

Magnum Connect

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	Index
Cover Story	
Sugar Sector.....	2
Economic Analysis.....	6
Equity	
Company Research	10
Stock Update.....	12
Corporate News.....	13
Market Snapshot.....	15
Economy	
Economy News.....	17
Statistics	
Sales.....	19
Scorecard Sugar Sector.....	20
Dividend Yield.....	22
High PE	23
Low PE	24
Price Trend.....	25
Mutual Fund	
Mutual Fund Analysis.....	26
MF Scorecard.....	27
Study	
FII Investment in Long-term Infra Bond.....	29
Insurance Portability.....	30
Commodity	
Commodity Watch	32
Insurance	
Life Insurance	35

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Dear Friends,

Month after month we are witnessing continuous weakness in the markets, no doubt the domestic conditions have deteriorated in last some time with the consistent hawkish trend of the Reserve Bank of India and with its another rate hike and indication of few more, the situation is likely to remain grim for the industrial growth. But now what is worrying is the worsening global economy, while the world's largest economy US is heading towards another recession, on the same time European nations are keeping the global markets nervy due to their debt crisis. The whole eurozone, since its sovereign debt crisis erupted more than a year ago is yet to find any firm solution, now the crisis is entering a more dangerous phase, not only it is impacting heavily on Europe's economy but the ripple effects are threatening global growth.

RBI in its mid-quarterly monetary policy review hiked short term leading and borrowing rates for the 12th time in last 18 months. Though, the apex bank too has accepted the fact that the industrial growth is getting affected but with the likelihood of inflation remaining high for the next few months, it termed the rising inflationary expectations to be key risk, making it imperative to persevere with the current anti-inflationary stance. Now the government will have to look for other weapons to combat the inflation menace, as monetary tightening cannot give the full result working alone.

Jayesh R. Dedhia
 (Director)
 Magnum Group

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Indian Sugar Sector

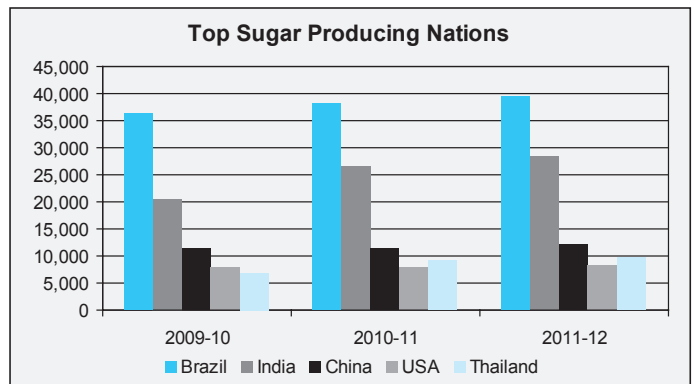
Sugar sector is India's second largest agro-based processing industry after the cotton textiles industry, having a lion's share in accelerating industrialization process and bringing socio-economic changes in under developed rural areas. Sugar sector holds considerable significance to the Indian economy as it is one of the main drivers of the country's rural economy, supporting its agricultural growth. Over 50 million farmers and their families are directly dependent on the sector, along with workers and entrepreneurs of almost 500 operating mills, apart from a host of wholesalers and distributors spread across the country. On the global front too the Indian sugar sector occupies a noteworthy position of being the top producer after Brazil and the largest consumer of the commodity in the world. India is and remains a key growth driver for world sugar, growing above the Asian and world consumption growth average. Besides farmers, an estimated 0.5 million workers are directly employed as agricultural labor involved in cultivation and harvesting. The sugar industry also supports diversified ancillary activities and skills that support the local economy. The dependent population creates substantial demand for local goods and services. The sector also has major social and economic impact for the nation as it is a green industry and is largely self-sufficient in energy needs through utilization of bagasse for generating electricity and steam. In fact, the sugar industry generates surplus exportable energy through cogeneration and contributes to reducing the energy deficit that country is currently facing.

Sugar Industry in India is well developed with a consumer base of more than billions of people. While consumption of sugar has been growing historically, the production has been cyclical in the inherently a cyclic industry. The sector follows a 5 year sugar cycle of 2-3 years of good production of sugarcane followed by 2-3 years of low production. The cyclic pattern basically is manifested in the supply-demand dynamics and with both supply and demand being relatively inelastic in the short run. The competing crops and their remuneration, too, play important role in sugarcane output, particularly in India. This industry has been in the limelight on the back of a surge in crude oil, the main source of energy, which resulted in a rise in demand for ethanol, a derivative of sugarcane. However, investments in by-products are at a nascent stage, and the sector has struggled to generate a return on invested capital in excess of its cost of capital in most years, primarily due to a high mandated fixed cane

price and a volatile sugar price.

Global scenario

India and Brazil are two dominant players in the world sugar market and account for around 40% of the world sugar production. Any shift in sugar production from India or Brazil has severe impact on the world sugar prices. Global sugar output is expected to beat demand for the first time in four years thanks to favorable weather in the Brazil and India, the two biggest sugarcane growing nations. Sugar production, raw value, for the 2011/12 marketing year is forecasted at 168 million metric tons (MMT), up 8 MMT over the previous year. Concern that global supplies will trail demand after crop damage from a storm in Australia and drought in Russia cut output have been undermined by higher production in Brazil, China, India, and Thailand.



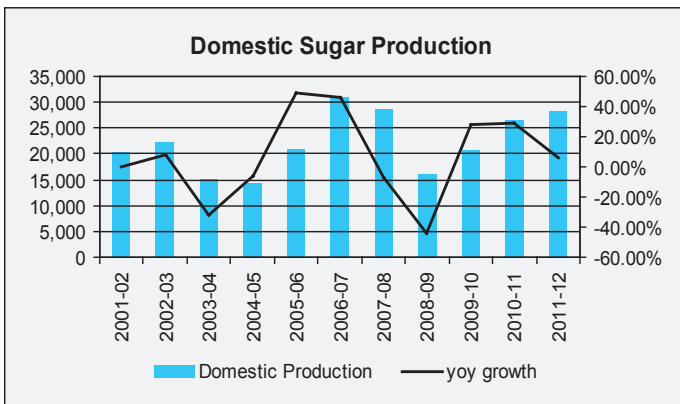
Strong demand in the EU, Indonesia, Russia and many other markets and the need to replenish stocks will enhance exports from Brazil and Thailand which are forecast to have large exportable supplies. Global exports are forecasted at 56 MMT, up 3 MMT over the previous year. Consumption is estimated at a record 162 MMT, up 2.7 MMT from a year earlier and ending stocks are forecast at 29 million tons, down over 400,000 tons.

World sugar production and consumption have been increasing at about the same rate: 1.88 percent for production and 1.93 percent for consumption. Consumption growth has been fairly steady from year to year, whereas production growth has shown more variability. In the 23 years since 1989/90, world sugar has been in surplus 17 times. The largest deficit of 10.14 million MT occurred in 2008/09, when Indian production decreased 12.68 million MT from the previous year, or 44 percent. According to estimates 2010/11 world sugar was in surplus at 1.626 million MT and is projected to be at a surplus of 6.480 MT in 2011/12.

Domestic Scenario:

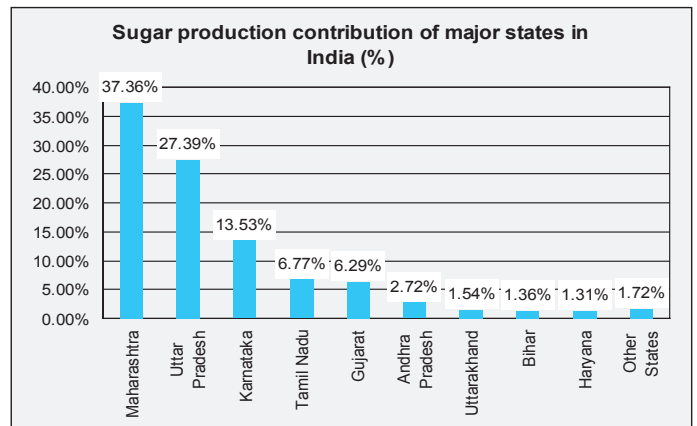
Indian sugar production is on an upswing from 2010-11

season as domestic sugar stock position is expected to once again turn surplus in the current season with the sugar output likely to outstrip domestic consumption. India's output is likely to see a 30-35 percent growth to over 26 million MT, driven mainly by improved cane acreage; adequate rainfall and the consequent increase in sugar production. With demand of around 22 mt — making it the world's biggest consumer — India has already allowed exports of 2.60 million tonnes of sugar in the current year. Yet India is expected to see a larger surplus of 4 million tonne in 2011-12 from its expected sugar production of over 26.0 million tonne, versus 24.2 million tonne for the 2010-11 season.

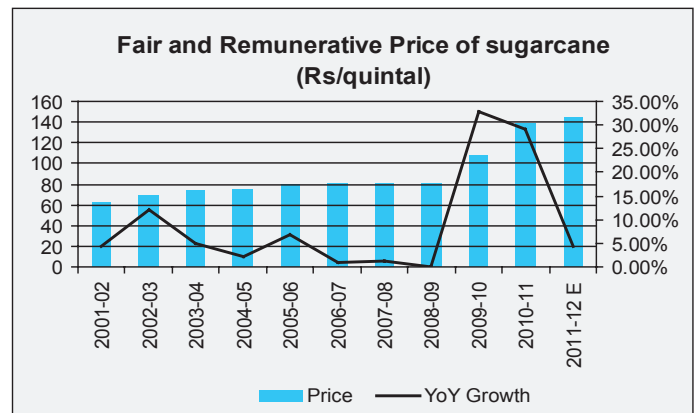


India's sugar production is revised downward to over 26 million MT due to lower recovery rates in Uttar Pradesh. Nine sugar mills in India's second biggest cane producing state of Uttar Pradesh have shut down early due to crop shortage. Sugar output in Uttar Pradesh is lowered to 6.4 mt from 7 mt due to late rains, while in Maharashtra, the country's biggest sugar producer; it is kept unchanged at 9.4 million tonnes. The ISO, in a quarterly update, projected a global surplus in October 2010 to September 2011 of just 196,000 tonnes, well down from the 1.29 million seen in the last update in November 2010. Global consumption in 2010-11 was revised up by 180,000 tonnes to 167.849 million tonnes.

Furthermore, the government replaced the concept of Statutory Minimum Price (SMP) by the Fair and Remunerative Price (FRP) of sugarcane with effect from 2009-10 season and has even hiked the FRP of sugarcane by 4.2 percent at Rs 145 per quintal for the 2011-12 season, starting October. While the FRP for sugarcane in the 2011-12 sugar year, beginning next month (Oct), has been fixed at Rs 145 per quintal, the CACP's, a statutory body that advises the government on the pricing policy for major farm produce, in view of the rising production costs has recommended a 17.25 percent increase in the FRP for sugarcane to Rs 170 per quintal for the 2012-13 sugar



year (October-September). In addition, the Government has allowed sugar factories to produce ethanol directly from sugarcane juice. These measures should help in reducing the cyclicity in sugar production in coming years. FRP is the minimum price that sugarcane farmers are legally guaranteed.

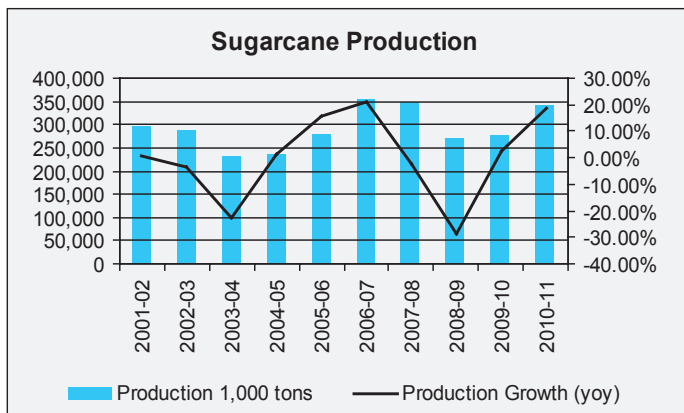


Moreover, National Federation of Cooperative Sugar Factories (NFCSF) is making all efforts to improve the productivity of sugarcane and sugar recovery. At present the yield of sugarcane per hectare varies quite substantially from region to region. There is enormous scope of increasing productivity of sugarcane per hectare. What is required is to make varietal changes looking at agro-climatic factors of each region. The ethanol programme has also been re-launched. However, it continues to face some problems and opposition. The five percent blending (with petrol) has restarted from October 2010, with a provisional price of Rs 27 per litre. About 600 million litres have been contracted for supplies and supplies of 100 million litres have been made.

Production

Both area and production of sugarcane fluctuate considerably from year to year. This is due to variations in climatic conditions, the vulnerability of areas cultivated under rainfed conditions, fluctuations in prices of gur

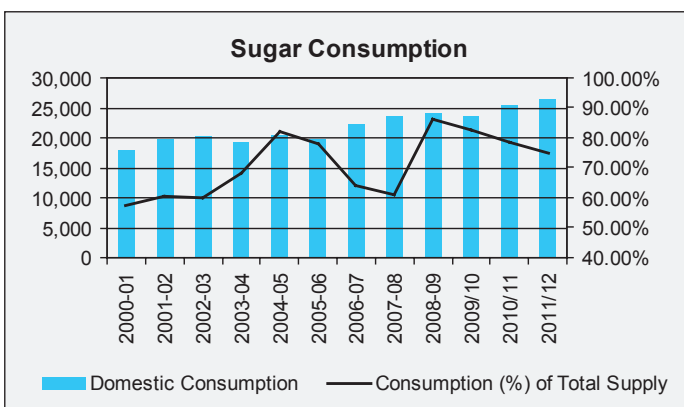
and Khandsari, and changes in returns from competing crops. Despite this instability, both area and production of sugarcane have increased considerably over the past decade. The chief raw material for sugar production in India is Sugarcane.



India, the second largest global producer and the world's leading consumer, is expected to boost production substantially to 32 Mt of sugar per year, on average, in the coming decade, or some 50% higher than in 2008-09, when production fell sharply. Annual sugar output will continue to be subject to periodic large swings in response to the longstanding production cycle.

Consumption:

Against a backdrop of recurrent large swings in production, India's sugar consumption has grown at least 3.5% in quantum terms in each of the previous ten years, equivalent to the combined consumption of Cuba, Caribbean and Dominican Republic. Therefore, the domestic production and consumption balance moves from periods of surpluses and deficits, leading to often significant changes in the trade position. For instance, in 2007/08, exports reached 4.7 Mt (9.7% of world exports), but in 2009/10, these were replaced by imports of about 4 Mt (7% of world imports). Based on a conservative extrapolation, India's sugar consumption is expected to double in less than 15



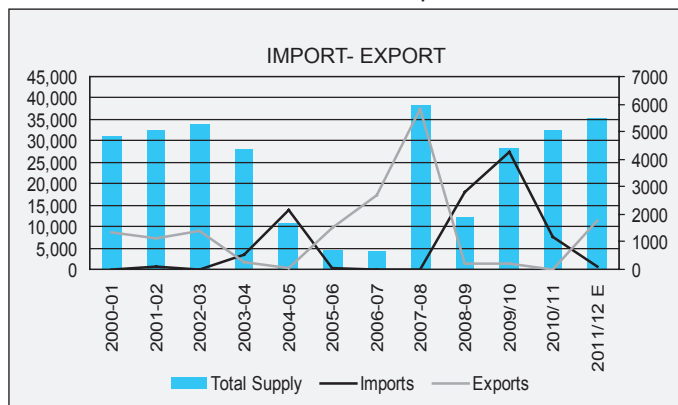
years, owing to a growing population and rising per capita incomes.

Rise in income, high-income elasticity of sugar and the continued switch in demand from gur and khandsari to sugar are expected to drive consumption. Although gur and khandsari are still the main sugar products consumed in rural areas, demand for white sugar is expected to continue increasing both in absolute and per capita terms. Moreover, the growth of sugar demand by food industries and other non-household users, estimated to account for about 60% of total consumption, could provide additional impetus to longer-term market growth.

Sugar Export

Buoyed by the better-than-expected sugarcane production, India is expected to allow another 4 million tonnes of unrestricted sugar exports in the new season from October to help trim bulging stocks and arrest slipping local prices. Allowing export of the sweetener will result in avoiding sugar stock build up and resultant drop in prices leading to cane price arrears. This would provide additional liquidity to the sugar factories by capitalizing on the low global sugar balance and the better international prices. However, expectations are rife that this could also lead to a spurt in sugar prices, especially with the Maharashtra government all set to pay higher prices to farmers in the largest cane producing state.

Earlier, India doubled its sugar export quota under open general licence to 10 lakh tonnes in a bid to maintain fair price in the domestic market. The government had allowed export of 5 lakh tonnes of raw, white/refined sugar under open general licence, in August, in addition to 5 lakh tonnes allowed earlier in March - April.



Inflation also may dampen the possibilities of export relaxation. The next year will see a surplus and an opening stock of 5.8 million tonnes. This would leave a clear surplus of 1.8 mt, of which the country could comfortably export over a million tonnes during the current year. Indian mills

have an opportunity to realize Rs 5,000-6,000 per tonne. Sugar prices have been falling continuously and may lead to accumulation of cane arrears. Exports will help in cane payments.

Decontrolling Sugar sector:

The demand for decontrol of the sector has been there for ages but the government is not giving in to the demands to decontrolling the sugar sector as it believes the move may affect the interest of farmers and consumers. But in view of an expected surplus sugar production next year, it would be a very opportune time to decontrol the sugar sector as decontrol will check the cyclical nature of sugar production. The two most important areas of control that need to be examined are levy sugar obligation on mills and the monthly release mechanism for sale. This is the only industry in the country that bears the burden of a social welfare programme run by the government. This affects the capacity of mills to make cane payments. As against the regulated release mechanism, mills should be given freedom to decide the timing and quantum of sugar sale, to ensure better cash.

At present, the sugar sector is under the government control, from production to distribution. The Food Ministry fixes the monthly quota that sugar mills can sell in the open market and ration shops. There are differences of opinion between the cooperatives and the private mills about some areas. India's Food Secretary has affirmed that the consultation process on the decontrol issue has already begun. While a move towards decontrol was initiated last year, the recent surge in food inflation has slowed the process.

Demands for a free hand sell sugar in the open market and for removal of the levy sugar system are rising. Under levy sugar system, mills are required to sell 10 percent of their production to the government at a subsidized rate for distribution through ration shops. The government has reduced the levy sugar burden on millers from 65 percent to 10 percent in the last few years and will further bring it down if necessary. The industry supplies levy sugar at 60 percent of the cost of production, resulting in a loss of about Rs 2,500-3,000 crore every year, according to industry body CII, which recently threw its weight behind the demand for decontrol of the sugar sector.

With the abolition of state-controlled pricing, sugarcane prices will be linked to sugar prices, leading to a realistic return for mills and farmers. Once the decontrol takes

place, companies will price products according to market realities, resulting in a better sales forecast, leading to a targeted cash flow. Sugar production could stabilize, addressing internal demand, leaving some sugar for export. An increase in profitability could attract investors, leading to technology investments.

Conclusion:

With, India's consumption expected to double in next 20 years, the nation with world's second largest population could account for around 18% of the world's sugar consumption. India which is currently the largest sugar consumer has one of the lowest per capita consumption figures (21 kg per annum compared with 58 kg in Brazil). This under consumption provides room for large consumption growth in the foreseeable future. The country's population of over 1.21 bn is expected to reach over 1.53 billion by 2030, which should drive sugar consumption to new highs. Various initiatives like NREGA (outlay increased from Rs 40,100 crore in 2010-11 to Rs 41,000 crore in 2011-12) should catalyze rural incomes and food demand, leading to higher sugar consumption. Sugar is an income derivative. India's increasing per capita income from Rs 10,574 in 1993-94 to Rs 44,345 in 2010-11, will also translate into a higher sugar offtake in the coming years.

Indian Sugar sector can well be a global leader provided it comes out of the vicious cycle of shortage and surplus of sugarcane, lower sugarcane yield, lower sugar recovery, ever increasing production costs and mounting losses. It needs quality management at all levels of activity to enhance productivity and production. Attention is required on cost minimization and undertaking by-product processing activities. With sugar demand in India growing steadily at around 4% per year over the past 10 years, there is a need to expand sugar production in India. The potential for expanding production surely exists but is not being fully exploited which can be done by introducing some adjustments to ensure a market driven relationship between sugar and sugarcane prices. Also, relaxing some of the existing measures, such as the monthly releases, could provide sugar factories with some cash flow flexibility. The use and valorization of sugarcane by-products, such as ethanol, electric power, and other derivatives, can cushion against low sugar prices and other market risks. Clearly, the decontrol of the sugar industry can only be undertaken within the context of broader domestic reforms, because of the linkages on both demand and supply sides that prevail in agricultural commodity markets.

Economy yet not in good shape; govt goes for additional borrowing

The Government of India has announced for an additional borrowing programme to the tune of Rs 52,800 or 13% of the FY12 fiscal deficit, over and above Rs 4.17 lakh crore estimated earlier. Fiscal deficit target however has been kept unchanged at 4.6% of FY12 GDP. Resultant, H2FY12 borrowing programme now stands at Rs 2,20,000 crore as against earlier budgeted borrowing of Rs 1,67,000 crore. However Finance Minister Pranab Mukherjee said that the decision to borrow an additional Rs 53,000 crore from the market during the current financial year may not have a bearing on the fiscal deficit. Though, the current borrowings may not have much impact on the fiscal deficit as borrowings are aimed at making up for shortfall towards small savings. According to government estimates, the small savings during the first quarter of the current fiscal declined by Rs 26,542 crore compared to an increase by Rs 13,250 crore in the same period last year. However, government's expenditure has been increasing due to a higher subsidy burden, whereas prospects on revenues receipts don't look bright. It has raised only Rs 1,144 crore through disinvestment this year, against a target of Rs 40,000 crore, not only this the growth in advance tax collections from top 100 companies came down from 19 per cent in April-June to 9.9 per cent in July-September quarter.

External Sector: Deficit widens to \$11.1 billion in July

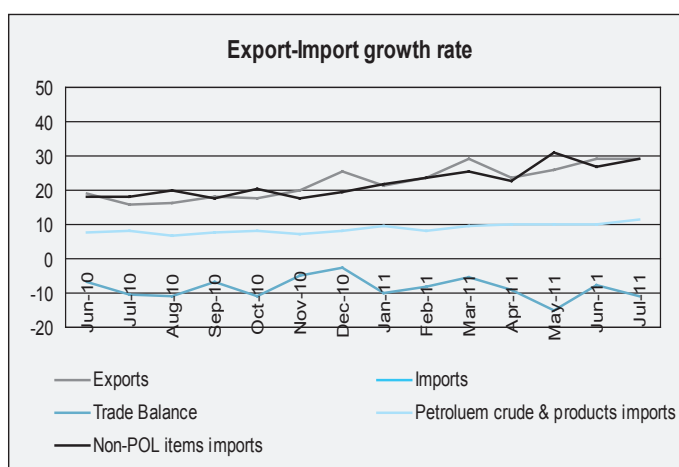
Continuing the robust growth trends, exports rose by 81.8 percent to \$29.3 billion in July 2011 from \$16.1 billion a year ago. However on m-on-m basis, exports grew marginally by 0.4 percent from \$29.2 billion. Even on cumulative basis, exports grew by 53.9 percent to \$108.3 billion during April-July 2011 compared to \$70.4 billion during the same period a year ago. Similarly, imports also rose significantly at 51.5 percent to \$40.4 billion in July 2011 from \$26.7 billion a year ago, while on m-o-m basis the growth was recorded at 9.6 percent from \$36.9 billion. On cumulative basis, imports increased by 40 percent to \$151 billion in April-July 2011 from \$107.8 billion in corresponding period a year ago.

Oil imports increased by 12.4 percent on m-o-m basis to \$11.44 billion in July 2011 from \$10.18 billion, while, on y-o-y basis it was up by 37 percent from \$8.3 billion in July 2010. On cumulative basis, oil imports rose by 22.7

percent to \$41.9 billion during April-July 2011 from \$34.2 billion in the same period a year ago. Non-oil imports registered growth and went by 8.6 percent to \$28.9 billion in July 2011 from \$26.7 billion a month ago. However, on y-o-y basis, the non-oil imports continued to grow at 28.3 percent from \$18.3 billion a year ago. On cumulative basis, non-oil imports registered more impressive growth at 48 percent to \$109 billion during April-July 2011 from \$73.7 billion during the same period a year ago.

The sharp rise in imports pushed trade deficit to \$11.1 billion in July 2011, about 44.7 percent higher than \$7.7 billion a month ago. However on y-o-y basis, the deficit has been 5.2 percent higher than \$10.5 billion. On a cumulative basis, the deficit has widened by 13.8 percent to \$42.6 billion during April-July 2011 from \$37.5 billion during the same period a year ago.

Despite the global uncertainties, exports continued its uptrend in July, on the contrary imports too surged, thereby filling up the trade deficits basket. Merchandise trade deficit continue to depreciate and stood at \$14 billion for August 2011. Owing to the growing concerns over debt crisis in Europe and jobless growth in the US, investment inflows have also been extremely volatile. Exports may see some decline in growth in the third and fourth quarters due to problems in the advanced economies. The pace of global recovery has been slowing down in 2011, which is likely to impact the external sector in the long run. The stimulus given by the developed countries disappeared since the middle of 2010, and now the fundamental weakness in the recovery process in the developed economies is clearly visible.



Foreign investment inflows plunge in July

Total investment inflows into the country, declined sharply by 59 percent on m-o-m and 76 percent on y-o-y basis to

\$2.6 billion in July 2011 due to sharp reduction in foreign direct investments. Consequently, cumulative investments also registered a 12 percent fall to \$18.8 billion during first four months of 2011-12 from \$21.3 billion in the same period a year ago. Direct investments, after reaching a 40-month high of \$5.6 billion in June 2011, fell sharply to \$1.09 billion in July 2011. Further, collective direct investments, however, remained 92 percent higher at \$14.5 billion during April-July 2011 than \$7.5 billion in the corresponding period of previous year.

Portfolio investments on the other hand, remained as net inflows and increased considerably on m-o-m basis by about 95 percent to \$1.5 billion in the month of July 2011 but remained about 83 percent less than \$9.1 billion in July 2010. Collective portfolio investments continued to register a sharp fall of about 69 percent to \$4.29 billion inflows during the first 4-months of current financial year from \$13.7 billion inflows during the same months of previous financial year. External Commercial Borrowings (ECBs) on the other hand, posted a steady growth of 25 percent on m-o-m to \$4.2 billion in July 2011, while it stood 2.5 times higher than \$1.2 billion a year ago. Cumulative ECBs during April-July 2011 stood at \$12.2 billion, registering about 89 percent growth compared to \$6.5 billion during April-July 2010.

Banking: Credit and deposits growth remains high in August

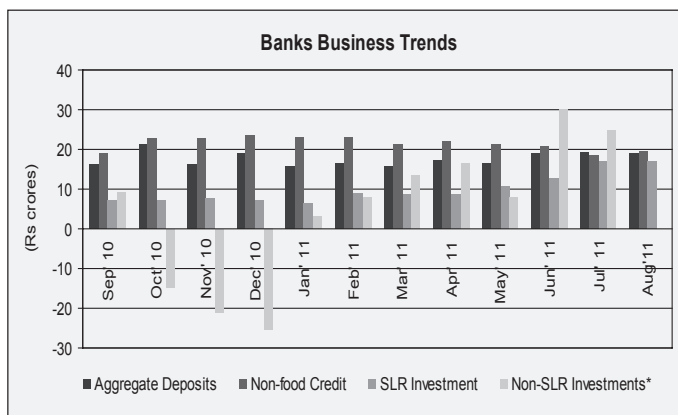
Banks non-food credit extended the healthy growth, in fact an accelerated growth of 19.7 percent in August 2011 after decelerating for 4-months in a row. Further, on m-o-m basis, non-food credit outstanding has increased marginally by about 0.9 percent to Rs 39.71 lakh crore at the end of August 2011 from Rs 39.38 lakh crore in July 2011. Cumulative deposits growth, on the other hand, decelerated slightly to 18.9 percent on y-o-y basis in August 2011 from 19.4 percent in July 2011 though remained significantly higher than 15.4 percent at the same time a year ago. However, on m-o-m basis, aggregate deposits continued to increase by about 0.5 percent to Rs 55.09 lakh crore by the end of August 2011 from Rs 54.8 lakh crore as at the end of July 2011.

The growth of investments in Statutory Liquidity Ratio (SLR) securities by banks remained at the previous month's level of 16.8 percent at the end of August 2011, almost stable, but stood significantly lower than 6.3 percent witnessed in the same month a year ago. Further, on m-o-m basis,

SLR-investments posted a marginal increase of about 0.89 percent to Rs 16.96 lakh crore at the end of August 2011 from Rs 16.81 lakh crore by the end of July 2011 in tune with the rise in bank deposits. The non-SLR investments continued to moderate on m-o-m basis though continued to post a robust growth of 24 percent on y-o-y basis in July 2011. The outstanding investment in non-SLR securities by the banks dipped by about 3.6 percent to Rs 2.86 lakh crore in July 2011 from Rs 2.96 lakh crore in June 2011.

On the whole, banks witnessed moderation in credit growth, in the first five months of the current financial year. The decline in loan growth was on the back of slowdown in the certain sectors of the economy. As per the Reserve Bank of India (RBI) data, in April-August 2011, banks loan stood at Rs 1,02,779 crore, up from Rs 1,09,189 crore in the same period a year ago. Bankers however, are hopeful of increase in demand for loan in the second half, when investment activity in the economy picks up. Bankers see demand for credit from sectors like mining, and housing infrastructure. As per the RBI data, sectoral break-up of bank loan till July 2011 shows that the credit to agriculture, mid size corporate, commercial real estate and certain segments like retail loans for purchase of consumer durables and education loans witnessed moderation.

Following the steady rise in interest rates, the credit off-take may slow while deposits growth may accelerate in the coming months. Further, the continued rise in inflation may push the interest rates up. The impact of rate changes can be quite complex and there are predictable time lags between the RBI announcing a change in interest rates and it having an effect on demand, output and finally inflation.



Eight core industries' growth rate at 21-months low-level

Showing a depiction of a bleak industrial scenario, the

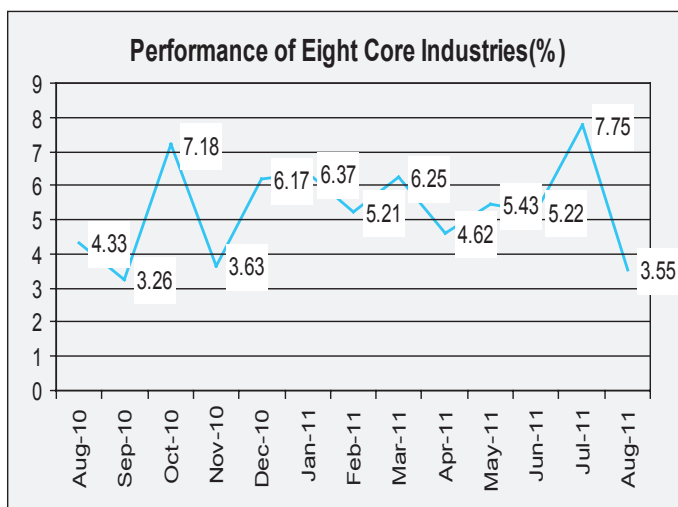
Ministry of Commerce and Industry released the latest growth statistics of eight core industries having a significant weightage in the Index of Industrial Production (IIP). Eight infrastructure industries grew by 3.5 percent in August this year, down from 4.4 percent expansion witnessed in the same month last year. The Index of Eight core industries - crude oil, petroleum refinery products, natural gas, fertilizers, coal, electricity, cement and finished steel - having a combined weight of 37.90 per cent in the IIP stood at 138.45 in August 2011 with a growth rate of 3.5 percent compared to their growth at 4.4 percent in August 2010. During April-August 2011-12, the cumulative growth rate of the eight core industries was 5.3 percent as against their growth at 6.1 percent during the corresponding period in 2010-11.

According to provisional data, coal production, which has 4.38 percent weight in the IIP, had a negative growth of 15.3 percent in August 2011 as compared to 1.0 percent growth in the same month last year. During the April-August period, coal production had a negative growth rate of 2.4 percent against 0.6 percent growth during the corresponding period of last year. Among the eight core industries, only electricity generation (weight: 10.32 percent) registered an impressive growth of 8.9 percent in the month under review. The cumulative growth of electricity generation in India during April-August period was 9.3 percent as compared to 4.5 percent during the corresponding period in 2010-11.

Growth of steel production slumped to 7.7 percent in the month under review as compared to 10.8 percent during the same month last year, while growth in crude oil production fell to 1.6 percent in August as compared to 15.2 percent during the same month last year. Natural gas production registered a negative growth of 5.3 percent as compared to 11.9 percent last year. However, petroleum refinery production registered a growth of 3.9 percent in August 2011 as against a negative growth of 2.3 percent during the same month last year. Fertilizer production registered a growth of 4.3 percent in August 2011 compared to its negative growth at (-) 5.7 percent in August 2010. Cement production on the other hand had a growth rate of 7.2 percent in August 2011 compared to its growth at 1.6 percent in August 2010.

The overall industrial output growth slumped in July, the lowest in 21-months. The decline in the growth is likely to further pull down the growth of overall industrial output.

The RBI's tight monetary policy over the last one year and more, to curb stubborn inflation, has made the cost of capital expensive, thereby moderating the industrial output growth.

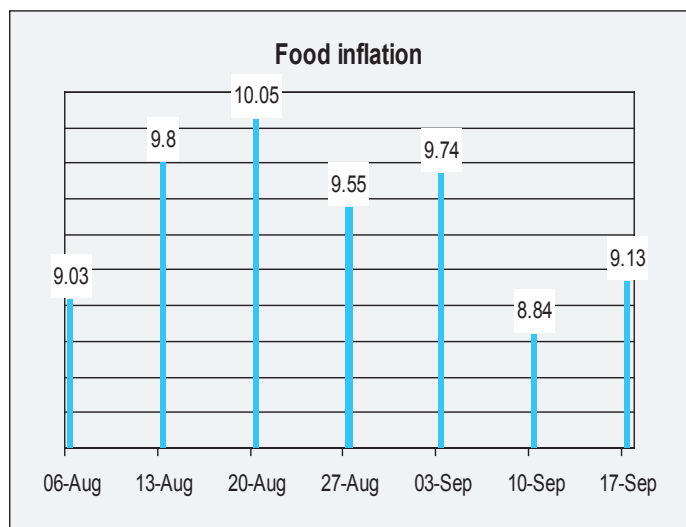


Food inflation on its way to double-digits

After witnessing some moderation, food inflation returned to its increasing track for the first time in four weeks. India's food inflation rose to 9.13 percent for the week ended September 17 as compared to 8.84 percent in the previous week as prices of vegetables and pulses stayed on the higher side. According to the data released by the commerce and industry ministry, primary articles index, which has a 20.12 percent weight in the wholesale price index, rose by 11.43 in the week under review as compared to 12.17 percent in the previous week. However, the rise in the index of fuel and power picked up the pace to 14.69 percent during the week under review as compared to 13.96 percent in the previous week. The index for non-food articles rose at a much slower rate of 12.89 percent during the week ended on September 17 as compared to 17.42 percent in the previous week.

With food inflation again rising to over 9 percent, after a fall last week, the government has to look out for other ways to ease the supply side bottlenecks, which is the major problem behind the surging prices. On the other hand, the RBI will not be able to hike rates drastically after it tightened monetary policy earlier this month. It has hiked the rates 12 times since January 2010 to curb the sticky inflation. In spite of the aggressive monetary tightening by the apex bank, inflation has remained stubbornly high. Annual inflation rate for August, based on the wholesale price index, was seen inching closer towards double-digits at 9.78 percent. Decline in food price inflation would give

some respite but it is not enough to end the dilemma of policymakers, who have been under pressure for almost the last two years to control inflationary pressure.



Global Economy

The situation at global front too remained worrisome and the qualms over financial worsening are further burdened by the stagnant unemployment situation signal towards a grim outlook of the US economy. The US unemployment rate stood firm at 9.1 percent in August 2011 the same as that in the previous month. In an effort to break the closed down unemployment situation, the US president has proposed a job package called 'American Job's Act' on September 08, 2011. The package consists of \$447 billion, nearly 3 percent of GDP, of which, almost \$240 billion worth of tax cuts with a view to improve the spending and the remaining amount is expected to be spent into public works and state relief. Nonetheless, the US economy remains inactive though the factors contribute for further acceleration in recession have not been materialized.

Equity markets around the world continued reeling under the selling pressure and investors shifted to safer options like the gold and silver. In addition, concerns over the European debt crisis don't seem to be ending as anxiety of further spreading to more and more countries including the stronger ones like France. Thus, the recovery in global economic activity may take more time than expected before, as the emerging economies, the growth drivers of post financial meltdown, are also facing strong inflationary pressures that may weigh upon growth. The consumer price inflation increased in case of selected European countries and increased in the rest of the countries in the current month. The steepest rise of 2.3 percent was noted

in case of Hong Kong while others added in the range of 10-20 basis points.

To add further, Fitch and Standard & Poor's downgraded New Zealand's credit rating from an AA+ rating to AA, amid increased global concern over high debt burdens in developed nations. The agencies are taking a harder line on any form of debt in the wake of the global financial crisis. Countries like Ireland, which was forced to bail out banks after the global recession, have confirmed how private debt can easily become a problem for the government.

Outlook

Constant rise in fuel and food inflation has been steadily keeping the overall inflation high in spite of the high base and the strict monetary policy carry outs. The recent hike in the petrol prices by Rs 3.14 per litre as the rupee touched two-year low against the US dollar, increasing the cost of importing crude oil, is yet to reflect in the inflation numbers. On the whole, considering the high fuel prices and approaching festival season, inflation may not moderate in the coming few months, though a good monsoon gave some respite to the government. Progress of monsoon has so far been normal and the Kharif sowings so far been well ahead of that in the same period of last year except for pulses. Although it is early to draw any conclusions, the output in the current Kharif may not post any significant increase compared to the previous year.

Persistent volatilities in industrial growth remain to be a disappointing factor particularly in the rising inflation and interest rate circumstances. Although certain industries so far has retained the growth momentum, its sustainability in the long run may largely depend on the improvement in global economy. Accordingly, in view of these developments, growth of gross domestic product (GDP) is likely to slow down further in the coming quarters.

On the global front, overall activity has destabilized and become more uneven, confidence has fallen sharply recently, and negative aspects are growing. With stagnation continuing in China's manufacturing sector, with output growth controlled by lacklustre demand from both domestic and global clients, along with that the US and Europe showing no positive signs, the global outlook remains grim. The global economy, which is much weaker than it was just months ago, and growth is likely to pick up only slightly in 2012.

Balrampur Chini Mills

Investment overview

- ◆ Balrampur Chini Mills is one of the largest integrated sugar manufacturing companies and can use its scale to reduce costs and strengthen margins.
- ◆ Its cogeneration business has also witnessed a good growth on the back of improved sales in realization.
- ◆ The company is expected to attain debt free status in 1-2 years

Business Overview

Balrampur Chini Mills (BCML) is one of the largest integrated sugar manufacturing companies in India. Its allied business consists of manufacturing and marketing

Stock Data (as on 30/09/11)	
Current Mkt Price (Rs.)	46.05
52 week High (Rs.)	97.60
52 week low (Rs.)	43.90
Mkt Cap (Rs. Cr.)	1,196
Return in last one Month (%)	-15.19

Share Holding Pattern (as on June,2011)	%
Total Promoter	39.70
FII	21.30
DII	15.62
Others	23.38

Key Ratios	
P/E	29.65
Price/Book(x)	0.91
Dividend Yield (%)	1.63
ROCE(%)	13.74
ROE(%)	13.34



of Ethyl Alcohol & Ethanol, generation and selling of power and manufacturing and marketing of organic manure. Company has sugar factories located in U.P. having an aggregate crushing capacity of 76,500 tons per day.

The company is present in the Northern state of Uttar Pradesh and has its plants at ten locations in the state, viz; Akbarpur, Balrampur, Babhnan, Gularia, Kumbhi, Mankapur, Maizapur, Tulsipur, Haidergarh, Rauzagaon with a total sugar capacity of 76,500 TCD.

BCML has acquired a 53.96% stake in the equity capital of Indo Gulf Industries Ltd. BCML has taken over the management of IGIL after receiving of the approval from SEBI and completion of the open offer. IGIL has a sugar unit having crushing capacity of 3000 TCD at Maizapur in Eastern U.P. The sugar division of IGIL situated at maizapur, gonda UP has been demerged from IGIC and merged with BCML pursuant to order dated 24.06.2011 of the BIFR apriority rehabilitation scheme of IGIL.

Financial Health

Balrampur Chini Mills has reported net loss of Rs.19.86 crore in the first-quarter, compared with a net profit of Rs.11.13 crore for the quarter ended June 30 last year. Net revenue for the quarter rose by 4.61% to Rs 563.67 crore from the Rs 538.82 crore in the year-ago quarter, while other operating income surged to Rs 8.13 crore, compared with Rs 1.50 crore in Q1FY11. Other income surged to Rs 1.34 crore, from Rs 0.24 crore in the corresponding quarter of the preceding year.

Sectorally, revenue for the quarter from "Sugar" segment stood at Rs 470.61 crore, down by 1.96% from Rs 480.03 crore in Q1FY11, while from "Distillery" it was up by 67.89 percent to Rs 49.78 crore from the Rs 29.65 crore in the year-ago quarter. Revenue from "Cogeneration" segment declined by 19.92% to Rs 41.77 crore, compared with Rs 52.16 crore in the preceding year quarter, "Others" segment revenue too declined by 29.85% to Rs 0.47 crore, compared with Rs 0.67 crore last year.

Industry Scenario

Sugar sector holds considerable significance to the Indian economy as it is one of the main drivers of the country's rural economy, supporting its agricultural growth. Over 50 million farmers and their families are directly dependent on the sector, along with workers and entrepreneurs of almost 500 operating mills, apart from a host of wholesalers and distributors spread across the country. On the global front too the Indian sugar sector occupies a noteworthy position of being the top producer after Brazil and the largest consumer of the commodity in the world. India is and remains a key growth driver for world sugar, growing above the Asian and world consumption growth average.

(Rs. Cr.)

Particulars	Jun Qtr-11	Jun Qtr-10	Growth%	March 11	Sept 09	Growth%
Net Sales	571.80	540.32	5.83	2987.45	1704.58	75.26
Total Income	573.14	540.56	6.03	2,992.22	1,706.27	75.37
Other Income	1.34	0.24	458.33	4.77	1.69	182.25
PBT	-19.86	11.56	--	226.00	249.61	-9.46
PAT	-19.86	11.13	--	164.41	226.51	-27.42
EPS	-0.79	0.43	--	6.35	8.86	--

Standalone

Government of India initiated de-licensing policy in sugar industry on 11th September, 1998 in view of globalization process, and since then industry has experienced significant changes. De-licensing of sugar industry has led to mushrooming growth of sugar mills. the government replaced the concept of Statutory Minimum Price (SMP) by the Fair and Remunerative Price (FRP) of sugarcane with effect from 2009-10 season and has even hiked the FRP of sugarcane by 4.2 percent at Rs 145 per quintal for the 2011-12 season, starting October. While the FRP for sugarcane in the 2011-12 sugar year.

The country's sugar production for the season 2010-11 stands at 24.3 million as per the latest estimates; this is against 18.8 million in the previous season. The domestic consumption remains at around 23 million with a growth rate of approximately 3% CAGR. The sector will see upward spikes on news like deregulation of the sector, removing the ban on trading of sugar futures and other global cues.

Investment Rationale

In the passing quarter the company reported a negative cash flow, the sugar segment reported a loss on account of subdued sugar realization as there were lots of Capital expenditures like depreciation, repairs, maintenance, factory overheads, that were met through this segment. The company had an average sugar realization of Rs. 27.23 per kg compared to Rs. 28.01 per kg in the corresponding quarter. Though, the company crushed nearly 7 crore quintals of cane for the current season versus 5.4 last year. Higher cane crushing helped it to improve the volumes across segments. Sugar recoveries for the current season too improved marginally to 9.4% against 9.35%. Sugar production for the current year was around 65 lakh quintals.

Higher sugar production and increase in capacity utilization not only increased volumes in the sugar segment but also benefited its allied Cogeneration and Distilleries businesses which is directly linked to the availability of bagasse. The segment did well on account of the availability of bagasse. The distillery division of the company too managed to improve its revenue and profitability due to increased volumes. The company sold 6,493 KL of ethanol during

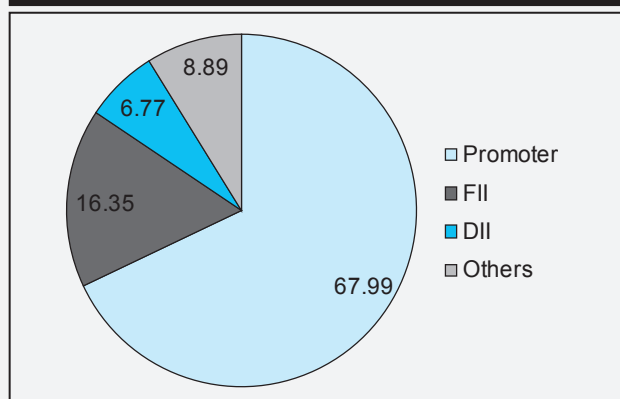
the quarter at Rs. 27 a liter. Further going the company expects to sell about 2.4 crore liters of ethanol for the sugar season 2010-11 with an expectation of long-term pricing formula to be put in place on ethanol.

Being the second largest manufacturer of sugar in India the company can use its scale to reduce costs and strengthen margins. The distillery and cogeneration capacities which add considerably to its profitability and provide a steady cash flow and a cushion for tough times has shown good growth and are likely to perform well in the coming times too. The expected improvement in the sugar cane production will help it augment volumes across all three segments leading to improve efficiencies and profitability.

The company is not likely to invest afresh in sugar manufacture at this point and is not having much debt either so the management is thinking the effective deployment of its cash at this point in the form of buyback of shares from the open market, which will enhance value of shareholders. Regarding the sugar prices the company is optimistic that various government schemes such as the rural employment scheme would improve the purchasing power of the rural people. Consistent growth in GDP would translate into an era of record growth in demand for sugar through direct as well as indirect segments such as softdrinks, confectionaries, etc and the domestic sugar prices will remain firm.

At the CMP of Rs 46, Balrampur Chini Mills is trading at a P/E multiple of 29.58x and EV/EBIDTA of 10.30, we recommend 'BUY' in the scrip with a price target of Rs 72 for Medium to Long term outlook. After the recent correction the stock seems to have overcome the bottom out phase though still there aren't much signs of an upward rally. The debtors' turnover cycle is attractively low which strengthens the financial health of the firm. The company's average recovery rate is higher than most of the firms in eastern UP that too remain an added advantage for the company. However, global sugar prices after remaining firm due to lower than expected sugar production in Brazil have recently started receding and the trend is expected to remain weak for some more time. Also lower than expected domestic sugar realizations and expected rise in cane costs are likely to further crimp the margins.

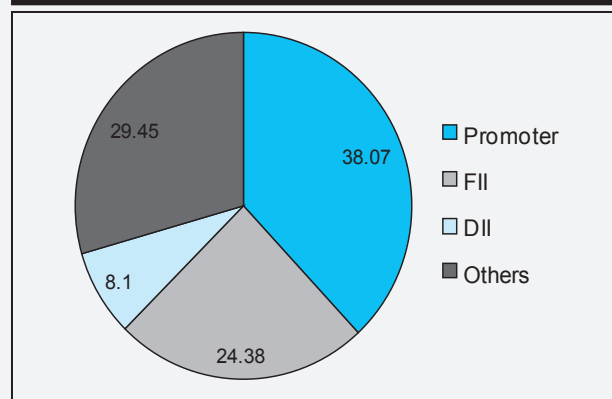
TRIVENI ENGINEERING & INDUSTRIES



- ◆ Triveni Engineering & Industries (TEIL) comprises of Engineering Business (Gear Business, Water Business) and Sugar Business (Sugar Business, Co-generation Business and Distillery Business).
- ◆ The company has recently signed a 7-year Technology License Agreement for manufacture of niche engineered-to-order high technology low speed gear applications with Lufkin. The company will be undertaking the marketing of these products and its after-market operations in India and other major SAARC countries and several countries in Africa estimated at around Rs 500 crore.
- ◆ TEIL's seven sugar units put together crushed 4.56 million tonnes of sugarcane and manufactured about 0.42 million tonnes of sugar. Sugar dispatches during 9MFY11 was higher at 350.13(000MT) compared to the corresponding period of previous year. The average free realization during Q3FY11 was at Rs 27,882 per million tonne. The company follows October-September fiscal in line with sugar season.
- ◆ The impact of the festivals and with the current international pricing, TEIL expects to have an upward effect on the sugar prices in the fourth quarter and coming into the first quarter of 2011-12 as well.
- ◆ TEIL reported net loss of Rs 21.23 crore for the third quarter, ended June 30, 2011 against net loss of Rs 14.23 crore for the same quarter last year.
- ◆ Triveni Engineering & Industries is currently trading at Rs 21.60 and at a P/E multiple of 12.80x and EV/EBIDTA of 7.58. Company's sugar businesses incurred losses due to lower sugar prices and more than proportionate sale of levy sugar and minimal operations of Co-generation and Distillery. Though its revenue from Engineering Division is going up over years and is likely to continue performing well. We will recommend a 'Buy' in the scrip with a price target of Rs 26.

Last Traded Price (As on Sept 30, 2011)	21.60
Price target	26
Market cap. (Rs cr.)	557
52 Week H/L	74/20.15
Free Float (Rs cr.)	194
BSE code	532356

SHREE RENUKA SUGARS



- ◆ Shree Renuka Sugars is a fully integrated player focused on manufacturing and marketing of sugar, power, ethanol and bio-fertilisers. It operates 7 sugar mills in India with a total crushing capacity of 35,000 tonnes crushed per day and two large port based sugar refineries with capacity of 1.7 million tonnes per annum.
- ◆ During Q3FY11, the company sold 2,88,000 tonnes of sugar in India with average realisations of Rs 29.9 per kg. Out of this, it has exported 1.95 lakh tonnes with average realisations of Rs 33.2 per kg and 0.97 lakh tonnes sold with the average realisations of Rs 23.5 per kg. The company follows October-September fiscal in line with sugar season. During the same period, the company has sold 33,741 kilolitres ethanol with average realisations of Rs 26.5 per litre.
- ◆ The company has commissioned new sugar refinery on the West coast of India near the port of Kandla on July 25, 2011, having a rated capacity of 3,000 tonnes per day (1 million MT per year) of raw sugar refining and 45 MW of co-generation capacity.
- ◆ Shree Renuka Sugars is planning to sell 25% stake to retire debt in its wholly-owned company Renuka Brasil Holdings, through which it owns two sugar companies in Brazil.
- ◆ The company's net profit after tax for the quarter ended June 30, 2011 zoomed by 430.34% on the back of higher volumes from both Indian and Brazilian operations at Rs 47.20 crore as compared to Rs 8.90 crore for the corresponding quarter last year. Its total income decreased by 2.17% at Rs 1202.80 crore for the quarter under review from Rs 1229.50 crore for the same quarter last year.
- ◆ Shree Renuka Sugars is currently trading at Rs 55.20 and at a P/E multiple of 31.30x and EV/EBIDTA of 12.98. It is the only sugar/ethanol producer in the world, with almost year-long cane crushing activity however the international sugar prices have witnessed a decline in last some time and the trend is likely to continue which will impact the profitability of the company. We would recommend a 'Hold' in the scrip with a price target of Rs 67.

Last Traded Price (As on Sept 30, 2011)	55.20
Price target	67
Market cap. (Rs cr.)	3,705
52 Week H/L	108.15/50.75
Free Float (Rs cr.)	2,223
BSE code	532670

Tata Metaliks inks agreement with Fomento Resources Group

Tata Metaliks has signed an agreement with Fomento Resources Group who has presence in iron ore mining in Goa, Karnataka and Maharashtra, for divestment of the Redi facilities as a going concern for a consideration of Rs 180 crore (book value around Rs 114 crore) plus working capital at closing. The above agreement is subject to the shareholders and regulatory approval. This agreement is a part of the strategic review of the company due to which the board has decided to divest its 300,000 tonne pig iron making facility at Redi in Maharashtra with three mini-blast furnaces serving mainly the Western and Southern India markets.

JSPL likely to invest Rs 1 lakh crore in Jharkhand

Jindal Steel and Power (JSPL), a steel maker and power generator, likely to spent about Rs 1,00,000 crore in Jharkhand to set up two steel plants of 11 million tonne annual capacity by 2016. The company also plans to set up 6,600 MW power plants in Jharkhand. By second half of 2015 JSPL aims to come up with integrated steel mill of total 6 million tonne capacity in Patratu, where it already has a steel plate mill of 0.6 million tonne per annum.

Punj Llyod bags Rs 1,195 crore contract from Calcutta Electric Supply

Punj Llyod Group has been awarded a BOP order for thermal power project from Haldia Energy, a wholly owned subsidiary of Calcutta Electric Supply Co (CESC). The project, worth Rs 1,195 crore, will boost the power supply in Kolkatta and its suburbs, and is scheduled for commissioning by 2014. Based in Haldia, the scope of work for the 2 X 300 MW capacity power plant entails balance of plant (BOP) supply and services and BTG erection. It also includes detailed engineering of BOP, mechanical, electrical and instrumental packages. With this contract, the order backlog of Punj Lyod Group on consolidated basis has gone up to Rs 25,133 crore reflecting the total value of unexecuted orders as on June 30, 2011 and new orders received after that day.

Solix Technologies inks pact with SRA OSS

US-based Solix Technologies has entered into partnership with SRA OSS, one of the leading solutions providers for Cloud Computing and Data Centers, Mobility Networks, and IT infrastructure domain. This alliance which is a significant step forward for both companies, will help

them to meet the rapidly growing demand for data management solutions in IT Infrastructures worldwide. Under the agreement, SRA OSS will utilize a broad range of the company's data management solutions to deliver improved service levels to customers in its core service areas; infrastructure services, managed services, data center solutions, cloud solutions, and wireless telecom.

R-Infra developing 27 projects worth Rs 45,000 crore

Reliance Infrastructure (R-Infra) is developing 27 projects at present, entailing an investment of Rs 45,000 crore (\$9 billion). The company expects that as many as 20 projects will be generating revenue in FY12. The firm is developing 12 road projects worth Rs 16,500 crore, making the entity the largest private developer of roads in the country. Out of the 12 projects, seven are expected to start revenue generation within this fiscal, while four are already generating revenues. The company was setting up two cement plants, each having a capacity of 5 million tonne in Maharashtra and Madhya Pradesh.

Praj Industries incorporates subsidiary at Tanzania

Praj Industries, a global biofuels technology and process engineering company, has formed a new wholly owned step subsidiary by name Praj Industries (Tanzania) at Dar Es Salaam, Tanzania through its subsidiary Praj Industries (Africa) in South Africa. This subsidiary has been formed to look after company's business interest in Tanzania.

Dr. Reddy's terminates business deal with JB Chemicals

Dr. Reddy's Laboratories' proposed business deal to acquire the pharmaceutical prescription portfolio of JB Chemicals & Pharmaceuticals (JBCPL) in Russia and other CIS countries has been mutually terminated in the overall business interest of both parties. Dr. Reddy's and JBCPL had entered into an agreement on July 22, 2011. Russia is one of Dr. Reddy's focus markets where it will continue to improve its market ranks and are committed to expanding its presence in the region.

Ind Swift Lab gets TGA approval from Australia for seven APIs

Ind Swift Laboratories, a global pharmaceutical company, has got Therapeutic Goods Administration (TGA) approval from Australia for seven of its APIs - Donepezil HCl, Clarithromycin, Letrozole, Pioglitazone HCl, Ropinirole, Acamprosate and Aripiprazole to be manufactured at its

facility at Derabassi. Australia is the most attractive market for pharmaceutical investment in the Asia Pacific region which is primarily due to its growing and ageing population, excellent access to medicines, and fast-recovering economy. Australia's generics market will be worth \$830 million this year, (Australian pharmaceutical market valued around \$9 billion) and is expected to grow an average 7% a year, presenting 'huge opportunities' for manufacturers through tapping into the diabetes, oncology, neurological and cardiovascular disease markets.

Maruti's Swift booking crosses 1 lakh units

Maruti Suzuki, India's largest car maker has received bookings of 1.08 lakh units for its new Swift since its launch on August 17. The company had a problem in supply of Swift in the first part of this month after being affected by the labour issue at the plant however it is on the edge to normalize supply of the new model. Maruti expressed confidence that production constraints will have no impact on supplies for the festive season sales. MSI is likely to reach the planned target of selling around 17,000-18,000 units a month of the new Swift as against 12,000 units with the previous version. Presently, the diesel Swift has a waiting period of six months while that of the petrol variant is between three to five months. The company expects good sales during the festive season, although the market sentiment is not too encouraging at the moment.

Corporation Bank to float Infrastructure Debt Fund

Corporation Bank is planning to float an Infrastructure Debt Fund (IDF). In this regard, the company will soon approach its board for approval. The bank would like to partner with other interested players for floating such an infra fund. The company will try to tie up with one of its peers for setting up such a fund. Mangalore-headquartered public sector lender has lent around 10% of its total advances of Rs 79,000 crore by June, 2011 to infra sector and has less leverage to increase it due to sectoral cap imposed by the central bank.

Areva T&D bags order worth Rs 40 crore with Reliance Power

Areva T&D India's transmission business, now part of Alstom Grid, has been awarded a contract worth about Rs 40 crore with Reliance Power for turnkey design and construction of 220 kv substation. The contract is for proposed 350 MW Doorsar Solar Power Plant in the state of Rajasthan. This plant is India's largest solar power project. The turnkey contract involves design and construction of

the substation including transformers, control, protection, monitoring systems and civil works of the plant.

SAIL to spend Rs 14,340 crore on capacity expansion

Steel Authority of India (SAIL) in the current fiscal year ending March, is planning to spend around Rs 14,340.00 crore (\$2.9 billion) on various capacity expansion projects. By March 2013, the company's plan is to expand total steelmaking capacity at its five integrated plants across India to 21.4 million tones. This investment is the part of the company's expansion programme. The investment will be on several projects to add blast furnaces, cold rolling mills and coke oven batteries. The company was planning to increase production from its iron ore mines to 38 million tonnes, in line with the company's Rs 70,000-crore mega expansion plan to produce over 23 million tonnes of hot metal by 2012-13. At present the company makes about 13 million tonnes.

ABB secures order worth \$71 million from SAIL

ABB, a power and automation technology group has bagged an order worth \$71 million from Steel Authority of India (SAIL) for supply of a high-voltage sub-station package to the steel major's Bhilai plant in Chhattisgarh. The company would supply various products, including switchgear, transformers, cables, fire protection and detection systems. The company would also install substation automation systems for the project, which is expected to be completed by 2013. The new high voltage sub-stations will enable the additional power supply needed to support a planned increase in the steel plant's annual production capacity from 5 million to 7 million tonnes.

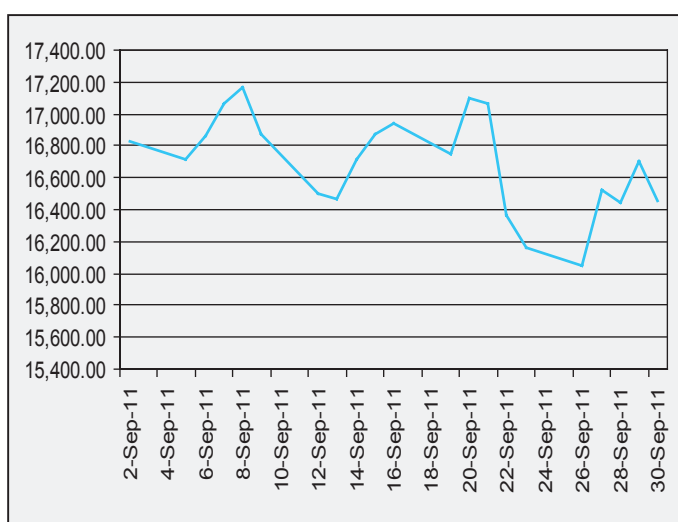
HCL Tech opens Global Delivery Center in Washington

HCL Technologies, a leading global IT services company, has opened a new state-of-the-art Global Delivery Center with significant focus on engineering, in Redmond, Washington. The initial investment of \$4 million will create more than 400 jobs in the Seattle area over the next two years. The new center will support HCL's continued global expansion and increased focus on business innovation in software product development, test engineering and business critical platform development. The Collaborative Engineering Hub will be a strong focal point nearshore complex engineering programs, and the opening was inaugurated by Governor of Washington State.

Month of September was not a different one for the Indian equity markets as they remained volatile throughout, moving on the tunes of the global developments. Though there was some short covering in the last leg of the month and some optimism on the global front that helped the markets to recover from their early plunge otherwise the situation could have been grave. The mood of the markets remained jubilant in the beginning and the Marketmen showed festivity, sentiments remained euphoric with the encouraging global developments of robust US consumer spending data reinforcing views that the world's largest economy was not sliding back into recession and reports of merger of the 2nd and 3rd largest Greek banks as well as reassurance from the European commission which said a fresh round of bank recapitalizations was not needed. On the domestic front, government released the largely in line GDP growth numbers which showed that Indian economy grew at 7.7% in the April-June period, the slowest pace since 2010, confirming fears of a slowdown mainly due to the poor performance of the manufacturing sector. However, despite the uncertainties in United States and European nations, India's export in July jumped by 81.79% to \$29.3 billion year-on-year compared to \$16.14 billion in July 2010. On the other hand, in July imports also surged by 51.5% to \$40.4 billion year-on-year, whereas it was around \$26.6 billion in the same period of last financial year. As a result, India's trade deficit stood at \$11 billion. As per the Ministry of Commerce & Industry data, during the first four months of current financial year, India's exports increased by 53.98% to \$108.34 billion from \$70.36 billion in the corresponding period last year. However, imports in the same period of time, increased by 40% to \$151 billion from \$107.88 billion in April-July 2010. As a result, trade deficit for the April-July 2011 stood at \$42.6 billion. Exports of engineering, petroleum products and gems and jewellery were worth \$8.7 billion, \$4.6 billion and \$3.5 billion respectively. In July 2011, India's oil imports surged by 37.02% to \$11.4 billion from \$8.35 billion in July 2010. Whereas non-oil imports increased by 58.12% to \$28.98 billion from \$18.32 billion in July 2010. In the April-July 2011, India's oil import increased by 22.72% to \$41.97 billion and non-oil imports increased by 48.03% to \$109.06 billion. Also the performance of eight

core infrastructure industries showed good upmove in July 2011 and surged to 7.8% from 5.7% in the same period last year, on the back of healthy growth in steel electricity and cement, which increased by 15.5%, 13% and 10.6% respectively. In the month of June, the index for eight core sector industries expanded by 5.2%. This surge of 7.8% in eight core sector industries is the fastest growth in last 15 months, however, during April to July 2011-12, eight core industries registered a growth of 5.8% as against 6.5% during the corresponding period of the previous year.

BSE Sensex movement for the month of September



BSE Sensex Monthly Gainers

Company	Prev Price (Aug 30'11)	Last Price (Sept 30'11)	Change (%)
JP Associates	61.20	72.80	18.95
DLF	196.35	218.65	11.36
M&M	737.55	802.55	8.81
Infosys	2342.80	2533.80	8.15
HUL	320.90	340.25	6.03

◆ Jaiprakash Associates remained in the limelight on buzz that the company is mulling to dilute up to 26% in the cement business and is looking for a partner. It has been further reported that Mexico's Cemex and South America's Votorantim Group may be among the possible candidates. Though later the company clarified that its Restructuring Committee is the first point to examine any such proposal

as referred in the news item and no such proposal has so far been put up to the said "Restructuring Committee".

◆ DLF, India's largest realty firm and green building developer and- The 3C Company- are likely to sell their IT park in Noida to Infrastructure Development Finance Company (IDFC) for about Rs 500 crore. The deal is likely to be closed soon. DLF has about 70% stake in the IT Park and rest is with The 3C Company. DLF eyes to raise up to Rs 7,000 crore in the next 2-3 years from the sale of non-core assets to cut net debt of over Rs 21,000 crore and it is expected to finalize at least two big-ticket deals for sale of non-core assets during this quarter. Apart from Noida IT Park, DLF has approached the Board of Approval (BOA) under Commerce Ministry to sell about 24-acre in Pune IT SEZ, in which it has about 70% stake.

BSE Sensex Monthly Losers			
Company	Prev Price (Aug 30'11)	Last Price (Sept 30'11)	Change (%)
L&T	1609.80	1358.20	-15.63
Hindalco	150.35	131.30	-12.67
Sterlite Inds.	128.65	113.85	-11.50
Tata Steel	468.55	415.25	-11.38
Coal India	374.95	332.75	-11.25

◆ Larsen & Toubro may delay process of restructuring its Electrical and Automation (E&A) business despite a spurt in April. Though they had registered a company by name 'L&T Electrical & Automation', as a separate legal entity in April, nothing further had been done. It had no assets or people on its rolls. In April this year, L&T sought members' approval to transfer E&A business to a subsidiary/associate company or to any other entity as a going concern. The company informed its shareholders that the decision was taken considering the challenges posed in operating the business as part of a portfolio of a predominantly project and construction company.

◆ Hindalco Industries, the metals flagship of the Aditya Birla group, planning to raise about Rs 8,000 crore of debt on the back of rising borrowing costs. This debt will be used to part fund its Aditya Aluminium refinery project and

a captive power plant in Orissa. Recently, the company completed the financial closure of its Utkal and Mahan aluminium project with a debt financing of Rs 4,906 crore and Rs 7,875 crore respectively.

Consolidation started appearing during the mid of the month on sluggish global cues. The weak global economic factors weighed heavily on the markets and the investors started booking profit at higher levels. Investors were apprehensive that the turmoil in Europe could quickly spread across the Atlantic because of the intertwined nature of the global financial system and could damage the already struggling economies elsewhere. On the same time the much anticipated speech by the Federal Reserve chief Ben Bernanke lacked details on plans to spur economic growth after a \$447 billion jobs package plan by US President Barack Obama and that led to global sell off and the domestic markets too was dragged into. On the domestic front too the economic reports were not that good; the industrial growth for the month of July plunged to 21-month lowest level, on the back of significant decline in manufacturing and mining segment. India's industrial production measured by Index of Industrial Production (IIP), declined to 3.3% in July 2011 from 9.9% in July 2010. This 6.6% decline in industrial output was because of huge decline in manufacturing (2.3%) and mining (2.8%) sectors. However, electricity segment surged to 13.1% in July 2011 from 3.7% in July 2010. Further dampening the sentiments, in a Federation of Indian Chambers of Commerce and Industry's (FICCI) survey, most companies expects manufacturing sector growth to moderate in the second quarter of this financial year. Response from 324 manufacturing companies were taken, which showed that the around 74% of the respondents expect slowdown in growth in July-September 2011 from the same period of last fiscal. The chamber presented the findings to validate its appeal to the Reserve Bank of India not to raise policy rates any further. Meanwhile, the markets showed some spurt in the last leg of the month as the global situation seemed stabilizing and there was some short covering due to the F&O September series expiry, which despite a huge round of volatility ended with gains of over 3.5 percent. The IT and banking sectors performed well for the series after being battered in the last month.

Index for core industry plunges to 11 month low at 3.5% in August

India's growth in core infrastructure sector plunged to the 11 month low in August. This decline in the core infra index was due to record decline in coal which came to an all time low, followed by the natural gas which has been experiencing negative growth since last December. The moderation in the Index of Eight Core Industries indicates weakness in the Index of Industrial production (IIP) which also fell to its lowest level of 3.3% in July.

According to the data released by the Ministry of Commerce and Industry, the Index for Eight Core Industrial which account for 37.9% of the IIP, for the month of August grew by 3.5% compared to 7.5% in July. The Index of Eight Core Industries includes coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity. In the first five month of current financial year, the cumulative growth rate of the eight core industries was 5.3% from 6.1% in the same period of 2010-11.

Electricity generation which account for 10.32% of IIP, showed a huge growth rate of 8.9% in August 2011 compared to 1.6% in August 2010. The cumulative growth of Electricity generation during April-August 2011-12 was 9.3% compared to 4.5% growth during the same period in 2010-11. Steel production which account for 6.68% of IIP registered a growth of 7.7% in August 2011 compared to its growth of 10.8% in August 2010. Steel production grew by 9.3% during April-August 2011-12 compared to 6.6% during the same period in 2010-11. The Electricity and Steel was followed by Cement, which accounts for 2.41% of IIP grew by 7.2% in August 2011 from 1.6% in August 2010. During April-August 2011-12 the cumulative growth of Cement Production was 2.8% compared to its growth at 4.6% during the same period in 2010-11.

Fertilizer production recovered and grew at 4.3% in August 2011 compared to its negative growth of (-) 5.7% in August 2010. The cumulative growth of Fertilizer production during April-August 2011-12 was 1.2% against (-) 2.8% during the same period in 2010-11. The other bounce back was seen in petroleum refinery production which registered a growth of 3.9% in August 2011 against its growth of (-) 2.3% in August 2010. Though, during April-August 2011-12, the cumulative growth of Petroleum refinery production was 4.7% against its growth at 5.3% during the same

period in 2010-11. The crude oil production registered a growth of 1.6 % in August 2011 compared to its growth at 15.2% in August 2010. The cumulative growth of Crude Oil production during April-August 2011-12 on the other hand was 6.1% compared to its growth of 9.8% during the same period in 2010-11.

Draft national PPP policy aims at more transparency in projects

To improve transparency and lay down principles for the implementation and monitoring of public-private partnership, the government has come up with the draft national public-private partnership policy. This move of the government is expected to provide strong working ground as it is planning to invest around \$1 trillion to develop infrastructure in coming five years.

While releasing the draft policy, the government has asked for comments by October 15. The proposed draft seeks to introduce roles for auctioning natural resources, acquiring land and settling disputes arising in the course of bidding and award of the projects. With reference to providing land for PPP projects, which has been center of attraction due to recent protest by the farmers, the policy says, the government will be responsible for providing land for PPP projects and obtaining clearances from relevant authorities. However, it will make sure that the interests of the land owners are fully protected.

The announcement of the national PPP policy is in line with the Budget speech of Finance Minister, in which, he had stressed on the need for developing a comprehensive policy that can be used by the centre and the state government in further developing Public-Private Partnerships. In order to bring transparency in the PPP projects, the government is planning to publish separate mandatory disclosures and fair practices to be followed by each project.

The draft says, 'the government will set up a dedicated dispute resolution mechanism to address issues related to bidding and award of PPP projects....it will develop new market-based products, such as independent pre-bid rating, to assist investors in identifying well-structured PPP projects.'

For providing implicit ownership or exclusively right over underlying natural resources, a process of market based price discovery of such natural resources would be taken into consideration while awarding the projects. The PPP

unit of ministry of finance will give a centre of expertise and technical support to government ministries and other authorities developing PPPs.

RBI relaxes ECB norms for Infra firms

In order to attract more foreign fund at the time of global slowdown, the Reserve Bank of India (RBI) relaxed the norms for the infrastructure companies with direct foreign equity up to 25% to raise funds in abroad without government's permission. In a statement the RBI said, on a review, it has been decided, to further liberalize the External Commercial Borrowings (ECBs) policy in respect of the infrastructure sector.

The RBI allowed direct foreign equity holder which is holding at least 25% of the paid-up capital and indirect foreign equity holder holding minimum of 51% of the paid-up capital, to provide credit enhancement for the domestic debt raised by the Indian firms engaged exclusively in the development of infrastructure via issue of capital market instruments.

It includes Infrastructure Finance Companies (IFCs) and no prior approval will be required from the RBI for providing such credit enhancements, RBI said. The company meeting foreign equity criteria will not require permission for raising ECB up to \$5 million.

Now onwards the term debt in the debt-equity ratio will be replaced with ECB liability and the ratio will be known as ECB liability-equity ratio to make the term signify true position as other borrowings or debt are not considered in working out this ratio, RBI noted.

Govt to draft comprehensive Bill on regulator for real-estate sector

To fill the regulatory gap in the real estate sector, the government is drafting a comprehensive bill, which will improve governance and transparency in the real estate sector. The number of reality scam, judgements by the CCI and controversies on land acquisition for projects across the country has raised concerns over the governance and transparency. Minister for Housing and Urban Poverty Alleviation, Kumari Selja said 'the legislation would emphasize self-disclosure, transparency, fair play and dispute resolution.'

The ministry was aiming to get cabinet approval before the winter session of Parliament. Kumari Selja said, 'there is an immense need to improve the regulatory environment,

governance and transparency in the sector. The central legislation envisages a regulator at the central level and in states. Besides, there will be an appellate body. Protection of the interest of consumers will be of prime importance.' However, the minister accepted that there is a need to improve regulatory and approval procedures. She said a task force headed by the ministry's secretary was looking at the issues. 'The task force will seek suggestions from states and members of the realty industry, the minister added.

Many established companies like Housing Development Finance Corporation and Tata Housing have made strong argument for the regulator in the sector, for transparency and a level playing field to safeguard the interests of consumers. The realty sector's image had suffered because of the recent housing loan scams. Selja said 'the players in the sector need to come together and take action for overhauling the image of the sector.' On the issue of land acquisition challenges, she said the recent unfortunate events in some states had put the sector in a bad light.

Costlier food, fuel and clothing items push up CPI by 1.18% in August

With the increase in prices of food products, fuel and clothing items, the Consumer Price Index (CPI) for the month of August surged by 1.18% on a sequential basis. As per the data released by the Ministry of Statistics and Programme Implementation, the CPI based on retail prices stood at 111.7 points in August, compared to 110.4 points in July.

As per the official data, at the all India level, the CPI for 'food, beverages and tobacco' increased by 1.27% to 111.7 points in August from 110.3 points in July. However, the prices of vegetable showed highest increase, the index jumped by 4.61% to 113.4 points in August from 100 points in July. Whereas index for milk and milk products and fruits surged by more than 1% each. Likewise, in August, the index for oils and fats increased by 1.27% to 119.5 points.

The prices in fuel and light segment also increased by 0.69% in August compared to July, the index for this segment increased to 116.4 points in August from 115.5 points in July. Whereas, the CPI for clothing, bedding and footwear increased by 1.12% to 117.7 points in August from 116.4 points in July.

Company Name	Net Sales		Change In Sales	% Change in Sales	Net Profit		Change In Net Profit	% Change in Net Profit
	201106 Qtr	201006 Qtr			201106	201006		
Shree Ram UrbanInfra	2732.74	92.63	2640.11	2850.17	22.84	-38.45	61.29	-
Transcorp Intl.	2045.68	83.52	1962.16	2349.33	3.03	25.10	-22.07	-87.93
Baid Global Ventures	981.35	60.00	921.35	1535.58	12.22	2.59	9.63	371.82
Sakuma Exports	1980.87	203.03	1777.84	875.65	14.37	1.26	13.11	1040.48
SPIC	9739.72	1045.40	8694.32	831.67	97.04	442.49	-345.45	-78.07
Indiabulls Real Est.	341.78	55.79	285.99	512.62	19.74	29.82	-10.08	-33.80
Gayatri Sugars	641.79	105.55	536.24	508.04	-99.73	-58.10	-41.63	-
Nahar Poly Films	595.76	99.02	496.74	501.66	8.81	-11.00	19.81	-
Ausom Enterprises	4019.56	718.80	3300.76	459.20	38.67	3.99	34.68	869.17
Cimmco	680.77	130.06	550.71	423.43	52.06	168.18	-116.12	-69.05
Satra Properties (I)	755.62	145.91	609.71	417.87	-50.52	-105.15	54.63	-
Consolidated Securit	1089.65	211.70	877.95	414.71	16.47	6.62	9.85	148.79
Keerthi Industries	373.16	73.22	299.94	409.64	70.34	-27.99	98.33	-
Hind Fluorocarbons	290.73	57.59	233.14	404.83	-27.25	16.96	-44.21	-
Genesys Intl. Corpn	286.63	57.60	229.03	397.62	103.40	-4.70	108.10	-
Future Capital Hold.	1491.21	324.64	1166.57	359.34	184.57	114.32	70.25	61.45
Kothari Products	4445.50	1018.00	3427.50	336.69	167.80	12.20	155.60	1275.41
Vaishnavi Gold	364.34	88.61	275.73	311.17	3.72	1.60	2.12	132.50
Kesar Enterprises	899.05	251.90	647.15	256.91	118.85	-43.97	162.82	-
Spectacle Infotek	481.22	135.45	345.77	255.28	2.70	0.34	2.36	694.12
Phaarmasia	179.55	51.50	128.05	248.64	0.78	0.38	0.40	105.26
GMR Infrastructure	2668.00	766.90	1901.10	247.89	244.90	-69.60	314.50	-
India Steel Works	1375.05	396.26	978.79	247.01	-20.61	-65.87	45.26	-
Zicom Electn.Sec Sys	426.60	124.01	302.59	244.01	8.80	900.20	-891.40	-99.02
Reliance Capital	7036.50	2147.30	4889.20	227.69	1387.20	504.10	883.10	175.18
XO Infotech	335.15	104.04	231.11	222.14	10.46	21.32	-10.86	-50.94
VLS Finance	2917.10	944.12	1972.98	208.98	9.96	8.96	1.00	11.16
Waterbase	304.87	99.18	205.69	207.39	20.60	-11.48	32.08	-
JMD Telefilms	581.33	190.76	390.57	204.74	25.19	5.31	19.88	374.39
State Trading Corp	93591.40	31799.80	61791.60	194.31	32.50	90.00	-57.50	-63.89
Ruchi Infra.	9888.40	3377.63	6510.77	192.76	60.20	66.75	-6.55	-9.81
Oberoi Realty	796.90	274.98	521.92	189.80	938.30	126.38	811.92	642.44
Godrej Properties Ltd.	736.41	269.28	467.13	173.47	63.49	218.16	-154.67	-70.90
Jayshree Chem.	255.30	93.80	161.50	172.18	6.20	-11.40	17.60	-
Manappuram Finance	4929.02	1860.67	3068.35	164.91	1078.28	461.51	616.77	133.64
Ravalgaon Sugar Farm	146.29	55.51	90.78	163.54	-22.00	-1.00	-21.00	-
Ortin Laboratories	198.07	75.43	122.64	162.59	12.02	2.16	9.86	456.48
Network 18 Media Inv	150.96	58.66	92.30	157.35	-317.94	-190.73	-127.21	-
Intec Capital	156.61	60.88	95.73	157.24	17.10	6.02	11.08	184.05
Roman Tarmat	507.14	197.25	309.89	157.11	3.03	1.79	1.24	69.27
AVT Natural Prod	481.30	188.40	292.90	155.47	115.80	-12.40	128.20	-1033.87
Dhanus Technology	306.90	121.05	185.85	153.53	-14.58	1.74	-16.32	-
Guj. Fluorochem	5187.60	2056.00	3131.60	152.32	1595.90	419.60	1176.30	280.34
FE India	1443.33	572.82	870.51	151.97	10.33	13.49	-3.16	-23.42
Money Matters Fin	1565.98	627.56	938.42	149.54	72.02	394.22	-322.20	-81.73
Mafatjal Inds	635.75	255.20	380.55	149.12	-66.48	629.74	-696.22	-110.56
Emmsons Intl	3252.42	1307.24	1945.18	148.80	15.98	-28.99	44.97	-
Rodium Realty	173.59	70.00	103.59	147.99	32.71	9.05	23.66	261.44

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.)
Bajaj Hindusthan	201009	12	191.40	1	35.02	162.90	1.91	30087.80	68.97	20.40	517.60	-66.52	70	13.54
Balrampur Chini Mill	201103	18	256.28	1	39.70	50.60	13.35	29874.50	-	17.82	1644.10	-	75	13.47
Banna Amman Sugars	201103	12	114.40	10	54.72	633.03	7.53	8267.64	-6.52	18.03	530.61	-63.06	100	108.30
Belapur Industries	201003	12	18.07	10	0.00	-	-11.62	-	-	-	-0.90	-40.40	-	-
DCM Shriram Inds.	201103	12	173.98	10	43.53	113.39	-2.75	9083.00	4.80	4.55	-55.00	-114.13	-	8.24
Dhampur Sugar Mills	201103	18	539.10	10	47.91	92.75	1.72	23601.14	-	9.84	86.76	-	10	19.45
Dollex Inds	201009	12	178.79	5	14.81	11.24	0.64	220.18	88.08	2.83	2.75	-76.13	-	0.17
Dwarikesh Sugar Inds	201009	12	163.15	10	48.01	81.73	-5.89	5550.72	20.18	11.71	-90.56	-136.11	-	14.10
Eastern Sugar Inds.	201106	12	120.00	10	41.50	21.89	13.22	9.81	-89.40	-	12.88	-71.37	-	8.79
EID Parry (India)	201103	12	173.20	1	45.80	66.09	7.09	12787.20	8.42	12.62	792.60	-61.39	200	8.83
Gayatri Sugars	201103	12	429.90	10	57.30	8.30	-31.78	1090.32	80.72	22.41	-94.78	82.48	-	0.80
Girdharilal Sugar	201103	12	194.67	10	69.77	14.05	5.73	-	-	-	6.10	-52.71	-	0.32
Indian Sucrose	201103	12	154.18	10	58.90	26.47	10.81	1095.98	9.85	19.90	6.28	-86.19	-	3.80
Jeypore Sugar	201103	12	45.35	10	44.79	144.74	-13.17	2108.29	-11.95	11.61	-92.52	-148.06	-	4.04
JK Sugar	201103	12	103.60	10	64.09	2.63	-55.01	1584.88	59.40	-3.98	-127.37	371.57	-	-7.39
Kashipur Sugar Mills	201009	12	155.92	10	58.06	-	-	426.96	-35.27	-8.04	-86.20	500.70	-	-3.61
Kesar Enterprises	201006	12	67.90	10	55.48	42.84	6.32	2067.10	-10.12	13.38	43.87	-48.35	10	15.00
Khaitan India	201103	12	47.50	10	51.61	50.10	-12.44	234.00	32.13	2.48	-55.50	75.08	-	-8.72
KM Sugar Mills	201009	12	184.00	2	66.98	1.55	-78.83	1782.50	17.95	0.97	-182.90	-497.61	-	-0.51
Mawana Sugars	201103	18	349.57	10	65.97	45.75	-30.98	16242.20	-	8.09	-586.20	-	-	5.92
Monnet Sugar	201103	12	74.13	10	76.60	72.90	-0.01	-	-	-	0.55	-405.56	-	0.12
Oswal Overseas	201103	12	64.61	10	74.89	34.93	10.19	737.64	-2.58	10.16	1.39	-93.58	-	5.37
Oudh Sugar Mills	201106	12	259.18	10	57.82	27.93	-78.28	8919.36	65.68	8.94	-511.15	-37.88	-	-3.86
Parrys Sugar Inds.	201106	12	199.62	10	65.00	27.37	-59.64	4179.47	-	2.48	-946.74	-	-	-29.06

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.

EPS Rs.	Latest Quarter					Ended	TTM		Market Data				
	Sales Rs. Mn.	Sales Var (%)	OPM (%)	NP Rs. Mn.	NP Var (%)		EPS Rs.	NP Var (%)	Price 30/09/11	H52W	L52W	PE	Mkt. Cap (Rs. Mn.)
2.27	10619.80	45.92	21.14	11.50	-107.71	201106	3.57	-109.99	38.55	121.61	37.70	10.80	7378.47
6.66	5718.00	5.83	7.98	-198.60	-278.44	201106	1.54	-316.23	46.05	97.60	43.90	29.95	11801.46
46.38	2597.63	40.64	13.56	70.83	-22.78	201106	44.56	-97.78	600.00	1052.00	468.95	13.47	6863.82
-	-	-	-	-	-	201106	-	-	15.75	19.85	11.60	-	28.46
-3.16	2301.60	7.83	9.73	43.20	-130.29	201106	7.52	65.67	51.00	91.80	50.00	6.78	887.32
1.61	2501.89	-43.85	16.51	8.51	-102.06	201106	0.00	-	41.05	85.20	38.75	-	2213.01
0.08	35.75	-9.68	3.24	0.42	-89.71	201106	-0.29	107.82	4.56	20.25	4.50	-	163.06
-5.55	1334.10	-7.07	5.38	-182.75	-351.17	201106	0.00	-	37.85	123.10	36.75	-	617.51
1.07	2.33	-94.06	-	-26.77	-	201106	1.07	-252.33	17.28	20.60	7.61	16.10	207.36
4.57	4032.40	28.48	5.90	-71.80	-86.81	201106	0.00	-	225.70	289.90	188.50	-	39091.24
-2.17	641.79	508.04	-1.73	-99.73	71.65	201106	-3.12	33.05	3.52	6.90	2.40	-	151.32
0.31	4.70	-	-	1.50	-	201106	-	-	-	-	-	-	-
0.41	324.46	61.66	3.08	-49.60	140.66	201106	-1.47	319.02	12.04	32.15	9.67	-	185.64
-20.40	757.27	40.03	8.16	-29.84	-57.29	201106	-11.58	284.92	114.90	209.00	99.45	-	521.02
-12.29	148.96	-59.92	-7.64	-47.64	-63.83	201106	-4.18	-288.13	17.90	33.80	14.50	-	185.44
-5.53	252.28	471.93	6.35	1.35	-103.22	201106	-2.47	-38.25	6.32	19.11	5.36	-	98.54
6.46	899.05	256.91	17.23	118.85	-370.30	201106	5.02	-59.03	53.50	73.65	43.00	10.65	363.28
-11.68	54.60	74.44	9.89	-10.80	40.26	201106	-12.34	48.12	26.35	46.00	22.20	-	125.16
-1.99	1057.00	134.16	6.02	-10.20	-85.77	201106	-0.65	-46.08	2.52	6.94	2.40	-	231.84
-16.77	2383.00	10.61	5.55	-229.10	-61.46	201106	-0.58	-	16.70	37.95	16.15	-	583.78
0.07	-	-	-	0.00	-	201106	0.00	-	25.90	36.60	17.30	-	191.98
0.22	452.33	743.43	-0.19	-18.63	-14.34	201106	0.62	-200.75	5.35	5.35	5.35	8.62	34.57
-19.72	2100.49	18.75	7.37	-223.38	-44.67	201106	-19.72	-60.97	20.55	50.00	20.00	-	532.61
-47.43	1271.74	89.59	1.56	-270.71	-12.87	201106	0.00	-	90.00	180.00	85.00	-	1796.55

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

Company Name	Year End	Price (Rs.) (30/09)	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	288.85	23.10	49.84	2	5.80	201106	6041.60	45.07	6.43	509.50	250.00
HCL Infosystems Ltd.	201006	62.40	12.71	11.98	2	5.21	201106	1772.30	7.95	7.92	126.50	59.75
Polyplex Corporation Ltd.	201103	175.90	7.56	53.20	10	3.31	201106	1876.60	58.67	2.94	509.98	169.00
Shipping Corpn. Of India Ltd.	201103	83.00	7.11	12.18	10	6.81	201106	3616.60	7.76	9.98	202.50	79.00
Oil & Natural Gas Corpn. Ltd.	201103	265.70	6.60	22.12	5	12.01	201106	193577.60	22.63	11.67	361.16	248.00
IDBI Bank Ltd	201103	102.75	3.47	16.76	10	6.13	201106	17345.30	17.62	5.72	202.25	101.25
JBF Industries Ltd.	201103	124.60	6.46	18.34	10	6.79	201106	1097.70	15.31	8.10	228.00	117.00
Bharati Shipyard Ltd.	201103	92.65	3.34	37.43	10	2.48	201106	1079.47	35.62	2.52	293.70	85.15
3I Infotech Ltd.	201103	26.30	5.83	6.22	10	4.23	201106	1235.60	6.44	4.00	72.15	24.95
Uflex Ltd.	201103	141.10	5.65	39.07	10	3.61	201106	2820.00	39.05	3.46	325.00	118.30
Geodesic Ltd.	201103	50.95	5.54	26.03	2	1.96	201106	2383.20	26.44	1.88	142.75	47.00
Indian Overseas Bank	201103	92.65	5.46	17.33	10	5.34	201106	10776.84	17.42	5.20	176.35	92.00
Blue Star Ltd.	201103	223.75	3.14	17.23	2	12.98	201106	1276.30	14.19	15.71	501.00	220.00
Tata Steel Ltd.	201103	415.25	3.01	71.58	10	5.80	201106	75057.30	78.25	5.08	713.80	414.20
Corporation Bank	201103	422.50	4.77	95.41	10	4.43	201106	14309.39	96.60	4.35	814.85	411.00
Finolex Industries Ltd.	201103	63.15	4.77	6.14	10	10.29	201106	769.61	6.20	10.17	128.50	61.05
Vijaya Bank Ltd	201103	54.65	4.68	11.08	10	4.93	201106	4225.60	8.94	6.00	115.35	53.05
HEG Ltd.	201103	216.00	4.68	30.08	10	7.18	201106	1220.70	30.09	7.10	321.00	176.40
UCO Bank	201103	65.55	4.67	14.45	10	4.54	201106	9388.60	14.96	4.28	152.35	62.20
Graphite India Ltd.	201103	74.00	4.65	8.82	2	8.39	201106	1748.00	8.95	8.25	108.90	67.35
SRF Ltd.	201103	310.00	4.55	79.90	10	3.88	201106	5114.70	85.58	3.59	444.30	270.05
Rural Electrification Corpn Ltd	201103	173.10	4.54	26.03	10	6.65	201106	26445.20	26.78	6.31	409.50	162.50
Andhra Bank	201103	123.85	4.50	22.64	10	5.47	201106	13323.77	23.81	5.09	190.15	113.60
Bank Of Maharashtra	201103	46.25	4.37	6.86	10	6.74	201106	3340.00	6.93	6.62	84.95	46.00
Electrosteel Castings Ltd.	201103	28.70	4.36	4.73	1	6.06	201106	1524.54	4.67	6.15	49.00	26.00
Balmer Lawrie & Company Ltd.	201103	595.00	4.34	74.35	10	8.00	201106	1341.80	82.39	7.27	769.90	499.05
Gujarat NRE Coke Ltd.	201103	24.15	4.32	1.84	10	13.13	201106	1204.50	2.29	10.11	72.00	24.00
Rolta India Ltd.	201006	82.70	4.31	22.36	10	3.70	201106	4953.70	30.71	2.64	188.50	81.10
Usha Martin Ltd.	201103	32.80	3.08	3.27	1	10.04	201106	767.40	2.52	12.89	96.60	32.40
State Bank Of Bikaner & Jaipur	201103	396.65	4.20	110.18	10	3.60	201106	5757.80	82.25	4.75	703.81	391.00
Ashok Leyland Ltd.	201103	26.10	3.91	4.75	1	5.50	201106	5949.08	2.24	11.38	40.95	22.50
Sun T V Network Ltd.	201103	232.20	3.88	19.60	5	11.85	201106	7888.90	20.02	11.26	556.50	230.55
Allahabad Bank	201103	157.75	3.88	29.88	10	5.28	201106	14941.06	31.37	4.93	270.90	150.35

Company Name	Year End	Price (30/09) Rs.	EPS	FV	PE
Religare Enterprises Ltd	201103	418.95	0.37	10	1146.21
KGN Industries Ltd.	201003	31.00	0.05	1	675.05
MMTC Ltd.	201103	655.95	1.22	1	539.24
Sunteck Realty Ltd.	201003	309.95	1.15	2	269.60
Indiabulls Power Ltd.	201103	12.68	0.05	10	265.42
ABB Ltd.	201012	692.50	2.98	2	232.08
Prraneta Industries Ltd.	201003	12.10	0.05	1	229.66
Adani Enterprises Ltd.	201103	526.35	2.45	1	215.11
Jet Airways (India) Ltd.	201103	235.00	1.12	10	209.37
GMR Infrastructure Ltd.	201103	27.00	0.15	1	178.50
Kwality Dairy (India) Ltd.	201003	169.60	0.99	1	172.00
Punj Lloyd Ltd.	201103	54.00	0.37	2	144.81
Pipavav Def. & Offshore Engineering Co Ltd.	201103	78.70	0.60	10	131.75
Den Networks Ltd.	201103	70.05	0.53	10	131.34
Indiabulls Real Estate Ltd.	201003	73.10	0.56	2	130.78
JM Financial Ltd.	201103	16.70	0.13	1	124.68
Essar Ports Ltd.	201103	58.85	0.51	10	115.78
KSK Energy Ventures Ltd.	201103	102.50	0.90	10	114.02
Hindustan Copper Ltd.	201103	226.90	2.42	5	93.68
United Breweries Ltd.	201003	374.50	4.04	1	92.71
Reliance Power Ltd	201103	76.80	0.98	10	78.47
Gillette India Ltd.	201106	2070.00	26.44	10	78.29
EIH Ltd.	201103	88.15	1.13	2	78.07
Aptech Ltd.	201103	115.80	1.62	10	71.60
Jubilant FoodWorks Ltd.	201103	793.45	11.16	10	71.11
Asahi India Glass Ltd.	201103	67.10	0.95	1	70.82
Bombay Dyeing & Manufacturing Co Ltd.	201103	367.85	5.22	10	70.51
MVL Ltd.	201012	24.90	0.35	1	70.22
Tata Teleservices (Maharashtra) Ltd.	201103	17.10	0.26	10	65.01
Karuturi Global Ltd	201103	7.73	0.12	1	62.83
IRB Infrastructure Developers Ltd	201103	163.25	2.71	10	60.18
Eicher Motors Ltd.	201012	1596.55	28.00	10	57.01
Trent Ltd.	201103	1098.00	21.46	10	51.17
Emami Ltd.	201103	423.05	8.29	1	51.05
Nestle India Ltd.	201012	4219.35	84.91	10	49.69
EID-Parry (India) Ltd.	201103	225.70	4.58	1	49.32
3M India Ltd.	201103	4151.30	87.71	10	47.33
Godrej Industries Ltd.	201103	194.60	4.20	1	46.32

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

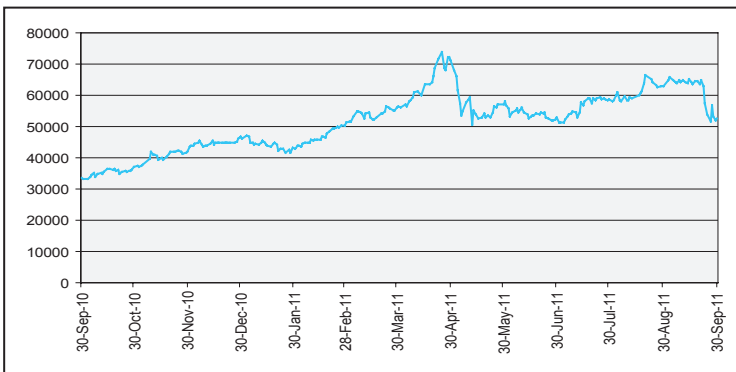
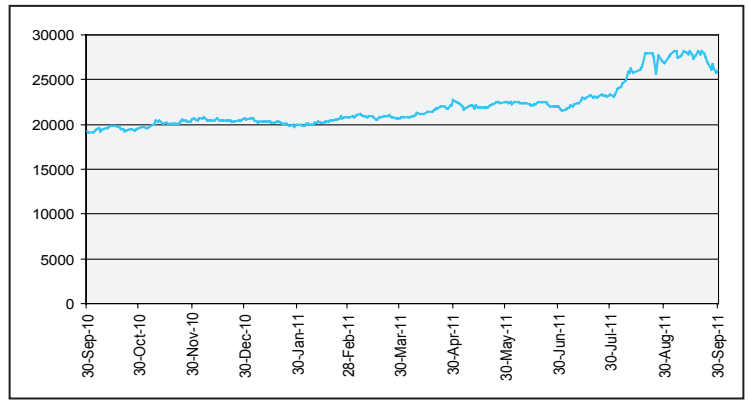
Company Name	Year End	Price (30/09) Rs.	EPS	FV	PE
Piramal Healthcare Ltd.	201103	356.20	768.13	2	0.46
Jindal Poly Films Ltd.	201103	204.80	128.72	10	1.59
KS Oils Ltd.	201003	10.08	5.49	1	1.84
Geodesic Ltd.	201103	50.95	26.03	2	1.96
Bharati Shipyard Ltd.	201103	92.65	37.43	10	2.48
ICSA (India) Ltd.	201103	67.50	26.31	2	2.57
Vardhman Textiles Ltd.	201103	191.05	73.79	10	2.59
Prakash Industries Ltd.	201103	51.90	19.86	10	2.61
Punjab & Sind Bank	201103	65.50	23.59	10	2.78
IFCI Ltd.	201103	30.70	9.55	10	3.21
Shree Ganesh Jewellery House Ltd.	201103	140.75	43.48	10	3.24
Central Bank Of India	201103	102.40	30.99	10	3.30
Polyplex Corporation Ltd.	201103	175.90	53.20	10	3.31
Alok Industries Ltd.	201103	18.30	5.13	10	3.57
State Bank Of Bikaner & Jaipur	201103	396.65	110.18	10	3.60
Uflex Ltd.	201103	141.10	39.07	10	3.61
Rolta India Ltd.	201006	82.70	22.36	10	3.70
Onmobile Global Ltd	201103	60.05	15.54	10	3.86
SRF Ltd.	201103	310.00	79.90	10	3.88
GTL Ltd.	201106	58.15	14.76	10	3.94
Subex Ltd	201103	42.00	10.32	10	4.07
State Bank Of Travancore	201103	600.05	145.55	10	4.12
3I Infotech Ltd.	201103	26.30	6.22	10	4.23
Dena Bank	201103	77.85	18.35	10	4.24
ARSS Infrastructure Projects Ltd.	201103	333.05	75.57	10	4.41
Corporation Bank	201103	422.50	95.41	10	4.43
Tamil Nadu Newsprint & Papers Ltd.	201103	95.60	21.53	10	4.44
Great Offshore Ltd.	201103	122.10	27.32	10	4.47
Housing Development & Infrastructure Ltd.	201103	98.00	21.60	10	4.54
UCO Bank	201103	65.55	14.45	10	4.54
Nava Bharat Ventures Ltd.	201103	185.95	39.90	2	4.66
Gujarat State Fertilizers & Chemicals Ltd.	201103	440.45	93.89	10	4.69
DB Realty Ltd.	201103	49.60	10.51	10	4.72
Canara Bank	201103	440.00	90.88	10	4.84
United Bank of India	201103	74.00	15.21	10	4.86
Orbit Corporation Ltd.	201103	32.25	6.62	10	4.87
Vijaya Bank Ltd	201103	54.65	11.08	10	4.93
Jyoti Structures Ltd.	201103	67.00	13.51	2	4.96

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

FV Latest Face values of equity Shares (Rs)

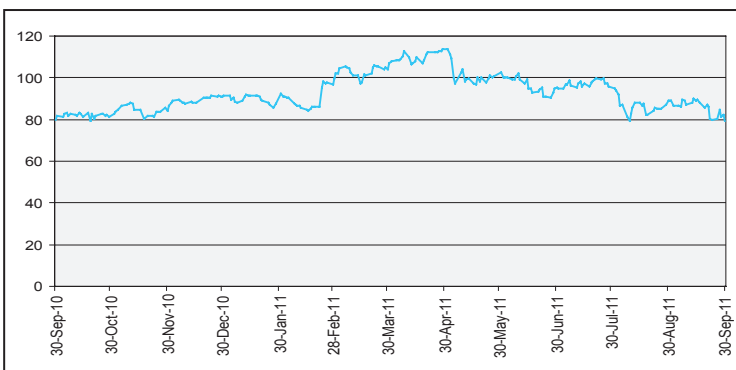
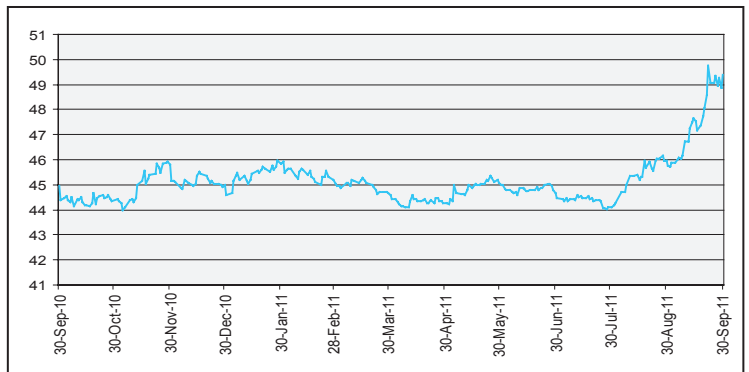
PE Market Price / Trailing Twelve Months Earning Per Shares

Date	Price Rs.
30-Sep-11	26005.00
30-Aug-11	26817.35
30-Jul-11	23300.00
30-Jun-11	21963.35
30-May-11	22523.00
30-Apr-11	22713.35
30-Mar-11	20700.00
28-Feb-11	20800.00
29-Jan-11	20000.00
30-Dec-10	20670.00
30-Nov-10	20548.75
30-Oct-10	19655.00
30-Sep-10	19185.00



Date	Price Rs.
30-Sep-11	52700.00
30-Aug-11	62750.00
30-Jul-11	58626.75
30-Jun-11	52800.00
30-May-11	57200.00
30-Apr-11	71400.00
30-Mar-11	56075.00
28-Feb-11	50300.00
29-Jan-11	43164.00
30-Dec-10	46750.00
30-Nov-10	42075.00
30-Oct-10	37198.25
30-Sep-10	33561.00

Date	Price Rs
30-Sep-11	49.38
30-Aug-11	45.97
29-Jul-11	44.11
30-Jun-11	44.66
30-May-11	45.09
29-Apr-11	44.25
30-Mar-11	44.68
28-Feb-11	45.20
30-Jan-11	45.83
30-Dec-10	45.00
30-Nov-10	45.80
29-Oct-10	44.35
30-Sep-10	44.94



Date	Price \$
30-Sep-11	79.20
30-Aug-11	88.90
29-Jul-11	95.70
30-Jun-11	95.42
31-May-11	102.70
29-Apr-11	113.93
30-Mar-11	104.27
28-Feb-11	96.97
31-Jan-11	92.19
31-Dec-10	91.38
30-Nov-10	84.11
29-Oct-10	81.43
30-Sep-10	79.97

DSPBR Small & Mid Cap(G)

DSPBR Small & Mid Cap-Reg (Growth) is DSP BlackRock Investment Managers managed open-ended Equity - Mid-cap scheme.

The fund was launched on Nov-14, 2006 and its fund managers are Apoorva Shah , Anup Maheshwari.

The benchmark index of the fund is CNX Midcap and the custodian of the fund is Citibank N.A.

The current net asset value (NAV) of the fund as on September 30, 2011 was Rs 16.54; while the 52 week high NAV was Rs 20.85 on November 10, 2010 and the 52 week low NAV for the scheme was Rs 15.50 on February 10, 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 long term capital appreciation from a portfolio substantially constituted of equity and equity related securities, which are not part of top 100 stocks by market capitalization.

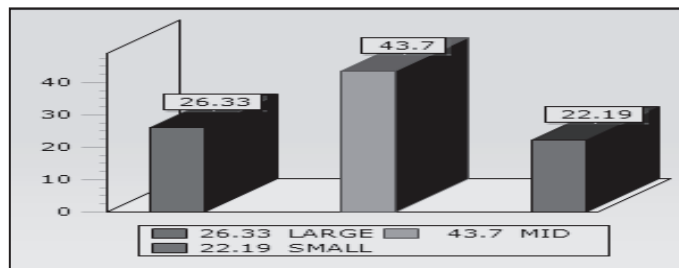
The top five holdings of the fund are:

Company	Trent	GMDC	Chambal Fertilisers	EID Parry	HPCL
% Holding	4.24	3.90	3.82	3.43	3.21

As far as market capitalization-wise companies are concerned, the scheme's portfolio consists of 26.33% from Large-cap, 44.17% from Mid Cap and 21.72% from Small cap stocks.

The fund has given a return of 10.86% since inception and a negative return of 13.85% in last one year, while the category average in the same period has been 12.19% and -16.15 % respectively.

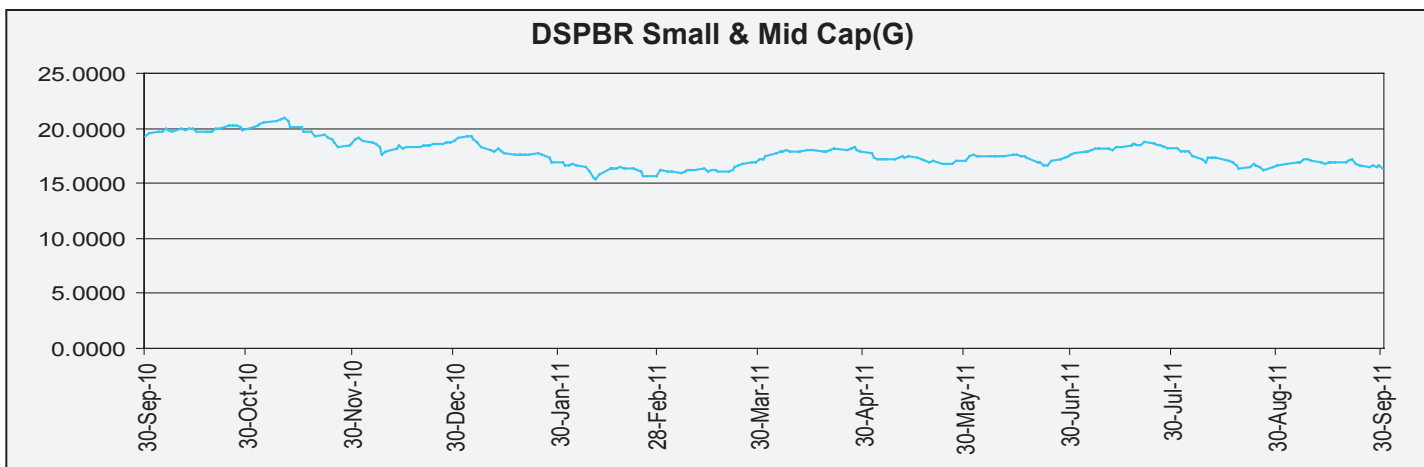
Fund allocation



Market cap-wise Allocation Style	
Average Mkt Cap (Rs Cr)	3703.25
Market Capitalization	% of Portfolio
Large	26.33
Mid	43.70
Small	22.19
Note: Large-Cap = 5000 Crs. and above, Mid-Cap = 2000 Crs. to 5000 Crs. and Small-Cap = less than 2000 Crs.	

Outlook

The Investment Manager selects equity securities on a bottom-up, stock-by-stock basis after conducting in-house research in order to identify both value and growth stocks. Though, 65% of the NAV gets invested in companies, which are outside the top 100 companies by market capitalization, if it creates some risks, it also gives opportunity for greater rewards. The Investment Manager endeavors to invest in companies, where adequate due diligence has been performed by the Investment Manager. As these companies are not very well researched by third party research companies, and rather relies on own research. The fund has been one of the best performer in the segment in the past too the small and midcap-oriented mutual funds have delighted their investors with extremely generous returns and have beaten the funds that played safe and maintained a large exposure in large cap stocks. Even in the downtrend the midcap and small cap funds have wider opportunity to perform.



Last one year NAV Graph

Duration	1 Week %	1 Mth %	3 Mth %	6 Mth %	1 Year %	3 Year %	5 Year %	Since Inc. %
Scheme Return %	-1.03	-1.08	-6.00	-3.73	-13.85	23.88	NA	10.86
Category Avg %	-0.77	-1.66	-7.30	-4.76	-16.15	15.42	7.52	12.19

Returns As on September 30th, 2011

Fund	AUM Rs.Crore Sept 2011	NAV Rs 30/09/11	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)	11.39	44.41	-1.38	-16.84	-20.94	-1.79	-0.57	22.01	9.40	02-Mar-95
DSPBR Opp-Reg(G)	338.25	77.48	-1.41	-9.83	-17.64	4.36	9.39	29.96	19.71	16-May-00
Fidelity Equity(G)	1795.89	32.62	-0.54	-9.76	-13.34	7.81	12.18	0.00	20.37	16-May-05
HDFC Equity(G)	5844.03	245.41	-1.19	-13.15	-17.27	7.64	12.88	32.33	21.05	01-Jan-95
HDFC Growth(G)	829.46	79.43	0.60	-9.47	-14.80	7.70	12.81	28.70	20.61	11-Sep-00
DSPBR India T.I.G.E.R-Reg(G)	1106.39	39.24	-1.52	-12.75	-25.32	-4.20	6.78	0.00	20.58	11-Jun-04
ICICI Pru Dynamic(G)	2599.90	95.78	-0.95	-11.86	-11.73	6.89	11.39	0.00	28.83	31-Oct-02
Kotak Opportunities(G)	529.22	41.16	-1.22	-9.83	-18.89	1.50	10.05	0.00	22.19	09-Sep-04
Reliance Equity Oppor-Ret(G)	1949.17	33.38	-0.52	-5.95	-13.90	13.40	12.23	0.00	20.36	31-Mar-05
Reliance Reg Savings-Equity(G)	2458.12	26.29	-2.36	-13.35	-21.11	1.19	13.09	0.00	16.56	10-Jun-05
SBI Magnum Multicap(G)	228.53	14.94	-2.42	-15.02	-23.74	-5.07	1.05	0.00	6.87	16-Sep-05
Equity - ELSS										
Birla SL Tax Relief '96(G)	599.33	9.74	-2.21	-12.80	-23.06	-2.23	0.00	0.00	-0.40	10-Mar-08
DSPBR Tax Saver(G)	488.64	14.90	-1.31	-11.65	-20.09	2.78	0.00	0.00	8.86	18-Jan-07
Franklin India Taxshield(G)	419.26	200.06	0.27	-5.70	-7.91	10.28	11.07	27.68	27.13	10-Apr-99
HDFC TaxSaver(G)	1937.76	208.45	-2.20	-10.17	-16.83	6.64	9.61	30.58	29.97	31-Mar-96
ICICI Pru Tax Plan(G)	682.32	126.88	-0.86	-9.52	-14.49	8.40	7.06	30.25	23.31	19-Aug-99
Reliance Tax Saver (ELSS)(G)	1208.36	19.34	0.61	-8.34	-16.83	8.02	8.69	0.00	11.57	22-Sep-05
SBI Magnum TaxGain'93(G)	1823.13	54.30	-0.42	-9.39	-16.65	0.16	0.00	0.00	4.30	07-May-07
Sundaram Tax Saver(G)	690.73	38.63	-1.24	-10.63	-19.73	-3.05	10.09	0.00	18.21	02-May-05
Equity - Large Cap										
Birla SL Frontline Equity(G)	1850.30	78.54	-1.12	-12.27	-16.01	2.57	11.83	0.00	25.66	23-Sep-02
Birla SL Dividend Yield Plus(G)	466.49	80.88	-0.82	-3.73	-11.04	11.80	14.48	0.00	27.53	26-Feb-03
DSPBR Equity-Reg(G)	1108.96	15.08	-1.61	-8.39	-15.32	5.54	0.00	0.00	9.97	07-Jun-07
DSPBR Top 100 Equity-Reg(G)	1611.45	91.25	-1.81	-9.51	-13.84	2.58	12.47	0.00	29.45	10-Mar-03
HDFC Top 200(G)	6944.81	187.56	-0.69	-12.56	-16.55	4.50	13.20	31.86	21.45	03-Sep-96
Kotak 50(G)	527.77	94.04	-0.81	-8.77	-14.48	1.87	8.98	0.00	26.86	05-Feb-03
Reliance Vision-Ret(G)	1368.34	237.65	-1.74	-12.03	-20.44	-0.02	8.15	34.14	21.91	08-Oct-95
SBI Magnum Equity(G)	156.62	39.36	-2.24	-10.10	-15.25	3.82	0.00	0.00	7.83	24-Nov-06
Equity - Mid Cap										
Birla SL Midcap(G)	932.56	98.32	-1.91	-6.76	-17.88	2.63	11.11	0.00	29.05	16-Oct-02
Franklin India Prima(G)	332.74	251.40	-1.74	-6.03	-16.50	7.14	6.42	32.70	19.81	01-Dec-93
ICICI Pru Discovery(G)	1150.27	42.82	-2.48	-10.85	-16.15	7.64	10.22	0.00	22.64	16-Aug-04
Kotak Midcap(G)	145.80	23.13	-2.69	-5.70	-18.63	8.39	5.98	0.00	13.55	24-Feb-05
Reliance Growth-Ret(G)	3763.59	409.03	1.35	-10.80	-19.72	1.98	11.73	37.40	25.84	08-Oct-95
Sundaram S.M.I.L.E Fund(G)	291.38	28.19	0.02	-8.06	-23.53	-1.95	10.47	0.00	16.94	15-Feb-05
Sundaram Select Midcap(G)	1211.03	141.33	-3.38	-3.10	-13.85	7.77	11.25	0.00	33.34	19-Jul-02
Equity - Pharma										
Reliance Pharma(G)	322.53	54.07	0.16	0.99	0.29	22.67	22.69	0.00	25.95	08-Jun-04

Returns As on September 30th, 2011

Fund	AUM Rs.Crore Sept 2011	NAV Rs 30/09/11	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)	103.40	15.70	-0.51	-18.65	-22.62	5.63	0.00	0.00	15.63	22-Aug-08
Reliance Banking(G)	999.93	88.01	-0.52	-19.63	-21.75	9.81	20.19	0.00	29.76	28-May-03
Sundaram-Select Thematic Funds- Fin Serv Oppor(G)	143.38	16.82	-1.24	-20.66	-25.60	4.53	0.00	0.00	17.02	10-Jun-08
Commodities - Gold										
Kotak GOLD ETF	771.70	2491.61	-3.86	23.77	33.04	27.58	0.00	0.00	28.29	27-Jul-07
Reliance Gold ETF	1921.89	2439.62	-3.29	24.46	33.56	27.38	0.00	0.00	25.16	22-Nov-07
DSPBR World Gold-Reg(G)	775.64	18.38	-8.56	-0.67	4.42	12.76	0.00	0.00	16.24	14-Sep-07
Fund	AUM Rs.Crore Sept 2011	NAV Rs 30/09/11	Absolute %		CAGR %				Since Launch	Launch Date
			1 Month	6 Months	1 Year	2 Years	3 Years	5 Years		
Balanced - Equity Oriented										
Birla SL '95(G)	231.10	294.68	-0.83	-5.90	-8.12	6.78	19.51	12.61	22.57	17-Feb-95
HDFC Balanced(G)	228.05	54.65	-0.82	0.17	-1.64	14.84	19.75	12.69	16.60	11-Sep-00
HDFC Prudence(G)	3224.85	202.56	-1.04	-5.05	-7.78	12.10	21.08	14.42	18.56	01-Feb-94
Balanced - Debt Oriented										
ICICI Pru Child Care Plan-Gift Plan	166.44	51.81	-0.84	-3.16	-18.19	7.26	12.48	7.43	17.71	31-Aug-01
Reliance Reg Savings-Balanced(G)	442.81	20.35	-0.47	-7.17	-15.17	5.87	18.80	12.75	11.92	10-Jun-05
HDFC Children's Gift - Investment	296.38	42.55	-0.79	1.25	2.23	18.72	21.05	12.30	14.66	02-Mar-01
Fund	AUM Rs.Crore Sept 2011	NAV Rs 30/09/11	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)	79.49	26.99	0.68	2.07	4.22	7.90	5.90	6.78	7.19	16-Jun-97
HDFC Cash Mgmt-Savings(G)	1907.42	21.39	0.71	2.18	4.39	8.31	6.58	7.28	6.58	03-Jan-00
Reliance Liquid-Cash(G)	1686.91	16.59	0.71	2.20	4.44	8.30	5.13	5.60	5.30	07-Dec-01
Reliance Liquid-Treasury-Ret(G)	341.96	24.41	0.69	2.12	4.28	8.01	6.37	6.96	6.82	23-Mar-98
SBI Magnum InstaCash-Cash(G)	1356.52	22.71	0.72	2.18	4.33	8.24	6.31	6.98	6.85	19-May-99
Templeton India CMA(G)	97.17	17.19	0.55	1.61	3.27	6.25	4.57	5.43	5.33	23-Apr-01
UTI Money Market(G)	112.41	2838.51	0.72	2.10	4.18	7.86	6.33	6.97	7.49	23-Apr-97
Monthly Income Plans										
Birla SL MIP II-Savings 5(G)	203.85	18.21	0.53	1.86	4.04	6.36	9.01	9.94	8.48	22-May-04
Birla SL Monthly Income(G)	312.24	37.45	0.20	0.75	2.48	4.31	11.33	8.90	11.48	10-Aug-99
HDFC MIP-LTP(G)	4091.20	23.16	0.10	-0.96	0.73	1.69	13.76	10.28	11.42	26-Dec-03
ICICI Pru MIP 25(G)	384.55	19.66	0.35	-0.53	0.85	2.05	10.85	7.35	9.43	30-Mar-04
Reliance MIP(G)	2975.45	21.90	0.36	-0.15	1.14	1.43	15.05	10.55	10.66	13-Jan-04
SBI Magnum MIP(G)	189.09	20.31	-0.33	0.05	1.56	1.18	4.87	4.37	6.96	23-Mar-01
UTI MIS(G)	392.25	20.14	0.32	0.52	1.82	3.20	9.94	8.32	8.12	11-Oct-02

Rules for FII investments in long-term infra sector bonds get liberalized

The Indian economy has grown by approx. 8.5% in last 4 years and thus the infrastructure sector - the backbone of economy too. Indian infrastructure industry has seen tremendous changes over the past 2-3 decades. Infrastructure can broadly be divided into four sub-sectors viz., Transport and Storage, Energy Generation and Supply, Water Supply and Sanitation, and Communication. The investment in infrastructure sector in India has increased from 4.9% of the gross domestic product (GDP) in 2002-03 to 7.18% in 2008-09. It is expected to increase to 8.37% in the final year of the 11th Plan and likely to touch 10% of GDP in the 12th Five Year Plan (2012-2017). Infrastructure sector needs investment up to \$1 trillion by the 12th five year plan beginning April 2012.

The planning commission of India has set a 9% growth target for this sector during the said plan. The commission expects more spending on creating ports, power and pipelines infrastructure. The task of finding such large amounts and thereafter deploying them productively calls for a close partnership between the public and private sectors, with a vital role reserved for foreign capital. However, India is not alone in seeking foreign funds in the core sector. China requires \$5000 billion in the next two decades. So does Korea and India will have to compete with them. Thus, government has been taking measures from time to time to attract Foreign Institutional Investors (FII) in this segment.

Government had set an investment target of \$500 billion for the 11th five year plan ending March 2012; however, the target may remain unachievable by 10%. Government had already introduced a scheme in budget 2011-12 however, it received a lukewarm response. Government raised the limit for FII investment from a minimal amount of \$5 billion to \$25 billion. However, as on August 31, 2011, only \$109 million or Rs 500 crore were invested by FIIs under this scheme, against a ceiling limit of \$25 billion or Rs 1,12,095 crore. Thus, government had been taking various measures to boost the investment in this sector.

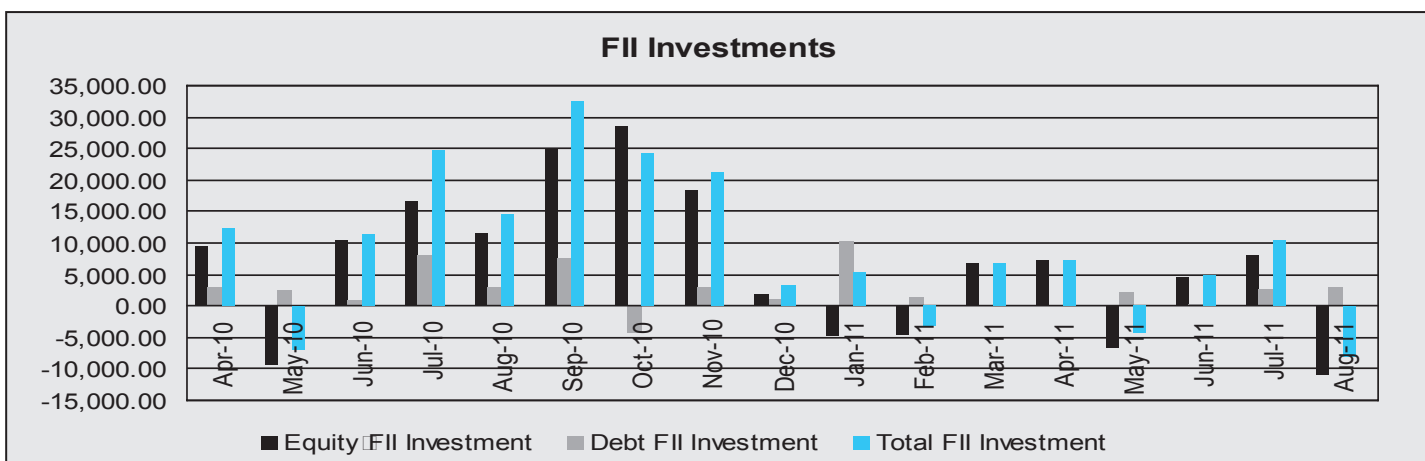
It has been observed that FII inflows were declining off-late; this has coerced government to take necessary steps in order to increase the inflow. Thus, government decided to ease the norms for FIIs investments in Infrastructure bonds in consultation with RBI and SEBI.

FIIs now can invest about \$5 billion in bonds which have an initial maturity of five years or more at the time of issue and residual maturity of one year at the time of first purchase by FIIs. Within 1 year FIIs can trade the bonds amongst themselves and post 1 year maturity they can sell the bonds to domestic investors. FIIs were earlier restricted to invest in infra debt listed and unlisted bonds having lock-in period of 3 years and residual maturity of 5 years.

In August 2011, government allowed Qualified Foreign Investors to invest in Mutual Funds debt schemes that invest in the infrastructure sector, subject to a total overall ceiling of \$3 billion. This comprised the \$25-billion ceiling for investment in corporate debt in infrastructure. The remaining \$17 billion limit would be available to FIIs and can be invested in long-term infrastructure bonds with an initial maturity of five years or more and residual maturity of three years at the time of first purchase by FII.

Government reckons that these steps will increase the FIIs inflows in the sector for hassle-free funding of infra projects. It is also believes that reduction in the lock-in period and residual maturity will attract more FIIs which continue to remain sluggish. According to some reports, the three-year lock-in period was interpreted to be discouraging for FIIs and the government is further likely to review the scheme and may raise the limit of \$5 billion.

Market regulator SEBI is expected to issue notifications incorporating the above changes in the scheme by 15th October 2011. According to a press release by Finance Ministry, it has opened long-term investment opportunities for FIIs in Delhi-Mumbai Industrial and rail freight corridor. Both the projects cover around 9 mega industrial zones, each covering 200-250 sq km and 3 ports and 6 airports are envisaged.



Health Insurance - portability the new buzz word

Often we buy a health insurance policy without evaluating it and end up picking a health policy which does not provide adequate cover and as there are certain benefits or covers which commence after 3 to 4 years of relationship with the same insurance company, we find ourselves stuck with the same health insurance company even if we dislike their product or service.

Come October and health insurance policyholders, unhappy with the service of their insurer, can switch to another company and carry with them their track record and no-claim bonuses. The new move was expected to be introduced much before, from July 1st 2011 however it's finally going to be in effect from October 1. The advantage of the present guidelines is that they completely remove the risk that the new insurer will reject a claim on the grounds that the ailment was existing before the policy was issued. Prior to the regulatory change, policy holders were often at a disadvantage. If a policy-holder wanted to change to a different health insurer, particularly if they have acquired a chronic illness, they may face obstacles such as long waiting periods or exclusion of cover for pre-existing conditions when taking out the new policy.

There were several representations from consumer associations and policyholders for enabling portability of health insurance policies from one insurer to other insurer. Persons shifting from one region to other regions are many times put to disadvantage due to lack of insurers' office providing necessary policy servicing at the new location. Further, employees shifting from one organization to another organization many times lose health insurance cover due to lack of portability of the health insurance policies. It is essential to protect the policyholders against discontinuity and consequential loss of Pre Existing Diseases (PED) cover by making the health insurance plans portable across the insurance companies. The portability will also ensure that the policyholder is not tied to one single insurer throughout his life for fear of losing the cover of PED.

The Insurance Regulatory and Development Authority (IRDA) had issued final guidelines which gives insurance companies directions on portability. In terms of the guidelines, a policyholder will have to approach an insurer 45 days before his policy with the old insurer expires, to

enable the new company consider his application. The acquiring insurer will verify the claims history from the common database which will have two years of claims experience. Based on the data, the acquirer will decide whether to accept the proposal and the price at which it will do so. The old insurer will be bound to provide additional data to the new insurer within 7 days of receipt of the application and the new insurer will have to either accept or reject the proposal within 15 days after receipt of data from the old insurer. If the decision is not communicated within a fortnight the new insurer will be bound to accept the proposal.

Besides benefiting those who are unhappy with the service provided by their current insurer, portability will also benefit those who are covered under a group policy provided by their employer and do not have any individual policy of their own. According to the final guidelines, the insured under the group policy will have to first shift his policy into an individual or a family floater cover with the same insurance company which has provided the group policy. After a year he will have the option to shift to any other insurance company just like any other individual policyholder. While the new insurer will be bound to consider every application, the acceptance will be subject to the new insurers rules. For instance, if the old policy offers 90 day post hospitalization treatment and the new insurer provides only 60 days, the new policy will have only 60 days cover.

The IRDA aims to protect the interests of policy-holders and this is one of their most recent regulations on health insurance companies in India. The IRDA is ultimately setting its targets to not only protect the rights of consumers, but to protect the state in the burden of medical treatment placed on the public health system.

Increased competition on the market may initiate a drop in health insurance premiums however some players have raised optimism that there is unlikely that there will be a price war as insurers will quote rates based on what they have filed with the regulator.

IRDA had earlier announced that portability of health insurance policies across non life insurance companies including stand alone health insurance companies would be introduced with effect from 1st July 2011. The modalities of such portability to be effective and consumer friendly have been discussed with the non life insurers

in the country. It further stated that, to ensure portability is available in a smooth manner for the policyholders, it is necessary to ensure that historical data on the policyholder's health related details of claims be available to insurers. IRDA has embarked upon providing a web based facility for the insurers to feed in all relevant details on health insurance policies issued by them to individuals which will be accessed by the new company to which a policyholder wishes to port his policy. Such a system will enable the new insurer to obtain efficiently data on history of health insurance of the policyholder wishing to port. Such a facility is necessary to enable the smooth running of the system.

The Authorities after examining various issues involved in the portability of health insurance plan had issued necessary orders for effecting portability to be implemented from 1st July, 2011, which included features like:

- The credit from the period elapsed excluding PED shall be carried forward to the new insurer.
- The accepting insurer shall provide cover, atleast upto the sum assured in the previous insurance policy.
- The request for porting the policy shall be completed as per the timelines prescribed in the IRDA (Protection of Policyholders' Interests) Regulations and guidelines.

The web enabled facility is being established by IRDA and the Authority will implement portability of health insurance policies across non life insurers in the country not later than 1st October 2011. IRDA intends to create website (already under testing) on which the earlier insurer has to upload the policyholder's data. If the new insurer does not respond to a request within 15 days of a request being made, it will be deemed as accepted."

But there are some concerns as well, before we fully get migrated to the new regime. Insurance companies have an escape route by way of premium loading and the right to underwrite. Now it is being feared that loading could be the ultimate tool that will be used to dissuade a 'bad' pool of policyholders to migrate to a new insurance company.

The other issue is no-claim-bonus (NCB) where the net effect may deplete the bonus. The new insurer can port the sum insured (SI) on an existing policy inclusive of the NCB that has accrued on it. However, the premium charged will be on the higher sum which is inclusive of the bonus – this effectively erodes the effect of the NCB

itself. For example, if a policy holder has an insurance of Rs two lakhs, which has increased to Rs 2.5 lakhs due to the NCB, which is the sum that will be transferred to the new insurer. However, the premium charged by the new insurer will be on Rs 2.5 lakhs, consequently, the net effect is that policyholder loses the true benefit of NCB.

Not only this, IRDA has failed to address another major issue: it is the medical conditions developed by policyholder with old insurer. For instance, a Policyholder has no pre-existing diseases (PED) when the initial policy was taken, but has developed conditions during over the next couple of years. If the policyholder wishes to port to new insurer who has standard 4 year PED waiting period, the new insurer will make the policyholder wait for couple of years to cover these conditions. These are considered PED with new insurer even though they will consider the time spent with old insurer. In this example the policyholder would be better off with the old insurer as there is no PED and hence all the conditions are covered with no waiting period.

The guidelines address group to retail (individual) policy porting. It allows porting to retail policy of same insurer in first step. After one year waiting, the policyholder can port to another insurer. A two step process that will be far from easy.

Also, IRDA is planning to come up with regulations on the highest net asset value (NAV) guaranteed products which are seen as a "risk products". The highest NAV guaranteed products give consumers a guaranteed return based on the highest NAV that the policy has achieved during the entire term of the insurance plan. At present, around 20 per cent of the total Unit-Linked Pension Plans (ULIP) comprise sales from highest NAV products.

Once the health insurance portability comes into force, the biggest relief for policyholders will be that they will not be stuck with the same insurance company forever. This reform is expected to bring about a positive change in the insurance industry as a whole and will ensure there is constant innovation and improvement in the efficiency standards and services.

Key players on the health insurance market in India include Star Health & Allied Insurance, Apollo MUNICH and Max BUPA; with other leaders including National Insurance Company, United India and Oriental Insurance and ICICI Lombard.

Indian steel production grew 7.4 per cent during August 2011

According to the latest estimates of the World Steel Association, India's steel production grew 7.4 per cent during August 2011 and stood at 6.16 million tonnes in August against 5.73 million tonnes in the month of August last year. Meanwhile, the global steel production increased by 9.8 per cent during this period and the world steel output grew to 124 million tonnes against 113 million tonnes in the previous year. For the first eight months of the year 2011, India's steel output grew 5.3 per cent to 47.95 million tonnes against 45.52 million tonnes in corresponding period last year, while global output in the first eight months of 2011 grew by 8.3 per cent to 1.01 billion tonnes against 933 million tonnes in the corresponding period last year.

China, with a 13.8 per cent growth in output at 58.72 million tonnes, was the world's largest producer of steel in August, followed by Japan at 8.9 million tonnes and the US at 7.53 million tonnes. South Korea's production rose 19.3% year-on-year to 5.5 mmt. India, at present, is the fourth largest steel producer. In the European Union, Germany's crude steel production increased by 5.3% to 3.6 mmt, while Italy's output rose 25.6% to 1.4 mmt and France's increased 19.7% to 1 mmt in August. However, Spain's production fell 7.6% to 1.1 mmt. The US, meanwhile, produced 7.5 mmt of crude steel in August 2011, a rise of 13.8% compared with August 2010.

However, domestic steel consumption for the period grew by a mere 1.3 per cent to 28 million tonnes. Consumption in the first five months of current fiscal has been largely subdued due to the lower demand from sectors such as construction, automobiles and consumer durables.

Govt draws action plan to set the second phase of Green Revolution in motion

The Government is aiming to achieve self-reliance in the production of pulses and oilseeds by 2017. In this regard it has announced a time bound action plan to set the second phase of Green Revolution in motion. This will involve increasing the production of pulses and oilseeds in the eastern region with the help of high-yielding seeds.

The Government has already announced that it will provide Rs 300 crore to promote 60,000 'pulse villages' in rain-fed areas for increasing crop productivity and strengthening market linkages. An equal number of village clusters for oilseeds has also been planned. The PMO has asked the director of the Indian Council of Agriculture Research (ICAR) to conduct research to develop high-yielding varieties of pulses and oilseeds that can withstand changes in temperature and other stress factors emanating from

climate change, which scientists have pointed out as a reason for poor yields.

Meanwhile, with so many complaints about the lack of storage facility after the bumper crop, the PMO has asked the Food Corporation of India (FCI) to fast track the creation of storage facilities in 19 States to enhance the capacity by more than 150 lakh tonnes. FCI has been asked to develop 40 lakh tonnes of storage capacity by March next year.

Sugar industry demands export extension over the next four-five months

The sugar industry wants the Centre to allow exports over the next four-five months, when peak crushing for the new season starting October takes place. For the support of their demand the industry has given reason that mills would require substantial cash flows during the time when payments are to be made to growers against cane purchases and in the current high interest rate regime, it makes sense to minimise dependence on borrowed working capital and generate sufficient internal liquidity, which is possible only with reasonable realisations from sugar.

The industry is also of the view that the current high global prices may not sustain after around March, by which time the next crop in Brazil and Thailand would start arriving, as indicated by the weak trend in the futures prices. Global sugar prices are currently ruling at a high and futures prices indicate a weakening trend in the early part of 2012. White sugar futures in London for October 2011 contract were ruling at \$775 a tonne level, while that of December 2011 were down at \$730, while the succeeding contracts for March 2012 and May 2012 were around \$700 a tonne.

For the current 2010-11 season (October-September), the Centre has permitted 1.5 million tonne (mt) for exports under the open general licence. Besides, around 1.1 (mt) have been allowed as re-export obligations against advance licences issued to mills in the past. Allowing export of surplus sugar would also help the industry reduce inventories. Indian Sugar Mills Association (ISMA) estimates an inventory of 9.8 mt by September 2012.

No performance guarantee needed for cotton exports: DGFT

Providing relief to the cotton exporters, the government on September 12 said that they will no longer have to provide bank guarantees for registration of export contract. The relaxation will be available to exporters from October 1. The Directorate General of Foreign Trade (DGFT) in its notification said that the export of cotton will continue to be free, subject to registration of contracts with the

DGFT. However, performance guarantee will no longer be required.'

Earlier, an exporter had to put forward a performance guarantee in the form of a bank guarantee for 2.5% of the value of cotton to be exported, or for Rs 1 lakh, whichever was more. Further to export cotton, the trader has to register the contract with the DGFT and execute the shipment within 30 days.

Following the surge in cotton prices in the domestic market, the government had earlier imposed ban on cotton exports. However, after getting criticized by Ministry of Agriculture and by many state Chief Ministers, last month, the government removed restrictions from exports of natural fibre and put cotton on Open General License (OGL).

As per the Cotton Advisory Board, the domestic production of cotton for the next season is pegged at 35.5 million bales from 32.5 million bales in the current season. Against this India's consumption of cotton are around 26.4 million bales, leaving room for exports.

India's tea production for July increases by 8%

India's tea production for the month of July has increased by 8 percent, while on the other hand the exports have declined by the same percentage. As per Tea Board's latest data, Tea production went up by 8 per cent to 133.26 million kg in July, while in the first seven months of current calendar, production has increased by 6.37 per cent over the same period of last year. Production for the month would have been more had it not been for a decline of 3.60 million kg (mkg) in South Indian production though, North India posted a gain of 33.03 mkg.

Between January and July, production increased to 491.59 mkg compared to 462.16 mkg in the same period of the last fiscal, up by 29.43 mkg or 6.37 per cent. Exports of tea declined by 16 per cent to 89.82 million kg, as against 107.29 million kg in the period under review, Tea exports in July fell on account of a decline in exports from South India.

North Indian output rose by 9 percent to 348.14 mkg from 315.11 mkg. Assam which accounts for more than 50 per cent of total Indian output, continued to dominate India's tea map with a production 76.31 mkg in July, 2011, from 66.82 mkg in the year-ago period. For the period Jan-July the production increased to 234.32 mkg compared to last year's 204.50 mkg, accounting for 47.67 per cent of the country's overall output. However, there was a decline in production in West Bengal, whose production declined to 33.93 mkg from 34.43 mkg in the same period a year ago, though for the first seven months the production increased

to 110.38 mkg from 107.33 mkg of which, the share of Darjeeling tea, hailed to be the tea champagne, was 4.99 mkg.

South India's production was up by 5 per cent at 21.32 mkg, compared to 20.38 mkg in the review period, while for the first seven months the production declined to 143.45 mkg from 147.05. Tamil Nadu's output declined to 100.19 mkg from 103.27 mkg. Kerala and Karnataka also posted lower production.

Cotton Association pegs 10% rise in cotton production in 2011-12

The Cotton Association of India (CAI) has estimated the cotton production in 2011-12 to be at 363.75 lakh bales of 170 kg each compared to last year's production of 332.25 lakh bales on the back of favourable monsoon. The monsoon has been, by and large, normal throughout the cotton belt thereby pushing up the possibility of better yields. This year the crop is likely to surpass the acreage benchmark of 12 million hectares, a 10 per cent rise from the last year. CAI issued the forecast based on survey conducted by various traders, farmers and exporters by field supervisions.

The area under cotton is estimated to rise to around a record 120 lakh hectares this season. The projected balance sheet by the association estimates cotton supply at 425.50 lakh bales while the domestic consumption is pegged at 268 lakh bales, thus, leaving a surplus of 157.50 lakh bales. Though, total export is likely to remain unchanged at seven million bales during the ensuing season of 2011-12.

From the major producers, Maharashtra is likely to see three-lakh-bale rise in its production to 85 lakh bales while Andhra Pradesh's output is pegged at 63 lakh bales up by 12 lakh bales from its previous year's production of 55 lakh bales.

Meanwhile, the textile ministry has extended its export forecast for the current cotton year to seven million bales from the earlier restricted quota of 6.5 million bales. Looking to the bumper crop ahead the Association has urged the Government of India to extend the open general license (OGL) status for exports of cotton without any restrictions into the new season at the earliest in order to ensure continuity.

Government bans and lifts the onion exports

An Empowered Group of Ministers' (EGoM) at its meeting banned onion exports with immediate effect, while allowing exports of wheat and non-basmati rice. Further the group

of ministers decided to review the ban on onion exports every fortnight.

This is the second time in less than a year that the government has decided to ban exports of onion, with erratic rains affecting the cultivation of the kharif crop, and traders holding on to stocks in expectation of a rise in prices, the government has acted to pre-empt a situation like last year when prices had gone up briefly to Rs 80 a kg. The ban on onion comes two days after the Centre raised its minimum export price by \$175 a tonne to \$475 a tonne. Onion prices have been surging the past few weeks as the standing kharif crop is feared to have been affected by rain in growing areas. Earlier, the government had announced that it would sell onions at Rs 20 per kg through retail outlets of NAFED and NCCF in Delhi from September 12. Both the moves have been prompted by a surge in domestic retail prices.

Later, the Empowered Group of Ministers (EGoM) of Food had to lift the export ban because of protest of onion farmers across the India. The decision faced stiff protest from the farmers of major growing states like Maharashtra, Gujarat and Karnataka, and had to lift the ban after the farmer's assurance that there would be no shortage of the commodity in the domestic market.

Defending the government's decision of ban on onion exports, food minister said, it was taken as precautionary measure to prevent a repeat of the bad experience in December last year, when onion rates had soared to Rs 80-85 in the retail markets, by adding further he said a similar decision was taken for milk as well. In last December, the government had put restriction on exports of milk and imported milk powder in expectation of supply shortfall at home in March-April in this year.

Meanwhile, two lakh tonnes each of wheat and rice will be allowed to be exported under open general licence. As on September 1, the Centre had stocks of 33.62 million tonnes (mt) wheat and 22.71 mt rice. The EGoM also allowed exports of 50,000 tonnes of high-value 'ponni' and 15,000 tonnes of 'matta' varieties of rice. Among other key decisions, the EGoM extended the order for duty-free import of crude palm oil for one year starting October. The import duty on refined edible oil has been fixed at 7.5 per cent for another year starting October.

Ban on exports of edible oils extended by one year

The Ministry of Commerce & Industry has extended the restriction on exports of edible oils by one more year till September 2012. However, the ministry has allowed exports of edible oil in branded consumer packs with an upper limit of 10,000 tonnes. The commerce ministry

notification said, 'Now the ban on export of edible oil is extended up to September 30, 2012'.

The ban on exports of edible was originally for one year with effect from march 17, 2008, however, government extended the ban on exports from time to time and the ban was about to end on September 30, 2011. Meanwhile, the government permitted exports if edible oil in branded consumer packs with upper limit of 10,000 tonnes from November 1, 2011 to October 31, 2012. According to the notification of 2008, the export of fish oil continues to be free.

In 2010-11 crop year ending June, country produced record 31.10 million tonne oilseed. As per the fourth advance estimates made by the Ministry of Agriculture, India is estimated to have harvested a record 12.66 million (MT) of soyabean, 7.54 MT of groundnut and 7.67 Mt of rapeseed and mustard.

The production of oilseeds had cross the third estimates at 30.25 MT which was a record. As per the experts the leap in oilseeds production is bound to reduce the India's import of the vegetable oil by about 1 million tonne.

Steel ministry demands for 30% duty on iron ore exports

In order to ensure uninterrupted supply of iron ore for the domestic steel makers, the steel ministry is expected to approach the finance ministry demanding to increase the export duty on iron ore to 30% from the current 20%. A proposal in this regard has been cleared by Steel Minister Beni Prasad Verma and soon it will be sent to the finance ministry for its approval and implementation.

Earlier, in order to discourage the exports of iron ore, the government in this year's budget has increased the duty on iron ore, both fines and lumps to 20%. However, the hike was not welcomed by the iron ore industry, and termed it as death knell for the labour intensive industry.

Since the duty hike, country's exports of iron ore have declined by 21.9% to 25.3 million tonne in the first four month of current financial year to corresponding period last fiscal. And for the month of July 2011, India's exports of iron ore declined by 22.56% to 3.62 million tonnes from 4.68 million tonnes in the July 2010.

For the current fiscal year, the Federation of the Indian Mineral Industries expects export of iron ore to decline by 20% to 75 from 98 million tonnes in last fiscal year. India mostly exports its iron ore to China, which does not allow the local industry there to dock the same to protect the interest of Chinese steel makers. India's domestic production of iron ore is significantly above the domestic demand.

Reliance Life Insurance Money Multiplier Plan is a non linked non participating endowment plan. This plan not only provides protection to your family in your absence, but also creates wealth for the ever growing financial support required. This versatile plan combines the security of long-term insurance protection with the growth potential through an increasing Guaranteed Loyalty Additions every year during the policy term and a Guaranteed Maturity Addition at the end of the policy term.

Key features

Double life cover – This plan offers you a life cover of twice the basic sum assured.

Increasing life covers every year – Life cover which increases with time, through Guaranteed Loyalty Additions.

Triple survival benefits (on Maturity):

- ◆ Basic sum assured.
- ◆ Accrued Guaranteed Loyalty Additions.
- ◆ Guaranteed Maturity Addition.

Longer the commitment, higher the benefits – through an increasing Guaranteed Loyalty Additions every year and Guaranteed Maturity Additions with policy term.

A host of optional rider benefits to enhance protection cover.

Plan at glance

	Minimum	Maximum
Age at Entry	18 years	65 years last birthday
Age at Maturity	28 years	75 years last birthday
Policy Term	10 years / 15 years / 20 years	
Minimum Sum Assured	Rs 50,000	No Limit

Benefits under the Plan: Life Cover Benefit: In case of unfortunate death of the life assured before the maturity date, the plan we will pay the sum of the amounts as on the date of intimation of death to the nominee, provided the policy is in force and all due premium have been paid:

- 1) Double the basic sum assured, and

- 2) Accrued Guaranteed Loyalty Additions, if any.

Maturity Benefit: On survival of the life assured for the entire policy term, it guarantee to pay a sum of the amounts, provided the policy is in force and all due premium have been paid:

- 1) Basic sum assured,
- 2) Accrued Guaranteed Loyalty Additions, and
- 3) Guaranteed Maturity Addition

Flexible Premium Payment Modes: You have the option to pay regular premium under yearly, half-yearly, quarterly and monthly mode. Quarterly and Monthly modes are allowed only if premiums are paid electronically. The mode of premium payment can be changed on the policy anniversary.

Rider Benefits: The following optional riders are available on payment of additional premium over and above the basic premium provided conditions on riders (entry age, policy term, sum assured) are satisfied. These rider benefits can be selected on commencement of the policy or on any policy anniversary during a policy term.

1. Reliance New Major Surgical Benefit Rider: Provides lump sum amount to cover surgical expenses from a list of 33 surgeries including Open Heart surgery, Kidney Transplant, Cornea transplantation, Transplant of Lungs and many more.
2. Reliance New Critical Conditions (25) Rider: Provides lump sum amount to take care of 25 critical conditions including Cancer, Heart Attack, Paralysis, Major Organ transplant and many more.
3. Reliance Term Life Insurance Benefit Rider: Provide additional death benefit depending on the sum assured selected under the rider.
4. Reliance Accidental Death and Total and Permanent Disablement Rider: Provide additional death/disability benefit if the death/disability occurs as a result of an accident. Also, the Waiver of Premium benefit under the rider continues the plan in case of disability.

Guaranteed Loyalty Additions: The plan pays Guaranteed Loyalty Additions up to 210% of the basic sum assured provided all due premiums are paid in full. Guaranteed Loyalty Additions will get added to the sum assured at the end of each policy year.

Guaranteed Loyalty Additions (in the Xth year) = 1%* X (*Basic Sum Assured)

Policy Term (yrs.)	Total Guaranteed Loyalty Additions accrued at the end of policy term	Total Guaranteed Loyalty Additions Accrued at the end of policy term in Rs.	Guaranteed Maturity Addition (as a % of basic sum assured)	Guaranteed Maturity Addition (as a % of basic sum assured)
10	55%	55,000	10%	10,000
15	120%	1,20,000	15%	15,000
20	210%	2,10,000	20%	20,000

In case of surrender

Surrender the policy: The policy acquires a surrender value after three full year premiums have been paid. The surrender value is payable only after completion of three policy years. The surrender value payable is higher of the Guaranteed Surrender Value (GSV) and Special Surrender Value (SSV). Once the policy is surrendered in full, it cannot be reinstated.

Guaranteed Surrender Value: It guarantee a minimum surrender value of 30% of the total premiums paid excluding first year premium, rider premiums and extra premium paid, if any.

Special Surrender Value: The Special Surrender Value is an amount equal to surrender value factor mentioned in the table below multiplied by paid up value payable at maturity, where Paid up value payable at maturity = Basic sum assured* (number of premiums paid / total number of premiums payable) plus Accrued Guaranteed Loyalty Additions.

The current Surrender value factors shown in the table below vary according to the policy term and policy year of surrender.

The surrender value factor applicable to the paid up value are as given below:

Completed policy Years	Policy Term 10	Policy Term 15	Policy Term 20
1	0%	0%	0%
2	0%	0%	0%
3	30%	20%	15%
4	40%	27%	20%
5	50%	33%	25%
6	60%	40%	30%
7	70%	47%	35%
8	80%	53%	40%
9	90%	60%	45%
10	100%	67%	50%
11	-	73%	55%
12	-	80%	60%
13	-	87%	65%
14	-	93%	70%
15	-	100%	75%
16	-	-	80%
17	-	-	85%
18	-	-	90%
19	-	-	95%
20	-	-	100%