investor's eye

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Index

Take Five

Scrip	Reco Date	Reco Price	CMP	Target
BASF India	18-Sep-06	220	**231**	300
BEL	26-Sep-06	1,108	**1,123**	1,525
ICICI Bank	23-Dec-03	284	**687**	770
Orient Paper	30-Aug-05	214	**581**	800
UltraTech	10-Aug-05	384	**879**	1,000

Infosys Technologies

Evergreen

Stock Update

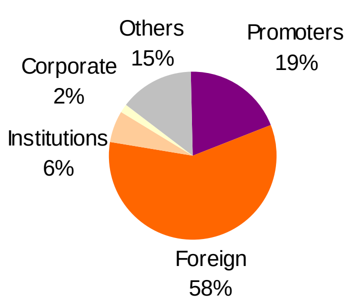
Far ahead of street expectations

Buy; CMP: Rs1,981

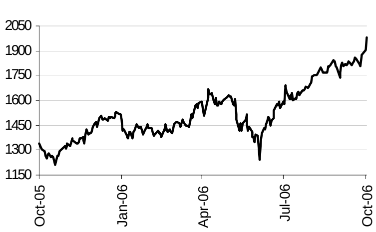
Company details

Price target:	Rs2,430
Market cap:	Rs110,163 cr
52 week high/low:	Rs1,700/786
NSE volume: (No of shares)	10.5 lakh
BSE code:	500209
NSE code:	INFOSYSTCH
Sharekhan code:	INFOSYS
Free float: (No of shares)	44.8 cr

Shareholding pattern



Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	6.2	19.5	21.2	47.7
Relative to Sensex	2.4	3.0	13.0	-0.1

Result highlights

- Infosys Technologies has reported an impressive revenue growth of 14.5% quarter on quarter (qoq) and of 50.4% year on year (yoy) to Rs3,451 crore for the second quarter ended September 2006. The sequential growth in the revenues was driven largely by an 11.2% growth in the volume in the information technology (IT) service business. The uptick in the blended billing rate (up 1.2%) and depreciation of the rupee (1.3%) also aided the sequential growth in the revenues.
- But the highlight of the performance was the smart improvement of 260 basis points in the operating profit margin (OPM) on a sequential basis. The margin improvement was possible due to the cumulative impact of a lower visa cost (1.1%), the positive impact of foreign exchange (forex) fluctuation (0.9%) and savings in the selling, general and administration (SG&A) expenses (0.6%) as a percentage of sales.
- Consequently, the earnings grew 17.1% qoq and 58.5% yoy to Rs929 crore, despite the substantial reduction in the other income to Rs66 crore (as compared with Rs128 crore in Q1). The rupee depreciation resulted in a net positive impact of Rs11 crore (reflected in the other income component) as compared with Rs52 crore in Q1.
- In addition to announcing a robust performance in Q2, the management revised upward its growth guidance once again. The consolidated revenues are now guided to grow in the range of 45.5-46% to Rs13,400-13,899 crore (up from Rs13,350-

Result table Rs (cr)

Particulars	Q2FY07	Q2FY06	Q1FY07	% yoy chg	% qoq chg
Total revenue	3451.0	2294.0	3015.0	50.4	14.5
Software development expenses	1,833.0	1,212.0	1,666.0	51.2	10.0
Gross profit	1618.0	1082.0	1349.0	49.5	19.9
Selling and marketing expenses	221.0	149.0	204.0	48.3	8.3
Operating profit	1109.0	734.0	889.0	51.1	24.7
Non-operating income	66.0	44.0	128.0	50.0	-48.4
Provision for investments	-	1.0	3.0	-	-
Depreciation/Amortisation	122.0	96.0	106.0	27.1	15.1
Profit before tax	1053.0	681.0	908.0	54.6	16.0
Taxation	123.0	89.0	106.0	38.2	16.0
Profit after tax	930.0	592.0	802.0	57.1	16.0
Exceptional item net of tax	-	20.0	6.0	-	-
Minority interest	1.0	6.0	8.0	-83.3	-87.5
RPAT	929.0	606.0	800.0	53.3	16.1
Adjusted PAT	929.0	586.0	794.0	58.5	17.1
Equity capital (par value Rs5)	277.3	272.2	276.4		
Basic EPS (Rs)	16.7	11.1	14.4		
Margins (%)					
GPM (%)	46.9	47.2	44.7		
OPM (%)	32.1	32.0	29.5		
NPM (%)	26.9	25.8	26.6		

13,400 crore revised guidance given with the Q1 results). The earnings are guided to grow by 46.6% to Rs66 per share (up from Rs62.25-62.85 given with the Q1 results).

- In terms of the guidance for Q3, the revenues and earnings (in rupee terms) are guided to grow sequentially by 4.4-5% and 0.5% respectively. The management expects appreciation of the rupee and relatively lesser number of working days to not only limit the growth in the revenues but also adversely affect the margins in Q3.
- At the current market price the scrip trades at 29x FY2007 and 22x its FY2008 estimated earnings. We maintain our Buy call on the stock with a revised price target of Rs2,430 (27x FY2008E earnings).

Robust volume growth and improving employee productivity

The volume growth of 11.2% sequentially was driven by a growth of 11% in the onsite volumes and a growth of 11.3% in the offshore volumes. The sequential volume growth has improved continuously for the past three quarters. The strong ramp-up in the business from its large clients seems to have contributed to the surge in the volumes. This is clearly reflected in the 23.3% sequential growth in the revenues from the Top five clients (the same had grown at a healthy rate of 20.5% in Q1 also).

The pricing environment also continued to be favourable with the blended rate improving by 1.2% again (it had seen a healthy growth of 1.8% in Q1 also). The improvement in the blended rate was contributed by the increase of 1.4% and 1.1% in the onsite and offshore billing rates respectively.

Lower visa cost and rupee depreciation boost margins

The OPM improved sharply by 260 basis points to 32.1% on a sequential basis. The improvement was contributed by the lower visa cost ($3 million as compared to $11 million in Q1) that resulted in a positive impact of 1.1%, depreciation of the rupee (positive impact of 0.9%) and savings of 0.6% in the SG&A cost as a percentage of sales (14.7% of sales as compared to 15.3% in Q1).

The improvement in the margins is encouraging given the fact that the company provided out-of-the-turn salary hikes to part of its work force (employees with one to two years of work experience, resulting in incremental expenses of $2.6 million) and recruited over 8,200 fresh graduates during the last quarter. For the full year, the management indicated that the OPM is likely to be in the range of 31.5-32%, slightly lower than 32.5% reported in FY2006.

Weak Q3 guidance but full-year guidance upgraded again

In terms of guidance for Q3, the revenues (in rupee terms) are guided to grow sequentially by 4.4-5% to Rs3,602-3,625 crore. The sequential growth appears a bit muted as the company has factored in the impact of rupee appreciation of 1.4% (45.60 as compared to the average of 46.26 in Q2) during the third quarter. Moreover, the third quarter has less number of working days (two days less) which would affect the sequential growth in the volumes.

What's more, the earnings are expected to remain more or less flat at Rs16.84 per share (0.5% higher than Rs16.75 per share in Q2). The guidance of a flat growth in the earnings factors in the negative impact of the appreciation of the rupee and the less number of working days on the margins and a higher depreciation (50-60 basis points higher as a percentage of sales).

However, for the full year, the management has revised upwards the earning growth guidance to Rs66 per share, up 5-6% from Rs62.25-62.85 per share given at the end of Q1. The consolidated revenues are guided to grow in the range of 45.5-46% to Rs13,400-13,899 crore, up from the Rs13,350-13,400 crore revised guidance given with the Q1 results.

Other highlights

Record high employee addition

Infosys added 7,741 employees during the quarter, an increase of 13.3% over its base at the end of June 2006. During the first half, the company has reported net addition of 13,435 employees. The management has revised the gross employee addition target to 28,000 in the current fiscal, up from around 24,000-25,000 indicated earlier.

On the flip side, the attrition rate inched up further to 12.9% as against 11.9% in Q1. The higher attrition rate was partially contributed by the cumulative impact (around 2.9% of the 12.9% attrition rate) of the leaving of the employees opting for higher studies and voluntary attrition (by the trainees, those who failed to meet the quality criteria and the underperforming existing employees).

Performance of subsidiaries

Though two subsidiaries, Infosys Consulting and Infosys China, continued to report losses, the cumulative performance of the subsidiaries improved significantly during the quarter. The four subsidiaries (Infosys China, Infosys Consulting, Infosys Australia and Infosys BPO) reported cumulative revenues of Rs178 crore, a growth of 20.5% on a sequential basis. Moreover, the subsidiaries added Rs33 crore to the consolidated bottom line as compared with a cumulative loss of Rs5 crore in Q1.

Infosys BPO maintained the growth momentum with a 21% sequential growth to Rs157 crore and OPM of 23.3% (after adjusting for one-time items in the form of silver jubilee bonus). Infosys Australia is also witnessing strong traction with a sequential growth of 35.6% to Rs116 crore with OPM of over 23%.

Demand scenario to remain favourable for offshore outsourcing

Infosys' management conducted a client survey to gauge the growth in the overall IT spending and the possible growth in offshore outsourcing during the calendar year 2007. The key findings of the survey were:

- the overall IT budgets are likely to remain flat or grow by 3% to 4% in some of the cases; and
- most clients expect the offshore outsourcing part of the business to grow and there is a continued shift towards offshoring.

Consequently, the management expects the overall demand environment to remain favourable for the large offshore vendors. Moreover, in terms of service offerings, the higher-than-average growth rate in the package implementation, testing and BPO businesses is expected to boost the overall growth of the company.

On the pricing front, the management re-iterated that the billing rates are stable with an upward bias. The new clients are being added with billing rates 3-4% higher than the average billing rate and the existing clients are also willing to share the burden of a rising wage cost.

Valuation

At the current market price the stock trades at 29x FY2007 and 22x its FY2008 estimated earnings. We maintain our Buy call on the stock with a revised price target of Rs2,430 (27x FY2008 earnings).

Key financials

Particulars	FY2005	FY2006E	FY2007E	FY2008E
Net revenue (Rs cr)	7130	9521	14137	19469
Net profit (Rs cr)	1847	2458	3808	5114
No of shares	54.0	55.1	55.8	56.8
EPS(Rs)	34.2	44.6	68.2	90.0
% y-o-y change		*30.4*	*52.9*	*32.0*
PER	57.9	44.4	29.0	22.0
EV/EBIDTA	22.2	16.6	23.6	17.3
EV/Sales	7.3	5.4	7.6	5.5
RoCE	40.8	39.7	45.0	44.6
RoNW	35.3	35.3	39.8	39.5

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

BASF India

Ugly Duckling

Stock Update

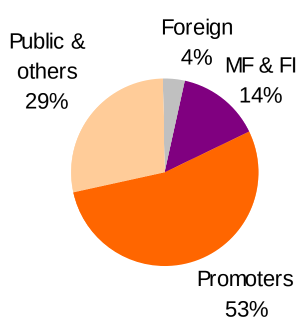
Unexciting quarter

Buy; CMP: Rs231

Company details

Price target:	Rs300
Market cap:	Rs652 cr
52 week high/low:	Rs279/148
NSE volume: (No of shares)	41,770
BSE code:	500042
NSE code:	BASF
Sharekhan code:	BASF
Free float: (No of shares)	1.3 cr

Shareholding pattern



Price chart

Price performance

(%)	1m	3m	6m	12m
Absolute	11.6	34.7	-2.5	6.0
Relative to Sensex	7.5	16.0	-9.1	-28.3

Result highlights

- BASF India (BASF) reported unexciting results for Q2FY2007, as the net profit for the quarter grew by 19.8% year on year (yoy) aided by lower depreciation, higher other income and stable tax rate.
- The net sales for the quarter under review grew by 14.2% yoy to Rs218.5 crore on the back of a strong growth (23.9%) in the sales of performance products.
- The operating profit grew by a slower 7.1% as the operating profit margin (OPM) declined by 100 basis points to 15.5%. The steep rise in the other expenses led to contraction in margins. The raw material cost remained stable during the quarter.
- The lower depreciation led to a stronger growth in the profit before interest and tax (PBIT) at 17.2% to Rs31.6 crore.
- With a flat interest outgo and a stable tax rate, the net profit grew by 19.8% to Rs20.4 crore.
- At the current market price of Rs231, the stock is quoting at 8.3x its FY2008E earnings per share (EPS) and 4.7x its FY2008E enterprise value (EV)/earnings before interest, depreciation, tax and amortisation (EBIDTA). We believe that the stock is trading at attractive valuations, given the bright outlook for the company's business over the next two years. We reiterate our Buy recommendation on BASF with a price target of Rs300.

Net sales up 14.2% yoy

BASF's net sales for the quarter grew by 14.2% yoy to Rs218.5 crore driven by a strong growth in the performance product business, which grew by 23.9% yoy. The sales of agrinutrients and expandable polystyrene remained almost flat.

Segmental gross revenues (Rs crore)

Particulars	Q2FY2007	Q2FY2006	% y-o-y chg
Agricultural products & nutrition	85.3	79.0	8.0
Performance products	112.9	91.1	23.9
Expandable polystyrene	37.6	38.3	-1.8
Total	249.0	216.2	15.2

Result table Rs (cr)

Particulars	Q2FY07	Q2FY06	% yoy chg	H1FY07	H1FY06	% yoy chg
Net sales	218.5	191.3	14.2	425.3	358.9	18.5
Other income	1.3	0.5	186.7	2.0	1.0	102.1
Total income	219.8	191.7	14.6	427.3	359.9	18.7
Total expenditure	184.6	159.7	15.6	362.7	303.8	19.4
Operating profit	33.8	31.6	7.1	62.6	55.2	13.4
Interest	0.4	0.6	-30.7	0.7	1.3	-43.9
Depreciation	3.5	5.1	-30.8	6.0	10.1	-40.9
Profit before tax	31.2	26.4	18.3	57.8	44.7	29.3
Tax	10.8	9.4	15.5	20.2	16.0	26.2
Profit after tax	20.4	17.0	19.8	37.6	28.7	31.0
OPM (%)	15.5	16.5	-100 bps	14.7	15.4	-66 bps

Steep rise in other expenses hurts margins

The operating profit grew by a slower 7% as the OPM declined by 100 basis points. The steep rise in the employee and other expenses accounted for the decline in the margins.

Cost analysis

Rs crore	Q2FY2007	Q2FY2006	% yoy chg
Raw material cost	134.3	117.7	14.1
As % of sales	*61.5*	*61.5*	*-8.5*
Employee cost	17.0	14.0	21.2
As % of sales	*7.8*	*7.4*	
Other expenses	33.3	27.9	19.5
As % of sales	*15.3*	*14.6*	
Total cost	184.6	159.7	15.6
As % of sales	*84.5*	*83.5*	
Operating profit	33.8	31.6	7.1
As % of sales	*15.5*	*16.5*	

However, with the depreciation lower, the PBIT grew by 17.11% yoy to Rs31.62 crore.

Segmental PBIT

Rs crore	Q2FY2007	Q2FY2006	% yoy chg
Agricultural products & nutrition	20.0	17.9	11.8
PBIT margins (%)	*23.5*	*22.7*	
Performance products	12.4	8.5	46.5
PBIT margins (%)	*11.0*	*9.3*	
Expandable polystyrene	2.6	4.4	-40.0
PBIT margins (%)	*7.0*	*11.5*	
Total	38.4	33.3	15.3
Less: Unallocable expenses	6.8	6.3	7.8
Total PBIT	31.6	27.0	17.1
PBIT margins (%)	*12.7*	*12.5*	

Net profit grows by 19.8%

Further aided by the higher other income and stable effective tax rate, the net profit grew by 19.8% to Rs20.4 crore.

Valuation and view

At the current market price of Rs231, the stock is quoting at 8.3x its FY2008E EPS and 4.7x its FY2008E EV/ EBIDTA. We believe that the stock is trading at attractive valuations, given the bright outlook for the company's business over the next two years.

We expect the pressure on BASF's OPM to ease a little going forward, as the crude prices have started softening gradually. With capacity expansion on cards, BASF is also likely to see a healthy growth in its revenues over the next two years. We reiterate our Buy recommendation on BASF with a price target of Rs300.

Earnings table

Particulars	FY2005	FY2006	FY2007E	FY2008E
Net profit (Rs crore)	38.0	45.4	56.2	80.1
Shares in issue (crore)	2.8	2.8	2.8	2.8
EPS (Rs)	13.5	16.1	20.0	28.4
% y-o-y change	*11.4*	*19.6*	*23.9*	*42.4*
PER (x)	17.5	14.7	11.8	8.3
Book value (Rs)	89.9	98.0	110.0	129.2
P/BV (x)	2.6	2.4	2.1	1.8
EV/EBIDTA (x)	7.5	7.5	6.4	4.7
EV/Sales (x)	1.0	1.0	0.8	0.6
Dividend yield (%)	2.5	3.0	3.0	3.4
RoCE (%)	22.9	24.8	27.5	33.8
RoNW (%)	15.6	17.1	19.2	23.8

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

Dr Reddy's Laboratories

Viewpoint

Migraine drug adds to profitability

CMP: Rs704

Event

Dr Reddy's Laboratories has settled a patent litigation with GlaxoSmithKline (GSK) in relation to GSK's anti-migraine drug Imitrex. Under the terms of the settlement, Dr Reddy's will be permitted to launch the authorised generic version of Imitrex (in the 25mg, 50mg and 100mg strengths) in the USA in the fourth quarter of CY2008. The launch of the product will be ahead of the expiry of the paediatric exclusivity on Glaxo's patent number 5037845 for Imitrex on February 6, 2009. However, the terms of the settlement are subject to review by US federal agencies.

What it means for Dr Reddy's

Dr Reddy's had challenged GSK's patent for its anti-migraine drug Imitrex. Anticipating the approval of the settlement deal by the US Federal Agency (which is most likely), Dr Reddy's Laboratories would obviously save its litigation cost (likely to be about $1-1.5 million) and also launch the authorised generic version of Imitrex—Sumatriptan Succinate tablets (in the 25mg, 50mg and 100mg strengths)—in the USA starting from the fourth quarter of CY2008. During the year ended June 2006, Imitrex sales in the US market were over $890 million. The company has not disclosed any financial details of the deal with GSK. The competitive players who have filed abbreviated new drug application (ANDA) for Sumatriptan Succinate are Cobalt, Ranbaxy, Mylan and Teva.

Assumption and valuations

In order to assess the value impact of the Imitrex settlement on Dr Reddy's, we have performed a discounted cash flow (DCF) analysis, the detailed assumptions and valuation of which are presented below.

DCF valuation assumptions

Estimated equity risk premium (%)	6.0
Risk free rate (%)	7.7
Beta	0.7
Cost of equity (%)	12.1
Nominal marginal cost of debt (%)	7.0
After -tax cost of debt (%)	6.1
WACC (%)	8.5
Derivation of terminal multiple (%)	8.5
Perpetual growth rate (%)	1.0
Terminal multiple (x)	13.5

Valuation of Imitrex (Sumatriptan Succinate) for Dr Reddy's

	Yr ended Jun 06	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Market size ($ mn)	890.0	934.5	981.2	1030.3	1081.8	1135.9	1192.7
Price erosion (%)				*25.0*	*80.0*	*90.0*	*90.0*
Eroded market size ($ mn)				772.7	216.4	113.6	119.3
Market share (%)				*40.0*	*25.0*	*25.0*	*20.0*
Dr Reddy's annual revenue				309.1	54.1	28.4	23.8
Sales of Dr Reddy's (in $ mn)				59.6**	54.1	28.4	23.8
(in Rs cr)				268.3**	238.0	124.9	105.0
EBITDA margin (%)				*25.0*	*25.0*	*25.0*	*25.0*
Earnings (Rs cr)				67.1	59.5	31.2	26.2
EPS (Rs)				4.4			
Perpetual value (Rs cr)							353.4
Discount factor	1.0	1.0	0.9	0.8	0.7	0.7	0.6

** Revenue for the 3 month (2 month under exclusivity +1 month)

Assuming a 5% growth for Imitrex sales, 40% market share for Dr Reddy's during the exclusivity period and earnings before interest, tax, depreciation and amortisation margin of around 25%, our DCF valuation provides around Rs24 upside (ie approximately 3.3%) to the current stock price of the company.

On the basis of the earnings per share (EPS) valuation, the Imitrex deal is likely to add Rs4.40 to Dr Reddy's FY2009 EPS.

Final valuation

Discounted earning (Rs crore)	361.8
No of shares (crore)	15.3
Fair value per share (Rs)	23.6
Current market price (Rs)	704.0
% upside from Imitrex	3.0

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

What's In—What's Out

Mutual Fund

Fund Analysis: October 2006

Favourite stock picks in the portfolios of equity and mid-cap funds

An analysis has been undertaken on equity and mid-cap funds' portfolios, indicating the favourite picks of fund managers for the month of September 2006. Equity funds comprise of all diversified, index, sector and tax planning funds, whereas mid-cap funds include a universe of 17 funds such as Reliance Growth, Franklin India Prima Fund, HDFC Capital Builder, Birla Mid-cap Fund etc.

What's in

Top new stocks added to the equity funds' portfolios.

Company name	No of shares	Mkt value (Rs cr)
Action Construction Equipment	38604	6.00
Ashapura Minechem	250000	5.10
Everest Industries	350000	4.47
Federal Mogul Goetze (India)	--	84.56
GKW	48487	0.15
Gwalior Chemical Industries	--	9.27
Housing & Urban Development Corporation	--	0.15
Intelnet Business Solution	112792	0.53
Jammu and Kashmir Bank	2039234	91.58
Motor Industries Company	--	30.46
Sagar Cements	--	0.52
Torrent Power Aec	--	61.30
Uco Bank	700000	1.59
Voltamp Transformers	152901	52.26

Top new stocks in the mid-cap funds' portfolios.

Company name	No of shares	Mkt value (Rs cr)
Allahabad Bank	1606998	14.24
Ansal Properties & Industries	--	6.50
Bharat Earth Movers	65000	6.0863
Birla Corporation	192840	6.57
HPCL	522500	14.61
Jammu and Kashmir Bank	208000	9.34
Kalpataru Power Transmission	88556	7.13
Kirloskar Brothers	161170	6.38
Mahindra Automotive Steel	--	23.48
Motor Industries Company	--	11.06
Mphasis BFL	469000	8.69
Orient Paper & Industries	266499	15.66
Patni Computer Systems	500000	19.27
Reliance Capital	267001	15.24
RCOVL	--	24.26
Sesa Goa	260000	25.29
Suzlon Energy	--	12.10
Television Eighteen India	--	13.88
Unitech	1137999	37.88
Usha Martin Industries	630000	9.88

* includes universe of 17 Mid-cap Funds

What's out

Complete exits in the equity funds' portfolios.

Company name
Torrent Power AEC
Kochi Refinaries
Munjal Auto Industries
Shri Ramrupai Balaji Steel
Sunil Hitech Engineers
R System International

Complete exits in the mid-cap funds' portfolios.

Company name	Company name
Alok Industries	KPIT Cummins Infosystems
Archies Greetings & Gifts	New Delhi Television
Hero Honda Motors	Kochi Refinaries
Infosys Technologies	Aztec Software & Technology Services
ITC	
Punjab National Bank	Munjal Auto Industries
Subros	Crew B.O.S. Product
Tata Infotech	Genus Overseas Elc
Zee Telefilms	Sunil Hitech Engineers
Zenith Infotech	Adhunik Metalliks

* includes universe of 17 Mid-cap Funds

Favourite picks for the month

Top additions to the existing holdings of equity funds' portfolios.

Company name	No of shares added	Mkt value added (Rs cr)
Amtek Auto	938768	31.1
Andhra Bank	6955146	60.5
Asian Paints	478532	32.3
Bank of Baroda	1347703	38.8
BPCL	3045273	111.7
Birla Corporation	1252655	42.5
Concor	784315	131.9
Godrej Consumer	3161938	57.0
Gokal Das Export	1179446	74.3
HPCL	6229508	174.2
JaiPrakash Associates	2553691	121.5
Jammu and Kashmir Bank	2039234	91.4
Kalpataru Power Transmission	1400671	112.9
Patni Computer Systems	7795375	300.2
Ranbaxy Laboratories	1782110	78.4
SRF	1807355	43.0
Tata Consultancy Services	1598725	163.3
Tata Power Company	669095	37.9
Tata Tea	984547	73.8
Unitech	1495354	49.8

Top additions to the existing holdings of mid-cap funds' portfolios.

Company name	No of shares added	Mkt value added (Rs cr)
Allahabad Bank	1605911	14.2
Amtek Auto	184920	6.1
Bharati Shipyard	225095	7.5
Birla Corporation	381726	13.0
CEAT	492991	6.0
Finolex Cables	157599	5.8
GlaxoSmithKline Consumer	103858	5.6
Gokal Das Export	179685	11.3
GE Shipping Company	229000	7.1
HPCL	722374	20.2
Jammu and Kashmir Bank	257894	11.6
Kalpataru Power Transmission	142429	11.5
Mphasis BFL	376362	7.0
Orient Paper & Industries	186592	10.9
Patni Computer Systems	500000	19.3
Reliance Capital	267149	15.3
Sesa Goa	259995	25.3
Sundaram Clayton	64347	7.7
Unitech	931196	31.0
Usha Martin Industries	415364	6.5

* includes universe of 17 Mid-cap Funds

Popular stocks in mid-cap funds

Company name	No of shares	Mkt value (Rs cr)
Aditya Birla Nuvo	1750056	157.40
Ashok Leyland	17391211	78.27
Bank of Baroda	3172503	91.51
Bharat Earth Movers	1395894	130.70
Crompton Greaves	5294022	130.44
Fag Bearings India	1573565	91.54
Gammon India	2837259	103.54
Goodlass Nerolac Paints	1106202	100.93
India Cements	7148405	158.39
IPCA Laboratories	2738568	100.94
JaiPrakash Associates	5404777	257.03
Jindal Saw	2448357	78.65
Jindal Steel and Power	485984	83.20
JSW Steel	267057	103.78
Maharashtra Seamless	2603251	98.57
Matrix Laboratories	3605502	95.33
MICO	323000	106.25
Reliance Industries	1025545	120.17
Sintex Industries	4737344	86.81
State Bank of India	900001	92.58

Exclusive stocks

Some stocks held by only one fund.

Company	Fund house
Bag Films	UTI Mutual Fund
Balmer Lawrie Investments	PRINCIPAL Mutual Fund
City Online Services	DSP Merrill Lynch Mutual Fund
Control Print	HDFC Mutual Fund
Dhar Textile Mills	UTI Mutual Fund
Dhunseri Tea & Industries	PRINCIPAL Mutual Fund
Disa India	Kotak Mahindra Mutual Fund
GKW	PRINCIPAL Mutual Fund
Intelenet Global Services	HDFC Mutual Fund
Kirloskar Pneumatic	HDFC Mutual Fund
Kripa Chemicals	Tata Mutual Fund
Malwa Cotton Spinning Mills	Reliance Mutual Fund
Pantaloon Textile Industries	PRINCIPAL Mutual Fund
Photoquip	PRINCIPAL Mutual Fund
Piramyd Retail	SBI Mutual Fund
SICOM	UTI Mutual Fund
SRF Polymers	PRINCIPAL Mutual Fund
Zicom Electronic Security Systems	SBI Mutual Fund

Cash rich funds: Top 10 funds having more cash compared to the others (%)

JM Emerging Leaders Fund, Reliance Index Fund, Reliance Equity Fund, Sundaram Select Midcap, Sahara Wealth Plus Fund and UTI Equity Fund are some of the cash rich equity diversified funds waiting for right valuations to invest.

Scheme	Equity (%)	Debt (%)	Cash & equivalent (%)
JM Emerging Leaders Fund	24.16	0	75.84
Reliance Index Fund - Nifty Plan	65.83	0	34.17
Sundaram Select Midcap	68.12	0	31.88
LIC MF Index Fund - Sensex Advantage Plan	69.34	0	30.66
Reliance Equity Fund	72.49	0	27.51
Sahara Wealth Plus Fund	76.12	0	23.88
Birla Index Fund	77.67	0	22.33
UTI Equity Fund	79.07	0	20.93
Canfortune 94	80.70	0	19.30
UTI Contra Fund	80.74	0	19.26

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
Bank of Baroda
Bank of India
Bharat Bijlee
Bharat Electronics
Bharat Heavy Electricals
Canara Bank
Corporation Bank
Crompton Greaves
Elder Pharmaceuticals
Godrej Consumer Products
Grasim Industries
Hindustan Lever
Hyderabad Industries
ICICI Bank
Indian Hotels Company
ITC
Mahindra & Mahindra
Marico Industries
Maruti Udyog
Lupin
Nicholas Piramal India
Omax Auto
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
Cadila Healthcare
KSB Pumps
Marksans Pharma
Navneet Publications (India)
New Delhi Television
Orchid Chemicals & Pharmaceuticals
ORG Informatics
Solectron Centum Electronics
Television Eighteen India
Thermax
TVS Motor Company
UTI Bank
Welspun Gujarat Stahl Rohren

Ugly Duckling

Ahmednagar Forgings
Ashok Leyland
BASF India
Deepak Fertilisers & Petrochemicals Corporation
Genus Overseas Electronics
HCL Technologies
ICI India
India Cements
Jaiprakash Associates
JM Financial
KEI Industries
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

Esab India
Orient Paper and Industries
WS Industries India

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