



DSP BlackRock Investment Managers


Indian Equity Market Presentation

March 2010

FOR PROFESSIONAL INTERMEDIARIES

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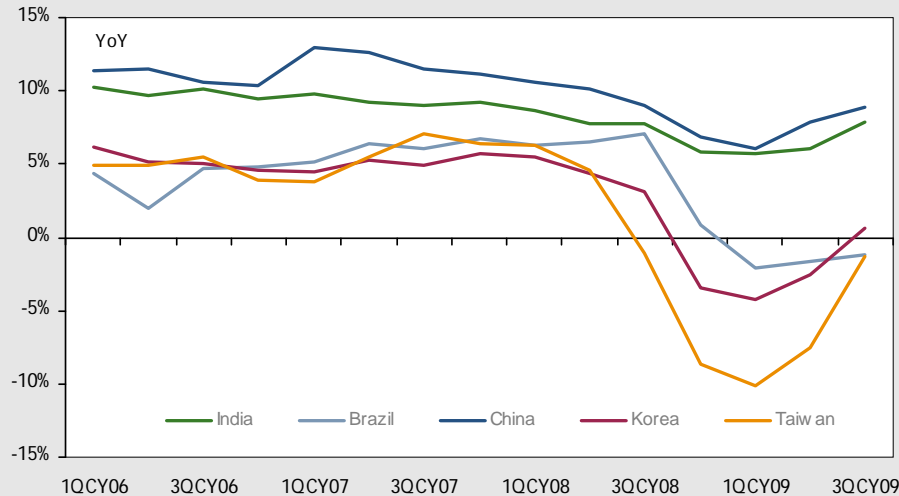
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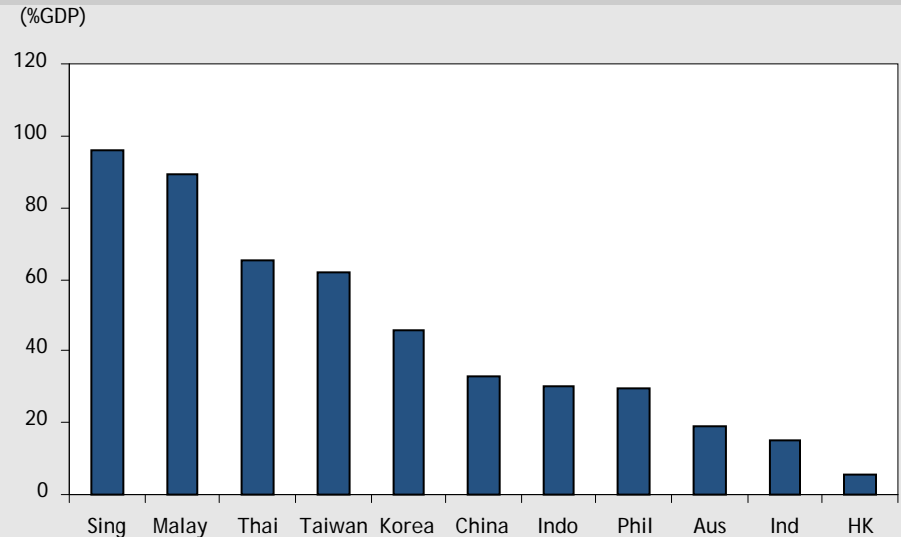
Indian Economy

Strong Relative GDP Growth

India's GDP growth deceleration was modest*



Exports as a percentage of GDP amongst the lowest ¹



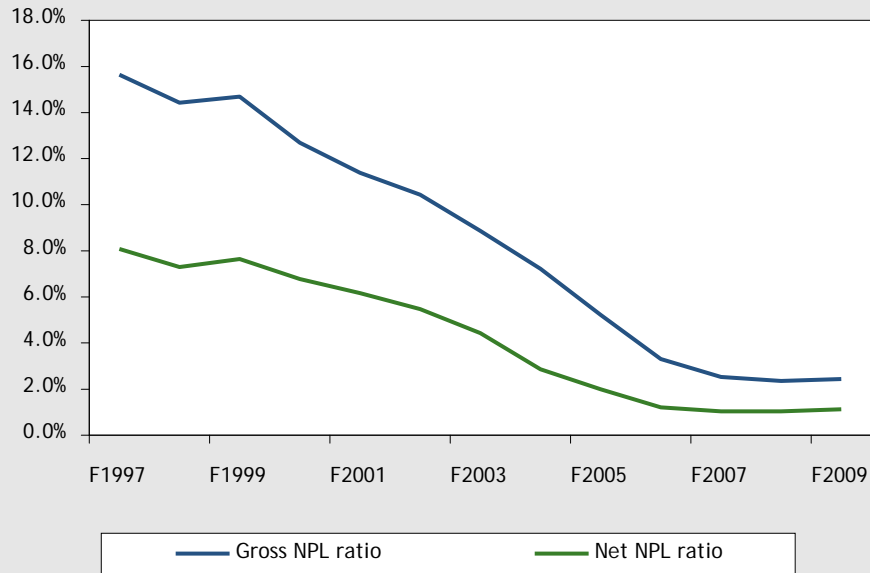
- India is the fourth largest economy in PPP terms
- India is also the second fastest growing economy in the world
- Only 15% of India's GDP comes from exports insulating India from global slowdown

GDP growth of 8.0% in 2010

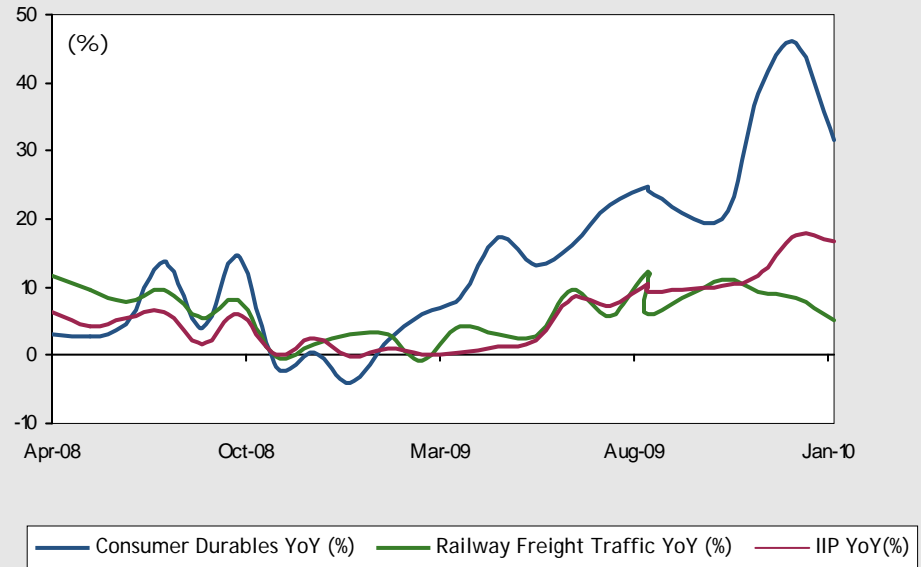
Source: IIFL Research, CLSA Research, www.india.gov.in; ¹ as at December 31, 2008

Resilience in Demand

Bank NPLs: Strength of Indian Banks



Economic activity is picking up



- 17.1 mn tonnes of cement dispatched in Feb-2010, 6% y-o-y growth
- 19.9 mn additional mobile subscribers added in Jan-2010, 29% y-o-y growth
- 190,000 passenger cars sold Feb-2010, 36% y-o-y growth

The economy has been resilient through the downturn

Source: IIFL Research, CMIE, CMA India, TRAI, Bloomberg, Quant Capital, RBI, CLSA Research; as at Feb 26, 2010

Drivers of India's Growth

- Consumption
- Infrastructure
- Outsourcing



CONSUMPTION

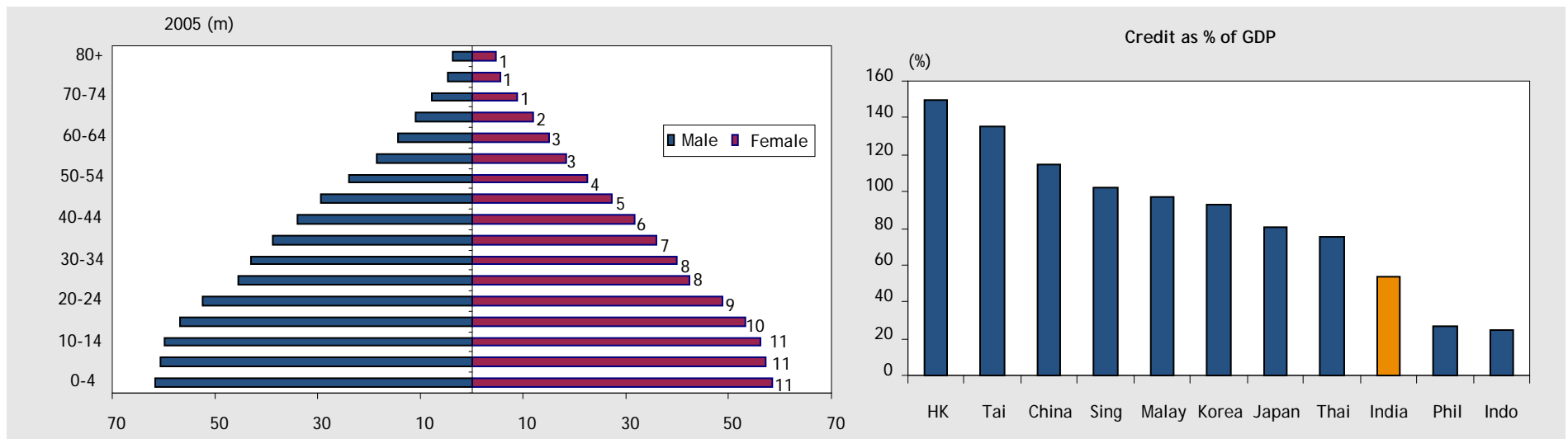
Source: IIFL Research

Consumption: Demographic Advantage

India has the second largest population in the world, adding one Australia every year

Significant demographic advantages

- One of the youngest countries in the world with 60% of the population below 30 yrs of age
- Large pool of skilled labour
- Increasing disposable incomes
- Underleveraged economy

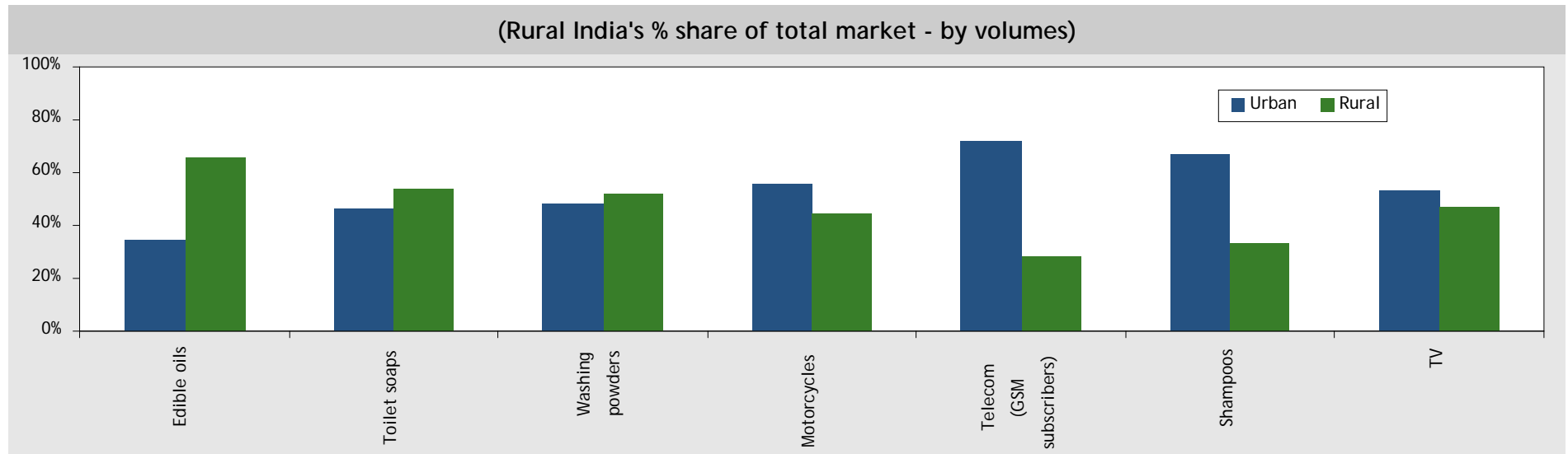


Arguably the most favourable demographic mix in the world

Consumption: Rural Economy - Coming of Age

70% of the population is linked to rural sectors. This segment is seeing an increased spending power due to:

- Increase in prices of agricultural produce
- Salary hike of government employees
- NREGA (National Rural Employment Guarantee Act)
- Growth in rural infrastructure

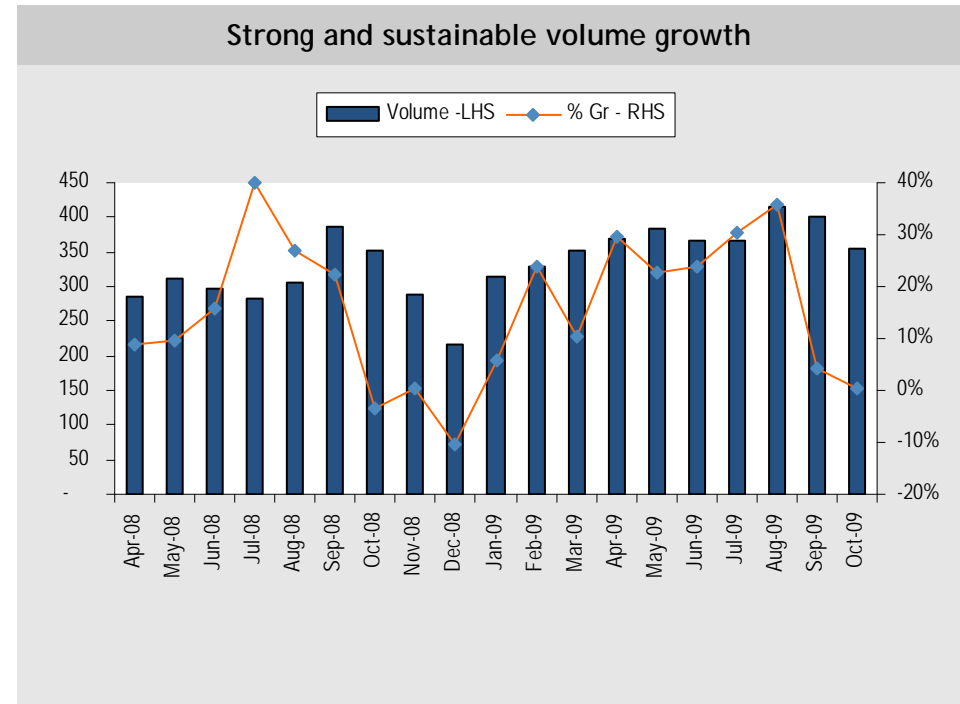


The rural economy is expected to contribute significantly to India's consumption

Source: IIFL Research, CSFB Research; Chart data as of FY 2005-06

Hero Honda: Steady Ride to Dominance

- World's single largest two wheeler company
- Market cap of approx. USD 7.70 billion (as at Feb 26, 2010)
- Over 20 million Hero Honda two wheelers on Indian roads, almost as many as the number of people in Finland, Ireland and Sweden put together
- Every 30 seconds, someone in India buys Hero Honda's top - selling motorcycle - Splendor
- Double digit growth since inception and YTD volumes of 3.65 mn, a growth of 18% y-o-y



Financial snapshot*

	FY09	FY10e	FY11e
ROE	34%	38%	32%
EPS growth	32%	57%	9%
P/E	-	16	14

Source: Company, JP Morgan Research, IIFL Research; (USD/INR = 46.23); *as at October 30, 2009

INFRASTRUCTURE

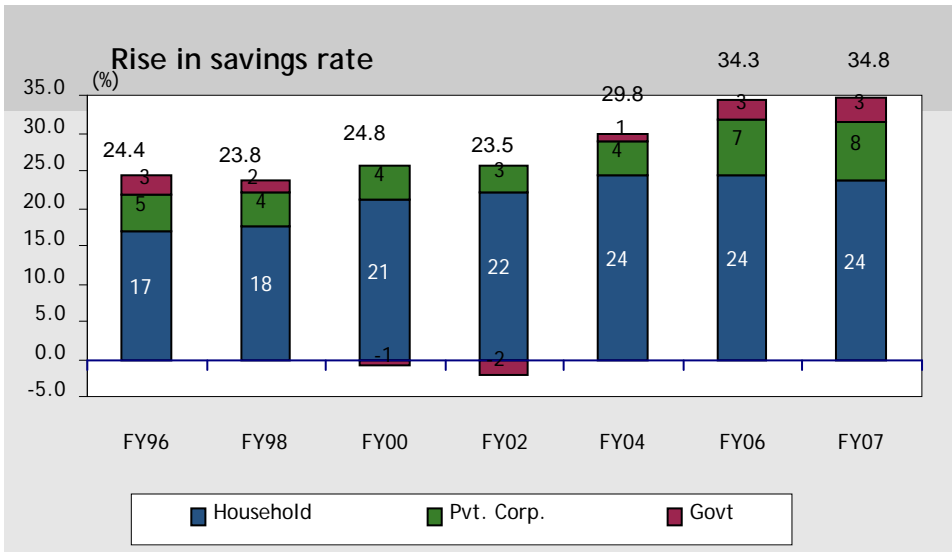


Source: Link: http://aabaad.com/yahoo_site_admin/assets/images/17india2650kx5.93205223.jpg

Infrastructure

- India has grown at an average of 8% over the last 5 years despite a deficit in physical infrastructure
- Presence of a stable government at the centre is expected to provide a big boost to infrastructure activity
- The Government of India has announced infrastructure spending of US\$ 500 bn over 5 years (2007-2012)
- Key beneficiary sectors are power, roads & bridges, railways, irrigation, water supply & sanitation, and ports

	Annual Capacity or Production		
	Current Installed	Addition over next 3-5yrs	Growth
Electricity (GW)	147	65	44%
Major Ports (mt)	530	470	89%
Gas production (mtoe)	26	26	100%
Aluminum (ktpa)	1470	1330	90%



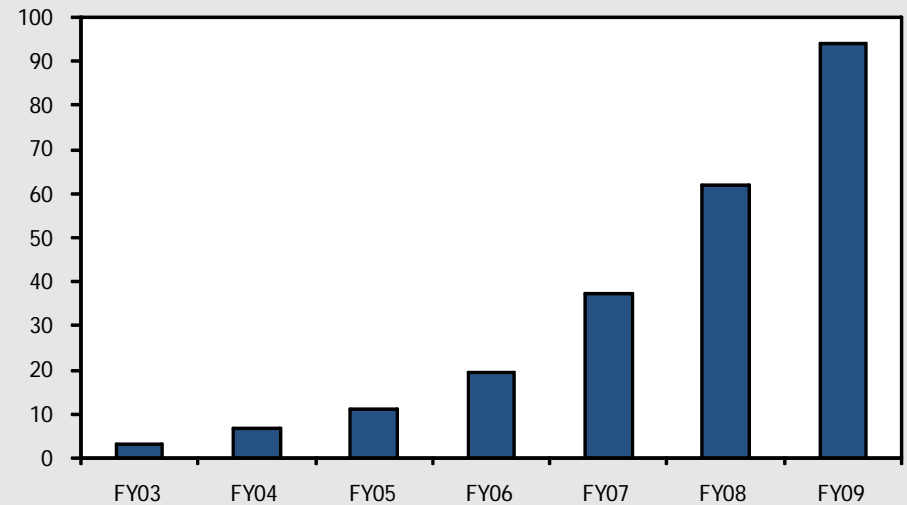
Steady thrust on Infrastructure spending will benefit the economy

Source: Planning Commission, CLSA Research, IIFL Research; based on installed as well as budgeted infrastructure spending during 10th and 11th plan respectively

Bharti Airtel: Best-in-class Telecom Provider

- India's largest mobile services provider
- Market cap of approx. USD 23.02 billion (as at Feb 26, 2010)
- Total mobile subscriber base of over 100 mn, accounting for 24% of the total market
- Total revenue of USD 7.6 billion, accounting for 34% of revenue market share
- Has 96,000 network sites covering over 400,000 towns and villages, which constitutes over 80% of India's population

Strong growth in subscriber base (in mn)



Financial snapshot*

	FY09	FY10e	FY11e
ROE	33%	26%	22%
EPS growth	26%	7%	9%
P/E	-	12	11

Source: Company, CLSA Research: (USD/INR = 46.23), *as at October 30, 2009

OUTSOURCING



Source: BlackRock

Outsourcing

It all started with Software Services

- 80% of Fortune 500 companies outsource to India
- India's services exports have grown at a CAGR of 33% over the last five years*

Momentum is increasing in the non-IT sectors

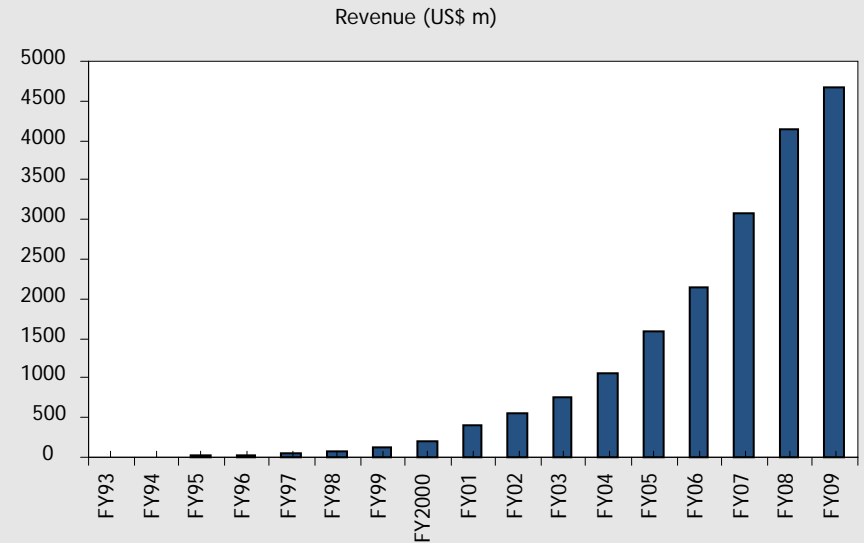
- Merchandise exports have grown at a CAGR of 21% over the last five years*
- Seeing traction in sectors such as:
 - Pharmaceuticals (Contract manufacturing)
 - Automobiles (Suzuki, Hyundai)
 - Engineering (ABB, Cummins, Siemens)

*Source: IIFL Research; *(India FY2003-08)*

Infosys: Consistent Performer

- India's second largest Information Technology company with over 100,000 professionals ¹
- Market cap of approx. USD 32.38 billion (as at Feb 26, 2010)
- Infosys Technologies was started in 1981 by seven people with US\$ 250. Today, they have revenues of over US\$ 4 billion
- It has offices in 22 countries and development centers in India, China, Australia, UK, Canada and Japan
- Infosys revenues have grown 10x every 5 years till 2004, and 5 times in the last 5 years
- US\$ 9 mn - 1994
- US\$ 121 mn - 1999
- US\$ 1,056 mn - 2004
- US\$ 4,659 mn - 2009

Strong revenue growth



Financial snapshot*

	FY09	FY10e	FY11e
ROE	37%	30%	28%
EPS growth	28%	2%	15%
P/E	-	21	18

Source: Company, IIFL Research, CLSA Research; (USD/INR = 46.23), ¹ as at June 30, 2009, *as at October 30, 2009

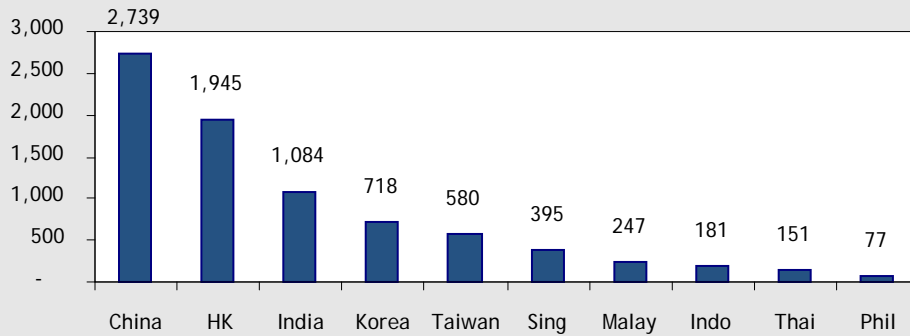


Market Snapshot

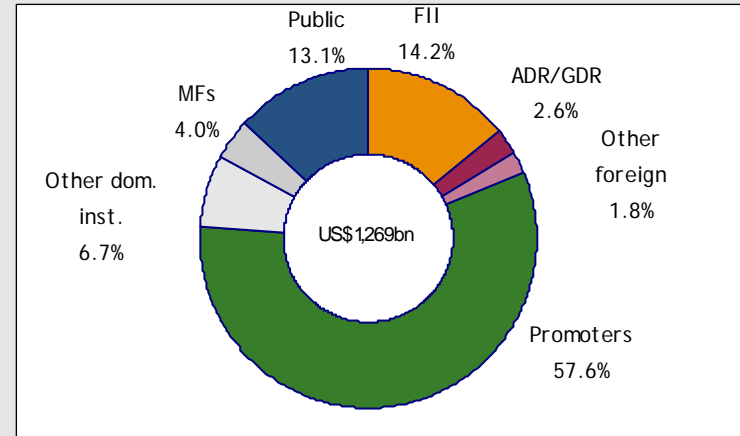
Size and Scale

India is the third largest market in Asia ex-Japan

Market Capitalisation (US\$ bn)

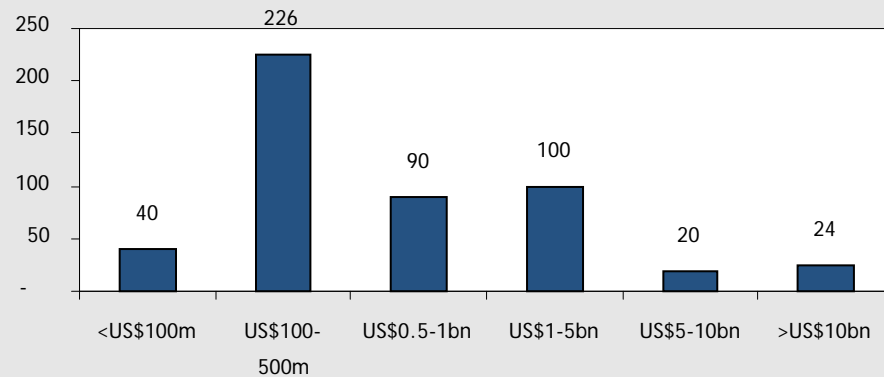


Well diversified holdings (BSE 500 Index)¹

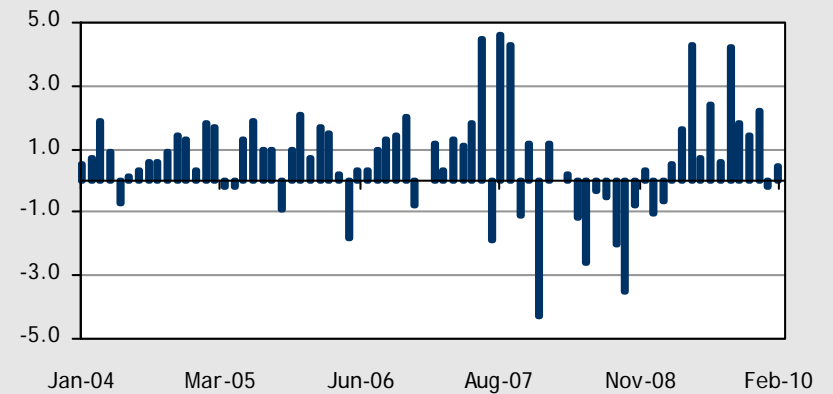


Over 240 USD 500mn+ companies

(# of companies)



Steady FII Inflows (USD bn)²



Source: IIFL Research, CLSA Research; as at October 30, 2009, ¹ as at Dec 31, 2009; ² as at Feb 26, 2010

Well Diversified Market

MSCI wt (%)	Energy	Materials	Industrials	Consumer discretionary	Consumer staples	Pharma	Financials	IT	Telecom	Utilities	Top-2
China	17.6	6.0	8.5	5.3	4.5	0.2	37.9	5.9	12.2	2.0	55.5
Hong Kong	0.7	0.0	10.6	11.0	0.0	0.0	61.8	1.8	0.4	13.8	72.8
Indonesia	14.1	8.0	4.1	12.3	7.2	0.0	28.3	0.0	17.8	8.2	42.4
Korea	2.3	14.7	14.3	12.2	4.9	0.5	16.7	29.2	3.0	2.1	45.9
Malaysia	0.7	0.7	18.6	12.3	14.9	0.0	30.9	0.0	9.7	12.0	49.5
Singapore	0.0	0.0	21.8	7.2	7.0	0.0	51.8	0.0	12.3	0.0	73.6
Thailand	39.8	6.8	0.0	1.5	6.1	0.0	38.1	0.0	6.5	1.2	77.9
Taiwan	0.9	12.0	3.1	2.6	1.4	0.0	15.2	60.7	4.1	0.0	75.9
India	16.6	12.4	9.7	4.6	5.3	3.4	24.1	16.4	1.3	6.2	40.7

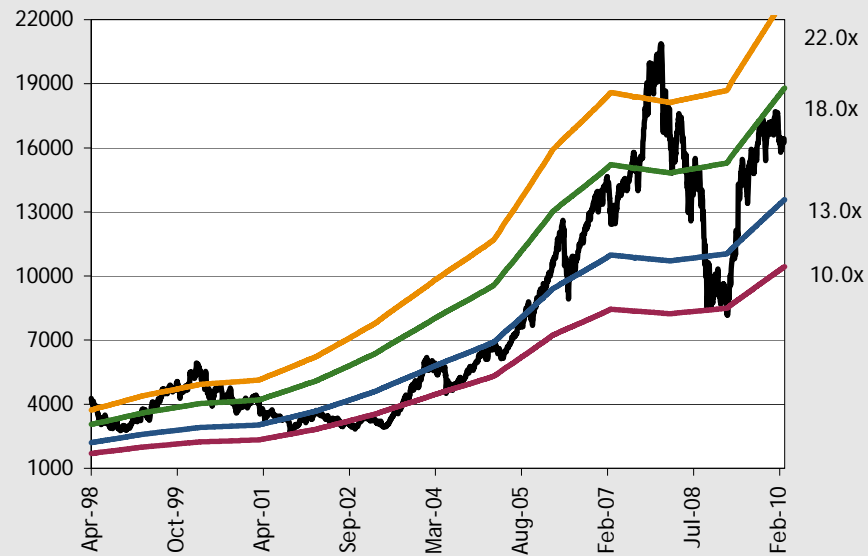
- All MSCI industry sectors are represented in the Indian market
- The top 2 sectors - Energy & Financials - account for less than 50% of the Indian stock market

Source: CLSA Research, as at Dec 31, 2009

Valuation Snapshot

- Market capitalization US\$ 1,281 bn
- Market capitalization to GDP ratio 120%
- Daily turnover* US\$ 22.23bn (derivatives US\$ 17.1bn)

Sensex PE band chart

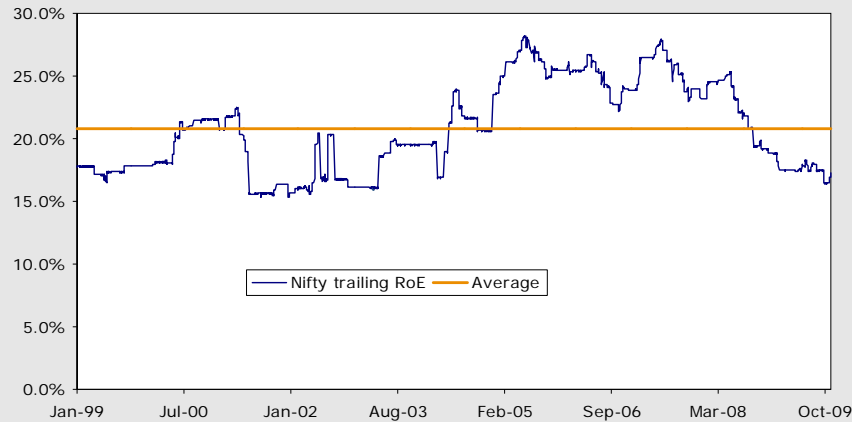


Source: Bank of America Merrill Lynch Research; as at Feb 26, 2010; *as at Jan 31, 2010

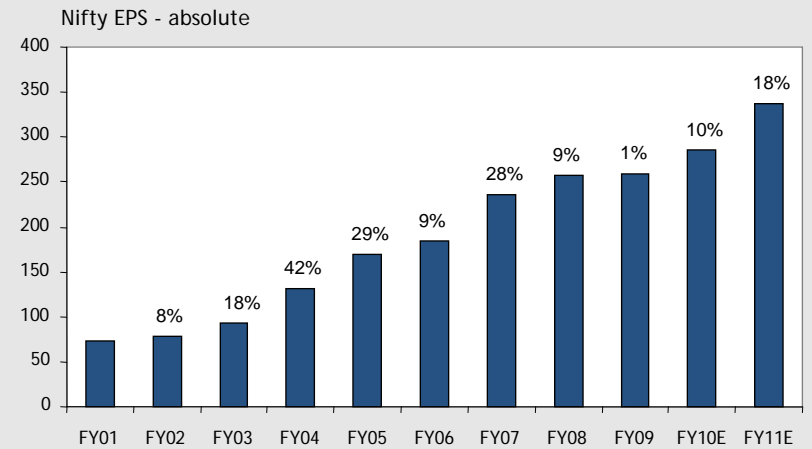
Valuation v/s Profitability

- Indian corporates have managed capital more efficiently
- Consistent earnings growth

Return on equity (ROE) trend



Earnings growth

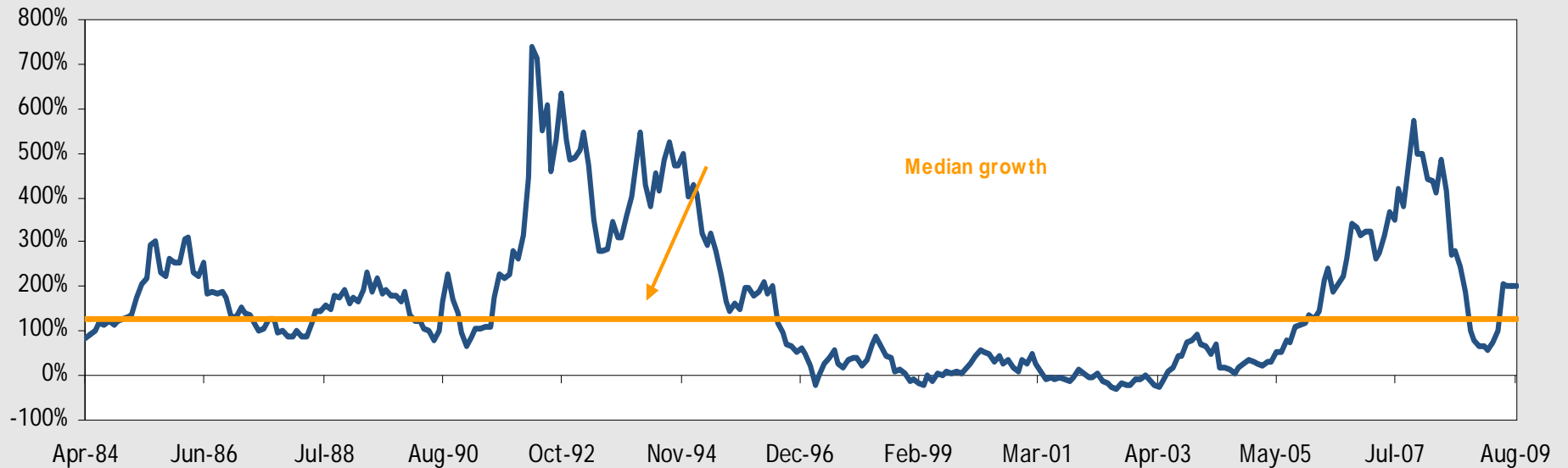


Source: CLSA Research, MOSL, Internal

Sensex 5 year Rolling Returns

Median CAGR 17.7%

Sensex 5yr rolling returns (absolute)



On a 5 year rolling basis, Sensex has delivered a positive return 90% of the times

Source: IIFL Research; as at August 31, 2009

Summary

India's GDP should grow at 7.0% in the long term

- Domestic consumption and government spending on infrastructure will support growth

Indian market is well diversified and efficient


- This provides good investment opportunities across sectors

Long term corporate earnings growth to support equity market returns

Stable and supportive government at the centre will facilitate growth

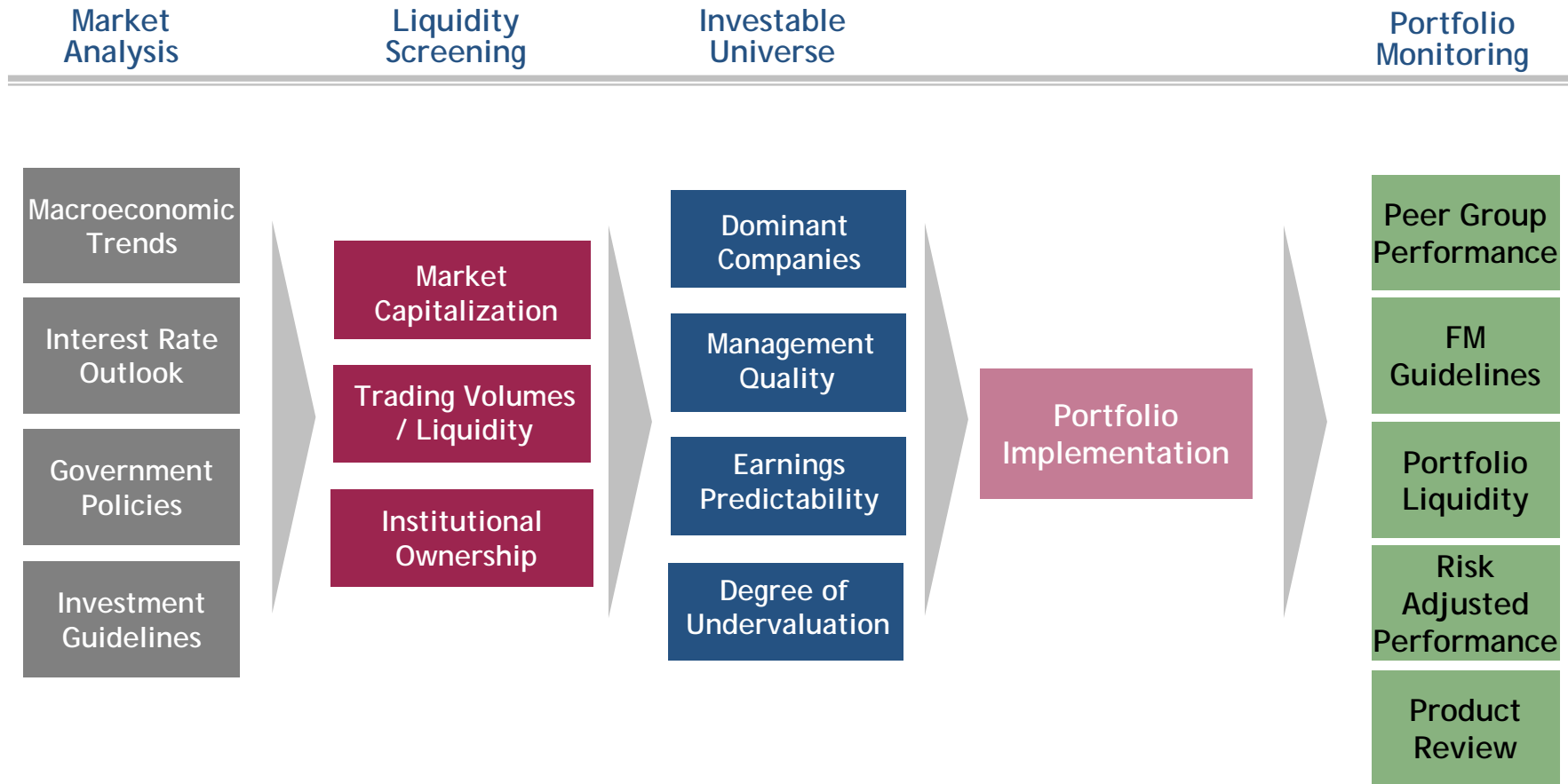


Thank You



Appendices

DSP BlackRock - Equities Investment Process



Disclaimers

Statutory Details: DSP BlackRock Mutual Fund was set up as a Trust and the settlors/sponsors are DSP ADIKO Holdings Pvt. Ltd. & DSP HMK Holdings Pvt. Ltd. (collectively) and BlackRock Inc. (Combined liability restricted to Rs. 1 lakh). Trustee: DSP BlackRock Trustee Company Pvt. Ltd. Investment Manager: DSP BlackRock Investment Managers Pvt. Ltd. **Risk Factors: Mutual funds, like securities investments, are subject to market and other risks and there can be no assurance that the Scheme's objectives will be achieved. As with any investment in securities, the NAV of Units issued under the Scheme can go up or down depending on the factors and forces affecting capital markets. Past performance of the sponsor/AMC/mutual fund does not indicate the future performance of the Scheme. Investors in the Scheme are not being offered a guaranteed or assured rate of return. Each Scheme/Plan is required to have (i) minimum 20 investors and (ii) no single investor holding >25% of corpus. If the aforesaid point (i) is not fulfilled within the prescribed time, the Scheme/Plan concerned will be wound up and in case of breach of the aforesaid point (ii) at the end of the prescribed period, the investor's holding in excess of 25% of the corpus will be redeemed as per SEBI guidelines. The name(s) of the Scheme(s) do not in any manner indicate the quality of the Scheme(s), its future prospects or returns. For scheme specific risk factors, please refer the Scheme Information Document (SID). For more details, please refer the Key Information Memorandum cum Application Forms, which are available on the website, www.dspblackrock.com, and at the ISCs/Distributors. Please read the Scheme Information Document and Statement of Additional Information carefully before investing.**