



## What's New!!!

### Economic & Business Updates

- **Govt approves Rs. 48,239 cr recap bonds in 12 PSBs:** Rs. 48,239 crore recap funds approved for 12 public sector banks by the Finance Ministry. Allahabad Bank (Rs. 6,896 crore) and Corporation Bank (Rs. 9,086 crore) have got Rs. 15,982 crore to equip these better performing PCA banks to be above the regulatory PCA thresholds.
- **RBI releases three more banks from PCA framework:** Board for Financial Supervision of the Reserve Bank of India has decided to remove Allahabad Bank, Corporation Bank and Dhanlaxmi Bank Ltd. from the list of banks placed under its Prompt Corrective Action framework.
- **IRDAI spells out draft norms of standard mediclaim policy to be available to all soon:** A uniform health insurance product, to be called a standard Mediclaim Policy offering basic cover, will be available for all soon. Draft guidelines issued by the Insurance Regulatory and Development Authority of India (IRDAI), the product will have the basic mandatory covers and no additional or add-on covers will be allowed.
- **Max India exits health insurance business:** Max India has sold its entire 51 per cent stake in Max Bupa Health Insurance Co Ltd (Max Bupa) to private equity firm True North Fund VI LLP for over Rs 510 crore. Max India intends to utilize the proceeds to invest in both existing and new business opportunities which are currently under evaluation.
- **OnePlus, Qualcomm to start 5G trials in India:** Smartphone maker OnePlus announced that it was working with chipset making giant Qualcomm to start 5G trials in India. The company would be amongst the first original equipment manufacturers (OEMs) to launch smartphones powered by the Snapdragon 855 Mobile Platform in the country and work with the chip maker on 5G trials.
- **Adani group wins bids to operate five airports for 50 years:** Adani group has won the bid to operate for 50 years five out of six airports that were put for privatisation by the central government. Adanis were the highest bidder for the Ahmedabad, Thiruvananthapuram, Lucknow, Mangaluru and Jaipur airports.
- **GVK Airport Holdings acquires 13.5% more stake in Mumbai airport:** GVK Airport Holdings Ltd has acquired an additional 13.5 per cent stake in Mumbai International Airport Ltd (MIAL), for nearly Rs 1,250 crore. GVK Airport Holdings, a subsidiary of GVK Power and Infrastructure Ltd, has acquired 16.2 crore shares from Bid Services Division (Mauritius) Limited (Bidvest).
- **SEBI declares commodity arms of Motilal Oswal and IIFL 'not fit and proper':** The Securities and Exchange Board of India (SEBI) has declared the commodity broking arms of Motilal Oswal and India Infoline (IIFL) as 'not fit and proper', as part of action in the National Spot Exchange Limited (NSEL) case.
- **Anti-dumping duty on solar cell component from four nations likely:** India may impose anti-dumping duty on a certain type of sheet used in solar cell making from China, Malaysia, Saudi Arabia and Thailand for five years in order to safeguard domestic players from cheap imports from these countries.
- **Flipkart's co-founder Sachin Bansal invests Rs 650 crore in Ola:** Ola announced investment of Rs 650 crore from Flipkart's co-founder Sachin Bansal. Bansal invested in his personal capacity, as an investor in ola.



Mr. Seshu Sai P L V K

## From the President's Desk

### *Warm Greetings!!!*

We are fast approaching end of the financial year 2018-19. Nifty witnessed volatility of more than five hundred points in the month gone by. Index scaled to a four month (since October 2018) high during the month. Corporate earnings for the previous quarter saw triggers of improvement in bottom line for the banks. Whereas other sectors which did well in the past such as auto and finance recorded drop in aggregate profits. The liquidity crisis among finance companies has led to their aggregate bottom line shrinking in the quarter for these sectors, after robust growth in the earlier quarters. The ripple effect of this is visible in the auto sector, where lack of adequate financing has resulted in decrease of sales volumes for auto manufacturers and prompting them to give higher discounts.

Raising tension between India and Pakistan is being keenly observed by capital markets. We are hearing international communities voicing for de-escalation of tension amongst the nations and restrain from any further action from both the sides. Market can react to any further escalation in the situation going forward. The Indian Air Force's strike on a Jaish-e-Mohammad terror training camp in Pakistan's Balakot delivers a robust but calibrated message. While the strikes followed the Pulwama attack by a couple of weeks, Foreign Secretary Vijay Gokhale referred to the action as a "non-military pre-emptive strike".

Recapitalisation of PSB's namely Allahabad bank and Corporation bank has enabled them to come out of PCA framework. This will allow the banks to perform lending to businesses and boost economic activity. But the real challenge here for banks would be availability of surplus as growth capital post provisioning for NPAs. In case of mutual funds, SEBI's guidelines on returns, classification and labelling will help in bringing in more transparency. Introduction of Total Return Index (TRI) methodology will calibrate an investor's understanding on scheme performance which comprises of both capital appreciation as well as dividend gains.

Major key event ahead for the market going forward is general election. One can expect heightened political noises such as alliance, seat sharing and so on. Impact of these news flow could in turn be seen on the markets movement going forward.

As stated earlier the current financial year is nearing its end and it is time to complete your tax saving investments. Maximum of Rs. 1.5 lakhs can be claimed for the tax deduction under Section 80C of the Income Tax Act, 1961 and for this Mutual fund (ELSS) can be considered as tax saving and investment tool. In this regard you may please go through our 'Knowledge Corner' section of this newsletter to know why ELSS is a better investment option. You are welcome to approach our terminals for any assistance.

**Happy & Safe Investing!!!**



## INVEST KNOW!!!

Second edition of INVEST KNOW investor awareness programme that was conducted by Indbank Merchant Banking Services Ltd (IBMBSL) in association with NSDL in Puducherry on 16.02.2019. The event received good response from the investor community from Puducherry & surrounding areas.

Mr. Valliappan Nagappan, Director, MSEFSL explained to the participants the concept of equity as a part of asset allocation and advantages of equity investment. Mr. Bandam Srinivas, Assistant Vice President, NSDL spoke on the depositories in India and advantages of holding securities in electronic form. Mr. Sesha Sai PLVK, President and Whole Time Director, IBMBSL laid out the benefits of investing in capital markets and importance of starting investments early. Mr. K S Sujay Vice President, IBMBSL also spoke on the occasion.



Mr. Sesha Sai PLVK, President and Whole Time Director, IBMBSL felicitating the chief guest for the event  
Mr. Valliappan Nagappan, Director, MSEFSL.



Mr. Valliappan Nagappan, Director, MSEFSL addressing the gathering.



## Snap Shots

<b>Inflation (WPI) (%)</b>	<b>2.76% (Jan 2019)</b>	<b>3.80% (Dec 2018)</b>	<b>4.64% (Nov 2018)</b>	<b>5.28% (Oct 2018)</b>
<b>Inflation (CPI) (%)</b>	<b>2.05% (Jan 2019)</b>	<b>2.19% (Dec 2018)</b>	<b>2.33% (Nov 2018)</b>	<b>3.31% (Oct 2018)</b>
<b>India Industrial Production (IIP) (%)</b>	<b>2.4% (Jan 2019)</b>	<b>0.5% (Dec 2018)</b>	<b>8.1% (Nov 2018)</b>	<b>4.5% (Oct 2018)</b>
<b>Particulars</b>	<b>22-Feb-2019</b>	<b>15-Feb-2019</b>	<b>08-Feb-2019</b>	<b>01-Feb-2019</b>
91-Day Cut-off (%)	6.3977	6.3977	6.5634	6.5634
10-yr G-Sec yield (%)	7.5245	7.5029	7.4500	7.4815
USD/INR(Rs)	71.21	71.25	71.29	71.11
EUR/INR (Rs)	80.57	80.56	80.64	81.83

## Global Indices

<b>Indices</b>	<b>Country</b>	<b>Index as on 28.02.2019</b>	<b>Index as on 31.01.2019</b>	<b>Variation (%) (Inc/ Dec)</b>
SENSEX	India	35,867.44	36,256.69	-1.07
NIFTY 50	India	10,792.50	10,893.65	-0.93
NASDAQ	United States	7,554.51	7,281.74	3.75
DJIA	United States	25,985.16	24,999.67	3.94
S&P 500	United States	2,792.38	2,704.10	3.26
Hang Seng	Hong Kong	28,633.18	27,930.74	2.51
Nikkei 225	Japan	21,385.16	20,788.39	2.87
Shanghai Composite	China	2,940.95	2,618.23	12.33
Straits Times	Singapore	3,212.69	3,188.68	0.75
FTSE 100	United Kingdom	7,054.35	6,993.91	0.86
CAC 40	France	5,216.62	5,002.41	4.28
DAX	Germany	11,474.24	11,198.35	2.46

## Institutional Investments

<b>Category</b>	<b>Debt/Equity</b>	<b>Gross Purchases (Rs Crores)</b>	<b>Gross Sales (Rs Crores)</b>	<b>Net Investment (Rs Crores)</b>
FII Investments Feb 2019 (as on 26.02.2019)	Equity	101,856.98	86,977.24	14,879.74
	Debt	19,422.29	24,097.63	-4,675.34
Mutual Fund Feb 2019 (as on 26.02.2019)	Equity	40,349.39	34,346.40	6,002.99
	Debt	137,801.41	119,434.91	18,366.50
<b>FII Derivative Trades (Rs. in Crores) Feb 2019 (as on 26.02.2019)</b>	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
- Buy	60,780.05	21,15,362.44	2,55,647.33	1,54,109.82
- Sell	58,159.29	21,05,304.50	2,56,994.44	1,53,690.83

### Forthcoming Corporate Action

Company Name	Symbol	Purpose	Record / Ex Date
Tech Mahindra Limited	TECHM	Buy Back	05-Mar-19
HDFC Asset Management Company Limited	HDFCAMC	Interim Dividend - Rs 12 Per Share	06-Mar-19
Wipro Limited	WIPRO	Bonus 1:3	06-Mar-19
CRISIL Limited	CRISIL	Annual General Meeting / Dividend Rs - 11 Per Share	28-Mar-19

### New Fund Offers

Fund Name	Open Date	Close Date	Min. Investment (Rs.)	Type
Aditya Birla Sun Life Retirement Fund	19-Feb-2019	05-Mar-2019	1000	Open Ended
Axis Fixed Term Plan - Series 102 (1133 Days)	27-Feb-2019	05-Mar-2019	5000	Close Ended
HDFC FMP 1133D February 2019(1)	28-Feb-2019	05-Mar-2019	5000	Close Ended
SBI Debt Fund Series C - 46 (1178 Days)	27-Feb-2019	05-Mar-2019	5000	Close Ended
Mahindra Pragati Bluechip Yojana	22-Feb-2019	08-Mar-2019	1000	Open Ended
UTI - Fixed Term Income Fund Series XXXI-VII (1155 Days)	25-Feb-2019	11-Mar-2019	5000	Close Ended

### Sector-wise month to date performance (up to 27.02.2019)

Sector	Market-Cap (Rs)	% Chg	Advance	Decline
Automotive	8,85,951	-26.53%	7	96
Banking & Financial Services	30,49,012	-9.74%	54	249
Cement & Construction	3,52,906	-24.65%	7	103
Chemicals	5,58,073	-4.12%	35	165
Conglomerates	2,69,312	-21.51%	2	20
Consumer Durables	56,083	-17.93%	1	13
Consumer Non-durables	7,32,601	13.88%	12	36
Engineering & Capital Goods	6,46,151	-20.79%	29	161
Food & Beverages	4,03,639	1.48%	17	108
Information Technology	16,60,618	16.76%	31	114
Manufacturing	2,93,267	-28.76%	41	316
Media & Entertainment	1,23,184	-34.43%	6	49
Metals & Mining	6,35,981	-29.57%	10	108
Miscellaneous	4,97,953	-24.96%	50	207
Oil & Gas	14,09,920	-4.06%	1	23
Pharmaceuticals	7,06,456	-7.41%	27	103
Retail & Real Estate	2,84,076	-12.54%	8	58
Services	2,55,816	-28.88%	14	125
Telecommunication	2,82,747	-33.28%	7	32
Tobacco	3,48,138	1.57%	1	5
Utilities	3,36,168	-21.32%	1	25



## Mutual Fund Corner

Scheme for the Month : Axis Midcap Fund  
Level of Risk : Moderately High

### Objective:

The scheme seeks to achieve long term capital appreciation by investing predominantly in equity & equity related instruments of Mid Cap companies.

Investment Details	
Minimum Investment Amount (Rs)	Rs 500
Additional Investment (Rs)	Rs 100
SIP(Rs)	Rs 1000
Options	Growth/Dividend
Expense Ratio (%)	2.39%
Lock-in period	Nil
Exit Load (%)	Nil

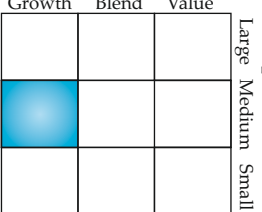
### Trailing Returns

As on 27.02.2019	Fund Return	NIFTY 500	Category Return
Year to Date	-2.3	-7.63	-5
1 - Month	2.65	-2.87	-1.29
3 - Month	2.68	-4.53	-2.09
1 - Year	4.22	-13.37	-11.5
3 - Year	18.41	15.4	14.15
Return Since Launch 16.82%			

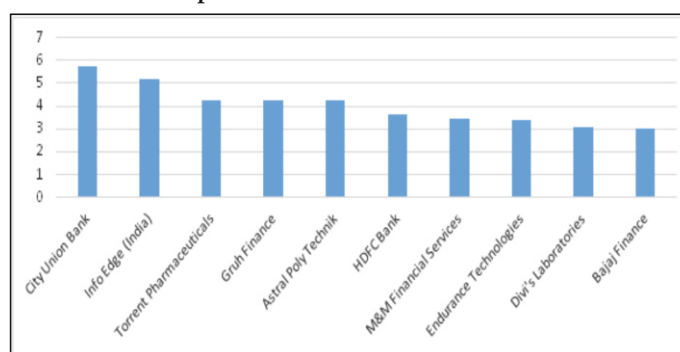
Note : Return up to 1 year are absolute and over 1 year are annualized.

Asset Allocation as on 27.02.2019	
As on 27.02.2019	% Net Assets
Equity	81.86
Debt	18.8

Current Statistics & Profile	
Latest NAV	Rs. 34.85(Growth) Rs. 22.23(Dividend) as on 27.02.19
Fund Category	Equity: Mid Cap
Type	Open Ended
Launch Date	Feb 18, 2011
Net Assets (Cr)	Rs 1,779 crore
Benchmark	S&P BSE Mid Cap TRI

Fund Style	Concentration & Valuation	
<b>Investment Style</b> Growth Blend Value 	Number of Stocks	34
	Top 10 Stocks (%)	40.07
	Top 5 Stocks (%)	23.58
	Top 3 Sectors (%)	46.37
	Portfolio P/B Ratio	5.34
	Portfolio P/E Ratio	33.99

### Top 10 stock constituents of Fund



### Top 10 stock constituents of fund in percentage as on 31.01.2019

Sl. No.	Credit Instrument	Credit Rating	% Assets
1)	City Union Bank	Financial	5.72
2)	Info Edge (India)	Services	5.16
3)	Torrent Pharmaceuticals	Healthcare	4.24
4)	Gruh Finance	Financial	4.23
5)	Astral Poly Technik	Chemicals	4.23
6)	HDFC Bank	Financial	3.62
7)	M&M Financial Services	Financial	3.43
8)	Endurance Technologies	Automobile	3.37
9)	Divi's Laboratories	Healthcare	3.05
10)	Bajaj Finance	Financial	3.02

## Knowledge Corner!!!

### What is ELSS Mutual Funds?

Equity Linked Savings Scheme or ELSS Funds is an open-ended Equity Mutual Funds that help you save and provide an opportunity to grow money. These MF funds are also known as tax saving mutual fund schemes. By investing in ELSS, you can save tax up to Rs. 1.5 lakh as per the Section 80C of Income Tax Act. ELSS funds comes with a lock-in-period of 3 years. That means every investment you make towards ELSS is subject to a 3 year-lock-in period.

### Advantages of Tax saver (ELSS) Mutual Fund:

#### Tax Savings:

Amount invested in an ELSS fund is available for tax deduction to the extent of Rs.150,000 for the current financial year under section 80C of the Income Tax Act. ELSS delivers dual benefit i.e., one tax saving and two capital appreciation.

#### Lowest lock-in period among other tax saving funds:

ELSS has a lock-in period of 3 years, as compared to minimum 5 years for other tax saving options. This period is the lowest in comparison to other tax saving options such as 15 years for PPF, 5 years for tax saving Fixed Deposits. Thereby ELSS provides the lowest lock-in period.

#### Lock in period:

Pertaining to the performance of the mutual funds, good mutual fund portfolios are constructed for long term investments, however, they are not bound with the lock in periods. Individual who lacks financial discipline tends to pull out money. But in case of ELSS, the funds are locked in for at least 3 years. Which means, in ELSS fund you are obligated to stay invested for 3 years. This forcefully embeds a good habit to stay invested for a longer period.

#### Redemption not Compulsory After 3 Years:

If the investors are happy with the returns from the respective ELSS fund, they may choose to continue. Redemption is not compulsory after a period of 3 years. It is only a minimum investment lock in duration, however, there is no maximum investment duration.

#### Higher Returns:

Since ELSS funds largely invest in equity and equity related avenues, returns are higher 15-20% (average return delivered by various ELSS schemes over 5 plus investment years) compared to other tax saving options which are generally lower. Over a 3 year period, the benefit of compounding coupled with returns from equity provides higher returns for investors.

#### SIP Option:

While investing in ELSS, investors may choose to go with the SIP option. That is it allows the investor to invest a fixed amount at regular/ periodic intervals. This allows the salaried class to invest a fixed sum from their monthly income reducing the burden of lumpsum.

#### Safe and transparent:

Investing in mutual funds are transparent. All mutual fund companies come under the purview of SEBI and they are obliged to abide by various related rules and regulation in this regard. Mutual fund functioning are closely monitored by capital market regulator SEBI. Every Asset Management Company proposing to commence MF operation in India must strictly comply with related law in this regard.

## Crude and Rupee check

Crude opened the month at \$61.06 in February. Crude saw almost five dollar upmove and closed at \$66.03 on 28th February, 2019. Rupee closed at Rs 70.84 on 28th February, 2019.

**Brent crude price movement**



**USD-INR price movement**



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