



Fiducian India Fund

Company Profiles

July 2010

The Indian Economy

This year the Indian growth story has been enhanced by intelligent initiatives from policy makers in government and the Reserve Bank. As opposed to simply increasing hand outs the government is utilising tax cuts to increase the spending power of consumers and businesses. Increased government spending on infrastructure is also providing an added boost to employment and corporate earnings. Furthermore, tighter monetary policy is likely to reduce inflation without sacrificing strong growth in bank lending. In summary, the Indian economy is likely to continue growing strongly for the foreseeable future with the International Monetary Fund forecasting real growth of close to 9% for this year and 2011.

Company Profiles



Axis Bank

Portfolio Weighting: 2.4%

Market cap \$13.1 billion



Axis Bank was the first of the new private sector banks to begin operations in India when the Indian government opened up the banking and financial services industry in 1994 and allowed private sector banks to be established. It is now a well developed bank specialising in retail and corporate banking with a network of over 1,000 branches throughout India – with 200 of these branches opening in the last year alone. Bank deposits have grown at a compound annual growth rate of 35% for the last 5 years. The bank is also the fourth largest debit card issuer in the industry.



Tata Motors

Portfolio Weighting: 1.5%

Market cap \$10.9 billion



Tata Motors is the world's fourth largest truck manufacturer, the world's second largest bus manufacturer and one of India's top 3 passenger vehicle manufacturers. In January 2008, Tata Motors unveiled its "People's Car", the Tata Nano, recognised as the world's cheapest car. Tata has plans to launch Electric cars in Europe in 2012. Some of the well known subsidiaries of Tata include: Jaguar, Land Rover, Tata Daewoo Commercial Vehicles and Tata Motor Finance. Tata also manufactures and distributes Fiat in India. Tata's total sales of commercial and passenger vehicles in June 2010 grew by 49% over the figures for June 2009.



IRB Infrastructure Developers Ltd

Portfolio Weighting: 1.1%

Market cap \$2.1 billion



IRB Infrastructure Developers Ltd (IRB) undertakes the development of various infrastructure projects in the road sector through its subsidiaries. The company has operated and maintained around 1,200kms of road length so far, in an expanding geographical region which started in the Maharashtra province (of which Mumbai is the capital) and has since expanded in to several surrounding provinces.

IRB has two main operational segments – the construction segment and the Build, Operate and Transfer (BOT) segment - both of which increased profits substantially in the 2010 FY. With no shortage of projects in the pipeline, combined with a continued focus on infrastructure development from the Indian government, IRB looks sure to continue to play a big part in the development of India's road network.



JSW Steel

Portfolio Weighting: 2.2%

Market cap \$5.3 billion

JSW Steel is India's second largest steel manufacturer. The company uses the latest technologies in steel making to ensure that steel plants are as eco-friendly as possible – a very important consideration for a rapidly expanding economy. JSW Steel used the GFC as an opportunity to expand their product portfolio and as a result, increased their market share throughout the 09/10 financial year.

The Indian government is planning to spend over US\$ 1 trillion on infrastructure over the course of its next five year plan starting in 2012, which should see the high compound annual growth rate (CAGR) of steel consumption continue in India for some time. For the next two years alone, CAGR is projected to be 14% - exceeding that of China (5%). In 2010, global steel demand once again exceeds 2008 levels. March quarter sales for JSW Steel increased by 43% over the same quarter in 2009, and year on year sales were up by 67%.



Infosys Technologies

Portfolio Weighting: 4.3%

Market cap \$37.7 billion

Infosys Technologies designs and delivers IT-enabled business solutions to companies around the world. Its service offering includes business and technology consulting, application services, systems integration, product engineering, software development, IT infrastructure services and business process outsourcing (BPO). Infosys has a global footprint with over 50 offices and development centres around the world, including in India, Australia, the Czech Republic, the UK, Canada and Japan. It counts among its clients Goldman Sachs, BT Group and BP, along with more than 550 others. As an indication of its global presence, over 66% of Infosys's revenue in the 2010 financial year was derived from the US and 10% from the rest of the world. In 2006, Infosys became the first Indian company to be added to the NASDAQ 100 index.



Reliance
Industries Limited



Reliance Industries

Portfolio Weighting: 4.0%

Market cap \$82.5 billion

Reliance Industries is India's largest company and is a Fortune Global 500 company. Reliance Industries initially started as a textiles manufacturer in the 1970s, and through a process of backward vertical integration, eventually became fully integrated along the materials and energy value chain. Activities for the Group now cover oil and gas exploration and production, petroleum refining, petrochemicals, textiles and retail.

Reliance Industries plays a pivotal role in the growth of India's economy, producing 14.5% of India's exports. Reliance's KG-D6 project has the potential to more than double India's gas production. Reliance has managed to grow its profits over the course of the last decade, with compound annual growth rate of net profits averaging 21%. Even though commodities prices in the 09/10 Financial Year were lower than the previous financial year, Reliance managed to increase its sales volumes by 50%, resulting in a net increase in revenues on the previous year of 37%.

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Market cap quoted as at 21 July 2010 prices and exchange rates.

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