

March 7, 2008

India Strategy Friday Flash

BSE-30: 16,542

India

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Kotak Institutional Equities
Research

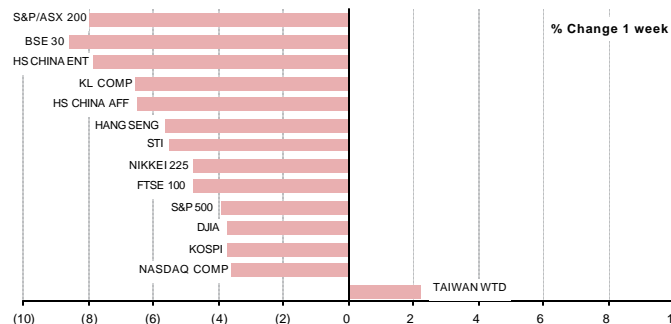
Important disclosures appear at the
back of this report.

Budget blues. During the past week, the Sensex lost 1,282 points (7.2%) to close at 16,542 due to (1) proposals in Union Budget FY2009 to increase the short-term capital gains tax to 15% from 10% and changes in provisions of Securities Transaction Tax and (2) continued weakness in global markets. The fall was led by Banking stocks, which contributed 375 points to the index's fall, led by (1) uncertainty over the Rs600 bn farm loan waiver scheme and (2) ICICI Bank's MTM losses in its credit derivatives and international fixed income portfolio. The Sensex is now trading at 15.4X one-year rolling forward earnings.

Market highlights for the week ending Wednesday, March 5, 2008

- Largest gainers: Nestle India (13%), Zee Entertainment Enterprises (13%), Maruti Suzuki (13%)
- Largest losers: GVK Power (-23%), India Infoline (-23%), Suzlon Energy (-22%)

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) | | | | | | |
| 27-Feb-08 | 722 | (7) | 5 | (1) | 98 | 818 |
| 28-Feb-08 | - | (34) | (4) | 1 | (131) | (168) |
| 29-Feb-08 | (174) | (54) | 4 | 0 | (61) | (285) |
| 3-Mar-08 | (434) | (94) | (12) | 1 | (169) | (708) |
| 4-Mar-08 | 267 | (100) | 0 | (3) | - | 165 |
| Total | 381 | (290) | (6) | (1) | (262) | (178) |

Our top recommendations

Kotak Institutional Equities, Top 10, 5 March, 2008

| Companies | Sector | Rating | Mkt cap. | CMP | Target | EPS (Rs) | | | P/E (X) | | | EV/EBDITA (X) | | |
|-------------------------------|-------------------|--------|-----------|---------------|--------|----------|-------|-------|---------|-------|-------|---------------|-------|-------|
| | | | (US\$ mn) | (Rs) | (Rs) | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E |
| ICICI Bank | Banking | ADD | 26,402 | 960 | 1,200 | 34.6 | 36.7 | 45.7 | 27.8 | 26.1 | 21.0 | — | — | — |
| Larsen & Toubro | Industrials | BUY | 22,893 | 3,201 | 4,050 | 62.8 | 91.6 | 123.5 | 51.0 | 35.0 | 25.9 | 32.1 | 22.0 | 16.4 |
| ITC | Consumer Products | BUY | 18,065 | 194 | 250 | 7.2 | 8.3 | 9.7 | 26.9 | 23.3 | 20.0 | 17.1 | 14.7 | 12.2 |
| DLF | Property | BUY | 28,866 | 681 | 1,220 | 12.7 | 55.1 | 72.4 | 53.6 | 12.4 | 9.4 | 44.8 | 10.3 | 7.6 |
| HDFC Bank | Banking | ADD | 11,515 | 1,336 | 1,500 | 35.7 | 48.4 | 64.4 | 37.4 | 27.6 | 20.8 | — | — | — |
| Maruti Suzuki | Automobiles | BUY | 6,753 | 940 | 1,240 | 54.0 | 67.8 | 93.0 | 17.4 | 13.9 | 10.1 | 10.2 | 8.4 | 6.0 |
| Bajaj Auto | Automobiles | BUY | 5,352 | 2,128 | 2,865 | 127.2 | 119.9 | 140.7 | 16.7 | 17.7 | 15.1 | 11.7 | 12.1 | 10.6 |
| Oil & Natural Gas Corporation | Energy | BUY | 52,520 | 988 | 1,325 | 84.4 | 102.1 | 121.2 | 11.7 | 9.7 | 8.2 | 4.7 | 4.0 | 3.3 |
| Tata Power | Utilities | ADD | 6,934 | 1,197 | 1,540 | 26.6 | 29.7 | 38.1 | 45.0 | 40.3 | 31.4 | 26.0 | 26.8 | 24.0 |
| Mid-cap. basket | | | | | | | | | | | | | | |
| IVRCL | Construction | BUY | 1,445 | 432 | 570 | 12.4 | 13.5 | 20.4 | 34.7 | 32.1 | 21.2 | 26.7 | 16.6 | 12.2 |
| Jindal Saw | Pipes | BUY | 1,112 | 799 | 1,150 | 101.4 | 70.9 | 114.2 | 7.9 | 11.3 | 7.0 | 5.5 | 5.9 | 3.6 |
| Lanco Infratech | Utilities | BUY | 2,270 | 411 | 670 | 8.5 | 17.6 | 33.8 | 48.5 | 23.4 | 12.2 | 25.5 | 21.0 | 11.5 |
| Nagarjuna Construction Co. | Construction | BUY | 1,359 | 236 | 365 | 6.5 | 9.2 | 12.7 | 36.2 | 25.7 | 18.6 | 23.6 | 14.7 | 11.4 |
| Rajesh Exports | Retail | BUY | 765 | 106 | 215 | 4.6 | 7.6 | 10.5 | 23.1 | 14.0 | 10.1 | 13.9 | 5.5 | 4.3 |
| BSE-30 | | | | 16,542 | | | | | | | | | | |

Source: Company, Bloomberg, Kotak Institutional Equities.

Our model portfolio

Kotak Institutional Equities Model Portfolio

| Company | 05-Mar | | Weightage (%) | | Diff. (bps) |
|-------------------------------|------------|--------|---------------|-------------|--------------|
| | Price (Rs) | Rating | BSE-30 | KS reco. | |
| Bajaj Auto | 2,128 | BUY | 1.3 | 2.8 | 150 |
| Mahindra & Mahindra | 697 | BUY | 1.3 | 1.3 | — |
| Maruti Suzuki | 940 | BUY | 1.2 | 2.7 | 150 |
| Tata Motors | 703 | BUY | 1.6 | — | (163) |
| Automobiles | | | 5.4 | 6.8 | 137 |
| Punjab National Bank | 523 | BUY | — | 1.0 | 100 |
| State Bank of India | 1,854 | NR | 4.0 | 4.0 | — |
| PSU Banking | | | 4.0 | 5.0 | 100 |
| HDFC | 2,755 | REDUCE | 6.1 | 3.6 | (250) |
| HDFC Bank | 1,336 | ADD | 3.3 | 4.8 | 150 |
| ICICI Bank | 960 | ADD | 9.6 | 11.1 | 150 |
| Pvt Banking/Financing | | | 19.0 | 19.5 | 50 |
| ACC | 741 | REDUCE | 0.8 | — | (76) |
| Ambuja Cements | 121 | REDUCE | 1.0 | — | (99) |
| Grasim Industries | 2,863 | ADD | 1.8 | — | (178) |
| Cement | | | 3.5 | — | (353) |
| Hindustan Unilever | 226 | ADD | 2.2 | 2.2 | — |
| ITC | 194 | BUY | 4.6 | 6.1 | 150 |
| Consumers | | | 6.8 | 8.3 | 150 |
| HPCL | 285 | BUY | — | 1.0 | 100 |
| Oil & Natural Gas Corporation | 988 | BUY | 3.8 | 5.3 | 150 |
| Reliance Industries | 2,293 | RS | 13.0 | 10.9 | (207) |
| Energy | | | 16.8 | 17.2 | 43 |
| Bharat Heavy Electricals | 2,081 | ADD | 3.2 | 1.7 | (150) |
| Larsen & Toubro | 3,201 | BUY | 7.5 | 9.5 | 200 |
| Industrials | | | 10.7 | 11.2 | 50 |

| Company | 05-Mar | | Weightage (%) | | Diff. (bps) |
|--------------------------------------|------------|--------|---------------|-------------|--------------|
| | Price (Rs) | Rating | BSE-30 | KS reco. | |
| Hindalco Industries | 208 | ADD | 1.7 | — | (172) |
| Jindal Steel & Power | 2,115 | ADD | — | 1.5 | 150 |
| Tata Steel | 798 | REDUCE | 4.3 | 3.3 | (100) |
| Metals | | | 6.1 | 4.8 | (122) |
| Cipla | 205 | REDUCE | 0.9 | — | (94) |
| Sun Pharmaceuticals | 1,319 | BUY | — | 1.0 | 100 |
| Ranbaxy Laboratories | 454 | BUY | 1.1 | 1.1 | — |
| Pharmaceuticals | | | 2.0 | 2.1 | 6 |
| DLF | 681 | BUY | 1.6 | 3.1 | 150 |
| Housing Development & Infrastructure | 710 | BUY | — | 1.0 | 100 |
| Real estate | | | 1.6 | 4.1 | 250 |
| Infosys Technologies | 1,475 | BUY | 6.5 | 6.5 | — |
| Satyam Computer Services | 434 | BUY | 2.5 | 2.5 | — |
| TCS | 875 | ADD | 1.9 | — | (193) |
| Wipro | 431 | ADD | 1.1 | 1.6 | 50 |
| Technology | | | 12.1 | 10.6 | (143) |
| Bharti Airtel Limited | 750 | REDUCE | 4.5 | 3.0 | (150) |
| Reliance Communications | 528 | SELL | 3.4 | 2.4 | (100) |
| Telecom | | | 7.9 | 5.4 | (250) |
| NTPC | 195 | REDUCE | 2.2 | — | (217) |
| Reliance Energy | 1,459 | NR | 2.0 | — | (202) |
| Tata Power | 1,197 | ADD | — | 2.0 | 200 |
| Utilities | | | 4.2 | 2.0 | (219) |
| IVRCL | 432 | BUY | — | 0.6 | 60 |
| Jindal Saw | 799 | BUY | — | 0.6 | 60 |
| Lanco Infratech | 411 | BUY | — | 0.6 | 60 |
| Nagarjuna Construction Co. | 236 | BUY | — | 0.6 | 60 |
| Rajesh Exports | 106 | BUY | — | 0.6 | 60 |
| Mid-cap. basket | | | — | 3.0 | 300 |

Note:

(a) Weightages are with respect to March 5, 2008 prices.

Source: BSE, Bloomberg, Kotak Institutional Equities.

Sensex valuation summary

Valuation summary of BSE-30 sectors, 5 March, 2008

| | 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 |
| Automobiles | 24,005 | 31.0 | 27.6 | 10.9 | 20.4 | 16.9 | 15.2 | 12.6 | 10.6 | 9.9 | 4.1 | 3.3 | 1.4 | 1.4 | 24.0 | 21.4 |
| Banking | 81,666 | 13.3 | 14.2 | 34.3 | 12.5 | 31.8 | 23.6 | 21.0 | — | — | 5.2 | 3.3 | 0.7 | 0.9 | 16.5 | 13.8 |
| Consumers | 30,214 | 21.2 | 19.8 | 14.8 | 15.4 | 28.6 | 24.9 | 21.6 | 19.6 | 15.8 | 8.9 | 8.5 | 2.2 | 2.9 | 31.2 | 34.0 |
| Cement | 14,522 | 27.7 | 89.5 | 16.5 | 8.5 | 13.5 | 11.6 | 10.7 | 8.0 | 6.2 | 3.6 | 2.8 | 1.5 | 1.9 | 26.5 | 24.0 |
| Energy | 123,787 | 16.9 | 23.2 | 17.0 | 20.0 | 16.5 | 14.1 | 11.8 | 8.2 | 7.1 | 3.1 | 2.6 | 1.6 | 1.9 | 18.7 | 18.3 |
| Industrials | 48,134 | 59.6 | 52.0 | 37.9 | 31.9 | 46.3 | 33.5 | 25.4 | 26.7 | 19.7 | 11.8 | 9.0 | 0.4 | 0.5 | 25.5 | 26.7 |
| Metals | 23,783 | 6.3 | 33.1 | (0.6) | 7.3 | 13.8 | 13.9 | 13.0 | 8.9 | 8.0 | 3.2 | 1.9 | 1.2 | 1.3 | 23.5 | 14.0 |
| Pharmaceuticals | 8,157 | (26.3) | 39.6 | 21.7 | (3.0) | 27.9 | 22.9 | 23.6 | 19.6 | 15.8 | 5.6 | 4.8 | 1.4 | 1.7 | 19.9 | 21.0 |
| Property | 28,816 | 121.6 | 913.2 | 383 | 31.4 | 59.8 | 12.4 | 9.4 | 43.1 | 10.2 | 29.3 | 5.4 | — | 0.7 | 49.0 | 43.5 |
| Technology | 64,964 | 28.6 | 44.4 | 20.7 | 18.6 | 21.6 | 17.9 | 15.1 | 15.9 | 12.8 | 7.2 | 5.7 | 1.2 | 1.7 | 33.5 | 31.7 |
| Telecom | 62,090 | (107.4) | 182.9 | 67.6 | 26.1 | 34.5 | 20.6 | 16.3 | 18.5 | 12.3 | 7.2 | 5.3 | 0.0 | 0.2 | 20.9 | 25.7 |
| Utilities | 48,359 | 17.0 | 16.1 | 11.8 | 9.6 | 25.6 | 22.9 | 20.9 | 13.6 | 13.9 | 3.3 | 3.0 | 1.4 | 1.7 | 12.9 | 13.2 |
| BSE-30 Index | 558,496 | 20.7 | 36.5 | 29.4 | 18.7 | 23.4 | 18.1 | 15.2 | 12.8 | 10.3 | 4.9 | 3.7 | 1.1 | 1.4 | 20.7 | 20.2 |
| BSE-30 ex-Energy | 434,710 | 22.8 | 43.5 | 35.0 | 18.2 | 26.6 | 19.7 | 16.6 | 15.8 | 12.1 | 5.8 | 4.1 | 0.9 | 1.2 | 21.8 | 21.0 |
| BSE-30 ex-Energy, Com. | 396,405 | 25.2 | 42.2 | 41.0 | 19.8 | 29.2 | 20.7 | 17.3 | 17.9 | 13.2 | 6.2 | 4.5 | 0.9 | 1.2 | 21.3 | 21.8 |

Source: Company reports, Kotak Institutional Equities estimates.

Nifty valuation summary

Valuation summary of Nifty sectors, 5 March, 2008

| | 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 | 2007 | 2008E | 2007 | 2008E |
| Automobiles | 27,940 | 28.9 | 20.6 | 9.6 | 18.9 | 17.0 | 15.5 | 13.1 | 10.5 | 9.8 | 8.2 | 4.2 | 3.4 | 1.5 | 1.6 | 24.8 | 22.0 |
| Banking | 86,063 | 11.6 | 13.2 | 32.5 | 11.8 | 29.0 | 21.9 | 19.6 | — | — | — | 4.8 | 3.1 | 0.8 | 0.9 | 16.6 | 14.1 |
| Consumers | 30,321 | 21.2 | 19.8 | 14.8 | 15.4 | 28.6 | 24.9 | 21.6 | 19.6 | 15.8 | 13.5 | 8.9 | 8.5 | 2.2 | 2.9 | 31.2 | 34.0 |
| Cement | 14,573 | 27.7 | 89.5 | 16.5 | 8.5 | 13.5 | 11.6 | 10.7 | 8.0 | 6.2 | 5.6 | 3.6 | 2.8 | 1.5 | 1.9 | 26.5 | 24.0 |
| Energy | 157,055 | 13.3 | 27.2 | 14.7 | 21.7 | 18.2 | 15.9 | 13.0 | 9.1 | 8.1 | 6.7 | 2.8 | 2.4 | 1.5 | 1.7 | 15.1 | 15.1 |
| Industrials | 58,892 | 65.7 | 43.8 | 35.6 | 43.1 | 40.9 | 30.2 | 21.1 | 23.9 | 17.5 | 12.9 | 10.5 | 7.2 | 0.5 | 0.5 | 25.8 | 24.0 |
| Metals | 36,544 | 20.7 | 65.6 | (8.2) | 3.1 | 10.5 | 11.4 | 11.1 | 6.1 | 6.0 | 5.9 | 3.0 | 1.8 | 1.1 | 1.2 | 28.7 | 15.7 |
| Media | 2,923 | (34.6) | 11.2 | 59.9 | 40.2 | 49.5 | 30.9 | 22.1 | 37.3 | 18.1 | 13.4 | 4.5 | 4.1 | 0.6 | 0.7 | 9.1 | 13.4 |
| Property | 12,634 | 151.9 | 1,389.1 | 38.4 | 35.8 | 38.9 | 28.1 | 20.7 | 25.5 | 19.4 | 14.5 | 25.4 | 14.0 | - | 0.3 | 65.4 | 50.0 |
| Telecom | 72,248 | (89.6) | 149.5 | 63.2 | 27.1 | 35.2 | 21.5 | 17.0 | 18.1 | 12.5 | 9.5 | 6.7 | 5.1 | 0.1 | 0.2 | 19.1 | 23.5 |
| Technology | 70,008 | 28.3 | 46.8 | 18.8 | 18.6 | 20.9 | 17.6 | 14.9 | 15.3 | 12.5 | 10.1 | 6.8 | 5.4 | 1.3 | 1.8 | 32.3 | 30.8 |
| Utilities | 55,476 | 18.4 | 14.8 | 12.5 | 11.0 | 27.2 | 24.2 | 21.8 | 14.4 | 14.8 | 15.5 | 3.4 | 3.1 | 1.3 | 1.6 | 12.6 | 12.8 |
| NIFTY | 644,489 | 20.8 | 39.5 | 18.4 | 18.9 | 22.3 | 18.8 | 15.8 | 12.1 | 10.7 | 9.1 | 4.3 | 3.4 | 1.1 | 1.3 | 19.5 | 18.0 |
| NIFTY ex-Energy | 487,434 | 24.8 | 45.5 | 20.0 | 17.8 | 24.0 | 20.0 | 17.0 | 13.8 | 12.1 | 10.4 | 5.3 | 3.9 | 1.0 | 1.2 | 22.1 | 19.6 |
| NIFTY ex-Energy ex Com | 450,890 | 25.5 | 42.0 | 25.8 | 20.0 | 26.8 | 21.3 | 17.8 | 16.0 | 13.5 | 11.2 | 5.7 | 4.3 | 0.9 | 1.2 | 21.2 | 20.4 |

Note:

(a) Following companies are excluded: SAIL.

Source: Company reports, Kotak Institutional Equities estimates.

Regional valuation summary

Valuations of Indian markets are reasonable based on CY2008E PEG ratio, 5 March, 2008

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

| | Index | Earnings growth (%) | | | | P/E (X) | | | | PEG ratio (X) | | |
|--------------------------------|---------------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|---------------|------------|------------|
| | | 2007 | 2008E | 2009E | 2010E | 2007 | 2008E | 2009E | 2010E | 2007 | 2008E | 2009E |
| Brazil | MSCI BRAZIL | 19.9 | 16.2 | 16.4 | (11.9) | 14.6 | 12.5 | 10.8 | 12.4 | 0.9 | 0.8 | NA |
| China | I/B/E/S CHINA | 54.9 | 31.3 | 20.9 | 10.2 | 28.6 | 21.5 | 17.3 | 13.8 | 0.9 | 1.0 | 1.7 |
| Hong Kong | I/B/E/S HONG KONG | 35.2 | (1.8) | 18.6 | 11.5 | 15.9 | 16.3 | 13.9 | 13.6 | NA | 0.9 | 1.2 |
| India | MSCI INDIA | 15.2 | 21.1 | 23.3 | 22.1 | 22.7 | 18.9 | 15.3 | 12.1 | 1.1 | 0.8 | 0.7 |
| Korea | MSCI KOREA | 6.0 | 15.9 | 14.7 | 13.4 | 13.2 | 11.4 | 9.9 | 8.7 | 0.8 | 0.8 | 0.7 |
| Malaysia | MSCI MALAYSIA | 45.6 | (6.9) | 12.0 | 6.6 | 14.3 | 15.4 | 13.7 | 13.0 | NA | 1.3 | 2.1 |
| Mexico | MSCI MEXICO | 14.9 | 13.7 | 11.4 | 9.2 | 15.1 | 13.4 | 12.0 | 11.7 | 1.1 | 1.2 | 1.3 |
| Russia | MSCI RUSSIA | 19.6 | 13.2 | 6.6 | 9.3 | 12.1 | 10.7 | 10.0 | 9.3 | 0.9 | 1.6 | 1.1 |
| Taiwan | MSCI TAIWAN | 30.6 | 8.9 | 8.7 | 2.8 | 13.6 | 12.6 | 11.5 | 11.2 | 1.5 | 1.4 | 4.2 |
| Thailand | MSCI THAILAND | (29.7) | 93.6 | 7.6 | 6.8 | 22.7 | 11.5 | 10.7 | 10.0 | 0.2 | 1.5 | 1.6 |
| Asia - Emerging markets | MSCI EM ASIA | 18.3 | 16.3 | 14.3 | 10.6 | 16.0 | 13.8 | 12.1 | 10.7 | 1.0 | 1.0 | 1.1 |

Source: Thomson Datastream.

Valuation summary of BRICs sectors (1)

Valuation summary of BRICs sectors, 5 March, 2008

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

| Index | | Earnings growth (%) | | | | P/E (X) | | | | PEG ratio (X) | | |
|--------------------|---|---------------------|-------|-------|--------|---------|-------|-------|-------|---------------|-------|-------|
| | | 2007 | 2008E | 2009E | 2010E | 2007 | 2008E | 2009E | 2010E | 2007 | 2008E | 2009E |
| Banking | | | | | | | | | | | | |
| Brazil | MSCI Brazil Banks Industry Group | 40.1 | 14.2 | 19.2 | 11.2 | 13.2 | 11.6 | 9.7 | 9.1 | 0.9 | 0.6 | 0.9 |
| Russia | MSCI Russia Banks Industry Group | 16.4 | 35.7 | 23.1 | 38.7 | 18.1 | 13.4 | 10.8 | 7.8 | 0.5 | 0.6 | 0.3 |
| India | MSCI India Banks Industry Group | 17.8 | 26.9 | 28.2 | NA | 29.8 | 23.5 | 18.3 | NA | 1.1 | 0.8 | NA |
| China | MSCI China Banks Industry Group | 46.2 | 35.2 | 19.7 | (2.0) | 18.5 | 13.7 | 11.5 | 11.7 | 0.5 | 0.7 | NA |
| Consumers | | | | | | | | | | | | |
| Brazil | MSCI Brazil Consumer Discretionary Sector | (1.8) | 66.4 | 52.6 | 22.4 | 36.9 | 22.2 | 14.5 | 11.9 | 0.6 | 0.4 | 0.6 |
| Russia | MSCI Russia Consumer Staples Sector | 49.7 | 48.5 | 30.3 | 13.1 | 34.8 | 23.4 | 18.0 | 15.9 | 0.7 | 0.8 | 1.4 |
| India | MSCI India Consumer Discretionary Sector | 10.5 | 16.2 | 17.0 | 68.3 | 15.1 | 13.0 | 11.1 | 15.4 | 0.9 | 0.8 | 0.2 |
| China | MSCI China Consumer Discretionary Sector | 34.8 | 8.9 | 20.1 | 10.8 | 19.2 | 17.6 | 14.7 | 22.3 | 2.2 | 0.9 | 1.4 |
| Energy | | | | | | | | | | | | |
| Brazil | MSCI Brazil Energy Sector | (6.3) | 25.5 | (2.7) | 3.1 | 15.3 | 12.2 | 12.6 | 12.2 | 0.6 | NA | 4.1 |
| Russia | MSCI Russia Energy Sector | 15.0 | 14.2 | 4.7 | 4.6 | 10.6 | 9.3 | 8.9 | 8.7 | 0.7 | 2.0 | 1.9 |
| India | MSCI India Energy Sector | 20.6 | 14.9 | 35.6 | 24.4 | 21.1 | 18.4 | 13.5 | 11.0 | 1.4 | 0.5 | 0.6 |
| China | MSCI China Energy Sector | 11.0 | 19.5 | 8.0 | 7.9 | 15.8 | 13.2 | 12.2 | 11.2 | 0.8 | 1.6 | 1.5 |
| Industrials | | | | | | | | | | | | |
| Brazil | MSCI Brazil Industrials Sector | (1.9) | 71.5 | 7.3 | 23.7 | 26.1 | 15.2 | 14.2 | 10.7 | 0.4 | 2.1 | 0.6 |
| India | MSCI India Industrials Sector | 7.4 | 30.0 | 28.0 | 56.6 | 33.1 | 25.8 | 20.2 | 20.8 | 1.1 | 0.9 | 0.4 |
| China | MSCI China Industrials Sector | 65.8 | 15.9 | 16.0 | 18.0 | 19.5 | 16.8 | 14.5 | 12.2 | 1.2 | 1.1 | 0.8 |
| Metals | | | | | | | | | | | | |
| Brazil | MSCI Brazil Metals & Mining Industry | 38.9 | 9.7 | 28.3 | (49.2) | 12.7 | 11.5 | 9.0 | 17.8 | 1.3 | 0.4 | NA |
| Russia | MSCI Russia Metals & Mining Industry | 48.8 | (5.4) | (4.1) | (10.0) | 9.5 | 10.0 | 10.4 | 11.4 | NA | NA | NA |
| India | MSCI India Metals & Mining Industry | (0.2) | 19.8 | 5.4 | NA | 13.0 | 10.9 | 10.3 | NA | 0.7 | 2.0 | NA |
| China | MSCI China Metals & Mining Industry | 6.4 | 13.4 | 6.5 | (11.0) | 16.6 | 14.6 | 13.7 | 12.0 | 1.2 | 2.3 | NA |

Source: Thomson Datastream.

Valuation summary of BRICs sectors (2)

Valuation summary of BRICs sectors, 5 March, 2008

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

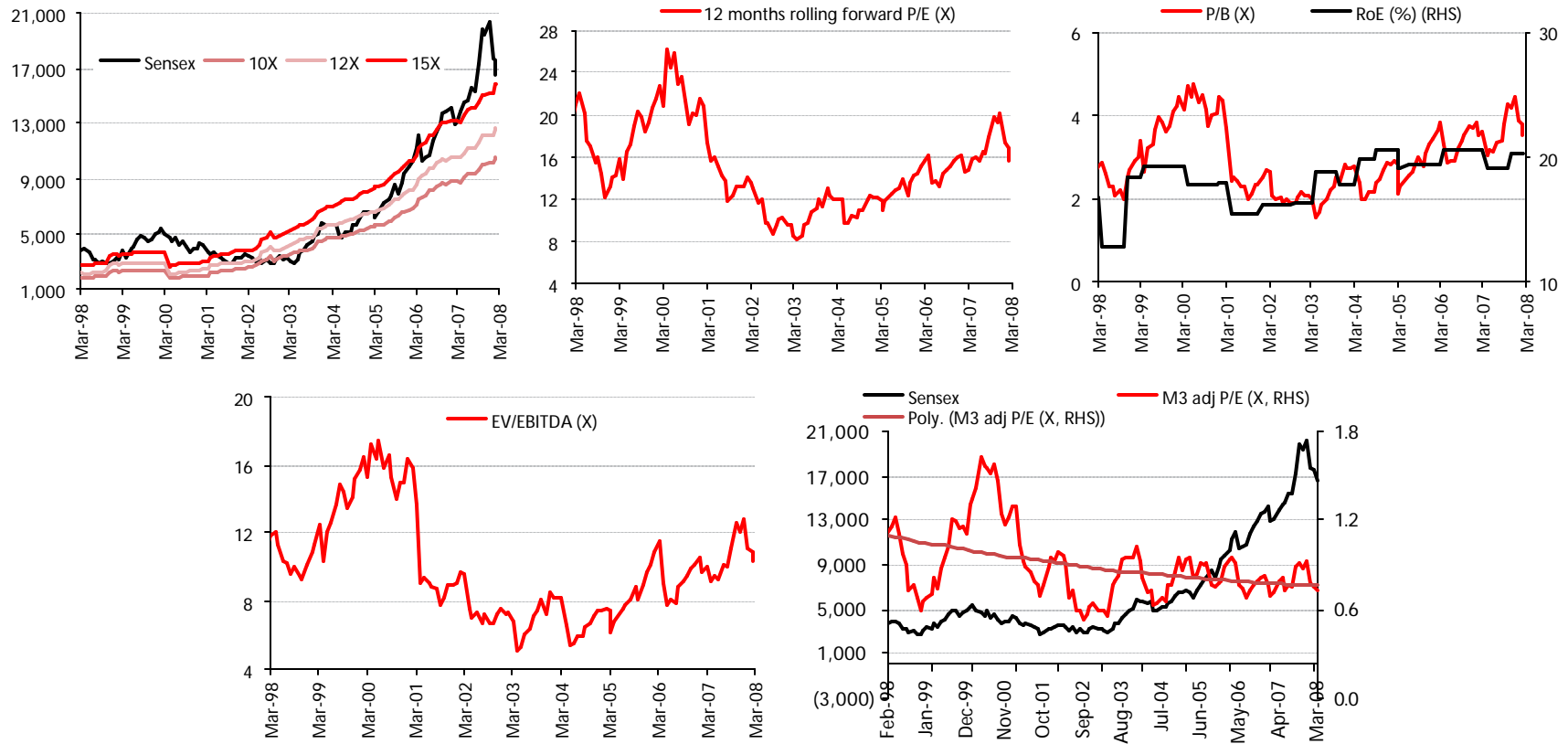
| Index | | Earnings growth (%) | | | | P/E (X) | | | | PEG ratio (X) | | |
|-------------------|--|---------------------|-------|-------|-------|---------|-------|-------|-------|---------------|-------|-------|
| | | 2007 | 2008E | 2009E | 2010E | 2007 | 2008E | 2009E | 2010E | 2007 | 2008E | 2009E |
| Property | | | | | | | | | | | | |
| Brazil | MSCI Brazil Real Estate Industry Group | NA | 182.9 | 52.8 | 17.2 | 54.0 | 19.1 | 12.5 | 10.7 | NA | 0.4 | NA |
| India | MSCI India Real Estate Industry Group | 123.7 | 42.9 | 71.4 | 41.0 | 28.6 | 20.0 | 11.7 | 7.7 | 0.7 | 0.3 | 0.3 |
| China | MSCI China Real Estate Industry Group | 40.7 | 50.7 | 35.5 | 38.7 | 20.9 | 13.9 | 10.3 | 8.0 | 0.4 | 0.4 | 0.3 |
| Technology | | | | | | | | | | | | |
| Brazil | MSCI Brazil Information Technology Sector | 637.6 | 24.0 | 17.9 | 17.1 | 23.7 | 19.1 | 16.2 | 13.8 | 1.0 | 1.1 | 0.9 |
| India | MSCI India Software & Services Industry Gr | 18.4 | 17.7 | 11.4 | 20.8 | 19.3 | 16.4 | 14.7 | 12.2 | 1.1 | 1.4 | 0.7 |
| China | MSCI China Software & Services Industry Gr | 14.8 | 26.1 | 31.6 | 9.5 | 59.3 | 47.0 | 35.8 | 13.5 | 2.3 | 1.5 | 3.8 |
| Telecom | | | | | | | | | | | | |
| Brazil | MSCI Brazil Telecommunication Services Sec | 81.4 | 27.7 | 22.6 | 18.8 | 13.8 | 10.8 | 8.8 | 7.4 | 0.5 | 0.5 | 0.5 |
| Russia | MSCI Russia Diversified Telecommunications | 12.9 | 15.7 | 26.0 | 2.1 | 27.1 | 23.4 | 18.6 | 21.5 | 1.7 | 0.9 | 8.9 |
| India | MSCI India Telecommunication Services Seci | 39.9 | 24.9 | 21.8 | 13.3 | 24.1 | 19.3 | 15.9 | 13.7 | 1.0 | 0.9 | 1.2 |
| China | MSCI China Telecommunication Services Ser | 14.0 | 25.9 | 15.7 | 10.4 | 24.4 | 19.4 | 16.8 | 15.1 | 0.9 | 1.2 | 1.6 |
| Utilities | | | | | | | | | | | | |
| Brazil | MSCI Brazil Utilities Sector | 5.8 | 0.1 | 10.9 | 23.4 | 12.0 | 12.0 | 10.8 | 9.6 | 109.2 | 1.1 | 0.5 |
| Russia | MSCI Russia Utilities Sector | (61.4) | (1.9) | 42.8 | 188.9 | 45.9 | 46.8 | 32.8 | 11.3 | NA | 1.1 | 0.2 |
| India | MSCI India Utilities Sector | 2.0 | 10.6 | 13.6 | (1.5) | 25.1 | 22.7 | 20.0 | 18.4 | 2.4 | 1.7 | NA |
| China | MSCI China Utilities Sector | 12.7 | 12.2 | 14.5 | 17.2 | 16.1 | 14.3 | 12.4 | 10.7 | 1.3 | 1.0 | 0.7 |

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, December 1997 - current



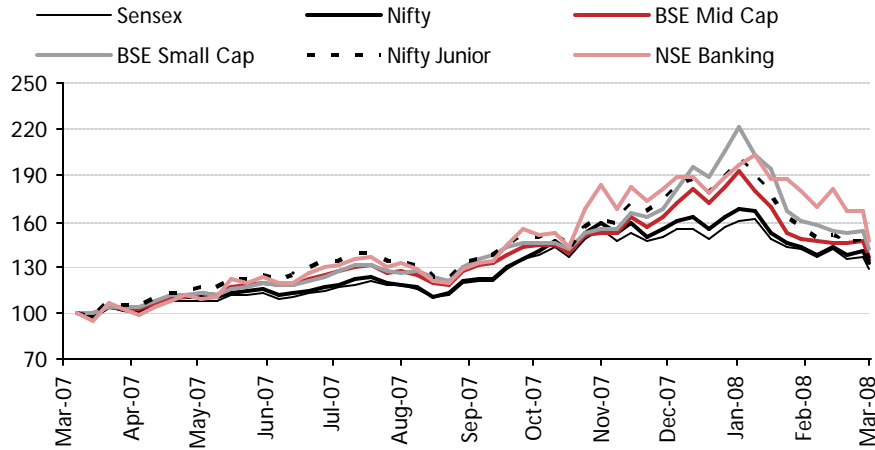
Source: Bloomberg, Company reports, Kotak Institutional Equities.

Market performance

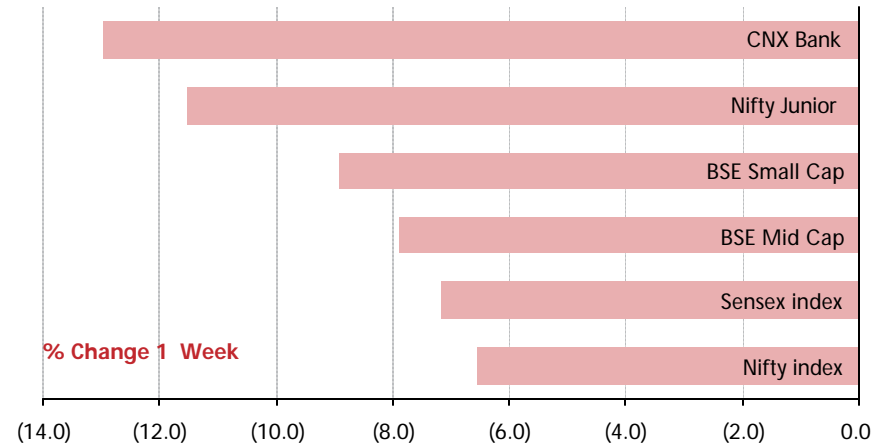
- **Performance of benchmark indices**
- **Performance of global indices**
- **Pricing performance of Sensex sectors**
- **Top gainers and losers (Stocks under Kotak coverage)**

Relative performance of Indian markets

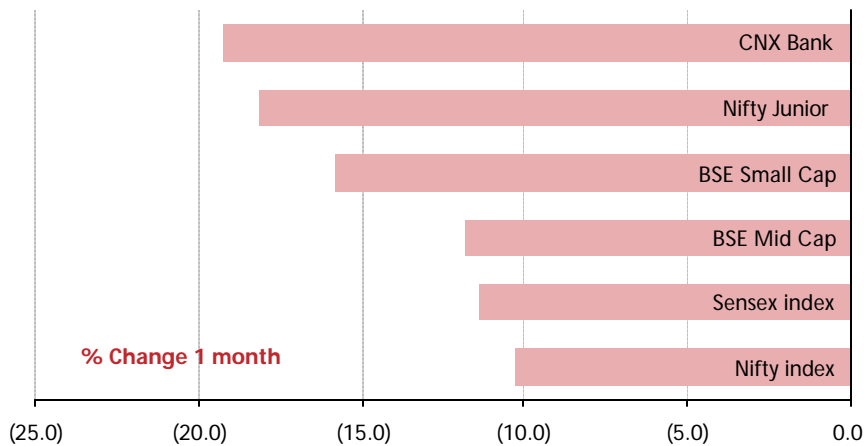
Key performance of benchmark indices
(base 100 as of March, 2007)



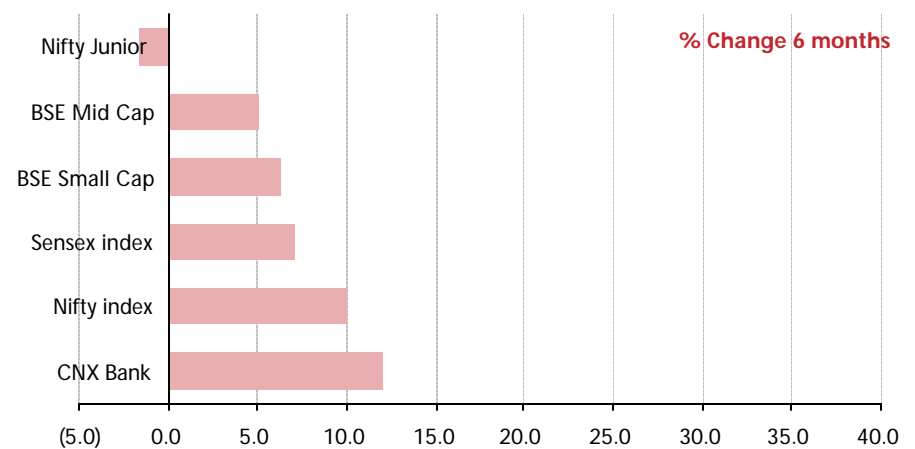
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



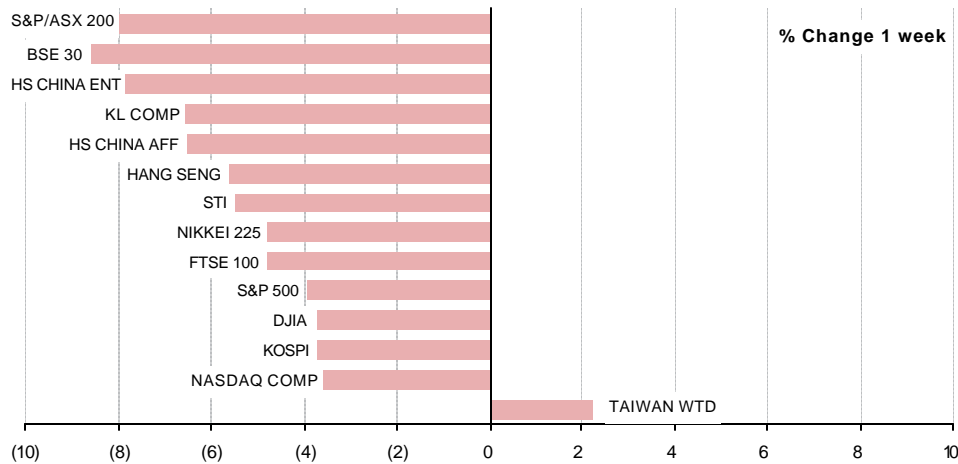
6-month performance of the benchmark indices



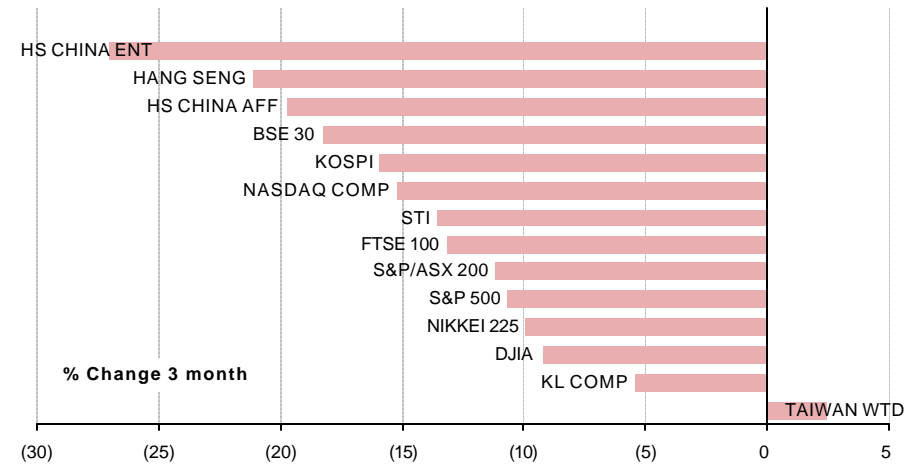
Source: Bloomberg, Kotak Institutional Equities.

BSE-Sensex versus regional indices

Weekly performance



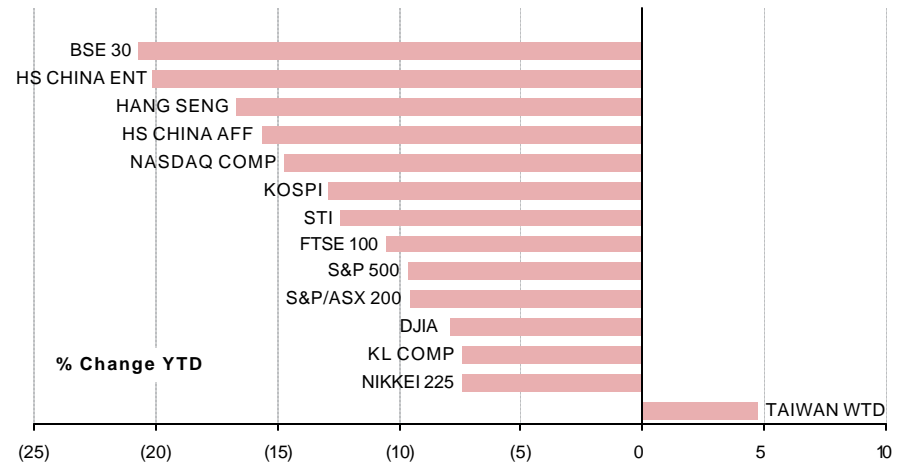
3-month performance



6-month performance



Year-to-date performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities.

Sectoral performance

Market performance of Sensex sectors, 5 March, 2008

| | 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 |
| Automobiles | 24,005 | 0.1 | (2.7) | (13.0) | (0.0) | (0.4) | (11.3) | (1.1) | 7.8 | (6.7) | (25.3) |
| Banking | 81,666 | 0.1 | (15.5) | (14.6) | 17.6 | 54.0 | (16.9) | (1.1) | (3.7) | 9.8 | 15.6 |
| Consumers | 30,214 | 2.3 | (0.6) | 4.1 | 10.5 | 23.5 | (2.8) | 1.1 | 9.7 | 3.1 | (7.3) |
| Cement | 14,522 | 1.0 | (3.1) | (25.7) | (15.6) | 13.5 | (22.1) | (0.2) | 7.4 | (21.2) | (14.8) |
| Energy | 123,787 | 2.6 | (10.6) | (19.8) | 17.8 | 54.3 | (20.3) | 1.4 | 0.7 | 10.0 | 15.8 |
| Industrials | 48,134 | (0.8) | (8.9) | (26.0) | 16.0 | 117.9 | (21.3) | (2.0) | 2.2 | 8.4 | 63.6 |
| Metals | 23,783 | 3.1 | 1.9 | (4.6) | 32.3 | 93.8 | (11.6) | 1.8 | 11.9 | 23.5 | 45.4 |
| Pharmaceuticals | 8,157 | 1.2 | 8.8 | 12.0 | 12.9 | 13.9 | 1.5 | (0.0) | 18.1 | 5.4 | (14.5) |
| Property | 28,816 | 0.5 | (23.4) | (28.6) | 6.8 | - | (36.5) | (0.8) | (10.8) | (0.2) | - |
| Telecom | 62,295 | (0.3) | (20.8) | (22.1) | (7.7) | 17.7 | (26.7) | (1.6) | (8.5) | (13.8) | (11.6) |
| Technology | 64,964 | 3.6 | (6.7) | (11.2) | (16.2) | (21.7) | (16.6) | 2.3 | 4.2 | (21.7) | (41.3) |
| Utilities | 48,359 | 1.4 | (15.9) | (20.7) | 13.1 | 57.3 | (24.0) | 0.1 | (4.1) | 5.6 | 18.0 |
| Sensex sum | 558,702 | 1.2 | (11.4) | (16.2) | 7.1 | 33.2 | (18.5) | | | | |

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 Nestle India | 13.2 | 1 GVK Power | (23.1) |
| 2 Zee Entertainment Enterprises | 13.1 | 2 India Infoline | (22.9) |
| 3 Maruti Suzuki | 13.0 | 3 Suzlon Energy | (21.7) |
| 4 Sun Pharmaceuticals | 10.6 | 4 Indian Bank | (21.5) |
| 5 GlaxoSmithkline (India) | 8.0 | 5 Union Bank | (19.0) |
| 6 Sesa Goa | 7.9 | 6 Unitech | (18.3) |
| 7 Hero Honda | 7.5 | 7 IVR Prime Urban Developers | (18.2) |
| 8 Dishman Pharma & chemicals | 7.3 | 8 DLF | (17.4) |
| 9 Dr Reddy's Laboratories | 7.1 | 9 Housing Development & Infrastru | (17.0) |
| 10 Colgate-Palmolive (India) | 6.4 | 10 Punj | (16.8) |

CYTD performance

| Top Gainers | | Top Losers | |
|---------------------------|----------|--------------------------------|----------|
| Company | % Change | Company | % Change |
| 1 Hero Honda | 11.0 | 1 IVR Prime Urban Developers | (54.7) |
| 2 GlaxoSmithkline (India) | 9.1 | 2 India Infoline | (53.2) |
| 3 Sun Pharmaceuticals | 7.9 | 3 GVK Power | (49.6) |
| 4 Ranbaxy Laboratories | 6.5 | 4 Maharashtra Seamless | (48.9) |
| 5 Hindustan unilever | 5.4 | 5 DishTV | (45.8) |
| 6 Asian Paints | 3.0 | 6 Pantaloon Retail | (42.5) |
| 7 Nestle India | 2.1 | 7 TVS Motor Co | (41.8) |
| 8 Jubilant organosys | 1.1 | 8 Punj | (41.0) |
| 9 iGate Global Solutions | - | 9 Kalpataru Power Transmission | (40.7) |

1- month performance

| Top Gainers | | Top Losers | |
|----------------------------|----------|-----------------------------------|----------|
| Company | % Change | Company | % Change |
| 1 GlaxoSmithkline (India) | 21.6 | 1 GVK Power | (40.9) |
| 2 Sun Pharmaceuticals | 17.4 | 2 IVR Prime Urban Developers | (33.0) |
| 3 Ranbaxy Laboratories | 17.1 | 3 Indian Bank | (31.9) |
| 4 Godrej Consumer Products | 17.1 | 4 Housing Development & Infrastru | (30.3) |
| 5 Hindalco Industries | 14.4 | 5 Rajesh Exports | (29.7) |
| 6 Nestle India | 13.1 | 6 Reliance Energy | (28.0) |
| 7 Hindustan unilever | 7.9 | 7 Suzlon Energy | (27.3) |
| 8 Maruti Suzuki | 7.8 | 8 Bank of Baroda | (25.8) |
| 9 Motherson Sumi | 6.8 | 9 Union Bank | (25.3) |
| 10 Hero Honda | 6.5 | 10 SREI | (25.2) |

1-year performance

| Top Gainers | | Top Losers | |
|--------------------------------|----------|--------------------------|----------|
| Company | % Change | Company | % Change |
| 1 Jindal Steel and Power | 376.8 | 1 Hexaware Technologies | (52.5) |
| 2 Educomp Solutions | 332.4 | 2 Tech Mahindra | (50.0) |
| 3 Welspun Gujarat Stahl Rohren | 288.5 | 3 Maharashtra Seamless | (48.4) |
| 4 SREI | 251.7 | 4 Vardhman | (46.4) |
| 6 Reliance Energy | 210.5 | 5 i-flex solutions | (44.4) |
| 7 Shriram Transport | 205.9 | 6 Patni Computer Systems | (44.3) |
| 8 Sadbhav Engineering | 171.7 | 7 Polaris Software Lab | (44.3) |
| 9 Reliance Petroleum | 144.5 | 8 Rico Auto | (32.9) |
| 10 Divi's Laboratories | 144.0 | 9 Infosys Technologies | (26.5) |
| 11 Tata Power | 136.0 | 10 Torrent Pharma | (25.0) |

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 |
|--------------------------|-------------------|
| VSNL | 199.5 |
| HDFC | 189.9 |
| Unitech | 185.7 |
| Centurion Bank of Punjab | 165.1 |
| Jindal Steel and Power | 163.2 |
| National Aluminium Co | 151.7 |
| Reliance Industries | 149.9 |

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

| Company | Discount to sector |
|-----------------------|--------------------|
| Federal Bank | 64.9 |
| Central Bank of India | 63.0 |
| Union Bank | 62.5 |
| Corporation Bank | 60.2 |
| Rajesh Exports | 59.9 |
| LIC Housing Finance | 59.2 |

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 | 3.5 |
| Federal Bank | 5.5 |
| Central Bank of India | 5.8 |
| Union Bank | 5.8 |
| Corporation Bank | 6.2 |
| LIC Housing Finance | 6.4 |
| Hindustan Zinc | 6.4 |
| Andhra Bank | 6.8 |
| Jindal Saw | 6.9 |

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

Highest 1 year forward P/E (X)

| Company | Highest P/E |
|--------------------------|-------------|
| Educomp Solutions | 54.8 |
| Reliance Energy | 41.0 |
| ABB | 32.2 |
| Pantaloon Retail | 32.1 |
| Tata Power | 31.4 |
| HDFC | 29.6 |
| Nestle India | 27.5 |
| Centurion Bank of Punjab | 25.7 |
| Asian Paints | 25.6 |

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

Company % discount to historical high

| Company | % discount to historical high |
|------------------------------|-------------------------------|
| HDFC | 4.1 |
| Shriram Transport | 6.7 |
| Jubilant Organosys | 9.0 |
| Monnet Ispat | 9.8 |
| Asian Paints | 10.9 |
| GE Shipping | 12.7 |
| Welspun Gujarat Stahl Rohren | 15.3 |
| Tata Power | 17.3 |
| KEC | 17.6 |
| JSW Steel | 18.4 |
| Hero Honda | 19.6 |
| Cipla | 20.6 |
| Sun Pharmaceuticals | 21.6 |
| Punjab National Bank | 22.4 |
| MMFSL | 22.7 |
| Jindal Saw | 22.9 |
| Rajesh Exports | 23.0 |
| Aditya Birla Nuvo | 23.5 |

Note:

(a) Historical figures are generated since May 2000.

Source: Bloomberg, Kotak Institutional Equities

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 | 742.2 |
| Reliance Energy | 259.1 |
| Castrol India | 169.9 |
| GAIL (India) | 160.3 |
| Petronet LNG | 157.9 |

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

| Company | Sector discount |
|------------------------|-----------------|
| Patni Computer Systems | 35.7 |
| Polaris Software Lab | 38.8 |
| Dredging Corporation | 39.3 |
| Bharat Electronics | 39.7 |

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

Highest 1 year rolling forward EV/EBITDA (X)

| Company | Highest EV/EBITDA |
|-------------------|-------------------|
| Aditya Birla Nuvo | 25.8 |
| Tata Power | 22.6 |
| ABB | 19.2 |
| Hindustan Lever | 19.0 |
| Larsen & Toubro | 18.2 |
| Nestle India | 16.8 |
| Cipla | 16.8 |

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 |
|-------------------------------|------------------|
| Maharashtra Seamless | 3.8 |
| Hindustan Zinc | 3.8 |
| Oil & Natural Gas Corporation | 3.8 |
| Patni Computer Systems | 3.9 |
| Hindustan Petroleum | 4.0 |
| Polaris Software Lab | 4.3 |
| Sesa | 4.4 |

Source: Bloomberg, Kotak Institutional Equities

Technical indicators

Volume momentum analysis

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

| Company | 5-day average volumes | Price Change (%) | |
|----------------------------|-----------------------|----------------------------|--------|
| | | % increase (1 month basis) | |
| Glaxo SmithKline Consumer | 83,603 | 452 | (6.3) |
| KEC | 46,584 | 286 | (4.7) |
| Apollo Hospital | 26,496 | 156 | (0.2) |
| Sesa | 111,425 | 133 | 4.6 |
| ITC | 2,735,612 | 126 | (5.6) |
| Nagarjuna Construction Co. | 242,394 | 119 | (10.2) |
| National Aluminium Co | 236,757 | 116 | 0.0 |

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

| Company | 5-day average volumes | Price Change (%) | |
|-----------------------|-----------------------|----------------------------|--------|
| | | % decrease (1 month basis) | |
| Maharashtra Seamless | 18,330 | (81) | (19.5) |
| Bharat Electronics | 5,358 | (81) | (14.4) |
| Ipca Laboratories | 1,444 | (74) | (6.3) |
| Hexaware Technologies | 243,198 | (73) | (4.8) |
| Sintex | 38,557 | (68) | (13.6) |
| JSL | 25,691 | (66) | (20.9) |
| EIH | 57,395 | (61) | (12.4) |

| Date | Sensex | Avg daily value traded (US\$ mn) | Institutional participation in total turnover | | Sensex delivery (%) | Put-Call (X) |
|--------|--------|----------------------------------|---|-----|---------------------|--------------|
| | | | FII% | MF% | | |
| Apr-07 | 13,872 | 2,776 | 18.0 | 4.7 | 49.2 | 1.12 |
| May-07 | 14,544 | 3,420 | 16.3 | 4.5 | 49.8 | 1.38 |
| Jun-07 | 14,651 | 3,327 | 17.6 | 3.9 | 49.9 | 1.44 |
| Jul-07 | 15,551 | 4,309 | 18.6 | 4.4 | 49.8 | 1.38 |
| Aug-07 | 15,318 | 3,742 | 18.6 | 4.3 | 45.2 | 1.32 |
| Sep-07 | 17,291 | 4,703 | 16.0 | 4.2 | 48.0 | 1.23 |
| Oct-07 | 19,724 | 7,118 | 18.4 | 3.6 | 43.0 | 1.15 |
| Nov-07 | 19,003 | 6,771 | 16.0 | 3.0 | 38.0 | 1.02 |
| Dec-07 | 20,217 | 6,802 | 14.3 | 3.1 | 42.0 | 1.12 |
| Jan-08 | 17,649 | 6,695 | 18.4 | 4.6 | 41.0 | 1.23 |
| Feb-08 | 17,579 | 4,631 | 17.8 | 4.2 | 39.0 | 1.15 |
| Mar-08 | 16,542 | 4,631 | 17.0 | 3.8 | 38.0 | 1.20 |

Source: Bloomberg, Kotak Institutional Equities.

Earnings momentum

- **Upgrades/downgrades in FY2008E and FY2009E in the past month**
- **Top changes in target prices in the past month**
- **Top changes in ratings in the past month**

Changes in earnings estimates in the past 1 month

Changes in earnings estimates in the past 1 month

FY2008 earnings upgrades (KIE) (1 month)

| | Company | % Change |
|---|--------------------------------------|----------|
| 1 | Housing Development & Infrastructure | 32.3 |
| 2 | Jindal Saw | 7.4 |
| 3 | Hindustan Unilever | 1.1 |
| 4 | Oil & Natural Gas Corporation | 1.1 |
| 3 | Maruti Suzuki | 0.4 |

FY2008 earnings downgrades (KIE) (1 month)

| | Company | % Change |
|---|--------------------------|----------|
| 1 | Suzlon Energy | (11.1) |
| 2 | Indian Oil Corporation | (7.8) |
| 3 | Hindustan Petroleum | (6.8) |
| 4 | Hexaware Technologies | (4.8) |
| 5 | DishTV | (4.5) |
| 6 | Reliance Communications | (3.0) |
| 7 | Reliance Industries | (2.9) |
| 8 | Godrej Consumer Products | (2.2) |
| 9 | Bajaj Auto | (1.7) |

FY2009 earnings upgrades (KIE) (1 month)

| | Company | % Change |
|---|-------------------------------|----------|
| 1 | Cairn India | 19.8 |
| 2 | Hindalco Industries | 13.4 |
| 3 | National Aluminium Co. | 11.9 |
| 4 | Oil & Natural Gas Corporation | 7.8 |
| 5 | Maruti Suzuki | 5.2 |
| 6 | Bajaj Auto | 3.2 |
| 5 | Tata Motors | 3.0 |
| 6 | Jindal Saw | 1.8 |
| 5 | Mahindra & Mahindra | 1.0 |

FY2009 earnings downgrades (KIE) (1 month)

| | Company | % Change |
|---|--------------------------------------|----------|
| 1 | Housing Development & Infrastructure | (16.5) |
| 2 | Hexaware Technologies | (16.5) |
| 3 | Reliance Communications | (7.7) |
| 4 | Indian Oil Corporation | (7.3) |
| 5 | Hindustan Petroleum | (5.5) |
| 6 | Reliance Industries | (3.6) |
| 7 | DishTV | (3.0) |
| 8 | Godrej Consumer Products | (2.2) |
| 9 | Hindustan Unilever | (0.9) |

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 | Cairn India | 21.9 | 195 | 160 |
| 2 | Ranbaxy Laboratories | 8.2 | 525 | 485 |
| 3 | Hindalco Industries | 7.1 | 225 | 210 |
| 4 | Jindal Saw | 4.5 | 1,150 | 1,100 |
| 5 | Maruti Suzuki | 3.3 | 1,240 | 1,200 |
| 6 | Tata Motors | 2.7 | 940 | 915 |
| 7 | Bajaj Auto | 1.8 | 2,865 | 2,815 |

Downgrades in target prices (1 month)

| | Company | % Change | New | Old |
|---|------------------------|----------|-----|-----|
| 1 | Suzlon Energy | (22.2) | 350 | 450 |
| 2 | Punj | (10.0) | 450 | 500 |
| 3 | DishTV | (6.7) | 70 | 75 |
| 4 | Castrol India | (6.5) | 290 | 310 |
| 5 | Hindustan Petroleum | (5.9) | 400 | 425 |
| 6 | Indian Oil Corporation | (4.0) | 600 | 625 |

Source:Kotak Institutional Equities.

Changes in our ratings

Changes in ratings over the past 1 month

| Company name | | Rating | |
|---------------------|------------|---------|----------|
| | | Current | Previous |
| Punj | Downgraded | ADD | BUY |
| Hindalco Industries | Downgraded | ADD | BUY |

| Company name | | Rating | |
|-------------------------------|----------|---------|----------|
| | | Current | Previous |
| ABB | Upgraded | ADD | REDUCE |
| Hindustan Petroleum | Upgraded | BUY | ADD |
| Indian Oil Corporation | Upgraded | ADD | REDUCE |
| Jindal Saw | Upgraded | BUY | ADD |
| LIC Housing Finance | Upgraded | BUY | ADD |
| Oil & Natural Gas Corporation | Upgraded | BUY | ADD |
| Reliance Petroleum | Upgraded | ADD | SELL |

Source:Kotak Institutional Equities.

Flows

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

Trend in equity flows

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

| | FII | MF |
|----------------|----------------|--------------|
| CY 1999 | 1,537 | 0 |
| CY 2000 | 1,462 | (150) |
| CY 2001 | 2,807 | (1,110) |
| CY 2002 | 751 | (685) |
| CY 2003 | 6,658 | 118 |
| CY2004 | 8,382 | (217) |
| CY 2005 | 10,776 | 2,873 |
| CY 2006 | 8,632 | 3,585 |
| CY 2007 | 17,335 | 1,525 |
| CY 2008 | (3,230) | 1,810 |
| Jan | (4,271) | 1,848 |
| Feb | 1,211 | 126 |
| Mar | (169) | (164) |

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

| | Index Futures | Index Options | Stock Futures | Stock Options |
|---------------|---------------|---------------|---------------|---------------|
| CY2004 | (91) | 608 | (796) | 4 |
| CY2005 | (676) | 2,199 | (668) | (42) |
| CY 2006 | 345 | 3,950 | (3,690) | (83) |
| CY2007 | (772) | 12,436 | (11,600) | (170) |
| CY2008 | 20 | 2,822 | 2,039 | (40) |
| Jan | (573) | 1,388 | 1,566 | (21) |
| Feb | 563 | 1,379 | 334 | (21) |
| Mar | 30 | 55 | 139 | 2 |

Source: Bloomberg, Kotak Institutional Equities

FII flows in other emerging markets

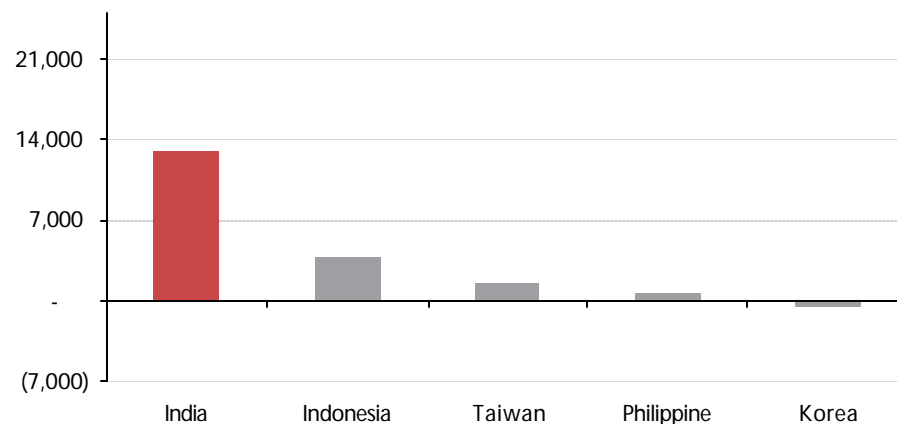
FII flows in the various countries (US\$ mn)

Flows in the cash markets

| Date | Taiwan | Indonesia | Philippine | Thailand | India |
|--------------|--------------|-------------|-------------|-----------|--------------|
| 5-Feb-08 | - | 14 | (8) | 3 | 143 |
| 6-Feb-08 | - | (70) | (20) | (0) | (131) |
| 7-Feb-08 | - | - | (5) | (0) | (42) |
| 11-Feb-08 | - | (25) | (4) | 1 | (458) |
| 12-Feb-08 | (125) | (33) | (6) | 2 | (29) |
| 13-Feb-08 | 162 | 32 | 5 | 4 | 87 |
| 14-Feb-08 | 509 | 78 | 12 | 2 | (293) |
| 15-Feb-08 | 141 | 13 | 0 | (0) | 285 |
| 18-Feb-08 | 94 | 61 | (2) | 0 | (29) |
| 19-Feb-08 | 213 | 48 | (2) | 2 | 393 |
| 20-Feb-08 | (50) | 36 | (1) | 0 | 14 |
| 21-Feb-08 | 335 | 12 | (1) | - | 71 |
| 22-Feb-08 | 36 | 8 | (9) | (0) | (113) |
| 25-Feb-08 | 563 | 43 | - | 1 | 183 |
| 26-Feb-08 | 665 | (25) | 2 | 2 | 21 |
| 27-Feb-08 | 722 | (7) | 5 | (1) | 98 |
| 28-Feb-08 | - | (34) | (4) | 1 | (131) |
| 29-Feb-08 | (174) | (54) | 4 | 0 | (61) |
| 3-Mar-08 | (434) | (94) | (12) | 1 | (169) |
| 4-Mar-08 | 267 | (100) | 0 | (3) | - |
| Total | 2,926 | (99) | (42) | 15 | (160) |

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 | Offer Shares | Price (Rs) | Value (Rs mn) | Date of Listing | Price | | Performance (%) | |
|------------------------------|--------------|------------|---------------|-----------------|-------|--------|-----------------|---------------|
| | | | | | Day 1 | Latest | Day 1 | Since Listing |
| Shriram EPC Ltd | 4 | 330 | 1,320 | 20-Feb-08 | 294 | 256 | (11) | (22) |
| Tulsi Extrusions Ltd | 6 | 85 | 485 | 25-Feb-08 | 140 | 95 | 64 | 12 |
| Onmobile Global Ltd | 11 | 450 | 4,905 | 19-Feb-08 | 522 | 575 | 16 | 28 |
| KNR Construction Ltd | 8 | 180 | 1,417 | 18-Feb-08 | 154 | 128 | (14) | (29) |
| Cords cable industries Ltd | 3 | 135 | 416 | 13-Feb-08 | 138 | 100 | 2 | (26) |
| J Kumar Infraprojects Ltd | 7 | 120 | 780 | 12-Feb-08 | 103 | 89 | (14) | (26) |
| Manjushree Extrusions Ltd | 5 | 45 | 231 | 28-Feb-08 | 53 | 31 | 17 | (32) |
| Reliance Power Ltd | 260 | 450 | 117,000 | 11-Feb-08 | 373 | 376 | (17) | (16) |
| Future Capital Holding | 6 | 765 | 4,913 | 31-Jan-08 | 908 | 622 | 19 | (19) |
| Precision Pipes and Profiles | 5 | 150 | 750 | 11-Jan-08 | 139 | 72 | (8) | (52) |
| Porwal Auto Components | 5 | 75 | 375 | 14-Jan-08 | 80 | 28 | 6 | (62) |
| Aries Agro Limited | 5 | 130 | 585 | 11-Jan-08 | 252 | 153 | 94 | 18 |
| Manaksia Ltd | 16 | 160 | 2,480 | 08-Jan-08 | 168 | 76 | 5 | (53) |
| BGR | 9 | 480 | 4,385 | 03-Jan-08 | 901 | 483 | 88 | 1 |
| Burnpur Cement | 22 | 12 | 263 | 03-Jan-08 | 46 | 26 | 286 | 115 |
| Transformes & rectifiers | 3 | 465 | 1,393 | 28-Dec-07 | 728 | 443 | 57 | (5) |
| Brigade Enterprises | 17 | 390 | 6,484 | 31-Dec-07 | 378 | 217 | (3) | (44) |
| Eclerx Services | 3 | 315 | 1,010 | 31-Dec-07 | 448 | 301 | 42 | (4) |
| Jyothy Lab | 4 | 690 | 3,057 | 19-Dec-07 | 793 | 708 | 15 | 3 |
| Kaushalya Infra | 9 | 60 | 510 | 14-Dec-07 | 82 | 41 | 37 | (32) |
| Empee Distilleries | 5 | 400 | 1,920 | 26-Nov-07 | 318 | 157 | (21) | (61) |
| Mundra Port & eco zone | 40 | 440 | 17,710 | 27-Nov-07 | 962 | 644 | 119 | 46 |
| Edelweiss Capital Ltd | 8 | 825 | 6,919 | 12-Dec-07 | 1,510 | 770 | 83 | (7) |
| Renaissance Jewellery Ltd | 5 | 150 | 799 | 12-Dec-07 | 165 | 77 | 10 | (49) |
| Kolte Patil | 19 | 145 | 2,755 | 13-Dec-07 | 181 | 111 | 25 | (24) |
| Maytas Infra | 9 | 370 | 3,275 | 25-Oct-07 | 614 | 616 | 66 | 67 |
| Consolidated Construction | 5 | 370 | 1,887 | 15-Oct-07 | 791 | 824 | 114 | 123 |
| Religare Enterprises | 76 | 185 | 1,402 | 21-Nov-07 | 521 | 434 | 182 | 134 |
| Supreme Infrastructure | 35 | 108 | 375 | 18-Oct-07 | 175 | 101 | 62 | (6) |
| Dhanus Technologies | 38 | 295 | 1,131 | 17-Oct-07 | 311 | 204 | 5 | (31) |
| Koutons Retail | 35 | 415 | 1,462 | 12-Oct-07 | 590 | 1,010 | 42 | 143 |
| Power Grid Corp | 5,739 | 52 | 29,845 | 05-Oct-07 | 100 | 104 | 92 | 101 |
| Magnum Ventures | 176 | 30 | 529 | 20-Sep-07 | 49 | 18 | 62 | (40) |
| Indowind Energy | 125 | 65 | 813 | 14-Sep-07 | 115 | 74 | 76 | 14 |
| Motilal Oswal Financial | 30 | 825 | 2,461 | 11-Sep-07 | 977 | 787 | 18 | (5) |
| Puravankara Projects | 215 | 400 | 8,587 | 30-Aug-07 | 362 | 293 | (10) | (27) |
| KPR Mill | 59 | 225 | 1,330 | 28-Aug-07 | 174 | 130 | (23) | (42) |
| TakeSolutions | 21 | 730 | 1,533 | 27-Aug-07 | 926 | 812 | 27 | 11 |
| Central Bank of India | 800 | 102 | 8,160 | 21-Aug-07 | 115 | 88 | 13 | (14) |
| SEL manufacturing | 41 | 90 | 372 | 21-Aug-07 | 142 | 322 | 58 | 258 |
| Refex Refrigerants | 38 | 65 | 247 | 20-Aug-07 | 62 | 180 | (5) | 177 |
| Zylog Systems | 36 | 350 | 1,260 | 17-Aug-07 | 431 | 230 | 23 | (34) |

Source: Bloomberg and Kotak Institutional Equities.

Forthcoming IPO/Follow on offerings

| | |
|--|-----|
| JAIPRAKASH POWER VENTURES LTD. | IPO |
| JSW ENERGY LTD. | IPO |
| NATIONAL HYDROELECTRIC POWER CORP.LTD. | IPO |
| FUTURE VENTURES INDIA LTD. | IPO |
| UTI ASSET MANAGEMENT CO.LTD. | IPO |
| OIL INDIA LTD. | IPO |
| ACME TELE POWER LTD. | IPO |
| ASHOKA BUILDCON LTD. | IPO |
| D.B.CORP.LTD. | IPO |
| MAHINDRA HOLIDAYS & RESORTS INDIA LTD. | IPO |
| PIPAVAV SHIPYARD LTD. | IPO |
| MULTI COMMODITY EXCHANGE OF INDIA LTD. | IPO |
| COX & KINGS (INDIA) LTD. | IPO |
| RAMKY INFRASTRUCTURE LTD. | IPO |
| VASCON ENGINEERS LTD. | IPO |
| PRINCE FOUNDATIONS LTD. | IPO |
| RNS INFRASTRUCTURE LTD. | IPO |
| AUSTRAL COKE & PROJECTS LTD. | IPO |
| PRIDE HOTELS LTD. | IPO |
| VIRGO ENGINEERS LTD. | IPO |
| XENITIS INFOTECH LTD. | IPO |
| RESURGERE MINES & MINERALS INDIA LTD. | IPO |
| RAMSARUP LOHH UDYOG LTD. | IPO |
| TCG LIFESCIENCES LTD. | IPO |
| GOKUL REFOILS & SOLVENT LTD. | IPO |
| MICROSEC FINANCIAL SERVICES LTD. | IPO |
| PERSISTENT SYSTEMS LTD. | IPO |
| BIRLA COTSYN (INDIA) LTD. | IPO |
| INFINITY INFOTECH PARKS LTD. | IPO |
| PNC INFRASTRUCTURE LTD. | IPO |
| SURYA FOODS & AGRO LTD. | IPO |
| NEEL METAL PRODUCTS LTD. | IPO |
| TECPRO SYSTEMS LTD. | IPO |
| EURO MULTIVISION LTD. | IPO |
| ARSS INFRASTRUCTURE PROJECTS LTD. | IPO |
| RITHVIK PROJECTS LTD. | IPO |
| TITAGARH WAGONS LTD. | IPO |

Source: Primedatabase .

Bulk deals

Bulk/block deals during the week

| Deal Date | Scrip Name | Action | Quantity | Price | Value | |
|-----------|---------------------------|--------|----------|-------|---------|----------|
| | | | | | (Rs mn) | Exchange |
| 03-Mar | Bank Of Baroda | SELL | 8565106 | 365 | 3126 | NSE |
| 04-Mar | Indian Overseas Bank | SELL | 18962113 | 160 | 3034 | NSE |
| 28-Feb | Vijaya Bank | SELL | 15219877 | 68 | 1035 | NSE |
| 28-Feb | Info Edge | SELL | 563063 | 1060 | 597 | BSE |
| 04-Mar | Mahindra & Mahindra Finan | BUY | 1473663 | 300 | 442 | NSE |
| 04-Mar | Mahindra & Mahindra Finan | SELL | 1092919 | 300 | 328 | NSE |
| 29-Feb | Northgate Technologies Li | BUY | 600000 | 543 | 326 | NSE |
| 28-Feb | NIIT Limited | SELL | 2601718 | 120 | 313 | NSE |
| 28-Feb | Parsvnath | SELL | 1116305 | 272 | 304 | BSE |
| 04-Mar | Eid Parry Ltd. | SELL | 1663002 | 180 | 299 | NSE |
| 28-Feb | Rajesh Exports Ltd. | BUY | 2000000 | 120 | 241 | NSE |
| 28-Feb | Ifci Ltd. | SELL | 3598875 | 63 | 225 | NSE |
| 29-Feb | NIIT Limited | SELL | 1612000 | 126 | 202 | NSE |
| 29-Feb | Chambal Fertilizers Ltd. | SELL | 2100000 | 65 | 136 | NSE |
| 28-Feb | Bank Maha | SELL | 2361403 | 56 | 133 | BSE |
| 28-Feb | NIIT Limited | BUY | 1000000 | 120 | 120 | NSE |
| 28-Feb | NIIT Limited | BUY | 1000000 | 120 | 120 | NSE |
| 29-Feb | Ador Welding Limited | SELL | 416757 | 178 | 74 | NSE |
| 29-Feb | Ador Welding Limited | BUY | 416757 | 178 | 74 | NSE |
| 28-Feb | Aptech Ltd. | BUY | 235000 | 230 | 54 | NSE |
| 03-Mar | Vesuvius India Ltd | BUY | 201400 | 230 | 46 | NSE |
| 29-Feb | Kalindee Rail Nirman (Eng | BUY | 100000 | 450 | 45 | NSE |
| 29-Feb | Kalin Rail N | BUY | 100000 | 450 | 45 | BSE |
| 29-Feb | C & C Constructions Limit | BUY | 200000 | 210 | 42 | NSE |
| 28-Feb | Salora Int | BUY | 191500 | 170 | 33 | BSE |
| 29-Feb | Indoco Remedies Limited | BUY | 100000 | 275 | 28 | NSE |
| 29-Feb | Indoco Remedies Limited | SELL | 100000 | 275 | 28 | NSE |
| 29-Feb | Tanej Aero A | BUY | 150000 | 181 | 27 | BSE |
| 28-Feb | Sasken Commu Techno Ltd | SELL | 147950 | 131 | 19 | NSE |
| 28-Feb | Evinix | BUY | 75000 | 155 | 12 | BSE |

Source: BSE and NSE

Delivery positions

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

| Name | Delivery % | |
|------------------------------|---------------|--------------|
| | Previous week | Current week |
| Ht Media Ltd | 5 | 54 |
| Zee Entertainment Enterprise | 32 | 68 |
| Nagarjuna Construction Co | 54 | 90 |
| Pantaloon Retail India Ltd | 45 | 81 |
| Unitech Limited | 14 | 44 |
| Glaxosmithkline Consumer Hea | 51 | 80 |
| Mahindra & Mahindra Fin Secs | 46 | 76 |
| Dlf Limited | 15 | 45 |
| Max India Limited | 64 | 93 |

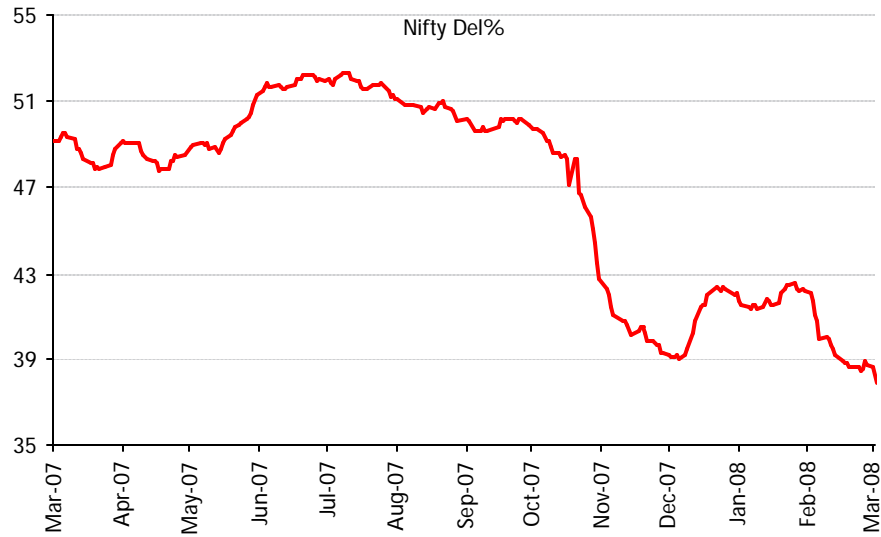
Decrease in delivery % (KIE universe)

| Name | Delivery % | |
|------------------------------|---------------|--------------|
| | Previous week | Current week |
| Sadbhav Engineering Ltd | 94 | 23 |
| Puravankara Projects Ltd | 97 | 33 |
| IvrcI Infrastructures & Proj | 95 | 31 |
| Jyoti Structures Limited | 96 | 34 |
| Kalpataru Power Transmission | 100 | 38 |
| Punjab Tractors Limited | 68 | 17 |
| Vardhman Textiles Ltd | 99 | 51 |
| Sintex Industries Limited | 98 | 51 |
| Union Bank Of India | 62 | 18 |

Source: Bloomberg and Kotak Institutional Equities.

Market movement indicators

Aggregate delivery percentage

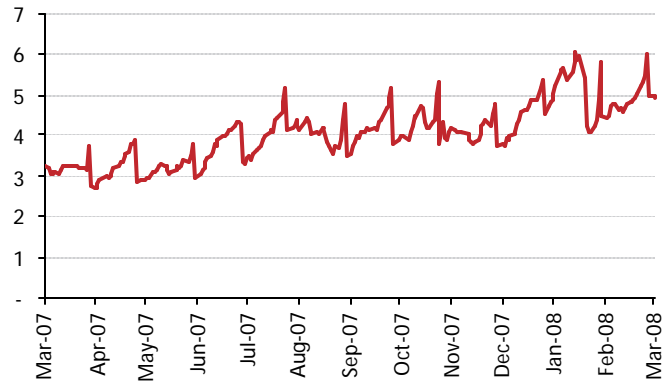


Source: Bloomberg and Kotak Institutional Equities.

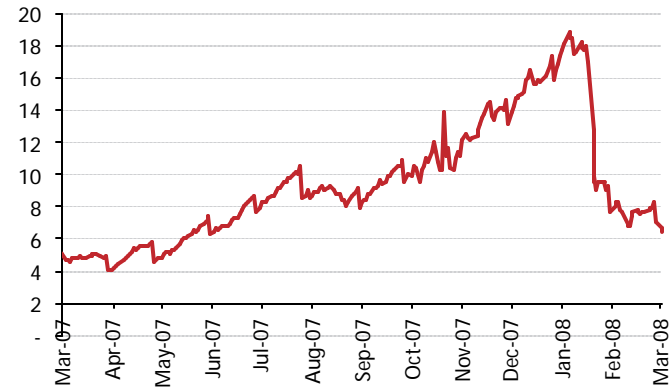
Open interest analysis

National Stock Exchange (US\$ bn)

India Index futures open interest



India stock futures open interest

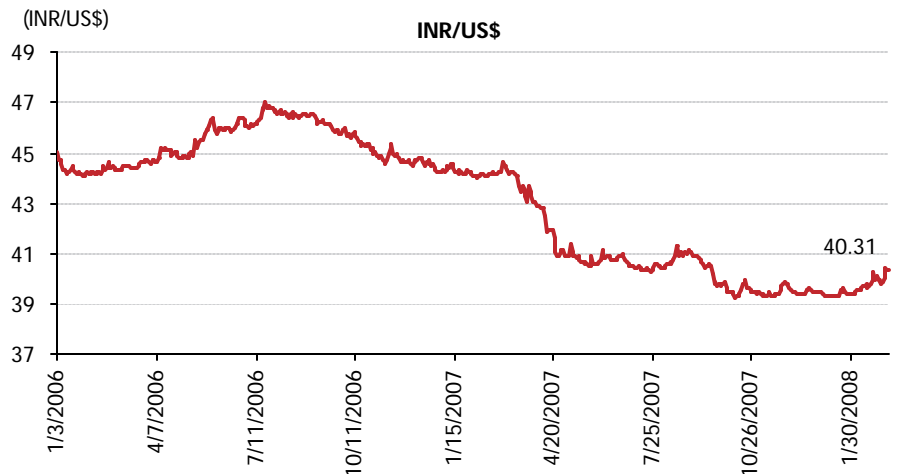
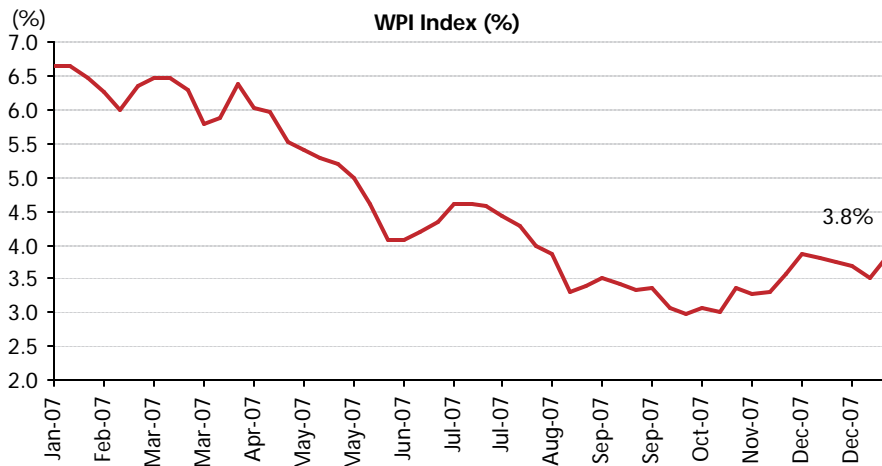
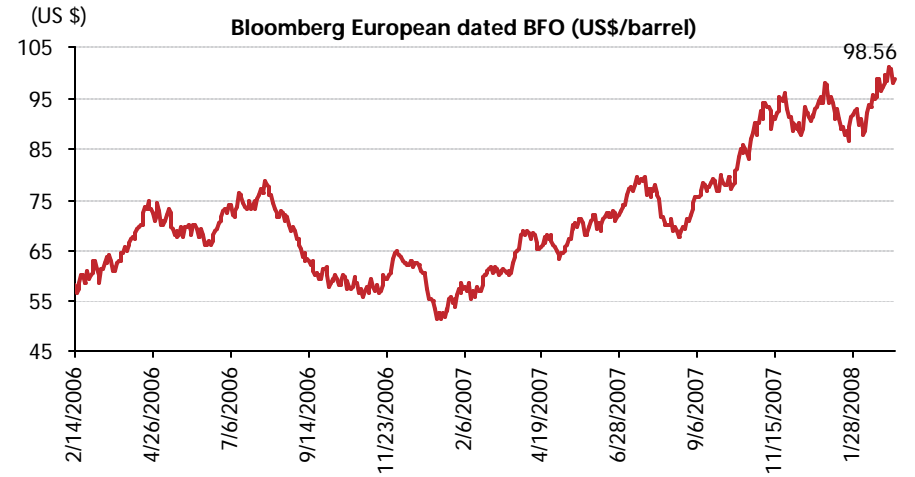
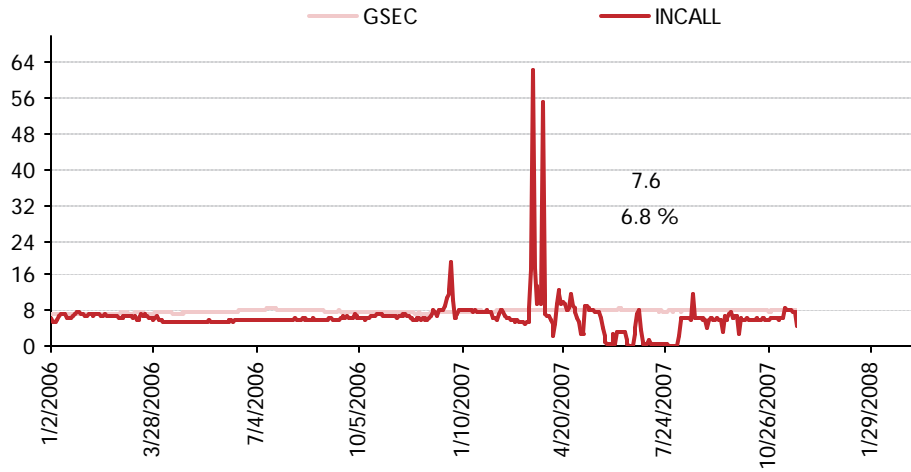


Source: Bloomberg and Kotak Institutional Equities.

Economic indicators

Economic indicators

Key economic parameters



Source: Bloomberg and Kotak Institutional Equities.

Kotak valuation summary

Valuation summary

Kotak Institutional Equities Universe

| Company | 05-Mar-08 | | 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) | | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Automobiles | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bajaj Auto | 2,128 | BUY | 215,324 | 5,352 | 101 | 127.2 | 119.9 | 140.7 | 14.5 | (5.7) | 17.3 | 16.7 | 17.7 | 15.1 | 11.7 | 12.1 | 10.6 | 3.8 | 3.5 | 3.1 | 1.9 | 1.9 | 1.9 | 23.7 | 19.7 | 20.6 | 2,865 | 34.6 | 12.1 | | | |
| Mahindra & Mahindra | 697 | BUY | 179,724 | 4,467 | 258 | 37.4 | 44.2 | 45.0 | 42.4 | 18.2 | 1.7 | 18.6 | 15.8 | 15.5 | 12.5 | 11.6 | 10.7 | 5.0 | 3.2 | 2.9 | 1.6 | 1.4 | 1.4 | 32.4 | 25.7 | 20.1 | - | (100.0) | 15.1 | | | |
| Maruti Suzuki | 940 | BUY | 271,703 | 6,753 | 289 | 54.0 | 67.8 | 93.0 | 31.4 | 25.5 | 37.0 | 17.4 | 13.9 | 10.1 | 10.2 | 8.4 | 6.0 | 3.9 | 3.0 | 2.3 | 0.5 | 0.5 | 0.5 | 24.9 | 24.6 | 26.0 | 1,240 | 31.9 | 3.2 | | | |
| Tata Motors | 703 | BUY | 300,705 | 7,474 | 428 | 47.0 | 47.7 | 55.6 | 20.0 | 1.4 | 16.7 | 15.0 | 14.7 | 12.6 | 9.6 | 9.2 | 8.0 | 3.9 | 2.9 | 2.7 | 1.9 | 1.9 | 1.9 | 27.7 | 24.2 | 23.5 | 940 | 33.8 | 22.2 | | | |
| Automobiles | | Attractive | 967,456 | 24,047 | | | | | | | 27.6 | 10.9 | 20.4 | 16.9 | 15.2 | 12.6 | | | | | | | 1.4 | 1.4 | 1.4 | 24.0 | 21.4 | 21.2 | | | | |
| Banks/Financial Institutions | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Andhra Bank | 84 | BUY | 40,861 | 1,016 | 485 | 11.1 | 12.5 | 12.5 | 10.8 | 13.1 | (0.5) | 7.6 | 6.7 | 6.8 | — | — | — | 1.4 | 1.3 | 1.2 | 4.5 | 4.5 | 4.4 | 17.8 | 18.8 | 17.3 | 115 | 36.5 | 3.8 | | | |
| Axis Bank | 899 | REDUCE | 297,075 | 7,384 | 330 | 23.4 | 32.8 | 42.2 | 34.4 | 40.2 | 28.6 | 38.4 | 27.4 | 21.3 | — | — | — | 9.9 | 3.5 | 3.0 | 0.5 | 0.7 | 1.0 | 21.0 | 17.8 | 16.0 | 850 | (5.5) | 3.2 | | | |
| Bank of Baroda | 312 | ADD | 113,880 | 2,831 | 366 | 28.1 | 39.1 | 38.3 | 24.1 | 39.2 | (2.1) | 11.1 | 8.0 | 8.1 | — | — | — | 1.5 | 1.3 | 1.2 | 2.2 | 2.5 | 2.5 | 12.4 | 15.9 | 14.3 | 400 | 28.4 | 8.0 | | | |
| Canara Bank | 236 | REDUCE | 96,883 | 2,408 | 410 | 34.7 | 37.4 | 28.7 | 5.8 | 7.9 | (23.1) | 6.8 | 6.3 | 8.2 | — | — | — | 1.4 | 1.1 | 1.0 | 3.0 | 2.8 | 3.0 | 16.3 | 14.4 | 10.3 | 250 | 5.8 | 9.1 | | | |
| Central Bank of India | 88 | ADD | 35,484 | 882 | 404 | 15.4 | 15.3 | 15.3 | 570.9 | (0.6) | (0.1) | 5.7 | 5.8 | 5.8 | — | — | — | 2.1 | 1.2 | 1.1 | 2.8 | 3.5 | 3.5 | 16.0 | 16.2 | 13.7 | 130 | 48.1 | 3.7 | | | |
| Centurion Bank of Punjab | 44 | REDUCE | 74,943 | 1,863 | 1,686 | 0.8 | 1.0 | 1.5 | 35.6 | 24.1 | 39.9 | 52.6 | 42.4 | 30.3 | — | — | — | 6.6 | 4.2 | 3.6 | — | — | — | 11.5 | 10.1 | 12.7 | 45 | 1.2 | 29.1 | | | |
| Corporation Bank | 296 | BUY | 42,393 | 1,054 | 143 | 37.4 | 46.4 | 47.7 | 20.6 | 24.1 | 2.8 | 7.9 | 6.4 | 6.2 | — | — | — | 1.1 | 1.0 | 0.9 | 3.0 | 3.1 | 3.2 | 15.0 | 16.8 | 15.5 | 470 | 59.0 | 1.4 | | | |
| Federal Bank | 280 | BUY | 29,989 | 745 | 107 | 34.2 | 38.5 | 32.1 | 40.0 | 12.5 | (16.6) | 8.2 | 7.3 | 8.7 | — | — | — | 2.2 | 1.2 | 1.1 | 1.1 | 2.7 | 3.7 | 21.2 | 14.8 | 13.2 | 340 | 21.4 | 3.3 | | | |
| HDFC | 2,755 | REDUCE | 790,028 | 19,637 | 287 | 62.1 | 83.7 | 93.2 | 23.6 | 34.8 | 11.4 | 44.4 | 32.9 | 29.6 | — | — | — | 14.2 | 6.4 | 5.7 | 0.7 | 1.1 | 1.2 | 31.3 | 26.9 | 20.4 | 2,450 | (11.1) | 51.2 | | | |
| HDFC Bank | 1,336 | ADD | 463,265 | 11,515 | 347 | 35.7 | 48.4 | 64.4 | 28.5 | 35.4 | 33.0 | 37.4 | 27.6 | 20.8 | — | — | — | 7.2 | 3.9 | 3.4 | 0.5 | 0.7 | 1.0 | 19.5 | 18.3 | 17.9 | 1,500 | 12.2 | 29.6 | | | |
| ICICI Bank | 960 | ADD | 1,062,202 | 26,402 | 1,106 | 34.6 | 36.7 | 45.7 | 5.6 | 6.2 | 24.0 | 23.0 | 27.8 | 26.1 | 21.0 | — | — | — | 4.4 | 2.1 | 2.1 | 0.8 | 0.9 | 1.2 | 13.4 | 10.7 | 10.3 | 1,200 | 24.9 | 131.5 | | |
| IDFC | 180 | SELL | 233,012 | 5,792 | 1,291 | 4.4 | 6.1 | 8.2 | 25.8 | 40.5 | 34.3 | 41.4 | 29.5 | 21.9 | — | — | — | 8.0 | 4.2 | 3.8 | 0.5 | 0.8 | 1.1 | 17.9 | 18.6 | 18.5 | 150 | (16.9) | 43.7 | | | |
| India Infoline | 902 | ADD | 51,773 | 1,287 | 57 | 15.1 | 28.8 | 54.9 | 39.3 | 91.3 | 90.3 | 59.8 | 31.3 | 16.4 | 36.9 | 15.1 | 7.7 | 15.9 | 4.7 | 2.4 | 0.3 | — | — | 29.1 | 23.1 | 23.9 | 1,400 | 55.3 | 12.5 | | | |
| Indian Bank | 163 | SELL | 70,010 | 1,740 | 430 | 16.8 | 27.9 | 24.8 | 148.1 | 65.8 | (11.2) | 9.7 | 5.8 | 6.6 | — | — | — | 2.3 | 1.9 | 1.6 | 1.8 | 4.3 | 3.8 | 25.8 | 31.3 | 23.7 | 170 | 4.4 | 5.8 | | | |
| Indian Overseas Bank | 146 | ADD | 79,568 | 1,978 | 545 | 18.5 | 22.3 | 22.7 | 28.7 | 20.7 | 1.7 | 7.9 | 6.5 | 6.4 | — | — | — | 2.0 | 1.7 | 1.4 | 2.4 | 3.1 | 3.4 | 28.1 | 28.1 | 24.1 | 150 | 2.7 | 2.8 | | | |
| J&K Bank | 695 | ADD | 33,683 | 837 | 48 | 56.6 | 73.3 | 74.6 | 55.2 | 29.5 | 1.8 | 12.3 | 9.5 | 9.3 | — | — | — | 1.9 | 1.6 | 1.4 | 1.7 | 2.1 | 2.1 | 14.4 | 16.6 | 14.9 | 850 | 22.4 | 0.5 | | | |
| LIC Housing Finance | 297 | BUY | 25,218 | 627 | 85 | 32.8 | 42.9 | 46.7 | 33.9 | 30.5 | 9.0 | 9.0 | 6.9 | 6.4 | — | — | — | 2.0 | 1.4 | 1.2 | 2.7 | 3.5 | 3.8 | — | — | — | 350 | 18.0 | 10.5 | | | |
| Mahindra & Mahindra Financial | 301 | REDUCE | 28,579 | 710 | 95 | 15.7 | 20.1 | 24.9 | 25.5 | 28.2 | 23.8 | 19.2 | 15.0 | 12.1 | — | — | — | 3.9 | 2.3 | 2.0 | 1.2 | 1.5 | 2.1 | 18.1 | 16.3 | 16.9 | 290 | (3.7) | 0.9 | | | |
| Oriental Bank of Commerce | 212 | SELL | 53,127 | 1,320 | 251 | 33.0 | 33.4 | 34.5 | 2.9 | 1.3 | 3.3 | 6.4 | 6.4 | 6.1 | — | — | — | 1.1 | 1.0 | 0.9 | 2.2 | 2.3 | 2.4 | 10.9 | 10.3 | 10.1 | 240 | 13.2 | 3.7 | | | |
| PF | 161 | SELL | 184,446 | 4,585 | 1,148 | 11.1 | 12.3 | 15.0 | 9.8 | 10.7 | 21.8 | 14.5 | 13.1 | 10.7 | — | — | — | 1.9 | 1.8 | 1.6 | 1.4 | 1.1 | 1.3 | 12.7 | 14.1 | 15.2 | 150 | (6.7) | 7.3 | | | |
| Punjab National Bank | 523 | BUY | 164,998 | 4,101 | 315 | 48.8 | 58.6 | 62.3 | 7.0 | 19.9 | 6.3 | 10.7 | 8.9 | 8.4 | — | — | — | 1.8 | 1.6 | 1.3 | 2.5 | 2.0 | 2.1 | 15.5 | 16.5 | 15.5 | 650 | 24.2 | 11.6 | | | |
| SREI | 164 | BUY | 17,858 | 444 | 109 | 7.3 | 9.6 | 7.6 | 63.6 | 31.5 | (20.1) | 22.5 | 17.1 | 21.4 | — | — | — | 3.9 | 3.2 | 1.5 | 0.6 | 1.2 | 1.7 | 18.1 | 23.4 | 17.3 | 240 | 46.6 | 2.9 | | | |
| State Bank of India | 1,854 | NR | 975,837 | 24,255 | 526 | 86.3 | 114.7 | 107.5 | 3.1 | 32.9 | (6.3) | 21.5 | 16.2 | 17.3 | — | — | — | 3.7 | 3.3 | 2.8 | 0.8 | 0.9 | 0.9 | 15.4 | 18.7 | 16.0 | — | — | 70.3 | | | |
| Union Bank | 153 | BUY | 77,233 | 1,920 | 505 | 16.7 | 22.7 | 26.2 | 14.8 | 35.9 | 15.1 | 9.1 | 6.7 | 5.8 | — | — | — | 1.5 | 1.3 | 1.1 | 2.3 | 3.0 | 3.4 | 19.2 | 22.1 | 21.4 | 250 | 63.5 | 5.8 | | | |
| Banks/Financial Institutions | | Attractive | 5,042,344 | 125,330 | | | | | 18.2 | 31.6 | 10.6 | 22.2 | 16.9 | 15.3 | | | | 3.7 | 2.6 | 2.3 | 1.0 | 1.2 | 1.4 | 16.9 | 15.3 | 14.8 | | | | | | |
| Cement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ACC | 741 | REDUCE | 139,848 | 3,476 | 189 | 56.7 | 65.1 | 68.8 | 93.7 | 14.9 | 5.7 | 13.1 | 11.4 | 10.8 | 7.8 | 6.3 | 5.9 | 4.0 | 3.1 | 2.6 | 2.3 | 3.1 | 3.1 | 39.7 | 34.0 | 28.1 | 800 | 7.9 | 16.6 | | | |
| Ambuja Cements | 121 | REDUCE | 182,928 | 4,547 | 1,517 | 8.5 | 8.8 | 9.1 | 72.9 | 2.4 | 4.1 | 14.1 | 13.8 | 13.2 | 10.2 | 7.8 | 7.5 | 4.7 | 3.6 | 2.8 | 1.5 | 2.2 | 2.5 | 44.5 | 31.0 | 24.4 | 117 | (3.0) | 5.3 | | | |
| Grasim Industries | 2,863 | ADD | 262,481 | 6,524 | 92 | 214.6 | 271.8 | 305.3 | 98.9 | 26.7 | 12.3 | 13.3 | 10.5 | 9.4 | 7.1 | 5.6 | 4.8 | 2.9 | 2.3 | 1.8 | 1.0 | 1.1 | 1.2 | 24.5 | 24.3 | 21.4 | 3,400 | 18.8 | 9.4 | | | |
| India Cements | 208 | REDUCE | 58,671 | 1,458 | 282 | 26.1 | 25.4 | 27.9 | n/a | (2.8) | 9.8 | 8.0 | 8.2 | 7.5 | 10.3 | 5.9 | 5.0 | 2.7 | 1.7 | 1.4 | — | 0.9 | 1.0 | 31.4 | 26.5 | 21.6 | 270 | 29.7 | 13.8 | | | |
| Shree Cement | 1,183 | ADD | 41,218 | 1,024 | 35 | 45.2 | 112.5 | 132.3 | (5.9) | 148.8 | 17.6 | 26.2 | 10.5 | 8.9 | 7.9 | 4.8 | 3.9 | 9.1 | 4.9 | 3.4 | 0.5 | 0.6 | 0.7 | 38.6 | 60.8 | 45.3 | 1,600 | 35.2 | 0.6 | | | |
| UltraTech Cement | 877 | REDUCE | 109,115 | 2,712 | 124 | 63.3 | 84.0 | 86.7 | 255.1 | 32.7 | 3.2 | 13.8 | 10.4 | 10.1 | 8.4 | 6.5 | 6.2 | 4.7 | 3.5 | 2.7 | 0.7 | 0.9 | 0.9 | 55.8 | 46.7 | 37.7 | 850 | (3.0) | 2.8 | | | |
| Cement | | Cautious | 794,261 | 19,742 | | | | | 116.2 | 23.0 | 8.4 | 13.6 | 11.0 | 10.2 | 8.2 | 6.1 | 5.5 | 3.7 | 2.8 | 2.2 | 1.2 | 1.6 | 1.7 | 27.5 | 25.4 | 21.7 | | | | | | |
| Consumer Products | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asian Paints | 1,136 | ADD | 108,970 | 2,708 | 96 | 28.1 | 38.3 | 44.3 | 22.0 | 36.1 | 15.8 | 40.4 | 29.7 | 25.6 | 23.6 | 17.9 | 15.0 | 14.2 | 11.3 | 9.1 | 1.1 | 1.3 | 1.5 | 39.5 | 43.5 | 40.2 | 1,110 | (2.3) | 2.3 | | | |
| Colgate-Palmolive (India) | 405 | ADD | 55,050 | 1,368 | 136 | 14.6 | 17.3 | 19.2 | 32.6 | 18.4 | 10.6 | 27.7 | 23.4 | 21.1 | 20.1 | 18.4 | 15.6 | 19.6 | 29.4 | 25.1 | 2.3 | 3.2 | 3.6 | 72.2 | 100.8 | 128.5 | 455 | 12.4 | 2.1 | | | |
| GlaxoSmithKline Consumer (a) | 580 | ADD | 24,375 | 606 | 42 | 30.2 | 38.5 | 41.8 | 18.5 | 27.4 | 8.7 | 19.2 | 1 | | | | | | | | | | | | | | | | | | | |

Valuation summary

Kotak Institutional Equities Universe

| Company | 05-Mar-08 | Rating | Mkt cap. | | O/S Shares (mm) | EPS (Rs) | | | EPS Growth (%) | | | PER (X) | | | EV/EBITDA (X) | | | Price/BV (X) | | | Dividend Yield (%) | | | RoE (%) | | | Target Price (Rs) | Upside (%) | ADVT-3mo (US\$ mm) | |
|-------------------------------|------------|------------|-----------|-----------|-----------------|----------|-------|-------|----------------|--------|--------|---------|-------|-------|---------------|--------|-------|--------------|-------|-------|--------------------|-------|-------|---------|--------|-------|-------------------|------------|--------------------|-------|
| | Price (Rs) | | (Rs. mm) | (US\$ mm) | | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | | | | (Rs) |
| Industrials | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ABB | 1,116 | ADD | 236,416 | 5,876 | 212 | 16.1 | 23.2 | 34.6 | 55.6 | 44.5 | 49.2 | 69.5 | 48.1 | 32.2 | 41.8 | 28.6 | 18.9 | 19.8 | 14.6 | 10.4 | 0.2 | 0.3 | 0.3 | 32.4 | 34.9 | 37.6 | 1,575 | 41.2 | 12.9 | |
| AIA Engineering | 1,597 | BUY | 30,027 | 746 | 19 | 51.4 | 69.1 | 92.2 | 74.4 | 34.5 | 33.5 | 31.1 | 23.1 | 17.3 | 22.2 | 16.3 | 11.3 | 6.1 | 4.9 | 3.9 | 0.2 | 0.4 | 0.6 | 25.1 | 23.4 | 25.0 | 1,750 | 9.5 | 0.8 | |
| Bharat Electronics | 1,337 | REDUCE | 106,920 | 2,658 | 80 | 91.7 | 88.7 | 112.3 | 21.9 | (3.3) | 26.7 | 14.6 | 15.1 | 11.9 | 7.4 | 7.0 | 5.2 | 4.0 | 3.4 | 2.8 | 1.3 | 1.9 | 1.9 | 30.3 | 24.1 | 25.5 | 1,750 | 30.9 | 3.2 | |
| Bharat Heavy Electricals | 2,081 | ADD | 1,018,887 | 25,325 | 490 | 49.3 | 64.3 | 82.1 | 44.1 | 30.4 | 27.7 | 42.2 | 32.4 | 25.3 | 22.8 | 17.7 | 13.8 | 11.6 | 9.1 | 7.2 | 0.5 | 0.7 | 0.9 | 30.0 | 31.6 | 31.8 | 2,500 | 20.1 | 56.4 | |
| Dredging Corporation | 648 | REDUCE | 18,157 | 451 | 28 | 57.9 | 49.5 | 60.9 | (9.4) | (14.6) | 23.0 | 11.2 | 13.1 | 10.7 | 6.4 | 6.6 | 4.9 | 1.6 | 1.5 | 1.3 | 2.3 | 2.3 | 2.3 | 14.9 | 11.8 | 13.1 | 775 | 19.5 | 0.9 | |
| Larsen & Toubro | 3,201 | BUY | 921,045 | 22,893 | 288 | 62.8 | 91.6 | 123.5 | 59.4 | 45.8 | 34.8 | 51.0 | 35.0 | 25.9 | 32.1 | 22.0 | 16.4 | 12.0 | 8.8 | 6.6 | 0.3 | 0.3 | 0.3 | 27.6 | 29.0 | 29.4 | 4,050 | 26.5 | 82.1 | |
| Maharashtra Seamless | 322 | BUY | 22,801 | 567 | 71 | 33.5 | 37.8 | 45.0 | 38.3 | 12.7 | 19.0 | 9.6 | 8.5 | 7.2 | 5.5 | 4.5 | 3.3 | 2.3 | 1.8 | 1.5 | 1.2 | 1.4 | 1.6 | 32.6 | 23.6 | 22.6 | 585 | 81.8 | 3.2 | |
| Siemens | 727 | REDUCE | 122,575 | 3,047 | 169 | 22.7 | 36.4 | 46.5 | 31.3 | 60.4 | 27.8 | 32.0 | 20.0 | 15.6 | 17.0 | 11.4 | 8.6 | 9.9 | 6.7 | 5.0 | 0.5 | 0.7 | 1.1 | 35.3 | 39.9 | 36.6 | 1,700 | 133.8 | 19.6 | |
| Suzlon Energy | 238 | ADD | 372,096 | 9,249 | 1,566 | 6.0 | 6.1 | 13.2 | 14.2 | 1.0 | 118.0 | 39.6 | 39.2 | 18.0 | 28.8 | 21.3 | 13.7 | 10.5 | 4.9 | 3.9 | 0.4 | 0.4 | 0.4 | 27.6 | 17.1 | 24.2 | 350 | 47.3 | 40.1 | |
| Industrials | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Attractive | 2,848,922 | 70,811 | | | | | 40.4 | 29.6 | 40.6 | 40.6 | 31.3 | 22.3 | 24.1 | 18.3 | 13.5 | 10.3 | 7.3 | 5.7 | 0.5 | 0.6 | 0.6 | 25.3 | 23.3 | 25.6 | | | | |
| Infrastructure | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GMR Infrastructure | 156 | NR | 258,814 | 6,433 | 1,655 | 1.1 | 1.8 | 2.1 | 97.5 | 66.6 | 17.6 | 148.4 | 89.1 | 75.8 | 51.7 | 58.2 | 28.5 | 11.3 | 9.6 | 7.9 | — | — | — | 10.6 | 11.6 | 11.4 | — | — | 57.6 | |
| Media | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| DishTV | 56 | REDUCE | 23,788 | 591 | 428 | (5.9) | (9.4) | (9.2) | n/a | 59.7 | (1.8) | (9.5) | (5.9) | (6.0) | (13.2) | (14.5) | (35) | (60.3) | (5.6) | (2.9) | — | — | — | (330.6) | 171.6 | 63.0 | 70 | 26.0 | 9.4 | |
| HT Media | 188 | ADD | 44,023 | 1,094 | 234 | 4.1 | 6.2 | 9.8 | 53.6 | 50.9 | 57.8 | 45.5 | 30.1 | 19.1 | 25.0 | 16.9 | 10.6 | 5.6 | 4.8 | 4.1 | 0.2 | 0.5 | 1.1 | 12.8 | 17.2 | 23.1 | 260 | 38.3 | 0.8 | |
| Jagran Prakashan | 107 | ADD | 32,225 | 801 | 301 | 2.4 | 3.6 | 5.6 | 44.5 | 45.6 | 57.0 | 43.9 | 30.1 | 19.2 | 25.7 | 17.5 | 11 | 6.3 | 5.8 | 5.2 | 1.4 | 1.7 | 2.6 | 14.7 | 20.1 | 28.5 | 145 | 35.5 | 0.4 | |
| Sun TV Network | 308 | REDUCE | 121,258 | 3,014 | 394 | 6.3 | 9.3 | 12.5 | 20.8 | 45.9 | 34.7 | 48.5 | 33.3 | 24.7 | 27.0 | 18.1 | 13.5 | 10.2 | 8.4 | 6.9 | 0.5 | 0.8 | 1.2 | 32.9 | 27.8 | 30.8 | 320 | 4.0 | 4.5 | |
| Zee Entertainment Enterprises | 270 | ADD | 117,085 | 2,910 | 434 | 5.5 | 8.7 | 12.2 | 11.2 | 59.9 | 40.2 | 49.5 | 30.9 | 22.1 | 37.3 | 21.0 | 15 | 4.5 | 4.1 | 3.7 | 0.6 | 0.7 | 1.0 | 10.0 | 13.9 | 17.7 | 290 | 7.4 | 9.8 | |
| Media | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Cautious | 338,380 | 8,411 | | | | | 14.6 | 48.1 | 72.5 | 84.1 | 56.8 | 32.9 | 39.0 | 23.6 | 15.4 | 6.7 | 6.4 | 5.8 | 0.5 | 0.8 | 1.2 | 7.9 | 11.2 | 17.7 | | | | |
| Metals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hindalco Industries | 208 | BUY | 271,951 | 6,759 | 1,307 | 19.6 | 17.5 | 18.1 | 55.2 | (10.9) | 3.4 | 10.6 | 11.9 | 11.5 | 7.7 | 7.2 | 6.6 | 2.0 | 1.4 | 1.3 | 0.7 | 0.9 | 0.9 | 21.0 | 14.3 | 12.2 | 225 | 8.1 | 21.4 | |
| National Aluminium Co. | 453 | REDUCE | 291,905 | 7,255 | 644 | 37.0 | 26.3 | 27.6 | 55.4 | (28.8) | 4.7 | 12.3 | 17.2 | 16.4 | 6.5 | 8.9 | 8.8 | 3.5 | 3.1 | 2.7 | 1.7 | 1.7 | 1.7 | 32.1 | 19.1 | 17.7 | 400 | (11.7) | 4.5 | |
| Jindal Steel and Power | 2,115 | ADD | 325,628 | 8,094 | 154 | 56.2 | 77.3 | 106.9 | 47.6 | 37.6 | 38.3 | 37.7 | 27.4 | 19.8 | 23.1 | 17.0 | 12.9 | 10.6 | 7.6 | 5.4 | 0.2 | 0.2 | 0.2 | 28.2 | 27.7 | 27.3 | 2,900 | 37.1 | 72.0 | |
| JSW Steel | 985 | ADD | 182,935 | 4,547 | 186 | 67.8 | 92.0 | 107.6 | 51.3 | 35.7 | 16.9 | 14.5 | 10.7 | 9.2 | 7.9 | 7.3 | 7.0 | 2.8 | 1.9 | 1.5 | 1.3 | 1.9 | 1.9 | 22.1 | 21.2 | 18.7 | 1,040 | 5.6 | 24.4 | |
| Hindustan Zinc | 604 | ADD | 255,169 | 6,342 | 423 | 105.1 | 95.6 | 93.9 | 201.7 | (9.1) | (1.7) | 5.7 | 6.3 | 6.4 | 4.0 | 4.1 | 3.3 | 3.2 | 2.2 | 1.7 | 0.8 | 1.2 | 1.2 | 73.4 | 41.1 | 29.2 | 1,000 | 65.6 | 1.8 | |
| Sesa Goa | 3,372 | BUY | 132,744 | 3,299 | 39 | 154.1 | 314.6 | 468.8 | 12.5 | 104.2 | 49.0 | 21.9 | 10.7 | 7.2 | 14.6 | 6.6 | 3.9 | 8.6 | 5.3 | 3.3 | 1.5 | 2.1 | 2.4 | 45.4 | 61.2 | 56.4 | 4,500 | 33.4 | 15.5 | |
| Sterlite Industries | 778 | ADD | 550,960 | 13,694 | 708 | 83.1 | 59.7 | 57.2 | 37.5 | (28.1) | (4.3) | 9.4 | 13.0 | 13.6 | 6.6 | 6.7 | 6.0 | 5.1 | 2.4 | 2.1 | — | — | — | 50.7 | 24.9 | 16.3 | 1,000 | 28.6 | 40.2 | |
| Tata Steel | 798 | REDUCE | 686,548 | 17,065 | 860 | 50.9 | 53.6 | 58.6 | (20.9) | 5.4 | 9.3 | 15.7 | 14.9 | 13.6 | 9.5 | 8.5 | 8.3 | 4.3 | 2.2 | 2.0 | 1.4 | 1.5 | 1.5 | 36.8 | 23.3 | 15.0 | 775 | (2.9) | 53.6 | |
| Metals | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Neutral | 2,697,841 | 67,056 | | | | | 78.0 | (0.6) | 8.0 | 12.7 | 12.8 | 11.9 | 7.8 | 7.6 | 6.8 | 4.0 | 2.5 | 2.1 | 0.9 | 1.0 | 1.0 | 31.2 | 19.1 | 17.4 | | | | |
| Oil & Gas | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bharat Petroleum | 450 | NR | 147,422 | 3,664 | 328 | 52.3 | 42.4 | 25.6 | 578.0 | (18.9) | (39.6) | 8.6 | 10.6 | 11.5 | 4.2 | 4.7 | 6.2 | 1.3 | 1.3 | 1.1 | 3.9 | 3.9 | 2.4 | 16.2 | 11.8 | 6.7 | — | — | 10.8 | |
| Cairn India | 188 | SELL | 373,541 | 9,285 | 1,765 | 2.3 | 0.5 | 2.3 | 28.4 | (80.3) | 395.4 | 91.4 | 464.4 | 93.7 | 49.3 | 44.7 | 33.8 | 1.3 | 1.3 | 1.2 | — | — | — | 2.7 | 0.3 | 1.3 | 195 | (7.8) | 27.9 | |
| Castrol India (a) | 268 | REDUCE | 33,111 | 823 | 124 | 12.2 | 17.6 | 19.4 | 3.2 | 44.4 | 10.0 | 21.9 | 15.2 | 13.8 | 12.7 | 8.8 | 8.0 | 7.8 | 7.6 | 7.3 | 3.4 | 5.2 | 5.6 | 36.6 | 50.7 | 53.8 | 290 | 8.3 | 0.7 | |
| GAIL (India) | 403 | REDUCE | 340,882 | 8,473 | 846 | 25.3 | 30.8 | 30.9 | (9.5) | 21.8 | 0.2 | 15.9 | 13.1 | 13.1 | 9.3 | 7.7 | 7.1 | 2.7 | 2.3 | 2.1 | 2.5 | 2.5 | 2.7 | 16.8 | 18.0 | 16.0 | 400 | (0.8) | 27.4 | |
| GSPL | 63 | SELL | 34,379 | 855 | 544 | 1.6 | 1.7 | 4.9 | 40.0 | 3.1 | 188.3 | 38.6 | 37.5 | 13.0 | 14.4 | 11.4 | 6.6 | 3.3 | 3.0 | 2.6 | 0.8 | 0.8 | 2.3 | 8.8 | 8.4 | 21.3 | 65 | 2.8 | 16.0 | |
| Hindustan Petroleum | 285 | BUY | 96,601 | 2,401 | 339 | 40.0 | 55.0 | 46.1 | 503.8 | 37.3 | (16.2) | 7.1 | 5.2 | 6.2 | 4.5 | 3.8 | 3.8 | 0.9 | 0.8 | 0.7 | 6.3 | 7.7 | 6.3 | 11.9 | 15.0 | 11.4 | 400 | 40.4 | 17.4 | |
| Indian Oil Corporation | 526 | ADD | 620,794 | 15,430 | 1,179 | 46.8 | 94.3 | 64.4 | 21.3 | 101.3 | (31.7) | 11.2 | 5.6 | 8.2 | 5.3 | 3.3 | 3.9 | 1.6 | 1.4 | 1.3 | 3.6 | 7.3 | 4.8 | 15.0 | 25.5 | 15.4 | 600 | 14.0 | 19.4 | |
| Oil & Natural Gas Corporation | 988 | BUY | 2,113,006 | 52,520 | 2,139 | 84.4 | 102.1 | 121.2 | 15.0 | 20.9 | 18.7 | 11.7 | 9.7 | 8.2 | 4.7 | 4.0 | 3.3 | 2.3 | 2.0 | 1.8 | 3.1 | 3.6 | 4.0 | 20.3 | 21.1 | 21.9 | 1,325 | 34.1 | 54.5 | |
| Petronet LNG | 69 | SELL | 51,788 | 1,287 | 750 | 4.2 | 6.2 | 5.4 | — | 48.0 | (12.7) | 16.5 | 11.2 | 12.8 | 9.2 | 7.0 | 8.8 | 3.4 | 2.6 | 2.2 | 1.8 | 2.2 | 1.4 | 22.4 | 25.3 | 18.0 | 65 | (5.9) | 14.9 | |
| Reliance Industries | 2,293 | RS | 2,875,911 | 71,482 | 1,254 | 83.4 | 97.9 | 108.8 | 32.0 | 17.5 | 11.1 | 27.5 | 23.4 | 21.1 | 14.7 | 13.4 | 10.6 | 4.1 | 3.8 | 2.5 | 0.5 | 0.6 | 0.8 | 19.3 | 17.9 | 16.2 | — | — | 277.6 | |
| Reliance Petroleum | 162 | ADD | 730,125 | 18,148 | 4,500 | — | — | 4.5 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 29.5 | 5.4 | 5.4 | 4.7 | — | — | — | — | — | — | — | 14.0 | 17.5 | 7.9 | 167.4 |
| Oil & Gas | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Neutral | 7,417,558 | 184,367 | | | | | 30.2 | 27.3 | 9.1 | 17.6 | 13.8 | 12.7 | 8.7 | 7.2 | 6.5 | 2.6 | 2.3 | 2.0 | 1.7 | 2.2 | 2.2 | 15.0 | 16.6 | 15.5 | | | | |
| Pharmaceutical | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Biocon | 428 | BUY | 42,815 | 1,064 | 100 | 20.6 | 20.0 | 25.9 | 14.7 | (2.8) | 29.3 | 20.8 | 21.4 | 16.5 | 15.2 | 13.2 | 10.7 | 4.0 | 2.9 | 2.6 | 0.7 | 0.8 | 0.9 | 20.5 | 15.8 | 16.5 | 665 | 55.3 | 2.2 | |
| Cipla | 205 | REDUCE | 159,695 | 3,969 | 777 | 8.6 | 8.7 | 8.4 | 6.0 | 1.0 | (2.9) | 23.9 | 23.7 | 24.4 | 17.3 | 16.4 | 16.6 | 4.9 | 4.3 | 3.9 | 1.0 | 1.2 | 1.5 | 25.6 | 19.5</ | | | | | |

Valuation summary

Kotak Institutional Equities Universe

| Company | 05-Mar-08 | | 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) | | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | 2007 | 2008E | 2009E | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pipes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jindal Saw | 799 | BUY | 44,740 | 1,112 | 56 | 101.4 | 70.9 | 114.2 | 229.6 | (30.1) | 61.1 | 7.9 | 11.3 | 7.0 | 5.5 | 5.9 | 3.6 | 1.6 | 1.3 | 1.1 | 0.7 | 0.8 | 0.8 | 19.7 | 12.5 | 17.8 | 1,150 | 43.9 | 6.1 | | | |
| PSL | 353 | ADD | 14,583 | 362 | 41 | 20.2 | 28.4 | 40.5 | 16.7 | 40.1 | 42.9 | 17.4 | 12.4 | 8.7 | 10.4 | 7.8 | 5.7 | 4.1 | 2.1 | 1.8 | 1.2 | 1.6 | 1.8 | 10.7 | 12.5 | 14.5 | 500 | 41.7 | 0.9 | | | |
| Welspun Gujarat Stahl Rohren | 387 | SELL | 72,300 | 1,797 | 187 | 10.6 | 22.0 | 25.9 | 48.7 | 108.5 | 17.5 | 36.6 | 17.6 | 14.9 | 25.0 | 14.0 | 8.8 | 9.9 | 3.9 | 3.3 | 0.5 | 0.7 | 1.2 | 22.0 | 30.4 | 25.1 | 310 | (19.9) | 17.1 | | | |
| Pipes | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retail | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pantaloon Retail | 480 | REDUCE | 70,374 | 1,749 | 147 | 6.1 | 10.5 | 15.0 | 26.7 | 73.1 | 42.7 | 79.2 | 45.8 | 32.1 | 31.5 | 22.3 | 16.3 | 6.7 | 6.2 | 5.4 | 0.7 | 0.8 | 0.9 | 10.7 | 13.2 | 16.3 | 425 | (11.4) | 3.2 | | | |
| Rajesh Exports | 106 | BUY | 30,760 | 765 | 291 | 4.6 | 7.6 | 10.5 | 47.2 | 65.6 | 38.5 | 23.1 | 14.0 | 10.1 | 13.9 | 5.5 | 4.3 | 10.0 | 2.9 | 2.4 | 0.2 | 2.1 | 2.4 | 32.9 | 20.8 | 23.8 | 215 | 103.4 | 11.4 | | | |
| Retail | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shipyards | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ABG Shipyard | 635 | NR | 32,344 | 804 | 51 | 22.2 | 32.7 | 57.4 | 35.1 | 47.5 | 75.3 | 28.6 | 19.4 | 11.1 | 17.8 | 12.1 | 6.4 | 5.0 | 3.8 | 2.7 | 0.3 | 0.4 | 0.5 | 19.8 | 22.3 | 28.4 | — | — | 2.4 | | | |
| Technology | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HCL Technologies | 278 | REDUCE | 193,349 | 4,806 | 695 | 18.9 | 18.7 | 22.1 | 65.7 | (1.0) | 18.5 | 14.8 | 14.9 | 12.6 | 13.3 | 11.1 | 9.0 | 3.6 | 3.5 | 3.1 | 2.8 | 2.9 | 2.9 | 28.5 | 25.2 | 26.4 | 320 | 15.0 | 6.5 | | | |
| Hexaware Technologies | 69 | SELL | 9,807 | 244 | 142 | 8.9 | 7.7 | 8.4 | 16.1 | (13.7) | 9.7 | 7.8 | 9.0 | 8.2 | 4.8 | 5.5 | 4.4 | 1.3 | 1.4 | 1.2 | 2.3 | 2.3 | 2.3 | 22.8 | 15.1 | 16.1 | 90 | 30.4 | 1.2 | | | |
| i-flex solutions | 1,034 | SELL | 86,129 | 2,141 | 83 | 33.2 | 34.4 | 48.1 | 15.9 | 3.4 | 39.9 | 31.1 | 30.1 | 21.5 | 22.0 | 20.1 | 14.0 | 3.8 | 3.5 | 3.2 | — | 1.0 | 1.2 | 15.3 | 12.2 | 15.5 | 1,350 | 30.5 | 1.7 | | | |
| Infosys Technologies | 1,475 | BUY | 846,564 | 21,042 | 574 | 67.0 | 79.7 | 94.7 | 48.7 | 19.0 | 18.8 | 22.0 | 18.5 | 15.6 | 17.9 | 14.7 | 11.7 | 7.5 | 5.7 | 4.4 | 0.9 | 1.1 | 1.3 | 40.7 | 34.8 | 31.9 | 2,000 | 35.6 | 6.2 | | | |
| Mphasis BFL | 221 | REDUCE | 46,014 | 1,144 | 208 | 7.3 | 12.5 | 16.8 | (21.5) | 70.6 | 35.1 | 30.2 | 17.7 | 13.1 | 21.8 | 10.2 | 7.8 | 4.6 | 0.6 | 3.2 | 1.1 | 1.6 | 1.8 | 14.4 | 23.7 | 26.8 | 250 | 13.3 | 0.5 | | | |
| Mindtree | 333 | BUY | 12,877 | 320 | 39 | 22.8 | 23.6 | 30.3 | 23.3 | 3.8 | 28.3 | 14.6 | 14.1 | 11.0 | 11.4 | 10.0 | 7.6 | 3.0 | 2.5 | 2.0 | 0.3 | 0.7 | 0.9 | 31.9 | 19.4 | 20.6 | 460 | 38.0 | 0.9 | | | |
| Patni Computer Systems | 225 | SELL | 31,233 | 776 | 139 | 25.7 | 32.8 | 24.8 | 19.2 | 27.4 | (24.3) | 8.7 | 6.9 | 9.1 | 3.7 | 3.8 | 3.6 | 1.4 | 1.1 | 1.1 | 0.9 | 0.9 | 1.1 | 12.5 | 19.2 | 12.4 | 320 | 42.4 | 2.4 | | | |
| Polaris Software Lab | 88 | SELL | 8,606 | 214 | 98 | 10.3 | 7.6 | 10.5 | 359.1 | (26.1) | 38.1 | 8.5 | 11.5 | 8.3 | 4.6 | 5.5 | 4.0 | 1.4 | 1.3 | 1.2 | 2.0 | 2.0 | 2.0 | 17.7 | 11.9 | 14.8 | 95 | 8.5 | 3.8 | | | |
| Satyam Computer Services | 434 | BUY | 291,080 | 7,235 | 671 | 21.4 | 25.5 | 30.2 | 41.7 | 19.0 | 18.6 | 20.2 | 17.0 | 14.3 | 16.4 | 13.1 | 10.3 | 5.1 | 4.1 | 3.4 | 1.8 | 2.3 | 2.8 | 27.9 | 26.6 | 25.7 | 520 | 19.9 | 33.0 | | | |
| TCS | 875 | ADD | 855,990 | 21,276 | 979 | 42.2 | 52.6 | 60.3 | 43.3 | 24.7 | 14.5 | 20.7 | 16.6 | 14.5 | 16.5 | 13.4 | 11.2 | 9.5 | 7.4 | 5.8 | 1.3 | 2.4 | 2.8 | 55.8 | 50.0 | 44.7 | 1,175 | 34.3 | 24.2 | | | |
| Tech Mahindra | 672 | REDUCE | 81,842 | 2,034 | 122 | 47.0 | 59.9 | 75.1 | 124.4 | 27.4 | 25.4 | 14.3 | 11.2 | 8.9 | 11.0 | 9.1 | 6.1 | 8.9 | 4.9 | 3.2 | 0.4 | 0.6 | 0.8 | 79.9 | 60.5 | 46.0 | 1,000 | 48.9 | 2.3 | | | |
| Wipro | 431 | ADD | 624,588 | 15,524 | 1,450 | 19.8 | 22.2 | 27.7 | 39.3 | 12.1 | 24.8 | 21.7 | 19.4 | 15.5 | 16.9 | 15.1 | 11.2 | 6.2 | 5.0 | 4.0 | 1.3 | 1.5 | 1.9 | 31.7 | 28.4 | 28.6 | 545 | 26.5 | 10.2 | | | |
| Technology | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Telecom | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bharti Airtel Ltd | 750 | REDUCE | 1,422,330 | 35,353 | 1,896 | 21.4 | 35.0 | 45.5 | 100.3 | 63.3 | 30.2 | 35.0 | 21.5 | 16.5 | 19.7 | 13.0 | 9.4 | 12.2 | 7.7 | 5.3 | — | 0.3 | 0.5 | 42.4 | 44.1 | 38.3 | 810 | 8.0 | 82.0 | | | |
| IDEA | 104 | SELL | 274,473 | 6,822 | 2,635 | 2.2 | 4.0 | 5.2 | 149.8 | 80.5 | 30.9 | 47.1 | 26.1 | 19.9 | 20.4 | 14.1 | 10.5 | 12.6 | 7.7 | 5.6 | — | — | — | 30.9 | 36.7 | 32.5 | 115 | 10.4 | 15.1 | | | |
| MTNL | 115 | SELL | 72,450 | 1,801 | 630 | 8.0 | 6.4 | 8.6 | 21.1 | (20.5) | 34.9 | 14.3 | 18.0 | 13.4 | 6.7 | 6.5 | 5.6 | 0.6 | 0.6 | 0.5 | 3.5 | 5.2 | 5.2 | 4.1 | 2.8 | 3.7 | 110 | (4.3) | 16.1 | | | |
| Reliance Communications | 528 | NR | 1,088,333 | 27,051 | 2,063 | 14.2 | 24.5 | 29.7 | 554.4 | 72.8 | 21.0 | 37.2 | 21.5 | 17.8 | 19.5 | 13.6 | 10.2 | 4.7 | 3.8 | 3.1 | 0.1 | — | — | 17.8 | 15.7 | 20.1 | — | — | 122.9 | | | |
| Tata Communications | 489 | REDUCE | 139,308 | 3,463 | 285 | 17.2 | 9.2 | 14.4 | (7.8) | (46.2) | 55.6 | 28.5 | 52.9 | 34.0 | 11.7 | 18.1 | 13.6 | 2.2 | 2.1 | 2.0 | 0.9 | 0.9 | 1.0 | 7.4 | 3.7 | 5.7 | 530 | 8.4 | | | | |
| Telecom | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Textiles | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vardhman | 111 | ADD | 6,992 | 174 | 63 | 29.5 | 22.7 | 31.6 | 3.9 | (22.9) | 39.0 | 3.8 | 4.9 | 3.5 | 5.2 | 6.3 | 4.6 | 0.5 | 0.4 | 0.4 | 3.2 | 2.9 | 4.1 | 14.1 | 8.9 | 11.2 | 175 | 57.6 | 0.4 | | | |
| Textiles | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transmission Towers | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| JSL | 190 | ADD | 15,701 | 390 | 83 | 6.6 | 10.7 | 13.1 | 81.2 | 61.1 | 23.0 | 28.6 | 17.8 | 14.4 | 13.4 | 9.6 | 8.0 | 6.2 | 4.7 | 3.6 | 0.3 | 0.3 | 0.3 | 29.8 | 30.0 | 28.0 | 275 | 45.1 | 1.0 | | | |
| Kalpataru Power Transmission | 1,086 | ADD | 28,783 | 715 | 26 | 60.2 | 67.5 | 86.5 | 67.6 | 12.2 | 28.1 | 18.1 | 16.1 | 12.6 | 11.0 | 9.9 | 7.5 | 4.4 | 3.5 | 2.8 | 0.7 | 0.9 | 0.9 | 38.8 | 24.5 | 25.3 | 1,700 | 56.5 | 1.0 | | | |
| KEC | 696 | BUY | 26,375 | 656 | 38 | 27.3 | 37.4 | 48.9 | 92.4 | 36.9 | 30.8 | 25.5 | 18.6 | 14.2 | 11.4 | 9.3 | 7.7 | 9.3 | 6.4 | 4.5 | 0.3 | 0.4 | 0.5 | 43.5 | 40.4 | 37.0 | 835 | 20.0 | 0.6 | | | |
| Transmission | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transportation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Container Corporation | 1,709 | REDUCE | 111,042 | 2,760 | 65 | 106.3 | 126.6 | 143.7 | 31.9 | 19.1 | 13.5 | 16.1 | 13.5 | 11.9 | 11.0 | 9.2 | 8.0 | 4.2 | 3.3 | 2.7 | 1.1 | 1.2 | 1.3 | 29.1 | 27.5 | 25.2 | 2,200 | 28.8 | 2.8 | | | |
| Gateway Distriparks | 103 | ADD | 11,865 | 295 | 115 | 6.8 | 6.8 | 9.0 | 8.7 | (0.4) | 33.2 | 15.2 | 15.2 | 11.4 | 11.6 | 10.6 | 7.7 | 1.9 | 1.7 | 1.6 | 1.7 | 1.6 | 2.2 | 13.0 | 11.8 | 14.4 | 180 | 74.8 | 4.3 | | | |
| CE Shipping | 402 | ADD | 61,228 | 1,522 | 152 | 59.6 | 85.9 | 46.6 | (3.9) | 44.1 | (45.8) | 6.7 | 4.7 | 8.6 | 6.7 | 6.0 | 7.3 | 20.0 | 15.5 | 1.3 | 2.9 | 3.2 | 2.9 | 32.7 | 35.7 | 15.9 | 525 | 30.6 | 6.0 | | | |
| Jt Airways | 722 | REDUCE | 62,326 | 1,549 | 86 | (0.2) | 6.4 | 62.4 | — | — | — | — | — | — | — | — | — | 25.6 | 11.0 | 5.5 | 2.2 | 2.7 | 2.3 | 0.1 | 0.2 | 1.8 | (0.1) | 2.2 | 21.3 | 800 | 12.5 | 3.6 |
| Transportation | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Utilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| LANCO | 411 | BUY | 91,332 | 2,270 | 222 | 8.5 | 17.6 | 33.8 | 52.4 | 107.1 | 92.4 | 48.5 | 23.4 | 12.2 | 25.5 | 21.0 | 11.5 | 6.0 | 4.8 | 3.4 | — | — | — | 23.5 | 22.9 | 33.0 | 670 | 63.1 | 34.9 | | | |
| NTPC | 195 | REDUCE | 1,604,980 | 39,893 | 8,245 | 8.3 | 9.4 | 10.3 | 17.8 | 12.9 | 9.6 | 23.4 | 20.7 | 18.9 | 15.3 | 15.3 | 16.1 | 3.3 | 3.0 | 2.8 | 1.6 | 1.9 | 2.1 | 14.5 | 15.1 | 15.2 | 215 | 10.5 | 82.1 | | | |
| Reliance Energy | 1,459 | NR | 344,022 | 8,551 | 236 | 34.8 | 32.5 | 35.6 | (4.0) | (6.8) | 9.5 | 41.9 | 45.0 | 41.0 | 48.7 | 43.7 | 39.6 | 3.6 | 3.1 | 3.0 | 0.2 | 0.6 | 0.6 | 8.5 | 7.4 | 7.4 | — | — | 207.8 | | | |
| Tata Power | 1,197 | ADD | 278,953 | 6,934 | 233 | 26.6 | 29.7 | 38.1 | (0.1) | 11.6 | 28.5 | 45.0 | 40.3 | 31.4 | 26.0 | 26.8 | 24.0 | 4.4 | 3.7 | 3.0 | 0.7 | 0.8 | 0.8 | 9.4 | 10.0 | 10.5 | 1,540 | 28.6 | 31.1 | | | |
| Utilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KS universe (b) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KS universe (b) ex-Energy | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| KS universe (d) ex-Energy & ex-Commodities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

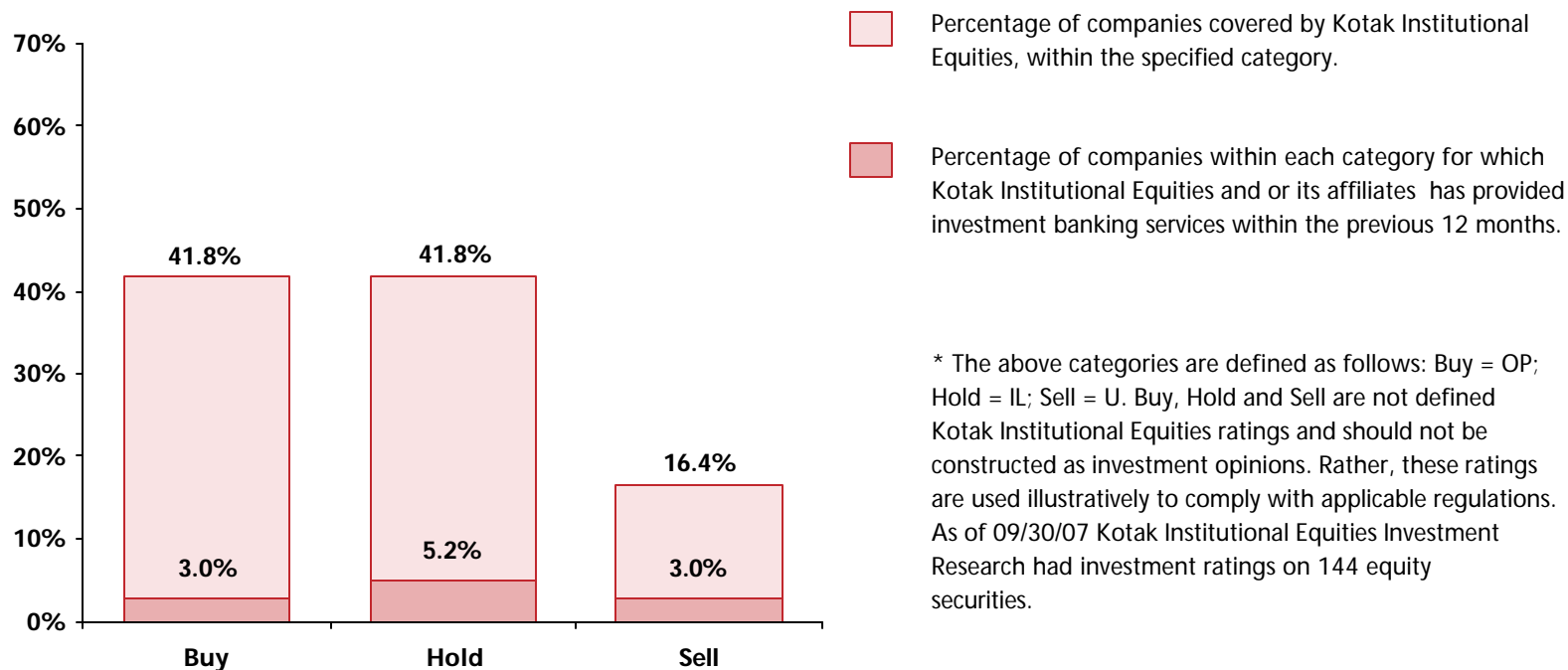
Note:
(a) 2007 means calendar year 2006, similarly for 2008 and 2009 for these particular companies.
(b) EV/Sales & EV/EBITDA for KS universe excludes Banking Sector.
(c) Rupee-US Dollar exchange rate (Rs/US\$) = 40.23

Source: Bloomberg, Company data, Kotak Institutional Equities estimates.

Disclosures

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



* The above categories are defined as follows: Buy = OP; Hold = IL; Sell = U. Buy, Hold and Sell are not defined Kotak Institutional Equities ratings and should not be constructed as investment opinions. Rather, these ratings are used illustratively to comply with applicable regulations. As of 09/30/07 Kotak Institutional Equities Investment Research had investment ratings on 144 equity securities.

Source: Kotak Institutional Equities.

As of September 30, 2007

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Kotak Securities Limited and or its affiliates expects to receive in the next three months fees from Bharat Forge, GE Shipping and Jet Airways its investment banking activities Kotak Securities Limited and or its affiliates were lead managers for the public/rights offerings of the following companies: Nicholas Piramal Limited, GSPL, ICICI Bank Limited, Bank of Baroda, Oriental Bank of Commerce, HT Media, Shoppers Stop and Punj

Kotak Securities Limited and or its affiliates has acted as a book runner to its GDR offering of Cipla, LIC housing finance, CESC with in the last 12 months.

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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NC = Not Covered. Kotak Securities does not cover this company.

RS = Rating Suspended. Kotak Securities Research has suspended the investment rating and price target, if any, for this stock, because there is not a sufficient fundamental basis for determining an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.

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NM = Not Meaningful. The information is not meaningful and is therefore excluded.

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