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**Christ University
Institute of Management**

chaanakya

Tracking the economy...



*A Wealth Incorporation
Publication*



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National News

Sanjeet Kumar [II MBA J]

RBI pause jolts India Inc, govt

Central bank puts the onus of growth revival on finance ministry, disappoints industry by keeping rates unchanged.

Two days after Finance Minister Pranab Mukherjee threw a not so-subtle hint in favour of a policy rate cut “for the sake of growth”, Reserve Bank of India Governor D Subbarao surprised the market by keeping the repo rate and cash reserve ratio (CRR) unchanged at eight per cent and 4.75 per cent, respectively.

VG Siddhartha hikes stake in MindTree further to 21.56%

VG Siddhartha, Coffee Day Group’s chairman, who was one of the first venture capitalists to back MindTree Limited more than a decade ago, is once again moving to cement his stake further in this mid-tier software exports company. The 51-year-old entrepreneur on 19th June 2012 announced that he has acquired 3.84 per cent stake in MindTree for around ₹95 crore from another early venture fund — Walden International. With this, Siddhartha — along with two of his companies Coffee Day Resorts and Global Technology Ventures — holds little more than 21.5 per cent. The promoter group holds 21.5 per cent.

Fitch cuts India’s credit outlook to negative

Fitch Ratings has scaled down its credit outlook for India from ‘stable’ to ‘negative’, owing to limited progress on fiscal consolidation and heightened risks to growth, which resulted from the tardy pace of structural reforms.

The rating agency, however, reaffirmed long-term foreign and local-currency issuer default ratings at ‘BBB-’ and the short-term foreign currency rating at ‘F3’. India’s country ceiling was also affirmed at ‘BBB-’, Fitch said in a statement on 19th June 2012.

India to grow 6.5-7% in FY13, says Montek

Planning Commission Deputy Chairman Montek Singh Ahluwalia on 19th June 2012 pegged India’s growth this financial year at 6.5-7 per cent. He added the country had taken various steps to boost investment, the results of which would be seen in six months. However, in April, dismal industrial growth of 0.1 per cent pointed to lack of investment, as capital goods saw 16.3 per cent contraction.

Retail inflation in double digits at 10.4% in May

High food inflation ensured that Consumer Price Index based inflation remained in double digits for consecutive month in May, at 10.36 per cent, versus 10.26 per cent in April, on the back of vegetables, protein-based items and edible oil. Vegetables recorded the maximum inflation, at 26.6 per cent. However, it was just marginally up from 24.6 per cent as recorded in April. Edible oil saw the rate of price rise up to 18.2 per cent versus 17.6 last month, and milk products at 13.74 per cent in May, lower than the 14.94 per cent in April. Protein-based

items, like egg, fish and meat, saw inflation rise to 10.50 per cent against 9.95 per cent in the previous month. The rate of price rise in fuel and light, and clothing, bedding and footwear segments remained in double-digits at 10.7 per cent and 11.4 per cent, respectively.

Q1 advance tax figures signal corporate gloom

Advance tax collections from corporate India in the first quarter this year (April-June) reported a meagre 4.9 per cent increase to ₹32,882 crore. That marked a steep fall from 19 per cent growth to ₹31,346 crore in the corresponding period last year. The indication is companies may have paid less tax foreseeing a slowdown in earnings.

According to finance ministry data, collections from the top 100 companies showed an even sharper drop in growth. Their collections grew 5.33 per cent to ₹17,893 crore, compared with 34 per cent and 18 per cent growth in the previous two years, respectively.

India pledges \$10 bn to IMF to bail out Euro zone.

India has pledged a \$10-billion contribution to the International Monetary Fund (IMF) to help it create an additional \$450 billion firewall to resolve the Euro zone crisis. It also posed a key question before G-20 leaders—who would fund the growth requirements of developing, as well as least-developed countries? Prime Minister Manmohan Singh held bilateral talks with German Chancellor Angela Merkel and Mexican President Felipe Calderon. He also spoke to US President Barack Obama for a couple of minutes on the sidelines of the G-20 summit, before Obama left for his country.

Rupee falls below 57/\$, baffles market

The rupee plunged the most in nine months to breach the 57.33-a-dollar mark on concerns that a slow rate of economic growth would reduce capital inflows. The currency was also hurt by demand for dollar from oil firms and gold importers.

Traders said the weak sentiment following adverse remarks by rating agencies over India's worsening fundamentals prompted investors to move towards safer currencies.

Suzlon Group sells China arm for ₹340 crore

Debt-laden wind turbine company Suzlon on 23rd June 2012 said it has sold its Chinese manufacturing subsidiary to China Power (Tianjin) New Energy Development Company for \$60 million or ₹340 crore.

The two companies have signed a binding term-sheet for sale of the subsidiary, Suzlon Energy Tianjin, with majority of its assets and liabilities for ₹60 million, the company said in a statement here.

Govt stake sale in 6 PSUs a step closer; RINL's IPO in July

The government's disinvestment plan for the current financial year is set to gather pace with the decision to bring the initial public offer (IPO) of Rashtriya Ispat Nigam Limited (RINL) in the second half of July. That will be accompanied by the initiation of the consultation process for stake sales in about half a dozen public sector companies.

International News

Sanjeet Kumar [II MBA J]

Rajat Gupta convicted of insider trading

Rajat Gupta, who had reached the pinnacle of corporate America as the managing partner of McKinsey & Co and as a director at Goldman Sachs Group and Procter & Gamble, was convicted by a federal jury of leaking inside information to hedge fund manager Raj Rajaratnam.

Moody's cuts ratings of European banks

Moody's has cut the ratings of 11 European banks and said it would cut again if Greece ditched the euro, kicking off a long awaited round of downgrades for major European institutions.

Moody's Investors Service said it had taken action against five Dutch banking groups, three French banks and one each from Belgium and Luxembourg.

Microsoft to buy Yammer for \$1.2 bn

Microsoft Corp, the world's largest software maker, has agreed to purchase Yammer Inc, operator of a social network for businesses, for \$1.2 billion, said a person familiar with the matter. The deal is expected to be announced by the end of June, said the person, who asked not to be identified because the negotiations are private.

NASDAQ impaired trade: Facebook

Facebook Inc, asserting a defence to lawsuits filed by investors, said Nasdaq trading errors "impaired" the pricing of shares in the social networking company's initial public offering last month. In a request to consolidate more than 40 shareholder lawsuits in federal court in New York, the company said "trading in Facebook shares was delayed as a result of problems with Nasdaq's software systems, which impaired the orderly execution of trades and price levels.

Greece's New Democracy seeks bailout coalition

Greece's conservative leader Antonis Samaras today began talks to form a government after winning an election that sets him the task of imposing punishing austerity measures in a near-bankrupt economy while containing rising social tensions.

New Democracy leader Samaras was due to meet Evangelos Venizelos, the head of the Socialist PASOK party, at 1500 GMT after he received a mandate to form a government from the President.

Vodafone closer to CWW takeover

Mobile phone group Vodafone's £1.04 billion (\$1.63 billion) offer for Cable & Wireless Worldwide looked certain to succeed on 20th June 2012 after the British fixed line operator's biggest shareholder dropped its opposition. Institutional investor Orbis said it would now support the 38 pence-a-share offer after CWW revealed that holders of 59 per cent of its shares had already backed the takeover.

UK inflation dips

UK inflation eased unexpectedly in May to its lowest in two and a half years due to slower price rises for food and fuel, strengthening the chance of more Bank of England stimulus. The Office for National Statistics said consumer price inflation slowed to 2.8 per cent on the year from 3.0 per cent in April. Between April and May, average consumer prices dropped by 0.1 per cent — the first fall between these two months since records began in 1996.

RBS to axe over 600 jobs in UK

State-backed RBS said it will cut 618 jobs in Britain as a result of new legislation due to come into force at the end of the year which will see a major overhaul of customer services in the retail investment market. The bank, which is 82 per cent-owned by the government, said that it will be creating 351 new roles.

Global outlook darkens as Europe struggles

The downturn in the Euro zone's private sector is becoming entrenched and Chinese factories are finding the going increasingly tough, business surveys showed on 21st June 2012, painting a darker outlook for the world economy.

June was the fifth consecutive month that activity across the Euro zone has declined, dragging down heavyweights Germany and France and putting pressure on the European Central Bank to take further action to support the economy.

Vodafone in new £1-bn UK tax scandal

The world's largest mobile phone company, Vodafone Group, has shaved £1 billion, and possibly more, off the taxes its UK operating unit might have paid in the past decade, thanks to accounting factors not seen at other European units.

A Reuter's examination of statutory filings made by Vodafone across Europe over the past 16 years shows the UK taxman has often gone empty handed, while tax authorities in Germany, Spain and elsewhere have raked in billions of Euros.

UK public borrowing rises in May

Public borrowing in UK was higher than expected in May after income tax receipts fell and spending rose, in a sign the government may face a struggle to meet its debt reduction target as the economy weakens. The Office for National Statistics said that public sector net borrowing excluding public sector interventions -the government's preferred measure - came in at £17.9 billion last month, up from £15.1 billion last May. This was above economists' forecasts for £14.8 billion and took borrowing in the fiscal year to date to £356 million, compared with £24.4 billion a year ago.

Barclays to pay \$450 million to settle manipulation claim

Barclays has agreed to pay more than \$450 million to resolve accusations that it attempted to manipulate key interest rates, the first settlement in a sprawling global investigation targeting many of the world's biggest banks.

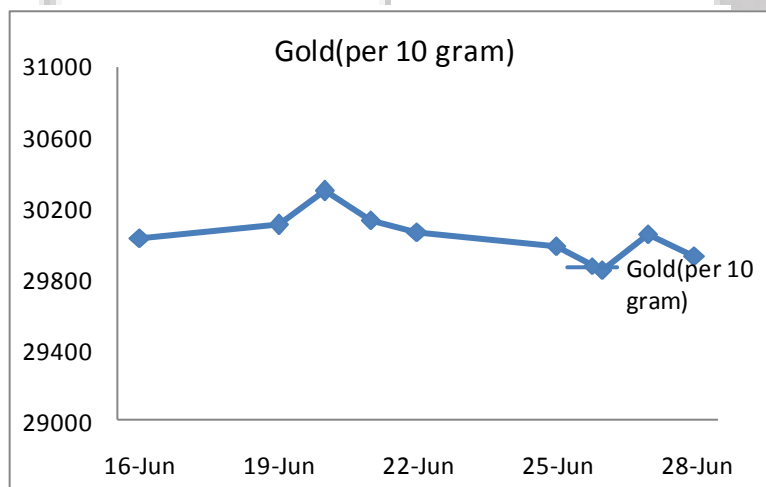
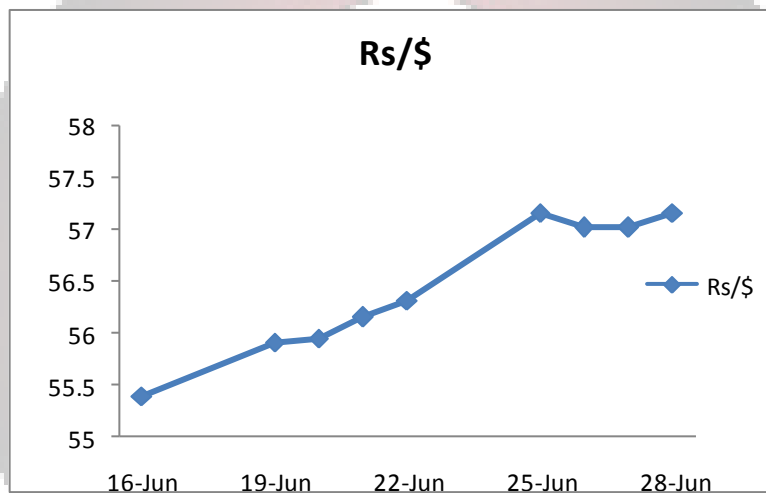
Rates

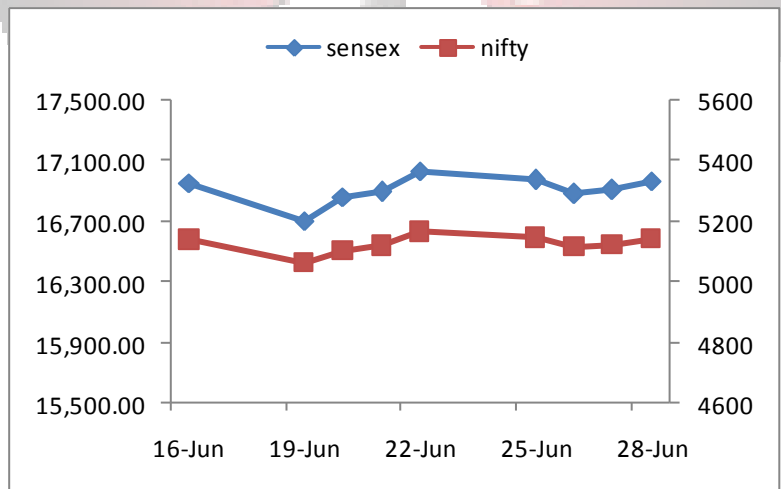
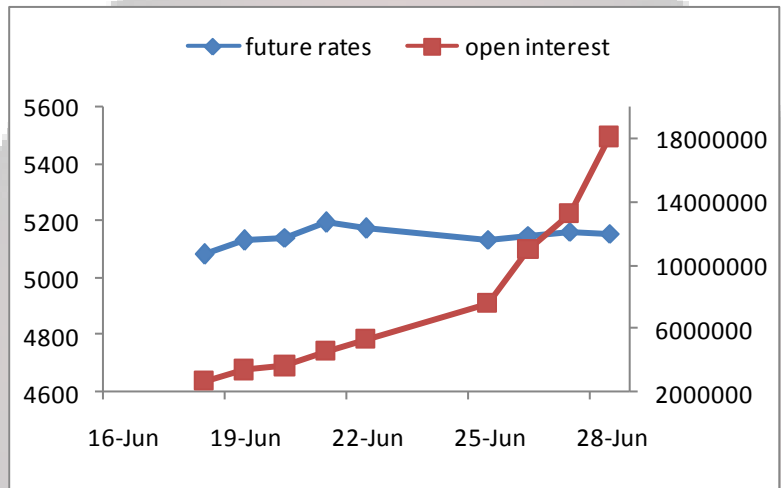
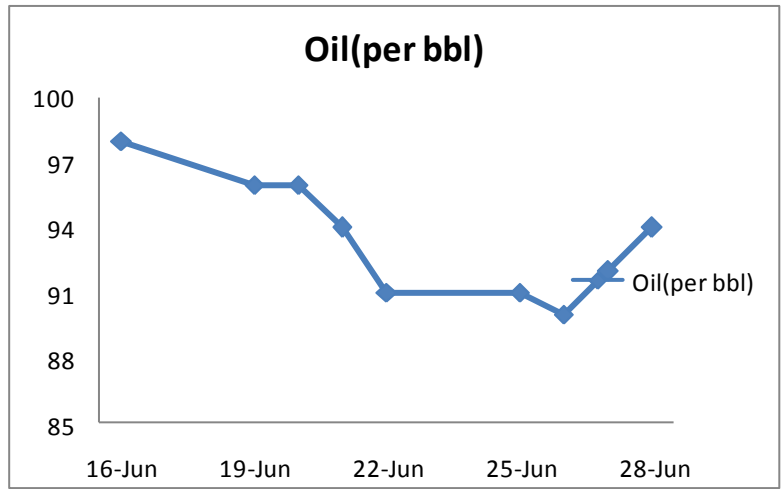
Pankaj Sharma [II MBA J]

Repo Rate	8.00%
Reverse Repo	7.00 %
Call rate	7.15%-8.15 %
Inflation	7.55% for May 2012
Forex Reserve	\$289.396 Billion as on 18th May, 2012
91day T-Bill	8.3110%
IIP	0.1% for April 2012
8.79 GS 2021	8.51%

Graphs

Pankaj Sharma [II MBA J]





Rampant Liquidity is not the Solution

Dhruv Chopra [II MBA I]

Central Banks around the world are pumping liquidity in their respective economies to stave off the global economy's recent softening and to prevent the catastrophic situation which has gazed in the eyes of the world leaders courageously.

To revive the economies around the world the prime banks are trying their best to ease the situation by twisting their operations as done by the Federal Bank of Unites States, Open Market Operations undertaken by the Reserve Bank of India, European Central Bank's bailout proceedings, monetary easing by the Chinese counterparts or the Swiss and Danes printing money as a means of defending their currency targets, each prime lender to the economy is trying to resurrect its economy deftly.

Will just an injection of liquidity in the crucial sectors create a difference? As far as the last half a decade is concerned, the Quantitative Easings or the Stimuli provided by the governments around the world were just short term solutions. And it is echoed in the global economy that the long term prospect of all the major economies is under the suspect. Take a classic example of India: There has been a drought of reforms in the economy since 1990's and this is the major concern in the domestic market. Corporates crave for lower cost of funds and liquidity in the market, which can not only be possible by the OMOs or by unexpected rate cuts but it can only be possible through gigantic reforms which are now a must in the country. Fundamental issues like Foreign Direct Investment in Retail and Aviation has to given a green signal, Infrastructural fast tracking system has to be made robust and the government borrowing finances has to be restructured for giving this economy the required push and to pause the free fall of Indian National Rupee.

Similarly in China the manufacturing growth is plummeting, the PMI data is weak and decline in the global demand is a cause of worry. On the west, Euro Zone survived with the Greece's elections but the stability of the union is still in doubt. The monetary union don not stand on the fundamentally strong fiscal pillars which is making the survival difficult for the group of countries. And bailouts are not the solutions to the complex issues.

Federal Bank of USA has also extended the Operation Twist (after 2 QEs) till this calendar year end but economy is still growing at a worrisome rate.

All the above mentioned facts highlight the urgency of fiscal consolidation. The government around the world has to take gutsy steps, bring in reforms and infuse positivity in the market to affirm the investors about their safe investments. Even if there are plethoras of more Easings or OMOs planned, the economy won't stand on its own until the sustainability is assured through prominent reforms. And that is a must now for survival of the global as well as the domestic markets.

RBI's Consolidated Stance

Vicky Crasto [II MBA I]

With the steep unexpected cut in the policy rate by 50bps in the mid-April monetary policy review the RBI had given signals of aggressive easing. This led to the buildup of expectations in the market which was supported by the slowdown in the economic growth and investment activity.

On June 15th, 2012 (Friday), before the market could close for the week the hope of a rate cut boosted the bulls to rally forward. BSE's 30 share Sensex rose 271.95 points or 1.63% to close at 16943.83. NSE's 50 share Nifty rose 84.30 points or 1.67% to close at 5139.05. The sense of optimism was very strong that helped to build steam in the market to rally forward in spite of uncertainties posed by the Greek elections and the presidential elections in India.

In the midst of all the hopes and rumors, RBI stood its ground and remained consistent in its policy of controlling inflation. It maintained a status quo and did not cut rates. This was a huge disappointment. However RBI explained that with consumer price index in double digits and inflation soaring up any rate cut would not support growth but increase the inflationary pressure.

The immediate effect of this announcement was on the stock market. Sensex plunged by 244 points to close at 16705.83. Nifty also took the beating by shedding 74.80 points to close at 5064.25. The rupee also depreciated to close at ₹55.8 against the USD. The money market also was shaken up with the RBI's announcement. Bond yields jumped by 12 basis points whereas short term debt papers were up by 25 bps.

With the unchanged CRR, the liquidity in the market has been tight. There has been ₹80,000 crore liquidity deficit in the system as the result of which the RBI had to enter in open market operations by buying government securities worth ₹70,000 crore.

Many sectors sensitive to rates had a downfall such as real estate sectors, banking and auto. As Mr. Pravin Shah, Chief executive (automotive division), Mahindra & Mahindra, said that the question was not about getting funds for project but the cost of funds was high.

In such a bleak economic situation, of slowed down growth, high inflation and rating agencies downgrading India's credit rating, the country needs a push to get back on the growth track.

Reduction of the fiscal deficit, relooking in subsidies, fast tracking infrastructure projects and clearance of key policy giving positive signal to the investors is the need of the hour. The ball is now in the government's court and it has to act now before it's too late.

Sources: Subbarao defends monetary policy pause (2012, June 20), Business Standard Pg 6. India Inc unhappy at central bank's status quo (2012, June 19), Business Standard Pg 7. Money market gets a jolt as rates unchanged (2012, June 19), Business Standard Pg 6.

VKS Projects Limited IPO

Arnab Basak [II MBA J]

The primary market section of the capital market has been disappointing this year as because there has been no such IPO except the MCX IPO which came in the month of February, 2012 that succeeded in attracting the investors both foreign and retail. The primary market has faced a lot of criticism from investors and experts about the quality of IPO that has been passed in the recent months especially the market regulator SEBI and the rating agency who approves and rates the IPO.

A company needs a proper platform to list their shares in terms of healthy market and positive market sentiment among the investors so that the stocks appreciate after its listing. The Facebook IPO can be taken as an example of overconfidence because in this weak global economy they decided to list their shares which though got mega response from the investors but failed to live upto the expectation of the investors after listing. The stock at present is trading at \$32-\$33 level after it started trading at \$38.

The Indian companies are trying to be on the safer side because the Indian stock market has become very rangy and not moving up as it is expected and this is the only reason which is postponing some good IPO's that are on the cards. The small and medium companies are taking the advantage of this opportunity and coming out with offers for subscription. VKS Projects Ltd. is one such company which has come up with an IPO and is inviting application for subscription from June 28, 2012 – July 02, 2012.

VKS Projects Ltd is an Engineering Procurement and Construction company (EPC contractor) incorporated in the year 1998 headquartered in Navi Mumbai. It is engaged in the business of undertaking EPC Contracts of CS/SS/Alloy Steel Turnkey Piping, Civil Land Development, Industrial / Commercial Infra Projects, Structural Fabrication and Erection of Equipments, Fire Fighting Projects and Commissioning of Chemical Plants for various industries including but not limited to Chemicals, Oil and Gas (on-shore and offshore), Refinery, Petrochemicals, Dyestuff, Pharma & Bulk Drugs, Metallurgy, Power and Textiles. The company's area of expertise are Fabrication & Erection of Key Industry Equipments/Plants including Reaction Vessels, Auto Claves, Vacuum Tray Driers, Storage Tanks, Chilling Plants, Hydro generators, Fire Fighting Units, Heat Exchangers/Condensers, Rotary Vacuum Tray Driers, Centrifuges, WHR boilers, Crystallizers, Scrubbers, Distillation Units, and Flakers etc.

Company Financials

Particulars	31-Mar-11	31-Mar-10	31-Mar-09
Total Income	6025.43	3023.75	1078.81
Profit after Tax (PAT)	315.97	200.44	19.37

Objective of the Issue

- To meet long-term working capital requirements.
- To finance the procurements of Construction Equipment and key Machineries.

- To finance the setting up of Engineering Design Studio/Office and Training centre in Chennai, Cochin, Delhi, Hyderabad and Ahmedabad.
- For general corporate purposes, and
- To meet issue expenses.

Issue Details

Issue Open	Jun 29, 2012
Issue Type	100% book built issue IPO
Issue Size	Equity shares of ₹10
Issue Size	₹55.00Crore
Face Value	₹10 per equity share
Issue Price	₹55 – ₹60 per Equity share
Market Lot	100 shares
Minimum Order Quantity	100 shares
Listing At	BSE, NSE

VKS Projects Ltd. IPO Grading

CRISIL has assigned an IPO Grade 1 to VKS Projects IPO. This means as per CRISIL, company has '**Poor Fundamentals**'. CRISIL assigns IPO grading on a scale of 5 to 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

Recommendation

It is advisable not to invest in this company's IPO because of its weak fundamentals and lowest rating by CRISIL. The stock has high probability of giving lower returns after it is listed because of both internal factors and external environment which is very weak.

TITAN INDUSTRIES

Deebadwita De [II MBA J] and Shashank Mishra [II MBA N]

Titan Industries is India's largest producer of watches and is world's fifth largest wrist watch producers. The company is a joint venture between the Tata Group, and the Tamil Nadu Industrial Development Corporation. It offers watches, accessories and jewellery, both contemporary and of traditional designs. It also exports wrist watches to about 32 countries around the world. The company was incorporated on 26th July 1984, at Chennai. The main objective of the company was to manufacture analog electronic watches. Titan has manufacturing units in Hosur, Dehradun, Goa and it also manufactures precious jewellery under Tata Group's Tanishq brand, India's only national jewellery brand. Titan has transformed the Indian watch market totally. Be it Titan Quartz, Titan Sonata, Fastrack, the company has reached out to all the segments of the population. Titan industries has also brought international brands like Tommy Hilfiger, FCUK, Xylus into the Indian market. Titan Industries has also made its foray into eyewear section with the launching of the Fastrack eyewear and sunglasses, and into the retail chain with its brand, Zoya .The company has over 331 exclusive 'World of Titan' showrooms and 83 Fastrack stores. Titan Industries has been expanding its umbrella with years and it still continues to grow and sets new standards for innovation and quality.

Key Highlights:

- Titan Industries received the Award for the "Most Admired Time wear Brand" for the year in 2009. It has been for ninth consecutive year that Titan has won the award. It also won the "Most Admired Jewellery Brand" of the same year for the seventh consecutive time for its brand Tanishq.
- Titan also bragged the "Most Valuable Brand in the State" award at the IIPM & The Sunday Times STATE EXCELLENCE AWARD.
- A survey conducted by ET's Great Place to work institute study, showed that 92% employees across Titan Industries feel that Titan is a Great Place to work! Hence Titan Industries bagged 19th position across all industry categories and 1st position in the Retail Industry category
- Titan Industries was one of the five organizations to be awarded the "Corporate Social Responsibilities" award for 2009 - 10 by the Government of Tamil Nadu.
- Q4FY12 and FY12 Sales income for was ₹6570.86 crores, which was a growth of 40% over previous year's sales of ₹4703.12 crores.
- Profit before tax for Titan industries also grew by 86.4% to ₹599.00 crores, while net profit grew by 71.9% over previous year to ₹430.42 crores.
- The sales for Jewellery segment of Titan industries grew by 43.5% and for the watch segment sales grew by 23.3% . Sales of other segments including eyewear, accessories and precision engineering rose by 60.7%.

- The Company achieved an export turnover of ₹127 crores during the financial year 2010-11.
- The Directors have recommended dividend on equity shares at the rate of 250% (₹25 per equity share), subject to approval by the shareholders at the Annual General Meeting.

Financials

Balance Sheet	----- in ₹. Cr. -----				
	Mar '11	Mar '10	Mar '09	Mar '08	Mar '07
	12 months	12 months	12 months	12 months	12 months
Sources Of Funds					
Total Share Capital	44.39	44.39	44.39	44.39	44.39
Equity Share Capital	44.39	44.39	44.39	44.39	44.39
Share Application Money	0.00	0.00	0.00	0.00	0.00
Preference Share Capital	0.00	0.00	0.00	0.00	0.00
Reserves	980.99	679.99	506.85	391.78	283.06
Revaluation Reserves	0.00	0.00	0.00	0.00	0.00
Networth	1,025.38	724.38	551.24	436.17	327.45
Secured Loans	67.70	72.79	116.76	188.11	172.67
Unsecured Loans	0.00	0.00	58.65	69.78	74.34
Total Debt	67.70	72.79	175.41	257.89	247.01
Total Liabilities	1,093.08	797.17	726.65	694.06	574.46
	Mar '11	Mar '10	Mar '09	Mar '08	Mar '07
	12 months	12 months	12 months	12 months	12 months
Application Of Funds					
Gross Block	672.15	624.33	593.04	558.07	515.48
Less: Accum. Depreciation	389.08	361.70	318.56	285.61	264.34
Net Block	283.07	262.63	274.48	272.46	251.14
Capital Work in Progress	19.36	12.29	19.52	9.99	15.97
Investments	9.13	7.63	7.66	47.39	27.02
Inventories	1,993.83	1,340.33	1,202.69	1,021.09	677.48
Sundry Debtors	113.68	93.61	106.22	96.45	92.06
Cash and Bank Balance	81.89	61.72	54.69	51.91	50.73
Total Current Assets	2,189.40	1,495.66	1,363.60	1,169.45	820.27
Loans and Advances	241.98	200.99	128.82	111.34	179.06
Fixed Deposits	1,013.00	125.00	0.00	0.00	0.00
Total CA, Loans & Advances	3,444.38	1,821.65	1,492.42	1,280.79	999.33
Deferred Credit	0.00	0.00	0.00	0.00	0.00
Current Liabilities	2,442.77	1,172.28	974.00	842.68	571.26
Provisions	220.08	134.74	93.44	73.90	151.96
Total CL & Provisions	2,662.85	1,307.02	1,067.44	916.58	723.22
Net Current Assets	781.53	514.63	424.98	364.21	276.11
Miscellaneous Expenses	0.00	0.00	0.00	0.00	4.21
Total Assets	1,093.09	797.18	726.64	694.05	574.45
Contingent Liabilities	93.07	72.19	65.46	58.41	76.01
Book Value (Rs)	231.00	163.19	124.18	98.26	73.77

Stock Performance

Market Price Data - Bombay Stock Exchange Ltd

Month	Bombay Stock Exchange (in Rs.)		BSE Sensex
	High	Low	
April 2010	2129.45	1871.10	17558.71
May 2010	2296.50	2132.35	16944.63
June 2010	2365.55	2195.50	17700.90
July 2010	2839.75	2323.45	17868.29
August 2010	3033.50	2770.05	17971.12
September 2010	3394.15	2952.50	20069.12
October 2010	3579.20	3167.60	20032.34
November 2010	4149.85	3575.60	19521.25
December 2010	3790.00	3335.25	20509.09
January 2011	3682.40	3291.05	18327.76
February 2011	3595.60	3086.00	17823.40
March 2011	3843.00	3398.25	19445.22

Market Price Data - National Stock Exchange of India Ltd

Month	National Stock Exchange of India Ltd (in Rs.)		NSE Nifty
	High	Low	
April 2010	2129.25	1870.65	5278.00
May 2010	2305.55	2129.05	5086.30
June 2010	2370.25	2197.40	5312.50
July 2010	2842.80	2322.70	5367.60
August 2010	3035.95	2772.85	5402.40
September 2010	3396.80	2951.05	6029.95
October 2010	3587.95	3171.75	6107.70
November 2010	4146.75	3552.15	5862.70
December 2010	3784.20	3336.60	6134.50
January 2011	3686.85	3291.95	5505.90
February 2011	3597.75	3084.55	5333.55
March 2011	3845.30	3398.90	5833.75

Source: Annual Report 2010-11 for Titan Industries.

CATEGORIES OF SHAREHOLDING AS ON 31ST MARCH 2011

Category	No. of Share holders	No. of Shares Held	% of Shareholding
Tamil Nadu Industrial Development Corporation Ltd.	1	12,373,836	27.88
Tata Group Companies	26	11,369,567	25.61
FFI / FIs / OCBs	151	4,319,076	9.73
Bodies Corporate	1,063	1,003,086	2.26
Unit Trust of India	1	2,456	0.01
Mutual Funds	80	3,672,309	8.27
Nationalised Banks	5	900	0.00
Others	64 293	11,648,078	26.24
Total	65,620	44,389,308	100.00

TOP TEN SHAREHOLDERS:

The Company's top ten shareholders as at 31st March 2011 are as shown below:

Sl. No.	Name	Holdings	% to total holding
1	Tamilnadu Industrial Development Corporation Ltd	12,373,836	27.88
2	Tata Sons Ltd	4,748,218	10.70
3	Kalimati Investment Company Ltd	3,877,792	8.74
4	Jhunjhunwala Rakesh Radheshyam	3,305,205	7.45
5	HDFC Trustee Company Limited - HDFC Equity Fund.	1,071,891	2.41
6	Jhunjhunwala Rekha Rakesh	1,053,806	2.37
7	Tata Investment Corporation Ltd	8,61,282	1.94
8	HDFC Trustee Company Limited - HDFC Top 200 Fund	853,225	1.92
9	Matthews Pacific Tiger Fund	722,044	1.63
10	FID Funds (Mauritius) Limited	711,137	1.60

Source: Annual Report 2010-11 for Titan Industries.



Recommendation for the stock:

The stock has been beaten up big time because of the gloomy industry outlook and high interest rates. With an improved industry outlook in coming time, it is expected that the stock will breakeven. The recommendation for the stock is “BUY” for a period of 12 months.

Call: Buy
CMP: ₹217.80
Target Price : ₹240
Time Period: 12 months

Soya Bean

Srinivas Prasad K [II MBA J]

Soya bean also called as Golden Beans a legume crop, it is economically more important as an oilseed than a pulse. It is grown in tropical, subtropical, and temperate climates. The processed soybean is the largest source of protein feed and second largest source of vegetable oil in the world. The major producers are U.S, Brazil and Argentina. Soy oil and meal are consumed worldwide as food and animal feedstuff respectively. US accounts for 32% of world soya bean production, while Brazil accounts for 28%, Argentina 22%, China 6% and India contributes only 4% to the total global soya bean production.

In India:

Soya bean forms a significant position as a Kharif oilseed in Indian agriculture with an average production of 8.63 million tons (2004-05 to 2009-10) and ranks 5th in the list of the leading soya bean producing countries. With Madhya Pradesh contributing about 56% of the total production with 55% acreage followed by Maharashtra (30%) and Rajasthan (10%), Andhra Pradesh (2%) and Others (2.6%).

Economic Importance:

- Soya bean, classed as an oilseed, is pre-eminent for its high (38–45%) protein content as well as its high (18%) oil content.
- Soya beans are the primary ingredients in many dairy product substitutes (e.g., soy milk, margarine, soy ice cream, soy yogurt, soy cheese, and soy cream cheese) and meat substitutes.
- Soya bean oil is the leading vegetable oil in the world and is used in many industrial applications including biodiesel.
- Soya bean meal is essentially used in animal feeds (poultry, swine and aquaculture).

With below normal rain this monsoon, the cultivation of soyabean may be impacted. The area covered under oilseeds is about 3.13 lakh hectares out of which soyabean stood at 13,600, reduced from 50,000 last year.

The minimum support price for soyabean was hiked by 30% to 2200 a quintal in 2012-2013, this increased MSP may lead to higher acreage, but the crop output will depend on how the monsoon will be this year.

With dry weather in US, it may hit the crop yield, the US department of Agriculture has reduced the crop condition rating lowest since 1988.

Soya bean futures on the National Commodities and Derivatives Exchange Ltd (NCDEX) gained 1.6 per cent to ₹3,928 per quintal on expectations of lower output in this kharif season.

Sources:

- <http://www.ncdex.com/GlobalSearch/Search.aspx>
- SearchText=SYBEANIDR&SearchTitle=SOYBEAN

Fresh Irregularities worth ₹16700 crore by Gujarat Government

Ankita Pagaria [II MBA J]

The Comptroller and Auditor General (CAG ₹16,700 crore and purchase and sale of gas by state enterprise GSPC and alleged undue favours to corporations.

Also GSPC bought natural gas from the open market (spot market) and sold it to the Adanis at a price lower than the purchase price. CAG estimated that Adani Energy received undue benefit of ₹70.54 crore in the process. The firm passed on undue benefit of ₹12.02 crore to Essar Steel Ltd by way of waiver of capacity charges contrary to the provision of gas transmission agreement.

The bidding process adopted by the company for acquisition of hydrocarbon block was found to be defective as in case of KG block. The bids of the company ignored the actual cost involved which exposed the company against high risk in exploration activities.

We also see adoption of deficient geological model prepared by its joint venture partner, Geo Global Resources of Canada, which led to escalation in the cost of exploration phase from ₹531.94 crore to ₹6,265.68 crore. Because of the adoption of the Geo Global Resources' model, GSPC had to drill total 12 high-pressure-high-temperature wells instead of estimated four wells. Led to incorrect estimation.

GSPC had given Geo Global Resources a stake in the block without any financial contribution on the ground that it was a technical expert. As a result, GSPC had to incur the Canadian company's share of \$175.07 million towards the exploration cost besides losing ₹104.14 crore in interest during 2007-11.

The functioning of the GSPC also came under severe criticism from the CAG right from bidding process, to explorations, development activities, trading of gas, management of finances and for lack of proper internal control and monitoring system.

During 2006-11, the total revenue from trading of gas was ₹19,245.39 crore and the revenue from sale of its own production of gas and oil was ₹1,563.63 crore which indicated that GSPC was focusing mainly on trading rather than production activity.

The CAG also found it "unreasonable" that a time of 14 to 106 months was taken (during 2006-11) for completing the environment impact studies (EIS) in eight out of nine domestic blocks where the company was operator.

Besides, against the estimated drilling rate per day of 27.76 meters, the actual rate was 22.49 meters in drilling 16 wells in KG offshore block between July 2004 and April 2010. This resulted in avoidable expenditure of ₹180.91 crore on drilling work. The company incurred total expenditure of ₹104.29 crore on drilling wells without obtaining approval of Government of India for the field development plan (FDP). In absence of necessary approval, the said expenditure could not qualify for recovery.

The CAG has also observed that the management of finances by the company was not prudent and efficient as it financed the exploration/development activities through short term borrowing, which is against the accepted business practices.

Why Brent Crude is Priced Higher than Regular Crude Oil?

Vinay Goel [II MBA L]

Comparison between WTI and Brent Crude

Most of the people don't know what Brent crude is and its price differs from the benchmark oil contract. There are very few options to choose from when it comes to providing fuel to the car that to when there are 160 different internationally traded crude oils. It is actually the quality of the crude that matters which makes them different from each other. The most common types of crude oils are West Texas Intermediate (WTI) and Brent.

WTI is used as a benchmark in oil pricing and its price is what is seen in the media when they refer to the price per barrel of oil. It is also known as Texas Light Sweet Crude. It is used to refine larger portions of gasoline and has a huge demand in the US.

Brent Crude is known as the "Sweet Light Crude". It is sourced from 15 different oil fields in the North Sea and is used for North Sea and middle distillates. It has a more sulphur content than WTI. It is primarily used in the North Western European Market and its price is often used as a benchmark to price oil in Asia and Europe.

Comparison between NYMEX and Brent Crude

Previously all people used to concentrate on Nymex crude price but in the past one year Brent crude is gaining more attention and all investors are asking why there is such a big difference between the price of Brent and Nymex.

Nymex is of high quality grade whereas Brent is of slightly lower grade when it comes to quality and in many developing and underdeveloped countries people use this rather than Nymex which leads to rise in demand for Brent. Due to conflict in Arab countries the supply of Brent has deteriorated leading to sharp rise in price as compared to Nymex.

Speculation is another reason because from past 1 year there has been a consistent difference of over \$15 between the price of Brent and Nymex which used to be between \$2 to \$5.

Some refineries can process only high quality crude only and therefore they cannot take advantage of high price of Brent, because had they been able to refine low quality crude than gap between supply and demand could have been reduced leading to convergence between the price of both.

Sources:

- <http://www.letslearnfinance.com/why-brent-is-more-expensive.html>
- <http://www.thestockenthusiast.com/opinion/what-is-brent-crude-and-why-is-its-price-so-much-higher-than-regular-crude-oil/>

Buzz Word

Prachi Sharda [II MBA J]

- **Consumer confidence**

The Consumer Confidence Survey is conducted by The Nielsen Company on behalf of The Conference Board to determine how confident Americans are about the economy, spending and the future. The survey is highly subjective but viewed by many companies and investors as a guide to how consumers will act.

- **Bailout**

This is a term that we have all heard thrown around since 2008 when President Bush authorized the \$700 billion plan known as "TARP" or Troubled Asset Relief Program. In a bailout, businesses (such as the airline industry, automobile industry, banks, etc.) that are on the verge of collapse are given money rather than being allowed to fail. The theory is that allowing the businesses to fail would be more detrimental to the economy than using taxpayer funds to bail them out.

- **Stimulus**

On the other hand, a stimulus plan is a short-term intervention by the government designed to increase consumer spending and investing. This may be done by lowering taxes, raising unemployment benefits or even by issuing direct rebates as in 2008.

- **Debt ceiling**

If you want to fully understand the debt ceiling, read the Congressional Research Service's report on the debt limit published in January 2010. However, for a quick definition think of it as the maximum amount the United States can carry as debt (i.e. like when you max out your credit card). The problem the United States is facing is we are about to "max out" our credit line. The debt ceiling stands at \$14.3 trillion unless Congress raises it by August 2.

Source: <http://voices.yahoo.com/bone-financial-lingo-buzzwords-for-8679793.html>



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