

Magnum Connect

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Dear Friends,

After witnessing first two sluggish month of the fiscal, our markets made a splendid come back, to end the first quarter on a jubilant note. Traders had got apprehensive that rally has fizzled out for the Indian markets and the foreign investors will look for some other avenue rather than being invested in the Indian growth story. But thankfully the fervor returned on a right time and when the whole world was susceptible about the waning global economic recovery outlook, our markets rallied subverting all apprehensions. However there are still lots of concerns in mind of investors after the repeated rate hikes by the RBI and weak industrial growth.

In the passing month markets not only in India but across the globe remained concerned about the Greece debt crisis and it becoming contagion. Though finally the debt laden nation managed a way out and the other EU countries too agreed for its help, giving a short term respite in the region and relieving the whole world community, which was worried of a Lehman like situation again. Though, the impact of the euro zone crisis has not had such severe impact on the Indian economy but a lingering debt crisis in the Eurozone could disrupt trade and lead to flight of capital from developing economies like India. However it's not only the global condition that is weighing on the minds of foreign investors and if foreign investors have fled from India in recent months, they have done so because of India's own problems, whether economic or political.

Jiten J. Chheda
(Director)
Magnum Group

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Magnum Wealth Management Pvt. Ltd.
Regd. Office :
Mr. Piyush K. Upadhyay (Correspondent)
Magnum Connect
D-13, Empire Mahal,
806, Dr. B. A. Road,
Khodadad Circle, Dadar T.T.,
Mumbai – 400 014.
For General Enquiries Contact :
+91-22-2415 8686
E-mail : mconnect@magnum.co.in
Website : www.magnum.co.in
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India is one of the fastest-growing pharmaceutical markets in the world, and by now its market size has nearly doubled since 2005. The Indian pharmaceutical market is expected to reach \$20 billion by 2015, growing at a compound annual growth rate (CAGR) of 11.7 per cent during 2005-2015 and establish its presence among the world's leading 10 markets. India is also the third-largest market in the world in terms of volume and fourteenth in terms of value.

The success story of the industry began nearly three decades ago when the government gave it a free hand on issue of patents. The Indian government struck major changes in patent laws in early 1970s, allowing the industry to migrate from product patent to process patent regime. Process patent allows a manufacturer to make a drug identical to the one patented in international markets, albeit by following a different process. As a result, the industry developed significant capabilities in reverse engineering and production of low cost drugs. In simpler terms, the liberal process patent regime allowed Indian companies to manufacture copies of international drugs without bothering about the patents. However, it restricted India's reach in the international markets.

Now a days, India accounts for 8 percent of global pharmaceutical production. Indian firms produce about 60,000 generic brands across 60 therapeutic categories. In addition, Indian firms manufacture approximately 500 different active pharmaceutical ingredients (APIs). Manufacturing costs in India are approximately 35 to 40 percent of those in the US due to low installation and manufacturing costs. Moreover, according to an industry body study, the increasing population of the higher-income group in the country, will open a potential \$8 billion market for multinational companies selling costly drugs by 2015.

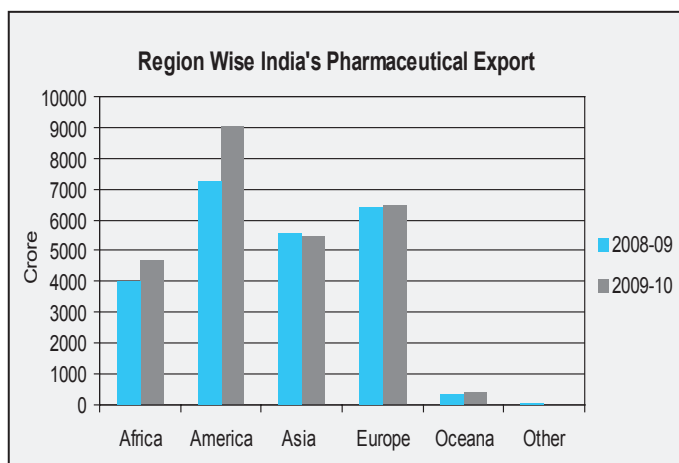
Moreover, on the global front, pharmaceutical market grew by 4.8% to reach \$773 billion in 2008 from \$715 billion in 2007. The CAGR for the period 2001-2007 was 10.5%. The two largest markets, the US and Europe, which contributed almost 72.3% to the global market in 2008, achieved growth rates of 1.4% and 5.8% respectively. The European market is expected to grow with a CAGR of 2-5% for 2008-2013.

On the other hand, emerging markets like Asia, Africa and Latin America, collectively grew at a CAGR of 12-14% from 2003-2008, and are expected to continue growing at a higher rate over the coming years.

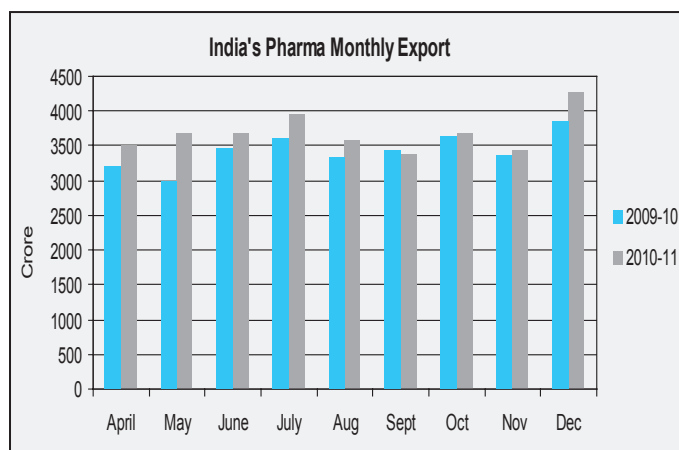
Exports remain strong

Exports have been the major growth enabler of the Indian pharmaceutical industry in recent years. India exports pharmaceutical products, APIs and intermediates to more than 200 countries across the world. Traditionally, Russia, Germany, Nigeria and India's neighboring countries like Sri Lanka, Nepal, and the Middle East were the major markets for Indian pharmaceutical exports. Most of these markets are not highly regulated and are considered to be low-value markets.

USA continued to be the best destination country for exports with about 35% of the total exports during Apr-Oct 2010, with a Period-on-Period (POP) growth of about 25%.



Europe is the second best destination with a POP of 0.99% and a share of about 25% of total exports. Cumulative October growth rate is around 10%. Exports to North America continued to grow at a higher rate while Africa and Oceania are also growing higher than the average growth. The export to Middle Asian and other regions like Middle East, South Asia and Asean are growing less than average.



India's exports of Drugs, pharmaceutical & fine chemicals stood at Rs 33,814 crore for the nine month period from April- December 2010 with a growth rate of 9.4% compared to the same period during the previous year. In dollar terms the exports have recorded 14.5% growth increasing to \$7.41 billion as against \$6.47 billion for the corresponding period of the previous year. For the first time in the year 2010-2011 sales have crossed Rs 4000 crore per month during December 2010.

As a group the top 25 destinations put together of India's exports has recorded a growth rate of over 17.8% & 22.8% in Indian rupee and Dollar respectively, during the period of the two financial years in study, the exports to rest of the world, while in Rupee terms has grown negative, it has grown by almost 1.44% in Dollar terms.

Strength

In the recent past, Indian companies have ventured beyond partly regulated markets. Apart from servicing the markets of Africa, Eastern Asia, Russia and other CIS countries, Indian companies have made significant forays into the highly regulated markets of Europe and North America as well as lesser accredited markets of Australia and South Africa. In recent years companies have also started setting up subsidiaries and registering products in Japan. The wide reach of the companies ensure that using the same basket of products, a company can attain greater sales in markets with varying competitiveness and pricing pressures.

There is a strong institutional framework with an independent regulator Drug Controller General of India (DGCI) responsible for ensuring efficacy of drugs in India. Drug prices are only regulated for essential drugs while for other drugs the companies are free to determine prices according to market forces.

The Indian market is highly fragmented with almost 8,000 manufacturers. This high competition has driven Indian companies to relentlessly drive their costs down over the life cycle of a product. The competency developed as a result also reflects in the manufacturing costs of US FDA plants in India, whose costs are 65% lower than that in the US and 50% lower than that in Europe.

India has a pool of highly skilled scientists and technical workforce, which is capable of competing with the best in the world. This adds to the competitive advantage of the Indian companies. The strength in chemistry skill helps

Indian companies to develop processes, which are cost effective.

Weakness

The Indian pharma companies are marred by the price regulation. Over a period of time, this regulation has reduced the pricing ability of companies. The NPPA (National Pharma Pricing Authority), which is the authority to decide the various pricing parameters, sets prices of different drugs, which leads to lower profitability for the companies. The companies, which are lowest cost producers, are at advantage while those who cannot produce have either to stop production or bear losses.

Indian pharma sector has been marred by lack of product patent, which prevents global pharma companies to introduce new drugs in the country and discourages innovation and drug discovery. But this has provided an upper hand to the Indian pharma companies.

The large chunk of the Indian population cannot afford modern healthcare. This keeps the overall demand low and is also reflected in the fact that despite its high growth rate, India has not been able to match the sales achieved in recent years by even emerging countries like China and Korea.

Due to very low barriers to entry, Indian pharma industry is highly fragmented with about 300 large manufacturing units and about 18,000 small units spread across the country. This makes Indian pharma market increasingly competitive. The industry witnesses price competition, which reduces the growth of the industry in value term.

Opportunities

The migration into a product patent based regime is likely to transform industry fortunes in the long term. The new patent product regime will bring with it new innovative drugs. This will increase the profitability of MNC pharma companies and will force domestic pharma companies to focus more on R&D. This migration could result in consolidation as well. Very small players may not be able to cope up with the challenging environment and may succumb to giants

India possesses the highest number of US FDA approved manufacturing facilities outside the USA and currently tops in filing the drug master files (DMF) with the US FDA. This has also facilitated the domestic industry to attract contract manufacturing opportunities in the rapidly growing

generics market.

Opening up of health insurance sector and the expected growth in per capita income are key growth drivers from a long-term perspective. This leads to the expansion of healthcare industry of which pharma industry is an integral part.

Being the lowest cost producer combined with FDA approved plants, Indian companies can become a global outsourcing hub for pharmaceutical products

Threats

There are certain concerns over the patent regime regarding its current structure. It might be possible that the new government may change certain provisions of the patent act formulated by the preceding government.

Threats from other low cost countries like China and Israel exist. However, on the quality front, India is better placed relative to China. So, differentiation in the contract manufacturing side may wane.

Government steps to boost pharma sector

In the budget proposals for 2011-12 allocation to Ministry of Health & Family Welfare was increased by 20% to 26,760 crore for FY2012 from Rs 22,300 crore. The reduction in custom duty on four life saving drugs and their bulk drugs will have a positive impact on the pharma industry. Custom duty reduced from 10% to 5%. The Surcharges also reduced from 7.5% to 5% which have positive impact on companies like Elder, Cipla, Lupin, Jubilant, Sun Pharma, Jubilant Organosys and Biocon.

The government has also increased weighted deduction on payments made to National Laboratories, research associations, colleges, universities and other institutions, for scientific research. The companies like Ranbaxy, Lupin, Cipla, SPARC, Piramal Lifesciences and Glenmark got some positive impact after weighted deduction increased from 175% to 200%.

The GoI has extended support for the rapid approval of manufacturing and exports of formulations by reducing the approval time for No Objection Certificate (NOC) manufacturer and NOC export license from 12 weeks to 2 weeks.

The GoI has also extended collaborations with developed countries by signing Memorandum of Understanding (MOUs) with the US FDA, World Health Organization

(WHO), Health Canada and EMEA region (comprising Europe, Middle East and Asia). The GoI is promoting collaboration among industry, academia and government through various programmes such as the New Millennium Indian Technology Leadership (NMITLI) and Drugs and Pharmaceuticals Research Programme (DPRP).

Seven NIPERs have been set up as institutes of national importance to achieve excellence in pharmaceutical sciences and technologies, education and training. The GoI has also introduced zero duty for technology upgrades in the pharmaceutical sector through the Export Promotion Capital Goods Scheme (EPCG) scheme.

Further going the GoI is embarking on a major multi-billion dollar initiative with 50 per cent public funding through a public-private partnership (PPP) model to harness India's innovation capability. The vision is to catapult India into one of the top five pharmaceutical innovation hubs by 2020, targeting to achieve a global niche with one out of every five to ten drugs discovered worldwide by 2020 originating from India.

Current Scenario

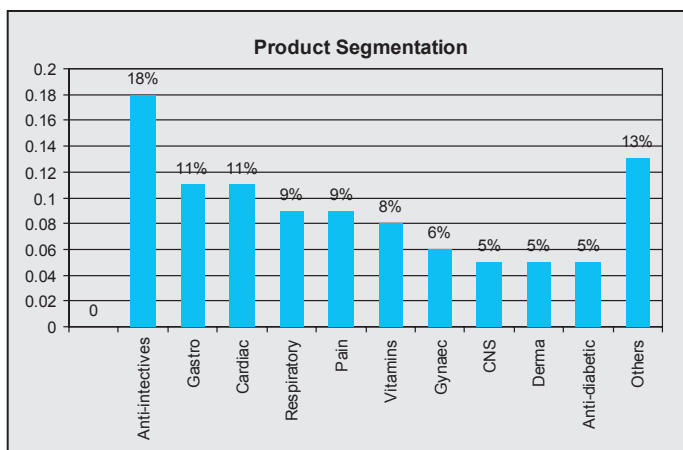
The Indian Pharmaceutical industry has been witnessing exceptional growth in recent years, driven by rising consumption levels in the country and strong demand from export markets. The pharmaceutical industry in India is estimated to be worth about \$10 billion, growing at an annual rate of 9%. The industry has seen tremendous progress in terms of infrastructure development, technology base and the wide range of products manufactured. Demand from the exports market has been growing rapidly due to the capability of Indian players to produce cost-effective drugs with world class manufacturing facilities. Bulk drugs of all major therapeutic groups, requiring complicated manufacturing processes are now being produced in India. Pharmaceuticals companies have developed Good Manufacturing Practices (GMP) compliant facilities for the production of different dosage forms.

In addition to having GMP, WHO, several Indian companies have also been getting plant approvals from international regulatory agencies like US FDA, MCA (UK), TGA (Australia), MCC (South Africa). India possesses the highest number of US FDA approved manufacturing facilities outside the USA and currently tops in filing the drug master files (DMF) with the US FDA. This has also facilitated the domestic industry to attract contract

manufacturing opportunities in the rapidly growing generics market.

The potential of the rural pharmaceutical market in India has encouraged many MNCs to enhance their focus on this market. The untapped Indian rural market accounts for 45 per cent of the country's total gross domestic product (GDP).

Moreover, MNC's are looking at India at a bigger way since India is known for its branded generics and having a share in this will give the MNCs a chance to establish their market in India. At present there is a 100 per cent FDI in the pharma sector and the industry is apprehensive about the proposed cap on Foreign Direct Investment (FDI) upto 49 per cent in pharma sector as it may change the business dynamics of the Indian industry. If the FDI cap comes into force it will not only limit the FDI in the pharmaceutical sector by 49 per cent but it will also be routed through the government. It is believed that the government is considering this to put a break on uncontrolled M&A's of the Indian pharma companies by the MNC's, which could lead to rise in drug prices. But on the same time if the 49 per cent cap comes in, it is going to change the dynamics of the Indian pharma industry since in the last decade M&A's had become a preferred route for many to expand and conduct business.



Currently, the largest segment in the domestic pharmaceutical market is anti-infectives - it accounts for one-fifth of total market turnover. Next in line, and accounting for one-tenth each, are cardio-vascular preparations, cold remedies, painkillers and respiratory

solutions. By contrast, the market for treating diseases (such as diabetes, and obesity) or so-called lifestyle drugs (anti-depressants, drugs to help smokers to quit and anti-wrinkle formulations) are of less significance at present, but are expected to grow in the future.

Outlook

A future trend of Indian pharmaceutical industry seems to be in positive tone. Consumer spending on healthcare services and products has increased in India due to the increasing affordability, shifting disease patterns and modest healthcare reforms. As a resultant factor the healthcare budget of an average Indian household is expected to grow to 13% by 2025. The Indian pharmaceuticals market is expected to reach \$55 billion in 2020 due to increase in the population of high income group. The domestic pharma market is estimated to touch \$20 billion by 2015. The sale of all types of pharmaceutical drugs and medicines in the country stands at around \$12 billion, which is expected to reach around \$19.22 billion by 2012. Thus India would really become a lucrative destination for clinical trials for global giants. It is also projected that the pharmaceutical formulations industry is expected to prosper in the same manner as the pharmaceutical industry. The domestic formulations market will grow at an annual rate of around 17% in 2010-11, owing to increasing middle class population and rapid urbanization.

The Indian pharmaceuticals industry has grown reasonably during the past decade and has the potential to transform itself over the next decade too. The domestic pharma market of India will play a crucial role in fighting the growing diseases. However, the full potential of Indian pharmaceuticals can only be achieved through sustained, progressive and collaborative efforts by the government and the pharmaceutical industry as a whole. The industry is currently been driven by high export growth. The generic market continues to be the main growth driver. The share of the Indian pharmaceutical industry is increasing at the fastest pace in largest generic drug market in world - US. We believe that in near term, the growth of the industry will be driven by the generic market. However, in medium to long run, the industry has strong potential to tap research and innovation segments of industry.

Country	Infant Mortality	Life Expectancy	Health-Adjusted Life Expectancy	Rate of Immunization Against Infectious Disease	Health Expenditure per Person
India	54.30	64.75	53	62	\$109.76

Inflation getting induced by global commodity prices

Policy rates and Inflation:

With the domestic inflation continuing at uncomfortable levels, the Indian Central Bank in its mid-quarter policy review furthered its aggressive stance against the rampant inflation and hiked repo rate and reverse repo rate by 25 basis points (bps) each to 7.50 percent and 6.50 percent respectively. India was one of the earliest movers in tightening the monetary policy to address inflationary pressures. Interest rates have firmed up responding to monetary policy signals. Banks progressively passed on the increased costs in the form of higher lending rates. Now the policy rates are higher by 425 bps since the beginning of RBI's current rate hike cycle. When last month the RBI in its Annual Policy review raised rates by half a percentage point, declaring that some near-term growth would need to be sacrificed to tame inflation, which stood at 8.66 percent for April and further surged to 9.01 percent in the month of May, when rise in fuel prices were not included, after which it seemed that the central bank will now take a pause. But this time the apex bank itself noted that global environment has changed for the worse in the second quarter of 2011 because of high oil and commodity prices, with growth expectations in advanced economies are visibly moderating, even as inflationary pressures, primarily from commodity prices, have increased and despite some moderation it still remains the key external risk.

Inflation is general increase in prices of a set of commodities also known as basket of goods which are deemed essential for a living. The growth in the prices of these essential items in the basket of goods is inflation. Government has mainly two policies to influence the economy, namely monetary policy and fiscal policy. Monetary policy focuses on managing supply of money in the system. Supply of money in the system can be controlled by managing the interest rates which is a direct consequence of policy rates (repo and reverse repo). Monetary policy is popular instrument to manage inflation in any economy. This is when we hear news about government raising policy rates to contain inflation. Sometimes governments reduce policy rates to fuel economic activity in a slow economy.

Inflation and Industrial growth:

Undoubtedly inflation imposes negative externalities on the economy when it interferes with an economy's efficiency.

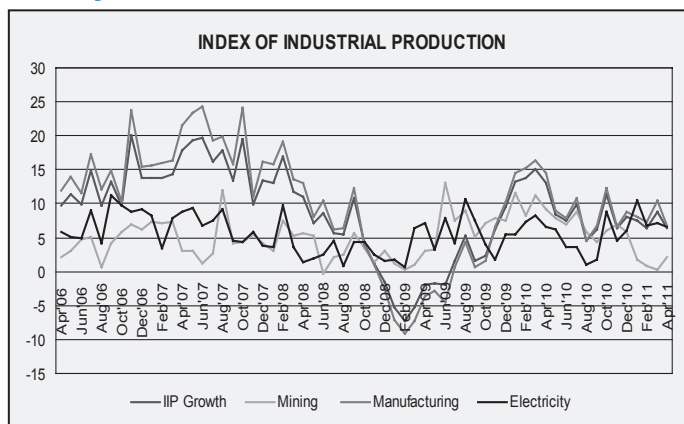
Inflation can lead to uncertainty about the future profitability of investment projects leading to more conservative investment strategies than would otherwise be the case, ultimately leading to lower levels of investment and economic growth. Inflation may also reduce a country's international competitiveness, by making its export relatively more expensive, thus impacting on the balance of payments.

With the revised base of 2004-05, the Quick Estimates of IIP for the month of April 2011 stood at 167.8, which is 6.3 percent higher as compared to the level in the month of April 2010. The annual growth for the period April-March 2010-11 was at 8.2 percent over the corresponding period of the previous year. The indices of Industrial Production for Mining, Manufacturing and Electricity sectors for the month of April 2011 were at 129.1, 178.0 and 146.0 respectively, with the corresponding growth rates of 2.2 percent, 6.9 percent and 6.4 percent as compared to April 2010. The annual growth in the three sectors during April-March, 2010-11 over the corresponding period of 2009-10 have been 5.2 percent, 8.9 percent and 5.5 percent respectively, which moved the overall growth in the General Index to 8.2 percent. This time it was a new series of IIP, the total number of items under the series has gone up to 695 from 538 earlier. The old series had only 281 manufacturing items whereas in new series numbers of manufacturing items increased by 45 percent. The new series was long being asked to be implemented as the older series was showing a very high degree of volatility. The new series represents a better coverage of the industrial structure in the country, which takes into account the item basket as per the more recent production behavior, hence this series can be considered to be a much closer reflection of the present industrial scenario.

The trend in industrial production as revealed by the new series is significantly different from that indicated by the old series (base: 1993-94). While, the old series suggested a sharp deceleration from 10.4 percent in the first half of 2010-11 to 5.5 percent in the second half, the new series suggested broadly the same growth of a little over 8 percent in both halves of the year. While weaker-than-expected growth might cause the RBI to raise rates in smaller increments, the survey showed price pressures will persist. The RBI has no choice but to continue its tightening cycle to bring about a slowdown in domestic demand, which is sufficient to lessen capacity constraints

and ease inflation pressures.

Performance of core industries (April 2011) Base year: 2004-05



Monsoon can become another impeding factor:

According to the Indian meteorological department's forecast monsoon rain in India will be below normal for the second time in three years, raising concerns about the country's production of key summer-sown crops like rice, cotton, sugar cane, corn and lentils. The June-September rains are crucial for crop output in the world's second-most densely inhabited country and Asia's third-largest economy as over half of its agricultural land is rain-fed.

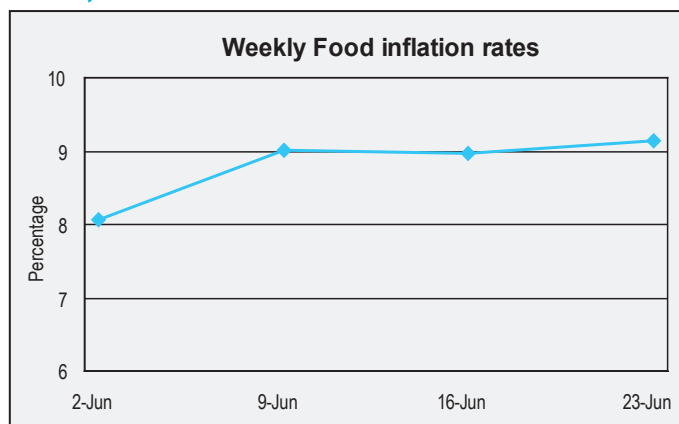
Poor monsoon rains have the potential to trim food grain output for one of the world's biggest producers and consumers of sugar and rice, and in other words reduce the flow of key agricultural commodities into world markets. Any major fall in foodgrain production could also fuel already high food inflation. Potentially lowering farm output and accelerating inflation would be the biggest concern among Asia's major economies.

India which has allowed exports of 1000,000 tones of Open General License (OGL) sugar this year but poor monsoon rains could stay the government's hand from allowing the further exports demanded by the sugar industry. In addition, the country is likely to have 6.5 mt of stocks going into the 2011-12 season after an estimated output of 24.2 mt in 2010-11. The country's consumption is pegged at around 22 mt. On contrary, India's rice inventory was 27.64 mt on June 1 against a target of 17.1 mt. Good irrigation in northern states which are major rice contributors to government stocks should compensate for any shortfall in other parts of the country. But concerns about rice production are likely to extend the government's delay in deciding whether to allow non-basmati rice exports.

Indian government is relying on adequate rainfall to harvest record quantities of food grain and oilseeds for a second year and cool inflation, which has led the central bank to raise interest rates 10 times since mid-March 2010. Agriculture makes up almost 14 percent of the economy and a reduced farm production can increase imports, while also lowering rural incomes and hurting sales of tractors and cars.

We have been seen food inflation slowing down all the way from 20 percent to 8 percent y-o-y and if rains are less than expected then the trend can overturn very quickly. Inadequate monsoon rainfalls will affect the rural demand which is very important for the overall economic activity. According to the commerce ministry, India's benchmark wholesale-price inflation accelerated to 9.06 percent in May from 8.66 percent in April, according to data released on June 14. An index measuring wholesale prices of farm products including milk and lentils rose 8.96 percent in the week ended June 4 from a year earlier.

Weekly food inflation rates for the month of June, 2011:

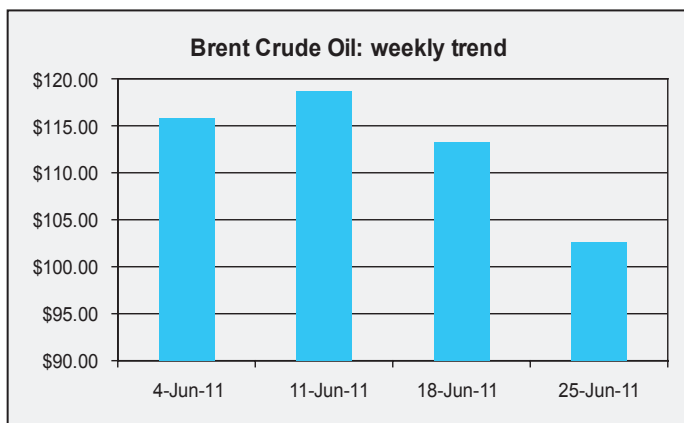


Oil can stoke the Inflation further:

High global crude oil and other commodity prices pose the biggest risk to India's growth and inflation. Crude oil prices have been increasing steadily since February 2009, when prices dropped to \$39 a barrel. Prices soared from \$70 to \$95 a barrel until late 2010 and had a clear fundamentals underpinning. In February 2011, oil prices broke \$100 a barrel as further gains came on the back of Middle East and North African (MENA) region political unrest, despite a spare capacity cushion. The upsurge in oil prices has a direct impact on currency exchange rates, growth of economy, inflation environment and interest rates.

The surging crude oil prices came off sharply following the

International Energy Agency's announcement to release 60 million barrel oil over the next 30 days. The IEA stated that the move is in response to the disruption in supplies caused by the Libyan conflict. Even as Greece reached an agreement with its European counterparts on revised austerity plans.



On the other hand, the government on June 24, increased diesel price by Rs 3 a litre, cooking gas by Rs 50 a cylinder and kerosene by Rs 2 per litre. It has also reduced customs and excise duties on petroleum products. It also abolished the 5 percent customs or import duty on crude and slashed the same on diesel and petrol to 2.5 percent from 7.5 percent; it also reduced excise duty on oil products from 7.5 percent to 2.5 percent. The reduction in excise duty on diesel would lead to a revenue loss of Rs 23,000 crore this fiscal.

The price hikes would help the state owned OMCs limit their revenue loss by Rs 21,000 crore, but still would end the fiscal with about Rs 1,20,000 crore of revenue loss.

Global perspective:

The global risk scenario has improved during the last six months, though there are signs of a slowdown in growth during 2011 in most countries, including some of the developing economies in Asia. But the concerns remain over the possible deterioration of the European debt crisis, the potential effects of U.S. counter-cyclical measures (especially QE2), continuing currency tensions, and the weakness of the banking sector in some advanced countries.

In the US, QE2 is scheduled to end by June 2011, and there is ambiguity about the post-QE2 scenario. The European Central Bank has raised its main interest rate, for the first time since July 2008, in April 2011, in a move aimed at

combating initial inflation signals across the Eurozone. Heightened sovereign risk concerns, particularly in the Euro region, and fears of adverse fallout on the financial sector further clouded the sentiments. For the emerging economies, on the other hand, inflation is emerging as a key concern amidst strong domestic demand, rapid credit growth and large capital inflows. Further, U.S. housing market too remains weak and all these headwinds pose serious concerns and are holding back the US economy. However, amongst the advanced economies, it seems that US will be the one that would experience significantly higher growth in 2012 compared to their pre-crisis levels, supported by expansionary policies and/or economic momentum. Growth in peripheral Europe should remain below pre-crisis levels on the back of fiscal stabilization plans.

Outlook:

Inflation is the major challenge that the Indian economy is facing today and it is widely expected that the prices of international food, energy, and oil prices will remain high in 2011-2012. Besides the recent drop in oil prices following the International Energy Agency's announcement to release 60 million barrel oil over the next 30 days, may not help the domestic inflation to ease off. Inflation may see an upward surge with the hike in domestic fuel prices. Government hiked the much expected fuel prices in order to reduce the financial or revenue losses of state owned oil companies. Diesel, kerosene and cooking gas prices were hiked by Rs 3/litre, Rs 2/litre and Rs 50 per cylinders respectively. On the other hand, government also removed the custom duty of 5 percent on crude oil and reduced excise duty on diesel from Rs 4.6 to Rs 2 a litre, it also reduced the import tax on petrol and diesel to 2.5 percent from 7.5 percent. It has to be noted that diesel is a widely used transport fuel; and hence a bizarre hike in the same may make fruits, vegetables and other food items too expensive as transport costs rise.

The sluggishness of global recovery, high oil and commodity prices, deceleration in domestic industrial growth, uncertainty about continuation of strong growth in agricultural sector and impact of monetary policy actions pose downside risks to India's Gross Domestic Product (GDP) growth during 2011-12. The slowdown in growth momentum may affect the quality of the assets of financial sector as well.

Lupin

Investment overview

- ◆ Lupin is the 5th largest and the fastest growing generics player in the US (by prescriptions) and the only Asian company to achieve that distinction.
- ◆ During last year year, Lupin filed 21 ANDAs in US and is targeting to file another 30+ ANDAs in FY12. Lupin has 148 filings with the FDA with 48 approved products.
- ◆ Lupin's pact with NeuClone will help it firm its footing in Rs 2,500 crore Indian market for biosimilars including insulin, hormones, vaccines and plasma proteins.

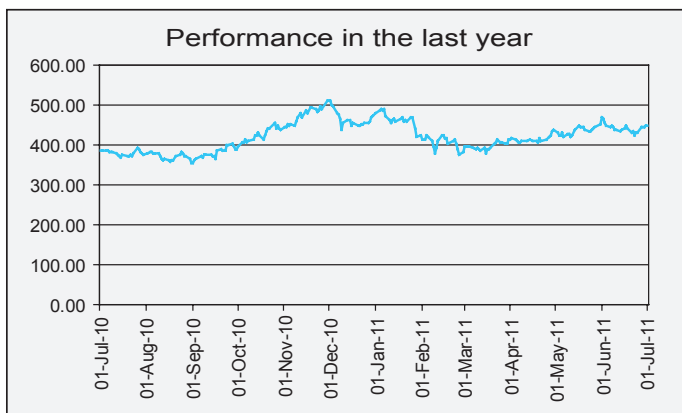
Business Overview

Lupin Limited is an innovation led transnational pharmaceutical company producing a wide range of quality, affordable generic and branded formulations and APIs

Stock Data (as on 01/07/11)	
Current Mkt Price (Rs.)	448.50
52 week High (Rs.)	519.80
52 week low (Rs.)	348.00
Mkt Cap (Rs. Cr.)	20,011
Return in last one Month (%)	-3.72

Share Holding Pattern (as on Mar,2011)	%
Total Promoter	46.98
FII	21.97
DII	20.06
Others	10.99

Key Ratios	
P/E	24.71
Price/Book(x)	6.35
Dividend Yield (%)	0.67
ROCE(%)	25.60
ROE(%)	33.23



for the developed and developing markets of the world. Lupin first gained recognition when it became one of the world's largest manufacturers of Tuberculosis drugs. Over the years, the Company has moved up the value chain and has not only mastered the business of intermediates and APIs, but has also leveraged its strengths to build a formidable formulations business globally.

The Company today has significant market share in key markets in the Cardiovascular (prils and statins), Diabetology, Asthma, Pediatrics, CNS, GI, Anti-Infectives and NSAIDs therapy segments, along with global leadership positions in the Anti-TB and Cephalosporins segments.

Lupin's Global Formulations business constitutes close to 84% of Lupin's overall business mix, and in terms of geographies, USA is its largest market outside India. 67% of the overall business of the Company comes from International Markets. Lupin is one of the select few API players from India that have made an indelible mark on the global stage. Lupin is also amongst one of the very few pharmaceutical companies globally that are strong players on both fronts of the pharmaceutical business - APIs and Formulations.

Financial Health

Lupin's net sales for the quarter ended March 31, 2011 stood at Rs 1202.29 crore up by 30.85% from Rs 918.81 crore in the corresponding previous quarter. Its net profit reported a surge of 64.38% to Rs 243.75 crore from Rs 148.28 crore. Net sales within India grew by 20% during Q4 FY 2010-11 recording revenue of Rs 390.70 crore and net sales outside India grew by 17% recording revenue of Rs 1120.90 crore.

For the financial year ended March 2011, Lupin's Consolidated Sales were up by 19.73% to Rs 5832.02 crore from Rs 4870.79 crore, while the Profit after Tax were Rs 862.55 crore, up by 26.54 compared to Rs 681.63 crore last year.

Industry Scenario

India's pharmaceutical industry is now the third largest in the world in terms of volume. Its rank is 14th in terms of value. Today it is in the front rank of India's science-based industries with wide ranging capabilities in the complex field of drug manufacture and technology. It ranks very high in the third world, in terms of technology, quality and range of medicines manufactured. From simple headache pills to sophisticated antibiotics and complex cardiac compounds, almost every type of medicine is now made indigenously. The Indian Pharmaceutical sector is highly fragmented with more than 20,000 registered units. It has expanded drastically in the last two decades. The leading 250 pharmaceutical companies control 70% of the market with market leader holding nearly 7% of the market share.

(Rs. Cr.)

Particulars	Mar Qtr-11	Mar Qtr-10	Growth%	FY11	FY10	Growth%
Net Sales	1222.48	934.34	30.84	4508.50	3708.51	21.57
Total Income	1223.33	935.18	30.81	4,511.46	3,712.61	21.52
Other Income	0.85	0.84	1.19	2.96	4.10	-27.80
PBT	248.18	146.44	69.48	845.63	708.66	19.33
PAT	243.75	148.28	64.39	809.98	648.93	24.82
EPS	5.46	17.15	--	18.18	75.38	--

Standalone

It is an extremely fragmented market with severe price competition and government price control.

The Indian pharmaceuticals market is expected to reach \$ 55 billion in 2020 from \$ 12.6 billion in 2009. This was stated in a report title "India Pharma 2020: Propelling access and acceptance, realising true potential" by McKinsey & Company. In the same report, it was also mentioned that in an aggressive growth scenario, the pharma market has the further potential to reach \$ 70 billion by 2020. However, Associated Chambers of Commerce and Industry (Assocham) has said that it expects the Indian pharmaceutical industry to reach \$20 billion by 2015, making it one of the world's top 10 pharmaceuticals markets.

Investment Rationale

Lupin has come up with strong numbers for the final quarter and the year ended March 31, 2011, with all its businesses clocking in double-digit growth. It was the successive 20th quarter of strong performance for the company. Not only in its established brands but it delivered strong growth in new therapy segments, product launches, landmark license agreements, product approvals and patent settlements. The Company's R&D endeavors have resulted in significant progress in its NCE program. The Company's foray into Advanced Drug Delivery Systems has resulted in the development of platform technologies that are being used to develop value-added generic pharmaceuticals. It has upped its revenue expenditure on R&D to Rs 483.40 crore, or 8.5% of net sales as against Rs 357 crore or 7.5% of net sales in FY 2009-10, showing that the company is serious about increasing the productivity of the drug discovery.

The company reported strong performance across the geography and its Advanced Markets Formulation sale that contributes the majority portion of the net sales (49%) increased by 22% to Rs 2822.90 crore during FY 2010-11, up from Rs 2323.30 crore in FY 2009-10. Formulation Sales in US and EU grew by 23% to Rs 2201.70 for the fiscal, up from Rs 1789.30 crore in the last fiscal. While, the Net Sales of India region Formulations grew by 17% to Rs 1550.90 crore during FY 2010-11 as against Rs 1330.30 crore last year. Sales for Lupin's South African subsidiary, Pharma Dynamics grew by 38% to Rs 182.90 crore as against Rs 132.80 crore and the Philippines

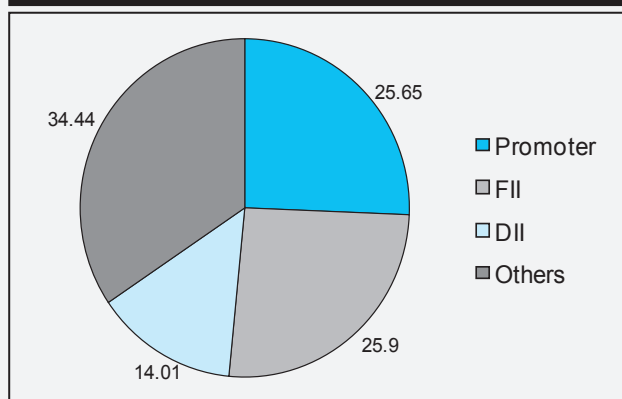
subsidiary, Multicare Pharmaceuticals registered a sales growth of 28% clocking to Rs 41.80 crore for FY 2010-11. Its Japanese subsidiary, Kyowa sales grew by 16% to Rs. 621.20 crore for the fiscal

Recently Lupin has entered into a strategic licensing agreement with Sydney based private specialty life science company NeuClone for their cell line technology. NeuClone will provide an exclusive proprietary mammalian CHO cell line which will express a specific recombinant protein of interest in Oncology to its partner. The agreement will also entail the Lupin Biological Research Program scientific research staff working with NeuClone Teams at their facility as a part of the overall technology transfer arrangements as specified within the agreement. NeuClone is an Australian biotech company specializing in cell line engineering for the biopharmaceutical and biomanufacturing industries. It has developed technology in recombinant protein production. The agreement is of great importance keeping in view the multi-billion dollar opportunity with blockbuster Biologics going off patent in the next 5-8 years.

There has been some concern too, like the recent recalling of 4962 bottles each containing 100 tablets of perindopril erbumine 2mg tablets, a blood pressure drug from the US markets. The company has previously voluntarily recalled a batch of its hypertension drug Lisinopril in April, due to adulterated presence of foreign tablets, though it will have insignificant financial impact on the company's revenues as the value of the two recall is about \$15,000 only.

At the CMP of Rs 448.50, Lupin is trading at a P/E multiple of 24.65x and 21.90x of FY12(E) we would recommend 'BUY' in the scrip with a price target of Rs 510, with an outlook for 12 months. The company's generic business in US is likely to improve with more approvals from FDA with bunching approvals; hence the growth will be pretty high in the region. The company will be launching 12 plus products in this year of which 3-4 are over the counter drugs in range of \$300-500 million. In a positive development the company had settled its all ongoing litigations with Sunovion on Lunesta, with Forest on Meantime and Warner Chilcott on Loestrin and Femcon. Europe will remain a market of strategic focus for Lupin as it has filed 33 MAA's with European Authorities during FY 2010-11.

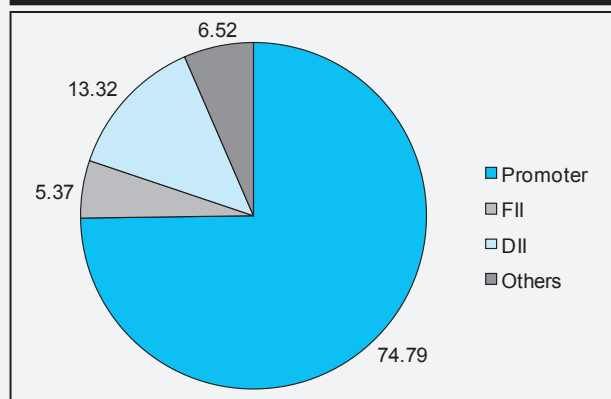
DR. REDDY'S LABORATORIES



- ◆ Dr. Reddy's Laboratories is among the top-3 API player globally, having over 40 product families marketed in the US and 133 ANDAs filled till date. 69 ANDAs pending approval at the USFDA, of which 32 are Para IV and 19 are first-to-file (FTFs). About 160 products are marketed in the EU and more than 200 branded formulations marketed in the rest of the world markets.
- ◆ Dr Reddy's Laboratories has launched Levofloxacin tablets 250mg, 500mg, and 750mg, a bioequivalent generic version of Levaquin tablets in the US market, following the approval by the USFDA for Levofloxacin tablets, which had US sales of about \$1.1 billion for the most recent twelve months ending March 2011.
- ◆ DRL has acquired penicillin facility from Glaxo in November 2010 and has now commenced production from the said factory and expects ramp-up from H2FY12. The overall penicillin market is about \$350-400mn with two major players in the market. In spite of the generic competition the company is confident that it will be able to leverage on the brands.
- ◆ The company has embarked on an aggressive capex plan and expects to spend \$180-200mn in FY12 in building formulation and API facilities at Vizag, expanding existing facilities and increasing biosimilar capacity. The company expects its second Baddi plant to be operational in FY12.
- ◆ The company's net profit for the fourth quarter declined by 34.48% at Rs 165.87 crore as compared to Rs 253.16 crore for the corresponding quarter previous year.
- ◆ Dr Reddy's is currently trading at Rs 1520.00. The stock is currently trading at 22.2x FY12 and 18.2x FY13 recurring earnings. Though the company is having a good product pipeline in the US for the next two years and could now see approval for its key products flowing from Q2FY12. However the company is likely to get impacted by DEP withdrawal after September and delay in some of its key product approvals.

Last Traded Price (As on July 1, 2011)	1522.00
Price target	1585.00
Market cap. (Rs cr.)	25,720
52 Week H/L	1855.00/1304.50
Free Float (Rs cr.)	19,314
BSE code	500124

CADILA HEALTHCARE



- ◆ Cadila Healthcare, a part of the Zydus Group which operates in areas of active pharmaceutical ingredients (API) to formulations, and animal health products to cosmeceuticals in four continents spread across USA, Europe, Japan, Brazil, South Africa and 25 other emerging markets, through its US subsidiary has agreed to acquire the assets of US based pharmaceutical company Neshier Pharmaceuticals Inc. for an undisclosed amount.
- ◆ Cadila posted slightly higher than estimated results in Q4 of FY2011, with total revenues growth at Rs 1212.9 crore higher by 43% from 1045.4 crore year on year (yoy) on the back of higher than anticipated sales from Docetaxel and US business. In the US market, sales grew by 51.2% yoy to Rs 280.3 crore due to increase in demand for certain products. Domestic formulation sales increased by 22.4% to Rs 387.3 crore mainly driven by products launched in the last couple of years.
- ◆ Cadila and Bayer Healthcare signed an agreement to set up 50:50 joint venture company Bayer Zydus Pharma to market Bayer's products in India. The JV will focus on marketing drugs in women's healthcare, metabolic disorders, diagnostic imaging, cardiovascular diseases, anti-diabetic treatments and oncology. It is planning to file 15-20 ANDA in FY12.
- ◆ At CMP of Rs 934.25, Cadila is trading at 21.3x and 17x of its FY2012E and FY2013E earnings respectively. Going forward, the company has re-affirmed its guidance of \$3 bn by FY2015-16. In the near term, Neshier's acquisition may not be material for Cadila's valuation, but its ability to invest in making the acquired facilities FDA-compliant and then convince the regulator to give approvals to resume production will lead to higher sales and profitability. Our target price reflects around a 12%-15% upside return from the CMP as we remain positive on the company's growth prospects. We maintain a BUY recommendation with a target of Rs 1032, achievable over a medium to long term.

Last Traded Price (As on July 1, 2011)	934.25
Price target	1,032
Market cap. (Rs cr.)	19,128.30
52 Week H/L	946.85/599.00
Free Float (Rs cr.)	5,737.786
BSE code	532321

NHPC to set up three hydel projects with capacity of 300 MW

NHPC, the country's largest hydro power producer likely to set up three hydel projects having a total capacity of 300 MW at Sindol, near Dhenkanal. The company is about to finalize a joint venture with the Orissa government for these hydel project. NHPC will have a 51% stake in the joint venture, while the remaining 49% will be with the Orissa government. NHPC is also aiming at expanding its presence into other states, including Uttarakhand. The company has an installed capacity of about 5,300 MW and is planning to add around 700 MW by commissioning five projects by March, 2012.

HDFC to raise Rs 200 crore via zero coupon bonds

Housing Development Finance Corporation (HDFC) is looking to raise at least Rs 200 crore through 1-year, 1-day zero coupon bonds, yielding 9.85 percent on maturity. The pay-in date for the issue is July 4 and Barclays Capital is an arranger to the deal.

Bharti Airtel commences rollout of 3G services in Gujarat

Telecom major Bharti Airtel has launched 3G services in Gujarat. Following the said launch, the company's 66 lakhs plus customers across the state will now be able to enjoy a host of exciting 3G capabilities including fast mobile internet access, video streaming, video calling, Mobile TV, social networking on-the-go and high definition gaming. The launch of Airtel 3G gives customers the power to enjoy multimedia services, high speed mobile broadband, videos on phone, live TV, video calls and much more- all at speeds never experienced before. With this, Airtel 3G customers will be able to receive updates on stock market, commodities, food, entertainment, health and utilities at the click of one button.

ITC Infotech partners with Finland-based IT service provider Solteq Oyj

ITC's fully owned subsidiary ITC Infotech, a global IT services company entered into partnership with Finland-based IT service provider Solteq Oyj. The partnership will help ITC Infotech to expand its presence and offer support to its Nordic clients while Solteq Oyj will be able to utilize the full breadth of ITC Infotech's services portfolio to deliver solutions in the Finnish market. ITC Infotech expects to

strengthen and consolidate its Nordic presence with the support of Solteq Oyj. Solteq Oyj has proven expertise in offering services for the retail, logistics and manufacturing sectors. These complementary competencies will help it in offering a unique value proposition to clients. While Solteq Oyj will offer new services to its clients and to better compete in the marketplace.

NTPC commissions Unit 1 of 660 MW of Sipat Super Thermal Power Project

National Thermal Power Corporation (NTPC) has commissioned the Unit No. 1 of 660 MW of Sipat Super Thermal Power Project on June 28, 2011. Pursuant to commissioning, the total capacity of NTPC group has become 34,854 MW. This is the first super-critical 660 MW unit of NTPC which has been added to the capacity. With the coming of this unit, the total installed capacity of Sipat Super Thermal Power Project has become 1,660 MW.

Tata Steel inks pact with TRIL for new Jamshedpur airport

World's 6th largest steel company - Tata Steel and Tata Realty and Infrastructure (TRIL) are entering into a joint venture agreement to set up a greenfield airport at Jamshedpur. The new airport will have the capacity to allow commercial airliners such as the Airbus A320 to land and take off, which will pave the way for airlines to connect Jamshedpur with the rest of the country. To set up the new airport Tata Steel is in the process of acquiring 600 acres of land in the outskirts of Jamshedpur which will replace the small air strip presently being operated by Tata Steel. It is in discussions about the exact split of equity stake between TRIL and Tata Steel for this project.

Birla Corp sets Rs 1,025 crore capex plan for expansion

Birla Corporation, a MP Birla Group flagship, in a bid to expand its cement and power capacity is planning to invest about Rs 1,025 crore over the next one-and-a-half years. At present the company is having a cement production capacity of 7.5 million tonnes (MT) which after capacity expansion is expected to touch 9.3 MT by March 2012. The company's 1.2 MT brownfield project for increase of capacity at Chanderia and 0.6 MT capacity addition at Durgapur is progressing satisfactorily and the projects are likely to be commissioned by November-December 2011. The company's expansion project relating to replacement

of old cement ball mills, one at Satna and the other at Chanderia, for increasing the cement grinding capacity and ensuring power saving are also progressing satisfactorily. It has also proposed to install a grinding cum packing plant with a capacity of 7.5 lakh tonne per annum at Kota, Rajasthan to optimise the logistics costs. Cement capacity of the Raebarelli works is being expanded from 6.3 lakh tonne per annum to 8 lakh tone.

ICICI Bank aims to come up with 1,500 branches in five years

ICICI Bank, a major private sector bank aims to add about 1,500 branches over a period of four years in a major expansion drive. Presently, the bank has a network of 2,533 branches and 6,301 ATMs in the country. The bank will be increasing its reach and business with the branch expansion and it will help mobilize the cheap resources.

RPP Infra Projects launches new Sri Lankan venture

RPP Infra Projects, one of the India's leading and fast growing Non Metro/Rural based organization has launched a new venture in Sri Lanka known as RPP Infra Projects (Lanka) to execute the recently won housing project for internally displaced people (IPDs) in Sri Lanka. This project would be executed in Vavunia, Mullaitheevu, Kilinochchi, Mannar and Jaffna district of Northern Province in Sri Lanka. Hindustan Pre-Fab (HPL) a Government of India subsidiary is executing the project. A to Z Maintenance and Engineering Services would also be executing a part of the IDP Projects under RPP Infra Projects in Sri Lanka.

Larsen & Toubro proposes Rs 85,000 crore investments in Orissa

Larsen & Toubro (L&T), a leading engineering company, is planning to invest around Rs 85,000 crore in Orissa. The company will be investing in aluminium, power and steel sectors and has already given proposals to the state government. The company is now seeking state government's clearance for the proposal and will proceed as soon as it is approved. L&T in joint venture with Dubai based Dubal was planning to set up an aluminium plant with an investment of about Rs 30,000 crore. Besides, the company has also planned to set up two thermal power stations of 2,000 MW capacity each. The company will establish one such power station at Dhamra in Bhadrak district while it has not decided the location for another unit.

The other power station would be preferable if located at a place within 100 km from the state capital. The company has also submitted the proposal for a steel plant to the state government which would be located near Paradip at over 600 acre of land.

Jet Airways inks partnership pact with ngpay

Jet Airways, India's premier international airline, has entered into a partnership pact with ngpay to offer fliers a convenient option to seamlessly book tickets on their mobile phones. This service will allow fliers to book, cancel and refund their eTickets and also manage payment cards on their phones. An eTicket will automatically be sent to the flier's preferred email address upon completion of the booking process. The details of eTicket will also be sent to his mobile phone via SMS. The airline company through partnership with ngpay will offer yet another convenient booking channel, enabling its guests to book tickets on their mobile.

RPower to commission Phase II of Rosa plant months ahead of schedule

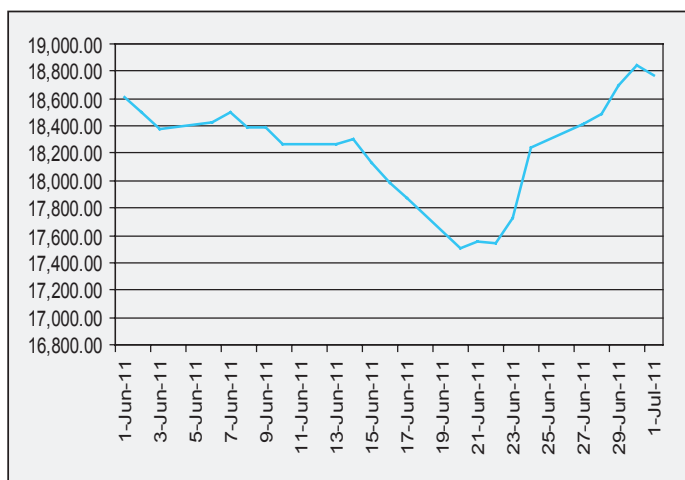
Reliance Power (RPower) is working to bring online the 600 MW Phase II of its Rosa Power Project in Uttar Pradesh three months ahead of the targeted date of March 31, 2012. The company will gain with the revenues which will start flowing in this fiscal itself. All approvals are in place and coal linkage has been guaranteed with the company getting a letter of assurance for provisions from the Central coal mines in Jharkhand, the boiler hydro test was done on February 18.

Shriram Transport's arm plans to open 50 auto malls

Shriram Automall India, a subsidiary of the Shriram Transport Finance Company (STFC), is planning to establish 50 auto malls in the country. These auto malls are large-format sales outlets, offering transaction infrastructure for buying and selling of commercial vehicles initially and construction equipment later. As per the of company's mall concept, sellers can come with their vehicles and the company will auction it for them. The auto malls would help STFC in financing used commercial vehicles also. The company already has four auto malls in India at Vadodara, Chennai, Gudgav and Panvel and 46 more such auto malls will be opened in near future.

The Indian equity markets rejoiced in the month of June after witnessing sluggish first two months of the fiscal. It was mainly the plunge in the international crude prices that took the markets higher in the last ten days of the month; otherwise after starting the month on a firm note the markets declined continuously, breaking all their nearest support levels. The global growth outlook remained bleak while the Greece crisis in the Euro Zone kept the sentiments cautious, but all got settled out for the time being by the end of the month. The local markets received the reason of jubilation in the beginning of the month with major auto companies reporting rise in sales number for the month of May, despite talk of slowdown in the industry. However India's manufacturing Purchasing Managers' Index fell slightly for the month of May, neutralizing the joy. The seasonally adjusted HSBC Markit Purchasing Managers' Index (PMI) came in at 57.5 in May, down from April's 58 points, the momentum in the sector eased due to a slowdown in output and new order growth. Slew of weak macroeconomic news continued with Index of Industrial Production (IIP) in April 2011 growing by 6.3% from a year ago, calculated on the basis of new series; on the other hand the growth was measured at mere 4.4% in comparison to 7.3% in the month of March as per the old series, while IIP in April 2010 stood at 16.7%. This time it was a new series of IIP data with an updated base of 2004-05 and with inclusion of more components, the total number of items under the series has gone up to 695 from 538 earlier. The old series had only 281 manufacturing items whereas in new series numbers of manufacturing items increased by 45%. The new series takes into account the item basket as per the more recent production behavior, hence this series can be considered to be a much closer reflection of the present industrial scenario. The IIP for manufacturing, mining and electricity sectors

BSE Sensex movement for the month of June



for month of April 2011 grew by 2.2%, 6.9% and 6.4%, respectively. The annual growth for these three sectors for 2010-11 were 5.2%, 8.9% 5.5% respectively.

BSE Sensex Monthly Gainers			
Company	Prev Price (June '11)	Last Price (July '11)	Change (%)
HUL	309.95	336.75	8.65
L&T	1682.35	1807.75	7.45
NTPC	174.75	186.00	6.44
Bajaj Auto	1338.55	1420.60	6.13
BHEL	1951.55	2049.70	5.03

◆ Hindustan Unilever (HUL)'s Mumbai assets sale has started to gather momentum. Earlier this year, HUL had put two of its Mumbai properties on the block and has been reported to have received about 10-12 expression of interests from different developers for its Gulita property. It is HUL's training centre in Worli Seaface, an area of about 40,000 square feet with a 1.33 FSI. The total valuation of the property is in the range of Rs 250-300 crore.

◆ Larsen & Toubro's metallurgical and materials handling company, part of its construction division, has bagged new orders worth Rs 1,610 crore from Tata Steel, Indiabulls Power and other customers in the first quarter (April-June). Major portion of these orders pertain to Tata Steel's Kalinga Nagar project in Orissa. Apart from constructing the entire coke oven and by-product plant, the company is also providing detailed engineering and supply of balance of plant. L&T has also got Rs 240 crore order from Indiabulls Power for civil and construction works for coal handling and ash handling plants for its thermal power projects in Maharashtra's Amravati and Nasik. The project has to be completed in 23 months.

BSE Sensex Monthly Losers			
Company	Prev Price (June '11)	Last Price (July '11)	Change (%)
Reliance Inds.	946.75	862.15	-8.94
Maruti Suzuki	1248.90	1143.55	-8.44
Tata Motors	1079.45	994.50	-7.87
DLF	236.40	220.35	-6.79
Reliance Infra	579.60	541.65	-6.55

◆ Reliance Industries investment plan shows cost of production increased by \$3 billion. The cost increased from \$2.39 billion to \$5.19 billion as per the Comptroller and Auditor General's draft report estimates. Since companies are allowed to recover their capital expenditure before paying to government, it has decreased government's profits. Reliance in 2002 discovered the field and submitted report envisaging 40 mcmd (million cubic metres per day) of gas, however, later revised it to 80 mcmd. The daily rig rate also increased up to \$500,000-550,000 around the year 2006 from \$110,000-120,000 in 2004 and service cost increased by \$125,000 to \$150,000. The company also added development concept in 2003 after the discovery in 2002 which required new data and domain knowledge from experts, this increased the expenditure. Increase in cost of other factors include - development wells (from \$944 million in initial plan to \$1.16 billion in revised plan), production facilities (\$1.34 billion-\$2 billion), subsea control systems (\$358 million-\$722 million), deepwater pipeline (\$142 million-\$323 million), onshore terminal and site grading (\$192 million-\$550 million), control-cum-riser platform (\$0-\$446 million).

◆ Maruti Suzuki, India's largest car maker ended a 13-day strike by employees on June 16, 2011. About 800 workers, at the Manesar plant in the northern state of Haryana, had been on strike since June 4, demanding recognition of a new union specific to the plant. The company has one workers' union recognized by the management. The settlement, it is understood, makes no mention of the contentious issue of formation of a separate union at the plant at Manesar and also over the entry of outsiders in the new union that may take charge at the plant. The management has also taken back the sacked workers. The company already banged by a massive slowdown in sales, Rs 420 crore and a production loss of 12,600 units. The Manesar plant rolls out about 1,200 units every day in two shifts. The factory produces hatchbacks Swift and A-Star and sedans DZiRE and SX4.

Though the macro data remained sluggish, one silver lining came from the export front, as for the month of May country's export grew by an impressive 56.9% to \$ 25.9 billion Y-o-Y in on account of increasing demand from the western market. However, import also grew by 54.1% to \$ 40.9 billion, widening the trade deficit to \$15 billion. During the period April-May 2011, exports grew by 45.3% to \$49.8 billion while imports were up by 33.3% to \$ 73.7 billion and trade deficit for the same period were \$ 23.9 billion. However the markets remained range bound till the mid of the month, lacking any positive trigger to move higher,

surging inflation and the governments repeated deferral for domestic fuel price hike kept weighing down the market sentiments. On the global front, escalating political upheaval in Greece and concerns that the European nations would struggle to avoid a debt default pounded on investors' morale. It was not enough, than the annual rate of inflation, based on monthly WPI, came much higher than the expectation at 9.06% (Provisional) for the month of May, 2011 (over May, 2010) as compared to 8.66% (Provisional) for the previous month and 10.48% during the corresponding month of the previous year. Build up inflation in the financial year so far was 1.47% compared to a buildup of 2.05% in the corresponding period of the previous year. The street was expecting the WPI to be 8.70% in May, up slightly from the previous month on the back of rise in food and fuel prices.

But it was the last ten days that altogether changed the trajectory of the markets, taking the benchmark indices reach near their crucial level of 1900 (Sensex) and 5700 (Nifty). The rally mood was imbibed by a surprise announcement of the 28-member International Energy Agency (IEA) to release 60 million barrels of oil from government-held strategic reserves to make up for the loss of Libyan exports. The IEA in a statement said that the impact of the Libyan shortfall has become more pronounced since it began and 'threatens to undermine the fragile global economic recovery'. Half of the volumes will come from the United States from its huge 727-million barrel crude oil reserve. There was huge short covering in the markets afterwards and the traders went for value picking in the fundamentally strong stocks. PSU oil companies joy got doubled after the government went for a price hike in petroleum products and duty rejig. On the same time the sugar companies caught momentum with government's decision to allow for an additional 5 lakh tonne of sugar export. The all round support took the markets considerably higher in last few days of the month and after a below-average rollover of the May series, Nifty June series, which expired on last day of month witnessed a good rollover of 66.6%, hinting to an upward bias for the equity market. Benchmarks rallied over 4% in the June series, backed by financial, capital good and FMCG companies' shares. The global cues too become supportive as the Greece cleared the hurdle needed to receive its next installment of emergency loans. Greek lawmakers passed a cost-cutting bill that had to be approved before international lenders would release \$17 billion in rescue funds to the country. The outlook for the month of July looks good with healthy long rollovers along with trend in the build-up of Nifty July options.

Government may permit spectrum sharing in New Telecom Policy 2011

The government is likely to give permission for the sharing of spectrum by two or more service providers in the New Telecom Policy 2011, this decision will help to improve the quality of services accrued because of huge spectrum shortage. The official involved in framing the New Telecom Policy 2011, said, the government is likely to allow sharing of radio-waves by two or more service providers. However, ruled out trading in the 2G spectrum as it was never auctioned.

As per the internal department of telecom communication, 'Even, TRAI (Telecom Regulatory Authority of India) had recommended spectrum sharing. Spectrum trading was not recommended due to the fact that 2G spectrum price was not determined by the market as it was bundled with the license and further allocation was made based on the subscriber base.'

The radio-waves sharing will help to improve the quality and reduce the shortage in the telecom sector as it will enable mobile service providers to lease their surplus spectrums to other mobile service providers on commercial terms. Many service providers were not able to acquire sufficient subscribers so as to utilize the spectrum allotted to them, especially by the new operators.

Telecom Minister Kapil Sibal has announced that the government will bring the New Telecom Policy by the end of this year to address various problems faced by the telecom sector. As per the note, the stakeholders have proposed adequate funding mechanism for the service providers, sharing of active infrastructure for better efficiency and easier mergers and acquisitions. On the issues of spectrum, the stakeholders are of the opinion that the spectrum should be allotted on the bases of technology neutrality, service flexibility, timely allocation and reconciliation and enhance transparency.

GoM on coal to meet on July 14 to discuss environmental norms

The Group of Ministers (GoM) on Coal is likely to meet for the fourth time on July 14 instead of July 02 to try and resolve issues hurting the production of coal in the country amid an ever-widening demand and supply gap. The demand and supply gap is increasing because of the strict environmental norms, and it is likely to reach 137 million tonnes in current financial year.

The GoM on coal is expected to discuss the issue of six coal projects allotted to power producers like ADAG, Essar and the Aditya Birla Group for fueling their thermal power plants, which has been delayed because of the awaiting environmental clearances. The coal blocks that are likely to come up for discussion are the Mahan and Chhatrasal blocks in Madhya Pradesh, Morga-II and Parsa in Chhattisgarh and Ashok Karkata and Chakla in Jharkhand. The GoM is also likely to consider the issues of exact location for the National Thermal Power Corporation's 1980 MW thermal power plan on Jharkhand.

According to the minutes of third meeting, due to shortage of time, the issues of North Kaenapuara STPP (Super Thermal Power Project) could not be discussed in the third GoM meeting. The group of ministers was setup in February to discuss differences of various ministries on environmental norms affecting the projects especially coal sector. The 12 member GoM has met thrice in February, April and June, as of now, but could not reach any consensus.

In 2009, ministry of environment and forest had identified 203 coal blocks as no go mining zones, as per the coal ministry's estimate, the production from these 203 coal blocks can generate 1.3 lakh mega watt power every year. The coal ministry has been demanding minimum 90% of these 203 coal blocks to reduce the increasing demand-supply gap for coal. The shortage of dry fuel is estimated to reach 200 million tonnes in coming 5 years.

Government hikes diesel, LPG and kerosene prices

Indian government on Friday hiked the much expected fuel prices in order to reduce the financial or revenue losses of state owned Oil Marketing Companies (OMCs) which are accruing expected revenue loss of Rs 490 crore everyday. By taking political risk, the Congress led UPA government raised prices of diesel, kerosene and cooking gas by Rs 3/litre, Rs 2/litre and Rs 50 per cylinders respectively. On the other hand, government also removed the custom duty of 5% on crude oil and reduced excise duty on diesel from Rs 4.6 to Rs 2 a litre, it also reduced the import tax on petrol and diesel to 2.5% from 7.5%. This reduction of duties will cost around Rs 49,000 crore to the government.

The decision of increase in diesel, kerosene and domestic cooking gas was taken by empowered group of ministers (EGoM) on fuel prices, headed by Finance Minister Pranab Mukherjee. After the announcement of fuel price hike,

finance minister said, 'It is very modest increase. I have taken the risk of reducing the duties substantially... I think it will be around Rs 49,000 crore on account of reduction of import duty and also the excise duty.' 'I do hope the states will also reduce their VATs (Value Added Tax) so that relief could be given to the consumer.' Finance Minister added.

The increased fuel prices will reduce the revenue losses of state owned OMCs by Rs 21,000 in current financial year. The recovery from increased fuel prices is lower than reduced custom and excise duties, the government is losing around Rs 49,000 crore, out of this, Rs 26,000 crore from the import duties and Rs 23,000 crore from excise on diesel. However, revenue losses of public owned OMCs would still remain around Rs 1,20,000 crore for present financial year. Currently, OMCs are incurring a revenue loss of Rs 1,66,712 crore due to selling diesel, kerosene and domestic cooking gas on subsidized rates.

NAC approves draft National Food Security Bill 2011

The National Advisory Council (NAC) headed by Sonia Gandhi have approved the draft National Food Security Bill, 2011, which aims to make provision of food support to people facing hunger a duty of the state. The draft bill was prepared by the Working Group on Food Security being legally vetted by a government law officer; the Council will now be sending it to the government for final approval. The decision approving the draft bill was taken at the meeting of the NAC held on June 22.

The draft food security bill ensured subsidized food grains to minimum 90% of rural households and 50% of urban households. As per the draft bill, 46% of the rural and 28% of the urban households categorized as 'Priority Group' are allowed to get food grains at 7 kg per person at Rs 3 wheat or Rs 2 rice or Rs 1 millets. And 49% of the rural and 22% of urban households categorized as 'General Group' are entitled to get food grains at 4 kg per person not more than the 50% of the Minimum Support Price of the respective food grains.

The draft bill also creates a strong accountability framework for protection of these entitlements and allows imposition of fines on defaulters and compensation to the victim. The bill also visualizes a strong complaint redress and monitoring system, from center to the block level.

The draft food security bill follows a life cycle approach and introduces a number of other universal guarantees,

including nutrition support and maternity entitlements for pregnant women, nutrition support to children both in pre-school centers and in school, but also to all out of school children; destitute feeding and affordable meals for homeless and other needy urban populations and special guarantees for starvation and emergencies.

FDI inflow surges by 43% to \$3.12 billion in April 2011

After the three months of consecutive decline, foreign direct investment (FDI) flows into India jumped by 43% to \$3.12 billion in April 2011, against \$2.17 billion received in April 2010. This increase in FDI inflow is mainly because of recovery in global markets, mainly in western economies. "The figure is showing a recovery in the global markets, especially in European economies," an official said.

In April, the sectors that attracted the maximum FDI, includes service sector (\$658 million), construction activities (\$311 million), power (\$256 million), computers and hardware (\$96 million), telecommunications (\$46 million), Automobile industry (\$266 million), computer software and hardware (\$36 million) and housing and real estate (\$38 million).

During April, the maximum FDI came from Singapore (\$1.17 billion), followed by Mauritius (\$976 million), Japan (\$235 million), France (\$220 million) and Cyprus (\$170 million). The major investors in India are Mauritius, Singapore, the US, UK, Netherlands, Japan, Germany and the UAE.

The increase of 43% in April is viewed as a positive indication in the global recovery; the FDI inflows registered a decline of 48% (\$1.2 billion) in January, 30% (\$1.04 billion) in February and 11% (\$1 billion) in March. This continues reduction in FDI inflow was due to the slow global recovery and debt crisis of European economies. During 2010-11 foreign direct investment reduced by 25% to \$19.4 billion from \$25.83 billion in 2009-10, and in 2009-10 FDI fell by 5% to \$25.83 billion from \$27.33 billion in 2008-09.

The Department of Industrial Policy and Promotion (DIPP) has also initiated steps, including consolidation of all related rules and regulations into a single document, to boost FDI in the country. By relaxing FDI norms, the DIPP had allowed Indian companies to issue equity against the import of capital goods and liberalized the conditions for foreign investment for production and development of seeds.

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.)
Astrazeneca Pharma	201103	12	50.00	2	90.00	57.81	44.21	5940.25	-	18.48	641.30	-	500	29.18
Aventis Pharma	201012	12	230.31	10	60.40	434.79	16.15	11596.00	10.18	22.13	1550.00	-1.52	550	75.86
Biocon	201103	12	1000.00	5	60.92	93.18	26.16	15666.20	30.70	38.92	4592.50	84.91	90	27.47
Cadila Healthcare	201103	12	1024.00	5	74.79	102.05	32.89	29198.80	20.41	26.49	6103.80	21.28	125	34.54
Cipla	201103	12	1605.80	2	36.80	73.55	21.11	63293.00	12.52	22.19	9603.90	-11.20	100	15.05
Dishman Pharma	201103	12	161.39	2	61.20	75.68	12.13	4223.27	18.71	24.21	401.46	-42.95	60	8.45
Divi'S Lab	201103	12	264.29	2	52.21	116.38	24.55	13185.20	39.28	40.54	4355.70	26.55	300	36.87
Dr Reddy's	201103	12	846.00	5	25.65	353.48	14.97	53044.10	16.50	24.60	8933.10	5.58	225	67.43
Elder Pharma	201103	12	188.57	10	38.46	251.70	12.45	8271.56	17.70	22.01	712.90	28.70	30	47.98
FDC	201103	12	186.28	1	66.35	28.09	31.56	7031.92	7.02	27.19	1487.46	-0.05	175	8.98
Fresenius Kabi Oncol	201103	12	158.23	1	90.00	31.10	17.76	4123.74	-2.16	24.80	465.61	-28.37		4.01
Glaxosmithkline Phar	201012	12	847.03	10	50.67	227.95	31.51	21440.40	13.38	41.27	5813.80	15.15	400	70.72
Glenmark Pharma	201103	12	269.84	1	48.31	65.72	8.55	11546.32	12.89	26.66	2121.78	65.17	40	8.63
Ipca Laboratories	201103	12	251.40	2	46.05	83.80	27.51	18811.00	21.15	22.87	2553.70	22.08	160	24.72
JB Chem & Pharma	201103	12	168.65	2	55.44	72.69	17.63	8067.06	17.70	21.73	1181.95	17.03	100	16.66
Jubilant Life	201103	12	158.78	1	47.18	136.85	19.78	22063.00	-10.33	20.43	2796.30	-22.99	200	23.83
Merck	201012	12	166.00	10	51.80	208.69	15.53	5121.86	8.23	22.87	631.80	-3.51	950	42.34
Natco Pharma	201103	12	281.48	10	62.84	107.09	17.04	3717.40	27.64	24.89	521.20	9.36	20	23.61
Novartis	201103	12	159.80	5	76.42	185.68	20.93	7460.40	13.34	29.70	1466.70	26.45	200	46.64
Orchid Chemicals	201103	12	704.42	10	30.53	139.07	42.31	16682.74	33.35	24.94	1594.83	-128.72	100	40.88
Panacea Biotech	201103	12	66.84	1	74.92	104.17	12.21	11523.90	26.67	23.98	1350.50	68.77	25	33.98
Plethico Pharma	201012	12	340.67	10	87.01	198.06	14.18	4328.28	-7.03	23.69	442.18	-51.25	25	15.73
Ranbaxy Labs.	201012	12	2105.20	5	63.79	121.63	24.79	56721.02	18.59	28.09	11487.26	100.83	40	32.69
Solvay Pharma	201012	12	50.50	10	88.85	328.59	34.36	2969.09	22.11	26.63	508.49	27.03	255	107.04
Ster.Biot	201012	12	250.20	1	33.24	82.19	12.52	16272.16	12.45	43.49	2084.28	20.29	50	15.16
Strides Arcolab	201012	12	577.45	10	28.28	243.14	6.30	5294.44	-32.53	17.89	735.61	-30.28	15	15.34
TorrentPh	201103	12	423.06	5	71.51	104.11	25.70	17781.90	22.72	24.21	2908.60	40.26	120	41.25
Unichem Lab	201103	12	180.48	2	48.65	75.05	16.87	7647.37	10.74	21.98	1087.13	-18.64	200	15.06

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 01/07/11	H52W	L52W	PE	Mkt. Cap (Rs. Mn.)
25.65	1266.77	29.38	14.84	83.54	219.59	201103	24.61	13.92	1300.00	1437.00	1018.00	52.83	32500.00
67.30	2970.00	10.70	27.41	506.00	40.17	201103	73.60	9.73	2037.25	2190.00	1710.00	27.68	46919.09
22.96	3796.20	12.94	32.45	880.30	21.19	201103	22.96	45.92	363.75	464.60	301.65	15.84	72750.00
29.81	6955.50	21.65	15.78	897.60	-31.48	201103	29.81	17.55	934.25	941.00	599.00	31.34	191334.40
11.96	16692.00	21.42	19.32	2140.00	-22.33	201103	12.05	-11.88	326.25	380.80	286.10	27.09	261946.13
4.97	1686.21	73.90	20.18	136.88	-22.75	201103	4.97	-75.28	90.25	223.00	85.10	18.14	7282.90
32.85	4824.70	54.57	41.87	1747.50	-5.05	201103	32.85	20.98	794.95	806.90	582.05	24.20	105047.87
52.78	13466.60	14.88	19.46	1658.70	-34.48	201103	52.78	5.29	1522.00	1855.00	1304.50	28.84	257522.40
34.71	2219.40	16.94	22.23	182.11	8.31	201103	34.71	17.60	383.40	440.00	309.20	11.04	7229.93
8.06	1582.38	7.00	22.74	309.84	-6.91	201103	8.06	-0.05	93.00	117.50	81.50	11.54	17323.95
2.94	898.75	-19.29	15.49	29.66	-60.06	201103	2.94	-39.60	131.70	184.00	82.30	44.76	20838.63
68.64	6098.10	11.58	44.10	4.60	-99.71	201103	49.66	-28.53	2345.05	2475.00	1850.00	47.22	198632.77
7.85	2853.16	-1.42	33.31	658.96	133.21	201103	7.85	39.45	316.70	389.75	241.60	40.34	85457.69
20.31	4784.70	30.08	23.25	585.70	57.07	201103	20.31	18.08	338.00	351.00	255.10	16.64	42486.60
13.98	1838.62	8.10	17.23	147.66	-45.26	201103	13.98	14.55	132.95	185.00	91.00	9.51	11211.21
17.56	5634.50	-6.84	16.63	516.80	-43.83	201103	18.91	-20.58	200.85	394.00	148.45	10.62	31890.96
38.06	1159.56	11.47	18.23	133.97	-12.75	201103	36.88	-17.99	631.85	1006.00	553.00	17.13	10488.71
18.52	963.90	17.97	22.10	145.60	1.68	201103	18.52	8.56	265.00	357.90	172.00	14.31	7459.21
45.89	1808.40	15.47	28.98	340.80	22.50	201103	45.89	20.92	853.80	877.00	585.05	18.61	27288.13
22.64	5092.50	72.51	25.56	612.88	-112.37	201103	22.64	448.16	269.95	344.40	168.00	11.92	19015.84
22.05	3449.30	4.95	20.23	430.30	-25.19	201103	22.05	40.75	168.95	227.40	152.00	7.66	11293.08
12.98	1148.16	3.38	17.58	81.74	-47.08	201103	10.84	-110.33	349.35	450.00	330.55	32.21	11901.31
27.27	10958.05	-43.18	0.37	-529.07	-106.07	201103	5.32	-891.70	527.05	624.90	414.00	99.11	221909.13
100.70	808.93	28.92	28.29	112.09	-0.74	201103	100.53	13.68	2174.55	3200.00	1665.25	21.63	10980.83
7.78	4415.45	14.72	45.62	525.12	6.59	201103	7.90	18.75	86.35	125.65	80.00	10.93	21604.47
12.73	1279.43	-3.47	16.56	127.43	26.62	201103	13.20	-23.42	335.60	477.75	302.10	25.43	19379.22
34.38	4184.60	17.06	17.35	444.60	-0.54	201103	34.38	28.70	630.00	669.00	499.00	18.33	53305.18
12.05	1781.01	2.45	14.40	148.45	-55.47	201103	12.02	-23.13	155.25	269.00	140.00	12.91	14009.68

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	Net Sales		Change In Sales	% Change in Sales	Net Profit		Change In Net Profit	% Change in Net Profit
	201103 Qtr	201003 Qtr			201103	201003		
Dhunseri Petrochem	5443.48	255.57	5187.91	2029.94	250.86	-167.21	418.07	-
Unisys Software	887.99	73.22	814.77	1112.77	3.21	-0.15	3.36	-
Chromatic India	550.16	52.40	497.76	949.92	-3.87	-0.94	-2.93	-
Gayatri Sugars	758.16	81.74	676.42	827.53	64.21	-56.49	120.70	-
SPIC	8680.85	946.58	7734.27	817.08	809.28	-210.53	1019.81	-
Oberoi Realty	898.80	99.90	798.90	799.70	448.80	53.90	394.90	732.65
Ennore Coke	2571.47	321.00	2250.47	701.08	8.08	36.46	-28.38	-77.84
Bhatia Inds & Infra	1201.37	156.01	1045.36	670.06	71.60	5.45	66.15	1213.76
Cimmco	1081.42	155.47	925.95	595.58	120.23	6259.59	-6139.36	-98.08
Kolte Patil Devp	773.17	115.75	657.42	567.97	335.88	61.39	274.49	447.13
GMR Infrastructure	3815.90	575.00	3240.90	563.64	397.60	-31.30	428.90	-
Future Capital	1053.97	160.93	893.04	554.93	183.87	31.53	152.34	483.16
Centrum Electronics	497.97	79.69	418.28	524.88	6.15	3.94	2.21	56.09
Jaypee Infratech	7148.90	1151.60	5997.30	520.78	2500.50	885.40	1615.10	182.42
Ausom Enterprises	4130.42	677.74	3452.68	509.44	24.33	0.32	24.01	7503.12
Genesys Intl	573.97	95.14	478.83	503.29	339.74	40.27	299.47	743.66
Empee Sugars	898.34	151.03	747.31	494.81	-201.99	-9.83	-192.16	-
Sezal Glass	854.76	144.53	710.23	491.41	-247.89	0.40	-248.29	-
Metrochem Industries	228.90	51.20	177.70	347.07	66.60	-34.90	101.50	-
Infronics Systems	248.07	55.84	192.23	344.25	14.31	4.40	9.91	225.23
Acclaim Inds.	925.70	209.60	716.10	341.65	4.35	2.35	2.00	85.11
Refex Refrigerants	395.79	90.29	305.50	338.35	37.45	-16.61	54.06	-
Kothari Products	8716.70	2027.20	6689.50	329.99	318.40	259.70	58.70	22.60
Adani Power	8555.70	2012.67	6543.03	325.09	1743.20	983.14	760.06	77.31
Allied Computer	278.92	66.16	212.76	321.58	1.36	16.19	-14.83	-91.60
India Steel Works	1128.03	272.39	855.64	314.12	-12.05	-119.87	107.82	-
Emmsons Intl	6246.16	1537.74	4708.42	306.19	50.73	20.89	29.84	142.84
Khaitan Chem & Fert.	1390.67	361.62	1029.05	284.57	28.31	29.69	-1.38	-4.65
Guj Terce Lab	222.62	60.17	162.45	269.99	2.54	0.60	1.94	323.33
CHD Developers	397.31	110.10	287.21	260.86	23.74	0.75	22.99	3065.33
Spectacle Infotek	467.48	131.14	336.34	256.47	0.28	2.09	-1.81	-86.60
Money Matters Fin	1545.11	462.76	1082.35	233.89	-24.98	227.72	-252.70	-
Divya Jyoti Inds.	704.10	213.44	490.66	229.88	2.05	2.29	-0.24	-10.48
Gamm.Infra	481.33	149.96	331.37	220.97	265.12	59.35	205.77	346.71
VLS Finance	2311.46	722.39	1589.07	219.97	-4.92	19.87	-24.79	-
Websoil Energy System	641.25	202.81	438.44	216.18	8.91	-37.74	46.65	-
Ludlow Jute & Spec	793.90	258.80	535.10	206.76	-15.70	-15.20	-0.50	-
Subhkam Capital	570.26	196.12	374.14	190.77	-42.31	-14.59	-27.72	-
Cheviot Company	781.19	271.61	509.58	187.62	35.36	-13.46	48.82	-
UTV Software	1555.07	545.58	1009.49	185.03	237.88	177.34	60.54	34.14
Liberty Phosphate	660.08	233.80	426.28	182.33	88.09	3.62	84.47	2333.43
Aurionpro Solutn	372.94	133.20	239.74	179.99	29.93	-2.34	32.27	-
Clarus Finance & Sec	170.04	60.79	109.25	179.72	-9.21	9.89	-19.10	-
Gloster	841.30	303.30	538.00	177.38	-5.50	6.70	-12.20	-
Uttam Sugar Mills	1812.90	654.20	1158.70	177.12	198.00	-554.00	752.00	-
Polyplex Corp	2151.80	795.30	1356.50	170.57	179.00	85.60	93.40	109.11
Lords Chemicals	145.87	53.92	91.95	170.53	2.32	-0.32	2.64	-825.00
Diamant Infra	321.20	119.02	202.18	169.87	1.68	-5.43	7.11	-

Company Name	Year End	Price (Rs.) (01/07)	Yield (%)	EPS (Rs.)	FV	PE	TTM				52-Wk High (Rs.)	52-Wk Low (Rs.)
							Year End	NP Rs. ml	EPS (Rs.)	PE		
Patni Computer Systems Ltd.	201012	324.10	20.36	49.84	2	6.50	201103	6734.30	50.26	6.45	624.00	310.05
Indiabulls Securities Ltd	201003	13.55	14.76	2.66	2	5.10	201103	373.73	1.62	8.38	30.60	12.70
HCL Infosystems Ltd.	201006	88.70	8.46	11.98	2	7.40	201103	2407.10	10.80	8.21	139.50	83.50
Allahabad Bank	201103	195.00	3.08	29.88	10	6.53	201103	14231.05	29.88	6.53	270.90	158.40
PSL Ltd.	201003	73.10	5.47	16.52	10	4.42	201103	757.10	14.16	5.16	146.10	64.50
3I Infotech Ltd.	201103	47.25	3.17	6.22	10	8.02	201103	1194.10	6.22	7.60	72.15	38.15
Jammu & Kashmir Bank Ltd.	201103	842.65	3.09	126.90	10	6.64	201103	6152.02	126.90	6.64	938.00	694.80
Bajaj Holdings & Investment Ltd	201103	735.35	4.76	89.65	10	8.20	201103	9977.10	89.65	8.20	952.00	674.50
SRF Ltd.	201103	303.05	4.62	79.90	10	3.79	201103	4834.42	80.47	3.77	444.30	227.30
Balmer Lawrie & Company Ltd.	201003	607.15	4.28	72.02	10	8.43	201103	1210.90	74.35	8.17	769.90	499.05
HEG Ltd.	201003	234.20	4.27	37.27	10	5.83	201103	1288.60	31.08	7.54	369.40	176.40
Deccan Chronicle Holdings Ltd.	201003	70.60	4.25	10.77	2	6.55	201103	1624.50	7.03	10.05	150.00	54.55
Electrosteel Castings Ltd.	201103	29.45	4.24	4.73	1	6.22	201103	1546.37	4.73	6.22	56.00	28.45
GTL Ltd.	201003	97.20	3.09	16.37	10	5.94	201103	1397.53	14.37	6.77	477.05	88.20
Andhra Bank	201103	132.85	4.14	22.64	10	5.87	201103	12670.73	22.64	5.87	190.15	124.35
Ashok Leyland Ltd.	201103	48.35	4.14	4.75	1	10.19	201103	6312.99	4.75	10.19	81.90	45.00
Vijaya Bank Ltd	201103	70.40	4.13	11.08	10	7.76	201103	5238.19	11.08	6.35	115.35	60.50
NIIT Technologies Ltd.	201103	184.35	4.07	20.80	10	8.86	201103	1232.53	20.79	8.87	234.90	166.20
Graphite India Ltd.	201103	90.40	3.87	8.82	2	10.25	201103	1723.17	8.82	10.25	109.70	79.00
Corporation Bank	201103	521.15	3.84	95.41	10	5.46	201103	14132.68	95.41	5.46	814.85	497.25
Rural Electrification Corpn Ltd	201003	198.05	3.79	20.27	10	9.77	201103	25699.20	26.03	7.61	409.50	178.50
SJVN Ltd.	201003	21.45	3.73	2.37	10	9.06	201103	9121.30	2.21	9.73	28.00	19.40
Hindustan Petroleum Co.Ltd.	201003	391.45	3.58	38.43	10	10.19	201103	15390.10	45.45	8.61	555.45	307.00
Bank Of Maharashtra	201103	56.30	3.55	6.86	10	9.02	201103	3303.88	6.86	8.21	84.95	51.60
Peninsula Land Ltd.	201003	48.40	3.51	11.82	2	4.09	201103	2457.80	6.21	7.80	79.50	42.60
Indian Bank	201103	213.90	3.51	39.88	10	5.49	201103	17140.75	39.88	5.36	316.50	197.00
Indian Overseas Bank	201103	148.00	3.38	17.33	10	8.54	201103	10725.43	17.33	8.54	176.35	95.10
Gujarat Indust. Power Co.Ltd.	201003	75.25	3.32	7.06	10	10.66	201103	1629.50	10.77	6.98	126.90	71.60
State Bank Of Bikaner & Jaipur	201103	497.15	3.30	110.18	10	4.51	201103	5508.81	78.70	6.32	781.62	397.43
Jindal Poly Films Ltd.	201003	306.35	3.26	90.52	10	3.38	201103	5906.30	128.28	2.39	700.00	196.28
Syndicate Bank	201103	116.40	3.18	18.28	10	6.37	201103	10479.46	18.28	6.37	164.20	90.25
Oriental Bank Of Commerce	201103	334.10	3.11	51.51	10	6.49	201103	15028.68	51.51	6.49	545.00	280.00
UCO Bank	201103	96.55	3.11	14.45	10	6.68	201103	9065.40	14.45	6.68	152.35	77.00

Company Name	Year End	Price (01/07) Rs.	EPS	FV	PE
GMR Infrastructure Ltd.	201003	32.95	0.04	1	897.82
Essar Oil Ltd.	201003	122.55	0.23	10	499.80
Indiabulls Real Estate Ltd.	201003	116.10	0.56	2	299.10
ABB Ltd.	201012	864.10	2.98	2	289.60
Sunteck Realty Ltd.	201003	308.40	1.15	2	268.25
Jindal South West Holdings Ltd.	201003	989.15	3.95	10	250.49
JM Financial Ltd.	201103	22.90	0.13	1	170.95
Fortis Healthcare (India) Ltd.	201003	161.25	0.96	10	168.25
Jubilant FoodWorks Ltd.	201003	863.40	5.18	10	166.61
Hindustan Copper Ltd.	201003	267.25	1.67	5	159.85
Mercator Lines Ltd.	201003	40.55	0.27	1	149.63
GVK Power & Infrastructure Ltd.	201003	20.15	0.14	1	146.76
United Breweries Ltd.	201003	531.50	4.04	1	142.45
Adani Power Ltd.	201003	109.75	0.78	10	140.08
Kwality Dairy (India) Ltd.	201003	137.70	0.99	1	139.64
Adani Enterprises Ltd.	201003	701.05	5.11	1	137.23
Delta Corp Ltd	201003	102.55	0.88	1	125.32
Religare Enterprises Ltd	201003	457.05	4.34	10	115.27
IRB Infrastructure Developers Ltd	201003	174.35	1.68	10	103.77
Reliance Power Ltd	201003	115.80	1.14	10	101.58
Indiabulls Power Ltd.	201003	18.65	0.19	10	99.93
Bombay Dyeing & Manufacturing Co Ltd.	201003	365.50	4.49	10	76.30
Gammon Infrastructure Projects Ltd	201003	13.69	0.19	2	70.90
MVL Ltd.	201012	24.85	0.35	1	70.08
Entertainment Network (India) Ltd.	201003	258.10	3.75	10	68.86
Glenmark Pharmaceuticals Ltd.	201003	316.70	4.76	1	66.52
Karuturi Global Ltd	201003	11.65	0.18	1	64.94
Coal India Ltd.	201003	384.05	5.98	10	64.18
EIH Ltd.	201003	86.20	1.46	2	59.19
Trent Ltd.	201003	1158.00	20.07	10	57.68
Arshiya International Ltd.	201003	147.70	2.62	2	56.35
EID-Parry (India) Ltd.	201103	257.65	4.58	1	56.30
Development Credit Bank Ltd.	201103	59.90	1.07	10	55.96
Hindustan Oil Exploration Company Ltd.	201003	177.50	3.19	10	55.69
Den Networks Ltd.	201003	86.20	1.59	10	54.07
Carborundum Universal Ltd.	201003	291.95	5.41	2	53.95
Bharat Forge Ltd.	201003	306.80	5.71	2	53.77
Future Capital Holdings Ltd	201003	139.90	2.73	10	51.32

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

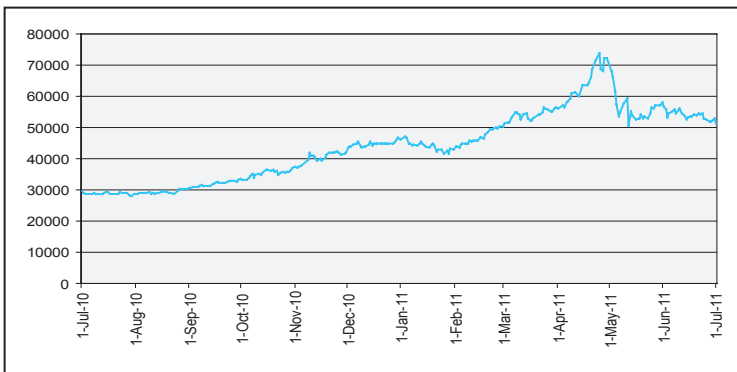
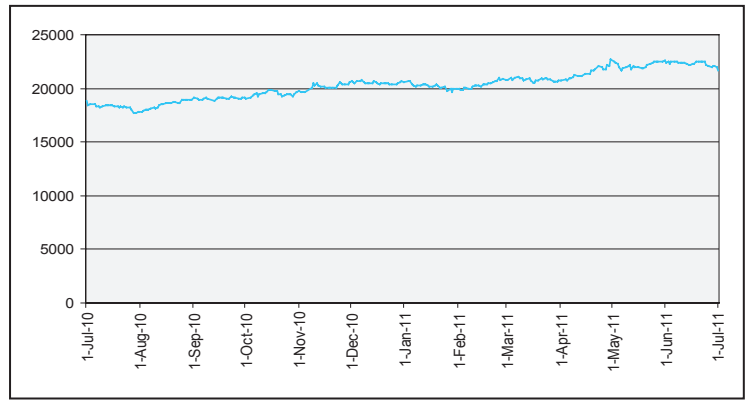
Company Name	Year End	Price (01/07) Rs.	EPS	FV	PE
Allied Digital Services Ltd.	201003	41.15	20.79	5	1.98
Orbit Corporation Ltd.	201003	42.75	17.46	10	2.45
JK Tyre & Inds. Ltd.	201003	101.15	39.81	10	2.54
Bharati Shipyard Ltd.	201003	129.65	47.99	10	2.70
Prakash Industries Ltd.	201003	67.35	21.87	10	3.08
Marg Ltd.	201003	92.50	29.22	10	3.17
Nava Bharat Ventures Ltd.	201003	209.35	65.18	2	3.20
Bartronics India Ltd.	201003	62.55	19.10	10	3.27
JK Cement Ltd.	201003	108.90	32.32	10	3.37
Jindal Poly Films Ltd.	201003	306.35	90.52	10	3.38
Geodesic Ltd.	201003	71.00	18.96	2	3.74
ICSA (India) Ltd.	201103	99.30	26.31	2	3.77
SRF Ltd.	201103	303.05	79.90	10	3.79
Sasken Communication Technologies Ltd.	201103	131.10	34.25	10	3.83
KS Oils Ltd.	201003	21.90	5.49	1	3.99
Peninsula Land Ltd.	201003	48.40	11.82	2	4.09
Punjab & Sind Bank	201103	100.75	23.59	10	4.38
PSL Ltd.	201003	73.10	16.52	10	4.42
Central Bank Of India	201103	125.90	30.99	10	4.47
SREI Infrastructure Finance Ltd.	201003	43.25	9.56	10	4.51
State Bank Of Bikaner & Jaipur	201103	497.15	110.18	10	4.51
Great Offshore Ltd.	201003	212.80	46.90	10	4.54
JSL Stainless Ltd.	201003	98.25	20.39	2	4.82
State Bank Of Travancore	201103	712.65	145.55	10	4.90
Dena Bank	201103	90.80	18.35	10	4.95
Aptech Ltd.	201003	94.60	18.57	10	5.09
Indiabulls Securities Ltd	201003	13.55	2.66	2	5.10
Rei Agro Ltd.	201003	25.75	4.92	1	5.23
IFCI Ltd.	201003	48.15	9.08	10	5.30
Ess Dee Aluminium Ltd.	201003	356.20	65.38	10	5.45
Corporation Bank	201103	521.15	95.41	10	5.46
Indian Bank	201103	213.90	39.88	10	5.49
Madras Cements Ltd.	201003	81.90	14.86	1	5.51
Chennai Petroleum Corporation. Ltd.	201003	227.15	40.51	10	5.61
Orchid Chemicals & Pharmaceuticals Ltd.	201003	269.95	47.04	10	5.74
Rolta India Ltd.	201006	129.45	22.36	10	5.79
Subex Ltd	201103	59.75	10.32	10	5.79
Canara Bank	201103	527.30	90.88	10	5.80

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

FV Latest Face values of equity Shares (Rs)

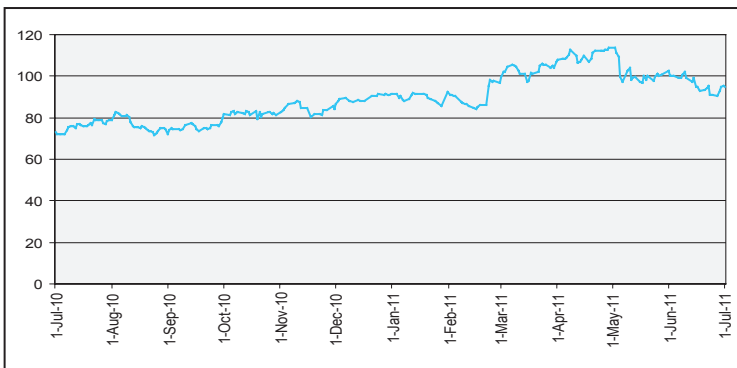
PE Market Price / Trailing Twelve Months Earning Per Shares

Date	Price Rs.
1-Jul-11	21683.25
1-Jun-11	22378.75
2-May-11	22450.00
1-Apr-11	20800.00
1-Mar-11	20758.00
1-Feb-11	19996.65
3-Jan-11	20683.35
1-Dec-10	20641.05
1-Nov-10	19750.00
1-Oct-10	19096.65
1-Sep-10	19145.00
2-Aug-10	17810.00
1-Jul-10	18850.00



Date	Price Rs.
1-Jul-11	51250.00
1-Jun-11	56814.10
2-May-11	68050.00
1-Apr-11	56265.00
1-Mar-11	51150.00
1-Feb-11	43800.00
3-Jan-11	47040.00
1-Dec-10	43700.00
1-Nov-10	37508.15
1-Oct-10	33186.80
1-Sep-10	30739.50
2-Aug-10	28710.00
1-Jul-10	29635.65

Date	Price Rs
1-Jul-11	44.47
1-Jun-11	44.99
1-May-11	44.26
1-Apr-11	44.44
1-Mar-11	45.04
1-Feb-11	45.49
3-Jan-11	44.68
1-Dec-10	45.17
1-Nov-10	44.43
1-Oct-10	44.38
1-Sep-10	46.71
2-Aug-10	46.00
1-Jul-10	46.82



Date	Price \$
1-Jul-11	94.94
1-Jun-11	100.29
2-May-11	113.52
1-Apr-11	107.94
1-Mar-11	99.63
1-Feb-11	90.77
3-Jan-11	91.55
1-Dec-10	86.75
1-Nov-10	82.95
1-Oct-10	81.58
1-Sep-10	73.91
1-Aug-10	78.95
1-Jul-10	72.95

Reliance Pharma (G)

Reliance Pharma (Growth) is Reliance Capital Asset Management, managed open-ended Equity - Pharma & Healthcare scheme.

The fund was launched on June 08, 2004 and its fund manager is Sailesh Raj Bhan.

The benchmark index of the fund is BSE Health Care and the custodian of the fund is Deutsche Bank A.G.

The current net asset value (NAV) of the fund as on July 1, 2011 was Rs 58.46; while the 52 week high NAV was Rs 58.64 on January 4, 2011 and the 52 week low NAV for the scheme was Rs 50.08 on February 28, 2011.

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

The investment objective of the scheme is to generate consistent returns by investing in equity / equity related or fixed income securities of Pharma and other associated companies.

The top five holdings of the fund are:

Company	Divi's Lab	Ranbaxy	Sun Pharma	Cadila Healthcare	Aventis Pharma
% Holding	11.59	10.18	9.11	8.98	8.58

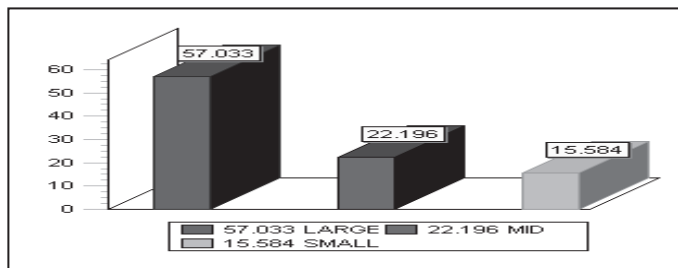
As far as market capitalization-wise companies are concerned, the scheme's portfolio consists of 57.03% from Large-cap, 22.20% from Mid Cap and 15.58% from Small cap stocks.

The fund has given a return of 28.39% since inception and a return of 9.44% in last one year, while the category average in the same period has been 21.08% and 10.88% respectively.

Outlook

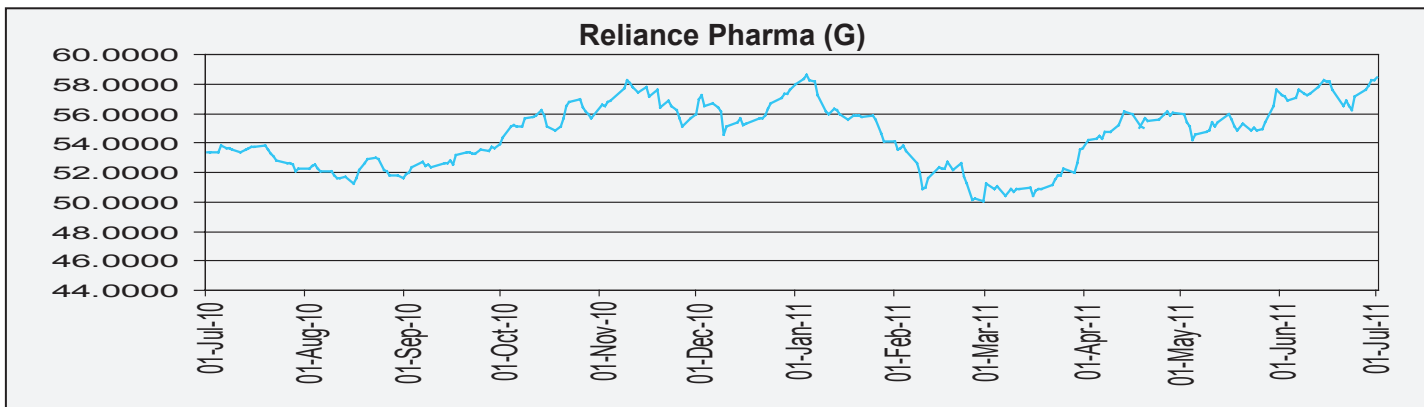
Reliance Pharma (Growth) is Reliance Capital Asset

Fund allocation



Market cap-wise Allocation Style	
Average Mkt Cap (Rs Cr)	10631.01
Market Capitalization	% of Portfolio
Large	57.03
Mid	22.20
Small	15.58
Note: Large-Cap = 5000 Crs. and above, Mid-Cap = 2000 Crs. to 5000 Crs. and Small-Cap = less than 2000 Crs	

Management, managed open-ended Equity - Pharma & HC scheme, being managed by Sailesh Raj Bhan. It is a dynamic asset allocation sector fund which aims to generate consistent returns by investing in all important segments of the pharmaceutical industry. The Indian pharmaceutical industry is relatively nascent at \$4 billion compared to the global \$ 400 billion, but has huge robust growth prospects primarily due to lack of state of the art healthcare infrastructure which will drive domestic sales, and the huge potential in the overseas generics market. Indian companies possess advanced chemistry skills, and low cost manufacturing capabilities. Further, they have been honing their legal skills and upgrading their processes and facilities by adapting state of the art technologies. Reliance Pharma scheme is one of the best performers in its sector and aims to invest in any company that caters to any segment of the pharmaceutical chain. With a wider prospect of the industry the fund is likely to perform well in the future too.



Last one year NAV Graph

Duration	1 Week %	1 Mth %	3 Mth %	6 Mth %	1 Year %	3 Year %	5 Year %	Since Inc. %
Scheme Return %	2.37	2.10	7.89	0.86	9.44	39.40	29.79	28.39
Category Avg %	2.77	1.99	6.69	0.01	10.88	27.66	19.48	21.08

Returns As on June 30th, 2011

Fund	AUM Rs.Crore June 2011	NAV Rs 30/06/11	Absolute %		CAGR %				Since Launch	Launch Date
			1 Month	6 Months	1 Year	2 Years	5 Years	10 Years		
Equity - Diversifited										
Birla SL India Opportunities(G)	47.88	52.09	-0.25	-10.79	-0.31	21.12	5.79	20.27	10.63	2-Mar-95
DSPBR Opp-Reg(G)	746.06	86.01	2.03	-7.26	5.18	21.27	14.81	28.93	21.33	16-May-00
DSPBR India T.I.G.E.R-Reg(G)	2179.67	44.03	1.50	-11.30	-6.48	7.95	13.19	-	23.38	11-Jun-04
Fidelity Equity(G)	3302.23	35.70	2.41	-5.36	7.50	23.40	18.77	-	23.09	16-May-05
ICICI Pru Dynamic(G)	3814.40	107.94	1.26	-2.85	8.37	24.63	17.89	-	31.58	31-Oct-02
Kotak Opportunities(G)	929.82	45.48	2.25	-8.30	2.09	16.36	14.99	-	24.92	9-Sep-04
SBI Magnum Contra(G)	3139.54	55.23	2.35	-8.48	-3.16	11.83	13.75	-	21.85	6-May-05
SBI Magnum Multicap(G)	489.26	17.37	2.30	-9.91	-2.80	11.03	7.26	-	10.01	16-Sep-05
Reliance Equity Oppor-Ret(G)	3031.93	36.69	3.71	-3.55	11.40	34.92	17.58	-	23.11	31-Mar-05
Reliance Vision-Ret(G)	2796.48	270.08	2.38	-6.17	1.74	17.32	14.42	34.06	23.30	8-Oct-95
Sundaram S.M.I.L.E Fund(G)	598.95	30.34	-0.07	-12.36	-6.65	16.43	15.10	-	19.03	15-Feb-05
Equity - ELSS										
Birla SL Tax Relief '96(G)	1491.87	11.03	2.51	-9.96	-3.25	15.28	-	-	3.39	10-Mar-08
SBI Magnum TaxGain'93(G)	5224.14	59.26	2.05	-8.45	-0.35	13.94	-	-	6.79	7-May-07
ICICI Pru Tax Plan(G)	1323.19	141.72	2.05	-5.77	7.25	28.41	14.14	29.82	25.02	19-Aug-99
DSPBR Tax Saver(G)	844.59	16.80	1.82	-8.14	1.39	20.18	-	-	12.37	18-Jan-07
HDFC TaxSaver(G)	3113.95	235.46	3.33	-4.81	7.88	26.67	15.36	30.74	31.58	31-Mar-96
Reliance Tax Saver (ELSS)(G)	2127.73	21.02	2.07	-4.89	5.84	21.93	14.14	-	13.74	22-Sep-05
Sundaram Tax Saver(G)	1472.04	42.15	0.58	-11.25	-0.05	13.09	14.99	-	20.72	2-May-05
Franklin India Taxshield(G)	826.92	212.51	2.20	-2.65	11.75	21.84	15.43	25.73	28.39	10-Apr-99
Equity - Large Cap										
Birla SL Frontline Equity(G)	2908.97	88.44	2.93	-6.12	6.76	19.01	18.65	-	28.21	23-Sep-02
Birla SL Dividend Yield Plus(G)	882.50	85.72	2.60	-3.94	7.34	28.93	19.30	-	29.36	26-Feb-03
DSPBR Top 100 Equity-Reg(G)	2977.34	101.69	3.01	-3.82	7.78	18.26	18.47	-	32.18	10-Mar-03
DSPBR Equity-Reg(G)	2515.94	16.55	2.32	-4.95	6.37	22.52	-	-	13.18	7-Jun-07
HDFC Growth(G)	1303.45	87.83	3.04	-5.32	8.09	23.90	19.49	28.51	22.27	11-Sep-00
HDFC Top 200(G)	10507.61	212.19	3.09	-5.25	9.03	21.49	19.83	31.57	22.87	3-Sep-96
Kotak 50(G)	863.31	103.37	3.47	-5.37	4.56	16.50	13.98	-	29.22	5-Feb-03
SBI Magnum Equity(G)	440.76	43.72	2.44	-4.06	5.22	18.28	-	-	10.78	24-Nov-06
Reliance Growth-Ret(G)	6957.75	450.02	1.33	-9.51	-1.88	17.55	17.65	36.66	27.07	8-Oct-95
Equity - Mid Cap										
Birla SL Midcap(G)	1624.03	106.73	1.62	-9.29	-1.57	20.57	17.48	-	31.24	16-Oct-02
ICICI Pru Discovery(G)	1767.05	48.66	0.06	-4.96	6.87	33.34	17.30	-	25.88	16-Aug-04
Sundaram Select Midcap(G)	2190.78	152.96	3.23	-5.18	7.83	25.57	15.60	-	35.61	19-Jul-02
Reliance Reg Savings-Equity(G)	3332.17	29.97	1.21	-9.10	1.37	18.43	21.98	-	19.87	10-Jun-05
Franklin India Prima(G)	828.47	273.63	1.09	-5.71	3.56	24.87	11.04	31.66	20.70	1-Dec-93
Kotak Midcap(G)	306.86	25.19	1.69	-7.35	3.14	26.01	10.77	-	15.66	24-Feb-05
Equity - Pharma										
Franklin Pharma(G)	151.01	65.11	3.10	-0.13	11.23	46.03	22.15	22.87	16.51	31-Mar-99
Reliance Pharma(G)	583.26	58.26	3.07	1.12	8.74	51.32	29.72	-	28.34	8-Jun-04

Returns As on June 30th, 2011

Fund	AUM Rs.Crore June 2011	NAV Rs 30/06/11	Absolute %		CAGR %				Since Launch	Launch Date
			1 Month	6 Months	1 Year	2 Years	5 Years	10 Years		
Finance Sector										
ICICI Pru Banking & Fin Serv-Ret(G)	150.66	18.43	3.19	-3.91	16.06	24.34	-	-	23.88	22-Aug-08
Reliance Banking(G)	1785.29	102.52	3.20	-5.82	17.56	30.31	32.28	-	33.31	28-May-03
Sundaram-Select Thematic Funds- Fin Serv Oppor(G)	263.47	19.81	3.29	-5.68	13.97	22.51	-	-	25.08	10-Jun-08
Commodities - Gold										
DSPBR World Gold-Reg(G)	1062.69	17.30	-6.03	-10.82	7.54	16.13	-	-	15.54	14-Sep-07
Kotak GOLD ETF	455.80	2129.68	-2.01	5.77	15.20	21.53	-	-	25.23	27-Jul-07
Reliance Gold ETF	1134.66	2073.15	-2.00	5.86	15.29	21.56	-	-	21.53	22-Nov-07
Fund	AUM Rs.Crore June 2011	NAV Rs 30/06/11	Absolute %		CAGR %				Since Launch	Launch Date
			1 Month	6 Months	1 Year	2 Years	3 Years	5 Years		
Balanced - Equity Oriented										
HDFC Balanced(G)	282.32	57.58	2.35	2.30	13.53	26.46	22.37	16.85	17.59	11-Sep-00
HDFC Prudence(G)	6131.13	217.17	2.91	-0.63	10.76	26.63	24.45	19.50	19.33	01-Feb-94
Birla SL '95(G)	420.55	314.90	2.61	-1.81	8.74	19.23	20.58	17.21	23.45	17-Feb-95
Balanced - Debt Oriented										
Reliance Reg Savings-Balanced(G)	828.85	22.21	2.54	-5.33	4.59	17.80	20.91	15.24	14.08	10-Jun-05
HDFC Children's Gift - Investment	288.14	44.77	3.27	4.82	20.07	29.68	22.35	15.80	15.61	02-Mar-01
ICICI Pru Child Care Plan-Gift Plan	167.74	55.84	2.29	-8.07	-1.55	23.02	11.15	11.37	19.11	31-Aug-01
Fund	AUM Rs.Crore June 2011	NAV Rs 30/06/11	Absolute %			CAGR %			Since Launch	Launch Date
			1 Month	3 Months	6 Months	1 Years	3 Years	5 Years		
Liquid Funds										
Birla SL Cash Plus-Ret(G)	19776.19	26.44	0.71	2.11	4.02	6.92	5.97	6.68	7.17	16-Jun-97
HDFC Cash Mgmt-Savings(G)	4809.49	20.93	0.72	2.16	4.21	7.46	6.63	7.18	6.53	3-Jan-00
Reliance Liquid-Treasury-Ret(G)	3897.72	23.91	0.71	2.11	4.12	7.09	6.40	6.84	6.78	23-Mar-98
Reliance Liquid-Cash(G)	5516.78	16.24	0.73	2.18	4.29	7.22	5.06	5.44	5.20	7-Dec-01
Templeton India CMA(G)	439.66	16.92	0.52	1.64	3.23	5.61	4.65	5.40	5.30	23-Apr-01
UTI Money Market(G)	1623.89	2780.23	0.68	2.04	4.00	6.99	6.41	6.86	7.47	23-Apr-97
SBI Magnum InstaCash-Cash(G)	3207.46	22.23	0.72	2.10	4.12	7.43	6.34	6.86	6.81	19-May-99
Monthly Income Plans										
Birla SL MIP II-Savings 5(G)	580.66	17.88	1.27	2.14	3.27	6.54	10.93	10.11	8.51	22-May-04
Birla SL Monthly Income(G)	651.95	37.17	1.36	1.72	2.45	6.59	11.17	9.76	11.67	10-Aug-99
Reliance MIP(G)	7565.03	21.93	0.98	1.29	1.17	5.76	15.77	11.70	11.06	13-Jan-04
HDFC MIP-LTP(G)	9778.89	23.39	1.64	1.71	2.01	7.46	14.62	11.72	11.97	26-Dec-03
ICICI Pru MIP 25(G)	837.29	19.77	1.45	1.39	1.32	6.10	10.51	8.77	9.85	30-Mar-04
SBI Magnum MIP(G)	380.19	20.30	1.12	1.51	0.64	4.23	4.86	4.99	7.13	23-Mar-01
UTI MIS(G)	664.95	20.04	1.23	1.29	1.74	5.48	10.14	9.01	8.29	11-Oct-02

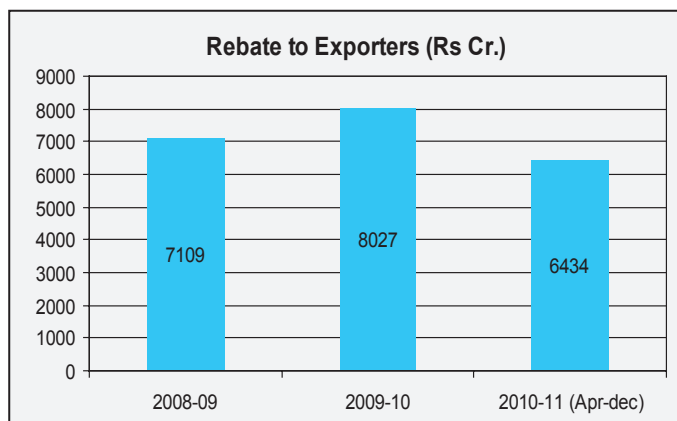
Duty Entitlement Pass Book

Post independence due to governments' negligence on trade policy the growth of exports was stagnant. On the contrary imports were rising due to industrialization. Imports of heavy machinery and equipments, cheap raw material and other goods led to imbalance in Balance of Payment (BoP). Since liberalization India's international trade has increased. To promote the exports and improve the deficit of BoP government, in 1997, introduced Duty Entitlement PassBook scheme (DEBP) with the motive to promote export and reform the balance of payment. This is an export incentive policy which proved more helpful for heavy and agri-commodities industries. Under this policy government reimburses exporters on the taxes paid on import content of export products.

Duty Entitlement Pass Book (DEPB) was introduced to neutralise the incidence of basic and special customs duty on import content of export product. This is provided by way of grant of duty credit against the export product at specified rates. The DEPB Scheme which was notified on April 1, 1997 consisted of (a) Post-export DEPB and (b) Pre-export DEPB. Under the post-export DEPB, which is issued after exports, the exporter is given a duty entitlement Pass Book at a pre-determined credit on the FOB value. The DEPB allows import of any items except the items which are otherwise restricted for imports. DEBP on pre-export basis provided facility to eligible exporters to import inputs which are required for production. The credit of DEBP on pre-export basis was granted at 5% of the average export performance of the applicant during the preceding three years. However, the DEBP pre-export option was abolished with effect from April 1, 2000, on the same time Post-export DEPB continued getting extension on ground to help export.

DEBP gives double benefit to the exports instead of just neutralizing the import duty on inputs that go into exports. Under this policy the exporters receive duty-free scrips or entitlements which can be traded freely. This scheme is based on the assumption that all the inputs are imported, however, in actual 50% domestic inputs are allowed. The exporters can claim incentives to the extent of the value of goods exported. Thus, exporters receive the reimbursement for those taxes which in actual are not paid by them. DEBP scheme is therefore very popular among the exporters and has increased exports since its inception. The following table shows how DEBP launched at the end of eighth five year plan has almost doubled

country's exports every five year plan.



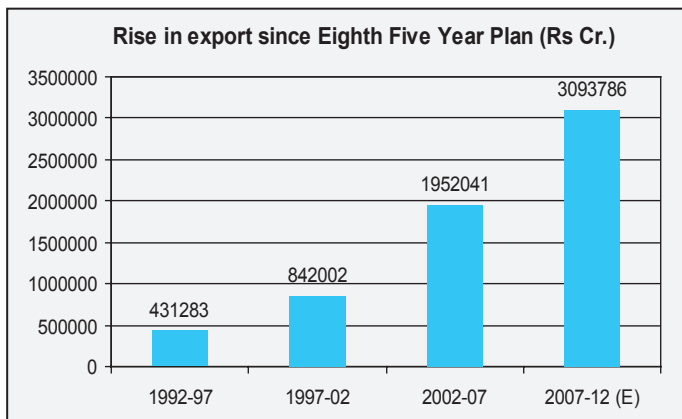
The present foreign trade policy of India is from 2009 to 2014. The government's reasoning for a five-year trade policy was to provide exporters with a stable policy regime, which would enable them to factor in the benefits of various export incentive schemes into their financial workings, so far the DEPB scheme has served India's export growth well.

The centre has received requests from exporters and various industry associations to extend the DEBP. The Chamber of Small Industry Associations (COSIA) has also requested government to extend the DEBP for another three years as it has proved to be very helpful to the SMEs. The government, in April, 2011, had also rolled back a 2% interest subsidy paid to exporters as part of measures to rein in fiscal deficit - estimated at 4.6% of GDP in 2011-12. The case for export incentives has been weakened further by the record 36.7% rise in exports in 2010-11.

DEBP was to end on June 30, has been extended for next 03-months and will end on September 30, however, Finance Ministry has made it clear that this is the last extension and exporters will have to be prepared for the new scheme post the extension period. The smooth transition and migration of exporters to the new scheme is the only reason for this extension.

An expert panel headed by Planning Commission member Saumitra Choudhury will work out the duty drawback rates for all export products including those covered under DEPB now. DEBP was based on board value and duty draw back will be based on duties paid. Draw back rates will be lower than DEBP. However, according to ministry, the industry associations are not pro-active enough to approach the ministry for fixing rates.

Not all the goods in DEBP will be eligible for duty draw back scheme. Thus, there are mixed reactions from exporters as some will enjoy the lower rates whereas others may not get any rebate at all. However, it is believed that duty draw back scheme will be less liberal as compared to DEBP. According to exporter Sanjay S Lalbhai, "whilst exporting finished goods tax should not be exported." The scheme should consider the taxes levied at state and centre level and should not levy another level. The exporters are now eyeing the new duty draw back scheme.



Though rise in exports may appear favourable with the continuation of DEBP, the amount being reimbursed to the exporters has alarmed the finance ministry. Government has been spending around Rs. 8,000 crore on the rebates to exporters; which has made Finance Minister Pranab Mukherjee and Commerce Minister Anand Sharma to replace the 14-year old scheme. More than 60 per cent of said rebate was cornered by large engineering, automobile, metal and chemical exporters. This move by the government has upset the exporters and may lead to decrease in growth of exports. This will affect the already negative BoP which was \$66,939(-).

Earlier, Commerce Secretary Rahul Khullar had said there was a merit in the finance ministry's argument that when exporters were doing so well "where is the need to continue sustaining them by throwing money at them?" He added that the exporters can always draw the tax rebates through other windows like duty drawback Scheme. Thus, according to government export industry does not need DEBP anymore and can easily survive on duty draw back scheme which will replace the former.

If DEBP is a favourite with some exporters, it is because it pays them way more than their import levy and actually works as a generous subsidy, therefore coming under WTO scrutiny. While, exporters have been given a choice to avail of import tax neutralisation through an alternative

scheme -- Duty Drawback -- they do not find the option as attractive as DEBP. An ICRIER study conducted a few years ago points out that the DEBP rate is at least 50 per cent more than the drawback rate. Though, the Federation of Indian Export Organisations (FIEO) has argued that the transition from the DEBP to duty drawback requires about 9-12 months' time. And the DEBP scheme should continue till Goods and Services Tax (GST) is introduced as it will not be possible to fix the drawback rates for all the products in three months. But the government is all set to merge the DEBP with the duty drawback plan from October and in the process save over Rs 4,000 crore out of the Rs 8,500 crore concession which was earmarked for the 14-year-old scheme.

Now the government has finally made up its mind to withdraw the scheme, giving it a final extension till September 2011. Withdrawal of this scheme will affect the profits of various industries like heavy industries, agri-commodities and handloom industry. The poor Indian farmers impoverished due to agriculture have raised handloom industry which gives them an alternate income option. The handloom/ handicraft from our nation is in large demand in foreign countries, however, this industry which lacks even basic infrastructure facilities will have to survive this replacement of DEBP scheme. These exporters have already taken orders from their foreign customers considering the rebate from DEBP scheme; this move by government will affect their profits. The decision to replace the exporter's favourite DEBP scheme comes in at the time when economy is stressed by interest hike due to inflation and global economy is also volatile; these means exporters have to face the rising input cost, higher bank interest rates without any rebate from government.



Boon or Bane for India

General Idea:

Since the late 1990s there has been a rapid proliferation of bilateral free trade agreement (FTA) projects in East Asia and the Asia-Pacific regions that had hitherto been largely devoid of FTA activity by comparison to others. Given the growing importance of FTAs in the regional political economy, it is useful to see what benefits are to be obtained with an FTA. The principal benefit is supposed to be economic; if you get to trade with FTA partners at zero tariff levels then you will gain vis-a-vis the rest of the world with which the FTA partners have positive tariff levels. Countries are increasingly getting convinced that in the wake of the deadlock of multilateral negotiations, the formation of regional cooperation between and among them is the best bet to optimize economic and trade gains.

Free Trade is a system of trade policy that allows traders to trade across national boundaries without interference from the respective governments. Therefore a free trade area is a trade bloc whose member countries have signed a FTA, which eliminates tariffs, import quotas, and preferences on most (if not all) goods and services traded between them. It can be considered the second stage of economic integration. Countries choose this kind of integration if their economical structures are complementary.

The reason behind a sudden spurt in FTAs is something which needs to be critically looked at. With multilateral trade negotiations through the WTO not fully succeeding on various fronts, surge in PTAs, FTAs, customs unions, economic unions and so on, was clearly inevitable. Thus, various member nations, mostly developing ones, are focusing on FTAs as a viable means of opening up to international trade. Failures of Seattle and Cancun highlighted the inherent difficulties of a multilateral trading system and pushed many nations to divert their negotiating energies towards regional trade agreements.

India's bilateral free trade agreements:

India has signed few bilateral as well as regional trade agreements to increase market access for its exports. India has signed the Agreement on South Asian Free Trade Area (SAFTA), an agreement reached on January 6, 2004 at the 12th SAARC summit. It created a free trade area of 1.6 billion people in Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. India also has FTA with the Association of Southeast Asian Nations commonly known as ASEAN which is a geo-political

and economic organization of ten countries located in Southeast Asia formed by Brunei, Cambodia, Malaysia, Indonesia, Thailand, Vietnam, Laos, Singapore, Vietnam and the Philippines. India has FTAs with Sri Lanka, Nepal, Bhutan, and Thailand too. From December 1, 2007, India has an agreement with Singapore under which there has been elimination of tariffs on imports of more than 500 products from Singapore. The agreement with Singapore is a Comprehensive Economic Cooperation Agreement (CCEA), which includes free trade agreement in goods, services, investment, and also identifies areas of economic cooperation. India signed the Asia Pacific Trade Agreement (APTA) in 1975 under which it offered tariff preferences on more than 500 tariff lines at the six digit level. India also has signed preferential trade agreements (PTA) with Afghanistan, Chile, and MERCOSUR (Argentina, Brazil, Paraguay and Uruguay). Furthermore, India is a participant in Global System of Trade Preferences (GSTP) among developing countries. In this forum, India offers tariff preferences for a limited number of products. Also, under Generalized System of Preferences (GSP), India receives preferential access to markets of Bulgaria, Canada, the European nations, Japan, New Zealand, Norway, Russia, Turkey, Switzerland, and USA.

India, which has already operationalised a similar trade pact with South Korea and Singapore, has recently concluded comprehensive free trade agreements with Japan and Malaysia. While there are various other ongoing FTA negotiations underway, including that with the European Union, a 27 nation bloc, EFTA (Iceland, Norway, Liechtenstein and Switzerland), Canada, New Zealand, Gulf Cooperation Council, Mauritius and SACU (South Africa, Botswana, Lesotho, Namibia). FTAs under consideration and/or at various stages of development are with Australia, Canada, Chile, China, Colombia, Egypt, Hong Kong, Israel, Russia, Uruguay, and Venezuela.

In recent times, free trade Agreements undertaken by Indian government has polarized public opinion regarding the efficacy of the same. In fact the ministry of commerce lists 19 regional trade agreements which are in various stages of negotiations. According to a rough estimate by 2014-15 India would have agreed on a reciprocal basis to eliminate tariffs on 85-90% of products with countries that account for 70% of India's global trade. But how prudent it is to open our huge market to the trading partners? The intensifying FTA trend has stoked discussions on whether

it will help advance regional co-operation and integration or will it end up creating hurdles for the Indian industry.

The Pros of FTA:

Lowering intra-regional trade barriers expands trade among partner countries and encourages economies of scale of production together with intra- and inter- industry specialization. Few key merits of pursuing regional pacts in tandem with multilateral reforms are: advancing trade liberalization, establishing useful precedents for WTO talks, domestic reforms and bolstering alliances among trading partners. Principal benefit of FTA is the depth of trade reform to which partner countries aspire. The complementarities that exist between FTAs and multilateral trading system governed by WTO rules can benefit member nations in various ways. These include boosting global free trade by allowing member countries to intensify competition, providing time to domestic industry to adjust, and creating an arena to tackle difficult issues like agricultural subsidies and trade in services. Besides, the circles of trade that are created through this exercise can help form expansive multilateral agreements.

A critical aspect of forming FTAs, which could be seen as an advantage, is that long-term political and ethnic hostilities among member countries can be minimized to a large extent, which can contribute towards the efforts of establishing a multilateral trading regime. In other words, the formation of FTAs can be seen as a strategic move to consolidate peace and increase regional security among member countries. Among other economic factors that are propagating the formation of FTAs are foreign direct investment (FDI) and the advantages associated with economies of scale. According to the World Trade Report, preferential access to large regional markets is one of the key determinants of FDI in developing countries. Also, since FDI has become the most important source of foreign capital inflow and a key promoter of economic growth for developing countries, it is increasingly felt that countries join RTAs/FTAs to attract FDI.

The Cons of FTA:

Little light has been thrown on the secretive and rapid rise of FTAs in India, though protests have been held against India's involvement in the WTO. Naysayers argue that FTAs unjustly impact important public interest laws, regulations, policies and the import duty structure in ways that virtually touch all aspects of the lives. FTAs create legally binding obligations on the government such that livelihoods

related to agriculture, fisheries and manufacturing stand to be severely affected. FTA demands in trade and services, investment and intellectual property rights impact the ability to access affordable healthcare, education, and municipal services such as water and sanitation, to name a few. If FTA demands in areas related to food imports and finance are accepted, then India's risks become even more vulnerable to global food and financial crises. Import dependency on food and agriculture would ensure that India loses its ability to produce adequate and affordable food. This would not only impact 55% of the population that still depends on food production as means of income, but would also create greater food insecurity because world market prices will remain high and volatile in the future. FTA demands in finance would make it difficult to control the rapid influx and exit of risky investors, a major reason for financial crises in Asia and around the world.

Another major argument against the rapid rise of FTAs in India is that too many trade agreements with regional partners are creating hurdles for the Indian industry. While there is a clear-cut roadmap under these regional trade agreements on liberalization at the global or multilateral level, but there is no such clarity on the ground. For instance, India is engaged with Sri Lanka under bilateral FTA, APTA, SAPTA, SAFTA and BIMSTEC. The different rules of origin and different treatment of items for concession have already created many problems for the Indian industry. Since duties in India are higher than those in most of its RTA partners, the benefits of a trade pact are likely to be more for the partner rather than Indian exporters.

Conclusion:

The paradox in international trade policy is - "globalization", the word is on everyone's lips yet regional agreements have never been so popular ever before. For developing countries like India regional trading arrangements have become a "necessary evil" as it supports the nation's aspiration by contributing to economic growth, domestic reforms and creating more stable and attractive environment of investment. However, trade pacts are not magic potions that will automatically create economic prosperity. Doubts will always remain that free trade agreements make a positive contribution to overall human well-being and welfare. Therefore, India should consider taking a comprehensive approach towards such agreements by including issues like services market access and removal of non-tariff barriers.

EGoM allows additional 5 lakh tonne of sugar export

An empowered group of ministers (EGoM) has finally given a nod for additional 5 lakh tonne of sugar for exports under the open general license (OGL). It was sustained pressure from agriculture minister Sharad Pawar for allowing sugar exports after a bumper crop this season. Sugar production in the country is estimated at 24.2 million tonne in the 2010-11 season (October-September) against 18.8 million tonne in the previous season. Annual domestic demand for sugar is estimated around 22-22.5 million tonne.

Earlier in April, the government had allowed 5 lakh tonne of sugar exports under Open General Licences (OGL). Due to rising global demand, the world sugar prices are ruling high at a premium of Rs 500-600 per quintal in comparison to domestic sugar prices and that prompted the domestic sugar companies to ask for increasing the sugar export quota to enable the industry take advantage of rising international prices. The decision is aimed at offsetting losses for sugar manufacturers due to surplus stocks.

While, Agriculture Minister, Sharad Pawar has been advocating for increase in sugar export quota, Food and Consumer Affairs, Prof K.V. Thomas, has been saying to be cautious in view of the coming festival season and few days back said that government will not allow more sugar exports till Diwali as it does not want retail prices of the sweetener to rise during the festive season. The demand for sugar is generally higher during the October-November period, when festivals like Diwali are celebrated across the country.

Agricultural sector must grow by 4 per cent each year: ASSOCHAM study

In a study on Second Green Revolution: Role in Transforming Indian Agriculture by the Associated Chambers of Commerce and Industry of India (ASSOCHAM) and The International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), it was pointed that India's population will touch 1.4 billion by 2020 and hence the agricultural sector must grow by 4 per cent each year to support this huge number.

"Indian agricultural sector needs to be revamped to meet future demand and nutritional security of this huge population. Next green revolution with a focus on holistic

development of agri sector is imperative to support small, marginal farmers in sustaining their livelihood," said Dilip Modi, president, Assocham.

The study has suggested Innovations in technology, investments in R&D and revamping of the PDS (Public Distribution System). It has further suggested that investments, particularly in research and development (R&D), would enhance agricultural growth by a great extent and provide over 50 per cent return in research and extension process. In its other suggestions, the report has stated that the cropping pattern also needed to undergo transformation and to ensure nutritionally-oriented cropping pattern and production technologies.

Investments in agricultural research and development process can be increased through Public-Private Partnership (PPP) model. A cost-sharing strategy can help minimize the financial woes of R&D in agri sector and encourage various stakeholders like local government, private sector to conduct agricultural research programs to inform and educate small-marginal, poor farmers about good production, says the study.

Such a mechanism would result in enhancing production of goods, services and technologies which cannot be produced alone by either of the sectors. PPP would effectively utilize global resources for development of sustainable agri system across India and good researchers for solving agricultural related problems, further points out the study.

In its action plan, Assocham will engage with various State governments to implement a 10-point Action Plan it has prepared to revolutionise agricultural sector in the country. It calls for a dedicated Agriculture Budget and a one-nation-one-market regime to encourage farmers. The chambers would emphasise on 'Soil-to-crop-to-market' in order increase productivity and marketability of farm produce.

FMC considering allowing forward trading on the spot exchange

Forward Markets Commission (FMC), the Commodity markets regulator is planning to allow forward trading in metal and agriculture produce on the spot exchange platform. NSEL, an exchange being promoted by Financial Technologies (India) (FTIL) and National Agricultural Cooperative Marketing Federation of India (NAFED)

has put an application to start forward contracts with the regulator. There are three commodity spot trading exchanges: NSEL, NCDEX Spot Exchange and Reliance Spot Exchange.

Currently, futures trading in commodities are permitted on five online national commodity exchanges - Multi Commodity Exchange (MCX), National Commodity & Derivatives Exchange (NCDEX), National Multi Commodity Exchange (NMCE), Indian Commodity Exchange (ICE) and ACE Derivatives and Commodity Exchange.

NSEL has applied to provide a mechanism to stakeholders of the spot market in which a farmer can sell crop days before its harvest, where the exchange will guarantee delivery at the booked price. Settlement on futures contracts occurs over a range of dates; forwards have only one settlement date. Though, NSEL has said that they are planning to introduce contracts which should not clash with existing futures exchange.

Forward contracts help farmers to lock-in prices in advance, while it assures guaranteed supply at a fixed price for buyers. The forward price of a contract is generally contrasted with the spot price. The difference between the spot and the forward price is the forward premium or discount, generally considered as profit or loss by the purchasing party. While, forward contract settlement occurs at the end of the contract, futures contracts are marked-to-market daily, which means that daily changes are settled day-on-day until the end of the contract.

The FMC is also considering a regulation to make agri commodities deposited at one exchange fungible across the board. This means uniform quality standards would be adopted across all exchanges.

MSP of paddy hiked by Rs 80 a quintal

The Cabinet Committee on Economic Affairs has raised the minimum support price (MSP) for the current year's paddy crop by Rs 80 a quintal. The hike is however, below the recommendation of Rs 160 by the Commission for Agricultural Costs and Prices (CACP), which was inclusive of a bonus of Rs 80 over and above the MSP.

MSP is the price at which the government procures paddy from farmers and the Paddy MSP (common grade) was at Rs 1,000 a quintal last year. The new MSP would work out to Rs 1,080/quintal for common paddy and Rs 1,110/

quintal in the case of fine ('Grade A') varieties grown mainly in Punjab and Haryana.

While the Rs 80 bonus recommended by the CACP and proposed by the Agriculture Ministry has not received the Cabinet's nod due to opposition from the Finance and Food Ministries, as it may put pressure on food inflation, however CACP argued that higher paddy MSP is necessary as cost of production has risen by 20 per cent in last one year and some officials are still hopeful that it may still be announced before the crop gets harvested from October.

In case of pulses much in line with the last year's hefty hike, the MSPs for arhar (pigeon-pea) and moong (green gram) have been fixed Rs 100/quintal higher than the levels recommended by the CACP. Moreover, an additional Rs 500/quintal incentive would be paid on arhar, moong and urad (black gram) sold to government procurement agencies during the harvest/arrival period of two months. The purchasing price of tur (arhar) has been increased by 15% to Rs 2,300 a quintal. The MSP of moong and sesamum has been increased by 9.52% and 3.64% to Rs 2,760 and Rs 2,850 a quintal, respectively. However, the procurement prices of crops like maize, urad, cotton and bajra have been kept unchanged.

In a bid to boost output of the other major importable crop group - oilseeds - the Centre has raised the MSP of soyabean, groundnut, sunflower and sesamum by 17-19%.

FAO forecasts world food prices to stay at elevated levels

The Food and Agriculture Organization (FAO) has increased the worries of many policy makers across the globe with a forecast that world food prices are set to stay at elevated levels for the rest of the current year and into 2012, despite prospects of a rebound in crop production from the adverse effects of bad weather in 2010. In its biennial 'Food Outlook' analysis FAO said that rising demand will absorb most of the increased output in food production.

The FAO Food Price Index averaged 232 points in May from a revised estimate of 235 points in April but was still 37 per cent above May 2010. Slight declines in international prices of cereals and sugar were responsible for the drop in the May index. The report stated that consumers are

unlikely to get relief from high food prices till December 2012, though it stated that prospects are encouraging in some countries such as the Russian Federation and Ukraine, weather conditions, featuring too little and in some cases too much rain, could hamper maize and wheat yields in Europe and North America.

The northern hemisphere has already entered the period of crop planting and therefore, the next few months would determine how the major crops fare. Weather will be the major driver of food markets until harvest time in September. Current prospects for cereals in 2011 point to a record harvest of 2,315 million tonnes, an increase of 3.5 per cent over 2010, which marked a one per cent drop over 2009. While, world wheat output is set to expand by 3.2 per cent mainly because of return to improved yields in Russian Federation, coarse grains are set to climb 3.9 per cent. Rice production may rise by an expected 2 per cent to 463.8 million tonnes.

Meat prices are hitting record highs following tighter availability. World meat production will rise by a mere one per cent to 294 million tonnes in 2011, constrained as it is by high feed prices, disease outbreaks and depleted animal inventories.

In its earlier report FAO stated that global food prices fell for the first time after eighth consecutive months of price spikes in March this year in the wake of a decline in international prices of oil, sugar and cereals but it has cautioned that although food prices declined in March, volatility in prices is expected to continue in the coming months amid fluctuating oil prices and low stocks of foodgrains across the world.

On the backdrop of the FAO's latest report, Agricultural ministers from the G20 group of leading nations are due to meet in Paris on June 22-23rd to discuss an initiative that aims to reduce volatility in agricultural commodity markets. The G20 will discuss a new plan, called the Agriculture Market Information System (AMIS) and will bring together information on global supply and stocks from G20 nations, the UN Food and Agricultural Organization and international agencies.

Group of ministers to take a call on increasing cotton export quota

An informal group of ministers is likely to decide whether

to permit cotton exports beyond the current ceiling of 55 lakh bales for the current season or not. A decision will be taken on the demand of allowing exports of another 15 lakh bales of cotton to exhaust the excess stocks. Against the backdrop of the demand from the Agriculture Ministry, supported by the Commerce Ministry, that the 55 lakh bales limit be raised. Cotton season runs from October to September and the total cotton production, estimated by the Cotton Advisory Board is 320 lakh bales while, the domestic consumption of cotton is estimated to be 240 lakh bales, hence as per current scenario there is surplus of cotton in the country.

The government on February 25 had put a cap of 55 lakh bales (170 kg each) on natural fibre exports for the 2010-11 season to protect domestic textiles industry in the wake of rising prices of the raw material. If export allotted till February, was 65 lakh bales. The cap was decided by the group comprising Finance Minister Pranab Mukherjee, Agriculture Minister Sharad Pawar, Commerce and Industry Minister Anand Sharma and Textiles Minister Dayanidhi Maran.

It has been reported that there is unsold stock with the traders of about 45 lakh bales and about 1.5 million bales may be brought to the market by the farmers. But the spinning units are averse to any such decision as further exports may create scarcity of cotton supplies in the domestic market as they have also expressed their concern that if the export quota is increased it will only help the middlemen as the growers are not having excess stock. "Cotton prices have softened to about Rs 45,000 a candy from Rs 62,000 a candy. If the exports are resumed, the millers will have to suspend operations. Given the high cotton prices at present, they would not even recover the variable cost component for the spinning industry."

According to the Cotton Advisory Board figures, the crop forecast for the current season has been lowered at 312 lakh bales in April from 329 lakh bales due to unseasonal rains in states like Andhra Pradesh and Maharashtra in last December. Meanwhile, the International Cotton Advisory Committee has said that global cotton production could reach 27.3 million tonnes by 2012 due to improving prices. It said after seven consecutive months of increase, cotton prices significantly tumbled in April but have stabilized at record high levels.

BSLI Universal Health Plan

The BSLI Universal Health Plan is a health insurance plan, which enables you to provide your entire family with the best medical care without putting a strain on your long-term savings. It comes with a guaranteed health insurance cover of 3 years for your entire family. The BSLI Universal Health Plan covers your family's hospital related expenses and also out-of-pocket health expenses such as over-the-counter medicines, gym, yoga, dental and similar expenses.

The BSLI Universal Health Plan gives you a guaranteed health cover till the age of 80 years. While you may have to undergo some medical tests when the policy is issued to you for the first time, subsequent renewal every three years are guaranteed without any medical tests. This plan can be renewed till you and your spouse is 78 years old and your children are 23 years old. Now you need not worry about paying your family's hospitalization bills.

Key benefits of the plan

Hospitalization Benefit

In case of hospitalization of any of the family member, this plan provides you with a per day hospitalization expense and ICU allowance.

Surgical Benefits

The plan provides a comprehensive surgical cover for a number of surgeries. These are fixed benefits and not linked to your actual expenses.

Medical second opinion by Mediguide

You can seek a second medical opinion for any life threatening or serious condition through this service. This second opinion will be provided by the world leading specialists in that condition, with the second opinion provider undertaking the facilitation of data gathering, accessing the specialist and providing the relevant feedback.

Plan Summary

- Age at entry Self, Spouse and Parents - 18 years to 65 years, Children - 3 months to 17 years
- Maximum coverage age Self, Spouse and Parents - 80 years Children - 25 years.
- Family members eligible for cover Self, Spouse and 3

dependent children or Parents.

- Policy Tenure 3 years.
- Premium Payment Term 3 years regular premium payment with guaranteed insurability at the end of every policy term.
- Minimum & Maximum Premium Depends on age and gender.
- Network Hospitals with Cashless Facility 5300 PLUS network hospitals that provide cashless facility.
- Medical Second Opinion Free medical second opinion from world's leading second opinion provider.

Health Cover in addition to Mediclaim

BSLI Universal Health Plan covers you in addition to any other health plan that you may have including mediclaim policies. This means that you only have to submit the photocopies of your hospital bills to claim the benefits under the BSLI Universal Health Plan. With this plan you can now get a double cover benefit.

Comprehensive wellness cover

You will be reimbursed one annual premium every three years, which you may claim as per your requirements. In case you don't claim this amount, it is carried forward and saved as the Universal Health Benefit (UHB). You can choose to accumulate these benefits and claim them at any time in the future. IT also guarantee an additional bonus of 20% on this unclaimed amount every three years. You can use this amount to pay for wellness related expenses like yoga class fees, dental care, spectacles, ayurvedic and homeopathy treatments and similar other expenses.

One Health Insurance Unit

Each Health Insurance Unit represents a cover in case of hospital admission and is summarized in the table below. The total benefit payable would be the per unit benefit amount shown in the diagram multiplied by the number of Health Insurance Units for that life insured.

The benefit amount is payable only when the life insured is admitted to a hospital and varies depending on the type and severity of the hospitalisation and / or surgery. Hospital admission is classified as an admission for Surgical Management (to undergo a surgery) or for Medical Management (otherwise).

In case of an admission for Medical Management:

- (a) The company pays a fixed benefit amount of Rs. 1,000 per day in hospital plus Rs. 1,000 per day in intensive care unit (ICU).

In case of an admission for Surgical Management:

- (b) if the surgery is listed in the Covered Surgeries: - The company pays a fixed benefit amount based on the Grade of the Covered Surgery – Rs. 1,00,000, Rs. 50,000, Rs. 25,000, Rs. 15,000 and Rs. 10,000 for Grade 1 to 5, respectively.
- (c) if the surgery is not listed in the Covered Surgeries: - The company pays a fixed benefit amount of Rs. 2,000 per day in hospital plus Rs. 1,000 per day in ICU.

For (a) and (c), the hospitalisation must be for at least 24 hours and a Rs. 1,000 Deductible applies. Either (a) or (b) or (c) per hospital admission will be paid.

Sample Case 1	Sample Case 2	Sample Case 3
Health Insurance Units = 3	Health Insurance Units = 3	Health Insurance Units = 3
Surgical Management	Surgical Management	Medical Management Admission
Grade 2 Covered Surgery	Surgery (not listed in • Covered Surgeries)	No Surgery performed
	7 days in hospital, incl. 2 days in ICU	7 days in hospital, incl. 2 days in ICU
Total Benefit = Rs. 1,50,000	Total Benefit = Rs. 45,000	Total Benefit = Rs. 24,000
3 x 50,000 for Grade 2 Covered Surgery	42,000 for 7 days in hospital (3 x 7 x 2000)	21,000 for 7 days in hospital (3 x 7 x 1000)
	+ 6,000 for 2 days in ICU (3 x 2 x 1000)	+ 6,000 for 2 days in ICU (3 x 2 x 1000)
	- 3,000 Deductible (3 x 1000)	- 3,000 Deductible (3 x 1000)

Universal Health Benefit

The Universal Health Benefit is in addition to the benefit amount payable under each Health Insurance Benefit. This unique benefit helps you and your family with out-of pocket health related expenses.

Health & Medical related expenses incurred during the policy term and which are not otherwise covered under this plan will be reimbursed at the end of the policy term. The total reimbursement is capped at the 'standard annual premium' for the Principal insured.

Health & Medical related expenses include costs of medical tests, prescription drugs, medicines (ayurvedic / homeopathy included), consultation fee for physician / surgeon, dental / ophthalmic / orthopedic treatments and any surgical procedures (including the Excluded Surgeries) otherwise not covered under this plan.

Health & Medical related expenses incurred by Spouse and each Dependent Child insured under the policy can also be claimed.

Tax benefit under section 80D

Annual premiums up to Rs.15,000 (Rs. 20,000 for senior citizens) are eligible for tax benefit. And in case you are buying this plan to cover your parents your premiums are eligible for an additional tax benefit of Rs.15,000 (Rs. 20,000 for senior citizens).