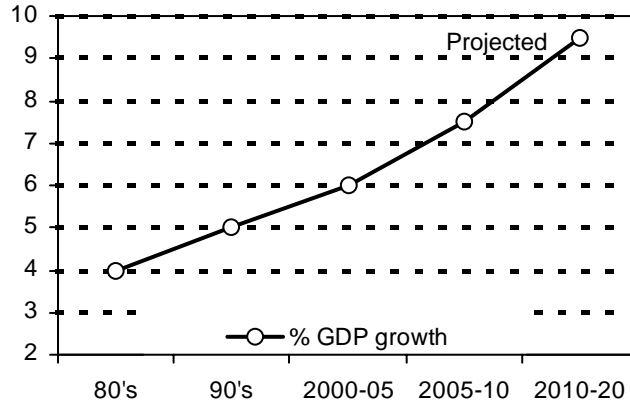


## Massive opportunity, waiting at your doorstep

During the decade of Eighties our average GDP growth was about 4%, next decade the growth increased to 5%, subsequently we grew at a faster pace of 6.75%. For the next 10 years (2010 to 2020), we are confident of growing at the rate of no less than 10%. It is the fast increase in rate of growth which has propelled stock indices to new highs. We do not see any bubble building up in share market, as of now.

Being conservative, we have assumed a lower growth of just 8% for the projections for next 10 years. If the past trend is anything to go-by, the GDP growth has direct correlation with Corporate bottom-line and the multiplication factor is Three. Thus one can safely assume the corporate profits to grow at the rate of 24% for the next two years (based on 8% GDP growth rate). Being further conservative, we have pruned the corporate profits to 20% per annum. Since stock indices are direct reflection of corporate profits, we have projected them on the same basis.



**Assuming the current P/E ratio is sustainable (which is very much possible) the BSE Sensitive Index and NSE NIFTY are likely to reach staggering heights of 1,24,000 and 37,000 by 2020 !**

Can't believe ?

During last 10 years, the Sensex as well as Nifty have multiplied by 5 times with average GDP of 6.75%. Increase the growth rate to 8% and one gets our projected figures !

Drivers like the youngest population in the world for next 30 years, Domestic driven economy, Im-

mense scope for infrastructure growth, Largest English speaking population, and massive middle income group are not only capable of sustaining the growth rates but even raising the bar.

All the assumptions are realistic one and we are confident that these stock indices are likely to be achieved (may not be in linear fashion) barring un-foreseen circumstances.

