

Magnum Connect

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Dear Friends,

My warm wishes for the New Year 2010, may the year bring you lots of fortune, prosperity and health.

Friends, the passing year was the last year of the decade and with the year 2010 we have entered into a new decade, a new era where we will wish to overcome all the shortfalls of the last year and decade. The last year was full of turmoil; we were already reeling under the pressure of the global meltdown when in early January the biggest corporate fraud of the Indian history was discovered, the accounting fraud of Satyam, it astonished the whole corporate world. Investors who were already shying away from the stock markets got extremely worried that even the fundamentals were not reliable. It made the question of 'corporate governance in India'. But the government took a timely step and the fiasco gradually got settled down.

The year 2009 marked the era of splendid revival for the domestic as well as the global markets. Russia led the world markets with a rise of 126% followed by increase of 83% in Brazil and 80% in China and India. US markets were up by more than 60% while the European markets too were up by 22-70%. Our markets were one of the top gainers of the global lot. It was the government and the Reserve Bank of India's different stimulus measures that opened the floodgates of liquidity, boosting morale that brought back global investors.

With the new year, we will be aspiring for more growth, more stability and prosperity, though we have already doubled from the Lehman Brothers stage, when Gloom enveloped investors worldwide. Now more big advances cannot be expected but still we will expect strength of the markets to continue and give us more opportunity to keep investing and reap the returns.

Once again wishing you all a happy and prosperous year of investing in 2010!

Jiten C. Chedda
(Director)
Magnum Group

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Introduction

Tea industry is one of the oldest organized businesses in the country with a history of more than 175 years. The industry occupies a place of prominence in the Indian economy, producing a fourth of the world's annual tea output and employing around 1.26 million people at tea plantations and 2 million people indirectly. Tea plantations in India are mainly located in hilly areas of North-eastern and Southern states. Major tea growing areas of the country are concentrated in the states of Assam, West Bengal, Tamil Nadu and Kerala. Other tea growing areas include Karnataka, Tripura, Himachal Pradesh, Uttaranchal, Arunachal Pradesh, Manipur, Sikkim, Nagaland, Meghalaya, Mizoram, and Bihar.

India produces both CTC and Orthodox teas as well as the green tea. The weightage of the former is however much greater in total output due to domestic consumers' preference. Orthodox tea production is primarily export oriented while the production of green tea is much smaller compared to other two varieties. India's major competitors in the tea export space are Sri Lanka, Kenya, China and Indonesia. While the Sri Lanka and Indonesia are producing mainly orthodox varieties of tea Kenya's production primarily is of CTC tea. China on the other hand is a major player in green tea. Therefore, India faces competition from Sri Lanka and Indonesia with regard to export of orthodox teas, from China with regard to green tea and Kenya competes with it for the CTC tea export market.

Historical Perspectives

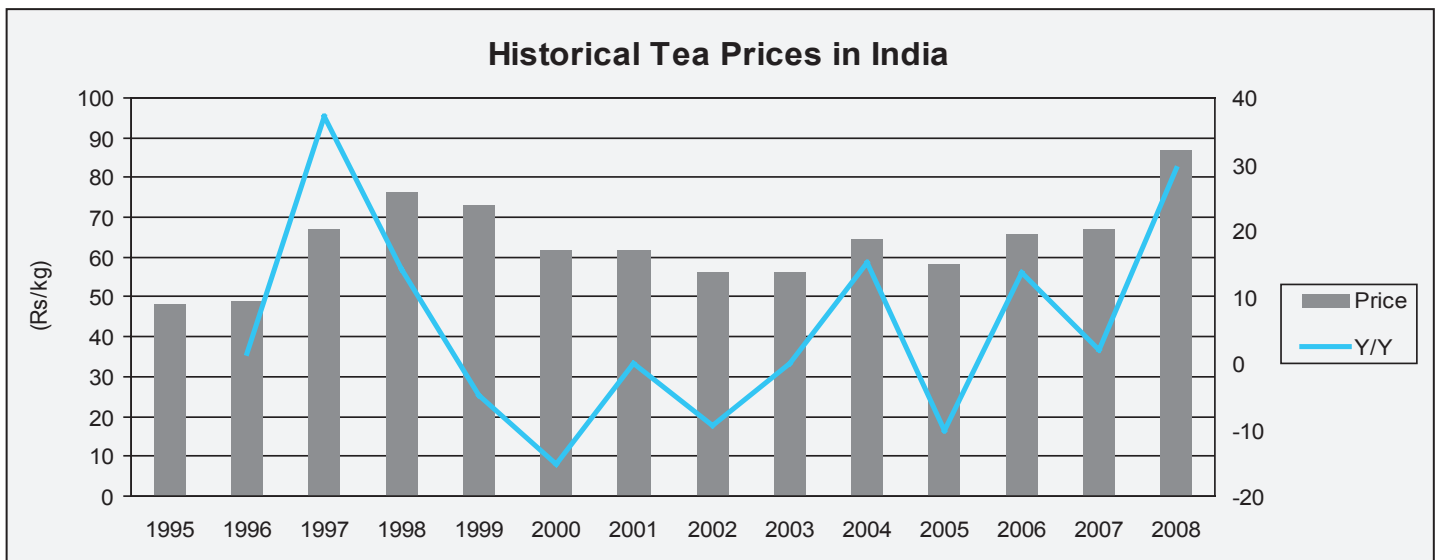
Along with being a pre-eminent producer, India is also one of the largest consumers of tea globally with total demand estimated at over 800 million kg (MKg) as of 2008. Due to large domestic demand, India is left with much lower exportable surplus. This however was not the case always. There has been a dramatic tilt in tea disposal in favour of domestic market since fifties. While at the time of

Independence only 79 MKg or about 31% of total production of 255 MKg of tea was retained for internal consumption, in 2008 as much as 802 MKg or about 82% of total production of 981 MKg of tea went for domestic consumption. Such a massive increase in domestic consumption has been due to increase in population, greater urbanisation, increase in income and standard of living etc.

Historically, India had been the main supplier of tea to the world. However, the situation changed dramatically during last couple of decades. India's international competitiveness in tea exports had been on the decline for most part of this period. From being a pre-eminent supplier of the world's tea, India started to lose ground in virtually every export market.

The decade of Nineties was quite depressing for the Indian tea industry. First, it was the disintegration of the former USSR which was quite a loyal market for the Indian teas. The USSR used to import huge volumes. However, after disintegration of the super power, things changed dramatically. In the mid 90s, when the market revived, the Russians were looking for cheaper teas. The South Indian tea industry, in order to meet the Russian demand at their prices, deeply destroyed its image. While matching the prices offered by the Russians, it totally disregarded the quality. Slowly and steadily, India lost the ground to Kenya and Sri Lanka.

As a result, the industry remained in doldrums for most part of the current decade as well. Tea prices, after reaching a peak in 1998, went again into a steady decline, with average domestic auction prices going down from around Rs. 76.43 per kg in 1998 to a low of around Rs. 58.05 per kg in 2005. Further, even though global prices were also declining since 1999, driven primarily by oversupply, the dip was much sharper in Indian case. A number of factors contributed to such a state of affair including lack of marketing initiative by the Indian players to diversify the export markets; decline in average quality



due to proliferation of small players and a failure to check shipments of low quality tea by short term players.

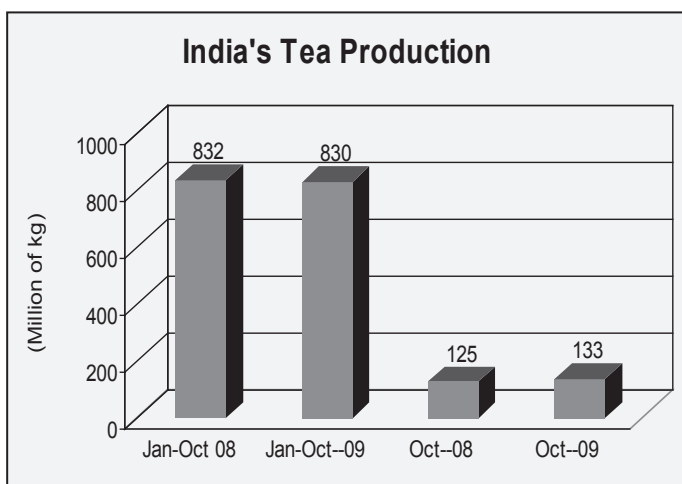
However, the industry has been putting a classic case of revival during the last couple of year with rising production and firming prices. Destiny for the tea growers started turning around since 2006 when prices rose sharply on account of decline in global production. The trend was maintained more or less in 2007 as well and with low carry-forward stocks at the end of every year since 2006, steadily increasing domestic demand, and shortfall in global production, prices firmed-up sharply in 2008.

Average domestic prices during 2008 were up by around 28% over the previous year. This laid the ground for a strong revival in the sector. In the current fiscal, the shortage of carry-forward stocks, increase in consumption and shortfall in production, both in India as well as globally, have resulted in tea prices strengthening further. Also, with nearly 65% of the total costs being of fixed nature, the increase in prices has led to substantial improvements in the profitability of tea companies.

Current Scenario

Tea industry continues to remain in the bullish mood owing to a producer friendly supply-demand equation. Throughout the 2009 so far, when most other industries suffered the wrath of global slowdown, tea has continued to remain strong. After softening a bit in the July September period, tea prices have continued to firm up again from October.

The domestic market is getting a boost from global scenario which remains tight owing to simultaneous droughts in India, Sri Lanka and Kenya bringing in forefront the decline in carryover stock and apprehensions of shortage. Tea stocks are already depleted worldwide while demand continues to remain strong and as a result prices are expected to remain strong, at least in the near term.



Domestic production revives in October

Poor monsoon, which has impacted a number of agri-commodities this season, has cast its shadow on tea as well, hitting the production in most regions. However some post-monsoon rains have helped revive the crops in

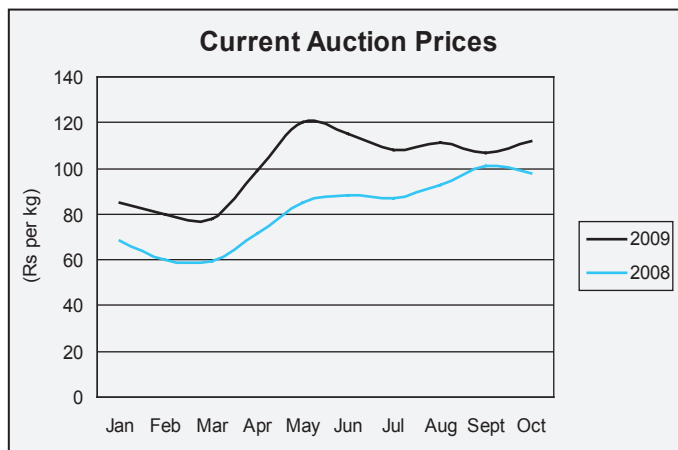
some of the key growing areas. As a result, tea production registered a growth of 6.2% in the month of October after going down in the previous months. According to the data released by the Tea Board of India, total production in October was 133.6 MKg, compared with 125.8 MKg in the same month last year.

Cumulative production however continues to remain in negative, albeit marginally, over the January-October period of the current year, primarily due to shortfall from the South Indian states. Output in the first 10 months of calendar year 2009 dropped to 830.4 MKg from 832.5 MKg a year earlier.

Also, different regions showed markedly divergent trends in terms of production with output in Assam rising sharply while that in West Bengal going down significantly. Tea board has cautioned that overall production over the current fiscal would be down by around 5% as some of the states hit by poor weather would see lower production in the last quarter.

Prices remain strong

During most of the current decade, Indian tea industry suffered from the globally depressed price on account of oversupply situation in international markets. However, the situation has reversed over last one year or so and prices continue to remain bullish presently.



Tea production in major suppliers like Sri Lanka and Kenya has suffered on account of poor weather conditions, resulting in tight global demand-supply conditions. Overall, tea production across the world has also gone down by 65.6 million kg during the first nine months of the year, registering a dip of 4.1%. As a result, tea prices in the international markets have surged, providing support to domestic prices as well.

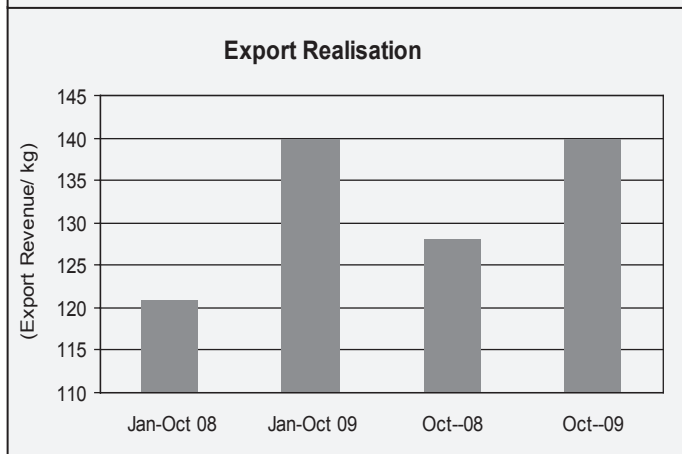
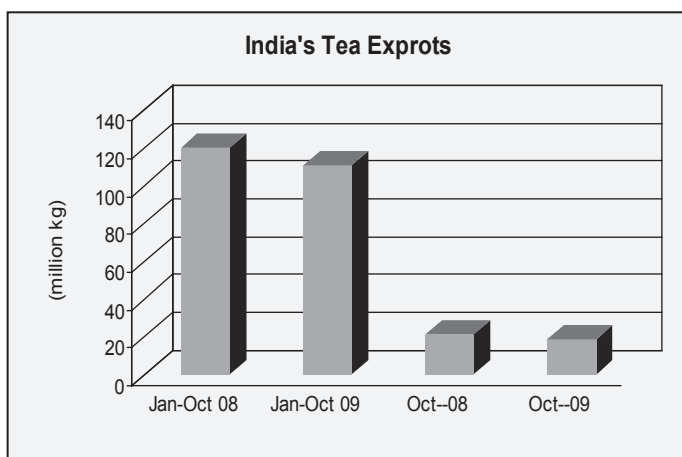
This has supported the farm operations and also resulted in strong per unit export realizations. The average monthly auction tea price ruled nearly 15% higher y-o-y at Rs 112/kg in October 2009 compared with Rs 97.8/Kg in the same month last year. Average auction price over first 10 months of the 2009 was up nearly 20% at Rs 101.45/kg against Rs 81.12/kg over the same period a year ago.

Prices had seen some drop over the July-September quarter. This however only reflected the seasonal trend as three-month period from July produces nearly 60% of the total crop. Prices have firmed again in October and in the near term, the supply-demand scenario will keep prices bullish.

Export decline but earnings remain robust

While total exports from India have been volatile this season primarily reflecting uncertain domestic production scenario, export earnings of the tea industry have remained robust despite the economic slowdown, owing to strong international prices.

Tea export stood at 18.7 million kg in October from 21 million kg a year before, registering a decline of about 12%. Cumulative exports over the Jan-Oct period of 2009 stood at 111.2 MKg, down nearly 9% compared with 120.5 MKg a year earlier.



Nonetheless, total export realisations were higher despite drop in volume in wake of better per unit prices. In terms of value, the country exported tea worth close to Rs 1555.96 crore till October, compared with Rs 1457.21 crore in the year-ago period. Average realisation per kg was Rs 139.5 compared with Rs 121.13 a year ago.

Global scenario remains favourable

Domestic tea market has been taking the boost from a tight supply scenario in the global tea market. Tea

production across the world has also gone down by 65.6 MKg during the first nine months of the year, registering a dip of 4.1%. Production in Kenya and Sri Lanka, the two main competitors of Indian tea in the international market, has witnessed a drop of 11.5% and 14.5%, respectively. Production in Zimbabwe too has come down by 8.2% during the period. As a result, global prices have remained buoyant, helping the Indian tea exporters to firm up gains despite a decline in volume of shipments.

Outlook

Tea has been one of the strongest performing commodities in 2009, even in the initial months when most other commodities were witnessing sharp plunge owing to global economic downturn. Demand for tea remained strong despite crisis while supply has been tight due to weather related troubles.

Domestic tea industry is likely to continue witnessing strong prices in 2010 as well, even as global prices may stabilise. Tea prices have seen a sharp run up in the current year riding on strong demand-supply scenario. 2009 was a year in which a number of major tea producers including India, Kenya and Sri Lanka faced weather related problems leading to decline in production and increase in demand-supply gap. Tea production across the world has also gone down by 4.1% as a result.

However, supply is likely to ease in the next year with weather expected to remain normal. As a result, prices are likely to stabilise or even soften a bit internationally, particularly if there is over reaction by producers to gain from higher prices, resulting in greater area under cultivation.

Despite apparent strong demand scenario even at the beginning of 2009, supply response to high tea prices has been delayed because of poor weather and the fact that it requires long-term investment decisions. It takes at least three years before a tea bush can be harvested. However, two consecutive years of strong prices may push up producer sentiment, resulting in medium term downside for the industry.

However, Indian prices are likely to stay firm riding on low carryover stock and strong demand. In fact, carryover stock has been declining since 2008 itself and the shortage has been further exaggerated in 2009 leading to a composite decline of around 60 million kg by end of 2009. While production in 2010 is expected to remain strong, carryover shortage is unlikely to be covered up substantially, particularly in first half of year.

Overall therefore, we expect the tea industry to continue in the bullish mode for another couple of quarters. Beyond that, the global developments, including the supply response in countries like Sri Lanka and Kenya to the high prices prevailing presently, will determine the industry fundamentals.

Indian economy is presently on a fast growth trajectory with the pace of expansion being the second fastest in the world. Deregulation of the economy beginning in early 1990s and sectoral reforms have been the chief contributors to the Indian success story which helped the country put behind the 'hindu rate of growth' and move on to challenge the 'Asian Tigers' and its neighbouring giant.

Among the many ground breaking changes that Indian economy has seen through the reform process, tax reforms have been a key to improve efficiency of business. The process of tax reform is still going on and after achieving the surmounting task of moving from sales tax system for taxation of goods at state level to more modern system of value added tax at the state level, the country now is looking to culminate the reform process by enacting a single unified 'goods and services tax'. The purpose of present write-up is to see what the new indirect taxation regime is and how the economy will respond to the most ambitious taxation reform in history of independent India.

Present Indirect Taxation System in India

The consumption tax system prevalent currently in India is complicated and multi-layered with levies both at the centre and state levels. Taxes on manufacturing are levied by the central government through CENVAT while services are taxed through the Finance Act. Sale of goods too attracts Federal levy of Central Sales Tax. States levy tax on the sale of goods independently, under their own laws. Until introduction of Modvat (now CENVAT) Scheme in 1986 in Central Excise Duty, there was an origin based single point taxation system on manufacture of goods with some exceptions where set off schemes were used to reduce cascading. At the same time, variety of schemes were used at sub-national level like origin based single point system, multi point system with set off, last point (retail level) system and so on. There was however no standard method at state level. Even now, with introduction of State VAT, there is combination of origin based, for example Central Sales Tax, and destination based multi point system of taxation.

Goods and Services Tax

The Goods and Services Tax (GST) is a broad based, single, comprehensive tax levied on all the (taxable) goods and services consumed in an economy. It is inherently a credit based system with tax levied at every stage of the production-distribution chain and applicable set-offs in respect of the tax remitted at previous stages. In this way, the tax is, at the end, a final consumption tax. Thus, the GST can be applied on tax on goods and services, at each point of sale or provision of service, and, at the time of sale of

goods or consumption of the services, the seller or service provider may claim the input credit of tax which he has paid while purchasing the goods or procuring the service.

Proposed Structure

The Empowered Committee of State Finance Ministers at their meeting dated November 10, 2009 released a "First Discussion Paper on GST in India" summarizing some of the key features of the GST levy proposed in India. Though the features mentioned in the paper are tentative, we have tried to pull out a possible structure of the GST as it would be implemented.

The government is envisaging a 'Dual rate structure' for the GST consisting of 'Central GST', to be levied and administered by the Central Government, and a 'State GST' which would be levied and administered by the respective State Governments. Both taxes would simultaneously apply on any given transaction and principally on the same tax base, except the cases where exclusions apply due to turnover thresholds or the items which may be kept out of the GST purview, e.g. petroleum products. This dual structure will ensure a higher involvement from the states, and consequently their buy-in into the GST regime, thus facilitating smoother implementation.

The GST will subsume a number of indirect levies at both the central and state level including Central excise duty, Additional excise duty, value added tax and some surcharges and cesses. Since the design of GST has not been finalized yet, we have, in Table I, provided a tentative list of various State and Federal levies that GST proposes to overtake.

Further, The Centre will levy an IGST (rated at the combined Central GST plus State GST rates) on all inter-state transactions of goods and services. Appropriate provisions would be put in place for consignment or stock transfer of goods. However, while it is possible to characterize a transaction as an interstate supply in case of goods, based on established principles under current regulations, a mechanism to identify source/ destination of services will have to put in place to determine the jurisdiction where tax is payable on supply of services. Such a criteria will become particularly important in case a service provider is rendering services in different states under one contract.

In case of imports, basic customs duty is likely to continue. In addition, import of goods and services would attract both Central GST and State GST. CVD and other additional duties on imports however would be subsumed within GST. Further, Central as well as State GST paid on imports would be allowed as a credit for payment of output Central GST and State GST liability, respectively. Finally, the State GST will accrue to the State of consumption and

Table I: Levies expected be subsumed in the proposed GST¹

Central Taxes	State Taxes
Central excise duty	Value Added Tax/ Sales tax
Additional excise duty	Tax on lottery, betting and gambling
Service tax	Luxury tax
Excise duty under Medicinal & Toiletries Preparation Act	Entry tax (other than Octroi) ²
Countervailing duties (on imports in lieu of excise duty)	Entertainment tax (except when levied by local bodies)
Additional duty of Customs (levied on imports in lieu of VAT or CST)	Other State level surcharges and cesses which relate to supply of goods and services
Other Central Surcharges and Cesses	

¹ Status of some commodities e.g. natural gas is unclear yet as to whether these will be covered under the GST or will continue to be taxed under the current system.

² The status of octroi is not yet clear though states have been saying that the levy was essential to provide an independent revenue generation tool for district level administrations.

not necessarily to the State where goods are imported initially.

With regard to exports, the government has already cleared that the export of goods and services would continue to be zero-rated under the GST, i.e. there would no tax liability of exports. The input credit available against items of exports would be allowed to be used against other domestic liabilities or be refunded. Goods and services supplied Special Economic Zone ('SEZ') would also be zero rated.

The GST would have a total of four slabs. There would be one standard rate for majority of the goods and services and another moderate rate for essential goods. Further, there will also be a special rate for precious metals. Finally, there would be a zero slab for exempted items. The lists of items in all slabs are yet to be finalized.

The GST will also have some provisions for government to change the tax rates on a given commodity without the need to get an approval through the legislative process. This is because both the Centre as well as State governments are keen to keep some flexibility on the issue. However, such a liberty will not be unlimited. Given that the stability and uniformity of rates is the very basis of the concept of GST, there will be inbuilt checks and balances to ensure that government does not tinker with rates every now and then but rather the flexibility is used in exceptional cases only.

Advantages of GST

The proposed GST is being hailed as a revolutionary

change in India's indirect taxation regime which will go long way to improve the efficiency of producing goods and services in the countries. Let us have a look at what are the factors which will help the GST to improve the efficiency of Indian economy.

First, the current system of indirect taxes lacks a comprehensive base and therefore fails to tax all goods and services. This failure leads to distortions and a misallocation of resources from high-efficiency areas, which might be over taxed through cascading, to under-taxed areas which could be under taxed. GST, by making the tax base completely consumption base and bringing uniformity in the system, will maximize the tax base and also remove various distortions. This will improve the allocation of scarce resources in the most efficient avenues, thus increasing output as well as efficiency of the system.

Secondly, under the current system, capital goods face un-refunded taxes which are a major hurdle in investment, thus slowing down the pace of capital formation in the economy. GST will bring the much needed clarity on the taxation issues involved in capital formation. Further, the current income based tax gives credit for tax paid on current inputs and tax paid on capital goods to the extent attributable to depreciation of capital goods, in any given year, credit for tax on capital goods is therefore spread over the life of the capital good. On the other hand, a consumption based tax like GST goes a step further and in that only final consumption is treated as the final use

of a good; full credit, therefore, is given for taxes paid on capital goods as well, in the year of purchase. Thus, by virtually making the investment as tax-free, the GST will make a huge long-term difference to outcomes in terms of overall investment and capital accumulation in the economy.

Thirdly, in order to be comprehensive and non-distorting, indirect taxes should ideally be always levied at the destination point. At any given price level and exchange rate, violation of the destination principle puts local producers at an unwarranted disadvantage compared with outside producers. A destination-based GST will end these anomalies.

Finally, differences in the tax bases of different States and the Central government greatly increase the cost of doing business, and impose unnecessary paper work on economic agents and dead losses on the economy. India has historically failed in this department and the GST will go a long way towards reducing the current system's red tape, delay, hassles, corruption, leakages and waste.

There will be a number of sector specific benefits of the GST. We will discuss the two textbook cases where GST is expected to increase efficiency enormously.

Manufacturing

Manufacturing sector in India is one of the highly taxed sectors across the globe. Government's failure to increase tax base and historical bias resulting from socialist perception of manufacturing being a capitalist sector, the sector has always attached a harsh treatment as far as tax structure is concerned. While a lot of work has been done in the post-reform period to make tax structure more rational for the industry, weaknesses still exist as the changes have not been uniform and broad based. This renders India's manufactured products uncompetitive in the international market and erodes, to a large extent, India's cost arbitrage available in owing to low cost labour. This is one of the biggest reasons that India, while has excelled in exporting services, has lagged miles behind China in terms of manufacturing exports.

The situation however will turn decisively under the GST regime. Manufacturers would be entitled to input tax credit of all inputs and capital goods purchased from within the State as well as on inter-state transactions for setting off the output tax liability on the sale of their finished products. Similarly, distributors would also be able to pass on the duty burden to their customers. This would ensure that there is no cascading effect of taxes and would result in a reduction in the cost of doing business. It is estimated that

application of GST, owing to its inbuilt tax-credit system, will reduce the absolute level of taxation on various goods between 5-15%, depending on the nature of the product. While this will help producers push domestic demand by passing on the benefit of tax rationalisation to the customers, the move would also help India improve its international competitiveness in manufactured exports.

Logistics

The Indian logistics industry is suffering from fragmented ownership, unorganised structure and the poor state of physical and legislative infrastructure. Investment in infrastructure has remained low due to a penalising taxation structure which varies vastly from state to state. Focus on today's cost as against long-term trade-offs between price and efficiency, originating out of uncertain tax regime has had a devastating impact on logistic infrastructure in the country. However, if a country as vast as India is to continue growing at a pace of 9-10%, there is need for massive investment in logistic industry to help it improve on efficiency and delivery. The GST will be single most important step towards such a development and will enhance incentive for logistic development by creating a single national market, or at least the closest possible substitute.

The case of transportation and warehousing industries are typical examples of tax induced inefficiencies. In case of transportation, truckers have to pay multiple taxes at state entry points which vary according to nature of product being carried. Taxes have to be paid even when the goods being carried are not intended for a given state, which is acting only as a transition point. This lowers the overall efficiency of operations and also results in poor return on each truck. Such practices have also boosted the grey market in transportation sector where goods are carried on fake bills at the risk of transporter. The introduction of GST, by bringing uniformity in taxes and streamlining the movement of inter-state movement of goods and services, will result in revolutionary changes in the country's transportation industry.

Complicated and vastly differentiated state-level tax structures in the country have also caused substantial inefficiencies in the warehousing regime in India. In fact, the inventory management and distribution policies of companies have traditionally been based more on the basis of tax structure rather than operational efficiency. Manufacturers are forced to maintain warehouses in different states to save on the CST. Also, in past, many companies set up warehouses in areas which were less efficient from distribution aspect only because they

could save on tax. This however does bring down overall efficiency of an industry and economy as a whole.

FMCG companies in India have often operated a large number of warehouses, say between 25 to 50, even when these can serve the whole country by much lower number and at much lower cost, thus introducing inefficiencies of distribution. Large number of warehouses has resulted in the average size of a warehouse remaining much small in India. This results in increase in overheads and also renders automation of operations commercially unviable. By removing the complex tangle of state level taxation regime, GST will do away with the need of tax avoiding warehouses, thus bringing huge efficiency gains for the FMCG and other similar sectors.

Challenges Ahead

Union Finance Minister Pranab Mukherjee said in the Budget: 2009-10 that the GST would be implemented from April 1, 2010. However there are a number of challenges that the new indirect taxation regime faces and it is unlikely that it would be implemented by the present deadline. A delay of either couple of quarters, or, more likely, one year is expected. Nonetheless, the finance ministry has on record insisted so far that GST will be implemented beginning next fiscal. It will be apt here to see the difficulties which may delay the launch of GST.

Constitutional requirements

The federal character of the Indian Constitution has ensured that the other than getting the share in central government's tax collections, the states governments have a high degree of autonomy as to raise their own revenues, and accordingly the Constitution provided powers to the Union and the States to levy and collect taxes as per Union, State and Concurrent Lists. As per the current provision in the constitution, the states cannot tax services while the Union government can also not tax goods beyond the factory gate. Taxation powers of both the Union government and States will have to be raised to bring them in line with the GST. Therefore, in order to enable the Centre and the State governments to levy GST, the Constitution of India requires amendment to provide for powers to levy and collect GST both by the Union and the States, with annulment of existing powers under Union and State Lists.

Despite the government looking to expedite the process of implementing GST, the States and Centre have not been able to achieve a consensus on the proposed draft of amendments so far. With the Parliamentary calendar giving little time in the Budget session, it would be a difficult race against time for the government to get the necessary amendments through the legislation.

Technical issues

A number of State governments, including those of Madhya Pradesh, Chhattisgarh and Tamil Nadu, are understood to have appealed to the Centre that the information technology systems and the administrative infrastructure that would be required to implement the GST would not be ready by April 2010. The states have therefore urged the Union Government to delay the GST implementation by at least a year. Union government on the other hand is keeping all options open, including a partial roll-out of the GST with the states which are technically ready for implementing the new indirect taxation regime from April 1, 2010 while remaining states following the suit later, as was done in case of VAT. However, such a step would be more difficult in case of GST owing to much greater level of proposed integration of inter-state taxation regimes. Overall therefore, it is quite likely that the implementation of the GST is delayed by a year or so.

Conclusion

The GST that government is planning to implement will culminate the indirect tax reforms that were initiated in early 1990s. By constructing a single national market, the much awaited reform will go long way in promoting the efficiency of economic agents and help sustaining a high growth trajectory for the economy.

The dual rate GST will prove to be a point of inflexion for Indian economy as it will pave the way for final transformation of India's taxation regime from an origin based to a destination based one. It will remove the cascading effect of taxes by moving on to a common tax base and subsuming of various Central and State level levies into a composite tax with dual rates. In other words, GST would foster a single market by subsuming various Central and State level taxes into the Central GST and the State GST respectively. With a common tax base, common tax rates and uniform policies across various States, the new taxation would lead to vast efficiency gains in industries like logistics and warehousing.

Further, the dual GST will apply uniformly on all supplies of goods and services throughout the Supply chain, thus, increasing the tax base, and allowing the government to soften tax rate without losing its revenue. This will further help boost domestic demand and also raise competitiveness of Indian goods at global level. Overall, there are a number of positive aspects of the GST implementation, both for the economy as whole as well as individual industries and the new indirect taxation regime will go a long way in helping the Indian economy move back to the high growth trajectory witnessed in pre-crisis period.

Tata Tea - Buy

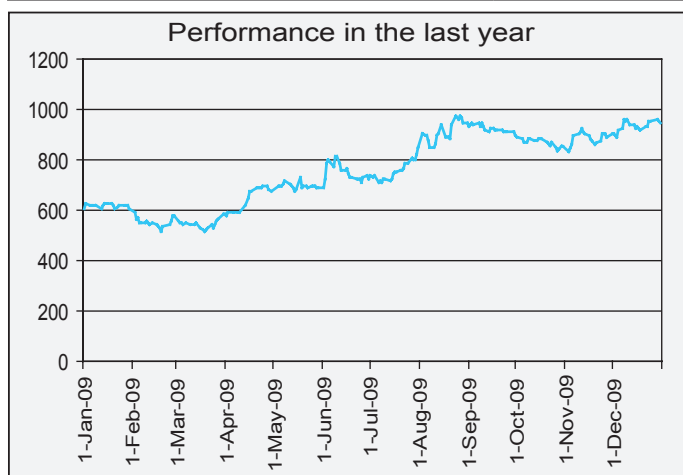
Tata Tea was incorporated in 1964 as a joint venture with UK-based James Finlay and Company to develop value-added tea. The Tata Tea brand leads market share in terms of value and volume in India and the Tata Tea brand is accorded "Super Brand" recognition in the country. Tata Tea's distribution network in the country with 38 C&F agents and 2500 stockists caters to over 1.7 million retail outlets

Today the company with UK-based Tetley Group, represent the world's second largest global branded tea operation with product and brand presence in 40 countries. The Tetley Group has been a member of the Tata Group since

Stock Data (as on 31/12/09)	
Current Mkt Price (Rs.)	943.00
52 week High (Rs.)	1016.55
52 week low (Rs.)	513.00
Mkt Cap (Rs. Cr.)	5829.03
Return in last one Month (%)	-5.89

Share Holding Pattern(as on Sept 30,09)		%
Total Promoter		35.25
Institutions		42.87
Non Institutions		21.85
Depository Receipt		0.03

Key Ratios	
P/E	15.42
Price/Book(x)	2.82
Dividend Yield (%)	1.85
ROCE(%)	12.31
ROE(%)	9.00



March 2000 and now contributes around two thirds of the total turnover of Tata Tea Ltd

Management

The management of the company is lead by Ratan N Tata-Chairman, R K Krishna Kumar - Vice Chairman, while other directors are D B Engineer, U M Rao, A R Gandhi, M Srinivasan, A Singh, J S Bilimoria, P D Leeladhar, Y H Malegam and F K Kavarana.

Business Overview

The company has five major brands in the Indian market - Tata Tea, Tetley, Kanan Devan, Chakra Gold and Gemini -- catering to all major consumer segments for tea. The company is present in Bulk tea segment with all grades of CTC Teas, Orthodox Teas and Organic Teas. Its Instant Tea Division caters to customer specific product and is used for light density 100% Teas, Iced Tea Mixes and in the preparation of Ready to Drink (RTD) beverages.

The consolidated worldwide branded tea business of the Tata Tea Group contributes to around 86 per cent of its consolidated turnover with the remaining 14 per cent coming from Bulk Tea, Coffee, and Investment Income. The Company is headquartered in Kolkata and owns 27 tea estates in the states of Assam and West Bengal in eastern India, and Kerala in the south.

The Tetley Group which is the member of the Tata Group since March 2000 contributes around two thirds of the total turnover of Tata Tea; it is the no.1 tea bag brand in Great Britain and Canada and has significant market shares in the United States, Australia, Poland and France. Beyond these markets Tetley is steadily growing its presence in Eastern Europe, Russia, through to Bangladesh and Pakistan, and recently launched in South Africa.

Tata Tea has a substantial interest in the Sri Lankan tea industry through Watawala Plantations Limited, Sri Lanka, where it focuses on production and marketing of Tea, Rubber and Palm Oil.

Latest result analysis

- The company has reported a growth of Rs.31.46% in its sales for the quarter ended September 2009 to Rs 426.36 from the corresponding previous quarter of Rs 324.32.
- The profit before tax surged by 146.44% to s 299.59 crore compared to Rs 60.59 crore.
- The profit after tax of the company reported a huge growth of 489.27% to Rs 258.04 from Rs 43.79 crore.
- The other income of the company reported a decline of 22.41% to Rs36.01 crore from Rs 46.41 crore.
- Group operating income for the quarter up 18% at Rs 1403 crore.
- Group PBT before exceptional items for the quarter up 21% at Rs 162 crore.
- Group PBT for the quarter is up by 15% at Rs 381 crore.

(Rs. Cr.)

Particulars	Sept. Qtr-09	Sept. Qtr-08	Growth %	FY09	FY08	Growth%
Net Sales	426.36	324.32	31.46	1379.25	115.43	19.58
Total Income	462.37	370.73	24.72	1524.64	1263.29	20.69
Other Income	36.01	46.41	-22.41	145.39	109.86	32.34
PBT	299.59	60.65	393.97	229.06	385.86	-40.64
PAT	258.04	43.79	489.27	159.06	312.86	-49.16
EPS (Dil)	41.73	7.08	-	27.72	50.79	-

Standalone

Industry Scenario

The tea industry in India is about 172 years old. It occupies an important place and plays a very useful part in the national economy. Robert Bruce in 1823 discovered tea plants growing wild in upper Brahmaputra Valley. In 1838 the first Indian tea from Assam was sent to United Kingdom for public sale. Thereafter, it was extended to other parts of the country between 50's and 60's of the last century. However, owing to certain specific soil and climatic requirements its cultivation was confined to only certain parts of the country.

There has been a dramatic tilt in tea disposal in favour of domestic market since fifties. While at the time of Independence only 79 M.Kgs or about 31% of total production of 255 M.Kgs of tea was retained for internal consumption, in 2008 as much as 802 M.Kgs or about 82% of total production of 981 M. Kgs of tea went for domestic consumption. Such a massive increase in domestic consumption has been due to increase in population, greater urbanisation, increase in income and standard of living etc.

The major competitive countries in tea in the world are Sri Lanka, Kenya, China and Indonesia. China is the major producer of green tea while Sri Lanka and Indonesia are producing mainly orthodox varieties of tea. Kenya is basically a CTC tea producing country. While India is facing competition from Sri Lanka and Indonesia with regard to export of orthodox teas and from China with regard to green tea export, it is facing competition from Kenya and from other African countries in exporting CTC teas.

Domestic tea industry is likely to continue witnessing strong prices in 2010 as well, even as global prices may stabilise. Tea prices have seen a sharp run up in the current year riding on strong demand-supply scenario. 2009 was a year in which a number of major tea producers including India, Kenya and Sri Lanka faced weather related problems leading to decline in production and increase in demand-supply gap. Tea production across the world has also gone down by 4.1% as a result.

Latest developments

Tata Tea has just soft-launched a soft drink 'Tion' in Tamil Nadu to take on cola drinks and a national launch for the product is expected in a year.

The company has re-launched its flagship website www.Jaagore.com. The portal which was, for the last one year,

an online hot spot for aspiring voters to register and obtain all information related to 'Voter Registration', will now stand for social awakening in a broader sense. Jaago Re as a campaign has targeted the youth of the nation, urging them to take a stand on various issues such as voting and corruption and do their bit - thereby encouraging them to be the 'change they want to see'.

Investment Rationale

Over the past two years, Tata Tea has been pursuing several strategies including launching value packs to be able to compete with local brands across the country. The company re-priced some of its brands including Agni, its bestselling brand which caters to the mass segment and has gained accordingly. The company has segmented its brand portfolio into those that have global consumer appeal and those that are more aligned to regional taste.

The company has acquired a Russian company, Grand, which predominantly operates at the low end of the beverages value chain. It holds 51% in the entity. Grand reported \$90 mn sales in FY2009 with minimal profits and its operations are already cash break-even, it resulted in acquiring effective route to market in a key geography

Tata Tea is expanding into the Middle East and has recently tied up with a distributor in Saudi Arabia. The management believes a strong presence in Middle East is imperative to compete effectively with Unilever at a global level.

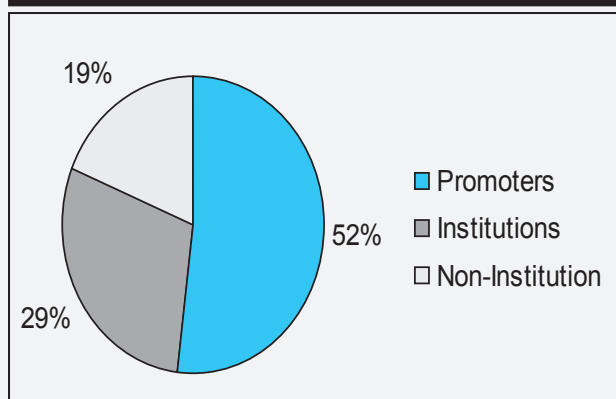
On the domestic front, Tata Tea is now the market leader in the Rs 7,000-crore branded tea market, having overtaken peer Hindustan Unilever (HUL) which has a value share of 21.3%

Tea exporting countries continue to see a fall in production, that's why there has been a good demand for Indian tea from major importing countries such as Britain, Pakistan and Egypt and Tata Tea can well capitalize on it.

The company's bullishness towards the market can be gauged by the fact that it has spent close to Rs 450 crore for the first half ended September 2009, higher than the Rs 417 crore that it spent in the corresponding period of 2008.

At CMP of Rs 943, the stock is trading at an EV/EBITDA of 21.08x and a P/E multiple of 15.40, keeping in view the company's recent organic foray and demand increase of tea, we would recommend in Buy in the stock with a target of Rs 1100.

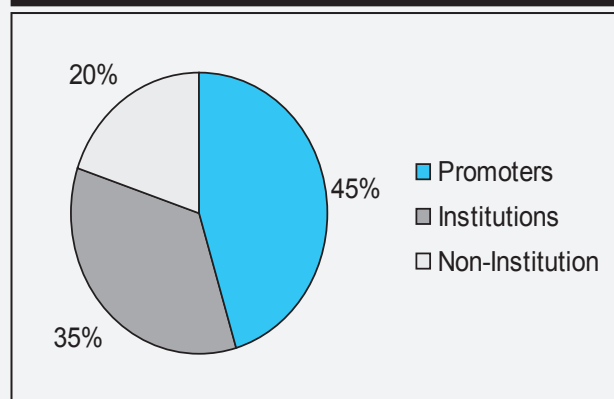
Hindustan Unilever (HUL): Buy



- ◆ Hindustan Unilever (HUL) reported net sales of Rs 4,228 crore for the September 2009 quarter as compared to Rs 4,028 crore during the year-ago period, up 5%. The net profit of the company declined by 21.6% to Rs 428.53 crore during the quarter from Rs 546.61 crore in the year ago period. Its total income rose 3.8% during the quarter to Rs 4316.51 crore from Rs 4158.30 crore for the September 2008 quarter.
- ◆ EBITDA during the quarter grew by 16.6% to Rs 652 crore from Rs 559 crore on year-on-year (YoY) basis. Its PBIT margin improved by 140 basis points (bps) in September 2009 quarter compared to same period last fiscal.
- ◆ During the second quarter, domestic consumer sales including water grew 8%. FMCG sales grew by 7%, driven by strong growth in personal products and foods. Soaps & detergents grew modestly due to significant down trading in Detergents. Personal Products grew strongly at 13%.
- ◆ Foods business grew at 13% driven by tea, coffee and ice cream. Beverages was up 18% with all brands in tea growing well- Lipton Green Tea was introduced, Tea Bags were re-launched in the quarter; Instant Coffee growth was driven by low unit packs. In processed foods, investment in market and category development continued, with successful re-launch of Knorr soups. Ice-Cream continued its volume led growth.
- ◆ The market share of the company in the key categories, such as washing powder, soaps and skin care businesses improved by 48 basis points, 17 basis points and 51 basis points, respectively in October 2009 compared to the September quarter.
- ◆ The board of the company declared an interim dividend of Rs 3 per share for the accounting year ending March 31, 2010.

Last Traded Price (as on 31/12/09)	Rs 265.00
Price target	Rs 292
Market cap. (Rs cr.)	57,739
52 Week H/L	306/ 210.70
Free Float	47.96%
BSE code	500696

Mcleod Russel India: Buy



- ◆ Mcleod Russel India clocked 57.88% growth in its second quarter net profit which stood at Rs 192.19 crore as compared to Rs 121.73 crore in the same quarter last fiscal. Its total income during the quarter increased by 24.25% to Rs 354.36 crore from last year's Rs 285.21 crore.
- ◆ PBDT of the company surged by 54.47% during the quarter to Rs 199.21 crore from Rs 128.96 crore in the September 2008 quarter. The operating profit margin of the company improved by 634 basis points (bps) during the quarter to 59.94% while its net profit margin increased to 54.70% from the last year's 42.68%.
- ◆ Its cash EPS increased to Rs 18.20 from Rs 11.75 in the year ago period.
- ◆ Recently, Borelli Tea Holdings, a wholly-owned subsidiary of the company, acquired entire stake in Uganda-based Rwenzori Tea Investments. The company signed a Share Purchase Agreement (SPA) with UK-based companies -- James Finlay and James Finlay International Holdings -- for the same.
- ◆ The provisional consideration for this acquisition, which is scheduled to be concluded on January 15, 2010, is \$25 million and Borelli Tea Holdings will make a further payment of \$5 million for debt repayment of Rwenzori Tea Investments.

Last Traded Price (as on 31/12/09)	Rs 262.00
Price target	Rs 290
Market cap. (Rs cr.)	2,863.91
52 Week H/L	287/ 42.05
Free Float	54.64%
BSE code	532654

NHPC inks pact with Bhutan government

Government-owned hydropower company, NHPC has inked an agreement with Royal Government of Bhutan for preparation of Detailed Project Reports (DPRs) for 670 MW Chamkharchhu-I and 1800 MW Kuri-Gongri Hydroelectric Projects in Bhutan. The costs of the DPRs for Chamkharchhu-I and Kuri-Gongri Hydroelectric Projects will be Rs 22 crore and Rs 27 crore, respectively.

L&T secure orders worth Rs 581 crore from Powergen Infrastructure and BWSSB

Larsen & Toubro (L&T), an engineering and construction major has secured orders in coal handling & water business worth Rs 581 crore from Powergen Infrastructure and Bangalore Water Supply & Sewerage Board (BWSSB) during the third quarter of 2009-10. The order includes an EPC order for the material handling business valued at Rs 392 crore and another order from water business valued at Rs 189 crore respectively. These projects will be executed by the metallurgical, material handling & water operating company of L&T's construction division.

HCC bags contract worth Rs 374.66 crore from ISPRL

Leading infrastructure construction and Development Company, Hindustan Construction Company (HCC) has received a prestigious contract worth Rs 374.66 crore from Indian Strategic Petroleum Reserves (ISPRL), New Delhi. The company has bagged the order for construction of civil works for an underground rock caverns for Strategic Storage of Crude Oil Project at Padur in Karnataka. The project will be completed in 3 years.

Tata communications to build optic cable connecting India and China

Tata Communications is going to build a fibre optic cable in collaboration with China Telecom to provide a new high-speed connectivity path between the two countries. The new 500-km long route is a 12-month long project and is likely to come up soon. The new route will be providing requisite diversity from the subsea cable systems and avoid difficulties of Malacca and earthquake prone zones around Taiwan.

ONGC discovers new gas field in Tripura

Public sector exploration major, Oil and Natural Gas Corporation (ONGC) has found a gas field in the northeastern state of Tripura. The new gas pool was discovered at Sundalbari in southern Tripura. As per the company officials, it is expected that this new finding of gas would open up new opportunity for exploration of Stratigraphic Traps in Tripura. This discovery of new hydrocarbon would help in meeting additional gas requirements for the commissioning of the 740 MW capacity mega power project in south Tripura's Palatana. The Palatana power project will commence production by 2012.

Max India to sell its 9.4% stake to Goldman Sachs

Max India will sell its 9.4% stake to Goldman Sachs Capital Partners for an aggregate consideration of a rupee equivalent of approximately \$ 115 million, on preferential basis. Max India will issue Fully and Compulsorily Convertible Debentures (FCDs) of the face value of Rs 867 each to Goldman Sachs Capital Partners through its wholly owned subsidiary Xenok and their affiliates, the 'Investors'.

RPower starts power generation from first unit of Rosa plant

Reliance Power has commissioned the first 300 megawatt (MW) unit of its Rosa power plant, Uttar Pradesh (UP) on Monday. The second unit of the 1200 MW project is likely to be commissioned in the next month. The Rs 6,000 crore Rosa power project will be fully commissioned by March 2012. This project is expected to make an annual contribution of 9,000 million units to UP and it will provide electricity to about four million homes in the state while lowering the load-shedding problem by at least 25%, as indicated by J P Chalasani chief executive officer of Reliance Power.

Reliance completes assessment of KG D6 facilities

Reliance Industries (RIL) announced that it has successfully completed an assessment of the design capacity of the KG D6 deepwater gas production facilities on December 23, 2009. A flow rate of 80 million standard cubic meters was achieved through the KG-D6 facilities and delivered to Reliance Gas Transportation Infrastructure (RGTL).

Infosys gets Karnataka's power distribution project worth Rs 387 crore

Infosys Technologies, India's second largest software exporter has been awarded Rs 387 crore IT project for Karnataka's power distribution utilities. The project would cover the entire state of Karnataka. The company has been issued the letter of intent and the project has a time frame of 36 months for implementation. The project is part of a central government-funded program to use information technology to cap electricity losses in the country.

Shriram Transport acquires GE Transportation Financial Services

India's largest player in commercial vehicle finance, Shriram Transport Finance Company (STFC) has acquired assets of GE Transportation Financial Services for Rs 1,200 crore. If some media reports are to be believed GE Transportation Financial Services, belonging to General Electric (GE), was on the block for almost a year now. This transaction includes only the transportation business of GE while the consumer financing arm -- GE Money -- is still on the block. This acquisition will help STFC to

expand its customer base.

Adhunik Metaliks inks pact with IDFC fund

Adhunik Metaliks, the flagship company of the Kolkata-based Adhunik Group of Industries, has entered into a definitive agreement with India Infrastructure Fund (IIF), managed by IDFC Project Equity Company. As per the terms of agreement, IIF will invest Rs 250 crore in Adhunik's power subsidiary -- Adhunik Power & Natural Resources (APNRL) -- to part finance the equity portion of its ongoing 540 megawatt (MW) coal based merchant power project at Jamshedpur, Jharkhand. The debt-equity ratio for this Rs 2,650 crore project is 3:1 and the debt requirement of Rs 1,987 crore has already been tied up.

RIL claims third successive gas discovery in KG basin

Reliance Industries (RIL) has announced its third successive gas discovery in KG-DWN-2003/1, Krishna Basin, about 45 km off the coast in the Bay of Bengal. The block covers an area of 3288 square km. The company holds 90% of the participating interest in the block while the rest of the 10% is being held by Hardy Exploration and Production India Inc. The well KGV- D3- R1, the third in this block was drilled at a water depth of 1982 meters and to a total measured depth of 4113 meters. The objective was to explore the Miocene deep water lobe & on lapping wedges play fairway. The potential of these were evaluated through a wire- line based technology called Reservoir Characterization Imager (RCI).

Indiabulls Financial call off its life insurance JV with Sogecap

Indiabulls Financial Services, an integrated financial services powerhouse has called off its life insurance joint venture with Sogecap, the life insurance subsidiary of Societe Generale of France. Both companies had entered into a joint venture agreement in April, 2008.

Suzlon lowers its gross debt burden by \$350 million

Leading wind turbine maker of the country, Suzlon Energy has announced that it has repaid \$780 million worth of acquisition loans through the proceeds of a partial stake sale in Hansen Transmissions International NV and a new five-year dollar-denominated loan of \$465 million from State Bank of India (SBI).

Suven gets two product patents from Canada

Suven Life Sciences has got two product patents from the Canadian Intellectual Property Office corresponding to two new chemical entities (NCEs) for the treatment of disorders associated with neuro-degenerative diseases and these patents are valid until 2022. These are the first patents from Canadian Intellectual Property Office to Suven for their NCEs and are exclusive intellectual

property of the company, achieved through the internal discovery research efforts. The patents include the class of selective 5-HT compounds discovered by Suven.

Suzlon Energy bags biggest order of 35.1 MW wind turbines from RSMML

Suzlon Energy, the world's third largest wind turbine maker has bagged 7th order from Rajasthan State Mines & Minerals (RSMML) for 31.5 MW of capacity. The order comprises of 15 units of Suzlon's S88 2.1 MW wind turbines to be installed at the Tejuva site in Jaisalmer district of Rajasthan. Suzlon has more than 500 MW of wind turbines capacity already operational for different customers in Rajasthan. This 31.5 MW order is the biggest order for S88 - 2.1 MW turbines for installation in Rajasthan and the project once complete is estimated to generate enough electricity to power over 6,000 households.

Gulf Oil concludes sale deal of its 100% subsidiary to Biocon

Gulf Oil Corporation's 100% subsidiary - IDL Speciality Chemicals (IDLSC) - has finalised disposal of its Active Pharma Ingredients (API) undertaking located near Hyderabad to Biocon. IDLSC and Biocon had entered into a definitive agreement on October 1, 2009 for the sale of API undertaking to the latter.

Aurobindo Pharma gets USFDA nod for Cetirizine Hydrochloride Syrup

Aurobindo Pharma, manufacturer of generic pharmaceuticals and active pharmaceutical ingredients, has received final approval for Cetirizine Hydrochloride Syrup 1mg/ml from US Food & Drug Administration (USFDA). This approval of Cetirizine Hydrochloride Syrup is under prescription drug product category. Cetirizine Hydrochloride Syrup is the generic equivalent of McNeil Consumer Healthcare Zyrtec Syrup 1mg/ml. It is indicated for the relief of symptoms associated with seasonal allergic rhinitis in adults and children above 2 years of age and fall under the anti-allergic segment.

Ranbaxy dissolves JV with Nihon Chemiphar

Ranbaxy Laboratories and Nippon Chemiphar (NC) have announced dissolution of their joint venture Nippon Pharmaceutical Industry Company (NPI) in Japan. The two companies have also entered into an agreement allowing Nippon Chemiphar to acquire entire shareholding of the joint venture. Both companies held equal shares in the JV. Following the transaction, NPI will become a wholly owned subsidiary of Nippon Chemiphar. In recent years, companies had discussed the evolving generic market scenario and the merging opportunities in Japan, It was amicably concluded, that it would be in the best interest of both companies to develop their generic businesses independently, for optimal value.

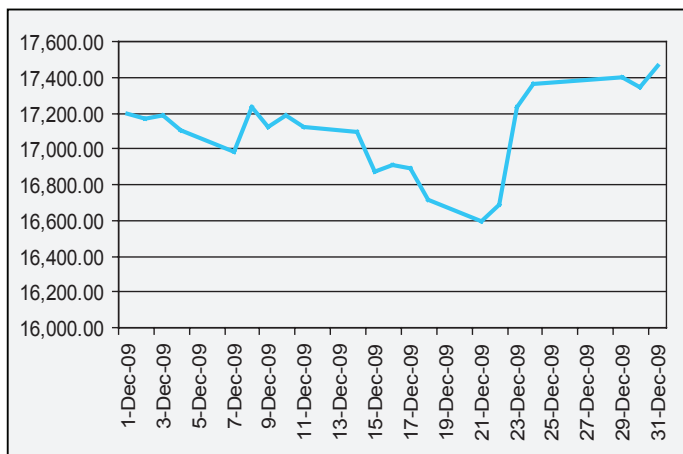
Markets for the month of December

The passing month of December marked the closing of the year 2009 and the closing of the decade. It was an eventful year for the markets as the indices were able to garner most of their loss occurred due to the financial depression. Gloom enveloped investors as the year began with the credit crisis threatening to cause long-term damage to the economy and the market, but the all-round effort of the governments worldwide led to the early recovery and taking the people out of the deep anguish and fear of prolonged weakness in the global economy.

The domestic markets that snapped the year with staggering gains made a good start of the last month of the year after the fear of Dubai crisis receded prompted by the positive global cues and buoyant mood among investors. The Reserve Bank of India (RBI), the Indian banking regulator said that the financial crisis in Dubai was a localised problem and would not have any serious implications for the Indian economy. But it may have some impact on remittances and would affect those parts of the country that receive large inflows from the Gulf nation.

The markets since beginning were apprehensive about the interest rate hike by the RBI due to rising inflation, which surged to an all time high of more than 20% during the month, all the rate sensitive sectors remained in somber mood till the Finance Minister stated that the government is in no hurry to scrap all the stimulus measures imposed as recessionary measure.

BSE Sensex movement for the month of December



Though, there were some policy tightening by the RBI as in a move aimed at containing the surging capital inflows into the country, it tightened the guidelines for external commercial borrowings by withdrawing relaxations provided to companies to raise money from overseas debt markets. The apex bank had relaxed the norms last year when the global financial system faced acute crunch and the world economy started slowing sharply. The Indian monetary authority reintroduced the ceiling on interest

rates that Indian companies pay for external commercial borrowing. Indian companies can now raise debt for three to five years by paying up to 300 basis points above the London Inter-bank Offered Rate (Libor). For loans of over five years, maximum premium allowed over Libor would be 500 basis points.

BSE Sensex Monthly Gainers			
	Prev Price (Nov 30'09)	Last Price (Dec 30'09)	Change (%)
Tata Motors	660.90	792.60	19.93
Hindalco	138.05	160.75	16.44
NTPC	209.75	235.70	12.37
Bharti Airtel	299.70	328.80	9.71
Reliance Infra	1048.30	1146.90	9.41

- Tata Motors was the top gainer of the BSE Sensex, it scaled to its fresh 52 week high during the month on the report that the company has begun trial production of the first batch of the Nano at its mother plant at the Sanand facility. The world's cheapest model's commercial production would begin in March next year and will have test production of about 50 cars per day from January. The company has confirmed that Nano models that have been booked will be delivered at the current prices, even if the input costs go up.
- NTPC was another top gainer of the month; the buzz of government putting the disinvestment of the power PSU on fast track led an instant surge in the stock. The follow-on public offering (FPO) of state-run power giant NTPC is likely to be the first public issue that would use the auction route through capital markets. It will also have the distinction of being the third fast-track issue in the history of the capital markets in India after SBI and Hindalco. Another buzz that lifted the stock to its fresh 52 week high was government's plan to allow state-run power utility to sell around a tenth of its capacity at market-determined prices, which could boost its profit by up to 40 percent.

BSE Sensex Monthly Losers			
	Prev Price (Nov 30'09)	Last Price (Dec 30'09)	Change (%)
HUL	285.25	264.75	-7.19
HDFC Bank	1772.55	1700.40	-4.07
HDFC	2760.05	2677.85	-2.98
ITC	257.80	250.85	-2.70
JP Associates	150.43	146.90	-2.35

Inflation remained the talk of the month as it continued to rise further, there was speculation that the government and the banking regulator will take some hard steps and

all the rate sensitive sectors were under pressure due to it. India's headline inflation, as indicated by the wholesale price index (WPI) surged sharply in the month of November to 4.78% compared with 1.34% in the previous month, indicating a sharp increase in inflationary tendencies and increased pressure on the Reserve Bank of India (RBI) to act. Biggest push to the prices came from food commodity segment which increased 2.6% on monthly basis. However, sharp increase in food prices was while expected, the manufacturing inflation number at 1.2% on monthly basis is something that surprised the markets a bit.

Deputy Chairman of the Planning Commission, India's top economic strategy maker, said that food prices were likely to go down by January. Montek Singh Ahluwalia, while addressing a conference organised by the Confederation of Indian Industry (CII), added that that monetary policy was not a cure for food prices. Ahluwalia said that the sharp rise in food prices that had been witnessed over last few months was primarily being driven by speculative tendencies, probably due to the drought situation. Contending that the stock situation in the country was comfortable, he said the food prices should soften as the agriculture outlook improves going forward. Rain from India's southwest monsoon this year was 20% below the long period average, resulting in drought like scenario in about 50% of the cultivated land.

During the mid of the month the markets were seen in the consolidation mood lacking any major cues though the advance tax figures of the quarter were altogether ok and on overall basis it reported a rise of 20% from the corresponding previous quarter, the major setback came from the banking major ICICI Bank that reported less advance tax for the quarter. Though, there were some good news from the economy front during the mid of the month but they too were unable to boost the sentiments.

After 13 months of contraction, India's exports finally were back into the green in the month of November. Exports grew by 18% in November to touch \$13.2 billion compared with \$11.1 billion in the same month last year. Two key factors that pushed exports into the green were the low base effect from last year and increased demand on account of Christmas. Cumulative exports for the current fiscal however remain in the red. Between April and last month, exports totalled \$104.2 billion, a decline of 22.3% from the same period last year when the figure was \$134.2 billion. For the full fiscal to end even on a flat note, exports would have to show much stronger growth, which looks unlikely under current circumstances.

Towards the end of the month the markets gained momentum and just two day ahead of the Christmas they went for a marvelous rally on positive comments of Finance Minister Pranab Mukherjee that the country's gross domestic product (GDP) can grow at 7.75% in the

current financial year and it will expand at 9-10% in next 2-3 years. He said that Indian economy was recovering in a much stronger way from the impact of global downturn than what was expected. The minister said that the stimulus provided to the economy was working exceptionally well and growth in the current fiscal may exceed all previous estimates to reach close to 7.5%.

The country's six infrastructure industries recorded a growth of 5.3% in November compared with 0.8% in the same month a year ago, suggesting that the sharp industrial recovery witnessed over last few months was continuing unabated. The growth in the core sector in November was also higher than 3.5% witnessed in October 2009.

The FII Investments in December remained bullish in the equity segment. The FIIs were net buyers of Rs 10233.10 crore in the month with gross buying of Rs 49361.60 crore against gross sales of Rs 39128.50 crore. On the other hand they stood net sellers in the debt segment with gross buying of Rs 8031.90 crore compared to gross sell of Rs 9554.10 crore and reported an outflow of Rs 1522.40 crore. It was the near-zero interest rates in the US, that prompted investors to purchase beaten-down shares of emerging markets like India and the tally this year has reached more than \$17 billion of investments.

India's service sector expanded at a faster pace in the first seven months of the current fiscal year compared to the same period last year, concluded a survey conducted by the Confederation of Indian Industry (CII). The survey suggested that services sector was very much on the road to touch pre-crisis levels of growth soon. 'The services sector growth has gained momentum during the period April-October 2009 confirming that there has been a significant improvement in growth rates of various services sectors,' said the survey conducted by the CII. The CII observed that the strong and timely actions taken by the Reserve Bank of India and the government helped the services industry to recover rapidly after getting hit by the global slowdown in third quarter of FY09.

The survey pointed out that around 12% of the services sector including wireless and broadband subscribers and asset under management firms registered outstanding expansion at a rate of over 20% in the period of survey. The pace of growth for same segments was 12.5% April-October last year.

Finally the domestic markets closed the month and year on high point, the stock market in 2009 mostly derived strength from the government's fiscal packages and sustained capital inflows. For the coming month and year the markets will expect more retail investor participation in both primary as well as secondary markets and equal support from the government with a lenient view towards the market along with continuing its disinvestment policy.

Government clears nine FDI proposals

Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held on December 18, 2009, the cabinet committee on economic affairs (CCEA) has approved 09 Proposals of Foreign Direct Investment amounting to Rs. 523.705 Crore approximately. It also deferred seven proposals while five have been rejected. Biggest among the proposals that got clearance is the one by The Mitsui that envisages setting up a wholly-owned subsidiary as well as a joint venture company, said a finance ministry statement. The proposal would bring foreign investment of Rs 326 crore.

A proposal by the Internet Global Services for investing in Non-convertible Redeemable Preference shares capital out of internally accrued funds has also been cleared with a total FDI inflow of Rs 100 crore. In another proposal that got cleared, Goldman Agent has been allowed to invest Rs.93 crore in an investing company.

AAR asks foreign companies helping oil explorers to pay tax at 10%

The Authority for Advance Ruling (AAR) has asked the foreign companies helping domestic oil exporters to pay 10% tax. The required tax rate will be applicable on the income earned by these foreign firms by providing survey and technical services to Indian oil exploration companies. The AAR has indicated that the foreign companies will be paying this tax as the fee for technical services (section 44BB of Income-Tax Act) rather than as royalty fee (section 44DA of IT Act). As per the existing rules, the royalty fee stands at 20%, double than the 10% tax for technical services.

New ground handling policy put on hold for a year

In a major relief to the private carriers, the Cabinet Committee on Security has put on hold a new ground handling policy that was to be implemented at six major airports in the country from January 1 next year. The new deadline that the CCS has set is December 31, 2010, although the civil aviation ministry continues to bat for implementation of the policy not before December 2011.

However, the decision that sent real cheers to the airlines is that the CCS may change the structure of new policy also. It is likely to allow the private airlines to continue doing ground handling in the terminal building and which is exactly what most of the airlines are doing right now. Private carriers had been opposing the new policy contending it would lead to massive job losses and also impose additional burden on the industry.

India hikes export duty on iron ore

In a move aimed at helping the domestic steel makers and counter the distorting impact of inventory building by China, the Indian government has introduced a 5% export duty on 63.5%-grade iron ore fines and has raised the tax on high-grade iron ore lumps to 10% from 5%. The move however may be challenged at the World Trade

Organization's (WTO) appropriate forum.

The increase in export duty is intended to provide relief to domestic steel makers who were crippled by rising iron ore prices. Spot prices for the 63.5% grade iron ore fines have in recent weeks risen to their highest point since the start of the global financial crisis. As a result, the domestic steel industry has been lobbying the government to restrict iron ore exports in order to ensure easy supply in domestic market.

MSME sector expecting better export volumes: CII survey

In a zing to the India growth story, the MSME (micro, small & medium enterprises) sector has expressed optimism regarding the growth of their export volumes. As per the MSME outlook survey on exports, conducted by CII (Confederation of Indian Industry), exports from this sector are on the rise in spite of rising cost of raw materials, complex global markets and tough international competition.

According to the survey, as many as 56% of the respondents believed their exports would rise during the second half of the current fiscal year. Out of these, 26% of the respondents hope that the rate of export growth in their company will be 0-10% in dollar terms; another 20% anticipate their growth will be at 10-20% and only 10% of the respondents believe that their rate of export growth will be more than 20%.

Gem and jewellery exports jump 55% in November

After remaining dull for most of the year owing to the global economic downturn and resulting slowdown in demand from western countries, India's gem and jewellery sector is finally starting to show some momentum as exports jumped 55% in the month of November. According to the data compiled by Gem and Jewellery Export Promotion Council (GJEPC), total exports from the country stood at \$2.142 billion in November 2009 compared to \$1.383 billion in the same month a year ago. The uptick was primarily due to improvement in demand from regions like the US and Arab countries.

Apparel exports grow 6% in November

India's apparel exports got boost of the Christmas season as shipments increased riding on festive demand from the western countries. After declining sharply in the month of October, apparel exports registered a strong growth of 6% in November. In October, apparel shipments had contracted by massive 17% to \$603 million. However, some recovery in global economy resulting in improvement in consumer sentiments and heightened festive demand resulted in apparel exports expanding by 6% compared to the same month last year to touch \$726.9 million in November.

Government mulls to devise two-year roadmap to guide PSU divestment

Government is considering devising a two-year action plan to guide PSU (public sector undertaking) divestment.

Finance ministry sources have asserted that as per 2007-08 estimates, there are around 61 PSUs which are satisfying the required criterion for a 10% stake sale. These recent announcements are set to give fresh direction to the proposed PSU divestment activities.

There are two criteria based on which PSUs are short-listed for stake sale. First, the concerned firm should have registered profit and positive net worth for three consecutive years. Secondly, it should not be incurring accumulated loss. Government is currently studying the Indian companies which are satisfying these criteria after which it will set up a roadmap which will guide all the PSU divestment activities for the next two-years.

Ahluwalia sees food-prices softening by January

Deputy Chairman of the Planning Commission, India's top economic strategy maker, said on Tuesday that food prices were likely to go down by January. Montek Singh Ahluwalia, while addressing a conference organised by the Confederation of Indian Industry (CII), added that that monetary policy was not a cure for food prices. Ahluwalia said that the sharp rise in food prices that had been witnessed over last few months was primarily being driven by speculative tendencies, probably due to the drought situation. Contending that the stock situation in the country was comfortable, he said the food prices should soften as the agriculture outlook improves going forward. Rains from India's southwest monsoon this year was 20% below the long period average, resulting in drought like scenario in about 50% of the cultivated land.

CII survey points to strong recovery in services sector

India's service sector expanded at a faster pace in the first seven months of the current fiscal year compared to the same period last year, concluded a survey conducted by the Confederation of Indian Industry (CII). The survey suggested that services sector was very much on the road to touch pre-crisis levels of growth soon. 'The services sector growth has gained momentum during the period April-October 2009 confirming that there has been a significant improvement in growth rates of various services sectors,' said the survey conducted by the CII. The CII observed that the strong and timely actions taken by the Reserve Bank of India and the government helped the services industry to recover rapidly after getting hit by the global slowdown in third quarter of FY09.

The survey pointed out that around 12% of the services sector including wireless and broadband subscribers and asset under management firms registered outstanding expansion at a rate of over 20% in the period of survey. The pace of growth for same segments was 12.5% April-October last year.

Government says no to sovereign guarantee for NHAI loans

In an important development that could affect the National

Highway Authority of India's (NHAI) ambitious development programmes, an empowered group of ministers chaired by finance minister Pranab Mukherjee has denied to give sovereign guarantee for the funds raised by the it. The NHAI had raised these funds from several multilateral financial institutions like World Bank and Asian development bank.

The EGoM clarified on this issue by asserting that road sector has already created enough positive investment environment and NHAI no more requires government guarantee on its loans. However, it also reiterated that government will be providing all necessary support to the road transport and highways ministry toward implementing its plans for 2010-11.

Exports record 18% growth in November, break 13-month declining spree

After 13 months of contraction, India's exports are finally back into the green in the month of November. Exports grew by 18% in November to touch \$13.2 billion compared with \$11.1 billion in the same month last year. Two key factors that pushed exports into the green are the low base effect from last year and increased demand on account of Christmas. Cumulative exports for the current fiscal however remain in the red. Between April and last month, exports totalled \$104.2 billion, a decline of 22.3% from the same period last year when the figure was \$134.2 billion. For the full fiscal to end even on a flat note, exports would have to show much stronger growth, which looks unlikely under current circumstances.

November WPI inflation at 4.78%

India's headline inflation, as indicated by the wholesale price index (WPI) has surged sharply in the month of November to 4.78% compared with 1.34% in the previous month, indicating a sharp increase in inflationary tendencies and increasing pressure on the Reserve Bank of India (RBI) to act.

Biggest push to the prices came from food commodity segment which increased 2.6% on monthly basis. However, sharp increase in food prices was while expected, the manufacturing inflation number at 1.2% on monthly basis is something that surprised the markets a bit.

Ficci seeks softer rates, continuance of stimulus

India's apex industry chamber Ficci urged the government to ensure softer interest rates to ensure that the industry continues to grow at a strong pace. The industry body said that interest rates should go down by around 2.6% to sustain large amount of investments made by companies in both greenfield and brownfield capex projects. It urged the government not to think about any exit from the stimulus package launched last year as the investment in the economy was picking up but the demand was yet to respond. It added that economic recovery would not be sustainable until the consumer demand rose to the pre-crisis levels.

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.)
Asian Tea	200903	12	85.00	10	50.15	17.26	3.79	1025.37	41.74	2.53	4.73	28.53	-	0.63
Assam Company India	200812	12	309.76	1	46.19	9.67	3.41	1939.38	27.66	20.11	101.95	19.21	15	0.66
B&A	200903	12	31.00	10	52.18	24.95	60.31	562.81	21.72	18.81	36.62	-149.41	10	15.84
Beeyu Overseas	200903	12	141.41	10	29.96	0.72	-180.75	71.98	-64.15	-214.25	-170.49	774.31	-	-11.26
Bom Burmah Trdg Corp	200903	12	139.54	10	64.04	51.31	-17.30	2876.34	27.22	18.29	-138.76	-232.40	10	-4.40
CCL Products	200903	12	133.03	10	30.29	132.05	11.16	2753.88	12.15	19.66	203.71	-45.18	10	25.66
Dhunseri Tea	200903	12	117.11	10	75.00	122.01	12.24	1058.39	13.90	26.69	166.56	23.28	25	16.43
Diana Tea	200812	12	74.96	5	61.34	23.45	12.32	506.69	24.52	15.48	41.04	29.30	5	3.39
Duncans Inds	200903	12	532.23	10	58.87	-234.17	-	1392.10	37.90	-14.33	-388.50	-62.85	-	-4.73
Goodricke Group	200812	12	216.00	10	74.00	36.61	23.75	2988.10	26.00	11.53	175.90	127.26	30	11.09
Harri. Malayalam	200903	12	184.54	10	50.31	91.44	3.61	2910.90	44.35	7.83	60.40	-2.27	15	5.13
Jay Shree Tea	200903	12	106.79	10	40.25	152.72	8.89	4177.60	55.56	8.33	138.80	21.22	30	18.47
Joonktolee Tea&Inds	200903	12	32.34	10	83.70	192.77	1.29	363.15	27.82	15.37	11.04	5.85	15	8.53
Ledo Tea	200903	12	8.64	10	55.00	45.20	5.08	82.73	6.96	6.53	1.94	-174.90	-	5.08
Longview Tea	200903	12	30.01	10	43.77	26.16	-0.62	9.52	4.96	0.11	-0.48	-46.07	-	-0.16
Mcleod Russel	200903	12	547.28	5	45.36	54.76	15.64	8557.70	30.55	24.16	887.90	88.07	40	10.49
Neelamalai Agro	200903	12	6.27	10	65.86	304.65	13.13	140.08	23.06	21.59	24.01	5.03	100	43.95
T&I Global	200903	12	50.68	10	51.23	31.80	3.30	279.03	48.78	7.08	6.19	181.36	-	2.27
Tata Coffee	200903	12	186.77	10	57.48	162.07	5.79	3193.59	3.92	23.21	186.44	-24.49	60	16.53
Tata Tea	200903	12	618.40	10	35.25	286.20	9.00	13792.50	19.58	21.60	1590.60	-49.16	175	27.44
Terai Tea	200903	12	69.01	10	73.18	48.04	1.24	442.60	45.62	11.51	4.06	58.59	-	3.69
Tyroon Tea	200903	12	34.02	10	59.87	24.91	10.15	129.26	16.43	13.68	7.72	37.86	-	2.89
Warren Tea	200903	12	107.14	10	83.51	75.03	20.03	1705.20	28.46	16.95	146.30	776.05	-	21.31

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.

Latest Quarter						TTM			Market Data				
EPS Rs.	Sales Rs. Mn.	Sales Var (%)	OPM (%)	NP Rs. Mn.	NP Var(%)	Ended	EPS Rs.	NP Var (%)	Price 31/12/09	H52W	L52W	PE	Mkt. Cap (Rs. Mn.)
0.56	244.62	11.24	5.04	7.22	173.48	200909	1.32	92.00	34.65	43.45	15.15	26.18	294.53
0.33	735.16	2.63	48.01	285.06	15.64	200909	0.22	-233.16	21.8	23.80	6.20	99.51	6752.79
11.81	270.55	22.53	34.48	73.09	16.29	200909	12.98	73.71	213.45	256.90	36.50	16.44	661.70
-12.06	-	-	-	-8.64	-44.19	200909	-11.55	73.47	4.18	6.40	2.40	-	59.11
-9.94	788.43	3.73	15.46	3.36	-102.24	200909	8.42	270.16	277.65	345.45	100.00	32.97	3874.44
15.31	674.41	-25.95	25.45	104.45	7.17	200909	14.20	-123.80	193.4	197.80	51.15	13.62	2572.76
14.22	366.38	6.11	54.00	178.68	13.53	200909	20.04	-3.51	164.3	183.50	56.00	8.20	1924.10
2.74	162.98	-2.25	46.36	67.04	13.32	200909	3.63	-2.94	29.5	40.50	15.50	8.13	442.23
-7.30	383.20	-15.43	27.14	57.60	5.69	200909	-6.98	-128.75	11.34	14.39	5.00	-	603.55
8.14	916.90	-3.11	37.46	309.40	9.76	200909	12.06	49.85	168.25	195.80	42.00	13.96	3634.20
3.27	854.40	-4.25	9.01	32.20	-56.49	200909	-1.07	995.94	134.4	142.30	30.10	-	2480.19
12.42	1100.20	-8.64	33.76	331.60	301.45	200909	36.35	66.25	335.8	365.00	68.05	9.24	3586.11
3.41	118.74	12.62	26.15	17.65	56.06	200909	4.43	4.95	185	195.00	107.00	41.72	598.22
2.25	19.88	-1.54	32.39	5.34	73.38	200909	6.42	137.91	57.55	84.15	29.00	8.97	49.69
-0.16	2.45	0.82	-37.55	-1.02	-150.25	200909	-1.97	96.95	19	40.00	5.00	-	57.01
8.11	3513.30	23.19	59.94	1921.90	57.88	200909	16.75	69.71	261.65	287.00	42.05	15.62	28639.11
38.27	50.65	37.19	54.14	23.68	11.07	200909	49.43	1.90	427	504.00	336.00	8.64	267.88
1.22	64.84	-7.23	6.74	2.48	22.17	200909	1.43	37.55	8.1	9.73	2.64	5.65	41.05
9.98	874.41	-14.31	26.11	69.94	-8.26	200909	10.00	-70.42	397.5	422.70	134.20	39.76	7424.11
25.72	4263.60	31.46	16.23	2580.40	489.27	200909	61.22	15.67	942.6	1016.55	513.00	15.40	58290.29
0.58	120.80	-14.41	17.62	10.27	121.81	200909	1.94	49.89	47.95	52.20	26.15	24.71	330.89
2.27	49.29	9.88	66.81	31.52	43.99	200909	6.93	43.83	30.45	36.70	11.90	4.39	103.59
13.65	761.30	21.28	43.36	304.10	42.50	200909	23.59	45.98	218.5	251.45	63.00	9.26	2341.05

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 expended 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.) (31/12)	Yield (%)	EPS (Rs.)	FV	PE	TTM				52-Wk High (Rs.)	52-Wk Low (Rs.)
							Year End	NP Rs. ml	EPS (Rs.)	PE		
Varun Shipping Company Ltd.	200903	56.55	8.84	8.19	10	6.91	200909	721.02	4.81	11.77	70.40	38.25
Navneet Publications (India) Ltd.	200903	41.50	6.27	6.18	2	6.71	200909	680.50	2.86	14.53	44.80	14.64
EID-Parry (India) Ltd.	200903	369.85	5.41	80.37	2	4.60	200909	1437.30	16.65	22.21	371.90	125.00
UCO Bank Ltd	200903	55.75	1.79	10.15	10	5.49	200909	6148.50	11.19	4.98	61.50	22.10
SRF Ltd.	200903	204.65	5.03	26.91	10	7.61	200909	2198.10	36.33	5.63	220.70	62.15
Karnataka Bank Ltd.	200903	129.20	4.64	21.93	10	5.89	200909	2288.10	18.78	6.88	174.35	55.15
Shipping Corpn. Of India Ltd.	200903	147.25	4.41	22.21	10	6.63	200909	5398.10	12.75	11.55	155.00	70.00
Andhra Bank Ltd	200903	104.35	4.31	13.46	10	7.75	200909	9440.93	19.47	5.36	124.70	37.00
India Cements Ltd.	200903	123.35	1.62	15.30	10	8.06	200909	4369.90	15.46	7.98	180.00	90.70
Indian Overseas Bank Ltd	200903	110.55	4.07	24.34	10	4.54	200909	11886.24	21.82	5.07	141.00	37.55
Rolta India Ltd.	200906	194.85	1.54	23.12	10	8.42	200909	4042.30	25.10	7.76	206.25	40.70
Indo Tech Transformers Ltd.	200903	339.10	3.66	36.70	10	9.24	200909	159.00	14.97	22.65	377.70	221.00
Graphite India Ltd.	200903	82.60	3.63	12.81	2	6.45	200909	2261.40	13.23	6.24	85.25	20.55
Alok Industries Ltd.	200903	22.90	3.28	9.56	10	2.39	200909	2100.40	3.47	6.60	29.50	11.33
Tata Investment Corpn. Ltd.	200903	475.75	3.15	54.06	10	8.80	200909	1861.38	45.02	10.57	511.00	182.15
Syndicate Bank Ltd	200903	95.95	3.13	17.49	10	5.49	200909	10023.90	19.20	5.00	105.40	37.65
Orient Paper & Inds. Ltd.	200903	48.40	3.10	10.37	1	4.67	200909	1828.15	9.48	5.10	61.25	18.40
Kesoram Industries Ltd.	200903	371.10	1.48	83.83	10	4.43	200909	3722.06	81.37	4.56	393.50	102.70
Bank Of Maharashtra Ltd	200903	50.15	2.99	8.71	10	5.76	200909	4464.60	10.37	4.84	53.15	18.90
Corporation Bank Ltd	200903	422.35	2.96	62.24	10	6.79	200909	10698.86	74.59	5.66	480.00	155.50
Jammu & Kashmir Bank Ltd.	200903	578.00	2.94	84.54	10	6.84	200909	4506.90	92.97	6.22	706.00	210.00
City Union Bank Ltd.	200903	25.65	2.92	3.82	1	6.71	200909	1355.45	3.39	7.57	27.30	9.32
Gitanjali Gems Ltd.	200903	124.80	1.44	14.90	10	8.37	200909	1333.82	15.82	7.89	148.90	32.50
Indian Bank Ltd	200903	174.05	2.87	28.98	10	6.19	200909	14484.22	33.70	5.16	195.70	63.75
PSL Ltd.	200903	175.10	2.86	20.12	10	8.68	200909	824.10	15.42	11.36	188.00	59.50
Dena Bank Ltd	200903	83.25	1.44	14.74	10	5.65	200909	4911.90	17.13	4.86	93.00	27.10
Man Industries (India) Ltd.	200903	52.95	2.83	8.90	5	5.95	200909	280.40	5.26	10.06	60.90	21.50
Gujarat Fluorochemicals Ltd.	200903	130.35	2.69	30.96	1	4.21	200909	2793.60	25.43	5.13	173.20	49.50
Tata Steel Ltd.	200903	617.60	2.59	71.20	10	8.86	200909	36183.00	40.78	15.14	627.60	148.65
ICI India Ltd.	200903	648.25	2.47	77.38	10	8.38	200909	3078.00	83.51	7.76	669.90	363.00
Unichem Laboratories Ltd.	200903	329.05	2.43	34.60	5	9.51	200909	1230.30	34.12	9.64	338.50	132.15
Birla Corporation Ltd.	200903	334.40	1.35	42.01	10	7.96	200909	4793.80	62.25	5.37	345.00	121.50
JK Cement Ltd.	200903	148.50	2.36	20.36	10	7.30	200909	2240.52	32.04	4.63	156.45	34.80
Voltamp Transformers Ltd.	200903	915.90	1.36	113.47	10	8.07	200909	962.96	95.18	9.62	930.00	265.00
Punjab National Bank Ltd	200903	906.85	2.21	98.03	10	9.25	200909	36304.00	115.14	7.88	943.00	286.20
Federal Bank Ltd.	200903	235.75	2.12	29.26	10	8.06	200909	5555.10	32.50	7.25	270.00	110.50
Bank Of India Ltd	200903	385.00	2.08	57.14	10	6.72	200909	25902.00	49.32	7.81	474.70	179.60
Canara Bank Ltd	200903	390.75	2.05	50.55	10	7.73	200909	28861.60	70.39	5.55	437.45	144.25
South Indian Bank Ltd.	200903	148.80	2.02	17.23	10	8.63	200909	2371.30	20.98	7.09	171.00	42.70
Allahabad Bank Ltd	200903	126.10	1.98	17.21	10	7.33	200909	12700.06	28.43	4.44	143.80	36.85

Rs. in million

Company Name	Net Sales		Change In Sales	% Change in Sales	Net Profit		Change In Net Profit	% Change in Net Profit
	200909 Qtr	200809 Qtr			200909	200809		
NK Industries Ltd.	1634.7	95.56	1539.14	1610.65	-16.51	16.53	-33.04	-
Sujana Towers Ltd.	2388.17	1124.37	1263.8	112.401	165.02	4.32	160.7	3719.91
Ennore Coke Ltd.	1165.33	142.09	1023.24	720.135	26.4	0.54	25.86	4788.89
Deccan Cements Ltd.	821.54	393.33	428.21	108.868	109.7	72.66	37.04	50.9772
Alchemist Realty Ltd.	280.71	57	223.71	392.474	2.45	1.24	1.21	97.5806
Orbit Corporation Ltd.	1407.09	292.86	1114.23	380.465	252	57.79	194.21	336.062
Artson Engineering Ltd.	336.26	87.41	248.85	284.693	18.64	2.2	16.44	747.273
Zyodus Wellness Ltd	648.7	172.8	475.9	275.405	85.1	15.3	69.8	456.209
Modern India Ltd.	793.89	414.83	379.06	91.3772	92.32	25.86	66.46	256.999
Sagar Cements Ltd.	1280.83	351.49	929.34	264.4	112.16	-29.11	141.27	-
Vyapar Industries Ltd.	273.45	75.05	198.4	264.357	-8.07	3.49	-11.56	-
Vikas Granaries Ltd.	276.34	76.48	199.86	261.323	60.32	6.26	54.06	863.578
KIC Metaliks Ltd.	657.98	183.3	474.68	258.963	-17.86	-78.8	60.94	-
Lancor Holdings Ltd.	235.44	66.2	169.24	255.65	27.9	24.01	3.89	16.2016
Nelco Ltd.	1013	285.9	727.1	254.32	228.5	-113.5	342	-
Simbhaoli Sugars Ltd.	2476.73	1192.82	1283.91	107.637	235.79	-74.37	310.16	-
Marsons Ltd.	310.9	94	216.9	230.745	8.49	1.16	7.33	631.897
Petronet LNG Ltd.	34066.6	16549.2	17517.3	105.85	1206.79	1033.65	173.14	16.7504
Shree Global Tradefin Ltd.	1004.67	321.42	683.25	212.572	0.47	-3.99	4.46	-
Mahalaxmi Rubtech Ltd.	226.4	75.27	151.13	200.784	5.06	1.33	3.73	280.451
MVL Ltd.	505.95	169.97	335.98	197.67	41.28	25.22	16.06	63.6796
IKF Technologies Ltd.	524.25	178.22	346.03	194.159	84.17	16.35	67.82	414.801
VLS Finance Ltd.	4172.43	1436.33	2736.1	190.492	6.28	18.57	-12.29	-66.182
LML Ltd.	522.61	262.55	260.06	99.0516	-66.81	-151.51	84.7	-
Horizon Infrastructure Ltd	280	97.52	182.48	187.121	14.41	5.03	9.38	186.481
Jindal Drilling & Inds. Ltd.	3366.7	1219.9	2146.8	175.982	205.7	65.5	140.2	214.046
Sujana Towers Ltd.	2388.17	1124.37	1263.8	112.401	165.02	4.32	160.7	3719.91
Sequent Scientific Ltd	771	283.51	487.49	171.948	95.89	18.04	77.85	431.541
Kamadgiri Synthetics Ltd.	350.07	129.67	220.4	169.97	3.32	0.08	3.24	4050
Computer Point Ltd.	213.73	80.35	133.38	165.999	1.52	-3.63	5.15	-
ITI Ltd.	7950.2	3107.4	4842.8	155.847	-781	-1548.8	767.8	-
Spice Mobiles Ltd.	2200	1258.9	941.1	74.7557	164	-62.8	226.8	-
Kalpena Plastiks Ltd.	218.93	86.97	131.96	151.73	0.18	0.34	-0.16	-47.0588
Tasty Bite Eatables Ltd.	167.6	96.39	71.21	73.877	14.69	-1.43	16.12	-
SP Capital Financing Ltd.	149.41	62.08	87.33	140.673	0.27	0.78	-0.51	-65.3846
Amit Spinning Inds. Ltd.	207.07	86.73	120.34	138.752	-14.26	-37.61	23.35	-
RDB Industries Ltd.	109.03	65.82	43.21	65.6487	20.8	10.78	10.02	92.9499
BF Utilities Ltd.	243.27	102.49	140.78	137.36	30.7	49.07	-18.37	-37.4363
Goldiam International Ltd.	204.82	87.36	117.46	134.455	2.74	-53.57	56.31	-
Subex Ltd	815.4	495.64	319.76	64.5146	77.19	-644.65	721.84	-
ITL Industries Ltd.	138.37	59.73	78.64	131.659	8.76	4.2	4.56	108.571
Lanco Infratech Ltd.	14749.2	6388.05	8361.15	130.887	1273.8	398.75	875.05	219.448
Bharat Seats Ltd.	841.98	512.23	329.75	64.3754	13.44	0.66	12.78	1936.36
Ausom Enterprises Ltd.	217.51	95.24	122.27	128.381	-0.63	-14.91	14.28	-
Marg Ltd.	2058.2	908.8	1149.4	126.474	200.7	106.2	94.5	88.9831
Rei Agro Ltd.	9697.92	4327.39	5370.53	124.106	489.16	181.37	307.79	169.703
Kothari Products Ltd.	426.7	261.7	165	63.0493	98.4	44.9	53.5	119.154
Black Rose Inds. Ltd.	118.7	74.13	44.57	60.1241	5.92	1.02	4.9	480.392
Birla Cotsyn (India) Ltd	713.65	324.18	389.47	120.14	15.45	2.22	13.23	595.946
Jocil Ltd.	772.74	353.63	419.11	118.517	56.44	17.57	38.87	221.229

Company Name	Year End	Price (31/12) Rs.	EPS	FV	PE
Cairn India Ltd.	200903	281.40	0.29	10	970.34
Golden Tobacco Ltd.	200903	124.35	0.14	10	873.65
Marksans Pharma Ltd.	200903	5.77	0.01	1	577.00
Lok Housing & Constructions Ltd.	200903	46.70	0.10	10	467.00
JM Financial Ltd.	200903	46.90	0.11	1	441.34
Entertainment Network (India) Ltd.	200903	200.45	0.61	10	328.11
Godrej Industries Ltd.	200903	184.40	0.58	1	317.93
GVK Power & Infrastructure Ltd.	200903	46.55	0.15	1	311.70
Kalyani Steels Ltd.	200903	191.95	0.76	10	253.47
Max India Ltd.	200903	221.10	0.98	2	225.61
Aptech Ltd.	200812	187.75	1.02	10	180.53
Radico Khaitan Ltd.	200903	115.20	0.64	2	180.00
Reliance Natural Resources Ltd.	200903	69.50	0.43	5	161.63
KEI Industries Ltd.	200903	32.10	0.20	2	156.88
Strides Arcolab Ltd.	200812	239.20	1.53	10	156.15
Reliance Power Ltd	200903	155.10	1.04	10	149.13
Future Capital Holdings Ltd	200903	217.65	1.47	10	148.54
Edelweiss Capital Ltd	200903	501.45	3.52	5	142.63
IRB Infrastructure Developers Ltd	200903	244.70	1.73	10	141.80
Jai Corp Ltd.	200903	209.45	1.58	1	132.56
IVR Prime Urban Developers Ltd.	200903	174.75	1.34	10	130.56
Bajaj Finserv Ltd	200903	345.40	2.86	5	120.82
Karuturi Global Ltd	200903	16.40	0.11	1	117.14
Nirlon Ltd.	200903	57.85	0.50	10	115.70
Escorts Ltd.	200809	132.00	1.31	10	100.87
Kotak Mahindra Bank Ltd.	200903	802.10	7.99	10	100.26
Firstsource Solutions Ltd.	200903	34.10	0.35	10	96.66
Advanta India Ltd.	200812	549.10	5.85	10	93.86
Alembic Ltd.	200903	47.10	0.53	2	88.73
Mindtree Ltd	200903	695.40	7.90	10	88.06
Shree Renuka Sugars Ltd.	200809	221.95	2.70	1	82.16
Hindustan Oil Exploration Company Ltd.	200903	297.25	4.10	10	72.50
Sundram Fasteners Ltd.	200903	55.90	0.83	1	67.48
Motherson Sumi Systems Ltd.	200903	131.50	1.96	1	67.09
KSK Energy Ventures Ltd.	200903	200.35	2.99	10	66.92
Trent Ltd.	200903	905.65	13.70	10	66.12
Assam Company India Ltd.	200812	21.80	0.33	1	66.06
Kirloskar Ferrous Inds. Ltd.	200903	37.65	0.58	5	65.03
United Breweries Ltd.	200903	168.45	2.60	1	64.79
UTV Software Communications Ltd.	200903	483.65	7.55	10	64.06
Reliance Industrial Infrastructure Ltd.	200903	952.75	14.88	10	64.02

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

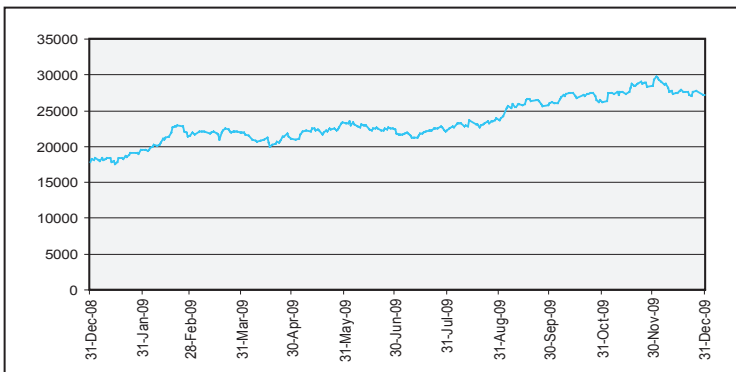
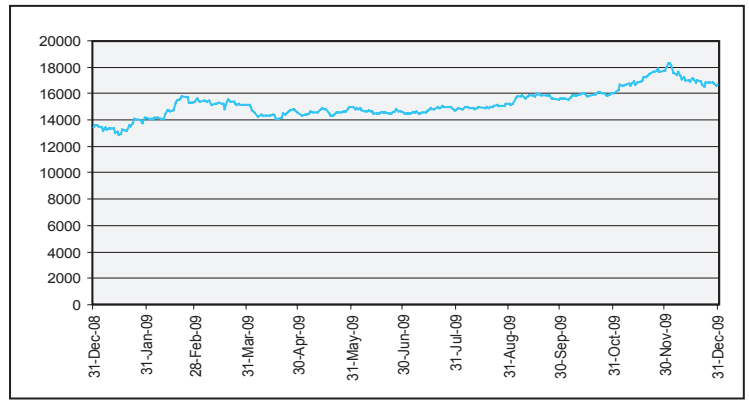
Company Name	Year End	Price (31/12) Rs.	EPS	FV	PE
Aftek Ltd.	200903	17.85	12.48	2	1.43
Prithvi Information Solutions Ltd.	200803	69.70	46.27	10	1.51
Amtek India Ltd.	200806	49.45	30.93	2	1.60
Alok Industries Ltd.	200903	22.90	9.56	10	2.39
Cranes Software Intl. Ltd.	200903	28.55	9.80	2	2.91
Gujarat State Fertilizers & Chemicals Ltd.	200903	190.65	62.57	10	3.04
Great Eastern Shipping Company Ltd.	200903	280.45	90.93	10	3.08
Indiabulls Securities Ltd	200803	34.40	9.81	2	3.51
Gujarat Fluorochemicals Ltd.	200903	130.35	30.96	1	4.21
Kesoram Industries Ltd.	200903	371.10	83.83	10	4.43
Indian Overseas Bank Ltd	200903	110.55	24.34	10	4.54
EID-Parry (India) Ltd.	200903	369.85	80.37	2	4.60
Orient Paper & Inds. Ltd.	200903	48.40	10.37	1	4.67
Bharati Shipyard Ltd.	200903	231.15	48.36	10	4.78
Gujarat Alkalies & Chemicals Ltd.	200903	130.25	26.18	10	4.98
Genus Power Infrastructures Ltd.	200903	168.50	32.88	10	5.18
ICSA (India) Ltd.	200903	180.05	33.69	2	5.34
Sujana Towers Ltd.	200809	51.80	9.65	5	5.38
Tamil Nadu Newsprint & Papers Ltd.	200903	84.95	15.52	10	5.48
Syndicate Bank Ltd	200903	95.95	17.49	10	5.49
UCO Bank Ltd	200903	55.75	10.15	10	5.49
Dena Bank Ltd	200903	83.25	14.74	10	5.65
Heidelberg Cement India Ltd	200812	45.05	7.89	10	5.71
Bank Of Maharashtra Ltd	200903	50.15	8.71	10	5.76
Karnataka Bank Ltd.	200903	129.20	21.93	10	5.89
Man Industries (India) Ltd.	200903	52.95	8.90	5	5.95
Kolte Patil Developers Ltd	200903	56.80	9.38	10	6.06
Lakshmi Energy & Foods Ltd.	200809	155.65	25.12	2	6.16
Indian Bank Ltd	200903	174.05	28.98	10	6.19
3I Infotech Ltd.	200903	84.85	14.12	10	6.23
Bank Of India Ltd	200903	385.00	57.14	10	6.72
ABG Shipyard Ltd.	200903	211.75	33.60	10	6.30
IFCI Ltd.	200903	54.35	8.60	10	6.35
Geodesic Ltd.	200903	132.30	20.76	2	6.37
Graphite India Ltd.	200903	82.60	12.81	2	6.45
Videocon Industries Ltd.	200809	240.85	37.26	10	6.49
Mascon Global Ltd.	200903	4.43	0.67	10	6.51
Shipping Corpn. Of India Ltd.	200903	147.25	22.21	10	6.63
Ratnamani Metals & Tubes Ltd.	200903	105.85	15.82	2	6.69
Coromandel International Ltd.	200903	237.55	35.48	2	6.70
Navneet Publications (India) Ltd.	200903	41.50	6.18	2	6.71

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

FV Latest Face values of equity Shares (Rs)

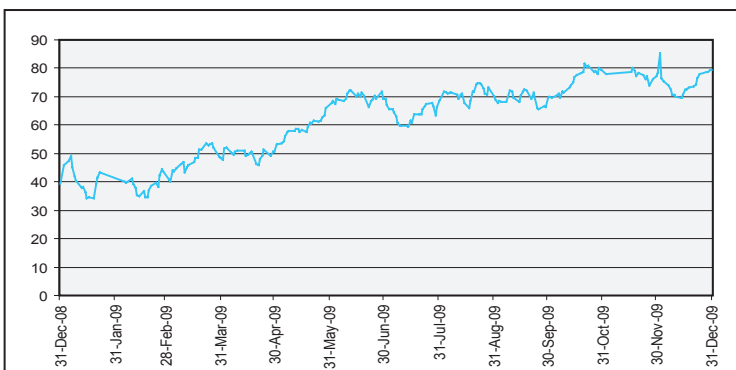
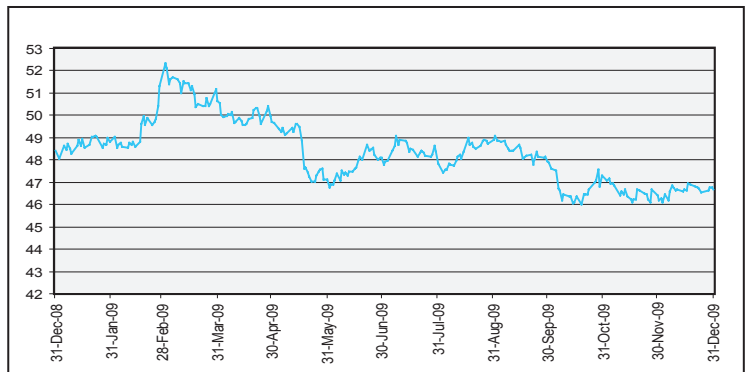
PE Market Price / Trailing Twelve Months Earning Per Shares

Date	Price Rs.
31-Dec-09	16696.25
30-Nov-09	17738.35
31-Oct-09	15993.35
30-Sep-09	15630.00
31-Aug-09	15200.00
31-Jul-09	14732.50
30-Jun-09	14592.50
30-May-09	14958.15
29-Apr-09	14543.35
31-Mar-09	15133.00
28-Feb-09	15400.00
31-Jan-09	14206.25
31-Dec-08	13425.00



Date	Price Rs.
31-Dec-09	27200.00
30-Nov-09	28546.00
31-Oct-09	26217.50
30-Sep-09	26100.00
31-Aug-09	23681.00
31-Jul-09	22314.15
30-Jun-09	22364.10
30-May-09	23364.00
29-Apr-09	21100.00
31-Mar-09	22000.00
28-Feb-09	21500.00
31-Jan-09	19500.00
31-Dec-08	17900.00

Date	Price Rs
31-Dec-09	46.66
30-Nov-09	46.43
30-Oct-09	47.32
30-Sep-09	47.94
31-Aug-09	48.91
31-Jul-09	47.83
30-Jun-09	48.10
31-May-09	47.13
30-Apr-09	49.73
31-Mar-09	50.64
27-Feb-09	51.33
30-Jan-09	48.83
31-Dec-08	48.43



Date	Price \$
31-Dec-09	79.36
30-Nov-09	77.28
30-Oct-09	79.37
30-Sep-09	69.45
31-Aug-09	69.90
31-Jul-09	68.36
30-Jun-09	69.41
29-May-09	66.12
30-Apr-09	50.76
31-Mar-09	48.63
27-Feb-09	43.60
31-Dec-08	39.47
1-Oct-08	100.00

SBI Magnum FMCG (G)

SBI Magnum FMCG (Growth) is a SBI Mutual Funds Management, managed open-ended, Equity – FMCG fund.

The fund was launched on July 14, 1999 and its current net asset as on November 30, 2009 was Rs 8.90 crore.

The benchmark index of the fund is BSE FMCG and the custodian of the fund is Stock Holding Corporation of India Limited.

The current net asset value (NAV) of the fund as on December 31, 2009 was Rs 20.53; while the 52 week high NAV was Rs 21.04 on December 8, 2009 and the 52 week low NAV for the scheme was Rs 11.16 on March 9, 2009.

The minimum investment to the fund is Rs 5000 and additional investments can be made in multiples of Rs 500.

The investment objective of the fund is to provide the investors' maximum growth opportunity through equity investments of growth oriented sectors.

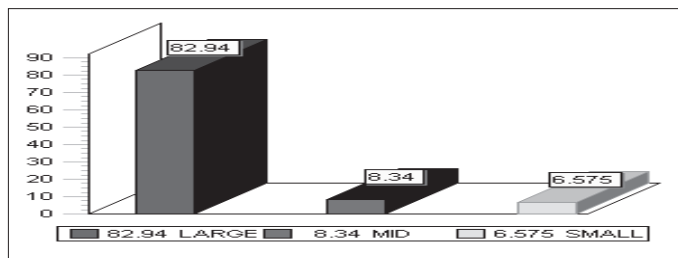
The top five holdings of the fund are:

Company	ITC	Nestle	Glaxo Cons. Health	Future Value Retail	United Brew.
% Holding	30.44	22.70	13.62	9.80	8.34

Industry wise the fund has the maximum contribution of 42.90% from the Consumer Foods followed by Cigarette/Tobacco with contribution of 30.44% and has contribution of 9.8% from the Retailing.

As far as market capitalization-wise companies are concerned, the scheme's portfolio consists of 82.94% from Large-cap, 8.34% from Mid-cap and 6.58% from Small-cap companies.

The fund has given a return of 9.60% since inception and a return of 66.37% in last one year, while the category average in the same period has been 16.61% and 62.47% respectively.



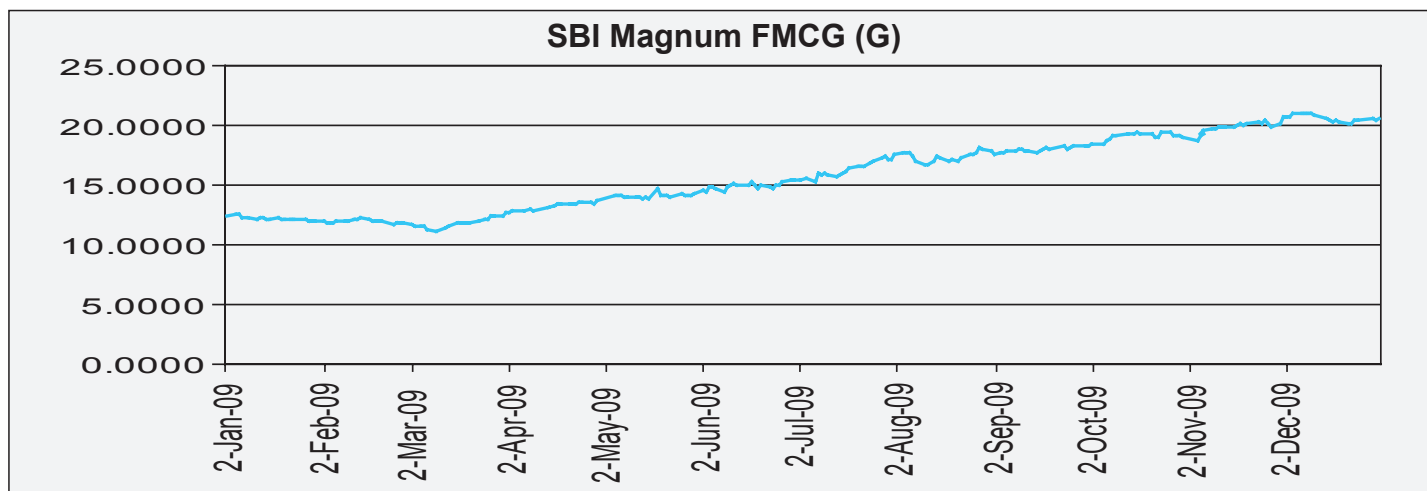
Market cap-wise Allocation Style

Average Mkt Cap (Rs Cr)	22117.94
Market Capitalization	% of Portfolio
Large	82.94
Mid	8.34
Small	6.58

Note: Large-Cap = 5000 Crs. and above, Mid-Cap = 2000 Crs. to 5000 Crs. and Small-Cap = less than 2000 Crs

Outlook

SBI Magnum FMCG is an open-ended scheme of SBI Funds Management, being managed by Vivek Pandey. The scheme is one of the best performing thematic schemes in the last year, if we see the individual performance of the fund in its own category then it has been performing at par with the category average for the last some time. FMCG sector is one of the defensive sector that moves well when all the other sectors loses hope, people usually consider it as safest bet as it don't easily plunges like some other sectors. The turnover ratio of the fund is 2.43 times that means the fund manager is fond of value picking and which is clearly evident from its portfolio comprising of all the top FMCG companies. So being invested in the FMCG equity based fund is suggested for a steady rise in the assets. The SBI Magnum FMCG fund offers SIP facility with Rs 500/month - 12 months, Rs 1000/month - 6 months, Rs 1500/quarter - 12 months. As far as the systematic withdrawal is concerned a minimum of Rs 500 can be withdrawn every month or quarter by issuing advance instructions to the Registrars at any time.



Last one year NAV Graph

Duration	1 Week %	1 Mth %	3 Mth %	6 Mth %	1 Year %	3 Year %	5 Year %	Since Inc. %
Scheme Return %	0.64	1.68	12.12	32.97	66.37	12.67	14.22	9.60
Category Avg %	0.10	0.37	12.91	34.76	62.47	11.00	24.19	16.61

Returns as of 2nd January, 2010

Scheme Name	NAV (Rs.)	Inception Date	AUM (Rs. cr)	Absolute %				CAGR %		
				1 M	3 M	6 M	1 Y	3 Y	5 Y	Since Inception
Equity - Diversified										
Birla SL India Opportunities(G)	50.37	21-Jan-95	14	4.29	9.81	41.25	104.15	-1.81	12.66	7.82
Birla SL Special Situations(G)	9.68	15-Jan-08	393	3.47	4.32	22.66	73.79	-	-	-2.09
DSPBR Opportunities(G)	75.24	10-Apr-00	423	1.99	5.66	26.86	82.99	9.83	23.61	23.31
Fidelity Equity(G)	29.91	19-Apr-05	1415	1.10	6.65	26.64	82.07	12.42	-	26.69
ICICI Pru Dynamic(G)	92.03	18-Oct-02	1022	3.70	9.80	31.86	75.08	11.49	28.53	36.36
Kotak Opportunities(G)	42.19	25-Aug-04	604	1.59	5.82	23.43	75.76	13.68	26.76	31.13
SBI Magnum Comma(G)	23.98	25-Jul-05	327	4.31	11.59	32.93	93.00	13.96	-	21.99
SBI Magnum Multicap(G)	17.72	16-Sep-05	360	2.55	6.68	24.26	75.29	3.25	-	14.81
Reliance Equity Oppor-Ret(G)	29.44	7-Mar-05	1009	8.02	13.11	44.26	102.67	10.23	-	25.43
Reliance Natural Resources(G)	10.44	30-Jan-08	3553	2.36	5.55	18.99	69.53	-	-	1.55
Equity - ELSS										
Birla SL Tax Relief '96(D)	87.85	29-Mar-96	849	0.61	1.90	7.00	17.00	2.24	12.19	28.85
DSPBR Tax Saver(G)	14.98	26-Dec-06	471	0.81	6.26	27.37	80.21	-	-	13.30
Fidelity Tax Advantage(G)	18.25	31-Jan-06	703	1.24	6.69	28.12	82.57	13.53	-	16.67
Franklin India Taxshield(G)	178.12	10-Apr-99	369	2.01	8.07	23.60	73.96	11.76	21.81	30.77
HDFC Long Term Adv(G)	115.99	27-Dec-00	515	2.53	6.71	27.51	83.67	7.71	19.33	31.30
Principal Personal Tax saver(G)	90.22	1-Jan-96	583	0.73	2.18	9.45	22.57	7.97	15.34	25.28
Reliance Tax Saver (ELSS)(G)	18.20	23-Aug-05	1201	4.75	9.99	27.64	78.27	6.91	-	15.03
Sundaram Tax saver(G)	42.29	31-Jan-05	582	3.43	2.90	28.31	72.02	14.90	-	26.36
Equity - Large-cap										
Birla SL Equity(G)	252.08	27-Aug-98	657	2.60	8.42	27.89	83.39	11.17	25.17	32.88
Birla SL Frontline Equity(G)	79.78	30-Aug-02	846	1.73	6.63	26.19	85.69	16.21	27.20	34.36
DSPBR Equity(D)	52.96	15-Apr-97	1160	1.61	4.71	16.05	38.22	10.04	17.34	19.35
DSPBR Top 100 Equity(G)	91.12	21-Feb-03	1186	1.06	4.98	23.22	74.68	16.37	27.21	39.29
JM Large Cap(G)	17.70	9-Jun-04	2	1.97	-1.90	11.00	37.79	-0.63	6.01	10.92
Kotak 30(G)	94.23	21-Dec-98	573	0.28	3.92	21.98	63.07	10.99	24.20	34.78
Magnum Equity(D)	29.27	30-Nov-90	308	1.13	3.07	11.89	36.03	7.40	14.29	9.80
Reliance Equity-Ret(G)	15.16	7-Mar-06	1304	1.23	1.37	15.06	51.41	8.82	-	11.51
Reliance Vision-Ret(G)	251.91	7-Oct-95	1873	2.94	6.15	26.94	77.41	10.88	25.13	25.43
Sundaram BNPP Growth(G)	86.87	15-Feb-97	68	1.75	3.87	24.31	59.73	7.29	18.76	19.53
Equity - Mid-cap										
Birla SL Midcap(G)	104.84	1-Oct-02	558	1.89	12.48	38.55	114.68	17.03	27.55	38.29
ICICI Pru Emerging S.T.A.R.(G)	29.81	25-Sep-04	237	3.61	12.79	37.75	93.90	1.00	20.09	23.50
JM Mid Cap(G)	26.46	9-Jun-04	6	3.64	6.87	32.28	134.87	5.08	15.95	19.32
Kotak Midcap(G)	21.47	28-Jan-05	53	1.30	9.44	32.88	83.63	2.50	-	16.87
Reliance Growth-Ret(G)	427.35	7-Oct-95	3524	3.54	8.69	29.95	91.99	16.55	30.66	30.17
Reliance Reg Savings-Equity(G)	27.79	10-Jun-05	1611	2.43	7.79	27.37	96.21	20.75	-	25.08
Sundaram BNPP S.M.I.L.E(G)	31.83	21-Jan-05	233	1.48	8.77	40.46	111.75	18.84	-	26.52
Sundaram BNPP Select Midcap(G)	134.99	19-Jul-02	926	3.48	11.15	37.25	104.56	13.23	30.47	42.18
Equity - Pharma & HC										
Franklin Pharma(G)	47.81	31-Mar-99	29	6.45	18.31	56.59	114.06	17.85	16.96	16.48
Reliance Pharma(G)	43.96	26-May-04	95	12.16	22.33	72.76	118.60	29.21	26.68	30.46

Returns as of 2nd January, 2010

Scheme Name	NAV (Rs.)	Inception Date	AUM (Rs. cr)	Absolute %				CAGR %		
				1 M	3 M	6 M	1 Y	3 Y	5 Y	Since Inception
Equity - Service Inds										
ICICI Pru Services Inds(G)	15.95	18-Nov-05	204	4.32	6.26	28.42	75.85	1.09	-	12.10
Principal Services Inds(G)	13.85	31-Jan-06	76	3.05	2.44	25.23	82.72	5.86	-	8.89
Tata Service Inds(G)	23.78	10-Mar-05	90	2.17	4.44	32.74	105.37	7.14	-	20.04
Equity - Sensex Linked Index										
Franklin India Index-BSE Sensex(G)	49.05	27-Aug-01	31	3.03	1.77	20.50	79.83	8.54	21.16	21.20
HDFC Index-Sensex Plus(G)	205.31	10-Jul-02	52	3.31	3.34	23.87	80.60	11.86	23.58	28.06
HDFC Index-Sensex(G)	145.86	10-Jul-02	56	3.10	1.75	20.18	75.06	4.55	18.39	22.32
UTI-SUNDER	544.81	11-Jul-03	6	3.27	2.32	21.19	74.37	10.31	20.77	27.18
Equity - Nifty Linked Index										
Birla SL Index(G)	51.84	17-Sep-02	19	3.26	1.98	20.98	75.49	8.66	19.40	25.32
SBI Magnum Index(G)	44.28	16-Jan-02	18	3.21	1.99	20.96	74.74	6.85	18.32	21.08
Nifty BeES	521.57	18-Dec-01	447	3.20	2.24	20.51	71.87	9.78	20.61	22.86
Reliance Banking ETF	920.15	30-May-08	14	-0.24	2.33	22.83	82.86			40.49
Balanced - Equity Oriented										
Kotak Balance	23.78	25-Nov-99	71	1.88	3.07	10.90	26.12	6.57	14.60	14.47
Sundaram BNPP Balanced(G)	45.37	25-May-00	14	2.98	5.90	24.34	71.01	12.02	17.45	17.02
Balanced - Debt-Oriented										
HDFC Children's Gift - Savings	19.86	2-Feb-01	59	1.41	3.90	9.97	21.47	9.38	8.46	8.85
ICICI Pru Child Care Plan-Study Plan	25.94	6-Aug-01	31	2.30	4.28	11.32	21.98	10.04	11.64	12.11
Commodities - Gold										
Gold BeES	1651.25	23-Feb-07	602	-5.40	6.75	14.78	22.75	-	-	21.86
Kotak GOLD ETF	1649.81	4-Jul-07	103	-5.40	7.77	14.41	22.34	-	-	29.59
DSPBR World Gold-Reg(G)	15.04	23-Aug-07	973	-6.26	4.04	17.24	41.47	-	-	12.45
Reliance Gold ETF	1604.78	1-Nov-07	247	-5.42	6.74	14.38	22.01	-	-	23.60
UTI-Gold ETF(G)	1649.90	16-Mar-07	256	-5.39	6.79	14.47	22.36	-	-	22.38
Liquid Funds										
Birla SL Cash Mgr-Ret(G)	22.25	14-May-98	28	0.32	0.98	2.09	5.17	7.20	6.63	7.11
Birla SL Cash Plus-Ret(G)	24.28	13-Jun-97	120	0.29	0.88	1.88	4.67	7.08	6.60	7.32
Kotak Liquid(G)	17.70	6-Oct-00	43	0.28	0.85	1.84	4.65	6.76	6.25	6.37
LICMF Liquid(G)	16.70	13-Mar-02	11419	0.40	1.20	2.45	5.86	7.75	7.20	6.79
Magnum InstaCash-Cash(G)	20.25	19-May-99	1194	0.29	0.86	1.87	4.82	7.10	6.60	6.85
Reliance Liquid-Cash(G)	14.91	4-Dec-01	12	0.22	0.64	1.20	2.45	5.06	5.17	5.07
UTI-Money Mkt(G)	2548.44	23-Apr-97	175	0.30	0.94	2.10	5.39	7.29	6.79	7.64
Monthly Income Plans										
Birla SL MIP II-Savings 5(G)	16.35	30-Apr-04	498	0.12	1.48	3.76	1.57	12.40	9.64	9.15
Birla SL MIP II-Wealth 25(G)	16.69	30-Apr-04	74	0.93	3.12	7.88	20.88	7.43	8.99	9.56
Birla SL MIP(G)	24.56	10-Nov-00	98	0.47	2.79	6.10	15.52	8.76	8.64	10.36
Birla SL Monthly Income(G)	33.72	14-Jul-99	147	0.46	2.54	6.40	17.45	10.25	10.04	12.15
DBS Chola MIP(G)	18.68	1-Aug-98	6	0.72	1.58	5.83	12.76	12.00	10.08	4.62
DSPBR Savings Mgr-Agg(G)	18.28	20-May-04	57	1.51	3.76	9.16	20.50	10.17	10.91	11.53
ICICI Pru Income Multiplier(G)	17.93	5-Mar-04	174	0.11	1.58	6.18	22.54	7.72	10.68	10.68
Magnum Income Plus-Savings(G)	10.67	22-Oct-03	1	0.45	0.87	1.17	1.67	0.50	1.13	1.02
UTI-MIS(G)	18.38	11-Oct-02	118	0.99	3.39	7.69	17.90	9.98	9.47	8.79

FII's gung-ho about the India growth story

The net FII (Foreign Institutional Investment) investment in equity shares in the Indian capital markets has registered an all-time high of Rs 83,423.9 crores during the year 2009. After the GDP growth almost back on stream after an uncertain 2008, a significant opportunity to arbitrage through dollar carry trades, the impressive rise of Indian capital markets was on the cards in 2009. However, continuation of this trend will be tough given the current valuations and the expected gradual turnaround in developed the economies.

FII's net investment in 2007 – Rs 71,486.5 crores – was the highest before 2009. The subprime crisis and the subsequent crash in equities reversed this trend. FIIs turned net sellers in calendar 2008 to the tune of Rs 52,987.1 crore. The Indian benchmark indices bottomed out in March 2009 and from thereon the surge in local markets continued till the end of 2009. Cheap valuations, lower interest rates, abundant liquidity and a government with a comprehensive victory helped India to regain confidence among foreign institutions, which once again started investing in India. The cumulative total of net investment by FIIs since November 1992 till December 2009 stands at Rs 3,13,838.19 crores. The year-wise FII investment is demonstrated in chart-1.

During 2009, FIIs have invested the maximum in the Indian capital markets as compared to all other years. If we will analyse the monthly break-up of the capital inflows in 2009, the months of May and September witnessed maximum FII investment. The detailed monthly data is demonstrated in the chart-2.

As per SEBI (Securities & Exchange Board of India) statistics, the number of new investors as FIIs has not grown in tune with the surging capital inflows. The number of FIIs who registered themselves with the SEBI in 2009

was marginally higher by 7% over 2008. At the end of 2009, the number of registered FIIs stands at 1706 as compared to that of 1594 in 2008. On the other hand, the number of registered sub-accounts has gone up by 459 in 2009 to 5331 from 4872 in 2008.

Investment by FIIs in the equity and debt markets is considered fair-weather investment by all rationalists. The inflow of capital surges in an economy that is either going strong or has the potential to generate assets bubble, stock market boom or real estate price spiral. The investments go back when the economy is in despondency. Capital market-centric FII is easier and faster to secure as compared to project-focused FDI (Foreign Direct Investment). The central government has found FII investment as easy option to enhance liquidity in the Indian economy and at the same time multiplying the feel-good factor through surge in share prices.

Indian companies have raised a whopping Rs 1,50,000 crore from investors during 2009, reflecting the fact that India Inc. is positive on outlook of the economy. Furthermore, around two-thirds of these funds have been pledged by investors from abroad. The pace of such huge fund raising activity indicates that most of the Indian companies used the QIP (Qualified Institutional Placements) route instead of the usual IPO (Initial Public Offering) method. The entire procedure of fund raising through the QIP route can be completed within four-five days whereas the IPO method takes around four-five months to get over (right from the filing of prospectus to the regulator to being listed on the bourses). In addition to that there is no lock-in in case of a preferential allotment and SEBI's prior approval is also not required.

As per an estimate, around 50 companies raised a total of Rs 55,000 crore in 2009 through stock sales to institutional investors and local & foreign financial services. In the

Chart-1: Net Investment (Rs Cr.)

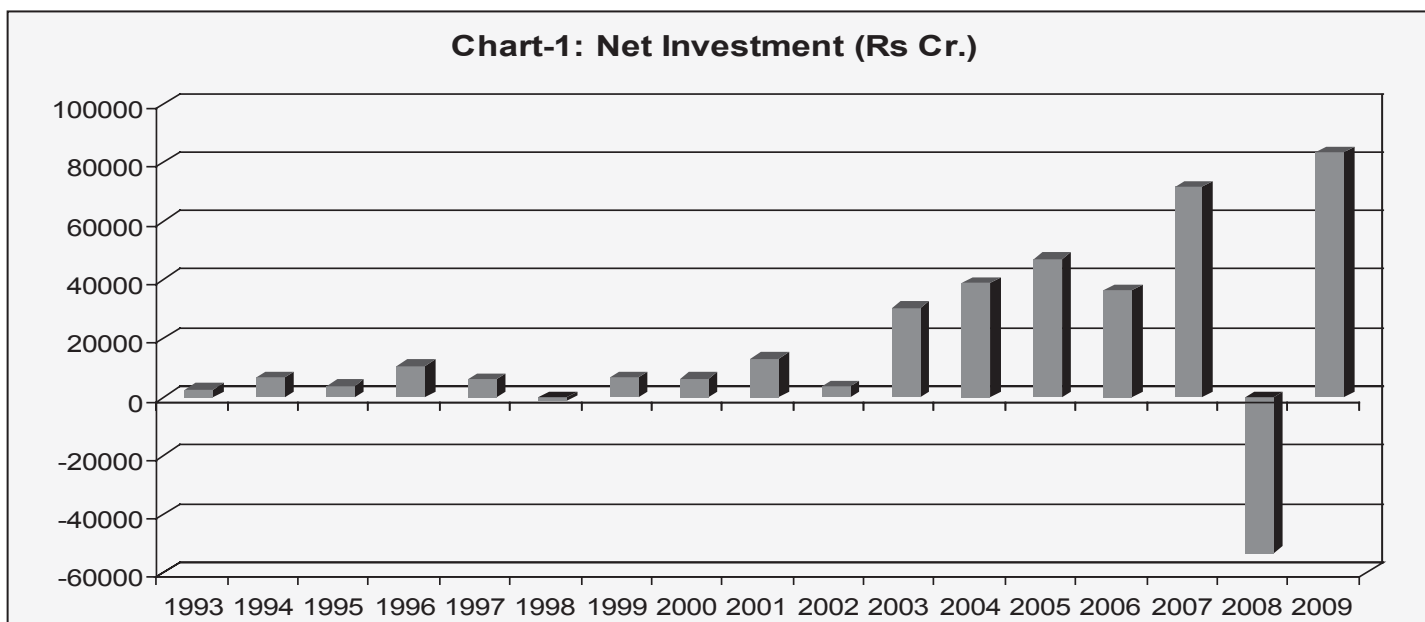
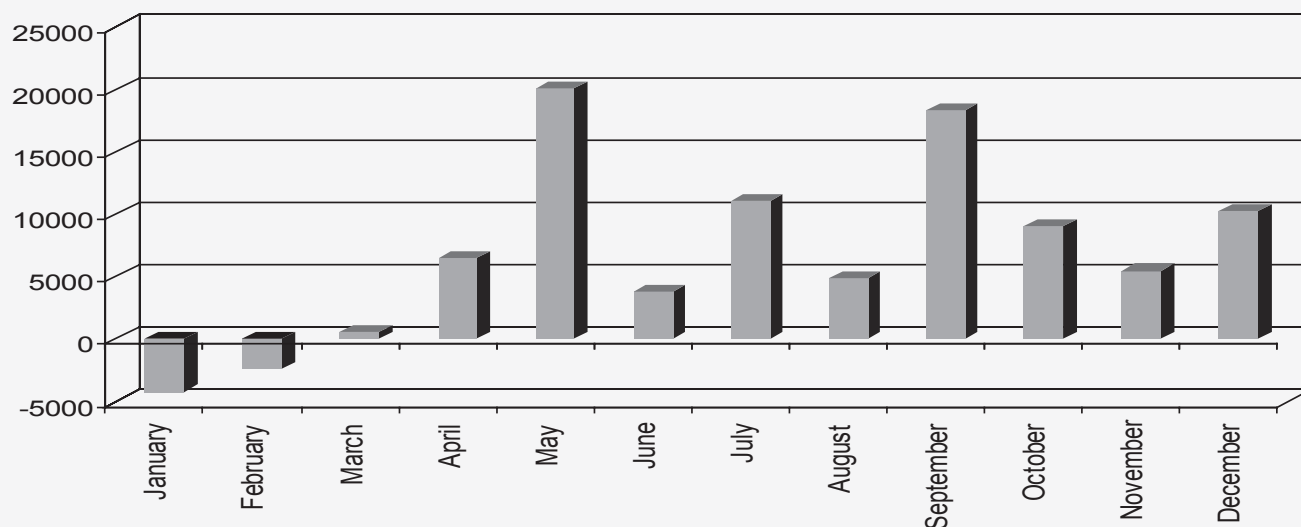


Chart-2: Net Investment (Rs Cr.) in 2009



current year, Unitech is believed to be the first company which kick-started the QIP route of fund raising by collecting around Rs 4,500 crore. Indiabulls real estate was the other significant firm in this regard which raised around Rs 3,000 boosted by a consortium of foreign players.

Interestingly, the massive inflow by FIIs into the Indian capital markets has alarmed the government and other concerned authorities. The inflow has also made industry chambers like Assocham demanding a 2% tax on FII funds whereas the exporter body FIEO (Federation of Indian Export Organisations) demanded government intervention to contain the flow. According to the FIEO, the FII inflow had been making the rupee stronger against the dollar, and Indian exporters are losing their competitiveness in the international trade. Meanwhile, the Finance Minister Pranab Mukherjee has clarified that the government is not worried at the record investments by FIIs in the equities market, putting in to rest all the wild speculations. He firmly ruled out taxing foreign capital inflows to the stock market on the lines of Brazil, saying the markets have been functioning normally and do not require such intervention from the government. He also asserted that the government is agile in this regard and would act if it finds any distortions.

The Reserve Bank of India (RBI) too has clarified its stance in December, 2009 regarding the surging capital inflows. According to RBI, the increasing foreign capital inflows indicate the success story of India's recovery and it should not be viewed as a threat at this point of time. It should be considered as a positive sign which reflects increasing global confidence in Indian recovery. At the same time, RBI is striding cautiously on this issue as it had done in the past. RBI Governor D Subbarao said on December 7 that capital controls should not be ruled out if foreign fund inflows surge.

A prime regulatory concern in a rising market is to keep a tab on the source of funds. It is clear FIIs have returned to the Indian stock markets in search of higher returns. Participatory Notes (PNs), offshore derivative instruments that covered the identity of investors abroad, had invited regulatory action around two years ago. Contrary to expectations, there has not been any intensive action by the SEBI and the RBI, probably because fund flows through the PN route are only a small proportion of total FII inflows.

A large proportion of the FII money has come in through the QIP route. Analysts attribute this to the SEBI's amendment concerning the pricing. Instead of basing pricing on a six months average the regulator has allowed the QIP issues to be priced at the average of two weeks' closing prices. In a rising market this gave promoters an incentive to raise resources through the QIP route.

The restriction placed on the issuance of participatory notes (P-Notes) was relaxed during the global financial crisis. This acted as an incentive for those willing to invest in India through indirect channels without getting registered as an FII.

India, like other emerging markets, has been prone to business cycles very often. India has been able to recover from the global financial meltdown much earlier than expected. At the same time, the valuations in the local equity markets are closer to their long-term average. This will caution the FIIs whenever they will go for big investments in future. The US dollar is gaining strength vis-à-vis other major global currencies. This coupled with any hike in interest rates in developed economies may reverse or slow down the dollar carry trade during 2010. Given these underlying facts, FIIs set to continue their investments in India in future, albeit at a slower rate. Indian economy has to perform exceedingly well in order to upkeep the faith of global investors.

Technical Analysis: Candlestick Chart Patterns

Technical analysis is one of the methods used to analyse securities for making short-term investment or trading decisions. Unlike fundamental analysis which concentrates on financial health of the company, its past profit records and outlook for the sector in which it operates; technical analysis takes a completely different approach. Rather than concentrating on the 'intrinsic value' of the company, technical analyst (one who uses technical analysis) analyses stock price movement and tries to correlate price patterns with different technical analysis studies. In other words, technical analysts concentrate only on supply and demand factors in the market to decide the short term trend of the stock price.

For analysing stock prices technical analyst uses statistics generated by market activity, such as past prices and volume. Some technical analysts depend on chart patterns for their studies while few others use technical indicators and oscillators while most uses some combination of the two.

Technical analysis method is based on few basic assumptions. Let us now concentrate on what are these assumptions.

- Market discounts every event
- Price moves in trends
- History tends to repeat itself

Candlestick Charts

This pattern of charts mainly originated in Japan in the 1600s. Homma, a Japanese trader in the futures markets, in the 1700s discovered that although there was link between supply and demand of rice, the markets were also strongly influenced by the emotions of the traders. The principles which were established by Homma in measuring market emotions in a stock, became the basis for the candlestick chart analysis.

It is basically a method of looking at data differently than what had been developed in western cultures. The western bar chart is made up of four parts viz., open, high, low, and close. The vertical bar depicts the high and low of the session, while the left horizontal line represents the open and the right horizontal line represents the close.

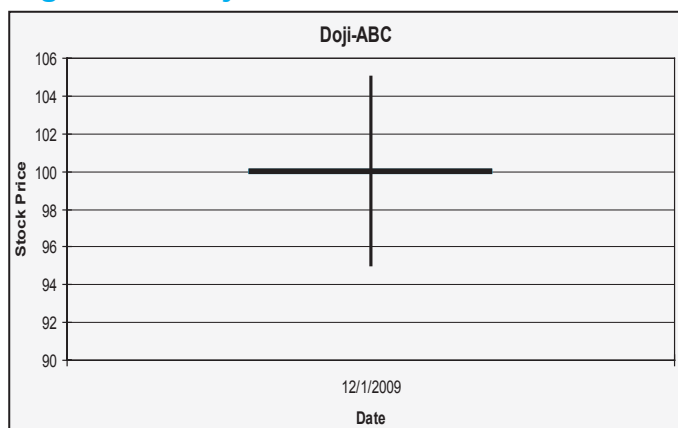
Let us concentrate on few important chart patterns in candlestick

- **Doji:** is one of the most popular candlestick patterns. The stock opens up and gyrates in a narrow range throughout

the day and closes right at or near the opening price. Doji may look like a cross, inverted cross or a plus sign. It represents indecision and causes traders to question the current trend. This can often trigger reversals in the opposite direction.

For e.g. as indicated in the Figure 1.1 ABC share opens at Rs 100 and after touching a high and a low of Rs 105 and Rs 95, respectively trades near the opening rate and closes at the same level. In this scenario Doji chart pattern is formed.

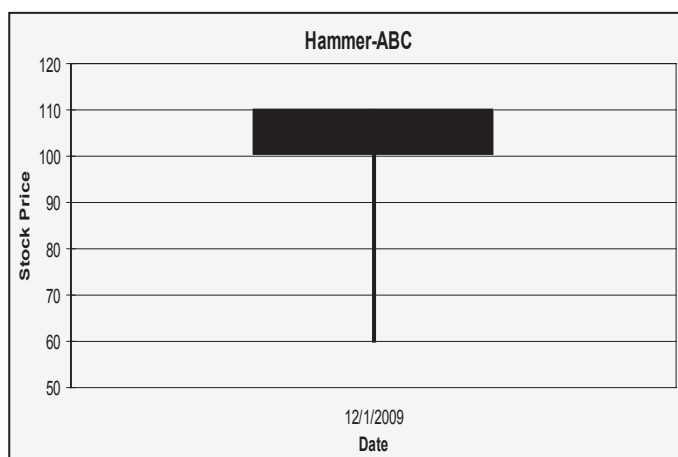
Figure 1.1: Doji



- **Hammer:** is a price pattern that occurs when the stock opens and then suddenly drops on the back of huge selling pressure. But by the end of the day, the stock regains momentum and ends well above the day's low or near the day's high. Hammers form at trend bottoms. If it forms during an up trend or bull-run, it is called as a Hanging Man.

For e.g. In Figure 1.2, ABC opens at Rs 100, but sudden bout of selling drags the counter lower to Rs 60 during the day. At this point, the bulls gather strength to take the scrip to the new high for the day of Rs 110 and it closes at the same point. In such a scenario Hammer chart pattern is formed.

Figure 1.2: Hammer



● **Engulfing:** This pattern is formed when a small candlestick (irrespective of colour) is followed by bigger candlestick which totally engulfs the earlier candle. There are two types in engulfing pattern bullish engulfing and bearish engulfing. When a small candle is red or black and the following candle is green or white it is known as bullish engulfing and vice versa. Generally, bullish engulfing pattern forms in the bear-run while the bearish engulfing pattern forms in the bull-run.

For e.g. in Figure 1.3 ABC share opens at Rs 100 on December 1, touches a high and a low of Rs 105 and Rs 90, respectively but ends at Rs 95 (below opening rate). On next day the scrip makes a subdued start at Rs 90 and touches a low of Rs 85 during the trade but manages a rebound from that level to touch an intraday high of Rs 115 and to close at Rs 110 (above opening rate). This pattern is known as bullish engulfing.

Figure 1.3 (I) indicates bearish engulfing pattern on the share price of ABC Company. In this case, the black candle engulfs the white candle which indicates trend reversal.

Figure 1.3: Bullish Engulfing

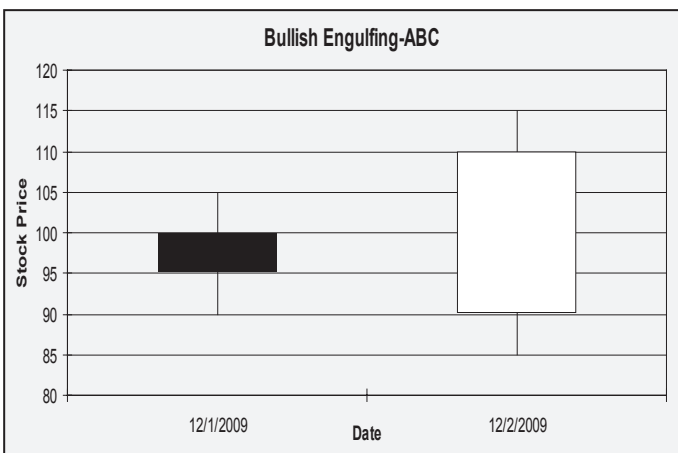
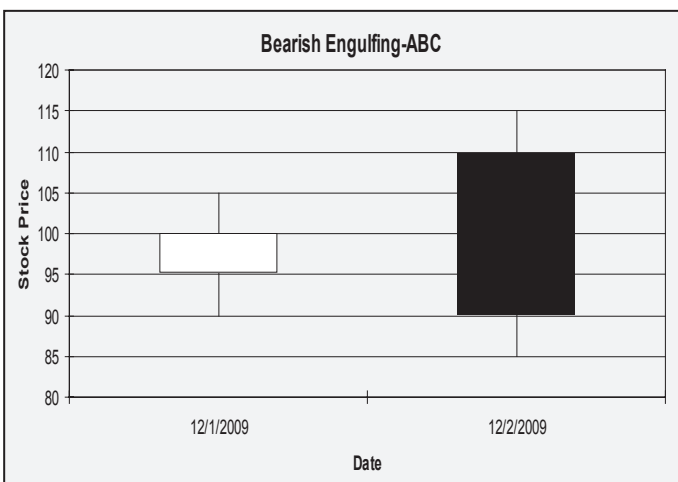


Figure 1.3 (I): Bearish Engulfing



● **Harami:** Under this chart pattern a large candlestick is followed by a smaller candlestick whose body is located within the range of the larger body. In this pattern as well there are two types - bullish harami and bearish harami. Bullish harami indicates reversal of down trend in the particular security while the bearish harami indicates reversal of up trend in the security.

For e.g. Figure 1.4 indicates bullish harami chart pattern for stock price of ABC Company. As can be seen from the chart the stock bottoms out near Rs 90 and on the next day i.e. on December 3 it opens higher at Rs 95, touches a high of Rs 105 and a low of Rs 90 and finally closes at Rs 100 (in the green). This candlestick is within the vertical range of candlestick of December 2 which indicates trend reversal.

Figure 1.4 (I) represents bearish harami on the ABC Company's chart pattern which indicates the stock price is showing signs of exhaustion and it is likely to correct in the near term.

Figure 1.4: Bullish Harami

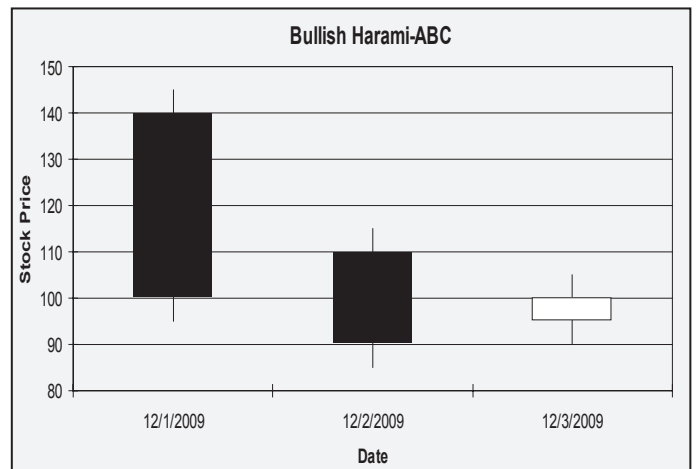
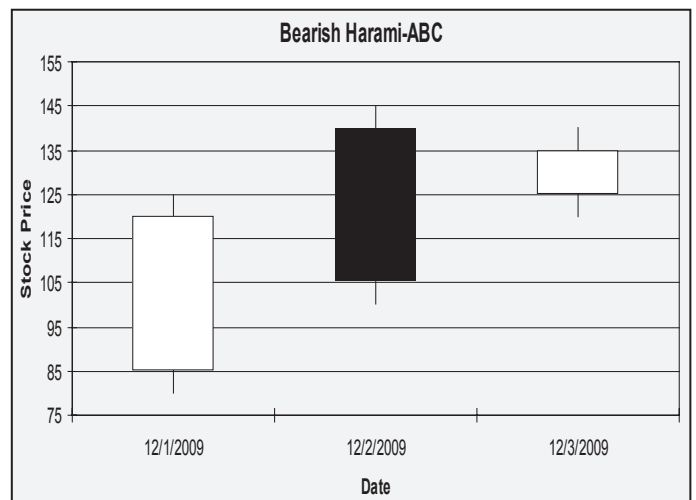


Figure 1.4 (I): Bearish Harami



Extension in sugar export obligation to ease domestic supply

In a move that will help increase domestic availability of sugar at a time when the prices of the commodity have soared by 100% over the current year, the Cabinet Committee on Economic Affairs (CCEA) has on Monday extended by 15 months a deadline for an obligation to export refined sugar against raw sugar imported earlier during 2004-08.

There was a shortfall in sugar production in 2004-05 sugar season (October- September). The government therefore, with a view to augment domestic stocks of sugar, allowed import of raw sugar on 'ton-to-ton' basis under Advance Authorization Scheme in September 2004. The policy remained in existence till April, 2008. The government has recently removed the export obligation for limited period. However there were still some pending exports corresponding to imports made before April 2008.

Nonetheless, sensing that export of the commodity under the offset clause will curtail the domestic availability and lead to further hardening of prices, the government has decided to extend the export obligation period. The move will help improve the domestic supply and thus keep the pressure off the prices to some extent.

Domestic sugar prices have been on the rise since the beginning of the year on the shortfall in local supply and changing supply-demand fundamentals in world market. The trend was expected to turn around later in the current season that began in October with a bumper crop being anticipated on back of high sugar prices witnessed in the last season.

However, monsoon played a spoiler in the scheme and the anticipated increase in sugar acreage will not materialize. The situation has been further complicated by decline in production in countries like Pakistan and Mexico which has resulted in close to 10 million tonne shortfall in world markets, pushing the international prices to record high. The government has been in a tight spot in this wake as the domestic prices record nearly 100% gain since start of calendar year 2009.

Natural rubber prices likely to remain strong in near-term

Natural rubber prices have seen a significant run-up in last few months, both at Indian as well as international level. The development has impacted a number of industries, in particular the tyre makers. While the Indian rubber production is likely to stabilise in coming months, prices are expected to remain strong.

After going through a difficult period late last year in line with most commodities, the rubber industry has posted a smart recovery in recent months, mapping the improvement in auto sales which resulted in increase in demand

from tyre makers. Rubber prices, which went down sharply towards late last year, have strengthened smartly in the current year riding on improvement in economy and strong supply demand fundamentals of the commodity.

Even as the demand for natural rubber is strengthening with the auto industry showing signs of recovery, not just in India but in advanced economies as well, supply side concerns have also emerged, leading to bullishness in prices. This has resulted in a bullish scenario in the industry with prices remaining hard.

According to the data compiled by the Rubber Board of India, production of natural rubber during the first seven months of the current fiscal was down by 9.4% to touch 435,125 tonne. Last year, the production during the same period was 480,230 tonne. Consumption on the other hand increased by 3% over the same period to touch 536,100 tonne. This has led to consistent increase in domestic prices since the month of June itself.

While the prices in the international market were ruling low during the early months, large-scale import by India started pushing up global prices too. India imported about 126,472 tonne of rubber during the April-October period. After the initial push, global rubber prices however started rising even faster than those in India as supply concerns grew.

The untimely rains and floods that followed reduced the availability of natural rubber from Thailand. Total production in Thailand is expected to decline to 2.5 million tonne from 3.5 MT last year. In Malaysia too the tapping has been slow due to heavy rains. Heavy cutting of rubber trees for replanting has further aggravated the situation.

Global natural rubber production therefore is likely to decline 5% over the current season. In this wake, even as the Rubber Board expects domestic production to stabilise over coming months, prices would remain bullish mapping the producer-friendly demand-supply equation at global level.

Iron ore exports double on Chinese demand

India's iron ore exports have more than doubled in October as demand from China surges. Total exports in October jumped to 9.32 million tonne from 4.26 million tonne a year ago, registering a growth of whopping 118%, showed the data released by the Federation of Indian Mineral Industries on Thursday.

Cumulative iron ore exports during the April-September period have reached 53.22 million tonne, up 21% from 44.06 million tonne in the same period last fiscal. The trend is likely to continue going forward as most domestic miners believed Chinese demand would continue remaining strong.

Demand of iron ore from the steel industry in China has increased sharply as the government implements a \$586

billion stimulus package to revive growth. China's economy is forecasted to expand 8.2% this year, compared with a March estimate of 7%, the Asian Development Bank said in September. Economists feel that as China looks to shift, at least partially, to domestic demand led growth from export led development, demand from China would continue to remain high over next few quarters.

India's iron ore exports went down sharply in the last fiscal in wake of initially a tax imposed by government to help domestic steel makers and later due to the global economic downturn and resulting slump in steel industry. However, if Chinese demand continues to remain strong, Indian miners are set to have a bumper year in FY10.

India's pulses import has risen by 20% over the first seven month of this fiscal at 1.59 million tonne compared with 1.32 million tonne of import over the corresponding period of last fiscal. India imported a total of 2.44 million tonne of pulses in 2008-09 fiscal worth Rs 6,121 crore compared to 2.84 million tonnes in the previous fiscal.

India's pulse import rises 20%

India has been importing nearly 12-15% of its pulses requirement for many years. However, in the current fiscal, due to shortage to supply at home, imports have been high and are likely to continue an upward trend for next few months as the government is trying to increase imports to bring surging domestic prices down.

In fact, the government has taken a number of steps to ensure smooth supply of pulses and bring prices down including a ban on the export of pulses of most varieties and total relaxation in the duty on the import of pulses. It has also extended the ban on futures trading in Urd and Tur over the fiscal 2009-2010.

The situation is likely to improve next fiscal as riding on high prices of pulses, cultivated area under pulses has risen. Ministry of Agriculture said in a statement released on Friday, "Data received from states reveal that wheat and pulses have been sown in more area during this rabi season than last year". As per the ministry, total area, under pulses as on December 10, 2009 has increased to 111.90 lakh hectare compared with 109.39 lakh hectare at the same point in time last year.

The edible oil industry has started feeling the pinch on its margin due to rise in oilseed prices, which is being said to have risen considerably due to speculation in futures trading. Keeping in view the concerns of the industry the Solvent Extractors' Association of India (SEA) has suggested to the union consumer affairs ministry that new future contracts for oilseeds should be restricted to current + one month only.

Edible oil industry urges for a tighter future contract norms

As for existing future contracts for the next six months, the

traders should be asked to square them off on the date of settlement next month. Moreover, all contracts have to be backed by a minimum quantity of delivery, suggested SEA. It has further requested the ministry to enhance the margin on trading to such a level which would discourage speculators entering into this arena.

The association has further suggested that the margin should be increased by 5% for each month contract, which currently stands at 5%, so if the contract is for two months the margin will increase to 10%, 15% for three months and so on, so that the futures trading should be used for the purpose of risk management only.

SEA, recently has reported that the import of vegetable oils during November 2009 stood at 753,966 tons compared to 555,342 tons in November 2008, consisting of 712,677 tons of edible oils and 41,289 tons of non-edible oils. During November 2009, Import of RBD Palmolein is reported at 112,604 tons compared to 87,539 tons in October 2009 and 137,959 tons in November 2008. Share of Refined oil is 16%, while crude oil is 84% and reported at 600,073 tons compared to 381,073 tons. Import of Non-edible oils during November 2009 is reported at 41,289 tons compared to 36,310 tons during the same period last year i.e. increased by 14%. P.F.A.D., C.P.S. & C.P.K.O. are the major import of non-edible oils.

Sugar industry draws consensus with OMCs on reworking the purchase agreement

The Oil Marketing Companies (OMCs) and the sugar industry finally seem to have reached a implicit consensus on the price and reworking the purchase agreement in order to include a take or pay clause.

Though, the progress may get jinxed once again despite 5% blending now being mandatory as the Indian Chemicals Council has sent a priority letter to the petroleum secretary, Chemicals secretary and other officials charging that the sugar industry was deliberately misrepresenting the availability of sufficient ethanol for the fuel spiking programme and that its figures of ethanol requirements to the potable alcohol and the chemicals sector were both deliberately underpegged.

It has stated that the sugar industry presentation pegs the demand for fuel ethanol for the 5% EBP at only 680 m litres. However, food minister Sharad Pawar recently pegged that at over 800 m litres while industry leaders peg the requirement at closer to 850 m litres in private.

The data by the council also pegs the delivered cost of imported fuel-grade ethanol at over Rs 35/litre, and has questioned it vehemently saying it to be grossly misleading and has urged PSU OMCs to conduct a proper due diligence on the availability of ethanol for all user industries prior to the implementation of the FEBP.

Reliance office package Policy

Office is the place of one's professional success, it gets built with much of time and money. However, it is constantly exposed to various kinds of risks. An unfortunate occurrence might disrupt the customary functioning of it, bringing a huge financial burden to the business and the owner. Although one cannot guard his business from all possible risks, but with the Reliance Office Package Policy, one can choose those risks which he wants to protect his office against and also determine the extent of cover against each risk.

At Reliance General Insurance's office package Policy seeks to respond to the growing need for a comprehensive Policy that will cover the various risks pertaining to your office.

Designed to offer the total peace of mind, this Policy can be customized to suit specific risk profile. This policy gives the freedom to choose the risks, against which one would like to protect himself, and determine the extent of cover against each identified risk.

This policy provides insurance for offices. It may include:

- Commercial offices
- Government offices
- ITES and BPO Call Center Offices
- Software Development Office
- Office premises (Outside industrial, manufacturing, warehouse premises)

Key Benefits of Reliance office package Policy

- Single policy to enhance convenience
- Specially designed structure to meet the insurance requirement of your office
- Judicial management of loss assessment and fund allocation based on clear indemnity guidelines
- Option to customise the policy from a list of 12 specific covers
- Terrorism cover available with additional premium

Scope of Policy Coverage

Fire and Allied Perils – covers the office building and contents against perils such as fire, earthquake, storm, lightning, floods, explosions, impact damage, earthquake etc

Burglary and Housebreaking – protects office contents against burglary, housebreaking, theft and larceny

Machinery breakdown – covers electrical and mechanical breakdown of equipments / appliances

Electrical and Electronic Appliances – provides all risk cover for electronic appliances such as medical equipment, electronic installations, data carrying materials and software

Money Insurance – Covers loss of money against accident and misfortune while in:

- transit from the business premises to bank and vice versa

- safe at the business premises
- till at the business premises

Baggage – coverage for the proprietor, partner, principal officer or permanent employee against loss of baggage due to accident or misfortune during an official travel

Fixed Plate Glass and Sanitary Fittings – covers loss or damage to fixed plate glass and sanitary fittings due to accidental damage

New Sign/Glow Sign/Hoarding – provides coverage to office publicity tools such as neon signs and hoardings against risks such as fire, lightning, explosion, theft, malicious damage, etc

Personal Accident – provides for financial compensation to the insured person and his/her family in the event of death or disablement due to accident. This can be further extended to cover medical expenses incurred in the event of a valid claim under this section.

Infidelity/Dishonesty of Employees – covers loss or damage to the business against direct pecuniary loss caused by dishonest acts of your employees

Legal Liability – To employees – provides compensation to the employees for accidents arising out of and in the course of employment.

Legal Liability – To Third parties – cover for legal liability to third parties

Additional Rent for Alternative Accommodation – pays for additional rent incurred in moving the business to a new premises in the event of existing premises being destroyed due to fire and allied perils

Exclusions under the Policy:

At Reliance General Insurance, we would like things to be as transparent as possible. To ensure that you do not face any misunderstandings when you make a claim, we would like you to know some of the major exclusions under the Policy:

- Loss or damage due to war and/or warlike perils, nuclear and/or atomic radiation, terrorism.
- Loss or damage due to wear and tear, gradual deterioration or slowly developing flaws.
- Consequential loss of any kind.
- Loss of or damage caused by or due to action of any lawfully constituted authority or Government body.
- Loss or damage for which the manufacturer or supplier or repairer or transporter or any other third party is responsible either in law or under a contract.
- Excess as stated in the Policy Schedule
- Losses without any substantiation or mysterious disappearance or unexplained losses.

In addition, the exclusions applicable under Standard Fire and Special Perils Policy, Burglary Policy, Breakdown Policy, Personal Accident Policy, Third Party Liability Policy are applicable to the respective sections.

SBI Life - Immediate Annuity Plan

Pension Plans are designed for the people who retire from work but do not want to lose their financial independence. This kind of plans gaze into your future and foresee financial stability during your old age. These policies are most suited for senior citizens and those planning a secure future, so that you never give up on the best things in life. In many ways, a pension plan is a method in which an employee transfers part of his or her current income stream toward retirement income.

State Bank of India pension plans helps to meet the post retirement financial needs. The various SBI pension schemes available include Horizon II Pension Plan, Unit Plus II Pension and Life Long Pension Plan. The SBI Life Retirement Plans include CapAssure Gratuity, CapAssure Superannuation Scheme, CapAssure Leave Encashment Scheme, Group Immediate Annuity plan, and SBI Life Golden Gratuity Plans.

This policy provides annuity payments immediately from payment of purchase price. It has been specially designed to cater to the annuity needs of our existing policyholders (SBI Life - Lifelong Pensions, SBI Life - Horizon II Pension, SBI Life - Unit Plus II Pension) at the vesting age.

It has been tailored to suit your needs to the fullest pos-

sible extent. You are required only decide the annuity option and pay a purchase price to commence the annuity for the required amount. Any person who is between 50 and 70 years of age (age as on last birthday) could opt for the Plan.

Key Features of the policy:

- You can opt for any one of the 6 Annuity options available and your annuity option stays the same throughout the tenure.
- Option to choose the periodicity of your annuity: Members can choose the periodicity of the annuity depending upon their needs. The options available are Annual, Half yearly, Quarterly, and Monthly.
- Annuity rates guaranteed for life: Attractive annuity rates due to group effect. Annuity rates decided at the time of entry are guaranteed for the rest of life for the given purchase price.
- Age at Entry for member : 50 to 70 Years as on last birthday
- Minimum Annuity will be Rs. 250 per month.

There are six annuity options available, as mentioned below:

Option 1	Life annuity at a constant rate
Option 2	Annuity payable at constant rate throughout the life of the Annuitant with facility of receiving on death of the Annuitant a refund of purchase price less the sum total of annuity already paid till date of death.
Option 3	Annuity payable at constant simple rate throughout the life of the Annuitant with facility of receiving on death of the Annuitant 100% refund of purchase price.
Option 4	Annuity increasing at the rate of 1% or 2% or 3% per annum as the case may be and payable during the life of the Annuitant
Option 5	Annuity certain for 5/ 10 / 15 years as the case may be and for the life thereafter
Option 6	Last survivor annuity, whereby upon the death of the Annuitant his/ her spouse will receive a life annuity, which will be either 100% or 50% of the last annuity amount paid to the Annuitant, as the case may be.

Annuity is not available if the difference in age of the annuitant and the spouse is more than 10 years.

Annuities will start pouring at monthly, quarterly, half-yearly or yearly intervals as per requirement indicated at time of commencement of the policy.

On joining the Scheme, the first annuity installment shall be paid one year, six months, three months, one month

after the date of the purchase of the annuity depending on the mode of annuity payment is yearly, half-yearly, quarterly or monthly respectively. Every year 15 days prior to the policy anniversary date the annuitant has to submit an existence certificate. In case the existence certificate is not received the annuity payment shall cease. The annuity payment shall however resume on receipt of the existence certificate.

Benefit Illustration:

Age of the annuitant	60 yrs
Purchase price	Rs.1,00,000/-
Option of Annuity	Option1: Life Annuity
Frequency of Annuity amount	Annual
Annuity Amount payable per year till death of the annuitant	6761/-
Death benefit payable	Nil
Surrender benefit payable	Nil

Benefit payable on death of the annuitant

Benefit will be paid on death of the annuitant depending on the annuity option chosen by the annuitant.

Option 1	No benefit is payable
Option 2	Purchase price Less sum total of annuity paid till date of death would be payable to the nominee
Option 3	100% of the Purchase price would be payable to the nominee
Option 4	No benefit payable
Option 5	- If death occurs during the annuity certain period, the nominee will receive the annuity amount on the original dates scheduled for the unexpired portion of the annuity certain period and thereafter the contract ceases. - If death occurs after the annuity certain period, no benefit would be payable
Option 6	On death of the primary annuitant, the surviving spouse would receive 100% or 50% of the annuity amount as originally contracted for his/ her life thereafter

The policy also offers a 15 Day Money Back Guarantee

On receipt of the policy, in case you are not satisfied with its features, you may return it within 15 days for a return of the premium after deducting the administrative expenses. No questions asked.



For Further Detail Contact :

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