

August 24, 2007

# India Strategy Friday Flash

BSE-30: 14,164

India

## Analysts

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## Kotak Institutional Equities Research

Important disclosures appear at the back of this report.

**Nuclear crises.** During the past week, the Sensex lost 194 points (1.35%) as the government and its Left party partners failed to agree on the Indo-US nuclear deal, depressing sentiment. However, heavy selling by FIIs (US\$1.5 bn) was actively supported by strong inflows from domestic institutions (US\$1.1 bn). Global markets ended on a positive note with the US Fed Reserve cutting the discount rate, thereby easing concerns on the US credit market. Sensex and Nikkei were among the worst performing indices of the week.

## Market highlights for the week ending Thursday, August 23, 2007

- Largest gainers: Patni Computers (13%), Bharti Airtel (6%), Ambuja Cements (5%)
- Largest losers: Divis (-14%), Sun TV Network (-12%), Punjab Tractors (-11%)

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



Source: Company, Bloomberg

## Flows in emerging markets

### Flows in the cash markets

Date	Taiwan	Indonesia	Philippines	Thailand	India	Total
Investments in past week (US\$m)						
14-Aug-07	(116)	(6)	1	(125)	(32)	(277)
16-Aug-07	(1,212)	15	(12)	(149)	(705)	(2,063)
17-Aug-07	(912)	-	(7)	(205)	(802)	(1,926)
20-Aug-07	(117)	-	-	19	23	(75)
21-Aug-07	(57)	-	2	-	(2)	(58)
<b>Total</b>	<b>(2,414)</b>	<b>9</b>	<b>(16)</b>	<b>(461)</b>	<b>(1,519)</b>	<b>(4,400)</b>

# Our top recommendations

**Exhibit 1: Kotak Institutional Equities, Top 10, 23 August, 2007**

Companies	Sector	Rating	CMP	Mkt Cap	Target	EPS (Rs)			P/E (X)			EV/EBDITA (X)			Liquidity: 3mo
			(Rs)	(US\$ mn)	(Rs)	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	(Rs mn)
Larsen & Toubro	Industrials	OP	2,396	16,690	2,725	65.1	88.0	112.4	36.8	27.2	21.3	24.0	17.3	13.4	231
ICICI Bank	Banking	OP	826	22,253	1,000	34.6	35.0	51.3	23.9	23.6	16.1	—	—	—	2,113
ITC	Consumer Products	OP	161	14,650	225	7.2	8.3	9.6	22.3	19.3	16.8	14.1	12.0	10.1	1,133
Wipro	Technology	OP	448	15,842	560	19.8	23.1	29.2	22.6	19.4	15.3	17.6	14.9	10.9	671
Bharat Heavy Electricals	Industrials	OP	1,662	19,819	1,825	49.3	65.2	82.4	33.7	25.5	20.2	19.2	14.6	11.5	1,843
Bajaj Auto	Automobiles	OP	2,228	5,493	2,780	118.2	130.3	151.5	18.8	17.1	14.7	8.7	7.9	6.5	796
Reliance Energy	Utilities	IL	706	3,916	810	34.8	35.2	36.4	20.3	20.1	19.4	24.2	21.0	19.7	1,944
Maruti Udyog	Automobiles	OP	777	5,472	910	54.0	58.4	68.5	14.4	13.3	11.4	7.2	6.0	5.1	568
Punjab National Bank	Banking	OP	452	3,470	610	48.8	55.2	63.3	9.2	8.2	7.1	—	—	—	480
<b>Mid Cap Basket</b>															
Andhra Bank	Banking	OP	78	922	120	11.1	12.4	13.0	7.0	6.3	6.0	—	—	—	92
Kalpataru Power Transmission	Transmission	OP	1,474	952	1,650	60.2	77.4	91.8	24.5	19.0	16.1	15.2	12.1	9.8	44
Mahindra Gesco	Property	OP	490	501	920	8.9	11.3	47.5	55.3	43.3	10.3	33.6	27.5	8.9	269
Nagarjuna Construction Co.	Construction	OP	177	897	221	7.3	9.6	13.0	24.3	18.5	13.7	16.5	11.4	9.0	277
PSL	Pipes	OP	319	322	420	21.2	27.6	41.1	15.0	11.6	7.8	9.9	7.5	5.3	47
<b>BSE-30</b>			<b>14,164</b>												

Source: Company, Bloomberg, Kotak Institutional Equities.

# Our model portfolio

**Exhibit 2: Kotak Institutional Equities Model Portfolio**

Company	23-Aug		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Bajaj Auto	2,228	—	1.6	2.6	100
Mahindra & Mahindra	625	—	1.4	2.4	100
Maruti Udyog	777	—	0.9	1.9	100
Tata Motors	622	—	1.6	0.6	(100)
<b>Automobiles</b>			<b>5.5</b>	<b>7.5</b>	<b>200</b>
Andhra Bank	78	OP	—	0.6	60
Punjab National Bank	452	OP	—	2.0	200
State Bank of India	1,415	IL	4.0	4.0	—
<b>PSU Banking</b>			<b>4.0</b>	<b>6.6</b>	<b>260</b>
HDFC	1,908	IL	5.0	—	(498)
HDFC Bank	1,100	IL	3.1	2.6	(50)
ICICI Bank	826	OP	9.8	11.8	200
<b>Pvt Banking/Financing</b>			<b>17.9</b>	<b>14.4</b>	<b>(348)</b>
ACC	972	U	1.1	—	(110)
Grasim Industries	2,751	IL	2.0	2.0	—
Ambuja Cements	133	IL	1.5	—	(152)
<b>Cement</b>			<b>4.6</b>	<b>2.0</b>	<b>(262)</b>
Hindustan Unilever	198	IL	2.2	—	(219)
ITC	161	OP	4.5	6.5	200
<b>Consumers</b>			<b>6.7</b>	<b>6.5</b>	<b>(19)</b>
Bharat Petroleum	300	OP	—	0.8	75
Hindustan Petroleum	229	OP	—	0.8	75
Oil & Natural Gas Corporation	784	OP	3.7	3.7	—
Reliance Industries	1,743	U	12.3	11.0	(134)
Reliance Petroleum	107	OP	—	0.5	50
<b>Energy</b>			<b>16.0</b>	<b>16.7</b>	<b>66</b>

Note:

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

Company	23-Aug		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
ABB	1,018	OP	—	1.5	150
Bharat Heavy Electricals	1,662	OP	2.9	4.9	200
Larsen & Toubro	2,396	OP	6.3	8.3	200
<b>Industrials</b>			<b>9.1</b>	<b>14.6</b>	<b>550</b>
Hindalco Industries	139	—	1.5	—	(153)
Tata Steel	560	IL	3.9	2.9	(100)
<b>Metals</b>			<b>5.4</b>	<b>2.9</b>	<b>(253)</b>
Cipla	168	—	0.9	—	(91)
Dr Reddy's Laboratories	631	—	0.8	—	(78)
Ranbaxy Laboratories	349	—	1.0	1.0	—
<b>Pharmaceuticals</b>			<b>2.7</b>	<b>1.0</b>	<b>(170)</b>
Infosys Technologies	1,808	OP	9.0	8.0	(100)
Satyam Computer Services	423	OP	2.9	2.9	—
TCS	1,008	IL	2.1	—	(214)
Wipro	448	OP	1.3	3.3	200
<b>Technology</b>			<b>15.4</b>	<b>14.3</b>	<b>(114)</b>
Bharti Airtel Limited	850	U	5.7	4.2	(150)
Reliance Communications	487	U	3.8	2.3	(150)
<b>Telecom</b>			<b>9.5</b>	<b>6.5</b>	<b>(300)</b>
NTPC	160	IL	2.0	2.0	—
Reliance Energy	706	IL	1.3	2.8	150
<b>Utilities</b>			<b>3.3</b>	<b>4.8</b>	<b>150</b>
Kalpataru Power Transmission	1,474	OP	—	0.6	60
Mahindra Gesco	490	OP	—	0.6	60
Nagarjuna Construction Co.	177	OP	—	0.6	60
PSL	319	OP	—	0.6	60
<b>Infrastructure basket</b>				<b>2.4</b>	<b>240</b>

Source: BSE, Bloomberg, Kotak Institutional Equities.

# Sensex valuation summary

Exhibit 3: Valuation summary of BSE-30 sectors, 23 August, 2007

	Mkt-cap. (US\$ mn)	EPS Growth (%)				PER (X)			EV/EBITDA (X)		Price/BV (X)		Div Yield (%)		RoE (%)	
		2006	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2007	2008E	2007	2008E	2007	2008E
Banking	63,020	13.3	14.2	23.7	23.9	25.0	20.2	16.3	—	—	4.1	2.6	0.9	1.1	16.5	12.7
Technology	72,070	28.6	44.4	21.5	23.0	24.4	20.1	16.3	18.1	14.4	8.2	6.4	1.1	1.5	33.5	31.9
Consumers	25,280	21.2	19.4	15.2	14.3	24.5	21.2	18.6	16.6	13.4	7.6	6.7	2.6	2.8	31.3	31.8
Pharmaceuticals	8,882	(15.1)	136.7	(17.3)	20.2	16.0	19.4	16.1	11.7	13.1	3.4	3.0	1.6	1.6	21.2	15.6
Metals	16,170	6.3	32.9	(3.5)	(14.9)	9.6	9.9	11.7	6.0	6.1	2.3	1.4	0.3	0.4	23.6	14.1
Automobiles	21,013	26.9	28.0	11.4	16.5	15.6	14.0	12.0	7.2	6.3	3.6	3.0	1.7	1.9	23.2	21.7
Energy	100,007	16.9	15.2	17.7	16.3	14.5	12.4	10.6	7.1	6.3	2.6	2.3	2.0	2.1	18.2	18.8
Industrials	36,509	57.2	56.3	34.4	27.9	35.3	26.3	20.5	21.2	15.8	9.1	7.0	0.5	0.7	25.9	26.8
Cement	15,520	27.7	89.5	21.3	8.6	14.7	12.1	11.2	8.6	6.7	3.9	3.0	1.3	1.6	26.5	25.0
Telecom	63,598	(107.4)	182.9	63.9	33.8	36.0	22.0	16.4	19.3	12.5	7.5	5.7	0.0	0.2	20.9	26.0
Utilities	35,980	17.0	16.1	11.0	6.9	19.4	17.5	16.3	10.6	12.3	2.5	2.3	1.8	2.2	13.0	13.3
<b>BSE-30</b>	<b>458,046</b>	<b>20.5</b>	<b>32.8</b>	<b>19.9</b>	<b>17.6</b>	<b>20.2</b>	<b>16.8</b>	<b>14.3</b>	<b>10.9</b>	<b>9.4</b>	<b>4.1</b>	<b>3.2</b>	<b>1.2</b>	<b>1.4</b>	<b>20.4</b>	<b>19.3</b>
<b>BSE-30 ex-Energy</b>	<b>358,040</b>	<b>22.5</b>	<b>42.2</b>	<b>20.9</b>	<b>18.1</b>	<b>22.6</b>	<b>18.7</b>	<b>15.9</b>	<b>13.3</b>	<b>11.3</b>	<b>4.9</b>	<b>3.7</b>	<b>1.0</b>	<b>1.3</b>	<b>21.5</b>	<b>19.5</b>
<b>BSE-30 ex-Energy, Com.</b>	<b>326,350</b>	<b>24.7</b>	<b>40.6</b>	<b>24.0</b>	<b>22.2</b>	<b>25.0</b>	<b>20.1</b>	<b>16.5</b>	<b>15.1</b>	<b>12.5</b>	<b>5.2</b>	<b>4.0</b>	<b>1.0</b>	<b>1.3</b>	<b>20.9</b>	<b>19.9</b>

Source: Company reports, Kotak Institutional Equities estimates.

# Nifty valuation summary

Exhibit 4: Valuation summary of Nifty sectors, 23 August, 2007

	Mkt-cap. (US\$ mn)	EPS Growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2006	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2007E	2008E	2007E	2008E
Banking	66,489	11.6	13.2	22.3	22.8	22.9	18.7	15.3	—	—	—	3.8	2.4	1.0	1.1	16.6	13.0
Technology	76,855	28.3	46.8	19.3	22.9	23.5	19.7	16.0	17.3	14.1	11.0	7.6	6.0	1.2	1.6	32.2	30.6
Consumers	25,280	21.2	19.4	15.2	14.3	24.5	21.2	18.6	16.6	13.4	11.4	7.6	6.7	2.6	2.8	31.3	31.8
Metals	27,875	22.1	64.1	(11.7)	(14.9)	8.3	9.4	11.0	5.1	5.4	6.0	2.2	1.5	0.8	0.9	26.1	15.8
Automobiles	24,044	25.6	20.7	10.0	15.4	15.4	14.0	12.2	7.3	6.4	5.2	3.7	3.1	1.8	2.0	24.1	22.3
Energy	122,211	8.8	22.5	15.3	18.4	15.0	13.0	11.0	7.5	6.7	5.4	2.5	2.2	2.0	2.1	16.4	16.9
Industrials	55,402	64.0	46.7	39.1	32.1	39.0	28.0	21.2	23.6	17.0	12.8	10.2	7.8	0.5	0.6	26.3	27.9
Cement	15,520	27.7	89.5	21.3	8.6	14.7	12.1	11.2	8.6	6.7	6.0	3.9	3.0	1.3	1.6	26.5	25.0
Telecom	68,195	(53.9)	133.2	58.6	31.7	34.2	21.5	16.4	17.8	11.7	9.1	5.3	4.4	0.2	0.4	15.6	20.2
Utilities	7,783	39.1	(2.8)	23.5	17.3	25.4	20.6	17.6	14.3	14.1	13.8	2.0	1.8	0.8	1.3	7.9	8.8
Media	2,967	(34.6)	2.9	72.6	32.4	55.5	32.1	24.3	39.0	19.0	14.4	4.5	4.0	0.4	0.7	8.1	12.6
<b>NIFTY</b>	<b>508,327</b>	<b>18.6</b>	<b>37.6</b>	<b>17.1</b>	<b>17.9</b>	<b>19.6</b>	<b>16.7</b>	<b>14.2</b>	<b>10.8</b>	<b>9.3</b>	<b>7.8</b>	<b>3.9</b>	<b>3.1</b>	<b>1.2</b>	<b>1.4</b>	<b>19.9</b>	<b>18.6</b>
<b>NIFTY ex-Energy</b>	<b>386,117</b>	<b>24.7</b>	<b>45.9</b>	<b>18.0</b>	<b>17.6</b>	<b>21.7</b>	<b>18.4</b>	<b>15.6</b>	<b>13.1</b>	<b>10.9</b>	<b>9.2</b>	<b>4.8</b>	<b>3.6</b>	<b>1.0</b>	<b>1.2</b>	<b>22.1</b>	<b>19.5</b>
<b>NIFTY ex-Energy ex Com</b>	<b>358,242</b>	<b>25.2</b>	<b>42.2</b>	<b>24.9</b>	<b>23.0</b>	<b>24.8</b>	<b>19.9</b>	<b>16.2</b>	<b>15.4</b>	<b>12.1</b>	<b>9.7</b>	<b>5.3</b>	<b>4.0</b>	<b>1.0</b>	<b>1.2</b>	<b>21.3</b>	<b>20.3</b>

Note:

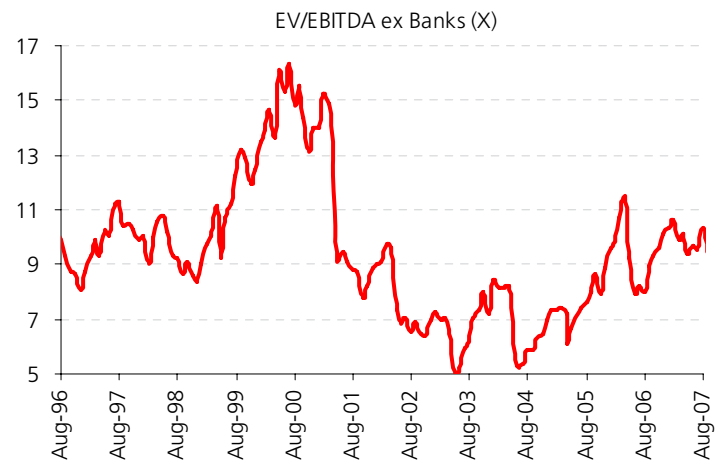
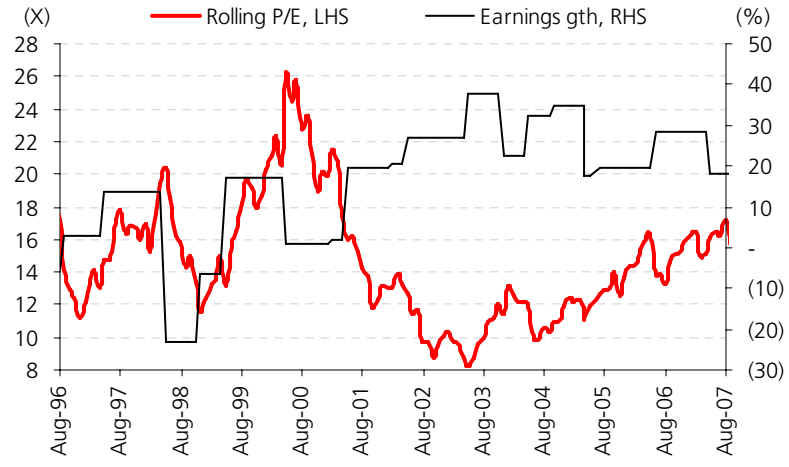
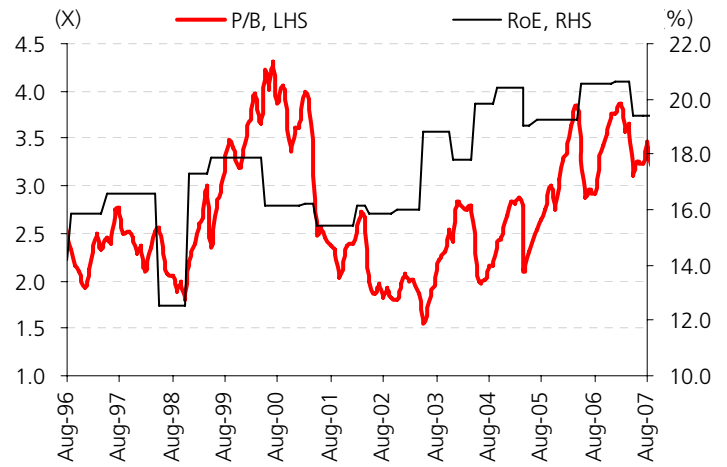
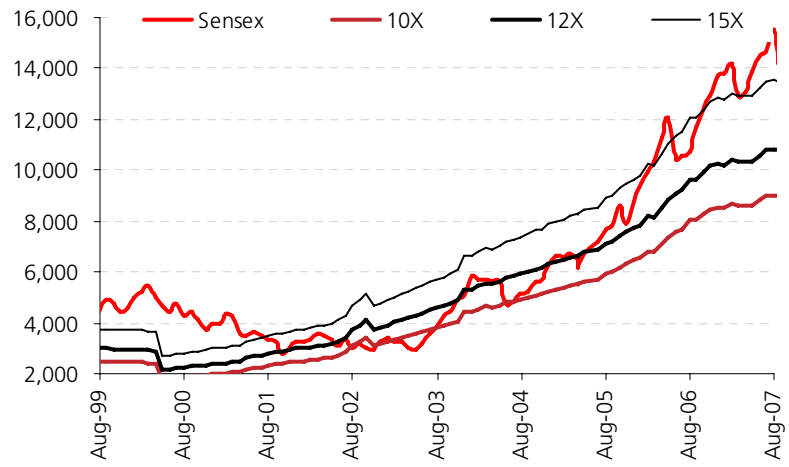
(a) Following companies are excluded: SAIL, Dabur and IPCL

Source: Company reports, Kotak Institutional Equities estimates.

# BSE-Sensex key parameters

## Exhibit 5: Key fundamental indicators of BSE Sensex

Sensex (BSE-30) P/B, EV/EBITDA and 12-month forward rolling P/E, April 1993 - current



Source: Bloomberg, Company reports, Kotak Institutional Equities.

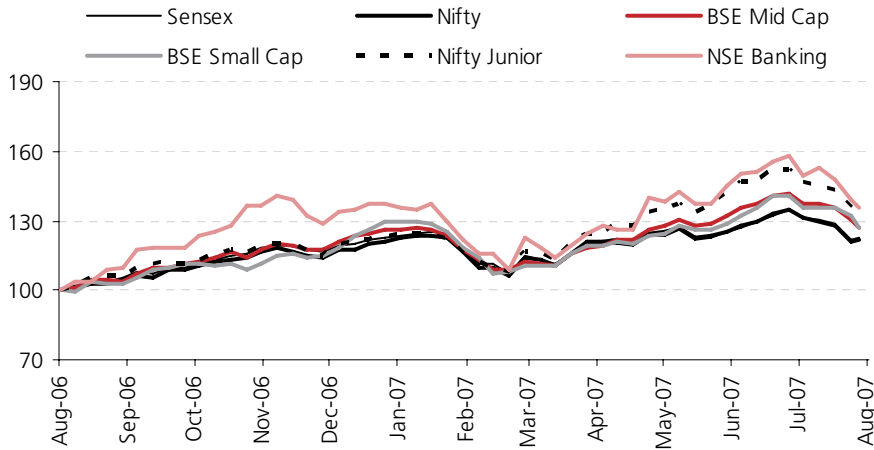
## Market performance

- Performance of benchmark indices
- Performance of global indices
- Pricing performance of Sensex sectors
- Top gainers and losers (Stocks under Kotak coverage)
- Price-to-Earnings ratio analysis
- EV-to-EBITDA ratio analysis
- Volume momentum analysis

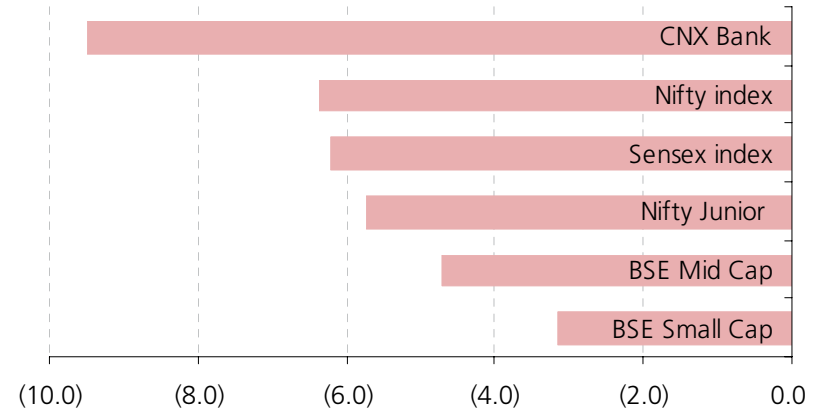
# Relative performance of Indian markets

**Exhibit 6: Key performance of benchmark indices**

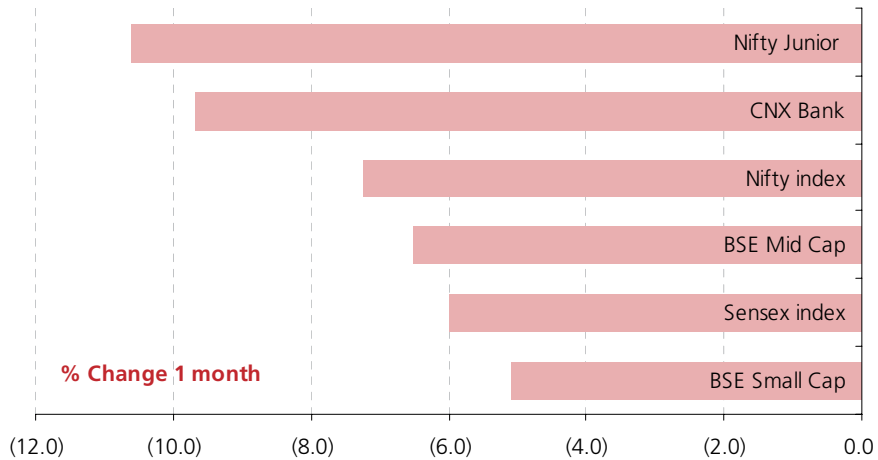
(base 100 as of August 27, 2006)



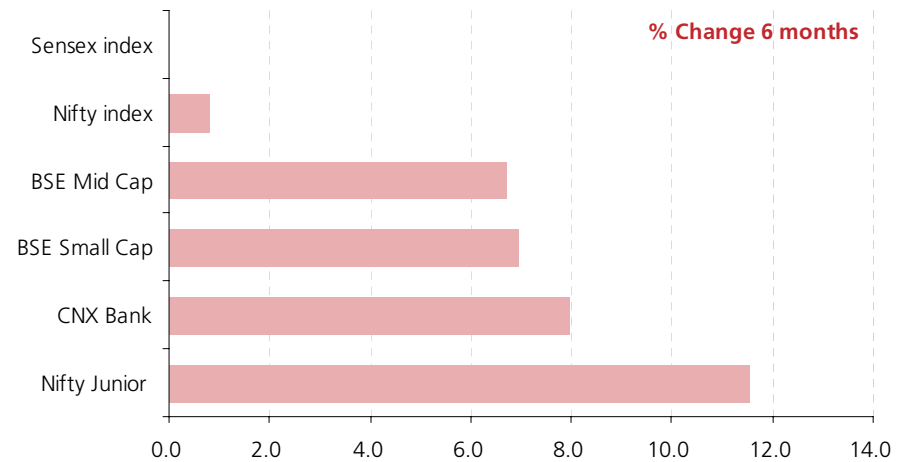
**Exhibit 7: Weekly performance of the benchmark indices**



**Exhibit 8: 1-month performance of the benchmark indices**



**Exhibit 9: 6-month performance of the benchmark indices**



Source: Bloomberg, Kotak Institutional Equities.



# BSE-Sensex versus regional indices

Exhibit 10: Weekly performance

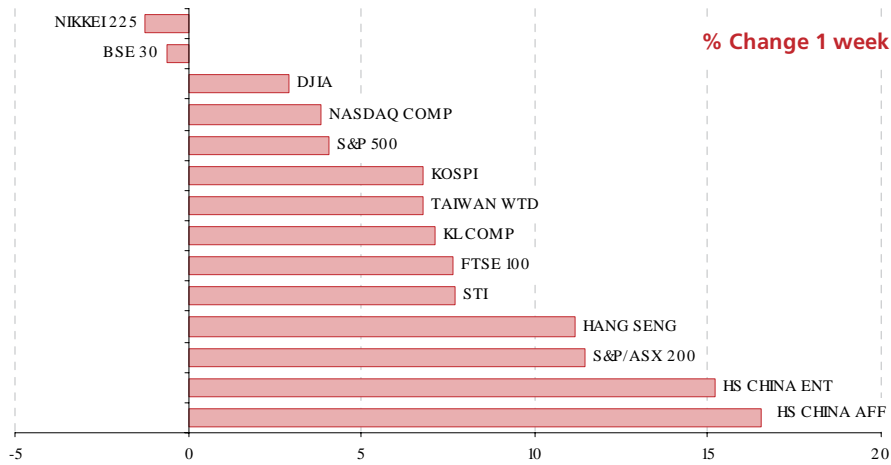


Exhibit 11: 3-month performance

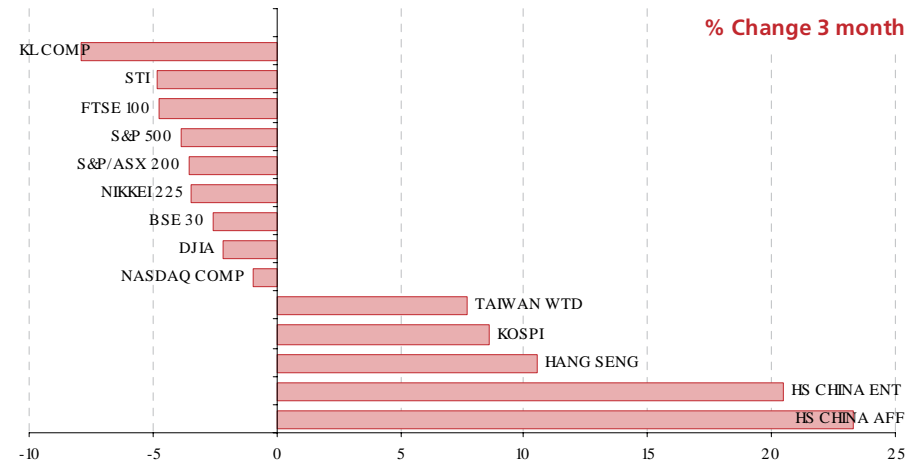


Exhibit 12: 6-month performance

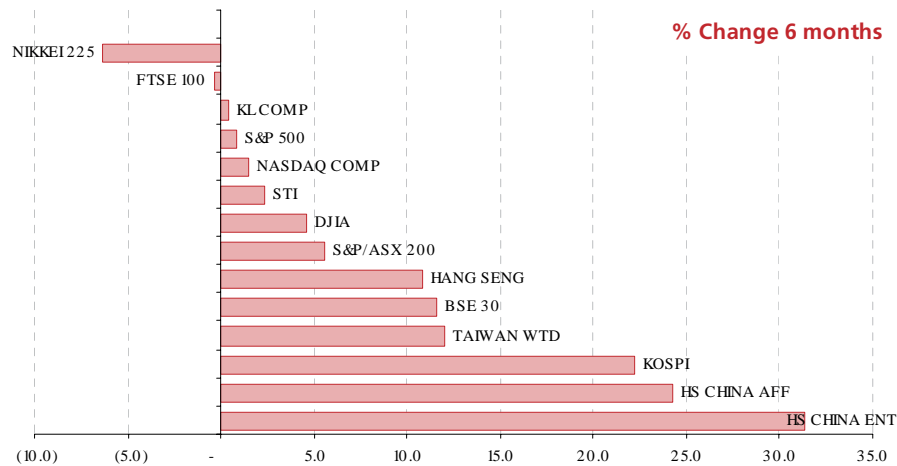
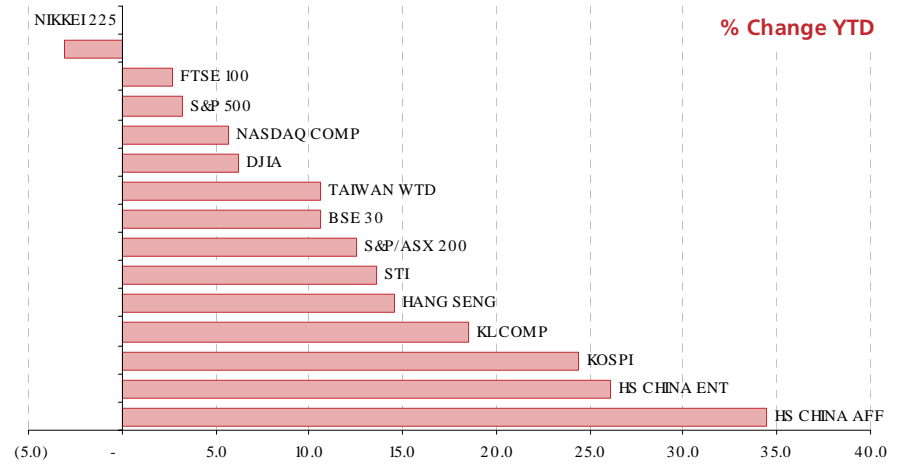


Exhibit 13: Year-to-date performance



NOTE:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities.

# Sectoral performance

Exhibit 14: Market performance of Sensex sectors, 23 August, 2007

	Mkt cap	Change, %						Relative Change, %			
	(US\$ m)	1-Day	1-mo	3-mo	6-mo	1-Year	CYTD	1-Day	1-mo	6-mo	1-Year
Banking	63,020	(1.9)	(10.8)	(0.6)	9.9	46.2	4.4	(1.3)	(0.8)	5.8	17.7
Technology	72,070	(0.3)	(11.7)	(12.8)	(20.8)	(0.3)	(19.6)	0.3	(1.6)	(23.8)	(19.7)
Consumers	25,280	1.3	1.5	(2.0)	0.3	(11.6)	(8.6)	1.9	10.4	(3.4)	(28.8)
Pharmaceuticals	8,882	(2.0)	(6.4)	(12.1)	(15.7)	(19.6)	(23.2)	(1.4)	3.3	(18.9)	(35.2)
Metals	16,170	(1.1)	(23.0)	(12.3)	13.9	2.6	3.3	(0.5)	(11.8)	9.6	(17.3)
Automobiles	21,013	0.5	(14.6)	(7.5)	(20.6)	(15.1)	(23.7)	1.0	(4.2)	(23.6)	(31.7)
Energy	100,007	(2.1)	(10.9)	(6.7)	9.6	28.7	13.0	(1.5)	(0.9)	5.5	3.6
Industrials	36,509	0.1	(7.0)	29.2	47.2	68.8	53.7	0.6	2.7	41.6	36.0
Cement	15,520	1.5	(8.7)	11.6	12.3	18.7	(5.6)	2.0	1.1	8.1	(4.4)
Telecom	63,562	(0.4)	(12.4)	(1.7)	12.6	91.4	21.0	0.2	(2.2)	8.3	54.1
Utilities	35,980	(0.8)	0.8	4.5	14.7	31.0	18.8	(0.2)	9.8	10.4	5.5
<b>Sensex sum</b>	<b>458,011</b>	<b>(0.6)</b>	<b>(10.0)</b>	<b>(1.4)</b>	<b>3.9</b>	<b>24.2</b>	<b>2.7</b>				

Source: Kotak Institutional Equities.

# Top gainers and losers

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

## 1-week performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Patni Computer Systems	13.2	1 Divi's Laboratories	(14.3)
2 Bharti Airtel Ltd	6.2	2 Sun TV Network	(12.4)
3 Ambuja cements	4.6	3 Punjab Tractors	(11.3)
4 Suzlon Energy	4.4	4 Gateway Distriparks	(11.1)
5 Axis Bank	4.2	5 Polaris Software Lab	(10.7)
6 Bharat Heavy Electricals	3.7	6 Rico Auto	(10.0)
7 Motherson Sumi	3.4	7 iGate Global Solutions	(9.7)
8 Larsen & Toubro	3.3	8 Satyam Computer Services	(9.6)
9 Jet Airways	2.9	9 Punj	(9.1)
11 JSL	1.7		

## CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 GVK Power	71.1	1 Vardhman	(51.0)
2 Larsen & Toubro	66.1	2 Rico Auto	(47.9)
3 Jindal Steel and power	58.7	3 Mahindra Gesco	(44.1)
4 Sterlite Industries	58.7	4 Hexaware Technologies	(44.0)
5 Monnet Ispat	57.2	5 Polaris Software Lab	(39.1)
6 Kalpataru Power Transmission	48.9	6 Hotel Leela	(38.4)
7 KEC	46.7	7 iGate Global Solutions	(38.0)
8 JSL	45.6	8 TVS Motor Co	(35.9)
9 Bharat Heavy Electricals	44.6	9 Cipla	(33.1)

## 1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Dredging Corporation	8.8	1 Sun TV Network	(34.0)
2 Asian Paints	5.4	2 Divi's Laboratories	(28.1)
3 Mphasis BFL	4.8	3 Hindalco Industries	(24.7)
4 Glaxo SmithKline Consumer	4.6	4 Mahindra & Mahindra	(24.1)
5 Jet Airways	2.9	5 VSNL	(23.0)
6 EIH	2.6	6 Hotel Leela	(22.8)
7 Tata Power	1.9	7 Oriental Bank of Commerce	(22.4)
8 Sintex	1.9	8 Mahindra Gesco	(22.4)
9 Abbott India	1.2	9 Corporation Bank	(22.4)
10 NTPC	1.1	10 Tata Steel	(22.3)

## 1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Divi's Laboratories	183.9	1 Rico Auto	(53.4)
2 GVK Power	174.3	2 Vardhman	(52.6)
3 Jindal Steel and power	139.1	3 TVS Motor Co	(40.6)
4 Sterlite Industries	139.1	4 Novartis India	(38.0)
6 Bharti Airtel Ltd	109.7	5 Mahindra Gesco	(35.3)
7 KEC	105.5	6 Cipla	(31.7)
8 JSL	103.9	7 Hotel Leela	(31.7)
9 Larsen & Toubro	103.3	8 Hexaware Technologies	(26.6)
10 IDFC	90.9	9 Tata Motors	(26.6)
11 Kalpataru Power Transmission	89.0	10 Aventis Pharma	(26.5)

Source: Kotak Institutional Equities.

# Price-to-Earnings ratio analysis

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

Premium to 1 year rolling forward P/E (%)	
Company	Premium to sector
Max	1,125.8
Jet Airways	216.7
HDFC	178.1
Reliance Industries	176.4
GSPL	176.1
Aditya Birla Nuvo	170.7
Divi's Laboratories	150.4

Discount to 1 year rolling forward P/E (%)	
Company	Discount to sector
Monnet Ispat	78.0
LIC Housing Finance	66.9
Dredging Corporation	66.5
Canara Bank	53.0
iGate Global Solutions	51.6
Bank of Baroda	51.4
Corporation Bank	51.3

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

Lowest 1 year rolling forward P/E (X)	
Company	Lowest P/E
Vardhman	5.1
Andhra Bank	6.2
Monnet Ispat	6.4
Hindustan Petroleum	6.5
Bharat Petroleum	6.9
Bank of Baroda	7.0
Corporation Bank	7.0
Indian Oil Corporation	7.0
Oil & Natural Gas Corporation	7.5
Punjab National Bank	7.7
Dredging Corporation	7.8

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

Highest 1 year forward P/E (X)	
Company	Highest P/E
Max	328.3
Aditya Birla Nuvo	49.8
ABB	34.4
Siemens	32.4
Jet Airways	32.0
Zee Entertainment Enterprises	28.3
Apollo Hospital	27.0
Nestle India	26.1
HT Media	25.9
HDFC	25.6
Sun TV Network	25.2

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

Company	% discount to historical high
Mphasis BFL	0.0
CESC	0.0
HDFC	0.0
Axis Bank	0.0
Sintex	0.0
Shriram Transport	0.0
Kalpataru Power Transmission	3.1
NTPC	4.2
MTNL	4.7
Monnet Ispat	5.7
Bharat Heavy Electricals	5.9
Larsen & Toubro	9.5
Reliance Industries	10.3
Bharat Electronics	12.7
Reliance Energy	12.8
State Bank of India	13.3
Aditya Birla Nuvo	13.6
HT Media	16.7

Note:

(a) Historical figures are generated since May 2000.

Source: Bloomberg, Kotak Institutional Equities

# Enterprise Value-to-EBITDA ratio analysis

**Exhibit 21 and 22: Companies trading at a premium to the sector based on comparable companies covered by Kotak Institutional Equities. Analysis done on 1- year forward EV-EBITDA**

## Trading at premium to the sectors

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

Company	Sector premium
Max	1,227.3
Castrol India	202.7
Petronet LNG	192.5
i-flex solutions	183.6

## Trading at discount to sectors

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

Company	Sector discount
Dredging Corporation	30.5
Polaris Software Lab	37.4
MTNL	42.1
Novartis India	45.9
Hexaware Technologies	47.2

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

### Highest 1 year rolling forward EV/EBITDA (X)

Company	Highest EV/EBITDA
Max	202.9
i-flex solutions	25.8
Aditya Birla Nuvo	24.2
Reliance Energy	20.9
ABB	20.2
Divi's Laboratories	19.8
Siemens	18.7

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

### Lowest 1 year rolling forward EV/EBITDA (X)

Company	Lowest EV/EBITDA
Bharat Petroleum	3.7
Hindustan Petroleum	3.9
Indian Oil Corporation	4.1
Hindustan Zinc	4.4
National Aluminium Co	4.5
MTNL	4.9
Vardhman	4.9
GAIL (India)	5.1

Source: Bloomberg, Kotak Institutional Equities

# Technical indicators

Exhibit 25: Volume momentum analysis

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

Company	5-day average volumes	Increase (%)	Price Change (1month basis %)
Nicholas Piramal	774,275	349	(17.0)
EIH	392,499	213	2.6
Indian Hotels	940,776	121	(16.0)
UltraTech Cement	98,280	107	(12.7)
Satyam Computer Services	1,553,455	107	(14.0)
VSNL	183,628	95	(23.0)
Hindustan Petroleum	312,452	92	(20.9)

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

Company	5-day average volumes	% decrease	% Price Change (1month basis)
Glaxo SmithKline Consumer	1,455	(79)	4.6
Rico Auto	95,234	(78)	(20.9)
Hexaware Technologies	24,248	(73)	(7.7)
Godrej Consumer Products	21,337	(73)	(2.5)
Dredging Corporation	11,266	(69)	8.8
National Aluminium Co	15,781	(68)	(11.6)
Bharat Electronics	8,790	(68)	(12.1)

Date	Sensex	Avg daily value traded	Institutional participation in total turnover		Sensex Put-Call delivery	Put-Call (X)
		(US\$ mn)	FII%	MF%	(%)	
Jan-07	14,090	2,847	16.5	4.9	50.3	1.64
Feb-07	12,938	3,092	21.3	4.9	53.2	1.58
Mar-07	13,072	2,612	20.5	4.5	50.7	1.00
Apr-07	13,872	2,776	18.0	4.7	49.2	1.12
May-07	14,544	3,420	16.3	4.5	49.8	1.38
Jun-07	14,650	3,327	17.6	3.9	49.9	1.44
Jul-07	14,986	4,309	18.6	4.4	49.8	1.38
<b>Average of the first seven months</b>	<b>14,022</b>	<b>3,198</b>	<b>18.4</b>	<b>4.5</b>	<b>50.4</b>	<b>1.36</b>
Aug-07	14,164	3,745	17.7	3.7	47.1	1.30

Source: Bloomberg, Kotak Institutional Equities.

## Earnings momentum

**Top upgrades and downgrades in 2008 estimates in the past month**

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

# Top upgrades/downgrades

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

### FY2008 earnings upgrades (KIE) (1 month)

Company	% Change
1 Dredging Corporation	47.7
2 Reliance Energy	31.9
3 Punj	19.7
4 Federal Bank	17.1
5 Cairn India	16.6
6 Shriram Transport	14.4
7 Reliance Industries	14.0
8 GAIL (India)	12.6
9 Mphasis BFL	12.2
10 Nestle India (a)	9.9

### FY2008 earnings downgrades (KIE) (1 month)

Company	% Change
1 Hindustan Petroleum	(32.2)
2 Gateway Distriparks	(20.0)
3 CESC	(19.7)
4 i-flex solutions	(18.2)
5 Canara Bank	(16.1)
6 Suzlon Energy	(12.8)
7 Sobha	(10.1)
8 Bharat Petroleum	(8.8)
9 HT Media	(5.7)
10 Oriental Bank of Commerce	(5.0)

Source: Kotak Institutional Equities, Bloomberg.



# Changes in our target prices

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

### Upgrades in target prices (1 month)

	Company	% Change	New	Old
1	Bharat Heavy Electricals	17.7	1,825	1,550

### Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	JSW Steel	(17.1)	580	700
2	Wipro	(8.2)	560	610
3	Tata Steel	(6.3)	600	640
4	Mphasis BFL	(6.3)	300	320
5	Sobha	(1.1)	930	940

Source: Kotak Institutional Equities.

# Changes in our ratings

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## Exhibit 29: Changes in ratings in the past 1 month

Company name		Rating	
		Current	Previous
Bharat Heavy Electricals	Upgraded	OP	IL
ICICI Bank	Upgraded	OP	IL

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Source: Kotak Institutional Equities.

## Flows

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

# Trend in equity flows

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

	FII	MF
CY 1999	1,537	0
CY 2000	1,462	(150)
CY 2001	2,807	(1,110)
CY 2002	751	(685)
CY 2003	6,658	118
CY2004	8,382	(217)
CY 2005	10,776	2,873
CY 2006	8,632	3,585
<b>CY 2007</b>	<b>8,011</b>	<b>201</b>
Jan	40	(298)
Feb	1,249	(61)
March	317	(365)
April	1,257	217
May	1,085	401
June	1,759	100
July	4,530	(199)
August	(2,224)	405

**Exhibit 32: Net foreign flows in the Derivatives market (US\$ mn)**

	Index Futures	Index Options	Stock Futures	Stock Options
<b>CY2004</b>	(91)	608	(796)	4
<b>CY2005</b>	(676)	2,199	(668)	(42)
CY 2006	345	3,950	(3,690)	(83)
<b>CY2007</b>	(676)	7,113	(4,616)	(102)
Jan	13	960	(632)	(27)
Feb	(937)	682	(313)	0
Mar	1,132	630	467	(8)
Apr	264	810	(111)	(15)
May	320	516	(1,246)	(10)
June	(1,025)	980	(568)	(16)
July	(821)	1,860	(1,649)	(4)
August	378	676	(563)	(22)

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

Date	Amount	Date	Amount
Apr-07	208	14-Aug	75
May-07	753	16-Aug	341
Jun-07	1,120	17-Aug	474
Jul-07	(145)	20-Aug	35
Aug-07	1,688	21-Aug	202
<b>Total</b>	<b>3,624</b>	<b>Total</b>	<b>1,126</b>

Source: Bloomberg, Kotak Institutional Equities

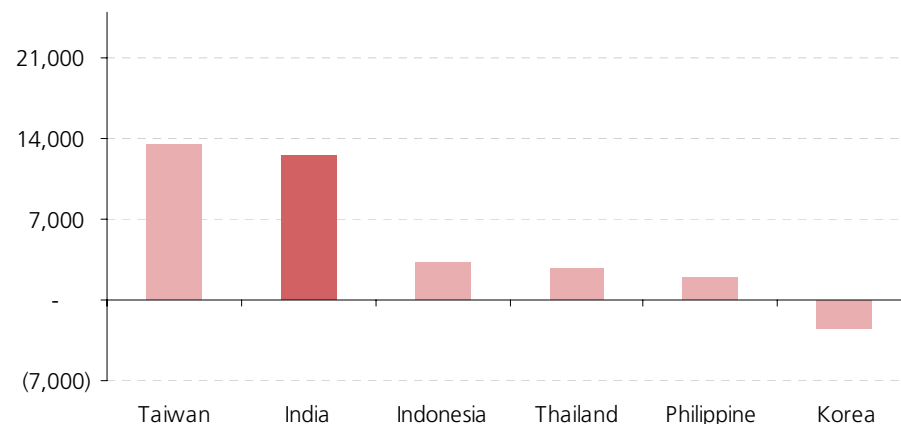
# FII flows in other emerging markets

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

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
24-Jul-07	522	17	(2)	62	315
25-Jul-07	(420)	(19)	(14)	10	(15)
26-Jul-07	169	(9)	97	4	61
27-Jul-07	(2,016)	(35)	(26)	(144)	(300)
30-Jul-07	(885)	(5)	(7)	-	(37)
31-Jul-07	(255)	25	(4)	(19)	106
1-Aug-07	(1,499)	(13)	25	(143)	(241)
2-Aug-07	(204)	9	(17)	(95)	(104)
3-Aug-07	125	9	7	(38)	48
6-Aug-07	(550)	9	(9)	(90)	(289)
7-Aug-07	(210)	170	(9)	(87)	(31)
8-Aug-07	89	36	(4)	(18)	47
9-Aug-07	329	(2)	(3)	(19)	95
10-Aug-07	(885)	11	(9)	(140)	(101)
13-Aug-07	(118)	229	(1)	-	(129)
14-Aug-07	(116)	(6)	1	(125)	(32)
16-Aug-07	(1,212)	15	(12)	(149)	(705)
17-Aug-07	(912)	-	(7)	(205)	(802)
20-Aug-07	(117)	-	-	19	23
21-Aug-07	(57)	-	2	-	(2)
<b>Total</b>	<b>(8,223)</b>	<b>440</b>	<b>7</b>	<b>(1,177)</b>	<b>(2,092)</b>

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



Source: Bloomberg.

# IPO analysis

## Exhibit 33: Market performance since IPO/ Follow on offering

Name	Offer	Price	Value	Date of	Price		Performance (%)	
	Shares	(Rs)	(Rs mn)	Listing	Day 1	Latest	Day 1	Since Listing
Central Bank of India	800	102	8,160	21-Aug-07	115	116	13	14
SEL manufacturing	41	90	372	21-Aug-07	142	186	58	106
Reflex Refrigerants	38	65	247	20-Aug-07	62	62	(5)	(5)
Zylog Systems	36	350	1,260	17-Aug-07	431	418	23	19
IVR Prime	142	550	7,783	16-Aug-07	418	346	(24)	(37)
OMAXE Ltd	178	310	5,517	09-Aug-07	349	300	13	(3)
Alpa Laboratories	95	68	646	06-Aug-07	55	46	(19)	(33)
Simplex projects	30	185	555	03-Aug-07	272	267	47	44
Everonn Systems	36	140	500	01-Aug-07	478	511	241	265
Allied Digital	45	190	859	25-Jul-07	331	282	74	48
Housing Development & Infra	297	500	14,850	24-Jul-07	558	488	12	(2)
Soice Communications	1,131	46	5,203	18-Jul-07	61	51	32	10
Roman Tarmat	29	175	508	09-Jul-07	319	193	82	10
DLF	1,750	525	91,875	05-Jul-07	570	554	9	6
Vishal Retail	40	270	1,082	04-Jul-07	752	588	179	118
Nitin Fire Protection	34	190	644	05-Jun-07	484	402	155	111
Insecticides Ind	32	115	369	30-May-07	110	56	(5)	(51)
MIC Electronics	51	150	765	30-May-07	336	376	124	151
Binani Cements	205	75	1,538	28-May-07	69	65	(8)	(13)
Hilton Metal Forging	55	70	382	24-May-07	68	34	(3)	(52)
Bhagwati Hotels	230	40	920	17-May-07	51	32	27	(19)
Fortis Healthcare	460	108	4,968	09-May-07	100	82	(7)	(24)
Advanta India Ltd	34	640	2,163	19-Apr-07	850	819	33	28
ICRA Ltd	26	330	852	13-Apr-07	798	928	142	181
Orbit Corp Ltd	91	110	1,001	12-Apr-07	128	369	16	236
Gremach Infrastructure	69	86	590	11-Apr-07	84	171	(2)	99
Astral Polytechn	30	115	342	20-Mar-07	105	106	(9)	(8)
Abhishek Mills L	41	100	410	19-Mar-07	91	36	(9)	(64)
AMD Metplast Ltd	102	75	763	19-Mar-07	78	39	4	(48)
Jagjanani Textil	81	25	203	19-Mar-07	23	10	(7)	(60)
Lawreshwar Polym	87	16	139	19-Mar-07	14	8	(13)	(51)
Page Industries	28	360	1,009	16-Mar-07	282	392	(22)	9
Raj Television N	36	257	917	16-Mar-07	226	184	(12)	(28)
Euro Ceramics	56	165	928	09-Mar-07	119	165	(28)	(0)
Idea Cellular	2,833	75	21,250	09-Mar-07	86	112	14	50
Mudra Lifestyle	96	90	862	09-Mar-07	64	62	(29)	(31)
Vijayeshwari Textiles	90	100	900	09-Mar-07	69	61	(31)	(39)
Indus Fila Ltd	48	170	823	08-Mar-07	132	185	(22)	9
Broadcast Initiatives	86	120	1,026	07-Mar-07	69	53	(42)	(56)
Evinix Accessories	35	120	420	07-Mar-07	74	144	(39)	20
Mindtree Consulting	56	425	2,377	07-Mar-07	620	523	46	23
Oriental Trimex	100	48	480	07-Mar-07	29	17	(39)	(65)
Indian Bank	896	91	8,149	01-Mar-07	98	133	8	46
SMS Pharma	26	380	979	28-Feb-07	358	259	(6)	(32)
C&C Construction	43	291	1,242	26-Feb-07	240	178	(18)	(39)
Transwarranty Finance	60	52	312	26-Feb-07	47	26	(9)	(51)
Power Finance Corp	1,173	85	9,972	23-Feb-07	112	172	31	102
Firstsource Solutions	693	64	4,435	22-Feb-07	80	70	24	10
House of Pearl Fashions	60	550	3,292	15-Feb-07	469	251	(15)	(54)

Source: Bloomberg and Kotak Institutional Equities.

## Exhibit 34: Forthcoming IPO/Follow on offerings

Company	Type	Date
National Hydroelectric Power Corp.Ltd.	IPO	02/04/2007
Mundra Port & Special Economic Zone Ltd.	IPO	06/03/2007
Power Grid Corp.Of India Ltd.	IPO	17/04/2007
Kolte-Patil Developers Ltd.	IPO	05/02/2007
Maytas Infra Ltd.	IPO	27/07/2007
Jyothy Laboratories Ltd.	IPO	28/06/2007
Rns Infrastructure Ltd.	IPO	13/07/2007
Afcons Infrastructure Ltd.	IPO	26/04/2007
Bgr Energy Systems Ltd.	IPO	06/08/2007
Oswal Woollen Mills Ltd.	IPO	23/04/2007
Manaksia Ltd.	FPO	29/01/2007
Motilal Oswal Financial Services Ltd.	IPO	19/07/2007
Empee Distilleries Ltd.	IPO	24/05/2007
Ramsarup Lohh Udyog Ltd.	IPO	05/07/2007
Religare Enterprises Ltd.	IPO	02/07/2007
Consolidated Construction Consortium Ltd.	IPO	31/07/2007
Koutons Retail India Ltd.	IPO	16/04/2007
Dhanus Technologies Ltd.	IPO	28/06/2007
Gss America Infotech Ltd.	IPO	21/03/2007
Kaveri Seed Co.Ltd.	IPO	02/07/2007
Man Infraconstruction Ltd.	IPO	20/03/2007
Mbl Infrastructures Ltd.	IPO	05/10/2006
Uma Precision Ltd.	IPO	25/06/2007
Bang Overseas Ltd.	IPO	20/07/2007
Precision Pipes & Profiles Co.Ltd.	IPO	11/07/2007
Globus Spirits Ltd.	IPO	18/07/2007
Brahamputra Consortium Ltd.	IPO	26/07/2007
Indowind Energy Ltd.	IPO	23/05/2007
Essel Shyam Communication Ltd.	IPO	29/09/2006
M.S.Khurana Engineering Ltd.	IPO	30/03/2007
Midvalley Entertainment Ltd.	IPO	11/07/2007
Varun Industries Ltd.	IPO	28/06/2007
Veena Industries Ltd.	IPO	30/03/2007
Aries Agro Ltd.	IPO	04/04/2007
Niraj Cement Structurals Ltd.	IPO	02/08/2007
Renaissance Jewellery Ltd.	IPO	06/07/2007
Magnum Ventures Ltd.	IPO	09/07/2007
It People (India) Ltd.	FPO	09/07/2007
Kaushalya Infrastructure Development Corp.Ltd.	IPO	06/12/2006
Svec Constructions Ltd.	IPO	30/04/2007
Steel City Securities Ltd.	IPO	17/02/2006
Manjushree Extrusions Ltd.	FPO	08/08/2007
Barak Valley Cements Ltd.	IPO	03/08/2007
Svpcl Ltd.	IPO	27/04/2007
Supreme Infrastructure India Ltd.	IPO	26/07/2007
Burnpur Cement Ltd.	IPO	18/04/2007
Rathi Bars Ltd.	IPO	12/03/2007
Shaily Engineering Plastics Ltd.	FPO	22/12/2006
Aishwarya Telecom Ltd.	IPO	13/07/2007
Saamya Biotech (India) Ltd.	IPO	18/07/2007
Kamayani Patient Care (India) Ltd.	IPO	29/06/2007
Circuit Systems (India) Ltd.	IPO	29/06/2007

Source: Primedatabase.

# Summary of bulk/block deals

**Exhibit 35: Bulk/block deals for the week**

Deal Date	Scrip Name	Action	Quantity	Price	Value		Exchange
					(Rs mn)		
10-Aug	United Brew	SELL	2,705,400	303	819		BSE
10-Aug	United Brew	BUY	2,702,500	303	818		BSE
10-Aug	Northgate Te	SELL	250,353	1,240	310		BSE
10-Aug	Northgate Te	BUY	165,000	1,240	205		BSE
10-Aug	Federal Bank	BUY	428,095	325	139		BSE
10-Aug	Northgate Te	BUY	85,353	1,240	106		BSE
10-Aug-07	Gemini Communication Limi	BUY	450,000	200	90		NSE
10-Aug	Dhanlak Bank	BUY	1,096,372	82	89		BSE
09-Aug-07	Icsa (India) Limited	BUY	47,471	1,805	86		NSE
09-Aug-07	Himachal Fut Comm Ltd	SELL	4,206,000	18	77		NSE
09-Aug-07	Gtl Infrastructure Limite	BUY	1,900,000	37	70		NSE
09-Aug-07	Nagarjuna Fert & Chem	SELL	2,620,428	25	65		NSE
09-Aug-07	Gtl Infrastructure Limite	SELL	1,690,489	36	61		NSE
09-Aug-07	Himachal Fut Comm Ltd	SELL	3,006,919	19	57		NSE
9-Aug	Him Futr Com	SELL	2,350,000	19	44		BSE
10-Aug	Bhagwati Ban	BUY	1,000,000	37	37		BSE
13-Aug	Mang Che Fer	BUY	1,000,000	34	34		BSE
9-Aug	Pioner Embro	SELL	217,478	150	33		BSE
13-Aug	Shah Alloy L	SELL	475,000	62	29		BSE
10-Aug	Sharyan Reso	SELL	100,000	235	23		BSE
10-Aug	Sujana Metal	SELL	602,942	35	21		BSE
10-Aug-07	Etc Networks Limited	SELL	143,000	98	14		NSE
13-Aug	Sujana Metal	SELL	395,555	35	14		BSE
9-Aug	Ion Exchange	BUY	75,000	175	13		BSE
10-Aug	Lokesh Mach	SELL	112,500	102	12		BSE
10-Aug-07	Lokesh Machines Limited	SELL	97,950	102	10		NSE
10-Aug-07	Etc Networks Limited	BUY	100,000	98	10		NSE
9-Aug	Etc Network	BUY	100,000	94	9		BSE
09-Aug-07	Etc Networks Limited	BUY	71,144	94	7		NSE
10-Aug-07	Ginni Filaments Ltd	SELL	384,000	11	4		NSE
9-Aug	Freshrop Fr	BUY	27,779	109	3		BSE
9-Aug	Pruden Pharm	SELL	80,000	27	2		BSE

Source: BSE and NSE website.

# Delivery positions

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

### Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
CESC Limited	22	77
Ht Media Ltd	61	98
Jet Airways India Ltd	20	54
Suzlon Energy Limited	28	62
Abbott India Ltd	48	82
Hero Honda Motors Limited	46	79
Asian Paints Ltd	55	86
Lupin Ltd	46	76
Indian Petrochemicals Corp	28	56

### Decrease in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Sintex Industries Limited	96	34
Punj Lloyd Limited	49	-
Godrej Industries Ltd	93	53
Hotel Leelaventure Ltd	80	51
Tata Power Company Limited	72	43
National Aluminium Co Ltd	57	31
Godrej Consumer Products Ltd	98	75
Mahanagar Telephone Nigam	58	38
HCL Technologies Ltd	60	42

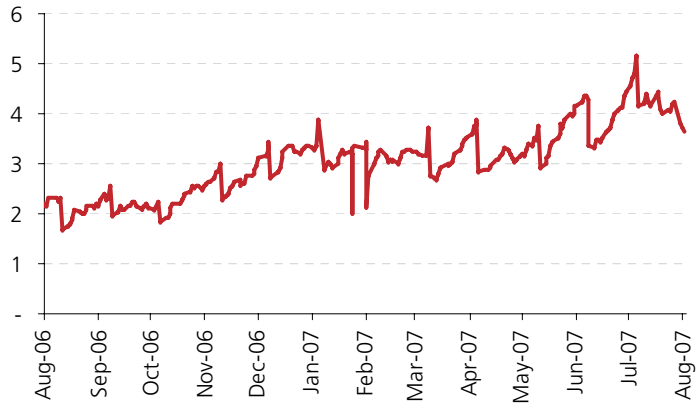
Source: Bloomberg and Kotak Institutional Equities.



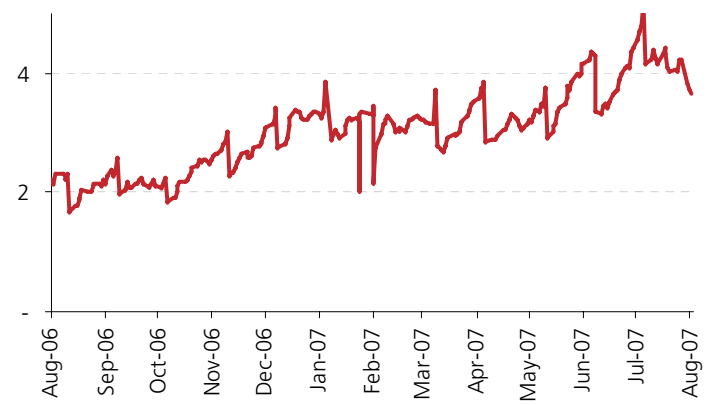
# Open interest analysis

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

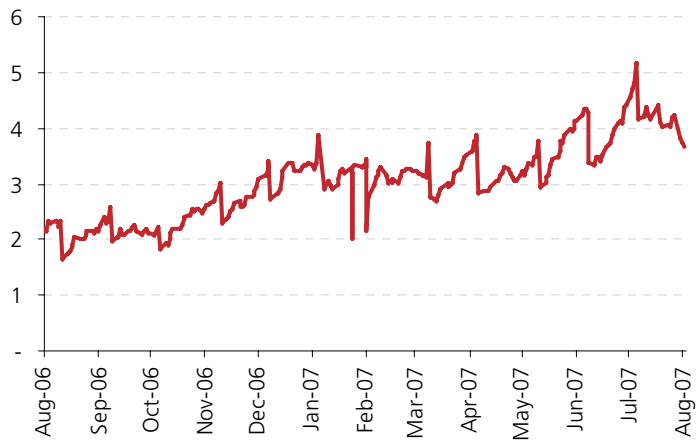
India Index futures open interest



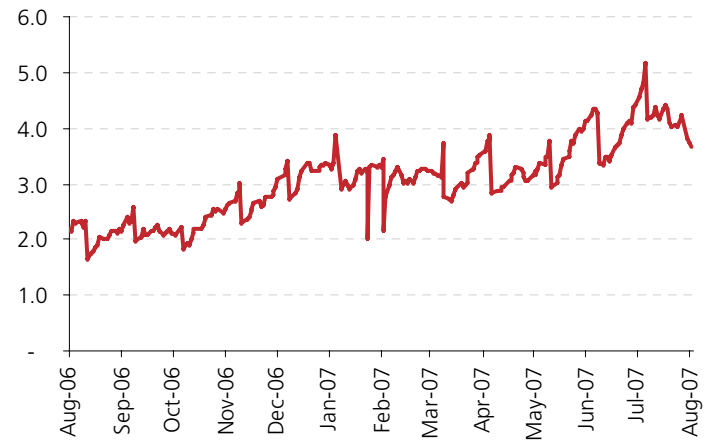
India stock futures open interest



India Index option open interest



India stock option open interest

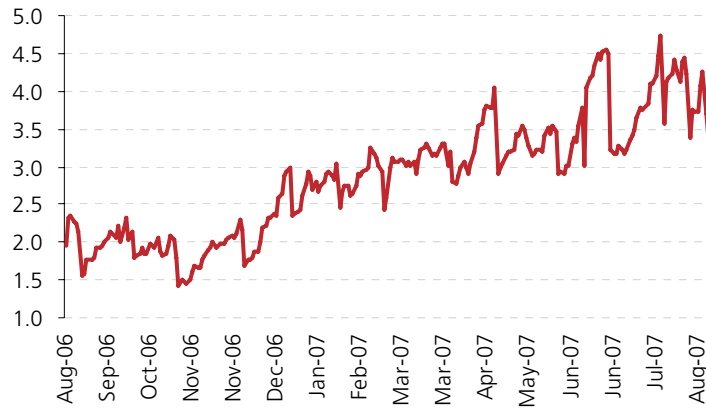


Source: Bloomberg and Kotak Institutional Equities.

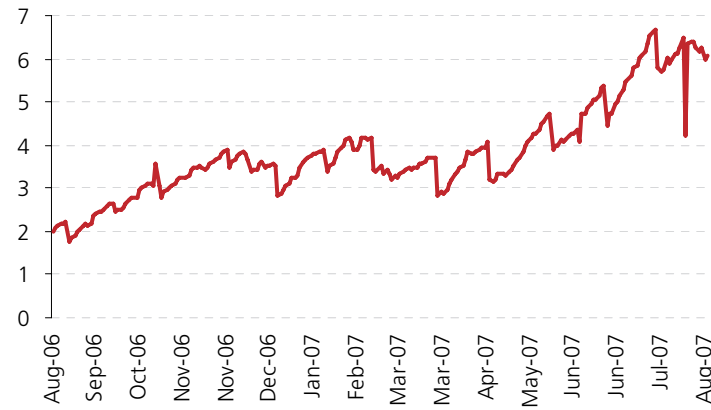
# Open interest analysis

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

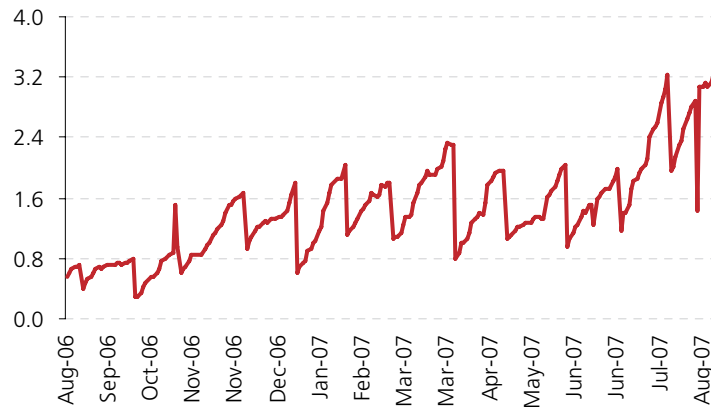
Index futures value of open interest



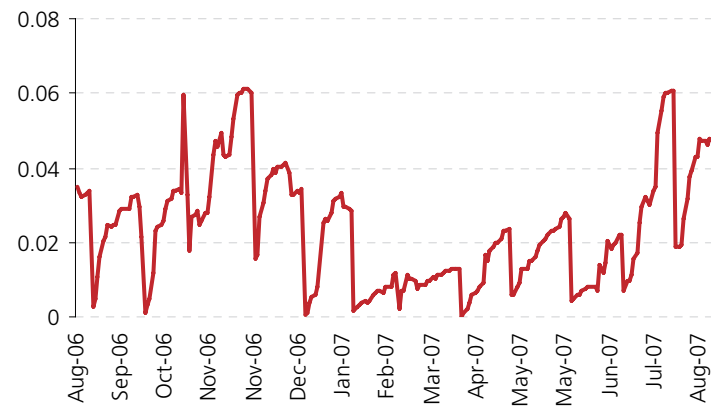
Stock futures value of open interest



Index options value of open interest



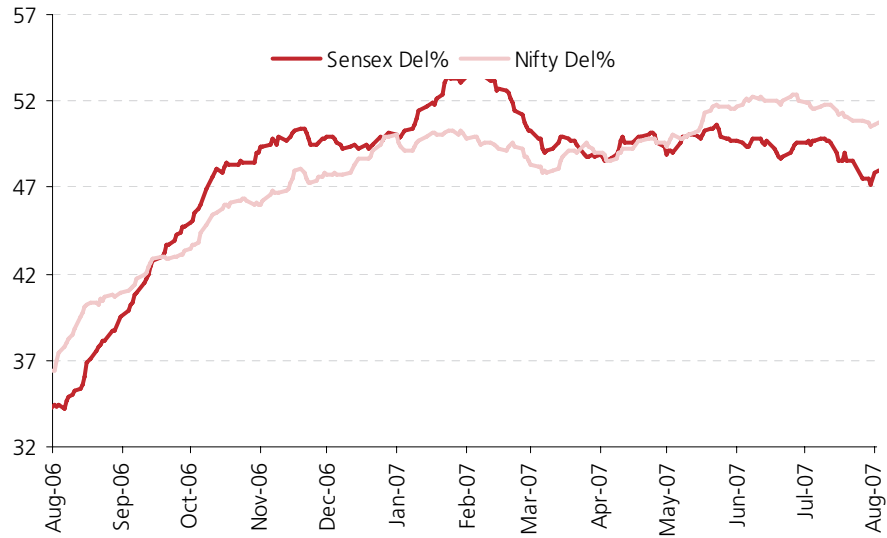
Stock options value of open interest



Source: Bloomberg and Kotak Institutional Equities.

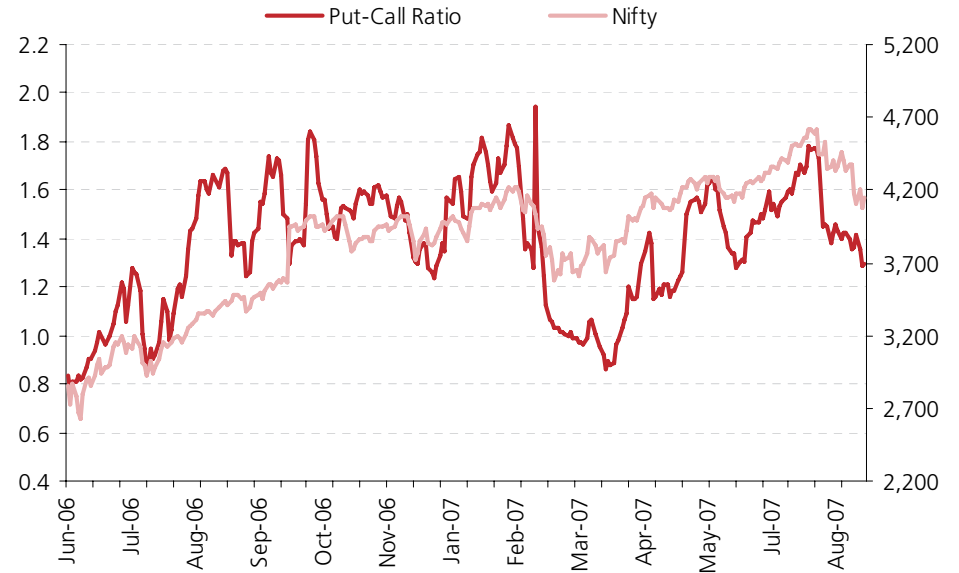
# Market movement indicators

**Exhibit 39: Aggregate delivery percentage**



Source: Bloomberg and Kotak Institutional Equities.

**Exhibit 40: Put call ratio versus Nifty**



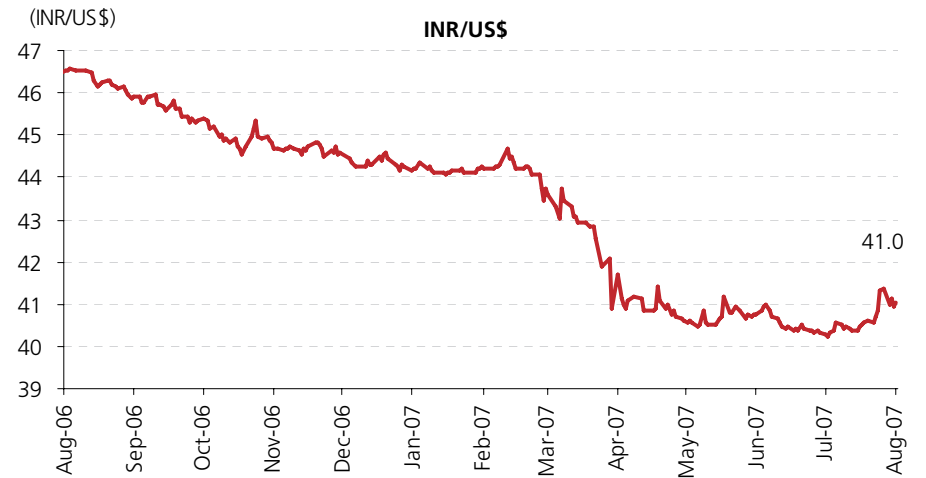
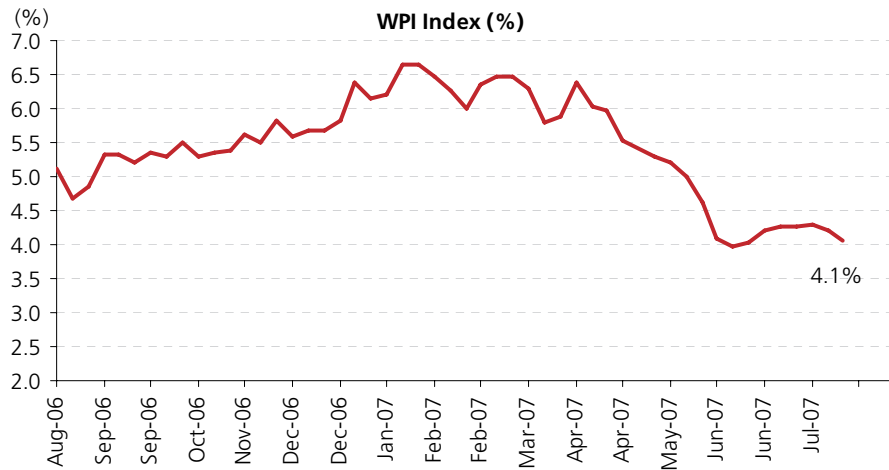
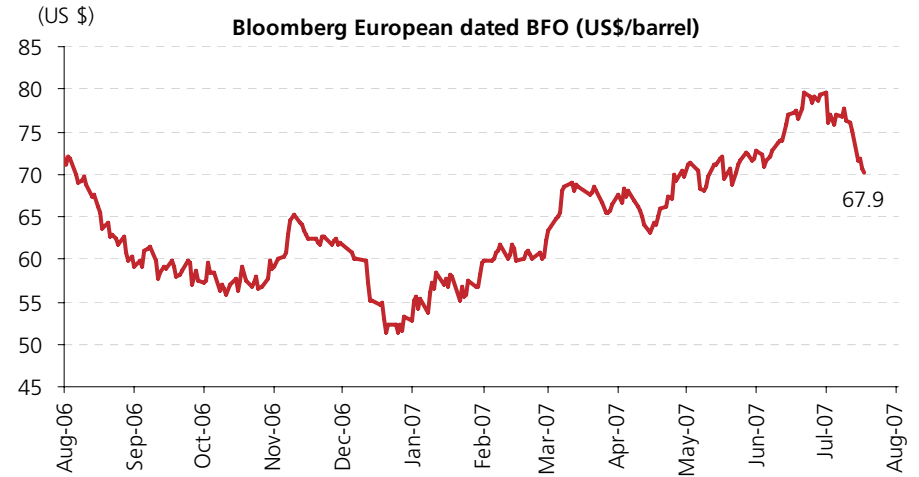
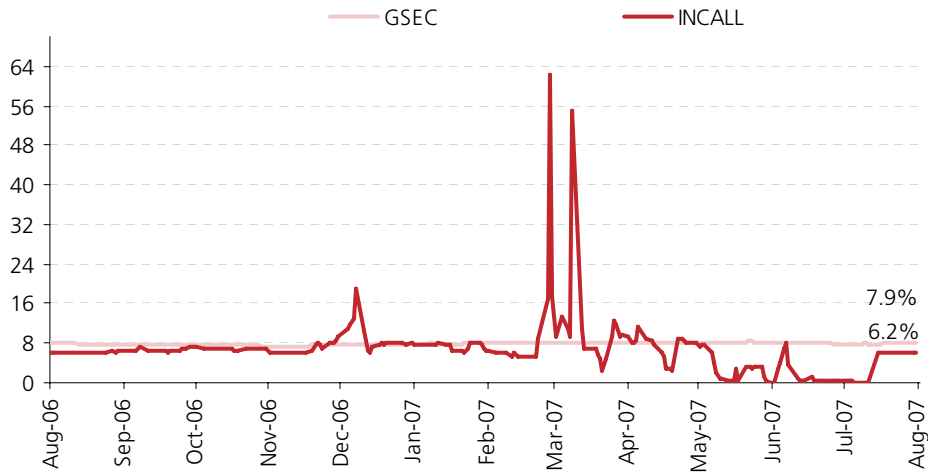
Put call is for Nifty open interest

Source: Bloomberg and Kotak Institutional Equities.

## Economic indicators

# Economic indicators

Exhibit 41: Key economic parameters



Source: Bloomberg and Kotak Institutional Equities.

## **Kotak valuation summary**

# Valuation summary

## Kotak Institutional Equities Universe

Company	23-Aug-07		Mkt cap		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT- 3mo US\$ mn
	Price (Rs)	Rating	(Rs m)	(US\$ m)		2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007	2008E	2009E	2007E	2008E	2009E			
<b>Banks/Financial Institutions</b>																													
Andhra Bank	78	OP	37,830	922	485	11.1	12.4	13.0	10.8	11.5	5.1	7.0	6.3	6.0	—	—	—	1.3	1.2	1.1	4.9	5.4	5.7	17.8	18.4	17.8	120	53.8	2.3
Axis Bank	582	U	190,391	4,639	327	23.4	30.2	38.7	34.4	29.2	28.0	24.9	19.3	15.0	—	—	—	6.4	2.4	2.0	0.8	1.0	1.4	21.0	16.8	15.2	570	(2.1)	3.8
Bank of Baroda	252	OP	92,094	2,244	366	28.1	35.0	37.4	24.1	24.7	6.7	9.0	7.2	6.7	—	—	—	1.2	1.1	1.0	2.7	3.1	3.3	12.4	14.4	14.2	330	31.0	5.7
Canara Bank	226	IL	92,599	2,256	410	34.7	30.5	37.4	5.8	(11.9)	22.6	6.5	7.4	6.0	—	—	—	1.3	1.1	1.0	3.1	2.9	3.1	16.3	11.9	13.6	250	10.7	4.1
Corporation Bank	295	IL	42,249	1,029	143	37.4	40.5	44.2	20.6	8.3	9.2	7.9	7.3	6.7	—	—	—	1.1	1.0	0.9	3.1	3.3	3.8	15.0	14.9	14.9	360	22.2	1.5
Centurion Bank of Punjab	37	U	62,652	1,527	1,691	0.8	1.1	1.6	35.6	31.4	48.0	43.8	33.3	22.5	—	—	—	5.5	4.4	3.7	-	-	-	11.5	11.9	15.8	35	(5.5)	1.6
Federal Bank	304	OP	26,062	635	86	34.2	43.4	46.4	30.0	27.0	6.8	8.9	7.0	6.6	—	—	—	1.9	1.5	1.3	2.9	3.0	3.0	21.2	22.2	20.4	340	11.7	2.1
HDFC	1,908	IL	547,163	13,332	287	62.1	68.9	82.3	23.6	11.0	19.4	30.7	27.7	23.2	—	—	—	9.9	4.5	4.1	1.0	1.3	1.5	31.3	22.5	18.5	1,700	(10.9)	31.6
HDFC Bank	1,100	IL	381,247	9,290	347	35.7	47.2	61.2	28.5	32.1	29.5	30.8	23.3	18.0	—	—	—	5.9	3.2	2.8	0.6	0.9	1.1	19.5	17.9	17.1	1,250	13.7	17.5
ICICI Bank	826	OP	913,335	22,255	1,106	34.6	35.0	51.3	5.6	1.3	46.5	23.9	23.6	16.1	—	—	—	3.8	1.9	1.8	1.0	1.0	1.6	13.4	10.8	11.5	1,000	21.1	51.8
IDFC	111	IL	142,880	3,481	1,291	4.4	5.2	7.2	25.8	19.8	38.3	25.4	21.2	15.3	—	—	—	4.9	2.6	2.3	0.8	1.1	1.8	17.9	16.0	16.0	120	8.5	20.9
India Infoline	561	U	30,159	735	54	15.1	19.2	31.6	39.3	27.5	64.4	37.2	29.2	17.8	—	—	—	9.3	6.1	2.8	0.5	0.6	1.1	29.1	25.1	26.3	670	19.4	33.0
Indian Bank	133	IL	57,159	1,393	430	16.8	23.9	22.8	148.1	42.0	(4.6)	7.9	5.6	5.8	—	—	—	1.9	1.6	1.3	2.3	4.5	4.3	25.8	27.3	22.5	135	1.5	3.5
Indian Overseas Bank	111	OP	60,282	1,469	545	18.5	21.5	22.6	28.7	16.1	5.3	6.0	5.1	4.9	—	—	—	1.5	1.3	1.1	3.2	4.1	4.5	28.1	27.2	24.2	150	35.6	1.7
J&K Bank	680	OP	32,955	803	48	56.6	65.4	78.2	55.2	15.6	19.5	12.0	10.4	8.7	—	—	—	1.8	1.6	1.4	1.7	1.9	2.3	14.4	14.9	15.8	875	28.8	0.6
LIC Housing Finance	177	OP	15,036	366	85	32.8	35.9	38.9	33.9	9.3	8.2	5.4	4.9	4.6	—	—	—	1.2	0.9	0.7	4.5	4.5	5.3	-	-	-	240	35.7	1.7
Mahindra & Mahindra Financial	226	IL	18,955	462	84	15.7	18.5	23.3	25.5	17.6	25.9	14.4	12.2	9.7	—	—	—	2.6	2.3	2.0	1.8	2.0	2.6	18.1	18.6	20.4	265	17.4	0.6
Oriental Bank of Commerce	194	IL	48,555	1,183	251	33.0	32.9	34.7	2.9	(0.1)	5.4	5.9	5.9	5.6	—	—	—	1.0	0.9	0.8	2.4	2.4	2.6	10.9	10.1	10.2	240	23.8	2.5
PFC	172	U	197,358	4,809	1,148	11.1	11.2	12.8	9.5	1.2	14.3	15.5	15.4	13.4	—	—	—	2.0	1.9	1.8	0.8	2.1	2.4	12.6	12.8	13.5	125	(27.3)	20.2
Punjab National Bank	452	OP	142,406	3,470	315	48.8	55.2	63.3	7.0	13.1	14.7	9.2	8.2	7.1	—	—	—	1.6	1.3	1.1	2.9	1.6	1.8	15.5	15.6	15.7	610	35.1	11.8
Shriram Transport	160	OP	30,573	745	191	10.3	13.7	16.5	23.5	32.7	20.5	15.5	11.7	9.7	—	—	—	2.9	2.4	2.1	1.8	2.5	3.0	19.8	21.6	21.9	200	25.0	0.8
SREI	88	IL	9,578	233	109	7.3	8.2	10.3	63.6	13.1	24.9	12.1	10.7	8.6	—	—	—	2.1	1.9	1.6	1.1	1.1	1.1	18.0	17.4	18.5	110	25.3	4.3
State Bank of India	1,415	IL	744,739	18,147	526	86.3	101.3	107.7	3.1	17.4	6.4	16.4	14.0	13.1	—	—	—	2.8	2.5	2.1	1.0	1.1	1.2	15.4	16.7	16.2	1,450	2.5	85.2
<b>Banks/Financial Institutions</b>																													
Neutral		3,814,585	92,948	16.4	19.7	20.4	18.7	15.6	13.0	—	—	—	—	—	—	—	—	3.2	2.2	1.9	1.2	1.4	1.7	16.9	14.0	14.9			
<b>Cement</b>																													
ACC	972	U	183,434	4,470	189	56.7	71.7	77.6	93.7	26.4	8.2	17.1	13.6	12.5	10.2	8.2	7.2	5.3	3.9	3.2	1.7	1.8	1.8	39.7	36.8	30.8	900	(7.4)	29.2
Ambuja Cements	133	IL	201,358	4,906	1,517	8.5	10.1	11.1	72.9	18.6	9.3	15.5	13.1	12.0	11.2	7.7	7.0	5.2	3.9	3.1	1.4	2.0	1.1	44.5	35.8	30.5	130	(2.1)	16.3
Grasim Industries	2,751	IL	252,198	6,145	92	214.6	258.1	279.6	98.9	20.3	8.3	12.8	10.7	9.8	6.9	5.7	5.1	2.8	2.2	1.8	1.0	1.1	1.2	24.5	23.2	20.2	2,900	5.4	9.7
India Cements	217	IL	56,589	1,379	260	20.5	25.9	29.5	n/a	26.7	13.8	10.6	8.4	7.4	10.3	6.8	5.6	4.3	2.8	2.1	-	-	-	45.3	41.6	32.4	200	(8.0)	15.6
Shree Cement	1,167	IL	40,655	991	35	101.6	125.5	135.9	111.6	23.4	8.3	11.5	9.3	8.6	7.6	5.6	4.9	5.7	3.6	2.5	0.4	0.5	0.5	65.5	47.0	34.5	1,300	11.4	0.7
UltraTech Cement	868	U	108,032	2,632	124	63.3	68.2	81.3	255.1	7.6	19.2	13.7	12.7	10.7	8.3	7.6	6.6	4.6	3.5	2.7	0.8	0.9	0.9	55.8	39.6	34.0	750	(13.6)	3.0
<b>Cement</b>																													
Cautious		842,265	20,523	118.8	21.7	10.3	14.2	11.7	10.6	8.6	6.8	6.0	4.1	3.1	2.4	1.1	1.3	1.2	28.6	26.5	23.1								
<b>Consumer Products</b>																													
Asian Paints	928	IL	89,004	2,169	96	28.1	34.3	41.4	22.0	21.8	20.7	33.0	27.1	22.4	19.2	15.7	13.0	11.6	9.6	7.9	1.4	1.6	1.9	39.5	39.9	39.5	890	(4.1)	1.0
Colgate-Palmolive (India)	354	IL	48,203	1,175	136	14.6	16.1	17.6	32.6	10.0	9.5	24.2	22.0	20.1	17.4	16.4	14.4	17.2	26.0	22.4	2.7	3.4	3.7	72.2	94.1	120.1	340	(4.1)	3.4
GlaxoSmithKline Consumer (a)	599	IL	25,193	614	42	30.2	35.9	40.0	18.5	19.0	11.4	19.8	16.7	15.0	10.1	8.4	7.2	4.4	3.8	3.3	1.7	2.0	2.2	24.9	25.6	24.5	625	4.3	0.4
Godrej Consumer Products	136	OP	30,737	749	226	5.9	7.0	8.1	11.4	18.9	16.0	23.2	19.5	16.8	17.9	14.6	12.6	22.3	16.4	12.1	2.8	2.9	3.1	127.4	102.5	86.6	185	35.9	0.4
Hindustan Unilever	198	IL	436,287	10,631	2,201	7.0	8.0	9.1	17.6	14.8	12.9	28.3	24.6	21.8	22.3	19.7	16.6	16.4	15.8	15.2	3.5	3.8	4.3	62.2	65.4	71.1	230	16.0	15.2
ITC	161	OP	601,261	14,651	3,742	7.2	8.3	9.6	20.4	15.4	15.1	22.3	19.3	16.8	14.1	12.0	10.1	5.5	4.8	4.1	1.9	2.0	2.2	27.7	27.6	27.3	225	40.0	27.7
Nestle India (a)	1,176	IL	113,351	2,762	96	33.9	43.0	48.1	(0.7)	26.7	12.0	34.7	27.4	24.4	20.2	16.7	14.5	29.1	22.6	18.2	2.2	2.3	2.6	88.0	93.1	82.5	1,150	(2.2)	1.9
Tata Tea	677	IL	41,850	1,020	62	50.6	45.1	57.6	(2.5)	(10.9)	27.6	13.4	15.0	11.8	10.8	9.8	9.4	1.4	1.2	1.1	1.8	1.8	1.8	14.5	7.9	8.2	992	46.6	7.2
<b>Consumer Products</b>																													
Attractive		1,385,886	33,769	17.3	15.0	14.9	24.8	21.5	18.7	16.4	4.1	12.1	11.4	12.1	7.4	6.5	5.7	2.4	2.6	3.0	30.1	30.1	30.5						
<b>Constructions</b>																													
Nagarjuna Construction Co.	177	OP	36,828	897	208	7.3	9.6	13.0	20.4	30.9	35.5	24.3																	

# Valuation summary

## Kotak Institutional Equities Universe

Company	23-Aug-07		Mkt cap (Rs m)	Mkt cap (US\$ m)	O/S Shares (mn)	EPS Growth, %			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price (Rs)	ADVT-3mo Upside (%)	ADVT-3mo US\$ mn			
	Price (Rs)	Rating				2007	2008E	2009E	2007	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	2007	2008E	2009E	2007E	2008E	2009E	2007E	2008E	2009E	(Rs)	(%)	US\$ mn
<b>Industrials</b>																													
ABB	1,018	OP	215,638	5,254	212	16.1	25.5	35.4	55.6	58.5	39.2	63.4	40.0	28.7	38.0	23.2	16.4	18.0	12.9	9.2	0.2	0.3	0.3	32.4	37.7	37.4	1,325	30.2	15.5
AIA Engineering	1,330	OP	24,995	609	19	51.4	70.4	98.8	74.4	37.1	40.3	25.9	18.9	13.5	17.9	12.6	8.6	5.2	4.0	3.1	0.2	0.5	0.7	25.4	24.0	26.3	1,750	31.6	4.2
Bharat Electronics	1,636	IL	130,916	3,190	80	86.3	103.3	119.0	14.8	19.7	15.1	19.0	15.8	13.8	8.6	7.1	6.3	5.0	4.1	3.3	1.3	1.5	1.5	29.0	28.3	26.5	1,785	9.1	6.0
Bharat Heavy Electricals	1,662	OP	813,411	19,819	490	49.3	65.2	82.4	44.1	32.2	26.4	33.7	25.5	20.2	19.2	14.6	11.5	8.9	7.1	5.6	0.7	0.9	1.1	29.4	31.0	31.0	1,825	9.8	44.9
Dredging Corporation	548	IL	15,347	374	28	55.9	71.6	68.9	(8.4)	28.0	(3.8)	9.8	7.7	8.0	5.3	4.1	3.7	1.4	1.2	1.1	2.7	2.7	2.7	13.2	12.4	10.8	625	14.0	0.4
Larsen & Toubro	2,396	OP	684,994	16,690	286	65.1	88.0	112.4	71.9	35.2	27.8	36.8	27.2	21.3	24.0	17.3	13.4	9.4	7.0	5.2	0.4	0.4	0.4	29.4	29.4	28.5	2,725	13.7	5.6
Maharashtra Seamless	554	OP	39,251	956	71	32.7	42.6	46.3	34.8	30.3	8.9	17.0	13.0	12.0	10.4	7.6	6.5	3.9	3.0	2.5	0.7	0.8	0.9	31.9	26.3	22.8	600	8.3	2.7
Siemens	1,205	IL	203,105	4,949	169	22.7	30.3	46.8	31.3	33.5	54.3	53.1	39.7	25.8	29.5	22.5	13.4	16.3	12.4	9.1	0.3	0.4	0.6	35.3	35.5	40.7	1,550	28.7	11.3
Suzlon Energy	1,253	IL	360,162	8,775	288	30.1	46.2	64.1	14.4	53.4	38.7	41.6	27.1	19.6	28.4	18.8	13.4	10.7	8.0	5.9	0.6	0.6	0.6	28.3	34.6	35.6	1,450	15.8	34.8
<b>Industrials Attractive 2,487,819 60,616 41.9 36.7 29.3 35.5 26.0 20.1 21.4 15.7 12.0 9.1 7.0 5.4 0.6 0.7 0.8 25.6 27.0 26.9</b>																													
<b>Infrastructure</b>																													
GMR Infrastructure	703	U	232,742	5,671	331	5.3	8.8	10.3	97.5	66.6	17.6	133.4	80.1	68.1	46.9	53.5	26.5	10.2	8.6	7.1	—	—	—	10.6	11.6	11.4	675	(4.0)	74.2
<b>Media</b>																													
DishTV	72	OP	30,768	750	428	(5.9)	(7.3)	n/a	23.9	(41.8)	(12.2)	(9.9)	(17.0)	(17.2)	(29.8)	42.3	(51.0)	(8.3)	(5.6)	-	-	-	###	144.1	39.2	115	60.1	10.2	
HT Media	210	IL	49,188	1,198	234	4.1	6.9	9.9	53.6	66.2	43.5	50.8	30.6	21.3	28.1	17.0	12.0	6.2	5.3	4.5	0.1	0.5	1.0	12.8	18.7	22.8	220	4.8	0.9
Sun TV Network	288	U	113,574	2,767	394	6.3	10.0	13.4	20.8	57.4	34.6	45.4	28.9	21.5	25.2	15.8	11.6	9.5	7.7	6.2	0.5	0.9	1.3	32.9	29.6	32.2	310	7.6	5.5
Zee Entertainment Enterprises	280	U	121,790	2,967	435	5.0	8.7	11.5	2.9	72.6	32.4	55.5	32.1	24.3	39.0	21.4	16.0	4.5	4.0	3.6	0.4	0.7	0.9	9.1	13.2	15.7	230	(17.9)	18.1
<b>Media Cautious 315,320 7,683 (1.7) 99.8 73.9 101.4 50.7 29.2 42.7 22.3 14.5 6.8 6.3 5.5 0.4 0.6 1.0 6.7 12.3 18.7</b>																													
<b>Metals</b>																													
Jindal Steel and Power	3,600	OP	110,837	2,701	31	228.3	318.9	400.0	20.0	39.7	25.5	15.8	11.3	9.0	10.5	7.6	6.4	3.8	2.8	2.1	0.5	0.6	0.6	24.2	24.8	23.2	4,500	25.0	2.8
JSW Steel	519	IL	89,253	2,175	172	73.3	82.6	89.4	51.3	12.8	8.1	7.1	6.3	5.8	4.5	5.0	5.9	1.4	1.1	0.9	2.6	3.8	3.8	22.1	19.6	17.5	580	11.8	9.7
Sesa Goa	1,747	IL	68,748	1,675	39	154.1	157.0	195.6	12.5	1.9	24.6	11.3	11.1	8.9	7.4	6.8	5.1	4.5	3.6	2.9	2.9	4.0	4.6	45.4	36.1	36.5	1,950	11.6	4.9
Tata Steel	560	IL	481,688	11,736	860	50.7	51.3	44.6	(21.1)	1.1	(13.1)	11.0	10.9	12.6	6.8	6.8	8.1	3.0	1.6	1.4	0.0	0.0	0.0	36.8	19.0	10.4	600	7.1	49.2
<b>Metals Neutral 750,526 18,287 25.5 7.2 (0.8) 10.8 10.1 10.1 6.7 6.5 7.0 2.8 1.7 1.5 0.7 0.9 1.0 25.8 16.7 14.6</b>																													
<b>Oil &amp; Gas</b>																													
Bharat Petroleum	300	OP	108,336	2,640	362	50.1	46.8	39.3	548.7	(6.6)	(15.9)	6.0	6.4	7.6	3.8	2.9	3.3	0.9	0.8	0.8	5.3	5.3	4.1	15.5	12.9	10.0	450	50.2	3.6
Cairn India	145	U	256,243	6,243	1,765	0.6	0.4	1.0	(66.0)	(29.2)	126.4	236.7	334.2	147.6	42.9	30.4	29.6	0.9	0.9	0.9	-	-	-	0.7	0.3	0.6	140	(3.5)	9.6
Castrol India (a)	250	OP	30,904	753	124	12.2	18.2	20.7	3.3	49.3	13.4	20.5	13.7	12.1	11.8	7.9	6.9	7.3	6.5	5.9	3.6	4.8	5.6	36.6	50.3	51.3	310	24.0	0.5
GAIL (India)	290	IL	245,239	5,975	846	25.3	30.3	31.7	(9.3)	19.4	4.7	11.4	9.6	9.1	6.6	5.0	4.3	1.9	1.7	1.5	3.4	3.4	3.8	16.8	17.7	16.4	350	20.7	5.1
GSPL	54	IL	29,271	713	545	1.6	2.0	4.1	40.4	21.0	108.6	32.8	27.1	13.0	12.6	9.8	6.3	2.8	2.5	2.2	0.9	1.1	2.3	8.9	9.8	18.2	58	7.9	1.1
Hindustan Petroleum	229	OP	77,583	1,890	339	40.0	35.7	34.8	503.7	(10.9)	(2.5)	5.7	6.4	6.6	4.0	4.0	3.7	0.7	0.7	0.6	7.9	6.1	6.0	12.0	9.9	9.0	330	44.2	5.9
Indian Oil Corporation	376	IL	448,868	10,937	1,192	49.3	60.7	43.7	16.7	23.1	(28.0)	7.6	6.2	8.6	4.4	3.5	4.0	1.2	1.0	1.0	5.0	5.8	5.8	15.8	16.8	10.8	500	32.8	3.2
Oil & Natural Gas Corporation	784	OP	1,676,781	40,855	2,139	80.9	102.5	108.8	10.2	26.6	6.1	9.7	7.6	7.2	3.9	3.2	2.7	1.9	1.7	1.5	4.0	4.2	4.2	19.6	21.8	20.4	1,075	37.1	24.8
Petronet LNG	58	U	43,538	1,061	750	4.2	5.7	5.2	-	35.5	(8.0)	13.9	10.3	11.2	7.9	7.7	8.3	2.9	2.3	1.9	2.2	2.6	1.7	22.4	24.0	18.4	53	(8.7)	9.4
Reliance Industries	1,743	U	2,427,738	59,152	1,393	78.3	81.1	105.8	24.1	3.5	30.5	22.2	21.5	16.5	13.8	13.3	9.1	3.7	3.2	2.4	0.6	0.7	0.9	18.0	15.9	17.4	1,650	(5.3)	146.5
Reliance Petroleum	107	OP	480,150	11,699	4,500	(0.0)	(0.0)	4.1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	22.1	3.6	3.6	3.1	-	-	-	(0.0)	(0.1)	13.0	125	17.2	37.2	
<b>Oil &amp; Gas Attractive 5,824,650 141,918 22.3 17.0 11.0 14.5 12.4 11.2 7.3 6.4 5.5 2.1 1.9 1.7 2.2 2.3 2.4 14.6 15.4 14.7</b>																													
<b>Property</b>																													
DLF	554	OP	944,975	23,024	1,705	12.7	37.2	55.7	25.1	192.7	49.8	43.7	14.9	10.0	37.1	12.1	7.9	23.8	5.1	3.5	-	0.9	1.3	79.0	56.4	42.0	705	27.2	-
Mahindra Gesco	490	OP	20,567	501	42	8.9	11.3	47.5	66.7	27.8	319.4	55.3	43.3	10.3	33.6	27.5	8.9	2.5	2.3	2.0	0.4	0.6	0.8	7.2	5.5	20.5	920	87.9	6.6
Sobha	746	OP	54,352	1,324	73	22.1	36.1	51.3	(47.7)	63.2	42.2	33.7	20.7	14.5	23.2	15.2	10.5	6.4	5.0	3.8	0.3	0.4	0.5	32.9	27.3	29.9	930	24.7	4.0
<b>Property Attractive 1,019,894 24,850 618.9 210.6 51.4 47.7 15.3 10.1 35.9 12.4 8.1 18.1 5.0 3.5 0.0 0.9 1.2 119.1 89.2 92.4</b>																													
<b>Pipes</b>																													
Jindal Saw	578	OP	32,375	789	56	51.7	53.8	87.1	68.0	4.1	61.9	11.2	10.8	6.6	6.9	4.9	3.2	1.9	1.1	1.0	1.0	1.1	1.1	18.9	14.0	16.4	790	36.6	1.8
PSL	319	OP	13,210	322	41	21.2	27.6	41.1	22.1	30.2	48.8	15.0	11.6	7.8	9.9	7.5	5.3	3.5	1.9	1.7	1.3	1.7	2.0	10.3	12.6	15.0	420	31.8	1.2
Welspun Gujarat Stahl Rohren	216	U	40,312	982	187	10.6	17.4	18.2	48.7	64.6	4.5	20.4	12.4	11.9	15.5	9.8	6.8	5.5	2.2	2.0	0.7	0.8	1.4	22.0	24.4	18.8	210	(2.7)	15.4
<b>Pipes Attractive 85,897 2,093 67.0 41.9 44.4 17.6 12.4 8.6 10.0 7.4 5.0 3.0 1.7 1.4 0.9 1.1 1.4 51.1 51.0 50.3</b>																													
<b>Retail</b>																													
Pantaloon Retail	464	IL	68,085	1,659	147	6.1	10.5	15.0	26.7	73.1	42.7	76.6	44.3	31.0	30.6	21.7	15.8	6.5	6.0	5.3	0.8	0.9	1.0	10.7	13.2	16.3	425	(8.4)	4.4
<b>Shipyards</b>																													
ABG Shipyard	507	OP	25,819	629	51	22.2	32.7	57.4	35.1	47.5	75.3	22.9	15.5	8.8	14.3	9.6	5.0	4.0	3.0	2.1	0.4	0.5	0.6	19.8	22.3	28.4	575	13.4	1.3



# Valuation summary

## Kotak Institutional Equities Universe

Company	23-Aug-07		Mkt cap (Rs m)	Mkt cap (US\$ m)	O/S Shares (mn)	EPS Growth, %			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend Yield (%)			RoE (%)			Target Price	ADVT-3mo				
	Price (Rs)	Rating				2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007E	2008E	2009E	2007	2008E	2009E	2007E	2008E	2009E	(Rs)	(%)	US\$ mn			
<b>Technology</b>																													
HCL Technologies	283	IL	196,372	4,785	695	18.9	18.4	22.3	65.7	(2.4)	21.2	15.0	15.3	12.7	13.5	10.9	8.6	3.6	3.3	2.7	2.8	2.8	2.8	28.4	24.2	25.9	360	27.4	7.2
Hexaware Technologies	112	IL	15,904	388	142	8.9	10.0	12.7	16.1	12.3	27.3	12.6	11.2	8.8	9.4	6.9	5.0	2.1	1.8	1.6	1.4	1.4	22.8	17.6	19.2	165	47.5	0.3	
i-flex solutions	1,841	U	153,368	3,737	83	33.2	41.7	64.1	15.9	25.4	53.7	55.4	44.2	28.7	40.8	30.7	20.4	6.8	6.1	5.2	-	0.5	0.7	15.3	14.6	19.6	1,675	(9.0)	5.2
iGate Global Solutions	215	U	6,811	166	32	15.7	22.3	28.5	101.5	42.0	28.0	13.7	9.7	7.5	7.3	5.6	4.0	2.2	1.8	1.5	1.1	1.2	1.3	17.2	20.7	22.2	310	44.3	0.2
Infosys Technologies	1,808	OP	1,038,022	25,291	574	67.0	80.7	99.9	48.7	20.5	23.8	27.0	22.4	18.1	22.2	18.4	14.0	9.1	6.9	5.4	0.7	0.9	1.1	40.7	35.2	33.5	2,250	24.4	92.2
Mphasis BFL	274	IL	57,022	1,389	208	7.3	14.1	18.8	(21.5)	92.5	33.7	37.4	19.5	14.5	27.3	12.0	8.9	5.7	0.8	3.8	0.9	1.3	1.5	14.4	26.4	28.8	300	9.7	1.5
Mindtree	523	U	20,203	492	39	21.8	25.7	33.8	18.2	18.0	31.2	24.0	20.3	15.5	18.1	15.6	11.3	4.6	3.8	3.1	0.2	0.5	0.7	30.5	21.0	22.4	650	24.2	5.2
Patri Computer Systems	436	OP	60,569	1,476	139	25.7	30.0	34.2	19.2	16.7	13.9	16.9	14.5	12.8	9.9	8.9	7.1	2.6	2.5	2.1	0.5	0.7	0.8	12.5	18.6	18.2	530	21.6	11.9
Polaris Software Lab	105	U	10,351	252	98	10.3	10.5	12.9	359.1	1.8	23.3	10.2	10.1	8.2	5.6	5.5	4.0	1.7	1.5	1.3	1.7	1.7	1.7	17.7	16.0	17.2	130	23.5	3.9
Satyam Computer Services	423	OP	283,632	6,911	671	21.4	25.3	31.5	41.7	18.0	24.5	19.7	16.7	13.4	15.9	12.7	9.5	4.9	4.0	3.2	1.8	2.4	2.8	27.9	26.4	26.7	570	34.8	40.6
TCS	1,008	IL	986,096	24,026	979	42.2	51.8	61.9	43.3	22.7	19.5	23.9	19.5	16.3	19.1	15.7	12.5	11.0	8.5	6.7	1.1	2.1	2.5	55.8	49.3	45.8	1,300	29.0	34.5
Tech Mahindra	1,214	IL	147,959	3,605	122	47.0	66.0	96.0	124.3	40.5	45.6	25.9	18.4	12.6	20.1	14.8	9.2	16.6	8.6	5.1	0.2	0.3	0.4	81.3	66.0	54.1	1,500	23.5	9.9
Wipro	448	OP	650,180	15,842	1,450	19.8	23.1	29.2	39.3	16.7	26.4	22.6	19.4	15.3	17.6	14.9	10.9	6.4	5.1	4.1	1.2	1.5	1.9	31.7	29.4	29.8	560	24.9	16.4
<b>Technology</b>																													
<b>Telecom</b>																													
Bharti Airtel Ltd	850	U	1,612,397	39,286	1,896	21.4	34.4	45.8	n/a	60.9	33.1	39.7	24.7	18.6	22.3	14.4	10.5	13.8	9.0	6.2	-	0.2	0.5	42.4	44.2	39.8	750	(11.8)	25.5
IDEA	112	U	295,602	7,202	2,635	2.2	4.9	6.0	146.3	125.9	21.8	51.4	22.8	18.7	21.9	13.4	10.2	8.3	6.1	4.6	0.9	-	-	21.5	30.8	27.9	110	(2.0)	23.2
MTNL	131	U	82,530	2,011	630	7.2	9.4	10.0	8.1	31.4	6.5	18.3	13.9	13.1	6.6	5.0	4.8	0.7	0.7	0.7	4.6	5.8	6.1	3.4	4.4	4.6	135	3.1	7.2
Reliance Communications	487	U	996,343	24,276	2,045	14.2	23.9	32.1	n/a	68.4	34.4	34.3	20.4	15.2	17.9	11.8	8.7	4.3	3.6	2.9	0.1	0.2	0.3	17.8	20.3	22.3	500	2.6	88.4
VSNL	372	OP	106,134	2,586	285	17.2	18.1	20.6	(7.8)	5.3	13.7	21.7	20.6	18.1	8.7	8.8	7.8	1.7	1.6	1.5	1.2	1.2	1.3	7.4	7.4	8.0	550	47.7	5.0
<b>Telecom</b>																													
<b>Textiles</b>																													
Vardhman	135	IL	8,500	207	63	29.5	22.7	31.6	3.9	(22.9)	39.0	4.6	5.9	4.3	5.6	6.7	4.8	0.5	0.5	0.5	2.7	2.4	3.3	14.1	8.9	11.2	220	63.0	0.1
<b>Textiles</b>																													
<b>Transmission Towers</b>																													
JSL	191	OP	15,829	386	83	6.6	10.7	13.1	81.2	61.1	23.0	28.9	17.9	14.6	13.5	9.7	8.0	6.3	4.7	3.6	0.3	0.3	0.3	29.8	30.0	28.0	275	43.9	0.9
Kalpataru Power Transmission	1,474	OP	39,056	952	26	60.2	77.4	91.8	67.6	28.7	18.6	24.5	19.0	16.1	15.2	12.1	9.8	5.9	4.7	3.7	0.5	0.7	0.7	38.8	27.6	25.9	1,650	11.9	1.1
KEC	542	OP	20,545	501	38	27.3	34.5	42.6	92.4	26.3	23.4	19.8	15.7	12.7	9.1	8.1	7.0	7.3	5.1	3.8	0.4	0.6	0.6	43.5	37.9	33.8	725	33.8	0.8
<b>Transmission</b>																													
<b>Transportation</b>																													
Container Corporation	1,965	IL	127,699	3,111	65	106.3	129.6	149.8	31.9	22.0	15.5	18.5	15.2	13.1	12.8	10.3	8.8	4.8	3.8	3.1	0.9	1.0	1.1	29.1	28.1	25.9	2,425	23.4	2.0
Gateway Distriparks	115	OP	13,260	323	115	6.8	6.8	9.0	8.7	(0.4)	33.2	16.9	17.0	12.8	13.3	12.0	8.8	2.1	1.9	1.7	1.5	1.5	2.0	13.0	11.8	14.4	180	56.5	2.7
GE Shipping	286	IL	43,572	1,062	152	59.6	35.6	29.7	(3.9)	(40.2)	(16.6)	4.8	8.0	9.6	5.0	5.7	6.3	1.4	1.3	1.2	5.2	3.1	2.6	33.1	16.6	12.5	335	17.1	6.4
Jet Airways	762	U	65,748	1,602	86	(0.2)	0.2	57.0	(116.5)	(190.5)	-	-	-	-	27.1	11.2	5.6	2.4	2.7	2.3	0.1	0.0	1.5	(0.1)	0.1	18.7	800	5.9	4.3
<b>Transportation</b>																													
<b>Utilities</b>																													
CESC	423	IL	48,774	1,188	115	36.0	23.7	28.4	31.8	(34.1)	19.5	11.7	17.8	14.9	8.3	8.7	6.7	2.4	2.0	1.8	0.6	0.8	1.0	16.1	12.4	12.8	425	0.5	5.0
LANCO	239	OP	53,130	1,295	222	8.5	15.2	30.5	52.4	79.5	100.7	28.2	15.7	7.8	16.4	15.6	9.8	3.5	2.9	2.1	-	-	-	23.5	20.1	31.0	252	5.4	14.8
NTPC	160	IL	1,315,976	32,064	8,245	8.3	9.3	10.0	17.8	11.4	7.3	19.2	17.2	16.0	13.0	15.0	15.2	2.7	2.5	2.3	2.0	2.3	2.5	14.5	14.9	14.7	170	6.5	16.3
Reliance Energy	706	IL	160,714	3,916	228	34.8	35.2	36.4	(4.0)	1.0	3.4	20.3	20.1	19.4	24.2	21.0	19.7	1.7	1.6	1.5	0.5	1.2	1.3	8.5	8.1	8.0	810	14.8	47.4
Tata Power	681	IL	158,710	3,867	233	23.8	32.2	42.5	(9.8)	35.4	32.1	28.7	21.2	16.0	18.3	17.8	16.7	2.5	2.1	1.7	1.2	1.3	1.4	8.4	10.9	11.8	670	(1.6)	7.6
<b>Utilities</b>																													
<b>KS universe (b)</b>																													
<b>KS universe (b) ex-Energy</b>																													
<b>KS universe (d) ex-Energy &amp; ex-Commodities</b>																													

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

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

(c) Rupee-US Dollar exchange rate (Rs/US\$)= 41.04

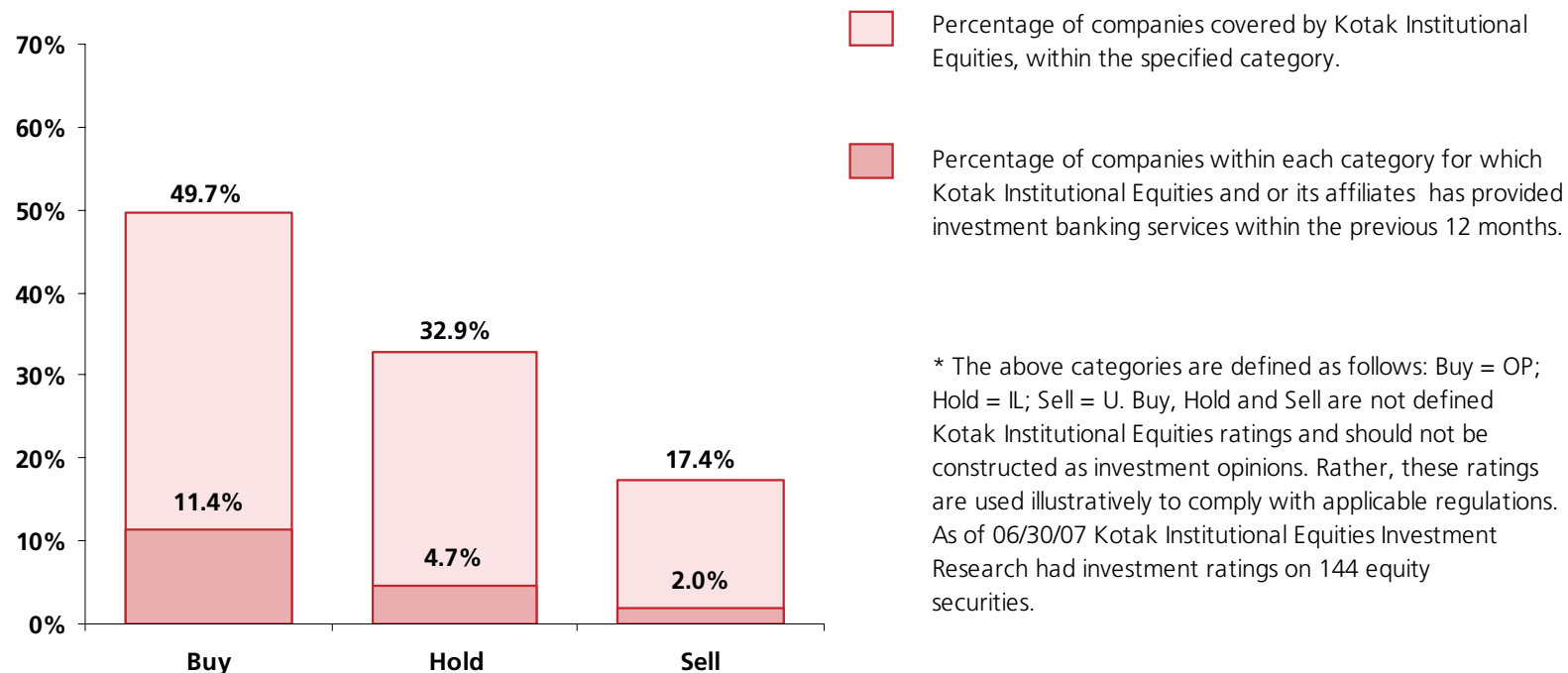
Source: Kotak Institutional Equities.

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Source: Kotak Institutional Equities.

As of June 30, 2007

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