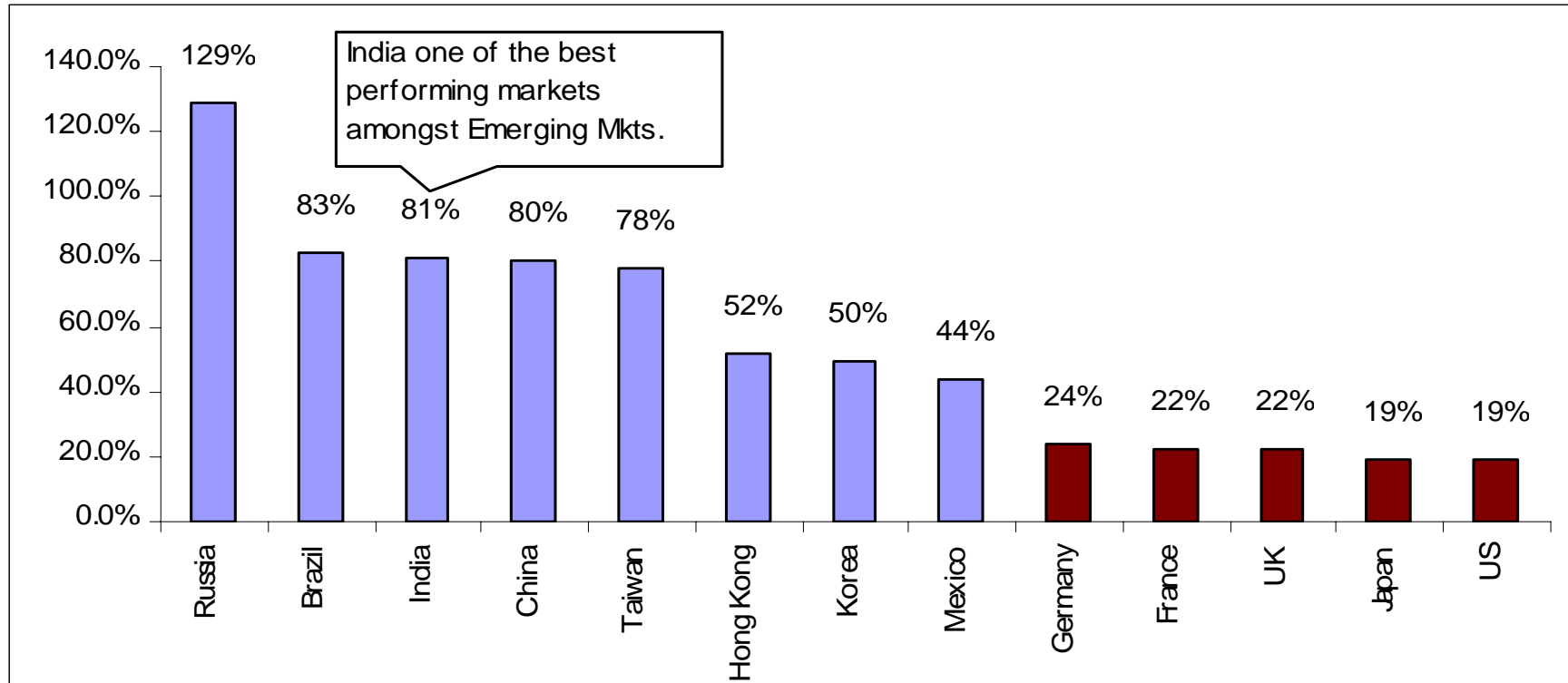


Ten Issues for the year 2010

Research, Investment Dept

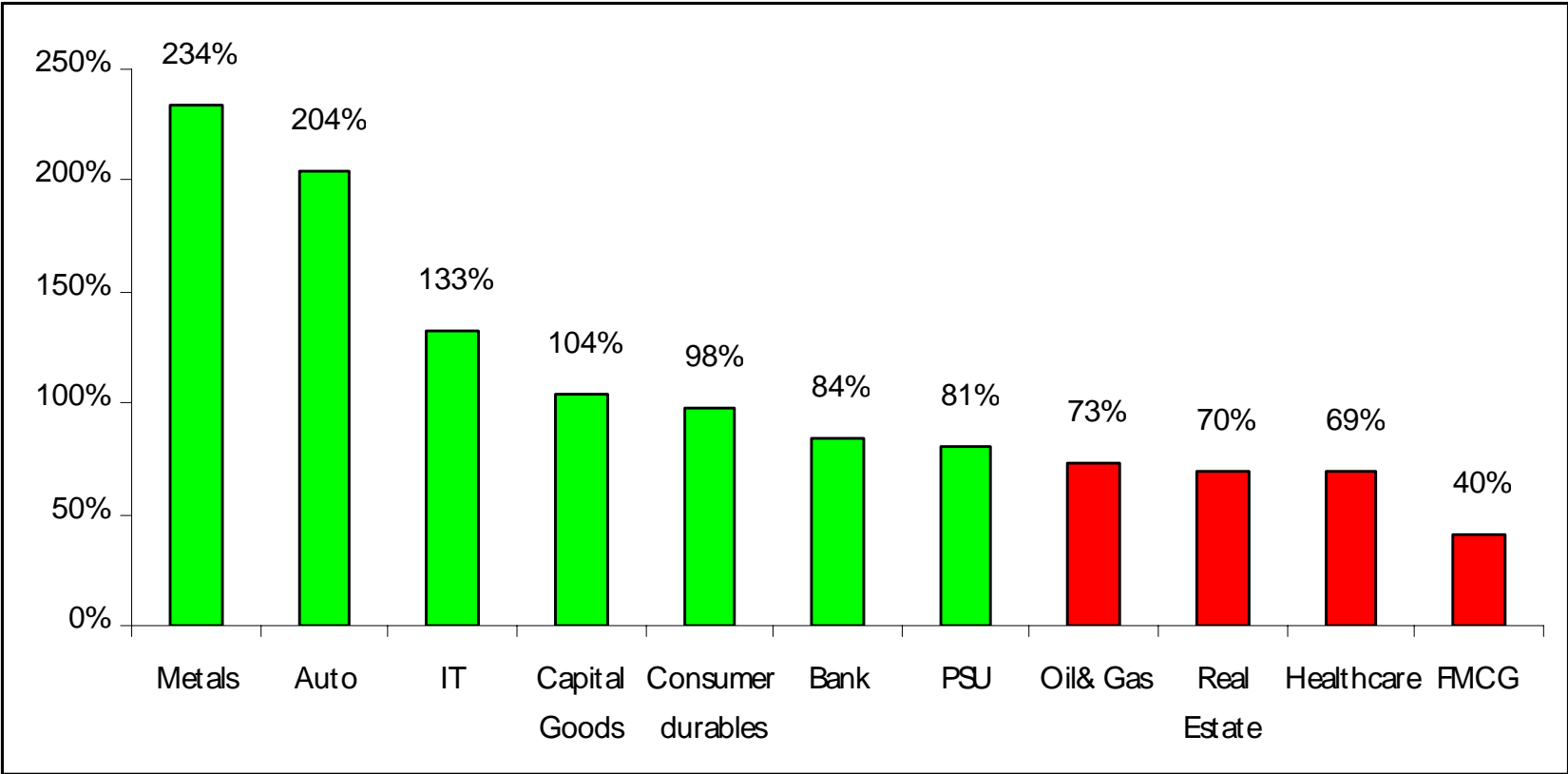
A recap of 2009

Global Equity Markets in 2009



Source: Bloomberg

Sectoral performance – Indian Markets



Source: Bloomberg

Sensex – Who has contributed how much to the rise?

Sensex has gained 7,748 points in 2009. Following is the security-wise contribution to the rise.

Company Name	%Change	Index Pts	Company Name	%Change	Index Pts
Reliance Industries Ltd	74.4%	1,018	Maruti Suzuki India Ltd	201.3%	208
Infosys Technologies Ltd	131.5%	988	Wipro Ltd	188.6%	178
Larsen & Toubro Ltd	118.1%	666	Hindalco Industries Ltd	217.4%	172
ICICI Bank Ltd	91.2%	643	Tata Power Co Ltd	86.3%	138
Housing Development Finance Corp	75.0%	406	Jaiprakash Associates Ltd	163.1%	122
State Bank of India Ltd	76.1%	384	Grasim Industries Ltd	100.8%	119
Tata Consultancy Services Ltd	210.9%	356	Reliance Infrastructure Ltd	96.0%	115
HDFC Bank Ltd	67.0%	339	NTPC Ltd	29.8%	91
Tata Steel Ltd	187.5%	304	ACC Ltd	82.9%	56
Oil & Natural Gas Corp Ltd	75.5%	301	Sun Pharmaceutical Industries Ltd	36.9%	46
ITC Ltd	46.2%	287	Hero Honda Motors Ltd	21.5%	41
Sterlite Industries India Ltd	225.1%	248	DLF Ltd	26.6%	33
Bharat Heavy Electricals Ltd	75.1%	245	Hindustan Unilever Ltd	5.1%	19
Mahindra & Mahindra Ltd	299.7%	230	Reliance Communications Ltd	-24.2%	(52)
Tata Motors Ltd	408%	226	Bharti Airtel Ltd	-9.0%	(64)

Nifty – Who has contributed how much to the rise?

Nifty has gained 2222 points in 2009. Following is the security-wise contribution to the rise.

Company Name	%Change	Index Pts
Tata Motors Ltd	406%	53.752
Mahindra & Mahindra Ltd	298%	45.871
Sterlite Industries India Ltd	226%	67.938
HCL Technologies Ltd	220%	21.595
Hindalco Industries Ltd	218%	39.5
Tata Consultancy Services Ltd	211%	107.861
Steel Authority of India Ltd	207%	64.759
Maruti Suzuki India Ltd	201%	49.147
Wipro Ltd	188%	65.623
Tata Steel Ltd	187%	65.361
Axis Bank Ltd	135%	36.344
Infosys Technologies Ltd	131%	201.555
Larsen & Toubro Ltd	117%	101.973
Ranbaxy Laboratories Ltd	114%	15.131
Hero Honda Motors Ltd	112%	28.904
Siemens India Ltd	109%	16.304
Unitech Ltd	108%	16.094
GAIL India Ltd	104%	37.121
Grasim Industries Ltd	101%	19.212
Reliance Infrastructure Ltd	96%	18.967
ICICI Bank Ltd	91%	115.338
Tata Power Co Ltd	87%	27.718
ACC Ltd	83%	12.174
Cipla Ltd/India	82%	22.466

Company Name	%Change	Index Pts
Reliance Capital Ltd	79%	14.602
State Bank of India Ltd	76%	95.154
Oil & Natural Gas Corp Ltd	75%	138.112
Bharat Heavy Electricals Ltd	75%	74.382
Housing Development Finance Corp	75%	66.05
Reliance Industries Ltd	74%	241.854
Punjab National Bank Ltd	71%	18.276
ABB Ltd/India	69%	10.535
HDFC Bank Ltd	67%	59.82
Bharat Petroleum Corp Ltd	65%	11.844
Cairn India Ltd	64%	24.772
Jindal Steel & Power Ltd	61%	37.744
Suzlon Energy Ltd	49%	8.426
ITC Ltd	46%	67.193
Ambuja Cements Ltd	44%	8.368
Sun Pharmaceutical Industries Ltd	41%	13.042
Power Grid Corp of India Ltd	34%	17.308
NTPC Ltd	30%	28.896
Reliance Power Ltd	29%	16.483
DLF Ltd	27%	14.444
Idea Cellular Ltd	7%	0.057
Hindustan Unilever Ltd	5%	4.639
Infrastructure Development Finance Co Ltd	-1%	-0.602
Bharti Airtel Ltd	-9%	-9.715
Jaiprakash Associates Ltd	-14%	-8.807
Reliance Communications Ltd	-24%	-7.792

Change in leading debt indicators: Dec 08 vs Dec 09

Indicator	Dec 08	Dec 09
Ten yr Benchmark G sec yield (s.a)	5.26%	7.59%
Five yr Benchmark G sec yield (s.a.)	5.40%	7.25%
One yr benchmark G sec yield (s.a.)	4.62%	4.39%
Ten yr AAA PSU Corporate Benchmark yield	8.18%	8.66%
Five yr AAA PSU Corporate Benchmark yield	8.60%	8.33%
One yr CD rate	8.55%	5.80%
3 Mo T Bill rate	4.85%	3.68%
5 yr OIS rate	4.66%	6.88%
O/N NSE MIBOR	5.27%	3.59%
INR/USD (in Rs)	48.80	46.47
Inflation	6.61%	4.78%
RBI LAF Repo	3000 cr	0
RBI LAF Reverse Repo	47665 cr	43570 cr
CRR, Repo, Reverse Repo	5.50%,6.50%,5.00%	5%, 4.75%, 3.25%

Regulatory changes in debt market in 2009

✓ SEBI

- Electronic settlement of secondary market corporate bond transaction via exchange made compulsory
- Reporting of Interscheme transactions
- Norms for debt mutual funds (Liquid, FMP, Liquid plus, money market instruments)
- Introduction of dual matrices for valuation of debt instruments of MFs

✓ RBI

- Interest Rate Futures introduced in India
- Draft guidelines for corporate bond repo
- Draft guidelines on less than 1 yr NCDs
- Lowered key rates to infuse liquidity and provide stimulus for growth
- Provided Special repo facility and refinance facility for banks, MFs and NBFCs

Issues for 2010

Issues for 2010

- If 2009 was the year of the unexpected, 2010 may turn out to be a year of the unwanted – all ghosts that we feared may actually return to haunt us.
- Year 2010 has started with lot of optimism. While the New Year may end up being a year full of challenges, it will also stimulate a combative spirit and end leaving behind a feeling of accomplishment and exhilaration.
- We are enlisting herewith some of the issues which we believe may be prominent themes for the capital markets and would have bearing on its performance during the year.

1. GDP Growth – India's growth prospects remain better

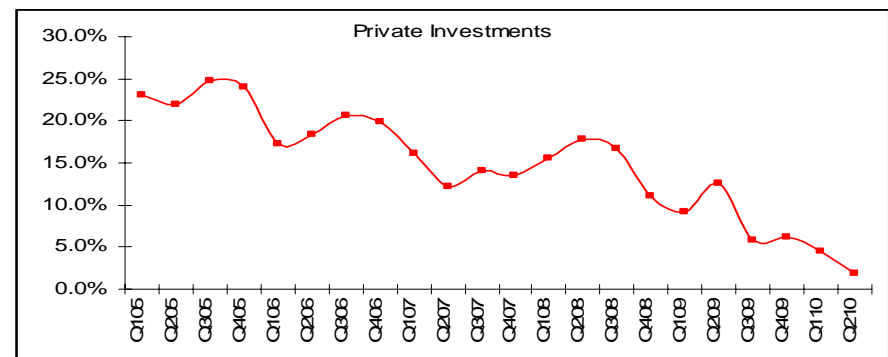
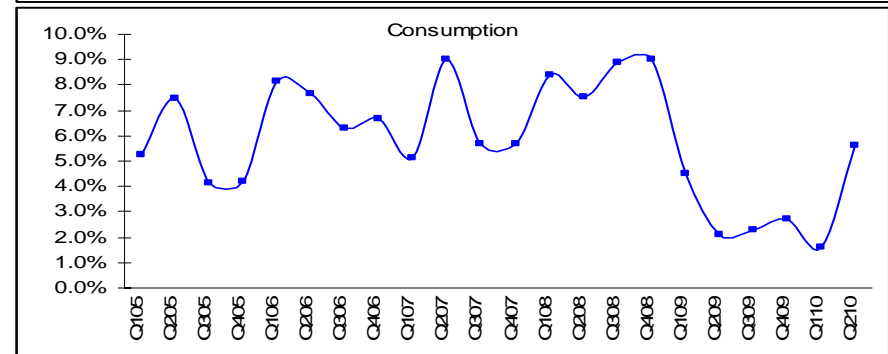
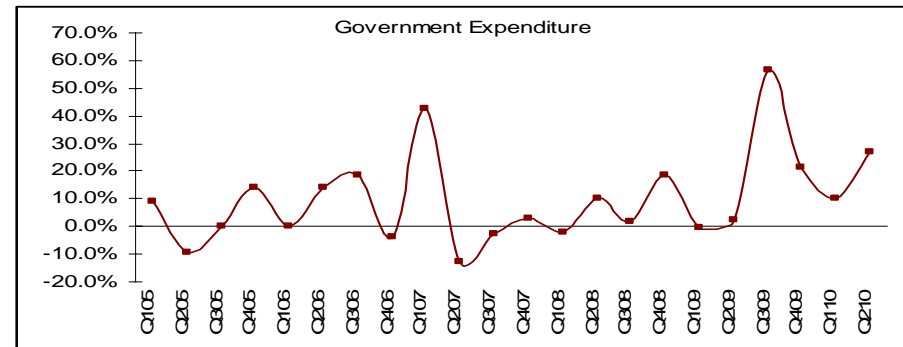
- GDP growth of developed markets during 2009 has been much lower compared to expectations
- Amongst all major economies, India continues to be among best in terms of growth prospects.
- India's growth expectations for 2009 has been lowered mainly on account of poor monsoon.
- Growth expectations for 2010 for India are better compared to 2009 as per IMF estimates.

Country	OCT 2009			OCT 2008		
	2008	2009	2010	2008	2009	2010
China	9.0	8.5	9.0	9.7	9.3	9.8
India	7.3	5.4	6.4	7.9	6.9	7.7
Brazil	5.1	(0.7)	3.5	5.2	3.5	4.4
Korea	2.2	(1.0)	3.6	4.1	3.5	5.2
South Africa	3.1	(2.2)	1.7	3.8	3.3	4.2
United States	0.4	(2.7)	1.5	1.6	0.1	2.0
Hong Kong SAR	2.4	(3.6)	3.5	4.1	3.5	4.2
Taiwan Province of China	0.1	(4.1)	3.7	3.8	2.5	3.8
United Kingdom	0.7	(4.4)	0.9	1.0	(0.1)	2.2
Germany	1.2	(5.3)	0.3	1.9	(0.0)	1.0
Japan	(0.7)	(5.4)	1.7	0.7	0.5	1.3
Russia	5.6	(7.5)	1.5	7.0	5.5	6.0

Source: World Economic Outlook IMF.

GDP Growth in 2009 - Consumption aided by government boost

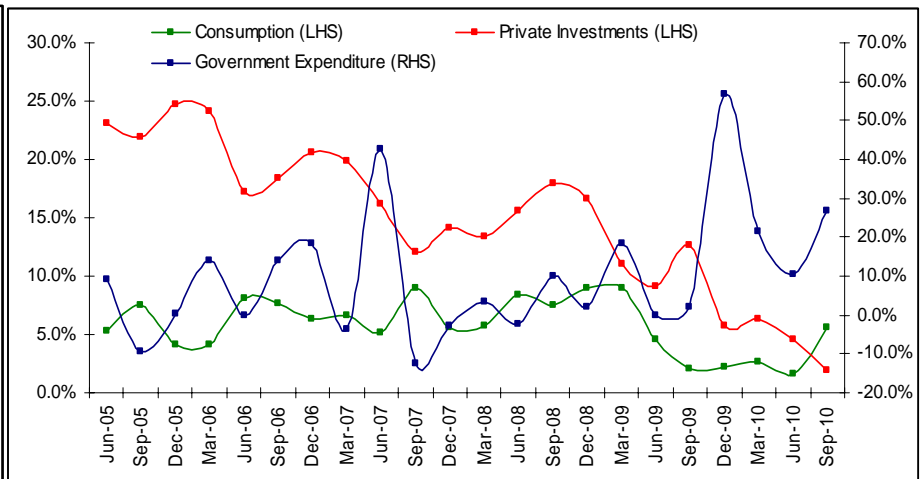
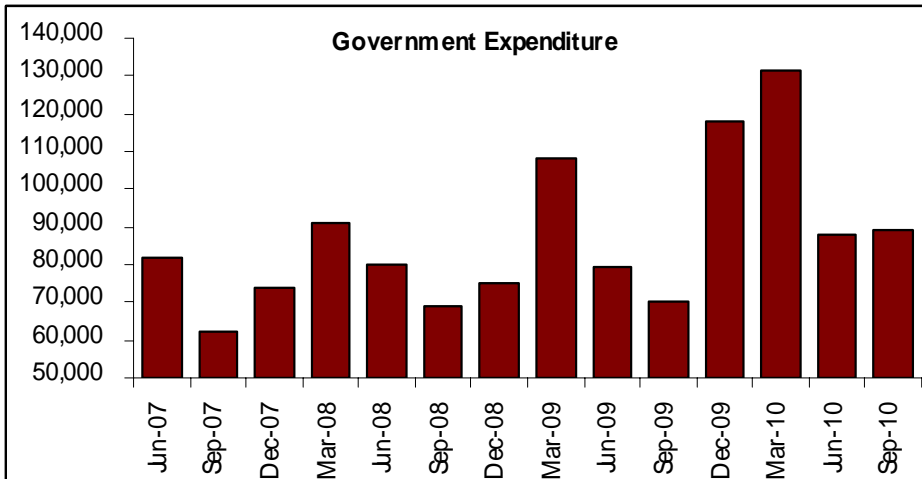
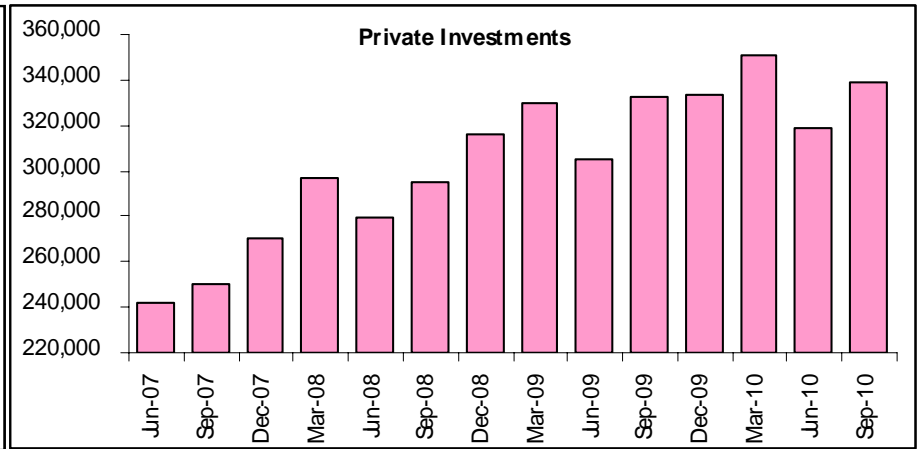
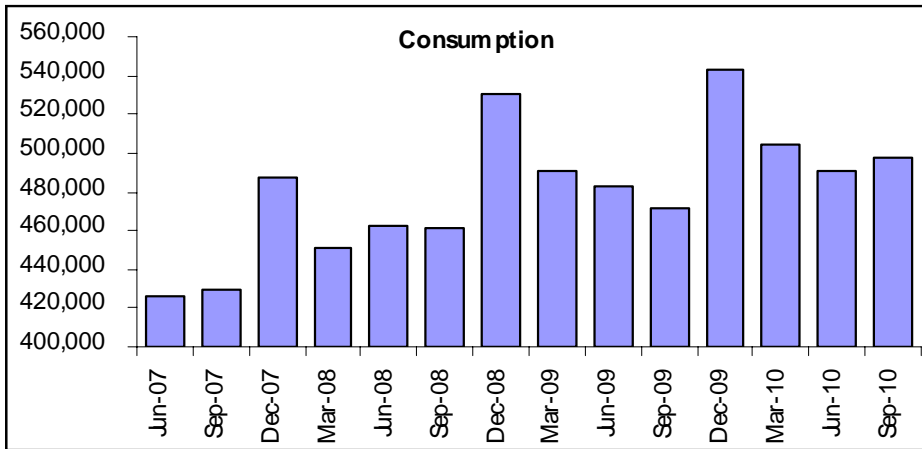
- Government expenditure helped the GDP growth during 2009. Average growth of government expenditure during 2005-2008 period was 6% as against 21.5% growth in 2009. This acted as the counter balancing force.
- Growth of consumption was lower compared to previous periods but decline was not drastic to impact the overall GDP growth. Consumption expenditure to some extent was also aided by the 6th pay commission package (~Rs 500 bn released in two tranches) and NREGA scheme (~ Rs 390 bn earmarked by budget 2009).
- Private Investment growth has been declining consistently after the onset of the financial crisis in 2008. Datapoints still don't indicate revival in capex.



GDP growth- Consumption & Private investment to provide kicker in 2010

- We expect growth of consumption to gradually move towards 6-7% range as employment scenario improves further over next few quarters and household incomes increase.
- Government expenditure growth would gradually come down as economic revival gains strength and economy is ready for self sustaining growth.
- We expect private investments to start reviving in the 2010 and achieve growth in the range of 7-8%.

GDP- Key components in charts

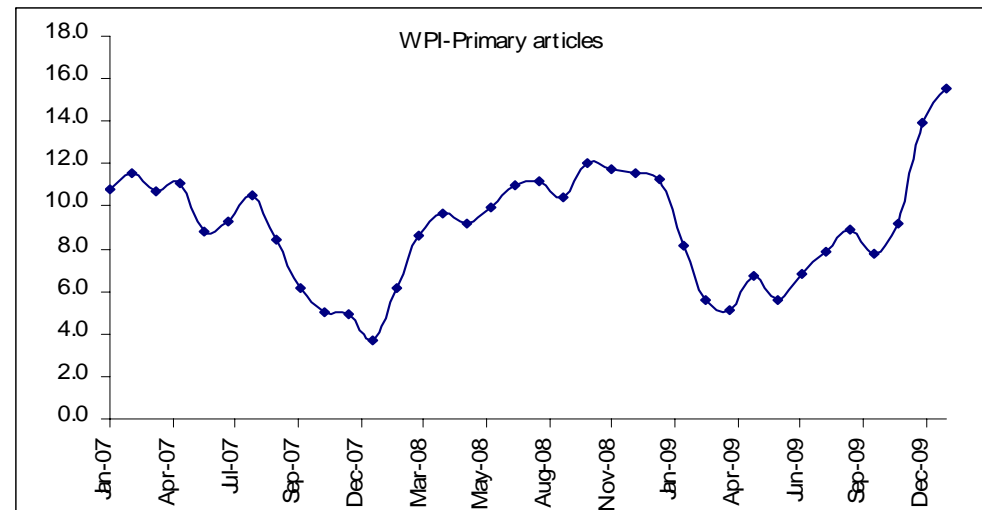
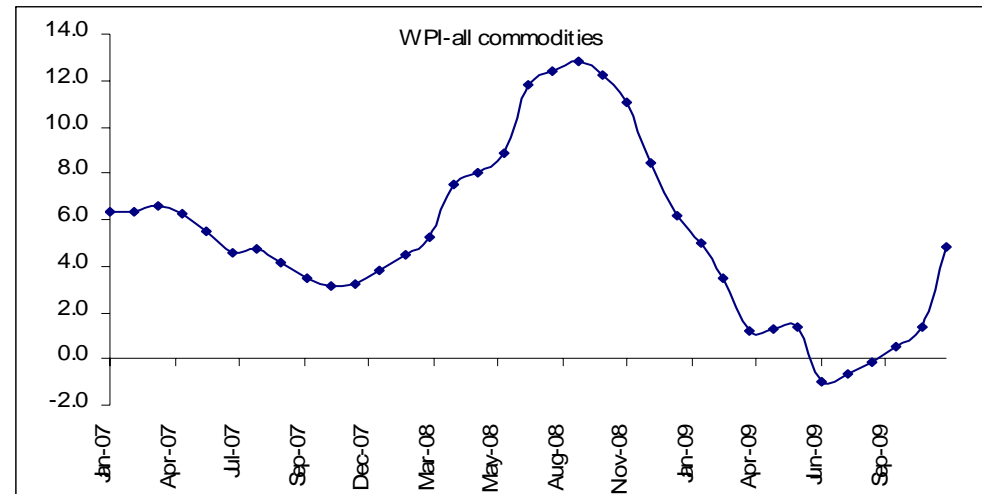


Source: MOSPI

- Note
- ✓ Figures are in Rs. Crores
- ✓ % refers to YoY growth

2. Inflation – Supply side issues hog food inflation

- Government has changed the WPI – all commodities reporting from weekly to monthly basis. However, WPI-primary articles is still being reported on weekly basis. Moreover, methodology has also been changed with more items included for computation.
- Inflation as represented by WPI for all commodities remained benign during the year 2009 on account of lower manufactured products prices.
- However, primary articles component of WPI remained high (Inspite of higher base of previous year) throughout the year mainly on account of higher food prices.
- Food inflation is largely a supply side issue as globally agricultural commodity stock levels have been lower. Monsoon had been failure during the year with 20% shortfall. This has been the major reason for spike in food prices.



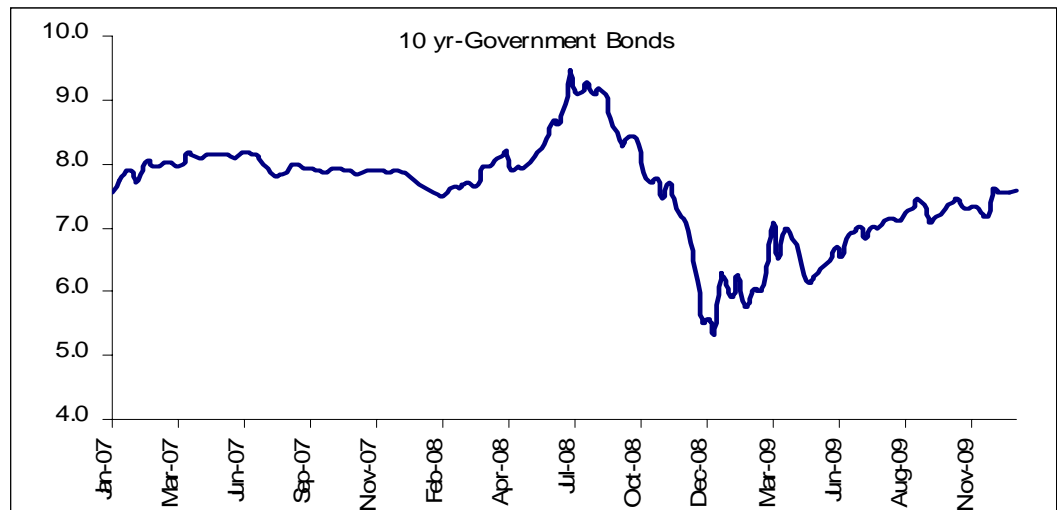
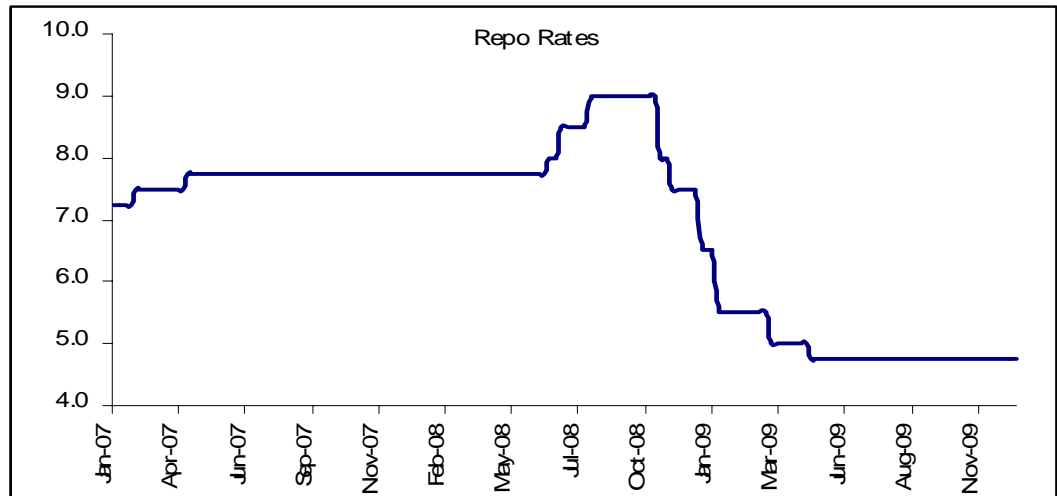
Source: Bloomberg

Inflation – Manufacturing inflation may pick up with economy

- We expect manufacturing products inflation to pick up in 2010 as economy revives and industry gains pricing power.
- Food inflation would persist for some more time as buffer stock levels deplete. The monsoon – its timely arrival, quantum and distribution will be an important determinant for taming food inflation in 2010.
- Monetary policy action during 2010 would be driven by the expectations of inflationary pressures going forward.

3. Interest rates – Shorter end down, longer end up

- Interest rates (short term rates) as represented by policy rates have been lower throughout 2009 as RBI acted to revive growth.
- Interest rates on Long term sovereign debt have been high mainly on account of higher government borrowings.



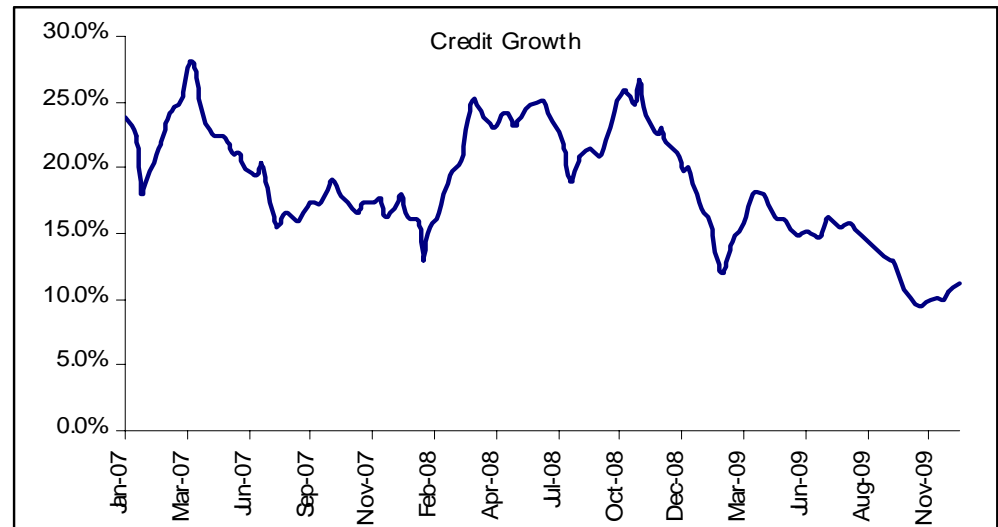
Source: Bloomberg

Interest rates – Expect short term rates to firm up

- With economy stabilizing, monetary and government authorities would roll back in gradual manner some of the aggressive fiscal and monetary measures taken earlier.
- Monetary actions would lead to short term rates inching higher over next few quarters.
- Long term rates would remain steady with upward bias on expected monetary tightening measures to counter high inflation as also due to large government budget deficit.

4. Credit Growth – has been laggard in 2009

- Credit growth remained lower for the entire 2009.
- With the downturn in capex cycle, demand for long term project funding has been lower. Moreover, with equity markets doing well companies have been able to raise more equity.
- Reluctance on the part of bankers to lend aggressively in economic slowdown was also one of the reasons for the lower credit growth.



Source: Bloomberg

Credit growth – Expect to pick up on industry demand and retail

- We expect credit growth to pick up gradually during 2010.
- From current 11% levels, we expect the credit growth to rise to 16-17% by the end of 2010.
- Credit growth would be driven by demand from Industry and retail sector.

5. US Recovery- What happened in 2009

- The housing bubble and the credit crisis took its toll on all the segments within the US economy.
- This resulted in Inventory de-stocking across sectors resulting in fall in industrial production, which in turn resulted in job cuts and an increase in unemployment.
- During this period the US Fed along with other global central banks continued with their near zero interest rates. This resulted in stabilizing the market for securitized paper along with boosting demand in the economy.
- CDS prices reached their peaks in March 2009 before falling sharply to 2008 levels.
- The demand for commodities such as crude oil, metals, etc. started increasing which resulted in commodity prices starting to pick up, which in turn picked up the stock markets.
- Category wise returns for 2009 is mentioned in the table below:

Particulars	Return
Crude Oil	78%
Copper	140%
Gold	24%
Aluminium]	45%
Dow Jones Average Index	23%
S & P 500 Index	26%
Case Shiller Index - 20(Oct'08 - Oct'09)	-7%

US Recovery- Expectations for 2010

- The monetary policy stance of the US Federal reserve along with other major central banks would determine fate of financial markets for 2010
- For the last two quarters of Sep 2009 & June 2009 the US economy has reported GDP growth of 2.2% & 2.8% QoQ (Seasonally adj.) respectively, an indication of revival in demand
- The latest CPI data for US for Nov 2009 stands at 1.8% YoY. This is within the comfort zone of the US Fed. Any increase above 4% would result in the central bank taking an aggressive stand regarding monetary tightening.
- We expect the US Fed to continue with the near zero interest rate regime for at least the first half of 2010
- Health of the financial sector has improved which is evident from the fact that banks have either expressed interest in or actually started repaying the TARP money. We expect the good health of the financial sector to trickle down to the other sectors of the economy as well.
- The IMF estimates for the US economy are mentioned below:

Particulars	2009 E	2010 E	2011 E
GDP growth at constant prices % YoY	-2.73	1.52	2.77
Average consumer price inflation %	-0.39	1.72	1.78
Current account balance as % of GDP	-2.59	-2.21	-2.57

US Economic Data

Merchant Wholesale inventories MOM change %



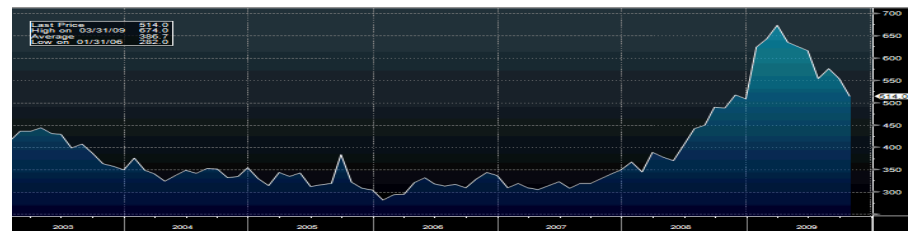
US Industrial Production MOM SA %



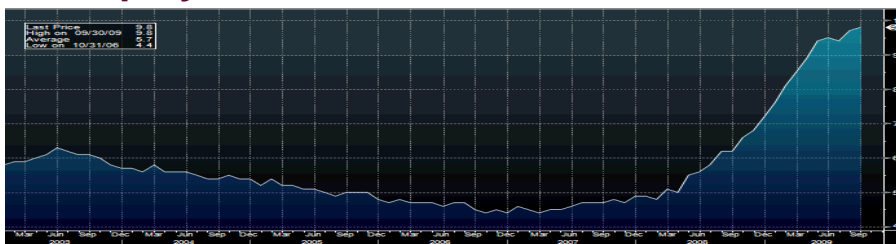
US pending Home Sales Index YoY %



US Initial Jobless Claims '000



Unemployment Rate YoY %



5 year CDS for top US banks



Source: Bloomberg

The charts displayed above depict the improvement in economic data points, such as increase in inventories, revival in industrial production, rise in housing sales, etc. The sharp fall in bond insurance premiums (CDS) during 2009 indicates the increase in risk appetite among investors. The unemployment rate at 10% remains a cause of concern for policymakers, though the initial jobless claims number has started falling sharply indicating stability in jobs markets

6. Emerging economies – What happened in 2009

- The credit crisis which began in late 2007 continued impacting the world economies for the first quarter of 2009 as well, with emerging markets facing drop in industrial production levels, fall in aggregate demand and a rise in unemployment rate
- The degree of impact on the different countries within the emerging economies basket was different depending on the inbuilt strength of the economies and the fiscal and monetary stimulus measures adopted by these economies to tide over the crisis period. Data points suggest that by the end of 2009, most of the emerging economies have recovered substantially from the poor industrial activity reported at the start of 2009.
- Most of the central banks belonging to emerging economies continued their monetary easing policy, a case in study being China whose Money supply growth (M2) reached levels as high as 30%.
- On the fiscal policy part, most of economies resorted to increase in government spending along with sops such as tax breaks across industries, higher claims on depreciation, and protectionist measures
- Unemployment rates which rose initially are again on their way down for the emerging economies though this is still not the case with the developed countries
- Countries with high dependence on exports suffered because of reduction in global demand. China's exports fell in excess of 20% during the initial part of 2009 to recover to near zero growth levels by the end of 2009
- Domestic consumption also recovered substantially from the low levels reached at the start of 2009
- Smaller Western European countries such as Portugal, Greece, Ireland and Spain faced pressure from the EU to rein in their fiscal deficit. All the 4 western European countries faced downgrades in credit ratings during 2009. According to the European commission, the budget deficit for Spain, Greece, Ireland and Portugal is expected to be 11.2%, 12.7%, 11% and 8% of GDP respectively
- The fag end of 2009 saw Dubai wake up to a debt crisis of its state-owned investment flagship Dubai World by asking for a delay in repaying some of the \$59 billion it owes to creditors, causing panic and concerns across the world, however the \$59 billion number pales in comparison to the \$2.8 trillion in writedowns that the IMF estimates U.S. and European lenders will have made between 2007 and 2010.

Emerging economies – Expectations for 2010

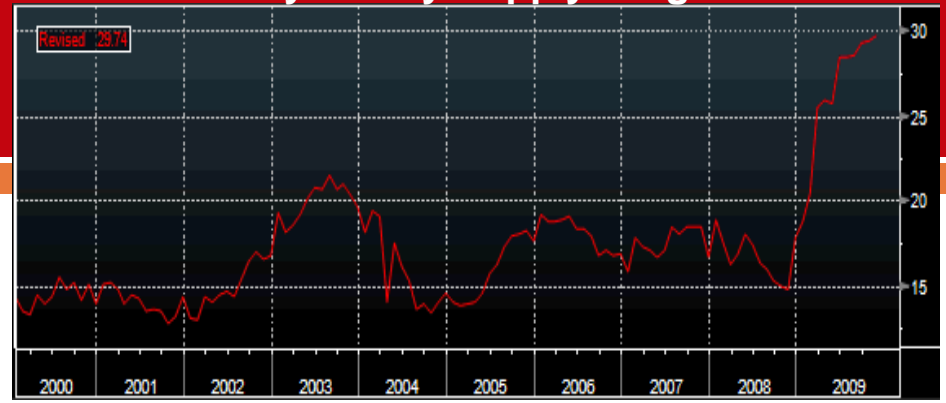
- Central banks the world over are still pondering over the kind of exit strategies they should apply for gradual removal of stimulus measures and the time of initiation of the monetary tightening. We expect the central banks of developed countries to initiate gradual monetary tightening only in second half of 2010
- Some of the emerging economies such as India and China might initiate the same earlier on account of strong economic activity reported recently and the fear of inflation rising sharply by the middle of 2010
- We do not expect a scenario of sudden higher interest rate policy being adopted by the central banks. The increase in interest rates and the removal of liquidity will be a gradual process while ensuring steady growth in economic activity.
- Actions surrounding these exit strategies will keep the emerging markets in a range bound and volatile state.
- We expect the underlying strength of the emerging economies to maintain the momentum in economic activity throughout 2010
- Unwinding of the U.S. dollar carry trade may pose the biggest threat to the global economy next year. The IMF mentioned that there are indications that the U.S. dollar is now serving as the funding currency for carry trades. The general understanding is that such transactions may involve between \$1.4 trillion and \$2 trillion and “unwinding” the investments could cause volatility in currencies, commodities and emerging market stocks
- Rating pressure will remain for Greece, Spain, Ireland and Portugal for 2010, possibly with the addition of a few more names
- The IMF estimates for Brazil, Russia, India and China are mentioned below:

Country	GDP Growth Estimates		
	2009E	2010E	2011E
Brazil	-0.66	3.46	3.52
Russia	-7.55	1.54	3.00
India	5.36	6.42	7.28
China	8.5	9.03	9.73

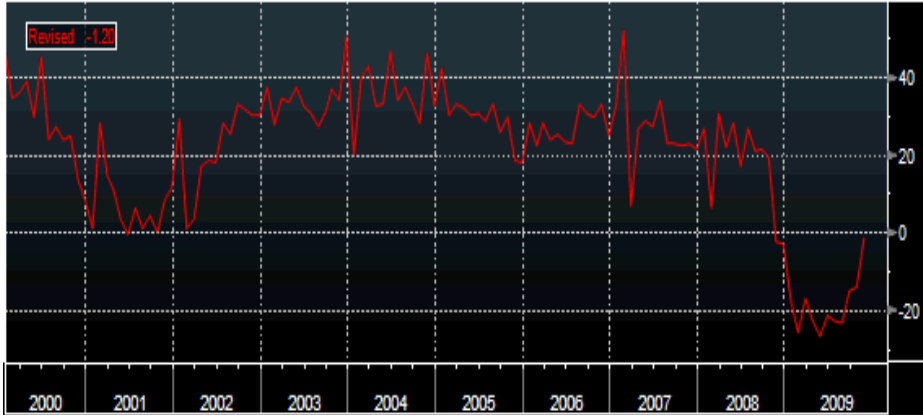
China Monthly Retail Sales growth YoY



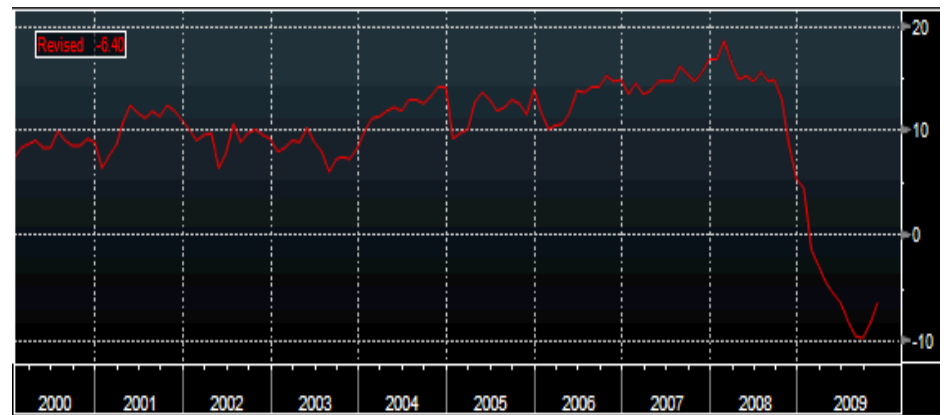
China Monthly Money Supply M2 growth YoY



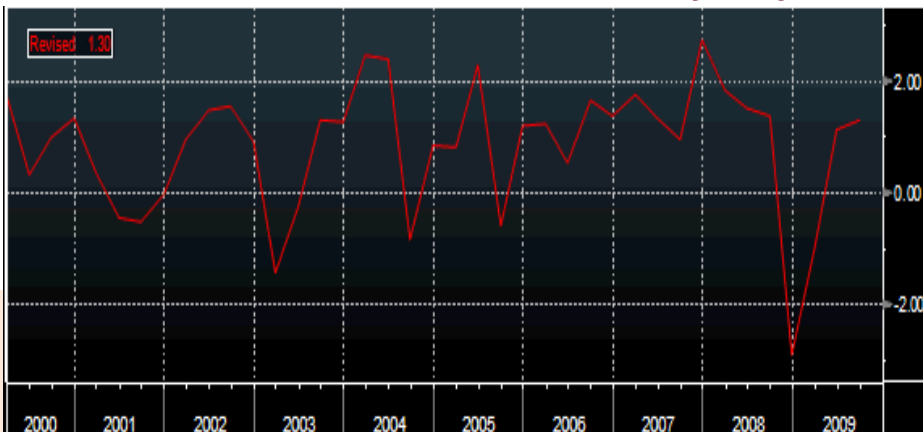
China Monthly Exports Trade growth YoY



Russia Monthly Retail sales growth YoY



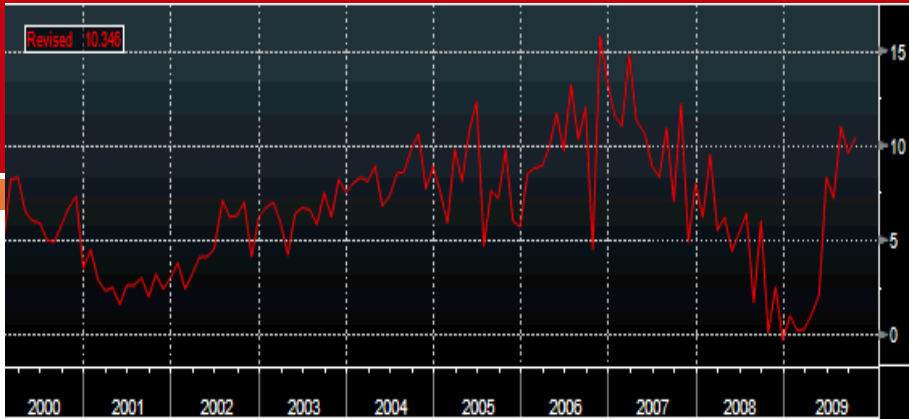
Brazil GDP Growth QoQ Seasonally Adj.



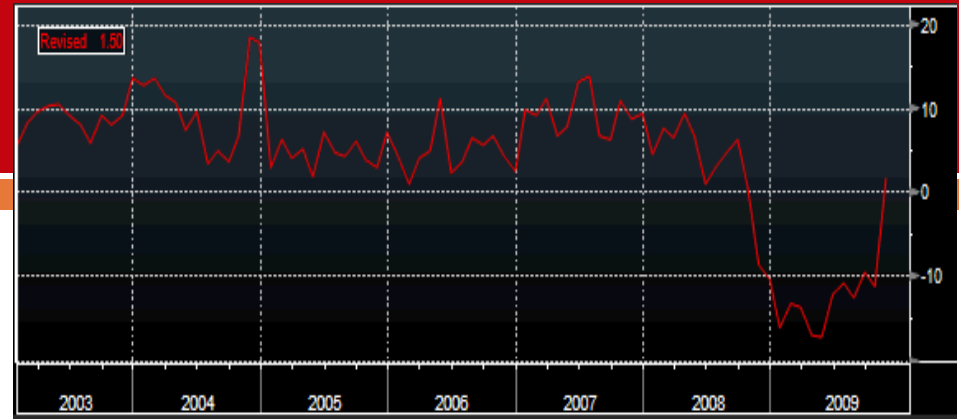
Brazil Monthly Industrial Production growth YoY



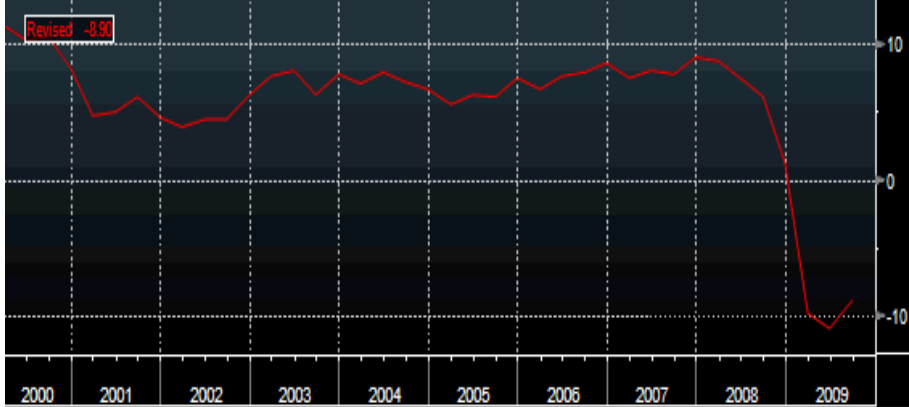
India IIP growth YoY



Russia Monthly Industrial Production growth YoY



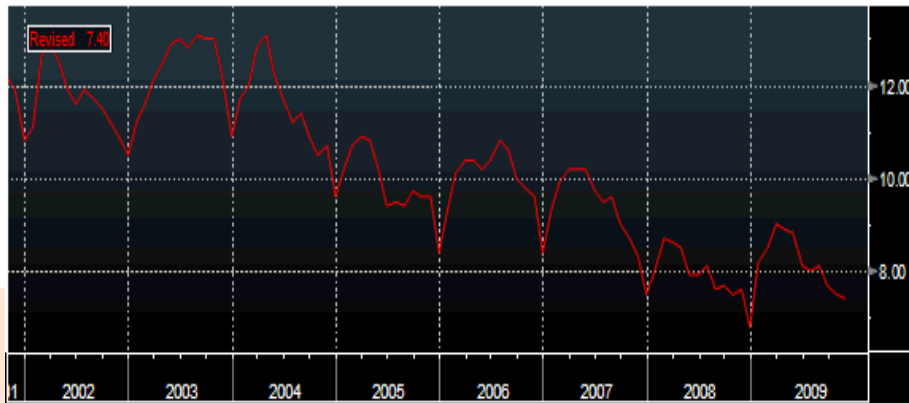
Russia Qtr GDP growth YoY



Brazil Monthly Retail Sales growth YoY



Brazil Unemployment rate



Russia Unemployment rate



7. Domestic institutions and capital markets - What happened in 2009

✓ Mutual Funds

- SEBI banned entry load on MF schemes empowering investors to negotiate the commission directly with distributors
- Another big change was to allow MF units to be traded on the exchanges which lead both BSE and NSE to launch platform for trading in MF units

✓ Insurance

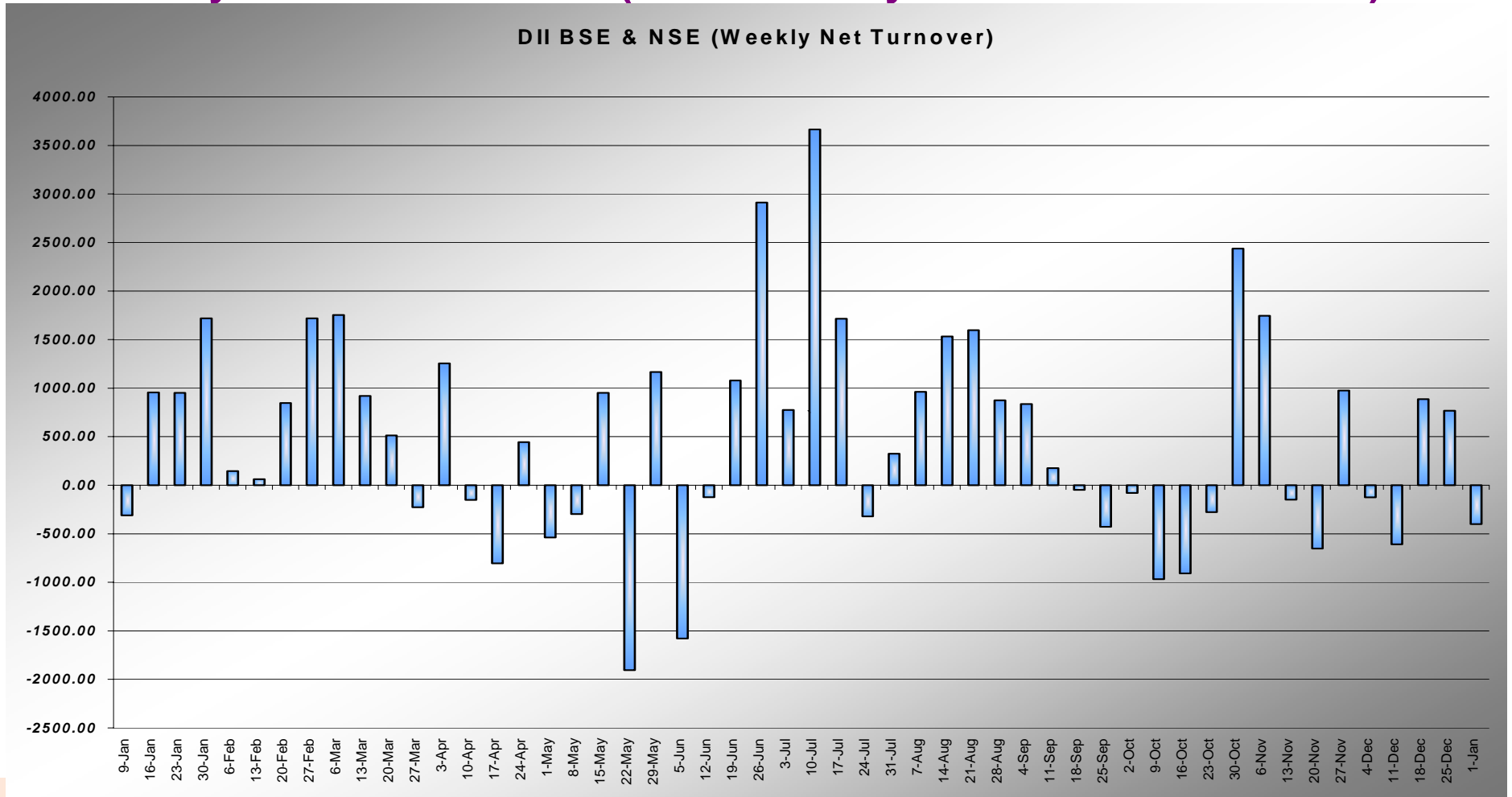
- IRDA imposed a cap on the expenses of the popular unit-linked insurance plans
- IRDA permitted insurers to sell life insurance products online, thus allowing customers to purchase a life insurance policy without an intermediary.

✓ Capital Markets

- In the aftermath of Satyam fraud, SEBI made it mandatory for promoters to disclose the details of shares pledged by them to stock exchanges.
- Introduction of anchor investor concept in IPO
- Exchanges were given the freedom to extend trading hours
- Relaunch of interest rate futures

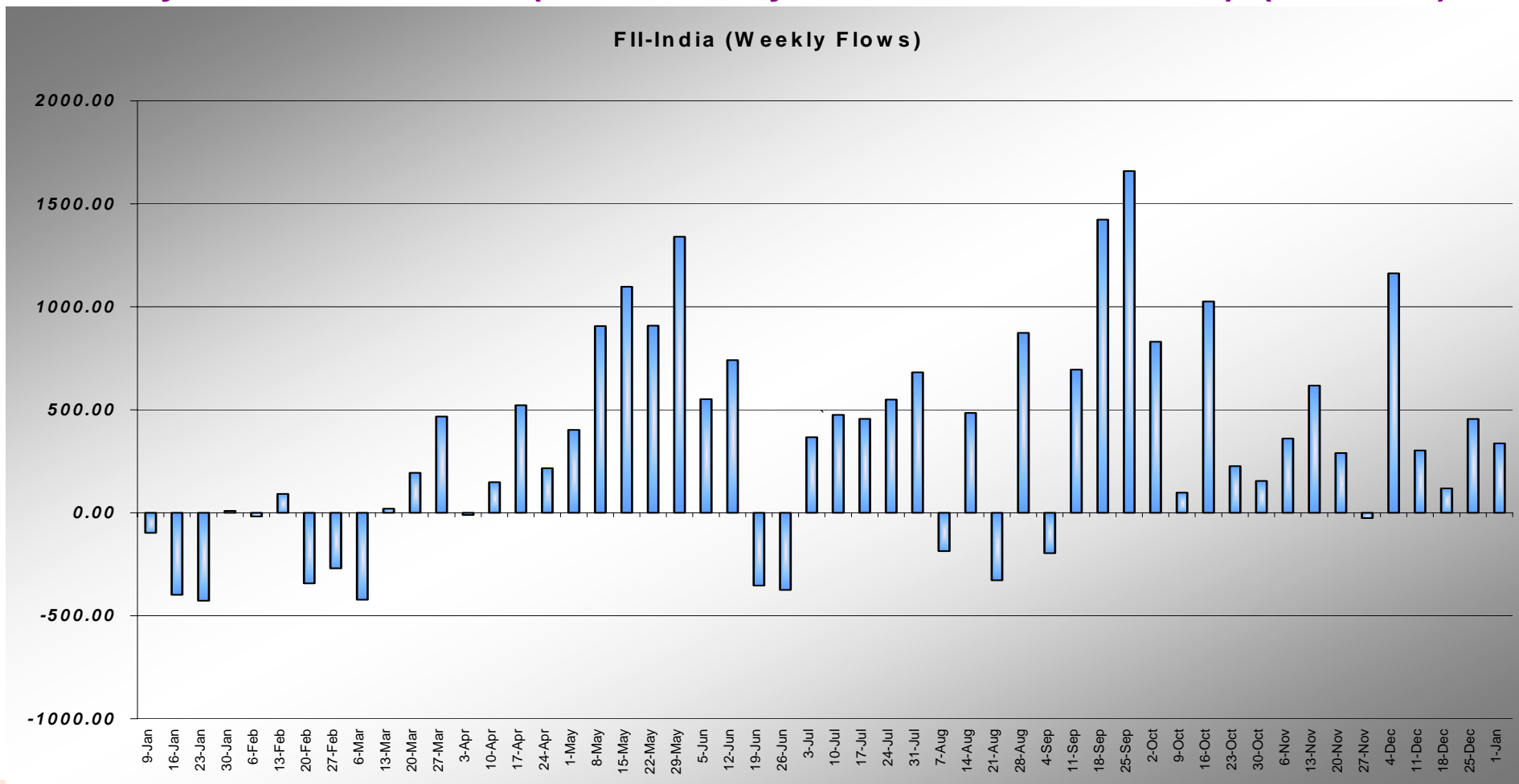
Domestic institutions and capital markets

DII weekly turnover for 2009 (Net flows in year 2009: Rs 26180 crs)



Domestic institutions and capital markets

FII weekly turnover for 2009 (Net flows in year 2009: Rs 84,000 crs) (\$ 17.9 bn)



Primary market fund raising in 2009

20 IPO's last year raised almost Rs 20343 cr from the primary market

Name of the issue	Issue Size (lakh shares)	Price Range	Issue Price (Rs.)	Amount Raised (cr)
D.B. CORP LIMITED	182	Rs.185 to Rs. 212	212	385
GODREJ PROPERTIES LIMITED	94	Rs. 490 To Rs. 530.	490	462
JSW ENERGY LIMITED	3819	Rs. 100 To Rs. 115.	100	3819
COX AND KINGS (INDIA) LIMITED	185	Rs. 316 To Rs. 330.	330	610
ASTEC LIFESCIENCES LIMITED	75	Rs.77 To Rs.82	82	62
DEN NETWORKS LIMITED	200	Rs. 195 To Rs. 205.	195	390
INDIABULLS POWER LIMITED	3398	Rs.40 To Rs.45	45	1529
THINKSOFT GLOBAL SERVICES LIMITED	36	Rs.115 To Rs.125	125	46
EURO MULTIVISION LTD	88	Rs.70 To Rs.75	75	66
PIPAVAV SHIPYARD LIMITED	855	Rs.55 To Rs.60	58	496
OIL INDIA LIMITED	264	Rs.950 To Rs.1050	1050	2777
GLOBUS SPIRITS LIMITED	75	Rs.90 To Rs.100	100	75
JINDAL COTEX LIMITED	113	Rs.70 To Rs.75	75	84
NHPC LIMITED	16774	Rs.30 To Rs.36	36	6039
ADANI POWER LIMITED	3017	Rs.90 To Rs.100	100	3017
RAJ OIL MILLS LIMITED	95	Rs.100 To Rs.120	120	114
EXCEL INFOWAYS LIMITED	57	Rs.80 To Rs. 85	85	48
MAHINDRA HOLIDAYS & RESORTS INDIA LIMITED	93	Rs. 275 To Rs. 325	300	278
RISHABHDEV TECHNOCABLE LIMITED	69	Rs 29 To Rs 33	33	23
EDSERV SOFTSYSTEMS LIMITED	40	Rs 55 T0 Rs 60	60	24

Domestic institutions and capital markets – expectations for 2010

- ✓ **Mutual Funds**
 - Look out for cost effective distribution channels
 - Increased competition with lot of new players planning to enter MF industry
 - Expect an increase in the reach and scope of MFs with the launch of MF trading platform on two national bourses

- ✓ **Insurance**
 - Expect IPO from some of large insurance players as IRDA comes up with new regulations
 - Implementation of Swarup Committee recommendations for doing away with the agent commission embedded in the premium paid by the policyholder

- ✓ **Capital Markets**
 - Expect a lot of IPO from PSU sector as Government aggressively embark on its disinvestment programme
 - Expected PSU issues in 2010 are by NTPC, NMDC, REC, SAIL, MMTC and Satluj Jal Vidyut Nigam Ltd
 - A vibrant debt market as SEBI is expected to bring some regulations to increase volumes in the secondary market

8. Infrastructure Development

What happened in 2009

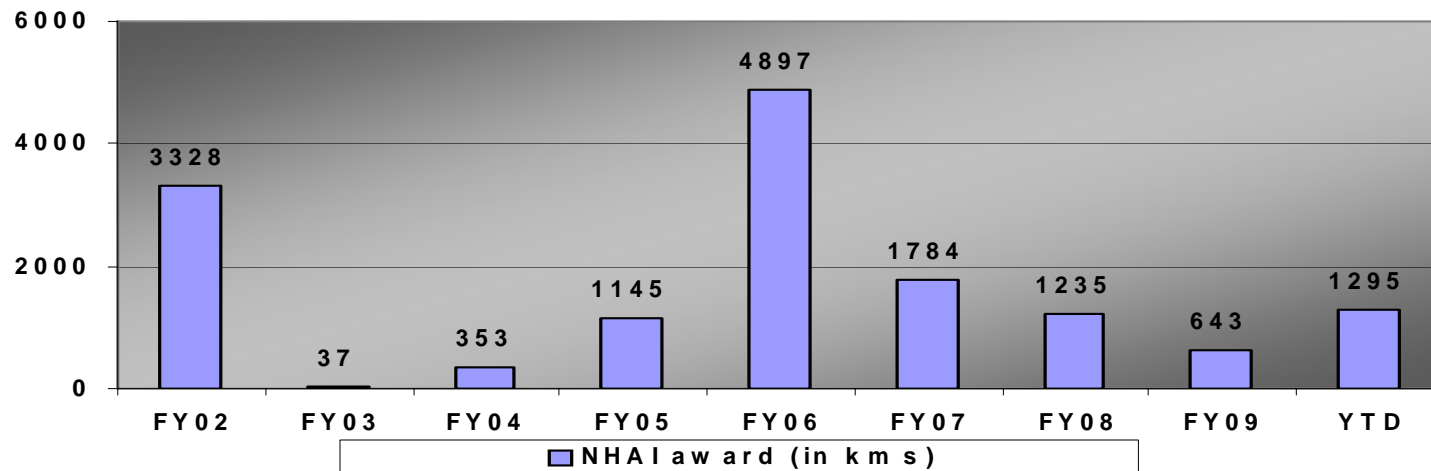
- ✓ Government announced a slew of measures to remove bottleneck and speedup the process of road development in India:
 - To achieve construction of 20 kms of roads per day
 - Reviewing the process of offering and bidding of projects by NHAI
 - Changes to concession and land acquisition agreements
 - Faster approvals and ensure more public-private partnerships.

- ✓ Power Sector
 - In 2009, power sector was in news with a flurry of not so power packed IPO's.
 - Against a target of 9403 mw of capacity addition in the power sector only around 6900 mw has been added in the last 11 months

Infrastructure Development

What is the expectation for 2010

- Over half of the Rs 7 trillion worth of projects likely to be sanctioned for 2010-11 are in the infrastructure sector
- To achieve the targeted 20kms/day, NHAI plans to order 23,744kms in FY10 and FY11



Source:
NHAI, Avendus research

- To achieve an optimistic target of "Power for All by 2012", government needs to act quickly to ensure more liberal policies in place so as to encourage larger private investment in power sector

9. Geopolitics – What happened in 2009

- With the world economies reeling under the pressure of credit crisis, US President Barack Obama assumed office in January 2009, the immediate priority being that of stabilizing the US economy. The US Congress, after bitter partisan wrangling and in voting along clear Party lines, finally passed the \$787 bn fiscal stimulus bill
- Within Asia, the world witnessed a change in power dynamics with China becoming ever more assertive with its foreign policy and the Indo-China rivalry scaled new heights resulting in a renewal in Himalayan border tensions.
- The new elected Japanese government demanded an “equal” relationship with the United States.
- Middle East was relatively quiet except for Iran
- UN Climate Change Conference was held in Copenhagen, Denmark, from December 7-18, 2009.

Geopolitics – 2010 may set the tone for the decade

- **Shift of economic power from Western to Eastern hemisphere will accelerate**
- **The war on terror expands to Yemen – may boil crude prices**
- **US troops to pull out from Iraq by Sep '10 while increase strength in Afghanistan**
- **UK elections may see policy change**
- **China's and India's rising demand for commodities will keep prices strong**
- **Domestic concerns may resurface protectionist and trade barriers**
- **World will look for alternatives to Dollar as currency for global trade**

10. Emergence of green technology

- ✓ What happened in 2009
 - **Venture Capitalist still gung-ho on green technologies but getting more selective**
 - **Amount of venture capital that went toward green-technology companies fell to \$4.85 billion in 2009, compared to \$7.6 billion in 2008**
 - **But number of deals went up slightly from 350 in 2008 to 356 in 2009 in addition to improvement in quality of entrepreneurs working in this area**
 - **Solar brought in largest - \$1.4 billion with 84 deals in 2009 and then biofuels, a capital-intensive area, received \$975 million in 44 deals.**
 - **There was a return toward early-stage financing, a model traditionally suited for venture capital funds**

Source: <http://news.cnet.com/greentech/>

Emergence of green technology

- ✓ What is expectation for 2010
 - Expect a wave of IPOs in green technology this year
 - More mergers and acquisitions expected particularly in the crowded solar market.
 - Investors to remain cautious and focus on companies with most potential to grow
 - Expect emerging leaders and high-potential portfolio companies to account for a larger share of dollars as the number of new companies funded in first-time investments grows more moderately

Source: <http://news.cnet.com/greentech/>

Disclaimer & Contact Details

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Contact Details

Mr. Sanjay Sinha

Chief Executive Officer

+91 22 6136 4052

sanjaysinha@dbschola.murugappa.com

Mr. Rajesh Iti

Banking & Offshore Business

+91 22 6136 6623

rajeshiti@dbschola.murugappa.com