

Nat Resources & Energy
Oil & Gas
 Equity – India

Underweight

Target price (INR)	800.00
Share price (INR)	849.25
Potential return (%)	-5.8

Note: Potential return equals the percentage difference between the current share price and the target price

Performance	1M	3M	12M
Absolute (%)	16.0	-4.1	-6.7
Relative ^A (%)	5.5	-7.2	-6.9

Index^A BOMBAY SE IDX

RIC RELI.BO
 Bloomberg RIL IN

Market cap (USDm) 56,529
 Market cap (INRm) 2,780,974

Enterprise value (INRm) 2,667,972
 Free float (%) 53

Note: (V) = volatile (please see disclosure appendix)

14 February 2012

Kumar Manish*

Analyst
 HSBC Securities and Capital Markets
 (India) Private Limited
 +91 22 22681238
 kmanish@hsbc.co.in

Puneet Gulati*

Analyst
 HSBC Securities and Capital Markets
 (India) Private Limited
 +91 22 2268 1235
 puneetgulati@hsbc.co.in

View HSBC Global Research at:
<http://www.research.hsbc.com>

*Employed by a non-US affiliate of HSBC Securities (USA) Inc, and is not registered/qualified pursuant to FINRA regulations

Issuer of report: HSBC Securities and Capital Markets (India) Private Limited

Disclaimer & Disclosures

This report must be read with the disclosures and the analyst certifications in the Disclosure appendix, and with the Disclaimer, which forms part of it

Reliance Industries (RIL IN)

Downgrade to UW: Buyback the only support

- ▶ **RIL's focus on its domestic market limits the potential for growth given the size of the company**
- ▶ **RIL shares have moved up c10% in the past few weeks in response to the buyback offer announced on 19 January**
- ▶ **In view of the recent stock run-up, we downgrade RIL to an UW (from N) but keep our TP unchanged at INR800**

Existing business under pressure: Reliance's existing upstream and downstream businesses are under pressure owing to falling gas production and a decrease in downstream margins. We anticipate the trend will continue near term. The recent net fair value reduction of its stake in the KG-D6 gas block by partner BP Plc (BP/ LN, 496p, OW) in its CY11 earnings release also confirms our view that gas production has been below expectation.

Benefits of new businesses not obvious. RIL has been diversifying into broadband, retail, financials and defence sectors, but is yet to spell out its strategy for the latter two; however, it has moved ahead with its retail and broadband foray. The outlook for these businesses, however, is not robust. The retail business has yet to turn profitable, while the broadband business requires significant infrastructure ramp-up. The experience with the rollout of 3G data services, a lead indicator for the success of RIL's broadband business, in our view, has been that it is yet to become popular from a mass-market perspective.

Gas production to continue declining for another year at least. We expect gas production to continue falling in the absence of any maintenance/workover. We further anticipate production ramp-up to kick in only in FY15, given the lead time required for data gathering, analysis, drilling and construction spread mobilisation. We believe the current production could reach as low as c30mmscmd before workover can arrest the decline with about 10-15mmscmd additional production from FY15 onward.

We expect another year of flat to poor earnings growth. Following the weak Q3FY12, we anticipate a flat to sequentially lower Q4FY12 as well, as detailed in our report "[Reliance Industries: Lacking a near-term trigger](#)", 12 January 2012. We forecast a c5% EPS decline in FY13, followed by EPS growth of 18% in FY14 as expansions kick in.

Valuation and risk. We continue to value RIL on the basis of the sum of its refining, petrochemical, E&P and other small businesses. We value refining and petrochemical on an average of 6x EV/EBITDA and 10x PE on FY14e earnings. E&P and other businesses like retail and broadband are valued on a DCF basis. The combined businesses give us an unchanged valuation of INR800/share, and we downgrade the stock to UW (from N). The near-term risk to our rating is the technical support emerging from the up-to INR104bn buyback at up to INR870/share.

Financials & valuation

Financial statements

Year to	03/2011a	03/2012e	03/2013e	03/2014e
Profit & loss summary (INRm)				
Revenue	2,658,106	3,370,706	3,395,034	3,033,668
EBITDA	380,436	347,461	335,997	407,934
Depreciation & amortisation	-141,208	-123,967	-131,211	-145,242
Operating profit/EBIT	239,228	223,495	204,786	262,693
Net interest	-24,107	-26,357	-29,822	-40,129
PBT	240,550	250,782	237,356	285,588
HSBC PBT	240,550	250,782	237,356	285,588
Taxation	-47,834	-50,570	-48,536	-63,401
Net profit	192,937	200,712	189,387	223,397
HSBC net profit	192,937	200,712	189,387	223,397

Cash flow summary (INRm)

Year to	03/2011a	03/2012e	03/2013e	03/2014e
Cash flow from operations	312,559	329,236	324,633	371,330
Capex	-268,758	136,506	-186,305	-202,688
Cash flow from investment	-353,597	136,367	-192,579	-222,092
Dividends	-27,719	-26,809	-26,809	-30,639
Change in net debt	32,525	-436,573	-103,285	-119,055
FCF equity	18,372	412,098	75,936	105,618

Balance sheet summary (INRm)

Year to	03/2011a	03/2012e	03/2013e	03/2014e
Intangible fixed assets	0	0	0	0
Tangible fixed assets	1,878,417	1,617,945	1,673,039	1,730,485
Current assets	980,796	1,423,412	1,599,080	1,721,352
Cash & others	301,390	762,642	935,002	1,103,656
Total assets	3,075,174	3,257,457	3,494,494	3,693,615
Operating liabilities	550,617	527,847	526,553	472,996
Gross debt	841,062	865,741	934,815	984,415
Net debt	539,672	103,099	-187	-119,241
Shareholders' funds	1,540,928	1,714,830	1,877,408	2,070,166
Invested capital	2,007,205	1,750,868	1,810,564	1,875,184

Ratio, growth and per share analysis

Year to	03/2011a	03/2012e	03/2013e	03/2014e
Y-o-y % change				
Revenue	30.5	26.8	0.7	-10.6
EBITDA	23.1	-8.7	-3.3	21.4
Operating profit	19.9	-6.6	-8.4	28.3
PBT	-16.1	4.3	-5.4	20.3
HSBC EPS	21.3	4.0	-5.6	18.0

Ratios (%)

Year to	03/2011a	03/2012e	03/2013e	03/2014e
Revenue/IC (x)	1.4	1.8	1.9	1.6
ROIC	9.8	9.5	9.1	11.1
ROE	13.1	12.3	10.5	11.3
ROA	7.5	7.0	6.3	7.1
EBITDA margin	14.3	10.3	9.9	13.4
Operating profit margin	9.0	6.6	6.0	8.7
EBITDA/net interest (x)	15.8	13.2	11.3	10.2
Net debt/equity	34.8	6.0	0.0	-5.7
Net debt/EBITDA (x)	1.4	0.3	0.0	-0.3
CF from operations/net debt	57.9	319.3		

Per share data (INR)

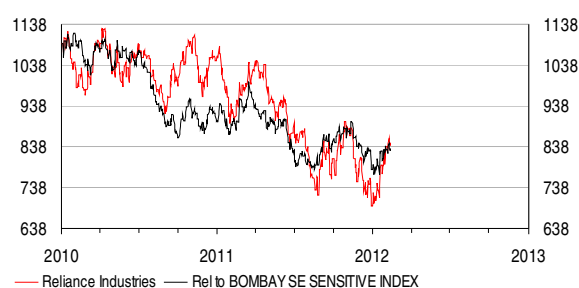
Year to	03/2011a	03/2012e	03/2013e	03/2014e
EPS reported (fully diluted)	58.94	61.32	57.86	68.25
HSBC EPS (fully diluted)	58.94	61.32	57.86	68.25
DPS	7.29	7.00	7.00	8.00
Book value	470.75	523.87	573.54	632.43

Valuation data

Year to	03/2011a	03/2012e	03/2013e	03/2014e
EV/sales	1.2	0.8	0.8	0.8
EV/EBITDA	8.2	7.7	7.6	5.9
EV/IC	1.5	1.5	1.4	1.3
PE*	14.4	13.9	14.7	12.4
P/Book value	1.8	1.6	1.5	1.3
FCF yield (%)	0.7	16.1	3.0	4.2
Dividend yield (%)	0.9	0.8	0.8	0.9

Note: * = Based on HSBC EPS (fully diluted)

Price relative



Source: HSBC

Note: price at close of 13 Feb 2012

Investment view

Reliance Industries (RIL) lost 20% of its market value following the weakening of its downstream margin, falling gas production, lack of visible progress on new businesses and lack of clarity on the deployment of cash. Gas production from the KGD6 block has fallen to c39mmscmd from its peak of 60mmscmd. We believe that the company will not be able to ramp up production before FY15, even with the requisite regulatory approvals, because of the lead time required for equipment and construction vessels. We earlier lowered our refining margin estimate from USD10/bbl to USD7-8/bbl for FY13/14 on the weak outlook. Similarly, we do not anticipate the petrochemical margin to improve near term given the weak demand outlook.

RIL has been growing its retail business steadily with about 1,100 stores in operation. However, the size of the business is much lower in comparison with RIL's other businesses. Additionally, the retail business continues to be loss making. An increasing number of outlets has not led to any significant reduction in per-outlet loss either. The retail business reported a net loss of INR241m in FY11 in its fifth year of operation.

RIL has also obtained a countrywide 4G broadband licence after paying a USD2.8bn licence fee in June 2010. The mobile devices and content are still at the pilot stage of development in India, and RIL has yet to tie up the relevant infrastructure. However, the 4G rollout could get a boost if the recently launched, budget tablet PC proves a popular mass-market product. In the meantime, the commercial rollout delay is costing RIL USD18m in interest cost each month. The experience with the rollout of 3G data services, a lead indicator for the success of RIL's broadband business, in our view, has been that it is yet to become popular from a mass-market perspective.

While most of the shale gas acquisitions were completed by September 2010, progress on production ramp-up has been slow, in part because of low gas prices in the US. RIL's investments in shale gas assets in the US have had mixed results. While the oil-bearing shales are ramping up well, the low gas price is affecting valuation adversely. Although we have very aggressive production growth estimates for the JVs, the impact on valuation does not appear to be meaningful and, more importantly, does not contribute meaningfully to RIL's earnings. We assign a value of INR14/share to these JVs, representing c2% of our target price.

Buyback to provide stock support near term. It is worthwhile noting that RIL's board has approved the buyback of up to 120m fully paid-up equity shares, at a price not exceeding INR870 per share, payable in cash, up to an aggregate amount not exceeding INR104.40bn from the open market through the stock exchange. This is likely to provide support to the stock price in the near term.

Valuation

Sum-of-the-parts valuation

Business	Methodology	Valuation (USDm)	Valuation (INRm)	Valuation (INR/sh)
Downstream businesses		32,012	1,557,367	523
Refining	PE & EV/EBITDA	14,691	714,727	240
Petrochemicals		16,853	842,639	283
Upstream business	DCF/reserve multiple	14,295	695,459	234
Non oil & gas business		2,874	139,844	47
Infocom	DCF	549	26,726	9
Other investments (including retail)	Book value/ DCF	2,325	113,119	38
Total valuation		49,181	2,392,670	804

Source: HSBC estimates

We value the upstream business on a DCF basis (WACC 10.7%, RFR 8.5%, ERP 5%, beta 1.13) for the producing blocks and on a reserve-multiple basis for the discovered blocks. We value RIL's downstream businesses using the average of 10x PE and 6x EV/EBITDA multiples on FY14e earnings, which is in line with regional peers. We also value the recent shale acquisitions, Pioneer and Atlas Energy, on a DCF basis. Under our research model, for stocks without a volatility indicator, the Neutral band is 5ppts above and below the hurdle rate for Indian stocks of 11%. Our target price implies a negative potential return of 5.8%, below the Neutral band; therefore, we downgrade our rating to Underweight, from Neutral. Potential return equals the percentage difference between the current share price and the target price, including the forecast dividend yield when indicated.

Sensitivity analysis and risks

Key upside risks to our rating and estimates are gas production volume and gross refining margin or petrochemical margin coming in ahead of our expectations. See our sensitivity analysis below.

Sensitivity of EPS and target price (INR)

	FY13e	FY14e	TP
USD1/bbl change in GRM	10%	8%	7%
USD 1/Mmbtu change in gas price	5%	4%	1%
USD 10/mmcmd change in gas production	2%	2%	2%
10% change in petchem margin	8%	7%	6%
INR1/USD change in exchange rate	2%	2%	1%

Source: HSBC estimates

Disclosure appendix

Analyst Certification

The following analyst(s), economist(s), and/or strategist(s) who is(are) primarily responsible for this report, certifies(y) that the opinion(s) on the subject security(ies) or issuer(s) and/or any other views or forecasts expressed herein accurately reflect their personal view(s) and that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report: Kumar Manish and Puneet Gulati

Important disclosures

Stock ratings and basis for financial analysis

HSBC believes that investors utilise various disciplines and investment horizons when making investment decisions, which depend largely on individual circumstances such as the investor's existing holdings, risk tolerance and other considerations. Given these differences, HSBC has two principal aims in its equity research: 1) to identify long-term investment opportunities based on particular themes or ideas that may affect the future earnings or cash flows of companies on a 12 month time horizon; and 2) from time to time to identify short-term investment opportunities that are derived from fundamental, quantitative, technical or event-driven techniques on a 0-3 month time horizon and which may differ from our long-term investment rating. HSBC has assigned ratings for its long-term investment opportunities as described below.

This report addresses only the long-term investment opportunities of the companies referred to in the report. As and when HSBC publishes a short-term trading idea the stocks to which these relate are identified on the website at www.hsbcnet.com/research. Details of these short-term investment opportunities can be found under the Reports section of this website.

HSBC believes an investor's decision to buy or sell a stock should depend on individual circumstances such as the investor's existing holdings and other considerations. Different securities firms use a variety of ratings terms as well as different rating systems to describe their recommendations. Investors should carefully read the definitions of the ratings used in each research report. In addition, because research reports contain more complete information concerning the analysts' views, investors should carefully read the entire research report and should not infer its contents from the rating. In any case, ratings should not be used or relied on in isolation as investment advice.

Rating definitions for long-term investment opportunities

Stock ratings

HSBC assigns ratings to its stocks in this sector on the following basis:

For each stock we set a required rate of return calculated from the cost of equity for that stock's domestic or, as appropriate, regional market established by our strategy team. The price target for a stock represents the value the analyst expects the stock to reach over our performance horizon. The performance horizon is 12 months. For a stock to be classified as Overweight, the potential return, which equals the percentage difference between the current share price and the target price, including the forecast dividend yield when indicated, must exceed the required return by at least 5 percentage points over the next 12 months (or 10 percentage points for a stock classified as Volatile*). For a stock to be classified as Underweight, the stock must be expected to underperform its required return by at least 5 percentage points over the next 12 months (or 10 percentage points for a stock classified as Volatile*). Stocks between these bands are classified as Neutral.

Our ratings are re-calibrated against these bands at the time of any 'material change' (initiation of coverage, change of volatility status or change in price target). Notwithstanding this, and although ratings are subject to ongoing management review, expected returns will be permitted to move outside the bands as a result of normal share price fluctuations without necessarily triggering a rating change.

*A stock will be classified as volatile if its historical volatility has exceeded 40%, if the stock has been listed for less than 12 months (unless it is in an industry or sector where volatility is low) or if the analyst expects significant volatility. However, stocks which we do not consider volatile may in fact also behave in such a way. Historical volatility is defined as the past month's average of the daily 365-day moving average volatilities. In order to avoid misleadingly frequent changes in rating, however, volatility has to move 2.5 percentage points past the 40% benchmark in either direction for a stock's status to change.

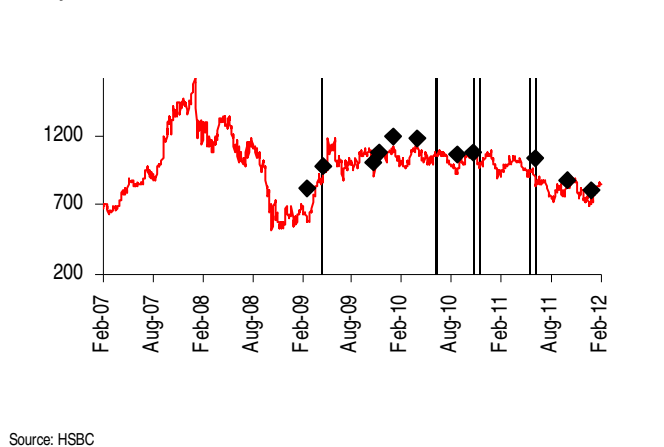
Rating distribution for long-term investment opportunities

As of 14 February 2012, the distribution of all ratings published is as follows:

Overweight (Buy)	52%	(26% of these provided with Investment Banking Services)
Neutral (Hold)	36%	(21% of these provided with Investment Banking Services)
Underweight (Sell)	12%	(15% of these provided with Investment Banking Services)

Share price and rating changes for long-term investment opportunities

Reliance Industries (RELI.BO) Share Price performance INR Vs HSBC rating history



Recommendation & price target history

From	To	Date
Overweight (V)	Neutral (V)	27 April 2009
Neutral (V)	Neutral	14 June 2010
Neutral	Underweight	31 October 2010
Underweight	Neutral	23 November 2010
Neutral	Overweight	26 May 2011
Overweight	Neutral	15 June 2011
Target Price	Value	Date
Price 1	820.00	02 March 2009
Price 2	972.50	27 April 2009
Price 3	1002.50	01 November 2009
Price 4	1075.00	23 November 2009
Price 5	1198.00	15 January 2010
Price 6	1186.00	07 April 2010
Price 7	1058.00	01 September 2010
Price 8	1084.00	31 October 2010
Price 9	1040.00	15 June 2011
Price 10	870.00	10 October 2011
Price 11	800.00	11 January 2012

Source: HSBC

HSBC & Analyst disclosures

Disclosure checklist

Company	Ticker	Recent price	Price Date	Disclosure
RELIANCE INDUSTRIES	RELI.BO	849.25	13-Feb-2012	2, 5, 6, 7, 11

Source: HSBC

- 1 HSBC* has managed or co-managed a public offering of securities for this company within the past 12 months.
- 2 HSBC expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
- 3 At the time of publication of this report, HSBC Securities (USA) Inc. is a Market Maker in securities issued by this company.
- 4 As of 31 January 2012 HSBC beneficially owned 1% or more of a class of common equity securities of this company.
- 5 As of 31 December 2011, this company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of investment banking services.
- 6 As of 31 December 2011, this company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of non-investment banking-securities related services.
- 7 As of 31 December 2011, this company was a client of HSBC or had during the preceding 12 month period been a client of and/or paid compensation to HSBC in respect of non-securities services.
- 8 A covering analyst/s has received compensation from this company in the past 12 months.
- 9 A covering analyst/s or a member of his/her household has a financial interest in the securities of this company, as detailed below.
- 10 A covering analyst/s or a member of his/her household is an officer, director or supervisory board member of this company, as detailed below.
- 11 At the time of publication of this report, HSBC is a non-US Market Maker in securities issued by this company and/or in securities in respect of this company

Analysts, economists, and strategists are paid in part by reference to the profitability of HSBC which includes investment banking revenues.

For disclosures in respect of any company mentioned in this report, please see the most recently published report on that company available at www.hsbcnet.com/research.

* HSBC Legal Entities are listed in the Disclaimer below.

Additional disclosures

- 1 This report is dated as at 14 February 2012.
- 2 All market data included in this report are dated as at close 13 February 2012, unless otherwise indicated in the report.
- 3 HSBC has procedures in place to identify and manage any potential conflicts of interest that arise in connection with its Research business. HSBC's analysts and its other staff who are involved in the preparation and dissemination of Research operate and have a management reporting line independent of HSBC's Investment Banking business. Information Barrier procedures are in place between the Investment Banking and Research businesses to ensure that any confidential and/or price sensitive information is handled in an appropriate manner.

Disclaimer

* Legal entities as at 04 March 2011

'UAE' HSBC Bank Middle East Limited, Dubai; 'HK' The Hongkong and Shanghai Banking Corporation Limited, Hong Kong; 'TW' HSBC Securities (Taiwan) Corporation Limited; 'CA' HSBC Securities (Canada) Inc, Toronto; HSBC Bank, Paris Branch; HSBC France; 'DE' HSBC Trinkaus & Burkhardt AG, Düsseldorf; 000 HSBC Bank (RR), Moscow; 'IN' HSBC Securities and Capital Markets (India) Private Limited, Mumbai; 'JP' HSBC Securities (Japan) Limited, Tokyo; 'EG' HSBC Securities Egypt SAE, Cairo; 'CN' HSBC Investment Bank Asia Limited, Beijing Representative Office; The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch; The Hongkong and Shanghai Banking Corporation Limited, Seoul Securities Branch; The Hongkong and Shanghai Banking Corporation Limited, Seoul Branch; HSBC Securities (South Africa) (Pty) Ltd, Johannesburg; 'GR' HSBC Securities SA, Athens; HSBC Bank plc, London, Madrid, Milan, Stockholm, Tel Aviv; 'US' HSBC Securities (USA) Inc, New York; HSBC Yatirim Menkul Degerler AS, Istanbul; HSBC México, SA, Institución de Banca Múltiple, Grupo Financiero HSBC; HSBC Bank Brasil SA – Banco Múltiple; HSBC Bank Australia Limited; HSBC Bank Argentina SA; HSBC Saudi Arabia Limited; The Hongkong and Shanghai Banking Corporation Limited, New Zealand Branch

Issuer of report

HSBC Securities and Capital Markets (India) Private Limited

Registered Office

52/60 Mahatma Gandhi Road

Fort, Mumbai 400 001, India

Telephone: +91 22 2267 4921

Fax: +91 22 2263 1983

Website: www.research.hsbc.com

This document has been issued by HSBC Securities and Capital Markets (India) Private Limited ("HSBC") for the information of its customers only. HSBC Securities and Capital Markets (India) Private Limited is regulated by the Securities and Exchange Board of India. If it is received by a customer of an affiliate of HSBC, its provision to the recipient is subject to the terms of business in place between the recipient and such affiliate. This document is not and should not be construed as an offer to sell or the solicitation of an offer to purchase or subscribe for any investment. HSBC has based this document on information obtained from sources it believes to be reliable but which it has not independently verified; HSBC makes no guarantee, representation or warranty and accepts no responsibility or liability as to its accuracy or completeness. Expressions of opinion are those of the Research Division of HSBC only and are subject to change without notice. HSBC and its affiliates and/or their officers, directors and employees may have positions in any securities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such securities (or investment). HSBC and its affiliates may act as market maker or have assumed an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis and may also perform or seek to perform investment banking or underwriting services for or relating to those companies and may also be represented in the supervisory board or any other committee of those companies. The information and opinions contained within the research reports are based upon publicly available information and rates of taxation applicable at the time of publication which are subject to change from time to time. Past performance is not necessarily a guide to future performance. The value of any investment or income may go down as well as up and you may not get back the full amount invested. Where an investment is denominated in a currency other than the local currency of the recipient of the research report, changes in the exchange rates may have an adverse effect on the value, price or income of that investment. In case of investments for which there is no recognised market it may be difficult for investors to sell their investments or to obtain reliable information about its value or the extent of the risk to which it is exposed.

HSBC Securities (USA) Inc. accepts responsibility for the content of this research report prepared by its non-US foreign affiliate. All U.S. persons receiving and/or accessing this report and wishing to effect transactions in any security discussed herein should do so with HSBC Securities (USA) Inc. in the United States and not with its non-US foreign affiliate, the issuer of this report.

In the UK this report may only be distributed to persons of a kind described in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. The protections afforded by the UK regulatory regime are available only to those dealing with a representative of HSBC Bank plc in the UK. In Singapore, this publication is distributed by The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch for the general information of institutional investors or other persons specified in Sections 274 and 304 of the Securities and Futures Act (Chapter 289) ("SFA") and accredited investors and other persons in accordance with the conditions specified in Sections 275 and 305 of the SFA. This publication is not a prospectus as defined in the SFA. It may not be further distributed in whole or in part for any purpose. The Hongkong and Shanghai Banking Corporation Limited Singapore Branch is regulated by the Monetary Authority of Singapore. Recipients in Singapore should contact a "Hongkong and Shanghai Banking Corporation Limited, Singapore Branch" representative in respect of any matters arising from, or in connection with this report. In Australia, this publication has been distributed by The Hongkong and Shanghai Banking Corporation Limited (ABN 65 117 925 970, AFSL 301737) for the general information of its "wholesale" customers (as defined in the Corporations Act 2001). Where distributed to retail customers, this research is distributed by HSBC Bank Australia Limited (AFSL No. 232595). These respective entities make no representations that the products or services mentioned in this document are available to persons in Australia or are necessarily suitable for any particular person or appropriate in accordance with local law. No consideration has been given to the particular investment objectives, financial situation or particular needs of any recipient. This publication is distributed in New Zealand by The Hongkong and Shanghai Banking Corporation Limited, New Zealand Branch.

In Japan, this publication has been distributed by HSBC Securities (Japan) Limited. In Hong Kong, this document has been distributed by The Hongkong and Shanghai Banking Corporation Limited in the conduct of its Hong Kong regulated business for the information of its institutional and professional customers; it is not intended for and should not be distributed to retail customers in Hong Kong. The Hongkong and Shanghai Banking Corporation Limited makes no representations that the products or services mentioned in this document are available to persons in Hong Kong or are necessarily suitable for any particular person or appropriate in accordance with local law. All inquiries by such recipients must be directed to The Hongkong and Shanghai Banking Corporation Limited. In Korea, this publication is distributed by The Hongkong and Shanghai Banking Corporation Limited, Seoul Securities Branch ("HBAP SLS") for the general information of professional investors specified in Article 9 of the Financial Investment Services and Capital Markets Act ("FSCMA"). This publication is not a prospectus as defined in the FSCMA. It may not be further distributed in whole or in part for any purpose. HBAP SLS is regulated by the Financial Services Commission and the Financial Supervisory Service of Korea.

© Copyright. HSBC Securities and Capital Markets (India) Private Limited 2012, ALL RIGHTS RESERVED. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of HSBC Securities and Capital Markets (India) Private Limited. MICA (P) 208/04/2011 and MICA (P) 040/04/2011