

OWN A PIECE OF INDIA™

OFFERING A 5+1 SCHEME FROM TATA MUTUAL FUND



TATA BANKING & FINANCIAL SERVICES FUND

(An Open Ended Banking & Financial Services Sector Scheme)



TATA INDIA CONSUMER FUND

(An Open Ended Consumption Oriented Sector Scheme)



TATA DIGITAL INDIA FUND

(An Open Ended Information Technology Sector Scheme)



TATA INDIA PHARMA & HEALTHCARE FUND

(An Open Ended Pharma And Healthcare Services Sector Scheme)



TATA RESOURCES & ENERGY FUND

(An Open Ended Resources And Energy Sector Scheme)



TATA INFRASTRUCTURE FUND#

(An Open Ended Equity Scheme)

**NEW FUND OFFER OPENS ON:
04 DECEMBER, 2015**

**NEW FUND OFFER CLOSES ON:
18 DECEMBER, 2015**

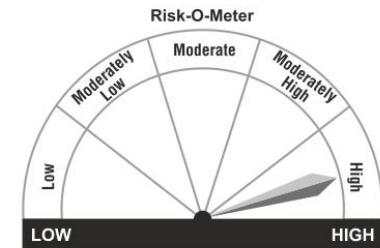
**#EXISTING SCHEME AVAILABLE FOR SUBSCRIPTION
ON ALL BUSINESS DAYS AT NAV BASED PRICE**



These Products are suitable for investors who are seeking* long term capital appreciation and investment in equity/equity related instruments of the companies in

- Banking and Financial Services sector in India through Tata Banking & Financial Services Fund
- Consumption Oriented sectors in India through Tata India Consumer Fund
- Information Technology sector in India through Tata Digital India Fund
- Pharma & Healthcare sectors in India through Tata India Pharma & Healthcare Fund
- Resources & Energy sectors in India through Tata Resources & Energy Fund
- Infrastructure sector in India through Tata Infrastructure Fund

***Investors should consult their financial advisors if in doubt about whether the product is suitable for them.**



Investors understand that their principal will be at High risk



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Mutual Fund investments are subject to market risks,
read all scheme related documents carefully.

Introduction	<u>Section I</u>
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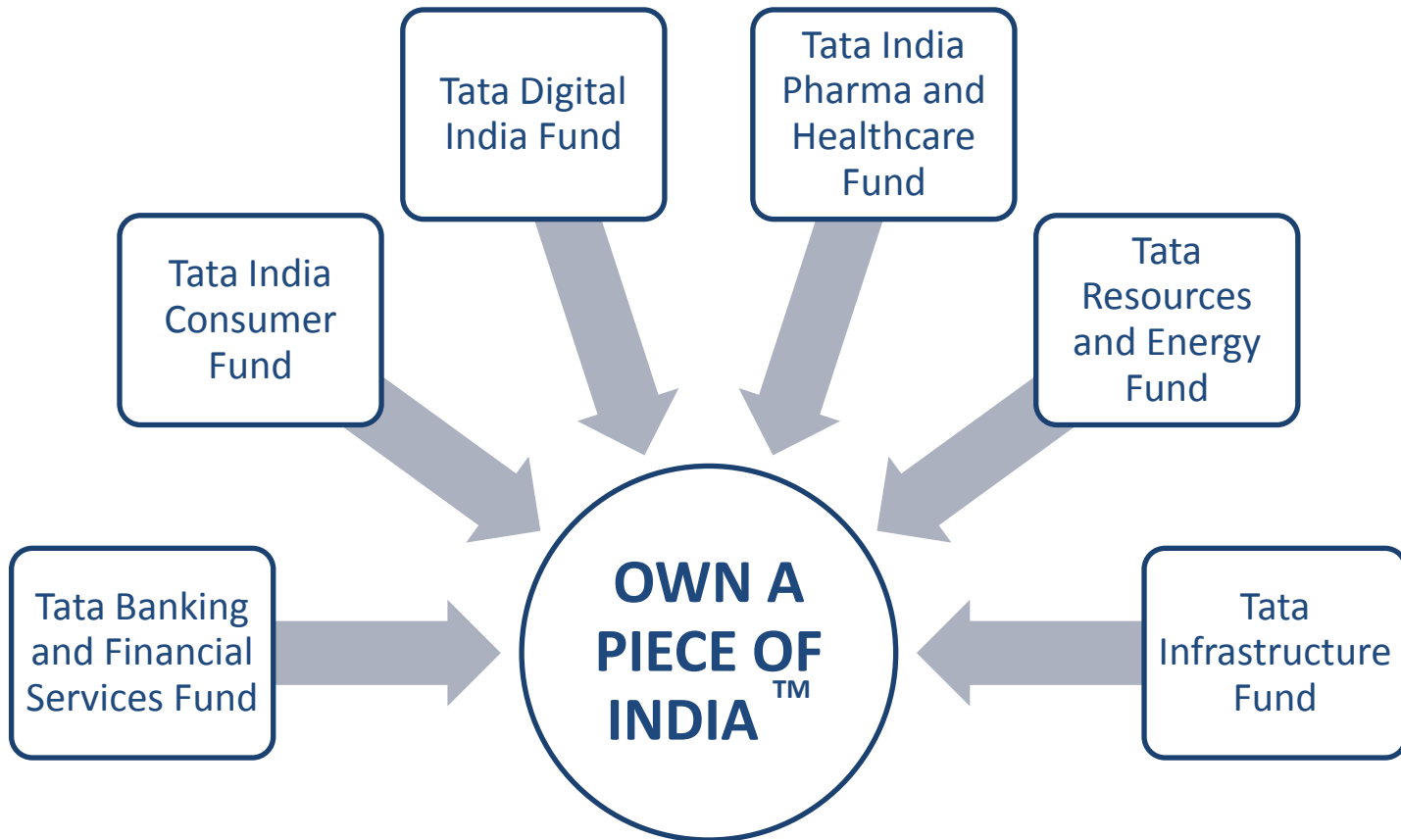
SECTION I



Own a piece of India™

INTRODUCTION

LAUNCHING 5 NFO'S SIMULTANEOUSLY

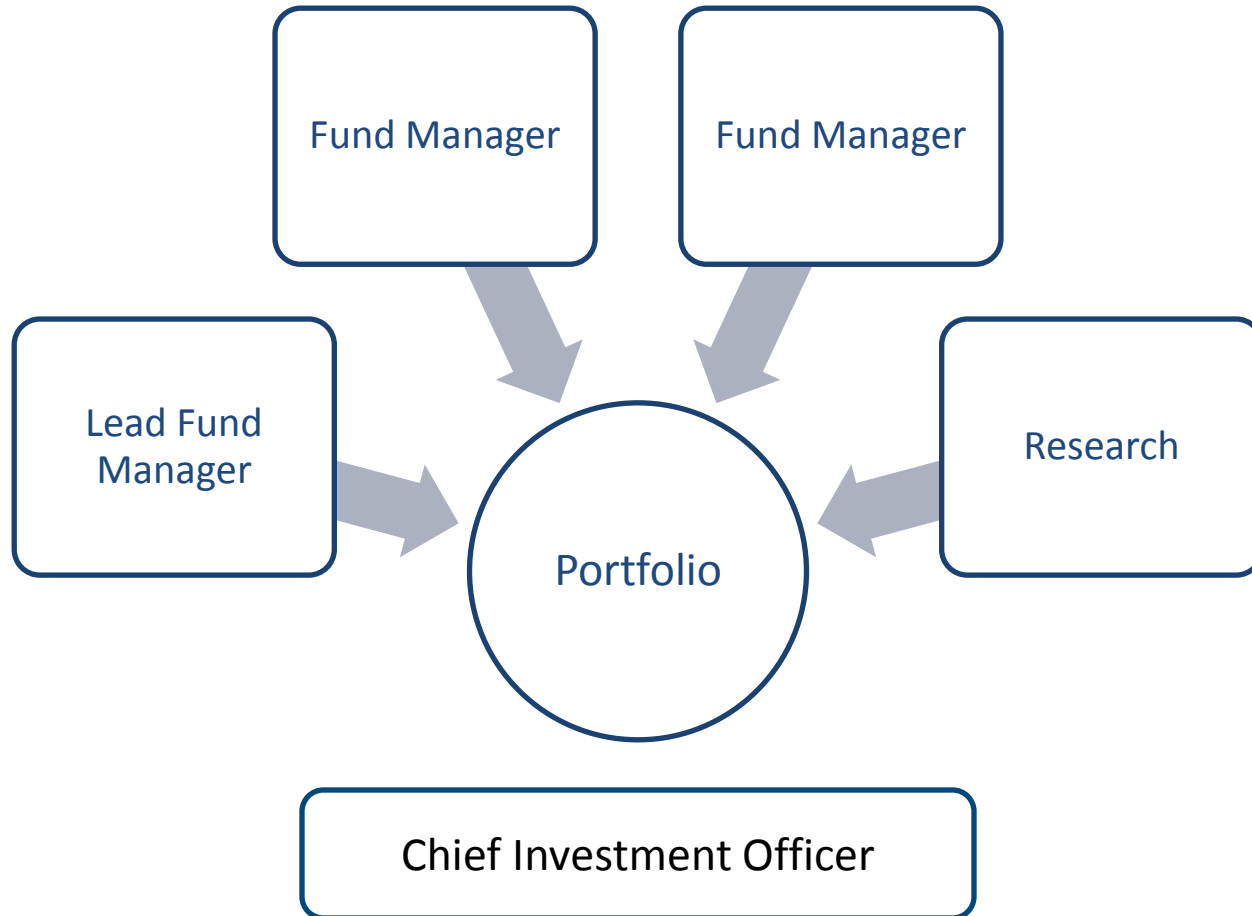


Notes: 5 New Funds. Tata Infrastructure Fund is an existing fund

- Maiden New Equity Fund Offer from the House of Tata after over Six Years*
- Own a Piece of India™ - A one stop solution to customize your participation in India's growth
- First Time Multi Manager Approach by Tata Mutual Fund^
- Launching 5 NFO's Simultaneously (+1 Existing Fund) - Simple & Smart way of Investing
- Empowering Investors and Advisors - A Complete Solution for Customized/Tailor made Portfolio
- Ease of Investing
 - One Application & One Cheque
 - Online Investment Facility

Notes: ● *Maiden New Open Ended Indian Equity Fund Offer for all category of Investors. ● ^ First Time Multi Manager Approach in any Equity Scheme by Tata Mutual Fund

MULTI MANAGER APPROACH



- Fund managed by 'Lead Fund Manager' and supported additionally by one or more fund managers in the portfolio management process
- Combining expertise in Research, Stock Selection & Portfolio Management from the fund manager and research team of Tata Asset Management
- Assembling diverse team of fund managers and benefit from the combined investment management experience
- Increased depth of investment management thought and decision making process in each Fund
- Individual Fund Managers to offer highest convictions and limiting risk associated with decision making
- Fund managers experience are blended to minimize dependence on the bias of a single fund manager

FUND MANAGER PROFILE & PERFORMANCE



- Pradeep Gokhale has over 24 years of experience and is Senior Fund Manager at Tata Asset Management Limited.
- Pradeep joined Tata Asset Management Limited in September 2004 as Deputy General Manager Investment.
- Earlier from April 1995 to September 2004, he served as Deputy General Manager of Credit Analysis and Research Ltd. Previously, he worked at Lubrizol India, Tata International Ltd., and Bombay Dyeing in the finance and taxation departments.
- Pradeep is a Chartered Financial Analyst and a Chartered Accountant. He holds a B.Com degree.
- He is currently the Fund Manager of Tata Equity Opportunities Fund, Tata Pure Equity Fund, Tata Ethical Fund, Tata Index Fund & select offshore and equity portfolio of select close ended funds.

PERFORMANCE OF FUND MANAGED BY PRADEEP GOKHALE

Fund / Benchmark	Discrete Period Returns				Returns on investment of Rs 10,000			
	September 30, 2014 to September 30, 2015	September 30, 2013 to September 30, 2014	September 30, 2012 to September 30, 2013	Since Inception	September 30, 2014 to September 30, 2015	September 30, 2013 to September 30, 2014	September 30, 2012 to September 30, 2013	Since Inception
	Returns (%)	Returns (%)	Returns (%)	Returns (%)	Absolute returns in Rs.	Absolute returns in Rs.	Absolute returns in Rs.	CAGR returns in Rs.
Tata Pure Equity Fund - Reg - Growth	7.76	39.68	2.31	22.71	10,776	13,968	10,231	352,768
Scheme Benchmark (S&P BSE SENSEX)	-1.79	37.41	3.29	11.28	9,821	13,741	10,329	64,294
Tata Equity Opportunities Fund - Reg - Growth	13.04	49.23	2.94	12.63	11,304	14,923	10,294	147,165
Scheme Benchmark (S&P BSE 200 INDEX)	3.08	42.50	-1.11	11.17	10,308	14,250	9,889	109,571
Additional Benchmark (S&P BSE SENSEX)	-1.79	37.41	3.29	10.39	9,821	13,741	10,329	93,447
Tata Ethical Fund - Reg - Growth	15.22	49.51	7.90	17.67	11,522	14,951	10,790	233,561
Benchmark (CNX 500 Shariah)	5.80	43.83	6.23	NA	10,580	14,383	10,623	NA
Additional Benchmark (CNX NIFTY)	-0.20	38.87	0.56	10.83	9,980	13,887	10,056	73,242
Tata Index Fund - SENSEX - Reg - Growth	-1.90	36.81	3.11	17.22	9,810	13,681	10,311	74,064
Scheme Benchmark (S&P BSE SENSEX)	-1.79	37.41	3.29	17.90	9,821	13,741	10,329	79,665
Tata Index Fund - NIFTY - Reg - Growth	-0.44	38.23	0.36	17.55	9,956	13,823	10,036	76,735
Scheme Benchmark (CNX NIFTY)	-0.20	38.87	0.56	17.37	9,980	13,887	10,056	75,267
Tata Dual Advantage Fund - Scheme A - Growth	-0.28	32.37	NA	12.28	9,972	13,237	NA	12,960
Scheme Benchmark (Crisil MIP Blended Index)	10.72	15.45	NA	9.76	11,072	11,545	NA	12,318
Crisil 10 Yr Gilt Index	13.76	6.85	NA	5.94	11,376	10,685	NA	11,379
Tata Dual Advantage Fund - Scheme B - Growth	8.41	NA	NA	11.39	10,841	NA	NA	11,845
Scheme Benchmark (Crisil MIP Blended Index)	10.72	NA	NA	13.33	11,072	NA	NA	12,171
Crisil 10 Yr Gilt Index	13.76	NA	NA	12.25	11,376	NA	NA	11,989

Past performance may or may not be sustained in future



- Atul Bhole is the Fund Manager of Tata Balanced Fund, Tata Midcap Growth Fund and Tata Equity P/E Fund & equity portfolio of Tata Regular Savings Equity Fund.
- With a total of 10 years of experience backing him, he joined Tata Asset Management Limited in February 2007 as an equity research analyst covering Technology, Telecom and Banking, Financial Services and Insurance (BFSI) sectors.
- Earlier he has worked with JP Morgan Services (India) Pvt. Limited and State Bank of India. Bhole is a commerce graduate and holds a Chartered Accountant's degree apart from a Masters in Management Studies from JBIMS, Mumbai.



PERFORMANCE OF FUND MANAGED BY ATUL BHOLE



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Fund / Benchmark	Discrete Period Returns				Returns on investment of Rs 10,000			
	September 30, 2014 to September 30, 2015	September 30, 2013 to September 30, 2014	September 30, 2012 to September 30, 2013	Since Inception	September 30, 2014 to September 30, 2015	September 30, 2013 to September 30, 2014	September 30, 2012 to September 30, 2013	Since Inception
	Returns (%)	Returns (%)	Returns (%)	Returns (%)	Absolute returns in Rs.	Absolute returns in Rs.	Absolute returns in Rs.	CAGR returns in Rs.
Tata Balanced Fund - Reg - Growth	16.70	50.32	2.33	16.99	11,670	15,032	10,233	230,365
Scheme Benchmark (Crisil Balanced Fund Index)	4.38	28.89	1.87	NA	10,438	12,889	10,187	NA
Tata Mid Cap Growth Fund - Reg - Dividend	24.20	86.87	-4.35	12.62	12,420	18,687	9,565	125,170
Scheme Benchmark (CNX MIDCAP INDEX)	13.72	63.17	-10.75	NA	11,372	16,317	8,925	NA
Additional Benchmark (CNX NIFTY)	-0.20	38.87	0.56	9.04	9,980	13,887	10,056	62,978
Tata Equity P/E Fund - Reg - Growth	8.77	74.77	-8.15	20.79	10,877	17,477	9,185	83,887
Scheme Benchmark (S&P BSE SENSEX)	-1.79	37.41	3.29	16.16	9,821	13,741	10,329	54,020
Tata Regular Saving Equity Fund - Reg - Individual & HUF - Reg - Monthly Income Option (Earlier Known as Tata Monthly Income Fund)	6.29	10.52	4.44	7.43	10,629	11,052	10,444	30,230
Scheme Benchmark (35% in CNX Nifty, 30% of Crisil Liquid Fund Index and 35% of Crisil Short Term Bond Index)	6.17	19.47	5.74	NA	10,617	11,947	10,574	NA

Past performance may or may not be sustained in future



- At 39, Rupesh has more than 15 years experience spread across listed equity investments, private equity real estate investments, credit risk assessment and evaluation of infrastructure projects.
- He is currently the Fund Manager of Tata Infrastructure Fund, Tata Long Term Equity Fund, Tata Dividend Yield Fund, Rupesh also manages select Offshore Funds and Equity Portfolio of Tata Retirement Fund, Young Citizens Fund.& select close ended hybrid funds. He has earlier worked in Equity Research and as Head of TATA PMS investments
- Prior to joining Tata Asset Management, he worked with Indiareit Fund Advisors Private Limited in their investments team and also held directorships to represent Indiareit Fund Advisors Private Limited on the Board of investee companies. He also worked as Head of the corporate sector ratings group at Credit Analysis & Research Limited (CARE).
- Rupesh is a graduate in engineering from Sardar Patel University, Gujarat and holds a masters in business administration from Sardar Patel University, Gujarat.

PERFORMANCE OF FUND MANAGED BY RUPESH PATEL

Fund / Benchmark	Discrete Period Returns				Returns on investment of Rs 10,000			
	September 30, 2014 to September 30, 2015	September 30, 2013 to September 30, 2014	September 30, 2012 to September 30, 2013	Since Inception	September 30, 2014 to September 30, 2015	September 30, 2013 to September 30, 2014	September 30, 2012 to September 30, 2013	Since Inception
	Returns (%)	Returns (%)	Returns (%)	Returns (%)	Absolute returns in Rs.	Absolute returns in Rs.	Absolute returns in Rs.	CAGR returns in Rs.
Tata Dividend Yield Fund - Reg - Growth	12.58	46.78	-1.45	17.53	11,258	14,678	9,855	57,788
Scheme Benchmark (CNX 500 Index)	3.59	46.08	-2.49	14.08	10,359	14,608	9,751	41,813
CNX Nifty Index	-0.20	38.87	0.56	14.23	9,980	13,887	10,056	42,414
Tata Infrastructure Fund - Reg - Growth	14.26	58.18	-22.25	14.17	11,426	15,818	7,775	41,580
Scheme Benchmark (CNX 500 Index)	3.59	46.08	-2.49	12.89	10,359	14,608	9,751	36,832
CNX Nifty Index	-0.20	38.87	0.56	13.28	9,980	13,887	10,056	38,224
Tata Long Term Equity Fund - Reg - Growth	16.58	52.15	2.11	20.35	11,658	15,215	10,211	371,269
Scheme Benchmark (S&P BSE SENSEX)	-1.79	37.41	3.29	11.08	9,821	13,741	10,329	77,707
Tata Retirement Savings Fund - Progressive - Reg - Growth	14.03	48.03	-3.55	17.47	11,403	14,803	9,645	18,783
Scheme Benchmark (S&P BSE SENSEX)	-1.79	37.41	3.29	10.84	9,821	13,741	10,329	14,962
Tata Retirement Savings Fund - Moderate - Reg - Growth	16.93	53.52	-1.54	19.80	11,693	15,352	9,846	20,285
Benchmark (Crisil Balanced Fund Index)	4.38	28.89	1.87	10.81	10,438	12,889	10,187	14,946
Tata Infrastructure Tax Saving Fund - Growth	10.55	54.92	-20.82	10.84	11,055	15,492	7,918	19,536
Scheme Benchmark (CNX 500)	3.59	46.08	-2.49	18.03	10,359	14,608	9,751	29,406
Additional Benchmark (CNX NIFTY)	-0.20	38.87	0.56	16.29	9,980	13,887	10,056	26,698

Past performance may or may not be sustained in future



INVESTMENT MANAGEMENT PERSPECTIVE

Tata Digital India Fund
(An Open Ended Information Technology Sector Scheme)

Investment Objective

- To seek long term capital appreciation by investing at least 80% of its net assets in equity/equity related instruments of the companies in Information Technology Sector in India

Benchmark & Fund Managers

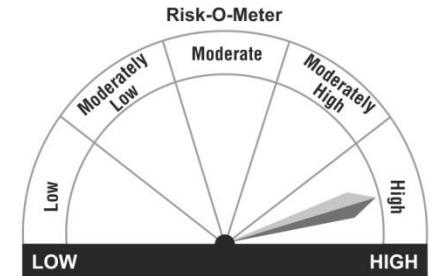
- **S&P BSE IT Index**
- **Lead FM – Pradeep Gokhale. Co-FM – Atul Bhole & Rupesh Patel**

Product Label

This product is suitable for investors who are seeking*:

- Long Term Capital Appreciation.
- Investment in equity/equity related instruments of the companies in Information Technology Sector in India.

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

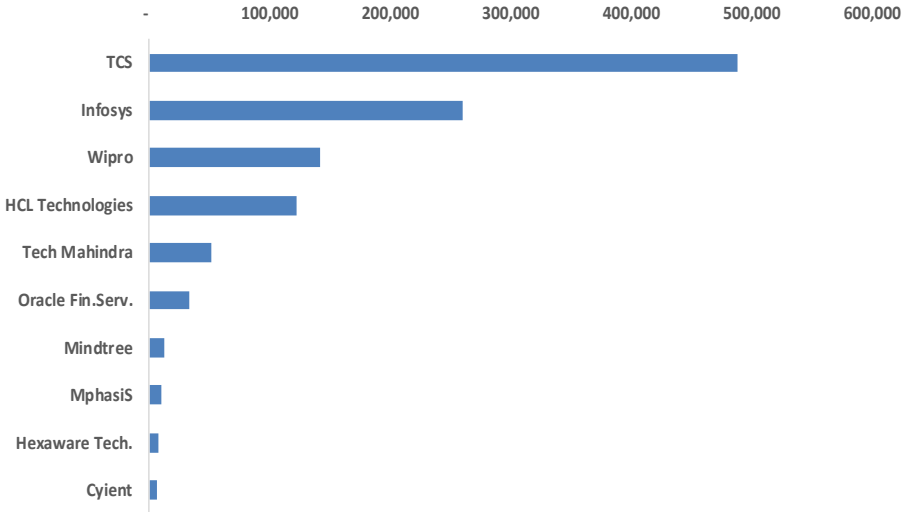


Investors understand that their principal will be at High risk

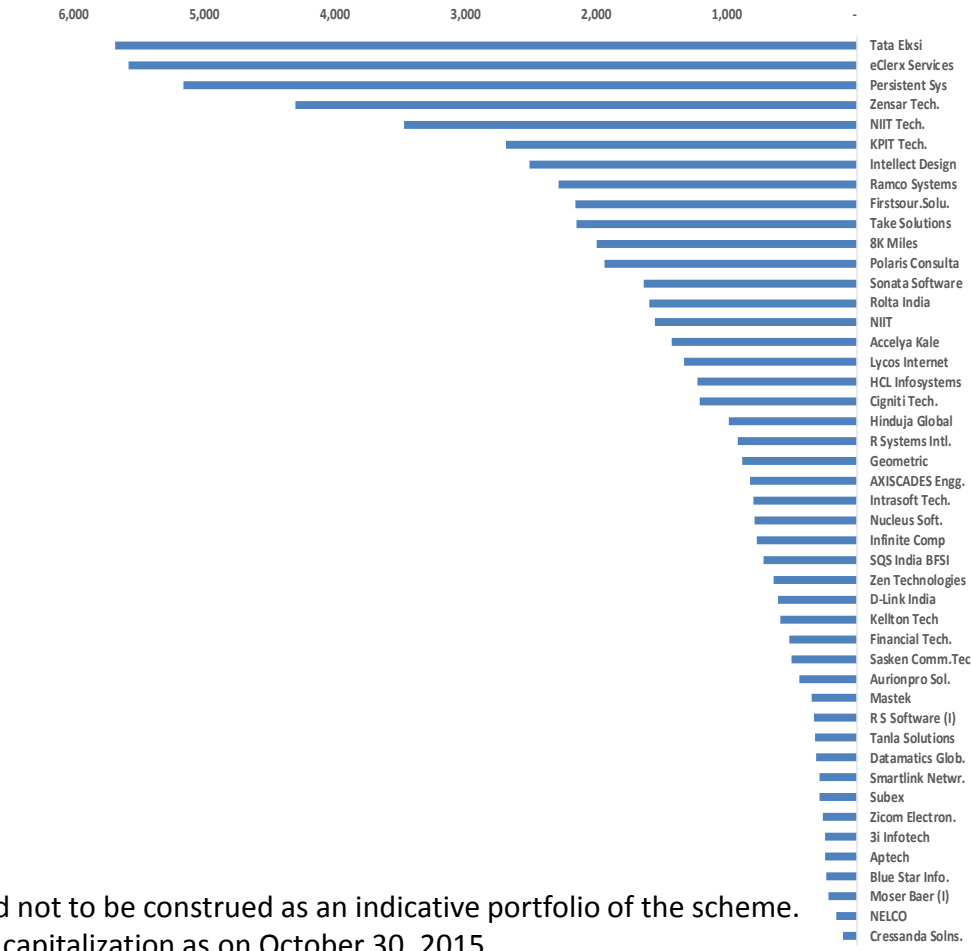
Key Sectors / Industries Included

- Information Technology
- IT Education
- IT Hardware
- IT Enabled Services

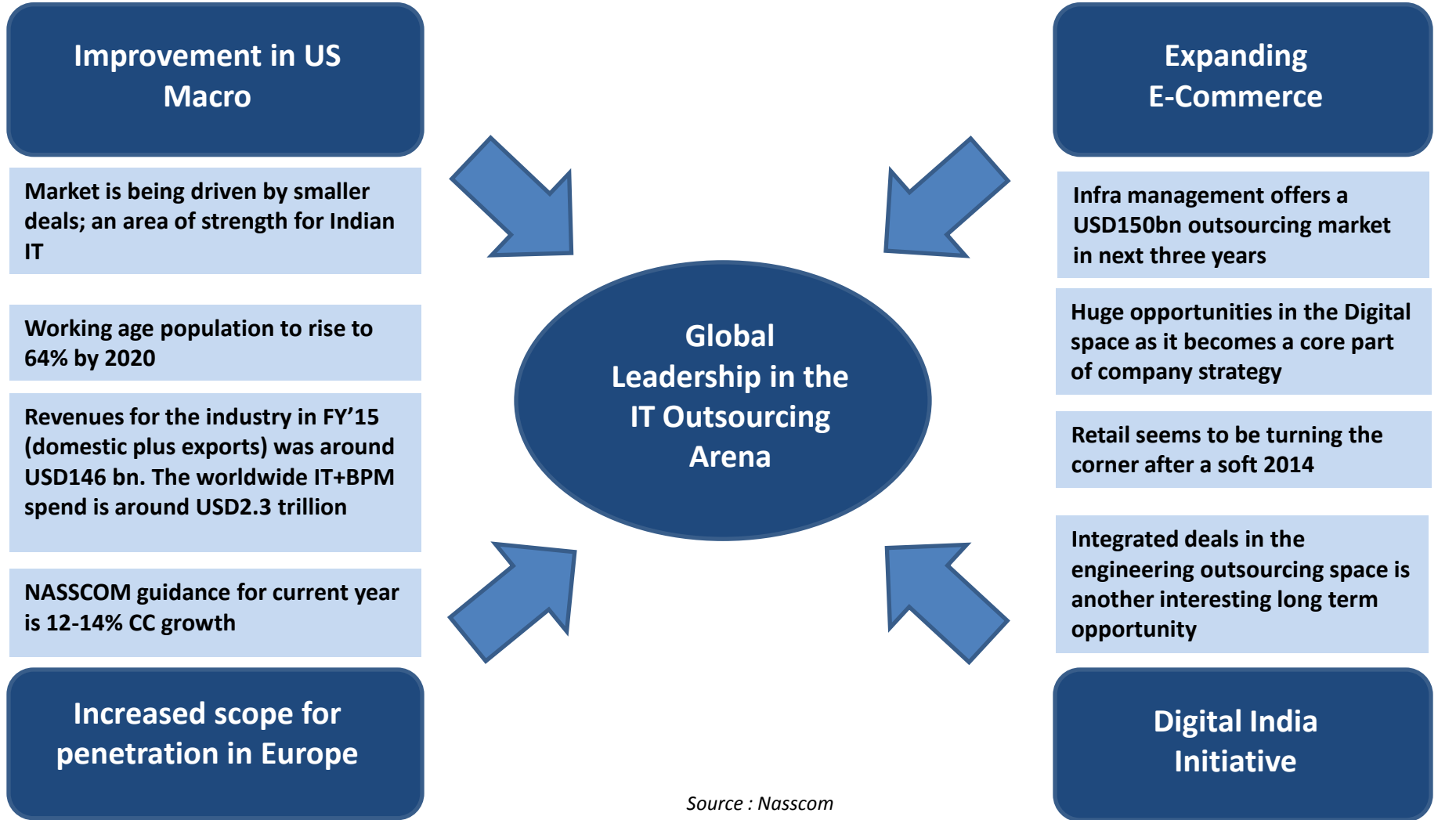
Top 10 Index Constituents



Other Index Constituents



Notes: ● * The list of stocks given is for information purpose only and not to be construed as an indicative portfolio of the scheme.
 ● Data Source – BSE & CLINE ● Index Constituents & Market capitalization as on October 30, 2015



Source : Nasscom

MARKET RESEARCH ANALYSIS

- Global Landscape
- New Trends And Opportunities
- Indian IT
- North America, EMEA, Europe
- Cloud, Product Engineering & Innovation
- Digital India

- In 2014 the worldwide IT – Business Process Management (BPM) spend was nearly USD2.3 trillion a growth of 4.6% over 2013.
- Packaged software, IT and BPM was above USD1.25 trillion and hardware at around USD 1 trillion accounted for 45% of expenditure.
- Overall global sourcing growth at 9-10% was twice that of the technology growth.
- India maintained its leadership position in the sourcing arena with a share of 55%.
- Overall revenues for the industry for FY'15 (exports + domestic) was around USD 146bn; a growth of around 13% over last year.
- Industry contribution relative to India's GDP is set to touch an estimated 9.5% and share in total services exports more than 38%.
- Exports including was around USD 98bn a growth of 12.3%, where as Domestic IT-BPM at USD48bn is growing faster than exports at 14% due to addition of eCommerce into the picture.
- IT Services is the largest segment with a share of 47%, BPM at 18%, Packages software, Engineering Research & Development(ER&D) and product development segments together have 16.5% share, followed by eCommerce at 9.5% and Hardware at around 9%.
- The industry currently employs more than 3.5mn people and is India's largest private sector employer.
- The industry is playing a key role in promoting diversity with women employees constituting more than 34% of work force, 170000 foreign nationals and a greater no. of employees from non Tier 1 Indian cities.

Overall in the USD900 bn plus IT services industry the Indian IT players continue to gain market share at a steady pace

Vendor	2009 (%)	2010 (%)	2011 (%)	2012 (%)	2013 (%)	2014 (%)	5-year share gain/loss (bp)	3-year share gain/loss (bp)	2-year share gain/loss (bp)
IBM	7.20	7.10	6.80	6.30	6.09	5.74	(146)	(106)	(56)
HP	4.60	4.20	4.00	3.74	3.49	3.18	(142)	(82)	(56)
Accenture	2.70	3.00	2.90	2.85	2.90	3.01	31	11	17
Deloitte	0.90	1.00	1.00	2.13	2.28	2.30	140	130	18
Fujitsu	3.00	3.00	2.60	2.55	2.28	2.15	(85)	(45)	(41)
Tata Consultancy Services	0.80	1.10	1.10	1.17	1.31	1.52	72	42	35
Capgemini	1.50	1.60	1.50	1.42	1.44	1.47	(3)	(3)	5
PwC				1.25	1.35	1.44	na	na	19
NTT Data	1.40	1.60	1.50	1.54	1.34	1.36	(4)	(14)	(18)
Oracle	1.00	1.40	1.40	1.41	1.43	1.33	33	(7)	(7)
CSC (Comp.Sci.Corp.)	2.10	1.90	1.80	1.58	1.43	1.32	(78)	(48)	(26)
Cognizant	0.40	0.70	0.70	0.76	0.91	1.01	61	31	25
Dell	1.00	1.00	0.90	0.90	0.91	0.90	(10)	0	0
Infosys		0.70	0.70	0.72	0.79	0.83	na	13	11
Wipro	0.50	0.60	0.60	0.62	0.65	0.70	20	10	8
HCL Technologies	0.30	0.40	0.40	0.42	0.48	0.52	22	12	10
Tech Mahindra	0.10	0.10	0.10	0.13	0.28	0.36	26	26	23

Sources: Gartner; BNP Paribas

INDIA – The Preferred Outsourcing Destination

Rank 2014	Rank 2015	Country	City	Rank 2014	Rank 2015	Country	City
1	1	India	Bangalore	12	13	China	Beijing
2	2	Philippines	Manila (NCR)	14	14	China	Dalian (Dairen)
3	3	India	Mumbai	16	15	Czech Republic	Prague
4	4	India	Delhi (NCR)	19	16	Sri Lanka	Colombo
5	5	India	Chennai	15	17	China	Shenzhen
6	6	India	Hyderabad	17	18	Vietnam	Ho Chi Minh City
7	7	India	Pune	18	19	Malaysia	Kuala Lumpur
8	8	Philippines	Cebu City	22	20	Vietnam	Hanoi
9	9	Poland	Krakow	21	21	South Africa	Johannesburg
11	10	China	Sanghai	23	22	India	Chandigarh
13	11	Costa Rica	San Jose	25	23	India	Kolkata
10	12	Ireland	Dublin	20	24	Brazil	Sao Paulo

Source: IDFC Securities

Technology trends - disruption and opportunity for Indian IT Services

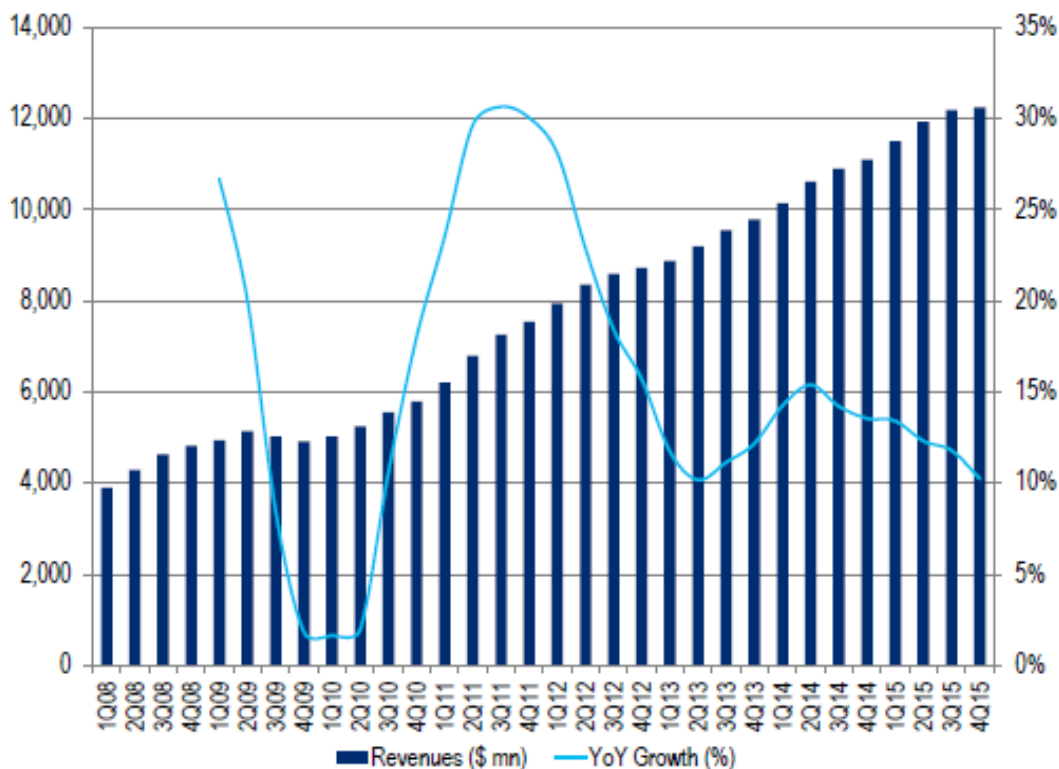
Technology Trends	Current business models	Disruption to models	Growth opportunities for Indian IT
Cloud	On premise infrastructure of software & hardware	As-a-Service economy shrinking the addressable opportunity	Private Cloud Adoption (26% CAGR; FY14-18E),
			Managed Security Services (16% CAGR; FY14-20E),
			Apps Integration/Migration (15% CAGR; FY14-18E)
Digital	Web enabled services/Mainframe led services	Asset-light companies challenging brick-and-mortar models	Enterprise Digital Transformation (27% CAGR; FY15-20E)
IMS	On-premise and Remote IMS	Automation and Cloud reducing workload	IMS (16% CAGR; FY14-20E)
Global ER&D	Small piecemeal projects and staff augmentation.	Fast evolving technology addressing EM and cost factor	Global ER&D/PES (15% CAGR; FY14-20E),
			IIoT (35% CAGR; FY14-20E)
BPO	Supplement process gaps, reduce opex.	Platform-based solution integrated with analytics	BPO (13% CAGR; FY14-20E)
Automation/AI	Cost arbitrage, labour intensive	Increased use of intelligent machine	AI Platform (17% CAGR; FY14-19E)

Source: IDFC Securities

Technology Trends	Current business models	Disruption to models	Growth opportunities for Indian IT	FY14 size
Cloud	On premise infrastructure of software & hardware	As-a-Service economy shrinking the addressable opportunity	Private Cloud Adoption (CAGR: 26% FY14-18E), Managed Security Services (CAGR: 16% FY14-20E), Apps Integration/Migration (CAGR: 15% FY14-18E)	US\$18bn, US\$12bn, US\$52bn
Digital	Web enabled services/Mainframe led services	Asset-light companies challenging brick-and-mortar models	Enterprise Digital Transformation (CAGR: 27% FY15-20E)	US\$70bn
IMS	On-premise and Remote IMS	Automation and Cloud reducing workload	IMS (CAGR: 16% FY14-20E)	US\$186bn
Global ER&D	Small piecemeal projects and staff augmentation.	Fast evolving technology addressing EM and cost factor	Global ER&D/PES (CAGR: 15% FY14-20E), IIoT (CAGR: 35%+, FY14-20E)	US\$68bn, US\$45bn
BPO*	Supplement process gaps, reduce opex.	Platform-based solution integrated with analytics	BPO (CAGR: 13% FY14-20E)	US\$26bn
Automation/AI	Cost arbitrage, labour intensive	Increased use of intelligent machine	AI Platform (CAGR: 17% FY14-19E)	US\$1.2bn

Source: IDFC Securities Research, * (Opportunity for Indian IT)

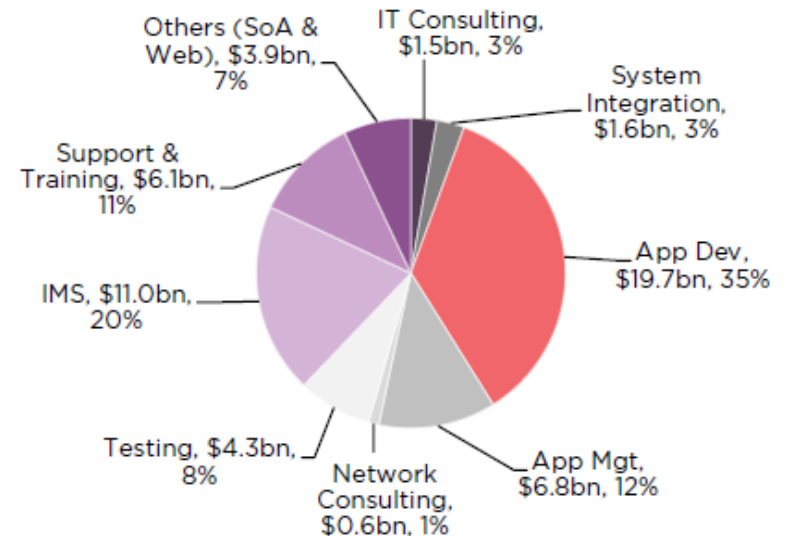
The quarterly run rate of the top four IT Services companies (TCS, Infosys, Wipro & HCL Tech) have increased over the last seven years from under USD4bn to over USD12bn now though the pace of growth has slowed down with the base expanding.



Source: Citi

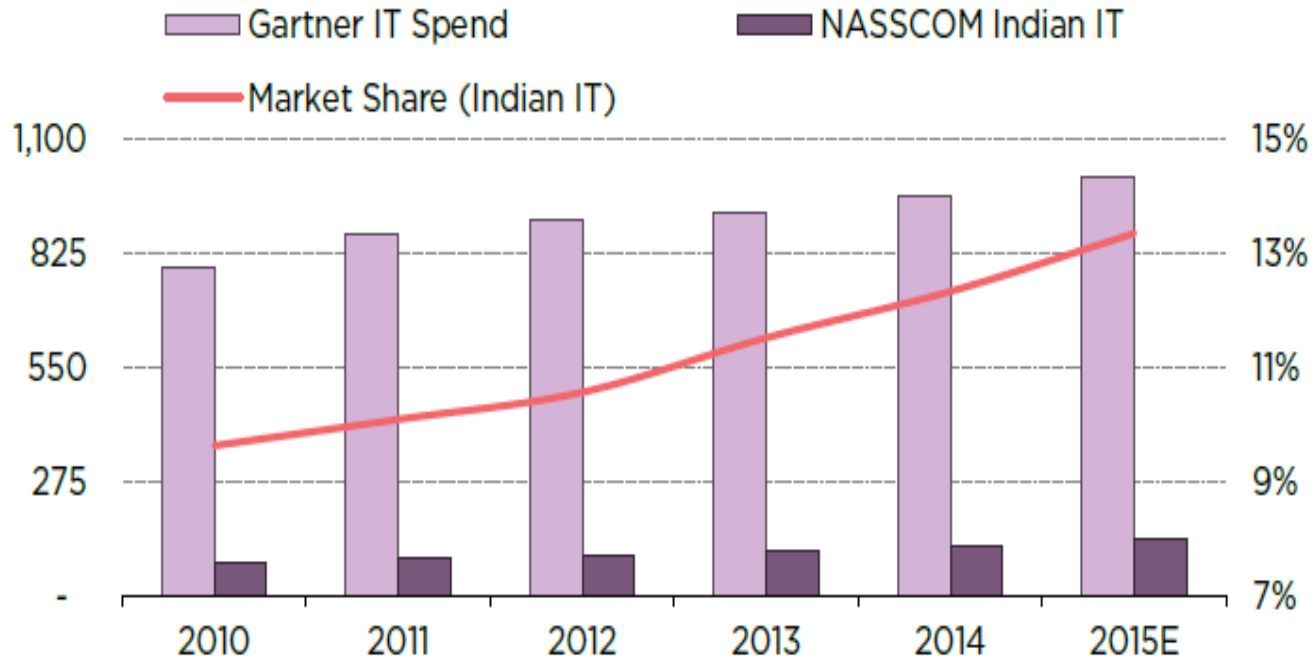
CONCERNS OVER WALLET SHARE PEAKING ARE UNFOUNDED

- Economic upheavals, disruptive technologies, expanding competition and rapidly evolving customer requirements present both new challenges and opportunities for Indian technology majors.
- The Indian IT industry now has to simultaneously serve two distinct requirements for clients: Drive operational excellence (legacy work; comprising approx. 65% of revenues as of FY15) and
- Create enterprise digital transformation (EDT) to enable organisations to improve customer reach and engagement, make faster decisions, improve time to market of solutions and help clients expand their businesses.
- Indian IT companies have already captured a lion's share of the operational excellence segment, which has so far accounted for the major chunk of IT investment of clients.
- Indian IT has adopted various routes to achieve this, but future success would depend on its ability to stay relevant to clients in an era of fast evolving technological changes.



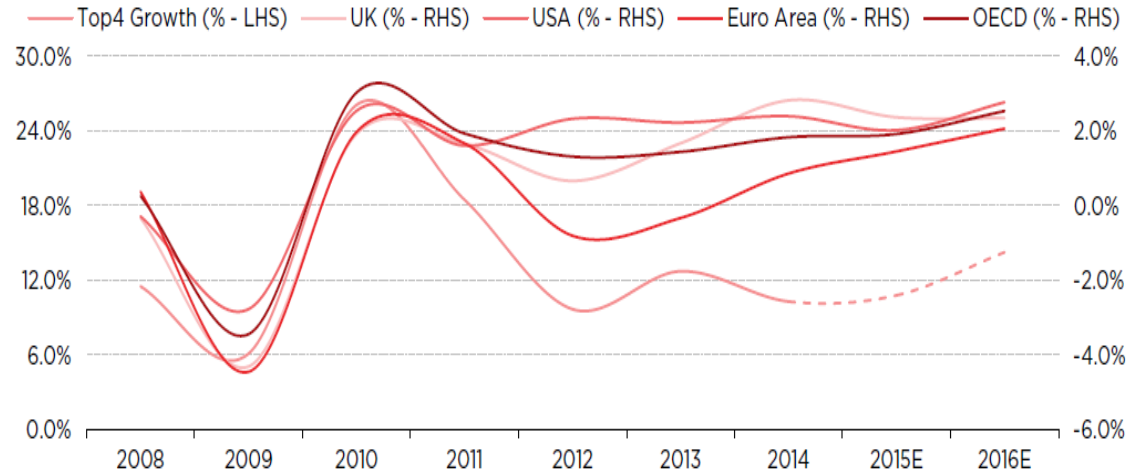
Source: NASSCOM, IDFC Securities

MARKET SHARE OF INDIAN IT HAS IMPROVED OVER THE YEARS



Source: Gartner, NASSCOM, IDFC Securities

- IT spending as a proportion of total capital expenditure has increased in the past 10 years.
- We expect the trend to accelerate as economic recovery becomes steadier.
- IT investments have tended to track GDP growth of key markets.
- However, over the past four years (2011-15) spending has been subdued.
- With investments lagging the pick-up in the ongoing economic recovery, we see ample room for growth for Indian IT.



Source: OECD, IDFC Securities Research, Top 4 (TCS, Infosys, Wipro, HCL Tech)

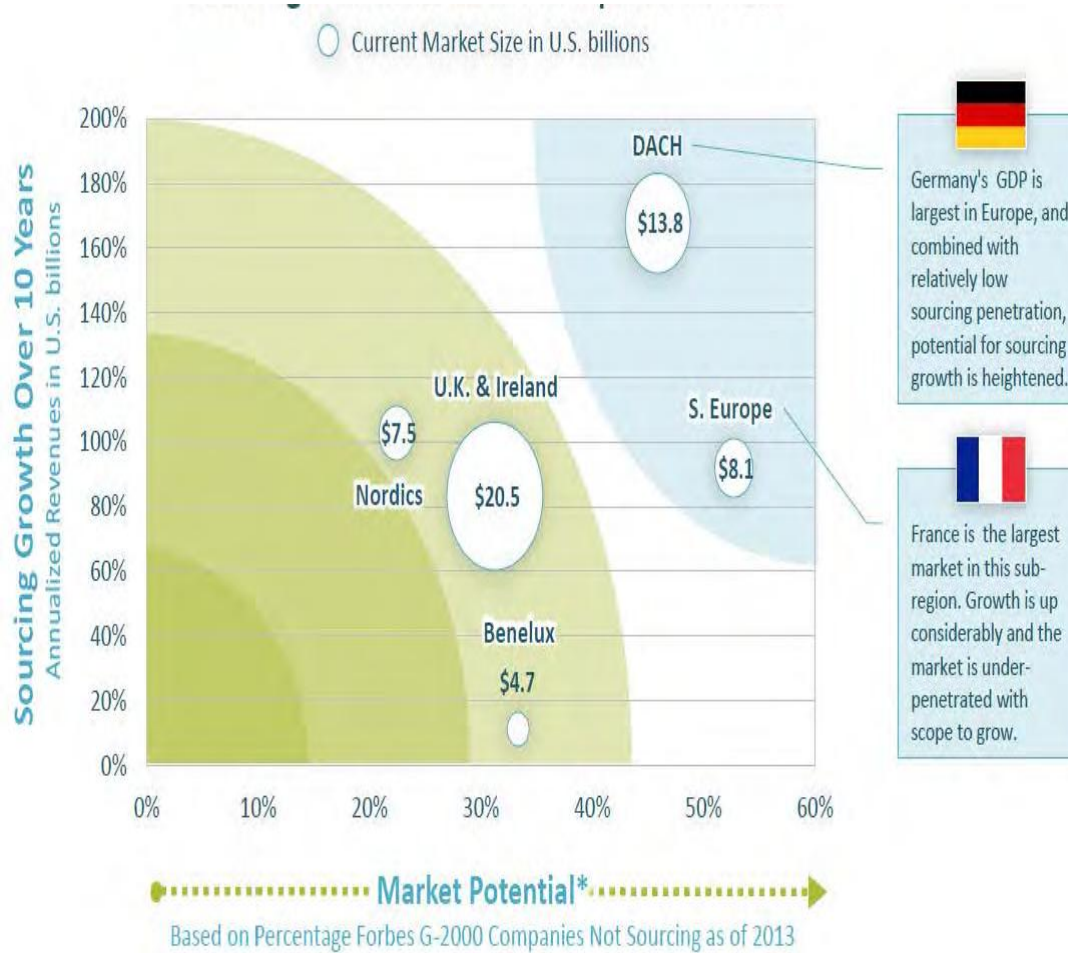
- The US has been at the forefront of technology adoption. Hence, improving economic outlook in the US would increase tech spending.
- Accordingly, we expect improved deal momentum from the US, which currently contributes ~60% of the revenues of Indian IT.
- An improved business environment would also prompt enterprises to increase digital spending, which would provide further impetus to Indian IT exports.
- North American companies have displayed a high degree of maturity in the adoption of Digital services.
- The true power of Digital adoption is realised when enterprises leverage and integrate a variety of digital technology themes across the enterprise.

NORTH AMERICA - SIGNIFICANT DIGITAL INVESTMENT FOCUSED ON DRIVING EFFICIENCIES



Source: Everest, IDFC Securities

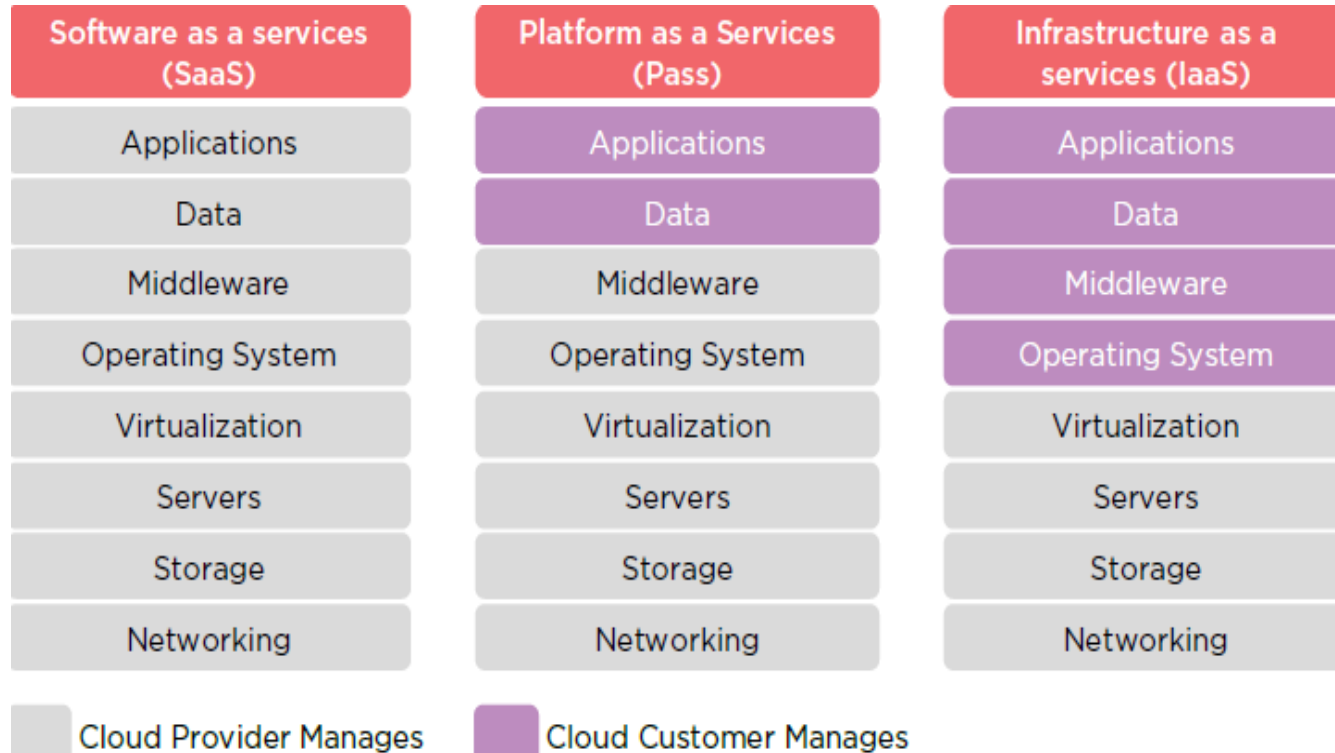
- Europe Middle East Africa (EMEA) has historically been slow to open up to outsourcing and offshoring, but may soon emerge as the next big frontier for Indian IT.
- As competition continues to increase, both in EMEA and the rest of the world, organisations are becoming more open to outsourcing as a valid means of cost reduction, particularly with regard to IT and business processes.
- In terms of evolution of outsourcing/ offshoring, the EMEA market is at the same juncture that markets like the US, the UK and Australia/ New Zealand (ANZ) were in during the early part of the past decade (2000s).
- The contracts from EMEA are being outsourced to bring down the total cost of ownership of technology (large Information Management Systems(IMS), Application Development Maintenance(ADM) and System Integration(SI) contracts).
- However, the US/UK/ANZ market has graduated from this stage to a more strategic and logical outsourcing era wherein companies are looking for IT vendors as ‘business partners’.
- Hence, we expect Indian IT revenues to witness the same growth spurt in the EMEA that it did in US/UK/ANZ in 2000s.



Source: ISG, IDFC Securities

- Cloud is a technology that delivers computing resources on the Internet; SaaS and Private Cloud adoption would outpace growth of other offerings in the space
- Contrary to popular belief that the Indian IT services model would be disrupted by Cloud, we see far more opportunities than threats for Indian players.
- Strong growth in Private Cloud, investment in IT security outsourcing, application consolidation & modernisation, enterprise digital transformation and low penetration in IMS (IT modernisation) offer strong growth opportunities for Indian IT.
- Moving beyond just application support, Indian players have already been leveraging their engagement with clients to help them adopt and build Cloud strategies.

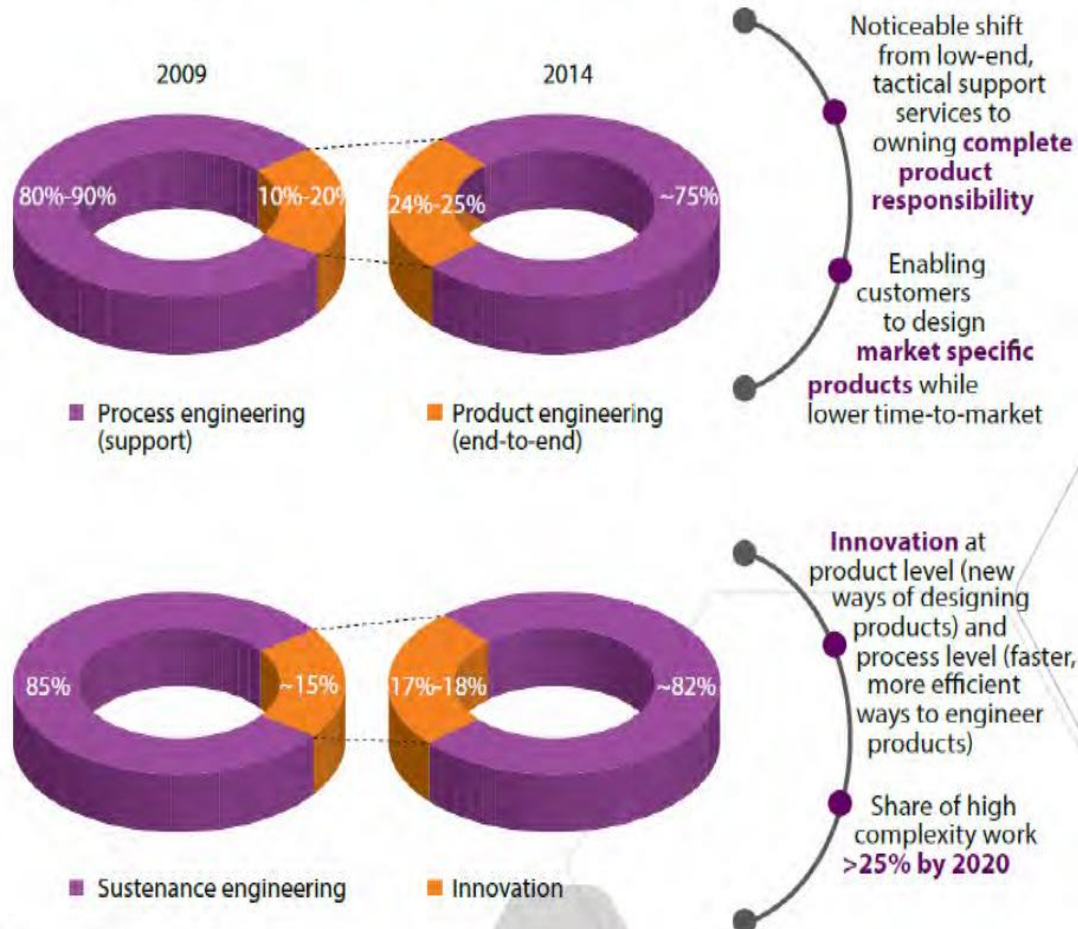
PRIVATE CLOUD - IT SERVICES VENDOR TO MANAGE END TO END STACK



Source: CISCO, IDFC Securities

- Indian IT sector's share of the global ER&D pie will expand as it becomes an integral part of product innovation and end-to-end maintenance
- The surge in GICs, or global in-house centres, offer inorganic opportunities for Indian IT as clients exit GICs after they scale up the business
- Adoption of “Industrial Internet of Things” would be a strong growth driver for Indian IT as companies invest in capturing the next wave of opportunity
- According to NASSCOM, global ER&D spend grew by ~3% in FY14 to reach US\$1.44trn, with the top 2,000 global corporates accounting for nearly 50% of this spend.
- Over one-fourth of the spend is from automotive and consumer electronics companies, driven by increasing demand for new products and interfaces as also safety and emission efficiencies in the automotive sector.
- While the US and Europe continue to be the leading geographies, ER&D spend has been shifting to Asia (ex Japan). Asia's share of ER&D spend would increase from 10% now to 25% by 2020.
- According to NASSCOM, global sourcing of ER&D services has been growing by over 2x the pace of global total IT spend over the past five years, expanding from USD63bn in 2013 to USD68bn in 2015.
- India's share in global sourcing of ER&D from enterprises is ~25% as of 2014.

GREAT EXPECTATIONS AROUND PRODUCT ENGINEERING AND INNOVATION



Source: NASSCOM, IDFC Securities

- India is likely to experience very rapid diffusion and adoption of 12 general purpose technologies and technology applications in the coming decade.
- The most potent of these, the mobile Internet, will likely reach 700 million to 900 million Indians by 2025.
- Along with cloud-based services, the automation of knowledge work, digital payments, and verifiable digital identity, the mobile Internet can provide the foundation for remote health care, adaptive learning, mobile agricultural extension services, and other innovative services.
- Beyond digital technologies, rapid advancements in energy (unconventional oil and gas, renewables, storage), genomics, advanced geographic information systems (GIS), and intelligent transportation and distribution can help India build a more stable power supply, raise productivity in farming, move goods and people more efficiently, and improve access to clean drinking water.
- Collectively, the 12 empowering technologies for India could contribute USD550 billion to USD1 trillion of economic impact per year in India in 2025.
- The economic impact of these sized applications on seven sectors in 2025 could be \$250 billion to \$500 billion, or about 45 percent of the total impact.

- Internet is fairly under-penetrated in rural India at ~8%, vis-a-vis ~37% in urban areas, while rural mobile penetration is already at ~44%. The large gap between rural mobile and internet penetration is largely due to inadequate fixed-line infrastructure. With over 70% of the population residing in rural areas, network investment in these parts is important for the internet to flourish.
- With this in mind, the government has embarked on an ambitious “Digital India” programme focused on building digital infrastructure to provide high speed internet as a utility, which in turn would function as a backbone for the government to deliver e-services on demand, at a cost of Rs1.1tn. It will accelerate the US\$3.5bn National Optical Fibre Network (NOFN) venture. NOFN venture aims to connect all 250,000 gram panchayats in the country by utilising existing fibres of BSNL, Railtel and Power Grid and laying incremental fibre wherever necessary. Non discriminatory access to the NOFN will be provided to all service providers, such as telecom service providers, ISPs, cable TV operators and content providers can launch various services in rural areas. Applications including e-health, e-education and e-governance, etc., can be provided by these operators.
- Phase 1 of the rollout will provide high speed broadband links to 50,000 villages. The second phase, linking 100,000 villages, will be completed by March 2016 and the final phase will extend coverage to 50,000 villages by March 2017.

Pillars of the Digital India programme

Digital infrastructure as a utility

- ❑ Create a unique digital identity
- ❑ Mobile phone and bank account for every citizen

Governance and services on demand

- ❑ Services available on online and mobile platform
- ❑ Making financial transactions

Digital empowerment

- ❑ All public documents/certificates available on cloud

Source: CLSA, media reports

Economic impact of empowering technologies could be \$550 billion to \$1 trillion in 2025, with \$240 billion to \$500 billion from sized applications

Potential economic impact in 2025

Sized applications in six sectors (\$ billion)

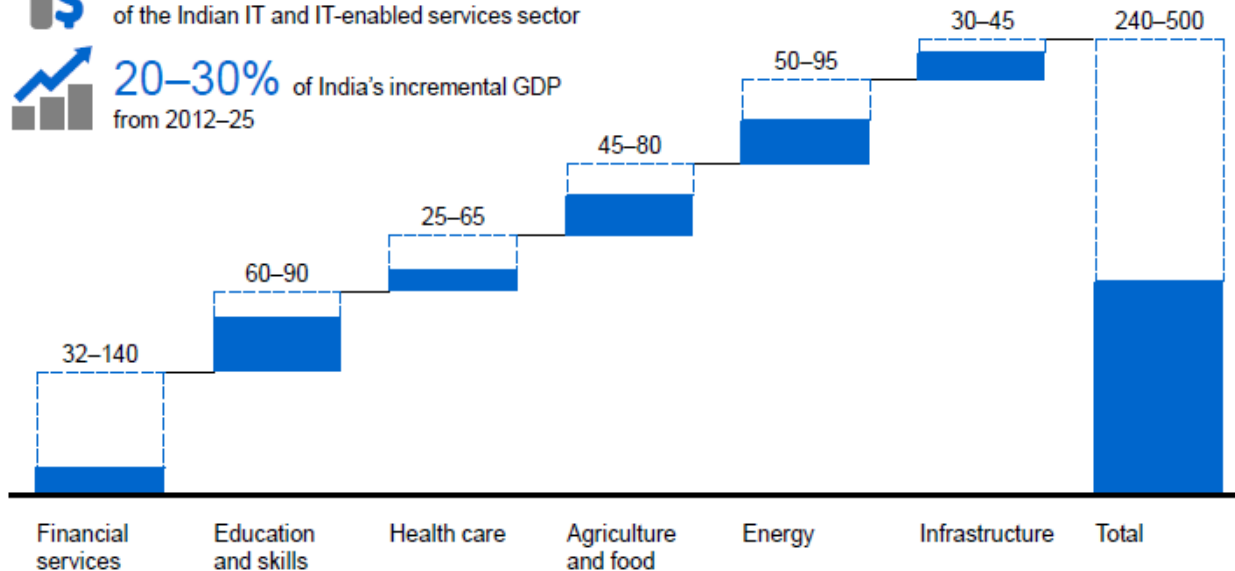
The potential economic impact for India in 2025 is equivalent to



3–6 times the current economic value of the Indian IT and IT-enabled services sector















20–30% of India's incremental GDP from 2012–25



Source: Mckinsey Global Institute

Twelve technologies can empower India in the next decade

Digitising life and work		Mobile Internet	Inexpensive and increasingly capable mobile devices and Internet connectivity enable services to reach individuals and enterprises anywhere
		Cloud technology	Computing capacity, storage, and applications delivered as a service over a network or the Internet, often at substantially lower cost
		Automation of knowledge work	Intelligent software for unstructured analysis, capable of language interpretation and judgment-based tasks; potential to improve decision quality
		Digital payments	Widely accepted and reliable electronic payment systems that can bring millions of unbanked Indians out of the cash economy
		Verifiable digital identity	Digital identity that can be verified using simple methods, enabling secure delivery of payments and access to government services
Smart physical systems		Internet of Things	Networks of low-cost sensors and actuators to manage machines and objects, using continuous data collection and analysis
		Intelligent transportation and distribution	Digital services, used in conjunction with the Internet of Things, to increase efficiency and safety of transportation and distribution systems
		Advanced geographic information systems (GIS)	Systems that combine location data with other types of data to manage resources and physical activities across geographic spaces
		Next-generation genomics	Fast, low-cost gene sequencing and advanced genetic technologies to improve agricultural productivity, nutrition, and health care
Rethinking energy		Advanced oil and gas exploration and recovery	Techniques that make extraction of unconventional oil and gas (usually from shale) economical, potentially improving India's energy security
		Renewable energy	Generation of electricity from renewable sources to reduce harmful climate impact and bring power to remote areas not connected to the grid
		Advanced energy storage	Devices or systems for energy storage and management that reduce power outages, variability in supply, and distribution losses

SOURCE: McKinsey Global Institute analysis

Financial services: Disruptive technologies now offer an opportunity to address persistent challenges such as lack of financial inclusion; just 36 percent of Indians have access to a bank account. Technology applications such as mobile payments can bring greater efficiencies; the government pays some \$100 billion per year through paper based channels.

Education and skills: Technology applications can improve the quality of teaching and raise vocational attainment. School performance can be improved through e-administration, digital identity-based attendance systems, and online teacher certification and training.

Health care: Based on international standards, India has about half the doctors, nurses, and health-care centres it needs for its population and existing facilities are not geared to delivering optimal health outcomes. Disruptive technologies could transform delivery of public health services by 2025, extending care through remote health services (delivering expert consultations via the mobile Internet), digital tools that enable health-care workers with modest skills to carry out basic protocols, and low-cost diagnostic devices that work with smart phones.

Agriculture and food: India's agriculture sector has made strides since the Green Revolution but still has immense potential to raise farm productivity and farm income. Hybrid and genetically modified crops, precision farming (using sensors and GIS-based soil, weather, and water data to guide farming decisions), and mobile Internet-based farm extension and market information services can help create more than half the \$45 billion to \$80 billion per year in additional value the sector could realise in 2025.








Energy: Under current trends, by 2025, India could become one of the most energy-insecure countries in the world. Energy inclusion is also a major challenge: some 300 million people lack access to electricity.

Globally disruptive energy technologies will have tremendous potential to improve sources of power in India as well: unconventional oil and gas, solar technology, and both grid and off-grid and offshore renewable energy sources like wind, solar, and seaweed biofuels. Advanced metering infrastructure, low cost energy storage devices, and energy utilisation technologies can capture efficiencies along the value chain.

Infrastructure: India has a widely acknowledged infrastructure deficit that successive governments have attempted to address. Overcrowded roads, aging rail lines, and port systems using antiquated technology all slow the flow of goods and people and limit the growth potential of the economy; in India, logistics represent 14 percent of the cost of goods, compared with 6 to 8 percent globally. India needs new water and sanitation systems and has a housing gap of more than 18 million units. Infrastructure projects frequently come in late, over budget, and short of specifications. Use of radio frequency identification (RFID) tags and other tracking technologies can automate terminal and warehouse management, raising efficiency by 50 percent. Using sensors, water systems can cut leakage by 15 to 20 percent, helping reduce water shortages.

Government services: Like other nations, India grapples with the challenge of making its government more effective and responsive to citizens. India has made a good start with its National e-Governance Plan, and it can take additional steps to capture the full potential over the next decade. Reengineering core government processes to simplify them and providing more integration of multiple services on technology platforms are essential next steps.

India's challenges include low productivity and inadequate access to basic services

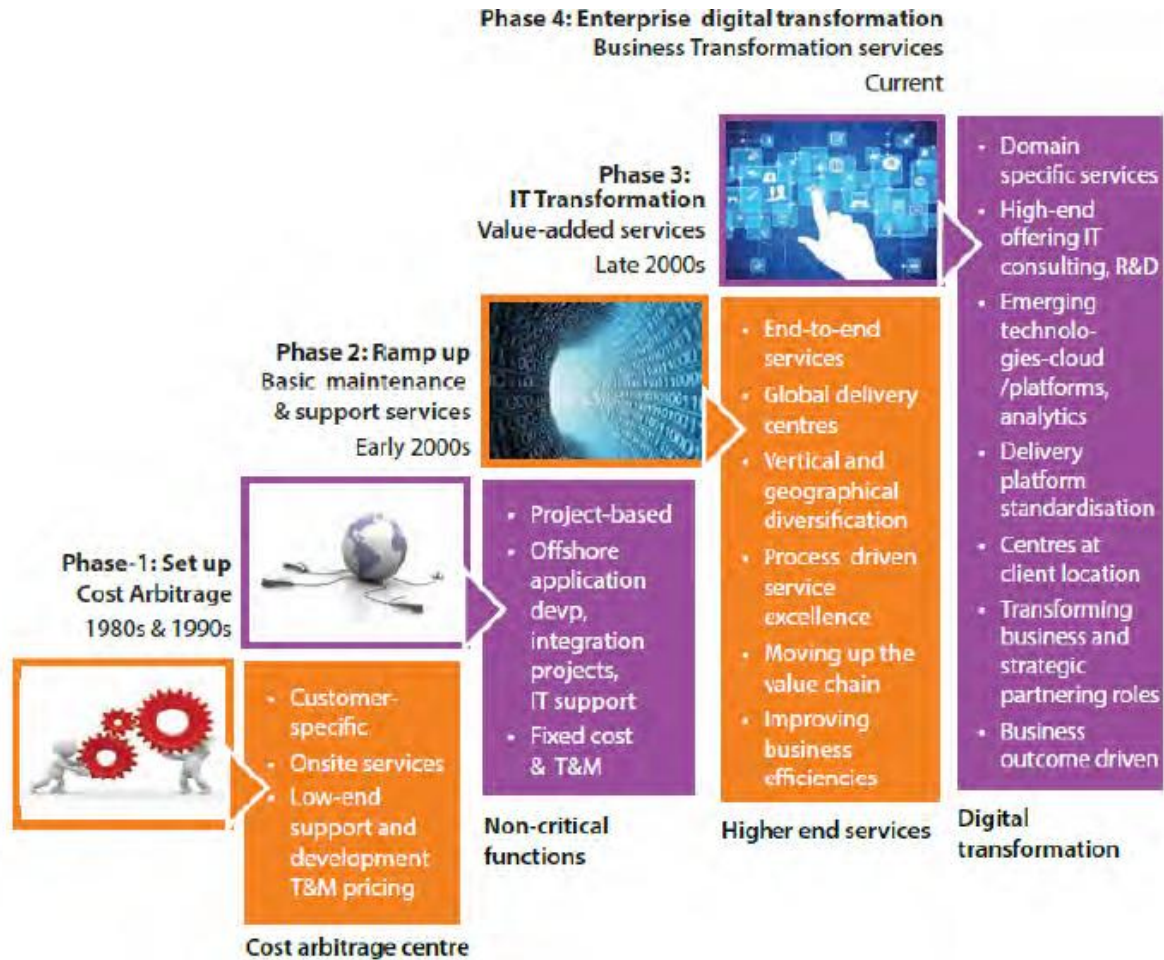
<p>Health care</p>  <p>1/3–1/2 as many doctors per capita compared with China and Brazil</p> <p>43% absentee rate of health workers</p>	<p>Education and skills</p>  <p>88% of class 8 students in rural India unable to read class 1 text</p> <p>500 million without secondary education or skills training</p>
<p>Financial services</p>  <p>120 million rural households without bank accounts</p> <p>48% "leakage" in employment guarantee programme payments</p>	<p>Agriculture and food</p>  <p>48% of the agricultural yield per hectare of Asian countries</p> <p>20 million tonnes of grain lost each year due to bad warehouse facilities</p>
<p>Energy</p>  <p>30% import share in fuel demand</p> <p>24% electricity lost in transmission and distribution</p> <p>300 million people lack electricity</p>	<p>Infrastructure</p>  <p>105 litres of water supplied per capita per day; 140 litres needed in urban India</p> <p>2x traffic congestion in urban India compared with best-in-class cities</p>
<p>Government services</p>  <p>50% of government spending does not translate into benefits for people</p> <p>134 India's rank among 189 countries on ease of doing business</p>	

Source: Mckinsey Global Institute

Disclaimer : The scheme will invest in the companies in Information Technology Sector as classified by AMFI and not in the above mentioned sectors. The Information Technology sector is likely to be benefited from the technology demand in the above sectors

- Building physical infrastructure for the digital economy
- Addressing barriers to technology adoption
- Providing effective policies, regulations, and standards
- Creating a vibrant innovation ecosystem and a mindset of “going for scale”
- Fostering more openness and transparency in government
- Attracting private sector R&D investment

EVOLVING FROM A LINEAR TO NON LINEAR MODEL

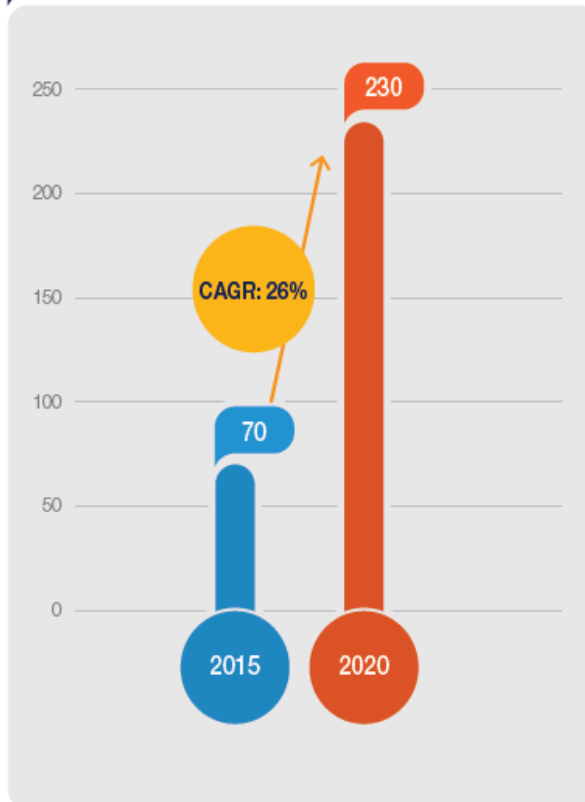


Source: NASSCOM, IDFC Securities

- The growth opportunity for Indian IT is driven by shift from a linear to a non-linear model, which involves de-coupling of revenue growth and employee addition.
- The strategies of Indian IT companies include both inward-looking (Product/ IP development) and outward-looking (Consulting/ IT Outsourcing) initiatives supported by verticalised offerings.
- Expertise developed in specific verticals has enabled Indian IT to deliver innovative products and services to customers, which has facilitated access to both new geographies and customers. The Indian IT sector is set to grow in low-to-mid teens in the foreseeable future as the wallet share gain is likely to sustain.
- It is expected that the growth rate will not decline to single digit if the current macro situation sustains.

- Enterprise Digital transformation (EDT) is emerging as a key driver for technology spends. The market opportunity in this segment is expected to witness rapid growth in the near future.
- Enterprise Digital Transformation will impact enterprises across all industry verticals. However, the impact of EDT is expected to be higher in customer facing industry verticals such as Retail, Media & Entertainment, Travel & Hospitality, and BFSI that are expected to spend a large percentage of their digital budget on Customer Targeting & Engagement.
- On the other hand, verticals such as Healthcare, Manufacturing, and Energy & Utility will invest in building operational excellence capability.
- EDT spend in 2015 is projected to be approx. USD 70 billion which is estimated to reach USD 230 billion by 2020.

Ideal EDT Market & Projection (USD Billion) 2015-20



Key Insights

North America is expected to contribute over 40% of the Enterprise Digital Transformation spend. APAC and Latin America will lead in growth rate

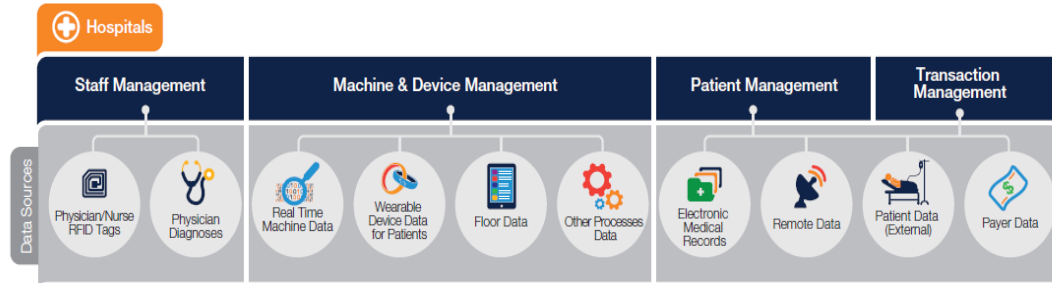
Customer Targeting & Engagement is a primary focus area for enterprises and will constitute 33% of the spend

Verticals focused on B2C business will spend a larger percentage of digital spend on Customer targeting and engagement

Source: Zinnov Analysis & Research

HOSPITALS

- We have chosen healthcare providers to demonstrate how enterprises are leveraging data and technologies to make their operations more efficient and effective.
- Real-time asset tracking and decision support systems have helped these providers reduce costs and reach out to a larger customer base.
- Enterprises at the forefront of the digital revolution are leveraging digital technologies and data to make their business processes more efficient, accurate and agile.



DIGITAL SOLUTIONS (HEALTHCARE)		DIGITAL SOLUTIONS (NON HEALTHCARE)	
Real-Time Asset Tracking & Optimization <p>Real-time location tracking technologies, including infrared and RFID on equipment and human resources to provide real time insights to admin and other senior stakeholder on mobile platforms to monitor and expedite processes and identify optimum allocation and usage, thereby ensuring a lean and agile set-up.</p>	Decision Support <p>This entails analytics run on patient/physician/equipment data (both pre and post-discharge) to effectively provide physicians relevant information and insights about the effectiveness of drugs and treatment and decisions on potential diagnoses.</p>	Predictive Success Gauging <p>This provides an enriched predictive in-depth view into the performance of production house releases, sports players, etc. for gauging potential success, scouting, training, etc. by identifying patterns in past data, blending them with current data points, and trends from social media analytics in order to take action for improving business performance.</p>	Automation <p>Automation of workflows and processes in order to make them more efficient.</p>
TEXAS HEALTH Harris Methodist Hospital & UNIVERSITY OF MARYLAND MEDICAL SYSTEMS <p>RFID-tagging all high-value assets, emergency medications, wristbands on patients & staff badges to ensure optimization</p> <p>Benefit: Over the last year RFID has saved the Texas Health Alliance USD 780,000</p>	CLEVELAND CLINIC <p>Uses IBM's Watson as an assistant in research & understanding of complicated patient use cases to arrive at diagnoses</p> <p>Benefit: Physicians can tend to a larger number of patients</p>	UNIVERSAL STUDIOS <p>Ran social media analytics to assess the buzz generated by the movie (Pitch Perfect) pre-release</p> <p>Benefit: Data mining from Twitter helped them change their pre-release strategy for the movie</p>	PERSISTENT SYSTEMS <p>Collaborated in developing handheld device for Bridgestone, for automating and centralizing their tire data tracking system</p> <p>Benefit: Improved productivity by 800%</p>

Source: Zinnov Analysis & Research



DIGITAL SOLUTIONS		
<p>Risk Assessment</p> <p>Risk & Compliance Solution primarily analyses compliance activities related to financial statements, risk reporting, risk management and monitoring, in relation to legislative guidelines also monitors key transactional data and alerts when there are potential risk exposures that may result in financial statement misstatements.</p>	<p>Forensic data analysis</p> <p>The solution performs real-time monitoring for the prediction, identification, mitigation and prevention of frauds through forensic imaging of the storage media (HDD, mobile, etc.), analyze data for fraud detection/ cyber security incident and forensic analysis of network logs for source of attack, corporate policy violations etc.</p>	<p>Retail Inventory Shrinkage</p> <p>Retail inventory shrinkage is the loss between point of manufacture and point of sale. Digital Solutions can drastically reduce the shrinkage numbers and help enterprises to improve their risk management practices.</p>
<p>SHELL</p> <p>Data analytics helps internal audit team monitor strength of access controls & deliver better audit accuracy</p> <p>Benefit: Enhanced risk detection capability</p>	<p>ZIONS BANK</p> <p>Cross-channel fraud detection using Hadoop cluster-based data warehouse that houses about five petabytes worth of information from 140 sources (both real and near-time)</p> <p>Benefit: Successful implementation of full cross-channel analytics across multiple commercial products</p>	<p>AMERICAN APPAREL</p> <p>Deployed a combination of item-level RFID, advanced video analytics solutions and process improvements, resulting in a dramatic turnaround in shrink and productivity numbers for a 10-store region of American Apparel locations</p> <p>Benefit: Reduced shrink by 75% in the region, converting it into one of the best-performing regions in the chain</p>
<p>CAPGEMINI</p> <p>Helped large U.S. financial company build a single repository to perform credit risk analytics on commercial and retail loan portfolios</p> <p>Benefit: Enhanced business decisions to mitigate risk</p>		

Source: Zinnov Analysis & Research



DISCLAIMER



Own a piece of India™

Market Research Analysis is based on the information obtained from various sources. There is no assurance that the information technology sector will perform as per the expectations/projections given. Uncertain future events may have an adverse impact on the information technology sector. Companies mentioned in this presentation is for information purpose only and not to be construed as an indicative portfolio of the scheme.

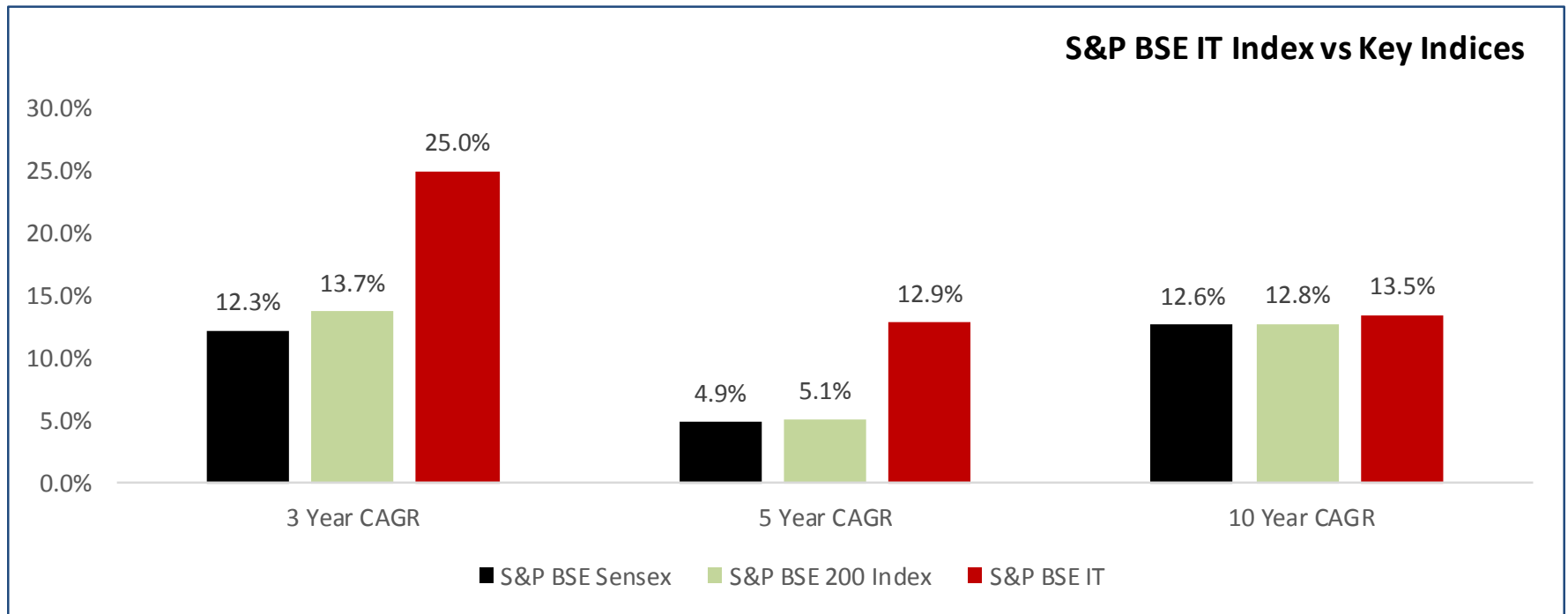
BENCHMARK PERFORMANCE

THEMES CALENDAR YEAR RETURNS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
HIGH	S&P BSE IT 42.7%	S&P BSE IT 40.9%	CNX Commodities 108.8%	CNX Pharma -25.6%	S&P BSE IT 132.8%	CNX Pharma 35.3%	CNX Pharma -10.0%	CNX Finance 52.0%	S&P BSE IT 59.8%	CNX Finance 57.3%
	CNX Nifty 36.3%	CNX Nifty 39.8%	CNX Finance 82.9%	CNX Consumption -43.3%	CNX Commodities 108.2%	S&P BSE IT 31.6%	CNX Consumption -10.8%	CNX Consumption 37.5%	CNX Pharma 26.5%	CNX Pharma 43.4%
	CNX 500 36.3%	CNX Finance 39.5%	CNX 500 62.5%	S&P BSE IT -50.8%	CNX Finance 88.7%	CNX Finance 29.9%	S&P BSE IT -15.7%	CNX Pharma 31.9%	CNX Consumption 9.6%	CNX 500 37.8%
	CNX Finance 36.2%	CNX 500 34.0%	CNX Nifty 54.8%	CNX Nifty -51.8%	CNX 500 88.6%	CNX Consumption 21.2%	CNX Nifty -24.6%	CNX 500 31.8%	CNX Nifty 6.8%	CNX Nifty 31.4%
	CNX Commodities 20.3%	CNX Commodities 30.7%	CNX Consumption 37.6%	CNX Finance -55.1%	CNX Nifty 75.8%	CNX Nifty 17.9%	CNX 500 -27.2%	CNX Nifty 27.7%	CNX 500 3.6%	CNX Consumption 29.7%
	CNX Pharma 0.9%	CNX Pharma 25.0%	CNX Pharma 14.6%	CNX 500 -57.1%	CNX Pharma 59.1%	CNX 500 14.1%	CNX Finance -29.0%	CNX Commodities 19.3%	CNX Finance -7.3%	CNX Commodities 16.7%
LOW	CNX Consumption NA	CNX Consumption NA	S&P BSE IT -14.1%	CNX Commodities -57.4%	CNX Consumption 51.3%	CNX Commodities 2.0%	CNX Commodities -34.1%	S&P BSE IT -1.2%	CNX Commodities -8.6%	S&P BSE IT 16.5%

Data Source: ICRA MFI Explorer. Calculation ICRA

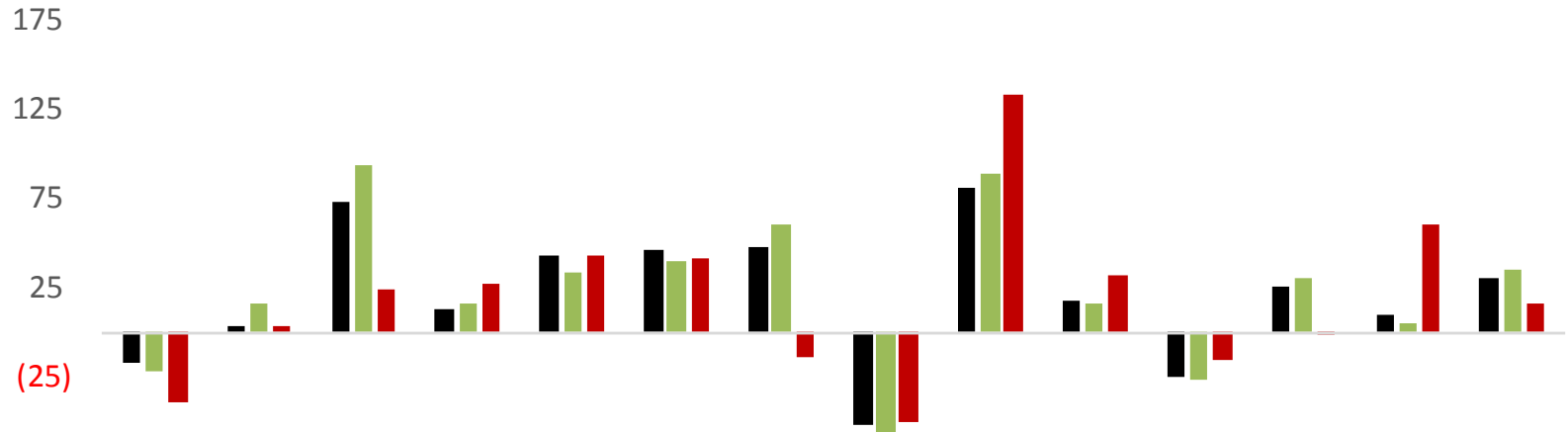
- The IT sector has been a value creator, beating the broader markets over 3 and 5 Years. But over 10 Year timeframe it has performed in line with the overall market
- The IT sector has returned 13.5% compounded growth over the last 10 years v/s 12.8% by the broader market (S & P BSE 200)



Past performance may or may not be sustained in future

Notes: • Returns as on 4th Nov, 2015 • Data Source : Index Websites. • Calculations by ICRA

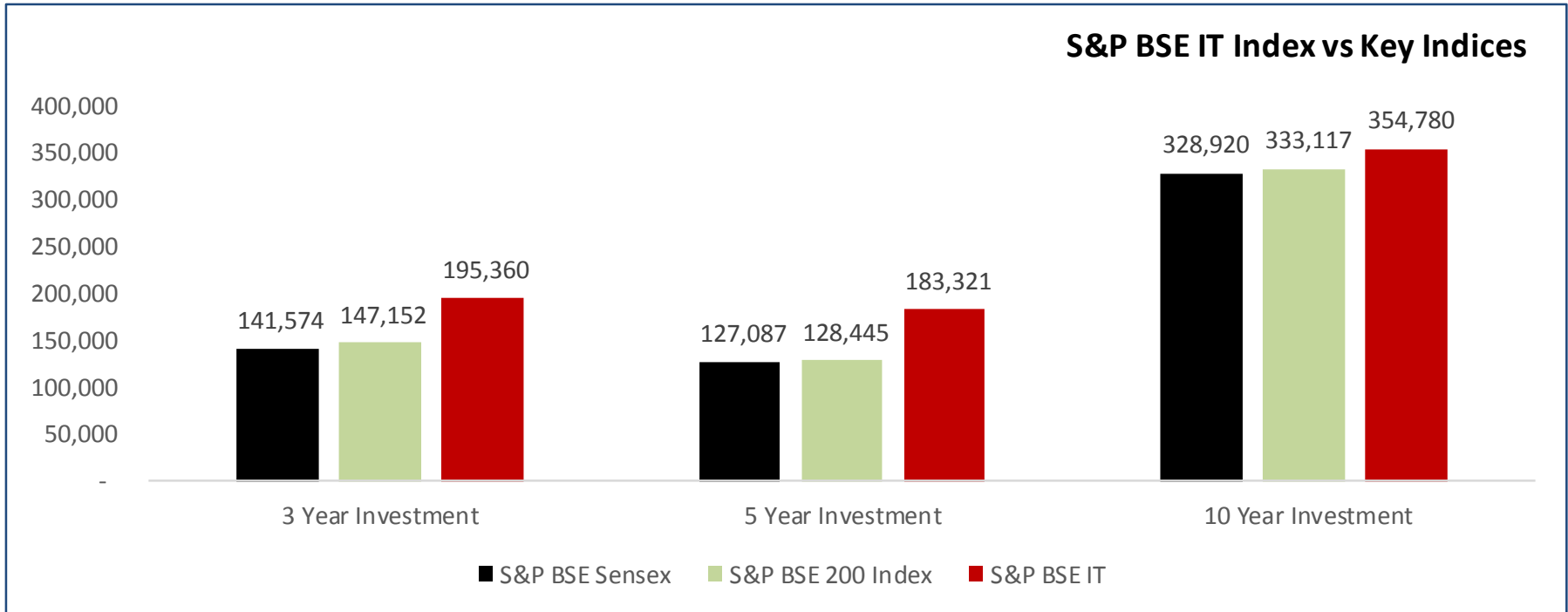
S&P BSE IT Index - Calendar Year Returns



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
■ S&P BSE Sensex	(17.87)	3.52	72.89	13.08	42.33	46.70	47.15	(52.45)	81.03	17.43	(24.64)	25.70	8.98	29.89
■ S&P BSE 200	(21.94)	15.47	94.48	15.69	33.80	39.58	60.44	(56.46)	88.51	16.22	(26.95)	30.98	4.38	35.47
■ S&P BSE IT	(39.24)	4.04	23.48	26.48	42.75	40.87	(14.09)	(50.81)	132.78	31.59	(15.72)	(1.18)	59.78	16.54

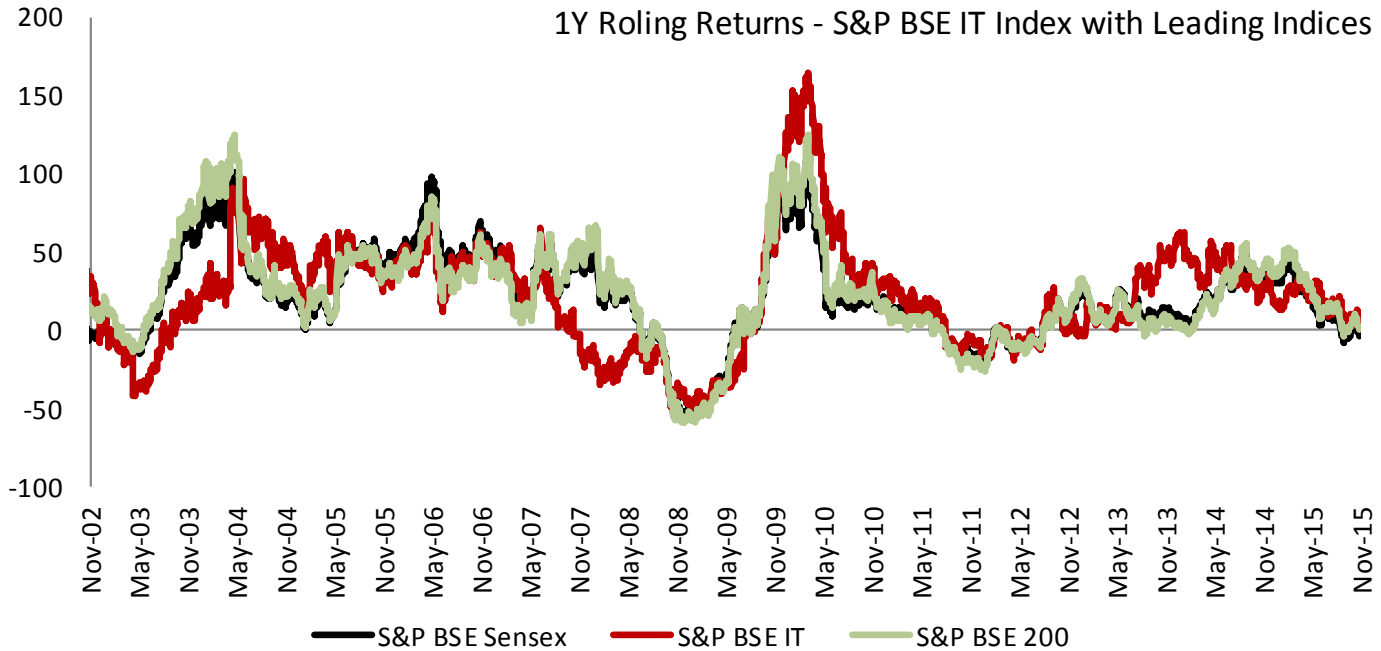
■ S&P BSE Sensex ■ S&P BSE 200 ■ S&P BSE IT

Data Source: ICRA MFI Explorer. Calculation ICRA



Notes: • As on 4th Nov, 2015 • Data Source : Index Websites. • Calculations by ICRA

BENCHMARK ROLLING RETURNS



Benchmark	Average	Maximum	Minimum	Downside Risk
S&P BSE Sensex	20.31	110.38	-56.45	0.24
S&P BSE 200	22.39	124.61	-59.64	0.19
S&P BSE IT	20.24	163.84	-53.19	0.30

Notes: • 1 Year Absolute Rolling Returns • Daily Frequency. Jan 01, 2001 to Nov 4, 2015 • Data Source: ICRA MFI Explorer • Calculation ICRA

Period	CNX Nifty Index	S&P BSE IT
Count	3,677	3,675
Minimum	(37.90)	(45.79)
Maximum	30.47	61.75
Average	1.31	1.31
Beta (with CNX Nifty)	1.00	0.85
Annualised Standard Deviation	25.29	34.03
Annualised Sharpe @ 8% Risk Free Rate	0.31	0.23
Annualised Treynor @ 8% Risk Free Rate	2.25	2.68

Notes: • Based on 1 Month Rolling Returns • Daily Frequency. Jan 01, 2001 to Nov 4, 2015 • Data Source: ICRA MFI Explorer. • Calculation ICRA

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