



MARKET AHEAD :

Low volumes may cause volatility on the bourses as 2009 draws to a close. US and other major overseas markets begin the year-end holiday season next week which means that the activity of foreign institutional investors will be low key. Expectations of good Q3 December 2009 results may cap downside on the bourses.

Many corporates have paid higher advance tax in the third installment of 15 December 2009 which hints at good Q3 December 2009 results from India Inc. As per reports, advance tax revenue from major companies rose 36% to Rs 10700 crore in the third quarter of the current fiscal against Rs 7900 crore in the same period last fiscal. There were about 2,800 companies that paid higher tax in the quarter under review, while about 700 companies paid less.

The total tax payment for the three quarters of the fiscal 2010 increased by 32% to Rs 27200 crore (Rs 20,600 crore). There were 6,500 companies which paid higher tax, while 1,500 reduced the outgo.

Among top firms, energy major Reliance Industries has paid Rs 850 crore for the October-December 2009 quarter, much higher than Rs 450 crore in the corresponding period last year. The second-largest private lender, HDFC Bank, has paid Rs 400 crore compared to Rs 300 crore a year ago.

India's biggest commercial bank in terms of branch network State Bank of India has paid Rs 1,795 crore as advance tax in the third quarter of FY 2010 against Rs 1700 crore paid in the same period last year. Bank of Baroda has paid Rs 355 crore, much higher than Rs Rs 220 crore.

Tata Steel nearly trebled its tax payment to Rs 650 crore from Rs 250 crore. Aditya Birla Group company Grasim Industries, which had hived off its cement business for a merger with the group company UltraTech Cement, has doubled its advance tax payment to Rs 150 crore from Rs 75 crore.

Companies pay advance tax on their estimated earnings every year in four installments. The December 15 installment is crucial since companies pay 30% of their estimated tax outgo by that time, while on a cumulative basis, it amounts to 75% of their annual tax outgo. The remaining 25% is paid by March 15. Among auto companies, Mahindra & Mahindra paid Rs 195 crore, against Rs 4.5 crore in the same quarter last year and Tata Motors paid Rs 100 crore in the third quarter against nil advance tax payment in the same quarter last year.

The surge in advance tax in the third installment is partly due to a low base effect. It may be recalled that the global financial crisis had hit corporate earnings in Q3 December 2008.



Meanwhile, the Reserve Bank of India may tighten the monetary policy to help stem rising prices. This could be by way of a hike in the cash reserve ratio (CRR), which is currently at 5%. CRR is the portion of deposits that banks have to park with the central bank as cash. However, the central bank may refrain from raising key policy rates as the interest rate differential between India and the US and the Euro Zone, could lead to a further rise in capital inflow.

A further surge in capital inflow may send the rupee surging which in turn could hit the labour intensive textiles, gems & jewellery, and small & medium enterprises (SME) segments. Foreign funds have lapped up Indian stocks this year amid signs the economy is recovering from last year's global financial crisis. The economy could grow more than 7.75% in the fiscal year to March 2010, the finance ministry said on Friday, 18 December 2009. The GDP grew 7.9% in the July-September 2009 quarter.

Food prices rose 19.95% in the year to 5 December 2009, picking up from a 19.05 % rise a week earlier, weekly data showed on Thursday, 17 December 2009. The government is under pressure from opposition parties and allies to contain inflation, especially politically sensitive food prices which are hurting poorer sections in the country.

WEEKLY REPORT							
<i>Weekly Sensex/Nifty</i>				<i>Market Breadth</i>			
INDICES	18-Dec-09	11-Dec-09	Change(%)		Advances	Declines	Unchanged
Sensex	16719.83	17119.03	-2.33	BSE	1180	1650	85
Nifty	4987.70	5117.30	-2.53	NSE	415	865	48
<i>Corporate Announcements</i>							
<i>Bonus/Rights/Stock Split/Dividend</i>							
Bonus							
Company Name	Ratio	Ex-Date		Company Name	Ratio	Ex-Date	
Splash Media	3:1 Ratio	23-Dec-09					
Rights							
Company Name	Ratio	Ex-Date		Company Name	Ratio	Ex-Date	
NO UPCOMING RIGHTS				NO UPCOMING RIGHTS			



Board Meeting

Company Name	Date	Purpose	Company Name	Date	Purpose
Rasoya protein	19-Dec-09	Allotment of Equity Shares	Wanbury	21-Dec-09	Others
KM Sugars Mills	19-Dec-09	Audited Results	Golden Tobacco	21-Dec-09	Consider Develop of Prop
Vijay Shanthi	19-Dec-09	Amalgamation	Interface Fin	21-Dec-09	Others
Kanoria Chem	19-Dec-09	Right Issue of Equity Shares	CMI	21-Dec-09	Preferential Issue of Shares
Yashraj Contain	19-Dec-09	Others	GAIL	21-Dec-09	Interim Dividend
Ridhabdev Tech	19-Dec-09	Allotment of fully Convert Warr	JBF Inds	21-Dec-09	Issue of Non Convertible Deb
Kakatiya Tex	20-Dec-09	Others	Ambica Agar	21-Dec-09	Conversion of Shares & Other
India Nippon	21-Dec-09	Interim Dividend	Kalindee Rail	22-Dec-09	Issuance of Cpmvertible Warr
MRF	21-Dec-09	Audited Results & Final Dividend	Shalimar Products	24-Dec-09	Others

Stock Splits

Company Name	Old FV	New FV	Ex-Date	Company Name	Old FV	New FV	Ex-Date
Kanani Indus	10	5	22-Dec-09	Nu Tek India	10	5	23-Dec-09
Firstobject Tec	1	10	22-Dec-09				

dividends

Company Name	Purpose	%percent	Ex-Date	Company Name	Purpose	%percent	Ex-Date
Greemach Infra	Final	10.00	21-Dec-09	IndiaNivesh	Final	10.00	22-Dec-09
EngineerInd	Interim	60.00	21-Dec-09	Mediaone Global	Final	8.00	23-Dec-09
Triveni Engg	Final	70.00	22-Dec-09	Parenteral Drug	Final	15.00	23-Dec-09
Sharon Bio Medi	Final	12.00	22-Dec-09	MIC Electronics	Final	20.00	23-Dec-09
LGS Global	Final	2.50	22-Dec-09	Accentia Techno	Final	20.00	23-Dec-09
Guj Heavy Chem	Final	20.00	22-Dec-09	Amtek India Ahmednagar Forg	Final	10.00	23-Dec-09
Fedders Llyod	Final	10.00	22-Dec-09	Amtek Auto	Final	25.00	23-Dec-09
Centrum Fin	Final	10.00	22-Dec-09	Salzer	Final	16.00	24-Dec-09
Emami	Final	225.00	22-Dec-09				



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