

March 13, 2009

India Strategy Friday Flash

BSE-30: 8,344

India

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**Kotak Institutional Equities
Research**

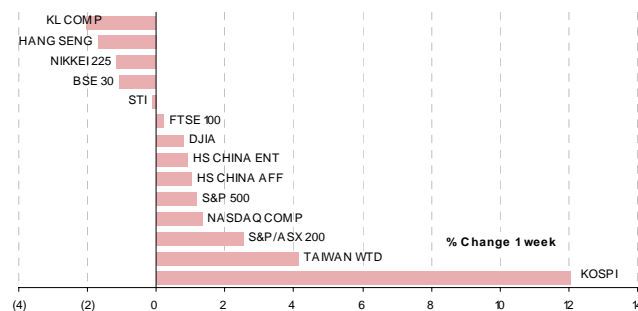
Important disclosures appear at the back of this report.

Cautious gains. In the past three trading sessions, the BSE-30 index gained 145 points (1.8%) to close at 8,344. The gains were largely led by (1) a rally in regional markets and (2) a fall in inflation to 2.43% (lowest since June 2002). However, market sentiment continued to remain subdued with (1) selling by institutional investors (FIIs divested US\$264 mn and MFs divested US\$60 mn over the past three trading sessions) and (2) a further contraction in industrial production (IIP growth declined to -0.5% in January 2009). Selling pressures were witnessed in core consumption-led stocks with HUVV, ITC and Bharti pulling down the Sensex by 60 points. Bharti was the largest loser in the Index after TRAI announced a reduction in termination charges.

Market highlights for the week ending Thursday, March 12, 2009

- Largest gainers: Patni Computer Systems (16%), Sterlite Industries (11%), Mphasis BFL (10%)
- Largest losers: Indian Bank (-20%), Aban Offshore (-20%), SREI (-16%)

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)						
2-Mar-09	(377)	(11)	(2)	(8)	(119)	(517)
3-Mar-09	(203)	(6)	(6)	(30)	(160)	(405)
4-Mar-09	(6)	(3)	0	(4)	(113)	(125)
5-Mar-09	144	6	(7)	13	(151)	4
6-Mar-09	101	1	(10)	(22)	(0)	71
Total	(341)	(13)	(24)	(51)	(543)	(972)

Source: Bloomberg

Our top recommendations

Kotak Institutional Equities, Top-10, March 12, 2009

Companies	Sector	Rating	Mkt cap. (US\$ mn)	CMP (Rs)	Target (Rs)	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
						2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E
State Bank of India	Banking	BUY	11,089	911	1,600	106.6	135.3	125.5	8.6	6.7	7.3	—	—	—
Oil & Natural Gas Corporation	Energy	BUY	28,134	683	900	92.7	103.9	103.9	7.4	6.6	6.6	2.6	2.3	2.0
HDFC Bank	Banking	BUY	6,515	799	1,350	46.0	53.5	66.9	17.4	14.9	11.9	—	—	—
Cairn India	Energy	BUY	5,897	164	225	(0.1)	4.2	4.4	0.0	38.9	37.0	37.8	22.3	16.9
Sterlite Industries	Metals	BUY	3,588	263	365	64.3	49.1	40.5	4.1	5.4	6.5	3.4	5.1	6.5
Tata Power	Utilities	BUY	2,604	607	1,000	31.8	65.2	99.1	19.1	9.3	6.1	10.1	8.0	7.3
Bharat Heavy Electricals	Industrials	BUY	12,661	1,342	1,475	58.4	64.9	92.6	23.0	20.7	14.5	12.1	10.7	7.7
ITC	Consumer products	ADD	11,755	162	200	8.3	8.7	9.8	19.5	18.7	16.6	12.4	11.4	10.1
Sun Pharmaceuticals	Pharmaceuticals	BUY	4,102	1,028	1,675	74.7	86.0	76.7	13.8	11.9	13.4	11.5	9.0	9.1
Jindal Steel and Power	Metals	BUY	3,022	1,019	1,250	101.8	92.4	78.9	10.0	11.0	12.9	8.3	7.5	8.2
BSE-30				8,344										

Source: Company, Bloomberg, Kotak Institutional Equities estimates.

Our model portfolio

Kotak Institutional Equities Model Portfolio

Company	12-Mar		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Mahindra & Mahindra	328	ADD	0.9	—	(93)
Maruti Suzuki	690	ADD	1.4	—	(137)
Tata Motors	146	SELL	0.8	—	(75)
Automobiles			3.0	—	(305)
Bank of Baroda	192	ADD	—	1.0	100
Punjab National Bank	316	BUY	—	1.0	100
State Bank of India	911	BUY	4.9	7.4	250
Union Bank	119	BUY	—	1.0	100
PSU Banking			4.9	10.4	550
HDFC	1,290	REDUCE	5.6	3.1	(250)
HDFC Bank	799	BUY	4.7	6.7	200
ICICI Bank	284	ADD	6.9	8.4	150
Pvt. Banking/Financing			17.2	18.2	100
ACC	541	REDUCE	0.9	—	(89)
Grasim Industries	1,407	ADD	1.4	—	(142)
Jaiprakash Associates	67	BUY	0.9	1.4	50
Cement			3.2	1.4	(180)
Hindustan Unilever	224	REDUCE	4.3	2.3	(200)
ITC	165	ADD	7.3	8.8	150
Consumers			11.5	11.0	(50)
Cairn India	161	BUY	—	3.5	350
Oil & Natural Gas Corporation	673	BUY	4.5	6.5	200
Reliance Industries	1,170	ADD	13.8	7.2	(658)
Energy			18.3	17.2	(108)
Bharat Heavy Electricals	1,311	BUY	3.7	5.7	200

Company	12-Mar		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Larsen & Toubro	576	REDUCE	5.4	2.4	(300)
Industrials			9.1	8.1	(100)
Hindalco Industries	40	ADD	0.8	—	(83)
Jindal Steel and Power	1,019	BUY	—	4.0	400
Sterlite Industries	263	BUY	1.1	2.6	150
Tata Steel	156	BUY	1.6	2.1	50
Metals			3.6	8.7	517
Glenmark Pharmaceuticals	127	BUY	—	1.0	100
Ranbaxy Laboratories	135	ADD	0.5	—	(52)
Sun Pharmaceuticals	1,028	BUY	1.3	3.3	200
Pharmaceuticals			1.9	4.3	248
DLF	137	REDUCE	0.6	—	(61)
Real estate			0.6	—	(61)
Infosys Technologies	1,228	BUY	9.1	7.6	(150)
TCS	477	REDUCE	1.9	—	(187)
Wipro	212	ADD	1.0	2.0	100
Technology			11.9	9.5	(237)
Bharti Airtel Limited	548	BUY	6.5	4.5	(200)
Reliance Communications	139	SELL	1.9	—	(188)
Telecom			8.3	4.5	(388)
NTPC	174	REDUCE	3.4	—	(336)
Reliance Infrastructure	442	BUY	1.2	1.2	—
Tata Power	607	BUY	1.8	5.3	350
Utilities			6.4	6.6	14
BSE-30	8,344		100.0	100.0	—

Note:

1. Weights are with respect to February 16, 2009 prices.

Source: Bloomberg, BSE, Kotak Institutional Equities.

Sensex valuation summary

Valuation summary of BSE-30 sectors, March 12, 2009

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2007	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2008	2009E	2008	2009E
Automobiles	7,045	30.3	2.2	(45.4)	30.4	8.6	15.8	12.1	4.9	8.7	6.5	1.7	1.3	2.8	1.0	19.4	8.2
Banking	30,852	14.2	43.9	12.5	0.4	10.7	9.5	9.5	—	—	—	1.4	1.3	2.2	2.2	13.3	13.4
Cement	4,456	97.6	25.7	(19.1)	(21.9)	6.1	7.5	9.6	3.6	4.0	4.7	1.7	1.4	3.1	3.2	28.0	19.2
Consumers	21,245	19.8	14.9	7.6	14.4	22.5	20.9	18.3	15.5	13.3	11.5	7.8	7.0	3.3	3.0	34.8	33.4
Diversified	1,806	172.9	20.7	22.7	33.4	15.4	12.5	9.4	10.0	9.2	8.0	1.9	1.6	—	—	12.2	13.0
Energy	59,974	25.8	13.9	8.5	12.9	9.0	8.3	7.3	4.4	3.9	3.1	1.6	1.3	2.7	3.0	18.2	16.1
Industrials	19,252	48.8	23.7	18.9	26.0	19.7	16.5	13.1	11.5	9.4	7.6	4.4	3.4	1.2	1.3	22.4	20.8
Metals	7,399	590.7	13.2	17.9	(49.3)	2.9	2.5	4.9	3.7	3.3	4.4	0.5	0.4	3.1	2.8	16.2	14.6
Pharmaceuticals	5,193	59.9	82.1	(38.5)	44.5	11.4	18.6	12.9	9.1	13.0	7.2	3.3	2.3	2.0	2.4	28.8	12.3
Property	4,492	913.2	304.9	(35.0)	(24.4)	3.0	4.6	6.0	3.4	5.7	6.6	1.2	0.9	2.9	2.9	39.9	20.9
Technology	28,576	44.7	19.1	15.6	4.6	11.6	10.0	9.6	8.2	6.9	5.9	3.8	3.0	2.8	2.9	32.7	30.0
Telecom	25,609	182.9	74.9	16.5	(4.4)	10.5	9.0	9.4	7.2	6.2	5.8	2.6	2.0	0.4	0.7	24.6	22.6
Utilities	32,246	32.1	9.9	13.5	18.5	18.0	15.9	13.4	9.6	9.4	9.2	2.1	1.9	2.0	2.0	11.7	12.2
BSE-30 Index	248,145	54.5	28.7	6.1	0.9	10.2	9.6	9.5	6.1	5.8	5.4	2.0	1.6	2.3	2.3	19.2	16.8
BSE-30 ex-Energy	188,172	72.1	35.4	5.2	(3.7)	10.6	10.1	10.5	6.9	6.8	6.7	2.1	1.7	2.1	2.1	19.6	17.1
BSE-30 ex-Energy, Com.	176,317	46.8	40.8	4.2	6.1	12.2	11.8	11.1	8.4	8.2	7.3	2.4	2.1	2.0	2.0	20.0	17.6
BSE-30 ex-Technology	219,569	55.8	29.9	5.0	0.5	10.0	9.6	9.5	5.9	5.7	5.3	1.8	1.5	2.2	2.2	18.3	15.9

Note:

(1) EV/EBITDA excludes banks.

Source: Company reports, Kotak Institutional Equities estimates

Nifty valuation summary

Valuation summary of Nifty sectors, March 12, 2009

	Mkt cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2007	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2008E	2009E	2008E	2009E
Automobiles	10,776	20.5	4.0	(31.5)	29.0	10.8	15.7	12.2	5.9	8.7	6.5	2.2	1.7	2.5	1.4	20.8	11.0
Banking	32,756	13.2	42.5	16.0	0.1	10.0	8.6	8.6	—	—	—	1.4	1.2	2.4	2.4	13.9	14.3
Consumers	21,232	19.8	14.9	7.6	14.4	22.5	20.9	18.3	15.5	13.3	11.5	7.8	7.0	3.3	3.0	34.8	33.4
Cement	6,447	89.5	14.7	(14.6)	(22.3)	6.7	7.9	10.2	3.8	4.2	4.9	1.8	1.5	3.3	3.6	26.6	19.1
Energy	79,682	29.7	11.6	5.8	24.6	10.6	10.1	8.1	5.3	4.9	3.8	1.6	1.3	2.3	2.4	14.9	13.3
Industrials	23,020	41.6	26.7	13.1	14.4	16.6	14.6	12.8	9.5	8.6	7.5	3.4	2.7	1.3	1.3	20.5	18.6
Metals	9,937	336.0	5.7	13.5	(49.2)	3.5	3.1	6.0	3.7	3.4	4.5	0.6	0.4	3.1	2.5	16.3	14.4
Media	758	11.2	62.6	(7.5)	13.7	10.2	11.0	9.7	7.7	6.6	6.0	1.3	1.2	2.2	2.6	13.1	10.7
Property	5,273	1,062.5	193.8	(34.7)	(23.7)	2.9	4.4	5.8	3.6	5.8	6.8	1.2	0.9	2.6	2.5	41.0	21.3
Pharmaceuticals	8,242	38.5	55.8	(27.2)	39.1	14.0	19.2	13.8	10.8	13.7	8.7	3.6	2.7	1.6	2.0	25.6	13.8
Telecom	30,663	(149.5)	70.2	14.2	(4.9)	11.3	9.9	10.4	7.7	6.3	6.0	2.6	1.9	0.4	0.7	22.7	18.7
Technology	29,761	47.3	15.2	16.7	3.7	11.2	9.6	9.2	7.8	6.6	5.7	3.5	2.8	3.1	3.4	31.4	29.1
Utilities	36,493	32.1	10.9	15.9	20.4	20.2	17.4	14.5	10.1	10.2	10.6	2.0	1.9	1.7	1.7	10.1	10.8
NIFTY	295,040	53.6	25.3	5.3	3.5	10.7	10.2	9.8	6.3	6.4	5.9	1.9	1.6	2.1	2.2	17.8	15.6
NIFTY ex-Energy	215,358	67.1	31.4	5.1	(4.4)	10.7	10.2	10.7	6.9	7.2	7.3	2.1	1.7	2.1	2.1	19.2	16.6
NIFTY ex-Energy ex Com	205,421	47.5	36.9	3.7	3.8	11.9	11.5	11.1	7.9	8.5	7.8	2.4	2.0	2.1	2.1	19.8	17.1

Note:

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

Source: Company reports, Kotak Institutional Equities estimates

Regional valuation summary

Valuation summary of regional indices, March 11, 2009

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	1.6	5.2	22.4	8.0	7.6	6.3	1.5	0.3
China	V/B/E/S CHINA	4.5	6.6	18.5	14.5	13.5	10.9	2.2	0.7
Hong Kong	V/B/E/S HONG KONG	(22.9)	0.3	13.6	9.8	9.8	8.8	30.8	0.7
India	MSCI INDIA	(4.1)	4.8	16.2	10.4	9.9	8.3	2.2	0.6
Korea	MSCI KOREA	(34.2)	1.8	47.0	11.8	11.4	7.8	6.5	0.2
Malaysia	MSCI MALAYSIA	(14.2)	(16.6)	10.5	10.6	12.7	11.5	NA	1.2
Mexico	MSCI MEXICO	15.3	(9.4)	15.1	7.2	8.0	6.9	NA	0.5
Russia	MSCI RUSSIA	10.8	(31.2)	19.0	2.7	4.0	3.4	NA	0.2
Taiwan	MSCI TAIWAN	(52.9)	(55.7)	193.8	15.2	36.4	12.9	NA	0.2
Thailand	MSCI THAILAND	56.6	6.8	14.3	8.4	7.9	6.9	1.2	0.5
Asia - Emerging markets	MSCI EM ASIA	(21.9)	(7.1)	33.7	11.0	11.8	8.8	(1.5)	0.4

Source: Thomson Datastream

Valuation summary of BRICs sectors (1)

Valuation summary of BRICs sectors, March 11, 2009

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	
Banking									
Brazil	MSCI Brazil Banks Industry Group	(5.6)	14.6	14.2	7.9	6.9	6.0	0.5	0.5
Russia	MSCI Russia Banks Industry Group	(4.3)	(47.8)	29.8	2.2	4.2	3.2	NA	0.1
India	MSCI India Banks Industry Group	10.1	14.0	16.5	10.8	9.5	8.1	0.8	0.6
China	MSCI China Banks Industry Group	41.9	(3.2)	12.3	7.5	7.7	6.9	NA	0.6
Consumers									
Brazil	MSCI Brazil Consumer Discretionary Sector	26.9	48.9	33.2	13.4	9.0	6.8	0.3	0.3
Russia	MSCI Russia Consumer Staples Sector	(4.2)	(19.2)	30.8	9.7	12.1	9.2	NA	0.4
India	MSCI India Consumer Discretionary Sector	(13.1)	10.4	16.2	10.6	9.6	8.3	1.0	0.6
China	MSCI China Consumer Discretionary Sector	1.6	1.4	12.8	8.7	8.6	7.6	6.1	0.7
Energy									
Brazil	MSCI Brazil Energy Sector	64.0	(14.7)	18.2	7.1	8.4	7.1	NA	0.5
Russia	MSCI Russia Energy Sector	19.9	(32.1)	13.8	2.5	3.8	3.3	NA	0.3
India	MSCI India Energy Sector	(7.0)	26.1	26.4	11.5	9.2	7.2	0.4	0.3
China	MSCI China Energy Sector	1.8	(12.9)	24.7	6.6	7.5	6.0	NA	0.3
Industrials									
Brazil	MSCI Brazil Industrials Sector	27.6	39.0	32.9	9.5	6.9	7.6	0.2	0.2
India	MSCI India Industrials Sector	(30.5)	29.5	10.8	16.0	12.4	11.2	0.5	1.1
China	MSCI China Industrials Sector	(48.5)	9.8	20.1	12.0	10.9	9.1	1.2	0.5
Metals									
Brazil	MSCI Brazil Metals & Mining Industry	(9.5)	(3.4)	27.7	6.1	6.4	5.0	NA	0.2
Russia	MSCI Russia Metals & Mining Industry	(28.5)	(59.9)	7.9	2.6	6.4	5.9	NA	0.8
India	MSCI India Metals & Mining Industry	(17.5)	(33.5)	28.3	3.7	5.6	4.4	NA	0.2
China	MSCI China Metals & Mining Industry	(43.3)	(42.2)	70.7	9.7	16.8	9.8	NA	0.2

Source: Thomson Datastream

Valuation summary of BRICs sectors (2)

Valuation summary of BRICs sectors, March 11, 2009

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

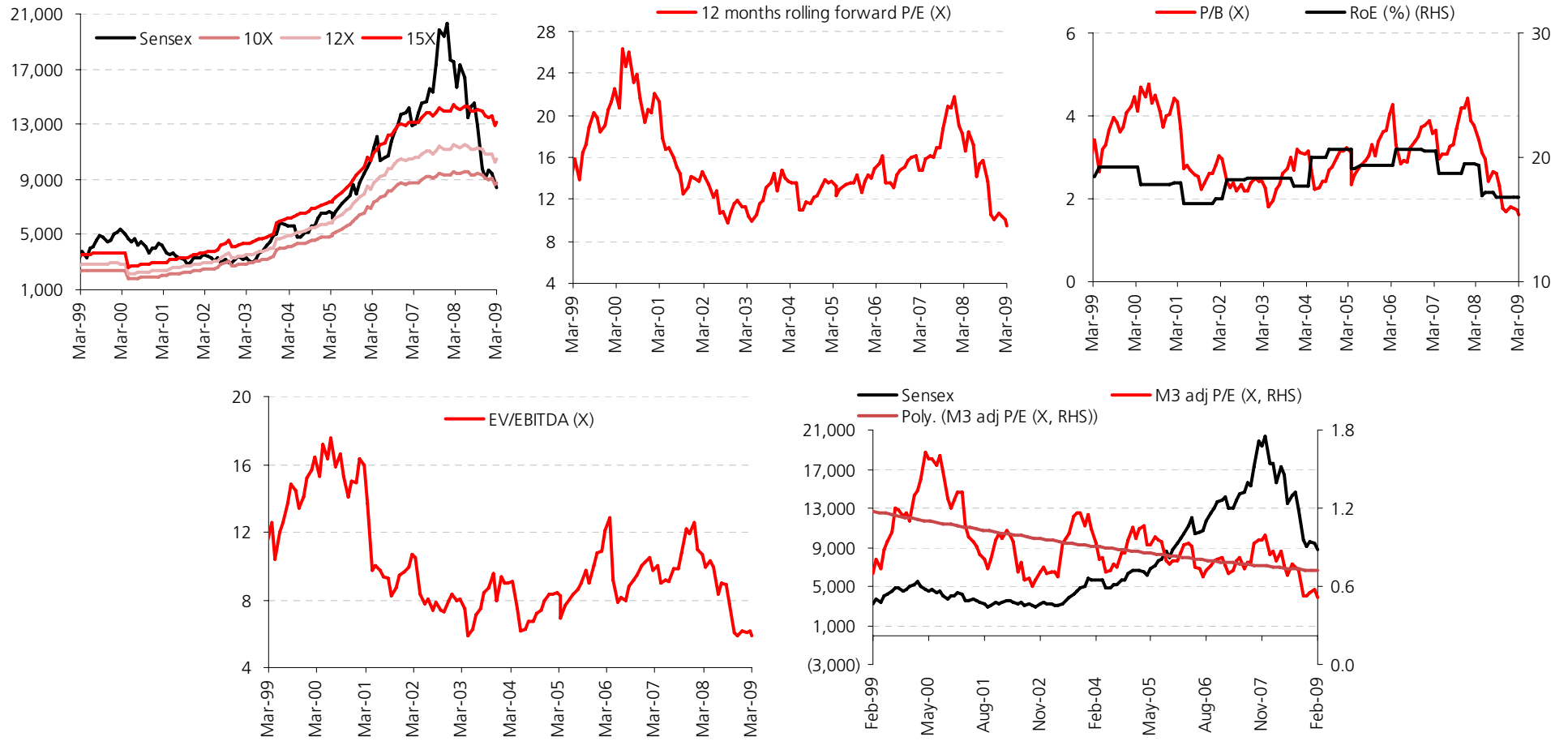
Index		Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Property									
Brazil	MSCI Brazil Real Estate Industry Group	NA	NA	NA	NA	NA	NA	NA	NA
India	MSCI India Real Estate Industry Group	(35.4)	(51.5)	7.7	4.7	9.6	8.9	NA	1.2
China	MSCI China Real Estate Industry Group	2.7	(11.3)	18.2	8.2	9.3	7.8	NA	0.5
Technology									
Brazil	MSCI Brazil Information Technology Sector	70.7	6.5	14.1	13.5	12.7	11.1	2.1	0.9
India	MSCI India Software & Services Industry Group	17.9	3.2	5.7	10.5	10.2	9.7	3.3	1.8
China	MSCI China Software & Services Industry Group	66.4	26.6	28.5	26.4	20.9	16.2	1.0	0.7
Telecom									
Brazil	MSCI Brazil Telecommunication Services Sector	(25.6)	15.6	29.4	9.7	8.4	6.5	0.6	0.3
Russia	MSCI Russia Diversified Telecommunications Services Industry	2.8	(26.5)	39.0	7.1	9.7	7.0	NA	0.2
India	MSCI India Telecommunication Services Sector	7.2	(13.4)	3.5	6.2	7.2	6.9	NA	2.0
China	MSCI China Telecommunication Services Sector	23.8	4.0	4.0	10.1	9.8	9.4	2.5	2.5
Utilities									
Brazil	MSCI Brazil Utilities Sector	13.4	1.7	17.6	7.6	7.5	6.3	4.4	0.4
Russia	MSCI Russia Utilities Sector	NA	NA	NA	NA	NA	NA	NA	NA
India	MSCI India Utilities Sector	12.9	4.8	4.6	12.1	11.6	11.1	2.5	2.5
China	MSCI China Utilities Sector	(90.8)	832.8	30.6	125.0	13.4	10.3	0.2	0.4

Source: Thomson Datastream

BSE-Sensex key parameters

Key fundamental indicators of BSE Sensex

Sensex (BSE-30) P/B, EV/EBITDA and 12-month forward rolling P/E, March 1999- current



Source: Bloomberg, Company reports, Kotak Institutional Equities

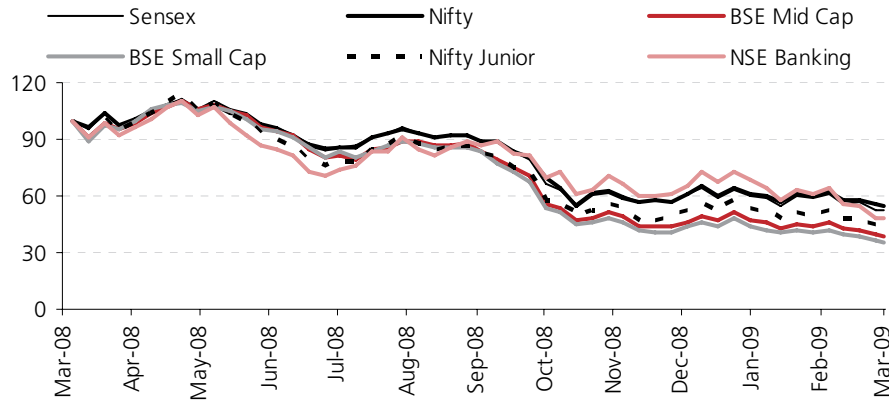
Market performance

- Performance of benchmark indices
- Performance of global indices
- Pricing performance of Sensex sectors
- Top gainers and losers (Stocks under Kotak coverage)

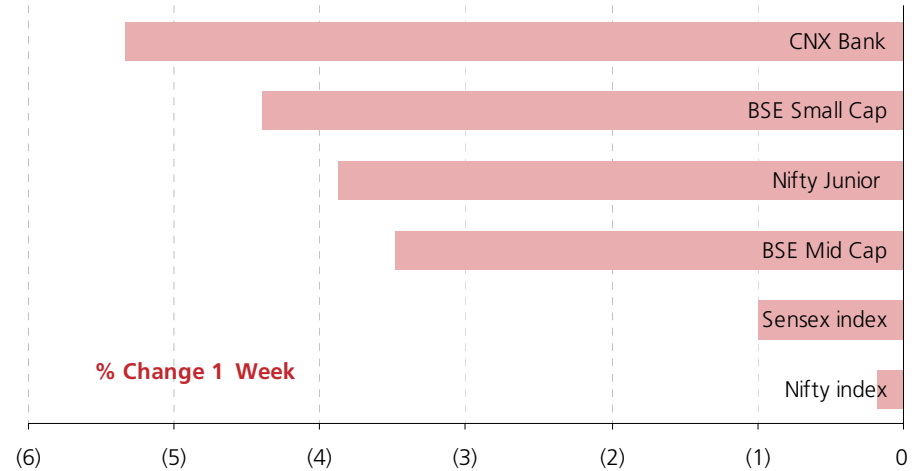
Relative performance of Indian markets

Key performance of benchmark indices

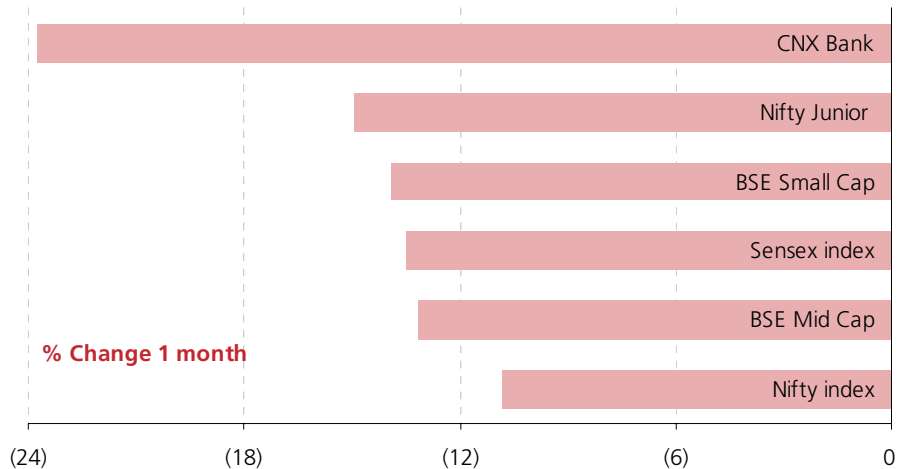
(base 100 as of March, 2008)



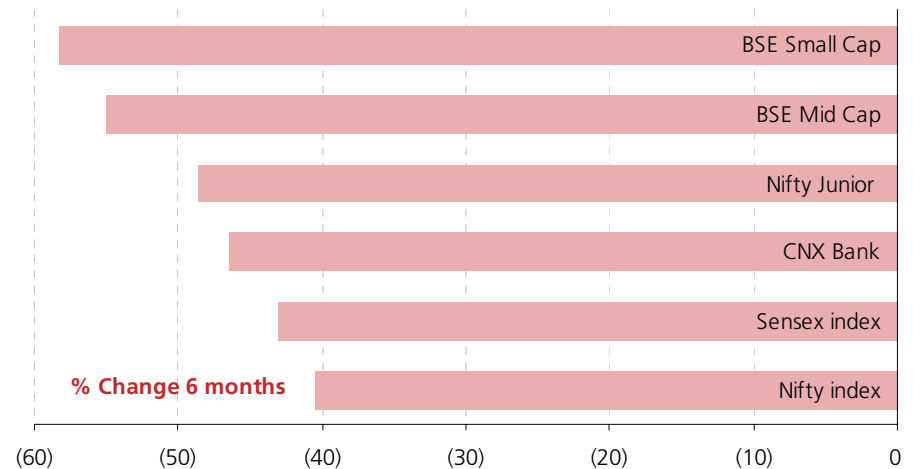
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



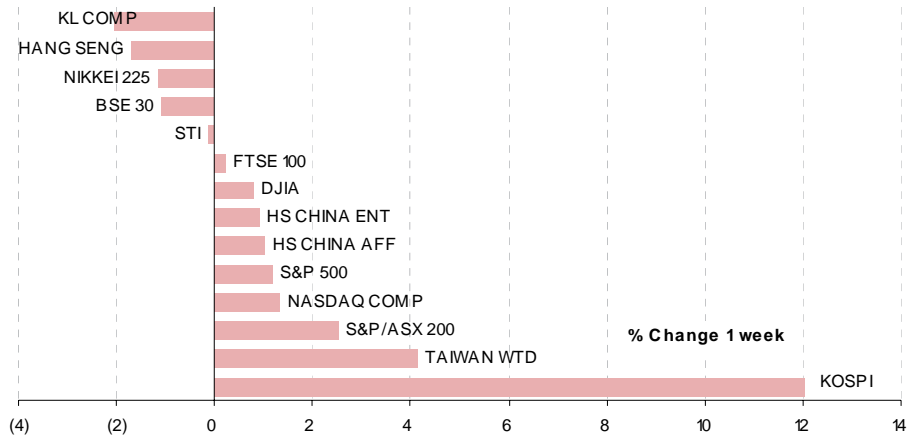
6-month performance of the benchmark indices



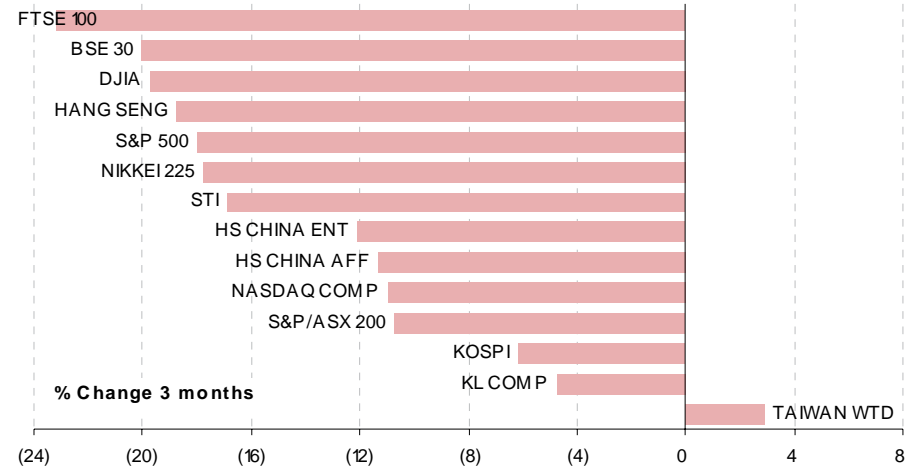
Source: Bloomberg, Kotak Institutional Equities

BSE-Sensex versus regional indices

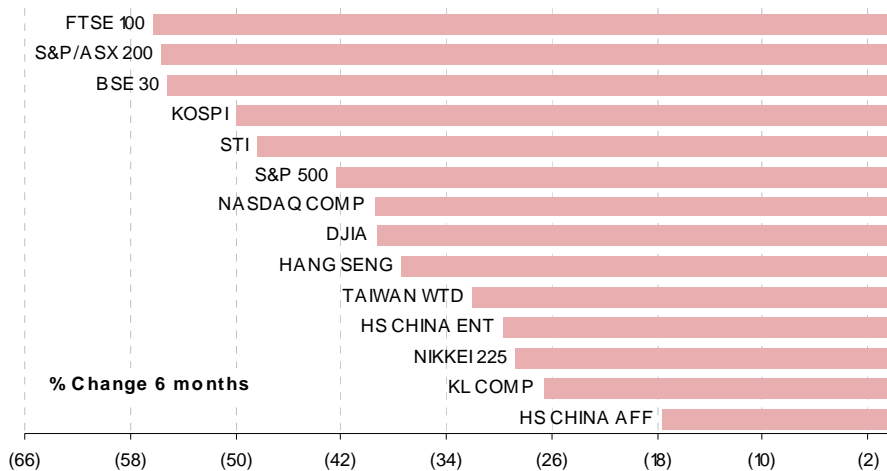
Weekly performance



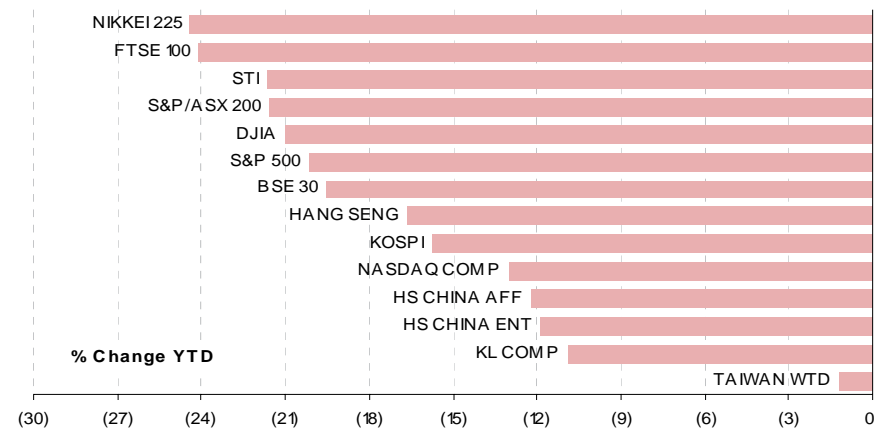
3-month performance



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, March 12, 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	7,045	(12.4)	(10.9)	(45.1)	(55.6)	(14.3)	2.3	(1.4)	(5.4)
Banking	30,852	2.7	(23.1)	(43.6)	(51.1)	0.5	(8.4)	(0.3)	(2.4)
Consumers	21,245	2.9	(11.2)	(12.8)	(6.9)	0.6	2.0	21.2	27.6
Cement	4,456	2.2	(1.5)	(21.2)	(42.6)	(0.0)	10.6	15.3	3.4
Diversified	1,806	1.8	(11.6)	(57.6)	(69.5)	(0.4)	1.7	(10.1)	(14.8)
Energy	59,974	2.7	(9.0)	(35.8)	(40.1)	0.4	3.9	5.1	5.1
Industrials	19,252	2.9	(12.0)	(38.1)	(43.1)	0.6	1.3	3.5	3.1
Metals	7,399	5.1	(11.8)	(61.2)	(71.9)	2.8	1.5	(12.6)	(16.5)
Pharmaceuticals	5,193	3.8	(13.2)	(46.1)	(39.7)	1.5	0.3	(2.1)	5.4
Property	4,492	(1.4)	(14.9)	(70.7)	(77.5)	(3.5)	(1.2)	(19.3)	(20.2)
Telecom	25,612	(4.4)	(17.6)	(41.9)	(47.2)	(6.5)	(3.6)	0.8	0.3
Technology	28,576	2.8	(4.1)	(36.9)	(28.0)	0.6	8.3	4.3	13.3
Utilities	32,246	(1.2)	(8.0)	(10.7)	(19.4)	(3.4)	4.9	22.7	19.1
Sensex sum	248,148	2.2	(13.5)	(43.1)	(47.6)				

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 Patni Computer Systems	15.8	1 Indian Bank	(20.0)
2 Sterlite Industries	10.7	2 Aban Offshore	(20.0)
3 Mphasis BFL	9.4	3 Sintex	(18.0)
4 GAIL (India)	8.3	4 SREI	(16.3)
5 Tech Mahindra	7.8	5 Hexaware Technologies	(15.9)
6 Hero Honda	7.7	6 Future Capital Holdings	(15.1)
7 HDFC	7.4	7 IRB Infrastructure	(14.7)
8 TCS	7.0	8 Ranbaxy Laboratories	(14.5)
9 IVRCL	7.0	9 Jubilant organosys	(14.4)
10 Shree Cement	6.3	10 Vishal Retail	(14.3)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Maruti Suzuki	32.6	1 Vishal Retail	(71.2)
2 Shree Cement	31.0	2 Aban Offshore	(65.8)
3 Hero Honda	20.7	3 Sintex	(61.9)
4 Mahindra & Mahindra	19.7	4 Welspun Gujarat Stahl Rohren	(54.4)
5 UltraTech Cement	17.9	5 Indian Bank	(52.9)
6 Mphasis BFL	17.7	6 Mahindra Life Space Developer	(52.5)
7 Grasim Industries	15.4	7 Punj Lloyd	(52.2)
8 ACC	12.7	8 DLF	(51.6)
9 DishTV	12.3	9 Housing Development & Infrastru	(50.8)
10 Jindal Steel and Power	11.8	10 Future Capital Holdings	(47.9)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Mphasis BFL	16.9	1 Aban Offshore	(49.6)
2 Maruti Suzuki	9.7	2 Vishal Retail	(45.9)
3 Ashok Leyland	9.2	3 Indian Bank	(43.8)
4 UltraTech Cement	8.1	4 Sintex	(39.9)
5 Shree Cement	6.6	5 HT Media	(37.1)
6 Cipla	6.3	6 Ranbaxy Laboratories	(36.7)
7 Tata Motors	6.0	7 Pantaloon Retail	(35.4)
8 Tech Mahindra	5.8	8 ICICI Bank	(34.6)
9 Hindustan Zinc	4.8	9 Welspun Gujarat Stahl Rohren	(34.5)
10 Hero Honda	4.1	10 Future Capital Holdings	(34.3)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Hero Honda	31.6	1 Vishal Retail	(96.3)
2 Castrol India	28.7	2 Aban Offshore	(93.4)
3 Lupin	19.0	3 Unitech	(90.6)
4 Colgate-Palmolive (India)	11.8	4 Sobha	(88.3)
5 GlaxoSmithkline (India)	11.3	5 Puravankara Projects	(88.1)
6 Nestle India	4.2	6 Phoenix Mills	(87.2)
7 Glaxo SmithKline Consumer	3.3	7 Housing Development & Infrastru	(86.7)
8 Hindustan unilever	1.7	8 Welspun Gujarat Stahl Rohren	(86.6)
		9 IVR Prime Urban Developers	(86.5)
		10 Consolidated Construction Co.	(85.0)

Source: Kotak Institutional Equities

Fundamental & Technical Indicators

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

Price-to-Earnings ratio analysis

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
Cairn India	448.9
Indiabulls Real Estate	433.3
National Aluminium Co	325.9
Tata Communications	283.0
Hindalco Industries	274.3
Reliance Power	269.8
HDFC	230.8

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

Lowest 1 year rolling forward P/E (X)	
Company	Lowest P/E
Aban offshore	0.7
PSL	1.4
Jindal Saw	1.8
Indian Overseas Bank	1.9
Indian Bank	2.2
Welspun Gujarat Stahl Rohren	2.4
Vishal Retail	2.6
Tata Steel	2.8
Corporation Bank	2.8
Polaris Software Lab	2.9

Discount to 1 year rolling forward P/E (%)	
Company	Discount to sector
Vishal Retail	79.4
Maharashtra Seamless	74.0
Indian Overseas Bank	71.6
Jyothy Laboratories	70.7
Jubilant Organosys	67.4
Polaris Software Lab	66.4
Indian Bank	65.9

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

Highest 1 year forward P/E (X)	
Company	Highest P/E
Reliance Power	37.7
Cairn India	36.5
Tata Communications	29.6
United Breweries	28.7
Indiabulls Real Estate	25.3
Nestle India	21.6
Hindustan Unilever	21.0
IDEA	20.7
National Aluminium Co	19.9
Colgate-Palmolive (India)	18.3

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

Company	% discount to historical high
GAIL (India)	32.6
Sun Pharmaceuticals	34.1
ITC	39.9
NTPC	40.6
Nestle India	41.6
MMFSL	43.3
Glaxo SmithKline Consumer	43.4
Ambuja Cements	43.5
ACC	44.6
Oil & Natural Gas Corporation	47.7
Grasim Industries	47.8
Cipla	48.6
IDEA	49.0
Tata Communications	50.0
Container Corporation	53.0
Canara Bank	53.3

Note:

(a) Historical figures are generated since May 2000.

Source: Bloomberg, Kotak Institutional Equities Estimates

Enterprise Value-to-EBITDA ratio analysis

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
Cairn India	455.5
Tata Communications	189.4
Jindal Steel and Power	174.8
Castrol India	173.2
GAIL (India)	162.5
Cipla	150.6

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

Company	Sector discount
Polaris Software Lab	6.3
Indiabulls Real Estate	20.4
Hexaware Technologies	22.0
Jyothy Laboratories	24.5
Maharashtra Seamless	24.8
Sesa	29.0

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
Cairn India	16.9
Hindustan Unilever	16.1
Colgate-Palmolive (India)	15.3
LANCO	14.8
Nestle India	13.8
NTPC	12.0
Tata Communications	11.9

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
Polaris Software Lab	0.3
Jindal Saw	0.6
Hexaware Technologies	1.1
Sesa	1.4
Indiabulls Real Estate	1.5
Hindustan Zinc	1.7
Maharashtra Seamless	1.8

Source: Bloomberg, Kotak Institutional Equities Estimates

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)
Godrej Consumer Products	697,331	253	(4.1)
Mphasis BFL	2,207,674	208	16.9
Indian Bank	1,464,316	165	(43.8)
Patni Computer Systems	542,206	164	0.3
ICICI Bank	38,381,820	120	(34.6)
MMFSL	16,979	119	1.6

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

Company	5-day average		Price Change (%)
	volumes	% decrease	(1 month basis)
United Breweries	40,980	(90)	3.5
Consolidated Construction Co.	861	(90)	(18.5)
Sadbhav Engineering	1,063	(89)	(20.7)
Mindtree	6,508	(85)	(4.9)
IRB Infrastructure	85,265	(81)	(27.6)
Puravankara Projects	58,706	(81)	(18.5)

Date	Sensex	Avg daily value traded	Institutional participation in total turnover	
		(US\$ mn)	FII%	MF%
Feb-08	17,579	4,631	17.8	4.2
Mar-08	15,833	4,955	19.6	4.4
Apr-08	17,287	6,176	16.3	3.2
May-08	16,416	4,903	15.7	3.2
Jun-08	14,422	4,433	17.8	3.5
Jul-08	14,355	4,497	15.6	3.9
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	8,344	2,727	12.4	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

FY2009 earnings upgrades (KIE) (1 month)

Company	% Change
1 Hexaware Technologies	42.6
2 Tata Steel	22.1
3 India Cements	20.4
4 Hero Honda	3.9
5 NTPC	3.5
6 Reliance Industries	3.4
7 Tata Motors	3.1
8 Suzlon Energy	2.1
9 Patni Computer Systems	1.9
10 Oil & Natural Gas Corporation	1.8
11 Sesa Goa	1.8
12 GAIL (India)	1.8
13 ABB	1.2
14 Titan Industries	1.1
15 Piramal Healthcare	0.4

FY2010 earnings upgrades (KIE) (1 month)

Company	% Change
1 JSW Steel	112.5
2 Mphasis BFL	39.4
3 Reliance Petroleum	26.4
4 Bharat Petroleum	22.5
5 NTPC	12.0
6 Reliance Industries	10.5
7 Hindustan Zinc	8.4
8 Sesa Goa	7.5
9 Hero Honda	6.3
10 Titan Industries	4.6
11 Tata Power	4.1
12 Suzlon Energy	4.0
13 Tata Motors	3.0
14 Piramal Healthcare	2.5

FY2009 earnings downgrades (KIE) (1 month)

Company	% Change
1 Hindustan Petroleum	(171.8)
2 Bharat Petroleum	(99.9)
3 Maruti Suzuki	(38.6)
4 Mphasis BFL	(36.3)
5 Indian Oil Corporation	(24.6)
6 Hindustan Zinc	(4.0)
7 Lanco Infratech	(3.8)
8 DLF	(2.9)
9 UltraTech Cement	(2.8)
10 Oriental Bank of Commerce	(1.7)
11 State Bank of India	(1.3)
12 Indian Overseas Bank	(1.2)
13 Andhra Bank	(1.2)
14 Punjab National Bank	(1.0)
15 Corporation Bank	(0.9)

FY2010 earnings downgrades (KIE) (1 month)

Company	% Change
1 Patni Computer Systems	(43.1)
2 IDEA	(25.5)
3 Hexaware Technologies	(22.0)
4 Maruti Suzuki	(21.8)
5 Tata Steel	(19.7)
6 Phoenix Mills	(17.0)
7 Lanco Infratech	(14.3)
8 ABB	(13.6)
9 GAIL (India)	(12.4)
10 Indian Oil Corporation	(12.4)
11 Cairn India	(11.8)
12 Ranbaxy Laboratories	(10.7)
13 Reliance Communications	(9.7)
14 Larsen & Toubro	(6.8)
15 Bharti Airtel Ltd	(6.1)

Source:Kotak Institutional Equities Estimates

Changes in our target prices

Changes in target prices in the past 1 month

Upgrades in target prices (1 month)

	Company	% Change	New	Old
1	Maruti Suzuki	64.4	715	435
2	NTPC	12.5	180	160
3	Reliance Industries	7.1	1,500	1,400
4	Hero Honda	6.7	950	890
5	Bharat Petroleum	6.3	425	400
6	Bajaj Auto	5.3	495	470
7	Hindustan Petroleum	5.3	300	285
8	GAIL (India)	4.3	240	230
9	Hindustan Zinc	4.3	490	470

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	Reliance Communications	(25.0)	150	200
2	ABB	(23.5)	325	425
3	Patni Computer Systems	(18.8)	130	160
4	Lanco Infratech	(17.2)	265	320
5	Hindalco Industries	(15.4)	55	65
6	Larsen & Toubro	(13.3)	650	750
7	Tata Power	(12.3)	1,000	1,140
8	Titan Industries	(10.8)	830	930
9	IDEA	(9.1)	50	55
10	ICICI Bank	(7.0)	465	500
11	Bharti Airtel Limited	(6.9)	675	725
12	Indian Oil Corporation	(4.5)	525	550
13	Tata Steel	(3.3)	290	300

Source: Kotak Institutional Equities Estimates

Changes in our ratings

Changes in ratings over the past 1 month

Company name		Rating	
		Current	Previous
Bharat Petroleum	Downgraded	SELL	REDUCE
Hindustan Petroleum	Downgraded	SELL	REDUCE

Company name		Rating	
		Current	Previous
GAIL (India)	Upgraded	ADD	REDUCE
Hero Honda	Upgraded	ADD	REDUCE
Maruti Suzuki	Upgraded	ADD	SELL
Reliance Industries	Upgraded	ADD	REDUCE

Source:Kotak Institutional Equities

Flows

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

Trend in equity flows

Net investments by mutual funds and FII 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	1,525
CY2008	(13,336)	3,312
CY2009	(2,263)	(623)
Jan	(1,054)	(192)
Feb	(667)	(281)
Mar	(543)	(151)

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	3,345	1,865
CY2009	(669)	627
Jan	(220)	473
Feb	(551)	143
Mar	103	12

Source: Bloomberg, Kotak Institutional Equities

FII flows in other emerging markets

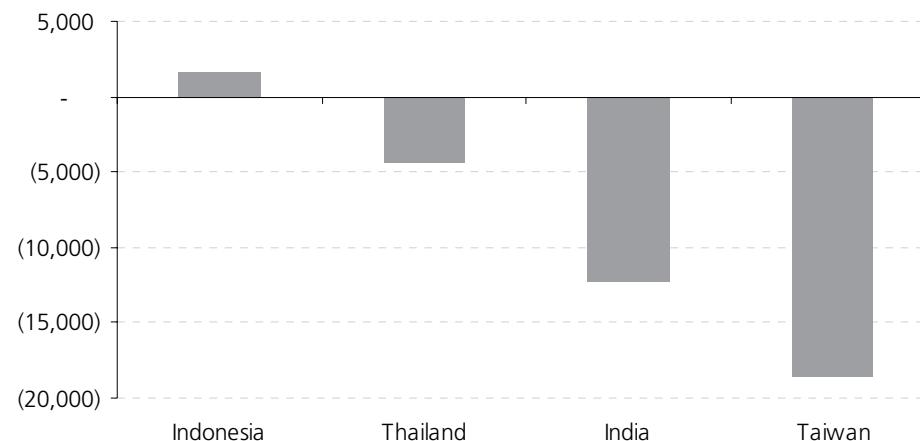
FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
6-Feb-09	192	0	3	22	15
9-Feb-09	260	0	(4)	-	72
10-Feb-09	27	(5)	(9)	7	103
11-Feb-09	(26)	(9)	(9)	(0)	(28)
12-Feb-09	(128)	(4)	(2)	(4)	(41)
13-Feb-09	48	1	(2)	5	5
16-Feb-09	(59)	2	1	(16)	(70)
17-Feb-09	(176)	(3)	1	(28)	(121)
18-Feb-09	26	(4)	(2)	(11)	(108)
19-Feb-09	(20)	5	(10)	13	(79)
20-Feb-09	(292)	(2)	(0)	(7)	(43)
24-Feb-09	(242)	(9)	(6)	(5)	(97)
25-Feb-09	9	(6)	(2)	5	(112)
26-Feb-09	28	(14)	(4)	(15)	(59)
27-Feb-09	(47)	5	(4)	(11)	(67)
2-Mar-09	(377)	(11)	(2)	(8)	(119)
3-Mar-09	(203)	(6)	(6)	(30)	(160)
4-Mar-09	(6)	(3)	0	(4)	(113)
5-Mar-09	144	6	(7)	13	(151)
6-Mar-09	101	1	(10)	(22)	(0)
Total	(741)	(56)	(74)	(97)	(1,173)

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
Edserve Softsystems	4	60	238	02-Mar-09	138	44	130	(27)
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	5	26	(82)
Onmobile Global Ltd	11	450	4,905	19-Feb-08	522	233	16	(48)
Rural electrification	156	105	16,393	11-Mar-08	121	81	15	(23)
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	89	(11)	(73)
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	37	(14)	(80)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	27	2	(80)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	44	(14)	(63)
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	13	17	(70)
Reliance Power Ltd	260	450	117,000	11-Feb-08	373	92	(17)	(79)
Future Capital Holding	6	765	4,913	31-Jan-08	908	94	19	(88)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	28	(8)	(82)
Porwal Auto Components	5	75	375	14-Jan-08	80	6	6	(92)
Aries Agro Limited	5	130	585	11-Jan-08	252	27	94	(79)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	26	5	(84)
BGR	9	480	4,385	03-Jan-08	901	110	88	(77)
Burnpur Cement	22	12	263	03-Jan-08	46	8	286	(35)
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	109	57	(77)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	30	(3)	(92)
Eclerx Services	3	315	1,010	31-Dec-07	448	91	42	(71)
Jyothy Lab	4	690	3,057	19-Dec-07	793	55	15	(92)
Kaushalya Infra	9	60	510	14-Dec-07	82	8	37	(87)
Empee Distilleries	5	400	1,920	26-Nov-07	318	43	(21)	(89)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	298	119	(32)
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	250	83	(70)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	21	10	(86)
Kolte Patil	19	145	2,755	13-Dec-07	181	20	25	(86)
Maytas Infra	9	370	3,275	25-Oct-07	614	36	66	(90)
Consolidated Construction	4	510	1,887	15-Oct-07	791	110	55	(79)
Religare Enterprises	76	185	1,402	21-Nov-07	521	318	182	72
Supreme Infrastructure	35	108	375	18-Oct-07	175	22	62	(80)
Dhanus Technologies	38	295	1,131	17-Oct-07	311	12	5	(96)
Koutons Retail	35	415	1,462	12-Oct-07	590	371	42	(11)
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	94	92	80
Magnum Ventures	176	30	529	20-Sep-07	49	6	62	(80)
Indowind Energy	125	65	813	14-Sep-07	115	18	76	(73)
Motilal Oswal Financial	30	825	2,461	11-Sep-07	977	58	18	(93)
Puravankara Projects	215	400	8,587	30-Aug-07	362	35	(10)	(91)
KPR Mill	59	225	1,330	28-Aug-07	174	23	(23)	(90)

Source: Bloomberg, Kotak Institutional Equities

Forthcoming IPO/Follow on offerings

Company Name	Issue
BHARAT OMAN REFINERIES LTD.	IPO
NHPC LTD.	IPO
OIL INDIA LTD.	IPO
GODREJ PROPERTIES LTD.	IPO
PIPAVAV SHIPYARD LTD.	IPO
GREAT EASTERN ENERGY CORP.LTD.	IPO
MAHINDRA HOLIDAYS & RESORTS INDIA LTD.	IPO
GUJARAT PIPAVAV PORT LTD.	IPO
C.MAHENDRA EXPORTS LTD.	IPO
BS TRANSCOMM LTD.	IPO
TRIVENI INFRASTRUCTURE DEVELOPMENT CO.LTD.	IPO
AMR CONSTRUCTIONS LTD.	IPO
JINDAL COTEX LTD.	IPO
PRADIP OVERSEAS LTD.	IPO
EURO MULTIVISION LTD.	IPO
MAYAJAAL ENTERTAINMENT LTD.	IPO
MBL INFRASTRUCTURES LTD.	IPO
RADIANT INFO SYSTEMS LTD.	IPO
ARSS INFRASTRUCTURE PROJECTS LTD.	IPO
ARAVALI INFRAPOWER LTD.	IPO
EXCEL INFOWAYS LTD.	IPO
RAJ OIL MILLS LTD.	IPO
CHIRIPAL INDUSTRIES LTD.	IPO
INFINITE COMPUTER SOLUTIONS (INDIA) LTD.	IPO
GLOBUS SPIRITS LTD.	IPO
SYNCOM HEALTHCARE LTD.	IPO
TEXMO PIPES & PRODUCTS LTD.	IPO
TRINITY INDIA LTD.	IPO
ASTEC LIFESCIENCES LTD.	IPO
SEA TV NETWORK LTD.	IPO
GINI & JONY LTD.	IPO
MIDVALLEY ENTERTAINMENT LTD.	IPO
NEOTERIC INFORMATIQUE LTD.	IPO
USHER ECO POWER LTD.	IPO
RISHABHDEV TECHNOCABLE LTD.	FPO
FINEOTEX CHEMICAL LTD.	IPO

Source: Primedatabase

Bulk Deals

Major bulk deals

Date	Company	Action	Quantity	Price	Value		Exchange
					(Rs mn)		
6-Mar-09	HDFC Ltd.	BUY	2,569,000	1,159	2,977		BSE
5-Mar-09	PNB	SELL	9,096,000	292	2,657		BSE
6-Mar-09	HDFC Ltd.	BUY	2,266,000	1,160	2,630		NSE
6-Mar-09	Mphasis Ltd.	BUY	7,592,100	171	1,294		NSE
6-Mar-09	Mphasis Ltd.	SELL	7,592,097	171	1,294		NSE
9-Mar-09	IOB	SELL	22,500,000	37	821		NSE
5-Mar-09	PNB	SELL	2,578,881	296	765		NSE
9-Mar-09	IPB	BUY	15,000,000	37	548		NSE
4-Mar-09	Gateway Distriparks	SELL	6,020,735	47	280		BSE
9-Mar-09	Rolta India Ltd.	SELL	2,075,000	44	92		NSE
9-Mar-09	Rolta India Ltd.	SELL	1,571,000	45	70		NSE
5-Mar-09	Mahindra Life	SELL	507,269	92	47		BSE
5-Mar-09	Mahindra Life	BUY	507,000	92	47		BSE
6-Mar-09	Rolta India Ltd.	SELL	830,834	52	44		NSE
5-Mar-09	Sujana Tower Ltd	SELL	855,440	8	7		NSE
5-Mar-09	Sujana Tower Ltd	BUY	600,000	8	5		NSE
5-Mar-09	Sujana Tower Ltd	SELL	460,000	8	4		BSE
5-Mar-09	Sujana Tower Ltd	SELL	367,000	8	3		NSE
5-Mar-09	Sujana Tower Ltd	BUY	267,518	8	2		NSE
6-Mar-09	Sujana Tower Ltd	SELL	246,118	8	2		NSE
5-Mar-09	Dhampur Sugar	SELL	47,418	13	1		BSE

Source: BSE, NSE

Delivery positions

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Corporation Bank	47	97
Nagarjuna Construction Co	45	89
Shree Cement Limited	47	90
Indiabulls Real Estate Ltd	17	57
Zee News Ltd	61	97
IvrcI Infrastructures & Proj	19	49
Ultratech Cement Ltd	32	57
Gail India Ltd	37	60

Decrease in delivery % (KIE universe)

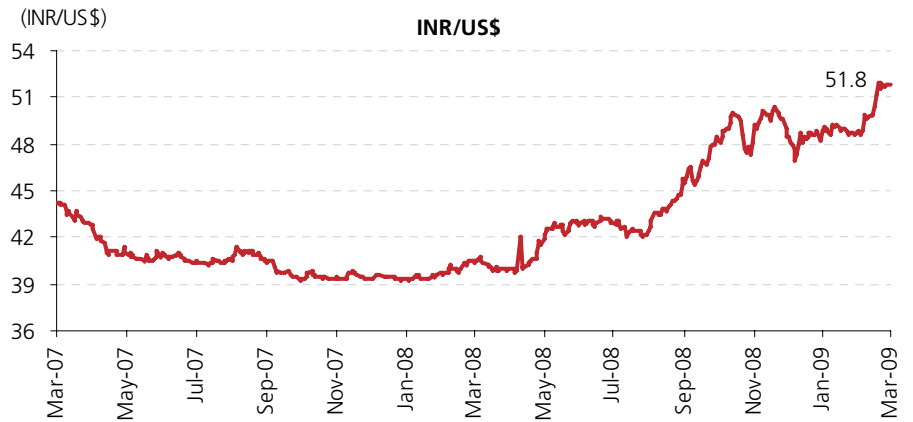
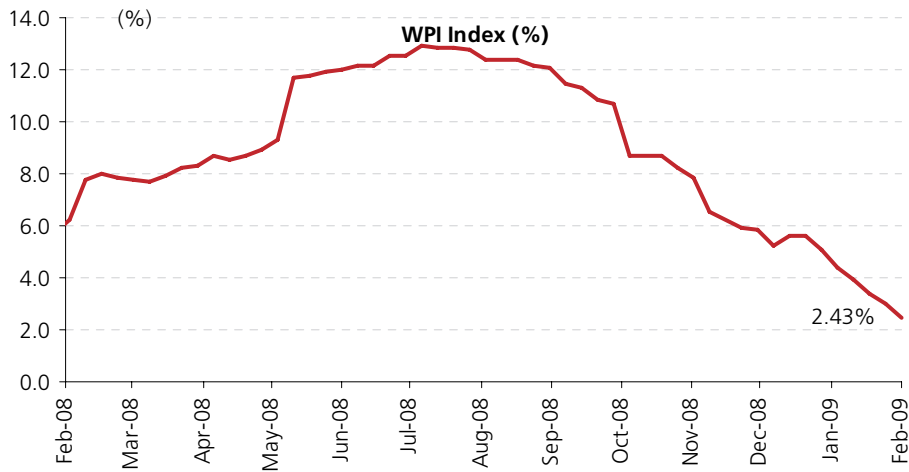
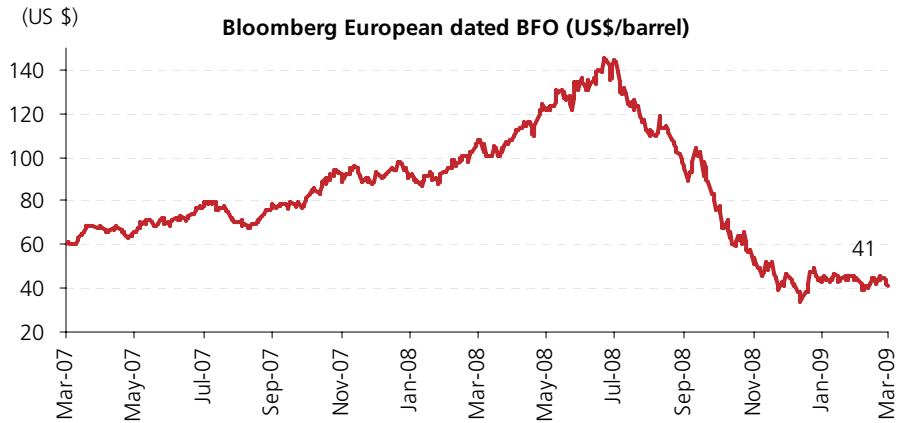
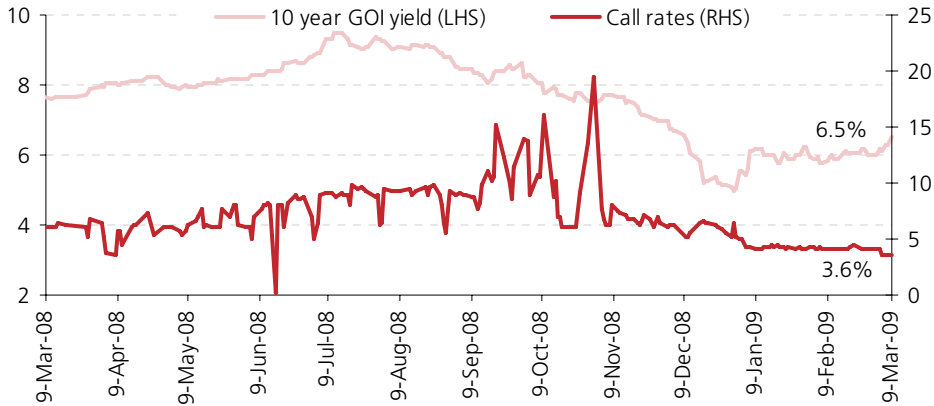
Name	Delivery %	
	Previous week	Current week
Power Finance Corporation	55	22
Indian Bank	69	39
Indian Overseas Bank	53	24
Pantaloon Retail India Ltd	70	42
Nestle India Limited	97	69
Jsw Steel Limited	55	29
Lupin Ltd	65	41
Colgate Palmolive (India)	56	35

Source: Bloomberg, Kotak Institutional Equities

Economic indicators

Economic indicators

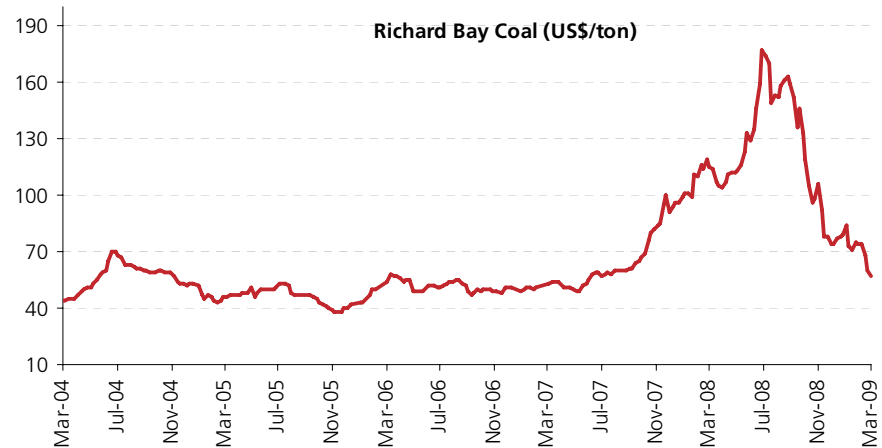
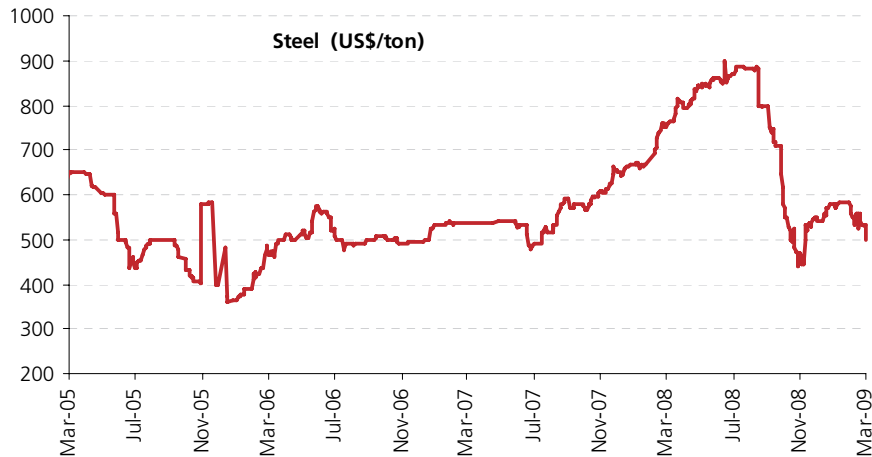
Key economic parameters



Source: Bloomberg, Kotak Institutional Equities

Commodities

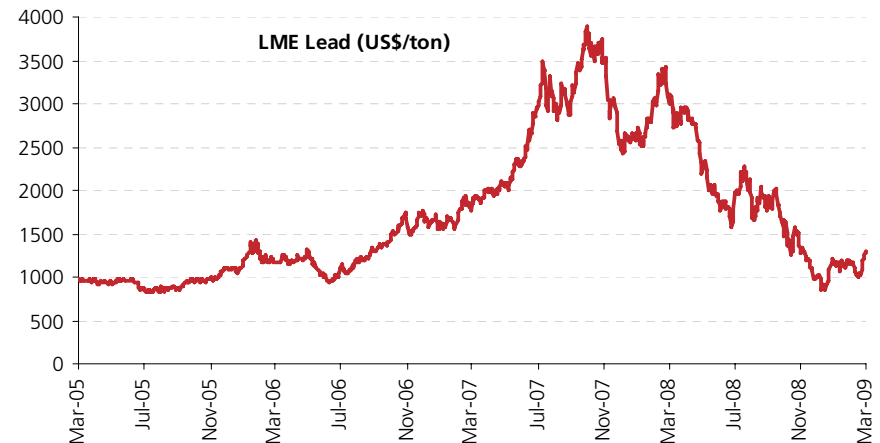
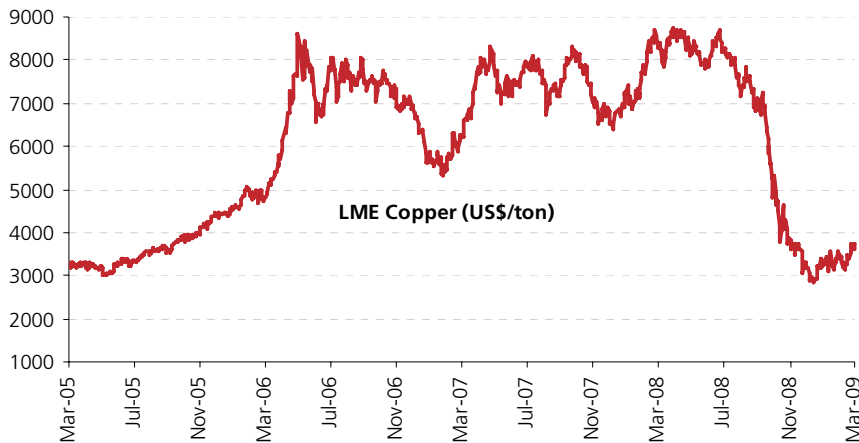
Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

Commodities

Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

Kotak valuation summary

Valuation summary

Kotak Institutional Equities Universe

Company	12-Mar-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price	Upside	ADVT-3mo	
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	(Rs)	(%)	(US\$ mn)	
Automobiles																														
Bajaj Auto	517	REDUCE	74,816	1,442	145	59.3	62.1	67.9	(53.4)	4.7	9.3	8.7	8.3	7.6	6.2	6.1	5.3	4.7	3.8	3.1	3.9	3.9	3.9	21.0	40.2	36.4	495	(4.3)	1.3	
Hero Honda	970	ADD	193,789	3,735	200	48.5	62.6	79.1	12.8	29.1	26.4	20.0	15.5	12.3	11.0	8.5	6.6	6.2	5.0	3.9	2.0	2.1	2.1	34.0	35.9	35.7	950	(2.1)	8.6	
Mahindra & Mahindra	328	ADD	84,773	1,634	258	38.1	18.6	31.3	(2.0)	(51.2)	68.4	8.6	17.7	10.5	6.7	12.0	7.9	1.9	1.7	1.4	3.3	2.8	2.9	27.8	10.8	15.1	330	0.5	5.6	
Maruti Suzuki	690	ADD	199,338	3,842	289	43.3	27.7	39.7	(0.6)	(36.1)	43.3	15.9	24.9	17.4	5.9	7.7	6.0	2.3	2.0	1.8	0.7	0.7	0.7	22.2	14.9	15.2	715	3.7	17.8	
Tata Motors	146	SELL	81,267	1,566	556	36.5	18.5	19.0	(22.4)	(49.2)	2.7	4.0	7.9	7.7	3.4	8.4	6.2	0.9	0.5	0.5	7.1	—	—	24.7	9.1	7.3	120	(17.8)	8.7	
Automobiles		Cautious	633,983	12,218					(3.7)	(26.4)	25.0	10.5	14.2	11.4	6.0	8.3	6.4	2.4	1.9	1.6	2.6	1.7	1.7	22.8	13.0	14.0				
Banks/Financial Institutions																														
Andhra Bank	41	ADD	19,764	381	485	11.9	12.4	10.8	7.0	4.9	(12.9)	3.4	3.3	3.8	—	—	—	0.6	0.6	0.6	9.8	7.6	6.6	18.0	17.4	13.6	75	84.0	0.3	
Axis Bank	305	ADD	108,923	2,099	358	32.2	46.8	53.1	37.7	45.3	13.3	9.4	6.5	5.7	—	—	—	1.3	1.2	1.1	1.9	2.9	3.3	17.6	17.8	17.6	750	146.3	29.3	
Bank of Baroda	192	ADD	70,053	1,350	366	39.3	52.0	50.5	39.8	32.4	(2.9)	4.9	3.7	3.8	—	—	—	0.8	0.7	0.7	4.2	5.5	5.4	14.6	16.3	14.2	330	72.2	5.3	
Bank of India	190	ADD	99,819	1,924	526	40.6	54.1	49.9	76.6	33.1	(7.7)	4.7	3.5	3.8	—	—	—	1.3	1.0	0.9	2.1	3.0	2.8	27.6	28.2	21.1	330	73.9	10.0	
Canara Bank	148	REDUCE	60,619	1,168	410	38.2	45.8	38.2	10.1	19.9	(16.6)	3.9	3.2	3.9	—	—	—	0.8	0.7	0.7	5.4	4.1	4.1	15.0	16.7	12.4	220	48.8	4.3	
Corporation Bank	157	BUY	22,556	435	143	51.3	62.3	55.8	37.2	21.6	(10.4)	3.1	2.5	2.8	—	—	—	0.5	0.5	0.4	6.7	8.1	7.3	18.4	19.6	15.4	310	97.1	0.4	
Federal Bank	118	BUY	20,182	389	171	34.4	31.7	31.6	0.5	(7.7)	(0.3)	3.4	3.7	3.7	—	—	—	0.5	0.5	0.4	3.4	5.0	5.0	13.6	13.1	11.8	280	137.3	1.2	
Future Capital Holdings	94	BUY	5,956	115	63	(4.5)	4.5	28.8	(689.8)	(198.6)	546.1	(20.9)	21.2	3.3	—	—	—	0.8	0.8	0.6	—	—	—	(6.7)	3.8	21.4	440	367.1	0.4	
HDFC	1,290	REDUCE	370,326	7,137	287	85.8	75.0	85.4	38.2	(12.6)	14.0	15.0	17.2	15.1	—	—	—	3.1	2.7	2.4	1.9	1.7	2.0	27.8	16.7	16.8	1,550	20.1	59.0	
HDFC Bank	799	BUY	338,058	6,515	423	46.0	53.5	66.9	28.7	16.4	24.9	17.4	14.9	11.9	—	—	—	2.9	2.3	2.0	0.9	1.2	1.4	17.7	17.3	17.8	1,350	69.0	33.3	
ICICI Bank	284	ADD	316,168	6,093	1,113	39.9	34.3	32.8	15.4	(14.0)	(4.5)	7.1	8.3	8.7	—	—	—	0.7	0.6	0.6	3.9	3.6	3.2	11.7	8.0	7.3	465	63.6	105.3	
IDFC	45	ADD	57,985	1,117	1,294	5.7	6.0	6.3	3.0	5.3	5.9	7.9	7.5	7.1	—	—	—	1.0	0.9	0.8	2.7	2.3	2.4	17.6	13.2	12.7	75	67.4	11.6	
India Infoline	41	ADD	11,797	227	287	5.6	4.9	4.3	85.6	(12.0)	(12.5)	7.3	8.3	9.5	—	—	—	1.0	0.9	0.9	2.9	6.9	6.1	20.7	11.5	9.8	60	46.2	3.6	
Indian Bank	64	BUY	27,699	534	430	22.5	27.4	28.0	33.9	21.4	2.4	2.9	2.4	2.3	—	—	—	0.6	0.5	0.4	4.7	5.4	5.6	23.4	22.1	19.1	195	202.6	1.2	
Indian Overseas Bank	40	BUY	22,010	424	545	22.1	26.5	21.7	19.2	20.1	(18.1)	1.8	1.5	1.9	—	—	—	0.5	0.4	0.3	9.3	10.2	9.3	27.2	26.4	18.0	120	197.0	1.2	
J&K Bank	216	ADD	10,477	202	48	74.2	82.7	72.3	31.2	11.4	(12.6)	2.9	2.6	3.0	—	—	—	0.5	0.4	0.5	7.2	8.0	7.0	16.8	16.5	12.9	480	122.2	0.1	
LIC Housing Finance	191	BUY	16,256	313	85	45.5	58.1	58.5	38.7	27.6	0.8	4.2	3.3	3.3	—	—	—	0.9	0.8	0.6	5.2	6.7	6.7	—	—	—	330	72.5	3.5	
Mahindra & Mahindra Financial	201	SELL	19,193	370	95	20.8	18.5	22.6	32.6	(11.2)	22.0	9.7	10.9	8.9	—	—	—	1.5	1.4	1.2	2.3	2.3	2.8	16.9	12.8	14.2	190	(5.7)	0.1	
Oriental Bank of Commerce	97	ADD	24,227	467	251	23.9	36.5	27.3	(27.6)	52.7	(25.0)	4.1	2.7	3.5	—	—	—	0.5	0.4	0.4	4.9	7.5	5.7	6.2	13.8	8.9	200	106.8	3.0	
PFC	133	ADD	152,194	2,933	1,148	11.4	12.2	15.8	2.4	7.3	29.7	11.7	10.9	8.4	—	—	—	1.5	1.4	1.3	2.6	2.9	3.6	13.5	13.6	15.5	145	9.4	1.5	
Punjab National Bank	316	BUY	99,746	1,922	1,155	65.0	91.6	89.9	33.0	40.9	(1.8)	4.9	3.5	3.5	—	—	—	1.0	0.9	0.8	4.1	5.8	5.7	18.0	21.7	18.5	650	105.5	11.2	
Shriram Transport	183	REDUCE	37,164	716	203	19.2	28.6	27.0	85.7	49.0	(5.6)	9.5	6.4	6.8	—	—	—	2.1	1.8	1.5	2.7	4.7	4.6	26.9	28.8	23.6	215	17.5	1.3	
SREI	23	ADD	2,657	51	116	11.4	7.3	6.9	57.4	(36.2)	(5.7)	2.0	3.1	3.3	—	—	—	0.4	0.2	0.2	5.3	10.1	12.3	23.1	13.1	11.5	50	118.8	0.7	
State Bank of India	911	BUY	575,427	11,089	631	106.6	135.3	125.5	23.5	27.0	(7.3)	8.6	6.7	7.3	—	—	—	1.4	1.2	1.2	2.4	2.4	2.5	16.8	16.3	13.4	1,600	75.6	83.8	
Union Bank	119	BUY	59,907	1,154	505	27.5	34.6	33.3	64.0	25.9	(3.6)	4.3	3.4	3.6	—	—	—	0.8	0.7	0.6	3.4	4.4	4.2	26.8	27.5	21.7	220	85.5	3.6	
Banks/Financial Institutions		Attractive	2,549,161	49,126					37.4	22.0	(1.2)	7.9	6.5	6.5	—	—	—	1.2	1.0	1.0	2.8	3.0	3.1	15.3	16.2	14.9				
Cement																														
ACC	541	REDUCE	102,045	1,967	189	64.1	56.0	44.4	13.0	(12.5)	(20.8)	8.4	9.7	12.2	4.3	4.1	5.7	2.3	1.9	1.8	4.3	4.3	4.3	33.3	25.6	17.4	550	1.7	7.1	
Ambuja Cements	68	REDUCE	103,445	1,994	1,522	7.6	7.6	5.8	(11.2)	0.2	(23.7)	9.0	9.0	11.7	4.5	4.9	5.6	2.1	1.7	1.6	3.8	4.4	2.8	26.6	20.8	14.1	60	(11.7)	2.8	
Grasim Industries	1,407	ADD	129,045	2,487	92	284.6	221.6	171.9	32.6	(22.1)	(22.4)	4.9	6.4	8.2	3.3	3.9	4.2	1.4	1.2	1.1	2.2	2.4	2.4	33.1	20.3	13.8	1,400	(0.5)	8.1	
India Cements	96	ADD	26,961	520	282	24.5	22.7	19.8	n/a	(7.3)	(12.8)	3.9	4.2	4.8	3.6	3.3	3.4	0.8	0.7	0.6	1.9	2.2	2.2	25.8	15.7	14.7	130	35.9	2.4	
Shree Cement	603	BUY	21,003	405	35	90.2	129.9	72.5	99.5	44.0	(44.2)	6.7	4.6	8.3	2.7	2.7	3.4	3.2	2.0	1.6	1.3	1.3	1.3	56.9	53.2	21.7	850	41.0	0.2	
UltraTech Cement	455	ADD	56,943	1,097	125	81.4	73.0	62.0	28.5	(10.3)	(15.0)	5.6	6.2	7.3	3.9	4.4	4.4	1.8	1.4	1.2	1.7	1.8	1.8	45.2	29.5	20.2	525	15.5	0.9	
Cement		Cautious	439,442	8,469					19.3	(9.6)	(22.7)	6.3	7.0	9.0	3.7	4.0	4.6	1.7	1.4	1.3	2.9	3.2	2.8	26.8	20.2	14.0				
Consumer (Discretionary)																														

Valuation summary

Kotak Institutional Equities Universe

Company	12-Mar-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price	Upside	ADVT-3mo		
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	(Rs)	(%)	(US\$ mn)		
Energy																															
Bharat Petroleum	355	SELL	116,360	2,242	328	41.3	0.0	42.0	(21.1)	(99.9)	NA	8.6	NA	8.5	4.1	7.4	4.4	0.9	1.0	0.8	1.2	—	5.3	11.8	0.0	10.2	425	19.7	5.6		
Cairn India	164	BUY	305,984	5,897	1,871	(0.1)	4.2	4.4	(105)	(3,628)	5.2	(1,372)	39	37.0	37.8	22.3	16.9	1.0	0.9	0.9	—	—	—	(0.1)	2.5	2.5	225	37.6	13.1		
Castrol India (a)	298	ADD	36,832	710	124	17.6	21.3	25.8	44.4	20.7	21.3	16.9	14.0	11.5	9.2	7.8	6.4	8.9	8.1	7.3	4.7	5.0	6.0	52.2	61.0	66.8	390	30.9	0.3		
GAIL (India)	213	ADD	269,995	5,203	1,268	20.4	23.3	19.7	21.0	14.2	(15.6)	10.4	9.1	10.8	5.1	4.8	6.0	1.9	1.7	1.5	3.1	3.4	3.1	18.1	18.3	13.8	240	12.8	8.7		
GSPL	34	BUY	19,219	370	563	1.8	1.4	2.4	10.1	(22.4)	68.6	18.9	24.4	14.5	6.7	7.1	4.7	1.5	1.5	1.3	1.5	1.1	1.9	8.8	6.2	9.7	45	31.8	1.5		
Hindustan Petroleum	254	SELL	86,261	1,662	339	33.5	(10.5)	30.2	(16.4)	(131.5)	(386.8)	7.6	(24.1)	8.4	7.0	6.9	4.6	0.7	0.7	0.7	1.2	—	4.7	9.6	(2.9)	7.6	300	17.9	7.4		
Indian Oil Corporation	407	REDUCE	480,219	9,255	1,179	61.3	24.3	46.8	31.0	(60.3)	92.1	6.6	16.7	8.7	4.1	8.1	4.4	1.1	1.0	0.9	1.4	—	4.5	17.4	6.2	10.3	525	28.9	3.6		
Oil & Natural Gas Corporation	683	BUY	1,459,897	28,134	2,139	92.7	103.9	103.9	9.1	12.0	0.0	7.4	6.6	6.6	2.6	2.3	2.0	1.5	1.3	1.1	4.7	5.0	5.3	19.6	19.5	17.2	900	31.9	29.5		
Petronet LNG	33	ADD	24,750	477	750	6.3	5.5	5.9	—	(12.6)	6.6	5.2	6.0	5.6	3.6	5.5	4.4	1.3	1.1	0.9	4.5	4.5	4.5	26.7	19.2	17.2	52	57.6	1.7		
Reliance Industries	1,202	ADD	1,650,346	31,805	1,373	105.0	101.0	127.8	25.5	(3.8)	26.5	11.4	11.9	9.4	7.8	7.2	4.4	1.8	1.5	1.2	1.0	1.2	1.3	19.0	14.7	16.0	1,500	24.8	181.8		
Reliance Petroleum	74	NR	332,100	6,400	4,500	-	(0.0)	9.0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7.2	2.5	2.5	2.0	—	—	2.7	—	(0.0)	27.0	-	(100.0)	28.7		
Energy		Neutral	4,781,964	92,156					12.9	(7.0)	32.3	10.0	10.8	8.1	5.1	5.4	3.9	1.5	1.3	1.2	2.2	2.2	3.2	14.9	11.9	14.2					
Industrials																															
ABB	364	SELL	77,135	1,487	212	23.2	25.8	23.6	44.5	11.3	(8.8)	15.7	14.1	15.5	8.8	8.2	8.4	4.7	3.7	3.1	0.6	0.6	0.8	34.8	29.4	21.6	325	(10.7)	4.4		
BGR Energy Systems	111	REDUCE	7,974	154	72	12.1	15.3	20.7	(67.4)	26.1	35.4	9.1	7.2	5.3	5.4	4.3	3.9	1.7	1.4	1.2	1.8	2.2	3.0	31.4	21.3	23.9	165	49.0	0.7		
Bharat Electronics	837	ADD	66,956	1,290	80	102.0	105.5	111.8	11.2	3.4	6.0	8.2	7.9	7.5	3.3	2.7	2.3	2.0	1.7	1.4	2.5	3.0	3.0	27.7	23.1	20.8	950	13.5	1.0		
Bharat Heavy Electricals	1,342	BUY	656,960	12,661	490	58.4	64.9	92.6	22.9	11.2	42.5	23.0	20.7	14.5	12.1	10.7	7.7	6.1	5.0	4.0	1.1	1.0	1.5	29.2	26.6	30.5	1,475	9.9	42.4		
Crompton Greaves	119	BUY	43,550	839	367	11.2	13.9	15.6	43.0	24.7	12.1	10.6	8.5	7.6	5.9	5.5	4.6	3.3	2.5	2.0	1.3	1.5	1.6	36.1	33.6	28.9	170	43.1	2.0		
Larsen & Toubro	576	REDUCE	341,454	6,580	593	37.9	48.2	51.6	20.8	27.1	7.0	15.2	11.9	11.2	10.9	8.3	7.6	2.9	2.1	1.8	1.5	1.7	1.9	22.7	20.6	17.6	650	12.8	51.8		
Maharashtra Seamless	116	BUY	8,181	158	71	29.4	37.4	37.9	(23.5)	27.6	1.2	4.0	3.1	3.1	2.2	1.9	1.8	0.7	0.6	0.5	4.3	4.8	4.9	19.7	21.1	18.0	215	85.3	0.4		
Siemens	198	REDUCE	66,775	1,287	337	18.2	14.2	15.7	60.4	(22.2)	10.5	10.9	14.0	12.6	5.8	5.6	6.2	3.6	2.9	2.5	1.2	1.8	2.2	39.9	23.1	21.3	220	11.1	4.7		
Suzlon Energy	33	REDUCE	52,179	1,006	1,567	6.6	7.0	4.5	9.5	6.6	(36.4)	5.1	4.8	7.5	3.6	6.2	6.9	0.6	0.5	0.5	2.9	1.5	1.5	16.3	11.3	6.4	60	80.2	38.8		
Industrials		Cautious	1,321,165	25,461					25.3	13.0	13.4	15.1	13.4	11.8	8.7	7.8	6.9	3.2	2.6	2.2	1.4	1.4	1.7	21.1	19.2	18.3					
Infrastructure																															
IRB Infrastructure	82	ADD	27,170	524	332	3.4	6.6	13.9	150.9	92.3	111.2	23.8	12.4	5.9	9.8	8.7	4.6	1.6	1.4	1.1	—	—	—	10.7	12.4	21.4	130	59.0	0.6		
Media																															
DishTV	22	REDUCE	14,460	279	644	(9.6)	(7.4)	(4.1)	n/a	(23.1)	(44.2)	(2.3)	(3.0)	(5.4)	(8.6)	(11.3)	(53.4)	(3.2)	(2.2)	(6.8)	—	—	—	167.9	86.7	NA	22	(2.0)	2.4		
HT Media	39	BUY	9,229	178	234	4.3	3.1	4.8	4.7	(28.5)	53.7	9.1	12.7	8.3	4.7	5.9	3.8	1.1	1.0	0.9	1.0	1.0	2.0	12.2	8.2	11.8	115	191.9	0.1		
Jagran Prakashan	49	BUY	14,818	286	301	3.3	2.9	4.1	33.5	(9.7)	38.7	15.1	16.7	12.1	8.2	9.2	6.6	2.8	2.6	2.4	4.1	3.0	4.1	18.7	15.9	20.4	75	52.4	0.0		
Sun TV Network	138	BUY	54,265	1,046	394	8.3	9.3	11.4	30.7	12.0	23.0	16.6	14.8	12.1	8.7	7.7	6.4	3.6	3.2	2.9	1.8	2.9	4.4	24.8	23.6	25.8	215	56.1	1.8		
Zee Entertainment Enterprises	90	BUY	39,216	756	434	8.9	8.2	9.3	62.6	(7.5)	13.7	10.2	11.0	9.7	7.6	8.1	7.1	1.3	1.2	1.1	2.2	2.6	2.9	14.2	11.8	12.2	145	60.3	5.2		
Zee News	29	BUY	6,929	134	240	1.5	1.9	2.1	396.2	24.0	6.9	18.7	15.1	14.1	10.1	8.5	7.6	3.3	2.8	2.4	1.4	1.4	1.7	19.2	20.5	18.9	38	31.5	0.2		
Media		Attractive	138,917	2,677					30.8	(17.1)	68.2	25.9	31.3	18.6	10.6	10.5	7.4	2.5	2.3	1.9	1.9	2.3	3.2	9.5	7.3	10.5					
Metals																															
Hindalco Industries	40	ADD	69,403	1,338	1,753	13.8	7.7	2.4	(10.0)	(44.4)	(69.2)	2.9	5.2	16.8	5.4	4.9	6.8	0.3	0.2	0.2	—	—	—	14.4	10.3	5.2	55	38.9	6.8		
National Aluminium Co.	205	SELL	131,922	2,542	644	25.3	19.7	10.3	(31.5)	(22.2)	(47.8)	8.1	10.4	19.9	3.5	4.9	6.2	1.4	1.3	1.2	2.9	1.7	1.0	18.3	12.7	6.2	135	(34.1)	1.9		
Jindal Steel and Power	1,019	BUY	156,825	3,022	154	101.8	92.4	78.9	123.0	(9.2)	(14.6)	10.0	11.0	12.9	8.3	7.5	8.2	3.7	2.7	2.2	0.5	0.6	0.7	43.8	28.3	18.9	1,250	22.7	18.7		
JSW Steel	166	SELL	30,966	597	187	86.1	8.7	45.7	16.1	(89.9)	423.3	1.9	18.9	3.6	4.3	6.8	5.4	0.3	0.3	0.3	8.5	1.2	1.2	20.7	10.2	7.9	185	11.7	4.6		
Hindustan Zinc	349	BUY	147,379	2,840	423	104.0	63.8	64.0	(1.0)	(38.8)	(0.2)	3.4	5.5	5.5	1.3	2.0	1.7	1.2	1.0	0.9	1.4	2.2	2.9	43.6	20.0	17.0	490	40.5	2.7		
Sesa Goa	76	BUY	59,870	1,154	787	19.0	23.7	19.6	146.0	24.8	(17.5)	4.0	3.2	3.9	1.8	1.7	1.4	2.1	1.4	1.0	3.5	4.6	4.6	67.8	51.2	30.5	115	51.2	10.4		
Sterlite Industries	263	BUY	186,157	3,588	708	64.3	49.1	40.5	(22.6)	(23.8)	(17.5)	4.1	5.4	6.5	3.4	5.1	6.5	0.8	0.7	0.7	—	—	—	26.1	14.0	10.6	365	38.9	19.0		
Tata Steel	156	BUY	128,148	2,470	822	75.7	130.7	56.1	43.8	72.5	(

Valuation summary

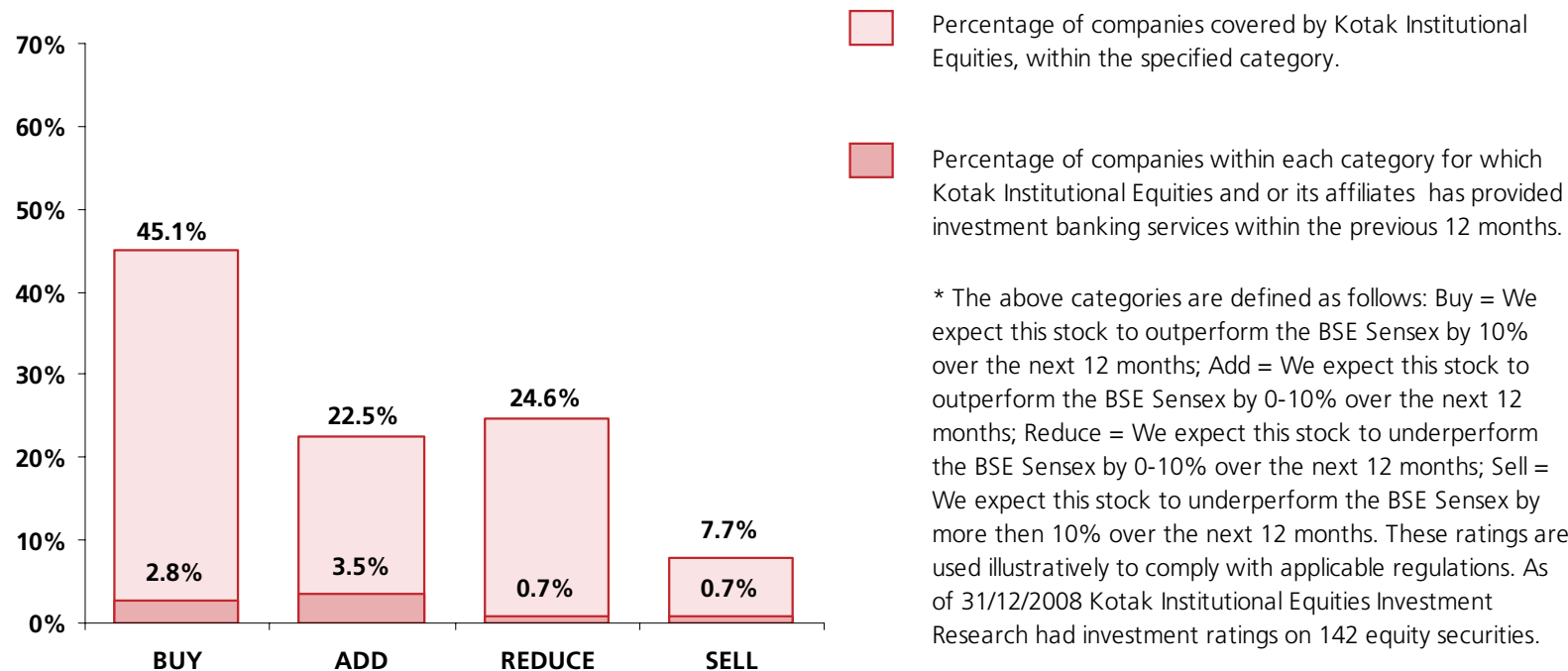
Kotak Institutional Equities Universe

Company	12-Mar-09		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)			
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	(Rs)	(%)	(US\$ mn)
	Retail																															
Pantaloon Retail	115	REDUCE	18,320	353	159	7.9	8.3	10.2	90.0	4.4	23.3	14.5	13.9	11.3	8.5	7.0	6.3	1.0	1.0	0.9	0.7	0.7	0.9	8.2	6.7	7.8	165	43.5	1.0			
Titan Industries	702	REDUCE	31,179	601	44	35.1	41.9	48.7	55.2	19.6	16.1	20.0	16.8	14.4	13.7	10.3	8.7	6.6	5.0	4.0	1.1	1.4	1.6	37.7	34.1	30.7	830	18.2	3.0			
Vishal Retail	28	ADD	624	12	22	18.1	10.6	10.8	37.2	(41.2)	1.9	1.5	2.6	2.6	4.3	4.2	3.4	0.2	0.2	0.2	—	—	—	—	—	—	20.2	8.3	7.8	75	169.3	0.1
Retail			50,122	966					31.9	6.0	17.9	15.6	14.7	12.5	9.4	7.5	6.5	1.9	1.8	1.6	1.0	1.1	1.3	12.4	12.1	12.8						
Sugar																																
Balarampur Chini Mills	45	BUY	11,537	222	256	3.1	6.5	7.0	(272.9)	106.5	8.0	14.4	7.0	6.4	7.5	4.4	3.7	1.2	1.0	0.9	1.3	1.5	1.8	7.6	13.5	12.7	70	55.0	3.5			
Shree Renuka Sugars	75	BUY	21,011	405	280	3.9	8.2	8.4	(87.3)	107.7	2.8	19.1	9.2	8.9	11.0	5.1	4.7	2.4	1.8	1.5	0.3	1.0	1.3	19.9	24.5	20.6	100	33.2	7.8			
Bajaj Hindustan	40	SELL	5,621	108	141	(2.6)	(6.0)	0.8	375.9	126.2	NA	(15.1)	(6.7)	49.3	13.7	8.1	5.2	0.4	0.5	0.5	1.8	—	0.7	(6.8)	(7.0)	4.6	36	(9.4)	5.6			
Sugar			38,169	736					526.3	96.1	38.3	22.6	11.5	8.3	10.8	6.0	4.7	1.2	1.1	1.0	0.8	1.0	1.4	5.3	9.5	11.7						
Technology																																
HCL Technologies	90	REDUCE	62,342	1,201	695	15.3	18.7	17.3	(19.0)	22.4	(7.7)	5.9	4.8	5.2	2.4	3.4	3.1	1.3	1.0	0.9	8.9	13.4	13.4	21.4	21.3	18.1	140	56.1	3.6			
Hexaware Technologies	21	SELL	2,978	57	142	7.7	4.1	3.0	(13.7)	(46.4)	(27.8)	2.7	5.1	7.1	(0.2)	0.3	1.1	0.4	0.4	0.4	4.3	4.8	4.8	15.1	8.6	6.3	25	19.3	1.5			
Infosys Technologies	1,228	BUY	704,757	13,582	574	79.1	101.6	107.7	18.0	28.5	5.9	15.5	12.1	11.4	11.9	8.5	7.6	5.1	3.9	3.1	2.7	2.0	2.1	36.1	36.6	30.5	1,500	22.2	47.0			
Mphasis BFL	183	REDUCE	38,195	736	208	12.2	14.2	32.6	67.6	15.7	129.8	15.0	12.9	5.6	8.9	9.7	3.8	3.3	2.7	1.9	1.9	2.2	2.5	23.6	22.8	39.5	190	3.7	1.3			
Mindtree	196	BUY	7,738	149	40	26.7	21.0	37.1	12.3	(21.6)	76.9	7.3	9.3	5.3	6.5	3.0	2.7	1.5	1.2	1.0	1.3	—	—	21.3	11.9	17.8	400	104.2	0.2			
Patni Computer Systems	110	SELL	14,139	272	128	33.2	26.8	17.5	29.2	(19.3)	(34.7)	3.3	4.1	6.3	0.1	0.2	(0.1)	0.5	0.6	0.5	2.0	1.6	3.2	19.2	16.2	7.9	130	18.1	0.3			
Polaris Software Lab	37	SELL	3,667	71	98	7.4	14.9	12.7	(27.6)	100.0	(14.9)	5.0	2.5	2.9	1.6	0.6	0.3	0.6	0.5	0.4	4.7	4.7	4.7	11.7	20.4	15.0	50	34.0	1.9			
TCS	477	REDUCE	467,188	9,003	979	51.3	53.9	55.7	21.5	5.1	3.3	9.3	8.9	8.6	7.4	6.2	5.8	3.8	3.0	2.5	2.9	4.0	4.7	47.7	47.7	37.8	32.1	550	15.2	16.0		
Tech Mahindra	264	BUY	32,881	634	125	59.1	67.6	58.7	25.7	14.5	(13.2)	4.5	3.9	4.5	3.9	2.3	2.2	2.6	1.6	1.2	2.0	2.3	2.4	70.7	53.1	31.6	320	21.3	2.5			
Wipro	212	ADD	310,017	5,975	1,462	22.2	25.1	26.2	12.6	12.8	4.3	9.5	8.5	8.1	7.6	5.7	5.1	2.4	2.0	1.7	3.0	3.5	3.8	27.9	25.7	22.6	280	32.0	9.0			
Technology		Cautious	1,643,902	31,681					15.7	15.9	4.2	10.5	9.1	8.7	7.8	6.1	5.5	3.2	2.6	2.1	3.0	3.3	3.6	30.3	28.2	24.6						
Telecom																																
Bharti Airtel Ltd	548	BUY	1,040,903	20,060	1,898	35.3	44.2	48.9	65.0	25.1	10.8	15.5	12.4	11.2	9.5	7.2	6.3	4.6	3.4	2.6	—	0.7	1.1	39.1	31.4	26.0	675	23.1	55.9			
IDEA	45	REDUCE	144,989	2,794	3,236	3.9	2.6	2.1	78.5	(33.2)	(21.0)	11.3	17.0	21.5	8.9	5.9	5.9	4.1	1.1	1.0	—	—	—	36.4	10.1	5.1	50	11.6	4.6			
MTNL	60	SELL	37,548	724	630	7.1	4.0	4.1	(11.0)	(44.3)	2.6	8.3	15.0	14.6	0.5	1.6	1.2	0.3	0.3	0.3	6.7	10.1	10.1	3.5	1.6	1.6	50	(16.1)	0.9			
Reliance Communications	139	SELL	287,312	5,537	2,064	26.5	26.7	20.1	86.4	0.7	(24.7)	5.3	5.2	6.9	5.2	6.1	6.0	1.0	0.8	0.7	0.5	0.6	—	16.8	18.4	11.7	150	7.8	49.2			
Tata Communications	414	REDUCE	118,019	2,274	285	10.9	13.6	14.0	(36.3)	24.0	3.2	37.8	30.5	29.6	15.8	13.1	11.9	1.8	1.7	1.7	1.1	1.2	1.6	4.4	5.4	5.2	400	(3.4)	2.0			
Telecom		Cautious	1,628,770	31,389					65.7	12.7	(4.8)	11.3	10.0	10.5	7.9	6.8	6.3	2.2	1.7	1.5	0.6	0.9	1.0	19.6	16.7	13.8						
Transportation																																
Container Corporation	663	REDUCE	86,183	1,661	130	57.7	68.3	72.9	7.8	18.3	6.8	11.5	9.7	9.1	7.7	6.3	5.7	2.7	2.2	1.9	2.0	2.3	2.5	25.8	25.3	22.6	800	20.7	0.6			
Transportation		Cautious	86,183	1,661					7.8	18.3	6.8	11.5	9.7	9.1	7.7	6.3	5.7	2.7	2.2	1.9	2.0	2.3	2.5	23.6	23.1	20.9						
Utilities																																
CEFC	192	BUY	24,000	463	125	27.8	31.9	36.9	(23.3)	14.9	15.8	6.9	6.0	5.2	3.6	3.4	4.6	0.8	0.7	0.6	2.1	2.4	2.8	12.5	11.7	11.9	385	100.4	0.6			
Lanco Infratech	114	BUY	25,387	489	222	14.8	14.6	17.1	75.2	(1.3)	16.6	7.7	7.8	6.7	7.9	19.0	14.8	1.4	1.2	1.0	—	—	—	19.7	16.2	15.8	265	132.0	5.6			
NTPC	174	REDUCE	1,435,123	27,657	8,245	9.3	9.3	10.9	7.9	0.1	16.7	18.7	18.6	16.0	13.0	13.0	12.0	2.7	2.4	2.2	2.0	2.0	2.3	14.9	13.6	14.6	180	3.4	23.6			
Reliance Infrastructure	442	BUY	102,051	1,967	231	37.6	59.9	56.2	13.9	59.4	(6.2)	11.8	7.4	7.9	7.4	7.8	8.2	0.6	0.6	0.6	1.4	1.7	1.9	4.3	6.2	6.7	970	119.5	79.0			
Reliance Power	92	REDUCE	221,340	4,266	2,397	0.4	1.3	2.5	—	252.9	82.7	242.8	68.8	37.7	—	—	—	1.6	1.6	1.5	—	—	—	1.3	2.3	4.2	120	29.9	10.1			
Tata Power	607	BUY	135,105	2,604	223	31.8	65.2	99.1	19.5	104.9	51.9	19.1	9.3	6.1	10.1	8.0	7.3	1.6	1.3	1.1	1.8	1.8	2.0	9.6	15.2	19.5	1,000	64.8	9.6			
Utilities		Attractive	1,943,006	37,445					12.2	15.5	20.2	19.4	16.8	14.0	12.1	12.6	12.3	2.0	1.8	1.7	1.7	1.7	2.0	10.3	10.9	12.0						
Others																																
Aban Offshore	230	REDUCE	8,707	168	38	72.3	140.2	342.5	(1,066)	94.0	144.3	3.2	1.6	0.7	10.5	7.2	4.0	1.0	0.5	0.3	1.6	1.7	2.2	51.7	44.2	52.4	500	117.5	12.3			
Educomp Solutions	1,560	BUY	29,674	572	1																											

Disclosures

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of December 31, 2008

Kotak Securities company-specific disclosures

Kotak Securities Limited and or its affiliates have received during the last 12 months compensation for investment banking services from the following companies, Mahindra & Mahindra Limited, Tata Motors Limited, Pantaloon Retail.

Ratings and other definitions/identifiers

New rating system

Definitions of ratings

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

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

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

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

Old rating system

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

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

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

Other definitions

Coverage view. The coverage view represents each analyst's overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: Attractive (A), Neutral (N), Cautious (C).

Other ratings/identifiers

NR = Not Rated. The investment rating and target price, if any, have been suspended temporarily. Such suspension is in compliance with applicable regulation(s) and/or Kotak Securities policies in circumstances when Kotak Securities or its affiliates is acting in an advisory capacity in a merger or strategic transaction involving this company and in certain other circumstances.

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