



BNR Capital Services

NEWS LETTER

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Cotton: Prices, demand, supply and world trade fall

World cotton consumption will be higher than production, but the prices are expected to fall due to sluggish demand; Production, consumption, exports and prices set to ease

International Cotton Advisory Committee (ICAC) has indicated that cotton prices in 2008-09 could be even lower than the 2007-08 season average. Its ICAC price Model 2007 forecasts the 2008-09 season average Cotlook A index at US Cents 73 per pound, which is slightly higher than US Cents 72.9 US in 2007-08. But it also cautioned that the season average Cotlook A index may actually be in the lower half of the 95% confidence interval, which is between US cents 64 to 73 per pound.

ICAC indicated that World cotton production is likely to decline by 6% in 2008-09 to 24.7 million ton, thanks to competition from alternative crops. The fall in production is likely to be severe in US, but even Turkey, Brazil and Egypt will also record fall in production. On the other hand, India, Pakistan and Australia are set to record growth in cotton production.

But global cotton mill use is set to ease by 3% to 25.5 million tonne in 2008-09, which will still be higher than the production during this period. In particular, the mill use in Mainland China is set to decline by 4% to 10.5 million tonne, thanks to rising cost of production, appreciation of Chinese Yuan against the US dollar and the slowing demand from textile importing countries.

As mill use ease, the world cotton import is also forecast to decline by 6% to 7.8 million tonne in 2008-09. China is set to witness steeper 10% decline in cotton imports to 2.3 million tonne during this period. As consumption is set to be more than production, the World will draw down on the stocks, which will come down by 5.9% to 11.5 million tonne in 2008-09, down from 12.22 million tonne in 2007-08, which itself was lower than 12.52 million tonne in 2006-07.

Back home, Indian Cotton prices are likely to witness some weakness in the coming days on the account of sturdy arrivals in domestic market against restricted buying by millers and exporters at higher levels. Prices of major varieties of cotton are languishing in the range of Rs 2800-2850 per quintal at all the major mandies. Prices are expected to correct by almost 10-13% in the coming days.

In India Cotton producing areas in India are spread throughout the country. Punjab, Haryana, Rajasthan, Maharashtra Gujarat, Madhya Pradesh, Andhra Pradesh, Tamil Nadu and Karnataka are the major cotton producing states. Cotton is sown around May & June and harvested around September to December in different parts of the country. The sowing of cotton is depending in the arrival of monsoon. The total production of cotton in India is been vacillating between the range of 3- 3.20 crore bales per annum. The major production has been seen in states like Maharashtra, Gujarat and Andhra Pradesh. Together they accounts for almost 75% of the total production. While the total consumption of India was at around 2.80-2.90 crore bales per annum. Most of the cotton has been consumed in mill used (64%) and rest has been used by small and non mills (36%).

As per latest released by Cotton Advisory Board (CCI), India's total production of cotton is likely to be around 3.22 lakh bales (1 bale =170 kgs) for 2008-09, despite of marginal decline in sowing acreage during the kharif season. This is mainly on the account of sturdy rise in sowing acreage of BT cotton (Genetically modified variety) As per latest released from Ministry of Agriculture, the total sowing acreage of cotton was at 90 lakh hectares against 94.23 lakh hectares reported last year, down 0.42%. The major decline was reported in states such as Rajasthan (-41%) , Haryana (-13%)



and Gujarat (- 6.35%).

In Haryana and Rajasthan, most the cotton area has been shifted towards other remunerative crops such as Guarseed and moong. Therefore, the total area in Haryana and Rajasthan has witnessed sharp gains. In Gujarat, paucity of rainfall during the July and August period has provoked the farmers towards other crops such as castor seed and groundnut.

During the July and August period, major states of western regions such as Maharashtra and Gujarat have reported the rainfall deficit of around 20%. Moreover, high cultivation cost of cotton has also shifted the farmers towards other crop. Being a weather sensitive, cotton crop requires large amount of pesticides during the both pre- harvesting and harvesting stage. However, decline in sowing acreage is likely to be compensated by sharp rise in productivity in states like Haryana and Andhra Pradesh. With the usage of BT variety of cotton seed by farmers might increase the average productivity rate of cotton from 560 to 590 kgs per hectares.

The domestic demand of the cotton mills is expected to plunge by almost 10-12% to 216 lakh bales from 241 lakh bales reported last year. This mainly on the account of higher MSP (Minimum Support Prices) and sluggish export demand.

The cotton ginning and processing units are now crying foul over the Cotton Corporation of India's (CCI) procurement prices. The MP Cotton Processors and Traders Association has alleged that CCI, the Central Government's cotton agency, is procuring the commodity at much higher prices of Rs 2,850 a quintal and is getting it processed from some units on a contract basis. This has left the other processors, all of which are SMEs, with no option but to shut down their units.

As many as 300-400 units are temporarily closed in Madhya Pradesh and Punjab, as yarn prices are sluggish while hike in minimum support prices makes running the mills unviable. According to the Confederation of Indian Textile Industry (CITI), these companies account for 17% of India's textile exports. Hence, India's textile exports are expected to be stagnant, falling much lower than centre's target of \$31 billion for the current fiscal year, as major markets like the U.S. and Europe fall deeper into recession. While the rupee's dive is helping exporters, the currency gains are mitigated by a slump in demand.

Factors responsible for weakness in consumption rate were higher prices of cotton relative to polyester prices, slower growth rate of world's GDP rate and steep decline in Chinese imports.

In August 2008, cotton prices relative to polyester were 12 to 16 percent higher than they were from 2004/05 through 2006/07, but were 14 percent lower than from 1999/2000 through 2003/04. World cotton consumption was therefore growing relatively strongly during periods when cotton was both more and less relatively expensive than it is currently. This makes it difficult to attribute declining cotton consumption to relative fiber prices. Clothing is a semi-durable good and consumers can build inventories during times of rapid economic growth and then slow purchases in response to downward income shocks.

In Calendar 2009 world gross domestic product (GDP), measured on a purchasing power parity basis, is expected to

grow only 3.6 percent, down from the 4.1 percent estimated for 2008, and 5 percent in 2007. Therefore, decline in income gains resulted to weak global consumption of cotton. Much of the change in global consumption gains over time can be attributed to China, and exact estimates of China's cotton consumption are highly speculative.

China's net cotton imports trended up sharply between 1998/99 and 2006/07, with trend growth exceeding 2 million bales a year. In 2007/08, imports were less than 1 million bales above the previous year's level, and current levels of import purchases suggest they could grow less than half a million in 2008/09.

Therefore, on the account of decline of income levels against higher prices of cotton have witnessed fall in consumption of cotton in world's market.

The Minimum Support Prices (MSPs) finalized by government for the cotton season 2008-09. MSPs have been raised from Rs.1800 of 2007-08 to Rs.2500 for medium staple cotton and from Rs.2030 to Rs.3000 for long staple cotton. The MSP of Rs.3000 would translate to Rs.26000 per candy (1 candy = 355.6 kgs) for this cotton and this is bound to reduce consumption of Indian cotton by mills.

As per the latest notification of Central Board of Excise and Customs (CBEC), The Customs duty of 10 per cent on all types of raw cotton imports has been abolished along with special additional duty of 4 per cent. The government has also withdrawn the drawback benefits on exports of raw cotton. This kind of move might incite the higher imports from other nations such as Pakistan and African nations. And this will also keep the domestic prices under check at elevated levels.

As on November 3rd, the season-to-date volume of cotton arriving at gins in India remains behind the same point last year, owing to the delayed monsoon. Cumulative arrivals stand at 2.04 million bales (170 kilograms), 21.5% less than at this point last year. By region, central and northern states were behind the lagging volume, while arrivals from southern states are up a combined 2.1% from this point last year. Weekly volume is likely to continue its normal seasonal acceleration over the next several weeks before peaking near the end of the calendar year. Arrivals in the coming months for the new-crop arrivals will outpace last year's cumulative volume, foreshadowing a record harvest in 2008/09

Steady prices of vegetable oil have reported the sharp rise in extraction of cotton seed for domestic consumption. Currently, around 10.1 lakh tones of cotton oil is available in India which is growing with the pace of around 8-10% per annum. However, in short term weakness in edible oil prices such as soya oil, mustard oil will maintain the weak demand of cotton oil.

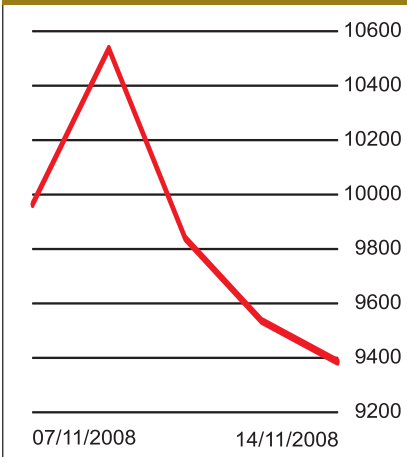
Amidst surfeit supply of cotton in domestic market coupled against feeble domestic demand at elevated levels will persisting the selling pressure in domestic market. Moreover, bearish cues from international market owing to economic slow down might also weighs the domestic prices. At major spot markets, all the important grades such as Desi, J-34 and S-6 are trading in the range of Rs 2800 to 2850 per candy. Prices are expected to witness a decline of 10-12 % in the coming days.



MARKET SCAN

14-Nov-08	±	Adv.	Dec.
BSE 9385.42	-150.91	829	1583
NSE 2810.35	-38.10	333	853

BSE SENSEX



TOP GAINERS / LOSERS

	14-NOV-08	31-OCT-08	VARI(%)
GAINERS			
TATA TELESER	20.19	13.50	49.6
GVK POWERINF	16.07	11.00	46.1
IVRCL INFRAS	115.10	84.70	35.9
FINANC.TEC.	689.20	510.95	34.9
SINTEX IND.	193.90	146.85	32.0
LOSERS			
BAJAJ AUTO	370.15	544.95	-32.1
ZEE ENTER	110.45	153.20	-27.9
JAI CORP LTD	107.45	142.80	-24.8
TATA MOTORS	136.95	171.80	-20.3
STERLITE IN	227.20	282.20	-19.5

Figures in Rs

DATE	PURCHASES (RS CR)	SALES (RS CR)	NET (RS CR)
FII (Equity)			
This Fortnight (12/11)	20530	20513	17
This Month (Nov 12)	17844	16752	1092
Jan '99 to Till Date	2963114	2871293	90079
MF (Equity)			
This Fortnight (12/11)	4841	5509	-669
This Month (Nov 12)	3853	4479	-626
Feb '00 to Till Date	739992	708982	31501

Sensex slumps nearly 6%

Investor sentiment remained jittery on political uncertainty ahead of state elections, uncertainty about a US Treasury plan to forgo buying bad mortgage-related investments to buy stakes in US lenders and caution ahead of a meeting of G20 political leaders. Fall in India's exports for the first time in five years also weighed on the investor sentiment.

The market failed to sustain the rally witnessed at the start of the week caused by China's massive economic stimulus plan. Higher-than-expected industrial production growth in September 2008 and expectation of further cut in interest rates triggered by fall of inflation to single digit, failed to avert the slide. The BSE Sensex fell in three out of the four trading sessions in the week.

The barometer index fell 578.87 points or 5.81% to 9,385.42 in the week ended Friday, 14 November 2008. The S&P CNX Nifty dipped 162.65 points or 5.47% to 2,810.35 in the week.

The BSE Mid-Cap slipped 139.30 points or 4.15% to 3,216.08 and the BSE Small-Cap index lost 135.05 points or 3.46% to 3,766.05. Both the indices outperformed the Sensex.

The barometer index BSE Sensex is down 10,901.57 points or 53.73% in the calendar year 2008 so far from its close of 20,286.99 on 31 December 2007. It is 11,821.35 points or 55.74% below its all-time high of 21,206.77 struck on 10 January 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. FII outflow reached Rs 51,047.40 crore in calendar 2008, so far, till 12 November 2008.

Trading for the week began on a firm note as unabated buying in blue chips throughout the day triggered a solid rally after China's massive economic stimulus plan raised expectations that authorities elsewhere would follow suit. The BSE Sensex surged 571.87 points or 5.74%, to close at 10,536.16 on Monday, 10 November 2008. Reduction in India's economic growth forecast by global investment banking and securities firm Goldman Sachs failed to put brakes on the rally.

Key benchmark indices underperformed its global peers on Tuesday, 11 November 2008, as fall in India's exports for the first time in five years in October 2008 and worries about the global economy eclipsed optimism over China's massive \$600 billion economic stimulus package. The BSE 30-share Sensex slumped 696.47 points or 6.61% to 9,839.69, in a highly volatile trade.

Key benchmark indices slumped in volatile trade on Wednesday, 12 November 2008, extending the previous day's steep losses on political uncertainty ahead of the beginning of assembly polls in five states. The BSE 30-share Sensex was down 303.36 points or 3.08% to 9,536.33

Political uncertainty ahead of state elections, uncertainty about a US Treasury plan to forgo buying bad mortgage-related investments to buy stakes in US lenders and caution ahead of a meeting of G20 political leaders, pulled the market lower in what was a choppy trading session on Friday, 14 November 2008. The BSE 30-share Sensex was down 150.91 points or 1.58% at 9,385.42.

India's largest private sector firm by market capitalization and oil refiner Reliance Industries slumped 5.69% to Rs 1,148.55 in the week. As per reports on 11 November 2008, the company is unlikely to meet its previously-announced commissioning schedules for two key oil and gas projects, as depressed global fuel demand, the financial market turmoil and legal challenges to its plans force it to push back deadlines. India's largest oil exploration firm by revenue ONGC slipped 6.48% to Rs 693.55. On Wednesday, 12 November 2008, chairman R.S. Sharma said that company will lose Rs 300 crore-Rs 400 crore annually if it followed a finance ministry directive to keep 60% of its surplus cash with state-run banks.

India's largest engineering and construction firm by sales Larsen & Toubro slumped 9.12% to Rs 791.50. The company's consortium on 10 November 2008 bagged a large order worth Rs 2,460 crore.



Outcome of G20 meet to set direction

The outcome of the two-day G20 meet scheduled on Friday, 14 November-Saturday 15 November 2008 in Washington will set the tone for the global markets in the week ahead. Political uncertainty ahead of state elections and uncertainty about a US Treasury plan to forgo buying bad mortgage-related investments to buy stakes in US lenders, may weight on the domestic bourses.

The market may get support at lower level on expectations of a further cut in interest rates with inflation falling to single digit. Softening inflation will enable the Reserve Bank of India (RBI) to further cut interest rates to create more liquidity in a slowing economy. Lower interest rates boost stocks as they help rise in corporate bottomline by way of lower borrowing costs. RBI has already signaled an easier rate regime and cut a key short term rate earlier this month along with cuts in bank reserve ratios to free up funds for lending.

Inflation, as measured by the wholesale price index, declined sharply to 8.98% in the week ending 1 November 2008 from 10.72% in the previous week mainly due to sharp drop in oil prices.

The investors will also keenly watch developments at the G20. The G20 political leaders in will discuss ways to protect the global economy from a repeat of the worst financial crisis in 80 years. Prime Minister Manmohan Singh, who left on Thursday night, 13 November 2008 for the G20 meet, is ready with his recommendation to tackle the global meltdown. Singh said International financial institutions like

the IMF and World Bank should be strengthened to ensure that the fallout on developing countries is minimal. He also stressed that in a coordinated approach towards monetary and fiscal policies, India plans to work in tandem with China, Brazil, Mexico and South Africa within the G20.

The Indian economy is witnessing a slowdown after a strong growth in the past three years. An indication of the slowdown in economy and trade was a 5% fall in excise and customs collections to Rs 18664 crore in 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. FII outflow reached Rs 50,432.30 crore in calendar 2008, so far, till 11 November 2008.

In what will be a crucial and last popularity test ahead of parliamentary elections due early next year, six Indian states will elect new governments in staggered elections beginning Friday, 14 November 2008. Voters from Muslim-majority Jammu and Kashmir in the northern tip to Christian-majority Mizoram in the northeast will see polling along with Rajasthan, Delhi, Madhya Pradesh and Chhattisgarh. If Congress does well, the government may use the momentum to call early elections in February 2009. A poor showing could see the government wait until April 2009 or May 2009, the end of its term.

FII DERIVATIVES

Fortnightly (14-Nov-08)			
	Buy	Sell	Net
Index Futures	16838.27	12305.31	4532.96
Index Options	4218.71	3194.94	1023.77
Stock Futures	8983.72	5699.27	3284.45
Stock Options	199.97	199.97	0.00
This Month			
	Buy	Sell	Net
Index Futures	13410.28	10217.74	3192.54
Index Options	4224.83	3454.90	769.93
Stock Futures	8031.23	5352.85	2678.38
Stock Options	65.21	61.96	3.25

INDEX SUMMARY

	14-NOV-08	31-OCT-08	VARI(%)
SENSEX	9385.42	9788.06	-4.1
NIFTY	2810.35	2885.60	-2.6
BSE TECH	2025.99	2161.45	-6.3
BSE - 100	4817.48	4953.98	-2.8
BSE -200	1119.97	1145.68	-2.2
BSE -500	3494.36	3570.07	-2.1
DOLLEX - 30	1564.55	1627.79	-3.9
DOLLEX - 200	378.60	386.37	-2.0
BSE - PSU	4777.93	4564.92	4.7
BSE AUTO	2439.61	2685.62	-9.2
BSE BANKEX	5155.76	5011.24	2.9
BSE CAP. GOODS	6951.32	7017.61	-0.9
BSE CONS DURA	1940.40	2072.98	-6.4
BSE FMCG	1906.68	1799.83	5.9
BSE HEALTHCARE	2905.20	2778.64	4.6
BSE IT	2567.87	2861.94	-10.3
BSE METAL	4873.40	5367.60	-9.2
BSE OIL & GAS	5682.45	6195.62	-8.3



GVK Power and Infra

Will divest its 49% stake in its SPV formed to execute jaipur-Kirshnagarh Expressway for Rs 450 crore

BHEL

Will tie up with L&T to jointly set up new-generation Light Water Reactor-based capacities in the future

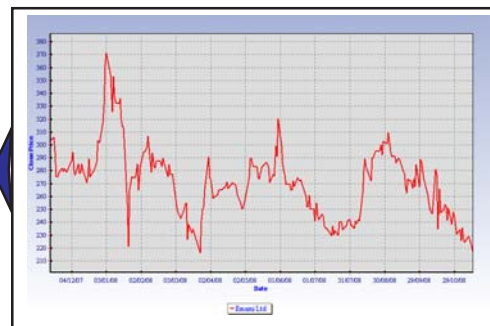


GMR Infrastructure

Has backed out of its \$155-million acquisition of 50% stake in Homeland Mining & Energy, a coal mining firm in South Africa

Emami

Is eyeing sales worth Rs 200 crore in current fiscal from its winter-care product segment



IDBI Bank

Will buy 25% stake GE Commercial Finance (GE)'s construction equipment finance business in India

Punj Lloyd

Has bagged Rs 3636 crore contract for construction related work from Qatar Petroleum

BPCL

Will invest around Rs 1500 crore over the next 2-3-year for its 24 oil exploration blocks in India and overseas.

Nagarjuna Construction Company

Has secured four new orders aggregating Rs 413 crore to be executed over next 12 to 24 months.

Jet Airways

Is likely to cut ticket prices by up to Rs 2000 on domestic routes by Dec 2008

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

Indian ADR Prices (US \$)

As on 15 November 2008

SYMBOL	CLOSE	CHANGE	(%)CHNG	VOLUME
HDB	58.01	-3.96	-6.39	762804
IBN	15.11	-1.06	-6.56	4735647
INFY	24.72	-1.49	-5.68	2992950
MTE	3.05	-0.09	-2.87	652724
PTI	5.48	-0.49	-8.21	186397
RDY	8.10	-0.26	-3.11	142988
REDF	2.30	-0.13	-5.35	17700
SAY	13.16	-1.41	-9.68	1307261
SIFY	1.05	0.05	5.00	47658
SLT	4.44	-0.67	-13.11	1428394
TTM	4.02	-0.23	-5.41	1562281
VSL	19.27	-2.06	-9.66	495070
WIT	7.07	-1.09	-13.36	851391
WNS	9.00	0.07	0.78	16800

WORLD INDICES

	DATE	CLOSE	CHG	%CHG
Nasdaq	15/11/08	1516.85	-79.85	-5.00
DJIA	15/11/08	8497.31	-337.94	-3.82
S&P 500	15/11/08	873.29	-38.00	-4.17
Nikkei 225	14/11/08	8462.39	223.75	2.72
FTSE 100	14/11/08	4232.97	63.76	1.53



Triveni Engineering & Industries: *Well poised to ride sugar price rise*

Price Rs 41

Triveni Engineering & Industries Ltd. (Triveni) is among the three largest sugar manufacturers in India, and a leading player in its engineering businesses comprising steam turbines, high-speed gears, gearboxes, and water treatment solutions. Triveni currently has seven sugar mills in operation at Khatauli, Deoband, Sabitgarh, (all in western Uttar Pradesh), Chandanpur, Raninagal and Milak Narainpur (all in Central Uttar Pradesh) and Ramkola (Eastern Uttar Pradesh). The Company's turbine manufacturing and gear manufacturing facilities are located at Bangalore and Mysore respectively while the Water & Waste water treatment business is located at Noida.

Triveni's sugar crushing capacity is 61,000 TCD. However depending upon the availability of the crop and extension of the season, the company can crush more than its installed capacity. The Company also has a total co-generation capacity of 68 MW located in two of its major facilities viz., Khatauli (46 MW) & Deoband (22 MW) (of which the company has surplus power capacity of 45 MW which it sells to State Government) and a 160,000 litre per day of distillery capacity at Muzaffarnagar. Additionally, Triveni Khushali Bazaar, a rural and semi-urban retail store, is steadily expanding its reach with 42 stores currently in operation.

The company broadly categorizes its business into two segments:- Sugar which includes sugar, power generation and distillery business and Engineering which includes gears, water treatment and turbine manufacturing.

Based on the available data upto Sep'08, on account of

uncertainty in the cane pricing and higher realization for competing crops such as Wheat, Paddy etc., the initial estimates of area under sugar cane across India, has reduced from 5.3 million hectare to 4.3 million hectare, a reduction of nearly 20%.

As per the preliminary estimates, the overall sugar production in the country for 2008-09 season could come down to 22.5 million tones (as against around 26.5 million tone last year) which may further go down in 2009-10 season. The estimated reduction in sugar production for the coming season in Maharashtra could be as high as 28% while that of UP could be around 8%. It is estimated that the annual production in the next season may be lower than the annual consumption. This in turn will bring down the stock to consumption ratio and would enable the sugar prices to increase steadily in future.

For sugar year 2007-08, UP sugar units faced the uncertainty in the cane pricing in the beginning of the sugar season resulting in late start of the crushing, coupled with adverse climatic conditions such as lack of winter rains, long spell of severe cold wave etc., which resulted in lower cane crushing & sugar production by 14% when compared with the 2006-07 sugar season.

During 2007-08 crushing season, Triveni's seven units put together manufactured approx. 580,000 tones of sugar, a marginal decline of 2% when compared with the 2006-07-sugar season, and as against an estimated decline in sugar production of 12-14% across the state of UP. The lower crush during 2007-08 season in the UP State, is due to delayed start of the season, the long spell of cold wave resulting in ground frost impacting the yield of sugar cane crop. However Triveni, on account of its cane development programme and cane payment to farmers ensured much lower decline than the rest in the industry. So as against many major sugar companies whose payment to farmers for sugarcane are still outstanding, Triveni has paid fully for 2007-08 at the rate of Rs 1100 per ton. Also the sugar recoveries for Triveni have shown improvement over previous season from 9.69% to 9.90%. This year, Central and western UP, where Triveni's plants are located, monsoon is normal and recovery is expected at 10.25%.

In 2008-09, world sugar production is forecast at 161.6 million tonne, down 7.4 million tonne y.o.y. It is expected to be short by 3.9 million tonne against an estimated consumption of 165.5 million tonne. Brazil, India, Thailand, and China together account for 50-55% of global production and trade.

For the year ended Sep'08 we expect the company to register sales and PAT of Rs 1488.46 crore and Rs 102.69 crore. For Sep'09, we expect the company to register net sales and PAT of Rs 1836.65 crore and Rs 218.46 crore, up by 23% and 113% respectively. This gives an EPS of Rs 4 for Sep'08 and Rs 8.5 for Sep'09. Current price of Rs 41 discounts the FY 2009 projected EPS by only 4.8 times.

Triveni Engineering and Industries: Financials

	0603(12)	0709(18)	0809(12P)	0909(12P)
Net Sales	1199.16	1907.99	1488.46	1836.65
OPM %	16.7	12.0	19.7	24.2
OP	200.03	228.77	293.42	443.75
Other income	12.22	6.24	7.75	7.75
PBIDT	212.25	235.01	301.17	451.50
Interet	27.47	73.07	93.90	103.29
PBDT	184.78	161.94	207.26	348.20
Depreciation	23.64	81.28	82.72	85.00
PBT before EO	161.14	80.66	124.54	263.20
EO	0	2.14	0.00	0.00
PBT after EO	161.14	78.52	124.54	263.20
Tax	29.64	3.01	21.85	44.74
PAT	131.5	75.51	102.69	218.46
EPS*	5.1	1.9	4.0	8.5

*Annualised on current equity of Rs 25.79 crore of face value of Rs 1 each.
(P): Projections. Figures in crore.

Source: Capitaline Corporate Database



Axis Bank: All round growth

Axis Bank recorded yet another robust growth for the second quarter ended Sep'08. Its NII grew by significant 55% to Rs 913.47 crore. Further backed by robust growth in its fee income, its operating profits zoomed by 89% to Rs 874.43 crore. However with the provisions and contingencies skyrocketing 123% to Rs 255.78 crore, the Net profit growth was restricted to 77% to Rs 402.91 crore. The Bank's balance sheet size has grown by 53% to Rs 127786 crore as on end Sep'08 with the deposits growing by 60% to Rs 102885 crore and net advances growing by 54% to Rs 68853 crore for the period.

The global Net Interest Margin for Q2FY09 increased significantly to 3.51%, from 3.35% in the previous quarter Q1FY09 and from 3.28% in Q2FY08 of the previous year. The domestic (India-business) Net Interest Margin for Q2FY09 increased significantly to 3.67%, from 3.49% in the previous quarter Q1FY09 and from 3.40% in Q2FY08 of the previous year.

The cost of funds stood at 6.23% in quarter ended Sep'08 compared to 6.18% in quarter ended Sep'07.

CASA ratio (Savings and current account as a percentage to total deposits) came down to 40% as on Sep'08 compared to 45% as on Sep'07.

The Net NPAs and the Gross NPAs as proportions of Net and Gross Customer Assets were at 0.43% and 0.91% respectively as at end Sep'08 as compared to 0.55% and 0.95% as at end Sep'07.

Even though the Gross and Net NPA have come down as proportion of customer assets, they show increase in value terms. Gross NPA has increased by 46% to Rs 710.20 crore and Net NPA has increased by 20% to Rs 336.68 crore on y-o-y basis.

The Net Worth of the Bank grew by 12% to Rs 9081.86 crore as at end Sep'08 as compared to Rs 8107.87 crore as at end of Sep'07.

The Capital Adequacy Ratio for the Bank has declined to 12.20% as on Sep'08 compared to 17.59% as on Sep'07. The Tier I capital stood at 9.20% compared to 13.02% a year ago and Tier II capital stood at 3% compared to 4.57% a year ago. Book Value per share stood at Rs 253.1 as on Sep'08 compared to Rs 225.9 as on Sep'07. While Adjusted Book Value (net of NPA) per share stood at Rs 243.7 as at end of Sep'08 compared to Rs 218.1 as at end Sep'07.

Axis bank reported impressive 71% growth in Net interest income to Rs 1723.93 crore for the half year ended Sep'08 with interest earned increasing by 51% to Rs 4811.49 crore and Interest expended increasing by 42% to Rs 3087.56 crore.

Despite 47% rise in operating expenses at Rs 1366.38 crore, the operating profit zoomed by 102% to Rs 1676.75 crore, with 76% growth posted in other income at Rs 1319.20 crore for the period. The provisions and contingencies zoomed by 157% to Rs 552.51 crore and also provision for tax increased by 84% to Rs 391.19 crore, restricting the Net profit to record a growth of 82% to Rs 733.05 crore.

Under Cash Management Services (CMS), the Bank handled a cash remittance throughput of Rs 2,21,572 crore in Q2FY09, significantly higher than the remittance throughput of Rs 1,63,524 crore in Q2FY08 of the preceding year which represents a growth of 35% y-o-y. The number of CMS clients has grown to 4,032.

In the Bloomberg league table for 'India Domestic Bonds', the Bank has been ranked No.1 as on September'08. The Bank was ranked No.1 Debt Arranger as assessed by Prime Database for the year ended March'08, and No.2 for the quarter ended

June'08. The Bank was the arranger for syndication of debt aggregating Rs 14,583 crore during Q2 of the current year as compared to Rs. 9,618 crore during Q2 of the previous year, a growth of 52% y-o-y. The Bank continues to strengthen its focus on project advisory services. The Bank has also been the recipient of several awards for this business: The Euromoney 2008 - Best Debt House – India award, The Finance Asia 2008 – Best Bond House in India award, and the Asia Money 2008 - Best Domestic Debt House award.

Axis Bank: Financial Results

PARTICULARS	0809(3)	0709(3)	VAR. (%)	0809(6)	0709(6)	VAR. (%)	0803(12)	0703(12)	VAR. (%)
Interest Earned	2545.05	1676.49	52	4811.49	3187.54	51	7005.31	4461.65	57
Interest Expended	1631.58	1087.82	50	3087.56	2177.96	42	4419.96	2993.32	48
Net Interest Inc	913.47	588.67	55	1723.93	1009.58	71	2585.35	1468.33	76
Other Income	694.40	382.88	81	1319.20	751.12	76	1795.49	1010.11	78
Net Total Income	1607.87	971.55	65	3043.13	1760.70	73	4380.84	2478.44	77
Operating Expenses	733.44	508.69	44	1366.38	929.90	47	2154.92	1214.59	77
Operating Profits	874.43	462.86	89	1676.75	830.80	102	2225.92	1263.85	76
Prov & Contin	255.78	114.46	123	552.51	215.37	157	579.64	267.61	117
Profit Before Tax	618.65	348.40	78	1124.24	615.43	83	1646.28	996.24	65
Provision for tax	215.74	120.58	79	391.19	212.63	84	575.25	337.21	71
Net Profit	402.91	227.82	77	733.05	402.80	82	1071.03	659.03	63
EPS*(Rs)	44.9	25.4		40.9	22.4		29.8	18.4	

* Annualised on current equity of Rs 358.89 crore. Face Value: Rs 10. Figures in Rs crore. LP: Loss to profit; PL: Profit to loss.
Source: Capitaline Corporate Database



Oil & Natural Gas Corporation appoints directors

Oil & Natural Gas Corporation has appointed Chanda Kochhar, S S Rajsekar, S Balachandran and Santosh Nautiyal as part-time non-official directors (independent directors) on the board.

Ennore Coke appoints additional director

The board of Ennore Coke has appointed R Ramakrishnan as additional director of the company. This was decided at the board meeting held on 31 October 2008.

Timex Group India's director resigns

Timex Group India has accepted the resignation of Chittaranjan Dua, director from the board of the company.

RS Software India to issue & allot preferential warrants

The board of RS Software India has decided to issue and allot preferential warrants to be converted into equity shares to the promoter director.

Central Bank of India's directors resigns

Central Bank of India has announced that the term of Satya Bahin and Harish Chandhok has expired on 09 November 2008 as time non-official directors of the bank.

Further, the bank has raised capital in the form of upper tier-II bonds to the tune of Rs 300 crore.

Godawari Power & Ispat to consider buy-back of shares

The board meeting of Godawari Power & Ispat will be held on 22 November 2008 to reconsider the proposal of buy-back of equity of shares of the company.

Satyam receives MAKE award

Satyam Computer Services, a leading global consulting and information technology services provider has earned the prestigious Most Admired Knowledge Enterprise (MAKE) award, 2008 for the fourth consecutive year for excellence in knowledge management. Satyam is the first company to win the award four years in a row.

Shree Renuka Sugars recommends dividend

The board of Shree Renuka Sugars has recommended dividend at the rate of Re 0.20 per share (20%) for the year ended 30 September 2008.

Veer Energy & Infrastructure to allot bonus shares

The board meeting of Veer Energy & Infrastructure will be held on 17 November 2008 to make allotment of bonus shares.

Wockhardt launches Midazolam in US market

Pharmaceutical and biotechnology major Wockhardt has launched Midazolam injection in the United States. Wockhardt received this approval from the United States Food & Drug

Administration (US FDA) for marketing the preservative-free version injections containing 1 mg/ml and 5mg/ml Midazolam, which is used for treating acute insomnia and anxiety. Wockhardt had earlier received the US FDA approval for the injection containing preservatives. Midazolam is the generic name for the brand Versed. According to IMS, the total market for Midazolam injections in the US is \$56 million.

Bhagiradha Chemicals declares interim dividend

The board of Bhagiradha Chemicals & Industries has declared interim dividend at the rate of Re 1 per share (10%) for the financial year 2008-2009.

Indo Castle Multimedia to issue & allot equity shares

The members of Indo Castle Multimedia have approved to issue and allot 1,87,00,000 equity shares of Rs 10 each fully paid up to the shareholders of Bonito Impex in the ratio of 187 equity shares of the company of Rs 10 each credited as fully paid up for every 200 equity shares of Rs 1 each fully paid up held by the members of BIPL in BIPL.

RS Software India to issue & allot preferential warrants

The board of RS Software India has decided to issue and allot preferential warrants to be converted into equity shares to the promoter director.

Alembic's board approves buy-back of shares

The board of Alembic has approved the proposal for buy-back of minimum 12,00,000 equity shares of the company, subject to appropriate approvals, if any. The maximum amount of buy back shall be for an amount not exceeding Rs 3,300 lakhs, constituting 9.69% of the paid-up capital & free reserves of the company. The maximum buy back price is Rs 55 per equity share.

Krishna Filaments to hold board meeting

The board meeting of Krishna Filaments will be held on 18 November 2008 to consider the sale, transfer or otherwise dispose of an undertaking of the company.

Trans Asia Corporation to hold board meeting

The board meeting of Trans Asia Corporation will be held on 18 November 2008 to approve sale of 10,00,000 equity shares of Harbour Petrochem Industries held by the company.

Gulshan Polyols allots shares

The board of Gulshan Polyols has allotted 2135407 shares to the shareholders of Gulshan Sugars & Chemicals which is now merged with the company.

MIC Electronics appoints CEO

MIC Electronics has appointed Srikant P Joshi as CEO of the company. The company made this announcement during the trading hours today, 14 November 2008.



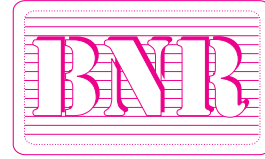
SCHEME NAME	Returns					SCHEME NAME	Returns				
	NAV (Rs) 14 Nov'08	CORPUS (Rs cr)	6M	1Y	3Y		NAV (Rs) 14 Nov'08	CORPUS (Rs cr)	6M	1Y	3Y
DEBT						BALANCED					
Sahara Income Fund (G)	15.35	104.49	6.64	11.78	8.27	Kotak Wealth Builder - Series I (G)	11.86	150.32	8.49	14.34	N.A
Sundaram BNP Pari FII Fund-Qrtly B (G)	11.18	238.66	5.25	10.54	N.A	Benchmark Equity & Deri Oppor Fund	10.83	154.94	3.44	7.67	N.A
UTI-Fixed Inc Interval-Monthly-Sr.I-Inst(G)	11.03	601.51	5.15	10.29	N.A	FT India Capital Safety Fund - 3 Years (G)	10.65	244.14	-3.91	-4.51	N.A
UTI-Fixed Inc Interval - Monthly-Sr.I (G)	11.32	601.51	5.15	10.28	N.A	FT FTF - Series III - 36 Mths (G)	12.13	107.94	-5.11	-5.84	N.A
Sundaram BNP Pari FII Fund-Qrt A-Inst(G)	11.18	193.71	N.A	10.14	N.A	UTI-Capital Prot Oriented-Sr.1-3Yrs (G)	10.45	124.84	-6.31	-7.07	N.A
Sundaram BNP Pari FII Fund-Qrtly A(G)	11.18	193.71	5.10	10.14	N.A	FT India Capital Safety Fund - 5 Years (G)	10.03	286.80	-9.60	-11.56	N.A
UTI-Fixed Inc Interval - Qrtly-Sr.I - Inst(G)	11.38	398.86	4.95	10.13	N.A	UTI-CRTS (G)	113.74	331.62	-11.02	-13.68	N.A
UTI-Fixed Inc Interval - Qrtly-Sr.I (G)	11.38	398.86	4.96	10.12	N.A	UTI-Capital Prot Oriented-Sr.1- 5Yrs (G)	9.93	111.56	-11.52	-14.24	N.A
UTI-Fixed Inc Interval - Qrtly-Sr.III - Inst(G)	11.21	498.35	5.02	10.06	N.A	FT FTF - Series II - 60 Mth (G)	12.25	144.83	-11.73	-14.56	6.74
Fortis Flexible ST - Sr.B (G-Red)	11.45	245.65	5.02	10.00	N.A	UTI-Unit Linked Insurance Plan	13.12	2816.49	-14.13	-16.80	5.67
Fortis Flexible ST - Sr.B (G-Ren)	11.45	245.65	5.00	9.99	N.A	UTI-Retirement Benefit Pension Plan	17.61	441.37	-13.07	-17.08	4.04
Reliance Inter Fund-Qrtly - Sr.III - Inst (G)	11.43	1052.02	5.06	9.99	N.A	FT FTF - Series VI - 60 Mths (G)	10.61	155.95	-14.24	-17.32	N.A
Reliance Inter Fund-Mthly - Sr.I - Inst (G)	11.64	2134.87	5.15	9.95	N.A	UTI-CCP Balanced Fund (G)	12.49	2136.19	-17.09	-20.90	4.03
Fortis Flexible Short Term-Sr.C (G-Red)	11.41	167.32	5.04	9.92	N.A	Templeton India Pension Plan - (G)	40.78	144.59	-18.43	-23.58	4.81
UTI-Fixed Income Interval-Qrtly-Sr.III (G)	11.20	498.35	4.96	9.92	N.A	Tata Young Citizens Fund	12.71	123.61	-20.59	-29.65	3.72
Fortis Flexible Short Term-Sr.C (G-Ren)	11.41	167.32	5.04	9.91	N.A	Escorts Opportunities Fund (G)	23.18	145.89	-19.27	-29.92	3.62
Reliance Inter Fund - Mthly-Sr.II - Inst (G)	11.60	1194.87	5.07	9.82	N.A	Tata SIP Fund - Scheme I (G)	7.59	275.56	-27.95	-31.30	N.A
ICICI Pru Income Plan-Inst (G)	26.00	205.50	6.18	9.81	7.93	DSP BR Balanced Fund - (G)	35.41	438.24	-29.42	-34.03	9.92
Reliance Interval Fund-Mthly - Sr.I (G)	11.62	2134.87	5.06	9.81	N.A	ICICI Pru Equity & Deriv-Wealth Optimis(G)	7.86	416.60	-31.17	-36.56	N.A
HDFC Floating Rate Income - LT (G)	14.26	119.41	4.82	9.81	7.70	HDFC Children's Gift Fund-Invt Plan	19.41	103.08	-30.46	-37.05	-2.48
Reliance Interval Fund - Qrtly - Sr.III (G)	11.41	1052.02	4.92	9.80	N.A	Birla Sun Life '95 Fund (G)	145.13	111.02	-34.12	-38.18	4.30
Reliance Interval Fund - Qrtly-Sr.I-Inst (G)	11.62	676.18	5.08	9.74	N.A	FT India Balanced Fund - (G)	28.02	218.38	-30.25	-38.23	6.93
EQUITY						MONTHLY INCOME PLAN					
Reliance Banking Fund - (Bonus)	39.51	641.55	-30.65	-37.36	8.60	Birla Sun Life MIP II - Savings 5 (G)	14.28	1656.03	10.10	15.42	9.99
Reliance Banking Fund - (G)	39.51	641.55	-30.65	-37.36	8.60	Reliance Monthly Income Plan (G)	14.76	185.78	1.31	1.46	7.78
Birla Sun Life Dividend Yield Plus (G)	34.78	175.96	-30.17	-39.30	-0.09	UTI-Monthly Income Scheme (G)	14.79	119.45	-5.04	-4.10	5.98
UTI-Contra Fund (G)	7.58	165.46	-32.68	-39.83	N.A	LICMF Monthly Income Plan - (G)	25.96	127.04	-7.02	-6.88	7.26
UTI-MNC Fund (G)	25.69	103.82	-30.42	-40.04	-1.19	HSBC Monthly Income Plan - Savings (G)	14.13	119.75	-8.12	-7.30	6.78
Reliance Equity Fund - Inst (G)	9.60	1771.16	-32.18	-41.91	N.A	Birla Sun Life Monthly Income (G)	26.17	124.66	-7.30	-7.30	5.75
Reliance Equity Fund (G)	9.60	1771.16	-32.18	-41.91	N.A	ICICI Pru MIP - AEP Half Yearly - Cumu	19.13	250.43	-8.49	-8.05	4.94
UTI-Dividend Yield Fund (G)	14.49	827.07	-32.10	-41.95	7.49	ICICI Pru MIP - AEP Monthly - Cumu	19.13	250.43	-8.49	-8.05	4.94
IDFC Imperial Equity Fund (G)	10.05	114.83	-36.13	-42.77	N.A	ICICI Pru MIP - AEP Quarterly - Cumu	19.13	250.43	-8.49	-8.05	4.94
UTI-Equity Fund (G)	25.72	1114.68	-37.45	-43.27	2.14	ICICI Pru MIP (G)	19.13	250.43	-8.49	-8.05	4.94
ICICI Pru Dynamic Plan - Inst Option - 1 (G)	7.44	1021.37	-39.08	-43.34	N.A	FT India Monthly Income Plan - (G)	21.21	387.09	-8.97	-10.69	4.84
Birla Sun Life MNC Fund - B (G)	81.40	100.48	-34.60	-43.41	-2.28	FT India Monthly Income Plan - (Bonus)	12.22	387.09	-10.42	-12.11	3.73
ICICI Pru Dynamic Plan	48.40	1021.37	-39.38	-43.87	8.75	HDFC Monthly Income Plan - LTP (G)	14.74	987.88	-10.47	-12.26	5.26
Fidelity International Opportunities (G)	6.53	881.75	-41.48	-43.88	N.A	ICICI Pru Income Multiplier Fund - Reg (G)	13.48	213.45	-14.10	-15.82	3.51
Reliance Regular Savings Fund-Equity (G)	13.30	576.14	-43.49	-44.50	9.84	* Rs crore. Schemes having corpus more than 100 crores					
Tata Equity Management Fund (G)	7.51	144.14	-37.39	-44.52	N.A						
Sensex	9385.42		-46.17	-52.50	2.98						
Nifty	2810.35		-45.51	-52.57	2.86						

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