

Contents

Updates

Dish TV: Reliance Big TV launch unlikely to trigger irrational competition in the market; stronger-than-expected subscriber addition for Dish TV in July 2008

News Roundup

- US-based private equity major **General Atlantic** is learnt to be in final stages of talks with **Wockardt Hospitals** to invest US\$140-150 mn. (ET)
- Home insecticides major **Godrej Sara Lee** has initiated talks with **Bombay Chemicals** to acquire the Tortoise brand of mosquito repellents. (ET)
- **Tata Motors** may be looking at extending its relationship with Italian partner Fiat to cover Jaguar and Land Rover as well - in a bid to make next-gen engines for these two cars that will be fuel efficient enough to make the grade once the new European CO2 emission norms come into force. (ET)
- **ITC Infotech**, the wholly-owned IT services subsidiary of ITC has acquired US-based firm **Pyxis Solutions** for an enterprise value of US\$25 mn in an all-cash deal. (ET)
- **ABG Shipyard** has decided to set up a greenfield shipyard in south Gujarat with an investment of Rs1,200 crore. (ET)
- **Jindal Steel and Power** (JSPL) is close to acquiring a state-owned coal mine in Mozambique for Rs200-250 crore. (ET) In other mining news, **Larsen & Toubro** is close to buying equity stake in coal mines in Australia and Indonesia. (BL)
- **Asset Reconstruction Company** (India) Ltd (ARCIL), the leading collector of distressed assets in the country, has started buying non-performing retail loans, including home loans. (BL)
- The **Star Group** and **Balaji Telefilms** have decided to terminate their agreement under which Star held a 25.99% stake in the production house. (BL)
- **Mahindra Finance**, the vehicle finance arm of Mahindra Group, has got into an understanding with car makers **General Motors** and **Hyundai** to provide finance for their vehicles in the rural and semi-urban markets. (BL)
- Faced with unprecedented growth in demand for diesel, the government is mulling easing norms to allow **RIL's** export oriented refineries to feed the domestic market.

Source: ET = Economic Times, BS = Business Standard, FE = Financial Express, BL = Business Line.

EQUITY MARKETS

India	Change, %			
	19-Aug	1-day	1-mo	3-mo
Sensex	14,544	(0.7)	6.7	(15.6)
Nifty	4,368	(0.6)	6.7	(14.4)
Global/Regional indices				
Dow Jones	11,349	(1.1)	(1.3)	(11.5)
FTSE	5,320	(2.4)	(1.0)	(14.1)
Nikkei	12,829	(0.3)	0.2	(9.4)
Hang Seng	20,480	(0.0)	(6.4)	(18.6)
KOSPI	1,527	(0.9)	1.2	(18.5)
Value traded - India				
		Moving avg, Rs bn		
	19-Aug	1-mo	3-mo	
Cash (NSE+BSE)	131.2	195.5	184.2	
Derivatives (NSE)	396.8	528.0	379	
Deri. open interest	788.4	744	788	

Forex/money market

	Change, basis points			
	19-Aug	1-day	1-mo	3-mo
Rs/US\$	43.6	0	90	98
6mo fwd prem, %	0.7	(25)	71	24

Net investment (US\$mn)

	14-Aug	MTD	CYTD
FIs	(98)	97	(6,649)
MFs	(96)	(190)	2,471

Top movers -3mo basis

Best performers	Change, %			
	19-Aug	1-day	1-mo	3-mo
OIL & NATURAL GA	1,063	(1.0)	12.6	13.5
CIPLA LTD	235	0.1	9.0	12.7
DIVI'S LABORATORI	1,536	0.5	16.6	9.0
INDIAN OIL CORPOR	440	0.3	15.2	8.5
SUN PHARMACEUTI	1,470	0.3	13.2	8.4
Worst performers				
HOUSING DEVELOP	402	(3.9)	(6.8)	(52.2)
INFRASTRUCTURE D	94	(1.1)	(14.4)	(43.1)
RELIANCE POWER L	157	(2.9)	18.7	(42.2)
UNITECH LIMITED	165	(2.0)	10.5	(40.8)
INDIABULLS REAL E	312	3.2	7.3	(40.5)

Kotak Institutional Equities Research

kotak.research@kotak.com

Mumbai: +91-22-6634-1100

Media**DSTV.BO, Rs38**

Rating	BUY
Sector coverage view	Neutral
Target Price (Rs)	55
52W High -Low (Rs)	106 - 26
Market Cap (Rs bn)	20.4

Financials

March y/e	2008	2009E	2010E
Sales (Rs bn)	4.0	8.0	13.0
Net Profit (Rs bn)	(4.2)	(4.4)	(2.6)
EPS (Rs)	(9.8)	(8.2)	(4.0)
EPS <i>gth</i>	0.0	0.0	0.0
P/E (x)	(3.9)	(4.7)	(9.5)
EV/EBITDA (x)	(11.6)	(12.9)	43.1
Div yield (%)	0.0	0.0	0.0

Shareholding, March 2008

	% of		Over/(under) weight
	Pattern	Portfolio	
Promoters	57.9	-	-
FIs	14.9	0.0	(0.0)
MFs	4.1	0.1	0.0
UTI	-	-	(0.1)
LIC	2.9	0.0	(0.0)

Dish TV: Reliance Big TV launch unlikely to trigger irrational competition in the market; stronger-than-expected subscriber addition for Dish TV in July 2008

Sanjeev Prasad : sanjeev.prasad@kotak.com, +91-22-6634-1229

Amit Kumar : amit.ckumar@kotak.com, +91-22-6749-3392

- **Reliance BIG TV launch—nothing irrational about it!**
- **Strong addition of 167,000 subscribers by Dish TV led by new schemes in South India**
- **TRAI initiatives on unbundling, pricing of channels positive for DTH in India**
- **Retain BUY with 12-month DCF-based target price of Rs55**

Reliance Big TV commenced its commercial operations in the city of Mumbai; we are impressed with (1) the choice of channels and bouquets it provides and (2) the overall DTH package (universal remote, 32 Video-on-Demand (VoD) movie channels) but we do not see any irrational competition emerging in the market as a result of this launch, which has been an area of concern. Dish TV reported gross addition of 167,000 subscribers in the month of July 2008, driven by the new schemes targeted at the South Indian market. In another development, we highlight the recent direction by TRAI to ESPN-STAR Sports to (1) bring pricing of pay-TV channels for DTH in line with TDSAT judgment, (2) ensure availability of its channels on a a-la-carte basis for DTH platform and (3) prevent imposition of any additional constraints, such as minimum subscriber base or minimum guarantee, as positive for the industry. We retain our BUY rating on Dish TV with 12-month DCF-based target price of Rs55. Key risks stem from emerging competition in the DTH segment in India.

Reliance BIG TV launch—the fear of irrational competition was probably overdone. Exhibit 1 compares the standard schemes of all extant DTH operators (ex. South India) in India; we note the very limited differential between the various operators as regards content on offer and pricing of basic-tier services. We have previously noted key areas of concern—possible pricing pressure and irrational competition—with the entry of Reliance, Bharti and Videocon into the market, all with deep pockets. We have also noted the resultant overhang on the Dish TV stock.

The pricing adopted by Reliance Big TV is largely in line with other DTH operators, which (1) likely caps the maximum subsidy provided by DTH operators to consumers (Rs2,800-3,000) and (2) provides improved visibility on ARPUs of DTH operators going forward. We view this development as positive for the industry and note that all operators are moving towards subsidizing only the initial setup cost (STB + installation) for the subscriber, which is the biggest obstacle to DTH adoption beyond the metros. We believe the valuations of Dish TV already factor in (1) high subscriber acquisition costs, (2) low incremental subscriber addition and (3) low-to-moderate ARPUs in the near term due to emerging competition in the market.

We are certainly impressed with Reliance Big TV as regards (1) the choice of channels and bouquets it provides and (2) the overall DTH package (universal remote, 32 VoD movie channels); however, we do not see the incremental innovations of Big TV as a source of sustainable competitive advantage since other DTH operators (Dish TV, Tata Sky and Sun TV) will likely respond with new offers and services of their own, including greater choice and numbers of channels and bouquets. Moreover, Big TV will need to execute well given the large number and complexity of its schemes; it also needs to match the expectations of consumers and quality of service benchmarks set by extant operators.

Risk-reward is now in favor—BUY. We expect rapid penetration of DTH in India and model the DTH subscriber base to reach 25 mn by FY2012E; Dish TV is well placed to leverage its first mover advantage and renewed marketing push in the DTH segment. Dish TV has announced its rights issue to raise equity capital, which will help sustain its aggressive subscriber acquisition strategy and address any balance sheet concerns surrounding the stock. We note that our DCF-based fair value of the stock is Rs65 but we have assumed a 1:2 rights issue (one new share for every two existing shares of Dish TV) at Rs40—a substantial discount to our fair value given the extant capital market conditions—to calculate our target price on the expanded capital base. We retain our BUY rating and 12-month DCF-based target price of Rs55.

New schemes targeted at South India led to strong subscriber addition for Dish TV in July. Dish TV reported gross addition of 167,000 subscribers in the month of July 2008, the best month of subscriber addition for Dish TV since its inception. In comparison, Dish TV added 100,000 subscribers in April, 148,000 subscribers in May and 152,000 subscribers in June, leading to gross addition of 400,000 subscribers in 1QFY09. The strong performance was driven by new schemes targeted at consumers in the South Indian market; Dish TV is now offering 12 months of region-specific service, set-top box (STB) and 6 months of video-on-demand (VoD) service for an upfront payment of Rs1,990, a significant discount to the previous offer of 11 months of region-specific service along with STB and 12 month of VoD service for Rs2,990.

Recent initiatives by TRAI on unbundling, pricing of channels positive. As we have highlighted previously (see our note '*A single flower costs much less than a bouquet but says a lot more*' dated September 05, 2007), TRAI has made it mandatory for broadcasters to offer their pay channels to DTH operators on an unbundled (a-la-carte) basis. In one of its judgments, TDSAT also (1) capped the pricing on DTH platform at 50% of the non-CAS pricing (analog cable network in India) and (2) directed broadcasters to not impose additional constraints such as minimum guarantee on DTH operators, in view of complete addressability on DTH. TRAI subsequently ratified the judgment and accordingly asked broadcasters to revise their Reference Interconnect Offers (RIO) in line with its directions. However, ESPN-STAR Sports failed to comply and TRAI noted the following discrepancies in the broadcaster's RIO:

- **Pricing of channels and bouquets.** ESPN-STAR Sports priced its bouquet at the same rate as price for non-CAS analog cable, whereas both TRAI and TDSAT had clarified that DTH rates will be capped at 50% of the rates applicable for non-CAS analog cable in India.
- **Availability of unbundled pay channels.** ESPN-STAR Sports offered only its channels/services (ESPN, STAR Sports and STAR Cricket) in a bouquet form, whereas TRAI had made it mandatory to broadcasters to also offer their pay channels on an unbundled (a-la-carte) basis to DTH operators.
- **Minimum guarantee criteria.** ESPN-STAR Sports proposed to provide its bouquet at a 50% discount to DTH operators that ensure minimum 2.5 mn subscribers for its bouquet, whereas TRAI mandates (1) no unilateral pre-condition for offer of channels by broadcasters and (2) DTH operator to pay for the exact number of subscribers on its platform.

We highlight that the issuance of this show-cause notice to ESPN-STAR Sports by TRAI (1) provides greater clarity on the pricing of individual channels and bouquets on DTH and (2) indicates the increasing focus of the regulator in ensuring the orderly growth of DTH in India, which we view as positive for the industry.

Comparison of DTH schemes offered by Big TV, Dish TV and Tata Sky

	Big TV 1 (b)	Dish TV 1	Big TV 2 (b)	Dish TV 2	Tata Sky
Cost to subscriber					
Initial deposit (Rs)	1,490	3,990	1,490	2,490	1,490
Installation charges (Rs)	2,500	—	1,000	—	1,000
Total upfront cost to subscriber	3,990	3,990	2,490	2,490	2,490
Benefits to subscriber					
Set-top box (STB) included	yes	yes	yes	yes	yes
Initial months of free television service (#)	12	12	3	3	1
Bouquet offered	Premium	Maxi	Premium	Maxi	Jumbo
Hindi general entertainment channels included	yes	yes	yes	yes	yes
English general entertainment channels included	yes	yes	yes	yes	yes
Movies channels included	yes	yes	yes	yes	yes
Kids channels included	yes	yes	yes	yes	yes
Sports channels included	yes	yes	yes	yes	no
Hindi/English news channels included	yes	yes	yes	yes	yes
Regional channels included (a)	partial	yes	partial	yes	yes

Notes:

(a) Big TV and Dish TV offer the choice of one out of eight regional language bouquets.

(b) Big TV does not offer Sun TV Network channels as part of its regional language bouquet.

Source: Company, Kotak Institutional Equities estimates.

Pricing and content costs have a more significant impact on valuation of Dish TV than volume

Sensitivity of Dish TV's valuation to number of subscribers, ARPU and content costs

	DCF value (Rs/share)	Change from base case (%)
Change in # of paying subscribers (%)		
20%	64	15
10%	60	8
Base case	56	
-10%	52	(7)
-20%	47	(15)
Change in monthly subscription fees (%)		
20%	110	98
10%	84	51
Base case	56	
-10%	35	(36)
Change in content costs (%)		
-20%	87	56
-10%	72	29
Base case	56	
10%	40	(28)

Source: Kotak Institutional Equities estimates.

Dish's subscribers will likely increase to 4.5 mn by FY2010E and to 7.2 mn by FY2015E

Key financial and operating data of Dish TV, March fiscal year-ends, 2007-2019E

	2007	2008	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E
Revenues (Rs bn)	1.9	4.0	8.0	13.0	17.5	21.3	24.7	28.1	31.6	35.1	38.2	41.3	44.3
EBITDA (Rs bn)	(1.9)	(2.2)	(1.7)	0.6	2.8	4.1	5.1	6.1	7.1	8.3	9.2	10.2	11.1
EBITDA margin (%)	(97.0)	(55.8)	(21.2)	4.5	15.7	19.3	20.6	21.5	22.6	23.8	24.1	24.7	25.1
Year-end # of paying subscribers (mn)	1.6	2.5	3.7	4.5	5.3	5.9	6.4	6.9	7.2	7.5	7.8	7.9	8.0
Increase/(decrease) in # of paying subs (mn)	0.9	0.9	1.2	0.8	0.7	0.6	0.6	0.4	0.4	0.3	0.2	0.1	0.1
Average # of paying subscribers (mn)	1.2	2.1	3.1	4.1	4.9	5.6	6.2	6.6	7.0	7.4	7.6	7.8	7.9
Subscription fees per month (Rs/sub/month)	98	130	205	240	275	300	318	336	356	376	397	419	442
ARPU (Rs/sub/month)	114	153	212	259	296	317	333	352	373	395	416	439	464

Source: Kotak Institutional Equities estimates.

Our DCF-based target price for Dish TV is Rs55

Discounted cash flow analysis of Dish TV (Rs mn)

	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E
EBITDA	(1,700)	586	2,756	4,121	5,083	6,052	7,134	8,328	9,209	10,210
Tax expense	—	—	—	(154)	(293)	(418)	(540)	(677)	(2,255)	(2,720)
Working capital changes	1,559	112	(272)	391	394	594	686	153	476	376
Cash flow from operations	(141)	698	2,484	4,359	5,184	6,227	7,279	7,804	7,431	7,867
Capital expenditure	(3,443)	(2,595)	(2,471)	(3,013)	(2,975)	(2,741)	(2,682)	(2,461)	(2,401)	(2,183)
Free cash flow to the firm	(3,584)	(1,898)	13	1,346	2,209	3,486	4,597	5,343	5,029	5,684

	Now	+ 1-year	+ 2-years
Total PV of free cash flow (a)	6,289	12,688	18,301
FCF one-year forward	6,170	6,540	6,933
Terminal value	82,268	87,205	92,437
PV of terminal value (b)	24,158	25,607	27,143
Total PV (a) + (b)	30,447	38,295	45,444
Net debt	6,734	2,501	5,788
Equity value	23,712	35,794	39,656
Equity value (US\$ mn)	524	895	944
Shares outstanding (mn)	428	642	642
Equity value/per share (Rs)	55	56	62

Discount rate (%)	13.5
Growth from 2017 to perpetuity (%)	6.0
Exit free cash multiple (X)	13.3
Exit EBITDA multiple (X)	8.1

Source: Kotak Institutional Equities estimates.

Profit model, balance sheet, cash model of Dish TV, March fiscal year-ends, 2006-2012E (Rs mn)

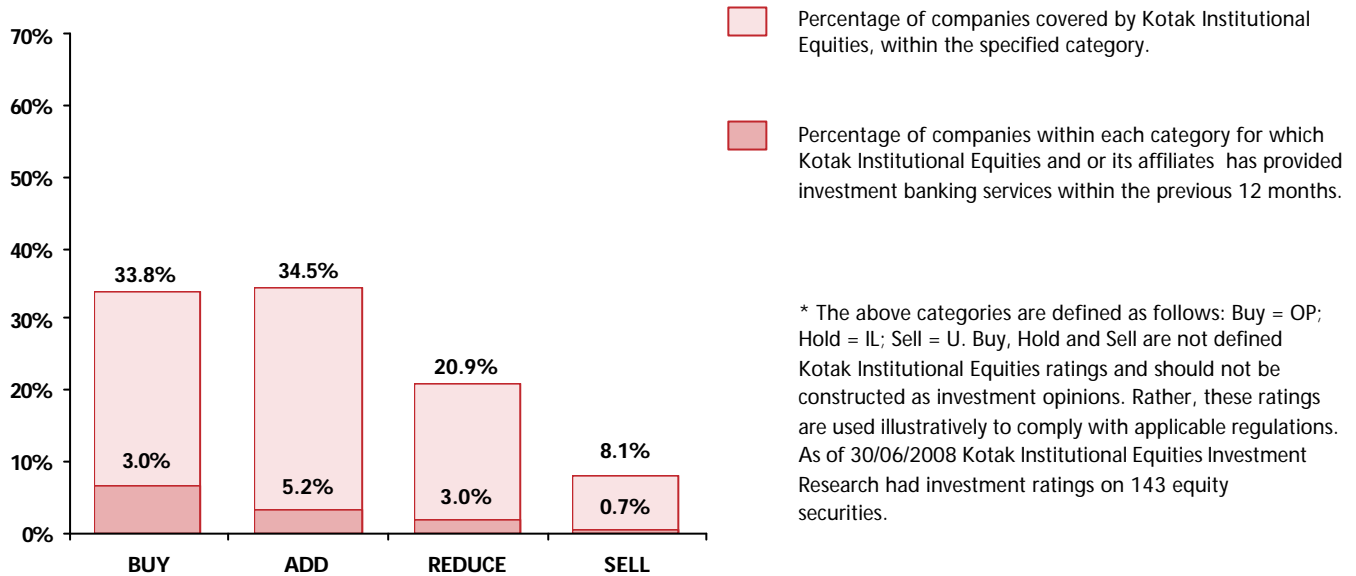
	2006	2007	2008	2009E	2010E	2011E	2012E
Profit model							
Net revenues	315	1,909	4,031	8,032	12,956	17,540	21,340
EBITDA	(830)	(1,852)	(2,248)	(1,700)	586	2,756	4,121
Other income	—	34	28	68	88	93	112
Interest (expense)/income	(17)	(118)	(469)	(623)	(608)	(808)	(783)
Depreciation	(18)	(565)	(1,480)	(2,088)	(2,778)	(3,183)	(2,868)
Amortization	(10)	(10)	(10)	(10)	(10)	(10)	(10)
Pretax profits	(875)	(2,511)	(4,180)	(4,354)	(2,722)	(1,152)	573
Extraordinary items	(1,203)	(5)	—	—	—	—	—
Tax	—	(3)	—	—	—	—	(65)
Deferred taxation	—	—	(6)	(27)	150	280	143
Net income	(2,078)	(2,519)	(4,186)	(4,380)	(2,572)	(872)	651
Earnings per share (Rs)	—	(5.9)	(9.8)	(8.2)	(4.0)	(1.4)	1.0
Balance sheet							
Total equity	1,915	(395)	(4,581)	(397)	(2,969)	(3,841)	(3,190)
Deferred taxation liability	—	—	6	32	(118)	(398)	(541)
Total borrowings	84	1,751	6,744	3,744	6,494	7,938	6,938
Current liabilities	1,820	8,596	8,415	9,552	9,171	9,300	10,324
Total liabilities and equity	3,819	9,952	10,584	12,932	12,578	12,998	13,530
Cash	59	113	9	1,243	706	1,380	1,353
Other current assets	1,528	2,271	1,236	1,005	1,382	1,851	2,274
Total fixed assets	1,067	6,107	7,888	9,243	9,060	8,347	8,493
Intangible assets	75	516	506	496	486	476	466
Investments	1,089	945	945	945	945	945	945
Total assets	3,819	9,952	10,584	12,932	12,578	12,998	13,530
Free cash flow							
Operating cash flow, excl. working capital	(850)	(1,814)	(2,717)	(2,323)	(22)	1,948	3,273
Working capital changes	599	3,507	854	1,368	(758)	(340)	601
Capital expenditure	(1,025)	(2,921)	(3,262)	(3,443)	(2,595)	(2,471)	(3,013)
Investments	185	(451)	—	—	—	—	—
Other income	3	5	28	68	88	93	112
Free cash flow	(1,088)	(1,674)	(5,097)	(4,331)	(3,287)	(770)	973
Ratios (%)							
Debt/equity	4.4	(443.6)	(147.2)	(943.9)	(218.8)	(206.7)	(217.5)
Net debt/equity	1.3	(414.9)	(147.0)	(630.6)	(195.0)	(170.7)	(175.1)
ROAE (%)	(217.0)	(331.3)	168.5	177.4	149.1	23.8	(16.3)
ROACE (%)	(89.6)	(283.2)	(210.8)	(135.3)	(58.9)	(7.3)	44.6

Source: Kotak Institutional Equities estimates.

"Each of the analysts named below hereby certifies that, with respect to each subject company and its securities for which the analyst is responsible in this report, (1) all of the views expressed in this report accurately reflect his or her personal views about the subject companies and securities, and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this report: Sanjeev Prasad."

Kotak Institutional Equities Research coverage universe

Distribution of ratings/investment banking relationships



Source: Kotak Institutional Equities.

As of June 30, 2008

Ratings and other definitions/identifiers

Rating system

Definitions of ratings

BUY. We expect this stock to outperform the BSE Sensex by 10% over the next 12 months.

ADD. We expect this stock to outperform the BSE Sensex by 0-10% over the next 12 months.

REDUCE: We expect this stock to underperform the BSE Sensex by 0-10% over the next 12 months.

SELL: We expect this stock to underperform the BSE Sensex by more than 10% over the next 12 months.

Our target price are also on 12-month horizon basis.

Other definitions

Coverage view. The coverage view represents each analyst's overall fundamental outlook on the Sector. The coverage view will consist of one of the following designations: Attractive (A), Neutral (N), Cautious (C).

Other ratings/identifiers

NR = Not Rated. The investment rating and target price, if any, have been suspended temporarily. Such suspension is in compliance with applicable regulation(s) and/or Kotak Securities policies in circumstances when Kotak Securities or its affiliates is acting in an advisory capacity in a merger or strategic transaction involving this company and in certain other circumstances.

CS = Coverage Suspended. Kotak Securities has suspended coverage of this company.

NC = Not Covered. Kotak Securities does not cover this company.

RS = Rating Suspended. Kotak Securities Research has suspended the investment rating and price target, if any, for this stock, because there is not a sufficient fundamental basis for determining 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.

**Corporate Office
Kotak Securities Ltd.**

Bakhtawar, 1st Floor
229, Nariman Point
Mumbai 400 021, India
Tel: +91-22-6634-1100

Overseas Offices**Kotak Mahindra (UK) Ltd.**

6th Floor, Portsoken House
155-157 The Minories
London EC 3N 1 LS
Tel: +44-20-7977-6900 / 6940

Kotak Mahindra Inc.

50 Main Street, Suite No.310
Westchester Financial Centre
White Plains, New York 10606
Tel: +1-914-997-6120

Copyright 2008 Kotak Institutional Equities (Kotak Securities Limited). All rights reserved.

Kotak Securities Limited and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group. We along with our affiliates are leading underwriter of securities and participants in virtually all securities trading markets in India. We and our affiliates have investment banking and other business relationships with a significant percentage of the companies covered by our Investment Research Department. Our research professionals provide important input into our investment banking and other business selection processes. Investors should assume that Kotak Securities Limited and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may participate in the solicitation of such business. Our research professionals are paid in part based on the profitability of Kotak Securities Limited, which include earnings from investment banking and other business. Kotak Securities Limited generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, Kotak Securities Limited generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

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. We are not soliciting any action based on this material. It is for the general information of clients of Kotak Securities Limited. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. Kotak Securities Limited does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment.

Certain transactions -including those involving futures, options, and other derivatives as well as non-investment-grade securities - give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavor to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so. We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. For the purpose of calculating whether Kotak Securities Limited and its affiliates holds beneficially owns or controls, including the right to vote for directors, 1% of more of the equity shares of the subject issuer of a research report, the holdings does not include accounts managed by Kotak Mahindra Mutual Fund. 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. 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 value of which are influenced by foreign currencies affectively assume currency risk. In addition options involve risks and are not suitable for all investors. Please ensure that you have read and understood the current derivatives risk disclosure document before entering into any derivative transactions.

This report has not been prepared by Kotak Mahindra Inc. (KMInc). However KMInc has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. Any reference to Kotak Securities Limited shall also be deemed to mean and include Kotak Mahindra Inc.

Kotak Securities Ltd.

Bakhtawar, 1st floor, 229 Nariman Point, Mumbai 400 021, India.

Tel: +91-22-6634-1100 Fax: +91-22-2288-6453