

Indbankonline

MARKETS FOR YOU

Private Circulation only

May - 2008

Issue - 12



Shri. M. Damodar Kamath

General Manager,
Chief Vigilance Officer

एम. दामोदर कामत
महा प्रबंधक - सतर्कता
(मुख्य सतर्कता अधिकारी)

May 14, 2008



Message

The Indian Economy has witnessed a stupendous growth since the recent past so much so that the industrial output compares well with the developed countries. As a sequel to this, the global investors are eyeing on India and pouring in their currencies in unlimited measure. All this money is not only routed to the industries but also to the capital/ financial market. Simultaneous with the industrial growth, the capital market is also showing an unprecedented growth. Along with the foreign investors, the domestic investors are heavily investing in the Indian capital market.

Such huge investment in the capital market, if allowed unregulated, may bring in catastrophic effects, on all the investors, the impact of which will be very large on the small investors, whose interests have to be protected at any cost. Towards this direction the Securities & Exchange Board of India (SEBI) have put in place a lot of regulatory measures which will not only regulate the operations of the intermediaries but also the investors. Similarly, the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) – the two Depositories who maintain the securities in the electronic form, have also laid down appropriate regulations and guidelines governing the operations of the intermediaries and investors.

One of the key guidelines propounded by SEBI to NSDL / CDSL and all financial market participants is to comply with norms pertaining to "Know Your Customer (KYC)" and "Anti Money Laundering (AML)". A strict compliance to these guidelines will, to a large extent prevent entities / persons intending to perpetrate any misdemeanor on the financial institutions / financial market players. In the process the interest of investors and the intermediaries may get protected.

Compliance to KYC norms gained importance to a great extent during the scam that broke out after the IPO issues of Yes Bank and IDFC, when a few individuals mostly from Gujarat, with tacit support of some of the intermediaries involved in the process of IPO, have amassed lakhs of shares of these issuers, which enriched them with crores of rupees. Though the outcome of investigation and action initiated thereafter against the concerned people is not our concern, the one important lesson that is derived from this whole episode is that, compliance to KYC norms by all the participants in the financial market including individual investors is of paramount importance, which will bring above everything- "A Peace of Mind".

I take this opportunity to wish all the investors dealing with Indbank Merchant Banking Services Ltd., an unlimited Peace of Mind, by complying with the regulatory requirements.

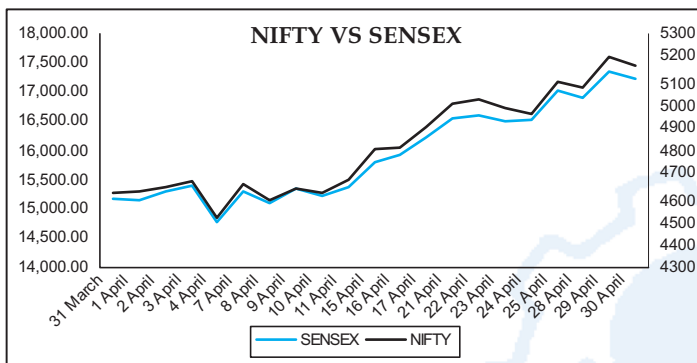
M. Damodar Kamath

Markets for You

Indian Equity Markets

Due to strong international markets clubbed with announcements of outstanding year-end results by the Indian corporates boosted the market sentiments, lifted Index touch 17,000-points mark for the first time in 2 months. Further, forecast of normal monsoon, and a moderate fall in inflation figures kept market volumes high. Though, Indices opened the month on a weaker note on the back of negative cues from the global market, which was weighing heavy, coupled with ICAI's new norms under which companies would be required to disclose Mark to Market losses in derivatives trades from FY 2007-08 it ended the month on a positive figure. Fear of monetary tightening as RBI's action to curb rising inflation seemed to hurt the market sentiment and kept buying interest low in stocks.

However, Nifty and Sensex ended the month (30th Apr 2008) at 5165.9 and 17287.31 up by 9.11% and 10.50% respectively.



In an attempt to rein in the excess liquidity in the system and to curb the rising inflationary pressures, RBI increased the CRR by 50 bps to 8% and further by 25 bps to 8.25% during the month.

Short-selling, that is selling a stock that you do not own, and

making profit when the price falls, has been allowed w.e.f 21 April 2008 for both institutional and retail investors. The new system provides for borrowing shares for a 7-day period and using them to settle the sale of shares within a T+2 deadlines. Initially, short-selling has been permitted only in 227 stocks that are also traded in F&O segment.

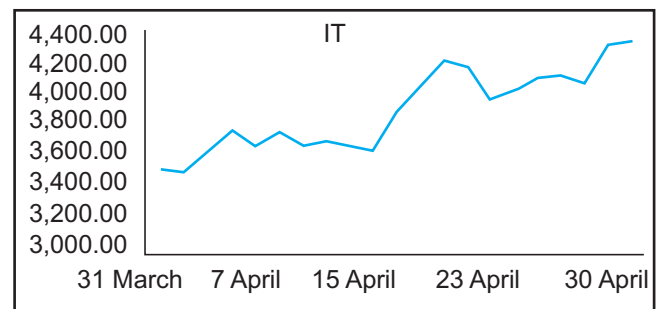
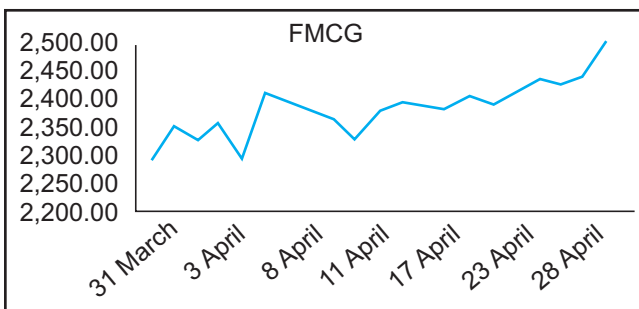
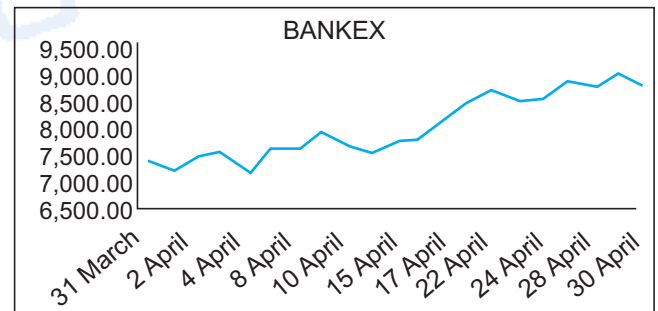
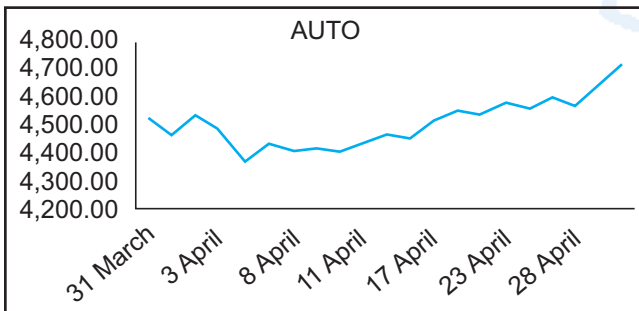
During 2007-08 (April-February) the index of industrial production (IIP) rose by 8.7 per cent as compared with an increase of 11.2 per cent during 2006-07 (April-February). The manufacturing sector recorded a growth of 9.1 per cent during 2007-08 (April-February) as compared with 12.2 per cent during April-February 2006-07.

Credit Policy Highlights

- RBI hikes CRR by 0.25 per cent to 8.25 per cent with effect from May 24
- Keeps repo, reverse repo, bank rate unchanged
- Repo rate at 7.75 per cent reverse repo and bank rate at 6 per cent
- GDP growth for 2008-09 to be in range of 8-8.5 per cent
- Inflation to be brought down to 5.5 per cent in 2008-09
- Medium term objective for inflation around 3 per cent
- Deposits to increase by around 17 per cent
- Bank loan limit for individuals for housing up to Rs 30 lakh
- Adjusted non-food credit projected to rise 20 pc in FY'09
- Domestic oil refiners to be allowed to hedge price risks
- Currency futures to be launched in bourses; framework by May
- Loans to RRBs for farm classified as indirect agri finance
- Dissemination of details of charges levied by banks
- Supervisory review of banks' exposure to commodity sector
- E-payment of transactions of Rs 1 crore and above.

Despite sudden CRR hike and higher provisioning on exposure to derivatives, good earning reports from banking stock resulted in substantial increase in banking sub index.

SECTORAL MOVEMENT



Editorial Team

S. Annadurai

President and Whole-time Director

P. Mugundan

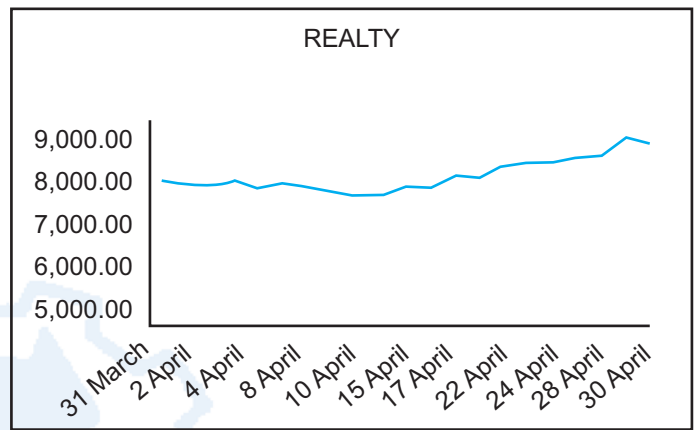
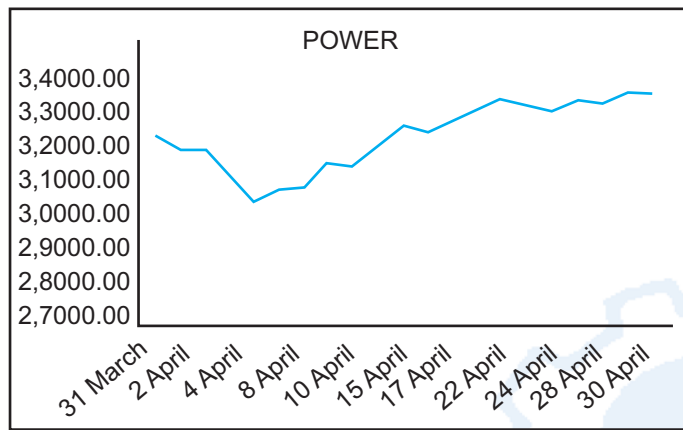
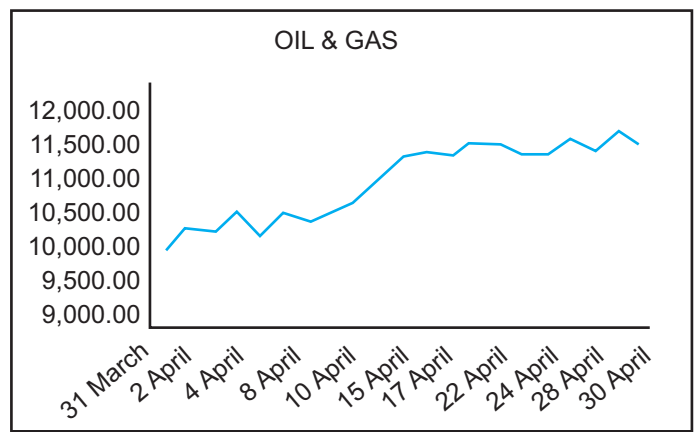
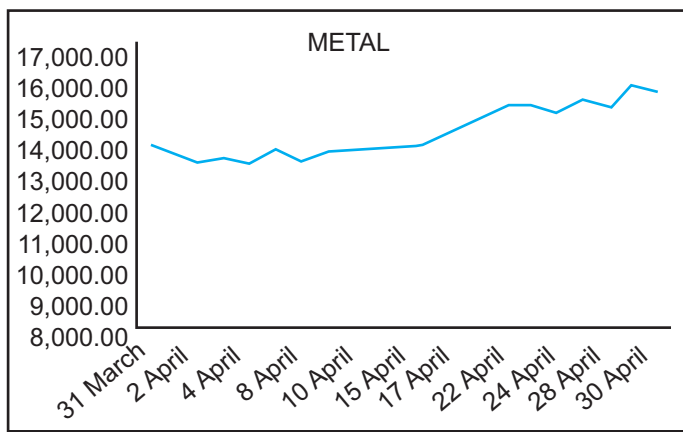
Vice President F & CS

Sanjay Varghese

Vice President MB & A

K. Gayathri

SPE



Institutional Investment - FII & MF

FII were net buyers during the month in Cash Segment & net sellers in Debt Segment.

FII-Cash & Debt segment

(Rs.Crores)

Month	Equity Gross Purchase	Equity Gross Sales	Equity Net Purchases/Sales	Debt Gross Purchase	Debt Gross Sales	Debt Net Purchases/Sales
4th April	11285.50	13025.90	-1740.60	0.00	489.40	-489.40
11th April	15710.60	14307.60	1402.90	0.00	254.80	-254.80
18th April	9186.70	9129.20	57.50	0.00	0.00	0.00
25th April	16306.00	15726.50	579.60	0.00	89.70	-89.70
30th April	10027.20	9251.80	775.40	-186.90	680.90	-867.80
April-08	62516.00	61441.00	1074.80	-186.90	1514.80	-1701.70

FII-Derivatives segment

(Rs.Crores)

Week Ended	BUY				SELL			
	Index Futures	Index Options	Stock Futures	Stock Options	Index Futures	Index Options	Stock Futures	Stock Options
4th April	7990.47	1956.52	2866.41	38.32	8648.53	1768.22	2864.67	13.80
11th April	7955.45	1668.12	2761.19	44.27	8694.81	1726.45	2634.95	32.21
18th April	8678.66	2856.47	3260.05	168.92	8076.32	1092.80	3490.10	32.38
25th April	14616.18	5906.31	14346.45	109.77	13463.95	2754.89	14011.66	61.45
30th April	5106.80	2343.60	1956.35	201.38	3691.45	1257.09	2107.00	92.46
April-08	44347.56	14731.02	25190.45	562.66	42575.06	8599.45	25108.38	232.30

Mutual Fund - Cash & Debt Segment

(Rs. Crores)

Mutual Funds remained cautious during the month.

Month	Equity Gross Purchase	Equity Gross Sales	Equity Net Purchases/Sales	Debt Gross Purchase	Debt Gross Sales	Debt Net Purchases/Sales
4th April	1852.10	2496.10	-644.00	8775.50	4184.30	4591.30
11th April	3126.10	2339.50	786.40	15489.50	5536.30	9953.20
18th April	1974.90	2196.00	-221.30	3736.10	2689.20	1046.90
25th April	3572.80	3515.00	57.70	3854.30	4603.40	-749.00
30th April	2880.60	2970.90	-90.30	4931.00	3340.50	1590.50
April-08	13406.50	13517.50	-111.50	36786.40	20353.70	16432.90

Indian Fixed Income Markets

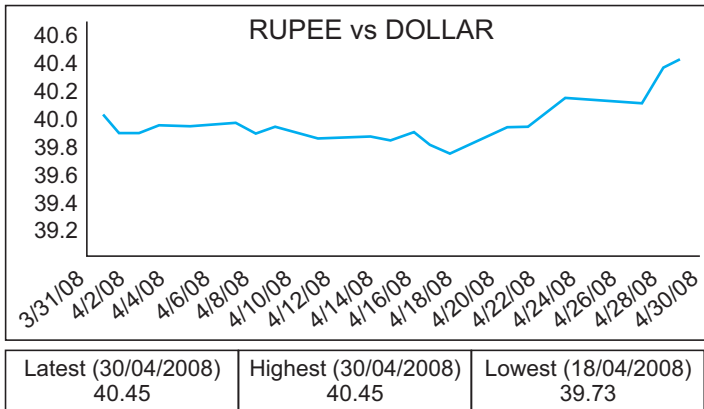
● Bonds and Treasuries

10-year benchmark bond yields firmed up to their highest levels in almost 10 months with inflation overshooting RBI's comfort range of 5%, due to heightened expectations of pre-policy action from RBI, record on oil prices and the unexpected CRR hike and this turned market sentiments bearish. However, improvement in liquidity conditions, fears that the central bank would take steps to for huge auction supplies led to selling pressure and hence pulled down yields marginally during the month.

Particulars	4-April	11-April	18-April	25-April	30-April
10Y G-sec Yield	7.9891	8.1279	8.1864	8.2216	7.9393
1-10 yr spread (bps)	54	53	58	48	28
91d T-bill cutoff	6.9366	7.2274	7.4353	7.4353	7.3521

● Rupee Value Vs Dollar

During the month, Rupee traded in a tight range against dollar as buying by the oil refiners was offset by rupee demand from banks. Rupee opened the month slightly lower on repatriation of funds by foreign investors and increased dollar demand by importers to make month-end payments. With strengthening of USD against global currencies, rupee even slipped below 40/USD. Following the gains made by domestic equities and high inflationary pressures the rupee depreciated against dollar.



● Inflation

India's annual wholesale price inflation rate jumped to its highest since November 2004, raising expectations of a central bank policy shift. This was largely on the back of rising food and commodity prices.

Week Ended	Mar-15	Mar-22	Mar-29	Apr-5	Apr-12
Inflation	6.68%	7.00%	7.41%	7.14%	7.33%

● Commodities

In Commodity markets, crude oil rose to fresh record high levels after attacks cut Nigerian output, unplanned plant shutdowns and the dollar drop against the euro. Oil rose further after European Central Bank policy makers signaled they may raise interest rates to stem inflationary pressures. After scaling USD 119.90 a barrel, crude oil declined marginally on speculation and on dollar rise against the euro since December.

Gold prices plunged below \$900 an ounce, while other metals such as silver, platinum, copper also fell as traders' unwound positions. Gold has fallen 5% in March '08- April 08.

Global Markets

In US treasury market, the yields on treasuries opened the month on softer note as buying interest for government bonds continued and treasuries completed their strongest quarter in 5-1/2 years. US treasuries rose after weak jobs report showed unemployment rate breaching the 5% mark (at 5.1%), strong inflation data and release of strong retail sales data reduced expectations of further Fed rate cuts.

Global Markets

In US treasury market, the yields on treasuries opened the month on softer note as buying interest for government bonds continued and treasuries completed their strongest quarter in 5-1/2 years. US treasuries rose after weak jobs report showed unemployment rate breaching the 5% mark (at 5.1%), strong inflation data and release of strong retail sales data reduced expectations of further Fed rate cuts.

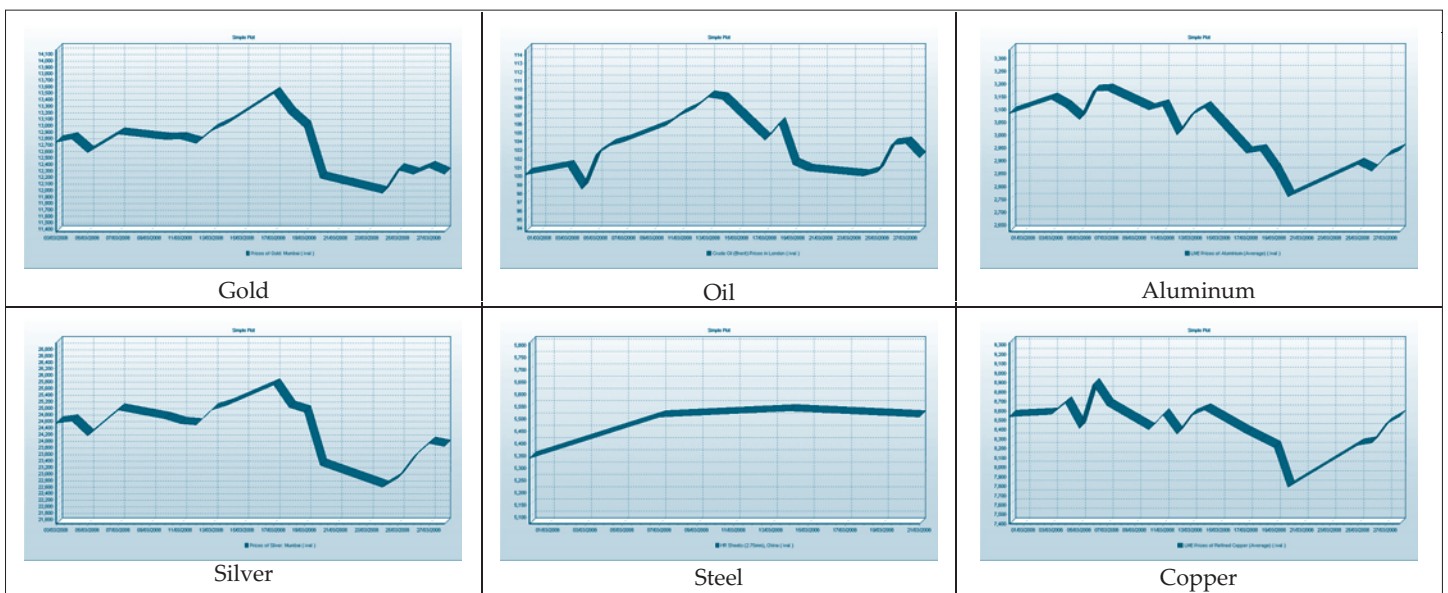
Particulars	4-April	11-April	18-April	25-April	30-April
USD 3m LIBOR	2.73%	2.71%	2.91%	2.91%	2.85%
10Y US Treasury	3.50%	3.49%	3.77%	3.91%	3.77%
USD / Euro Spot	1.5735	1.5796	1.5742	1.5634	1.5568

US stocks rallied strongest in 2 months led by financials as few strong corporates like UBS, Thornburg and Lehman Brothers' successful fund raising through stock sales and Merrill Lynch's "sufficient" capital status restored investor confidence. Release of stronger-than expected figures of the US manufacturing index, in March, shifted investor interest towards equities. Asian & European stocks gained over the week on speculation that Fed's prompt actions ensure that US financial firms will withstand credit-related losses.

GLOBAL INDICES

Indices	Country	Index as on 31 st March	Index as on 30 th April	Variation (%) (Inc/ Dec)
NASDAQ	United States	2,279.10	2,412.80	5.87%
DJIA	United States	12,262.89	12,820.13	4.54%
S&P 500	United States	1,322.70	1,385.59	4.75%
Hang Seng	Hong Kong	22,849.20	25,755.35	12.72%
Nikkei 225	Japan	12,525.54	13,849.99	10.57%
Straits Times	Singapore	3,030.56	3,236.10	6.78%
FTSE 100	United Kingdom	5,702.10	6,087.30	6.76%
CAC 40	France	4,707.07	4,996.54	6.15%
DAX	Germany	6,534.97	6,948.82	6.33%
Shanghai Composite	China	3,472.71	3,693.11	6.35%
SENSEX	India	15,644.44	17,287.31	10.50%
NIFTY	India	4,734.50	5,165.9	9.11%

UK Q1CY08 GDP grew 2.5% YoY, the slowest since 2005, with financial services slowing down the most. RBS and HSBC led write downs among UK banks, with the worst housing slowdown since 1992 leading BoE to cut rates 3 times (from 5.75 to 5%) since July and injected \$100bn liquidity through asset swaps to increase liquidity and boost market confidence and encourage interbank lending.



IPO and NFO Review

Not much activity was seen during the month in the Primary market. Aishwarya Telecom IPO (the only IPO during the month) was subscribed by 20 times.

Open Issues

Company Name	Issue Type	Face Value (Rs)	Premium (Rs)	Issue Open	Issue Close
Gokul Refoils & Solvent Ltd.	Public Issue (B)	10	175-195	08/05/2008	13/05/2008

New Listing

Company Name	Offer Price (Rs.)	Listing Date	List Price (Rs.)	Last Traded 01/05/2008 Price (Rs.)	% Change to Offer Price
Kiri Dyes And Chemicals Ltd.	150	22/04/2008	184	153.30	2.20%
Titagarh Wagons Ltd.	540	21/04/2008	540	776.75	43.84%
Sita Shree Food Products Ltd.	30	07/04/2008	35	52.20	74.00%
Gammon Infrastructure Projects Ltd.	167	03/04/2008	170	167.60	0.36%

Corporate Announcements

Symbol	Series	Record Date	Ex Date	Purpose
ADVANIHOTR	BT	09/05/2008	02/05/2008	INTERIM DIVIDEND - 20%
CENTURYPLY	EQ	02/05/2008	24/04/2008	FV SPLIT RS.10/- TO RE.1/
EDL	BT	21/05/2008	13/05/2008	INTERIM DIVIDEND - 30%
EVINIX	EQ	07/05/2008	29/04/2008	FV SPLIT RS.10/- TO RE.1/
FOSECOIND	BT	12/05/2008	05/05/2008	INT DIV- RS1.50 PER SHAREPURPOSE REVISED
GDL	BT	05/05/2008	25/04/2008	2ND INTERIM DIVIDEND-15% PURPOSE REVISED
GESHIP	BT	09/05/2008	02/05/2008	INTERIM DIVIDEND
GODREJCP	BT	06/05/2008	28/04/2008	4TH INTERIM DIVIDEND-75% PURPOSE REVISED
GREAVESCOT	BT	05/05/2008	25/04/2008	3RD INTERIM DIVIDEND-20%
HCL-INSYS	BT	02/05/2008	24/04/2008	3RD INTERIM DIVIDEND-100%PURPOSE REVISED
HINDUJAVEN	BT	09/05/2008	02/05/2008	INTERIM DIVIDEND - 100%
LOGIXMICRO	BT	22/05/2008	14/05/2008	INTERIM DIVIDEND - 40%
MONNETISPA	BT	06/05/2008	28/04/2008	INTERIM DIVIDEND - 25% PURPOSE REVISED
NMDC	BT	22/05/2008	14/05/2008	BONUS 2:1
SKUMARSYNF	BE	02/05/2008	24/04/2008	SCHEME OF ARRANGEMENT
SUNDARFIN	BT	05/05/2008	25/04/2008	INTERIM DIVIDEND - 100% PURPOSE REVISED
TANLA	BT	09/05/2008	02/05/2008	FV SPLIT RS.2/- TO RE.1/-
TV-18	BT	14/05/2008	07/05/2008	2ND INTERIM DIVIDEND-15%
WHEELS	BT	03/05/2008	25/04/2008	2ND INTERIM DIVIDEND-40%

NFO

Scheme	Type	Class	Open Date	Close Date	Offer Price (Rs.)
HSBC FT Series 52	Close	Debt - FMP	24/04/2008	05/05/2008	10
LICMF Interval QP S1	Inter	Debt - Income	29/04/2008	05/05/2008	10
Templeon FHF SVIII A	Close	Debt - FMP	28/04/2008	05/05/2008	10
ICICI PruFocusEq IP	Open	Equity - Diversified	08/04/2008	07/05/2008	10
LICMF Interval MP S1	Inter	Debt - Income	29/04/2008	08/05/2008	10
FranklinTempFTF S9 A	Close	Debt - FMP	15/04/2008	12/05/2008	10
LICMF Interval AP S1	Inter	Debt - Income	29/04/2008	12/05/2008	10
AIG World Gold	Open	Funds of Funds	15/04/2008	14/05/2008	10
Sundaram STFinSeOpIP	Open	Equity - Diversified	17/04/2008	14/05/2008	10
DWS FTF Series 50	Close	Debt - FMP	25/04/2008	15/05/2008	10
Sundaram STEntertOpp	Open	Equity - Diversified	24/04/2008	20/05/2008	10
Kotak FMP 15M S-5	Close	Debt - FMP	16/04/2008	22/05/2008	10
Sahara Power&NatuRes	Open	Equity - Diversified	28/04/2008	27/05/2008	10

State-owned mutual fund houses are offering personalized products to central public sector enterprises (CPSEs) in an effort to tap investible surplus funds from the navratna and mini-ratna government companies.

Fund houses are keen on short-term debt schemes like liquid funds and systematic investment plans (SIPs) to attract these companies. The company is offering three types of products, namely Liquid

(daily), Liquid Plus (7 days' lock-in period) and SMPs (1 year lock-in period).

The asset base of the mutual fund industry grew by 7.32 per cent during April. It increased by Rs 38,744.91 crore. The MF industry now has Rs 5,67,601.98 crore of assets under management, against Rs 5,28,857.07 crore at March end. The most banks had drawn their money in March and that money came back in April.

Mutual Fund Corner

Scheme for the Month

Sundaram BNP Paribas SMILE Fund – Growth

Fund Manager: S. Krishnakumar

Investment Objective

The objective of the scheme would be to achieve capital appreciation by investing mainly in small and mid-cap stocks in a diversified manner

Sundaram BNP Paribas S.M.I.L.E Fund is said to be suited for people who have a high-risk appetite. The Fund mainly invests in small and mid-cap

funds, hence poses a greater risk and so are the returns. Stocks are chosen with a 2-3 year perspective.

Current Statistics & Profile	
Latest NAV	25.9469 (30/04/08)
52-Week High	35.59(04/01/08)
52-Week Low	17.75 (08/05/07)
Fund Category	Equity: Diversified
Type	Open End
Launch Date	Jan 2005
Net Assets (Cr)	203.71 (31/03/08)
Benchmark	S&P CNX Nifty & Sensex

Trailing Returns %

As on 30-April-2008 (%)	Fund Return (%)	S&P CNX Nifty (%)	Sensex (%)
1-Week	2.73	2.28	2.28
1-Month	13.40	9.97	11.74
1-Year	44.98	27.89	26.87
2-Year	14.91	20.42	20.02

The fund declared a dividend of 20% in Feb 2008.

Fund Style

Investment Style			CAPITALIZATION	Portfolio Characteristic
Growth	Blend	Value		
			Large	Equity and equity related instruments - 85% – 100% Others - 0% - 15%
			Medium	
			Small	

Sector Weightings

As on 31/03/2008	% Net Assets	
Financial Services	14.64	
Energy	12.36	
Basic/Engineering	9.29	
Consumer Non-Durable	7.62	
Chemicals	7.59	
Services	5.92	
Construction	5.16	
Metals & Metal Products	4.75	
Health Care	4.07	
Diversified	2.62	
Technology	1.98	
Automobile	1.96	

Holdings of the Fund as on Mar 31-2008

Equity	Value (Rs in cr.)	Qty	%
Welspun Gujarat Stahl Roh	7.47	194,949	3.67
Reliance Industries	6.12	27,016	3
Aban Offshore	5.13	16,947	2.52
Greenply Industries	4.94	155,143	2.43
Divis Laboratories	4.19	32,996	2.06
Asian Paints	4.09	34,105	2.01
Union Bank of India	4.08	289,486	2
Indian Overseas Bank	4.05	299,778	1.99
Amara Raja Batteries	4.06	210,249	1.99
Glenmark Pharma	3.86	78,726	1.9
Atlas Copco (India)	3.83	40,000	1.88
Indian Hotels Company	3.81	341,064	1.87
Indian Bank	3.74	229,360	1.83
IVRCL Infrastructure and Projects	3.65	91,010	1.79
Balrampur Chini Mills	3.56	440,272	1.75
Punj Lloyd	3.42	109,735	1.68
Jubilant Organosys	3.28	100,939	1.61
Corporation Bank	3.1	109,592	1.52
Industrial Development Bank of India	3.03	340,191	1.49
Infrastructure Development Finance Company	3.02	199,406	1.48
Canara Bank	2.93	129,942	1.44
Century Textiles and Industries	2.91	39,904	1.43
Tata Chemicals	2.81	99,911	1.38
Bharati Shipyard	2.72	50,217	1.34
Britannia Industries	2.67	19,788	1.31
Punjab National Bank	2.55	50,207	1.25
Cairn India	2.47	109,951	1.21
Nava Bharat Ventures	2.41	110,785	1.18
Ashok Leyland	2.39	676,912	1.17
Sesa Goa	2.21	7,047	1.08
Hindustan Dorr-Oliver	2.17	225,788	1.06
Chennai Petroleum Corporation	2.11	75,375	1.03
Colgate Palmolive (India)	2.1	55,036	1.03
Cummins India	2.1	65,951	1.03
Crompton Greaves	2.09	76,083	1.03
Gujarat NRE Coke	2.07	148,654	1.02
Essar Oil	2.04	100,147	1
Oriental Bank of Commerce	2.04	115,423	1
Gujarat Mineral Development Corporation	2.01	69,003	0.99
Mphasis	2.03	101,228	0.99
Patni Computer Systems	2	89,838	0.98
BEML	1.98	20,014	0.97
Siemens	1.97	31,953	0.97
Pantaloon Retail	1.92	44,598	0.94
United Phosphorous	1.86	70,959	0.91
Indo Tech Transformers	1.82	36,554	0.9
Dishman Pharmaceuticals & Chemicals	1.79	61,925	0.88
Petronet LNG Ltd	1.76	250,711	0.87
Mercator Lines	1.67	210,265	0.82
Rashtriya Chemicals and Fertilisers	1.63	313,902	0.8
Bharat Forge	1.6	59,955	0.79
Hindustan Petroleum Corporation	1.48	57,780	0.72
Alphageo (India)	1.29	29,755	0.63
Great Eastern Shipping Company	1.13	30,136	0.56
Kirloskar Brothers	1.07	46,010	0.52
Procter and Gamble Hygiene & Health Care	1	14,196	0.49
Nestle India	0.95	6,341	0.47
India Cements	0.93	50,000	0.46
Alstom Projects	0.34	5,900	0.17
Heritage Foods (India)	0.31	13,893	0.15
Texmaco	0.02	108	0.01
Others / Unlisted	Value(Rs in cr.)	%	
Indian Hotels - Rights	0.81	0.4	
NPIL Research & Development	0.24	0.12	
Cash / Call	Value(Rs in cr.)	%	
Cash & Equivalents	44.9	22.04	

Stock Watch

Idea Cellular Ltd

PROFILE	
Group	Birlas (Aditya Vikram) Group
Industry	Telecommunications – Service Provider
Chairman	Kumar Mangalam Birla
Auditors	Deloitte Haskins and Sells / R S M & Co
Secretary	Pankaj Kapdeo
Inc. Year	1996
Last AGM Date	12/12/2007
Last Book Closure	Dec
Financial Year	Mar
Web Site	http://www.ideacellular.com
Registered Address	Suman Tower Plot No 18, Sector 11, Gandhinagar - 382011 - Gujarat

Idea Cellular, since 1995, is now a part of the Aditya Birla group and is the sixth largest wireless operator in India with a 16.2% market share in total wireless subscribers. It currently operates in 11 circles, which comprise one metropolitan circle of Delhi, three category A circles of Andhra Pradesh, Gujarat and Maharashtra, six category B circles of Haryana, Kerala, Madhya Pradesh, Rajasthan, Uttar Pradesh (UP) (East) and UP (West) and one category C circle of Himachal Pradesh.

Statement showing Shareholding Pattern as on 31.03.2008

Category of shareholder	Total number of shares	% of shares
Promoter and Promoter Group		
Indian Bodies Corporate	1520445714	57.69%
Public shareholding		
Mutual Funds/ UTI	10122591	0.38%
Financial Institutions/ Banks	51993350	1.97%
Insurance Companies	6522359	0.25%
Foreign Institutional Investors	203211882	7.71%
Foreign Venture Capital Investors	3266	0.00%
Bodies Corporate	11489673	0.44%
Individuals	77529115	2.94%
Overseas Corporate Bodies	748675874	28.41%
Others	5366715	0.20%
GRAND TOTAL	2635360539	100.00%

In addition, the company has nine licenses for further circles, which would give it complete access to the entire Indian market. Idea has bagged 4.4 MHz of spectrum to commence operations in Mumbai, Tamil Nadu (including Chennai) and Bihar circles. Mumbai is the highest ARPU-generating circle in the country along with Delhi and can peg up realizations. It intends to roll out services in Mumbai circle shortly by installing a network comprising about 1,597 cell sites covering the entire city. Mumbai operations are expected to commence in the July-September quarter.

The company is proposing to expand and strengthen its network in recently rolled out circles of Himachal Pradesh, Rajasthan and UP (East) and install about 105, 810 and 1,247 additional cell sites, respectively, in these circles. In the three

new circles Idea expects its operating profit to be positive by mid-2008, instead of FY2008 last quarter as originally expected.

Idea Cellular had 24 million subscribers at the end of March 2008, an addition of 2.95 million subscribers during the quarter and 9.99 million subscribers during FY08. Idea Cellular posted its highest ever monthly net additions to its subscriber base in January, the 9.01 lakh subscribers accounting for 14.5 per cent of total GSM net adds. Its market share has improved from 15.8% at the end of December 2007 to 16.2% at March 31, 2008 in its 11 service areas of operations. Its growth prospects largely depend upon how fast it can start services in Mumbai, Bihar and Jharkhand, where it already has licenses. Once it starts operations in these new circles, the company expects to cover 77% of the country's population from the current 58%.

The Average Revenue Per User (ARPU) for the year has fallen 9.4 per cent to Rs 287 during the financial year 2008, reflecting an industry-wide trend. The minutes of usage has increased 6.2 per cent to 411 during the financial year 2008.

Bharti Infratel Ltd, Idea Cellular Ltd and Vodafone Essar Ltd have agreed to form an independent tower Company, Indus Towers Ltd, to provide passive infrastructure services in India to all operators on a non-discriminatory basis. This follows the infrastructure sharing MoU signed between Bharti and Vodafone in February 2007. The three companies will each merge their existing passive infrastructure assets in 16 telecom circles in India. Bharti and Vodafone Essar will own approximately 42% each and the Idea will own the remaining 16% stake in Indus Towers. The tower infrastructure offered by Indus Towers may reduce costs and time involved in the commencement of its operation in Mumbai, Tamil Nadu and Bihar Circles.

Geodesic, an innovator in communication, collaboration and entertainment applications on mobile and Internet platforms has announced with IDEA Cellular, the launch of 'Idea Radio', a truly differentiated mobile music service for IDEA customers. For this service, Geodesic has extended its technological expertise to IDEA Cellular, to develop and support the customized mobile internet radio service that is available to more than 20 million IDEA subscribers.

Southern Biotechnologies Ltd has tied up with IDEA Cellular Ltd to provide bio-diesel for operating IDEA's gensets at all towers in the Andhra Pradesh region. Usage of this 20% blended bio-diesel can reduce pollution emissions by upto 40%, making IDEA Cellular the first telecom operator in the country to adopt this environment friendly fuel.

The company, at the beginning of the year has given the aggregate capex guidance of Rs 10,000 crore for FY08 and FY09.

Idea Cellular is set to extend its network to cover 3,000 towns and 30,000 villages in the country by the end of the year

against the present Idea's network of coverage in 1,700 towns and 17,000 villages.

Monopolies and Restrictive Trade Practices Commission (MRTPC) has issued a notice of enquiry against Bharti Airtel, Vodafone Essar and Idea Cellular for allegedly to determine if they had formed a cartel to distort competition by increasing tariffs simultaneously. The case was taken up by MRTPC after the three companies announced similar tariff hike on a specific plan in August 2007. While local call charges was increased from Re 1 to Rs 1.20 per minute, STD rates were increased by 10 per cent on a few pre-paid plans.

Idea Cellular, is planning to raise \$250 million debt to fund expansion plans over the next two years, including starting of operations in 9 more circles in the country. According to the company's officials, it is in advanced stages of negotiations with a clutch of global financial institutions to raise syndicated debt.

GSM players-Idea Cellular and Spice-have warned the Department of Telecom (DoT) against allocating licences and spectrum to new entrants, including CDMA players who want to offer GSM services. The GSM players have pointed out that under the current policy, licences and spectrum are awarded on a first-come-first-serve basis, and since Idea and Spice had applied in 2006, they were ahead of all other players in the queue. Idea has reminded the government that its applications to expand to the rest of the country have been pending for over 500 days.

The Department of Telecom (DoT) has given an in principle clearance for Idea Cellular, Vodafone Essar and Aircel to be granted second generation spectrum (2G), also known as radio frequencies, where they currently hold licences, a DoT

Financials

Idea Cellular has reported consolidated revenue of Rs. 1972.40 crore up 51% on Y-o-Y basis and 9% higher on Q-o-Q basis. This growth was fuelled by increase in minute of usage and ARPU (Average Revenue Per Quarter) during the quarter. The net profit of the company stood at Rs 276.69 crore with an increase of 44% on Y-o-Y and 17% increase on Q-o-Q basis.

Financial Snapshot (Rs. Crores)						
	FY 2007-08	FY 2006-07	FY 2005-06	FY 2004-05	Q 200803	Q 200703
Equity	2635.36	2592.86	2259.53	2259.53	2635.36	2592.86
Networth	3542.27	2179.15	685.53	559.93	-	-
Capital Employed	NA	6429.66	4084.13	3740.96	-	-
Net Sales	6719.99	4366.40	2007.07	1632.04	1972.4	1308.42
Rate of Growth(%)	53.90%	117.55%	22.98%	-	50.75%	-
Other Income	17.46	46.13	13.84	9.67	12.86	11.03
PBIDT	2271.28	1521.85	735.16	523.83	674.97	448.08
Rate of Growth(%)	49.24%	107.01%	40.34%	-	50.64%	-
PBT	1116.89	509.06	128.5	26.05	292.37	195.3
PAT	1042.31	502.06	125.6	26.05	276.69	192.34
Rate of Growth(%)	108.02%	299.73%	382.15%	-	44.64%	-
Book Value (Rs)	13.44	8.40	3.03	2.48	-	-
EPS (Unit Curr.)	3.96	1.94	0.56	0.12	1.06	0.74
PBIDTM(%)	33.80%	34.85%	36.63%	32.10%	34.22%	34.25%
PBDTM(%)	29.67%	27.04%	23.72%	16.17%	28.11%	28.39%
PATM(%)	15.54%	11.50%	6.26%	1.60%	14.10%	14.70%

The ARPU of the company improved by 3% on Q-o-Q to Rs 287 while the average minutes of use per user increased to 411 minutes in Q4 FY08 from 377 minutes in Q3 FY08. However the Average Realized Rate (ARR) per minute dropped from Rs 0.74 in Q3 FY08 to Rs 0.70 in Q4 FY08.

For the year ended March 2008 the consolidated revenue of the company was at Rs 6719.99 crores, up 54% on Y-o-Y, with other income of Rs 17.46 crore (17% lower on Y-o-Y). The resultant PAT stood at Rs 1042.31 crore, 108% up on Y-o-Y.

Corporate Actions

- During the year 2006-07, 42500000 shares have been allotted at a premium of Rs. 65 per share to the stabilization agent JM Morgan Stanley Pvt Ltd on exercise of green shoe option.
- In October, the board of Idea Cellular has approved the increase in authorized equity share capital of the company by Rs. 500 crore (50,00,00,000 equity shares of Rs. 10 each) to comply with one of the terms of long term financing tied up by the company with Banks / FIs.

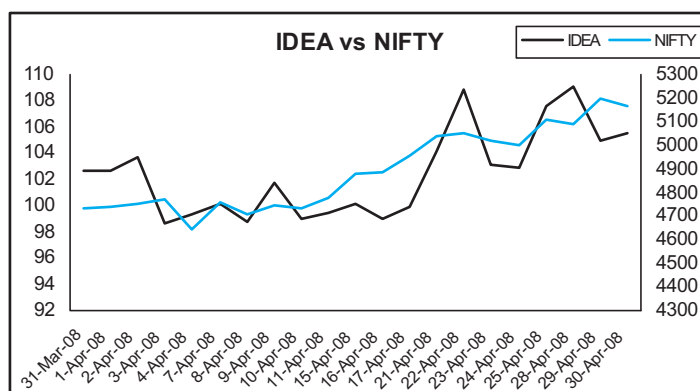
Industry

Riding on cheap tariffs and extended network coverage in small towns and rural India, India's GSM players - Airtel, Vodafone, Idea, BSNL, MTNL, Spice, BPL and others - have added 7.6 million mobile customers in March 2008. This is the highest subscriber addition on this technology platform since the inception of mobile services in the country. With CDMA players yet to declare their numbers, the world's fastest growing mobile market may well see the number of new users cross the 10-million-mark in March, establishing a global record.

According to the latest data compiled by the Cellular Operators' Association of India (COAI), the industry association representing all GSM operators, the GSM subscriber base has touched 192.3 million in March 2008, up 4% from 185 million in February 2008.

Market Snapshot

Stock Data		Market Data (As on 30-Apr-2008)	
BSE Code	532822	Price (Rs)	105.50
BSE Group	A	Lat. P/E	26.60
NSE Symbol	IDEAEQ	Mkt. Cap.(Rs Cr)	27803.05
ISIN Demat	INE669E01016	Lat. BV(Rs)	13.44
Reuters	IDEA.BO	52 W H/L(Rs)	161 / 89
Bloomberg	IDEA@IN	Lat. EPS(Rs)	3.96
Par Value(Rs)	10	Lat.Eqty (Rs Cr)	2592.86
		Div. Yield (%)	0.00



GHCL Ltd

PROFILE	
Group	Sanjay Dalmia Group
Industry	Chemicals - Inorganic - Caustic Soda / Soda Ash
Chairman	Mr. Sanjay Dalmia
Auditors	Jayantilal Thakkar & Co / Rahul Gautam Divan & Assoc
Secretary	Bhuwneshwar Mishra
Inc. Year	1987
Last AGM Date	30/07/2007
Last Book Closure	July
Financial Year	March
Web Site	http://www.ghcl.co.in
Registered Address	GHCL HOUSE, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad, Gujarat - 380009, India

GHCL LTD (formerly Gujarat Heavy Chemicals) was promoted in 1987 as a joint sector company by the GIC and the Dalmias, through their companies - GTC Industries and Dalmia Dairy Corporation. The company is engaged in manufacturing of industrial chemicals and textiles. The company also has presence in IT services and Edible salt. GHCL has entered into IT enabled services through wholly owned subsidiary, Icon Data management Ltd. (IDML) in the year 2000-2001.

Share Holding Pattern

Category of shareholder	Total number of shares	% of shares
Promoter and Promoter Group Indian		
Indian Bodies Corporate	41383607	41.38%
Indian TRUST	152000	0.15%
Indian DIRECTORS & RELATIVES	30050	0.03%
Foreign Bodies Corporate	5507900	5.51%
Public shareholding		
Mutual Funds/ UTI	21913	0.02%
Financial Institutions/ Banks	631932	0.63%
Insurance Companies	6042993	6.04%
Foreign Institutional Investors	2324114	2.32%
Bodies Corporate	24559331	24.55%
Individuals	13977291	13.97%
Others	5388155	5.39%
GRAND TOTAL	100019286	100

GHCL, during the year 2006-07, had implemented its expansion program, to increase the capacity from 2.5 Lakhs MTPA to 8.5 Lakhs MTPA to manufacture soda ash (both dense and Light). Globally the company's Soda Ash production had increased to 11.5 Lakhs MTPA with 8.50 Lakhs MTPA in India and 3.00 Lakhs MTPA at Romania Operations, SC GHCL Upsom SA.

The textile division is a vertically integrated operation that manufactures premium quality yarn, griegie fabric, and home textile products like bed linen, curtains, madeups and cotton yarn. The product range includes flat sheets, fitted sheets, Pillow cases, shams, valences, curtains, duvet covers,

and other top of the bed items in 100% cotton and blend. The two spinning units in Tamil Nadu have an installed capacity of 125,000 spindles and are ISO 9001-2000 and OKO-TEX certified. Wind power (3.6 MW and 4.8 MW) is used for its energy requirement.

Plant Location

The Soda Ash plant is located along the coastline of Saurashtra Region, within Gujarat, India and is totally self-sufficient in terms of Power and Steam. The units are ISO 9001:2000, ISO 14001 and OHSAS 18001 certified. The major raw materials like salt, limestone etc. are all produced in a cost-effective manner. The Company has salt refineries at Nagapattinam and Thiruporur in TamilNadu. Further the company has its textiles units at Madurai and Manaparai in TamilNadu and Valsad in Gujarat.

The company has 10 area sales offices in India. Domestic clients include Hindustan Lever, Ghari Detergent Group, Gujarat Guardian,..etc. GHCL exports to Saudi Arabia, UAE, Kuwait, South Korea, Indonesia, Malaysia, Thailand, Bangladesh, Hungary, Austria, Croatia, Ukraine, Poland, Moldova and Turkey.

Recent Highlights and Future Plans:

The company has acquired UK-based Rosebys with 300 stores, and the US-based Textile Company, Dan River, Best Manufacturing Group, and HW Baker. Through its HW Baker Linen division, Dan River has signed a multi-year USD 100 million contract with Starwood Hotels & Resorts Worldwide for supply and distribution of a variety of home textiles products. GHCL will market UK-based home textile retailer Rosebys brands in India. The home textiles entity is set to become one of the strongest sourcing power houses in the world, backed by a global network of vendors and sourcing teams.

GHCL is proposing to restructure its business into two separate segments – by separating its commodity-oriented soda ash business from its brand-oriented home textile and retail business. A company release said, As per the plan, the erstwhile GHCL would continue to be listed on the domestic bourses and would entail the company's soda ash business, while the home textile business of sourcing and manufacturing is proposed to be shifted to a 100 per cent subsidiary of GHCL. A proposed new retail entity would encompass the company's retail ventures in India and the UK, including the business of Rosebys UK. The firm earns about 64 per cent of its revenue from home textiles and 33 per cent from its soda ash business.

GHCL in 2006-07 entered the Indian retail arena. The company entered the home textiles segment through the franchisee model. The company will be opening 100 retail stores by 2010 at an investment of Rs 1,250 million. The first store came up by the end of December 07, in the National Capital Region. The area of the store would be in the range of 2,000-4,000 sq. ft.

In an effort of becoming the biggest sourcing company in home textiles and accessories within two years, newly-incorporated GHCL Global Sourcing has set a target of conducting business worth more than \$1 billion (Rs 4,000 crore) in financial year 2008-09. GHCL Global Sourcing, will cater to overseas and Indian retail chains.

GHCL is planning to enter the US and Chinese markets also exploring expansion and greenfield projects in India. GHCL

is also in talks with soda ash companies in China and the US. The company is looking for some strategic partnership in the US market. In the European market, the company has presence through a USD 45 million worth acquisition done by the company in 2005; however, its considering partnerships in Europe too.

At present, around one third of the total revenue of company comes from soda ash business in overseas market, which the company aims to take to USD 1 billion by 2009.

Corporate Actions

- During the year 2006-07, 430875 shares have been allotted at a premium of Rs.149.57 per share on conversion of FCCBs.
- The company recommended dividend of Rs 2.70 per equity share for (15 months) period ended 31st March 2007,

Financials

Home textile and soda ash firm GHCL Ltd reported a 6.49 per cent rise in its net profit for the quarter ended December 31, 2007 at Rs 32.17 crore compared with Rs30.21 crore for the same period last year. The company's total income rose 38.40 per cent at Rs 302.48 crore for the third quarter against Rs 218.56 crore for the corresponding period a year ago. The company's net profit for the nine-month period ended December 31 this fiscal stood at Rs 89.07 crore compared with Rs 86.83 crore for the same period in 2006. Income from operations for the period was recorded at Rs 833.14 crore against Rs 633.20 crore during the previous year.

Financial Snapshot (Rs. Crores)					
	FY 2006-07 (15 Months)	FY 2005-06 (9 Months)	FY 2004-05	Q 200712	Q 200612
Equity	99.59	95.09	95.09	100.02	97.09
Networth	422.17	294.20	248.90	-	-
Capital Employed	1556.09	927.74	450.19	-	-
Net Sales	1165.63	526.03	594.86	302.48	218.56
Rate of Growth(%)	58.58%	17.91%	-	38.40%	-
Other Income	59.51	11.44	8.94	3.91	1.99
PBIDT	336.04	145.98	113.59	66.23	63.68
Rate of Growth(%)	67.76%	71.35%	-	4.00%	-
PBT	215.92	102.05	61.48	35.42	47.78
PAT	148.28	72.13	40.4	32.17	30.21
Rate of Growth(%)	41.50%	138.05%	-	6.49%	-
Book Value (Rs)	42.39	30.94	26.18	-	-
EPS (Unit Curr.)	14.89	7.59	4.25	3.11	3.16
PBIDTM(%)	28.83%	27.75%	19.10%	22.18%	29.34%
PBDM(%)	23.56%	25.04%	16.33%	17.67%	27.22%
PATM(%)	12.72%	13.71%	6.79%	10.43%	14.14%

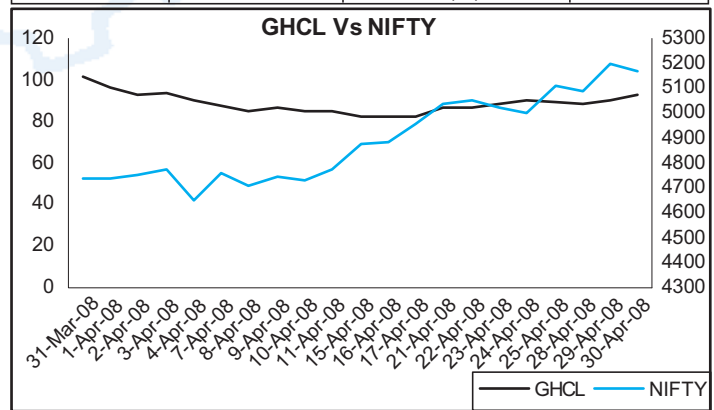
Industry

The soda ash industry continues to be driven by good demand growth both in domestic and global markets, propelled by sustained uptrend in user industries. International soda ash prices continued to remain firm and the spot prices have been higher by 25 per cent since April 2007. Along with rising global prices, domestic soda ash prices, too, saw a sharp spurt during 2007-08. Average price of soda ash increased from Rs.15.5 per kg in April 2007 to Rs.19 per kg in March 2008, translating into a 22.6 per cent increase. With the demand for float glass remaining strong, backed by a healthy growth in the construction sector, soda ash is to remain firm in the near future.

The soda ash industry is on an upturn globally backed by robust demand from the glass industry, which accounts for around 55 per cent of the global soda ash demand. Increased usage of glass in the construction sector is pushing up the demand for soda ash. Internationally, large demand for soda ash is coming from China and other developing nations. Strong demand from China is driven from construction projects related to the Olympic Games and the World Trade Fair in 2008 and 2010, respectively. Further, the Chinese civil authority recently announced plans for 97 new airports to be built in China by 2010, which is expected to add even more demand of soda ash. While the Chinese domestic demand is rising, supply is under pressure with shifting of capacities from crowded areas to remote locations because of environmental constraints.

Market Snapshot

Stock Data		Market Data (As on 30-Apr-2008)	
BSE Code	500171	Price (Rs)	92.85
BSE Group	B	Lat. P/E	7.8
NSE Symbol	GHCL	Mkt. Cap.(Rs Cr)	928.69
ISIN Demat	INE539A01019	Lat. BV(Rs)	42.9
Reuters	GHCH.BO	52 W H/L(Rs)	208 / 68
Bloomberg	GHCL@IN	Lat. EPS(Rs)	11.84
Par Value(Rs)	10	Lat. Eqty (Rs Cr)	100.02
		Div. Yield (%)	2.33



Stock Select

Co_Name	Alps Inds.	Century Textiles	G N F C	GHCL	Idea Cellular	Returns (Appreciation) in % (as on 31/03/2008)				
Industry	Textiles - Others	Diversified - Mega	Fertilizers - Nitrogenous / Phosphatic	Soda Ash	Telecommunications - Service Provider***	Co_Name	1 Month Return	3 Months Return	1 Year Return	2 Years Return
Networth	317.42	1308.64	1890.74	517.17	3426.98	Alps Inds.	12.66%	-26.23%	-20.66%	-66.45%
Latest Equity (Subscribed)	34.51	93.04	155.42	100.02	2635.36	Century Textiles	19.94%	2.23%	43.23%	43.76%
Latest Bookvalue -(Rs)	83.5	113.53	101.06	42.9	13.44	G N F C	20.67%	-14.22%	64.25%	30.65%
Latest EPS -(Rs)	10.62	46.33	27.82	11.84	3.96	GHCL	-8.45%	-29.08%	-30.54%	-48.48%
Market Price -As on 30th Apr	43.9	872.3	163	92.85	105.5	Idea Cellular	2.83%	-14.50%	-7.57%	NA
Latest P/E Ratio	4.1337	18.828	5.8591	7.8421	26.6414					
Profit After Tax(9 Months)(2007-12)	29.26	252.35	320.13	88.13	650.88					

*** The financials for Idea Cellular the FY 2007-08(12 Months)

Beginners Corner

Stock Market related Terminologies/ Jargons :

Part 2: Secondary Market- Market Related Terminologies

Index: An Index shows how specified portfolios of share prices are moving in order to give an indication of market trends. It is a basket of securities and the average price movement of the basket of securities indicates the index movement, whether upwards or downwards.

Bear, Bear Market, Bear Cycle: A stock market operator who expects share prices to fall and keeps selling (to pick up the shares later a lower price for actual delivery), causing selling pressure and lowering the prices further. Term derived from the attacking posture of the bear, pushing downwards. Bear Cycle is an extended period, usually shorter than a bull cycle, when share prices generally keep falling and the stock market indices keep going down. It is a prolonged period of falling share prices, dominated by selling pressure in the marketplace, brought about by BEARS, or adverse economic or political factors. Bear Hammering Persistent selling pressure by bears, bringing the price down.

Bull Market: A bull market is a financial market where prices of instruments (e.g., stocks) are, on average, trending higher. The bull market tends to be associated with rising investor confidence and expectations of further capital gains. A market participant who believes prices will move higher is called a "bull". A news item is considered bullish if it is expected to result in higher prices. An advancing trend in stock prices that usually occurs for a time period of months or years. Bull markets are generally characterized by high trading volume.

Book Loss / Paper Loss: Loss not actually sustained, as the investor hasn't sold when the price has fallen. Book loss induces some depression of mind, but does not actually pinch the investor's pocket unless, of course, the book loss keeps mounting and the investor is forced to sell at a considerable loss, if he can sell at all.

Book Profit/ Paper Profit: As a noun, unrealized profit, when shares which an investor holds have appreciated in price, but the shareholders hasn't sold any. It induces a sense of well-being, without bringing in any tangible profit. It is only in the verbal use of the term, i.e. to sell shares when they have appreciated in price. That real profit comes. Hence the stock market adage: Un-booked profit is only book profit.

Circuit Breaker: A system to curb excessive speculation in the stock market, applied by the stock exchange authorities, when the index spurts or plunges by more than 5%. Trading is then suspended for some time to let the market cool down. Although introduced in November 1992, it was used for the first time in the Bombay Stock Exchange on Tuesday, 9 March 1993 when the Sensex declined by more than 5% from the opening level, i.e. from 2451.20 to 2318.26.

Crash: A sharp fall in share prices within a short period.

Cyclical Shares: Shares which rise and fall in price with the state of the national economy, of such industries as construction, automobiles, cement, engineering; or those affected by international economy, such as shipping, aviation, and tourism; also shares which are affected by natural phenomena, like fertilizers and tea. Non-cyclical shares would be drugs, insurance, basic foodstuffs and many consumer products.

Efficient Market Hypothesis: The hypothesis that holds that the financial market is in possession of all available information which may influence the price of a share or financial security, that as a result there is perfect competition in the financial market. Perfect competition in the stock market context implies that buyers and sellers have perfect knowledge, and neither is in possession of any information unknown to the others. Since the present prices in the stock market have already assimilated the available information, expectations of future prices are revised randomly.

Insider Trading: An illegal activity in which persons in a company having confidential information, such as expansion plans, financial results, takeover bids, etc., take advantage of such information to make a profit on the stock exchange by buying or selling shares.

Unloading Selling shares off when prices are falling to avoid further loss. Bulls, when they get tired waiting for the price to rise, tend to unload when the market is falling, causing prices to fall further.

Growth Shares: Shares of fast – growing companies which show increasing and higher than average earnings per share than the

industry. Good for long term investment, although the current yield of such shares can be insignificant because of their high P/E RATIOS.

Locked Market A highly competitive stock market situation in which the bid and ask prices of a share are the same. The market is unlocked when more buyers or sellers appear on the scene.

Market Tone The health of the stock market. It is good when the bid and offer prices have a narrow gap and the volume of business is large. It is bad when there is little trading and the gap between bid and offer prices is large. It is unhealthy when financial institutions alone are propping it up.

Reaction A short – term reversal of the market trend when in a falling market some buyers, attracted by the low price start buying, thereby causing a temporary change in the trend, or when in a rising market some buyers book profit, thereby causing the price to rise.

Nervous Market Stock market which is reacting sharply to economic to political events, such as an annual budget unfavourable to industrial growth, drought, imposition or removal of price controls, change of government etc.

Overheated Market A stock situation in which too much money is chasing too few shares, leading to sharp price rises, and frequent GAPS. This is the last phase of a bull cycle and it usually portends an imminent onset of a bear cycle.

Panic Selling A condition of the stock market in which not only inexperienced investors, but also sturdy bulls, take fright and start selling. It may be caused by sudden unfavourable news or rumour, or simply, in bear market conditions, the absence of financial institutions from the market.

Weak Market A market in which there are more sellers than buyers, resulting in a decline in prices.

Volatile: Subject to frequent and violent fluctuations. If the volatility of a share is due to inherent factors like variability in its earnings, smallness of the issue, the cyclical nature of the industry to which it belongs, it is measured by the ALPHA FACTOR. If, on the other hand, the volatility is market – related, it is measured by the BETA FACTOR.

Trough A low point in the stock market index from which the averages raise fairly consistent over a period. The BULL rescues the index from the trough, just as the BEAR pushes it down into it.

Overvalued Shares Shares which have caught the investors' fancy, and who therefore are willing to pay a price for them which is not justified by their EPS (earning per share) or P/E ratio. Justifiably high – priced shares can become overvalued as a result of a company's fall in profitability, the emergency of competition and the loss of market share, prolonged labour unrest, or foreign exchange fluctuations.

Undervalued Shares Shares selling below their book value or the price earning ratio which analysts believe they deserve. There may be many reasons for this: the industry is out of favour, or the company has current labour trouble or it is not well – known enough or, this is quite common, the company hasn't yet caught the investor's fancy. Fundamental analysts often identify and recommend such shares before they become fully priced. Companies with undervalued shares are often targets of takeovers as their shares can be acquired cheaply.

Odd Lot In the stock market shares are generally bought and sold in MARKET LOTS, which are easy to trade. Any number of shares less than the market lot makes an odd lot. Odd lots typically arise from BONUS or RIGHTS issues. Apart from the difficulty in buying or selling odd lots, there is another disadvantage: you may have to sell an odd lot at a considerably lower price than that quoted for a market lot.

Averaging: Buying a share at different times, in different quantities. And at different prices, so that an advantageous average price is obtained. For example, someone has bought 100 shares at Rs 80 in a rising market; when the price falls to Rs 60 he may buy another 200. By averaging he has obtained a price of Rs. 66.33 for a share. If he buys still further shares when the price is lower, by averaging he may obtain an even lower price. Averaging is often done to offset the high price once paid in a rising market. Also, averaging is a means of not paying too high a price when buying a lot of shares (there is no violent change in price, since the buying is in small lots), or not getting too low a price when selling a large chunk of shares (the price doesn't drop suddenly).

Averaging In/Averaging Out Buying or selling at different prices in order to build up, or liquidate, a substantial holding over a long period.



INDBANK MERCHANT BANKING SERVICES LIMITED

(A Subsidiary of Indian Bank)

Regd. Office : First Floor, Khivraj Complex I, No. 480, Anna Salai, Nandanam, Chennai 600 035.

E-mail: investors@indbankonline.com Website: www.indbankonline.com

Income

86.30%

PBT

77.88%



PAT

63.18%

EPS

63.31%

Audited Financial Results

Particulars	2007-08	2006-07
Total Income	4819.79	2587.09
Expenditure	503.04	445.04
Interest	506.48	0.00
Profit before tax	3810.27	2142.05
Tax Expense	355.32	24.88
Net Profit for the period	3454.95	2117.17
Earnings Per Share (EPS) (Rs.)	7.79	4.77

Indbankonline

You can trade in Shares & Stocks.
From anywhere.

All you have to do is open an Indnet Banking
Account and a Demat Account with Indian Bank
and an Indbank Online
Trading account with Indbank

NSE SEBI Regn. No. INB230596837. NSEIL Member ID - TM 05968 and UIN 100001750

Website : www.indbankonline.com

BRANCH OFFICES

Chennai : I Floor, Khivraj Complex I, No.480, Anna Salai, Nandanam, Chennai 600035. Phone: (044) 24313094 to 97 Fax: (044) 24313093 chennai@indbankonline.com

Delhi : I Floor, J-13/11, Patel Market, Rajouri Garden, New Delhi 110 027. Phone: (011) 23353264, Fax: (011) 23731149, delhi@indbankonline.com

Mumbai : Varma Chambers, Ground Floor, 11, Homiji Street, Fort, Mumbai 400 001. Phone: (022) 22634601, Fax: (022) 22658270, mumbai@indbankonline.com

Ahmedabad : V Floor, Premchand House Annexe, Behind High Court, 172/1, Ashram Road, Ahmedabad 380009. Phone: (079) 26577022/19, Fax: (079) 26580275, ahmedabad@indbankonline.com

Coimbatore : I Floor, 31, Variety Hall Road, Coimbatore 641 001. Phone: (0422) 2247056/57, Fax: (0422) 2247057, coimbatore@indbankonline.com

Bangalore : 29, Infantry Road, I Floor, Bangalore 560 001. Phone: (080) 22860751/0318/9083, Fax: (080) 22860318, bangalore@indbankonline.com

Thirunelveli : I Floor, No.33, Madurai Road, Thirunelveli Junction 627001. Phone: (0462) 2330471/72, Fax: (0462) 2330473, thirunelveli@indbankonline.com

Madurai : I Floor, Plot No 393, Main Road, Anna Nagar, Madurai 625020. Phone: (0452) 2523126/27, Fax: (0452) 2523128, madurai@indbankonline.com

Hyderabad : 3-6-150, I Floor, Himayat Nagar, Hyderabad 500 029. Phone: (040) 23261167 / 68, Fax : (040) 23261169 hyderabad@indbankonline.com

Puducherry : Door No. 10, Kamaraj Salai, Puducherry 605 011. Phone: (0413) 2226823 / 24, Fax : (0413) 2226822 puducherry@indbankonline.com

DISCLAIMER:

The information and opinions contained herein have been compiled or arrived at based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guarantee, representation of warranty, express or implied is made as to its accuracy, completeness or correctness. The information has appeared in various external sources/media for public use or consumption and is now meant only for members and subscribers. The views expressed and/or events narrated/stated in the said information/news items are perceived by the respective source. All such information and opinions are subject to change without notice. This document is for information purpose only. No one can use the information as the basis for any claim, demand or cause of action. While we would endeavor to update the information herein on a reasonable basis, we do not undertake to advise you as to any change of our views expressed in this

document. This report has been produced independently of the company, and forward looking statements, opinions and expectations contained herein are entirely those of Indbank and given as part of its normal research activity. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and this document is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. Indbank, its directors, analysts or employees do not take any responsibility financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of the shares and bonds, changes in the currency rates, diminution in the NAVs reduction in the dividend or income, etc. IBMBS and its affiliates, officers, directors and employees including persons involved in the preparations or issuance of this report may from time to time have interest in securities there of, companies mentioned there in.