

What is a Collateral??

Properties or assets that are offered to secure a loan or other credit.

Collateral is a form of security to the lender in case the borrower fails to pay back the loan.

- **Asia is leading a recovery in global trade, but world trade volumes are still expected to shrink 10% this year, the World Trade Organization said on Wednesday.**



MARKET WATCH

Selling by foreign institutions and some domestic mutual funds pulled shares lower for a second straight session on Wednesday as investors continued to book profits on the recent rally.

The Sensex closed down 219.37 points, or 1.5%, at 14843.12.

On the NSE, the 50-stock S&P CNX Nifty index fell 70.20 points, or 1.6%, to end at 4398.90.

NEWS ALERT

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THE POWER OF A BRAND

Beer-to-Airline tycoon Vijay Malaya knows the value of brands. And he's pretty good at convincing even the most traditional of bankers that brands have value, and worth.

Recently, the 54 year old chairman of UB Group convinced state-run State Bank of India to accept the Kingfisher Airline brand— registered separately from its beer and wine brands— as collateral to raise Rs.2000crore in debt!!!



In an environment where credit is relatively scarce and lenders cautious, companies like Kingfisher are recognizing the value hidden in intangible assets such as intellectual property, brands and customer relationships.

- In order to encourage foreign companies facing fund crunch globally to raise resources from Indian markets, the Reserve Bank of India (RBI) has issued guidelines that will allow them to issue Indian Depository Receipts (IDRs).
- The government may let its stake in State Bank of India fall by 4.4 percentage points to 55%, a top federal official said on Wednesday, as the country's top lender looks to raise equity this year.
- Market regulator SEBI has prohibited listed companies from issuing shares with voting rights or dividends that are superior to the shares already listed. The decision was taken at its board meeting on June 18 and the amended guidelines come into immediate effect.

