Apr, 2010

ABCHLOR
Investment Advisors (P) Ltd.

INVEST GUIDE

Your partner for success in future

BONDS - A VIABLE INVESTMENT OPTION ?

SYSTEMATIC INVESTMENT PLAN (SIP) -
A powerful Investment Strategy for Tax Planning

BOND INVESTMENT AND INTEREST RATE
- COVER STORY

PERSONAL FINANCIAL PLANNING
- K. K. SHERI
(SERIES I)

DISINVESTMENTS OF PSU
- FAILED TO THRILL

What does the world's tallest tree have in common with Kotak 30 and Kotak Opportunities?

A strong foundation and growth, of course.

Enjoy the advantage of sound investing.

A solid foundation is the only assurance of growth over time. It's the reason why the world's tallest tree is still growing even at 378.1 feet, after a lifespan of over a 1000 years. It's also why Kotak 30 and the Kotak Opportunities Fund are amongst our top-performimg and long-running mutual funds in the market today. And it has been the solid investment principles that we follow which has helped these funds deliver over time, helping those who invest with us to get the most out of their money.

Over 11 times your investment in 11 years 3 months in **Kotak 30**	Amount (Rs)
Investment amount (since inception on 29th Dec,1998)	1,00,000
Value of investment (31st March 2010) 24.36% CAGR	11,64,476

Kotak 30 NAV: Rs. 29.86 (Div Option) on 31st March 2010, Returns <= 1 yr: absolute; Returns >1 yr: CAGR. Rs. 1 lakh invested in Kotak 30 would have become Rs. 1,70,420 (70.42%) in 1 year, Rs. 1,44,826 (13.14%) in 3 yrs and Rs 2,68,062 (21.8%) in 5 yrs. Rs 1 lakh invested in S&P Nifty would have become Rs. 1,73,760 (73.76%) in 1 year, Rs. 1,37,281 (11.14%) in 3 yrs, Rs. 2,57,770 (20.85%) in 5 yrs and Rs. 6,01,261 (17.27%) since inception. Returns assumed re-investment of dividend.

Over 4 times your investment in 5 years 6 months in **Kotak Opportunities**	Amount (Rs)
Investment amount (since inception on 9th Sept, 2004)	1,00,000
Value of investment (31st March 2010) 29.04% CAGR	4,12,578

Kotak Opportunities NAV: Rs. 42.83 (Growth Option) on 31st March 2010, Returns <= 1 yr absolute; Returns >1 yr: CAGR. Rs. 1 lakh invested in Kotak Opportunities would have become Rs. 1,91,390 (91.39%) in 1 year, Rs. 1,53,161 (15.27%) in 3 yrs and Rs. 3,35,356 (27.38%) in 5 years. Rs. 1 lakh invested in CNX 500 would have become Rs. 1,87,950 (87.95%) in 1 year, Rs. 1,37,059 (11.08%) in 3 yrs, Rs. 2,43,181 (19.45%) in 5 years and Rs. 3,00,530 (21.89%) since inception.

Past performance may or may not be sustained in future.

Avg AUM - Rs. 34,787 crs for March, 2010

SMS 'KMF' to 5676788
www.kotakmutual.com

kotak® Mutual Fund

Risk Factors: Kotak Mahindra 30 unit is an open-ended equity growth scheme. Investment Objective: To generate capital appreciation from a portfolio of predominantly equity related securities. The portfolio comprise of equity and equity related investments of around 30 companies which may go up to 39 companies.

Kotak Opportunities is an open-ended equity growth scheme. Investment Objective: The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related securities. **Risk Factors: Mutual Fund and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Schemes would be achieved. As with any securities investment, the NAV of the Units issued under the Scheme can go up and down depending on the factors and forces affecting the capital and money markets.** Past performance of Sponsor / AMC / Fund does not indicate the scheme's future performance. **Kotak 30 & Kotak Opportunities are only the names of the schemes and do not in any manner indicate the quality, future prospects or returns.**

Statutory: Kotak Mahindra Mutual fund is a Trust (Indian Trust act, 1882) Investment Manager: Kotak Mahindra Asset Management Company Ltd. Sponsor: Kotak Mahindra Bank Ltd. (Liability Rs. Nil) Trustee: Kotak Mahindra Trustee Company Ltd. **Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing. SID & SAI are available on www.kotakmutual.com.**

INVEST GUIDE

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by abhinav angirish *managing director & c.e.o.*

CEO's DESK

Dear Investors,

As expected, Budget 2010 has turned out to be a pro-people budget with its primary focus on the "Aam admi" or the common man. But the capital markets and major sections of the business community in the country have not reacted positively to the budget as much more was expected from Mr. Pranab Mukherjee.

But Govt. has also made them happy as budget is favorable to various sectors also surcharge on corporate tax is reduced from 10% to 7.5%. The budget has been positive towards various sections, and it will definitely make the impact towards a better GDP growth. As per the new Income tax slabs there will be 30% tax on income above Rs 8 lacs , 20% tax on income between Rs5 lacs to 8 lacs and 10% tax on income between Rs1.6 lacs to 5 lacs.

The current budget has introduced an additional deduction of Rs. 20,000 for infrastructure bonds. This is over and above the limit of Rs 1 lakh under Sec 80C. Bonds prices have been falling since the Budget. Also as we are in a rising interest rate scenario and such times are usually considered best for investing in short-term bonds that have high coupon (interest rate). A plain vanilla strategy like this one ensures that as interest rates inch up, we get high returns from our investments.

In this issue of INVEST GUIDE, we take you closer to understand how the movement of interest rates works and how it affects us.

Happy Reading!

Regards,
ABHINAV ANGIRISH

Systematic Investment Plan (SIP) -

A powerful Investment Strategy for Tax Planning

What is Systematic Investment Plan?

An SIP is a method of investing a fixed sum, on a regular basis for a continuous period.

- *It* is similar to regular saving schemes like a recurring deposit. An SIP allows one to buy units on a regular interval say monthly or daily.
- *SIP* allows the investor to buy units on a given date every month/Day. The investor decides the amount and also the mutual fund scheme.
- *While* the investor's investment remains the same, more number of units can be bought in a declining market and less number of units in a rising market.
- *The* investment is automatically timed in the market at down phases as well up phases.

Benefits of SIP :

- Power of compounding : Compounding is a simple concept that offers astounding returns: if you park your money in an investment with a given return, and then reinvest those earnings as you receive them, your investment grows exponentially over time. SIP enables investors to gain the benefits of Compounding. Saving a small sum of money regularly at an early age makes money work with greater power of compounding with significant impact on wealth accumulation.

Find below the illustration, where Amount Invested is 10000 pm.

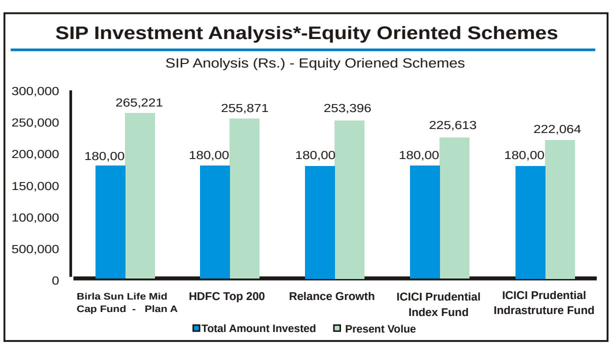
	Interest Rate								
No of years	**3.5**	**6**	**8**	**10**	**12**	**15**	**18**	**20**	**22**
1	122300	123972	125330	126703	128093	130211	132368	133829	135307
2	248950	255591	261062	266672	272432	281354	290630	297019	303573
3	380105	395328	408061	421297	435076	456794	479851	496013	512827
4	515926	543683	567261	592113	618348	660437	706087	738665	773054
5	656577	701189	739675	780815	824864	896817	976579	1034554	1096670
8	1109270	1234427	1347634	1473966	1615266	1859366	2148960	2371816	2621986
10	1438539	1646987	1841698	2065472	2323391	2786573	3362575	3823735	4358527
15	2369829	2922728	3483576	4179088	5045760	6768631	9192089	11343431	14060365
20	3478965	4643511	5929769	7656569	9991479	15159550	23434872	31616708	42916826
25	4799909	6964589	9574291	13377987	18976351	32840737	5823312	86273930	128745448
30	6373108	10095376	15004175	22791301	35299138	70098206	143252892	233631069	384028039

- *Rupee cost averaging:* Fewer units being bought in a declining market and more units in a rising market. Thus SIP ensures that average cost per unit fits in the lower range of average market price.
- *Convenience and Regularity:* You do not have to take time out from your busy schedule to make your investments. Enroll for the SIP of a specific amount by just filling an Auto Debit Form (ECS) of periodic investments (Daily, monthly, quarterly) based on your convenience. It also inculcates the habit of saving and investing regularly.
- *Automatic Market Timing :* It is very difficult for any investor to catch the right time in the market. Investing through SIP eliminates the need to time the market as market movements are automatically captured through regular investments.
- *Disciplined approach towards investment :* SIPs enables investors to stay focused, invest regularly and maintain discipline in your investing pattern. Starting early is beneficial.
- *Start with Minimum amount :* SIP helps you to start investing at an early age as the minimum investment amount in Mutual Fund SIPs is very small. Thus starting early means that the power of compounding starts acting on your money earlier thereby generating higher returns.

SIP Works Best in Equity Oriented Funds

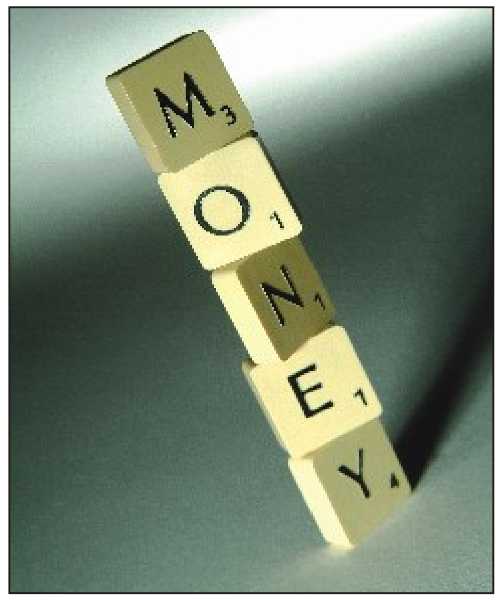
Historically equities have been more rewarding than any other conventional investment vehicle (Bank FD, G-Sec, and Gold).

- Equity oriented Schemes invest across Sectors & stocks.
- In long run equity oriented schemes can be amongst the best bet amongst various investments.
- One of the Best ways to create wealth in long term is to do SIP in these Schemes.
- By doing an SIP in an equity oriented fund, you have an opportunity to increase the growth rate of the accumulated capital.



Start a systematic investment plan (SIP) on a tax saving fund

If you are the kind who can take on some amount of risk and at the same time want a tax deduction for the money you invest, start an SIP on an equity-linked savings scheme or tax-saving mutual fund as they are better known as, right away. An SIP will entail investing a fixed amount of money every month in the fund. So if you want to invest Rs 60,000 in tax-saving MFs, start an SIP of Rs 5000 per month, instead of waiting for the end of the year to invest. By doing so, you do not feel the pinch of Rs 60,000 going at one go towards the end of the year. Investing regularly will also save you from the gyrations of the stock market, to some extent.



This is probably an easy option as it enables you to save the required amount on a monthly basis. However, the hassle with an SIP in an ELSS fund is that every installment would carry a lock-in period of three years and monitoring the maturity period for each SIP is not an easy task. Also, when you compare with the earlier option (SIP in debt), an SIP in ELSS doesn't reduce your final outgo as maturity value is not taken into account for tax planning. For instance, if an investor invests Rs 5,000 on a monthly basis in an ELSS fund, his contribution would be Rs 60,000 into the fund during 12 months and the same would be considered as investments under Section 80C. On the other hand, the investor were to choose a debt fund during contribution and transfer the amount to ELSS prior to the deadline, his ELSS investment would be more than Rs 60,000 because of the returns provided by the debt fund.

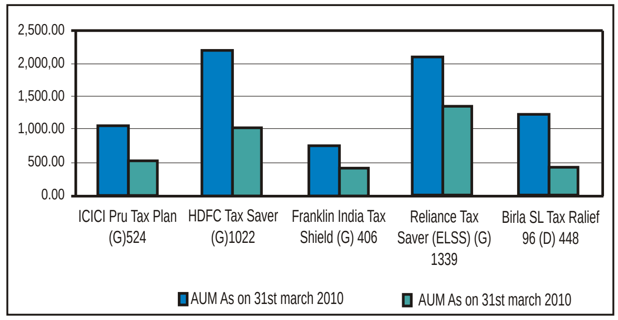
What is the disadvantage of waiting till the last moment?

Incorrect investment decisions: Haste makes waste. The investment may not be a waste per se from a monetary perspective, but it is certainly a waste of an opportunity to move in the direction of attaining your financial goals. That's because you may be investing in something that you don't really need.

Investments should be aligned to financial goals. For example, if you are at a stage in life where you can take risks, investing in National Savings Certificate, Pubic Provident Fund or bank fixed deposits will not serve your purpose.

Investments in an ELSS should be done in a disciplined, systematic manner throughout the year .It is better if one goes for diversification regarding investments in ELSS. The return generated after 3 year is tax free in the hands of the investors.

Equity Tax Saving	3 mth	6 mth	1 yr	3 yr
ICICI Pru Tax Plan (G)	4.5	20.0	116.3	59.4
Can Robeco Eqty TaxSaver (G)	6.6	14.9	106.0	90.3
HDFC Tax Saver (G)	5.1	15.6	106.9	62.1
Franklin India Tax Shield (G)	5.2	15.9	84.9	62.8
Reliance Tax Saver (ELSS) (G)	2.0	13.1	91.0	45.3
Birla SL Tax Relief 96 (D)	-0.5	7.2	106.9	45.3



It is better you break your investment in any 3 different tax saving schemes. Since the risk of putting all the eggs in one basket is also reduced. You can plan it for next year starting from April 2010.Now doing investment in ELSS can fetch good returns due to the principal reason of he locking period which works to your advantage as the fund manager can deploy a larger portion of the portfolio in equities, which have the potential to perform better over the long term. He does not need to hold large amounts of cash to service redemptions.

One more important thing is when you do investment through SIP, the process of redemption follows FIFO (First in First Out).That is if some one does investment in ELSS through SIP in January 2010 he can redeems After January 2013 and all the rest investments follows the same redemption method. If one decides to stay invested even after years of locking period he can do so.

Personal Financial Planning

K K Sheri

Director-Academics : *Eduriser (an SBU of The Trinity Academy for Corporate Training), Mumbai.*

Ex-Joint Director, *Management Development Centre at Mumbai and Faculty at National Insurance Academy, Pune..*

Ex-Dy.GM (Finance), *LIC Mutual Fund.*
Faculty in Finance, Insurance, Mutual Funds, Management and Behavioral Sciences.

"Everybody loves money but hates planning" is a popular American saying. It is estimated that even in the US - that most advanced country - not more than 8% of earners have a written Financial Plan for themselves and their families.
Financial Planning is what everyone wishes to do but finds reasons not to do.

Definition :

Financial Planning is not about having a written account of one's Income Expenses and Savings over a period of time.
Proper Financial Planning is about leveraging.
Leveraging your overall resources – owned and others – to meet your life goals that cost money.
Financial Planning arbitrates between your reason and unreason, temptation and good judgment, instinct and wisdom.

Why people don't plan ?

Fundamental answer is our genes. We all want freedom amidst order, choice amidst compulsions, the instinctual over intentional. Second answer is the waywardness of life and money. Life does not go linear; money does not behave consistently sensibly. We tend to pursue wants more than needs; we make more emotional decisions than logical.

Then what it is ?

Financial Planning – at its broadest – is an attempt to bring order to the personal life chaos and flux. It juxtaposes the present vis- a- vis the future, instinctual consumption vis- a- vis the intentional.

Lets be very precise :
It's a deliberated effort to organize one's present and future cash flows and allocate the same to various financial assets to meet future financial needs –predictable and non-predictable.

The asset selection will optimize the triad of investment prudence , viz, safety of capital, maximum returns and tax efficiency.

Financial Planning is evidenced by a written and intelligible document showing asset acquisition over a desired time horizon to meet the financial costs of one' life goals.

The essential parts of the Financial Plan document will be :

- Life Cycle Stage
- The time horizon of planning
- Cash Flows at various points of time
- Life Goals that will need financing
- Predictable and unpredictable needs and amounts against each
- Asset selection strategy
- Periodicity of Review of the Plan

A bond is simply a form of loan borrowed by the government, the municipality or a company. A bond purchaser who plays the role of a lender to such borrower institutions holds in return a negotiable certificate that acknowledges indebtedness of the bond issuer. Such certificates are also termed as bonds. Bonds normally are unsecured. The issuer pays the bond holder periodic interest ranging over the life of the loan.

The secondary market for bonds in India is an over the counter market whereas the market for equities is a system-automated market. The buy orders and sell orders are electronically matched.

Bonds are interest bearing debt certificates. Minimal risks and wise investments - this is what bonds are all about. They deliver steady growth like the imminent crescendo building up towards the end of a symphony.

The different types of bonds include Government Securities, Corporate Bonds, Commercial Paper, Treasury Bills etc. These bonds are either fixed interest bonds or floating rate bonds.

Though there is minimal risk involved one can not say that bonds are risk free. There are various risk attached to bond investment.

Interest rate risk

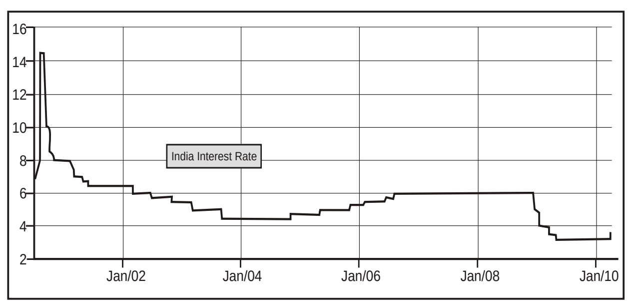
One risk that could affect not just individual securities but the entire bond market is interest rate risk.

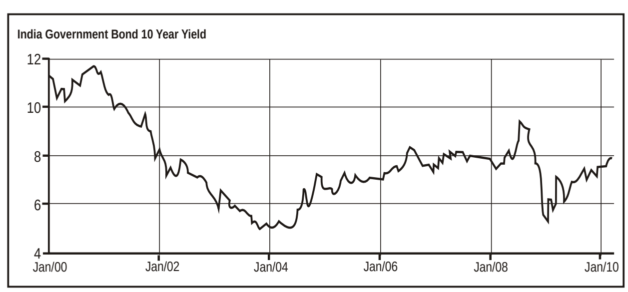
The reason why the current and future levels of interest rates are important for bonds is because as interest rates go up, bond prices go down, and vice versa. If you are able to hold a bond until maturity, then interest rate movements do not really matter, because you will redeem the principal upon maturity. But often, investors have to sell their bonds well before the maturity date. If interest rates have moved up since you bought the bond, and you sell it prior to maturity, then the bond will be worth less that what you paid for it.

Every change in interest rate has an inverse relationship with the current price of bonds. So the price of a bond paying 8% interest would fall if the current interest rate is 9% and the price of the bond would rise if the current interest rate is 7%. Why is it so? Bond market follows a simple arithmetic: You pay for what you get. Why would anybody buy a bond paying 8% interest when he could buy another bond of the same quality currently paying 9% interest? As an incentive, a bond paying only 8% interest when the current interest rate is 9% must sell at a discount to its face value. In such a situation, a bond having a face value of Rs100 might fetch only Rs95 in the market.

The discount in face value compensates the new buyer for buying a bond offering lower interest rate compared with current interest rates. The situation is, however, reversed when your bond is paying higher interest rate than the prevailing interest rate. In such a situation, the bond would sell at a premium to its face value.

All in all, change in interest rates would continue to pull the price strings of your bonds either upwards or downwards during its entire tenure.





Default risk

The first and foremost risk facing any bond is the “default risk”, which in other words represents the possibility of the bond-issuing company not paying back your money. Default could arise in respect of both the principal and interest.

Analysts try to estimate the default risk by analyzing company's fundamentals.

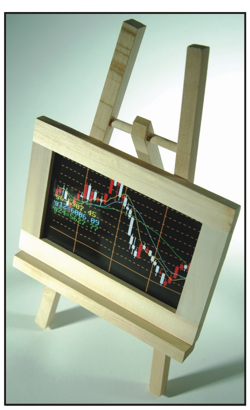
To some extent, credit ratings do provide a handy indicator of a company's ability to serve its debt on time. But credit ratings keep on changing and many times even credit rating agencies fail to fix the bug in time. Change in credit ratings, in fact, represents another kind of risk for the existing shareholders .

Downgrade risk

You are in trouble if you are holding bonds of a company and its credit rating gets downgraded. Any rating downgrade has an adverse effect on the current price. So the existing bondholders have two options. They could either decide to sell their bond at the current price by taking some loss or they could decide to hold the bond till maturity and hope for the best. It seems that the investor has nothing to lose if the company is able to pay back all its dues on the due dates. But here lies a not so obvious loss. You end up assuming extra-risk as foretold by rating downgrade without getting any extra compensation.

Liquidity risk

It represents the chances of a seller not finding a good number of buyers in the market. Sometimes the whole market may freeze if sellers are not able to find a buyer at a reasonable price. But many times individual securities might have their own liquidity problems. A company falling from grace may find no takers for its bonds. This could bring problems for an existing bondholder on two fronts: first, he might not be able to get out of the market at his chosen time, and second, the price of a bond having thin trading volumes becomes highly volatile, making it difficult to exit at a reasonable price.



Relationship between Interest Rate and Price of Bond and Yield on Bond

At first glance, the inverse relationship between interest rates and bond prices seems somewhat illogical, but upon closer examination, it makes sense. An easy way to grasp why bond prices move opposite to interest rates is to consider zero-coupon bonds, which don't pay coupons but derive their value from the difference between the purchase price and the par value paid at maturity. .

For instance, if a zero-coupon bond is trading at Rs 950 and has a par value of Rs1,000 (paid at maturity in one year), the bond's rate of return at the present time is approximately 5.26% (1000-950)/950=5.26%.

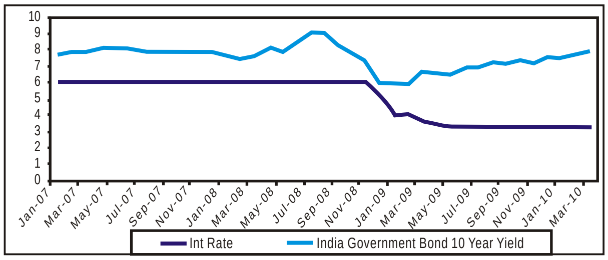
For a person to pay Rs. 950 for this bond, he or she must be happy with receiving a 5.26% return. But his or her satisfaction with this return depends on what else is happening in the bond market. Bond investors, like all investors, typically try to get the best return possible. If current interest rates were to rise, giving newly issued bonds a yield of 10%, then the zero-coupon bond yielding 5.26% would not only be less attractive, it wouldn't be in demand at all. Who wants a 5.26% yield when they can get 10%? To attract demand, the price of the pre-existing zero-coupon bond would have to decrease enough to match the same return yielded by prevailing interest rates. In this instance, the bond's price would drop from Rs. 950 (which gives a 5.26% yield) to $909 (which gives a 10% yield).

So If,

Interest rate ↑ Yield on Bond ↑ Price of Bond ↓

Now that we have an idea of how a bond's price moves in relation to interest-rate changes, it's easy to see why a bond's price would increase if prevailing interest rates were to drop. If rates dropped to 3%, our zero-coupon bond - with its yield of 5.26% - would suddenly look very attractive. More people would buy the bond, which would push the price up until the bond's yield matched the prevailing 3% rate. In this instance, the price of the bond would increase to approximately Rs. 970. Given this increase in price, you can see why bond-holders (the investors selling their bonds) benefit from a decrease in prevailing interest rates.

The yield on the 10-year government bond, which rose to 8.01% on Monday, dropped to 7.98% on Wednesday, but dealers said it will continue to rise and may even touch 8.5% in the next three months. This is despite the government planning to borrow Rs3.45 trillion in the next fiscal year, lower than the current fiscal's Rs4 trillion and largely in sync with market expectations.



Interest rates were high in the earlier part of 2009. In January 09 it was 4.05%, Consequently, Reserve Bank of India (RBI) took measures to cut the rates. In May 2009 it was 3.25% As a result, bond yields fell to 5.93 in Feb 2009 from 5.97 in Jan 2010 and bond prices rose.

From above graph it's clear that interest rate and Yield on bond are inversely related.

Bond prices fell on 18th March 2010 on fear of a further round of rate hike by the Reserve Bank of India in its Monetary Policy announcement in April. A clear indication is that there will be another round of rate hike in April, which will result in boost in demand.

Bonds prices have been falling since the Budget. Prices fell further today on better than expected. Bond yields touched a post-Lehman high in October 2008. They had gone to 8.5%. The government normally finishes its borrowing by January or February and you normally see a bit of a rally in the bond prices and we didn't see that rally this time around simply because starting April everyone knows that the government will have to borrow again.

Ultimately Rs 4.57 lakh crore of bonds will have to hit the market next year so on an average it is Rs 12,000 crore of bonds that will come every week to the market and that is why we are seeing bonds go lower because there is plenty that is going to come in April.

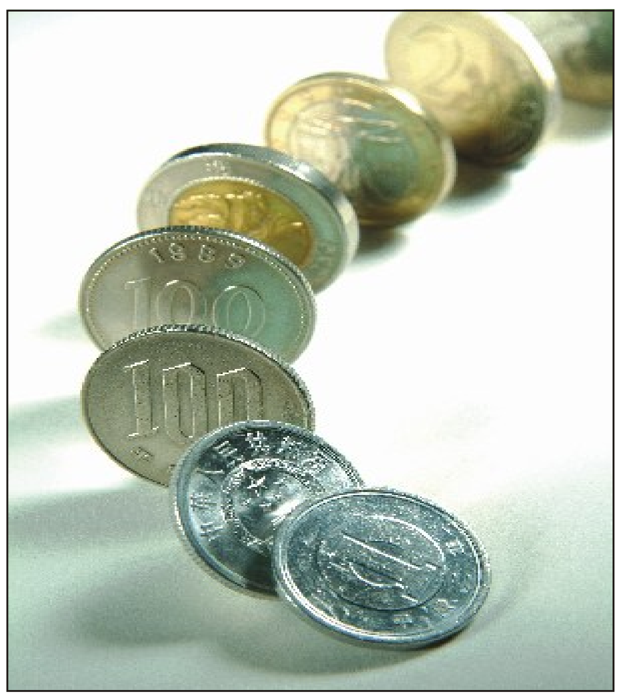
The Union government on 29 March, 2010 said it would borrow 63% of its Rs4.57 trillion borrowing programme to bridge the fiscal deficit in the first half of 2010-11,

The Reserve Bank of India (RBI), on behalf of the government, will sell Rs2.87 trillion of bonds in the first half, less than the Rs3-3.10 trillion the market had expected, using issuance sizes of between Rs11,000 crore and Rs15,000 crore every week through September. The yield on the benchmark 10-year government bond fell 1 basis point to 7.83 percent on the news.

Government Bonds yields10 Year Notes (as on 30th March, 2010)

Country	Last	Last Week	Last Month	Last Year	Weekly Chg	Monthly Chg	Yearly Chg
India	7.86	7.89	7.88	6.51	-0.03	-0.02	1.35

The total borrowing for the fiscal year to 31 March 2011, is marginally higher than the current fiscal's Rs 4.51 trillion. On a net basis, after factoring in redemptions of bonds, the borrowing programme stands at Rs3.45 trillion in 2010-11, against Rs3.98 trillion for the current fiscal



RECENTLY ANNOUNCED BONUS

Sno	Company	Ratio	Announcement	Record	Ex-Bonus
1	Castrol	1:01	18-02-2010	04-12-2010	04-09-2010
2	Cadila Health	1:02	25-02-2010	04-06-2010	04-05-2010

RECENTLY ANNOUNCED DIVIDENDS

Sno	Company	Type	%	Announcement	Record	Ex-Dividend
1	BOC India	Final	15	23-02-2010	-	14-05-2010
2	Bata India	Final	30	24-02-2010	-	05-06-2010
3	ABB	Final	100	26-02-2010	-	05-03-2010
4	State Bnk Tr	Final	0	04-01-2010	-	28-04-2010
5	Nestle	Final	125	19-02-2010	-	23-04-2010
6	Sarasind	Interim	90	29-03-2010	23-04-2010	22-04-2010
7	Sunteck Realty	Interim	6	31-03-2010	22-04-2010	21-04-2010
8	ITD Cementation	Final	10	03-05-2010	-	21-04-2010
9	Atlas Copco	Final	50	03-02-2010	-	19-04-2010
10	Paper Products	Final	150	28-01-2010	-	16-04-2010
11	Vesuvius India	Final	37.5	24-02-2010	-	16-04-2010
12	INEOS ABS	Final	35	03-03-2010	-	15-04-2010
13	KSB Pumps	Final	105	15-03-2010	-	15-04-2010
14	Pfizer	Final	125	26-02-2010	-	15-04-2010
15	Hero Honda	Final	4000	30-03-2010	15-04-2010	13-04-2010
16	Action Const	Interim	0	04-01-2010	14-04-2010	04-12-2010
17	Alfa Laval	Final	250	25-02-2010	-	04-12-2010
18	Micro Inks	Final	60	22-03-2010	-	04-12-2010
19	Clariant	Final	150	22-02-2010	-	04-09-2010
20	Colgate	Interim	500	03-12-2010	04-09-2010	04-08-2010
21	SRF	Interim	70	29-03-2010	04-09-2010	04-08-2010
22	Aventis Pharma	Final	165	25-02-2010	-	04-07-2010
23	Wyeth	Final	200	19-02-2010	-	04-06-2010
24	SKF India	Final	40	19-02-2010	-	04-05-2010

NET INFLOWS / OUTFLOWS

Mar-10	Equity Rs. in Crores			Debt Rs. in Crores		
	Gross Purchase	Gross Sale	Net Purchase/Sales	Gross Purchase	Gross Sale	Net Purchase/Sales
FII INVESTMENTS	60,009.60	41,176.00	18,833.60	21,341.70	11,205.00	10,136.70
MUTUAL FUND INVESTMENTS	12,475.60	16,282.60	-3,806.40	67,365.60	71,226.60	-3,861.00

THE MONTH THAT WAS

Indices	As on 31st Mar-10	As of 26th Feb-10	Difference Points
SENSEX	17,527.77	16429.55	1098.22
NIFTY	5249.10	4922.30	326.80
NIFTY JUNIOR	9985.70	10382.70	-397.00
CNX MIDCAP	7704.90	7167.25	537.65
BSESMLCAP	8497.43	8067.40	430.03

INDICES PERFORMANCE (26TH FEB.2010 - 31ST MARCH. 2010)

S No.	Index	Close (31-03-2010)	Prev. Close (26-02-2010)	% Change
1	BSE Auto	7671.24	7170.99	6.98
2	BSE Metal	17973.81	16401.52	9.59
3	BSE Midcap	6806.18	6397.82	6.38
4	BSE Oil & Gas	10159.14	9596.24	5.87
5	BSE SmallCap	8497.43	8067.4	5.33
6	BSE Bankex	10652.35	9828.68	8.38
7	BSE_CDS	4220.71	4001.78	5.47
8	BSE_CGS	14081.74	13474.86	4.50
9	BSE_FMCG	2831.12	2662.05	6.35
10	BSE_HCS	5328.37	4912.98	8.45
11	BSE_IT	5237.5	5173.99	1.23
12	BSE_PSU	9038.27	9214.28	-1.91
13	BSE200	2199.5	2071.72	6.17
14	BSE500	6919.55	6518.38	6.15
15	BSETeck	3280.12	3179.21	3.17
16	SENSEX	17527.77	16429.55	6.68
17	CNX 100	5188.05	4864.8	6.64
18	CNX Bank	9459.6	8722.75	8.45
19	CNX IT	5855.95	5766.7	1.55
20	CNX500	4313.25	4127.55	4.50
21	CNX Midcap	7704.9	7167.25	7.50
22	NSE Index	5249.1	4922.3	6.64

IPO'S IN 2010-2011 (As on 31st Mar, 2010)

S No.	Company	List Date	Offer Price	List Price	Open	High	Low	Last Price	Gain/Loss
1	JSW Energy	01-04-2010	100.00	102.00	106.00	109.2	105.75	111.80	11.8
2	Godrej Propert.	01-05-2010	490.00	510.00	475.00	488	475	513.10	23.1
3	D B Corp	01-06-2010	212.00	250.00	243.00	246.7	242.15	239.15	27.15
4	MBL Infrast	01-11-2010	180.00	190.00	211.00	229.75	207.6	225.65	45.65
5	Birla Shloka	29-01-2010	50.00	49.00	51.00	51.75	48.3	68.35	18.35
6	Infinite Comp	02-03-2010	165.00	178.35	170.00	206.00	170.00	190.85	25.85
7	Jubilant Food.	02-08-2010	145.00	161.6	160.00	240.90	160.00	338.05	193.05
8	Vascon Engineers	15-02-2010	165.00	170.00	156.00	171.95	145.10	155.30	-9.7
9	Syncom Health	15-02-2010	75.00	88.00	89.9	107.2	85.75	119.95	44.95
10	NTPC	19-02-2010	201.00	204.00	202	204.85	198.85	207	6
11	Thangamayil Jew.	19-02-2010	75.00	70.00	75.7	82	70.00	81.35	6.35
12	Aqua Logistics	23-02-2010	220.00	219.40	225	246	223.75	271.75	51.75
13	Emmbi Polyarns	24-02-2010	45.00	45.50	46	48	26.65	20.75	-24.25
14	D B Realty	24-02-2010	468.00	430.00	452.1	467	412.45	458.5	-9.5
15	Hathway Cable	25-02-2010	240.00	246.00	250	250	204.50	207.2	-32.8
16	ARSS Infra	03-03-2010	450.00	640.00	630	751.8	630	928.5	478.5
17	Rural Elec.Corp.	03-08-2010	203.00	230.00	237.7	244.6	230	249.9	46.9
18	Texmo Pipes	03-10-2010	90.00	101.50	92.8	139.90.	92.80	92.35	2.35
19	Man Infra	03-11-2010	252.00	335.00	318	375	318.00	360.1	108.1
20	United Bank (I)	18-03-2010	66.00	77.00	74.9	77	68.00	68.6	2.6
21	NMDC	29-03-2010	300.00	295.70	297	297	283.10	294.15	-5.85
22	DQ Entertain.	29-03-2010	80.00	135.00	140	103	80.00	112.25	32.25
23	IL&FS Transport	30-03-2010	258.00	278.00	266.6	299	266.6	278.45	20.45

Sno	Index	Close (31-03-10)	Prv. Close (04/01/10)	% Change
	Best Performers of - 2010 - 'A' Group			
1	Hind. Copper	530.00	280.00	89.29
2	Titan Ind Ltd	1832.00	1421.00	28.92
3	Mundra Port & Specia	717.00	556.00	28.96
4	Siemens Ltd	709.00	584.00	21.40
5	Cadila Healthcar	795.00	664.00	19.73
6	Jai corp Ltd	252.00	211.00	19.43
7	Oriental Bank	309.00	260.00	18.85
8	Fortis Healthcare	171.00	144.00	18.75
9	Sun TV Network Ltd	413.00	348.00	18.68
10	Bhushan Steel Ltd	1743.00	1478.00	17.93
	Best Performers of - 2010 - 'B1' Group			
1	Inwinex Pharmaceutic	42.00	8.00	425.00
2	Shri Ganesh Spin	15.00	7.00	114.29
3	Nutraplus Product	19.00	10.00	90.00
4	Ahmednagar Forgi	131.00	70.00	87.14
5	Fact Enterprise	35.00	19.00	84.21
6	CCL International ltd	92.00	50.00	84.00
7	Shalibhadra Fin	20.00	11.00	81.82
8	Fortune Financia	144.00	80.00	80.00
9	Jayshree Chem	18.00	10.00	80.00
10	Devine Impex Ltd	45.00	26.00	73.08
	Worst Performers of - 2010 - 'A' Group			
1	Indiabulls Real Esta	174.00	225.00	-22.67
2	Shree Renuka Sugars	181.00	230.00	-21.30
3	Balrampur Chini	112.00	139.00	-19.42
4	Praj Industries	87.00	108.00	-19.44
5	Bharat Petroleum	540.00	651.00	-17.05
6	Indian Overseas	95.00	113.00	-15.93
7	Lanco Infratech Ltd	49.00	58.00	-15.52
8	Everest kanto cylind	125	147	-14.97
9	Hind petrol	341	400	-14.75
10	Godrej Industries ltd	160	186	-13.98
	Worst Performers of - 2010 - 'B1' Group			
1	Kakatiya Textile	15.00	50.00	-70.00
2	Kailash Ficorn Li	29.00	80.00	-63.75
3	Exelon Infrasturctur	18.00	59.00	-69.49
4	Natura Hue Chem	14.00	38.00	-63.16
5	Athav Enterpries	16.00	42.00	-61.90
6	Samyak International	20.00	51.00	-60.78
7	Richa Industries ltd	43.00	105.00	-59.05
8	Brilliant Securi	22.00	53.00	-58.49
9	Mavens Biotech ltd	56.00	133.00	-57.89
10	Narbada Gems & Jewel	17.00	40.00	-57.50

Increase in REPO and Reverse REPO

The central bank raised the repo rate, the rate at which it lends to banks to 5.00 percent from 4.75 percent and reverse repo rate, the rate which it absorbs funds from the system to 3.50 percent from 3.25 percent with immediate effect.

India is the second major economy after Australia to start raising interest rates with signs of global recovery emerging and local price pressures picking up.
China has raised its banks' reserve requirements but has left its rates unchanged.

The Reserve Bank of India (RBI) on Friday (19-03-2010) unexpectedly raised interest rates from record-low levels for the first time since it began cutting in 2008, citing intensifying inflationary pressures and a steady economic recovery.

Trend reversal

Rate (in%)	Effective date
Reverse repo	
3.50	19-03-2010
3.25	21-04-2009
3.50	04-03-2009
4.00	02-01-2009
5.00	08-12-2008
Repo	
5.00	19-03-2010
4.75	21-04-2009
5.00	04-03-2009
5.50	02-01-2009
6.50	08-12-2008

Let's understand what is REPO rate and Reverse-Repo rate

Repo and Reverse Repo are tools available in the hands of RBI to manage the liquidity in the system. It either injects liquidity into the market if the conditions are tight or sucks out liquidity if the liquidity is excess in the system through the Repo and Reverse Repo mechanism.

Now in REPO RBI injects liquidity into the system i.e. it purchases the securities from the banks and lends money to them to ease their liquidity crunch. The rate charged by it for lending money is the REPO rate.

Reverse REPO is the opposite of REPO: When liquidity is excess in the system. RBI sucks it out by Reverse REPO by lending securities and taking out money from banks. The rate charged for it is the Reverse Repo rate.

Reason for increase in REPO and Reverse REPO

Global credit squeeze - The move signals an end to cheap money that had begun with the stimulus packages in December 2008 as the economy had battled a global credit squeeze. As the growth momentum in factory output is sustaining with the number for January coming in at 16.7%, RBI has chosen to tackle inflation, which is nudging 10%.

Inflation - The wholesale price index in Asia's third-largest economy accelerated to 9.89 percent in February, the highest since October 2008 and well above the central bank's end-March projection of 8.5 percent and the 8.56 percent January reading.

Finance Minister Pranab Mukherjee had expressed concern saying inflation is heading to double digits from to 9.89 per cent at present while at the same time not giving up on growth.

The decision to tighten monetary policy follows inflation surpassing the RBI's March-end projection of 8.5 per cent and the government's recent decision to hike prices of petrol and diesel. Rising commodity and energy prices are exerting pressure on overall inflation.

RBI has also expressed concern over food inflation spilling over to non-food manufactured goods. More importantly, the rate of increase in prices of non-food manufactured goods has accelerated quite sharply, taken together, these factors heightened the risks of supply-side pressures translating into generalised inflationary process.

RBI also expressed the fear that rising industrial growth could add to further inflationary pressure in the coming days.

Impact of hike in REPO and Reverse REPO rate

Impact on stock market

Although 25 basis points increase should not make much difference, it created downward movement in equity bond and markets.

Indian stocks and bonds fell after the central bank raised interest rates for the first time in almost two years. The Bombay Stock Exchange's Sensitive Index, or Sensex, slid 185.12, or 1.1 percent, to 17,393.11, according to preliminary closing prices, its biggest drop in six weeks.

The S&P CNX Nifty Index on the National Stock Exchange lost 1.2 percent to 5,199.45. The BSE 200 Index fell 1.1 percent to 2,174.64. Housing Development Finance Corp., a mortgage lender, lost 2.7 percent to 2,622.7 rupees. ICICI Bank Ltd. fell 2.6 percent to 931.3 rupees. India's 10-year bonds declined, pushing their yields to a 17-month high. The yield on the 6.35 percent note due January 2020 rose 5 basis points to 7.88 percent, according to the central bank's trading system.

The surprise timing of the rate action may lead to sell-off in the federal bonds and swaps market when they open on Monday, with borrowing concerns adding to the pain.

No Change in BPLR

There might be No change in Change in BPLR levels but there could be some rise in sub-PLR rates as per most of the bankers. Interest rates won't go up immediately as there is enough liquidity in the system and banks are not using the instruments where rates have been increased. Short-term sub-PLR-linked corporate loans, which are expected to go up by 25-50 basis points, interest rates on other loans, including retail, are unlikely to go up immediately. Similarly, deposit rates too may not go up as liquidity in the system is presently adequate.

Banks are expected to wait for the RBI credit policy announcement on April 20 before taking any decision. This means that EMIs on home and auto loans may not go up soon. There is ample liquidity in the banking system and the repo rate hike may not have much impact on the liquidity.

Affect the borrowing programme

India government is scheduled to borrow a record 4.57 trillion rupees ($100 billion) in the fiscal year starting April to finance its fiscal deficit estimated at 5.5 percent of gross domestic product in 2010/11. The rate rise might affect the borrowing programme also.

Impact on short-term money market instruments

However, rates on short-term money market instruments such as Treasury Bills, certificate of deposit and commercial papers are expected to nudge up 25 basis points. Inter-bank call money rates, too, may go up following the rate hike by the RBI. corporate loans, particularly at sub-PLR rates, may get corrected.

Impact on realty

The move by the central bank will have an adverse impact on realty the sector. After this, liquidity will be squeezed and prices of properties are going to increase, which will affect demand. The only way to control the prices is to increase supply. BSE Realty Index lost almost 4 per cent. Higher interest rates may negatively impact the recovery in the sector, which is currently on a shaky ground.

In fact, the Realty Index has been an underperformer since end-October 2009, partly due to its significant outper formance during the March-October 2009 period. Even since the beginning of 2010, it has underperformed the Sensex, due to an increase in the cash reserve ratio in January 2010 and consequent rate hike fears.

Rupee may appreciate in the short-term on increased FII inflows.

The rupee was little changed per dollar. Rupee appreciated by 0.09 to Rs.45.59/$. In near future, FII inflows could increase because of higher interest rate differential. Rupee may appreciate in the short-term on increased FII inflows. The rate hike is proof that the economy is doing very well The rupee may rise as much as 2.2 percent to 44.50 by June on increased foreign inflows and a cooling in food-price inflation. ■

In Budget 2009-10 most economists were disappointed with the shallow emphasis on disinvestment of PSU. The Budget did not say how much the government would garner from PSU stake sales. Neither did it list the PSUs or draw the contours of a disinvestment strategy.

But in this years budget 2010-11 Finance Minister Pranab Mukherjee has set a budgetary target of mopping up Rs 40,000 crore from disinvestment. Presenting the Budget, Finance Minister Pranab Mukherjee had increased the revenue target from divestment to Rs 40,000 crore in 2010-11 from the targeted Rs 25,000 crore for the current fiscal.

NTPC, which generates 30,644 megawatts (or 20%) out of India's total power capacity of 155,859 mw, raised Rs. 8,286.69 Crore through the FPO. The government, which holds an 89.5% stake in NTPC, sold 5% of its stake in the offer. The auction method was used for selling about 50% of the NTPC shares on offer to institutional investors.

As for NMDC, the government divested 8.38% stake in the country's largest iron ore producer, brining its stake down to 90% in the company, with the remaining 10% being sold to the public. NMDC has estimated cash reserves of around Rs 12,000 crore and has lined up expansion plans worth Rs 26,000 crore. On the appropriateness of government offering the shares of NMDC at a huge discount as part of a sell-off programme to raise a total of Rs 25,000 crore this fiscal,

The government also divested 5% in REC, raking in about Rs 3,500 crore. The government used method for stake sales to institutional investors, wherein investors would be free to bid at any price above the floor price and the allotment would be on a top-down basis .

The recent failure of PSU's FPO

The government started off with the initial public offering of NHPC in August. However, hype over the issue egged on an aggressive pricing strategy that left little room for major gains. As of March 29, 2010, the stock was trading at Rs 30.55, a discount of 15.13% from its issue price.

The follow on public offer of the National Thermal Power Corporation, for the divestment of 5 per cent of NTPC's shares, had met with a lukewarm response from retail and foreign institutional investors. The offer was barely subscribed, with investors bidding for 1.2 times the shares available, a far cry from the double-digit oversubscription that many initial public offers enjoyed.

The NTPC almost drew a blank from retail investors, which analysts attributed to the high pricing of the issue. NTPC had fixed the base price for its offer at Rs 201 a share.

The FPO was just fully subscribed, thanks to domestic financial institutions, like LIC, SBI other Indian banks and FIIs. All this happened despite the reported assurances and expert advice of some of India's leading investment bankers and optimistic brokers, who were responsible for advising the government and managing the deal.

The Oil India divestment, in which the government raised slightly under Rs 3,000 crore, has been an exception. The initial public offer of Oil India (OIL) got subscribed over 30.6 times on the final day of closing today with institutional buyers flocking the counter with maximum number of bids. The oil explorer's IPO received bids for 80.93 crore shares against 2.64 crore on offer. The stock closed Tuesday at Rs 1190, up 13.33% over the issue price.

REC had hit the markets with its public issue of 17.17 crore shares at a floor price of Rs 203 per piece. The Rs 3,486.16 -crore follow-on public offer was open for subscription between February 19 to February 23.The FPO of REC was subscribed 3.12 times on good demand from institutional investors, even as retail investors cold-shouldered it.

FPO Summary :

		NMDC	REC	NTPC
Issue Open		Mar 10, 2010 - Mar 12, 2010	Feb 19, 2010 - Feb 23, 2010	Feb 03, 2010 - Feb 05, 2010
Issue Size (Rs Crore):		9967.29 crores	Rs. 3,486.16 Crore	Rs. 8,286.69 Crore
Issue Price		Rs 300 - 350 Per Equity Share	Rs 203 Per Equity Share	Rs 201 Per Equity Share
Market Lot:		20 Shares	30 Shares	28 Shares

NMDC Limited, the fully GOI owned enterprise, is the country's largest iron ore producer and exporter. Its stock is already listed on both the major stock exchanges of India. It is now coming with FPO with price band of Rs.300 - 350 per share.

After burning its fingers in the French auction method used for NTPC & REC, the government has turned to the book-building process for the FPO issue of NMDC. Under the French auction method, investors could apply for shares at any price above the floor price. This had kept retail investors away, and the net result was low subscriptions. .

Having turned to the book-building process also could not fetch good response to the NMDC issue. NMDC FPO had failure written all over it. The NMDC FPO had a timid response during subscription and had to be bailed out by the likes of SBI, LIC. Though it was issued at 5% discount. The FPO of REC was subscribed 1.24 times with bids for 413.79 million shares against 332.24 million shares. The government's holding in NMDC, following the FPO, will decline from the current 98.3% to 90%. LIC, India's largest insurance company, bailed out NMDC FPO on the last day, subscribed to 75-80% of the issue at Rs 300 per share. .

This is not-so-joyous ending of the first divestment by the government. After all, the government had to complete its divestment programme before the financial year ended in March. The NMDC FPO ends the government's disinvestment programme for the current financial year. The government has already raised Rs 13,621 crore this fiscal through the disinvestment in four companies — NTPC, REC, Oil India and NHPC (this is excluding NMDC).

Indications are that the tenure of the current government would be marked by unprecedented levels of disinvestment. The realisation from this would indeed be huge. For a country with inadequate public resources to meet its developmental needs, the proceeds from PSU stake sales could be a bonanza. It is important that the government sets out a clear strategy on disinvestment and spell out what exactly it wants to do with the proceeds.

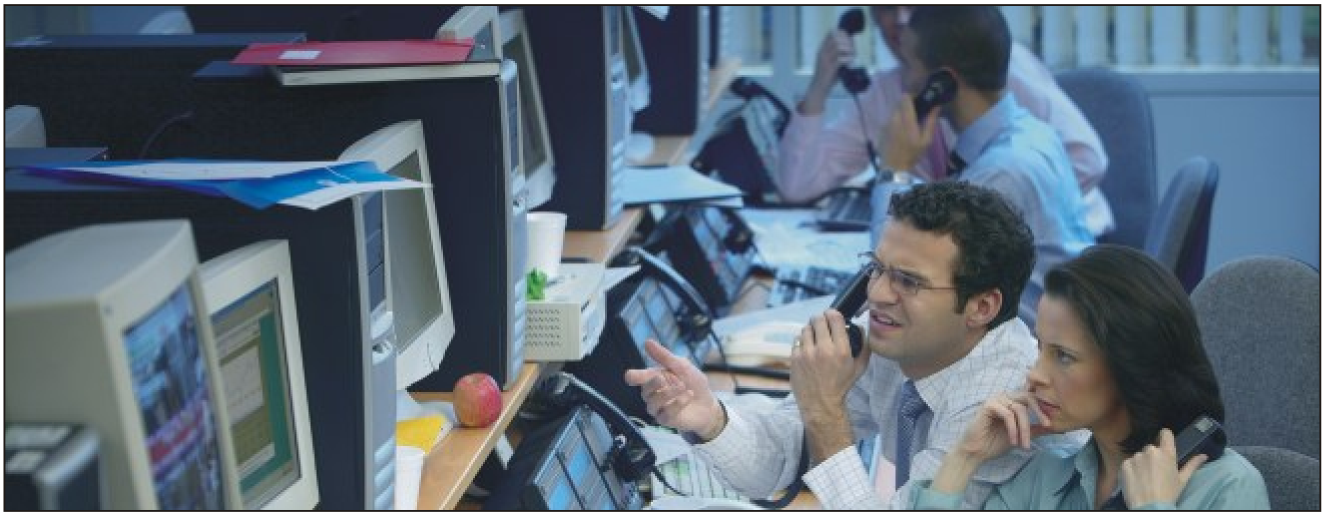
Upcoming FPO

Engineers India Ltd - State-owned Engineers India Ltd is likely to hit the market with a follow-on public offer for sale of the government's 10 per cent equity in the second quarter of the next fiscal i.e July-Sep quarter. The government is expected to raise Rs 1,000 crore through sale of its 10 per cent stake in EIL. The government holds 90.4 per cent stake in EIL.

SAIL - SAIL's share sale is proposed to take place through a two-phased follow-on-public offer (FPO), which will see the government selling 10 per cent of its equity in the firm and the company raising fresh equity in the same proportion. .

The first phase is expected to happen in 2010-11 and the next in 2011-12, but both would be based on the market conditions. The government currently holds a little over 85 per cent equity in SAIL. Share sale is expected to fetch Rs 8,000 crore in each phase collectively to the government and the company. Thus, the total proceeds of the FPO could be around 16,000 crore ■

MUTUAL FUND INDUSTRIES UPDATE



Deutsche MF launches Global Agribusiness Offshore Fund - Deutsche Mutual Fund has launched a new fund named as DWS Global Agribusiness Offshore Fund, an open ended overseas fund of funds scheme. The NFO will open for subscription from April 06 to April 30, 2010. The Scheme Re-opens for continuous sale and repurchase on May 25, 2010. The face value of the new issue will be Rs 10 per unit. The minimum application amount is Rs 5000 and in multiples of Re 1 thereafter. Entry load charge nil for the scheme. The scheme will charge an exit load of 1% if exited within one year from the date of allotment.

Kotak Balance declares dividend- Kotak Mutual Fund has announced a dividend of 20% (i.e. Rs 2.0 per unit on the face value of Rs 10) in Kotak Balance. The record date for dividend is March 25, 2010. All investors registered under the dividend option of Kotak Balance as on March 25, 2010, will receive this dividend. The NAV under the dividend plan of the scheme as on March 19, 2010 was Rs 23.802.

ING MF announces change in benchmarks

Name of the Scheme	Existing Benchmark	Revised Benchmark
ING Core Equity Fund	BSE 100	BSE 200
ING Dividend Yield Fund	BSE 100	BSE 200
ING Tax Savings Fund	CNX Mid Cap 100	BSE 100
ING Contra Fund	BSE 100	BSE 200

Shinsei AMC to sell entire stake to Daiwa Securities Group- Shinsei Bank, Limited announced that it has reached an agreement to sell its entire stake in Shinsei Asset Management (India) Private Limited to Daiwa Securities Group Inc. and Daiwa Asset Management Co. Ltd. The other domestic shareholders of the AMC, namely Rakesh Jhunjhunwala and Freedom Financial Services Private Limited, will also be divesting their stake.

IDBI Bank MF subsidiary receives AMC license from SEBI- IDBI Bank Ltd's wholly-owned subsidiary, IDBI Asset Management Ltd. (IDBI AMC), has received license to launch MF operations from the Securities and Exchange Board of India (SEBI). The AMC plans to launch its products across the equity and fixed income category, soon.

Reliance MF declares dividend in 4 Schemes -The record date for dividend has been fixed as March 30, 10.

Name of the Scheme	Quantum of Dividend	Dividend % on face value of Rs.10
Reliance Growth Fund	Rs. 2.5.0	25%
Reliance Vision Fund	Rs. 2.5.0	25%
Reliance Diversified Power Sector Fund	Rs. 2.5.0	25%
Reliance Regular Savings Fund Balanced Option	Rs. 2.5.0	2.50%

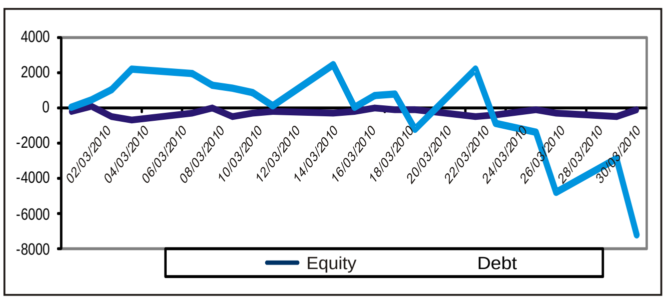
SEBI extends ASBA to MFs, reduces NFO period to 15 days - (SEBI) has brought in sweeping changes for the mutual fund industry. These include, for starters, a cut in the new fund offer period to 15 days and tighter corporate governance norms. The market regulator has extended Application Supported by Blocked Amount (ASBA) to mutual funds. There will be a compulsory ASBA facility for all NFOs from July 1.

Favorite stock picks in the portfolios of mutual funds.

An analysis has been undertaken indicating the favorite picks of fund managers for the month of March 2010:

Stocks	Market Value (Rs. cr)
ICICI Bank	132.88
Reliance Industries	132.29
HDFC Bank	92.59
Larsen and Toubro	87.67
Infosys Technologies	87.63
Sterlite Industries (India)	85.60
Lupin	77.44
Tata Consultancy Services	76.47
Oracle Financial Services Software	71.32
Maruti Suzuki India	67.83

Trends in Transactions on Stock Exchanges by M.F.



What's In and What's Out in MF

What's In	Market Value (Rs. cr)
IL&FS Transportation Networks Ltd.	113.9897
DQ Entertainment (International) Ltd.	37.0822
United Bank of India	25.8966
Other Equities	25.2419
Shri Lakshmi Cotsyn Ltd.	16.4440
Net Current Asset	4.0819
KPR Mill Ltd.	2.7999
Persistent Systems Ltd.	2.7712
Pradip Overseas Ltd.	2.5305
BF Investment Ltd.	0.6460

What's In	Market Value (Rs. cr)
Jubilant FoodWorks Ltd.	45.0101
Alok Industries Ltd.	30.5431
Jay Shree Tea & Inds. Ltd.	6.6982
Dhampur Sugar Mills Ltd.	5.9766
Assambrook Ltd.	2.5968
Torrent Cables Ltd	1.6141
Numeric Power Systems Ltd.	1.1060
Shriram City Union Finance Ltd.	0.7499
Jetking Infotrain Ltd.	0.7157
Aptech Ltd.	0.3777

The funds with highest increase and decrease of AUM in terms of value in March 2010

AUM (in crores)				
Fund Name	FEB 2010	MARCH 2010	CHANGE(CR)	% CHANGE
Increase in AUM				
SBI Mutual Fund	36,072	37,417	1,345	3.73
DSP BlackRock Mutual Fund	19,934	21,491	1,557	7.81
UTI Mutual Fund	79,310	80,218	908	1.14
ICICI Prudential Mutual Fund	80,527	80,989	462	0.57
Peerless Mutual Fund	121	303	182	149.88
Decrease in AUM				
Reliance Mutual Fund	115,753	110,413	-5,341	-4.61
HDFC Mutual Fund	95,144	88,780	-6,365	-6.69
Kotak Mahindra Mutual Fund	40,359	34,681	-5,678	-14.07
LIC Mutual Fund	46,462	42,304	-4,158	-8.95
Birla Sun Life Mutual Fund	66,306	62,343	-3,962	-5.98

Bulk deals in March '2010

Exc	Date	Company	Client	Tran	Qty	Price Traded	Price Close
BSE	31-Mar-2010	Balaji Distille	Idfc Mutual Fund	Buy	1100000	45.55	45.55
BSE	31-Mar-2010	Noida Toll	Hdfc Mutual Fund	Sell	1207000	33.21	32.60
NSE	25-Mar-2010	India Cemerts	Sbi Mutual Fund	Buy	1735000	135.93	135.40
NSE	25-Mar-2010	Shyam Telecom	Ajay Asset Management Private Limited	Buy	40617	81.53	77.85
NSE	25-Mar-2010	Shyam Telecom	Ajay Asset Management Private Limited	Sell	60617	81.25	77.85
BSE	23-Mar-2010	Emkay Gbbal	Reliance Capital Asset Management Ltd	Buy	707410	75.11	85.50
NSE	23-Mar-2010	Shyam Telecom	Ajay Asset Management Private Limited	Buy	120711	84.45	84.25
NSE	23-Mar-2010	Shyam Telecom	Ajay Asset Management Private Limited	Sell	93711	84.27	84.25
BSE	19-Mar-2010	Amtek Auto	Birla Sun Life Mutual Fund	Buy	2500000	172.00	173.10
BSE	19-Mar-2010	eClerx Services	Idfc Asset Management Co. Pvt Ltd A/c-idfc Premier Equity Fund	Buy	442600	540.05	519.20
NSE	19-Mar-2010	Jubilant Food	Hdfc Mutual Fund A/c Growth Fund	Buy	1558000	319.77	344.50
NSE	17-Mar-2010	Texmo Pipes	Ajay Asset Management Private Limited	Buy	37973	151.22	143.70
NSE	17-Mar-2010	Texmo Pipes	Ajay Asset Management Private Limited	Sell	67993	149.87	143.70
BSE	16-Mar-2010	Ciba India	Reliance Mutual Fund A/c Reliance Long Term Equity Fund	Sell	265226	321.02	330.05
NSE	15-Mar-2010	Madhucon Projec	Reliance Mutual Fund A/c Reliance Growth Fund	Buy	877000	148.50	148.85
NSE	12-Mar-2010	Dhampur Sugar	Idfc Mutual Fund A/c Classic Equity Fund	Sell	310000	82.66	80.25
NSE	12-Mar-2010	Info Edge	Reliance Equity Opportunities Fund	Buy	481451	876.25	906.00
NSE	12-Mar-2010	Info Edge	Reliance Tax Saver Elssfund	Buy	481451	876.25	906.00
BSE	11-Mar-2010	ADF Foods	Reliance Capital Asset Managment Limited Ac Pms	Buy	478645	85.00	95.35
NSE	10-Mar-2010	Texmo Pipes	Gaurav Asset Management Private Limited	Sell	55069	131.10	137.15
NSE	09-Mar-2010	Zydus Wellness	Hdfc Trustee Co.ltd A/c Monthly Income Plan long Term Plan	Buy	550000	331.03	359.85
NSE	03-Mar-2010	ARSS Infra	Ajay Asset Management Private Limited	Buy	94805	712.50	737.45
NSE	03-Mar-2010	ARSS Infra	Idfc Small And Midcap Equity Sme Fund	Buy	160000	688.64	737.45
NSE	03-Mar-2010	ARSS Infra	Ajay Asset Management Private Limited	Sell	89905	712.81	737.45

The past performance indicated by the one and two year Returns

Equity Diversified	3mth	6mth	1yr	2yr	3yr
ICICI Pru Discovery Fund (G)	6.8	17.5	159.2	63.9	81.9
Principal Emerg. Bluechip (G)	4.8	15.7	153.4	--	--
IDFC Premier Equity - A (G)	4.5	16.2	113.9	37.5	119.2
Birla SL Dividend Yield (G)	4.2	11.6	101.5	56.3	86.5
Reliance Equity Oppor -RP (G)	5.1	18.9	128.7	41.5	57.8

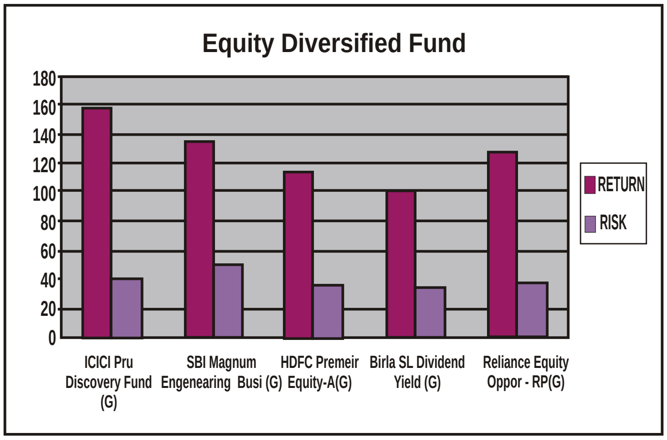
Equity Tax Saving	3mth	6mth	1yr	2yr	3yr
ICICI Pru Tax Plan (G)	4.6	18.0	123.8	37.3	58.5
Can Robeco Eqty TaxSaver (G)	6.2	12.1	113.4	49.5	89.6
HDFC Tax Saver (G)	4.5	12.2	112.0	35.4	60.3
Religare Tax Plan (G)	2.9	12.5	96.8	29.2	77.9
Reliance Tax Saver (ELSS) (G)	2.9	13.2	92.8	33.6	45.3

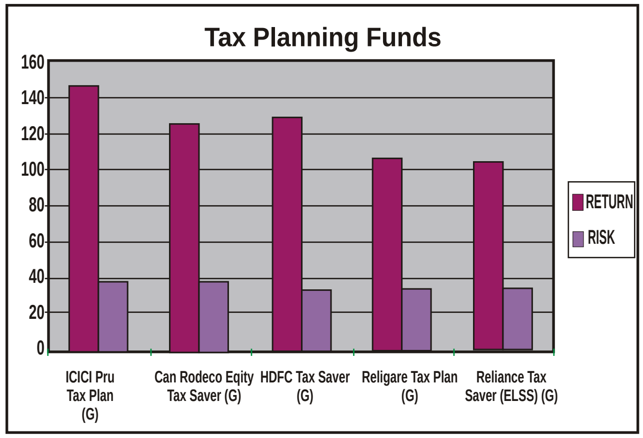
Balanced	3mth	6mth	1yr	2yr	3yr
ICICI Pru CCP - Gift Plan	6.3	16.4	111.0	14.7	36.8
Reliance RSF - Balanced (G)	6.4	13.0	91.4	52.1	86.8
HDFC Prudence Fund (G)	4.2	12.8	98.5	42.2	69.7
HDFC Balanced Fund (G)	5.3	14.2	82.6	37.9	66.4
HDFC Childrens Gift (Inv)	5.8	13.8	77.7	32.2	47.7

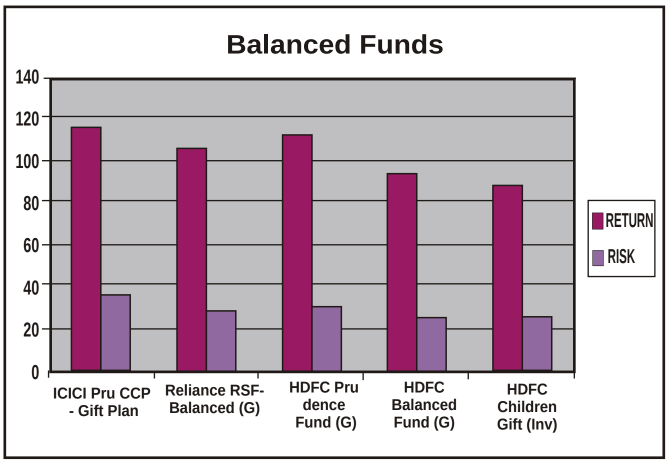
Debt - Short Term	3mth	6mth	1yr	2yr	3yr
IDFC SSIF -MTP - RP A (G)	2.1	4.5	12.9	22.5	32.5
Can Robeco Income (G)	0.3	1.5	7.3	37.3	45.7
Fortis Flexi Debt Fund-RP (G)	1.3	2.6	9.8	25.7	37.1
HDFC High Interest - STP (G)	1.6	3.7	8.6	22.2	35.1
UTI Short Term Income-RP (G)	1.1	3.3	9.7	18.4	28.8

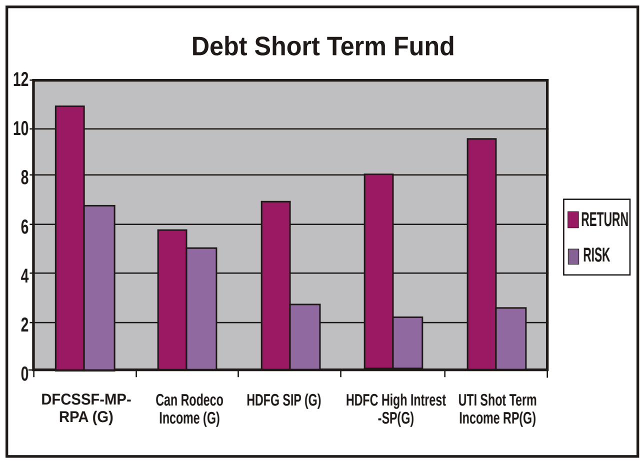
Risk-Return Analysis

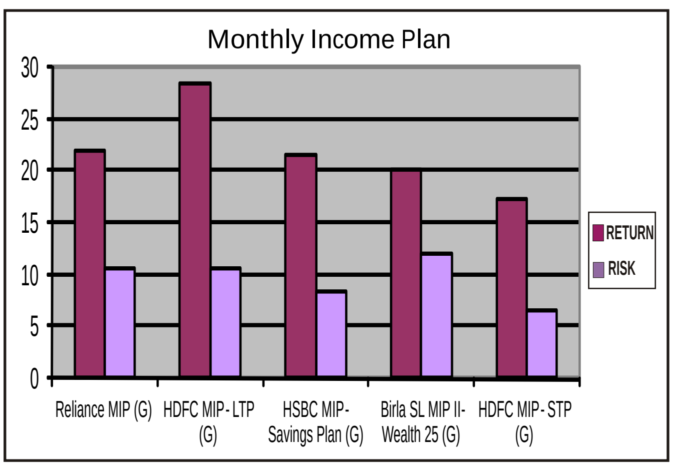
The following charts give you a snapshot of how the mutual funds have performed on the risk-return parameters in the past. The risk is measured by standard deviation, which measures the average deviation of the returns generated by a scheme from its mean returns, while returns are measured as one year average rolling returns.

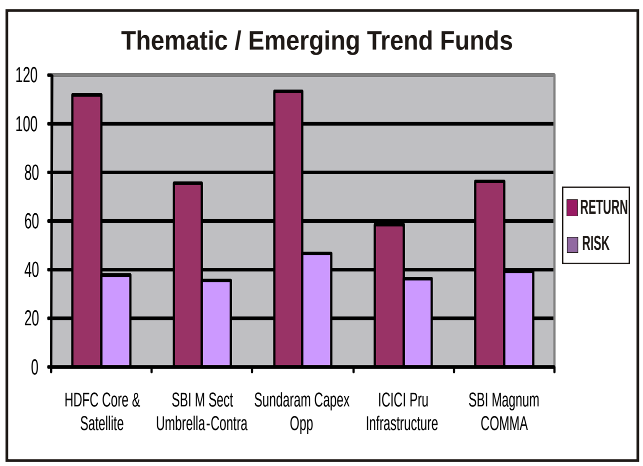












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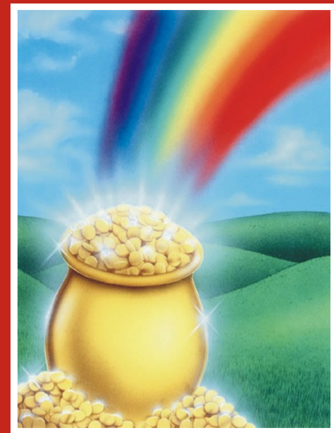

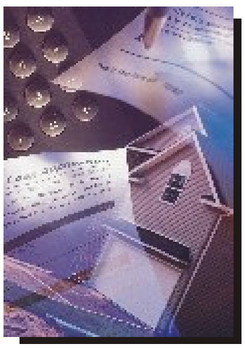

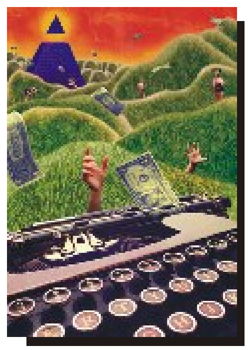

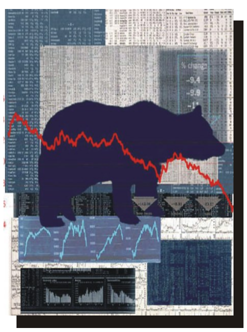

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