

Indbankonline

MARKETS FOR YOU

Private Circulation only

September - 2014

Issue - 88

From the President's Desk

August 2014 an important landmark of our Company, as we completed 25 years in operation. In this Momentous occasion, we are launching the 3-in-1 account, where a client can open Savings Bank account with Indian Bank and Depository Account and Trading Account with Indbank. With the launch of this product, we have achieved, one of our long pending objectives of synergizing banking and trading operations. Further, as an "Anniversary Offer", we are charging an Account Opening Fee of Rs. 150/- (One Hundred Fifty) only for the accounts opened through this scheme which is for defraying expenses towards stamp duty etc. We are also in final stages of launching e-MF (online purchase of Mutual Funds), e-IPO (online subscription to Initial Public Offers) and Debt Segments in partnership with National Stock Exchange. We trust that our customers will take advantage of the new product launches.

As I am writing this article, the Nifty has touched 8000 points, it's all time high. Various analysts are predicting various targets for the indices and there has been few IPO's as well. The story on everybody's mind is that the new Government will work for setting right everything that is wrong with the Indian Economy and we are up and running / will run soon. But, these are predictions. Exactly One year before, i.e. September 2013, all the market experts were worried about the economy and the rupee was sliding. Hardly anyone saw this Bull Run coming. Hence, these predictions should be taken with a pinch of salt and ultimately these are just Predictions. Equities as an asset class have yielded high returns over long term but seldom deliver returns in a consistent manner. We may get exceptional returns in one period and likewise also face extended periods of declining returns. But each of these phases is impossible to predict and most investors lose their money by trying to predict these. Jumping in and out of our investments is definite tool for erosion of wealth. In fact, behavioral experts tell that emotional decisions have the highest probability of going awry. Hence, with constant churning, we may actually end up investing just when the markets are over-heated or exit just at the beginning of a bull run.

Summarizing, invest based on your objectives and never time the markets, as markets have the habit of surprising everyone. Last but not least, our heartfelt thanks to all our clients and stake holders for continuously patronizing us during our journey since 1989.



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

*Looking forward to your continue patronage!!
Till next issue, HAPPY INVESTING!!!*



01/09/2014

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



Our website : www.indbankonline.com

IMPORTANT HAPPENINGS

- On 6th August 2014 a bill was passed by the Lok Sabha to amend the securities market laws that would give more powers to SEBI to take necessary steps to curb fraudulent investment schemes.
- The Government is considering a major overhaul of its Foreign Direct Investment policy to attract overseas investors and improve ease of doing business in India. The Government is looking to adopt the international practice of linking policy with industrial codes to make it easier for foreign and domestic investors to understand policy regarding any economic activity and also help in speeding up the approval process.
- The RBI in its third bi-monthly monetary policy had reduced the statutory liquidity ratio (SLR) of scheduled commercial banks by 50 basis points from 22.5 per cent to 22.0 per cent of their NDTL with effect from the fortnight beginning August 9, 2014; and is a part of its long-term objective to do away with such statutory pre-emptions in the system and make the priority sector lending process more efficient and effective.
- The Foreign Investment Promotion Board has approved 14 Foreign Direct Investment (FDI) proposals worth Rs. 1,528.38 crore. The FDI proposals, once approved and implemented, are expected to boost the Indian economy in the long run.
- Cabinet approves 100 percent FDI in railways, infra and gives nod to hiking FDI cap for defence to 49 percent.
- According to the RBI, there would be a change in methodology while calculating the daily rupee reference rate. This would be effective from September 1. The reference rate for the dollar/rupee would be computed by polling from a select list of contributing banks at a randomly chosen five-minute window between 11:30 to 12:30 Indian Standard Time. This marks a deviation from the previous 11:45 to 12:15 window.
- The Reserve Bank of India (RBI) has relaxed norms for refinancing of infrastructure. The RBI has allowed banks to classify infrastructure loans as standard assets if half of the outstanding loans are refinanced by a new set of lenders in the form of take-out financing.
- The Insurance Regulatory and Development Authority has asked insurance companies to display information about any unclaimed amount above Rs. 1,000 on their respective websites. A circular regarding this comes into force from October 1, 2014.
- The Finance Ministry plans to call a meeting of the Financial Stability and Development Council (FSDC) to set in motion common demat account for various financial instruments and uniform KYC (know your client) for the entire financial sector. FSDC is an apex level forum of all regulators in the financial market and chaired by the Finance Minister. According to the official, the effort is also on to bring in uniform KYC soon. "Under the Prevention of Money Laundering Act, 2002, the Government has the power to frame rules for KYC. It will use it to do so," he said while adding that the plan is to use 'Aadhar' widely for this purpose. Meanwhile, SEBI had in early August allowed sharing of KYC of its regulated entities with those regulated by others such as RBI, IRDA, PFRDA and FMC.
- The Competition Commission of India (CCI) has imposed a combined penalty of Rs2,545 crore on 14 car manufacturers for unfair trade practices related to spare parts market and not making spares freely available in the open market. Tata Motors faces the maximum penalty of Rs1,346 crore followed by Maruti Suzuki and Mahindra & Mahindra (M&M) with a penalty of Rs411 crore and Rs292 crore respectively. The fine has been calculated at 2% of average turnover.
- RBI annual report FY2014 -- Key Highlights Inflation : Target of 8% inflation target for FY15 achievable but upside risks remains for 6% inflation target for FY16. Poor monsoons may not have adverse impact on growth/ inflation scenario. The vegetable price has started softening and decline in oil prices could offset pressure on food inflation.
 - GDP growth : Economy is poised to make shift to a high growth trajectory and see reduced risks to 5.5% growth in FY15. Political stability will lead to pick up in investments. Greater 7% growth possible if global growth normalises in medium term. However pace of global recovery, geo-political issues key growth risks.
 - Current account deficit : CAD may widen in FY15 compared to FY14; though external sector has become more resilient. Need to channelise investments in gold into financial assets. However, FII flows prone to volatility on likely US policy tightening
 - Fiscal deficit : Fiscal deficit may improve in coming months and FD target of 3.6% by FY16 is achievable. Oil subsidies should be kept at the budgeted level of Rs 63,400cr. Some concerns remain on quality of fiscal adjustment. There is need to raise revenues by reforming tax structure.
 - Others : Norms for Small & Payment banks to be issued in FY15. Infra sector alone contributed to ~30% of stressed loans for Banks in FY14.
- RBI has prescribed tighter norms for NBFCs to lend against shares to tackle volatility in the capital market due to offloading of shares by NBFCs. Under the new rules, NBFCs will have to maintain a loan to value (LTV) ratio of 50% all along on loans given against shares. RBI says companies can accept only group-I securities as collateral for loans of value more than Rs 5 lakh. NBFCs with asset size of Rs 100 crore and above will have to report online to stock exchanges about shares pledged with them by borrowers for availing loans.
- Government data showed that the Wholesale Price Index (WPI)-based inflation eased to a five-month low of 5.19% in July compared to 5.43% in June. The decline can be attributed to a fall in prices of some food articles, vegetables and protein-rich items. However, inflation for the overall food articles basket, which account for 14% of the total WPI, stood at 8.43% in July compared to 8.14% in June. The WPI inflation data for May was revised upward from 6.01% to 6.18%. Decline in inflation would make room for the Central Bank to ease interest rates in the long run. In spite of decline in WPI inflation the CPI inflation

touches a new high of 7.96% in July 2014 which raised from 7.31% in June 2014.

- The Government announced a new financial scheme (Pradhan Mantri Jan Dhan Yojana) to help the poor open bank accounts. The scheme will come with a Rupay debit card, overdraft limit upto Rs 5000/- one time, life insurance cover upto Rs 30,000/- and accident insurance upto Rs 1 Lakh. The scheme is expected to provide banking services to the poor in the long run. The Government further added that banks will be provided commission for pursuing the financial inclusion plan.
- The Government will introduce Motor Vehicles Amendment Bill in the next session of Parliament and once enacted, it will end malpractices in regional transport offices across the nation, the Road Transport and Highways Minister said. The State Finance Ministers resolved to lower the threshold limit for imposing Goods and Service Tax (GST) from Rs. 25 lakh to Rs. 10 lakh and asked the Centre to include the provision for GST compensation in the Constitutional Amendment Bill.

Snap Shots

Inflation (%) (WPI)	5.19 (July 2014)	5.43 (June 2014)	6.01 (May 2014)	6.01 (May 2014)	5.20 (April 2014)
Particulars	22 nd Aug. 2014	15 th Aug. 2014	08 th Aug. 2014	01 st Aug. 2014	25 th July 2014
91-Day Cut-off (%)	8.6456	8.6456	8.6456	8.6456	8.6038
10-yr G-Sec yield (%)	8.6484	8.7346	8.8200	8.6848	8.6433
1-10 yr spread (bps)	(1)	9	15	14	(2)
USD/INR(Rs)	60.4360	61.0583	61.5575	60.8510	60.1448
USD 6m LIBOR	0.33	0.33	0.33	0.33	0.33
10 Y US Treasury	2.40	2.34	2.44	2.52	2.47
USD/Euro Spot	0.755720	0.746755	0.745592	0.744091	0.744532

Global Indices

Indices	Country	Index as on 25 th July 2014	Index as on 30 th August 2014	Variation (%) (Inc/ Dec)
NASDAQ	United States	4,462.90	4,570.64	2.41
DJIA	United States	16,880.36	17,106.70	1.34
S&P 500	United States	1,970.07	2,000.02	1.52
Hang Seng	Hong Kong	24,732.21	25,074.50	1.38
Nikkei 225	Japan	15,646.23	15,521.22	(0.80)
Shanghai Composite	China	2,181.24	2,207.11	1.19
Straits Times	Singapore	3,353.65	3,323.02	(0.91)
FTSE 100	United Kingdom	6,773.40	6,822.40	0.72
CAC 40	France	4,312.30	4,393.41	1.88
DAX	Germany	9,593.68	9,588.15	(0.06)
SENSEX	India	26,087.42	26,442.81	1.36
NIFTY	India	7,791.40	7,904.75	1.45

Institutional Investments

Category	Debt / Equity	Gross Purchases (Rs Crores)	Gross Sales (Rs Crores)	Net Investment (Rs Crores)
FII Investments (in Aug. up to 26.8.14)	Equity	66430.94	62195.96	4234.98
	Debt	34542.93	19332.35	15210.58
Mutual Fund (in Aug. up to 25.8.14)	Equity	18417.4	11119.7	7297.1
	Debt	135317.2	76711	58606.2
FII Derivative Trades (in Aug. up to 26.8.14)	INDEX FUTURES	INDEX OPTIONS	STOCK FUTURES	STOCK OPTIONS
- Buy	37114.63	233689.6	70549.53	37072.45
- Sell	37251.09	221,247.3	65027.46	37433.42

Banabihari Panda
President and Whole-time Director

Editorial Team

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M. RVS Hemanth

IPO and NFO Review

IPO NEWS

- Country's leading renewable energy producer ReNew Power will begin planning its initial public offering next year, according to The Wall Street Journal. "The size of the IPO would be a "few hundred million dollars". ReNew Power Ventures Pvt. Ltd is an Independent Power Producer company which generates 460 MW of installed and operational clean energy capacity through wind across the states of Maharashtra, Rajasthan, Karnataka and Gujarat. Primarily a wholesale power generator, ReNew Power sells the output to state electricity boards and large industrial companies.
- GVK Airport is planning to file for an IPO with Sebi and dilute 25 per cent of its stake to raise Rs 1,200 - 1,500 crore via an IPO. Earlier in January, company had dismissed IPO plans and had said the stake dilution was their priority. GVK Airport's business is valued at Rs 6,000 crore and has debt of Rs 2,500 crore. The Company operates Mumbai and Bangalore airports.
- SEBI has sought clarifications on the proposed Rs 750 crore initial public offer (IPO) of construction major

HCC's realty arm Lavasa Corporation. Without disclosing the details of clarifications sought, SEBI has said "clarifications (are) awaited from lead manager" for the proposed public issue. SEBI said that it might issue observations on Lavasa's IPO document within 30 days from the date of receipt of satisfactory reply from the lead merchant bankers to the clarification or additional information sought from them.

- RAK India, a subsidiary of UAE-based tiles maker RAK Ceramics on Sunday said that it has decided to go public through an initial public offering, reported PTI. RAK Ceramics global chief executive Abdallah Massaad told PTI. He added, "We will launch the IPO when we feel that we are ready for the capital markets and the market is going through the right dynamics." "So we have that mentality of accessing the capital markets and obviously as Samena Capital being a financial investor capital markets are always a route to raise capital," he said. Over the next five years, the company is looking to invest Rs 500 crore in India to scale up production for both greenfield or brownfield expansion. RAK, which is the world's largest tiles manufacture, has production facilities in the UAE, India, Bangladesh, Iran, Sudan, and China.

FORTH COMING CORPORATE ACTIONS

Symbol	Company Name	Face Value	Ex Date	Purpose	Symbol	Company Name	Face Value	Ex Date	Purpose
PATSPINLTD	Patspin India Limited	10	10-Sep-14	Annual General Meeting	HUBTOWN	Hubtown Limited	10	17-Sep-14	Annual General Meeting / Dividend Re 1/- Per Share
JYOTISTRUC	Jyoti Structures Limited	2	10-Sep-14	Annual General Meeting	SCHNEIDER	Schneider Electric Infrastructure Limited	2	17-Sep-14	Annual General Meeting (Book Closure Dates Revised)
MOTOGENFIN	The Motor & General Finance Limited	10	10-Sep-14	Annual General Meeting	NICCO	Nicco Corporation Limited	2	17-Sep-14	Annual General Meeting
DOLPHINOFF	Dolphin Offshore Enterprises (India) Limited	10	10-Sep-14	Annual General Meeting	SUPPETRO	Supreme Petrochem Limited	10	17-Sep-14	Annual General Meeting / Dividend - Rs 1.50/- Per Share
ABAN	Aban Offshore Limited	2	10-Sep-14	Annual General Meeting And Dividend Rs.3.60 Per Share	HIRAFERRO	Hira Ferro Alloys Limited	10	17-Sep-14	Annual General Meeting / Final Dividend - Re 0.60/- Per Share
JENSONICOL	Jenson & Nicholson (India) Limited	2	10-Sep-14	Annual General Meeting	GPIL	Godawari Power And Ispat limited	10	17-Sep-14	Annual General Meeting / Dividend Rs 1/- Per Share
GTL	GTL Limited	10	10-Sep-14	Annual General Meeting	STCINDIA	The State Trading Corporation of India Ltd.	10	18-Sep-14	Annual General Meeting
GTLINFRA	GTL Infrastructure Limited	10	10-Sep-14	Annual General Meeting	BEPL	Bhansali Engineering Polymers Limited	1	18-Sep-14	Annual General Meeting / Dividend - Re 0.10/- Per Share
GTNTEX	GTN Textiles Limited	10	10-Sep-14	Annual General Meeting	SHREERAMA	Shree Rama Multi-Tech Limited	5	18-Sep-14	Annual General Meeting
RUCHIRA	Ruchira Papers Limited	10	10-Sep-14	Annual General Meeting / Final Dividend - Rs 1.20/- Per Share	RUBYMILLS	The Ruby Mills Limited	5	18-Sep-14	Annual General Meeting / Dividend - Rs 2/- Per Share
TGBHOTELS	TGB BANQUETS AND HOTELS LIMITED	10	11-Sep-14	Annual General Meeting	LANCOIN	Lanco Industries Limited	10	18-Sep-14	Annual General Meeting / Dividend Rs.1.50/- Per Share
JPOLYINVEST	Jindal Poly Investment and Finance Co., Ltd.	10	11-Sep-14	Annual General Meeting	NEPCMICON	NEPC India Limited	10	18-Sep-14	Annual General Meeting
DHANUKA	Dhanuka Agritech Limited	2	11-Sep-14	Annual General Meeting / Final Dividend - Rs 2/- Per Share	HERITGFOOD	Heritage Foods Limited	10	18-Sep-14	Annual General Meeting / Dividend - Rs 3/- Per Share
TRIDENT	Trident Limited	10	11-Sep-14	Annual General Meeting / Dividend - Re 0.30/- Per Share	ESSARPORTS	Essar Ports Limited	10	18-Sep-14	Annual General Meeting / Dividend - Re 0.50/- Per Share
TALWALKARS	Talwalkars Better Value Fitness Limited	10	11-Sep-14	Annual General Meeting / Dividend - Rs 1.50 Per Share (Bc Dates Revised)	ELGIRUBCO	Elgi Rubber Company Limited	1	18-Sep-14	Annual General Meeting / Dividend - Re 0.37/- Per Share
SERVALL	Servalakhmi Paper Limited	10	11-Sep-14	Annual General Meeting	JAYAGROGN	Jayant Agro Organics Limited	5	18-Sep-14	Annual General Meeting / Final Dividend - Re 0.50/- Per Share
BSL	BSL Limited	10	11-Sep-14	Annual General Meeting / Dividend - Re 1/- Per Share	PVR	PVR Limited	10	18-Sep-14	Annual General Meeting / Final Dividend - Rs 2.50/- Per Share
TBZ	Tribhovandas Bhimji Zaveri Limited	10	11-Sep-14	Annual General Meeting / Dividend - Rs 1.50/- Per Share + Special Dividend - Re 0.75/- Per Share	BGRENERGY	BGR Energy Systems Limited	10	18-Sep-14	Annual General Meeting / Dividend - Rs 3/- Per Share
SUNDRMFAST	Sundram Fasteners Limited	1	11-Sep-14	Annual General Meeting	TI	Tilaknagar Industries Limited	10	18-Sep-14	Annual General Meeting / Dividend - Re 0.80/- Per Share
INFINITE	Infinite Computer Solutions (India) Limited	1	11-Sep-14	Annual General Meeting / Final Dividend - Rs 2/- Per Share	MODIRUBBER	Modi Rubber Limited	10	18-Sep-14	Annual General Meeting
JINDALPOLY	Jindal Poly Films Limited	10	11-Sep-14	Annual General Meeting / Dividend - Re 1/- Per Share	HSIL	HSIL Limited	2	18-Sep-14	Annual General Meeting / Dividend - Rs 3/- Per Share
BANARISUG	Bannari Amman Sugars Limited	10	11-Sep-14	Annual General Meeting / Dividend - Rs 12.50/- Per Share	20MICRONS	20 Microns Limited	5	18-Sep-14	Annual General Meeting
NEPCAGRO	NEPC Agro Foods Limited	10	11-Sep-14	Annual General Meeting	FORTIS	Fortis Healthcare Limited	10	18-Sep-14	Annual General Meeting
ESTER	Ester Industries Limited	5	11-Sep-14	Annual General Meeting / Final Dividend - Re 0.50/- Per Share	RAJRAYON	Raj Rayon Industries Limited	1	19-Sep-14	Annual General Meeting
LML	LML Limited	10	12-Sep-14	Annual General Meeting	SALONACOT	Salona Cotspin Limited	10	19-Sep-14	Annual General Meeting / Dividend - Rs 1.20/- Per Share (12%)
TFCILTD	Tourism Finance Corporation of India Ltd.	10	12-Sep-14	Annual General Meeting / Annual Book Closure / Dividend - Rs 1.20/- Per Share	THEMISMED	Themis Medicare Limited	10	19-Sep-14	Annual General Meeting
BALPHARMA	Bal Pharma Limited	10	12-Sep-14	Annual General Meeting / Dividend - Re 1/- Per Share	CYBERMEDIA	Cyber Media (India) Limited	10	19-Sep-14	Annual General Meeting
BFINVEST	BF Investment Limited	5	12-Sep-14	Annual General Meeting	ORIENTLTD	Orient Press Limited	10	19-Sep-14	Annual General Meeting / Dividend - Re 1/- Per Share
MARALOVER	Maral Overseas Limited	10	15-Sep-14	Annual General Meeting	VIKASGLOB	Vikas GlobalOne Limited	1	19-Sep-14	Annual General Meeting / Dividend - Re 0.05/- Per Share
GODFRYPHLP	Godfrey Phillips India Limited	10	15-Sep-14	Annual General Meeting / Dividend - Rs.40/- Per Share	PANORAMUNI	Panoramic Universal Limited	5	19-Sep-14	Annual General Meeting / Dividend - Re 0.50/- Per Share
SCI	Shipping Corporation Of India Limited	10	15-Sep-14	Annual General Meeting	BINANIIND	Binani Industries Limited	10	22-Sep-14	Annual General Meeting / Dividend - Rs 3/- Per Share
SALSTEEL	S.A.L. Steel Limited	10	15-Sep-14	Annual General Meeting	AUSOMENT	Ausom Enterprise Limited	10	22-Sep-14	Annual General Meeting
SHAHALLOYS	Shah Alloys Limited	10	15-Sep-14	Annual General Meeting	BALAMINES	Balaji Amines Limited	2	22-Sep-14	Annual General Meeting / Dividend Re.1/- Per Share
SURANAT&P	Surana Telecom and Power Limited	5	16-Sep-14	Annual General Meeting / Dividend - Re 0.60/- Per Share	GOLDENTOBC	Golden Tobacco Limited	10	22-Sep-14	Annual General Meeting
GLOBOFFS	Global Offshore Services Limited	10	16-Sep-14	Annual General Meeting And Final Dividend Re.1.20 Per Share	ALPSINDUS	Alps Industries Limited	10	22-Sep-14	Annual General Meeting
SONASTEER	Sona Koyo Steering Systems Limited	1	16-Sep-14	Annual General Meeting / Final Dividend - Re 0.80/- Per Share	DSKULKARNI	DS Kulkarni Developers Limited	10	23-Sep-14	Annual General Meeting / Dividend - Re 1/- Per Share
BHAGYNAGAR	Bhagyanagar India Limited	2	16-Sep-14	Annual General Meeting / Dividend - Re 0.30/- Per Share	ROLTA	Rolta India Limited	10	23-Sep-14	Annual General Meeting / Final Dividend - Rs 2.25/- Per Share
DONEAR	Donear Industries Limited	2	16-Sep-14	Annual General Meeting / Dividend - Re 0.20/- Per Share	RAMKY	Ramky Infrastructure Limited	10	24-Sep-14	Annual General Meeting
MAXWELL	Maxwell Industries Limited	2	16-Sep-14	Annual General Meeting / Dividend - Re 0.20/- Per Share	NEPCTEX	Nepc Textiles Limited	10	25-Sep-14	Annual General Meeting
VLSFINANCE	VLS Finance Limited	10	16-Sep-14	Annual General Meeting	PARAPRINT	Paramount Printpackaging Limited	10	25-Sep-14	Annual General Meeting
DATAMATICS	Datamatics Global Services Limited	5	16-Sep-14	Annual General Meeting / Final Dividend - Rs 1.25/- Per Share					

NEW FUND OFFERS

Scheme	Class	Type	Open Date	Close Date	Min. Inv Amount
Tata Dual Advantage Fund - Series 2	HY-DC	Close	22.08.2014	05.09.2014	5,000
SBI Dual Advantage Fund - Series IV	HY-DC	Close	22.08.2014	04.09.2014	5,000
ICICI Prudential Value Fund - Series 5	EQ-M&SC	Close	22.08.2014	02.09.2014	5,000
ICICI Prudential Multiple Yield Fund - Series 7 - 1825 Days	HY-DC	Close	19.08.2014	02.09.2014	5,000
ICICI Prudential Constant Maturity Gilt Fund	GL-MLT	Open	25.08.2014	01.09.2014	5,000
DWS Hybrid Fixed Term Fund - Series 29 (40 Months)	HY-DC	Close	01.09.2014	15.09.2014	5,000
DWS Hybrid Fixed Term Fund - Series 28 (39 Months)	HY-DC	Close	20.08.2014	01.09.2014	5,000
DWS Hybrid Fixed Term Fund - Series 26 (1099 Days)	HY-DC	Close	19.08.2014	02.09.2014	5,000
DWS Corporate Debt Opportunities Fund	DT-INC	Open	01.09.2014	15.09.2014	5,000
Canara Robeco Capital Protection Fund - Series 3	HY-DC	Close	01.09.2014	12.09.2014	5,000
Birla Sun Life Capital Protection Oriented Fund - Series 23	HY-DC	Close	01.09.2014	15.09.2014	5,000
Axis Hybrid Fund - Series 15	HY-DC	Close	28.08.2014	11.09.2014	5,000

OUR PICKS

IDEA CELLUAR LTD.

Idea Cellular (Idea), an Aditya Birla Group Company, is India's first truly multinational corporation. Idea is a pan-India integrated GSM operator offering 2G and 3G services, and has its own NLD and ILD operations, and also holds ISP license. Idea is the sixth largest mobile telecommunication company (based on operations in a single country) in the world based on number of subscribers (as determined from data from World Cellular Information Services as of March'14). Idea's robust pan-India coverage is built on a network of over 100,000 2G and 3G cell sites, spread across the major cities, towns and villages in India. Using the latest technology, Idea provides world-class service delivery through the most extensive network of customer touch points, comprising of nearly 4,500 exclusive Idea outlets, and over 7,000 call centre seats.

Investment Rationale

- Recent spectrum wins to aid profitability in the coming years.
- Uptick in Voice RPM and data to be the game changer.
- Well positioned to bid for spectrum auction in FY15-16.

KEY RISK:

- High interest cost.
- Aggressive bidding by the incumbents to retain spectrum.
- A resurgence of competition raising churn and pricing pressure.
 - EPS: 5.90.
 - PE Ratio: 26.7.
 - Book Value Per Share: Rs. 49.10.

BUY – Long Term

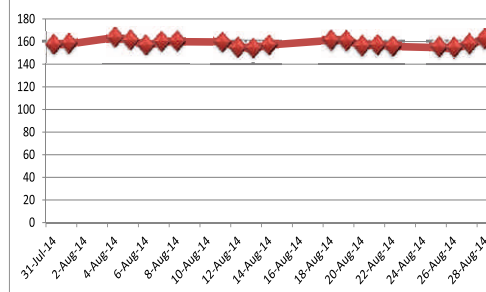
CMP : Rs. 161.90*

Target : Rs. 192.00

52W H/L : Rs. 188.4/125.1

Potential Upside – 22 %

IDEA CELLUAR LIMITED



BSE Code: 532882

NSE Code: IDEA

EXIDE INDUSTRIES LIMITED

Exide Industries Ltd. manufactures the widest range of storage batteries in the world from 2.5 AH to 20,400 AH capacities, covering the broadest spectrum of applications. Exide Industries is the only company in the country to design and manufacture batteries from 2.5AH – 20,600AH in conventional flooded and valve regulated lead acid (VRLA) design. The Company has seven factories strategically located across the country-two in Maharashtra and Tamil Nadu, one in West Bengal, and one in Haryana. The Company has grown steadily, modernized its manufacturing processes and taken initiatives on the service front. Exide Industries enjoys a dominant position in the Indian automotive battery industry with more than 27% market share in OEM motorcycle batteries.

Investment Rationale

- Realisation across the battery segments set to improve further.
- Revenue to grow at a CAGR of ~15% over FY14-16E.
- Up-tick in economic activity to improve industrial batteries demand.
- Improvement in non-auto business prospects to be an important trigger
 - EPS: 6.40.
 - PE Ratio: 24.50.
 - Book Value Per Share: Rs. 40.70.

BUY – Long Term

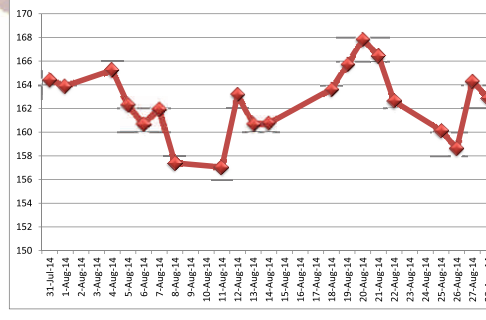
CMP : Rs. 162.90*

Target : Rs. 183.00

52W H/L : Rs.170.0/99.0

Potential Upside – 16.60%

EXIDE INDUSTRIES LIMITED



BSE Code: 500086

NSE Code: EXIDEIND

OUR PICKS

MARUTI SUZUKI INDIA LTD

Maruti Suzuki India Ltd (Maruti), India's largest passenger car company accounting for around 40% share of the domestic passenger car market, is a subsidiary of the Japanese automaker, Suzuki Motor Corporation. Established in 1981, the company is engaged in the business of manufacturing, purchase and sale of motor vehicles and spare parts (automobiles). With five plants in Gurgaon and Manesar areas of Haryana and a production capability of around 1.5 mn units per annum, Maruti offers around 200 variants across the industry segments like passenger cars, utility vehicles and vans. The company is also planning to come up with a new manufacturing facility in Gujarat by FY15 and it intends to expand its manufacturing capacity to 1.8 mn units by FY15.

Investment Rationale

- Robust pipeline of new vehicles to revive growth in FY15.
- Eyeing to increase its PV market share to ~45% in FY15E.
- Higher volumes and favorable foreign exchange aided profitability in Q1FY15.
- Wide network and entry in to newer market to improve earning visibility in the coming year.
- ROE: 94.40.
- PE Ratio: 28.30
- Book Value Per Share: Rs. 712.0

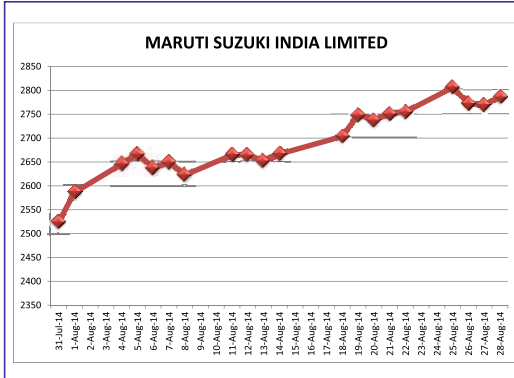
BUY – Long Term

CMP :Rs. 2784.5*

Target :Rs. 3150.00

52W H/L: Rs. 2693.0/1215.0

Potential Upside – 18%



BSE Code: 532500

NSE Code: MARUTI

IDFC LIMITED

Incorporated on January 30, 1997, IDFC is indulged in providing loan to Infrastructure projects and also engaged in the business of Merchant Banking, Asset Management, Private Equity and Broking business through its subsidiary. It is a conglomerate of 10 direct subsidiaries and 11 step-down subsidiaries. IDFC provides financing through various routes such as Senior Debt-Financing through Debentures, Mezza nine products-Subscribing to preference capital or debts, proprietary equity, private equity, Debt Capital, are amongst its product offerings. Recently, the company had got "in-principle" approval from the RBI to set up bank, which we believe that it may act as a growth driver in long term.

Investment Rationale

- IDFC's banking business to operationalize by October, 2015.
- Well positioned to take advantage from positive regulatory reforms.
- Loan book growth to remain flat in FY15E.
- New government focus on infrastructure to revive investment cycle.
- EPS: 11.90.
- PE Ratio: 12.5
- Book Value Per Share: Rs. 99.2.

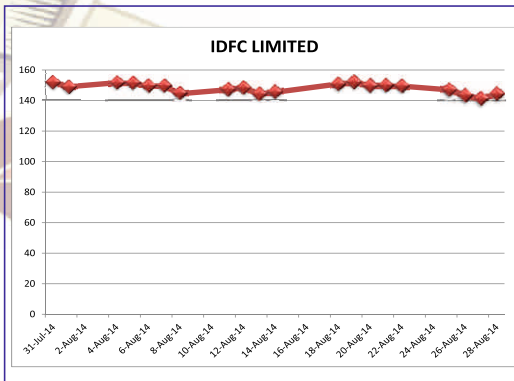
BUY – Long Term

CMP :Rs. 144.25*

Target :Rs. 168.00

52W H/L: Rs. 166.7/76.3

Potential Upside – 14.00%



BSE Code: 532659

NSE Code: IDFC

For detailed analyst reports, please visit: www.indbankonline.com

➡ Reports & Downloads ➡ Equity Research

* Closing price as on 28.08.2014 on NSE

Mutual Fund Corner

Scheme of the Month

L&T EQUITY FUND – GROWTH – REGULAR PLAN

LEVEL OF RISK: BROWN (HIGH RISK)

Fund Manager: Ms. S.N.Lahiri / Mr. Abhijeet Dakshikar

Investment Objective :

The scheme aims to follow bottom up stock picking, without any bias for sectors or market capitalizations. The scheme will attempt to be fully invested in equities at all times, however, upto 20 per cent of its assets can be invested in cash and cash equivalents.

Current Statistics & Profile	
Latest NAV	53.62 (26.08.2014)
52-Week Range	53.82 – 32.97
52-Week High	53.82(22.08.2014)
52-Week Low	32.97 (28.08.2013)
Fund Category	Large Cap
Type	Open Ended
Launch Date	May 16, 2005
Net Assets (Cr)	Rs. 2123.70 (30.06.2014)
Benchmark	S&P BSE 200

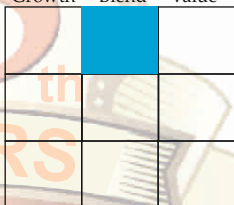
Trailing Returns

As on 26 th August 2014	Fund Return	BSE 200 Return	Category Return
Year to Date	34.54	27.54	27.29
1-Month	3.27	1.77	2.14
3-Month	10.02	7.32	8.58
1-Year	56.96	47.87	46.89
3-Year	19.35	17.86	18.64
5-Year	15.85	10.76	12.03
Return Since Launch 19.83%			

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

Asset Allocation	
As on 31/07/14	% Net Assets
Equity	97.11
Debt	0.00
Cash & Cash Equivalent	2.82

Investment Details	
Minimum Investment Amount	Rs.5000
Additional Investment	In multiples of Rs.1000
SIP	Yes ; Min Rs. 1000; Min Months:5
Minimum Balance	–
Options	Dividend
Dividend History (Rs. / Unit)	2013 –1.00; 2011–2.50; 2010–1.00; 2008–2.50 2007–2.50; 2006–2.00; 2007–7.00
Expense Ratio (%)	2.29 (31.03.2014); 0.00 (Direct)
Exit Load (%)	1 %

Fund Style	Concentration & Valuation – As on 31.07.2014
Investment Style Growth Blend Value 	No. of Stocks – 53 Top 10 Holdings – 38.01% Top 5 Holdings – 23.33% Top 3 Sectors – 47.48% Portfolio P/B Ratio: 3.04 Portfolio P/E Ratio: 18.81

PORTFOLIO – Top 10 Holdings as on 31/07/2014

S. No.	Name of Holding	Instrument	% Net Assets
1.	ICICI Bank	Equity	5.70
2.	HDFC Bank	Equity	5.01
3.	Infosys	Equity	4.69
4.	Larsen & Turbo	Equity	4.47
5.	Reliance	Equity	3.46
6.	Shree Cements	Equity	3.35
7.	Kotak Mahindra Bank	Equity	3.22
8.	Axis Bank	Equity	2.78
9.	Tech Mahindra	Equity	2.69
10.	Wipro	Equity	2.64

Top Sector Weightings – As on 31/07/2014

Sector	% Net Assets
Banking & Finance	25.92
Technology	12.23
Energy	9.33
Automobile	8.23
Construction	7.58

Beginner's Corner

DIVIDEND – PART 1

A dividend is a payment made by a corporation to its shareholders, usually as a distribution of profits. When a corporation earns a profit or surplus, it can either re-invest it in the business (called retained earnings), or it can distribute it to shareholders. A corporation may retain a portion of its earnings and pay the remainder as a dividend. Distribution to shareholders can be in cash (usually a deposit into a bank account) or, if the corporation has a dividend reinvestment plan, the amount can be paid by the issue of further shares or share repurchase.

A dividend is allocated as a fixed amount per share, with shareholders receiving a dividend in proportion to their shareholding. For the joint stock company, paying dividends is not an expense; rather, it is the division of after tax profits among shareholders. Retained earnings (profits that have not been distributed as dividends) are shown in the shareholders' equity section on the company's balance sheet - the same as its issued share capital. Public companies usually pay dividends on a fixed schedule, but may declare a dividend at any time, sometimes called a special dividend to distinguish it from the fixed schedule dividends. Cooperatives, on the other hand, allocate dividends according to members' activity, so their dividends are often considered to be a pre-tax expense.

The word "dividend" comes from the Latin word "dividendum" ("thing to be divided").

Forms of payment:

Cash dividends are the most common form of payment and are paid out in currency, usually via electronic funds transfer or a printed paper cheque. Such dividends are a form of investment income and are usually taxable to the recipient in the year they are paid. This is the most common method of sharing corporate profits with the shareholders of the company. For each share owned, a declared amount of money is distributed. **Thus, if a person owns 100 shares and the cash dividend is Rs 50/- per share, the holder of the stock will be paid Rs 5000/-.** Dividends paid are not classified as an expense, but rather a deduction of retained earnings. Dividends paid does not show up on an income statement but does appear on the balance sheet.

Stock or scrip dividends are those paid out in the form of additional stock shares of the issuing corporation, or another corporation (such as its subsidiary corporation). They are usually issued in proportion to shares owned (for example, for every 100 shares of stock owned, a 5% stock dividend will yield 5 extra shares).

Nothing tangible will be gained if the stock is split because the total number of shares increases, lowering the price of each share, without changing the market capitalization, or total value, of the shares held.

Stock dividend distributions are issues of new shares made to limited partners by a partnership in the form of additional shares. Nothing is split, these shares increase the market capitalization and total value of the company at the same time reducing the original cost basis per share.

Property dividends or dividends in specie (Latin for "in kind") are those paid out in the form of assets from the issuing corporation or another corporation, such as a subsidiary corporation. They are relatively rare and most frequently are securities of other companies owned by the issuer, however they can take other forms, such as products and services.

Interim dividends are dividend payments made before a company's Annual General Meeting (AGM) and final financial statements. This declared dividend usually accompanies the company's interim financial statements.

Other dividends can be used in structured finance. Financial assets with a known market value can be distributed as dividends; warrants are sometimes distributed in this way. For large companies with subsidiaries, dividends can take the form of shares in a subsidiary company. A common technique for "spinning off" a company from its parent is to distribute shares in the new company to the old company's shareholders. The new shares can then be traded independently.

We trust the above information to be informative! HAPPY SAVING!!

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