



IIFL Quarterly



Management Roadshow:
Post Conference Note

pg27

Simba, go to the city pg22

Life Insurance: Unlocking value pg48

What to avoid while planning your finances? pg52

GST setback yet again Wrong hit and wrong time pg59

2015: The year that was pg62

A visit to Baddi: Alkem Laboratories pg64



14

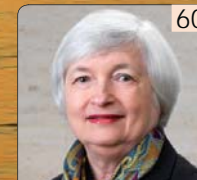
Why Rakesh Jhunjhunwala remains Bullish in 2016?



India Strategy



More of the same



60

US Monetary Policy Review

Special Features



4

“NSE’s commitment is to improve financial well-being of the people.”

Ms. Chitra Ramkrishna
MD & CEO,
National Stock Exchange (NSE)



19

“An optimal mix of assets can provide a smooth investment return over the interim”

Tushar Pradhan
Chief Investment Officer,
HSBC Global Asset Management



54

“The investment side of the economy is yet to see strong traction”

Swati Kulkarni
Executive Vice President and Fund Manager, UTI AMC

Table of Contents

	Page No.
From the Managing Director's Desk	2
Ms. Chitra Ramkrishna, MD & CEO, NSE	4
India Strategy: More of the same	8
IPOs see best performance in 5 years; will retail investors continue to return?	12
Why Rakesh Jhunjhunwala remains Bullish in 2016?	14
2015 Market Report Card: Many a Class, Not many Pass	15
Tushar Pradhan, Chief Investment Officer, HSBC Global Asset Management	19
Simba, go to the city	22
Management Roadshow: Post Conference Note	27
<i>Bajaj Corp Ltd</i>	28
<i>Can Fin Homes Ltd</i>	30
<i>Capital First</i>	32
<i>Greenply Industries</i>	34
<i>Gulf Oil Lubricants</i>	36
<i>Manappuram Finance Ltd</i>	38
<i>Sadbhav Engineering Ltd</i>	40
<i>Sterlite Technologies Ltd</i>	42
<i>Tata Communications</i>	44
<i>Techno Electric & Engineering Ltd</i>	46
Life Insurance: Unlocking value	48
Tips to obtain a loan for the self-construction of home	51
What to avoid while planning your finances?	52
Swati Kulkarni, Executive Vice President and Fund Manager, UTI AMC	54
Diesel vehicle ban in Delhi: What Auto companies are saying?	57
GST setback yet again Wrong hit and wrong time	59
US Monetary Policy Review	60
2015: The year that was	62
Get set go: Managing Money in 2016	63
A visit to Baddi: Alkem Laboratories	64
Disclaimers	66

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LEADER
SPEAK

Ms. Chitra
Ramkrishna,
MD & CEO
NSE

“NSE’s commitment is to improve financial well-being of the people.”

Ms. Chitra Ramkrishna, B. Com, B.L., Fcs serves as Managing Director and Chief Executive Officer of National Stock Exchange. Ms. Ramkrishna serves as Promoter Director of Power Exchange India Limited. Ms. Ramkrishna has been the Managing Director and Chief Executive Officer of National Stock Exchange of India Ltd. since April 1, 2013. Ms. Ramkrishna served as Joint Managing Director of National Stock Exchange of India Ltd. from September 1, 2009 to April 1, 2013. She served as Head of Listing and Deputy Managing Director of National Stock Exchange of India Ltd. She serves as a Member of Derivatives Panel of Securities and Exchange Board of India. She serves as Executive Director of National Stock Exchange of India Ltd. She serves as Director of NSE Strategic Investment Corporation Limited and India Index Services & Products Ltd. She serves as Director of National Securities Clearing Corporation Limited. She has been a Member of Executive Committee at National Securities Depository Ltd. since March 9, 2009.



You have said you knew little commerce in school and that you wanted to build an independent financial career. How has the journey been?

I think as one grows up, the person starts evaluating various options. During the formative years in school, be it today or my time, not all students are aware about the options available. In my case, after finishing CA, I entered the corporate world. Once I got the chance to get into a new capacity building project in the capital market, I joined NSE, the country's most trusted stock exchange.

Comment on your plans to launch new ETFs based on various asset classes such as fixed income and commodities.

It's indeed an achievement that NSE considered the ETF segment at a time when no one deemed it fit to talk about the segment. We have explored it as a product category about a decade ago. We believed that this product category can actually ensure wealth creation for the masses. We started educating a large population of small savers on how a simple passive investment vehicle, which is on a broad-based index such as NIFTY, is perhaps the simplest and the most protected way for market participation. For example, CPSE ETF based on Nifty CPSE index has helped the government execute a disinvestment of Rs.3000 cr; people got a long-term, low-cost, small ticket and a convenient investment product simultaneously. In recent times, Exchange-traded funds (ETFs) have garnered wider acceptance, as financial instruments' unique advantages over mutual funds have caught the eye of many investors.

How have you kept yourself abreast with the nitty gritty of operations, technology, and risk-management? Do you perceive digital push and mobile trading as the game

changer?

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Since I began my journey, I never needed an excuse to come to office. It's a lovely place and more so because the organisation has an impact on a large diaspora and can facilitate nation building through peoples' participation. Stock is an enabling platform for many things. We are still a young market infrastructure institute that has so many things to do. India has developed a lot, but a lot can be done in regards to financial inclusion and deepening. Smart phones are ushering in more and more people to the market. The outreach of technology is expanding and trading through mobile phone is doubling yoy.

What is your assessment in regards to technological changes that are taking place in the financial space? Are you comfortable with the developments on algo trading?

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No business model can be static and there will be changes with time. Technology is ever-evolving, and the exchange platform is also constantly upgrading to match people's expectations. In regards to algo platform, NSE follows guidelines and regulations that SEBI brings into the market from time to time. We also try to incorporate the best practices in our day-



“ NSE has collaborated with leading international exchanges. This has helped Nifty 50 to become global. NSE has cross listing agreement with some of the leading exchanges, including Chicago Mercantile Exchange and London Stock Exchange. NSE has signed a licensing pact with Singapore Exchange Ltd.”

Ms. Chitra Ramkrishna,
Managing Director & CEO,
National Stock Exchange of
India Limited

to-day operations. Since NSE has remained a trusted destination for all sorts of traders, including long-term investors, algo traders, strategy players, and first time investors, the journey in itself says it all.

What are the opportunities and challenges for NSE at present?

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We are a regulated platform and will stick to SEBI's directions. At present, some of the new segments such as ETF, currency, interest rate, and SME platform are doing well at NSE. In the SME platform, for example, after two years of engagements with stakeholders, we are now seeing signs of some maturity. Lot of institutional corporate investors are participating in SME IPOs and many of them are coming back to invest in other SMEs. As an organization, we remain true to our commitment of improving financial wellbeing of people.

You recently rebranded the NSE indices. What benefits do you hope to derive?

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NSE's subsidiary, IISL, which creates most of the indices has now more than 50 products encompassing various formations. While some focus on market cap and sectors, others could channelise their focus toward strategy-based indices or govt bonds. At a time when NIFTY has become synonymous with country's economic and capital market

performance, inclusion and prefixing the word NIFTY in the names of IISL's indices will widen the acceptability of the products linked to the Nifty family worldwide.

Your comments on listing?

As we have already made it clear, NSE will list. SEBI has recently come out with broad guidelines and a more detailed one is expected. NSE board and management will take listing to its logical conclusion soon.

What steps are you taking to make NSE popular internationally?

NSE has collaborated with leading international exchanges. This has helped Nifty 50 to become global. NSE has cross listing agreement with some of the leading exchanges, including Chicago Mercantile Exchange and London Stock Exchange. NSE has signed a licensing pact with Singapore Exchange Ltd. Indian investors also get exposure to the US and Europe through derivatives on S&P500, DJIA, and FTSE 100. These contracts are traded in Indian hours and settled in Rupee, ensuring minimal currency risks.

What steps are you undertaking to improve retail participation? What is your message and advice to retail investors?

NSE has a diverse client base comprising domestic institutions, foreign investors, and sophisticated derivatives traders, and retail investors. The retail investors' number is ever-growing, mostly due to awareness issues. At NSE, we emphasize on investor education. In 2015, we have done more than 1000 programs across the

country. NSE has marked its forays into formal education in financial literacy and investor protection. We define the kind of appropriate products for the market. Thus, you will note that our single-minded purpose is to ensure the larger financial wellbeing of those who come to the market. The geographical outreach of NSE members is something unique. NSE members are present in 36 states, 600 districts, 3250 cities, with around 34000 branches in India. More than 19 million retail investors (unique PAN accounts) are registered with the exchange. With new initiatives such as entry of pension funds, we envisage more indirect participation of retail investors and growth in awareness.

