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Vol. 1011/70, December, 2010

The Monthly Business Magazine from Inter-connected Stock Exchange of India Ltd.

CORRUPTION

In India: A Billion Dollar Industry

- Global Economy is still expected to be on shaky ground in the medium term...
- Tata Global (Fundamental Facts)
- Hostile Takeover

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CoRRupTion

Cover Story pg 3

In India: A Billion Dollar Industry

Honest and dedicated persons in public life, control over electoral expenses could be the most important prescriptions to combat corruption. Corruption has a corrosive impact on our economy. It worsens our image in international market and leads to loss of overseas opportunities.

Personal Finance:

Car Loan Interest Rates in India

pg 21

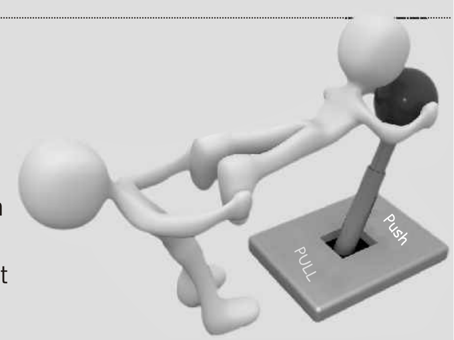
The car loan interest rates you will be charged and the loan amount you will be eligible for will vary by bank, and will depend primarily upon the model of car, the tenure of your loan, your income, your employer, your work experience and your residence stability....

Anand Wadadekar

Hostile Takeover

pg 30

Some analysts feel that hostile takeovers have an adverse effect on the economy, in part because they often fail. When one company takes over another, management may not understand the technology, the business model or the working environment of the new company.



Corruption has a corrosive impact on our economy..

A corruption in India is the root cause of many problems. Corruption has a corrosive impact on our economy. It worsens our image in international market and leads to loss of overseas opportunities. As per Wall Street Journal's report, **Indians illegally hold a whopping US$ 462 bn in overseas bank accounts.**

After 2008 market's slow down, now again economy activities are rising. Global concerns are not such attractive; especially Europ and Western countries are not showing fast recovery. Regarding **Eurozone economies, their problems will not go away very easily.** Greece has a debt/GDP ratio of 113%, and has been facing huge pressure in servicing its debt. **The Irish economy has been under the throes of a financial crisis** for two years now. Experts blame it on the same malaise that has struck the rest of Europe and the US - too much debt and a housing bubble.

The cumulative net foreign fund inflow into the market since investors from abroad were allowed to invest in Indian stocks in 1992 crossed the $100 billion mark.On the global presence, **India has emerged as the second largest net importer, after US, with a net import of US$ 69 bn** in 2009.

India is the third largest economy in Asia and the second in the world in terms of growth. But it is also home to the poorest people in the world. As per the chief of the world's largest retailer Wal-Mart, India needs to concentrate on pulling these people out of poverty in order to sustain economic growth.The latest report by Indian Labour Bureau on household unemployment came in as much as a shock to us. It shows that **9.4% of India's labour force is unemployed. Here labour force comprises 35% of India's population.**

Microfinance industry which was brimming in liquidity a few months back is now facing a cash crunch. It is running so dry that it has asked for emergency funds of Rs 10 bn from banks.

The Editor
ISE Research Cell

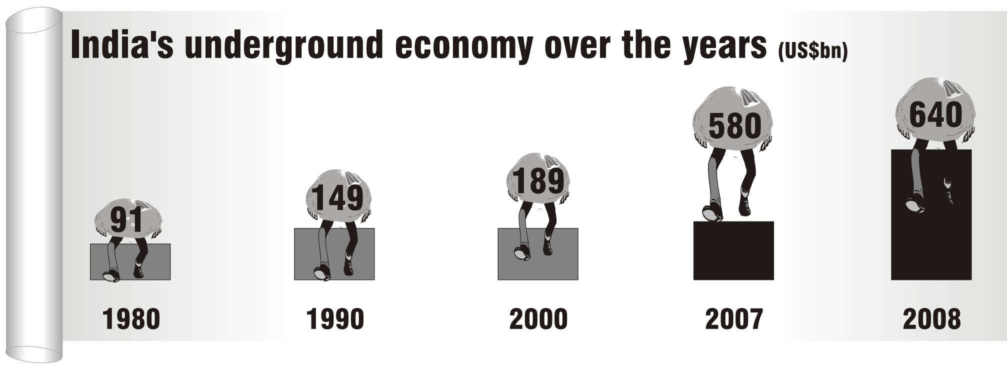
"Power tends to corrupt, and absolute power corrupts absolutely."

It is not easy to define corruption. But in a narrow sense, corruption is mostly concerned with 'bribery' and it takes several forms. Corruption is a global phenomenon and it is omnipresent. Corruption has progressively increased and is now rampant in our society.

CORRUPTION In India: A Billion Dollar Industry

The past few days have not been good for a firm believer in the India growth story. Three instances of large scale corruption have come to light and that too, at about the same time. Already, Transparency International, the international watchdog for corruption has downgraded India in its corruption rankings. And going by the turn of events, it will not be surprising to see India slip further.

India Inc. on the other hand seems to be emboldened by the recent admission by Ratan Tata that his conscience didn't allow him to bribe a minister in order to enter an industry. Others too have come out in the open and have admitted that corruption is indeed a part of the cost structure of doing business. As most of them point out and also does the Wall Street Journal, the creation of a truly independent and empowered anti-corruption agency may help stem the rot. But what remains to be seen is whether there will be any inclination at all towards establishing the same.



> "Honest and dedicated persons in public life, control over electoral expenses could be the most important prescriptions to combat corruption. Corruption has a corrosive impact on our economy. It worsens our image in international market and leads to loss of overseas opportunities."

So what is the number that you can put to the level of corruption in India? The task seems tough. But as per the Wall Street Journal, a US-based company has tried to measure India's corruption cost. As per its report, Indians illegally hold a whopping US$ 462 bn in overseas bank accounts. And this is all the money that has been transferred to these accounts over the past sixty years!

According to it, between 1948 and 2008, around $462 billion (Rs20.92 trillion) was siphoned out of the country; strangely, this trend increased in the period of accelerated economic liberalization beginning 1991it claimed that the rate of growth of illicit outflows was 16.4% in this period, little less than double the average of 9.08% between 1948 and 1990. Very counter-intuitive because the lifting of controls normally denies perpetrators the incentive to duck the regulatory system.

The chart's highlights the fact that over the years not only has India grown above ground but under it as well. In other words, it shows how the size of India's black economy has leapfrogged just as its real GDP growth. On a percentage of GDP basis, in 1980, the underground economy formed nearly 53% of the India's official economy. Nearly three decades later, there hasn't been a significant decline in the ratio with the unofficial economy forming 50% of India's white economy and amounting to a whopping US$ 640 bn. Little wonder, India is home to perhaps the largest number of people who evade taxes.

Corruption in India is a consequence of the nexus between Bureaucracy, politics and criminals. India is now no longer considered a soft state. It has now become a consideration state where everything can be had for a consideration. Today, the number of ministers with an honest image can be counted on fingers. At one time, bribe was paid for getting wrong things done but now bribe is paid for getting right things done at right time.

Indian administration is tainted with scandals. Corruption in India leads to promotion not prison. It is very difficult to catch 'big sharks'. Corruption in India has wings not wheels. As nation grows, the corrupt also grow to invent new methods of cheating the government and public.

A 2005 study done by Transparency International (TI) in India found that more than 50% of the people had firsthand experience of paying bribe or peddling influence to get a job done in a public office. Taxes and bribes are common between state borders; Transparency International estimates that truckers pay annually US$5 billion in bribes. A 2009 survey of the leading economies of Asia, revealed Indian bureaucracy to be not just least efficient out of Singapore, Hong Kong, Thailand, South Korea, Japan, Malaysia, Taiwan, Vietnam, China, Philippines and Indonesia; further it was also found that working with India's civil servants was a "slow and painful" process.

Causes of corruption:

The causes of corruption are many and complex. Some of these are:

- Emergence of political elite who believe in interest-oriented rather than nation-oriented programmes and policies.
- Artificial scarcity created by the people with malevolent intentions wrecks the fabric of the economy.
- Corruption is caused as well as increased because of the change in the value system and ethical qualities of men who administer. The old ideals of morality, service and honesty are regarded as an achronistic.
- Tolerance of people towards corruption, complete lack of intense public outcry against corruption and the absence of strong public forum to oppose corruption, this allows corruption to reign over people.
- Vast size of population coupled with widespread illiteracy and the poor economic infrastructure lead to endemic corruption in public life.
- Complex laws and procedures alienate common people to ask for any help from government.
- Election time is a time when corruption is at its peak level. Big industrialist fund politicians to meet high cost of election and ultimately to seek personal favour. Bribery to politicians buys influence, and bribery by politicians buys votes. In order to get elected, politicians bribe poor illiterate people, who are slogging for two times' meal.

What corporates say is that corporate tax should be abolished. It may on the face of it sound facetious or the wild imagination of a free market votary. Not so if you hear out the authors. According to them, companies are a means to generate income for individuals; taxing them would therefore be tantamount to double taxation. At the same time, it would provide a greater incentive for companies to plough back profits, provide more investible resources, reduce compliance costs, and most importantly, completely eliminate lobbyingthe genesis of crony capitalism and graft.

Politicians are bound to react adversely to this. Just as they have done in the move to create a uniform goods and services tax regime that, among other things, would have unified the country as one market and provided for transparency.

But power is with the people. The momentum is towards some kind of systemic change. The constellation of circumstances suggests that something radical (and not the usual lip service) needs to be done. The proposal by Kelkar, a former finance secretary and someone who has advised on some key tax reforms, may be a good starting point.

Some suggestive measures to cure this ailment:

- Responsiveness, accountability and transparency are a must for a clean system. Bureaucracy, the backbone of good governance, should be made more citizen friendly, accountable, ethical and transparent.
- More and more courts should be opened for speedy & inexpensive justice so that cases don't linger in courts for years and justice is delivered on time.
- Local bodies, Independent of the government, like Lokpals, Lokadalats, CVCs and Vigilance Commissions should be formed to provide speedy justice with low expenses.

Corruption is an intractable problem. It is like diabetes, can only be controlled, but not totally eliminated. It may not be possible to root out corruption completely at all levels but it is possible to contain it within tolerable limits. Honest and dedicated persons in public life, control over electoral expenses could be the most important prescriptions to combat corruption. Corruption has a corrosive impact on our economy. It worsens our image in international market and leads to loss of overseas opportunities. Corruption is a global problem that all countries of the world have to confront, solutions, however, can only be home grown. There is hope yet. I am convinced that there are enough honest people in this country; it is just that they need something to be galvanizedthe present sorry state of affairs may well be that trigger.

For any comments write to research@iseindia.com

Global Economy is still expected to be on shaky ground in the medium term...

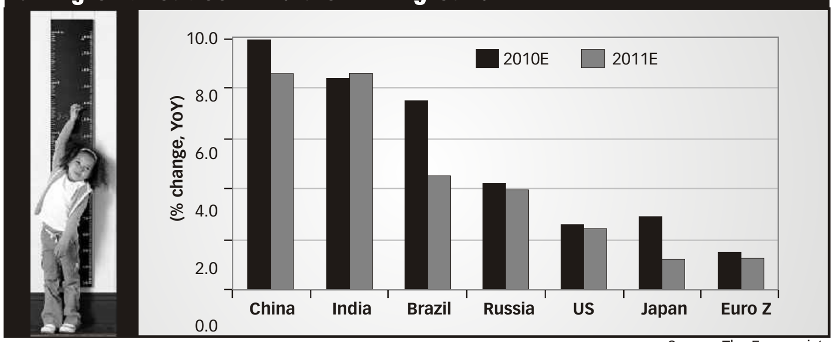
How do India will sustain double digit growth rate?

The Indian economy seems back on track. Stock markets are booming. Everything seems hunky dory. And policymakers are getting optimistic, and even suggesting that the Indian economy will soon return to the 9% growth path.

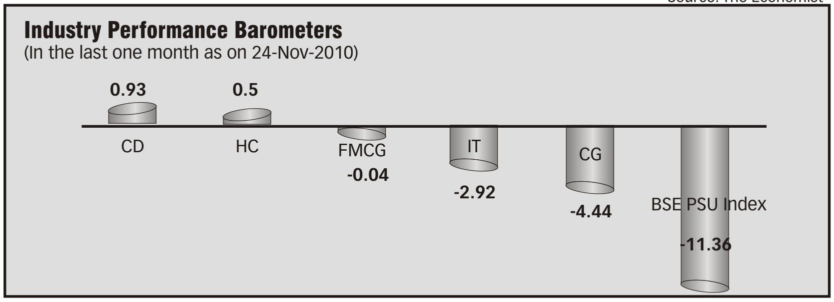
This optimism with respect to sustained economic growth is what is the fearful part here? A large part of the current recovery in emerging markets like India is a result is due to our connection to the western world. **Central banks there are printing money like there's no tomorrow.** And, in search for higher yields, that money is flowing straight to emerging markets like India, spurring growth here.

The fear is - **what happens when this tap of easy money supply runs dry?** India is growing, and growing fast as of now. But then, how much of this growth is real and how much is stimulated? We're not sure what the answer to this is.

GDP growth outlook: India on firm ground



Source: The Economist



Source: ISE Research Team

The growth of the global economy is still expected to be on shaky ground in the medium term. Not surprisingly, emerging economies are growing way faster than their developed peers. However, despite GDP growing in 2010, most nations are likely to see slowdown in growth in 2011. But that may not be the case with India. As the chart shows, **India is expected to maintain GDP growth in both 2010 and 2011 at 8.4% plus.** Even China, which despite growing faster than India in 2010 would see its growth moderate in 2011 at par with India's.

India has come out of the financial crisis with its reputation intact and is looking to grow even stronger in the years ahead. They are of the opinion that India does not need major structural reforms like higher levels of foreign investment or improvement in the lagging agricultural sector. A double digit growth can be achieved even without these reforms, as Govt believes.

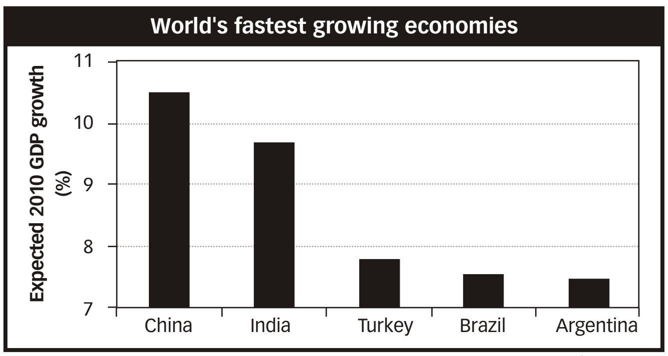
The country's foremost monetary authority, the RBI Governor however thinks differently. The RBI Governor has warned that the country needs a 'quantum step' in investments to achieve the ambitious double digit economic growth rate forecast.

Indeed, this statement by the RBI Governor pits him against another formidable luminary Dr Manmohan Singh. But we believe the RBI Governor could well be right here. A few small reforms could no doubt help us grow our GDP at above average rates in the near term. But we will undoubtedly need massive investments if we were to have a sustainable double digit growth rate. To put things in perspective, China's investment rate is about 55% of the size of the economy. In comparison, India spends just 35% of its GDP on investments.

Furthermore, just thinking about greater investments may not be enough. India also needs massive infusion of funds from foreign sources. And mind you, it is not the volatile foreign inflows from FIIs that the Governor is talking about. These, we believe, are of little use. What we instead need is greater FDI. Sadly, the same is getting very little attention from our policymakers. Thus, the next time someone talks about double digit growth rates in India; do not believe him unless he comes up with evidence of how the huge investment and financing needs are going to be fulfilled. A harsh but a rather timely warning from the RBI Governor we believe.

"India's future depends on it (good infrastructure)." This is what a Time magazine report suggests in a piece on the state of India's infrastructure. The report goes on to state how the Indian government and companies are getting active about sprucing up the country's dilapidated infrastructure. But then it adds even the currently planned infrastructure won't be enough for the country, given the huge deficit. One key sector when the gap between demand and supply will take long to fill is power. Even in the case of roads, the progress is painfully slow. Then there are issues of land acquisitions that infrastructure developers have to contend with. Amidst these problems with India's hard infrastructure, there lie the issues with soft infrastructure - like education, water supply, and medical care - that are in equally poor state.

Overall, as Time writes, "For India, there is still the old business of nation-building, and for that there is no substitute."



Source: IMF

Rapid GDP growth:

The Organization for Economic Cooperation and Development (OECD) has raised its growth forecasts for the Indian economy from 8.3% to 9.1% for FY11. The Paris-based organization said that there were signs that the economy was shifting from the recovery phase to one of sustained growth on the back of a strong rebound in the agricultural sector. **However, the OECD growth forecast should not be confused with Government of India's projections for this fiscal at 8.5%, since the methodologies differ.** While India calculates GDP by excluding indirect taxes, OECD includes these taxes for its calculation of GDP.

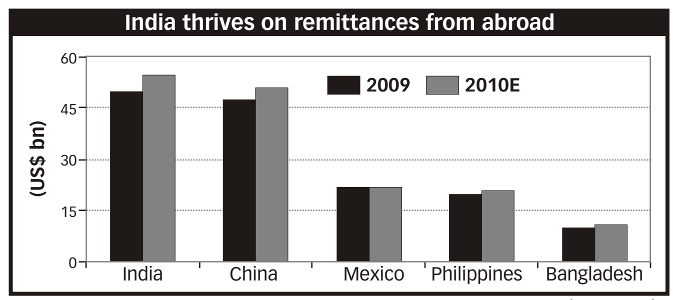
Meanwhile, the grouping has projected the global economy to grow 4.6% this year and 4.2% in the next. However, OECD has warned that risks to global recovery could be higher in the wake of speed and magnitude of capital inflows in emerging market economies and instability in sovereign debt markets

The emerging markets are changing the pecking order of the world. While the developed world is struggling to grow, the emerging markets are zooming ahead. While in terms of the size of thier GDP, the emerging economies may not be as big as the developed ones, but they are growing fast enough to narrow down the gap and are posed to soon overtake the latter. As seen in the chart, the **top 5 economies in terms of GDP growth for 2010 would be emerging economies.**

The emerging markets may make up only 20% of the world's market value but account for nearly 80% of the world's total population. This growing population and the resultant growth in the wealthy middle class is resulting in the increase in demand for consumer goods. This in turn leads to a booming industry and in turn a booming economy. This combined with sensible banking institutions and governments that do not believe in loading on too much debt, makes emerging markets the place to be during this crisis. **The GDP of the emerging markets has already surpassed the GDP of most of the developed world.** For the rest, the gap is closing rapidly. Moreover the emerging markets would easily be able to surpass the developed world in terms of the growth in GDP in coming years. Maybe it is high time we stopped addressing them as 'emerging' and start calling them the 'emerged' instead.

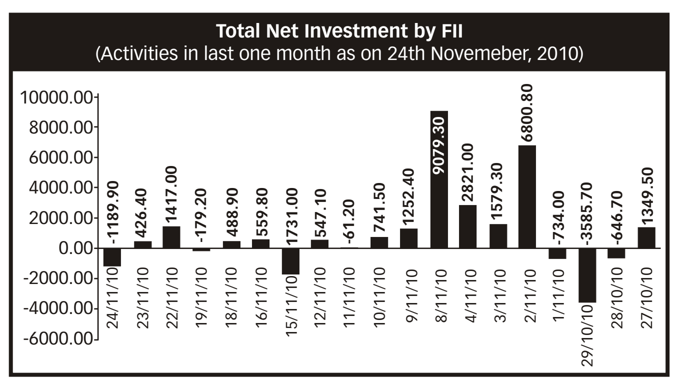
Remittances flow in India:

The Indian community is established all across the world. And so the remittances that India gets from Indians settled abroad plays an important role in augmenting the current account balances of the country. **India leads the pack in terms of the amount of remittances it received in 2009 and expected to garner in 2010.** China has followed a close second.



Source: The Economist

FII/DII Investments



FII inflow crosses $100 billion

The cumulative net foreign fund inflow into the market since investors from abroad were allowed to invest in Indian stocks in 1992 crossed the $100 billion mark on November 8, 2010.

Sebi data showed that with an addition of $1.6 billion, the figure now stands at $100.9 billion. Given the strong inflow of FII money into the India market, it was expected to cross this milestone before the end of the year. Interestingly, during the first eight days of the current month, net FII inflow into the market has already crossed $3.5 billion, about a third of this coming through the Coal India IPO.

A report in a daily newspaper, FIIs have increased their stake in 25 out of the 30 Sensex companies during the September 2010 quarter. And this has, quite logically, driven up the prices of these stocks. For example, HDFC Bank saw a large rise in FII ownership during the quarter. As a consequence, its stock is up nearly 30% over a mere three month period. At the same time, RIL saw a fall in FII shareholding, thus causing an over 9% fall in its price. Such instances draw light to two blatant facts, which when put together, reveal a discomforting picture.

One, FII buying or selling has an overwhelming effect on stock prices of Indian companies. Two, FIIs are an impulsive and capricious lot. The fundamentals of India and its companies do not change very drastically from time to time. But the herd driven buying and selling from FIIs does. The current tide is in favour of stock prices. However, this does not mean that this will always continue to be the case going forward. Hence, investors need to wait for the right time to buy stocks at attractive prices. And not base their investment decisions on what the FIIs are doing.

Managing capital inflows has been a priority for most central bankers in emerging markets. Especially ever since the US Fed took it upon itself to supply ultra cheap liquidity to global markets. The likes of Brazil also introduced taxes on excess capital inflows to avert asset bubbles. However, the seemingly conservative Indian central bank has so far shown inaction when it comes to curbing excess forex inflows. A large current account deficit is cited as the key reason. But in an interview, **former RBI governor Dr. Y. V Reddy has opined that it is in India's interest to keep all options open. Especially, when it comes to regulating fund flows.** That said he confirmed that taxing capital inflows should be one of the instruments for the RBI to avert asset bubbles. Dr. Reddy has been credited with safeguarding Indian banks from the global financial crisis in 2008. And given such credibility, his views on the hazards that capital inflows are posing to the Indian economy, are indeed worth reckoning.

Indian equity markets are predominantly driven by two set of investor's - the FII's and the domestic fund houses. However, rarely do their entry and exit timing match. At a time when FIIs were on a buying spree since the beginning of this fiscal, fund houses saw huge redemption pressures. **However, after a lull of five months domestic fund houses have at last turned net buyers in equity during November.** Though the figure is miniscule it is expected to increase gradually as mutual funds have started receiving fresh money from retail investors. The higher risk appetite amongst retail investors has been attributed to success of IPOs like that of Coal India. While that may not be a good reason for retail investors to invest into equities the fact that most of the inflows are through the SIP (systematic investment plan) route is encouraging.

Import and Export:

Along with China, India has now emerged as a major player for creating demand in the global scenario. China is the world's largest exporter of goods with a net export of US$ 349 bn in 2009. On the other hand, **India has emerged as the second largest net importer, after US, with a net import of US$ 69 bn** in 2009. Through its imports, India has injected the much needed demand in the global markets. In turn, it has also helped in creating employment opportunities. It has hence provided a helping hand in sustaining the global economies.

India has always been a net importer and this has historically been viewed as a negative sign. However, with the onset of the crisis, there has been a huge demand imbalance in the global economy. And India has emerged as a new balancing force.

Unemployment Vs Growth rate:

When we read about unemployment rates close to 10% it is most likely that we have the US on our mind. After all the economy has been crying hoarse over joblessness. Also it has been accusing developing economies like India of taking away many of them. But what if we were to tell you that despite importing most of the developed world's outsourced jobs, India has a jobless rate close to that in the US?

The latest report by Indian Labour Bureau on household unemployment came in as much as a shock to us. It shows that **9.4% of India's labour force is unemployed. Here labour force comprises 35% of India's population.** While the unemployment rate for males stood **at 8% that** for females stood at **14.6% in** 2009. The numbers this time are a quantum jump from the meager 2.8% unemployment rate reported by the NSSO in 2008. Although the global economic recession is cited as the main reasons for the same. In fact the earlier numbers are vastly suspected to be inaccurate. As per the US based CIA (Central Intelligence Agency), India's unemployment number was double that of China in 2009.

Whatever be the reason, the fact remains that India is not creating enough jobs for its growing youth. And whether or not the outsourced jobs come to us, India will have to ensure that unemployment does not come as a huge opportunity cost to the economy. We believe the government and the private sector have a huge task ahead for themselves. That of providing employment to the huge masses of people that comes out of India's educational institutions every year. In the event of failing to do so we may be calling for a crisis much bigger than that in the US.

Policy Review:

Economy Growth must be reach to weaker sections:

India has been growing at a blistering pace over the last few years. Strong policy framework and buoyant macroeconomic environment has ensured India a top place amongst the fastest growing economies of the world. However, what is alarming is the fact that despite registering strong growth over the last few years, the income disparity levels in India are high.

The Finance Minister believes that economic growth sans any benefit to the weaker section of the society is not in national interest. We could not agree with him more. India needs to adopt prudent policy measures and act on it soon so as to bridge the gap between the affluent and weaker sections of the society. For that to happen, banks will have to expand their reach and contribute to the inclusive growth of the country. Till such time, the high GDP figures that we all talk about would merely remain a statistical number rather than anything else.

India is the third largest economy in Asia and the second in the world in terms of growth. But it is also home to the poorest people in the world. **As per the chief of the world's largest retailer Wal-Mart, India needs to concentrate on pulling these people out of poverty in order to sustain economic growth.** This view is further endorsed by French company Alcatel, which states that by spreading out benefits of the economic growth, India can create more consumers. This would further boost the economy wherein growth is largely dependent on domestic consumption. Unless the benefits are well spread out, the economic divide would just continue to grow. This would be detrimental to our future and to the demographic dividend that we so proudly boast of as of now.

Trend and Insight

Consumer demand

It's the return of the Indian consumer. Two years after the Indian consumer started downtrading in response to the economic crisis and higher commodity prices, the trend has reversed. As per a report by Booz and Company, **Indian consumers have started uptrading and are buying premium personal products and foods.** This increasing sophistication in buying habits stems from higher income and the desire to look good. As a result, there is a strong demand for premium personal products and health and wellness foods with several categories growing by double digits. With the consumer goods market expected to grow by 17% annually to become almost 5 times its current size by 2020, India is seen as "strictly not to be missed" by international MNCs. While the Indian consumers are going to be spoiled for choice, the real winners will be companies which can anticipate demand rather than follow the trends.

Employment Immigration:

The rural India no longer needs to migrate to the cities to gain employment. New sectors like telecom, microfinance, rural BPOs, etc. are providing them with lucrative opportunities in their own home towns. In earlier days big cities like Delhi and Mumbai were the hot destinations for the youths of the rural world, especially for the educated ones. However, very few of them did well. Higher cost of living ate into their incomes leading to lower standards of living and almost negligible savings.

With the new wave of rural BPOs and micro financing, companies in these sectors are now actively seeking people in the smaller towns. Even telecom companies are providing opportunities to the rural community in the form of managing and maintaining their numerous telecom towers. If this continues, then soon the migration from rural to urban India would stop. And the economic divide between the two would start to even out.

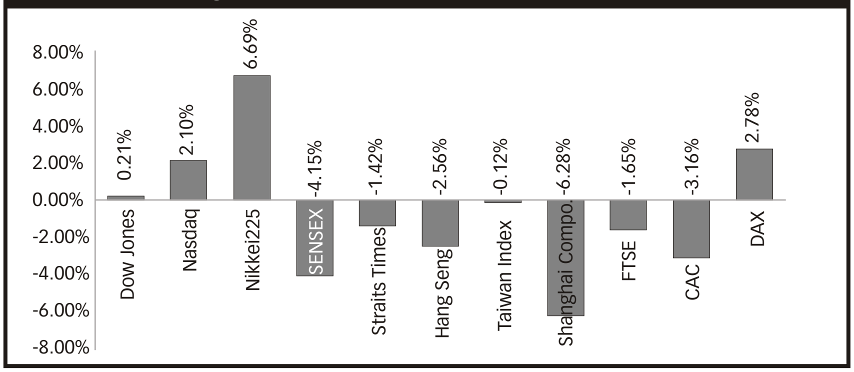
Global Economy

Surging Currency

The US introduced a second round of quantitative easing with the desperate hope of reviving its economy. The misguided notion being that releasing more money would induce Americans to spend. With the unemployment rate still being high, it seems unlikely that the average American is going to loosen his purse strings anytime soon. But what this money will do is find its way into the much faster growing Asian economies. And therein lies the problem.

Quantitative easing by the US is threatening to spur asset bubbles in the region's stock, currency and property markets. And so, the **World Bank has suggested that Asian economies may need to turn to capital controls.** The effects have already begun to felt in the Asian region. In India, for instance, foreign money has gushed into Indian equities. As a result valuations of most stocks have reached unjustifiable levels. Real-estate prices are a concern in China, Australia and parts of Southeast Asia. Japan, Thailand and Malaysia have seen

World Exchanges Performance (%) in last 1-month as on 24-Nov-2010



Source: ISE Research Team

their currencies surge more than 10% against the dollar this year. Many of them have started imposing short term measures. These include intervening in the currency markets, withdrawing tax exemptions, etc. But Asia stands on a precarious edge. Especially since the formation of asset bubbles seems more and more imminent.

Can We Replacing Dollar?

The global meltdown, poor recovery in the US, huge deficit and the rise of other currencies versus the US dollar has raised this question. But **according to RBI Governor D Subbarao, replacing the dollar as a reserve currency will not be an easy task.** The sheer size of the American economy and its major share in global trade are deterring factors. The US dollar has however been falling steeply versus other currencies for a while now. The Indian rupee in fact has gained more than 5% against the dollar. While this is good for our import bill, exports of software, etc have been affected. Since there is no worthy replacement yet, the dollar shall continue to have its premium place as the world's reserve currency. Whether we like it or not.

US economy in doldrums:

You might have been hearing for long that the US economy is in doldrums and crafting a recovery would be painstaking task for the Federal Reserve. Rising unemployment rates, worsening fiscal deficit and increasing debt burden have all been making the headlines very often and for the right reasons. However, we seem to have found a contrarian who believes that the US economy is ripe for a positive up move despite the pessimism projected by noted economists. He is none other than Jeremy Siegel, a professor at the University of Pennsylvania's Wharton School. Siegel is of the view that," **long term economic growth depends on productivity growth and not on the debt load of the consumers".** And the productivity growth in the US has been accelerating above the long term average which should generate the income necessary to propel the economy forward. However, we slightly digress with Mr Siegel's views. Agreed that productivity growth will generate the income necessary to propel the economy but for an economy to prosper over a longer term that income has to be invested to have a multiplier effect. And the US consumer right now is lacking that much needed confidence to part with his income.

A GDP of US $14.6 trillion. National debt of US $13.7 trillion. The US has the world's highest GDP. But, it is almost completely backed by debt. Despite this fact, it has an 'AAA' rating by Moody's. This is the highest credit rating given by the agency and signifies 'minimal credit risk'. **The US needs to soon start following measures to reduce its debt spiral, else it will lose its AAA sovereign rating.** According to Moody's, implementing a plan from Obama's commission on reducing the federal deficit will help safeguard its credit standing. This commission proposed a US$ 3.8 trillion plan to reduce the deficit. The plan includes cutting down Social Security and Medicare costs. It also plans on reducing income tax rates, increasing gasoline taxes and eliminating tax breaks, among others. These measures will help reduce the annual deficit from US $1.3 trillion now to a manageable level of US $400 bn by 2015. However, not surprisingly, this stringent plan was met with strong opposition in Congress. It will be an extremely uphill task for the commission to come up with a plan to reduce the federal deficit and keep everyone happy.

Global Economy and Debt:

The world's wealthiest nations may soon lose their title. Very soon, they will go from being most admired, to most indebted. Governments in **advanced nations will need to borrow at least US$ 10.2 trillion by 2011, according to the Wall Street Journal.** Fifteen of these countries including USA, Japan, UK, and Greece will need this money for debt repayments and to finance their ballooning deficits. The amount needed exceeds 1/4th of their combined GDP! With sovereign debt in a sorry state, governments are taking the easy way out. More quantitative easing and currency devaluing are thus in order.

Columbia professor and Nobel Prize winner Joseph Stiglitz was pessimistic about economic decisions in the US in his aptly titled book 'Freefall' in the beginning of 2010. However, in a recent interview, he claims that things have recently become even worse. He **believes that QE-2 will prove largely ineffective.** And since the US is moving to a political gridlock, instead of stimulus packages, only cutbacks will now be in order.

Regarding **Eurozone economies, he believes that their problems will not go away very easily.** Greece has a debt/GDP ratio of 113%, and has been facing huge pressure in servicing its debt. Japan on the other hand has a debt/GDP ratio of 200%. But, it has been able to repay debt quite easily. Why is that? According to Stiglitz, the main reason the Euro nations are in trouble is that their interest rates are high. Thus, servicing existing debt and raising further debt becomes more difficult. Either way, without strong structural reforms and market discipline in these countries, any solution will be short-lived. The actual recovery may take years.

The Irish economy has been under the throes of a financial crisis for two years now. Experts blame it on the same malaise that has struck the rest of Europe and the US - too much debt and a housing bubble. Government finances are in tatters. Hundreds of businesses have closed down. And unemployment is on a rise there. Amidst all this, **European policymakers are now urging the country's government to take an emergency aid to contain the crisis** somehow. "The chances are rather big that at some point they need to ask for financial assistance just to calm down the situation," says an economist on the Irish crisis.

Japan's burden

Nouriel Roubini hogged the limelight when he predicted the global financial crisis. And he has not painted a rosy outlook for either the US or Japan going forward. He opines that while **the developed world will show 'anemic' growth, Japan is an accident 'waiting to happen'.** Japan has been in a near depressive state for 15 years now. And not enough has been done in terms of structural reforms to revive the economy. To make matters worse, politically too the country has reached a total stalemate. The population of Japan is ageing. This has translated into massive unfunded liabilities for the public sector. Productivity is low. And to top it all, the Bank of Japan has taken a leaf out of the US Fed's book. It lowered its benchmark interest rate and pledged to spend 5 trillion yen (approx. US$ 62 bn) to buy assets including government bonds and corporate debt. Things are indeed not looking good at all for the Japanese economy.

US Vs China Heat:

The US and China just can't get enough of each other these days. While the US keeps accusing China of manipulating its currency, the latter is lashing out at the US attempt to devalue the dollar significantly. The latest to jump on the bandwagon is Ben Bernanke. **The Chairman of the US Fed is firmly of the belief that he certainly does not deserve all the flak coming his way on account of the quantitative easing.** In an article in FT, he argues that he is being forced to do so because China is refusing to appreciate its currency and reduce its surplus.

"Currency undervaluation by surplus countries is inhibiting needed international adjustment and creating spillover effects that would not exist if exchange rates better reflected market fundamentals", Bernanke is believed to have said. While we agree that China does indeed need to reduce its surplus and boost consumption at home, the US has not done itself a huge favour either by letting things go out of hand. Its loose monetary policies helped build this giant financial bubble at home and now it conveniently shifts the blame on China as it tries to rebuild its economy and put millions of employees back to work.

Things are not going too well for the dollar. After enjoying the undisputed status of the world's reserve currency for many decades, its reputation has now begun to erode. Infact, **JP Morgan opines that the dollar will become the world's weakest currency.** And this is all due to the US Fed's loose monetary policies. The US economy has failed to come out of a slump ever since the global financial crisis intensified. The US Fed since then has been on an overdrive, reducing interest rates to near zero and introducing massive stimulus packages all with the hope of reviving the economy. But sadly, these measures have not really taken off. With the unemployment rate hovering a tad below 10%, Americans are not willing to spend at the pace that the Fed has been envisaging. Meanwhile, US' deficit has swelled. This has then raised doubts over the sustainability of the dollar as the world's strongest currency.

Since the onset of the crisis, China has been in the limelight of the world stage. While the developed world has been reeling under pressure, China's growth numbers have been spectacular. A 9.6% growth in GDP is considered as slow for China. Economists and experts feel that China will lead the world out of the slowdown. True, it accounts for nearly one fifth of the world's GDP growth. But its markets only account for 1-2% of the world's GDP. While Chinese markets play a vital role to its immediate neighbors, the exports from other countries to China only contribute 1-2% towards their own GDP. While it is true that exports have a rippling effect in the economic development of the country, however, the ripple benefit alone will not lead to a very spectacular growth for the country. Therefore, while China will certainly contribute towards global recovery, it does not appear that it alone can also pull all the countries out of their miseries.

US & China Currency War

Just like 'green shoots' a year ago, the term 'currency war' has been in the limelight over the past few weeks. And the two major contesting parties here are the US and China. So while the US is printing dollars in loads that will lead to devaluation of its currency, China is not letting the Yuan rise. Now the Group of 20 or **G-20 has been assigned the task to tackle this US-China currency war.**

The global economy has barely come to terms with the massive debt burden that most large economies are saddled with. Growth has been restricted to few emerging markets. And asset bubbles are threatening to bring in another catastrophe. Amidst this, the outcome of the economic battle brewing amongst arguably two most powerful nations is most feared.

The US and China have brought such distress to the sagging global economy. The currency war is just the tip of the iceberg. In the latest move, **China has gone ahead de-rating the US sovereign debt from its erstwhile AAA status.** This could irk the US and induce it to increase pressure on China's currency policy.

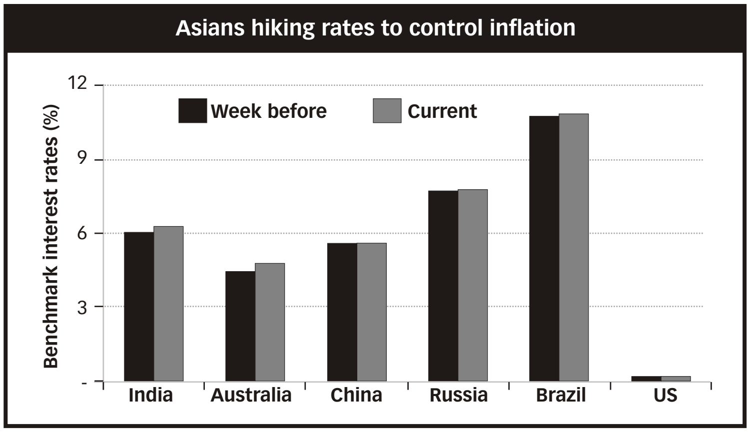
Although experts have suggested solutions to this currency battle, the ceasefire may not be very soon. De-rating US debt could hurt the value of China's massive dollar reserves. At the same time China's unwillingness to tweak its currency policy may continue to render US made products unaffordable. Thus neither of the economies may derive any benefit from this spat. The Yuan's candidature as an alternative reserve currency is also ruled out.

Whatever be the outcome, the end result is unlikely to be benign for the global economy. When the world's largest and fastest growing economies have locked horns there is little respite that others can get.

China is traditionally considered to be a communist economy driven mostly by internal politics and not profits. However, it is **interesting to note that Chinese state owned firms are on an acquisition spree. They having accounted for a tenth of the cross borders deals by value this year.** And the reasons are obvious. China has a vast pool of savings. And these savings are gradually channelized in overseas markets to acquire raw materials, get technical know-how and gain access to foreign markets. However, considering China's opaque political background, most countries are resisting China's advances despite the lure of much needed capital.

Inflation

Inflation, hyperinflation, deflation and stagflation. If coming across such jargons in business dailies on a regular basis makes you feel like an economist, brace yourself for some more. The latest trend in price rise of food items globally may induce experts to coin the term 'agflation'!



Data source: Central banks of respective countries

Going by statistics, world food imports will cross a landmark US$ 1 trillion this year. Thanks to surging prices of agri commodities, the global cost of importing food items is expected to jump 15% YoY. The sharp rise in grain, sugar and oil seed prices, in particular, has caused a major concern to the United Nations. The price increases largely reflect scarcity in export supply. However at the same time, global competition for securing foodstuffs in short supply is set to intensify. In addition, world output of grains like corn, barley and rice are expected to drop by around 2% this year! Certainly, difficult times ahead for growing economies with larger populations. Despite higher income levels, they may be incapacitated in ensuring adequate food supply.

On one hand spurt in food prices in India is one of the biggest concerns for the government, the central bank and most middle and lower income households. On the other hand a section of population is witnessing an improved standard of living like never before. This again thanks to rise in food prices. We are referring to the **large farmers who have fetched handsome gains from the cultivation of crops like sugarcane.** While their incomes already doubled last year, FY11 too is expected to multiply their earning and spending power. So much so that the farmers have started splurging on expensive cars and consumer durables. While better income is rural households is certainly desirable, the fact that it is unevenly distributed is a concern. Also being ignorant about saving avenues, most of the wasteful expenditure end up adding very little to the rural GDP.

Food inflation is not a cause of worry only in India. Even China is witnessing similar concerns. **The CPI in China has risen at its fastest pace over the last two years, predominantly led by the food items.** These make up about a third of the Chinese index. However, the Chinese government has pulled up its socks and has outlined efforts to tame rising food prices. Some of them include price controls and subsidies for shoppers. It even intends to impose penalty on people found speculating on essential food items. Nonetheless, unlike the past, the main cause for inflation this time around is not a supply side issue. Money growth is the primary culprit here. And the loose monetary policy followed by the western world is not helping the Chinese either. Although China has a comprehensive system of capital controls it seems that the government needs to tighten its strings so as to avoid any speculative inflows.

Things so far have been going hunky dory for India. The country's GDP has been growing at a fast pace. And expectations abound that in a few years time, India's GDP growth will surpass that of China. But this growth has come at a price.

While the strong growth is indeed commendable, the problems that have come along with it are high inflation, a big current account deficit, an appreciating rupee and inflow of foreign money. Inflation, in particular, has been really gnawing at the RBI for some time now. **The central bank has said that though inflation has shown some signs of easing, it continues to be beyond the comfort level.** The wholesale price index (WPI) has fallen from its April peak of 11.23% to 8.6% in September, but it is still above RBI's FY11 forecast of 6%. Further, high food inflation continues to persist even when monsoons have been good this year. This has largely been attributed to the change in consumption patterns as incomes have risen.

That said, the central bank believes that its policy tightening measures since October 2009 are beginning to pay off. Further, it remains upbeat on India's GDP growth. This is due to factors such as the normal monsoon, strong industrial growth, the sharp rise in excise duty collections, strong growth in corporate sales, robust consumer demand and increase in demand for credit from the private sector.

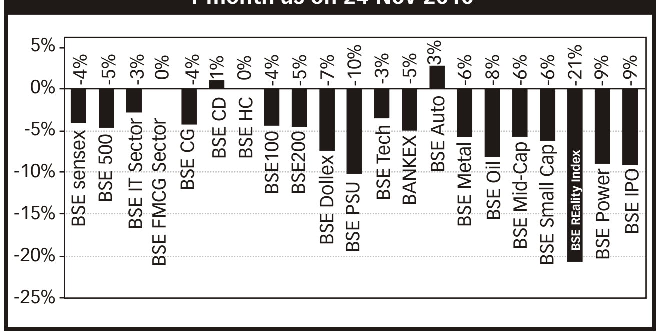
But again, because of this growth, inflow of foreign money and the value of the rupee have been rising and are posing fresh set of problems for the RBI. And with the US Fed most likely to announce another huge round of quantitative easing, fears of asset bubbles forming will continue to persist.

The Federal Reserve is scheduled to announce its next round of quantitative easing. This is expected to unleash a flood of capital flows towards the emerging markets. **Cautious of the possible impact on inflation, countries are raising their benchmark interest rates.** While India and Australia have acted ahead by raising their benchmark interest rates, countries like China, Russia and Brazil have left it unchanged. China has stated that it would prefer to wait and watch before taking any decision. On the other hand, Brazil and Russia have little scope to increase rates, which are already one of the highest in the region.

Indian Capital Market

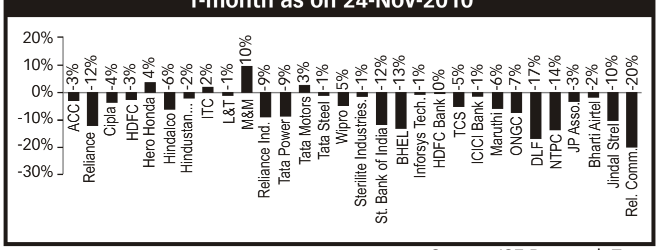
From its March 2009 lows, the P/E of the BSE Sensex has gone up around two times. The chart shows, **there have been quite a few sectors that have seen their P/E multiples go up even more than the Sensex.** At the forefront are sectors like Realty and Consumer durables where expansion has been of the order of 4 times. In other words, a gain of 300% from expansion in P/E alone. Other sectors like Banks, capital goods and metals have not done badly either, going up more than 2 times each. Indeed, such buying opportunities are very few and far in between.

BSE Benchmarks Performance (%) in last 1-month as on 24-Nov-2010



Source: ISE Research Team

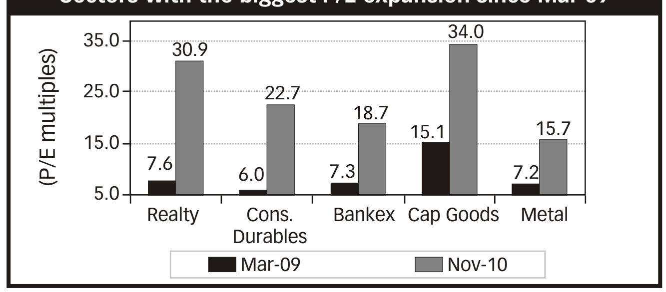
Sensex Stocks Performance (%) in last 1-month as on 24-Nov-2010



Source: ISE Research Team

The chart shows the average return on equity (RoE) of India's top fifty companies by market capitalisation. And as the chart suggests, the performance has been a bit weak over the past three years. Over the past five years, the highest average RoE that these companies touched was in the heydays of FY07. And since then, in line with the fall in profitability, the RoE has also shrunk, falling in three consecutive years starting FY08. The ratio in FY10 was in fact the second-lowest in the past seven years.

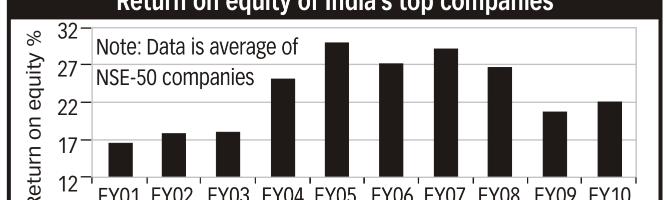
Sectors with the biggest P/E expansion since Mar 09



Source: CMIE Prowess

The chart captures the performance of Indian companies over the past few quarters. It shows the YoY growth in sales and operating profits of 375 of the BSE-500 companies. As the chart suggests, while the profit growth has come in good for these companies during the quarter ended September 2011, what is worrisome is the gradual decline in sales growth over the past three quarters. Another concern is that now with commodity prices on an upswing, operating profits can also feel the negative impact going forward.

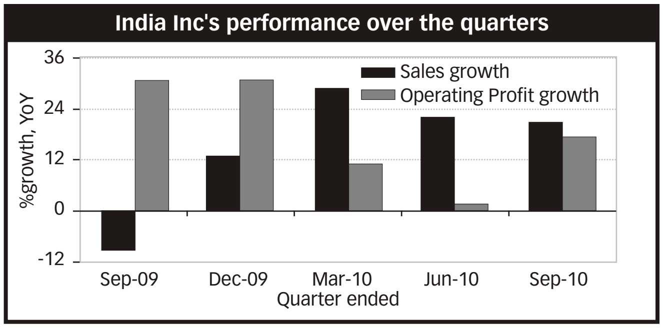
Return on equity of India's top companies



Source: CMIE Prowess

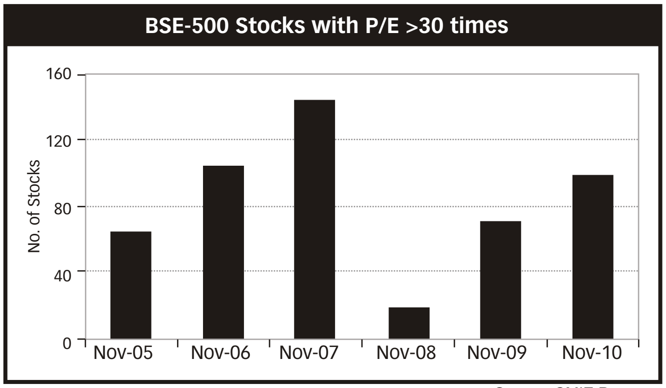
The chart shows the **count of BSE-500 stocks that have been**

trading at P/E multiples of greater than 30 times at different time periods. The highest count was in, as expected, the heydays of 2007 end, just before the bubble was about to burst. As we stand now, the count is again on the rise. Is this a warning bell of an impending correction? It seems to suggest so!



Source: Livemint

Retail investors and domestic institutions are cashing out of the market. As a result stocks are facing a foreign invasion. **FIIs now control 1/3rd of the free float (shares not held by promoters) of the top 500 stocks** on the NSE. In the 2007 rally, FIIs reduced their holdings as the markets trended upwards. This left retail and domestic investors in the soup when the imminent crash came. In this rally, FIIs are the only ones moving the markets. As of June 2010, FIIs held 31.8% of the free float while retail investors held 18.4%. Three months later, FIIs hold 34%, while retail investors hold 17.8%. Indian investors seem to be following the 'once bitten, twice shy' philosophy. Anyway, at these overall stretched valuations, the downside risks are high.



Source: CMIE Prowess

M & A / IPOs / Offerings

Punjab & Sind Bank to launch IPO in first half of Dec

Punjab & Sind Bank, the only unlisted state-owned lender in the country,they said its initial public offer (IPO) is likely to hit the capital market in the first half of December. "We are looking at the first half of December for the IPO," Punjab & Sind Bank Executive Director P K Anand said. Market regulator Securities and Exchange Board of India (Sebi) has already approved the draft prospectus filed by the bank for the IPO.

Gold Sukh plans IPO next fiscal

Gold Sukh Trade India Ltd., one of the fast growing gold trade companies in India, plans to come out with an initial public offer (IPO) in financial year 2011-12."We have plans to hit capital market with a public issue," said Kaushalendra Saxena, India head, Gold Sukh Trade India Ltd. However, he refrained from divulging the details about the funds to be raised from the primary markets.

Greatship India IPO gets clearance

Greatship (India) a wholly owned subsidiary of Great Eastern Shipping Company has received the approval of the Securities and Exchange Board of India for its initial public offering. Mr G Shivakumar CFO of GE Shipping said that "We now have 12 months to decide on when to conduct the offer." The IPO is expected to yield INR 400 to INR 450 crore from the capital market.

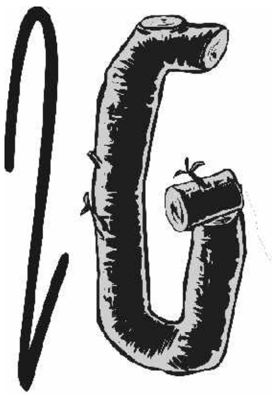
Coal India and Power Grid Public Issues

PSU majors **Coal India and Power Grid** have recently seen much success with their IPO and FPO respectively. While the former raised almost US$ 3.5 bn, the latter ended up with around US$ 1.7 bn. These are big sums in the Indian context, and the success of these issues suggests that foreign and domestic investors are willing to put large money at stake for a pie of India's growing companies. Talking about foreign investors, a leading business daily reports that **these public issues have also attracted a lot of money from sovereign wealth funds.** These funds are increasingly allocating bigger sums to emerging market assets given that the western world had a dearth of such opportunities. While the long term intent of these funds is still doubtful, given the way foreign investors have behaved in the past, the short term intent is definitely to get higher returns on their investments using loads of money that has been created by the quantitative easing in the west and rising oil prices in the Middle-East.

John Maynard Keynes observed that in stock markets there are quite a few times when people do not price stocks based on what they think their fair value is. Instead, they price stocks based on what everyone else thinks their value is. This, as per Keynes, is exactly similar to a beauty contest where people are asked to choose the most beautiful face. But, with the condition that people who voted for the winning candidate, will themselves get a very handsome prize. Quite certainly then, a person would go on to nominate not his personal favourite but the one who he thinks could turn out to be the most popular choice.

As per a leading daily, something very similar is happening post the super successful IPO of Coal India. Suddenly, a huge buying interest has sprung up for companies in the mining and minerals space. Even companies that have been lying dormant for years are seeing buyers line up at their doorsteps. **Factors like management quality and fundamentals are getting little attention if any. Surely, the temptation to invest in these companies is at an all time high.** But investors would do well to remind themselves of the beauty contest analogy that we just discussed. Perhaps investments are being made not because these companies are trading way below fair value but because they are being valued highly by other investors. And this, we believe would be a dangerous thing to do.

Sector/ Company



Telecom Delima

The CAG (Comptroller and Auditor General) report on telecoms has stirred the hornet's nest. **The troubles for the telecom companies indicted in the report are increasing by the day. In the latest, the banks who have lent to these companies have started expressing their jitters.** Banks have lent heavily to the telecom operators, especially to the new ones. Loans were given for rollout of networks as well as for acquiring the expensive 3G spectrum. These banks are now worried about the viability of these companies in light of the CAG report which demands for the cancellation of licenses issued to the most of the new operators.

The banks are looking at options that start from stopping further drawdown of loans by the new entrants to recalling the loans given out. Some banks are being cautious in their steps and are willing to wait till further action is decided by the government with regard to the new entrants. However, some others like State Bank of India are already cutting down their exposure to the new entrants.

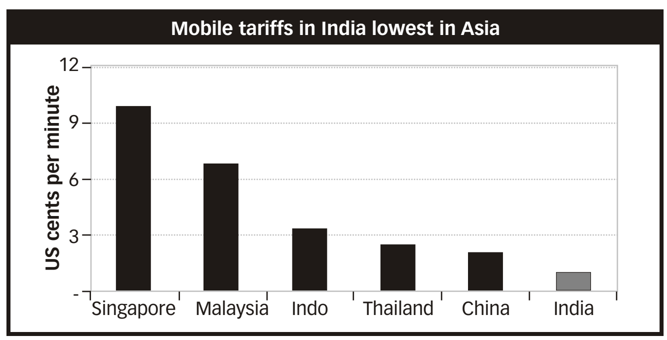
All hell has broken loose since the CAG has come out with its report on 2G spectrum issue. No heads were spared. Some of the most powerful people were indicted in the report, including the Prime Minister. Everyone who had turned their face the other way was brought in attention. People thought it was just another storm that would blow itself away in time. But this time it was different. It appears that this time the government is adamant that the perpetrators will be punished.

Mr. Raja, the erstwhile telecom minister who started it all, was forced to resign. The Supreme Court rapped out at the Prime Minister for turning a blind eye towards the misdoings of Mr. Raja. The latest is that the telecom regulator **TRAI has asked the government to cancel 62 of the 122 licenses issued by Mr. Raja.** The CAG report has stated that 85 of the licenses issued during the period were illegal. The companies holding these licensees include Uninor, Videocon, Loop Telecom, Etisalat DB, S Tel and Allianz (now a part of Etisalat).

These companies are accused of producing fake documents to get the license. While the companies maintain their innocence on the issue, they are facing the possibility of losing their license to operate in the country. TRAI has further requested the government to cancel licenses of those companies who have not met the rollout obligations.

This stance by TRAI although very late is pertinent nevertheless. The whip is cracking and all those who have erred are facing the heat. Just a few months back, the telecom sector seemed as if it were in a structural decline. Will the current episode change things for the better? Well, only time will tell.

The issue of telecom licenses to several players in India has led to intense competition in the sector. Each player vies for a share of the subscriber pie. Each has resorted to all sorts of methods to get a larger share. Be it offering free minutes to innovative pricing. This has resulted in tariffs that are one of the lowest in the world. The chart of the day gives a comparison of mobile tariffs in India vis a vis its Asian counterparts.



Source: Presentations of Incumbents in each country, Sep. 2010

Where will Govt deploy Excess 3G auction money?

The Government had budgeted Rs 350 bn in February-10 this year to account for the sale of 3G and wireless broadband services. However, when the process finally wound up, the Government ended up generating a whopping Rs 1 trillion, nearly three times more than planned. Indeed, with such a windfall at its disposal, one would have expected the Government to quickly ramp up its investments in areas like infrastructure, health care and R&D. This is because it is these types of investments that will make us competitive in the long run.

It isn't that the policymakers have chosen not to spend the 3G windfall. **Just recently, the government sought the approval of the parliament for an additional expenditure to the tune of Rs 450 bn,** involving a cash outlay of Rs 198 bn. What is worrying is not that the Government has chosen to spend more. It is the fact that it has again decided to do all the wrong expenditure. As per reports, the higher expenditure will go towards subsidies for fuel, food and fertilisers. We believe that in view of the 3G windfall, the Government had an excellent opportunity to do something about the long term productivity of the economy. Instead, it has chosen to spend a significant chunk towards wasteful expenditure. Looks like another opportunity has gone down the drain.

IT Sector Boom

Indian IT sector is having a ball. It was one of the sectors that was most impacted by the global slowdown and saw some slowdown last year. But this year, it is unquestionably witnessing a quick turnaround of fortunes. As per the head of IBM, the growth in **the Indian IT sector has outpaced the growth of the Indian economy.** He further stated that the fortunes of the Indian IT industry were now being decided by the domestic market, which is increasingly forming a larger part of the IT market. The reason behind this is that consumption of information technology is much faster in countries that have relatively fast growing GDP numbers. Undoubtedly, India has one of the fastest growing GDPs in the world. Will this signify the next round of booming growth for the IT industry? It remains to be seen.

Recruitment plans:

The turn in fortunes of the IT industry is visible in their recruitment plans. Boosted by stronger growth, the industry is slated to be one of the biggest hirers this year. Recruitment plans of IT majors Infosys, TCS and Wipro indicate that amongst the three, they would be hiring nearly one lakh fresh engineers this year. Other IT companies plan to follow suit. This is definitely heartening news for engineering graduates.

However, we are not too sure of the fallout of such large recruitment on the IT companies. Such recruiting plans would lead to a huge workforce. Managing this workforce is not without challenges. Maintaining high utilization levels is just one of them. Another is the problem of high attrition rates, which is only going to get further intensified with rising numbers. Moreover, a larger workforce would also mean a larger wage bill. While expansion for growth is necessary, we **just hope that these companies are not expanding their employee numbers just for the sake of expansion** and are keeping in mind the consequences of the same.

Microfinance Struggle:

An industry which was brimming in liquidity a few months back is now facing a cash crunch. It is running so dry that it has asked for emergency funds of Rs 10 bn from banks. Well, we are talking about none other than the controversial microfinance industry. Post the successful listing of SKS Microfinance, the industry has seen nothing but trouble. Long overdue regulations have hastily come from the Andhra Pradesh (AP) government. This was after news of farmer suicides, arm-twisting tactics and high lending rates of microfinance institutions (MFIs) hit headlines. AP is where over 40% of the microfinance business is based. Thus, any moves from the state hit the entire industry hard. These moves from the AP government included having MFIs cut lending rates and increase their collection periods from one week to one month. This was done with the intent to reduce pressure on the borrowers. However the fallouts have been disastrous.

Post the regulatory revisions, loan repayments for MFIs have fallen from 99% to 30%! Banks, PE and VC firms have also cut their funding to them. The crisis is still far from being over. With no collateral taken against the loans given to the poor, we can only see huge NPAs, reduced income, and losses on the horizon for the besieged industry.

Banking and Insurance

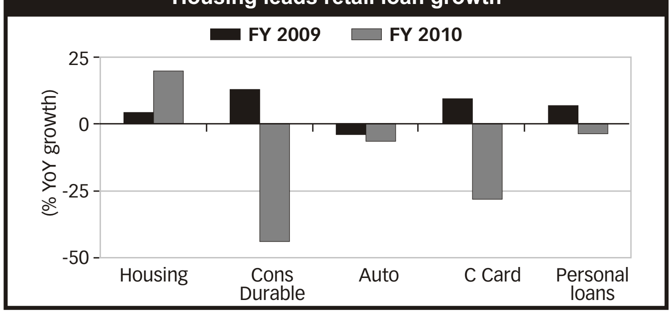
The Indian central bank (RBI) is sitting on a surplus cash reserve of around Rs 870 bn (US$ 19.4 bn). While this may give the impression of sufficient liquidity in the market, the reality is quite otherwise. Drained out of cash with tax payments, IPO payments and festival purchases, the banking system is facing acute short term liquidity crunch. So much so that **the call money rates have spiked by 1.5% in the past two months!** The liquidity crunch is in fact threatening to thwart the RBI's attempts to cool down inflation.

As per an article in the Wall Street Journal, banks claim that the current liquidity shortage is around Rs 810 bn (US$ 18 bn), and that could go up to Rs 1.3 trillion (US$ 31 bn) by December 2010. This means that short-term working capital loans for corporate India are expected to be priced very steeply. The higher base rates have, as it is, made short-term borrowing reasonably expensive. In such a scenario, we may see more companies wanting to dilute equity. This will enable them to maintain cash reserves rather than access expensive leverage.

Growth senario in Loan:

While loan growth has not been particularly buoyant for Indian banks so far this year, some have managed to grow their assets thanks to retail presence. The data from the RBI's latest report on the sector shows that the growth in retail loan book has been lopsided. As the chart shows **most of the retail loan growth came in the form of housing loans.** Other loan segments like auto, consumer durables, credit cards and personal loans in fact saw a cut back. Given that housing loans are already nearly 50% of the system's retail assets such concentrated growth may lead to asset liability mismatches.

Housing leads retail loan growth



Source: RBI trends & progress in banking 2010

Bond and Fixed deposits reality:

Investors who tend to shy away from equities and instead put all their savings into fixed income instruments may get rather disgusted to read this. **The fixed income instruments are supposed to secure their returns. However, in reality they are only serving the government's interest.** These instruments do not just provide sub-par returns but are also characterized by lack of transparency. The reason for this mismatch in their perception and delivery is the nature of the market. The government has a monopoly when it comes to issuing and buying bonds. Banks have to keep 25% of their investments in such bonds (as SLR). For insurance and pension funds, the mandate is 40%. Government entities like PFC, REC etc are also the major buyers of the instruments. Given that most of the securities are to be held until maturity, they are not valued at intervals to determine profitability. Hence, most of the issuances are overpriced and eat into the investors' profits. The government on the other hand uses this bounty to cover up the fiscal deficit.

LIC has the potential to bring back memories of the UTI scam of 2001:

How often do you come across schemes that promise 'high' and 'assured' returns at the same time? It is fundamentally impossible for investments that offer very high upsides to have assured returns. However, this proposal is often used to lure unsuspecting investors. And ignorant investors fall prey to such shallow promises.

The latest testimony to this is the fate of the assured return schemes offered by India's largest insurance company LIC back in the 1980s and 90s. As per reports **the extent of losses in three schemes offered by LIC has the potential to bring back memories of the UTI scam of 2001.** Promising fixed returns of around 11 to 12%, these plans are currently running a deficit of a sterling Rs 140 bn! The invested money is from 1.3 m investors. Hence, there is little doubt that the insurer's inability to deliver returns could dislodge investor confidence once again.

Agreed that the notional losses could be attributed to trends in economy, interest rates, inflation and the like. Further, the outcome may not be as detrimental. This is because LIC seems to have enough liquidity at its disposal to tide over the crisis. But the economic factors are bound to have an impact on investments. And in no way can issuers of the instruments or investors undermine them. Hence it is most imperative for investors to recognize and be warned of the risks to the promised returns.

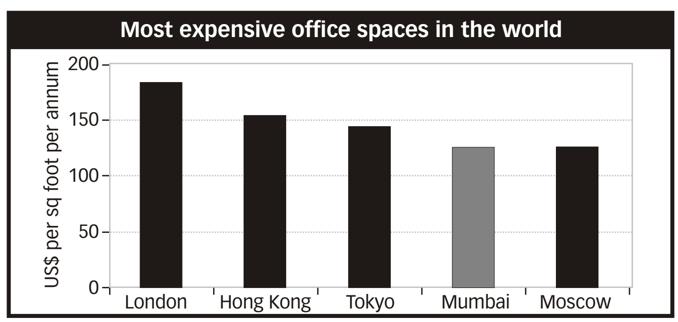
Investments in stocks at attractive valuations or in mutual funds through the SIP route can offer you some degree of safety. It could also enhance the likelihood of generating supernormal returns in the long run. However, there can never be any 'certainty' to the returns. And thus the promises to deliver assured returns need to be taken with a pinch of salt.

Guidelines for listing insurance firms soon

The Insurance Regulatory and Development Authority (Irda) will soon issue guidelines for listing of insurance companies and portability of motor and health insurance policies between companies, Chairman Hari Narayan has said. On listing of non-life insurance companies, the Irda chief said the matter was still before the markets regulator, the Securities and Exchange Board of India (Sebi). Once the ten-year embargo on floating initial public offers ends, it was up to the insurance companies to list, he said. "Some companies will complete ten years from 2011, from the middle of next year. If there is enhancement of the FDI (foreign direct investment) cap, there will perhaps be greater activity in the IPO space.

Mumbai is one of the five most expensive in the world:

Sprawling office spaces are a prominent feature in almost every big city of the world. However, for any business, office space rentals form a large part of the administrative costs. As per a leading business magazine, the office space in Mumbai is one of the five most expensive in the world. **The chart of the day compares the rentals per square feet in the five most expensive office areas of the world.** It is interesting to note that these are the 'rationalized' post recession rentals.

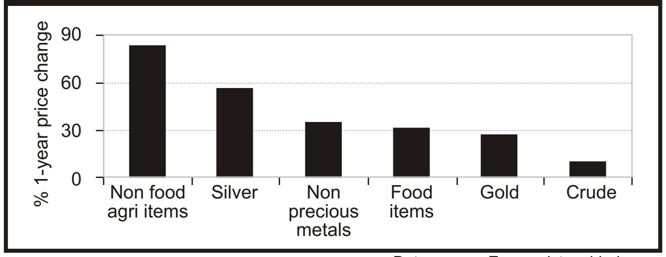


Most expensive office spaces in the world

Commodity

Commodity prices have been moving to unchartered territories for quite a while now. While precious metals like gold and silver have been gaining ground given the uncertainty and currency devaluations, others have not been left very far behind. In fact **non food agricultural produce as well as non precious metals that largely have industrial usage, led the tally in price rises over the past 12 months.** As the rising demand from the developing world continues to outstrip the supply, commodity prices are expected to remain northbound.

Industrial commodities take the lead in price rise

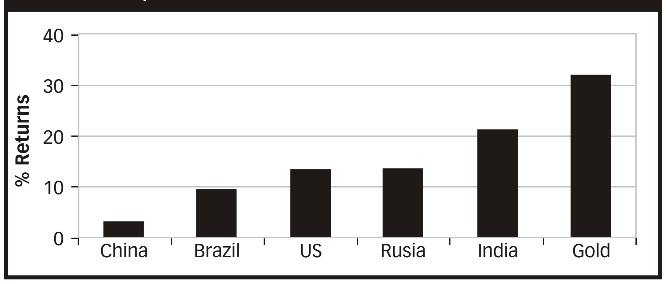


Data source: Economist, goldprice.org

Gold

Gold prices have been on a consistent rise this year. But **if one were to believe investor and trader George Soros, the current economic conditions are 'pretty perfect' for the yellow metal to rise further** in price. As he recently told a business gathering in Canada, "The conditions for gold are pretty perfect. The big negative is that too many people know this and a lot of hedge funds are very exposed." Soros also added that gold has a tendency to go parabolic, which was an indication towards the metal's tendency to fall as quickly as it rises.

Gold, Sensex lead the show since last Diwali*



* Since 17th October 2009; Note - Country names represent their benchmark stock market indices; Data Source: Yahoo Finance, CNNfn

Who benefits the most when price for a commodity is on a continuous upmove? Obviously the persons who hold the maximum quantities of the same. Similar seems to be the fortune of the IMF (International Monetary Fund) with the rise in gold prices. The global regulatory body has accelerated the sale of the yellow metal given its high demand and attractive pricing. In fact as per Reuters, if sales continue at the current pace, the **IMF could complete the disposal of 403.3 tonnes of gold or one eighth of its reserves by the end of 2010.** With the state of the US economy and the reserve currency (dollar) showing no signs of stability, central banks may continue to buy gold. In such a scenario the IMF's sales are but well timed.

Samvat 2066, or the Hindu calendar year from Diwali 2009 till Diwali 2010, was a brilliant year for Indian investors. Not only did their stocks gain, they also made a lot of money on their gold investments. This can be seen from the chart. As the chart shows, **gold prices and the Indian stock markets were the best performers among key comparable stock markets during Samvat 2066.** Of course, the stocks prices here benefited from surge in inflows of cheap global money, there were fundamentals to support them as well. So while the Indian economy showed signs of recovery, corporate India reported good performance quarter after quarter.

Copper

Copper is just pennies away from an all time high. Gold is hitting new highs everyday and cotton is at its highest in more than 140 years. And this is not all. Corn has risen 39% so far this year and soybeans have returned 27%. The list does not end here though. There are a lot of other commodities that have done equally well in recent months. So, the big question that is on everyone's mind is what is driving this trend. As per the Wall Street Journal, it is a combination of three factors. Indeed, **a loose monetary policy, a supply shortfall and a strong demand are all combining in some form or the other to push commodity prices into an orbit never seen before.** And way things are right now, it looks unlikely that prices would stabilise anytime soon.

What could poop the party though could be the re-emergence of a financial crisis in an important part of the world, notably the US. A strong tightening measure by some Asian nations could also hurt commodity prices. However, there is clearly a fundamental angle to the rise in prices of some commodities. And it could take a few years to fill this gap up. Thus, a short term correction could actually be a good opportunity to pile onto an asset for attractive long term returns. However, one has to ensure that one is backing the right horse.

Crude Oil

If there was one external factor that could bring India's growth to a standstill, it would be the insecure supply of 'black gold'. Demand for crude oil is expected to grow by 40% over the next decade. However, domestic supply is expected to expand by only 12%. India already imports 4/5ths of its oil requirements. With demand only expected to grow in the future, **the government has been encouraging its oil companies to purchase stakes in overseas oil fields.** This will help bridge the long term demand-supply gap. China has been spending big bucks lately to secure overseas assets. State-run ONGC is now said to be in the running to purchase Exxon's stake in an Angola oil field. Indian firms needs to be a lot more aggressive on the acquisitions front; else they will be left behind in the global race for this precious natural resource.

Sources: RBI, SEBI, BSE, NSE, The Economist, Livemint, CMIE Database, Capitalline Database etc

The food price index rose 10.15% and the fuel price index climbed 10.57% in the year to November 13, government data released on 25th November, 2010 showed. In the prior week, annual food and fuel inflation stood at 10.30% and 10.57%, respectively. The primary articles price index was up 13.38% in the latest week compared with an annual rise of 13.30% earlier.

On a week-on-week basis, vegetables were up nearly 5 per cent, with potatoes surging 9 per cent. Onions, which clocked an annual inflation of over 17 per cent, were also up 11 per cent on a sequential basis. Also, eggs were up 16 per cent on a week-on-week basis, poultry chicken surged 5 per cent, along with maize, barley and gram. Among the non-food items, higher inflation was seen in products such as raw jute, niger seed, coir fibre, raw rubber, raw cotton and copra.

Industrial growth has slipped for a second successive month, touching a 16-month low of 4.4 per cent in September.

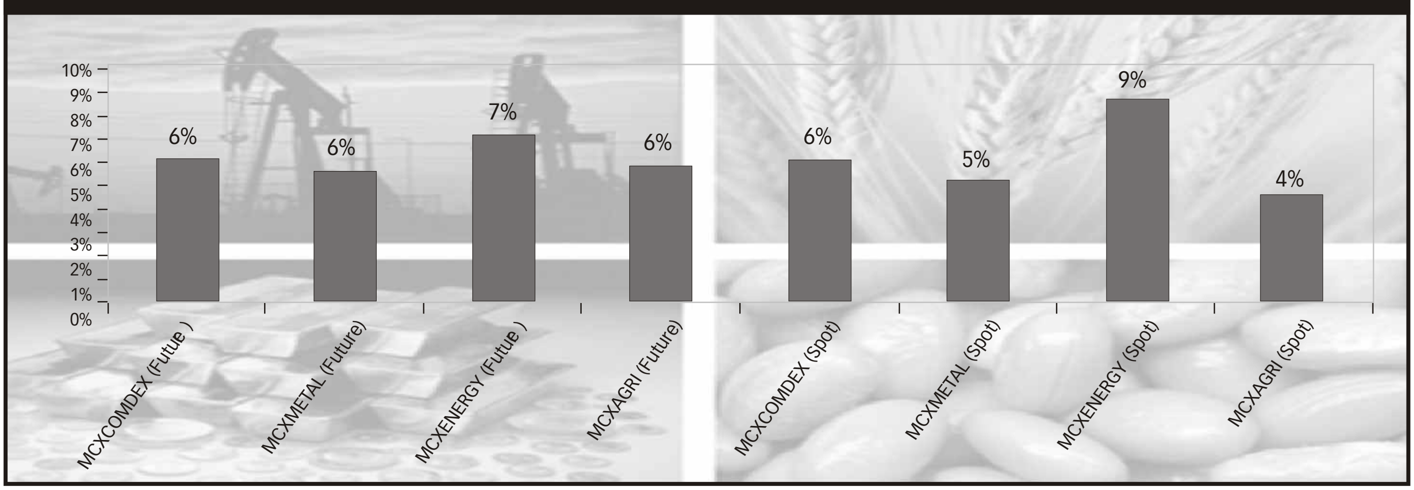
The 4.4 per cent year-on-year rise in the official Index of Industrial Production (IIP) for the latest recorded month was below the 8.2 per cent figure for September last year and the 6.9 per cent of this August.

All the three major constituents of the IIP registered lower growth in September compared to the same month of last year: manufacturing (4.5 per cent versus 8.3 per cent), mining (5.2 per cent versus 7.4 per cent), and electricity (1.7 per cent versus 7.5 per cent).

% Change in last 1 Month as on 26-Nov-2010

Index	Change (%)
MCXCOMDEX (Future)	6%
MCXMETAL (Future)	6%
MCXENERGY (Future)	7%
MCXAGRI (Future)	6%
MCXCOMDEX (Spot)	6%
MCXMETAL (Spot)	5%
MCXENERGY (Spot)	9%
MCXAGRI (Spot)	4%

% change in last 1 month as on 26-Nov-2010

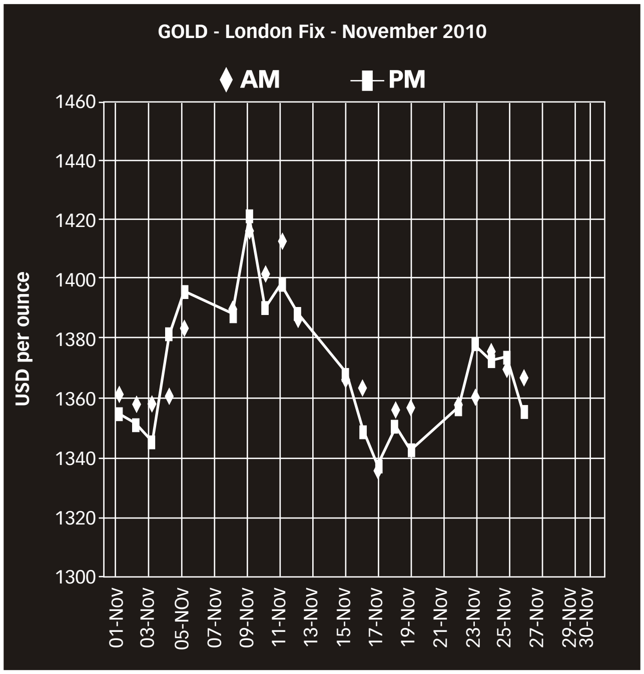


Gold

Gold prices witnessed a fall towards end of the recent week with the dollar gaining strength following the Europe crisis.

The price of gold plunged $22.35 to $1,353 per ounce on November 27, 2010 as the US dollar rally picked up steam. The US dollar index broke back above the 80 level, trading at 80.45 on the back of weakness in the euro.

Further contributing to the sell-off in the gold price and other commodities was the Shanghai Futures Exchange's decision to increase margin requirements and widen daily price move limits on several of its products. The exchange announced that effective at the close of business on November 29, margin requirements on gold, copper, fuel oil, aluminum, and steel wire rod will be raised to 10%.



The move to raise margin requirements is yet another step by Chinese policy makers to ease the country's inflation pressures, particularly the surge in food prices. The move to raise margins on gold and other commodities follows an October interest rate hike and two November increases in banks' reserve requirements.

Gold prices climbed in Nepal after short supply boosted prices to a record Nepal Rs 39,700 per tola.

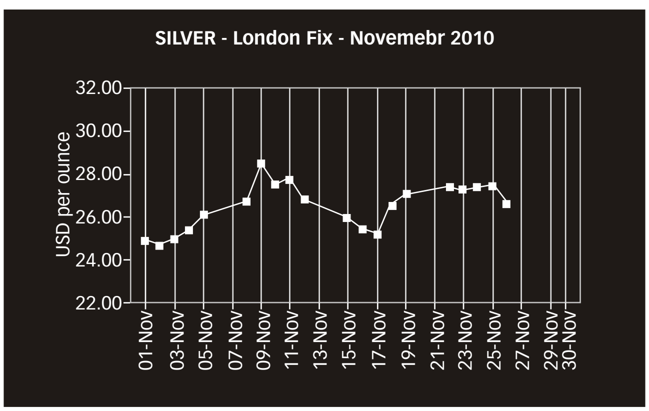
Gold prices eased marginally in Asian trade on November 19, 2010. Gold for immediate delivery was seen trading at $1371.64 an ounce while US gold futures were flat around $1,372.6 an ounce.

Gold fell 1.1 per cent in recent week as moves by China to fight inflation and slow growth eroded demand for precious metals and raw materials. Gold futures reached record levels at $1424.30 in the beginning of November. U.S. gold futures for December delivery eased $2.50 to $1,350.50 on November 19, 2010. Spot gold slid 1 per cent to $1,351.25 an ounce.

Gold may rise as concern about Ireland's debt woes spurs demand for a protection of wealth, a survey found. On the physical side of the gold market, Asian buyers hunted bargains after prices dropped from the record high levels hit in recent week, with demand from top consumer India picking up due to the ongoing wedding season.

Gold prices set new record in India on November 24, 2010 following the rise in wedding season demand. The gold touched a new peak of Rs 20,800 per 10 grams by adding Rs 200.

Silver



According to Nepal Gold and Silver Dealers Association (Negosida), silver prices hit new record as one tola of silver cost Nepal Rs 794.

Prices of silver hit all-time high levels on heavy buying by stockists and jewellers for the current marriage season. On November 24, 2010 Silver rose by Rs100 and rallied to an all-time high level of Rs 42,500 per kg.

Silver futures for December delivery rose 34.5 cents, or 1.3 percent, to $27.179 an ounce. The metal has climbed 61 percent this year. Silver in overseas markets rose 0.4% to $27.61 an ounce.

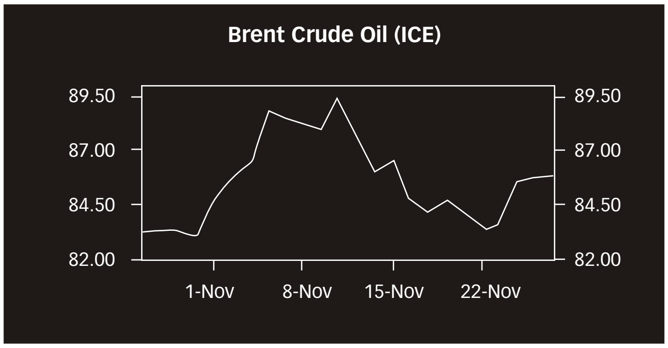
With the general firm trend, silver ready gained Rs.100 to Rs42, 500 per kg on increased offtake by industrial units, while weekly-based delivery shed Rs20 to Rs41, 910 per kg.

Crude Oil

Crude Oil tumbled in recent week as China increased bank reserve requirements to fight high inflation. Oil in New York also decreased in recent week amid concern Europe's credit crisis would deepen because of mounting debt at Irish banks.

The front-month crude fell $3.37, or 3.97 percent. The more active January contract slipped 44 cents, or 0.5 percent, to $81.98 on the New York Mercantile Exchange. Brent crude for January settlement fell 0.8 percent, to $84.34 a barrel on the ICE Futures Europe exchange in London.

MCX December Crude Oil closes at Rs.3747, lower by 3.73 per cent whereas the January contract closed at Rs.3795, a decline of 3.82 per cent on November 19, 2010.



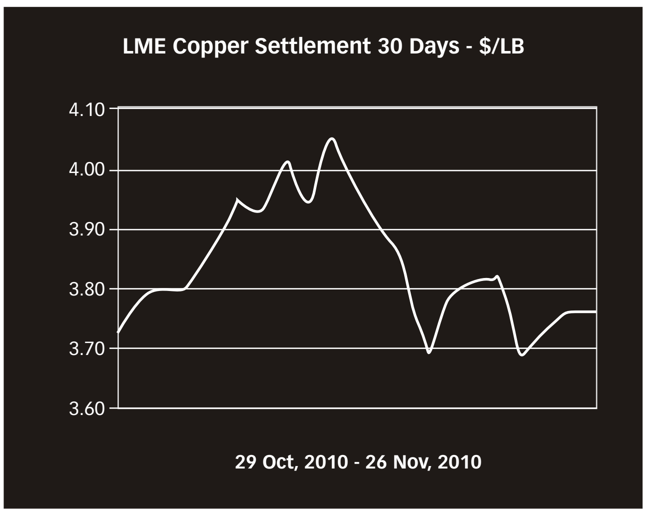
Oil normally falls as the dollar strengthens since crude becomes more expensive for investors with other currencies.

Oil prices declined as the dollar rose against the euro on deepening concern over the eurozone debt crisis, but trade was muted after the US Thanksgiving holiday on November 26, 2010,.

Global oil prices advanced above $84 a barrel in Asian trade on November 29, 2010 despites a strong dollar ahead of couple of key reports from the US.

In Nymex trading in December contracts, heating oil rose 1.15 cents to $2.33 a gallon and gasoline added 1.22 cents at $2.22 a gallon. Natural gas gained 1.8 cents to $4.42 per 1,000 cubic feet.

Copper



Copper prices in the global markets are suffering from twin blows from the US home rates and North and South Korea war.

Copper also fell as concerns that Ireland's debt crisis may spread weakened the euro, China expanded measures to curb speculation and North Korea's state media warned its clash with South Korea could lead to war.

Weakness in the metal prices persisted in the key international markets as the Chinese measures may change industrial use of the metal.

The euro fell to a two-month low against the dollar amid concerns Europe's sovereign-debt burdens are worsening as its economic recovery slows, diminishing the appeal of the region's assets. This also added to metals market's fall.

COMEX Copper is trading at $ 3.7375 per lb, down 0.18 cents on November 26, 2010. Shanghai Copper is trading at with losses of 670 yuan at 61850 yuan per tonne. Copper slid 2.4 per cent in recent week.

Copper for delivery in three months declined 0.2 percent, to settle at $8,404 a metric ton on the London Metal Exchange on November 19, 2010. On the Comex, copper futures for delivery in March were little changed, adding 0.4 cent to $3.8425 a pound in New York.

MCX Copper November delivery contract closed at Rs.384.80, a decline of 1.26 per cent.

Pepper

Indian Pepper futures closed lower in recent week on profit taking due to weak export demand. Investors bought back their sales with the hope that they can sell it in the open market at a discount given the tight availability situation prevailing in the market. However, domestic demand was low as the buyers opted to wait for the new crop to arrive. In fact, arrival of the new crop is said to be delayed due to erratic rains in the growing areas.

At National Commodity and Derivative Exchange of India (NCDEX), December contract rose to to Rs 22508 from Rs.21550, an increase of 4.44 per cent whereas the January contract opened the week at 21816 and rose to Rs 22713 per quintal. Prices quoted for black pepper of different origins in dollar per tonne (c & f) are Vietnam faq 500g/l 5,000 fob; Brazil 500g/l 4,800-4,825 f.o.b.

The International Pepper Community (IPC) expects 2011 world output at 309,952 tonnes, lower than 316,380 tonnes in 2010, on account of a shift of cultivated areas to rubber in Malaysia and tin mining in Indonesia.

Personal Finance:

Car Loan Interest Rates in India

The car loan interest rates you will be charged and the loan amount you will be eligible for will vary by bank, and will depend primarily upon the model of car, the tenure of your loan, your income, your employer, your work experience and your residence stability. Car loan interest rates in India are usually quoted as monthly reducing balance rates; however some lenders quote car loan interest rates as daily reducing balance rates. The simplest way of comparing different car loan offers is to calculate the total amount of money you will need to repay the bank in order to completely pay off your loan.

The below table lists the banks which constitute 90% of the car loan market in India to help users save time in their search for a car loan:

Car Loan Interest Rates

Bank Name	Interest rate range	Rate Type
HDFC Bank Car Loan	8.5% to 10.75% fixed	Monthly reducing balance
ICICI Car Loan	9.75% to 11% fixed	Monthly reducing balance
Axis Car Loan	9.25% to 12% fixed	Monthly reducing balance
Reliance Car Loan	10.5% to 12% fixed	Monthly reducing balance
SBI Car Loan	8% in 1st year. 10% to 11.5% fixed in next years	Daily reducing balance
Bank of Baroda Car Loan	9.75% to 10.25% floating	Daily reducing balance
Canara Bank Car Loan	11% fixed	Daily reducing balance
Oriental Bank Car Loan	11% fixed	Daily reducing balance
Punjab National Bank Car Loan	11% fixed	Daily reducing balance
Union Bank Car Loan	11% to 11.25% floating	Daily reducing balance

SBI Car Loan

SBI offers car loans to buy new car, jeep, Multi Utility Vehicle (MUV) or SUV of any make or model. Old vehicles must not be more than 5 years old. In some cases, loans are offered for transfer of existing loan from other Bank/Financial institution.

Features & Benefits of SBI Car Loan

1. Finance for one-time road tax, registration fee, insurance premium and accessories
2. SBI car loans are available for both new and used cars
3. Applicant must visit an SBI branch in order to apply for an SBI car loan
4. No advance EMIs

Eligibility conditions for SBI Car Loan

1. *Age of applicant :* Individual must be between the age of 21-65 years of age
2. *Employment type :* A Permanent employee of State / Central Government, Public Sector Undertaking, Private

company or a reputed establishment or a self-employed individual who is an income tax assessee

3. *Net Annual Income:* Rs. 100,000/- and above

Details of SBI Car Loan	
Interest Rate (Daily reducing balance)	1st year : 8% fixed 2nd and 3rd year : 10% fixed 4th and 5th year : 11.25% floating 6th and 7th year : 11.5% floating
Processing Fees	0.5% of loan amount, with a maximum of Rs. 10,000 25% of processing fee will not be returned if application is rejected after pre-sanction survey
Loan Tenure	Up to 7 years for salaried & 5 years for self-employed
Pre-closure Charges	2 % of pre-closed amount
Loan Amount	85% of car's price or 2.5 times net annual income, whichever is lower
Guarantor Requirement	Guarantor is required
Documents	• Statement of Bank account of the borrower for last 12 months • 2 passport size photographs of borrower(s) • Signature identification from bankers of borrower(s) • A copy of passport /voters ID card/PAN card • Proof of residence • Latest salary-slip showing all deductions • I.T. Returns/Form 16: 2 years for salaried employees and 3 years for professional/ self- employed/businessmen duly accepted by the ITO • Proof of official address for non-salaried individuals

Axis Home Loan

Axis Bank offers home loans at attractive rates for various purposes like purchasing new home/flat, purchasing land, extending/renovating existing house etc

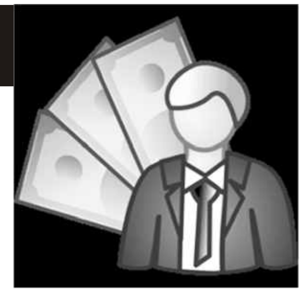
Features & Benefits of Axis Home Loan

1. Option to transfer existing home loan from another bank
2. Low rate of interest
3. Both floating and fixed rate home loans are available
4. Axis home loans are available to both self-employed and salaried applicants
5. Applicants can either apply as individuals or jointly for a Axis home loan

Details of ICICI Home Loan	
Interest Rate (Monthly reducing balance)	For loans up to Rs. 30 lakhs: 8.75% floating For loans above Rs. 30 lakhs: 9.25% floating OR Irrespective of amount : 14% fixed
	Base Rate is currently 7.5%
Processing Fees	1% of loan amount
Loan Tenure	1 year to 20 years

Amount Funded	Up to 85% of property value
Partial Pre-payment Charges	Nil
Pre-closure Charges	2% of pre-closed amount including amount pre-paid in prior one year
Guarantor Requirement	No guarantor required
Documents	• Identity proof (Indian Passport/voter card/driving license and a photograph) • Residence Proof (Ration card, latest electricity bill, phone bill, credit card bill) • Form 16 certified by CA (only for Salaried) • Last 2 years IT returns certified by CA (only for Self Employed)

HDFC Bank Personal Loan



HDFC Bank, which was incorporated in 1994 and has a presence in over 700 Indian towns and cities, is one of the largest personal loan lenders in India. An HDFC Bank personal loan can be taken for any purpose, whether it is a vacation or wedding expenses. HDFC personal loans are available to both salaried and self-employed applicants.

Features & Benefits of Axis Home Loan

1. Low fixed interest rates on HDFC Bank personal loan
2. No guarantor/security/collateral required
3. No income documentation needed for existing HDFC home loan and HDFC Bank car loan customers
4. Special offers for HDFC Bank salary account holders
5. Quick loan processing, minimum documentation and doorstep service for customers
6. Payment protection insurance (credit shield) and personal accident cover can be taken by applicant at nominal premium

Eligibility conditions for HDFC Bank Personal Loan

1. *Age range :* 21-60 (Salaried), 25-65 (Self Employed)
2. *Minimum Experience :* 2 years in employment and minimum 1 year in the current organization (Salaried), 4 to 7 years (Self Employed Professionals), 3-5 years(Self Employed Individuals)
3. *Minimum income :* Rs 10,000-15,000 monthly income (Salaried), Rs. 1 lakh annual income(Self employed professionals and individuals)

Details of HDFC Bank Personal Loan	
Interest Rate (Monthly reducing balance)	14% to 24% fixed
Processing Fees	2% to 2.5% of loan amount
Loan Tenure	1 year to 5 years
Pre-closure Charges	4% of pre-closed amount.
Loan Amount	Rs. 1 lakh to Rs. 15 lakhs
Guarantor Requirement	No guarantor required
Documents	• Proof of Identity (Passport Copy or Voters ID card or Driving Licence) • Address Proof (Ration card or Phone/Electricity Bill or Rental agreement or Passport copy or Trade licence or Sales Tax certificate) • Bank Statements (latest 3 months bank statement / 6 months bank passbook) • Latest salary slip or current dated salary certificate with latest Form 16 (only for salaried) • Latest ITR along with computation of income, B/S & P&L a/c for the last 2 yrs. certified by a CA(only for self-employed professionals and individuals) • Qualification proof of the highest professional degree (only for self-employed professionals) • Proof of continuation (Trade licence /Establishment /Sales Tax certificate) (only for self-employed individuals)

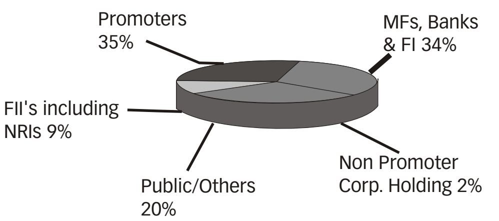
Source: Bank Bazaar

Tata Global Beverages Limited

Market Data	
Market Price (in Rs.)	Rs.116.90
Date	24/11/2010
Market Cap (Rs. in Cr)	7229.00
Shares (No. in Cr)	61.84
52 Week High (In Rs.)	138.65(7/10/10)
52 Week Low (In Rs.)	85.76(27/11/09)

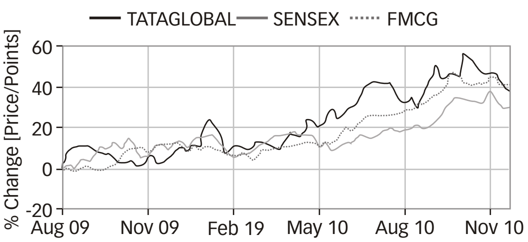
Snapshot	
Reuters	TAGL.BO
Bloomberg	TGBL IN
BSE	500800
NSE	TATAGLOBAL
Net Worth	Rs. 3676.02 (as on 31-Mar-2010)
Book Value	Rs. 596.37 (as on 31-Mar-2010)
EPS	Rs. 6.38 (as of 31-Mar-2010)
P/E	18.32 x FY 10

Shareholding Pattern

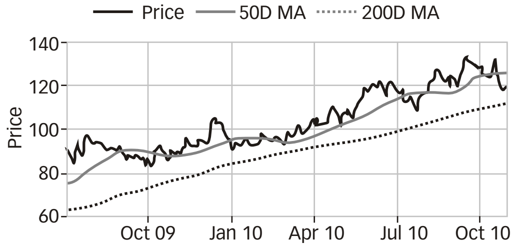


Source: Capitaline

Index Comparison:



Price Movement Comparison with SMA



Source: BSE

Trigger Points:

- The company is one of the major players in Indian Tea industry with 21% branded tea market share.
- It is a part of the Tata Group, one of the most reputed groups in the country.
- The company is diverfying itself from the tea major to beverage producer.
- Has a global presence in more than 40 countries, with more than 65% of the revenue coming from exports.
- The scrip is trading well above its 200 MDA from past few months, have not surpassed 50 DMA. Caution needs to be exercised if 200 DMA is breached.
- The company has lower P/E and P/BV compared to its peers.

Brief about the company:

Tata Global Beverages (earlier known as Tta Tea Ltd.) is one of the leading companies in tea based Beverages in India. It is engaged primarily in Tea beverage business.

Along with its subsidiary it offers Tea, Coffee, Mineral water and few other services. The Company has various tea brands along with their variants in the Indian marketplace and holds the second position and value share in domestic branded tea business. The company has its product presence in more than 40 countries.

Quarterly Review:

Operational revenue of the company has risen by 3% and 7% respectively for the past two quarters compared to the same previous year's quarters. Bottom line of the company has decreased sharply by 81% because there was an exception item (one time sale of shares in Q-ended Sep-2009). Higher commodity price and higher expenditure on growth initiatives has also impacted the profitability for the Q-ended Sep-2010 compared to Q-ended Sep-2009. W.e.f. 02nd July,2010 the face value of the company's shares has been sub divided from Rs.10 to Re.1 per share and hence current EPS is being calculated after giving stock split effect.

Valuation Ratios (TTM, Q2 FY 11), Price as on 23-Nov-10

(Stand alone basis)	Tata Global Bev	Mcleod Russel	Dhunseri Petro &Tea
P/E (x)	5.02	10.93	7.57
P/BV (x)	0.36	3.25	1.08
P/CEPS (x)	4.63	9.79	6.28
EV/EBIDTA	28.64	8.01	5.99
Mkt Cap/Sales	4.25	2.34	0.79

Source: Capitaline

Analyst: Binal R. Vora email: binalv@iseindia.com reach at (002) 67941151

Performance (%)			
	1M	3M	1 Yr
Tata Global Bev	-8.67	0.51	33.80
Mcleod Russel	-4.48	-11.89	-10.06
Dhunseri Petro &Tea	18.30	30.23	43.71

Source: Capitaline

KEY FINANCIAL RATIOS (CONSOLIDATED)					
	201003	200903	200803	200703	200603
Debt-Equity Ratio	0.45	0.56	1.01	1.44	1.03
Current Ratio	1.99	1.86	1.28	0.82	0.98
Inventory	6.94	7.52	8.06	8.49	7.21
Debtors	11.93	10.8	9.86	10.39	9.62
Interest Cover Ratio	5.3	3.5	2.49	2.55	4.83
PBIDTM (%)	15.44	17.2	19.83	20.5	19.88
PBDTM (%)	12.86	12.87	12.73	13.4	16.27
APATM (%)	6.8	7.26	9.68	8.95	10.05
ROCE (%)	11.64	10.48	10.71	13.77	16.71
RONW (%)	8.41	7.8	11.74	16.52	19.24
5 Year CAGR					
Sales	14%				
PAT	11%				
Networth	20%				
M.cap	15%				

Source: Capitaline

News Scan:

- The board of company has approved the joint venture agreement between Tata Global Beverages and PepsiCo India Holdings. Agreement sets forth the vision of developing the business in India and internationally. Each party will hold 50% of the JV.
- Tata Global Beverages is in talks with private equity firms for raising funds through dilution of a minority stake. The dilution - that could be at the holding company level or in the UK subsidiary, Tetley - is likely to be 10-12 per cent. The funds raised can be used for future acquisitions.

VIEW ON THE SCRIP:

Innovation:

The company is innovating new verities and adding features to its current products to adjust to changing lifestyles and evolving consumer needs. It launched the Tetley Green Tea range. The Company also made a foray into the well-being segment with the launch of Tata Tea Life with natural herbal extracts. It developed the concept of Green tea based jelly drink.

Diversification:

To diversify into beverages apart from Tea the company has launched T!ON brand. The company entered the soft drink market with the launch of its tea and fruit based cold drink "T!ON". T!ON is available in three flavors Mango Rush, Peach Punch and Apple Buzz. T!ON caters to the non-carbonated soft drinks market, which is growing around 35-40% annually. The brand was test marketed in Chennai and has obtained 5% value share. It is expanding its foot print into Kerala, Goa and Karnataka. In the similar line, the company has announced a nonbinding memorandum of understanding with Pepsico to form a joint venture in the area of non-carbonated ready-to drink beverages, focused on health and enhanced wellness. Many new initiatives taken namely - Sukk, T!on grows, T4 Kidz and infusions.

Lower per capita consumption potential for growth:

Though, India is the major producer and consumer of tea, its per capita consumption is a far below from global standards. India's per capita consumption is 750 Gms and this offers immense potential for growth. The company being the second largest player in the industry is expected to grow in line with industry.

Steps to retain strong position:

In a bid to sustain its volume leadership in the Indian branded tea industry, Tata Tea Ltd is drawing up a fresh strategy for FY 10. To start with, the company is hiking its advertising budget and extending its distribution network to reach out to a wider target audience. The company's plan includes new launches, rural marketing initiatives and acquisitions in both global and domestic markets. The company's core focus will be on sustaining its volume leadership in the branded tea sector.

De-risking Revenue Model

Tata Tea Ltd has a strong global brand portfolio presence in the black tea business is planning to accelerate the development of green tea, rooibos, fruit and herbal offerings which have higher value growth rates compared to black tea. With this measure it is clear that the company plans to de-risk its revenue model (currently major contribution for revenues and profit generation comes from black tea).

Gaining Market share:

Tata Tea, which enjoys 21% market share (volume) in domestic branded tea industry. Strong brands, continuous product innovation and tremendous opportunity in the beverage portfolio make it attractive.

Tap New Segments:

Organic teas, ready to drink teas, flavored teas etc have immense potential for increasing demand for teas. With growing awareness on health, the potential of these niche segments are likely to raise faster, both in domestic and international markets.

Fund raising through dilution of stake planned:

The company is in talks with private equity firms for raising funds through dilution of a minority stake. The dilution - that could be at the holding company level or in the UK subsidiary, Tetley - is likely to be 10-12 per cent. UK-based investment bank Rothschild is advising Tata Global Beverages. If the deal is successful, Rothschild will explore similar value unlocking

Yearly Financials TATA Tea Limited (Consolidated)					
Particulars	Y'ended 3/31/2010 (A)	Change (%)(A to B)	Y'ended 3/31/2009 (B)	Change (%)(B to C)	Y'ended 3/31/2008 (C)
Operational Revenue	5783	19%	4848	12%	4310
Other Income	379	-64%	1039	-46%	1929
Total Income	6162	5%	5887	-6%	6239
(Incr.)/Decr. in Stock in Trade	-37	-46%	-68	-322%	31
Consumption of all kinds of materials	2394	27%	1880	31%	1434
Staff Cost	623	13%	550	15%	480
Operating, Admn. & Other Expenses	2290	17%	1960	8%	1809
Total Expenses	5269	22%	4322	15%	3753
PBITDA	893	-43%	1565	-37%	2486
Interest	149	-29%	210	-31%	306
Depreciation	103	4%	99	8%	92
Profit before tax (PBT)	641	-49%	1256	-40%	2088
Provision for Tax (including all taxes)	248	-42%	424	177%	153
Net profit (PAT)	393	-53%	832	-57%	1935
No. of Shares (in Cr)	62	0%	62	0%	62
EPS (Basic)	6.38	-53%	13.50	-57%	31.39
Cash EPS	8	-47%	15	-54%	33
Adj Market Price on relevant dates	98	67%	59	-29%	82
P/E Ratio	15.35	-	4.34	-	2.63
EBIDTA Margin	14%	-	27%	-	40%
NP Margin	6%	-	14%	-	31%

Source: ISE Research

and restructuring in global subsidiaries across the Tata group. The fund infusion was aimed at powering Tata Global's growth plans.

Strategy followed - Inorganic growth:

The company is following the strategy of growth as inorganic. It has acquired many brands and business of potentially sound companies. In September 2009, in conjunction with the European Bank of Reconstruction and Development, the company acquired a 51% stake in the consolidated group of Suntyco Holding Limited (a Russian beverage company owning the Grand brand). This gives it access to a strong coffee and tea business in a key market. In last Fy i.e 08-09, the company acquired Premium Foods, a leading distribution business in Poland's growing tea market.

Yearly Review:

Operational revenue of the company is on increasing trend, it has increased by 19% for FY 2009-10 over previous year ended Mar-09 due to growth in branded tea business, value growth and price increase. The Profit before Tax and exceptional items increased by 19% over the previous year after absorbing the impact of higher commodity cost and larger investments behind brands (like increased investment behind advertisement and promotional activities for brand building of new products). Mainly because of improved operating performance and low interest cost. However, Profit after Tax was lower for FY 09-10 compared to the previous year 08-09 due to larger portion of exceptional item occurrence in the previous year. FY 09-10 has been impacted by a higher effective rate of taxation compared to the previous year. This was due to a higher mix of profits from USA, where there is a higher rate of tax, and certain adjustments relating to tax rates for deferred taxation. An average EBIDTA margin and Net profit margin has declined sharply from 27% and 14% for FY 09-10 to 14% and 6% respectively for 09-10, on account of reduction in exceptional gains.

Company Outlook:

History:

Tata Tea Limited is one of the flagship companies of Tata Group. It was established in 1962 as Tata Finlay Limited through technical and financial collaboration with James Finlay & Co. Ltd., U.K. The company made joint venture with to develop value-added tea. In 1983 James Finlay sold their shareholdings to Tatas, company changed its name to Tata Tea Limited. Recently, in order to reflect the current nature of the Group and its vision for the future, the company renamed as Tata Global Beverages Limited. New name of the company reflects both its intent to be truly global and transition from being a tea and coffee commodity business to one focused on delighting consumers across the world with great-tasting branded 'good for you' beverages.

Quarterly Financials TATA Tea Limited (Consolidated)						
Particulars	Q'ended 30-Sep-10	Q'ended 30-Sep-09	Change (%)	Q'ended 30-Jun-10	Q'ended 30-Jun-09	Change (%)
Operational Revenue	1,446	1,403	3%	1,380	1,296	7%
Other Income	41	267	-85%	4.39	5	-4%
Total Income	1,487	1,670	-11%	1,384	1,300	6%
Total Expenses	1,349	1,230	10%	1263.84	1,311	-4%
PBITDA	138	440	-69%	121	-11	-1210%
Interest	14	9	57%	11.54	5	120%
Depreciation	25	25	-0.1%	24.32	24	-1%
Profit before tax (PBT)	98	406	-76%	85	-41	-309%
Provision for Tax (including all taxes)	38	96	-60%	33	-3	-1282%
Net profit (PAT)	60	310	-81%	52.2	-38	-238%
No. of Shares (in Cr)	62	62	0%	62	62	0%
EPS (Basic)	0.83	4.65	-82%	0.74	-0.61	-221%
Cash EPS	1.38	5.42	-74%	1.24	-0.22	-672%
Adj Market Price on relevant dates	120.05	89.65	34%	121.55	72	68%
EBIDTA Margin	9.28%	26.38%		8.71%	-0.84%	
NP margin	4.06%	18.57%		3.77%	-2.91%	

Source: ISE Research

Dividend History:

The Company is a constant dividend payer; a summary of last ten years is as below:

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Div/Sh (In Rs.)	9.00	7.00	7.00	8.50	10.00	12.00	15.00	35.00	17.50	20.00

Note: For Dividend per share, Face Value per share has been considered to be RS.10. The company has spilitted its Face value to Re.1 form Rs.10 w.e.f. 30th June, 2010.

Source: Capitaline

About the company:

Tata Tea Ltd. is engaged in the processing, marketing, and distribution of tea products. The company operates in the U.K. and has businesses in the U.S., Canada, Australia, Poland, and the Czech Republic, as well as joint ventures in South Africa, Pakistan, and Bangladesh. The company offers its products under various brand names, such as Eight O'Clock coffee in the US, Chakra Gold and Kanan Devan in India and Vitax and Jemca in Eastern Europe. The company is a member of the Tata Group.

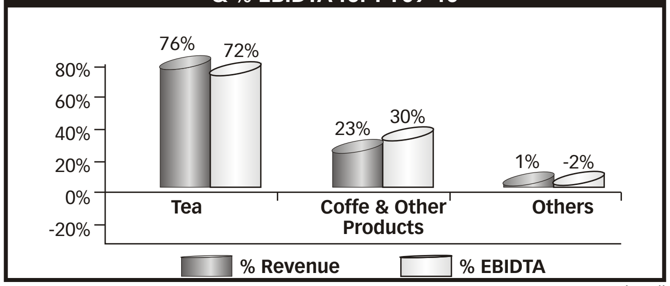
Major Segments:

The company operates through three major segments namely Tea, Coffee other products, and others.

- **Tea:** Under this segment the company is engaged in the cultivation and manufacture of black tea and instant tea. Tea buying / blending and sale of tea in bulk or value added form.
- **Coffee and Other Produce:** This segment is engaged in growing of coffee, pepper and other plantation crops and conversion of coffee into value added products such as roast and ground coffee and instant coffee.
- **Others:** In this segment the company is engaged in the sale of natural mineral water, other minor crops, curing operations of coffee, and trading of items required for coffee plantations.

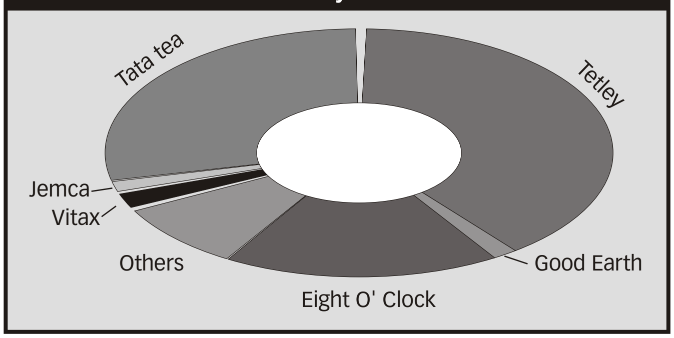
- The company's 70% of the revenues comes from outside India.

Segment contribution as % of Revenue & % EBIDTA for FY09-10



Source: ISE Research Cell

Sales by Brand



Source: Company Annual Report 2009-10

The company is world's second largest global branded tea operator with product and brand presence in 40 countries.

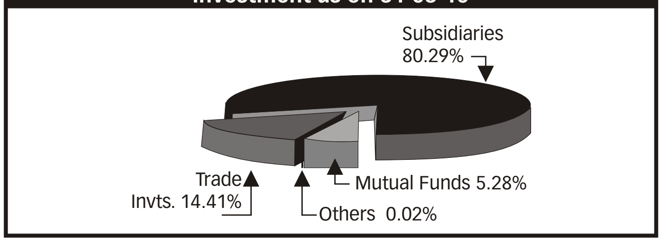
The Tata Tea brand has a market share of 21.4% of the Indian branded tea business segment. Tata Tea's distribution network consists of 38 C&F agents and 2500 stockists, which cater to over 1.7 million retail outlets. The company has a research centre at Teok (Assam) and a product development centre at Bangalore focused on the entire gamut of tea operations in future development of the company. It focused in new product development and initiation of the same in high spectrum level.

International presence:

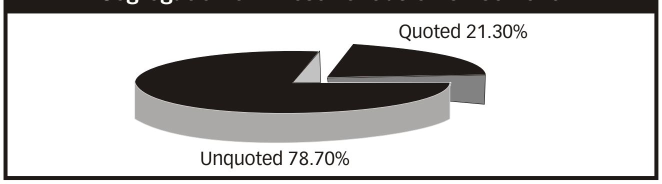
Apart from India Tata Tea's portfolios of branded offerings caters to the Australian, Middle East, West Asia, North Africa, Poland, Russia and Kazakhstan markets.

Investment Book:

Broad Item wise Segregation of Investment as on 31-03-10



Segregation of Investment as on 31-30-2010



Source: ISE Research Cell

The investment of the company stood at Rs.2309.05 Crores as on 31st March 2010. Out of which, 21% constitute Quoted Investment and balance 79% represents Unquoted Investment. Quoted investment of the Company constitutes of investment in quoted Subsidiaries and investment in other listed companies. On the other hand unquoted investment represents investments in its unquoted subsidiaries, other companies, Government securities, Mutual Funds and others. As of 31st March, 2010, the book value of the quoted investments was Rs.491.73 cores where as its market value on the same date stood at Rs.1222.73 crore, which is 148% higher than its book value.

Board of Directors:

- R N Tata : Chairman
- R K Krishna Kumar : Vice Chairman
- P T Siganporia : Managing Director
- Sangeeta Talwar : Whole-time Director
- V Madan : Vice President & CS

Industry Scenario:

The most popular drink, tea has and continues to play an important role in almost all world cultures and customs. The most popular drink worldwide, Tea comes in several varieties. In India, black Tea is most popular. The tea industry in India is one of the traditional industries, which has been in existence for more than 185 years. India is one of the largest consumer and producer of tea in the world.

Types of Tea

There are three basic types of tea: black, oolong and green and from these three types spring over 3,000 cultivated varieties. India produces some of the world's finest teas, as also the largest variety.

1. *Black tea* is the most popular type of tea. It is produced from the top two leaves and the bud of the tea plant.

Peers Analysis (Rs. In cores except for ratios and per share data)

Particulars	Tata Global Beverages	Mcleod Russel	Dhunseri Petrochem &Tea
Net Sales	5783	1106	1140
Net Profit	393	234	72
Equity Share Capital	62	55	12
Networth	3676	802	561
Face Value	1	5	10
EPS	6.03	20.69	59.82
Book Value	60	73	479
Market price(as on 19/11/10)	125	235	225
Market Cap(as on 19/11/10)	7718	2573	790
P/E ratio	20.71	11.36	3.77
Price/Book Value ratio	2.09	3.21	0.47
Dividend Yield	1.60	1.70	1.77
EBIDTA Margin (%)	15.44	34.82	12.69
NP Margin (%)	6.80	21.13	6.02
ROE (%)	8.41	32.78	15.23
FII Holding as on 30/09/2010 (%)	8	32	0.28

Source: ISE Research Cell

Black tea is popular in India with 99% share. Black tea is manufactured in two different ways, namely, CTC and Orthodox.

- CTC (Cut, Tear and Curl) describes a machine, which literally cuts, tears and curls the withered leaf, breaking the leaf veins. This releases the juices or enzymes of the leaf and completes the second stage of manufacture.

- Orthodox, A machine, which takes its name from the first mechanised method used in the second stage of tea processing that rolls the withered leaves thus breaking the veins and releasing the leaf enzymes.

2. *Green tea* is non-fermented, and produces a clear, aromatic, delicately flavoured tea, traditionally popular in China and Japan. It has a light appearance and flavour. This is considered to be the healthiest among all varieties of tea. It has a market share of 1% in India.

3. *Oolong* is a semi-oxidized whole-leaf tea. This type of tea is not produced in India.

Branded Tea and Major Players:

Paradigm shift is witnessed in the Indian tea industry with consumer preferring branded/packet tea over loose tea. Of the total Indian market for branded packaged teas Hindustan Unilever Ltd. leads with around 30-35% market share while Tata Tea is the No. 2 with around 17-21% market share. Apart from these two players and a few others, the market is extremely fragmented with many smaller and regional players.

Industry Outlook:

Tea, as a beverage, is consumed by more than half of the world's population. It is the 2nd largest beverage consumed worldwide next to water. Today tea is not only consumed for refreshment but also for its health benefits. Teas are rich in powerful antioxidants and substances, which have a wide range of health benefits. Tea can boost the immune system, prevent certain types of cancer, lower cholesterol, assist weight loss, slow aging and even fight tooth decay.

Some statistical facts about the Indian Tea Industry:

- The total turnover of the tea industry is around Rs. 10,000 crores.

- Since independence tea production has grown over 250%, while land area has just grown by 40%.

- There has been a considerable increase in export in the past few years. Total net foreign exchange earned per annum is around Rs. 1847 crores.

- The tea industry directly employs over 1.1 million workers and generates income for another 10 million people approximately. Women constitute 50% of the workforce.

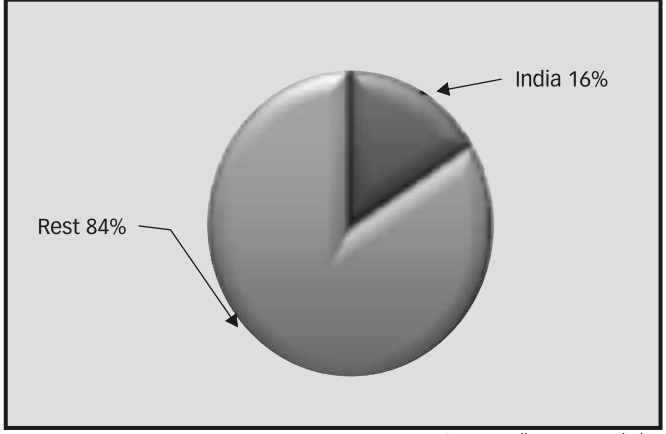
- Government is also providing support for the growth of industry, e.g. In the Union Budget 2010, Govt. has extended the concession of import duty on imported plantation machinery, like tea bagging machines, till March 31, 2011, which will help the industry in value adding and hiking exports in the long run.

Tea Production (In Million KG)	Up to Sep -2010	FY -2009
India	693	697
World	1550	1413

Source: Indian Tea Association

The tea industry in India is one of the traditional industries, which has been in existence for more than 185 years. India is one of the largest consumer and producer of tea in the world. World Tea production is concentrated in a few countries like India, Kenya, Sri Lanka and Indonesia as the largest producer. Tea is grown in 15 states of India. There are two major tea producing regions in the country -the North India and South India. The Indian Tea Industry is the second largest industry in the country in terms of employment and also one of the major forex earners.

Contribution of India in world Tea exports for the year 2010



Source: Indian Tea Association

About 50-60% of the total tea production is traded through auction centers in the country. The six major auction centres are Calcutta, Guwahati, Siliguri, Cochin, Coonoor and Coimbatore. To increase foreign participation Government has increased the FDI limit from 26% to 100%. No country in the world has the range, quality and quantity of the types and grades of tea that India has. The range of tea offered by India - from the original Orthodox to CTC and Green Tea, from the aroma and flavour of Darjeeling Tea to the strong Assam and Nilgiri Tea- remains unparalleled in the world.

Anand Wadadekar

SIMPLY 5

Hostile Takeover

> "Some analysts feel that hostile takeovers have an adverse effect on the economy, in part because they often fail. When one company takes over another, management may not understand the technology, the business model or the working environment of the new company."

This article has been published in 'Sanhita' - a corporate issues magazine - by the Pune Chapter of The Institute of Company Secretaries

ABOUT AUTHORS

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The views are personal

What is meant by Hostile Takeover?

Hostile Takeover is a type of acquisition in which, the company being purchased (Target Company) does not want to be purchased at all, or does not want to be purchased by a particular buyer (Acquirer) that is making a bid. In other words, the Acquirer intends to gain control of the Target Company and force it to agree to the sale. The word 'hostile' in dictionary means 'unfriendly, aggressive'.

Hostile Takeovers is a type of method used for Corporate Restructuring. There are other methods like Mergers & Acquisitions, Leveraged Buyout, Spin offs, etc. through which Corporate restructuring may be done.

In India, hostile takeover is a dreaded word, may be since it is a method used which is not democratic in nature and somewhat unpleasant for the management of a target company.

Why a hostile takeover?

There are several reasons why a company might want or need a hostile takeover. The major reason may be of financial gain instead of economic or business gain.

The acquiring company may think that the target company can generate more profit in the future than the selling price. E.g. If a company can make $100 million in profits each year, then buying that company for $200 million makes sense. That is why it is observed that so many corporations have subsidiaries that do not have anything in common -- they were bought purely for financial reasons.

Legal Angle:

Companies Act 1956 does not expressly mention about takeovers or acquisitions. It primarily, only talks about Mergers & Amalgamations through Section 391-396.

SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 has been enacted by the Securities and Exchange Board of India which deals with acquisition of shares, takeovers, etc.

Neither the term 'takeover' nor the term 'hostile' has been expressly defined under the said Regulations, the term basically envisages the concept of an:

Acquirer:

i) taking over the control

ii) or management of the target company

iii) acquires substantial quantity of shares or voting rights of the target company.

The most famous proxy fight was Hewlett-Packard's takeover of Compaq. The deal was valued at $25 billion, but Hewlett-Packard reportedly spent huge sums on advertising to sway shareholders. HP wasn't fighting Compaq - they were fighting a group of investors that included founding members of the company who opposed the merger.

Here the term 'substantial acquisition of shares' attains a very vital importance, irrespective whether the corporate restructuring is through merger / acquisition / takeover.

The said SEBI Regulations have discussed this aspect of 'substantial quantity of shares or voting rights' separately for two different purposes:

(I) For the purpose of disclosures to be made by acquirer(s):

(1) <u>5% or more shares or voting rights:</u>

A person who, along with 'persons acting in concert' (PAC), if any, acquires shares or voting rights (which when taken together with his existing holding) would entitle him to more than 5% or 10% or 14% shares or voting rights of target company, is required to disclose the aggregate of his shareholding or voting rights to the target company and the Stock Exchanges where the shares of the target company are traded within 2 days of receipt of intimation of allotment of shares or acquisition of shares.

2) <u>More than 15% shares or voting rights:</u>

An acquirer, who holds more than 15% shares or voting rights of the target company, shall within 21 days from the financial year ending March 31 make yearly disclosures to the company in respect of his holdings as on the mentioned date. The target company is, in turn, required to pass on such information to all stock exchanges where the shares of the target company are listed, within 30 days from the financial year ending March 31 as well as the record date fixed for the purpose of dividend declaration.

(II) For the purpose of making an open offer by the acquirer:

(1) <u>15% shares or voting rights:</u>

An acquirer, who intends to acquire shares which along with his existing shareholding would entitle him to more than 15% voting rights, can acquire such additional shares only after making a public announcement ("PA") to acquire at least additional 20% of the voting capital of the target company from the shareholders through an open offer.

(2) <u>Creeping limit of 5%:</u>

An acquirer, who is having 15% or more but less than 75% of shares or voting rights of a target company can consolidate his holding up to 5% of the voting rights in any financial year ending 31st March. However, any additional acquisition over and above 5% can be made only after making a public announcement.

However in pursuance of Reg. 7(1A) any purchase or sale aggregating to 2% or more of the share capital of the target company are to be disclosed to the Target Company and the Stock Exchange where the shares of the Target company are listed within 2 days of such purchase or sale along with the aggregate shareholding after such acquisition / sale. An acquirer who has made a public offer and seeks to acquire further shares under Reg. 11(1) shall not acquire such shares during the period of 6 months from the date of closure of the public offer at a price higher than the offer price.

(3) <u>Consolidation of holding:</u>

An acquirer who is having 75% shares or voting rights of a target company can acquire further shares or voting rights only after making a public announcement specifying the number of shares to be acquired through open offer from the shareholders of a target company.

Methods of hostile takeover:

Tender offer and Proxy fight are the two primary methods of conducting a hostile takeover.

A tender offer is a public bid for a large chunk of the target's stock at a fixed price, usually higher than the current market value of the stock. The purchaser uses a premium price to encourage the shareholders to sell their shares. The offer has a time limit, and it may have other provisions that the target company must abide by if shareholders accept the offer. The bidding company must disclose their plans for the target company and file the proper documents with the SEBI as explained above.

In a **proxy fight**, the buyer doesn't attempt to buy stock. Instead, they try to convince the shareholders to vote out current management or the current board of directors in favor of a team that will approve the takeover. The term "proxy" refers to the shareholders' ability to let someone else make their vote for them -- the buyer votes for the new board by proxy.

Often, a proxy fight originates within the company itself. A group of disgruntled shareholders or even managers might seek a change in ownership, so they try to convince other shareholders to band together. The proxy fight is popular because it bypasses many of the defenses that companies put into place to prevent takeovers. Most of those defenses are designed to prevent takeover by purchase of a controlling interest of stock, which the proxy fight sidesteps by changing the opinions of the people who already own it.

Case Law:

The most famous proxy fight was Hewlett-Packard's takeover of Compaq. The deal was valued at $25 billion, but Hewlett-Packard reportedly spent huge sums on advertising to sway shareholders. HP wasn't fighting Compaq -- they were fighting a group of investors that included founding members of the company who opposed the merger. About 51 percent of shareholders voted in favor of the merger. Despite attempts to halt the deal on legal grounds, it went as planned.

Defending a hostile takeover:

If we consider the global practices, there are several ways to defend against a hostile takeover. The most effective methods are built-in defensive measures that make a company difficult to take over. These methods are collectively referred to as **"shark repellent."** Here are a few examples:

1. The *Golden Parachute* is a provision in a CEO's contract. It states that he will get a large bonus in cash or stock if the company is acquired. This makes the acquisition more expensive, and less attractive. Unfortunately, it also means that a CEO can do a terrible job of running a company, make it very attractive for someone who wants to acquire it, and receive a huge financial reward.

2. The *supermajority* is a defense that requires 70 or 80 per cent of shareholders to approve of any acquisition. This makes it much more difficult for someone to conduct a takeover by buying enough stock for a controlling interest.

3. A *staggered board* of directors drags out the takeover process by preventing the entire board from being replaced at the same time. The terms are staggered, so that some members are elected every two years, while others are elected every four. Many companies that are interested in making an acquisition don't want to wait four years for the board to turn over.

4. *Dual-class* stock allows company owners to hold onto voting stock, while the company issues stock with little or no voting rights to the public. Investors can purchase stocks, but they can't have control of the company.

5. One of the more common defenses is the poison pill. A *poison pill* can take many forms, but it basically refers to anything the target company does to make itself less valuable or less desirable as an acquisition.

6. The people pill - High-level managers and other employees threaten that they will all leave the company if it is acquired. This only works if the employees themselves are highly valuable and vital to the company's success.

7. The *crown jewels defense* - Sometimes a specific aspect of a company is particularly valuable. For example, a telecommunications company might have a highly-regarded research and development (R&D) division. This division is the company's "crown jewels." It might respond to a hostile bid by selling off the R&D division to another company, or spinning it off into a separate corporation.

8. *Flip-in* - This common poison pill is a provision that allows current shareholders to buy more stocks at a steep discount in the event of a takeover attempt. The provision is often triggered whenever any one shareholder reaches a certain percentage of total shares (usually 20 to 40 percent). The flow of additional cheap shares into the total pool of shares for the company makes all previously existing shares worth less. The shareholders are also less powerful in terms of voting, because now each share is a smaller percentage of the total.

Why is it a dreaded one?

A target company may not want to be acquired at the first place, upfront, through a friendly manner. Members of management might want to avoid acquisition because they are often replaced in the aftermath of a buyout. The board of directors or the shareholders might feel that the deal would reduce the value of the company, or put it in danger of going out of business. Simply put, the target company gets scared by the very thought of 'being acquired'.

In this case, a hostile takeover will be required to make the acquisition. In some cases, purchasers use a hostile takeover because they can do it quickly, and they can make the acquisition with better terms than if they had to negotiate a deal with the target's shareholders and board of directors.

Some analysts feel that hostile takeovers have an adverse effect on the economy, in part because they often fail. When one company takes over another, management may not understand the technology, the business model or the working environment of the new company. The debt created by takeovers can slow growth, and consolidation often results in layoffs.

Another cost of hostile takeovers is the effort and money that companies put into their takeover defense strategies. Constant fear of takeover can hinder growth and stifle innovation, as well as generating fears among employees about job security.

Who Benefits?

Promoters typically defend their opposition to hostile takeover proposals on the ground that they are not in the best interests of the shareholders.

However, shareholders usually see an immediate benefit when their company is the target of an acquisition because the acquiring company pays for stocks at a premium price. Conversely, the acquiring company often incurs debt to make their bid, or pays well above market value for the target company's stocks.

But numerous empirical researches abroad has proved that stock prices rise just as much in response to a hostile offer as they do on announcement of a friendly bid. In fact, over the short term, the returns from a hostile offer are much better than in a friendly offer. The premiums are comparable. In other words, hostile offers are hostile only to the promoter-managers and not to the shareholders.

Ultimately, we must measure the costs of mergers and acquisitions on a case-by-case basis. Some have been financial disasters, while others have resulted in successful companies that were far stronger than their predecessors were.

Case Law:

- India Cements takes over Rassi Cements in 1998
- ITC Ltd takes over East India Hotels Ltd in 2000

Unsuccessful hostile takeovers:

- Sterlite Industries & Indal (Indian Aluminium)

For any comments write to research@iseindia.com

Wealth Creation Thoughts

- Cash combined with courage in a time of crisis is priceless." - **Warren Buffett**
- "Draw a circle around the businesses you understand and then eliminate those that fail to qualify on the basis of value, good management, and limited exposure to hard times." - **Warren Buffett**
- "We do not wish to join with managers who lack admirable qualities, no matter how attractive the prospects of their business. We've never succeeded in making a good deal with a bad person." - **Warren Buffett**
- "Over the long term, it's hard for a stock to earn a much better return that the business which underlies it earns. If the business earns six percent on capital over forty years and you hold it for that forty years, you're not going to make much different than a six percent return - even if you originally buy it at a huge discount. Conversely, if a business earns eighteen percent on capital over twenty or thirty years, even if you pay an expensive looking price, you'll end up with one hell of a result." - **Charlie Munger.**
- "With short-term money returning less than 1 percent after-tax, sitting it out is no fun. But occasionally successful investing requires inactivity." - **Warren Buffett**
- "Know your strengths and weaknesses," is a common high-school advice. This is when students choose their specializations that ultimately define their future careers. Those who heed to this advice and then choose their options have a higher chance of succeeding in their work life. And those who don't bother about this, struggle.

  Knowing about our own weaknesses and strengths is what is called 'self awareness'. And it is very much relevant in our investing lives. So if we know we do not have patience to wait for things, and still try our hands at long term value investing, we will be moving on the wrong side of the investing path. Similarly, for those who worry a lot and can get easily distressed, trading in stocks and derivatives is like walking a tightrope between life and death.

  See, there is not a single best investment philosophy that works for all investors. The right investment philosophy for you will depend upon what kind of a person you are. And for that, **self awareness is very important. It is the ultimate secret to your success as an investor, or a day trader.**
- "If you're an investor, you're looking on what the asset is going to do, if you're a speculator, you're commonly focusing on what the price of the object is going to do, and that's not our game." - **Warren Buffett**
- "Obvious prospects for physical growth in a business do not translate into obvious profits for investors." - **Benjamin Graham**

Best in the Street

Top Gainers BSE (A Category) as on 25-Nov-2010

Scrip Name	LTP (Rs.)	Prev. Close(Rs.)	Change	High (Rs.)	Low (Rs.)	52 Week High(Rs.)	52 Week Low(Rs.)	Total Traded Quantity (Nos.)	Total Traded Value (Rs. Lakhs)
DISH TV	68.20	57.40	18.82	70.20	67.40	73.35	34.90	248,532	169.50
THERMAX	905.85	787.15	15.08	912.60	888.25	926.90	560.20	10,024	90.80
TITAN INDS	3732.00	3286.95	13.54	3793.00	3675.00	4244.00	1256.00	36,897	1377.00
TVS MOTOR	83.75	74.00	13.18	87.45	82.70	85.90	27.45	1,253,748	1050.01
GLENMARKPHAR	359.40	319.00	12.66	367.00	350.00	385.40	227.00	231,190	830.90
GESHIPPING	375.10	335.45	11.82	377.70	371.00	393.00	254.95	72,614	272.38
LUPIN	508.70	454.95	11.81	510.15	487.25	511.65	261.02	307,566	1564.59
BAJAJ AUTO	1646.90	1492.05	10.38	1664.50	1610.00	1663.00	740.00	26,716	439.99
JET AIRWAYS	867.55	788.35	10.05	904.00	856.25	926.35	395.70	171,841	1490.81
NESTLE	3775.00	3444.25	9.60	3867.00	3760.00	4199.40	2455.50	3,752	141.64
MAHINDRA FIN	767.00	701.75	9.30	805.00	748.00	913.45	274.00	19,363	148.51
MAH&MAH	782.00	715.55	9.29	798.25	771.00	826.40	475.13	137,138	1072.42
UCO BANK	142.90	130.85	9.21	144.80	139.45	152.35	51.10	1,065,089	1522.01
DRREDDYSLAB	1783.00	1638.10	8.85	1809.90	1781.00	1814.00	1051.20	23,071	411.36
CADILAHEALTH	766.75	714.75	7.28	785.00	765.10	809.45	392.75	4,363	33.45
RCF	110.70	103.65	6.80	117.65	108.80	132.25	66.00	967,394	1070.91
CROMPTONGREV	340.00	321.30	5.82	345.95	335.00	343.00	206.85	376,949	1281.63
INDUSINDBANK	290.55	274.95	5.67	295.75	282.00	307.30	114.50	708,670	2059.04
ADANI ENTER	702.10	671.70	4.53	727.00	699.00	785.25	369.24	68,731	482.56
BOSCH	6400.00	6128.80	4.43	6519.80	6400.00	6620.00	4300.00	997	63.81

Worst in the Street

Top Losers on BSE (A Category) for last one month as on 25-Nov-2010

Scrip Name	LTP (Rs.)	Prev. Close(Rs.)	Change	High (Rs.)	Low (Rs.)	52 Week High(Rs.)	52 Week Low(Rs.)	Total Traded Quantity (Nos.)	Total Traded Value (Rs. Lakhs)
JAINIRRIGATN	229.00	1149.20	-80.07	239.45	226.00	264.57	141.20	169,158	387.37
SUNPHRMINDS	469.60	2138.50	-78.04	474.90	456.25	2380.00	1400.00	153,004	718.51
SINTEX INDS	207.60	427.25	-51.41	218.90	205.00	237.10	114.70	55,287	114.78
ZEETELEFILMS	141.50	284.50	-50.26	143.85	141.10	163.00	122.00	19,432	27.50
DB REALTY	235.25	446.25	-47.28	270.00	235.25	540.10	252.05	730,698	1718.97
UNITECH	63.75	89.55	-28.81	67.40	63.00	98.45	65.00	3,870,792	2467.63
HDIL	194.90	268.55	-27.43	207.40	191.70	392.25	201.25	1,442,021	2810.50
IB REAL ESTA	156.90	210.15	-25.34	164.50	153.50	236.30	141.65	1,793,307	2813.70
HIND COPPER	335.25	437.50	-23.37	344.00	333.00	656.95	245.50	28,058	94.06
IRB INFRA	204.90	261.75	-21.72	227.40	198.35	312.80	217.30	614,526	1259.16
MTNL	55.20	70.35	-21.54	56.30	54.10	92.80	51.80	251,586	138.88
HIND CONSTCO	49.95	63.60	-21.46	55.90	49.25	81.10	49.78	3,446,352	1721.45
SAIL	172.50	219.40	-21.38	179.80	172.10	258.55	172.00	219,458	378.57
LIC HSNG FIN	1077.25	1369.95	-21.37	1111.00	945.50	1496.50	707.10	7,331,308	78976.52
RCOM	142.20	179.15	-20.63	144.50	139.15	204.75	131.80	699,209	994.28
SHIPPINGCORP	145.00	181.60	-20.15	150.05	142.75	202.50	139.00	118,902	172.41
FINAN.TECHNO	914.75	1141.60	-19.87	939.50	905.00	1721.95	918.00	27,628	252.73
RELINCECAPTL	665.00	825.00	-19.39	685.45	656.50	929.25	611.30	276,396	1838.03
INDIABULLS	175.75	218.00	-19.38	184.75	166.50	240.70	93.10	1,058,828	1860.89
DLF	297.20	366.60	-18.93	308.50	292.70	403.00	251.50	935,735	2781.00

Source: Kotak Securities

IPO Diary

Forthcoming Issues						
Company Name	**Issue Type**	**Instrument Type**	**Face Value**	**Price Band (Rupees)**	**Issue Open**	**Issue Close**
MOIL Ltd.	Offer For Sale(Book Building)	Equity Share	10	365	26/11/2010	1/12/2010
Shipping Corporation.	Public Cum Offer for Sale (Book Building)	Equity Share	10	-	30/11/2010	3/12/2010
One97 Communications	Public Issue (Book Building)	Equity Share	10	-	1/12/2010	6/12/2010

IPO New Listing					
Company Name	**Listing Date**	**List Price (Rs.)**	**Last Traded Date**	**Last Traded Price (Rs.) As on 24-Nov.-10**	**Volume (Nos)**
Gravita India Ltd.	16/11/2010	201.10	24/11/2010	263.30	3484536
Techno Electric & Engineering Co.	10/11/2010	360.05	24/11/2010	407.60	35718
IOL Chemicals and Pharmaceuticals	08/11/2010	52.80	24/11/2010	45.20	6745
Coal India Ltd.	04/11/2010	291.00	24/11/2010	310.80	16243562
Money Matters Financial Services Ltd.	29/10/2010	733.00	24/11/2010	533.80	242337
Responsive Industries Ltd.	29/10/2010	94.00	24/11/2010	91.55	17232
Prestige Estates Projects Ltd.	27/10/2010	190.00	24/11/2010	160.45	94414
BS TransComm Ltd.	27/10/2010	257.00	24/11/2010	185.10	203112
Gyscoal Alloys Ltd.	27/10/2010	75.15	24/11/2010	49.60	305746

Source: Kotak Securities

Currency Corner

Cross Currencies As on 24 November, 2010									
Currency	**Rupee**	**US $**	**Euro €**	**UK £**	**Aus $**	**Japanese ¥**	**Singapore $**	**Renminbi**	**Taiwan $**
1 Rupee =	1	0.0219	0.0164	0.0139	0.0224	1.8285	0.0287	0.1454	0.6669
1 US $ =	45.65	1	0.7506	0.6347	0.9799	83.47	1.3082	6.6395	30.445
1 Euro =	60.818	1.3323	1	0.8456	1.3596	111.2044	1.7429	8.8456	40.5609
1 UK £ =	71.9237	1.5755	1.1826	1	1.6079	131.511	2.0611	10.4608	47.9675
1 Aus $ =	44.7324	0.9799	0.7355	0.6219	1	81.7923	1.2819	6.506	29.8331
1 Japanese ¥ =	0.5469	0.012	0.009	0.0076	0.0122	1	0.0157	0.0795	0.3647
1 Singapore $ =	34.8953	0.7644	0.5738	0.4852	0.7801	63.8052	1	5.0753	23.2724
1 Renminbi =	6.8755	0.1506	0.1131	0.0956	0.1537	12.5717	0.197	1	4.5854
1 Taiwan $ =	1.4994	0.0328	0.0247	0.0208	0.0335	2.7417	0.043	0.2181	1

* Libor Rates				
Tenor	**USD**	**EUR**	**GBP**	**CHF**
1 Month	0.2563%	0.455%	0.7665%	-
6 Month	0.455%	0.455%	0.455%	0.455%
12 Month	0.7665%	0.7665%	0.7665%	0.7665%

* Indicative rates

* Swap Cost	
Period	**Value**
USD/INR 1- year	5.23%
USD/INR 6-mth	6.16%
GBP/INR 1-year	4.76%
EUR/INR 1-year	4.71%

Source: moneycontrol

Fixed Deposit

Bank Fixed Deposits (in %)					
Company Name	D91-179	D180-1YR	YR1-2	YR2-3	YR3-5
Foreign Banks					
Citibank	5.50	6.50	7.00	7.25	7.25
DBS Bank	4.50	5.00	6.00	6.75	7.75
Deutsche Bank	2.45	3.60	4.60	5.70	6.10
HSBC	5.25	6.50	6.75	7.00	7.25
Standard Chartered Bank	5.55	5.60	5.70	6.25	6.50
Barclays	5.75	6.35	6.75	7.75	8.00
RBS Bank	3.00	4.00	5.25	6.00	6.50
Private Sector					
Axis Bank	5.25	6.25	7.10	7.35	7.00
Catholic Syrian Bank	6.00	7.00	7.50	7.75	8.00
City Union Bank	5.00	6.50	8.00	8.00	8.00
Development Credit Bank	4.75	6.50	7.75	7.75	7.75
Dhanalakshmi Bank	5.50	6.50	7.25	7.50	7.50
Federal Bank	5.25	6.25	7.50	7.25	7.25
HDFC Bank	5.25	5.50	7.00	7.50	7.50
ICICI Bank	5.50	6.00	6.50	7.25	7.75
Indusind Bank	5.50	6.25	7.25	7.50	7.75
ING Vysya Bank	6.50	7.00	7.50	7.75	7.75
J & K Bank	5.25	6.00	7.00	7.25	7.50
Karnataka Bank	5.50	6.50	7.50	7.75	8.00
Karur Vysya Bank	5.25	6.00	7.25	7.50	7.75
Kotak Mahindra Bank	5.00	5.75	6.75	7.25	7.50
Lakshmi Vilas Bank	5.25	6.25	7.50	7.50	7.75
South Indian Bank	5.50	6.50	7.50	7.50	7.75
Tamilnad Mercantile Bank	5.75	6.50	7.75	8.00	8.25
Yes Bank	5.50	6.25	7.25	7.75	7.75
Public Sector					
Allahabad Bank	5.50	6.00	7.25	7.00	7.00
Andhra Bank	5.25	6.25	7.00	7.25	7.25
Bank of Baroda	5.50	6.00	7.00	7.25	7.25
Bank of India	5.50	6.00	7.00	7.25	7.25
Bank of Maharashtra	4.75	6.00	7.00	7.00	7.00
Canara Bank	5.50	6.00	7.00	7.25	7.25
Central Bank of India	5.75	5.75	7.15	7.25	7.50
Corporation Bank	5.50	6.00	7.00	7.25	7.25
Dena Bank	5.00	5.75	7.00	7.00	7.25
IDBI Bank	5.50	6.50	7.25	7.50	7.75
Indian Bank	4.00	5.50	7.00	7.75	7.75
Indian Overseas Bank	4.50	5.50	7.00	7.25	7.50
Oriental Bank of Commerce	5.00	5.50	6.75	6.75	7.00
Punjab & Sind Bank	5.00	5.50	7.00	7.00	7.25
Punjab National Bank	5.25	5.75	6.75	7.00	7.25
State Bank of Bikaner	5.50	6.25	7.25	7.50	7.50
State Bank of Hyderabad	5.25	6.25	7.00	7.25	7.50
State Bank of India	4.75	6.00	6.75	7.00	7.25
State Bank of Mysore	5.00	6.00	7.00	7.00	7.50
State Bank of Patiala	5.00	6.00	7.25	7.50	7.50
State Bank of Travancore	5.25	6.25	7.00	7.25	7.25
Syndicate Bank	6.50	6.50	7.25	7.25	7.75
UCO Bank	5.50	6.00	7.00	7.00	7.25
Union Bank of India	4.50	5.00	6.75	7.00	7.25
United Bank of India	5.50	6.00	7.25	7.50	7.50
Vijaya Bank	5.50	6.50	7.25	7.50	7.50

ETF

Exchange Traded Funds on NSE (As on 25-Nov-2010)

Scrip Name	LTP (Rs.)	Prev. Close(Rs.)	Change	High (Rs.)	Low (Rs.)	52 Week High(Rs.)	52 Week Low(Rs.)	Total Traded Quantity (Nos.)	Total Traded Value (Rs. Lakhs)
AXIS GETF	2058.00	2062.30	-0.21	2131.85	2045.00	2096.00	1970.00	594	12.23
BANK BEES	1190.00	1202.40	-1.03	1300.00	1182.00	1483.84	820.00	862	10.34
GOLD BEES	1991.10	1999.95	-0.44	1999.00	1983.00	2069.00	1575.00	17,297	344.56
HANGSENGBEES	1379.32	1387.06	-0.56	1393.23	1379.32	1700.00	981.00	18	0.25
HDFCMF GETF	2020.00	2034.80	-0.73	2033.75	2013.60	2039.50	1825.00	1,432	28.92
ICICIPR GETF	2017.60	2049.00	-1.53	2052.40	2017.60	2055.00	1860.10	325	6.6
INFRA BEES	341.00	345.00	-1.16	345.00	341.00	440.00	345.00	324	1.11
JUNIOR BEES	123.90	125.59	-1.35	126.00	123.25	148.00	95.50	21,275	26.5
KOTAK GETF	1984.70	1990.25	-0.28	1990.00	1980.25	2080.00	1575.00	2,466	48.95
KOTAK NIFTY	588.00	594.00	-1.01	600.00	588.00	728.80	410.00	65	0.38
KOTAK PSUETF	480.00	488.15	-1.67	499.95	475.00	635.00	303.00	826	3.97
LIQUID BEES	1000.00	999.99	0.00	1000.01	999.99	1149.80	999.00	36,165	361.65
MOST M50 ETF	83.00	83.21	-0.25	86.95	82.50	102.00	77.31	21,530	17.87
NIFTY BEES	596.00	596.69	-0.12	600.40	595.00	640.00	471.50	34,598	206.76
PSU BANKBEES	464.00	475.25	-2.37	476.00	461.20	590.00	298.50	1,669	7.76
QNIFTY ETF	596.00	594.25	0.29	596.00	595.40	728.80	450.00	24	0.14
QUANTUM GETF	985.00	989.90	-0.49	988.90	971.00	993.90	725.30	327	3.2
REL.BANK ETF	1130.00	1170.13	-3.43	1186.86	1126.60	1320.00	750.00	199	2.27
RELIANCE GTF	1932.15	1935.80	-0.19	1939.00	1920.00	1950.00	1520.15	2,227	42.96
RELIGAREGETF	2015.00	2047.10	-1.57	2044.40	2002.30	2050.00	1560.00	13	0.26
SBI GOLD ETS	2029.80	2028.00	0.09	2032.85	2016.75	2035.00	1600.00	1,608	32.59
SHARIAH BEES	128.50	131.50	-2.28	129.00	128.50	139.00	111.00	105	0.13
UTI GOLD ETF	1979.15	1987.35	-0.41	1988.00	1975.05	1990.00	1535.99	2,088	41.36
UTI SUNDER	937.00	917.90	2.08	937.00	937.00	1184.80	441.10	3	0.03

Exchange Traded Funds on BSE (As on 25-Nov-2010)

Scrip Name	LTP (Rs.)	Prev. Close(Rs.)	Change	High (Rs.)	Low (Rs.)	52 Week High(Rs.)	52 Week Low(Rs.)	Total Traded Quantity (Nos.)	Total Traded Value (Rs. Lakhs)
BANK BEES	1207.00	1243.00	-2.90	1207.00	1200.00	1558.00	835.00	7	0.08
GOLD BEES	1993.25	1998.68	-0.27	1996.00	1988.00	2000.00	1573.85	1,706	34.00
HANGSENGBEES	1241.15	1500.00	-17.26	1241.15	1241.15	1580.00	1060.15	1	0.01
HDFCMF GETF	2015.01	2030.00	-0.74	2030.00	2015.01	2175.00	1800.00	204	4.11
ICICIPR GETF	2040.00	2050.01	-0.49	2045.00	1900.00	2266.80	1874.00	55	1.12
JUNIOR BEES	121.60	124.35	-2.21	127.40	121.60	154.00	85.00	512,107	622.72
KOTAK GETF	1985.95	1991.13	-0.26	1987.00	1981.00	2000.00	1517.00	108	2.14
KOTAK NIFTY	593.05	594.50	-0.24	596.00	593.05	716.60	486.50	150	0.89
KOTAK PSUETF	482.00	491.80	-1.99	482.00	482.00	570.00	305.00	10	0.05
KOTAK SENSEX	197.67	197.09	0.29	202.00	197.00	212.00	156.20	422	0.84
LIQUID BEES	1000.00	999.99	0.00	1000.01	999.99	1000.01	999.99	3,838	38.38
MOST M50 ETF	82.60	83.30	-0.84	88.50	82.45	93.00	77.55	5,182	4.28
NIFTY BEES	595.10	601.45	-1.06	602.00	595.10	648.00	409.85	167	0.99
PSU BANKBEES	496.00	500.00	-0.80	500.00	496.00	623.00	263.10	31	0.15
QNIFTY ETF	629.00	527.00	19.35	629.00	625.00	700.00	321.05	2	0.01
QUANTUM GETF	985.00	990.52	-0.56	990.52	985.00	995.00	757.00	65	0.64
REL.BANK ETF	1084.10	1175.00	-7.74	1185.10	1084.10	1482.00	772.05	14	0.15
RELIANCE GTF	1929.55	1935.29	-0.30	1939.99	1922.00	1951.80	1511.00	290	5.60
RELIGAREGETF	2070.00	2040.00	1.47	2070.00	2040.00	2185.00	1526.00	2	0.04
SBI GOLD ETS	2031.50	2023.87	0.38	2032.00	2011.00	2040.00	1590.00	306	6.22
SHARIAH BEES	130.50	137.00	-4.74	130.50	130.50	150.15	103.00	50	0.07
SPICE	218.75	195.00	12.18	219.50	195.00	229.80	155.00	205	0.42
UTI GOLD ETF	1978.00	1984.16	-0.31	1983.00	1964.00	2122.00	1550.00	1,047	20.71
UTI SUNDER	920.20	870.10	5.76	1008.90	911.35	1173.90	370.00	11	0.10

Source: Kotak Securities

Global Economy Data

Global Economy Data							
Country	GDP Billions US$	GDP Growth	Interest Rate	Inflation Rate	Jobless Rate	Current Account	Exchange Rate
United States	14256	2.50%	0.25%	1.20%	9.60%	-123	82.92
Euro Area	12456	0.40%	1.00%	1.90%	10.00%	-25	1.3496
Japan	5068	0.90%	0.00%	-0.60%	5.00%	1047	84.225
China	4909	9.60%	5.56%	4.40%	4.20%	70500	6.692
Germany	3347	0.70%	1.00%	1.00%	7.00%	2	1.3496
France	2649	0.40%	1.00%	1.60%	10.00%	-2	1.3496
United Kingdom	2175	0.80%	0.50%	3.20%	7.80%	-10	1.5855
Italy	2113	0.20%	1.00%	1.80%	8.50%	-4393	1.3496
Brazil	1572	1.20%	10.75%	5.20%	6.70%	-3000	1.7108
Spain	1460	0.20%	1.00%	1.90%	20.00%	-5	1.3496
Canada	1336	0.50%	1.00%	2.40%	7.90%	-11	1.023
India	1296	8.80%	5.25%	9.82%	8.00%	-13	45.015
Russia	1231	2.70%	7.75%	7.60%	6.60%	33318	30.557
South Korea	929	0.70%	2.50%	4.10%	3.70%	5038	1152.5
Australia	925	1.20%	4.75%	2.80%	5.10%	-5640	0.9617
Mexico	875	0.50%	4.50%	3.76%	5.50%	-1	12.506
Netherlands	792	0.90%	1.00%	1.60%	5.50%	12372	1.3496
Turkey	617	3.70%	7.00%	8.60%	11.40%	-3438	1.4736
Indonesia	540	3.45%	6.50%	5.67%	7.41%	1834	8945
Switzerland	500	0.85%	0.25%	0.20%	3.70%	20	0.9823
Belgium	469	0.70%	1.00%	2.57%	8.60%	-1	1.3496
Poland	430	1.10%	3.50%	2.80%	11.30%	-1064	2.9325
Sweden	406	1.90%	1.00%	0.90%	8.10%	64	6.794
Austria	385	0.90%	1.00%	1.80%	3.90%	1073	1.3496
Norway	382	0.10%	2.00%	1.90%	3.60%	97648	5.8663
Saudi Arabia	369	0.60%	2.00%	5.51%	10.50%	22765	3.7497
Greece	330	-1.50%	1.00%	5.50%	11.00%	250	1.3496
Venezuela	314	1.90%	17.98%	30.90%	8.40%	7181	4294.65
Denmark	310	0.50%	0.75%	2.30%	4.20%	8	5.5198
Argentina	309	3.00%	9.93%	11.10%	7.90%	3100	3.953
South Africa	286	2.60%	5.50%	3.20%	25.30%	-116132	6.9811
Thailand	264	-0.20%	1.75%	3.40%	1.54%	681	30.58
United Arab Emirates	261	-2.10%	1.80%	11.10%	20.60%	82	3.6729
Finland	238	-0.40%	1.00%	1.10%	8.50%	1	1.3496
Colombia	231	1.00%	3.00%	2.24%	12.80%	-1396	1811.5
Portugal	228	0.30%	1.00%	1.90%	10.60%	-2057	1.3496
Ireland	227	2.66%	-1.20%	0.70%	13.70%	-1622	1.3496
Hong Kong	215	0.70%	0.50%	2.60%	4.20%	26	7.7576
Israel	195	1.17%	1.75%	2.50%	6.20%	1584	3.692
Malaysia	192	2.40%	2.75%	1.90%	3.70%	30449	3.0868
Czech Republic	190	0.80%	0.75%	1.90%	8.60%	-1153	18.415
Singapore	182	-18.70%	0.03%	3.10%	2.30%	14942	1.3211
Pakistan	167	2.00%	13.00%	12.69%	5.50%	-1548	86.12
Chile	164	4.30%	3.00%	2.90%	8.00%	47	485.75
Hungary	129	0.80%	5.25%	3.70%	10.90%	344	205.93
Peru	127	10.40%	3.00%	1.82%	7.60%	267	2.7875
New Zealand	125	0.20%	3.00%	1.50%	6.40%	0	0.7358
Luxembourg	52	-2.60%	1.00%	2.47%	5.30%	1858	1.3496
Slovenia	48	-0.50%	1.00%	2.10%	10.50%	-79	1.3496
Iceland	12	0.60%	7.00%	4.80%	7.60%	-27	114.39

Source: tradingeconomics

Sectoral Dash Board

Financial data presented on Multiple Sector

Company Name	Full Year (Rs Cr.)							Price Information								Latest Quarter (Rs Cr.)			
	Year End	Equity	Sales	NP	NP Var%	Div%	B.V Rs	EPS Rs.	Price as on 19/11/2010	52 W - H	52 W - L	Mkt. Cap.	P/C	P/E	P/BV	Quarter Year	Sales	NP	NP Var%
FOOD AND DAIRY PRODUCTS																			
Nestle India	200912	96.42	5,131.74	657.17	23.00	485.00	60.30	59.90	3,634.00	4,199.00	2,456.00	35,037.10	50.90	60.70	60.27	201009	1,637.30	218.56	20.00
Britannia Inds.	201003	23.89	3,401.40	149.75	(22.00)	250.00	33.20	11.70	406.00	535.00	300.00	4,847.88	27.30	34.70	12.23	201009	1,094.77	32.81	(50.00)
GlaxoSmith C H L	200912	42.06	1,924.87	232.68	24.00	180.00	215.20	52.30	2,281.00	2,460.00	1,255.00	9,595.78	36.60	43.60	10.60	201009	612.58	78.57	31.00
Hatsun AgroProd.	201003	6.80	1,140.60	2.62	(77.00)	15.00	15.70	0.70	105.00	131.00	78.00	355.64	12.20	-	6.69	201009	350.20	5.41	-
Kwality Dairy	201003	20.32	1,054.09	17.95	91.00	10.00	2.30	0.90	101.00	228.00	80.00	2,053.34	-	-	43.91	201009	364.77	7.27	6.00
Heritage Foods	201003	11.53	900.38	6.09	-	18.00	75.30	5.00	195.00	258.00	141.00	224.84	8.90	39.00	2.59	201009	269.61	(3.94)	-
Vikas Wsp	201003	13.74	458.98	119.95	(1.00)	50.00	59.10	8.60	31.00	38.00	19.00	420.44	2.80	3.60	0.52	201009	130.37	28.69	(15.00)
Modern Dairies	201003	23.32	437.95	(3.02)	88.00	-	16.70	-	29.00	85.00	29.00	68.33	16.70	-	1.74	201009	93.06	(7.94)	(117.00)
Jubilant Food.	201003	64.44	423.93	33.29	324.00	-	18.40	5.20	577.00	636.00	162.00	3,716.25	64.50	110.90	31.36	201009	163.30	18.44	137.00
Milkfood	201003	4.89	308.59	(3.69)	-	-	74.40	-	199.00	348.00	177.00	97.34	81.80	-	2.67	201009	48.91	(3.01)	-
Zydus Wellness	201003	39.07	267.52	46.71	88.00	30.00	25.70	11.50	542.00	639.00	201.00	2,119.35	45.70	47.20	21.09	201009	79.94	13.46	35.00
Vadilal Enterp.	201003	0.87	209.94	0.66	500.00	12.00	42.80	7.40	113.00	153.00	65.00	9.87	2.30	15.30	2.64	201009	51.13	0.09	-
Vadilal Inds.	201003	7.19	187.53	5.74	492.00	15.00	53.60	7.70	135.00	172.00	69.00	97.35	8.70	17.60	2.52	201009	53.42	1.53	(8.00)
Vikas Granaries	201003	18.12	115.92	21.76	225.00	-	33.10	12.00	23.00	44.00	23.00	42.40	1.50	2.00	0.69	201009	35.51	6.96	15.00
Ravalgaon Sugar	201003	0.34	61.29	6.12	(10.00)	150.00	5,050.00	888.20	7,680.00	11,111.00	6,401.00	52.23	6.30	8.60	1.52	201009	6.03	(0.84)	-
Mavens Biotech	201003	10.99	47.41	3.29	458.00	9.00	1.50	0.30	12.00	175.00	11.00	126.93	-	-	8.00	201009	26.28	0.15	(82.00)
Umang Dairies	201003	11.00	46.25	(2.02)	21.00	-	(4.40)	-	17.00	37.00	15.00	38.06	-	-	(3.86)	201009	12.91	(0.07)	90.00
Lotus Chocolate	201003	12.84	30.39	1.13	(3.00)	-	(0.70)	0.90	38.00	59.00	33.00	48.92	30.60	-	(54.29)	201009	7.25	(1.22)	-
Natura Hue Chem	201003	6.10	15.42	0.83	-	-	11.00	1.40	13.00	50.00	8.00	7.77	9.40	9.10	1.18	201003	3.18	0.23	(44.00)
Vaghani Techno	201003	5.22	10.04	1.53	(6.00)	-	14.90	2.90	55.00	149.00	11.00	28.81	15.30	19.00	3.69	201009	9.52	0.11	-
Platinum Corp.	201003	13.60	-	0.13	-	-	1.30	-	1.00	1.00	-	5.44	-	-	0.77	201003	-	0.33	(80.00)
FOOD PROCESSING																			
ADF Foods	201003	20.00	97.61	15.68	57.00	15.00	53.30	7.60	69.00	119.00	60.00	138.10	7.10	9.10	1.29	201009	29.29	5.52	21.00
Agro Dutch Inds.	201003	54.37	96.36	(54.35)	(100.00)	-	19.80	-	17.00	37.00	12.00	90.80	-	-	0.86	201009	29.05	(23.99)	35.00
Bambino Agro Ind	200909	8.01	178.21	0.37	(96.00)	-	32.00	0.50	41.00	55.00	28.00	32.96	10.10	-	1.28	201006	44.98	0.50	108.00
Chamanlal Setia	201003	9.50	185.67	7.01	95.00	16.00	33.50	7.10	39.00	53.00	24.00	37.38	4.40	5.50	1.16	201009	42.67	1.01	(22.00)
Chordia Food	201003	2.99	34.46	1.80	26.00	-	76.90	6.00	78.00	103.00	36.00	23.40	8.90	13.00	1.01	201009	7.25	0.73	38.00
DFM Foods	201003	9.97	72.19	4.18	101.00	15.00	16.50	3.90	86.00	117.00	41.00	86.04	17.60	22.10	5.21	201009	29.37	2.13	95.00
Flex Foods	201003	12.45	35.89	3.85	(54.00)	20.00	38.30	2.80	33.00	36.00	24.00	41.52	6.10	11.90	0.86	201009	10.46	0.42	(21.00)
Foods & Inns	201009	1.33	216.90	1.29	(79.00)	-	177.00	9.70	282.00	335.00	201.00	37.53	6.70	29.10	1.59	201009	60.77	3.08	-
Freshtrop Fruits	201003	10.54	48.67	2.35	267.00	-	30.90	2.20	21.00	43.00	20.00	22.19	5.00	9.60	0.68	201009	2.40	(1.14)	(41.00)
GRM Overseas	201003	3.69	275.61	3.73	11.00	20.00	64.70	9.80	40.00	58.00	26.00	14.76	3.20	4.10	0.62	201006	65.92	0.82	(48.00)
Himalya Intl.	201003	40.58	67.88	16.04	19.00	-	29.00	4.00	30.00	47.00	27.00	120.52	6.40	7.40	1.03	201009	22.80	6.20	24.00
Hind Inds.	201003	9.92	122.45	2.50	60.00	5.00	63.40	2.40	83.00	104.00	15.00	82.58	16.30	34.70	1.31	201009	36.90	0.85	12.00
Indage Rest.	200903	11.20	25.32	(5.63)	-	-	4.80	-	14.00	17.00	8.00	53.57	-	-	2.92	200912	5.73	(1.38)	-
KLRF Ltd	201003	5.02	159.58	1.35	-	-	37.50	2.70	35.00	52.00	18.00	17.54	2.60	12.90	0.93	201009	48.71	1.68	479.00
Kohinoor Foods	201003	28.19	772.80	32.93	(15.00)	-	74.20	11.70	57.00	73.00	47.00	161.25	3.70	4.90	0.77	201009	251.99	17.21	192.00
Kothari Ferment.	201003	15.00	19.07	0.78	(22.00)	-	14.90	0.50	8.00	11.00	6.00	11.72	5.70	-	0.54	201009	5.43	0.21	-
KRBL	201003	24.31	1,579.01	106.75	130.00	30.00	20.60	4.30	40.00	54.00	14.00	973.62	7.30	9.30	1.94	201009	417.27	38.87	27.00
L T Foods	201003	26.12	696.17	16.46	(54.00)	15.00	75.90	6.20	68.00	88.00	51.00	176.96	5.80	10.90	0.90	201009	151.08	5.20	91.00
Lakshmi Energy	201009	12.64	1,167.36	88.86	(3.00)	-	101.70	14.10	78.00	175.00	70.00	491.06	3.90	5.50	0.77	201009	384.77	24.04	(25.00)
Madhur Inds	201003	4.09	2.53	(1.41)	(27.00)	-	14.80	-	70.00	76.00	9.00	28.79	-	-	4.73	201009	0.68	0.02	-
Mount Everest	201003	34.00	19.08	(14.11)	50.00	-	16.80	-	81.00	101.00	54.00	274.89	-	-	4.82	201009	5.78	(2.51)	(6.00)
R T Exports	201003	4.36	4.92	0.09	(87.00)	-	24.20	0.20	24.00	37.00	20.00	10.49	13.80	-	0.99	201009	0.65	(0.06)	76.00
REI Agro	201003	95.80	3,692.68	157.25	158.00	30.00	22.00	1.60	25.00	42.00	19.00	2,390.21	13.50	15.60	1.14	201009	837.66	71.66	46.00
Saboo Sodium	201003	12.93	9.65	(0.64)	-	-	10.40	-	34.00	49.00	8.00	43.32	-	-	3.27	201009	2.50	1.56	643.00
Shah Foods	201003	0.60	2.19	0.26	160.00	10.00	20.30	4.20	60.00	106.00	25.00	3.61	11.30	14.30	2.96	201006	0.43	(0.05)	-
Sita Shree Food	201003	22.04	135.26	1.19	222.00	-	21.20	0.50	8.00	12.00	7.00	17.98	-	-	0.38	201009	26.34	0.11	(84.00)
SKM Egg Prod.	201003	26.33	113.61	0.63	(92.00)	-	22.10	0.20	17.00	30.00	14.00	44.29	7.40	-	0.77	201009	45.04	(5.61)	(345.00)
Super Bakers (I)	201003	3.02	14.38	0.01	-	-	10.70	-	6.00	7.00	5.00	1.86	-	-	0.56	201009	2.06	0.01	-
Tarai Foods	201003	17.73	2.65	(0.37)	95.00	-	(23.20)	-	4.00	6.00	2.00	7.61	-	-	(0.17)	201009	0.19	(0.33)	89.00
Tasty Bite Eat.	201003	2.57	67.76	7.07	371.00	10.00	81.40	27.30	215.00	352.00	128.00	55.28	6.50	7.90	2.64	201006	19.35	0.40	(76.00)
Temptation Foods	201003	40.46	1,276.65	74.59	35.00	8.00	90.30	18.40	31.00	45.00	28.00	125.83	1.50	1.70	0.34	201009	349.50	18.22	18.00
Usher Agro	201006	22.26	342.00	23.53	59.00	-	46.30	10.60	92.00	109.00	36.00	203.68	7.10	8.60	1.99	201009	114.48	8.14	47.00
HOTELS																			
Indian Hotels	201003	72.35	1,473.29	116.95	(53.00)	100.00	37.20	1.50	99.00	118.00	70.00	7,159.03	34.10	66.00	2.66	201009	328.50	(1.14)	-
EIH	201003	78.59	774.13	58.90	(66.00)	60.00	30.10	1.30	117.00	181.00	101.00	4,603.41	38.60	90.10	3.89	201009	199.46	(33.69)	(249.00)
Mahindra Holiday	201003	84.23	468.75	117.56	41.00	40.00	52.30	13.30	366.00	574.00	351.00	3,084.50	23.50	27.50	7.00	201009	115.47	18.20	(35.00)
Hotel Leela Ven.	201003	77.56	449.77	41.20	(72.00)	10.00	22.60	1.00	46.00	59.00	37.00	1,797.45	16.60	-	2.04	201009	104.41	(4.75)	-
Country Club (I)	201003	17.02	212.44	17.96	85.00	5.00	80.30	2.10	17.00	27.00	15.00	145.95	4.70	8.20	0.21	201009	49.78	3.21	(53.00)
Oriental Hotels	201003	17.86	190.39	22.89	(39.00)	75.00	16.00	1.20	36.00	45.00	23.00	640.28	18.60	29.90	2.25	201009	50.78	0.91	(47.00)
EIH Assoc.Hotels	201003	19.59	147.94	5.76	(44.00)	15.00	54.20	2.70	174.00	251.00	110.00	339.89	20.40	64.30	3.21	201009	31.05	(3.69)	2.00
Asian Hotels (N)	201003	11.40	145.09	26.91	(15.00)	100.00	514.50	45.50	290.00	700.00	268.00	330.66	5.00	6.40	0.56	201009	55.14	6.33	402.00
Kamat Hotels	201003	15.04	102.81	1.77	(63.00)	-	126.00	1.20	120.00	168.00	58.00	180.25	12.50	99.90	0.95	201009	26.26	0.15	-
Blu.Coast Hotel.	201003	8.86	87.19	6.95	197.00	-	99.90	7.80	170.00	193.00	98.00	150.53	9.50	21.80	1.70	201009	14.52	(4.05)	(121.00)
Bhagwati Banq.	201003	29.29	82.98	10.36	9.00	-	46.70	3.50	170.00	198.00	43.00	499.10	40.40	48.70	3.64	201009	20.24	1.86	15.00
Sayaji Hotels	201003	17.52	81.42	(0.36)	-	-	53.00	-	120.00	142.00	56.00	210.77	23.20	-	2.26	201009	22.83	(1.11)	8.00
Royal Orch.Hotel	201003	27.23	77.83	8.33	(55.00)	-	73.10	3.10	74.00	94.00	66.00	201.37	14.40	23.90	1.01	201009	21.58	2.72	45.00
CHL	201003	10.96	70.37	11.22	(25.00)	30.00	71.10	9.70	114.00	150.00	65.00	124.94	8.40	11.80	1.60	201009	13.91	0.41	(64.00)
Graviss Hospital	201003	17.29	61.92	4.95	(68.00)	12.00	32.30	0.50	30.00	44.00	25.00	262.38	25.80	-	0.93	201009	11.85	0.43	-

Company Name	Full Year (Rs Cr.)							Price Information								Latest Quarter (Rs Cr.)			
	Year End	Equity	Sales	NP	NP Var%	Div%	B.V Rs	EPS Rs.	Price as on 19/11/2010	52 W - H	52 W - L	Mkt. Cap.	P/C	P/E	P/BV	Quarter Year	Sales	NP	NP Var%
Asian Hotels (W)	201003	11.40	60.20	10.12	-	40.00	277.30	11.10	225.00	499.00	222.00	256.79	14.00	20.30	0.81	201009	29.69	1.51	-
Panoramic Univ.	201003	38.87	47.01	21.40	12.00	50.00	11.80	2.20	23.00	58.00	18.00	176.47	8.20	10.30	1.95	201009	18.39	5.02	4.00
Fomento Resorts	201003	16.00	42.21	6.97	(1.00)	15.00	27.20	4.10	108.00	189.00	98.00	173.36	18.40	26.40	3.97	201009	6.26	(0.81)	(252.00)
Mac Charles(I)	201003	6.55	41.52	18.02	(20.00)	110.00	301.80	25.60	260.00	319.00	171.00	170.30	8.20	10.20	0.86	201009	12.49	2.73	63.00
Asian Hotels (E)	201003	11.40	41.23	14.28	-	40.00	655.20	16.00	386.00	494.00	200.00	439.76	20.00	24.10	0.59	201009	18.57	5.68	-
Savera Industrie	201003	11.93	34.79	3.30	182.00	12.00	24.00	2.70	49.00	63.00	17.00	58.93	11.40	18.30	2.04	201009	11.47	1.85	34.00
Ster. Holid. Res	201003	48.83	30.59	(8.65)	75.00	-	3.10	-	89.00	112.00	58.00	434.59	-	-	28.71	201009	7.10	(4.58)	(239.00)
Advani Hotels.	201003	9.24	29.25	(0.01)	-	5.00	6.30	-	44.00	65.00	37.00	203.74	-	-	6.98	201009	4.28	(3.66)	(91.00)
Benares Hotels	201003	1.30	23.08	3.77	17.00	130.00	191.80	26.80	483.00	562.00		62.73	12.50	18.00	2.52	201009	4.32	0.03	-
Royale Manor	201003	16.93	19.89	1.24	(74.00)	-	16.30	0.50	17.00	26.00	14.00	28.10	12.30	-	1.04	201009	3.43	0.26	100.00
Jindal Hotels	201003	6.00	19.12	1.83	20.00	8.00	28.40	3.00	49.00	81.00	30.00	29.34	9.30	16.30	1.73	201009	4.92	0.50	138.00
H. S. India	201003	16.24	14.56	2.69	296.00	-	12.10	1.70	10.00	13.00	8.00	16.22	4.50	5.90	0.83	201009	3.47	0.08	(78.00)
Sinclairs Hotels	201003	6.07	13.50	3.12	(2.00)	25.00	122.30	4.70	258.00	330.00	163.00	156.55	37.40	54.90	2.11	201009	2.54	0.96	317.00
Reliable Ventur.	201003	11.01	11.37	1.70	(24.00)	-	14.40	1.50	23.00	30.00	18.00	25.60	9.70	15.50	1.60	201009	3.03	0.32	113.00
Howard Hotels	201003	9.11	8.62	0.95	70.00	-	12.50	1.00	12.00	18.00	10.00	10.93	7.30	-	0.96	201006	1.58	(0.27)	(108.00)
Gandhinag. Hotel	201003	5.93	6.50	0.52	126.00	5.00	17.00	0.60	229.00	269.00	30.00	135.71	55.40	-	13.47	201009	2.59	0.67	999.00
Ras Resorts	201003	3.80	5.67	0.45	221.00	-	13.00	1.20	40.00	48.00	21.00	15.28	19.60	33.50	3.08	201009	1.60	0.22	450.00
Lords Ishwar	201003	5.54	5.51	0.75	(4.00)	-	7.80	1.40	15.00	23.00	4.00	8.45	6.90	10.90	1.92	201006	1.26	0.10	(23.00)
Best Eastern Hot	201003	1.69	3.99	0.56	(16.00)	15.00	16.60	2.10	152.00	175.00	78.00	25.73	29.60	72.50	9.16	201009	0.59	(0.12)	29.00
Cindrella Hotels	201003	3.60	3.23	0.16	33.00	-	15.30	0.40	22.00	32.00	19.00	7.97	15.60	-	1.44	201009	0.60	0.02	-
Guj. Hotels	201003	3.79	3.22	2.50	5.00	28.00	32.70	6.10	127.00	140.00	54.00	48.11	20.30	20.80	3.88	201009	0.89	0.62	17.00
Le Waterina	201003	7.91	1.81	0.15	400.00	-	11.40	0.20	117.00	129.00	15.00	92.19	-	-	10.26	201009	1.38	0.14	-
James Hotels	201003	8.00	-	(0.13)	(8.00)	-	17.60	-	64.00	168.00	39.00	51.16	-	-	3.64	201009	-	(0.03)	50.00
Khyati Multimed.	201003	10.80	-	(0.09)	-	-	13.20	-	1.00	3.00	1.00	1.59	-	-	0.08	201006	-	(0.05)	(67.00)
Polo Hotels	201003	3.40	-	0.15	400.00	-	6.40	0.40	52.00	64.00	17.00	17.78	50.80	-	8.12	201009	-	0.05	400.00
IT - BPO																			
Firstsour.Solu.	201003	430.14	661.72	65.83	370.00	-	23.00	1.50	23.00	39.00	23.00	1,000.08	8.50	15.50	1.00	201009	162.42	21.20	40.00
eClerx Services	201003	28.75	257.02	72.32	19.00	175.00	69.50	23.20	677.00	698.00	243.00	1,945.94	26.50	29.20	9.74	201009	82.17	27.23	72.00
Sparsh BPO Serv.	201003	16.15	249.71	(5.99)	46.00	-	(0.80)	-	86.00	90.00	36.00	139.37	4.90	-	(107.50)	201009	58.20	(4.09)	-
R Systems Intl.	200912	12.32	191.14	25.66	6.00	24.00	143.50	20.40	111.00	124.00	75.00	137.24	4.10	5.50	0.77	201009	47.22	2.70	(67.00)
Datamatics Glob.	201003	29.47	130.89	21.27	(5.00)	25.00	51.10	3.40	35.00	47.00	29.00	203.64	7.70	10.20	0.68	201009	33.67	4.72	(31.00)
Allsec Tech.	201003	15.24	122.08	(6.66)	8.00	-	89.70	-	34.00	61.00	31.00	52.43	15.10	-	0.38	201009	37.32	0.59	-
Accentia Tech.	201003	14.63	94.09	19.88	(7.00)	30.00	106.90	13.10	270.00	372.00	107.00	394.57	14.70	20.60	2.53	201009	29.19	5.24	46.00
Coral Hub	201006	24.20	88.37	20.11	10.00	6.00	11.70	0.70	6.00	17.00	6.00	151.73	-	-	0.51	201009	9.35	1.02	(84.00)
Dhanus Tech.	201006	17.94	55.77	1.82	(91.00)	-	161.90	1.00	16.00	38.00	13.00	28.35	1.00	-	0.10	201006	12.11	0.17	(95.00)
Tricom India	201003	11.68	54.72	15.61	(2.00)	12.00	15.70	2.60	17.00	23.00	13.00	96.36	5.10	6.30	1.08	201009	14.64	3.94	12.00
Religare Techno	201003	43.87	23.25	(9.04)	(12.00)	-	19.20	-	65.00	95.00	64.00	285.16	-	-	3.39	201009	7.59	(5.56)	(239.00)
Intrasoft Tech.	201003	14.73	16.42	9.06	71.00	15.00	369.60	5.90	97.00	167.00	82.00	143.25	13.70	16.50	0.26	201009	3.30	2.45	11.00
HOV Services	201003	12.52	7.49	2.96	-	40.00	61.30	1.70	122.00	173.00	64.00	152.18	61.40	71.50	1.99	201009	5.90	3.75	999.00
Frontline Busine	201003	1.20	0.12	0.29	(62.00)	-	(92.10)	2.40	16.00	18.00	1.00	1.90	6.30	6.60	(0.17)	201009	0.03	(0.18)	(500.00)
G-Tech Info.	201003	10.00	0.10	0.01	-	-	0.40	-	6.00	8.00	2.00	60.40	-	-	15.00	201009	0.03	-	(100.00)
Kashyap TeleMed.	201003	4.77	0.05	0.01	(50.00)	-	0.40	-	2.00	3.00	1.00	10.16	-	-	5.00	201009	0.02	-	-
Triton Corp.	201003	19.99	0.03	(9.50)	71.00	-	1.70	-	1.00	1.00	-	7.40	-	-	0.59	201009	-	(0.79)	72.00 IT -
IT-EDUCATION																			
Educomp Sol.	201003	19.10	832.22	213.10	62.00	138.00	128.50	21.90	606.00	876.00	442.00	5,785.87	19.30	27.70	4.72	201009	199.17	75.23	49.00
NIIT	201003	33.02	625.17	31.66	(19.00)	70.00	23.90	1.80	60.00	79.00	56.00	984.00	11.80	33.10	2.51	201009	175.72	5.21	(34.00)
Everonn Educat.	201003	15.12	210.65	43.40	84.00	20.00	169.10	28.40	675.00	756.00	334.00	1,020.60	15.30	23.80	3.99	201009	73.82	15.99	51.00
Birla Shloka	201003	19.95	179.80	5.01	999.00	-	25.50	2.50	30.00	94.00	27.00	59.85	8.40	12.00	1.18	201009	47.10	1.27	-
Aptech	201003	48.76	123.79	17.77	(40.00)	8.00	55.80	2.80	142.00	208.00	115.00	694.10	29.20	50.80	2.54	201009	25.88	3.02	(37.00)
Compucom Soft.	201003	15.08	59.43	9.29	9.00	10.00	9.60	1.20	25.00	34.00	8.00	190.01	7.40	21.00	2.60	201009	20.13	3.33	17.00
Jetking Infotrai	201003	5.89	44.58	9.74	(22.00)	50.00	54.10	15.70	146.00	198.00	115.00	85.91	7.60	9.30	2.70	201009	11.83	2.40	(9.00)
SQL Star Intl.	201003	21.80	25.45	(18.13)	41.00	-	1.10	-	17.00	24.00	10.00	37.17	-	-	15.45	201009	5.40	0.08	(80.00)
Comp-U-Learn	201003	19.16	18.39	4.63	382.00	-	13.30	2.40	18.00	32.00	16.00	35.16	7.20	7.60	1.35	201006	2.76	0.58	(16.00)
Nimbus Foods	201003	4.58	8.47	0.17	31.00	-	1.10	-	3.00	10.00	3.00	15.94	-	-	2.73	201009	2.30	0.08	60.00
Software Tech.	201009	12.50	5.15	0.08	-	-	8.90	0.10	7.00	10.00	6.00	8.18	-	-	0.79	201009	0.94	0.03	(98.00)
BITS	201003	22.38	1.98	(0.01)	88.00	-	3.50	-	1.00	1.00	1.00	8.39	-	-	0.29	201009	0.32	0.01	-
IT - HARD																			
HCL Infosystems	201006	43.63	11,953.01	254.23	(2.00)	375.00	88.10	10.30	97.00	170.00	97.00	2,120.42	8.60	9.40	1.10	201009	2,856.30	54.10	(18.00)
Redington India	201003	79.14	6,449.61	99.46	23.00	50.00	17.10	2.50	83.00	99.00	55.00	3,284.31	28.70	33.20	4.85	201009	2,031.89	27.28	28.00
Moser Baer (I)	201003	168.30	2,058.43	(50.97)	80.00	6.00	100.50	-	61.00	94.00	52.00	1,033.36	2.40	-	0.61	201009	489.26	(71.69)	(21.00)
Compuage Info.	201003	5.18	1,087.80	6.29	41.00	20.00	47.80	11.80	233.00	249.00	49.00	120.93	18.10	19.80	4.87	201009	364.89	2.96	66.00
CMC	201003	15.15	690.01	126.91	20.00	200.00	314.60	80.40	2,512.00	2,640.00	1,047.00	3,804.92	28.90	31.20	7.98	201009	199.29	37.04	18.00
Zenith Computers	201003	15.48	260.99	1.83	87.00	9.00	27.40	1.00	28.00	36.00	18.00	42.88	6.00	-	1.02	201009	54.04	0.59	90.00
PCS Technology	201003	21.12	195.33	2.00	(23.00)	-	35.00	1.30	21.00	26.00	13.00	43.51	5.20	15.80	0.60	201009	39.83	0.32	(27.00)
TVS Elec.	201003	17.67	190.40	(5.03)	19.00	-	22.30	-	30.00	40.00	21.00	53.01	-	-	1.35	201009	42.25	0.02	-
Smartlink Netwr.	201003	6.00	165.63	18.07	157.00	125.00	52.10	5.60	57.00	77.00	39.00	170.25	6.00	10.10	1.09	201009	46.86	4.33	(35.00)
D-Link India	201003	6.00	132.79	7.18	21.00	50.00	23.20	2.20	37.00	55.00	24.00	111.90	15.80	17.00	1.59	201009	35.02	1.90	-
Computer Point	201003	30.00	121.12	1.67	351.00	-	12.20	0.60	7.00	9.00	5.00	20.64	-	-	0.57	201009	25.06	0.48	220.00
Spel Semiconduct	201003	46.12	87.16	6.11	(2.00)	-	14.40	1.30	16.00	22.00	14.00	74.02	5.20	12.30	1.11	201009	24.75	1.38	(3.00)
MRO-TEK	201003	9.34	77.22	(1.87)	-	20.00	48.00	-	26.00	39.00	25.00	47.63	-	-	0.54	201009	6.69	(3.16)	(69.00)
VXL Instruments	201003	13.35	76.60	0.57	-	-	4.00	0.40	32.00	51.00	22.00	43.05	25.00	-	8.00	201009	22.82	0.22	-
CCS Infotech	201003	10.05	63.63	0.82	4.00	-	18.20	0.80	10.00	13.00	3.00	9.74	8.70	-	0.55	201009	18.52	0.34	55.00
Mobile Telecom.	201003	11.90	55.31	0.75	83.00	5.00	1.60	0.10	6.00	9.00	3.00	67.71	-	-	3.75	201009	27.05	1.10	96.00
Cerebra Integr.	200909	15.06	50.34	1.46	38.00	-	8.20	1.00	36.00	40.00	8.00	53.61	32.10	-	4.39	201006	15.34	0.44	(12.00)

Company Name	Full Year (Rs Cr.)							Price Information								Latest Quarter (Rs Cr.)			
	Year End	Equity	Sales	NP	NP Var%	Div%	B.V Rs	EPS Rs.	Price as on 19/11/2010	52 W - H	52 W - L	Mkt. Cap.	P/C	P/E	P/BV	Quarter Year	Sales	NP	NP Var%
ACI Infocom	201003	8.15	24.48	0.75	436.00	-	8.40	0.90	23.00	40.00	5.00	18.87	15.90	-	2.74	201009	3.91	(0.80)	(11.00)
Accel Trans	201003	11.04	14.15	(5.30)	(20.00)	-	6.20	-	32.00	36.00	12.00	35.49	-	-	5.16	201009	4.51	(0.68)	74.00
Allied Computer.	201003	19.00	11.00	0.44	-	-	11.10	0.20	5.00	10.00	4.00	8.76	-	-	0.45	201009	41.14	0.20	-
Vintron Info.	201003	7.84	8.12	1.33	-	-	0.30	0.20	5.00	9.00	-	36.69	-	-	16.67	201009	1.26	0.01	(98.00)
Crazy Infotech	201003	6.69	6.02	0.61	999.00	-	1.50	0.10	1.00	3.00	1.00	5.62	-	-	0.67	201009	1.16	0.02	(75.00)
Total Exports	201003	3.94	-	(0.02)	60.00	-	(3.20)	-	12.00	20.00	5.00	4.73	-	-	(3.75)	201006	-	(0.06)	-
IT - SOFT																			
TCS	201003	195.72	23,044.45	5,498.07	18.00	2,000.00	76.70	24.60	1,018.00	1,107.00	654.00	199,272.30	37.50	41.40	13.27	201009	7,267.45	1,812.65	35.00
Wipro	201003	490.60	22,922.00	4,871.74	67.00	300.00	72.10	19.30	402.00	500.00	321.00	98,524.75	18.50	20.80	5.58	201009	6,556.90	1,172.10	(5.00)
Infosys Tech.	201003	287.02	21,140.00	5,755.00	(1.00)	500.00	383.90	96.10	2,966.00	3,249.00	2,307.00	170,286.09	26.90	30.90	7.73	201009	6,425.00	1,641.00	14.00
Satyam Computer	201003	235.30	5,100.50	329.50	-	-	19.50	2.80	70.00	121.00	69.00	8,206.09	15.80	24.90	3.59	201009	1,150.80	32.82	-
HCL Technologies	201006	136.61	5,078.76	1,049.51	15.00	200.00	72.30	14.70	377.00	455.00	318.00	25,733.91	20.10	25.60	5.21	201009	1,498.32	194.88	(35.00)
Tech Mahindra	201003	125.75	4,483.80	742.80	(25.00)	35.00	228.20	58.50	681.00	1,158.00	617.00	8,560.43	9.90	11.60	2.98	201009	1,491.77	183.95	(13.00)
MphasiS	200910	209.95	3,405.02	836.17	84.00	35.00	96.50	39.20	561.00	752.00	545.00	11,781.34	12.30	14.30	5.81	201007	857.17	232.36	3.00
Oracle Fin.Serv.	201003	41.94	2,243.47	661.62	(10.00)	-	498.10	78.90	2,144.00	2,525.00	1,995.00	17,985.13	25.70	27.20	4.30	201009	582.41	211.51	23.00
Patni Computer	200912	26.21	1,734.86	503.36	43.00	150.00	244.50	37.90	468.00	624.00	413.00	6,129.86	10.40	12.30	1.91	201009	482.10	148.22	43.00
ICSA (India)	201003	9.51	1,237.41	120.76	(21.00)	80.00	149.70	25.10	137.00	194.00	116.00	650.01	4.60	5.40	0.92	201009	325.38	29.44	(23.00)
Spanco Ltd	201003	28.07	1,182.93	60.77	233.00	10.00	148.10	21.50	162.00	208.00	50.00	454.45	5.90	7.50	1.09	201009	348.74	17.22	33.00
Polaris Soft.	201003	49.56	1,143.48	130.64	17.00	70.00	78.70	12.60	150.00	215.00	140.00	1,488.78	9.90	11.90	1.91	201009	339.34	43.97	59.00
Vakrangee Soft.	201003	22.50	409.35	24.23	(53.00)	15.00	133.70	10.50	309.00	338.00	55.00	695.03	10.80	29.40	2.31	201009	185.29	10.87	163.00
Mascon Global	200903	372.13	375.01	24.16	(55.00)	-	21.60	0.60	2.00	6.00	2.00	87.45	-	-	0.09	200912	93.85	(10.61)	(102.00)
Helios Matheson	201009	23.91	207.87	18.65	(7.00)	-	121.30	7.80	39.00	61.00	37.00	93.25	2.10	5.00	0.32	201009	55.86	5.27	18.00
Avance Tech.	201003	64.04	72.77	0.28	-	-	2.60	-	8.00	12.00	3.00	502.71	-	-	3.08	201009	39.05	0.36	57.00
Concur.(I)Infra.	201003	43.06	61.73	4.43	999.00	-	12.50	1.00	23.00	36.00	8.00	99.04	22.10	-	1.84	201009	38.64	2.84	999.00
SJ Corp	201003	0.84	23.40	1.95	(45.00)	10.00	8.90	2.30	87.00	152.00	80.00	72.70	36.40	37.60	9.78	201009	1.66	0.15	(92.00)
LCC Infotech	201003	25.32	20.19	0.03	-	-	5.20	-	-	2.00	-	22.16	-	-	-	201009	5.13	0.05	-
Gamma Infoway	201003	4.94	10.10	(0.01)	93.00	-	5.40	-	3.00	6.00	2.00	1.33	-	-	0.56	201009	2.15	0.01	(50.00)
IEC Education	201003	15.26	8.75	2.45	53.00	-	21.00	1.60	34.00	64.00	28.00	52.49	17.30	21.50	1.62	201009	2.11	0.57	16.00
Encore Software	201003	6.47	8.35	0.38	-	-	(22.00)	0.60	7.00	12.00	6.00	4.50	-	-	(0.32)	201009	1.69	0.12	-
Danlaw Tech.	201003	3.72	4.54	(0.38)	-	-	57.30	-	11.00	19.00	8.00	4.09	-	-	0.19	201009	1.83	0.06	-
Globsyn Infotech	201003	6.38	4.30	0.45	(11.00)	-	23.90	0.70	13.00	22.00	9.00	8.51	11.80	-	0.54	201009	0.68	0.14	(13.00)
Ajel Infotech	201003	10.15	1.24	(0.50)	-	-	8.20	-	29.00	67.00	21.00	29.59	-	-	3.54	201009	0.75	0.01	-
Infotrek Syscom	201003	4.60	0.55	(0.32)	24.00	-	36.70	-	29.00	38.00	21.00	13.48	-	-	0.79	201009	0.53	(0.09)	-
Millenium.Cyber.	201003	5.00	0.21	0.07	133.00	-	10.00	0.10	4.00	6.00	3.00	2.10	-	-	0.40	201009	0.04	0.01	-
Omega Interactiv	201003	5.00	0.09	(0.34)	-	-	13.30	-	6.00	10.00	4.00	2.88	-	-	0.45	201009	0.01	0.01	-
Indian Infotech	201003	4.73	0.06	(0.02)	-	-	10.40	-	13.00	34.00	12.00	6.15	-	-	1.25	201009	0.02	0.03	-
Netvista Inform	200906	12.00	0.06	(0.03)	-	-	13.40	-	5.00	11.00	1.00	5.83	-	-	0.37	201003	-	(0.02)	-
Luminaire Tech.	201003	2.40	-	(0.25)	-	-	0.90	-	4.00	7.00	3.00	9.00	-	-	4.44	201009	-	(0.02)	67.00

Explanatory Notes

NP	**Net Profit**. Often referred to as the bottom line, net profit is calculated by subtracting a company's total expenses from total revenue, thus showing what the company has earned (or lost) in a given period of time (usually one year).
NP %	**Net Profit** variation calculated on an Yearly,quarterly and trailing 12 months basis.
B.V	**Book Value** is the shareholders' equity of a business (assets - liabilities) as measured by the accounting 'books'.
CPS	**Cash Flow Per Share**.Many analysts, as well as some of the greatest investors of all time, place more weight on cash flow per share than earnings per share. Because EPS is more easily manipulated, its reliability can at times be questionable. Cash, on the other hand, is difficult - if not impossible - to fake. You either have cash or you don't. Therefore, cash flow per share is a useful measure for the strength of a firm and the sustainability of its business model.
EPS	**Earnings Per Share** EPS is net profit calculated on a trailing 12 months basis (aggregate net profit of four consecutive quarters) divided by fully diluted equity capital.
52 W-H	**52 weeks High**. It represents the highest point attained by a share during the immediately preceding 52 weeks.
52 W-L	**52 weeks Low**. It represents the lowest point attained by a share during the immediately preceding 52 weeks.
Mkt.cap	**Market capitalization** is the number of common shares multiplied by the current price of those shares. The term capitalization is sometimes used as a synonym for market capitalization; more often, it denotes the total amount of funds used to finance a firm's balance sheet and is calculated as market capitalization plus debt (book or market value) plus preferred stock.
P/C	**Price-To-Cash-Flow Ratio**.A measure of the market's expectations of a firm's future financial health. Since this measure deals with cash flow, the effects of depreciation and other non-cash factors are removed. Similar to the price-earnings ratio, this measure provides an indication of relative value.
P/E	**Price to Earnings Ratio**. It has been arrived at by dividing the day's closing price of a scrip by its earning per share (EPS).
P/BV	**Price-to-book ratio** or **P/B ratio**, is a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value.

Source: Corporate database Capitaline Plus

FUND FACT SHEET

Best Performance Mutual funds are based on the corpus of the scheme and relative performance of the scheme within

Absolute Returns (in %) as on Nov 25, 2010

	Asset Size (Rs. cr.)	NAV (Rs./Unit)	1wk	1mth	3mth	6mth	1yr	2yr	3yr
Equity Diversified									
DSP-BR Micro Cap Fund - RP (G)	411.02	17.47	-3.00	-5.40	3.50	22.30	57.60	239.40	32.30
Principal Emerging Bluechip(G)	324.73	34.04	-2.00	-3.90	4.50	22.40	26.90	244.20	--
DSP-BR Small & Mid Cap -RP (G)	1104.38	18.96	-3.70	-6.10	3.20	24.40	37.90	208.40	34.00
Birla SL Dividend Yield (G)	683.80	90.57	-2.50	-5.30	5.30	24.60	32.90	167.60	62.90
ICICI Pru Discovery Fund (G)	1548.88	50.57	-2.40	-3.70	5.20	20.10	33.30	244.00	57.40
Equity Tax Saving									
Reliance Tax Saver (ELSS) (G)	2492.91	22.12	-3.30	-5.70	3.90	22.40	28.50	143.20	18.70
HDFC Long Term Advantage (G)	1034.01	145.57	-2.10	-2.40	8.80	28.60	29.00	158.50	23.10
Taurus Tax Shield (G)	65.40	38.47	-3.20	-3.50	4.80	27.40	25.60	156.50	26.30
Can Robeco Eqty TaxSaver (G)	227.99	26.89	-2.00	-4.10	2.10	17.80	28.20	173.00	35.80
HDFC Tax Saver (G)	2948.18	244.54	-2.10	-4.10	5.20	23.20	27.10	175.30	25.50
Balanced									
HDFC Childrens Gift (Inv)	279.20	42.16	-1.60	-2.10	7.60	22.80	31.60	133.90	39.80
ICICI Pru CCP - Gift Plan	188.32	61.07	-2.40	-5.70	1.10	16.50	30.00	145.20	8.90
HDFC Prudence Fund (G)	5655.38	217.92	-1.90	-2.50	4.50	19.30	27.00	155.60	45.00
HDFC Balanced Fund (G)	222.55	55.99	-1.70	-2.90	5.70	19.70	29.10	134.40	47.90
Reliance RSF - Balanced (G)	725.15	23.55	-2.30	-3.70	3.00	18.80	25.50	146.50	50.50
Monthly Income Plan									
HDFC MIP - LTP (G)	9725.45	22.83	-0.70	-0.40	2.40	7.40	10.40	56.80	36.40
Reliance MIP (G)	7485.44	21.54	-0.50	-0.50	2.10	6.20	8.70	48.50	48.80
UTI MIS - Advantage Plan (G)	1008.43	20.11	-0.50	-0.70	2.50	6.10	7.80	39.10	24.80
Birla SL MIP II-Wealth 25 (G)	451.94	17.84	-0.30	-0.40	2.20	6.80	7.70	45.40	19.00
HSBC MIP - Savings Plan (G)	657.49	19.38	-0.50	-0.60	2.20	6.10	7.20	37.40	26.70
Money Market									
SBI Magnum Cash-Liq Float -G	112.88	16.46	0.10	0.60	1.60	3.10	5.20	11.40	20.90
LIC MF Liquid Fund (G)	7017.06	17.47	0.10	0.60	1.60	3.00	5.10	11.80	22.30
IDFC Savings Adv. Fund (G)	552.57	1342.56	0.10	0.50	1.50	2.90	5.30	10.40	19.10
JM High Liquidity (G)	3259.25	26.03	0.10	0.60	1.70	3.00	5.10	11.00	21.00
HDFC CMF-Treasury Advg (G)	10000.00	20.70	0.10	0.50	1.50	2.80	5.10	11.30	21.00
Debt - Short Term									
IDFC SSIF -MTP - RP A (G)	275.47	16.30	--	0.40	1.20	1.90	6.70	22.50	30.70
ICICI Pru Income Opp.-RP (G)	190.35	13.18	--	0.40	1.00	2.00	2.00	30.00	--
Can Robeco Income (G)	253.98	20.18	0.10	0.60	1.30	1.40	4.20	19.50	45.50
BNP Paribas Flexi Debt - RP (G)	250.31	16.30	--	0.50	1.00	1.10	4.10	20.20	33.90
Kotak Bond (Deposit) (G)	119.74	25.24	--	0.50	1.20	-1.00	4.30	21.20	27.70
Debt - Long Term									
Birla Sun Life GSec - LTF (G)	501.24	27.87	--	1.00	1.10	1.80	9.30	34.20	35.60
ICICI Pru Gilt Inv Plan - PF	74.67	18.95	0.10	0.90	1.30	2.70	3.00	18.60	50.60
HDFC Income Fund (G)	586.24	22.23	--	0.70	1.40	1.40	4.20	20.50	25.70
Taurus Short Term Income (G)	49.82	1622.08	0.10	0.60	1.70	3.30	4.60	5.90	11.90
Birla SL Short Term Opp-RP (G)	207.69	14.85	0.10	0.50	1.50	3.10	5.60	15.50	22.40
Debt - Floating Rate									
Birla SL FRF - LTP - RP (G)	3800.09	16.37	0.10	0.50	1.60	3.00	6.10	15.00	25.60
HDFC Float Rate Inc-LTP (G)	1500.11	16.36	0.10	0.50	1.40	2.50	5.10	14.40	25.70
Tata Floater Fund (G)	5199.00	14.25	0.10	0.60	1.60	3.00	5.40	12.00	22.50
Reliance Floating Rate (G)	3530.11	15.03	0.10	0.50	1.50	3.00	5.30	12.00	22.10
Can Robeco Float Rate-STP (G)	111.13	14.76	0.10	0.60	1.70	3.00	5.30	12.00	22.30

Source: Moneycontrol

DSP BlackRock Micro Cap Fund - Regular - Growth

Investment Objective

The primary investment objective is to seek to generate long term capital appreciation from a portfolio that is substantially constituted of equity and equity related securities, which are not part of the top 300 companies by market capitalisation. From time to time, the Investment Manager will also seek participation in other equity and equity related securities to achieve optimal portfolio construction. This shall be the fundamental attribute of the Scheme.

Type of Scheme	Open Ended
Nature	Equity
Option	Growth
Latest NAV	17.29 as on Dec 1, 2010
Benchmark Index - BSE SMALL CAP	10,050.86 as on Dec 1, 2010
52 - Week High	18.71 as on Nov 10, 2010
52 - Week Low	11.06 as on Dec 16, 2009
Face Value (Rs/Unit)	10
Fund Size in Rs. Cr.	452.13 as on Oct 29, 2010
Inception Date	14-Jun-07

Scheme Performance (%) as on 01/12/2010

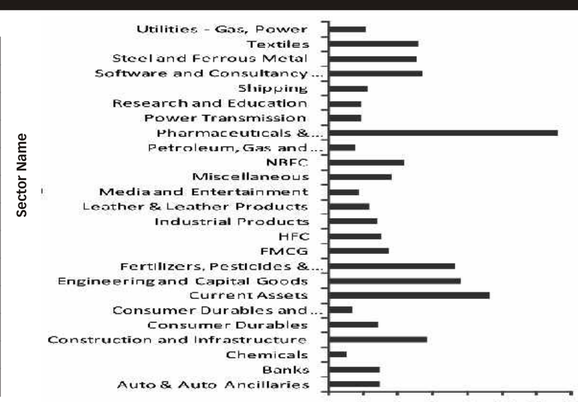
1 Month	-5.21
3 Months	3.27
6 Months	18.81
1 Year	55.64
3 Years	NA
5 Years	NA
Since Inception	17.10

Top Holdings

Stock	Sector	P/E	Percentage of Net Assets	Quantity	Value	% of change with last month
Hindustan Dorr-Oliver	Capital Goods	15.57	3.91	1,351,330	17.68	4.99
K P R Mill Ltd.	Textiles	7.53	3.4	676,791	15.39	12.77
Jyothy Laboratories	FMCG	25.16	3.4	556,798	15.37	0.4
Zuari Industries	Fertilizers,	12.68	3.13	171,502	14.15	5.49
GIC Housing Finance	HFC	8.94	3.02	911,100	13.66	4.92
Bayer Crop Science	Fertilizers	27.81	2.98	131,325	13.46	4.11
Jammu and Kashmir Bank	Banks	7.12	2.92	144,925	13.19	13.03
TTK Prestige	Consumer Durables	26.31	2.79	90,470	12.62	31.71
IPCA Laboratories	Pharmaceuticals	17.35	2.66	368,972	12.02	5.09
Jubilant Organosys	Pharmaceuticals	11.33	2.64	381,569	11.95	-7.81

Sector Allocation

Auto & Auto Ancillaries	2.94	Media and Entertainment	1.64
Banks	2.92	Miscellaneous	3.61
Chemicals	0.97	NBFC	4.33
Construction and Infrastructure	5.62	Petroleum, Gas	1.48
Consumer Durables	2.79	Pharmaceuticals & Biotechnology	13.23
Consumer Durables and Electronics	1.32	Power Transmission	1.89
Current Assets	9.28	Research and Education	1.85
Engineering and Capital Goods	7.59	Shipping	2.2
Fertilizers, Pesticides & Agrochemicals	7.26	Software and Consultancy Services	5.34
FMCG	3.4	Steel and Ferrous Metal	5.06
HFC	3.02	Textiles	5.13
Industrial Products	2.74	Utilities - Gas, Power	2.12
Leather & Leather Products	2.26		



Large Cap Companies

S.n.	BSE Code	NSE Symbol	Company Name	Industry	F.V	B.V	M.P 24th Nov., 10	M. Cap	Volume BSE	Volume NSE	52 Week High	52 Week Low	Price / 52 Week High	Price / 52 Week Low
1	500390	RELINFRA	Reliance Infra.	Power Generation	10	574.8	933.2	22851.27	127123	705558	1225	922	0.76	1.01
2	500087	CIPLA	Cipla	Pharmaceuticals	2	73.55	340.7	27354.8	119330	992522	363.5	300.1	0.94	1.14
3	500010	HDFC	H D F C	Finance	2	106.65	688.3	100656.99	293460	2292162	780.05	460	0.88	1.50
4	500182	HEROHONDA	Hero Honda Motor	Automobiles	2	173.51	1931.4	38570.06	23822	170306	2094	1497	0.92	1.29
5	500440	HINDALCO	Hindalco Inds.	Aluminium	1	145.83	207.6	39728.41	766374	4513480	239.35	125.8	0.87	1.65
6	500696	HINDUNILVR	Hind. Unilever	Personal Care	1	11.69	299.8	66330.75	143602	2857548	320.7	218.1	0.93	1.37
7	500875	ITC	ITC	Cigarettes	1	18.22	173.7	133643.05	597157	6132583	184.7	114.5	0.94	1.52
8	500510	LT	Larsen & Toubro	Engineering	2	300.5	2016.9	122587.18	96387	1146774	2212	1371	0.91	1.47
9	500520	M&M	M & M	Automobiles	5	145	784.65	46810.65	367659	2830549	826.4	475.13	0.95	1.65
10	500325	RELIANCE	Reliance Inds.	Refineries	10	392.28	996.05	325945.41	536946	4503970	1187	840.55	0.84	1.18
11	500295	SESAGOA	Sesa Goa	Mining / Minerals	1	94.82	324	27854.28	361603	1457379	494.3	304.25	0.66	1.06
12	500400	TATAPOWER	Tata Power Co.	Power Generation	10	447.67	1289.2	30594.01	14327	304738	1518.55	1193.1	0.85	1.08
13	500570	TATAMOTORS	Tata Motors	Automobiles	10	299.33	1218.85	74482.7	532739	4096644	1350	611	0.90	1.99
14	500470	TATASTEEL	Tata Steel	Steel	10	419.55	616.6	55630.27	1441923	6368751	737	448.65	0.84	1.37
15	507685	WIPRO	Wipro	Computers	2	72.12	409.7	100499.41	88450	655424	499.9	321	0.82	1.28
16	507878	UNITECH	Unitech	Construction	2	32.98	67.1	16894.77	3660845	27158286	98.45	65	0.68	1.03
17	500900	STER	Sterlite Inds.	Mining / Minerals	1	66.24	170	57147.2	1005718	4463500	232	148.8	0.73	1.14
18	500112	SBIN	St Bk of India	Banks	10	1038.59	2851	181035.66	915684	3467202	3515	1863	0.81	1.53
19	513377	MMTC	MMTC	Trading	1	12.87	1146.35	114635	6879	9321	2000	1141	0.57	1.00
20	500113	SAIL	S A I L	Steel	10	80.66	178.65	73789.6	321337	2459037	258.55	172	0.69	1.04
21	500103	BHEL	B H E L	Electric Equipment	10	325.16	2197.75	107584.26	86638	715929	2695	2185.05	0.82	1.01
22	500188	HINDZINC	Hind.Zinc	Mining / Minerals	10	428.94	1158.5	48950.1	9702	57846	1328	900	0.87	1.29
23	500209	INFOSYSTCH	Infosys Tech.	Computers	5	383.88	2995.9	171976.64	78878	504861	3249	2307.1	0.92	1.30
24	513599	HINDCOPPER	Hind.Copper	Mining / Minerals	5	12.13	340.8	31531.5	143719	188386	656.95	245.5	0.52	1.39
25	512599	ADANIENT	Adani Enterp.	Trading	1	63.32	725.85	83864.71	17000	372206	785.25	377.93	0.92	1.92
26	524715	SUNPHARMA	Sun Pharma.Inds.	Pharmaceuticals	5	276.07	2273.35	47085.63	12762	102895	2380	1400	0.96	1.62
27	500180	HDFCBANK	HDFC Bank	Banks	10	464.72	2311.4	107059.43	37846	412875	2518	1550	0.92	1.49
28	532540	TCS	TCS	Computers	1	76.73	1004.75	196649.67	118230	1504304	1107	654.1	0.91	1.54
29	532174	ICICIBANK	ICICI Bank	Banks	10	449.81	1125.1	129196.36	680078	4914885	1277	773	0.88	1.46
30	532898	POWERGRID	Power Grid Corpn	Power Generation	10	38.35	97.1	40867.84	7104205	16591273	121.25	95	0.80	1.02
31	532500	MARUTI	Maruti Suzuki	Automobiles	5	409.63	1416.05	40912.52	45452	202980	1657.9	1171	0.85	1.21
32	532215	AXISBANK	Axis Bank	Banks	10	392.05	1384.8	56688.17	190993	986465	1608	919.2	0.86	1.51
33	500312	ONGC	O N G C	Oil Drilling	10	408.08	1247.45	266813.34	67697	562903	1472	997.35	0.85	1.25
34	532868	DLF	DLF	Construction	2	75.58	304.05	51610.97	1041522	6749159	403	251.5	0.75	1.21
35	532461	PNB	Punjab Natl.Bank	Banks	10	514.78	1265.8	39910.67	31111	227196	1395	842.1	0.91	1.50
36	532555	NTPC	NTPC	Power Generation	10	75.72	178.15	146892.88	311449	2192972	241.7	177.05	0.74	1.01
37	530965	IOC	I O C L	Refineries	10	208.21	362.15	87928.21	134443	1059147	458.9	274	0.79	1.32
38	526371	NMDC	NMDC	Mining / Minerals	1	36	256.8	101813.5	102128	226158	571.8	240	0.45	1.07
39	532810	PFC	Power Fin.Corpn.	Finance	10	121.32	336.95	38674.11	15664	472210	383	227.5	0.88	1.48
40	532155	GAIL	GAIL (India)	Miscellaneous	10	132.43	485.35	61565.68	46772	595053	520.4	382.55	0.93	1.27
41	533098	NHPC	NHPC Ltd	Power Generation	10	18.92	28.8	35426.13	1933526	5537167	36.45	27.6	0.79	1.04
42	532939	RPOWER	Reliance Power	Power Generation	10	51.6	168.05	47139.37	585797	1599869	191	130	0.88	1.29
43	532532	JPASSOCIAT	JP Associates	Construction	2	38.61	121.2	25772.57	677461	4220150	167.8	107.65	0.72	1.13
44	532454	BHARTIARTL	Bharti Airtel	Telecommunications	5	96.73	331.8	126001.71	937138	6074797	376.5	229.5	0.88	1.45
45	533096	ADANIPOWER	Adani Power	Power Generation	10	26.6	138.6	30215.22	261027	1208459	144.55	92	0.96	1.51
46	532286	JINDALSTEL	Jindal Steel	Steel - Sponge Iron	1	72	643.6	60105.8	76389	1216362	755.25	550	0.85	1.17
47	532921	MUNDRAPORT	Mundra Port	Miscellaneous	2	17.4	144.9	29029.27	202741	477765	185.25	96.26	0.78	1.51
48	532712	RCOM	Rel. Comm.	Telecommunicationsr	5	244.66	143.65	29649.65	858402	3327448	204.75	131.8	0.70	1.09
49	532792	CAIRN	Cairn India	Oil Drilling / Allied	10	167.94	317.65	60322.37	108637	1297959	368	248	0.86	1.28
50	532977	BAJAJ-AUTO	Bajaj Auto	Automobiles	10	101.2	1611.15	46620.24	56895	475289	1663	738.5	0.97	2.18

A STATISTICAL COMPENDIUM ISE 100

Large Cap Companies

S.n.	EPS	P/E	Prom. Stake (%)	Beta	Return (%) 1 Month	Return (%) 3 Month	Return (%) 1 Year	Equity Paid Up	Reserve	Net Worth	Net Sale	PAT	Book Closure	Div (%)	OPM (%)	ROCE (%)	RONW (%)
1	38.59	24.17	42.73	1.10	-11.25	-8.84	-12.78	226.07	10897.88	11317.70	9836.45	1138.88	Dec	70.00	17.98	8.79	10.19
2	12.33	27.58	36.80	0.45	-1.36	7.19	3.99	160.58	5753.51	5905.12	5359.52	1081.49	Jul	100.00	28.06	24.18	21.11
3	21.20	32.41	0.00	1.06	-0.85	9.90	22.13	287.11	14910.55	15197.66	11338.28	2826.49	Jul	360.00	96.80	10.52	19.95
4	106.75	18.11	52.21	0.47	4.21	2.34	14.52	39.94	3425.08	3465.02	15758.18	2231.83	Sep	5500.00	18.03	76.48	61.43
5	10.76	19.33	32.08	1.81	-1.91	23.45	53.75	191.37	27715.61	27911.41	19408.02	1915.63	Aug/Sep	135.00	15.71	7.66	7.41
6	9.44	31.71	52.01	0.47	-0.80	11.19	7.05	218.17	2365.35	2582.85	17501.68	2202.03	Jul	650.00	16.54	111.59	94.84
7	5.84	29.67	0.00	0.67	1.08	8.22	31.31	381.82	13682.56	14009.99	18153.19	4061.00	Jun	1000.00	25.57	43.65	29.33
8	55.84	36.03	0.00	0.95	-0.44	8.10	22.06	120.44	18166.11	18288.35	37013.20	4375.52	Aug	625.00	15.11	23.85	21.58
9	38.63	20.30	25.83	1.17	11.88	27.10	46.94	282.95	7535.81	7815.10	18349.62	2087.75	Jul	190.00	16.74	30.06	31.96
10	56.51	17.59	44.74	1.10	-8.08	2.26	-8.63	3270.37	133900.23	128367.70	192091.88	16235.67	May	70.00	16.49	11.89	13.37
11	34.32	9.42	55.73	1.37	-5.75	-0.63	-13.77	83.10	7125.61	7208.71	5331.23	2118.09	Jul	325.00	51.94	39.72	36.12
12	37.89	34.10	31.81	0.71	-9.02	0.96	-3.00	237.33	10386.44	10623.77	7148.96	938.76	Aug/Sep	120.00	30.19	11.06	9.72
13	30.88	39.43	37.02	1.50	5.66	20.53	87.44	570.60	14394.87	14940.84	35586.21	2240.08	Aug/Sep	150.00	11.01	11.20	11.32
14	77.57	7.93	32.48	1.59	-0.33	19.76	10.40	887.41	36074.39	36961.94	24940.85	5046.80	Jul	80.00	34.58	13.70	14.19
15	19.36	21.13	79.36	0.93	-8.76	0.09	5.42	293.60	17396.80	17692.20	22922.00	4898.00	Jul	300.00	27.72	28.45	32.43
16	2.32	28.95	46.56	1.65	-24.24	-19.56	-16.14	487.76	7415.47	8128.43	1912.44	544.30	Sep	10.00	55.85	9.00	9.91
17	4.77	35.63	52.80	1.60	1.01	11.48	-20.47	168.08	22100.00	22268.08	13104.72	831.50	May	187.50	11.29	6.13	5.46
18	153.72	18.57	59.40	1.08	-10.84	0.25	23.84	634.88	65314.32	65949.20	70993.92	9166.05	Jun	300.00	0.00	0.00	14.80
19	2.28	0.00	99.33	0.58	-11.96	-16.89	-32.49	50.00	1237.15	1287.15	45263.91	216.24	Sep	90.00	1.68	12.57	17.94
20	14.59	12.24	85.82	1.37	-18.47	-5.88	-7.96	4130.40	29186.30	33316.70	40520.24	6754.37	Aug	33.00	27.04	24.63	21.98
21	97.89	22.43	67.72	0.76	-13.34	-11.60	-1.76	489.52	15427.84	15917.36	33208.15	4310.64	Sep	233.00	20.47	45.47	29.88
22	100.45	11.51	64.92	1.21	-6.23	6.98	3.85	422.53	17701.44	18123.97	8016.97	4041.41	Jul	60.00	63.91	31.08	24.88
23	103.22	29.08	16.04	0.82	-1.71	8.52	23.72	287.00	21749.00	22036.00	21140.00	5803.00	May/Jun	500.00	39.40	37.76	29.13
24	2.43	139.35	99.59	1.07	-22.11	-22.31	20.88	462.61	659.97	1122.58	1318.87	154.68	Jun	0.00	16.59	20.63	14.80
25	3.03	239.09	78.32	0.67	7.72	8.45	75.79	49.80	1920.30	1970.10	11421.22	254.41	Aug	100.00	6.57	14.34	14.08
26	59.99	37.88	63.72	0.42	6.47	27.39	55.76	103.56	5614.42	5717.98	2522.75	898.65	Sep	275.00	39.67	17.39	16.54
27	72.95	31.63	23.49	0.87	-0.73	4.53	29.89	457.74	21061.84	21522.49	16172.90	2948.70	Jun	120.00	0.00	0.00	16.12
28	32.51	31.07	74.01	0.85	-2.87	16.27	44.66	195.72	14820.90	15016.65	23044.45	5618.51	Jun	2000.00	29.72	44.55	39.50
29	38.05	29.57	0.00	1.47	-0.60	12.42	24.28	1114.89	50503.48	51618.37	25706.93	4024.98	Jun	120.00	0.00	0.00	7.96
30	5.68	17.07	86.36	0.50	-9.31	-5.92	-6.82	4208.84	11931.88	16140.72	7127.45	2040.94	Sep	15.00	86.28	8.88	13.17
31	83.33	17.03	54.21	0.67	-5.58	14.99	-11.27	144.50	11690.60	11835.10	29098.90	2497.60	Aug/Sep	120.00	13.93	31.95	23.58
32	70.79	19.57	37.51	1.16	-5.38	1.09	38.56	405.17	15639.44	16044.61	11638.02	2514.53	May/Jun	120.00	0.00	0.00	19.15
33	74.24	16.83	74.14	0.64	-6.98	-1.78	6.52	2138.89	85143.71	87282.60	59963.78	16767.56	Sep	330.00	43.54	25.38	20.20
34	5.67	53.81	78.63	1.50	-15.94	-5.24	-18.14	339.48	12490.53	12830.01	2419.21	765.06	Sep	100.00	78.95	7.52	6.07
35	134.32	9.41	57.80	0.78	-5.02	6.61	38.15	315.30	17407.62	16230.93	21466.91	3905.36	Jul	220.00	0.00	0.00	26.59
36	10.10	17.66	84.50	0.61	-12.50	-7.78	-17.48	8245.50	54192.00	62437.50	46377.70	8728.20	Sep	38.00	32.91	13.21	14.57
37	33.60	10.75	78.92	0.29	-15.54	-11.36	24.84	2427.95	48124.98	50552.93	269366.34	10220.55	Sep	130.00	6.49	17.04	21.62
38	12.13	21.17	90.00	0.77	-8.27	0.92	-38.35	396.47	13875.96	14272.43	6239.09	3447.26	Jul/Aug	175.00	84.64	40.27	26.61
39	21.92	15.35	89.78	0.66	-8.90	-0.69	32.86	1147.77	12776.51	13924.28	8008.42	2357.25	Sep	45.00	98.50	11.07	17.90
40	28.23	17.20	57.34	0.60	-3.50	6.72	20.79	1268.48	15530.52	16799.00	24996.40	3139.84	Sep	75.00	20.53	27.14	19.89
41	1.79	16.11	86.36	0.62	-9.72	-7.54	-8.72	12300.74	10972.45	23273.19	4331.98	2090.50	Sep	5.50	90.05	8.51	10.13
42	0.98	171.89	84.78	1.00	5.10	9.24	14.30	2396.80	11669.24	14066.04	0.00	273.23	Sep	0.00	0.00	0.91	0.85
43	2.87	42.28	45.93	1.55	-3.54	2.58	-20.35	424.93	8075.79	8196.80	10088.91	1708.36	Sep	54.00	28.35	11.05	13.53
44	22.31	14.86	67.87	0.77	-0.52	2.98	17.61	1898.77	34838.41	36735.05	35609.54	9426.15	Aug/Sep	20.00	41.77	28.48	29.28
45	1.89	73.33	73.50	0.65	3.13	-0.86	44.51	2180.04	3619.60	5799.64	434.86	170.80	Aug	0.00	63.59	2.11	4.22
46	19.15	33.55	58.43	1.01	-8.84	-7.97	-8.90	93.12	6630.54	6746.00	7359.63	1479.68	Sep	125.00	34.88	17.56	24.34
47	3.89	37.36	77.49	0.98	-15.02	-9.43	32.84	400.68	3084.75	3485.43	1392.52	700.97	Aug	40.00	79.77	15.84	21.81
48	0.00	0.00	67.72	1.08	-19.80	-13.52	-17.24	1032.01	49466.88	50498.89	12290.61	478.93	Sep	17.00	23.93	2.20	0.94
49	0.00	0.00	62.36	0.96	-5.03	-10.25	12.47	1896.97	29993.37	31936.74	3.20	-68.95	Sep	0.00	-219.69	0.00	0.00
50	80.90	19.94	49.66	0.64	8.60	13.19	114.33	144.68	2783.66	2928.34	11508.50	1702.73	Jul	400.00	21.04	64.16	70.98

Source: Corporate Database Capitaline Plus

Mid Cap Companies

S.n.	BSE Code	NSE Symbol	Company Name	Industry	F.V	B.V	M.P 24th Nov., 10	M. Cap	Volume BSE	Volume NSE	52 Week High	52 Week Low	Price / 52 Week High	Price / 52 Week Low
1	500041	BANARISUG	Bannari Amm.Sug.	Sugar	10.00	598.30	838.35	959.07	809.00	2054.00	1370.00	824.20	0.61	1.02
2	509627	HINDDORROL	Hind.Dorr-Oliver	Engineering	2.00	28.24	130.25	937.80	296415.00	391697.00	159.30	67.13	0.82	1.94
3	505790	FAGBEARING	Fag Bearings	Bearings	10.00	276.44	863.50	1435.14	142.00	1202.00	980.00	485.00	0.88	1.78
4	514034	JBFIND	JBF Inds.	Textiles - Manmade	10.00	119.15	190.10	1356.74	90226.00	175831.00	228.00	87.10	0.83	2.18
5	500133	ESABINDIA	Esab India	Electrodes	10.00	108.64	542.55	834.98	1028.00	1141.00	690.00	482.85	0.79	1.12
6	511208	IVC	IL&FS Inv Manage	Finance & Investments	2.00	3.62	44.80	914.59	21853.00	52486.00	54.70	37.10	0.82	1.21
7	500408	TATAELXSI	Tata Elxsi	Computers	10.00	55.83	285.70	890.53	118666.00	288239.00	347.45	162.75	0.82	1.76
8	523367	DCMSRMCONS	DCM Shriram Con.	Diversified	2.00	77.59	48.65	807.10	24917.00	48052.00	69.95	43.35	0.70	1.12
9	517271	HBLPOWER	HBL Power System	Dry Cells	1.00	20.21	27.40	693.22	288725.00	507284.00	45.60	22.10	0.60	1.24
10	511288	GRUH	GRUH Finance	Finance	10.00	75.67	380.25	1331.26	109493.00	165057.00	449.00	190.45	0.85	2.00
11	523756	SREINFRA	SREI Infra. Fin.	Finance & Investments	10.00	68.02	115.40	1340.26	226638.00	951778.00	141.90	60.55	0.81	1.91
12	500013	ANSALAPI	Ansal Properties	Construction	5.00	96.61	75.45	1193.92	59315.00	284065.00	97.70	60.20	0.77	1.25
13	526015	KEMROCK	Kemrock Inds.	Plastics Products	10.00	337.12	632.90	1060.11	44059.00	31327.00	777.00	328.25	0.81	1.93
14	500227	JINDALPOLY	Jindal Poly Film	Packaging	10.00	232.24	493.90	2273.92	99774.00	290845.00	700.00	151.25	0.71	3.27
15	530073	SANGHVIMOV	Sanghvi Movers	Engineering	2.00	108.46	178.05	770.96	3170.00	3020.00	272.00	156.00	0.65	1.14
16	532180	DHANBANK	Dhanlaxmi Bank	Banks	10.00	96.43	164.80	1402.78	335030.00	463166.00	212.50	124.00	0.78	1.33
17	532827	PAGEIND	Page Industries	Textiles - Products	10.00	88.81	1405.10	1566.69	1903.00	1174.00	1474.90	695.15	0.95	2.02
18	532835	ICRA	ICRA	Miscellaneous	10.00	209.60	1318.80	1318.80	409.00	570.00	1480.00	776.00	0.89	1.70
19	532772	DCB	Dev.Credit Bank	Banks	10.00	27.11	61.40	1228.68	1529379.00	4767942.00	76.70	27.50	0.80	2.23
20	532400	KPIT	KPIT Infosys.	Computers	2.00	49.14	139.25	1100.77	80657.00	202546.00	192.90	88.00	0.72	1.58
21	532349	TCI	Transport Corp.	Miscellaneous	2.00	42.52	109.20	792.25	7684.00	34867.00	160.75	82.50	0.68	1.32
22	532399	RELMEDIA	Reliance Media	Entertainment	5.00	93.15	231.60	1068.14	209955.00	681845.00	309.00	160.40	0.75	1.44
23	532840	ADVANTA	Advanta India	Miscellaneous	10.00	235.60	426.20	717.72	2747.00	5081.00	679.95	408.05	0.63	1.04
24	532649	NECLIFE	Nectar Lifesci.	Pharmaceuticals	1.00	27.69	29.10	652.71	31976.00	38373.00	43.50	24.90	0.67	1.17
25	532715	GITANJALI	Gitanjali Gems	Diamond Cutting	10.00	239.45	305.10	2595.18	907210.00	2287260.00	395.00	94.00	0.77	3.25
26	532700	ENIL	Ent.Network	Entertainment	10.00	69.54	226.40	1079.25	84781.00	159240.00	275.55	179.10	0.82	1.26
27	532757	VOLTAMP	Volt.Transform.	Electric Equipment	10.00	328.52	735.70	744.53	9289.00	31316.00	1135.00	730.00	0.65	1.01
28	532793	SHREEASHTA	Sh.Ashtavinayak	Entertainmente	1.00	5.91	43.65	3599.82	4281224.00	8386380.00	51.20	10.65	0.85	4.10
29	532859	HGSL	Hinduja Global	Computers	10.00	298.06	381.00	784.48	581.00	1209.00	551.10	354.70	0.69	1.07
30	532967	KIRIDYES	Kiri Dyes Chem.	Dyes And Pigments	10.00	202.23	462.00	877.80	37928.00	48150.00	877.00	431.00	0.53	1.07

Mid Cap Companies

EPS	P/E	Prom. Stake (%)	Beta	Return (%) 1 Month	Return (%) 3 Month	Return (%) 1 Year	Equity Paid Up	Reserve	Net Worth	Net Sale	PAT	Book Closure	Div (%)	OPM (%)	ROCE (%)	RONW (%)
60.29	13.93	54.72	0.21	-3.06	-2.69	-30.45	11.44	673.01	684.45	877.04	143.63	Aug/Sep	100	27.07	24.19	23.19
7.95	16.40	55.28	0.95	-3.05	-9.85	52.21	14.4	209.69	203.68	863.11	55.52	Sep	40	12.39	45.3	31
62.70	13.72	51.33	0.33	-1.77	5.50	60.47	16.62	445.12	459.45	799.31	65.54	Apr	45	15.62	25.97	16.96
17.72	10.71	41.54	1.01	-7.32	23.29	106.69	62.24	672.67	734.91	2683.84	129.00	Aug	60	10.79	16.69	18.77
40.13	13.51	55.65	0.32	-4.66	-6.52	6.47	15.39	151.80	167.19	420.74	66.18	Apr	200	24.19	66.87	43.51
1.69	26.42	51.74	0.70	-7.85	-16.10	-1.76	40.61	32.99	73.60	90.33	39.29	Jul	75	62.09	85.89	57.32
13.86	20.53	44.55	1.12	2.31	14.38	66.92	31.14	142.84	173.98	376.37	47.91	Jul	70	18.15	27.77	29.43
0.00	0.00	56.14	0.89	-0.91	-5.55	-3.57	33.34	1254.02	1287.36	3402.07	71.28	Aug	40	9.95	6.49	5.66
2.11	12.98	70.38	0.96	-2.83	15.36	-31.84	25.30	486.03	511.33	1129.72	100.42	Sep	30	17.48	21.56	22.41
23.05	16.66	60.98	0.82	-6.97	4.29	86.47	34.73	229.90	264.63	308.19	68.96	Jun	65	89.32	10.87	28.41
13.33	8.66	30.02	1.16	-7.85	26.50	48.64	116.29	673.81	790.10	469.97	111.49	Jul/Aug	12	86.58	12.46	15.02
4.87	15.27	51.63	1.00	-15.47	-20.49	9.66	61.56	1161.30	1219.76	723.52	67.32	Sep	10	28.97	8.27	5.76
29.37	21.58	26.03	0.96	-9.13	2.46	76.49	16.75	547.93	570.88	606.08	52.69	Nov	20	24.32	8.39	10.11
71.58	6.90	67.37	0.42	-13.04	20.81	213.55	23.02	1046.21	1069.23	1590.99	208.38	Sep	100	21.36	18.9	17.27
21.79	8.15	44.72	0.47	-2.97	-2.06	-3.68	8.66	460.97	469.63	331.53	90.42	Sep	150	79.65	20.17	20.93
1.71	96.10	0.00	0.70	-14.50	-9.96	14.55	64.12	375.96	440.08	534.57	23.30	Jul	5	0	0	5.39
43.93	32.60	60.39	0.10	16.13	18.33	98.90	11.15	87.87	99.02	339.38	39.61	Jul	210	20.66	44.34	42.63
50.13	26.30	28.51	0.51	-2.40	7.88	67.58	10.00	199.60	209.60	106.16	50.00	Aug	170	71.66	38.1	25.71
0.00	0.00	23.09	0.87	-5.54	15.64	62.08	199.99	401.12	542.46	459.40	-78.45	May/Jun	0	0	0	0
7.40	18.80	30.03	0.84	-15.57	-20.22	39.88	15.70	372.66	388.42	427.04	78.45	Jul	35	29.19	24.45	28.02
7.03	15.60	68.70	0.86	-14.98	-24.10	21.07	14.51	308.51	308.47	1450.66	43.45	Jul	40	7.67	15.59	14.99
0.00	0.00	62.23	1.46	-10.50	12.85	-16.59	23.06	406.56	429.62	488.95	-104.37	Aug	0	23.55	0	0
0.00	0.00	62.04	0.72	-12.42	-7.16	-30.26	16.84	379.91	396.75	102.76	-41.43	Apr	10	-10.06	-3.52	-9.9
3.67	7.93	43.83	0.90	-5.36	-15.28	3.19	22.43	598.55	620.98	845.80	91.98	Sep	25	24.16	15.72	19.91
20.80	14.72	53.96	0.84	18.02	40.67	161.73	84.27	1964.01	2036	3354.97	142.09	Sep	20	7.97	7.71	7.18
5.21	43.44	71.15	0.92	-3.53	-5.09	20.00	47.67	283.82	331.49	230.04	17.87	Aug/Sep	0	27.16	6.47	5.54
69.72	10.55	46.05	0.54	-18.51	-33.75	-5.44	10.12	322.34	332.46	541.96	82.53	Jul	125	21.61	41.21	27.64
0.36	120.83	30.92	0.63	7.94	127.74	280.57	10.48	108.60	119.08	130.51	12.95	Sep	12	22.82	7.77	12.11
36.15	10.47	68.20	0.54	-4.05	-11.12	-26.94	20.59	593.11	613.70	486.81	95.14	Jul	200	29.37	16.61	16.14
16.58	27.84	73.44	0.67	-27.91	-14.67	-0.63	15.00	130.22	145.22	340.85	24.90	Sep	15	18.93	14.6	18.57

Small Cap Companies

S.n.	BSE Code	NSE Symbol	Company Name	Industry	F.V	B.V	M.P 24th Nov., 10	M. Cap	Volume BSE	Volume NSE	52 Week High	52 Week Low	Price / 52 Week High	Price / 52 Week Low
1	500023	ASIANHOTNR	Asian Hotels (N)	Hotels	10	514.46	294.85	336.13	805	2477	700.3	267.7	0.42	1.10
2	501425	BBTC	Bombay Burmah	Tea	10	56.42	464.45	648.37	2350	2095	685.8	272.5	0.68	1.70
3	500878	CEATLTD	CEAT	Tyres	10	183.62	135.65	464.47	68599	173384	195.4	124	0.69	1.09
4	500187	HSIL	HSIL	Ceramics	2	96.56	134.75	890.02	16595	98671	153.95	52.25	0.88	2.58
5	509675	HYDRBADIND	Hyd.Industries	Cement Products	10	343.64	463.85	346.5	7529	17759	761.8	349.8	0.61	1.33
6	500314	ORIENTHOT	Oriental Hotels	Hotels	1	16.03	37.05	661.71	18945	25886	45.2	22.61	0.82	1.64
7	531508	EVEREADY	Eveready Inds.	Dry Cells	5	85.83	57.65	419	73291	129453	81.8	51.55	0.70	1.12
8	500063	BINDALAGRO	Oswal Chem & Fer	Fertilizers	10	72.16	22.3	572.69	73883	2629780	25.85	13.8	0.86	1.62
9	500233	KAJARIACER	Kajaria Ceramics	Ceramics	2	25.73	77.15	567.82	29359	257171	83.6	41	0.92	1.88
10	500313	OILCOUNTUB	Oil Country	Steel	10	39.96	89.1	394.62	4192	7441	144.6	86	0.62	1.04
11	533193	KECL	Kirl. Electric	Electric Equipment	10	34.64	73	368.8	7055	5781	106	63	0.69	1.16
12	513335	AHMEDFORGE	Ahmednagar Forg.	Castings & Forgings	10	143.4	165.1	606.74	30169	32304	209.9	60.15	0.79	2.74
13	513414	SMPL	Sujana Metal Prd	Steel - Medium	5	29.09	38.6	757.95	878724	1497628	46.8	16.8	0.82	2.30
14	524816	NATCOPHARM	Natco Pharma	Pharmaceuticals	10	107.08	324.05	912.2	230964	633843	345.05	105.9	0.94	3.06
15	531209	NUCLEUS	Nucleus Soft.	Computers	10	71.84	118.75	384.51	3414	24985	177.6	102.5	0.67	1.16
16	532668	AURIONPRO	Aurionpro Sol.	Computers	10	144.23	249.5	369.26	1167	1575	343	215	0.73	1.16
17	532924	KOLTEPATIL	Kolte Patil Dev.	Construction	10	87.82	56.25	426.21	43098	81121	76.7	45.6	0.73	1.23
18	532694	BARTRONICS	Bartronics India	Computers	10	117.22	97.35	331.48	157419	275256	187.05	94.7	0.52	1.03
19	532721	VISASTEEL	Visa Steel	Steel	10	28.61	37.05	407.55	17446	32792	50.2	33.5	0.74	1.11
20	532854	NITINFIRE	Nitin Fire Prot.	Engineering	2	17.24	74.9	471.87	72610	131245	91.4	51.8	0.82	1.45

Small Cap Companies

EPS	P/E	Prom. Stake (%)	Beta	Return (%) 1 Month	Return (%) 3 Month	Return (%) 1 Year	Equity Paid Up	Reserve	Net Worth	Net Sale	PAT	Book Closure	Div (%)	OPM (%)	ROCE (%)	RONW (%)
47.47	6.22	63.56	0.10	-3.13	-35.49	-29.81	11.40	770.59	586.48	145.09	26.88	Sep	50.00	36.27	11.48	8.64
18.19	25.38	64.04	0.93	-12.87	-20.25	53.85	13.96	64.80	78.76	293.29	13.66	Jul/Aug	35.00	16.20	10.48	28.12
20.00	6.83	48.51	0.96	-14.78	-15.10	-9.18	34.24	594.47	628.71	2807.47	161.04	Jul	40.00	11.31	25.82	28.95
10.35	12.94	60.49	0.49	-7.56	1.21	151.46	11.01	476.75	487.76	788.74	52.43	Sep	100.00	18.52	12.47	14.20
99.93	4.63	43.10	0.72	-21.17	-31.25	9.39	7.49	254.29	256.72	703.69	89.72	Jul	160.00	20.83	48.74	41.00
1.19	30.88	56.90	0.15	-5.90	-1.42	60.22	17.86	268.51	286.37	190.39	23.15	Jul	75.00	31.59	11.28	8.19
7.44	7.73	40.84	0.79	-15.07	-23.54	-15.44	36.34	630.86	623.80	967.12	142.22	Sep	10.00	11.86	11.41	10.03
0.65	34.31	59.78	NA				256.81	1596.38	1853.19	138.09	-11.83	Sep	0.00	-7.04	0.00	0.00
6.21	12.48	51.33	0.66	2.51	11.12	74.24	14.72	174.62	189.34	735.53	35.85	Aug	50.00	15.73	19.99	20.40
6.72	13.24	39.90	0.70	-14.59	-17.32	-32.91	44.29	133.49	176.98	332.12	55.83	May	20.00	32.03	62.36	36.20
3.74	19.52	49.16	1.01	-13.92	7.51	-5.32	50.52	129.28	175.00	840.73	37.59	Sep	0.00	9.50	22.11	24.06
21.17	7.79	54.96	0.64	16.00	34.89	151.56	34.92	423.27	460.34	500.77	35.92	Dec	10.00	22.08	12.47	8.10
1.69	22.70	48.44	0.90	29.73	98.96	75.74	34.63	329.33	363.96	1939.12	25.17	Mar	0.00	7.68	11.40	6.66
19.17	16.86	62.62	0.81	14.92	40.51	181.32	28.15	273.28	301.43	307.44	47.66	Sep	20.00	28.70	18.78	17.04
9.51	12.61	59.53	0.89	-11.61	-10.28	4.21	32.37	200.24	232.96	194.15	33.74	Jun	25.00	25.42	18.04	15.38
3.72	67.27	30.27	0.47	-13.51	-5.66	-1.09	14.80	198.66	213.46	53.20	3.60	Sep	20.00	41.18	5.74	1.69
2.94	19.13	74.33	0.96	-20.07	-14.86	9.67	75.48	589.67	665.15	60.06	27.68	Jul	10.00	67.60	5.45	4.22
15.89	6.14	29.62	0.68	-6.38	-22.01	-34.05	28.98	278.07	307.05	375.89	48.11	Sep	10.00	31.30	12.78	17.51
4.23	8.74	74.00	0.79	-7.73	2.92	-0.67	110.00	204.69	314.69	1156.95	47.42	Aug	10.00	18.63	13.45	15.94
2.74	27.20	70.15	0.70	11.58	18.75	38.82	12.60	96.94	108.63	93.89	11.75	Sep	35.00	19.10	13.89	11.15

Source: Corporate Database Capitaline Plus

SEBI News

SEBI wants MFs to spend money on investors, not distributors

Concerned over large-scale outflow from mutual fund schemes, market regulator SEBI wants fund houses to invest part of their profit on cementing ties with investors and curtail commissions and freebies to agents.

Market watchdog SEBI, which also oversees mutual funds, is of the view that fund houses can improve their commission bargaining power by working on consolidation in the distribution network and bringing down the number of agents and distributors.

SEBI has been reacting strongly to large commissions and freebies offered to MF distributors, although some industry players contend that agents need to be entertained to contain the outflows and improve inflows from the investors.

SEBI abolished entry loads with effect from August 2009 and says that there have been savings worth Rs 1,260 crore for retail investors in the one-year period since then. Besides, there has been a near 4-fold increase in profit in FY'10 over the previous fiscal and more fund houses made profits during the year.

(Source: ET, November 7, 2010)

SEBI directs stock brokers to 'prominently' display their logo

Market regulator SEBI has directed stock brokers to prominently display their logo and contact details on portals, in advertisements and publications, as a measure to eliminate confusion in the market and among investors.

The direction comes in the wake of instances where some stock brokers were found using brand names/logos of their group companies on their portals and other publications, besides in documents and correspondences.

Besides, the stock brokers have also been asked to prominently display its name as registered with SEBI, along with logo, complete address with telephone numbers, name of the compliance officer and his contact details, statement of funds and securities and correspondences with the clients.

SEBI said the decision was taken in consultation with the Investors Associations and major stock exchanges and would come immediately into affect.

(Source: ET, November 7, 2010)

SEBI slaps Rs 3 lakh penalty on Religare Securities

Market regulator SEBI has slapped a Rs 3 lakh penalty on Religare over the financial service provider's failure to conduct due diligence while processing some of its clients' accounts.

The Securities and Exchange Board of India (SEBI) imposed the penalty after discrepancies were discovered during random checking of Religare Securities Limited's documents, as per an order issued by the watchdog.

The regulator has imposed a Rs 1 lakh fine on Religare for violating certain provisions of the Sebi Act and another Rs 2 lakh for for not following some provisions of the Depositories Act, the order said.

(Source: ET, November 11, 2010)

Sebi plans unified filing system for cos, market entities

Sebi is putting in place a unified regulatory filing system for all listed companies and market entities in a standardised format to enable dissection of bulky documents for relevant information without any delay.

Besides disseminating the information on real-time basis to investors and others, the XBRL technology-based new system will also help Sebi itself as also other regulatory and investigative agencies in monitoring any irregularities in the affairs of companies and market intermediaries.

(Source: ET, November 14, 2010)

SEBI plans to cut IPO process time to 7 days

SEBI is looking at reducing the time for initial public offering process from 12 days to a week, said Mr C.B. Bhave, Chairman of the regulator.

This means, retail investors who apply for an issue through ASBA (application supported by blocked amount), can get back their money on the seventh day itself if they fail to get allotment. Through ASBA investors can apply for an IPO, keeping the application money in their bank accounts till the finalisation of the allotment.

(Source: BL, November 22, 2010)

Sebi suggests tougher rules for new bourses

In a move that could make it difficult for corporate entities to set up stock exchanges, a Sebi committee recommended that only banks and public financial institutions could be anchor investors in bourses and stopping them from listing or making huge profits.

The committee suggested a minimum net worth of Rs 100 crore for the stock exchanges and allowing only banks and public financial institutions as the anchor or main investors.

These anchor investors would need to be identified in the application itself by any entity seeking permission. For anchor investors also, the committee has suggested a minimum Rs 1,000 crore net worth.

(Source: ET, November 23, 2010)

SEBI panel makes it tough for entry of new stock exchanges

The Bimal Jalan Committee is not in favour of listing stock exchanges. It is also against trading members being on the board of bourses but favours FII participation up to 23 per cent stake in exchanges.

The regulatory function of an exchange supersedes the profit motive, said the committee, which was set up by SEBI to look into the ownership and governance issues relating to stock exchanges, clearing corporations and depositories.

(Source: BL, November 24, 2010)

Sebi not keen on BSE's Computer Age buy plan

The Bombay Stock Exchange's (BSE) plan to buy a majority stake in registrar and share transfer agent Computer Age Management Services doesn't seem to have found favour with the Securities Exchange Board of India (Sebi). According to people familiar with the progress in the proposed deal, the market regulator is concerned that there could be a conflict of interest, as the exchange would have to deal with listed companies as the regulator and also as the provider of RTA services.

(Source: ET, November 25, 2010)

SEBI probing insider-trading in companies party to loan scam

Market watchdog SEBI is probinag possible front-running and insider trading in shares of over two dozen companies, including some blue chips, by entities and persons involved in the housing-finance scam.

The initial findings, when corroborated with the charges made by the CBI, indicate to a large-scale front-running deals or shares being purchased or sold in these companies on the basis of prior knowledge about investment decisions being made by large institutional investors, a senior SEBI official said on the condition of anonymity.

(Source: ET, November 26, 2010)

We will continue taking steps to protect investors: Sebi

Even as more details emerge out of the multi-crore housing-finance scam, market regulator SEBI said it would continue to take steps to protect the interest of investors.

"Regulator's job is investor protection. So, we (will) continue to take steps to protect investors," Sebi whole-time member Prashant Saran told reporters on the sidelines of Assocham summit.

(Source: ET, November 26, 2010)

BSE News

BSE resolves 181 investors' complaints against 118 listed cos

The Bombay Stock Exchange Ltd (BSE) on November 8, 2010 said that it has resolved 181 complaints against companies in October 2010.

During October, the BSE received 337 complaints against 225 listed companies. In the same period, 181 complaints were resolved against 118 listed companies.

(Source: ET, November 8, 2010)

BSE launches first-ever Realised Volatility Index in India

Asia's oldest bourse, the Bombay Stock Exchange (BSE), has launched its Sensex Realised Volatility (REALVOL) Index -- the first of its kind in India. Realized volatility is an important metric that provides market participants with an accurate measure of the volatility of the underlying asset over the life cycle of a corresponding derivatives contract.

REALVOL Index will provide market participants with an accurate measure of the historic volatility of the Sensex over fixed one, two and three-month time horizons.

(Source: BSE - Notice No. 20101116-15, November 16, 2010)

STOCK NEWS MARKET

BSE, NSE issue norms to put scrips under watch

The Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) have published the rules for putting scrips under surveillance.

This follows cases of sharp prices movements prior to a stock's inclusion or exclusion in the trade-to-trade (T-T) group.

Under the T-T category, punting is discouraged as stocks attract a circuit filter of five per cent and delivery is compulsory. This makes rigging difficult. Also, buy and sell orders are monitored. Often, scrips are put in this group when unusual price movement is witnessed.

Key Factors:

The broad criteria for shifting a scrip to the Trade-to-Trade category include

- Price-to-earnings ratio
- Price variation vis-à-vis the market movement
- Scrip volatility
- Market capitalisation
- Volume variation
- Concentration of entities
- Number of non-promoter shareholders

Although the T-T category was introduced shortly after the 2001 Ketan Parekh scam, the detailed guidelines of how, when and why a scrip would be put under surveillance were not disclosed to the markets. The decision was taken mostly in consultation with the Securities and Exchange Board of India (Sebi).

(Source: BS, November 11, 2010)

BSE, NSE may have to cut stake in depository services

The country's leading stock exchanges, BSE and NSE, may have to pare down their equity holding in Central Depository Services (CDSL) and National Securities Depostory (NSDL) to 24%, if one of the proposals made by the Sebi panel on market infrastructure instit UTI .ns is accepted by capital market regulator. The Bombay Stock Exchange holds 54% equity stake in CDSL, while the National Stock Exchange holds 25% in NSDL. The higher shareholding of at least 51% by sponsors, including stock exchanges, was permitted in the initial stages for facilitating the setting up of depositories.

(Source: ET, November 25, 2010)

NSE volatility index rises to six-month high

The Nifty volatility index generally known as fear gauge jumped to 24.68, a six-month high. The previous high of 25.06 was registered on June 11. India VIX or the Volatility Index is a volatility index based on the Nifty 50 Index option prices.

(Source: BL, November 25, 2010)

COMMODITY MARKET NEWS

Commexes turnover up over 54 per cent at Rs 9.89 lakh crore in October

The turnover of the 23 commodity exchanges in the country rose by 54.31 per cent to Rs 9.89 lakh crore in October, buoyed by a surge in bullion trade, according to the Forward Markets Commission (FMC).

The turnover of the commexes stood at Rs 6.40 lakh crore in the same period last year, data collated by the commodity markets regulator showed.

Among the four national bourses, the MCX's turnover rose sharply by 57.46 per cent to Rs 8.47 lakh crore in October, which was almost 80 per cent of the combined turnover of all 23 bourses. In October, 2009, MCX did business worth Rs 5.38 lakh crore.

(Source: ET, November 17, 2010)

Renuka Sugars reaping benefits of contrarian move

The country's largest sugar company, Shree Renuka Sugars (SRSL), seems to have started reaping the benefits of its contrarian move to acquire two overseas sugar companies when sugar prices were close to their peaks. However, it needs to be seen whether the company will truly emerge as an outlier among domestic sugar firms all of whom are in losses as the commodity price cycle has turned unfavourable since January this year.

(Source: ET, November 25, 2010)

Q: The cost estimation process of a project is based on the inputs required and also on its accuracy. In this context, what are the various types of estimates?

Ans: There are four types of estimates, based on the inputs required and accuracy. The first type is called **Order-of-magnitude analysis.** This method is used when the project is still in the conceptual phase. In this method, the cost of the project is estimated without using any engineering data. The estimate is rough and is arrived at using the past experience (relating to projects that may or may not be similar to the one on hand). The output of the order-of-magnitude analysis may be $\pm$35 percent of the actual costs.

Next is the **approximate estimate**. It is also made without detailed engineering data. This estimate is made by interpolating the expenditure on similar projects undertaken earlier. The expenditures made on the earlier projects are adjusted to reflect changes in price levels, etc. The adjustment is generally made by using rules of thumb, indexation methods, parametric curves and other methods which are simple to use unlike sophisticated or advanced techniques. The variation of the estimate made by approximation compared to actual expenses at the time of implementing the project is generally 15 percent on either side.

Definitive estimates are more accurate and are based on detailed engineering data, well laid out plans, clear specifications, and reliable unit prices. Definitive estimates are also called detailed estimates. Their variation compared to the actual expenses is expected to be less than 5 percent.

Finally, we have the method of **estimation using estimation manuals.** When this method is proposed to be used, estimation manuals have to be developed first, if they are not already available. The manuals contain standard costs for various tasks. The standard costs given in the manuals are determined taking into consideration all factors such as machine down time, lunch breaks, clean up time, set up time, etc. Estimates are developed for groups of similar tasks. These estimates are considered to be superior to the engineering standards, as all the factors are not accounted for in the engineering standards. When this method is used, up to 90 percent of the activities are estimated according to the standard costs given in the manual. The remaining 10 percent, which are generally non-repetitive tasks and hence are not amenable to development of standards, are estimated separately. This leads us to the drawback of this method only projects which contain to a significant extent activities that are common with other projects can be estimated using a manual. For projects containing unique activities in a major proportion, this method is not useful. Another drawback is the reliability of the estimates. It is very difficult not only to develop, but also to constantly update the manuals, without compromising on the quality of the estimate.

Q: Statement of work (SOW) is a written document containing description of the work to be done. What are the guidelines that should be kept in mind while preparing a statement of work?

Ans: The following guidelines may be kept in view while preparing a Statement of Work (SOW):

i. The project manager should appoint a team for preparation of the SOW. The team should consist of experts in the areas involved fabrication, testing operations, safety, etc.

ii. Before the team starts working on the SOW, the project manager should keep the management informed of the brief contents of the Contract Work Break-down Structure (CWBS) and the proposed SOW. The SOW prepared by the team should be based on the information given to the management.

iii. Specific parts of the SOW may be assigned to specific members of the team, based on the complexity involved and the competence of the member. The project manager should communicate to the member the compliance specifications and design criteria that must be included in the SOW. Assistance of suitable personnel may also be provided to each member depending on the necessity.

iv. The project manager or the leader of the SOW team if any should develop a detailed checklist of the mandatory items and the optional items that should be included in the SOW. Their sequence in the report, and whether they should be in the main body of the report or in the appendix should also be indicated.

v. Before starting work, the members of the team or their leader should review the documents that have been prepared giving authorization to the project. They should also review the contracts and other documents relating to the work done so far on the project, if any.

vi. The members should take care to see that the SOW follows the Contract Work Break-down Structure to the utmost detail.

vii. Standard codes should be developed for materials, components and subsystems not if already in use.Codes should be assigned to subsystems and assemblies due to be developed as well. All the members should use the standard codes only.

viii. Estimates of the project cost should be reviewed by the SOW team. The objective of the team in reviewing should be to identify any non-essential items in the project that are pushing up the costs disproportionately. Attempt should be made to remove such items or replace with other items, keeping in view the requirement and the cost.

Q: The ultimate success of any project depends on effective control and coordination. With respect to this, what are the primary areas to be addressed by the project manager in achieving effective control and coordination?

Ans: The following lists illustrate the primary areas that must be addressed by the project planning and control methodology.

❖ Control begins at the inception of the project not just before implementation. A clear, and authorised Project Charter, is the foundation of any good control system. Without it, the whole project is destined to fail.

❖ When work is planned it will need to be controlled. The effective project manager considers, for each work package, what elements are critical to completion and applies controls accordingly.

❖ The control system should be targeted at the agreed critical success factors not on the assumptions of the project manager. Control systems are a combination of on-going monitoring and Control point acceptance and review (Go/ No go) through the vehicle of a Project Steering Group

A clear, and authorised Project Charter, is the foundation of any good control system. Without it, the whole project is destined to fail. When work is planned it will need to be controlled. The effective project manager considers, for each work package, what elements are critical to completion and applies controls accordingly.

❖ The milestone plan allows the project manager to define the go/no go control points in the project and the start and finish criteria for each work package.

❖ The responsibility matrix allows the project manager to communicate clearly the needs of the project and accountabilities for completion of tasks.

❖ The control system needs to be balanced with the objectives of a project. These will have been defined in the Project Scope & Objectives document.

❖ Who will control and coordinate and how and on what contractual terms must be defined at inception not implementation.

❖ A coordination system is generally defined in the Project Charter document.

❖ Effective control systems are based on the measurement of performance not just on the variation from the standard. It will incorporate trend analysis that allows the project manager to predict what would occur if their was no intervention from the project team.

❖ In a project the project manager is normally a supplier, to the project sponsor, and a customer to the project team. In the role of customer he should provide the same service that he expects from his project sponsor - support, commitment and clear objectives.

Q: A company wants to conduct a market survey with primary data for its new product under the brand name "XYZ". What are the various steps involved in conducting a market survey with primary data?

Ans: The various steps in conducting a market survey with primary data:

Statement of objectives: It is always necessary to clearly state the output required from the study in precise terms before starting the process of data collect. Lack of clarity at this stage may lead to collecting the irrelevant data, resulting in waste of time, effort and money.

Specification of data requirement: The data requirement depends on the objectives. For example, suppose a company is planning to launch of a new brand of toothpaste. If it wants to know in which color the toothpaste should be, them the required data will be on the color which the consumers like their toothpaste to be in. if on the other hand, the company is thinking of lunching a toothpaste of a foreign brand, which is purple in color, it need data whether the consumers like a purple color toothpaste. Collecting data on color preferences of consumers is not necessary in the latter case.

Design of the sample: It may be sometimes possible, and desirable to collect data from each and every consumer in the target market. For instance, a company planning to produce sophisticated medical equipment which can be afforded only by the top few hospitals in the country and will be well advised to contact all the hospitals in the country and gauge the levels of interest in the equipment before starting of on the project. But for a company producing a small daily use article like soap it is neither cost effective not necessary to contact all the consumers in the target market. In such a case, a sample, which is considered to be representative of the target market, should be studied. There are different standard techniques of obtaining a sample that are explained any standard work on statistics.

Mode of collecting data Data collection can be done in different methods. Some types of data like the number of vehicles passing over bridge can be collected by observation. Some other type of data can be obtained only by asking others directly or indirectly.

Mode of collecting data: Data collection can be done in different methods. Some types of data like the number of vehicles passing over bridge can be collected by observation. Some other type of data can be obtained only by asking others directly or indirectly. For ex. Number of cigarettes smoked by a smoker in a day.

Conducting the survey and obtain data: One of the common difficulties encountered in the conduct of a survey is that some of the constituents of the sample do not respond. Even if the non-responding consumers are replaced by others when conducting a sample survey, it does, nevertheless, affect the accuracy of the study. The problem of non-response is generally higher in questionnaires sent by mail than other methods. It should be ensured that the interviewers are properly trained and briefed. Occasionally checking of the information collected by the interviewers should be done to ensure that the interviewers carried out their job diligently.

Analysis and conclusion: The data collected should be edited to eliminate responses that are wrong or dishonest outright before tabulation. If the questions posed to the respondents are open ended, it becomes difficult to analyze them and tabulate them. Care should be taken to avoid this. Tabulation should be done keeping in view the type of data collected and in a manner that facilitates the interpretation of the results of the tabulation. At this stage, it is necessary to look out for other factors that were ignored earlier, but show up now to be important. Such factors should be analyzed by collecting data afresh, if the necessary, otherwise the whole study becomes incomplete defeating the purpose.

Q: A sound reporting system helps the project manager to control the project efficiently. In this context, what are the various types of report required by the manager for effective control of the project. And what are the various factors which make the reporting system ineffective?

Ans: All reports generated during a project can be divided into three categories: routine reports, exception reports and special reports.

(a) Routine reports are, as the name suggests, those generated regularly. But regularity does not, connote periodicity. It indicates reports that are issued after the completion of each milestone. So long as everything goes on as planned, the reports remain routine reports.

(b) Exception reports are issued under two circumstances. One, when the project is off the track and the members of the project management need to know that a decision is called for on their part to bring the project back on track. Two, when a decision has already been taken under special circumstances, to solve a serious problem. In the first case, they are aimed at bringing a problem to the notice of the decision makers, while in the second the intention is only to inform about an action that was already taken. Though exception reports are highly useful, issuing them too frequently will create an impression of being too cautious.

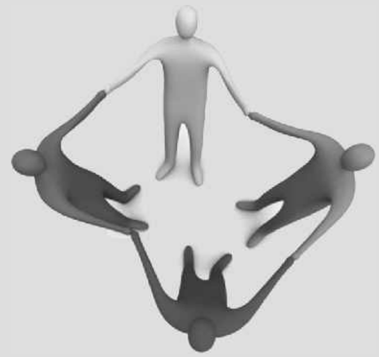
(c) Special reports are reports based on analyses and studies conducted either as a part of the project on hand or to overcome some special problems faced during the project. They generally contain information on matters that may be of interest to managers of other projects and the R&D department, such as discoveries of alternative raw materials, innovative manufacturing techniques, evaluations of new software and implications of governmental policy changes. Special reports are generally distributed to all those who may be interested or may benefit from them.

Reporting systems become unwieldy and ineffective due to the following factors:

Information Overload: A lot of unnecessary details are provided in reports, making them difficult to read. The converse is also true.

Decision makers in some organizations ask for all the data they can get, whether it is useful for them or not, making the provider of information lose interest in the job. The reports churned out, therefore, will be of very poor quality and undependable, making the entire exercise futile. And, generation and distribution of unwarranted data costs the organization heavily.

Poor communication between the team members and outside parties and also within a project team leads to frustration among the team members. Thus Team members are not aware of what is expected from them.



Poor Co-ordination: The second factor is lack of proper co-ordination between the information system of the project and that of the firm. The methods of accumulation of costs of materials, overheads, etc. frequently differ with that used by the firm. Therefore, the figures of the two are not comparable, and hence control of the project becomes difficult. This problem can be overcome by stipulating that the project information systems should follow the same methodologies as the systems of the firm. If there are any special informational needs of the project manager that are not fulfilled by the existing systems, procedures should be laid down for them in such a way that they do not distort the entire output.

Irrelevant Data: The data provided in the reports is sometimes not relevant for the plans that were to be executed. This situation arises, for example, when the information system of the firm is used for monitoring the project as well. The reports contain information in standard formats and are prepared routinely. The data relating to the projects has to be searched well through the report, and may, sometimes, be aggregated with data relating to the remaining part of the firm. In such a situation, it becomes almost impossible for the project manager to maintain tight control on the project.

Q: Effective communication process is an important factor for project success. The project manager needs to think carefully and design the communication model to reach his intended audience. In this context, what are seven 'C's explained by Dave Gray, a US-based communication expert for effective communication process?

Ans: Seven C's for effective communication process

Context

Before finalizing the communication plan, the project manager has to understand the situation. He has to ask the team members good questions. He needs a clear goal before he starts to design any communication model.

Content

Based on the goal, the project manager should define a single question that the communication is designed to answer. This is the best possible measure of communication effectiveness. Once the project manager defines his prime question, he is supposed to set out the answer to that question like what information is required.

Components

Before the project manager starts building anything, he has to break down his content into basic building blocks like formulate the information into clusters and groups. Based on the patterns that emerge, he has to make the information more modular. Index cards are more useful to break down information into modules.

Cuts

This is one of the hardest parts of the process and often neglected by the project managers. People's expectations will quickly soar as they expect the project manager to get to the point. The project manager should learn to edit and kill the `little darlings' if any.

Composition

After cuts, it is time to design the way for a story based on written and visual composition. The story should answer the questions like: Who are main characters? How to set up the scene? What are the goals and conflicts that will develop? How will the story reach resolution? How to engage the audience? This is a good measure for effective communication.

Contrast

Avoid the disparities that matter. Use contrast to highlightbig vs. little, rough vs. smooth, black vs. white. Distinction is a trigger to the brain that warns "pay attention!"

Consistency

Studies indicate that any extraneous information will detract from people's ability to assimilate and learn. In the process of highlighting differences, highlight things in different colors, spacing and big font sizes to avoid distracting people.

Q: How the poor project communication is the main cause of many project failures?

Ans: Impact of poor communication on execution of a project

Because of poor communication; people cannot make the best decisions. If the team members are not aware of what is going on, they have to spend additional time and have to follow-up further information. Hence Nobody knows the state of the project.

Poor communication between the team members and outside parties and also within a project team leads to frustration among the team members. Thus Team members are not aware of what is expected from them.

If the project manager does not keep the team members under a common set of expectations, things can start getting out of hand. Hence their exists differences in expectations. The team members get angry and frustrated when they come to know of any bad news at the last minute. People are surprised. Then there is no time left for rectifying the situation.

Q: Termination of project, whether on its success or failure is a tricky job, because it can have a telling impact on the activities of all the departments of the firm. What are the process of termination of a project?

Ans: The termination process is a very important phase in the life cycle of a project. It should be handled skillfully to avoid a hangover in the minds of the employees and the clients. The objectives of the termination process are:

- Bringing the work to a halt in accordance with the arrangement entered into with the customer.
- Making preparations for the next stage, such as training the personnel in operational and maintenance aspects, installations, etc.
- Closing the project office and disposing off the leftover assets
- Identifying and following up for any other business that can be obtained either by showing of the experience gained in handling the project to other perspective clients, or by trying the miscellaneous assignments such as periodical maintenance from the same client.

It is often difficult almost impossible to terminate a project such a way that it makes all those involved happy.

But, there are certain points of caution that will be of help to the project manager in making it more acceptable and systematic which are as follows:

A closeout plan should be drawn up clearly identifying the responsibilities of the various functional managers and the project managers. Any items still to be delivered should be mentioned along with their budget allocations.

The project manger should try to understand the feelings and emotions of the people involved and should try to build up a friendly atmosphere.

The project team members should be taken into confidence about there future after integration into the parent or the future prospects through follow-on business from the same client, etc to boost up their morale.

An effective flow of communication should be maintained so that technical as well as personnel problems can be identified and tackled quickly.

The services of a legal expert should be obtained for handling matters related to contractual obligations and for follow up of payments.

The process of termination can be studied in two parts: one, the decision to terminate, and two, the implementation of the decision to terminate. Some authorities argue that the standard capital budgeting models are not suitable for the termination decision, as the information requirements for such a decision are complex and change form time to time. But others feel that the models are useful, as the number of complex projects is small. Another argument against the use of cash flow models is that the probability of technical completion is 1.00 t the beginning, reduces as the project progresses and the uncertainty of technical complete goes on increasing as more and more technical problems become known. The counter argument is that while evaluating whether or not to terminate a project, the focus is on whether it is achievable, with the laid down time and cost, but not on the technical feasibility alone. In terms of cash flows, it can be said that if the present value of cash flows realizable if a project is abandoned at a particular time are more that the present value of the cash flows realizable if the project is continued through its life, then the project should be abandoned.

The analysis preformed to decide on the ideal time for the abandonment of a project is called Abandonment Value Analysis.

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(Source: SEBI)

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