

### Message

### From the President's Desk

#### Factors that affected the market of late

Stock Markets in the recent past, have been positively impacted by various factors through which we have been witnessing tremendous equity returns. The perception of a stable government at the Centre post-elections has boosted the positive sentiment among investors. The talk of economic reforms push by new ministers has instilled a sense of enthusiasm and dynamism in the minds of public. Government has expressed its intention to deregulate pricing of diesel, petrol and LPG and give freedom to oil marketing companies to sell them at market rates.

Following this trend, Foreign Institutional Investors have invested more than Rs 22,000 crores in India since May 1st against a net outflow of Rs 53,000 crores in 2008. The Accounting Standard that deals with the effects of changes in foreign exchange rates has helped quite a few large companies report a better profit picture for March 2009. The continuing liquidity in the system is also aiding the stock indices to some extent. Inflation is under control with the Wholesale Price Index hovering below one percent.

The prospect of new IPOs from public sector undertakings, like, NHPC, Oil India, BSNL, etc., and limited disinvestment in PFC, REC, NTPC and Power Grid Corporation had revived the capital market. Many reports also indicate that more number of demat accounts are being opened in the recent past.

Despite concerns about the economies in the developed world, the global markets are consolidating at this point of time giving a sentimental boost to the emerging markets like, India, China, Asian and other countries. The average assets under management (AUM) of mutual funds has whooped up by 15% in May 2009 to Rs 6.64 lakh crores. Real estate companies like Unitech, DLF and India Bulls Real Estate, have raised more than Rs 8,000 crores through qualified institutional placement in order to reduce their debt burden.

In spite of flourishing factors as stated above, there are little hitches which has not affected the market sentiments till date. Though several banks are reducing their lending as well as deposit rates' signaling a low-interest rate regime, credit growth continues to be sluggish at around 17 per cent which means some of the bankers are keeping low profile for lending. Oil prices have whooped more than 25% increase in the last one month. Exports continue to show poor performance with April 2009 exports registering a fall of 33% over April 2008. Even imports fell by 37% during April 2009 indicating poor performance from importers as well. Unemployment is said to be increasing particularly in the manufacturing and export-oriented sectors like, textiles, leather, gems & jewellery, etc.

Investors may fix a cut off rate for profit booking as well as cutting their losses. Set a warning point at certain percentage to prompt you to take action by looking for information that can be used to evaluate the future potential of your investment. Especially for a short investment period, investors may prefer a smaller percentage decline, to avoid big losses.

Safe and Sound Investing!

“  
Attractive  
returns  
witnessed  
in the  
Market



**PN PATEL**  
CEO, President and Whole Time Director  
Indbank Merchant Banking Services Ltd

(PN PATEL)

16.06.2009

For the first time in the history of the **Indian stock market**, trading was halted for a full day on both the Bombay and the National Stock Exchanges after the benchmark indices on the BSE and the NSE hit two upper circuit limits due to optimism about poll results. The BSE Sensex soared 17.34% on following the historic verdict given to the Congress led UPA which managed to secure 262 seats of the 543 seats in the house of India's parliament. Indian Stock markets outperformed the global indices during the month. Volume on cash as well as F&O segment shot up on renewed interest and expectation that equities will outperform all other asset classes. Midcaps and Smallcaps outperformed on most of the days. FIIs and MFs have been deploying surplus cash at attractive levels.

**India's exports** declined by 33.30% to US\$11.52 billion during March 2009 as against US\$17.25 billion in March 2008. **Imports** declined by 34.00% to US\$15.56 billion as against US\$23.57 billion in March 2008. **Trade deficit** during the financial year 2008-09 stood at US\$119.06 billion as against US\$88.52 billion in April-March 2007-08.

**India's economy** expanded 5.8% YoY in the fourth quarter ended March 2009. The GDP grew 6.7% for the FY09, slowing from 9% in the previous year, higher than market estimates of 6.5%.

The **Index of Industrial Production (IIP)** registered a decline of 2.30% in March 2009 compared to a growth of 5.5% in March 2008. The IIP growth for February 2009 has been revised upwards to a decline of 0.70% from a decline of 1.2%. The IIP growth declined to 2.4% during 2008-09 from 8.50% in 2007-08.

The **Government has issued bonds** worth Rs 10,305 crore for 2008-09 to the three state-owned oil marketing companies - IndianOil Corporation (IOC), Hindustan Petroleum Corporation (HPCL) and Bharat Petroleum Corporation (BPCL). India's leading 15 banks have restructure loans worth Rs. 40000 crore in the last fiscal. According to commerce ministry, investments into special economic zones (SEZs) fell by a quarter to Rs 37,000 crore in 2008-09 as against Rs 50,000 crore in 2007-08.

According to RBI data, loans to the real estate sector grew 61% on a year-on-year basis, with Rs 90,765 crore outstanding as on February 27, 2009. During the corresponding period in the previous year, the growth was 26.7%.

The Confederation of Indian Industry projected **India's GDP growth** of 6.1-6.5% in the current fiscal as demand for consumer goods and services is likely to get a boost due to cuts in taxes and interest rates. The IMF has projected the India's GDP growth rate of 4.8% for fourth quarter (October- December, 2009). He also added that India is expected to grow at 5.6% in 2010 and the view for the fourth quarter (October- December, 2010) is 5.9%.

## Snapshot

Particulars	01 May-09	08 May-09	15 May-09	22 May-09	29 May-09
Inflation(%)	0.57% (April 18, 09)	0.70% (April 25, 09)	0.48% (May 02, 09)	0.61% (May 09, 09)	0.61% (May 16, 09)
91-Day Cut-off (%)	3.3162	3.1532	3.2754	3.2754	3.3162
10-yr G-Sec yield (%)	6.4406	6.5950	6.6855	6.7932	6.9137
1-10 yr spread (bps)	259	286	291	297	299
USD/INR(Rs)	50.22	49.25	49.55	47.19	47.29
USD 6m LIBOR	1.58	1.49	1.38	1.17	1.26
10 Y US Treasury	3.17	3.29	3.12	3.45	3.46
USD/Euro Spot	0.753874	0.744879	0.739754	0.715717	0.70932

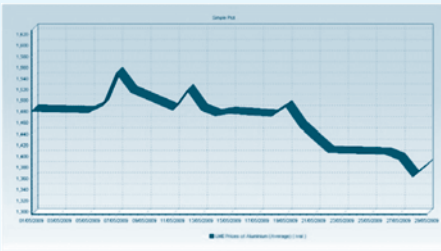
## Global Indices

Indices	Country	Index as on 30th April 2009	Index as on 29th May 2009	Variation (%) (Inc/ Dec)
NASDAQ	United States	1,717.30	1,774.33	3.32%
DJIA	United States	8,168.12	8,500.33	4.07%
S&P 500	United States	872.81	919.14	5.31%
Hang Seng	Hong Kong	15,520.99	18,171.00	17.07%
Nikkei 225	Japan	8,828.26	9,522.50	7.86%
Straits Times	Singapore	1,920.28	2,329.08	21.29%
FTSE 100	United Kingdom	4,243.70	4,417.90	4.10%
CAC 40	France	3,159.85	3,277.65	3.73%
DAX	Germany	4,769.45	4,940.82	3.59%
Shanghai Composite	China	2,477.57	2,632.93	6.27%
SENSEX	India	11,403.25	14,625.25	28.26%
NIFTY	India	3,473.95	4,448.95	28.07%

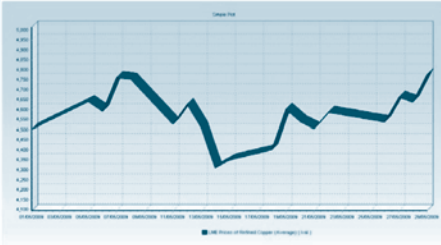
## Institutional Investments

Reporting Date	Debt / Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments	Equity	74776.40	54659.10	20117.20
	Debt	6489.50	9201.50	(2711.40)
Mutual Fund	Equity	18956.70	16665.70	2291.30
	Debt	26940.80	16572.70	10368.00
FII Derivative Trades	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	40260.62	44126.63	37885.44	624.03
-Sell	44422.3	41242.9	41793.72	192.1

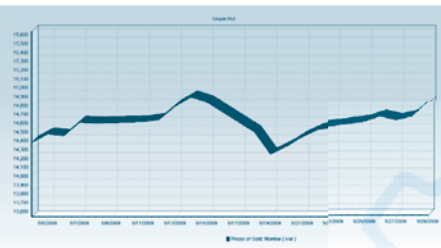
## Commodities Trend



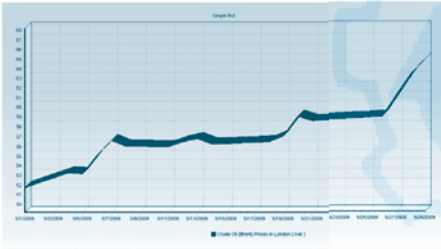
Aluminum



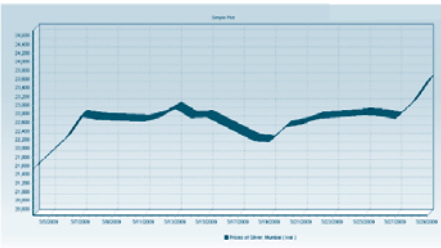
Copper



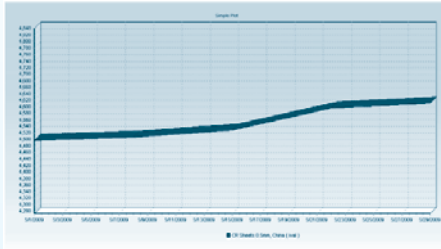
Gold



Oil



Silver



Steel

The World Bank's private sector lending arm, **International Finance Corporation (IFC)**, has said it will invest \$1 billion in Indian companies during its financial year beginning June 2009. The IMF is considering selling bonds to several developing countries to raise money to combat the global economic slump.

**US economy** contracted at a 6.1% in the first quarter after contracting at a 6.3% in the last three months of 2008.

Regulators' stress tests on the 19 largest U.S. banks showed that Bank of America Corp., Wells Fargo & Co. and Citigroup Inc. together require about \$54 billion in new capital. At the same time, Goldman Sachs Group Inc., JPMorgan Chase & Co. and Bank of New York Mellon Corp. have enough capital to help prop up flows of credit to businesses and consumers grappling with the worst recession in five decades.

Japan's Cabinet Office said the economy will shrink a record 3.3% this fiscal year as exports and corporate spending tumble at an unprecedented pace. **Japan's wholesale prices** fell 3.8%, the fastest pace in 22 years in April, adding to signs that deflation may return to the world's second-largest economy.

**ECB** cut its key interest rate to a new record low of 1%. President Trichet also announced the ECB will buy 60 billion euros (\$80 billion) of bonds.

**GDP in Europe** fell 2.5% in the first quarter, the most in at least 13 years.

**The Bank of Korea** left its benchmark interest rate unchanged at 2% and said it will keep an "accommodative policy stance for the time being" to support the economy amid signs of improvement.

**Crude oil** rose as the dollar fell to a four-month low against the euro on speculation the U.S. too may lose its AAA credit rating. Crude reached \$60.08 on May 12, the highest intraday price since Nov. 11, before closing lower, on concern the global economic recovery may falter, reducing demand for fuel.

The **Rupee** completed the biggest advance in 13 years on optimism the new govt., armed with a fresh mandate, will revive efforts to sell state assets and attract foreign investment.

**Wholesale prices** remained unchanged at 0.61% in the week to May 16, on the back of higher food and vegetables and manufactured goods prices. Though negative inflation is likely to set in due to high base effect in June-July but an improvement in aggregate demand coupled with high food prices may set off the effect. Even food items remained expensive while aviation turbine fuel prices also rose.

<p><b>P.N. Patel</b> President and Whole-time Director</p>	<p><b>Editorial Team</b> <b>P. Mugundan</b> Executive Vice President &amp; CS</p>	<p><b>K. Gayathri</b> Senior Project Executive</p>
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# IPO and NFO Review

## NEWS FROM IPO

- During the month of May, there was no activity in the primary market.
- Godrej Properties, the realty arm of Godrej, plans to come out with an IPO (initial public offering) this fiscal. This IPO is coming at a time when the realty index has given up 71% in the last year. The recent salary hike of government employees, as well as fall in property prices and cut in lending rates may give a support to the falling property prices.
- Kabirdass Motor Co has approached the Securities and Exchange Board of India (SEBI) with a draft prospectus for an initial public offer to partly finance its plans to invest more than Rs 100 crore in its business. The company is planning for different options to raise Rs 81.28 crore from the sale of its shares, including Rs 61.28 crore from the IPO. Apart from that, it has tied up for a bank term loan worth Rs 20 crore, as per its draft IPO prospectus filed with the SEBI. The total investment plan of Rs 101.28 crore includes those for land, building, plant and machinery, research and development, brand promotion and other expenses.
- With the market in “the most unstable phase”, Mahindra Holidays and Resorts, which is a part of the Mahindra group, is planning to enter the primary market only when the equities markets will stabilize, said a senior official.
- Reliance Capital is looking to come with the first-ever initial public offer (IPO) by an insurance company in India. For this purpose the company will take its subsidiary, Reliance Life Insurance public. The company is planning to divest 26 per cent in its insurance division through an IPO. In addition, the company will also initiate a strategic investor

## Forthcoming Issue

Company Name	Issue Type	Instrument Type	Face Value	Premium	Issue Open	Issue Close
Rishabhdev Technocable Ltd.	FPO (B)	Equity	10.00	29.00-33	04/06/2009	09/06/2009

## Corporate Announcements

Symbol	RecordDate	ExDate	Purpose
BRITANNIA	10/06/2009	09/06/2009	INT DIV-RS.40/- PER SHARE
JAYPEEHOT	12/06/2009	-	SCHEME OF AMALGAMATION
NATCOPHARM	05/06/2009	04/06/2009	INT DIV-RS.1.25 PER SHARE
PAGEIND	22/06/2009	19/06/2009	2ND INTERIM DIVIDEND
SUNDRMFAST	17/06/2009	16/06/2009	INT DIV-RE.0.50 PER SHARE
TATACAP	16/06/2009	09/06/2009	INTEREST PAYMENT
TCS	17/06/2009	16/06/2009	BONUS 1:1/DIV-RS.5 PER SH

The mutual fund (MF) industry had reported 15% growth in total asset under management (AUM) to Rs 6,64,450 crore as on May 31, 2009 as against Rs 5,93,516 crore as on April 30, 2009. The MF's Average Asset Under Management (AAUM) grew 15.94% to Rs 6,39,129.82 crore

for the month of May 2009 as against Rs 5,51,254.22 crore in April 2009. The AAUM of fund of funds (FoFs) in May 2009 was Rs 716.87 crore. The net inflow of MF industry had slowed down to Rs 30148 crore in May 2009 from Rs 154192 crore in April 2009.

## NFO

Scheme	Type	Class	Open Date	Close Date	Offer Price	Min. Inv. Amount
Edelweiss Nifty Enha	Open	Equity - Diversified	08/06/2009	10/06/2009	10.00	5000
Reliance Infrastr	Open	Equity - Diversified	25/05/2009	23/06/2009	10	5000

### **Dabur India to foray into beverages segment, 02/05/2009 The Economic Times**

Dabur India announced its foray into the fruit-flavoured beverages segment. Leveraging its flagship fruit juice brand 'Real' it has launched four flavours — mixed fruit, crispy apple, orange and mango under the brand name Real Burrst. Dabur's new product will take on the likes of Maaza and Frooti, which dominate the fruit-flavoured beverages market currently. Dabur controls a significant market share in the packaged fruit juice market, but did not have a presence in the plain beverage segment till now.

### **PNB Housing Finance in talks to dilute 49% stake, 02/05/2009 The Economic Times**

PNB Housing Finance, the housing finance arm of state-owned Punjab National Bank, is learnt to be in talks with several investors for diluting 49% stake. Sources close to the development say GE Capital and Tata Capital are the front-runners and have submitted termsheets for the transaction.

### **Shoppers Stop plans 12 new stores over 3 yrs, 05/05/2009 Business Standard**

Department store chain Shoppers Stop plans to open 12 more outlets with a total area of 650,000 sq ft in the next three years by taking advantage of the fall in mall rentals, reversal of service tax thereon and possible revival in the economy, a top company official has said.

### **SBI may raise Rs 20,000 cr thru rights, other options, 09/05/2009 Business Line**

State Bank of India might raise Rs 20,000 crore in 2009-10 preferably by way of a rights issue in order to fund its growth needs, according to its Chairman, Mr O.P. Bhatt.

### **Ford Motor plans to raise \$2b via equity issue, 13/05/2009 The Pioneer**

Ford Motor Company is planning to raise two billion dollars through an issue of 345 million common shares and part of the proceeds would be used to pay a union-managed healthcare trust, says a media report.

Ford Motor, the only one of the three Detroit carmakers surviving without a Government bail-out, has further distanced itself from its troubled rivals with plans for an equity issue that could raise close to two billion dollars.

### **Indiabulls Sec buyback from May 14, 14/05/2009 Business Line**

Indiabulls Securities said that its buyback offer will commence on May 14 instead of May 6. The offer will close on March 5, 2010. On April 22, the company had announced that it would be buying back between 50 lakh and 3.9 crore of its shares at a price not exceeding Rs 33 a share.

### **PMS troubles rise on new Sebi rules, 14/05/2009 Business Standard**

The Securities and Exchange Board of India's (Sebi's) recent clarification that portfolio management services (PMS) need to operate through individual bank accounts for individual customers is likely to add to the woes of the industry. The 200-odd players in the PMS business are already suffering, with clients unhappy with heavy losses incurred in the stock market. Last year Sebi had said that portfolio managers should not hold the securities belonging to the portfolio account in a single demat account but keep them in individual demat accounts.

### **CIBIL to launch mortgage repository product, 15/05/2009 Financial Express**

The Credit Information Bureau (India) Ltd or CIBIL, is working on a mortgage repository product in association with Indian Banks' Association (IBA) and National Housing Bank (NHB). Talking to the reporters at the launch

of the CIBIL TransUnion Personal Loan Score in Mumbai, Arun Thukral, managing director, CIBIL, said the product, which was likely to be launched by the end of the current fiscal, would have the details of the property.

### **RBI issues draft guidelines on STRIPS trading, 15/05/2009 Business Line**

In a bid to attract banks to trade in Separate Trading of Registered Interest and Principal of Securities (STRIPS), the Reserve Bank of India, in its draft guidelines on stripping/reconstitution of government securities, said that these financial instruments will be reckoned as eligible government securities for statutory liquidity ratio (SLR) purposes.

### **Gujarat NRE Coke plans to ramp up Australia production, 19/05/2009 The Economic Times**

Gujarat NRE Coke, one of the largest independent producers of met coke in India, plans to ramp up production in its two Australian coking coal mines from 0.8 million tonnes in 2008-09 to 2 mt this fiscal. The company's Australian subsidiary - Gujarat NRE Minerals Ltd - which recently secured a \$50 million long-term loan to support the mine development, expects to obtain another \$25 million loan in a month's time. The company is also open to new Australian mine acquisitions and is set to emerge as one of the largest coking coal producers in Australia.

### **Dr Reddy's to invest Rs 750 crore in two SEZs, 20/05/2009 Business Standard**

Dr Reddy's Laboratories (DRL), the second largest drug maker in the country, would invest about Rs 750 crore in setting up two special economic zones (SEZs) — one in Visakhapatnam and another in Hyderabad. Each SEZ will be spread over 250 acres and the land acquisition process has been completed, says managing director and chief operating officer Satish Reddy.

### **Morgan Stanley on India trumps Goldman on China, 22/05/2009 Financial Express**

India's stock market almost lost control this week, and it was a great thing for the nation. So intense was the euphoria over Prime Minister Manmohan Singh's election triumph that trading had to be halted for the rest of the day for the first time. The record 17% surge in the Sensitive Index said it all: India now has a unique opportunity to get its act together. The question is, will it? The odds are that India will do so now that Singh has a clear mandate free of the small-party bosses that have stymied India's reform process.

### **Sebi releases draft framework for wireless securities trading, 29/05/2009 Financial Express**

In a significant initiative that would further broaden securities trading in India, markets regulator Sebi has released the proposed framework for using wireless technology (read: mobile devices) for such trades and has invited comments from market participants. Sebi has proposed extending the existing framework of Internet trading for the purpose, subject to security and encryption safeguards.

### **RBI panel deliberates on financial market development, 31/05/2009 Business Line**

A meeting of the High-Level Coordination Committee on Financial Markets (HLCCFM) was held at the Reserve Bank of India.

The committee discussed the developments in financial markets such as the corporate bond market, regulatory issues relating to ULIPs and mutual funds, and investment in security receipts issued by the Asset Reconstruction Companies, said a press release issued by the RBI.

## List of Companies

Sl. No.	Company Long Name	Industry	Incorporation (Rs.)	Face Value (Latest)	Year End (Rs. in Curr.)	Equity Paid Up (Rs. in Curr.)	Net-worth annualised)	Net Sales (Latest)	PAT (Rs. in Curr.) %	Book Value Unit Curr	EPS (annu alised) (Unit Curr)	Dividend (annu alised) (Latest)	Payout (%) (Latest)	ROCE (%) (Latest)	RONW (%) (Latest)
1	LIC Housing Finance Ltd	Finance - Housing - Large	1989	10	200803	85	1831.66	2183.41	387.19	215.49	43.85	100	22.78	10.12	22.94
2	Hindustan Petroleum Corporation Ltd	Refineries	1952	10	200803	339.01	10563.29	105215.6	1134.88	311.59	32.97	30	9.09	8.87	12.61
3	Indian Oil Corporation Ltd	Refineries	1959	10	200803	1192.37	41086.25	246763.5	6962.58	344.58	57.75	55	9.52	16.88	18.34
4	Power Finance Corporation Ltd	Finance - Term-Lending Institutions	1986	10	200803	1147.77	10396.6	5041.72	1206.76	90.58	9.92	35	35.29	10.51	11.94
5	Oil & Natural Gas Corpn Ltd	Oil Exploration / Allied Services	1993	10	200803	2138.89	70617.4	59848.3	16701.65	330.16	72.65	320	44.05	31.82	25.2
6	Bharat Heavy Electricals Ltd	Electric Equipment - General - Large	1964	10	200803	489.52	10774.21	19492.05	2859.34	220.1	55.82	152.5	27.32	45.23	29.23
7	State Bank of India	Banks - Public Sector	1955	10	200903	634.88	57947.7	63788.43	9121.23	912.73	139.76	290	20.75	0	17.05
8	NTPC Ltd	Power Generation And Supply	1975	10	200803	8245.5	54012	37091	7414.8	65.5	8.4	35	41.68	15.72	14.36
9	GMR Infrastructure Ltd	Diversified - Medium / Small	1996	2	200803	364.13	5604.57	102.77	62.7	30.78	0.34	0	0	2.09	1.52
10	HDFC Bank Ltd	Banks - Private Sector	1994	10	200803	354.43	11497.23	10115	1590.18	324.39	43.42	85	19.58	0	17.74
11	Steel Authority of India Ltd	Steel - Large	1973	10	200803	4130.4	23063.57	39768.18	7536.78	55.84	17.62	37	21	49.43	37.33
12	NMDC Ltd	Mining / Minerals	1958	1	200803	132.16	8289.65	5711.31	3250.98	627.24	237.61	385	20.75	70.48	46.14
13	Reliance Infrastructure Ltd	Power Generation And Supply	1929	10	200803	235.62	10259.78	6152.12	1084.63	431.11	44.97	63	13.94	9.8	11.48
14	Kotak Mahindra Bank Ltd	Banks - Private Sector	1985	10	200803	344.67	3535.49	2535.36	293.93	102.58	8.4	7.5	8.93	0	11.37
15	Axis Bank Ltd	Banks - Private Sector	1993	10	200903	359.01	10213.59	10835.49	1815.36	284.49	48.85	100	20.47	0	19.13
16	Larsen & Toubro Ltd	Engineering - Turnkey Services	1946	2	200803	58.47	9529.18	24876.25	2173.42	325.95	71.73	850	23.65	31.82	28.47
17	Bharti Airtel Ltd	Telecommunications - Service Provider	1995	10	200803	1897.91	20181.73	25761.11	6244.19	106.34	32.9	0	0	34.88	39.53
18	Grasim Industries Ltd	Diversified - Mega	1947	10	200803	91.67	8132.19	10278.68	2232.6	887.12	239.03	300	12.55	29.04	27.93
19	ICICI Bank Ltd	Banks - Private Sector	1994	10	200903	1113.29	49533.02	31092.55	3758.13	444.92	32.4	110	33.95	0	7.83
20	Reliance Industries Ltd	Refineries	1966	10	200803	1453.39	78894.94	133805.8	19458.29	542.83	131.97	130	8.5	18.81	21.9
21	Jindal Steel & Power Ltd	Steel - Sponge Iron	1979	1	200803	15.4	3724.26	5351.78	1236.96	241.84	79.64	400	5.06	25.72	39.89
22	Housing Development Finance Corporation Ltd	Finance - Housing - Large	1977	10	200803	284.03	11947.34	8176.35	2436.25	420.64	81.53	250	30.67	11.01	22.59
23	Asian Paints Ltd	Paints / Varnishes	1945	10	200903	95.92	1094.47	4495.05	362.36	114.1	34.8	175	50.28	51.26	35.82
24	Infosys Technologies Ltd	Computers - Software - Large	1981	5	200903	286	17809	20264	5819	311.35	97.74	470	24.06	43.07	37.18
25	IVRCL Infrastructures & Projects Ltd	Construction - Civil / Turnkey - Large	1987	2	200803	26.7	1602.71	3698.11	210.48	120.05	15.53	70	9.02	17.7	14.43
26	Divis Laboratories Ltd	Pharmaceuticals - Indian - Bulk Drugs	1990	2	200803	12.91	873.98	1033.22	353.55	135.4	54.09	200	7.39	47.69	49.94
27	Cairn India Ltd	Oil Exploration / Allied Services	2006	10	200712	1778.4	29278.77	1.27	-78.82	164.64	0	0	0	0	0
28	Sesa Goa Ltd	Mining / Minerals	1965	1	200803	39.36	2791.13	3602.16	1492	709.13	371.42	450	12.12	104.17	69.44
29	Tata Power Company Ltd	Power Generation And Supply	1919	10	200803	220.72	8037.92	5937.18	869.9	352.27	38.26	105	28.58	7.67	8.12
30	Reliance Capital Ltd	Finance - Large	1986	10	200803	246.16	6025.23	2036.69	1025.45	244.77	40.73	55	13.48	14.48	18.33
31	Wipro Ltd	Computers - Software - Large	1945	2	200803	292.3	11552.7	17492.6	3063.3	79.05	19.94	300	30.07	28.71	29.36
32	Indian Overseas Bank	Banks - Public Sector	1937	10	200903	544.8	5941.39	9641.4	1325.79	109.06	23.57	45	19.09	0	24.8
33	Reliance Power Ltd	Power Generation And Supply	1995	10	200803	2259.95	13542.68	0	94.67	59.92	0.42	0	0	1.27	1.1
34	Tata Consultancy Services Ltd	Computers - Software - Large	1995	1	200903	97.86	13346.25	22404	4696.21	136.38	45.53	1400	30.75	42	38.67
35	Educomp Solutions Ltd	Computers - Education	1994	10	200803	17.25	278.55	262.1	70.06	161.48	40.19	25	6.23	24.59	35.63
36	DLF Ltd	Construction - Housing - Large	1963	2	200803	340.96	11269.15	5532.84	2574.59	66.1	14.42	200	27.74	26.34	43.19
37	Century Textiles & Industries Ltd	Diversified - Mega	1897	10	200803	93.04	1286.73	3504.71	279.43	138.3	29.27	45	15.38	24.01	29.9
38	Punj Lloyd Ltd	Construction - Civil / Turnkey - Large	1988	2	200803	60.69	2409.19	4488.57	221.44	79.39	7.23	20	5.53	15.48	12.63
39	Tata Motors Ltd	Automobiles - LCVs/HCVs	1945	10	200803	385.54	7813.99	28529.4	2028.92	202.68	50.52	150	29.7	24.08	27.68
40	Tech Mahindra Ltd	Computers - Software - Large	1986	10	200803	121.4	1228.4	3604.7	325.7	101.19	25.9	55	21.25	74.91	66.65
41	Chennai Petroleum Corporation Ltd	Refineries	1965	10	200803	149	3464.52	28153.49	1122.95	232.52	72.48	170	23.44	36.91	36.8
42	HCL Technologies Ltd	Computers - Software - Large	1991	2	200806	133.27	3213.12	4615.39	780.65	48.22	10.19	450	88.17	23.52	20.73
43	Reliance Communication Ltd	Telecommunications - Service Provider	2004	5	200803	1032.01	24840.03	14792.05	2586.45	120.35	12.4	15	6.05	8.66	11.4
44	Hindalco Industries Ltd	Aluminium	1958	1	200803	122.65	17296.32	18982.55	2860.94	141.02	23.01	185	8.04	14.57	19.26
45	JSW Steel Ltd	Steel - Large	1994	10	200803	248.08	7388.32	11391.05	1728.19	297.82	66.5	140	15.87	24.05	26.8
46	Tata Steel Ltd	Steel - Large	1907	10	200803	730.78	21828.21	19654.78	4687.03	298.7	61.06	160	26.2	23.32	26.08
47	Welspun Gujarat Stahl Rohren Ltd	Steel - Tubes / Pipes	1995	5	200803	88.88	1489.47	3857.89	351.42	83.79	19.5	30	8.05	23.86	32.9
48	Suzlon Energy Ltd	Electric Equipment - Gensets / Turbines	1995	2	200803	299.39	6937.44	6926.01	1265.71	46.34	8.29	50	12.07	22.2	26.68
49	Unitech Ltd	Construction - Housing - Large	1971	2	200803	324.68	2143.82	2802.28	1030.68	13.21	6.31	12.5	3.96	23.4	62.37
50	Aban Offshore Ltd	Oil Exploration / Allied Services	1986	2	200803	7.56	706.92	657.92	159.1	187.02	33.42	180	10.77	15.34	25.03

# Picks

## Based on Returns (%)

BSE Code	NSE Symbol	BSE Group	Latest Equity (Subscribed) (Rs in Cr.)	Latest Reserve (Rs. in Curr.)	Latest Book value Unit Curr	Latest EPS - Unit Curr.	Latest Market Price - Unit Cr. 9-6-09	Latest P/E Ratio	52 Week High - Unit Curr	52 Week High - Date	52 Week Low Unit Curr	52 Week Low - Date	Dividend Yield %	1 Month %	3 Months %	6 Months %	1 Year %	2 Year %
500253	LICHSGFIN	A	84.99	2149.1	262.87	62.55	527.5	8.5084	557.9	6/5/2009	151	12/2/2008	1.8777	44.28%	159.79%	222.33%	52.54%	208.30%
500104	HINDPETRO	A	339.33	10391.62	316.24	16.94	362.95	19.0348	397.55	5/29/2009	164.1	10/27/2008	0.9285	31.74%	29.72%	52.72%	46.09%	30.11%
530965	IOC	A	1213.98	42784.21	362.43	24.3	609	22.8601	662	5/29/2009	299	10/27/2008	0.9725	37.55%	39.14%	48.09%	45.61%	26.00%
532810	PFC	A	1147.77	10299.86	99.74	11.81	193.65	16.6384	227	5/19/2009	86.2	10/27/2008	1.7812	25.87%	34.15%	75.17%	44.03%	18.26%
500312	ONGC	A	2138.87	68478.51	330.16	77.16	1169.25	14.663	1218.95	5/29/2009	538.1	10/27/2008	2.8284	35.21%	69.21%	68.53%	37.03%	27.24%
500103	BHEL	A	489.52	12449.29	264.32	64.11	2178.15	35.0772	2334	5/19/2009	984.1	10/27/2008	0.6781	31.55%	55.16%	60.21%	36.33%	52.45%
500112	SBIN	A	634.88	57312.82	912.73	139.79	1868.85	12.5671	1935	6/3/2009	894	3/9/2009	1.6508	46.16%	82.27%	71.68%	27.90%	49.78%
532555	NTPC	A	8245.46	49124.8	69.58	9.95	215.4	21.402	233	6/2/2009	113	10/27/2008	1.6436	13.37%	16.43%	35.09%	25.78%	34.00%
532754	GMRINFRA	A	364.13	5338.09	31.32	0.54	164.55	307.2222	183.5	6/5/2009	45.6	10/27/2008	0	45.62%	108.42%	207.86%	22.80%	60.51%
500180	HDFCBANK	A	425.77	14220.95	344.01	52.73	1444.5	26.8434	1498	5/19/2009	774	3/6/2009	0.4999	31.28%	62.39%	56.54%	9.47%	26.22%
500113	SAIL	A	4130.4	23853.7	67.75	14.92	172.7	11.1093	186	6/3/2009	55.25	11/20/2008	2.2323	58.15%	127.09%	159.11%	7.30%	20.18%
526371	NMDC	A	396.47	11240.44	29.35	11.03	448.7	37.4343	489	6/1/2009	115.2	11/28/2008	0.398	126.67%	195.78%	253.72%	4.30%	
500390	RELINFRA	A	226.42	10308.14	465.27	50.3	1272	24.2167	1373.7	6/1/2009	354	10/27/2008	0.5356	82.97%	159.04%	152.41%	2.57%	128.92%
500247	KOTAKBANK	A	346.2	3467.95	110.17	7.98	678.55	85.5576	701.85	5/29/2009	208.05	3/6/2009	0.1095	76.13%	161.53%	102.40%	-0.20%	17.60%
532215	AXISBANK	A	359.44	9854.58	284.16	48.93	778.95	14.8212	849	5/19/2009	278.5	3/9/2009	1.3773	39.77%	123.90%	90.69%	-0.52%	38.63%
500510	LT	A	117.25	12317.96	212.11	47.01	1402.2	34.7511	1800	6/8/2009	557	3/9/2009	0.5172	59.46%	128.46%	92.81%	-2.70%	51.09%
532454	BHARTIARTL	A	1898.31	26188.93	147.96	40.79	820.9	19.9265	990	5/19/2009	484	10/27/2008	0	9.05%	28.57%	22.33%	-4.37%	-1.84%
500300	GRASIM	A	91.67	9372.08	1032.37	179.77	2103.15	13.5693	2670	6/5/2009	831	10/27/2008	1.2299	18.06%	53.17%	137.32%	-4.83%	-16.32%
532174	ICICIBANK	A	1113.29	48419.73	444.92	32.4	740.15	22.7022	826	6/18/2008	252.75	3/6/2009	1.4954	54.46%	125.97%	110.48%	-7.05%	-19.60%
500325	RELIANCE	A	1573.8	107793.3	694.92	99.05	2271.9	23.425	2490	5/19/2009	930	10/27/2008	0.4467	25.78%	79.45%	100.26%	-7.75%	29.31%
532286	JINDALSTEL	A	15.47	5285.63	342.67	99.32	2090.4	22.9923	2365	6/1/2009	517.3	10/27/2008	0.1756	28.25%	100.43%	190.82%	-8.74%	221.38%
500010	HDFC	A	284.5	12859.02	461.99	80.23	2179.6	29.2908	2594.7	8/11/2008	1116.1	3/6/2009	1.0621	26.21%	71.02%	48.33%	-10.42%	20.23%
500820	ASIANPAINT	A	95.92	998.55	114.1	34.92	1080	32.6432	1300	6/11/2008	680.9	3/13/2009	1.5352	21.59%	37.33%	21.41%	-14.24%	29.82%
500209	INFOSYSTCH	A	286.41	17523	310.91	97.6	1605.1	18.397	1965	6/9/2008	1040	10/10/2008	1.3077	6.35%	30.36%	29.04%	-14.87%	-17.84%
530773	IVRCLINFRA	A	26.7	1781.03	135.41	16.93	329.25	20.062	390.9	6/18/2008	56.5	10/27/2008	0.4122	107.27%	202.34%	144.43%	-18.19%	-8.53%
532488	DIVISLAB	A	12.97	1248.84	194.57	65.45	1150.95	18.2361	1634.95	6/18/2008	765.05	3/6/2009	0.3336	34.77%	32.54%	-6.16%	-18.99%	14.78%
532792	CAIRN	A	1896.67	29976.2	168.05	0.24	231.85	0	304.9	6/9/2008	88.15	10/27/2008	0	24.89%	38.79%	63.68%	-19.43%	55.34%
500295	SESAGOA	A	78.72	4439.06	57.39	24.68	165.4	7.2974	194	6/13/2008	60	11/24/2008	1.2494	47.88%	104.20%	121.57%	-20.00%	97.54%
500400	TATAPOWER	A	221.73	7906.57	366.59	32.06	1070.45	37.8556	1326.65	6/13/2008	531.5	10/27/2008	0.8621	19.36%	47.27%	60.12%	-21.48%	78.62%
500111	RELCAPITAL	A	245.63	6747.08	284.68	39.41	942.45	24.3479	1470	8/6/2008	274.2	3/9/2009	0.5732	79.69%	167.32%	110.09%	-23.52%	-3.94%
507685	WIPRO	A	293.05	13357.7	93.16	20.3	382.25	21.3153	498.9	6/17/2008	181.7	10/27/2008	1.3825	15.54%	84.22%	57.53%	-25.29%	-29.29%
532388	IOB	A	544.8	5396.59	109.06	22.76	91.2	3.8093	120.6	6/18/2008	37.55	3/9/2009	5.1903	41.72%	96.76%	46.27%	-25.85%	-20.83%
532939	RPOWER	A	2396.8	11396.01	57.55	1.04	180.9	176.9231	195	6/18/2008	82	10/27/2008	0	46.72%	80.99%	63.71%	-29.11%	
532540	TCS	A	97.86	13248.39	136.38	45	704.6	17.3789	965	6/9/2008	418	10/27/2008	1.7902	12.99%	45.85%	25.96%	-29.16%	-42.77%
532696	EDUCOMP	A	17.3	385.21	232.66	74.12	2821.6	39.5939	4020	9/2/2008	1331	2/6/2009	0.0851	14.02%	71.44%	23.17%	-30.49%	50.12%
532868	DLF	A	339.44	11794.17	171.49	9.12	406.5	44.1557	576	8/12/2008	124.15	2/4/2009	0.9978	76.55%	167.43%	104.89%	-30.85%	
500040	CENTURYTEX	A	93.04	1385.43	158.91	28.36	452.85	16.4951	637.85	6/18/2008	113.1	12/2/2008	0.962	97.49%	152.85%	240.36%	-33.30%	-27.61%
532693	PUNJLLOYD	A	60.7	2543.26	85.8	10.4	204.1	20.4567	316.8	9/22/2008	66.65	3/6/2009	0.188	76.18%	157.86%	48.92%	-34.24%	3.79%
500570	TATAMOTORS	A	514.29	11691.03	237.32	10.73	336.85	33.672	520.72	6/18/2008	122	11/20/2008	3.113	38.17%	125.62%	146.06%	-40.37%	-53.05%
532755	TECHM	A	121.77	1852.87	162.16	81.03	473.65	9.1843	828	6/17/2008	203.7	1/23/2009	0.7371	44.45%	90.49%	109.95%	-43.45%	-68.26%
500110	CHENNPETRO	A	148.94	2918.24	205.93	0	187.55	0	352.9	6/18/2008	78	3/12/2009	8.8942	63.09%	107.01%	78.36%	-44.21%	-26.61%
532281	HCLTECH	A	133.97	3079.85	47.98	11.81	166.9	16.4479	309.9	6/9/2008	89.1	3/12/2009	4.6	28.53%	66.57%	21.38%	-46.04%	-51.31%
532712	RCOM	A	1032.01	26006.15	131	9.45	305.65	35.1587	564.8	6/9/2008	131.35	3/9/2009	0.2257	42.30%	96.62%	56.34%	-46.53%	-41.37%
500440	HINDALCO	A	170.07	21670.96	128.42	17.87	84.65	5.263	164.11	6/10/2008	36.9	3/3/2009	1.4185	57.49%	119.30%	59.87%	-50.69%	-35.45%
500228	JSWSTEEL	A	187.05	7422.24	406.81	55.04	553.15	10.0818	1129	6/11/2008	161.15	3/9/2009	2.523	61.50%	193.92%	193.99%	-52.01%	-12.97%
500470	TATASTEEL	A	730.59	21097.43	298.77	76.53	405.35	5.7429	864.9	6/16/2008	146.35	11/26/2008	3.6405	70.24%	134.58%	167.73%	-54.77%	-27.29%
532144	WELGUJ	A	93.24	1486.55	84.72	12.53	169	17.4302	386.45	6/18/2008	48.5	3/12/2009	0.6546	67.99%	172.14%	109.81%	-55.16%	-3.73%
532667	SUZLON	A	299.66	6638.05	46.3	7.29	97.9	17.2428	279.6	6/11/2008	33.05	3/12/2009	0.7948	53.93%	140.84%	135.05%	-64.42%	-62.26%
507878	UNITECH	A	408.89	3356.03	18.42	4.38	79.6	20.2854	210.85	6/18/2008	21.8	11/28/2008	0.2234	80.70%	181.77%	243.84%	-66.52%	-73.66%
523204	ABAN	A	7.56	941.34	251.03	67.62	904.65	16.0589	3843	6/18/2008	224.1	3/9/2009	0.3316	122.25%	185.15%	31.61%	-77.82%	-64.58%

# Stock Watch

## LIC Housing Finance Ltd

Profile of LIC Housing Finance Ltd			
Group: Indian Private			
<b>Industry</b>	Finance - Housing - Large	<b>BSE Code</b>	500253
<b>Chairman</b>	T S Vijayan	<b>BSE Group</b>	A
<b>Auditors</b>	P C Hansotia & Co	<b>NSE Symbol</b>	LICHSGFIN
<b>Secretary</b>	Nitin K jage	<b>ISIN Demat</b>	INE115A01018
<b>Inc. Year</b>	1989	<b>Reuters</b>	LICH.BO
<b>AGM Date</b>	21/07/2009	<b>Bloomberg</b>	LICHF IN
<b>Group</b>	Government of India	<b>Face Value</b>	10

LIC Housing Finance (LICHFL) is one of the largest housing finance companies in India, providing long-term finance to individuals for purchase, construct, repair and renovate new and existing apartments and houses. It also provides finance on existing property for business and personal needs and gives loans to professionals for purchase and construction of clinics, nursing homes, diagnostic centers and office space.

LICHFL has six regional offices, 14 backoffices and 126 marketing units across India backed by a chain of camp offices. In addition, the company has appointed over 934 direct sales agents, 4,865 home loan agents and 485 customer relationship associates to extend its marketing reach. Backoffices the credit appraisal and administrative functions. A representative office has been set up in Dubai in the UAE and Kuwait to cater to the non-resident indians in the Gulf countries covering Bahrain, Dubai, Kuwait, Qatar and Saudi Arabia.

### Shareholding Pattern as on 31st March 2009

Category of shareholder	Total number of shares	Total shareholding as a percentage of total number of shares (%)
<b>Shareholding of Promoter and Promoter Group</b>		
Financial Institutions / Banks	34688499	40.84
Mutual Funds / UTI	10912461	12.85
Financial Institutions / Banks	330251	0.39
Central Government / State Government (s)	3480	0
Venture Capital Funds	1000	0
Insurance Companies	4760974	5.61
Foreign Institutional Investors	18343152	21.6
Bodies Corporate	5207518	6.13
Individuals	10650065	12.54
Shares held by Custodians and against which Depository Receipts have been issued	35200	0.04
<b>GRAND TOTAL</b>	<b>84932600</b>	<b>100</b>

### Industry Overview

The real estate sector, which had come to a standstill in the second half of 2008-09, has started seeing buying interest once again following the correction in property rates and softening of interest rates. The cap put on interest rates for housing loans up to Rs.20 lakh per dwelling per family by the government has prompted almost all renowned builders to venture into low cost housing projects. Work on some of these projects has already started. This is expected to stimulate demand in a gamut of sectors such as steel, cement, paints, glass and ceramic products.

### Dividend History

The Board of Directors have recommended dividend of 130 % for the year 2009

Year End	Dividend - Amount (Rs in Crores)	Dividend - %	Div. Yield - %
200803	84.93	100	3.58
200703	67.95	80	5.81
200603	50.96	60	3.16
200503	42.47	50	2.12
200403	37.46	50	2.74

The Company's sanctions recorded a growth of 26% at Rs 10898 crore and disbursements recorded growth of 24% to Rs 8762 crore for the full year 2009. The Gross NPA as on 31.3.2009 stood at Rs 297 crore as against Rs 373 crore as on 31.3.2008, a reduction of 20%. The Gross NPA of the Company stood at 1.07% on 31.3.2009 as against 1.70% as on 31.3.2008. Net NPA were 0.21 % as against 0.64 % for the corresponding dates. The provision cover on the NPA stood at 81 % as on 31.3.2009. The Net Interest Margins for the year 2009 stood at 2.95%.The capital adequacy ratio increased from 13.34% in FY08 to 15.79% as on FY09 (well above regulatory measure of 12%).

### Financial Snapshot (Rs. Crores)

	FY 2007-08	FY 2006-07	FY 2005-06	Q 200903	Q 200803
Equity	85	85	85	85	85
Networth	1831.66	1543.84	1345.51	-	-
Capital Employed	22176.08	17876.43	15125.92	-	-
Sales	2183.41	1587.86	1272.87	754.43	572.36
Rate of Growth(%)	37.51%	24.75%		31.81%	-
Other Income	29.88	9.29	17.86	15.6	22.91
PBIDT	2030.25	1465.49	1126	761.53	586.63
Rate of Growth(%)	38.54%	30.15%		29.81%	-
PBT	532.3	353.79	261.74	217.05	179.56
PAT	387.19	279.15	208.57	157.56	118.1
Rate of Growth(%)	38.70%	33.84%		33.41%	-
Book Value (Rs)	215.49	181.63	158.30	-	-
EPS (Unit Curr.)	45.55	32.84	24.54	18.54	13.89
PBIDTM(%)	91.73%	91.76%	87.24%	100.94%	102.49%
PBIDTM(%)	24.22%	22.39%	20.62%	28.97%	31.60%
PATM(%)	17.49%	17.48%	16.16%	20.88%	20.63%



## Hindustan Petroleum Corporation Ltd

Profile of Hindustan Petroleum Corporation Ltd			
Group: Government of India			
Industry	Refineries	BSE Code	500104
Chairman	Arun Balakrishnan	BSE Group	A
Auditors	Sudit K Parekh & Co/ V Sankar Aiyar & Co	NSE Symbol	HINDPETRO
Secretary	N R Narayanan	ISIN Demat	INE094A01015
Inc. Year	1952	Reuters	HPCL.BO
AGM Date	22/09/2008	Bloomberg	HPCL IN
Financial Year	March	Face Value	10

HPCL is a Fortune 500 company, relating with the business of oil refining and marketing is since the year 1974. Before it was called as Standard Vacuum Refining Company, then it was ESSO India, When ESSO and Lube India were nationalised, the company was renamed to HPCL. It is a mega Public Sector Undertaking (PSU) with Navratna status. HPCL accounts for about 16% of the market share and 10.3% of the nation's refining capacity with two coastal refineries in West and East coasts. The West Coast at Mumbai having a capacity of 5.5 MMTPA and the other East Coast in Vishakapatnam with a capacity of 7.5 MMTPA. HPCL also owns and operates the country's largest Lube Refinery, producing Lube Base Oils (LOB) of international standards. With a capacity of 335,000 Metric Tonnes. This refinery accounts for over 40% of the country's total Lube Base Oil production. HPCL have a joint venture refinery at Mangalore, two cross country pipelines and an extensive network of terminals, depots, bottling plants and aviation servicing facilities.

The company has branded its retail outlets under the name 'CLUB HP' and also launched 'Turbojet' branded diesel and the 'Power' branded petrol in India. HPCL received Golden Peacock Award for Excellence in Corporate Governance for the year 2003, 2006 and also 2007. HPCL is planning to invest around Rs. 614 crore in two sugar mills it had bought

### Shareholding Pattern as on 31st March 2009

Category of shareholder	Total number of shares	Total shareholding as a percentage of total number of shares (%)
<b>Shareholding of Promoter and Promoter Group</b>		
Central Government / State Government (s)	173076750	51.11
<b>Public shareholding</b>		
Mutual Funds / UTI	30934635	9.14
Financial Institutions / Banks	288364	0.09
Insurance Companies	64470309	19.04
Foreign Institutional Investors	33212733	9.81
Bodies Corporate	16866872	4.98
Individuals	19777587	5.84
<b>GRAND TOTAL</b>	<b>338627250</b>	<b>100</b>

in Bihar to manufacture ethanol to be blended with petrol. The HPCL board had already given its approval to the investment proposal.

The vast marketing network of the Corporation consists of Zonal offices in major cities and over 91 Regional offices facilitated by a Supply & Distribution infrastructure comprising Terminals, Aviation Service Stations, LPG Bottling Plants, and Inland Relay Depots & Retail Outlets. The Corporation over the years has moved from strength to strength on all fronts. The refining capacity steadily increased from 5.5 million tonnes in 1984/85 to 13.70 million metric tonnes (MMT) presently.

### Industry Overview

The petroleum industry commenced 2009-10 with a sharp fall in refinery throughput and a marginal growth in petro-products consumption. In April 2009, refinery throughput declined by 4.3 per cent due to maintenance shutdowns of refineries by Bharat Petroleum, Essar Oil and Reliance Industries. Consumption of petro-products was up by a marginal one per cent during the month. The consumption of fuels like diesel and petrol was healthy due to rabi crop harvesting and general elections. However, demand for most other petro-products recorded a decline or a marginal increase.

### Dividend History

Year End	Dividend-Amount	Dividend-%	Div. Yield-%
200803	239.96	85	6.44
200803	101.59	30	1.17
200703	610.8	180	7.3
200603	101.8	30	0.93
200503	509	150	4.9
200403	746.81	220	4.33

### Financials

Financial Snapshot (Rs. Crores)					
	FY 2007-08	FY 2006-07	FY 2005-06	Q 200903	Q 200803
Equity	339.01	338.95	338.94	339.01	339.01
Networth	10563.29	9598.65	8735.74	-	-
Capital Employed	27349.99	20116.18	15399.57	-	-
Sales	113000.8	97647.13	77484.93	25154.21	31470.61
Rate of Growth(%)	15.72%	26.02%		-20.07%	-
Other Income	1203.2	690.56	358.32	216.73	133.8
PBIDT	2751.97	3094.14	1151.21	5863.68	522.12
Rate of Growth(%)	-11.06%	168.77%		1023.05%	-
PBT	1108.67	1967.16	285.1	5227.26	-25.25
PAT	1134.88	1571.17	405.63	5104.04	384.51
Rate of Growth(%)	-27.77%	287.34%		1227.41%	-
Book Value (Rs)	311.59	283.19	257.74	-	-
EPS (Unit Curr.)	33.48	46.35	11.97	150.56	11.34
PBIDTM(%)	2.62%	3.17%	1.49%	23.31%	1.66%
PBDTM(%)	1.92%	2.74%	1.26%	21.81%	0.74%
PATM(%)	1.13%	1.61%	0.52%	20.29%	1.22%

## Mutual Fund Corner

### Scheme for the Month

### BIRLA SUN LIFE PURE VALUE FUND - GROWTH

**Fund Manager: Ajay Argal, Since: Jan. 2008**

#### Investment Objective

The scheme seeks to generate consistent long-term capital appreciation by investing predominantly in equity and equity related securities by following value investing strategy i.e buying into stocks that are trading for less than their intrinsic value - stocks that the market is undervaluing. investment can also go up to 50 per cent.

#### Current Statistics & Profile

Latest NAV	11.3807 (10/06/09)
52-Week High	11.5184 (04/06/09)
52-Week Low	6.5323 (09/03/09)
Fund Category	Equity: Diversified
Type	Close End (to be converted to Open fund)
Launch Date	March 2008
Net Assets (Cr)	97.06 (31/05/09)
Benchmark	BSE 200

#### Trailing Returns

As on 29th May 2009	Fund Return	Category Return
Year to Date	49.73	48.18
1-Month	30.73	32.77
3-Month	74.22	78.32
1-Year	22.05	-7.13

Note: Return less than 1 year are absolute and over 1 year are annualized

#### Asset Allocation

As on 31/05/09	% Net Assets
Equity	92.73
Debt	0.00
Others	7.27

#### Credit Rating Breakup

Rating As on 31/05/09	% Net Assets
Energy	17.60
Chemicals	11.45
Metals	11.37
Financial	10.63
Services	9.30
FMCG	6.36
Engineering	6.07
Health Care	5.84
Technology	4.55
Construction	4.51
Diversified	2.69
Automobile	2.36

Portfolio		(As on May 29th 2009)	
Equity	Value (Rs in cr.)	Qty.	%
Oil and Natural Gas Corporation	5.46	46,466	5.63
GlaxoSmithKline Consumer Healthcare	3.81	44,242	3.92
Bharat Electronics	3.79	28,396	3.90
Pfizer	3.23	42,784	3.33
Jyoti Structures	3.11	216,064	3.20
Reliance Infrastructure	2.86	22,373	2.94
Nagarjuna Construction Co.	2.75	197,911	2.83
Indian Oil Corporation	2.73	44,745	2.81
Hindustan Petroleum Corporation	2.69	74,002	2.77
Bharati Shipyard	2.63	173,065	2.71
Chambal Fertilisers and Chemicals	2.61	408,730	2.68
Coromandel Fertilisers	2.55	140,195	2.63
Aventis Pharma	2.44	22,233	2.51
Great Eastern Shipping Company	2.44	86,048	2.51
Tata Consultancy Services	2.35	33,559	2.42
Maharashtra Seamless	2.29	94,360	2.36
Apollo Tyres	2.29	731,413	2.36
Bharat Petroleum Corporation	2.24	48,187	2.31
Indraprastha Gas	2.17	163,407	2.24
Tata Chemicals	2.16	99,585	2.22
Infosys Technologies	2.07	12,907	2.13
Hindustan Zinc	1.97	33,771	2.03
United Phosphorus	1.82	112,385	1.87
Great Offshore	1.79	49,048	1.84
JMC Projects (India)	1.63	116,659	1.68
State Bank of India	1.61	8,605	1.66
Sterlite Industries (India)	1.50	24,094	1.55
Tamil Nadu Newsprint and Papers	1.48	182,314	1.53
Bank Of Baroda	1.43	32,698	1.48
Oriental Bank of Commerce	1.40	74,495	1.44
ICICI Bank	1.34	18,070	1.38
Rallis India	1.33	20,652	1.37
FAG Bearings India	1.28	34,419	1.32
Kesoram Industries	1.28	41,998	1.31
Bank Of India	1.23	36,359	1.27
JSW Steel	1.18	21,512	1.22
Gujarat Alkalies and Chemicals	1.15	110,851	1.19
Punjab National Bank	1.15	17,210	1.19
Andhra Bank	1.14	120,468	1.18
PTC India	1.11	120,571	1.14
Union Bank of India	1.02	49,908	1.05
Hindalco Industries	0.98	116,166	1.01
Mcleod Russel (India)	0.87	86,048	0.90
Finolex Cables	0.83	207,922	0.85
Dishman Pharmaceuticals & Chemicals	0.82	43,024	0.85
Zydus Wellness	0.01	1,205	0.01
<b>Cash / Call</b>	<b>Value (Rs in cr.)</b>	<b>Rating</b>	<b>%</b>
Cash & Cash Equivalents		5.10	5.26
<b>Net Receivable / Payable</b>	<b>Value (Rs in cr.)</b>	<b>Rating</b>	<b>%</b>
Net receivables / payables	1.95		2.01

Fund Style	Portfolio Characteristic
<b>Interest Rate Sensitivity</b> High Medium Low 	<b>Equity - 80-100%</b> <b>Money Market</b> <b>Instruments / Call</b> <b>Money, Debt and</b> <b>Others</b>
<b>Credit Quality</b> High Medium Low	<b>0-20%</b>

## AUCTION PROCEDURE / CLOSE OUT OF SHORTAGE

After making sale of securities in Stock market through a stock broker, a trader is expected to deliver the shares thus sold to his Broker within two days of such transaction. Failure of the client to deliver the shares, after selling them in market, to his broker (who is obliged to deliver the shares to buyer of the shares) within stipulated time period (T+2 days) results in Shortage of Securities. Accordingly a debit advice is sent to the Clearing Bank requesting to debit the Settlement Accounts of the members who have failed to deliver shares to the Exchange and details of shares are sent to the system for Auction of the same. The Exchange fixes a date and time for Auction and all members except the defaulting members can participate in the Auction Session and can offer the scrips under auction with their offering price. The best offer (lowest bid) is accepted. At present Auction is held every day due to rolling settlement.

Three rates are relevant :

**Auction Rate :** This is the weighted average rate of all the selected offers based on the lowest price. Only the selected quantity from the offers is considered for this purpose. This has relation to defaulter debit note.

**Cut-off Rate:** This is the maximum rate and minimum rate at which an offer is accepted. This rate will be closing rate of the scrip on the Auction Day plus a cut-off percentage as decided by the Exchange. At present this percentage is 20%.

**Closeout Rate:** This rate is used to compute the amount to be given to the Buyer in case there is no offer or partial offer in the Auction. This rate is the highest rate on the trade date plus 20% OR the highest rate from the trade date to the auction date, whichever is higher.

After the Auction Session the System accepts the lowest offers and if there are no offers for the scrip the same will be closed out at close-out rate. Accordingly the members have to download their Auction Reports and deliver the shares to the Exchange 2 working days after the auction. The Exchange then delivers the same to the Members who are to receive the shares. The process for the securities pay in and pay out for Auction is the same as that of the settlement process. Thereafter the exchange advises the Clearing Bank to debit the accounts of defaulters with the difference of Auction rate and Original Delivery rate and credit the accounts of Auction Sellers.

### Shortage to NSE

When shares which were not delivered by the seller were bought by a client who has a trading account with a broker other than Seller's broker, then such a shortage is said to be Shortage to NSE . The effect of it will be

- ❖ Credit balance against client's sale (which is added to client's trading account on the day of sales) will be blocked/reversed on the pay in date (T+2th day) which will enable the broker not to release the sale proceeds to constituent who has short delivered and not honoring the sale commitment. The amount at which the credit balance for sale is blocked/reversed is termed as

Valuation debit (closing price as on the date of trading + 1 day)

- ❖ An auction debit (based on the rate received from exchange) will be passed on to client's account on T+5 th day and credit balance reversed (Valuation debit) earlier will be released back to client account.

### Internal Shortage

When shares which were not delivered by the seller were bought by a client who has a trading account with the Seller's broker itself, then such a shortage is said to be Internal Shortage. The effect of it will be

- ❖ Credit balance against client's sale ( which is added to client's trading account on the day of sales ) will be blocked/reversed on the pay in date (T+2th day) which will enable the broker not to release the sale proceeds to constituent who has short delivered and not honoring the sale commitment. The amount at which the credit balance for sale is blocked/reversed is termed as Valuation debit (closing price as on the date of trading + 1 day ).
- ❖ Client is required to transfer or deliver the shares within T+3th day and if not,
  - ★ Shares will be bought in house account against non-delivery and transferred to buyer on T+5 day. Corresponding amount + a maximum of 0.02% will be debited to default client's account and credited to house account and credit balance reversed (Valuation Debit ) will be released back to client account.

OR

- ★ A square up debit ( Price as on Trading day + a maximum of 20%) will be charged to client's account and the same amount will be transferred to corresponding buyer's account and credit balance reversed earlier will be released back to client account.

### Buyer of shares fails to receive shares on T+2 day

Non-receipt of shares from exchange (Broker of Buyer and Seller are different)

- ❖ Shares will be received from exchange on T+5<sup>th</sup> day
- OR
- ❖ A square up credit amount will be credited to client's account based on the rate received from exchange.

Non-receipt of shares due to internal client short (Broker of Buyer and Seller are same)

- ❖ Shares will be credited to client's account between T+3 and T+5th day.
- OR

- ❖ A square up credit (Price as on Trading day + a maximum of 20%) will be credited to client's account on T+ 5<sup>th</sup> day.

Non-receipt of shares is partly due to exchange and partly internal, then

- ❖ Based on the number of shares to be received, case 1 or case 2 will be applied.

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# Stretching our horizon



Mr. M. Najumuddin, Deputy General Manager, Indian Bank Inspection Centre, Hyderabad, inaugurating the new CTCL terminal of Indbank Merchant Banking Services Limited and Indbank Online Stock Trading Point at Ramnagar, Hyderabad on 23.05.2009 in the presence of Mr. P Mugundan, Executive Vice President & Company Secretary, Indbank Merchant Banking Services Limited.



Mr. N Janardhana Rao, Deputy General Manager and Circle Head, Indian Bank, Hyderabad, inaugurating the new CTCL terminal of Indbank Merchant Banking Services Limited and Indbank Online Stock Trading Point at A S Roa Nagar, Hyderabad on 23.05.2009 in the presence of Mr. P N Patel, President & Wholetime Director, Indbank, Mr. P Mugundan, Executive Vice President & Company Secretary, Mr. K Sridhar, Vice President, Hyderabad and Mr. P Sridhar, Dealer, AS Roa Terminal, Indbank Merchant Banking Services Limited.



A Customer inaugurating the new terminal of Indbank Merchant Banking Services at Kharghar, Mumbai on 05.05.2009 in the presence of Mr. A Subramanian, Chairman, Indbank Merchant Banking Services Limited and Executive Director, Indian Bank and Mr. P N Patel, President & Whole Time Director, Indbank Merchant Banking Services Limited



Mr. M. Najumuddin, Deputy General Manager (Inspection Centre), Hyderabad, Mr. P N Patel, President & Whole Time Director, Mr. P Mugundan, Executive Vice President & CS and Mr. K Sridhar, Vice President, Hyderabad during the inauguration of our new CTCL terminal at Dilkush Nagar, Hyderabad on 23.05.2009

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 CMDA : Shop No 3, CMDA Towers No 1, Gandhi Irwin Road, Egmore, Chennai 600008, Phone: 45508003  
 CBD Belapur : Shop No: 3, Plot No: 21, Shiv Chambers, Sector 11, CBD Belapur, Navi Mumbai, Thane District, Maharashtra 400 614, Phone: 022-27573465  
 Madipakkam : Anubhav Apartments, Shop no 7, Ground Floor, Medavakkam Main Road, Madipakkam, (Opp. Padhala Vinayagar Temple), Chennai 600090 Phone: 45565501  
 West Mambalam : 2/57, Brindavan Street Extn, West Mambalam, Chennai 600033, Phone: 45513010  
 Vile Parle : SHOP NO. 13, Gujarati Society, Nehru Road, Vile Parle-East, Opp-Hotel Jal, Mumbai 400057 Phone: 022-26122263  
 SG Road : F-B / 10 Krishna, Opp Dev Ashish School, Off S.G. Road, Bodakdev, Ahmedabad, Phone : 079-40035482  
 Pollachi : No. 146/4, New Scheme Road, Ground Floor, Pollachi 642002, Phone: 04259-300018  
 Ulhas Nagar : Shop at Shree Saibaba Electronics, Near Sindh Punjab Hotel, Follower Lane Chowk, Hospital Road, Ulhasnagar 421 003 Phone: 95251-2707054  
 Nagercoil : OLD No. 37/1, NEW No. 668/1, First Floor, Asha Fag Shopping Complex Cape Road, NAGARCOIL 629001 Phone: 0465-2403196  
 Ram Nagar : No. 22 & 23, SAROJINI STREET, RAMNAGAR, COIMBATORE 641009, Phone: 0422-4386040  
 Karaikudi : 1st Floor, Veerappa Complex, College Road, Karaikudi 630002, Phone: 04565-232243, 40010  
 Dindugal : No. 24, 1st Floor, New Agraharam, Palani Road, DINDIGUL 624001, Phone: 0451-2421141  
 Tirupur : First Floor, "MKM Complex" 54, Kulli Chettiar Street, Tiruppur 641 604 Phone: 0421-4325343  
 RS Puram : Ground Floor, 160/15, D B Road, R.S. Puram, Coimbatore - 641002, Phone: 0422-2470602, 4521720  
 Abhiramapuram : First Floor, Flat No. 3 Door No:54, CP Ramaswami Raod Abhiramapuram, Chennai 600018, Phone: 044-45010460  
 Adayar : Ground Floor, Shop No:1, Shruthi Apartments, 1st Cross Road, Gandhi Nagar, ( Behind Sundara Vinayagar Temple), Chennai 600020, Phone: 044-43504482  
 Kharghar : Shop No. 31 Grow More Tower, Plot No: 5, Kharghar, Sector II, Navi Mumbai 410210. Phone : 022-27741553  
 Dwaraka : 1st Floor No: 142 Vardhman Plaza, Sector 4, Plot no.8, Dwaraka, New Delhi 110075. Phone : 011-45630397  
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 Gobichettipalayam (Cbe) : 25B, Thangamani Building, 1- Floor, Erode Main Road, Gobichettipalayam - 638476, Ph: 04285-226020  
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