

September 26, 2008

India Strategy Friday Flash

BSE-30: 13,547

India

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**Kotak Institutional Equities
Research**

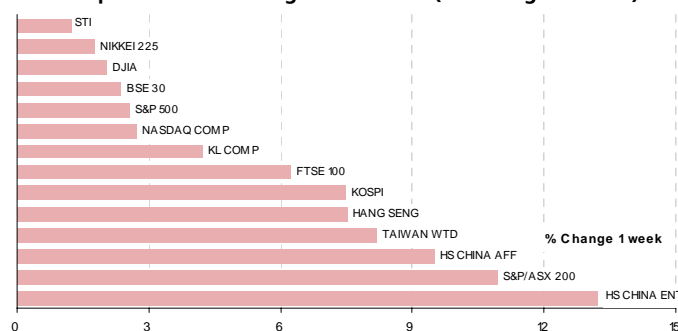
Important disclosures appear at the back of this report.

A few notches up amidst continuing volatility. During the past week, Indian equities closed on a higher note but remained volatile ahead of (1) expiry of September F&O series, (2) macro economic parameters (crude, rupee, inflation) and (3) events in regional markets. The Sensex gained 231 points (1.74%) to close at 13,547. The rise was led by Reliance Industries, ONGC and HDFC Bank, which together contributed 180 points to the gain. FIs continued to remain net sellers, offloading US\$377 mn from Indian equities. The Sensex is now trading at 13.4X on FY2009E and 11.4X on FY2010E.

Market highlights for the week ending Thursday, September 25, 2008

- Largest gainers: Sadbhav Engineering (13%), Sesa Goa (13%), Sintex (12%)
- Largest losers: Vishal Retail (-17%), Suzlon Energy (-13%), Ranbaxy Laboratories (-13%)

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)						
17-Sep-08	(69)	(1)	(21)	(63)	(331)	(485)
18-Sep-08	(122)	(12)	(6)	(33)	(148)	(322)
19-Sep-08	320	85	(12)	41	290	723
22-Sep-08	279	38	4	(1)	28	347
23-Sep-08	-	(6)	(8)	-	(215)	(229)
Total	407	103	(42)	(57)	(377)	34

Our top recommendations

Kotak Institutional Equities, Top-10, September 25, 2008

Companies	Sector	Rating	Mkt cap.	CMP	Target	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
			(US\$ mn)	(Rs)	(Rs)	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E
ICICI Bank	Banking	ADD	14,329	596	650	39.9	33.9	42.0	14.9	17.6	14.2	0.0	0.0	0.0
State Bank of India	Banking	ADD	20,391	1,495	1,700	106.6	93.5	119.2	14.0	16.0	12.5	0.0	0.0	0.0
ITC	Consumer products	BUY	15,198	188	230	8.0	9.1	10.4	23.4	20.7	18.1	15.4	13.5	11.6
Larsen & Toubro	Industrials	BUY	16,422	2,566	3,200	75.9	115.4	146.2	33.8	22.2	17.5	21.1	13.3	10.5
Oil & Natural Gas Corporation	Energy	BUY	49,482	1,071	1,300	92.0	131.5	147.3	11.6	8.1	7.3	4.4	3.4	3.0
Reliance Infrastructure	Utilities	BUY	4,370	876	1,250	37.6	49.4	50.0	23.3	17.7	17.5	29.9	26.9	24.6
Jindal Steel and Power	Metals	BUY	4,686	1,409	2,900	80.4	111.6	117.0	17.5	12.6	12.0	11.4	8.5	7.7
Tata Power	Utilities	BUY	5,043	1,002	1,540	29.7	38.1	39.9	33.8	26.3	25.1	23.3	20.7	21.2
Sun Pharmaceuticals	Pharmaceuticals	BUY	6,589	1,467	1,780	71.5	84.3	77.5	20.5	17.4	18.9	16.8	13.1	13.6
Mid-cap. pharmaceutical basket														
Biocon	Pharmaceuticals	BUY	397	184	615	22.5	24.5	32.0	8.1	7.5	5.7	4.8	4.4	3.4
Dishman Pharma & Chemicals	Pharmaceuticals	BUY	538	306	515	14.7	19.7	27.7	20.8	15.5	11.1	15.5	11.7	8.6
Divi's Laboratories	Pharmaceuticals	BUY	1,936	1,389	2,330	56.6	77.9	103.6	24.6	17.8	13.4	21.2	14.6	10.5
Jubilant Organosys	Pharmaceuticals	BUY	1,206	308	700	22.1	19.5	35.5	13.9	15.8	8.7	11.2	12.4	7.9
Piramal Healthcare	Pharmaceuticals	BUY	1,498	332	530	17.6	20.0	26.5	18.9	16.6	12.5	13.7	11.4	8.7
BSE-30				13,547										

Source: Company, Bloomberg, Kotak Institutional Equities

Our model portfolio

Kotak Institutional Equities Model Portfolio

Company	25-Sep		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Mahindra & Mahindra	560	ADD	1.2	—	(116)
Maruti Suzuki	705	ADD	1.1	1.1	—
Tata Motors	384	SELL	1.5	—	(147)
Automobiles			3.7	1.1	(263)
Punjab National Bank	492	BUY	—	1.0	100
State Bank of India	1,495	ADD	4.7	6.2	150
PSU Banking			4.7	7.2	250
HDFC	2,165	ADD	5.6	4.6	(100)
HDFC Bank	1,301	BUY	4.4	4.4	—
ICICI Bank	596	ADD	7.0	9.0	200
Pvt. Banking/Financing			17.0	18.0	100
ACC	608	REDUCE	0.7	—	(70)
Grasim Industries	1,867	ADD	1.4	—	(140)
Jaiprakash Associates	124	BUY	1.1	1.1	—
Cement			3.2	1.1	(210)
Hindustan Unilever	249	ADD	2.8	2.8	—
ITC	188	BUY	5.4	7.4	200
Consumers			8.1	10.1	200
Oil & Natural Gas Corporation	1,071	BUY	4.3	6.3	200
Reliance Industries	2,026	RS	13.4	8.3	(504)
Energy			17.7	14.6	(304)
Bharat Heavy Electricals	1,634	ADD	3.0	3.0	—
Larsen & Toubro	2,566	BUY	7.1	7.1	—
Industrials			10.1	10.1	—
Zee Entertainment Enterprises	204	ADD	—	1.0	100
Media			1.0	1.0	100
Hindalco Industries	104	REDUCE	1.5	—	(146)
Jindal Steel & Power	1,409	BUY	—	2.0	200

Note:

(1) Weights are with respect to September 16, 2008 prices.

Company	25-Sep		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Sterlite Industries	476	REDUCE	1.4	—	—
Tata Steel	485	REDUCE	3.0	0.5	(250)
Metals			5.9	2.5	(340)
Dr Reddy's Laboratories	522	BUY	—	1.0	100
Ranbaxy Laboratories	296	REDUCE	1.2	—	(125)
Sun Pharmaceuticals	1,467	BUY	—	3.0	300
Pharmaceuticals			1.2	4.0	275
DLF	389	BUY	1.1	1.1	—
Real estate			1.1	1.1	—
Infosys Technologies	1,507	BUY	8.1	9.6	150
Satyam Computer Services	328	BUY	2.4	2.9	50
TCS	688	REDUCE	1.9	—	(194)
Wipro	352	ADD	1.2	1.2	—
Technology			13.6	13.7	6
Bharti Airtel Limited	791	REDUCE	5.4	5.4	—
Reliance Communications	365	SELL	2.9	—	(292)
Telecom			8.4	5.4	(292)
NTPC	179	REDUCE	2.2	—	(223)
Reliance Infrastructure	876	BUY	1.4	3.4	200
Tata Power	1,002	BUY	1.6	3.6	200
Utilities			5.2	7.0	177
Biocon	184	BUY	—	0.6	60
Dishman Pharma & chemicals	306	BUY	—	0.6	60
Divi's Laboratories	1,389	BUY	—	0.6	60
Jubilant Organosys	308	BUY	—	0.6	60
Piramal Healthcare	332	BUY	—	0.6	60
Pharmaceutical mid-cap. basket			—	3.0	300
BSE-30	13,547		100.0	100.0	—

Source: BSE, Bloomberg, Kotak Institutional Equities

Sensex valuation summary

Valuation summary of BSE-30 sectors, September 25, 2008

	Mkt-cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div Yield (%)		RoE (%)	
		2007	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2008	2009E	2008	2009E
Automobiles	12,368	32.0	6.0	(11.9)	(0.2)	12.1	13.8	13.8	7.9	8.3	7.9	2.6	1.7	1.7	1.9	21.2	12.0
Banking	60,156	14.2	43.9	(4.1)	26.6	18.6	19.4	15.4	—	—	—	2.5	2.2	1.3	1.2	13.3	11.4
Cement	6,186	97.6	25.7	(7.9)	(11.7)	7.5	8.1	9.2	4.1	4.3	4.5	1.8	1.5	2.5	2.6	23.7	18.2
Consumers	26,969	19.8	12.2	13.2	15.6	26.1	23.1	19.9	18.5	14.6	12.4	9.0	7.9	2.9	2.6	34.5	34.4
Diversified	3,321	172.9	20.7	54.7	53.5	25.2	16.3	10.6	13.2	9.9	9.4	3.1	2.7	—	—	12.2	16.3
Energy	107,205	25.2	12.3	30.1	27.8	14.6	11.2	8.8	7.1	5.5	4.2	2.6	2.1	1.7	1.9	17.8	18.5
Industrials	33,765	48.8	23.7	37.8	30.5	30.7	22.3	17.1	17.8	12.6	9.8	6.9	5.1	0.8	0.9	22.4	22.7
Metals	19,860	245.3	13.3	20.7	(5.8)	7.0	5.8	6.2	4.8	4.6	4.5	1.2	1.0	1.6	1.5	16.6	16.4
Pharmaceuticals	2,686	115.8	70.5	(53.0)	84.1	14.3	30.3	16.5	10.9	12.7	6.5	4.1	1.9	2.6	3.5	29.0	6.3
Property	14,359	913.2	284.0	13.9	10.5	8.9	7.8	7.1	8.0	6.8	5.4	3.4	2.5	1.3	1.8	38.0	31.7
Technology	49,192	44.3	19.3	22.9	17.1	15.7	12.8	10.9	11.3	8.9	7.0	4.9	3.9	2.1	2.4	31.2	30.3
Telecom	49,512	182.9	71.6	24.8	21.2	18.4	14.7	12.2	11.6	9.1	7.2	4.5	3.5	0.2	0.4	24.5	23.6
Utilities	41,385	32.1	6.0	10.5	6.9	21.4	19.3	18.1	13.1	14.0	15.0	2.5	2.3	1.7	1.8	11.6	11.8
BSE-30 Index	426,964	50.2	26.7	17.8	18.0	15.8	13.4	11.4	9.0	7.6	6.5	3.0	2.4	1.5	1.6	19.0	18.2
BSE-30 ex-Energy	319,759	64.7	33.0	13.2	13.8	16.2	14.3	12.6	10.0	8.8	7.9	3.2	2.6	1.5	1.5	19.5	18.1
BSE-30 ex-Energy, Com.	293,713	46.9	37.7	13.0	18.5	18.3	16.2	13.6	12.2	10.4	8.9	3.6	3.0	1.4	1.5	19.9	18.5
BSE-30 ex-Technology	377,772	51.1	27.7	17.1	18.1	15.8	13.5	11.4	8.7	7.5	6.4	2.9	2.3	1.4	1.6	18.1	17.3

Note:

(1) EV/EBITDA excludes banks.

Source: Company reports, Kotak Institutional Equities estimates

Nifty valuation summary

Valuation summary of Nifty sectors, September 25, 2008

	Mkt cap. (US\$ mn)	EPS growth (%)				PER (X)			EV/EBITDA (X)			Price/BV (X)		Div yield (%)		RoE (%)	
		2007	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2010E	2008E	2009E	2008E	2009E	2008E	2009E
Automobiles	16,057	22.2	7.1	(5.9)	2.2	13.1	13.9	13.6	8.4	8.6	8.1	2.9	1.9	1.8	2.0	22.4	13.9
Banking	63,385	13.2	42.5	(2.8)	25.1	17.3	17.8	14.2	—	—	—	2.4	2.1	1.4	1.3	13.9	12.0
Consumers	26,916	19.8	12.2	13.2	15.6	26.1	23.1	19.9	18.5	14.6	12.4	9.0	7.9	2.9	2.6	34.5	34.4
Cement	8,958	89.5	14.7	(4.6)	(13.2)	8.3	8.7	10.1	4.5	4.7	5.0	2.0	1.6	2.7	2.9	23.5	18.4
Energy	140,448	28.6	9.2	34.0	44.1	17.3	12.9	8.9	8.3	6.5	4.7	2.5	2.1	1.5	1.6	14.4	15.9
Industrials	47,027	41.6	26.7	39.0	35.0	30.2	21.7	16.1	17.0	12.5	9.6	6.2	4.7	0.7	0.8	20.5	21.6
Metals	25,327	185.6	5.6	20.7	(4.0)	8.0	6.6	6.9	5.1	4.8	4.6	1.3	1.1	1.6	1.6	16.7	16.5
Media	1,918	11.2	62.6	14.4	26.7	23.0	20.1	15.9	16.8	11.5	9.3	3.0	2.7	1.0	1.2	13.1	13.3
Property	18,561	1,062.5	178.0	15.7	13.2	9.5	8.2	7.3	8.3	7.0	5.7	3.7	2.7	1.2	1.8	39.2	32.9
Pharmaceuticals	14,989	87.3	19.4	1.4	12.9	19.8	19.6	17.3	14.0	12.5	10.4	4.2	3.0	1.0	1.3	21.0	15.5
Telecom	56,676	(149.5)	67.2	23.8	20.9	19.0	15.4	12.7	11.8	9.2	7.3	4.3	3.4	0.3	0.4	22.6	22.0
Technology	52,471	46.6	15.7	24.5	16.9	15.6	12.6	10.7	11.1	8.6	6.9	4.7	3.8	2.2	2.5	30.3	29.9
Utilities	41,303	32.1	6.0	10.5	6.9	21.4	19.3	18.1	13.1	14.0	15.0	2.5	2.3	1.7	1.8	11.6	11.8
NIFTY	514,035	50.6	22.9	19.4	22.8	16.6	13.9	11.3	9.6	8.5	7.0	3.0	2.5	1.4	1.6	17.9	17.6
NIFTY ex-Energy	373,587	62.3	28.7	14.2	13.9	16.4	14.4	12.6	10.2	9.7	8.6	3.2	2.6	1.4	1.5	19.6	18.4
NIFTY ex-Energy ex Com	348,260	49.1	33.5	13.2	17.0	17.8	15.7	13.4	11.7	11.2	9.6	3.6	2.9	1.4	1.5	20.2	18.8

Note:

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

Source: Company reports, Kotak Institutional Equities estimates

Regional valuation summary

Valuations of Indian markets are reasonable based on CY2008E PEG ratio, September 24, 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	19.6	16.4	19.3	12.1	9.3	8.1	6.8	6.0	0.6	0.4	0.6
China	V/B/E/S CHINA	60.5	25.4	19.2	16.5	15.6	11.8	9.9	8.5	0.6	0.6	0.6
Hong Kong	V/B/E/S HONG KONG	48.1	(3.5)	14.7	14.2	10.3	11.0	9.6	8.9	NA	0.7	0.7
India	MSCI INDIA	18.9	13.9	23.2	11.3	17.1	14.3	11.6	10.1	1.2	0.6	1.0
Korea	MSCI KOREA	6.3	3.6	14.8	14.7	10.5	10.1	8.8	7.7	2.9	0.7	0.6
Malaysia	MSCI MALAYSIA	49.1	(11.9)	4.9	8.5	10.1	11.5	11.0	10.1	NA	2.3	1.3
Mexico	MSCI MEXICO	11.7	6.2	14.0	14.4	12.1	11.6	10.1	9.4	2.0	0.8	0.7
Russia	MSCI RUSSIA	30.8	29.0	14.5	2.2	5.8	4.5	3.9	3.8	0.2	0.3	1.8
Taiwan	MSCI TAIWAN	25.6	(20.1)	11.7	20.3	9.7	12.1	10.8	9.0	NA	1.0	0.5
Thailand	MSCI THAILAND	(35.0)	113.3	7.2	9.7	18.4	8.6	8.0	7.3	0.2	1.2	0.8
Asia - Emerging markets	MSCI EM ASIA	19.9	3.0	15.4	14.5	11.4	11.1	9.6	8.3	3.8	0.7	0.7

Source: Thomson Datastream

Valuation summary of BRICs sectors (1)

Valuation summary of BRICs sectors, September 24, 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	21.2	7.5	22.6	11.3	9.7	9.1	7.4	6.6	1.3	0.4	0.7
Russia	MSCI Russia Banks Industry Group	15.4	31.5	24.8	22.1	6.5	4.9	4.0	3.2	0.2	0.2	0.2
India	MSCI India Banks Industry Group	16.5	13.3	23.1	NA	21.2	18.7	15.2	NA	1.6	0.8	NA
China	MSCI China Banks Industry Group	46.7	55.5	14.9	16.1	15.7	10.1	8.8	7.6	0.3	0.7	0.5
Consumers												
Brazil	MSCI Brazil Consumer Discretionary Sector	6.7	66.0	48.9	35.0	25.1	15.1	10.1	7.5	0.4	0.3	0.3
Russia	MSCI Russia Consumer Staples Sector	46.5	31.5	28.7	24.8	20.5	15.6	12.1	9.7	0.6	0.5	0.5
India	MSCI India Consumer Discretionary Sector	12.3	10.9	14.3	13.8	12.2	11.0	9.7	8.5	1.1	0.8	0.7
China	MSCI China Consumer Discretionary Sector	35.9	5.7	17.1	17.5	13.1	12.4	10.6	9.0	2.3	0.7	0.6
Energy												
Brazil	MSCI Brazil Energy Sector	(17.0)	49.1	20.0	9.5	12.5	8.4	7.0	6.4	0.3	0.4	0.7
Russia	MSCI Russia Energy Sector	26.8	33.9	14.3	(2.1)	5.1	3.8	3.3	3.4	0.2	0.3	NA
India	MSCI India Energy Sector	27.3	23.3	44.3	7.9	20.5	14.3	9.9	9.2	0.9	0.3	1.3
China	MSCI China Energy Sector	6.0	10.1	18.5	6.3	10.0	9.1	7.7	7.2	1.0	0.5	1.2
Industrials												
Brazil	MSCI Brazil Industrials Sector	(11.8)	(73.2)	33.3	22.6	4.7	17.5	13.1	10.7	NA	0.5	0.6
India	MSCI India Industrials Sector	0.8	3.9	28.9	25.0	21.6	21.3	16.5	13.2	5.5	0.7	0.7
China	MSCI China Industrials Sector	89.0	(5.6)	11.9	17.7	8.8	9.3	8.3	7.1	NA	0.8	0.5
Metals												
Brazil	MSCI Brazil Metals & Mining Industry	58.2	23.8	17.9	10.8	7.3	5.9	5.0	4.5	0.3	0.3	0.5
Russia	MSCI Russia Metals & Mining Industry	46.5	(0.7)	2.1	(3.1)	4.3	4.3	4.3	4.4	NA	2.1	NA
India	MSCI India Metals & Mining Industry	1.9	16.8	10.7	NA	8.7	6.5	5.9	NA	0.5	0.6	NA
China	MSCI China Metals & Mining Industry	(3.6)	8.7	9.3	5.6	6.4	5.9	5.4	5.1	0.7	0.6	NA

Source: Thomson Datastream

Valuation summary of BRICs sectors (2)

Valuation summary of BRICs sectors, September 24, 2008

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

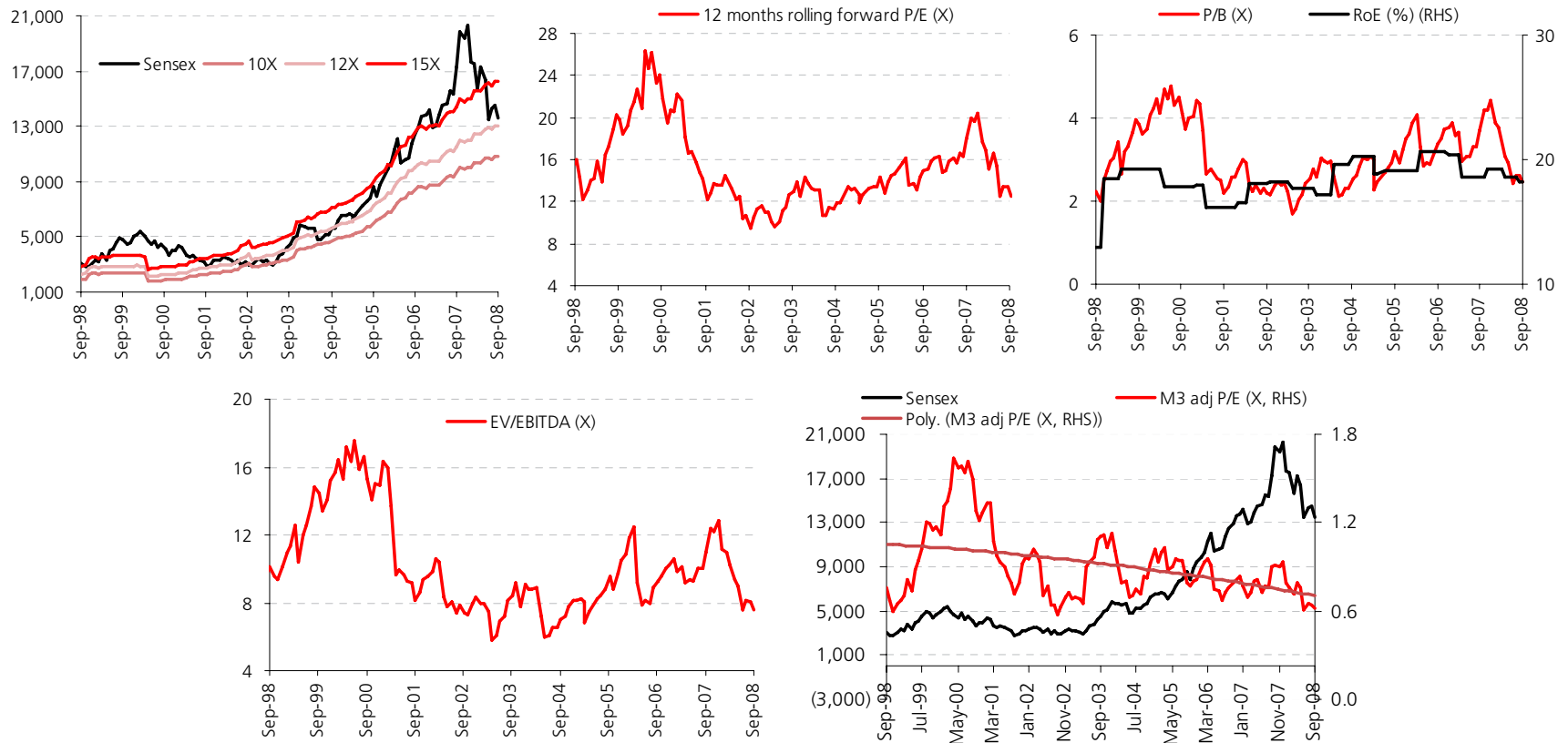
Index	Earnings growth (%)				P/E (X)				PEG ratio (X)			
	2007	2008E	2009E	2010E	2007	2008E	2009E	2010E	2007	2008E	2009E	
Property												
Brazil	MSCI Brazil Real Estate Industry Group	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
India	MSCI India Real Estate Industry Group	201.7	10.4	28.8	14.4	10.8	9.8	7.6	6.6	1.0	0.3	0.5
China	MSCI China Real Estate Industry Group	45.5	10.0	15.1	27.9	7.5	6.8	5.9	4.6	0.7	0.5	0.2
Technology												
Brazil	MSCI Brazil Information Technology Sector	565.9	42.0	21.8	15.1	23.2	16.4	13.4	11.7	0.6	0.8	0.9
India	MSCI India Software & Services Industry Grc	18.8	22.0	16.7	12.0	17.1	14.0	12.0	10.7	0.8	0.8	1.0
China	MSCI China Software & Services Industry Gi	56.5	61.2	33.4	32.6	55.7	34.6	25.9	19.5	0.9	1.0	0.8
Telecom												
Brazil	MSCI Brazil Telecommunication Services Sec	108.5	(0.5)	8.2	16.1	6.9	7.0	6.4	5.5	NA	0.8	0.4
Russia	MSCI Russia Diversified Telecommunications	62.0	32.6	16.6	18.9	16.2	12.2	10.5	8.8	0.5	0.7	0.6
India	MSCI India Telecommunication Services Sec	48.0	13.6	16.4	13.5	15.4	13.5	11.6	10.2	1.1	0.8	0.9
China	MSCI China Telecommunication Services Se	20.7	23.6	12.6	9.1	13.5	11.0	9.7	8.9	0.6	0.9	1.1
Utilities												
Brazil	MSCI Brazil Utilities Sector	3.8	9.3	4.5	17.1	9.0	8.2	7.9	6.7	1.0	1.8	0.5
Russia	MSCI Russia Utilities Sector	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
India	MSCI India Utilities Sector	6.1	14.7	14.5	11.9	18.2	14.4	12.6	11.3	1.2	1.0	1.1
China	MSCI China Utilities Sector	11.0	(33.6)	38.6	22.1	13.8	20.8	15.0	12.3	NA	0.5	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, September 1999 - current



Source: Bloomberg, Company reports, Kotak Institutional Equities

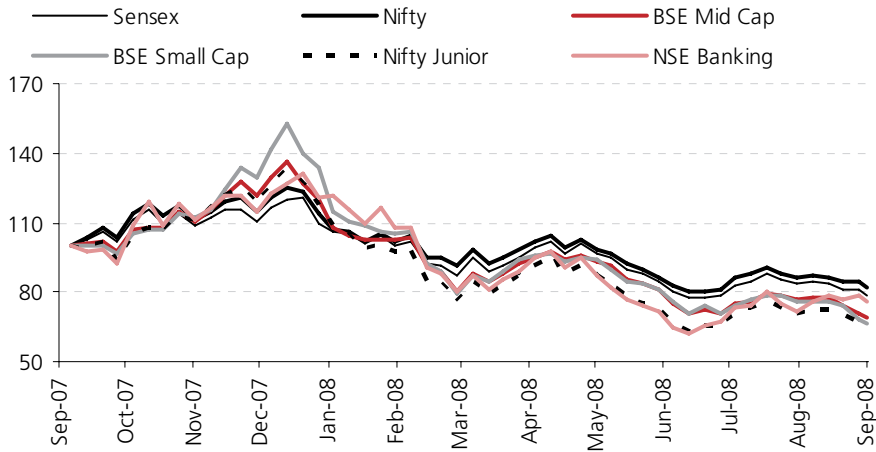
Market performance

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

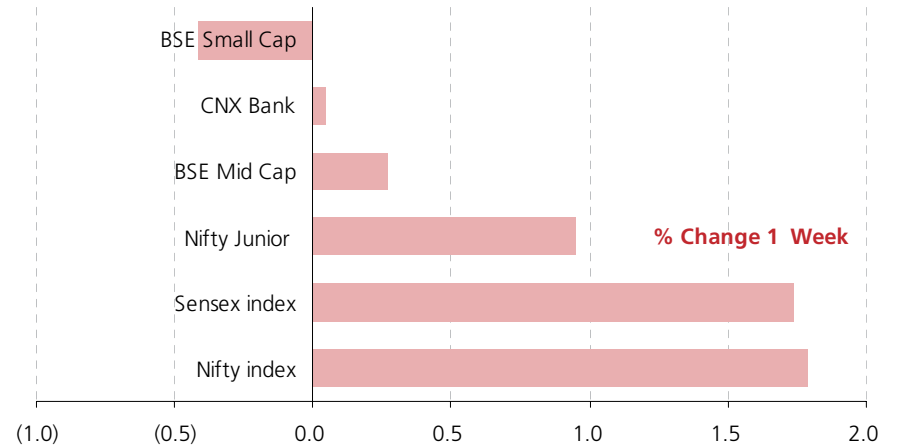
Relative performance of Indian markets

Key performance of benchmark indices

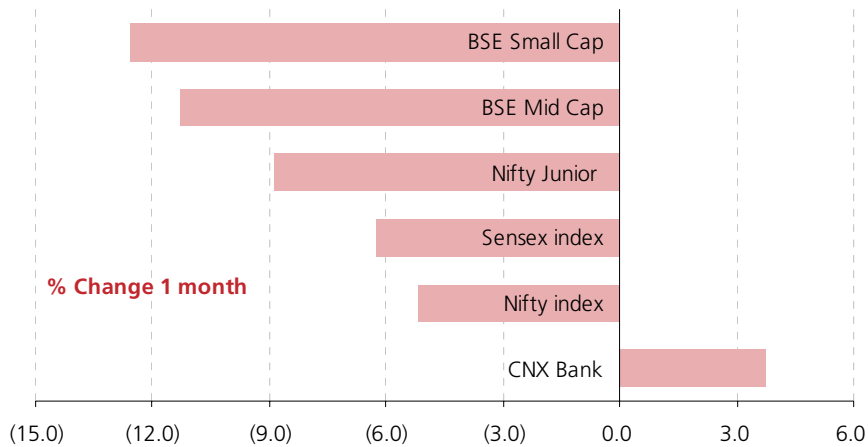
(base 100 as of September, 2007)



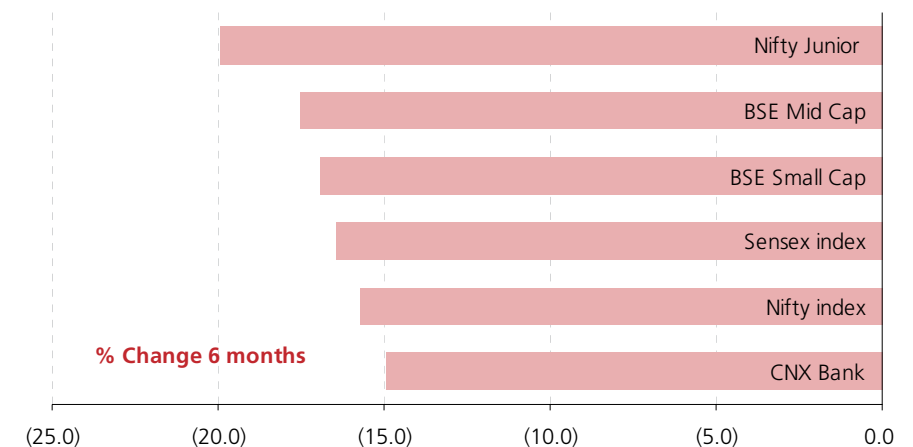
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



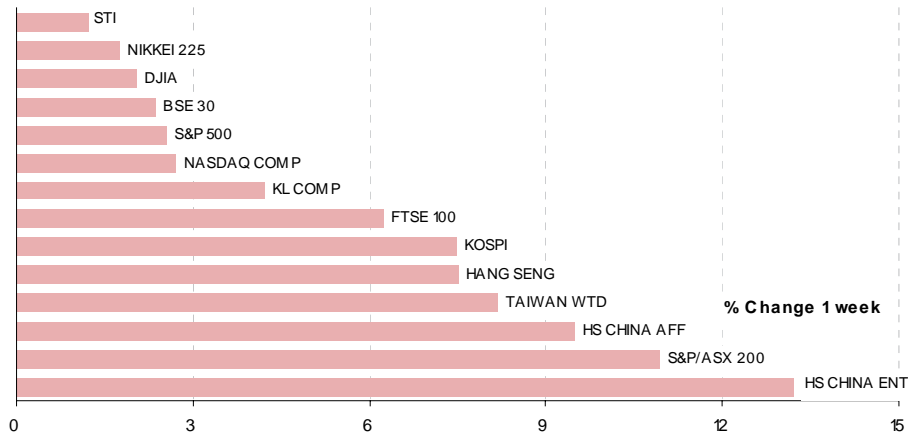
6-month performance of the benchmark indices



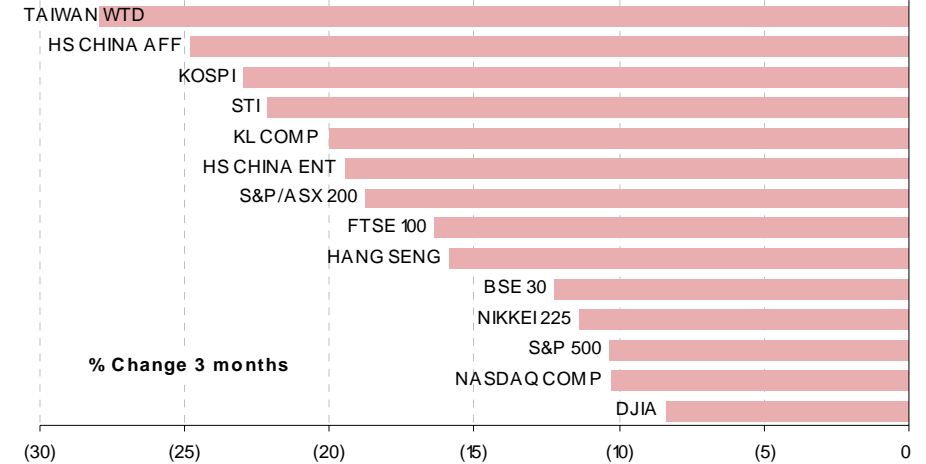
Source: Bloomberg, Kotak Institutional Equities

BSE-Sensex versus regional indices

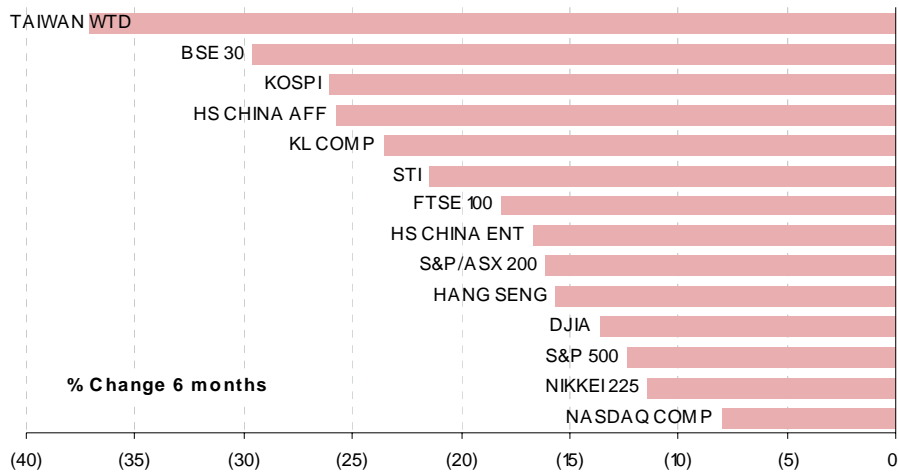
Weekly performance



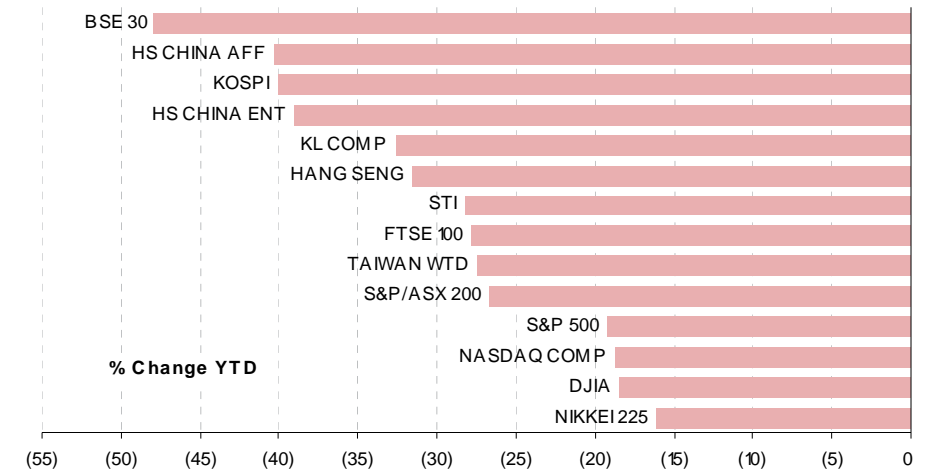
3-month performance



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, September 25, 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	14,243	(0.2)	0.1	(5.0)	(26.0)	(33.4)	(35.1)	0.8	6.0	(8.2)	(11.3)
Banking	60,156	(0.5)	0.0	6.6	(18.7)	(19.7)	(36.1)	0.5	5.9	(1.9)	0.2
Consumers	26,969	(1.6)	2.3	6.7	(0.3)	4.3	(0.2)	(0.5)	8.0	13.9	20.1
Cement	6,186	(3.3)	0.5	(4.7)	(28.6)	(46.3)	(46.0)	(2.2)	6.3	(10.5)	(22.1)
Diversified	3,321	0.1	(22.8)	(20.2)	(47.1)	(39.0)	(71.1)	1.1	(15.5)	(26.3)	(16.0)
Energy	107,205	(0.1)	(2.9)	6.3	(7.2)	(3.7)	(23.0)	0.9	3.1	7.9	13.5
Industrials	33,765	(0.6)	(2.5)	12.4	(17.5)	(14.7)	(37.7)	0.4	3.6	(0.9)	4.3
Metals	19,860	(1.8)	(19.0)	(31.9)	(28.2)	(30.3)	(50.2)	(0.8)	(12.0)	(10.1)	(8.7)
Pharmaceuticals	2,686	(4.9)	(42.1)	(45.7)	(34.4)	(30.2)	(30.4)	(3.8)	(33.8)	(15.4)	(8.7)
Property	14,359	(2.8)	(21.4)	(15.2)	(42.5)	(49.2)	(63.8)	(1.7)	(14.3)	(22.3)	(24.5)
Telecom	48,778	(2.1)	(5.9)	(10.9)	(16.3)	(26.2)	(34.3)	(1.0)	0.3	0.1	(5.3)
Technology	49,192	(2.8)	(14.5)	(19.5)	(13.5)	(21.9)	(27.6)	(1.7)	(7.7)	2.6	(1.7)
Utilities	41,385	0.1	1.9	8.1	(13.9)	(6.7)	(34.2)	1.1	7.7	2.2	11.0
Sensex sum	428,105	(1.1)	(6.3)	(4.7)	(16.5)	(19.8)	(33.2)				

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 Sadbhav Engineering	13.2	1 Vishal Retail	(17.0)
2 Sesa Goa	12.5	2 Suzlon Energy	(13.4)
3 Sintex	12.3	3 Ranbaxy Laboratories	(13.3)
4 Colgate-Palmolive (India)	9.0	4 Lanco Infratech	(12.5)
5 IVRCL	8.4	5 SREI	(11.8)
6 Cairn India	7.8	6 Wipro	(11.4)
7 Jyothy Laboratories	7.4	7 Sobha	(11.3)
8 Gateway Distriparks	7.0	8 Mphasis BFL	(9.9)
9 Oil & Natural Gas Corporation	6.9	9 IVR Prime Urban Developers	(9.9)
10 National Aluminium Co.	6.7	10 Pantaloon Retail	(9.2)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Hero Honda	23.6	1 Sobha	(78.9)
2 Sun Pharmaceuticals	21.8	2 Lanco Infratech	(75.8)
3 Hindustan unilever	16.6	3 Unitech	(75.3)
4 GlaxoSmithkline (India)	16.4	4 Housing Development & Infrastru	(74.9)
5 Lupin	13.8	5 IVR Prime Urban Developers	(73.5)
6 Nestle India	10.5	6 India Infoline	(73.4)
7 Piramal Healthcare	9.4	7 Jaiprakash Associates	(71.1)
8 Asian Paints	9.2	8 DishTV	(71.0)
9 Cipla	7.1	9 SREI	(70.6)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Indian Overseas Bank	16.7	1 Ranbaxy Laboratories	(42.1)
2 Bank of Baroda	14.9	2 SREI	(32.6)
3 Bharat Petroleum	14.5	3 Lanco Infratech	(32.0)
4 Maruti Suzuki	12.7	4 Hexaware Technologies	(31.9)
5 Hindustan Petroleum	12.4	5 Housing Development & Infrastru	(30.8)
6 Punj Lloyd	12.2	6 IVR Prime Urban Developers	(30.3)
7 Lakshmi	12.1	7 Sobha	(28.2)
8 Jindal Saw	10.3	8 Polarix Software Lab	(27.3)
9 State Bank of India	10.2	9 GVK Power	(27.0)
10 Union Bank	9.8	10 Jindal Steel and Power	(26.3)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Shriram Transport	70.2	1 Sobha	(78.1)
2 Sun Pharmaceuticals	54.2	2 Hexaware Technologies	(73.3)
3 Piramal Healthcare	45.4	3 IVR Prime Urban Developers	(71.7)
4 National Aluminium Co.	40.7	4 Radico Khaitan	(67.0)
5 LIC Housing Finance	35.5	5 Central Bank of India	(64.2)
6 Cipla	34.5	6 Unitech	(63.8)
7 Lakshmi	32.5	7 Puravankara Projects	(62.9)
8 Nestle India	30.5	8 United Breweries	(62.9)
9 Jindal Steel and Power	28.5	9 Shree Cement	(62.1)
10 Castrol India	25.4	10 Phoenix Mills	(61.3)

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
Reliance Power	348.4
Mahindra Life Space Developer	313.8
Tata Communications	256.5
Phoenix Mills	255.1
HDFC	198.2
Cairn India	184.6

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

Company	Discount to sector
Central Bank of India	66.9
Jyothy Laboratories	64.1
Biocon	61.9
LANCO	59.9
Maharashtra Seamless	59.7
LIC Housing Finance	57.6

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

Lowest 1 year rolling forward P/E (X)

Company	Lowest P/E
Central Bank of India	3.9
Tata Steel	4.3
JSW Steel	4.6
PSL	4.6
GE Shipping	5.0
LIC Housing Finance	5.0
Sesa	5.1
Andhra Bank	5.3
Indian Bank	5.5
Corporation Bank	5.5
Oriental Bank of Commerce	5.8

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

Highest 1 year forward P/E (X)

Company	Highest P/E
Reliance Power	70.9
Educomp Solutions	43.5
United Breweries	38.0
Tata Communications	35.2
ABB	26.3
Nestle India	25.7
Tata Power	25.7
United Spirits	25.3
Hindustan Unilever	24.9
Asian Paints	24.8
Titan Industries	24.6

Note:

(a) Historical figures are generated since May 2000.

Source: Bloomberg, Kotak Institutional Equities

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
Sun Pharmaceuticals	10.8
Asian Paints	13.7
Oil & Natural Gas Corporation	29.1
HDFC	29.4
ITC	30.3
Nestle India	30.5
HDFC Bank	30.6
GE Shipping	31.7
Shriram Transport	32.0
Dishman Pharma & Chemicals	32.2
Tata Power	32.3
Punjab National Bank	32.3
NTPC	32.5
Bank of India	33.9
GAIL (India)	33.9

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
Mahindra Life Space Developer	239.2
Cairn India	216.2
Puravankara Projects	213.0
Phoenix Mills	186.4
Tata Communications	177.5
Jindal Steel and Power	167.5

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

Company	Sector discount
Patni Computer Systems	27.3
Dredging Corporation	30.3
Tata Tea	30.7
Bharat Electronics	30.9
Polaris Software Lab	34.7
CESC	35.0

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

Highest 1 year rolling forward EV/EBITDA (X)

Company	Highest EV/EBITDA
Reliance Infrastructure	25.7
Tata Power	21.0
Hindustan Unilever	18.7
Aditya Birla Nuvo	17.5
Educomp Solutions	17.2
Nestle India	15.8
Mahindra Life Space Developer	15.6

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
Patni Computer Systems	2.2
Polaris Software Lab	2.8
Hindustan Petroleum	2.8
Sesa	2.8
Oil & Natural Gas Corporation	3.2
Bharat Petroleum	3.2
Dredging Corporation	3.2

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)	
Nestle India	179,535	263	(5.8)
Cadila Healthcare	147,737	251	0.0
PSL	146,059	245	(20.7)
Sesa	33,189,030	234	(24.2)
Divi's Laboratories	542,490	194	(5.7)
CESC	726,959	177	(16.8)

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

Company	5-day average volumes	Price Change (%)	
		% decrease (1 month basis)	
United Breweries	8,073	(89)	(21.0)
HT Media	17,743	(85)	(5.0)
Container Corporation	17,420	(77)	(1.0)
Jagran Prakashan	51,234	(70)	(0.4)
Puravankara Projects	48,587	(68)	(14.5)
Polaris Software Lab	659,659	(66)	(27.3)

Date	Sensex	Avg daily value traded (US\$ mn)	Institutional participation in total turnover	
			FII%	MF%
Sep-07	17,291	4,703	16.0	4.2
Oct-07	19,724	7,118	18.4	3.6
Nov-07	19,003	6,771	16.0	3.0
Dec-07	20,217	6,802	14.3	3.1
Jan-08	17,649	6,695	18.4	4.6
Feb-08	17,579	4,631	17.8	4.2
Mar-08	15,833	4,955	19.6	4.4
Apr-08	17,287	6,176	16.3	3.2
May-08	16,416	4,903	15.7	3.2
Jun-08	14,422	4,433	17.8	3.5
Jul-08	14,355	4,497	15.6	3.9
Aug-08	14,565	4,107	14.3	3.3
Sep-08	13,547	4,302	18.1	3.4

Source: Bloomberg, Kotak Institutional Equities

Earnings momentum

- Upgrades/downgrades in Earnings
- Top changes in target prices in the past month
- Changes in ratings in the past month

Changes in earnings estimates

Changes in earnings estimates in the past one month

FY2009 earnings upgrades (KIE) (1 month)

	Company	% Change
1	Central Bank of India	18.1
2	Oriental Bank of Commerce	16.4
3	Union Bank	13.3
4	Federal Bank	12.7
5	Canara Bank	10.8
6	Indian Bank	9.0
7	ICICI Bank	9.0
8	Reliance Industries	8.6
9	Bank of Baroda	8.0
10	Andhra Bank	7.9

FY2010 earnings upgrades (KIE) (1 month)

	Company	% Change
1	Hero Honda	5.6
2	Central Bank of India	5.4
3	Cairn India	4.6
4	J&K Bank	3.4
5	Hindustan Unilever	1.7
6	Oriental Bank of Commerce	0.6
7	ICICI Bank	0.4
8	Union Bank	0.4
9	Canara Bank	0.4
10	Indian Bank	0.4

FY2009 earnings downgrades (KIE) (1 month)

	Company	% Change
1	Ranbaxy Laboratories	(15.2)
2	Sterlite Industries	(9.7)
3	Jagran Prakashan	(5.6)
4	Aban Offshore	(3.1)
5	Zee Entertainment Enterprises	(2.9)
6	Larsen & Toubro	(1.7)
7	Welspun Gujarat Stahl Rohren	(1.0)
8	Reliance Infrastructure	(0.7)
9	Hindustan Unilever	(0.7)

FY2010 earnings downgrades (KIE) (1 month)

	Company	% Change
1	Ranbaxy Laboratories	(14.8)
2	Reliance Petroleum	(11.3)
3	Reliance Industries	(7.9)
4	Zee Entertainment Enterprises	(7.3)
5	Welspun Gujarat Stahl Rohren	(6.2)
6	Larsen & Toubro	(1.9)
7	Maharashtra Seamless	(1.7)
8	Oil & Natural Gas Corporation	(1.3)
9	Sterlite Industries	(1.3)
10	Aban Offshore	(1.2)

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	Sterlite Industries	17.4	540	460
2	Canara Bank	10.5	210	190
3	Cairn India	6.5	245	230
4	Oil & Natural Gas Corporation	6.1	1,300	1,225
5	Hero Honda	5.3	790	750

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	ICICI Bank	(25.3)	650	870
2	Central Bank of India	(21.4)	55	70
3	IDFC	(20.0)	100	125
4	Ranbaxy Laboratories	(19.2)	420	520
5	Pantaloon Retail	(13.0)	400	460
6	Reliance Petroleum	(11.8)	150	170
7	Larsen & Toubro	(11.1)	3,200	3,600
8	Maharashtra Seamless	(10.3)	350	390
9	Zee Entertainment Enterprises	(7.7)	240	260

Source: Kotak Institutional Equities

Changes in our ratings

Changes in ratings over the past 1 month

Company name		Rating	
		Current	Previous
Aban offshore	Upgraded	ADD	REDUCE
Cairn India	Upgraded	ADD	SELL
Sterlite Industries	Upgraded	REDUCE	SELL
IDFC	Upgraded	ADD	REDUCE
Glenmark Pharmaceuticals	Upgraded	BUY	ADD
Hindustan unilever	Upgraded	ADD	REDUCE

Source:Kotak Institutional Equities

Flows

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

Trend in equity flows

Net investments by mutual funds and FIIs 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	(8,975)	2,841
Jan	(4,271)	1,848
Feb	1,211	125
Mar	31	(459)
Apr	315	(6)
May	(1,158)	(83)
June	(2,622)	775
July	(251)	345
August	(512)	(90)
September	(1,717)	385

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

	Index Futures	Stock Futures
CY2004	(91)	(796)
CY2005	(676)	(668)
CY 2006	345	(3,690)
CY2007	(772)	(11,600)
CY2008	3,243	276
Jan	(573)	1,566
Feb	563	334
Mar	1,122	394
Apr	1,162	(26)
May	(755)	(384)
June	(1,011)	236
July	2,292	(310)
August	168	(1,044)
September	275	(491)

Source: Bloomberg, Kotak Institutional Equities

FII flows in other emerging markets

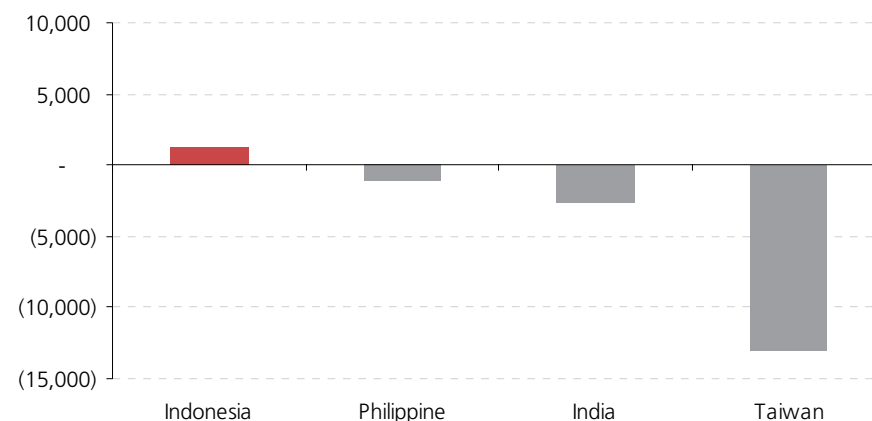
FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
26-Aug-08	(92)	(3)	(7)	(11)	(125)
27-Aug-08	253	3	(5)	(26)	69
28-Aug-08	(78)	23	(9)	0	36
29-Aug-08	(172)	51	4	(26)	(64)
1-Sep-08	(442)	2	(4)	(15)	(43)
2-Sep-08	(412)	(40)	(5)	(99)	332
4-Sep-08	(256)	(17)	(3)	(78)	(99)
5-Sep-08	(486)	(21)	(14)	(63)	(431)
8-Sep-08	(2)	30	(11)	(36)	188
9-Sep-08	(94)	(27)	(0)	(27)	(46)
10-Sep-08	(402)	308	(10)	(29)	(216)
11-Sep-08	(360)	5	(10)	(51)	(350)
12-Sep-08	(110)	(66)	(16)	(54)	(212)
15-Sep-08	(195)	9	(18)	(9)	(156)
16-Sep-08	92	35	(21)	(63)	(308)
17-Sep-08	(69)	(1)	(21)	(63)	(331)
18-Sep-08	(122)	(12)	(6)	(33)	(148)
19-Sep-08	320	85	(12)	41	290
22-Sep-08	279	38	4	(1)	28
23-Sep-08	-	(6)	(8)	-	(215)
Total	(2,349)	394	(170)	(642)	(1,801)

Source: Bloomberg

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



IPO analysis

Market performance since IPO/ Follow on offering

Name	Shares (mn)	Price (Rs)	Value (Rs mn)	Date of Listing	Price		Performance (%)	
					Day 1	Latest	Day 1	Since Listing
Austral Coke & Projects Ltd	7	196	1,423	04-Sep-08	226	208	15	6
Resurgere Mines & Minerals	4	272	1,210	01-Sep-08	534	400	96	47
Nu Tek India Ltd	5	192	864	27-Aug-08	199	199	4	4
Resurgere Mines & Minerals	4	272	1,210	01-Sep-08	534	149	96	(45)
Nu Tek India Ltd	5	192	864	27-Aug-08	199	129	4	(33)
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	14	26	(54)
Vishal Inforamtion Technologies	3	150	419	29-Jul-08	195	345	30	130
Onmobile Global Ltd	11	450	4,905	19-Feb-08	522	509	16	13
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	60	(14)	(67)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	82	2	(39)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	82	(14)	(32)
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	18	17	(60)
Reliance Power Ltd	260	450	117,000	11-Feb-08	373	165	(17)	(63)
Future Capital Holding	6	765	4,913	31-Jan-08	908	306	19	(60)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	59	(8)	(61)
Porwal Auto Components	5	75	375	14-Jan-08	80	14	6	(82)
Aries Agro Limited	5	130	585	11-Jan-08	252	99	94	(24)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	56	5	(65)
BGR	9	480	4,385	03-Jan-08	901	266	88	(45)
Burnpur Cement	22	12	263	03-Jan-08	46	14	286	18
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	270	57	(42)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	106	(3)	(73)
Eclerx Services	3	315	1,010	31-Dec-07	448	146	42	(54)
Jyothy Lab	4	690	3,057	19-Dec-07	793	410	15	(41)
Kaushalya Infra	9	60	510	14-Dec-07	82	20	37	(67)
Empee Distilleries	5	400	1,920	26-Nov-07	318	93	(21)	(77)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	440	119	(0)
Edelweiss Capital ltd	8	825	6,918	12-Dec-07	1,510	447	83	(46)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	39	10	(74)
Kolte Patil	19	145	2,755	13-Dec-07	181	51	25	(65)
Maytas Infra	9	370	3,275	25-Oct-07	614	505	66	36
Consolidated Construction	4	510	1,887	15-Oct-07	791	500	55	(2)
Religare Enterprises	76	185	1,402	21-Nov-07	521	381	182	106
Supreme Infrastructure	35	108	375	18-Oct-07	175	64	62	(41)
Dhanus Technologies	38	295	1,131	17-Oct-07	311	137	5	(54)
Koutons Retail	35	415	1,462	12-Oct-07	590	721	42	74
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	90	92	74
Magnum Ventures	176	30	529	20-Sep-07	49	12	62	(60)
Indowind Energy	125	65	813	14-Sep-07	115	51	76	(22)
Motilal Oswal Financial	30	825	2,461	11-Sep-07	977	104	18	(87)
Puravankara Projects	215	400	8,587	30-Aug-07	362	162	(10)	(60)
KPR Mill	59	225	1,330	28-Aug-07	174	85	(23)	(62)
TakeSolutions	21	730	1,533	27-Aug-07	926	54	27	(93)
Central Bank of India	800	102	8,160	21-Aug-07	115	52	13	(49)

Source: Bloomberg and Kotak Institutional Equities

Forthcoming IPO/Follow on offerings

Company Name	Issue
ADANI POWER LTD.	IPO
FUTURE VENTURES INDIA LTD.	IPO
BHARAT OMAN REFINERIES LTD.	IPO
NHPC LTD.	IPO
OIL INDIA LTD.	IPO
D.B.CORP.LTD.	IPO
GODREJ PROPERTIES LTD.	IPO
PIPAVAV SHIPYARD LTD.	IPO
RAMKY INFRASTRUCTURE LTD.	IPO
ASHOKA BUILDCON LTD.	IPO
AJANTA MANUFACTURING LTD.	IPO
C.MAHENDRA EXPORTS LTD.	IPO
TRIVENI INFRASTRUCTURE DEVELOPMENT CO.LTD.	IPO
APOLLO HEALTH STREET LTD.	IPO
MICROSEC FINANCIAL SERVICES LTD.	IPO
PNC INFRA TECH LTD.	IPO
JINDAL COTEX LTD.	IPO
PERSISTENT SYSTEMS LTD.	IPO
VRL LOGISTICS LTD.	IPO
EURO MULTIVISION LTD.	IPO
RADIANT INFO SYSTEMS LTD.	IPO
ARSS INFRASTRUCTURE PROJECTS LTD.	IPO
MANDHANA INDUSTRIES LTD.	IPO
EXCEL INFOWAYS LTD.	IPO
RAJ OIL MILLS LTD.	IPO
CHIRIPAL INDUSTRIES LTD.	IPO
INFINITE COMPUTER SOLUTIONS (INDIA) LTD.	IPO
GEMINI ENGI-FAB LTD.	IPO
SYNCOM HEALTHCARE LTD.	IPO
TRINITY INDIA LTD.	IPO
ASTEC LIFESCIENCES LTD.	IPO
ALKALI METALS LTD.	IPO
GINI & JONY LTD.	IPO
NEOTERIC INFORMATIQUE LTD.	IPO
SEA TV NETWORK LTD.	IPO
RISHABHDEV TECHNOCABLE LTD.	FPO
EDSERV SOFTSYSTEMS LTD.	IPO
FINEOTEX CHEMICAL LTD.	IPO

Source: Primedatabase

Bulk Deals

Major bulk/block deals

Date	Security Name	Buy/Sell	Quantity	Price	Value		Exchange
					(Rs mn)		
17-Sep	United Spirits	BUY	2,550,734	1,328	3,387		BSE
17-Sep	United Spirits	SELL	2,550,734	1,328	3,387		BSE
18-Sep	Suzlon Energy Limited	BUY	15,551,945	195	3,036		NSE
24-Sep	Divi'S Laboratories Limit	BUY	2,160,000	1,397	3,018		NSE
24-Sep	Divi'S Laboratories Limit	SELL	2,160,000	1,397	3,018		NSE
18-Sep	Reliance Capital Limited	BUY	2,792,887	1,057	2,953		NSE
19-Sep	Tata Power Co. Ltd.	BUY	3,001,597	978	2,934		NSE
19-Sep	Tata Power Co. Ltd.	SELL	3,000,000	978	2,933		NSE
18-Sep	Reliance Capital Limited	SELL	2,737,427	1,058	2,895		NSE
18-Sep	Suzlon Energy Limited	SELL	13,029,945	194	2,528		NSE
17-Sep	Educomp Soln	BUY	638,201	3,357	2,143		BSE
17-Sep	Pantal Retai	BUY	5,746,880	359	2,063		BSE
17-Sep	Pantal Retai	SELL	5,746,880	359	2,063		BSE
19-Sep	Reliance Capital Limited	BUY	1,362,423	1,228	1,673		NSE
17-Sep	Educomp Solutions Limited	SELL	393,411	3,355	1,320		BSE
19-Sep	Educomp Solutions Limited	SELL	342,664	3,469	1,189		NSE
18-Sep	Jai Corp Limited	BUY	4,415,770	262	1,155		NSE
18-Sep	Jai Corp Limited	SELL	4,415,770	262	1,155		NSE
19-Sep	Educomp Solutions Limited	BUY	320,294	3,473	1,112		NSE
19-Sep	Jaiprakash Associates Lim	SELL	8,160,000	132	1,079		NSE
17-Sep	Jindal Saw	BUY	1,771,849	590	1,045		BSE
17-Sep	Jindal Saw	SELL	1,771,849	590	1,045		BSE
18-Sep	Jaiprakash Associates Lim	SELL	8,055,110	124	1,000		NSE
24-Sep	Prakash Industries Ltd.	BUY	5,939,932	122	722		NSE
24-Sep	Prakash Industries Ltd.	SELL	5,939,902	122	722		NSE
17-Sep	S. Kumars Nat	SELL	13,194,126	55	721		BSE
17-Sep	Lakshmi Over	SELL	2,566,183	275	706		BSE
19-Sep	Cesc Ltd.	SELL	2,034,484	286	581		NSE
19-Sep	Cesc Ltd.	BUY	2,034,484	286	581		NSE
24-Sep	Jindal Saw Limited	BUY	900,434	609	548		NSE
24-Sep	Jindal Saw Limited	SELL	900,434	609	548		NSE
17-Sep	K S Oils Ltd	SELL	9,100,428	55	502		BSE
17-Sep	Rolta Ind	SELL	1,989,898	250	496		BSE
17-Sep	Advanta	BUY	745,200	663	494		BSE

Source: BSE, NSE

Delivery positions

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Aditya Birla Nuvo Limited	29	84
Jammu & Kashmir Bank Ltd	51	99
Phoenix Mills Limited	53	99
Tata Power Co Ltd	42	84
Hindalco Industries Limited	40	80
CESC Limited	62	97
Tata Consultancy Svs Ltd	35	66
Glaxosmithkline Consumer Hea	70	98
Mahanagar Telephone Nigam	43	58

Decrease in delivery % (KIE universe)

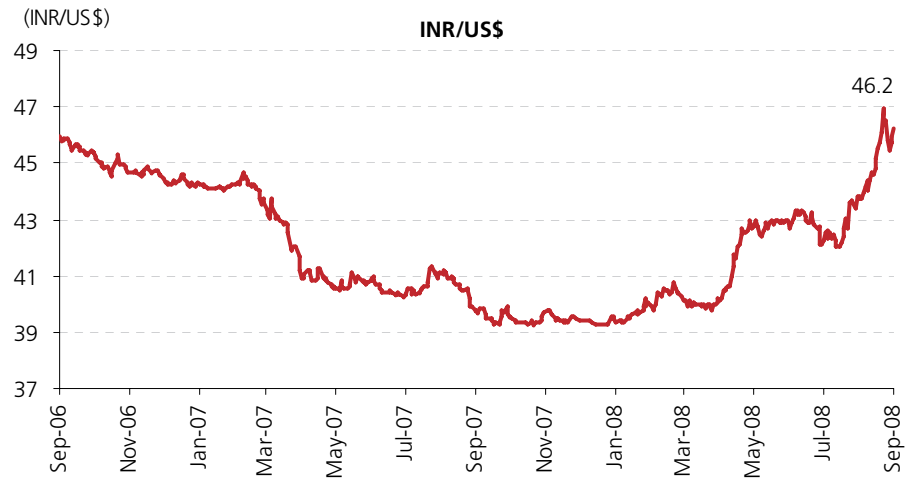
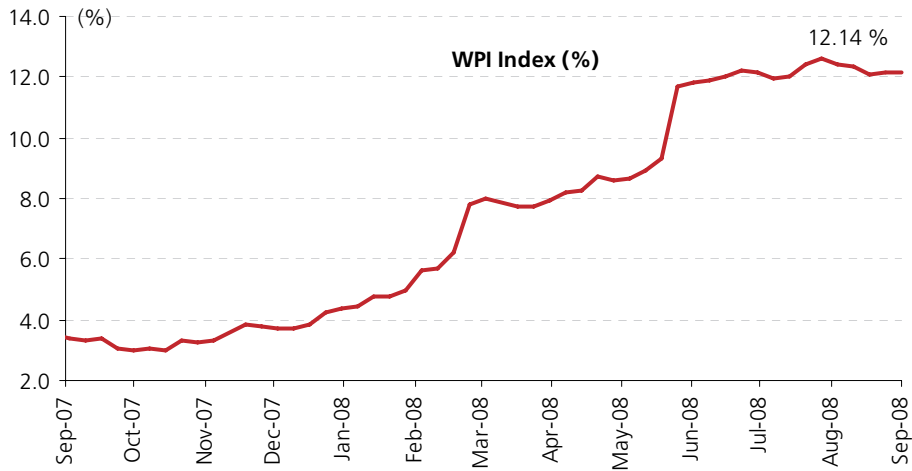
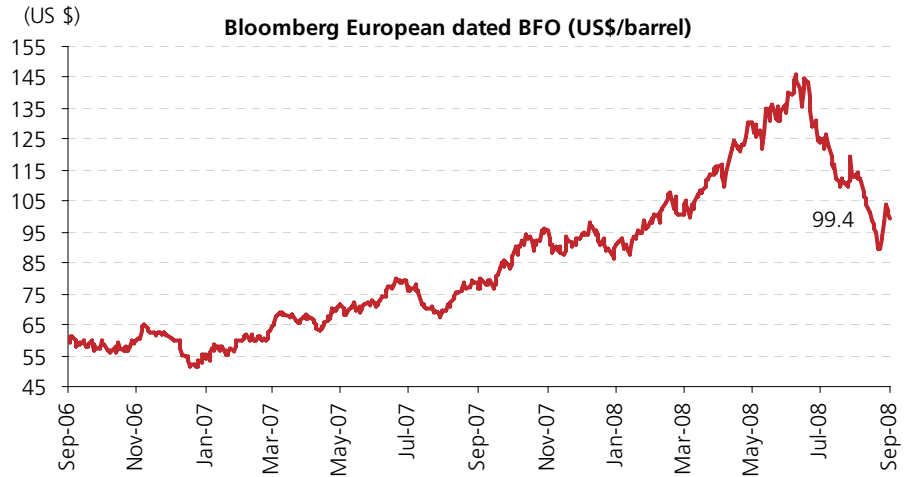
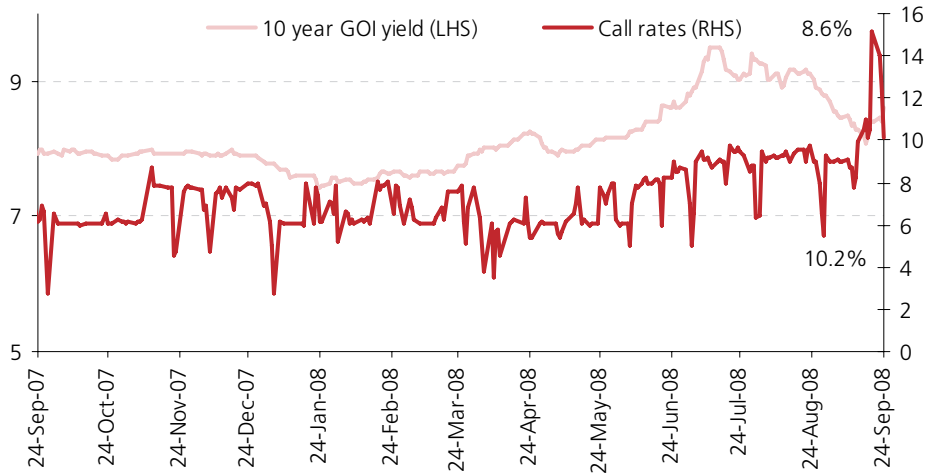
Name	Delivery %	
	Previous week	Current week
Irb Infrastructure Developer	97	40
Sadbhav Engineering Ltd	88	38
Mindtree Limited	69	30
Nagarjuna Construction Co	56	26
Aventis Pharma Ltd	86	60
Piramal Healthcare Limited	86	64
Shree Cement Limited	95	73
Indian Oil Corporation Ltd	78	57
Glaxosmithkline Pharmaceutic	85	65

Source: Bloomberg and Kotak Institutional Equities

Economic indicators

Economic indicators

Key economic parameters



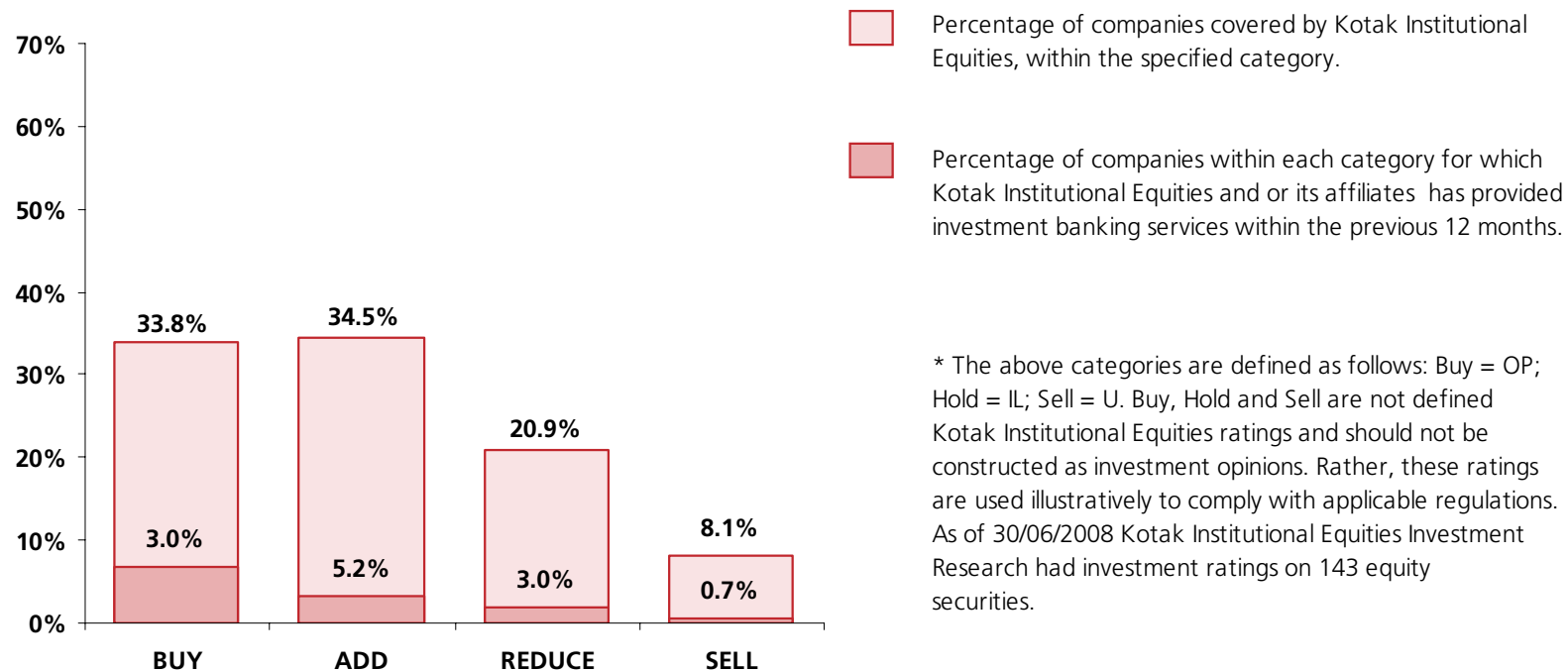
Source: Bloomberg and Kotak Institutional Equities

Kotak valuation summary

Disclosures

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities

As of June 30, 2008

Kotak Securities company-specific disclosures

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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.

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