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TYRES

Rolling out of trouble

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Tyres: Rolling out of trouble

Tyre sector witnessed sharp surge in input costs and severe pressure on margins in the first half of the current fiscal; as input prices ease, the sector is rolling out of trouble

After three years of consistent rise in margins, the tyre sector witnessed severe pressure on margins in the first half of the current fiscal. The spike in natural rubber prices, and also that of crude oil based derivatives like synthetic rubber, nylon tyre cord fabric, carbon black etc together could not be fully passed on to customers. As a result, frontline players like Apollo tyres recorded drastic fall in profits, while other players like Ceat incurred losses in the quarter ended September 2008.

Sluggishness in demand for truck and bus tyres

In the five months ended August 2008, India's tyre production grew by 8.5% to 352.99 lakh units. During this period, exports eased by 1% to 25.16 lakh units. However, truck and bus tyres were the culprit. Their production grew by mere 4.1% to 56.87 lakh units while exports tumbled down by 17% to 8.46 lakh units. In India, truck and bus tyres constitute over 60% of the turnover by value of the tyre sector, though they constituted just about 16.1% of the total production in no. of tyres during the five months ended August 2008.

Passenger car tyre production grew by 9.8% to 73 lakh units but their exports fell by 9.1% to 4.13 lakh units in the five months ended August 2008. During this period, two wheeler tyres (including moped and scooter tyres) recorded healthy 8.7% rise in production to 169.70 lakh units, while their exports surged by 30.9% to 4.10 lakh units. LCV tyres recorded decent 12.6% rise in production to 23.36 lakh units while their exports too rose by 12.9% to 7.77 lakh units during this period.

Surge in input costs impact margins: Apollo tyres indicated that the gains made from higher sales were completely negated by about 40% spike in cost of raw materials. It said that the average prices of Crude oil rose from US\$ 75 per barrel in the quarter ended September 07 to US\$ 124 per barrel in the quarter ended June 2008, but eased there from to US\$ 118 per barrel in the quarter ended September 2008. But natural rubber prices have been surging from Rs 85 per kg in the quarter ended September 2007 to Rs 121 per kg in the quarter ended June 2008, which further surged to Rs 135 per kg in the quarter ended September 2008. Likewise, the nylon tyre cord fabric prices increased from Rs 175 per kg in the quarter ended September 2007 to Rs 195 per kg in the quarter ended June 2008, which further firmed up to Rs 225 per kg in the quarter ended September 2008.

Ceat indicated that its profitability in the quarter ended September 2008 were severely impacted by sharp increase in cost of all key inputs in general and natural rubber, synthetic rubber and carbon black in particular. It said that the raw material cost touched its highest point in the quarter ended September 2008, which could not be fully passed on to the market.

J K Tyres & Industries indicated that over 60% of the raw – materials of the tyre industry are petroleum based. It said that due to unprecedented increase in oil prices, the cost of raw materials escalated phenomenally. It acknowledged that there were substantial increases in natural rubber and other input costs. J K tyres reported that the Tyre prices could not be raised adequately resulting in adverse impact on profitability. However, it has said that the effect of recent lowering of oil prices is



expected to be reflected in the subsequent period.

Apollo tyres reported 85% fall in net profit to Rs 7.79 crore on 16% rise in operating income to Rs 981.87 crore in the quarter ended September 2008. The operating income consists of 16% rise in net sales to Rs 980.76 crore and 65% fall in other operating income to Rs 1.11 crore. The input costs (including change in stocks, consumption of raw materials and purchase of traded goods) as a % of operating income rose by 1000 basis points to 74.6% in the quarter ended September 2008 from 64.6% in the corresponding previous quarter. As a result, the operating margins eased by 790 basis points to 5.2% in the quarter ended September 2008 from 13.1% in the corresponding previous quarter. The lower fall in operating margins is due to savings in employee cost and other expenditure.

Ceat reported loss of Rs 28.83 crore in the quarter ended September 2008, as against profit of Rs 25.51 crore in the quarter ended September 2008. During this period, its net sales increased by 15% to Rs 670.15 crore. Its other operating income has more than doubled and increased by 108% to Rs 8.76 crore, while other income tumbled down by 69% to Rs 1.11 crore. Together, the other operating income and other income grew by 27% to Rs 9.87 crore. Amongst others, the sizeable portion of the losses were due to forex loss of Rs 21.60 crore in the quarter ended September 2008 as against forex gain of Rs 2.20 crore in the corresponding previous quarter.

The fall in profits of Goodyear India

Goodyear India recorded 39% fall in net profit to Rs 6.49 crore on 16% rise in net sales to Rs 262.43 crore in the quarter ended September 2008. The fall in profits would have been steeper but for write back of Rs 2.37 crore of provision for liability for Haryana Local Area Development Tax (HLADT) for the periods prior to 2007. In addition, the provision for the above made in the quarter ended June 2008 amounting to Rs 0.93 crore has also been written back in the quarter ended September 2008. In effect, the total write back of expenses made in the quarter ended September 2008 was Rs 3.30 crore which was provided in earlier quarters / years. In addition the fate of amount paid and expensed in earlier years for HLADT is Rs 19.38 crore remains to be seen.

Balkrishna Industries recorded 36% fall in net profit to Rs 31.48 crore on 22% rise in net sales to Rs 609.90 crore in the six months ended September 2008. The results would have been better but for a charge of Rs 30.71 crore due losses on foreign exchange in the six months ended September 2008 as against a gain of Rs 12.51 crore in the corresponding previous half year period.

The company hived off its paper & textile processing divisions earlier, but these operations are included in the figures for the six months ended September 2007. Hence, the results are not strictly comparable. The company has balance of US\$ 22 million of Foreign Currency Convertible Bonds (FCCBs) outstanding as of September 2008. The company had fixed the record date as 24th October 2008 for the first interim dividend. But subsequently, the Board of Directors at their meeting held on

18th October 2008 decided not to declare the 1st Interim dividend for the current fiscal. Hence, the IST interim dividend and the record date for that purpose stands cancelled.

All the above projects are likely to be completed by the end of 2008, and their total capital outlay is about Rs 480 crore. To part finance these projects, the company came out with a rights issue of 1 for every three shares held. Accordingly, 1,02,64,836 Equity Shares at a price of Rs 85/- per Equity Share (Rs 10/- towards the face value and Rs 75/- towards premium per Equity Share) were allotted to shareholders, and Rs 87.25 crore was raised. The balance fund required will be funded largely through debt.

Input prices ease

Tyre grade RSS 4 rubber prices at Kottayam has crashed from a high of Rs 14200 per quintal on 28th August 2008 to Rs 8150 per quintal on 13th October 2008, before rebounding partly to Rs 9000 per quintal on 23rd October 2008. In the process, while the RSS 4 rubber prices were 68% higher in July 2008, about 58% higher in August 2008 and about 53% higher in September 2008 on y-o-y basis, they have actually come down by about 3% in October 2008 (upto 23rd October 2008).

The Nymex Light Sweet WTI prices have crashed from US\$ 145.29 per barrel on 3rd July 2008 to US\$ 64.15 per barrel on 24th October 2008. As a result, these prices, which were 80% higher in July 2008, 61% higher in August 2008 and 30% higher in September 2008 on y-o-y basis, are actually about 7% lower in October 2008 (upto 24th October 2008). Hence, we expect that the crude oil based derivatives, which are key inputs for tyre production, like synthetic rubber, carbon black and rubber chemical prices should have also eased, considering the sharp fall in the crude oil prices.

Outlook

The fall in natural rubber and crude oil prices will considerably ease the pressure on margins of the tyre sector in the current quarter ending December 2008. But the demand growth continues to be sluggish, and it may take a few quarters, before demand rebounds. Meanwhile, Onkar S Kanwar, Chairman, Apollo Tyres, in his views on the results has indicated "The clear learning from H1 has been that we can protect customers and absorb dramatically higher raw material costs, by enhancing internal efficiencies, only to a limited extent. The sharp fall in profits, despite higher sales, makes a strong and rational case for price hikes this quarter. It is not an option, but a requirement to ensure that fresh investments being made, for products required by the Indian customer, continue to remain on course,"

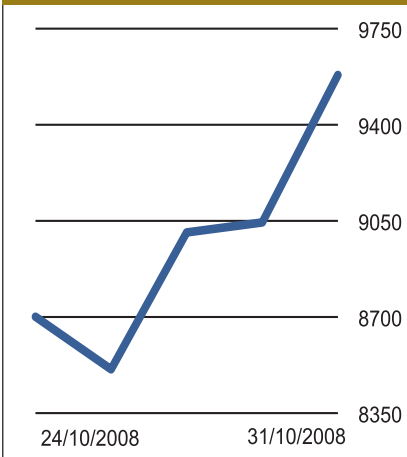
If the tyre sector succeeds in increasing the tyre prices, then it will get double benefit of fall in input costs and rise in realizations. Even if the price rise does not materialize, then also the players will benefit from better margins due to fall in input costs. Taking into account these factors, we believe that the tyre sector is rolling out of trouble, and is in for better times, especially in the second half of the current fiscal.



MARKET SCAN

31-Oct-08	±	Adv.	Dec.
BSE 9788.06	743.55	1528	835
NSE 2885.6	188.55	839	346

BSE SENSEX



TOP GAINERS / LOSERS

31-OCT-08 17-OCT-08 VARI(%)

GAINERS

ORACLE FIN	605.05	428.30	41.3
UNITD SPR	887.50	631.50	40.5
EDUCOMP SOLN	2225.70	1628.50	36.7
NAGAR.CONST.	62.85	46.40	35.5
ADANI ENTER	372.65	299.55	24.4

LOSERS

SUZLONENERGY	44.45	86.30	-48.5
PHOENIX MILL	50.70	93.90	-46.0
PARSVNATH	40.55	69.85	-41.9
NAT.ALUM	159.70	264.75	-39.7
UNITECH LTD	48.05	79.55	-39.6

Figures in Rs

DATE	PURCHASES (RS CR)	SALES (RS CR)	NET (RS CR)
FII (Equity)			
This Fortnight (10/29)	19723	27112	-7389
This Month (Oct 29)	49431	64779	-15347
Jan '99 to Till Date	2942584	2850779	90062
MF (Equity)			
This Fortnight (10/29)	5535	3851	1684
This Month (Oct 29)	11103	9964	1139
Feb '00 to Till Date	735151	703474	32169

Sensex tanks nearly 24% in October 2008

Key benchmark indices bounced back, closely mirroring their global counterparts, which rallied after central banks across the globe cut interest rate to tackle financial crisis. The market sentiment also got a boost after India's inflation rate fell below 11% for the first time since May 2008. It was a truncated week with stock markets closed on Tuesday (28 October 2008) and Thursday (30 October 2008) for the Diwali holidays. A special one-hour Muhurat trading session was held on Tuesday to mark the beginning of the new Samvat year 2065.

The US Federal Reserve cut its main policy rate to 1% on Wednesday, 29 October 2008, to stave off the credit crunch. China reduced rates earlier on Wednesday, 29 October 2008 with Taiwan and Hong Kong following up with rate cuts on Thursday, 30 October 2008. The Bank of Japan announced a 20 basis points cut in interest rate on Friday, 31 October 2008.

The BSE 30-share Sensex rose 1,086.99 points or 12.49% to 9,788.06 in the week ended Friday, 31 October 2008. The S&P CNX Nifty rose 301.6 points or 11.67% to 2885.60 in the week.

The BSE Mid-Cap index rose 104.34 points or 3.37% to 3,200.02 and the BSE Small-Cap index rose 103.28 points or 2.82% to 3,765.11. Both the indices underperformed the Sensex.

October 2008 was a very bad month for stock market investors, as the BSE 30-share Sensex declined 3,072.37 points, or 23.89%, to 9,788.06 in the month. The barometer index is down 10498.93 points or 51.75% in the calendar year 2008 so far from its close of 20,286.99 on 31 December 2007. It is 11418.71 points or 53.84% below its all-time high of 21,206.77 struck on 10 January 2008.

Volatility characterised trading on Monday, 27 October 2008. Short covering of derivatives positions ahead of the expiry on 29 October 2008, triggered a sharp intra-day pullback in the second half of the day's trading session after indices plunged to over three-year low in the first half, spooked by weak global equities. The BSE 30-share Sensex declined 191.51 points, or 2.2%, to close at 8,509.56, after slumping 1,003.68 points to 7,697.39 in afternoon trade, its lowest since 28 October 2005. The S&P CNX Nifty lost 59.80 points, or 2.31%, to 2,524.20.

Firm global markets and relaxation of creeping acquisition norms for promoters boosted the battered bourses on the special one-hour Muhurat trading session that was held on Tuesday, 28 October 2008. The BSE 30-share Sensex rose 498.52 points, or 5.85%, to 9,008.08. The S&P CNX Nifty was up 167.70 points, or 6.64%, to 2,691.90.

Expiry of the near month October 2008 derivatives contracts caused high volatility on Wednesday, 29 October 2008. Gains in some Asian and European markets supported domestic bourses. The BSE 30-share Sensex gained 36.43 points or 0.4% to 9,044.51. The S&P CNX Nifty was up 12.45 points or 0.46% to 2,697.05.

Ending one of the worst months in history, the market surged on Friday, 31 October 2008, as it caught up rally in global stocks on Thursday, 30 October 2008, triggered by a steep 50 basis points rate cut by the US Federal Reserve. The BSE 30-share Sensex gained 743.55 points or 8.22% to 9,788.06. The S&P CNX Nifty rose 188.55 points or 6.99% to 2885.60.

India's largest private sector company by market capitalization and oil refiner Reliance Industries (RIL) jumped 34.98% to Rs 1370.75 in the week.

Reliance Communications rose 14.12% to Rs 220.70. India's second largest telecom services provider by market share reported consolidated net profit of Rs 1530.78 crore, up 17.33% in Q2 September 2008 over Q2 September 2007. Its consolidated total income increased 23.29% to Rs 5645 crore in Q2 September 2008 over Q2 September 2007. The company added 5.25 million customers in Q2 September 2008. Bharti Airtel, India's largest telecom services provider by market share, rose 21.43% to Rs 649. Net profit declined 0.9% decline in to Rs 1604.78 crore on a 36.5% increase in sales to Rs 8274.37 crore in Q2 September 2008 over Q2 September 2007.

Derivative contracts for October 2008 series expired on Wednesday, 29 October 2008, with rollovers more or less similar to previous series.



Market may extend gains on rate cut hopes

Although the key benchmark indices edged higher last week, the market sentiments remain fragile due to global recession worries and heavy selling by foreign funds this year.

Global markets rallied after the US Federal Reserve cut its main policy rate to 1% on Wednesday, 29 October 2008 to stave off the credit crunch. China reduced rates earlier on Wednesday, 29 October 2008 with Taiwan and Hong Kong following up with rate cuts on Thursday, 30 October 2008. The Bank of Japan announced a 20 basis points cut in interest rate on Friday, 31 October 2008.

Foreign institutional investors (FIIs) have been pulling out their investments from India and other emerging markets to shore up resources to beat the global liquidity crunch.

In India, FII were net sellers of Rs 14272.40 crore in October 2008 so far (till 28 October 2008). FIIs have sold Indian shares amounting to Rs 51064.10 crore in calendar 2008. On the other hand, mutual funds have been buying. Their net inflow in October 2008 totaled Rs 848.20 crore (till 28 October 2008).

Concerns about corporate results will continue to haunt investors. India Inc's report card for the September 2008 quarter so far shows a dismal performance, partly due to ballooning interest cost.

Aggregate results of 1401 companies showed a 20% fall in net profit on a 32.6% increase in net sales in Q2 September 2008 over Q2 September 2007. Interest cost jumped 34.7% in Q2 September 2008 over Q2 September 2007.

India's inflation rate fell below 11% for the first time since May, 2008, raising hopes for a rate cut by the central bank that left its key policy rates unchanged in the mid-year review of monetary policy on 24 October 2008.

Inflation, based on the wholesale price index (WPI), slipped to 10.68% in the week ended 18th October 2008, from 11.07% in the previous week. The figure is much higher than 3.11% a year ago. Experts feel that the wholesale price index is expected to move downward, and will eventually come down to single-digit numbers by January 2009.

FII DERIVATIVES

Fortnightly (31-Oct-08)			
	Buy	Sell	Net
Index Futures	24302.58	24863.42	-560.84
Index Options	6131.65	4721.79	1409.86
Stock Futures	17511.28	15642.89	1868.39
Stock Options	30.45	161.92	-131.47
This Month			
	Buy	Sell	Net
Index Futures	44236.10	42536.05	1700.04
Index Options	13193.92	10979.73	2214.19
Stock Futures	26523.06	22843.88	3679.18
Stock Options	153.40	236.41	-83.02

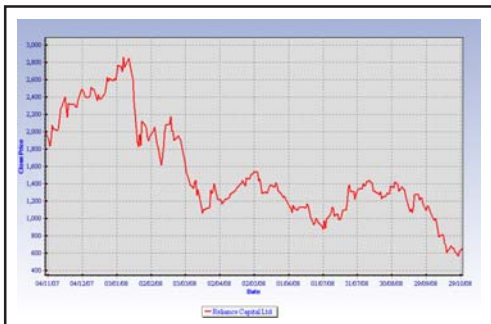
INDEX SUMMARY

	31-OCT-08	17-OCT-08	VARI(%)
SENSEX	9788.06	9975.35	-1.9
NIFTY	2885.60	3074.35	-6.1
BSE TECH	2161.45	2068.20	4.5
BSE - 100	4953.98	5180.84	-4.4
BSE -200	1145.68	1201.95	-4.7
BSE -500	3570.07	3771.68	-5.3
DOLLEX - 30	1627.79	1675.65	-2.9
DOLLEX - 200	386.37	409.43	-5.6
BSE - PSU	4564.92	5235.48	-12.8
BSE AUTO	2685.62	3099.60	-13.4
BSE BANKEX	5011.24	5546.69	-9.7
BSE CAP. GOODS	7017.61	7241.36	-3.1
BSE CONS DURA	2072.98	2085.28	-0.6
BSE FMCG	1799.83	1858.99	-3.2
BSE HEALTHCARE	2778.64	3209.02	-13.4
BSE IT	2861.94	2537.27	12.8
BSE METAL	5367.60	5801.71	-7.5
BSE OIL & GAS	6195.62	6479.56	-4.4



Petronet LNG
Will expand its oil and gas business by taking interest in gas asset in Papua New Guinea

ONGC
To commission Rs 1100 crore plant at Dahej by December 2008 end



Reliance Capital
Will not get approval from National Housing Bank and RBI for its housing finance business

Aries Agro
Will soon announce the acquisition of Sreeni Agro Chemicals



Sun TV Network
Through its subsidiary South Asia FM, will launch FM radio stations in Gangtok and Aizawl, the respective capital cities of Sikkim and Mizoram

Fortis Healthcare

Is looking for acquisition to add around 400 beds in the next six months

Indian Oil

Will get oil bonds worth Rs 25000 crore to make up for half of their revenue loss on fuel sale during 9 months of 2008

Steel Authority of India

Will set up a processing unit for steel manufacturing at a cost of Rs 250 crore at Guddha in Rajasthan's Jhunjhunu district

Godrej Consumer Products

Is eyeing potential acquisitions in its home market and abroad

Note: The above all are just unconfirmed rumours floating around in the market

Indian ADR Prices (US \$)

As on 1 November 2008

SYMBOL	CLOSE	CHANGE	(%)CHNG	VOLUME
HDB	65.60	0.91	1.41	746901
IBN	17.32	1.16	7.18	4706977
INFY	29.32	0.01	0.03	3692606
MTE	2.97	0.02	0.68	327287
PTI	5.80	-0.08	-1.36	186046
RDY	8.46	-0.29	-3.31	183085
REDF	2.60	0.25	10.64	92087
SAY	15.73	-0.36	-2.24	1812011
SIFY	1.29	-0.03	-2.27	174367
SLT	6.19	0.87	16.35	2285735
TTM	5.85	1.60	37.65	2172797
VSL	23.98	4.08	20.50	1101802
WIT	7.74	-0.43	-5.26	1195087
WNS	8.91	0.52	6.20	4900

WORLD INDICES

	DATE	CLOSE	CHG	%CHG
Nasdaq	01/11/08	1720.95	22.43	1.32
DJIA	01/11/08	9325.01	144.32	1.57
S&P 500	01/11/08	968.75	14.66	1.54
Nikkei 225	31/10/08	8576.98	-452.78	-5.01
FTSE 100	31/10/08	4377.34	85.69	2.00



Godrej Consumer Products: *Steady growth*

Price Rs 100

Godrej Consumer Products Limited. (GCPL) is one of the leading companies in the Indian FMCG market with presence in the personal and household care products. It is also one of the largest marketers of toilet soaps in the country with leading brands such as Cinthol, Godrej Fairglow and Godrej No.1.

The company has manufacturing facilities at Malanpur (Madhya Pradesh) Baddi- Thana (Himachal Pradesh), Baddi-Katha (Himachal Pradesh), Sikkim and Guwahati (Assam).

The company is among the largest marketer of toilet soaps in the country with leading brands such as CINTHOL, FAIRGLOW, GODREJ NO 1. Its FAIRGLOW brand, India's first Fairness soap, has created marketing history as one of the most successful innovations.

It is the leader in the hair colour category in India and has a vast product range from Godrej Renew Colpursoft Liquid Hair Colours, Godrej Liquid & Powder Hair Dyes to Godrej Kesh Kala Oil, Nupur based Hair Dyes. Its Liquid Detergent brand Ezee is the market leader in its category.

The company is also the preferred supplier for contract manufacturing of toilet soaps for some of the most well-known brands in the country.

With the acquisition of 100% ownership of Keyline Brands Limited, a FMCG Company in the United Kingdom, GCPL now owns international brands and trademarks in developed markets that include Europe, Australia and Canada. The

acquisition of Rapidol (Pty.) Ltd., South Africa has given GCPL ownership of Inecto and other brands in several African countries. GCPL has a 50:50 joint venture with SCA Hygiene Products AB, Sweden, known as Godrej SCA Hygiene Limited. GCPL acquired Godrej Global Mideast FZE, a 100% subsidiary of Godrej International Limited. GCPL completed the acquisition of Kinky Group (Proprietary) Ltd., one of the leaders in the South African hair business. With this GCPL gains entry into a new line of business in the hair product portfolio.

Steady performer

GCPL, for the quarter ended June 2008, registered a strong 26% growth in its consolidated revenues to Rs 361.63 crore. However, OPM fell from 17.9% to 13.7% taking OP down by 3% to Rs 49.58 crore.

175% (to Rs 3.46 crore) growth in other income, 133% (to Rs 1.15 crore) fall in interest cost and 24% (to Rs 5.50 crore) rise in depreciation cost, saw its PBT rise by 9% to Rs 48.69 crore.

As total tax grew 64% to Rs 9.59 crore, PAT was up by just 1% to Rs 39.10 crore.

For FY 2008, its sales stood at Rs 1102.57 crore, up 16% and PAT before EO was up 19% to Rs 159.24 crore.

During the quarter international business {Comprising performance of Godrej Netherlands BV, Godrej Consumer Products (UK) Limited, Keyline Brands Limited, Inecto Limited & Inecto Manufacturing Limited} registered revenue of GBP 7.56 million compared to GBP 4.89 million, up 55%.

PAT stood at GBP 0.80 million compared to GBP 0.23 million.

Rights issue

In May 2008, the company completed its rights issue. As per the details of the issue one equity share of face value Re 1 each was issued for every 7 equity shares of the face value Re 1 each held on Record Date (March 19, 2008). The Rights were priced at Rs 123 per equity share of FV Re 1 at a premium of Rs 122 per share.

Of the offer proceeds, Rs 125 crore was to be used to fund the acquisition of the Kinky group; Rs 113 crore towards facilities for making soap and chemicals at Baddi and the balance towards repayment of debt and investments in a Netherlands-based joint venture and one for hygiene products.

While the other ventures will contribute to earnings from the current year, the soap/chemicals facility is expected to be fully operational by 2010.

Valuation

In FY 2009, we expect GCPL to register consolidated sales and net profit of Rs 1341.17 crore and Rs 176.53 crore respectively. On equity of Rs 25.81 crore and face value of Re 1 per share, EPS works out to Rs 6.8. The share price trades at Rs 100. P/E works out to 14.7.

Godrej Consumer: Consolidated financials

	0703 (12)	0803 (12)	0903 (12P)
Sales	951.52	1102.57	1341.17
OPM (%)	18.9	19.5	17.2
OP	179.69	214.50	230.79
Other Income	2.65	4.03	7.34
PBIDT	182.34	218.53	238.13
Interest (Net)	9.63	12.87	-0.15
PBDT	172.71	205.66	238.28
Depreciation	14.21	18.17	22.00
PBT	158.50	187.49	216.28
PBT after EO	158.50	187.49	216.28
Total Tax	24.34	28.25	39.76
PAT before EO	134.16	159.24	176.53
EO (net of tax)	5.07	0.00	0.00
Prior period tax	4.81	0.00	0.00
Net Profit	144.04	159.24	176.53
EPS *	5.6	6.2	6.8

*Annualised on equity capital of Rs 25.81 crore; Face value of Re 1 per share.
(P): Projections. Figures in Rs crore. Source: Capitaline Corporate Databases



Deepak Fertilizers and Petrochemicals: *Fabulous performance*

Fertilizers and Chemicals manufacturer, Deepak Fertilizers posted excellent set of numbers during the previous quarter ended September 2008. The total revenue increased by 67% to Rs 375.05 crore as compared to the corresponding quarter of the previous year. Both the chemicals division and the fertilizers division performed exceedingly well during the quarter under review. The OPM during the quarter improved significantly by 480 bps to 22.3%. Thus the operating profit increased significantly by 113% to Rs 83.79 crore during the quarter under review as compared to the same period last year.

After providing for finance expenses the company during the quarter posted an excellent bottom-line growth of 91% to Rs 41.81 crore as compared to the same period last year.

The chemicals division's revenue increased by 63% to Rs 253.86 crore as compared to the corresponding quarter of the previous year. The profit from the division more than doubled to Rs 74.92 crore during the quarter ended September 2008.

The fertilizers division revenue improved significantly by 71% to Rs 121.18 crore. The division posted a profit of Rs 9.51 crore as compared to a loss of Rs 1.46 crore during the same period last year.

Performance during the first half of the current year was

equally impressive posting a revenue growth of 59% to Rs 707.76 crore as compared to the first half of the previous year. The operating profit margin improved by 370 bps during the period despite significant increase in raw material cost as well as cost of traded goods. Thus the profit before tax before EO improved 95% to Rs 130.44 crore as compared to the same period of the previous year. he was an extraordinary expense of Rs 2.98 crore during the year, which included brand launching expenses as well as amortization of VRS expenses paid. Thus the profit before tax after EO increased 91% to Rs 127.46 crore as compared to the same period last year.

The tax rate fell by 100 bps thus the net profit increased by 95% to Rs 86.69 crore during the period under review.

The 15,000 metric tonnes Ammonia tank, the new 450 metric tonnes per day Nitric Acid facilities and the 300,000 metric tonnes new chemical complex to support the mining sector are progressing as scheduled and will be commissioned over the next two years. The 28,000 metric tonnes project for the production of sulphur bentonite, a fertilizer supplement, has been completed and production has commenced.

S. C. Mehta said, "This has been a record six months and quarter for the Company and

clearly establishes the strengths of DFPCL's strong marketing network and customer

relationships. The Company has been able to grow earnings through strong realisation in price growth. These marketing networks and customer relationships should hold the Company in good stead in the challenging economic environment that is emerging. We also expect the new supplies of natural gas to be available to the Company by the end of the financial year which will enhance capacity utilisation and revenues," he said. Mr. Mehta also pointed out the realty segment is now firmly poised for growth with brand Ishanya now firmly establishing itself in its geographical markets. "Having crossed the 8 lakh footfalls mark and with strong conversions at the store level, Ishanya is now gaining store level realisations that are on par with the best malls in country. Ishanya is clearly poised to be a brand to reckon with in the Indian retail market for interiors and exteriors," he said.

Deepak Fertilizers and Petrochemicals: Standalone Results

PARTICULARS	0809(03)	VAR. (%)	0809(09)	0709(09)	VAR. (%)	0803(12)
Sales	375.05	67	707.76	445.36	59	1059.91
OPM (%)	22.3		21.5	17.9		18.3
OP	83.79	113	152.51	79.57	92	193.53
Other income	4.74	-30	25.72	16.83	53	21.40
PBIDT	88.53	92	178.23	96.40	85	214.93
Interest	13.03	327	21.98	8.05	173	15.95
PBDT	75.50	75	156.25	88.35	77	198.98
Depreciation	13.32	23	25.81	21.45	20	44.71
PBT before EO	62.18	93	130.44	66.90	95	154.27
EO	-1.61	847	-2.98	-0.33	803	-2.76
PBT after EO	60.57	89	127.46	66.57	91	151.51
Tax	15.58	38	38.53	23.83	62	54.08
Deferred Tax	2.93	PL	1.74	-2.14	PL	-3.76
Fringe benefit Tax	0.25	9	0.50	0.42	19	0.92
PAT	41.81	91	86.69	44.46	95	100.27
EPS (Rs)*	19.5		20.1	10.1		11.6

* Annualized on current equity of Rs 88.20 crore. Face Value: Rs 10 each
 Var. (%) exceeding 999 has been truncated to 999. LP: Loss to Profit PL: Profit to Loss. EO: Extraordinary items. EPS is calculated after excluding EO and relevant tax
 Figures in Rs crore. Source: Capitaline Corporate Database



Sanra Software to issue bonus shares

The board of Sanra Software has approved to issue bonus shares to the shareholders in the ratio 1 equity share for every share held as on the record date which will be decided by the board later on, subject to approval of members in their general meeting and other statutory authorities.

Indsil Electrosmelts to change its name

The board of Indsil Electrosmelts has passed a resolution for change in name of the company to Indsil Hydro Power and Manganese in order to indicate one of its principal objects viz., generation of electricity from its captive Hydro Electric Power Plant at Rajakkad, Idukki District, Kerala, subject to the approval of members in the annual general meeting scheduled to be held on 05 December 2008.

Glodyne Technoserve grants stock options

The committee of Glodyne Technoserve has granted 49,510 stock options to the eligible employees of the company and its subsidiary. Against each such stock option, the eligible employees will have right to apply for and get allotted one equity share at a exercise price of Rs 257 being the closing market price on BSE, where the trading volume in the company's shares was higher, on the last trading day prior to the meeting of compensation committee.

IKF Technologies' board approves joint venture with Falcon Search.com LLC, Dubai

The board of IKF Technologies has approved the joint venture with Falcon Search.com LLC, Dubai. Further, the board has approved the investment plan for Telecom Universal license in IKF Georgia in Georgia.

Amforge Industries acquires Dujon Commercial

Amforge Industries has acquired entire share capital of M/s. Dujon Commercial and has made it its wholly owned subsidiary. The said WOS will be used as special purpose vehicle to invest surplus funds with the company.

APW President to hold board meeting

The board meeting of APW President Systems will be held on 08 November 2008 to consider and evaluate option of raising funds for expansion of Bangalore plant through rights issue.

Elder Health's board approves right issue

The board of Elder Health Care has decided to issue equity shares on rights basis in the ratio of 1:1. The board has approved the constitution of rights issue & allotment committee and the committee is empowered to take decisions about the rights issue activity.

Religare Enterprises wins NDTV Profit Award 2008

Religare Enterprises is proud winner of the 'Outlook Money -

NDTV Profit Award 2008' in the category - best new listing on 15 October 2008. The award ceremony took place in Mumbai on 15 October 2008. Bimal Jalan, Member of Parliament was the chief guest and CB Bhavé, chairman, Securities & Exchange Board of India was the keynote speaker. The winners were selected by a seven member jury, headed by RH Patil, chairman, Clearing Corporation of India.

Tube Investments of India to grant options

The committee of Tube Investments of India has approved the grant of 54,000 options (each option, when exercised, would result in one equity share of Rs 2 each) to the employees of the company.

Kesoram Industries declares interim dividend

The board of Kesoram Industries has declared interim dividend at the rate of Rs 2.25 per share for the financial year ending on 31 March 2009.

Indsil Electrosmelts recommends dividend

The board of Indsil Electrosmelts has recommended dividend at the rate of 15% for the year ended 2007-08.

Vardhman Industries to forfeit equity shares

The board of Vardhman Industries has decided to forfeit 104800 equity shares of Rs 10 each for non payment of allotment money.

Advanta India to issue shares

The members of Advanta India has approved the proposal of issue of shares under Pre-IPO Employee Stock Option and Shares - Plan 2006 to the eligible employees of subsidiary / holding company.

SCI takes physical delivery of its VLCC vessel

Shipping Corporation of India has taken physical delivery of its very large crude carrier vessel- 'm.t. Desh Viraat' of 319,000 DWT capacity.

Nestle India declares second interim dividend

The board of Nestle India has declared second interim dividend at the rate of Rs 14.50 per share for 2008 and special dividend at the rate of Rs 7.50 per share.

Kotak Mahindra Bank allots equity shares

The committee of Kotak Mahindra Bank has allotted 6,000 equity shares of Rs 10 each, pursuant to exercise of employee stock option. 180 equity shares were allotted under ESOP scheme series 2005/01, 5,400 equity shares were allotted under ESOP scheme series 2005/02 and 420 equity shares were allotted under ESOP scheme series 2007/02.

These shares were allotted at the committee meeting held on 31 October 2008.



SCHEME NAME	Returns					SCHEME NAME	Returns				
	NAV (Rs) 31 Oct'08	CORPUS (Rs cr)	6M	1Y	3Y		NAV (Rs) 31 Oct'08	CORPUS (Rs cr)	6M	1Y	3Y
DEBT						BALANCED					
Birla Sun Life Dyn Bond Fund - Retail (G)	13.37	1120.38	4.88	11.29	8.22	Kotak Wealth Builder - Series I (G)	11.49	150.32	5.07	11.22	N.A
Sundaram BNP Pari FII F - Qly B-Inst (G)	11.08	256.16	5.08	10.22	N.A	FT FTF - Series III - 36 Mths (G)	12.18	107.94	-3.81	-2.21	N.A
Sundaram BNP Paribas FII F - Qrtly B (G)	11.08	256.16	5.08	10.22	N.A	FT India Capital Safety Fund - 3 Years (G)	10.63	244.14	-1.02	-2.48	N.A
UTI-Fixed Inc Interval-Mhly-Sr.I (G)	11.23	601.51	5.03	9.99	N.A	UTI-Capital Protection Ori-Sr.1-3Yrs (G)	10.42	128.96	-5.39	-4.58	N.A
UTI-Fixed Inc Interval-Qrtly-Sr.I - Inst(G)	11.30	398.86	5.07	9.96	N.A	FT India Capital Safety Fund - 5 Years (G)	10.13	286.80	-4.72	-7.46	N.A
UTI-Fixed Inc Interval - Qrtly-Sr.I (G)	11.30	398.86	5.07	9.94	N.A	UTI-CRTS (G)	114.64	351.52	-9.28	-8.74	N.A
Sundaram BNP Pari FII F - Qrtly A-Inst (G)	11.08	218.97	N.A	9.88	N.A	UTI-Capital Protection Ori - Sr.1-5Yrs (G)	10.01	118.30	-9.56	-8.87	N.A
Sundaram BNP Paribas FII F - Qrtly A (G)	11.08	218.97	5.04	9.88	N.A	FT FTF - Series II - 60 Mth (G)	12.39	144.83	-9.50	-9.40	7.99
UTI-Fixed Inc Interval-Qrtly-Sr.III-Inst(G)	11.12	498.35	4.98	9.83	N.A	UTI-Unit Linked Insurance Plan	13.24	3012.26	-11.75	-10.36	6.99
ABN AMRO Flexible ST - Sr.C (G-Red)	11.32	208.08	5.05	9.76	N.A	FT FTF - Series VI - 60 Mths (G)	10.81	155.95	-11.39	-11.33	N.A
HDFC Floating Rate Inc - LT (G)	14.16	158.49	4.98	9.76	7.60	UTI-Retirement Benefit Pension Plan	17.74	472.57	-11.15	-11.38	5.35
ABN AMRO Flexible ST - Sr.C (G-Ren)	11.32	208.08	5.05	9.75	N.A	UTI-CCP Balanced Fund (G)	12.76	2307.89	-13.76	-15.05	5.71
Reliance Interval Fund-Qrtly-Sr.III-Inst (G)	11.33	693.44	4.95	9.75	N.A	Templeton India Pension Plan - (G)	41.34	158.01	-15.47	-17.73	6.03
Kotak Interval Plan - Quarterly - Sr.2 (G)	11.02	101.04	5.19	9.72	N.A	DSP ML Balanced Fund - (G)	37.27	525.96	-23.43	-21.28	13.35
ABN AMRO Flexible ST - Sr.B (G-Red)	11.35	258.63	4.96	9.71	N.A	Escorts Opportunities Fund (G)	22.78	145.89	-20.25	-22.84	3.66
ABN AMRO Flexible ST - Sr.B (G-Ren)	11.35	258.63	4.95	9.69	N.A	Tata Young Citizens Fund	13.01	138.13	-17.74	-23.01	5.64
Reliance Interval Fund - Qrtly - Sr.I - Inst (G)	11.54	647.39	5.07	9.69	N.A	HDFC Balanced Fund (G)	26.82	100.93	-24.19	-23.21	5.03
UTI-Fixed Income Interval - Qrtly-Sr.III (G)	11.11	498.35	4.91	9.68	N.A	Tata SIP Fund - Scheme I (G)	8.08	275.56	-23.05	-25.73	N.A
Reliance Interval Fund - Qrtly - Sr.III (G)	11.31	693.44	4.83	9.59	N.A	HDFC Prudence Fund - (G)	95.83	2379.76	-26.62	-28.72	8.57
UTI-Floating Rate Fund - STP (G)	1373.67	177.34	4.92	9.57	7.25	FT India Balanced Fund - (G)	29.21	259.00	-25.14	-29.04	9.89
HDFC Quarterly Interval - Plan A - WP (G)	11.56	326.47	4.90	9.56	N.A	HDFC Children's Gift Fund-Invt Plan	20.19	124.13	-25.15	-30.48	N.A
						UTI-Balanced Fund (G)	44.92	845.46	-28.25	-31.80	3.68
EQUITY						MONTHLY INCOME PLAN					
Reliance Banking Fund - (Bonus)	41.92	804.01	-23.29	-17.24	11.63	Birla Sun Life MIP II - Savings 5 (G)	14.10	2538.02	9.58	14.77	9.69
Reliance Banking Fund - (G)	41.92	804.01	-23.29	-17.24	11.63	Reliance Monthly Income Plan (G)	14.34	193.30	1.29	-0.20	7.31
Reliance Pharma Fund (Bonus)	18.50	107.51	-22.61	-24.43	7.85	UTI-Monthly Income Scheme (G)	14.79	124.24	-3.89	-1.29	6.31
Reliance Pharma Fund (G)	18.50	107.51	-22.61	-24.43	7.85	Principal Monthly Income Plus - (G)	14.01	102.68	-6.56	-1.94	6.80
Birla Sun Life Dividend Yield Plus (G)	36.81	216.52	-24.24	-24.53	3.56	LICMF Monthly Income Plan - (G)	25.98	146.48	-5.61	-3.62	8.05
Sundaram BNP Paribas Tax Saver (G)	25.92	516.30	-25.90	-27.00	15.23	HSBC Monthly Income Plan - Savings (G)	14.09	130.43	-7.16	-4.99	7.37
IDFC Imperial Equity Fund (G)	11.07	135.76	-26.90	-28.80	N.A	UTI-MIS Advantage Plan (G)	14.57	104.73	-7.79	-5.43	6.89
UTI-Dividend Yield Fund (G)	15.22	968.59	-25.94	-29.26	11.21	Birla Sun Life Monthly Income (G)	26.28	135.65	-5.49	-5.69	6.13
DSP ML Top 100 Equity Fund (G)	53.69	1005.73	-27.40	-29.53	17.99	ICICI Pru MIP - AEP Half Yearly - Cumu	19.09	284.78	-7.40	-5.78	5.26
UTI-Contra Fund (G)	7.76	199.13	-28.21	-29.86	N.A	ICICI Pru MIP - AEP Monthly - Cumu	19.09	284.78	-7.40	-5.78	5.26
Reliance Regular Savings Fund-Equity (G)	13.90	733.55	-38.94	-30.30	11.44	ICICI Pru MIP - AEP Quarterly - Cumu	19.09	284.78	-7.40	-5.78	5.26
DSP ML Equity Fund (D)	30.94	1127.33	-31.05	-30.76	15.27	ICICI Pru MIP (G)	19.09	284.78	-7.40	-5.78	5.26
DSP ML Equity Fund (G)	8.09	1127.33	-31.06	-30.76	N.A	FT India Monthly Income Plan - (G)	21.47	425.69	-7.16	-6.56	5.72
IDFC Premier Equity Fund (G)	13.50	706.33	-36.04	-31.04	14.69	HDFC Monthly Income Plan - LTP (G)	14.86	1129.15	-8.63	-7.69	6.29
UTI-Equity Fund (G)	27.81	1402.56	-29.24	-31.28	6.98	FT India Monthly Income Plan - (Bonus)	12.40	425.69	-8.36	-7.77	4.70
HDFC Growth Fund (G)	44.50	1014.17	-30.07	-31.38	14.90	Birla Sun Life MIP (G)	19.44	108.10	-6.91	-8.52	4.50
UTI-MNC Fund (G)	26.73	124.10	-25.06	-31.95	1.73	ICICI Pru Income Multiplier Fund-Reg (G)	13.59	254.51	-12.00	-11.65	4.51
Sensex	9975.35		-39.47	-43.31	7.77						
Nifty	3074.35		-38.00	-41.16	8.43						

* Rs crore. Schemes having corpus more than 100 crores

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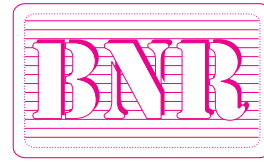
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