investor's eye

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Index

Take Five

Scrip	Reco Date	Reco Price	CMP	Target
Aban Loyd	03-Mar-05	330	**948**	1,760
Bajaj Auto	15-Nov-05	1,873	**2,595**	3,500
BHEL	11-Nov-05	1,203	**1,836**	2,650
Esab India	21-May-04	60	**339**	575
Infosys	30-Dec-03	1,378	**2,893**	3,324

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Tata Tea

Apple Green

Stock Update

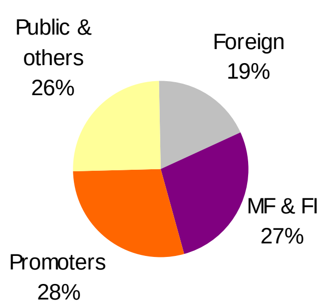
Brewing the branded play further

Buy; CMP: Rs753

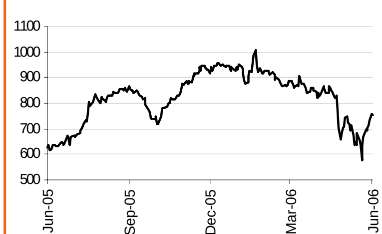
Company details

Price target:	Rs1,040
Market cap:	Rs 4,217 cr
52 week high/low:	Rs1,047/560
NSE volume: (No of shares)	2.64 lakh
BSE code:	500800
NSE code:	TATATEA
Sharekhan code:	TATATEA
Free float: (No of shares)	4.0 cr

Shareholding pattern



Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	10.5	-13.3	-19.1	29.3
Relative to Sensex	14.5	-10.1	-28.5	-12.9

TTL's subsidiary acquires a company in USA

Tata Coffee Ltd (TCL), a 50.67% subsidiary of Tata Tea Ltd (TTL), has signed a definitive agreement to acquire Eight O'Clock Coffee Company (EOC), a coffee company based in the USA, for a total of $220 million.

EOC is the third largest coffee company in the USA with a 67% penetration in the retail outlets in that country. EOC has presence in both the plain and the flavoured coffee segment with its recently launched flavours like Hazelnut and Vanilla.

Strategic fit but financials in haze

We expect the EOC acquisition to affect TTL in two ways. We believe that strategically TCL has got the best fit; but on the flip side, there is very little information available on the financials of the deal.

- *Strategically beneficial:* We expect TTL to achieve tremendous synergy from this acquisition.

  a) It will provide its subsidiary TCL a straight entry into the US coffee market, which is a $21-billion opportunity, with the strong brand name of EOC.

  b) EOC is the third largest coffee company in the USA with a 67% penetration in the retail outlets in the USA. It will give a ready access to a strong retail distribution network which can be used even for Tetley products.

- *Financials hazy:* We do not expect the EOC acquisition to contribute substantially to TTL's earnings in the near future as we feel that TCL will have to borrow substantially to fund the acquisition.

  The total cost of the EOC acquisition is $220 million or Rs1,014 crore. TCL plans to raise Rs110 crore by making a rights issue of equity shares. Thus, assuming that EOC has no debt or cash on books, TCL may have to borrow $180-190 million to fund the acquisition. In that case it may even have to resort to leveraging the buy-out through a special purpose vehicle, which may have a high debt/equity ratio.

  The financial structure of the deal would be clear only once the management of the company comes out with further information on the balance sheet of EOC and the financing options for the deal.

EOC's proforma profit and loss account

CY2005	In US$	Rs crore
Sales	109.0	502.7
Operating cost	82.0	378.2
EBIDTA	27.0	124.5
OPM (%)	24.8	24.8
Depreciation	3.3	15.1
Profit before tax	23.7	109.4
Tax	9.5	43.8
Net earnings	14.2	65.7
Borrowing cost for TCL	11.0	50.7
Net earnings to TCL	3.2	14.9
TTL's share (50.67%)	1.6	7.6

Note: These numbers may change once company makes more disclosure on the deal.

Valuations

For CY2005, EOC had net sales of $109 million and earnings before interest, tax, depreciation and amortisation (EBITDA) of $27 million. A consideration of $220 million puts EOC's valuations at 2.0x its CY2005 enterprise value (EV)/sales and 8.2x CY2005 EV/EBITDA.

At its current market price of Rs331, TCL is valued at 2.4x its FY2006 EV/sales and 13.4x its FY2006 EV/EBITDA. In CY2000, TTL had acquired Tetley GB, a UK-based leading branded tea company, at valuations of 1x CY2000 EV/sales and 7.3x CY2000 EV/EBITDA.

Comparative valuations

	Tata Coffee#	EOC##	Tetley GB###
EV/Sales (x)	2.4	2.0	1.0
EV/EBIDTA (x)	13.4	8.2	7.3

At CMP of Rs325
At acquisition price of $220 million, and sales and EBIDTA of CY2005
At acquisition price of $271 million, and sales and EBIDTA of CY2000

We like the way TTL has been transforming its business into a branded play and been moving away from the business of commodities like tea and coffee. We see the proposed exit from the plantation business in north India (see our note *Focusing on core business* dated June 23, 2006) and the acquisition of EOC as right steps in that direction.

At the current market price of Rs753, TTL is quoting at 11.5x its FY2008E consolidated earnings per share and 6.9x its FY2008E EV/EBITDA. We reiterate our Buy recommendation on the stock with a price target of Rs1,040.

Valuation table*

Particulars	FY2005	FY2006P	FY2007E	FY2008E
Net profit (Rs cr)	245.7	296.7	330.8	372.7
Shares in issue (cr)	5.6	5.6	5.6	5.6
EPS (Rs)	43.7	52.8	58.8	66.3
% y-o-y growth	*29.6*	*20.7*	*11.5*	*12.7*
PER (x)	17.2	14.3	12.8	11.4
Book value (Rs)	270.2	312.5	359.9	414.8
P/BV (x)	2.8	2.4	2.1	1.8
EV/EBIDTA (x)	10.1	9.0	8.1	6.9
EV/Sales (x)	1.8	1.6	1.5	1.2
RoCE (%)	14.0	15.4	17.0	18.6
RoNW (%)	17.2	18.1	17.5	17.1

* Not adjusted for the EOC acquisition

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

Aditya Birla Nuvo

Apple Green

Stock Update

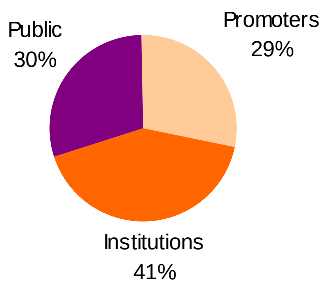
BPO adds 8.4x revenues at one stroke

Buy; CMP: Rs703

Company details

Price target:	Rs1,031
Market cap:	Rs4,209 cr
52 week high/low:	Rs900/403
NSE volume: (No of shares)	25,807
BSE code:	500303
NSE code:	ABIRLANUV
Sharekhan code:	INDRAYON
Free float: (No of shares)	4.3 cr

Shareholding pattern



Price chart

Price performance

(%)	1m	3m	6m	12m
Absolute	-13.1	-8.0	1.8	58.5
Relative to Sensex	-10.0	-4.7	-10.1	6.8

With the current acquisition, the diversified giant Aditya Birla Nuvo (ABN) will finally justify its Nuvo tag. Just days after signing a cheque for Rs4,406 crore to acquire the Tata group's stake in Idea Cellular, TransWorks, the wholly-owned subsidiary of ABN, is acquiring Canadian business process outsourcing (BPO) company Minacs Worldwide (Minacs) for about Rs575 crore (C$138.9 million). The Aditya Birla group is also roping in ReichmannHauer Capital Partners to co-invest with TransWorks, partnering for a 10% stake. We give thumbs up to the acquisition, as it suffices all the parameters—strategic in nature, adding new dimensions and attractive valuations. Further, the acquisition is in conjunction with our argument of investing in high growth businesses like IT and ITES to generate better return on the capital employed.

About TransWorks (acquirer)

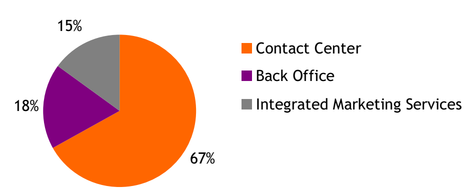
TransWorks is a 100% owned subsidiary of ABN operating in the BPO space. TransWorks is one of India's leading outsourcing companies operating in the BPO/CRM (customer relationship management) space (both voice and non-voice) providing high-quality, cost-effective solutions to global companies. The company has operation facilities in Mumbai and Bangalore in India as well as offices in the United States and the United Kingdom. TransWorks services clients in North America and Europe, with 10 out of its 22 clients being Fortune 500 companies. The company has 4,114 seats under management, which saw a quantum jump of 27% in FY2006 alone. TransWorks is a star performer for ABN, with its revenues growing at a compounded annual growth rate (CAGR) of 107% in the FY2002-06 period. In FY2006, TransWorks has shown a revenue growth of 51% (Rs163.3 crore) and a remarkable 2650% (Rs26.5 crore) improvement in the profit after tax (PAT).

About Minacs Worldwide (target)

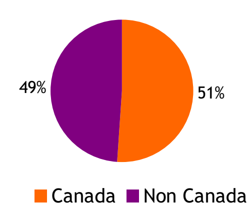
General introduction

Minacs, a Toronto listed company operates in the BPO space. It provides customised BPO solutions focused on three core areas--contact centre solutions, integrated marketing services and back office administration. The contact centre generates 67% of the total revenues, the back office administration 18% and the integrated marketing service 15%. With almost 6,000 seats under management, Minacs has operations in Canada, the United States and Europe. The company generates around 51% of its revenues from Canada. The company has a strong hold in the automotive vertical, which contributes 68% of its revenues. The other verticals like financial services, technology and telecom contribute the balance 32% to the revenues.

Revenue mix—product



Revenue mix—geography

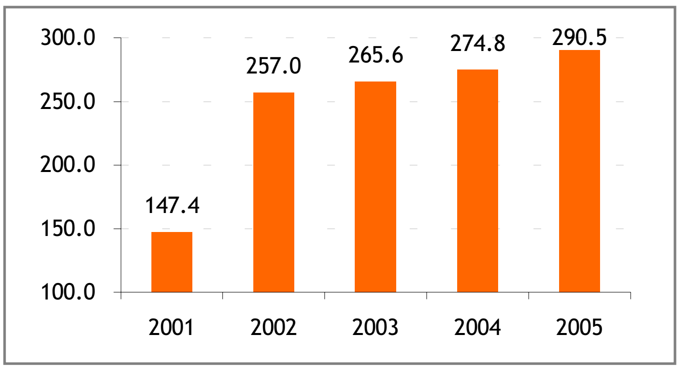


Source: Sharekhan Research

Financials

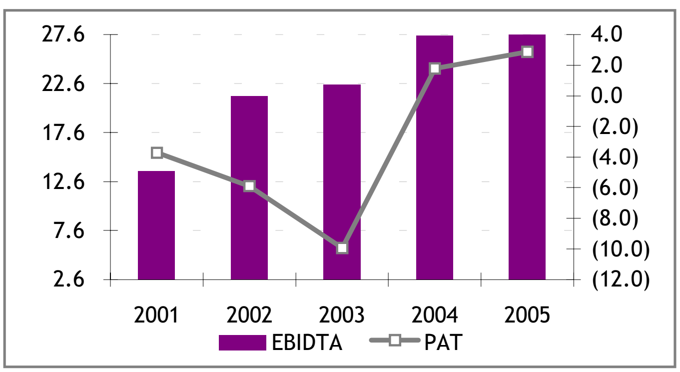
Minacs has shown a steady performance with the revenues growing at a CAGR of 18.5% in the CY2001-05 period, from C$147.4 million in CY2001 to C$290.5 million in CY2005. The earnings before interest, depreciation, tax and amortisation (EBIDTA) margins of the company have hovered in the range of 8.5-10% during the last 5 calendar years, lower as compared to TransWorks due to higher onsite revenues. The company has a high debt of C$61.8 million on its books as on December 31, 2005, resulting in a substantial interest outgo. Minacs was a loss-making entity until CY2003, but turned profitable in CY2004 and CY2005. In CY2005, the company reported a PAT of C$2.9 million (impacted by one-time restructuring expense of C$3.1 million) with the PAT margins of 1.1%. Minacs also has cash of C$5.3 million on its books as on December 31, 2005.

Revenues growing at 18.5% CAGR



Source: Sharekhan Research * all figures in C$ Million

Turning into black



Source: Sharekhan Research * all figures in C$ Million

Guidance of 15-20% top line growth in CY2006

In the CY2005 annual report, Minacs has maintained a positive outlook on its business and given a guidance of 15-20% growth in the revenues for CY2006. The company has bagged big size contracts like (1) a 5-year US$121 million contract with a leading system integration company, and (2) a 3-year US$45 million contract from an existing client, with project execution in CY2006. These new contracts are expected to see the revenues grow by 15-20%. Alongside, the company will also focus on improving its capacity utilisation, improving operational efficiency and curtailing selling, general and administration expenses.

Attractive valuations—65% cheaper to recent deals

TransWorks will initially acquire 46.4% of the promoters' stake in Minacs at C$5.5 per share (21.8 million outstanding shares). This will be followed by an open offer to the minority shareholders at a similar price. If the deal goes through and TransWorks is successful in acquiring a 100% shareholding, then it will fork out C$138.9 million or Rs575 crore (including transaction cost and buy-out of warrants). The Aditya Birla group is also roping in ReichmannHauer Capital Partners to co-invest with TransWorks, partnering for a 10% stake. The enterprise value (EV) of the deal is around C$195.7 million, considering debt of C$61.8 million and cash of C$5.3 million reported on the books as on December 31, 2005. The deal is struck at attractive valuations of EV/sales of 0.7x its CY2005 revenues and EV/EBIDTA of 7.1x CY2005 EBIDTA. All the recent deals in the BPO space were at much higher valuations like (1) the Office Tiger and RR Donnelley's US$250 million deal at 3.4x revenues, (2) the Daksh and IBM's US$160 million deal at 2.6x revenues, and (3) the GECIS and General Atlantic's US$500 million deal at 1.9x revenues.

Recent deals in BPO space

Company	Buyer	Seller	Deal size ($mn)	Valuation
Minacs Worldwide Inc	TransWorks	Minacs Worldwide Inc	125.0	0.7
Office Tiger	RR Donnelley	Fransisco Partners, Promoters	250.0	3.4
Daksh	IBM	General Atlantic, Actis, Citigroup	160.0	2.6
Spectramind	Wipro	Chrys Capital, HDFC	93.0	2.0
Customer Asset	ICIC OneSource	EVentures, Antfactory, JumpStartUp	19.3	1.9
GECIS	General Atlantic, Oak Hill capital	General Electric	500.0	1.9

Source: Sharekhan Research

TransWorks benefits immensely—revenue jumps 8.4x

The combined entity of TransWorks and Minacs will have revenues of C$300 million or Rs1,365 crore and employee strength of 10,414. Thus at one stroke, TransWorks has added Rs1,200 crore to its top line and almost 6,000 seats under management, which otherwise would have taken several years. TransWorks from a minion, ranked 15th in the overall Indian BPO rankings, has vaulted to the top three in the pecking order of the Indian BPO space. The other benefits include 1) missing link in its product bouquet ie automotive vertical; 2) added strength to its financial service and telecom vertical; 3) infrastructure presence in customer countries--for better delivery solutions; 4) exposure to existing client relationship; and 5) dominant presence in North America.

Flip side is the funding structure—acquisition will be largely through debt

The flip side of the deal is its funding structure, which is largely through debt to be added in TransWorks' balance sheet and little assistance from ABN. The balance sheet of TransWorks is small with a FY2005 net worth of Rs26.0 crore, debt of Rs35.1 crore and a debt-equity ratio of 1.3x. The company has cash of Rs7.2 crore on the books as on March 31, 2005. TransWorks will add almost Rs550 crore in debt if it were to acquire a 100% holding, thus leveraging its balance sheet to dangerous levels. Initially, the merged entity will report losses at the PAT level considering the servicing cost of high debt in its books. The losses are likely to be in the range of Rs5-7 crore, considering a 20% revenue and PAT growth for TransWorks and Minacs in FY2006 and a 9% servicing cost for a debt of Rs550 crore. *TransWorks made a contribution of Rs26.5 crore (13.4%) to the consolidated PAT of ABN of Rs190.7 crore*. But, the merged entity will add almost Rs168 crore at the EBIDTA level in FY2006 (considering the stable EBIDTA margins with a 20% revenue growth), which is positive for ABN in its merged scheme of things *(Based on back-of-envelope calculations, 150 basis points expansion in EBIDTA margins of Minacs will help TransWorks service it high cost debt and a attain no profit no loss stature)*.

Equity has become a necessity—in Idea Cellular and TransWorks

With the acquisition of Tata's stake in Idea Cellular and the acquisition of Minacs Worldwide, ABN has added substantial debt to its consolidated balance sheet. The acquisitions in telecom and the BPO space will add debt of Rs900 crore and Rs550 crore respectively, taking ABN's consolidated debt to Rs3,498 crore. The debt-equity ratio will stand at 1.8x, which we believe is alarming, considering the incremental debt is deployed to acquire businesses with fairly large stabilisation phases.

We believe that, the equity route should be employed by the Aditya Birla group to unlock values in its telecom and BPO businesses. Already, the group has set its eye on the equity listing of Idea Cellular over the next few months, which shall unlock the value for all shareholders.

We believe that the Aditya Birla group will follow the same route and unlock the value at an appropriate time in TransWorks ie its BPO business. Unlocking of the value should certainly benefit ABN in the long run. But in the short run, the profits of the BPO business will be temporarily impacted (due to the servicing of debt) leaving minor scars on ABN's consolidated profits.

Valuations

ABN is chasing its dream, focusing on high growth businesses of garments, IT, ITES, insurance and telecom and reaping profits from its old brick-mortar business. A testimony of this is the recent acquisition of the Tata's stake in Idea Cellular and the TransWorks acquisition of Minacs Worldwide. Although they are risky bets considering that the acquisitions have been made on borrowed money, ABN is steadfastly achieving its aim. The BPO business contributed 3.4% to the consolidated revenues in FY2006, and will now contribute 28.7% to the consolidated revenues in FY2006 through a single stroke. We believe that, hiccups like the high debt and servicing cost will be short lived and temporary in nature and will be solved by prudent financial actions taken by the company in due course of time.

We continue to remain bullish on the stock. Given the diverse business of ABN, the stock is best valued on a sum-of-parts valuation of the merged entity. We estimate a fair value of ABN to be Rs1,031 per share, which is also our price target. *We are not adjusting our earnings to factor the recent Tata-Idea deal and the TransWorks-Minacs deal and the same shall be done later, when the company releases its FY2006 annual report*.

Earnings table

Particulars	FY2005P	FY2006P	FY2007E	FY2008E
Net profit (Rs cr)	193.5	220.9	267.9	326.1
Shares in issue (cr)	8.3	8.3	8.3	8.3
EPS (Rs)	23.2	26.7	32.1	39.1
% y-o-y growth		*15.1*	*40.5*	*21.7*
PER (x)	30.4	26.9	21.9	18.0
Book value (Rs)	233.5	257.3	286.5	322.7
P/BV (Rs)	3.0	2.7	2.5	2.2
EV/EBIDTA (x)	16.3	13.4	11.3	9.7
Dividend yield (%)	0.0	0.0	0.0	0.0
RoCE (%)	NA	12.0	14.6	15.9
RoNW (%)	9.5	8.5	10.8	11.7

Note: Post-merger—Aditya Birla Nuvo, IndoGulf and Birla Global.

TVS Motor Company

Emerging Star

Stock Update

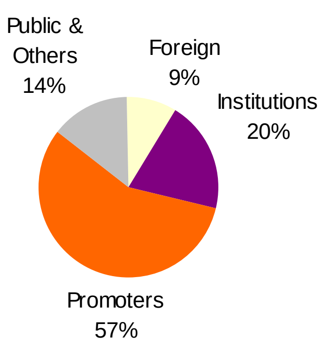
Good volume growth

Buy; CMP: Rs98

Company details

Price target:	Rs210
Market cap:	Rs2,510 cr
52 week high/low:	Rs187/70
NSE volume: (No of shares)	7.1 lakh
BSE code:	532343
NSE code:	TVSMOTOR
Sharekhan code:	TVSSUZUKI
Free float: (No of shares)	10.2 cr

Shareholding pattern



Price chart

Price performance

(%)	1m	3m	6m	12m
Absolute	-15.9	-21.0	1.3	38.8
Relative to Sensex	-12.9	-18.2	-10.4	-6.5

Result highlights

- TVS Motors' Q4FY2006 results were in line with our expectations. The net sales for the quarter stood at Rs839 crore (up by 16.8%), driven by a strong volume growth of 18.2%.
- The operating profits for the quarter stood at Rs48.2 crore, marking a growth of 37.8% year on year (yoy). The operating profit margins (OPM) at 5.7% increased by 80 basis points yoy, but declined by 130 basis points on a sequential basis due to lower realisations and the rise in the raw material costs.
- The profit after tax (PAT) for 4QFY2006 at Rs29.1 crore is up by 164.5% on a like-to-like basis.
- For FY2006 the net sales grew by 12.5% to Rs3,235 crore while its PAT grew by 16.3% to Rs117 crore, which is in line with our expectations.
- At the current market price of Rs98, the stock quotes at 7.1x its FY2008 earnings per share (EPS) and discounts its FY2008 earnings before interest, depreciation, tax and amortisation (EBIDTA) by 3.7x. We maintain our Buy recommendation on the stock with a price target of Rs210.

Net sales rise by 16.8% driven by 18.2% growth in volumes

TVS Motors' Q4FY2006 net sales rose by 16.8% to Rs839.2 crore, led by a strong volume growth of 18.2% to 350,689 units during the quarter. The operating profits for the quarter stood at Rs48.2 crore, marking a growth of 37.8% yoy. The OPM at 5.7% increased by 80 basis points yoy, but declined by 130 basis points on a sequential basis.

Result table Rs (cr)

Particulars	Q4FY2006	Q4FY2005	% change	FY2006	FY2005	% change
Net sales	839.3	718.3	16.8	3235.0	2875.9	12.5
Total expenditure	791.1	683.3		3030.5	2664.3	
Operating profits	48.2	35.0	37.8	204.5	211.6	-3.4
Other income	21.3	15.2		71.0	42.4	
EBIDTA	69.7	50.2	38.7	275.5	253.9	8.5
Interest	4.6	0.0		13.1	0.8	
PBDT	65.0	50.2	29.6	262.4	253.1	3.6
Depreciation	23.9	23.9		93.9	89.6	
PBT	41.0	26.3		168.5	163.5	
Tax	11.9	15.3		51.5	62.9	
Adjusted profit after tax	29.1	11.0	164.9	117.0	100.6	16.3
Extraordinary items	0.0	36.9		0.0	36.9	
Profit after extraordinary items	29.1	47.9	-39.3	87.9	137.6	-36.1
OPM (%)	5.7	4.9		6.3	7.4	

Excluding the extraordinary income of Rs36.9 crore in Q4FY2005 relating to the deduction of deferred tax liability, the profit after tax marked a growth of 165% to Rs29 crore.

Full year's performance

The sales for FY2006 grew by 12.5% to Rs3,235 crore. The sales volumes in the year 2005-06 rose by 15%, mainly driven by a very strong performance in the motorcycle segment, which grew by 18.7%.

For FY2006, the OPM declined by 110 basis points at 6.3% as compared to 7.4% last year. This was mainly because of lower realisations and the rise in the raw material costs during the year. The operating profits declined marginally by 3.4% to Rs204.5 crore. The raw material costs rose from 68.9% as a percentage of sales in FY2005 to 71.8%.

During the year, the company launched a number of new products such as the premium segment bike *Apache*, and variants of its highly successful bikes in the economy segment *Star*, *TVS Victor* and *TVS Centra*.

Volume growth table

	Q4FY06	Q4FY05	% chg	FY06	FY05	% chg
Motorcycle	219,565	176,921	24.1	806,654	679,536	18.7
Scooters	51,419	48,759	5.5	245,276	224,621	9.2
Mopeds	79,705	71,025	12.2	290,273	263,393	10.2
TOTAL	**350,689**	**296,705**	**18.2**	**1,342,203**	**1,167,550**	**15.0**

The company recorded an overall sales volume growth of 15% in FY2006, as the total vehicle sales reached 1,342,000 units. The motorcycle segment recorded a growth of 18.7% to 806,654 units. With the launch of *Star City* in the economy segment and *Apache* in the premium segment, the company has been able to maintain its market share at 13% in the motorcycle segment. We believe that going forward the company would be able to improve its market share considering the strong brands it has across segments.

Outlook

We estimate that the company will register a volume growth of 11.1% in FY2007 and 10.4% in FY2008. With the cost-cutting measures undertaken, an improving product mix with increasing contribution of higher-end products and an entry into the three-wheeler segment, we expect the operating profit margins to improve going forward.

Valuations

At the current market price of Rs98 the stock discounts its FY2008E earnings by 7.1x and FY2008E EBIDTA by 3.7x. Considering the company's growth prospects, we believe that the stock's valuations are very attractive. Hence, we maintain our Buy recommendation on the stock with a price target of Rs210.

Earnings table

Particulars	FY04	FY05	FY06	FY07E	FY08E
Net profit (Rs cr)	137.8	135.8	117.0	193.7	327.2
EPS	5.8	5.7	4.9	8.2	13.8
% y-o-y growth		*-1.4*	*-14.6*	*67.1*	*68.9*
PER	16.9	17.1	20.1	12.0	7.1
P/B	4.0	3.4	3.1	2.5	1.9
EV/EBIDTA	8.9	10.6	10.3	6.4	3.7
ROCE (%)	34.7	25.6	19.3	27.0	38.6
RONW (%)	24.0	20.0	15.3	21.1	27.0

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

Banking

Sector Update

Change in CRR norms

RBI to stop paying interest on excess CRR

The Reserve Bank of India (RBI) has enacted two provisions regarding the cash/reserve ratio (CRR) via the RBI (Amendment) Bill, 2006. The same are as follows.

- The RBI can now prescribe the CRR for the scheduled commercial banks (SCBs) without any floor rate or ceiling rate that are currently 3% and 20% respectively. Currently the SCBs have to maintain 5% of their total demand and time liabilities (NDTL) as the CRR.
- The RBI was paying a 3.5% interest to the banks on the CRR balance kept with it and that was in excess of 3% of their NDTL. With the removal of the floor, the RBI will no longer pay any interest on any portion of the CRR.

Negative impact on NIMs and earnings by 2-8%

We estimate that the removal of the interest on the excess CRR will result in a decline of two to eight basis points in the net interest margins (NIMs) of banks and pull down their earnings by 2-7% unless transferred to their customers via an increase in the lending rates.

Bank	Decline in FY2006 NIMs in basis points	Negative impact on FY2006 pre-provision profits (%)
Allahabad Bank	3.4	3.2
Andhra Bank	8.3	7.3
Bank of India	3.2	3.7
Bank of Maharashtra	5.2	6.0
Canara Bank	3.8	3.3
Corporation Bank	2.9	2.0
HDFC Bank	3.3	1.8
ICICI Bank	3.4	2.7
Punjab National Bank	6.5	5.3
State Bank of India	2.3	1.8
Syndicate Bank	3.8	4.0
Union Bank of India	3.9	3.7
UTI Bank	5.9	4.8
Vijaya Bank	4.8	3.8

Comparative valuations

	Price	PER (x)			P/BV (x)		
	(Rs)	FY2006	FY2007E	FY2008E	FY2006	FY2007E	FY2008E
Allahabad Bank*	75.9	4.7	4.1	3.7	0.9	0.8	0.7
Andhra Bank*	63.0	5.4	5.3	4.6	1.1	0.9	0.8
Bank of India*	103.5	3.8	3.3	2.7	0.5	0.4	0.4
Canara Bank*	202.0	6.2	4.8	4.2	1.2	1.0	0.8
Corporation Bank	243.0	7.8	6.5	5.5	1.0	0.9	0.8
Punjab National Bank	319.1	7.0	5.7	4.9	1.1	0.9	0.8
State Bank of India	738.0	8.8	6.8	5.5	1.0	0.9	0.8
Union Bank India	92.5	6.3	4.7	3.8	1.1	0.8	0.7
ICICI Bank	497.4	17.4	12.7	10.7	2.0	1.8	1.6
HDFC Bank	764.5	27.3	21.2	16.3	4.4	4.0	3.3
UTI Bank	269.0	15.5	12.5	10.4	2.6	2.2	1.9

*Consensus estimates

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

Sharekhan Stock Ideas

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
Omax Auto
Ranbaxy Laboratories
Satyam Computer Services
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 Denim and Exports
Aban Loyd Chiles Offshore
Alok Industries
Alphageo India
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KSB Pumps
Marksans Pharma
Navneet Publications (India)
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Orchid Chemicals & Pharmaceuticals
ORG Informatics
Solectron Centum Electronics
Television Eighteen India
Thermax
Tube Investments of India
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
Jaiprakash Associates
JM Financial
KEI Industries
Nelco
NIIT Technologies
Punjab National Bank
Ratnamani Metals and Tubes
Sanghvi Movers
Saregama India
Selan Exploration Technology
Subros
Sun Pharmaceutical Industries
Surya Pharmaceuticals
UltraTech Cement
Union Bank of India
Universal Cables
Wockhardt

Vulture's Pick

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Orient Paper and Industries
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