investor's eye

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Index

Take Five

Scrip	Reco Date	Reco Price	CMP	Target
Aban Loyd	03-Mar-05	330	**936**	1,760
Bajaj Auto	15-Nov-05	1,873	**2,752**	3,500
BHEL	11-Nov-05	1,203	**1,947**	2,650
Esab India	21-May-04	60	**344**	575
Infosys	30-Dec-03	1,378	**3,141**	3,504

Sharekhan Ltd
A-206, Phoenix House, 2nd Floor, Senapati Bapat Marg, Lower Parel, Mumbai - 400013, India.

Welspun India

Emerging Star

Stock Update

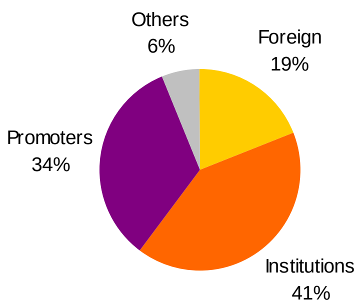
A strategic acquisition

Buy; CMP: Rs91

Company details

Price target:	Rs140
Market cap:	Rs696 cr
52 week high/low:	Rs145/63
NSE volume: (No of shares)	68,009
BSE code:	514162
NSE code:	WELSPUNIND
Sharekhan code:	WELSPUN
Free float: (No of shares)	4.8 cr

Shareholding pattern



Price chart

Price performance

(%)	1m	3m	6m	12m
Absolute	-26.1	-34.7	-31.1	-32.2
Relative to Sensex	-21.3	-28.5	-37.2	-53.6

We recently attended Welspun India's (WIL) analyst meet and here are the key takeaways.

- Welspun India (WIL) has bought an 85% stake in CHT Holdings Ltd, the holding company of UK's leading towel brand, "Christy" at an enterprise value (EV) of Rs132 crore. WIL at present has paid Rs100 crore for the 85% stake. The same has been financed by a debt of Rs60 crore and the balance through internal accruals.
- Christy is best known as the sole supplier of towels for the Wimbledon tournament. It has a presence spread across 98 retail stores including 22 of its own branded stores. For FY2006, Christy, a June ending company is expected to clock a turnover of Rs300 crore with earnings before interest, depreciation, tax and amortisation (EBIDTA) of 8.5-9%.
- We feel that the deal is quite significant for WIL, as the same will increase its presence in the UK market as well as in the retail segment. It will also give WIL an access to superior product technology. The deal is also in line with WIL's target to become one of the global leaders in the home textiles segment by FY2008 and to generate 20% of its revenues from the branded segment.
- Secondly, apart from its leadership position in the terry towel segment, WIL is in the supply chain management for key customers and its increasing presence in the retail segment through "Spaces" will give it an edge over its competitors.
- We believe that with increased exports of home textiles from India in the post-quota regime and with its capital expansion programme in place, WIL's earnings will grow at a compounded annual growth rate (CAGR) of 52% over FY2006-08. At the current market price (CMP) of Rs91, WIL trades at 11x its FY2007E (7x its FY2008) earnings and 10x its FY2007 (6.6x FY2008E) EV/EBIDTA. We maintain a Buy on WIL with a price target of Rs140.
- Our present forecasts do not factor in the recent acquisition. We will update the same shortly, once we get further clarity on Christy's financials and future plans.

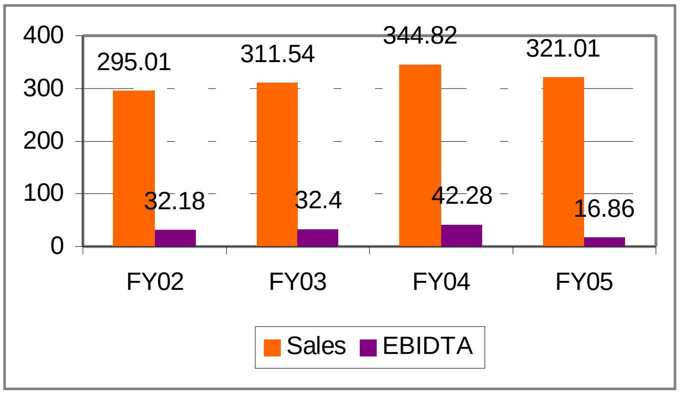
Acquisition of Christy at 5.5x EV/EBIDTA & 0.45x EV/Sales

Welspun India (WIL) has bought an 85% stake in CHT Holdings Ltd, the holding company of UK's leading towel brand, "Christy" at an EV of Rs132 crore. WIL at present has paid Rs100 crore for the 85% stake. The same has been financed with a debt of Rs60 crore and the balance through internal accruals (Rs40 crore). The balance stake of 15% would be bought on the basis of a valuation relative to Christy's FY2008 and FY2009 operating profits. The deal has been struck at 5-5.5x EV/EBIDTA and 0.45x EV/Sales, which are reasonable valuations. For FY2006, Christy, a June ending company is expected to clock a turnover of Rs300 crore with an EBIDTA of 8.5-9%.

Christy—a strong brand in the UK with retail presence

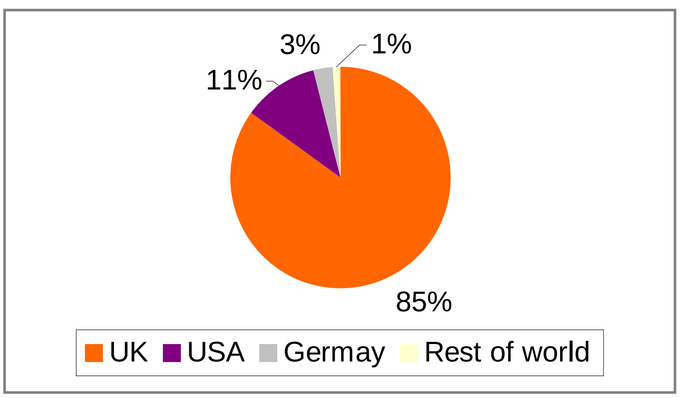
Christy is an established brand in the UK with a history of 150 years. It has its facilities located at Manchester with an employee base of 464 people. The Christy family invented the towel and held the original patent for terry towels worldwide. At present, Christy has its presence spread across 98 retail stores including 22 of its own. The company claims to be the only towel brand in the UK and has a 17% share of the GBP300 million UK towel market. Christy is best known as the sole supplier of towels for the Wimbledon tournament.

Historical Financials (Rs Crore)



Source: Company

Sales Break up by geography: FY05



Source: Company

The Christy branded towels contributed 62% to FY2005 revenues. The company also manufactures towels on behalf of the private labels, which contributed 31% to Christy's FY2005 revenues. Christy entered the bed linen segment in the year 2002. Apart from the home country UK (85% of revenues), the USA and Germany are also important markets contributing 14% to the top line. Christy's has under its belt, major UK retailers like Marks & Spencer's, John Lewis, House of Fraser etc. Outside the UK, its customers include names like Bloomingdales (USA), Karsadt (Germany) and Lane Crawford (HK).

Sales break-up by the type of outlet

Under Christy brand: towels	
Wholesale	36%
Other retail stores	20%
Under Chrisy brand: bed linen	
Wholesale	3%
Other retail stores	3%
Own outlets (towel+bed linen)	**7%**
Private lables: towels	31%

Source: Company

Tentative impact of Christy

	FY07	FY08	FY09
Revenues (Rs crore)	166.6	211.8	226.6
EBIDTA (Rs crore)	15.2	26.1	29.1
PAT (Rs crore)	2.0	6.7	7.6
EPS Rs	0.3	0.9	1.0
Incremental ROCE (%)	0.5	1.0	1.3
EBIDTA %	9.0	12.0	13.0
PAT %	1.0	3.0	3.0

Source: Company

Acquisition in line with WIL's strategy, will result in operational synergies

WIL plans to become one of the global leaders in home textiles by FY2008. At the same time it also has a commitment towards increasing sales of the branded products to 20%. The acquisition of Christy is in line with these broad objectives. Going ahead the company also plans to launch Christy's products in the domestic market through its established retail chain "Spaces". At present, there are 40 exclusive "Spaces" showrooms. The acquisition will give WIL an access to the UK's major retail chains through Christy's established network. Most significantly, the acquisition gives WIL an access to Christy's superior product technology. Christy's product finesse is renowned the world over. "Christy's finish" is a benchmark in itself and the global retailers will insist on the same from WIL too. Thus we feel that the Christy acquisition is a significant one for WIL as the same is in line with WIL's corporate objectives and gives WIL an access to the superior product technology and increased presence in the branded and retail segments.

Further, we present a couple of points, which makes WIL different in the home textiles space.

Supply chain management, the key advantage

Although the home textiles space is witnessing new entrants, WIL stands tall amongst its peers. Apart from the leadership position, it is the supply chain management, which is the key distinguishing factor. WIL monitors the point of sale of the retailer in the USA by which it has access to the latest trends and consumer preferences. The same information is passed on to the customer. The customer in turn increases the shelf space for the merchandise, which is in demand and reduces space for the product that is not in demand. This ultimately helps WIL in reducing the dead stocks as it has a close access to the consumer's preference and would alter the production schedule accordingly. Offering this value-added service leads to a strong customer relationship, which results in WIL being one of most preferred suppliers to the US retailers.

Presence in retailing with "Spaces"

WIL also has a presence in the retailing space in the form of its 49:51 joint venture, Welspun Retail Ltd (WRL) with the balance stake owned by the promoters. WRL extends its retailing presence in the form of three brands--"Spaces", "Welspun Home" and "Tommy Hilfiger". The company's products under the Tommy Hilfiger brand cater to the top end segment while its products under the Spaces brand cater to the middle segment of the economy. The factory outlets of the company, ie Welspun Home cater to the low-end segment of the market. These three brands are spread across sixty showrooms out of which forty are company owned. WRL had a top line of Rs45 crore in FY2006 and achieved a cash break even. The company will add another 10-15 showrooms in the current year. The management expects revenues of Rs70-75 crore from the retailing venture in FY2007.

Valuation and view

Our present forecasts do not factor in the recent acquisition. We will update the same shortly, once we get further clarity on Christy's financials and future plans. We believe that with the increased exports of home textiles from India in the post-quota regime and with its capital expansion programme in place, WIL's earnings will grow at a CAGR of 52% over FY2006-08. At the CMP of Rs91, WIL trades at 11x its FY2007E (7x FY2008E) earnings and 10x its FY2007 (6.6x FY2008E) EV/EBIDTA. We maintain a Buy on WIL with a price target of Rs140.

Earnings table

	FY2005	FY2006	FY2007E	FY2008E
Net profit (Rs Crore)	38.6	41.2	64.2	95.9
Shares in issue (cr)	5.6	7.5	7.7	7.7
EPS Rs	5.0	5.4	8.4	12.5
Growth (%)	26.6	6.9	55.6	49.5
PER x	18.3	17.1	11.0	7.3
BV	65.5	76.7	85.8	97.8
P/BV	1.6	1.3	1.1	1.0
EV/EBIDTA	9.7	12.4	10.0	6.6
ROCE (%)	12.5	8.1	8.5	10.1
RONW (%)	12.8	8.8	10.4	13.7

The author doesn't hold any investment in any of the companies mentioned in the article.

Crompton Greaves

Apple Green

Stock Update

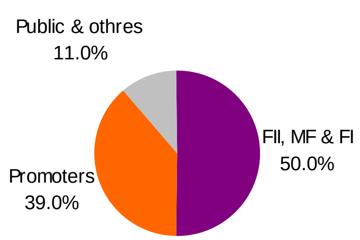
An eventful FY2006

Buy; CMP: Rs862

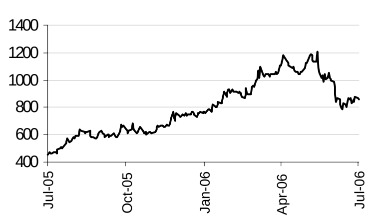
Company details

Price target:	Rs1,144
Market cap:	Rs4,517 cr
52 week high/low:	Rs1,225/448
NSE volume: (No of shares)	44,605
BSE code:	500093
NSE code:	CROMPGREAVE
Sharekhan code:	CROMPTON
Free float: (No of shares)	3.2 cr

Shareholding pattern



Price chart



Price performance

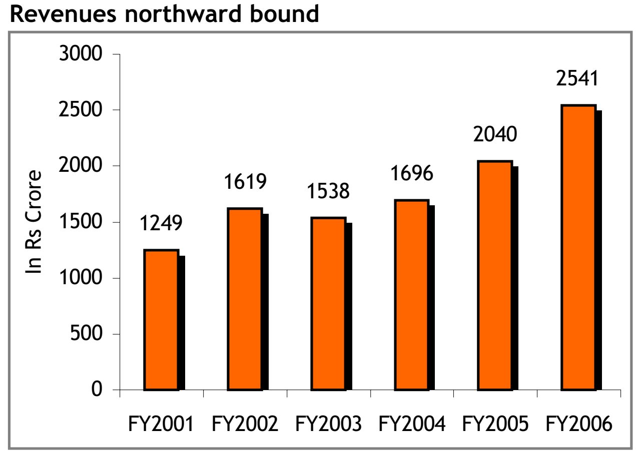
(%)	1m	3m	6m	12m
Absolute	-17.1	-20.2	12.2	93.6
Relative to Sensex	-11.8	-12.7	2.2	33.7

Crompton Greaves (CG) had an eventful FY2006. The core businesses of power systems (PS), consumer products (CP) and industrial systems (IS) reported strong performances in terms of both the revenue growth and margin improvement. CG in a bid to strengthen its PS business took a long stride in the international arena and acquired Belgium-based Pauwels Group in May 2005 at an enterprise value of euro 30 million. Pauwels added 1) Rs1,600 crore in revenues at one stroke; 2) five manufacturing facilities in 3 continents; 3) significant knowledge base in transformers; and 4) a strong brand presence throughout the world. With this acquisition, CG has catapulted from a leading Indian player to a truly global corporation with US$1 billion in revenues with the power systems contributing 64% of CG's consolidated portfolio. CG has released its annual report for FY2006 detailing its achievements during FY2006 and the outlook for FY2007 and we are giving below an excerpt of the same.

CG's stand-alone performance was remarkable with 24.6% jump in revenues

In FY2006, CG's stand-alone revenues stood at Rs2,541.0 crore, an encouraging growth of 24.6% over the previous year. With the core businesses on firm footing in the year under review, CG surpassed the half billion dollar mark in its revenues on a stand-alone basis. The performance is attributable to the favourable business environment (in all divisions), launch of new and innovative products, thrust on new markets, strong growth in the international markets and additional capacities introduced in the year. The PS business grew by 38.0% in the year under review, followed by the CP business (up 21.7%) and the IS business (up 20.1%).

Revenues northward bound

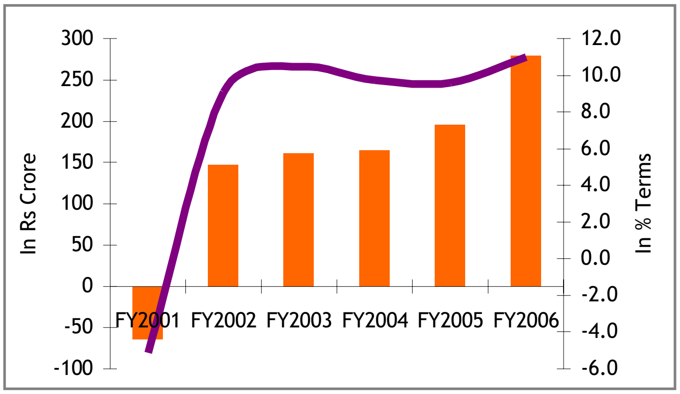


Source: Sharekhan Research

Operating profit growth at 42.7% is remarkable in light of rising input prices

In an environment of sharply rising raw material and input prices, the company's operating profit growth at 42.7% to Rs279.3 crore is remarkable and is higher than the revenue growth. The higher profitability was attributed to a strong volume growth, greater operational efficiency, productivity increases, value engineering initiatives and supply chain management. In the rising commodity price scenario, the percentage of raw material to sales was benign at 70.3%. But, the margin kicker came from the sliding employee and administration costs as a percentage of revenues. Consequently, the operating profit margins (OPMs) reported a 140-basis-point rise to 11.0% in the year under review. This was the highest OPM reported in last six years of operations.

Steadily improving margins



Source: Sharekhan Research

Core business witnessed strong traction

The core businesses of PS, CP and IS witnessed strong traction in the year under review. On a stand-alone basis, these three businesses accounted for 99% of the company's revenues. The PS business led with 44% of the revenues, followed by the CP business with 30% of the revenues and the IS business with 25% of the revenues.

The PS business includes transformers, switchgears, power quality equipments and engineering projects. This division was a front-runner in FY2006 posting revenues of Rs1,216.8 crore with a growth of 38.0% over the previous year. The division utilised its capital efficiently, by posting a jump of 37% in its asset utilisation ratio to 3.9x in the year under review. Consequently the profit before interest and tax (PBIT) margins strengthened by 140 basis points to 8.9% as against 7.5% in the previous year.

PS- better asset utilisation

	FY2005	FY2006
Revenues	881.8	1216.8
Growth %	16.7	38.0
PBIT	66.0	107.8
Growth %	3.1	63.3
Capital employed	306.6	309.5
PBIT %	8.6	9.5
Asset turns (x)	2.9	3.9

Source: Sharekhan Research

The CP business constitutes fans, lighting & luminaries, appliances and pumps. This division has grown at 21.7% to Rs817.1 crore, faster than the market and resulted in the gains in its market share. The division raised its asset utilisation rate for one more year, strengthening it by 15.0% to 17.3x. It still continues to generate the highest PBIT for every rupee of capital employed mainly owing to its outsourced business model. Consequently the margins increased by 90 basis points to 9.5% in the year under review.

CP- improvement in margins

	FY2005	FY2006
Revenues	671.5	817.1
Growth %	9.7	21.7
PBIT	58.0	77.7
Growth %	8.2	33.9
Capital employed	44.9	47.3
PBIT %	8.6	9.5
Asset turns (x)	15.0	17.3

Source: Sharekhan Research

The IS business comprises motors, alternators, stampings, railway transportation and signaling products. The sales growth in the division of 20.1% to Rs685.6 crore is a broad continuation of the growth momentum of the previous year. A strong volume growth was seen in the main product line except Railway products, which evinced a flat growth due to the delay in the procurement programme of the Indian railways. CG added scale in the business by spending on capital expenditure (capex) to meet future growth opportunities. The margin remained flattish at 13.6% (up 20 basis points) due to a shift in product mix.

IS- continued growth momentum

	FY2005	FY2006
Revenues	570.6	685.6
Growth %	20.1	20.0
PBIT	76.7	93.0
Growth %	88.1	21.2
Capital employed	139.6	165.2
PBIT %	13.4	13.6
Asset turns (x)	4.1	4.2

Source: Sharekhan Research

Export business continues to rock

CG continued with the growth momentum in FY2006 by clocking export revenues of Rs433.4 crore (on a FOB basis) and a growth of 74% over the previous year. The company has pursued exports in an aggressive manner in the recent past, as a result of which the export business has quadrupled from Rs149.8 crore in FY2001 to Rs433.4 crore in FY2006. The exports as a percentage of sales has also taken a quantum jump from 12.0% of the net sales in FY2001 to 17.1% of the net sales in FY2006, occupying a significant portion in the CG revenue portfolio.

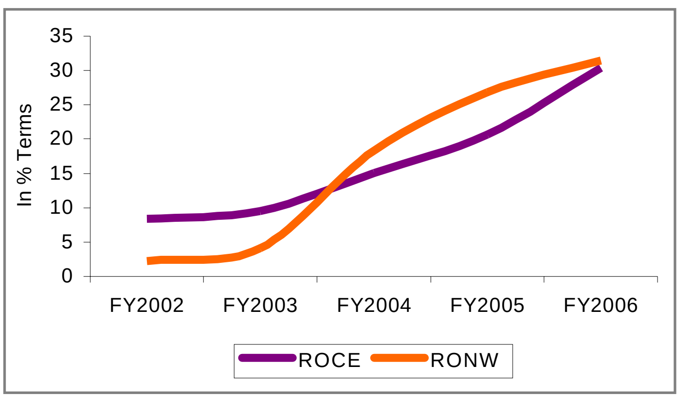
Cash flows zoomed by 105.4% to Rs227.2 crore

Buoyed by the strong revenue growth in its core business coupled with rising margins, the operating cash flow zoomed by 105.4% to Rs227.2 crore in the year under review. Further the draw down of the inventory and debtors by five and nine days respectively also freed a lot of funds during the year. CG invested Rs49 crore in capex, to build capacities in its PS and IS divisions. The company continued with its debt repayment strategy and repaid debt of Rs67.9 crore in the year under review. The debt-equity ratio came down sharply to 0.5x versus 0.8x in FY2005. The company now sits on a cash kitty of Rs125 crore as at the year end, which is very impressive considering the liquidity crunch faced in the recent past.

Strong financials--better equipped for hostile times

CG's transformation is remarkable, considering the company posted losses in FY2000 and FY2001. CG has earned net profit margins of 6.6% in FY2006, higher than what it earned at the operating level in FY2001. The company has utilised its assets optimally and raised asset turns to 3.0x, the highest in the last six years and 19% above FY2005 asset turn levels. CG has cut down its net working capital turns by three days or 7%, through better management of debtors and inventory. To sum it up, the company has graduated in utilising every rupee effectively and efficiently. The impact is clearly visible in the improving return ratios--a 1,000-basis-point improvement in the return on capital employed (ROCE) to 30.3% and a 460-basis-point jump in the return on equity (ROE) to 31.4% evinced in FY2006 alone. In the last three years, the ROCE has actually improved from 9.5% in FY2003 to 30.3% in FY2006.

Improving return ratios



Source: Sharekhan Research

Pauwels acquisition--a bold initiative

In May 2005, CG acquired the entire equity of Pauwels Contract NV, Belgium, the holding company for the Pauwels group. CG acquired the entire equity for euro 2.1 million and took over the outstanding debt of euro 30 million. At the enterprise value (EV) of euro 26.3 million and EV/ earnings before interest, depreciation, tax and amortisation (EBIDTA) of 2.4 and EV/Revenues of 0.1, the deal was struck at attractive valuations and a win-win situation for CG.

Pauwels brought (1) infrastructure facilities in Belgium, Ireland, Canada, Indonesia and the USA; (2) production capacity of 30,000 transformers a year; (3) significant knowledge base in transformers; (4) complimentary product range--like Pauwels stronghold in the 525KV and 36KV range; (5) powerful brand equity; (6) direct gateway to the international market to pursue international growth aspirations; and (7) an existing business with annualised revenues of Rs1,829 crore; the combined business will hold 3% of the world transformer market share.

Overall, Pauwels acquisition is a win-win situation for CG since it sufficed all key parameters as it is strategic in nature, adds new dimensions, expands horizons, offers growth and has attractive valuations.

Pauwels rejuvenation--under guidance of Indian company

In 11 months, Pauwels improved its performance at the operating and net levels under the guidance of its Indian acquirer. The Belgium company reported consolidated revenues of Rs1,600.5 crore, a 21% growth on a like-to-like basis. The EBIDTA margins improved by 110 basis points to 5.3% driven by a strong volume growth, productivity increases and operational efficiency. CG persuaded its lenders to restructure loans and interest expenses and successfully struck a 50% cut in its outstanding loans. Based on the above, Pauwels reported a profit before minority interest of Rs60.2 crore with net margins of 3.8%.

Pauwels a net winner--added to CG's consolidated results

The impact of Pauwels was not limited to the addition in the consolidated revenues. It made a meaningful contribution at EBIDTA and profit after tax (PAT) levels. The highlights of contribution are given below.

1. The company added almost Rs1,600 crore to the consolidated revenues and CG is now inching closer to the US$1 billion mark.

2. The EBIDTA margins dropped by 210 basis points to 8.9%. The tiny contribution to pay for Rs1,600 crore in additional revenues.

3. The debt-equity levels maintained at 0.5x.

4. The return ratios maintained. The ROCE above the 30% mark and the ROE at 30% level.

5. The earnings have risen from Rs32.2 to Rs43.5. Pauwels contributed 35% to the consolidated earnings.

We believe that the performance of Pauwels in the first year of acquisition is way above our expectations and is also a net-net winner for consolidated results.

Pauwels--a winner

	Stand-alone	Consolidated
Revenues (Rs crore)	2541.0	4131.4
EBIDTA (Rs crore)	279.3	367.6
PAT (Rs crore)	168.7	231.0
D/E (x)	0.5	0.5
ROCE (%)	30.3	31.2
RONW (%)	31.4	26.6

Source: Sharekhan Research

Consolidated results gave positive surprise

CG reported a consolidated profit before minority interest of Rs231.0 crore for the year under review--way ahead of market expectation. The splendid earnings performance of Pauwels in its first year of operation (post-acquisition) with a profit before minority interest of Rs60.2 crore yielded a positive surprise to the consolidated results. On the revenue front, Pauwels contributed 37% to the consolidated revenues of Rs4,131.4 crore. The power systems division is the core business and contributed 64% or Rs2,817.3 crore to the consolidated revenues of the company. The return ratios are comfortably placed with the ROCE of 32.2%, a ROE of 29.4% and the debt-equity ratio placed at 0.5x. The company also has a healthy cash kitty of Rs207.3 crore in its consolidated accounts; sufficient to support capex plans.

Outlook

The management maintains a positive outlook on its core businesses of PS, IS and CP for the FY2006-08 period. Further Pauwels has bright prospects ahead as viewed by the management. The positive view is based on the following.

Rs2,868 crore order book in hand--equivalent to 0.9x FY2006 consolidated revenues

CG has orders in hand worth Rs2,868 crore as on March 31, 2006, an annual growth of 55%. The order flow in the core business divisions was encouraging through the year both in the domestic and international spaces. Thanks to the strong demand and overall buoyancy in user sectors. The PS division (stand-alone) saw an addition of 54% or Rs429 crores in pending orders on an annual basis with an order backlog of Rs1,229 crore. Whereas the IS division (stand-alone) saw a relatively lower addition of 19% or Rs37 crore in pending orders on an annual basis with an order backlog of Rs240 crore. Thus CG on a stand-alone basis saw a strong traction of 47% or Rs467 crore with orders of Rs1,468 crore. The scene at Pauwels is also encouraging, with pending orders in hand of Rs1,400 crore and a growth of 64% on an annual basis. CG is resting on orders equivalent to 0.9x FY2006 consolidated revenues (Ex-CP division) rendering a good visibility to its revenues and earnings.

Strong order book

In Rs cr	FY2005	FY2006	% change
PS	799	1229	54
IS	202	240	19
CG stand	1002	1468	47
Pauwels	854	1400	64
CG Cons	1855	2868	55

Source: Sharekhan Research

Conducive business environment

The management views that the business environment is conducive for sustained double-digit growth in CG's stand-alone business. The strong macro environment, possibility of sustained 8% GDP growth, willingness to spend on infrastructure, strong capex plans of user industries and rising household disposable incomes are the main pillars for the management's positive view. We acknowledge the view. Further the management believes there exists tremendous business opportunities in countries like Belgium, Canada, the USA and Indonesia as they have substantial capex plans under their sleeves. Pauwels will be a big beneficiary, since it has operations and infrastructure located in the above countries.

Synergy benefits to fructify

CG is looking forward to synergy benefits and integration gains. This will entail comprehensive mutual adoption of best business practices, cross-fertilisation of ideas, integration of design software, secondment of personnel, cross leveraging of product portfolio and making full use of India's personal cost advantage while leveraging Pauwels repository of international customers. The implementation of the above in a timely and efficient fashion will generate tremendous gains.

Aspires to become a global corporation

CG is looking forward to rapidly completing the process of integration with Pauwels, becoming a world leader in the transmission and distribution business, attaining leadership in Asia-Pacific in the motors and drives business, and being a leader in SAARC nations in consumer electrical products. Thus, the international business will be the focus area for CG and should trigger sustained double-digit growth. CG aspires to become a truly global corporation.

Valuations

The outlook for the company's business, as shared by the management in its annual report, is in consonance with our expectations. There has been no material change in our assumptions after the review of the annual report. We have fine-tuned our consolidated earnings estimates for FY2007 and FY2008 at Rs50.9 per share and Rs63.0 per share respectively.

Pauwels has shown a remarkable turnaround in performance reporting a PAT of Rs61.0 crore, way ahead of estimates. We believe this is just a beginning and expect Pauwels to report a smart improvement in margins and pep-up the consolidated performance of CG.

The stock is currently trading at 13.7 X FY2008E consolidated earnings. Historically, CG has traded at a discount to industry peers due to its limited product range, especially high voltage products. But, with Pauwels acquisition, CG has successfully plugged the gaps in its product portfolio. Access to a wider product range would differentiate CG in the domestic market and enable it to compete effectively with other MNC such as ABB, Siemens, Areva etc. We maintain a BUY with a price target of Rs1,144 discounting its FY2008E consolidated earnings by 18x in line with the companies of fairly large size and strong product portfolios.

Earnings table (consolidated)

	FY2005	FY2006	FY2007E	FY2008E
Net profit (Rs cr)	110.3	227.9	266.7	330.0
Share in issue (cr)	5.2	5.2	5.2	5.2
EPS (Rs)	21.1	43.5	50.9	63.0
% y-o-y growth	*NA*	*106.5*	*17.0*	*23.7*
PER (x)	40.9	19.8	16.9	13.7
Book value (Rs)	73.1	109.6	154.4	211.5
P/BV (x)	11.8	7.9	5.6	4.1
EV/Ebidta (x)	24.0	12.9	9.9	7.7
Dividend yield (%)	0.8	0.8	0.8	0.8
ROCE (%)	N/A	32.2	31.2	33.5
RONW (%)	N/A	29.4	26.6	25.4

The author doesn't hold any investment in any of the companies mentioned in the article.

Automobile

Sector Update

Good all-round growth for Tata Motors

Tata Motors

- Tata Motors delivered another impressive performance in June as its total sales including exports reached 45,223 vehicles, marking a year-on-year (y-o-y) growth of 37%.
- In the commercial vehicle segment, the sales rose by 38.9% to 21,565 vehicles, mainly led by a strong performance of the light commercial vehicle (LCV) segment. The sales of medium and heavy commercial vehicles (M&HCVs) rose by 23.3% to 11,808 units in June 2006 while the LCV sales grew by 63.8% to 9,757 vehicles. The monthly sales of *Ace* crossed the 5,000 mark for the first time.
- The passenger vehicle business reported total sales of 18,463 vehicles in the domestic market in June 2006, an increase of 27.8% over June 2005. The *Indica* sales marked a growth of 41% to 12,271 vehicles while the *Indigo* family reported a decline of 1.7% year on year (yoy). *Indica* sales received a boost post the launch of its aggressively priced car in the petrol segment *Indica Xeta*.
- In the utility vehicles segment, *Sumo* and *Safari* sales grew smartly by 17.5% to 3,307 vehicles. *Safari* sales breached the 1,000 mark for the first time ever, driven by the launch of its new range.
- The exports surged by 71.1% during the month to 5,195 vehicles in June 2006 as compared to 3,037 vehicles in June 2005.

	Jun-06	Jun-05	% yoy	Apr-Jun 2006	Apr-Jun 2005	% yoy
M&HCV	11,808	9,574	23.3	36,607	22,999	59.2
LCV	9,757	5,956	63.8	26,535	14,237	86.4
Total CV	21,565	15,530	38.9	63,142	37,236	69.6
Utility vehicles	3,307	2,814	17.5	8,417	7,343	14.6
Cars	15,156	11,636	30.3	41,489	33,847	22.6
Total domestic	**40,028**	**29,980**	**33.5**	**113,048**	**78,426**	**44.1**
Exports	5,195	3,037	71.1	13,106	9,073	44.5
TOTAL	**45,223**	**33,017**	**37.0**	**126,154**	**87,499**	**44.2**

Evergreen

HDFC Bank
Infosys Technologies
Reliance Industries
Tata Consultancy Services

Apple Green

Aditya Birla Nuvo
Associated Cement Companies
Bajaj Auto
Balrampur Chini Mills
Bharat Bijlee
Bharat Heavy Electricals
Corporation Bank
Crompton Greaves
Godrej Consumer Products
Elder Pharmaceuticals
Grasim Industries
Hindustan Lever
Hyderabad Industries
ICICI Bank
Indian Hotel Company
ITC
Mahindra & Mahindra
Marico Industries
Maruti Udyog
MRO-TEK
Lupin
Nicholas Piramal India
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Sintex Industries
SKF India
State Bank of India
Sundaram Clayton
Tata Motors
Tata Tea
Unichem Laboratories
Wipro

Cannonball

Cipla
Gateway Distriparks
International Combustion (India)
JK Cements
Madras Cement
Shree Cement
Transport Corporation of India

Emerging Star

3i Infotech
Aarvee Denims and Exports
Aban Loyd Chiles Offshore
Alok Industries
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TVS Motor Company
UTI Bank
Welspun Gujarat Stahl Rohren
Welspun India

Ugly Duckling

Ashok Leyland
Deepak Fertilisers & Petrochemicals Corporation
Genus Overseas Electronics
HCL Technologies
ICI India
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