	13.4	13.2	NA	9.9
Brazil	MSCI Brazil Telecommunication Services Sector	(31.2)	3.9	41.1	13.3	12.8	9.1	3.4	0.3
<b>Utilities</b>									
Russia	MSCI Russia Utilities Sector	-	24.6	43.7	29.1	23.4	16.3	1.2	0.5
India	MSCI India Utilities Sector	9.4	11.6	11.3	21.8	18.0	16.2	1.9	1.6
China	MSCI China Utilities Sector	(89.9)	790.8	21.4	148.0	16.6	13.7	0.2	0.8
Brazil	MSCI Brazil Utilities Sector	11.6	2.5	6.4	9.4	9.2	8.7	3.8	1.4

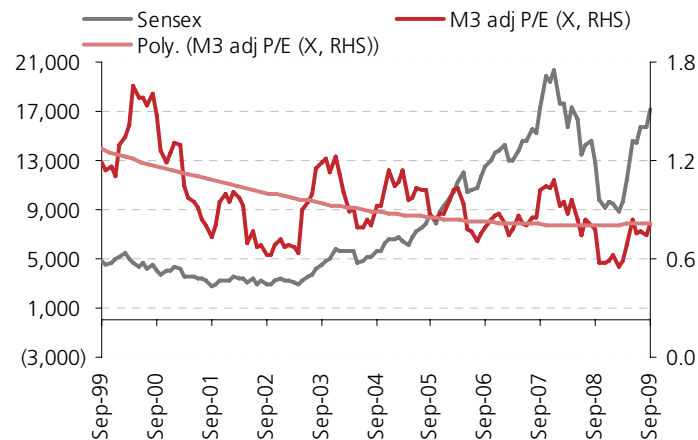
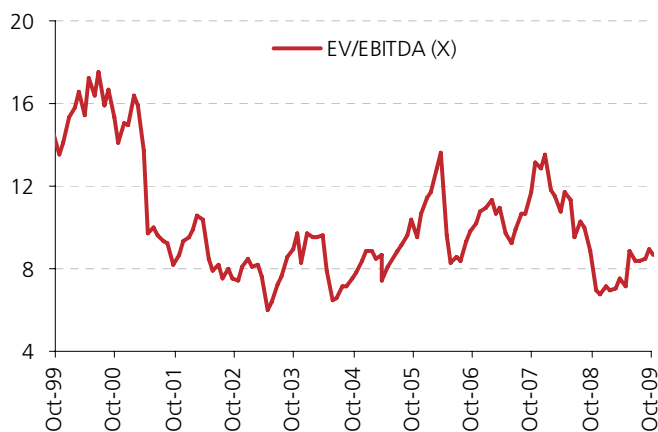
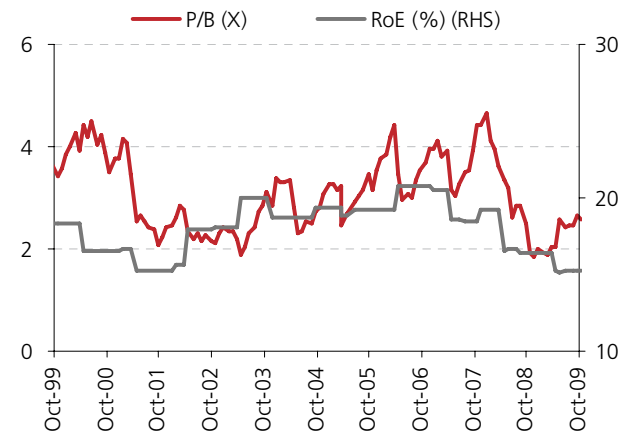
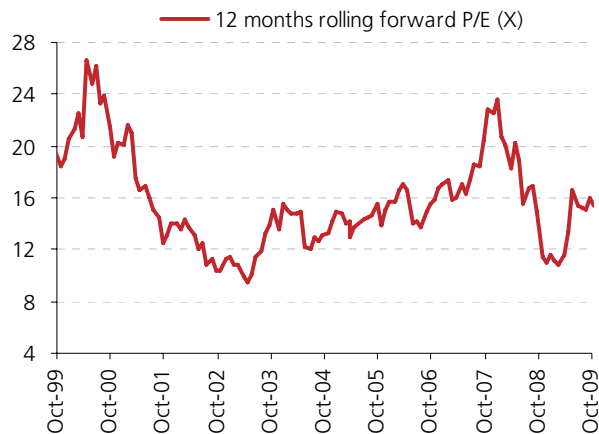
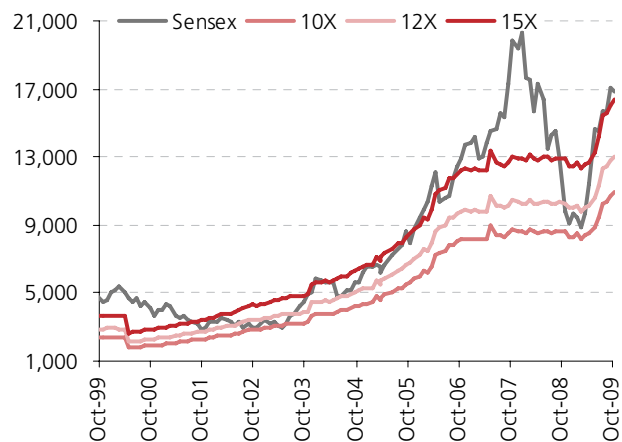
Source: Thomson Datastream



# BSE-SENSEX KEY PARAMETERS

## Key fundamental indicators of BSE-30 Index

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



Source: Bloomberg, RBI, Kotak Institutional Equities

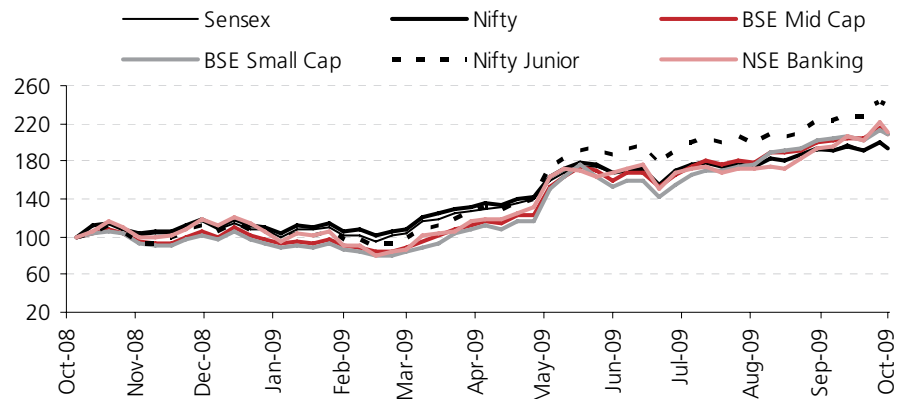
## MARKET PERFORMANCE

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

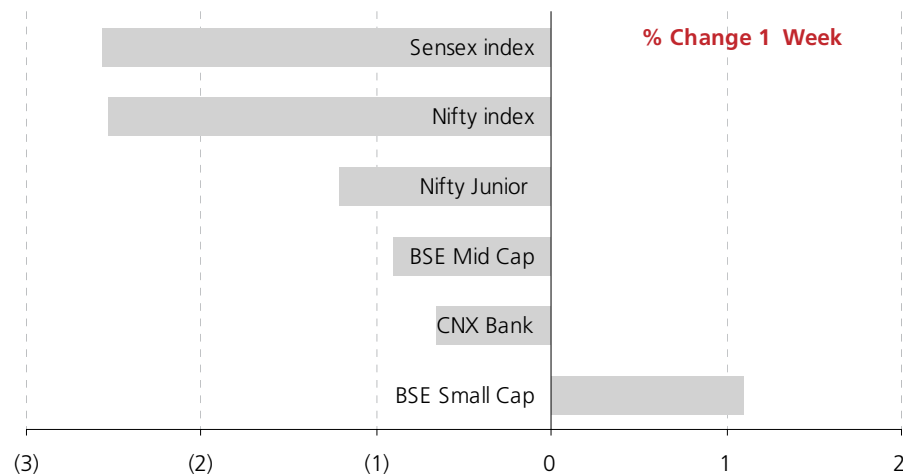
# RELATIVE PERFORMANCE OF INDIAN MARKETS

## Key performance of benchmark indices

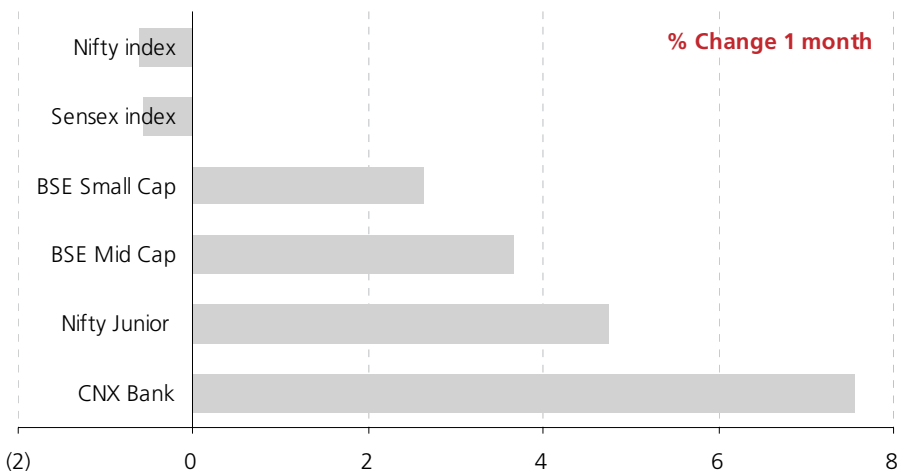
(base 100 as of October, 2008)



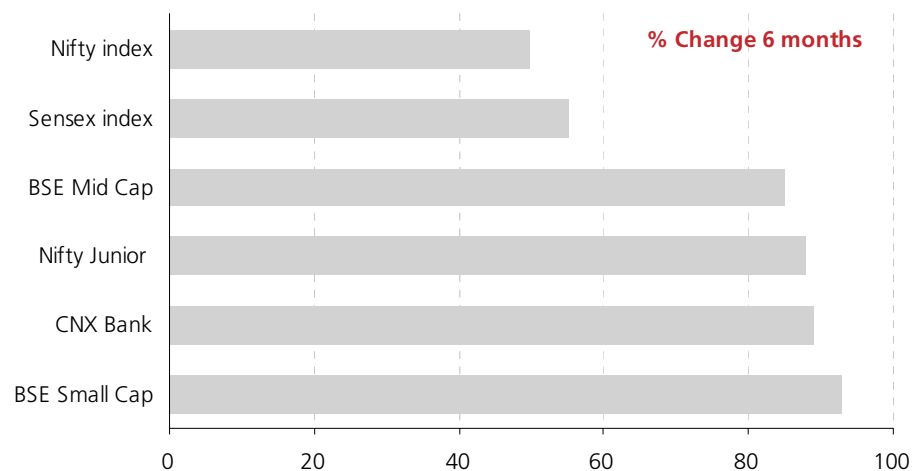
## Weekly performance of the benchmark indices



## 1-month performance of the benchmark indices



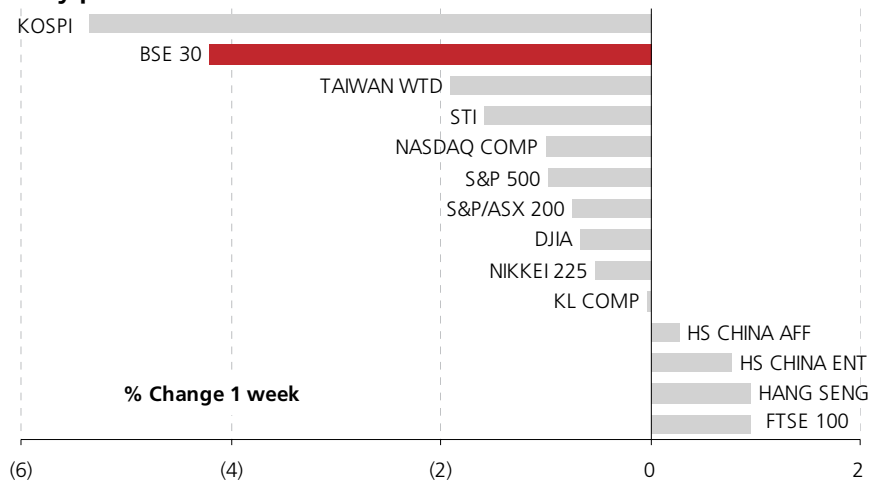
## 6-month performance of the benchmark indices



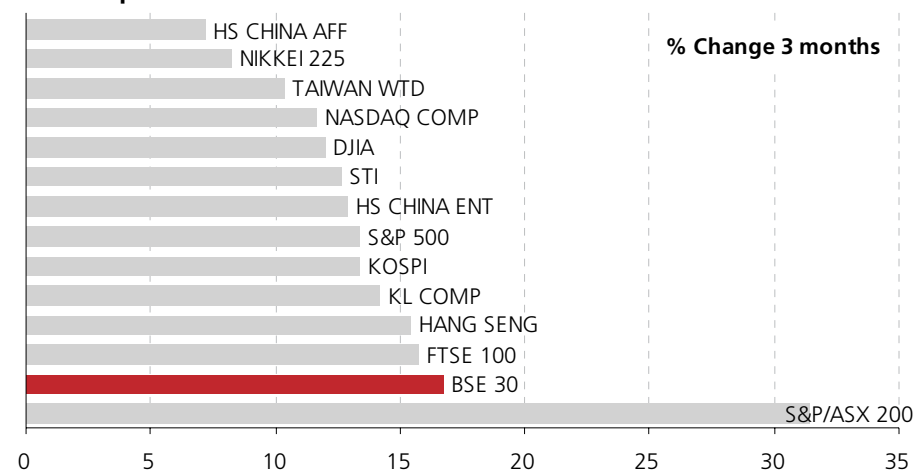
Source: Bloomberg, Kotak Institutional Equities

# BSE-SENSEX VERSUS REGIONAL INDICES

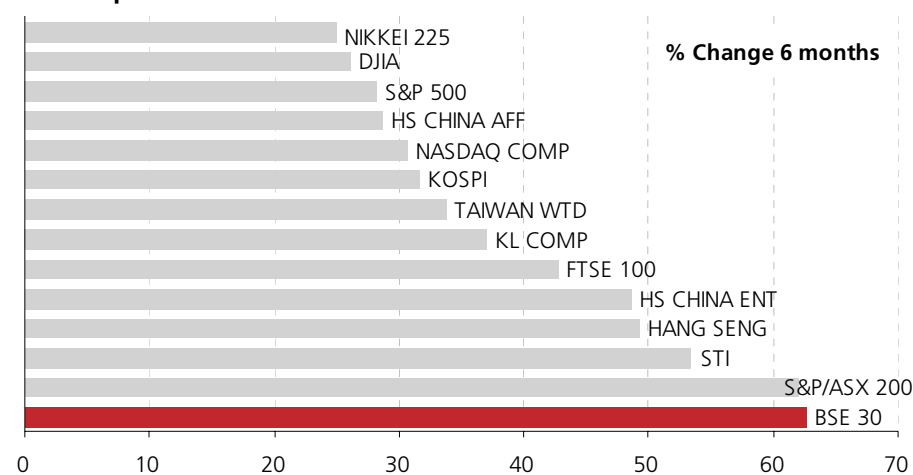
## Weekly performance



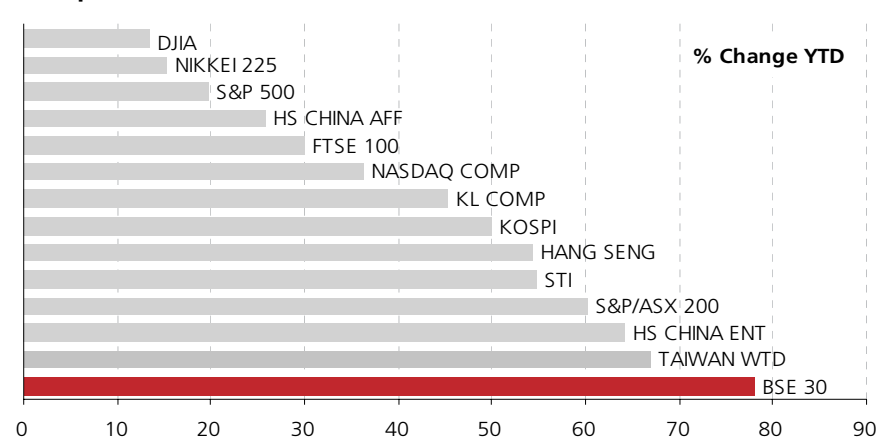
## 3-month performance



## 6-month performance



## CYTD performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities

# SECTORAL PERFORMANCE

## Market performance of Sensex sectors, October 22, 2009

	Mkt cap. (US\$ m)	Change (%)				Relative change (%)			
		1-Day	1-mo	6-mo	1-Year	1-Day	1-mo	6-mo	1-Year
Automobiles	28,307	(1.0)	(6.6)	82.1	147.0	0.3	(7.0)	20.8	43.8
Banking	85,218	(2.0)	5.8	75.5	78.1	(0.7)	5.4	16.4	3.6
Consumers	32,961	1.7	7.6	24.3	32.5	3.0	7.1	(17.6)	(22.9)
Cement	7,426	(2.0)	(16.4)	24.9	81.4	(0.7)	(16.8)	(17.2)	5.6
Diversified	7,158	(6.8)	1.6	100.4	250.7	(5.5)	1.1	32.9	104.1
Energy	120,185	(1.5)	1.3	27.7	63.6	(0.2)	0.8	(15.3)	(4.8)
Industrials	45,992	(2.2)	2.6	63.8	100.1	(0.9)	2.2	8.7	16.5
Metals	30,136	(1.5)	4.9	113.3	191.2	(0.2)	4.4	41.4	69.5
Pharmaceuticals	5,862	(0.7)	9.2	12.8	(0.7)	0.5	8.7	(25.2)	(42.2)
Property	16,316	(4.9)	6.0	88.6	67.5	(3.5)	5.5	25.1	(2.5)
Telecom	37,655	1.1	(19.5)	(2.6)	7.2	2.4	(19.8)	(35.4)	(37.6)
Technology	71,436	(0.9)	(0.1)	80.9	99.9	0.4	(0.6)	20.0	16.4
Utilities	50,862	(1.7)	3.0	22.1	63.5	(0.4)	2.6	(19.0)	(4.9)
<b>Sensex sum</b>	<b>539,512</b>	<b>(1.3)</b>	<b>0.4</b>	<b>50.8</b>	<b>71.8</b>				

Source: Bloomberg, Kotak Institutional Equities

# TOP GAINERS AND LOSERS

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

### 1-week performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Polaris Software Lab	13.0	1 DishTV	(11.3)
2 Andhra Bank	10.1	2 India Infoline	(10.1)
3 United Spirits	8.7	3 Divi's Laboratories	(9.5)
4 Union Bank	8.7	4 Bajaj Auto	(9.4)
5 Jagran Prakashan	8.4	5 Punj Lloyd	(8.7)
6 Federal Bank	8.0	6 Dr Reddy's Laboratories	(8.2)
7 GVK Power & Infrastructure	7.7	7 IVRCL	(8.1)
8 HCL Technologies	7.5	8 Titan Industries	(8.1)
9 Novartis India	6.5	9 Educomp Solutions	(7.8)
10 Tata Power	6.3	10 Grasim Industries	(7.8)

### CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jindal Steel and Power	362.1	1 Divi's Laboratories	(16.2)
2 Mphasis BFL	316.9	2 Tata communications	(9.4)
3 Hexaware Technologies	305.2	3 Bharti Airtel	(5.8)
4 Polaris Software Lab	289.9		
5 JSW Steel	280.3		
6 Tech Mahindra	279.3		
7 Sesa Goa	274.0		
8 Bajaj Auto	271.7		
9 LIC Housing Finance	255.5		

### 1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 IVR Prime Urban Developers	34.1	1 Reliance Communications	(21.9)
2 Torrent Pharma	22.7	2 IDEA	(21.8)
3 Dishman Pharma & chemicals	22.4	3 Grasim Industries	(21.4)
4 Canara Bank	18.2	4 Bharti Airtel	(18.5)
5 Housing Development & Infrastr	18.0	5 Shree Cement	(11.0)
6 Castrol India (a)	17.9	6 Tata Motors	(10.9)
7 Sesa Goa	16.2	7 Suzlon Energy	(10.5)
8 Hexaware Technologies	16.1	8 Maruti Suzuki	(9.9)
9 Mahindra & Mahindra Financial	15.9	9 Ambuja cements	(9.1)
10 Indian Bank	15.5	10 ACC	(8.2)

### 1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jindal Steel and Power	561.2	1 Sun Pharmaceuticals	(0.7)
2 Sesa Goa	317.6		
3 Lanco Infratech	309.5		
4 IVRCL	297.4		
5 JSW Steel	280.4		
6 LIC Housing Finance	266.3		
7 GVK Power & Infrastructure	260.6		
8 Hexaware Technologies	256.3		
9 Mphasis BFL	254.4		
10 Jaiprakash Associates	250.7		

Source: Kotak Institutional Equities

# TECHNICAL INDICATORS

## Volume momentum analysis

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

Company	5-day average		Price Change (%)	
	volumes	% increase	(1 month basis)	
Mahindra & Mahindra Financial	632,421	128	15.9	
Polaris Software Lab	5,422,934	112	14.8	
Phoenix Mills	550,601	105	(6.9)	
Bajaj Auto	619,295	94	(1.5)	
Hexaware Technologies	2,009,038	87	16.1	
Zee News	1,944,920	86	(5.8)	

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

Company	5-day average		Price Change (%)	
	volumes	% decrease	(1 month basis)	
Mindtree	101,994	(74)	(5.0)	
PSL	222,749	(66)	(6.5)	
Godrej Consumer Products	70,608	(65)	9.1	
Bharat Electronics	39,222	(61)	6.3	
Dr Reddy's Laboratories	359,540	(57)	3.9	
Nestle India (a)	18,044	(55)	13.0	

Date	Sensex	Avg daily value traded (US\$ mn)	Institutional participation in total turnover	
			FII%	MF%
Oct-08	9,788	3,632	19.3	4.0
Nov-08	9,093	3,247	12.8	3.7
Dec-08	9,647	3,458	9.9	3.3
Jan-09	9,424	3,233	11.8	4.1
Feb-09	8,692	2,653	11.4	3.3
Mar-09	9,709	3,374	11.8	4.1
Apr-09	11,403	4,624	10.5	3.4
May-09	14,625	5,235	13.3	3.5
Jun-09	14,494	6,380	9.8	3.4
Jul-09	15,670	5,049	11.5	3.8
Aug-09	15,667	4,759	10.3	3.5
Sep-09	17,126	5,035	12.4	3.5
Oct-09	16,790	6,479	13.5	3.9

Source: Bloomberg, Kotak Institutional Equities

## EARNINGS MOMENTUM

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



# CHANGES IN EARNINGS ESTIMATES

## Changes in earnings estimates in the past one month

### FY2010 earnings upgrades (KIE) (1 month)

Company	% Change
1 GSPL	43.4
2 Hindustan Zinc	39.1
3 Ranbaxy Laboratories	30.2
4 Jindal Saw	16.6
5 SREI	16.0
6 Hero Honda	14.7
7 Bajaj Auto	14.5
8 Lupin	14.2
9 Asian Paints	11.2
10 Dishman Pharma & chemicals	10.8

### FY2011 earnings upgrades (KIE) (1 month)

Company	% Change
1 GSPL	43.4
2 Jindal Saw	29.4
3 Hindustan Zinc	26.7
4 SREI	23.7
5 Hero Honda	15.5
6 Lupin	15.4
7 Mahindra & Mahindra	11.5
8 Bajaj Auto	11.2
9 Tata Motors	11.2
10 ICICI Bank	9.5

### FY2010 earnings downgrades (KIE) (1 month)

Company	% Change
1 Suzlon Energy	(60.5)
2 Sesa Goa	(12.8)
3 IDEA	(11.1)
4 Jaiprakash Associates	(10.8)
5 Larsen & Toubro	(8.1)
6 Reliance Communications	(5.3)
7 Bharti Airtel	(5.1)
8 Reliance Industries	(4.6)
9 Container Corporation	(3.2)
10 Zee News	(3.1)

### FY2011 earnings downgrades (KIE) (1 month)

Company	% Change
1 IDEA	(53.0)
2 Reliance Communications	(26.0)
3 Bharti Airtel	(24.3)
4 Sesa Goa	(15.0)
5 Suzlon Energy	(9.9)
6 Biocon	(6.7)
7 Larsen & Toubro	(5.6)
8 Zee News	(5.4)
9 Reliance Industries	(4.8)
10 Jaiprakash Associates	(4.4)

Source: Kotak Institutional Equities estimates

# CHANGES IN OUR TARGET PRICES

## Changes in target prices in the past one month

### Upgrades in target prices (1 month)

	Company	% Change	New	Old
1	Polaris Software Lab	56.3	125	80
2	Jindal Saw	46.8	690	470
3	GSPL	38.5	90	65
4	Tata Motors	32.9	465	350
5	SREI	27.8	115	90
6	Bajaj Auto	25.0	1,575	1,260
7	Welspun Gujarat Stahl Rohren	24.1	180	145
8	Shriram Transport	22.9	430	350
9	Hindustan Zinc	21.2	1,000	825
10	Lupin	17.4	1,385	1,180
11	Hero Honda	15.4	1,535	1,330
12	Asian Paints	15.0	1,840	1,600
13	Container Corporation	11.1	1,250	1,125
14	ICICI Bank	9.7	850	775
15	Reliance Industries	9.4	1,750	1,600
16	Mahindra & Mahindra	9.3	1,000	915
17	Piramal HealthCare	9.0	425	390
18	TCS	8.3	650	600
19	Axis Bank	7.1	980	915
20	Zee news	6.7	48	45
21	Sun Pharmaceuticals	6.4	1,330	1,250
22	Biocon	5.6	285	270

### Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	Bharti Airtel	(23.5)	325	425
2	IDEA	(15.4)	55	65
3	Reliance Communications	(8.3)	220	240

Source: Kotak Institutional Equities estimates

# CHANGES IN OUR RATINGS

## Changes in ratings over the past one month

Company name		Rating	
		Current	Previous
Axis Bank	Downgraded	ADD	BUY
Bank of India	Downgraded	REDUCE	ADD
Bharti Airtel	Downgraded	REDUCE	ADD
Castrol India (a)	Downgraded	ADD	BUY
J&K Bank	Downgraded	ADD	BUY
Rural Electrification Corp.	Downgraded	ADD	BUY
Sesa Goa	Downgraded	REDUCE	BUY

Company name		Rating	
		Current	Previous
Indian Oil Corporation	Upgraded	BUY	REDUCE
Shriram Transport	Upgraded	BUY	ADD
SREI	Upgraded	BUY	ADD

Source: Kotak Institutional Equities estimates

## FLOWS

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

# TREND IN EQUITY FLOWS

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

	FII	MF
CY1999	1,537	0
CY2000	1,462	(150)
CY2001	2,807	(1,110)
CY2002	751	(685)
CY2003	6,658	118
CY2004	8,382	(217)
CY2005	10,776	2,873
CY2006	8,632	3,585
CY2007	17,335	1,389
CY2008	(13,336)	3,312
<b>CY2009</b>	<b>14,596</b>	<b>(389)</b>
Jan	(869)	(173)
Feb	(539)	(299)
Mar	63	295
Apr	1,473	8
May	4,253	477
June	695	175
July	2,400	380
Aug	827	119
Sep	4,142	(486)
Oct	2,151	(885)

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

	Index Futures	Stock Futures
CY2004	(91)	(796)
CY2005	(676)	(668)
CY 2006	345	(3,690)
CY2007	(772)	(11,600)
CY2008	3,019	(871)
<b>CY2009</b>	<b>(994)</b>	<b>(2,109)</b>
Jan	(182)	390
Feb	(445)	115
Mar	511	(105)
Apr	293	(146)
May	(640)	(1,000)
June	(573)	(541)
July	130	196
August	100	322
September	228	(271)
October	(417)	(1,070)

Source: Bloomberg, Kotak Institutional Equities

# FII FLOWS IN OTHER EMERGING MARKETS

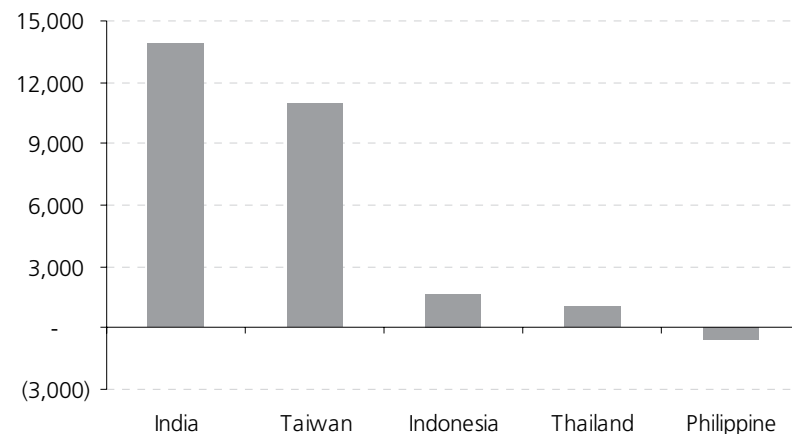
## FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
17-Sep-09	457.4	(6.9)	(5.0)	73.2	555.2
18-Sep-09	179.5	-	(2.7)	16.5	388.1
22-Sep-09	(21.3)	-	283.9	(4.0)	312.1
23-Sep-09	67.0	-	0.4	22.9	382.1
24-Sep-09	(167.6)	1.3	(3.8)	25.6	274.9
25-Sep-09	(62.3)	(43.0)	(2.8)	26.1	690.3
29-Sep-09	542.4	(17.1)	6.7	34.9	229.5
30-Sep-09	397.6	(13.7)	(2.6)	30.3	314.1
1-Oct-09	350.8	(2.0)	(0.4)	76.1	258.6
2-Oct-09	(391.3)	(57.1)	6.3	(6.3)	384.4
5-Oct-09	(316.5)	(38.6)	1.5	(11.9)	(50.0)
6-Oct-09	307.0	27.2	(194.3)	40.5	6.7
7-Oct-09	312.7	(40.7)	11.8	98.9	165.1
8-Oct-09	34.0	(86.5)	(0.8)	23.3	(78.2)
9-Oct-09	63.8	(23.2)	0.8	71.8	53.9
12-Oct-09	(50.0)	(30.7)	2.5	7.1	214.5
14-Oct-09	328.6	35.7	(2.1)	(119.1)	342.8
15-Oct-09	667.9	74.8	(1.0)	(24.2)	209.8
16-Oct-09	87.9	8.5	1.7	16.4	258.6
20-Oct-09	-	(32.6)	12.1	39.6	384.4
<b>Total</b>	<b>2,787</b>	<b>(245)</b>	<b>112</b>	<b>438</b>	<b>5,297</b>

Source: Bloomberg

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



# IPO ANALYSIS

## Market performance since IPO/ Follow on offering

Name	Shares (mn)	Price (Rs)	Value (Rs mn)	Date of Listing	Price		Performance (%)	
					Day 1	Latest	Day 1	Since Listing
Euro Multivision	9	75	660	15-Oct-09	54	40	(29)	(47)
Pipavav Shipyard	85	58	4,956	9-Oct-09	57	55	(2)	(5)
Oil India Ltd	26	1,050	27,773	30-Sep-09	1,141	1,165	9	11
Globus Spirits	8	100	750	23-Sep-09	91	86	(9)	(14)
NHPC Ltd	1,677	36	60,385	1-Sep-09	37	33	2	(9)
Adani Power Limited	302	100	30,165	3-Aug-09	100	100	0	(0)
Austral Coke & Projects Ltd	7	196	1,423	4-Sep-08	226	208	15	6
Resurgere Mines & Minerals	4	272	1,210	1-Sep-08	534	400	96	47
Nu Tek India Ltd	5	192	864	27-Aug-08	199	199	4	4
Rural electrification	156	105	16,393	11-Mar-08	121	200	15	90
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	224	(11)	(32)
IRB Infrastructure Developers Ltd	51	220	11,233	25-Feb-08	189	234	(14)	6
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	125	(14)	(31)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	44	2	(67)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	175	(14)	46
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	36	17	(20)
Reliance Power Ltd	260	203	52,676	11-Feb-08	373	160	84	(21)
Future Capital Holding	6	765	4,913	31-Jan-08	908	266	19	(65)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	59	(8)	(61)
Porwal Auto Components	5	75	375	14-Jan-08	80	11	6	(86)
Aries Agro Limited	5	138	585	11-Jan-08	252	59	94	(55)
Manaksia Ltd	16	160	2,480	8-Jan-08	168	56	5	(65)
BGR	9	480	4,385	3-Jan-08	901	484	88	1
Burnpur Cement	22	12	263	3-Jan-08	46	13	286	6
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	365	57	(22)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	135	(3)	(65)
Eclerx Services	3	315	1,010	31-Dec-07	448	385	42	22
Jyothy Lab	4	138	611	19-Dec-07	793	137	475	(1)
Kaushalya Infra	9	60	510	14-Dec-07	82	22	37	(64)
Empee Distilleries	5	400	1,920	26-Nov-07	318	134	(21)	(66)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	525	119	19
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	503	83	(39)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	48	10	(68)
Kolte Patil	19	145	2,755	13-Dec-07	181	57	25	(61)
Maytas Infra	9	370	3,275	25-Oct-07	614	156	66	(58)
Consolidated Construction	4	510	1,887	15-Oct-07	791	365	55	(28)
Religare Enterprises	76	185	1,402	21-Nov-07	521	382	182	106
Supreme Infrastructure	35	108	375	18-Oct-07	175	148	62	37
Dhanus Technologies	38	295	1,131	17-Oct-07	311	34	5	(89)
Koutons Retail	35	415	1,462	12-Oct-07	590	375	42	(10)
Power Grid Corp	5,739	52	29,845	5-Oct-07	100	109	92	110
Magnum Ventures	176	30	529	20-Sep-07	49	10	62	(68)
Indowind Energy	125	65	813	14-Sep-07	115	41	76	(37)
Motilal Oswal Financial	30	165	492	11-Sep-07	977	163	492	(1)
Puravankara Projects	215	400	8,587	30-Aug-07	362	113	(10)	(72)
KPR Mill	59	225	1,330	28-Aug-07	174	76	(23)	(66)
TakeSolutions	21	73	153	27-Aug-07	926	37	1,168	(50)
Central Bank of India	800	102	8,160	21-Aug-07	115	139	13	36
SEL manufacturing	41	90	372	21-Aug-07	142	71	58	(21)
Refex Refrigerants	38	65	247	20-Aug-07	62	28	(5)	(56)
Zylog Systems	36	350	1,260	17-Aug-07	431	338	23	(4)
IVR Prime	142	550	7,783	16-Aug-07	418	143	(24)	(74)
OMAXE Ltd	178	310	5,517	9-Aug-07	349	122	13	(61)

Source: Bloomberg, Kotak Institutional Equities

## Forthcoming IPO/Follow on offerings

Company Name	Issue
Reliance Infratel Ltd.	IPO
Emaar Mgf Land Ltd.	IPO
Sahara Prime City Ltd.	IPO
Jsw Energy Ltd.	IPO
Lodha Developers Ltd.	IPO
Ambience Ltd.	IPO
Db Realty Ltd.	IPO
Db Corp Ltd.	IPO
Hathway Cable & Datacom Ltd.	IPO
II&Fs Transportation Networks Ltd.	IPO
Godrej Properties Ltd.	IPO
Glenmark Generics Ltd.	IPO
Cox & Kings (India) Ltd.	IPO
Dq Entertainment (International) Ltd.	IPO
Kumar Urban Development Ltd.	IPO
Great Eastern Energy Corp.Ltd.	IPO
C.Mahendra Exports Ltd.	IPO
Ashoka Buildcon Ltd.	IPO
Jubilant Foodworks Ltd.	IPO
Shree Ganesh Jewellery House Ltd.	IPO
Bs Transcomm Ltd.	IPO
Tara Health Foods Ltd.	IPO
Vascon Engineers Ltd.	IPO
Amr Constructions Ltd.	IPO
Aqua Logistics Ltd.	IPO
Goenka Diamond & Jewels Ltd.	IPO
Pradip Overseas Ltd.	IPO
Mandhana Industries Ltd.	IPO
Mbl Infrastructures Ltd.	IPO
Radiant Info Systems Ltd.	IPO
Man Infraconstruction Ltd.	IPO
Mayajaal Entertainment Ltd.	IPO
Cantabil Retail India Ltd.	IPO

Source: Primedatabase

# BULK DEALS

## Major bulk deals

Date	Compnay	Action	Quantity	Price	Value		Exchange
					(Rs mn)		
14-Oct	Relmedia	BUY	2,400,000	355	852		BSE
21-Oct	Rolta India Ltd.	SELL	1,460,000	197	287		NSE
15-Oct	Anant Raj In	SELL	2,017,807	139	281		BSE
15-Oct	Anant Raj Industries Ltd	SELL	1,979,000	142	281		NSE
14-Oct	Anant Raj In	BUY	1,780,000	140	249		BSE
15-Oct	Anant Raj Industries Ltd	SELL	1,542,372	141	218		NSE
14-Oct	United Brewr	BUY	640,000	218	140		BSE
15-Oct	Dish Tv	BUY	2,192,706	47	104		BSE
15-Oct	Dishman Pharma & Chem Ltd	BUY	435,150	231	100		NSE
14-Oct	Godfrey Phip	SELL	55,000	1805	99		BSE
14-Oct	Godfrey Phip	BUY	55,000	1805	99		BSE
21-Oct	Pvr Limited	BUY	700,000	135	95		NSE
20-Oct	Polaris Software Lab Ltd	SELL	587,698	150	88		NSE
21-Oct	Pvr Limited	SELL	564,700	135	76		NSE
21-Oct	Cranes Software Internati	SELL	1,715,779	39	67		NSE
14-Oct	Lancor Holds	BUY	600,000	103	62		BSE
21-Oct	Sasken Commu Techno Ltd	SELL	392,532	155	61		NSE
16-Oct	Merck Ltd*	BUY	100,353	571	57		BSE
21-Oct	Icsa (India) Limited	BUY	247,228	220	54		NSE
21-Oct	Pvr Limited	SELL	350,489	135	47		NSE
15-Oct	Euro Multi	SELL	400,000	80	32		BSE
15-Oct	Euro Multivision Ltd	SELL	386,668	80	31		NSE
20-Oct	Pace Textiles	BUY	200,000	113	23		BSE
20-Oct	Ds Kulkarni	BUY	262,846	79	21		BSE
21-Oct	Pvr Limited	BUY	150,000	135	20		NSE
20-Oct	Euro Multi	SELL	385,817	43	17		BSE
15-Oct	Euro Multi	SELL	200,000	80	16		BSE
15-Oct	Silverline T	SELL	1,870,000	7	13		BSE
16-Oct	Ttk Healthca	BUY	60,000	212	13		BSE
15-Oct	Shree Precoated Steels	BUY	501,039	24	12		NSE
16-Oct	Euro Multi	SELL	250,000	49	12		BSE
16-Oct	Euro Multivision Ltd	SELL	250,000	49	12		NSE
15-Oct	Shree Precoated Steels	SELL	501,039	24	12		NSE

Source: BSE, NSE



# DELIVERY POSITIONS

## Top increase/(decrease) in delivery percentage

### Increase in delivery % (KIE universe)

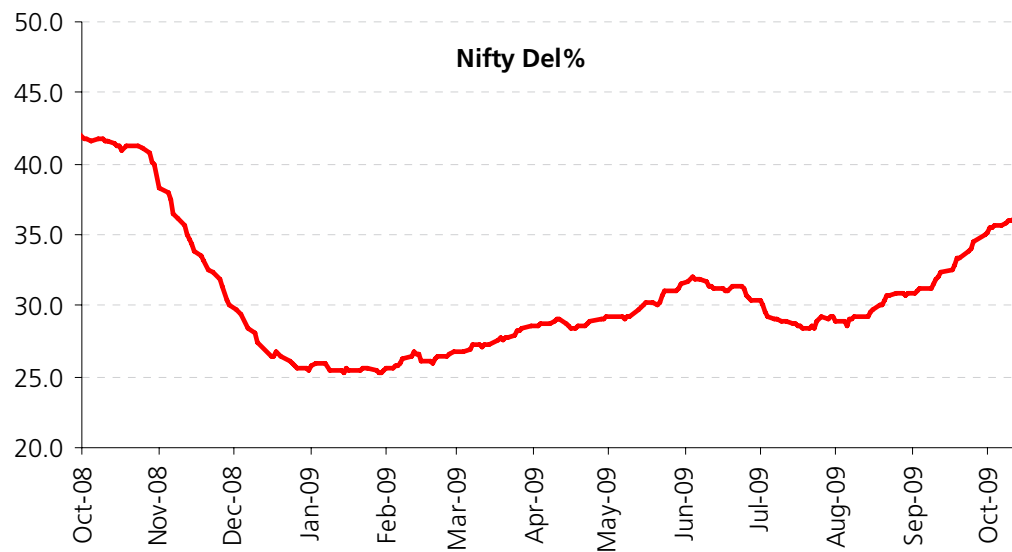
Name	Delivery %	
	Previous week	Current week
Colgate Palmolive (India)	45	96
Zee Entertainment Enterprise	39	74
Tata Tea Ltd	31	63
Container Corp Of India Ltd	60	91
Nagarjuna Construction Co	28	58
Sun Pharmaceutical Indus	34	62
India Cements Limited	32	55
Infosys Technologies Ltd	47	71
Abb Ltd	27	49

### Decrease in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Jyothy Laboratories Ltd	82	19
Rural Electrification Corp	79	31
Jammu & Kashmir Bank Ltd	68	24
Union Bank Of India	77	34
Ultratech Cement Ltd	67	31
Ht Media Ltd	81	46
Bajaj Hindusthan Limited	46	16
Shriram Transport Finance	78	48
Hindustan Zinc Limited	52	23

Source: Bloomberg, Kotak Institutional Equities

**Nifty delivery percentage**

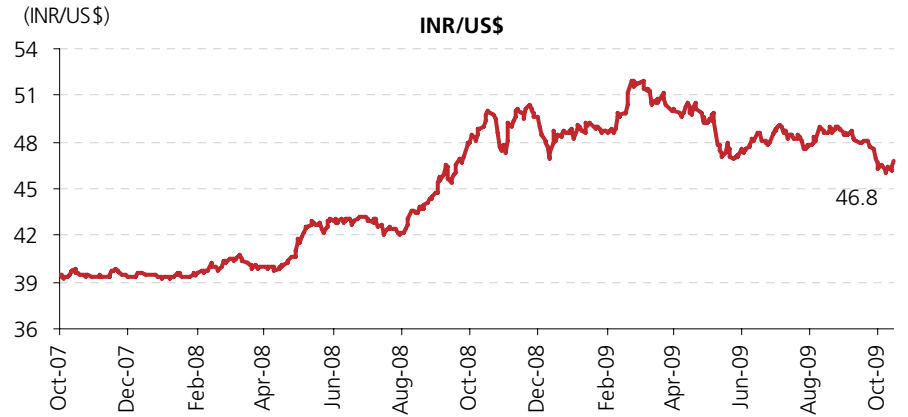
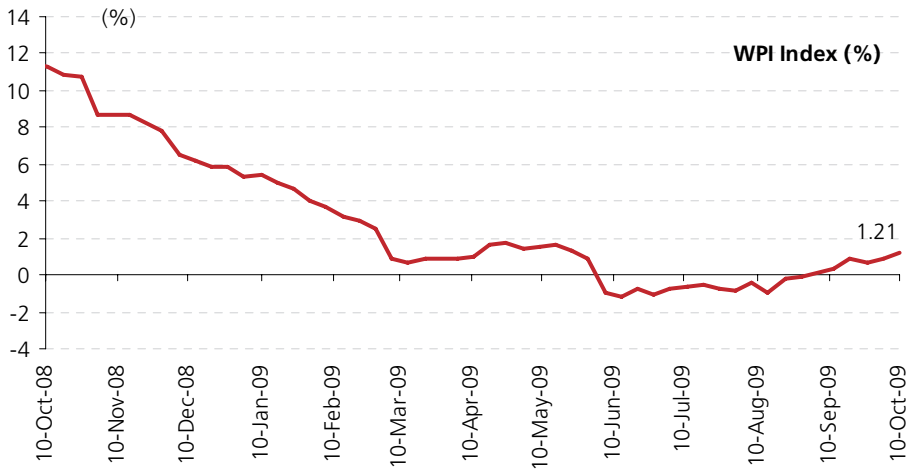
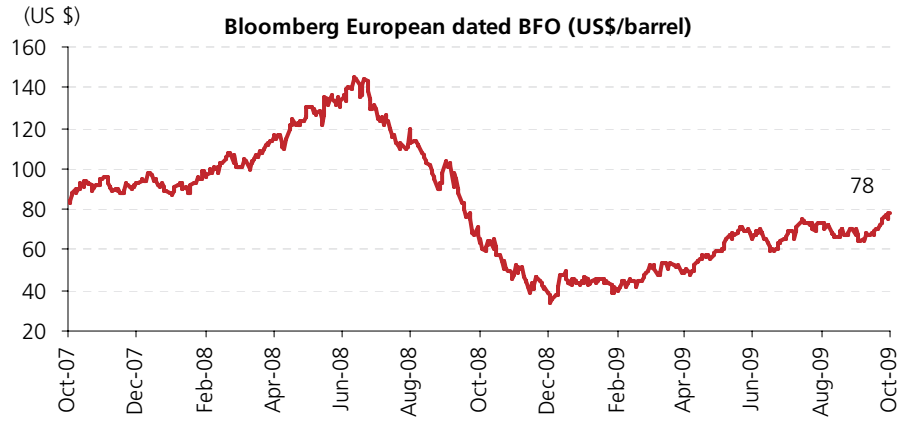
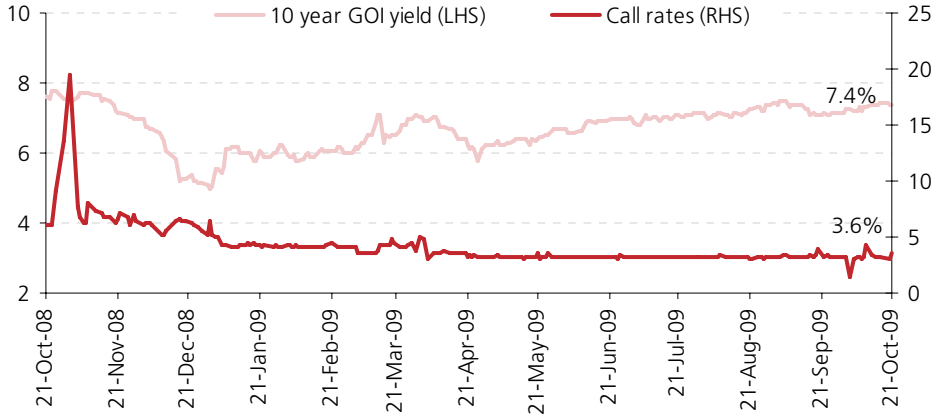


Source: Bloomberg, Kotak Institutional Equities

## ECONOMIC INDICATORS

# ECONOMIC INDICATORS

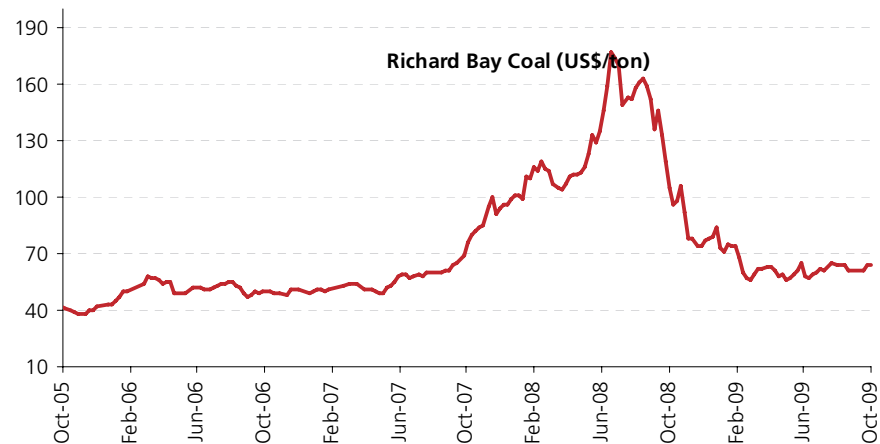
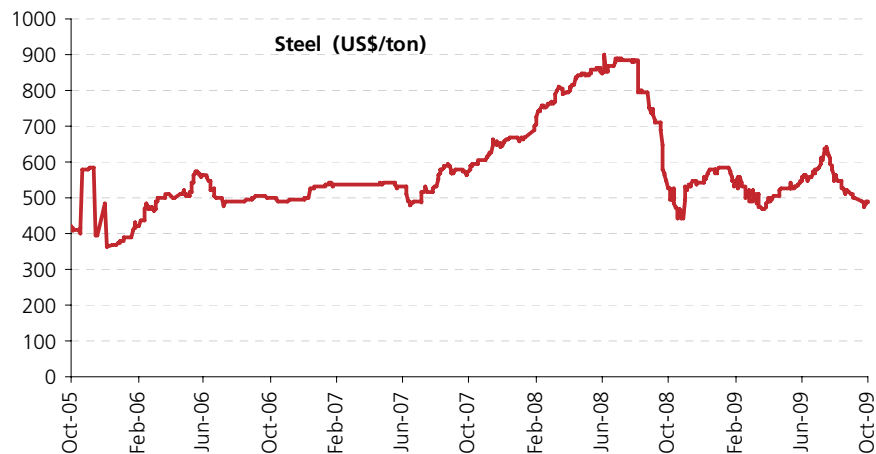
## Key economic parameters



Source: Bloomberg, Kotak Institutional Equities

# COMMODITIES

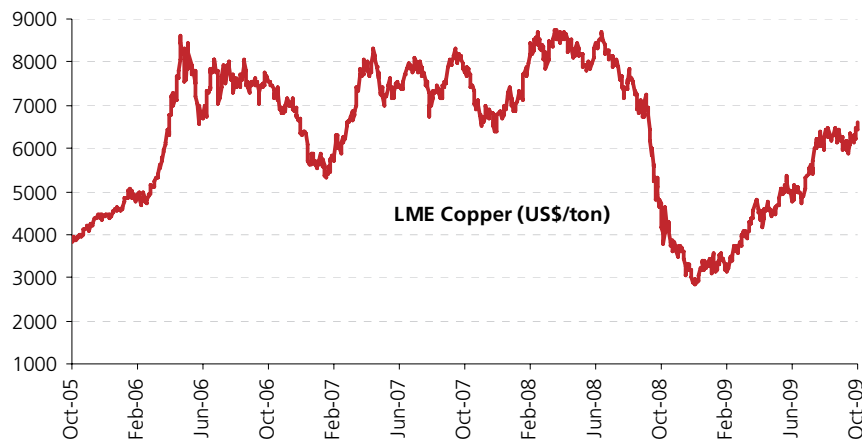
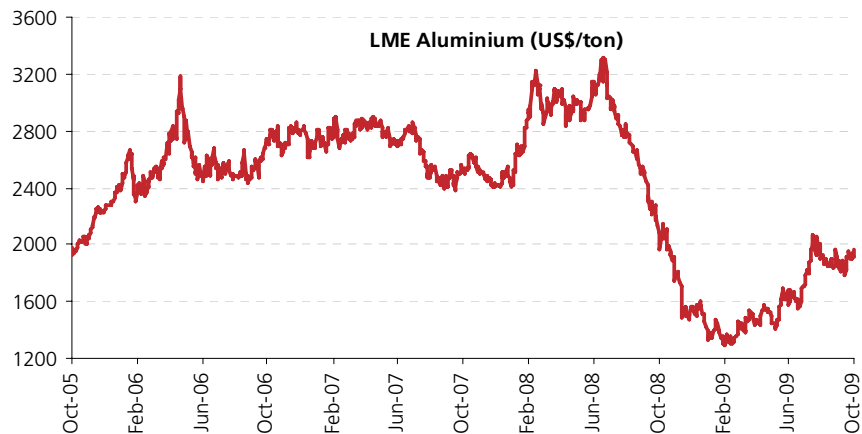
## Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

# COMMODITIES

## Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

## KOTAK VALUATION SUMMARY

# VALUATION SUMMARY

## Kotak Institutional Equities Universe

Company	22-Oct-09		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)	
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E				(Rs)
<b>Automobiles</b>																														
Ashok Leyland	44	ADD	58,335	1,248	1,330	1.5	2.3	2.4	(57.8)	50.3	5.8	28.7	19.1	18.0	16.1	10.4	8.6	1.6	1.5	1.5	2.3	2.3	2.3	6.2	8.1	8.2	37	(15.6)	4.6	
Bajaj Auto	1,454	ADD	210,341	4,500	145	45.2	97.4	112.3	(13.4)	115.2	15.3	32.1	14.9	12.9	17.1	9.1	8.1	11.2	7.2	5.0	1.4	1.4	1.4	37.7	58.5	45.4	1,575	8.3	8.8	
Hero Honda	1,595	REDUCE	318,522	6,815	200	64.2	100.4	109.6	32.4	56.4	9.2	24.9	15.9	14.5	14.7	9.7	8.4	8.1	5.9	4.5	1.3	1.4	1.4	36.4	42.8	35.0	1,535	(3.8)	20.9	
Mahindra & Mahindra	897	ADD	264,281	5,654	295	30.0	56.0	59.4	(19.8)	86.4	6.1	29.9	16.0	15.1	21.2	10.9	9.7	5.0	3.5	2.9	1.1	1.1	1.1	17.4	25.9	21.1	1,000	11.5	30.4	
Maruti Suzuki	1,491	SELL	430,928	9,220	289	42.2	73.1	77.2	(29.6)	73.3	5.6	35.4	20.4	19.3	21.3	11.5	10.3	4.5	3.8	3.2	0.2	0.3	0.3	13.5	20.1	17.8	1,160	(22.2)	36.8	
Tata Motors	542	SELL	309,336	6,618	571	20.8	30.4	34.8	(58.3)	46.5	14.4	26.1	17.8	15.6	16.8	10.6	9.5	2.4	1.9	1.7	1.0	1.1	1.1	9.1	11.7	11.6	465	(14.1)	82.9	
<b>Automobiles</b>																														
<b>Cautious</b>																														
			<b>1,591,743</b>	<b>34,055</b>					<b>(24.8)</b>	<b>77.7</b>	<b>10.2</b>	<b>30.7</b>	<b>17.3</b>	<b>15.7</b>	<b>17.9</b>	<b>10.5</b>	<b>9.3</b>	<b>4.3</b>	<b>3.3</b>	<b>2.8</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>13.9</b>	<b>19.3</b>	<b>18.0</b>				
<b>Banks/Financial Institutions</b>																														
Andhra Bank	117	BUY	56,745	1,214	485	13.5	13.8	15.2		13.5	2.1	10.5	8.7	8.5	7.7	—	—	—	1.6	1.4	1.2	3.8	2.9	3.2	18.9	17.2	16.8	120	2.6	2.4
Axis Bank	966	ADD	367,144	7,855	380	50.6	61.8	71.6	56.9	22.2	15.9	19.1	15.6	13.5	—	—	—	3.6	2.3	2.0	1.0	1.3	1.5	19.1	18.0	16.9	980	1.4	62.6	
Bank of Baroda	503	ADD	184,025	3,937	366	60.9	63.9	65.6	55.1	4.9	2.6	8.3	7.9	7.7	—	—	—	1.6	1.4	1.2	1.8	1.9	1.9	21.4	19.0	16.8	520	3.3	7.1	
Bank of India	448	REDUCE	235,505	5,039	526	57.2	55.0	64.0	40.7	(3.8)	16.4	7.8	8.1	7.0	—	—	—	2.0	1.7	1.4	1.8	1.7	2.0	29.2	22.3	21.6	420	(6.2)	17.9	
Canara Bank	372	ADD	152,623	3,265	410	50.5	51.7	61.2	32.4	2.4	18.4	7.4	7.2	6.1	—	—	—	1.5	1.3	1.1	2.1	2.1	2.7	18.3	16.2	16.8	385	3.4	5.6	
Corporation Bank	453	BUY	64,977	1,390	143	62.3	58.0	61.8	21.5	(6.8)	6.5	7.3	7.8	7.3	—	—	—	1.3	1.2	1.0	2.8	2.6	2.7	19.6	16.0	15.1	500	10.4	0.9	
Federal Bank	254	BUY	43,417	929	171	27.8	34.3	39.9	(19.2)	23.6	16.1	9.1	7.4	6.4	—	—	—	1.0	0.9	0.8	2.0	2.5	2.9	11.5	12.9	13.5	340	33.9	4.4	
HDFC	2,678	ADD	761,615	16,295	284	80.2	99.6	117.1	(6.4)	24.1	17.6	33.4	26.9	22.9	—	—	—	5.8	5.3	4.6	1.1	1.3	1.5	18.2	20.0	20.8	2,575	(3.8)	54.3	
HDFC Bank	1,666	REDUCE	753,130	16,113	452	52.8	65.2	85.0	17.6	23.5	30.5	31.6	25.6	19.6	—	—	—	5.0	3.5	3.1	0.6	0.7	1.0	16.9	16.2	16.8	1,600	(4.0)	33.8	
ICI Bank	891	REDUCE	992,387	21,232	1,113	33.8	37.9	49.2	(15.4)	12.3	29.8	26.4	23.5	18.1	—	—	—	2.0	1.9	1.8	1.2	1.4	1.8	7.8	8.3	10.2	850	(4.6)	135.0	
IDFC	156	ADD	202,646	4,336	1,295	5.8	7.7	8.7	1.9	33.9	12.6	27.0	20.2	17.9	—	—	—	3.3	2.9	2.6	0.8	0.8	0.9	12.9	15.4	15.3	140	(10.5)	38.9	
India Infoline	146	ADD	45,382	971	312	5.1	7.7	8.2	(8.7)	50.5	7.3	28.5	18.9	17.6	—	—	—	3.7	3.0	2.6	1.8	2.3	2.6	11.9	17.5	17.2	145	(0.4)	19.1	
Indian Bank	178	BUY	76,521	1,637	430	28.0	31.6	34.4	24.1	13.0	8.7	6.4	5.6	5.2	—	—	—	1.4	1.2	1.0	2.8	3.1	3.3	22.9	21.7	20.0	215	20.8	3.6	
Indian Overseas Bank	128	BUY	69,489	1,487	545	24.3	21.4	29.2	10.3	(11.1)	36.4	5.2	6.0	4.4	—	—	—	1.2	1.0	0.8	4.1	2.9	3.2	22.1	15.3	18.1	165	29.4	5.1	
J&K Bank	626	ADD	30,337	649	48	84.5	94.6	105.9	13.8	(12.9)	12.0	7.4	6.6	5.9	—	—	—	1.3	1.2	1.1	2.7	3.0	3.4	16.7	16.4	16.2	650	3.9	1.2	
LIC Housing Finance	820	NR	69,654	1,490	85	62.5	68.8	80.3	37.3	10.0	16.8	13.1	11.9	10.2	—	—	—	2.9	2.4	2.0	1.7	1.8	2.2	26.2	23.9	23.4	—	—	24.2	
Mahindra & Mahindra Financial	262	ADD	25,064	536	96	22.4	26.7	28.8	7.5	19.0	8.1	11.7	9.8	9.1	—	—	—	1.8	1.5	1.4	2.1	2.5	2.8	15.4	16.4	15.8	270	3.1	0.8	
Oriental Bank of Commerce	264	REDUCE	66,142	1,415	251	36.1	35.3	37.0	51.4	(2.3)	4.8	7.3	7.5	7.1	—	—	—	1.3	1.1	1.0	2.8	2.7	2.8	13.7	11.5	11.2	250	(5.3)	5.6	
PFC	228	SELL	261,863	5,603	1,148	13.0	18.0	20.0	14.3	38.6	11.1	17.6	12.7	11.4	—	—	—	2.3	2.1	1.9	1.2	1.4	2.6	13.8	17.3	17.2	185	(18.9)	4.1	
Punjab National Bank	850	BUY	267,897	5,732	315	98.0	104.3	119.6	50.9	6.4	14.7	8.7	8.1	7.1	—	—	—	2.0	1.7	1.4	2.3	2.5	2.8	25.8	22.8	22.0	890	4.7	14.0	
Reliance Capital	895	ADD	220,190	4,711	246	39.3	29.0	28.9	(5.6)	(26.2)	(0.5)	22.7	30.8	31.0	—	—	—	3.3	3.0	2.8	0.7	0.5	0.5	15.3	10.2	9.3	875	(2.2)	106.5	
Rural Electrification Corp.	200	ADD	171,720	3,674	859	16.5	19.6	21.3	50.7	19.1	8.8	12.2	10.2	9.4	—	—	—	2.4	2.0	1.7	1.0	1.8	2.0	21.2	21.5	19.9	190	(5.0)	7.6	
Shriram Transport	387	BUY	81,771	1,749	212	30.1	32.5	36.9	56.8	7.9	13.7	12.8	11.9	10.5	—	—	—	3.7	3.2	2.6	2.2	2.5	2.9	29.6	27.0	25.8	430	11.2	3.9	
SREI	84	BUY	9,792	209	116	7.0	8.7	8.4	(24.7)	23.4	(3.6)	12.0	9.7	10.1	—	—	—	0.9	0.8	0.8	1.2	1.4	1.4	12.8	11.9	11.4	115	36.6	2.9	
State Bank of India	2,325	BUY	1,475,938	31,578	635	143.7	148.7	172.2	34.8	3.5	15.8	16.2	15.6	13.5	—	—	—	2.5	2.3	2.0	1.2	1.3	1.4	17.1	15.3	15.7	2,200	(5.4)	114.8	
Union Bank	271	BUY	137,038	2,932	505	34.2	34.0	37.3	24.5	(0.6)	9.6	7.9	8.0	7.3	—	—	—	1.9	1.6	1.4	1.8	1.8	2.0	27.2	22.1	20.3	300	10.6	5.4	
<b>Banks/Financial Institutions</b>																														
<b>Attractive</b>																														
			<b>6,823,010</b>	<b>145,978</b>					<b>26.8</b>	<b>9.2</b>	<b>16.6</b>	<b>15.7</b>	<b>14.4</b>	<b>12.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2.5</b>	<b>2.2</b>	<b>1.9</b>	<b>1.3</b>	<b>1.5</b>	<b>1.7</b>	<b>16.1</b>	<b>15.1</b>	<b>15.6</b>				
<b>Cement</b>																														
ACC	766	REDUCE	143,841	3,077	188	56.3	74.0	57.1	(12.2)	31.6	(22.8)	13.6	10.3	13.4	6.8	5.2	6.0	2.7	2.3	2.0	3.1	3.1	3.1	24.7	27.1	18.4	875	14.3	13.3	
Ambuja Cements	90	REDUCE	136,862	2,928	1,522	7.2	7.9	6.6	(5.0)	10.2	(16.8)	12.5	11.4	13.7	6.7	6.3	7.0	2.3	2.0	1.8	3.3	2.1	2.4	19.7	19.1	14.1	85	(5.5)	10.3	
Grasim Industries	2,217	REDUCE	203,235	4,348	92	238.6	252.3	266.5	(16.2)	5.8	5.6	9.3	8.8	8.3	5.5	4.5	4.2	1.8	1.5	1.3	1.5	1.5	1.5	21.1	18.4	16.8	2,560	15.5	14.5	
India Cements	118	ADD	33,369	714	282	17.8	19.4	15.2	n/a	9.1	(21.8)	6.7	6.1	7.8	4.9	3.8	4.3	0.9	0.8	0.7	1.5	1.8	2.7	14.8	14.6	10.4	155	31.2	9.0	
Shree Cement	1,494	BUY	52,031	1,113	35	174.7	209.9	195.6	93.7	20.1	(6.8)	8.5	7.1	7.6	5.8	4.1	3.7	4.3	2.6	2.0	0.7	0.7	0.7	65.7	46.0	29.4	2,000	33.9	1.2	
UltraTech Cement	777	BUY	96,772	2,070	124	78.8	94.0	73.9	(3.1)	19.2	(21.3)	9.9	8.3	10.5	5.9	4.6	5.2	2.2	1.8	1.5	0.8	1.1	1.1	31.1	28.3	18.1	925	19.0	5.2	



# VALUATION SUMMARY

## Kotak Institutional Equities Universe

Company	22-Oct-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price	Upside	ADVT-3mo	
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	(Rs)	(%)	(US\$ mn)	
<b>Energy</b>																														
Bharat Petroleum	522	BUY	171,073	3,660	328	20.6	79.8	65.0	(50.1)	287.1	(18.5)	25.3	6.5	8.0	7.2	4.8	5.1	1.3	1.1	1.0	1.5	6.8	5.5	5.3	18.9	13.8	675	29.3	10.5	
Cairn india	284	REDUCE	538,369	11,518	1,897	8.3	25.4	30.2	93	207	18.9	34	11	9.4	16.6	7.6	6.6	1.5	1.5	1.5	—	7.0	8.8	4.6	13.6	16.1	225	(20.7)	20.4	
Castrol India (a)	560	ADD	69,288	1,482	124	21.3	31.1	32.0	20.8	45.9	3.0	26.3	18.0	17.5	15.1	10.8	10.4	15.4	13.6	12.2	2.7	3.9	4.1	61.2	80.2	73.5	480	(14.3)	17.8	
GAIL (India)	380	ADD	481,578	10,303	1,268	22.2	20.9	22.9	8.7	(5.8)	9.6	17.1	18.2	16.6	9.2	10.5	10.4	3.0	2.7	2.5	1.8	2.1	2.1	17.5	14.7	14.8	355	(6.5)	17.5	
GSPCL	85	REDUCE	47,668	1,020	563	2.2	5.0	9.6	21.7	127.0	92.7	38.6	17.0	8.8	13.1	7.6	4.8	3.6	3.1	3.2	0.9	2.0	11.3	9.6	19.6	35.9	90	6.3	9.6	
Hindustan Petroleum	358	BUY	121,366	2,597	339	17.0	73.1	58.5	(49.3)	330.9	(19.9)	21.1	4.9	6.1	3.2	1.9	2.1	1.0	0.9	0.8	1.5	8.4	6.7	4.4	17.7	12.8	525	46.6	12.3	
Indian Oil Corporation	648	BUY	763,669	16,339	1,179	19.7	101.8	79.3	(67.9)	416.7	(22.1)	32.9	6.4	8.2	8.7	4.4	4.4	1.6	1.4	1.3	1.2	6.2	4.9	4.8	22.6	15.6	800	23.5	10.1	
Oil India	1,165	BUY	264,711	5,663	227	101.1	123.1	133.5	—	21.7	8.5	11.5	9.5	8.7	5.3	3.3	2.6	2.6	1.8	1.6	2.5	4.2	4.8	20.1	18.0	18.4	1,350	15.9	—	
Oil & Natural Gas Corporation	1,172	BUY	2,506,455	53,625	2,139	89.6	115.8	136.4	(3.4)	29.2	17.8	13.1	10.1	8.6	4.8	3.7	3.0	2.2	1.9	1.7	2.7	3.6	4.1	16.6	18.9	19.8	1,400	19.5	47.1	
Petronet LNG	72	REDUCE	54,000	1,155	750	6.9	7.2	8.6	—	3.6	19.6	10.4	10.0	8.4	7.5	6.7	5.8	2.4	2.0	1.7	2.4	2.8	3.1	23.9	20.6	20.6	64	(11.1)	5.7	
Reliance Industries	2,135	SELL	3,110,986	66,559	1,457	101.2	104.2	150.7	(3.6)	3.0	44.5	21.1	20.5	14.2	12.9	9.2	6.9	2.6	2.3	2.0	0.6	0.8	0.9	15.1	13.5	17.2	1,750	(18.0)	218.2	
<b>Energy</b>		<b>Cautious</b>	<b>8,129,163</b>	<b>173,923</b>					<b>(6.9)</b>	<b>54.2</b>	<b>14.4</b>	<b>17.6</b>	<b>11.4</b>	<b>10.0</b>	<b>7.9</b>	<b>5.5</b>	<b>4.8</b>	<b>2.2</b>	<b>1.9</b>	<b>1.7</b>	<b>1.5</b>	<b>3.0</b>	<b>3.3</b>	<b>12.4</b>	<b>16.8</b>	<b>17.2</b>	<b>13.8</b>	<b>17.4</b>		
<b>Industrials</b>																														
ABB	791	REDUCE	167,704	3,588	212	25.8	23.3	30.0	11.3	(9.8)	28.6	30.6	33.9	26.4	18.2	19.1	14.7	7.9	6.6	5.5	0.3	0.4	0.4	29.2	21.3	22.7	660	(16.6)	7.5	
BGR Energy Systems	487	ADD	35,089	751	72	16.0	26.0	35.3	32.2	62.3	35.8	30.4	18.7	13.8	17.2	11.1	8.8	6.2	4.9	3.8	0.6	0.9	1.2	22.3	29.4	31.2	530	8.8	3.5	
Bharat Electronics	1,520	ADD	121,568	2,601	80	103.8	115.1	125.7	1.8	10.9	9.1	14.6	13.2	12.1	7.2	6.0	5.2	3.1	2.6	2.3	1.2	1.6	1.6	20.7	21.6	20.1	1,500	(1.3)	2.8	
Bharat Heavy Electricals	2,415	ADD	1,182,215	25,293	490	63.9	93.3	115.2	9.4	46.1	23.4	37.8	25.9	21.0	20.8	14.6	11.6	9.1	7.2	5.7	0.7	0.8	1.0	26.4	31.2	30.5	2,425	0.4	47.0	
Crompton Greaves	340	ADD	124,626	2,666	367	15.3	17.7	20.3	37.3	15.3	15.0	22.2	19.2	16.7	11.8	10.3	8.8	6.8	5.2	4.1	0.6	0.7	0.7	35.9	30.8	27.6	315	(7.3)	5.4	
Larsen & Toubro	1,610	ADD	967,468	20,699	601	50.1	57.1	74.0	32.1	13.9	29.6	32.1	28.2	21.8	20.6	15.6	12.6	6.4	4.4	3.6	0.6	0.7	0.7	21.7	18.4	18.4	1,725	7.2	72.2	
Maharashtra Seamless	332	BUY	23,398	501	71	35.9	33.0	35.3	22.2	(7.9)	6.9	9.3	10.1	9.4	5.5	5.8	5.1	1.7	1.5	1.3	1.6	1.5	1.9	20.3	16.0	15.0	285	(14.1)	1.2	
Siemens	567	ADD	191,085	4,088	337	14.2	22.8	22.7	(2.2)	61.0	(0.5)	40.0	24.8	25.0	19.3	14.4	14.6	8.5	7.0	5.7	0.5	1.3	0.8	23.3	30.8	25.2	515	(9.1)	7.2	
Suzlon Energy	85	ADD	142,166	3,042	1,679	7.2	1.5	5.5	9.9	(78.6)	252.9	11.7	54.7	15.5	8.0	10.3	7.5	1.3	1.2	1.1	—	—	—	0.2	11.5	2.3	73	110	29.9	111.3
<b>Industrials</b>		<b>Attractive</b>	<b>2,955,321</b>	<b>63,229</b>					<b>13.1</b>	<b>16.2</b>	<b>27.5</b>	<b>29.8</b>	<b>25.7</b>	<b>20.1</b>	<b>16.5</b>	<b>13.6</b>	<b>11.0</b>	<b>5.8</b>	<b>4.5</b>	<b>3.8</b>	<b>0.6</b>	<b>0.8</b>	<b>0.9</b>	<b>19.5</b>	<b>17.7</b>	<b>18.9</b>	<b>16.8</b>	<b>17.2</b>		
<b>Infrastructure</b>																														
GMR Infrastructure	70	ADD	129,183	2,764	1,834	0.8	0.5	0.4	(33.5)	(38.3)	(6.8)	91.8	148.7	159.5	19.8	14.4	10.7	1.6	1.3	1.2	—	—	—	4.4	2.6	2.4	60	(3.5)	14.0	
GVK Power & Infrastructure	51	BUY	80,303	1,718	1,579	0.8	0.8	1.0	(20.6)	3.7	31.1	66.7	64.3	49.0	57.9	19.0	17.5	3.5	2.5	2.4	—	—	—	0.6	4.8	4.6	5.1	58	(1.7)	17.4
IRB Infrastructure	234	ADD	77,657	1,661	332	5.3	10.6	13.5	54.3	101.2	27.0	44.2	21.9	17.3	22.2	11.4	10.3	4.3	3.4	2.8	0.5	—	—	—	10.1	17.3	18.0	200	(14.4)	10.2
<b>Infrastructure</b>		<b>Attractive</b>	<b>287,142</b>	<b>6,143</b>					<b>22.5</b>	<b>16.0</b>	<b>18.0</b>	<b>51.0</b>	<b>44.0</b>	<b>37.0</b>	<b>24.8</b>	<b>14.4</b>	<b>11.8</b>	<b>2.3</b>	<b>1.9</b>	<b>1.7</b>	<b>0.1</b>	<b>—</b>	<b>—</b>	<b>0.2</b>	<b>4.5</b>	<b>4.2</b>	<b>4.6</b>			
<b>Media</b>																														
DeShTV	42	REDUCE	39,795	851	946	(6.6)	(3.3)	(1.5)	n/a	(49.1)	(53.9)	(6.4)	(12.6)	(27.2)	(36.7)	51.5	15.5	(6.4)	(37.6)	(15.8)	—	—	—	83.9	86.7	NA	35	(16.8)	10.7	
HT Media	125	ADD	29,316	627	235	0.8	5.0	6.6	(6.6)	489.0	32.0	147.8	25.1	19.0	33.3	12.4	9.9	3.4	3.1	2.8	0.2	0.8	1.6	2.3	13.0	15.7	125	0.2	0.6	
Jagran Prakashan	115	ADD	34,710	743	301	3.0	5.1	6.0	(6.6)	66.7	17.5	37.9	22.7	19.3	21.5	13.2	11.0	6.2	5.7	5.2	1.7	2.6	2.8	16.7	26.2	28.2	110	(4.6)	1.2	
Sun TV Network	326	REDUCE	128,588	2,751	394	9.1	11.4	13.3	90.5	25.1	17.1	35.9	28.7	24.5	19.0	16.3	13.6	7.3	6.4	5.7	0.8	1.2	1.8	22.5	24.0	24.6	245	(24.9)	2.1	
Zee Entertainment Enterprises	239	REDUCE	103,596	2,216	434	8.4	10.1	12.3	(4.8)	19.6	21.9	28.3	23.6	19.4	19.6	16.7	13.5	3.0	2.7	2.5	0.8	1.0	1.2	11.8	12.4	13.9	175	(26.7)	8.8	
Zee News	44	ADD	10,527	225	240	1.9	2.1	2.7	20.4	11.7	29.6	23.6	21.1	16.3	11.9	10.1	8.4	4.3	3.7	3.2	0.9	0.9	1.6	20.1	19.2	21.4	48	9.3	1.0	
<b>Media</b>		<b>Neutral</b>	<b>346,532</b>	<b>7,414</b>					<b>(21.0)</b>	<b>110.0</b>	<b>47.4</b>	<b>81.8</b>	<b>39.0</b>	<b>26.4</b>	<b>25.2</b>	<b>16.8</b>	<b>12.8</b>	<b>5.5</b>	<b>4.6</b>	<b>4.2</b>	<b>0.8</b>	<b>1.1</b>	<b>1.5</b>	<b>6.7</b>	<b>11.8</b>	<b>16.0</b>				
<b>Metals</b>																														
Hindalco Industries	138	BUY	241,773	5,173	1,753	2.8	3.5	11.1	(77.9)	25.5	218.4	49.8	39.7	12.5	13.2	9.7	7.5	0.9	0.8	0.8	—	—	—	10.3	5.2	6.5	135	(2.1)	38.6	
National Aluminium Co.	357	SELL	229,890	4,918	644	19.7	13.7	20.4	(22.0)	(30.6)	48.8	18.1	26.0	17.5	9.3	9.9	6.8	2.2	2.0	1.9	1.0	0.6	0.6	12.7	8.1	11.1	290	(18.7)	2.6	
Jindal Steel and Power	702	SELL	648,347	13,871	924	33.0	41.2	39.4	139.2	24.8	(4.3)	21.3	17.0	17.8	13.6	10.9	10.7	8.6	5.7	4.3	0.2	0.2	0.2	51.9	40.4	27.6	358	(48.9)	81.5	
JSW Steel	871	SELL	162,994	3,487	187	13.1	36.8	65.9	(84.7)	180.1	79.1	66.3																		

# VALUATION SUMMARY

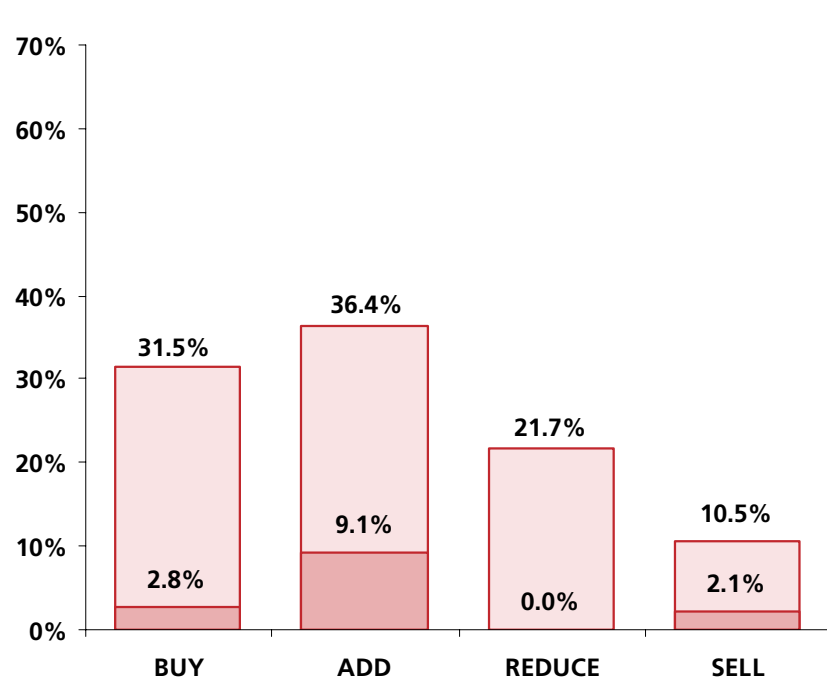
## Kotak Institutional Equities Universe

Company	22-Oct-09		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)		
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E		
<b>Retail</b>																															
Titan Industries	1,328	REDUCE	58,938	1,261	44	44.3	49.4	58.7	26.4	11.6	18.7	30.0	26.9	22.6	18.0	16.5	13.8	10.2	7.9	6.2	0.8	0.8	0.9	37.5	33.1	30.6	1,040	(21.7)	2.5		
<b>Retail</b>		<b>Neutral</b>	<b>58,938</b>	<b>1,261</b>					<b>26.4</b>	<b>11.6</b>	<b>18.7</b>	<b>30.0</b>	<b>26.9</b>	<b>22.6</b>	<b>18.0</b>	<b>16.5</b>	<b>13.8</b>	<b>10.2</b>	<b>7.9</b>	<b>6.2</b>	<b>0.8</b>	<b>0.8</b>	<b>0.9</b>	<b>34.1</b>	<b>29.3</b>	<b>27.4</b>					
<b>Sugar</b>																															
Bajaj Hindustan	220	SELL	42,012	899	191	(1.0)	23.9	17.7	(92.1)	(2,491.2)	(25.8)	(220.1)	9.2	12.4	13.7	6.6	6.3	2.0	1.6	1.4	0.3	0.3	0.3	(1.2)	19.4	12.0	150	(31.7)	28.0		
Balrampur Chini Mills	134	ADD	34,191	732	256	10.0	13.4	13.0	223.2	34.5	(2.9)	13.4	10.0	10.3	7.8	5.9	5.6	2.5	2.0	1.7	0.3	—	0.3	20.2	22.1	17.8	140	4.6	18.4		
Shree Renuka Sugars	206	BUY	68,973	1,476	335	8.1	24.2	20.4	88.3	198.6	(15.9)	25.4	8.5	10.1	13.2	4.9	5.4	4.0	2.4	1.9	0.1	0.2	0.2	20.7	34.9	20.8	235	14.1	24.7		
<b>Sugar</b>		<b>Attractive</b>	<b>145,176</b>	<b>3,106</b>					<b>3,055.5</b>	<b>217.4</b>	<b>(15.9)</b>	<b>28.6</b>	<b>9.0</b>	<b>10.7</b>	<b>11.6</b>	<b>5.7</b>	<b>5.8</b>	<b>2.8</b>	<b>2.0</b>	<b>1.7</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>9.8</b>	<b>22.2</b>	<b>15.6</b>					
<b>Technology</b>																															
HCL Technologies	327	REDUCE	227,369	4,865	695	17.5	16.7	22.8	14.5	(4.6)	36.5	18.7	19.6	14.4	10.5	9.7	8.9	3.9	3.5	2.9	3.7	3.7	3.7	20.9	19.0	22.3	275	(15.9)	12.2		
Infosys Technologies	2,213	BUY	1,270,348	27,179	574	102.4	104.5	118.0	29.6	2.0	12.9	21.6	21.2	18.8	16.1	15.0	12.7	7.0	5.6	4.7	1.1	1.1	1.5	36.7	29.4	27.3	2,500	13.0	76.0		
Mphasis BFL	649	REDUCE	135,258	2,894	208	14.2	41.5	42.2	15.7	192.6	1.8	45.8	15.6	15.4	34.8	11.4	10.2	9.4	6.2	4.6	0.6	0.7	0.8	22.8	47.7	34.2	450	(30.6)	17.7		
Mindtree	562	BUY	23,142	495	41	13.2	39.2	50.1	(50.5)	196.0	27.9	42.5	14.3	11.2	7.3	10.0	7.3	4.2	3.2	2.5	0.3	—	0.9	5.5	25.3	25.1	650	15.6	4.5		
Patni Computer Systems	444	REDUCE	57,063	1,221	129	26.8	33.8	36.7	(19.3)	26.1	8.6	16.6	13.1	12.1	8.4	6.4	6.2	2.3	1.8	1.7	0.4	1.5	1.7	16.2	14.8	14.6	320	(27.9)	12.6		
Polaris Software Lab	168	SELL	16,547	354	99	13.2	14.5	13.9	76.6	10.5	(4.6)	12.7	11.5	12.1	5.6	6.2	6.6	2.1	1.9	1.6	1.6	1.2	1.2	18.2	17.2	14.4	125	(25.4)	7.4		
TCS	626	ADD	1,224,914	26,207	1,957	26.4	32.2	36.0	3.1	21.9	11.8	23.7	19.4	17.4	16.6	14.4	12.8	7.8	6.2	5.2	1.1	1.5	2.3	36.9	35.6	32.6	650	3.9	48.7		
Wipro	577	ADD	843,647	18,050	1,462	25.7	28.1	33.1	15.8	9.1	17.7	22.4	20.5	17.5	16.5	14.5	12.2	5.6	4.6	3.8	0.7	1.4	1.7	26.9	24.5	23.8	630	9.2	17.7		
<b>Technology</b>		<b>Neutral</b>	<b>3,810,570</b>	<b>81,527</b>					<b>15.3</b>	<b>14.0</b>	<b>14.1</b>	<b>22.4</b>	<b>19.7</b>	<b>17.2</b>	<b>15.6</b>	<b>13.6</b>	<b>11.9</b>	<b>6.3</b>	<b>5.1</b>	<b>4.3</b>	<b>1.1</b>	<b>1.5</b>	<b>1.9</b>	<b>28.1</b>	<b>25.8</b>	<b>24.7</b>					
<b>Telecom</b>																															
Bharti Airtel	337	REDUCE	1,279,779	27,381	3,797	22.3	25.5	23.2	26.4	14.3	(9.2)	15.1	13.2	14.5	8.9	7.9	7.9	4.1	3.1	2.6	0.6	0.9	1.2	31.4	26.7	19.4	325	(3.6)	117.5		
IDEA	60	REDUCE	185,611	3,971	3,104	2.9	3.0	1.7	(26.5)	2.9	(43.3)	20.6	20.0	35.3	7.9	7.0	7.5	1.3	1.3	1.2	—	—	—	10.4	6.6	4.0	55	(8.0)	15.9		
MTNL	80	SELL	50,180	1,074	630	3.1	(4.8)	(3.9)	(57.1)	(256.5)	(18.1)	26.0	(16.6)	(20.2)	8.6	(10.8)	(37.1)	0.4	0.4	0.5	7.5	—	—	1.1	(2.6)	(2.2)	50	(37.2)	2.5		
Reliance Communications	233	SELL	480,194	10,274	2,064	27.7	20.1	17.0	4.7	(27.4)	(15.4)	8.4	11.6	13.7	7.6	8.1	7.3	1.2	1.1	1.0	0.3	—	—	17.0	10.1	7.8	220	(5.4)	67.7		
Tata Communications	454	REDUCE	129,518	2,771	285	13.6	14.0	15.2	24.0	3.2	8.2	33.5	32.4	30.0	14.3	13.0	12.0	1.9	1.8	1.8	1.1	1.4	1.7	5.4	5.2	5.5	400	(12.0)	4.0		
<b>Telecom</b>		<b>Cautious</b>	<b>2,125,281</b>	<b>45,470</b>					<b>11.1</b>	<b>(4.4)</b>	<b>(11.6)</b>	<b>13.2</b>	<b>13.9</b>	<b>15.7</b>	<b>8.5</b>	<b>8.1</b>	<b>7.8</b>	<b>2.0</b>	<b>1.8</b>	<b>1.6</b>	<b>0.7</b>	<b>0.6</b>	<b>0.8</b>	<b>15.4</b>	<b>12.9</b>	<b>10.3</b>					
<b>Transportation</b>																															
Container Corporation	1,130	ADD	146,864	3,142	130	60.9	65.7	82.4	5.5	7.8	25.5	18.6	17.2	13.7	13.3	12.0	9.2	3.9	3.3	2.8	1.2	1.3	1.7	22.8	21.0	22.4	1,250	10.6	1.9		
<b>Transportation</b>		<b>Cautious</b>	<b>146,864</b>	<b>3,142</b>					<b>5.5</b>	<b>7.8</b>	<b>25.5</b>	<b>18.6</b>	<b>17.2</b>	<b>13.7</b>	<b>13.3</b>	<b>12.0</b>	<b>9.2</b>	<b>3.9</b>	<b>3.3</b>	<b>2.8</b>	<b>1.2</b>	<b>1.3</b>	<b>1.7</b>	<b>21.0</b>	<b>19.5</b>	<b>20.7</b>					
<b>Utilities</b>																															
CESC	381	ADD	47,651	1,019	125	32.3	37.9	42.0	16.2	17.4	11.0	11.8	10.1	9.1	(0.5)	(0.9)	(0.9)	0.8	0.6	0.5	7.5	12.8	14.7	11.7	11.9	11.6	365	(4.3)	3.4		
Lanco Infratech	511	ADD	113,529	2,429	222	14.5	20.8	36.6	(2.5)	43.8	76.2	35.3	24.6	13.9	26.6	17.8	8.6	5.3	4.1	3.1	—	—	—	16.1	18.7	25.2	440	(13.8)	28.9		
NTPC	213	SELL	1,755,047	37,549	8,245	9.5	10.8	12.2	1.6	14.1	12.6	22.5	19.7	17.5	17.7	14.5	13.7	3.0	2.7	2.5	1.7	1.9	2.1	13.8	14.5	15.0	180	(15.4)	20.8		
Reliance Infrastructure	1,250	BUY	283,108	6,057	226	62.7	63.7	68.6	66.7	1.6	7.8	20.0	19.6	18.2	25.0	22.7	18.0	1.7	1.6	1.5	0.6	0.7	0.7	4.9	6.1	7.8	1,250	(0.0)	72.8		
Reliance Power	160	REDUCE	382,642	8,187	2,397	1.0	2.5	3.1	—	141.5	24.4	156.5	64.8	52.1	—	—	—	2.8	2.7	2.5	—	—	—	1.8	4.2	5.0	160	0.2	16.7		
Tata Power	1,428	ADD	339,151	7,256	237	50.2	74.4	84.1	57.5	48.3	13.0	28.5	19.2	17.0	12.6	12.5	11.9	3.4	2.6	2.3	0.8	0.8	1.0	12.0	15.3	14.4	1,400	(2.0)	18.0		
<b>Utilities</b>		<b>Attractive</b>	<b>2,921,127</b>	<b>62,497</b>					<b>13.9</b>	<b>22.1</b>	<b>14.9</b>	<b>22.3</b>	<b>18.3</b>	<b>15.9</b>	<b>15.9</b>	<b>13.8</b>	<b>12.4</b>	<b>2.6</b>	<b>2.3</b>	<b>2.1</b>	<b>1.4</b>	<b>1.7</b>	<b>1.9</b>	<b>11.7</b>	<b>12.6</b>	<b>13.2</b>					
<b>Others</b>																															
Havells India	337	REDUCE	20,401	436	61	4.9	12.3	19.1	(82)	NA	56.2	NA	27.5	17.6	11.1	9.1	7.9	3.2	3.7	3.1	0.7	0.7	0.7	4.5	12.4	19.3	175	(48.1)	1.9		
Jaiprakash Associates	238	REDUCE	334,552	7,158	1,406	3.0	6.0	10.9	(39)	100.0	82.4	79.4	39.7	21.8	28.7	17.9	15.1	5.1	4.0	3.4	—	—	—	7.3	11.3	17.0	220	(7.5)	97.1		
Jindal Saw	786	ADD	43,139	923	55	85.9	71.7	79.1	39	(16.6)	10.3	9.2	11.0	9.9	5.9	6.3	5.4	1.2	1.1	1.0	0.6	0.5	0.5	13.4	9.9	10.3	690	(12.3)	13.7		
PSL	164	BUY	7,160	153	44	22.2	37.6	30.1	5	69.2	(19.8)	7.4	4.4	5.5	4.6	3.7	3.2	1.1	0.9	0.8	3.0	3.9	3.9	11.9	13.4	11.3	160	(2.6)	2.6		
Sintex	249	BUY	33,960	727	136	24.0	25.0	27.9	23	4.0	11.7	10.4	10.0	8.9	8.8	7.6	6.2	1.8	1.5	1.3											

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

\* The above categories are defined as follows: Buy = We expect this stock to outperform the BSE Sensex by 10% over the next 12 months; Add = We expect this stock to outperform the BSE Sensex by 0-10% over the next 12 months; Reduce = We expect this stock to underperform the BSE Sensex by 0-10% over the next 12 months; Sell = We expect this stock to underperform the BSE Sensex by more than 10% over the next 12 months. These ratings are used illustratively to comply with applicable regulations. As of 30/9/2009 Kotak Institutional Equities Investment Research had investment ratings on 143 equity securities.

Source: Kotak Institutional Equities

As of September 30, 2009

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### Definitions of ratings

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

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

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

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

## Old rating system

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

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

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

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