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Aluminium: *Swift rebound of aluminium demand unlikely going forward*

Aluminium prices have crashed significantly in line with most non ferrous metals; the outlook is clouded due to considerable fall in demand in key user industries

LME aluminium prices have crashed from US\$ 3291.50 per tonne on 11th July 2008 to US\$ 1423 per tonne on 16th December 2008, before partly recovering to US\$ 1460 per tonne on 29th December 2008. The average aluminium prices at LME during December 2008 stood at USD 1495 per tonne, 37% lower on Y-o-Y and 19% lower on M-o-M basis against USD 1852 per tonne level in November 2008.

The domestic aluminium ingot prices are also down by 13% on Y-o-Y to Rs 106.39 per kg in December 2008. Domestic prices in December are 9% lower on M-o-M basis. On closing basis the domestic aluminium prices have reached to Rs 100 per kg level, after declining by 34% from Rs 151 per kg level on 21st July 2008.

Domestic aluminium production 3% up for Nov'08

In November 2008, the total aluminium production in the country was estimated at 104,532 tonne, 3.5% higher on Y-o-Y. Out of this, National Aluminium Company (Nalco) produced 29,476 tonne (1.5% higher Y-o-Y), Bharat Aluminium (Balco) produced 30,171 tonne (3.6% higher on Y-o-Y) and Hindalco Industries (Hindalco) and Madras Aluminium (Malco) produced 43,495 tonne and 1,387 tonne respectively (9% higher and 53% lower).

NALCO sold 94,510 tonne of alumina in November 2008. The total domestic aluminium production for the period Apr'08-Nov'08 was 844,489 tonne, (3% higher on Y-o-Y basis). Nalco, Balco, Hindalco and Malco produced 236,142 tonne, 241,628 tonne, 343,495 tonne and 23,224 tonne of aluminium during the said period respectively.

Hindalco to keep expansion plans going

Even as the gloomy demand scenario overshadows the growth plans of Indian conglomerates, Hindalco Industries, the flagship company of the Aditya Birla group will keep on going and any of expansion programmes of company would not be scaled down. The company believes that metal prices, which have seen historic peaks and lows in the past 18 months, would not regain previous highs and will follow a steadier pattern as demand from domestic user industries, such as power, continues to be modest. The company, however, continues to face problems in Novelis, the Atlanta-based aluminium major Hindalco bought last year, as recession in Europe and America is forcing auto companies to cut down on their metal purchases.

Hindalco may spend about Rs 25,000 crore over the next five years for expanding capacity by as much as three times in aluminium and copper. While its borrowing plans are in place, other measures, such as the recent rights issue and cash injection, have reduced the net debt to equity ratio to 0.8 in FY09 as compared with 1.2 times last year. The company is keeping a close tab on the cash flow, too.

Domestic aluminium producers better place vis-à-vis their global peers

Now when the National Bureau of Economic Research has confirmed that the US slipped into recession after experiencing continuous growth for six years, aluminium industry is also impacted with severe fall in prices while at the same time no one is sure where the bottom will finally be found. The incessant pounding of the metal on



the exchanges has got much to do with US monthly auto sales hitting the lowest level since 1982. Of the world aluminium use of 37.838 million tonne in 2007, the share of the transportation sector was about 30 percent and of the construction sector over 20 percent.

A setback in car production in China is causing shrinking demand for aluminium. Reduced level of building construction activity is further adding to the agony of the world's biggest aluminium producer. At current aluminium prices all smelters, except for the highly cost-efficient ones, are operating well below the cost support level. There is no escaping the fact that moving forward, more and more smelting capacity around the globe may become unviable. The mounting aluminium stocks with LME and SHFE highlights the continuously falling global demand.

The only saving grace for aluminium is that raw materials costs are also falling. The price decline in the case of alumina is from US\$ 460 a tonne to less than US\$ 175 a tonne in six months. The prices of coal are also declining. Fortunately for Nalco and Hindalco, as the Indian economy will be growing at about 7 percent, the growth rate of domestic demand for aluminium should remain least affected in comparison to its global peers.

Weakening aluminium prices

Users of aluminium, such as the food packaging industry, which includes carbonated drinks, foil wrappings and bottle tops, are expected to benefit significantly from a reduction in their input costs as the prices of the non-ferrous metals are likely to remain weak in next year due to an increase in global surplus.

Global surplus will increase next year as demand in the industrialized world comprising Europe, Japan and the US is expected to remain weak. However, it would be partly offset by Chinese demand, which may revive in the middle of next year, given the latest stimulus package announced by the country.

Madras Aluminium suspends production

Following the sharp fall in aluminium prices, Madras Aluminium, a Vedanta Group company, has decided to suspend production with immediate effect from 10th December 2008. In view of continuous fall in LME aluminium prices, the company has reviewed the business outlook for aluminium business and has decided to temporarily suspend the entire aluminium production with immediate effect. The company, which has mining, refining and smelting capacity in Tamil Nadu, will review the situation in the coming months and decide on future course of action. However, the company's alumina refinery will operate to cater to other industrial requirements and captive power plant of the company will continue to operate and sell power to third parties. The company has a smelting capacity of 40,000 tonne per annum, refining capacity of 80,000 TPA and a captive power plant of 75 MW at Mettur in Tamil Nadu.

NALCO signs preliminary deal on Indonesia's smelter

National Aluminium Co (NALCO) and United Arab Emirates

government-linked RAK Minerals and Metals Investment (RMMI) have signed a preliminary deal to build US\$ 4 billion worth of projects in Indonesia. Under the memorandum of understanding, NALCO and RMMI will build a US\$ 2.5 billion aluminium smelter, and a US\$ 1.5 billion 1,250 megawatts power plant in South Sumatra province to support the facility. The projects, which will have a capacity to produce 500,000 tonne of aluminium metal per year and require one million tonne of alumina for its feedstock, are expected to be completed in 2013. The alumina will come from India.

NALCO has 76 percent of stake in the projects and will seek local partners to involve in the project and will talk with Indonesia's state-owned PT Aneka Tambang. RMMI has a 24 percent stake in the project.

Spot alumina price falls as aluminium demand drops

Alumina, the raw material for aluminium, is facing oversupply and the spot price is seen heading for US\$ 100 tonne as demand for aluminium falls and smelters cut output. The markets have fallen from a peak in July of around US\$ 475 per tonne to around US\$ 175 per tonne and this weakness is expected to continue.

Nalco has floated a tender for the sale of 30,000 tonne of alumina and market believes that they would get a price below US\$ 200 per tonne. Nalco's tenders usually serve as a price benchmark internationally. In September'08, 30,000 tonne of alumina was sold for US\$ 362.30 per tonne. Traders believe that the price could see a floor at around US\$ 150 to 160, just covering many producers' marginal cost of production but many expected spikes to even lower levels. The smelting cuts are coming faster than the refining cuts, so if anything the market is heading for a greater surplus than was previously expected.

Outlook

The slowdown in demand for automobiles and infrastructural activities (where aluminium finds maximum use) has resulted in declining demand for the metal. The automobile sector accounts for 37 per cent of domestic aluminium consumption. With the credit crunch triggering steep declines in domestic vehicle sales and automobile makers themselves taking production cuts, domestic demand for aluminium too may soften significantly. The decline in demand, coupled with build up of aluminium stock piles with companies and warehouses, has resulted in prices falling sharply.

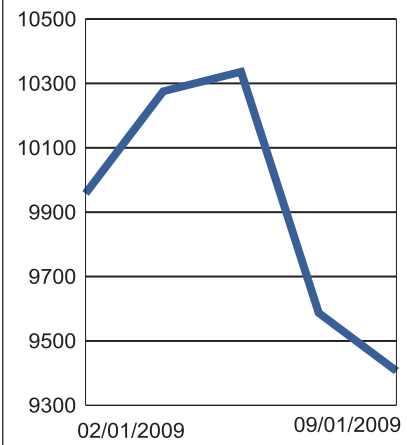
The demand for aluminium like other metals does not seem to revive quickly and the upside price potential will be limited in near term. The consumption of the most widely used base metal is not expected to pick up next year as Chinese growth slows and recession bites. Almost 50 percent of global aluminium demand is from construction and transportation, traditionally hardest hit by economic slowdowns. However, packaging industry consumption, accounting for almost a quarter of global use, is expected to stay steady. Given the poor outlook for the global macro economy through 2009, a swift rebound of aluminium consumption is unlikely going forward, thus limiting demand-led support for aluminium prices.



MARKET SCAN

09-Jan-09	±	Adv.	Dec.
BSE 9406.47	-180.41	528	1872
NSE 2873.00	-47.40	224	970

BSE SENSEX



TOP GAINERS / LOSERS

	09-JAN-09	26-DEC-08	VAR(%)
GAINERS			
BAJAJ FINSE	179.45	132.45	35.5
CONTAIN.CORP	742.90	607.15	22.4
INDIA CEM.	114.50	93.85	22.0
GUJ.MINERAL	46.65	38.75	20.4
GUJ.NRE COKE	30.65	25.50	20.2
LOSERS			
SATYAM COM	23.85	135.50	-82.4
DLF LIMITED*	217.60	276.40	-21.3
PUNJ LLOYD	115.20	142.10	-18.9
LANCO INFRA	109.90	135.45	-18.9
HOUSING DEV	104.80	127.00	-17.5

Figures in Rs

DATE	PURCHASES (RS CR)	SALES (RS CR)	NET (RS CR)
FI (Equity)			
This Fortnight (01/06)	11299	11658	-359
This Month (Jan 06)	8135	8230	-95
Jan '99 to Till Date	3036425	2948508	86173
MF (Equity)			
This Fortnight (01/06)	4125	3246	879
This Month (Jan 06)	2232	1978	254
Feb '00 to Till Date	761746	729296	32941

Satyam accounting scam spooks market; Sensex sheds 5.5%

Key benchmark indices edged lower in a truncated week as investors confidence was shaken by IT major Satyam Computer's mega accounting scandal which came to light on Wednesday, 7 January 2009. Volatility was high throughout the week.

The BSE 30-share Sensex lost 551.75 points or 5.54% to 9,406.47 in the week ended Friday, 9 January 2009. The S&P CNX Nifty slipped 173.75 points or 5.70% to 2873 in the week. The BSE Mid-Cap fell 270.39 points or 7.97% to 3,120.79 and the BSE Small-Cap index slipped 314.85 points or 8.13% to in the week. Both these indices underperformed the Sensex. The barometer index BSE Sensex is down 11800.30 points or 55.64% from its all-time high of 21,206.77 struck on 10 January 2008.

Trading for the week started on an upbeat note as coordinated fiscal and monetary measures by policymakers over the weekend to boost sagging growth and firm global markets boosted the domestic bourses on Monday, 5 January 2009. The BSE 30-share Sensex rose 317.38 points, or 3.19%, to 10,275.60 and the S&P CNX Nifty rose 74.70 points, or 2.45%, to 3,121.45 on that day.

Key benchmark indices showed a divergent trend on Tuesday, 6 January 2009, with the Sensex rising and the broader-based S&P CNX Nifty declining. The trading session was choppy with the market caught between concerns about Q3 results and coordinated fiscal and monetary measures by policymakers to boost sagging growth. The BSE 30-share Sensex was up 60.33 points, or 0.59%, to 10,335.93. The S&P CNX Nifty fell 8.65 points, or 0.28%, to 3,112.80, on that day.

India's fourth largest IT firm by sales Satyam Computer's shocking accounting scam estimated at over Rs 7,000 crore sent the market tumbling on Wednesday, 7 January 2009. The BSE 30-share Sensex plunged 749.05 points, or 7.25%, to 9,586.88 and the S&P CNX Nifty fell 192.40 points, or 6.18%, to 2,920.40, on that day.

The financial markets were closed on Thursday, 8 January 2009 on account of Moharum. Caution ahead of US non-form payroll data for December 2008 and fragile sentiment post IT major Satyam Computer's massive accounting scandal weighed on the market on Friday, 9 January 2009. The BSE 30-share Sensex lost 180.41 points, or 1.88%, to 9,406.47 and the S&P CNX Nifty fell 47.40 points, or 1.62%, to 2,873, on that day.

India's largest private sector company by market capitalization and oil refiner Reliance Industries (RIL) lost 10.35% to Rs 1151.05 in the week on worries the recent steep fall in crude oil prices would dent refining margins of the firm.

India's largest oil exploration firm by revenue ONGC fell 1.40% to Rs 670.50 on reports its overseas unit ONGC Videsh (OVL) is raising about Rs 5,250 crore from Citibank India to partly fund its recent \$2.1 billion acquisition of UK's Imperial Energy, an oil exploration firm. OVL will issue one-year commercial paper, which will carry an interest of 8.15%.

Satyam Computer Services slumped 86.57% to Rs 23.85, after tumbling to a 52-week low of Rs 11.50 on 9 January 2009 after Chairman Raju, on Wednesday, 7 January 2009 confessed of reporting inflated figures in the accounts of the firm.

Raju said the Q2 September 2008 results reported operating margin of about Rs 649 crore versus actual Rs 61 crore. He further said that the balance sheet as on 30 September 2008 included understated liability of Rs 1230 crore. He also said the balance sheet as on that day included inflated cash and bank balances of Rs 5040 crore.

No board member had any knowledge of the real situation of the books, Raju said. He further said the failed Maytas deal was a last attempt to fill fictitious assets with real ones. In mid-December 2008, Satyam had scrapped a deal to acquire Maytas Properties and Maytas Infrastructure, companies run by Raju's sons B Rama Raju and Teja Raju as the plan angered Satyam investors.

Satyam's loss translated into gains for other IT pivots as investors churned positions to maintain overall portfolio weightage to the IT sector. India's second largest IT exporter by sales Infosys rose 5.62% to Rs 1195.10. Infosys Technologies will unveil its Q3 December 2008 earnings on 13 January 2009.

The move follows aggressive cuts by other central banks in mid-December 2008. The US Federal Reserve has already slashed its key interest rate to a record low, at a range of zero to 0.25%, while the Bank of Japan has dropped its rate to almost nothing, at 0.1%.



Q3 December 2008 earnings to dictate trend

Key benchmark indices are likely to be influenced by the Q3 December 2008 results from India Inc. However the near term sentiment may remain edgy with investors confidence being shattered post IT major Satyam's over Rs 7,000 crore accounting scandal exposed in first week of 2009.

Street estimates poor the Q3 December 2008 earnings from Indian Inc on high input costs, the credit crunch and high interest rates, coupled with the burden of piled-up inventories.

Notwithstanding expectations of dismal Q3 results, foreign funds have continued buying equities in January 2009. FII inflow in January 2009 totaled Rs 974.80 crore (till 6 January 2009) after an inflow of Rs 1319.10 crore in December 2008. However FIIs pulled out a massive Rs 52,998.70 crore from equities in calendar year 2008, as against an inflow of a huge Rs 71,486.50 crore in calendar year 2007. The government said on 26 December 2008, advance taxes paid by companies declined 22% to about Rs 42600 crore in the December 2008 quarter over the December 2007 quarter, reflecting economic slowdown.

Foreign brokerage house Morgan Stanley in its research report dated 5 January 2009 said BSE Sensex earnings are set for their first quarterly drop in the three months to end-December 2008, since the data was first made available in 1999. Morgan Stanley estimates the BSE Sensex earnings will drop on a 0.2% year-on-year basis compared with a growth of 5.5% and 20% in the September 2008 and June 2008 quarters, respectively.

IT bellwether Infosys Technologies will unveil its Q3 December 2008 earnings on 13 January 2009. As per foreign brokerage house CLSA Infosys could well miss its December 2008 quarter earnings forecast in dollar terms, hurt by lower volumes and cross currency movements. At the time of announcing Q2 September 2008 results, India's second largest software services firm had projected third quarter revenue to be between \$1,175 million and \$1,220 million, a year-on-year growth of 8.4% to 12.6%.

Inflation has been on a sustained fall since peaking at a 16-year high of 12.91% in the week to 2 August 2008, raising hopes of further softening

of interest rates from the Reserve Bank of India. Wholesale Price Index (WPI) based inflation rate fell to a 10-month low of 5.91% in the week ended 27 December 2008 from 6.38% in the previous week.

On 2 January 2009, the Reserve Bank of India (RBI), cut the repo rate and the reverse repo rate by 100 basis points each, with immediate effect. Repo rate is the rate at which RBI lends to commercial banks and reverse repo rate is the rate at which RBI accepts deposits from banks. After the latest cuts, the repo rate is now at 5.5% and the reverse repo is now at 4%, the lowest ever.

The RBI also announced a cut in cash reserve ratio, the proportion of deposits banks must keep with the central bank, by 50 basis points to 5% with effect from 17 January 2009. Lower interest rates may revive the domestic economy, which has been slowing faster than expected due to high interest rates and the global financial crisis.

Meanwhile, India's economy is expected to grow 7% in the fiscal year to March 2009 despite the global slowdown, and will maintain a strong pace of expansion in coming years, the Prime Minister said on Thursday, 8 January 2009.

Also a lot will depend on how things pan out globally. The Bank of England (BOE) cut rates to the lowest level in its 315-year history, taking it into uncharted territory as it attempts to ward off a prolonged recession. The BOE cut borrowing costs by 50 basis points to a record low of 1.5% on Thursday, 8 January 2009, amid signs Britain is heading for a deep recession. The move follows aggressive cuts by other central banks in mid-December 2008. The US Federal Reserve has already slashed its key interest rate to a record low, at a range of zero to 0.25%, while the Bank of Japan has dropped its rate to almost nothing, at 0.1%. Meanwhile the European Central Bank is likely to cut its key interest rate by half a percentage point at its meeting scheduled on 15 January 2009, as the Eurozone appears likely to plunge deeper into recession in coming months, with unemployment on the rise, exports falling, and business and consumer confidence at their lowest levels in a quarter of a century.

FII DERIVATIVES

Fortnightly (09-Jan-2009)

	Buy	Sell	Net
Index Futures	7757.92	7784.55	-26.63
Index Options	5194.47	4052.27	1142.20
Stock Futures	5576.36	5008.69	567.67
Stock Options	708.81	219.26	489.55

This Month

	Buy	Sell	Net
Index Futures	4859.62	4257.11	602.51
Index Options	3354.39	2799.63	554.76
Stock Futures	2991.04	2868.77	122.27
Stock Options	438.39	96.75	341.64

INDEX SUMMARY

	09-JAN-09	26-DEC-08	VARI(%)
SENSEX	9406.47	9328.92	0.8
NIFTY	2873.00	2857.25	0.6
BSE TECH	1800.05	1863.83	-3.4
BSE - 100	4844.69	4817.69	0.6
BSE -200	1124.65	1115.86	0.8
BSE -500	3492.20	3469.45	0.7
DOLLEX - 30	1585.77	1579.50	0.4
DOLLEX - 200	384.48	383.12	0.4
BSE - PSU	5184.22	5148.70	0.7
BSE AUTO	2523.51	2364.00	6.7
BSE BANKEX	5381.36	5211.45	3.3
BSE CAP. GOODS	6679.42	6600.27	1.2
BSE CONS DURA	1809.02	1852.91	-2.4
BSE FMCG	1993.96	1979.21	0.7
BSE HEALTHCARE	2872.75	2888.09	-0.5
BSE IT	2131.99	2149.44	-0.8
BSE METAL	5203.86	4950.22	5.1
BSE OIL & GAS	5777.59	5909.62	-2.2



Cummins India

Will dispose off its power generation rental power business

KEC International
Profit margins for the largest-ever export order bagged is very very low



Tata Motors

Will reduce its output by 40% at its Pimpri-Chinchwad plant

Areva T&D
Will receive a large nuclear order from its parent company



BHEL

Its order book has increased to Rs 6000 crore

Sun TV

Will raise its advertisement rates by an average 15%

JSW Steel

Cuts HR coil prices by Rs 7500 a tonne

Jet Airways

Is likely to further cut ticket prices by up to Rs1,000 on domestic routes by February 2009

Siemens

Its Rs 250 crore from Polysius AG has been cancelled

Infosys Technologies

Will get many of Satyam Computers' clients deals in the last two years

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

Indian ADR Prices (US \$)

As on 10 January 2009

SYMBOL	CLOSE	CHANGE	(%)CHNG	VOLUME
HDB	68.20	0.67	0.99	399436
IBN	18.73	-0.16	-0.85	2235186
INFY	26.47	-0.17	-0.64	2175956
MTE	3.15	-0.11	-3.37	79902
PTI	5.09	-0.22	-4.14	94098
RDY	9.63	0.05	0.52	118508
REDF	2.28	-0.02	-0.87	29295
SIFY	1.00	-0.41	-28.91	1352390
SLT	5.78	-0.51	-8.11	2458077
TTM	4.76	-0.26	-5.18	717555
VSL	20.53	-0.22	-1.06	168775
WIT	8.20	0.15	1.86	616402
WNS	6.88	0.98	16.61	63797

WORLD INDICES

	DATE	CLOSE	CHG	%CHG
Nasdaq	10/01/09	1571.59	-45.42	-2.81
DJIA	10/01/09	8599.18	-143.28	-1.64
S&P 500	10/01/09	890.35	-19.38	-2.13
Nikkei 225	09/01/09	8836.80	-39.62	-0.45
FTSE 100	09/01/09	4448.54	-56.83	-1.26



Titan Industries: *Keep an eye on it*

Price Rs 896

Titan Industries, a constituent of the Tata group, has very strong brand and retail network in key consumer segments with good growth potential. It is the world's fifth largest and India's largest manufacturer of watches. Besides the flagship brand 'Titan', the company's brand architecture comprises several collection and sub-brands, each of which is a leader in its segment. Notable among them are: Titan Edge The world's slimmest watch; Titan Raga the feminine and sensuous accessory for woman, Nebula-crafted in solid 18k gold and precious stones. Several other popular collections like Heritage, Aviator, Regalia, Octane & WWF also form a part of the Titan wardrobe.

In FY 2008, its flagship brand Titan enjoyed excellent growth with a 27% growth in retail sales. Sonata, its offering for the economy market, is also the largest watch brand in India, in terms of volume sales. In FY 2008, its youth brand, Fastrack, had a historic year, recording for the third year in succession, a phenomenal annual growth of over 50%. Fastrack is poised to become a cult brand for youth in the country. Fastrack is present not only in watches, but is rapidly expanding to other youth categories such as sunglasses. Its Swiss-made brand, Xylys, celebrated the second year of its existence in FY 2008 with a significant growth of 103%.

The company has also been introducing international brands by way of licensing and distribution of premium fashion brands, alongside its own brands of watches. Its first licensed brand, Tommy Hilfiger, has been registering rapid growth (35% in FY 2008), making it one of the highest selling watch brands in fashion space. Towards the latter half FY 2008, the company also signed on distribution rights for a second fashion brand, Hugo Boss.

Titan's watches division has a 65% share of the domestic organised market, which is estimated at 42 million pieces annually and is growing at 8% year-on-year. The company continues to invest strongly in all the brands. Its expanding nationwide reach - stretching across 12,000 multi-brand outlets, 200 large format stores, and over 240 'World of Titan' exclusive retail stores - adds to its dominance.

Though offering relatively thin margins, Titan's jewellery business has been its key growth engine in recent years. With branded jewellery making up only 5% of the Rs 75,000-crore Indian jewellery market, the potential for expansion appears huge. Titan's Tanishq is one of the few nationally recognised brands in this space. The network expansion for Tanishq is on at a brisk pace, and currently it has crossed the 100 mark. What is also significant is the addition of large stores in metro cities, which has not only strengthened the brand in these cities, but also helped sell high value jewellery.

Goldplus - addressing mass-market segment of jewellery - was started during September, 2005 with two pilot stores in Tamil Nadu. In FY 2008, the brand grew beyond Tamil Nadu, by entering into 3 new States and opening 11 new stores. In FY 2008, that is in just a little over two years, Goldplus ended the year with Rs 204 crore sales revenue, compared with sales revenue of Rs 60 crore in the previous year. In the year 2008-09, Goldplus plans to consolidate in the States of AP and Maharashtra, while at the same time, setting its foot print in Karnataka. Thus Goldplus with a larger objective of transforming the Jewellery market in the Semi urban and Rural India has started its journey on a confident note.

The company's new business vertical, Prescription Eyewear, was launched last year under the brand name Titan Eye+. Titan Eye+ had 14 stores in FY 2008 is targeted to grow to over 80 stores as per a national roll out plan in the current year. This segment has potential to not only scale up Titan's retail network, but also to mark up its overall margin profile.

Titan uses the franchisee model for store expansion. This model allows easy scalability, control on rental costs and relatively lower capex requirements. Titan is favourably placed to bankroll its expansion plans (expected to entail investment of upwards of Rs 100 crore till FY10), given its low debt-equity ratio (0.66) and healthy cash flows. This will help it gain more market share, at a time when most other retailers/brands are carrying a fairly high debt burden and finding it difficult to obtain credit.

For the six months ended September 2008 net sales grew 39% to Rs 1899.21 crore. OPM improved 110 bps to 9.6% and boosted operating profit by 57% to Rs 182.76 crore. PBT was up 67% to Rs 157.22 crore and PAT grew 78% to Rs 119.36 crore. In FY 2009 we expect the company to register EPS of Rs 49.0. The share price trades at Rs 896. P/E works out to 18.3. Accumulate with a medium-term price target of Rs 1100.

Titan Industries: Financials

	0603 (12)	0703(12)	0803(12)	0903 (12P)
Net sales	1441.72	2097.19	3012.64	3871.41
OPM (%)	8.9	9.5	8.4	9.1
OP	128.95	198.44	250.40	350.40
Other inc.	7.16	3.22	1.77	3.12
PBIDT	136.11	201.66	252.17	353.52
Interest	29.57	20.42	23.85	32.05
PBDT	106.54	181.24	232.03	321.47
Dep.	19.66	25.59	29.73	32.40
PBT before EO	86.88	155.65	210.33	289.07
EO	0.00	24.00	0.00	0.00
PBT	86.88	131.65	210.33	289.07
Taxation	13.26	37.32	52.04	71.48
PAT	73.62	94.33	158.29	217.59
EPS (Rs)*	16.6	25.1	35.7	49.0

* on current equity of Rs 44.39 crore with Face Value: Rs 10. (P): Projections. EPS is calculated after excluding EO and relevant tax. EO: Extraordinary items. Figures in Rs crore. Source: Capitaline Corporate Database



Shree Renuka Sugars: Significant performance despite margin pressure

Shree Renuka Sugars has recorded 148% growth in consolidated revenue for the fourth quarter ended September 2008 to Rs 631.90 crore on the back of increased trading revenue and better sugar realizations. However the operating profit margins of the company dipped by 350 basis points to 11.8% on the back of thin margins in sugar segment, which contributed significantly in total revenue. The operating profit has surged by 91% Y-o-Y to Rs 74.50 crore. After considering surge in interest cost and provision for taxes, the net profit at the end stood at Rs 36.80 crore, 188% higher on Y-o-Y.

For the year ended September 2008, the consolidated revenue of the company increased by 122% Y-o-Y to Rs 2114.30 crore. OPM declined by 200 bps to 11.9% and the reported PAT at the end after prior period adjustments stood at Rs 133.90 crore, 61% higher on Y-o-Y.

During the year ended September 2008, the company crushed 46.23 lakh tonne of sugar cane with recovery of 11.43%. During the year the company produced 5.91 lakh tonne of sugar (including from raw sugar), 77% higher Y-o-Y. During the year the company produced 47020 kiloliters of spirit, 85% higher on Y-o-Y.

In October 2008, the company has acquired 87% stake in Gokak Sugars in Karnataka for Rs 69.3 crore (will

assume long term loan liability of Rs 65 crore) that augments its crushing capacity by 2,500 (TCD) tonne crushed per day. Gokak Sugars also has a cogeneration plant of 14 MW capacity.

The Karnataka Government has also awarded 30-year lease of Raibag Sahakari Sakhar Karkhana Niyamit to the company for a total lease payment of Rs 126 crore spread over 30 years.

The company has commissioned its Haldia Refinery in 4Q FY08 and produced 50,000 tonne of refined sugar. In FY09, the company plans to produce 400,000-500,000 tonne of refined sugar from Haldia refinery.

The refining margins have improved off late due to sharp drop in freight rates thereby facilitating imports of raw sugar from Brazil at cheaper rates. Refining margins are currently hovering at US\$ 30-35 as compared to US\$ 20-25 a month back.

The management is expecting the sugar cane prices to rise upto Rs 1500 per tonne in their area against Rs 1100 per tonne paid last year on the back of higher sugar prices.

With the sharp drop in crude oil prices, the company expects ethanol realizations to be in the range of Rs 23-Rs24/liter as compared to Rs 28-30/liter anticipated earlier.

The company is going ahead as per its expansion plans in distillery segment due to strong demand in potable alcohol segment. The current distillery capacity of the company stands at 630 KLPD and it expects to commission remaining 300 KLPD of secondary distillery (based on rectified spirit) by end of Q1 FY 2009.

The company has deferred its plan for setting up of refinery at Mundra due to uncertainty in international markets.

KBK Chem Engineering, a subsidiary of the company has order book of Rs 370 crore at the end of 30th September 2008 with average execution period of 18 months.

6,000,000 Equity Shares of Re 1/- each at a premium of Rs 61.57 per share were allotted on 11th September 2008 to promoters on exercise of options available through equity warrants allotted on September 07, 2007. 18,000,000 Warrants Convertible into equity of Re 1 each at a premium of Rs 113.37 per share having an option to exercise over a period of 18 months were allotted on 11 September 2008 on preferential basis to the promoters.

The allottees have deposited 10% of the entire value including amount of premium as par the terms of the issue.

Shree Renuka Sugars: Consolidated Results

PARTICULARS	0809(3)	0709(3)	VAR (%)	0809 (12)	0709 (12)	VAR (%)
Net Sales	631.90	254.90	148	2114.30	950.60	122
OPM (%)	11.8	15.3		11.9	13.9	
OP	74.50	39.00	91	252.60	132.00	91
Other Income	4.40	-8.60	LP	15.20	17.60	-14
PBIDT	78.90	30.40	160	267.80	149.60	79
Interest (Net)	20.40	7.10	187	70.10	18.10	287
PBDT	58.50	23.30	151	197.70	131.50	50
Depreciation	9.70	10.40	-7	36.90	24.90	48
PBT	48.80	12.90	278	160.80	106.60	51
Provision for Tax	10.30	0.10	999	42.70	23.60	81
NP before Minority Int.	38.50	12.80	201	118.10	83.00	42
Minority Interest	1.80	0.00		2.50	0.00	
PAT	36.70	12.80	187	115.60	83.00	39
Prior Period Adjustments	0.10	0.00		18.30	0.00	
PAT after prior period Adj	36.80	12.80	188	133.90	83.00	61
EPS *	#	#		4.2	3.0	

* On current equity of Rs 27.6 crore. Face Value: Rs 1 ; EPS is based on PAT

EPS is not calculated due to seasonality in business. Var. (%) exceeding 999 has been truncated to 999. LP: Loss to Profit. PL: Profit to Loss. Figures in Rs crore.

Source: Capitaline Corporate Database



Axis Bank to allot equity shares

The committee meeting of AXIS Bank will be held on 10 January 2009 to consider the allotment of equity shares under ESOP.

Container Corporation of India to announce Q3 results

The board meeting of Container Corporation of India will be held on 23 January 2009 to consider the un-audited financial results & segment wise revenue, results & capital employed for the quarter ended on 31 December 2008 (Q3).

Camlin Fine Chemicals appoints additional director

The board of Camlin Fine Chemicals has appointed Bhargav Patel as additional director.

He was appointed at the board meeting held on 08 January 2009.

Yes Bank to announce Q3 results

The board meeting of Yes Bank will be held on 21 January 2009 to take record on the unaudited quarterly financial results for the quarter ended 31 December 2008 (Q3).

Petronet LNG to announce Q3 results

The board meeting of Petronet LNG will be held on 19 January 2009 to consider the un-audited financial results for the quarter ended 31 December 2008 (Q3).

Elecon Engg secures prestigious order worth Rs 18.50 cr

Elecon Engineering Company has been awarded some prestigious order of Rs 18.50 crore from Techpro Systems, Chennai for design, engineering, manufacturing, testing, supplying, erection and commissioning of material handling equipments and other equipments.

Mundra Port & Special Economic Zone to announce Q3 results

The board meeting of Mundra Port and Special Economic Zone will be held on 30 January 2009 to consider the unaudited financial results for the quarter ended 31 December 2008 (Q3).

Aditya Birla Nuvo closes its fertiliser plant at Jagdishpur

Aditya Birla Nuvo had to shut down its fertiliser plant at Jagdishpur (U.P.) on 07 January 2009, afternoon, due to non availability of Gas because of strike. The company shall resume the production at the plant on availability of gas. The company made this announcement during the trading hours today, 09 January 2009.

Bihar Tubes allots equity shares

Bihar Tubes has allotted 370,000 equity shares of Rs 10 each to the strategic investors pursuant to conversion of 185,000 warrants issued earlier on preferential basis. 185,000 equity shares allotted on conversion of equal number of warrants and 185,000 equity shares allotted as bonus shares which were earlier kept reserved for the warrant holders at the time of

bonus issue in the ratio of 1:1 till the conversion of the warrants into equity shares.

After this allotment the outstanding paid up capital of the company stood at Rs 202,966,830 comprising 20,296,683 equity shares of Rs 10 each.

Dhampure Specialty Sugars' director resigns

Dhampure Specialty Sugars has announced that Reena Gupta, director of the company has resigned from the directorship with effect from 01 January 2009. The company made this announcement during the trading hours today, 09 January 2009.

Corporation Bank to issue tier - I bonds

Corporation Bank has announced that the bank proposes to issue tier - I bonds series —I for Rs 150 crore.

The bank made this announcement during the trading hours today, 09 January 2009.

Punj Lloyd allots equity shares

The committee of Punj Lloyd has allotted 1040 equity shares of Rs 2 each to the eligible employees under ESOP 2005 and 150 equity shares of Rs 2 each to the eligible employees under ESOP 2006 of the company.

these shares were allotted at the committee meeting held on 05 January 2009.

Chemplast Sanmar appoints chairman

The board of Chemplast Sanmar has appointed P S Jayaraman, managing director as chairman of the company and S Gopal, deputy managing director as managing director of the company with effect from 01 January 2009 to hold office till 31 March 2011. The company made this announcement during the trading hours today, 09 January 2009.

Interfit Techno Prod to issue & allot preference shares

The extraordinary general meeting of Interfit Techno Products will be held on 28 January 2009 to issue, offer and allot 5,00,000 9% redeemable non-convertible non cumulative preference shares of Rs 100 each.

ACC's director resigns

The board of ACC has accepted the resignation of Nirmalya Kumar as director of the company with immediate effect. The board has appointed Onne van der Weijde, who was the former chief financial officer of the company as director with immediate effect.

UCO Bank's director retires

UCO Bank has announced that Nirmal Khatri has retired from the board of directors of the bank with effect from 15 September 2008. The bank made this announcement during the trading hours today, 09 January 2009.



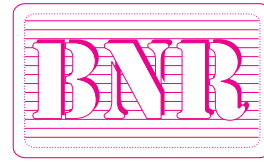
SCHEME NAME	Returns					SCHEME NAME	Returns				
	NAV (Rs) 09 Jan'09	CORPUS (Rs cr)	6M	1Y	3Y		NAV (Rs) 09 Jan'09	CORPUS (Rs cr)	6M	1Y	3Y
DEBT						BALANCED					
Canara Robeco Income (Growth)	18.01	363.57	23.64	28.91	12.81	Birla Sun Life Balance (G)	25.67	84.24	-8.81	-30.84	3.97
IDFC Dynamic Bond Fund - A (G)	17.88	381.14	17.45	19.90	12.26	HDFC Balanced Fund (G)	25.82	83.37	-18.87	-37.58	-0.26
IDFC SSIF - Invest - A (G)	21.81	363.70	16.12	17.49	10.76	ICICI Pru Eqly & Deriv-Wealth Optimis (G)	8.07	415.73	-18.81	-38.43	N.A
ICICI Pru Income Plan - Inst (G)	29.06	2547.98	20.30	17.10	11.76	Templeton India Child's Asset-Gift Plan (G)	25.09	4.08	-19.77	-38.92	2.51
ICICI Pru Income Plan - (G)	28.03	2547.98	20.01	16.49	11.15	DSP BR Balanced Fund - (G)	35.57	422.92	-19.40	-39.01	5.92
Kotak Bond - Regular Plan (Bonus)	16.66	391.77	16.17	15.48	10.99	FT India Balanced Fund - (G)	28.43	217.11	-17.98	-39.14	4.06
Kotak Bond - Regular Plan (G)	24.99	391.77	16.17	15.48	10.99	HDFC Children's Gift Fund-Invt Plan	18.95	103.00	-24.19	-40.79	-5.74
ICICI Pru Short Term Plan - Inst (G)	17.91	515.38	11.94	14.99	10.63	Canara Robeco Balance (G)	32.25	105.24	-14.91	-41.50	N.A
Kotak Bond - Deposit Plan (G)	23.27	391.77	15.84	14.69	9.67	UTI-Balanced Fund (G)	43.78	726.70	-19.82	-42.64	-1.57
ICICI Pru Short Term Plan (G)	17.64	515.38	11.80	14.68	10.31	Sundaram BNP Paribas Bal Fund - (G)	26.57	29.17	-21.18	-42.77	-0.15
HSBC Flexi Debt Fund - Inst (G)	11.88	305.22	12.69	14.37	N.A	Birla Sun Life '95 Fund (G)	154.48	119.56	-15.36	-43.29	3.97
Birla Sun Life Income Plus - Retail (G)	39.77	2006.54	14.73	14.12	11.31	HDFC Prudence Fund - (G)	91.97	1929.93	-19.42	-43.41	1.98
HSBC Flexi Debt Fund (G)	11.83	305.22	12.49	13.97	N.A	LICMF Unit Linked Insur Scheme - (G)	6.97	55.76	-18.45	-44.57	1.39
DSP BR Bond Fund - Retail Plan (G)	29.97	602.45	14.68	13.86	7.99	ICICI Pru Balanced Fund - (G)	26.10	224.05	-21.50	-44.78	-1.96
Reliance Income Fund - (G)	29.40	1877.18	15.91	13.82	10.29	Magnum Balanced Fund (G)	28.66	310.76	-20.79	-44.98	2.18
Birla Sun Life Dynamic Bond Fund (G)	14.13	624.20	8.60	13.78	9.83	ING Balanced Fund (G)	14.67	4.69	-24.46	-45.32	-2.03
DWS Premier Bond Fund (G)	14.68	283.61	18.84	13.69	7.61	Principal Balanced Fund - (G)	17.71	43.66	-22.83	-45.63	-1.69
HDFC Short Term Plan (G)	16.36	124.52	9.55	13.27	9.50	Tata Balanced Fund - (App)	41.69	166.80	-21.78	-46.20	3.47
Tata Short Term Bond Fund - (G)	16.19	111.81	9.05	12.52	9.57	Principal Child Ben Fund-Career Builder	48.45	18.47	-31.55	-46.95	5.90
Birla Sun Life Income Fund 54EB(G)	33.01	488.87	12.26	12.14	11.64	Principal Child Ben Fund-Future Guard	47.76	18.47	-31.59	-47.00	5.85
Birla Sun Life Income Fund 54EA(G)	33.22	488.87	12.26	12.14	11.64	LICMF Balanced Fund- (C)	37.94	25.05	-18.98	-49.10	0.84
EQUITY						MONTHLY INCOME PLAN					
UTI-Pharma & Healthcare Fund (G)	18.05	45.29	-21.35	-24.22	-5.67	Birla Sun Life MIP II - Savings 5 (G)	14.98	27.64	14.09	19.28	11.30
Franklin Pharma Fund - (G)	21.88	35.98	-21.93	-26.80	-6.87	Reliance Monthly Income Plan (G)	15.84	170.72	10.48	5.12	8.99
Birla Sun Life International Equity-Plan A (G)	7.19	141.01	-25.19	-28.27	N.A	ING Dynamic Duration Fund (G)	12.58	1.59	2.03	3.43	4.69
Franklin FMCG Fund - (G)	31.30	21.27	-9.10	-29.26	-0.04	ING Dynamic Duration Fund (Bonus)	12.58	1.59	2.03	3.43	4.69
Magnum SFU - FMCG Fund	12.29	6.34	-13.27	-34.01	-3.84	Baroda Pioneer MIP Fund (G)	12.21	0.05	0.94	2.23	3.43
Reliance Pharma Fund (G)	18.79	87.72	-17.69	-35.32	0.35	Tata Monthly Income Fund - (App)	16.36	21.92	4.60	2.12	5.96
Reliance Pharma Fund (Bonus)	18.79	87.72	-17.69	-35.32	0.35	DSP BR Savings Plus Fund Conserv (G)	12.97	3.59	2.04	1.38	5.12
JM Healthcare Sector fund - (G)	12.10	5.02	-34.99	-37.23	-9.27	DBS Chola Monthly Income Plan (G)	16.58	20.43	-0.01	1.09	10.20
Principal Global Opportunities Fund (G)	10.83	237.70	-35.52	-38.95	-5.51	DSP BR Savings Plus Fund Moderate (G)	16.54	66.77	1.75	-0.77	6.44
Reliance Banking Fund - (Bonus)	40.85	701.54	-8.38	-41.23	7.86	UTI-Monthly Income Scheme (G)	15.58	122.36	3.46	-0.93	7.01
Reliance Banking Fund - (G)	40.85	701.54	-8.38	-41.23	7.86	HSBC Monthly Income Plan (G)	14.06	61.08	3.73	-1.32	7.51
UTI-MNC Fund (G)	26.07	104.19	-18.51	-42.77	-5.77	Magnum Income Plus - Savings (G)	10.50	1.67	0.21	-1.44	0.35
IDFC Imperial Equity Fund (G)	10.59	129.25	-18.77	-42.82	N.A	DWS MIP Fund (G)	14.32	7.53	4.66	-1.55	6.48
UTI-Dividend Yield Fund (G)	14.84	866.31	-18.06	-43.86	3.20	HDFC Multiple Yield Fund-Plan 2005-(G)	12.03	27.21	-0.27	-2.39	4.82
Birla Sun Life Dividend Yield Plus (G)	36.27	188.89	-12.56	-44.16	-2.97	DSP BR Savings Plus Fund Aggr (G)	15.11	68.33	1.21	-3.14	7.44
UTI-Contra Fund (G)	7.71	176.25	-18.15	-44.77	N.A	HDFC Multiple Yield Fund (G)	13.19	42.75	-1.39	-3.75	4.80
Sahara Growth Fund (G)	45.20	4.71	-18.72	-45.26	7.37	Magnum MIP Floater (G)	11.22	11.85	-1.64	-3.79	3.65
Sensex	9406.47		-32.64	-54.78	-0.62	Principal MIP - (Growth Accum)	17.43	39.85	1.18	-4.05	6.83
Nifty	2873.00		-30.89	-54.05	-0.43	* Rs crore. Schemes having corpus more than 100 crores					

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