

Magnum Connect

Issue No. 40 December 2011
 Monthly Magazine



	Index
Cover Story	
Steel Sector.....	2
Economic Analysis.....	6
Equity	
Company Research	10
Stock Update.....	12
Corporate News.....	13
Market Snapshot.....	15
Economy	
Economy News.....	17
Statistics	
Sales.....	19
Scorecard Steel Sector.....	20
Dividend Yield.....	22
High PE	23
Low PE	24
Price Trend.....	25
Mutual Fund	
Mutual Fund Analysis.....	26
MF Scorecard.....	27
Study	
G-20 Cannes' Summit	29
The Depreciating Rupee Tale	31
Commodity	
Commodity Watch	33
Insurance	
Life Insurance	36

Subscription :-
 Cover Price: Rs 30/-
 Annual Subscription (12 issues) : India Rs 300/-
 Overseas (Airmail) US\$ 150
 (Cheque/D.D. drawn on Mumbai in favour of

Magnum Wealth Management Pvt. Ltd.
 Regd. Office :
 Mr. Piyush K. Upadhyay (Correspondent)
 Magnum Connect
 D-13, Empire Mahal,
 806, Dr. B. A. Road,
 Khodadad Circle, Dadar T.T.,
 Mumbai – 400 014.
 For General Enquiries Contact :
 +91-22-2415 8686
 E-mail : mconnect@magnum.co.in
 Website : www.magnum.co.in
 Printed at : HariOM Printers, Mumbai.

Dear Friends,

Markets went through carnage in the passing month, no doubt the dwindling domestic economic conditions have been putting pressure on the markets but the concern is still global. The conflict in euro zone has kept the equities across the globe in a tizzy. Our country is a net importer of the EU, so the long term impact of the EU crisis on our trade balance is least to impact. But the anemic growth of the region and doubts about the common euro currency amid high indebtedness among some member nations has been impacting the confidence, as in the era of globalization we are inter-connected to each other and the short term sentiment gets influenced because of this connection. The direct impact of the EU crisis has been limited to few sectors only such as IT and textiles etc. Hence, for long term our worries are not the European region but the slowing pace in the domestic economy.

The other factor that has been denting the morale is the continuous depreciations in the rupee against the US dollar; the rupee touched its all time low during the month. But here again the rupee is not the only emerging market currency to have depreciated in comparison with the US dollar. Currencies of 16 other countries, except for China have depreciated more or less at the same rate as the rupee, lending no significant advantage to our exports over them. Also, despite the ongoing debt crisis in European economies and slowdown in US, FDI in India has shown good improvement in the first half of current financial year. So let us hope that all concern will subside sooner or later and the Indian economy will come out stronger post crisis.

Jayesh R. Dedhia
 (Director)
 Magnum Group

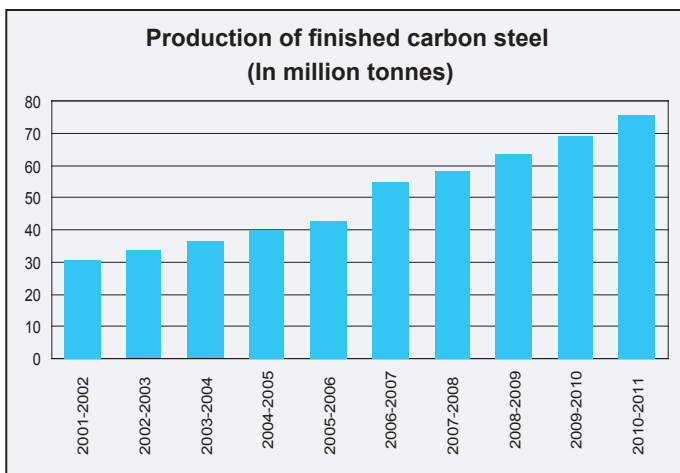
This document has been prepared by M/s Magnum Wealth Management Pvt Ltd and is being distributed in India by M/s. Magnum Wealth Management Pvt Ltd a registered broker dealer. The information in the document has been compiled by the research department. Due care has been taken in preparing the above document. However, this document is not, and should not be construed, as an offer to sell or solicitation to buy any securities. Any act of buying, selling or otherwise dealing in any securities referred to in this document shall be at investor's sole risk and responsibility.

This document may not be reproduced, distributed or published, in whole or in part, without prior permission from the Company

M/s. Magnum Wealth Management Pvt Ltd
 Subject only to Mumbai jurisdiction

Overview:

India's Steel industry represents the core sector and its growth is directly related with the country's economic development. Steel is an essential ingredient for all walks of life whether it is automobile, housing, consumer, industry or infrastructure sector. Perhaps that's the reason why India is the only country worldwide which witnessed expansion in steel sector during the economic meltdown of 2008, the world's worst financial crisis since the 1930s, whereas all other major countries of the world including China registered negative growth. In the post liberalization period, a substantial number of economic reforms were introduced by the Indian government which boosted the development process of a number of industries - the steel industry in particular - which has subsequently developed quite rapidly. After the large numbers of controls were abolished - some immediately and others gradually, the domestic steel industry became market oriented and integrated with the global steel industry. The steel industry plays a very crucial role in development of Indian economy and it is considered as backbone of sectors like, Auto, Infrastructure etc while it is also used as one of the critical raw material for many manufacturing industries.

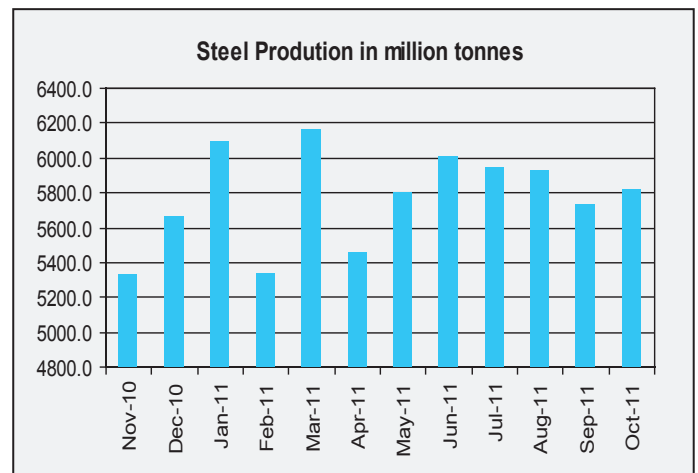


Due to the favorable government policies and robust economic growth, Indian steel industry is presently experiencing healthy growth. The prospects of the domestic demand and consumption appear to be driven by the high investment rate, growth in manufacturing industry and expansion in physical infrastructure creation. After a decade of smooth sailing with easy availability of raw material like coal and iron ore, dynamics of the Indian Steel Sector are changing. The industry benefited from strong demand growth against supply leading to higher imports, stronger steel price realization and superior margins, in the decade gone by. The Indian steel industry has never been more important to the international steel market place. After surpassing Russia and the USA in 2010's annual steel production league table, India is now

the third largest steel producer in the world. However with an annual growth rate of 8-9% predictions are already surfacing that by 2012 India will become the second largest steel producer in the world by touching 110-120 million tonnes of crude steel production capacity. However, global economic uncertainties and high interest rates have impeded the growth in steel consumption in the last few months. To add on to the issue, the Karnataka mining ban, the price volatility of raw materials such as iron ore, coking coal along with minerals, ferro alloys, scrap, sponge iron, and pig has also negatively affected the overall performance of steel industry.

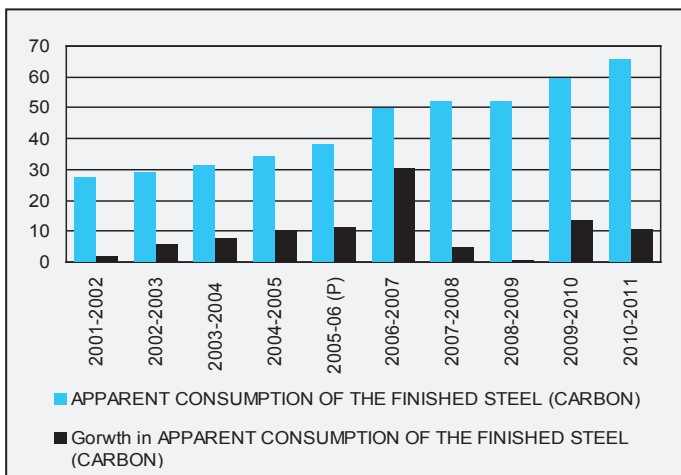
Production:

The production of finished carbon steel in India has increased significantly over the last decade. During 1991-1992 the total production of finished carbon steel was 14.33 million tonnes, which doubled to 30.63 in 2001-2002 and in the last financial year that is 2010-11 the total production of steel was around two and a half times at 75.741. In the, current calendar year, India's steel production in the first half of 2011 stood at 35.636 million tonne.

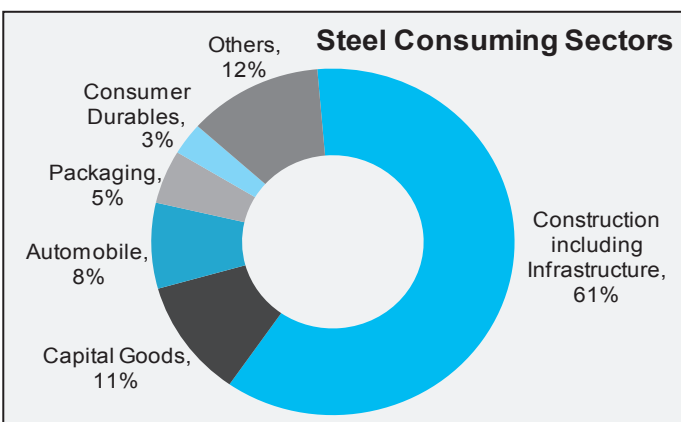


The total output for the first seven months of the this fiscal year 2011-12 was around 40.69 million tonnes of steel which was around 8.75% higher than 37.41 million tonnes in the same period last fiscal. This indicates that, the steel production in recent years has been steady but could have been even higher but the slowing domestic economic growth took its toll on the pace of demand growth. Slowing growth in industrial production evident from the September manufacturing output data, which grew at its slowest pace in two years at 1.9% along with the high borrowing costs and elevated inflation levels have started to impact the smooth sailing of Steel sector. To add to this the deepening economic troubles in Europe and America too are having adverse effect on the industry's expansion pace. However, the government is targeting to expand its production capacity to 120 million tonnes by 2012 from the current level.

The production of finished carbon steel in India was 75.74 million tonnes in last fiscal year as compared to 42.63 million tonnes in 2005-06. In the production of steel, the secondary sector had largest share followed by the primary producers. This increase in the share of secondary sector is because of ample supplies of semis. Intermediate solid steel products obtained by hot rolling/forging of ingots (in conventional process) or by continuous casting of liquid steel are known as semis. These semis are intended for further rolling/forging to produce finished steel products. Along with the finished carbon steel, the production of DRI (Direct Reduced Iron) had increased by around five times from 5.4 million tonne in 2001-02 to 26.7 million tonnes in 2010-11. In 2009-10, India was the second largest producer of DRI after the Venezuela. However, the pig iron saw a decline in production. The total production of pig iron was 5.585 million tonnes in 2010-11 as compared to 5.976 million tonnes in 2009-10.

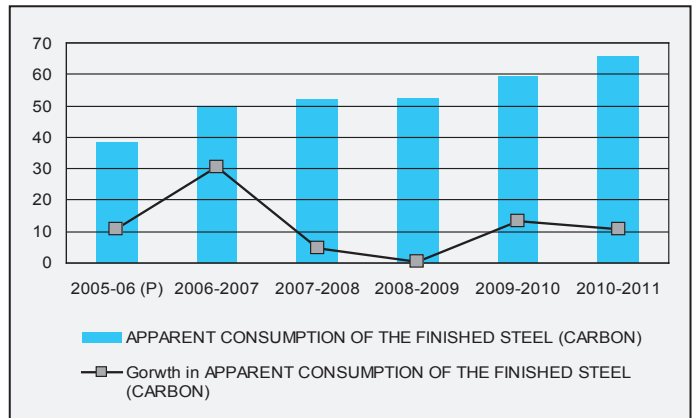


Consumption:



Historically the Construction, Infrastructure and Automobile & Auto components Industry markets have remained the largest consumers of steel absorbing more than half of the total steel production (Products). Industries such as, automotives and manufactures of consumer durables directly depends on the steel industry for basic raw

material. Other industries such as appliances, agricultural implements, converters, containers, energy, electrical equipment and industrial machinery are major consumer (demander) of steel. The consumption of steel is viewed as the key indicator of economic development. Due to rapid economic development of India, the consumption of steel also has gone up in recent past. The main demand for the steel is coming from the traditional sectors such as construction, housing, auto and related sectors and consumer durables and from nontraditional sectors such as engineering industries, power generation, petrochemicals and fertilizers.



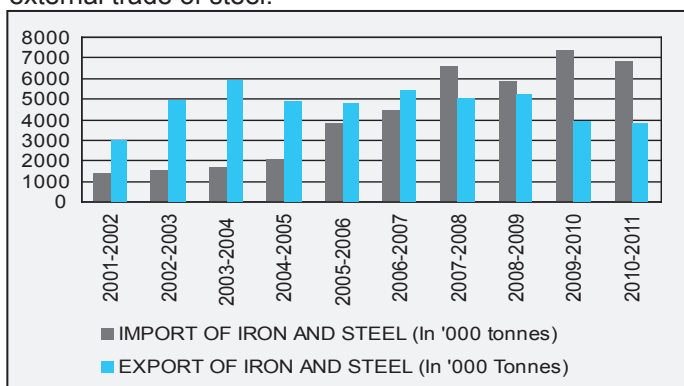
During last five years the apparent consumption of steel of finished steel has increased from 38.11 million tonnes in 2005-06 to 65.61 million tonnes (Provisional) in 2010-11. The consumption of steel in India saw the highest growth in 2006-07 it grew by 30%, however, during the financial crisis, the growth in consumption of steel reduced to less than 0.5% in 2008-09. As the economy recovered from the global financial crisis, the consumption of steel was higher than the GDP growth, it grew by 13.34% in 2009-10 and 10.6% in 2010-11, while, country's GDP growth rate was 8% and 8.5% respectively. As per the Ministry of Steel, the per capita consumption of steel has increased 19.5% in last four years. It increased to 55 kg in 2010-11 from 46 kg in 2006-07.

During the first seven months of the current fiscal year, steel consumption in India increased just 2.9%, to 39.58 million metric tons. Though the steel ministry admitted that it will be difficult for the industry to grow at 10-12 percent rate, that has been a norm for the past few years, however, it is optimistic that the sector would be able to post, at least, 6 percent growth rate in the fiscal.

Trade:

The exports of steel and iron were stated in 1964 however the trade saw real growth of the opening up of the economic in 1991. In last 20 years dynamics and fundamentals have been changed with the rapid expansion of the economy. In last ten years the pendulum has shifted to import from

exports. India was the net exporter of steel till 2006-07, however, after that the import of steel is dominating the external trade of steel.



During 2001-02, India's total export of steel was around 3000 thousand tonnes, which reached to its highest level in 5922 thousand tonnes in 2003-04. However, after that the exports of steel have been declining. In 2010-11 it stood at 3811 thousand tonnes, which is less than previous year due to moderation in exports of Pig iron and semis. India's export of steel is mainly dominated by finished or carbon steel during 2010-11. India exported around 3461 thousand tonnes which is higher than the 3251 thousand tonnes in 2009-10. The moderation in India's steel exports in recent past is mainly due to imposing anti dumping duties imposed by the advanced nations, which led Indian steel to lose its market share. India's iron ore exports were already down 25 percent in April to October 2011, hit by stalled shipments because of a legal wrangle in Karnataka, which normally accounts for a quarter of exports, and the pinch of high transport costs. Also the western state of Goa, which was the top exporter last year, could ship 45-50 million tonnes, down from 54.42 million tonnes in the year earlier period. India's iron ore export in 2011-12 is set to fall to 65-70 million tonnes (mt) from about 100 mt a year ago.

On the same time, imports of steel has increased almost 6 times, during 2001-02 imports were just 1375 thousand tonnes which surged to its all time high levels of 7382 thousand tonnes in 2009-10. However, it fell to 6798 thousand tonnes in 2010-11. The import of steel is also dominated by the finished steel. During 2010-11 India imported around 6798 thousand tonnes of finished steel.

Challenges faced by Indian Steel Sector:

- Mines and Minerals Development and Regulation Bill (MMDR):** The empowered Group of ministers (eGOM) headed by the Finance Minister approved the draft Mines and Mineral (Development & Regulation) (MMDR) bill with an objective to speed up grant of mineral concessions in a transparent manner and attract big-ticket investment in the sector. The new bill, which also aims to curb illegal mining, makes a distinction between companies mining coal and other minerals and is likely

to be introduced in the monsoon session of parliament. The draft mandates companies to share profits with the people affected by various projects with Coal miners to share 26 percent of their profit after tax with project-affected people. For non-coal mining companies, the bill proposes an amount equal to 100% of the royalty to be shared with locals while if a mine is non-functional or making losses, the firm should compensate the people whose land was acquired by paying them an amount equal to the royalty given to state governments. The bill also endeavors to allocate mining blocks on an auction basis and rationalize royalty rates.

The bill has come under severe criticism from industry members as well from steel ministry. The bill is likely to adversely affect the Indian steel sector as it would lead to higher coal and iron ore price, thus increasing the cost of production for steel making companies and reducing the profit margins. However, the proposed draft bill remains silent on whether expenses which company's incur on corporate social responsibilities (CSR) activities will be allowed as deductions while there is no specific mention about the captive coal blocks and the methodology to calculate the profits. Although the passage of the bill will take some more time, it could lead to lower profits for all the companies in the sector once implemented.

- Mining Ban:** In July 2010, the Karnataka government had banned the export of iron ore after reports of rampant illegal mining in the mineral-rich Bellary-Hospet region. However, the Supreme Court lifted iron ore export ban in April 2011 and gave 15 days to put in place the required infrastructure and enforce rules for preventing illegal iron ore exports. The Supreme Court further appointed a committee to survey and inspect an additional 99 mines within the region for mining irregularities in May 2011. In July 2011, the apex court banned iron ore mining in Karnataka's Bellary district and later on banned iron ore mining in Karnataka's Tumkur and Chitradurga districts which led to shortage of iron ore for the steel producers and sponge iron makers in Karnataka. This resulted in production cut by various companies. In September 2011, the Supreme Court partially lifted the iron ore mining ban in Bellary district, allowing state-run NMDC to mine up to 1mn tonnes a month from Aug 11 and permitted e-auction of 1.5mn tonnes of iron ore/month. This relief was granted after imposition of the mining ban across the major iron ore mining districts however bidder has to pay royalty, forest development tax and logistic cost, thus, increasing the overall landed cost. Also, there are lot of procedural issues due to which actual delivery of iron ore is not reaching the steel makers.
- Illegal iron ore mining in other states:** The central government has set up a committee to probe illegal

iron ore mining in Goa. A report is likely to be submitted in coming months which would be placed in the Parliament. It is likely to contain recommendations on ways to curtail illegal mining within Goa. Similarly, the Orissa government plans to regulate iron ore mining within the state by setting up a 14-member committee. The reports of these committees are likely to drive the future of iron ore mining and the steel industry within India. Shortages of domestic iron ore supply and increasing raw material prices are posing a challenge to Indian steelmakers as they import a majority of essential ingredients for steel production.

- **Land acquisition:** Land acquisition is a common hurdle steel producer's face in India. Oftentimes companies have to gain approval from hundreds of land owners to build a new mill. Complicating matters even further is a complex permitting process that varies by state. Foreign investors have tried to capitalize on the nation's growing steel market. South Korea's Posco, the world's third-largest steel maker, plans to build a \$12 billion plant in India's eastern state of Orissa. But the project has met resistance from local land owners, many of whom are farmers. Unlike China, India is a democratic nation where land acquisition requires more than a nod from a centralized authority.
- **Availability of raw materials:** The other major challenge for steel producers in India is access to iron ore. Despite the abundance of iron ore availability, it judicious allocation remains a challenge. Indian government must adopt policies that encourage iron ore mining for domestic use. The government has already taken some steps by imposing a 20% duty on iron ore exports. India's steel industry also lacks access to coking coal, which is used to produce iron. Coking coal prices fluctuate and supplies are controlled by major mining operations outside of India.
- **Underdeveloped Infrastructures:** The India steel sector is facing difficulties on various fronts like the underdeveloped infrastructures, availability of coal and fuel and increasing cost of dry fuel. Most of the mining fields are located in Eastern Indian states such as Orissa, Jharkhand, and Chhattisgarh, where the infrastructures are under developed. Underdeveloped infrastructures such as roads and railways and lack in availability of power and water have been major bottlenecks for the sector's growth.
- **Environment Clearance:** The environment clearance has been another major concern for the steel sector. In order to set up steel plants thousands of acres of lands are required, and getting land has been one of the major hurdles. Most of people in rural area are dependent on land and forest for their livelihood, and acquisition of land without ensuring adequate

compensation rehabilitation and employment, has created unrest protest from farms for land acquisition. The government needs to work on the issue seriously for the growth of the steel sector.

Outlook:

Despite some short term hiccups, India is expected to be a net exporter of steel in the next ten years from the present position of an importer as production of the metal will exceed domestic consumption. India's total production of steel is projected to be around 167 million tonne by FY20, domestic consumption will be around 147 million tonne during this period. The country produced around 70 million tonne of the alloy in FY11 and is expected to add another 10 million tonne in the current fiscal. The proposed investment of around \$1 trillion in infrastructure in the 12th Plan and the efforts to increase the share of manufacturing sector from 15% to 25% of GDP by 2020, would lead to high demand of steel. Despite demand growth and capacity addition, there are huge challenges to overcome for sustaining a demand growth of 10-12 percent for the next decade. Various issues including raw material supply, environmental clearances and land acquisition should be taken care for sustaining growth. The key sectors that will drive domestic growth are auto, construction, infrastructure and capital goods among others. The construction sector is likely to see an expansion at 8 percent, consumer durables at 11-12 percent and capital goods is likely to witness growth by 9-10 percent in the next 10 years.

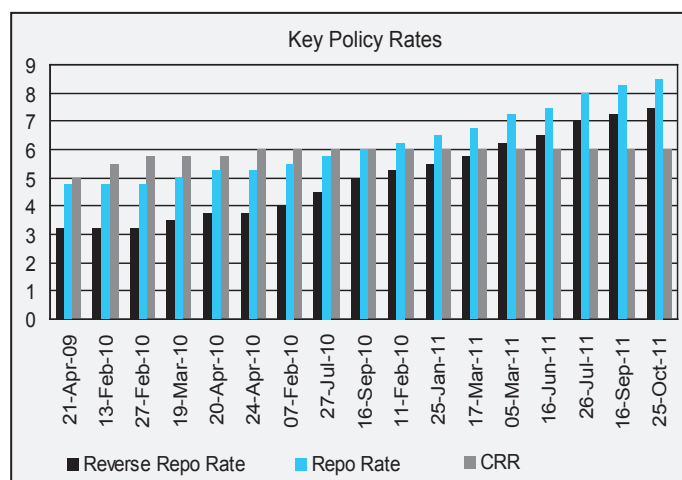
The current abysmally low per capita consumption of steel of 55 kg, compared to the world average of 206 kg, strengthens the argument that the domestic steel industry has a huge growth potential. It observed that the biggest challenge in achieving the desired level of consumption is removing the wide disparity between urban and rural areas. The pace of steel expansion in India could be cause for alarm in some parts of the world, particularly the United States where cheap imports from China have been a source of contention for the industry. But currently India's output is supplying mostly domestic needs, and the country's political climate is much different than it is in China. Indian crude steel production is expected to grow at a CAGR of around 10% during 2010-2013. The government's proactive incentive plans to boost economic growth by injecting funds in various industries, such as construction, infrastructure, automobile, and power will drive the steel industry in future. The Indian steel industry will have multifold growth in the coming years, with iron ore requirements soaring to much higher levels. Though, the steel industry is facing challenging times, India has a future in steel and has miles to go before it can match the infrastructure, lifestyles and per capita consumption of steel in the developed world and the newly industrialized economies of Asia.

RBI maintains hawkish stance to battle persistently high inflation

India's inflation continues to remain stubborn despite a good monsoon this year and strong outlook of the Kharif harvest. This has prompted the Reserve Bank of India (RBI) to push up the pace of monetary policy tightening. The apex bank released its maiden mid-quarterly policy review on September 16, 2010 and continued the hawkish stance from where it had left it in the last quarterly policy review in late July. The RBI so far has collectively raised the Cash Reserve Ratio (CRR) by 100 basis points, and raised the key policy rates by 12 times by 350 basis points. The effectual tightening has been of 500 basis points as liquidity in the system transited from surplus to deficit. Following the streets' expectation, the RBI hiked the key policy rates by 25 basis points while keeping CRR rate unchanged at 6%. The repo rate, at which banks borrow money from RBI, now stands at 8.50% while reverse repo rate at which, banks park surplus money with RBI is pegged at 7.50%.

On the interest rate policy, as pointed out in the second quarter review of November 2010, the RBI had floated a discussion paper on deregulation of savings bank deposit interest rate for suggestions. The paper spelt out both the pros and cons of deregulating the savings bank deposit interest rate. After examining the suggestions, RBI deregulated the savings bank deposit interest rate with immediate effect, where banks are now free to determine their savings bank deposit interest rate depending on following two conditions. First, each bank will have to offer a uniform interest rate on savings bank deposits up to Rs 1 lakh, irrespective of the amount in the account within this limit. Second, for savings bank deposits over Rs 1 lakh, a bank may provide differential rates of interest, if it so chooses. However, the banks are not supposed to do any discrimination from customer to customer on interest rates for similar amount of deposit.

The mid-quarterly review may not have many surprises as one expected the RBI to continue with its already public concerns on inflation. In what pursues, we will review the macroeconomic background with which RBI went into the mid-policy review, major takeaways from the policy release of the central bank and how the RBI may tackle the emerging inflation scenario going forward.



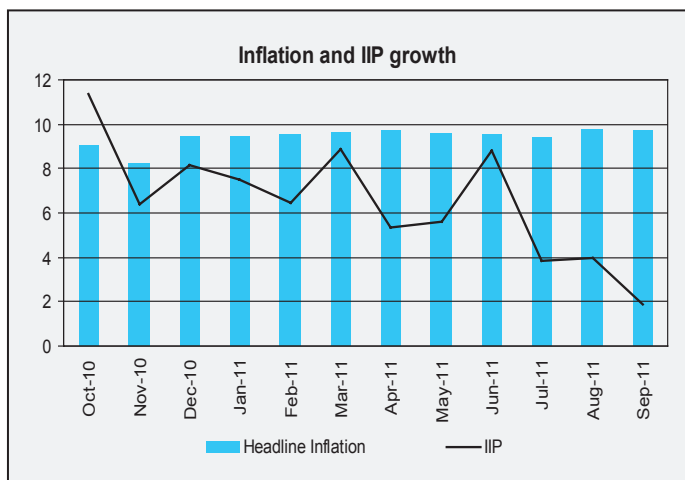
Policy Backdrop

The mid-quarterly review of the RBI was set in the backdrop of slacking GDP growth, decelerating industrial output and stubborn inflation. Domestic economy's GDP decelerated to 7.7% in April-June quarter of 2011-12 from 8.8% a year ago, and 7.8% in Q4 of 2010-11. From the supply side, the deceleration in growth in first quarter was mainly on the back of slower growth in mining, manufacturing, construction and community, social and personal services.

Industrial growth, as measured by the index of industrial production (IIP), decelerated to 5.6% during April-August 2011 from 8.7% of previous year mainly on account of slowdown in capital goods, intermediate goods and consumer durables. Growth of eight core infrastructure industries during April-August 2011 also slowed down to 5.3% from 6.1% in the corresponding period of last year. Manufacturing sector growth decelerated significantly to 6.0% during April-August 2011 from 9.2% during the corresponding period of last year. The lower growth in manufacturing was on account of negative growth in 14 out of 22 industry groups. Although services sector so far retained the growth momentum, its sustainability in the long-run may largely depend on the developments in the global economy.

Internally, inflationary pressures still persisted and Wholesale Price Index (WPI) y-o-y inflation was at 9.7% (provisional) for the month of September 2011. Inflation remained at above 9% over consecutive months in the first half of the year, and price pressures persisted across the range of commodities covered in the WPI. Though primary food articles inflation moderated from the levels

of over 20% witnessed in the first quarter of 2010-11, it still remains high with the average inflation during 2011-12 so far (up to September) at 8.9%. A breakdown of food articles inflation specifies that the price pressures have been moderate for cereals whereas increases have been noteworthy in the case of protein-rich items. Demand has been growing in these items in recent years with rising income and changes in dietary pattern in favour of protein rich items.



Increase in governed prices of fuel products effected in June 2011 led to firming up of fuel inflation. Notwithstanding recent increases, the pass-through of global inflation to domestic inflation remains incomplete. The rupee depreciated by about 11% against the US dollar in 2011-12 so far. India's imports account for about 22% of GDP, and depreciation of the rupee raises the risk of imported inflation.

Though export growth outpaced import growth, the current account deficit (CAD) surged in the first quarter of 2011-12 in absolute terms, reflecting sharp increase in imports of oil, gold, silver, machinery and electronics. India's export growth has shown unexpected enthusiasm in recent months, despite the slowdown in advanced economies and rising global uncertainty. However, there was a sharp rise in imports as well, which led to the widening of trade deficit. The high growth in imports came from an increase in oil imports and non-oil imports.

Further, economic activity in advanced economies destabilized further in third quarter of 2011. Increasing concerns over medium-term sovereign debt dynamics in the euro area and, in particular, considerable potential losses to banks holding this debt have impacted global

financial markets extremely.

Policy Review

The monetary policy statement released by the RBI had inflationary concerns spilled all over be it the global or domestic one. The RBI stated that the risk to the growth projection was on the downside mainly on account of slowing down of the global economy activity and softening domestic demand. Slower global growth will have an adverse impact on domestic growth, particularly on industrial production, given the rising inter-linkages of the Indian economy with the global economy. Based on these reflections, the baseline projection of GDP growth for 2011-12 is revised downwards to 7.6%. Upside risk to inflation is likely to persist in near-term before moderating as falling global commodity prices provide limited comfort.

The unexpected RBI's move to deregulate savings account deposit rates comes soon after its May 2011 instruction to increase the interest rates offered on savings deposits from 3.5% to 4%. The liberated savings account deposit rates will exaggerate competition among banks to gather a higher share of the low-cost deposits pie. Savings account rates are likely to crawl up towards short-term deposit rates in the medium term, which are currently 200-300 basis points higher than the authorized savings account interest rate. Given that savings accounts make up about 23% of total deposits of the banking system, a rise in deposit rates for these would emphasize pressure on banks' net interest margins (NIMs). To compensate for the rise in cost of deposits, banks may enforce additional charges for providing various facilities on savings accounts.

Further the RBI stated that inflation lane will be formed by both demand and supply factors, which will depend on the extent of moderation in aggregate demand, the behavior of crude prices, and the exchange rate, will also have some impact on the performance of domestic oil prices. Further, the inflation outlook will also depend on the supply response in respect of those commodities where there are structural differences, mainly protein items. Above all there is still an element of concealed inflation as domestic prices of controlled petroleum products do not reflect the full pass-through of global commodity prices. The recent decline in crude prices has been counterbalanced by the depreciation of the rupee.

The central bank also disclosed on global outlook that a major downside risk to growth originates from the global macroeconomic environment. Finally the RBI stated that the inflation rate will begin falling in December 2011 and if continued to decline to 7% by March 2012. Notwithstanding current rates of inflation persisting till November, the probability of a rate hike in the December mid-quarter review is comparatively low.

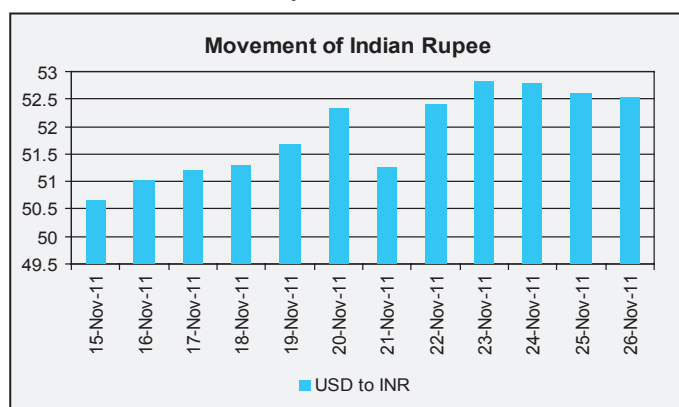
Depreciating rupee mocks at RBI's projection:

For several months, we have been suffering from the double destitution of a slowing economy and high inflation. Now, we face another problem of a rapidly depreciating currency. A temporary risk to inflation has risen from a depreciating rupee, which is pushing up import costs. Foreign investment in India, which has a big need for foreign capital because it imports more than it exports, has been falling sharply since June, when the country took in Rs 650 crore. In September, it took in just Rs 61.6 crore.

The sharp decline in rupee is expected to push inflation rate, which is already hovering nearby two digit mark from several months. The rupee dropped past 52 a dollar, on strong dollar demand from importers amid worries that foreign investors may take off riskier assets and markets due to the global economic instability. The previous all-time closing low of the currency was 51.97 registered on March 3, 2009. While many currencies have recently depreciated against the dollar, the rupee has fallen more than most. The rupee is now among the top three worst performing currencies globally and has fallen by a whopping 15% since July this year. It is the worst performing currency in Asia, falling 14% through the year.

The depreciation of the rupee could further worsen inflation, which has been at or above 10% for more than a year, by sharply increasing the cost of oil and other commodities that India imports and has to pay for in dollars. That would also intensify the government's already large fiscal deficit, because the country heavily subsidizes imported fuel and fertilizers. On the other hand, for Indian exporters, counting software outsourcing companies, a weaker rupee could help increase sales as it would make their products and services cheaper. Moreover, higher exports would not fully counteract the rising cost of imports because India has an annual trade deficit of more than Rs 8,000 crore.

Though commodity prices especially that of crude oil, have fallen sharply since April 2011 they remain higher than a year ago. At the same time, the sharp depreciation of rupee, since August 2011, seems to have counterbalanced the gains from this decline in crude oil prices. A falling rupee has also pushed up prices of non-administered fuel categories, such as aviation turbine fuel, bitumen and naphtha, which are continuously exerting direct and indirect pressures on overall inflation. This is however, a momentary incident as rupee is expected to appreciate from the current lows, by March-end.



Outlook

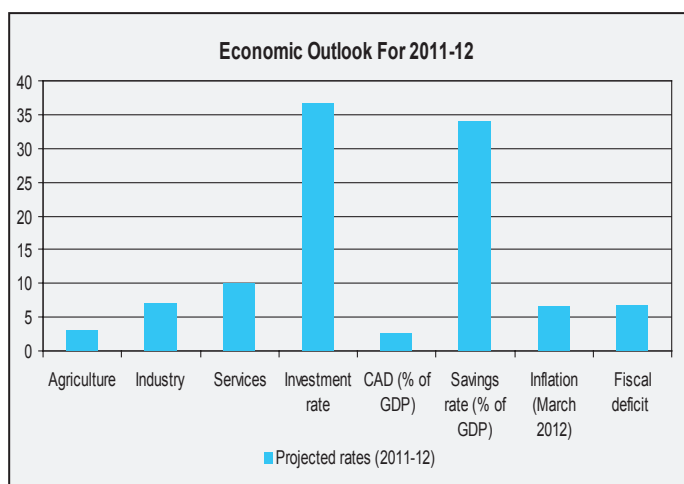
Inflation: Food prices in India have remained high for several months mainly on the back of growing demand for high-protein diets and increase in prices of vegetables, milk, and pulses have restricted the overall inflation from easing. Milk-based products seem to be hardest hit, with the price of milk rising 12-18% over the last 12 months and on the other hand prices of other food items have reached their peak. The persistent high food inflation number reinforces expectations that price pressures won't ease anytime soon, even as the apex bank projects headline inflation to start easing from December to 7% by March. Headline inflation hovered over 9% for 10 consecutive months through September. Steamy food prices could trouble the projections and build pressure on the Reserve Bank to revisit the pause in rate increases that it has indicated it would likely adopt for now.

Further on the agriculture side, rainfall during the south-west monsoon reported to be 1% above normal, which in one way could help food inflation to come down though it may not translate into lower prices at least in the near term. The first advance estimates for the 2011-12 Kharif season point to record production of rice, oilseeds and cotton while, the output of pulses may decline due to

a reduction in acreage. Though agriculture prediction remain encouraging, overall growth in 2011-12 is likely to moderate to below trend.

Industrial Growth: The hold up in industrial growth is in fact becoming wide-ranging and gaining impetus as evident from the latest trends. Rising interest rates have taken a definite toll on industrial investment as well as consumer demand particularly for consumer durables. The rate hike announced in the month of October 2011 may further reflect on the industrial production costs and may hurt the growth prospects. The continued fall in output as well as sales of major automobiles in the month of October 2011 as per the latest data released by the Society of Indian Automobile Manufacturers (SIAM) hints the further slowdown in industrial output in October 2011. The slowdown observed in general in the industrial sector and manufacturing sector in particular is spreading to automobile sector also. The drop in domestic sales may further add to the slowdown in production in the coming months. Thus, industrial output may become stagnant or post a negligible growth in the next two months particularly due to rising base.

Services sector also started viewing a slowdown in activity although in selected segments. On the whole, all the lead indicators of services sector like commercial vehicles production, cell phone connections, air cargo, and passengers handled at domestic and international terminals have also witnessed retarding growth. Thus, services sector is also coming under the clutch of slowdown though the extent and strength of slowdown is not yet apparent.



Credit Growth: Despite the steady rise in interest rates, the credit growth remained high and deposits growth has

not picked up the pace to the extent of expectations. The recent policy rate hike by the Reserve Bank has so far not been passed on by the banks through rising rates of loans and deposits. However, there is a steady rise in market borrowing rates both in short and long-term, signifying that the banks may raise lending and deposit rates soon.

External Sector: Trade deficit rose to record high of \$19.6 billion in the month of October 2011 on the back of sharp fall in exports to a 10-month low. Total investment inflows, continued to fall sharply by about 40% on m-o-m and about 95% on y-o-y basis to \$616 million in September 2011 due to continues net outflows of portfolio investments and slowdown in direct investments during the month. Similar movements may continue due to the uncertain global economic concerns. Thus, the external sector outlook emerges to be rather gloomy in the coming months.

Global Economy: Uncertainties over fiscal weakening are further burdened by the stagnant unemployment situation and signal towards a grim outlook of the US economy. Though the economy would jumble along at about 2.5% to 3% annual growth, which is not enough to meaningfully lower the unemployment rate. Moreover concerns over the European debt crisis are threatening larger as the bond yields are rising steadily and many more countries are coming under the strap of debt crisis. Further, the crisis has been leading to political turbulence in the region particularly in Greece and Italy. The yields of gilts have also gone up considerably in France and Germany.

To add up further, Fitch Ratings lowered its credit rating on Portugal into junk territory as the recession in the country is increasing challenges for the government to act in accordance with its austerity plans. The country's large fiscal imbalances, high indebtedness across all sectors and adverse macroeconomic outlook indicates the sovereign's credit profile is no longer consistent with an investment-grade rating. On the other hand, the emerging economies the growth drivers throughout the financial crisis are also seeing a slowdown stressed by strong inflationary pressures. As a consequence, the recovery in global economy may observe a further slowdown and the possibility for a double dip recession now appears to be rising. On the whole, global growth prospects appear to be weakening, even though recovery has not delayed.

SAIL**Investment overview**

- ◆ SAIL, one of the five Maharatna is the leading steel-making company of the country having a huge marketing network.
- ◆ Its average product price during the last quarter was around 16% higher at Rs 36,230 a tonne from the previous quarter. The company plans to invest Rs 35000 crore to build a factory at a shuttered fertilizer plant in Jharkhand.

Business Overview

Steel Authority of India Limited (SAIL), a fully integrated iron and steel maker. It was formed in 1973, as a holding company, for Hindustan Steel Limited, Bokaro Steel

Stock Data (as on 02/12/11)	
Current Mkt Price (Rs.)	87.20
52 week High (Rs.)	197.05
52 week low (Rs.)	80.20
Mkt Cap (Rs. Cr.)	36,017
Return in last one Month (%)	-22.59

Share Holding Pattern (as on Sept,2011)	%
Total Promoter	85.82
FII	4.00
DII	7.51
Others	2.67

Key Ratios	
P/E	8.90
Price/Book (x)	0.92
Dividend Yield (%)	2.86
ROCE (%)	14.33
ROE (%)	13.94



Limited, Salem Steel Limited, BCCL and NMDC. Later in 1978, SAIL became an operating company and Steel making subsidiaries were dissolved and merged BCCL and NMDC were spun off as independent companies. SAIL has triggered the secondary and tertiary waves of economic growth by continuously providing the inputs for the consuming industry.

SAIL manufactures and sells a broad range of steel products, including hot and cold rolled sheets and coils, galvanised sheets, electrical sheets, structural's, railway products, plates, bars and rods, stainless steel and other alloy steels. SAIL produces iron and steel at five integrated plants and three special steel plants, located principally in the eastern and central regions of India and situated close to domestic sources of raw materials, including the Company's iron ore, limestone and dolomite mines. SAIL's product quality is established in the international market-Exports to around 20 countries including EU, Middle East, SE Asian & Neighbouring countries.

The company is having huge marketing network spread all over India with 37 Branches, 67 Warehouses, 26 Customer Contact Offices and over 2500 Dealers covering all districts of India. SAIL has its own R&D centre & Management Training Institute at Ranchi with state of art facilities.

Financial Health

For the quarter ended September 30, 2011 SAIL has reported net sales of Rs 10979.62 crore, marginally higher by 2.16% compared to Rs 10747.44 crore in the same period last year. Other income for the quarter was up by huge 30.61% to Rs 490.28 crore from Rs 375.38 crore Y-o-Y.

Net profit of the company declined sharply by 54.62% to Rs 494.64 crore in the quarter compared to Rs 1090.01 crore mainly because of foreign exchange loss of Rs 508.72 crore against a gain of Rs 152.52 crore in the corresponding previous quarter. Raw material costs rose 15 percent to Rs 5610 crore in the quarter, while employee expenses rose 16 percent to Rs 1980 crore. SAIL had gross debt of Rs 23518 crore and a cash reserve of Rs15142 crore as of end-September.

Industry Scenario

India occupies a central position on the global steel map. The metal continues to have a stronghold in traditional sectors such as construction, housing and ground transportation; special steels are increasingly used in engineering industries such as power generation, petrochemicals and fertilisers. Till early 1990s, when economic liberalization reforms were introduced, the steel industry continued to be under controlled regime. After liberalization- when a large number of controls were abolished, some immediately and others gradually-the steel industry has been experiencing new era of development.

For the Indian steel makers, which mostly buy from the spot market, prices will depend on international prices

(Rs. Cr.)

Particulars	Sept Qtr-11	Sept Qtr-10	Growth%	March 11	March 10	Growth%
Net Sales	10,979.62	10,806.17	1.61	43,432.79	41,307.21	5.15
Total Income	11,469.88	11,181.55	2.58	44,858.89	43,233.26	3.76
Other Income	490.26	375.38	30.60	1,658.66	1,926.05	-13.88
PBT	714.89	1,592.30	-55.10	7,194.31	10,132.03	-28.99
PAT	494.64	1,090.01	-54.62	4,904.74	6,754.37	-27.38
EPS	1.20	2.64	-54.55	11.87	16.35	27.70

Standalone

at which the commodity is supplied to the Chinese and also on domestic policy environment. Hike in import duty combined with ban by the government of Karnataka has boosted domestic supply of the ore and prices therefore are likely to remain stable in near term for Indian producers. In an absolute sense though, iron ore prices are much higher on year-on-year basis while steel prices are only modestly higher. Another key steel input, coking coal, is also witnessing significant price hike.

Further, the government is focusing on the infrastructure development to ensure a sustainable 9-10% growth in the second decade of this century. Overall, there is immense growth potential in the infra space and steel obviously has a high correlation with the overall infrastructure development. Though, there will be escalation in costs and some pressure on margins, but volumes will remain good. In this wake, we maintain a positive outlook on steel.

Investment Rationale

SAIL reported a worse-than-expected 55 percent drop in second-quarter profit largely due to higher coking coal prices and because of incurring foreign-exchange losses. Coking coal, a key raw material used to make steel, surged 40 percent during the period, compared with a 14 percent increase in the price of steel hot-rolled coils. The company imports about 70 percent of the coking-coal it needs, many other Indian companies too have been hit by a sharp depreciation in the Indian rupee's value against the dollar in the past few months. Out of its planned a capital expenditure of Rs 12,600 crore the company has already spent Rs 4,500 crore. The rest will be spent in the second half. The company's debt-equity ratio is in stable state and raising of debt or equity will not be an issue for the upcoming projects.

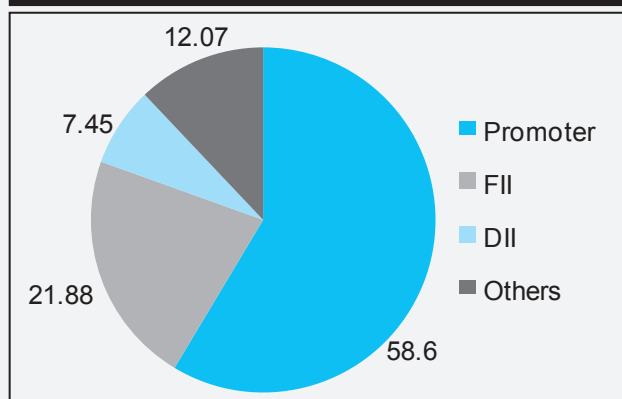
SAIL is in the process of implementing its modernization and expansion plan and the company in principle has received approvals for Rs 60,000 crore approximately for modernisation and expansion. Rs 10,000 crore approximately for augmentation of raw materials from existing mines and development of new mines. SAIL's modernisation plan would increase its capacity from 14 million tonnes per annum (mtpa) to 24 mtpa by 2014. The company plans to start couple of allied units such as cold roll mill in Bokaro and steel wire rod mill in the next quarter. Next year when two of the three blast furnaces in Rourkela and Bokaro will be fired then the company is likely to see

quantum jump in output which will increase company's output by about 6 million tonnes in the next fiscal. IISCO unit in Burnpur too is expected to be commissioned in the first half of next year.

SAIL, along with 6 leading Steel and Iron Ore Manufacturers of India, under a consortium agreement, has submitted the bid document with Ministry of Mines, Government of Afghanistan in September 2011 for exploration concession for Hijigak Iron Ore Deposit, Afghanistan, as consortium leader. The Afghanistan's mining ministry has shortlisted the number of foreign investors interested to explore its iron ore rich Hajigak mine, and it has been reported that the mine will go to an Indian firm. Apart from SAIL, mineral giant NMDC and Ispat Alloys too are in the fray. The SAIL consortium had bid for all the four Hajigak mining blocks and the local government has reportedly implied giving preference to companies that could set up a steel plant to improve the value of the Hajigak iron ore project. The iron ore rich Hajigak mine, located in Bamyan Province, contains the best known and largest iron oxide deposit in Afghanistan. The deposit itself extends over 32 kilometers. It covers 16 separate zones, up to 5 kilometers in length, 380 meters wide and extending 550 meters down.

At CMP of Rs 87.20, the stock is trading at an EV/EBITDA of 4.58x and a P/E multiple of 9.07x with an estimated P/E of 13.5x FY12. We would recommend a HOLD in the stock with a price target of Rs 106. Steel Authority of India, the nation's largest producer after Tata Steel has shown a good improvement in its product mix. Though, its last quarter numbers were impacted by the rise in coking coal prices and forex loss but the company expects steel demand in India to pick up in the coming months, driven by projects in sectors such as railways, roads and power. It has plans to spend as much as \$12 billion developing plants overseas as demand for the alloy recovers. It is in talks to build factories in Indonesia, Mongolia and Oman, as well as South Africa. The company has recently signed a pact to jointly set up a plant in Oman. The country consumes around 4 million tonnes of steel in a year. However, its steel making capacity is under 1 million tonne only hence it offers a good opportunity for SAIL. Going forward, though the export demand is not looking to improve but the rush to achieve targets on various projects in the terminal year of the 12th Five Year Plan would trigger demand for steel in the remaining period of current fiscal.

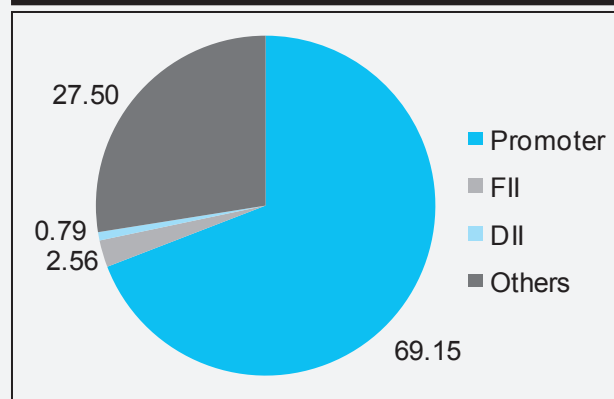
JSPL



- ◆ Jindal Steel and Power (JSPL) is a part of O P Jindal Group, and is one of India's major steel producers with a significant presence in sectors like mining, power generation and infrastructure. JSPL has one of the best iron ore and coal resources in India, with assets spread in several mineral-rich countries. The company also has rich iron ore and coal resources overseas, mainly in Bolivia, Mozambique, South Africa and Indonesia.
- ◆ The company has received an approval from Mozambique government to build a 2,640 megawatt coal-fired power plant in the northern province of Tete, home to some of the world's largest untapped coal reserves. The estimate cost of plant will be \$3 billion and it would start operating in 2015.
- ◆ JSPL plans to increase steel capacity by 4x over the next four years. It is augmenting its existing 3mtpa capacity, by setting up a 1.6mtpa module at Angul, which will use the coal gasification route. It plans to add two more modules of 1.6mtpa each at Angul and Raigarh, using this technology. JSPL has received four licenses to explore coking coal in Australia while till now it has invested \$10 million in Indonesia and the company expects coal production to start in April 2012. The company expects the mine to be profitable in FY13.
- ◆ Jindal Steel and Power has signed a memorandum of understanding with the Government of Odisha to set up a Downstream Industrial Park for the development and industrialization of Angul in Odisha. The industrial park will be set up over an area of 1,400 acres and will focus on downstream units that would both add value and result in increased industrial activity. It is expected to become operational from 2013-14.
- ◆ The company's net profit after tax for the quarter ended September 30, 2011 fell 17.23% at Rs 395.79 crore as compared to Rs 478.17 crore for the quarter ended September 30, 2010. Its total income though increased by 44.93% to Rs 3341.53 crore for the quarter under review. The company in a consortium will be setting up a 6 million tonne per annum steel plant in Afghanistan. The scrip is currently trading at Rs 533.90 and at a PE multiple of 24.75x. The company has been an outperform in the metal pack and in near term can see another 6-8 percent of upmove.

Last Traded Price (As on Dec 2, 2011)	533.90
Price target	565.00
Market cap. (Rs cr.)	49,893
52 Week H/L	735.00/441.55
Free Float (Rs cr.)	22,452
BSE code	532286

BHUSHAN STEEL



- ◆ Bhushan Steel formerly known as Bhushan Steel & Strips is a globally renowned one of the leading prominent player in Steel Industry. Backed by more than two decades, of experience in Steel making, Bhushan Steel is now India's 3rd largest Secondary Steel Producer Company with an existing steel production capacity of 2 million tonnes per annum's (approximately).
- ◆ Bhushan Steel has undertaken an expansion plan in Orissa to increase its foothold in the industry. The project is being executed in three phases, with Phase-I commissioned in FY2007 and Phase-II commissioned in 1HFY2012. Post the completion of Phase-II, the company's primary steel-making capacity has risen to 2.2mn tonnes. Moreover, with the current ramping up of its new HR plant, the company is moving from being a steel converter to a leading primary producer of steel, extending its presence in the steel value chain. Phase-III is currently under execution and is expected to come on stream by October 2012. On completion of Phase-III, Bhushan's primary steel capacity will increase to 4.7mn tonnes, making it one of the leading steel producers in India.
- ◆ Bhushan Steel is building a 4.7-MT integrated steel plant in Dhenkanal, Orissa. The plant is already producing 1.3 million tonnes and is scheduled to be completed by October, 2013.
- ◆ The Company has posted a net profit of Rs 206.88 crore up for the quarter ended September 30, 2011 as compared to Rs 259.02 crore for the quarter ended September 30, 2010. Total Income has increased by 42.65% from Rs 1730.51 crore for the quarter ended September 30, 2010 to Rs 2468.70 crore for the quarter ended September 30, 2011.
- ◆ In second quarter its flat products sales volumes grew by 41.7% yoy to 466,748 tonnes and long product sales volumes grew by 3.8% yoy to 86,639 tonnes. Recently the ban on company's Theikoli, Sambalpur district plant in Odisha has been lifted by Pollution Control Board. Also the promoters of the company have reached a settlement on family dispute. With this move Bhushan Steel will be able to expand its share capital base and raise funds, while Bhushan Power and Steel is looking to tap the capital markets in 2012. The scrip is currently trading at Rs 322.30 and at a P/E multiple of 6.95x, the stock can be bought with a view of 5-8% upmove in short term.

Last Traded Price (As on Dec 2, 2011)	322.30
Price target	345.00
Market cap. (Rs cr.)	6,823
52 Week H/L	530.00/307.50
Free Float (Rs cr.)	2,388
BSE code	500055

Ranbaxy Laboratories gets USFDA approval for Lipitor

Ranbaxy Laboratories has received US health regulator's approval to produce generic version of cholesterol lowering drug Lipitor, a move that will help the India-based firm to launch the drug in the American market. The company has gained approval to make generic atorvastatin calcium tablets in 10 milligram, 20 mg, 40 mg, and 80 mg strengths. The drug will be manufactured by Ohm Laboratories in New Brunswick, NJ. Settling the issue with the USFDA was of immense importance to Ranbaxy as the firm has exclusive rights to the off-patent version of Lipitor, Pfizer's blockbuster cholesterol lowering drug which had sales of over \$10 billion for the year ended September, 2010. However, Ranbaxy and Pfizer had settled all their mutual litigations worldwide over the Lipitor patent in 2008.

Valecha Engineering commissions its first BOT road toll project

Valecha Engineering will begin commercial operations for its first BOT road toll project 'Valecha LM Toll'. The said project is a 4 lane green field highway of 34.3 Kilometers connecting SH-31, crossing NH-59 and meeting NH-3 for Madhya Pradesh Road Development Corporation (MPRDC) concession period of 25 years. The Rs 281 crore project was accomplished within a record time of 13 months as against 24 months schedule from the appointed date October 28, 2010.

Reliance Industries closes 4 wells in KG-D6 gas field

Reliance Industries (RIL) has closed four wells A2, B1, B2 and B13, in its flagship KG-D6 gas fields off the east coast because of high water ingress leading to output dipping to 41 million standard cubic metres per day (mmscmd). As per the production report filed by RIL with the Oil Ministry, Dhirubhai-1 and 3 (D1 and D3) gas fields and the MA oilfield in the KG-DWN-98/3, or KG-D6, block in the Bay of Bengal produced 41.06 mmscmd of gas in the week ending November 13, 2011. Out of the 22 wells planned in Phase-I of D-1 and D-3 field development, 18 wells have been drilled and completed so far. Of these, 14 wells were put on production, while four wells were kept closed due to high water cut and sanding issues.

Jet Airways to sell and lease back its aircraft

Jet Airways, India's largest airline, is likely to sell and lease back part of the 40 aircraft that it owns to trim down its debt by raising up to \$300 million over the next six months. The airline will be able to save on capex by selling and leasing back the aircraft, as in this process airlines sell planes to a leasing firm, which then leases aircraft back to the airline. It is a common process that airlines follow during a slowdown. Jet Airways is going for this fund raising plan amid comments by its auditors that raising money was essential if Jet's accounts are to be prepared on a going concern basis in the future.

DLF to invest Rs 3,000 crore to develop malls

DLF, country's largest realty player is likely to invest up to Rs 3,000 crore in the next five years to develop shopping malls across India. Following government's move of allowing 51% foreign direct investment in multi-brand retail and 100% in single brand, DLF will look forward for more opportunities. The company will develop 3.5 million square feet to 4 million square feet of retail space. The new retail malls will come up in cities, including the Capital, NCR, Jalandhar, Lucknow, Kolkatta, Chennai, Kochi and Indore. DLF plans fund the expansion through internal accruals. DLF already has presence in malls business and have many international brands.

SBI withdraws penalty on pre-payment of housing loans

State Bank of India (SBI), country's largest public sector lender has decided to remove pre-payment charges on home loans, giving some relief to borrowers who want to foreclose their accounts. Earlier bank has been charging 2-4% of the outstanding amount as pre-payment penalties only on housing loans with floating interest rates taken before May 2011. At the end of September the total outstanding home loan of SBI rose to Rs 92,383 crore against Rs 86,769 crore in March 2011. No pre-payment fine is charged if borrowers pay using their own funds.

Motherson Sumi closes Peguform Deal

Motherson Sumi Systems (MSSL), the auto-components maker has successfully closed the deal for acquiring 80% equity holding in Peguform Group, Germany, together with 50% shareholding in Wethje Carbon Composite and Wethje Entwicklungs, which is engaged in the manufacturing of carbon components, from Cross Industries AG which would continue to hold the balance shareholding in the companies. The deal has been jointly done by MSSL and Samvardhana Motherson Finance which owns 36.35% stake in MSSL. The acquisition is made through a step-down subsidiary of joint venture, Samvardhana Motherson Polymers, in which MSSL hold 51% and Samvardhana Motherson Finance holds 49%.

ICICI Bank likely to buy European assets

ICICI Bank, country's largest private sector bank is likely to buy loan portfolios of European banks as they are looking to deleverage and offload loans to shore up capital base. The bank has chosen some India-related assets, in small numbers, because the ability to raise funds currently has become more expensive. To become more durable against future shocks European banks are struggling to raise their capital cushions, by the means of increasing equity they hold or by shrinking their asset base.

SAIL halves India's FY12 steel demand outlook

State-owned steelmaker, Steel Authority of India (SAIL), which is also country's second largest iron ore producer, has halved India's steel demand projection for the current fiscal year to 6% from earlier of 10-12%. This sharp cut in forecast is due to squeezed demand from the automobile and construction sector which are currently bearing brunt of higher interest rates. Hurt by a series of interest rate increases by the central bank and high vehicle cost, Car sales in India fell 23.8 percent in October, the biggest percentage drop since December 2000. However, the company is of the view that this sluggish demand would do some good as it expects that sluggish demand to keep steel prices under pressure. Earlier this month, the state-run steelmaker blamed a halving of quarterly profit on rising costs and strong dollar.

Ashok Leyland-Deere launches their first product - backhoe loader

Ashok Leyland, heavy vehicles major and US-based agriculture machinery maker John Deere, on November 22, 2011, has launched their first product earth mover 435 Backhoe Loader of the 50:50 joint venture and forayed into the Indian construction equipment business. The backhoe loader is rolled out from the Ashok Leyland's plant in Gummidipoondi near Chennai. The backhoe loader is having more cabin space for the operator and better safety features. The price of the product in Tamil Nadu was announced as Rs 23.59 lakh.

NTPC invites bids for importing 4 mt of coal

NTPC, country's largest power producer, has invited bids for importing 4 million tonnes of coal to reduce the shortfall of the fuel from domestic sources. The company's this move is post its decision to cut down on delays caused by designated coal importing agencies. NTPC uses about 164 million tonnes of coal a year to fire over two-thirds of its installed generation capacity of around 35,000 MW. In the coming months company will use imported coal across 14 of the power major's thermal stations. The power producer is already in a pact to import around 12 million tonnes of coal through State Trading Corporation (STC). The company's import target will increase to 16 million tones, due to a new tender with the STC contract.

JSW Steel eyeing domestic acquisition

JSW Steel, in which Japan's JFE Holdings owns about 15%, is eyeing to acquire steel companies in India with capacity for value-added products. The company is looking actively in an effort to boost margins and expand its offerings. The India's third-largest steelmaker is looking to acquire galvanising and colour-coating steel mills of

between 150,000 to 200,000 tonnes capacity. JSW Steel had bought a controlling stake in rival Ispat for Rs 2,475 crore, late last year, expanding its operations and taking its total steelmaking capacity up to 14.3 million tonnes.

Bank of India likely to re-enter mutual fund business

Bank of India is mulling to re-enter into the mutual fund business in few months. The bank is in discussion with Bharti Axa Investment Managers and Pramerica AMC which were planning to sell their stakes. Earlier in 1990 bank had entered in the MF business. Of the six schemes launched by the fund, four had been redeemed and two schemes transferred to Taurus Mutual Fund after giving exit option to investors in 2004. The bank is entering the MF space as it can leverage on its branches for distribution, which in turn will help cut cost of delivery, thus improving business efficiency.

RIL, BP incorporates 50:50 joint venture company

Reliance Industries (RIL) and BP have incorporated a 50:50 Joint Venture Company named - India Gas Solutions which will focus on global sourcing and marketing of natural gas in India. The joint venture company will also develop infrastructure to accelerate transportation and marketing of natural gas within the country. India Gas Solutions will be funded with equal equity from BP and RIL. India Gas Solutions' board comprises six members with equal representation from BP and RIL. The company will commence operations with 30 employees seconded from BP and RIL, with deep experience in the gas business, both in India and internationally. This joint venture will assume the administration of the existing gas contracts to KGD6 customers, and will also pursue other opportunities including LNG import. The incorporation of the joint venture company is a significant step in the relationship of RIL and BP and further establishes the commitment of both the parties to the Indian market.

Oracle Financial Services Software settles claims with AIB

Oracle Financial Services Software (OFSS) has settled the claim with Allied Irish Banks PLC (AIB). The claim has been settled with no admission of liability on November 18, 2011. AIB still remains customer of the company. Further, the settlement is already covered by a provision in the accounts and thus the company does not expect it to have a material impact on the present or future operations of the company, or on its profitability or financials. Earlier on February 2011, Allied Irish Banks PLC had made a claim against Oracle Financial Services Software and its wholly owned subsidiary - Oracle Financial Services Software B.V.

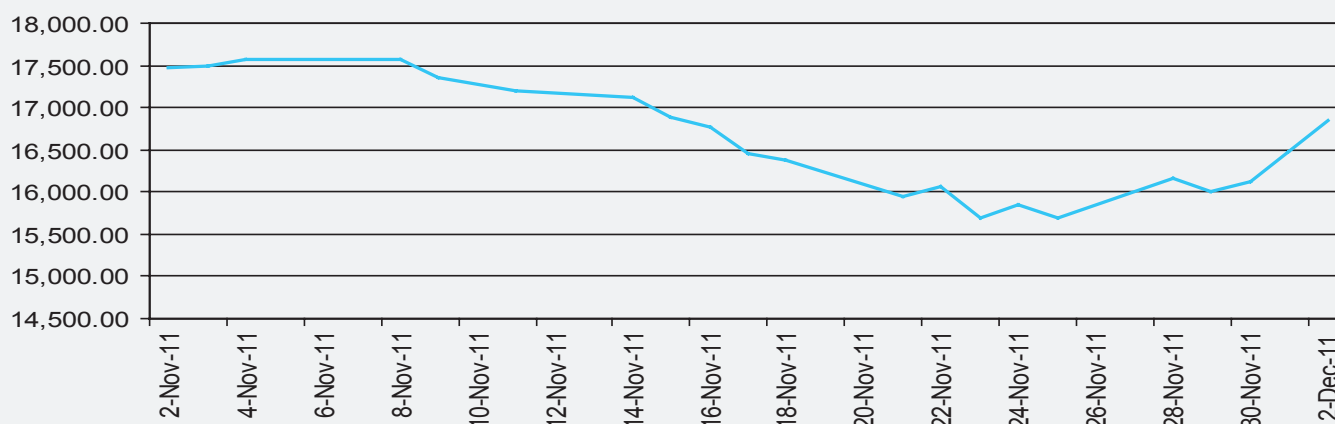
The Indian equity markets after witnessing a month of recovery returned to the day of gloom and the benchmark indices lost considerably during the month of November. Domestic sentiments swayed to the tune of developments from the Euro-zone where in the early part a meeting of leaders of the G20 group of major world economies got underway but the sentiments globally got butchered after the Greek Prime Minister George Papandreou called for a confidence vote and a referendum on earlier agreed deal which injected a lot of uncertainty in the minds of investors. On the domestic front too the mood of the markets remained somber from the beginning after the sharp decline in key sectors of coal, natural gas and fertilizer pulled down the index of eight core industries on the back of rising input costs and high interest rates. The index slowed down to 2.3% in September from 3.3% in September 2010. For the month of September, the Index of Eight core industries, which accounts for of 37.90% of the Index of Industrial Production (IIP) grew at its slowest pace in last 31-months. As per the data released by the ministry of commerce and industry, the Index of Eight core industries stood at 131.50 in September 2011 with a growth rate of 2.3% compared to its growth at 3.3% in September 2010. During April-September 2011-12, the cumulative growth rate of the core industries was 4.9% as against their growth at 5.6% during the corresponding period in 2010-11. The record decline in core sectors is because of the poor performance of the mining sector, which is suffering from the unseasonal rains and policy uncertainty. This could be largely attributed to the strike at Singareni Collieries that hit production and the heavy rains that inundated coal fields in Eastern India.

BSE Sensex Monthly Gainers

Company	Prev Price (Nov 2'11)	Last Price (Dec 2'11)	Change (%)
Cipla	288.90	330.95	14.56
TCS	1106.30	1175.50	6.26
Wipro	373.75	394.35	5.51
Sun Pharma Inds.	507.80	533.05	4.97
Coal India	326.55	334.40	2.40

- ◆ India's second largest drug maker by domestic sales, Cipla has reported a jump of 17.44% in its standalone net profit at Rs 308.97 crore for the second quarter ended September 30, 2011 on increased sales and cost savings. The company had posted a net profit of Rs 263.08 crore in the July-September quarter of the previous fiscal. Total income of the company also rose by 9.16% to Rs 1802.33 crore during the reporting quarter from Rs 1651.03 crore in the year-ago period. Exports to Africa were up 41% and the firm benefited from operational efficiencies in material consumption and product mix.
- ◆ Tata Consultancy Services (TCS), a leading consulting, business solutions and IT services organization, has been recognized as a leader in insurance domain knowledge and in the insurance applications outsourcing market by Everest Group, an advisory and research firm on global services, in its November, 2011 report. This report reaffirms TCS position as a global

BSE Sensex movement for the month of November



leader and innovator in providing domain led services to the insurance industry.

BSE Sensex Monthly Losers			
Company	Prev Price (Nov 2'11)	Last Price (Dec 2'11)	Change (%)
JP Associate	76.60	67.30	-12.14
Maruti Suzuki	1124.60	991.85	-11.80
ICICI Bank	886.85	787.65	-11.19
Sterlite Inds.	123.20	109.45	-11.16
Mahindra & Mahindra	838.70	748.05	-10.81

- ◆ Jaypee Group is in talks to divest its stake in cement unit - Jaiprakash Associates, India's fourth-largest cement company by sales. The group has approached a number of investors including Singapore state investor Temasek Holdings regarding the same. This divestment is the part of Jaypee Group to reduce its debt, which currently stands at around \$8 billion. Jaiprakash Associates has cement production capacity of 26.20 million tonnes.
- ◆ Maruti Suzuki (India), the largest car maker of the country has sold a total of 91772 vehicles in the month of November 2011, down by 18.5% as compared to 112554 vehicles in November 2010. This includes 8902 units of exports during the month. The sales in A-Passenger Vehicles segment dropped by 16.6% to 73078 units and the sales in C-segment registered a fall of 34.5% while, the sales in B-segment tumbled by 9.5%. The company's net profit has declined by 59.81% at Rs 240.44 crore as compared to Rs 598.24 crore for the quarter ended September 30, 2010.

It was the downside in the markets for the month that got some respite only in the last leg; otherwise the benchmarks touched their more than two year low as the global economic weakness aggravated and the domestic economic reports too continued coming week, adding pressure to the markets. A CII survey showed that manufacturing sector growth moderated in the first half and is likely to slow down further in the ongoing quarter. The continuous decline in rupee which once depreciated to lifetime lows during the month kept marketmen on the edge. The depreciation in rupee underpins cost of import and it is a sign of worry

for a nation like India which imports more than 75% of its energy needs, while it also imports materials including steel, coal and natural rubber in large quantity. Also, the significant moderation in India's inflation numbers week after week failed to cheer market participants. However, there was a sudden spurt in the markets after the union cabinet allowed foreign retailers to own 51% stake in the multi-brand retail sector, and also approved a 100% FDI in single-brand retail, encouraged not only domestic retailers but also global groups such as Walmart, Carrefour and Tesco. The cabinet also approved the Companies Bill 2011 which proposes to formally introduce corporate social responsibility with companies having to set aside 2% of average profit of preceding three years for the purpose. On the F&O front, November series Nifty and Sensex got brutally butchered by around 8% each. From the expiry perspective, market wide rollover of 58.6% was observed which was lower than the three month average of 62.44% while Nifty rollovers were at 52.57%, lower than 3 month average of 56.55%. Sectorally, the Capital Goods, Cement, Automobile and Metal counters witnessed high rollovers while stocks from the IT, Pharma and Telecom pockets observed relatively low rolls. Markets got a recovery dose in the last after the GDP data for the September quarter despite a sharp decline came much in line to the street expectations. India's economy grew by just 6.9% in the second quarter of 2011-12 financial year, the weakest expansion since the second quarter of 2009 against 8.8% in the year-ago period. The general expectation was that the economy will grow at the rate of 7% much lower than the 7.7% growth in the April-June quarter. The numbers were mainly dragged down by manufacturing sector which grew at 2.7% against 7.8% in the same quarter last year and mining which witnessed a de-growth of 2.9% compared to 8% growth Y-o-Y. The economic activities, which registered significant growth in Q2 of 2011-12 over Q2 of 2010-11 are, 'electricity, gas and water supply' at 9.8%, 'trade, hotels, transport and communication' at 9.9% and 'financing, insurance, real estate and business services' at 10.5%. The estimated growth rates in other economic activities in this quarter are 3.2% in 'agriculture, forestry & fishing', 2.7% in 'manufacturing' and 4.3% in 'construction' and 6.6% in 'community, social and personal services'. The growth of 'mining and quarrying' sector declined to (-) 2.9% during this period. Afterwards the markets recovered on some global cues.

Eight core infra sector growth ease to 0.1% in October

The growth of eight core infrastructure industries for the month of October 2011 declined to six year low-level of 0.1% compared to 7.2% in October 2010. This barely positive growth of core infra industries suggests that industrial growth will moderate in coming months as the eight infra industries which includes coal, crude oil, natural gas, refinery products and fertilizer, have combined weight of 38% in the Index of Industrial Production (IIP).

As per the data released by the Ministry of Commerce and Industry, the Index of eight core industries stood at 140.54 in October 2011 with a growth rate of 0.1% compared to its growth at 7.2% in October 2010. During April-October 2011-12, the cumulative growth rate of the core industries was 4.3% as against their growth at 5.9% during the corresponding period in 2010-11.

For the month of October, sectors such as steel, electricity registered a positive growth, whereas cement registered a zero growth rate. According to the official data, Electricity generation had a 4.9% growth in October 2011 compared to its 8.5% growth in October 2010. Electricity generation grew by 8.6% during April-October 2011-12 as against its 4.8% growth during the same period of 2010-11. Steel production had a growth rate of 3.8% in October 2011 against its 13.4% growth in October 2010. Steel production grew by 8.7% during April-October 2011-12 compared to its growth at 8.3% during the same period of 2010-11. Cement production registered a growth of 0.0% in October 2011 against its 18.5% growth in October 2010. Cement Production grew by 2.8% during April-October 2011-12 compared to its growth at 6.6% during the same period of 2010-11.

Q2 GDP number disappoints, comes slightly lower than expectation

Substantiating fears of a slowdown, India's economy grew by just 6.9% in the second quarter of 2011-12 financial year, the weakest expansion since the second quarter of 2009 against 8.8% in the year-ago period. The general expectation was that the economy will grow at the rate of 7% much lower than the 7.7% growth in the April-June quarter. The numbers were mainly dragged down by manufacturing sector which grew at 2.7% against 7.8% in the same quarter last year and mining which witnessed a de-growth of 2.9% compared to 8% growth Y-o-Y. Sectorally, Agriculture and Industry grew by 3.2%, Services by 9.3% and Construction growth stood at 4.3%.

As per the Central Statistics Office (CSO), Ministry of Statistics and Programme Implementation, the Quarterly Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices for Q2 of 2011-12 is estimated at Rs 12,27,254 crore as against Rs 11,48,472 crore in Q2 of 2010-11, showing a growth rate of 6.9% over the

corresponding quarter of previous year. GDP at factor cost at current prices in Q2 of 2011-12, is estimated at Rs 19,55,880 crore, as against Rs 16,85,793 crore in Q2, 2010-11, showing an increase of 16.0%.

Union Cabinet approves proposal of FDI in multi-brand retail

The Union Cabinet on November 24 finally approved a proposal of up to 51% foreign direct investment (FDI) in multi-brand retail, and up to 100% FDI in single brand retail. The route has been long tapped by foreign retailers such as Wal-Mart and Carrefour to enter Asia's second fastest growing economy.

However, the proposal clearance has come with some checks; foreign investors will be required to invest up 50% of total FDI in back-end infrastructure, excluding the land cost and rentals. Retailers will also need to source at least 30% of manufactured/processed products from small industries, excluding agricultural items. The government has also retained the first right on sourcing agricultural produce. In terms of single-brand retail, the government has made 30% sourcing from SMEs mandatory once the FDI limit exceeds 51%. Not only this, the policy will allow foreign retailers to set up shop only in cities with a population of more than 10 lakh as per the 2011 Census. There are 55 such cities in India currently.

The Union Cabinet's move is likely to bolster the interest of foreign retailers in India, even as many existing joint venture (JV) partnerships between Indian and foreign retailers could get realigned. Various industry bodies have welcomed the decision of the government, FICCI president, Harsh Mariwala said, 'We welcome the long awaited move of the Government of allowing FDI in multi-brand retail. It is a step which will have positive implications for various segments like food processing, farming and SMEs. This policy initiative is expected to bring more investments not just in the front end but also in the back-end infrastructure, which would result in reduced wastages and would also help in addressing the issue of inflation over a period of time.'

Cabinet approves revised Companies Bill, 2011

A move that will help improve efficiency and increase liability of the corporate sector, the union cabinet on November 24, approved the Companies Bill, 2011. The draft law, to broadly amend the 55-year-old Companies Act 1956 is likely to be tabled in Parliament in the ongoing winter session. Once passed the draft bill will update the company law in line with the best global practices and modernize the corporate regulation. It will sign an era of e-governance, enhanced accountability, and corporate social responsibility (CSR) among companies registered in the country.

The bill also recommends tightening laws for raising

money from the public, besides prohibiting any insider trading by company directors or key managerial personnel by treating such activities as a criminal offence. It will also make mandatory for companies to earmark 2% of their average profit of the preceding 3 years for CSR activities and make a disclosure to shareholders about the policy adopted in the process.

Further, disclosure norms for companies are mandatory rotation of auditors and audit firms, regulation of related-party transactions, protection of minority shareholders, provision for class action suits, enhancement of penalties and a mandatory slot for a woman director on company boards are all new proposals included in the bill.

The bill, which will replace the decades old Act, has already been scrutinized by the Parliamentary Standing Committee of Finance and also by various ministries concerned. The bill was initially introduced in Lok Sabha in 2008, but lapsed because of change of government. It was re-introduced in August 2009.

India's external debt increases by 3.4%

During April-June 2011, country's external debt increased by 3.4% to \$316.9 billion as compared to \$306.35 billion in January-March 2011 quarter. "The increase in external debt was largely due to rise in commercial borrowings and short-term trade credits," said Namo Narain Meena, Minister of State for Finance.

The prudent external debt management policy being followed by the government lays emphasis on monitoring of long and short term debt, raising concessional sovereign loans and regulating ECBs. As a result, the external debt to Gross Domestic Product (GDP) ratio has declined from 21.1% in 2001-02 to 17.3% in 2010-11.

According to the data, country's sovereign debt stood at \$55.23 billion in 2010-11 up from \$51.81 billion in the 2009-10. For the current financial year, the quick estimates for 2011-12 put the sovereign debt on government account at around \$62.39 billion.

Oil ministry wants Rs 56,600 crore more as cash subsidy

In the wake of recent decline of Indian rupee against American dollar, the ministry of petroleum wants Rs 56,600 crore more in cash subsidy to partially compensate the government owned oil marketing companies for losses they incur on selling fuel below market cost.

G C Chaturvedi, Oil Secretary said that "at the current rates, under-recoveries (revenue loss) of oil marketing companies (OMCs) in the current fiscal is likely to be of the order of Rs 1,30,000 crore." The Oil Ministry wants the share of upstream companies like Oil and Natural Gas Corp (ONGC) to be limited to one-third of this revenue loss, or Rs 43,329 crore. "We would like their share to be one-third. The rest we want the Finance Ministry to bear,"

Chaturvedi said.

In the first half of the current financial year, the upstream companies ONGC, Oil India and GAIL bore one-third of the Rs 64,900 crore revenue losses on fuel sale. The finance ministry only gave Rs 30,000 crore and rest was borne by oil refiners, Indian Oil, Bharat Petroleum and Hindustan Petroleum. In the first half of 2011-12, the OMCs have suffered revenue loss of Rs 64,900 crore on selling diesel, kerosene and domestic cooking gas below market price.

Presently, OMCs are losing Rs 11.44 per litre on diesel, Rs 26.94 per litre on kerosene sold via the public distribution system (PDS) and Rs 260.50 per 14.2kg LPG cylinder supplied to domestic households for cooking purposes. As a result, the OMCs are incurring a daily revenue loss of around Rs 360 crore on sale of these three petroleum products. If the prices of these products are not revised, then by the end of the 2011-12, OMCs are expected to incur revenue loss of around Rs 130,000 crore.

FDI inflows surge by 74% in April-September 2011

Despite the ongoing debt crisis in European economies and slowdown in United States, foreign direct investment in India surged by 74% to \$19.13 billion in the first half of current financial year compared to \$8.6 billion in the same period of the last year.

During January-September 2011, FDI in India surged by 41% to \$22.5 billion compared to \$15.97 billion in same period of corresponding year. However, FDI in September 2011 saw decline, it stood at \$1.766 billion compared to \$2.83 billion in August, which indicates that the capital inflow was affected by the financial crisis in western economies.

Despite the impressive surge in FDI inflows in the current financial as well as calendar year, experts maintain that the government should further rationalize efficient policies and make the environment more conducive to foreign investments.

The government, recently, relaxed FDI norms and allowed foreign investment in bee-keeping and share-pledging for raising external debt. Along with this, the government also relaxed conditions for FDI in construction of old-age homes and educational institutions. These investments will not be subject to minimum and buildup area, capitalization and lock-in period norms as applicable for the construction activities.

As per the latest data, sectors such as services (financial and non-financial), telecom, housing and real estate, and construction and power sectors, attracted maximum FDI in current financial as well as calendar year. Mauritius, Singapore, the US, the UK, the Netherlands, Japan, Germany and the UAE are the major investors in India. The FDI inflows recorded a decline of 25% to \$19.42 billion in 2010-11 from \$25.83 billion in 2009-10.

Company Name	Net Sales		Change In Sales	% Change in Sales	Net Profit		Change In Net Profit	% Change in Net Profit
	201109 Qtr	201009 Qtr			201109	201009		
Transcorp Intl.	2090.54	88.59	2001.95	2259.79	3.11	3.70	-0.59	-15.95
ShirpurGold Refinery	3156.16	147.67	3008.49	2037.31	-36.96	-54.83	17.87	-
XO Infotech	1101.10	91.78	1009.32	1099.72	-6.70	23.78	-30.48	-
Cimmco	793.10	73.01	720.09	986.29	69.49	7.06	62.43	884.28
SPIC	11014.70	1641.49	9373.16	571.02	-256.18	-558.28	302.10	-
Unisys Software	597.28	101.25	496.03	489.91	4.38	1.33	3.05	229.32
Kothari Products	8463.60	1528.20	6935.40	453.83	-239.70	109.90	-349.60	-
Gayatri Sugars	302.70	56.80	245.90	432.92	-87.51	-93.13	5.62	-
Shree Ram UrbanInfra	433.54	86.59	346.95	400.68	-8.68	-60.08	51.40	-
Genesys Intl. Corpn	351.44	71.24	280.20	393.32	106.27	0.87	105.40	12114.90
JM Financial	445.42	99.61	345.81	347.16	395.53	24.05	371.48	1544.62
Sakuma Exports	2850.85	654.47	2196.38	335.60	16.66	9.43	7.23	76.67
Energy Development	235.85	54.78	181.07	330.54	92.74	53.96	38.78	71.87
TCFC Finance	765.99	179.57	586.42	326.57	-28.95	123.91	-152.86	-
Oberoi Realty	1071.20	257.00	814.20	316.81	548.00	41.20	506.80	1230.10
Infronics Systems	244.44	59.37	185.07	311.72	7.71	6.31	1.40	22.19
Binani Inds	245.60	60.90	184.70	303.28	-151.40	-56.10	-95.30	-
Godrej Properties Ltd.	1166.32	299.47	866.85	289.46	165.35	319.98	-154.63	-48.32
Parrys Sugar Inds.	779.73	204.94	574.79	280.47	-346.90	-305.28	-41.62	-
Sankhya Infotech	195.40	52.26	143.14	273.90	0.57	9.20	-8.63	-93.80
Future Capital Hold.	1635.55	451.01	1184.54	262.64	275.35	110.05	165.30	150.20
Haryana Ship Break	1430.47	410.03	1020.44	248.87	27.14	31.57	-4.43	-14.03
Lesha Industries	1232.49	354.35	878.14	247.82	-3.37	-0.16	-3.21	-
Clarus Infra	274.96	79.59	195.37	245.47	89.43	-5.31	94.74	-
Shreyas Intermediate	643.68	201.61	442.07	219.27	15.48	-48.06	63.54	-
Natraj Finl. Service	299.21	95.83	203.38	212.23	-0.91	4.18	-5.09	-
VLS Finance	3697.42	1230.03	2467.39	200.60	8.95	35.33	-26.38	-74.67
Syncom Formulations	350.06	118.74	231.32	194.81	17.91	-6.73	24.64	-
Pee Cee Cosma Sope	184.28	63.35	120.93	190.89	0.22	0.42	-0.20	-47.62
Guj. Fluorochem	5368.20	1928.40	3439.80	178.38	1884.40	495.70	1388.70	280.15
TV18 Broadcast	1435.94	516.08	919.86	178.24	77.95	-171.73	249.68	-
Chromatic India	419.60	151.93	267.67	176.18	160.16	7.97	152.19	1909.54
GMR Infrastructure	3482.50	1270.50	2212.00	174.11	583.60	89.70	493.90	550.61
Baba Arts	233.36	85.32	148.04	173.51	5.67	8.15	-2.48	-30.43
Aditya Birla Chem	1709.27	627.59	1081.68	172.36	5.90	167.02	-161.12	-96.47
Adani Power	10724.40	3951.69	6772.71	171.39	1774.80	1258.47	516.33	41.03
Swan Energy	371.95	137.57	234.38	170.37	36.38	34.58	1.80	5.21
Waterbase	343.10	126.98	216.12	170.20	20.88	-6.29	27.17	-
Jayshree Chem.	279.10	105.00	174.10	165.81	1.40	-5.70	7.10	-
IRB Infra.&Developer	1329.21	509.48	819.73	160.90	106.49	156.47	-49.98	-31.94
Ashapura Minechem	1080.91	416.32	664.59	159.63	17.41	-165.89	183.30	-
Guj. Natural Resourc	155.38	60.55	94.83	156.61	-0.24	-0.03	-0.21	-
Pipavav Defence	4498.30	1756.62	2741.68	156.08	94.11	-21.98	116.09	-528.16
Ravalgaon Sugar Farm	154.04	60.31	93.73	155.41	-20.29	-8.44	-11.85	-
Manappuram Finance	6199.14	2431.88	3767.26	154.91	1353.01	601.78	751.23	124.84

Full Year

Company Name	Year End	NOM	Equity Rs. Mn.	FV	Promoter Stk %	BV Rs.	RONW (%)	Sales Rs. Mn.	Sales Var (%)	OPM (%)	NP Rs. Mn.	NP Var (%)	DIV (%)	CPS (Rs.)
Adhunik Metaliks	201103	12	1235.00	10	55.52	51.89	9.05	14437.54	13.20	20.40	568.61	5.48	15	11.70
Ankit Metal & Power	201103	12	328.76	10	65.26	50.08	11.66	6886.85	8.34	8.49	242.50	16.18	-	11.16
APL Apollo Tubes	201103	12	202.97	10	40.89	106.04	12.15	5869.88	55.54	9.23	297.18	26.34	20	16.93
Bedmutha Industries	201103	12	210.32	10	56.66	54.29	3.77	1897.45	26.92	8.24	26.78	-73.26	-	3.46
Bhushan Steel	201103	12	424.72	2	69.15	274.43	20.33	70004.60	24.11	30.00	10050.90	18.83	25	60.41
Gallantt Metal	201103	12	813.22	10	50.64	22.90	13.14	5565.86	28.51	10.47	229.23	-2.66	-	4.75
Gandhi Spl. Tubes	201103	12	73.49	5	73.30	81.12	23.82	922.35	11.91	45.70	262.92	3.79	100	21.09
Godawari Power & Isp	201103	12	317.56	10	63.73	176.07	13.72	9320.80	20.05	21.07	712.70	38.66	25	37.19
Good Luck Steel Tube	201103	12	37.44	2	70.24	39.46	22.08	5724.17	16.94	6.91	164.99	2.77	15	10.99
ISMT	201103	12	732.50	5	51.68	42.16	12.61	16357.50	37.08	16.64	753.60	1.01	25	10.98
Jai Balaji Inds	201103	12	637.71	10	51.15	152.74	7.88	21734.53	13.03	15.80	739.51	132.48	4	24.58
Jindal Saw	201103	12	552.45	2	46.00	145.40	12.13	41705.40	-38.55	20.61	4584.60	-36.60	50	21.54
Jindal Steel & Power	201103	12	934.30	1	58.60	92.95	26.76	95736.30	29.94	39.65	20641.20	39.50	150	29.45
JSL Stainless	201103	12	374.63	2	39.60	118.96	15.47	68401.40	18.63	15.82	3183.40	-15.89	-	35.87
JSW Steel	201103	12	2231.20	10	37.71	732.73	14.93	233688.60	27.60	20.78	20106.70	-0.60	122.5	151.91
Kanishk Steel	201103	12	284.36	10	70.13	26.51	4.36	4226.09	-3.26	3.21	32.21	56.36	-	3.15
KIC Metalik	201103	12	70.99	10	48.20	56.63	37.95	2615.45	-37.01	11.81	151.81	67.39	-	27.19
Lanco Industries	201103	12	397.64	10	50.78	53.17	21.65	7281.03	5.32	12.26	420.26	-27.47	15	15.28
Man Industries	201103	12	267.67	5	54.35	86.07	15.48	16314.30	7.03	9.68	919.70	37.08	35	23.72
Maximaa Systems	201103	12	88.97	2	36.80	15.42	3.46	189.92	64.95	12.74	4.73	-177.80	-	1.96
Monnet Ispat &Energy	201103	12	643.38	10	49.42	324.87	15.02	15737.20	6.28	31.00	2850.60	5.93	50	55.73
MSP Steel & Power	201103	12	581.00	10	71.90	53.78	18.48	5095.78	29.01	21.60	502.11	56.65	5	11.97
National Steel &Agro	201103	12	445.00	10	44.27	44.45	14.18	25471.10	10.16	5.30	322.40	28.96	-	11.25
OCL Iron and Steel	201103	12	134.14	1	75.00	41.90	3.41	2236.01	16.61	11.76	117.60	9087.50	-	1.43

Scorecard Legends : NOM - Number of Months for which P& L a/c is prepared by the companies, Equity Rs.Mn - Latest Paid Up Capital of the Company, FV-Latest Face values of equity Shares, Promoter Stk % - Its promoter holding in the equity capital of the company as per latest shareholding pattern, BV Rs. - Book Value Per Share is calculated as (Equity + reserves) / No of Equity shares, RONW - Return on Net Worth is calculated as {(Net profit - preference capital)/ Shareholder's Fund }*100.Share- holders funds includes Equity Paid Up + Reserves excluding revaluation reserves - Misc Expenditures Not written off, Sales Rs. Mn - Sales , Turnover & Income from operations,Sales Var% - Percentage Change in Sales over previous period Sales, OPM% - Operating Profit after interest expended as a % of Interest income & income from operation, NP Rs. Mn - Net Profit as reported after Tax, NP Var% - Percentage Change in Net profit over previous period Net profits, Div% - Total % of Dividend Declared during latest Financial year.

EPS Rs.	Latest Quarter					Ended	TTM		Market Data				
	Sales Rs. Mn.	Sales Var (%)	OPM (%)	NP Rs. Mn.	NP Var (%)		EPS Rs.	NP Var (%)	Price 02/12/11	H52W	L52W	PE	Mkt. Cap (Rs. Mn.)
4.60	3473.65	3.00	4.78	-267.77	-349.34	201109	0.33	-1494.64	38.65	112.35	34.35	115.83	4773.26
7.38	2381.45	36.50	6.46	74.75	16.60	201109	8.16	-0.17	14.51	29.45	13.5	1.78	477.02
14.64	2413.41	63.05	6.13	50.35	-34.27	201109	14.59	16.37	141.80	166.5	109	9.72	2878.07
1.27	493.10	-	4.66	-4.34	-	201109	0.58	100.00	43.50	146.7	35.85	74.68	914.87
47.33	24653.60	43.43	29.38	2068.80	-20.13	201109	46.39	5.28	321.30	530	307.5	6.93	68230.79
2.82	1038.40	-20.57	7.90	8.10	-79.19	201109	2.22	-24.84	19.05	36.95	13.8	8.58	1549.19
17.89	258.46	12.45	42.77	71.04	6.11	201109	18.96	6.99	124.00	137.85	95	6.54	1822.63
22.44	3385.90	136.96	12.93	99.10	39.38	201109	28.82	38.43	112.40	214.9	107.95	3.90	3569.40
8.81	1668.81	18.53	8.19	62.70	42.92	201109	9.60	16.97	16.45	30	15	1.71	307.96
5.14	5220.90	27.96	11.57	104.90	-56.49	201109	4.14	-21.31	26.45	70	23.65	6.39	3874.93
11.59	6530.77	31.84	4.04	-527.79	-553.93	201109	0.97	-612.12	49.50	291	49.15	50.96	3156.67
16.60	14499.60	80.73	12.23	537.30	-47.40	201109	12.37	-76.64	129.25	225	109	10.45	35702.34
22.09	33338.10	44.97	32.83	3957.90	-17.23	201109	21.58	11.29	533.90	735	441.55	24.75	498822.77
16.93	18376.40	5.65	11.64	-979.40	-251.47	201109	7.63	-166.02	75.35	113.05	68.55	9.88	14114.26
90.12	76321.30	32.14	17.46	1271.20	-71.46	201109	86.07	-5.55	636.25	1240	532.05	7.39	141960.10
1.13	1595.05	92.39	2.63	13.18	11.88	201109	1.20	-2.85	10.70	19.05	9.5	8.93	304.27
21.38	333.35	-45.51	7.34	8.49	-83.97	201109	5.90	-518.11	246.00	350	168	41.66	1746.40
10.57	1896.02	10.19	4.09	-178.24	-187.24	201109	2.07	-632.34	24.55	55.9	23.25	11.85	976.20
16.64	4456.40	6.47	12.34	257.40	1.22	201109	16.93	-16.18	113.50	161.7	54.3	6.70	6076.21
0.49	43.23	-0.67	13.02	0.26	-89.80	201109	0.68	60.42	6.22	6.6	0.82	9.09	276.69
44.31	4585.50	27.15	27.50	769.40	17.29	201109	46.14	6.08	370.00	621.25	350	8.02	23804.99
8.64	1610.30	62.87	13.91	24.39	-77.88	201109	7.64	4.37	33.90	70.9	30.1	4.44	1969.59
7.24	6324.50	-0.25	6.00	82.00	0.74	201109	7.51	-10.26	14.42	27.7	11.8	1.92	641.69
0.88	713.31	41.74	8.95	18.31	106.43	201109	0.78	66.56	44.00	69.5	36.5	56.26	5902.29

CPS Rs. - Cash Profit per Shares, EPS Rs. - Earning Per Shares is calculated as Net Profit / Number of Equity Shares, Sales Rs. Mn - Sales, Turnover & Income from operations for Latest Quarter, Sales Var% - Percentage Change in Sales for Latest Quarter over previous Corresponding Quarter Sales, OPM% - Operating Profit after interest expensed as a % of Interest income & income from operation for Latest Quarter, NP Rs. Mn - Net Profit as reported after Tax for Latest Quarter, NP Var% - Percentage Change in Net profit for Latest Quarter over Previous quarter Net profits, Ended - Trailing Twelve months Ended On, TTMEPS - Earning Per Shares is calculated as TTM Net Profit / Number of Equity Shares, TTMNP Var% - Percentage Change in TTM Net profit over Corresponding previous TTM Net profits, H52 - High Price during last 52 Week, L52 - Low Price during last 52 Week, PE - Market Price / TTM Earning Per Shares, Market cap Rs. Mn - Market Capitalisation is calculated as Latest price multiplied by No of Equity Shares outstanding.

Company Name	Year End	Price (Rs.) (02/12)	Yield (%)	EPS (Rs.)	FV	PE	TTM				52-Wk High (Rs.)	52-Wk Low (Rs.)
							Year End	NP Rs. ml	EPS (Rs.)	PE		
Patni Computer Systems Ltd.	201012	452.25	14.59	49.84	2	9.07	201109	5469.80	40.71	11.11	505.00	250.00
3I Infotech Ltd.	201103	19.70	7.61	6.22	10	3.35	201109	1190.10	6.20	3.18	63.80	17.45
Polyplex Corporation Ltd.	201103	175.45	7.41	53.20	10	3.18	201109	1702.20	53.22	3.30	382.00	162.00
NIIT Ltd.	201103	43.75	3.43	3.01	2	14.52	201109	407.90	2.47	17.71	61.45	40.80
JBF Industries Ltd.	201103	112.95	7.08	18.34	10	6.16	201109	759.50	10.57	10.69	201.30	107.50
Electrosteel Castings Ltd.	201103	19.10	6.54	4.73	1	4.04	201109	1332.13	4.08	4.68	43.40	18.80
Oil India Ltd	201103	1143.20	3.28	120.10	10	9.52	201109	34587.20	143.84	7.95	1444.00	1102.20
Finlex Industries Ltd.	201103	49.45	6.07	6.14	10	8.05	201109	650.89	5.25	9.43	109.85	48.55
HEG Ltd.	201103	167.65	5.96	30.08	10	5.57	201109	1058.70	26.40	6.35	288.00	161.10
Uflex Ltd.	201103	127.55	5.88	39.07	10	3.26	201109	2408.20	33.35	3.82	271.00	117.75
Dena Bank	201103	66.20	3.32	18.35	10	3.61	201109	6738.80	20.21	3.28	139.40	60.30
Rolta India Ltd.	201106	61.95	5.65	30.70	10	2.02	201109	4795.30	29.72	2.08	166.70	54.65
Corporation Bank	201103	354.20	5.65	95.41	10	3.71	201109	14803.16	99.93	3.54	719.00	350.00
Andhra Bank	201103	100.75	5.46	22.64	10	4.45	201109	13455.23	24.05	4.19	166.50	94.45
Gujarat NRE Coke Ltd.	201103	18.60	5.38	1.84	10	10.11	201109	1185.70	2.26	8.23	72.00	17.40
Indian Overseas Bank	201103	93.75	5.33	17.33	10	5.41	201109	10789.94	17.44	5.38	164.20	86.30
Geodesic Ltd.	201103	52.20	5.27	26.03	2	2.01	201109	2192.28	24.32	2.15	120.35	45.75
Peninsula Land Ltd.	201103	32.75	5.19	8.80	2	3.72	201109	1956.70	4.94	6.63	69.50	30.05
Graphite India Ltd.	201103	69.95	5.00	8.82	2	7.93	201109	1674.90	8.57	8.16	108.90	67.35
India Infoline Ltd.	201103	60.30	4.98	4.27	2	14.11	201109	832.05	2.88	20.94	91.20	53.50
SJVN Ltd.	201103	20.85	3.84	2.21	10	9.46	201109	10610.90	2.57	8.13	23.80	19.40
State Bank Of Bikaner & Jaipur	201103	340.00	4.82	110.18	10	3.09	201109	5604.30	80.06	4.25	629.59	332.00
Blue Star Ltd.	201103	176.40	3.97	17.23	2	10.24	201109	682.00	7.58	23.26	449.75	164.75
Indian Bank	201103	196.25	3.82	39.88	10	5.04	201109	18057.74	42.02	4.67	295.30	181.40
NIIT Ltd.	201103	43.75	3.43	3.01	2	14.52	201109	407.90	2.47	17.71	61.45	40.80
SRF Ltd.	201103	295.00	4.75	79.90	10	3.69	201109	4971.00	84.68	3.48	378.20	270.05
Vijaya Bank Ltd	201103	53.90	4.64	11.08	10	5.94	201109	4817.80	10.19	5.29	105.70	48.85
UCO Bank	201103	64.70	4.64	14.45	10	4.48	201109	10504.20	16.74	3.87	144.50	57.35
ICSA (India) Ltd.	201103	40.30	4.47	26.31	2	1.53	201109	1097.29	22.79	1.77	145.00	36.50
Bank Of Maharashtra	201103	46.45	4.31	6.86	10	7.44	201109	3821.20	7.93	5.86	74.50	44.05
Usha Martin Ltd.	201103	24.20	4.13	3.27	1	7.41	201109	-275.60	-0.90	0.00	79.50	23.20
IFCI Ltd.	201103	24.25	4.12	9.55	10	2.53	201109	7162.70	9.71	2.50	68.50	20.75

Company Name	Year End	Price (02/12) Rs.	EPS	FV	PE
MMTC Ltd.	201103	557.95	1.22	1	458.69
Sunteck Realty Ltd.	201103	370.95	0.98	2	376.87
Jet Airways (India) Ltd.	201103	259.25	1.12	10	230.98
Indiabulls Power Ltd.	201103	10.24	0.05	10	214.35
ABB Ltd.	201012	618.80	2.98	2	207.39
Indiabulls Real Estate Ltd.	201003	65.70	0.56	2	169.26
India Securities Ltd.	201003	52.00	0.34	1	151.97
GMR Infrastructure Ltd.	201103	21.25	0.15	1	140.45
Adani Enterprises Ltd.	201103	338.05	2.45	1	138.15
Essar Ports Ltd.	201103	68.80	0.51	10	135.31
Punj Lloyd Ltd.	201103	50.10	0.37	2	134.35
Den Networks Ltd.	201103	63.10	0.53	10	118.32
JM Financial Ltd.	201103	15.50	0.13	1	115.71
United Breweries Ltd.	201003	398.50	4.04	1	106.80
3M India Ltd.	201103	3810.50	87.71	10	43.44
Reliance Power Ltd	201103	90.15	0.98	10	92.11
Hindustan Copper Ltd.	201103	194.30	2.42	5	80.22
EIH Ltd.	201103	86.40	1.13	2	76.51
Bombay Dyeing & Manufacturing Co Ltd.	201103	394.75	5.22	10	74.52
Jubilant FoodWorks Ltd.	201103	829.85	11.16	10	74.38
Gillette India Ltd.	201106	1963.70	26.44	10	74.27
KSK Energy Ventures Ltd.	201103	52.55	0.90	10	66.36
MVL Ltd.	201012	23.05	0.35	1	65.00
Asahi India Glass Ltd.	201103	56.20	0.95	1	59.31
Pantaloon Retail (India) Ltd	201106	213.90	3.63	2	58.98
Aptech Ltd.	201103	94.50	1.62	10	58.43
Eicher Motors Ltd.	201012	1575.10	28.00	10	56.25
IRB Infrastructure Developers Ltd	201103	151.90	2.71	10	56.00
Tata Teleservices (Maharashtra) Ltd.	201103	14.57	0.26	10	55.40
Nestle India Ltd.	201012	4221.10	84.91	10	49.71
Emami Ltd.	201103	397.60	8.29	1	47.98
Godrej Industries Ltd.	201103	198.10	4.20	1	47.15
Trent Ltd.	201103	995.70	21.46	10	46.42
Jaiprakash Power Ventures Ltd	201103	36.35	0.79	10	46.14
Apollo Hospitals Enterprise Ltd.	201103	660.55	14.57	5	45.33
Coal India Ltd.	201103	334.40	7.43	10	44.98
Dalmia Bharat Enterprises Ltd	201103	118.25	2.64	2	44.77
Kotak Mahindra Bank Ltd.	201103	495.50	11.10	5	44.63

EPS Earning Per Shares is calculated as Net Profit / Number of Equity Shares (Rs)

FV Latest Face values of equity Shares (Rs)

PE Market Price / Trailing Twelve Months Earning Per Shares

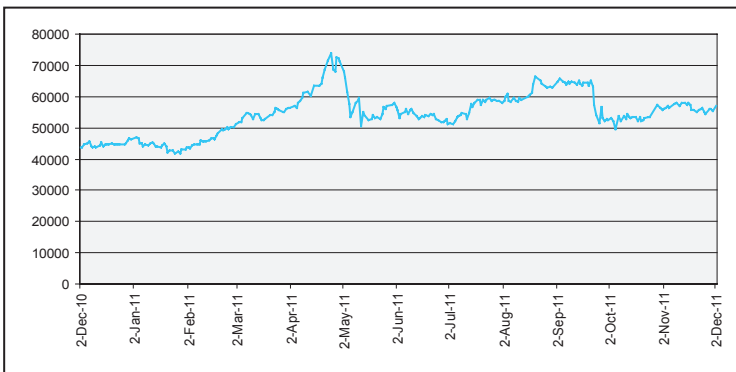
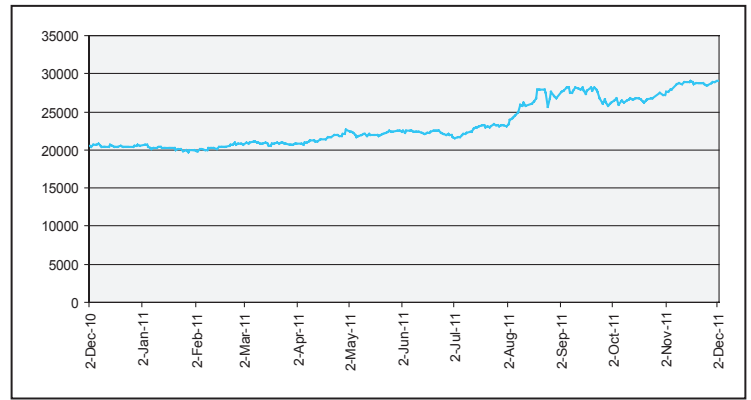
Company Name	Year End	Price (02/12) Rs.	EPS	FV	PE
Piramal Healthcare Ltd.	201103	367.55	768.13	2	0.48
KS Oils Ltd.	201003	6.89	5.49	1	1.26
Jindal Poly Films Ltd.	201103	173.75	128.72	10	1.35
ICSA (India) Ltd.	201103	40.30	26.31	2	1.53
Prakash Industries Ltd.	201103	35.55	19.86	10	1.79
Geodesic Ltd.	201103	52.20	26.03	2	2.01
Rolta India Ltd.	201106	61.95	30.70	10	2.02
Bharati Shipyard Ltd.	201103	88.05	37.43	10	2.35
Vardhman Textiles Ltd.	201103	176.95	73.79	10	2.40
ARSS Infrastructure Projects Ltd.	201103	191.40	75.57	10	2.53
IFCI Ltd.	201103	24.25	9.55	10	2.53
GTL Ltd.	201106	40.40	14.76	10	2.74
Shree Ganesh Jewellery House Ltd.	201103	125.65	43.48	10	2.89
Punjab & Sind Bank	201103	69.00	23.59	10	3.00
Housing Development & Infrastructure Ltd.	201103	64.90	21.60	10	3.00
State Bank Of Bikaner & Jaipur	201103	340.00	110.18	10	3.09
Polyplex Corporation Ltd.	201103	175.45	53.20	10	3.18
Uflex Ltd.	201103	127.55	39.07	10	3.26
Central Bank Of India	201103	92.90	30.99	10	3.30
3I Infotech Ltd.	201103	19.70	6.22	10	3.35
Subex Ltd	201103	35.35	10.32	10	3.43
State Bank Of Travancore	201103	524.00	145.55	10	3.60
Dena Bank	201103	66.20	18.35	10	3.61
Jyoti Structures Ltd.	201103	49.55	13.51	2	3.67
SRF Ltd.	201103	295.00	79.90	10	3.69
Great Offshore Ltd.	201103	100.90	27.32	10	3.69
Corporation Bank	201103	354.20	95.41	10	3.71
Peninsula Land Ltd.	201103	32.75	8.80	2	3.72
Alok Industries Ltd.	201103	19.15	5.13	10	3.73
Electrosteel Castings Ltd.	201103	19.10	4.73	1	4.04
Jaypee Infratech Ltd.	201103	42.20	10.33	10	4.08
Tamil Nadu Newsprint & Papers Ltd.	201103	88.35	21.53	10	4.10
Panacea Biotec Ltd.	201103	90.45	22.03	1	4.11
Ess Dee Aluminium Ltd.	201103	142.70	33.56	10	4.25
Jai Balaji Inds. Ltd.	201103	49.80	11.59	10	4.29
Aurobindo Pharma Ltd.	201103	92.45	21.38	1	4.32
United Bank of India	201103	59.00	15.21	10	4.37
JSL Stainless Ltd.	201103	75.35	16.99	2	4.43

EPS Earning Per Shares is calculated as Net Profit / Number of Equity Shares (Rs)

FV Latest Face values of equity Shares (Rs)

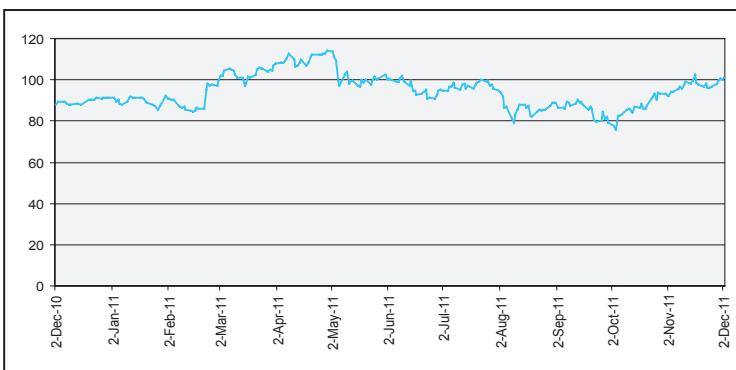
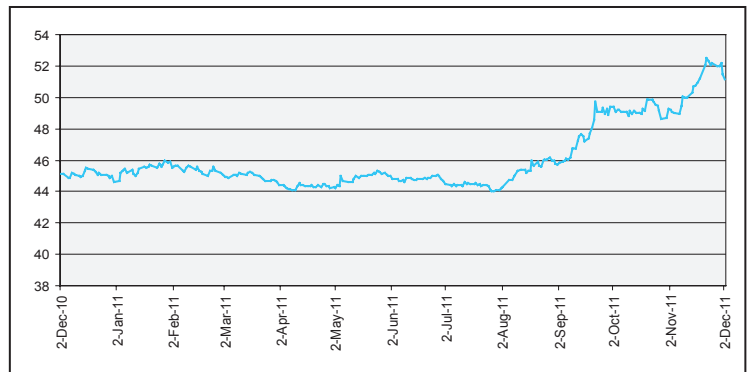
PE Market Price / Trailing Twelve Months Earning Per Shares

Date	Price Rs.
2-Dec-11	29016.65
2-Nov-11	27588.55
3-Oct-11	26523.35
2-Sep-11	27602.50
2-Aug-11	23352.50
2-Jul-11	21583.35
2-Jun-11	22510.00
2-May-11	22450.00
1-Apr-11	20800.00
3-Mar-11	20964.15
2-Feb-11	19897.50
3-Jan-11	20683.35
2-Dec-10	20532.50



Date	Price Rs.
2-Dec-11	56943.20
2-Nov-11	56050.00
3-Oct-11	53000.00
2-Sep-11	64800.00
2-Aug-11	58500.00
2-Jul-11	51375.00
2-Jun-11	55816.20
2-May-11	68050.00
1-Apr-11	56265.00
3-Mar-11	51700.00
2-Feb-11	43800.00
3-Jan-11	47040.00
2-Dec-10	43750.00

Date	Price Rs
2-Dec-11	51.13
2-Nov-11	49.19
2-Oct-11	49.38
2-Sep-11	45.87
2-Aug-11	44.27
1-Jul-11	44.47
2-Jun-11	44.82
2-May-11	44.24
3-Apr-11	44.44
2-Mar-11	44.95
2-Feb-11	45.61
3-Jan-11	44.68
2-Dec-10	45.15



Date	Price \$
2-Dec-11	100.96
2-Nov-11	92.51
3-Oct-11	77.61
2-Sep-11	86.45
2-Aug-11	93.79
1-Jul-11	94.94
2-Jun-11	100.40
2-May-11	113.52
1-Apr-11	107.94
2-Mar-11	102.23
2-Feb-11	90.86
3-Jan-11	91.55
2-Dec-10	88.00

DSPBR India T.I.G.E.R (G)

DSPBR India T.I.G.E.R-Reg (Growth) is DSP BlackRock Investment Managers managed open-ended Equity - Infrastructure scheme.

The fund was launched on June -11, 2004 and its fund managers are Anup Maheshwari, and Rohit Singhania.

The benchmark index of the fund is BSE-100 and the custodian of the fund is Citibank N.A.

The current net asset value (NAV) of the fund as on December 2, 2011 was Rs 37.81; while the 52 week high NAV was Rs 51.57 on December 2, 2010 and the 52 week low NAV for the scheme was Rs 35.59 on November 23, 2011.

The minimum investment to the fund is Rs 5000 and additional investments can be made in multiples of Rs 1000.

The investment objective of the scheme is to generate capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of corporates, which could benefit from structural changes brought about by continuing liberalization in economic policies by the Government and/ or from continuing investments in infrastructure, both by the public and private sector.

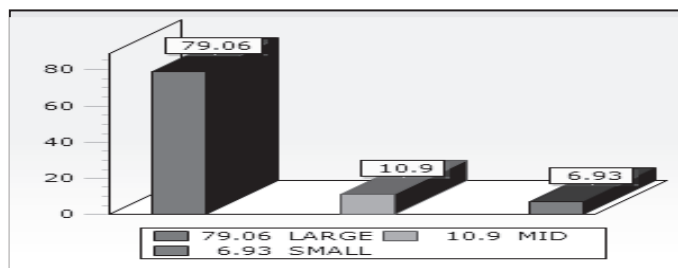
The top five holdings of the fund are:

Company	RIL	ICICI Bank	ING Vysya Bank	Indraprastha Gas	SBI
% Holding	4.00	3.61	3.49	3.48	3.45

As far as market capitalization-wise companies are concerned, the scheme's portfolio consists of 79.06% from Large-cap, 10.9% from Mid Cap stocks and 6.93% from Small Cap stocks.

The fund has given a return of 19.46% since inception and a negative return of -26.68% in last one year, while the category average in the same period has been -0.84% and -26.03 % respectively.

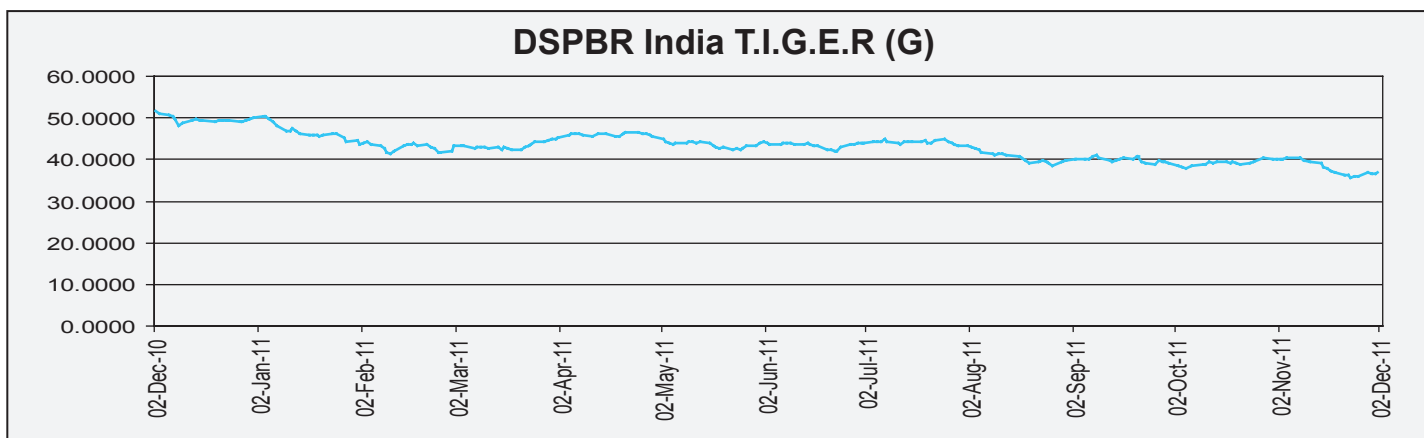
Fund allocation



Market cap-wise Allocation Style	
Average Mkt Cap (Rs Cr)	31391.09
Market Capitalization	% of Portfolio
Large	79.06
Mid	10.90
Small	6.93
Note: Large-Cap = 5000 Crs. and above, Mid-Cap = 2000 Crs. to 5000 Crs. and Small-Cap = less than 2000 Crs.	

Outlook

DSPBR India T.I.G.E.R-Reg (Growth) is DSP BlackRock Investment Managers managed open-ended Equity - Infrastructure scheme being managed by Anup Maheshwari, and Rohit Singhania. The sectors that the Scheme broadly focuses are Power, Banking & Finance, Telecom, Oil & Gas, Pharmaceuticals, Media, Fertilizers, Travel & Tourism, Cement, Engineering, Metals and Auto. The component of the portfolio provides the necessary liquidity to meet redemption needs and other liquidity requirements of the Scheme. The fund has been a top performer in the segment and invests in companies which will gain from the governments' policies on infrastructure growth and economic reforms. It is having a portfolio that is well diversified across sectors, market capitalisation and between private and PSU companies. Hence, there might be weak performance since past some time but in view of the governments' infrastructure initiatives is sure to perform well in the coming future.



Duration	1 Week %	1 Mth %	3 Mth %	6 Mth %	1 Year %	3 Year %	5 Year %	Since Inc. %
Scheme Return %	5.12	-5.41	-5.81	-13.97	-26.68	19.25	2.79	19.46
Category Avg %	4.68	-6.31	-7.23	-14.90	-26.03	18.23	2.70	-0.84

Returns As on December 02nd, 2011

Fund	AUM Rs.Crore Sept 2011	NAV Rs 02/12/11	Absolute %		CAGR %				Since Launch	Launch Date
			1 Month	6 Months	1 Year	2 Years	5 Years	10 Years		
Equity - Diversified										
Birla SL India Opportunities(G)	40.95	43.79	-4.62	-16.54	-23.34	-4.78	-3.02	17.90	9.21	2-Mar-95
DSPBR Opp-Reg(G)	696.82	76.74	-4.16	-10.20	-18.09	1.99	6.55	27.20	19.29	16-May-00
Fidelity Equity(G)	3387.30	32.66	-3.94	-7.08	-14.25	5.07	9.28	0.00	19.80	16-May-05
HDFC Equity(G)	9432.92	241.00	-4.89	-13.75	-20.81	2.86	10.24	29.61	20.68	1-Jan-95
HDFC Growth(G)	1269.24	79.46	-4.16	-8.64	-14.89	4.95	10.43	26.99	20.27	11-Sep-00
DSPBR India T.I.G.E.R-Reg(G)	1904.84	37.81	-5.41	-13.97	-26.68	-6.96	2.79	0.00	19.46	11-Jun-04
ICICI Pru Dynamic(G)	4130.18	97.46	-2.89	-9.52	-11.64	4.79	9.05	0.00	28.45	31-Oct-02
Kotak Opportunities(G)	861.60	41.44	-2.83	-7.91	-17.99	-0.10	8.10	0.00	21.72	9-Sep-04
Reliance Equity Oppor-Ret(G)	3192.90	32.80	-5.04	-8.20	-14.04	9.71	9.27	0.00	19.47	31-Mar-05
Reliance Reg Savings-Equity(G)	3122.68	25.95	-4.92	-13.31	-22.97	-2.21	10.61	0.00	15.85	10-Jun-05
SBI Magnum Multicap(G)	439.95	14.98	-4.89	-13.06	-23.26	-6.89	-1.38	0.00	6.72	16-Sep-05
Equity- ELSS										
Birla SL Tax Relief '96(G)	1417.29	9.58	-4.39	-12.11	-23.18	-5.20	0.00	0.00	-0.82	10-Mar-08
DSPBR Tax Saver(G)	770.22	14.65	-5.09	-12.58	-21.55	-0.72	0.00	0.00	8.15	18-Jan-07
Franklin India Taxshield(G)	803.51	200.89	-3.49	-4.32	-8.26	7.26	9.50	25.02	26.75	10-Apr-99
HDFC TaxSaver(G)	3032.10	208.07	-2.93	-10.54	-17.28	3.63	6.94	28.70	29.58	31-Mar-96
ICICI Pru Tax Plan(G)	1259.35	126.06	-5.26	-10.21	-15.14	4.21	6.57	27.55	22.89	19-Aug-99
Reliance Tax Saver (ELSS)(G)	2026.56	18.31	-6.57	-12.12	-19.31	2.63	5.07	0.00	10.25	22-Sep-05
SBI Magnum TaxGain'93(G)	4923.06	54.14	-3.49	-7.82	-17.06	-2.10	0.00	0.00	4.06	7-May-07
Sundaram Tax Saver(G)	1406.67	39.30	-3.07	-7.23	-18.43	-3.11	7.66	0.00	18.00	2-May-05
Large-cap										
Birla SL Frontline Equity(G)	2884.73	79.21	-3.43	-8.99	-16.00	0.50	9.54	0.00	25.23	23-Sep-02
Birla SL Dividend Yield Plus(G)	994.09	79.20	-3.92	-6.77	-13.49	7.15	13.53	0.00	26.61	26-Feb-03
DSPBR Equity-Reg(G)	2588.82	14.79	-4.78	-10.08	-15.66	1.85	0.00	0.00	9.11	7-Jun-07
DSPBR Top 100 Equity-Reg(G)	3015.49	92.94	-3.16	-7.23	-11.89	1.52	10.30	0.00	29.07	10-Mar-03
HDFC Top 200(G)	10692.11	187.57	-4.14	-10.48	-17.55	2.40	11.05	29.86	21.19	3-Sep-96
Kotak 50(G)	844.41	94.39	-2.88	-6.87	-14.45	0.22	6.75	0.00	26.33	5-Feb-03
Reliance Vision-Ret(G)	2527.02	227.32	-7.41	-14.81	-22.22	-3.62	4.95	31.31	21.32	8-Oct-95
SBI Magnum Equity(G)	455.59	40.14	-2.83	-6.32	-12.89	2.70	7.64	0.00	7.97	24-Nov-06
Mid-cap										
Birla SL Midcap(G)	1512.95	94.75	-5.55	-10.95	-23.61	-3.69	8.35	0.00	27.91	16-Oct-02
Franklin India Prima(G)	772.50	247.74	-3.58	-9.48	-19.13	1.53	3.37	28.54	19.50	01-Dec-93
ICICI Pru Discovery(G)	1760.97	43.09	-3.10	-12.45	-16.25	5.38	9.72	0.00	22.16	16-Aug-04
Kotak Midcap(G)	301.64	22.34	-5.88	-10.48	-21.02	2.68	2.93	0.00	12.60	24-Feb-05
Reliance Growth-Ret(G)	6275.61	398.52	-6.14	-11.37	-21.83	-1.74	8.76	34.95	25.33	08-Oct-95
Sundaram S.M.I.L.E Fund(G)	531.45	26.57	-6.89	-13.59	-27.43	-7.96	7.44	0.00	15.46	15-Feb-05
Sundaram Select Midcap(G)	2209.64	137.16	-4.55	-8.68	-16.83	2.54	8.59	0.00	32.21	19-Jul-02
Equity Pharma										
Reliance Pharma(G)	603.21	52.91	-4.44	-7.35	-7.61	13.29	21.19	0.00	24.92	08-Jun-04

Returns As on December 02nd, 2011

Fund	AUM Rs.Crore Sept 2011	NAV Rs 02/12/11	Absolute %		CAGR %				Since Launch	Launch Date
			1 Month	6 Months	1 Year	2 Years	5 Years	10 Years		
Finance Sector										
ICICI Pru Banking & Fin Serv-Ret(G)	140.39	15.31	-5.73	-15.41	-25.64	0.53	0.00	0.00	13.87	22-Aug-08
Reliance Banking(G)	1707.46	85.64	-5.96	-14.88	-27.47	4.41	17.08	0.00	28.67	28-May-03
Sundaram-Select Thematic Funds- Fin Serv Oppor(G)	242.73	16.52	-5.33	-14.71	-27.65	0.93	0.00	0.00	15.52	10-Jun-08
Commodities- Gold										
Kotak GOLD ETF	771.70	2817.57	5.32	28.80	40.51	25.33	0.00	0.00	30.64	27-Jul-07
Reliance Gold ETF	1921.89	2743.48	5.33	28.85	40.67	25.38	0.00	0.00	27.63	22-Nov-07
DSPBR World Gold-Reg(G)	1076.68	20.54	2.71	11.49	7.19	9.64	0.00	0.00	18.60	14-Sep-07
Fund	AUM Rs.Crore Sept 2011	NAV Rs 02/12/11	Absolute %		CAGR %				Since Launch	Launch Date
			1 Month	6 Months	1 Year	2 Years	3 Years	5 Years		
Balance -Equity Oriented										
Birla SL '95(G)	449.28	295.59	-1.72	-4.61	-8.62	5.32	27.79	10.77	22.33	17-Feb-95
HDFC Balanced(G)	421.59	54.29	-3.17	-4.47	-4.79	11.81	31.72	10.87	16.26	11-Sep-00
HDFC Prudence(G)	6356.17	198.65	-3.91	-7.15	-10.95	7.59	32.77	11.81	18.24	1-Feb-94
Balance -Debt Oriented										
ICICI Pru Child Care Plan-Gift Plan	166.44	49.82	-7.05	-9.88	-19.42	2.67	26.18	4.42	16.94	31-Aug-01
Reliance Reg Savings-Balanced(G)	750.32	20.43	-2.69	-6.83	-14.75	4.05	28.75	12.25	11.65	10-Jun-05
HDFC Children's Gift - Investment	296.38	42.49	-2.22	-3.15	-1.42	15.32	33.51	10.98	14.39	2-Mar-01
Fund	AUM Rs.Crore Sept 2011	NAV Rs 02/12/11	Absolute %			CAGR %			Since Launch	Launch Date
			1 Month	3 Months	6 Months	1 Years	3 Years	5 Years		
Liquid										
Birla SL Cash Plus-Ret(G)	15635.76	273.77	0.68	2.07	4.22	8.28	5.89	6.84	7.21	16-Jun-97
HDFC Cash Mgmt-Savings(G)	3423.30	21.72	0.72	2.19	4.44	8.72	6.56	7.35	6.62	3-Jan-00
Reliance Liquid-Cash(G)	3916.84	16.85	0.72	2.20	4.47	8.87	5.17	5.70	5.36	7-Dec-01
Reliance Liquid-Treasury-Ret(G)	2774.32	24.78	0.70	2.13	4.31	8.46	6.32	7.03	6.85	23-Mar-98
SBI Magnum InstaCash-Cash(G)	2427.29	23.05	0.71	2.16	4.39	8.60	6.30	7.05	6.88	19-May-99
Templeton India CMA(G)	445.89	17.40	0.57	1.71	3.32	6.57	4.52	5.47	5.36	23-Apr-01
UTI Money Market(G)	1551.26	2880.28	0.69	2.13	4.23	8.30	6.24	7.03	7.50	23-Apr-97
Monthly Income Plans										
Birla SL MIP II-Savings 5(G)	459.98	18.42	0.38	1.66	4.21	6.90	8.41	9.89	8.45	22-May-04
Birla SL Monthly Income(G)	614.20	37.63	-0.03	0.60	2.41	3.89	12.70	8.33	11.36	10-Aug-99
HDFC MIP-LTP(G)	9135.62	23.19	-0.43	0.05	0.32	0.80	16.58	9.65	11.18	26-Dec-03
ICICI Pru MIP 25(G)	750.64	19.88	-0.29	1.31	1.61	2.03	14.00	6.85	9.36	30-Mar-04
Reliance MIP(G)	6466.44	21.81	-0.49	-0.11	0.22	0.74	14.30	9.64	10.36	13-Jan-04
SBI Magnum MIP(G)	332.31	20.55	0.78	0.87	1.84	2.29	6.52	4.38	6.96	23-Mar-01
UTI MIS(G)	608.76	20.29	0.01	0.89	2.22	3.39	11.05	8.01	8.04	11-Oct-02

It has been about three years now, when the world's worst financial crisis since the 1930s erupted, but the worst hit developed economies are still finding it difficult to return to the days of normalcy with weak monetary policies leading to uncomfortably strong currencies for other G20 economies. Economic growth is slowing in almost every industrialized country; the already insipid recovery of 2010-2011 has collapsed. Growth in the G7 countries is projected to be only 0.2% in the last quarter of 2011. Falls in GDP are predicted in major Euro zone economies. The emerging and developing economies, where growth had been faster, are slowing as well. The sixth meeting of Group of Twenty' (G-20) members in Cannes, France which included Finance Ministers and Central Bank Governors from 20 major economies of the world, came together to discuss reforms to the global monetary system and to rein in financial speculation and capital flows. However, an unexpected decision by Greek Prime Minister George Papandreou to hold a confidence vote or a referendum against on the European rescue package, caused a new change to the discussions as the Euro-zone Financial Stability Facility (EFSF) took precedence over other issues. The G20 Summit for economic and financial cooperation was largely aimed at resolving the Eurozone debt crisis. The Summit in Cannes, France, saw broad promises from leaders to work together on economic challenges that must be addressed in different ways by different countries.

Euro-zone woes: only words but little action

While the leaders of the world's top economic powers backed Europe and agreed in principle to increase IMF funding but the G-20 summit did not settle on any precise figure or timetable, kicking the issue down the road. The Euro-zone failed to secure new money from potential investors such as China and Brazil to avert the debt debacle, which unnerved global financial markets as political turmoil in Greece jeopardized a new Greek bailout agreement and Italy's high debt gained spotlight. There had been hopes that the G20 would agree to increase IMF resources by as much as \$250 billion to more than \$1 trillion but due to disagreements about the structure and size of the fund the key number-crunching has been pushed back to the G20 Finance Meeting scheduled for February next year. Without more funds, Europe would be unable to build a financial firewall to ensure that the debt crisis doesn't spread across the continent. The finances of European nations are already stretched from bailing out Greece, Ireland and Portugal while the United States and other allies are facing their own issues. At such a juncture, the Euro-zone nations are looking to the IMF to help line up more financing to prevent the sovereign debt trouble from

spreading to larger economies like Italy and Spain. The heads of the world's 20 largest economies accomplished little else to ease the sovereign debt crisis and stabilize a teetering global economy.

In their official communiqué, the leaders of G20 economies acknowledged the European Union's plan agreed last month to address the ongoing debt trouble in Europe. They also praised Italy for agreeing to have the International Monetary Fund oversee the nation's progress on fiscal reforms. But the official statement made only passing mention of Greece, which dominated behind the scenes talks. Before the G20 summit in Cannes, French President Nicolas Sarkozy, along with German Chancellor Angela Merkel, had hoped to tout the merits of the recent Euro-zone deal and to return his original ambitious agenda for the G20. However, all fell apart with political turmoil caused by Greek Prime Minister George Papandreou's decision to call a referendum on Greece's membership of the euro, which he later reversed and then survived a confidence vote. Moreover, US President Obama acknowledged the political drama in Greece, but sounded optimistic about the ability of European leaders to get the crisis under control.

Due to Greek Prime Minister George Papandreou's surprise call for a referendum on the country's new debt agreement with the European Union, practically every other issue that was meant to be on the agenda such as poverty, food security and climate change was eclipsed. Unfortunately the Greek crisis occupied the center stage and overshadowed a number of issues on which the leaders gave a path forward. Some of the important things which have been achieved in the whole effort are as under:

Multilateral convention to tackle tax evasion:

The leaders of developed and developing countries said they agreed on an action plan for growth and jobs to address short term vulnerabilities and build middle-term foundations for growth. All governments of the Group of twenty (G20) countries agreed on a multilateral convention to tackle tax evasion more effectively during the group's summit in the French resort of Cannes, bringing total number of the convention's signatories to 34. Under the agreement approved governments from the 20 economies will work together to combat cross-border tax evasion which could help in raising tens of billions of dollars at a time when indebted nations are scrambling for more revenue. The G-20 deal commits governments to cooperate in assessing and collecting individual and corporate income, value-added and property taxes.

India too has been an active member of the global battle against black money and signed the Convention on Mutual Administrative Assistance in Tax Matters, developed jointly by the Council of Europe and the Organisation for Economic Co-operation and Development (OECD), and opened for signature by the member-states of both organisations on January 25, 1988. The Convention will have to be ratified by the Indian Parliament to become law. Tax evasion and illicit flows are serious problem and over the last two years, in order to check this trend, India has negotiated 19 new double taxation avoidance agreements and 17 new tax information exchange agreements. The Convention on Mutual Administrative Assistance in Tax Matters aims at automatic exchange of information among signatory countries so that tax evasion and illicit flows can be detected early. China and Saudi Arabia also said they will join the treaty soon.

Mutual Assessment Process:

At the 2009 Pittsburgh summit, G20 member states endorsed a mutual assessment process (MAP), to evaluate the impact of member-state policies in advancing the goals of the "Framework." Earlier this year, G20 members agreed on indicators to assess macroeconomic imbalances, as well as benchmarks against which such imbalances could be measured. Under the MAP, an action plan has been worked out that has various elements in which countries for a short and medium term have accepted certain obligations. Though it is not in the nature of rule-based kind of a negotiation, at G20, the top leaders, when they make commitments on behalf of their countries on a number of issues, it is considered as commitment, though it is not a written commitment. After attending the summit Indian Prime Minister Manmohan Singh said, "it is our intention to get the fiscal system in order. As part of the Mutual Assessment Process, we have stated that it is our desire in the medium-term to get mastery over the fiscal problem, and that would require introduction of a Direct Taxes Code, that would require also Goods and Services Tax, and that would also require probably, some tinkering with taxes".

The Cannes summit also agreed to take steps to boost global agricultural output and reduce volatility of food commodities, to better feed a world whose population had just hit seven billion. They also agreed not to tax or restrict exports of food purchased for humanitarian purposes by the United Nations World Food Program. In addition, the group set up a task force to work as a priority on youth unemployment - a vexing, and politically volatile challenge in many developing countries.

Nevertheless, on the big ticket items progress was expectedly feeble. On the positive side, G20 members moved a bit closer to addressing global imbalances, with even China explicitly agreeing to move toward market-determined exchange rates, and new promises extracted from surplus countries to increase domestic demand. The IMF got the promise from G20 leaders to further progress towards a more integrated, even-handed and effective IMF surveillance and to better identify and address spill-over effects. The leaders look forward to IMF proposals for a new integrated decision on surveillance early next year, and for increased ownership and traction. The G20 Summit of world leaders asked their finance ministers by their next meeting to work on deploying a range of various options including bilateral contributions to the IMF, SDRs, and voluntary contributions to an IMF special structure such as an administered account.

As the leaders of G20 nations believe promoting agricultural production is essential to feed the world population, they will act in the framework of the Action Plan on Food Price Volatility and Agriculture agreed by Ministers of Agriculture in June 2011. They have launched the "Agricultural Market Information System" (AMIS) to reinforce transparency on agricultural products' markets. They also pledged to improve energy markets and pursue the Fight against Climate Change 20. They will rationalize and phase-out over the medium term inefficient fossil fuel subsidies while providing targeted support for the poorest. A Rapid Response Forum too has been founded to improve the international community's capacity to coordinate policies and develop common responses in time of market crises.

Conclusion:

It will be only precise to say that the Group of 20 summit held in Cannes was largely inconclusive. Setting out a 31-point plan, the G20 leaders pledged commitment to work together and reinvigorate economic growth, create jobs, ensure financial stability, promote social inclusion and make globalization serve the needs of the people. On one issue, however a clear message was sent: countries outside the Euro-zone will not pour money into the European financial stability facility. At the most, they will increase their contributions to the International Monetary Fund. The Euro-zone crisis is a European problem and there is only a very limited role to play for the United States and for the rest of the G20. And on the major challenges beyond Europe like pushing for exchange rate flexibility and macroeconomic balancing, neither of the two major players China and the United States are in a position to strike credible compromises.

The Indian rupee (INR), which is already the year's worst-performing Asian currency against the dollar, continues to depreciate further, weighed down by growing pessimism about the Indian economy. The currency infringed the Rs 52 per dollar mark and dropped to a lifetime low of 52.73 on November 21, 2011 on persistent demand for the American currency from banks and importers in view of the firm dollar sentiment fueled by Euro zone crisis. The INR has plunged around 14%, making it the world's fourth-worst performing currency, after the South African rand, down 23.5%, the Turkish lira, down 17%, and the Kenyan shilling, which has lost 15%. Weakening of rupee against other foreign currencies, especially dollar, is not good news for government and importers. Depreciating rupee may compound the macroeconomic problems as prices of imported goods will surge and worsen the current account deficit. India won't be able to take advantage even if commodity prices ease due to global slowdown.

Gloomy global developments denting INR value

The basic dilemma that revolves in ones' mind is what causes this rupee depreciation? The answer to this question lies in the simple demand and supply theory in economics. Swings in the rupee is much like swings in prices of rice or wheat are caused by changing equations between demand and supply of currency. Upsurge in demand for dollars, for instance impels people to sell more rupees to receive dollars which leads to a cheaper rupee.

The reason behind this ongoing weakness in rupee can largely be attributed to the persistent sovereign crisis in Europe and has little to do with domestic economy. Due to the exacerbating Euro-zone debt trouble, large banks, investors and financial institutions are increasingly taking refuge under the safe havens like the US dollar. This spurt in demand of greenback has helped it to appreciate against all major currencies and has adversely impacted the value of Indian rupee. Moreover, the recent spell of devaluation of rupee is also the outcome of surging demand for dollar from oil importers. International oil prices continue to trade at elevated levels around the triple digit mark for quite some time now. Since oil is priced in dollar in global market and around 75 percent of India's crude oil requirements are being met from imports from overseas, rising prices of crude oil mean that domestic oil companies will need more dollars to fund their purchases.

Other factors that influence INR

Inflation:

The ratio of currency in their purchasing power (purchasing power parity) serves as a kind of axis of the exchange rate reflecting the law of value. That's why the rate of inflation has an impact on a currency's exchange rate. All other

things being equal, the inflation rate in the country has inversely proportional impact on the value of national currency, i.e. an increase in inflation in the country leads to a reduction in the national currency, and vice versa. A country like India with a consistently elevated inflation rate is facing rapid depreciation in its currency value, as its purchasing power is decreasing relative to other currencies. This is also accompanied by higher interest rates. India's headline inflation hovered close to double digit levels in the month of October at 9.73% and remained above the uncomfortable 9% mark for the eleventh straight month.

Release of Economic Data:

The economic data or surveys released by various national and international agencies, including annual economic review, RBI credit policy, monetary policy, etc. influence market sentiments and lead to movement in exchange rates. The slew of domestic economic reports released by the government in the recent past has largely underscored one fact and that is India's pace of economic expansion is declining rapidly. Be it the September IIP data which slowed to around two year low levels or even the September services export receipts which declined by 5.63% to \$11.22 billion, all of them draw attention to one reality that Asia's third largest economy is slowing down.

RBI Intervention:

The RBI, which regulates the Indian currency market, does intervene whenever it feels is required to stabilize the market, or to keep market volatility in check. It is the responsibility of the RBI to keep the exchange rate unaffected at a time of volatility in the foreign currency market. It has been observed that RBI intervenes in the currency market whenever there is any abnormal movement in the exchange rate, either upward or downward. With the rupee falling to a lifetime low, Finance Minister Pranab Mukherjee stated that the Reserve Bank of India's intervention in the forex market will not arrest the slide as FIIs' pullout and global reasons were behind the depreciation. The RBI buys US dollar to depreciate the domestic currency, and sells foreign currency when the domestic currency depreciates abnormally. Sometimes the RBI does not intervene at all.

Impact of rupee depreciation:

Cheers Exporters:

Weakness in rupee underpins exporters' delight as they make more profit because they get more of the local currency for every unit of foreign currency though quantity of trade remains unchanged. Depreciation of Indian rupee leads to a shift in at least a part of this competitive advantage to the local export firms, thus boosting Indian exports. Rise in exports gives a boost to economic growth. Depreciating

rupee will be positive for export oriented sectors including textile, tea and especially information technology which generates more than 75% of their revenue from overseas markets and this kind of appreciation in foreign currency enhances actual realization of revenue in dollar terms.

Upsets Importers:

A weaker rupee depresses importers as they have to pay more in rupee terms for procuring their raw materials, despite drop in global commodity prices, only because of a depreciating rupee against dollar. This may act as a barrier against imports, thus improving the trade balance. However, imports of commodities, like oil, whose demand is relatively inelastic, could dilute, fully or partially, the likely improvement in the trade scenario. Another drawback of depreciation in rupee is that it increases the burden of servicing and repaying of foreign debt of the Government and those companies that have raised dollar denominated debt. With the rupee depreciating against the dollar, the government or companies will need more rupees to repay their loans in dollar. This will increase their debt burden and lower profits. Although capital imports are needed for economic growth, the need to curb deficits is more pressing because deficits have inflationary impact and they can also lead to financial vulnerability.

Scales up inflation graph and fiscal deficit:

Rupee's weakness has also dented any chances of a moderation in inflation. The Indian currency has depreciated around 14%, which results in costlier imports. Thus, the rupee depreciation has somewhat nullified the benefit of lower global crude oil and commodity prices. India, being a net importer of goods, faces significant risk from the rupee depreciation. Costlier imports will directly impact manufactured goods inflation. Further, this higher import bill will lead to rise in fiscal deficit for the government. Government is likely to miss its fiscal deficit target of 4.6% of GDP for the current financial year due to rising fuel subsidy burden and slowing economy. Crude oil prices have averaged \$110/barrel so far in FY12, which is 30% higher from average prices of \$85 in FY11. Fuel subsidy has been budgeted at around Rs 23,000 crore in FY12, which is lower from Rs 35,000 crore actually spent in FY11 when crude oil prices were lower from current levels. Therefore, government's subsidy bill is likely to be far higher than budgeted estimates, due to both higher crude oil prices and recent depreciation of rupee.

Positive for expatriates, negative for travelers

On one hand, the rupee depreciation proves helpful for emigrants living outside India in US and Arab countries because the around 14% depreciation in rupee has brought it to 52 from 44 against the dollar. So every remittance of \$1000 would now fetch around Rs 6000 more for an

Indian residing in US. However, on the other hand the rupee devaluation would impact negatively to travelers abroad as travel cost would go up while students studying abroad too will be hit as more rupee will go out to pay for the courses, stay and other expenses.

Dissuades FII from Indian equity markets:

Another drawback of a weak currency is that it might dissuade foreign institutional investment (FII) from investing in the country. If an FII of \$100 is invested to buy stocks worth Rs 5000 at current market price. Consider a scenario where after 1 year, the stock of FII made no loss, no profit and rupee depreciated to 55 against dollar. On stock sale the FII would get Rs 5000, but while converting to dollars, it ends up in loss. The prospects of a weaker currency could also lead to a rush for repatriation of funds by FIIs. This could result in a sell-off in the capital markets.

Where does this leave the rupee?

That is difficult to say at this juncture. The rupee enjoys very little support from the domestic economy. With foreign institutional investors already fleeing Indian equity markets and FDI investments in India unlike China remaining on the lower side, the situation remains grim. Spiraling inflationary pressure on the economy and elevated key lending rates are pinching companies as much as home borrowers. Indian economy, which was one of the fastest growing economies, is also turning out to be the slowest in terms of reforming the economy or tackling pressing economic issues. So, all eyes are set on the Reserve Bank of India to pull a rabbit out of the hat. But that is easier said than done. If the Mint Street sells dollar to arrest the rupee fall, the apex bank has to pare down its foreign exchange reserves, not matter how huge it is. Secondly, this will also result in sucking out equivalent amount of rupee resources from the system, potentially squeezing liquidity. But the catch is any aggressive open defense by the RBI to arrest fall will be read as an inherent weakness of the rupee vis-a-vis the dollar. That will mean giving speculators a chance to create further havoc with the likely rupee fall. While a strengthening dollar and outflows on the FII front have undermined the rupee in recent months, there are factors that favor rupee strength as well. Despite the ongoing debt crisis in European economies and slowdown in US, foreign direct investment in India surged by 74% to \$19.13 billion in the first half of current financial year compared to \$8.6 billion in the same period of last year. Lower crude oil prices, a structurally sound economy and higher export realizations that will help the current account deficit are factors that may prevent further depreciation in the rupee. Hence, like all the earlier phases in rupee's journey, the current phase of depreciation will also pass and rupee will find its own level.

Finished steel imports decline by 36% in April-September 2011

India's imports of finished steel have reduced considerably by 36% to 2.88 million tonnes in the April-September 2011, compared to the corresponding period of the previous year. During the April-September period of the current fiscal, India produced 34.86 million tonnes of finished steel and the consumption stood at 34.03 million tones, while the Exports were at 2.26 million tonnes.

The production grew 9.5% in the first six months of the current fiscal in comparison to the corresponding period last fiscal. Steel consumption, however, grew only 2.8%. During the 2010-11 fiscal, India imported 6.8 million tonne of finished steel, even though domestic production amounted to 66.01 million tonne and real consumption was 65.61 million tonne. However, the country also exported 3.46 million tonne during the financial year.

Steel Minister, Beni Prasad Verma said, 'the quantity of import has significantly reduced by 35.8 per cent during April-September 2011-12, in comparison to the corresponding period of the previous year.' By outlining the drift in the domestic steel industry, Verma said, 'a small quantity of import as well as export of various products of steel takes place, depending upon the specific requirements of individual companies.'

The minister further informed that 41 Memorandum of Understanding (MoUs) have been signed between various state governments and private companies for investment in the steel sector during the last three-and-a-half years.

India's foodgrain productivity rises 8% to 1,921 kg/h in 2010-11 crop year

The country's foodgrain productivity in 2010-11 crop year (July-June) has improved to 1,921 kg per hectare from 1,798 kg per hectare in the 2009-10 crop year, an increase of around 8%, according to Harish Rawat, Minister of State for Agriculture. The productivity of foodgrains was 1,715 kg per hectare in 2005-06.

The minister informed Rajya Sabha in his written reply that the average annual growth in the agriculture and allied sectors during the first four years of the 11th Five-Year Plan (2007-08 to 2011-12) stood at 3.2% as against the targeted rate of 4%. He also opined that the Gross Domestic Product (GDP) growth for agriculture sector touched 6.6% in 2010-11, the highest growth rate achieved in last six years, thanks to the corrective actions taken by government.

However, the average growth in GDP of agriculture and allied sectors in four years of the 11th Five-Year Plan

lagged behind targets due to severe drought in many parts of the country during 2009-10 and drought/deficient rainfall in some states namely Bihar, West Bengal, Jharkhand and East Uttar Pradesh in 2010-11.

Over the years, investments in farm sector have been increasing and reached Rs 1,33,377 crore in 2009-10 from Rs 76,096 crore in 2004-05. This includes public sector investment from 16,187 crore in 2004-05 to Rs 23,635 crore in 2009-10 and private sector investment from Rs 59,909 crore to Rs 1,09,742 crore in the same period at 2004-05 prices.

Broking outfits opposes proposal of uniform stamp duty

The government's proposal to impose a stamp duty of Rs 300 per crore (0.003 per cent) on transactions in commodities, stocks and other derivatives is being highly criticized. Though, the Finance Ministry has moved a proposal to Cabinet for taking the final call. Recently, Maharashtra levied a uniform stamp duty of Rs 5 per lakh of turnover or 0.005 per cent on all cash and derivative transactions, both delivery and non-delivery based. Barring one or two states like Maharashtra, no other state governments have imposed stamp duty on commodity derivatives.

Broking outfits have said that the Government's proposal to impose a uniform stamp duty of 0.003 per cent on all exchange-traded transactions across the country is a retrograde step. The proposed stamp duty would be higher than the highest stamp duty currently imposed by any State Government.

They have cited that states such as Haryana, West Bengal, Tamil Nadu, and Andhra Pradesh that haven't levied stamp duty on commodity derivatives trading are witnessing a sustained rise in growth rates of commodity trading volumes during the past few years. In 2010-11, commodity futures volumes in Haryana, West Bengal, Tamil Nadu, and Andhra Pradesh grew by a healthy 392 per cent, 89 per cent, 66 per cent and 50 per cent, respectively.

A stamp duty on transactions will increase the cost of hedging, hindering the risk management process. Price discovery by a futures market has a much more important role to play in commodities than in securities.

Government allows 1 million tonnes of sugar exports for 2011-12 marketing year

The central government has allowed one million tonnes of sugar export for the 2011-12 crop marketing year which started in October and it also removed curbs on traders to hold stocks of sweetener, a decision that would help

the industry to improve their cash flow and enable them to make timely payment to cane growers. This move of the central government came after a persistent demand from millers in the wake of a sharp increase in cane prices.

An Empowered Group of Ministers on Food (EGoM), chaired by Finance Minister Pranab Mukherjee, approved exports as the India's sugar production is expected to cross the domestic demand by 3-4 million tonnes in the 2011-12 marketing year. The EGoM has approved one million tonnes of sugar export under the Open General License (OGL) scheme though the demand was for three million tonnes. In case of stock holding limits, it has been lifted on sugar traders from December 1 as the country stares at a bumper crop.

During last marketing year, the government has allowed 2.6 million tonnes of exports out of which 1.5 Millions via OGL in three tranches. The production of sugar in India, which is second largest producers and largest consumers, is estimated to grow 7.4 percent to 26 mt, while consumption is seen rising at 6 per cent to 22 mt in 2011-12 marketing year. However, despite the persistence demand from the sugar millets for exports from the start of current marketing year, the food ministry was reluctant to allow, due to fear of price increase in festival season, when generally demand for sugar is higher.

The EGoM also decided to export 10,000 tonnes of rice to Kenya, Somalia and Djibouti on a government-to-government basis. Further export of 1,600 tonnes each of skimmed milk powder, 24,000 tonnes of wheat, 21,200 tonnes of rice, 1,200 tonnes of pulses and 2,400 tonnes of edible oil to Bhutan had been allowed on a government-to-government basis.

Spices exports increase by 29% in value term for April-September 2011

Indian spices exports have seen an increase of 29% in rupee value terms in the period April-September 2011. As per Spices Board data total export was of worth Rs 4,165.59 crore (\$920.55 million) in April-September during the current fiscal as against 2.94 lakh tonnes, valued at Rs 3,220.16 crore (\$699.25 million), in April-September 2010. In dollar terms, the increase was 32 per cent, mainly due to value realization on the back of higher commodity prices.

However, the total exports of spices and spice products stood at 2,37,585 tonnes during the reported period, a decline of 19 per cent in volumes. April to September 2011 period witnessed rise in export of pepper, cardamom (small), cardamom (large), ginger, turmeric, nutmeg and mace and other spices such as tamarind, asafoetida,

both in volume and value compared to the same period previous year.

A total of 11,250 tonnes of pepper, valued at Rs 311.52 crore, were exported against previous years 9,250 tonnes, valued at Rs 163.10 crore. This was on account of the unit value of pepper, which increased from Rs 176.32 per kg in April-September 2010 to Rs 276.91 per kg during April-September 2011. Further, a total of 280 tonnes of large cardamom, valued at Rs 22.68 crore, were exported as against 210 tonnes, valued at Rs 9.97 crore, last year. Turmeric exports totalled 41,500 tonnes, a 46% climb from value of Rs 450.76 crore as against 28,500 tonnes valued at Rs 389.59 crore last year. In value terms, the increase was 16%, registering an increase of 46 per cent in quantity and 16 per cent in value. Ginger exports were 8,000 tonnes during the period, with a 44% rise in quantity and a 151% growth in value.

The export of value-added products, curry powder/paste has also increased both in volume and value. However, in the case of chilli, spice oils and oleoresins and mint products, the increase is in terms of value only. The export of other spice items has shown a decline both in volume and value compared to the last year.

Spice board has fixed spices export target of 500,000 tonnes valued Rs 6,500 crore (\$1.45 billion) for the current financial year, the achievement of 2,37,585 tonnes valued Rs 4,165.59 crore during April to September 2011, is 48 per cent in terms of quantity 64 per cent in rupee and 63 per cent in dollar terms of value.

India's coffee exports declined by 20% in October 2011

India's coffee exports, during October 2011, declined by 20% to 19,195 tonne compared to 24,119 tonne in October 2010. However, in value terms, earnings from coffee exports increased by 6% to Rs 271.74 crore in October 2011 from Rs 255.45 crore during the same month last year.

The price realization from exports of coffee increased by almost 34% to Rs 1,41,568 per tonne in the first month of current coffee year (October-September), from Rs 1,05,912 tonne in October 2010. However, market experts have the view that the outlook for foreign exports of coffee in October to December 2011 is on the negative side owing to the low domestic stock availability and slowdown in global economy.

The depreciation in rupee against American currency has positively impacted coffee exports as its value increased in rupee terms. Earnings from coffee exports in terms of US dollar increased marginally to \$56.7 million in October 2011 from \$56.13 million in October 2010.

During April-October 2011, coffee shipments increased by 18% to 2,10,562 tonnes from 1,78,075 tonnes in same period of last financial year. On the other hand coffee exports in January-October 2011 increased by 25% to 3,10,657 tonnes from 2,48,545 tonnes in January-October 2010.

European nations form major market for Indian coffee exports. India mainly exports coffee to Italy, Germany, Russia, Belgium and Spain.

Natural rubber consumers want future trading to stop

Natural rubber consumers led by the Automotive Tyre Manufacturers Association (ATMA) and the All-India Rubber Industries Association (AIRIA) have asked for immediate suspension of futures trading in rubber.

Alleging speculation in the futures market turning detrimental for the physical markets, ATMA in a letter to the Forward Market Commission has pointed to the recently-expired November contract where the open position was of 1,491 tonnes as on November 1, while stocks in warehouses were just 110 tonnes putting the contract under pressure till expiry.

The natural rubber consumers see this phenomenon harmful as farmers and traders get misguided by temporary and illogical trends and tend to hold stocks, while on the other hand, consumers have no option but to contract imports. Also this speculative character of futures trade adversely affects the regular rubber traders who physically buy rubber from farmers and sell the same to consumers.

Recently, Cochin Merchants Association too has communicated the issue to the Union Minister of State for Food and Consumer Affairs, saying that though delivery effected by futures is only 16,000 tonnes in a year, the speculators transact 24 lakh tonnes in the exchanges creating heavy volatility in the prices.

India's quarterly gold import plunges by 23%

India, the world's largest importer of gold, saw a sharp decline for the first time in the last five quarters. The demand fell 23% y-o-y from 263.9 tonnes to 203.3 tonnes in July-September 2011. The 23% decline in import of gold is on the back of the high inflation, which have adversely affected the demand for gold.

The World Gold Council (WGC) said, 'Gold imports to India, the world's biggest consumer of bullion, fell for the first time in five quarters by a fifth to 200 tonnes in July-Sept. In the same period of time, India's jewellery demand

also fell by 26% to 125.3 tonnes whereas investment demand also declined by 18% to 78 tonnes. As per market experts, high prices and a fall in the rupee against the dollar hurt demand for the yellow metal significantly. Gold prices in India went up 18.35% against an international price increase of 8.24% during the September quarter. As a result, in value terms, the overall demand went up 5.6% to Rs 51,028.3 crore as against Rs 48,354.48 crore in the same quarter last year.

WGC managing director Ajay Mitra said, 'the third quarter of 2011 has seen some difficult times for gold not just in India but around the world'. Double-digit inflation coupled with depreciation of the Indian rupee exaggerated the fall in demand.

However, the WGC expects gold demand to grow in the remaining months of 2011 as the festival and wedding seasons may encourage a demand recovery. Further the good monsoon, in the first quarter of 2012, rural India's incomes is expected to increase, which will also support the demand for gold as it account for 60% of the total demand.

ICO revises global coffee production downward for 2011-12

The International Coffee Organisation (ICO) has downwardly revised its global coffee production estimate for 2011-12, giving reason that adverse weather conditions could have a negative impact on production or post-harvest activities in a number of exporting countries, particularly in Central America and Indonesia.

ICO now estimates 127.4 million bags of coffee production down by 2.6 million bags for the season on account of rainy weather in Latin America and Asia. In June this year, the global body had projected coffee output in the 2011-12 coffee year (October-September) at 130 million bags of 60-kg each. It further cautioned that if the bad weather continues, both the production potential as well as quality in 2011-12 could be affected.

As per its estimates, production in Asia is expected to fall in the countries like Vietnam, Indonesia and India, while Mexico and Central America too are expected to witness a slight fall in output as a result of higher than normal rainfall in some areas. It anticipates the production in Brazil and Colombia too, to be on lower side in 2011-12.

However, the international body has projected that coffee output in Africa will increase by 19.6 per cent to 16.3 million bags during the 2011-12 crop year from 13.6 million bags in 2010-11.

SBI Life - Sanjeevan Supreme

SBI Life - Sanjeevan Supreme is a traditional Saving Plan with added advantage of life cover and guaranteed cash inflow at regular intervals tailored to suit all the needs and requirements. This plan is designed for individuals who want to plan for various financial obligations at specified times in life. It provides with financial support for fulfilling all your long term and short term goals. Further, it offers a life cover for the term of choice and that too without burdening your premium payment for the entire term. SBI Life - Sanjeevan Supreme is such a policy that is tailor made for the purpose to provide stable income at regular intervals without paying premium for the entire period. This plan also offers sums of money when we need them most. It has the advantage of settling all the premiums during the term that has been specified so that one can be free of the hassle for the rest of the policy term.

Key Features:

- The plan has a number of moneyback options specially suited to needs.
- The cover is available at competitive premium rates.
- It has guaranteed cash inflows which can meet various financial obligations.

Benefits:

- One can pay off all premiums over a short period of time and be free from paying premiums for the rest of the policy term, while enjoying all the benefits for the entire policy term.
- Enjoy the benefits of bonus additions for the entire term of the policy.
- Convenient premium payment options: Single and Multiple premium payment.

• Maturity Benefit

At the end of the growth period, policy holder would receive guaranteed payout in 5 years or 10 years, depending on the plan option chosen. The bonuses declared by the company get accumulated for the entire term of the plan and one would receive total bonus along with the final installment of Survival benefit.

• Death Benefit

In the unfortunate event of death during the term of the plan, the nominee would receive sum assured + vested bonuses, besides receiving of the survival benefit already paid.

Plans Options				
Plan A, Plan B, Plan C, Plan D				
Term				
	Plan A	Plan B	Plan C	Plan D
Premium Payment Term (PPT)	6 years	6 years	10 years	10 years
Growth / Deferment Period	4 years	4 years	5 years	5 years
Money Back Period	5 years @ 20% Sum Assured p.a.	10 years @ 10% Sum Assured p.a.	5 years @ 20% Sum Assured p.a.	10 years @ 10% Sum Assured p.a.
Total Term of the Policy	15 years	20 years	20 years	25 years
Premium				
Premium Payment Mode	Yearly / Half Yearly / Quarterly / Single Premium			
Age				
Minimum Entry Age	18 years	18 years	18 years	18 years
Maximum Entry Age	60 years	55 years	55 years	50 years
Sum Assured				
Minimum Sum Assured	Rs 50000/-			
Maximum Sum Assured	Rs 5 Crores			
Riders Available				
SBI Life - Accidental Death and Permanent Disability Rider				
SBI Life - Pure Term rider				

Riders

You can opt for a term assurance cover and an accidental cover on payment of additional premium. Under the term assurance rider, the nominee gets an additional sum equal to the sum assured.

If the policyholder meets with an accident, resulting in total permanent disability, 10 per cent of the sum assured is paid out in 10 annual installments under the Accident Rider.

All other rider cover ceases to exist thereafter. The base cover continues, provided all premiums due are paid.

Premium rebate