SUREFIN INVESTMENTS

October 31, 2017

March 2017 Annual Update on the Surefin India Value Fund

Dear Investor,

Please find below the performance of the fund. This is the performance of the master series. Each of you will receive your individual performances separately. Please find the performance update also on the website at http://surefin.com/newsite/?page_id=178.

Returns Table and Other Important Data

Surefin Investments is up 9.8% in the last quarter, registering a 43.0% returns for the year (since April 1st, 2016) and is up 3343.4% since inception in May 2001 after fees and other expenses[1].

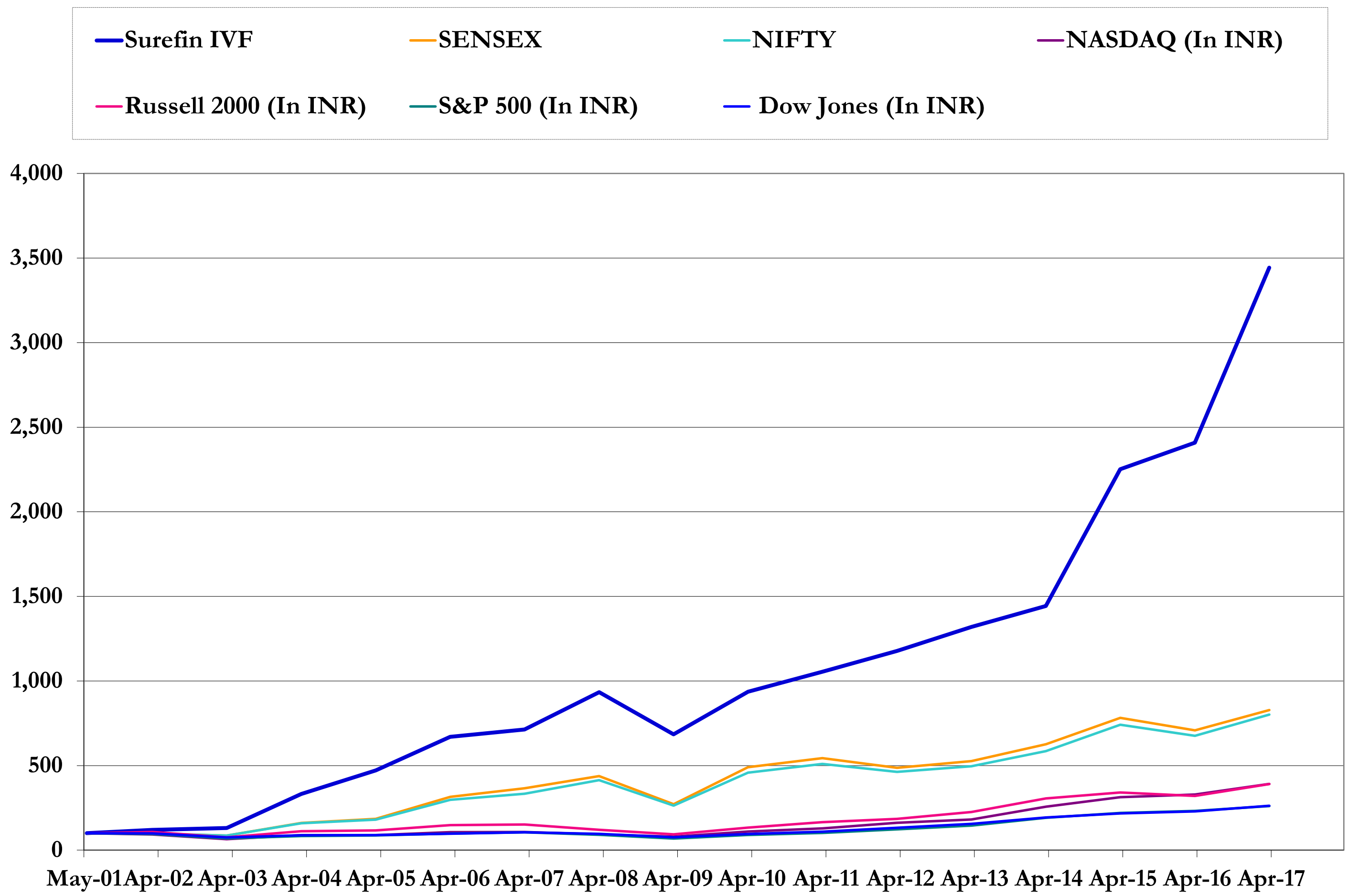
This fund has grossed a CAGR of 25.0% over the last 16 years after fees and other expenses.

[1] Fees are calculated differently for different clients, depending on when they entered the fund. However, now fees are charged at 0% management fees and 25% carry, over a 5% hurdle rate, with high water marks.

				Percentage Return			
Date	**Surefin IVF**	**SENSEX**	**NIFTY**	**NASDAQ (In INR)**	**Russell 2000 (In INR)**	**S&P 500 (In INR)**	**Dow Jones (In INR)**
May 15, 2001	-	-	-	-	-	-	-
April-02	20.0%	(2.1%)	(0.6%)	(7.2%)	7.1%	(4.6%)	(1.0%)
April-03	9.0%	(12.0%)	(13.6%)	(29.6%)	(29.0%)	(27.2%)	(24.3%)
April-04	154.0%	86.3%	84.9%	36.7%	47.6%	20.6%	17.5%
April-05	42.0%	15.1%	13.6%	(0.7%)	3.6%	4.5%	1.1%
April-06	42.0%	70.8%	64.6%	20.1%	27.5%	12.5%	8.8%
April-07	6.4%	15.9%	12.3%	1.0%	2.1%	7.0%	8.5%
April-08	30.9%	19.7%	23.9%	(13.2%)	(20.7%)	(14.1%)	(8.4%)
April-09	(26.7%)	(37.9%)	(36.2%)	(15.1%)	(22.2%)	(23.6%)	(21.4%)
April-10	36.9%	80.5%	73.8%	39.1%	42.3%	29.9%	26.5%
April-11	12.6%	10.9%	11.1%	16.4%	24.7%	13.7%	13.8%
April-12	11.6%	(10.5%)	(9.2%)	26.1%	11.7%	20.6%	21.7%
April-13	12.1%	8.2%	7.3%	12.2%	21.7%	18.3%	17.2%
April-14	9.3%	18.8%	18.0%	41.6%	35.8%	31.5%	24.4%
April-15	56.1%	24.9%	26.7%	21.7%	11.3%	15.1%	12.6%
April-16	6.9%	(9.4%)	(8.9%)	5.2%	(5.8%)	5.5%	5.4%
April-17	43.0%	16.9%	18.5%	18.9%	21.8%	12.3%	14.4%
Percent Change	**3,343.4**	**728.1**	**701.0**	**291.2**	**290.6**	**161.0**	**162.3**

Comparable Returns
Performance Evaluation of Surefin India Value Fund

Month-End	Surefin IVF	SENSEX	NIFTY	NASDAQ (In INR)	Russell 2000 (In INR)	S&P 500 (In INR)	Dow Jones (In INR)
May-01	100.0	100.0	100.0	100.0	100.0	100.0	100.0
April-02	120.0	97.9	99.4	92.8	107.1	95.4	99.0
April-03	130.8	86.1	85.9	65.3	76.1	69.4	75.0
April-04	332.2	160.5	158.9	89.3	112.3	83.7	88.1
April-05	471.8	184.7	180.5	88.6	116.3	87.4	89.1
April-06	669.9	315.4	297.1	106.5	148.3	98.3	97.0
April-07	713.0	365.5	333.7	107.5	151.4	105.3	105.2
April-08	933.4	437.4	413.4	93.3	120.0	90.4	96.3
April-09	684.6	271.4	263.8	79.2	93.4	69.0	75.7
April-10	937.0	490.0	458.3	110.2	132.9	89.7	95.7
April-11	1,054.8	543.6	509.4	128.2	165.7	102.1	109.0
April-12	1,177.5	486.6	462.4	161.8	185.1	123.0	132.6
April-13	1,320.1	526.6	496.2	181.6	225.2	145.6	155.4
April-14	1,442.8	625.8	585.4	257.1	305.9	191.3	193.3
April-15	2,251.8	781.6	741.4	312.7	340.5	220.3	217.6
April-16	2,408.3	708.5	675.7	329.1	320.7	232.3	229.2
April-17	3,443.4	828.1	801.0	391.2	390.6	261.0	262.3
CAGR	**25.0%**	**14.2%**	**14.0%**	**9.0%**	**9.0%**	**6.2%**	**6.3%**



Note:
The returns till 2005 are calculated on an XIRR basis. XIRR is the internal rate of return of an investment that does not necessarily have periodic payments. This function is closely related to the net present value function (NPV). The IRR is the interest rate for a series of cash flows where the net present value is zero. FY is from 1st April to 31st March.

Performance Evaluation and Mistakes

The fund is up 43.0% compared with the best of the main indices, which is up 18.5% for the year. In comparison, the BSE mid-cap index in India is up 32.7% and small-cap index in India is up 36.9% during the same period. These indices represent smaller companies.[2]

The year gone by was good in terms of returns. We achieved the returns while sitting on substantial cash in the portfolio. Our top positions moved considerably in price.

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[2] We have converted all the international indices to INR for a more relevant comparison. A comparison with USD prices is given in the appendix.

However this was a year where everything went up in price. We feel we have really earned our pay when we have outperformed a down market than when we simply keep up with a bull market. We are much happier with our performance if we make a return of 5% when the overall market is down by 10%. In our view it is acceptable, and probably best, to slightly under-perform an aggressively rising market.

Our returns this year have been an exception in this regard and we would request you to treat it as such. We are obviously not unhappy with the proceeds.

In terms of research and investments there have been some things we did really well and other things we have done poorly on.

Our top two positions went up substantially in price. Both businesses, within themselves are reasonably diversified. Both have financial services businesses that we have paid relatively little for upfront.

Our current largest position has done well. The business has done well and all its verticals are positioned well for the future. The person running the business is also good at deal making, is prudent with diluting when the stock is expensive and decisive about investing money in distressed situations. As I have said in the past, he can do things that we cannot do by a long shot. Since the price is up the risk has increased considerably but so has the business opportunity in the relevant markets the company operates in. We will refrain from discussing this position in greater detail for now.

Almost every other stock in our portfolio went up with the market. Stocks in most sectors (even the ones that are witnessing a cyclical low or are otherwise out-of-favour) are not cheap in our eyes. In fact nothing is screamingly cheap. What makes things worse is that we missed a few opportunities, especially one in the steel sector that we should have acted upon. Such mistakes cost us a lot of money that we could have made, especially in the current market.

We have a few stocks that look like mistakes in our portfolio. Their current prices are below our buying price and substantially so in some cases. But we had sized all of them small. We have two positions where we have a loss of almost 50% from our buying price. Both combined were about 0.8% of AUM at cost going in. We are still holding them and plan to do so for a little while.

Clients who added funds over the last few years are going to find their portfolios getting invested slowly over time. We will not do anything just because we have cash lying around, especially in a hot market like now. Our only real job is to try and find avenues that give us good risk adjusted returns over the next few years. We need to increase our butt-to-chair ratio and plough through. That should hopefully mean that we will be able to find a few sensible things to do in this market.

Portfolio Transactions

We sold four positions and reduced our holding in one of our existing investments during the year. We also closed out a spread trade we had put on a few years back (phew!). The details of the positions sold are given below:

Industry / Product	Bought	Sold	Average Months Held	Absolute Return[1]
Real-estate Related	Nov, 2010 to Feb, 2014	May, 2016 to June, 2016	53	726%
Holding Company	Feb, 2011 to Nov, 2013	July, 2016	63	301%
Financial Services	Oct, 2015	July, 2016	9	229%
Agriculture Related	Sep, 2005 to Apr, 2009	July, 2016	59	122%
Spread Trade[2]	July, 2011	Aug, 2016	58	≅75%
Consumer Goods	May, 2014	Sep, 2016	27	2%

1 Excluding dividends
2 Return is pre-tax but includes dividends and is calculated on both the incremental margin money that was invested and the underlying. It is approximate as the margin money invested fluctuated through the holding period. For investors with taxable gains in their books this trade was more profitable as we had large speculative losses on the futures, which were adjustable against taxable gains.

We sold most of the real estate position that we held at the end of last financial year and some remnants of it this year.

The holding company we sold is something we have held for a long time. It was a holding company that belongs to a reputed business group and it holds equities of companies in the group and outside. We had bought this at a high discount to the underlying NAV when the NAV itself was reasonably valued. The reason for selling was threefold. One, the underlying NAV had gone up. Two, the discount had narrowed and three, the capital allocator had changed since we bought the stock.

We talked about the financial services company we sold in our last year's letter to you:

"One of the two companies that we bought is a fast growing Non Banking Finance Company that was super focused on its core business of gold finance. It was in a little bit of trouble and the stock had tanked before we bought it. We sized the position small as the management was not stellar and like with any other finance company, there was some leverage on the books (although much less than that of normal finance companies). The underlying business was not likely to grow fast and the management was paying out a lot of the earnings as dividend and buying back its own stock. We credit a friend for introducing us to this position.

But while we had valued the company for its core competence, which was gold finance, the market started valuing it for verticals that the business had never operated in previously and it was clear that the business would grow into operating in other verticals that the management had not been in before. The leverage began to increase and the interest in the stock rose sharply. It went up substantially after that and we have already exited the position on the day of this letter being put out.

This is a situation where we know that if certain things were to fall in place, the company could be substantially bigger in the next few years. However, the reverse is also true and we would not be able to psychologically stomach a substantial fall in business (and/or market) value if the risks were not to pay off. The management just did not inspire enough confidence and we sold."

The company has gone up somewhat after we sold (obviously) but we are happy we are out. The stock had run up substantially in a short period of time for us and we thought we were compensated enough for our understanding of the business and its inherent underlying risks. The leverage in financial services companies is always scary. We were also able to deploy that capital into better opportunities.

The agriculture-related company was something that was very small in the portfolio when we bought it. It was very cheap when we had initiated the position but the business turned south a few years later and so did the stock price. They announced an expansion, which made little sense and obviously the markets did not like it. We stayed on because the fundamentals were not as bad as the market was pricing in. Finally the stock went up, we thought luck was favoring the dumb and we exited. The stock is up another 3x from our selling price but we are glad to have parted ways with the company when we did.

We exited a long-short trade (spread trade) this year. Here is what we wrote about the trade in last year's letter to you:

"Another position that has not worked out well is something where we had a long-short position that we have held for almost five years. The discount narrowed a little but I sat there, stupidly I might add, and watched it go back up. In any case the annual return on capital invested has been just north of bond yields (and a little better in entities that could take advantage of the tax losses) and looks like we will end with a very mediocre result."

We were lucky to exit the trade at an opportune time and end up with a mediocre result instead of a very mediocre one. We had not factored in many things at the time of initiating this trade. For example, we had not thought about taxes in case the stocks did converge but both fell substantially (instead of rising like it luckily did for us). The fall would have led to a speculative gain, which would have been taxable at the maximum rate of approximately 30% and simultaneously a long-term capital loss, which would have been worthless for most investors. There were certain ways to realize and roll-over and get maybe a short-term loss but that would have been too complicated and the maximum gain would have been 15%. Anyway, we are out, the lesson is learnt and we do not plan to relive such an experience unless we are assured a substantial return.

The Consumer Goods company position we sold was very small in the portfolio and we are not proud of having bought it in the first place. Therefore we are happy that we got out albeit at a very substandard return. The management was terrible, the accounting was poor, the industry was dirty and we knew all that going in! We bought it because we had nothing to do and it was a stupid decision.

We bought three new positions and added to one existing position in the fund this year. We could buy each of them in good quantities (finally!) and are happy about their prospects. We just pray that this trend continues.

The companies we bought were each over $1 billion in market cap. It was surprising that we found (and continue to find) decent value in large companies.

One of the companies was a conglomerate which had a very fast growing business almost hidden away. This was a position we added during the year in decent size in the portfolio. The company went through various corporate actions while we held for just under two years. We recently sold the resultant positions at the time of writing this letter. Although we made a substantial return on it over a short holding period, we could have made a lot more. We will talk more about that position in our subsequent annual letter to you. That position has some interesting lessons in corporate governance and separately also on how investment operations should be run.

Another company that we added was not fast growing but was cheap. We expect the entity to develop its core business over the next few years either through acquisitions or organically. The company was priced below liquidation value and though currently the underlying business is not growing much, there is a chance that it starts to grow in the future.

The third company we bought is one where the industry may get disrupted in the future but the business is cheap if a few things work out over the next few years. This is a position where we may even lose money if things turn against us and we have sized the position accordingly.

We have sold (and bought) a few more positions after the year-end but before this letter went out, which were substantial in size. We will talk about them in our next annual letter to you. Our current investments (at the time of the writing this letter) are positioned well to take advantage of some of the opportunities we allude to in the later sections of this letter.

Portfolio Allocation

As on 31 March 2017 we were holding 12 positions that made up about 66% of the fund. The balance was held in cash, money market mutual funds and other current assets. Here is a break-up of the industries we were holding companies in:

Allocation (March 2017)	**# of Cos.**	**% Allocation**
Holding Company (Many Industries)	3	37%
Real Estate Linked	3	18%
Media	2	7%
Financials	3	3%
Other	1	0%
Cash, Money Market (including Margin Money)		34%
Total	**12**	**100%**

Our top five and top eight positions make up 91% and 98% of the non-cash portion of the fund; and 60% and 64% of the total fund, respectively.

Portfolio Concentration – Important

We are repeating something we have mentioned in our previous annual letters to you because it is going to be important for us going ahead:

Mr. Buffett in his 1965 year letter has an excellent section labeled Diversification. He wrote *"We are obviously following a policy regarding diversification which differs markedly from that of practically all public investment operations. … We have to work extremely hard to find just a very few attractive investment situations. … We probably have had only five or six situations in the nine-year history of the Partnership where we have exceeded 25% [in a single investment]. … We presently have two situations in the over 25% category – one a controlled company, and the other a large company where we will never take an active part. It is worth pointing out that our performance in 1965 was overwhelmingly the product of five investments. … If you should take the overall performance of our five smallest general investments in 1965, the results are lackluster (I chose a very charitable adjective)."*

Mr. Buffett said that he had invested more than 25% of the fund in a single investment only five or six times in the last nine years! How many fund managers can say that for themselves today?

We are happy that we concentrated on our best ideas. Our returns would have been materially less had we not concentrated. Also going ahead, especially in a market like the one we are in currently, our top two to three positions will be most crucial to our overall performance. If we are unable to find them or we get those wrong, we will have very mediocre results.

Valuations of Small-caps - Buyers Beware

The investment environment has become a lot tougher for us in the last few years in the small-cap space. Prices are up substantially and competition in finding undervalued stocks is fierce.

It has become a market where every stock is picked, researched, bought and pumped up through online blogs, WhatsApp groups, at investor conferences and at bars. International investors are also looking at India and loving everything they are seeing. While some are dipping their toes, others have changed into their swimming trunks.

Stocks of all shapes and sizes have gone up. Small-caps are in bubble territory and most will not work out well as investments going ahead. There is hyper-activity everywhere one looks. Anything new and shiny is getting a premium and people are beginning to make a lot of easy money. There is unbounded optimism within small-cap investors.

Psychologically when stocks run up for long periods of time, it is difficult to believe that the market may be wrong about the quality of the underlying business and about the managers in-charge. A new normal of sorts gets created. Business school students start to study the phenomenon guided by price action more than the real earnings of the underlying businesses. Academicians find comparisons with similar situations from different parts of the world or from different eras to justify their actions. The naysayers look increasingly foolish as each year passes.

The primary markets explode. The more obscure the issue the greater the interest. Issuers and their bankers figure out quickly what is important to highlight in the prospectus and investor presentations. Currently what's in favor is to talk about brands, moats, ROACE (the "A" is for "adjusted"), 2022 earnings, % market penetration compared to USA etc. As a result, below average quality private equity funds find their exits by off-loading large equity positions through listing them in the markets.

As this self-fulfilling prophecy continues to play out, people find the game of making money easy and feel richer. Some display a false sense of modesty but get more and more invested in a rising market. The mood in our office however is somber.

Current prices are pricing in solid sustainable growth in earnings for the next many years and most growth assumptions indicate that these companies will become mid-caps and large-caps as the growth cycle in their respective industries intensifies. The sad reality is that most small companies (with a long operating history) will remain small forever as there is usually a reason why they are small in the first place. Probabilistically speaking money is going to be lost *in aggregate* in this category. We much rather fish in richer waters.

As always what will cause the biggest problem are not the companies that are blatantly expensive or fraudulent. Those are the easy ones to avoid for the moderately proficient investor. It is the ones that have mediocre businesses or mediocre managements (or both) but have gone up substantially in price (in many cases more than 20x) over the last seven to ten years that will cause the most damage to investors' wallets.

We could reach a point in the near future where this steady rise in prices really starts to draw in serious money from retail investors and gullible foreign investors. Given the amount of money waiting on the sidelines, valuations of most companies and industries could continue rising for the foreseeable future – we have really no idea. But in case that happens we will be twiddling our thumbs for long periods of time.

We have the benefit of being able to sit on cash and wait for opportunities at the right price partly because our incentive structure aligns our investment goals perfectly with those of our excellent set of business minded investors. We are incentivized to get the maximum risk-adjusted returns on the funds we manage over the long-run and not to simply put money to work in order to earn the management fee.

Indian Business Environment and Investment Opportunity

India has a lot of good going for it today. Over the coming decade the Indian GDP will cross $5 trillion. Currently corporate profits to GDP are at very low levels (probably at a 10-year low). The current market is already pricing in some of that reverting to the mean but when that actual number does go up, it will still be a big positive for the markets.

Indian interest rates are not artificially low nor are they very high. However in many sectors the borrowing costs are prohibitive. If that changes, it would be great for the companies in those sectors.

The debt markets are getting organized. The new legal framework for bankruptcies and growing debt trading on the exchanges will lead to a vibrant bond market. This will throw up rewarding opportunities for investors and also lower the financial cost of borrowing for various companies and entire industries. One such industry is real estate.

Real estate, particularly land, has started to deflate (and certain sub-classes of real estate may continue to deflate for a long time to come). But the consumption of real estate will grow substantially in the years ahead. The volumes will be substantially higher over the next ten years - think 150 million new people added in addition to the surging middle-class who will need bigger homes to live in, better malls to shop at and better offices to work from. Given that the basic raw materials are falling in price it looks like an attractive place to be for investors right now. .

Disruption in certain sectors will also add to the opportunity. The rapid innovation in telecom that was heralded by many companies five years ago but got stalled for a few years for various reasons has started again. The entire country is continuing on its prior path of getting digitized. On the consumer side that will mean a huge market for new products and services in retailing, tutoring, media etc. In the next three years we will have over 500 million smart-phone users (from 300 million today and up from under a 100 million only a few years ago). All those consumers will not only want to spend on better hardware, software and services but will also demand a digital fluency from <u>all</u> the old-world businesses that serve them.

Many existing business models in India will change as entire industries get digitized and as enterprises embrace new technology . From agriculture where the farmer will become a lot more productive and many of the middle-men will die to automobiles where the entire make-up of the car will change from the engine to the navigation system to even how the car is utilized in its downtime. As automobiles go from selling 3 million per year to 6 million per year, the composition of the car and the required change in supply chain (due to technology changes) will throw up very interesting opportunities.

The Indian consumption boom is going to have a very long runway. The best part is that what goes on in the rest of the world has little to no impact on what goes on in India. Indians will buy cars assembled or manufactured in India, shirts branded and manufactured in India, want banking services provided by Indian old-school banks and new “digital banks”, consume food ranging from high quality staple grains to fast food all produced in India. And of course they will continue to have lavish weddings and produce many babies! We are world leaders in that.

This confluence of huge pent-up demand in old school businesses intermingled with cutting edge digital fluency among the consumers makes India a very attractive market. Given the slowdown in the West and the rapid digitization of India's consumers and businesses, many high caliber Indians are no longer leaving India but staying back to create businesses within the country. Entrepreneurship has never been more intense with innumerable new startups getting formed and funded. And this trend should continue especially as domestic money moves into helping build these domestic businesses. The energy is palpable. It is probably the best time to be a 25 year old with an idea in India today.

Indian investors will become the largest owners of equity assets within India over the coming decade (as opposed to foreign investors today). They will invest through mutual funds, insurance companies and direct brokerage accounts. The numbers are staggering (think multiple trillions of dollars). This phenomenon of domestic savings flowing into the Indian financial system over the coming decade is probably the single biggest factor for being positive on India and the Indian markets in the long-term. Unless we do something really stupid with our currency, which is a very small probability event (even though the RBI stands slightly weakened in its stature over the recent past), India will get richer relative to the rest of the world in the decades to come. The future looks very bright.

The government is moving ahead with difficult reforms that are urgently needed. The courage and speed is refreshing. The Unique Identification Program (Aadhaar), Goods and Service Tax (GST), Real Estate Regulation Act (RERA), Demonetization and simplification of the tax systems will lead to broad based tax collections and will go a long way in reducing corruption and adding to the fiscal strength of the government. The ramifications are huge and durable in the long run.

However, the thing about India is that the most obvious next steps (by all branches of government) sometimes don’t get taken in the short-term. Every now and then we do a self-goal. So one must be careful to not pay up too much for all the optimism surrounding all the good things the government is doing currently.

In the long-term, however, we are confident that the trajectory is going to be one way – up. Our job is to continue to find a few opportunities that can benefit from all these long-term tailwinds while keeping a strict discipline on price.

FYI and Miscellaneous

Our investment in the private company involved in developing affordable homes continues to do decently. Our assets under management in equities had grown considerably over the year. Sometime during the middle of the year there were some reorganizations that led to some of our proprietary assets leaving the public equity pools and getting swapped for an increased proprietary stake in the real estate business. As a result a larger percentage of my net worth is now invested in the private business than in the public equity pool and the AUM of the public equity pool has fallen. We think the affordable housing space in India is ripe for growth. We will be writing to each of you separately on that.

Many people have asked me what to do with their financial savings. I have found it very hard to answer the question. We had written this to you two years ago:

"India remains severely under-invested in equities. The historic trauma of deep volatility and unchecked speculation has left many people born in the 1960s and who were old enough to take care of their finances in the 1990s, permanently biased against equities. What made the bias worse was how well their real-estate investments did during the last decade. But there is a current movement by the government to "squeeze" investors into equities. Long-term bond yields post-tax are under inflation or close to zero. Real estate industry had bubble prices that are finally deflating now. The multi-year metal commodities boom seems to be bursting. Savers in India will be (rightly) forced to invest into long-term equities. The tax treatment of long-term equity investors with 0% capital gains taxes for listed equities and equity Mutual Funds is superb in India. It seems obvious that the only way for investors to make over 10% post-tax return in large quantities is to be invested in equities in India over the next many years."

As a result equities is the only choice. To many of you I have advised averaging into an index fund. I have not been completely comfortable with that suggestion therefore I have also recommended buying Berkshire Hathaway abroad for every family member in your family. Sometime next year we will research some index funds, and also give you some more colour on Indian Indices which may be useful. At the very least, it will absolve me of my responsibilities in this regard.

We really have a phenomenal group of investors and that makes our job really enjoyable. As the family of investors grows I cannot help but feel fortunate so thank you. If you have any questions or thoughts please feel free to get in touch with me.

Warm regards,

Amitabh Singhi.

Portfolio Manager
Surefin Investments
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Appendix

Performance Evaluation of Surefin India Value Fund

Date	Surefin IVF	SENSEX	NIFTY	NASDAQ	NASDAQ (In INR)	Russell 2000	Russell 2000 (In INR)	S&P 500	S&P 500 (In INR)	Dow Jones	Dow Jones (In INR)
	Index Value										
May 15, 2001	1,000.0	3,577.0	1,145.3	2,085.6	97,813.7	489.6	22,963.6	1,249.4	58,598.7	10,873.0	509,942.3
April-02	1,200.0	3,500.2	1,139.0	1,862.6	90,784.1	504.5	24,589.3	1,146.5	55,882.4	10,362.7	505,078.0
April-03	1,308.0	3,081.0	984.3	1,348.3	63,882.5	368.7	17,468.5	858.5	40,674.8	8,069.9	382,350.0
April-04	3,322.3	5,740.9	1,819.7	2,015.0	87,300.3	595.3	25,792.2	1,132.2	49,051.3	10,373.3	449,424.5
April-05	4,717.7	6,605.0	2,067.7	1,984.8	86,702.5	611.6	26,714.3	1,172.9	51,236.7	10,404.3	454,491.0
April-06	6,699.1	11,280.0	3,402.6	2,339.8	104,132.8	765.1	34,052.7	1,294.9	57,628.4	11,109.3	494,422.5
April-07	7,129.9	13,072.1	3,821.6	2,421.6	105,142.0	800.7	34,765.0	1,420.9	61,690.5	12,354.4	536,397.5
April-08	9,334.4	15,644.4	4,734.5	2,279.1	91,281.6	688.0	27,554.3	1,322.7	52,976.3	12,262.9	491,148.4
April-09	6,845.5	9,708.5	3,021.0	1,528.6	77,514.6	422.8	21,437.6	797.9	40,459.9	7,608.9	385,847.6
April-10	9,370.1	17,527.8	5,249.1	2,398.0	107,810.4	678.6	30,511.1	1,169.4	52,576.6	10,856.6	488,105.4
April-11	10,548.0	19,445.2	5,833.8	2,781.1	125,440.4	843.6	38,048.4	1,325.8	59,801.7	12,319.7	555,682.7
April-12	11,774.9	17,404.2	5,295.6	3,091.6	158,242.0	830.3	42,498.9	1,408.5	72,092.5	13,212.0	676,258.3
April-13	13,200.8	18,835.8	5,682.6	3,267.5	177,606.0	951.5	51,721.0	1,569.2	85,293.3	14,578.5	792,416.5
April-14	14,428.5	22,386.3	6,704.2	4,199.0	251,447.3	1,173.0	70,244.9	1,872.3	112,121.0	16,457.7	985,530.8
April-15	22,518.3	27,957.5	8,491.0	4,900.9	305,909.5	1,252.8	78,197.0	2,067.9	129,076.2	17,776.1	1,109,573.0
April-16	24,083.2	25,341.9	7,738.4	4,869.9	321,891.7	1,114.0	73,636.2	2,059.7	136,146.5	17,685.1	1,168,965.0
April-17	34,434.2	29,620.5	9,173.8	5,911.7	382,628.9	1,385.9	89,701.7	2,362.7	152,923.6	20,663.2	1,337,397.2
Percent Change	**3,343.4**	**728.1**	**701.0**	**183.5**	**291.2**	**183.1**	**290.6**	**89.1**	**161.0**	**90.0**	**162.3**
CAGR	**25.0%**	**14.2%**	**14.0%**	**6.8%**	**9.0%**	**6.8%**	**9.0%**	**4.1%**	**6.2%**	**4.1%**	**6.3%**

Note:

During the early part of the year 2009, SEBI had changed the way that PMS providers operated the accounts. SEBI mandated that each provider open separate Demat Accounts for every client and till a Demat Account had not been opened for every client, the PMS provider could not buy securities on behalf of any of the clients. Given the new laws in opening Demat Accounts and the tedious KYC norms by the NSDL and various custodians, it was impossible to meet the deadlines set by SEBI and our buying was in effect frozen for a good part of May 2009. Most stocks rallied soon after and it was painful to sit with cash (that we had hoarded so painstakingly for a period like 2009) and not be able to buy anything due to this back-end and regulatory glitch. We estimate that we lost a potential 40% return in addition to the existing return due to this. The substantially lower returns in FY 2010 have lowered our overall return substantially (from a 5-year perspective). We have spruced up our back-end operations and team since then to make sure that this does not repeat itself.