

# Financial Pulse 2.0

October, 2014

## Sensex, Nifty hit record highs, shrug off Fed's hawkish tone

The S&P BSE Sensex and CNX Nifty rose nearly 1% to a record high on Thursday, 30<sup>th</sup> October, 2014 as investors bet an improving economy and government reforms would allow the country to better withstand potential rate hikes by the US Federal Reserve than other emerging markets. The Nifty has gained nearly 31% in US dollar terms so far this year to remain Asia's best performing equity index, helped by optimism tied to the election of Narendra Modi as Prime Minister.



**Read more at:**

[http://www.livemint.com/Money/POH9Lawf6gaPH5hBLtqDN/Sensex-trades-flat-Dr-Reddys-Infosys-gain.html?utm\\_source=copy](http://www.livemint.com/Money/POH9Lawf6gaPH5hBLtqDN/Sensex-trades-flat-Dr-Reddys-Infosys-gain.html?utm_source=copy)

## India ranks 142 in latest "Ease of Doing Business" report: World Bank

India has slipped further on the World Bank's 'Ease of Doing Business' index, at 142 among 189 countries as on June 1 from 134 last year, but the global lender has taken care to distance from this slide the NDA government which took charge barely a week earlier and soon set about improving the country's business environment and perception among overseas investors.



**Read more at:**

<http://articles.economictimes.indiatimes.com/2014-10->

## Companies that split stocks make smart gains in the market

Of the 38 companies that split their stocks so far this year, 26 have risen. The markets have spiralled since January this year and small-cap stocks have fared even better. But there's a small set of stocks that have offered especially rich pickings for investors: companies that announced stock splits. Of the 38 companies that have split their stock so far this year, 26 have gained since the announcement. Half of them have jumped over 20 per cent if held till date.

Top gainers	
Companies	Returns* (%)
Premier Capital Services	225
Greencrest Financial Services	220
JBM Auto	154
Rekvina Laboratories	145
Orosil Smith	142
Cubical Financial Services	109
Alkyl Amines	103

\*Since the date of announcement till Oct 18

**Read more at:** <http://www.thehindubusinessline.com/todays-paper/tp-markets/companies-that-split-stocks-make-smart-gains-in-the-market/article6513201.ece>

## Apr-Sep fiscal deficit nears 83% of full-year

India's fiscal deficit reached 82.6% of the budget estimate in the first half of the fiscal year itself—an indication of the challenge the Narendra Modi-led National Democratic Alliance(NDA) government faces to stay within the target.



In the April-September period, India's fiscal deficit was Rs.4.38 trillion against a full year estimate of Rs.5.31 trillion, according to data released by the controller general of accounts.

**Read more at:** [http://www.livemint.com/Politics/JIVeB7EyEqvJImOixBiOI/AprilSeptember-fiscal-deficit-nears-83-of-full-year-target.html?utm\\_source=copy](http://www.livemint.com/Politics/JIVeB7EyEqvJImOixBiOI/AprilSeptember-fiscal-deficit-nears-83-of-full-year-target.html?utm_source=copy)

## Government proposes FTIL-NSEL merger

The government proposed a merger of the National Spot Exchange (NSEL), the failed commodities trading bourse, with its parent Financial Technologies (FTIL), to pay back about Rs 5,600



crore to investors who had traded on NSEL till it went bust in July 2013. Besides investors, the move is also expected to benefit a large number of speculators who once traded recklessly on NSEL just to make a quick

buck. The government has now invited suggestions and objections from shareholders and creditors to the proposal within the next two months. The government proposal sent FTIL stock into a tailspin, which closed at the 20% lower circuit limit at Rs 170 on the BSE. FTIL held nearly 100% of NSEL when it went bust in July 2013. **Read more at:** <http://timesofindia.indiatimes.com/Business/India-Business/Government-proposes-FTIL-NSEL-merger/articleshow/44904556.cms>

## Sensex gains 26% since last Diwali

The just-ended Samvat 2070 has turned out to be the best in the last six years with the sensx gaining 26% and investors' wealth, measured by BSE's market capitalization, going up 37%. The feel-good rally was backed largely by the change of government at the Centre. To put the Modi factor's contribution to market dynamics in perspective, the sensx has gained 12% since May16, 2014 - the day the Lok Sabha elections' results were announced with the BJP winning a majority under Narendra Modi's leadership. Since last Diwali in early November 2013, the sensx has rallied from around 21,200 to its current close - a tad below the 26,800 mark. Similarly, the nifty on the NSE on Wednesday closed just shy of the



psychologically important 8K mark. **Read more at:** <http://timesofindia.indiatimes.com/business/india-business/Sensex-gains-26-since-last-Diwali/articleshow/44913012.cms>

## Govt announces austerity measures to narrow deficit

India announced a slew of austerity measures, including a 10% cut in certain types of government spending and curbs on foreign travel and conferences, to meet its deficit-reduction goal amid slower-than-estimated



revenue growth and spiralling expenses. The government is aiming to narrow the nation's fiscal deficit to 4.1% of gross domestic product (GDP) for the current fiscal, a goal that has been termed as challenging by economists as well as the government, prompting the expenditure-reduction measures on Thursday. **Read more at:** [http://www.livemint.com/Politics/t9ECKiXobGwwOUBt5iqyNI/Finance-ministry-orders-smallbore-austerity-measures.html?utm\\_source=copy](http://www.livemint.com/Politics/t9ECKiXobGwwOUBt5iqyNI/Finance-ministry-orders-smallbore-austerity-measures.html?utm_source=copy)

## India's GDP to Grow 5.6 Percent this Fiscal: World Bank

The World Bank's "India Development Update" released here said: "India's economic growth is expected to rise to 5.6 percent in FY15, followed by further acceleration to 6.4 percent and 7 percent in FY 2016 and FY 2017." It said identifying the goods and services tax (GST) as the most important economic reform that the new government should undertake for faster growth. The update said: "Capital flows are back, signalling growing investor confidence as inflation has moderated from double digits, exchange rate has stabilised, and financial sector stress has plateaued." **Read more at:** <http://www.newindianexpress.com/business/news/Indias-GDP-to-Grow-5.6-Percent-this-Fiscal-World-Bank/2014/10/27/article2495897.ece>

## Japan's SoftBank to invest \$10 billion in India

SoftBank plans to invest more than \$10 billion in India over the next few years, the government said, after Prime Minister Narendra Modi and telecom minister Ravi Shankar Prasad separately met the Japanese telecom and internet giant's chairman Masayoshi Son on Monday, 27<sup>th</sup> October. Son pegged India as the company's top priority. In his meeting with Prasad, Son highlighted the company's bullish outlook for India's e-commerce sector, but requested the minister to iron out various spectrum-related issues and develop a robust mobile infrastructure. With a market cap of \$92 billion, SoftBank is one of the biggest telecom and internet groups in Japan with operations in broadband, fixed line telecom, e-commerce, finance, media and marketing. **Read more at:** <http://economictimes.indiatimes.com/news/economy/finance/japans-softbank-to-invest-10-billion-in-india/articleshow/44950265.cms>

## Brent crude oil slips below \$86 on strong supply, New York Ebola case

Brent crude for Dec fell by more than \$1 to a low of \$85.62, and was trading around \$85.90. Brent crude oil fell below \$86 a barrel on Friday, 24<sup>th</sup> October on news of strong supply from Middle Eastern Opec (Organization of the Petroleum Exporting Countries) producers and as a confirmed case of Ebola in New York spooked global equities markets. Iraq increased its oil supply in October, and Libya's production remained high, despite deep instability in both countries. Analysts said on Friday that the market had overreacted on the up side, given the increase in production. **Read more**

**at:** [http://www.livemint.com/Money/ITPteLUsbWYcqUOnYWwAgN/Brent-slips-towards-86-as-New-York-Ebola-case-hits-risk-app.html?utm\\_source=ref\\_article](http://www.livemint.com/Money/ITPteLUsbWYcqUOnYWwAgN/Brent-slips-towards-86-as-New-York-Ebola-case-hits-risk-app.html?utm_source=ref_article)



## China launches World Bank's rival AIIB in Asia

Australia, Indonesia and South Korea skipped the launch of a China-backed Asian infrastructure bank on Friday, 24<sup>th</sup> October as the United States said it had concerns about the new rival to Western-dominated multilateral lenders.

China's proposed \$50 billion Asian Infrastructure Investment Bank (AIIB) is seen as a challenge to the World Bank and Asian Development Bank, both multilateral lenders that count Washington and its allies as their biggest financial backers. **Read more at:** [http://www.livemint.com/Politics/tjdx86kAvM1Q9TjfAFy rFJ/China-launches-World-Banks-rival-AIIB-in-Asia.html?utm\\_source=copy](http://www.livemint.com/Politics/tjdx86kAvM1Q9TjfAFy rFJ/China-launches-World-Banks-rival-AIIB-in-Asia.html?utm_source=copy)



## US Federal Reserve's \$4 trillion holdings to boost growth beyond end of QE

As the Federal Reserve prepares to end its third round of bond buying next week, the central bank plans to hang on to the record \$4.48 trillion balance sheet it has accumulated since announcing the first round of purchases in November 2008. That will continue to keep a lid on borrowing costs, helping the Fed lift inflation closer to its target and providing support to a five-year expansion facing headwinds abroad, from war in the Mideast to slowing growth in Europe and China. **Read more at:** [http://articles.economictimes.indiatimes.com/2014-10-25/news/55422034\\_1\\_fed-board-federal-reserve-balance-sheet](http://articles.economictimes.indiatimes.com/2014-10-25/news/55422034_1_fed-board-federal-reserve-balance-sheet)



## Government makes Corporate Social Responsibility spending mandatory for public sector companies

Coming out with revised guidelines, the government has made it mandatory for all profit-making central public sector companies to spend money on CSR activities. Besides, these enterprises cannot include money spent on sustainable development efforts under the Corporate Social Responsibility (CSR) ambit. "Amount spent on sustainability initiatives in the pursuit of sustainable development while conducting normal business activities would not constitute a part of the CSR spend from two per cent of the profits as stipulated in the Act and the CSR Rules," DPE, the nodal agency for all public sector companies, has said. Besides, the public sector entities are required to carry forward the unspent CSR funds to the next year. **Read more at:** [http://articles.economictimes.indiatimes.com/2014-10-26/news/55446744\\_1\\_unspent-csr-amount-csr-rules-csr-activities](http://articles.economictimes.indiatimes.com/2014-10-26/news/55446744_1_unspent-csr-amount-csr-rules-csr-activities)

## Services sector FDI dips 9% to \$1.08 billion in April-August

Foreign direct investment in the services sector dipped by 9 per cent to \$1.08 billion during the April-August period of the ongoing fiscal. The services sector, which includes banking, insurance, outsourcing, R&D, courier and technology testing, had received FDI worth \$1.19 billion during the first five months of the previous fiscal, 2013-14, according to the data by Department of Industrial Policy and Promotion. Due to decline in important sectors like services, overall foreign inflows have dipped by about 10 per cent in August. The other sectors like construction, pharmaceuticals, automobile and metallurgical industries have also recorded a decline in FDI. **Read more at:** [http://articles.economictimes.indiatimes.com/2014-10-26/news/55446636\\_1\\_services-sector-overall-foreign-inflows-insurance-sector](http://articles.economictimes.indiatimes.com/2014-10-26/news/55446636_1_services-sector-overall-foreign-inflows-insurance-sector)



## RBI Governor Raghuram Rajan awarded Best Central Bank Governor by Euromoney

Reserve Bank governor Raghuram Rajan has been conferred with the Best Central Bank Governor award for 2014 by Euromoney magazine.



Euromoney said Raghuram Rajan's tough monetary medicine combatted the storm ravaging the deficit-ridden economy in the recent emerging market crisis. **Read more at:** [http://articles.economictimes.indiatimes.com/2014-10-15/news/55059291\\_1\\_rbi-governor-raghuram-rajan-central-bank-governor-euromoney-magazine](http://articles.economictimes.indiatimes.com/2014-10-15/news/55059291_1_rbi-governor-raghuram-rajan-central-bank-governor-euromoney-magazine)

## Tata Motors raises \$750 million in Forex bond sale; gets better pricing

The country's largest auto maker Tata Motors has raised \$750 million from Asian and European investors by selling a dual tranche bond issue which got an over subscription of six times at \$4.5 billion. It had sold \$300 million worth bonds in April at a coupon of 5.53 per cent for a five-year money, indicating better operating environment for the company. The proceeds from the issue will be used to refinance external commercial borrowings, capital expenditure and for general corporate purposes, the company said in a statement. **Read more at:**



**at:** <http://economictimes.indiatimes.com/articleshow/44938862.cms>

## Wipro invests additional \$8.2 million in Opera Solution

Azim Premji-led Wipro Ltd, India's third-largest software services provider, has entered into a Series G preferred unit purchase agreement to invest an additional \$8.2 million into New Jersey-headquartered Opera Solutions LLC, a provider of Big Data predictive and prescriptive analytics solutions. **Read more at:**

**at:** <http://www.thehindu.com/business/Industry/wipro-invests-additional-82-million-in-opera-solution/article6527304.ece>

## FIPB approves 20 FDI proposals worth Rs. 988 cr

The Finance Ministry has cleared 20 FDI proposals including 6 in the pharma sector envisaging a total inflow of Rs. 988.3 crore. The proposals of Fresenius Kabi Oncology for Rs. 119 crore and Amneal Pharmaceuticals Company's for up to Rs. 205 crore have been approved by the Foreign Investment Promotion Board (FIPB), a multi-department panel headed by Finance Secretary. Indusind Bank's proposal seeking increase in foreign investment in the bank to 74 per cent has also been cleared. **Read more at:** <http://www.thehindubusinessline.com/economy/fipb-okays-20-fdi-proposals-worth-rs-988-cr/article6530629.ece>

## China economy grows at slowest pace in 5 years



China's economic growth waned to a five-year low of 7.3 percent last quarter, raising concerns of a spillover effect on the global economy but falling roughly in line with Chinese leaders' plans for a controlled slowdown. The third quarter figures, released Tuesday, put China on course for annual growth somewhat lower than the 7.5 percent targeted by leaders, though they have indicated there is wiggle-room in their plan. The world's No. 2 economy grew 7.5 percent from a year earlier in the previous quarter and 7.4 percent in the first quarter. Employment, however, remained strong through the third quarter and the service industries that leaders want to promote have done well this year despite the downturn. **Read more at:** [http://articles.economicstimes.indiatimes.com/2014-10-21/news/55279810\\_1\\_china-economy-national-bureau-julian-evans-pritchard](http://articles.economicstimes.indiatimes.com/2014-10-21/news/55279810_1_china-economy-national-bureau-julian-evans-pritchard)

## Energy sector reforms: Govt to take Ordinance route for e-auction of coal mines

In a major move towards energy sector reforms, the Cabinet today recommended promulgation of an

Ordinance to facilitate e-auction of coal blocks for private companies for captive use and allot mines directly to state and central PSUs. The move comes against the backdrop of the Supreme Court last month quashing allocation of 214 coal blocks to various companies since 1993. **Read more at:** <http://www.financialexpress.com/news/energy-sector-reformxs-govt-to-take-ordinance-route-for-eauction-of-coal-mines/1300344>



## Govt hikes natural gas price by 33.33 per cent to USD 5.61 per unit

The government on Saturday approved raising natural gas price to US \$5.61 per million British thermal units (mmBtu) from November 1 but Reliance Industries (RIL) will continue to get the current US \$4.2 rate till it makes up for shortfall in output from KG-D6



The Cabinet modified the Rangarajan formula approved by previous UPA government to bring down the increase in natural gas rates from US \$8.4 to US \$5.61, FinMin Arun Jaitley said. **Read More at:** <http://businesstoday.intoday.in/story/govt-hikes-natural-gas-price-cng-new-formula-jaitley-cabinet/1/211544.html>

## India, Finland to double bilateral trade to \$2 b

We are aware of the Make in India programme and I think it's possible that Finnish businesses take part and produce in India. Specifically we consider green technology as an opportunity for the future," said Niinistö after the meeting with the Indian President in Helsinki. India and Finland have agreed to double bilateral trade to \$2 billion over the next three years. To achieve this target the two countries signed as many as 19 agreements for cooperation across various areas including education, biotechnology, nuclear and radiation safety and renewable energy.

**Read more at:** <http://www.thehindubusinessline.com/todays-paper/tp-news/india-finland-to-double-bilateral-trade-to-2-b/article6504137.ece>

## How Flipkart, Amazon and Snapdeal fund discounts

E-commerce companies including Flipkart, Amazon and Snapdeal are funding discounts on their sites using mechanisms as complex as the



have adopted to circumvent foreign direct investment (FDI) laws in India. The three major e-commerce companies operating in India—Flipkart, Amazon and Snapdeal—all operate as marketplaces. That's primarily because Indian law doesn't allow FDI in e-commerce sites that sell directly to customers, but allows it in marketplaces that link sellers and buyers. **Read more**

**at:** [http://www.livemint.com/Industry/boWA7iCWJ2sa6eDrN4YdL/How-Flipkart-Amazon-and-Snapdeal-fund-discounts.html#nav=most\\_read?utm\\_source=copy](http://www.livemint.com/Industry/boWA7iCWJ2sa6eDrN4YdL/How-Flipkart-Amazon-and-Snapdeal-fund-discounts.html#nav=most_read?utm_source=copy)

## Stop this dithering on banking reforms

For too long have political forces and vested interests stalled the dilution of government holding in banks Central to the financial sector reforms would be the restructuring and financing of public sector banks. The Narasimham Committee II on Banking Sector Reforms (1998) concluded that the fisc just could not meet the capital requirements of



PSBs. Accordingly, it recommended that the minimum government holding in PSBs should be reduced from 51 per cent to 33 per cent. **Read more at:** <http://www.thehindubusinessline.com/todays-paper/tp-opinion/stop-this-dithering-on-banking-reforms/article6508543.ece>

## Capitalisation, asset quality are challenges: Fitch

The banking system has two main challenges — asset quality and capitalisation — with the largest issues residing with state-owned banks, according to Fitch Ratings. The large privately-owned banks are best-positioned to capitalise on India's recovery with limited asset quality issues and adequate

capitalisation together with scale benefits and low/moderate funding costs. "Of the state-owned banks, State Bank of India and Bank of Baroda appear relatively better positioned," said the credit rating agency in its report "What Investors Want to Know: EM Banks." On asset quality, Fitch expects system-stressed assets (defined as non-performing and restructured loans) to start reducing during 2015, but only gradually, as the large stock will take time to resolve. State-owned banks reported high stressed assets of around 12 per cent at end-2013-14, compared with around 4 per cent for private banks and 10 per cent for the system. Fitch said it expects Indian banks to require over \$200 billion in capital to be better positioned for growth and to meet the new phase in Basel-III capital requirements.

## Why Skype is skipping India

Is it uncertainty over regulation or arm-twisting by telcos? Either way, it's time to rethink regulations on Internet telephony Microsoft's announcement that it is shutting down its voice calls originating from Skype applications to devices connected to telecom (landline/mobile) networks within India is startling. This, when Google and Whatsapp are trying to extend their services from pure play Internet Telephony to voice calls to devices on the telecom network. **Read more at:** <http://www.thehindubusinessline.com/todays-paper/tp-opinion/why-skype-is-skipping-india/article6513276.ece>



## E-commerce boom: Temporary jobs open up, salaries reach for the stars

The rapidly growing e-commerce industry is becoming a job generator, with 1 lakh temporary jobs being added in the quarter ending December 2014 vis-a-vis 30,000 last year. In addition, there has been an up to 100% jump in salaries of temporary workers in certain entry-level roles in this sector compared with last year, according to the top staffing companies in India. "As the volumes of these companies grow, the



temporary staffing numbers are expected to grow in tandem," says Manpower chief executive officer AG Rao. **Read more at:** [http://articles.economictimes.indiatimes.com/2014-10-23/news/55358819\\_1\\_indian-staffing-federation-e-commerce-staffing-firm](http://articles.economictimes.indiatimes.com/2014-10-23/news/55358819_1_indian-staffing-federation-e-commerce-staffing-firm)

### Top Performers (All Companies)

		CMP	Gain Percent
1	Vikram Thermo	117.6	20.00%
2	Shriram EPC	39.6	20.00%
3	Magna Electro	100.55	19.99%
4	Amrapali Cap	30.1	19.92%
5	Panasonic Carbon	281.15	19.89%

### Top Performing Sectors

		Gain percent
1	Utilities	7.90%
2	Health Care	5.30%
3	Industrials	3.60%
4	Consumer Staples	3.40%
5	Financials	2.90%

### Worst Performers (All Companies)

		CMP	loss percent
1	Guj Intrux	85.8	18.17%
2	Tilak Finance	309.2	14.59%
3	James Warren	118.45	14.29%
4	Indus Finance	33.05	10.68%
5	Monnet Ind	25.5	10.37%

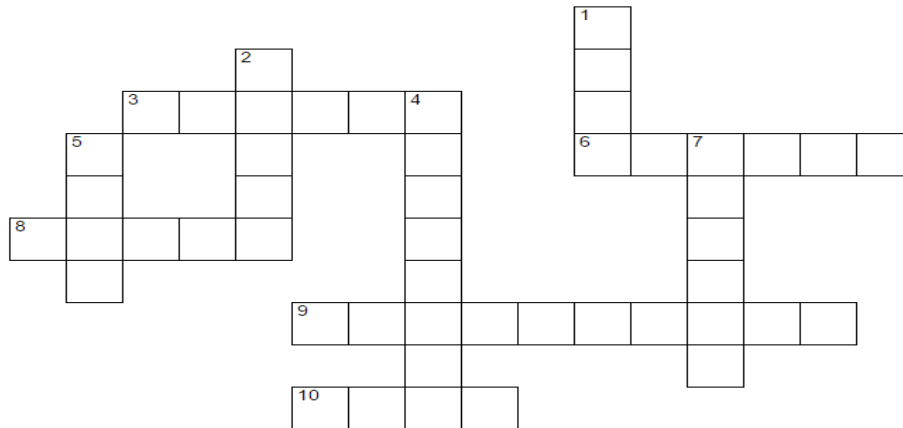
### Worst Performing Sectors

		Loss percent
1	Energy	3.00%
2	Materials	2.60%
3	Telecom Services	0.20%

### Exchange Rates

US dollar	61.45
Euro	76.96
British Pound	98.2
Australian dollar	54.06
Canadian dollar	54.54
Emirati dirham	16.73
Swiss franc	63.83
Chinese Yuan	10.04
Malaysian ringgit	18.57

Crossword



ACROSS

- 3 General tendencies or directions.
- 6 the relationship between price and yield of a bond is ---
- 8 a benchmark rate that some of the world's leading banks charge each other for short-term loans.
- 9 Central Bank of Germany.
- 10 these type of stocks fluctuate up and down , also name of a toy

DOWN

- 1 the largest bank in the world by total assets and market capitalization
- 2 To --- is to postpone.
- 4 The ability of a company to meet its long-term financial obligations.
- 5 is a colloquial word meaning an English pound.
- 7 world's first electronic stock market

**Send in your answers by 9<sup>th</sup> November' 2014. Winners will be declared in the next issue.**

## Startups valued more than \$5 billion

There used to be a time when a \$1 billion valuation was considered a massive success for tech startups. But in recent years, there's been so many of them that billion-dollar valuations are starting to feel routine. BusinessInsider has raised the bar and narrowed down WSJ's "The Billion-Dollar Startup Club" list to companies that are valued at more than \$5 billion.

These startups are transforming our lives and they're definitely worth keeping an eye on moving forward.



**"Best Android phone"**  
**5**  
**Valuation: \$10 billion**  
**CEO: Jun Lei**  
**Founded: 2010**  
**What it does:** Xiaomi is one of the biggest Chinese electronics brands that makes smartphones. Its smartphones are considered one of the best Android phones in the market.  
**Total funding: \$347 million**  
**Notable investors:** IDG Capital Partners, Qualcomm Ventures, Morningside Group



**Airbnb: "Welcome home"**  
**2**  
**Valuation: \$10 billion**  
**CEO: Brian Chesky**  
**Founded: 2008**  
**What it does:** Airbnb offers a marketplace for people to rent out their homes to temporary residents. It's currently available in 190 countries.  
**Total funding: \$794.8 million**  
**Notable investors:** Andreessen Horowitz, Founders Fund, Sequoia Capital, Greylock Partners



**Snapchat: "Fast and fun mobile conversation"**  
**4**  
**Valuation: \$10 billion**  
**CEO: Evan Spiegel**  
**Founded: 2012**  
**What it does:** Its photo messaging app allows users to send photos and videos that get deleted after a set period of time.  
**Total funding: \$163 million**  
**Notable investors:** Benchmark Capital, Coatue Management, SV Angel



**Dropbox: "Your stuff, anywhere"**  
**Valuation: \$10 billion**  
**CEO: Drew Houston**  
**Founded: 2007**  
**What it does:** Dropbox allows users to easily store and share files on the web. It has over 200 million users worldwide.  
**Total funding: \$347 million**  
**Notable investors:** Accel Partners, Benchmark Capital, Greylock Ventures



**Uber: "Moving people"**  
**Valuation: \$18.2 billion**  
**CEO: Travis Kalanik**  
**Founded: 2009**  
**What it does:** Uber's taxi-hailing app connects its users with drivers of private vehicles under Uber's contact. It offers different types of cars, from full-size luxury cars to smaller vehicles.  
**Total funding: \$1.5 billion**  
**Notable investors:** Benchmark Capital, Menlo Ventures, Google Ventures, KPCB



## THE JOURNEY OF WEALTH CREATION – Rs. 10,000 grew to over Rs. 500 Crores

Posted on June 18, 2014 by Sajid Flexwala

One had invested in 100 shares at face value of Rs.100 in 1980. The initial investment was Rs.10,000.

In 1981, the company declared a 1:1 bonus. He now had 200 shares.

In 1985, the company declared 1:1 bonus. He therefore had 400 shares.

In 1986, the company split the share to Rs.10. He thus had 4000 shares.

In 1987, the company declared 1:1 bonus. He hence had 8000 shares.

In 1989, the company announced a 1:1 bonus. Now he had 16,000 shares.

In 1992, the company declared a 1:1 bonus. By now he had 32,000 shares.

In 1995, the company declared a 1:1 bonus. He then had 64,000 shares.

In 1997, the company declared 2:1 bonus. He now held 1,92,000 shares.

In 1999, the company split the share to Rs.2. He now had 9,60,000 shares.

In 2004, the company declared 2:1 bonus. He thus had 28,80,000 shares.

In 2005, the company declared 1:1 bonus. He came to have 57,60,000 shares.

In 2010, the company declared 2:3 bonus. He now had 96,00,000 shares.

The current market price is Rs.500+ per share. The shares are valued at Rs.384 crores.

In the past 33 years company had paid INR 118 cr as dividend. An investment of INR 10000 has turned in to INR 500cr including dividends.

The company is **Wipro**.

This is the best example for humungous wealth creation, only possible when somebody practices Patience & Conviction at its best.

There are lot of many stocks which has given such multibagger returns in the last 30 years of Indian stock market.

What is the secret to find such multibagger stocks?

Answer is buy Quality companies at reasonable price. One such company we have advised our subscribers to buy recently. We are confident of its management and the scalability which can be achieved in the sector.

The company has huge scope for growth and current government is giving huge support to the sector.

Once you have find such a great company, investors have to patiently wait, since the management is hell out to prove its capability for a greater wealth creation.

Buy right and sit tight is the right policy to practice after investing in to such potential multibagger stocks.