



CHRIST
UNIVERSITY

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Tracking the economy...



*A Wealth Incorporation
Publication*



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National News

Sanjeet Kumar [I MBA J]

Open market operations to bring ₹10,000 cr to market

The Reserve Bank of India (RBI) has decided to infuse ₹10,000 crore via open market operations (OMOs) on 30th March 2012 to ease the tight liquidity conditions.

Market participants said the central bank made this decision to ensure adequate demand for fresh supply of government securities.

Banks approve Air India's financial restructuring plan

A consortium of 19 banks, led by State Bank of India, has approved the financial restructuring plan of Air India. The plan, which includes debt restructuring of ₹18,000 crore by the banks and a committed equity infusion by the government, will require Cabinet approval.

Of the ₹22,000 crore high cost working capital debt of the airline, banks will restructure nearly ₹18,000 crore — ₹10,500 crore will be converted into long-term debt with a repayment period of 10-15 years and the remaining ₹7,400 crore (approximately) will be repaid to banks through a government-guaranteed bond issue.

Corporate default rate at 10-year high in FY12: Crisil

Indian corporate balance sheets will continue to be in the red in 2012-13. Rating defaults and downgrades will stay elevated due to high commodity prices and liquidity pressures including costly credit, according to rating agency Crisil.

The rapid fall in the quality of balance sheets due to liquidity strain and weak demand, pushed the annual default rate for Indian companies to a 10-year high of 3.4 per cent in 2011-12.

IFC gives \$75-million loan to YES Bank for agri, SMEs

YES Bank plans to raise \$75 million from the International Finance Corporation (IFC) to help expand its network, reach out to small and medium enterprises (SMEs) and agricultural clients, and increase portfolio 3.5 times to \$7.7 billion by 2016.

Govt banks can't invest in JVs, non-core ops without approval

The finance ministry has barred government-controlled banks from investing in joint ventures and noncore activities on the ground that capital should only be deployed in 'core' activities. It has asked banks to take its prior approval before taking such non-core investment decisions and also asked government nominees on bank boards not to pass resolutions to that effect.

Bajaj Raises Stake in KTM to 47%

Bajaj Auto, India's second-largest two-wheeler maker, has tightened its hold on KTM Power Sports by buying another 6.3%, taking its stake in the Austrian motorcycle company to a little

over 47%. The purchase was made through Bajaj Auto International Holdings (BAIHBV), a Netherlands based wholly-owned subsidiary of Bajaj Auto.

RBI Nod for Axis Enam Acquisition

The RBI has approved Axis Banks purchase of Enam Securities, ending a 17-month long wait and paving the way for the private bank expand its business to include investment banking and other advisory services. The Reserve Bank of India has cleared the deal with no further conditions.

Slow economic growth may hurt banks' asset quality, says Pranab

The slowdown in economic growth might hamper banks' asset quality but the government was committed to infusing capital in public sector banks, finance minister Pranab Mukherjee said on 7th April 2012.

At the same time, "additional capital will have to be raised to meet the requirements of implementing Basel III, for meeting the objectives of financial inclusion," Mukherjee said. In his Budget for 2012-13, Mukherjee provided for a capital support of ₹15,888 crore to public sector banks and financial institutions.

Marico to raise ₹500 cr by preferential issue of shares

Fast moving consumer goods company Marico on 7th April 2012 said its board has approved raising of up to ₹500 crore through issue of shares to two foreign investors.

The company's board, has approved to allot 2,94,11,764 equity shares of ₹1 each at an issue price of ₹170 per share aggregating to an issue size of ₹500 crore to Indinvest Pte Ltd and Baring India Private Equity Fund III Listed Investments Ltd, Marico said in a filing to the Bombay Stock Exchange.

Economists advise caution on rising short-term external debt

The country's short-term external debt has been rising, as a portion of its total overseas debt — and, hence larger amount — is coming up for redemption on past accumulation. Economists do not describe the trend as alarming, but certainly say that it is a cause of concern.

Short-term debt constituted 23.3 per cent of the gross domestic product (GDP) as on December 31, 2011. This is higher than 22.1 per cent as on September 30, 2011, 21.6 per cent as on June 30, 2011 and 21.2 per cent as on March 31, 2011.

Big business houses eye stake in Living Media

Big business is eyeing the media space once again. Just four months after Reliance Industries invested in the Network 18 group in a multi-layered deal, leading business houses, including the Aditya Birla Group, are looking at acquiring 26 per cent stake in the Aroon Purie-controlled Living Media India.

Living Media acts as a holding company and owns 57.1 per cent in TV Today Network, the listed company that owns the group's broadcasting assets, besides publishing a host of magazines that include the flagship.

International News

Sanjeet Kumar [I MBA J]

BRICS countries ink pact to trade in local currencies

A major outcome of the fourth BRICS summit was the signing of an agreement on providing credit facility in local currencies. This would seek to reduce the demand for fully convertible currencies for trade transactions among BRICS countries —Brazil, Russia, India, China and South Africa. The leaders of these five rapidly emerging economies also agreed to explore ways to establish a development bank for financing projects in these, as well as other developing countries.

US Exim Bank bullish over India's \$1-trn infra investment plans

US Export Import (Exim) Bank is bullish on India's move to invest over \$1 trillion in infrastructure during 12th Plan period — 2012-2017.

Larry Walther, member of the board of directors of the bank, told Business Standard , "Exim Bank sees India as one of the most dynamic and growing economies in the world with unlimited potential."

Nokia recruits Vespa rider in race against Androids in China

Adam Guli, a 35-year-old social media entrepreneur who commutes across Beijing on a Vespa scooter, is giving Nokia Oyj a ride in its race against Android handsets and Apple Inc's iPhone in China.

With a directory of a million restaurants, clubs and other consumer businesses in the country, Gulis Lets Powwow is among content providers Nokia is counting on to attract users in the world's biggest wireless market.

US economy grows at 1.8% in third quarter

The US economy expanded as expected in the fourth quarter while personal income grew at a much faster pace than previously thought, which should help underpin spending this quarter.

Gross domestic product increased at a 3.0 per cent annual rate, the quickest pace since the second quarter of 2010, the commerce department said in its final estimate today, unrevised from last month's estimate.

Facebook halts secondary market trading, plans May IPO

Social networking site Facebook is halting the sale of its shares on secondary markets as the company prepares to hold its initial public offering in May, according to a person familiar with the matter.

Facebook is planning to raise \$5 billion in an offering that could value the company at up to \$100 billion, making it the largest IPO in Silicon Valley history.

Aegis raises \$156 mn debt

Aegis, the BPO arm of Essar Group, has managed to raise \$156 million (around ₹780 crore) to refinance its bridge loan.

By doing so, the company has reduced its debt by \$34 million, which would further strengthen the balance sheet in the run up to their discussion with financial and strategic investors for equity sale, said the company.

Yahoo! cuts 2,000 jobs to reduce costs in turnaround effort

Yahoo! Inc, the largest US Web portal, is eliminating about 2,000 jobs, or 14 per cent of its workforce, to help Chief Executive Officer Scott Thompson cut costs and refocus the company.

The company will get savings of about \$375 million annually from the cutbacks, which had 14,100 full-time employees at the end of last year, expects to record a pre tax expense of \$125 million to \$145 million — with the majority coming in the second quarter.

Facebook ‘likes’ Nasdaq for listing

Facebook Inc plans to list its shares on the Nasdaq Stock Market, further cementing the exchange's position as the favoured venue for the biggest US technology companies, a person with knowledge of the matter said on 6th April 2012. The person declined to be named because the discussions are private.

The social media giant spurned the New York Stock Exchange (NYSE), whose stocks have a market value about triple that of NASDAQ's companies.

Samsung Hits High Note on Record Smartphone Boom

Samsung Electronics, Asia's largest consumer-electronics maker, posted first-quarter profit that beat analyst estimates as gains from selling phones and TVs helped mask a slump in earnings at the chip business. Operating profit rose to a quarterly record of 5.8 trillion won (\$5.1 billion) in the three months ended March 31 from 2.95 trillion won a year earlier.

Japan, China to consult on support for IMF, says Azumi

Japan and China will seek to coordinate on supporting the International Monetary Fund's effort to contain Europe's debt crisis, Japanese Finance Minister Jun Azumi said.

HCL continues to have a good run in Europe

Despite the euro zone crisis, HCL Technologies, India's fourth-largest information technology services company, has seen a huge success in Europe in the past year in clinching deals. Watchers say the share of Europe in its overall revenue in 2011 improved from the previous year by five percentage points to 27 per cent.

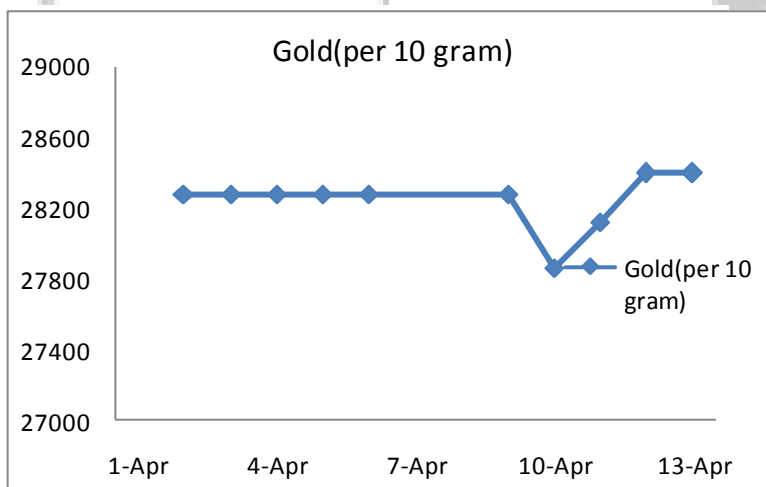
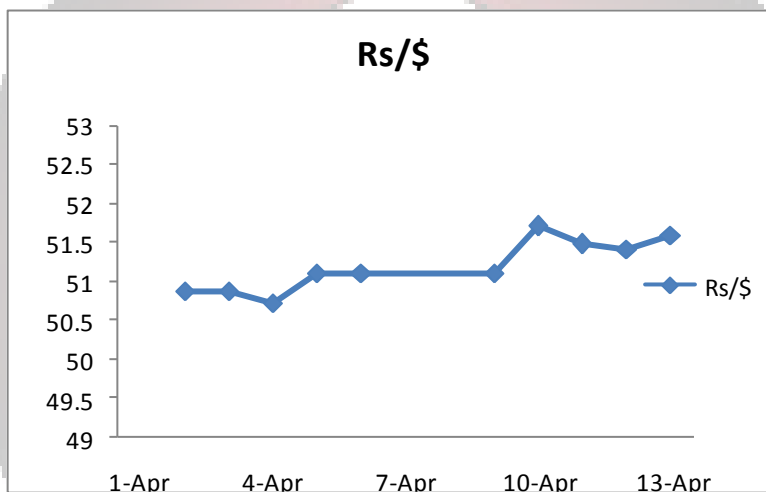
Rates

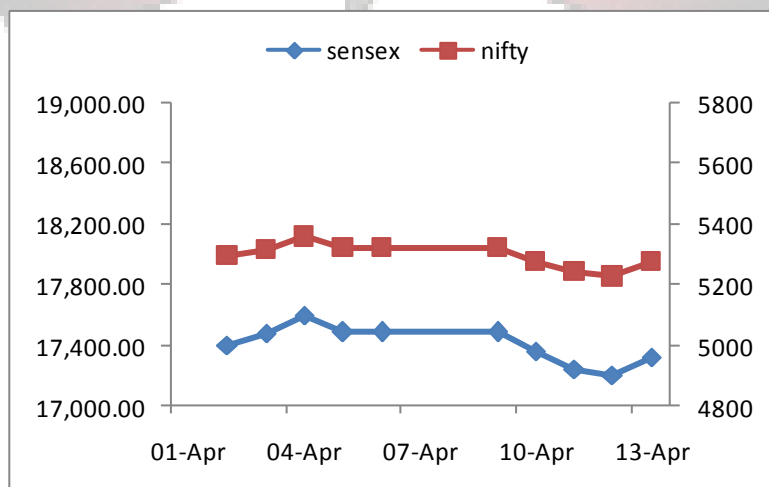
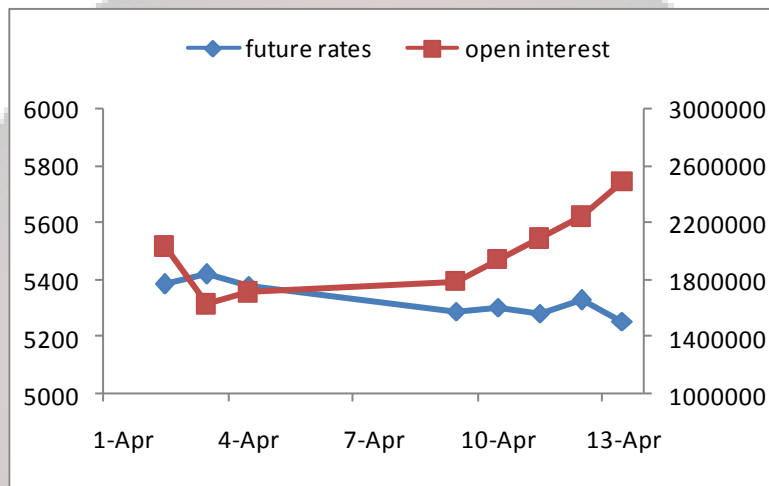
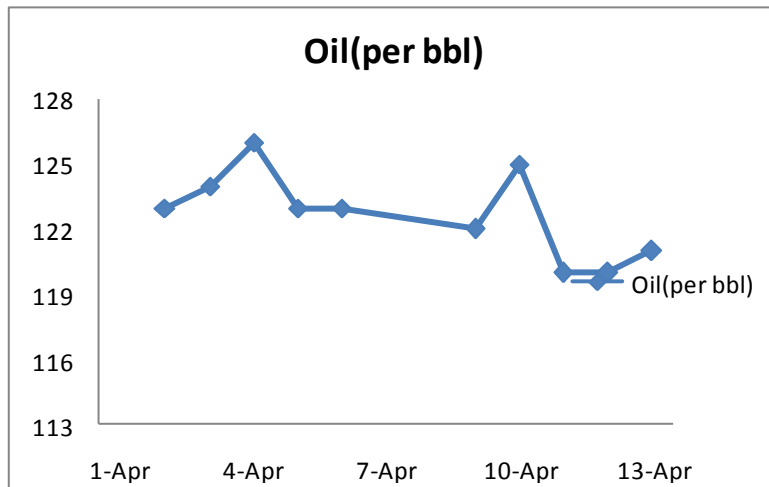
Pankaj Sharma [I MBA J]

Repo Rate	8.50%
Reverse Repo	7.50 %
Call rate	7.25%-8.95 %
Inflation	+6.95% for February 2012
Forex Reserve	\$ 292.927 Billion as on 23 rd March 2012
91day T-Bill	8.7712%
IIP	4.1% for February 2011
6.90 GS 2019	8.0907-8.0907%

Graphs

Pankaj Sharma [I MBA J]





Retrospective Amendment: Justified or Vindictive?

Dhruv Chopra [I MBA I]

In 1965 while delivering a public lecture on The Indian Tax System, late Mr Nani Palkhivala, one of the most revered tax lawyers of India highlighted the uncertainty of the tax laws in the country and cited its unpredictable nature as one of the pernicious characteristic. Now in 2012, British Chancellor of the Exchequer George Osborne called for “greater predictability” in the Indian tax policies. Connecting the dots would help us to understand the issue now.¹

In Budget 2012-13, Finance Minister Pranab Mukherjee has proposed amending the Income Tax Act retrospectively from 1962 to bring under net overseas deals involving domestic assets. This would have a bearing on Vodafone which won the legal dispute in Supreme Court over ₹11,000-crore tax claim raised on its USD 11-billion deal with Hutchison Essar in 2007. Now, the retroactive law threatens to overturn the court verdict.²

Will this verdict be overturned by the Government’s amendment in the law or will the Apex Court’s decision will be given supremacy? The question is not only confined to the inland domestic tax situation but with this amendment will the Foreign Investor’s investment in the country would also be impacted or will the sentiments get dented? This question is also extremely important to be thought upon.

● Though the Government official justifies the step taken by the Finance Minister and also confirms that the amendment won’t affect the FDI inflows in the country, which is already under a great stress from the other parties’ objection. They also have a view that amendments in The Income Tax Law is normal process and happens every year, in 2007-08 budget, there were eight amendments in tax laws, five amendments in 2008-09, four in 2009-10 and eleven in 2010-11.

But on the other side there are views from the industry that such amendments would hamper the sentiments of the large business houses and their investment in the country. Mr Ashok Malik, a political commentator feels that “post facto laws are increasingly seen as immoral and vindictive. Today, with international capital flows intensifying, the rules of the game cannot be changed mid match”. If the amendment would have been for the future deals of the similar fashion then it would have been a completely different issue. But the present amendment can even rope in deals like Kraft Foods’ acquisition of Cadbury India, SABMiller’s purchase of Fosters etc, so that is why the present issue is getting more and more debatable.

Though the government would proceed with the present amendment made in the law but it should definitely take into consideration the present situation of our country. Today our nation requires a boost of reforms and financial stimulus in the key areas of the economy to continue to attract the foreign investors on the land which provides equal opportunities for everyone who pitches in for business and to move on the trajectory of 8% GDP growth rate. And through these changes in the law I somehow believe that the government on its own is creating a self defeating economic agenda which can negatively impact the long term prospects of the nation.

Sources:

1. Editorial section of TOI.
2. DNA India, phobia around the retrospective tax law amendment.

Reforms - Time to Come and Here to Stay

Sharnitha Ramachandran [I MBA I]

It is well-known that India today is growing but the rate of growth is slowed down by problems such as weak fiscal dynamics and current account deficit. The need of the hour is to bring about prosperity at all levels by making reforms – both short term and long term. The biggest impediment is the poor policymaking that policy makers in our country do. Sometimes policies itself are not made! Governance is not given its due importance and the motto seems to be over deliver and under perform. For economic well being to happen along with growth, reforms need to be done.

Reforms can be classified into 2 categories – Basic reforms and Supplementary reforms. Basic reforms relates to areas that are untouched. It involves initiation of policies for the first time. Usually basic reforms will help in easing inflation and enhancing employment opportunities. Supplementary reforms, on the other hand, are the follow-on actions that are done on processes that have been undertaken earlier. Supplementary reforms are said to improve total factor productivity.

Those areas which require our immediate attention and action are – agriculture, manufacturing and to some extent even judiciary. The key to development also lies in creating better infrastructure and improving the debt market. Allowing investors within the country and investors abroad to participate in the capital and debt markets will cause a predictable flow of investments that will inject money into the economy. Investment objectives can be for short term or long term yet they are the financial and economic building blocks for a country.

It is interesting to note that the 1991 reforms, as an effect of international bankruptcy that surrounded India from all sides in the late 1980's seemed to have propelled growth far better than what the decision makers themselves thought or expected. Elimination of government control was the primary aim apart from opening up the economy for LPG to happen. The Industrial Policy of 1957 came to an end as a result. During 1991-2005, many reforms were done to accelerate the growth of the economy. Some of the highlights include the decrease in import duty from an average of almost 300% to mere 10%. Along with this, the exchange rate was freed in stages from RBI control. Financial decontrol also happened in banking and stock markets. All these initiatives compounded in economic growth.

At present, to reduce fiscal deficit, the service tax rate and excise duty rate are increased from 10 per cent to 12 per cent. The aviation industry has been given special tax concessions to reduce high operating costs. Also, high imports of gold and precious metals are said to be key drivers for the current fiscal deficit and to discourage purchases, the basic customs duty and excise duty on gold and platinum are doubled. The indirect tax proposals will reduce fiscal deficit by generating approximately ₹46,000 crores of additional revenue to the Government.

But today with setbacks like corruption, scams of unimaginable proportions and a weak political system that is votes-oriented instead of policies-oriented, the speed of reforms is definitely slow. The industrial and trade sectors are over emphasized at the cost of others. The majority of the indirect tax reforms proposed by the Finance Minister are primarily with the aspiration of reducing the fiscal deficit and moving closer to the desired Goods and Service Tax (GST) regime.

One solution that experts feel will make a positive difference is that reforms must now move to states. Sending letters demanding reforms at the state level and conducting state level seminars and workshops apart from national seminars and simplifying administrative procedures will lead to beginning the right way at grass root levels itself. Building on state levels, we can move upwards towards the central level in a systematic way. Unless reforms are brought in, the situation is grim enough to seriously affect the business and investment agendas of many companies in some way or the other. The adage 'the sooner- the better' applies here as well.

Strong BRICS and Mortar

Bhavesh Dhanesha [I MBA J]

In 2001, an investment banker coined an acronym 'BRIC' for the big four economies. Jim O'Neill from Goldman Sachs honoured the future superpowers with this term. Now this term has become a buzz word globally that promises to bring a radical shift ahead.

The term BRICS stands for the five most promising economies for a bright future of the globe. Brazil, Russia, India, China and the new entrant South Africa (2010) plan to take charge of their future development with unity. The above mentioned economies account for 45% of the world population, 25% of global GDP and 50% of recent global growth.

In the 4th BRICS Summit, that was held in Delhi, has shown that the coherence between these countries should be made stronger to replace western economies that are in the doldrums at present and take the charge to become the pillars of the world.

In the summit major developments were taken into consideration. The facts below may sound similar to various groups of developed economies and enables to make the adage, 'If US and Europe sneezes, the world catches cold' no longer to be true:

Intra BRICS Currency

To support intra BRICS trade is essential as it is growing at the rate of 28% but is at \$280 billion. Prominent measure for making intra trade viable without dollar being used as a medium of exchange will lead to reduced demand for convertible currencies and reduce transaction costs.

BRICS Development Bank

This will enable sustainable development of the economy by aiding economies during crises and develop infrastructure. The participating banks include:

- Export Import Bank of India
- Banco Nacional de Desenvolvimento Economico e Social (BNDES) of Brazil
- State Corporation Bank for Development and Foreign Economic Affairs of Russia
- China Development Bank
- Development Bank of South Africa.

Certainly this measure ensures to reduce the role of IMF and World Bank in BRICS Economies. Currently India has an outstanding loan of US \$ 32 to US \$ 33 billion with the World Bank.

Cross listing of Index

Introduction of a benchmark equity index derivative that will be cross listed, leading to transactions in local currency, which would really help the BRICS nation. This includes indices like:

- Ibovespa (Brazil)
- Sensex

- Hang Seng (HKG)
- Micex (Russia)
- JSE Top 40 (SA)

A common candidate for WTO

After 18 years Russia has joined the WTO, this will enable the BRICS economies to put up a common candidate from these economies for the post of Director General of the WTO. This was suggested by the former Home Secretary, G. K. Pillai, who is now the chief adviser to BRICS- Trade and Economic Research Network (TERN).

These do have their own advantages and challenges. But by building strong coherence with each other they can provide great support to grow together.

Sources:

<http://www.bricsindia.in/chapters.html>

<http://www.frontline.in/stories/20120420290712200.htm>

Buzz Word

Prachi Sharda [I MBA J]

Glocalization

A combination of the words "globalization" and "localization" used to describe a product or service that is developed and distributed globally, but is also fashioned to accommodate the user or consumer in a local market. This means that the product or service may be tailored to conform with local laws, customs or consumer preferences. Products or services that are effectively "glocalized" are, by definition, going to be of much greater interest to the end user.

Yahoo! is an example of a company that practices glocalization. It markets a portal that is viewed worldwide and offers different versions of its website (and related services) for different users. For example, it provides content and language variations in some 25 countries including China, Russia and Canada.

It also customizes content to appeal to individuals in those locations.

Green Fund

A mutual fund or other investment vehicle that will only invest in companies those are deemed socially conscious in their business dealings or directly promote environmental responsibility. A green fund can come in the form of a focused investment vehicle for companies engaged in environmentally supportive businesses, such as alternative energy, green transport, water and waste management and sustainable living.

Sources:

<http://www.investopedia.com/terms>

Hindustan Unilever Limited

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

Hindustan Unilever Limited (HUL) is India's largest Fast Moving Consumer Goods Company with a heritage of over 75 years in India and touches the lives of two out of three Indians. HUL works to create a better future every day and helps people feel good, look good and get more out of life with brands and services that are good for them and good for others. The Company has over 16,000 employees and has an annual turnover of around ₹19,401 crores (financial year 2010 - 2011). HUL is a subsidiary of Unilever, one of the world's leading suppliers of fast moving consumer goods with strong local roots in more than 100 countries across the globe with annual sales of about €44 billion in 2011. Unilever has about 52% shareholding in HUL.

Key Highlights:

- Net sales grew by 16.4% Y-o-Y to ₹58.52 bn . Domestic Consumer business grew at 16.5% Y-o-Y with decent volume growth of 9.1%. All segments delivered double digit growth.
- The biggest achiever was Personal Products segment, which rose 20.7% Y-o-Y.
- Operating profit grew by 41.9% (higher than in line with sales growth).
- Advertisement and promotional expenses were significantly reduced which also helped in improved earnings.
- Sustainable volume growth and steady performance of personal products and foods business strengthen the company's growth prospects.

Stock Info	
Sector	FMCG
Market Cap (Rs cr)	90,890
52 Week High/Low	421/266
Avg. Daily Volume (3m, '000)	2,416
Avg. Daily Value (3m, cr)	94.7
Dividend Yield (%)	1.5

Stock Price Chart



Note: as on April 11, 2012

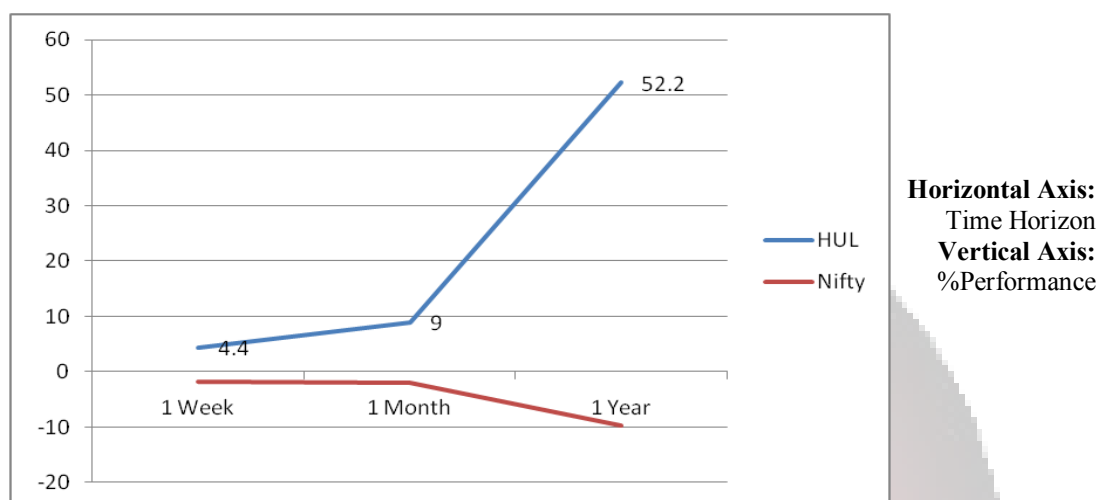
Key financial estimation for HUL:

Balance Sheet

Y/E March (Rs cr)	FY2011	FY2012E	FY2013E	FY2014E
SOURCES OF FUNDS				
Equity Share Capital	216	216	216	216
Preference Capital	-	-	-	-
Reserves & Surplus	2,418	3,509	5,628	8,086
Shareholders Funds	2,634	3,726	5,844	8,302
Minority Interest	-	-	-	-
Total Loans	-	-	-	-
Deferred Tax Liability	(210)	(210)	(210)	(210)
Total Liabilities	2,424	3,516	5,634	8,092
APPLICATION OF FUNDS				
Gross Block	3,760	4,557	5,221	6,057
Less: Acc. Depreciation	1,590	1,818	2,053	2,296
Net Block	2,169	2,738	3,168	3,762
Capital Work-in-Progress	299	228	261	303
Goodwill	-	-	-	-
Investments	1,261	1,761	2,261	2,761
Current Assets	6,095	7,131	9,169	11,494
Cash	1,640	1,893	3,088	4,440
Loans & Advances	701	843	999	1,158
Other	3,754	4,394	5,082	5,896
Current liabilities	7,400	8,342	9,225	10,227
Net Current Assets	(1,305)	(1,211)	(56)	1,267
Total Assets	2,424	3,516	5,634	8,092

Key Developments:

- HUL and Piramal Realty has signed an agreement for sale of Worli sea face property 'Guilta' for ₹452 Crore which is going to increase extraordinary income of HUL.
- Segment margins have significantly improved specially in food and personal care products. The performance of Soaps & Detergents has been impressive over the last two quarters with 20% revenue growth.
- Strong growth is in the cards for HUL as the company is focusing on untapped rural market. It will help the organization to achieve a sustainable growth down the time.



The above comparative graph of HUL and NIFTY shows that HUL has outperformed the NIFTY.

Recommendation:

HUL is the largest player in the FMCG sector in India. With its unique value proposition and huge market share, HUL is expected to outperform the market. Slowdown in the economy and inflation may impact the business but riding on vast experience HUL will be able to achieve a sustainable growth. The recommendation for the stock is "BUY" for a period of 12 months.

Call: Buy
CMP: ₹415
Target Price : ₹490
Time Period:12 months

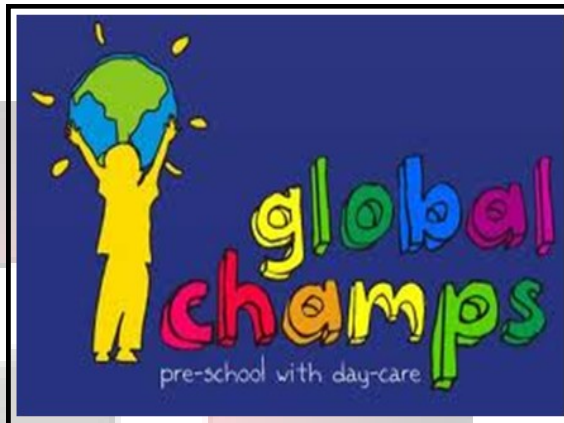
Source:
money.rediff.com
Estimated report of Reliance Securities

MT Educare IPO

Arnab Basak [I MBA J]

The dream run for the small companies in the IPO market is still on. After the success of the bigshot IPO of MCX, there has been a flurry of IPO's by the small companies and there is no glimpse of any big companies hitting the market. After the decent opening for small companies like Olympic cards, National Building Construction Corporation Ltd and BCB Finance Ltd in the IPO market recently, an educational support and coaching service provider named MT Educare tried to capture investors from the primary market by coming out with an IPO.

Mahesh Tutorials, a venture operated by MT Educare has its operation in Maharashtra, Gujarat, Karnataka and Tamil Nadu. MT Educare believes in developing students holistically so that they can be successful in academics as well as life. MT Educare has established itself as a leader in the fields of education, which is driven by their entrepreneurial vision GREAT (Global Reach in Education and Training). In 2010-11, it served 58,300 students and has more than 1,400 faculty and staff and 188 centers in 110 locations.



Mahesh Tutorials offers coaching for Std IX and X - State Board, ICSE and CBSE boards, Science coaching hours for XI, XII, Engineering & Medical Entrance Test - CET, trade coaching hours to TY BCom, along with the admission test preps for CA - CPT, CS, CWA, and for the professional (CA IPCC & Final) examinations. MT Educare has diversified into the Pre-School and day care section in the name of Global Champs.

The objective of the issue was to:

- Part financing the cost of construction of a PUC campus in Karnataka, which includes the cost of acquisition of land.
- Establishing new Coaching Centers at 20 locations.
- General Corporate purposes.

Issue details:

Issue Open	Mar 27 – Mar 29, 2012
Issue Type	100% book built issue IPO
Issue Size	4375000 Equity Shares of ₹10 each
Issue Size	₹35.00
Issue Price	₹74 – ₹80 per Equity Share
Market Lot	80 Shares
Minimum Order Quantity	80 Shares
Listing At	BSE, NSE

MT Educare IPO Grading:

CRISIL has assigned an IPO Grade 4 to MT Educare IPO. This means, according to CRISIL, the company has 'above average fundamentals ". CRISIL assigns IPO grading on a scale of 5-1, with strong underlying fundamentals for Grade 5 and Grade 1 indicating poor fundamentals.

MT Educare IPO Registrar and Lead Manager:

The lead manager to the issue was Enam Securities Private Limited and the IPO Registrar was Link Intime India Private Limited.

Listing details:

Listing Date	April, 12, 2012
BSE Scrip Code	534312
NSE symbol	MTEDUCARE
Listing In	'T' Group of Securities
Sector	Education
ISIN	INE472M01018
Issue Price	₹80.00 per Equity Share

Current status:

The MT Educare IPO got oversubscribed 4.80 times at the closing day and it got listed on 12th April, 2012. The stock opened at ₹86.05 after the pre opening session and immediately hit the upper circuit of ₹90.35, rising 12.34% over the issue price.

Recommendation:

The fundamentals of the company is on the average side and only investor with high risk appetite may invest in the stock because it is expected to trade in a very volatile mood for the first 7- 10 days. It is therefore recommended that investors should wait for a week or so to let the stock settle down at some level and then invest because I feel the stock is currently overpriced and is expected to fall.

Risk Averse investors may ignore this stock completely for now.

Sources:

<http://www.moneycontrol.com/company-article/mteducare/news/ME14#ME14>
<http://apnapan.com/mt-educare-ipo-review-recommendations/>
<http://www.sharekhan.com>

Tycoon Accused in Money-Chain Fraud, Kingpin Arrested

Ankita Pagaria [I MBA J]

Kerala Police's Special Investigation Team (SIT) led by Deputy Superintendent of Police, Vadakara (Crime Department) P P Sadanandan and Crime Branch Economic Offences Wing Superintendent of Police P A Valsan, recently arrested Narayana Narasimhalu, Chief of the Tycoon Empire International Ltd. of Chennai, which has defrauded several millions of people all over South India up to ₹400 crore. The 36-year old accused, an MBA graduate was arrested after the SIT team raided his house at Valsaravakkam in Chennai. He is an active member of the Youth Congress, consultative committee member of the Food Corporation of India (FCI), and a former member of the Coir Board. Police seized four luxury vehicles and documents relating to 82 acres of land which the accused bought at Ooty, Coonoor and Palladam using the ill-gotten money.

The police said that the accused is the kingpin of the Chennai-based multilevel marketing company though he did not involve directly in its activities. He was very much aware of the illegality and was careful not to use his name or address anywhere in the documents related to the marketing company or on its website. However, the accused was zeroed in after tracking the cash flow from various accounts in the banks.

Police added that Narasimhalu, who hailed from a humble background, forcefully took control of the company after threatening its original owners. "However, the company was registered in the name of his personal staff including driver and sweepers and they were later appointed as directors. He was staying in a multi-crore house at a posh residential area in Chennai with four gates fixed with high definition security cameras," police said.

The SIT has so far arrested around 24 persons in this case including four directors and senior agents. The company Tycoon Empire Ltd was formed in 2009 and was engaged in money chain activities mainly in and around Kozhikode, Malappuram and Palakkad districts.

The Chief Judicial Magistrate Court of Kozhikode remanded the accused in judicial custody for 15 days. He was arrested under various sections of the Prize Chits Money Circulation Schemes Banning Act, Money Laundering Act, IT Act, SEBI Act and RBI Act.

Sources:

<http://www.thehindu.com/todays-paper/tp-national/tp-kerala/article3260499.ece>

<http://ibnlive.in.com/news/tycoon-money-fraud-kingpin-arrested-from-chennai/244134-60-116.html>

Buzz Word

Prachi Sharda [I MBA J]

Goldbrick Shares

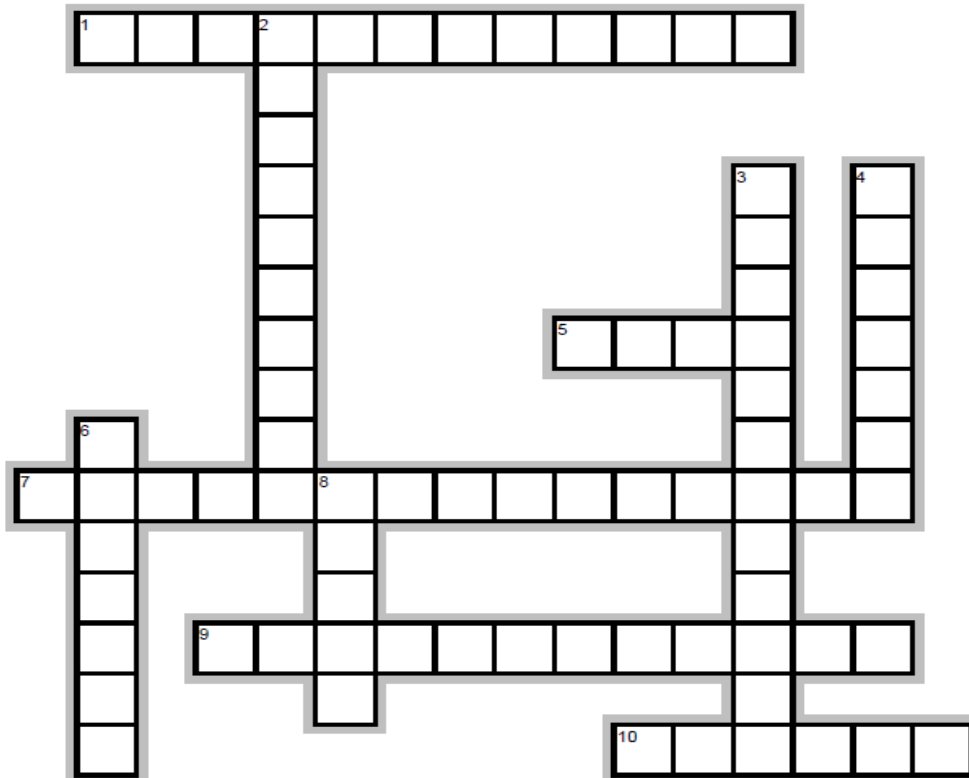
A stock that bears the surface appearance of quality and worth, but is in fact worth very little.

The term "goldbrick" is normally used to describe objects that are fraudulent or a sham. It can also be applied to securities and the corporations that issue them.

Sources: <http://www.investopedia.com/terms>

Crossword

Reddy Sreedhar T [I MBA L]



Across

1. The supply of credit falls, though there is sufficient demand in the market is termed as
5. The Bonds that carry low ratings with correspondingly higher yields are called '..... bonds'.
7. This term became popular after the newspaper report of Watergate Scandal in the year 1973.
9. The term used for depreciating a company's intangible assets.
10. When a listed company which proposes to issue fresh securities to its existing shareholders as on a record date is called as '..... Issue'.

Down

2. A '.....' is like a bank wherein the deposits are securities (viz. shares, debentures, bonds, government securities, units etc.) in electronic form.
3. is basically a process used in IPO's for efficient price discovery.
4. Purchase of insurance against losses because of currency fluctuations is known as '.....'.
6. A contract is a customized contract between two entities, where settlement takes place on a specific date in the future at today's pre-agreed price.
8. The rate of interest at which short-term funds are exchanged between banks in London is called as '.....' (Acronym)



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