investor's eye

Index

Take Five

Scrip	Reco Date	Reco Price	CMP	Target
BASF	18-Sep-06	220	**251**	300
Cadila Healthcare	21-Mar-06	297	**355**	425
Ceat	28-Nov-06	122	**125**	190
India Cements	28-Sep-06	220	**229**	315
Indo Tech Trans	28-Nov-06	199	**265**	280

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Sharekhan Special

Q3FY2007 pharma earnings preview

Key points

- We are positive on the Indian pharmaceutical sector and expect most companies to report good earnings growth for Q3FY2007, driven by continued domestic growth, steady contributions from exports and synergies arising out of integration of acquisitions. We expect the pharmaceutical companies under our coverage to report a revenue growth of 22.7% for Q3FY2007.
- Despite the de-stocking impact caused by the anticipatory introduction of value-added tax (VAT) in Tamil Nadu with effect from January 1, 2007, the branded formulation business in the domestic market continued its growth momentum in the quarter. The growth momentum was maintained on the back of aggressive new product launches and continued focus of companies on the high-growth chronic lifestyle segments. The companies with a wider domestic presence like Cipla, Sun Pharmaceuticals, Nicholas Piramal and Cadila Healthcare are the likely beneficiaries.
- On the export front, the growth is expected to be strong, on the back of new product launches, especially of products under 180-day exclusivity. For example, Ranbaxy Laboratories is expected to derive strong sales from "Zocor" under 180-day exclusivity while Dr Reddy's Laboratories may witness revenue upsides from the sale of "Zocor" and "Proscar" under authorised generic terms with Merck Inc. Similarly, Cipla is expected to strengthen its exports by supplying active pharmaceutical ingredients (APIs) of "Zoloft" and "Proscar" to Teva.
- With a greater number of players entering the generic space in the USA, pricing pressures are likely to continue. The pricing environment in the key markets of Europe too is likely to be tough with the ongoing regulatory reforms.
- The merger and acquisition (M&A) focus of Indian pharmaceutical companies has continued in the quarter, with Ranbaxy Laboratories acquiring South African Be Tabs and Wockhardt acquiring the Irish generic company, Pinewood. The integration of past acquisitions is likely to get reflected in the earnings growth of the pharmaceutical companies during the quarter. Moreover, we expect the Indian pharmaceutical companies to continue to widen their geographical presence and expand product portfolios through inorganic means.
- On the domestic front, the contentious issues of pricing control, data exclusivity etc continue to loom over the domestic pharmaceutical industry. Despite this, the increasing focus on the high-margin regulated markets coupled with an improvement in the product mix (moving more towards the high-margin formulation business), improved cost discipline and shifting of

Quarterly estimates: September-December 2006

Company	Net sales			Operating margin (%)		Net profit		
	Sep-Dec 06	Sep-Dec 05	% yoy growth	Sep-Dec 06	Change (bps)	Sep-Dec 06	Sep-Dec 05	% yoy growth
Ranbaxy Labs	1637.3	1387.7	18.0	17.4	1280	174.1	68.6	153.7
Cipla	952.7	780.6	22.0	24.8	440	192.1	102.6	87.3
Sun Pharma	536.1	424.7	26.2	34.0	150	180.7	146.4	23.4
Wockhardt	487.7	365.9	33.3	21.0	-220	77.7	73.0	6.4
Lupin	491.9	426.9	15.2	15.4	190	56.1	44.2	26.9
Nicholas Piramal	593.8	402.6	47.5	15.0	320	56.3	9.7	481.5
Orchid Chemicals	246.7	237.6	3.8	31.5	230	28.1	29.0	-2.9
Cadila Healthcare	436.9	369.5	18.2	20.1	250	53.0	39.6	33.8
Elder Pharmaceuticals	116.4	87.8	32.5	18.5	-100	14.4	10.7	34.5
Total	**5499.4**	**4483.4**	**22.7**	**21.1**	**540**	**832.5**	**523.8**	**58.9**

production to tax-free zones is likely to get reflected in the improving operating profit margin (OPM) of the Indian pharmaceutical companies. We expect the OPM of the pharmaceutical companies under our coverage to expand by 540 basis points in Q3FY2007.

- The recent outlicencing deal of Glenmark Pharmaceutical's anti-diabetic molecule to Merck KG has reinforced confidence in India's innovative and research abilities. India's capabilities in drug discovery research are being increasingly recognised by global pharmaceutical majors. Lupin's anti-migraine compound entering Phase III clinical trials further vindicates the capabilities of the Indian companies to create their own innovative new chemical entity (NCE) pipeline. We expect further positive news flow on the innovative research and development (R&D) front from Sun Pharmaceuticals, Lupin, Dr Reddy's Laboratories and Glenmark Pharma in the coming quarters.
- The strong cost control initiatives coupled with the synergies derived out of the integration of acquisitions are expected to drive the earnings growth of the Indian pharmaceutical companies. The pharmaceutical companies under our coverage are expected to report a jump of 58.9% in their net profit in Q3FY2007.

Ranbaxy Laboratories

Ranbaxy Laboratories is expected to report an 18% hike in its net sales to Rs1,637 crore for Q3FY2007, driven largely by the incremental revenues flowing from "Zocor" (80mg) under the exclusivity terms and the integration of the Terapia acquisition. We estimate the company (supported by the Zocor exclusivity, Loperamide and Simethicon over-the-counter [OTC] tablet exclusivity, and the launch of Cefprozil in the USA) would generate US$114.8 million from North America during the quarter. Further, the strong growth in Terapia (which grew by 49% in Q3CY2006), entry into the Japanese market and aggressive new launches (either from its own base or from the in-licenced base) in both the domestic and the international market will support the revenue hike during the quarter. With the high-margin revenues flowing from product exclusivities in the USA and enhanced focus on cost-cutting efforts, Ranbaxy Laboratories is likely to witness a 1,280-basis-point expansion in its OPM to 17.4%, leading to an impressive 154% jump in its net profit to Rs174.1 crore.

Cipla

We expect Cipla to deliver a 22% growth in the top line in Q3FY2007, driven by a strong growth in both the domestic and the international markets. Particularly, the domestic revenue is likely to show a 20% improvement. On the other hand, with its strong presence in 160 countries, broad-based US partnerships and API supplies for Setraline and Finasteride to Teva, Cipla is expected to show a 21% rise in its export revenue. Amidst the increasing share of the high-margin export revenues and the improving product mix, we believe, Cipla's OPM will expand by 440 basis points to 24.8% during Q3FY2007. We expect Cipla's bottom line to grow by 87.3% to Rs192.1 crore in Q3FY2007.

Sun Pharmaceuticals

Sun Pharmaceuticals is likely to report a 26.2% revenue growth on the back of a 16% sustained improvement in its domestic business (industry grew by 17-18%) and an impressive 40% jump in its exports in Q3FY2007. Despite pricing concerns, Caraco (the US outfit of the company) is expected to maintain its momentum primarily supported by new product launches (like Glipizide, Baclofen, Gabapentin and Phenytoin) and progressive enhancement in its share in the US market. We estimate Caraco to generate revenue worth $28 million in the quarter. This coupled with the improving performance in the semi-regulated markets would boost the formulation exports by 42%. With the vertical integration in some of its products and increasing revenues flowing in from the regulated markets, the OPM is likely to expand by 150 basis points, leading to an impressive growth of over 23.4% in net profit to Rs18.7 crore in Q3FY2007.

Wockhardt

Wockhardt is expected to show a strong growth of 33.3% in its sales, driven by a full quarter impact of the recently acquired Pinewood, steady contributions from the Dumex business, ramp-up in its US business after the restructuring of its sales distribution system, the newly launched Cefotaxime injections and the steady growth in its UK business. However, the uptrend in the raw material costs is expected to hit the OPM, which is expected to decline by 220 basis points year on year (yoy). Moreover, an increase in depreciation (due to the commissioning of the new biotech facility at Aurangabad) along with the higher tax rate (due to an increase in the minimum alternative tax) will cause Wockhardt's net profit to grow by only 6.4% to Rs77.7 crore.

Nicholas Piramal

Nichols Piramal is anticipated to deliver over 47% top line growth to Rs593.8 crore, driven mainly by the full impact of the acquisition of Pfizer's manufacturing facility at Morpeth, UK and the increased momentum in the CRAMS business. Also the strong revival of its largest brand, Phensedyl, is likely to fuel the revenue growth in Q3FY2007. (Phensedyl sales were hit by the unfortunate controversy caused by the Narcotic Control Bureau in the corresponding quarter of the previous year). Despite margin pressure from the integration of the loss-making Avecia, Nicholas Piramal (supported by the increasing CRAMS revenue, improved product mix and progressive shifting of manufacturing to excise-exempt facility) would expand its OPM by 320 basis points to 15%. With the rising top line and expanding OPM, we expect Nicholas Piramal to deliver a whopping 481.5% jump in its net profit to Rs56.3 crore in Q3FY2007.

Lupin

We expect Lupin's sales to grow by 15.2% yoy to Rs491.9 crore in Q3FY007, driven by a stronger than industry growth in its domestic revenues and a pick-up in its US sales. Lupin's API sales to the regulated markets are likely to increase marginally as compared to the previous quarter as the company increases supplies of Ceftriaxone. (Ceftriaxone supplies were hit in the last quarter due to capacity constraints). However, formulation revenues from the USA are likely to show a robust pick-up on account of the full quarter's impact of the recently launched Ceftriaxone 10mg vials and the Lisinopril-HCTZ tablets. We expect the sales of Lupin's branded formulation, Suprax, to remain moderate as the flu season has not yet completely set in, in the USA. A 190-basis-point improvement in the OPM coupled with a substantially higher other income is expected to drive Lupin's net profit up by 26.9% to Rs56.1 crore in the quarter.

Cadila Healthcare

An improvement in the domestic formulation business post-restructuring, a strong growth in the consumer products business and steady contributions from the export markets are likely to drive up Cadila Healthcare's revenues by 18.2% in Q3FY2007. On the export front, we expect the growth to be driven largely by the growing revenues from the French and US businesses. Revenues from the company's joint venture with Altana are expected to reduce in H2FY2007 as the company has already booked a large part of the same in H1FY2007. Continued focus on cost-cutting initiatives is likely to result in a 250-basis-point improvement in the company's margins yoy. However, on a sequential basis, we expect the company's margins to decline by 280 basis points as the volumes in the high-margin Altana business come down. Cadila Healthcare has also commenced supplies of Simvastatin to the US markets, following the expiry of the 180-day exclusivity on December 23, 2006. However, we do not expect any significant upside from this launch in Q3FY2007 due to the intense competition with eight players entering the market on Day 1 following patent expiry. We expect the company to report a 33.8% rise in its net profit to Rs53.0 crore in Q3FY2007.

Orchid Chemicals

We expect Orchid Chemicals' revenues to grow by a meagre 3.8% in Q3FY2007, as the company has had no major launches in the US market during the quarter. The US market is the main growth driver for the company. The only new launch it has had in Q3FY2007 is of the Cefadroxyl tablet, which is only a $36-million product. With the flu season not completely setting in as yet in the USA, even the growth coming from the existing antibiotics is likely to be minimal. An improving product mix, with a higher share of formulations, is expected to improve the OPM by 240 basis points yoy to 31.5%. However, Orchid Chemicals' net profit growth on a year-on-year basis is likely to be affected by the high base effect of Q3FY2006, in which quarter the profits were high due to a lower depreciation charge and substantially lower tax provisioning. Due to this, we believe that the company's net profit in Q3FY2007 will decline by 2.9% yoy to Rs28.1 crore.

Elder Pharmaceuticals

Elder Pharmaceuticals is expected to show a strong growth of 32.5% yoy in its revenues, led by the continued growth momentum in its key brands, such as Shelcal, Chymoral and Eldervit, growing sales of the Fair One brand and steady revenues from its in-licenced portfolio. We expect the company's OPM to decline by 100 basis points yoy to 18.5% on account of higher selling and marketing expenses. Stable interest and depreciation costs along with a lower tax outgo (as the company continues to derive an increasing proportion of its income from tax-free areas) will cause Elder Pharmaceuticals' net profit to grow by 34.5% yoy to Rs14.4 crore.

Valuation table: Sharekhan pharma universe

Company	CMP	EPS			P/E multiple		
		FY06	FY07E	FY08E	FY06	FY07E	FY08E
Ranbaxy Labs **	417.0	7.0	16.3	20.8	59.3	25.6	20.0
Cipla	244.0	7.8	9.8	12.0	31.2	25.0	20.3
Sun Pharma	986.0	30.9	34.0	45.8	31.9	29.0	21.5
Wockhardt **	343.0	23.5	22.7	30.6	14.6	15.1	11.2
Lupin	578.0	20.7	26.8	37.2	27.9	21.5	15.6
Nicholas Piramal	247.0	6.0	10.7	16.0	41.4	23.0	15.4
Orchid Chemicals	199.0	12.8	13.3	25.5	15.5	15.0	7.8
Cadila Healthcare	355.0	12.1	18.1	23.4	29.3	19.7	15.2
Elder Pharmaceuticals	394.0	21.0	27.1	36.4	18.8	14.5	10.8

** EPS and P/E multiple are for CY06, CY07 and CY08

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

Sharekhan Special

Q3FY2007 banking earnings preview

We expect the interest on advances to show a strong growth on the back of ~30% year-on-year (y-o-y) credit growth and the full impact of the hike in the prime lending rates (PLRs) effected by banks in August 2006. However, the cost of funds may have an upward bias as the deposit costs, especially the bulk deposit rates, have moved up sharply and many banks have also made significant borrowings to shore up their capital requirements in Q3FY2007. Hence we expect some pressure on the margins of the banks on a quarter-on-quarter (q-o-q) basis. The other income growth too is expected to be strong for the third quarter, with the fee income also expected to show a good growth. The trading income component could be a surprise though. For the banking stocks under our coverage (without adjusting for State Bank of India [SBI]), we expect a 12.9% increase in the net interest income (NII), an 18.5% rise in the operating profits and a 17.2% growth in the profit after tax (PAT) on a y-o-y basis. For all banks excluding SBI, we expect the NII, operating income and PAT to grow by 22.6%, 26.8% and 21.2% respectively on a y-o-y basis. Among the public sector banks (PSBs), Bank of India (BOI), SBI (adjusted numbers), Punjab National Bank (PNB) and Bank of Baroda (BOB) are expected to report a strong profit growth. On the other hand, the private banks (PVBs) are expected to report a y-o-y profit growth in the range of 26-32%.

Factors that influenced Q3FY2006 results for a few large-cap banks

Banks	Q3FY2006 highlights
SBI	A lot of one-time income and exceptional items (interest on income tax refund, write-back on India Millennium Deposit provision, wage arrears, employee separation etc) influenced the overall numbers. Adjusted for the same, the PAT stood at Rs397.5 crore compared with the reported PAT of Rs1,152 crore.
PNB	Included one-time pension liability cost of Rs92 crore.
ICICI	Income of Rs50 crore due to change in the accounting policies and a loss of Rs50 crore arising on the sale of bad assets. Adjusted for the same, the PAT stood at Rs716.3 crore compared with the reported PAT of Rs640.2 crore.
All banks	An increase in the general provisioning amount due to the Reserve Bank of India's decision to hike standard assets provisioning from 0.25% to 0.40% (with exclusions for the priority sector lending to agricultural, and small and medium enterprises). Banks had to realign their provisioning requirements, which influenced the overall provision figures.

Quarterly estimates (Rs crore)

Banks	NII Q3FY07E	(%) yoy chg	(%) qoq chg	PPP Q3FY07E	(%) yoy chg	(%) qoq chg	PAT Q3FY07E	(%) yoy chg	(%) qoq chg
Allahabad Bank	409.1	4.5	4.9	290.9	10.4	19.5	207.5	-7.5	-1.2
Andhra Bank	349.6	18.2	5.7	231.1	13.9	3.6	138.5	7.5	-5.4
Bank of Baroda	921.3	13.0	3.4	573.0	20.0	-6.9	258.9	28.1	-10.2
Bank of India	936.3	29.2	3.1	545.1	23.1	1.3	213.2	49.0	0.5
Canara Bank	1012.3	5.6	3.2	648.7	-7.2	5.4	394.7	10.8	9.1
Corp Bank	343.0	4.4	8.3	279.6	15.8	18.6	135.9	18.1	7.0
PNB	1439.3	19.2	5.6	875.3	44.4	-1.5	479.6	29.5	-5.0
SBI	4034.1	-4.4	3.5	2640.6	1.6	6.8	1195.0	7.2	0.9
UBI	695.0	8.7	10.7	481.0	12.3	12.3	251.3	9.7	29.4
Total PSB	**10139.9**	**5.8**	**4.5**	**6565.3**	**10.1**	**4.9**	**3274.6**	**13.5**	**1.4**
Total excluding SBI	**6105.8**	**13.9**	**5.1**	**3924.7**	**16.7**	**3.6**	**2079.6**	**17.5**	**1.7**
HDFC Bank	912.7	36.1	7.9	736.8	42.3	10.9	292.3	30.3	11.2
ICICI Bank	1754.4	50.4	14.3	1769.2	48.1	9.8	807.0	26.1	6.9
UTI Bank	407.0	41.6	11.5	328.2	28.1	19.6	173.5	31.7	22.2
Total PVB	**3074.1**	**44.7**	**11.9**	**2834.2**	**44.0**	**11.1**	**1272.7**	**27.7**	**9.7**
Grand total	**13214.0**	**12.9**	**6.1**	**9399.5**	**18.5**	**6.7**	**4547.3**	**17.2**	**3.6**
Grand total excluding SBI	**9179.9**	**22.6**	**7.3**	**6758.9**	**26.8**	**6.6**	**3352.3**	**21.2**	**4.6**

Q2FY2007—a recap

The NII witnessed a good growth backed by a strong rise in the advances and relatively stable net interest margins (NIMs). A higher growth in the fee income resulted in a commendable growth in the core operating profits. However a clear trend emerged among the PSBs: those that had gone for selective credit and deposit growth actually saw better margins compared with those that had opted for rapid advances and deposit growth.

What happened in the October-December period?

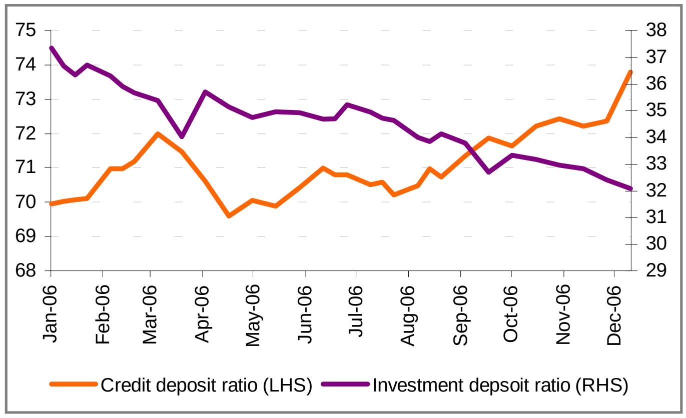
RBI hiked the repo rate: In the third quarter, the Reserve Bank of India (RBI) hiked the repo rate by 25 basis points to 7.25% instead of tinkering with the reverse repo rate, its preferred policy tool. We feel it was a signal for the banks to manage the credit growth within their resource mobilisation capabilities. It also seems to signify that if the banks prefer to chase credit growth aggressively, they ought to be ready to pay a higher cost in the event of a liquidity crunch in the system.

CRR hike: After the repo rate hike proved to be fatal, the RBI decided to increase the cash reserve ratio (CRR) by 50 basis points to 5.5% in December 2006. The move sought to reduce the liquidity in the system and moderate the credit demand in the process. So far, the credit growth remains at 29.5%; however we feel the banks would feel the pressure of the CRR hike in Q4FY2007. Hence we may see the credit growth moderating in the near future.

Credit growth remains robust: The y-o-y credit growth remains at 29.5% compared with the y-o-y deposit growth that continues to be 21.2% (data as on December 22, 2006). The RBI has hiked the repo rate by 25 basis points and raised the CRR by 50 basis points. But so far we have not seen any slowdown in the credit growth. The credit/deposit ratio stood at 73.8% while the investment/deposit ratio stood at 32.1% as on December 22, 2006. The banks have consistently shed their excess investment holdings to fund their credit growth; however most banks are close to the threshold statutory minimum requirement of 25%. As a result of this development, barring a few, most banks would need to focus on deposit mobilisation to fund their credit growth. This would also moderate the credit growth going ahead, if the deposit growth is not adequate.

Bankex outperforms Sensex: The Bankex continued to outperform the broader market as it registered gains of 18.5% compared with the Sensex' returns of 11.5% for the period September 29, 2006 to January 5, 2007. Heavyweights like ICICI Bank and SBI were up by 30.2% and 21% respectively during the period.

Credit deposit and investments deposit ratio trend



Source: RBI

Deposit rate and PLR hike to largely influence Q4FY2007E numbers

The banks have been facing serious concerns over deposit mobilisation, as the deposit growth at 21.2% continues to lag the credit growth at 29.5%. The CRR hike has further reduced the available lending funds for the banks, and both the PSBs and PVBs announced a 25-75-basis-point hike in their term deposit rates and a 25-50-basis-point hike in their PLR. The deposit costs have moved up significantly which could prove to be a concern for the NIM; however a hike in the PLR would help in mitigating the pressure on the NIMs going forward. The impact of the same would be more visible in the Q4FY2007 numbers as the decisions to hike the deposit and lending rates were taken by the banks at the fag end of the December quarter.

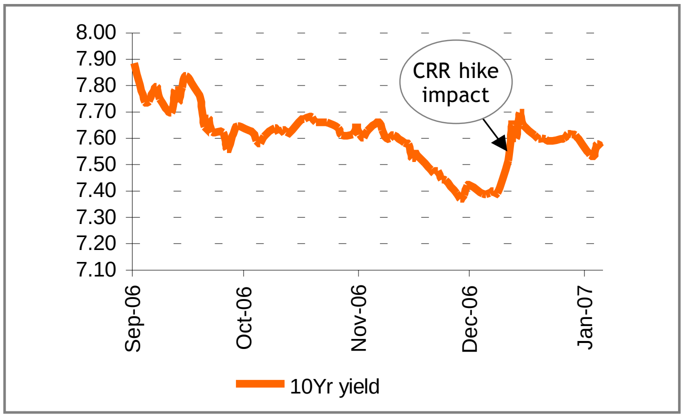
Factors to influence Q3FY2007 numbers

The credit growth remains strong and the banks are slowly regaining their pricing power. As we said, the full effect of the PLR hike would have been visible during Q3FY2007. But the deposit costs would have also moved up sharply and many banks would have also made significant borrowings to shore up their capital requirements in this period. Hence, we expect some pressure on the margins during the quarter on a sequential basis. The other income growth too is expected to be strong for the quarter, with the fee income also expected to show a good growth. The trading income component could be a surprise though. The ten-year yield remained stable quarter on quarter, hence we don't expect any significant marked-to-market provisions for the banks. However the banks may utilise the opportunity to make higher provisions for the non-performing assets during the quarter.

What to expect in Q3FY2007 banking numbers

For the banking stocks under our coverage, we expect a 12.9% increase in the NII, an 18.5% rise in the operating profits and a 17.2% growth in the PAT yoy. For all banks excluding SBI, we expect the NII, operating income and PAT to grow by 22.6%, 26.8% and 21.2% respectively.

10-year yields remain benign



Source: Bloomberg

PSB performance: SBI, which continues to dominate the PSB banking space, had witnessed significant one-time and exceptional items during Q3FY2006; adjusting for the same the growth rates remain robust.

Adjusted SBI performance

Particulars (Rs crore)	Q3FY07E	Q3FY06	% yoy chng
Reported NII	**4,034.1**	**4,219.9**	**-4.4**
Adjustments of which	-	1,254.0	
IT refund	-	954.0	
Write back of IMD provision	-	300.0	
Adjusted NII	**4,034.1**	**2,965.9**	**36.0**
Reported PPP*	2,640.6	2,599.7	1.6
Adjustments**	-	1,145.0	
Adjusted PPP	2,640.6	1,454.7	81.5
Reported PAT	1,195.0	1,115.2	7.2
Adjusted PAT	1,195.0	397.5	200.6

* PPP: pre-provisioning profits
** includes wage arrears + VRS + extra gratuity

Excluding SBI, we expect the NII, operating income and PAT for the PSBs under our coverage to grow by 13.9%, 16.7% and 17.5% respectively. BOI is expected to report the highest growth in all three categories.

PVB performance: The private sector banks are expected to report a robust growth in their NII and fee income with the PAT growing at 27.7% yoy.

Banks should reconsider their business strategies

The RBI's repo rate hike was a signal for the banks to manage their credit growth within their resource mobilisation capabilities. It also seemed to signify that if the banks opt for an aggressive credit growth, they would have to be ready to pay a higher cost when the liquidity dries up in the system. The same was evident during the last week of December 2006 when the CRR hike and advance tax outflows created a phenomenal rise in the call money rates (which touched 20%) and the banks, to meet their statutory requirements, had to borrow at such exorbitant rates. Since most banks didn't have excess securities to lend and borrow money from the RBI, they had to borrow at much higher rates than the RBI repo rate. We feel the banks should take a note from the evolving situation and consequently look at their resource mobilisation capabilities and growth target for advances. In Q2FY2007, we had seen erosion in the margins of those banks that had disproportionate credit growth compared with their deposit growth. The consistent erosion of the margins may not be good for the overall valuations commanded by such banks compared with their peers, who are opting for a moderate credit growth with stable or improving margins. We continue to like BOI, SBI and PNB in the PSB space and ICICI Bank and UTI Bank in the PVB universe.

Valuation table

Banks	CMP	Price	PER (x)			P/BV (x)			P/PPP (x)			RoE (%)		
	(Rs)	target	FY06	FY07E	FY08E	FY06	FY07E	FY08E	FY06	FY07E	FY08E	FY06	FY07E	FY08E
Allahabad Bank	90.2	106	5.7	5.7	4.1	1.1	1.0	0.8	3.9	3.6	2.9	21.3	17.9	21.4
Andhra Bank	85.7	109	8.6	7.6	6.5	1.4	1.3	1.2	5.4	4.6	3.8	19.0	17.9	18.9
Bank of Baroda	229.4	327	10.1	8.5	6.5	1.1	1.0	0.9	4.1	3.5	3.0	11.2	11.9	14.1
Bank of India	191.3	**	13.3	10.2	8.6	1.9	1.6	1.4	5.5	4.3	3.8	14.8	17.2	17.7
Canara Bank	277.9	320	8.5	7.5	6.1	1.6	1.4	1.2	4.2	3.7	3.2	20.3	19.5	20.7
Corp Bank	324.5	425	10.4	8.8	7.0	1.4	1.2	1.1	4.4	4.1	3.5	13.8	14.7	16.4
PNB	496.1	600	10.9	8.8	7.0	1.7	1.5	1.2	5.0	4.6	4.0	16.4	17.5	19.0
SBI*	1174.5	1380	14.0	13.0	11.4	1.7	1.5	1.2	5.5	5.8	5.4	17.0	16.0	15.6
UBI	120.7	150	9.0	6.6	5.4	1.3	1.2	1.0	3.8	3.3	2.8	15.8	18.8	20.0
HDFC Bank	1013.1	1080	36.4	28.1	21.2	6.0	5.1	4.3	15.3	11.1	8.6	17.7	19.7	22.0
ICICI Bank	912.6	1020	32.0	24.8	20.6	3.7	3.3	2.9	17.1	12.8	10.1	13.6	14.0	15.1
UTI Bank	466.9	490	26.8	21.6	16.4	4.5	3.9	3.2	13.1	10.7	8.1	18.4	19.3	21.5

*for SBI we have reported consolidated BV and P/BV
**Target under review

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
ACC
Apollo Tyres
Bajaj Auto
Balrampur Chini Mills
Bank of Baroda
Bank of India
Bharat Bijlee
Bharat Electronics
Bharat Heavy Electricals
Bharti Airtel
Canara Bank
Corporation Bank
Crompton Greaves
Elder Pharmaceuticals
Grasim Industries
Hindustan Lever
Hyderabad Industries
ICICI Bank
Indian Hotels Company
ITC
Mahindra & Mahindra
Marico
Maruti Udyog
Lupin
Nicholas Piramal India
Omax Autos
Ranbaxy Laboratories
Satyam Computer Services
SKF India
State Bank of India
Sundaram Clayton
Tata Motors
Tata Tea
Unichem Laboratories
Wipro

Cannonball

Allahabad Bank
Andhra Bank
Cipla
Gateway Distriparks
International Combustion (India)
JK Cement
Madras Cement
Shree Cement
Transport Corporation of India

Emerging Star

3i Infotech
Aban Offshore
Alphageo India
Cadila Healthcare
KSB Pumps
Marksans Pharma
Navneet Publications (India)
New Delhi Television
Nucleus Software Exports
Orchid Chemicals & Pharmaceuticals
ORG Informatics
Solectron Centum Electronics
Tata Elxsi
Television Eighteen India
Thermax
TVS Motor Company
UTI Bank

Ugly Duckling

Ahmednagar Forgings
Ashok Leyland
BASF India
Ceat
Deepak Fertilisers & Petrochemicals Corporation
Fem Care Pharma
Genus Overseas Electronics
HCL Technologies
ICI India
India Cements
Indo Tech Transformers
Jaiprakash Associates
JM Financial
KEI Industries
NIIT Technologies
Punjab National Bank
Ratnamani Metals and Tubes
Sanghvi Movers
Saregama India
Selan Exploration Technology
South East Asia Marine Engineering & Construction
Subros
Sun Pharmaceutical Industries
Surya Pharmaceuticals
UltraTech Cement
Union Bank of India
Universal Cables
Wockhardt

Vulture's Pick

Esab India
Orient Paper and Industries
WS Industries India

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