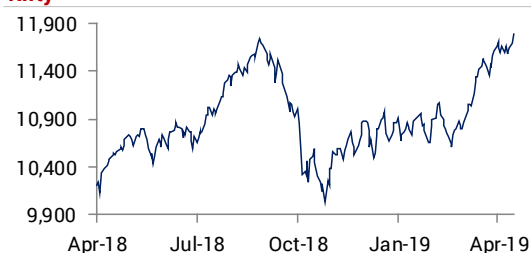


APRIL 18, 2019

	16-Apr	% Chg			
		1 Day	1 Mth	3 Mths	
Indian Indices					
SENSEX Index	39,276	1.0	3.3	8.1	
NIFTY Index	11,787	0.8	3.2	8.2	
NSEBANK Index	30,531	1.4	3.9	11.1	
NIFTY 500 Index	9,781	0.7	3.0	6.8	
CNXMcap Index	18,248	(0.0)	2.2	3.2	
BSESMCAP Index	15,172	0.4	2.3	3.5	
World Indices					
Dow Jones	26,450	(0.0)	2.1	7.1	
Nasdaq	7,996	(0.1)	3.7	11.7	
FTSE	7,471	0.0	2.4	7.2	
NIKKEI	22,278	0.3	2.7	7.3	
Hangseng	30,125	(0.0)	2.1	10.9	
Shanghai	3,263	0.3	5.3	25.6	
Value traded (Rs cr)					
	16-Apr	% Chg Day			
Cash BSE	3,208	23.4			
Cash NSE	35,902	18.3			
Derivatives	1,054,524	64.6			
Net inflows (Rs cr)					
	15-Apr	MTD	YTD		
FII	386	4,748	62,240		
Mutual Fund	561	(1,551)	119		
Nifty Gainers & Losers					
	16-Apr	Price (Rs)	Chg (%)	Vol (mn)	
Gainers					
Indusind Bank	1,815	3.8	2.6		
ICICI Bank	407	3.6	24.5		
Titan Co Ltd	1,120	2.7	2.1		
Losers					
Wipro	281	(2.4)	20.4		
Cipla	559	(1.2)	2.3		
Gail India Ltd	352	(0.7)	2.5		
Advances / Declines (BSE)					
16-Apr	A	B	T	Total	% total
Advances	258	441	53	752	100
Declines	199	520	56	775	103
Unchanged	4	35	11	50	7
Commodity					
	16-Apr	% Chg			
		1 Day	1 Mth	3 Mths	
Crude (US\$/BBL)	71.5	(0.2)	5.8	14.0	
Gold (US\$/OZ)	1,274.0	(0.2)	(2.4)	(0.7)	
Silver (US\$/OZ)	15.0	(0.1)	(2.6)	(2.5)	
Debt / Forex Market					
	16-Apr	1 Day	1 Mth	3 Mths	
10 yr G-Sec yield %	7.4	7.4	7.3	7.3	
Re/US\$	69.6	69.4	68.5	71.2	

Nifty



Source: Bloomberg

News Highlights

- ▶ The government has invited initial bids for selling its entire stake in Indian Medicines Pharmaceutical Corporation Ltd. IMPCL is engaged in manufacture and supply of 'ayurvedic' and 'unani' medicines and is under the Ministry of AYUSH. (ET)
- ▶ The corporate affairs ministry has withdrawn its directions restricting Limited Liability Partnerships (LLPs) from engaging in manufacturing activities. (Mint)
- ▶ Saudi Aramco is learned to be in "serious discussions" to acquire up to 25% in the refining and petrochemicals businesses of **Reliance Industries Ltd.** There might be an agreement on valuation around June this year, people with knowledge of the development said. (TOI)
- ▶ **Jet Airways (India) Ltd.** said it is compelled to cancel all its international and domestic flights with immediate effect as it has not received emergency funding from lenders or any other source. (Mint)
- ▶ **Wipro** approved a Rs105bn share buyback programme, its third in four years. (Mint)
- ▶ **SpiceJet** said it plans to expand its regional jet fleet to 32 aircraft by adding five more 90-seater Bombardier Q400s. (ET)
- ▶ **Reliance Industries** is in talks to buy centuries-old British toy retailer Hamleys as the company expands its presence in the consumer space, sources said. Currently, Reliance Industries' retail arm Reliance Retail has the licence to sell Hamleys' products in India. (ET)
- ▶ **NBCC Ltd** is likely to submit revised bid by April 25 for acquiring debt-ridden Jaypee Infratech and complete the housing projects. (Mint)
- ▶ A mix of strategic and financial investors have submitted expressions of interest to buy out loss-making **Kwality Dairy**, which is facing insolvency proceedings, two officials aware of the developments said. The bidders include TPG Capital, Aion affiliate Arcion Revitalisation, IndiaRF – a joint venture between Piramal Enterprises and Bain Capital Credit – Haldiram Snacks and JK Group's LVP Foods. (Mint)
- ▶ **Reliance Industries** and Piramal Group are among those that have been approached by Anil Ambani-controlled Reliance General Insurance for sale of up to 49% in the venture as the group seeks to cut debt, said people with knowledge of the development. (ET)
- ▶ **Quess Corp** is acquiring majority stake in Chennai-headquartered business solutions provider and listed enterprise Allsec Technologies in a transaction worth around Rs 2.7bn. (TOI)
- ▶ Max Life Insurance is discussing a large share sale with its biggest distributor **Axis Bank** even as regulatory opinion on the matter could make or break the deal, people directly aware of the matter said. (TOI)
- ▶ **Reliance Industries Ltd'** wholly owned subsidiary Reliance Ethane Holding Pte. Ltd is selling its fleet of six very large ethane carriers (VLECs) through an investment deal with Japanese shipping group Mitsui OSK Lines Ltd, RIL said. (Mint)

What's Inside

- ▶ **Initiating Coverage:** Himatsingka Seide Ltd

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

Initiating Coverage

HIMATSingka SEIDE LTD (HSL)

PRICE Rs.231

TARGET Rs.290

BUY

Stock Details

Market cap (Rs mn)	:	22744
52-wk Hi/Lo (Rs)	:	400 / 161
Face Value (Rs)	:	5
3M Avg. daily vol (nos)	:	173,484
Shares o/s (mn)	:	98

Source: Bloomberg

Financial Summary - Consolidated

Y/E Mar (Rs mn)	FY19E	FY20E	FY21E
Revenue	26,036	28,515	31,163
Growth (%)	15.8	9.5	9.3
EBITDA	5,664	6,552	7,336
EBITDA margin (%)	21.8	23.0	23.5
PAT	1,947	2,387	2,964
EPS	19.8	24.2	30.1
EPS Growth (%)	(3.4)	22.6	24.2
Book value (Rs/share)	141.6	162.4	188.2
Dividend per share (Rs)	2.8	3.5	4.3
ROE (%)	14.9	15.9	17.2
ROCE (%)	12.2	12.4	13.9
P/E (x)	11.7	9.5	7.7
P/BV (x)	1.6	1.4	1.2
EV/EBITDA (x)	8.4	7.2	6.0

Source: Company, Kotak Securities - PCG

Shareholding Pattern (%)

(%)	Mar-19	Dec-18	Jun-18
Promoters	47.6	47.6	47.6
FII	7.1	9.2	11.4
DII	13.6	13.6	12.1
Others	31.8	29.7	28.9

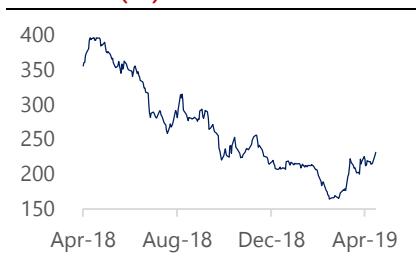
Source: Bloomberg, BSE

Price Performance (%)

(%)	1M	3M	6M
Himat Singka	6.4	9.1	(5.9)
Nifty	3.2	8.2	11.4

Source: Bloomberg

Price chart (Rs)



Source: Bloomberg

Himatsingka Seide Ltd (HSL) is a vertically integrated home textile player with manufacturing facilities in India and has retail and distribution businesses in North America, Europe and Asia. The company has adopted integrated business model with presence from farm to store. This results into cost efficiency and delivering quality products to its customers. HSL is focused on building a strong brand portfolio through owned and licensed brands contributing 75-80% of its revenue. It has license to manufacture, source and distribute home textiles brands such as Calvin Klein Home, Tommy Hilfiger Home, Barbara Barry, etc in major geographies such as North America, Europe, etc. Going forward, the company intends to add more brands as part of its long term growth strategy and enhancing its market share in branded home textiles segment. HSL is at the final stage of its capex with deleveraging going to be the core focus of the company. We expect company's sales, EBITDA and PAT to grow at a CAGR of 11.5%, 17.8% and 13.7% respectively with 360bps improvement in EBITDA margins in FY18-21E. We initiate coverage on the stock with BUY rating and target price of Rs 290, valued at 12x FY20E EPS.

Investment Rationale

- Integrated business model results in cost efficiency and delivering quality products.** HSL is vertically integrated home textiles player which designs, develops, manufactures, distributes and retails products for its global clientele. This helps the company to be cost efficient player and enables it to meet constantly changing consumer preferences without affecting quality. It has fully integrated facility with sheeting and processing capacity of 61 mn meters per annum (MMPA), ultra-fine cotton yarn manufacturing facility with capacity of 211,584 spindles, and also setting up terry towel facility with capacity of 25,000 tonnes per annum. Due to these benefits, the company has been able to scale up own sourcing from ~50% in FY16 to ~75% in FY19E.
- Focus on building strong portfolio of brands to increase market share.** HSL is focused on building a strong brand portfolio through owned and licensed brands contributing 75-80% of its revenue. With over 12 brands, the company has amongst the largest portfolio of home textiles brands with an annual revenue of over Rs 20 bn. These brands are sold through retail and distribution networks across North America, Europe and Asia. In beginning of FY19, it acquired exclusive license rights to Tommy Hilfiger Home brand (for North America), The Copper Fit Brand and other brands with consolidated annual revenue of approx USD 60-65 mn. Recently, it acquired exclusive licensing rights to home textiles brand 'Royal Velvet' for North America which has strong growth potential. Going forward, the company intends to add more brands as part of its long term growth strategy and enhancing its market share in branded home textiles segment.

Pankaj Kumar

pankajr.kumar@kotak.com

+91 22 6218 6434

- ❑ **DNA tagged cotton track and trace technology gives competitive edge.** HSL has emerged as a global leader in track and trace capabilities with regard to the cotton value chain. Tracking system monitors raw material from the farm to the store. Based on this, the company built exclusive cotton brands, namely, Pimacott, HomeGrown Cotton and Organicott. This will help it in catering to the client with products equipped with DNA-based tagging technology and gives HSL edge over most of its peers.
- ❑ **Focus on deleveraging with reduced working capital.** HSL is at the final stage of its Rs 13 bn capex planned since FY16. As the capex cycle is near its end, deleveraging would be the core focus of the company. Further, the company's strategy to consolidate home textiles portfolio and sweating new capacities of Terry towel would help it in achieving operating leverage and improving operating cash flows. We expect the company's net debt to equity to improve from 1.7x in FY19E to 1.1x in FY21E.

Financial Outlook

Going forward, top priority of the company is to consolidate its home textiles portfolio as well as sweating its new capacities in terry towel and bed linen. In addition, based on improved cash flows, the company will target to reduce its debt by reducing working capital. It will also look out for new strategic opportunities in terms of additions of brands.

We expect company's sales, EBITDA and PAT to grow at a CAGR of 11.5%, 17.8% and 13.7%, respectively with 360bps improvement in EBITDA margins in FY18-21E. This is based on 1) increased contribution from integration of new brands and licenses added by the company, 2) contribution from increased sheeting capacity, 3) revenue from towel facility, 4) contribution from all geographies and 5) benefits from recent incentives by the government for made-ups exports.

Valuation

Based on FY19E/FY20E/21E EPS of Rs 19.8/Rs 24.2/Rs 30.1, the stock is trading at PE of 11.7x/9.5x/7.7, respectively. We initiate coverage on the stock with BUY rating and target price of Rs 290. We have valued the stock at 12x FY20E EPS of Rs 24.2, which is close to its last five years average forward PE of 11.6x.

Risks and concerns

- ❑ Raw material price volatility
- ❑ Aggressive expansion
- ❑ Forex volatility risk
- ❑ Change in government policies towards exports benefits

Financials: Consolidated

Profit and Loss Statement (Rs mn)

(Year-end March)	FY18	FY19E	FY20E	FY21E
Revenues	22,491	26,036	28,515	31,163
% change yoy	5.2	15.8	9.5	9.3
EBITDA	4,486	5,664	6,552	7,336
% change yoy	18.8	26.3	15.7	12.0
Depreciation	719	1076	1383	1504
EBIT	3,766	4,588	5,169	5,832
Other Income	176	176	176	176
Interest	1,038	1,649	1,782	1,649
Profit Before Tax	2,905	3,115	3,563	4,359
% change yoy	21.4	7.2	14.4	22.3
Tax	888	1,168	1,176	1,395
as % of EBT	30.6	37.5	33.0	32.0
PAT	2,016	1,947	2,387	2,964
% change yoy	10.7	(3.4)	22.6	24.2
Shares outstanding (mn)	98.5	98.5	98.5	98.5
EPS (Rs)	20.5	19.8	24.2	30.1
DPS (Rs)	2.5	2.8	3.5	4.3
CEPS (Rs)	27.8	30.7	38.3	45.4
BVPS (Rs)	124.7	141.6	162.4	188.2

Source: Company, Kotak Securities – Private Client Research

Cash Flow Statement (Rs mn)

(Year-end March)	FY18	FY19E	FY20E	FY21E
Pre-Tax Profit	2,905	3,115	3,563	4,359
Depreciation	719	1,076	1,383	1,504
Change in WC	(3,289)	(2,579)	(692)	(262)
Other operating activities	1,917	(1,168)	(1,176)	(1,395)
Operating Cash Flow	2,252	445	3,078	4,206
Capex	(9,552)	(3,000)	(2,000)	(1,000)
Free Cash Flow	(7,300)	(2,555)	1,078	3,206
Change in Investments	(1,255)	(1,000)	-	-
Investment cash flow	(10,806)	(4,000)	(2,000)	(1,000)
Equity Raised	-	-	-	-
Debt Raised	8,479	4,500	(500)	(3,500)
Dividend & others	(414)	(278)	(341)	(423)
CF from Financing	8,065	4,222	(841)	(3,923)
Change in Cash	(489)	667	237	(717)
Opening Cash	1,836	1,347	2,014	2,251
Closing Cash	1,347	2,014	2,251	1,534

Source: Company, Kotak Securities – Private Client Research

Balance sheet (Rs mn)

(Year-end March)	FY18	FY19E	FY20E	FY21E
Paid - Up Equity Capital	492	492	492	492
Reserves	11,783	13,452	15,498	18,038
Net worth	12,275	13,944	15,990	18,531
Borrowings	22,552	27,052	26,552	23,052
Other net liabilities	910	910	910	910
Total Liabilities	35,738	41,906	43,452	42,493
Net block	16,210	16,133	18,072	18,068
Capital work in progress	322	2,322	1,000	500
Total fixed assets	16,532	18,455	19,072	18,568
Goodwill	6,144	6,144	6,144	6,144
Investments	1,256	2,256	2,256	2,256
Inventories	9,903	11,770	12,500	12,807
Sundry debtors	991	1,783	1,797	1,793
Cash and Bank balance	1,347	2,014	2,251	1,534
Loans and advances & Others	4,194	4,613	5,074	5,582
Total current assets	16,435	20,180	21,622	21,715
Sundry creditors and others	4,527	4,993	5,469	5,976
Provisions	338	371	409	449
Total CL & provisions	4,865	5,365	5,877	6,426
Net current assets	11,570	14,815	15,744	15,289
Net Deferred tax	235	235	235	235
Total Assets	35,738	41,906	43,452	42,493

Source: Company, Kotak Securities – Private Client Research

Ratio Analysis

(Year-end March)	FY18	FY19E	FY20E	FY21E
Profitability Ratios				
EBITDA margin (%)	19.9	21.8	23.0	23.5
EBIT margin (%)	16.7	17.6	18.1	18.7
Net profit margin (%)	9.0	7.5	8.4	9.5
Adjusted EPS growth (%)	10.7	(3.4)	22.6	24.2
Balance Sheet Ratios				
Receivables (days)	16	25	23	21
Inventory (days)	161	165	160	150
Loans & Advances	68	65	65	65
Payable (days)	73	70	70	70
Cash Conversion Cycle	171	185	178	166
Asset Turnover	0.7	0.6	0.7	0.8
Net Debt/ Equity	1.6	1.7	1.4	1.1
Return Ratios				
RoCE (%)	12.8	12.2	12.4	13.9
RoE (%)	17.6	14.9	15.9	17.2
Valuation Ratios				
P/E (x)	11.3	11.7	9.5	7.7
P/BV (x)	1.9	1.6	1.4	1.2
EV/EBITDA (x)	9.8	8.4	7.2	6.0
EV/Sales (x)	2.0	1.8	1.6	1.4

Source: Company, Kotak Securities – Private Client Research

RATING SCALE

Definitions of ratings

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

FUNDAMENTAL RESEARCH TEAM

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

TECHNICAL RESEARCH TEAM

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

DERIVATIVES RESEARCH TEAM

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

Disclosure/Disclaimer

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

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

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

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

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

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

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

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

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

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

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

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

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

Details of Associates are available on www.kotak.com

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

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

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

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

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

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

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

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

Kotak Securities Limited has financial interest in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No

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

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

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

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

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

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

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

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

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

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