

RESULTS FIRST LOOK

HDIL's net sales beat our estimate by a remarkable 25% and consensus by 19%, while net profit beat our estimate by 18% and consensus by 24%. As an initial take, we expect the company would have recognized a larger chunk of revenues on the FSI/land sale done in 3QFY11 in Andheri(E), Mumbai for INR7.5 bn. This means that HDIL would also have received part of the cash proceeds during the quarter. TDR sales in the quarter also seem to have held up despite the slowdown in Mumbai property. We continue to maintain a BUY on the stock which is currently trading at 0.5x FY12F P/B.

Price target: 235.0 INR

Price (11 Aug 2011): 116.75 INR

Research analyst: Aatash Shah

+91 22 4037 4194

aatash.shah@nomura.com

Research analyst: Vineet Verma

+91 22 4053 3675

vineet.verma@nomura.com

Publish Date: 12 Aug 2011

1QFY12: extremely good set of numbers

- Earnings vs. our Forecast: **ABOVE**

Likely Impact:

- Earnings Estimates: **NO CHANGE**
- Dividend Estimates: **NO CHANGE**
- Price Target: **NO CHANGE**
- Long-term View: **CONFIRMED**

1. Total revenue at INR5.3 bn is up 11% QoQ vs. our estimate of INR4.35 bn. It seems that the company would have recognized a larger chunk of revenues from the floor space index (FSI)/land sale done in Andheri (E), Mumbai in 3QFY11 for INR7.5 bn, than we were expecting. Also Transfer of Development Rights (TDR) prices and volumes seem to have held up despite fears of a fall in TDR volumes and prices on account of a slowdown in Mumbai property market sales and development.

2. EBITDA margins have come back to the 56% mark from 51% in 4QFY11 but are still 600bps lower on a YoY basis due to FSI sale recognition and higher construction costs

3. A higher tax rate of 26% vs. our estimate has resulted due to the sale of FSI being taxed at full tax rate.

4. PAT at INR2.1 bn is well ahead of our estimate of INR1.78 bn and consensus estimate of INR1.7 bn but 11% lower YoY due to the higher tax rate.

This quarter has been much better than what was feared in the market given the slowdown in Mumbai property and hence its impact on TDR prices and volumes. We shall get back with more details post the release of the presentation and the conference call at 4pm today.

Profit and loss	1QFY12A	1QFY11A	YoY growth (%)	4QFY11A	QoQ growth (%)	1QFY12E
Sales	5,022	4,509	11%	5,237	-4%	4,022
Other income	373	342	9%	239	56%	330
Total revenue	5,394	4,851	11%	5,476	-1%	4,352
Cost of sales	2,153	1,588	36%	2,406	-11%	1,783
Employee cost	99	104	-5%	107	-7%	110
Admin expenses	112	144	-22%	168	-34%	179
Total expenditure	2,364	1,836	29%	2,681	-12%	2,072

EBITDA	3,031	3,016	0%	2,795	8%	2,280
<i>EBITDA margin (%)</i>	<i>56%</i>	<i>62%</i>		<i>51%</i>		<i>52%</i>
Depreciation	21	19	9%	22	-6%	25
Interest cost	181	215	-16%	181	0%	173
PBT	2,829	2,782	2%	2,592	9%	2,082
<i>PBT margin (%)</i>	<i>52%</i>	<i>57%</i>		<i>47%</i>		<i>48%</i>
Tax	739	439	68%	619	19%	305
PAT	2,091	2,343	-11%	1,973	6%	1,776
PAT after MI	2,091	2,343	-11%	1,973	6%	1,776
<i>PAT margin (%)</i>	<i>39%</i>	<i>48%</i>		<i>36%</i>		<i>41%</i>
EPS	4.7	5.6	-16%	4.5	6%	4.0
<i>Tax rate</i>	<i>26%</i>	<i>16%</i>		<i>24%</i>		<i>15%</i>

Source: Company data, Nomura estimates

Note: Ratings and Price Targets are as of the date of the most recently published report (<http://go.nomuranow.com/research/globalresearchportal>) rather than the date of this email.

Results First Look is the analyst's preliminary interpretation of the results announcement. Our recommendation and earnings estimates are not being changed in this report. Any formal changes to our recommendation or earnings estimates will be made in a subsequent report, which may differ from the preliminary views expressed in this report.

New force in Research: Global from east to west

Nomura Equity Research website: <http://go.nomuranow.com/research/globalresearchportal>

Nomura Strategy website: <https://apps.nomuranow.com/EQS>

Analyst Certification

We, Aatash Shah and Vineet Verma, hereby certify (1) that the views expressed in this Research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this Research report, (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this Research report and (3) no part of our compensation is tied to any specific investment banking transactions performed by Nomura Securities International, Inc., Nomura International plc or any other Nomura Group company.

Issuer Specific Regulatory Disclosures

Mentioned companies

Issuer name	Ticker	Price	Price date	Stock rating	Disclosures
Housing Development & Infrastructure	HDIL IN	116.75 INR	11 Aug 2011	Buy	

Previous Rating

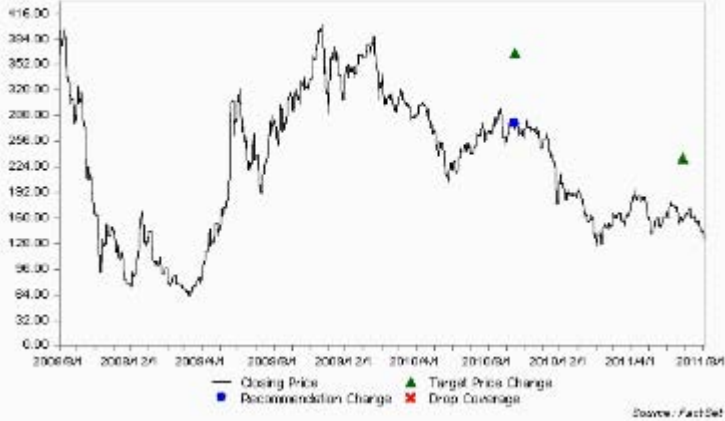
Issuer name	Previous Rating	Date of change
Housing Development & Infrastructure	Not Rated	17 Sep 2010

Housing Development & Infrastructure (HDIL IN) 116.75 INR (11 Aug 2011) Buy

Rating and target price chart (three year history)

HOUSING DEVELOPMENT & INFRASTRUCTURE

As of 04-Aug-2011
Currency = INR



Date	Rating	Target price	Closing price
29-Jun-2011		235.00	158.25
17-Sep-2010		366.00	277.00
17-Sep-2010	Buy		277.00

For explanation of ratings refer to the stock rating keys located after chart(s)

Valuation Methodology We value HDIL using our net asset value estimate of its current saleable area at INR235 per share, without any discount/premium to NAV, and with cost of equity at 15%.

Risks that may impede the achievement of the target price Downside risks include 1) scrapping of the airport slum rehabilitation project; 2) a sharp fall in property prices in Mumbai, which would affect demand and pricing of TDR and 3) an increase in interest rates, which would affect demand for property and sentiment for property stocks.

Important Disclosures

Online availability of research and additional conflict-of-interest disclosures

Nomura Japanese Equity Research is available electronically for clients in the US on NOMURA.COM, REUTERS, BLOOMBERG and THOMSON ONE ANALYTICS. For clients in Europe, Japan and elsewhere in Asia it is available on NOMURA.COM, REUTERS and BLOOMBERG.

Important disclosures may be accessed through the left hand side of the Nomura Disclosure web page

<http://go.nomuranow.com/research/globalresearchportal> or requested from Nomura Securities International, Inc., on 1-877-865-5752. If you have any difficulties with the website, please email grpsupport-eu@nomura.com for technical assistance.

The analysts responsible for preparing this report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by Investment Banking activities.

Unless otherwise noted, the non-US analysts listed at the front of this report are not registered/qualified as research analysts under FINRA/NYSE rules, may not be associated persons of NSI, and may not be subject to FINRA Rule 2711 and NYSE Rule 472 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

Industry Specialists identified in some Nomura International plc research reports are employees within the Firm who are responsible for the sales and trading effort in the sector for which they have coverage. Industry Specialists do not contribute in any manner to the content of research reports in which their names appear.

Marketing Analysts identified in some Nomura research reports are research analysts employed by Nomura International plc who are primarily responsible for marketing Nomura's Equity Research product in the sector for which they have coverage. Marketing Analysts may also contribute to research reports in which their names appear and publish research on their sector.

Distribution of ratings (Global)

The distribution of all ratings published by Nomura Global Equity Research is as follows:

49% have been assigned a Buy rating which, for purposes of mandatory disclosures, are classified as a Buy rating; 41% of companies with this rating are investment banking clients of the Nomura Group*.

40% have been assigned a Neutral rating which, for purposes of mandatory disclosures, is classified as a Hold rating; 46% of companies with this rating are investment banking clients of the Nomura Group*.

11% have been assigned a Reduce rating which, for purposes of mandatory disclosures, are classified as a Sell rating; 14% of companies with this rating are investment banking clients of the Nomura Group*.

As at 30 June 2011.

*The Nomura Group as defined in the Disclaimer section at the end of this report.

Explanation of Nomura's equity research rating system in Europe, Middle East and Africa, US and Latin America for ratings published from 27 October 2008

The rating system is a relative system indicating expected performance against a specific benchmark identified for each individual stock. Analysts may also indicate absolute upside to target price defined as $(\text{fair value} - \text{current price}) / \text{current price}$, subject to limited management discretion. In most cases, the fair value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as discounted cash flow or multiple analysis, etc.

STOCKS

A rating of '**Buy**', indicates that the analyst expects the stock to outperform the Benchmark over the next 12 months.

A rating of '**Neutral**', indicates that the analyst expects the stock to perform in line with the Benchmark over the next 12 months.

A rating of '**Reduce**', indicates that the analyst expects the stock to underperform the Benchmark over the next 12 months.

A rating of '**Suspended**', indicates that the rating, target price and estimates have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including, but not limited to, when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the company.

Benchmarks are as follows: **United States/Europe**: Please see valuation methodologies for explanations of relevant benchmarks for stocks (accessible through the left hand side of the Nomura Disclosure web page: <http://go.nomuranow.com/research/globalresearchportal>); **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia, unless otherwise stated in the valuation methodology.

SECTORS

A '**Bullish**' stance, indicates that the analyst expects the sector to outperform the Benchmark during the next 12 months.

A '**Neutral**' stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next 12 months.

A '**Bearish**' stance, indicates that the analyst expects the sector to underperform the Benchmark during the next 12 months.

Benchmarks are as follows: **United States**: S&P 500; **Europe**: Dow Jones STOXX 600; **Global Emerging Markets (ex-Asia)**: MSCI Emerging Markets ex-Asia.

Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published from 30 October 2008 and in Japan from 6 January 2009

STOCKS

Stock recommendations are based on absolute valuation upside (downside), which is defined as $(\text{Target Price} - \text{Current Price}) / \text{Current Price}$, subject to limited management discretion. In most cases, the Target Price will equal the analyst's 12-month intrinsic valuation of the stock, based on an appropriate valuation methodology such as discounted cash flow, multiple analysis, etc.

A '**Buy**' recommendation indicates that potential upside is 15% or more.

A '**Neutral**' recommendation indicates that potential upside is less than 15% or downside is less than 5%.

A '**Reduce**' recommendation indicates that potential downside is 5% or more.

A rating of '**Suspended**' indicates that the rating and target price have been suspended temporarily to comply with applicable regulations and/or firm policies in certain circumstances including when Nomura is acting in an advisory capacity in a merger or strategic transaction involving the subject company.

Securities and/or companies that are labelled as '**Not rated**' or shown as '**No rating**' are not in regular research coverage of the Nomura entity identified in the top banner. Investors should not expect continuing or additional information from Nomura relating to such securities and/or companies.

SECTORS

A '**Bullish**' rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a positive absolute recommendation.

A '**Neutral**' rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a neutral absolute recommendation.

A '**Bearish**' rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a negative absolute recommendation.

Explanation of Nomura's equity research rating system in Japan published prior to 6 January 2009 (and ratings in Europe, Middle East and Africa, US and Latin America published prior to 27 October 2008)

STOCKS

A rating of '1' or '**Strong buy**', indicates that the analyst expects the stock to outperform the Benchmark by 15% or more over the next six months.

A rating of '2' or '**Buy**', indicates that the analyst expects the stock to outperform the Benchmark by 5% or more but less than 15% over the next six months.

A rating of '3' or '**Neutral**', indicates that the analyst expects the stock to either outperform or underperform the Benchmark by less than 5% over the next six months.

A rating of '4' or '**Reduce**', indicates that the analyst expects the stock to underperform the Benchmark by 5% or more but less than 15% over the next six months.

A rating of '5' or '**Sell**', indicates that the analyst expects the stock to underperform the Benchmark by 15% or more over the next six months.

Stocks labeled '**Not rated**' or shown as '**No rating**' are not in Nomura's regular research coverage. Nomura might not publish additional research reports concerning this company, and it undertakes no obligation to update the analysis, estimates, projections, conclusions or other information contained herein.

SECTORS

A '**Bullish**' stance, indicates that the analyst expects the sector to outperform the Benchmark during the next six months.

A '**Neutral**' stance, indicates that the analyst expects the sector to perform in line with the Benchmark during the next six months.

A '**Bearish**' stance, indicates that the analyst expects the sector to underperform the Benchmark during the next six months.

Benchmarks are as follows: **Japan**: TOPIX; **United States**: S&P 500, MSCI World Technology Hardware & Equipment; **Europe**, by sector - *Hardware/Semiconductors*: FTSE W Europe IT Hardware; *Telecoms*: FTSE W Europe Business Services; *Business Services*: FTSE W Europe; *Auto & Components*: FTSE W Europe Auto & Parts; *Communications equipment*: FTSE W Europe IT Hardware; **Ecology Focus**: Bloomberg World Energy Alternate Sources; **Global Emerging Markets**: MSCI Emerging Markets ex-Asia.

Explanation of Nomura's equity research rating system for Asian companies under coverage ex Japan published prior to 30 October 2008

STOCKS

Stock recommendations are based on absolute valuation upside (downside), which is defined as $(\text{Fair Value} - \text{Current Price}) / \text{Current Price}$, subject to limited management discretion. In most cases, the Fair Value will equal the analyst's assessment of the current intrinsic fair value of the stock using an appropriate valuation methodology such as Discounted Cash Flow or Multiple analysis etc. However, if the analyst doesn't think the market will revalue the stock over the specified time horizon due to a lack of events or catalysts, then the fair value may differ from the intrinsic fair value. In most cases, therefore, our recommendation is an assessment of the difference between current market price and our estimate of current intrinsic fair value. Recommendations are set with a 6-12 month horizon unless specified otherwise. Accordingly, within this horizon, price volatility may cause the actual upside or downside based on the prevailing market price to differ from the upside or downside implied by the recommendation.

A '**Strong buy**' recommendation indicates that upside is more than 20%.

A '**Buy**' recommendation indicates that upside is between 10% and 20%.

A '**Neutral**' recommendation indicates that upside or downside is less than 10%.

A '**Reduce**' recommendation indicates that downside is between 10% and 20%.

A '**Sell**' recommendation indicates that downside is more than 20%.

SECTORS

A '**Bullish**' rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a positive absolute recommendation.

A '**Neutral**' rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a neutral absolute recommendation.

A '**Bearish**' rating means most stocks in the sector have (or the weighted average recommendation of the stocks under coverage is) a negative absolute recommendation.

Target Price

A Target Price, if discussed, reflect in part the analyst's estimates for the company's earnings. The achievement of any target price may be impeded by general market and macroeconomic trends, and by other risks related to the company or the market, and may not occur if the company's earnings differ from estimates.

Disclaimers

This publication contains material that has been prepared by the Nomura entity identified at the top or bottom of page 1 herein, if any, and/or, with the sole or joint contributions of one or more Nomura entities whose employees and their respective affiliations are specified on page 1 herein or elsewhere identified in the publication. Affiliates and subsidiaries of Nomura Holdings, Inc. (collectively, the 'Nomura Group'), include: Nomura Securities Co., Ltd. ('NSC') Tokyo, Japan; Nomura International plc ('Nlplc'), United Kingdom; Nomura Securities International, Inc. ('NSI'), New York, NY; Nomura International (Hong Kong) Ltd. ('NIHK'), Hong Kong; Nomura Financial Investment (Korea) Co., Ltd. ('NFIK'), Korea (Information on Nomura analysts registered with the Korea Financial Investment Association ('KOFIA') can be found on the KOFIA Intranet at <http://dis.kofia.or.kr>); Nomura Singapore Ltd. ('NSL'), Singapore (Registration number 197201440E, regulated by the Monetary Authority of Singapore); Capital Nomura Securities Public Company Limited ('CNS'), Thailand; Nomura Australia Ltd. ('NAL'), Australia (ABN 48 003 032 513), regulated by the Australian Securities and Investment Commission ('ASIC') and holder of an Australian financial services licence number 246412; P.T. Nomura Indonesia ('PTNI'), Indonesia; Nomura Securities Malaysia Sdn. Bhd. ('NSM'), Malaysia; Nomura International (Hong Kong) Ltd., Taipei Branch ('NITB'), Taiwan; Nomura Financial Advisory and Securities (India) Private Limited ('NFASL'), Mumbai, India (Registered Address: Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai- 400 018, India; SEBI Registration No: BSE INB011299030, NSE INB231299034, INF231299034, INE 231299034); Banque Nomura France ('BNF'); Nlplc, Dubai Branch ('Nlplc, Dubai'); Nlplc, Madrid Branch ('Nlplc, Madrid') and OOO Nomura, Moscow ('OOO Nomura').

THIS MATERIAL IS: (I) FOR YOUR PRIVATE INFORMATION, AND WE ARE NOT SOLICITING ANY ACTION BASED UPON IT; (II) NOT TO BE CONSTRUED AS AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITY IN ANY JURISDICTION WHERE SUCH OFFER OR SOLICITATION WOULD BE ILLEGAL; AND (III) BASED UPON INFORMATION THAT WE CONSIDER RELIABLE.

NOMURA GROUP DOES NOT WARRANT OR REPRESENT THAT THE PUBLICATION IS ACCURATE, COMPLETE, RELIABLE, FIT FOR ANY PARTICULAR PURPOSE OR MERCHANTABLE AND DOES NOT ACCEPT LIABILITY FOR ANY ACT (OR DECISION NOT TO ACT) RESULTING FROM USE OF THIS PUBLICATION AND RELATED DATA. TO THE MAXIMUM EXTENT PERMISSIBLE ALL WARRANTIES AND OTHER ASSURANCES BY NOMURA GROUP ARE HEREBY EXCLUDED AND NOMURA GROUP SHALL HAVE NO LIABILITY FOR THE USE, MISUSE, OR DISTRIBUTION OF THIS INFORMATION.

Opinions expressed are current opinions as of the original publication date appearing on this material only and the information, including the opinions contained herein, are subject to change without notice. Nomura is under no duty to update this publication. If and as applicable, NSI's investment banking relationships, investment banking and non-investment banking compensation and securities ownership (identified in this report as 'Disclosures Required in the United States'), if any, are specified in disclaimers and related disclosures in this report. In addition, other members of the Nomura Group may from time to time perform investment banking or other services (including acting as advisor, manager or lender) for, or solicit investment banking or other business from, companies mentioned herein. Furthermore, the Nomura Group, and/or its officers, directors and employees, including persons, without limitation, involved in the preparation or issuance of this material may, to the extent permitted by applicable law and/or regulation, have long or short positions in, and buy or sell, the securities (including ownership by NSI, referenced above), or derivatives (including options) thereof, of companies mentioned herein, or related securities or derivatives. For financial instruments admitted to trading on an EU regulated market, Nomura Holdings Inc's affiliate or its subsidiary companies may act as market maker or liquidity provider (in accordance with the interpretation of these definitions under FSA rules in the UK) in the financial instruments of the issuer. Where the activity of liquidity provider is carried out in accordance with the definition given to it by specific laws and regulations of other EU jurisdictions, this will be separately disclosed within this report. Furthermore, the Nomura Group may buy and sell certain of the securities of companies mentioned herein, as agent for its clients.

Investors should consider this report as only a single factor in making their investment decision and, as such, the report should not be viewed as identifying or suggesting all risks, direct or indirect, that may be associated with any investment decision. Please see the further disclaimers in the disclosure information on companies covered by Nomura analysts available at <http://go.nomuranow.com/research/globalresearchportal> under the 'Disclosure' tab. Nomura Group produces a number of different types of research product including, among others, fundamental analysis, quantitative analysis and short term trading ideas; recommendations contained in one type of research product may differ from recommendations contained in other types of research product, whether as a result of differing time horizons, methodologies or otherwise; it is possible that individual employees of Nomura may have different perspectives to this publication.

NSC and other non-US members of the Nomura Group (i.e. excluding NSI), their officers, directors and employees may, to the extent it relates to non-US issuers and is permitted by applicable law, have acted upon or used this material prior to, or immediately following, its publication.

Foreign-currency-denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of, or income derived from, the investment. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies, effectively assume currency risk.

The securities described herein may not have been registered under the US Securities Act of 1933, and, in such case, may not be offered or sold in the United States or to US persons unless they have been registered under such Act, or except in compliance with an exemption from the registration requirements of such Act. Unless governing law permits otherwise, you must contact a Nomura entity in your home jurisdiction if you want to use our services in effecting a transaction in the securities mentioned in this material.

This publication has been approved for distribution in the United Kingdom and European Union as investment research by Nlplc, which is authorized and regulated by the UK Financial Services Authority ('FSA') and is a member of the London Stock Exchange. It does not constitute a personal recommendation, as defined by the FSA, or take into account the particular investment objectives, financial situations, or needs of individual investors. It is intended only for investors who are 'eligible counterparties' or 'professional clients' as defined by the FSA, and may not, therefore, be redistributed to retail clients as defined by the FSA. This publication may be distributed in Germany via Nomura Bank (Deutschland) GmbH, which is authorized and regulated in Germany by the Federal Financial Supervisory Authority ('BaFin'). This publication has been approved by NIHK, which is regulated by the Hong Kong Securities and Futures Commission, for distribution in Hong Kong by NIHK. This publication has been approved for distribution in Australia by NAL, which is authorized and regulated in Australia by the ASIC. This publication has also been approved for distribution in Malaysia by NSM. In Singapore, this publication has been distributed by NSL. NSL accepts legal responsibility for the content of this publication, where it concerns securities, futures and foreign exchange, issued by their foreign affiliates in respect of recipients who are not accredited, expert or institutional investors as defined by the Securities and Futures Act (Chapter 289).

Recipients of this publication should contact NSL in respect of matters arising from, or in connection with, this publication. Unless prohibited by the provisions of Regulation S of the U.S. Securities Act of 1933, this material is distributed in the United States, by NSI, a US-registered broker-dealer, which accepts responsibility for its contents in accordance with the provisions of Rule 15a-6, under the US Securities Exchange Act of 1934.

This publication has not been approved for distribution in the Kingdom of Saudi Arabia or to clients other than 'professional clients' in the United Arab Emirates by Nomura Saudi Arabia, Nlplc or any other member of the Nomura Group, as the case may be. Neither this publication nor any copy thereof may be taken or transmitted or distributed, directly or indirectly, by any person other than those authorised to do so into the Kingdom of Saudi Arabia or in the United Arab Emirates or to any person located in the Kingdom of Saudi Arabia or to clients other than 'professional clients' in the United Arab Emirates. By accepting to receive this publication, you represent that you are not located in the Kingdom of Saudi Arabia or that you are a 'professional client' in the United Arab Emirates and agree to comply with these restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the Kingdom of Saudi Arabia or the United Arab Emirates.

No part of this material may be (i) copied, photocopied, or duplicated in any form, by any means; or (ii) redistributed without the prior written consent of the Nomura Group member identified in the banner on page 1 of this report. Further information on any of the securities mentioned herein may be obtained upon request. If this publication has been distributed by electronic transmission, such as e-mail, then such transmission cannot be guaranteed to be secure or error-free as information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete, or contain viruses. The sender therefore does not accept liability for any errors or omissions in the contents of this publication, which may arise as a result of electronic transmission. If verification is required, please request a hard-copy version.

Additional information available upon request

NIPIC and other Nomura Group entities manage conflicts identified through the following: their Chinese Wall, confidentiality and independence policies, maintenance of a Restricted List and a Watch List, personal account dealing rules, policies and procedures for managing conflicts of interest arising from the allocation and pricing of securities and impartial investment research and disclosure to clients via client documentation.

Disclosure information is available at the Nomura Disclosure web page:

<http://go.nomuranow.com/research/globalresearchportal/pages/disclosures/disclosures.aspx>

Nomura Financial Advisory and Securities (India) Private Limited, India

Tel: +91 22 4037 4037

Ceejay House, Level 11, Plot F, Shivsagar Estate, Dr. Annie Besant Road,
Worli, Mumbai- 400 018, India

Fax: +91 22 4037 4111

Caring for the environment: to receive only the electronic versions of our research, please contact your sales representative.