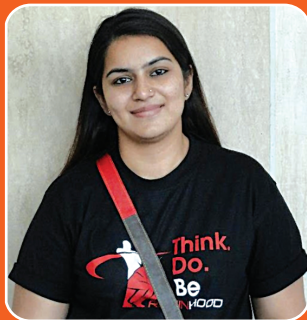


MEET YOUR ADVISOR



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OUR
SERVICES

- RETIREMENT PLANNING
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- INSURANCE PLANNING
- TAX PLANNING

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2014

INTERESTING BUDGET FACTS

- ▶ The word Budget was derived from the Middle English bowgette, which came from Middle French bougette, which in turn is a diminutive of bouge, meaning a leather bag.
- ▶ The Budget speech of the finance minister is usually divided in two parts. Part A deals with general economic survey of the country while Part B relates to taxation proposals.
- ▶ The employees printing the Budget papers are kept in complete isolation (quarantine) in the Finance Ministry for one week before the Budget.
- ▶ Finance Minister presents the annual Union Budget in the Parliament usually on the last working day of February.
- ▶ The Ministry of Finance, Planning Commission, Administrative Ministries and the Comptroller & Auditor General are the main players in the declaration of the Union Budget.
- ▶ Budget was first introduced in India on 7th April, 1860 from East-India Company to British Crown. The first Finance Member who presented it was James Wilson.
- ▶ The precedent for the convention of the budget speech started at 5:00 pm was set by Sir Basil Blackett in 1924. According to him, this was done to give some relief to officials who worked all night to present a financial statement. Yashwant Sinha began the new timing of budget speech by presenting the budget from 2001 at 11:00 am.
- ▶ After Independence, India's first Finance Minister R.K. Shanmukham Chetty, presented the first Budget at 5 pm on 26th November, 1947.
- ▶ The first Budget of the Republic of India was presented by John Mathai on February 28, 1950. Planning Commission came into existence while presenting the budget for 1950-51, the first budget for the Republic of India.

Source: Zeenews.com

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JULY 2014



The decisive vote in the elections highlighted the desire of the people for change. It was a mandate for development, employment, lower prices by the people. The country is today in a challenging situation with below 5 per cent growth and double digit inflation. The Union Budget in this context is seen to lay down a broad policy indicator of the direction in which the government wishes to take this country forward.

The Union Budget is only the beginning of the journey towards a sustained growth of 7-8 per cent or above within the next 3-4 years along with macro-economic stabilization. The budget presented has largely met the expectations of the public and seeks to lay down the foundation to build here from. It is not an ambitious budget but a very realistic one which can be viably achieved with the focus on governance and implementation that the government has shown.

In our opinion budget has a set of coherent goals with three underlying themes, which addresses the biggest problems that the country is facing. These are: (1) Infrastructure, (2) Employment generation, and (3) Enhancement of Savings. On each of these, there is a set of measures that sets the direction for solving the problem. In this issue of the Newsletter, we seek to bring to you in brief the key highlights of the Union Budget 2014-15 presented by the Finance Minister Mr. Arun Jaitley.

Macro-Economic picture

- ▶ GDP growth in 2014/15 estimated at 5.4 – 5.9 percent year-on-year. Aims for sustained growth of 7-8 percent in the next 3-4 years
- ▶ Fiscal deficit target of 4.1 percent of GDP for 2014/15. Decline in fiscal deficit from 5.7% in 2011-12 to 4.5% in 2013-14. Fiscal deficit forecast to fall to 3.6 percent of GDP in 2015/16, 3 percent of GDP in 2016/17
- ▶ Improvement in current account deficit from 4.7 % in 2012-13 to year end level of 1.7%
- ▶ Nominal GDP growth in 2014/15 expected to be 13.4 percent year-on-year

Administrative Initiatives

- ▶ To maintain a stable tax environment but stops short of scrapping rules on retrospective tax. All pending cases of retrospective tax for direct transfers to be examined by committee before action is taken.
- ▶ Introduction of GST to be given thrust.
- ▶ Setting up of Expenditure Management Commission to look into expenditure reforms.

Reforms

- ▶ The composite cap of foreign investment to be raised to 49 per cent through the FIPB route.
- ▶ The composite cap in the Insurance and Defence sector to be increased up to 49 per cent from 26 per cent

- ▶ Requirement of the built up area and capital conditions for FDI to be reduced from 50,000 square metres to 20,000 square metres and from USD 10 million to USD 5 million respectively for development of smart cities.

- ▶ The manufacturing units to be allowed to sell its products through retail including E-commerce platforms.

- ▶ **Smart Cities:** A sum of ₹7060 crore is provided in the current fiscal for the project of developing "one hundred Smart Cities"

- ▶ **Real Estate:** Incentives for Real Estate Investment Trusts (REITs). Complete pass through for the purpose of taxation. A modified REITs type structure for infrastructure projects as the Infrastructure Investment Trusts (INVITS). These two instruments to attract long term finance from foreign and domestic sources including the NRIs

Rural Development

- ▶ More productive, asset creating and with linkages to agriculture and allied activities wage employment would be provided under MGNREGA.
- ▶ ₹14,389 crore provided for Pradhan Mantri Gram Sadak Yojna (PMGSY).
- ▶ Shyama Prasad Mukherji Rurban Mission for integrated project based infrastructure in the rural areas.

- ▶ Allocation for National Housing Bank increased to ₹8000 crore to support Rural housing.
- ▶ New programme “Neeranchal” to give impetus to watershed development in the country with an initial outlay of ₹2142 crores.

Agriculture

- ▶ Setting of two Agricultural Research Institute of excellence, two Agriculture Universities and two Horticulture Universities.
- ▶ Kisan TV to be started to disseminate real time information to the farmers.
- ▶ A scheme to provide every farmer a soil health card in a Mission mode will be launched. 100 Mobile Soil Testing Laboratories across the country.
- ▶ Transformation plan to invigorate the warehousing sector and significantly improve post-harvest lending to farmers.
- ▶ Central Government to work closely with the State Governments to re-orient their respective APMC Acts.

Industry

- ▶ Central Government Departments and Ministries to integrate their services with the e-Biz -a single window IT platform- for services on priority by 31 December this year.
- ▶ Master planning of 3 new smart cities in the Chennai-Bengaluru Industrial Corridor region to be completed.
- ▶ Perspective plan for the Bengaluru Mumbai Economic corridor (BMEC) and Vizag-Chennai corridor to be completed with the provision for 20 new industrial clusters.
- ▶ Development of industrial corridors with emphasis on Smart Cities linked to transport connectivity to spur growth in manufacturing and urbanization will be accelerated.
- ▶ 24X7 customs clearance facility extended to 13 more airports in respect of all export goods and to 14 more sea ports in respect of specified import and export goods to facilitate cargo clearance.
- ▶ ‘Indian Customs Single Window Project’ to facilitate trade, to be implemented.

Transport & Infrastructure

- ▶ An investment of an amount of ₹37,880 crores in NHAI and State Roads is proposed which includes ₹3000 crores for the North East.
- ▶ Target of NH construction of 8500 km will be achieved in current financial year.
- ▶ An institution to provide support to mainstreaming PPPs called 4PIndia to be set up
- ▶ Work on select expressways in parallel to the development of the Industrial Corridors will be initiated.
- ▶ Scheme for development of new airports in Tier I and Tier II Cities to be launched.
- ▶ SEZs will be developed in Kandla and JNPT.

Financial Sector

- ▶ Ongoing process of consultations with all the stakeholders on the enactment of the Indian Financial Code and reports of the Financial Sector Legislative Reforms Commission (FSLRC) to be completed.
- ▶ Banks to be encouraged to extend long term loans to infrastructure sector with flexible structuring.
- ▶ Banks to be permitted to raise long term funds for lending to infrastructure sector with minimum regulatory pre-emption such as CRR, SLR and Priority Sector Lending (PSL). RBI to create a framework for licensing small banks and other differentiated banks. Differentiated banks contemplated to meet credit and remittance / payment solution needs for different sections
- ▶ Six new Debt Recovery Tribunals to be set up.
- ▶ **Employment, Entrepreneurship:** This receives great focus in the budget. 10 Fund of Funds with a corpus of ₹10,000 crore for providing equity through venture capital funds, quasi equity, soft loans and other risk capital specially to encourage new startups by youth will be set up. A nationwide “District level Incubation and

Accelerator Programme” also to be taken up for incubation of new ideas and necessary support for accelerating entrepreneurship. New “Start Up Village Entrepreneurship Programme” for encouraging rural youth to take up local entrepreneurship programs. Employment exchanges to be transformed into career centres. Skill India to be launched to skill the youth with an emphasis on employability and entrepreneur skills.

- ▶ **Food Security:** Government committed to provide wheat and rice at reasonable prices to the weaker sections of the society. To mitigate the risk of Price volatility in the agriculture produce, a sum of ₹500 crore is provided for establishing a “Price Stabilization Fund”. Government when required will also undertake open market sales to keep prices under control. Restructuring of FCI, reducing transportation and distribution losses and efficacy of PDS to be taken up on priority.
 - ▶ **Education:** Government would strive to provide toilets and drinking water in all the girls school in first phase. There is focus on use of technology with allocation for setting up virtual classrooms as Communication Linked and talk of interface for Cultivating Knowledge (CLICK) and online courses. 5 more IITs and 5 IIITs to be set up.
 - ▶ **Urban Development & Housing:** Vision of the Government is that 500 urban habitations to be provided support for renewal of infrastructure and services in next 10 years through PPPs. Slum development to be included in the list of Corporate Social Responsibility (CSR) activities to encourage the private sector to contribute more. Mission on Low Cost Affordable Housing anchored in the National Housing Bank to be set up.
 - ▶ **Health and Family Welfare:** Free Drug Service and Free Diagnosis Service to achieve “Health For All”. “Swachh Bharat Abhiyan” to cover every household with sanitation facility by the year 2019. 12 new government medical colleges to be set up. AIIMS like institutions to be set up in different regions. A national programme in Mission Mode to halt the deteriorating malnutrition situation in India to be put in place within six months.
 - ▶ **Defence & Internal Security:** The Budget raises defence spending by 12.5% to ₹2.29 lakh crore. There is increase in capital outlay by ₹5000 crore and allocations made to strengthen border infrastructure. Assurance for urgent steps to be taken to streamline the procurement process. ₹3000 crore also provided in the current financial year for modernization of state police forces.
 - ▶ **Culture & Tourism:** Facility of Electronic Travel Authorization (e-Visa) to be introduced in phased manner at nine airports in India. Development of 5 tourist circuits around specific themes.
 - ▶ **River Development:** ₹2037 crores provided for Integrated Ganga Conservation Mission “NAMAMI GANGE”. NRI Fund for Ganga will be set up. Detailed Project Reports for linking of rivers to be undertaken.
 - ▶ **Information Technology:** Pan India programme “Digital India” to with an outlay of ₹500 crore to be launched. Programme for promoting “Good Governance” to be launched.
 - ▶ **New & Renewable Energy:** A Green Energy Corridor Project is being implemented to facilitate evacuation of renewable energy across the country. Push for Ultra Mega Solar Power Projects & new scheme for solar power driven agricultural pump sets and water pumping stations. Development of 1 MW Solar Parks on the banks of canals.
- ### Direct Tax Proposals
- ▶ Measures to revive the economy, promote investment in manufacturing, rationalize tax provisions to reduce litigation, address the problem of inverted duty structure in certain areas. Tax reliefs to individual tax payers.
 - ▶ No change in the tax rates of basic tax, surcharge & education cess. Changes in the basic tax structure.
 - ▶ Conducive tax regime to Infrastructure Investment Trusts and Real Estate Investment Trusts to be set up in accordance with SEBI regulations

- ▶ Investment allowance at the rate of 15 percent to a manufacturing company that invests more than ₹25 crore in any year in new plant and machinery.
- ▶ 10 year tax holiday extended to the undertakings which begin generation, distribution and transmission of power by 31.03.2017.
- ▶ Income arising to foreign portfolio investors from transaction in securities to be treated as capital gains.
- ▶ To remove tax arbitrage, rate of tax on long term capital gains increased from 10 percent to 20 percent on transfer of units of Mutual Funds, other than equity oriented funds.
- ▶ Income and dividend distribution tax to be levied on gross amount instead of amount paid net of taxes.
- ▶ Government to review the DTC in its present shape and take a view in the whole matter.
- ▶ Net Effect of the direct tax proposals to result in revenue loss of ₹22,200 crore.

Indirect Tax Proposals

- ▶ Rise in custom & excise duties of cigarettes, tobacco, pan-masala, gutka, cold-drinks, imported electronic products, radio taxi, broken diamonds.
- ▶ Cut in custom & excise duties for CRT TVs, LCD and LED TV panels of less than 19-inches, footwear, precious & semi-precious stones, branded garments, soaps, oil, smart cards, LED lights, lamps, branded petrol, mobile phones, computer components.
- ▶ Steps taken to boost domestic production of electronic items and reduce our dependence on imports.
- ▶ Concessional basic customs duty of 5 percent extended to machinery and equipment required for setting up of a project for solar energy production.
- ▶ For passenger facilitation, free baggage allowance increased from ₹35,000 to ₹45,000.
- ▶ To develop renewable energy, various items exempted from excise duty.

THE COMMON MAN: ACHHE DIN AHEAD

There is good news for the common tax-payers in the budget which puts more money in your hands. In addition, there are also other good news that is surely going to encourage more savings by investors. The following are the highlights that has a direct impact for investors...

Provisions that will Increase Savings:

1. Change in basic personal income tax exemption limits for those below 60 years has increased by ₹50,000 to ₹2.5 lakh. Exemption limit raised from Rs.2.5 lakh to Rs.3 lakh in the case of senior citizens.
2. The investment limit under Section 80C of the Income Tax (I-T) Act that qualifies for tax exemption has been raised by ₹50,000 from the earlier ₹1 Lac to ₹1.5 Lac now
3. The annual interest payout towards housing loan that would attract tax benefit have also seen increase of ₹50,000 from ₹1.5 Lac earlier to ₹2 Lac now for self occupied properties

Impact:

The increase in basic limits will help save upto ₹5,150/-. The hikes of ₹50,000 each in 80C & housing loan interest will help individuals save upto ₹15,450 (in the highest tax bracket of 30 per cent) each.

Additional Provisions to Benefit Small Investors

4. The Public Provident Fund (PPF) annual ceiling has been raised from a maximum of ₹1 Lac to ₹1.5 Lac now
5. Uniform tax treatment for pension fund and mutual fund linked retirement plan
6. Plans to introduce Kisan Vikas Patra (KVP), a popular small saving instrument, to encourage people with banked and unbanked savings to invest in it.
7. A National Savings Certificate with insurance cover to provide additional benefits for the small saver.
8. A special small savings instrument to cater to the requirements of educating and marriage of the Girl Child to be introduced.
9. Government notified a minimum pension of Rs.1000 per month

to all subscriber members of EPF Scheme. Initial provision of 250 crore.

10. EPFO to launch the "Uniform Account Number" Service for contributing members and ensure Provident Fund portability.

Impact:

These small measures will help encourage small savings for the retail investors. The uniform tax treatment for pension funds & mutual fund linked retirement plans may have a big impact as investors can now invest additional ₹1 Lac in these retirement plans which will get exemption under 80CCD. The fine print on this is awaited though.

Operational Measures:

1. Introduction of uniform KYC norms and inter-usability of the KYC records across the entire financial sector.
2. Introduce one single operating demat account

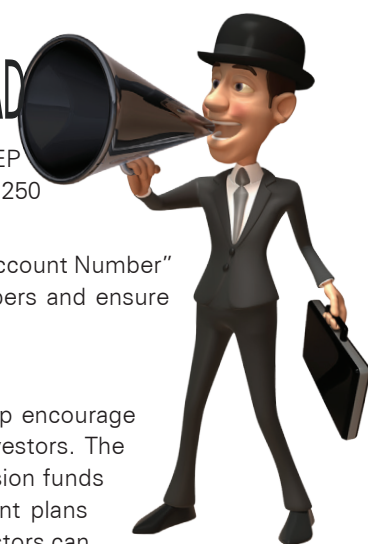
Impact: Uniform KYC has been a long standing demand of the investor community and will bring great relief reducing the operational hassles in managing KYC for different products. Single operating demant account will also bring a lot of relief and comfort to investors.

The Negatives:

1. Long Term Capital Gain tax on Debt Mutual Funds increased from 10 % to 20% and tenure increased from 12 to 36 months.
2. To Hike Tax Rate To 20 % for transfer For mutual fund units

Impact:

The increase in the long term capital gains tax (LTCG) rate and tenure for the debt mutual funds leads to the closure of tax arbitrage between traditional savings instruments and debt mutual funds. The arbitrage available while calculating the dividend distribution tax has also been removed.



SIP RETURN AS ON 30TH JUNE 2014

Starting - July Month of	2013	2011	2009	2007	2004	2002
Years	1	3	5	7	10	12
Invested Amount	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000	14,40,000
Schemes (Diversified Equity)	Returns % - CAGR					
Axis Equity Fund - Gr	54.93	27.44	-	-	-	-
Axis MidCap Fund - Gr	114.08	40.24	-	-	-	-
BNP Paribas Dividend Yield Fund- Gr	65.69	26.94	18.80	18.26	-	-
BNP Paribas Equity Fund - Gr	59.32	27.15	18.43	15.16	-	-
BNP Paribas Midcap Fund - Gr	91.15	37.16	25.72	20.83	-	-
BOI AXA Equity Fund - Regular Plan Gr	53.56	22.79	13.50	-	-	-
Birla Sun Life Advantage Fund Gr	84.90	31.35	18.02	15.30	14.12	17.20
Birla Sun Life Dividend Yield Plus - Growth	76.04	23.93	16.34	17.58	16.87	-
Birla Sun Life Equity Fund - Gr	93.38	34.27	19.92	16.94	17.06	21.93
Birla Sun Life Frontline Equity Fund - Gr	60.06	28.04	18.37	17.36	18.49	-
Birla Sun Life India Opportunities Fund - Gr	85.81	36.98	21.75	18.29	14.26	15.85
Birla Sun Life Long Term Advantage Fund - Gr	70.83	29.30	18.63	16.58	-	-
Birla Sun Life MNC Fund Gr	76.78	31.49	23.65	23.34	20.51	22.37
Birla Sun Life Midcap Fund - Gr	98.34	31.04	18.48	17.50	17.77	-
Birla Sun Life Pure Value Fund - Gr	174.41	50.00	29.76	-	-	-
Birla Sun Life Small and Midcap Fund - Gr	102.61	33.52	20.64	18.67	-	-
Birla Sun Life Top 100 Fund - Gr	68.93	30.02	19.80	17.44	-	-
Canara Robeco Emerging Equities Fund - Gr	136.40	41.95	27.36	24.07	-	-
Canara Robeco Equity Diversified - Gr	55.42	23.77	16.75	16.91	-	-
Canara Robeco F.O.R.C.E. Fund - Regular Gr	53.36	22.48	-	-	-	-
DSP BlackRock Equity Fund - Reg. Plan - Div	79.40	26.27	16.67	16.01	17.97	22.90
DSP BlackRock Focus 25 Fund - Gr	59.65	21.25	-	-	-	-
DSP BlackRock Micro Cap Fund - Gr	126.10	38.36	24.86	23.39	-	-
DSP BlackRock Opportunities Fund - Gr	58.36	25.00	15.76	14.81	15.62	20.43
DSP BlackRock Small and Mid Cap - Reg Gr	116.42	35.29	22.59	21.48	-	-
DSP BlackRock Top 100 Equity Fund Gr	56.64	22.12	14.77	14.26	16.64	-
DSP BlackRock T.I.G.E.R. Fund - Gr	104.38	28.09	14.65	11.98	13.78	-
DWS Alpha Equity Fund - Gr	48.42	22.38	13.40	11.84	13.59	-
DWS Investment Opportunity Fund - Gr	48.11	21.86	12.50	11.10	13.34	-
Edelweiss Diversified Growth Equity Top 100 Fund - Gr	44.85	22.81	15.78	-	-	-
Franklin India Bluechip Fund Gr	46.46	20.10	14.08	14.27	15.61	19.72
Franklin India Flexi Cap Fund - Gr	69.04	27.98	18.06	16.93	-	-
Franklin India Opportunities Fund-Gr	61.37	23.72	14.45	12.27	12.80	16.68
Franklin India Prima Fund Gr	93.16	36.83	23.90	21.27	17.88	22.22
Franklin India Prima Plus Gr	61.75	25.86	17.64	16.35	17.37	21.31
Franklin India Smaller Companies Fund - Gr	110.91	43.49	27.34	23.43	-	-
HDFC Capital Builder-Gr	70.44	28.55	18.76	17.80	17.30	21.75
HDFC Core and Satellite Fund - Gr	105.58	29.02	17.05	16.33	-	-
HDFC Equity Fund - Div	92.09	31.19	19.78	19.41	19.78	23.95
HDFC Focused Large-Cap Fund - Gr	51.74	18.49	12.34	12.37	-	-
HDFC Growth Fund Gr	68.08	22.85	15.29	14.81	16.62	20.76
HDFC Mid Cap Opportunities Fund - Gr	105.28	37.27	26.00	24.16	-	-
HDFC Premier Multi-Cap Fund - Gr	96.11	27.00	16.11	15.40	-	-
HDFC Top 200 Fund - Div	77.39	28.06	17.99	17.67	18.96	23.43
HSBC Equity Fund - Gr	57.17	22.40	13.67	11.82	13.13	-
HSBC India Opportunities Fund - Gr	78.95	29.44	18.60	15.21	14.76	-
ICICI Prudential Value Discovery Fund Gr	108.60	38.93	25.64	25.27	-	-
ICICI Prudential Dynamic Plan-Cum	62.70	28.61	19.32	18.07	19.28	-
ICICI Prudential Exports and Other Services Fund - Gr	56.90	38.56	24.80	20.01	-	-
ICICI Prudential Focused Bluechip Equity Fund - Gr	53.45	25.19	18.08	-	-	-
ICICI Prudential MidCap Fund - Gr	131.44	39.62	22.85	18.77	-	-
ICICI Prudential Top 100 Fund - Gr	60.14	27.73	18.63	16.55	16.70	19.54
ICICI Prudential Top 200 Fund - Gr	67.86	27.91	17.58	15.67	15.66	19.64
IDFC Classic Equity Fund - Regular Plan - Gr	40.54	19.63	11.97	10.50	-	-
IDFC Equity Fund - Regular Plan - Gr	41.32	20.68	13.59	12.28	-	-
IDFC Imperial Equity Fund - Regular Plan - Gr	42.80	17.64	10.93	10.82	-	-
IDFC Premier Equity Fund - Regular Plan - Gr	77.85	30.74	22.06	21.81	-	-
IDFC Sterling Equity Fund - Regular Gr	73.22	27.24	19.03	-	-	-
ING Core Equity Fund Gr	62.54	23.72	15.36	13.79	14.26	16.82
ING Dividend Yield Fund Gr	61.68	23.12	16.23	17.48	-	-
JP Morgan India Equity Fund - Gr	56.41	23.32	15.44	13.94	-	-
JP Morgan India Smaller Companies Fund - Gr	114.29	39.73	25.48	-	-	-
Kotak 50 Equity Scheme Div	50.72	21.24	13.80	12.49	14.33	18.82
Kotak Classic Equity Fund - Gr	52.76	24.51	15.80	14.66	-	-
Kotak Midcap - Gr	93.64	29.59	19.22	17.07	-	-
Kotak Opportunities Fund - Gr	53.57	23.33	14.90	13.77	-	-
Kotak Select Focus Fund - Gr	62.53	27.34	-	-	-	-
L&T Equity Fund - Gr	62.61	24.68	16.52	15.96	-	-
L&T India Large Cap Fund - Gr	55.89	23.36	15.75	-	-	-
L&T India Special Situations Fund - Gr	67.78	28.13	18.87	17.39	-	-
L&T India Value Fund - Gr	105.08	37.21	-	-	-	-
L&T Midcap Fund - Cum	111.98	36.91	22.01	19.75	-	-
Mirae Asset Emerging Bluechip Fund - Gr	103.62	39.08	-	-	-	-
Mirae Asset India Opportunities Fund - Gr	69.31	29.50	20.23	-	-	-
PineBridge India Equity Fund Standard - Gr	63.73	24.38	16.01	14.83	-	-
Pramerica Large Cap Equity Fund - Gr	37.22	17.42	-	-	-	-
Principal Dividend Yield Fund - Gr	70.69	23.57	15.23	14.32	-	-
Principal Emerging Bluechip Fund - Gr	99.65	37.94	22.60	-	-	-
Principal Growth Fund Gr	81.92	33.38	19.77	15.49	12.95	15.92
Principal Large Cap Fund - Gr	61.57	25.23	15.97	15.51	-	-
Quantum Long Term Equity Fund - Gr	63.30	27.28	19.22	19.31	-	-
Reliance Equity Opportunities Fund - Gr	82.94	31.07	22.30	21.73	-	-
Reliance Growth Fund Gr	82.82	27.30	16.18	15.27	17.34	24.16
Reliance Long Term Equity Fund - Gr	117.10	36.78	22.27	19.19	-	-
Reliance Quant Plus Fund - Gr	47.53	20.97	13.92	-	-	-
Reliance Regular Savings Fund Equity Plan - Gr	76.42	26.54	16.03	15.89	-	-
Reliance Small Cap Fund - Gr	163.98	48.47	-	-	-	-
Reliance Top 200 Fund - Gr	75.42	28.65	18.15	-	-	-
Reliance Vision Fund Gr	90.45	27.05	15.59	13.86	14.76	19.66
Religare Invesco Contra Fund - Gr	93.55	31.09	18.84	17.92	-	-
Religare Invesco Equity Fund - Gr	41.20	23.75	15.80	-	-	-
Religare Invesco Growth Fund - Gr	54.79	24.77	16.36	-	-	-

MF NEWS

MF investment in IT stocks hits 9-month low in May

Fund manager's exposure to the software space has dropped to the lowest level in nine months to ₹22,986 crore at the end of May, amid weakness in the sector. According to latest data available with the Securities and Exchange Board of India (SEBI), mutual fund (MF) industry's investment in software stocks stood at ₹22,986 crore as on May 31, accounting for 10.25 per cent of their total equity assets under management (AUM) of ₹2.25 lakh crore. This was their lowest exposure in the software stocks since August 2013, when the total value of mutual fund investments in the sector stood at ₹20,284 crore. In comparison, the mutual fund exposure to software stocks was at ₹24,438 crore in April this year. Market participants attributed the decline in investment in software shares to profit-booking and their inclination towards banking stocks. Mutual fund managers raised their exposure in bank stocks to an all-time high of over ₹48,419 crore in May.

Fund houses to merge debt schemes having small AUM

Fund houses are likely to merge or wind up their debt schemes which are managing very small AUM in order to comply with a SEBI diktat which requires them to maintain a minimum of ₹20 crore assets during their lifetime. According to Value Research, there are 74 schemes which have AUM of below ₹20 crore. In the gilt category, some funds are managing assets as small as ₹4 lakh. Fund managers say that investors typically invest in gilt funds in anticipation of a rate cut. Since there have been no rate cuts, investors have moved out of gilt funds which has resulted in drastic fall in AUM in certain schemes. AMCs have not wound up these schemes because they would find it difficult to get SEBI approval to launch similar schemes in the future. Due to lack of appetite, fund officials said that it would be difficult for schemes which have very small AUM to raise fresh money from investors. Such schemes, they say will either have to be merged with other schemes. In 2011, SEBI had ordered fund houses to raise at least ₹10 crore in equity funds and Rs. 20 crore in debt funds in order to stop casual fund launches. Out of the ₹10 lakh crore total assets managed by the industry, 75% assets or ₹7.56 lakh crore AUM consist of debt funds.

SEBI, AMFI together want 25 percent of investor awareness corpus

SEBI and AMFI are said to have asked for 15% and 10% of investor awareness program (IAP) corpus available with the fund houses respectively. Both the regulator and the industry body together are expected to get ₹50 crore to carry out such investor awareness programs. A few days back AMFI had sent an internal circular to fund houses asking for 10% share of IAP corpus. So far, SEBI has not sent any formal communication to fund houses but industry officials have confirmed that SEBI is keen to get 15% of IAP corpus. Earlier, a senior SEBI official had reportedly suggested in a discussion with AMFI that a part of the 2 basis investor awareness budget be set aside for SEBI so that SEBI could carry out its own investor education campaign. Recently, SEBI Chairman U K Sinha has expressed his resentment with the IAPs and asked Chief Executive Officers and Trustees of fund houses to utilize the two basis corpus efficiently and check the quality of such program. Sinha said, 'SEBI was expecting that IAPs will have a great impact in increasing mutual fund penetration. Hence, I request all the CEOs and trustees of mutual fund houses to check the quality and manner in which they are being conducted.'

SIP RETURN AS ON 30TH JUNE 2014

Starting - July Month of	2013	2011	2009	2007	2004	2002
Years	1	3	5	7	10	12
Invested Amount	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000	14,40,000
Schemes (Diversified Equity)	Returns % - CAGR					
Religare Invesco Midcap Fund - Gr	105.79	36.65	24.85	22.39	-	-
SBI Contra Fund - Regular Div	53.94	19.75	10.84	9.97	13.14	20.57
SBI Emerging Businesses Fund - Regular Plan - Gr	68.01	25.57	21.50	20.66	-	-
SBI Magnum Blue Chip Fund - Gr	56.90	26.88	17.00	14.98	-	-
SBI Magnum Equity Fund - Div	48.40	21.68	14.58	14.09	15.65	18.66
SBI Magnum Global Fund 94 - Div	76.42	31.24	21.27	19.23	18.36	24.42
SBI Magnum MidCap Fund - Gr	92.52	38.08	23.56	19.01	-	-
SBI Magnum Multicap Fund - Gr	66.48	26.44	15.26	12.66	-	-
SBI Magnum Multiplier Plus 93 - Div	66.92	28.01	17.35	15.46	17.01	22.32
SBI Small & Midcap Fund - Gr	99.67	36.43	-	-	-	-
Sahara Growth Fund Gr	76.12	26.79	16.14	14.35	15.78	-
Sahara Midcap Fund - Gr	120.83	36.67	21.90	19.92	-	-
Sahara Wealth Plus Fund Variable - Gr	66.49	28.99	19.08	16.97	-	-
Sundaram Equity Multiplier Fund - Gr	74.46	24.12	14.12	12.29	-	-
Sundaram Growth Fund Gr	50.64	19.51	11.74	10.60	11.80	15.98
Sundaram Rural India Fund - Gr	60.53	22.41	14.84	13.07	-	-
Sundaram S.M.I.L.E. Fund - Gr	147.79	38.84	21.24	18.91	-	-
Sundaram Select Focus - Gr	53.20	21.32	12.53	10.91	13.21	-
Sundaram Select MidCap - Gr	111.16	36.25	22.96	21.38	21.21	-
Tata Dividend Yield Fund - Gr	57.72	22.70	16.59	17.13	-	-
Tata Equity Opportunities Fund - Gr	55.59	25.27	16.23	14.51	14.79	-
Tata Equity P/E Fund Gr	106.80	32.97	19.90	18.29	18.39	-
Tata Ethical Fund - Gr	50.53	26.31	18.26	16.84	16.42	20.47
Tata Mid Cap Growth Fund - Gr	105.90	36.11	22.34	19.02	16.77	-
Tata Pure Equity Fund - Gr	44.99	21.85	14.72	14.14	15.49	20.45
Taurus Bonanza Fund Gr	54.06	19.06	11.24	9.65	9.98	12.01
Taurus Starshare Growth	57.69	22.58	14.84	13.41	14.75	19.67
Templeton India Growth Fund Gr	63.55	23.00	13.99	14.09	15.30	19.13
UTI Dividend Yield Fund - Gr	58.63	20.63	14.19	14.99	-	-
UTI Equity Fund - Div	58.43	25.89	18.02	16.78	15.83	18.25
UTI Leadership Equity Fund - Gr	48.26	22.94	14.42	12.37	-	-
UTI MNC Fund - Gr	66.48	27.89	21.81	21.28	-	-
UTI Master Share - Div	51.43	21.34	13.98	12.94	13.41	-
UTI Mid Cap Fund - Gr	121.50	40.94	25.64	22.63	-	-
UTI Opportunities Fund - Gr	51.64	23.21	17.09	17.40	-	-
UTI Services Industries Fund - Gr	59.88	28.63	18.27	15.77	-	-
UTI Top 100 Fund - Gr	47.38	21.17	14.05	12.80	-	-
Average Returns	75.40	28.42	18.09	16.50	15.85	19.91
Maximum Returns	174.41	50.00	29.76	25.27	21.21	24.42
Minimum Returns	37.22	17.42	10.84	9.65	9.98	12.01

SIP RETURN AS ON 30TH JUNE 2014

Starting - July Month of	2013	2011	2009	2007	2004	2002
Years	1	3	5	7	10	12
Invested Amount	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000	14,40,000
Schemes (ELSS)	Returns % - CAGR					
Axis Long Term Equity Fund - Gr	76.30	34.48	-	-	-	-
BNP Paribas Tax Advantage Plan (ELSS) - Gr	65.52	28.62	19.65	16.06	-	-
BOI AXA Tax Advantage Fund - Regular - Growth	54.00	24.22	14.36	-	-	-
Birla Sun Life Tax Plan - Div	65.09	27.37	17.45	14.75	14.16	18.88
Birla Sun Life Tax Relief 96 Fund - Div	66.75	27.96	16.37	14.44	14.26	17.46
Canara Robeco Equity Tax Saver Fund - Div	57.51	24.07	16.59	17.23	18.39	20.90
DSP BlackRock Tax Saver Fund - Gr	70.62	29.68	18.78	17.05	-	-
DWS Tax Saving Fund - Gr	53.88	24.20	13.88	11.47	-	-
Franklin India Taxshield Gr	60.77	25.59	18.14	17.14	17.00	20.64
HDFC Long Term Advantage Fund - Gr	69.44	28.59	18.97	17.60	16.33	21.17
HDFC Tax saver - Div	94.27	31.60	19.83	18.66	18.24	23.51
ICICI Prudential Tax Plan-Gr	83.86	33.00	21.62	20.42	18.52	23.43
IDFC Tax Advantage (ELSS) Fund - Regular Gr	59.71	27.92	18.61	-	-	-
ING Tax Savings Fund - Gr	55.97	20.96	13.55	12.55	11.41	-
Kotak Tax Saver - Gr	58.07	19.66	12.24	11.08	-	-
L&T Tax Advantage Fund - Gr	58.77	24.07	16.36	16.11	-	-
LIC Nomura Tax Plan Gr	51.58	21.92	13.12	10.94	9.49	11.48
Principal Personal Tax Saver	61.74	25.38	15.18	13.05	13.33	16.49
Principal Tax Savings Fund	82.41	33.79	20.24	15.48	14.14	17.68
Quantum Tax Saving Fund - Gr Plan	63.09	27.20	18.95	-	-	-
Reliance Tax Saver Fund - Gr	131.06	40.10	25.30	21.93	-	-
Religare Invesco Tax Plan - Gr	70.60	28.49	19.21	18.36	-	-
SBI Magnum Tax Gain Fund - Div	69.38	28.35	17.74	15.41	16.38	23.66
Sahara Tax Gain Fund Gr	95.84	32.73	20.60	19.17	20.30	22.32
Sundaram Tax Saver - Div	57.01	22.41	13.49	12.33	14.26	19.36
Tata Tax Saving Fund - Div	57.72	24.59	16.39	14.75	13.79	17.76
Taurus Tax Shield - Gr	55.61	21.08	13.35	13.70	-	-
UTI Equity Tax Saving Plan - Div	52.53	22.00	13.89	12.15	11.53	14.59
Average Returns	67.83	27.14	17.18	15.49	15.10	19.29
Maximum Returns	131.06	40.10	25.30	21.93	20.30	23.66
Minimum Returns	51.58	19.66	12.24	10.94	9.49	11.48
S&P BSE SENSEX	42.25	20.93	13.26	12.10	13.09	15.83
CNX NIFTY	43.81	20.57	13.17	12.01	12.92	15.36

NEWS UPDATE

WPI inflation eases to 4-month low of 5.43% in June

The WPI based inflation fell to a four-month low of 5.43% in June against 6.01% in the previous month as the rate of food price rise declined and ironically onions turned cheaper. However, this may not dissuade RBI from maintaining a status quo on its policy rates next month since sub-normal monsoon threatens drought in some parts of the country. Geo-political crisis in west Asia are also likely to weigh. The food inflation, having a weight of 14.34%, dipped to 8.14% against 9.50% over the period, official data showed.

Mergers and acquisitions deals in H1 up 47% at \$17 billion

Mergers and acquisitions (M&As) in India witnessed a significant jump in the first six months this year to \$ 17.1 billion, up over 47 per cent year-on-year, says a report. The value of India targeted M&A activity was valued at \$ 17.1 billion in H1 2014, a 47.4 per cent increase from H1 2013 when it stood at \$ 11.6 billion, global deal tracking firm Mergermarket has said in the latest report. The April-June quarter of this year saw deals worth \$ 13.4 billion, accounting for 78 per cent of the total first half deal value.

IIP growth in May highest in 19 months

Industrial output in May grew by 4.7 per cent, the highest monthly rise since October 2012, giving further momentum to a 3.4 per cent rise in April and raising hope of a recovery. The growth in October 2012 was 8.4 per cent, while industrial production had contracted 2.5 per cent in May last year. The fact that 4.7 per cent growth is the next highest since the Index of Industrial Production (IIP) clocked 8.4 per cent growth itself shows the tepid performance in between. Cumulative growth during April-May, the first two months of this financial year, was four per cent, against a fall in output by 0.5 per cent in the first two months of 2013-14.

June factory activity grows at fastest pace since Feb

Manufacturing activity rose to a four-month high in June, albeit the pick-up was too gradual, shows a widely-tracked HSBC purchasing manager's index (PMI). The index rose 51.5 points in June from 51.4 points in the previous month. The reading above 50 points denotes expansion and one below it shows contraction. PMI has been slowly picking up pace since April. However, it was nowhere close to 52.5 points in February. Also, higher prices paid for metals, plastics, textiles, food and energy led to a further increase in average purchase prices, said Markit Economics, a financial information firm which compiles the PMI data. Input cost and output price inflation accelerated over the month, although in both cases the rates of increase were below their respective long-run averages, it said. Markit Economics said greater domestic and foreign demand led companies to increase production levels further. Buying activity expanded at a faster rate, while employment continued to rise. All three broad areas of the manufacturing sector registered higher production volumes, led by consumer goods producers.

SIP VALUE AS ON 30TH JUNE 2014

Starting - July Month of	2013	2011	2009	2007	2004	2002
Years	1	3	5	7	10	12
Invested Amount	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000	14,40,000
Schemes (Diversified Equity)	Investment Value ₹					
Axis Equity Fund - Gr	151,291	530,917	-	-	-	-
Axis MidCap Fund - Gr	181,345	626,305	-	-	-	-
BNP Paribas Dividend Yield Fund- Gr	156,978	527,398	953,851	1,602,773	-	-
BNP Paribas Equity Fund - Gr	153,623	528,889	945,378	1,436,259	-	-
BNP Paribas Midcap Fund - Gr	170,024	602,353	1,125,505	1,754,876	-	-
BOI AXA Equity Fund - Regular Plan Gr	150,556	498,800	838,671	-	-	-
Birla Sun Life Advantage Fund Gr	166,871	558,919	935,986	1,443,061	2,499,627	4,333,354
Birla Sun Life Dividend Yield Plus - Growth	162,349	506,511	898,693	1,564,716	2,895,834	-
Birla Sun Life Equity Fund - Gr	171,141	580,490	979,843	1,529,398	2,926,337	5,947,159
Birla Sun Life Frontline Equity Fund - Gr	154,015	535,147	944,022	1,552,706	3,159,526	-
Birla Sun Life India Opportunities Fund - Gr	167,335	601,036	1,023,928	1,604,205	2,518,940	3,959,364
Birla Sun Life Long Term Advantage Fund - Gr	159,658	544,131	949,936	1,510,262	-	-
Birla Sun Life MNC Fund Gr	162,732	559,970	1,071,581	1,917,077	3,521,164	6,127,556
Birla Sun Life Midcap Fund - Gr	173,615	556,706	946,514	1,560,273	3,038,588	-
Birla Sun Life Pure Value Fund - Gr	209,603	706,187	1,237,873	-	-	-
Birla Sun Life Small and Midcap Fund - Gr	175,729	574,911	996,962	1,626,015	-	-
Birla Sun Life Top 100 Fund - Gr	158,671	549,282	977,197	1,557,094	-	-
Canara Robeco Emerging Equities Fund - Gr	192,031	639,873	1,169,976	1,967,564	-	-
Canara Robeco Equity Diversified - Gr	151,548	505,430	907,663	1,527,833	-	-
Canara Robeco F.O.R.C.E. Fund - Regular Gr	150,449	496,706	-	-	-	-
DSP BlackRock Equity Fund - Reg. Plan - Div	164,070	522,663	905,834	1,479,974	3,071,428	6,351,995
DSP BlackRock Focus 25 Fund - Gr	153,801	488,441	-	-	-	-
DSP BlackRock Micro Cap Fund - Gr	187,136	611,625	1,102,260	1,919,131	-	-
DSP BlackRock Opportunities Fund - Gr	153,114	513,867	886,135	1,418,182	2,708,121	5,378,531
DSP BlackRock Small and Mid Cap - Reg Gr	182,477	588,137	1,044,661	1,795,597	-	-
DSP BlackRock Top 100 Equity Fund Gr	152,198	494,274	864,950	1,391,115	2,861,367	-
DSP BlackRock T.I.G.E.R. Fund - Gr	176,600	535,462	862,407	1,283,174	2,454,762	-
DWS Alpha Equity Fund - Gr	147,789	496,055	836,579	1,276,793	2,430,941	-
DWS Investment Opportunity Fund - Gr	147,618	492,553	818,254	1,243,759	2,398,592	-
Edelweiss Diversified Growth Equity Top 100 Fund - Gr	145,847	498,932	886,652	-	-	-
Franklin India Bluechip Fund Gr	146,724	480,836	850,646	1,391,648	2,706,580	5,128,143
Franklin India Flexi Cap Fund - Gr	158,727	534,723	937,053	1,529,193	-	-
Franklin India Opportunities Fund-Gr	154,710	505,100	858,320	1,296,237	2,330,266	4,185,575
Franklin India Prima Fund Gr	171,034	599,882	1,077,855	1,782,711	3,057,374	6,067,093
Franklin India Prima Plus Gr	154,910	519,819	927,573	1,497,679	2,974,529	5,706,681
Franklin India Smaller Companies Fund - Gr	179,800	652,210	1,169,430	1,923,371	-	-
HDFC Capital Builder-Gr	159,455	538,778	953,005	1,576,868	2,962,918	5,876,347
HDFC Core and Satellite Fund - Gr	177,189	542,108	914,325	1,496,609	-	-
HDFC Equity Fund - Div	170,497	557,770	976,716	1,669,219	3,385,733	6,814,581
HDFC Focused Large-Cap Fund - Gr	148,898	469,393	814,136	1,299,055	-	-
HDFC Growth Fund Gr	158,229	499,215	875,982	1,418,295	2,858,006	5,497,989
HDFC Mid Cap Opportunities Fund - Gr	177,043	603,195	1,133,121	1,973,328	-	-
HDFC Premier Multi-Cap Fund - Gr	172,502	527,835	893,620	1,448,212	-	-
HDFC Top 200 Fund - Div	163,042	535,279	935,259	1,569,565	3,240,193	6,582,299
HSBC Equity Fund - Gr	152,483	496,177	842,070	1,275,743	2,371,625	-
HSBC India Opportunities Fund - Gr	163,842	545,114	949,270	1,438,397	2,586,635	-
ICICI Prudential Value Discovery Fund Gr	178,670	616,051	1,123,498	2,051,909	-	-
ICICI Prudential Dynamic Plan-Cum	155,410	539,169	965,985	1,592,103	3,296,411	-
ICICI Prudential Exports and Other Services Fund - Gr	152,336	613,203	1,101,161	1,705,002	-	-
ICICI Prudential Focused Bluechip Equity Fund - Gr	150,495	515,208	937,356	-	-	-
ICICI Prudential MidCap Fund - Gr	189,680	621,447	1,051,318	1,631,887	-	-
ICICI Prudential Top 100 Fund - Gr	154,057	532,959	950,012	1,508,340	2,870,142	5,068,364
ICICI Prudential Top 200 Fund - Gr	158,114	534,249	926,036	1,462,218	2,714,482	5,100,941
IDFC Classic Equity Fund - Regular Plan - Gr	143,486	477,725	807,699	1,217,275	-	-
IDFC Equity Fund - Regular Plan - Gr	143,916	484,633	840,437	1,296,237	-	-
IDFC Imperial Equity Fund - Regular Plan - Gr	144,724	464,780	787,427	1,231,140	-	-
IDFC Premier Equity Fund - Regular Plan - Gr	163,281	554,535	1,031,520	1,816,975	-	-
IDFC Sterling Equity Fund - Regular Gr	160,897	529,503	959,134	-	-	-
ING Core Equity Fund Gr	155,323	505,112	877,500	1,367,957	2,518,237	4,223,919
ING Dividend Yield Fund Gr	154,869	501,011	896,321	1,559,244	-	-
JP Morgan India Equity Fund - Gr	152,078	502,407	879,190	1,375,066	-	-
JP Morgan India Smaller Companies Fund - Gr	181,445	622,305	1,119,148	-	-	-
Kotak 50 Equity Scheme Div	149,029	488,381	844,804	1,306,193	2,528,122	4,828,925
Kotak Classic Equity Fund - Gr	150,124	510,525	887,054	1,410,943	-	-
Kotak Midcap - Gr	171,273	546,205	963,589	1,536,609	-	-
Kotak Opportunities Fund - Gr	150,563	502,476	867,772	1,367,158	-	-
Kotak Select Focus Fund - Gr	155,318	530,228	-	-	-	-
L&T Equity Fund - Gr	155,361	511,666	902,596	1,477,305	-	-
L&T India Large Cap Fund - Gr	151,800	502,642	885,949	-	-	-
L&T India Special Situations Fund - Gr	158,071	535,810	955,499	1,553,958	-	-
L&T India Value Fund - Gr	176,943	602,730	-	-	-	-
L&T Midcap Fund - Cum	180,323	600,439	1,030,261	1,689,273	-	-
Mirae Asset Emerging Bluechip Fund - Gr	176,227	617,187	-	-	-	-
Mirae Asset India Opportunities Fund - Gr	158,867	545,574	987,371	-	-	-
PineBridge India Equity Fund Standard - Gr	155,953	509,615	891,453	1,419,239	-	-
Pramerica Large Cap Equity Fund - Gr	141,651	463,355	-	-	-	-
Principal Dividend Yield Fund - Gr	159,586	504,058	874,784	1,394,121	-	-
Principal Emerging Bluechip Fund - Gr	174,264	608,413	1,044,959	-	-	-
Principal Growth Fund Gr	165,356	573,873	976,475	1,452,853	2,349,589	3,978,149
Principal Large Cap Fund - Gr	154,813	515,474	890,619	1,453,971	-	-
Quantum Long Term Equity Fund - Gr	155,725	529,759	963,574	1,663,351	-	-
Reliance Equity Opportunities Fund - Gr	165,879	556,914	1,037,606	1,811,423	-	-
Reliance Growth Fund Gr	165,818	529,939	895,295	1,441,710	2,969,891	6,913,687
Reliance Long Term Equity Fund - Gr	182,808	599,455	1,036,701	1,656,145	-	-
Reliance Quant Plus Fund - Gr	147,306	486,620	847,205	-	-	-
Reliance Regular Savings Fund Equity Plan - Gr	162,543	524,601	891,910	1,473,603	-	-
Reliance Small Cap Fund - Gr	204,851	693,260	-	-	-	-
Reliance Top 200 Fund - Gr	162,030	539,440	938,937	-	-	-
Reliance Vision Fund Gr	169,674	528,182	882,432	1,371,286	2,586,803	5,106,468
Religare Invesco Contra Fund - Gr	171,227	557,014	954,744	1,583,341	-	-
Religare Invesco Equity Fund - Gr	143,846	505,320	887,014	-	-	-
Religare Invesco Growth Fund - Gr	151,215	512,336	899,239	-	-	-

NEWS UPDATE

April-May fiscal deficit at \$40.05 bn

India's fiscal deficit in the first two months of the 2014/15 financial year touched 2,408.37 billion rupees (\$40.05 bn), or 45.6% of the full-year target, government data showed. The deficit was 33.3% during the comparable period in the previous fiscal year. Net tax receipts were at 286.51 billion rupees in the first two months of the current fiscal year to March 2014, while total expenditure was about 2.8 trillion rupees.

India has potential to be largest economy: Sheryl Sandberg

India, an emerging global economic power, has the potential to become the largest economy in the world, Facebook Chief Operating Officer (COO) Sheryl Sandberg has said. Sandberg, who served as Chief of Staff for the US Treasury Department under President Bill Clinton, said the over \$2 trillion Indian economy has immense potential to create jobs and drive growth, especially with its huge base of small and medium businesses (SMBs). Micro, small and medium businesses contribute nearly eight per cent of India's GDP, 45% of the manufacturing output and 40 per cent of exports. The sector is estimated to have given employment to about 595 lakh people in over 261 lakh such enterprises throughout the country. India, which is considered as one of the fastest growing economies in the world, saw its growth rate plummeting to less than five per cent in the last two years. However, the industry is hopeful of a rebound with a new stable government led by Prime Minister Narendra Modi, who is widely perceived as a pro-business leader. The International Monetary Fund has projected a growth rate of 6.4% next year, in line with the gradual strengthening of global markets.

Core industries growth slows to 2.3% in May

The eight core industries output grew 2.3 percent in May 2014 as compared to 4.2 percent in previous month and 5.9 percent in May last year. These eight industries account for 38 percent of the index of industrial production. While four industries - coal, fertilisers, cement and electricity saw a growth in output in May 2014, the other four industries - crude oil, natural gas, refinery products and steel recorded a contraction in output. While coal production output grew 5.5 percent in May on a year-on-year basis, fertilisers saw a 17.6 per cent growth for the month under review. Cement and electricity output grew 8.7 percent and 6.3 percent respectively.

AUM-to-GDP ratio in India only 7%: PwC report

Though asset base of fund houses crossed the Rs 10-trillion-mark last month, the industry has to tread a long way to catch up with the world when it comes to AUM-to-GDP ratio, says a PwC report. The mutual fund penetration in the country is very low compared to global and peer benchmarks. The AUM-to-GDP ratio currently stands at 7% - 8% compared to a global average of 37%, according to a PwC-CII report. The report also noted that the fund houses badly need to tap the large untapped market as a whopping 74% of the current assets under management (AUM) come from the top five cities, 13% from the next top 10 cities and 6% from the next top 20 cities with the next 75 cities contributing a paltry 3%. There was no change in this break-up since 2009.

SIP VALUE AS ON 30TH JUNE 2014

Starting - July Month of	2013	2011	2009	2007	2004	2002
Years	1	3	5	7	10	12
Invested Amount	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000	14,40,000
Schemes (Diversified Equity)	Investment Value ₹					
Religare Invesco Midcap Fund - Gr	177,294	598,461	1,102,599	1,854,286	-	-
SBI Contra Fund - Regular Div	150,760	478,512	785,673	1,194,563	2,372,806	5,428,257
SBI Emerging Businesses Fund - Regular Plan - Gr	158,191	517,860	1,017,826	1,744,641	-	-
SBI Magnum Blue Chip Fund - Gr	152,339	526,951	913,314	1,426,726	-	-
SBI Magnum Equity Fund - Div	147,776	491,335	861,061	1,382,868	2,713,422	4,778,188
SBI Magnum Global Fund 94 - Div	162,544	558,128	1,012,321	1,658,595	3,137,911	7,032,784
SBI Magnum MidCap Fund - Gr	170,709	609,479	1,069,326	1,645,729	-	-
SBI Magnum Multicap Fund - Gr	157,390	523,893	875,368	1,314,312	-	-
SBI Magnum Multiplier Plus 93 - Div	157,623	534,928	921,014	1,451,448	2,918,456	6,108,752
SBI Small & Midcap Fund - Gr	174,273	596,772	-	-	-	-
Sahara Growth Fund Gr	162,391	526,339	894,288	1,395,625	2,732,228	-
Sahara Midcap Fund - Gr	184,606	598,653	1,027,634	1,699,595	-	-
Sahara Wealth Plus Fund Variable - Gr	157,398	541,919	960,257	1,531,174	-	-
Sundaram Equity Multiplier Fund - Gr	161,536	507,856	851,311	1,297,085	-	-
Sundaram Growth Fund Gr	148,988	476,939	803,270	1,221,731	2,210,503	3,996,033
Sundaram Rural India Fund - Gr	154,266	496,225	866,440	1,333,668	-	-
Sundaram S.M.I.L.E. Fund - Gr	197,375	615,345	1,011,418	1,640,160	-	-
Sundaram Select Focus - Gr	150,362	488,913	818,861	1,235,087	2,381,894	-
Sundaram Select MidCap - Gr	179,923	595,429	1,054,153	1,789,672	3,657,971	-
Tata Dividend Yield Fund - Gr	152,774	498,194	904,143	1,539,843	-	-
Tata Equity Opportunities Fund - Gr	151,642	515,782	896,274	1,403,177	2,591,619	-
Tata Equity P/E Fund Gr	177,791	570,826	979,494	1,604,569	3,142,850	-
Tata Ethical Fund - Gr	148,926	522,987	941,414	1,524,093	2,827,479	5,394,511
Tata Mid Cap Growth Fund - Gr	177,346	594,398	1,038,422	1,646,261	2,880,124	-
Tata Pure Equity Fund - Gr	145,922	492,468	864,004	1,385,265	2,690,384	5,384,281
Taurus Bonanza Fund Gr	150,825	474,007	793,505	1,181,443	2,006,975	3,074,792
Taurus Starshare Growth	152,759	497,381	866,459	1,349,685	2,585,373	5,109,706
Templeton India Growth Fund Gr	155,855	500,194	848,817	1,382,652	2,663,036	4,930,985
UTI Dividend Yield Fund - Gr	153,257	484,361	852,794	1,427,490	-	-
UTI Equity Fund - Div	153,153	520,042	936,004	1,520,768	2,738,761	4,647,779
UTI Leadership Equity Fund - Gr	147,701	499,838	857,719	1,300,892	-	-
UTI MNC Fund - Gr	157,393	534,100	1,025,401	1,783,230	-	-
UTI Master Share - Div	149,410	489,051	848,420	1,327,141	2,407,807	-
UTI Mid Cap Fund - Gr	184,932	631,843	1,123,471	1,869,874	-	-
UTI Opportunities Fund - Gr	149,525	501,619	915,193	1,554,373	-	-
UTI Services Industries Fund - Gr	153,918	539,340	941,762	1,467,474	-	-
UTI Top 100 Fund - Gr	147,224	487,893	850,005	1,321,022	-	-
Average Amount	161,726	539,252	941,519	1,517,283	2,764,334	5,283,225
Maximum Amount	209,603	706,187	1,237,873	2,051,909	3,657,971	7,032,784
Minimum Amount	141,651	463,355	785,673	1,181,443	2,006,975	3,074,792

SIP VALUE AS ON 30TH JUNE 2014

Starting - July Month of	2013	2011	2009	2007	2004	2002
Years	1	3	5	7	10	12
Invested Amount	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000	14,40,000
Schemes (ELSS)	Investment Value ₹					
Axis Long Term Equity Fund - Gr	162,482	582,101	-	-	-	-
BNP Paribas Tax Advantage Plan (ELSS) - Gr	156,888	539,254	973,506	1,482,764	-	-
BOI AXA Tax Advantage Fund - Regular - Growth	150,789	508,493	856,314	-	-	-
Birla Sun Life Tax Plan - Div	156,667	530,391	923,273	1,415,152	2,504,993	4,848,443
Birla Sun Life Tax Relief 96 Fund - Div	157,531	534,579	899,265	1,400,124	2,519,088	4,410,214
Canara Robeco Equity Tax Saver Fund - Div	152,661	507,496	904,093	1,545,105	3,142,883	5,552,222
DSP BlackRock Tax Saver Fund - Gr	159,550	546,859	953,284	1,535,330	-	-
DWS Tax Saving Fund - Gr	150,728	508,387	846,531	1,259,974	-	-
Franklin India Taxshield Gr	154,390	517,934	938,679	1,540,577	2,916,478	5,456,435
HDFC Long Term Advantage Fund - Gr	158,937	539,032	957,845	1,565,901	2,813,400	5,654,458
HDFC Tax saver - Div	171,586	560,767	977,895	1,625,661	3,117,512	6,616,694
ICICI Prudential Tax Plan-Gr	166,345	571,040	1,020,800	1,729,890	3,163,881	6,580,529
IDFC Tax Advantage (ELSS) Fund - Regular Gr	153,830	534,283	949,595	-	-	-
ING Tax Savings Fund - Gr	151,843	486,508	839,541	1,309,390	2,165,051	-
Kotak Tax Saver - Gr	152,961	477,919	813,124	1,242,784	-	-
L&T Tax Advantage Fund - Gr	153,333	507,524	899,244	1,485,416	-	-
LIC Nomura Tax Plan Gr	149,491	492,946	830,867	1,236,313	1,956,025	2,968,419
Principal Personal Tax Saver	154,901	516,497	873,620	1,332,626	2,397,547	4,131,782
Principal Tax Savings Fund	165,610	576,920	987,544	1,452,360	2,502,556	4,474,823
Quantum Tax Saving Fund - Gr Plan	155,612	529,187	957,278	-	-	-
Reliance Tax Saver Fund - Gr	189,501	625,216	1,114,423	1,824,370	-	-
Religare Invesco Tax Plan - Gr	159,537	538,312	963,410	1,608,153	-	-
SBI Magnum Tax Gain Fund - Div	158,905	537,321	929,802	1,449,084	2,821,326	6,685,505
Sahara Tax Gain Fund Gr	172,370	569,036	996,159	1,655,145	3,481,943	6,107,643
Sundaram Tax Saver - Div	152,399	496,219	838,335	1,298,807	2,518,732	5,006,257
Tata Tax Saving Fund - Div	152,775	511,087	899,791	1,415,288	2,456,874	4,499,210
Taurus Tax Shield - Gr	151,652	487,317	835,557	1,363,754	-	-
UTI Equity Tax Saving Plan - Div	150,004	493,453	846,695	1,290,658	2,178,618	3,643,447
Average Amount	157,974	529,503	919,499	1,461,026	2,666,057	5,109,072
Maximum Amount	189,501	625,216	1,114,423	1,824,370	3,481,943	6,685,505
Minimum Amount	149,491	477,919	813,124	1,236,313	1,956,025	2,968,419
S&P BSE SENSEX	144,427	486,330	833,676	1,288,460	2,366,900	3,954,131
CNX NIFTY	145,277	483,964	831,877	1,284,302	2,345,780	3,833,254

NEWS UPDATE

India Inc's biz confidence up post new govt formation: CII

The industry is upbeat on India's growth prospects after the new government led by Prime Minister Narendra Modi took charge at the Centre, according to the Business Outlook Survey by CII. Indicating a sharp improvement in investor's sentiments amidst heightened expectations that the new government means business, most respondents exuded confidence about prospects related to economic growth, decline in price rise and twin deficits - fiscal and CAD recovery in exports, buoyant foreign capital inflows and strengthening of the rupee. Consequently, the CII Business Confidence Index for the April-June quarter inched up to 53.7 from 49.9 in the previous quarter. The number 50 is the dividing line on the index between positive and weak business confidence.

Securitised retail assets dip 6% to ₹28,300 cr in FY14: Care

Securitised retail assets dipped 6% to ₹ 28,300 crore in FY14 from ₹30,300 crore a year ago, and down 29% from the peak ₹ 40,000 crore in FY12, as the market moved to direct assignment route which is more attractive for both originators and investors, as per a report. As per a report by domestic rating agency Care Ratings, the direct assignment route constituted the lion's share of the total volume at ₹21,000 crore in FY14. This was despite clarity on the taxation front as well as RBI guidelines on reset for credit enhancement (CE) for securitisation, which will help boost capital relief for the originators by the partial release of CE, the Care report said. However, the RBI circular on change in treatment of the rural infrastructure development fund (RIDF) and certain other funds under priority sector guidelines has come as a relief for banks, but this could have a negative impact on new securitisation issuances going forward, the report warned.

Rise in industrial production could bottom out economy: CII

Commenting on the Index of Industrial Production (IIP) figures released for May 2014-25, Chandrajit Banerjee, Director General of Confederation of Indian Industry (CII) said that the rise in industrial production for the second month in a row provides a glimmer of hope that the economy could be bottoming out and recovery could be on the anvil. He also said that no doubt, the favourable base effect of last year and the double digit export growth experienced during the month could have also contributed in boosting industrial activity during the month, but the overall trend is positive. CII anticipates a further rebound in industrial production as the reform-oriented and forward looking Budget would boost business confidence, leading to the turnaround of the investment cycle. CII hopes that the government would implement and follow up on the policy announcements made in the Budget and in addition look at policies outside the Budget to sustain the 'feel good' factor in the economy.