

From the President's Desk

SENSEX AT A HIGH – CAUTION

After touching new lows during March 2008, the Indian Stock Markets has zoomed past and has recently reached a high of 17,000. A steady upward movement for a couple of months now has surprised many, with Sensex and Nifty raising nearly 100% in the past six months. Many are left ruing their fates, as they were forced to be just the on-lookers. Let us take the case of Reliance Industries. At the start of the year 2009 i.e. 02.01.2009, in NSE the closing price of an equity share of Reliance Industries was Rs. 1254.65. At the close of trading hours on 06.10.2009 it is Rs. 2134.10, a difference of Rs. 880 and a return of approximately 70%. It should also be noted that the stock crossed the Rs. 2300 levels in June 2009 itself. Such has been the steep rise in the bourses. Further, Reliance has announced a dividend of Rs. 13/- per share and also a bonus of 1:1 (one share for every one share held).



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

What are reasons for such a steep rise? Positive Global Cues, Improved fundamentals of the companies, political stability, huge FII's inflows through Qualified Institutional Placements, reviving primary markets are some of the reasons that can be attributed to this manifold increase. Many investors, who kept waiting for corrections to enter the market, missed the bus completely. So, what's the road ahead?. Will the trend sustain?. The answers for these questions range from optimism to extreme pessimism. But the fact remains that no one knows exactly how and where the markets are heading. "Caution" is the buzz word and I have listed below a few strategies, investors could follow to make good of the current market scenario

- **Review** – Review your asset allocation to check if the portfolio has tilted in favour of equities. This is an excellent indicator of whether it's time to book profits in an asset class or not.
- **Book Profits** – It is extremely crucial to book profits at regular intervals in stocks. The optimistic mood prevailing now presents a golden opportunity to pocket at least a part of the profits earned.
- **Buy At Dips** – It may not be a good idea to make new investments, with markets at new highs, especially in front line stocks. A good strategy would be to wait for a correction and enter the markets over a period of time, rather than in one go. Also buy in small quantities over a period of time, which would average out the buying price

Often, investor interest is at its peak when the markets are bullish and in an attempt to make good the opportunity missed and in their eagerness not to miss the bus again, many investors enter the markets at the last leg of the rally only to lose money when the market corrections happen. Investors should select stocks which are under-priced at the current levels with respect to their earnings capability. A study of the price-to-earnings (PE) ratio of a particular stock over a period of 3 years will provide a fair insight into the fair value of the stock.

Wishing you all a
"HAPPY DIWALI & PROSPEROUS NEW YEAR"

08/10/2009

(PN PATEL)

The stock markets continued to outperform themselves with Sensex and Nifty reaching record highs. The Indian bourses have gained nearly 100% during the past six months, surprising the pundits and investors alike. But the abundant optimism turned into caution, when the Finance Minister announced that the Government will review the stimulus measures it announced earlier to revive the slowing economy. The GOI also announced that, gifts in kind valued over Rs. 50,000 will be taxed from October 1, 2009, but for a few exceptions. India's annual inflation crawled up marginally to 0.83 for the week ended September 19, 2009 after being in the red for most part of last year. The annual wholesale inflation rate is slowly moving up, after witnessing on-year declines in 13 successive weeks due to sharp rise in food prices. Further the Chief Economic Advisor predicted that the Indian economy will grow by 7% during the current fiscal despite poor monsoon and its adverse effect on the agricultural sector. The Government of India launched its "Interest Subvention Scheme" announce by the Finance Minister earlier in July, of 1% interest subsidy on all home loans up to Rs. 10 Lakh provided the cost of house is less than Rs. 20 Lakhs. The scheme will remain in operation between October 1, 2009 to September 30, 2010. There was good news for the employees of state-owned banks, as a Finance Ministry official says that Indian Bank's Association and United Forum of Banks Union are close to reaching an agreement on wage hike for their employees, at the same time reiterating the need for government run banks to look for mergers and acquisitions in the next 5-10 years to achieve optimum economies of scale.

In the Indian Debt Markets, the liquidity in the market continued to remain ample. The net LAF balance for the week ended 25th September, 2009 was around Rs. 92,500 crore and the overnight money market rates continued to remain low in the range of 1.75% - 3.50%. WPI inflation increased to 0.83%, mainly driven by non-food articles and basic metals. The corporate bond yields also remained range bound throughout the month.

Action in the Commodities Market picked up steam on account of surprise rise in the prices of Crude Oil. Prices ended at \$70.61 on September 30 as compared to \$65.89 on September 24. The Government of India extended the deadline for commodity exchanges to comply with FDI norms to March 31, 2010. NCDEX Spot Exchange got approval from Gujarat Government for setting up a spot exchange in the state.

On the regulatory front, a key document prepared by the Union Telecom Ministry says successful bidders for 3G spectrum will also be allotted 2G airwaves, conceding a major demand of foreign telecom companies looking to take part in the 3G auctions. The Ministry of Corporate Affairs decided to scrutinize the account books of all registered companies – listed and unlisted to avoid accounting frauds and the Ministry of Law cleared a proposal to enact a law to screen Foreign Investment from the security angle. The RBI committee reviewing the BPLR recommended that the nomenclature be scrapped and new benchmark rate known as Base Rate replace it, thus conceding to one of the long pending demands of the banking sector. SEBI, made available the Scheme Information Document (SID) on its website in addition to Statement of Additional Information (SAI) of Mutual Funds in its website, enhancing the information availability to investors.

Snapshot

Particulars	25 th Sep-09	18 th Sep-09	11 th Sep-09	4 th Sep-09
Inflation (%)	0.37 (Sep 12, 09)	0.12 (Sep 05, 09)	-0.12 (Aug 29, 09)	-0.21 (Aug 22, 09)
91-Day Cut-off (%)	3.3978	3.3978	3.3978	3.3978
10-yr G-Sec yield (%)	7.3786	7.3517	7.6000	7.6212
1-10 yr spread (bps)	239	249	277	297
USD/INR(Rs)	47.98	48.18	48.51	48.89
USD 6m LIBOR	2.89	2.98	0.68	0.75
10 Y US Treasury	3.33	3.47	3.34	3.44
USD/Euro Spot	0.681663	0.680041	0.685213	0.701164

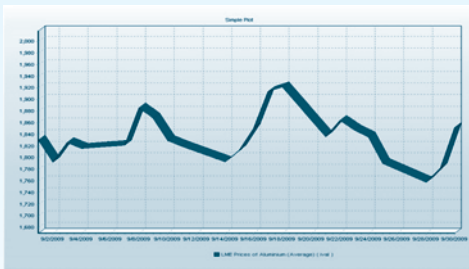
Global Indices

Indices	Country	Index as on 31st Aug 2009	Index as on 30 th Sep 2009	Variation (%) (Inc/ Dec)
NASDAQ	United States	2009.06	2122.42	5.64
DJIA	United States	9496.28	9712.28	2.27
S&P 500	United States	1020.62	1057.08	3.57
Hang Seng	Hong Kong	19724.19	20955.25	6.24
Nikkei 225	Japan	10492.53	10133.23	(3.42)
Straits Times	Singapore	2592.90	2672.57	3.07
FTSE 100	United Kingdom	4908.90	5133.90	4.58
CAC 40	France	3653.54	3795.41	3.88
DAX	Germany	5458.04	5675.16	3.98
Shanghai Composite	China	2667.75	2779.43	4.19
SENSEX	India	15666.64	17126.84	9.32
NIFTY	India	4662.10	5083.95	9.05

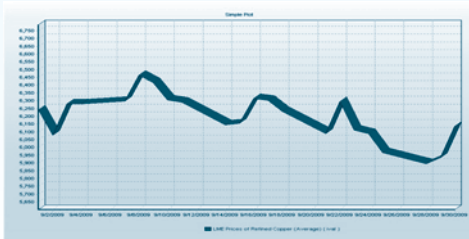
Institutional Investments

Category	Debt / Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments	Equity	67870.90	49526.50	18344.30
	Debt	11080.70	8852.50	2228.40
Mutual Fund	Equity	15852.00	18186.60	(2334.60)
	Debt	42557.40	34099.70	8458.00
FII Derivative Trades	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
-Buy	38302.13	75357.49	40487.05	902.62
-Sell	36295.71	70537.09	42777.01	450.68

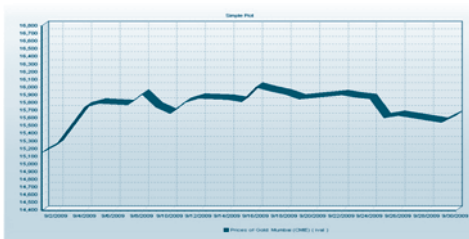
Commodities Trend



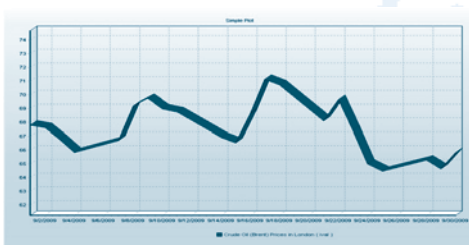
Aluminum



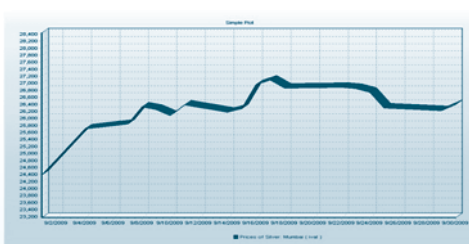
Copper



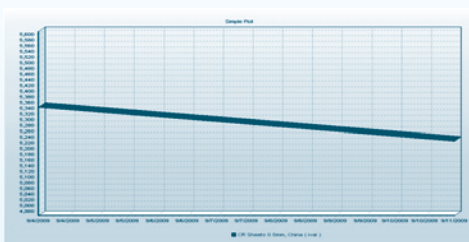
Gold



Oil



Silver



Steel

Further, IRDA (Insurance Regulatory and Development Authority of India) announced that it will come up with disclosure norms for insurance companies by the second week of October 2009. The Supreme Court of India asks Telecom Regulatory Authority of India (TRAI) to complete the exercise of fixing tariffs for Direct – to – Home (DTH) services by January 15, 2010. A government appointed panel suggested expanding the ambit of Clause 49 on the listing agreement on listing of companies specified by SEBI to include cost audit report.

World News

International Monetary Fund (IMF) raises its forecast on world output in 2010 to 3.1% from 2.5% earlier, expressing hopes that the global recession will end. It also projected US to grow at 1.5% in 2010, up from the earlier estimate of 0.8% made in July. The Managing Director of IMF, Mr. Dominique Strauss Kahn called on leaders from the G20 nations to maintain efforts to pull the world economy out of recession, warning that the crisis is not yet over. The US Federal Open Market Committee announced that it will maintain the target range for the federal funds rate at 0-0.25% signaling that the US economy's return to growth is insufficient to withdraw stimulus. Further, the World Bank sanctioned loans aggregating to \$4.34 billion to support India's economic recovery by strengthening its state run banks and funding infrastructure projects. It added that despite the uncertainty about the pace of the economic growth, current trends suggest that a growth rate between 5.5% to 6.5% for 2009-10 is realistic.

The equity indices across the globe gained points during the month except Japan's Nikkei 225. Wall Street Stocks rose marginally during the last week of September, although marred with weak economic indicators as a burst of corporate deal making gave investors a shot of confidence about the economy. Tech laden NASDAQ Composite scored over Dow Jones by giving more returns as investors confidence returned to technology stocks, on account of their strong quarter earnings. Britain's FTSE rose over 1% for the week ended September 30, 2009, as investors drew confidence from statements regarding stimulus from the G20 conference and tracking gains on the Wall Street. New Zealand's GDP increased 0.1% in the second quarter following a 0.8% drop in the first quarter driven by rising consumer spending and exports.

Japan's Nikkei closed lower and dipped around 3% for the week ended September 30, to hit its lowest close in two months after a sharp surge in the yen against the dollar weighed on exporter's shares driven benchmark. Uncertainty about the policies of the country's new Government also weighed on the minds of the investors. However Bank of Japan's tankan quarterly survey of business sentiment came in better at (-33) in September against (-49) three months back.

The Holiday season in Asia, weak economic indicators from the US and bargain hunting by investors, weighed on the stock markets and pulled down the gains. The Indian bourses, were somewhat negated from the effect due to strong domestic sentiments. The markets are expected to take the clues from the impending result season and the release of RBI's mid-term review of monetary policy. The Government of India's announcement that it plans to divest its stake in at least 4-5 public sector units by March, added to the optimism about the economy's recovery.

P.N. Patel

President and Whole-time Director

Editorial Team

P. Mugundan

Executive Vice President & CS

S. Rajalakshmi

Senior Secretarial Officer

IPO and NFO Review

NEWS FROM IPO

- The IPO of Jindal Cotex Limited got fully subscribed on the final day of the issue. The company received bids for over 1.12 crore shares. The shares of the company got listed on 22nd September 2009 at a price of Rs.77 as compared to the issue price of Rs. 75.
- United Bank of India plans to hit the market with an IPO in January 2011 to raise Rs. 350-400 crores. The bank plans to issue 50 million shares at a face value of Rs. 10/- at a premium of Rs. 70-80 per share.
- The department of divestment started the valuation of Coal India (CIL) ahead of its IPO plans. The Centre holds 100% stake in the company and is planning to divest 10% in the coal company.
- Va Tech Wabag is planning to go for an IPO early next year to raise Rs. 500 Crores to part finance its plans for supporting operations in Middle East and China. According to the sources, the Board of the company recently approved the IPO plan and the company would soon file the draft red herring prospectus with SEBI
- The shares of OIL listed on 30th September 2009 at Rs. 1096, at a premium of Rs. 46 (4.38%) to the issue price of Rs. 1050/- on the NSE. The scrip touched an intra-day high of Rs. 1149.95 on its debut.
- Cochin Shipyard will be hitting the market, in order to raise money for expansion. Additionally, it is planning to rise over Rs. 1000 crore, part of which will be utilized for building a new dry-docking facility and a pre-IPO placement is also around the corner.
- Lodha Developers Ltd., a Mumbai based premium housing player filed draft prospectus to raise about Rs. 2500 crore through an IPO. The company has filed the DRHP with SEBI.

New Listing

Company Name	Offer Price (Rs.)	Exchange	Listing Date	List Price (Rs.)	Latest Traded Price (05/10/2009)	% Change to List Price (Rs.)
Jindal Cotex Limited	75	BSE & NSE	22.09.2009	77.00	83.30	9.96
Globus Spirits Limited	100	BSE & NSE	23.09.2009	101.00	88.90	(12.49)
Oil India Limited	1050	BSE & NSE	30.09.2009	1096.00	1140.55	7.94

Closed Issues but not Listed

Company Name	Issue Type	PriceBand(Rs.)	FinalPrice(Rs.)	SubscriptionRate
Pipavav Shipyard	PublicIssue(B)	Rs.55-60	Rs.58	6.64 Times
Euro Multivision	PublicIssue(B)	Rs.70-75	Rs.75	1.81 Times
Thinksoft Global	PublicIssue(B)	Rs.115-125	Rs.125	Under subscribed

Corporate Announcements

Symbol	RecordDate	ExDate	Purpose
ASIANPAINT	27/10/2009	26/10/2009	INTERIM DIVIDEND
BIRLACOT	26/10/2009	23/10/2009	FV SPLIT RS.10/- TO RE.1/
EDUCOMP	28/10/2009	27/10/2009	FV SPLIT RS.10/- TO RS.2/
FCSSOFT	16/10/2009	15/10/2009	FV SPLIT RS.10/- TO RE.1/
GMRINFRA	5/10/2009	1/10/2009	FV SPLIT RS.2/- TO RE.1/-
GOKUL	15/10/2009	14/10/2009	FV SPLIT RS.10/- TO RS.2/RD REVISED
INFOSYSTCH	16/10/2009	15/10/2009	INTERIM DIVIDEND
RENUKA	7/10/2009	6/10/2009	DIV-INT RE .50+SPL RE .50 PURPOSE REVISED
SUNCLAYTON	12/10/2009	9/10/2009	BONUS 1:1

NFO

Scheme	Type	Class	Open Date	Close Date	Offer Price	Min. Inv. Amount
Religare PSU Equity	Open	Equity – Diversified	29/09/09	28/10/09	10.00	5000
JM FMF SXVI YP1	Close	Debt – FMP	29/09/09	27/10/09	10.00	5000
HDFC FMP 18M Oct 09	Close	Debt – FMP	05/10/09	14/10/09	10.00	5000
Mirae Asset China Adv	Open	Funds of Funds	14/09/09	09/10/09	10.00	5000
DWS Treasury – Inv	Open	Debt – Income	25/09/09	08/10/09	10.00	5000
DWS Treasury – Cash	Open	Debt – Income	25/09/09	08/10/09	10.00	5000
DBS Chola SIF – FDF	Open	Debt – Income	29/09/09	08/10/09	10.00	5000
Shinsei Treasury Adv	Open	Debt – Income	30/09/09	07/10/09	1,000.00	10000
Fortis FTP S15 B	Close	Debt – FMP	10/09/09	07/10/09	10.00	5000
Fortis FTP S16 A	Close	Debt – FMP	18/09/09	05/10/09	10.00	5000

Regulator to keep tabs on listed entities to ensure greater transparency 30/09/2009 The Economic Times

Reclusive listed companies may soon have to provide sufficient information about themselves to the market about the way of functioning to ensure greater transparency. Sebi will keep tabs on listed entities and issuers unwilling to co-operate in sharing sufficient information about the company, Sebi chairman CB Bhavne said on 29.09.2009 at the launch of rating agency Crisil's equity research division Independent Equity Research (IER).

Small IPOs can be filed in regional offices: SEBI 30/09/2009 Business Line

Draft public offer documents for any issue size of Rs 50 crore or less are to be filed with the regional SEBI offices assigned to States and Union Territories, the markets regulator said in a circular on 29.09.2009. For public issues exceeding Rs 50 crore, the offer documents are to be filed with the SEBI headquarters in Mumbai.

RBI, Sebi to regulate NCDs jointly 25/09/2009 Business Standard

Non-convertible debentures (NCDs) of less than one-year maturity will now be regulated jointly by financial and market regulators. The decision was taken at a meeting between the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (Sebi) earlier this week. At the meeting, the two regulators agreed that NCDs needed to be regulated following huge investments by mutual funds in fixed income plans and banks as it posed a systemic risk in case there was any problem in redemption of these instruments.

Sebi may segregate retail, institutional MF schemes 25/09/2009 Business Standard

In a bid to protect the interests of retail investors, the Securities and Exchange Board of India (Sebi) is planning a clear segregation of retail and institutional schemes. Sources said Sebi might ask fund houses to create separate portfolios and net asset values (NAVs) for retail and institutional schemes.

Sebi may allow MF units to be traded on exchanges 24/09/2009 Business Standard

After a series of bad news such as entry load ban, mutual funds may finally get some good news from the market regulator. The Securities and Exchange Board of India (Sebi) is now planning to enable investors to buy and sell mutual fund units through stock exchanges. Fund houses will also be allowed to sell new fund offers (NFOs) through exchanges, helping them to save on distribution costs. Sources privy to the discussions told Business Standard that a committee under a Sebi executive director has been constituted to look at amendments to the regulations governing stock exchanges, depositories and brokers to push through the move.

Sebi amends takeover norms, offers anchor investor facility to IDR issues 23/09/2009 Financial Express

Capital market regulator Securities and Exchange Board of India (Sebi) on 22.09.2009 amended the takeover regulations and offered the facility of anchor investors to Indian Depository Receipts issues. This will raise the attractiveness of the issues meant to attract foreign companies to invest in Indian equities market. The board of the regulator also decided that at least 30% of issue size of such issues will be reserved for allocation to retail individual investors, who may otherwise be crowded out.

SEBI's transparency norms may change IPO game 18/09/2009 The Economic Times

The Securities and Exchange Board of India, or SEBI, came out with a new disclosure and investor protection guidelines on September 3, which state that the research report should be only based on the published information as contained in the offer documents which analysts at non-arranging brokerages and retail investors rely on.

MFs must have system audits every 2 yrs: Sebi 17/09/2009 Business Standard

Within two days of making a series of proposals to prevent Satyam-type accounting scams, the Securities and Exchange Board of India (Sebi) said mutual funds would need to have a systems audit conducted by an independent certified information systems auditor (CISA) or an equivalent authority. The market regulator has advised fund houses that the audit should be conducted once in two years. For financial years 2008-2009 and 2009-2010, Sebi said the audit should be completed by September 30, 2010.

Sebi proposes tighter audits 16/09/2009 The Economic Times

A Securities & Exchange Board of India (Sebi) panel has recommended rotation of audit partners, selection of the chief financial officer by a company's audit committee and standardisation

of earnings disclosure, in an attempt to prevent another accounting scandal such as Satyam Computer. The committee has also proposed that companies publish their balance sheets, which show the assets and liabilities, half-yearly, against the present annual system. This would help investors know the company's solvency position, instead of just the profitability which comes out in quarterly results.

Sebi panel for capping IPO time for QIBs to 2 or 3 days 11/09/2009 The Economic Times

The Securities and Exchange Board of India (Sebi)-appointed primary market advisory committee (PMAC), has recommended limiting the period for participation by qualified institutional buyers (QIBs) in the subscription process of an IPO. Currently, the subscription process is anywhere between 3-5 days and QIBs can put in their bids till the last hour. The committee is said to have recommended cutting the timeline for QIB participation in the subscription process, down to 2 or 3 days, depending on how long the book is open.

Sebi cracks down on non-compliant client accounts 11/09/2009 Business Standard

The Securities and Exchange Board of India (Sebi) has asked portfolio managers at wealth management companies to freeze the portfolios of client accounts for not opening separate accounts even after three notices. The market regulator said the portfolio managers should return the securities of the funds to such clients. According to the Sebi circular, fresh purchases on behalf of such clients cannot be made. However, selling and transfer of securities from such frozen portfolios can be undertaken.

Sub-brokers may not need SEBI stamp, self-regulator on anvil 05/09/2009 The Economic Times

Sub-brokers in the stock market are likely to be exempted from the requirement of registering with the capital market regulator before starting their operations as per a proposal under consideration of the finance ministry and the Securities and Exchange Board of India (SEBI). The move is to promote self-regulation through an industry body under the supervision of SEBI. Other than registration, all other market operations will, however, be directly regulated by SEBI.

New Sebi norms reduce public issue time to 10 days 05/09/2009 The Economic Times

The Securities and Exchange Board of India (Sebi) has notified new guidelines that, among other things, reduces the overall time period for public issues to 10 days, and seeks disclosures relating to pledged shares in the prospectus. The new guidelines - Issue of Capital and Disclosure Requirements (ICDR) Regulations - replace the existing Disclosure and Investor Protection (DIP) guidelines.

Sebi cuts FII debt limit by Rs 200 cr 05/09/2009 Indian Express

Foreign institutional investors (FII) cannot hold more than Rs 800 crore of government debt at any given point of time. No single entity shall be allocated more than Rs 800 crore of the government debt investment limit, Sebi said in a circular. The investment limit was Rs 1,000 crore earlier.

SEBI gets tough on promoters issuing preferential warrants 04/09/2009 Business Line

The Securities and Exchange Board of India is turning a stricter eye on company promoters who have been issued preferential warrants, saying that they will have to forfeit the upfront payment made on unexercised warrants. SEBI has made some alterations in the matter of group companies; if the promoter of a debarred company is also a promoter, director or person in control of any other company, even that company would now be barred from accessing the capital markets. The new norms also ban firm allotment to privileged people, who generally used to be relatives, associates or friends of promoters or promoters' group. Even these categories have to apply through the regular process. Promoters with majority shareholding in a listed company can offer shares to the public straightaway.

NSE kicks off trading in interest rate futures 01/09/2009 The Times of India

Trading in interest rate futures (IRF) kicked off in India after about six years on the National Stock Exchange (NSE)'s platform on 30.09.2009. The exchange traded financial instrument will give banks and corporates an avenue to hedge their interest rate risks. IRFs are contracts traded on the bourses with an agreement to buy or sell an underlying instrument with the date and the price pre-specified.

ANDHRA BANK

Profile of Andhra Bank			
Industry	Banks – Public Sector	BSE Code	532418
Chairman	Mr. R S Reddy	BSE Group	A
Auditors	M/s. Raju & Prasad	NSE Symbol	ANDHRABANK
Secretary	Mr. T R Ramabhadran	ISIN Demat	INE434A01013
Inc. Year	1923	Reuters	ADBK.BO
AGM Date	25.06.2009	Bloomberg	ANDB.IN
Group	Govt. of India – PSU Banks	Face Value	10.00
Website : www.andhrabank.co.in			

Registered Office: Dr. Pattabhi Bhavan 5-9-11, Saifabad, Hyderabad 500 004.

HISTORICAL OVERVIEW

Andhra Bank (AB) was founded by the eminent freedom fighter and a multifaceted genius, Dr. Bhogaraju Pattabhi Sitaramayya. The Bank was registered in 20th November 1923 and commenced its business in 28th November 1923 with a paid-up capital of Rs. 1.00 Lakh and an authorized capital of Rs. 10.00 Lakhs. From such humble beginnings, the Bank has crossed many milestones and as on 30.06.2009, the bank's total turnover stood at Rs. 10,5280 Crores with a clientele base of over 20 million.

In 15th April 1980, the bank was nationalized. Andhra Bank was among the first of Indian Banks to introduce Credit Cards in the country, which were introduced during the year 1981. The bank has been an active partner of Government of India right from its beginnings sponsoring various schemes of the Government namely the RRB, in the name of Chanitanya Grameena Bank and Godavari Grameena Bank.

The bank offers innovative and need based financial products and services using state-of-the-art technology. Currently, the Bank is rendering services through 2135 Business Delivery Channels consisting of 1371 branches, 68 Extension Counters, 38 Satellite Offices and 778 ATMs spread over 21 States and 2 Union Territories as at the end of June 2009. The branch implements "Core Banking Solutions" covering all its branches and provides 'Any Branch Banking (ABB)', Real Time Gross Settlement (RTGS) Facility and National Electronic Fund Transfer (NEFT) facility.

During the year 2000, Andhra Bank installed a request-transmitting machine at its Jubilee Hills Branch in association with the country's largest depository participant Stock Holding Corporation of India Limited. In the year 2002, the Bank signed a Memorandum of Understanding (MoU) with United India Insurance Company Limited for providing insurance products through various branches. The bank has agreements in place for funding the Raichur Thermal Power station and has entered into agreements with various other service providers to increase its product verticals and also offer more facilities to its customers.

The Bank started its global operations by opening its representative office in Dubai during May of the year 2006. The bank is the recipient of many awards namely the following:

- The Government of Andhra Pradesh Award for Best Performance in exceeding Targets under disbursement of Kharif in the year of 2005
- 'BEST BANK AWARD' a banking technology award by IDRBT, Hyderabad for extensive use of IT in Semi Urban and Rural Areas in September of the year 2006

'The Banker' Magazine ranked Andhra Bank as the Number 1 Bank in Asia' under the 'Return on Capital' among all the Asian Banks - Rankings being based on Tier-I Capital Business Parameter. Andhra Bank flagged off its 'Mobile Biometric ATMs' in Hyderabad in May of the year 2007. The Bank has rolled out two mobile biometric ATMs, one each for Hyderabad and Secunderabad. AB is the first bank in the country to launch mobile biometric ATMs. The bank has recently signed MoU for launching a banking subsidiary in Malaysia jointly with Indian Overseas Bank and Bank of Baroda.

Shareholding Pattern as on 30th June 2009

Category of shareholder	Total number of shares	Total shareholding as a percentage of total number of shares (%)
Shareholding of Promoter and Promoter Group		
Indian Promoters	250000000	51.55
Non Promoter Holding		
Mutual Funds & UTI	18474567	3.81
Banks, Financial Institutions & Insurance	64248329	13.25
Foreign Institutional Investors	72849536	15.02
Private Corporate Bodies	9211068	1.90
NRI's/OCB's/Foreign Others	540757	0.11
Government	5000	0.00
Others	552199	0.11
General Public	69118544	14.25
GRAND TOTAL	485000000	100

Board of Directors

Sl. No.	Name	Designation
1.	Mr. R S Reddy	Chairman & Managing Director
2.	Mr. Anup Prakash Garg	Director
3.	Mr. T Ravindranath	Director
4.	Mr. Prem Prakash Pareek	Director
5.	Mr. K Raghuraman	Director
6.	Mr. V H Ramakrishnan	Director
7.	Mr. K Ramakoteswara Rao	Director
8.	Mr. Rajib Sekhar Sahoo	Director
9.	Mr. Shaibal Gupta	Director
10.	Mr. Anil Girotra	Executive Director
11.	Mrs. Madhulika P Sukul	Nominee Director
12.	Mr. B Maheshwaran	Nominee Director

Industry Overview

The banking industry in India is undergoing a major transformation due to changes in economic conditions and continuous deregulation. These multiple changes happening one after other has a ripple effect on the banks in the India, which are trying to graduate from completely regulated seller market to completely deregulated customers market. With greater deregulation, the market has turned extremely competitive with greater autonomy, operational flexibility, decontrolled interest rate and liberalized norms for foreign exchange. This, the entry of foreign banks coupled with sluggish economy has made banking in India extremely competitive. The PSU banks faced with this onslaught are realizing the importance of retaining the customers and are now taking important measures and are offering value additions to their customers.

The soundness and stability of the Indian banking system was severely tested during the recent financial meltdown, which saw banking institutions across the globe crumble like nine pins. But the Indian economy has shock absorbers which helped in negating the effect, the important among them being the financially sound and well capitalized banking system in India.

The net profit of the banking industry grew by a robust 72.4% in the June 2009 quarter. However, the profits growth is expected to moderate with inflationary pressures and the slowdown in interest

advances and the BPLR cuts already effected by the banks. In the preceding years Mid-sized banks have been constantly outperforming the larger banks. In the preceding quarter banks like Andhra Bank, Oriental Bank, Allahabad Bank, Karnataka Bank, Central Bank, IndusInd Bank and Lakshmi Vilas banks have recorded a manifold jump in their net profits. This has been due to the measures initiated in increasing the reach to the customers and at the same time cutting back on costs. With the recession at its end, the banking sector especially the mid-sized banks are expected to perform only better.

PRODUCT OVERVIEW

Domestic Term Deposits

Sl. No.	Maturity Period	Rate of Interest (%) per annum	
		Less than 1Crore	Above 1 Crore
1.	7-14 days	2.00	1.50
2.	15-45 days	3.00	2.50
3.	46-90 days	4.00	3.00
4.	91-179 days	5.25	3.50
5.	6-9 months	6.00	4.50
6.	9-12 months	6.25	5.00
7.	1-3 years	7.00	5.75
8.	3-10 years	7.25	5.75

For Senior Citizens 0.50% higher rate of interest for all maturity periods.

Loans as on 01.10.2009

Scheme	Interest (%) per annum	Maximum Repayment Period
Anand Jeevan- Reverse Mortgage Scheme	10.75	15 years
Two Wheeler Loan	BPLR+0.25%=12.50%	5 years
Four Wheeler Loan	BPLR+0.25%=12.50% BPLR+0.50%=12.75%	Up to 3 years 3-5 years
Housing Loan	9.25	Up to and inclusive of 5 years
	9.50	Above 5 and up to 10 years
	9.75	Above 10 and Max. 20 years

Apart from the above, Andhra Bank also offers Personal Loans, Loans to Professional, Loans to Small & Medium Scale Enterprises, Educational Loans, Mortgage Loans and Agricultural Loans.

Dividend History

Year End	Dividend - Amount (in Crores)	Dividend - %	Div. Yield - %
200903	218.45	45.00	10.01
200803	194.00	40.00	5.40
200703	184.30	38.00	5.00
200603	169.75	35.00	4.33

Andhra Bank has grown at a healthy pace and is today considered one of the main players in the South Indian Banking industry. By offering value added services like Internet Banking, Corporate CBS, Mobile Banking, instant issue of non personalized debit cards and transaction PIN, online trading facilities, the bank has improved its client base substantially in the last one year. The bank has recorded a health rise in PAT from 575.41 Crores to 652.81 Crores an increase of 13.45% in the FY ended 31st March 2009. Book value of the bank increased to Rs. 75.20 in the FY ended 31st March 2009 from Rs. 67.00 in the FY ended 31st March 2008. The bank was also able to maintain a healthy EPS.

For the quarter ended June 2009, the total business of the bank went up to Rs. 105280 Crores with a growth of 26.45%, and a customer base of more than 20 million. Gross advances of the bank grew by 31.78% and the deposits grew by 22.76%. The CRAR stood at 14.75% as per BASEL II Guidelines. The banks also maintained a low NPA level, i.e. Gross NPA's -0.80% and Net NPA's 0.22%. Healthy and appropriate credit decisions have enabled the bank to maintain a consistent and increasing Standard Asset base. The operating and net profit of bank increased by 230.10% on a YOY basis, summing up the exceptional performance of the bank.

FINANCIAL OVERVIEW

Financial Snapshot (Rs. in Crores)

	As on 31st Mar-09	As on 31st Mar-08	As on 31st Mar-07	As on 30th June-09	As on 30th June-08
Equity	485	485	485	485	485
Net worth	3646.99	3249.29	3156.28	-	-
Capital Employed	68469.2	56624.34	47557.9	-	-
Sales	5374.62	4209.56	3315.33	1504.63	1157.36
Rate of Growth (%)	27.68%	26.97%	23.93%	30.01%	-
Other Income	782.23	645.26	586.38	241.29	108.76
PBIDT	4727.52	3848.9	2738.42	1414.48	893.73
Rate of Growth (%)	22.83%	40.55%	28.66%	58.27%	-
PBT	898.05	917.57	784.9	351.22	82.62
PAT	652.81	575.41	537.64	256.22	77.62
Rate of Growth (%)	13.45%	7.03%	10.83%	230.10%	-
Book Value (Rs.)	75.20	67.00	65.08	-	-
EPS (Unit Curr.)	13.46	11.86	11.09	5.28	1.60
PBIDTM (%)	86	90	81	94.01	77.22
PBIDTM (%)	17	22	24	23.34	7.14
PATM (%)	12	14	16	17.03	6.71
RONW (%)	18.94	17.97	17.78	-	-
Dividend (%)	45	40	38	-	-

Market Data

Market Snapshot (As on 01 st October 2009)	
Price (Rs)	104.80
Mkt.Cap.(Rs Cr)	5082.80
Lat. P/E	6.1
Lat. BV(Rs)	75.20
Lat. EPS (Rs.)	17.15
52 WH/L (Rs)	107/35
Lat. Eqty (Rs Cr)	485
Div. Yield (%)	4.29

Stock Performance –Andhra Bank vs. Sensex



MARUTI SUZUKI INDIA LIMITED

Profile of Maruti Suzuki			
Industry	Automobiles Passenger Cars	BSE Code	532500
Chairman	Mr. R C Bhargava	BSE Group	A
Auditors	Price Waterhouse	NSE Symbol	MARUTI
Secretary	Mr. S Ravi Iyer	ISIN Demat	INE585B01010
Inc. Year	1981	Reuters	MRTI.BO
AGM Date	09.02.2009	Bloomberg	MSIL.IN
Group	MNC -Associate	Face Value	5.00
Website : www.marutisuzuki.com			

Registered Office: Plot No. 1, Nelson Mandela Road, Vasant Kunj, New Delhi 110070.

HISTORICAL OVERVIEW

The Maruti story began in the years when scooter had a waiting period and the Indian car customer has limited options. The Government of India felt the need for a small car that would be economical, environment friendly yet contemporary in technology. The result was "Maruti Udyog Limited" born in February 1981. Maruti started as a government company, with Suzuki as a minor partner. Over the years the company's product range widened and ownership has changed hands. The government gradually disinvested from the company and in the year 2000, Suzuki hiked its stake by more than 50% in the company. The company came out with an IPO in the year 2003. The IPO was oversubscribed 11.3 times and the company got listed on the BSE and the NSE in the same year. Maruti has its manufacturing facilities at Gurgaon and Manesar with a combined capacity to manufacture one million cars.

Maruti started its production in the year 1983 and launched its first car Maruti 800. The car, nearly 25 years after its launch, still holds considerable market share in the family car segment. Moreover, Maruti was forced to dishevel its plans to phase out Maruti 800 and Maruti Omni, due to strong customer sentiments against the phase out. During the year 1987, Maruti forayed in foreign markets; the company exported the first lot of 500 cars to Hungary. The company launched a variety of cars in the subsequent years, the most notable of them being Zen and Esteem. Apart from the new release of cars, the company also concentrates on after sales service, and in 1997 launched Maruti Service Master (MSM). Today it has grown into one of the strongest after sales service network among the car manufacturing companies in India. The company formulated its call center, the first of its kind and launched its call center in the year 2000. The following year, Maruti entered into a new business segment, Maruti True Value was launched for sales, purchase and trade of pre owned cars in India. The company also launched Maruti Finance & Insurance for the convenience of its customers.

The year 2005, was truly a remarkable one for the company as Suzuki Motor Corporation launched its first strategic car model "Maruti Swift". The company introduced a special programme "Dil Se" during 2006, for Indians living abroad / NRI's to facilitate the gifting of Maruti cars online to friends and relatives back home in India. In the same year it launched Wagon R Duo with LPG, new Zen Estilo and also entered into a joint venture arrangement with Bellsonica Corporation, a leading auto component maker from Japan.

In the year 2007, the company name was changed from "Maruti Udyog Limited" to "Maruti Suzuki India Limited". The company scored the highest in customer satisfaction index and topped the "Automotive Customer Satisfaction Index". In the initial quality study conducted during the year, the company's Swift walked away with the highest IQS in the Premium Compact Car segment. In the year 2008, amid global recession and stiff competition, the company entered into agreement with Mundra Special Economic Zone Ltd, to set up a mega car manufacturing terminal at Mundra in Kutch District, Gujarat. Maruti also became the first Indian car company to export half a million cars in a year.

Shareholding Pattern as on 30th June 2009

Category of shareholder	Total number of shares	Total shareholding as a percentage of total number of shares (%)
Shareholding of Promoter and Promoter Group		
Foreign Promoters	156618440	54.21
Non Promoter Holding		
Mutual Funds & UTI	7952535	2.75
Banks, Financial Institutions & Insurance	45731630	15.83
Foreign Institutional Investors	59876696	20.73
Private Corporate Bodies	12751186	4.41
NRI's/OCB's/Foreign Others	111797	0.04
Others	139003	0.05
General Public	5728773	1.98
GRAND TOTAL	288910060	100

Board of Directors

Sl. No.	Name	Designation
1.	Mr. R C Bhargava	Chairman
2.	Mr. Davinder Singh Brar	Director
3.	Mr. Shuji Oishi	Director
4.	Mr. Kenichi Ayukawa	Director
5.	Mr. Keiichi Asai	Director
6.	Mr. Tsuneo Ohashi	Director
7.	Mr. Osamu Suzuki	Director
8.	Ms. Pallavi Shroff	Director
9.	Mr. Manvinder Singh Banga	Director
10.	Mr. Amal Gangulu	Director
11.	Mr. Shinzo Nakanishi	Managing Director & CEO

Industry Overview

The impact of the global recession was felt acutely by the Indian passenger car industry. With banks curtailing their credit, less spending power of the customers and spiraling cost of raw materials, the industry went through one of the toughest periods of survival. The Indian passenger car industry withered the storm admirably and has turned around to pose a robust performance in this year.

Sales of passenger car catapulted by 29.3% to 1.6 lakh vehicles in July 2009. The cumulative growth during the preceding quarter (April – June 2009) stood at 16.5%. Exports rose by 22.5% and domestic sales zoomed by 31.3% during the quarter. The growth in the primary market was driven by new model launches and a significant fall in interest rates over the last 6-8 months. As per the estimates, the car industry is expected to conclude the year (2009-10) with a growth of 8.6%. Moreover, the industry is racing ahead with its investment plans and investing heavily in setting up facilities to cater to the rising domestic and export demand. Sales of the top five car companies i.e. Maruti Suzuki, Hyundai Motors, Tata Motors, Honda SIEL Cars and General Motors India grew in excess of 20% for the quarter ended June 2009. Maruti continued to outperform its peers by a huge margin, as its car sales grew by a robust 35.1%.

The passenger car sales are set to grow by 8.6%, higher than the earlier estimate of a 7.6%. The higher revision is mainly due to a better than expected growth posted by the industry during the April – July 2009 quarter. While exports grew primarily due to brisk demand from Europe, reduction in lending rates and

increasing liquidity has catalyzed growth in domestic demand. Many European countries including Austria, France, Germany, Italy, Spain and the United Kingdom have announced scrappage incentive programmes since December 2008. These countries are giving fiscal incentives in the range of USD 3000-3500 to those who replace old cars with new, fuel efficient ones. The scheme has led to a healthy demand for Maruti and Hyundai's compact cars in European countries, fuelling their exports. Domestic car sales are also expected to grow due to softening of interest rates, easing liquidity and continuing new model launches.

PRODUCT OVERVIEW

Maruti offers a total of 13 brands of cars as listed below, with over 100 variants.

1. Maruti 800
2. Alto
3. Omni
4. Gypsy
5. Zen Estilo
6. Wagon R
7. Versa
8. AStar
9. Ritz
10. Swift
11. SX4
12. DZire
13. Grand Vitara

The company sells its cars through its huge network of dealers. Apart from the direct selling of cars, the company is also engaged in the buying and selling of used cars and sale of car accessories.

Dividend History

Year End	Dividend - Amount (in Crores)	Dividend - %	Div. Yield - %
200903	101.10	70.00	0.45
200803	144.50	100.00	0.60
200703	130.00	90.00	0.55
200603	101.10	70.00	0.40

Maruti Suzuki India Limited is India's largest passenger – car manufacturer, with a market share of over 50%. Suzuki Motor Corporation of Japan holds a 54% stake in the company. Despite recession, Maruti continued its focus on long – term initiatives, which included focus on Research & Development. Manpower strength was more than doubled and the company plans to have 1000 engineers in R&D by 2010. A brand new facility for the K Series engine was launched on schedule. Apart from increasing its manufacturing capacity, Maruti increased its network of sales & service outlets and reached out to new segments of customers – government employees and rural customers through innovative programmes.

Maruti continues to report an impressive performance. The company's net sales rose by a robust 34% to 6364.71 crores during the June 2009 quarter. The company's June 2009 quarter income in absolute terms was the highest clocked ever. Net sales in June 2009 quarter (a lean period) was even higher than the March 2009 quarter (a peak period). The robust growth in income was largely due to brisk growth in the company's mid size and compact cars. Higher demand for these vehicles led to a healthy 17.8% growth in the company's sales volumes during the preceding quarter. Its exports rose by 135% due to increasing demand in the European markets.

Maruti surprised the markets with its record sales in the April – June 2009 quarter and is expected to outperform the industry in the FY 2010. Driven by new model launches like Ritz and A Star, focused approach targeting new customer segments, improved availability of finance, lower fuel cost, strong export growth and rejuvenated product portfolio Maruti Suzuki India Limited continues its march ahead.

FINANCIAL OVERVIEW

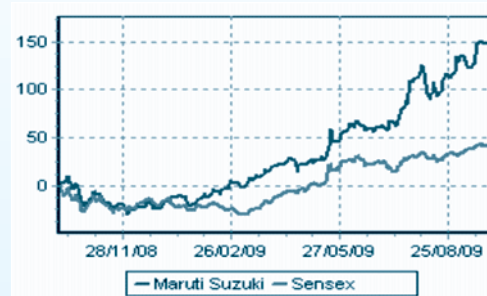
Financial Snapshot (Rs. in Crores)

	As on 31st Mar-09	As on 31st Mar-08	As on 31st Mar-07	As on 30th June-09	As on 30th June-08
Equity	144.50	144.50	144.50	144.50	144.50
Net worth	9344.90	8415.40	6853.90	-	-
Capital Employed	10043.80	9315.60	7484.70	-	-
Sales	23182.20	21025.20	17205.90	6364.71	4753.58
Rate of Growth(%)	0.10	0.22	0.17	0.34	-
Other Income	998.50	837.10	598.40	216.53	222.17
PBIDT	2433.30	3130.80	2588.80	1009.70	792.42
Rate of Growth(%)	-0.22	0.21	0.26	0.27	-
PBT	1675.80	2503.00	2279.80	807.30	609.53
PAT	1072.63	1669.71	1535.29	583.54	465.85
Rate of Growth(%)	-0.36	0.09	0.28	0.25	-
Book Value (Rs.)	323.35	291.19	237.16	-	-
EPS (Unit Curr.)	41.57	59.03	53.29	20.20	16.12
PBIDTM (%)	9.63	14.89	15.05	15.86	16.67
PBIDTM (%)	9.41	14.61	14.83	15.76	16.32
PATM (%)	4.63	8.23	9.08	9.17	9.80
RONW (%)	12.08	22.67	25.38	-	-
Dividend (%)	70.00	100.00	90.00	-	-

Market Data

Market Snapshot (As on 01 st October 2009)	
Price (Rs)	1651.00
Mkt.Cap.(Rs Cr)	47700.69
Lat. P/E	35.70
Lat. BV(Rs)	323.44
Lat. EPS (Rs.)	46.25
52 WH/L(Rs)	1740/428
Lat.Eqty (Rs Cr)	144.46
Div. Yield (%)	0.21

Stock Performance –Maruti Suzuki vs. Sensex



Mutual Fund Corner

Scheme for the Month

RELIANCE MONTHLY INCOME PLAN - GROWTH

Fund Manager: Amit Tripathy / Ashwani Kumar

Investment Objective

The primary objective of the scheme is to generate regular income in order to make regular dividend payments to unit holders with the secondary objective of growth in capital.

Current Statistics & Profile

Latest NAV	19.1586 (07/10/09)
52-Week High	19.1775 (06/10/09)
52-Week Low	14.2799 (24/10/08)
Fund Category	Hybrid: Monthly Income
Type	Open End
Launch Date	January 13, 2004
Net Assets (Cr)	568.21 (30/09/2009)
Benchmark	Crisil MIP Blended Index

Trailing Returns

As on 7th October 2009	Fund Return	Category Return
Year to Date	16.24	12.15
1-Month	1.98	1.04
3-Month	6.92	3.83
1-Year	32.13	16.17
3-Year	12.67	8.37
5 - Year	13.15	9.06
Return Since Launch 11.91		

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

Asset Allocation

As on 31/08/09	% Net Assets
Equity	10.13
Debt	80.28
Others	5.27
Cash/Call	4.32

Investment Details

Minimum Investment Amount	Rs.10000
Additional Purchase	In Multiples of Re. 1

Options

Systematic Investment Plan (SIP)	Available
Systematic Transfer Plan (STP)	Available
Systematic Withdrawal Plan (SWP)	Available

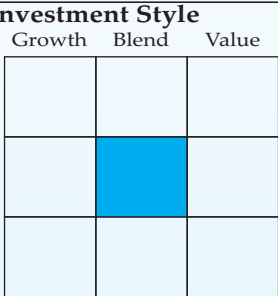
TOP HOLDINGS

(As on 31/08/2009)

Name of Holding	Instrument	% Net Assets
ICICI Bank	Equity	3.77
Voltas	Equity	1.98
Lupin	Equity	1.64
Sobha Developers	Equity	1.49
Reliance Industries	Equity	1.25
Certificate of Deposit	Debt	12.87
IDBI Bank Limited	Debt	5.01
Jammu & Kashmir Bank Limited	Debt	4.7
Allahabad Bank	Debt	3.16
GOVT SECURITIES (GSE)		30.97
7.02% GOI (MD 17/08/2016)	Debt	13.54
7.94% GOI BOND 24-05-2021	Debt	11.24
8.24% GOI (MD 15/02/2027)	Debt	5.06
6.35%GOI 2020 (MD 2/01/2020)	Debt	1.13
NON CONVERTIBLE DEBENTURES.		23.91
Tata Motors Limited	Debt	13.94
Indian Oil Corporation Limited	Debt	6.17
Power Grid Corporation Limited	Debt	1.29
Andhra Bank	Debt	1.27
Rural Electrification Corporation	Debt	1.24
ZERO COUPON BONDS.	Debt	12.53
Housing Development Finance Corp. Ltd.	Debt	12.53
IVRCL Infrastructures & Projects Ltd.		
- Sept 09 Future	Others / Unlisted	1.82
Reliance Industries Limited		
September 09 Future	Others / Unlisted	1.27
Tata Motors Ltd. September 09 Future	Others / Unlisted	1.19
Equity Less Than 1% of Corpus		0.99
Cash & Other Receivables	Cash / Call	4.32

CREDIT RATING BREAK UP

As on 31/08/09	% Net Assets
AAA	35.71
GOI Securities	30.97
P1+	12.87
Cash & Call Money	4.32
AA+	1.27

Fund Style	Portfolio Characteristic
Investment Style Growth Blend Value 	Average Maturity - 3.57 years Average Yield to Maturity (%) - 5.66 Number of Holdings - 23
Capitalization Large Medium Small	

ROUND UP OF RECENT HAPPENINGS – IPO'S

In the recent past, there have been quite a few amendments to the Securities and Exchange Board of India (SEBI) guidelines. Post Satyam scam, SEBI has initiated a number of steps for protecting the interest of the investors. In this issue, we shall discuss some of the important investor friendly steps taken in the Initial Public Offer (IPO) scene by SEBI.

ASBA Process – Application Supported by Blocked Amount
ASBA is an application containing an authorization to block the application money in the bank account for subscribing to an issue. If an investor is applying through ASBA, his application money shall be debited from the bank account only if his/her application is selected for allotment after the basis of allotment is finalized, or the issue is withdrawn/failed. In case of rights issue his/her application money shall be debited from the bank account after the receipt of instruction from the registrars.

Who can apply?

An individual investor can apply through ASBA Process in a public issue through the book building route provided he/she

- Is a "Resident Retail Individual Investor" i.e. applying for shares/securities up to Rs. 1,00,000 (One Lakh)
- Is bidding at cut-off, with single option as to number of shares bid for
- Is applying through blocking of funds in a bank account with the Self Certified Syndicate Banks (SCSB)
- Has agreed not to revise his/her bid
- Is not bidding under any of the reserved categories

SEBI has permitted ASBA process in rights issues on a pilot basis. All shareholders of the company as on record date are permitted to use ASBA for making applications in rights issue provided he/she

- Is holding shares in dematerialized form and has applied for entitlements or additional shares in the issue in dematerialized form
- Has not renounced the entitlement in full or in part
- Is not a renouncee to the issue
- Applies through a bank account maintained with SCSB

SCSB – Self Certified Syndicate Bank

SCSB is a bank which is recognized as a bank capable of providing ASBA services to investors. The following are some of the banks registered as SCSB registered with SEBI as of September 2009

- Corporation Bank
- Union Bank of India
- HDFC Bank
- ICICI Bank Limited
- IDBI Bank
- AXIS Bank
- Kotak Mahindra Bank
- State Bank of Bikaner & Jaipur
- Bank of Baroda
- Indian Bank
- HSBC Bank
- Andhra Bank

As of today, ASBA process is applicable only to book built issues which provide for a uniform payment option to all retail individual investors. On a pilot basis, SEBI has enabled ASBA in a few selected rights issues. The list of SCSB and their designated branches i.e. branches where ASBA application form can be submitted is available in the website of BSE (www.bseindia.com), the NSE (www.nseindia.com) and in the website of SEBI (www.sebi.gov.in). The same would also be given the ASBA application forms of the respective issues.

Process

An investor, who wishes to subscribe through ASBA process, should ensure that he has a bank account with a SCSB. The SCSB should be authorized to block the amount subscribed. In case of a public issue, the application form for ASBA will be different from the existing application form for public issues. The application forms will be available with the designated branches of SCSB. In case of rights issue, there will not be a separate form for ASBA.

The investor has to apply by selecting ASBA option in Part A of the Composite Application Form. On submission of the bid by the investor to the SCSB, the amount to the extent of application money authorized in the ASBA will be blocked in the bank account of the investor. The SCSB will be giving an acknowledgement for submission of the ASBA application form. The investor can use the balance money held in his account for other purposes.

If an investor chooses to withdraw his bid during the bidding period, he should approach the same bank to which he had submitted the ASBA and has to request for withdrawal through a duly signed letter citing his application number. The SCSB deletes the bid and unblocks the application money in the bank account. If the withdrawal is made after the bid closure date, the investor should send his withdrawal request to the Registrars to the Issue, who will cancel the bid and instruct the SCSB. The SCSB will unblock the application money only after getting appropriate instruction from the Registrar, which is after the finalization of basis of allotment in the issue.

Advantages

- The investor need not pay the application money by cheque rather the investor submits ASBA which accompanies an authorization to block the bank account to the extent of the application money.
- The investor does not have to bother about refunds, as in ASBA only that much money which is required for allotment of securities, is taken from the bank account only when his application is selected for allotment after the basis of allotment is finalized
- The investor continues to earn interest on the application money as the same remains in the bank account
- The application form is simpler
- The investor deals with the known intermediary i.e. its own bank

Price Fixation

The price band of the issue can be disclosed by the company 2 days prior to the issue opening date. The same need not be disclosed in the prospectus.

Allotment/Refund

The allotment and refund of the bids should be completed within 15 days from the issue closing date, both for fixed price and book built issues.

Time Period

The total issue period for an IPO should not exceed 10 days, including any revision in price band.

Debarment

SEBI has banned the issuer company from raising proceeds through public/rights issue if, the issuer, any of its promoters/promoter group or directors or persons in control of the issuer company are debarred from accessing the capital market by SEBI and also if any of the promoters, directors or persons in control of the issuer was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under by SEBI. This replaced the old regulation which is silent on the status of the promoters/promoter group directors and persons in control of the issuing company

Anchor Investor

SEBI has mandated a minimum of 2 investors for allocation up to Rs. 250 Crores and 5 for allocations of more than Rs. 250 Crores. The anchor investor, means a qualified institutional buyer whose application value should be at least Rs. 10 Crores. Neither the promoters/ promoter group, persons related to promoters/promoter group nor the merchant bankers to the concerned public issue can apply under the Anchor Investor category. The parameters for selection of Anchor investors shall be clearly identified by the merchant banker and shall be available as part of records of the merchant banker for inspection by the SEBI if required. The anchor investors can subscribe to a maximum of 30% of the portion available for allocation in the QIB segment. The anchor investors would have to pay 25% of the amount on application and the balance 75% within 2 days of the date of the closure of the concerned public issue. Further there will be a lock in period of 30 days from the date of allotment on the shares allotted to these anchor investors.

If an IPO issuer can find anchor investors, it indicates that the company enjoys good reputation and its public offer could be a success.

Stretching our horizon



Mr. Anup Sankar Bhattacharya, Chairman Indbank Merchant Banking Services Limited & Executive Director, Indian Bank, addressing the shareholders of Indbank at the 20th Annual General Meeting of the company held on 19th August 2009, in the presence of the Directors (from Left) Mr. P V Rajaraman Director, Mr. P N Patel, President & Whole-time Director, Indbank, Mr. Sri Ramanan, Director and Mr. T M Nagarajan, Director.



Registered & Corporate Office : I Floor, Khivraj Complex I, No. 480, Anna Salai, Nandanam, Chennai 600035, registered@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, Homeji 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
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Bangalore : 29, Infantry Road, I Floor, Bangalore 560 001. Phone: (080) 22860751, Fax: (080) 22860318, bangalore@indbankonline.com
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Madurai : I Floor, Plot No 393, Anna Nagar, Madurai 625020. Phone: (0452) 2523126, Fax: (0452) 2523128, madurai@indbankonline.com
Hyderabad : I Floor, 3-6-150, Himayat Nagar, Hyderabad 500 029. Phone: (040) 23261167 / 68, Fax : (040) 23261169 hyderabad@indbankonline.com
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Salem : 73, Cherry Road, Near Arts College, Salem 636007 Phone: 0427-2420866/4031952, salem@indbankonline.com
Mangalore : Shop No: 14 & 15, Mahendra Arcade, K.R. Rao Road, Karangalpaday, Mangalore 575003, Phone: 0824-4261482/0824-2493528, mangalore@indbankonline.com
Ernakulam : Second Floor, Cherupushpam Building, Shanmugam Road, Ernakulam, Kerala 682031 Phone: 0484-2362060; Fax : 0484-2371114, ernakulam@indbankonline.com
Vellore : Plot No. 25, East Main Road, Gandhinagar, Vellore 632006, Phone : 0416-2249787, vellore@indbankonline.com
Thanjavur : 1st Floor, 1658, South Main Street, Thanjavur - 613009, Ph: 04362-232185, Fax: 232186, thanjavur@indbankonline.com
Visakhapatnam : 30-9-3, 2nd Floor, Sarada Street, Dabagardens, Visakhapatnam 530020, visakhapatnam@indbankonline.com
Calicut : Sunlight Tower, Kallaru Road, 673 002 Tel No: 0495 2702390 Fax No: 0495 4024114; calicut@indbankonline.com
Cuddalore : 1st Floor, 13 A Netaji Road, Manjakuppam, Cuddalore 607 001 SA District Tel No: 0414 2222275 /76 Fax No:0414 2222275; cuddalore@indbankonline.com

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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 Aghraharam, 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
Karur : First Floor, "Agni Complex, 269, Jawahar Bazaar, Karur - 639001, Phone : 04324-264081.
Simmakkal : First Floor, 153-A, North Veli Street, Madurai 625001, Ph: 0452-4230110/2620277
Ramnagar - Hyderabad : 1-9-18/5, 1st Floor, Ramnagar Main Road, Ramnagar, Hyderabad - 500020, Ph: 040-27661848
Dilshuk Nagar : No. D17/109, Kamala Nagar Main Road, Dilshuk Nagar, Hyderabad - 500660, Ph : 040-24141848
Sivakasi : No. 57, 1st Floor, New Road Street, Sivakasi - 626123, Ph : 04562-279188
AS Rao Nagar : Ground Floor, H. No: 1-241 / 138, Road No: 5 S, Bhavani Nagar, ECIL, Kapra, Hyderabad 500062, Ph : 040-27120200
Palayamkotai : Sri Balaji Arcade, No.142/7, Trivandrum Road, Murugankurichi Palayamkotai, Trinelveli Dist - 627002, Ph: 0462-2580086
Gobichettipalayam : 25B, Thangamani Building, 1st Floor, Erode Main Road, Gobichettipalayam - 638476, Ph: 04285-226020
Thadagam Road : Ground Floor, Shop no.56, Sri Sai Complex, 147, Thadagam Road, Coimbatore - 641025, Ph: 0422-2443010
Udumalpet : No.130, Palani Road, Udumalpet, Coimbatore - 642126, Ph: 04252-222293
Theni : No. 685 First Floor, Madurai Road 625 531; Tel No: 04546 260144