Indbankonline

MARKETS FOR YOU

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From the President's Desk

SELLING TECHNIQUES

PN PATEL

CEO, President and Whole Time Director

Indbank Merchant Banking Services Ltd

Of late , I have observed that the markets have been fluctuating quite a bit. At times I have also observed that some of you have been unable to dispose off your stocks at the expected rate resulting into loss or in certain cases the blockade of capital, that is in case you are holding on to them and not willing to sell them. In the course of our discussion, I will share with you some of the basic parameters that you need to consider before you decide to sell your stocks.

Rule -1 : Fundamental Value : Every stock has a fundamental value , obtained by discounting the company's expected future earnings. As a general rule , you should buy a stock below its fundamental value and sell it when the price reaches or exceeds the fundamental value. The difference between the two prices is the gain that you make. Even if the stock's price goes past the fundamental value, it is better to exit as a matter of discipline, greed is to be avoided at all costs.

Rule -2 : Analyze Historical Data : Analyze the Price-to-earnings ratio for the past few years against the current scenario. If the current PE ratio is less than the average of the PE ratios of the last few years then buy the stock and if the current PE ratio is more then it's time to sell.

Rule-3 : Analyze the Earning Yield : It is the reciprocal of PE ratio. Compare this against the Earning Yield of risk free investments (like government bonds). If the EY Ratio of your company is equal to or less than the EY ratio of the risk free investments then you should sell without any further hesitation.

Rule 4-Rebalance your Portfolio: You should maintain a well balanced portfolio. Evan if one of your holdings is doing exceedingly well, you should not be tempted to turn your portfolio into a one man show. Sell some of these stocks and invest the proceedings into another stock. This technique will save you from losses during the rainy days.

Rule-5 : Understand the market economics : In case you have chosen a wrong stock then accept it and sell it off as fast as possible . By doing so you will at least minimize your losses. Do not try to outwit the market. Do not try to implement 'Dollar Cost Averaging' technique , this will only make you an owner of laggard stocks. Paying taxes on capital gains is always better than losing your capital in the market . Keep this in mind and sell your stocks if you feel that they are at a all time high, do not hold it back in fear of tax liability.

As discussed, be a smart investor. Invest your money without fear and get back the returns at the appropriate time. Do not be greedy or biased.

13/02/2010

(PN PATEL)

After ending the year 2009, on a 15 month high, the global markets were soft during the first month of the year 2010. Most of the global indices were down by more than 5% for January 2010. The indices lost steam during the last fortnight of the month, mainly due to weak global cues and selling by FII's. The RBI monetary review and the resultant uncertainty also contributed to the losses in the indices. The following are highlights of the 3rd Quarter Review on Monetary Policy by the Reserve Bank of India:

- ★ Hike in Cash Reserve Ratio (CRR) from 5.00% to 5.75%, rise to be effected in two phases first by 50 bps on February 13, and on February 27 by 25 bps
- ★ It kept the reverse repo, repo and bank rate unchanged at 3.25%, 4.75% and 6% respectively.
- ★ Raises GDP growth projection to 7.5% from the earlier projection of 6%
- ★ Increase in the inflation forecast for the FY ending March 2010 to 8.5% from 6.5%
- ★ Credit growth forecast and deposit growth rate expectation lowered to 16% and the growth forecast has been revised to 16.5%

The RBI further stressed that consolidating recovery in the economy has allowed it to shift its focus from "managing the rise" to "managing recovery". The report further highlighted that the global economy is showing signs of stabilization especially due to a stronger rebound of the Asian economies. However, risks remain as this recovery is driven by government spending and asset and commodity price rise could mitigate the growth achieved. The domestic growth rates continued to remain high, mainly due to the stimulus measures announced by the government. IIP rose to 11.7% in November 2009. The core sectors grew at 6% during December 2009, as compared to a growth rate of 5.3% achieved during November 2009.

India's WPI based primary articles inflation for the week ended January 16, 2010, increased to 14.66%, driven mainly by rise in prices of food articles , while the fuel index grew by 5.7%. The G-sec yields did not move much, despite the hike in CRR by RBI and the G-Sec market continued to move in a narrow range. The hike in WPI has raised concerns on interest rates, although the leading bank officials stated that imminent hike is not in their agenda.

In the world markets, the Chinese Government has reportedly taken steps to cool down the credit growth by increasing the reserve requirements. This move has raised fears of a slow-down in the Chinese economy. The Chinese Central Bank, further stated that inflationary pressures will intensify in 2010, due to increase in international commodity prices and growth in domestic money. Adding to this, Bank of China revealed, its plans to sell up to 40 billion Yuan in bonds to replenish its capital and meet the record surge in lending last year due to the government's stimulus measures. In the neighboring Japan, the economic worries continued, even as the Bank of Japan left the key

Snapshot

Particulars	1st Jan-10	8th Jan-10	15th Jan-10	22nd Jan-10	29th Jan-10
Inflation (%)	1.34 (Oct. 09)	4.78 (Nov. 09)	4.78 (Nov. 09)	7.31 (Dec. 09)	7.31 (Dec. 09)
91-Day Cut-off (%)	3.6835	3.6835	3.8061	3.9288	4.0106
10-yr G-Sec yield (%)	7.6539	7.7278	7.7037	7.6168	7.6687
1-10 yr spread (bps)	284	302	304	300	303
USD/INR(Rs)	46.65	45.80	45.67	46.17	46.37
USD 6m LIBOR	0.43	0.42	0.40	0.39	0.39
10 Y US Treasury	Holiday	3.81	3.68	3.60	3.61
USD/Euro Spot	Holiday	0.700624	0.695701	0.707464	0.716025

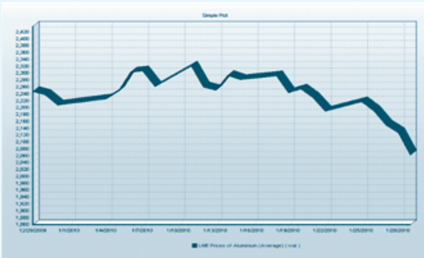
Global Indices

Indices	Country	Index as on 30th Dec. 2009	Index as on 29th Jan 2010	Variation (%) (Inc/ Dec)
NASDAQ	United States	2269.15	2,147.35	(5.37)
DJIA	United States	10,428.05	10,067.33	(3.46)
S&P 500	United States	1115.10	1,073.87	(3.70)
Hang Seng	Hong Kong	21872.50	20,121.99	(8.00)
Nikkei 225	Japan	10546.44	10,198.04	(3.30)
Straits Times	Singapore	2897.62	2,745.35	(5.26)
FTSE 100	United Kingdom	5412.90	5,188.50	(4.15)
CAC 40	France	3936.33	3,739.46	(5.00)
DAX	Germany	5957.43	5,608.79	(5.85)
Shangai Composite	China	3277.14	2,989.29	(8.78)
SENSEX	India	17343.82	16,357.96	(5.68)
NIFTY	India	5169.45	4882.05	(5.56)

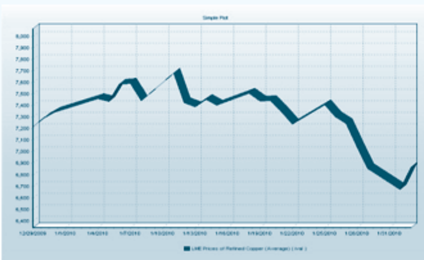
Institutional Investments

Category	Debt / Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments	Equity	58130.30	58630.60	(500.30)
	Debt	20681.30	11768.30	8912.90
Mutual Fund	Equity	16562.20	17873.30	(1311.30)
	Debt	76147.20	44813.70	31333.50
FII Derivative Trades	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	45505.97	67888.52	50664.37	488.13
-Sell	52755.51	62975.61	52981.56	387.22

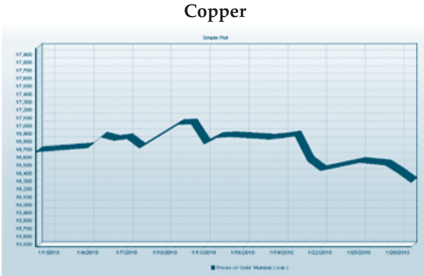
Commodities Trend



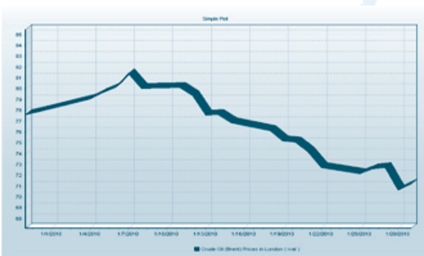
Aluminum



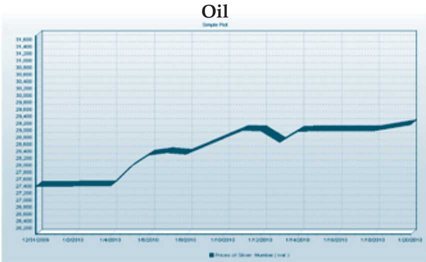
Copper



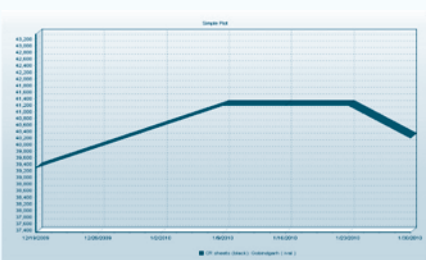
Gold



Oil



Silver



Steel

interest rate unchanged at 0.1%. It predicted a slightly slower annual pace to the price falls beginning in April, largely due to impact of high crude oil costs and maintained that the Japan's economy is picking up, but still does not have sufficient momentum to support a self – sustaining recovery. The Bank, further stated that the policy makers are prepared to consider expanding the emergency loan for banks and also increase the purchases of the government debt. Amidst this, S&P warned that unless Japan chartered out a credible plan to ease the deflationary pressures and rein in its soaring debt, it will cut the country's ratings. Japan's central government is projected to owe at least $ 10 trillion in debt at the end of fiscal 2010, due to increased debt issues.

The US economy grew at a 5.7% pace during the fourth quarter, the quickest in more than six years, which is a big rise from the previous quarter's growth rate of 2.2%. The US President reiterated his call to end tax breaks to American firms, who outsource jobs overseas. With US facing a record budgetary deficit, the President also proposed a freeze on government spending beginning 2011. This move if approved is expected to save $250 billion by 2020. He further revealed his plans of a $33 billion tax credit to encourage small businesses to hire workers and boost wages. The US Federal Reserve Chairman Ben Bernanke won the confirmation for his second term in office. The economy of the United Kingdom pulled out of recession, and rose 0.1%. S&P stated that it no longer considers Britain's banking system among the "most stable and low risk".

In the Euro zone, the annual inflation rate rose to a 11 month high of 1% in January, the highest since February 2010. The rate of unemployment rose to 10% in December and the seasonally adjusted current account surplus stood at 0.1 billion Euros in November 2009, up from a deficit of 4.6 billion Euros in October 2009. Casting doubts on the recovery, the ECB President stated that Greece and other Euro Zone countries with excessive budget deficits must do everything they can and put their finances in order in the near future.

The Reserve Bank of New Zealand left the Official Cash Rate unchanged at 2.50%, while stating that it expects to begin removing policy stimulus around the middle of 2010 if the economy continues to recover in line with its December projections.

Every New Year begins with hope of better things and this year also turned out so. The International Monetary Fund raised hopes, stating that the world economy will expand by 3.9% in 2010, much higher than the 3.1% it projected in October and the pace will pick up to 4.3% next year. The quarterly results released so far, has been a mixed bag across sectors and the predictions also has been rather subdued before the annual result season. The markets have reacted down since the influx and at current levels they look attractive. However the fundamentals of the Indian Economy are strong and should get strengthened further as the year progresses, as the momentum in GDP growth is likely to gain steam.

Editorial Team

P.N. Patel — President and Whole-time Director

P. Mugundan — Executive Vice President & CS

Sayan Ganguly — Asst. Vice President

S. Rajalakshmi — SSO

IPO and NFO Review

NEWS FROM IPO

- Gujarat Pipavav Port Ltd (GPPL), the private port developer and operator plans to raise nearly Rs. 500 crore through IPO and has filed the DRHP with SEBI.
- IRDA plans to come out with the IPO guidelines for insurance companies by the end of February while they are awaiting Institute of Actuary's guidance note on Economic Capital calculation. Economic Capital (EC) refers to a level of capital that a firm should maintain to support its strategic objectives, taking into account the nature and extent of the risks it is running.
- The Securities and Exchange Board of India, has given the green signal to the DRHP of Reliance Infratel for its proposed IPO, under which it will offer 10% of its equity.
- Rapping the state owned BSNL for the poor financial performance, the government made a case for disinvestment in the telecom PSU through an initial public offer. "I hope BSNL IPO happens in the coming year (2010-11). I can't say exactly when, but I certainly hope that it does happen because BSNL does need to open up to public ownership primarily with a view to strengthen its own management and its accountability," Disinvestment Secretary Sunil Mitra told.
- With an objective of expansion, the Punjab & Sind bank is eyeing to issue Rs. 500 crore IPO in June 2010. Also, it is expected to rollout additional issue of Rs.700 crore for the expansion projects till 2014-15.
- The board of Power Grid Corporation today gave its nod for the follow-on-public offer (FPO) of equity shares up to 10% of paid-up capital from domestic/external market for augmenting resources in order to fund its investment plans.

New Listing

Company Name	Offer Price (Rs.)	Exchange	Listing Date	List Price (Rs.)	Latest Traded Price (05/02/2010)	% Change to List Price (Rs.)
JSW Energy Limited	100.00	BSE & NSE	04.01.2010	106.00	103.05	(2.78)
Godrej Properties Limited	490.00	BSE & NSE	05.01.2010	511.00	468.20	(8.38)
DB Corp Limited	212.00	BSE & NSE	06.01.2010	254.00	236.15	(7.03)
MBL Infrastructure Limited	180.00	BSE & NSE	11.01.2010	185.00	204.10	10.32
Infinite Computer Solutions Limited	165.00	BSE & NSE	03.02.2010	170.00	204.25	20.15

Corporate Announcements

Symbol	Record Date	Ex Date	Purpose	Symbol	Record Date	Ex Date	Purpose
Hcltech	01/02/2010	29/01/2010	2nd Int Div-re.1/- Per Shpurpose Revised	Vipind	05/02/2010	04/02/2010	Int Div-rs.2/- Per Share
Pateleng	01/02/2010	29/01/2010	Interim Div-rs.2/- Per Shpurpose Revised	PNB	06/02/2010	04/02/2010	Int Div-rs.10/- Per Share
Concor	02/02/2010	01/02/2010	Int Div-rs.6/- Per Share	Auropharma	08/02/2010	05/02/2010	Int Div-rs.3/- Per Share Purpose Revised
Sail	02/02/2010	01/02/2010	Int Div-rs.1.60 Per Sharepurpose Revised	Gujfluoro	08/02/2010	05/02/2010	2nd Int Div-re.1/- Per Sh
Shreeashta	02/02/2010	01/02/2010	Bonus 4:1	Natcopharm	08/02/2010	05/02/2010	Int Div-rs.2/- Per Share
Tatainvest	02/02/2010	01/02/2010	Int Div-rs.15 Per Share	Amrutanjan	10/02/2010	09/02/2010	Int Div-rs.5/- Per Share
Coromandel	03/02/2010	02/02/2010	Int Div-rs.6/- Per Share	BHEL	10/02/2010	09/02/2010	Int Div-rs.11/- Per Share
Raneholdin	03/02/2010	02/02/2010	Int Div-rs.6/- Per Share Purpose Revised	Finantech	10/02/2010	09/02/2010	3rd Int Div-rs.2/- Pr Shr
BEL	04/02/2010	03/02/2010	Int Div-rs.6/- Per Share Purpose Revised	Greavescot	10/02/2010	09/02/2010	2nd Int Div-rs.1.50 Pr Sh
Hindujafo	04/02/2010	03/02/2010	Rights 7:13 @prem Rs.40/-	Havells	10/02/2010	09/02/2010	Int Div-rs.1.25 Per Share
Kirlosoil	04/02/2010	03/02/2010	Int Div-rs.1.50 Per Share	Sundarmfin	10/02/2010	09/02/2010	Int Div-rs.6/- Per Share Purpose Revised
Mundraport	04/02/2010	03/02/2010	Int Div-rs.2.50 Per Sharepurpose Revised	Suprajit	10/02/2010	09/02/2010	Div- Int Re.1+spl Rs.1.25
Pageind	04/02/2010	03/02/2010	4th Int Div-rs.6/- Per Shpurpose Revised	Swarajmazd	10/02/2010	09/02/2010	Rights 19:50@prem Rs.190
PFC	04/02/2010	03/02/2010	Int Div-rs.3/- Per Share Purpose Revised	CCCL	11/02/2010	10/02/2010	Fv Split Rs.10 To Rs.2
Dynamatech	05/02/2010	04/02/2010	2nd Int Div-rs.2.50 Pr Shpurpose Revised	Oil	11/02/2010	10/02/2010	Int Div-rs.18/- Per Share
Eidparry	05/02/2010	04/02/2010	Int Div-rs.6/- Per Share Purpose Revised	KRBL	12/02/2010	10/02/2010	Fv Spl-rs10tore1/div-1.50
Nilkamal	05/02/2010	04/02/2010	Int Div-rs.2/- Per Share	Solarinds	18/02/2010	17/02/2010	Int Div-rs.3.50 Per Share
Precwire	05/02/2010	04/02/2010	Int Div-rs.2.40 Per Sharepurpose Revised	Stcindia	18/02/2010	17/02/2010	Int Div-rs.2.50 Per Share

NFO

Scheme	Type	Class Open Date	Close Date	Offer Price	Amount	Min. Inv.
Taurus FMP 15M SI	Close	Debt – FMP	04/02/2010	08/02/2010	10.00	10000
Taurus FMP 15M SI FP	Close	Debt – FMP	04/02/2010	08/02/2010	10.00	2500000
Fortis FTF S16 C	Close	Debt – FMP	01/02/2010	09/02/2010	10.00	5000
IDFC MIP	Open	Funds of Funds	11/01/2010	09/02/2010	10.00	5000
Bharti AXA FOC Infrastructure	Open	Equity – Diversified	20/01/2010	15/02/2010	10.00	5000
Religare Gold ETF	Open	Special Fund	28/01/2010	23/02/2010	10.00	5000
Sundaram MIP Aggressive	Open	Debt – MIP Fund	25/01/2010	23/02/2010	10.00	5000
Sundaram MIP Conservative	Open	Debt – MIP Fund	25/01/2010	23/02/2010	10.00	5000

Corporate News and Events

Irda unveils disclosure norms 29/01/2010 Business Standard

In a step towards initial public offer (IPO) guidelines for insurance companies, the Insurance Regulatory and Development Authority (Irda) has come out with final public disclosure norms, to be effective from March 2010.

Sebi, FMC merger on the backburner 25/01/2010 Business Standard

The finance ministry's proposal to merge commodity futures regulator Forward Markets Commission (FMC) with the Securities & Exchange Board of India (Sebi) has been put on the backburner. It met with opposition from the consumer affairs department.

SEBI, IRDA cross swords over regulation of ULIPs 24/01/2010 The Economic Times

A turf war has broken out between the Securities and Exchange Board of India (Sebi) and the Insurance Regulatory and Development Authority (IRDA) over the regulation of unit-linked investment plans (ULIPs), which have emerged as one of the hottest investment products in recent years. The latest salvo from Sebi, the capital market watchdog, is a show-cause notice to all life insurance companies, including the biggest player Life Insurance Corporation (LIC), that sell this product. The insurers have been asked to explain why they have not taken Sebi's approval before selling ULIPs.

Sebi's display of authority has not gone down well with IRDA.

Foreign investors want Sebi to widen SLB facility 21/01/2010 The Economic Times

Portfolio investors have suggested to the Securities and Exchange Board of India (Sebi) that the stock lending and borrowing (SLB) facility be extended to even those stocks in which derivatives trading is not yet permitted, in other words, the cash segment. Currently, SLB is allowed only in F&O stocks.

Sebi norms for mobile trading soon 20/01/2010 Financial Express

The stock market regulator Securities and Exchange Board of India (Sebi) is fine tuning the final operational guidelines for introducing mobile equity trading in India. We have already had a discussion with Sebi in this regard and a decision can be expected soon, said Ravi Narain, MD & CEO, National Stock Exchange (NSE) while launching a new enhanced online investment platform developed by Geojit BNP Paribas.

The regulator had in 2009 invited comments and suggestions from market participants for introducing mobile trading in India. Online trading constitutes 15%-20% of the total traded volume.

Sebi sets the stage for launch of three new currency-pair futures 20/01/2010 Financial Express

Markets regulator Sebi on 19.01.2010 issued final product guidelines for the launch of currency futures trading in euro, pound sterling and Japanese yen. It also plans to move to the next stage, currency options, for which RBI has already given the go ahead.

Sebi asks MF companies to disclose risks in bold 19/01/2010 Indian Express

The Securities and Exchange Board of India (Sebi) has asked mutual fund companies to make all the disclosures about market risks involved in the products more prominent in their communication.

Sebi bans Societe Generale from issuing new P-Notes 16/1/2010 Indian Express

Cracking the whip on erring foreign institutional investors (FIIs), the Securities and Exchange Board of India (Sebi) has directed Societe Generale (SG), one of the largest banking groups in France, not to issue, subscribe or otherwise transact in any new offshore derivative instrument (ODIs) or participatory notes (P-Notes) in India till such time it provides a true and correct reporting of its ODI and P-Notes transactions to the market regulator.

Sebi sets timeline for sharing information 12/01/2010 Business Standard

In a move to streamline operations related to market wide position limits (MWPL) of derivatives contracts, the Securities and Exchange Board of India (Sebi) has fixed a timeline for exchanges to disseminate information on individual securities. The step has been taken according to the recommendations of the secondary market advisory committee of the regulator.

SEBI REVISES VC REPORTING FORMAT 12/01/2010 Business Standard

The Securities and Exchange Board of India (Sebi) on 11.01.2010 asked venture capital (VC) firms to disclose detailed domestic and overseas market exposure along with investments in other VC undertakings in the quarterly reporting format.

Sebi move on derivatives' lot size to bring stability 09/01/2010 Financial Express

Market regulator Securities & Exchange Board of India (Sebi) has standardised the lot size for derivatives contracts on individual securities under eight different price bands. The move, according to market participants, will provide stability to lot sizes of individual securities, helping retail investors with better clarity in contract value and margin payment.

Sebi rejigs short-selling norms 08/01/2010 Deccan Herald

With a view to make the short selling market more accessible to investors, Sebi, on 7.01.2010, increased the tenure for borrowing shares by up to a year. The stock lending and borrowing (SLB) mechanism or short selling was designed to help the borrower to sell the shares he feels are overpriced but are not in his possession. Revising these existing norms, Sebi said in a circular that the revision has been effected following feedback from market participants and revision proposals from the bourses

Sebi orders operational audit of credit rating agencies 08/01/2010 Business Standard

The Securities and Exchange Board of India (Sebi) has said all credit rating agencies (CRAs) will have to get an internal audit done every six months. 'It shall cover all aspects of operations and procedures, including the investor grievance redressal mechanism,' it said. The audit will be conducted by chartered accountants, company secretaries or cost and management accountants who do not have any conflict of interest with the agencies.

Sebi wants a panel to look into governance, ownership of SEs 01/01/2010 The Economic Times

The markets regulator the Securities and Exchange Board of India (SEBI) has proposed setting up an expert body to look into the corporate governance and ownership structure of stock exchanges. The committee will look at some of the important issues such as exchanges as 'for-profit' organisations, the need for strategic investors in bourses, separation of clearing function of a stock exchange and entrusting the same to an independent clearing corporation, self listing by an exchange and possible conflicts of interest and eligibility criteria for opening an exchange among others.

HINDUSTAN OIL EXPLORATION COMPANY LIMITED

Profile of HOEC

Industry	Oil Exploration Allied Services	**BSE Code**	500186
Chairman	R Vasudevan	**BSE Group**	B
Auditors	Deloitte Haskins & Sells	**NSE Symbol**	HINDOILEXP
Secretary	Minesh Bhatt	**ISIN Demat**	INE345A01011
Inc. Year	22.09.1983	**Reuters**	HOEX.BO
AGM Date	29.09.2009	**Bloomberg**	HOE.IN
Group	Indian – Private	**Face Value**	10.00
Website : www.hoec.com			

REGISTERED OFFICE: HOEC House, Tandalja Road, Off. Old Patra Road, Vadodara 390 020, Gujarat

HISTORICAL OVERVIEW

Hindustan Oil Exploration Company Ltd (HOEC) is an Indian based company engaged in the exploration and production of hydrocarbons crude oil and natural gas, which are natural resources. The company provides geological and geophysical services relating to the exploration of oil and natural gas and other oil field services. The company has a 100% subsidiary namely HOEC Bardahl India Ltd which is engaged in marketing of fuel or engine additives.

The company has participating interest in seven oil/gas fields in India (in Cambay basin, Cauvery basin and Assam Arakan basin), which are in varying stages of exploration, development and production: AAP-ON-94/1 in Assam; CY-OS/90-1 (PY-3) and PY-1 in Cauvery, and Asjol, CB-OS-1, CB-ON-7 and North Balol in Cambay. Production of crude oil from PY-3 Field located in Cauvery Basin is the principal source of the company's production.

HOEC was incorporated in 1983 for taking up Exploration and Production (E&P) activities inter-alia by Late Shri. H T Parekh. HOEC was the first private company in India to enter into field of oil and gas exploration. HOEC's operational activities commenced in 1991 with the Government of India announcing the fourth round of exploration bidding for private sector participation. The Company has been under professional management since inception consisting of eminent industrialists, professionals and technocrats like Late Shri B.K Nehru, Late Dr. I. G. Patel, Shri Deepak Parekh and the current Chairman Shri R. Vasudevan.

The oil exploration and production involves the analysis of available geological information and employing low cost exploration methods to identify areas of detailed study; detailed seismic survey to identify structures with the possibility of bearing hydrocarbon; exploratory drilling; production of the field at optimum level. However, the use of latest techniques involving computers and other electronic instruments have enabled to map the underground structures and to predict presence of hydrocarbon more accurately.

Shareholding Pattern as on 31st December 2009

Category of shareholder	Total number of shares	Total shareholding as a percentage of total number of shares (%)
Shareholding of Promoter and Promoter Group		
Foreign Promoters	61569134	47.18
Non Promoter Holding		
Mutual Funds & UTI	273100	0.21
Banks, Financial Institutions & Insurance	1828487	1.40
Foreign Institutional Investors	5715814	4.38
Private Corporate Bodies	25693640	19.69
NRI's/OCB's/Foreign Others	1154694	0.88
Others	1724452	1.32
General Public	32533968	24.93
GRAND TOTAL	**130493289**	**100**

Board of Directors

S. No.	Name	Designation
1.	Mr. Sergio Adriano Laura	Director
2.	Mr. Manish Maheshwari	Joint Managing Director
3.	Mr. Luigi Ciarrocchi	Managing Director
4.	Mr. R Vasudevan	Non Executive Independent Chairman
5.	Mr. Santo Lagana	Non Executive Director
6.	Mr. Paolo Carmosino	Non Executive Director
7.	Mr. Deepak S Parekh	Non Executive Director
8.	Mr. Mukesh Butani	Non Executive Independent Director
9.	Mr. Sunil Behari Mathur	Non Executive Independent Director

INDUSTRY OVERVIEW

The oil and gas industry has been instrumental in fuelling the rapid growth of the Indian economy. The petroleum and natural gas sector which includes transportation, refining and marketing of petroleum products and gas constitutes over 15 per cent of the GDP. Petroleum exports have also emerged as the single largest foreign exchange earner, accounting for 17.24 per cent of the total exports in 2007-08. Growth continued in 2008-09 with the export of petroleum products touching US$ 23.63 billion during April-December 2008. In November 2008, the Cabinet Committee on Economic Affairs awarded 44 oil and gas exploration blocks under the seventh round of auction of the New Exploration Licensing Policy (NELP-VII). With NELP VIII, the overall number of blocks brought under exploration exceeded 200. The allocation brought in investments worth US$ 1.5 billion. The eighth round of auction which ended on October 12 2009 attracted over US$1.34 billion in minimum investment.

India's domestic demand for oil and gas is on the rise. As per the Ministry of Petroleum, demand for oil and gas is likely to increase from 186.54 million tonnes of oil equivalent (mmtoe) in 2009-10 to 233.58 mmtoe in 2011-12. India is emerging as the global hub for oil refining with capital costs lower by 25 to 50 per cent over other Asian countries. Already, the fifth largest country in the world in terms of refining capacity, with a share of 3 per cent of the global capacity, India is likely to boost its refining capacity by 45 per cent or 65.3 mtpa (million tonne per annum) over the next five years, according to a Deutsche Bank report. Indian companies plan to increase their refining capacity to 242 mtpa by 2011-12 from about 149 mtpa in 2007.

Gas demand in India is dominated by the power and fertilizer sectors which account for 66 per cent of the current consumption. In 2006, the total gas demand was around 152 MSCMD. The gas demand is expected to increase to 320 MSCMD, according to a report by Ernst & Young. Significantly, the share of natural gas in the overall fuel mix is expected to increase from 8 per cent in 2006 to 20 per cent by 2025.

The government has been taking many progressive measures to create a conducive policy and regulatory framework for attracting investments.

- Allowing 100 per cent foreign direct investment (FDI) in private refineries through automatic route and 26 per cent in government-owned refineries.
- Implementation of the NELP in 1997.
- Abolition of the administered pricing policy.
- 100 per cent FDI is also allowed in petroleum products, exploration, gas pipelines and marketing/retail through the automatic route.
- Vision-2015 for the oil sector which will focus on providing better services to customers covering four broad areas of LPG (liquefied petroleum gas), kerosene, auto fuels and compressed natural gas/piped natural gas.

According to a recent CII-KPMG report India's energy sector will provide investment avenues worth US$ 120 billion-US$ 150 billion over the next five years. According to the Investment Commission of India, the total opportunity in the oil and gas sector is expected to reach US$ 35 billion to US$ 40 billion by 2012.

PROJECT OVERVIEW

The mining projects of the company can be broadly classified into

- Oil Production Blocks
- Gas Production Blocks
- Exploration Blocks

The main fields of HOEC are in Cambay (Western India), Cauvery (South East India) and Assam (North East India). Oil is currently being produced from block in Cauvery and Asjol fields while gas is being developed. Exploration is being carried out in Gulf of Cambay, Assam (onshore) and Cauvery Offshore. This apart, there are six small fields, important for strategic reasons. World average success ratio is 1 out of 10 wells digged. In India it is around 1 out of 4 as the country is underexplored. In Assam, success ratio would be better as entire block is filled with hydrocarbon. HOEC's portfolio is better as the blocks are filled with hydrocarbon

FINANCIAL OVERVIEW

Financial Snapshot

(Rs. in Crores)

Particulars	As on 31st Mar-09	As on 31st Mar-08	As on 31st Mar-07	As on 31st Dec-09	As on 31st Dec-08
Equity	130.51	130.51	78.33	130.51	130.51
Net worth	1060.12	1008.56	390.41	-	-
Capital Employed	1190.60	1155.78	522.50	-	-
Sales	85.18	81.30	114.51	32.64	11.74
Rate of Growth (%)	4.77%	-29.00%	21.51%	178.02%	-
Other Income	63.54	30.75	25.27	0.65	9.65
PBIDT	74.63	46.98	6.32	30.20	15.60
Rate of Growth (%)	58.85%	643.35%	-78.21%	93.59%	-
PBT	63.42	39.08	0.17	16.35	10.16
PAT	53.60	24.10	-25.50	10.35	10.06
Rate of Growth (%)	122.41%	-194.51%	-244.97%	2.88%	-
Book Value (Rs.)	81.23	77.25	49.83	-	-
EPS (Unit Curr.)	4.10	1.68	0.32	0.79	0.77
PBIDTM (%)	87.61	57.79	6.07	92.52	132.88
PBDTM (%)	75.43	48.49	1.19	84.38	119.76
PATM (%)	62.89	29.64	-22.27	31.71	85.69
RONW (%)	5.18	3.45	-8.07	-	-

Dividend History

Year End	Dividend - Amount (in Crores)	Dividend - %	Div. Yield - %
200903	0.00	0.00	0.00
200803	13.05	10.00	0.96
200703	0.00	0.00	0.00
200603	5.87	10.00	0.77
200503	5.88	10.00	1.09

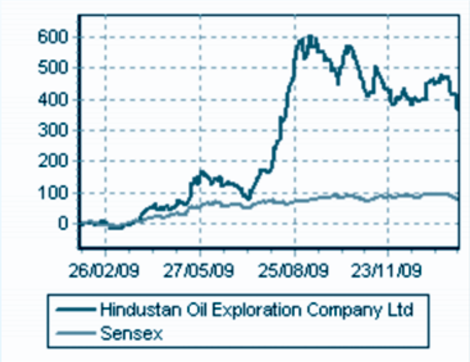
Hindustan Oil Exploration Company Limited reported a jump of 178.02% in its sales for the quarter ended December 2009, when compared to the quarter ended December 2008. The company also reported a healthy PBIDT of Rs. 30.20 crores for the quarter ended December 2008, as against Rs. 15.60 earned during the same period last year. The Company also reported healthy growth rates profit after tax of Rs. 53.60 Crores and Rs. 24.10 Crores for the financial years ended 31st March 2009 and 31st March 2008. It should be borne in mind , that Hind Oil reported a net loss of Rs. 25.50 Crores for the year ended 31st March 2007, thus showing a remarkable recovery. Further, the Company has made, in aggregate, a capital expenditure of approx. Rs. 10,3350 crores over the last three years in terms of asset creation, which is nearly 3 times the capital spend since inception. The creation of assets will add value to its operations, which will is expected to get reflected in the results of the forth coming quarters.

Macro economic factors like Oil and Gas prices and inflation have a considerable influence on the company's earnings. The Crude oil prices are highly volatile as they slipped from US $147/bbl to US $ 34/bbl last year. However, on an average they are expected to remain in range of USD 55 to 65/bbl in the immediate to short term period. Gas prices in India have been evolving over the years from an administered price regime of sub USD 2/mmbtu and eventually would become linked to energy equivalent pricing mechanism. With the Government finalizing the gas allocation policy and development of regulatory framework to establish gas transmission infrastructure spanning the country, the gap in producer gas prices can be expected to progressively close. However, based on the future plans of the company, and the deregulation in these sectors on the avil, outlook remains positive for the company.

Market Data

Market Snapshot	(As on 29th January 2010)
Price (Rs)	251.20
Mkt.Cap.(Rs Cr)	3278.91
Lat. P/E	86.03
Lat. BV(Rs)	81.22
Lat. EPS (Rs.)	2.92
52 W H/L(Rs)	398.90 / 44.05
Lat.Eqty (Rs Cr)	130.53
Div. Yield (%)	0.00

Stock Performance –Hind. Oil vs. Sensex



Profile of IDFC

Industry	Finance – Investment / Others	**BSE Code**	532659
Chairman	Deepak S Parekh	**BSE Group**	A
Auditors	Deloitte Haskins & Sells	**NSE Symbol**	IDFC
Secretary	Mahendra N Shah	**ISIN Demat**	INE043D01016
Inc. Year	30.01.1997	**Reuters**	IDFC.BO
AGM Date	20.07.2009	**Bloomberg**	IDFC.IN
Group	Govt. of India	**Face Value**	10.00

Website : www.idfc.com

REGISTERED OFFICE: ITC Centre, 3rd Floor, 760 Anna Salai, Chennai 600 002, Tamil Nadu

HISTORICAL OVERVIEW

Infrastructure Development Finance Company Limited (IDFC) was incorporated in 1997 as a public limited company. It was set up on the recommendations of the "Export Group on Commercialisation of Infrastructure Projects", under the chairmanship of Dr. Rakesh Mohan. The group recommended the need for a setting up a specialized financial intermediary for infrastructure.

IDFC commenced its business activities in June 9th of the year 1997 at Chennai. The Company was conceptualized to lead private capital to commercially viable infrastructure projects. IDFC also works closely with the GOI and the state governments on conceptualizing and formulating policies that would be conducive for private sector participation in the infrastructure sector. After a year from incorporation, in 1998, the company registered with the Reserve Bank of India (RBI) as a Non Banking Financial Company (NBFC). IDFC Notified as Public Financial Institution under section 4A of the Companies Act in the year of 1999. During the year 2000, the company registered with the Security Exchange Board of India (SEBI) as a merchant banker and also as an underwriter. Subsequently, in the year 2001, IDFC made a registration with the SEBI as a debenture trustee and in the same year, the company had set up the Infrastructure Development Corporation (Karnataka) Limited.

IDFC, as on March 31, 2007on a cumulative basis has approved financial assistance to 332 projects aggregating over Rs. 2,20,400 Million. IDFC has also broadened its initial focus on power, roads, ports and telecommunications to a framework of energy, telecommunications and information technology, integrated transportation, urban infrastructure, health care, food & agriculture infrastructure, education infrastructure and tourism. In its sectors of engagement, IDFC has been awarded lead arranger mandates and key advisory assignments too. As at March 2008, Standard Chartered PLC has agreed to sell Standard Chartered Trustee Company Private Limited and Standard Chartered Asset Management Company Private Limited, including minorities, to Infrastructure Development Finance Company Limited (IDFC) for a total cash consideration of approximately USD205 million. The company is using its extensive domain knowledge to become a 'one-stop-shop' for infrastructure financing. In the process, IDFC has built strong relationships with the sponsors of infrastructure projects by working closely with clients — right from the pre-bidding stage to project commissioning. Its expertise and innovative ability enables the company to continuously expand its range of products and to participate in the more profitable parts of the capital structure of any infrastructure project like debt syndication, structured financing and equity participation.

The company came out with its IPO during July 2005. The company issued 403,600,000 equity shares at a price of Rs. 34 per equity share and its issue was overtly subscribed.

Shareholding Pattern as on 31st December 2009

Category of shareholder	Total number of shares	Total shareholding as a percentage of total number of shares (%)
Shareholding of Promoter and Promoter Group		
Government of India	261400000	20.16
Non Promoter Holding		
Mutual Funds & UTI	75398561	5.82
Banks, Financial Institutions & Insurance	211422151	16.31
Foreign Institutional Investors	568857095	43.87
Private Corporate Bodies	55002557	4.24
NRI's/OCB's/Foreign Others	4039329	0.31
Others	1781880	0.14
General Public	118675188	9.15
GRAND TOTAL	**1296576761**	**100**

Board of Directors

S. No.	Name	Designation
1.	Mr. Deepak Parekh	Non Executive Chairman
2.	Dr. Rajiv B Lall	Managing Director & CEO
3.	Mr. Michael Fernandes	Alternate Director
4.	Dr. Omkar Goswami	Director
5.	Mr. S H Khan	Director
6.	Mr. Abdul Rahim Abu Bakar	Director
7.	Mr. S S Kohli	Director
8.	Mr. Dimitris Tsitsiragos	Director
9.	Mr. Donald Peck	Director
10.	Mr. Gautam Kaji	Director
11.	Mr. Shardul Shroff	Managing Director & CEO
12.	Mr. G C Chaturvedi	Nominee Director
13.	Mr. Vikram Limaye	Whole time Director

INDUSTRY OVERVIEW

Historically, infrastructure services in India have been provided through government entities. However in recent years, changes in legal, regulatory and policy regimes in India have allowed and encouraged increasing private participation in infrastructure development. Over the years the per capita GDP and average consumer spending in India has increased manifold. This growth in Indian economy has fuelled demand for quality infrastructure services, which has led to increased infrastructure development in India. A significant proportion of this growth has been a consequence of increased private sector involvement in infrastructure. While historically infrastructure services in India have been provided through Government entities, in recent years changes in legal, regulatory and policy regimes in India have allowed for increased private involvement in infrastructure development. The increase in investments has led to a notable progress in certain key sectors, particularly telecommunications and roads.

Since the onset of global financial crisis in late 2008, long term financing to sustain the development of infrastructure became difficult. While in 2007, India was the leading destination among low and middle-income countries for private investment in infrastructure, recent evidence indicates that newer projects are being delayed because of the difficulties in securing private financing - particularly long-term private investment. The development of infrastructure is a central theme of the Government of India's 11th Five-Year Plan (2007–12). The Plan estimates that investments to the tune of $492 billion are needed during the five-year period in the roads, railways, ports, power, and water sectors. This means almost doubling infrastructure spending from its current 5 percent of GDP. Of this, the private sector would need to contribute a little over 30 percent – or some $160 billion - about *four* times more than it has done in the past five years.

PRODUCT OVERVIEW

The company's product portfolio caters to the diverse needs of the clients across all layers of the capital structure. Its products and services include:

- senior debt financing in the form of loans, debentures and securitized debt
- mezzanine products, including subordinated debt and preference capital and equity financing through proprietary
- investments in unlisted equity as well as in public offerings of infrastructure companies;
- private equity investments and asset management services for third party funds through our subsidiary IDFC Private Equity, to provide long term equity capital to infrastructure companies requiring financing support during their growth stages;
- non-fund based products such as guarantees and structured facilities including risk participation and take-out financing;
- debt syndication and advisory services, including advice on project and financial structuring, risk evaluation and the
- privatization of infrastructure assets and services.

Apart from the above the company is also actively involved in providing policy advice to Central and State Governments in Indian and other regulatory agencies. The company's established relationship with the Central government (which holds around 20% equity stake) gives it access to decision makers, which will allow it to play a significant role in the direction of infrastructure policy in the country and keep a few steps ahead of competition (mainly from banks).

FINANCIAL OVERVIEW

Financial Snapshot (Rs. in Crores)

Particulars	As on 31st Mar-09	As on 31st Mar-08	As on 31st Mar-07	As on 31st Dec-09	As on 31st Dec-08
Equity	1295.28	1294.30	1125.93	1295.28	1294.30
Net worth	6029.20	5454.38	2882.03	-	-
Capital Employed	29618.73	27742.88	17771.01	-	-
Sales	3313.94	2523.67	1500.55	880.76	791.31
Rate of Growth (%)	31.31%	68.18%	49.67%	11.30%	-
Other Income	15.68	64.22	40.31	0.41	3.13
PBIDT	3064.66	2388.75	1431.07	806.55	778.31
Rate of Growth (%)	28.30%	66.92%	54.95%	3.63%	-
PBT	964.92	873.05	571.53	319.61	243.18
PAT	734.59	668.00	462.90	240.11	172.68
Rate of Growth (%)	9.97%	44.31%	23.26%	39.05%	-
Book Value (Rs.)	46.55	42.14	25.60	-	-
EPS (Unit Curr.)	5.53	4.97	3.94	1.85	1.33
PBIDTM (%)	92.04	92.30	92.87	91.57	98.36
PBDTM (%)	29.59	33.92	37.36	37.27	31.40
PATM (%)	22.10	25.86	30.04	27.26	21.82
RONW (%)	12.82	16.05	17.06	-	-

Dividend History

Year End	Dividend - Amount (in Crores)	Dividend - %	Div. Yield - %
200903	155.54	12.00	2.21
200803	155.57	12.00	0.79
200703	112.89	10.00	1.19
200603	112.49	10.00	1.50

Infrastructure Development and Finance Corporation (IDFC) reported a 46 per cent jump in consolidated net profit to Rs 269 crore for the third quarter of 2009-10 from Rs 184 crore in the year-ago quarter. The consolidated bottom line growth was aided by a 62 per cent rise in revenues from the company's investment banking and asset management divisions. On a standalone basis, the infrastructure financier saw a net profit growth of 39 per cent to Rs 240 crore from Rs 172 core in the December 2008 quarter.

Core business revenues were weighed down by a jump in provisions to Rs 42.3 crore in the December 2009 quarter as against a write-back (restore or increase the value of an asset on a balance sheet after a previous write-off) of Rs 1.67 crore in the corresponding quarter last year. Gross non-performing assets more than doubled to Rs 77.6 crore as of December 31, 2009, against Rs 34.6 crore a year ago.

Ramping up investments in infrastructure is critical for India's growth, and to sustain the country's battle against poverty. Supporting infrastructure investment is particularly important at this time, not just to sustain total domestic demand at a time of global crisis, but also to lay the foundations for stronger economic growth in the future.

IDFC is an early-cycle play on Indian infrastructure just as Indian private-sector banks were early-cycle plays on Indian retail banking in the late 1990s or early 2000s. Splurge in infrastructure investments in India will throw up number of fund-based and especially non-fund-based opportunities. The company is well placed to capitalize on this.

Market Data

Market Snapshot	(As on 29th January 2010)
Price (Rs)	152.05
Mkt.Cap.(Rs Cr)	19714.50
Lat. P/E	22.33
Lat. BV(Rs)	46.51
Lat. EPS (Rs.)	6.81
52 W H/L(Rs)	179.70/ 44.15
Lat.Eqty (Rs Cr)	1296.58
Div. Yield (%)	0.79

Stock Performance – IDFC vs. Sensex

Mutual Fund Corner

Scheme for the Month

SBI MAGNUM TAX GAIN SCHEME 93 - GROWTH

<u>*Fund Manager:*</u> **Mr. Jayesh Shroff, Mr. Sudhanshu Asthana**

Investment Objective

The prime objective of scheme is to deliver the benefit of investment in a portfolio of equity shares, while offering tax rebate on such investments made in the scheme under section 80 C of the Income-tax Act, 1961. It also seeks to distribute income periodically depending on distributable surplus.

Current Statistics & Profile	
Latest NAV	53.59 (05/02/10)
52-Week High	59.25 (06/01/10)
52-Week Low	27.19 (09/03/09)
Fund Category	Equity Tax Planning
Type	Open End
Launch Date	31.03.1993
Net Assets (Cr)	5409.72 (31.01.2010)
Benchmark	BSE 100

Trailing Returns

As on 5th February 2010	Fund Return	Category Return
3-Month	2.35	2.77
1-Year	83.72	81.50
3-Year	4.34	4.61
5 – Year	26.52	17.98
Return Since Launch 19.17		

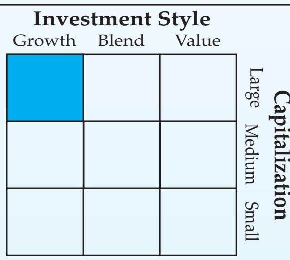
Note: Return up to 1 year are absolute and over 1 year are annualized.

Asset Allocation	
As on 31/12/2009	**% Net Assets**
Equity	96.00
Debt	3.56
Others	0.45

Investment Details	
Minimum Investment Amount	Rs. 500
Additional Purchase	Rs. 500
Minimum Initial Amt. In SIP	Rs. 1500
Minimum Additional Amt. In SIP	Rs. 500
Lock-in	1095 Days

Options	
Systematic Investment Plan (SIP)	Available
Systematic Transfer Plan (STP)	Not Available
Systematic Withdrawal Plan (SWP)	Not Available

Fund Style



Portfolio Characteristic - As on 31.12.2009

Avg. Mkt. Cap - 38710.02 Cr		
Giant	–	**52.48%**
Large	–	**20.01%**
Mid	–	**23.93%**
Small	–	**3.57%**
Tiny	–	**0.01%**

PORTFOLIO - TOP HOLDINGS (As on 31/12/2009)

Name of Holding	Instrument	% Net Assets
State Bank of India	Equity	4.13
Reliance Industries	Equity	4.05
Larsen & Toubro	Equity	3.74
Jindal Steel & Power	Equity	3.67
ICICI Bank	Equity	3.37
ONGC	Equity	3.13
GAIL	Equity	3.11
BHEL	Equity	2.99
United Spirits	Equity	2.84
HDFC Bank	Equity	2.76
NTPC	Equity	2.56
Tata Power	Equity	2.24
Crompton Greaves	Equity	2.22
Infosys Technologies	Equity	2.05
HDFC	Equity	1.99
Sterlite Industries	Equity	1.95
Mahindra & Mahindra	Equity	1.92
ITC	Equity	1.89
Dr. Reddy's Lab	Equity	1.87
Tata Steel	Equity	1.85
Tata Consultancy Services	Equity	1.67
Allahabad Bank	Certificate of Deposit	1.66
SAIL	Equity	1.61
Bank of Baroda	Certificate of Deposit	1.48
BPCL	Equity	1.48

Sector Weightings – As on 31/12/2009

Sector	% Net Assets
Energy	20.63
Financial	14.41
Engineering	11.19
Metals	9.76
Diversified	7.60
FMCG	6.97
Health Care	5.99
Technology	5.55
Construction	4.20
Services	2.80
Automobile	2.60
Chemicals	2.39
Communication	1.92

TAX SAVING INSTRUMENTS

Last issue, we discussed the sections and had a brief outlook on various avenues to reduce the tax payable. This issue, let's get into the details and analyze each of the options.

Insurance – Unit Linked Insurance Plans (ULIP)

The second most popular among the tax saving options, the first one being the premiums on life insurance. These are essentially financial products that offers the investor life insurance as well an investment option like a mutual fund. Part of the premium paid goes towards the sum assured (amount you get in a life insurance policy) and the balance is invested in investments chosen by the investor – equity, fixed return bonds or a mixture of bonds.

ULIP's provides for life insurance where the policy value at any time varies according to the value of the underlying assets at that time. It is a life insurance solution, that provides for the benefits of protection and flexibility in investment. The investment is denoted as units and is represented by the value that it has attained, which is called the "Net Asset Value (NAV)" .

The three strong arguments in favour of ULIP's are

- The investor knows exactly what is happening to his money
- Allows the investor to choose the assets into which he wants his funds to be invested
- Transparent process

Most of the life insurance companies offer ULIP's. Some of the popular schemes are the ones offered by Life Insurance Corporation of India (LIC), HDFC Bank, Bajaj Allianz, ICICI Prudential and Aviva Life

Mutual Funds - Equity Linked Savings Schemes (ELSS)

Equity Linked Savings Schemes is a type of mutual fund, where the major portion of the investment is invested in equity and equity related instruments by the fund houses. The major features that makes an ELSS distinctive when compared to an ordinary mutual fund are:

- **Income Tax Benefit:** Investments made in ELSS plans are eligible for deduction from the taxable income under section 80 C of the Income Tax Act. There is no limit for investments in ELSS plans, but investments of up-to Rs. 1,00,000 qualify for income tax benefits. Investments made in normal mutual funds do not qualify for income tax deduction.
- **Lock-in Period:** Investments made in ELSS plans have a lock-in period of 3 years. Every installment has lock-in period of 3 years. For eg. Lets us assume that a person starts investing on a monthly basis from Jan 2010. The lock-in period of the 1st installment (January 2009) will end in January 2013 and the 2nd installment will end in February 2013, as the installment will be paid on February 2010.

Apart from the above, Long term capital gains and the dividends earned on ELSS investments are exempted from tax. The ELSS plans comes with the following three options.

1. **Growth Option**: If the investor selects growth option, he will not get any income during the tenure of the investment. He will get a lump-sum amount at the time of redemption or on maturity. In other words the investor will not get any returns till the time he is holding the instrument and the profit/loss is realized when the securities are sold/transferred.
2. **Dividend Options**: Under the dividend option the investor has 2 options. Dividends give income tax benefits to the investor. For example let us assume that the investor invests Rs 1 Lakh in an ELSS plan (NAV Rs 10) in the month of April and the ELSS scheme declares a dividend of 25% in the following month in May. The investor will get back Rs 25,000 on his investment of Rs 1 Lakh. So effectively the investor has invested only Rs 75,000 but he gets the income tax benefit on the entire Rs 1 Lakh. So if the investor is falling in the 30% tax bracket, the tax saving of Rs 30,000 on Rs 75,000 (net investment amount as Rs 25000 is received back as dividend) effectively works out to 40% instead of 30%. Also the lock-in period of the Rs 25,000 received as dividend gets reduced from 3 years to 1 month only.

   Please Note: The above calculation is done assuming the investor falls in the 30% tax bracket and the investor has invested Rs 1,00,000 and the ELSS scheme declares a dividend of 25% in the subsequent month.
3. **Dividend Re-investment Option**: If the investor opts for dividend re-investment option, then any dividends declared are re-invested on behalf of the investor. The investor can claim additional tax benefits on the re-invested dividend amount. For example let us assume that the investor has invested Rs 1 Lakh in the ELSS plan. In the next year the scheme declares a dividend and the investor is entitled to a dividend of Rs 20,000. This dividend is re-invested on behalf of the investor and he gets additional units of the scheme. The investor can claim income tax deduction for this Rs 20,000 from his taxable income as this investment of Rs 20,000 is treated as fresh investment.

What makes these two options to tick, is that an investor can choose to invest a fixed amount on a regular basis (daily/weekly/monthly) in an ELSS depending on his financial objectives and goals. The investment can be as low as Rs. 500 per month, which in turn will result in a yearly saving of Rs. 6000. This scheme is known as "Systematic Investment Plan".

All schemes under ELSS and ULIP come with SIP option and the minimum amount may differ amount different schemes. SIP's helps the investors to tide over sharp market fluctuations, as it averages out the buying prices of units over a period of time.

Stretching our horizon

Our Terminal in Thiruchengode became operational from 23rd November 2009. Ms. Subhapriya, Terminal In-charge, is seen along with our clients during its inauguration.

Inaugural Pooja at our terminal in Kangeyam, Coimbatore on 30th November 2009.

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CMDA : Shop No. 3, CMDA Towers, No. 1 Gandhi Irwin Road, Egmore, Chennai 600 008, Phone : 044-45508003; cmda@indbankonline.com
Madipakkam : Anubhav Apartments, Shop No. 7, Ground Floor, Medavakkam High Road, Madipakkam, Chennai-90, Phone : 044-45565501; madipakkam@inbankonline.com
Adyar : Ground Floor, Shop No. 1, Shruthi Apartments, 1st Cross Road, Gandhi Nagar Chennai 600 020, Phone : 044-43504482; adyar@inbankonline.com
West Mambalam : 2/57, Brindavan Street Extn, West Mambalam, Chennai 600 033, Phone : 044-45513010; westmambalam@inbankonline.com
Abiramapuram : 1st Floor, Flat No. 3, Door No. 54, C P Ramasami Road, Abhiramapuram, Ch-18, Phone : 044 45010460; abiramapuram@inbankonline.com
Vile Parle : Shop No. 13, Gujarati Society, Nehru Road, Vile Parle East, Opp. Hotel Jal, Mumbai 400 057, Phone : 022-26122263; vileparle@inbankonline.com
Ulhas Nagar : Shop at Shree Saibaba Electronics, Nr. Sindh Punjab Hotel, Follower Lane Chowk, Hospital Rd, Ulhasnagar 421 003, Ph : 0251-2707054; ulhasnagar@inbankonline.com
CBD Belapur : Shop No. 3, Plot No. 21, Shiv Chambers, Sector 11, CBD Belapur, Navi Mumbai, Maharastra 400 614, Phone : 022-27573465; cbdbelapur@indbankonline.com
Kharghar : Shop No. 31, Grow More Towers, Plot No. 5, Kharghar, Sector II, Navi Mumbai, Maharastra 410 210, Phone : 022-27741553/43310; kharghar@indbankonline.com
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