

February 5, 2007

FOR PRIVATE CIRCULATION

Equity

	2 Feb 07	% Chg		
		1 Day	1 Mth	3 Mths
Indian Indices				
Sensex	14,404	1.0	3.9	9.7
Nifty	4,184	1.1	5.0	9.9
Banking	7,406	(0.1)	3.5	13.9
IT	3,887	2.0	5.8	18.6
Healthcare	3,855	0.9	0.1	5.0
FMCG	1,920	0.3	2.4	(5.9)
PSU	6,348	(0.8)	3.3	3.7
CNX Midcap	5,347	0.3	2.6	9.7
World indices				
Nasdaq	2,475.9	0.3	1.7	6.2
Nikkei	17,547	0.2	1.7	6.3
Hangseng	20,564	0.7	2.1	10.0

Value traded (Rs cr)

	2 Feb 07	% Chg - 1 Day
Cash BSE	5,094	36.9
Cash NSE	10,258	27.7
Derivatives	29,389.8	(9.3)

Net inflows (Rs cr)

	1 Feb 07	% Chg	MTD	YTD
FII	NA	-	-	-
Mutual Fund	107.8	(261.0)	(70.2)	194.7

FII open interest (Rs cr)

	1 Feb 07	% chg
FII Index Futures	11,726.0	(4.2)
FII Index Options	5,891.5	4.2
FII Stock Futures	17,185.5	3.8
FII Stock Options	18.5	10.4

Advances/Declines (BSE)

2 Feb 07	A	B1	B2	Total	% Total
Advances	120	324	379	823	52
Declines	87	299	343	729	46
Unchanged	3	14	17	34	2

Commodity

	2 Feb 07	% Chg		
		1 Day	1 Mth	3 Mths
Crude (NYMEX) (US\$/BBL)	59.0	3.0	N.A.	2.0
Gold (US\$/OZ)	647.9	(1.4)	6.9	3.5
Silver (US\$/OZ)	13.4	(1.9)	10.2	6.5

Debt/forex market

	2 Feb 07	1 Day	1 Mth	3 Mths
10 yr G-Sec yield	7.70	N.A.	7.57	7.63
Re/US\$	44.10	44.10	44.31	44.90

Sensex


Source: Bloomberg

ECONOMY NEWS

- The Center is examining the possibility of withdrawal of the Banking Cash Transaction Tax in the forthcoming Budget. The review follows objections from several quarters, including state governments who have to withdraw large amounts for salary payments. (ET)
- The Competition Commission of India has recommended that Airports Economic Regulatory Authority should impose a cess on airline companies and airport operators. The Government is in the process of setting up AERA as an independent regulator for airports. (ET)
- The ministries of Commerce & Industry and Heavy Industries are in talks to allow 49% FDI for textiles machinery, leather equipment, automated machines in the construction sector, mining and computer numerically controlled machines. (ET)
- India may expand the list of items on which it will offer concessional imports to the Mercosur trading bloc (Brazil, Argentina, Uruguay, Paraguay, Chile and Bolivia) to 2,549, while also offering a 20% concession on basic import duty on items in this list. (BS)
- The CII has stressed on more fiscal reforms in the forthcoming Union Budget. The chamber has demanded exemption for the banks from collection of TDS as they face an inconvenience in the form of collecting TDS certificates. (BL)

CORPORATE NEWS

- **Reliance Energy**, the flagship power company of the Anil Dhirubhai Ambani Group is set to put in its bid for the global power assets of Globeleq, an operating power company with assets in Asia, Africa and the Americas. (ET)
- After **Ranbaxy** and **Cipla**, the next to join the race for Merck's generic business could be another domestic pharma major **Dr Reddy's**. Sources in **Sun Pharma** and **Wockhardt** said the companies were yet to take a decision on attempting a bid. (BS)
- **Infotech Enterprises** has set up a facility in Kakinada in Andhra Pradesh. The company has invested about Rs.30 mn for setting up workstations in the facility built by STPI. (ET)
- **Bharti Airtel** has moved the department of telecommunications stating that **BSNL** was not permitting private long-distance operators to terminate intra-circular mobile and fixed-line traffic on the PSUs network. (ET)
- **Tata Consultancy Services** said it has agreed to provide information technology consultancy services to Mumbai International Airport Pvt Ltd, for the Chhatrapati Shivaji International Airport in Mumbai. (BL)
- **Air Deccan**, which has the largest network in India covering 60 airports and operating more than 300 flights a day, may hive off its highly profitable ATR Turboprop aircraft operations into a separate company. (BS)
- The legal tussle between the **Wadia** group and French dairy giant Group Danone has taken a new turn, with the latter rebutting the Wadia group's claim that its 5% investment in Bangalore-based bio-nutritional firm Avesthagen violates Press Note 1. (BS)
- **Ranbaxy's** plan to launch the generic version of GlaxoSmithKline's Augmentin in the US in April 2007 has been challenged by the latter. (BS)
- **Hindujas** are finally starting the due diligence for **Hutchison Essar**. The group, which held 5.1% stake in HEL until June last year, has roped in three to four advisors for conducting due diligence. (ET)
- Kolkata headquartered **Emami** group plans to invest Rs.10 bn to set up hospitals across eastern India. (ET)

Source: ET = Economic Times, BS = Business Standard, FE = Financial Express, BL = Business Line, ToI: Times of India, BSE = Bombay Stock Exchange

FROM OUR RESEARCH TEAM

MARKET STRATEGY

Research Team

TWO-WHEELER AUTO SALES VOLUME

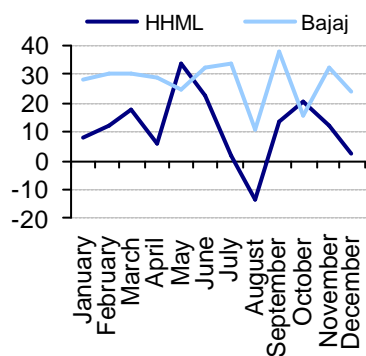
Two-wheeler sales for January saw strong sales volumes reported by the industry. While Hero Honda benefited from its new launches in the third quarter, Bajaj Auto also benefited from the market demand during the period. We expect the strong volume growth to continue in the fourth quarter, which has traditionally been one of the better quarters for auto companies.

Bajaj Auto: Bajaj recorded a growth of 12% in motorcycles on the back of strong demand for the Discover and Pulsar models. With increasingly stronger sales of the Bajaj Discover and Bajaj Pulsar DTS-i products, only 45% of Bajaj motorcycle sales now come from the commoditized 100 cc segment. The company is all set to introduce an all-new motorcycle platform in Q2FY08 with the dual objective of improving its market share and get higher margins.

Towards this end, Bajaj has now finalized product design and specification, and has scheduled pre-mass production trials in Q1FY08. Three-wheeler sales continue to be buoyant with a growth of 45% YoY. On the export front, Bajaj Auto clocked 119% rise in volumes (lower base) with sales of 39,812 units. The capacity is also being expanded to 300,000 units per month from April 2007 as the management expects growth of 25% in the next financial year. The Bajaj Kristal DTS-i, the first product from an all-new hi-tech scooter platform, is likely to be launched in the current month.

Hero Honda: Hero Honda has reported sales of 297,554 units during January 2007. We believe sales have been boosted by the launch of new variants in the third quarter. The management expects the double-digit volume growth to sustain in the quarter given the new launches and promotions. However, higher variants of bikes in the entry variant will only add to the company's margin woes. Besides, the company is also an official partner in the ICC world cup that should lead to higher marketing expenses.

Monthly sales growth yoy (%) - 2006



Source: Bloomberg

Volume trends - Two Wheelers

	Jan '07	Jan '06	yoy (%)	Apr-Jan'07	Apr-Jan'06	yoy(%)
Bajaj Auto						
Motorcycles	195,560	173,835	12	2,039,214	1,553,041	31
Total 2 Wheelers	197,553	181,758	9	2,056,194	1,660,280	24
3 Wheelers	32,030	22,019	45	269,228	201,387	34
Total	229,583	203,777	13	2,325,422	1,861,667	25
Exports (out of above)	39,812	18,168	119	365,540	194,933	88
HeroHonda						
Total	297,554	249,450	19	2,778,326	2,477,744	12
TVS Motors						
Motorcycles	69,634	69,279	1	781,729	656,368	19
Total 2 Wheelers	121,147	112,910	7	1,279,786	1,104,424	16

Source: Company

TVS Motors: Motorcycle sales for TVS Motors increased only 1% for the month clocking volumes of 69,634 units as compared with 69,279 units in January 2006. TVS Scooty recorded 20,534 units in January 2007 compared to 17,957 units in the same period last year recording a growth of 14%. On the export front, TVS Motor Co continued its good performance having exported 7,049 units in January 2007 (growth of 11%).

Valuation FY08

	CMP (Rs)	Sales (Rs bn)	Net profit (Rs bn)	EPS (Rs)	P/E (x)	Target (Rs)	Reco
Bajaj Auto	2778	117	14.6	145	19	3234	BUY
Hero Honda	716	112	10	50.5	14	706	HOLD
TVS Motors	75	44	1.4	6.2	12	81	HOLD

Source: Company & Kotak Securities - Private Client Research

SECTOR UPDATE

Vinay Goenka
vinay.goenka@kotak.com
+91 22 66341291

FOUR-WHEELER AUTO SALES VOLUME

Tata Motors: Tata Motors reported total sales of 55,440 vehicles (including exports) for January 2007, a growth of 19% over 46,635 vehicles sold in January last year. The company's sales of commercial vehicles in January 2007 in the domestic market were 28,896, an increase of 36% over 21,301 vehicles sold in January last year. In the domestic market, M&HCV sales stood at 17,097, a growth of 31% over January 2006, while LCV sales were 11,799, a growth of 44% over January 2006.

The passenger vehicle business reported impressive sales of 22,801 vehicles in the domestic market in January 2007, an increase of 10% over January '06. The sharp growth in passenger car sales can be attributed to the Indica, which sold 14,466 units, a growth of 14% over January 2005. In the utility segment, Sumo and Safari accounted for sales of 5128, a growth of 20% over January 2006. Going forward, it would be interesting to observe how Indica fares against the Diesel Swift that has been launched recently.

M&M: M&M auto sales in January grew strongly by 23% YoY and cumulative sales YTD for FY07 improved by 18% YoY. The company benefited from higher sales in the utility vehicles (23% increase) and the three-wheelers (19% increase) segments. In the farm equipment sector, the tractor segment reported 14% growth in the domestic market. M&M has posted 24% growth in the tractor segment for the year till date.

Volume Trends - Four Wheeler

	Jan '07	Jan'06	yoy (%)	Apr-Jan'07	Apr-Jan'06	yoy (%)
Tata Motors						
M&HCV	17,901	13,977	28	148,623	104,182	43
LCV	13,411	10,154	32	120,421	84,211	43
Utility	5,173	4,389	18	37,716	30,417	24
Cars	18,955	18,115	5	156,132	134,009	17
Total	55,440	46,635	19	462,892	352,819	31
M&M						
UVs	15,183	12,307	23	103,160	93,347	11
LCVs	815	536	52	6,902	5,768	20
3-Wheelers	3,134	2,629	19	27,011	17,912	51
Exports	743	351	112	6,787	4,461	52
Tractors - Domestic	8,014	7,021	14	81,501	65,695	24
Tractors - Exports	654	637	3	6,220	5,352	16
Total	28,543	23,481	22	231,581	192,535	20
MUL						
PCs	61,975	48,229	29	509,389	425,985	20
MUVs	273	297	-8	2,589	3,304	-22
Exports	3,093	1,583	95	28,175	28,242	0
Total	65,341	50,109	30	540,153	457,531	18

Source: Company

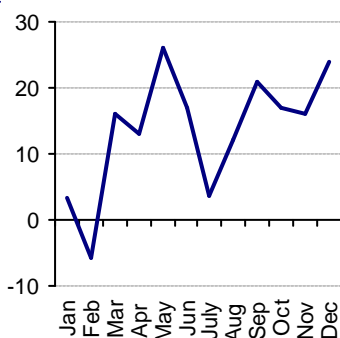
MUL: Domestic sales for Maruti in the passenger car segment rose 28.3% YoY while export volumes improved 95% YoY (low base), resulting in total sales growth of 30.4% YoY. Maruti's volume in the domestic A2 segment grew an impressive 41.8%, and by 40.8% in the C segment. We believe the company's sales in the A2 segment were bolstered by the launch of Zen Estilo during December. We expect the volume momentum to continue in the A2 segment especially after the launch of diesel Swift at an aggressive pricing.

Valuation FY08

	CMP (Rs)	Sales (Rs bn)	Net profit (Rs bn)	EPS (Rs)	P/E (x)	Target (Rs)	Reco
Tata Motors	910	305	22.5	56.1	16.2	936	HOLD
MUL	945	164	17.7	61	15	1085	BUY

Source: Company & Kotak Securities - Private Client Research

Monthly sales growth yoy (%) - 2006



Source: Bloomberg

RESULT UPDATE

Sanjeev Zarbade
sanjeev.zarbade@kotak.com
+91 22 6634 1258

CHAMPAGNE INDAGE LTD. (CIL)

(Rs 675, FY08 31.9x, HOLD)

Champagne Indage (CIL) has reported healthy third quarter results. Over the last quarter, the stock has outperformed its peers in the spirits business and is now richly valued. In view of this, we revise our rating to a **HOLD**.

Summary table

(Rs mn)	FY06	FY07E	FY08E
Sales	685.9	1227.2	2114.6
Growth (%)	89.5	78.9	72.3
EBIDTA	190.8	295.2	523.8
EBIDTA margin (%)	27.8	24.1	24.8
Net profit	108.0	202.1	312.2
EPS (Rs)	7.3	13.7	21.2
Growth (%)	86.9	87.0	54.5
DPS (Rs)	1.26	1.80	1.80
ROE (%)	18	16	18
ROCE (%)	20	15	20
EV/Sales (x)	15.01	8.39	4.87
EV/EBIDTA (x)	53.97	34.88	19.66
P/E (x)	92.22	49.31	31.91
P/BV (x)	8.21	4.23	4.30

Source: Company & Kotak Securities - Private Client Research

Quarterly performance

	Q3FY07	Q3FY06	% chg	9MFY07	9MFY06	% chg
Net Sales	412.1	238.7	72.6	748	429	74.4
Other Income	1.73	0	-	6	0	-
Total Income	413.83	238.7	73.4	754	429	75.7
Raw material costs	132.6	76.1	74.2	158	107	47.9
Staff costs	26.5	13.6	94.9	62	35	79.5
sales and admin	69	48.78	41.5	177	92	91.7
Other expenditure	77.8	45.36	71.5	173	87	99.8
Total Expenditure	305.9	183.84	66.4	570	320	78.0
PBIDT	106.2	54.86	93.6	178	109	64.0
Interest	12.66	7.37	71.8	29	30	-3.3
PBDT	95.27	47.49	100.6	155	79	96.9
Depreciation	4.48	2.53	77.1	12	7	60.5
PBT	90.79	44.96	101.9	143	71	100.6
Tax	17.17	6.95	147.1	28.00	10.70	161.7
Reported Profit After Tax	73.4	37.9	93.7	115.4	61	89.9
PBDIT %	25.8	23.0		23.8	25.3	
Taxrate	0.2					

Source: Company

Highlights

- **Strong revenue momentum:** Revenues for the quarter grew 73% YoY to Rs.412 mn. The company is expanding its capacity to cater to the robust industry growth. CIL's installed capacity is slated to go up from 5.8-mn liters per annum currently to 7.0-mn liters per annum by the end of FY07. CIL is also scouting for some acquisition opportunities in Himachal Pradesh. The management expects total capacity of 14 mn liters by the end of the current year after the units in Himachal Pradesh become operational in the coming months.
- **Margins expand in the quarter:** Margins for the quarter have shrunk significantly by 280 bps to 25.8%. Margin expansion is primarily on the back of higher absorption of selling, advertising and fixed expenses. The busy season for the wine industry is in the second half of fiscal. Typically, the second half accounts for as much as 70% of the sales. Hence, margins expanded even on a sequential basis. Depreciation has increased 77% YoY as the company is expanding its winemaking capacity.
- **Robust earnings growth continues:** CIL reported 94% increase in net profits in Q3 despite an increase in tax payouts.
- **Update on acquisition of Tandou:** CIL has announced the acquisition of entire wine business of Tandou a South Australian winemaking company. The winery has a capacity of 20000 tons or 27 mn liters of wine.

The cost of acquisition has not been disclosed. The management is not likely to make equity infusion for the said acquisition.

The net margin for the Australian winery is substantially lower at 8-9% as compared to 13-15% for CIL.

Through Tandou, CIL plans to launch the Australian wine in Indian market and the global market. It plans to position Champagne Indage as a global winemaker.

Valuation

Wine consumption in India is growing at a fast pace of 30% plus per annum and is expected to sustain the robust growth rate on account of higher disposable incomes enabling changes in lifestyles. CIL is in an advantageous position in this booming industry given its control over raw material resources, which is a key entry barrier. In view of this, we believe, CIL should continue to grow at a fast pace over the next four to five years timeframe.

CIL has outperformed its peers over the last quarter and has witnessed a steep re-rating. At the current price, the stock is trading at 49x and 32x FY07 and FY08 earnings, respectively. In view of this, we are revising our rating to a **HOLD**.

Bulk deals

Trade details of bulk deals					
Date	Scrip name	Name of client	Buy/ Sell	Quantity of shares	Avg. Price (Rs)
2-Feb	Autoind	Nirmal Bang Securities	B	125,761	277.46
2-Feb	Autoind	Latin Manharlal Sec	B	52,556	290.71
2-Feb	Baba Arts	Mafatlal P Shah	B	80,000	62.69
2-Feb	Balmer Lawri	Deutsche Securities Mauri	B	99,869	455.00
2-Feb	BF Utilities	T Rowe Price International	B	336,931	3,000.00
2-Feb	BF Utilities	KTMS Engineering Private	S	690,000	3,000.00
2-Feb	Champagn Ind	Crown Capital	B	147,353	680.00
2-Feb	Champagn Ind	CLSA Mauritius	B	88,000	680.00
2-Feb	Champagn Ind	ABN Amro Mutual Fund	S	235,353	680.00
2-Feb	Cummins Indi	ICICI Prudential Life Ins	B	1,492,497	275.00
2-Feb	Den So India	CLSA Mauritius Limited	B	220,737	92.00
2-Feb	Den So India	Templeton Mutual Fund	S	223,663	92.00
2-Feb	Flawle Diamo	Sunita Sethiya	S	87,500	110.92
2-Feb	Gitanjali Ge	Citigroup Global Markets	B	352,518	238.00
2-Feb	Gitanjali Ge	Goldman Sachs Investments	B	2,880,000	245.50
2-Feb	Gitanjali Ge	Prindhi Estates Private	S	471,063	245.49
2-Feb	Gitanjali Ge	Yuthika Commercial Privat	S	318,968	245.51
2-Feb	Gitanjali Ge	Admix Vinimay Pvt. Ltd.	S	364,492	245.50
2-Feb	Gitanjali Ge	Rajshah Enterprises Priva	S	302,260	245.50
2-Feb	Gitanjali Ge	Nilesh N Shah	S	469,547	240.71
2-Feb	Gitanjali Ge	Ashok Gajera	S	350,000	245.50
2-Feb	Goldston Tec	Savitri Minerals Pvt Ltd.	S	143,000	92.90
2-Feb	Gulsha Sug C	Mahendra S Vora	B	86,000	29.53
2-Feb	Igarashi Mot	JF India Fund Jfif	B	210,564	132.10
2-Feb	Igarashi Mot	Japan Trustee Service Ban	B	97,161	132.10
2-Feb	Igarashi Mot	JF India Equity	S	317,725	132.10
2-Feb	Iol Broadban	Deutsche Securities Mauri	B	126,000	344.49
2-Feb	Kew Industr	JMP Securities Pvt. Ltd.	S	107,329	51.35
2-Feb	Mohit Indust	Dharmendar J Madhani	B	60,000	67.76
2-Feb	Mohit Indust	Kumar Pravinbhai Chokshi	B	26,700	68.67
2-Feb	Mohit Indust	Bela Zaveri	S	51,000	69.70
2-Feb	Nectar Life	Alkem Laboratories Ltd	B	80,000	221.30
2-Feb	Patel Airtem	AMI Jignesh Shah	B	84,776	43.76
2-Feb	Patel Airtem	Himanshu Rawal	B	50,000	42.99
2-Feb	Patel Airtem	Pragnesh A Patel	B	45,000	42.11
2-Feb	Patel Airtem	Amrut Bhagwandas Patel	S	117,000	42.42
2-Feb	Patel Airtem	Babubhai Kanjibhai Patel	S	183,000	42.01
2-Feb	Radico Khait	Crown Capital Ltd	B	1,920,000	161.00
2-Feb	Radico Khait	Shailaja Finance Ltd	S	1,920,000	161.00
2-Feb	Riga Sugar C	Nikit Investment Pvt.Ltd.	B	26,000	49.79
2-Feb	Riga Sugar C	Anil Goyal	S	25,000	49.85
2-Feb	Savera Hotel	V U Caplease P Ltd.	B	40,000	79.96
2-Feb	Savera Hotel	Volga International Ltd	B	29,800	79.88
2-Feb	Savera Hotel	Raviraj Developers	S	42,873	80.00
2-Feb	Shree Ashta	Rajshah Enterprises Priva	S	66,533	321.75
2-Feb	Sumeet Indus	Master Finleas Ltd	B	100,000	25.27
2-Feb	Sumeet Indus	Avisha Credit Capital Ltd	B	226,550	25.28
2-Feb	Suryala Spin	Ravinder Reddy Nandi	S	73,180	50.29
2-Feb	Swan Mills	UBS Securities Asia Ltd.	B	1,238,000	89.05
2-Feb	Swan Mills	Sejal Gopalbhai Shah	S	497,530	89.48
2-Feb	Uniflex Cabe	Arena Textiles and Indust	B	100,000	42.47
2-Feb	Vimal Oil Fo	Geometric Sec and Adv Pvt	B	34,670	40.63
2-Feb	Vimal Oil Fo	Shree Dhoot Tdg and Agenc	B	100,000	40.73
2-Feb	Vimal Oil Fo	Pilot Consultants Ltd.	S	80,000	40.46
2-Feb	Worldw Le Ex	Yatin Shah	S	11,250	33.93
2-Feb	Zicom Ele Se	SBI Mutual Fund	B	311,080	195.00

Source: BSE

Gainers & Losers

Nifty Gainers & Losers

	Price (Rs)	% change	Index points	Volume (mn)
Gainers				
Bharti Airtel	771	5.3	14.8	2.5
Reliance Com	491	3.4	6.7	11.0
Wipro	643	3.3	6.0	1.5
Losers				
SBI	1,181	(1.8)	(2.3)	1.9
ONGC	906	(0.6)	(2.3)	0.8
ICICI Bank	945	(0.8)	(1.4)	1.7

Source: Bloomberg

Forthcoming events

COMPANY/MARKET

Date	Event
5-Feb	AirBus holds press conference; Idea Cellular holds press conference to announce IPO
5-9 Feb	Initial Public Offer of Indian Bank, C&C Constructions opens,
5-8 Feb	Initial Public Offer of Lawreshwar Polymers, SMS Pharmaceuticals opens
7-13 Feb	Initial Public Offer of Euro Ceramics opens
7-Feb	Patni Computer Systems to announce earnings and dividend
8-13 Feb	Initial Public Offer of Vijayeswari Textiles opens
8-Feb	Abott India to announce earnings and dividend
15-Feb	Hexaware Tech to announce earnings and dividend
16-Feb	ABB to announce earnings and dividend
20-Feb	HLL to announce earnings and dividend

Source: Bloomberg

Research Team

Name	Sector	Tel No	E-mail id
Dipen Shah	IT, Media, Telecom	+91 22 6634 1376	dipen.shah@kotak.com
Sanjeev Zarbade	Capital Goods, Engineering	+91 22 6634 1258	sanjeev.zarbade@kotak.com
Teena Virmani	Construction, Cement, Mid Cap	+91 22 6634 1237	teena.virmani@kotak.com
Awadhesh Garg	Pharmaceuticals	+91 22 6634 1406	awadhesh.garg@kotak.com
Apurva Doshi	Logistics, Textiles, Mid Cap	+91 22 6634 1366	doshi.apurva@kotak.com
Saurabh Gurnurkar	IT, Media, Telecom	+91 22 6634 1273	saurabh.gurnurkar@kotak.com
Vinay Goenka	Auto, Auto Ancillary, Sugar	+91 22 6634 1291	vinay.goenka@kotak.com
Saday Sinha	Economy, Banking	+91 22 6634 1440	saday.sinha@kotak.com
Lokendra Kumar	Oil & Gas	+91 22 6634 1540	lokendra.kumar@kotak.com
Shrikant Chouhan	Technical analyst	+91 22 6634 1439	shrikant.chouhan@kotak.com
Kaustav Ray	Editor	+91 22 6634 1223	kaustav.ray@kotak.com
K. Kathirvelu	Production	+91 22 6634 1557	k.kathirvelu@kotak.com

Disclaimer

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. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, target price of the Institutional Equities Research Group of Kotak Securities Limited.

We and our affiliates, officers, directors, and employees world wide 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 company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential conflict of interest with respect to any recommendation and related information and opinions.

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.

Registered Office: Kotak Securities Limited, Bakhtawar, 1st floor, 229 Nariman Point, Mumbai 400021 India.