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From the past three decades Indian banking system has several outstanding achievements to its credit. It is no longer confined to only metropolitans or cosmopolitans in India. In fact Indian Banking system has reached even to the remote corners of the country. Favourable economic climate and variety of other factor such as demand of wide range of financial products from various sections of society lead to growth of Banking sector. The country is flooded with foreign banks and their ATM stations. Today most of the Indian cities have networked banking facility as well as Internet Banking facility.

DOMINANT INDUSTRY PLAYERS

The industry is dominated by very few big players viz. ICICI, SBI, HDFC AND UTI.

ICICI BANK

ICICI Bank is India's second largest private bank. The Company has posted a net profit after taxes of Rs 775.08 crore for the quarter ended June 30, 2007 as compared to profit of Rs.620 crore in same quarter previous year. Total Income has increased from 6049 crore for the previous quarter to Rs 9281 crore for the quarter ended June 30, 2007. Bank is definitely improving its performance day by day. Fresh infusion of Rs 18,000 crore would definitely be improving the financial performance of the bank.

BANK OF INDIA

Bank has made a rapid growth over the years and blossomed into a mighty institution with a strong national presence and sizable international operations. The Bank has posted a net profit of Rs 3152.00 million for the quarter ended June 30, 2007 as compared to Rs 2087.30 million for the quarter ended June 30, 2006. Total Income has increased from Rs 22715.10 million for the quarter ended June 30, 2006 to Rs 31084.10 million for the quarter ended June 30, 2007.

AXIS BANK (Formerly UTI BANK)

UTI Bank has become Axis Bank. With this re-branding, the bank plans to diversify into other financial services and restructure its corporate banking. The Bank has posted a net profit of in June 2007 Rs.174.98 crore compare to its June 2006 Rs.120.55 Crore. The earning per share has increased from Rs.4.31 to Rs 6.20. The bank has outperformed the sensex in terms of return. It has given annualized returns of over 45 per cent (excluding dividends). Also bank plans to spend 30 crore on the rebranding and marketing exercise.

STATE BANK OF INDIA (SBI)

State bank of India (SBI) is India's largest commercial bank's has vast domestic network over 9000 branches and commands one-fifth of deposits and loans of all scheduled commercial banks in India. The Bank has posted a net profit of Rs 14258.1 million for the quarter ended June 30,2007 as compared to Rs 7985.70 million for the quarter ended June30,2006. Total income has increased from Rs95667.90 million for the quarter ended June 30,2006 to Rs 122290.90 million for the quarter ended June 30.2007.

STOCKS TO WATCH UNDER BANKING SECTOR

ICICI BANK LTD. **(Currently trading at around Rs.884)**
BANK OF INDIA LTD. **(Currently trading at around Rs.245)**
AXIS BANK LTD. **(Currently trading around at Rs.633)**
STATE BANK OF INDIA LTD. **(Currently trading around at Rs.1700)**
HDFC BANK LTD. **(Currently trading around at Rs.1130)**
ORIENTAL BANK OF COMMERCE **(Currently trading around at Rs.232)**

BUY AND HOLD RECOMMENDATION

ICICI BANK LTD. **(Buy at current market price)**
AXIS BANK LTD. **(Buy at current market price)**
BANK OF INDIA LTD. **(Buy at current market price)**
STATE BANK OF INDIA **(Buy at dips)**

THANKS AND REGARDS

PMS TEAM