

March 27, 2009

India Strategy Friday Flash

BSE-30: 10,003

India

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Kotak Institutional Equities Research

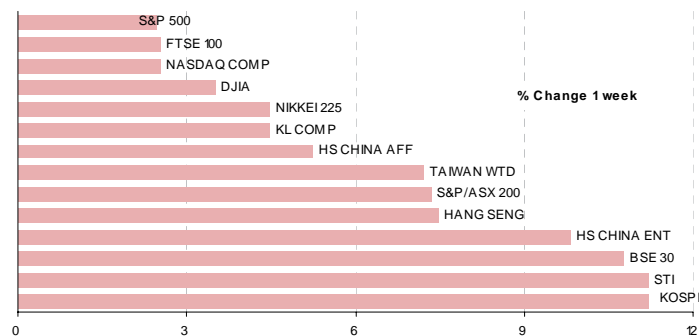
Important disclosures appear at the back of this report.

Shift in the wind—Index clambers back into five digits. During the past week, the BSE-30 Index gained 1,001 points (11%) to close at 10,003. The gains were largely led by (1) a rally in global markets and (2) positive flows from foreign and domestic institutions. FIIs and MFs cumulatively invested US\$523 mn in Indian equities during the past five trading sessions. Reliance Industries, HDFC and HDFC Bank were the largest gainers in the Index, together contributing 400 points to the rise. We expect BSE-30 Index FY2010E earnings to grow 3% and ex-energy to decline 2.6%.

Market highlights for the week ending Thursday, March 26, 2009

- Largest gainers: Unitech (35%), Punjab National Bank (21%), HDFC (19%)
- Largest losers: Mindtree (-21%), Jyothy Laboratories (-10%), Hexaware Technologies (-10%)

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)						
18-Mar-09	180	2	(4)	8	88	274
19-Mar-09	23	11	(4)	7	39	76
20-Mar-09	(29)	11	0	2	12	(3)
23-Mar-09	129	27	(6)	35	78	263
24-Mar-09	119	40	(0)	37	173	369
Total	422	91	(15)	90	391	979

Source: Bloomberg

Our top recommendations

Kotak Institutional Equities, Top-10, March fiscal year-ends, 2008-10E

Companies	Sector	Rating	Mkt cap.	CMP	Target	EPS (Rs)			P/E (X)			EV/EBDITA (X)		
			(US\$ mn)	(Rs)	(Rs)	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E
State Bank of India	Banking	BUY	13,678	1,096	1,600	106.6	135.3	125.5	10.3	8.1	8.7	—	—	—
Jindal Steel and Power	Metals	BUY	3,753	1,233	1,400	82.7	179.7	171.6	14.9	6.9	7.2	11.4	5.0	4.8
Sterlite Industries	Metals	BUY	5,129	366	400	64.3	48.0	46.6	5.7	7.6	7.9	2.3	3.9	3.9
Cairn India	Energy	BUY	7,051	191	225	(0.1)	4.2	4.4	0.0	45.3	43.1	44.0	26.3	19.4
HDFC Bank	Banking	BUY	8,314	993	1,250	46.0	53.5	65.6	21.6	18.6	15.1	—	—	—
Tata Power	Utilities	BUY	3,439	781	1,000	31.8	65.2	99.1	24.5	12.0	7.9	11.8	9.1	8.1
Wipro	Technology	ADD	7,386	256	280	22.2	25.3	26.9	11.5	10.1	9.5	9.2	7.1	6.1
Oil & Natural Gas Corporation	Energy	ADD	34,155	808	900	92.7	103.9	103.9	8.7	7.8	7.8	3.2	2.8	2.5
Sun Pharmaceuticals	Pharmaceuticals	BUY	4,398	1,074	1,800	74.7	86.8	85.7	14.4	12.4	12.5	12.0	9.4	8.7
ITC	Consumer products	ADD	13,793	185	200	8.3	8.7	9.8	22.4	21.4	18.9	14.3	13.1	11.7
BSE-30				10,003										

Source: Company, Bloomberg, Kotak Institutional Equities estimates.

Our model portfolio

Kotak Institutional Equities Model Portfolio

Company	26-Mar		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Mahindra & Mahindra	379	ADD	1.1	—	(108)
Maruti Suzuki	734	ADD	1.6	—	(156)
Tata Motors	160	SELL	0.9	—	(85)
Automobiles			3.5	—	(349)
Punjab National Bank	414	BUY	—	1.5	150
State Bank of India	1,050	BUY	4.4	6.9	250
Union Bank	145	BUY	—	1.5	150
PSU Banking			4.4	9.9	550
HDFC	1,594	REDUCE	5.7	1.7	(400)
HDFC Bank	972	BUY	4.8	6.8	200
ICICI Bank	366	ADD	6.0	6.0	—
Rural Electrification Corp.	94	BUY	—	1.0	100
Pvt. Banking/Financing			16.5	15.5	(100)
ACC	563	REDUCE	0.9	—	(86)
Grasim Industries	1,549	ADD	1.6	—	(157)
Jaiprakash Associates	85	BUY	1.0	2.0	100
Cement			3.5	2.0	(142)
Hindustan Unilever	235	REDUCE	3.8	1.8	(200)
ITC	178	ADD	6.9	8.4	150
Consumers			10.7	10.2	(50)
Cairn India	191	BUY	—	4.0	400
Oil & Natural Gas Corporation	764	ADD	4.8	6.3	150
Reliance Industries	1,532	ADD	15.5	9.8	(572)
Energy			20.3	20.1	(22)
Bharat Heavy Electricals	1,482	ADD	3.7	3.7	—

Note:

1. Weights are with respect to March 25, 2009 prices.

Source: Bloomberg, BSE, Kotak Institutional Equities.

Company	26-Mar		Weightage (%)		Diff. (bps)
	Price (Rs)	Rating	BSE-30	KS reco.	
Larsen & Toubro	624	REDUCE	4.9	1.9	(300)
Industrials			8.6	5.6	(300)
Hindalco Industries	50	ADD	0.9	—	(90)
Jindal Steel and Power	1,233	BUY	—	4.0	400
Sterlite Industries	347	BUY	1.4	2.9	150
Tata Steel	195	BUY	1.6	2.6	100
Metals			4.0	9.6	560
Glenmark Pharmaceuticals	148	BUY	—	1.0	100
Ranbaxy Laboratories	163	ADD	0.4	—	(40)
Sun Pharmaceuticals	1,074	BUY	1.3	3.3	200
Pharmaceuticals			1.7	4.3	260
DLF	176	REDUCE	0.7	—	(66)
Real estate			0.7	—	(66)
Infosys Technologies	1,339	BUY	9.6	9.6	—
TCS	526	REDUCE	1.9	—	(189)
Wipro	243	ADD	1.0	3.0	200
Technology			12.5	12.6	11
Bharti Airtel Limited	591	BUY	5.8	3.8	(200)
Reliance Communications	169	SELL	1.8	—	(179)
Telecom			7.6	3.8	(379)
NTPC	177	REDUCE	3.2	—	(322)
Reliance Infrastructure	538	BUY	1.2	1.2	—
Tata Power	781	BUY	1.7	5.2	350
Utilities			6.1	6.4	28
BSE-30	10,003		100.0	100.0	—

Sensex valuation summary

Valuation summary of BSE-30 sectors, March fiscal year-ends, 2008-10E

	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	8,098	32.0	6.0	(38.2)	20.1	8.9	14.4	12.0	5.3	8.8	6.8	1.9	1.5	2.4	0.9	21.6	10.3
Banking	38,662	14.2	43.9	12.5	0.1	13.4	11.9	11.9	—	—	—	1.8	1.6	1.8	1.8	13.3	13.4
Cement	4,867	97.6	25.7	(19.1)	(21.2)	6.6	8.2	10.4	3.9	4.5	5.1	1.9	1.6	2.9	2.9	28.0	19.2
Consumers	23,527	19.8	14.9	7.6	14.4	25.0	23.2	20.3	17.2	14.7	12.8	8.7	7.7	3.0	2.7	34.8	33.4
Diversified	2,323	172.9	20.7	22.7	33.4	19.8	16.1	12.1	11.5	10.4	8.9	2.4	2.1	—	—	12.2	13.0
Energy	74,755	25.8	13.9	7.6	17.7	11.2	10.4	8.9	5.4	5.0	3.9	2.0	1.7	2.2	2.4	18.2	16.0
Industrials	22,349	48.8	23.7	18.9	26.0	22.8	19.2	15.2	13.3	10.9	8.8	5.1	4.0	1.1	1.1	22.4	20.8
Metals	10,031	590.7	13.2	17.3	(46.3)	3.9	3.4	6.2	3.6	3.3	4.3	0.6	0.5	2.3	2.0	16.2	14.5
Pharmaceuticals	5,558	59.9	82.1	(37.8)	47.6	12.2	19.7	13.3	9.7	13.8	7.9	3.5	2.4	1.9	2.3	28.8	12.4
Property	5,797	913.2	304.9	(35.0)	(24.4)	3.8	5.9	7.8	4.0	6.7	7.8	1.5	1.2	2.3	2.3	39.9	20.9
Technology	33,006	44.7	19.1	15.5	9.0	13.4	11.6	10.6	9.6	8.1	6.8	4.4	3.5	2.4	2.2	32.7	30.5
Telecom	29,517	182.9	74.9	16.5	(4.4)	12.1	10.4	10.8	8.2	6.9	6.5	3.0	2.3	0.3	0.6	24.6	22.6
Utilities	34,691	32.1	9.9	13.5	18.5	19.4	17.1	14.4	10.3	10.1	9.7	2.3	2.1	1.8	1.8	11.7	12.2
BSE-30 Index	293,182	54.5	28.8	5.8	3.0	12.0	11.3	11.0	6.9	6.6	6.1	2.3	1.9	1.9	1.9	19.3	16.8
BSE-30 ex-Energy	218,427	72.1	35.5	5.2	(2.6)	12.3	11.7	12.0	7.6	7.5	7.3	2.4	2.0	1.8	1.7	19.7	17.2
BSE-30 ex-Energy, Com.	203,529	46.9	40.9	4.3	6.7	14.0	13.5	12.6	9.4	9.1	8.1	2.8	2.4	1.8	1.7	20.1	17.8
BSE-30 ex-Technology	260,176	55.8	30.0	4.8	2.3	11.8	11.3	11.1	6.7	6.5	6.0	2.2	1.8	1.8	1.9	18.4	16.0

Note:

(1) EV/EBITDA excludes banks.

Source: Company reports, Kotak Institutional Equities estimates

Nifty valuation summary

Valuation summary of Nifty sectors, March fiscal year-ends, 2008-10E

	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	12,378	22.2	7.1	(26.7)	22.0	11.0	15.1	12.3	6.3	8.9	6.9	2.5	1.9	2.2	1.3	22.8	12.9
Banking	42,228	13.2	42.5	16.0	(0.2)	12.6	10.9	10.9	—	—	—	1.8	1.6	1.9	1.9	13.9	14.3
Consumers	24,124	19.8	14.9	7.6	14.4	25.0	23.2	20.3	17.2	14.7	12.8	8.7	7.7	3.0	2.7	34.8	33.4
Cement	7,086	89.5	14.7	(14.6)	(21.9)	7.2	8.4	10.8	4.1	4.6	5.2	1.9	1.6	3.1	3.3	26.6	19.1
Energy	100,504	29.7	11.6	5.0	29.1	13.1	12.5	9.7	6.5	6.1	4.7	2.0	1.6	1.9	2.0	14.9	13.2
Industrials	27,700	41.6	26.7	13.1	14.4	19.4	17.2	15.0	11.1	9.9	8.6	4.0	3.2	1.1	1.1	20.5	18.6
Metals	13,267	336.0	5.7	13.0	(46.4)	4.5	4.0	7.5	3.7	3.5	4.5	0.7	0.6	2.4	1.9	16.3	14.3
Media	908	11.2	62.6	(7.5)	13.7	11.9	12.9	11.3	8.9	7.6	7.0	1.6	1.4	1.9	2.2	13.1	10.7
Property	7,116	1,062.5	193.8	(34.7)	(23.7)	3.8	5.8	7.6	4.3	6.8	7.9	1.5	1.2	2.0	1.9	41.0	21.3
Pharmaceuticals	8,904	38.5	55.8	(27.3)	48.7	14.7	20.3	13.6	11.4	14.4	8.9	3.8	2.8	1.5	1.9	25.6	13.8
Telecom	36,564	(149.5)	70.2	14.2	(4.9)	13.2	11.5	12.1	8.7	7.1	6.7	3.0	2.2	0.4	0.6	22.7	18.7
Technology	35,237	47.3	15.2	15.6	7.0	12.9	11.1	10.4	9.1	7.8	6.6	4.0	3.2	2.6	2.6	31.4	29.1
Utilities	40,596	32.1	10.9	15.9	20.4	21.9	18.9	15.7	11.0	11.0	11.3	2.2	2.1	1.6	1.6	10.1	10.8
NIFTY	356,610	53.6	25.4	4.9	5.4	12.6	12.0	11.3	7.2	7.3	6.6	2.2	1.9	1.8	1.8	17.9	15.6
NIFTY ex-Energy	256,107	67.1	31.5	4.9	(3.3)	12.4	11.8	12.2	7.6	8.0	7.9	2.4	2.0	1.8	1.8	19.3	16.7
NIFTY ex-Energy ex Com	242,840	47.6	37.0	3.6	4.4	13.7	13.2	12.6	8.9	9.5	8.6	2.7	2.3	1.8	1.8	19.9	17.2

Note:

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

Source: Company reports, Kotak Institutional Equities estimates

Regional valuation summary

Valuation summary of regional indices, Calendar year-ends, 2008-10E

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

	Index	Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Brazil	MSCI BRAZIL	0.4	3.6	11.0	8.8	8.5	7.7	2.5	0.8
China	VB/E/S CHINA	2.1	8.1	18.4	16.1	14.8	12.1	2.0	0.8
Hong Kong	VB/E/S HONG KONG	(23.3)	(1.0)	12.8	10.4	10.6	9.5	NA	0.8
India	MSCI INDIA	(4.1)	3.8	15.7	11.0	10.6	9.2	2.9	0.7
Korea	MSCI KOREA	(32.7)	(2.0)	48.5	13.2	13.2	8.9	NA	0.3
Malaysia	MSCI MALAYSIA	(14.6)	(16.8)	10.4	10.3	12.4	11.2	NA	1.2
Mexico	MSCI MEXICO	15.1	(10.8)	14.0	7.9	8.9	7.5	NA	0.6
Russia	MSCI RUSSIA	11.4	(36.9)	26.4	3.2	5.2	4.1	NA	0.2
Taiwan	MSCI TAIWAN	(54.0)	(56.6)	208.6	17.5	42.8	14.5	NA	0.2
Thailand	MSCI THAILAND	56.6	4.9	15.4	8.7	8.3	7.2	1.8	0.5
Asia - Emerging markets	MSCI EM ASIA	(22.8)	(8.5)	35.5	12.2	13.4	9.8	(1.4)	0.4

Source: Thomson Datastream

Valuation summary of BRICs sectors (1)

Valuation summary of BRICs sectors, Calendar year-ends, 2008-10E

Index		Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Banking									
Brazil	MSCI Brazil Banks Industry Group	(5.6)	15.1	16.6	9.0	7.9	6.7	0.6	0.5
Russia	MSCI Russia Banks Industry Group	(4.5)	(59.3)	62.3	2.8	6.9	4.2	NA	0.1
India	MSCI India Banks Industry Group	9.1	13.0	16.9	11.6	10.2	8.8	0.9	0.6
China	MSCI China Banks Industry Group	38.6	(5.2)	13.8	8.6	9.1	8.0	NA	0.7
Consumers									
Brazil	MSCI Brazil Consumer Discretionary Sector	12.6	67.1	33.6	16.3	9.8	7.3	0.2	0.3
Russia	MSCI Russia Consumer Staples Sector	(8.1)	(23.0)	46.5	8.7	11.3	7.7	NA	0.2
India	MSCI India Consumer Discretionary Sector	(18.3)	16.2	17.3	12.3	10.6	9.0	0.8	0.6
China	MSCI China Consumer Discretionary Sector	1.7	(0.8)	13.8	10.0	10.1	8.9	NA	0.7
Energy									
Brazil	MSCI Brazil Energy Sector	63.2	(22.1)	(16.7)	8.1	10.4	12.4	NA	NA
Russia	MSCI Russia Energy Sector	21.7	(37.3)	18.1	3.0	4.8	4.0	NA	0.3
India	MSCI India Energy Sector	(7.6)	26.9	25.0	12.6	9.9	7.9	0.5	0.4
China	MSCI China Energy Sector	0.1	(16.3)	26.3	7.5	9.0	7.1	NA	0.3
Industrials									
Brazil	MSCI Brazil Industrials Sector	10.8	57.9	31.5	12.1	7.7	8.5	0.2	0.2
India	MSCI India Industrials Sector	(22.1)	29.7	8.3	17.2	13.3	12.2	0.6	1.6
China	MSCI China Industrials Sector	(51.8)	14.6	22.2	14.2	12.4	10.1	1.0	0.6
Metals									
Brazil	MSCI Brazil Metals & Mining Industry	(9.5)	(2.9)	19.9	6.2	6.4	5.3	NA	0.3
Russia	MSCI Russia Metals & Mining Industry	(29.7)	(72.3)	57.0	3.0	11.0	7.0	NA	0.2
India	MSCI India Metals & Mining Industry	(16.6)	(34.4)	30.0	4.2	6.4	5.0	NA	0.2
China	MSCI China Metals & Mining Industry	(49.2)	(42.5)	73.6	12.3	21.3	12.3	NA	0.3

Source: Thomson Datastream

Valuation summary of BRICs sectors (2)

Valuation summary of BRICs sectors, Calendar year-ends, 2008-10E

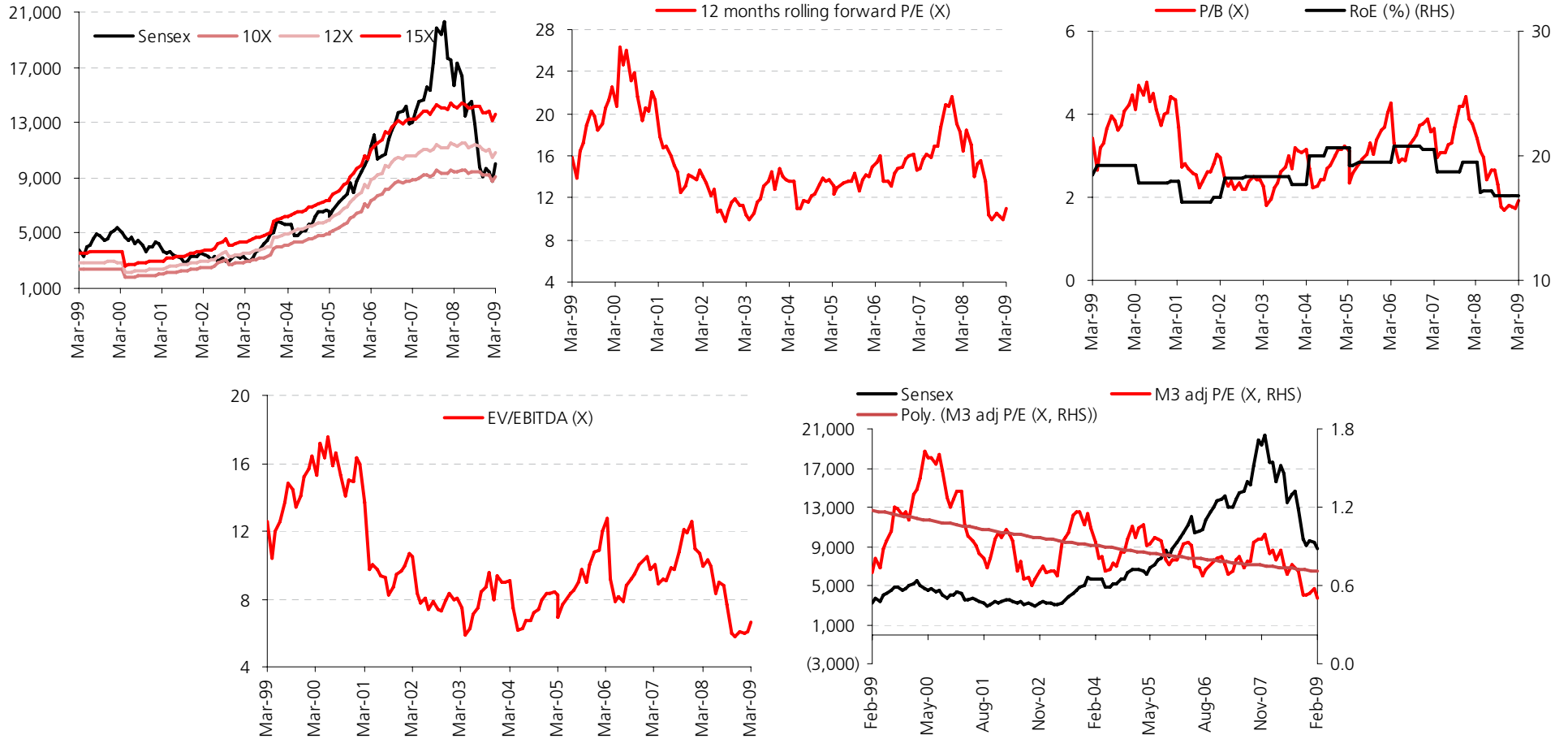
Index		Earnings growth (%)			P/E (X)			PEG ratio (X)	
		2008	2009E	2010E	2008	2009E	2010E	2008	2009E
Property									
Brazil	MSCI Brazil Real Estate Industry Group	NA	NA	NA	NA	NA	NA	NA	NA
India	MSCI India Real Estate Industry Group	(36.9)	(49.9)	7.8	5.0	10.0	9.3	NA	1.3
China	MSCI China Real Estate Industry Group	(0.2)	(10.5)	18.9	10.2	11.4	9.5	NA	0.6
Technology									
Brazil	MSCI Brazil Information Technology Sector	70.7	6.6	14.3	13.8	12.9	11.3	2.1	0.9
India	MSCI India Software & Services Industry Group	17.7	2.4	4.8	11.3	11.0	10.5	4.7	2.3
China	MSCI China Software & Services Industry Group	66.6	28.4	27.4	31.3	24.4	19.1	1.1	0.9
Telecom									
Brazil	MSCI Brazil Telecommunication Services Sector	(27.3)	12.3	24.7	10.8	9.6	7.7	0.9	0.4
Russia	MSCI Russia Diversified Telecommunications Services Industry	1.7	(27.5)	39.1	7.9	10.8	7.8	NA	0.3
India	MSCI India Telecommunication Services Sector	7.1	(14.5)	6.2	7.0	8.2	7.8	NA	1.3
China	MSCI China Telecommunication Services Sector	23.7	3.3	3.7	10.5	10.2	9.8	3.2	2.8
Utilities									
Brazil	MSCI Brazil Utilities Sector	13.2	1.7	18.5	7.8	7.7	6.5	4.7	0.4
Russia	MSCI Russia Utilities Sector	NA	NA	NA	NA	NA	NA	NA	NA
India	MSCI India Utilities Sector	14.1	4.9	3.9	12.3	11.7	11.3	2.5	3.0
China	MSCI China Utilities Sector	(90.7)	849.3	26.1	133.2	14.0	11.1	0.2	0.5

Source: Thomson Datastream

BSE-Sensex key parameters

Key fundamental indicators of BSE-30 Index

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



Source: Bloomberg, Company reports, Kotak Institutional Equities

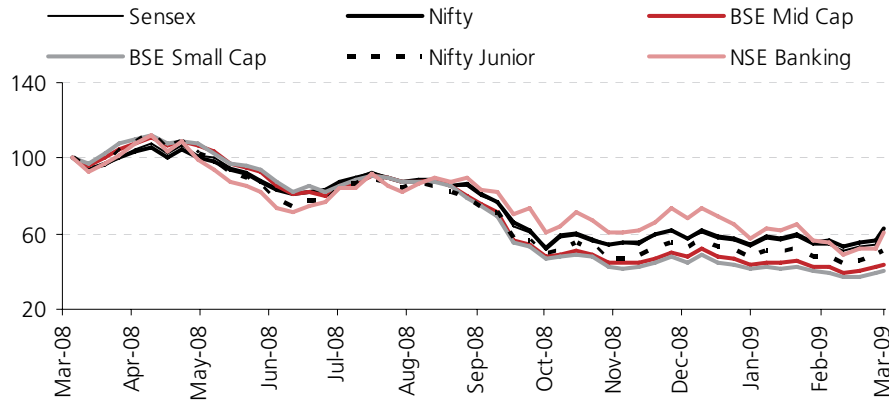
Market performance

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

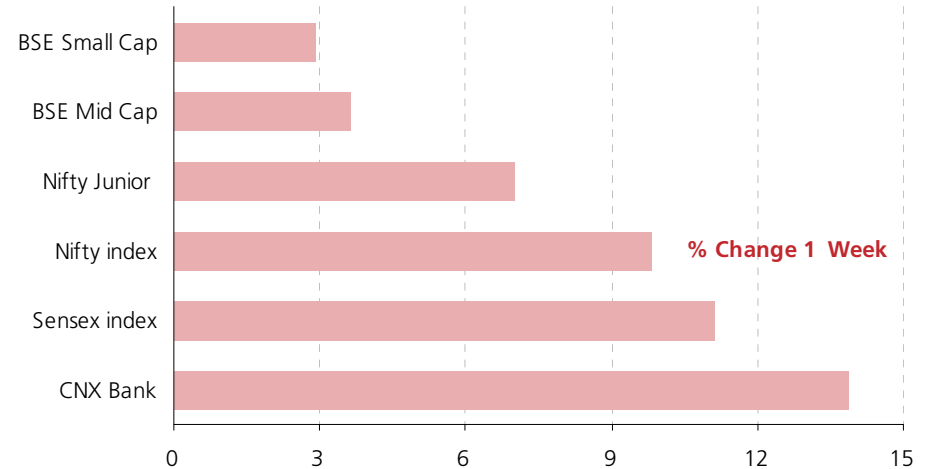
Relative performance of Indian markets

Key performance of benchmark indices

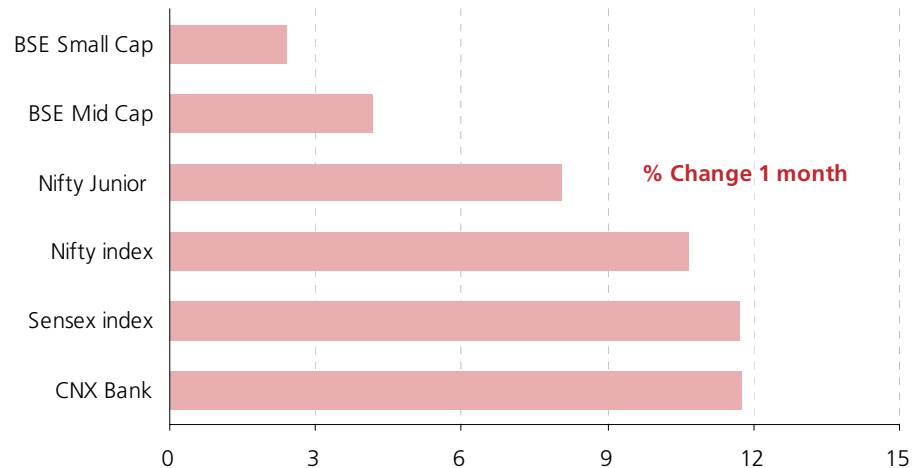
(base 100 as of March, 2008)



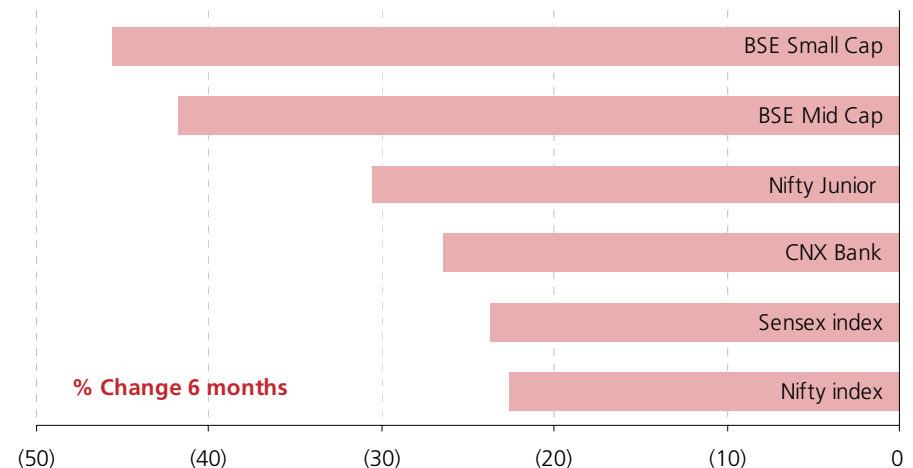
Weekly performance of the benchmark indices



1-month performance of the benchmark indices



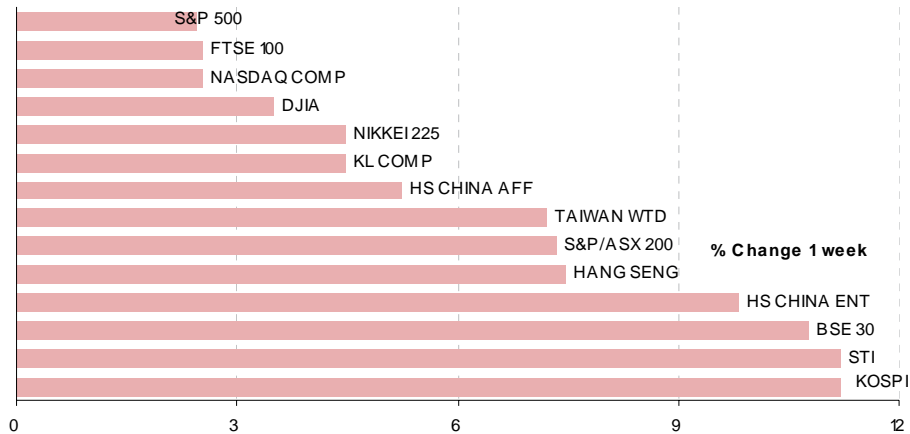
6-month performance of the benchmark indices



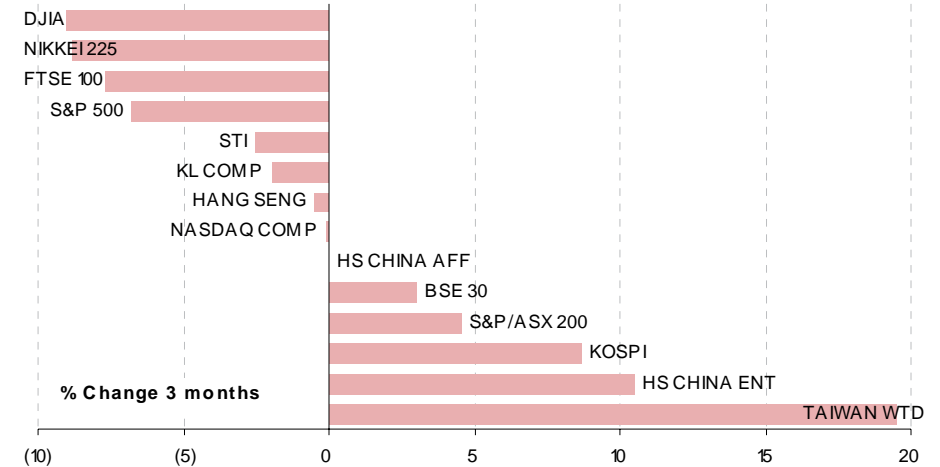
Source: Bloomberg, Kotak Institutional Equities

BSE-Sensex versus regional indices

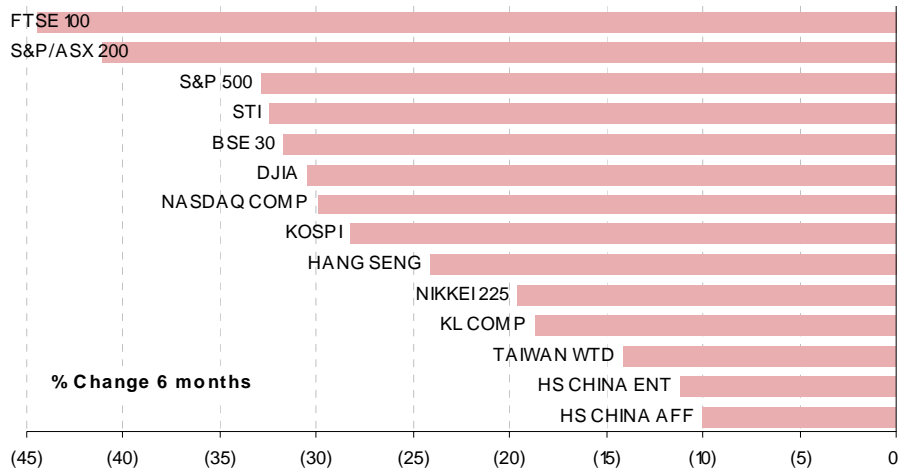
Weekly performance



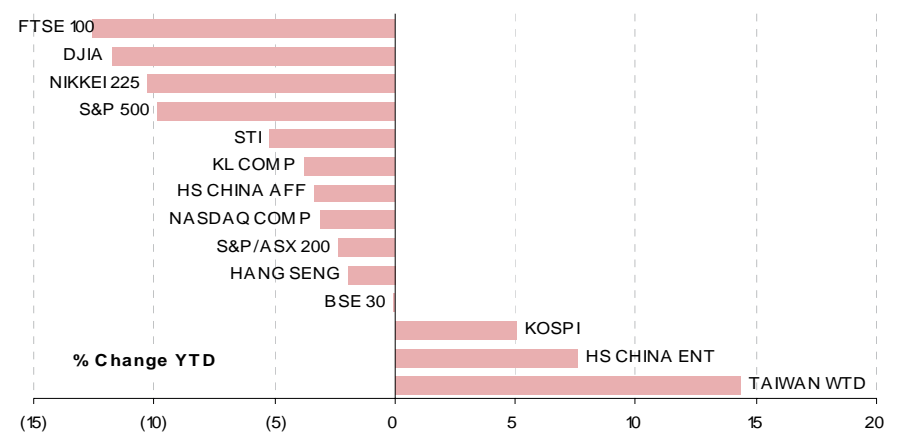
3-month performance



6-month performance



CYTD performance



Note:

(a) Returns are adjusted for the currency changes

Source: Bloomberg, BSE, Kotak Institutional Equities

Sectoral performance

Market performance of Sensex sectors, March 26, 2009

	Mkt cap. (US\$ m)	Change (%)				Relative change (%)			
		1-Day	1-mo	6-mo	1-Year	1-Day	1-mo	6-mo	1-Year
Automobiles	8,098	(14.0)	(3.8)	(33.2)	(51.2)	(16.9)	(14.5)	(7.7)	(10.0)
Banking	38,662	3.4	14.3	(24.5)	(40.0)	(0.0)	1.6	(0.7)	(1.8)
Consumers	23,527	3.3	(1.8)	(4.3)	(5.2)	(0.2)	(12.7)	15.6	23.5
Cement	4,867	1.8	11.0	(8.8)	(37.2)	(1.6)	(1.3)	12.0	0.2
Diversified	2,323	1.6	30.1	(29.0)	(62.8)	(1.8)	15.6	(4.3)	(18.3)
Energy	74,755	3.7	20.5	(21.0)	(28.3)	0.3	7.1	2.1	6.7
Industrials	22,349	5.8	10.3	(22.2)	(37.3)	2.3	(2.0)	1.1	0.2
Metals	10,031	5.4	35.8	(40.2)	(60.7)	1.9	20.7	(13.4)	(16.8)
Pharmaceuticals	5,558	(0.1)	3.5	(31.2)	(34.7)	(3.4)	(8.0)	(6.1)	2.0
Property	5,797	(0.2)	16.0	(52.3)	(73.9)	(3.5)	3.1	(23.2)	(26.4)
Telecom	29,520	4.1	(0.1)	(30.1)	(42.9)	0.7	(11.2)	(5.2)	(3.9)
Technology	33,006	4.5	15.4	(14.2)	(25.0)	1.0	2.6	7.6	9.1
Utilities	34,691	2.9	(0.1)	(3.0)	(17.6)	(0.5)	(11.2)	16.7	14.5
Sensex sum	293,185	3.5	12.5	(23.7)	(37.5)				

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 Unitech	34.4	1 Mindtree	(20.8)
2 Punjab National Bank	20.9	2 Jyothy Laboratories	(10.0)
3 HDFC	19.3	3 Hexaware Technologies	(9.9)
4 HDFC Bank	19.3	4 Crompton Greaves	(8.9)
5 Tata communications	18.9	5 Mahindra & Mahindra Financial	(8.3)
6 Tata Steel	18.8	6 Piramal Healthcare	(7.6)
7 Tata Power	17.9	7 Sadbhav Engineering	(6.8)
8 Suzlon Energy	17.8	8 IRB Infrastructure	(6.4)
9 Axis Bank	17.7	9 HT Media	(5.7)
10 India Infoline	17.5	10 GSPL	(5.0)

CYTD performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Bajaj Auto	58.4	1 Vishal Retail	(66.8)
2 Maruti Suzuki	48.0	2 Sintex	(47.7)
3 Sterlite Industries	40.8	3 Consolidated Construction Co.	(46.1)
4 Mahindra & Mahindra	40.5	4 Aban Offshore	(45.3)
5 Shree Cement	38.3	5 Future Capital Holdings	(45.1)
6 Jindal Steel and Power	35.3	6 Punj Lloyd	(44.3)
7 UltraTech Cement	34.9	7 Indian Bank	(39.6)
8 Mphasis BFL	31.3	8 IRB Infrastructure	(38.0)
9 Grasim Industries	31.3	9 Ranbaxy Laboratories	(37.7)
10 Novartis India	29.5	10 DLF	(37.5)

1- month performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Sterlite Industries	49.5	1 IRB Infrastructure	(19.7)
2 Novartis India	45.7	2 Future Capital Holdings	(17.7)
3 Havells India	40.9	3 Piramal Healthcare	(16.9)
4 Mahindra Life Space Developer	37.2	4 Jubilant organosys	(14.9)
5 Hindalco Industries	35.9	5 Vishal Retail	(10.8)
6 Hindustan Zinc	35.6	6 GlaxoSmithkline (India)	(9.8)
7 Biocon	33.7	7 SREI	(9.3)
8 Tata communications	31.7	8 Dishman Pharma & chemicals	(9.2)
9 Educomp Solutions	30.1	9 Indian Oil Corporation	(9.2)
10 Jaiprakash Associates	30.1	10 PFC	(8.5)

1-year performance

Top Gainers		Top Losers	
Company	% Change	Company	% Change
1 Hero Honda	50.4	1 Vishal Retail	(95.5)
2 Lupin	33.5	2 Aban Offshore	(87.3)
3 Castrol India	32.7	3 Unitech	(87.0)
4 Novartis India	20.7	4 Sobha	(86.2)
5 Colgate-Palmolive (India)	17.2	5 Consolidated Construction Co.	(84.5)
6 Mphasis BFL	13.4	6 Phoenix Mills	(84.2)
7 GlaxoSmithkline (India)	5.8	7 Future Capital Holdings	(82.7)
8 Nestle India	4.4	8 Housing Development & Infrastru	(82.1)
		9 IVR Prime Urban Developers	(81.2)
		10 Puravankara Projects	(80.9)

Source: Kotak Institutional Equities

Fundamental & Technical Indicators

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

Fundamental indicators

Companies trading at lowest P/E in the Kotak universe

Lowest 1-year rolling forward P/E (X)

Company	Lowest P/E
PSL	1.5
Aban offshore	1.9
Indian Overseas Bank	2.2
Jindal Saw	2.2
Indian Bank	2.9
Vishal Retail	3.0
Corporation Bank	3.1
J&K Bank	3.4
Future Capital holdings	3.5
Maharashtra Seamless	3.5

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

Highest 1 year rolling forward EV/EBITDA (X)

Company	Highest EV/EBITDA
Cairn India	19.4
Hindustan Unilever	17.1
Colgate-Palmolive (India)	16.2
LANCO	15.4
Tata Communications	15.1
Nestle India	14.4
NTPC	12.5

Companies trading at highest P/E in the Kotak universe

Highest 1-year forward P/E (X)

Company	Highest P/E
Reliance Power	43.2
Cairn India	42.5
Bajaj Hindustan	41.9
Tata Communications	38.0
United Breweries	31.4
Indiabulls Real Estate	28.9
IDEA	23.7
National Aluminium Co	22.8
Nestle India	22.4
Hindustan Unilever	22.3

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	0.3
Polaris Software Lab	0.8
Jindal Saw	0.8
Hexaware Technologies	1.7
Maharashtra Seamless	2.1
Tech Mahindra	2.2
Sesa	2.3

Companies trading at all-time low historical P/Es, indicating significant de-rating of the multiples by market

1-year rolling fwd P/E closest to historical lows

Company	Premium to Historical Min
IRB Infrastructure	—
Dishman Pharma & Chemicals	—
Consolidated Construction Co.	—
Indian Bank	—
Mindtree	0.5
MMFSL	3.0
BGR Energy Systems	3.9
IDFC	4.2
Jyothy Laboratories	6.1
HCL Technologies	6.6
Maharashtra Seamless	7.8
Castrol India	11.0
Sadbhav Engineering	11.6
Zee News	12.1
Phoenix Mills	12.2
GSPL	12.2
Reliance Communications	12.5
Corporation Bank	13.1
TCS	14.7
PFC	15.0

Note:

(a) Historical figures are generated since May 2000.

Source: Bloomberg, Kotak Institutional Equities estimates

Technical indicators

Volume momentum analysis

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

Company	5-day average		Price Change (%)	
	volumes	% increase	(1 month basis)	
Crompton Greaves	12,495,010	386	(2.7)	
Phoenix Mills	739,047	355	14.6	
Shree Cement	122,660	257	13.1	
Havells India	267,574	249	40.9	
PSL	175,614	248	(1.5)	
Jubilant Organosys	364,659	244	(14.9)	

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

Company	5-day average		Price Change (%)	
	volumes	% decrease	(1 month basis)	
Shriram Transport	23,241	(84)	(0.4)	
Container Corporation	15,247	(75)	9.4	
United Breweries	144,672	(70)	(3.9)	
HT Media	17,637	(69)	(8.2)	
Godrej Consumer Products	80,064	(67)	(5.2)	
DishTV	2,342,513	(60)	(3.9)	

Date	Sensex	Avg daily value traded (US\$ mn)	Institutional participation in total turnover	
			FII%	MF%
Feb-08	17,579	4,631	17.8	4.2
Mar-08	15,833	4,955	19.6	4.4
Apr-08	17,287	6,176	16.3	3.2
May-08	16,416	4,903	15.7	3.2
Jun-08	14,422	4,433	17.8	3.5
Jul-08	14,355	4,497	15.6	3.9
Aug-08	14,565	4,107	14.3	3.3
Sep-08	12,860	4,344	19.6	3.7
Oct-08	9,788	3,632	19.3	4.0
Nov-08	9,093	3,247	12.8	3.7
Dec-08	9,647	3,458	9.9	3.3
Jan-09	9,424	3,233	11.8	4.1
Feb-09	8,692	2,653	11.4	3.3
Mar-09	10,003	3,071	11.8	3.8

Source: Bloomberg, Kotak Institutional Equities

Earnings momentum

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

Changes in earnings estimates

Changes in earnings estimates in the past one month

FY2009 earnings upgrades (KIE) (1 month)

Company	% Change
1 Jindal Steel and Power	94.4
2 Jubilant organosys	42.5
3 Biocon	10.2
4 Lupin	2.4
5 Maruti Suzuki	2.1
6 Oil & Natural Gas Corporation	1.8
7 Sesa Goa	1.8
8 Aban Offshore	1.6
9 Wipro	1.0
10 Sun Pharmaceuticals	0.9
11 UltraTech Cement	0.7
12 Crompton Greaves	0.4
13 ACC	0.4
14 Cairn India	0.2
15 Infosys Technologies	0.2

FY2010 earnings upgrades (KIE) (1 month)

Company	% Change
1 Jindal Steel and Power	117.6
2 JSW Steel	112.5
3 Reliance Petroleum	37.4
4 Dishman Pharma & chemicals	19.5
5 Sterlite Industries	15.1
6 UltraTech Cement	14.8
7 Cipla	13.9
8 Sun Pharmaceuticals	11.7
9 Biocon	10.4
10 Lupin	9.8
11 Hindustan Zinc	8.4
12 Sesa Goa	7.5
13 Reliance Industries	7.1
14 Piramal Healthcare	6.0

FY2009 earnings downgrades (KIE) (1 month)

Company	% Change
1 Bajaj Auto	(18.4)
2 IRB Infrastructure	(15.0)
3 HCL Technologies	(11.2)
4 Dishman Pharma & chemicals	(9.9)
5 Dr Reddy's Laboratories	(8.6)
6 Container Corporation	(7.1)
7 HT Media	(5.4)
8 Piramal Healthcare	(5.3)
9 Hindustan Zinc	(4.0)
10 Cipla	(2.6)
11 Glenmark Pharmaceuticals	(2.6)
12 Sterlite Industries	(2.1)
13 Indiabulls Real Estate	(2.1)
14 Reliance Industries	(2.1)
15 TCS	(1.3)

FY2010 earnings downgrades (KIE) (1 month)

Company	% Change
1 Aban Offshore	(45.8)
2 IDEA	(25.5)
3 IRB Infrastructure	(25.4)
4 Ranbaxy Laboratories	(23.3)
5 HCL Technologies	(21.6)
6 HT Media	(14.2)
7 Cairn India	(11.8)
8 Reliance Communications	(9.7)
9 Bajaj Auto	(9.4)
10 Container Corporation	(7.0)
11 Larsen & Toubro	(6.8)
12 Bharti Airtel Ltd	(6.1)
13 ABB	(4.4)
14 Oil & Natural Gas Corporation	(3.1)
15 HDFC Bank	(1.9)

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	Bajaj Auto	24.2	615	495
2	Cipla	18.2	260	220
3	Reliance Industries	16.1	1,625	1,400
4	Lupin	15.8	1,100	950
5	Dishman Pharma & chemicals	12.0	280	250
6	Jindal Steel and Power	12.0	1,400	1,250
7	Divi's Laboratories	11.5	1,450	1,300
8	Sterlite Industries	9.6	400	365
9	Sun Pharmaceuticals	7.5	1,800	1,675
10	UltraTech Cement	4.8	550	525
11	Hindustan Zinc	4.3	490	470
12	Biocon	2.2	235	230

Downgrades in target prices (1 month)

	Company	% Change	New	Old
1	Aban Offshore	(40.0)	300	500
2	Reliance Communications	(25.0)	150	200
3	HCL Technologies	(21.4)	110	140
4	Crompton Greaves	(17.6)	140	170
5	IRB Infrastructure	(15.4)	110	130
6	Larsen & Toubro	(13.3)	650	750
7	HT Media	(13.0)	100	115
8	Tata Power	(12.3)	1,000	1,140
9	IDEA	(9.1)	50	55
10	Container Corporation	(8.1)	735	800
11	HDFC Bank	(7.4)	1,250	1,350
12	Bharti Airtel Limited	(6.9)	675	725

Source: Kotak Institutional Equities estimates

Changes in our ratings

Changes in ratings over the past 1 month

Company name		Rating	
		Current	Previous
Bharat Heavy Electricals	Downgraded	ADD	BUY
Crompton Greaves	Downgraded	ADD	BUY
Oil & Natural Gas Corporation	Downgraded	ADD	BUY
Reliance Industries	Downgraded	REDUCE	ADD
UltraTech Cement	Downgraded	ADD	BUY

Company name		Rating	
		Current	Previous
Castrol India	Upgraded	BUY	ADD
Cipla	Upgraded	ADD	REDUCE
Hero Honda	Upgraded	ADD	REDUCE
Maruti Suzuki	Upgraded	ADD	SELL

Note:

1. Reliance Industries was upgraded to ADD in our March 9, 2009 company update
The stock was subsequently downgraded to REDUCE in our March 27, 2009
company update.

Source: Kotak Institutional Equities

Flows

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

Trend in equity flows

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

	FII	MF
CY1999	1,537	0
CY2000	1,462	(150)
CY2001	2,807	(1,110)
CY2002	751	(685)
CY2003	6,658	118
CY2004	8,382	(217)
CY2005	10,776	2,873
CY2006	8,632	3,585
CY2007	17,335	1,525
CY2008	(13,336)	3,312
CY2009	(1,740)	(324)
Jan	(1,054)	(192)
Feb	(667)	(281)
Mar	(19)	149

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	4,216	1,947
CY2009	203	709
Jan	(220)	473
Feb	(551)	143
Mar	974	94

Source: Bloomberg, Kotak Institutional Equities

FII flows in other emerging markets

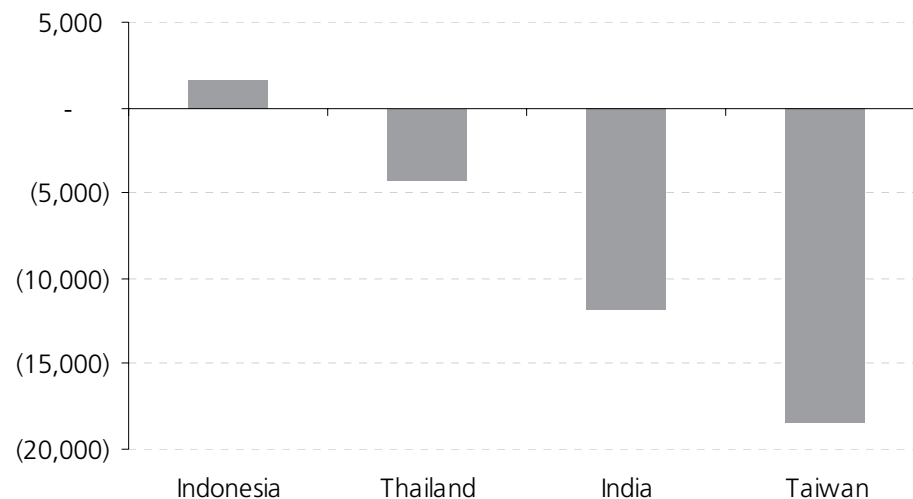
FII flows in the various countries (US\$ mn)

Flows in the cash markets

Date	Taiwan	Indonesia	Philippine	Thailand	India
20-Feb-09	(292)	(2)	(0)	(7)	(43)
24-Feb-09	(242)	(9)	(6)	(5)	(97)
25-Feb-09	9	(6)	(2)	5	(112)
26-Feb-09	28	(14)	(4)	(15)	(59)
27-Feb-09	(47)	5	(4)	(11)	(67)
2-Mar-09	(377)	(11)	(2)	(8)	(119)
3-Mar-09	(203)	(6)	(6)	(30)	(160)
4-Mar-09	(6)	(3)	0	(4)	(113)
5-Mar-09	144	6	(7)	13	(151)
6-Mar-09	102	1	(10)	(22)	(0)
9-Mar-09	(205)	-	(15)	(13)	3
12-Mar-09	13	10	(8)	(10)	(25)
13-Mar-09	333	9	2	15	48
16-Mar-09	84	4	(5)	6	(4)
17-Mar-09	105	(2)	(36)	0	110
18-Mar-09	180	2	(4)	8	88
19-Mar-09	23	11	(4)	7	39
20-Mar-09	(29)	11	0	2	12
23-Mar-09	129	27	(6)	35	78
24-Mar-09	119	40	(0)	37	173
Total	(132)	73	(117)	4	(398)

Source: Bloomberg

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



IPO analysis

Market performance since IPO/ Follow on offering

Name	Shares (mn)	Price (Rs)	Value (Rs mn)	Date of Listing	Price		Performance (%)	
					Day 1	Latest	Day 1	Since Listing
Edserve Softsystems	4	60	238	02-Mar-09	138	23	130	(62)
Sita Shreee Food Products Ltd	11	30	315	08-Apr-08	38	6	26	(82)
Onmobile Global Ltd	11	450	4,905	19-Feb-08	522	297	16	(34)
Rural electrification	156	105	16,393	11-Mar-08	121	94	15	(10)
Shriram EPC Ltd	4	330	1,320	20-Feb-08	294	93	(11)	(72)
KNR Construction Ltd	8	180	1,417	18-Feb-08	154	37	(14)	(79)
Cords cable industries Ltd	3	135	416	13-Feb-08	138	31	2	(77)
J Kumar Infraprojects Ltd	7	120	780	12-Feb-08	103	40	(14)	(67)
Manjushree Extrusions Ltd	5	45	231	28-Feb-08	53	15	17	(67)
Reliance Power Ltd	260	450	117,000	11-Feb-08	373	106	(17)	(76)
Future Capital Holding	6	765	4,913	31-Jan-08	908	99	19	(87)
Precision Pipes and Profiles	5	150	750	11-Jan-08	139	30	(8)	(80)
Porwal Auto Components	5	75	375	14-Jan-08	80	6	6	(92)
Aries Agro Limited	5	130	585	11-Jan-08	252	29	94	(77)
Manaksia Ltd	16	160	2,480	08-Jan-08	168	29	5	(82)
BGR	9	480	4,385	03-Jan-08	901	139	88	(71)
Burnpur Cement	22	12	263	03-Jan-08	46	8	286	(34)
Transformes & rectifiers	3	465	1,393	28-Dec-07	728	128	57	(72)
Brigade Enterprises	17	390	6,484	31-Dec-07	378	34	(3)	(91)
Eclerx Services	3	315	1,010	31-Dec-07	448	120	42	(62)
Jyothy Lab	4	690	3,057	19-Dec-07	793	56	15	(92)
Kaushalya Infra	9	60	510	14-Dec-07	82	8	37	(86)
Empee Distilleries	5	400	1,920	26-Nov-07	318	47	(21)	(88)
Mundra Port & eco zone	40	440	17,710	27-Nov-07	962	322	119	(27)
Edelweiss Capital Ltd	8	825	6,918	12-Dec-07	1,510	245	83	(70)
Renaissance Jewellery Ltd	5	150	798	12-Dec-07	165	20	10	(87)
Kolte Patil	19	145	2,755	13-Dec-07	181	19	25	(87)
Maytas Infra	9	370	3,275	25-Oct-07	614	34	66	(91)
Consolidated Construction	4	510	1,887	15-Oct-07	791	110	55	(78)
Religare Enterprises	76	185	1,402	21-Nov-07	521	325	182	76
Supreme Infrastructure	35	108	375	18-Oct-07	175	23	62	(78)
Dhanus Technologies	38	295	1,131	17-Oct-07	311	15	5	(95)
Koutons Retail	35	415	1,462	12-Oct-07	590	402	42	(3)
Power Grid Corp	5,739	52	29,845	05-Oct-07	100	96	92	85
Magnum Ventures	176	30	529	20-Sep-07	49	6	62	(81)
Indowind Energy	125	65	813	14-Sep-07	115	19	76	(70)
Motilal Oswal Financial	30	825	2,461	11-Sep-07	977	81	18	(90)
Puravankara Projects	215	400	8,587	30-Aug-07	362	43	(10)	(89)
KPR Mill	59	225	1,330	28-Aug-07	174	23	(23)	(90)

Source: Bloomberg, Kotak Institutional Equities

Forthcoming IPO/Follow on offerings

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

Source: Primedatabase

Bulk Deals

Major bulk deals

Date	Company	Action	Quantity	Price	Value		Exchange
					(Rs mn)		
24-Mar-09	United Spirits Limited	SELL	3,272,280	630	2,062		NSE
24-Mar-09	United Spirits Limited	BUY	1,490,541	630	939		NSE
18-Mar-09	VIJAYA BANK	SELL	24,889,424	20	494		BSE
24-Mar-09	United Spirits Limited	BUY	734,000	630	462		NSE
24-Mar-09	United Spirits Limited	BUY	733,000	630	462		NSE
24-Mar-09	United Spirits Limited	BUY	733,000	630	462		NSE
24-Mar-09	United Spirits Limited	SELL	678,698	630	428		NSE
24-Mar-09	GLENMARK PHA	SELL	2,713,295	150	406		BSE
24-Mar-09	GLENMARK PHA	BUY	2,713,295	150	406		BSE
25-Mar-09	AmtekAuto-Roll Sett	BUY	5,397,441	70	378		NSE
25-Mar-09	Unitech Ltd	BUY	9,600,000	31	294		NSE
25-Mar-09	AmtekAuto-Roll Sett	SELL	3,904,000	70	273		NSE
19-Mar-09	GODREJ INDUS	SELL	4,370,107	53	229		BSE
24-Mar-09	Techno Ele. & Eng. Co Ltd	SELL	2,830,669	72	204		NSE
19-Mar-09	Indiabulls Real Estate Li	BUY	2,083,198	97	202		NSE
23-Mar-09	BEML LTD	SELL	484,683	376	182		BSE
18-Mar-09	VIJAYA BANK	BUY	7,607,800	20	151		BSE
18-Mar-09	SIMPLX INFRA	SELL	1,100,000	125	138		BSE
19-Mar-09	GODREJ INDUS	BUY	2,400,000	53	126		BSE
18-Mar-09	SIMPLX INFRA	BUY	900,000	125	113		BSE
20-Mar-09	SHREE CEMENT LTD.	SELL	182,409	610	111		BSE
19-Mar-09	INFO EDGE	BUY	235,000	435	102		BSE
18-Mar-09	VIJAYA BANK	BUY	5,000,000	20	99		BSE
18-Mar-09	VIJAYA BANK	BUY	5,000,000	20	99		BSE
25-Mar-09	Jubilant Organsosys Limit	SELL	915,294	90	82		NSE
18-Mar-09	VIJAYA BANK	BUY	3,765,000	20	75		BSE
19-Mar-09	INFO EDGE	BUY	146,324	435	64		BSE
20-Mar-09	GEOD LTD	SELL	1,067,444	58	61		BSE
20-Mar-09	GEOD LTD	BUY	1,067,444	58	61		BSE
25-Mar-09	AmtekAuto-Roll Sett	SELL	800,000	70	56		NSE
25-Mar-09	Prakash Industries Ltd.	SELL	1,272,042	43	54		NSE

Source: BSE, NSE

Delivery positions

Top increase/(decrease) in delivery percentage

Increase in delivery % (KIE universe)

Name	Delivery %	
	Previous week	Current week
Maharashtra Seamless Ltd	41	95
Jammu & Kashmir Bank Ltd	40	83
Jyothy Laboratories Ltd	45	87
Asian Paints Ltd	64	95
Piramal Healthcare Limited	58	88
Bharat Heavy Electricals	29	58
Mahindra & Mahindra Limited	33	62
Lanco Infratech Ltd	17	33
India Infoline Ltd	19	32

Decrease in delivery % (KIE universe)

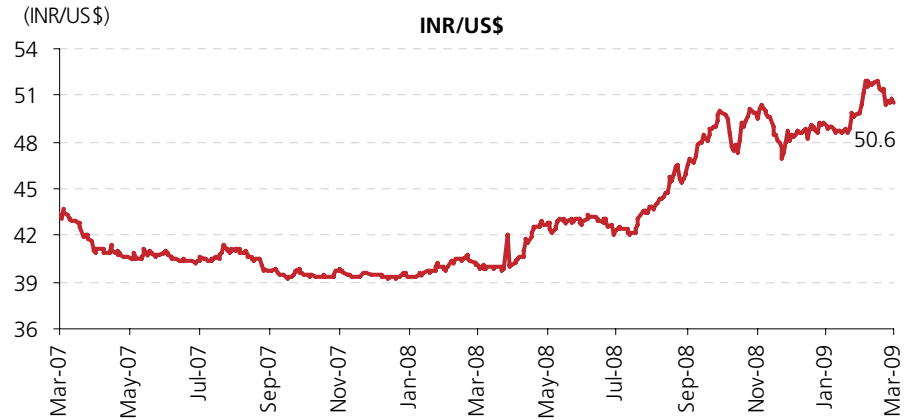
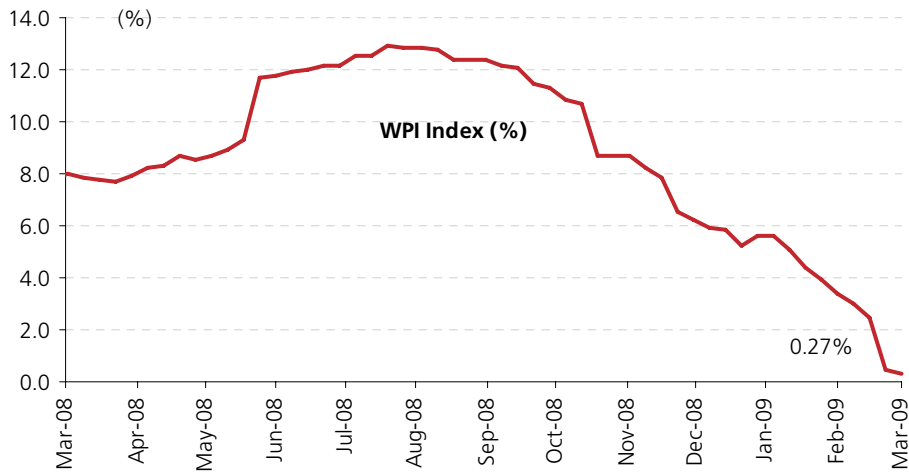
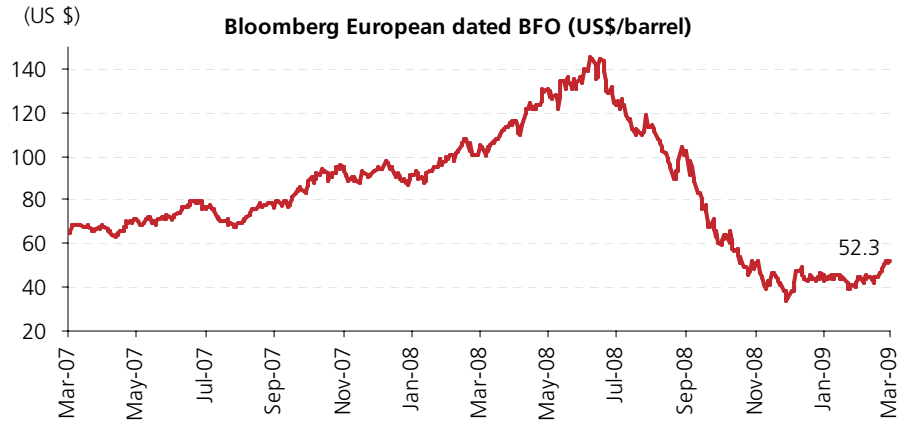
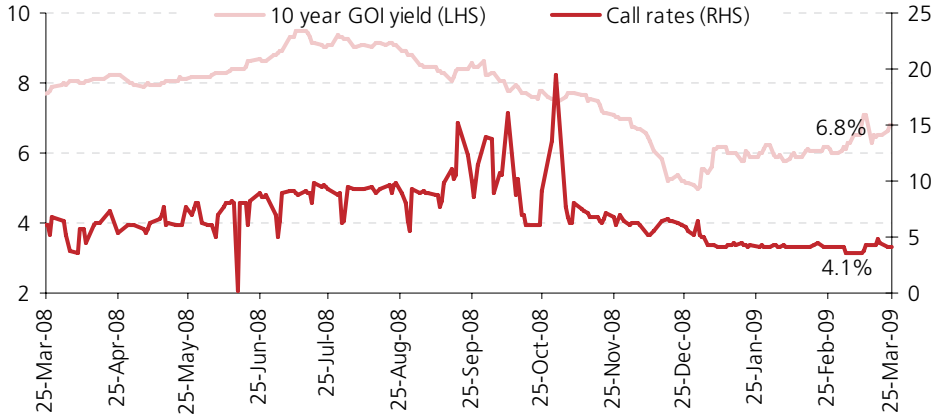
Name	Delivery %	
	Previous week	Current week
Phoenix Mills Limited	85	34
Pantaloon Retail India Ltd	58	11
Godrej Consumer Products Ltd	99	56
Mindtree Limited	42	3
Corporation Bank	99	64
Power Finance Corporation	71	38
Jubilant Organosys Ltd	74	42
Indian Bank	83	52
Lupin Ltd	93	65

Source: Bloomberg, Kotak Institutional Equities

Economic indicators

Economic indicators

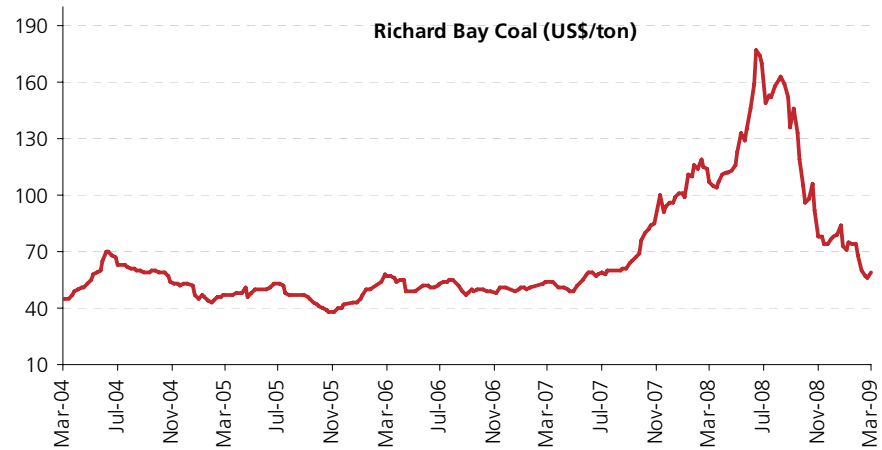
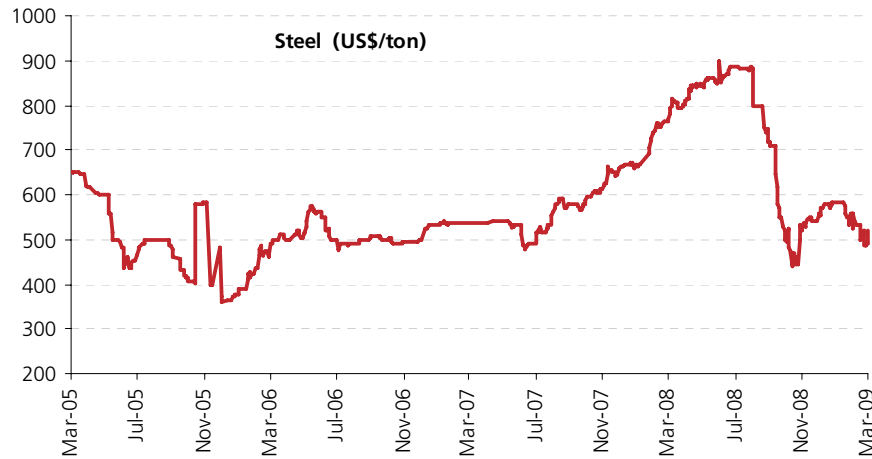
Key economic parameters



Source: Bloomberg, Kotak Institutional Equities

Commodities

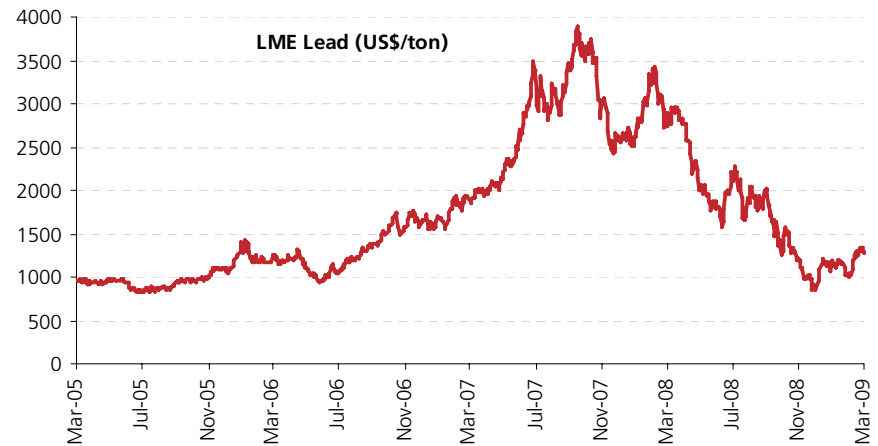
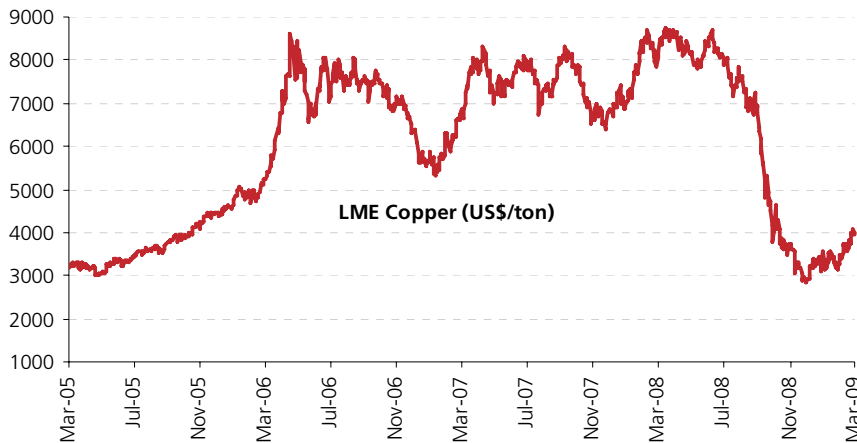
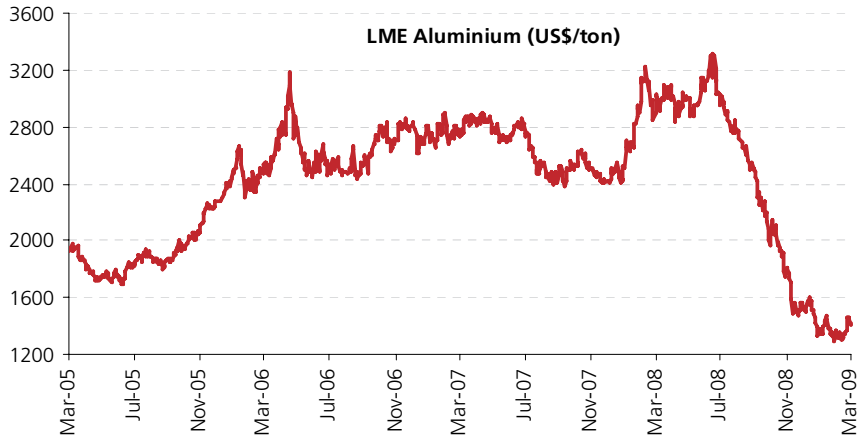
Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

Commodities

Prices of key commodities



Source: Bloomberg, Kotak Institutional Equities

Kotak valuation summary

Valuation summary

Kotak Institutional Equities Universe

Company	26-Mar-09		Mkt cap.		O/S	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target	ADVT-	
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)	(mn)	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	(Rs)	Upside (%)	3mo (US\$ mn)
Automobiles																													
Bajaj Auto	619	REDUCE	89,610	1,772	145	52.2	50.7	61.5	(58.9)	(2.9)	21.4	11.9	12.2	10.1	7.2	7.0	5.7	5.6	4.5	3.6	3.2	3.2	3.2	21.0	41.0	39.4	615	(0.7)	1.4
Hero Honda	1,032	ADD	206,021	4,074	200	48.5	62.6	79.1	12.8	29.1	26.4	21.3	16.5	13.0	11.8	9.2	7.2	6.6	5.3	4.1	1.8	1.9	1.9	34.0	35.9	35.7	950	(7.9)	10.0
Mahindra & Mahindra	386	ADD	99,524	1,968	258	38.1	18.6	31.3	(2.0)	(51.2)	68.4	10.1	20.8	12.3	7.7	13.6	9.0	2.3	2.0	1.7	2.8	2.4	2.5	27.8	10.8	15.1	330	(14.4)	7.5
Maruti Suzuki	770	ADD	222,573	4,401	289	59.9	48.4	56.4	10.8	(19.1)	16.4	12.9	15.9	13.7	5.7	6.8	5.8	2.6	2.3	2.0	0.6	0.6	0.6	22.2	15.2	15.3	715	(7.2)	20.3
Tata Motors	176	SELL	97,877	1,935	556	36.5	18.5	19.0	(22.4)	(49.2)	2.7	4.8	9.5	9.2	3.9	9.1	6.7	1.1	0.6	0.7	5.9	—	—	24.7	9.1	7.3	120	(31.8)	11.5
Automobiles																													
		Cautious	715,604	14,149					(2.4)	(23.9)	21.9	11.1	14.6	12.0	6.4	8.6	6.7	2.7	2.1	1.8	2.3	1.5	1.5	24.2	14.3	14.3			
Banks/Financial Institutions																													
Andhra Bank	46	ADD	22,431	444	485	11.9	12.4	10.8	7.0	4.9	(12.9)	3.9	3.7	4.3	—	—	—	0.7	0.7	0.7	8.6	6.7	5.9	18.0	17.4	13.6	75	62.2	0.3
Axis Bank	421	ADD	150,739	2,981	358	32.2	46.8	53.1	37.7	45.3	13.3	13.1	9.0	7.9	—	—	—	1.8	1.6	1.5	1.4	2.1	2.4	17.6	17.8	17.6	750	78.0	32.1
Bank of Baroda	235	ADD	86,009	1,701	366	39.3	52.0	50.5	39.8	32.4	(2.9)	6.0	4.5	4.7	—	—	—	1.0	0.8	0.8	3.4	4.5	4.4	14.6	16.3	14.2	330	40.2	5.5
Bank of India	224	ADD	118,042	2,334	526	40.6	54.1	49.9	76.6	33.1	(7.7)	5.5	4.1	4.5	—	—	—	1.5	1.1	1.0	1.8	2.5	2.3	27.6	28.2	21.1	330	47.0	10.8
Canara Bank	160	REDUCE	65,723	1,300	410	38.2	45.8	38.2	10.1	19.9	(16.6)	4.2	3.5	4.2	—	—	—	0.9	0.8	0.8	5.0	3.7	3.7	15.0	16.7	12.4	220	37.2	4.0
Corporation Bank	172	BUY	24,600	486	143	51.3	62.3	55.8	37.2	21.6	(10.4)	3.3	2.8	3.1	—	—	—	0.6	0.5	0.4	6.1	7.4	6.7	18.4	19.6	15.4	310	80.8	0.6
Federal Bank	134	BUY	22,953	454	171	34.4	31.7	31.6	0.5	(7.7)	(0.3)	3.9	4.2	4.2	—	—	—	0.6	0.5	0.5	3.0	4.4	4.4	13.6	13.1	11.8	280	108.6	1.2
Future Capital Holdings	99	BUY	6,281	124	63	(4.5)	4.5	28.8	(689.8)	(198.6)	546.1	(22.0)	22.3	3.5	—	—	—	0.9	0.8	0.7	—	—	—	(6.7)	3.8	21.4	440	342.9	0.4
HDFC	1,656	REDUCE	475,451	9,401	287	85.8	75.0	85.4	38.2	(12.6)	14.0	19.3	22.1	19.4	—	—	—	4.0	3.5	3.1	1.5	1.4	1.5	27.8	16.7	16.8	1,550	(6.4)	58.9
HDFC Bank	993	BUY	420,494	8,314	423	46.0	53.5	65.6	28.7	16.4	22.5	21.6	18.6	15.1	—	—	—	3.7	2.9	2.5	0.7	1.0	1.1	17.7	17.3	17.5	1,250	25.8	37.1
ICICI Bank	375	ADD	417,310	8,251	1,113	39.9	34.3	32.8	15.4	(14.0)	(4.5)	9.4	10.9	11.4	—	—	—	0.9	0.8	0.8	2.9	2.7	2.4	11.7	8.0	7.3	465	24.0	120.7
IDFC	55	ADD	71,769	1,419	1,294	5.7	6.0	6.3	3.0	5.3	5.9	9.8	9.3	8.8	—	—	—	1.3	1.2	1.0	2.2	1.9	2.0	17.6	13.2	12.7	75	35.3	10.8
India Infoline	60	ADD	17,301	342	287	5.6	4.9	4.3	85.6	(12.0)	(12.5)	10.8	12.2	14.0	—	—	—	1.4	1.4	1.3	2.0	4.7	4.1	20.7	11.5	9.8	60	(0.3)	3.4
Indian Bank	83	BUY	35,520	702	430	22.5	27.4	28.0	33.9	21.4	2.4	3.7	3.0	3.0	—	—	—	0.8	0.7	0.6	3.6	4.2	4.3	23.4	22.1	19.1	195	135.9	1.2
Indian Overseas Bank	48	BUY	26,341	521	545	22.1	26.5	21.7	19.2	20.1	(18.1)	2.2	1.8	2.2	—	—	—	0.5	0.4	0.4	7.7	8.5	7.7	27.2	26.4	18.0	120	148.2	1.1
J&K Bank	247	ADD	11,997	237	48	74.2	82.7	72.3	31.2	11.4	(12.6)	3.3	3.0	3.4	—	—	—	0.6	0.5	0.5	6.3	7.0	6.1	16.8	16.5	12.9	480	94.0	0.1
LIC Housing Finance	236	BUY	20,059	397	85	45.5	58.1	58.5	38.7	27.6	0.8	5.2	4.1	4.0	—	—	—	1.1	0.9	0.8	4.2	5.4	5.5	—	—	—	330	39.8	3.3
Mahindra & Mahindra Financial	201	SELL	19,117	378	95	20.8	18.5	22.6	32.6	(11.2)	22.0	9.6	10.8	8.9	—	—	—	1.5	1.4	1.2	2.3	2.3	2.8	16.9	12.8	14.2	190	(5.3)	0.1
Oriental Bank of Commerce	112	ADD	27,985	553	251	23.9	36.5	27.3	(27.6)	52.7	(25.0)	4.7	3.1	4.1	—	—	—	0.6	0.4	0.4	4.2	6.5	4.9	6.2	13.8	8.9	200	79.1	2.9
PFCL	132	ADD	151,563	2,997	1,148	11.4	12.2	15.8	2.4	7.3	29.7	11.6	10.8	8.3	—	—	—	1.5	1.4	1.3	2.7	2.9	3.6	13.5	13.6	15.5	145	9.8	1.4
Punjab National Bank	414	BUY	130,646	2,583	315	65.0	91.6	89.9	33.0	40.9	(1.8)	6.4	4.5	4.6	—	—	—	1.4	1.1	1.0	3.1	4.4	4.3	18.0	21.7	18.5	650	56.9	13.8
Rural Electrification Corp.	94	BUY	80,751	1,597	859	10.9	15.3	17.7	9.8	40.4	15.5	8.6	6.1	5.3	—	—	—	1.3	1.1	1.0	3.2	5.2	6.0	17.1	19.8	19.9	125	32.9	1.5
Shriram Transport	185	REDUCE	37,539	742	203	19.2	28.6	27.0	85.7	49.0	(5.6)	9.6	6.5	6.8	—	—	—	2.1	1.8	1.5	2.7	4.6	4.6	26.9	28.8	23.6	215	16.3	0.9
SREI	27	ADD	3,163	63	116	11.4	7.3	6.9	57.4	(36.2)	(5.7)	2.4	3.7	4.0	—	—	—	0.5	0.3	0.3	4.4	8.5	10.3	23.1	13.1	11.5	50	83.8	0.9
State Bank of India	1,096	BUY	691,776	13,678	631	106.6	135.3	125.5	23.5	27.0	(7.3)	10.3	8.1	8.7	—	—	—	1.6	1.4	1.4	2.0	2.0	2.1	16.8	16.3	13.4	1,600	46.1	82.0
Union Bank	145	BUY	72,990	1,443	505	27.5	34.6	33.3	64.0	25.9	(3.6)	5.3	4.2	4.3	—	—	—	1.0	0.8	0.7	2.8	3.6	3.5	26.8	27.5	21.7	220	52.2	3.5
Banks/Financial Institutions																													
		Attractive	3,208,549	63,441					36.9	22.5	(0.8)	9.7	7.9	7.9	—	—	—	1.5	1.3	1.2	2.3	2.5	2.6	15.3	16.3	15.0			
Cement																													
ACC	562	REDUCE	105,607	2,088	188	64.1	56.3	45.6	13.0	(12.2)	(19.0)	8.8	10.0	12.3	4.5	4.9	5.9	2.4	2.0	1.8	4.2	4.2	4.2	33.3	24.7	18.2	550	(2.2)	7.9
Ambuja Cements	70	REDUCE	105,957	2,095	1,522	7.6	7.6	5.8	(11.2)	0.2	(23.7)	9.2	9.2	12.0	4.7	5.0	5.8	2.1	1.7	1.6	3.7	4.3	2.7	26.6	20.8	14.1	60	(13.8)	2.7
Grasim Industries	1,601	ADD	146,809	2,903	92	284.6	221.6	171.9	32.6	(22.1)	(22.4)	5.6	7.2	9.3	3.7	4.3	4.7	1.6	1.4	1.2	1.9	2.1	2.1	33.1	20.3	13.8	1,400	(12.6)	8.6
India Cements	107	ADD	30,273	599	282	24.5	22.7	19.8	n/a	(7.3)	(12.8)	4.4	4.7	5.4	3.9	3.6	3.7	0.9	0.8	0.7	1.7	2.0	2.0	25.8	15.7	14.7	130	21.0	2.5
Shree Cement	637	BUY	22,174	438	35	90.2	129.9	72.5	99.5	44.0	(44.2)	7.1	4.9	8.8	2.9	2.9	3.6	3.4	2.1	1.7	1.3	1.3	1.3	56.9	53.2	21.7	850	33.5	0.3
UltraTech Cement	520	ADD	65,129	1,288	125	81.4	71.4	62.3	28.5	(12.2)	(12.8)	6.4	7.3	8.4	4.4	4.9	4.9	2.0	1.6	1.3	1.5	1.6	1.6	45.2	28.9	20.4	550	5.8	0.9
Cement																													
		Cautious	475,949	9,411					19.3	(9.0)	(22.1)	6.8	7.6	9.7	4.0	4.4	4.9	1.8	1.5	1.4	2.7	2.9	2.6	26.8	20.2	14.0			
Consumer (Discretionary)																													
Radico Khaitan	64	REDUCE	6,537	129	102	2.2	2.6	3.3	(41.4)																				

Valuation summary

Kotak Institutional Equities Universe

Company	26-Mar-09		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E			
Energy																													
Bharat Petroleum	359	SELL	117,786	2,329	328	41.3	0.0	42.0	(21.1)	(99.9)	NA	8.7	NA	8.6	4.1	7.4	4.4	0.9	1.0	0.8	1.2	—	5.2	11.8	0.0	10.2	425	18.3	5.5
Cairn India	191	BUY	356,591	7,051	1,871	(0.1)	4.2	4.4	(105)	(3,628)	5.2	(1,599)	45	43.1	44.0	26.3	19.4	1.2	1.1	1.0	—	—	—	(0.1)	2.5	2.5	225	18.0	13.3
Castrol India (a)	322	BUY	39,868	788	124	17.6	21.3	25.6	44.4	20.7	20.2	18.3	15.1	12.6	10.0	8.5	7.1	9.7	8.8	7.9	4.3	4.7	5.6	52.2	60.9	66.3	390	20.9	0.3
GAIL (India)	236	REDUCE	299,360	5,919	1,268	20.4	23.3	19.7	21.0	14.2	(15.6)	11.6	10.1	12.0	5.8	5.4	6.7	2.1	1.8	1.7	2.8	3.1	2.8	18.1	18.3	13.8	240	1.7	9.3
GSPL	36	BUY	20,457	404	563	1.8	1.4	2.4	10.1	(22.4)	68.6	20.2	26.0	15.4	7.0	7.4	4.9	1.6	1.6	1.4	1.4	1.1	1.8	8.8	6.2	9.7	45	23.8	1.6
Hindustan Petroleum	257	SELL	87,193	1,724	339	33.5	(10.5)	30.2	(16.4)	(131.5)	(386.8)	7.7	(24.4)	8.5	7.0	6.9	4.6	0.7	0.7	0.7	1.2	—	4.7	9.6	(2.9)	7.6	300	16.6	6.8
Indian Oil Corporation	398	REDUCE	468,898	9,271	1,179	61.3	24.3	46.8	31.0	(60.3)	92.1	6.5	16.3	8.5	4.0	8.0	4.3	1.0	1.0	0.9	1.4	—	4.6	17.4	6.2	10.3	525	32.0	3.0
Oil & Natural Gas Corporation	808	ADD	1,727,365	34,155	2,139	92.7	103.9	103.9	9.1	12.0	0.0	8.7	7.8	7.8	3.2	2.8	2.5	1.7	1.5	1.3	4.0	4.2	4.5	19.6	19.5	17.2	900	11.4	28.9
Petronet LNG	38	ADD	28,650	566	750	6.3	5.5	5.9	—	(12.6)	6.6	6.0	6.9	6.5	4.1	6.0	4.7	1.5	1.3	1.1	3.9	3.9	3.9	26.7	19.2	17.2	52	36.1	1.4
Reliance Industries	1,566	REDUCE	2,149,432	42,500	1,373	105.0	98.9	136.9	25.5	(5.8)	38.4	14.9	15.8	11.4	9.8	9.3	5.7	2.4	2.0	1.6	0.8	0.9	1.0	19.0	14.4	17.1	1,625	3.8	178.2
Reliance Petroleum	96	NR	432,450	8,551	4,500	—	(0.0)	9.0	n/a	n/a	n/a	n/a	n/a	10.7	n/a	n/a	8.7	3.2	3.2	2.6	—	2.1	—	(0.0)	27.0	—	(100.0)	25.8	
Energy		Neutral	5,728,051	113,259					12.9	(7.6)	36.5	12.0	13.0	9.5	6.1	6.4	4.6	1.8	1.5	1.4	1.8	1.8	2.7	14.9	11.8	14.5			
Industrials																													
ABB	411	SELL	87,052	1,721	212	23.2	25.8	23.6	44.5	11.3	(8.8)	17.7	15.9	17.4	10.0	9.3	9.6	5.4	4.1	3.5	0.5	0.6	0.7	34.8	29.4	21.6	325	(20.9)	4.6
BGR Energy Systems	139	REDUCE	10,037	198	72	12.1	15.3	20.7	(67.4)	26.1	35.4	11.5	9.1	6.7	6.7	5.3	4.7	2.1	1.8	1.5	1.4	1.8	2.4	31.4	21.3	23.9	165	18.4	0.8
Bharat Electronics	855	ADD	68,400	1,352	80	102.0	105.5	111.8	11.2	3.4	6.0	8.4	8.1	7.6	3.5	2.8	2.4	2.0	1.7	1.5	2.4	2.9	2.9	27.7	23.1	20.8	950	11.1	0.9
Bharat Heavy Electricals	1,566	ADD	766,539	15,156	490	58.4	64.9	92.6	22.9	11.2	42.5	26.8	24.1	16.9	14.4	12.8	9.2	7.1	5.8	4.6	1.0	0.9	1.3	29.2	26.6	30.5	1,475	(5.8)	45.0
Crompton Greaves	121	ADD	44,302	876	367	11.2	14.0	15.2	43.0	25.3	8.4	10.8	8.6	8.0	6.0	5.2	4.6	3.4	2.5	2.0	1.3	1.4	1.5	36.1	33.7	28.1	140	15.8	4.0
Larsen & Toubro	662	REDUCE	392,456	7,760	593	37.9	48.2	51.6	20.8	27.1	7.0	17.5	13.7	12.8	12.1	9.2	8.3	3.3	2.5	2.0	1.3	1.5	1.7	22.7	20.6	17.6	650	(1.8)	51.7
Maharashtra Seamless	132	BUY	9,331	185	71	29.4	37.4	37.9	(60.4)	27.6	1.2	4.5	3.5	3.5	2.6	2.2	2.1	0.8	0.7	0.6	3.8	4.2	4.3	19.7	21.1	18.0	215	62.5	0.3
Siemens	252	REDUCE	84,897	1,679	337	18.2	14.2	15.7	60.4	(22.2)	10.5	13.8	17.8	16.1	7.6	7.6	8.4	4.6	3.7	3.2	1.0	1.4	1.7	39.9	23.1	21.3	220	(12.6)	4.8
Suzlon Energy	45	REDUCE	69,964	1,383	1,567	6.6	7.0	4.5	9.5	6.6	(36.4)	6.8	6.4	10.0	4.4	6.9	7.6	0.8	0.7	0.6	2.1	1.1	1.1	16.3	11.3	6.4	60	34.4	33.6
Industrials		Cautious	1,532,979	30,311					25.3	13.0	19.2	17.5	15.5	10.7	10.0	8.9	7.9	3.7	3.0	2.5	1.2	1.2	1.5	21.1	19.2	18.2			
Infrastructure																													
IRB Infrastructure	80	ADD	26,672	527	332	3.4	5.6	10.4	150.9	63.5	85.5	23.4	14.3	7.7	9.6	9.3	5.4	1.6	1.4	1.2	—	—	—	10.7	10.6	16.8	110	37.1	0.6
Media																													
DishTV	24	REDUCE	15,169	300	644	(9.6)	(7.4)	(4.1)	n/a	(23.1)	(44.2)	(2.4)	(3.2)	(5.7)	(9.0)	(11.7)	(55.5)	(3.4)	(2.3)	(7.1)	—	—	—	167.9	86.7	NA	22	(6.6)	2.4
HT Media	45	BUY	10,647	211	234	4.3	2.9	4.1	4.7	(32.3)	39.3	10.5	15.5	11.1	5.6	7.0	4.9	1.2	1.2	1.1	0.9	0.9	1.8	12.2	7.8	10.2	100	120.0	0.0
Jagran Prakashan	55	BUY	16,625	329	301	3.3	2.9	4.1	33.5	(9.7)	38.7	17.0	18.8	13.5	9.3	10.4	7.4	3.1	2.9	2.7	3.6	2.7	3.7	18.7	15.9	20.4	75	35.9	0.0
Sun TV Network	170	BUY	66,895	1,323	394	8.3	9.3	11.4	30.7	12.0	23.0	20.5	18.3	14.9	10.9	9.7	8.0	4.4	3.9	3.6	1.5	2.4	3.5	24.8	23.6	25.8	215	26.7	1.1
Zee Entertainment Enterprises	106	BUY	45,785	905	434	8.9	8.2	9.3	62.6	(7.5)	13.7	11.9	12.9	11.3	8.9	9.3	8.2	1.6	1.4	1.3	1.9	2.2	2.5	14.2	11.8	12.2	145	37.3	5.6
Zee News	31	BUY	7,433	147	240	1.5	1.9	2.1	396.2	(4.0)	6.9	20.0	16.2	15.1	10.9	9.1	8.1	3.5	3.0	2.6	1.3	1.3	1.6	19.2	20.5	18.9	38	22.6	0.3
Media		Attractive	162,552	3,214					30.8	(17.8)	66.1	30.3	36.9	22.2	12.4	12.2	8.8	2.9	2.7	2.3	1.6	2.0	2.7	9.5	7.2	10.3			
Metals																													
Hindalco Industries	52	ADD	91,925	1,818	1,753	13.8	7.7	2.4	(10.0)	(44.4)	(69.2)	3.8	6.8	22.2	5.7	5.2	7.2	0.4	0.2	0.3	—	—	—	14.4	10.3	5.2	55	4.9	7.1
National Aluminium Co.	234	SELL	150,736	2,980	644	25.3	19.7	10.3	(31.5)	(22.2)	(47.8)	9.2	11.9	22.8	4.2	5.7	7.3	1.6	1.4	1.4	2.6	1.5	0.9	18.3	12.7	6.2	135	(42.3)	1.8
Jindal Steel and Power	1,233	BUY	189,811	3,753	154	82.7	179.7	171.6	80.5	117.2	(4.5)	14.9	6.9	7.2	11.4	5.0	4.8	4.4	2.6	1.9	—	0.5	0.6	35.4	48.4	31.0	1,400	13.6	19.9
JSW Steel	203	SELL	37,971	751	187	86.1	8.7	45.7	16.1	(89.9)	423.3	2.4	23.2	4.4	4.5	7.0	5.6	0.4	0.4	0.3	6.9	1.0	1.0	20.7	10.2	7.9	185	(8.9)	4.7
Hindustan Zinc	437	BUY	184,689	3,652	423	104.0	63.8	64.0	(1.0)	(38.6)	0.2	4.2	6.8	6.8	2.0	3.3	2.9	1.5	1.2	1.1	1.1	1.7	2.3	43.6	20.0	17.0	490	12.1	3.1
Sesa Goa	98	BUY	77,464	1,532	787	19.0	23.7	19.6	146.0	24.8	(17.0)	5.2	4.2	5.0	2.6	2.5	2.3	2.7	1.7	1.4	2.7	3.6	3.6	67.8	51.2	30.5	115	16.9	11.2
Sterite Industries	366	BUY	259,415	5,129	708	64.3	48.0	46.6	(22.6)	(25.4)	(2.9)	5.7	7.6	7.9	2.3	3.9	3.9	1.1	1.0	0.9	—	—	—	26.1	13.8	12.2	400	9.2	22.1
Tata Steel	205	BUY	168,878	3,339	822	75.7	130.7	56.1	43.8	72.5	(57.1)	2.7	1.6	3.7	3.7	2.9	3.9	0.5	0.4	0.3	7.1	6.3	6.3	46.3	38.1	15.6	290	41.2	41.2
Metals		Attractive	1,160,889	22,954					12.0	6.1	(33.2)	4.9	4.6	6.9	4.0	3.9	4.6	1.0	0.8	0.7	1.9	1.7	1.8	19.8	16.3	10.0			
Pharmaceutical																													
Biocon	136	BUY	27,200	538	200	23.3	5.6	16.0	126.0	(76.1)	187.0	5.8	24.5	8.5	7.5	10.7	5.3	1.8	1.7	1.5									

Valuation summary

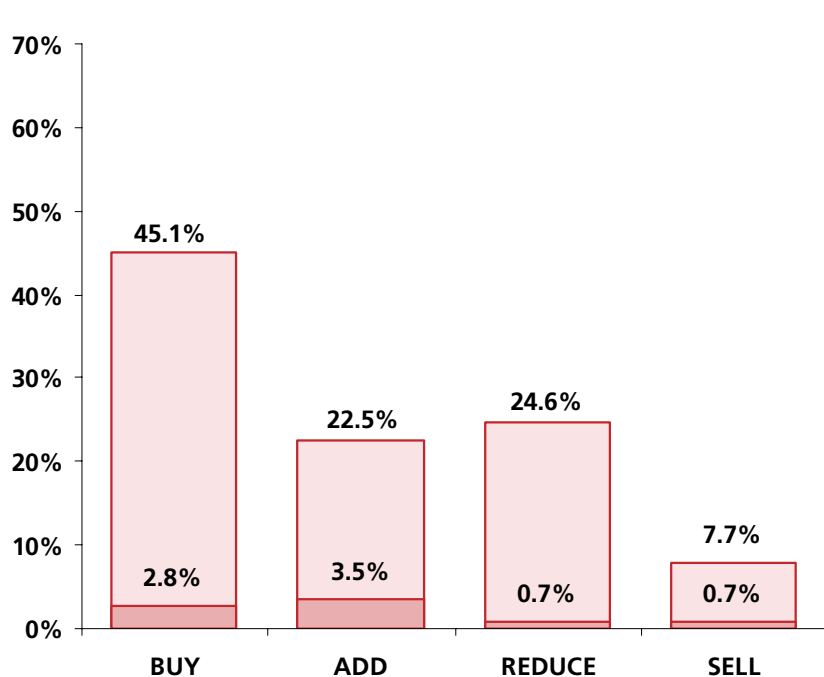
Kotak Institutional Equities Universe

Company	26-Mar-09		Mkt cap.		O/S shares (mn)	EPS (Rs)			EPS growth (%)			PER (X)			EV/EBITDA (X)			Price/BV (X)			Dividend yield (%)			RoE (%)			Target price (Rs)	Upside (%)	ADVT-3mo (US\$ mn)	
	Price (Rs)	Rating	(Rs mn)	(US\$ mn)		2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	(Rs)
Retail																														
Pantaloon Retail	161	REDUCE	25,568	506	159	7.9	8.3	10.2	90.0	4.4	23.3	20.3	19.4	15.8	10.1	8.2	7.3	1.4	1.3	1.2	0.5	0.5	0.6	8.2	6.7	7.8	165	2.8	1.3	
Titan Industries	779	REDUCE	34,597	684	44	35.1	41.9	48.7	55.2	19.6	16.1	22.2	18.6	16.0	15.1	11.4	9.7	7.3	5.6	4.4	1.0	1.2	1.4	37.7	34.1	30.7	830	6.5	2.8	
Vishal Retail	32	ADD	719	14	22	18.1	10.6	10.8	37.2	(41.2)	1.9	1.8	3.0	3.0	4.4	4.3	3.4	0.3	0.2	0.2	—	—	—	20.2	8.3	7.8	75	133.6	0.1	
Retail			60,884	1,204					31.9	6.0	17.9	18.9	17.8	15.1	10.7	8.4	7.4	2.4	2.2	1.9	0.8	0.9	1.1	12.4	12.1	12.8				
Sugar																														
Balrampur Chini Mills	49	BUY	12,585	249	256	3.1	6.5	7.0	(272.9)	106.5	8.0	15.7	7.6	7.0	7.8	4.6	4.0	1.3	1.1	1.0	1.2	1.3	1.6	7.6	13.5	12.7	70	42.1	3.3	
Shree Renuka Sugars	86	BUY	24,147	477	280	3.9	8.2	8.4	(87.3)	107.7	2.8	21.9	10.5	10.3	12.2	5.7	5.3	2.7	2.1	1.7	0.3	0.8	1.1	19.9	24.5	20.6	100	15.9	8.1	
Bajaj Hindustan	46	SELL	6,498	128	141	(2.6)	(6.0)	0.8	375.9	126.2	NA	(17.4)	(7.7)	56.9	14.0	8.2	5.3	0.5	0.5	0.5	1.5	—	0.6	(6.8)	(7.0)	4.6	36	(21.7)	4.7	
Sugar			43,229	855					526.3	96.1	38.3	25.6	13.1	9.5	11.3	6.3	5.0	1.4	1.2	1.1	0.7	0.9	1.2	5.3	9.5	11.7				
Technology																														
HCL Technologies	101	REDUCE	70,438	1,393	695	15.3	16.6	13.5	(19.0)	8.8	(18.6)	6.6	6.1	7.5	2.9	3.8	3.6	1.4	1.1	1.0	7.9	11.8	11.8	21.4	18.3	13.3	110	8.5	3.0	
Hexaware Technologies	26	SELL	3,681	73	142	7.7	4.1	3.0	(13.7)	(46.4)	(27.8)	3.4	6.3	8.7	0.4	0.8	1.7	0.5	0.6	0.5	3.5	3.9	3.9	15.1	8.6	6.3	25	(3.5)	1.9	
Infosys Technologies	1,379	BUY	791,632	15,653	574	79.1	101.8	112.0	18.0	28.8	10.0	17.4	13.5	12.3	13.5	9.5	8.1	5.7	4.4	3.5	2.4	1.8	2.0	36.1	36.7	31.6	1,500	8.8	49.7	
Mphasis BFL	204	REDUCE	42,605	842	208	12.2	14.2	32.6	67.6	15.7	129.8	16.7	14.4	6.3	10.0	10.9	4.3	3.7	3.0	2.1	1.7	2.0	2.2	23.6	22.8	39.5	190	(7.0)	1.6	
Mindtree	205	BUY	8,111	160	40	26.7	21.0	37.1	12.3	(21.6)	76.9	7.7	9.8	5.5	6.8	3.1	2.9	1.5	1.3	1.0	1.3	—	—	21.3	11.9	17.8	400	94.8	1.4	
Patni Computer Systems	122	SELL	15,674	310	128	33.2	26.8	17.5	29.2	(19.3)	(34.7)	3.7	4.6	7.0	0.5	0.4	0.3	0.6	0.7	0.5	1.8	1.5	2.9	19.2	16.2	7.9	130	6.5	0.8	
Polaris Software Lab	47	SELL	4,591	91	98	7.4	14.9	12.7	(27.6)	100.0	(14.9)	6.3	3.1	3.7	2.3	0.9	0.8	0.7	0.6	0.5	3.7	3.7	3.7	11.7	20.4	15.0	50	7.1	2.0	
TCS	558	REDUCE	546,505	10,806	979	51.3	53.2	58.5	21.5	3.8	10.0	10.9	10.5	9.5	8.7	7.2	6.4	4.4	3.5	2.9	2.5	3.3	4.2	47.0	37.4	33.7	550	(1.5)	16.9	
Tech Mahindra	269	BUY	33,454	661	125	59.1	67.6	58.7	25.7	14.5	(13.2)	4.5	4.0	4.6	4.0	2.4	2.2	2.7	1.6	1.2	2.0	2.2	2.3	70.7	53.1	31.6	320	19.2	3.0	
Wipro	256	ADD	373,541	7,386	1,462	22.2	25.3	26.9	12.6	13.9	6.0	11.5	10.1	9.5	9.2	7.1	6.1	2.9	2.5	2.1	2.3	1.6	2.9	27.9	26.6	23.8	280	9.6	9.0	
Technology			Cautious	1,890,232	37,375					15.5	14.8	7.2	12.2	10.6	9.9	9.1	7.1	6.2	3.7	3.0	2.5	2.6	2.6	3.2	30.4	28.3	25.0			
Telecom																														
Bharti Airtel Ltd	622	BUY	1,180,209	23,336	1,898	35.3	44.2	48.9	65.0	25.1	10.8	17.6	14.1	12.7	10.7	8.1	7.1	5.2	3.8	2.9	—	0.6	1.0	39.1	31.4	26.0	675	8.5	61.1	
IDEA	52	REDUCE	166,672	3,296	3,236	3.9	2.6	2.1	78.5	(32.2)	(21.0)	13.0	19.5	24.7	9.9	6.7	6.6	4.7	1.2	1.2	—	—	—	36.4	10.1	5.1	50	(2.9)	5.0	
MTNL	68	SELL	43,029	851	630	7.1	4.0	4.1	(11.0)	(44.3)	2.6	9.6	17.2	16.7	1.3	4.0	2.9	0.4	0.4	0.4	5.9	8.8	8.8	3.5	1.6	1.6	50	(26.8)	0.8	
Reliance Communications	170	SELL	350,677	6,934	2,064	26.5	26.7	20.1	86.4	0.7	(24.7)	6.4	6.4	8.5	6.0	6.8	6.6	1.2	1.0	0.9	0.4	0.5	—	16.8	18.4	11.7	150	(11.7)	47.2	
Tata Communications	533	REDUCE	151,791	3,001	285	10.9	13.6	14.0	(36.3)	24.0	3.2	48.6	39.2	38.0	20.2	16.6	15.1	2.3	2.2	2.1	0.8	0.9	1.2	4.4	5.4	5.2	400	(24.9)	2.1	
Telecom			Cautious	1,892,378	37,417				65.7	12.7	(4.8)	13.1	11.6	12.2	9.0	7.8	7.1	2.6	1.9	1.7	0.5	0.8	0.9	1.9	16.7	13.8				
Transportation																														
Container Corporation	695	REDUCE	90,284	1,785	130	57.7	63.4	67.8	7.8	9.8	7.0	12.0	11.0	10.2	8.1	7.3	6.4	2.8	2.4	2.0	1.9	2.1	2.2	25.8	23.6	21.4	735	5.8	0.7	
Transportation			Cautious	90,284	1,785				7.8	9.8	7.0	12.0	11.0	10.2	8.1	7.3	6.4	2.8	2.4	2.0	1.9	2.1	2.2	23.6	21.7	19.9				
Utilities																														
CESC	217	BUY	27,099	536	125	27.8	31.9	36.9	(23.2)	14.9	15.8	7.8	6.8	5.9	4.0	3.8	4.9	0.9	0.7	0.7	1.8	2.1	2.5	12.5	11.7	11.9	385	77.5	0.7	
Lanco Infratech	147	BUY	32,756	648	222	14.8	14.6	17.1	75.2	(1.3)	16.6	9.9	10.1	8.6	8.9	20.0	15.4	1.8	1.5	1.3	—	—	—	19.7	16.2	15.8	265	79.8	4.7	
NTPC	181	REDUCE	1,494,903	29,558	8,245	9.3	9.3	10.9	7.9	0.1	16.7	19.4	19.4	16.6	13.5	13.5	12.5	2.8	2.5	2.3	1.9	1.9	2.3	14.9	13.6	14.6	180	(0.7)	24.3	
Reliance Infrastructure	564	BUY	130,291	2,576	231	37.6	59.9	56.2	13.9	59.4	(6.2)	15.0	9.4	10.0	10.6	10.2	10.2	0.8	0.8	0.7	1.1	1.3	1.5	4.3	6.2	6.7	970	71.9	77.3	
Reliance Power	106	REDUCE	254,056	5,023	2,397	0.4	1.3	2.5	—	252.9	82.7	278.7	79.0	43.2	—	—	—	1.9	1.8	1.8	—	—	—	1.3	2.3	4.2	120	13.2	9.1	
Tata Power	781	BUY	173,903	3,439	223	31.8	65.2	99.1	19.5	104.9	51.9	24.5	12.0	7.9	11.8	9.1	8.1	2.0	1.7	1.4	1.4	1.4	1.5	9.6	15.2	19.5	1,000	28.0	10.3	
Utilities			Attractive	2,113,007	41,780				12.2	15.5	20.2	21.1	18.2	15.2	13.2	13.6	13.1	2.2	2.0	1.8	1.5	1.6	1.8	10.3	10.9	12.0				
Others																														
Aban Offshore	367	REDUCE	13,906	275	38	72.3	142.4	185.5	(1,066)	97.0	30.3	5.1	2.6	2.0	10.9	7.5	5.7	1.6	0.9	0.6	1.0	1.1	1.4	51.7	44.5	37.6	300	(18.3)	15.6	
Educomp Solutions	2,141	BUY	40,727	805	19	35.2	64.2	108.1	114	82.7	68.3	60.9	33.3	19.8	32.4	14.7	9.0	13.2	5.6	4.5	0.1	0.3	0.4	33.5	23.4	24.3	2,550	19.1	81.9	
Havells India	149	REDUCE	9,044	179	61	26.6	(1.0)	10.3	40	(103.7)	(1,135)	5.6	(150.7)	14.6	5.6	7.6	6.6	1.3	1.2	1.2	1.6	2.2	2.8	33.7	(0.9)	8.5	120	(19.7)	0.2	
Jaiprakash Associates	86	BUY	120,487	2,382	1,403	4.9	5.3	7.1	7	8.6	33.4	17.5	16.1	12.1	12.9	11.2	9.5	2.4	2.1	1.8	0.0	0.0	0.0	15.4	13.9	16.3	105	22.3	35.1	
Jindal Saw	176	BUY	10,766	213	61	66.6	86.9	82.9	(43)	30.6	(4.7)	2.6	2.0	2.1	2.5	1.2	0.8	0.4	0.3	0.3	4.1	7.5	8.5	12.5	14.4	12.3	500	184.8	0.4	
PSL	66	BUY	2,876	57	44	21.1	24.3	43																						

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Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



- Percentage of companies covered by Kotak Institutional Equities, within the specified category.
- Percentage of companies within each category for which Kotak Institutional Equities and or its affiliates has provided investment banking services within the previous 12 months.

* The above categories are defined as follows: 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. These ratings are used illustratively to comply with applicable regulations. As of 31/12/2008 Kotak Institutional Equities Investment Research had investment ratings on 142 equity securities.

Source: Kotak Institutional Equities

As of December 31, 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

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