

Market Watch

| NSE Index Watch | | | | | |
|------------------|---------|----------|---------|----------|-------|
| Index | Open | High | Low | Close | % Chg |
| S&P CNX NIFTY | 6040.95 | 6052.95 | 5983.2 | 5998.9 | -0.59 |
| S&P CNX DEFTY | 3923.85 | 3935.05 | 3894.4 | 3904.65 | -0.59 |
| S&P CNX 500 | 4798.9 | 4814.5 | 4769.1 | 4775.5 | -0.4 |
| INDIA VIX | 14.13 | 14.18 | 13.76 | 13.76 | -2.62 |
| CNX NIFTY JUNIOR | 12272.4 | 12381.75 | 12272.4 | 12304.55 | 0.28 |
| CNX MIDCAP | 8385.55 | 8416.4 | 8338.55 | 8357.45 | -0.07 |
| CNX IT | 6779 | 6802.9 | 6732.05 | 6752.65 | -0.37 |

| BSE Index Watch | | | | | |
|-----------------|----------|----------|----------|----------|-------|
| Index | Open | High | Low | Close | % Chg |
| SENSEX | 19907.21 | 19966.69 | 19736.45 | 19781.19 | -0.57 |
| BSE-100 | 6094.62 | 6117.33 | 6052.27 | 6064.75 | -0.44 |
| BSE-TECK | 3797.72 | 3817.82 | 3767.95 | 3774.36 | -0.63 |
| BSE-PSU | 7651.61 | 7699.10 | 7599.88 | 7618.46 | -0.57 |
| BSE-BANKEX | 14580.54 | 14620.48 | 14437.08 | 14465.16 | -0.79 |
| BSE.I.T. | 6391.73 | 6412.27 | 6350.19 | 6367.29 | -0.41 |

| MARKET SNAPSHOT | | |
|----------------------|---------------|---------------|
| Adv: 634 | Declines: 859 | Unch: 93* |
| Nifty Put/Call ratio | 1.05 | (0.99) |
| DII Flow (Rs cr) | 772.15(B) | 1860.77(S) |
| Nifty open interest | 1,25,87,950 | (1,20,29,000) |

* NSE data; Number of Stocks

Sai Silks plans Rs 89-cr public issue

Our Bureau
Hyderabad, Feb. 1
Textile retailer Sai Silks (Kalamandir) Ltd is making a debut in the capital market with an initial public offering to raise Rs 89 crore.

The company, which has a retail chain of women's, kids and men's wear, has filed a red-herring prospectus with the SEBI for the IPO.

The promoter group of the company includes Chalavadi Naga Kanaka Durga Prasad, Chalavadi Jhansi Rani and their immediate relatives.

The core business of the firm is retailing of saris, women dress materials, men and kids wear, and sales of gold and silver jewellery. The company has 15 retail outlets across Hyderabad, Guntur, Vijayawada, Bangalore, Kanchipuram and Hanamakonda with cumulative spread of over 1.29 lakh sq feet.

As of March 31, 2012, the net worth of the company was at Rs. 47.65 crore. The company had reported total revenues of Rs.262.76 crore, out of which Rs. 163.02 crore was from saris, dress materials and other clothing division and Rs. 99.50 crore from gold, silver and diamond jewellery articles last fiscal. The net profit for the period was at Rs.11.69 crore.

The issue is being made through the 100 per cent book-building process, with 10 per cent of the issue to be allocated on a proportionate basis to qualified institutional buyers and not less than 55 per cent for retail investors.

The shares are proposed to be listed on the BSE and the NSE.

The book running lead managers to the issue are Ashika Capital and Vivro Financial Services.

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Sensex Movers

| Name | Close (RS) | Gain/Loss (RS) | Index Point |
|----------------|------------|----------------|-------------|
| Gainers | | | |
| Maruti Suzuki | 1608.7 | 1.65 | 4.43 |
| Bajaj Auto | 2053.45 | 1.26 | 4.37 |
| Dr Reddy's La | 1946.7 | 1.48 | 4.27 |
| Cipla | 413.65 | 1.58 | 3.96 |
| Losers | | | |
| Sterilite Ind | 111.95 | -1.71 | -3.47 |
| Hindalco | 113.45 | -1.99 | -3.64 |
| Bharti Airtel | 330.5 | -2.62 | -13.93 |
| ONGC | 332.45 | -2.12 | -18.13 |
| Tata Motors | 285 | -4.36 | -29.01 |

Market Snapshot

| Contract | Quantity | Turnover |
|---------------|-----------|-----------|
| Index Options | 18,23,007 | 55,617.66 |
| Stock Options | 2,41,836 | 8,008.19 |
| F&O Total | 27,25,375 | 84,995.64 |

Turnover in Rs. Cr. * No of Contracts

Street Notes

UltraTech, Tata Motors swing wildly intraday

Mumbai, Feb. 1

The scrips of UltraTech Cement and Tata Motors saw a sharp drop in price just after 3 pm on Friday on both the NSE and the BSE.

In just two minutes from 3.06 p.m. to 3.08 p.m., UltraTech Cement fell from Rs 1,900.95 to Rs 1,839.85 on the NSE. On the BSE, it fell between 3.08 p.m. and 3.11 p.m. from Rs 1,900.05 to Rs 1,836. Tata Motors fell from

Rs 292.85 at 3.05 p.m. to Rs 270 at 3.06 p.m. on the NSE. On the BSE, it fell between 3.07 p.m. and 3.10 p.m. from Rs 293 to Rs 274. "The fall was within the SEBI prescribed limits and we are looking into it," said an NSE official. "If weakness in JLR sales persists in China, derating of Tata Motors is imminent," said Prakash Diwan of Wealth Circle. "On UltraTech Cement it was completely out of the blue and could be the result of sales by domestic institutions," he added. — **Our Bureau**

SEBI imposes Rs 1 cr fine on promoter of Empower Ind

Mumbai, Feb. 1

The Securities and Exchange Board of India has imposed a total penalty of Rs 1 crore on the promoter-director of Empower Industries India Ltd (EIL) for allegedly indulging in fraudulent trading practices and violating disclosure norms related to company's shares. SEBI said it is imposing "a consolidated penalty of Rs 1 crore" on EIL's promoter-director Devang D. Master. In its order issued on Thursday, the regulator has found Master was "instrumental" in issuing a misleading corporate announcement in March 2005 of preferential/ rights issue. The issue did not materialise and had lured investors, leading to creation of artificial volumes in the scrip of EIL, it said. Besides, the SEBI has alleged Master of making off-market transfers to various entities and receiving shares in off market for which he had not made disclosures and open offer. The regulator imposed a penalty of Rs 75 lakh on Master for his failure to make open offer, another Rs 20 lakh for fraudulent trading practices and Rs 5 lakh for failure to make requisite disclosures. — **PTI**

Reliance Capital collects \$1 b through Singapore offshore funds

Mumbai, Feb. 1

Reliance Capital Asset Management Singapore (RCAMS) has garnered close to \$1 billion in assets under management (AUM) in its offshore funds. RCAMS is a subsidiary of Reliance Capital Asset Management (RCAM). "It reinforces our belief that India will continue to be an attractive investment destination for foreign investors. We see these AUMs growing manifold in the next few years, and Singapore will play a larger role in expanding our international reach and footprint," said Sundeep Sikka, CEO, RCAM. RCAMS manages close to \$2 billion as AUM collected from global investors across various funds, with a portfolio of long only, hedge and Shariah-compliant funds. The company has plans to double its AUM from international operations in the next three years, and the AUMs in Singapore are likewise expected to double in the next two years, said a release from the company. RCAM Singapore is the hub for RCAM's international operations and offers a well-rounded portfolio of fixed income, equity and alternate funds to its overseas investors. — **Our Bureau**

Sensor

Shares end down for 2nd straight day

Down Jones

Mumbai, Feb. 1

Shares closed lower for the second successive session on Friday on profit-taking in rate-sensitive stocks led by Tata Motors and ICICI Bank.

While the Sensex fell 113.79 points, or 0.6 per cent, to close at 19781.19, Nifty lost 35.85 points, or 0.6 per cent, to 5,998.90.

"There was fair amount of consolidation in front-line stocks — mainly banks. Volumes, too, were low as investors are turning cautious after a rally lately and ahead of federal Budget announcements due month-end," Geojit BNP Paribas Financial Services' head of research Alex Mathews said.

"Technically the Nifty has now closed below the crucial 6,000 mark and is likely to test lower levels in the coming days," Mathews said.

Volumes in the BSE cash market segment

decreased to about Rs 2,066 crore from Thursday's Rs 2,378 crore.

Tata Motors was the biggest loser ending down 4.4 per cent to Rs 285. Shares of the motor-vehicle maker witnessed a sharp drop towards the closing stages of the session hurt by a freak order placed by a broker, three dealers said.

ICICI Bank declined 1.7 per cent to Rs 1,171 and HDFC closed 1 per cent to Rs 778.65.

ONGC lost 2.1 per cent to Rs 332.45.

Bharti Airtel dropped 1.6 per cent to Rs 330.50 after reporting a sharp 72 per cent on-year fall in third-quarter net profit hurt by foreign exchange losses while BHEL fell 1 per cent to Rs 225.35 on disappointing Oct-Dec quarter earnings.

RIL gained 0.8 per cent to Rs 893.45 on buying by local funds while ITC closed at a record high of Rs 309.15, up 0.6 per cent on continued buying by funds on sustained earnings growth.

ACTIVE STOCKS ON THE BSE

| Those with a rise in price | | | | Those with a fall in price | | | | | |
|----------------------------|--------------------------|---------------|---------|----------------------------|---------------------------|---------------|---------|---------|---------|
| Scrip | Closing Price Rs. Feb. 1 | Volume Feb. 1 | Jan. 31 | Scrip | Closing Price Rs. Jan. 31 | Volume Feb. 1 | Jan. 31 | | |
| Essar Oil | 91.85 | 85.60 | 5079461 | 3207618 | Jubil. Food | 1196.75 | 1200.05 | 44003 | 95690 |
| Bharat Pet. | 422.00 | 410.50 | 166403 | 126571 | HDFC Bank | 640.15 | 643.40 | 446084 | 515699 |
| Hind.Petro | 338.00 | 328.90 | 326889 | 285975 | Larsen & Toubro | 1534.90 | 1542.90 | 143518 | 140166 |
| Auro.Pharma | 191.95 | 187.65 | 174116 | 106428 | Hero Motocorp. | 1813.35 | 1823.40 | 22671 | 37704 |
| Yes Bank | 531.60 | 522.05 | 378395 | 156896 | Infosys Ltd. | 2770.95 | 2788.75 | 69187 | 68893 |
| Maruti Suzuki | 1608.70 | 1582.65 | 105847 | 63479 | Wipro Ltd. | 407.80 | 411.20 | 52804 | 57618 |
| Tata Power | 102.65 | 101.20 | 3699096 | 384423 | Tata Steel | 400.75 | 404.80 | 588391 | 382580 |
| Wockhardt | 1769.00 | 1746.40 | 10686 | 32445 | HDFC | 778.65 | 786.65 | 386880 | 116230 |
| Tata Coffee | 1520.30 | 1502.55 | 35958 | 16244 | BHEL | 225.35 | 227.70 | 2004351 | 569994 |
| Reliance | 893.45 | 886.55 | 301168 | 255912 | State Bank | 2409.90 | 2436.60 | 271220 | 385463 |
| Lic Housing Fin. | 283.25 | 281.55 | 116676 | 149790 | Tata Comm. | 230.00 | 232.25 | 15266 | 19482 |
| ITC Ltd. | 309.15 | 307.40 | 1198668 | 496013 | Punjab Nat.Bank | 899.40 | 912.45 | 401208 | 1024916 |
| Tech. Mahindra | 1004.80 | 999.40 | 25414 | 32489 | ICICI Bank | 1171.00 | 1190.85 | 306144 | 842030 |
| ACS Ltd. | 1346.40 | 1342.75 | 98055 | 90558 | Allahabad Bk. | 159.55 | 163.50 | 233355 | 775633 |
| XIS Bank | 1507.70 | 1505.20 | 135764 | 156546 | Tata Motors | 285.00 | 298.00 | 1612482 | 564841 |

Oil India offer-for-sale subscribed over 2 times

Govt to raise Rs 3,110 cr through the issue

Our Bureau

Chennai, Feb. 1

Oil India's offer-for-sale got a good response on Friday as the issue was subscribed more than two times.

The company received bids for 15.41 crore shares against an offer of 6.01 crore shares. It received bids for 7.50 crore shares with 100 per cent margin and 7.91 crore shares with zero per cent margin.

GETS SUPPORT FROM ALL
Bids that came in with zero per cent can revise the price only upwards; the bidders have no option to modify the price/quantity downwards or cancel the orders.

According to market sources, the company has received

Oil India



Rs.525 return 11%

upfront margin, cannot be modified or cancelled, "except for making upward revision in the price or quantity."

But it retained the 100 per cent margin class, where bidders were allowed to modify or cancel their orders till last minute.

SETTLEMENT CYCLE

The indicative price (weighted average price) is Rs 517.99; at this price the Government will raise about Rs 3,110 crore.

The stock closed at Rs 525.55, down 2.53 per cent. The company on Thursday fixed the floor price at Rs 510 a share.

Settlement shall take place on trade-for-trade basis. For

bids from all category of investors such as foreign institutional, domestic funds, including LIC, and retail investors including high net worth individuals.

Recently, market regulator SEBI modified the guidelines for offer-for-sale mechanism or auction route wherein orders made by institutional investors without paying

non-institutional orders/bids and for institutional orders with 100 per cent margin, settlement shall take place on T+1 day, according to recent SEBI circular.

According to analysts, the response to Oil India issue would embolden the Government to usher in other disinvestments too.

NTPC issue is slated to hit the market in the later half of February, even as the Department of Disinvestment has lined up stake-sale in National Aluminium, Steel Authority of India, Minerals and Metals Trading Corporation and Rashtriya Chemicals and Fertilizers (RCF) before March. badrinarayanan.ks@thehindu.co.in

JP Associates raises Rs 530 cr via QIP

Our Bureau

Mumbai, Feb. 1

Construction and engineering company Jaiprakash Associates concluded its qualified institutional placement by raising about Rs 530 crore. According to reports, the QIP was priced at Rs 83 a share and the proceeds would be utilised to fund the company's working capital needs.

Besides construction and engineering, Jaiprakash Associates is a flagship company of the Jaypee Group and is also into the cement, realty, hospitality and power business.

The promoters of Jaiprakash Associates had recently deferred the offer-for-sale of Jaypee Infratech in view of an unusual fall in the share price of Jaypee Infratech post announcement of the OFS.

On Friday, the shares of JP Associates closed at Rs 83.30, down 4.30 per cent, on the BSE. manisha.jha@thehindu.co.in

'Govt will go into election mode in 6-8 months from now'

INTERVIEW

S. Shanker
K. Raghavendra Rao
Mumbai, Feb. 1

With presence across the entire spectrum of financial services, Religare now works with an underlining philosophy that all arms of the group need to be profitable even at the bottom of the market.

In a chat with Business Line, Sunil Godhwani, Chairman and Managing Director, Religare Enterprises, outlines the growth path Religare would tread as also the opportunities available in these trying times.

With a presence across the financial market, what prospects do you see given the current stress levels?

Europe is in a situation which does not appear to be getting any better in the next three to five years. The US has its own set of challenges such as the fiscal cliff and postponement of issues. Japan is in a low growth phase. Globally there are challenges. The only countries where growth can happen are in the emerging block.

Logically speaking, the flow of liquidity should come to emerging markets as devel-



The SME segment is the growth engine of the country. We have a strong penetration in the sector and believe it is the right sector to growth. — Sunil Godhwani, Chairman and Managing Director, Religare Enterprises

oped economies will have a need to deploy funds for better returns. Else, it has to be in sunrise economies in Africa.

The largest challenge as we go ahead is the general elections next year. The Government will move into the election mode in the six to eight months from now. The markets will not be as tough as they were in the last two to three years.

How do you see the future of margin funding business you are in the next 2-3 years as also lending against assets you do?

In our business of lending, 90 per cent of the book is secured. Seventy five to 77 per cent is towards SME lending. Capital market lending is a small portion, that is, about 10 per cent of our book.

Moreover, capital market lending is a function of the market and is something you provide to wary investors who

understand the risk of leveraging.

The SME segment is the growth engine of the country. We have a strong penetration in the sector and believe it is the right sector to growth. Today, assets in the lending side are close to Rs 13,000 crore and we are a sort of conservative on how we want to grow it looking at the stress in the economy.

With our IPR in underwriting, reach, risk management and assessment understanding we have, we are confident we would be able to increase our book to Rs 25,000 crore in the next three years.

Your top line has grown from about Rs 830 crore in FY08 to Rs 3,145 crore in FY12. But, your bottom line has gone negative from Rs 100 crore.

Now, it is positive. PAT last quarter was Rs 50 crore. When you build a business it

is a function of team and systems. The biggest investment in business is the people. We started in 2001, built it to one level in 2005 and went public. Again, we went into second level of launch.

Today we are in every segment of financial services except general insurance. This requires capital. In our life insurance business we have put in Rs 510 crore. The business will take time to make profit. However, as per our contractual agreement with Aegon, our capital with a minimum return of 12 per cent is guaranteed with a bank guarantee/letter of credit. The technical loss is only on the books.

Similarly, we have put in over Rs 250 crore in our health insurance business. Businesses do take time to deliver.

In our broking business, naturally where the markets are, it was at a loss. However,

now we have built all our businesses with an underlining philosophy that we need to be profitable even at the bottom of the market.

We had invested in the investment banking business which did not deliver. We have corrected that and scaled it down. It is in the process of breaking even. This apart all, our businesses are in the green now.

How do you plan to increase your yield in broking and commodity going forward?

Yield is a function of revenue and taking down your cost. We have moved the cost structures and removed the flab.

What about your AMC business?

When we took over Lotus Asset Management it was Rs 2,000 crore of AUM. In the last 3-4 years we have grown to about Rs 12,000 crore. We are profitable there and got Invesco to take 49 per cent stake in that. After Fidelity left India, there was lack of confidence. However, we have brought in a company larger than Fidelity. It is the six largest in the world, in terms of assets under management.

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PI Ind mops up Rs 117.32 cr through QIP

Our Bureau

New Delhi, Feb. 1

PI Industries Ltd has raised Rs 117.32 crore through a qualified institutional placement (QIP) that closed on Tuesday.

The agri-input maker and custom synthesis manufacturing firm expects to use the proceeds to fund the expansion of its recently commissioned unit at Jamnabar and to meet the working capital requirement.

The amount has been raised through issuance of 19.24 lakh equity shares of Rs 5 each at a price of Rs 609.60 to qualified institutional buyers, the company said in a note to the BSE.

Through its contract research and contract manufacturing services, PI Industries helps global firms to process, synthesise and launch their newly discovered molecules.

"We only custom synthesise products that are at the early stage of the patent life," Rajinish Sarna, Executive Director

at PI Industries Ltd told *Business Line* recently.

The company has an order book in excess of \$300 million and is growing, Sarna said.

For the September quarter, the company had reported a net profit of Rs 25.8 crore on a revenue of Rs 298 crore.