

APRIL 9, 2019

	8-Apr	% Chg		
		1 Day	1 Mth	3 Mths
Indian Indices				
SENSEX Index	38,701	(0.4)	5.5	7.6
NIFTY Index	11,605	(0.5)	5.2	7.4
NSEBANK Index	29,845	(0.8)	7.5	8.5
NIFTY 500 Index	9,634	(0.5)	4.6	5.9
CNXMcap Index	18,102	(0.8)	4.2	2.7
BSESMCAP Index	14,987	(0.4)	3.2	2.5
World Indices				
Dow Jones	26,341	(0.3)	3.5	10.3
Nasdaq	7,954	0.2	7.4	14.3
FTSE	7,452	0.1	4.9	7.9
NIKKEI	21,762	(0.2)	3.3	6.3
Hangseng	30,077	0.5	6.7	13.8
Shanghai	3,245	(0.1)	9.1	27.3

Value traded (Rs cr)	8-Apr	% Chg Day
Cash BSE	2,142	(16.6)
Cash NSE	31,113	3.1
Derivatives	796,824	27.7

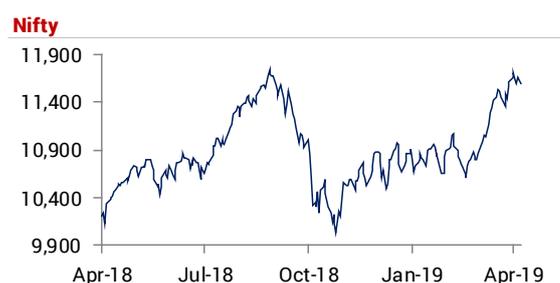
Net inflows (Rs cr)	5-Apr	MTD	YTD
FII	670	107	49,606
Mutual Fund	(416)	(973)	696

Nifty Gainers & Losers	Price	Chg	Vol
8-Apr	(Rs)	(%)	(mn)
Gainers			
Mahindra & Mahindra	667	1.3	3.4
Tech Mahindra	787	1.3	1.4
Tata Consultancy Services	2,071	1.1	2.2
Losers			
Indiabulls Housing	859	(4.8)	21.9
Indian Oil Corp	152	(4.0)	12.7
Bajaj Finance	3,024	(2.9)	1.6

Advances / Declines (BSE)					
8-Apr	A	B	T	Total	% total
Advances	152	377	62	591	100
Declines	304	576	45	925	157
Unchanged	4	28	10	42	7

Commodity	8-Apr	% Chg		
		1 Day	1 Mth	3 Mths
Crude (US\$/BBL)	71.1	0.1	8.2	15.8
Gold (US\$/OZ)	1,297.5	0.4	0.1	0.4
Silver (US\$/OZ)	15.3	0.9	(0.5)	(3.1)

Debt / Forex Market	8-Apr	1 Day	1 Mth	3 Mths
10 yr G-Sec yield %	7.4	7.4	7.4	7.5
Re/US\$	69.7	69.2	70.2	70.2



Source: Bloomberg

News Highlights

- ▶ The government has again deferred the last date for bidding for oil and gas exploration blocks offered under the Open Acreage Licensing Policy (OALP) by over a month to May 15. (ET)
- ▶ **HDFC Bank** said it was planning to raise up to Rs 500 bn this financial year by issuing bonds on private placement basis. (BS)
- ▶ **Bharti Airtel** has received market regulator the Securities and Exchange Board of India's (Sebi's) approval to raise up to Rs 250 bn through rights issue. The board of the company had approved the rights issue proposal in February. (BS)
- ▶ **TVS Motor** has strengthened its position in Bangladesh by launching four new motorcycles there. (BS)
- ▶ **Voltas** is in pact to sell Shima Seiki's products in India.(MC)
- ▶ **Coffee Day Enterprises:** Impact HD Inc (IHD) to invest \$15 mn for 49 percent stake in company's subsidiary Coffee Day Consultancy Services Private Limited. After this deal, company and its subsidiary Coffee Day Global will hold 51 percent stake in Coffee Day Consultancy Services Private Limited. (MC)
- ▶ GVK Airport Holdings, a stepdown subsidiary of **GVK Power & Infrastructure**, has bought time till Thursday to fend off Adani group's entry to Mumbai airport. The company and Bid Services Division (Mauritius), a subsidiary of Bidvest, have agreed to come up with an agreement on the pending stake sale, the lawyers for the two companies told the Delhi High Court. The court has adjourned the case till Thursday and agreed to hear them on that day. (BS)
- ▶ **Quess Corp** said that its staffing business has added 23,000 associates with effect from April 1. Post the complete execution of these contracts, the Staffing business shall have an associate strength of over 2.15 lakh employees and this active deal conversion is expected to benefit the company across its core operating and financial metrics, as stated in the press release. (BQ)
- ▶ Fire broke out in Andhra Pradesh manufacturing facility of **Asian Paints**. The company says manufacturing operations have been affected and this event will not have any impact on the operations. (BQ)
- ▶ **Wockhardt** clarified on the news of its plans to demerge its formulations business stating that it won't comment on market rumours or speculations. (BQ)
- ▶ **InterGlobe Aviation** strengthened Mumbai as a key travel hub with three new international and 20 additional domestic flights. With effect from April 15, the airline will also introduce 20 additional domestic flights from Mumbai connecting different cities across India. (BQ)

What's Inside

- ▶ **Company Update:** NBCC (India) Ltd

Source: ET = Economic Times, BS = Business Standard, FE = Financial Express, IE = Indian Express, BL = Business Line, BQ = BloombergQuint, ToI: Times of India, BSE = Bombay Stock Exchange, MC = Moneycontrol

Company Update

NBCC (INDIA) LTD

Stock Details

Market cap (Rs mn)	:	113940
52-wk Hi/Lo (Rs)	:	109 / 47
Face Value (Rs)	:	1
3M Avg. daily vol (mn)	:	10.9
Shares o/s (mn)	:	1800

Source: Bloomberg

Financial Summary

Y/E Mar (Rs mn)	FY19E	FY20E	FY21E
Revenue	74,863	91,871	124,835
Growth (%)	26.8	22.7	35.9
EBITDA	4,063	5,114	7,091
EBITDA margin (%)	5.4	5.6	5.7
PAT	3,841	4,344	5,669
EPS	2.1	2.4	3.1
EPS Growth (%)	15.1	13.1	30.5
Book value (Rs/share)	11.1	12.3	13.8
Dividend per share (Rs)	1.1	1.3	1.7
ROE (%)	20.1	20.6	24.2
ROCE (%)	22.5	25.6	31.7
P/E (x)	29.5	26.1	20.0
EV/EBITDA (x)	22.9	18.6	12.4
P/BV (x)	5.7	5.1	4.6

Source: Company, Kotak Securities - PCG

Shareholding Pattern (%)

(%)	Dec-18	Sep-18	Jun-18
Promoters	70.6	70.6	73.8
FII	4.1	4.1	4.5
DII	11.5	11.5	9.9
Others	13.9	13.9	11.8

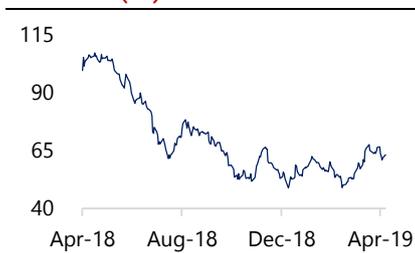
Source: Bloomberg, BSE

Price Performance (%)

(%)	1M	3M	6M
NBCC India Ltd	11.0	1.4	16.6
Nifty	5.1	7.3	12.0

Source: Bloomberg

Price chart (Rs)



Source: Bloomberg

PRICE Rs.63

TARGET Rs.60

REDUCE

NBCC stock has witnessed strong runup since our last update. We believe that the company's interest towards acquiring stressed assets increases risk on the near terms cash flows and balance sheet. Further, change in management increases the near term risk on decision making.

Key Highlights

- ❑ NBCC is bidding to acquire stress assets in real estate sector where it sees value, if bought at right price. The company has bid for Jaypee Infratech which is under NCLT and the final outcome of the bidding process is awaited.
- ❑ We believe that any aggressive foray towards stressed assets would result in asset heavy balance sheet with upfront investment and back ended cash flows. This increases risk of leveraged balance sheet with negative free cash flows in the near to medium term.
- ❑ The margins in PMC division has witnessed reduction in recent quarters as large size redevelopment projects faced challenges related to environment concerns and approval issue.
- ❑ The company recently announced change in top management as previous CMD's tenure came to an end on 31st March 2019. This in our view increases near term risk on decision making.
- ❑ NBCC has strong order book of Rs 850 bn which includes Rs 400-450 bn of self-revenue generating project (Redevelopment project). The present order book gives very strong revenue growth visibility for the next 5 years.

Valuation & outlook

The company targets over 30% yoy growth in the longer run. We have maintained our earnings estimates for FY19E and FY20E and introduce estimates for FY21E. We downgrade our rating on the stock to Reduce (Vs Add earlier) with revised target price of Rs 60 (Vs Rs 53 earlier) valuing the stock at 19x FY21E EPS. We have factored in the near term risk related to project clearance and any possible diversification towards asset heavy model and change in management.

Stress asset buyout to increase risk on near term cashflows

NBCC is bidding to acquire stress assets in real estate sector where it sees value if bought at right price. The company has bid for Jaypee Infratech which is under NCLT. The successful bidder has not been declared. As per the company, the deal would be accepted by the company if it is profitable to them. The company believes that there is huge real estate development potential associated with Jaypee Infratech which will make the deal profitable in the longer run. We believe that any aggressive foray towards stressed assets would result in asset heavy balance sheet with upfront investment and back ended cash flows. This increases risk of leveraged balance sheet with negative free cash flows in the near to medium term.

Pankaj Kumar

pankajr.kumar@kotak.com

+91 22 6218 6434

Margins to improve on pickup in redevelopment project

The margins in PMC division has witnessed reduction in recent quarters as large size redevelopment projects faced challenges related to environment concerns and approval issue. The EBITDA margins of the company has reduced from 6% to 5% in recent quarters. As per the management, EBIT margins in PMC segment is expected to improve in FY20E when the contribution from large redevelopment project (self-revenue generating projects) will begin in meaningful manner.

Order book gives strong revenue growth visibility

NBCC has strong order book of Rs 850 bn which includes Rs 400-450 bn of self-revenue generating project (Redevelopment project). The present order book gives very strong revenue growth visibility for the next 5 years. The company management has targeted for over 30% revenue growth in coming years despite its large size project of redevelopment of government colonies stuck due to NGT raising issue related to tree cutting. The Delhi High court has cleared two colonies Netaji Nagar and Sarojini Nagar and the management is optimistic on positive outcome on Nauroji Nagar project which presently under litigation. The company expects contribution from these projects in FY20E.

Status of projects

The company has added Rs 80 bn of new orders till March 2019 and has pipeline of new orders. NBCC targets to award Rs 120-130 bn of work in FY19E of which it has already awarded Rs 70 bn of work in 9MFY19. The company has awarded Rs 45-50 bn of work related to Nauroji Nagar project and expects to award fresh order post clearance from the court. Further, the company has strong pipeline of new orders for award in the coming quarters. The company is awaiting final term from the court related to Amrapali project which has ~Rs 80 bn of construction work to be executed. The company would be doing this project on PMC basis and does not require to invest any amount in the same.

Change in top management

Mr. Anoop Kumar Mittal is ceased to be Chairman-cum-Managing Director of NBCC w.e.f. April 01, 2019 as his tenure came to an end on 31st March 2019. Till the time the company gets a new CMD with 5 year tenure, Mr. Shiv Das Meena, Additional Secretary, Ministry of Housing and Urban Affairs has taken the additional charge of the post of CMD, NBCC. We believe that the change in management increases near term risk on decision making.

Outlook and valuation

Based on strong order book of Rs 850 bn and robust pipeline for future projects, we expect high growth in NBCC's revenue in the next 5 years. But its large size project related to redevelopment of government colonies in Delhi is still under litigation. The company is targeting over 30% yoy growth in the longer run despite delay in clearance of redevelopment project at Nauroji Nagar. We have maintained our earnings estimates for FY19E and FY20E and introduce earnings for FY21E. We believe that the change in management increases near term risk on decision making. We also believe that any shift in strategy towards asset heavy model increases risk on company's future cash flows and returns ratios. The stock is presently trading at PE of 29.5x, 26.1x and 20x based on FY19E, FY20E and FY21E EPS of Rs 2.1, Rs 2.4 and Rs 3.1 respectively. The stock has witnessed strong runup in the recent time. We downgrade our rating on the stock to Reduce (Vs Add earlier) with revised target price of Rs 60 (Vs Rs 53 earlier) valuing the stock at 19x FY21E EPS, as we roll forward our valuation multiple to FY21E.

Company Background

NBCC (India) Ltd is a Navratna PSU company engaged in the business of project management consultancy (PMC), EPC contract and Real Estate development. The PMC business involves concept to commissioning of civil construction projects from various government departments. The company gets PMC contracts mostly on nomination basis as it has been notified as Public Work Organization under revised Rule 126 (2) of General Financial Rules (GFR). The real estate business involves development of residential and commercial projects on government or PSUs land through Joint Development or Land bank based development model. The company has 150 acres land parcels spread across cities such as Delhi, Gurgaon, Kolkata, Kochi, Alwar, Meerut, Ghaziabad, Faridabad, Lucknow, Patna, etc. The company has a very small presence in EPC business where it undertakes EPC contracts involving civil structural work in power BOP space. The company is not much focused on this division. NBCC is designated as the implementing agency for executing projects under various government program such as Jawaharlal Nehru National Urban Renewal Mission (JNNURM), Pradhan Mantri Gram Sadak Yojna (PMGSY), Solid Waste Management (SWM) and developmental work in North Eastern Region.

Financials: Standalone

Profit and Loss Statement (Rs mn)

(Year-end Mar)	FY18	FY19E	FY20E	FY21E
Revenues	59,050	74,863	91,871	124,835
% change yoy	(6.0)	26.8	22.7	35.9
EBITDA	3,994	4,063	5,114	7,091
% change yoy	(0.7)	1.7	25.8	38.7
Depreciation	27	27	27	27
EBIT	3,967	4,036	5,087	7,064
Other Income	1,061	1,698	1,400	1,400
Interest	2	2	3	3
Profit Before Tax	5,026	5,732	6,484	8,461
% change yoy	3.1	14.0	13.1	30.5
Tax	1,690	1,892	2,140	2,792
as % of EBT	33.6	33.0	33.0	33.0
PAT	3,336	3,841	4,344	5,669
% change yoy	(5.0)	15.1	13.1	30.5
Shares outstanding (mn)	1,800	1,800	1,800	1,800
EPS (Rs)	1.9	2.1	2.4	3.1
DPS (Rs)	1.0	1.1	1.3	1.7
CEPS (Rs)	1.9	2.1	2.4	3.2
BVPS (Rs)	10.1	11.1	12.3	13.8

Source: Company, Kotak Securities – Private Client Research

Cash flow Statement (Rs mn)

(Year-end Mar)	FY18	FY19E	FY20E	FY21E
Pre-Tax Profit	5,026	5,732	6,484	8,461
Depreciation	27	27	27	27
Change in WC	(157)	1,314	979	4,909
Other operating activities	(1,882)	(1,892)	(2,140)	(2,792)
Operating Cash Flow	3,014	5,182	5,350	10,605
Capex	(12)	(100)	(100)	(100)
Free Cash Flow	3,002	5,082	5,250	10,505
Change in Investments	462	0	(5000)	0
Investment cash flow	450	(100)	(5100)	(100)
Equity Raised	0	0	0	0
Debt Raised/Repaid	0	0	0	0
Dividend & Others	(1,858)	(2,024)	(2,290)	(2,988)
CF from Financing	(1,858)	(2,024)	(2,290)	(2,988)
Change in Cash	1,606	3,057	-2,040	7,517
Opening Cash	15,530	17,135	20,193	18,153
Closing Cash	17,135	20,193	18,153	25,670

Source: Company, Kotak Securities – Private Client Research

Balance sheet (Rs mn)

(Year-end Mar)	FY18	FY19E	FY20E	FY21E
Paid - Up Equity Capital	1,800	1,800	1,800	1,800
Reserves	16,414	18,230	20,284	22,965
Net worth	18,214	20,030	22,084	24,765
Borrowings	-	-	-	-
Total Liabilities	18,214	20,030	22,084	24,765
Net block	635	708	781	854
Capital work in progress	-	-	-	-
Total fixed assets	635	708	781	854
Investments	586	586	5,586	5,586
Inventories	16,575	21,014	25,788	35,041
Sundry debtors	22,585	28,632	35,137	47,745
Cash and equivalents	17,135	20,193	18,153	25,670
Loans and adv & Others	17,400	20,879	25,055	30,066
Total current assets	73,695	90,718	104,133	138,522
Sundry creditors and others	56,781	71,986	88,341	120,039
Provisions	1,505	1,581	1,660	1,743
Total CL & provisions	58,287	73,567	90,001	121,782
Net current assets	15,408	17,151	14,133	16,741
Net Deferred tax	1,157	1,157	1,157	1,157
Total Assets	18,214	20,030	22,084	24,765

Source: Company, Kotak Securities – Private Client Research

Ratio Analysis

(Year-end Mar)	FY18	FY19E	FY20E	FY21E
Profitability Ratios				
EBITDA margin (%)	6.8	5.4	5.6	5.7
EBIT margin (%)	6.7	5.4	5.5	5.7
Net profit margin (%)	5.6	5.1	4.7	4.5
EPS growth (%)	(5.0)	15.1	13.1	30.5
Balance Sheet Ratios:				
Receivables (days)	140	140	140	140
Inventory (days)	102	102	102	102
Payable (days)	351	351	351	351
Cash Conversion Cycle (days)	(109)	(109)	(109)	(109)
Asset Turnover (x)	3.5	4.0	4.4	5.3
Net Debt/ Equity (x)	(0.9)	(1.0)	(0.8)	(1.0)
Return Ratios:				
RoCE (%)	24.2	22.5	25.6	31.7
RoE (%)	19.1	20.1	20.6	24.2
Valuation Ratios:				
P/E (x)	34.0	29.5	26.1	20.0
P/BV (x)	6.2	5.7	5.1	4.6
EV/EBITDA (x)	24.1	22.9	18.6	12.4
EV/Sales (x)	1.6	1.2	1.0	0.7

Source: Company, Kotak Securities – Private Client Research

RATING SCALE

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	Not Rated. Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
RS	–	Rating Suspended. Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
NA	–	Not Available or Not Applicable. The information is not available for display or is not applicable
NM	–	Not Meaningful. The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM

Rusmik Oza Head of Research rusmik.oza@kotak.com +91 22 6218 6441	Arun Agarwal Auto & Auto Ancillary arun.agarwal@kotak.com +91 22 6218 6443	Amit Agarwal Transportation, Paints, FMCG agarwal.amit@kotak.com +91 22 6218 6439	Cyndrella Carvalho Pharmaceuticals cyndrella.carvalho@kotak.com +91 22 6218 6426	Ledo Padinjarathala, CFA Research Associate ledo.padinjarathala@kotak.com +91 22 6218 7021
Sanjeev Zarbade Cap. Goods & Cons. Durables sanjeev.zarbade@kotak.com +91 22 6218 6424	Ruchir Khare Cap. Goods & Cons. Durables ruchir.khare@kotak.com +91 22 6218 6431	Jatin Damania Metals & Mining, Midcap jatin.damania@kotak.com +91 22 6218 6440	Krishna Nain M&A, Corporate actions krishna.nain@kotak.com +91 22 6218 7907	K. Kathirvelu Support Executive k.kathirvelu@kotak.com +91 22 6218 6427
Teena Virmani Construction, Cement, Buildg Mat teena.virmani@kotak.com +91 22 6218 6432	Sumit Pokharna Oil and Gas, Information Tech sumit.pokharna@kotak.com +91 22 6218 6438	Pankaj Kumar Midcap pankajr.kumar@kotak.com +91 22 6218 6434	Deval Shah Research Associate deval.shah@kotak.com +91 22 6218 6423	

TECHNICAL RESEARCH TEAM

Shrikant Chouhan shrikant.chouhan@kotak.com +91 22 6218 5408	Amol Athawale amol.athawale@kotak.com +91 20 6620 3350	Faisal Shaikh, FRM, CFTe Research Associate faisalf.shaikh@kotak.com +91 22 62185499	Siddhesh Jain Research Associate siddhesh.jain@kotak.com +91 22 62185498
---------------------------------------------------------------------------	---------------------------------------------------------------------	------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------

DERIVATIVES RESEARCH TEAM

Sahaj Agrawal sahaj.agrawal@kotak.com +91 79 6607 2231	Malay Gandhi malay.gandhi@kotak.com +91 22 6218 6420	Prashanth Lalu prashanth.lalu@kotak.com +91 22 6218 5497	Prasenjit Biswas, CMT, CFTe prasenjit.biswas@kotak.com +91 33 6625 9810
---------------------------------------------------------------------	-------------------------------------------------------------------	-----------------------------------------------------------------------	--------------------------------------------------------------------------------------

Disclosure/Disclaimer

Kotak Securities Limited established in 1994, is a subsidiary of Kotak Mahindra Bank Limited. Kotak Securities is one of India's largest brokerage and distribution house.

Kotak Securities Limited is a corporate trading and clearing member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSE), National Commodity and Derivatives Exchange (NCDEX) and Multi Commodity Exchange (MCX). Our businesses include stock broking, services rendered in connection with distribution of primary market issues and financial products like mutual funds and fixed deposits, depository services and Portfolio Management.

Kotak Securities Limited is also a depository participant with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Kotak Securities Limited is also registered with Insurance Regulatory and Development Authority as Corporate Agent for Kotak Mahindra Old Mutual Life Insurance Limited and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI). We are registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advise/warning/deficiency letters/ or levied minor penalty on KSL for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time.

We offer our research services to clients as well as our prospects.

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.

This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Kotak Securities Ltd. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.

We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither Kotak Securities Limited, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions - including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

Kotak Securities Limited has two independent equity research groups: Institutional Equities and Private Client Group. This report has been prepared by the Private Client Group.

We and our affiliates/associates, officers, directors, and employees, Research Analyst(including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Kotak Securities Limited (KSL) may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. The views provided herein are general in nature and does not consider risk appetite or investment objective of particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with KSL. Kotak Securities Limited is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation. Kotak Securities Limited does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and take professional advice before investing.

The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

No part of this material may be duplicated in any form and/or redistributed without Kotak Securities' prior written consent.

Details of Associates are available on www.kotak.com

1. "Note that the research analysts contributing to the research report may not be registered/qualified as research analysts with FINRA; and
2. Such research analysts may not be associated persons of Kotak Mahindra Inc and therefore, may not be subject to NASD Rule 2711 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account

Any U.S. recipients of the research who wish to effect transactions in any security covered by the report should do so with or through Kotak Mahindra Inc. (Member FINRA/SIPC) and (ii) any transactions in the securities covered by the research by U.S. recipients must be effected only through Kotak Mahindra Inc. (Member FINRA/SIPC) at 369 Lexington Avenue 28th Floor NY NY 10017 USA (Tel:+1 212-600-8850).

Kotak Securities Limited and its non US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non US issuers, prior to or immediately following its publication. This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. This research report and its respective contents do not constitute an offer or invitation to purchase or subscribe for any securities or solicitation of any investments or investment services. Accordingly, any brokerage and investment services including the products and services described are not available to or intended for Canadian persons or US persons."

Research Analyst has served as an officer, director or employee of subject company(ies): No

We or our associates may have received compensation from the subject company(ies) in the past 12 months.

We or our associates have managed or co-managed public offering of securities for the subject company(ies) in the past 12 months: No

We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months. We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report. Our associates may have financial interest in the subject company(ies).

Research Analyst or his/her relative's financial interest in the subject company(ies): No

Kotak Securities Limited has financial interest in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: Yes

Nature of financial interest is holding of equity shares or derivatives of the subject company.

Our associates may have actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.

Research Analyst or his/her relatives has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No.

Kotak Securities Limited has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No

By referring to any particular sector, Kotak Securities Limited does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and take professional advice before investing. Such representations are not indicative of future results.

Subject company(ies) may have been client during twelve months preceding the date of distribution of the research report.

"A graph of daily closing prices of securities is available at <https://www.nseindia.com/ChartApp/install/charts/mainpage.jsp> and <http://economictimes.indiatimes.com/markets/stocks/stock-quotes>. (Choose a company from the list on the browser and select the "three years" icon in the price chart)."

Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com/www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: INZ000200137 (Member of NSE, BSE, MSE, MCX & NCDEX), AMFI ARN 0164, PMS INP000000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-NSDL-23-97. Our research should not be considered as an advertisement or advice, professional or otherwise. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing. Investments in securities market are subject to market risks, read all the related documents carefully before investing. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts. Compliance Officer Details: Mr. Manoj Agarwal. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com.

In case you require any clarification or have any concern, kindly write to us at below email ids:

- **Level 1:** For Trading related queries, contact our customer service at 'service.securities@kotak.com' and for demat account related queries contact us at ks.demat@kotak.com or call us on: Toll free numbers 18002099191 / 1860 266 9191
- **Level 2:** If you do not receive a satisfactory response at Level 1 within 3 working days, you may write to us at ks.escalation@kotak.com or call us on 022-42858445 and if you feel you are still unheard, write to our customer service HOD at ks.servicehead@kotak.com or call us on 022-42858208.
- **Level 3:** If you still have not received a satisfactory response at Level 2 within 3 working days, you may contact our Compliance Officer (Mr. Manoj Agarwal) at ks.compliance@kotak.com or call on 91- (022) 4285 8484.
- **Level 4:** If you have not received a satisfactory response at Level 3 within 7 working days, you may also approach CEO (Mr. Kamlesh Rao) at ceo.ks@kotak.com or call on 91- (022) 4285 8301.