

Dish TV

Refer to important disclosures at the end of this report

Faltered again

- Dish TV delivered a dismal performance in Q3FY19 with an ARPU decline of 3.4% qoq as well as weaker-than-expected subscriber additions.
- EBITDA margin at 34.1% (+20bps) qoq was the silver lining, led by cost savings. Debt restructuring has resulted in an 18% qoq fall in finance charges and the company aims to be debt free in the next two years.
- Management eluded from providing revenue guidance and also stated that the previous guidance of 7-8% top line growth for FY19 is unachievable now. However, it maintained 35% EBITDA margin guidance going forward, driven by cost synergies.
- Uncertainty sprouting from elevated debt levels at the promoter entity and pledged shares of group companies will continue to lend volatility to the stock price. Further, weak performance on subscriber additions and ARPU add to woes. Our structural call with risk on the sustained revenue growth and cash generation remains intact. We are putting our rating UNDER REVIEW due to above stated factors.

Dip in ARPU and weak subscriber additions lead to a weak quarter

Dish TV's reported consolidated revenues at Rs15.2bn were down 4.8% qoq in Q3FY19. Reported subscription revenues stood at Rs14.1bn, down 2.8% qoq. Dish added 0.14mn net subscribers (vs. 0.20mn estimates) vs. 0.20mn in the last quarter. Total net subscriber base stood at 23.6mn as of Q3FY19. EBITDA at Rs5.2bn was down 4.3% qoq and 7% below our estimates, impacted by weaker revenue growth. EBITDA margin at 34.1% was up +20bps qoq. Consolidated net profit totaled Rs1.6bn vs. Rs255mn in Q2FY19, aided by deferred tax.

Outlook

Management has attributed its weak Q3FY19 performance (ARPU dip and weak subscriber additions) to Dish TV's ahead of the mandated implementation of tariff order; however, it expects a trend reversal from February 2019. Airtel DTH, on the other hand, has been adding healthy subscribers from the last three quarters, outpacing Dish TV's additions. Further ARPU of Airtel was flat qoq in Q3FY19 vs. a 4% decline for Dish TV. In order to make its balance sheet leaner, the company is forgoing growth, in our view. Management continues to be oblivious of the threat from Jio, and has time and again stated that execution on the ground level for any fresh entrant remains a daunting task. Jio, after the acquisition of Hathway and DEN, will bring in bundled offerings on both broadband and traditional TV, which will make DTH players and other smaller MSOs incapable of competing on both - technology and financial viability side (i.e., to match disruptive pricing, if any). Incremental growth will get impacted in metros and urban towns initially as subscribers would want to switch to better technology and lower pricing/bundled offerings. In addition to that, ambiguity arising from promoters' elevated debt level and high levels of pledged shares will keep investor away for time being.

Financial Snapshot (Consolidated)

(Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
Revenue	30,144	46,342	63,106	65,920	70,674
EBITDA	9,684	13,160	21,552	22,829	25,358
EBITDA Margin (%)	32.1	28.4	34.2	34.6	35.9
APAT	924	(750)	2,545	2,526	5,139
EPS (Rs)	0.5	(0.4)	1.3	1.3	2.7
EPS (% chg)	(86.7)	(181.2)	0.0	(0.7)	103.4
ROE (%)	23.9	(2.1)	4.2	4.6	9.0
P/E (x)	59.4	(73.2)	21.6	21.7	10.7
EV/EBITDA (x)	6.5	6.1	4.0	3.3	2.4
P/BV (x)	14.0	0.8	1.0	1.0	0.9

Source: Company, Emkay Research

CMP	Target Price
Rs 29	NA
as of (February 8, 2019)	
Rating	Upside
UNDER REVIEW	NA

Change in Estimates

EPS Chg FY19E/FY20E (%)	-/-
Target Price change (%)	NA
Target Period (Months)	12
Previous Reco	SELL

Emkay vs Consensus

	EPS Estimates	
	FY19E	FY20E
Emkay	1.3	1.3
Consensus	1.0	1.7
Mean Consensus TP (12M)	Rs 40	

Stock Details

Bloomberg Code	DITV IN
Face Value (Rs)	1
Shares outstanding (mn)	1,841
52 Week H/L	82 / 19
M Cap (Rs bn/USD bn)	53 / 0.74
Daily Avg Volume (nos.)	174,66,150
Daily Avg Turnover (US\$ mn)	7.1

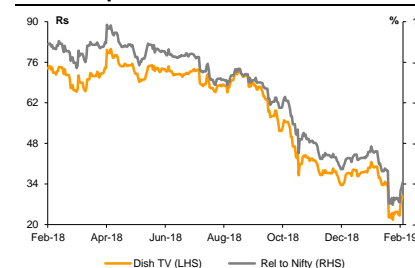
Shareholding Pattern Dec '18

Promoters	60.8%
FIIIs	12.7%
DIIIs	1.8%
Public and Others	24.7%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(31)	(33)	(58)	(62)
Rel. to Nifty	(33)	(36)	(57)	(64)

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

Naval Seth

 naval.seth@emkayglobal.com
 +91 22 6624 2414

Harsh Kundnani

 harsh.kundnani@emkayglobal.com
 +91 22 6624 2485

Exhibit 1: Actual vs Consensus estimates for Q2FY19

(Rs mn)	Actual	Estimate (Emkay)	Consensus estimate (Bloomberg)	% variation		Comment
				Emkay	Consensus	
Revenue	15,175	16,486	16,315	-8%	-7%	Impacted by lower-than-estimated ARPU and weak subs additions
EBITDA	5,176	5,593	5,381	-7%	-4%	Weak revenue performance resulted in EBITDA miss
EBITDA margin	34%	34%	33%	18 bps	113 bps	
PAT	1,617	283	267	471%	505%	

Source: Emkay Research, Company

Exhibit 2: Quarterly financials (yoy financials are not comparable as merger with Videocon became effective from Q4FY18)

Rs mn	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	YoY (%)	QoQ (%)	YTD'19	YTD'18	YoY (%)
Sales	16143	15324	16556	15943	15175	(6.0)	(4.8)	47,674	31,018	53.7
Programming and other costs	2450	5600	5670	5580	5129	109.3	(8.1)	16,379	7,500	118.4
as % of sales	15.2	36.5	34.2	35.0	33.8			34.4	24.2	
Employee Cost	673	669	577	626	604	(10.3)	(3.6)	1,807	1,428	26.6
as % of sales	4.2	4.4	3.5	3.9	4.0			3.8	4.6	
S&D expenses	1989	1960	1571	1238	1250	(37.2)	0.9	4,059	4,251	(4.5)
as % of sales	12.3	12.8	9.5	7.8	8.2			8.5	13.7	
Other operating expenses	6053	3089	3171	3093	3016	(50.2)	(2.5)	9,280	8,688	6.8
as % of sales	37.5	20.2	19.2	19.4	19.9			19.5	28.0	
Total Expenditure	11165	11317	10989	10537	9999	(10.4)	(5.1)	31525	21867	44.2
EBITDA	4978	4007	5568	5406	5176	4.0	(4.3)	16149	9151	76.5
Depreciation	3525	3471	3608	3675	3532	0.2	(3.9)	10,816	7,246	49.3
EBIT	1454	535	1959	1731	1644	13.1	(5.0)	5333	1905	179.9
Other Income	242	127	157	147	121	(49.9)	(17.4)	425	417	2.0
Interest	1434	1329	1775	1592	1300	(9.3)	(18.3)	4,667	2,634	77.2
PBT	261	-667	342	286	464	77.7	62.5	1092	-312	(449.6)
Tax	1944	-1849	87	89	-1063			-887	1,689	
PAT before minority interest	-1683	1182	255	197	1527	(190.7)	675.5	1979	-2001	(198.9)
Minority interest	-46	-30	-24	-58	-90			-171	-85	
RPAT	-1637	1213	279	255	1617	(198.7)	535.2	2150	-1916	(212.2)

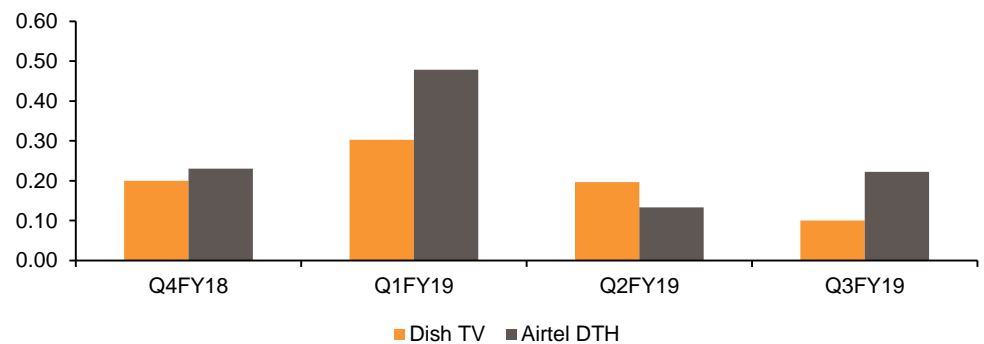
Margins (%)					(bps)	(bps)				
EBIDTA	30.8	26.1	33.6	33.9	34.1	327	20	33.9	29.5	437
EBIT	9.0	3.5	11.8	10.9	10.8	183	-2	11.2	6.1	504
EBT	1.6	(4.4)	2.1	1.8	3.1	144	127	2.3	(1.0)	330
PAT	(10.1)	7.9	1.7	1.6	10.7	2,080	906	4.2	(6.5)	1,060
Effective Tax rate	743.8	277.3	25.4	31.1	(228.8)	(97,259)	-25987	(81.3)	(540.9)	45,968

Source: Company, Emkay Research

Other highlights

- Reported consolidated revenue at Rs15.2bn was down 4.8% qoq. Reported subscription revenues stood at Rs14.1bn, down 2.8% qoq.
- EBITDA at Rs5.2bn was down 4.3% qoq and 7% below our estimates, impacted by weaker revenue growth. EBITDA margin stood at 34.1%, up +20bps qoq.
- Cost synergies were evident in Q3FY19, primarily due to cost synergies in the transponder costs, call-center expenses and programming costs.
- ARPU stood at Rs200 vs. Rs207 in Q2FY19.
- Dish added 0.14mn net subscribers (vs. 0.20mn estimates) vs. 0.20mn in the last quarter. Net subscriber base stood at 23.6mn at the end of Q3FY19.
- The company launched Dish SMRT Stick during Q3FY19 at an introductory price of Rs599. The device enables low-cost and modular access to internet-based services on Dish HD boxes. The product offers 10 curated channels and a premium subscription is expected to be sold for Rs49/month at the end of six months.

Exhibit 3: Net subscriber addition for Dish remains sub-par



Source: Company, Emkay Research

Exhibit 4: Estimate revision

Particulars	FY19E			FY20E		
	Old	New	% Change	Old	New	% Change
Revenue	65,722	63,106	-4.0%	70,577	65,920	-6.6%
EBITDA	22,374	21,552	-4%	24,802	22,829	-8%
EBITDA Margin %	34.0	34.2	11 bps	35.1	34.6	-51 bps
APAT	1,259	2,545	102.2%	3,671	2,526	-31.2%
EPS	0.7	1.3	102.2%	1.91	1.3	-31.2%

Source: Company, Emkay Research

High promoter pledging with falling stock price would be an ongoing concern

Exhibit 5: Dish TV's pledged shareholding trend

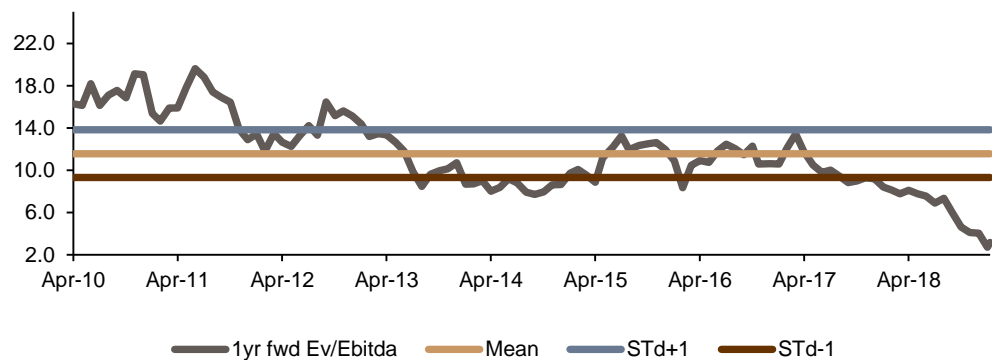
Company	No. of Shares pledged	Total no. shares held by promoters	Pledged as a % of shares held by promoters	No. of fully paid up equity shares	Pledged as a % of total shares
Dish TV					
Q3FY18	4138,70,338	6868,78,160	60%	10660,14,275	39%
Q4FY18	3839,59,038	5792,74,057	66%	18412,70,434	21%
Q1FY19	5075,12,006	6707,74,057	76%	18412,70,434	28%
Q2FY19	9392,31,858	11200,12,912	84%	18412,87,514	51%
Q3FY19	9189,95,720	1,12,00,12,912	82%	18412,87,514	50%

Source: Emkay Research

Conference Call highlights

- The month of December 2018 saw disruption as Dish TV had rolled out new tariff order and there was a delay in its implementation industry wide. The same led to fall and delay in recharges and slowdown in net adds. Disruption continued in January however net adds to reverse into positive trajectory from February onwards.
- The company aims to be debt free in the next two years. It generated Rs2.25bn in free cash flow during Q3FY19.
- Churn was at 1%/month
- Dish TV announced an investment of Rs30bn in its wholly-owned subsidiary, Dish Infra services Pvt Ltd, against outstanding receivables. The same will be converted into equity and is therefore, merely a book entry. No further investments will be made in Dish Infra services.
- ARPU stood at Rs200 for Q3FY19.
- Capex for Q3FY19 stood at Rs2.6bn, while Rs6.9bn in 9MFY19.
- About 17%-18% of subs are long term in nature (between 3-12 months)
- Gross debt totaled Rs24.5bn, with net debt at Rs20.5bn
- Guidance: EBITDA margin guidance of 35%, exit margins remain, while revenue guidance remains uncertain due to the mandated implementation of TRAI's new tariff order.

Exhibit 6: 1-year forward EV/EBITDA chart



Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
Revenue	30,144	46,342	63,106	65,920	70,674
Expenditure	20,460	33,181	41,554	43,091	45,316
EBITDA	9,684	13,160	21,552	22,829	25,358
Depreciation	6,908	10,717	14,476	15,532	16,909
EBIT	2,776	2,443	7,077	7,297	8,450
Other Income	615	542	565	560	640
Interest expenses	2,292	3,964	6,055	4,621	2,371
PBT	1,099	(979)	1,586	3,235	6,719
Tax	274	(130)	(762)	809	1,680
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	99	99	196	100	100
Reported Net Income	924	(750)	2,545	2,526	5,139
Adjusted PAT	924	(750)	2,545	2,526	5,139

Balance Sheet

Y/E Mar (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
Equity share capital	1,066	1,841	1,924	1,924	1,924
Reserves & surplus	2,865	65,362	51,766	53,331	57,507
Net worth	3,931	67,203	53,691	55,255	59,432
Minority Interest	0	0	0	0	0
Loan Funds	11,369	31,539	31,539	20,539	10,539
Net deferred tax liability	(5,117)	(6,027)	(7,277)	(8,277)	(9,277)
Total Liabilities	10,182	92,716	77,953	67,518	60,694
Net block	20,423	1,21,845	1,16,463	1,10,003	1,02,351
Investment	1,648	1,500	1,500	1,500	1,500
Current Assets	8,621	15,411	10,801	11,632	15,013
Cash & bank balance	2,922	5,630	972	1,259	3,901
Other Current Assets	14	307	418	436	468
Current liabilities & Provision	26,306	52,821	56,591	61,398	62,950
Net current assets	(17,685)	(37,410)	(45,791)	(49,766)	(47,937)
Misc. exp	0	0	0	0	0
Total Assets	10,182	92,716	77,953	67,518	60,694

Cash Flow

Y/E Mar (Rs mn)	FY17	FY18	FY19E	FY20E	FY21E
PBT (Ex-Other income) (NI+Dep)	1,098	(979)	1,586	3,235	6,719
Other Non-Cash items	0	0	0	0	0
Chg in working cap	2,455	22,433	3,723	4,263	812
Operating Cashflow	11,488	35,265	26,603	26,843	25,131
Capital expenditure	(8,387)	(1,13,124)	(8,094)	(9,072)	(8,256)
Free Cash Flow	3,102	(77,859)	18,509	17,771	16,875
Investments	672	148	0	0	0
Other Investing Cash Flow	0	0	0	0	0
Investing Cashflow	(7,714)	(1,12,975)	(8,094)	(9,072)	(8,256)
Equity Capital Raised	0	775	83	0	0
Loans Taken / (Repaid)	(944)	20,170	0	(11,000)	(10,000)
Dividend paid (incl tax)	0	0	(962)	(962)	(962)
Other Financing Cash Flow	(467)	63,437	(16,232)	(900)	(900)
Financing Cashflow	(3,703)	80,418	(23,167)	(17,483)	(14,233)
Net chg in cash	71	2,708	(4,658)	287	2,641
Opening cash position	2,852	2,922	5,630	972	1,259
Closing cash position	2,922	5,630	972	1,259	3,901

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY17	FY18	FY19E	FY20E	FY21E
EBITDA Margin	32.1	28.4	34.2	34.6	35.9
EBIT Margin	9.2	5.3	11.2	11.1	12.0
Effective Tax Rate	24.9	13.3	(48.1)	25.0	25.0
Net Margin	2.7	(1.8)	3.7	3.7	7.1
ROCE	30.9	5.8	9.0	10.8	14.2
ROE	23.9	(2.1)	4.2	4.6	9.0
RoIC	1,830.1	6.2	9.5	11.3	15.4

Per Share Data (Rs)	FY17	FY18	FY19E	FY20E	FY21E
EPS	0.5	(0.4)	1.3	1.3	2.7
CEPS	4.1	5.2	8.8	9.4	11.5
BVPS	2.0	34.9	27.9	28.7	30.9
DPS	0.0	0.0	0.0	0.0	0.0

Valuations (x)	FY17	FY18	FY19E	FY20E	FY21E
PER	59.4	(73.2)	21.6	21.7	10.7
P/CEPS	7.0	5.5	3.2	3.0	2.5
P/BV	14.0	0.8	1.0	1.0	0.9
EV / Sales	2.1	1.7	1.4	1.1	0.9
EV / EBITDA	6.5	6.1	4.0	3.3	2.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Gearing Ratio (x)	FY17	FY18	FY19E	FY20E	FY21E
Net Debt/ Equity	2.1	0.4	0.6	0.3	0.1
Net Debt/EBIDTA	0.9	2.0	1.4	0.8	0.3
Working Cap Cycle (days)	(249.5)	(339.0)	(270.5)	(282.5)	(267.7)

Growth (%)	FY17	FY18	FY19E	FY20E	FY21E
Revenue	(1.5)	53.7	36.2	4.5	7.2
EBITDA	(5.5)	35.9	63.8	5.9	11.1
EBIT	(36.1)	(12.0)	189.7	3.1	15.8
PAT	(86.7)	(181.2)	0.0	(0.7)	103.4

Quarterly (Rs mn)	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19
Revenue	16,143	15,324	16,556	15,943	15,175
EBITDA	4,978	4,007	5,568	5,406	5,176
EBITDA Margin (%)	30.8	26.1	33.6	33.9	34.1
PAT	(1,637)	1,213	279	255	1,617
EPS (Rs)	(1.5)	1.1	0.3	0.2	1.5

Source: Company, Emkay Research

Shareholding Pattern (%)	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Promoters	64.4	31.5	36.4	60.8	60.8
FIs	18.5	11.1	13.3	11.7	12.7
DIs	8.4	4.4	2.5	1.5	1.8
Public and Others	8.7	53.1	47.7	25.9	24.7

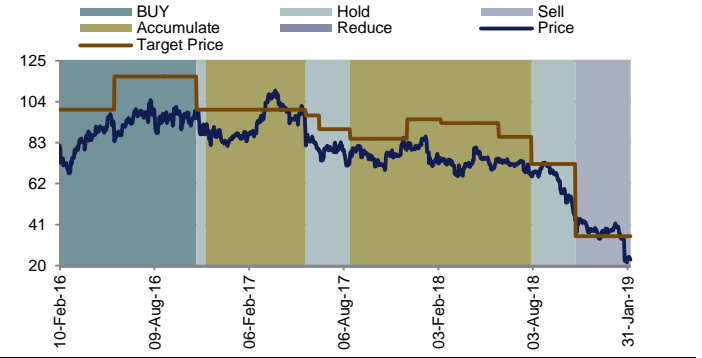
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
23-Oct-18	43	35	12m	Sell	Naval Seth
31-Jul-18	66	72	12m	Hold	Naval Seth
10-Jul-18	74	86	12m	Accumulate	Naval Seth
29-May-18	74	86	12m	Accumulate	Naval Seth
08-Feb-18	74	93	12m	Accumulate	Naval Seth
05-Dec-17	81	95	12m	Accumulate	Naval Seth
18-Aug-17	78	85	12m	Accumulate	Naval Seth
20-Jun-17	79	90	12m	Hold	Naval Seth
25-May-17	82	97	12m	Hold	Naval Seth
09-Mar-17	104	100	12m	Accumulate	Naval Seth
30-Jan-17	88	100	12m	Accumulate	Naval Seth
15-Nov-16	91	100	12m	Accumulate	Naval Seth
28-Oct-16	96	100	12m	Hold	Naval Seth
29-Jul-16	103	117	12m	Buy	Naval Seth
24-May-16	84	117	12m	Buy	Naval Seth
10-Feb-16	79	100	12m	Buy	Naval Seth

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Rating Distribution

BUY	Expected total return (%) (Stock price appreciation and dividend yield) of over 25% within the next 12-18 months.
ACCUMULATE	Expected total return (%) (Stock price appreciation and dividend yield) of over 10% within the next 12-18 months.
HOLD	Expected total return (%) (Stock price appreciation and dividend yield) of upto 10% within the next 12-18 months.
REDUCE	Expected total return (%) (Stock price depreciation) of upto (-) 10% within the next 12-18 months.
SELL	The stock is believed to underperform the broad market indices or its related universe within the next 12-18 months.

Completed Date: 09 Feb 2019 01:46:24 (SGT)

Dissemination Date: 09 Feb 2019 01:47:24 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. 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.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. 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 may be 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 including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject EGFSL or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.

- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

Disclaimer for U.S. persons only: This research report is a product of Emkay Global Financial Services Limited (Emkay), which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors.

GENERAL DISCLOSURE/DISCLAIMER BY DBS BANK LTD AS DISTRIBUTOR OF THE RESEARCH REPORT

This report is solely intended for the clients of DBS Bank Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies. Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report. This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that: (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein. Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets. Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of February 8, 2019
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
Disclosure of previous investment recommendation produced:
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of February 8, 2019.
5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the February 8, 2019
6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the February 8, 2019

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY DBS BANK LTD AS DISTRIBUTOR OF THE RESEARCH REPORT

1. DBS Bank Ltd., DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or their subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of 30 Apr 2018.
2. Neither DBS Bank Ltd nor DBS HK market makes in equity securities of the issuer(s) or company(ies) mentioned in this Research Report.

Compensation for investment banking services:

3. DBSVUSA, does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.

Disclosure of previous investment recommendation produced:

4. DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	This report is not for distribution into Australia.
Hong Kong	This report is not for distribution into Hong Kong.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is not for distribution into Malaysia.
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom. In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

SINGAPORE**DBS Bank Ltd**

Contact: Janice Chua
12 Marina Boulevard, Marina Bay Financial Centre Tower 3
Singapore 018982
Tel. 65-6878 8888
Fax: 65 65353 418
e-mail: equityresearch@dbs.com
Company Regn. No. 196800306E

THAILAND**DBS Vickers Securities (Thailand) Co Ltd**

Contact: Chanpen Sirithanarattanakul
989 Siam Piwat Tower Building,
9th, 14th-15th Floor
Rama 1 Road, Pathumwan,
Nagkok Thailand 10330
Tel. 66 2 857 7831
Fax: 66 2 658 1269
e-mail: research@th.dbs.com
Company Regn. No 0105539127012
Securities and Exchange Commission, Thailand

INDONESIA**PT DBS Vickers Sekuritas (Indonesia)**

Contact: Maynard Priajaya Arif
DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel. 62 21 3003 4900
Fax: 62 21 3003 4943
e-mail: research@id.dbsvickers.com



Naval Seth, MBA

naval.seth@emkayglobal.com

+91 22 6624 2414