



## OWN A PIECE OF INDIA™

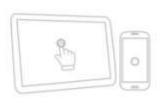
OFFERING A 5+1 SCHEME FROM TATA MUTUAL FUND



(An Open Ended Banking & Financial Services Sector Scheme)



(An Open Ended Consumption Oriented Sector Scheme)



(An Open Ended Information Technology Sector Scheme)



TATA INDIA PHARMA & HEALTHCARE FUND

(An Open Ended Pharma And Healthcare Services Sector Scheme)



A DIEDACTORICTURE ELIV

(An Open Ended Equity Scheme)





NEW FUND OFFER OPENS ON: 04 DECEMBER, 2015

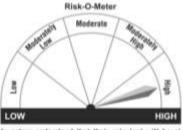
NEW FUND OFFER CLOSES ON: 18 DECEMBER, 2015

#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 understand that their principal will be at Highrisk



## www.ownapieceofindia.co.in

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

<sup>\*</sup>Investors should consult their financial advisors if in doubt about whether the product is suitable for them.



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## **SECTION I**



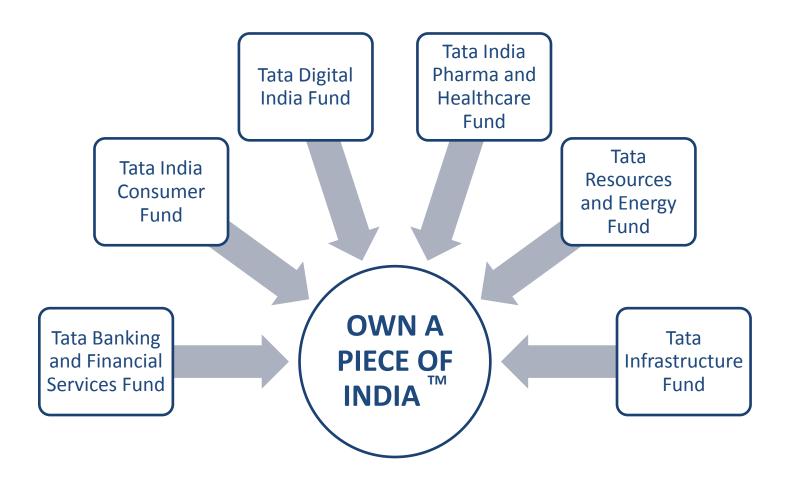
## **INTRODUCTION**



## NEW 5+1 FUND OFFER



### LAUNCHING 5 NFO'S SIMULTANEOUSLY



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



## OWN A PIECE OF INDIA<sup>™</sup>



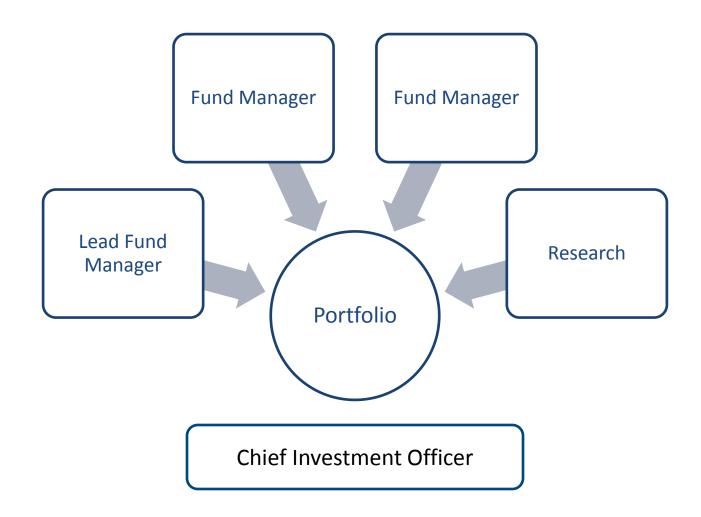
- Maiden New Equity Fund Offer from the House of Tata after over Six Years\*
- Own a Piece of India <sup>TM</sup> A one stop solution to customize your participation in India's growth
- First Time Multi Manager Approach by Tata Mutual Fund^
- Launching 5 NFO's Simultaneously (+1 Existing Fund) Simple & 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**







#### **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



## **SECTION II**



## FUND MANAGER PROFILE & PERFORMANCE



#### PRADEEP GOKHALE



#### SENIOR FUND MANAGER, TATA ASSET MANAGEMENT LIMITED



- 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



		Discrete Perio	od Returns		Returns on investment of Rs 10,000				
Fund / Benchmark	September 30, 2014 to September 30, 2015	2014 to 2013 to 2012 to September 30, September 30, September 30,		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.	
					III NO.	III No.	III NO.	113.	
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**



#### **FUND MANAGER, TATA ASSET MANAGEMENT LIMITED**



- 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



		Discrete Perio	od Returns		Returns on investment of Rs 10,000				
Fund / Benchmark	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.	
Taba Dalamard Funda Dana Gunath	46.70	50.22	2.22	46.00	14.670	45.022	40.222	220.265	
Tata Balanced Fund - Reg - Growth  Scheme Benchmark (Crisil Balanced Fund Index)	16.70 <b>4.38</b>	50.32 <b>28.89</b>	2.33 <b>1.87</b>	16.99 <b>NA</b>	11,670 10,438	15,032 <b>12,889</b>	10,233 10,187	230,365 <b>NA</b>	
Scheme Benchmark (Chish Balanceu Fund Index)	4.30	20.03	1.07	IVA	10,436	12,003	10,187	IVA	
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



#### **RUPESH PATEL**



#### FUND MANAGER, TATA ASSET MANAGEMENT LIMITED



- 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**

		Discrete Perio	od Returns		Returns on investment of Rs 10,000				
Fund / Benchmark	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	
	10.55		20.00	10.01		45.400	- 0.10	10.506	
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	29406	
Additional Benchmark (CNX NIFTY)	-0.20	38.87	0.56	16.29	9,980	13,887	10,056	26698	

Past performance may or may not be sustained in future





## **SECTION III**



## INVESTMENT MANAGEMENT PERSPECTIVE





## **Tata Resources and Energy Fund**

(An Open Ended Resources and Energy Sector Scheme)



#### **KEY DETAILS**



## Investment Objective

• The investment objective of the scheme is to seek long term capital appreciation by investing atleast 80% of it's net assets in equity/equity related instruments of the companies in the Resources & Energy sectors in India.

## Benchmark & Fund Managers

#### CNX Commodities Index

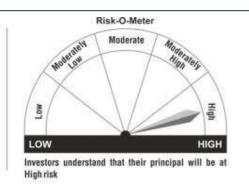
• Lead FM - Rupesh Patel. Co-FM - Pradeep Gokhale & Atul Bhole

#### **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 the Resources & Energy sector in India.

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



#### Key Sectors / Industries Included

- Oil & Gas, Power
- Cement & Cement Products
- Metals, Paper
- Chemicals, Fertilizers and Pesticides



#### **SECTOR GROWTH POTENTIAL**

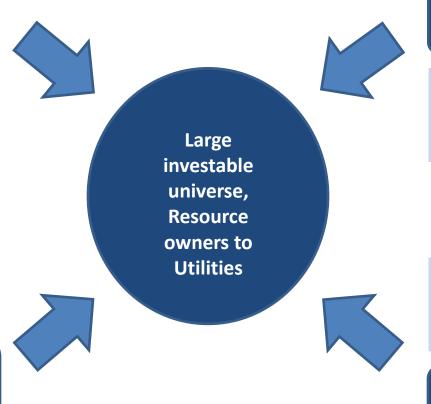


## Growing demand for commodities

Per capita consumption for various commodities at much below emerging market peers

Entry barriers in sectors like cement lend pricing power to incumbents

Pricing power of incumbents in domestic sectors



## Price Volatility in commodities

Significant volatility in prices offers investing opportunites in global cost leadiers

Oil & gas marketing companies, lubricants are examples of opportunities in this space

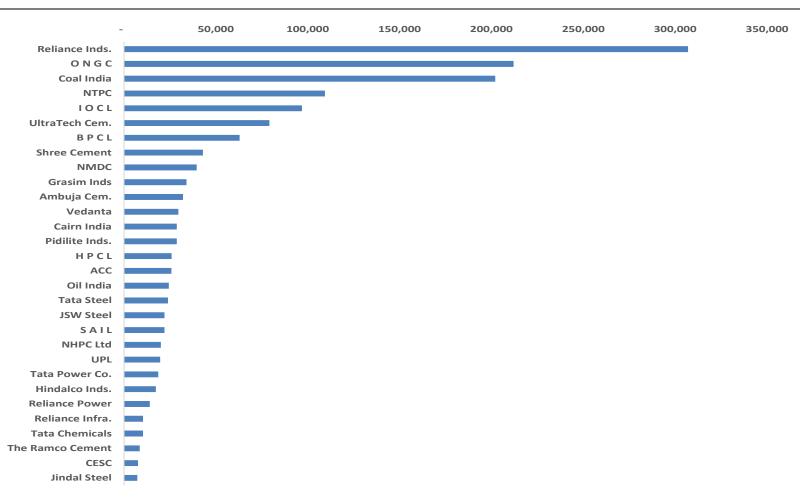
Growing retail market opportunity

Source: Industry reports



#### **CNX COMMODITIES 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 – NSE & CLINE • Index Constituents & Market capitalization as on October 30, 2015





## **SECTION IV**



## MARKET RESEARCH ANALYSIS



## **CONTENTS**



- India growth opportunity
- Cement
- Metals & Mining
- Oil & Gas



#### **COMMODITIES: INDIA GROWTH OPPORTUNITY**



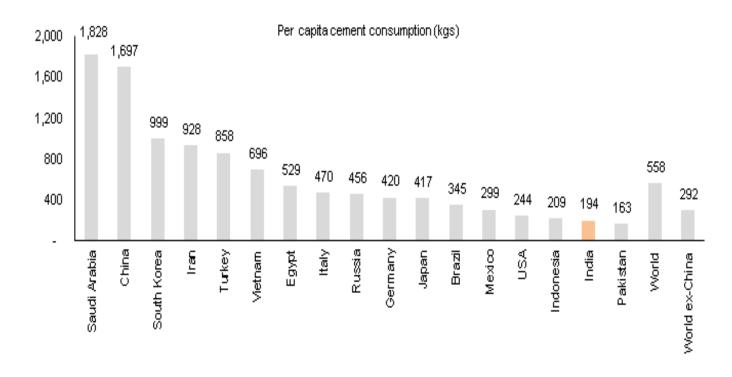
- The growth opportunity in the materials space is linked to the economic growth of the country.
- India's per capita consumption across the materials space is low compared to other emerging market peers.
   highlights the size of the opportunity in this space as India becomes a much bigger economy in the future.
  - Steel (@ 61 kg per capita), cement (@ 194 kg per capita) and oil & gas (177 kg of oil equivalent)
     highlight that India has extremely low base from which it can grow in the future.
- Long term commodities demand drivers are housing shortage, urbanization and infrastructure investment. In a recent study KPMG estimated current housing shortage of 5.9 cr units which will grow to 10.7 cr units by 2022. Also, only 35% of the population resides in urban areas, compared to 50%-90% for peer emerging countries, therefore increasing urbanization is expected to be a big demand driver for commodities in India.
- With multiple demand drivers in place, the materials space is expected to grow much larger than it is today. Thus, we expect there will be a large number of investable companies to be able to participate in this growth and create value for shareholders.



#### INDIA CEMENT PER CAPITA STATS VERSUS PEERS



India's per capita cement consumption is low compared to developing and developed nations. Per capital cement consumption across various countries (Kgs)

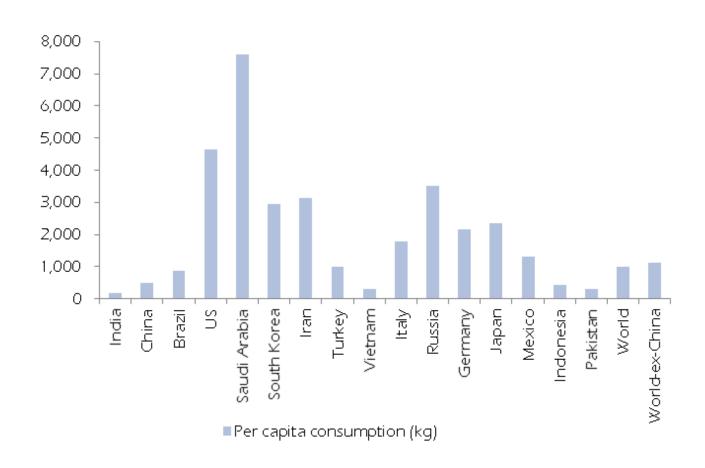


Source: USGS, CIA World factbook, Kotak Institutional Equities



### **OIL & GAS PER CAPITA CONSUMPTION VERSUS PEERS**





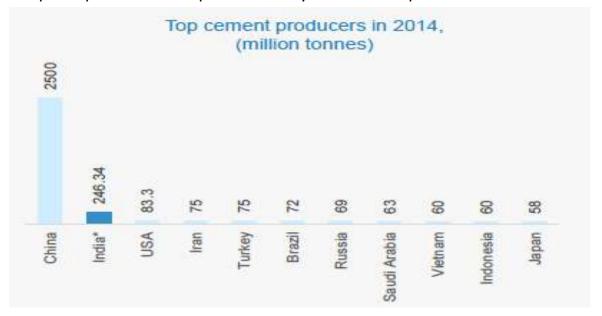
Source: BP Statistical review, Elara • Data for CY14



#### **CEMENT**



- India is the second largest cement market in the world
  - 390 mt of installed capacity which is expected to reach 550 mt by 2020
- The cement industry is dominated by private players (98%) along with higher share of large plants, 188 large
   plants account for 97% of installed capacity, while top 20 players account for 70% of production
- Cement demand per capita is low compared to many of our Asian peers



Source: Ministry of External Affairs (Investment and Technology Promotion Division), International cement review ● Notes: FY20E –Estimated market size for 2020 ● Data for CY14

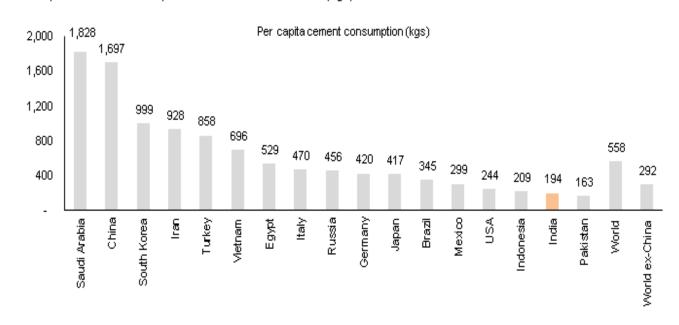


#### **CEMENT**



#### Cement demand per capita is low compared to many of our Asian peers

India's per capita cement consumption is low compared to developing and developed nations. Per capital cement consumption across various countries (Kgs)



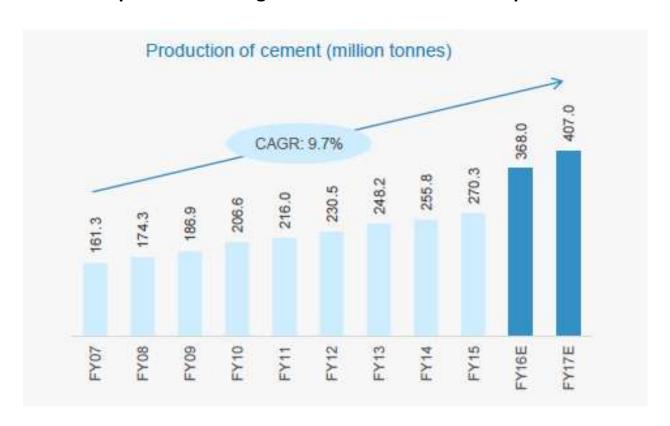
Source: USGS, CIA World factbook, Kotak Institutional Equities



#### **CEMENT**



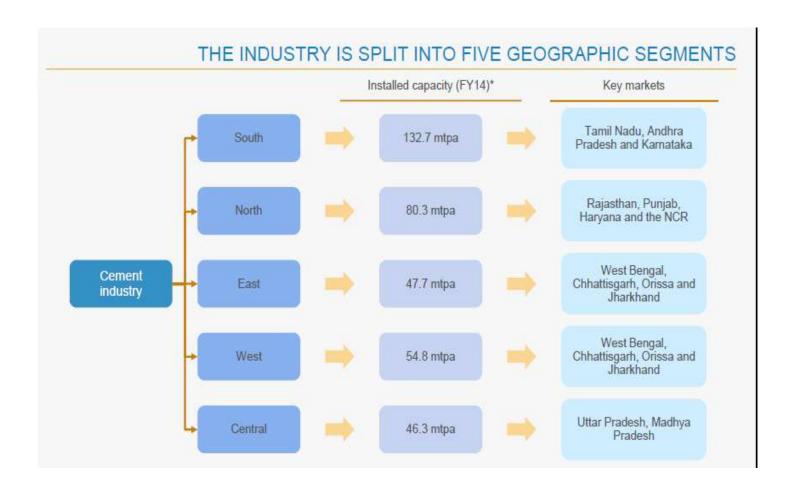
#### Cement production has grown at a 6.7% CAGR in the period FY07-15





#### **CEMENT INDUSTRY GEOGRAPHICAL SPLIT**



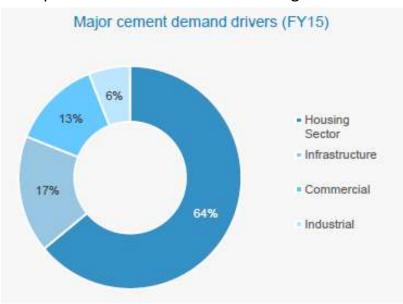


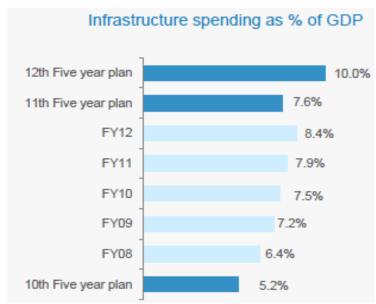


#### **CEMENT INDUSTRY DYNAMICS ATTRACTIVE**



- Huge capital investments required pose a strong entry barrier for new entrants, as new capacity comes at a substantially higher cost versus incumbents
- Substantial concentration among the top players lend pricing power to the sector, resulting in attractive return on investments for the large incumbents
- Housing (64%), infrastructure (17%) are the key demand drivers, and governments thrust on both these sectors
   is expected to drive cement demand growth







#### **METALS & MINING: SECTOR POTENTIAL**



#### 2025E Demand growth Attractive opportunities - There is significant scope for new mining Rise in infrastructure development and Mining Sector automotive production driving growth capacities in iron ore, bauxite, and coalin the sector Contribution to In 2014, untapped mineral reserves in India. - Power and cement industries also are to the tune of 60 billion tonnes. GDP USD82 aiding growth in the metals and mining Considerable opportunities for future. Billion sector discoveries of sub-surface deposits Demand for iron and steel is set to The Ministry of steel aims to increase the continue, given the strong growth steel production capacity to 142.3 million expectations for the residential and tonnes by the end of 2017 indicating new commercial building industry apportunities in the sector Advantage India Competitive advantage sector and exploration of metal and non metal ones under the Automatic Route - India holds a fair advantage in cost of production and conversion costs in steel Mining lease granted for a long duration of minimum 20 years and up to 30 years and alumina It's strategic location enables convenient. Approval of MMOR Bill (2011) to provide befor legislative environment for investment and technology exports to developed as well as the fastdeveloping Asian markets India produces 88 minerals—4 fuel-related in the Union Studget 2015-16 Ministry of Mines has been allocated USDG4-65 minerals, 10 metallic minerals, 50 nonmetallic minerals and 24 minor minerals. Source: DataMonitor, EY, TechSci Research Notes: FDX - Foreign Direct Investment, MMDR Bill - Mines and Mineral (Development and Regulation) Bill, F - Forecast.

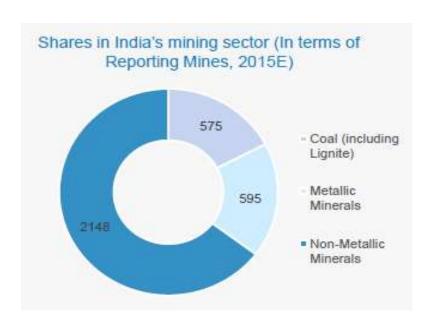


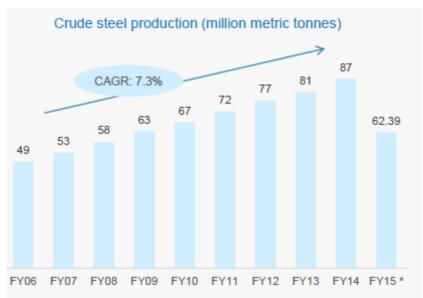
#### **STEEL SECTOR**



- Iron & steel's contribution to the metals sector.
- India is the 4<sup>th</sup> largest crude steel producer in the world, 86.5mt production in 2014
- India's steel production has been growing at a 7% CAGR over FY06-14

#### **Mine wise contribution**



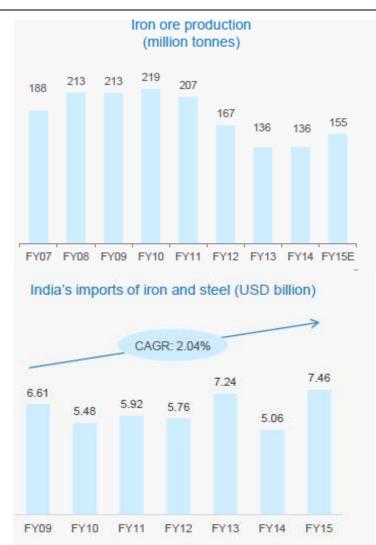




#### **STEEL SECTOR**





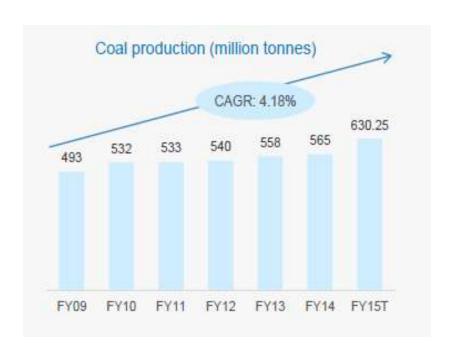




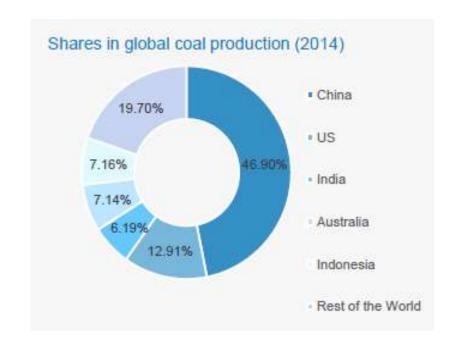
#### **COAL SECTOR**



## India's coal production has been growing at a 4% CAGR over FY09-14



#### India's share in global coal production





#### **COAL SECTOR**



#### **COAL Reserves data**

#### States with major coal deposits

- Jharkhand (76,963 mt)
- Odisha (66,307 mt)
- Chhattisgarh (46,682 mt)
- West Bengal (29,853 mt)
- Andhra Pradesh (22,016 mt)
- · Madhya Pradesh (21,988 mt)
- Maharashtra (10,308 mt)

#### States with lower coal deposits

- Uttar Pradesh (1062 mt)
- Meghalaya (577 mt)
- Assam (387 mt)
- Nagaland (316 mt)
- Bihar (160 mt)
- Sikkim (101 mt)
- · Arunachal Pradesh (90 mt)

Source: IBEF ● Data as on April 2014, subsequent data not available



## **ALUMINIUM**



### Aluminum global demand supply trends

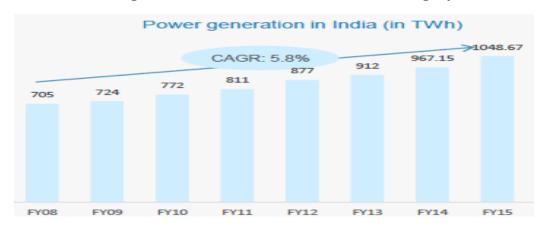
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015E
Total World smelting capacity	36,624	38,456	41,434	45,039	48,219	52,427	54,323	58,242	62,283	66,350	69,960
Total World smelting production	32,677	33,962	38,146	40,151	37,672	41,966	45,663	47,718	50,138	53,942	57,422
Average capacity utilisation (%)	89.2	88.3	92.1	89.1	78.1	80.0	84.1	81.9	80.5	81.3	82.1
o/w China	8,508	9,362	12,601	13,715	13,715	17,046	19,274	22,000	24,453	28,108	31,200
World Ex-China	24,168	24,600	25,546	26,436	23,957	24,920	26,389	25,717	25,685	25,834	26,222
China growth (%)	26.3	10.0	34.6	8.8	(0.0)	24.3	13.1	14.1	11.1	14.9	11.0
World Ex-China growth (%)	4.0	1.8	3.8	3.5	(9.4)	4.0	5.9	(2.5)	(0.1)	0.6	1.5
Total World consumption	32,682	34,546	38,031	37,456	34,426	41,037	45,037	47,300	50,028	53,677	56,632
o/w China	7,858	8,790	12,098	12,624	14,003	16,911	19,458	21,479	23,904	26,864	29,282
World Ex-China	24,824	25,756	25,934	24,833	20,423	24,126	25,579	25,820	26,123	26,813	27,349
China growth (%)	27.7	11.9	37.6	4.3	10.9	20.8	15.1	10.4	11.3	12.4	9.0
World Ex-China growth (%)	1.8	3.8	0.7	(4.2)	(17.8)	18.1	6.0	0.9	1.2	2.6	2.0
Growth in consumption (%)	7.0	5.7	10.1	(1.5)	(8.1)	19.2	9.7	5.0	5.8	7.3	5.5
Surplus/(Deficit)	(5)	(584)	115	2,695	3,247	929	626	418	110	265	790



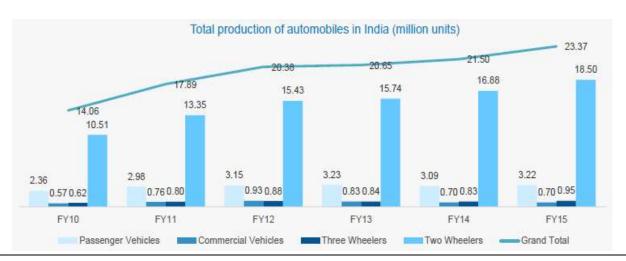
# **METALS AND MINING: DEMAND DRIVERS**



## Demand growth drivers for the metals & mining space



#### **Automobile demand trend**

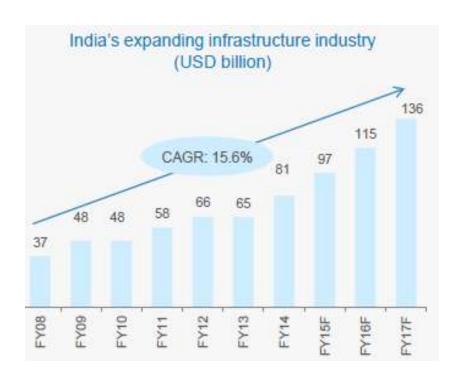




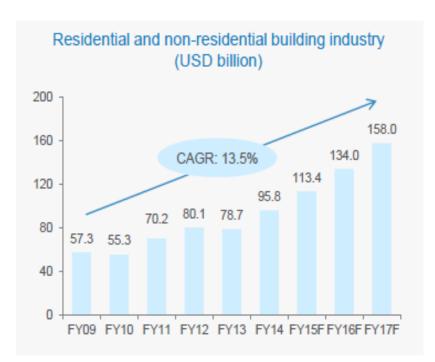
## **DEMAND DRIVERS**



# Rapid growth in infrastructure demand



# Rapid growth in residential property in FY09-15



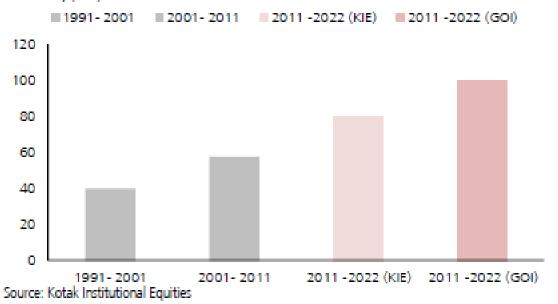


#### **DEMAND DRIVERS**



#### India's housing demand potential

Accelerated new house construction and urbanization to be strong trigger Actual new houses built between 2001-2011 as per census data and projections for 2022, (mn)





# **OIL & GAS: SECTOR POTENTIAL**

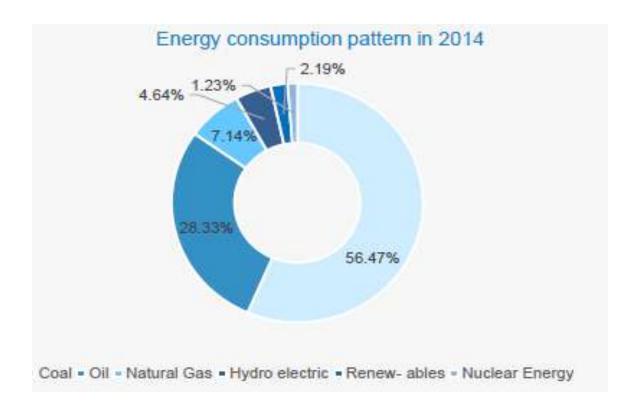


#### Growing demand Skilled workforce FY16F India is the world's fourth-largest energy About 136,347 people were employed Oil consumer (2014); oil and gas account in the petroleum industry at the end of Consumption for 37 per cent of total energy 4.0 mbpd; consumption Gas - The University of Petroleum and Consumption: Demand for primary energy in India is to Energy Studies in Dehradun, 119.05 bcm increase threefold by 2035 to 1,516 Uttarakhand, is Asia's first and only million Tonnes of Oil energy university Equivalent from 563 million Tonnes of Oil Equivalent in 2012 Advantage Policy support India Supportive FDI Government has enacted various policies such as the New Exploration Licensing Policy (NELP) and Coal Bed Methane (CBM) policy auidelines The government allows 100 per cent Foreign to encourage investments Direct Investment (FDI) in upstream and private sector refining projects existing petroleum and mining licenses are The FDI limit for public sector refining projects allowed to apply for shale oil & gas licences has been raised to 49 per cent without any disinvestment or dilution of domestic equity in New domestic natural Gas pricing guidelines the existing PSUs has been enforced on 10th January 2014





- State owned cos dominate the oil & gas sector in India
- India is the third largest energy consumer in 2015

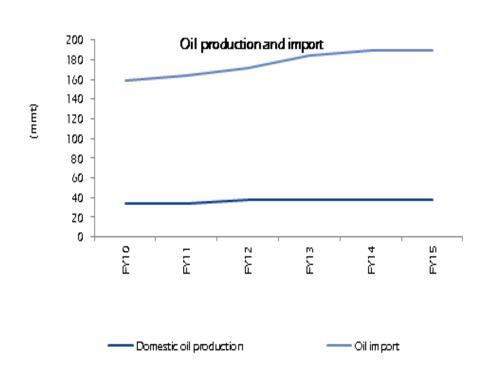




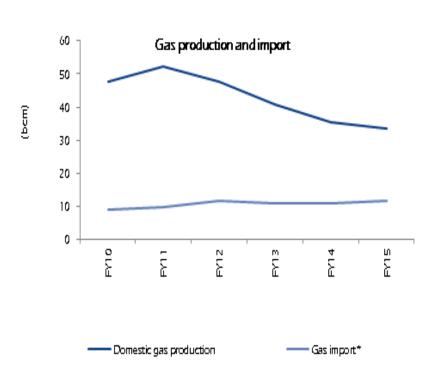




# India's dependence on oil imports is high



## Natural gas imports show a rising trend

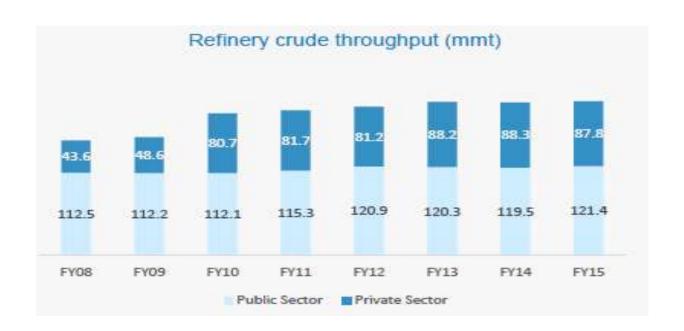


Source: Elara





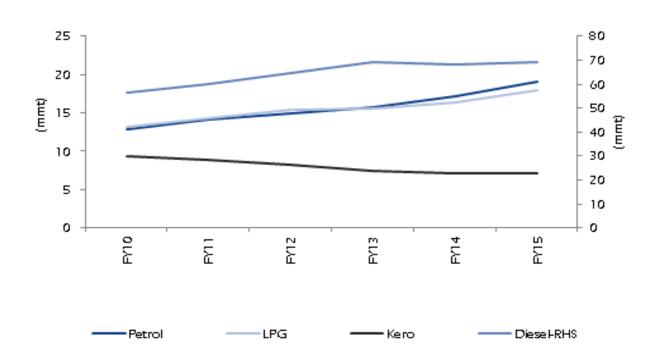
# India's refinery throughput Public sector accounted for 58% of the output in 2014







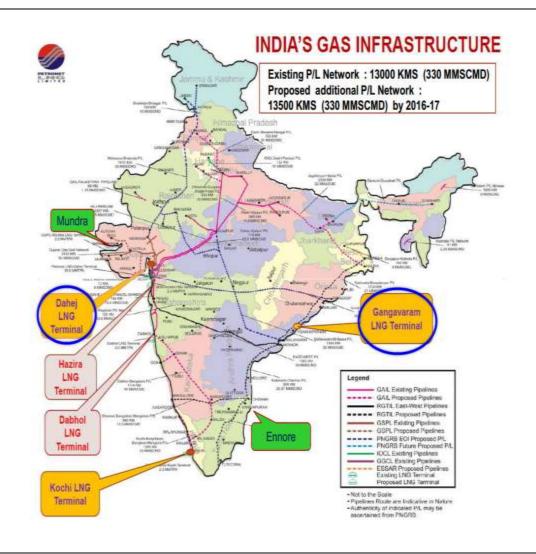
# **Product wise consumption trends**



Source: Elara











#### **Sector opportunities**

- Exploration & development of new fields in the upstream segment
- Pipeline network for transportation of crude oil & natural gas plus regasification terminals required for import of LNG
- Marketing & distribution companies involved in the marketing of petroleum and natural gas products
- Opportunities to participate in commodity and utility companies in this space

#### **OPPORTUNITIES** Upstream segment Midstream segment Downstream segment · Locating new fields for exploration: 78 · Expansion in the transmission network India is already a refining hub with 21 per cent of the country's sedimentary refineries and expansions planned for of gas pipelines area is yet to be explored tapping foreign investment in export- LNG imports have increased oriented infrastructure, including Development of unconventional significantly; this provides an product pipelines and export resources: CBM fields in the deep sea opportunity to boost production terminals capacity · Opportunities for secondary/tertiary oil · Development of City Gas Distribution · In light of mounting LNG production, producing techniques (CGD) networks, which are similar to huge opportunity lies for LNG terminal Delhi and Mumbai's CGDs · Higher demand for skilled labour and operation, engineering, procurement oilfield services and equipment · Expansion of the country's petroleum and construction services product distribution network

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# **DISCLAIMER**



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



# **SECTION V**



# **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%
	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%

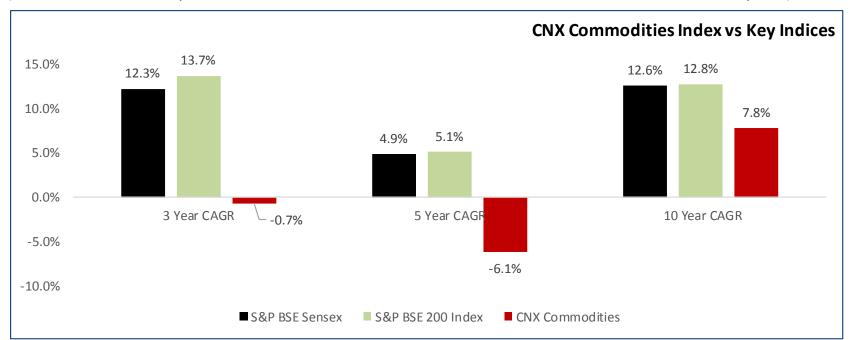
Data Source: ICRA MFI Explorer. Calculation ICRA



#### PERFORMANCE HIGHLIGHTS



- The CNX Commodities Index has returned 7.8% compounded growth over the last 10 years
- Although sectoral performance is lower than broader market, some of the stocks have given much higher returns
- Variability of returns is high at different points in the cycle which makes stock selection the key to outperformance,
   (For instance crude oil prices have oscillated between US\$35 on the downside to US\$141 on the upside)



Past performance may or may not be sustained in future

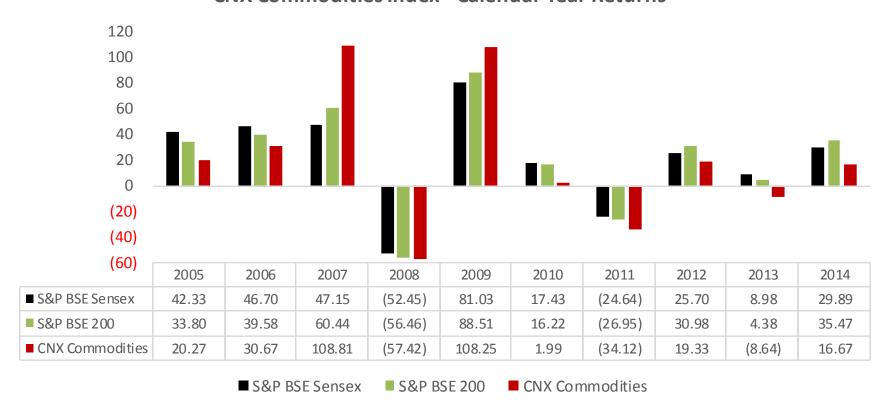
Notes: ● Returns as on 4<sup>th</sup> Nov, 2015 ● Data Source : Index Websites. ● Calculations by ICRA



# **CALENDAR YEAR RETURNS**



#### **CNX Commodities Index - Calendar Year Returns**

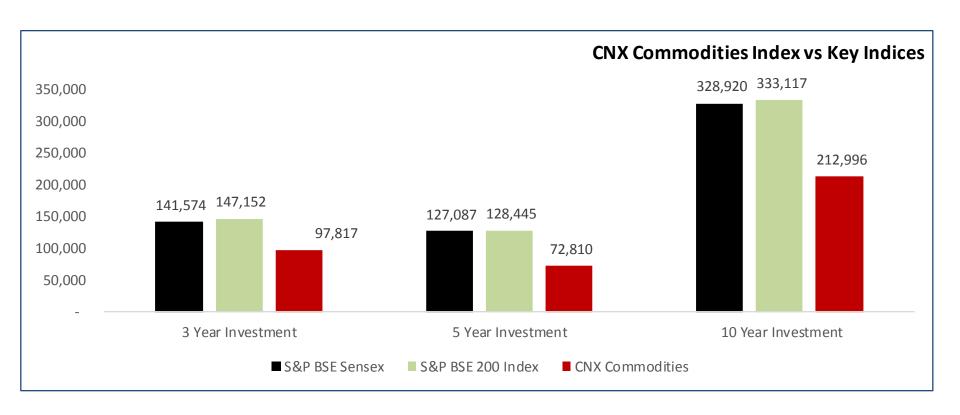


Data Source: ICRA MFI Explorer. Calculation ICRA



# **VALUE OF RS 1 LAKH**



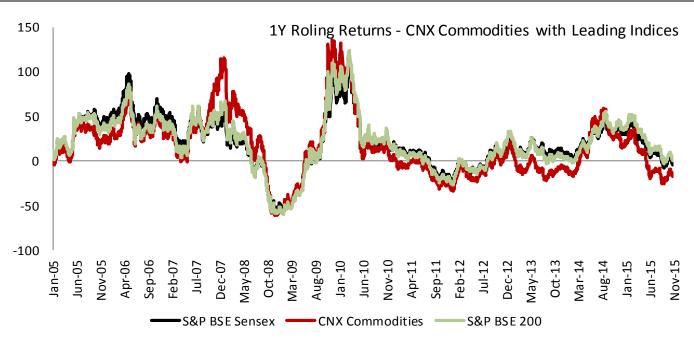


Notes: ● As on 4<sup>th</sup> Nov, 2015 ● Data Source : Index Websites & ICRA MFI Explorer ● Calculations by ICRA



# **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
CNX Commodities Index	15.66	135.96	-60.94	0.37

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







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# Mutual Fund Investments are subject to market risks, read all scheme related documents carefully

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