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   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

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- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
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ONLINE RESOURCES

- Always indicate the date that the source was accessed, as online resources are frequently updated or removed.

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ACCESSING THE INTERNATIONAL CAPITAL MARKETS WITH DEPOSITARY RECEIPTS

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ABSTRACT
In today's era there is lot of competing between companies. A business needs capital for expansions, growth and existence .Due to liberalization, Globalization and Privatization companies needs hefty funds to retain in the market and the companies can raise funds from international markets. Companies that previously had to raise capital only domestically can now tap financial markets in the foreign countries. In order to do so, companies may list their stocks on foreign stock exchanges while investors may trade overseas. An examination of trends in global financial markets over past few years reveals that many companies are looking beyond their domestic financial markets to develop an investor base and to raise international capital. For foreign listing of their stocks, firms can choose between the direct listing of their equity stocks and listing of their Depositary Receipt (DR) on the foreign exchange. Indian capital market is one of the fastest growing markets in the world and the momentum has gain a lot of potential in the recent years. There are many MNC operating in India but they have not raised capital form Indian market yet. Standard Chartered Bank PLC is the only company that has recently raised capital form Indian capital market through Indian Depositary Receipt (IDR). In this research report an attempt is made to study the Standard Chartered Bank PLC IDR issue and the future prospect IDR.

KEYWORDS
Depositary Receipt, Foreign exchange Multinational Companies.

INTRODUCTION
In today's world economy trade is not restricted to the boundaries of the contries.Due to globalization there is trend towards internationzation of financial markets. India capital market is growing constantly at 8-9% ever since. The government abolishing the laws relating to outsourcing of capital .ALL the growing economy is adopting liberalized and outward looking policy initiatives with regard to their financial market. The companies that previously had to raise capital only domestically can now tap financial markets in the foreign countries. In order to do so, companies may list their stocks on foreign stock exchanges while investors may trade overseas. An examination of trends in global financial markets over pastfew years reveals that many companies are looking beyond their domestic financial markets todevelop an investor base and to raise international capitalby the end of December 2001, therewere 2465 foreign companies listed on the major stock exchanges of the world.

A vast majority offoreign firms choose to cross-list their stock through the use of depositary receipts (DRs), whichhave become the popular mode of financing. The 1990s saw an increased flow of DR programmes, especially from the emerging markets. In April 1992, the government permitted Indian companiesto raise equity capital by issuing DR programmes in the international financial markets and of allthe emerging markets, India has the maximum number of DR programmes.

CONCEPTUAL FRAMEWORK
DEPOSITORY RECEIPT

A depositary receipt is a negotiable instrument denominated in US dollars or Euro (or in a currency other than the domestic currency of the issuer company), which is issued to the investors in one or more foreign countries. There are two types of receipts

AMERICAN DEPOSITORY RECEIPT (ADR)

American Depositary Receipts (ADRs) are offered to US investors by a U.S. bank that functions as a depositary, having ADR being backed by a specific number of shares in the non-U.S. Company. ADRs can be traded on any of the US stock exchange (NYSE, NASDAQ, or AMEX) and over-the-counter.

GLOBAL DEPOSITORY RECEIPT (GDR)

A bank certificateissued in more than one country for shares in a foreign company. The shares are held by a foreign branch of an international bank. The shares trade as domestic shares, but are offered forSale globally through the various bank branches. A financial instrument used by private markets to raise capital denominated in either U.S. dollars or euro's.

OBJECTIVES OF THE PROJECT
- To understand the concept and to analysis of Depositary Receipt programme.
- To analyze the IDR offering by Standard Chartered PLC

RESEARCH METHODOLOGY
The data used in this study has been taken from secondary source since this is a dynamic concept that keeps changing itself to adjust to the changing times.

LIMITATIONS
Despite my best efforts, this project suffers from certain limitations which were beyond the control.
I have enlisted them as under:
- As a result of the topic being a dynamic one, I had to restrict ourselves to the largely in secondary sources.
- With the DR issuing companies being compelled to disclose detailed statistics only to their depository banks ,we were unable to collect as much statistical data as we would have kill

ANALYSIS OF THE IDR OFFERING BY STANDARD CHARTERED PLC
Standard Chartered Bank PLC (here in after called SCB) was formed in 1969 through a merger oftwo banks: The Standard Bank of British South Africa, founded in 1863, and the Chartered Bank ofIndia, Australia and China, founded in 1853. Standard Chartered PLC, listed on both the LondonStock Exchange and the Hong

Kong Stock Exchange, ranks among the top 20 companies in theFTSE 100 by market capitalization. The London headquartered Group has operated for over 150years in some of the world's most dynamic markets, leading the way in Asia, Africa and the MiddleEast. Company operates through number of subsidiaries including Standard Chartered bank (SCBUK), one of the leading international and banking and financial services company. Standardchartered bank is headquartered in UK where it is regulated by the FSA (financial servicesauthority) but has significant operations in Asia region, which accounts for over 75% of its totalprofit before tax.

Standard Chartered Bank PLC listed its IDR on 11th of June 2010. The bank had issued a total of 24 crore IDR's with each IDR equal to 1/10th of a share. The price band was between Rs 100-Rs 115 and the price fixed was Rs 104.

Standard Chartered IDR Data	
Price Band	Rs 103 to 111 per IDR (estimated)
Discount to Retail investor	5% to Retail investors post allotment
Fresh issue by the Company	24,00,00,000(24 Cr IDR'S) Each IDR IS 1/10 OF 1 Share
Fresh Issue Size Rs 2472 crs based on closing price of 21st May in London	
Pre-Issue Share	202,94,35,637 Shares
Post-Issue Share	205,34,35,637 Shares
London closing price as on 21st May 2010	1613 pence or Rs 1093.65
Market Capitalization post issue	Rs 2,24,572.99 crs based on closing price of 21st My in London
QIBs	50% or 12,00,00,000 IDR's
Non- Institutional Buyers	18% or 4,32,00,000 IDR's
Retail individual Bidders	30% 0r 7,20,00,000 IDR's
Anchor Investors	30% of QIB Portion or 3,60,00,000 IDR's
Employees Reservation	2% or 48,00,000 IDR's
Issue opens on Tuesday	25th May 2010
Issue closes on Friday	28th May 2010
Primary Listing	London and Hong kong
Bid Lot Size	60 Shares (Expected)

SUBSCRIBED DATA OF STANDARD CHARTERED IDR

Category	Shares offered	Shares Bid	Subscription Ratio
QIB	84000000	348394400	4.1476
NII	43200000	82150400	1.9016
Retail	72000000	18210200	0.2529
Employee	4800000	950000	0.1979
TOTAL	20400000	449705000	2.2

Each IDR represents 1/10th of a share. The closing price of the share on the London stock exchange was GBP 16.37 which corresponds at an exchange rate of 67.5695 to Rs 1106.11 or 110.61 per IDR. There is at the expected price to be declared of Rs 104 a discount of approximately 5.97%. Retail investors enjoyed a further 5% discount making it a discount of 10.68% to the closing price on the LSE as of Friday the 28th May.

It may also be mentioned that this is the first issue under the new guidelines laid down by SEBI forQIB's putting in 100% of the bid amount and also for listing within 12 days. This issue listed on15th or 16th of June

CONCLUSIONS

SCB's IDR provides Indian investors a vehicle to invest in a global entity. As a result of its diversified presence and emerging market focus, the bank came out relatively unscathed from the sub-prime crisis and is now well poised to benefit from the ongoing recovery in the emerging economies. Hence, the bank is an excellent diversified multinational banking play with strategic positioning in high-growth emerging markets. At the lower end of the offer price band, the stock is offered at a 9% discount to its current market price at the Hong Kong Stock Exchange .10 IDR equals to one share. IDRs can be converted into underlying equity shares only after one year and with the consent of the Reserve Bank of India. On such conversion, resident individual investors have to sell them within 30 days of the conversion. IDRs are not two-way fungible. Therefore, reconversion of equity shares into IDRs is not permitted. SCB's lower NIM was largely offset by trading gains. With most Asian central banks looking to raise rates, trading revenue seems to be vulnerable. As per above analysis of SCB and its IDR issue, it's good to invest in IDR of SCB Plc for aninvestor.

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With sincere regards

Thanking you profoundly

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