

# Indbankonline

## MARKETS FOR YOU

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Issue - 73

From the President's Desk

The vacations are finally over and it's time for the schools to start on a new academic year. I also happen to travel and it seemed that the whole nation is travelling, as almost all the modes of transport, be it buses, trains and flights are booked to full. In these modes there are host of options available, which baffled and at the same time set a few thoughts rolling.

Let's start exploring the options. The first option is travelling by Bus. This mode of travel is affordable and sometimes the travel time is faster when compared to train travel. Moreover, the frequency is more and options are also higher, as there are lots of operators both private and public. The disadvantage is that it is physically taxing. The second option is that of train. In trains, we have the choice of going by fast trains like Rajdhani Express, Shadabdi Express, which is comfortable as well as costly. In other trains, we have the option of 1<sup>st</sup> class, 2<sup>nd</sup> class, AC and Non-AC. The third option is travelling through Air. In this option, you have the choice of economy and business. All the three modes satisfy the requirement of travelling from one place to another. However, the most important factors considered while deciding the mode of travel are affordability and the duration of the journey. Similarly, the needs for every individual are different and the investments have to be tailored to meet those needs.

In our beginner's corner, we have listed out two such most popular style of investing. We have detailed the difference between the two styles and the advantages and disadvantages of following the styles. But my suggestion is whatever be the style you adopt, always research and keep your objectives in mind while investing. Also review your portfolio periodically to maximize your profits.

There is a famous quote of Mr. Buffet, which I have reproduced below:

**"We don't have to be smarter than the rest; we have to be more disciplined than the rest"**

Let's start being more disciplined.

Last, but not the least, my hearty **"Congratulations"** to all the young kids, who have cleared their exams and moving to higher grades. I pray to lord that all your dreams should come true. Till our next issue,

**HAPPY INVESTING!!!**



**Mr. BANABIHARI PANDA**  
President & Whole time Director  
Indbank Merchant Banking Services Ltd

03/06/2013

**Banabihari Panda**  
President and Whole Time Director  
Indbank Merchant Banking Services Ltd



**Our website : [www.indbankonline.com](http://www.indbankonline.com)**

## IMPORTANT HAPPENINGS

### A. Economic Updates

1. Cash purchase of gold, including coins and articles, exceeding Rs. 2 Lakhs to attract 1% (TCS) tax collected at source from June 1, 2013.
2. MCX – SX introduced trading in F&O from May 15, 2013.
3. Government lowers nutrient based subsidy rates for phosphatic and potassic fertilizers.
4. NSE launched a dedicated Debt Trading Platform on May 13, 2013. A total of 376 securities are available for retail trading and 22 are admitted to institutional platform. Among the securities that would be available for trading in the institutional category include HDFC, LIC Housing Finance, Power Finance Corp, NABARD (National Bank of Agriculture & Rural Development), National Housing Bank, Power Grid Corp. ICICI Bank would fall under the retail category, while securities of SBI, Muthoot Finance, Religare Finvest, Shriram City Union Finance and IDBI Bank would fall under both the categories.
5. The Reserve Bank of India to issue first tranche of Inflation Index Bonds on June 4, 2013.
6. The Competition Commission of India starts its probe into the alleged cartelization by oil marketing companies in fixing the price of petrol.

### B. Regulatory Updates

7. SEBI completes 25 years of operations.
8. SEBI amends the norms governing depositories and depository participants to enable issuance of single consolidated account statements to the demat account holders for all their dematerialized assets.
9. SEBI makes it mandatory for users to have their systems audited every six months and also doubles the penalty on algorithmic trading entities who place a large number of orders which do not actually translate into deals.
10. SEBI clarifies and modifies the process of reconstructing mergers and demergers carried out by listed companies.

## EVOLUTION OF SEBI

### A Look Back with Pride

SEBI's former chairmen and incumbent chief on the market regulator's achievements and future goals

**SA Dave**  
April 12, 1988 to August 23, 1990  
First chairman of SEBI when it was not a statutory regulator

They have done a remarkable job. It is one of the proudest things to see the way the institution has transformed over the last two decades

**GV Ramakrishna**  
April 24, 1990 to Jan 17, 1994  
First headed SEBI after it became a statutory regulator

Over the past 20 years, SEBI has made good progress and is more professional in dealing with market aberrations. But it should be better equipped and empowered to deal with new types of aberrations

**DR Mehta**  
Feb 21, 1995 to Feb 20, 2002  
The longest-serving chairman

SEBI has constantly grown as reflected in the fact that India has become one of the most efficient and safest capital markets. However, SEBI needs additional powers and should also check volatility. There should also be a system of a lead regulator in certain areas for better co-ordination for addressing segments like collective investment schemes and legal clarity on overlap or underlap of regulatory jurisdictions

**GN Bajpai**  
Feb 20, 2002 to Feb 18, 2005  
In terms of market development and market efficiency, SEBI has done a superb job. If you look at the period between 2002 and 2013, not a single broker has failed in India. What it means is that our settlement and guarantee systems have worked so well. They should focus more on penal action and developing the debt market and other instruments like alternative investment schemes

### Milestones

SEBI set up by an Act of the Parliament. Brings stock brokers, portfolio managers and merchant bankers under its purview for the first time.

SEBI given more powers. Custodians, FIs, credit rating agencies and venture capital funds brought under its purview

Listed companies allowed to issue shares under ESOPs

Dematerialisation of securities introduced to eliminate the risks associated with physical movement of paper.

Rolling settlement of T+5 made mandatory

Derivatives trading introduced

Disclosing quarterly financial results, or any price sensitive information, made mandatory for listed companies

Interest rate futures and futures and options contracts introduced

FIs allowed to participate in divestment by the government in listed companies

SEBI rules that continuous listing cos should have minimum shareholding of 25% MFs and venture capital funds allowed to invest in securities of foreign companies

SEBI introduces additional mode of payment through Applications Supported by Blocked Amount (ASBA) process in IPOs

Mutual funds stopped from charging different exit loads to retail investors

Exchanges allowed to introduce currency futures

Index options with 5 years tenure introduced

Call auction in the pre-open session introduced

SEBI sets 25% as open offer trigger, removes non-complete fees for promoters

**M Damodaran**  
Feb 18, 2005 to Feb 18, 2008  
SEBI should function autonomously and should not be perceived to be a subordinate or an attached office of the finance ministry

**CB Bhav**  
Feb 18, 2008 to Feb 17, 2011  
The most important contribution of SEBI in the past 25 years has been to be the voice of the investors. The intermediaries and the issuers can get their point of view across to the opinion makers, the regulators and the political leadership with relative ease. SEBI has, with a fair degree of success, balanced the twin demands of development and regulation. SEBI's success in the coming years will be determined by its ability to keep up to date with the changes and to regulate without stifling development

**SS Nadkarni**  
Jan 12, 1994 to Jan 31, 1995  
Died while in office

**UK Sinha**  
Chairman since Feb 18, 2011  
One of our major achievements is that we have been able to make a complete change in the way trading takes place in India. Many of the changes in the trading pattern were introduced by SEBI way ahead of the rest of the world even in developed markets

## Snap Shots

Inflation (%)	4.89 (April 2013)	5.96 (March 2013)	5.96 (March 2013)	6.84 (Feb. 2013)
Particulars	24 <sup>th</sup> May 2013	17 <sup>th</sup> May 2013	10 <sup>th</sup> May 2013	03 <sup>rd</sup> May 2013
91-Day Cut-off (%)	7.2689	7.3105	7.4769	7.5602
10-yr G-Sec yield (%)	7.2940	7.3941	7.6341	7.7815
1-10 yr spread (bps)	(2)	13	20	26
USD/INR(Rs)	55.6075	54.8865	54.5413	53.9510
USD 6m LIBOR	0.42	0.42	0.43	0.43
10 Y US Treasury	2.01	1.95	1.90	1.75
USD/Euro Spot	0.774006	0.780144	0.772010	0.762732

## Global Indices

Indices	Country	Index as on 29 <sup>th</sup> April 2013	Index as on 29 <sup>th</sup> May 2013	Variation (%) (Inc/ Dec)
NASDAQ	United States	3,307.02	3,467.52	4.85
DJIA	United States	14,818.75	15,302.80	3.27
S&P 500	United States	1,593.61	1,648.36	3.44
Hang Seng	Hong Kong	22,580.77	22,554.93	(0.11)
Nikkei 225	Japan	13,884.13	14,326.46	3.19
Shanghai Composite	China	2,177.91	2,324.02	6.71
Straits Times	Singapore	3,361.92	3,367.47	0.17
FTSE 100	United Kingdom	6,458.00	6,627.20	(5.48)
CAC 40	France	3,868.68	3,974.12	2.73
DAX	Germany	7,873.50	8,336.58	5.88
SENSEX	India	19,387.50	20,147.64	3.92
NIFTY	India	5,904.10	6,104.30	3.39

## Institutional Investments

Category	Debt / Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments  (in April up to 30.05.2013)	Equity	68045.50	47374.00	20671.60
	Debt	26851.00	19530.90	7320.00
Mutual Fund  (in April up to 28.05.2013)	Equity	7607.90	10908.90	(3301.00)
	Debt	117628.90	95493.70	22135.70
FII Derivative Trades (in April up to 30.05.2013)	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
- Buy	47254.02	383504.19	60445.04	32228.36
- Sell	41687.48	381434.72	65944.36	32760.54

## Editorial Team

**Banabihari Panda**  
President and Whole-time Director

**S. Rajalakshmi**  
SSO

# IPO and NFO Review

## IPO NEWS

- Twitter hires Ms. Cynthia Gaylor, a Morgan Stanley investment banker, as its head of corporate development. Ms. Gaylor has 17 years of experience and has worked on deals for Facebook, LinkedIn and Zynga. Analysts feel Twitter is all set for its IPO.
- Scotts Garments, a readymade fashion garments manufacturer has withdrawn its IPO due to poor investor response.
- Post success of Just dial IPO, Bharat Matrimoney and HomeShop18 are planning to launch their IPOs in 2014.
- Delhi based Sanco Industries are looking to raise Rs. 14 Cr and has filed DRHP with SEBI. The proceeds of the IPO will be used for increasing the existing manufacturing capacity and working capital requirements.
- Air Asia X, is planning to raise \$300 million by listing its shares in Malaysia. The IPO is expected to hit the markets in July 2014. The indicative price is \$0.48 per share.

## CORPORATE ACTIONS

### NEW LISTINGS

Company Name	Offer Price (Rs.)	Exchange	Listing Date	List Price (Rs.)	Latest Traded Price	% Change to List Price (Rs.)
Roselabs Ltd.	10.00	BSE – SME	30.04.2013	12.90	37.29	189.07
KIFS Financial Services Ltd.	10.00	BSE - SME	11.05.2013	34.00	43.30	27.35
Vimal Oil & Foods Ltd.	30.00	NSE- SME	21.05.2013	105.05	101.00	(3.86)

### OFFER FOR SALES

Company Name	Floor Price (Rs.)	Date of Offer	No. of shares offered	Cumulative shares bid	Allotment Type	Latest Traded Price (as on 30.05.2013)
Linde India Limited	230.00	16.05.2013	12345126	19343636	Multiple Price	257.00
Styrolution ABS (India) Ltd.	400.00	21.05.2013	2167652	5105139	Multiple Price	440.00
Oracle Financial Services Ltd.	2275.00	22.05.2013	4430501	17344104	Multiple Price	2652.00
JSW Energy Ltd.	61.50	22.05.2013	28230000	49422383	Multiple Price	57.10
Puravankara Projects Ltd.	81.00	24.05.2013	14135576	20571584	Multiple Price	86.00
Astra Zeneca Pharma India Ltd.	490.00	28.05.2013	3749950	18251892	Multiple Price	880.00
Sun TV Network Ltd.	403.00	29.05.2013	7881700	25014491	—	421.25
Jaypee Infratech Ltd.	35.00	29.05.2013	120000000	229500214	—	34.25
Jet Airways Ltd.	510.00	30.05.2013	4317697	1235322	—	531.00
Essar Ports Ltd.	77.00	30.05.2013	22671161	20343200	—	81.75
Essar Shipping Ltd.	19.50	30.05.2013	17872751	19650970	—	20.00
Tata Teleservices (Maharashtra) Ltd.	7.60	30.05.2013	35000000	68771	—	7.60

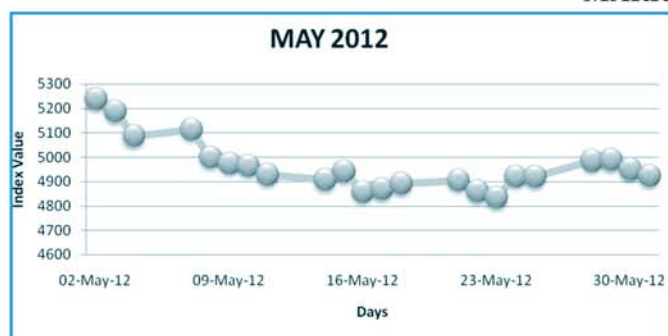
### FORTH COMING CORPORATE ACTIONS

Company Name	Symbol	Record Date	Ex Date	Purpose
MM Forgings Limited	MMFL	03-Jun-13	31-May-13	Interim Dividend Rs 3 Per Share
Page Industries Limited	PAGEIND	06-Jun-13	05-Jun-13	Interim Dividend

### NEW FUND OFFERS

Scheme	Type	Class	Open Date	Close Date	Offer Price	Min. Inv. Amount
HDFC FMP 372D May 13	Close	Debt – FMP	31.05.2013	03.06.2013	10	5000
ICICI Pru FMPS68 745DC	Close	Debt – FMP	03.06.2013	05.06.2013	10	5000
Reliance FHFXXIIS12	Close	Debt – FMP	05.06.2013	12.06.2013	10	5000

### MARKET COMPARISON



## OUR PICKS

**GODREJ CONSUMER PRODUCTS LTD.**  
Indian FMCG company with brands like Good Knight, Cinthol, Godrej No. 1, Godrej Expert Powder Hair colour.

### Investment Rationale

- ✦ Ranked among Top 100 trusted brands.
- ✦ Proactive acquisition strategies.
- ✦ Focus on innovation.
- ✦ Improved overseas sales and market presence.
- ✦ Strong Financials.
- ✦ EPS: 19.60.
- ✦ PE Ratio: 42.10.
- ✦ Book Value: Rs. 103.50.

### BUY – Long Term

**CMP** : Rs. 831.00\*  
**Target** : Rs. 949.00  
**52W H/L** : Rs. 965/527.50  
**Potential Upside** – 15%

### GODREJ CONSUMER PRODUCTS LIMITED



BSE Code: 532424

NSE Code: GODREJCP

### INFOSYS LTD

India's leading multinational provider of business consulting, technology, engineering and outsourcing services.

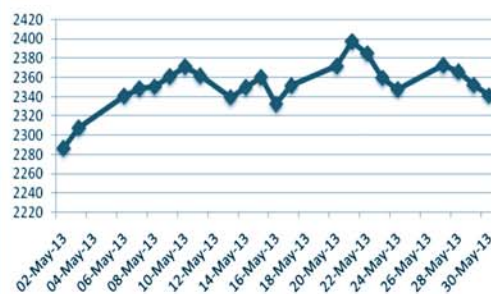
### Investment Rationale

- ✦ Addition of new clients and robust order pipeline.
- ✦ Expansion in Global Markets.
- ✦ H1 B/L1 Visa issue critical.
- ✦ Acquisition of Lodestone Holding.
- ✦ Tough macro environment.
- ✦ EPS: 164.90.
- ✦ PE Ratio: 14.30.
- ✦ Book Value: Rs. 696.50.

### BUY – Medium Term

**CMP** : Rs. 2340.00\*  
**Target** : Rs. 2700.00  
**52W H/L** : Rs. 3009.8/2060.6  
**Potential Upside** – 15%

### INFOSYS LIMITED



BSE Code: 500209

NSE Code: INFY

### DR. REDDYS LABORATORIES LTD.

An integrated pharmaceutical company with presence across the pharmaceutical value chain.

### Investment Rationale

- ✦ Opportunities in Global generics sector.
- ✦ Robust formulation business.
- ✦ Niche launches.
- ✦ Tie-up with Fujifilm in Japan.
- ✦ Value creation through innovation.
- ✦ EPS: 92.70.
- ✦ PE Ratio: 22.60.
- ✦ Book Value: Rs. 370.20.

### BUY – Long Term

**CMP** : Rs. 2109.00\*  
**Target** : Rs. 2325.00  
**52W H/L** : Rs. 2152/1528  
**Potential Upside** – 12.00%

### DR REDDYS LABORATORIES LIMITED



BSE Code: 500124

NSE Code: DRREDDY

### GLENMARK PHARMACEUTICALS LTD.

The globally integrated pharma giant showing robust earnings growth in the past decade.

### Investment Rationale

- ✦ Emphasis on power brands.
- ✦ Products in high margin segments like Dermatology and Oral Contraceptives.
- ✦ Distinct business model.
- ✦ State of art R&D.
- ✦ Favorable industry dynamics.
- ✦ EPS: 22.40.
- ✦ PE Ratio: 22.30.
- ✦ Book Value: Rs. 117.10.

### BUY – Long Term

**CMP** : Rs. 575.00\*  
**Target** : Rs. 625.00  
**52W H/L** : Rs. 609/325  
**Potential Upside** – 19.00%

### GLENMARK PHARMACEUTICALS LIMITED



BSE Code: 532296

NSE Code: GLENMARK

## OUR PICKS FOR MEDIUM TERM BUYING

<b>PUNJAB NATIONAL BANK.</b> <b>2<sup>nd</sup> largest Indian financial services company founded in 1895.</b> <b>Stock Return</b> <ul style="list-style-type: none"> <li>● 3 Months – (64.10)</li> <li>● 6 Months – 54.90</li> <li>● 1 Year – 64.90</li> <li>⚡ Beta: 1.50</li> <li>⚡ Market Cap: Rs. 278.40 Billion</li> </ul>	<b>BSE Code : 532461</b> <b>NSE Code : PNB</b>  <b>CMP : Rs.793.95*</b> <b>Target : Rs. 870.00</b> <b>Stop Loss : Rs. 744.00</b> <b>52W H/L : Rs. 920/659.2</b>
<b>NESTLE INDIA LIMITED.</b> <b>Engaged in food business with brands like MAGGI, NESCAFE, NESTLE, KIT KAT etc.</b> <b>Stock Return</b> <ul style="list-style-type: none"> <li>● 3 Months – 13.60</li> <li>● 6 Months – 14.40</li> <li>● 1 Year – 11.80</li> <li>⚡ Beta: 0.30</li> <li>⚡ Market Cap: Rs. 50.60 Billion</li> </ul>	<b>BSE Code : 500790</b> <b>NSE Code : NESTLEIND</b>  <b>CMP : Rs. 5224.40*</b> <b>Target : Rs. 5775.00</b> <b>Stop Loss : Rs. 4961.00</b> <b>52W H/L : Rs. 5344.8/4305.6</b>
<b>HDFC LIMITED.</b> <b>A veteran in Indian housing finance business.</b> <b>Stock Return</b> <ul style="list-style-type: none"> <li>● 3 Months – 3.20</li> <li>● 6 Months – 16.60</li> <li>● 1 Year – 38.80</li> <li>⚡ Beta: 1.20</li> <li>⚡ Market Cap: Rs. 1394.30 Billion</li> </ul>	<b>BSE Code : 500010</b> <b>NSE Code : HDFC</b>  <b>CMP : Rs. 925.00*</b> <b>Target : Rs. 1000.00</b> <b>Stop Loss : Rs. 850.00</b> <b>52W H/L : Rs. 931.40/623.5</b>
<b>AMBUJA CEMENTS LIMITED.</b> <b>One of India's leading cement producing company, founded in 1986.</b> <b>Stock Return</b> <ul style="list-style-type: none"> <li>● 3 Months – (0.08)</li> <li>● 6 Months – (6.10)</li> <li>● 1 Year – 32.30</li> <li>⚡ Beta: 1.00</li> <li>⚡ Market Cap: Rs. 294.00 Billion</li> </ul>	<b>BSE Code : 500425</b> <b>NSE Code : AMBUJACEM</b>  <b>CMP : Rs. 182.50*</b> <b>Target : Rs. 230.00</b> <b>Stop Loss : Rs. 170.00</b> <b>52W H/L : Rs. 223/136</b>
<b>ACC LIMITED.</b> <b>Manufacturer of cement and ready mixed concrete.</b> <b>Stock Return</b> <ul style="list-style-type: none"> <li>● 3 Months – (4.85)</li> <li>● 6 Months – (14.56)</li> <li>● 1 Year – 2.91</li> <li>⚡ Beta: 1.10</li> <li>⚡ Market Cap: Rs. 232.70 Billion</li> </ul>	<b>BSE Code : 500410</b> <b>NSE Code : ACC</b>  <b>CMP : Rs. 1244.80*</b> <b>Target : Rs. 1350.00</b> <b>Stop Loss : Rs. 1150.00</b> <b>52W H/L : Rs. 1545.35/1105</b>
<b>ICICI BANK LIMITED.</b> <b>One of India's largest private banks providing a range of banking and financial services.</b> <b>Stock Return</b> <ul style="list-style-type: none"> <li>● 3 Months – (3.40)</li> <li>● 6 Months – 4.40</li> <li>● 1 Year – 31.80</li> <li>⚡ Beta: 1.70</li> <li>⚡ Market Cap: Rs. 1303.80 Billion</li> </ul>	<b>BSE Code : 532174</b> <b>NSE Code : ICICIBANK</b>  <b>CMP : Rs. 1178.00*</b> <b>Target : Rs. 1243.00</b> <b>Stop Loss : Rs. 1073.00</b> <b>52W H/L : Rs. 1238.4/767</b>
<b>HINDUSTAN ZINC LIMITED.</b> <b>Company engaged in mining of non-ferrous metals in India.</b> <b>Stock Return</b> <ul style="list-style-type: none"> <li>● 3 Months – (5.90)</li> <li>● 6 Months – (11.20)</li> <li>● 1 Year – (4.10)</li> <li>⚡ Beta: 0.50</li> <li>⚡ Market Cap: Rs. 512.30 Billion</li> </ul>	<b>BSE Code : 500188</b> <b>NSE Code : HINDZINC</b>  <b>CMP : Rs. 119.00*</b> <b>Target : Rs. 140.00</b> <b>Stop Loss : Rs. 113.00</b> <b>52W H/L : Rs. 146.8/106.9</b>
<b>RECOMMENDATION - REDUCE</b>	
<b>BHARTI AIRTEL LIMITED.</b> <b>Provider of telecommunication services, integrated telecom solutions, digital television and internet protocol television (IPTV).</b> <b>Stock Return</b> <ul style="list-style-type: none"> <li>● 3 Months – 1.00</li> <li>● 6 Months – 17.70</li> <li>● 1 Year – 3.80</li> <li>⚡ Beta: 0.90</li> <li>⚡ Market Cap: Rs. 1234.60 Billion</li> </ul>	<b>BSE Code : 532454</b> <b>NSE Code : BHARTIARTL</b>  <b>CMP : Rs. 313.05*</b> <b>Target : Rs. 285.00</b> <b>Stop Loss : Rs. 345.00</b> <b>52W H/L : Rs. 370.4/215.8</b>

For detailed analyst reports, please visit: [www.indbankonline.com](http://www.indbankonline.com) ⇨ Reports & Downloads ⇨ Equity Research \*Closing price as on 30.05.2013 on NSE

## Mutual Fund Corner

### Scheme of the Month

#### SBI EMERGING BUSINESSES FUND - GROWTH

**Fund Manager:** Mr. R Srinivasan

**Investment Objective :** To provide the investors maximum growth opportunity through equity investments in stocks of growth oriented sectors of the economy. The investment objective of the Emerging Business Fund would be to participate in the growth potential presented by various companies that are considered emergent and have export orientation/outourcing opportunities or are globally competitive by investing in the stocks representing such companies.

Current Statistics & Profile	
Latest NAV	57.2471 (28/05/13)
52-Week High	62.50 (04/01/13)
52-Week Low	44.33 (01/06/12)
Fund Category	Equity-Mid & Small Cap
Type	Open End
Launch Date	October 11 2004
Net Assets (Cr)	1231.10 (31.03.2013)
Benchmark	S&P BSE 500

### Trailing Returns

As on 28.05.2013	Fund Return	Category Return
Year to Date	(6.43)	(6.40)
1-Month	3.34	2.67
3-Month	2.62	2.66
<b>1-Year</b>	<b>25.90</b>	<b>15.01</b>
3-Year	18.23	5.08
5-Year	11.33	6.59
Return Since Launch 22.40		

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

Asset Allocation	
As on 30/04/2013	% Net Assets
Equity	90.04
Debt	10.11
Cash & Cash Equivalents	(0.15)

Investment Details	
Minimum Investment Amount	Rs.2000
Additional Investment	In multiples of Rs.500
SIP	Yes; Min Rs. 500; Min Months:12
Options	Dividend
Expense Ratio	2.19

Fund Style	Portfolio Characteristic - As on 30.04.13															
<div>Investment Style</div> <table><tr><td>Growth</td><td>Blend</td><td>Value</td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr><tr><td></td><td></td><td></td></tr></table>	Growth	Blend	Value													<div>Avg. Mkt. Cap – 4304.73 Cr</div> <div>Market Capitalization</div> <div>Giant – 9.43%</div> <div>Large – 3.99%</div> <div>Mid – 43.69%</div> <div>Small – 42.51%</div> <div>Tiny – 0.37%</div> <div>Portfolio P/B Ratio: 5.06</div> <div>Portfolio P/E Ratio: 22.98</div>
Growth	Blend	Value														

### PORTFOLIO – Top 10 Holdings as on 30/04/2013

Sl. No.	Name of Holding	Instrument	% Net Assets
1.	HDFC Bank	Equity	7.37
2.	Agro Tech Foods	Equity	5.89
3.	Divi's Laboratories	Equity	5.80
4.	Spicejet	Equity	5.78
5.	Page Industries	Equity	5.10
6.	Redington India	Equity	4.79
7.	Shriram City Union Finance	Equity	4.52
8.	Kansai Nerolac Paints	Equity	4.50
9.	Jaiprakash Power Ventures	Equity	4.34
10.	Goodyear India	Equity	3.85

### Top Sector Weightings – As on 30/04/2013

Sector	% Net Assets
Financial	15.27
Automobile	10.69
FMCG	10.25
Energy	9.92
Services	9.50

# Beginner's Corner

## TYPES OF INVESTORS

**IF YOU FAIL TO PLAN, YOU PLAN TO FAIL** – goes a famous proverb, which amply illustrates the importance of planning before we venture into any task. In the same line is another wise line “**BEST LAID PLANS DO GO HASTE**”. The answer is to always plan and have another plan if our plans fail.

Such planning helps in optimal utilization of the resources at our disposal. In this issue we will look into the various modes of planning and the advantages and disadvantages of each.

The broad categories of investment planning are

1. Active Investment Strategies
2. Passive Investment Strategies

### What is Active and Passive Investing?

**Active Investing:** Active investment strategy like the name suggests, is investing, taking advantage of fluctuations in the market. This investment strategy involves high risk and also yields higher returns. E.g. Derivatives.

**Passive Investing:** This investment strategy involves limited buying and selling. The intention here is long term appreciation and limited maintenance. E.g. Exchange Traded Funds, Index Funds.

### Comparison of Strategies

Criteria	Active Investing	Passive Investing
Management	Rigorous Research and analysis on various companies. Need to make informed decisions.	No detailed and significant investment decisions required.
Objective	Aims to beat the market or a stated benchmark.  Ability to maximize gains and minimize losses.	Aims to replicate the performance of the market – positive or negative  Gains and losses are minimized.

Criteria	Active Investing	Passive Investing
Resources	Time Resources required are higher due to increased level of skill, knowledge and involvement required for successful execution.	Not much of resources required.
Risk	High Exposure to market risk.	Exposure to risk is comparatively minimal.
Strategies	A range of investment strategies for investors to choose from including equity funds, bond funds, balanced funds etc.	No choice of investment strategy.
Investors	Mutual Fund Managers, Financial Institutions, Speculative Traders.	Long Term Investors, Retail Investors.

There has been a constant debate as to whether which type of investment yields more returns. Many studies have been performed to test which style has been more successful. However, we are yet to get conclusive evidence, which will answer the aforementioned questions.

But it has been acknowledged that both the strategies have appealing characteristics and have varying degrees of success, which is based on market conditions, economic conditions and time periods. The suitability of either investment approach or a combination of the two approaches is based on one's personal investment objectives and circumstances. The investment strategy one adopts should be according to one's needs.

“**No two men are alike**”, similarly, the priorities and needs of each investor is different. The pertinent point to note is that one should clearly define his investment objectives and make investment decisions in accordance with the same be it active, passive or a combination of both.

**MORE KNOWLEDGE IN OUR SUBSEQUENT ISSUES!!!**

**HAPPY INVESTING!!!**

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