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#### Updates

**Tata Consultancy Services:** Retail vertical: Large opportunity in the offing

**J&K Bank:** Announcement on new management soon

#### News Round-up

- ▶ MRPL (MRPL IN) is currently implementing the third phase of its refinery project with the objective of increasing the refining capacity to 15 million metric tones per annum. (BSTD)
- ▶ ONGC (ONGC IN) wants to itself market its western field's C-series gas. GAIL want the job; PetroMin says settle it between yourselves. (BSTD)
- ▶ The Bombay Stock Exchange may take reins at Computer Age Management Services (CAMS) for USD 138.30mn, to buy 51% from HDFC & other existing stakeholders. (ECNT)
- ▶ Britannia to invest USD 21.28mn in 2 new plants, company to set up plants in Bihar & Orissa, targets double digit growth this fiscal. (ECNT)
- ▶ Nalco (NACL IN) now sets sight on Namibia's uranium assets, cos. JV plan with Hind Copper to acquire Copper Mines in Namibia fails. (ECNT)
- ▶ Wipro (WPRO IN) & Leica Geosystems have bagged a USD 25.53mn project that involves setting up operator-independent truck dispatch systems at Coal India's 11 large mines. (ECNT)
- ▶ Hero Honda (HH IN) could see a change in ownership as the Delhi-based Munjal family seeks to buy the stake held by partner Honda Motor Company of Japan in the joint venture. (BSTD-Sat)
- ▶ NMDC (NMDC IN) may invest in Potash One Inc's mining project in Canada and a rock phosphate venture in Zimbabwe. In talks to buy 30% in a South African firm's rock phosphate mine in Zimbabwe. (BSTD-Sat)
- ▶ The Reliance-Anil Dhirubhai Ambani Group has picked up a 15% stake for USD 48 mn in a greenfield international airport coming up in Pathanamthitta district of central Kerala. (BSTD-Sat)
- ▶ Tata Steel Ltd (TATA IN) is in talks with banks for USD 5.4 bn in loans for its UK unit. (BSTD-Sat)
- ▶ Reliance Capital AMC has bought two series of convertible preference shares in Trent for USD 4.47mn. (ECNT-Sat)
- ▶ BEML Ltd (BEML IN) has signed a partnership agreement with Mineral Exploration Corporation Ltd to offer total solutions and services to coal and non-coal industries. (THBL)
- ▶ Tata Motors (TTMT IN) is set to launch 0.5 tonne truck, another variant in the Ace family of small commercial vehicles, in the fourth quarter of the fiscal. (THBL SAT)

Source: ECNT= Economic Times, BSTD = Business Standard, FNLE = Financial Express, THBL = Business Line.

### EQUITY MARKETS

India	Change %			
	3-Sep	1-day	1-mo	3-mo
Sensex	18,221	(0.1)	0.4	6.4
Nifty	5,479	(0.1)	0.7	6.7
<b>Global/Regional indices</b>				
Dow Jones	10,448	1.2	(1.9)	5.2
Nasdaq Composite	2,234	1.5	(2.4)	0.7
FTSE	5,428	1.1	1.8	5.9
Nikkie	9,250	1.5	(4.1)	(6.6)
Hang Seng	20,972	0.5	(3.3)	6.0
KOSPI	1,786	0.3	0.1	7.3
<b>Value traded – India</b>				
Cash (NSE+BSE)	169		192	177
Derivatives (NSE)	578		578	770
Deri. open interest	1,357		1,357	1,190

#### Forex/money market

	Change, basis points			
	3-Sep	1-day	1-mo	3-mo
Rs/US\$	46.6	(8)	49	(5)
10yr govt bond, %	8.0	4	15	40

#### Net investment (US\$m)

	2-Sep	MTD	CYTD
FIs	32	112	12,994
MFs	4	35	(282)

#### Top movers -3mo basis

Best performers	Change, %			
	3-Sep	1-day	1-mo	3-mo
HPCL IN Equity	511.0	(3.5)	15.1	39.1
BOI IN Equity	464.4	1.4	6.8	38.9
TCOM IN Equity	339.1	(2.3)	23.0	37.0
BHFC IN Equity	365.5	1.8	8.7	35.9
BPCL IN Equity	766.9	(1.6)	18.0	32.3
<b>Worst performers</b>				
RNR IN Equity	38.9	1.2	(1.1)	(28.3)
SESA IN Equity	317.1	(1.9)	(13.0)	(14.1)
HH IN Equity	1736.9	2.4	(5.3)	(13.0)
IVRC IN Equity	158.0	1.5	(9.0)	(11.1)
SUEL IN Equity	50.1	(2.4)	(10.5)	(10.3)

SEPTEMBER 06, 2010

UPDATE

Coverage view: **Attractive**

Price (Rs): **837**

Target price (Rs): **965**

BSE-30: **18,221**

**Retail vertical: Large opportunity in the offing.** We hosted a call for investors with Pratik Pal, Head- Retail and CPG vertical of TCS. Key takeaways from the call were (1) the company has won a number of transformational deals that will provide a continued impetus to growth; (2) increasing traction in the underpenetrated clients in the F-100/ G-100 clients; (3) increasing adoption of new services lines like IMS and BPO by retailers and (4) the company sees potential of a few US\$100 mn + relationships in this vertical. We maintain our BUY rating on the stock.

#### Company data and valuation summary

TCS

Stock data		Forecasts/Valuations			
		2010	2011E	2012E	
52-week range (Rs) (high,low)	885-514	EPS (Rs)	35.1	42.1	48.2
Market Cap. (Rs bn)	1,652.1	EPS growth (%)	32.8	19.8	14.5
<b>Shareholding pattern (%)</b>		P/E (X)	24.0	20.1	17.5
Promoters	74.1	Sales (Rs bn)	300.3	360.4	434.3
FIs	12.1	Net profits (Rs bn)	68.7	82.3	94.3
MFs	2.4	EBITDA (Rs bn)	86.8	106.3	125.1
<b>Price performance (%)</b>		EV/EBITDA (X)	18.1	14.6	12.1
Absolute	0.7	ROE (%)	37.6	35.6	33.9
Rel. to BSE-30	(0.2)	Div. Yield (%)	2.4	2.0	2.3

#### Retailers viewing outsourcing/offshoring more favorably

We hosted a call for investors with Pratik Pal, Head- Retail and PG vertical. Retail accounts for 10.6% of TCS' revenues or ~US\$672 mn for FY2010 and has 14,000 associates. The retail vertical has grown at a CQGR of 5.9% over the last five quarters as compared to the company average of 4.9% Key takeaways from the discussions include:

- ▶ TCS has won several transformational deals in the vertical indicating its deep domain capabilities and an uptick in IT spending by the retailers. Retailers are spending aggressively on improving the channel and business and data analytics.
- ▶ TCS has an impressive client list in the retail vertical and works with six of the Top 10 retailers in the US. Key focus areas include mining of the strong client base in the US and new account penetration in Europe.
- ▶ TCS believes that large retailers, which hitherto, have been using homegrown applications are now opening up to discussions on packaged software. This can open up new opportunities in package roll out and systems integration.
- ▶ TCS derives 8% of retail vertical revenues from BPO, 12% from infrastructure management and the balance from other IT services. Infra management and BPO are the fastest-growing verticals.
- ▶ Deep domain capabilities, ability to manage large transformational projects and comprehensive portfolio of offerings are the key differentiating factors, as per management.
- ▶ The company believes that retail vertical can have multiple US\$100 mn + relationships despite low spending on IT as percentage of revenues.
- ▶ Pricing and profitability in this vertical is similar to the rest of the business—impressive in our view noting the price sensitivity and procurement driven approach of retailers.

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### Maintain BUY; potential for earnings upgrades and attractive valuations

TCS is trading at 17.5X FY2012E earnings, presenting a favorable risk/reward, in our view. We highlight that we are 5% ahead of consensus EPS estimate for FY2012E and see potential for FY2012E earnings upgrades ahead. Ramp-up from large deal wins; significant market share gains and increased discretionary spending underpin our optimism on revenue and earnings growth for TCS. We reiterate our BUY rating on the stock.

Exhibit 1: Retail vertical revenues for top Indian IT services companies - recent trends

	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10
<b>Revenues (US\$ mn)</b>					
TCS	157	161	171	183	197
Infosys	148	163	161	168	179
Wipro (a)	157	162	167	171	179
Cognizant (b)	133	147	162	173	203
HCL Tech	40	44	52	51	60
<b>As % of revenues</b>					
TCS	10.6	10.4	10.5	10.9	11.0
Infosys	13.2	14.1	13.1	13.0	13.2
Wipro	15.2	15.2	14.8	14.7	14.9
Cognizant	17.1	17.2	18.0	18.0	18.4
HCL Tech	6.6	7.0	8.0	7.5	8.2
<b>qoq growth (%)</b>					
TCS		2.4	6.5	7.0	7.8
Infosys		9.9	(0.8)	4.4	6.4
Wipro		3.2	3.0	2.8	4.6
Cognizant		10.5	10.7	6.3	17.7
HCL Tech		10.1	18.2	(1.4)	17.7

Note:

(a) Retail and Transportation vertical for Wipro.

(b) Retail, manufacturing, and logistics for Cognizant; retail contributes ~50% of this.

Source: Companies, Kotak Institutional Equities

Exhibit 2: Retail sector revenues of Fortune 500 companies – CY2008

Sector	Revenues (US\$ mn)	No of companies (#)
Apparel	31,150	3
Beverages	82,969	6
Food and Drug Stores	381,384	10
Food Consumer Products	202,427	13
Food Services	51,932	4
General Merchandisers	610,095	10
Home Equipment, Furnishings	39,410	6
Household and Personal Products	142,122	6
Specialty Retailers	435,951	26
Wholesalers: Diversified	62,741	7
Wholesalers: Food and Grocery	74,393	3
<b>Total</b>	<b>2,114,572</b>	<b>94</b>

Source: CNNmoney.com

Exhibit 3: Retail sector revenues of Global 500 companies – CY2008

Sector	Revenues (US\$ mn)	No of companies (#)
Apparel	44,875	2
Beverages	116,928	5
Food & drug stores	1,135,231	22
Food Consumer Products	269,273	5
Food Services	66,421	3
General Merchandisers	616,013	6
Household and Personal Products	149,277	4
Specialty Retailers	380,545	10
Wholesalers: Food and Grocery	93,039	3
<b>Total</b>	<b>2,871,602</b>	<b>60</b>

Source: CNNmoney.com

Exhibit 4: Profit model, balance sheet, cash model of TCS, 2009-2013E, March fiscal year-ends (Rs mn)

	2009	2010	2011E	2012E	2013E
<b>Profit model</b>					
<b>Revenues</b>	<b>278,129</b>	<b>300,289</b>	<b>360,438</b>	<b>434,330</b>	<b>497,769</b>
Cost of sales	(154,420)	(161,668)	(195,669)	(237,497)	(273,511)
SG&A expenses	(57,694)	(59,030)	(66,490)	(81,363)	(92,864)
<b>EBIT</b>	<b>66,015</b>	<b>79,591</b>	<b>98,279</b>	<b>115,469</b>	<b>131,394</b>
Other income	(4,673)	2,255	4,801	7,120	8,745
<b>Pre-tax profits</b>	<b>61,342</b>	<b>81,846</b>	<b>103,081</b>	<b>122,589</b>	<b>140,139</b>
Provision for tax	(9,012)	(12,089)	(19,531)	(27,091)	(31,289)
<b>Recurring net income</b>	<b>52,330</b>	<b>69,757</b>	<b>83,549</b>	<b>95,498</b>	<b>108,850</b>
Equity in earnings of affiliates	(8)	(10)	(3)	—	1—
Minority Interest	(569)	(1,018)	(1,208)	(1,190)	(1,297)
<b>Reported net income</b>	<b>51,761</b>	<b>68,739</b>	<b>82,341</b>	<b>94,309</b>	<b>107,553</b>
<b>EPS (Rs)</b>	<b>26.4</b>	<b>35.1</b>	<b>42.1</b>	<b>48.2</b>	<b>55.0</b>
<b>Balance Sheet</b>					
Shareholders funds	156,545	209,404	253,209	303,384	360,605
Borrowings	2,762	111	—	—	—
Minority interest	3,098	3,768	4,976	6,166	7,463
Other non-current liabilities	2,744	6,732	3,556	4,285	4,911
<b>Total liabilities</b>	<b>165,149</b>	<b>220,015</b>	<b>261,742</b>	<b>313,835</b>	<b>372,979</b>
Net fixed assets	37,494	41,706	55,620	67,757	78,740
Goodwill	25,913	25,333	25,333	25,333	25,333
Intangibles	8,232	7,082	7,082	7,082	7,082
Investments	17,271	37,822	37,822	37,822	37,822
Other non-current assets	17,370	26,120	26,117	26,117	26,118
Cash and bank balances	24,742	46,773	62,981	97,594	140,829
Net current assets excluding cash	34,127	35,178	46,786	52,129	57,054
<b>Total assets</b>	<b>165,149</b>	<b>220,015</b>	<b>261,742</b>	<b>313,835</b>	<b>372,979</b>
<b>Cash flow</b>					
Operating cash flow, excl. working capital	62,769	74,709	86,781	98,023	111,344
Working capital changes	(3,986)	(3,154)	(15,158)	(4,614)	(4,299)
Capital expenditure	(13,046)	(14,990)	(18,378)	(21,781)	(22,221)
Acquisitions	(21,083)	-	-	-	-
<b>Free cash flow</b>	<b>24,655</b>	<b>56,565</b>	<b>53,245</b>	<b>71,628</b>	<b>84,824</b>

Source: Company, Kotak Institutional Equities estimates

**SEPTEMBER 03, 2010**
**UPDATE**

Coverage view: **Attractive**

Price (Rs): **758**

Target price (Rs): **850**

BSE-30: **18,221**

**Announcement on new management soon.** In a meeting last week, the interim management of J&K Bank has reassured us that no big changes in bank operations are envisaged and that the bank will continue to run as an independent outfit. The management did not comment on Mr Drabu's departure, despite the uncertainty with regard to Mr Drabu's replacement, we reinstate our ADD rating as valuations are inexpensive (more so post the sharp decline) at 0.9X FY2012 PBR.

**Company data and valuation summary**

J&amp;K Bank

**Stock data**

52-week range (Rs) (high,low) 924-540

Market Cap. (Rs bn) 36.8

**Shareholding pattern (%)**

Promoters 53.2

FII's 30.0

MFs 2.6

**Price performance (%)**

Absolute (5.4) (1.4) 29.4

Rel. to BSE-30 (5.8) (7.3) 11.4

**Forecasts/Valuations**

2010 2011E 2012E

EPS (Rs) 105.7 119.3 139.6

EPS growth (%) 25.0 12.9 17.1

P/E (X) 7.2 6.4 5.4

NII (Rs bn) 11.2 14.7 16.1

Net profits (Rs bn) 5.1 5.8 6.8

BVPS 612.2 681.3 760.6

P/B (X) 1.2 1.1 1.0

ROE (%) 18.2 17.9 18.3

Div. Yield (%) 2.9 3.3 3.8

**New management to be announced in the next few weeks**

Mr Sudanshu Pandey, the state's finance secretary is the acting chairman post Mr Drabu's departure. In the next few weeks, we understand that the board is looking to announce a new CMD for a three-year term. It has already recommended three candidates to the RBI. Press reports suggest the candidates are Mr Mushtaq Ahmed, GA Peer and Tanveer Jehan. Mr Mushtaq Ahmed is likely to be the preferred candidate as he was earlier serving as an ED of J&K Bank before retiring in FY2008 and has about 35 years of experience with the bank. The other two nominees are IAS officers.

**Big changes unlikely; macro situation in J&K state improving**

The interim CMD did mention that the bank, under the new management, is unlikely to dramatically change its course of action—he was appreciative of the progress made under Mr Drabu. Mr Pandey said that J&K bank would step up growth as the macro situation of the state is improving, and the bank, with its strong franchisee within the state, would play an integral role. We seek clarity on the future course of action under the new management as we would be concerned on the asset quality of the bank, if balance sheet growth is pursued aggressively.

**Valuations inexpensive; reinstate ADD rating**

At its current price, the stock is trading at valuations of 0.9X FY2012 PBR and 5.4X PER. Valuations are inexpensive for a bank that is generating RoE at about 18% levels, though clarity is yet to fully emerge on the bank's strategy. Our ADD rating hinges on inexpensive valuations at current levels.

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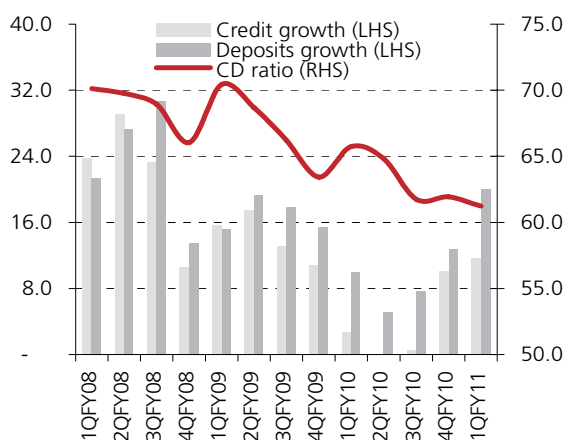
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**Business growth has started to pick up in recent quarters**

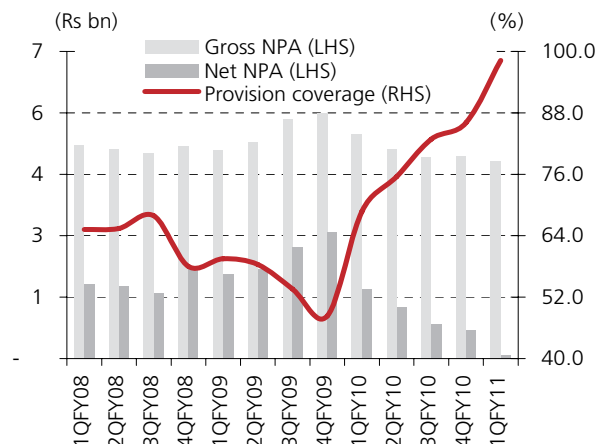
Credit growth and deposit growth, CD ratio, March year-ends, 1QFY08-1QFY11



Source: Kotak Institutional Equities, Company

**Asset quality is one of the best in the industry**

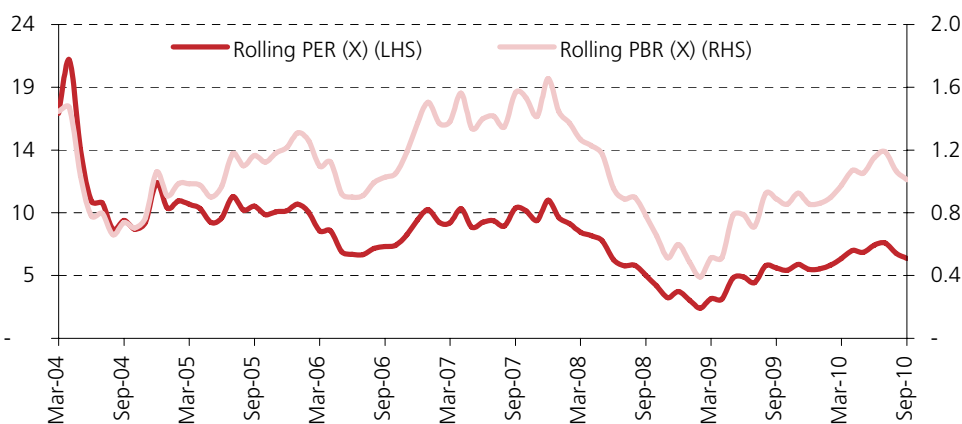
Gross NPA, net NPA and provision coverage (excluding technical write-off), March year-ends, 1QFY08-1QFY11



Source: Kotak Institutional Equities, Company

**Jammu and Kashmir Bank-Rolling PBR and PER**

February 2004-September 2010 (X)



Source: Kotak Institutional Equities

Jammu and Kashmir Bank, Growth rates and key ratios  
March fiscal year-ends, 2008-2013E (Rs mn)

	2008	2009	2010	2011E	2012E	2013E
<b>Growth rates (%)</b>						
Net loan	10.6	10.8	10.2	18.3	21.1	23.9
Customer assets	10.0	11.1	11.1	16.6	19.7	22.8
Investments excld. CPs and debentures growth	25.4	9.0	10.6	24.0	14.0	3.6
Net fixed and leased assets	4.6	3.9	2.4	36.3	6.2	(4.9)
Cash and bank balance	22.8	18.9	(12.5)	4.5	4.1	3.6
Total Asset	14.3	15.1	12.9	15.2	15.0	14.9
Deposits	13.5	15.4	12.8	16.2	15.8	15.5
Current	23.4	7.7	5.8	6.1	15.8	15.5
Savings	5.4	15.2	29.0	16.2	15.8	15.5
Fixed	9.6	17.4	8.1	18.4	15.8	15.5
Net interest income	5.5	23.4	11.9	31.5	9.5	16.3
Loan loss provisions	(54.4)	82.4	79.4	(12.6)	(18.8)	16.8
Total other income	34.5	0.0	69.9	(20.6)	9.6	10.0
Net fee income	(7.3)	0.2	24.5	15.0	15.0	15.0
Net capital gains	116.3	(12.7)	176.6	(65.4)	-	-
Net exchange gains	36.2	21.9	25.0	20.0	20.0	20.0
Operating expenses	8.4	16.7	22.6	13.0	9.8	9.4
Employee expenses	2.6	23.5	31.4	11.4	6.3	6.3
<b>Key ratios (%)</b>						
Yield on average earning assets	8.2	8.7	7.8	8.2	8.4	8.5
Yield on average loans	10.4	11.5	10.6	10.8	10.8	10.8
Yield on average investments	6.9	7.0	5.8	5.9	5.9	5.9
Average cost of funds	5.8	6.2	5.3	5.2	5.6	5.8
Interest on deposits	5.8	6.2	5.2	5.3	5.6	5.8
<b>Difference</b>	<b>2.3</b>	<b>2.5</b>	<b>2.5</b>	<b>3.0</b>	<b>2.8</b>	<b>2.8</b>
Net interest income/earning assets	2.7	2.9	2.9	3.3	3.1	3.2
Spreads on lending business	4.6	5.3	5.3	5.6	5.2	5.0
Spreads on lending business (incl. Fees)	5.1	5.7	5.8	6.0	5.7	5.4
New provisions/average net loans	0.3	0.5	0.8	0.6	0.4	0.4
Total provisions/gross loans	2.4	2.6	3.1	3.2	3.0	2.8
Interest income/total income	76.8	80.3	72.9	81.7	81.6	82.5
Other income / total income	23.2	19.7	27.1	18.3	18.4	17.5
Fee income to total income	7.9	6.7	6.8	6.6	7.0	7.0
Fee income to advances	0.5	0.4	0.5	0.5	0.5	0.4
Fees income to PBT	14.5	13.2	13.1	13.4	13.2	12.6
Net trading income to PBT	9.1	3.3	26.8	(1.7)	-	-
Exchange income to PBT	2.1	2.3	1.8	1.9	2.0	2.0
Operating expenses/total income	38.2	37.8	37.6	36.2	36.3	34.5
Operating expenses/assets	1.3	1.3	1.4	1.4	1.4	1.3
Operating profit /AWF	1.7	1.7	1.6	1.9	1.9	2.0
Tax rate	37.5	35.2	35.2	35.2	35.2	35.2
Dividend payout ratio	20.9	20.0	20.8	20.8	20.8	20.8
Share of deposits						
Current	15.0	14.0	13.1	12.0	12.0	12.0
Savings	24.1	24.1	27.6	27.6	27.6	27.6
Loans-to-deposit ratio	66.0	63.4	61.9	63.0	65.9	70.7
Equity/assets (EoY)	7.0	7.0	7.1	7.0	7.0	7.1
<b>Dupont analysis (%)</b>						
Net interest income	2.6	2.8	2.8	3.2	3.1	3.1
Loan loss provisions	0.2	0.3	0.4	0.3	0.2	0.2
Net other income	0.8	0.7	1.0	0.7	0.7	0.7
Operating expenses	1.3	1.3	1.5	1.5	1.4	1.3
Invt. depreciation	0.1	0.1	(0.1)	0.2	0.1	0.1
(1- tax rate)	62.5	64.8	64.7	64.8	64.8	64.8
ROA	1.2	1.2	1.3	1.3	1.3	1.3
Average assets/average equity	14.3	14.4	14.2	14.2	14.2	14.2
ROE	16.8	16.7	18.2	17.9	18.3	19.1

Source: Kotak Institutional Equities, Company

Jammu and Kashmir Bank, income statement and balance sheet  
March fiscal year-ends, 2008-2013E (Rs mn)

	2008	2009	2010	2011E	2012E	2013E
<b>Income statement</b>						
Total interest income	24,342	29,881	30,569	36,548	42,934	50,653
Loans	18,776	22,949	23,417	27,176	32,557	39,748
Investments	5,413	6,620	7,046	8,664	9,639	10,139
Cash and deposits	153	312	106	708	738	766
Total interest expense	16,238	19,879	19,375	21,827	26,810	31,900
Deposits from customers	15,728	19,148	18,406	21,244	26,226	31,316
Net interest income	8,104	10,003	11,193	14,721	16,124	18,753
Loan loss provisions	545	995	1,785	1,510	1,206	1,479
Net interest income (after prov.)	7,559	9,008	9,408	13,211	14,918	17,274
Other income	2,450	2,451	4,162	3,306	3,623	3,985
Net fee income	832	834	1,039	1,195	1,374	1,580
Net capital gains	718	627	1,734	600	600	600
Net exchange gains	120	147	144	173	207	249
Operating expenses	4,036	4,709	5,774	6,527	7,168	7,841
Employee expenses	2,258	2,788	3,664	4,082	4,340	4,614
Depreciation on investments	192	421	(388)	750	600	600
Other Provisions	21	8	269	269	269	269
Pretax income	5,760	6,321	7,916	8,971	10,505	12,549
Tax provisions	2,160	2,223	2,792	3,155	3,694	4,413
Net Profit	3,600	4,098	5,124	5,817	6,811	8,137
% growth	31.2	13.8	25.0	13.5	17.1	19.5
PBT - Treasury + Provisions	5,800	7,117	7,848	10,900	11,980	14,297
% growth	11.0	22.7	10.3	38.9	9.9	19.3
<b>Balance sheet</b>						
Cash and bank balance	44,372	52,748	46,142	48,203	50,163	51,955
Cash	1,173	1,520	1,305	1,305	1,305	1,305
Balance with RBI	31,027	21,509	26,142	28,203	30,163	31,955
Balance with banks	1,105	4,496	524	524	524	524
Net value of investments	87,577	107,363	139,562	159,200	173,165	176,461
Govt. and other securities	69,363	76,052	84,421	105,597	120,844	125,293
Shares	607	494	633	633	633	633
Debentures and bonds	9,471	11,010	14,238	12,815	11,533	10,380
Net loans and advances	188,826	209,304	230,572	272,695	330,221	409,274
Fixed assets	1,920	1,994	2,041	2,783	2,956	2,810
Net leased assets	-	-	-	-	-	-
Net Owned assets	1,920	1,994	2,041	2,783	2,956	2,810
Other assets	4,865	5,523	7,150	7,150	7,150	7,150
<b>Total assets</b>	<b>327,560</b>	<b>376,933</b>	<b>425,468</b>	<b>490,031</b>	<b>563,655</b>	<b>647,650</b>
Deposits	285,933	330,041	372,372	432,535	501,007	578,847
Borrowings and bills payable	10,748	13,102	14,613	14,613	14,613	14,613
Other liabilities	8,071	7,561	8,378	8,378	8,378	8,378
<b>Total liabilities</b>	<b>304,752</b>	<b>350,704</b>	<b>395,363</b>	<b>455,526</b>	<b>523,998</b>	<b>601,839</b>
Paid-up capital	485	485	485	485	485	485
Reserves & surplus	22,323	25,744	29,620	34,020	39,172	45,326
<b>Total shareholders' equity</b>	<b>22,808</b>	<b>26,229</b>	<b>30,105</b>	<b>34,505</b>	<b>39,656</b>	<b>45,811</b>

Source: Kotak Institutional Equities, Company



## Kotak Institutional Equities: Valuation summary of key Indian companies

Company	3-Sep-10		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target		
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	(Rs)	Upside (%)	ADVT-3mo (US\$ mn)
Automobiles																													
Ashok Leyland	76	ADD	100,637	2,158	1,330	2.8	4.3	5.9	84.5	52.3	37.5	26.8	17.6	12.8	15.3	11.5	9.1	2.5	2.3	2.0	2.0	1.3	1.3	10.9	13.5	16.7	78	3.1	7.5
Bajaj Auto	2,871	ADD	415,434	8,907	145	117.7	169.0	189.5	160.1	43.6	12.2	24.4	17.0	15.1	15.8	12.0	10.5	14.2	8.3	5.6	0.7	0.7	0.7	70.9	61.4	44.0	2,650	(7.7)	16.5
Bharat Forge	365	ADD	87,376	1,873	239	0.7	12.4	19.7	(92.0)	1,705.4	59.1	531.6	29.4	18.5	26.9	12.6	8.9	2.3	2.2	2.0	—	—	—	0.9	0.4	0.1	360	(1.5)	5.0
Hero Honda	1,737	SELL	346,859	7,437	200	111.8	115.3	130.1	74.1	3.1	12.8	15.5	15.1	13.4	9.9	9.8	8.2	9.6	6.7	5.0	1.7	1.8	2.0	59.1	52.5	42.8	1,800	3.6	20.7
Mahindra & Mahindra	631	BUY	375,534	8,052	595	33.9	44.1	51.7	125.8	30.1	17.3	18.6	14.3	12.2	12.3	10.3	8.6	4.7	3.7	3.0	1.5	1.5	1.5	30.0	29.0	27.3	760	20.5	24.2
Maruti Suzuki	1,272	REDUCE	367,637	7,882	289	86.4	77.6	88.3	104.9	(10.2)	13.9	14.7	16.4	14.4	7.9	8.2	7.1	3.1	2.6	2.2	0.5	0.4	0.5	23.3	17.3	16.7	1,200	(5.7)	21.0
Tata Motors	1,014	ADD	634,821	13,611	626	27.4	94.8	109.2	(182.5)	246.1	15.2	37.0	10.7	9.3	13.1	6.9	6.0	4.1	2.9	2.2	1.3	0.5	0.5	8.7	11.9	11.1	1,150	13.4	87.6
Automobiles		Cautious	2,328,297	49,921					276.0	57.2	16.1	22.3	14.2	12.2	12.2	8.7	7.5	4.7	3.6	2.8	1.1	0.9	1.0	20.9	25.3	23.3			
Banks/Financial Institutions																													
Andhra Bank	155	BUY	75,296	1,614	485	21.6	22.9	26.7	60.1	6.4	16.4	7.2	6.8	5.8	—	—	—	1.7	1.4	1.2	3.2	3.4	4.0	26.0	23.1	22.7	180	15.9	5.4
Axis Bank	1,380	ADD	558,998	11,985	405	62.1	78.1	98.3	22.7	25.9	25.9	22.2	17.7	14.0	—	—	—	3.5	3.0	2.6	0.9	1.1	1.4	19.2	18.3	19.9	1,500	8.7	39.4
Bank of Baroda	825	BUY	301,579	6,466	366	83.7	95.1	115.7	37.3	13.7	21.7	9.9	8.7	7.1	—	—	—	2.2	1.8	1.5	1.8	2.1	2.5	24.4	23.0	23.3	950	15.1	8.6
Bank of India	464	REDUCE	244,235	5,237	526	33.1	49.9	58.1	(42.1)	50.9	16.4	14.0	9.3	8.0	—	—	—	1.9	1.7	1.4	1.5	2.3	2.6	14.2	19.0	19.2	460	(0.9)	9.1
Canara Bank	535	ADD	219,514	4,707	410	73.7	82.2	98.3	45.8	11.6	19.5	7.3	6.5	5.4	—	—	—	1.7	1.4	1.2	1.5	1.9	2.2	22.4	20.8	20.8	580	8.3	7.0
Corporation Bank	613	BUY	87,942	1,886	143	82.0	88.0	102.6	31.8	7.3	16.6	7.5	7.0	6.0	—	—	—	1.5	1.3	1.1	2.7	2.9	3.4	22.0	20.2	20.2	700	14.2	1.3
Federal Bank	347	ADD	59,263	1,271	171	27.2	36.4	49.0	(7.2)	34.1	34.4	12.8	9.5	7.1	—	—	—	1.3	1.1	1.0	1.4	1.9	2.6	10.3	12.6	15.2	360	3.9	5.5
HDFC	631	ADD	905,617	19,417	1,436	19.7	23.2	27.8	22.7	17.9	19.6	32.0	27.2	22.7	—	—	—	6.0	5.3	4.6	1.1	1.3	1.5	20.0	20.6	21.7	690	9.4	40.2
HDFC Bank	2,194	BUY	1,004,266	21,532	458	64.4	87.2	113.8	22.1	35.4	30.5	34.1	25.2	19.3	—	—	—	4.7	4.1	3.5	0.5	0.7	1.0	16.1	17.3	19.5	2,400	9.4	32.5
ICICI Bank	1,001	REDUCE	1,116,004	23,928	1,115	36.1	45.2	57.3	6.9	25.3	26.6	27.7	22.1	17.5	—	—	—	2.2	2.0	1.9	1.2	1.5	1.9	8.0	9.5	11.3	1,000	(0.1)	78.1
IDFC	180	ADD	262,139	5,620	1,458	8.4	9.4	11.2	44.9	12.4	18.7	21.4	19.1	16.1	—	—	—	3.7	2.4	2.0	0.7	1.0	1.2	16.6	15.5	14.3	205	14.0	23.4
India Infoline	99	BUY	30,868	662	312	8.1	7.2	8.7	59.2	(11.9)	21.6	12.2	13.8	11.4	—	—	—	1.9	1.6	1.4	3.2	1.5	2.1	16.4	12.9	14.4	120	21.2	4.5
Indian Bank	259	ADD	111,418	2,389	430	35.1	32.4	44.1	25.5	(7.7)	36.2	7.4	8.0	5.9	—	—	—	1.7	1.4	1.2	2.5	2.2	3.1	24.1	18.8	21.7	280	8.0	4.4
Indian Overseas Bank	134	BUY	73,194	1,569	545	13.0	16.7	24.8	(46.7)	29.0	48.4	10.4	8.0	5.4	—	—	—	1.2	1.0	0.9	2.6	2.9	3.2	9.6	11.6	15.4	160	19.1	4.8
J&K Bank	758	Under Review	36,776	789	48	105.7	119.3	139.6	25.0	12.9	17.1	7.2	6.4	5.4	—	—	—	1.2	1.1	1.0	2.9	3.3	3.8	18.2	17.9	18.3	—	—	1.8
UC Housing Finance	1,215	REDUCE	115,365	2,474	95	69.7	100.7	109.9	11.5	44.5	9.1	17.4	12.1	11.1	—	—	—	3.6	3.0	2.5	1.2	1.8	1.9	23.6	25.5	23.2	1,250	2.9	23.7
Mahindra & Mahindra Financial	597	BUY	57,307	1,229	96	35.9	46.4	56.2	60.0	29.4	21.2	16.6	12.9	10.6	—	—	—	3.4	2.8	2.4	1.3	1.7	2.0	21.5	23.5	23.8	590	(1.2)	2.2
Oriental Bank of Commerce	444	ADD	111,227	2,385	251	45.3	57.8	66.8	25.3	27.6	15.5	9.8	7.7	6.7	—	—	—	1.5	1.3	1.1	2.0	2.6	3.0	14.5	16.5	16.9	430	(3.1)	6.4
PFC	345	SELL	396,038	8,491	1,148	20.5	22.9	27.6	53.5	11.9	20.3	16.9	15.1	12.5	—	—	—	3.1	2.7	2.4	1.5	1.7	2.0	18.8	18.3	19.2	275	(20.3)	4.2
Punjab National Bank	1,201	BUY	378,615	8,118	315	123.9	133.4	163.3	26.4	7.7	22.4	9.7	9.0	7.4	—	—	—	2.3	1.9	1.6	1.8	2.3	2.8	26.2	23.2	23.7	1,300	8.3	8.8
Reliance Capital	782	NR	192,460	4,127	246	12.9	13.7	9.8	(67.3)	6.5	(28.6)	60.8	57.1	80.0	—	—	—	2.8	2.7	2.7	0.8	0.7	0.5	4.7	4.8	3.4	—	—	40.0
Rural Electrification Corp.	327	ADD	322,827	6,922	987	20.3	25.3	31.2	23.2	24.5	23.4	16.1	12.9	10.5	—	—	—	2.9	2.5	2.2	2.0	2.3	2.9	22.0	21.0	22.5	325	(0.6)	10.0
Shriram Transport	736	ADD	164,142	3,519	223	39.2	53.4	64.8	30.1	36.4	21.3	18.8	13.8	11.4	—	—	—	4.4	3.8	3.1	1.6	2.2	2.6	28.4	28.2	28.4	700	(4.8)	5.4
SREI	91	NR	10,536	226	116	8.3	7.9	9.9	17.8	(4.8)	25.8	10.9	11.5	9.1	—	—	—	0.9	0.8	0.8	1.3	1.3	1.3	11.1	10.5	12.3	—	—	4.1
State Bank of India	2,773	BUY	1,760,783	37,753	635	144.4	177.7	211.2	0.5	23.1	18.8	19.2	15.6	13.1	—	—	—	2.7	2.4	2.1	1.1	1.2	1.2	14.8	16.0	16.7	3,100	11.8	98.1
Union Bank	348	BUY	175,832	3,770	505	41.1	45.7	56.9	20.2	11.3	24.5	8.5	7.6	6.1	—	—	—	2.0	1.6	1.3	1.6	1.8	2.2	26.2	23.7	24.1	400	14.9	5.1
Yes Bank	319	BUY	108,235	2,321	340	15.0	17.7	22.5	46.7	18.2	26.6	21.2	18.0	14.2	—	—	—	3.5	3.0	2.5	0.4	0.6	0.7	20.3	18.0	19.3	350	9.8	20.0
Banks/Financial Institutions		Attractive	8,880,476	190,405					14.8	20.3	22.1	17.6	14.7	12.0	—	—	—	2.7	2.4	2.1	1.3	1.5	1.8	15.5	16.2	17.2			
Cement																													
ACC	897	ADD	168,463	3,612	188	83.2	66.0	72.4	47.9	(20.7)	9.8	10.8	13.6	12.4	5.7	6.4	5.2	2.6	2.3	2.0	3.0	2.6	2.6	29.3	20.0	19.2	920	2.6	7.2
Ambuja Cements	126	SELL	191,743	4,111	1,522	8.0	8.4	8.9	11.4	5.3	5.1	15.7	14.9	14.2	8.7	8.2	7.1	2.8	2.4	2.2	1.5	1.6	1.7	19.3	17.8	16.5	108	(14.3)	4.8
Grasim Industries	2,088	ADD	191,430	4,104	92	301.0	229.0	273.3	26.1	(23.9)	19.4	6.9	9.1	7.6	4.3	4.7	3.6	1.5	1.3	1.2	1.6	1.6	1.6	22.9	15.7	16.3	2,200	5.4	6.3
India Cements	106	SELL	32,607	699	307	10.0	8.7	10.6	(43.5)	(13.1)	21.1	10.6	12.2	10.0	5.9	7.3	4.9	0.8	0.7	0.7	2.0	3.0	3.0	8.2	6.7	7.7	95	(10.5)	2.5
Shree Cement	1,924	BUY	67,022	1,437	35	208.0	221.1	242.5	19.0	6.3	9.7	9.2	8.7	7.9	4.5	4.4	3.5	3.7	2.6	1.9	0.5	0.5	0.5	48.0	35.0	28.1	2,550	32.5	1.2
UltraTech Cement	920	ADD	114,556	2,456	124	88.2	66.9	75.1	12.0	(24.2)	12.4	10.4	13.8	12.2	5.5	6.6	5.6	2.1	1.8	1.6	0.6	0.9	0.9	25.9	16.7	16.3	985	7.0	3.1
Cement		Neutral	765,820	16,420					19.3	(15.4)	12.7	10.0	11.8	10.5	5.4	5.9	4.7	2.1	1.8	1.6	1.7	1.7	1.7	1.7	20.6	15.2	15.0		

## Kotak Institutional Equities: Valuation summary of key Indian companies

	3-Sep-10		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target		
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	shares (mn)	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)
Consumer products																													
Asian Paints	2,810	BUY	269,506	5,778	96	71.5	89.0	107.1	85.3	24.4	20.4	39.3	31.6	26.2	24.3	19.7	16.2	16.8	13.1	10.5	1.0	1.3	1.6	51.8	47.9	45.4	3,000	6.8	6.8
Colgate-Palmolive (India)	830	REDUCE	112,881	2,420	136	31.1	34.5	39.6	44.2	10.9	14.6	26.7	24.1	21.0	21.8	17.8	15.2	34.6	29.5	25.2	2.4	3.1	3.6	156.1	132.3	129.4	830	(0.0)	2.4
Dabur India	211	REDUCE	182,874	3,921	866	5.8	6.8	8.2	28.1	17.6	20.8	36.4	31.0	25.6	27.1	21.7	18.0	17.4	14.3	11.7	1.5	1.7	2.0	54.3	51.1	50.7	210	(0.5)	4.8
GlaxoSmithkline Consumer (a)	1,792	ADD	75,347	1,615	42	55.4	68.6	81.3	23.6	23.9	18.6	32.4	26.1	22.0	17.9	15.5	12.7	8.4	7.0	5.9	1.0	1.2	1.5	27.9	29.0	28.7	2,000	11.6	0.5
Godrej Consumer Products	401	ADD	129,760	2,782	324	11.3	13.5	18.0	69.5	18.9	33.4	35.4	29.8	22.3	28.1	21.2	15.9	13.5	7.3	6.6	1.0	0.8	0.8	44.6	31.9	31.1	420	4.7	1.6
Hindustan Unilever	273	REDUCE	595,382	12,765	2,182	9.4	10.2	12.0	(0.9)	8.4	17.5	29.0	26.7	22.7	19.8	19.0	15.5	23.0	19.9	17.2	2.8	3.1	3.6	71.1	80.2	81.3	250	(8.4)	11.3
ITC	164	BUY	1,254,689	26,902	7,651	5.3	6.3	7.3	22.6	18.2	15.8	30.9	26.1	22.6	18.8	16.4	13.9	8.4	7.1	6.1	3.0	1.7	1.8	29.2	31.1	30.5	165	0.6	22.0
Jubilant Foodworks	509	REDUCE	32,519	697	64	5.5	9.7	12.1	340.6	75.7	24.6	91.9	52.3	42.0	48.9	29.7	20.8	27.7	18.1	12.6	—	—	—	46.6	41.8	35.4	370	(27.3)	14.6
Jyothy Laboratories	270	NR	19,626	421	73	11.0	12.9	15.3	99.6	17.0	18.3	24.5	21.0	17.7	18.9	14.3	11.8	4.8	4.1	3.5	1.7	1.3	1.7	18.6	20.2	20.5	—	—	1.2
Nestle India (a)	3,178	REDUCE	306,433	6,570	96	74.4	86.6	104.8	27.0	16.4	20.9	42.7	36.7	30.3	28.2	24.5	20.8	52.7	42.1	33.5	1.5	1.9	2.3	136.0	127.5	122.9	3,000	(5.6)	2.7
Tata Global Beverages	122	ADD	75,537	1,620	618	6.6	7.4	8.4	23.4	11.1	13.8	18.5	16.6	14.6	11.8	9.6	8.6	1.5	1.4	1.3	1.8	2.0	2.2	10.9	11.4	12.0	125	2	4.0
Consumer products		Attractive	3,129,888	67,107					24.2	16.6	17.9	31.9	27.4	23.2	20.6	17.9	14.9	10.8	9.0	7.8	2.3	1.9	2.2	33.9	32.9	33.4			
Constructions																													
IVRCL	158	BUY	42,188	905	267	7.9	9.1	11.6	(6.7)	15.0	27.9	20.0	17.4	13.6	10.2	9.7	7.7	2.1	1.9	1.7	0.3	0.3	0.3	11.0	11.3	12.9	205	29.7	6.7
Nagarjuna Construction Co.	160	BUY	41,118	882	257	7.1	9.2	11.8	6.1	29.6	27.8	22.5	17.3	13.6	11.3	9.7	8.1	1.8	1.7	1.5	0.8	1.2	1.2	9.3	10.2	11.9	210	31.0	3.5
Punj Lloyd	111	REDUCE	37,514	804	339	(12.9)	9.8	12.0	79.2	(175.4)	22.4	(8.6)	11.3	9.3	33.5	6.5	6.0	1.2	1.1	1.0	(0.1)	0.4	0.9	(15.8)	10.3	11.4	140	26.5	10.8
Sadbhav Engineering	1,516	BUY	22,739	488	15	42.8	61.8	87.2	(16.3)	44.3	41.0	35.4	24.5	17.4	19.4	12.9	9.9	5.6	3.7	3.1	0.2	0.4	0.4	15.8	15.1	17.8	1,750	15.4	0.4
Construction		Attractive	143,558	3,078					(91.1)	4,528	27.2	735.5	15.9	12.5	15.2	8.6	7.3	1.9	1.7	1.5	0.3	0.6	0.7	0.3	10.4	11.9			
Energy																													
Aban Offshore	805	ADD	35,000	750	43	94.5	154.1	139.3	(2.5)	63.0	(9.6)	8.5	5.2	5.8	8.3	6.6	6.4	1.6	1.4	1.2	0.4	0.4	0.5	21.7	33.1	22.9	935	16.2	44.4
Bharat Petroleum	767	ADD	277,265	5,945	362	62.1	57.4	65.7	201	(8)	14.5	12	13	11.7	6.5	6.3	5.8	1.9	1.7	1.6	1.8	2.5	2.8	15.6	13.0	13.5	690	(10.0)	35.4
Cairn India	336	RS	637,573	13,670	1,897	5.5	20.5	36.6	29.0	270.1	78.3	60.7	16.4	9.2	47.7	9.8	6.0	1.9	1.7	1.5	—	—	4.5	3.1	10.7	17.2	—	—	27.5
Castrol India (a)	504	REDUCE	124,679	2,673	247	15.4	20.7	21.2	45	34	2.4	33	24	23.8	19.5	15.1	14.6	27.1	25.4	24.1	2.5	3.3	3.4	83.8	107.4	103.7	380	(24.6)	1.8
GAIL (India)	462	BUY	585,530	12,554	1,268	24.8	27.2	40.2	11.7	10.1	47.4	18.6	16.9	11.5	10.4	10.5	8.5	3.2	2.9	2.4	1.6	1.8	2.7	17.4	17.0	21.6	550	19.2	16.5
GSPL	118	SELL	66,510	1,426	562	7.4	7.2	8.0	235	(3)	12.1	16	16	14.7	8.1	7.9	6.7	3.9	3.2	2.9	0.8	1.5	2.7	27.3	21.4	20.8	83	(29.8)	4.7
Hindustan Petroleum	511	ADD	173,234	3,714	339	52.6	53.5	58.6	210.1	1.8	9.5	9.7	9.5	8.7	3.5	3.5	3.2	1.3	1.2	1.1	2.3	3.3	3.6	13.3	12.2	12.1	535	4.7	42.3
Indian Oil Corporation	425	ADD	1,031,272	22,111	2,428	49.9	38.8	41.1	407	(22)	5.9	9	11	10.3	5.7	5.7	5.1	1.9	1.7	1.6	3.1	2.8	2.9	22.7	15.6	15.1	415	(2.3)	19.1
Oil India	1,452	BUY	349,164	7,486	240	115.1	133.6	153.4	13.8	16.1	14.8	12.6	10.9	9.5	5.5	4.3	3.6	2.4	2.1	1.8	2.3	3.0	3.5	16.7	18.1	18.3	1,550	6.7	7.2
Oil & Natural Gas Corporation	1,339	BUY	2,863,970	61,406	2,139	91.4	116.6	136.1	1	27	16.7	15	11	9.8	5.3	4.6	3.7	2.2	1.9	1.7	2.5	3.1	3.6	14.6	16.8	17.6	1,480	10.5	34.5
Petronet LNG	114	REDUCE	85,500	1,833	750	5.4	6.5	7.9	(22.0)	20.5	21.8	21.1	17.5	14.4	12.0	10.2	8.9	3.3	2.9	2.5	1.5	1.8	2.4	15.9	16.7	17.6	88	(22.8)	7.5
Reliance Industries	926	REDUCE	2,754,883	59,067	2,976	49.6	57.7	74.4	(2)	16	28.9	19	16	12.4	9.5	7.6	6.2	1.9	1.7	1.5	0.8	0.9	1.1	11.4	12.1	13.9	1,015	9.6	108.6
Energy		Cautious	8,984,579	192,637					38.2	15.5	22.8	14.9	12.9	10.5	7.3	6.2	5.1	2.1	1.9	1.7	1.7	2.0	2.7	13.8	14.4	15.8			
Industrials																													
ABB	780	REDUCE	165,310	3,544	212	16.7	18.3	33.1	(35.2)	9.3	80.7	46.6	42.7	23.6	26.7	24.4	13.6	6.8	6.0	4.9	0.3	0.4	0.4	15.6	15.0	23.0	725	(7.1)	4.7
BGR Energy Systems	809	BUY	58,277	1,250	72	16.0	28.0	39.7	32.2	74.6	41.9	50.5	28.9	20.4	28.3	16.5	11.9	10.3	8.3	6.3	0.4	0.9	1.0	22.3	31.8	35.1	950	17.4	4.1
Bharat Electronics	1,734	REDUCE	138,680	2,973	80	93.9	107.3	122.4	(9.6)	14.3	14.1	18.5	16.2	14.2	8.8	7.4	6.2	3.1	2.7	2.4	1.4	1.4	1.4	17.9	18.0	17.9	1,835	5.9	2.3
Bharat Heavy Electricals	2,386	REDUCE	1,168,117	25,045	490	87.9	114.3	135.5	37.7	30.0	18.5	27.1	20.9	17.6	15.1	11.7	9.7	7.3	5.8	4.7	0.8	1.0	1.2	29.8	31.1	29.3	2,600	9.0	24.6
Crompton Greaves	304	BUY	194,952	4,180	642	12.8	14.0	16.3	46.5	9.0	16.6	23.7	21.7	18.6	13.7	12.2	10.2	7.8	6.0	4.7	0.4	0.6	0.7	37.9	31.1	28.2	320	5.3	7.3
Larsen & Toubro	1,835	ADD	1,105,067	23,694	602	57.9	71.7	89.0	15.6	23.8	24.1	31.7	25.6	20.6	17.7	13.9	11.7	5.0	4.1	3.5	0.7	0.7	0.8	18.6	17.7	18.5	2,075	13.1	48.9
Maharashtra Seamless	376	BUY	26,540	569	71	40.2	43.6	49.8	12.1	8.5	14.2	9.4	8.6	7.6	4.9	4.3	3.3	1.7	1.4	1.2	1.6	2.1	2.6	19.3	17.9	17.7	450	19.6	0.4
Siemens	699	REDUCE	235,523	5,050	337	25.2	27.0	31.9	56.4	7.3	18.0	27.8	25.9	21.9	16.8	15.2	12.6	6.9	5.7	4.8	0.7	0.8	0.9	27.6	24.2	23.8	635	(9.1)	5.6
Suzlon Energy	50	REDUCE	79,766	1,710	1,594	(6.2)	(0.8)	3.3	(185.4)	(86.8)	(504.1)	(8.1)	(61.7)	15.3	13.9	11.5	7.7	1.2	1.1	1.0	—	—	0.4	(11.4)	(1.8)	6.9	55	9.9	21.0
Thermax	785	ADD	93,491	2,005	119	21.7	29.5	39.7	(10.4)	35.9	34.4	36.1	26.6	19.8	18.6	14.6	10.8	8.7	7.1	5.8	0.6	1.1	1.5	25.0	29.5	32.2	865	10.2	1.2
Voltas	210	REDUCE	69,289	1,486	331	10.9	11.8	13.4	57.4	8.2	14.3	19.3	17.8	15.6	11.4	9.9	8.3	6.5	5.2	4.3	1.5	1.6	1.9	38.3	32.5	30.2	225	7.4	4.7
Industrials		Attractive	3,335,012	71,505					1.4	33.1	26.8	31.4	23.6	18.6	15.8	12.7	10.3	5.4	4.5	3.8	0.7	0.9	1.0	17.1	18.9	20.1			

## Kotak Institutional Equities: Valuation summary of key Indian companies

	3-Sep-10		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target		
Company	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	(Rs)	Upside (%)	ADVT-3mo (US\$ mn)
Infrastructure																													
Container Corporation	1,299	REDUCE	168,831	3,620	130	61.1	74.3	85.9	0.3	21.7	15.6	21.3	17.5	15.1	15.0	12.1	10.2	3.9	3.3	2.9	1.1	1.3	1.5	19.6	20.6	20.5	1,250	(3.8)	1.7
GMR Infrastructure	58	ADD	211,953	4,544	3,667	0.4	0.2	0.1	(43.8)	(48.9)	(40.0)	134.1	262.5	437.2	23.6	15.2	14.2	2.0	1.7	1.7	—	—	—	2.4	1.2	0.7	65	12.5	6.5
GVK Power & Infrastructure	47	BUY	74,302	1,593	1,579	0.8	1.1	1.4	6.7	33.5	32.4	57.8	43.3	32.7	19.3	17.6	18.0	2.3	2.3	2.1	—	0.6	0.6	4.7	5.3	6.7	54	14.8	5.7
IRB Infrastructure	282	RS	93,843	2,012	332	9.7	12.6	12.1	83.8	29.2	(3.7)	29.0	22.5	23.3	13.6	12.1	11.2	4.1	3.1	2.5	—	—	—	15.6	15.7	11.9	—	—	11.8
Mundra Port and SEZ	765	REDUCE	308,690	6,619	403	16.7	21.9	34.1	55.7	31.0	56.1	45.8	35.0	22.4	34.3	22.4	16.1	8.7	7.4	5.8	(0.5)	—	—	20.8	22.9	28.9	750	(2.0)	5.6
Infrastructure		Attractive	857,618	18,388					16.3	21.2	26.0	41.3	34.1	27.0	21.6	16.0	13.8	3.6	3.1	2.8	—	—	0.4	8.7	9.1	10.3			
Media																													
DB Corp	251	BUY	45,641	979	182	10.6	13.0	15.7	286.5	22.4	21.0	23.6	19.3	16.0	13.2	10.9	8.9	7.0	5.7	5.0	0.8	1.2	1.6	40.3	32.6	33.2	290	15.4	0.3
DishTV	55	ADD	58,593	1,256	1,063	(2.5)	(1.8)	0.1	(62.0)	(28.8)	(107.4)	(22.1)	(31.0)	421.2	72.2	28.9	15.2	14.3	26.4	24.8	—	—	—	249.3	(59.7)	6.1	47	(14.7)	4.1
HT Media	175	NR	41,102	881	235	6.1	7.7	9.2	623.3	25.9	19.8	28.6	22.7	19.0	14.4	12.0	10.0	4.2	3.8	3.4	0.6	1.1	2.3	15.6	17.5	18.9	—	—	0.4
Jagran Prakashan	133	BUY	39,935	856	301	5.9	6.6	7.7	92.3	12.3	17.8	22.7	20.2	17.1	13.7	11.8	10.1	6.5	6.0	5.5	2.6	3.0	3.8	30.1	30.8	33.3	140	5.6	1.6
Sun TV Network	492	REDUCE	194,025	4,160	394	13.1	18.0	22.5	44.8	36.9	25.2	37.4	27.3	21.8	21.3	15.8	12.7	10.0	8.4	7.0	1.5	1.5	1.8	28.4	33.7	35.1	420	(14.7)	2.7
Zee Entertainment Enterprises	286	REDUCE	124,476	2,669	435	10.6	11.8	14.4	25.0	12.0	21.5	27.1	24.2	19.9	20.1	16.0	12.7	3.4	3.2	3.1	0.9	1.0	1.3	13.1	13.8	16.0	270	(5.7)	8.1
Media		Neutral	503,772	10,801					185.5	35.8	37.2	41.5	30.5	22.3	20.0	15.3	12.0	6.1	5.6	5.1	1.1	1.3	1.6	14.7	18.4	22.8			
Metals																													
Hindalco Industries	170	ADD	326,232	6,995	1,914	5.7	13.6	15.5	(64.5)	139.5	14.2	30.0	12.5	11.0	7.7	7.7	8.0	1.5	1.3	1.2	0.8	0.8	0.8	10.3	11.1	11.5	200	17.3	36.4
Hindustan Zinc	1,081	BUY	456,820	9,795	423	95.6	102.5	116.0	48.2	7.2	13.1	11.3	10.5	9.3	7.3	5.8	4.1	2.4	2.0	1.6	0.6	0.6	0.6	24.1	20.8	19.4	1,240	14.7	3.9
Jindal Steel and Power	684	REDUCE	636,685	13,651	931	38.4	50.9	56.0	17.3	32.7	9.9	17.8	13.4	12.2	12.3	8.9	7.4	5.7	3.9	3.0	0.2	0.3	0.3	37.8	34.9	28.0	625	(8.6)	22.5
JSW Steel	1,164	REDUCE	293,709	6,297	252	80.4	68.5	108.5	481.1	(14.8)	58.5	14.5	17.0	10.7	10.9	9.2	6.1	2.7	1.6	1.3	0.6	0.8	0.8	16.0	12.0	13.3	1,075	(7.7)	40.2
National Aluminium Co.	402	SELL	259,045	5,554	644	12.6	14.3	17.3	(34.9)	13.3	20.5	31.8	28.1	23.3	15.2	12.5	10.3	2.5	2.4	2.2	0.6	1.2	1.2	8.1	8.6	9.8	260	(35.3)	1.5
Sesa Goa	317	REDUCE	282,080	6,048	890	29.6	58.6	46.3	23.5	98.4	(21.0)	10.7	5.4	6.8	8.8	3.7	3.6	3.5	2.2	1.7	1.1	1.1	1.1	35.8	41.5	23.7	340	7.2	57.0
Sterlite Industries	158	ADD	531,982	11,406	3,362	12.0	14.2	19.3	2.8	18.4	35.5	13.2	11.1	8.2	8.4	7.4	4.6	1.4	1.3	1.1	0.6	0.6	0.6	12.9	12.2	14.6	200	26.4	37.0
Tata Steel	541	REDUCE	494,650	10,606	914	(3.6)	63.4	65.5	(103.6)	(1,880.2)	3.4	(152.0)	8.5	8.3	10.5	5.8	5.5	2.1	1.7	1.4	1.4	1.5	—	(1.5)	22.0	18.7	550	1.7	88.5
Metals		Cautious	3,281,203	70,352					(30.6)	72.5	11.3	18.8	10.9	9.8	9.7	6.9	5.8	2.3	1.9	1.6	0.7	0.8	0.6	12.3	17.1	15.9			
Pharmaceutical																													
Biocon	346	BUY	69,150	1,483	200	14.8	17.8	22.0	216.4	19.8	23.7	23.3	19.5	15.7	13.5	11.3	9.4	3.9	3.4	2.9	—	—	—	17.9	18.8	20.0	400	15.7	5.1
Cipla	307	REDUCE	246,537	5,286	803	13.7	14.0	16.6	38.1	1.9	19.2	22.4	22.0	18.5	16.1	14.7	12.5	4.2	3.6	3.1	0.7	0.8	0.8	21.1	17.6	18.2	295	(3.9)	8.6
Cadila Healthcare	633	REDUCE	129,637	2,780	205	24.7	33.2	37.7	66.9	34.2	13.7	25.6	19.1	16.8	16.7	12.8	11.3	8.0	6.0	4.7	0.8	1.0	1.2	36.0	35.8	31.3	580	(8.4)	1.5
Dishman Pharma & chemicals	198	ADD	16,141	346	81	14.4	17.8	22.8	(19.7)	23.7	28.0	13.8	11.1	8.7	10.1	8.3	6.5	2.0	1.7	1.5	—	—	—	15.5	16.8	18.3	230	15.9	0.6
Divi's Laboratories	757	REDUCE	98,835	2,119	131	26.1	34.0	44.9	(18.2)	30.4	32.1	29.0	22.3	16.9	21.5	16.4	11.8	6.5	5.4	4.4	—	—	—	24.7	26.4	28.5	800	5.7	2.6
Dr Reddy's Laboratories	1,390	REDUCE	235,435	5,048	169	48.1	66.7	70.8	48.3	38.8	6.1	28.9	20.8	19.6	16.0	12.1	11.2	6.2	4.9	4.1	0.5	0.6	0.6	22.2	26.3	22.6	1,150	(17.3)	16.5
GlaxoSmithline Pharmaceuticals (a)	1,916	REDUCE	162,325	3,480	85	59.1	69.7	79.2	8.1	18.0	13.5	32.4	27.5	24.2	18.5	15.6	13.4	9.1	7.7	6.6	—	—	—	29.8	30.4	29.4	1,880	(1.9)	1.6
Glenmark Pharmaceuticals	285	NR	78,084	1,674	274	12.7	19.2	20.3	14.7	50.6	5.6	22.4	14.8	14.1	14.3	9.3	8.9	3.3	2.7	2.3	—	—	—	16.7	19.9	17.6	—	—	4.5
Jubilant Organosys	349	BUY	55,444	1,189	159	26.5	31.8	38.9	49.0	19.8	22.4	13.2	11.0	9.0	9.6	8.6	6.9	2.5	2.1	1.7	0.6	0.7	0.9	26.3	21.7	21.1	400	14.6	2.6
Lupin	366	ADD	161,898	3,471	442	15.4	19.8	25.5	27.9	28.7	28.7	23.8	18.5	14.3	20.3	14.7	11.7	7.0	6.6	5.8	3.6	4.0	4.2	36.6	37.2	43.6	400	9.3	7.3
Piramal Healthcare	512	REDUCE	107,025	2,295	209	22.4	13.3	9.5	29.7	(40.4)	(28.9)	22.9	38.4	54.0	16.6	7.3	5.6	6.4	1.2	1.0	1.1	1.2	0.7	30.7	140.7	16.5	490	(4.3)	22.8
Ranbaxy Laboratories	514	SELL	220,240	4,722	428	7.1	27.0	11.6	(128.4)	282.7	(57.0)	72.8	19.0	44.2	17.7	10.9	20.8	5.6	4.0	3.8	—	0.8	0.8	6.9	22.6	8.3	255	(50.4)	9.6
Sun Pharmaceuticals	1,725	REDUCE	357,292	7,661	207	65.2	90.4	87.4	(25.7)	38.6	(3.3)	26.4	19.1	19.7	19.9	13.9	13.4	4.3	3.6	3.1	0.8	0.8	0.8	17.8	21.0	17.3	1,835	6.4	6.0
Pharmaceuticals		Attractive	1,938,042	41,553					45.5	33.7	3.2	26.8	20.0	19.4	16.7	12.4	11.8	5.1	3.6	3.1	0.7	0.9	0.9	19.0	18.2	16.1			
Property																													
DLF	313	ADD	535,089	11,473	1,708	10.7	16.3	25.1	(60.0)	53.1	53.8	29.4	19.2	12.5	20.5	13.0	9.8	2.0	1.8	1.7	0.9	0.9	1.6	7.1	9.9	13.8	340	8.5	42.4
Housing Development & Infrastructure	267	ADD	102,561	2,199	385	12.4	14.2	16.7	(41.2)	14.2	17.9	21.5	18.8	16.0	10.7	12.1	8.0	1.5	1.3	1.2	1.0	1.9	1.9	10.0	9.3	9.9	318	19.3	32.7
Indiabulls Real Estate	177	RS	70,877	1,520	401	0.3	2.5	7.4	(62.7)	777.3	195.3	620.3	70.7	23.9	(26.4)	(284.0)	12.1	0.8	0.8	0.8	—	—	—	0.1	1.1	3.2	285	61.3	18.0
Mahindra Life Space Developer	463	ADD	19,566	420	42	20.1	23.6	35.8	77.8	17.6	51.5	23.1	19.6	12.9	20.3	14.6	7.2	2.0	1.9	1.7	0.8	0.8	0.8	8.9	9.7	13.4	540	16.7	0.7
Phoenix Mills	247	BUY	35,712	766	145	4.1	6.6	7.6	(16.7)	59.0	15.6	59.6	37.5	32.4	47.7	26.3	22.0	2.3	2.2	2.1	0.4	0.6	0.8	3.9	6.0	6.7	260	5.5	0.9
Puravankara Projects	113	REDUCE	24,074	516	213	6.8	8.2	8.0	0.6	20.1	(1.9)	16.6	13.8	14.1	19.0	14.4	14.1	1.7	1.5	1.4	1.8	1.8	1.8	10.5	11.6	10.5	110	(2.5)	0.5
Sobha	353	ADD	34,656	743	98	14.1	17.0	26.2	(7.1)	20.8	54.0	25.1	20.8	13.5	18.4	14.3	9.5	2.0	1.8	1.6	0.3	0.3	0.5	9.7	9.2	12.8	372	5.3	2.2
Unitech	81	SELL	216,504	4,642	2,666	3.0	3.8	5.1	(58.8)	25.0	34.0	26.8	21.4	16.0	26.5	19.1	12.4	2.1	1.8	1.6	—	1.8	9.0	8.7	10.6	74	(8.9)	47	

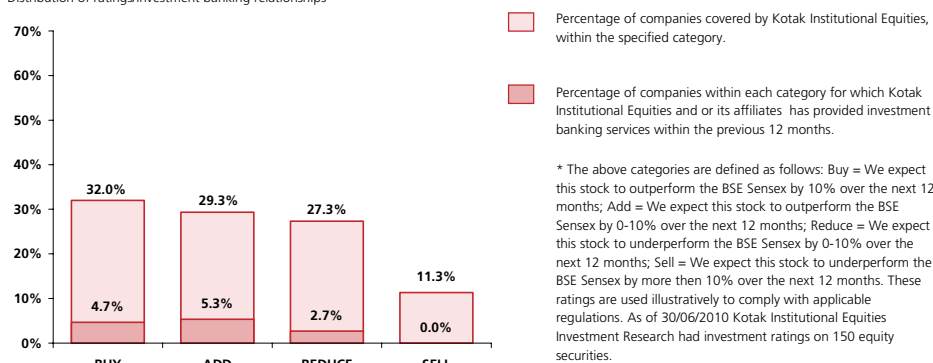
## Kotak Institutional Equities: Valuation summary of key Indian companies

Company	3-Sep-10		Mkt cap.		O/S shares	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price			ADVT-3mo
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	2010E	2011E	2012E	(Rs)	Upside (%)	(US\$ mn)	
<b>Retail</b>																														
Titan Industries	2,998	ADD	133,086	2,853	44	57.3	83.4	110.2	29.3	45.6	32.2	52.4	36.0	27.2	33.3	24.2	18.5	18.1	12.9	9.2	0.5	0.4	0.5	38.7	41.8	39.4	3,000	0.1	7.9	
<b>Retail</b>		<b>Neutral</b>	<b>133,086</b>	<b>2,853</b>					<b>29.3</b>	<b>45.6</b>	<b>32.2</b>	<b>52.4</b>	<b>36.0</b>	<b>27.2</b>	<b>33.3</b>	<b>24.2</b>	<b>18.5</b>	<b>18.1</b>	<b>12.9</b>	<b>9.2</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>	<b>34.5</b>	<b>35.8</b>	<b>33.8</b>				
<b>Sugar</b>																														
Bajaj Hindustan	119	SELL	22,733	487	191	4.9	9.9	8.9	52.3	101.0	(9.9)	24.2	12.0	13.3	8.3	6.0	5.7	1.0	0.9	0.8	0.6	0.6	0.6	4.2	7.9	6.5	99	(16.7)	4.8	
Balrampur Chini Mills	87	ADD	22,286	478	257	4.3	10.4	7.0	(43.2)	140.4	(32.7)	20.0	8.3	12.4	9.2	5.6	6.1	1.6	1.4	1.3	0.5	0.5	0.5	8.2	17.9	10.9	93	7.1	4.2	
Shree Renuka Sugars	69	BUY	46,183	990	670	9.9	7.7	8.1	195.3	(21.9)	4.7	7.0	9.0	8.6	4.4	5.0	4.3	1.6	1.3	1.1	0.6	0.5	0.5	22.4	17.0	14.8	76	10.2	10.9	
<b>Sugar</b>		<b>Cautious</b>	<b>91,202</b>	<b>1,955</b>					<b>80.0</b>	<b>12.4</b>	<b>(8.4)</b>	<b>10.5</b>	<b>9.4</b>	<b>10.2</b>	<b>6.3</b>	<b>5.5</b>	<b>5.1</b>	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>13.1</b>	<b>12.8</b>	<b>10.5</b>				
<b>Technology</b>																														
HCL Technologies	402	REDUCE	277,449	5,949	690	17.5	24.5	30.1	0.2	39.7	23.0	22.9	16.4	13.4	11.2	9.8	8.0	3.9	3.3	2.9	1.0	1.0	1.5	19.3	22.0	21.2	390	(3.0)	12.6	
Hexaware Technologies	74	REDUCE	10,637	228	144	9.3	5.0	9.4	127.7	(46.3)	87.7	7.9	14.7	7.9	3.9	9.0	4.5	1.3	1.2	1.0	1.4	1.4	1.4	17.8	8.2	14.0	72	(2.8)	1.8	
Infosys Technologies	2,777	BUY	1,594,256	34,182	574	108.3	124.1	150.0	5.7	14.5	20.9	25.6	22.4	18.5	18.7	15.3	12.4	6.9	5.7	4.7	0.9	1.3	1.5	30.1	28.0	28.0	3,100	11.6	53.5	
Mphasis BFL	626	REDUCE	131,965	2,829	211	43.6	50.3	45.6	207.5	15.5	(9.3)	14.4	12.4	13.7	11.5	9.9	9.4	5.6	4.0	3.2	0.6	0.6	0.7	48.1	37.5	25.8	550	(12.2)	7.2	
Mindtree	518	REDUCE	21,306	457	41	52.2	32.6	51.6	294.3	(37.5)	58.1	9.9	15.9	10.0	8.5	9.0	5.9	3.2	2.7	2.2	0.4	0.6	1.0	35.2	19.2	23.7	550	6.2	0.9	
Patni Computer Systems	451	REDUCE	60,040	1,287	133	36.6	41.3	37.5	36.4	12.8	(9.1)	12.3	10.9	12.0	6.0	5.2	4.3	1.7	1.6	1.4	1.6	1.8	1.7	18.2	15.1	12.4	450	(0.2)	13.8	
Polaris Software Lab	174	SELL	17,323	371	100	15.4	19.1	18.8	16.9	24.3	(1.7)	11.3	9.1	9.2	5.5	7.2	6.1	2.0	1.7	1.5	2.0	2.1	2.2	18.6	20.1	17.2	180	3.6	4.3	
TCS	837	BUY	1,638,764	35,136	1,957	35.1	42.1	48.2	32.8	19.8	14.5	23.8	19.9	17.4	18.0	14.5	12.0	7.8	6.5	5.4	2.4	2.0	2.3	37.6	35.6	33.9	965	15.3	29.2	
Wipro	401	ADD	981,847	21,052	2,447	18.9	22.3	25.7	22.1	18.1	15.6	21.3	18.0	15.6	16.1	12.9	10.6	5.0	4.1	3.4	0.9	1.1	1.3	26.5	25.0	23.7	465	15.9	12.1	
<b>Technology</b>		<b>Attractive</b>	<b>4,820,324</b>	<b>103,352</b>					<b>20.4</b>	<b>16.7</b>	<b>15.4</b>	<b>22.3</b>	<b>19.1</b>	<b>16.6</b>	<b>16.0</b>	<b>13.4</b>	<b>11.1</b>	<b>5.9</b>	<b>4.9</b>	<b>4.1</b>	<b>1.4</b>	<b>1.4</b>	<b>1.7</b>	<b>26.4</b>	<b>25.5</b>	<b>24.6</b>				
<b>Telecom</b>																														
Bharti Airtel	339	REDUCE	1,288,336	27,623	3,798	23.6	20.0	20.7	5.8	(15.6)	3.9	14.4	17.0	16.4	8.1	8.8	7.2	3.1	2.6	2.2	—	—	—	24.4	16.5	14.7	305	(10.1)	46.7	
IDEA	71	REDUCE	235,276	5,045	3,300	2.7	2.2	1.5	(5.8)	(19.7)	(30.8)	26.1	32.5	47.0	8.9	9.7	8.2	2.1	1.9	1.9	—	—	—	7.2	6.2	4.2	55	(22.9)	10.8	
MTNL	63	SELL	39,879	855	630	(15.6)	(10.4)	(9.1)	(750.8)	(33.7)	(11.9)	(4.0)	(6.1)	(6.9)	(0.4)	(0.4)	0.6	0.4	0.4	0.4	—	—	—	(8.5)	(6.1)	(5.7)	50	(21.0)	3.0	
Reliance Communications	163	SELL	348,241	7,467	2,133	22.1	6.0	9.4	(30.2)	(72.8)	56.1	7.4	27.2	17.4	6.9	9.5	7.9	0.9	0.9	0.8	0.5	—	—	11.7	3.2	4.9	150	(8.1)	39.5	
Tata Communications	339	REDUCE	96,629	2,072	285	14.0	15.2	15.7	3.2	8.2	3.5	24.2	22.4	21.6	9.8	9.0	8.6	1.4	1.3	1.3	1.9	2.2	2.5	5.2	5.5	5.5	225	(33.6)	3.1	
<b>Telecom</b>		<b>Cautious</b>	<b>2,008,360</b>	<b>43,061</b>					<b>(15.9)</b>	<b>(33.1)</b>	<b>9.5</b>	<b>14.2</b>	<b>21.2</b>	<b>19.3</b>	<b>8.2</b>	<b>9.2</b>	<b>7.6</b>	<b>1.8</b>	<b>1.7</b>	<b>1.5</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>12.8</b>	<b>7.9</b>	<b>8.0</b>				
<b>Utilities</b>																														
Adani Power	134	ADD	292,120	6,263	2,180	0.8	4.8	19.1	NM	510.9	298.8	171.0	28.0	7.0	140.0	23.5	6.5	5.1	4.3	2.7	—	—	—	4.2	16.6	46.7	143	6.7	3.8	
CESC	395	ADD	49,368	1,058	125	35.2	37.3	44.3	9.3	5.7	18.9	11.2	10.6	8.9	7.1	5.9	6.4	1.2	1.0	1.0	1.1	1.2	1.4	11.1	10.4	11.3	466	17.9	1.9	
Lanco Infratech	71	BUY	169,673	3,638	2,405	2.0	3.7	5.0	35.1	87.6	34.9	35.9	19.2	14.2	20.8	8.8	8.3	4.9	3.9	3.1	—	—	—	15.8	21.2	22.7	77	9.1	6.8	
NHPC	31	REDUCE	382,553	8,202	12,301	1.9	1.3	1.6	74.9	(27.5)	20.6	16.8	23.2	19.2	10.8	11.6	8.9	1.5	1.5	1.4	1.8	1.1	1.4	9.7	6.4	7.4	28	(10.0)	5.6	
NTPC	196	REDUCE	1,616,523	34,660	8,245	10.8	12.5	14.7	9.6	16.2	17.4	18.2	15.7	13.4	13.9	12.2	10.2	2.5	2.3	2.1	2.1	2.4	2.8	14.5	15.4	16.6	210	7.1	7.4	
Reliance Infrastructure	1,033	ADD	254,256	5,451	246	61.8	65.0	84.5	(1.5)	5.3	30.0	16.7	15.9	12.2	18.0	15.9	11.2	1.3	1.2	1.1	0.8	0.9	1.0	6.3	7.3	10.1	1,160	12.3	40.9	
Reliance Power	157	SELL	375,212	8,045	2,397	2.9	3.1	5.3	179.7	9.8	70.0	54.9	50.0	29.4	(514.3)	227.3	35.5	2.6	2.5	2.3	—	—	—	4.8	5.1	8.1	135	(13.8)	19.3	
Tata Power	1,251	ADD	308,691	6,619	247	60.2	69.2	88.5	20.1	15.0	27.8	20.8	18.1	14.1	13.3	12.1	10.4	2.4	2.2	1.9	1.0	1.1	1.2	12.9	12.5	14.3	1,420	13.5	9.5	
<b>Utilities</b>		<b>REDUCE</b>	<b>3,448,396</b>	<b>73,936</b>					<b>23.5</b>	<b>16.2</b>	<b>38.7</b>	<b>21.8</b>	<b>18.8</b>	<b>13.5</b>	<b>17.3</b>	<b>14.5</b>	<b>10.5</b>	<b>2.3</b>	<b>2.1</b>	<b>1.9</b>	<b>1.3</b>	<b>1.4</b>	<b>1.7</b>	<b>10.6</b>	<b>11.3</b>	<b>14.1</b>				
<b>Others</b>																														
Havells India	799	SELL	48,072	1,031	60	5.3	31.6	45.0	3.7	497.9	42.6	151.2	25.3	17.7	20.0	12.3	10.2	13.2	8.7	5.9	0.3	0.3	0.3	6.6	41.6	39.7	497	(37.8)	10.8	
Jaiprakash Associates	113	BUY	240,451	5,155	2,129	1.5	5.5	7.4	(27.2)	279.8	34.1	77.6	20.4	15.2	20.7	15.3	10.9	2.8	2.4	2.1	—	—	—	4.1	12.8	14.9	170	50.5	23.1	
Jindal Saw	210	ADD	61,623	1,321	294	25.0	18.6	17.9	110.8	(25.4)	(4.0)	8.4	11.2	11.7	5.4	6.2	6.0	1.6	1.3	1.2	0.5	0.4	0.4	20.5	12.9	11.1	256	22.2	3.2	
PSL	130	BUY	6,934	149	53	22.9	25.4	28.2	3.3	10.6	11.0	5.7	5.1	4.6	3.2	2.7	2.9	0.7	0.7	0.6	5.0	5.0	5.4	12.6	11.7	12.0	182	40.3	0.7	
Sintex	372	BUY	50,776	1,089	136	24.1	28.3	33.3	0.5	17.4	17.5	15.4	13.1	11.2	12.6	8.6	7.3	2.4	2.0	1.7	0.3	0.3	0.4	15.5	15.3	15.2	380	2.2	4.8	
Tata Chemicals	411	REDUCE	99,883	2,142	243	26.4	33.2	37.5	(27.1)	25.8	12.7	15.5	12.3	11.0	7.8	6.7	5.7	2.1	1.8	1.6	2.2	2.2	2.2	16.0	18.7	18.3	360	(12.3)	4.7	
Welspun Corp	245	ADD	50,299	1,078	205	32.0	27.0	25.6	85.2	(15.7)	(5.4)	7.6	9.1	9.6	4.4	4.8	4.5	1.6	1.3	1.2	0.9	0.9	0.9	24.8	15.6	12.8	286	16.8	4.4	
United Phosphorus	186	BUY	86,199	1,848	463	11.9	13.8	17.4	18.8	15.8	25.9	15.6	13.5	10.7	9.0	8.2	6.5	2.5	2.2	1.8	0.8	1.1	1.1	17.7	17.2	18.3	225	20.8	8.1	
<b>Others</b>			<b>644,236</b>	<b>13,813</b>					<b>16.3</b>	<b>32.3</b>	<b>17.6</b>	<b>19.2</b>	<b>14.5</b>	<b>12.3</b>	<b>11.1</b>	<b>9.9</b>	<b>8.2</b>	<b>2.4</b>	<b>2.0</b>	<b>1.8</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>12.4</b>	<b>14.0</b>	<b>14.3</b>				
<b>KS universe (b)</b>			<b>46,230,348</b>	<b>991,217</b>					<b>15.3</b>	<b>21.4</b>	<b>20.5</b>	<b>19.6</b>	<b>16.1</b>	<b>13.4</b>	<b>11.5</b>	<b>9.7</b>	<b>8.0</b>	<b>2.9</b>	<b>2.5</b>	<b>2.2</b>	<b>1.2</b>	<b>1.3</b>	<b>1.6</b>	<b>14.9</b>	<b>15.7</b>	<b>16.5</b>				
<b>KS universe (b) ex-Energy</b>			<b>37,245,769</b>	<b>798,580</b>					<b>9.1</b>	<b>23.4</b>	<b>19.7</b>	<b>21.2</b>	<b>17.2</b>	<b>14.3</b>	<b>13.9</b>	<b>11.5</b>	<b>9.4</b>	<b>3.2</b>	<b>2.8</b>	<b>2.4</b>	<b>1.1</b>	<b>1.2</b>	<b>1.4</b>	<b>15.3</b>	<b>16.2</b>	<b>16.8</b>				
<b>KS universe (d) ex-Energy &amp; ex-Commodities</b>			<b>33,198,746</b>	<b>711,808</b>					<b>16.3</b>	<b>19.7</b>	<b>21.4</b>	<b>22.0</b>	<b>18.4</b>	<b>15.2</b>	<b>13.7</b>	<b>13.0</b>														

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#### Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of June 30, 2010

## Ratings and other definitions/identifiers

### 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.

Our target price are also on 12-month horizon basis.

### 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, Neutral, Cautious.**

### Other ratings/identifiers

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