

September 18, 2009

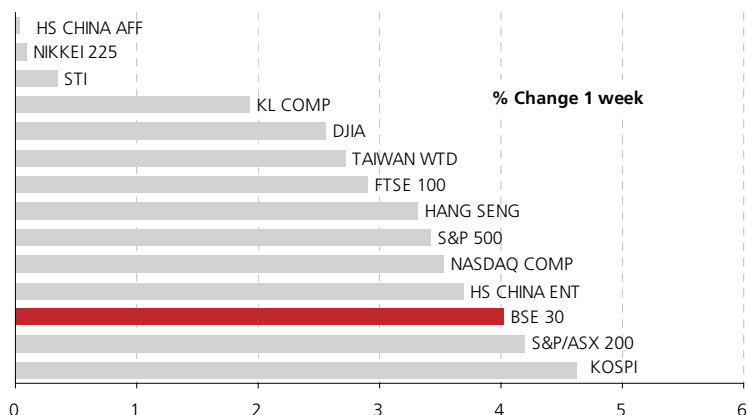
BSE-30: 16,711

**Sniffing at 17.** During the past week, the BSE-30 index gained 494 points to close at 16,711. SBI, ICICI Bank and Infosys were the largest gainers, together contributing 257 points to the index rise. WPI index increased to 0.12 for the week ended September 5, 2009, emerging from negative territory where it had languished for 13 consecutive weeks. The BSE-30 index is now trading at 17.7X FY2010E earnings and 14.5X FY2011E earnings.

### Market highlights for the week ending Thursday, September 17, 2009

- Largest gainers: Indian Overseas Bank (25%), Bank of India (18%), Patni Computer Systems (17%),
- Largest losers: Hindustan Petroleum (-8%), Bharat Petroleum (-7%), Container Corp (-5%)

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



Source: Bloomberg

### Flows in emerging markets

Date	Taiwan	Indonesia	Philippines	Thailand	India	Total
Investments in past week (US\$ mn)						
9-Sep-09	235	46	(5)	48	51	375
10-Sep-09	898	117	(7)	115	119	1,241
11-Sep-09	156	40	(11)	50	68	303
14-Sep-09	(73)	(0)	(5)	39	54	14
15-Sep-09	176	16	(6)	33	183	402
<b>Total</b>	<b>1,391</b>	<b>218</b>	<b>(35)</b>	<b>284</b>	<b>475</b>	<b>2,334</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	27,719	2,102	2,200	143.7	148.7	172.2	14.6	14.1	12.2	—	—	—
Oil & Natural Gas Corporation	Energy	BUY	51,499	1,159	1,400	89.6	115.8	136.4	12.9	10.0	8.5	4.7	3.7	3.0
Infosys Technologies	Technology	BUY	28,162	2,362	2,500	102.4	106.7	120.0	23.1	22.1	19.7	17.3	16.0	13.3
Hindustan Unilever	Consumer products	BUY	11,825	261	320	9.5	10.6	12.2	27.5	24.7	21.5	20.9	18.5	15.9
ITC	Consumer products	BUY	17,911	229	255	8.7	10.3	11.8	26.4	22.1	19.4	16.2	13.6	11.9
Reliance Infrastructure	Utilities	BUY	5,605	1,192	1,250	62.7	63.7	68.6	19.0	18.7	17.4	23.8	21.7	17.3
Hindustan Zinc	Metals	BUY	7,315	833	825	64.6	57.3	74.1	12.9	14.5	11.3	8.9	9.0	6.1
Bharti Airtel	Telecom	ADD	34,137	433	425	22.3	26.9	30.6	19.4	16.1	14.1	11.3	9.6	8.2
Larsen & Toubro	Industrials	ADD	20,158	1,646	1,725	50.1	62.1	78.4	32.8	26.5	21.0	20.6	15.2	12.5
<b>PSU bank basket</b>														
Bank of Baroda	Banking	ADD	3,666	483	520	60.9	63.9	65.6	7.9	7.6	7.4	—	—	—
Corporation Bank	Banking	BUY	1,204	404	500	62.3	58.0	61.8	6.5	7.0	6.5	—	—	—
Punjab National Bank	Banking	BUY	5,070	774	890	98.0	104.3	119.6	7.9	7.4	6.5	—	—	—
Union Bank	Banking	BUY	2,627	250	300	34.2	34.0	37.3	7.3	7.4	6.7	—	—	—
<b>BSE-30</b>				<b>16,711</b>										

Source: Company, Bloomberg, Kotak Institutional Equities estimates

# OUR MODEL PORTFOLIO

## Kotak Institutional Equities Model Portfolio

Company	17-Sep	Rating	Weightage (%)		Diff.
	Price (Rs)		BSE-30	KS reco.	(bps)
Bajaj Auto	1,414	ADD	—	1.0	100
Hero Honda	1,663	REDUCE	1.4	—	(140)
Mahindra & Mahindra	869	ADD	1.7	2.2	50
Maruti Suzuki	1,560	SELL	1.8	1.3	(50)
Tata Motors	606	SELL	1.1	—	(114)
<b>Automobiles</b>			<b>6.1</b>	<b>4.6</b>	<b>(153)</b>
Bank of Baroda	483	ADD	—	1.0	100
Corporation Bank	404	BUY	—	1.0	100
Punjab National Bank	774	BUY	—	1.0	100
State Bank of India	2,102	BUY	4.5	6.5	200
Union Bank	250	BUY	—	1.0	100
<b>PSU Banking</b>			<b>4.5</b>	<b>10.5</b>	<b>600</b>
HDFC	2,561	ADD	5.6	2.6	(300)
HDFC Bank	1,535	REDUCE	4.9	2.4	(250)
ICICI Bank	872	REDUCE	7.4	5.9	(150)
Rural Electrification Corp.	204	ADD	—	1.0	100
<b>Pvt. Banking/Financing</b>			<b>17.9</b>	<b>11.9</b>	<b>(600)</b>
ACC	829	REDUCE	0.8	—	(79)
Grasim Industries	2,769	REDUCE	1.7	1.7	—
Jaiprakash Associates	247	REDUCE	1.5	1.0	(50)
Ultratech Cement	758	BUY	—	1.0	100
<b>Cement</b>			<b>4.0</b>	<b>3.7</b>	<b>(29)</b>
Hindustan Unilever	261	BUY	2.7	4.7	200
ITC	229	BUY	5.6	7.1	150
<b>Consumers</b>			<b>8.3</b>	<b>11.8</b>	<b>350</b>
GAIL (India)	351	ADD	—	1.0	100
Oil & Natural Gas Corporation	1,159	BUY	4.3	5.8	150
Reliance Industries	2,086	SELL	11.9	5.8	(614)
<b>Energy</b>			<b>16.3</b>	<b>12.6</b>	<b>(364)</b>

Note:

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

Company	17-Sep	Rating	Weightage (%)		Diff.
	Price (Rs)		BSE-30	KS reco.	(bps)
Bharat Heavy Electricals	2,274	ADD	3.5	2.0	(150)
IVRCL	378	BUY	—	0.5	50
Larsen & Toubro	1,646	ADD	7.0	7.5	50
Nagarjuna Construction	147	NR	—	0.5	50
Punj Lloyd	271	BUY	—	1.0	100
<b>Industrials/Construction</b>			<b>10.5</b>	<b>11.5</b>	<b>100</b>
Hindalco Industries	136	BUY	1.1	1.6	50
Hindustan Zinc	833	BUY	—	2.0	200
Sterlite Industries	772	REDUCE	1.9	—	(194)
Tata Steel	521	BUY	2.6	2.1	(50)
<b>Metals</b>			<b>5.6</b>	<b>5.7</b>	<b>6</b>
Sun Pharmaceuticals	1,220	ADD	0.8	0.8	—
<b>Pharmaceuticals</b>			<b>0.8</b>	<b>0.8</b>	<b>—</b>
DLF	420	SELL	1.5	—	(148)
<b>Real estate</b>			<b>1.5</b>	<b>—</b>	<b>(148)</b>
Infosys Technologies	2,362	BUY	8.7	10.2	150
TCS	583	ADD	2.2	2.2	—
Wipro	566	ADD	1.2	2.7	150
<b>Technology</b>			<b>12.2</b>	<b>15.2</b>	<b>300</b>
Bharti Airtel	433	ADD	4.7	5.7	100
Reliance Communications	313	SELL	1.8	—	(180)
<b>Telecom</b>			<b>6.5</b>	<b>5.7</b>	<b>(80)</b>
Lanco Infratech	455	ADD	—	1.0	100
NTPC	208	SELL	2.3	—	(230)
Reliance Infrastructure	1,192	BUY	1.5	3.0	150
Tata Power	1,313	ADD	1.9	1.9	—
<b>Utilities</b>			<b>5.8</b>	<b>6.0</b>	<b>20</b>
<b>BSE-30</b>	<b>16,711</b>		<b>100.0</b>	<b>100.0</b>	<b>—</b>

Source: Company, Bloomberg, Kotak Institutional Equities estimates

# 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	28,530	6.8	(23.5)	60.9	6.6	31.7	19.7	18.5	18.8	11.6	10.6	4.3	3.6	0.8	0.9	13.6	18.1
Banking	77,440	43.9	16.7	12.3	17.7	21.4	19.1	16.2	—	—	—	2.7	2.4	1.2	1.3	12.8	12.8
Cement	8,509	25.7	(15.0)	14.0	(5.0)	12.6	11.1	11.6	6.8	5.5	5.6	2.4	2.1	1.8	1.8	19.3	18.6
Consumers	29,737	15.5	8.6	16.2	14.5	26.8	23.1	20.2	17.8	14.4	12.5	8.6	7.5	2.3	2.5	32.0	32.6
Diversified	7,213	20.7	(30.8)	123.8	70.2	82.4	36.8	21.6	23.7	15.0	13.6	6.3	5.3	—	—	7.6	14.3
Energy	110,999	13.9	0.9	20.3	28.9	15.3	12.7	9.9	7.3	5.5	4.3	2.3	2.0	1.6	2.1	14.9	16.0
Industrials	43,280	21.3	19.4	35.8	24.9	34.4	25.3	20.3	20.0	14.4	11.7	7.4	5.7	0.7	0.8	21.6	22.3
Metals	28,043	11.3	0.3	(49.7)	78.9	10.4	20.6	11.5	7.2	8.5	6.5	1.5	1.3	0.9	0.5	14.3	6.2
Pharmaceuticals	5,251	89.6	22.2	(45.8)	34.9	13.9	25.6	19.0	10.5	17.6	12.5	3.7	3.4	1.1	1.1	26.8	13.1
Property	14,823	304.9	(36.6)	(49.9)	19.2	14.3	28.6	24.0	13.4	18.6	16.2	2.9	2.7	0.7	0.7	20.3	9.4
Technology	69,060	19.1	15.9	10.2	14.1	22.4	20.4	17.8	16.3	13.7	11.4	6.8	5.5	1.0	1.3	30.3	26.9
Telecom	47,492	74.9	15.3	3.0	12.1	15.6	15.2	13.5	9.7	8.5	7.4	3.2	2.6	0.4	0.5	20.3	17.4
Utilities	47,786	9.9	11.5	17.1	12.1	22.2	19.0	16.9	13.3	12.1	11.8	2.7	2.4	1.5	1.7	12.1	12.7
<b>BSE-30 Index</b>	<b>518,161</b>	<b>28.2</b>	<b>3.7</b>	<b>7.5</b>	<b>22.0</b>	<b>19.0</b>	<b>17.7</b>	<b>14.5</b>	<b>10.8</b>	<b>9.2</b>	<b>7.7</b>	<b>3.1</b>	<b>2.7</b>	<b>1.2</b>	<b>1.4</b>	<b>16.4</b>	<b>15.3</b>
<b>BSE-30 ex-Energy</b>	<b>407,163</b>	<b>34.5</b>	<b>4.7</b>	<b>2.8</b>	<b>19.1</b>	<b>20.3</b>	<b>19.8</b>	<b>16.6</b>	<b>12.6</b>	<b>11.3</b>	<b>9.8</b>	<b>3.5</b>	<b>3.0</b>	<b>1.1</b>	<b>1.2</b>	<b>17.1</b>	<b>15.1</b>
<b>BSE-30 ex-Energy, Com.</b>	<b>370,611</b>	<b>40.0</b>	<b>6.5</b>	<b>10.9</b>	<b>15.7</b>	<b>22.3</b>	<b>20.1</b>	<b>17.4</b>	<b>14.5</b>	<b>12.3</b>	<b>10.8</b>	<b>3.9</b>	<b>3.4</b>	<b>1.0</b>	<b>1.2</b>	<b>17.6</b>	<b>16.7</b>
<b>BSE-30 ex-Technology</b>	<b>449,102</b>	<b>29.3</b>	<b>2.3</b>	<b>7.1</b>	<b>23.0</b>	<b>18.6</b>	<b>17.3</b>	<b>14.1</b>	<b>10.2</b>	<b>8.7</b>	<b>7.4</b>	<b>2.9</b>	<b>2.5</b>	<b>1.2</b>	<b>1.4</b>	<b>15.5</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	28,530	6.8	(23.5)	60.9	6.6	31.7	19.7	18.5	18.8	11.6	10.6	4.3	3.6	0.8	0.9	13.6	18.1
Banking	93,972	44.3	22.2	10.5	16.9	19.4	17.6	15.0	—	—	—	2.7	2.4	1.2	1.3	14.0	13.7
Consumers	29,737	15.5	8.6	16.2	14.5	26.8	23.1	20.2	17.8	14.4	12.5	8.6	7.5	2.3	2.5	32.0	32.6
Cement	11,665	14.7	(12.7)	13.1	(7.9)	12.9	11.4	12.4	7.0	5.8	6.0	2.5	2.1	2.1	1.8	19.0	18.3
Energy	134,469	12.2	3.5	30.3	24.4	16.1	12.4	9.9	7.7	5.8	4.7	2.2	2.0	1.5	2.6	13.4	15.8
Industrials	54,134	24.9	14.4	23.0	25.1	31.6	25.7	20.5	18.2	14.3	11.8	6.2	4.8	0.6	0.7	19.7	18.8
Metals	34,774	7.7	9.1	(35.2)	48.3	9.7	14.9	10.0	6.7	7.3	5.7	1.5	1.3	1.0	0.6	15.9	8.7
Property	20,289	193.8	(34.7)	(44.0)	16.5	15.7	28.0	24.0	13.8	18.2	16.1	3.3	2.7	0.5	0.5	21.2	9.5
Pharmaceuticals	12,551	55.8	(26.2)	(2.8)	28.2	26.8	27.6	21.5	19.2	17.5	14.2	3.9	3.6	0.7	1.1	14.7	13.1
Telecom	55,284	(70.2)	13.4	3.8	12.2	16.7	16.1	14.4	9.8	8.6	7.5	2.9	2.5	0.4	0.5	17.2	15.2
Technology	74,007	15.2	16.4	9.1	15.3	22.1	20.3	17.6	16.0	13.7	11.3	6.5	5.3	1.2	1.5	29.5	26.1
Utilities	55,946	10.9	13.1	20.0	12.7	25.4	21.2	18.8	15.2	14.3	14.1	2.7	2.5	1.3	1.4	10.6	11.6
<b>NIFTY</b>	<b>605,357</b>	<b>26.0</b>	<b>5.3</b>	<b>10.3</b>	<b>19.8</b>	<b>18.9</b>	<b>17.1</b>	<b>14.3</b>	<b>11.0</b>	<b>9.6</b>	<b>8.2</b>	<b>3.0</b>	<b>2.6</b>	<b>1.2</b>	<b>1.5</b>	<b>15.7</b>	<b>15.1</b>
<b>NIFTY ex-Energy</b>	<b>470,888</b>	<b>31.9</b>	<b>6.0</b>	<b>3.2</b>	<b>17.7</b>	<b>19.9</b>	<b>19.3</b>	<b>16.4</b>	<b>12.8</b>	<b>12.0</b>	<b>10.5</b>	<b>3.3</b>	<b>2.9</b>	<b>1.0</b>	<b>1.2</b>	<b>16.8</b>	<b>14.8</b>
<b>NIFTY ex-Energy ex Com</b>	<b>436,114</b>	<b>37.2</b>	<b>5.4</b>	<b>10.1</b>	<b>14.5</b>	<b>21.7</b>	<b>19.7</b>	<b>17.2</b>	<b>14.6</b>	<b>13.1</b>	<b>11.7</b>	<b>3.7</b>	<b>3.2</b>	<b>1.1</b>	<b>1.2</b>	<b>16.9</b>	<b>16.0</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	(9.4)	(10.3)	26.3	12.2	13.6	10.8	NA	0.5
China	VB/E/S CHINA	(19.3)	24.9	25.0	28.3	19.6	15.7	1.1	0.8
Hong Kong	VB/E/S HONG KONG	(40.8)	9.1	14.9	19.2	15.8	13.8	2.1	1.1
India	MSCI INDIA	(14.7)	14.2	21.4	21.3	18.3	15.1	1.5	0.9
Korea	MSCI KOREA	(38.6)	40.3	33.8	20.4	14.5	10.9	0.5	0.4
Malaysia	MSCI MALAYSIA	(13.4)	(17.1)	15.3	14.2	17.1	14.8	NA	1.1
Mexico	MSCI MEXICO	8.4	(27.1)	19.3	11.7	16.1	13.5	NA	0.8
Russia	MSCI RUSSIA	3.1	(42.8)	28.3	5.2	9.1	7.1	NA	0.3
Taiwan	MSCI TAIWAN	(69.1)	17.8	81.1	36.8	31.3	17.4	NA	0.4
Thailand	MSCI THAILAND	13.9	16.5	16.7	14.0	12.0	10.3	0.8	0.7
<b>Asia - Emerging markets</b>	<b>MSCI EM ASIA</b>	<b>(32.3)</b>	<b>17.3</b>	<b>29.6</b>	<b>20.2</b>	<b>17.1</b>	<b>13.2</b>	<b>1.2</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

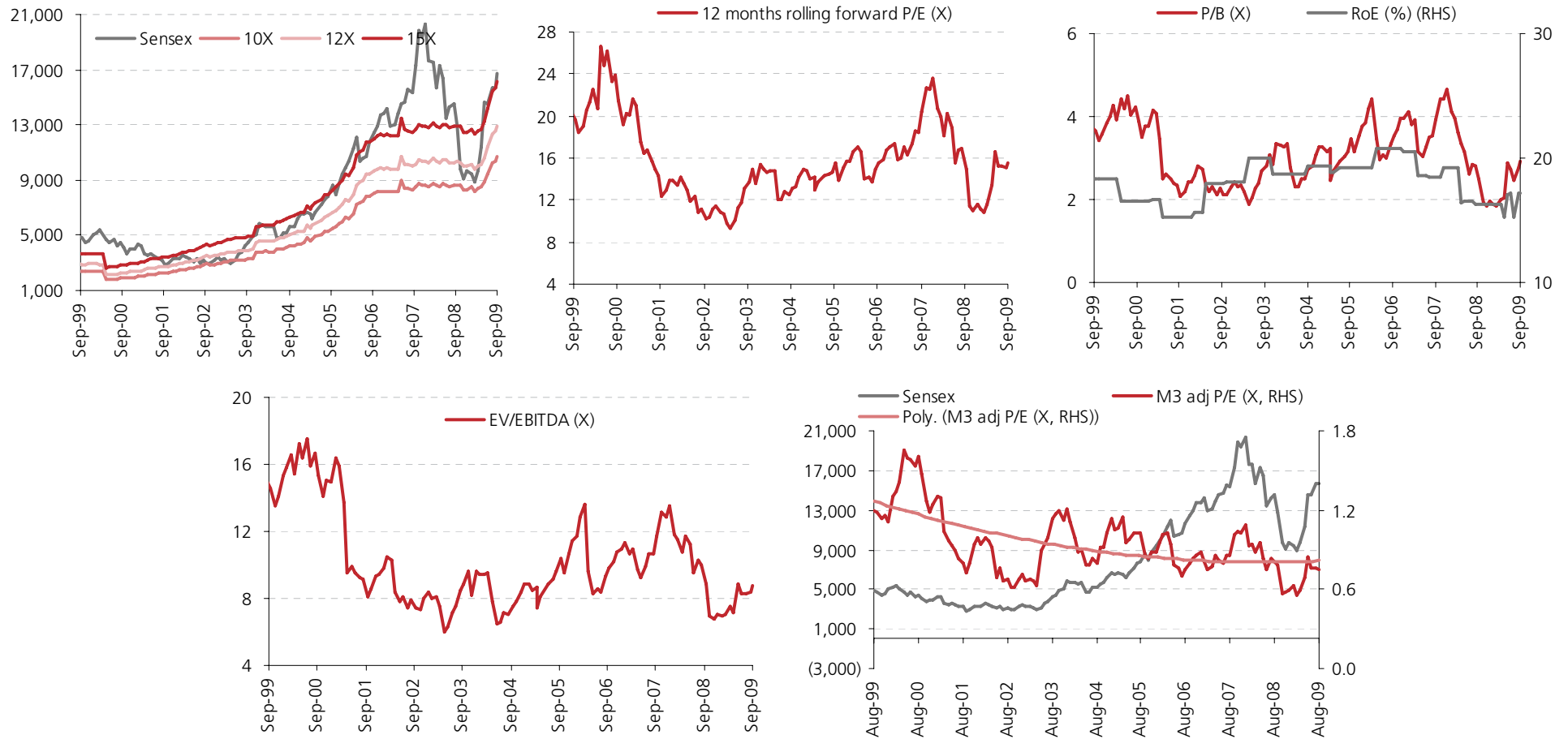
Source: Thomson Datastream



# 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, September 1999- current



Source: Bloomberg, RBI, Kotak Institutional Equities

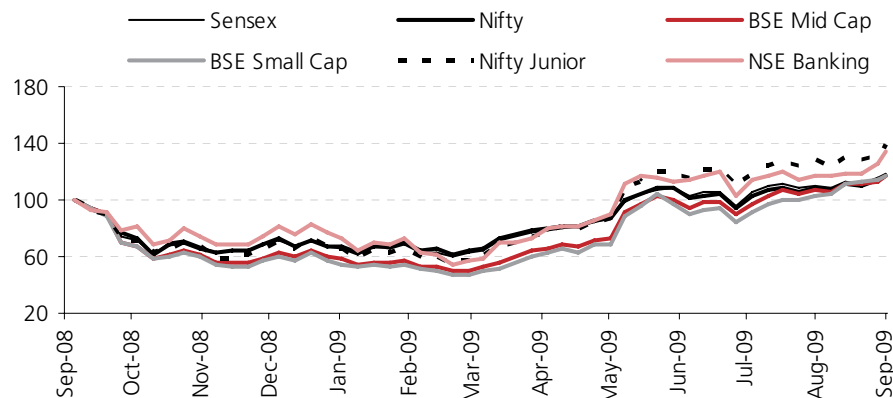
## MARKET PERFORMANCE

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

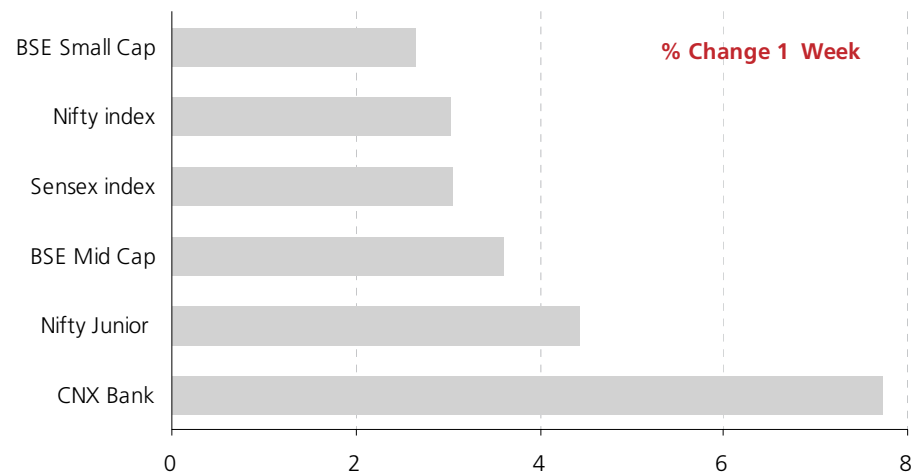
# RELATIVE PERFORMANCE OF INDIAN MARKETS

## Key performance of benchmark indices

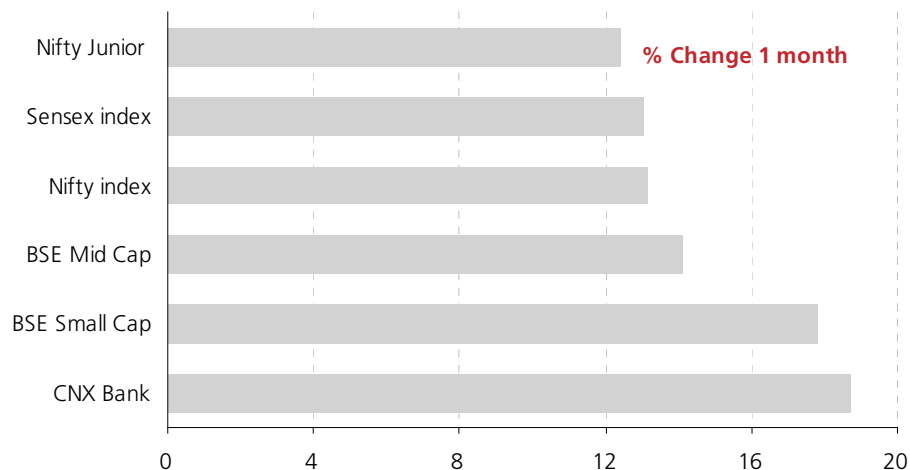
(base 100 as of September, 2008)



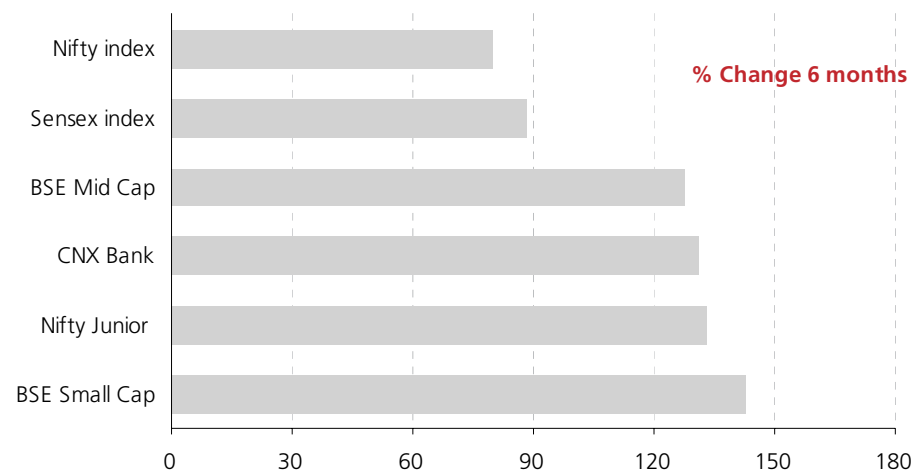
## Weekly performance of the benchmark indices



## 1-month performance of the benchmark indices



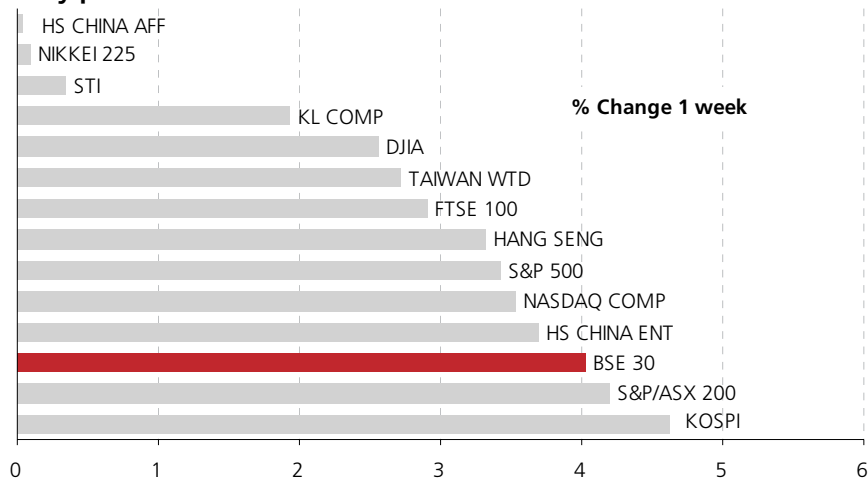
## 6-month performance of the benchmark indices



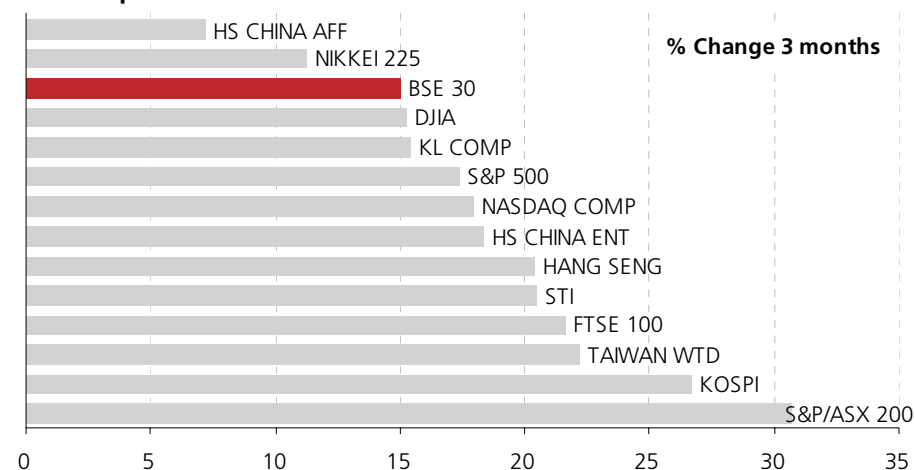
Source: Bloomberg, Kotak Institutional Equities

# BSE-SENSEX VERSUS REGIONAL INDICES

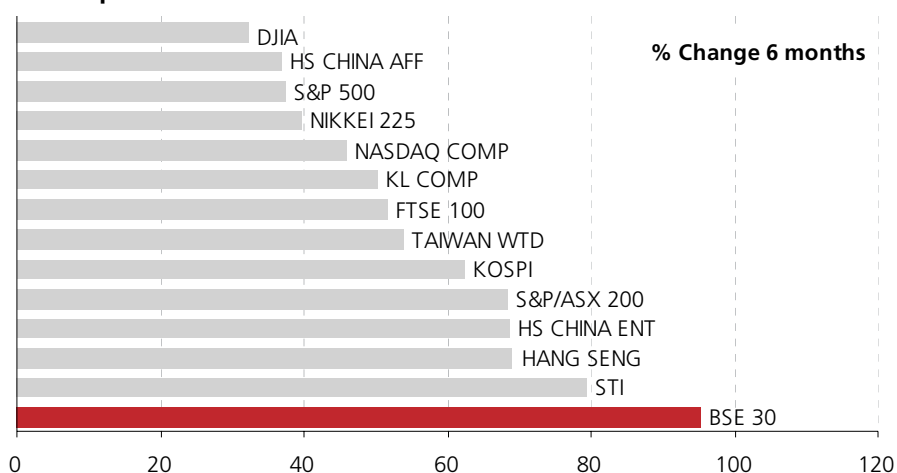
## Weekly performance



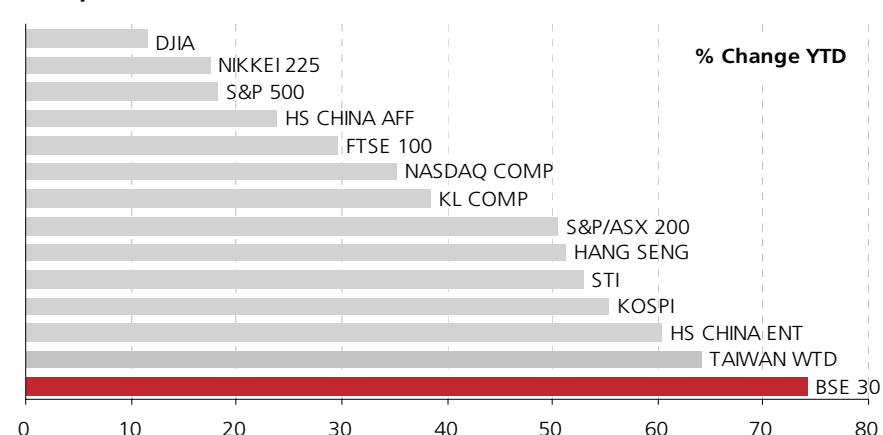
## 3-month performance



## 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, September 17, 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	28,530	0.9	22.3	124.8	79.2	0.6	10.1	20.8	42.8
Banking	77,440	0.9	16.0	113.2	33.3	0.7	4.3	14.5	6.2
Consumers	29,737	0.0	1.5	25.0	16.9	(0.2)	(8.7)	(32.9)	(6.8)
Cement	8,509	3.3	6.1	72.2	43.1	3.1	(4.6)	(7.5)	14.1
Diversified	7,213	3.4	16.5	212.8	95.3	3.2	4.8	68.0	55.7
Energy	114,032	(2.1)	3.0	58.2	11.1	(2.3)	(7.3)	(15.0)	(11.4)
Industrials	43,280	0.3	5.7	91.3	35.1	0.1	(4.9)	2.7	7.6
Metals	28,043	0.1	21.9	176.1	36.8	(0.1)	9.7	48.3	9.0
Pharmaceuticals	5,251	(0.8)	3.5	22.4	(12.7)	(1.0)	(6.9)	(34.3)	(30.5)
Property	14,823	0.3	11.6	143.8	6.1	0.1	0.4	31.0	(15.5)
Telecom	47,542	2.6	10.0	62.0	5.0	2.4	(1.0)	(13.0)	(16.4)
Technology	69,060	2.0	16.2	112.4	53.8	1.8	4.6	14.1	22.5
Utilities	47,786	(0.5)	2.3	34.6	24.2	(0.7)	(8.0)	(27.7)	(1.0)
<b>Sensex sum</b>	<b>521,244</b>	<b>0.2</b>	<b>11.1</b>	<b>86.2</b>	<b>25.5</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 Indian Overseas Bank	25.0	1 Hindustan Petroleum	(7.7)
2 Bank of India	17.5	2 Bharat Petroleum	(6.8)
3 Patni Computer Systems	16.9	3 Container Corporation	(4.6)
4 Hindalco Industries	16.7	4 Jubilant organosys	(4.4)
5 Bajaj Auto	14.4	5 United Phosphorus	(3.3)
6 Indian Bank	13.2	6 Torrent Pharma	(3.0)
7 HT Media	12.5	7 Jagran Prakashan	(2.9)
8 Sesa Goa	12.5	8 IDEA	(2.9)
9 State Bank of India	11.7	9 Reliance Industries	(2.9)
10 IVR Prime Urban Developers	11.4	10 Dishman Pharma & chemicals	(2.5)

### CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Jindal Steel and Power	312.8	1 Divi's Laboratories	(18.9)
2 Mphasis BFL	295.3	2 Mahindra & Mahindra Financial	(10.9)
3 Tata Motors	278.9	3 Tata communications	(3.3)
4 Hexaware Technologies	278.4		
5 Tech Mahindra	267.9		
6 Bajaj Auto	261.5		
7 Patni Computer Systems	254.9		
8 JSW Steel	248.8		
9 Polaris Software Lab	246.0		

### 1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Phoenix Mills	45.0	1 Container Corporation	(6.2)
2 Aban Offshore	43.0	2 Bharat Electronics	(5.5)
3 Oriental Bank of Commerce	41.9	3 IDEA	(2.1)
4 Indian Overseas Bank	41.2	4 Castrol India (a)	(2.1)
5 Tata Motors	37.7	5 Oil & Natural Gas Corporation	(2.0)
6 Jindal Saw	35.9		
7 Puravankara Projects	34.7		
8 HCL Technologies	33.1		
9 Radico Khaitan	31.9		
10 Mindtree	29.3		

### 1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Mphasis BFL	187.9	1 PSL	(35.3)
2 Shree Cement	187.6	2 Dishman Pharma & chemicals	(33.3)
3 Jindal Steel and Power	170.9	3 Aban Offshore	(32.8)
4 Rural Electrification Corp.	160.4	4 IVR Prime Urban Developers	(30.9)
5 Sesa Goa	159.8	5 United Spirits	(30.7)
6 Maharashtra Seamless	159.1	6 Puravankara Projects	(28.0)
7 Suzlon Energy	156.7	7 Jubilant organosys	(22.0)
8 Siemens	151.8	8 Divi's Laboratories	(21.1)
9 Patni Computer Systems	140.7	9 Reliance Capital	(19.0)
10 Hexaware Technologies	139.8	10 Sun Pharmaceuticals	(12.7)

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)
Shriram Transport	1,368,115	216	14.8
Havells India	738,232	211	11.1
Andhra Bank	2,047,970	183	13.0
Bank of India	6,315,435	180	28.0
Jindal Saw	2,303,568	176	35.9
Sadbhav Engineering	27,279	176	23.8

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

Company	5-day average		Price Change (%)
	volumes	% decrease	(1 month basis)
J&K Bank	24,850	(85)	19.4
GlaxoSmithKline Consumer (a)	3,862	(80)	10.1
Puravankara Projects	416,723	(77)	34.7
Asian Paints	16,857	(65)	1.1
Mahindra & Mahindra Financial	31,075	(64)	2.5
Ambuja Cements	1,964,372	(57)	(0.1)

Date	Sensex	Avg daily value traded	Institutional participation in total turnover	
		(US\$ mn)	FII%	MF%
Aug-08	14,565	4,107	14.3	3.3
Sep-08	12,860	4,344	19.6	3.7
Oct-08	9,788	3,632	19.3	4.0
Nov-08	9,093	3,247	12.8	3.7
Dec-08	9,647	3,458	9.9	3.3
Jan-09	9,424	3,233	11.8	4.1
Feb-09	8,692	2,653	11.4	3.3
Mar-09	9,709	3,374	11.8	4.1
Apr-09	11,403	4,624	10.5	3.4
May-09	14,625	5,235	13.3	3.5
Jun-09	14,494	6,380	9.8	3.4
Jul-09	15,670	5,049	11.5	3.8
Aug-09	15,667	4,759	10.3	3.5
Sep-09	16,711	4,891	9.4	3.1

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 Bharat Petroleum	108.9
2 Hindustan Petroleum	76.6
3 Indian Oil Corporation	59.6
4 Tata Motors	22.5
5 Oriental Bank of Commerce	21.3
6 Oil & Natural Gas Corporation	20.9
7 Indian Bank	14.6
8 State Bank of India	14.5
9 Canara Bank	12.4
10 ICICI Bank	10.5

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

Company	% Change
1 Indian Oil Corporation	82.4
2 Bharat Petroleum	55.6
3 Hindustan Petroleum	51.7
4 DishTV	22.7
5 Tata Motors	21.1
6 Oil & Natural Gas Corporation	19.1
7 Oriental Bank of Commerce	17.3
8 State Bank of India	15.5
9 Indian Overseas Bank	15.0
10 Canara Bank	14.3

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

Company	% Change
1 Cairn India	(5.9)
2 GAIL (India)	(1.4)
3 Tata Power	(0.3)

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

Company	% Change
1 Cairn India	(17.4)
2 Bharat Heavy Electricals	(0.9)
3 Sun TV Network	(0.3)

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	Indian Oil Corporation	45.5	800	550
2	Bharat Petroleum	42.1	675	475
3	Hindustan Petroleum	40.0	525	375
4	Oriental Bank of Commerce	31.6	250	190
5	Mindtree	30.0	650	500
6	Wipro	21.2	630	520
7	Corporation Bank	19.0	500	420
8	Canara Bank	18.5	385	325
9	J&K Bank	18.2	650	550
10	Indian Overseas Bank	17.9	165	140
11	TCS	17.6	600	510
12	State Bank of India	17.6	2,200	1,870
13	Oil & Natural Gas Corporation	16.7	1,400	1,200
14	Indian Bank	16.2	215	185
15	Bharat Heavy Electricals	15.5	2,425	2,100
16	Andhra Bank	14.3	120	105
17	Bank of India	13.5	420	370
18	ICICI Bank	13.1	775	685
19	Larsen & Toubro	13.1	1,725	1,525
20	Tata Power	12.0	1,400	1,250

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
Castrol India (a)	Downgraded	ADD	BUY
IRB Infrastructure	Downgraded	ADD	BUY
J&K Bank	Downgraded	ADD	BUY
Rural Electrification Corp.	Downgraded	ADD	BUY

Company name		Rating	
		Current	Previous
Bharat Electronics	Upgraded	ADD	REDUCE
Bharat Heavy Electricals	Upgraded	ADD	REDUCE
Bharat Petroleum	Upgraded	BUY	SELL
Hindustan Petroleum	Upgraded	BUY	REDUCE
Indian Oil Corporation	Upgraded	BUY	REDUCE

Source: Kotak Institutional Equities estimates

## FLOWS

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

# TREND IN EQUITY FLOWS

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

	FII	MF
CY1999	1,537	0
CY2000	1,462	(150)
CY2001	2,807	(1,110)
CY2002	751	(685)
CY2003	6,658	118
CY2004	8,382	(217)
CY2005	10,776	2,873
CY2006	8,632	3,585
CY2007	17,335	1,389
CY2008	(13,336)	3,312
<b>CY2009</b>	<b>8,949</b>	<b>854</b>
Jan	(1,054)	(173)
Feb	(667)	(253)
Mar	101	297
Apr	1,641	8
May	4,253	477
June	695	175
July	2,400	381
Aug	827	119
Sep	753	(178)

## 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	3,965	698
<b>CY2009</b>	<b>(48)</b>	<b>(540)</b>
Jan	(220)	473
Feb	(551)	143
Mar	814	(167)
Apr	326	(162)
May	(640)	(1,000)
June	(573)	(541)
July	130	196
August	100	322
September	566	197

Source: Bloomberg, Kotak Institutional Equities

# FII FLOWS IN OTHER EMERGING MARKETS

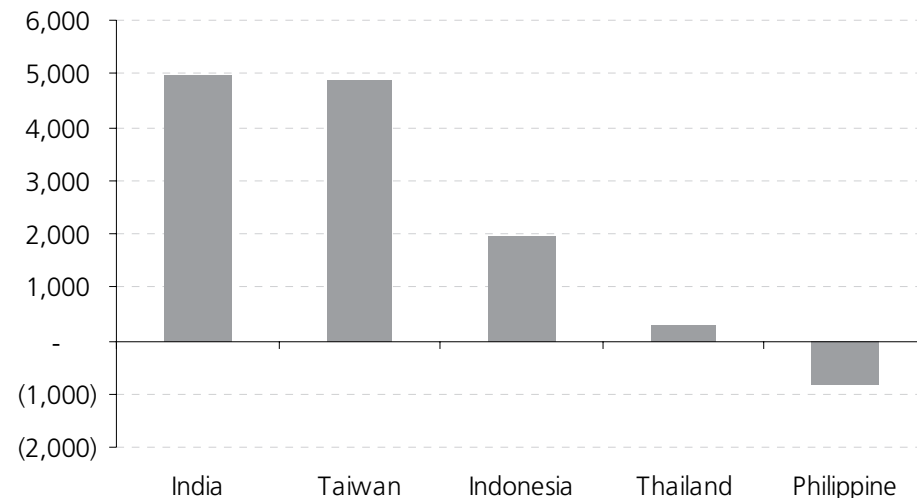
## FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
19-Aug-09	(52.6)	(6.1)	(7.5)	(18.4)	(178.9)
20-Aug-09	19.4	(10.4)	6.9	11.1	(61.9)
21-Aug-09	(182.6)	14.4	-	20.0	112.1
24-Aug-09	210.4	10.1	13.7	4.6	175.0
25-Aug-09	(17.0)	61.5	10.7	3.3	(11.0)
26-Aug-09	161.1	7.2	(9.1)	9.7	212.2
27-Aug-09	45.8	(65.5)	(9.3)	2.1	274.2
28-Aug-09	402.5	(7.3)	(0.7)	0.1	223.6
31-Aug-09	36.5	0.5	-	(6.6)	(17.6)
1-Sep-09	374.1	(22.9)	(1.0)	(18.7)	(62.1)
2-Sep-09	74.8	(47.4)	(8.7)	(13.7)	(117.0)
3-Sep-09	192.0	(10.7)	(10.9)	4.1	12.1
4-Sep-09	55.2	(3.1)	(0.5)	1.6	(11.6)
7-Sep-09	168.4	18.1	-	33.1	215.4
8-Sep-09	596.8	26.8	(6.7)	122.5	241.4
9-Sep-09	234.6	45.9	(4.8)	48.0	51.0
10-Sep-09	898.0	116.8	(7.4)	114.6	118.9
11-Sep-09	156.0	40.1	(11.3)	50.1	68.2
14-Sep-09	(73.3)	(0.1)	(5.4)	38.7	53.8
15-Sep-09	175.8	15.5	(5.8)	32.9	183.2
<b>Total</b>	<b>3,476</b>	<b>183</b>	<b>(58)</b>	<b>439</b>	<b>1,481</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
NHPC Ltd	1,677	36	60,385	01-Sep-09	37	36	2	(1)
Adani Power Limited	302	100	30,165	03-Aug-09	100	101	0	1
Austral Coke & Projects Ltd	7	196	1,423	04-Sep-08	226	208	15	6
Resurgere Mines & Minerals	4	272	1,210	01-Sep-08	534	400	96	47
Nu Tek India Ltd	5	192	864	27-Aug-08	199	199	4	4
Rishabhdev Technocable Ltd	9	33	297	29-Jul-09	27	17	(18)	(48)
Mahindra Holidays & Resorts	9	300	2,780	15-Jul-09	317	333	6	11
EdservSoftsystems	4	60	238	02-Mar-09	138	120	130	99
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	11	26	(64)
Tulsi Extrusions Ltd	6	85	485	25-Feb-08	140	28	64	(68)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	43	2	(68)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	155	(14)	29
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	26	17	(42)
Reliance Power Ltd	260	203	52,676	11-Feb-08	373	164	84	(19)
Future Capital Holding	6	765	4,913	31-Jan-08	908	278	19	(64)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	61	(8)	(59)
Porwal Auto Components	5	75	375	14-Jan-08	80	12	6	(84)
Aries Agro Limited	5	130	585	11-Jan-08	252	56	94	(57)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	59	5	(63)
BGR	9	480	4,385	03-Jan-08	901	452	88	(6)
Burnpur Cement	22	12	263	03-Jan-08	46	13	286	10
Transformes & rectifiers	3	138	1,393	28-Dec-07	728	370	57	(20)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	119	(3)	(69)
Eclerx Services	3	315	1,010	31-Dec-07	448	345	42	10
Jyothy Lab	4	138	611	19-Dec-07	793	131	475	(5)
Kaushalya Infra	9	60	510	14-Dec-07	82	23	37	(62)
Empee Distilleries	5	400	1,920	26-Nov-07	318	150	(21)	(63)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	535	119	22
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	444	83	(46)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	52	10	(65)
Kolte Patil	19	145	2,755	13-Dec-07	181	51	25	(65)
Maytas Infra	9	370	3,275	25-Oct-07	614	136	66	(63)
Consolidated Construction	4	510	1,887	15-Oct-07	791	333	55	(35)
Religare Enterprises	76	185	1,402	21-Nov-07	521	382	182	107
Supreme Infrastructure	35	108	375	18-Oct-07	175	115	62	6
Dhanus Technologies	38	295	1,131	17-Oct-07	311	41	5	(86)
Koutons Retail	35	415	1,462	12-Oct-07	590	338	42	(19)
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	108	92	108
Magnum Ventures	176	30	529	20-Sep-07	49	12	62	(61)
Indowind Energy	125	65	813	14-Sep-07	115	43	76	(34)
Motilal Oswal Financial	30	165	492	11-Sep-07	977	169	492	2
Puravankara Projects	215	400	8,587	30-Aug-07	362	118	(10)	(71)

Source: Bloomberg, Kotak Institutional Equities

## Forthcoming IPO/Follow on offerings

Company Name	Issue
Jsw Energy	IPO
Indiabulls Power	IPO
Db Corp	IPO
Godrej Properties	IPO
Cox & Kings (India)	IPO
Den Networks	IPO
Great Eastern Energy Corp.	IPO
C.Mahendra Exports	IPO
Bs Transcomm	IPO
Amr Constructions	IPO
Pradip Overseas	IPO
Mbl Infrastructures	IPO
Radiant Info Systems	IPO
Mayajaal Entertainment	IPO
Arss Infrastructure Projects	IPO
Aravali Infrapower	IPO
Vipul Impex & Infrabuild	IPO
Chiripal Industries	IPO
Infinite Computer Solutions (India)	IPO
Kabirdass Motor Co.	IPO
Syncom Healthcare	IPO
Texmo Pipes & Products	IPO
Trinity India	IPO
Astec Lifesciences	IPO
Usher Eco Power	IPO
Sea Tv Network	IPO
Gini & Jony	IPO
Midvalley Entertainment	IPO
Neoteric Informatique	IPO
Thangamayil Jewellery	IPO
Birla Shloka Edutech	FPO
Sai Silks (Kalamandir)	IPO

Source: Primedatabase

# BULK DEALS

## Major bulk deals

Date	Compnay	Action	Quantity	Price	Value (Rs mn)	Exchange
11-Sep	Shriram Trans Fin Co. Ltd	BUY	2,121,985	375	796	NSE
11-Sep	Shriram Trans Fin Co. Ltd	BUY	1,639,461	375	615	NSE
10-Sep	Jindal Saw Limited	BUY	600,000	674	404	NSE
10-Sep	Federal Bank	SELL	1346520	229.03	308	BSE
10-Sep	Federal Bank	BUY	860000	229.00	197	BSE
9-Sep	Bilcare Lt	BUY	497590	389.00	194	BSE
14-Sep	Tube Invest	SELL	2648913	70.80	188	BSE
14-Sep	Sundaram Finance Ltd.	SELL	568,212	305	173	NSE
14-Sep	Sundaram Finance Ltd.	BUY	568,000	305	173	NSE
15-Sep	Pennar Ind L*	SELL	6529318	24.01	157	BSE
11-Sep	S. Kumars Nationwide Ltd	SELL	1,500,000	49	74	NSE
15-Sep	Shasun Chemi	SELL	1320029	27.85	37	BSE
15-Sep	Shasun Chemi	BUY	1320029	27.85	37	BSE
9-Sep	Tempt.Foods	SELL	189889	44.97	9	BSE
10-Sep	Raj Television Network Li	SELL	81,000	72	6	NSE
15-Sep	Amrit Banas	SELL	50000	45.00	2	BSE
9-Sep	Intellvis So	SELL	84923	20.00	2	BSE

Source: BSE, NSE



# DELIVERY POSITIONS

## Top increase/(decrease) in delivery percentage

### Increase in delivery % (KIE universe)

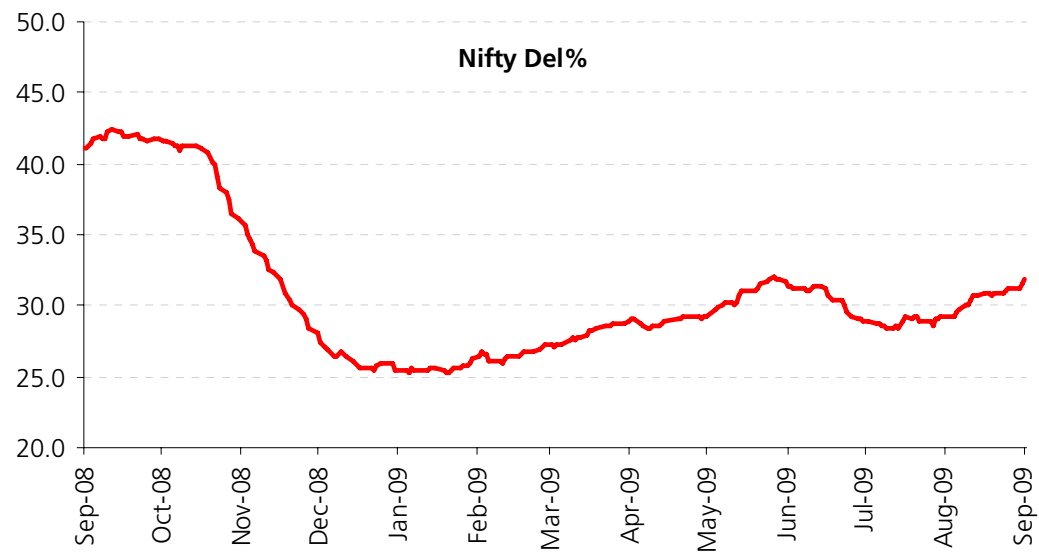
Name	Delivery %	
	Previous week	Current week
Nestle India Limited	62	99
Zee Entertainment Enterprise	41	74
Asian Paints Ltd	55	85
Phoenix Mills Limited	37	65
Dishman Pharmaceuticals & Ch	44	71
Castrol (India) Limited	64	87
Hindustan Petroleum Corp	42	63
Sun Tv Network Limited	38	60
Bank Of India	36	57

### Decrease in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Cesc Limited	73	22
Shriram Transport Finance	82	40
Biocon Ltd	73	37
Psl Ltd	53	21
Mindtree Limited	45	17
Ht Media Ltd	53	27
Maharashtra Seamless Ltd	62	37
Bharti Airtel Limited	83	59
Piramal Healthcare Limited	83	58

Source: Bloomberg, Kotak Institutional Equities

**Nifty delivery percentage**

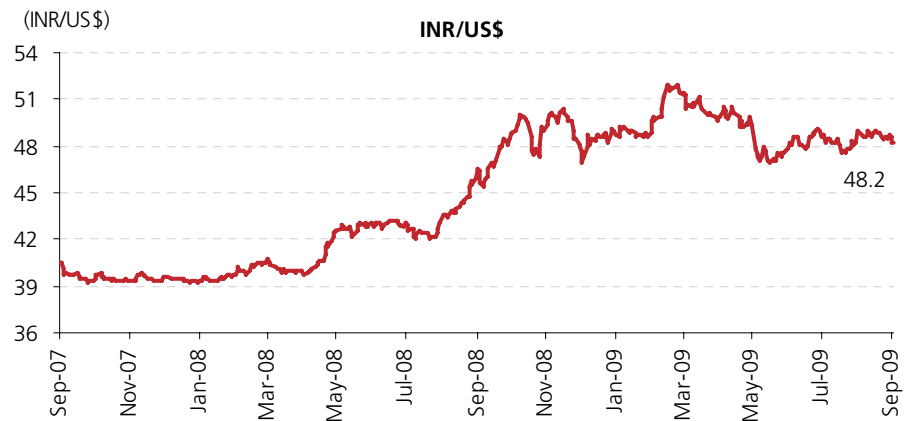
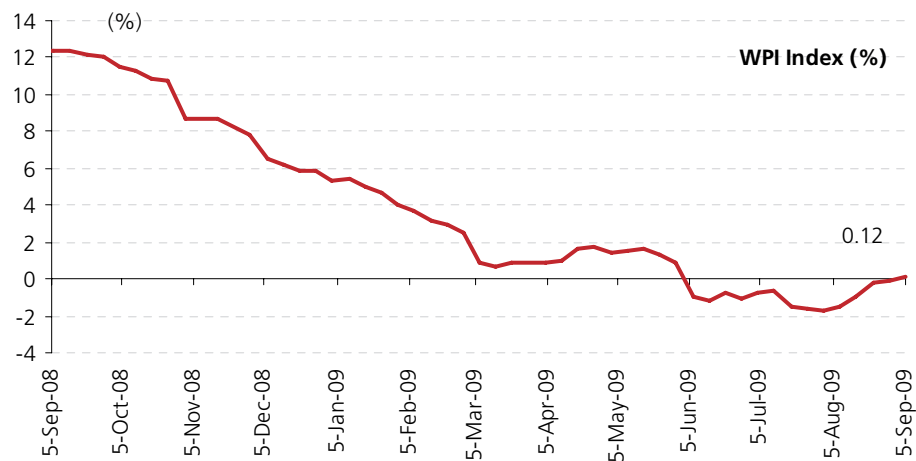
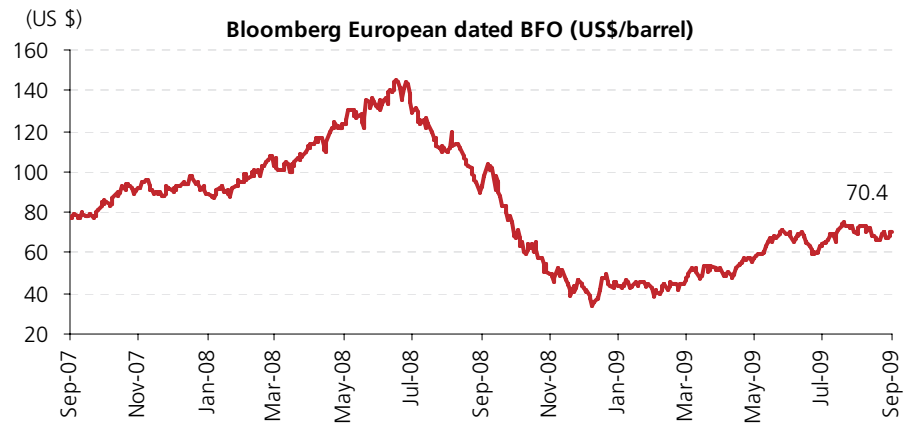
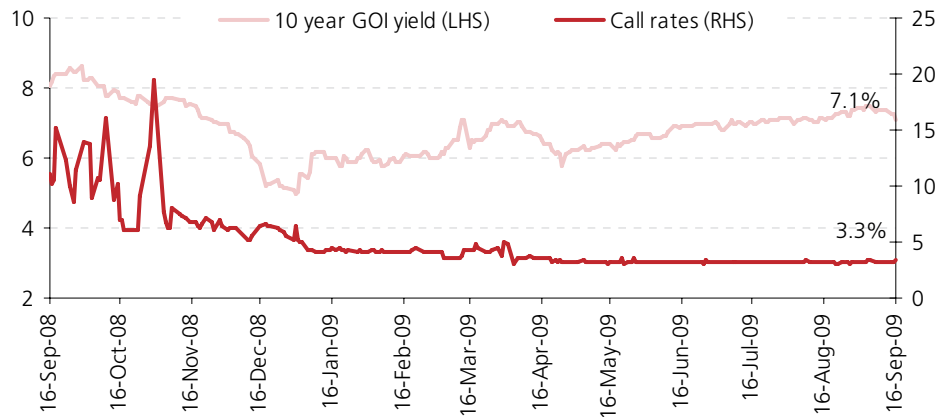


Source: Bloomberg, Kotak Institutional Equities

## ECONOMIC INDICATORS

# ECONOMIC INDICATORS

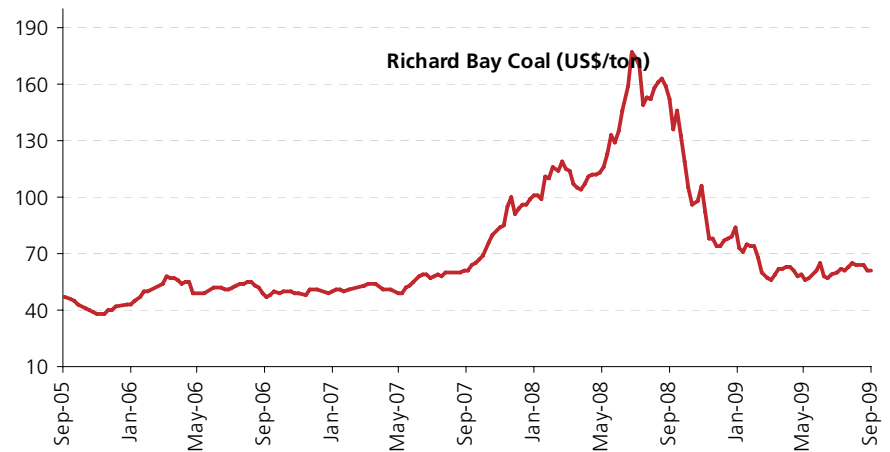
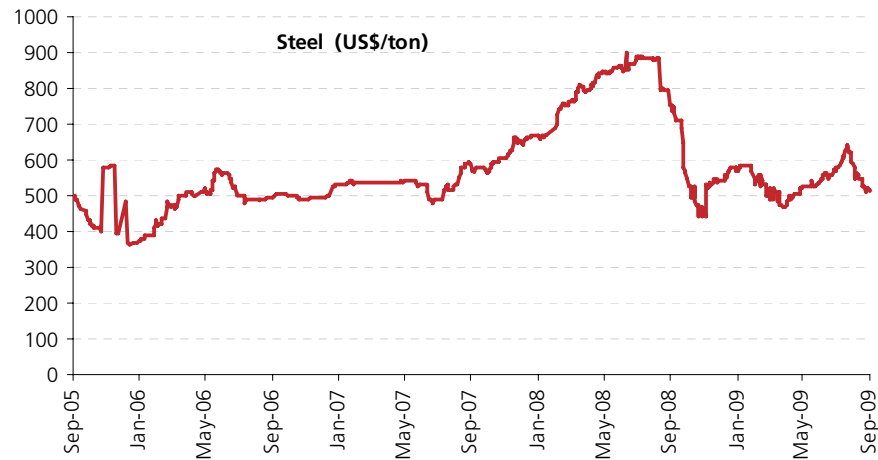
## Key economic parameters



Source: Bloomberg, Kotak Institutional Equities

# COMMODITIES

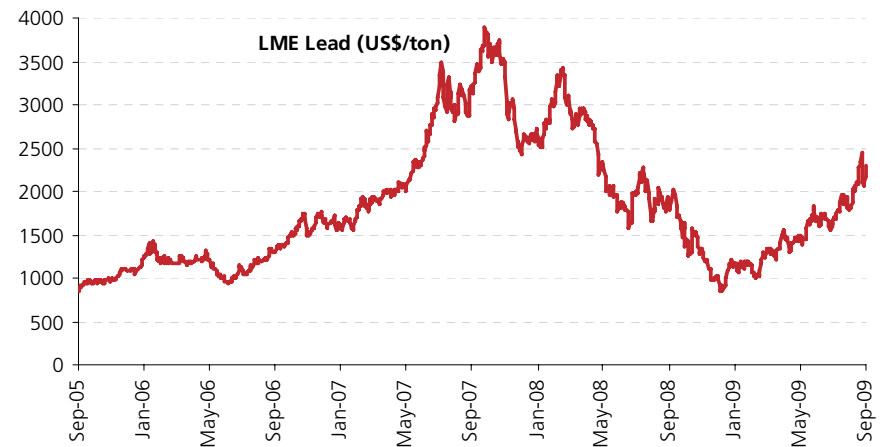
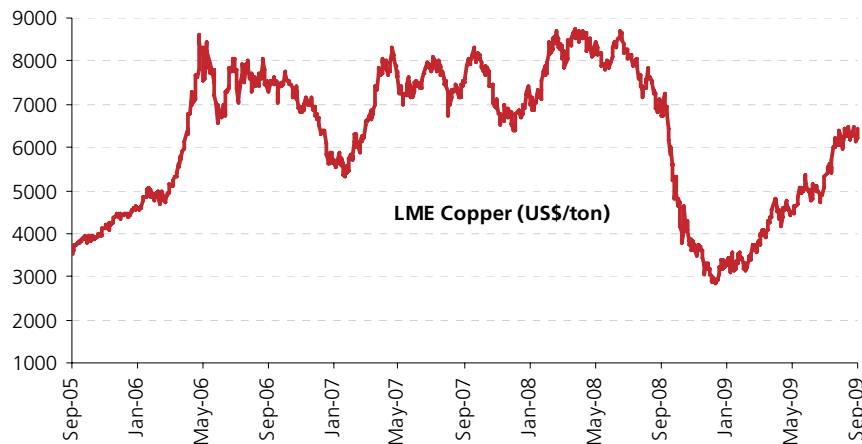
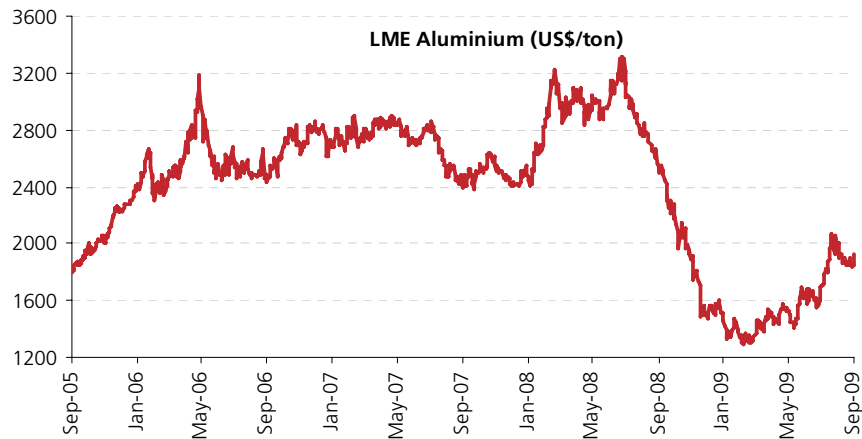
## Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

# COMMODITIES

## Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

## KOTAK VALUATION SUMMARY

# VALUATION SUMMARY

## Kotak Institutional Equities Universe

	17-Sep-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price		ADVT-3mo
Company	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>Automobiles</b>																													
Ashok Leyland	40	ADD	53,014	1,101	1,330	1.5	2.3	2.4	(57.8)	50.3	5.8	26.1	17.3	16.4	15.0	9.7	7.9	1.4	1.4	1.3	2.5	2.5	2.5	6.2	8.1	8.2	37	(7.2)	4.3
Bajaj Auto	1,414	ADD	204,539	4,249	145	45.2	85.0	100.9	(13.4)	87.9	18.7	31.3	16.6	14.0	16.7	9.8	8.7	10.9	7.5	5.4	1.4	1.4	1.4	37.7	53.1	44.0	1,260	(10.9)	6.3
Hero Honda	1,663	REDUCE	332,111	6,899	200	64.2	87.5	94.9	32.5	36.3	8.5	25.9	19.0	17.5	15.4	11.5	10.2	8.5	6.5	5.1	1.2	1.3	1.3	36.6	38.7	32.6	1,330	(20.0)	20.1
Maruti Suzuki	1,560	SELL	450,826	9,365	289	42.2	73.3	77.3	(29.6)	73.8	5.5	37.0	21.3	20.2	22.4	12.0	10.8	4.7	3.9	3.3	0.2	0.3	0.3	13.5	20.2	17.8	1,160	(25.6)	27.2
Tata Motors	606	SELL	336,982	7,000	556	20.8	28.9	31.3	(58.3)	39.1	8.4	29.2	21.0	19.3	17.8	11.6	10.7	2.6	2.3	2.1	0.9	0.9	0.9	9.1	11.5	11.2	350	(42.2)	69.8
<b>Automobiles</b>		<b>Cautious</b>	<b>1,631,004</b>	<b>33,880</b>					<b>(24.8)</b>	<b>63.9</b>	<b>8.4</b>	<b>31.4</b>	<b>19.2</b>	<b>17.7</b>	<b>18.3</b>	<b>11.3</b>	<b>10.2</b>	<b>4.4</b>	<b>3.6</b>	<b>3.1</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>13.9</b>	<b>18.8</b>	<b>17.4</b>			
<b>Banks/Financial Institutions</b>																													
Andhra Bank	102	BUY	49,228	1,023	485	13.5	13.8	15.2	13.5	2.1	10.5	7.5	7.4	6.7	—	—	—	1.3	1.2	1.1	4.4	3.4	3.7	18.9	17.2	16.8	120	18.2	1.5
Axis Bank	912	ADD	327,359	6,800	359	50.6	60.7	72.5	56.9	20.1	19.4	18.0	15.0	12.6	—	—	—	3.2	2.8	2.4	1.1	1.3	1.6	19.1	19.7	20.2	915	0.3	63.5
Bank of Baroda	483	ADD	176,495	3,666	366	60.9	63.9	65.6	55.1	4.9	2.6	7.9	7.6	7.4	—	—	—	1.6	1.3	1.2	1.9	2.0	2.0	21.4	19.0	16.8	520	7.7	6.5
Bank of India	407	REDUCE	213,811	4,441	526	57.2	55.0	64.0	40.7	(3.8)	16.4	7.1	7.4	6.4	—	—	—	1.8	1.5	1.3	2.0	1.9	2.2	29.2	22.3	21.6	420	3.3	15.9
Canara Bank	319	ADD	130,831	2,718	410	50.5	51.7	61.2	32.4	2.4	18.4	6.3	6.2	5.2	—	—	—	1.3	1.1	0.9	2.5	2.5	3.1	18.3	16.2	16.8	385	20.7	4.6
Corporation Bank	404	BUY	57,956	1,204	143	62.3	58.0	61.8	21.5	(6.8)	6.5	6.5	7.0	6.5	—	—	—	1.2	1.0	0.9	3.1	2.9	3.1	19.6	16.0	15.1	500	23.7	0.8
Federal Bank	247	BUY	42,262	878	171	27.8	34.3	39.9	(19.2)	23.6	16.1	8.9	7.2	6.2	—	—	—	1.0	0.9	0.8	2.1	2.6	3.0	11.5	12.9	13.5	340	37.6	2.9
HDFC	2,561	ADD	728,562	15,134	284	80.2	101.4	117.5	(6.4)	26.4	15.9	31.9	25.3	21.8	—	—	—	5.5	5.0	4.4	1.2	1.4	1.6	18.2	20.4	20.9	2,450	(4.3)	51.4
HDFC Bank	1,535	REDUCE	693,865	14,413	452	52.8	66.5	82.3	17.6	26.0	23.8	29.1	23.1	18.7	—	—	—	4.6	3.2	2.9	0.6	0.8	1.0	16.9	16.5	16.3	1,530	(0.3)	37.0
ICICI Bank	872	REDUCE	971,123	20,173	1,113	33.8	37.9	45.0	(15.4)	12.3	18.6	25.8	23.0	19.4	—	—	—	2.0	1.9	1.8	1.3	1.4	1.7	7.8	8.3	9.3	775	(11.2)	146.3
IDFC	143	ADD	184,771	3,838	1,295	5.8	7.7	8.7	1.9	33.9	12.6	24.7	18.4	16.3	—	—	—	3.0	2.6	2.3	0.8	0.9	1.0	12.9	15.4	15.3	120	(15.9)	38.3
India Infoline	141	ADD	43,901	912	312	5.1	7.7	8.2	(8.7)	50.5	7.3	27.6	18.3	17.1	—	—	—	3.6	2.9	2.5	1.8	2.3	2.7	11.9	17.5	17.2	145	3.0	17.7
Indian Bank	161	BUY	69,129	1,436	430	28.0	31.6	34.4	24.1	13.0	8.7	5.8	5.1	4.7	—	—	—	1.3	1.1	0.9	3.1	3.4	3.7	22.9	21.7	20.0	215	33.7	2.6
Indian Overseas Bank	113	BUY	61,617	1,280	545	24.3	21.4	29.2	10.3	(12.1)	36.4	4.6	5.3	3.9	—	—	—	1.0	0.9	0.7	4.7	3.3	3.6	22.1	15.3	18.1	165	45.9	3.4
J&K Bank	604	ADD	29,304	609	48	84.5	94.6	105.9	13.8	11.9	12.0	7.2	6.4	5.7	—	—	—	1.3	1.2	1.1	2.8	3.1	3.5	16.7	16.4	16.2	650	7.6	1.1
Mahindra & Mahindra Financial	226	ADD	21,614	449	96	22.4	26.7	28.8	7.5	19.0	8.1	10.1	8.5	7.8	—	—	—	1.5	1.3	1.2	2.4	3.0	3.2	15.4	16.4	15.8	270	19.5	0.3
Oriental Bank of Commerce	234	REDUCE	58,651	1,218	251	36.1	35.3	37.0	51.4	(2.3)	4.8	6.5	6.6	6.3	—	—	—	1.2	1.0	0.9	3.1	3.0	3.2	13.7	11.5	11.2	250	6.8	3.8
PFC	230	SELL	264,503	5,494	1,148	13.0	18.0	20.0	14.3	38.6	11.1	17.7	12.8	11.5	—	—	—	2.4	2.1	1.9	1.2	2.3	2.6	13.8	17.3	17.2	185	(19.7)	5.0
Punjab National Bank	774	BUY	244,076	5,070	315	98.0	104.3	119.6	50.9	6.4	14.7	7.9	7.4	6.5	—	—	—	1.9	1.6	1.3	2.5	2.7	3.1	25.8	22.8	22.0	890	15.0	14.1
Reliance Capital	912	ADD	224,424	4,662	246	39.3	29.0	28.9	(5.6)	(26.2)	(0.5)	23.2	31.4	31.6	—	—	—	3.3	3.1	2.8	0.6	0.5	0.5	15.3	10.2	9.3	875	(4.0)	124.9
Rural Electrification Corp.	204	ADD	175,412	3,644	859	16.5	19.6	21.3	50.7	19.1	8.8	12.4	10.4	9.6	—	—	—	2.5	2.1	1.8	1.0	1.8	1.9	21.2	21.5	19.9	190	(7.0)	6.9
Shriram Transport	391	ADD	82,691	1,718	212	30.1	32.5	36.9	56.8	7.9	13.7	13.0	12.0	10.6	—	—	—	3.8	3.2	2.7	2.2	2.5	2.8	29.6	27.0	25.8	350	(10.5)	3.0
SREI	76	ADD	8,832	183	116	7.0	7.5	6.8	(38.4)	6.1	(9.5)	10.8	10.2	11.2	—	—	—	0.8	0.7	0.7	1.3	1.6	1.6	12.5	10.3	10.2	90	18.5	3.5
State Bank of India	2,102	BUY	1,334,391	27,719	635	143.7	148.7	172.2	34.8	3.5	15.8	14.6	14.1	12.2	—	—	—	2.3	2.0	1.8	1.4	1.4	1.5	17.1	15.3	15.7	2,200	4.7	91.3
Union Bank	250	BUY	126,456	2,627	505	34.2	34.0	37.3	24.5	(0.6)	9.6	7.3	7.4	6.7	—	—	—	1.8	1.5	1.3	2.0	2.0	2.2	27.2	22.1	20.3	300	19.8	5.4
<b>Banks/Financial Institutions</b>		<b>Attractive</b>	<b>6,383,149</b>	<b>132,596</b>					<b>26.7</b>	<b>9.1</b>	<b>14.9</b>	<b>14.7</b>	<b>13.5</b>	<b>11.7</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2.4</b>	<b>2.1</b>	<b>1.8</b>	<b>1.4</b>	<b>1.6</b>	<b>1.8</b>	<b>16.1</b>	<b>15.3</b>	<b>15.5</b>			
<b>Cement</b>																													
ACC	829	REDUCE	155,715	3,235	188	56.3	74.0	57.1	(12.2)	31.6	(22.8)	14.7	11.2	14.5	7.4	5.7	6.5	3.0	2.5	2.2	2.8	2.8	2.8	24.7	27.1	18.4	875	5.6	13.4
Ambuja Cements	100	REDUCE	151,933	3,156	1,522	7.2	7.9	6.6	(5.0)	10.2	(16.8)	13.9	12.6	15.2	7.5	7.0	7.8	2.5	2.2	2.0	3.0	1.9	2.1	19.7	19.1	14.1	85	(14.8)	8.9
Grasim Industries	2,769	REDUCE	253,885	5,274	92	238.6	251.9	266.5	(16.2)	5.6	5.8	11.6	11.0	10.4	6.6	5.4	5.1	2.2	1.9	1.6	1.2	1.2	1.2	21.1	18.4	16.8	2,560	(7.5)	11.8
India Cements	130	ADD	36,744	763	282	17.8	19.4	15.2	n/a	9.1	(21.8)	7.3	6.7	8.6	5.2	4.1	4.6	1.0	0.9	0.8	1.4	1.6	2.5	14.8	14.6	10.4	155	19.1	8.0
Shree Cement	1,567	BUY	54,579	1,134	35	174.7	209.9	195.6	93.7	20.1	(6.8)	9.0	7.5	8.0	6.1	4.3	3.9	4.6	2.8	2.0	0.7	0.7	0.7	65.7	46.0	29.4	2,000	27.7	0.8
UltraTech Cement	758	BUY	94,395	1,961	124	78.8	90.2	73.8	(3.1)	14.5	(18.2)	9.6	8.4	10.3	5.8	4.5	5.0	2.2	1.8	1.5	0.8	1.1	1.1	31.1	27.3	18.3	900	18.7	2.7
<b>Cement</b>		<b>Neutral</b>	<b>747,251</b>	<b>15,522</b>					<b>(8.0)</b>	<b>13.6</b>	<b>(10.4)</b>	<b>11.6</b>	<b>10.2</b>	<b>11.4</b>	<b>6.6</b>	<b>5.3</b>	<b>5.6</b>	<b>2.3</b>	<b>1.9</b>	<b>1.7</b>	<b>1.8</b>	<b>1.6</b>	<b>1.8</b>	<b>20.0</b>	<b>19.0</b>	<b>14.9</b>			
<b>Consumer products</b>							</																						



# VALUATION SUMMARY

## Kotak Institutional Equities Universe

	17-Sep-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target		ADVT-			
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	shares (mn)	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	price (Rs)	Upside (%)	3mo (US\$ mn)			
Energy																																
Bharat Petroleum	536	BUY	175,712	3,650	328	20.6	79.8	65.0	(50.1)	287.1	(18.5)	26.0	6.7	8.2	7.3	4.8	5.2	1.3	1.2	1.1	1.4	6.6	5.4	5.3	18.9	13.8	675	25.9	9.5			
Cairn India	268	REDUCE	508,402	10,561	1,897	8.3	25.4	30.2	93	207	18.9	32	11	8.9	15.7	7.2	6.3	1.4	1.4	1.4	—	7.5	9.3	4.6	13.6	16.1	225	(16.1)	20.7			
Castrol India (a)	475	ADD	58,710	1,220	124	21.3	31.1	32.0	20.8	45.9	3.0	22.3	15.3	14.8	12.7	9.1	8.7	13.1	11.5	10.3	3.2	4.6	4.8	61.2	80.2	73.5	480	1.1	1.2			
GAIL (India)	351	ADD	445,744	9,259	1,268	22.2	20.9	22.9	8.7	(5.8)	9.6	15.9	16.8	15.4	8.5	9.7	9.7	2.8	2.5	2.3	2.0	2.3	2.3	17.5	14.7	14.8	355	1.0	18.4			
GSPL	80	REDUCE	45,079	936	563	2.2	3.5	6.7	21.7	58.3	92.7	36.5	23.1	12.0	12.5	7.3	4.6	3.4	3.1	3.1	0.9	1.5	8.4	9.6	13.9	25.7	65	(18.9)	8.1			
Hindustan Petroleum	380	BUY	128,654	2,673	339	17.0	73.1	58.5	(49.3)	330.9	(19.9)	22.4	5.2	6.5	8.1	4.9	NA	1.0	0.9	NA	1.4	7.9	6.3	4.4	17.7	12.8	525	38.3	12.1			
Indian Oil Corporation	632	BUY	744,741	15,470	1,179	19.7	101.8	79.3	(67.9)	416.7	(22.1)	32.1	6.2	8.0	8.6	4.3	4.3	1.6	1.4	1.2	1.2	6.4	5.0	4.8	22.6	15.6	800	26.7	9.1			
Oil & Natural Gas Corporation	1,159	BUY	2,479,184	51,499	2,139	89.6	115.8	136.4	(3.4)	29.2	17.8	12.9	10.0	8.5	4.7	3.7	3.0	2.1	1.9	1.7	2.8	3.6	4.1	16.6	18.9	19.8	1,400	20.8	53.9			
Petronet LNG	76	REDUCE	57,300	1,190	750	6.9	7.2	8.6	—	3.6	19.6	11.1	10.7	8.9	7.8	7.1	6.0	2.5	2.1	1.8	2.3	2.6	2.9	23.9	20.6	20.6	64	(16.2)	6.3			
Reliance Industries	2,086	SELL	3,010,314	62,532	1,443	103.4	109.3	158.3	(1.5)	5.7	44.9	20.2	19.1	13.2	12.5	8.9	6.4	2.5	2.3	2.0	0.6	0.7	0.9	15.1	13.7	17.6	1,600	(23.3)	219.9			
Reliance Petroleum	130	NR	584,550	12,143	4,500	—	3.1	10.0	n/a	n/a	n/a	n/a	n/a	12.9	n/a	n/a	9.8	4.3	4.2	3.4	—	1.5	1.5	0.6	10.1	29.0	—	—	—	16.5		
Energy																																
Industrials																																
ABB	797	REDUCE	168,891	3,508	212	25.8	23.3	30.0	11.3	(9.8)	28.6	30.9	34.2	26.6	18.3	19.3	14.8	8.0	6.7	5.5	0.3	0.4	0.4	29.2	21.3	22.7	660	(17.2)	7.4			
BGR Energy Systems	452	ADD	32,548	676	72	16.0	26.0	35.3	32.2	62.3	35.8	28.2	17.4	12.8	16.0	10.3	8.2	5.8	4.6	3.5	0.7	1.0	1.3	22.3	29.4	31.2	530	17.2	3.0			
Bharat Electronics	1,383	ADD	110,656	2,299	80	103.8	115.1	125.7	1.8	10.9	9.1	13.3	12.0	11.0	6.4	5.3	4.5	2.8	2.4	2.0	1.4	1.8	1.8	20.7	21.6	20.1	1,500	8.4	2.8			
Bharat Heavy Electricals	2,274	ADD	1,113,071	23,122	490	63.9	93.3	115.2	9.4	46.1	23.4	35.6	24.4	19.7	19.4	13.6	10.9	8.6	6.8	5.4	0.7	0.9	1.1	26.4	31.2	30.5	2,425	6.6	47.2			
Crompton Greaves	313	ADD	114,892	2,387	367	15.3	17.7	20.3	37.3	15.3	15.0	20.4	17.7	15.4	10.9	9.5	8.0	6.3	4.8	3.8	0.6	0.7	0.8	35.9	30.8	27.6	315	0.5	4.6			
Larsen & Toubro	1,646	ADD	970,410	20,158	590	50.1	62.1	78.4	32.1	24.0	26.1	32.8	26.5	21.0	20.6	15.2	12.5	6.4	4.7	3.9	0.6	0.7	0.7	21.7	20.5	20.4	1,725	4.8	85.2			
Maharashtra Seamless	324	BUY	22,862	475	71	35.9	33.0	35.3	22.2	(7.9)	6.9	9.0	9.8	9.2	5.4	5.6	4.9	1.7	1.5	1.3	1.7	1.5	2.0	20.3	16.0	15.0	285	(12.1)	1.0			
Siemens	561	ADD	189,298	3,932	337	14.2	22.8	22.7	(22.2)	61.0	(0.5)	39.6	24.6	24.7	19.1	14.3	14.5	8.4	6.9	5.7	0.5	1.3	0.8	23.3	30.8	25.2	515	(8.3)	6.7			
Suzlon Energy	98	ADD	164,351	3,414	1,678	7.4	3.9	6.1	12.8	(47.2)	54.7	13.2	25.0	16.2	10.9	12.4	10.3	1.7	1.4	1.3	—	—	0.2	12.5	6.2	8.3	110	12.3	138.2			
Industrials																																
Infrastructure																																
GMR Infrastructure	138	ADD	253,689	5,270	1,834	1.5	0.9	0.9	33.0	(38.3)	(6.8)	90.1	146.0	156.6	31.5	22.8	16.8	3.1	2.5	2.3	—	—	—	4.4	2.6	2.4	135	(2.4)	24.7			
GVK Power & Infrastructure	48	BUY	75,328	1,565	1,579	0.8	0.8	1.0	(20.6)	3.7	31.1	62.6	60.3	46.0	55.3	18.2	16.8	3.2	2.4	2.3	—	—	0.6	4.8	4.6	5.1	50	4.8	19.0			
IRB Infrastructure	210	ADD	69,680	1,447	332	5.3	10.6	13.5	54.3	101.2	27.0	39.6	19.7	15.5	20.4	10.5	9.6	3.8	3.1	2.5	0.6	—	—	10.1	17.3	18.0	200	(4.6)	10.1			
Infrastructure																																
Media																																
DishTV	44	REDUCE	41,167	855	946	(6.6)	(3.3)	(1.5)	n/a	(49.1)	(53.9)	(6.6)	(13.0)	(28.2)	(37.8)	53.0	15.9	(6.6)	(38.9)	(16.3)	—	—	—	—	—	—	83.9	86.7	NA	35	(19.5)	10.8
HT Media	135	ADD	31,725	659	235	0.8	5.0	6.6	(80.5)	489.0	32.0	159.9	27.1	20.6	36.1	13.4	10.7	3.7	3.4	3.1	0.2	0.7	1.5	2.3	13.0	15.7	125	(7.4)	0.3			
Jagran Prakashan	103	ADD	31,036	645	301	3.0	5.1	6.0	(6.6)	66.7	17.5	33.9	20.3	17.3	19.2	11.8	9.8	5.5	5.1	4.6	1.9	3.0	3.2	16.7	26.2	28.2	110	6.7	1.3			
Sun TV Network	310	REDUCE	122,125	2,537	394	9.1	11.4	13.3	9.5	25.1	17.1	34.1	27.3	23.3	18.0	15.5	12.9	6.9	6.0	5.4	0.8	1.3	1.9	22.5	24.0	24.6	245	(20.9)	2.4			
Zee Entertainment Enterprises	212	REDUCE	92,030	1,912	434	8.4	10.1	12.3	(4.8)	19.6	21.9	25.1	21.0	17.2	17.5	14.8	11.9	2.6	2.4	2.2	0.9	1.1	1.4	11.8	12.4	13.9	175	(17.5)	7.3			
Zee News	47	ADD	11,163	232	240	1.9	2.1	2.8	20.4	15.3	32.8	25.0	21.7	16.3	12.5	10.5	8.4	4.6	3.9	3.3	0.9	0.9	1.5	20.1	19.8	22.3	45	(3.3)	0.8			
Media																																
Metals																																
Hindalco Industries	136	BUY	239,056	4,966	1,753	2.8	3.5	11.1	(77.9)	25.5	218.4	49.3	39.3	12.3	13.3	9.8	7.6	0.7	0.6	0.6	—	—	—	10.3	5.2	6.5	135	(1.0)	30.9			
National Aluminium Co.	353	SELL	227,506	4,726	644	19.7	13.7	20.4	(22.0)	(30.6)	48.8	17.9	25.8	17.3	9.2	9.8	6.7	2.2	2.0	1.8	1.0	0.6	0.6	12.7	8.1	11.1	290	(17.9)	3.0			
Jindal Steel and Power	627	SELL	96,526	2,005	154	198.0	247.1	236.4	139.3	24.8	(4.3)	3.2	2.5	2.7	2.9	2.1	1.7	1.3	0.8	0.6	1.0	1.0	1.0	51.9	40.3	27.6	2,150	242.9	67.9			
JSW Steel	799	SELL	149,508	3,106	187	13.1	36.8	65.9	(84.7)	180.1	79.1	60.8	21.7	12.1	10.5	9.9	7.4	1.6	1.4	1.2	0.1	0.4	0.6	11.7	5.1	10.7	440	(45.0)	46.4			
Hindustan Zinc	833	BUY	352,138	7,315	423	64.6	57.3	74.1	(38.0)	(11.2)	29.3	12.9	14.5	11.3	8.9	9.0	6.1	2.4	2.0	1.7	0.5	0.6	0.6	20.1	15.1	16.7	825	(1.0)	6.6			
Sesa Goa	270	BUY	212,279	4,410	787	25.1	25.5	34.2	32.6	1.3	34.3	10.7	10.6	7.9	7.2	6.8	4.4	4.7	3.4	2.4	1.3	1.3	1.3	53.3	36.9	35.9	240	(11.0)	52.9			
Sterlite Industries	772	REDUCE	648,651	13,474	840	49.2	29.8	38.0	(23.6)	(39.3)	27.2	15.7	25.9	20.3	11.5	11.7	8.8	2.5	1.8	1.6	—	—	—	14.3	8.1	8.4	550	(28.7)	67.6			
Tata Steel	521	BUY	462,291	9,603	887	110.1	38.7	74.2	45.3	(64.8)	91.9	4.7	13.5	7.0	5.5	8.1	6.1	1.6	1.4	1.2	2.8	1.5	1.5	24.0	11.0	18.8	480	(7.9)	144.3			
Metals																																
Pharmaceutical																																
Biocon	235	BUY	46,900	974	200	4.7	14.4	18.6	(79.9)	206.8	29.3	50.0	16.3	12.6	20.1	9.4	7.5	3.1	2.7	2.3	0.0	0.0	0.1	6.2	17.8	20.0	270	15.1	5.2			
Dishman Pharma & chemicals	211	BUY	17,169	357	81	18.0	21.2	27.3	22.1	17.9	28.7	11.7	10.0	7.7	9.4	7.5	5.9	2.4	2.0	1.6	0.0	0.0	0.0	22.8	21.9	22.9	280	32.6	0.9			
Divi's Laboratories	541	BUY	34,931	726	65	31.9	36.8	43.3	19.9	15.2	17.7	17.0	14.7	12.5	6.7	5.2	3.9	5.9	4.4	3.4	0.0	0.1	0.1	40.4	34.4	31.1	565	4.4	3.8			
Dr Reddy's Laboratories	835	BUY	141,454	2,938	169	32.4	49.3	52.5	24.3	52.2	6.4	25.8	16.9	15.9	11.1	8.8	7.9	4.0	3.3	2.8	0.7	0.8	1.0	13.6	21.4	19.2	860	3.0	7.4			
GlaxoSmithkline Pharmaceuticals (a)	1,470	ADD	124,484	2,586	85	54.6	59.7	66.1	(13.8)	9.3	10.6	26.9	24.6	22.2	15.0	13.6	12.0	7.9	6.7	5.8	—	—	—	31.3	29.5	27.9	1,450	(1.3)	0.9			
Glennmark Pharmaceuticals	218	NR	57,823	1,201	266	11.1	11.6	15.7	(57.0)	4.2	35.1	19.6	18.8	13.9	11.9	11.2	8.9	2.8	2.4	2.1	0.0	0.0	0.0	15.9	13.8	16.2	—	(100.0)	12.0			
Jubilant Organosys	241	BUY	41,158	855	171	16.6	24.5	32.9	(26.1)	48.2	34.2	14.5	9.8	7.3	14.3	9.0	7.2	3.2	2.4	2.0	0.5	0.5	0.7	16.2	28.7	30.8	250	3.9	0.7			
Lupin	1,080	BUY	95,634	1,987	89	60.2	67.1	72.1	(10.1)	11.4	7.8	17.9	16.1	14.9	16.5	13.5	11.6	5.6	4.3	3.5	1.1	1.2	1.3	32.1	32.9	26.1	1,180	9.3	3.9			
Mylan Healthcare	335	BUY	89,969	1,453	209	17.3	22.1	28.5	(14.5)																							

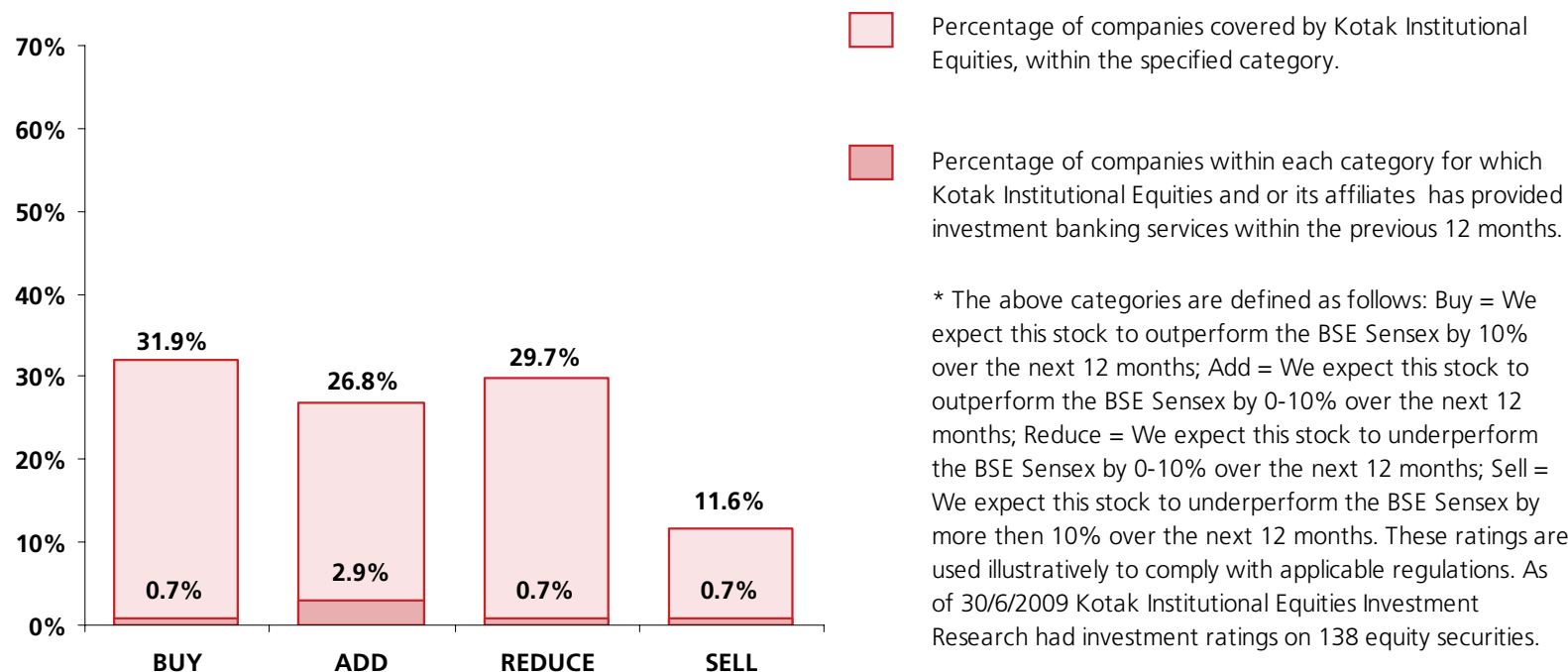
# VALUATION SUMMARY

## Kotak Institutional Equities Universe

	17-Sep-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target	ADVT-	
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	shares (mn)	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	2009	2010E	2011E	(Rs)	Upside (%)	3mo (US\$ mn)
<b>Retail</b>																													
Titan Industries	1,278	REDUCE	56,747	1,179	44	44.3	49.4	58.7	26.4	11.6	18.7	28.9	25.9	21.8	17.4	15.9	13.3	9.8	7.6	6.0	0.8	0.8	0.9	37.5	33.1	30.6	1,040	(18.6)	1.8
<b>Retail</b>		<b>Neutral</b>	<b>56,747</b>	<b>1,179</b>					<b>26.4</b>	<b>11.6</b>	<b>18.7</b>	<b>28.9</b>	<b>25.9</b>	<b>21.8</b>	<b>17.4</b>	<b>15.9</b>	<b>13.3</b>	<b>9.8</b>	<b>7.6</b>	<b>6.0</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	185	SELL	35,391	735	191	(1.0)	23.9	17.7	(92.1)	(2,491.2)	(25.8)	(185.4)	7.8	10.4	12.5	5.9	5.6	1.7	1.3	1.2	0.3	0.3	0.3	(1.2)	19.4	12.0	150	(18.9)	28.0
Balrampur Chini Mills	127	ADD	32,466	674	256	10.0	13.4	13.0	223.2	34.5	(2.9)	12.7	9.5	9.8	7.4	5.6	5.3	2.3	1.9	1.6	0.3	—	0.4	20.2	22.1	17.8	140	10.2	17.4
Shree Renuka Sugars	201	BUY	67,214	1,396	335	8.1	24.2	20.4	88.3	198.6	(15.9)	24.8	8.3	9.9	12.9	4.8	5.2	3.9	2.3	1.8	0.1	0.2	0.2	20.7	34.9	20.8	235	17.1	22.1
<b>Sugar</b>		<b>Attractive</b>	<b>135,072</b>	<b>2,806</b>					<b>3,055.5</b>	<b>217.4</b>	<b>(15.9)</b>	<b>26.6</b>	<b>8.4</b>	<b>10.0</b>	<b>11.0</b>	<b>5.3</b>	<b>5.4</b>	<b>2.6</b>	<b>1.9</b>	<b>1.6</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>9.8</b>	<b>22.2</b>	<b>15.6</b>			
<b>Technology</b>																													
HCL Technologies	343	REDUCE	238,142	4,947	695	17.5	16.7	22.8	14.5	(4.6)	36.5	19.6	20.5	15.0	10.9	10.1	9.3	4.1	3.6	3.1	3.5	3.5	3.5	20.9	19.0	22.3	275	(19.7)	9.5
Infosys Technologies	2,362	BUY	1,355,731	28,162	574	102.4	106.7	120.0	29.6	4.1	12.5	23.1	22.1	19.7	17.3	16.0	13.3	7.4	6.0	5.0	1.0	1.1	1.5	36.7	30.0	27.6	2,500	5.8	64.1
Mphasis BFL	615	REDUCE	128,232	2,664	208	14.2	41.5	42.2	15.7	192.6	1.8	43.4	14.8	14.6	33.0	10.8	9.6	8.9	5.9	4.3	0.7	0.7	0.8	22.8	47.7	34.2	450	(26.8)	13.3
Mindtree	591	BUY	24,321	505	41	13.2	39.2	50.1	(50.5)	196.0	27.9	44.6	15.1	11.8	7.6	10.5	7.6	4.4	3.4	2.6	0.3	—	0.8	5.5	25.3	25.1	650	10.0	4.8
Patni Computer Systems	459	REDUCE	58,998	1,226	129	26.8	33.8	36.7	(19.3)	26.1	8.6	17.1	13.6	12.5	8.8	6.7	6.5	2.3	1.9	1.7	0.4	1.5	1.6	16.2	14.8	14.6	320	(30.3)	8.6
Polaris Software Lab	149	SELL	14,686	305	99	13.1	13.8	12.9	76.0	5.4	(6.4)	11.4	10.8	11.5	4.8	5.8	6.1	1.9	1.7	1.5	1.8	1.3	1.3	18.1	16.4	13.6	80	(46.2)	4.2
TCS	583	ADD	1,140,950	23,701	1,957	26.4	31.2	35.3	3.1	17.8	13.3	22.0	18.7	16.5	15.4	13.4	11.6	7.3	5.8	4.9	1.2	1.6	2.4	36.9	34.6	32.2	600	2.9	42.7
Wipro	566	ADD	827,858	17,197	1,462	25.7	28.1	33.1	15.8	9.1	17.7	22.0	20.2	17.1	16.2	14.2	11.9	5.5	4.5	3.8	0.7	1.4	1.7	26.9	24.5	23.8	630	11.3	15.5
<b>Technology</b>		<b>Neutral</b>	<b>3,800,386</b>	<b>78,944</b>					<b>15.3</b>	<b>13.4</b>	<b>14.4</b>	<b>22.3</b>	<b>19.7</b>	<b>17.2</b>	<b>15.6</b>	<b>13.6</b>	<b>11.6</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>25.7</b>	<b>24.7</b>			
<b>Telecom</b>																													
Bharti Airtel	433	ADD	1,643,342	34,137	3,797	22.3	26.9	30.6	26.4	20.5	13.8	19.4	16.1	14.1	11.3	9.6	8.2	5.2	4.0	3.1	0.5	0.7	0.9	31.4	28.0	24.6	425	(1.8)	64.0
IDEA	76	REDUCE	236,824	4,919	3,104	2.9	3.4	3.6	(26.5)	15.8	7.3	26.3	22.7	21.2	9.7	8.1	7.2	1.7	1.6	1.5	—	—	—	10.4	7.4	8.0	65	(14.8)	15.0
MTNL	92	SELL	58,023	1,205	630	3.1	(4.8)	(3.9)	(57.1)	(256.5)	(18.1)	30.0	(19.2)	(23.4)	11.8	(14.8)	(50.8)	0.5	0.5	0.5	6.5	—	—	1.1	(2.6)	(2.2)	50	(45.7)	3.1
Reliance Communications	313	SELL	645,316	13,405	2,064	27.7	21.2	23.0	4.7	(23.3)	8.3	11.3	14.7	13.6	9.4	9.1	7.2	1.6	1.4	1.3	0.3	—	—	17.0	10.6	10.3	240	(23.2)	58.9
Tata Communications	485	REDUCE	138,239	2,872	285	13.6	14.0	15.2	24.0	3.2	8.2	35.7	34.6	32.0	15.2	13.8	12.8	2.0	1.9	1.9	1.0	1.3	1.5	5.4	5.2	5.5	400	(17.5)	5.5
<b>Telecom</b>		<b>Cautious</b>	<b>2,721,744</b>	<b>56,538</b>					<b>11.1</b>	<b>1.1</b>	<b>12.8</b>	<b>17.0</b>	<b>16.8</b>	<b>14.9</b>	<b>10.6</b>	<b>9.5</b>	<b>8.0</b>	<b>2.6</b>	<b>2.3</b>	<b>2.0</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>15.4</b>	<b>13.5</b>	<b>13.3</b>			
<b>Transportation</b>																													
Container Corporation	1,096	ADD	142,419	2,958	130	64.4	67.8	80.3	11.6	5.3	18.5	17.0	16.2	13.6	12.4	11.2	9.3	3.8	3.2	2.7	1.3	1.4	1.6	24.0	21.4	21.7	1,125	2.7	1.7
<b>Transportation</b>		<b>Cautious</b>	<b>142,419</b>	<b>2,958</b>					<b>11.6</b>	<b>5.3</b>	<b>18.5</b>	<b>17.0</b>	<b>16.2</b>	<b>13.6</b>	<b>12.4</b>	<b>11.2</b>	<b>9.3</b>	<b>3.8</b>	<b>3.2</b>	<b>2.7</b>	<b>1.3</b>	<b>1.4</b>	<b>1.6</b>	<b>22.1</b>	<b>19.9</b>	<b>20.1</b>			
<b>Utilities</b>																													
CESC	371	ADD	46,345	963	125	32.3	37.9	42.0	16.2	17.4	11.0	11.5	9.8	8.8	6.3	5.7	6.1	1.2	1.1	1.0	1.1	1.3	1.4	11.7	11.9	11.6	365	(1.6)	3.5
Lanco Infratech	455	ADD	101,102	2,100	222	14.5	20.8	36.6	(2.5)	43.8	76.2	31.4	21.9	12.4	25.2	17.0	8.2	4.7	3.6	2.8	—	—	—	16.1	18.7	25.2	440	(3.3)	28.0
NTPC	208	SELL	1,718,767	35,704	8,245	9.5	10.8	12.2	1.6	14.1	12.6	22.0	19.3	17.1	17.3	14.2	13.5	2.9	2.7	2.5	1.7	1.9	2.2	13.8	14.5	15.0	180	(13.6)	28.2
Reliance Infrastructure	1,192	BUY	269,815	5,605	226	62.7	63.7	68.6	66.7	1.6	7.8	19.0	18.7	17.4	23.8	21.7	17.3	1.6	1.5	1.4	0.6	0.7	0.8	4.9	6.1	7.8	1,250	4.9	88.6
Reliance Power	164	REDUCE	392,828	8,160	2,397	1.0	2.5	3.1	—	141.5	24.4	160.7	66.5	53.5	—	—	—	2.9	2.7	2.6	—	—	—	1.8	4.2	5.0	160	(2.4)	21.0
Tata Power	1,313	ADD	311,834	6,478	237	50.2	74.4	84.1	57.5	48.3	13.0	26.2	17.7	15.6	11.9	11.8	11.4	3.1	2.4	2.1	0.8	0.9	1.1	12.0	15.3	14.4	1,400	6.6	15.5
<b>Utilities</b>		<b>Attractive</b>	<b>2,840,691</b>	<b>59,009</b>					<b>12.9</b>	<b>20.6</b>	<b>14.7</b>	<b>25.1</b>	<b>20.8</b>	<b>18.1</b>	<b>18.6</b>	<b>16.7</b>	<b>14.9</b>	<b>2.7</b>	<b>2.4</b>	<b>2.2</b>	<b>1.2</b>	<b>1.4</b>	<b>1.5</b>	<b>10.7</b>	<b>11.7</b>	<b>12.3</b>			
<b>Others</b>																													
Havells India	314	REDUCE	19,000	395	61	4.9	12.3	19.1	(82)	NA	56.2	NA	25.6	16.4	10.6	8.7	7.5	3.0	3.4	2.9	0.8	0.8	0.8	4.5	12.4	19.3	175	(44.3)	1.3
Jaiprakash Associates	247	REDUCE	347,216	7,213	1,403	3.0	6.7	11.4	(39)	123.8	70.2	82.4	36.8	21.6	26.3	15.9	14.2	6.3	5.3	4.3	—	—	—	8.0	15.5	21.9	220	(11.1)	92.1
Jindal Saw	743	ADD	42,755	888	58	74.3	61.5	61.1	20	(17.2)	(0.7)	10.0	12.1	12.2	6.4	6.8	6.0	1.2	1.1	1.0	0.6	0.5	0.5	11.6	8.9	8.6	470	(36.7)	7.6
PSL	180	BUY	7,829	163	44	22.2	37.6	30.1	5	69.2	(19.8)	8.1	4.8	6.0	4.8	3.9	3.4	1.2	1.0	0.9	2.7	3.5	3.5	11.9	13.4	11.3	160	(10.9)	2.1
Sintex	244	BUY	33,312	692	136	23.8	25.2	27.6	22	5.6	9.6	10.2	9.7	8.8	7.2	6.5	5.5	1.7	1.5	1.3	0.5	0.5	0.5	16.6	15.0	14.2	275	12.7	3.8
Tata Chemicals	265	ADD	64,581	1,342	243	26.6	17.8	26.8	(33)	(33.0)	50.4	10.0	14.9	9.9	6.4	6.7	5.3	1.4	1.3	1.2	3.3	3.3	3.3	17.9	11.0	14.7	260	(2.0)	5.0
Welspun Gujarat Stahl Rohren	267	REDUCE	50,441	1,048	189	17.3	24.0	17.8	(16)	38.7	(25.8)	15.4	11.1	15.0	8.3	6.1	7.1	2.8	2.2	1.9	0.8	0.6	0.6	17.8	21.7	13.4	145	(45.7)	23.3
United Phosphorus	165	BUY	76,276	1,584	462	10.7	13.9	18.0	28	29.7	29.6	15.4	11.9	9.2	10.2	7.4	5.8	2.5	2.1	1.8	0.7	0.9	1.2	18.1	19.1	20.8	160	(3.1)	5.2
<b>Others</b>			<b>702,452</b>	<b>14,592</b>					<b>(8.1)</b>	<b>28.1</b>	<b>30.2</b>	<b>22.5</b>	<b>17.6</b>	<b>13.5</b>	<b>12.3</b>	<b>9.9</b>	<b>9.1</b>	<b>3.0</b>	<b>2.6</b>	<b>2.2</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>13.2</b>	<b>14.7</b>	<b>16.3</b>			
<b>KS universe (b)</b>			<b>37,687,600</b>	<b>782,875</b>					<b>2.2</b>	<b>18.3</b>	<b>18.2</b>	<b>19</b>	<b>15.7</b>	<b>13.3</b>	<b>11.9</b>	<b>9.6</b>	<b>8.2</b>	<b>2.8</b>	<b>2.5</b>	<b>2.2</b>	<b>1.1</b>	<b>1.6</b>	<b>1.8</b>	<b>15.3</b>	<b>15.6</b>	<b>16.3</b>			
<b>KS universe (b) ex-Energy</b>			<b>29,449,209</b>	<b>611,741</b>					<b>5.4</b>	<b>7.1</b>	<b>17.9</b>	<b>18.6</b>	<b>17.3</b>	<b>14.7</b>	<b>13.5</b>	<b>11.9</b>	<b>10.2</b>	<b>3.1</b>	<b>2.6</b>	<b>2.3</b>	<b>1.1</b>	<b>1.2</b>	<b>1.4</b>	<b>16.7</b>	<b>15.2</b>	<b>15.7</b>			
<b>KS universe (d) ex-Energy &amp; ex-Commodities</b>			<b>26,314,002</b>	<b>546,614</b>					<b>7.3</b>	<b>13.5</b>	<b>16.2</b>	<b>20.4</b>	<b>18.0</b>	<b>15.5</b>	<b>16.0</b>	<b>13.4</b>	<b>11.5</b>	<b>3.4</b>	<b>2.9</b>	<b>2.5</b>	<b>1.1</b>	<b>1.2</b>	<b>1.4</b>	<b>16.5</b>	<b>16.0</b>	<b>16.3</b>			

## Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of June 30, 2009

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**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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