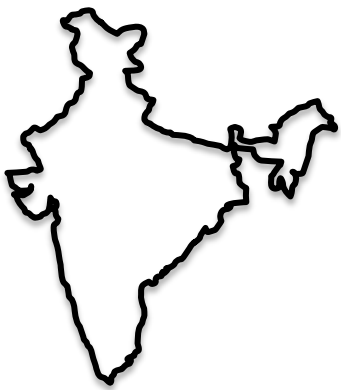


India

Special Situations Tracker



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Manjit S Kalha
(+91) 9810023768
mk@horizonresearchpartners.com

Anand Rawani
(+91) 9873887775
ar@horizonresearchpartners.com

-Please Refer To Important Disclosures On The Last Page Of This Report-

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HORIZON RESEARCH – PHILOSOPHY AND MISSION

Horizon Research operates to earn a superior return for our clients through the implementation of objective fundamental research. Our unique value investing-based research approach has proven that a careful understanding of financial information provides the key to a secure investment decision. We utilize value investing methodologies, based on the principles of Graham & Dodd, developed in the 1930's in the United States and further adapted and developed at the Columbia Business School. Our independent equity research is distributed to clients across Europe, the Middle East and Africa (EMEA), Asia and the US. We visit businesses, speak with managements and their competitors to understand industry dynamics and valuations. Our clients include various industry and investment oriented constituencies including Private Funds, Mutual Funds, Managed accounts and Institutional investors.

Our work is proprietary and bottom up. Our core research approach is based on event-driven value investing and is based on the extensive use of security analysis to carefully select stocks whose intrinsic value is significantly different from their value as implied by the public market. This method of analysis involves looking at businesses as a function of their assets and earnings power. We look at companies as if we were owners, and want to know everything that will impact our fundamental analysis. In this process, we do global sector analysis, assessing private market value, and identifying the catalyst in place to realize returns. We allocate capital based on valuations and catalysts. 'Private Market Value' (PMVTM) refers to a price an informed industrialist would pay for a business. Effectively, it is intrinsic value plus a strategic premium. Finally, we look for a catalyst: something happening in the company's industry or indigenous to the company itself that will help realize returns.

OUR INVESTMENT FOCUS LIST

Focus List NAV

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2016	17.6	16.5	17.4	19.2	18.2	18.6	19.2	19.4	19.8	20.4	19.7	19.4
2015	21.5	20.1	18.7	18.9	18.7	18.6	19.3	17.6	17.7	18.7	19.0	18.8
2014	15.6	15.2	15.7	16.2	16.0	18.1	19.1	18.9	18.8	19.6	20.3	20.2
2013	15.0	14.6	13.3	13.5	13.5	13.6	13.6	12.2	12.3	13.7	14.7	15.3

Return

- IRR since inception: 7.5%
- Absolute return since inception: 29.6%

Focus List (figures in INR million except per share data)

		Recommendation		Stock price*	In INR Billion		Recommendation				PMV	IRR (Targeted)	Event expected by	
Focus 7	Symbol	BUY/SELL	Date		Mkt cap	EV	Buy range		Sell range					
1	Claris Lifesciences	CLAR IN	BUY	12/30/16	320	17.5	19.9	315	325	600	610	612	73%	Dec-17
2	Radico Khaitan	RDCK IN	BUY	12/30/16	112	14.9	22.8	110	115	155	160	161	35%	Mar-18
3	United Breweries	UBBL IN	BUY	12/30/16	782	206.6	213.4	775	790	1,060	1,070	1,069	29%	Mar-18
4	Glaxosmithkline Consumer	SKB IN	BUY	12/30/16	4,997	210.2	183.0	4,900	5,100	6,700	6,800	6,794	29%	Mar-18
5	Jagran Prakashan	JAGP IN	BUY	12/30/16	180	58.7	61.2	175	185	225	230	231	23%	Dec-17
6	Chambal Fertilisers	CHMB IN	BUY	12/30/16	71	29.6	77.3	68	75	85	90	90	21%	Mar-18
7	KPIT Technologies	KPIT IN	BUY	12/30/16	134	26.8	25.3	130	140	160	165	164	18%	Mar-18

*Stock price in INR and as of December 30, 2016

Our Focus List constitutes 7 top ideas in the event driven universe that we monitor. The list is updated regularly based on opportunities. Please contact us to discuss our investment ideas.

Focus List: January Focus 1

Claris Lifesciences (INR 320 – CLAR IN)

Shares o/s: 54.6 mn PMV: INR 612

Catalyst: Dividend distribution

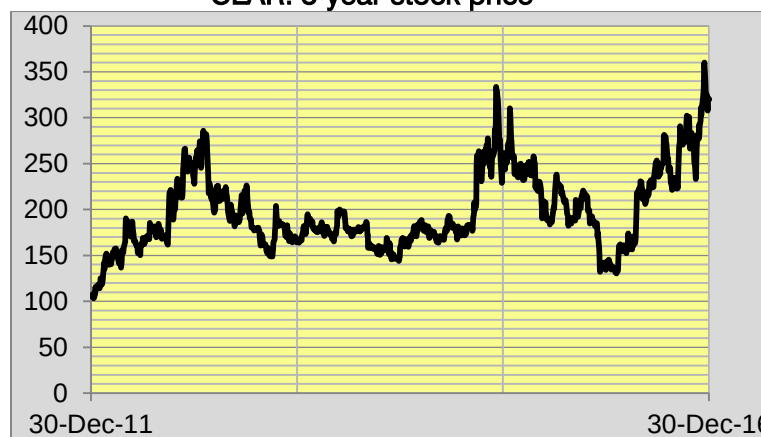
CLAR, based in Ahmedabad, India, is a speciality pharmaceuticals company that manufactures injectable formulations for therapeutic areas such as anaesthesia, anti-infectives, renal & transplant, oncology, etc.

On December 15, 2016, CLAR announced that they will sell their injectables segment for USD 625 million (~ INR 42.4 billion; INR/USD: 67.82) to Baxter International Inc. (BAX US). The deal implied a forward EV/EBITDA multiple of 19.8x. Approvals by CLAR shareholders, Foreign Investment Promotion Board of India (FIPB) and Federal Trade Commission, US are required for the deal to get consummated. On December 16, 2016, CLAR in a conference call with analysts announced a timeline of 4 to 6 months to get required approvals and complete the deal. A further 6 to 8 months will be required to distribute the proceeds to shareholders.

After the sale of injectable business there would be no other operating business left except a 20% stake in Claris Otsuka. Claris Otsuka represents CLAR's infusion business in which CLAR had sold 80% to Otsuka Pharmaceutical Factor and Mitsui & Co for an EV of INR 10.5 billion in December 2012. CLAR has a put option, which expires on September 2017, to sell their remaining 20% stake in the Infusion business. Management of CLAR has said that they would distribute most of the proceeds from sale of injectable business.

We recommend buying CLAR at the current share price of INR 320 as it trades at 48% discount to our FY17 PMV of INR 612. Our PMV represents estimated post tax cash available with CLAR for distribution after completion of the deal. The estimated annualised return from the position will vary from 53% to 91% depending on how cash received from BAX would be distributed to shareholders.

CLAR: 5 year stock price



Source: Horizon Research, BSE

Focus List: January Focus 2

Radico Khaitan (INR 112 – RDCK IN)

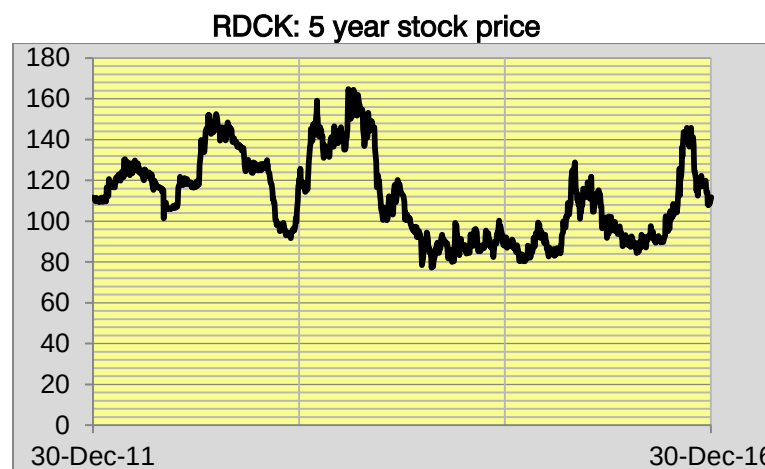
Shares o/s: 133 mn PMV: INR 161

Catalyst: Asset sale

RDCK manufactures and sells alcohol in two distinct market segments: Indian made foreign liquor (IMFL) and country liquor. On October 21, 2013, RDCK announced that they would transfer the IMFL segment into a newly created subsidiary. Subsequently, on October 22, 2013, the Times of India quoted Abhishek Khaitan, Managing Director and one of the majority shareholders of RDCK, as saying that RDCK has been approached by multiple strategic investors to acquire a stake in their IMFL segment and the objective of creating a separate subsidiary for transferring their IMFL segment is to sell a stake to a foreign partner.

The article also mentioned that Suntory Holdings (SUNTZ JP) was looking to acquire a stake in RDCK's IMFL segment. RDCK has been associated with Suntory since April 2011 when RDCK signed an agreement with Suntory to launch their super premium whisky brands in India (the two whiskey brands — Yamazaki 12 YO single malt whiskey and Hibiki 17 YO blended whiskey). The sale of a stake in the IMFL segment will act as a long term catalyst that will assist in surfacing the underlying value of the RDCK.

RDCK has an EV of INR 22.8 billion and trades at 10.1x FY18E EBITDA of INR 2.3 billion. We recommend buying RDCK at the current share price of INR 112 as RDCK trades at a 31% discount to our FY18 PMV of INR 161. We have applied an EV/EBITDA multiple of 13x, which is lower than the EV/EBITDA multiple of 18.7x that Diageo (DEO US) paid to acquire a 25% stake in United Spirits (UNSP IN) in 2013. We apply a lower multiple for RDCK due to its smaller market share as compared to UNSP (RDCK sold 20 million cases compared to UNSP's 137 million cases in FY13) and lower margins in the country liquor segment. RDCK does not report revenue and EBITDA of IMFL and country liquor segment separately. RDCK's median EV/EBITDA multiple is ~ 14.6x.



Source: Horizon Research, BSE

Focus List: January Focus 3

United Breweries (INR 782 – UBBL IN)

Shares o/s: 264.4 mn PMV: INR 1,069

Catalyst: MBI

UBBL is the only listed brewery in India and possesses a ~53% market share in the Indian beer industry. The majority shareholder of UBBL, UB group owned by Vijay Mallya, has defaulted on debt obligations of Kingfisher Airlines (KAIR IN) (another UB group company). To recover their debt UB group lenders have in the past, and, still continue to sell shares of UBBL in the stock market (UBBL shares were pledged by UB group to secure KAIR debt). Heineken International BV (HEIA NA), the other majority shareholder of UBBL, has been purchasing UBBL shares from these lenders.

On December 10, 2013, HEIA purchased 3.7 million UBBL shares (1.4% of shares outstanding) from Citicorp Finance at INR 773 per share (implied EV/EBITDA multiple 36.7x FY14 EBITDA of INR 5.9 billion). On August 21, 2014, HEIA acquired 0.3 million UBBL shares (0.1% of shares outstanding) from Yes Bank (YES IN) at INR 726 (implied EV/EBITDA multiple 33.1x FY15 EBITDA of INR 6.1 billion). On July 7, 2015, HEIA acquired United Spirits' (UNSP IN) entire 3.2% stake in UBBL for INR 8.7 billion (INR 1,027 per share; implied EV: INR 282.4 billion and 39.2x FY16E EBITDA of INR 7.2 billion). On March 23, 2016, HEIA acquired 2.1 million UBBL shares (0.8% of shares outstanding) from ECL Finance at INR 846 per share (implied EV/EBITDA multiple 38.0x FY15 EBITDA of INR 6.1 billion).

As of December 31, 2016, HEIA owns 115.6 million shares (43.7% of shares outstanding) of UBBL. On August 25, 2015, Reuters reported that HEIA is seeking to raise their stake and gain full management control. UB group owns 79.7 million shares (30.2% of shares outstanding) of UBBL as of December 31, 2016. Of the 79.7 million shares 36.6 million shares (13.8% of shares outstanding) of UBBL are pledged. Sale of UBBL's pledged shares by lenders may precipitate an MBI by HEIA, which will act as a long term catalyst that will assist in surfacing the underlying value of UBBL.

UBBL has an EV of INR 213.4 billion and trades at 25.8x FY18 EBITDA of INR 8.3 billion. We recommend buying UBBL at the current share price of INR 782 as UBBL trades at 27% discount to our FY18 PMV of INR 1,069 (applying an EV/EBITDA multiple of 35x based on the average EV/EBITDA multiple paid by HEIA to acquire a pledged UBBL shares).

UBBL: 5 year stock price



Source: Horizon Research, BSE

Focus List: January Focus 4

Glaxosmithkline Consumer (INR 4,997 – SKB IN)

Shares o/s: 42.1 mn PMV: INR 6,794

Catalyst: MBI

SKB is a manufacturer of health drinks. SKB's health drink brands include Horlicks, Boost, Maltova and Viva. In addition to their health drinks, SKB sells several over the counter products such as Iodex (pain relief balm), Crocin (pain relief tablet and syrup), Eno (anti-acidity). SKB has also developed vending machines of Boost and Horlicks that have been placed in corporates, schools and hospitals.

On November 26, 2012, GlaxoSmithKline plc (GSK US) made a voluntary tender offer to acquire 13.4 million shares (31.8% of 42.1 million shares outstanding) of SKB at INR 3,900 per share. The offer price was 28% higher than the prevailing share price of ~INR 3,043 on November 23, 2012. At the tender offer price of INR 3,900 per share SKB was valued at an EV of INR 153 billion or 30.3x 2011 EBITDA of INR 5 billion and 46.2x 2011 EPS of INR 84.5. A total 12.3 million shares were acquired in the tender offer and GSK's stake in SKB increased from 43.2% (December 2012) to 72.5% (or 30.5 million of 42.1 million shares outstanding).

Currently, SKB has an EV of INR 183.0 billion and trades at 21.2x FY18E EBITDA of 8.6 billion. The current EV/EBITDA multiple of SKB is ~30% lower than that was paid by GSK in 2012 to increase their stake. SKB's EV/EBITDA multiple is also ~30% lower than the median trading EV/EBITDA multiple (30x) of comparable Indian FMCG companies.

A significantly lower valuation multiple of SKB may induce GSK to further increase their stake in SKB. This will act as a long term catalyst and will help surface the underlying value of SKB. We recommend buying SKB at the current share price of INR 4,997 as it trades at a 26% discount to our FY18 PMV of INR 6,794. We have applied a 30x EV/EBITDA multiple, which is based on the median trading EV/EBITDA multiple of comparable Indian FMCG companies and EV/EBITDA multiple paid by GSK to increase their stake in SKB in 2012.



Source: Horizon Research, BSE

Focus List: January Focus 5

Jagran Prakashan (INR 180 – JAGP IN)

Shares o/s: 326.9 mn PMV: INR 231

Catalyst: Demerger/IPO

JAGP is an Indian media company with presence in print, electronic and digital media. *Dainik Jagran*, a Hindi daily published by JAGP, is the second largest Hindi newspaper in India by circulation and is the most read newspaper in the country.

On November 28, 2016, JAGP announced that their subsidiary, Music Broadcast, filed draft prospectus with SEBI for an initial public offering. Music Broadcast will be raising INR 4 billion through fresh issue of shares. Music Broadcast had INR 2.8 billion of revenue and INR 917.6 million of EBITDA with EBITDA margin of 39.5% in FY16. On January 5, 2017, JAGP announced that the Board of Directors of the company approved repurchasing 15.5 million shares representing 4.7% of 326.9 million shares outstanding at INR 195 per share. At the repurchase price of INR 195, JAGP is valued at an EV of INR 66.2 billion or 9.7x FY18E EBITDA of INR 6.8 billion. IPO of Music Broadcast will act as a long term catalyst that will assist in surfacing the underlying value of JAGP.

JAGP has an EV of INR 61.2 billion and trades at 9.0x FY18E EBITDA of INR 6.8 billion. We recommend buying JAGP at the current share price of INR 180 as it trades at a 22% discount to our FY18 PMV of INR 231 (Table 1).

Table 1:

PMV analysis (FY18)

Segment	Segment value (INR Mn)	Segment value/share (INR)	Basis
Radio	15,743	48	Note A
Print	62,343	191	Note B
Net debt	2,466	8	To be deducted

Note A: EV/EBITDA multiple of 14x, slightly higher than the median transaction EV/EBITDA multiple of 10.9x of global radio companies. Note B: The median trading EV/EBITDA multiple of newspaper and magazine publishing companies in India is 11x

JAGP: 5 year stock price



Source: Horizon Research, BSE

Focus List: January Focus 6

Chambal Fertilisers & Chemicals (INR 71 – CHMB IN) Shares o/s: 416.2 mn PMV: INR 90 Catalyst: Asset sale
CHMB, promoted by the Zuari group (ZUAR IN and ZUAC IN), is one of the largest private sector fertilizer producers in India. CHMB's two hi-tech nitrogenous fertiliser (urea) plants are located at Kota, Rajasthan and produce ~ 2 million MT of urea per year. CHMB also runs a small shipping line.

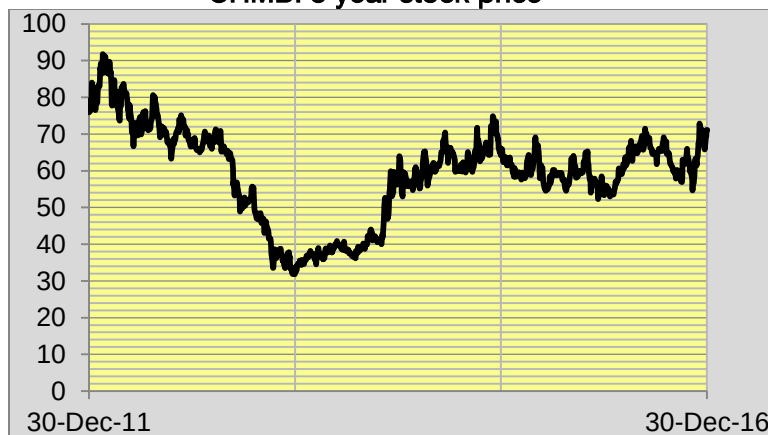
On December 22, 2015, CHMB announced that their Board of Directors approved selling the shipping segment. CHMB decided to exit the shipping business after having made an assesment of the long-term shipping industry outlook and to meet the requirement of funds for a new ammonia-urea project, proposed to be set up in Rajasthan. On April 19, 2016, CHMB announced that they sold one ship (of the six that they own) to Sumire Navigation Co. for USD 22.5 million. The sale of shipping segment is likely to act as a long term catalyst that will help surface underlying value of CHMB. CHMB has an EV of INR 77.3 billion and trades at 7.6x FY18E EBITDA of INR 10.2 billion. We recommend buying CHMB at the current share price of INR 71 as CHMB trades at a 21% discount to our 2018 PMV of INR 90 (Table 2).

Table 2:

PMV analysis (FY18)			
Segment	Segment value (INR Mn)	Segment value/share (INR)	Basis
Fertilisers	57,688	139	Note A
Phosphoric acid	2,795	7	Note B
Shipping	18,049	43	Note C
Software & others	2,839	7	Note D
Corporate & others	-3,145	-8	
Net debt	38,812	93	To be deducted
Minority	1,864	4	To be deducted

Note A: A median trading forward EV/EBITDA multiple of fertilizer companies globally; Note B: 7.5x EV/EBITDA multiple paid by Tata Chemicals (BSE:500770) in March 2005 to acquire a 33% stake in Indo Maroc Phosphore SA from Chambal Fertilizers and Chemicals; Note C: Based on NAV of GE Shipping (GESCO IN), a close competitor in shipping business.; Note D: 1x EV/revenue multiple: This segment is too small and incurring losses.

CHMB: 5 year stock price



Source: Horizon Research, BSE

Focus List: January Focus 7

KPIT Technologies (INR 134 – KPIT IN)

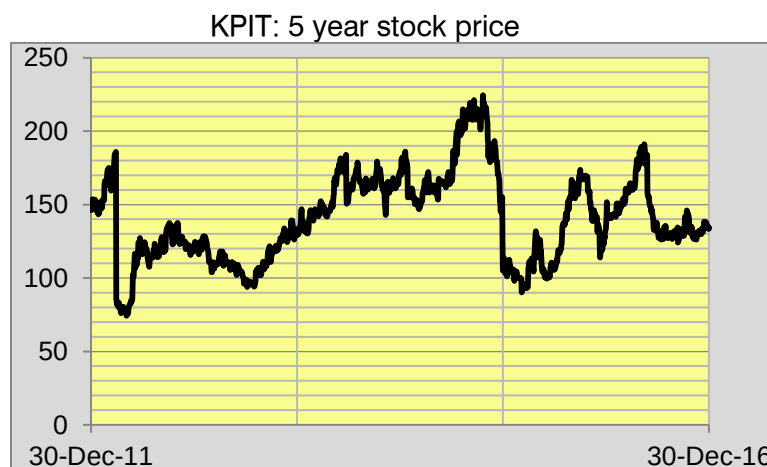
Shares o/s: 199.7 mn PMV: INR 164

Catalyst: Takeover

KPIT, based in Pune, is the 12th largest product engineering and IT consulting services provider from India. KPIT has 10,204 employees (June 2016) and generated INR 32.2 billion of revenue and INR 4.4 billion of EBITDA in FY16. Geographically USA, Europe and 'Rest of world' accounted for INR 22.2 billion (68.8%), INR 5.7 billion (17.6%) and INR 4.4 billion (13.6%), of FY16 revenue. KPIT follows an industry focused approach and caters primarily to the automotive and transportation, manufacturing and energy and utilities sector.

On September 1, 2016, Times of India reported that Carlyle Group, Apax Partners and Temasek were vying to acquire a controlling stake in KPIT. The engineering services space has seen a pick up in M&A deals. On April 1, 2016, HCL Technologies (HCLT IN) signed an agreement to acquire the engineering services business of Geometric (GEO IN) (implied EV/EBITDA multiple: 11.9x). Earlier on February 19, 2016, Bain Capital, GIC and Advent International together invested USD 350 million in Quest Global Services valuing it at USD 1 billion (2.6x EV/revenues). The Indian IT industry is ripe for consolidation as it has now faced with slower growth in revenues and margins. Noteworthy recent deals in the Indian IT industry are: 1) In April 2015, Capgemini (CAP FP) acquired IGATE at 15.0x EV/EBITDA. 2) In October 2015, Apax Partners acquired a 23.2% stake in Zensar Technologies (ZENT IN) at 6.3x EV/EBITDA. 3) In November 2015, Virtusa Corporation (VRTU US) acquired a 53% stake in Polaris Consulting (POL IN) at 8.5x EV/EBITDA. 4) In April 2016, Blackstone Capital Partners acquired a 60.2% stake in Mphasis (MPHL) at 7.7x EV/EBITDA. Acquisition of KPIT will act as a long term catalyst that will assist in surfacing the underlying value of KPIT.

KPIT has an EV of 25.3 billion and trades at 6.3x FY18E EBITDA of INR 4.0 billion. We recommend buying KPIT at the current share price of INR 134 as it trades at a 19% discount to our FY18 PMV of INR 164. We have applied a 7x EV/EBITDA multiple. Our PMV multiple is based on an LBO analysis and the median trading EV/EBITDA multiple of comparable Indian IT companies is 9x.



Source: Horizon Research, BSE

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES

HT Media (INR 72 – HTML IN)

Shares o/s: 233 mn PMV: INR 176

Catalyst: Merger

HT Media (HTML) is an Indian media company with presence in print, electronic and digital media. HTML has 6% market share in the English print market of ~ INR 207 billion and 5% market share in the Hindi print market of ~ INR 167 billion in India. HTML has recently hired Bobby Ghosh, a well known journalist, to drive their digitisation efforts.

In the Q4 FY14 earnings call, management of HTML stated that they had spun off and listed HMVL as a separate company in July 2010 in order to exploit M&A opportunities. So far, HMVL has not made any acquisition. If HMVL fails to make any acquisitions in the next two years, HTML may consider re-merging HMVL with itself.

Merger of HMVL and HTML will act as long term catalyst that will help surface the underlying value of HTML. HTML has an EV of INR 356 million and trades at 0.2x FY18E EBITDA of INR 1.8 billion. The median trading EV/EBITDA multiple of newspaper and magazine publishers in India is 8x. We recommend buying HTML at the current share price of INR 72 as it trades at a 59% discount to our FY18 PMV of INR 193 (Table 3).

Table 3:

Segment	PMV analysis (FY17)		
	Segment value (INR Mn)	Segment Value Per share (INR)	Basis
Hindustan Media Ventures (HMVL IN)	19,104	82	7.8x EV/EBITDA (A)
HTML – Newspaper & periodicals	19,463	84	7.8x EV/EBITDA (A)
HTML – Radio broadcast	5,423	23	10.9x EV/EBITDA (B)
HTML – Digital	1,623	7	1x EV/revenue
Corporate	-2,667	-11	7.8x EV/EBITDA (A)
Net debt	2,064	9	

Notes A: Median transaction EV/EBITDA multiple of 7.8x of newspaper and magazine publishing companies globally. The median trading EV/EBITDA multiple of newspaper and magazine publishing companies in India is 8x. Note B: Median transaction EV/EBITDA multiple of 10.9x of global radio companies.

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Ballarpur Industries (INR 16 – BILT IN)

Shares o/s: 655.5 mn

PMV: INR 38

Catalyst: Demerger/IPO

Ballarpur Industries is a paper and pulp manufacturer with 0.97 million tons per annum (mtpa) of paper and 0.76 mtpa of pulp producing capacity with six facilities in India and one in Malaysia. On September 24, 2015, BILT announced that they signed an agreement to sell their entire 98.1% stake in the subsidiary, Sabah Forest Industries Sdn, Bhd. Malaysia (SFI) to Pandawa Sakti Sdn. Bhd. Malaysia for an EV of USD 500 million. BILT had acquired SFI for USD 261 million in 2007. On July 6, 2016, BILT announced that the deal had been terminated and BILT was in the process to invoking the performance guarantee of USD 50 million furnished by the Acquirer.

On July 5, 2016, BILT announced that they received a preliminary interest from JK Paper (CPM IN) to buy two out of their five paper plants in the country.

On November 4, 2014, BILT sold a 14.29% stake in Bilt Paper BV to International Finance Corporation (IFC) for ~INR 6 billion (or USD 100 million). The transaction valued Bilt Paper BV at an EV of INR 77 billion (implied forward EV/EBITDA multiple: 12.5x). The sale of Sabah Forest Industries Sdn, Bhd. Malaysia will act as a long term catalyst that will assist in surfacing the underlying value of BILT.

BILT has an EV of INR 103.0 billion and trades at 23.1x FY16 EBITDA of INR 4.5 billion. At the current share price of INR 16, BILT trades at a 58% discount to our FY16 PMV of INR 38. Segment equity value per share:

- Bilt Paper BV: INR 33 (Based on the price paid by IFC to acquire a 14.29% stake in Bilt Paper BV)
- BILT (Core): INR 5 (applying a median forward EV/EBITDA multiple of 7.3x of BILT). On March 29, 2011 International Paper Company (IP US) acquired a 53.5% stake in International Paper APPM (IPAP IN) at a forward EV/EBITDA multiple of 13.2x. However, we have not applied this multiple, as it is unlikely that BILT will be acquired.

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

EIH (INR 95 – EIH IN)

Shares o/s: 571.6 mn PMV: INR 215

Catalyst: Takeover

EIH is India's leading hotel chain operating the – 'The Oberoi' and 'The Trident' brands. EIH manages 4,591 hotel rooms of which 2,232 rooms are directly owned and the remaining 2,359 rooms are either owned through associates or are managed for 3rd party owners. EIH operates under the chairmanship of Prithvi Raj Singh Oberoi (PRS) who also controls the family companies that are the majority shareholders of EIH. PRS is 87 years old and has handed over management to Vikram Oberoi (PRS's son) and Arjun Oberoi (PRS's Nephew). Speculation over the impending retirement of PRS led both Reliance Industries (RIL IN) and ITC (ITC IN) to each make large purchases of EIH stock in an attempt to acquire a majority stake in EIH.

ITC, which had acquired a ~ 14% stake in EIH in 2002, further acquired ~ 1% stake in 2011 for INR 420 million valuing EIH at an EV of 46.3 billion and 3.2x FY12 revenues of INR 14.3 billion. On August 30, 2010, RIL acquired 58.2 million EIH shares (14.8% of shares outstanding) for INR 10.7 billion valuing EIH at an EV of 86.6 billion and 6.8x FY11 revenues of INR 12.7 billion. The share sale to RIL was seen as a bid by the Oberoi's to thwart the unsolicited purchases of share of EIH by ITC. RIL has subsequently appointed 2 directors on the board of EIH (total number of directors are 12). On March 02, 2012, RIL acquired a further 21.3 million EIH shares (3.7% of shares outstanding) for INR 1.9 billion valuing EIH at an EV of 56.1 billion and 3.8x FY13 revenues of INR 14.9 billion. A takeover of EIH will act as a long term catalyst that will assist in surfacing the underlying value of EIH.

EIH has an EV of INR 54.0 billion and trades at 13.6x FY18E EBITDA of INR 4.0 billion. We recommend buying EIH at the current share price of INR 95 as EIH trades at a 56% discount to our FY18 PMV of INR 215 (applying an EV/revenue multiple of 6.8x that RIL paid in August 2010 to acquire a 14.8% stake in EIH). The replacement cost of EIH's owned properties is ~ INR 33 million per room compared to current EV/room of INR 18.0 million. EV/room of EIH does not reflect the valuation of hotel rooms (~ 2,359) owned/managed by EIH through subsidiaries. EIH owns four hotels outside India with combined room capacity of 297, and a 36% stake in EIH Associated Hotels (OAH IN), which has eight hotels with a room capacity of 875.

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Crompton Greaves (INR 59 – CRG IN)

Shares o/s: 626.7 mn PMV: INR 111

Catalyst: Asset sale

CRG manufactures electrical products in the power and industrial segments. On May 5, 2016, CRG completed the spin off of their consumer electric segment, Crompton Greaves Consumer Electrical (CROMPTON IN), and was reduced to single segment, power and industrial. CRG has announced the sale of their international businesses to focus on India.

On October 27, 2015, CRG sold their Canadian power transmission business to PTI Holdings Corp for CAD 20 million. On December 16, 2016, CRG announced that their discussions for the sale of power business in Europe, North America and Indonesia to First Reserve failed. In the Q2FY17 earnings call, CRG mentioned that instead of selling the entire international business as a whole in one go; they would try selling it in pieces to fasten the process. The sale of the international businesses, which are incurring losses, will act as a medium term catalyst that will assist in surfacing the underlying value of CRG.

CRG has an EV of INR 43.9 billion and trades at 9.2x FY18E EBITDA of INR 4.5 billion. We recommend buying CRG at the current share price of INR 59 as CRG trades at a 47% discount to our FY18 PMV of INR 111 (Table 4).

Table 4:

PMV analysis (FY17)

Segment	Segment value (INR Mn)	Segment value/share (INR)	Basis
Power systems	49,804	79	We have applied an EV/EBITDA multiple of 17x to estimate PMV of Crompton Greaves. The median trading EV/EBITDA multiple of comparable power and industrial companies globally (Ex-India) is ~10x. The EV/EBITDA multiple of Indian companies is higher. For instance, Siemens India and ABB India trade at EV/EBITDA multiple of 41.8x and 35.3x, respectively. We have applied a slightly higher multiple to value Crompton Greaves to factor in prevailing higher multiples in India.
Industrial systems	44,967	72	
Automation	16,358	26	
Others (corporate)	-29,947	-48	
Net debt	11,554	18	To be deducted

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Den Networks (INR 67 – DEN IN)

Shares o/s: 179 mn PMV: INR 223

Catalyst: Value

DEN, one of India's largest cable television distribution companies, distributes television channels through analog and digital cable networks and has recently commenced provision of broadband Internet services (launched in Q1 FY15). DEN offers its cable television services to ~ 13.0 million households across India, which includes 9.8 million digital cable subscribers as of Q1FY17. On February 9, 2016, DEN announced that the Board of Directors of the company approved demerger/transfer of the broadband business into a wholly owned subsidiary and merger of the cable business of twenty three subsidiary companies into DEN.

The presence of a number of catalysts, in addition to above mentioned demerger, makes DEN an attractive stock within the Indian cable TV and broadband industry. Catalysts include: (i) Federal Government law requires conversion of all cable TV consumers from analog to digital by March 2017: In the cable segment, DEN has targeted the conversion of all of their 13 million subscribers to digital by the end of March 2017. DEN is also targeting the acquisition of other fragmented local cable operators (LCO's) and multi system operators (MSO's) to expand their reach. Since inception, Den has acquired controlling interest (>51%) in ~118 cable operators. (2) Digitalization is expected to increase subscription fee collection and improve ARPU: DEN's cable ARPU increased by ~60% from INR 40 in Q1FY14 to INR 75 in Q2FY16, (ii) Broadband internet: Digitalization also enables the supply of Broadband internet. Den plans to service 1 million broadband subscribers in the next 12-18 months, (iii) Institutional investor interest: DEN raised equity (INR 9.6 billion) through two institutional placements for their digitalization and broadband roll outs to Goldman Sachs.

DEN has an EV of INR 17.4 billion and trades at 13.8x FY18E EBITDA of INR 1.3 billion. We recommend buying DEN at the current share price of INR 67 as DEN trades at a 40% discount to our FY18 PMV of INR 112. We have applied an EV/revenue multiple of 2.5x. The PMV multiple has been revised downward from 3.1x to factor in multiple extensions in deadline to convert all cable TV consumers from analog to digital and concerns over the expansion of DEN's broadband business due to the advent of new telecom companies such as Reliance Jio, which is providing almost free internet services. Our earlier PMV multiple was based on average EV/revenue multiple of the cable TV industry and the multiples at which DEN and Hathway Cable (HATH) raised funds recently.

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Polaris Consulting & Services (INR 151 – POL IN) Shares o/s: 99.8 mn PMV: INR 245 Catalyst: Takeover

POL is an information technology consulting company. POL clientele include banking, financial services and insurance companies located in America, Europe and India. POL's technology partnerships include Algorithmics, CA Wily, HP, IBM, Infor, Interwoven, Microsoft, Oracle, Salesforce, Siebel and Turnkey Solutions Corporation. On October 10, 2014, POL spun off their products segment and was reduced to single segment, software services.

On November 5, 2015, POL announced that Virtusa Corporation (VRTU US) would acquire a 53% stake from Arun Jain (the majority shareholder), Orbitech (Citibank) and certain other shareholders. The transaction price of INR 220.7 per share, valued POL at an EV of INR 20.5 billion or 8.5x FY16E EBITDA of INR 2.4 billion.

On November 6, 2015, POL announced that VRTU made a tender offer to acquire an additional 26.7 million shares (26% of 99.8 million shares outstanding) at INR 220.7 per share. The tender offer commenced on January 4, 2015 and closed on January 15, 2015. The tender offer process was completed on April 18, 2016. Post completion of the tender offer, VRTU owns a 77.7% stake in POL.

POL has an EV of INR 12.7 billion and trades at 5.0x 2016 EBITDA of INR 2.5 billion. We recommend holding POL at the current share price of INR 151 as POL trades at a 37% discount to our 2016 PMV of INR 245 (based on an EV/EBITDA multiple of 8.5x that VRTU paid to acquire a majority stake in POL).

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

South Indian Bank (INR 20 – SIB IN)

Shares o/s: 1,350.6 mn PMV: INR 30

Catalyst: Value

The South Indian Bank (SIB IN) is a small regional bank with operations mostly restricted to South India, especially Kerala. SIB has a well-diversified shareholder base with no identifiable majority shareholder.

Investment thesis and Catalyst: (1) 60% of the population still doesn't have a bank account and there is a growing middle class that is embracing banking and opening bank accounts (2) The Government of India has recently announced measures that would permit foreign banks to establish wholly owned subsidiaries in India and invest up to 74% in Indian private sector banks (3) SIB has attracted value investor interest in the recent past: On July 4, 2014, Mohnish Pabrai, a US fund manager, purchased 19.6 million shares (1.5% of 1,350.2 million shares outstanding) of SIB at INR 32.5 per share valuing SIB at a 1.2x FY15 book value per share of INR 26.6. On January 20, 2014, Yusuffali Musaliyam Veetil Abdul Kader purchased 30 million shares (2.2% of shares outstanding) of SIB at INR 21 per share valuing SIB at a 0.8x FY15 book value per share of INR 26.6. Mohnish Pabrai and Yusuffali Musaliyam Veetil Abdul Kader raised their stake to a 4.4% and 3.7%, respectively, after their first purchase.

In December 2016, The Reserve Bank of India (RBI) gave an in-principle approval to Canadian Prem Watsa's Fairfax Financial Holdings to acquire a 51% stake in Kerala-based Catholic Syrian Bank (CSB). The RBI's approval requires Fairfax Financial Holdings to bring down its stake in CSB to 15% over a period of 12 years. It also mandates that the foreign investor cannot sell its shares in the first five years. The valuation of the 51% stake will be determined by an independent valuer, thought earlier in December, CSB's outgoing chairman S. Santhanakrishnan told the Business Line newspaper that Fairfax was looking to invest INR 10.0 billion.

In addition, financial institutions such as Mitsubishi UFJ Financial Group Inc. (8306 JP) are considering expanding in India through acquisitions in addition to organic growth. On July 1, 2015, Bloomberg quoted Go Watanabe, CEO of Mitsubishi UFJ Financial Group Inc. as saying that they were considering acquiring a bank in India, Indonesia or the Philippines that has expertise in consumer banking.

SIB has a market capitalization of INR 26.4 billion and trades at 0.7x FY17E book value per share of INR 28.7. In comparison, the median trading price to book value multiple of private sector banks (non-government owned bank) in India is 1.6x and the median price to book value multiple of banks in Asia Pacific is 0.8x.

We recommend buying SIB at the current share price of INR 20 as SIB trades at a 33% discount to our FY17 PMV of INR 30 (applying median trading price to book value multiple of 1.2x of SIB). We stress-tested SIB's capital adequacy based on IMF norms and our sensitivity analysis show the FY17 PMV falling to INR 17 in the worst case scenario.

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Heritage Foods India (INR 884 – HTFL IN)

Shares o/s: 23.2 mn PMV: INR 1,225

Catalyst: Asset sale

HTFL, located in Andhra Pradesh, is the second largest listed dairy products producer in India with ~1.5 million litres per day milk processing capacity. In addition to dairy products, HTFL has a small food retailing segment. The Dairy segment contributed ~74% (or INR 17.7 billion) of the company's total gross revenues of INR 23.8 billion in FY16. HTFL was founded in 1992 by Telugu Desam Party leader and current Chief Minister of Andhra Pradesh, Nara Chandrababu Naidu.

The presence of a number of catalysts makes HTFL an attractive stock within the Indian dairy industry. Catalysts include: (i) A growing number of acquisitions of EM dairy companies led by a lack of growth opportunities in western markets and rising consumption in emerging markets (ii) Recent changes in bovine culling and slaughter laws in India that have made milk production unviable in several Indian states. (HTFL stands to benefit from their presence in Andhra Pradesh where these laws are not applicable). (iii) On November 7, 2016, HTFL announced the sale of their retail, bakery and agri-sourcing businesses for a 3.65% stake in Future Retail (FRETAIL IN). As part of the deal, HTFL will first demerge retail, bakery and agri-sourcing business into a wholly owned subsidiary which will merge with FRETAIL. The deal is expected to be completed by December 2017. (iv) Appointment of KPMG to help HTFL determine their long term strategy and the appointment of SBI Capital Markets to help setting up of a JV with a leading European Co to collaborate on dairy products in India and overseas market. Sale of the retail segment will act as short term catalyst that will assist in surfacing the underlying value of HTFL. HTFL has an EV of INR 21.3 billion and trades at 11.0x FY18E EBITDA of INR 1.9 billion. We recommend buying HTFL at the current share price of INR 884 as HTFL trades at a 28% discount to our FY18 PMV of INR 1,225 (Table 5).

Table 5:

PMV analysis (FY17)

Segment	Segment value (INR Mn)	Segment value/share (INR)	Basis
Dairy	23,411	1,009	EV/sales multiple of 1.2x (A)
Retail	4,661	201	Median transaction EV/sales multiple of 0.6x for the global retail sector
Others/corporate	(900)	(39)	
Net debt	808	35	To be deducted

Note A: We have applied an EV/sales multiple of 1.2x which Saputo (a Canadian Dairy company) offered to Warrnambool Cheese and Butter (WCB AU) and Groupe Lactalis SA (French based dairy product manufacturer) acquired the Hyderabad (India) based Tirumala Milk Products) in 2014

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Religare Enterprises (INR 255 – RELG IN)

Shares o/s: 178.3 mn PMV: INR 348

Catalyst: Asset sale

On May 27, 2016, RELG announced that they would demerge lending, health insurance and capital markets segments into three listed companies, respectively. On October 25, 2016, Vccircle reported that Malvinder Singh and Shivinder Singh, majority shareholders of RELG, were looking to sell the remaining businesses of RELG.

On May 12, 2015, RELG announced that they signed a definitive agreement with Bennett, Coleman and Company (BCCL) to sell their entire 44% stake in AEGON Religare Life Insurance Company (ARLIC), a joint venture between RELG and AEGON NV (AGN NA). AGN will increase their stake in the JV Company to 49% from currently 26%. No further details were disclosed. RELG has invested INR 5.8 billion so far in ARLIC. ARLIC is not a profitable and has incurred loss of INR 1.1 billion and 1.2 billion in FY14 and FY15, respectively.

On April 19, 2016, RELG announced that they entered into an agreement to sell their stake in Northgate Capital LLC and Northate Capital LP to The Capital Partnership Group Limited for an undisclosed amount. The transaction is expected to be completed by July 15, 2016. On April 26, 2016, Vccircle reported that RELG is in discussion to sell their stake in Landmark Partners.

At the current share price of INR 255 RELG trades at 1.2x FY16 book value of INR 38.4 billion. We recommend holding RELG at the current share price as it trades at a 27% discount to our FY16 PMV of INR 348 (Table 6).

Table 6:

PMV analysis (FY16)

Segment	Segment value (INR Mn)	Segment value/share (INR)	Basis
Non-bank lending	29,444	165	Median transaction PE multiple of 10.6x of Indian non-banking lending institutions
Global asset management	30,536	171	Valued at 4% of AUM based on 1) In December 2010, RELG acquired 55% stake in Landmark Partners for USD 170 mn valuing the company at USD 309 million or 3.7% of Landmark' AUM of USD 8.3 billion), 2) In February 2010, Religare acquired 70% stake of Northgate Capital for USD 250 million valuing the company at USD 325 million or 10.8% of Northgate's AUM of USD 3 billion
Asset management India (mutual fund)	6,045	34	6.4% of AUM: In September 2012, US-based Invesco bought a 49% stake in Religare Asset Management Company for ~INR 4,600 million valuing the company at INR 9,400 million or 6.4% of AUM of INR 146 billion
Others (retail broking/insurance/etc.)	3,653	20	Median trading Market Capitalization/Revenue multiple of 1.2x of comparable Indian equity broking companies
Net debt	7,549	42	To be deducted

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

DLF (INR 111 – DLFU IN)

Shares o/s: 1,782 mn PMV: INR 138

Catalyst: Asset sale

On June 26, 2015, Livemint reported that DLFU will reduce their debt by a third by raising INR 70 billion through two private equity deals and launching two real estate investment trusts (REITs) in the next 18 months. Private equity deals would include DLFU selling a stake in projects located at Bengaluru, Chennai, Kochi and New Gurgaon to the Blackstone Group or other private equity companies for ~ INR 10 billion. The remaining INR 60 billion would be raised through launching two REITs – 1) For the office segment for Cyber City, Gurgaon 2) For their properties in Pune. DLFU had a total debt of INR 268.9 billion as of March 31, 2016.

DLFU has been selling their non-core assets in order to reduce their debt. Recently, on June 9, 2015, DLFU entered into a definitive agreement to sell their cinema exhibition business operated under the brand name of DT Cinemas to PVR (PVRL IN) for INR 5 billion (INR 833,333 per seat). DT Cinemas currently operates 29 screens with ~ 6,000 seats.

On October 8, 2015, DLFU announced that the KP Singh family, majority shareholders of DLFU, agreed to sell 159.7 million Cumulative Compulsorily Convertible Preference Shares (CCPS) of DLF Cyber City Developers (DCCDL) held by them to institutional investors (non-related parties). DCCDL represents the rental business of DLFU and upon conversion of CCPS, KP Singh family will own 40% stake in DCCDL. The Board of Directors of the company has also mandated KP Singh family to invest a substantial amount of the consideration (post tax) received from the sale of CCPS in DLFU. KP Singh family owns a 74.9% stake in DLFU and any further purchase of DLFU shares will breach the listing agreement to keep a minimum public holding of 25% and would have to be followed up with a secondary offering of equity.

DLFU has an EV of INR 435.0 billion and trades at 11.3x FY16 EBITDA of INR 38.9 billion. We recommend holding DLFU at the current share price of INR 111 as DLFU trades at a 20% discount to our FY16 PMV of INR 138. Our PMV estimate is based on the net asset value of DLFU.

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Max Financial Services (INR 549 – MAXF IN) Shares o/s: 266 mn PMV: INR 659 Catalyst: Value
MAXF, earlier known as MAX IN, is a life insurance company. On June 17, 2016, MAXF announced that the Board of Directors of MAXF approved entering into an agreement with HDFC Standard Life Insurance (HDFCSLIC) to evaluate potential benefits of merging. HDFCSLIC is a joint venture between Housing Development Finance Corporation (HDFC IN) and Standard Life (SL LN). HDFC owns a 61.6% stake and SL owns a 35% stake in HDFCSLIC.

On August 8, 2016, MAXF and HDFCSLIC announced a merger to be completed through the following steps:

1. The insurance business, which operates under a subsidiary, Max Life, of MAXF, would merge with MAXF. Shareholder (Mitsui Sumitomo) would receive 5 shares of MAXF for every one share that they hold in Max Life. Mitsui Sumitomo will have 30.8% stake in MAXF upon the completion of the transaction.
2. Entire insurance business of MAXF will then be merged with HDFCSLIC. Shareholders will receive seven shares of HDFCSLIC for every one share that they hold in MAXF. Shares of HDFCSLIC will be listed on BSE and NSE.
3. The remaining business of MAXF will be merged with Max India (MAXI IN). Shareholders will receive 1 share of MAXI for every five hundred shares that they hold in MAXF.

MAXF has a market capitalization of INR 146.6 billion and trades at 1.9x FY18E embedded value of INR 77.4 billion. We recommend buying MAXF at the current share price of INR 549 as MAX trades at a 17% discount to our FY18 PMV of INR 659. Our estimate of PMV is based on 3x embedded value which in turn is based on what New York Life sold their 26% stake in Max New York Life to MS&AD Holdings, and Reliance Life sold a 26% stake to Nippon Life.

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Jyothy Laboratories (INR 337 – JYL IN)

Shares o/s: 181 mn

PMV: INR 407

Catalyst: Takeover

JYL is a fast moving consumer goods (FMCG) company and sells fabric whiteners, soaps, detergents, mosquito repellents, scrubbers, and incense sticks in India. On May 5, 2011, JYL purchased Henkel AG's (HEN AG) 51% stake (59.4 million shares) in Henkel India for INR 20 per share valuing Henkel India at an EV of INR 6.6 billion and 1.5x FY11 sales of INR 4.3 billion. As part of the sale agreement HEN was given a call option to acquire up to a 26% stake in JYL between April 1, 2016 and March 31, 2017 subject to terms and conditions to be mutually agreed and also subject to shareholders' approval.

HEN is known to be on the lookout for acquisitions. On June 5, 2014, HEN acquired Spotless Group SAS; a France based FMCG company for USD 1.27 billion (Implied EV/EBITDA multiple: 12x). On June 2, 2014, HEN acquired 3 US hair care companies – SexyHair, Alterna, and Kenra – from TSG Consumer Partners (no details are available). HEN has built up a reserve of USD 4.6-5.2 billion for acquisitions.

An acquisition of up to a 26% stake JYL by HEN will act as a medium term catalyst that will assist in surfacing the underlying value of JYL.

JYL has an EV of INR 64.2 billion and trades at 22.7x FY18E EBITDA of INR 2.8 billion. We recommend buying JYL at the current share price of INR 337 as JYL trades at a 17% discount to our FY18 PMV of INR 407 (applying a median trading EV/EBITDA multiple of 27x of Indian FMCG industry). JYL's EV/EBITDA multiple have remained lower than that of comparable FMCG companies such as Godrej Consumer Products (GCPL IN), Dabur (DABUR IN) and Hindustan Unilever (HUVR IN) as it has so far been constrained to a few products & brands. On April 14, 2014, JYL management said that they would be willing to sell a 26% stake to HEN at 50% premium to then share price, which implied an acquisition price of ~ INR 300 and a forward EV/EBITDA multiple of 27x.

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Redington India (INR 94 – REDI IN)

Shares o/s: 399.8 mn PMV: INR 110

Catalyst: Takeover

REDI is a Global supply chain management solutions (distribution, after sales service and warehousing) provider for IT (PCs, servers, peripherals, etc.) and non IT products (mobile handsets, tablets, printers, etc.). Apple Inc. (AAPL US) is a major vendor and ~75% of iPhones sold in India (~550,000 iPhones were sold in India between October 2012 and June 2013) are sold through REDI.

On April 29, 2014, the Times of India reported that Itochu Corporation (8001 JP) may acquire REDI. On October 7, 2016, Standard Chartered Private Equity acquired additional 3.48% stake in REDI and increased their stake from 11.9% (September 2016) to 15.4%. On June 6, 2016, Harrow Investment Holding, the majority shareholder of REDI, sold 20.5 million shares (5.1% of 399.8 million shares outstanding) of REDI at an average price of INR 107. After the transaction, Harrow Investment Holding's stake in REDI declined from 13.3% in March 2016 to 8.2%. Synnex Corporation (SNX US), a global information technology supply chain services, owns a 23.6% stake in REDI.

On October 7, 2015, REDI announced that they entered into a definitive agreement to acquire a 70% stake in Linkplus Bilgisayar Sistemleri Sanayi ve Ticaret A.S, Turkey (Linkplus). REDI will acquire the remaining 30% stake in Linkplus over the next three years. REDI valued Linkplus at ~6x forward earnings. No further details were disclosed.

An acquisition of REDI by Itochu Corporation will act as a long term catalyst which will help surface the underlying value of REDI.

Currently, REDI has an EV of INR 58.1 billion and trades at 7.4x FY16 EBITDA of INR 7.8 billion. We recommend buying REDI at the current share price of INR 94 as it trades at a 15% discount to our FY18 PMV of INR 110 (applying a median trading EV/EBITDA multiple of 7.5x of global distributors of electronic products).

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Jain Irrigation Systems (INR 88 – JI IN)

Shares o/s: 462.4 mn PMV: INR 99

Catalyst: Demerger /Asset sale

Jl is the world's second largest producer of drip irrigation systems and the 3rd largest producer of dehydrated onion and vegetables. Decade low rainfall, prolonged drought and the occurrence of the El Nino effect in 2015 has seen JI revenue grow 7% from INR 58 billion in CY2014 to INR62 billion in CY2015.

On November 6, 2015, JI announced that Mandala Capital would invest INR 3,960 million through a combination of equity and compulsory convertible debentures (CCD) for a 14%-17% stake in their food processing business (JFFFL) (implied EV: INR 25 billion to INR 30 billion; EV/EBITDA multiple: ~ 10x). In addition, Mandala Capital will invest INR 2,850 million through CCD's in JI.

In mid 2014, JI announced that they would segment and possibly spin off their financing subsidiary, Sustainable Agro-Commercial Finance Limited (SAFL). SAFL has received 2 separate equity infusions, USD 1.8 million by IFC in April 2012 and USD 18 million by Mandala Capital in April 2015. Equity investment in JFFFL is a short term catalyst and segmentation of SAFL is a long term catalyst that will help surfacing the underlying value of JI.

Jl has an EV of INR 80.6 billion and trades at 8.3x FY18E EBITDA of INR 9.7 billion. We recommend buying JI at the current share price of INR 88 as it trades at a 6% discount to our FY18 PMV of INR 94 (Table 7). JI issued Differential Voting Right (DVR) Equity Shares which are equal to ordinary equity shares but has a 1/10th vote. DVRs of JI trade at a discount to ordinary equity shares and are sufficiently liquid and show a trend of reducing arbitrage. We recommend buying the DVR's instead of ordinary shares for an enhanced return over our investment period.

Table 7:

PMV analysis (FY17)

Segment	Segment value (INR Mn)	Segment value/share (INR)	Basis
Hi-Tech Agri Inputs Products	62,107	121	Median forward EV/EBITDA multiple of 8x of JI
SAFL	2,431	5	Based on the valuation offered by Mandala Capital for a 20% stake in SAFL
Industrial products	39,328	77	JFFFL: 10x EBITDA (Note B) and PE piping & PVC at 8x EBITDA (Note C)
Green Energy	3,423	7	Median forward EV/EBITDA multiple of 8x of JI
Corporate	(20,147)	(39)	Median forward EV/EBITDA multiple of 8x of JI
Net Debt	38,491	75	To be deducted

Note B: Median transaction EV/EBITDA multiple of 10x of global food processing companies. On April 15, 2015, Kagome Co. (2811 JP) acquired a 26% stake in Tasty Bite Eatables (TSTY IN) at an EV/EBITDA of 10.0x a close competitor of JI's food processing segment. **Note C:** Median forward EV/EBITDA multiple of 8x of JI.

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Cairn India (INR 242 – CAIR IN)

Shares o/s: 1,877.8 mn PMV: INR 248

Catalyst: Takeover

CAIR is one of the largest independent oil and gas exploration and production companies in India. Cairn and its JV partners together account for more than a fifth of India's domestic crude oil production. In FY2012, Vedanta Resources (VED LN) acquired a controlling stake in CAIR (59.88% of shares o/s held). On June 14, 2015, CAIR and Vedanta (VEDL IN - earlier known as Sesa Sterlite) announced that they would merge.

The merger terms stated that CAIR shareholders would receive 1 share of VEDL + one 7.5% redeemable preference share (RPS) with face value INR 10 (Tenure 18 months/though VEDL would arrange for a third party facility enabling a cash exit for RPS at par within 30 days post issuance) for every 1 share of CAIR.

As a number of large minority shareholders including LIC (9.02% of shares o/s held) and Cairn Energy (CNE:LN) (9.82% of shares o/s held) have stated that the merger terms undervalued CAIR, merger terms were revised on July 22, 2016. Now in addition to one share of VEDL CAIR shareholders will receive four 7.5% redeemable preference shares.

The merger will give VEDL access to CAIR's INR 160.9 billion cash, which VEDL can use to pay off some of their debt (INR 777.7 billion as of March 2015) and reduce their interest cost. As per the Indian takeover code the merger would have to be approved by simple majority of the minority shareholders. Minority shareholders hold 40.12% of shares o/s. The merger would have been completed by June 2016 but has been delayed due to a tax dispute.

CAIR has an EV of INR 218.9 billion and trades at 4.3x FY17E EBITDA of INR 51.4 billion. At the current share price of INR 242 CAIR trades at a 2% discount to our FY17 PMV of INR 248 (based on the NAV). We will continue to monitor the merger.

Seamec (INR 81 – SEAM IN)

Shares o/s: 25.4 mn PMV: NA

Catalyst: Value

SEAM is a provider of diving support vessel (DSV) based diving services – subsea inspection, repair, maintenance and light construction for offshore oil producing companies. On May 28, 2015, SEAM announced that the Board of Directors of the company approved a buyback offer for 8.5 million shares (25% of 33.9 million shares outstanding). At the buyback price of INR 125 per share, SEAM was valued at an EV of INR 1,595.6 million or 2.1x FY15 EBITDA of INR 743.1 million. The buyback offer was completed on November 26, 2015 with company buying 8.5 million shares. The majority shareholder had also tendered their shares and as a result their holding in SEAM declined from 75% in September 2015 to 72.9% in December 2015. SEAM has net cash of INR 1.3 billion and is 64% of its market capitalization of INR 2.1 billion. We will continue to monitor SEAM.

MONITORING LIST: FILTERED SELECTION OF OPPORTUNITIES...Cont'd

Sharp India (INR 63 – SIL IN)

Shares o/s: 25.9 mn

PMV: NA

Catalyst: Takeover

On December 12, 2015, SIL announced that Sharp Corp (6753 JP), the majority shareholder of SIL, was exploring a sale of its stake in SIL. Sharp Corp owns a 75% stake in SIL.

On September 28, 2016, SIL announced that Sharp Corp will make a tender offer to acquire 6.5 million (26% of shares outstanding) shares of SIL. At the tender offer price of INR 53.18, SIL was valued at an EV of INR 1.5 billion or 5.0 x FY16 revenues of INR 301.8 million. An acquisition of 44.6% stake in Sharp Corp by Hon Hai Group (2317 TT) triggered the tender offer. On December 29, 2016, SIL announced that only 13,120 shares were tendered in the tender offer.

After becoming a subsidiary of Hon Hai Precision Industry, Sharp Corp has once again focused on the TV business worldwide. On December 22, 2016, Nikkei reported that Sharp Corp is to acquire Slovak consumer electronics maker Universal Media Corporation (UMC) for ~ USD 85 million in an attempt to strengthen its overall TV business by re-entering the European market. UMC currently sells TVs under the Sharp brand based on a licensing agreement reached in 2014. Through the planned acquisition, Sharp Corp will effectively buy back the Sharp brand.

On the backdrop of the above there may be another attempt by Sharp Corp to buy in the minority holding in SIL. Currently, SIL has an EV of INR 1.8 billion and trades at 5.9x FY16 sales of INR 301.8 million.

EVENT DRIVEN UNIVERSE: INDIA MARKETS

MINORITY BUY IN

Orosil Smiths India (INR 32 – OSIL IN) July 6, 2015

On July 6, 2015, B. K. Narula HUF made a tender offer to acquire 1.7 million shares (20% of total 8.3 million shares outstanding) of OSIL. At the tender offer price of INR 10.7 per share OSIL was valued at an EV of INR 90.7 million or 45.4x FY15 EBITDA of INR 2.0 million. On December 22, 2015, OSIL announced that 263,825 shares (3.2% of shares outstanding) were tendered and bought by the majority shareholders. Post open offer, shareholding of B. K. Narula HUF and others (majority shareholders) increased from 72.3% as of June 2015 to 75.8% as of March 2016. Currently, OSIL has an EV of INR 262.9 million and trades at 549.7x FY16 EBITDA of INR 0.5 million.

AstraZeneca Pharma (INR 925 – ASTR IN) February 11, 2014

On March 3, 2014, ASTR announced that AstraZeneca Plc (AZN SS), the majority shareholder of ASTR, proposed to make an offer to buy in the entire 6.3 million (25% of 25 million shares outstanding) ASTR shares held with minority shareholders and take ASTR private. On March 15, 2014, the Board of Directors of ASTR approved the proposal of an MBI made by AZN. On April 11, 2014, AZN offered to pay INR 854 per share valuing ASTR at an EV of INR 20.6 billion or 5.3 x FY13 sale of INR 3.9 billion.

On November 27, 2014, ASTR announced that some investors of ASR had filed an appeal before Securities Appellate Tribunal (SAT) on November 19, 2014 against the MBI offer. The MBI process is on hold as the petition before SAT is pending a decision. AZN owns 18.8 million shares aggregating to 75% of the total 25 million shares outstanding of ASTR. For a successful MBI 3.8 million shares (15% of shares outstanding) must be tendered.

On May 27, 2013, AZN had sold 3.8 million shares (15% of shares outstanding) for INR 490 per share through an offer for sale to reduce their stake in ASTR to 75% to abide by the minimum public float norm. DB International (Asia), Morgan Stanley Asia (Singapore) Pte, Suffolk (Mauritius), BNP Paribas Arbitrage, Mansfield (Mauritius), Merrill Lynch Capital Markets Espana Sa Sv together had purchased 3.7 million shares (14.7% of shares outstanding) through an offer for sale. We believe that the MBI will be successful if all the 6 above-mentioned investors tender their shares, which they are expected to, given their cost of acquisition of INR 490 per share. We do not recommend buying ASTR in advance of an expected MBI due to a concentrated large institutional holding. Currently, ASTR has an EV of INR 22.4 billion and trades at 4.0x FY16 sales of INR 5.6 billion.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Hindustan Unilever (INR 826 – HUVR IN) April 30, 2013

On April 30, 2013, Unilever Plc (ULVR LN), the majority shareholder of HUVR, offered to acquire 487 million shares (22.5% of 2,162.5 million shares outstanding) of HUVR through a tender offer at INR 600 per share against the then prevailing stock price of INR 497 (04/29/2013) a day before the announcement. At INR 600 the HUVR stock was valued at 26.7x FY14E EBITDA and 35X FY14E EPS. Before the offer ULVR held 1,134.9 million HUVR shares (52.5% of shares outstanding). HUVR Shareholders tendered 319.7 million shares (14.8% of shares outstanding) and ULVR now holds 1,454.6 million HUVR shares (67.3% of shares outstanding).

ULVR's interest in increasing their stake in subsidiaries located in emerging economies is apparent. On April 2, 2013, ULVR proposed a delisting of their subsidiary Unilever Pakistan (LVBR PA) from Karachi Stock Exchange in Pakistan. Given a general protest by minority shareholders in India against higher royalty rates to the MNC parent's, a consequent tender offer/MBI by ULVR of HUVR is a possibility.

Currently, HUVR has an EV of INR 1,760.9 billion and trades at 29.6x FY16 EBITDA of 59.5 billion. In comparison, the median EV/EBITDA multiple of Indian FMCG companies is 23x.

Hindustan Zinc (INR 255 – HZ IN), August 23, 2012

HZ is a miner and smelter of zinc, silver and lead. HZL's operational characteristics are compelling and HZL commands an 82 per cent market share by sale volume in India for Zinc. Tariff protection on Zinc, Silver and lead in India help HZL attain profit margins that are amongst the highest across global Zinc producers.

Imminent Zinc mine closures in the next 3-4 years and steady demand growth are expected to lead to higher Zinc prices. Recent transactions in the Zinc sector include Mubadala's acquisition of a 50% stake in Trafigura's Matsa mining operation, which owns three mines in Spain that produce copper, zinc and lead concentrates, for ~ USD 500 million (24x FY14E EBITDA of USD 41 million).

On January 20, 2014, the Government of India (GOI) announced that they will sell their 29.5% stake in HZ through an open market auction. In the past, Vedanta Resources Plc (VED LN), the majority shareholder of HZ with a 64.9% stake, has made three separate offers to acquire the GOI's 29.5% stake in HZ: (1) On October 14, 2013, VED offered to pay INR 173 per share or 7.4x FY14E EBITDA of ~ INR 70 billion (implied EV: INR 514 billion), (2) On August 23, 2012, VED had offered to pay INR 149 per share or a 6.8x FY12 EBITDA of INR 61 billion, (3) On January 9, 2012, VED had offered to pay INR 124 per share or a 5.6X FY12 EBITDA of INR 61 billion.

An acquisition of GOI's stake by VED will increase their holding to 94.46% which would require VED to make a tender offer to acquire the minority shareholding at a price that either matches or exceeds the price paid to the GOI. An acquisition of the GOI's stake in HZ by VED will act as a long-term catalyst that will assist in surfacing the underlying value of HZ.

HZ has an EV of INR 727.0 billion and trades at 9.6x FY18E EBITDA of INR 75.6 billion. At the current share price of INR 255, HZ trades at a 9% premium to our FY18 PMV of INR 234. We applied a 7.4x EV/EBITDA multiple to estimate HZ's PMV based on what VED offered to pay for the GOI's stake in HZ.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

MERGERS AND ACQUISITIONS

Dish TV India (INR 85 – DITV IN) November 11, 2016

On November 11, 2016, DITV, owned by Essel Group, announced that Videocon d2h (VDTH IN) would merge with DITV and the merged company will be renamed as Dish TV Videocon (DTVV). DTVV will issue 857.8 million shares to shareholders of VDTH (share exchange ratio: 2.02 shares of DTVV for every one share of VDTH). Shareholders of VDTH will have the option to receive DTVV shares either in the form of GDRs or DTVV shares. The deal is likely to go through intense scrutiny by Competition Commission of India (CCI) because combined with Essel Group's cable TV company, Siti Cable (SITINET IN), group's market share will reach 27% in the 145 million cable & satellite TV houses in India post merger. The deal is expected to be completed by end of 2017. Currently, DITV has an EV of INR 99.2 billion and trades at 9.7x FY16 EBITDA of INR 10.2 billion. In comparison, the median EV/EBITDA multiple of Indian TV broadcasting and software production companies is 13.6x.

Dalmia Bharat (INR 1,356 – DBEL IN) & **OCL India** (INR 703 – OCS IN) November 5, 2016

On November 5, 2016, DBEL announced that the Board of Directors of the company approved merger of OCS with DBEL. Shareholders will receive one share of DBEL for every two shares that they hold in OCS. Based on the current share price buying 2 OCS shares for INR 1,406 and exchanging them for 1 DBEL shares for INR 1,356 will result in an absolute return of -3.6%. Currently, DBEL has an EV of INR 210.4 billion and trades at 13.3x FY16 EBITDA of INR 15.8 billion. OCS has an EV of INR 51.8 billion and trades at 9.8x FY16 EBITDA of INR 5.3 billion. In comparison, the median trading EV/EBITDA multiple of Indian cement companies is 17.7x.

Navneet Education (INR 111 – NELI IN) October 26, 2016

On October 26, 2016, NELI announced that they agreed to acquire the Indian schools curriculum based business of Encyclopaedia Britannica Inc. for INR 850-900 million. Britannica India was set up in 1998 and posted revenue of INR 749 million for FY16. On November 11, 2016 NELI announced a share repurchase of 4,657,000 equity shares representing 1.95% of the total fully paid-up equity share capital of the Company at a price of INR 125. Currently, NELI has an EV of INR 27.4 billion and trades at 13.6x FY16 EBITDA of INR 2.0 billion. In comparison, the median trading EV/EBITDA multiple of printing and publishing companies in India is 11.2x.

Arvind (INR 353 – ARVND IN) October 25, 2016

On October 25, 2016, ARVND announced that the Board of Directors of the company approved selling a 10% stake in Arvind Fashions, a subsidiary company, for INR 7.4 billion (implied EV: INR 80.0 billion; EV/sales: 3.5x) to Multiples Equity. ARVND has an EV of INR 126.4 billion and trades at 11.6x FY16 EBITDA of INR 10.9 billion.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Orient Cement (INR 123 – ORCMNT IN) October 6, 2016

On October 6, 2016, ORCMNT announced that the Board of Directors of the company approved the purchase of a 74% stake in Bhilai Jaypee Cement (BJC) from Jaiprakash Associates (JPA IN) for an EV of INR 14.5 billion. BJC has a cement capacity of 2.2 mtpa and was valued at USD 98 per tonne of cement capacity. Currently, ORCMNT has cement capacity of 8 mtpa and will increase to 10.2 mtpa post acquiring BJC. Currently, ORCMNT has an EV of INR 37.7 billion and trades at 20.5x FY16 EBITDA of INR 1.8 billion.

Adani Transmission (INR 57 – ADANIT IN) October 5, 2016

On October 5, 2016, ADANIT signed a binding term sheet to acquire the entire stake of Reliance Infrastructure (RELI IN) in three power transmission projects. ADANIT did not disclose deal value. Currently, ADANIT has an EV of INR 147.2 billion and trades at 7.6x FY16 EBITDA of INR 19.3 billion.

Tata Chemicals (INR 502 – TTCH IN) August 10, 2016

On August 10, 2016, TTCH announced that the Board of Directors of the company approved sale of urea business to Yara Fertilisers India, a private subsidiary of Yara International (YAR NO) for INR 26.7 billion (1.2x FY16 revenue of INR 23.0 billion). Urea business accounted for 13.0% of TTCH's consolidated sales of INR 177.1 billion in FY16. Currently, TTCH has an EV of INR 208.5 billion and trades at 9.6x FY16 EBITDA of INR 21.7 billion.

Tata Power (INR 76 – TPWR IN) June 13, 2016

On June 13, 2016, TPWR announced that they signed an agreement to acquire renewable energy business of Welspun Group for INR 92.5 billion (12.0x FY16 revenue of INR 7.7 billion). Currently, TPWR has an EV of INR 619.7 billion and trades at 8.0x FY16 EBITDA of INR 77.5 billion. In comparison, the median trading EV/EBITDA multiple of Indian power generation and distribution companies is 10.6x.

Tech Mahindra (INR 489 – TECHM IN) May 27, 2016

On May 27, 2016, TECHM announced that the Board of Directors of the company approved acquisition of the UK based financial technology company, Target Group, for GBP 175 million (implied EV of GBP 112 million and EV/sales multiple of 2.5x). Currently, TECHM has an EV of INR 447.8 billion and trades at 10.7x FY16 EBITDA of INR 41.7 billion.

Castrol India (INR 380 – CSTRIL IN) May 20, 2016

On May 19, 2016, CSTRIL announced that BP Plc (BP US) sold 56.9 million shares (11.5% of 494.6 million shares outstanding) of CSTRIL at an average price of INR 365 per share. On September 20, 2016, CSTRIL announced that BP Plc (BP US) sold 42.2 million shares (8.5% of 494.6 million shares outstanding) of CSTRIL at an average price of INR 432 per share. Currently, CSTRIL has an EV of INR 181.2 billion and trades at 20.2x 2015 EBITDA of INR 8.9 billion.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

State Bank of India (INR 250 – SBIN IN) May 17, 2016

On May 17, 2016, SBIN announced that they sought approval from the Government of India to initiate a negotiation with subsidiary banks [State Bank of Bikaner and Jaipur (SBBJ IN), State Bank of Hyderabad, State Bank of Mysore (SBMS IN), State Bank of Patiala and State Bank of Travancore) and Bharatiya Mahila Bank to acquire their businesses including assets and liabilities. On June 15, 2016, the Government of India approved to initiate the process.

On March 26, 2015, SBIN announced that they are considering of reducing their stake from 74% to a 51% in SBI General Insurance Company (SBIGIC). Currently, SBIN and Insurance Australia Group (IAG AU) hold a 74% and 26% stake, respectively in SBIGIC. IAG will acquire SBIN's 23% stake to increase their holding in SBIGIC to a 49%. No further details were disclosed.

Currently, SBIN has a market capitalization of INR 1,938.8 billion and trades at 1.1x FY16 book value of INR 1,792.2 billion. In comparison, the median trading price to book value of government owned banks in India is 0.5x.

TTK Prestige (INR 5,728 – TTKPT IN) April 12, 2016

On April 12, 2016, TTKPT announced that they acquired Horwood Homewares of UK. No further details were announced. Currently, TTKPT has an EV of INR 66.4 billion and trades at 35.6x FY2016 EBITDA of INR 1.9 billion.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Tata Steel (INR 391 – TATA IN) April 11, 2016

TATA is the world's second most geographically diversified steel producer with manufacturing facilities in India, Thailand, England and Netherlands. On April 11, 2016, TATA announced that they entered into an agreement to sell long product Europe business to family investment office, Greybull Capital for a nominal amount.

Earlier, on October 15, 2014, TATA had signed a non-binding memorandum of understanding with Klesch Group for the potential sale of its loss making Long Products Europe business located in England. On August 3, 2015, Financial Times had quoted Gary Klesch of Klesch Group as saying that he withdrew from discussions with TATA due to the British government's lack of support to the steel industry. Subsequently, on August 4, 2015, TATA had spun out the long products business into a standalone subsidiary to pursue strategic options.

The sale of the long products business and general turnaround in the EU economic environment and steel business cycle would act as a significant catalyst for the TATA stock given its heavy tilt towards flat products in Europe. TATA has successfully completed the refinancing of their entire ex-India debt of about USD 7 billion on better terms and pricing. In addition, a 30% increase in capacity at Kalinganagar will add to TATA's output and will help TATA gain market share in India. The Kalinganagar facility will manufacture products such as specialty flats that TATA does not currently manufacture.

TATA has an EV of INR 1,191.3 billion and trades at 9.4x FY18E EBITDA of INR 126.9 billion. At the current share price of INR 391, TATA trades at an 89% premium to our FY18 PMV of INR 207 (Table 8).

Table 8: PMV analysis (FY18)

Segment	Segment value (INR Mn)	Segment value/share (INR)	Basis
India	725,823	747	Median trading forward EV/EBITDA multiple of 6.3x of Indian steel producers
South East Asia	10,636	11	Median trading forward EV/EBITDA multiple of 5.8x of global steel producers
Others	-4,693	-5	Median trading forward EV/EBITDA multiple of 5.8x of global steel producers
Net debt	-529,833	-546	To be deducted

DFM Foods (INR 1,784 – DFMF IN) April 11, 2016

On April 11, 2016, WestBridge Capital Partners made a tender offer to acquire 2.6 million shares (26% of 10.0 million shares outstanding) of DFMF. WestBridge Capital Partners offered to pay INR 1,320 per share valuing DFM Foods at an EV of INR 13,275.2 million and 43.6x 2015 EBITDA of INR 304.5 million. On January 30, 2014, WestBridge Capital Partners had purchased 2.5 million shares (24.9% of shares outstanding) of DFMF from the majority shareholders (Surekha Jain, Mohit Jain, The Delhi Flour Mills). The tender offer was accomplished on September 21, 2016 and only 1,700 (.02% of shares outstanding) were tendered in the tender offer. Currently, DFMF has an EV of INR 18.3 billion and trades at 38.8x FY16 EBITDA of INR 470.9 million.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Mphasis (INR 566 – MPHL IN) April 4, 2016

MPHL offers application development and maintenance, and IT-enabled services, including business process outsourcing. MPHL was formed in 2000 with the merger of BFL Software and US-based Mphasis Corporation. Hewlett Packard (HPQ US) holds a 60% stake in the company. On April 4, 2016, MPHL announced that Blackstone Capital Partners made a tender offer to acquire 54.9 million shares (26% of 211.3 million shares outstanding) of MPHL. At the tender offer price of INR 457.5 per share, MPHL was valued at an EV of INR 76.1 billion and 7.7x 2017E EBITDA of INR 9.9 billion. A share purchase agreement signed by Blackstone Capital Partners to acquire upto 127.1 million shares (60.2% of shares outstanding) of MPHL from HPQ triggered the tender offer.

On June 30, 2015, MPHL signed a definitive agreement to sell a part of their low margin (EBITDA) Indian BPO (voice based) business to Hinduja Global Solutions (HGSL) for INR 170 million. Further, on July 10, 2015, MPHL signed a definitive agreement to sell a part of their Indian BPO business to Karvy Data Management Services for INR 27.5 million. A total 9,000 employees were transferred along with the sold business. The Indian BPO business had revenues of INR 1,350 million (2.3% of MPHL's overall revenue of INR 57.9 billion in FY15). Revenue per employee at INR 192,857 per year was much lower than MPHL's overall revenue per employee of INR 1,821,936. The Indian BPO business made a negligible contribution to MPHL's EBITDA.

Currently, MPHL has an EV of INR 115.0 billion and trades at 11.6x FY17E EBITDA of INR 9.9 billion. In comparison, the median trading forward EV/EBITDA multiple of Indian IT companies is 11.1x. At the current share price of INR 566, MPHL trades at a 13% discount to our FY17 PMV of INR 647 (based on MPHL's median forward EV/EBITDA multiple of 11x).

Mahindra & Mahindra (INR 1,184 – MM IN) March 31, 2016

On March 31, 2016, MM announced that they entered into a share purchase agreement to acquire a 35% stake in Sampo Rosenlew Oy, Finland for EUR 18 million. Sampo Resenlew Oy is a farm equipment manufacturer and had sales of EUR 93 million for year ending September 30, 2015. The deal implied equity value to sales multiple of 0.6x.

On October 16, 2015, MM announced that they entered into a share purchase agreement with b4S Solutions Private Limited to sell their entire 71.2% stake in Swaraj Automotive (SWAL IN) for INR 248.3 million. At the transaction price of INR 145.5 per share, SWAL is valued at an EV of INR 267.7 million or 7.2x FY15 EBITDA of INR 37.3 million. On August 17, 2015, MM announced that shareholders in the Annual General Meeting held on August 07, 2015 approved raising INR 50 billion to be utilized for funding capital expenditure and working capital requirements. On March 25, 2015, Reuters reported that MM is likely to acquire a majority stake in Pininfarina SpA (PNF GR), which has designed cars for Ferrari, Maserati, Rolls-Royce and Cadillac. On June 28, 2015, Businessworld reported that the offer made by MM to acquire PNF was turned down due to opposition from PNF's creditor banks. On December 14, 2015, MM announced that they acquired a 76.1% stake in PNF for EUR 25.3 million (0.3x 2014 revenue of EUR 86.6 million).

Currently, MM has an EV of INR 1,189.6 billion and trades at 12.3x FY16E EBITDA of INR 96.4 billion. At the current share price of INR 1,184, MM trades at a 16% discount to our FY17 PMV of INR 1,407.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

GVK Power and Infrastructure (INR 5 – GVKP IN) March 28, 2016

On March 28, 2016, GVKP announced that they sold a 33% stake in Bangalore International Airport to Fairfax India Holding Corporation for INR 21.5 billion. The fund received will be used to partly pay off their debt, which stood at INR 223.1 billion as of March 2015. Currently, GVKP has an EV of INR 283.3 billion and trades at 17.1x FY16 EBITDA of INR 16.5 billion. In comparison, the median trading EV/EBITDA multiple of Indian infrastructure companies is 10.6x.

Avanti Feeds (INR 491 – AVNT IN) March 16, 2016

On March 16, 2016, AVNT announced that the Board of Directors of the company approved a joint venture agreement between Thai Union Group PCL (TU TB) and Avanti Frozen Foods (AFF), a wholly owned subsidiary of AVNT. TU was issued 4.0 million shares of AFF at INR 313 per share. Currently, AVNT has an EV of INR 21.7 billion and trades at 9.4x FY16 EBITDA of INR 2.3 billion.

Mercator (INR 41 – MRLN IN) February 10, 2016

On February 10, 2016, MRLN announced that they sold their entire stake in Mercator Lines (Singapore) (MLS) for SGD 3 to three investors – Bellerophon Holdings, MIB Investments and Wroclaw Holdings. MLS had debt of ~ INR 10 billion and posted net loss of INR 7.7 billion in March 2015. Currently, MRLN has an EV of INR 35.9 billion and trades at 1.3x FY2016 sales of INR 27.1 billion. MRLN's EBITDA for FY16 was -INR 4.2 billion.

Birla Corp (INR 630 – BCORP IN) February 4, 2016

On February 4, 2016, Reliance Infrastructure (RELI IN) announced that they signed a binding agreement with Birla Corporation (BCORP IN) to sell their entire 5.1 MTPA cement plant for INR 48.0 billion (implied valuation: USD 140/tonne).

On August 17, 2015 BCORP announced that they agreed to acquire two cement plants (at Chhattisgarh and Jharkhand) with combined production capacity of ~5.2 million tonnes from Lafarge India for an EV of INR 50 billion. BCORP paid ~USD 147 per tonne of cement production capacity, which is higher than the average cost (USD 120 – USD 140 per tonne of production capacity) of setting up a cement plant in India. Currently, BCORP has an EV of INR 57.7 billion and trades at 20.2x FY16 EBITDA of INR 2.9 billion.

Firstsource Solutions (INR 38 – FSOL IN) January 28, 2016

On January 28, 2016, FSOL announced that the Board of Directors of the company approved acquisition of ISGN Solutions Inc. and its subsidiaries for USD 12.6 million (0.5x 2014 revenue of USD 25.9 million) and BPO division of ISG Novasoft Technologies for INR 30 million. Currently, FSOL has an EV of INR 33.9 billion and trades at 8.2x FY16 EBITDA of INR 4.1 billion.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Rane Madras (INR 414 – RML IN) January 25, 2016

On January 25, 2016, RML announced that the Board of Directors of the company approved acquisition of Precision Die Casting Inc. for an EV of USD 8.9 million (0.3x 2015 revenues of USD 29.5 million) and an equity value of USD 1. Precision Die Casting Inc. is located in the United States of America and is manufacturer of high pressure aluminium die casting used in automotive applications. Currently, RML has an EV of INR 7.6 billion and trades at 9.7x FY16 EBITDA of INR 784.4 million.

SeQuent Scientific (INR 110 – SEQ IN) January 22, 2016

On April 15, 2016, SEQ's subsidiary company Alivira Animal Health acquired 70% stake in Interchange Industria e Comercio de Produtos Veterinarios S.A. Brazil for INR 250 million (0.9x 2015 revenue of ~INR 382 million). On January 22, 2016, SEQ announced that they acquired 51% stake in Indo Phyto Chemicals for INR 68.5 million (0.1x FY15 revenues of INR 675 million). Indo Phyto Chemicals focuses on female healthcare and manufactures integrated steroids and hormones. Currently, SEQ has an EV of INR 30.0 billion and trades at 47.7x FY16 EBITDA of INR 628.7 million.

Mindtree (INR 522 – MTCL IN) January 18, 2016

On January 18, 2016, MTCL announced that the Board of Directors of the company approved acquisition of 100% membership interest in Magnet 360 LLC for USD 50 million (2.0x 2015 revenue of USD 25.0 million). On July 16, 2015, MTCL announced that they signed a definitive agreement to acquire Bluefin Solution (specialist in SAP solutions) for USD 66.1 million. Currently, MTCL has an EV of INR 85.7 billion and trades at 10.3x FY16 EBITDA of INR 8.3 billion.

Excel Crop Care (INR 1,703 – EXCC IN) January 8, 2016

On June 5, 2016, EXCC announced that Sumitomo Chemical (4005 JP) made a tender offer to acquire 3.3 million shares (30% of 11.0 million shares outstanding) of EXCC. At the tender offer price of INR 1,259.4, EXCC is valued at an EV of INR 13.9 billion or 14.7x FY16 EBITDA of INR 946.3 million. Share purchase agreement signed by Sumitomo Chemical to acquire 5.0 million shares (45.0% of shares outstanding) from the majority shareholders and select public shareholders triggered the tender offer. Currently, EXCC has an EV of INR 18.8 billion and trades at 19.9x FY16 EBITDA of INR 946.3 million.

Tree House Education (INR 18 – THEAL IN) & **Zee Learn** (INR 39 – ZLL IN) December 23, 2015

On December 23, 2015, THEAL announced that it would merge with ZLL and shareholders of THEAL would get 53 shares of ZLL for every 10 shares of THEAL that they own. On June 1, 2016, ZLL announced that they put the proposed merger on hold and would set up a committee to look at options to salvage the deal.

On August 17, 2016, THEAL announced that they have revised terms of the merger with ZLL. Under the revised agreement, shareholders will get 10 equity shares of ZLL for every 10 equity shares of THEAL that they hold. On December 16, 2016, ZLL announced that they decided to scrap the merger plan with THEAL on account of media reports of THEAL closing down hundreds of its playgroup centres, its worsening financials and allegations of irregularities.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Xchanging Solutions (INR 51 – XSL IN) December 15, 2015

On December 15, 2015, XSL announced that Computer Sciences Corporation (CSC US) through its subsidiary CSC Computer Sciences International Operations made a tender offer to acquire 27.9 million shares (25% of 111.4 million shares outstanding) of XSL. At the tender offer price of INR 36.6 per share, XSL was valued at an EV of INR 3.0 billion and 10.8x FY15 EBITDA of INR 278.1 million. The acquisition of 100% equity of Xchanging Plc (XCH LN) by CSC triggered the tender offer. Currently, XSL has an EV of INR 4.6 billion and trades at 16.4x 2015 EBITDA of INR 283.4 million. In comparison, the median trading forward EV/EBITDA multiple of Indian IT companies is 11.1x.

Oscar Investments (INR 228 – OSCR IN) & **HealthFore Technology** (INR 26 – HTEC IN) December 14, 2015

On December 14, 2015, OSCR announced that the Board of Directors of the company approved merger of HTEC with OSCR. Shareholders of HTEC will get 3 shares of OSCR for every 20 shares of HTEC that they own. As result of the merger, shareholding of the majority shareholder in OSCR will decline from 70.7% (pre-merger) to 69.2% (post-merger). Based on the current share price buying 20 HTEC shares for INR 520 and exchanging them for 3 OSCR shares for INR 684 will result in an absolute return of 31.5%.

Zensar Technologies (INR 955 – ZENT IN) October 9, 2015

On October 9, 2015, Apax Partners agreed to acquire a 23.2% stake in ZENT from Electra Partners Mauritius for INR 8.3 billion valuing ZENT at an EV of INR 33.3 billion or 7.6x FY16 EBITDA of INR 4.4. Currently, ZENT has an EV of INR 41.4 billion and trades at 9.4x FY16 EBITDA of INR 4.4 billion. In comparison, the median trading forward EV/EBITDA multiple of Indian IT companies is 11.1x.

GTL (INR 17 – GTS IN) October 1, 2015

On October 1, 2015, GTS announced that the Board of Directors of the company approved selling Operations, Maintenance & Energy Management business to E2 Energy Services Pvt. Ltd for INR 8.5 billion. The proceeds of the sale will be utilized to partly repay their debt, which stood at INR 56.5 billion as of March 2015. GTL is in the corporate debt-restructuring (CDR) cell (equivalent to a bankruptcy court).

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Sun Pharmaceutical Industries (INR 630 – SUNP IN) September 29, 2015

On October 27, 2016, SUNP announced that it would acquire Ocular Technologies from Auven Therapeutics for an upfront payment of USD 40 million, plus contingent development milestones and sales milestones as well as tiered royalty on sales of Ocular's eye disease treatment drug Seciera.

On September 29, 2015, SUNP announced that they made a tender offer to acquire entire 132 million shares outstanding of Insite Vision Inc (INSV US). At the tender offer price of USD 0.35 cash per share INSV is valued at an EV of USD 55.7 million or 12.4x 2015E revenue of USD 4.5 million (CapitalIQ estimate). INSV's EBITDA has been negative since 2012. On November 3, 2015, SUNP announced that they completed the acquisition of INSV.

On April 21, 2015, Daiichi Sankyo (4568 JP) sold their entire holding of 215 million shares (8.9% of 2,406.4 million shares outstanding) of SUNP for INR 200.3 billion. At the average selling price of INR 932 per share, SUNP was valued at an EV of INR 2,186.6 billion or 21.6x FY16E EBITDA of INR 100.8 billion (CapitalIQ estimate). Of the 215 million shares, 84 million shares (3.5% of shares outstanding) were purchased by Aranda Investment Mauritius, Goldman Sachs (Singapore) and Government of Singapore, through a bulk deal on April 21, 2015.

On June 11, 2008, Daiichi Sankyo had acquired Ranbaxy for an EV of INR 312.7 billion or at a forward EV/EBITDA multiple of 24.4x. On April 7, 2014, Ranbaxy had announced that it was to merge with SUNP. Shareholders of Ranbaxy received 0.8 shares of SUNP for every 1 share of Ranbaxy that they held. The merger of Ranbaxy and SUNP was completed on March 24, 2015.

Currently, SUNP has an EV of INR 1,501.8 billion and trades at 18.3x FY16 EBITDA of INR 82.3 billion. In comparison, the median trading EV/EBITDA multiple of Indian pharma industry is 12.5x.

Vivimed Labs (INR 90 – VILA IN) September 29, 2015

On September 29, 2015, VILA announced that they signed a definitive agreement to sell certain identified products along with their associated trademarks and assets to Clariant India for INR 3.8 billion. Clariant India is a subsidiary of Clariant AG (CLN SW). Products proposed for sale accounted for ~10% of VILA's sales of INR 13.9 billion in FY15. Sale consideration will be utilized to partly repay their debt, which stood at INR 10.1 billion (4.6x FY15 EBITDA of INR 2.2 billion) as of March 31, 2015. Currently, VILA has an EV of INR 15.9 billion and trades at 7.1x FY16 EBITDA of INR 2.2 billion.

Hindusthan National Glass & Industries (INR 105 – HNGI IN) September 26, 2015

On September 26, 2015, HNGI announced their intention to sell their wholly owned subsidiary, HNG Global GmbH. No further details were disclosed. HNG Global GmbH had sales of EUR 36.3 million, EBITDA of EUR 8.0 million and net income of 0.6 million in FY14. HNGI has been incurring losses since FY13. Currently, HNGI has an EV of INR 37.9 billion and trades at 11.0x FY16 EBITDA of INR 3.4 billion.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Amtek Auto (INR 32 – AMTK IN) September 22, 2015

In their Q4 2014 earnings call dated November 25, 2014, AMTK reiterated that they intend to merge Castex Technologies (CAST IN), earlier known as Amtek India, (current ownership of AMTK: 47%), Metalyst Forgings (MEFO IN), earlier known as Ahmednagar Forgings, (current ownership of AMTK: 54%) and JMT Auto (JMT IN) (current ownership of AMTK: 72%) and consolidate the Amtek group. As a result AMTK will remain as the only listed entity of the Amtek Group. In the earnings call AMTK also announced that they are going to acquire 3 companies, 2 in Europe and 1 in South East Asia. AMTK have made similar announcements in the past but have not followed through with any transaction.

The Amtek Group had acquired a number of companies in the past. On December 24, 2013, AMTI IN announced that they acquired Kuepper Group of Germany. On June 27, 2013, AMTK acquired a 72% stake in JMT Auto (JMT IN). On March 25, 2013, AMTK reduced stake in 2 of their subsidiaries ARGL Limited and ACIL Limited. On March 11, 2013, AMTK acquired a substantial stake in Neumayer Tekfor (NT) Group.

On July 31, 2015, CAST announced that the Board of Directors of the company decided to mandatorily convert all the outstanding foreign currency convertible bonds (FCCBs) worth USD 80.8 million out of a FCCB Issue of USD 130 million on the conversion date (September 10, 2015). In addition, the BOD of the company also decided to mandatorily convert all the outstanding FCCBs worth USD 56.6 million out of a FCCB Issue of USD 70 million on the conversion date (September 25, 2015). On August 1, 2015, Financial Express¹ reported that on July 10, 2015, FCCB holders wrote to SEBI and stock exchanges saying that CAST stock price were artificially pushed up for certain period that helped triggering a clause in the agreement that permits CAST to enforce conversion of FCCBs in shares.

On September 22, 2015, The Economic Times reported that AMTK defaulted on a payment of INR 8 billion of bonds that matured on September 21, 2015. On November 2, 2015, AMTK announced that they appointed Morgan Stanley as an advisor to assist in reducing AMTK's debt. AMTK is looking to sell minority stakes of upto 25-40% in their overseas subsidiaries, which they acquired recently.

Currently, AMTK has an EV of INR 147.0 billion and trades at 23.3x FY16 EBITDA of INR 6.3 billion. AMTK's current net debt is high at INR 140.7 billion and is 22.3x FY16 EBITDA of INR 6.3 billion.

¹ <http://www.financialexpress.com/article/industry/companies/bondholders-cry-foul-on-castex-technologies-fccb-move/111822/>

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Tide Water Oil (INR 5,567 – TWO IN) September 22, 2015

On April 20, 2016, TWO, manufacturer of Veedol lubricants, announced that they acquired Price Thomas Holdings for GBP 9.6 million (0.9x revenue of GBP 10.9 million in 2014). Price Thomas Holdings is a manufacturer and supplier of lubricants and car care products in the United Kingdom. On September 22, 2015, TWO announced that Standard Greases and Specialities made a tender offer to acquire 226,512 shares (26% of 871,200 shares outstanding) of TWO. At the tender offer price of INR 16,632 per share, TWO was valued at an EV of INR 13.0 billion or 9.5x FY16E EBITDA of INR 1.4 billion (CapitalIQ estimate). The tender offer was completed on January 7, 2016. Standard Grease now holds 29.4% in TWO up from 23.2% before the tender offer and has gained 2 board seats. In January 2106, TWO declared a 1:1 bonus issue and decided to split the stock into two. TWO shareholders will get four new shares against one existing share. Currently, TWO has an EV of INR 16.8 billion and trades at 12.3x FY16 EBITDA of INR 1.4 billion.

Inditrade (INR 37 – INCL IN) September 7, 2015

On November 17, 2016, INCL announced that their wholly owned subsidiary, Inditrade Business Consultants (IBCL), entered into an agreement to acquire Edel Commodities Trading, a wholly owned subsidiary of Edelweiss Financial Services (EDEL IN), for INR 130 million in cash and 9% of the paid up equity share capital of IBCL.

On September 7, 2015, INCL announced that Sudip Bandyopadhyay, Juno Moneta Technologies Pvt. Ltd and A.T Invofin India Pvt. Ltd made a tender offer to acquire 6.1 million shares (26% of 23.5 million shares outstanding) of INCL. At the tender offer price of INR 42.5 per share, entire equity of INCL is valued at INR 998.8 million or 1.2x FY15 book value of INR 814.4 or 1.0x FY15 cash & cash equivalent of INR 965.8. No announcement has been made regarding the completion of the tender offer, which was scheduled to be completed by March 23, 2016. The tender offer was triggered by a share purchase agreement signed on September 7, 2015 by Baring India Private Equity Fund (including other related parties) with acquirers (mentioned above) to sell their 11.4 million shares (48.7% of shares outstanding) of INCL for INR 42.5 a share.

Cipla (INR 568 – CIPLA IN) September 4, 2015

On September 4, 2015, CIPLA announced that they signed a definitive agreement to acquire InvaGen Pharmaceuticals Inc. for USD 500 million. At the acquisition price of USD 500 million, InvaGen Pharmaceuticals Inc. is valued at 2.5x CY14 revenue of USD 200 million. The acquisition of InvaGen Pharmaceuticals Inc. will give CIPLA scale in the US generics market through a wide product portfolio in CNS, CVS, anti-infectives, diabetes, etc. InvaGen Pharmaceuticals Inc. has manufacturing base in Hauppauge and NY. On February 18, 2016, CIPLA announced that the acquisition of InvaGen Pharmaceuticals Inc. has been completed. On October 29, 2015, CIPLA announced that they entered into a definitive agreement to sell their entire 25% stake in Biomab Holding Limited, Hong Kong (BHL) to Biomab Brilliant for USD 25.8 million. Biomab Brilliant owns the remaining 75% stake in BHL. On January 22, 2016, CIPLA announced that the sale of their stake in BHL has been completed.

Currently, CIPLA has an EV of INR 503.0 billion and trades at 20.1x FY16 EBITDA of INR 25.0 billion. In comparison, the median trading forward EV/EBITDA multiple of Indian pharma industry is 12.5x.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Astec LifeSciences (INR 619 – ASTEL IN) August 29, 2015

On August 29, 2015, ASTEL announced that Godrej Agrovet signed a share purchase agreement to acquire a 45.3% stake in the company. At the acquisition price of INR 190 per share, ASTEL was valued at an EV of INR 4.5 billion or 8.0x FY16E EBITDA of INR 561.1 million. The transaction was completed on December 16, 2015. Currently, ASTEL has an EV of INR 13.3 billion and trades at 56.3x FY16 EBITDA of INR 235.5 million.

Gateway Distriparks (INR 245 – GDPL IN) August 26, 2015

On August 24, 2015, GDPL announced that they offered to purchase Blackstone GPV Capital Partners (Mauritius) V-H (Blackstone) stake in Gateway Rail Freight (GRFL), a subsidiary of GDPL, for INR 6 billion. On September 23, 2015, Blackstone rejected the offer. In November 2009, Blackstone had said that they would invest INR 3 billion in GRFL for a stake between 37.3% and 49.9%. As per FY15 annual report of GDPL, GDPL owns a 98.3% stake in GRFL. Currently, GDPL has an EV of INR 28.9 billion and trades at 11.6x FY16 EBITDA of INR 2.5 billion. In comparison the median trading EV/EBITDA multiple of logistics companies in India is 11.8x.

Bhushan Steel (INR 41 – BHUS IN) & **Monnet Ispat** (INR 23 – MISP IN) August 24, 2015

On August 24, 2015, BHUS announced that they are in talks with MISP to acquire their entire 35% stake in Orissa Sponge Iron & Steel (OSSI IN). BHUS is conducting a due diligence on OSSI. BHUS has net debt is 389.9 billion, interest cost of INR 23.2 billion and net loss of 12.6 billion in FY15. BHUS's net debt is 389.9 billion and is 17.9x FY15 EBITDA of INR 21.8 billion. A cash purchase of OSSI by BHUS is unlikely given BHUS' limited scope of raising further debt.

Astra Microwave (INR 109 – ASTM IN) August 24, 2015

On August 24, 2015, ASTM announced that they signed a term sheet to form a joint venture company with Rafael Advanced Defence Systems (Rafael) for joint production and supply of tactical radio communication systems, electronic war-fare systems and signal intelligence systems. ASTM will own a 51% stake and Rafael will own 49% stake in the joint venture company. The joint venture company will operate from Hyderabad (India) and is expected to start business development activities in the first half of 2016. An investment of USD 20 million is to be made in the first two years in the joint venture company. Currently, ASTM has an EV of INR 9.3 billion and trades at 9.2x FY16 EBITDA of INR 1.0 billion.

Visa Steel (INR 17 – VISA IN) August 21, 2015

On August 21, 2015, VISA announced that VISA Bao, a JV between VISA and Baosteel Resources, will merge with VISA. As a result, Baosteel will own a 5% stake in VISA. Visa Bao was formed in 2008 as a joint venture between VISA and Baosteel for building a ferro chrome plant in Odisha. VISA owns a 65% stake and Baosteel Resources owns the remaining 35% stake in the JV.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Thomas Cook (INR 188 – TC IN) August 7, 2015

On August 7, 2015, TC announced that they signed an agreement to acquire a 100% stake in Kuoni Travel (India) and Kuoni Travel (China) for INR 5.4 billion. The acquisition will be financed through a mix of debt and equity (internal accruals). Currently, TC has an EV of INR 69.4 billion and trades at 28.6x FY16 EBITDA of INR 2.4 billion.

Symphony (INR 1,152 – SYML IN) August 7, 2015

On August 13, SYML announced that they acquired a 100% stake in Munters Keruilai Air Treatment Equipment Guangdong Co Ltd (MKE) for USD 234,000. MKE manufactures and sells evaporative air coolers under the brand of Keruilai. Currently, SYML has an EV of INR 80.1 billion and trades at 58.9x FY16 EBITDA of INR 1.4 billion.

Sonata Software (INR 193 – SSOF IN) August 5, 2015

On August 5, 2015, SSOF announced that they have entered into a share purchase agreement to acquire 100% stake in Halosys Inc. for USD 5 million (upfront payment USD 2 million and earn out USD 3 million over 3 years). On October 29, 2015, SSOF announced that they signed a definitive agreement to acquire Interactive Business Information Systems Inc. (IBIS) for an upfront cash of USD 8.6 million and USD 5.4 million as earn outs payable over the next two years ending 2017. Currently, SSOF has an EV of INR 19.1 billion and trades at 10.0x FY16 EBITDA of INR 1.9 billion. In comparison, the median trading EV/EBITDA multiple of Indian IT companies is 13.0x.

JBF Industries (INR 208 – JBF IN) July 31, 2015

On July 31, 2015, JBF, a textile manufacturer, announced that the Board of Directors of the company approved raising INR 9.6 billion from Kohlberg Kravis & Roberts (KKR). KKR will acquire a 20% stake in JBF for INR 4.9 billion (INR 290 per share; implied EV/EBITDA: 11.2x FY15 EBITDA of INR 8.6 billion). KKR will invest the remaining INR 4.7 billion in JBF's wholly owned subsidiary JBF Global Pte Ltd through compulsorily convertible preference shares. Shareholders approved both the transactions in the Extraordinary General Meeting of the company held on September 01, 2015. On December 28, 2015, the Board of Directors of JBF approved issuing 16.4 million shares (20% of shares outstanding) to KKR for INR 300 per share. Currently, JBF has an EV of INR 112.9 billion and trades at 16.0x FY16 EBITDA of INR 7.1 billion. JBF's debt to EBITDA ratio was 15.0x for FY16.

Godrej Consumer Products (INR 1,512 – GCPL IN) July 29, 2015

On February 4, 2016, GCPL announced that they acquired a 75% stake in Canon Chemicals. Canon Chemicals is located in Kenya and had revenues of KES 1,146 million (or ~ INR 760 million) for year ended June 2015. No further details were announced.

On July 29, 2015, GCPL announced that the Board of Directors of the company approved acquisition of the balance 40% stake in Cosmetica Nacional, a Chilean hair colour cosmetics company, for an undisclosed amount. GCPL had acquired a 60% stake in Cosmetica Nacional in January 2012. Currently, GCPL has an EV of INR 537.2 billion and trades at 32.9x FY16 EBITDA of INR 16.3 billion. In comparison, the median EV/EBITDA multiple of Indian FMCG companies is 23x.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

JSW Energy (INR 61 – JSW IN) July 9, 2015

On May 4, 2016, JSW announced that they agreed to acquire a 1,000 MW thermal power plant from Jindal Steel & Power (JSP IN) for an EV of INR 40 billion plus net current assets. The transaction value may increase to an EV of INR 65 billion plus net current assets if certain pre-agreed conditions regarding fuel security and power offtake are satisfied.

On July 29, 2015, JSW announced that their subsidiary company, JSW Energy Natural Resources South Africa (PTY) Limited, sold a 26% stake in South African Coal Mining Holdings Limited (SACMH). Post completion of the transaction, JSW's stake in SACMH declined from 93.3% (before the transaction) to a 67.3%. JSW had to sell their stake in the subsidiary to comply with the black economic empowerment requirements mandated by the Department of Mineral Resources.

On July 9, 2015, JSW announced that they signed a non-binding memorandum of understanding (MOU) with Monnet Ispat and Energy (MISP IN) and Monnet Power (MPCL) for initiating a due diligence process for the possible acquisition of a majority stake in MPC. MPCL is setting up a 1,050 MW thermal power plant at Angul (Odisha). Currently, JSW has an EV of INR 251.5 billion and trades at 6.1x FY16 EBITDA of INR 41.4 billion. MISP has an EV of INR 124.8 billion and trades at 6.8x FY16 revenue of 18.4 billion. MISP's debt and EBITDA for FY16 was INR 121.2 billion and –INR 4.3 billion, respectively.

Rajesh Exports (INR 462 – RJEX IN) July 27, 2015

On July 27, 2015, RJEX announced that they acquired European Gold Refineries, the 100% holding company of Valcambi in an all cash deal for USD 400 Million (or 12.1x average annual EBITDA of USD 33 million). Valcambi, the world's largest precious metal's refining company, has processed and sold 945 tons of gold and 325 tons of silver on an average per year during the last three financial years. No further details were disclosed. Currently, RJEX has an EV of INR 61.8 billion and trades at 3.5x FY16 EBITDA of INR 17.6 billion.

KDDL (INR 197 – KDDL IN) July 25, 2015

On July 25, 2015, KDDL, a manufacturer and supplier of watch components, announced that the Board of Directors of the company approved raising INR 300 million by issuing 1.0 million fresh shares (9.9% of 10.1 million shares outstanding post issue) of KDDL to SAIF India. The deal valued KDDL at an EV of INR 4.2 billion or 12.1x FY15 EBITDA of INR 347.1 million. As of March 2016, SAIF India owns a 10% stake in KDDL. Currently, KDDL has an EV of INR 3.4 billion and trades at 10.5x FY16 EBITDA of INR 323.3 million.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Lupin (INR 1,484 – LPC IN) July 23, 2015

On July 23, 2015, LPC signed a definitive agreement to acquire GAVIS Pharmaceuticals LLC and Novel Laboratories Inc. (GAVIS) for an EV of USD 880 million or 9.2x FY14 revenues of USD 96 million. The acquisition of GAVIS will increase LPC's presence in the US generic markets. GAVIS' ANDA filings pending approval with the US FDA have an addressable market value of USD 9 billion. Together, LPC and GAVIS will have a portfolio of ANDA filings with the US FDA that have an addressable market of USD 63.8 billion. On March 09, 2016, LPC completed the acquisition of GAVIS.

On July 24, 2015, LPC announced that they entered into a strategic asset purchase agreement Temmler Pharma GmbH (Temmler) to acquire Temmler's specialty product portfolio. No further details were disclosed. In February 2015, LPC's manufacturing facility in Madhya Pradesh had received six regulatory observations from US FDA.

On June 23, 2015, LPC announced that the Board of Directors of the company approved raising funds up to INR 75 billion through issuing equity shares or other equity linked instruments. LPC did not announce the purpose of raising funds. On June 24, 2015, VCCircle reported that LPC had been looking for large acquisitions and the purpose of raising funds was to fund the acquisitions. On June 16, 2014, Bloomberg had quoted Vinita Gupta, CEO of LPC saying that the company was looking to expand their business in Europe by acquiring regional generic manufacturing companies for up to USD 1 billion.

Currently, LPC has an EV of INR 733.1 billion and trades at 19.5x FY16 EBITDA of INR 37.5 billion. In comparison, the median trading forward EV/EBITDA multiple of Indian pharma industry is 12.5x.

Persistent Systems (INR 615 – PSYS IN) July 23, 2015

On March 2016, PSYS announced that they signed an agreement to acquire assets of PRM Cloud Solutions Pty, an Australia based company engaged in Salesforce implementation services. Earlier on July 23, 2015, PSYS, a software services company, announced that their California based subsidiary, Persistent Systems Inc. signed an agreement to acquire Aepona Holdings Limited, a Republic of Ireland corporation, from Intel Overseas Funding Corporation. No further details were disclosed. Intel Overseas Funding Corporation had acquired Aepona Holdings with its 300 employees for an undisclosed amount in 2013. Currently, PSYS has an EV of INR 47.8 billion and trades at 12.1x FY16 EBITDA of INR 3.9 billion.

Orient Green Power (INR 9 – OGPL IN) July 20, 2015

On July 20, 2015, OGPL announced that the Board of Directors of OGPL approved sale of a 26% stake in their wholly owned sub, Gayatri Green Power. On August 19, 2015, the Board of Directors of OGPL approved raising INR 1 billion from Edelweiss Group companies and INR 2.5 billion through a preferential allotment to majority shareholders. The Shriram Group, majority shareholder of OGPL, owns a 75% stake in OGPL as of June 2015. Currently, OGPL has an EV of INR 27.4 billion and trades at 13.8x FY16 EBITDA of INR 2.0 billion.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

IIFL Holdings (INR 262 – IIFL IN) July 14, 2015

On November 17, 2016, IIFL announced that they acquired Samasta Microfinance. IIFL did not disclose the deal value. Samasta Microfinance had INR 1 billion of AUM as of September 30, 2016.

On July 14, 2015, Fairfax Group made a tender offer to acquire up to 83.1 million shares (26% of 319.7 million shares outstanding) of IIFL. The tender offer price of INR 195 valued the total equity of IIFL at INR 60.7 billion or 2.4x FY15 book value of INR 25.6 billion. The tender offer started on October 29, 2015 and closed on November 13, 2015.

Prior to the tender offer Fairfax Group (Through HWIC Asia Fund) held a 9% stake in IIFL which they acquired between July-December 2010. Post tender offer, Fairfax Group's stake in IIFL increased to 30.7%, which is slightly higher than a 29.7% stake owned by the existing majority shareholders (Nirmal Bhanwarlal Jain, Venkatarama Rajamani, Madhu N Jain, etc) as of June 2015. Fairfax Group mentioned in the tender offer document that they neither intend to appoint any additional directors on the Board of Directors nor exercise any control over the policy decisions or general management of IIFL. Existing majority shareholders did not tender their IIFL shares.

On October 28, 2015, IIFL announced that they sold a 21.6% stake in IIFL Wealth Management, a subsidiary of IIFL, to General Atlantic for INR 11.2 billion. No further details were disclosed.

Currently, IIFL has a market capitalization of INR 83.2 billion and trades at 2.9x FY16 book value of INR 29.1 billion. In comparison, the median trading price to book value multiple of comparable companies in India is 1.0x.

Mangalore Refining and Petrochemicals (INR 98 – MRPL IN) July 8, 2015

On July 8, 2015 MRPL announced that ONGC Mangalore Petrochemicals (OMPL) would merge with MRPL. MRPL owns a 51% stake in OMPL and the remaining 49% stake is owned by Oil and Natural Gas Corporation (ONGC IN). MRPL will issue 100 equity shares to OMPL shareholders for every 513 OMPL shares that they hold. Below is the change in shareholding of MRPL post-merger (Table 9):

Table 9:

Shareholding pattern of MRPL pre and post-merger		
Shareholders	Holding pre-merger (%)	Holding post-merger (%)
ONGC	71.6%	74.3%
HPCL	17.0%	15.4%
Minority	11.4%	10.3%

Currently, MRPL has an EV of INR 179.3 billion and trades at 10.5x FY16 EBITDA of INR 17.1 billion. In comparison, the median trading EV/EBITDA multiple of oil and gas refining and marketing companies in India is 7.3x.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Bharti Airtel (INR 305 – BHARTI IN) July 2, 2015

On March 17, 2016, BHARTI announced that they signed a definitive agreement with Videocon Telecommunications (VTL) to acquire the rights to use 2x5 MHz spectrum in the 1800 MHz spectrum allotted to VTL by the Government of India for six circles – Bihar, Haryana, Madhya Pradesh, UP (East), UP (West) and Gujarat for INR 44.3 billion. On July 21, 2015, BHARTI announced that they have entered into an agreement with Orange SA (ORA FP) to explore a possible sale of BHARTI's operating subsidiaries in Burkina Faso, Chad, Congo Brazzaville and Sierra Leone to ORA. On October 27, 2015, BHARTI announced that Eaton Towers acquired 2,500 towers from BHARTI in four countries – Ghana, Uganda, Kenya and Burkina Faso.

On July 2, 2015, BHARTI announced that they have sold telecom towers in five countries in Africa for USD 1.3 billion. BHARTI is likely to sell their remaining telecom towers in six countries and this will be concluded in the next few months. Funds raised through sale of telecom towers will be used to repay their debt. BHARTI has a debt of INR 1,016.4 billion as of March 31, 2016. Currently, BHARTI has an EV of INR 2,260.0 billion and trades at 6.2x FY16 EBITDA of INR 367.0 billion. In comparison the median trading EV/EBITDA multiple of telecom companies in India is 7.8x.

Time Technoplast (INR 92 – TIME IN) June 30, 2015

On June 30, 2015 TIME announced that they have sold their 50% stake in a JV in South China for USD 1.3 million. TIME had formed the above-mentioned JV to set up a manufacturing facility in China. TIME decided to sell their stake in the JV due to lower growth and profitability than they expected. In addition, TIME acquired the remaining 50% stake in their JV in Egypt that manufactures drums, jerry cans and pails after the local partner desired to focus on his other business (paints & wall coverings). Currently, TIME has an EV of INR 26.8 billion and trades at 7.7x FY16 EBITDA of INR 3.5 billion.

GSS Infotech (INR 27 – GSSI IN) June 24, 2015

On June 24, 2015 and June 25, 2015, Clearwater Capital Partners sold 3.1 million shares (18% of 16.9 million shares outstanding) for an average share price of INR 15 valuing GSSI at an EV of INR 368.8 million or 3.4x FY15 EBITDA of INR 108.9 million. Of these 3.1 million shares, G Vijaya Kumari and Marepally Raghunadha Rao (insiders of the company) together bought 1.4 million shares (8.3% of shares outstanding). Currently, GSSI has an EV of INR 606.4 million and trades at 0.3x FY16 revenues of INR 2.1 billion. GSSI's EBITDA for FY16 was –INR 91.4 million.

ABG Shipyard (INR 30 – ABGS IN) June 12, 2015

On June 12, 2015, ABGS announced that they are in discussion with Prinvest Holding to sell a stake in ABGS. On June 11, 2015, ET Now reported that Prinvest Holding is likely to acquire a 49% stake in ABGS. ABGS has debt of INR 92.9 billion as of March 2016 and is in the corporate debt-restructuring (CDR) cell (equivalent to a bankruptcy court). Currently, ABGS has an EV of INR 95.0 billion and trades at 277.1x FY16 revenue of INR 342.7 million.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Mahindra Holidays and Resorts (INR 400 – MHRL IN) June 9, 2015

On June 9, 2015, MHRL announced that the Board of Directors of the company approved a proposal to acquire an additional 64.7% stake for EUR 28 million in Holiday Club Resorts Oy (HCR). On September 2, 2015, MHRL announced that they completed the acquisition of additional stake in HCR and increased their stake from 23.3% to 83.2% HCR. HCR had a turnover of EUR 123 million in FY14.

Currently, MHRL has an EV of INR 59.1 billion and trades at 20.0x FY16 EBITDA of INR 3.0 billion. In comparison, the median trading forward EV/EBITDA multiple of hotels, resorts and cruise lines companies globally is 13.2x.

United Spirits (INR 1,941 – UNSP IN) June 8, 2015

On June 8, 2015, The Guardian and Fortune reported that Jorge Paulo Lemann, Co-founder of 3G Capital, is looking to acquire Diageo (DGE LN). DGE owns a 54.8% stake in UNSP. An acquisition of DGE will require the acquirer to make a tender offer to acquire an additional 26% stake in UNSP. On April 15, 2014, DGE had made a tender offer to acquire 38 million UNSP shares (26% of 145 million shares outstanding). At the tender offer price of INR 3,030, UNSP was valued at an EV of INR 520 billion and 44x FY14E EBITDA of ~ INR 12 billion. The EV/EBITDA multiple (44x) offered by DGE is significantly higher than the EV/EBITDA multiple (19x) that DGE had paid to acquire a 25% stake in UNSP in November 2012. Currently, UNSP has an EV of INR 322.9 billion and trades at 33.7x FY16 EBITDA of INR 9.6 billion. In comparison, the median trading EV/EBITDA multiple of global liquor companies is 15.9x.

Mangalore Chemicals & Fertilizers (INR 44 – MCF IN) June 1, 2015

On June 1, 2015, Business Standard reported that UB Group, owned by Vijay Mallya and the majority shareholder of MCF, intended to increase their stake in MCF by acquiring MCF shares from Zuari Agro (ZUAC IN). Currently, UB Group and ZUAC own a 21.9% and 53.0% stake, respectively, in MCF. UB Group intends to acquire such number shares from ZUAC so that both have equal stake in MCF.

UB Group had defaulted on debt obligations of another UB group company [Kingfisher Airlines (KAIR IN)]. To recover their debt UB Group lenders had sold MCF shares (these shares were pledged by UB Group to secure KAIR debt) in the stock market. As a consequence, ZUAC and Deepak Fertilisers (DFPC IN) had both acquired MCF shares in an attempt to acquire a majority stake in MCF.

Acquisition of MCF shares by DFPC and ZUAC

- On April 23, 2014, DFPC acquired 2 million MCF shares aggregating to 1.7% of the total 118.5 million shares outstanding of MCF.
- On April 23, 2014, DFPC made a tender offer to acquire 30.8 million shares (26% of shares outstanding) at INR 63 per share. At the tender offer price of INR 63 per share MCF is valued at an EV of INR 19.4 billion and 10.1x FY15E EBITDA of INR 1.9 billion.
- On July 3, 2013, DFPC had acquired 28.99 million MCF shares (24.5% of shares outstanding) at INR 61.75 per share.
- Between April and July 2013, ZUAC had acquired 19.27 million MCF shares (16.4% of shares outstanding) (mostly from UB Group lenders) at an average price of INR 49.8 per share.

Currently, MCF has an EV of INR 19.1 billion and trades at 17.9x FY16 EBITDA of INR 1.1 billion. At the current share price of INR 44, MCF trades at a 57% discount to our FY14 PMV of INR 102 (determined by 'replacement cost of assets').

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Indian IT companies April 27, 2015

Capgemini (CAP FP) / Indian IT companies April 27, 2015

On April 27, 2015, Capgemini (CAP FP) and IGATE announced that CAP will acquire IGATE for a cash consideration of USD 48 per share valuing IGATE at an EV of USD 4.4 billion or 15.0x 2015E EBITDA of USD 294 million. The deal highlights the importance of IGATE's North American revenues. Revenues from the US accounted for USD 879 million (or 69%) of IGATE's total revenue of USD 1.3 billion in 2014. In comparison, revenues from the US accounted for USD 2.3 billion (or 21%) of CAP's total revenue of USD 10.6 billion in 2014. The press release, issued by CAP and IGATE, emphasizes that for CAP, "Growing its presence in North America, by far the largest and most innovative technology and services market in the world, is at the top of the Group's strategic agenda....North America to represent 30% of the Group's estimated combined revenues of USD 12.5 billion in 2015."

Companies such as Atos SE (ATO FP), which was also in the race to acquire IGATE, that generate a lower proportion of revenue from the USA are considered as possible acquirers of those Indian IT companies that generate significant revenue from the US.

Nirlon (INR 189 – NIRL IN) April 23, 2015

On April 23, 2015, NIRL announced that Singapore's sovereign wealth fund GIC through Reco Berry completed the acquisition of 57.6 million shares (63.9% of 90.1 million shares outstanding) of NIRL. GIC had acquired 32.0 million shares (35.5% of shares outstanding) through a share purchase agreement and 25.6 million shares (28.4% of shares outstanding) through a tender offer. At the tender offer price of INR 222, NIRL was valued at an EV of INR 26.4 billion or 16.1x FY15 EBITDA of INR 1.6 billion. The tender offer price of INR 222 implied a capitalization rate of 9.8%. Currently, NIRL has an EV of INR 23.6 billion and trades at 10.6x FY16 EBITDA of INR 2.2 billion.

Havells India (INR 343 – HAVL IN) April 20, 2015

On April 20, 2015, HAVL announced that the Board of Directors of the company approved the acquisition of a 51% stake in Promptec Renewable Energy Solutions (Promptec) for an EV of INR 650 million or 1.9x FY15 revenue of INR 350 million. HAVL would leverage Promptec's experience and skills in LED street lighting segments and solar products through their distribution network.

On March 12, 2014, the Economic Times reported that HAVL plans to list their subsidiary, Sylvania Global, on the London Stock Exchange. The proceeds from the IPO will be utilized for acquiring companies in Latin America and Europe. The company has not made any announcement in this regard. On December 10, 2015, HAVL announced that they sold 80% stake in Havells Sylvania Malta BV to Shanghai Feilo Acoustics Co (600651 CH) for INR 13.4 billion (equity value). HAVL has the option to sell the remaining 20% stake in the company in next 3-5 years.

Currently, HAVL has an EV of INR 201.0 billion and trades at 25.1x FY16 EBITDA of INR 8.0 billion and 2.6x FY16 revenue of INR 77.1 billion. In comparison, the median trading EV/EBITDA and EV/Revenue multiple of electrical equipment manufacturing companies in India is 10.6x and 1.5x respectively.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Tasty Bite Eatables (INR 3,453 – TSTY IN) April 15, 2015

On April 15, 2015, TSTY announced that Kagome Co (2811 JP) made a tender offer to acquire 661,490 shares (25.8% of 2.6 million shares outstanding) of TSTY. At the tender offer price of INR 655.6, TSTY was valued at an EV of INR 2.1 billion and 9.4x FY15 EBITDA of INR 219.1 million. On April 14, 2015, Kagome Co acquired a 70% stake in Preferred Brands International, Inc., the majority shareholder of TSTY, which triggered the tender offer. The tender offer commenced on October 27, 2015 and was concluded on November 9, 2015. Only 300 shares were tendered and accepted. Currently, TSTY has an EV of INR 9.2 billion and trades at 27.2x FY16 EBITDA of INR 337.6 million. In comparison, the median trading EV/EBITDA of comparable companies globally is 11.9x.

Balasore Alloys (INR 53 – BLSA IN) & **Rohit Ferro-Tech** (INR 5 – ROFT IN) February 19, 2015

On February 19, 2015, BLSA announced that they will acquire ROFT's Ferro Alloys Plant at Kalinganagar Industrial Complex and ROFT's stake in Rohit Ferro Tech for INR 10.3 billion.

Sundaram Finance (INR 1,149 – SUF IN) February 18, 2015

On February 18, 2015, SUF announced that they will acquire RSA Group's (RSNAY US) entire 26% stake in Royal Sundaram Alliance Insurance (RSAIC) a non-life insurance company for INR 4.5 billion. Currently, SUF and associate companies of SUF holds a 49.9% and 24.1% stake, respectively, in RSAIC. The deal was completed on July 29, 2015. Upon completion of above transaction, SUF and the associate companies now own a 100% stake in RSAIC. Currently, SUF has a market capitalization of INR 127.7 billion and trades at 3.0x FY16 book value of INR 41.9 billion.

ADC India Communication (INR 261 – ADCIC IN) February 2, 2015

On February 2, 2015, Andrew LLC and CommScope, Inc. (COMM US) made a tender offer to acquire up to 1.2 million shares (or 26% of 4.6 million shares outstanding) of ADCIC. At the tender offer price of INR 241.5, ADCIC was valued at an EV of INR 754.8 million or 15.2x FY15 EBITDA of INR 49.7 million. The tender offer was triggered by the acquisition of telecom, enterprise and wireless segment of TE Connectivity (TEL US) by COMM. The tender offer commenced on October 26, 2015 and concluded on November 6, 2015. The tender offer process was completed on July 18, 2016 and only 0.2 million shares (4.5% of shares outstanding) were tendered in the tender offer.. Currently, ADCIC has an EV of INR 936.4 million and trades at 27.4x FY16 EBITDA of INR 34.2 million.

Igarashi Motors India (INR 705 – IGM IN) Jan 29, 2015

On January 29, 2015, Igarashi Electric Works and MAPE Advisory Group made a tender offer to acquire up to 8.0 million shares (or 26% of total 30.6 million shares outstanding) of IGM. At the tender offer price of INR 307.9, IGM was valued at an EV of INR 8.9 billion and an EV/EBITDA multiple of 11.8x FY15 EBITDA of INR 755.6 million. The tender offer was triggered by the acquisition of Agile Electric Sub Assembly, the majority shareholder of IGM, by Igarashi Electric Works and MAPE Advisory Group. The tender offer process was completed on January 19, 2016 and only 600 shares were tendered in the tender offer. Currently, IGM has an EV of INR 20.8 billion and trades at 19.2x FY16 EBITDA of INR 1.1 billion.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Hitachi Home and Life Solutions (INR 1,383 – HTHL IN) Jan 27, 2015

On January 27, 2015, Johnson Controls, Inc. (JCI US) made a tender offer to acquire up to 7 million shares (or 25.8% of total 27.2 million shares outstanding) of HTHL. At the tender offer price of INR 821.4, HTHL was valued at an EV of INR 23.7 billion and an EV/EBITDA multiple of 17.5x FY15 EBITDA of INR 1.4 billion. The tender offer commenced on November 30, 2015 and concluded on December 11, 2015. The tender offer was triggered by JCI acquiring a 60% stake in Hitachi Appliances, the majority shareholder of HTHL. The tender offer process was completed on February 4, 2016 and only 635 shares were tendered in the tender offer. Currently, HTHL has an EV of INR 39.2 billion and trades at 31.9x FY16 EBITDA of INR 1.2 billion.

Texmaco Rail and Engineering (INR 110 – TXMRE IN) & Kalindee Rail Nirman (INR 115 – KRNE IN) December 30, 2014

On January 4, 2016, TXMRE announced that they signed an agreement to acquire 55% stake in Bright Power Projects. No further details were disclosed. On December 30, 2014, KRNE announced that it was to merge with TXMRE and shareholders of KRNE would receive 106 shares of TXMRE for every 100 shares of KRNE that they held. Based on the current share price buying 100 KRNE shares for INR 11,500 and exchanging them for 106 TXMRE shares for INR 11,660 will result in an absolute return of 1.2%. Currently, TXMRE owns 6.9 million shares (41.6% of total 16.5 million shares) of KRNE, which TXMRE acquired through a share purchase agreement signed on July 20, 2013, a preferential allotment on August 22, 2013 and a tender offer accomplished on December 17, 2013. At the tender offer price of INR 71, KRNE was valued at an EV of INR 2.6 billion and an EV/EBITDA multiple of 9.6x FY15 EBITDA of INR 272.6 million.

Jaiprakash Power Ventures (INR 4 – JPVL IN) September 26, 2014

JPVL is an electric power generation company. JPVL has power generation capacity of 2,220 MW (Hydro: 400 MW and thermal: 1,820 MW). On September 8, 2015, JPVL announced that they concluded the sale of Himachal Baspa Power Company (HBPCL), a subsidiary of JPVL, to JSW Energy (JSW IN) for an EV of INR 97 billion. In addition, JPVL announced that they entered into a binding Memorandum of Understanding (MoU) with JSW to sell 100% stake in 500 MW Bina Thermal Power Plant. No further details were disclosed.

The culmination of the asset sale will act as a long-term catalyst that will assist in surfacing the underlying value of JPVL. JPVL has an EV of INR 271.5 billion and trades at 10.6x FY16 EBITDA of INR 25.5 billion. At the current share price of INR 4 JPVL trades at a 81% discount to our FY16 PMV of INR 21. Our PMV represents replacement cost of their assets. We do not recommend buying JPVL as they have defaulted on debt repayments.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Orient Abrasive (INR 32 – OA IN) June 12, 2014

On June 8, 2015, Ashapura Minechem (ASMN IN) through its 100% subsidiary Bombay Minerals made a tender offer to acquire 31.1 million shares (26% of 119.6 million shares outstanding) of OA. At the tender offer price of INR 29.5 per share, OA was valued at an EV of INR 3.8 billion or 12.3x FY15 EBITDA of INR 316.9 million. The tender offer was triggered by an acquisition of 30.5 million shares (25.5% of shares outstanding) of OA from Rajgarhia family, majority shareholders of OA, by Bombay Minerals.

On June 12, 2014, The Economic Times had reported that Ashapura Minechem (ASMN IN) intended to acquire majority shareholders' entire 25.5% stake in OA. OA had denied any such development. The share tender started on August 24, 2015 and closed on September 4, 2015. ASMN acquired 23.1 million shares (19.3% of shares outstanding) through the tender offer against the tender size of 31.1 million shares (26% of shares outstanding). Currently, OA has an EV of INR 4.2 billion and trades at 8.8x FY15 EBITDA of INR 473.9 million.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Credit Analysis and Research (INR 1,310 – CARE IN) February 13, 2014

On February 13, 2014, IDBI informed CARE that they and 4 other unnamed shareholders were looking to sell 11.1 million shares (38.3% of 29 million shares outstanding) of CARE. Twelve shareholders holding more than 1% stake in CARE as of December 2013, reduced their holding by 41% from 67.6% in December 2013 to 26.6% in March 2015 (Table 10). Most of these shareholders sold their shares in the open market.

On March 24 & 25, 2014, IL&FS Financial Services sold 1.4 million shares (4.9% of 29 million shares outstanding) of CARE for an average price of INR 743.6 a share valuing CARE at an EV of INR 18.6 billion and 11.9x FY15 EBITDA of INR 1.6 billion. On March 18, 2015, IDBI Bank (IDBI IN) sold 2.9 million shares (10% of 29 million shares outstanding) of CARE for INR 1,453 a share valuing CARE at an EV of INR 40.5 billion and 21.4x FY16E EBITDA of INR 1.9 billion. IDBI sold their CARE shares to Life Insurance Corporation of India. Other major shareholders that increased their holding in CARE between December 2013 and March 2015 are Franklin Templeton Investment Funds and Government Pension Fund Global.

Currently, CARE has an EV of INR 38.4 billion and trades at 22.1x FY16 EBITDA of INR 1.7 billion. In comparison the median trading EV/EBITDA multiple of Indian rating companies is 37.4x.

Table 10: Shareholders with more than 1% stake as of December 2013 that reduced their holding thereafter

Shareholder owning at least 1% stake	Dec 2013		Mar 2015		Change	
	No. of Shares	% stake	No. of Shares	% stake	No. of Shares	% stake
Canara Bank-Mumbai	3,842,400	13.3	2,870,018	9.9	972,382	3.4
IDBI Bank Limited	4,839,105	16.7	1,697,792	5.9	3,141,313	10.8
State Bank Of India	1,829,000	6.3	1,358,791	4.7	470,209	1.6
IL And FS Financial Services	2,707,495	9.3			2,707,495	9.3
Bajaj Holdings And Investment	1,707,615	5.9	1,002,615	3.5	705,000	2.4
The Federal Bank	1,132,324	3.9			1,132,324	3.9
Aditya Birla Private Equity Trust	820,427	2.8	300,000	1.0	520,427	1.8
Serum Institute Of India Ltd	726,000	2.5			726,000	2.5
The Wellington Trust Company	688,476	2.4	475,373	1.6	213,103	0.7
Canara Bank	500,000	1.7			500,000	1.7
Unit Trust Of India Investment	446,310	1.5			446,310	1.5
Kalimati Investment Co	354,000	1.2			354,000	1.2
Total	19,593,152	67.6	7,704,589	26.6	11,888,563	41.0

Source: Horizon Research, BSE

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Wipro (INR 474 – WPRO IN) February 10, 2014

On October 20, 2016, WPRO announced that they signed a definitive agreement to acquire Appirio, a global cloud service company, for USD 500 million (2.6x CY15 revenues of USD 196 million). The acquisition of Appirio will improve WPRO's market share and positioning in the cloud enterprise application space, especially in Salesforce and Workday.

On April 20, 2016, WPRO announced that the Board of Directors of the company approved a proposal to buyback 40 million shares (1.6% of 2,470.1 million shares outstanding) of WPRO for INR 625 per share (implied EV: INR 1,371.1 billion; EV/EBITDA: 14.2x).

On February 11, 2016, WPRO announced that they signed a definitive agreement to acquire HealthPlan Services, technology and business process service provider in the US health insurance market, for USD 460 million (~ 2.1x 2015 revenue of USD 223 million). HealthPlan Services has over 2,000 employees.

On December 23, 2015, WPRO announced that they signed a definitive agreement to acquire Viteos Group for USD 130 million (~ 4.9x 2015 revenue of USD 26.5 million). Viteos Group is a business process-as-a-service (BPaaS) provider for alternate investment management industry in the US, Europe and Asia. Acquisition of Viteos Group will expand WPRO's capital market portfolio in fund accounting services.

On February 10, 2014, Financial Express reported that WPRO intensified their search for acquisition targets that will help increase revenue contribution from their automation business. On April 28, 2015, NDTV reported that WPRO expects their employee strength to decline by 30% in next 3 years as the company stresses on automation, artificial intelligence and digital services. WPRO had 158,217 employees as of March 31, 2015. We have observed that large Indian IT companies either have acquired or are looking to acquire companies dealing in automation and artificial intelligence. For instance, on September 14, 2014, Cognizant (CTSH US) acquired TriZetto Corporation for USD 2.7 billion or 4x revenue. CTSH is leveraging TriZetto's healthcare process automation (HPA) platform to build automation capabilities across other key verticals such as banking and financial services. On February 16, 2015, Infosys (INFO IN) acquired the automation technology company Panaya (an Israel based co) for USD 200 million.

WPRO has an EV of INR 1,144.6 billion and trades at 10.8x FY16 EBITDA of INR 105.8 billion. At the current share price of INR 474, WPRO trades at an 18% discount to our FY17 PMV of INR 578 (applying a median trading EV/EBITDA multiple of 10x of Indian IT consulting companies).

Tata Steel (INR 391 – TATA IN) & **Tata Metaliks** (INR 324 – TML IN) April 10, 2013

On April 10, 2013, Tata Metaliks (TML IN) announced that it was to merge with TATA and shareholders of TML would receive 4 shares of TATA for every 29 shares of TML that they held. On May 17, 2016, TML announced that they called off the merger due to delay in obtaining requisite regulatory approvals and dilution in anticipated synergy.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Binani Industries (INR 69 – BZL IN) December 24, 2012

On December 24, 2012, BZL announced that they were looking to sell up to a 40% stake in their private subsidiary, Binani Cement Ltd. The deal is yet to take place. Currently, BZL has an EV of INR 64.4 billion and trades at 21.9x FY16 EBITDA of INR 2.9 billion.

Punjab Alkalies & Chemicals (INR 14 – PJAC IN) September 21, 2012

On September 21, 2013, PJAC informed BSE that Punjab State Industrial Development Corporation Limited, the Majority shareholder, is looking to divest their 44.3% equity stake in PJAC. The deal is yet to take place.

Wendt India (INR 1,715 – WNDT IN) September 20, 2012

WNDT is a joint venture between Carborundum Universal (CUL IN) and 3M Group (through Wendt GmbH). Each partner owns a ~ 40% stake in WNDT and CUL has expressed their intention to acquire 3M Group's 40% stake. On September 20, 2012, Economic Times quoted K Srinivasan, Chairman and Managing Director of CUL, saying that 3M Group was expecting a very high premium, which was not acceptable to CUL. Due to SEBI regulations an MBI is inevitable whether CUL acquires 3M Group's stake or vice-a-versa. Currently, WNDT has an EV of INR 3.4 billion and trades at 15.3x FY16 EBITDA of INR 221.1 million. In comparison the median trading EV/EBITDA multiple of abrasives companies in India is 15.3x.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

RESTRUCTURINGS AND SPINOFFS

Deep Industries (INR 281 – DEEPI IN) December 20, 2016

On December 20, 2016, DEEPI announced that Tridevi Capital Partners invested USD 20 million (INR 1.4 billion; INR/USD: 67.9) into Prabha Energy, a subsidiary of DEEPI, for a 40% stake. The funds invested would primarily be utilized for capital and operating expenditure for the development and production of natural gas from the coal bed methane block located in Karanpura Coalfield (Jharkhand). Currently, DEEPI has an EV of INR 10.7 billion and trades at 11.1x FY16 EBITDA of INR 962.4 million. In comparison, the median trading EV/EBITDA multiple of oil exploration companies in India is 8.2x.

Gitanjali Gems (INR 56 – GITG IN) December 14, 2016

On December 14, 2016, GITG announced that the Board of Directors of the company approved the plan of Nakshatra World, a wholly owned subsidiary of GITG, to raise upto INR 6.5 billion through an initial public offering (IPO). No further details were announced. Currently, GITG has an EV of INR 86.8 billion and trades at 13.7x FY16 EBITDA of INR 6.3 billion. In comparison, the median trading EV/EBITDA multiple of diamond and jewellery companies in India is 6.5x.

Orient Paper & Industries (INR 69 – OPI IN) October 17, 2016

On October 17, 2016, OPI announced that they will spinoff their consumer electric business, to be known as Orient Electric. The consumer electric business makes appliances such as fans, lighting products, home appliances and switch gears and had a revenue of INR 13.0 billion and accounted for ~ 72% of OPI's total sales in FY16. Currently, OPI has an EV of INR 17.9 billion and trades at 20.3x FY16 EBITDA of INR 880.5 million. In comparison, the median trading EV/EBITDA multiple of comparable consumer electric companies is 22.9x.

Sintex (INR 75 – SINT IN) September 29, 2016

On September 29, 2016, SINT announced that they would spinoff their custome moulding and prefab business to shareholders. The new spinoff company will be known as Sintex Plastics Technology. Shareholders of SINT will get two shares of Sintex Plastics Technology for every two shares that they hold in SINT. Currently, SINT has an EV of INR 95.5 billion and trades at 7.4x FY16 EBITDA of INR 13.0 billion. In comparison, the median trading EV/EBITDA multiple of comparable plastic products companies is 7.7x.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Reliance Capital (INR 431 – RCAPT IN) September 13, 2016

On November 23, 2016, RCAPT announced that Zee Media Corporation (ZEEN IN) would acquire a 49% stake in Reliance Broadcast Network, a subsidiary of RCAP and is a operator of FM channels in India. As a part of the deal, Zee Entertainment Enterprises (Z IN) will acquire 100% stake in the RCAPT's general entertainment TV business. Both the radio and TV business of RACPT will be sold for a combined EV of INR 19.0 billion and the money received by RCAPT will be utilized to reduce their debt.

Recently, on September 13, 2016, RCAPT announced that they would partially spinoff their home finance business, Reliance Home Finance. A 49% stake in Reliance Home Finance will be distributed and shareholders will receive one share of Reliance Home Finance for every one share of RCAPT that they hold. RCAPT will continue to hold a 51% stake in Reliance Home Finance.

On October 21, 2015, RCAPT announced that Reliance Capital Asset Management (RCAM), the asset management company of RCAPT, signed a definitive agreement to purchase Goldman Sachs Asset Management's (GSAM) onshore business in India. RCAM will pay INR 2.4 billion (3.4% of asset under management) to acquire GSAM's all mutual fund schemes including exchange traded funds in India. The collective asset under management of these schemes stood at INR 71.3 billion as of September 30, 2015.

On February 26, 2015, RCAPT announced that the Board of Directors of the company approved demerging commercial finance division into a wholly owned subsidiary, Reliance Gilts. Upon completion of the demerger, Reliance Gilts' name will be changed to Reliance Commercial Finance. Commercial finance division had revenues of INR 18.5 billion and accounted for 46% of RCAPT's consolidated revenues of INR 40.2 billion.

Currently, RCAPT has a market capitalization of INR 108.9 billion and trades at 0.8x FY16 book value of INR 139.9 billion. In comparison, the median trading price to book value multiple of comparable Indian financial services companies is 0.7x.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Fortis Healthcare (INR 181 – FORH IN) August 19, 2016

On August 19, 2016, FORH announced that they will demerge and list their subsidiary company SRL, India's largest diagnostics chain by revenue, through a reverse merger. The reverse merger will be completed in a two step process. In the first step, FORH will acquire operating business (hospital business) of Fortis Malar Hospital (FMHL IN) for INR 430 million. FORH owns a 62.4% stake in FMHL. In step two, SRL will demerge from FORH and merge with FMHL. Shareholders will receive 98 shares of FMHL for every 100 share that they hold in FORH. Shareholders will also receive 108 shares of FMHL for every 10 shares that they hold in SRL. After the completion of the merger FMHL's name will be changed to SRL.

On January 5, 2017, Livemint reported that KKR was in discussion with Malvinder Singh and Shivinder Singh, majority shareholders of FORH, to acquire a majority stake in FORH. On January 10, 2017, Livemint reported that private equity companies like Bain Capital, were looking to acquire a significant minority stake in FORH.

On August 4, 2016, the Board of Directors of the company approved the plan of raising up to INR 50 billion. On September 16, 2015, FORH announced that they were looking to sell their pathology business in Dubai. No further details were disclosed. On September 28, 2015, FORH announced that they agreed to purchase 2.5 million shares (3.1% of 80.3 million shares outstanding) of SRL from Sabre Partners Trust, Spring Healthcare and Spring Healthcare India Trust for INR 1.1 billion. Post acquisition, FORH's stake in SRL would increase from 53.9% to 57%.

FORH has an EV of INR 98.3 billion and trades at 45.3x FY16 EBITDA of INR 2.2 billion. At the current share price of INR 181, FORH trades at a 27% premium to our FY17 PMV of INR 143.

Strides Shasun (INR 1,061 – STR IN) August 17, 2016

On August 17, 2016, STR announced that they will transfer API business, which has a relatively lower EBITDA margin, to a wholly owned subsidiary. No further details are available. Currently, STR has an EV of INR 128.7 billion and trades at 24.7x FY16 EBITDA of INR 5.2 billion. In comparison, the median trading EV/EBITDA multiple of Indian pharmaceutical industry is 12.5x.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Grasim (INR 861 – GRASIM IN) & **Aditya Birla Nuvo** (INR 1,287 – ABNL IN) August 11, 2016

On August 11, 2016, ABNL and GRASIM announced a restructuring plan in a three step process. Step one includes merger of ABNL with GRASIM and the shareholders will receive fifteen equity shares of GRASIM (share exchange ratio has been adjusted to reflect 1:5 split in GRASIM shares) for every ten shares that they hold in ABNL. In step two, Aditya Birla Financial Services, currently a subsidiary of ABNL, will be spun off. Shareholders will receive 7 equity shares of Aditya Birla Financial Services for every one share that they hold in GRASIM (post merger with ABNL). We do not recommend buying either ABNL or GRASIM due to low return potential. Currently, GRASIM has an EV of INR 269.4 billion and trades at 4.0x FY16 EBITDA of INR 66.9 billion. At the current share price of INR 861, GRASIM trades at 20% discount to our FY16 PMV of INR 1,076 (post merger).

Based on the current share price, buying 10 shares of ABNL for INR 12,870 and selling 15 GRASIM 01/25/2017 futures for INR 13,035 will result in an absolute return of 1.3%. It will take ~ 12-15 months for the merger to be completed and any position will have to be taken one month before the completion of the deal due to no liquidity in future contracts exceeding 1 month. We will continue to monitor the deal.

Hathway Cable (INR 34 – HATH IN) August 17, 2016

On August 17, 2016, HATH announced that the Board of Directors of the company approved a proposal of GTPL Hathway, a subsidiary of HATH, to raise capital through an initial public offering. In the last 12 years (FY05 to FY16), HATH has posted a positive net income only once in FY13. HATH owns a 50% stake in GTPL Hathway. Currently, HATH has an EV of INR 50.7 billion and trades at 13.5x FY16 EBITDA of INR 3.8 billion.

Piramal Enterprises (INR 1,621 – PIEL IN) February 10, 2016

On February 10, 2016, The Economic Times reported that PIEL would consider demerging healthcare and financial services business to grow the unrelated segments separately. The Economic Times quoted Ajay Piramal, chairman of Piramal Group and a majority shareholder of PIEL, saying that “...*we are getting conglomerate discount. As we go forward, we split them up separately, unlocking the value.*” Currently, PIEL has an EV of INR 438.2 billion and trades at 23.4x FY16 EBITDA of INR 18.7 billion.

Jindal Saw (INR 55 – JSAW IN) October 30, 2015

On October 30, 2015, JSAW announced that the Board of Directors of the company approved the constitution of a reorganization committee to evaluate various options for restructuring JSAW and its wholly owned subsidiaries – JITF Infralogistics, JITF Waterways and JITF Shipyards. On August 12, 2016, Allahabad High Court approved JSAW's reorganization plan. Currently, JSAW has an EV of INR 81.7 billion and trades at 10.9x FY16 EBITDA of INR 7.5 billion.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Housing Development Finance Corporation (INR 1,262 – HDFC IN) August 14, 2015

On April 20, 2016, HDFC announced that the Board of Directors of HDFC Standard Life Insurance, a subsidiary of HDFC in which it owns a 61.6% stake and Standard Life (SL LN) owns a 35% stake, approved initiating the process for an IPO. HDFC will sell their 10% stake in the IPO and HDFC Standard Life Insurance would not issue any fresh shares.

On August 14, 2015, SL increased their stake in HDFC Standard Life from 26% to 35% valuing the company at an EV of INR 187.7 billion or 3.1x FY15 embedded value of INR 60.2 billion. Currently, HDFC has a market capitalization of INR 1,999.7 billion and trades at 3.9x FY16 book value of equity of INR 508.2 billion.

Rolta India (INR 61 – RLTA IN) August 14, 2015

On August 14, 2015, the Board of Directors of the company approved the transfer of the defence business of the company to a wholly owned subsidiary to be set up by RLTA. The Board also mentioned that the transfer will provide greater autonomy and operational efficiency in terms of expanding the defence business and entering into strategic partnerships. On August 17, 2015, CNBC-TV18 quoted KK Singh, CMD of RLTA saying that *“the defence business is having a very different regulatory environment than the IT business. In defence, we cannot have more than 49% foreign direct investment (FDI) and Foreign institutional investors (FIIs) combined whereas in IT business we can go up to even 100%.....Therefore to bring a very big focus on defence business, we are spinning it off into a separate company.”*

Currently, RLTA has an EV of INR 68.5 billion and trades at 6.0x FY16 EBITDA of INR 11.3 billion.

Jay shree Tea & Industries (INR 97 – JTI IN) August 4, 2015

On August 4, 2015, the Board of Directors of the company approved spinoff of the sugar segment of the company. After the spinoff JTI will be focused on tea, fertilizers and chemicals business. The sugar segment accounted for INR 1.5 billion of sales and INR 175.1 million of operating losses of the JTI's consolidated sales of INR 7.2 billion and operating profit of INR 229.0 million, respectively, in FY15. Currently, JTI has an EV of INR 6.9 billion and trades at 0.9x FY16 revenue of INR 7.4 billion and 17.7x FY16 EBITDA of INR 398.7 million.

Electrosteel Steels (INR 4 – ELSS IN) July 27, 2015

On July 27, 2015 ELSS announced that lenders of the company decided to invoke the Strategic Debt Restructuring (SDR) option whereby they will partially or fully convert their loans to a majority stake in the company. No further details on SDR were disclosed. On July 8, 2015, Financial Express reported that lenders of ELSS were finding it difficult to sell ELSS as acquirers were asking for a steep haircut on existing debt. ELSS has total debt of INR 95.0 billion as of March 2015. ELSS' EBITDA has remained negative since 2008 (financials before 2008 are not available). On December 28, 2016, Financial Express reported that Piramals and Dalmias were looking to jointly acquire a 51% stake in ELSS. Currently, ELSS has an EV of INR 111.5 billion and trades at 96.0x FY16 EBITDA of INR 1.2 billion. ELSS' debt to EBITDA ratio stood at 88.5x for FY16.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Varun Shipping (INR NA – VRNS IN) June 23, 2015

On June 23, 2015, VRNS announced that the Bombay High Court had approved the split of VRNS into two separate listed companies – Varun Global and Varun Resources. Varun Global will own the ship management and shipping investment business and Varun Resources own the shipping business. Debt related to the shipping business has been transferred to Varun Resources, which has restructured the debt and their consortium of lenders extended additional funds of INR 4.3 billion for operationalizing the vessels. Shares of VRNS are suspended from trading since July 29, 2015.

Sterlite Technologies (INR 96 – SOTL IN) May 18, 2015

On May 18, 2015, Sterlite Technologies (SOTL IN) announced that they will spinoff their power segment into an unlisted company. After the spinoff SOTL will be a pure play telecom (optical fibre) manufacturer. Shareholders of SOTL will have an option to receive either one equity share or one redeemable preference share of Sterlite Power Transmission (unlisted power co) for every five shares that they hold in SOTL.

The redeemable preference shares will be issued at INR 112.3 which prices the power segment represented by Sterlite Power Transmission at INR 22.46 (INR 112.3/5) per share of SOTL. We value the telecom segment at INR 58 per share applying a 7x EV/EBITDA multiple to FY17E EBITDA of INR 3,993 million. SOTL trades at a 17% premium to our FY17 PMV of INR 80 per share.

SOTL has an EV of INR 48.6 billion and trades at 12.0x FY16 EBITDA of INR 4.1 billion. The spinoff is expected to be completed by the end of FY17.

Future Enterprises (INR 17 – FEL IN) May 4, 2015

On May 4, 2015, FEL, earlier known as Future Retail (FRL IN), announced that the Board of Directors of the company approved merger and restructuring of the retail operations of the company with Bharti Retail (BRL). The merger and the restructuring process took place in following parallel steps:

- Demerger of retail segment of FRL into BRL: Post demerger BRL received the retail operating segment – front-end stores such as Big Bazaar, Food Bazaar, Home Town, eZone, BRL's Easyday chain, etc. BRL would issue 1 BRL share to FRL shareholders for every 1 FRL shares/DVRs that they hold.
- Demerger of retail infrastructure segment of BRL into FRL: Post demerger FRL received retail infrastructure and investments segment – back-end assets and investments of FRL and BRL. FRL issued 1 FRL share to BRL shareholders for every 1 BRL shares that they hold. Post completion of the transaction, BRL shareholders own 43.5 million shares (9.2% stake) and FRL share/DVR holders own 427.7 million shares/DVRs (90.8% stake) of the total 471.2 million shares outstanding of FRL.

The record date for the above transaction was May 12, 2016. Bharti Retail was renamed as Future Retail and was listed on both BSE and NSE. Currently, FEL has an EV of INR 55.9 billion and trades at 0.6x FY16 sales of INR 97.5 billion and 5.5x FY16 EBITDA of INR 10.2 billion. In comparison, the median EV/sales and EV/EBITDA multiple of Indian retailing companies is 1.1x and 8.2x, respectively.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Biocon (INR 951 – BIOS IN) April 23, 2015

BIOS is a pharmaceutical company that manufactures active pharmaceutical ingredients (APIs) and generic formulations. On April 23, 2015, BIOS initiated the IPO process of their subsidiary, Syngene International (SYNG IN). Syngene's IPO closed on July 29, 2015 and was subscribed 32x (Shares on offer: 16 million; shares bid for: 512.4 million). At the current share price of INR 562, SYNG is valued at an EV of INR 114.1 billion and trades at 35.7x FY17E EBITDA of INR 3.2 billion. BIOS now owns a 74% stake in SYNG. Currently, BIOS has an EV of INR 198.9 billion and trades at 20.4x FY18E EBITDA of INR 9.7 billion. We recommend selling BIOS at the current share price of INR 951 as BIOS trades at a 55% premium to our FY18 PMV of INR 615 (Table 9).

Adhunik Metaliks (INR 7 – ADML IN) April 1, 2014

ADML is undergoing for a restructuring which is a 2-step process. In the first step, Zion Steel, a privately held Adhunik group company, will merge with ADML. Shareholders of Zion Steel will get 1 ADML share for every 17 Zion Steel shares that they hold. In the second step, ADML (the resultant company after the first step) will merge with Orissa Manganese and Minerals (OMML), a 100% subsidiary of ADML. Shareholders of ADML will get 1 OMML share for every 1 ADML share that they hold. On April 19, 2014, ADML's shareholders approved the scheme of amalgamation.

On April 1, 2014, Manoj Agarwal, Managing Director of OMML said that the company was planning to sell a 26% stake in OMML to a strategic partner and shortlisted a few partners. OMML expects to raise INR 6 billion from the stake sale.

ADML has an EV of 47.0 billion and trades at 7.0x FY16 sales of INR 6.7 billion. In comparison the median trading EV/sales multiple of Indian steel manufacturing companies is ~0.9x.

Adani Power (INR 30 – ADANI IN) December 30, 2013

On December 30, 2013, ADANI announced that the Board of Directors of the company in their meeting held on December 28, 2013 approved a demerger of the transmission line segment of ADANI into a wholly owned subsidiary (Adani Transmission India Limited) of ADANI. On October 17, 2014, ADANI announced that shareholders and creditors of the company approved the demerger.

On January 16, 2015, ADANI announced that the Board of Directors of the company at their meeting held on January 16, 2015, approved the proposal to sell ADANI's 90.9% stake in Adani Transmission India Limited to Adani Transmission Limited, a wholly owned subsidiary of Adani Enterprises (ADE IN) for INR 3.1 billion. ADANI does not report their segment revenues. Currently,

ADANI has an EV of INR 624.7 billion and trades at 7.3x FY16 EBITDA of INR 85.5 billion. In comparison the median trading EV/EBITDA multiple of comparable companies in India is 10.6x.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Rei Agro (INR 0.4 – REIA IN) November 1, 2013

On November 1, 2013, REIA announced that they are exploring the possibility of acquiring a majority stake in an unnamed Singapore based listed company. The acquisition will be funded through the transfer of one of their wholly owned foreign subsidiaries to the target company. REIA has defaulted on their convertible bonds (REIA IN 5 ½ 11/13/2014) and it is unlikely that they will be able to go through with this deal. On May 14, 2014, United Bank of India (UNTDB IN) filed winding up petition against REIA IN for failing to repay INR 2.24 billion loan that REIA took from the bank.

Ambuja Cement (INR 206 – ACEM IN) & **ACC** (INR 1,328 – ACC IN) July 24, 2013

On November 16, 2016, ACEM announced that LafargeHolcim (LHN VX) purchased 39.1 million ACEM shares from open market at INR 240.5 per share valuing ACEM at an EV of INR 428.2 billion and 27.8x 2015 EBITDA of INR 15.4 billion. As a result, LHN's holding in ACEM increased from 61.6% (or 1,214.1 million shares as of September 2016) to 63.1% (or 1,253.2 million shares now).

LHN also purchased 7.9 million ACC shares mostly from Nomura India Investment Fund Mother Fund for INR 1,536.5 per share valuing ACC at an EV of INR 275.3 billion and 15.8x 2015 EBITDA of INR 15.3 billion. As a result, LHN's direct holding in ACC increased from 0.3% (or 0.5 million shares as of September 2016) to 4.5% (or 8.4 million shares now). ACEM owns a 50.1% stake in ACC.

Currently, ACC has an EV of INR 248.5 billion and trades at 16.3x 2015 EBITDA of INR 15.3 billion. In comparison the median transaction EV/EBITDA multiple of cement companies in India is 5.8x.

HCL Infosystems (INR 58 – HCLI IN) January 15, 2013

On January 15, 2013, HCLI announced that they would demerge the hardware, learning and services segment into 3 separate companies – HCL Learning, HCL Services and HCL Infotech, respectively. On July 22, 2013, shareholders and creditors approved the demerger. Currently, HCLI has an EV of INR 23.7 billion and trades at 0.6x FY16 revenue of INR 37.2 billion.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Reliance Communications (INR 34 – RCOM IN) July 8, 2013

On October 14, 2016, RCOM signed a non-binding term sheet to sell a majority stake in their tower assets to Canada's Brookfield Asset Management Inc for INR 110 billion. On August 17, 2015, RCOM had announced that they had invited bids for their 51% stake in their subsidiary, Reliance Infratel that operates telecom towers. RCOM received numerous non-binding bids and some bidders expressed interest to acquire 100% stake in Reliance Infratel. On June 29, 2015, The Economic Times reported that, RCOM was in the process to sell a majority stake (51%) in Reliance Infratel. As per the article initial bids valued Reliance Infratel at an EV of INR 200 billion to INR 250 billion. American Tower Corp and Carlyle were identified as top bidders. In addition to this, a series of events have taken place at RCOM.

On December 22, 2015, RCOM announced that they entered into a 90-day exclusivity period with Maxis Communications Berhad (MCB) and Sindya Securities and Investments and the shareholders of Aircel, to consider the potential combination of the Indian wireless business of RCOM and Aircel to mutually derive the benefits of incountry consolidation, including opex, capex synergies and revenue enhancement. On March 23, 2016, RCOM extended the exclusivity period of discussion by 60 days to May 22, 2016. On May 21, 2016, RCOM extended the exclusivity period of discussion by 30 days to June 22, 2016. On September 14, 2016, RCOM announced that their wireless business would be demerged from the company and merge with Aircel. RCOM and MCB will own 50% each in the merged company.

On November 2, 2015, RCOM announced that wireless business of Sistema Shyam Teleservices (SSTL) which operates under MTS brand in India would merge with RCOM. RCOM would issue 276.5 million shares to SSTL and SSTL would own a 10% stake in RCOM post completion of the transaction. MTS has ~9 million customers and generates revenues of around INR 15 billion per year.

On July 8, 2013, RCOM announced that the company would spin off real estate (not being utilized by the telecom business) to shareholders. The new company would be known as Reliance Properties. The company estimates the value of the real estate (after development) to be ~INR 120 billion or INR 60 per share of RCOM.

Currently, RCOM has an EV of INR 548.0 billion and trades at 7.8x FY16 EBITDA of INR 70.2 billion. In comparison the median trading EV/EBITDA multiple of telecom companies in India is 7.8x.

Hindustan Motors (INR 7 – HM IN) January 10, 2013

HM has decided to sell their Chennai car plant that manufactures Mitsubishi vehicles like Lancer and Pajero. Currently, HM has an EV of INR 1.8 billion and trades at 223.9x FY16 sales of INR 8.1 million. In the last 9 financial years HML has reported negative EBITDA.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Alok Industries (INR 3 – ALOK IN) November 13, 2012

ALOK intends to divest their retail segment – H&A (India based retail chain) and 'Store Twenty One' (UK based retail chain). ALOK had acquired Store Twenty One in 2007. ALOK is also selling their real estate assets to reduce debt (INR 153 billion as of March 2015). Currently, ALOK has an EV of INR 223.8 billion and trades at 1.7x FY16 revenue of INR 130.4 billion.

CESC (INR 637 – CESC IN) November 2, 2012

CESC has 4 operating segments – power, real estate, retail and BPO. On November 2, 2012, CESC had announced that they were considering three options – demerger, an IPO and induction of a strategic investor – for Spencer's Retail, CESC's retail segment, by December 2013. On December 26, 2013, Sanjiv Goenka, Group Chairman, CESC, reiterated that as soon as Spencer's Retail turns profitable they would start the process of "demerging or listing" of Spencer's Retail. On January 29, 2014, the Economic Times reported that Spencer's Retail appointed Boston Consulting Group to assist them in finding a foreign strategic partner. We do not expect Spencer's retail to become EBITDA positive in the next 3-4 years. An acquisition of a stake in Spencer's Retail by a strategic partner and a regulatory change announced on December 5, 2012, whereby the GOI had approved 100% foreign direct investment (FDI) in the retail sector are long term catalysts that will assist in surfacing the underlying value of CESC.

Currently, CESC has an EV of INR 233.0 billion and trades at 7.9x FY16 EBITDA of INR 29.5 billion. At the current stock price of INR 637 CESC trades at a 25% discount to our FY16 PMV of INR 847 (Table 11).

Table 11: PMV analysis (FY16)

Segment	Segment value (INR Mn)	Segment value/share (INR)	Basis
Power – operational	71,626	540	EV/EBITDA multiple of 5.1x. based on LBO analysis with a target IRR of 25% and debt financing of 5x FY12 EBITDA
Power – under development	17,924	136	Based on DCF valuation
Real estate	7,717	47	Capitalization rate of 5%
Retail	7,839	59	Median transaction EV/sales multiple of 0.6x of global retail industry
BPO	8,649	65	EV/EBITDA multiple of 6.6x that CESC paid to acquire a 57% stake in Firstsource Solutions (FSOL IN), BPO segment of CESC
		<u>847</u>	

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

BUYBACKS

Dhanuka Agritech (INR 732 – DAGRI IN) January 3, 2017

On January 3, 2017, DAGRI announced a buyback plan to repurchase 0.9 million shares (1.9% of 50.0 million shares outstanding) at INR 850 per share. At the buyback price, DAGRI is valued at an EV of INR 42.6 billion or 30.4x FY16 EBITDA of INR 1.4 billion. We do not recommend buying DAGRI at the current share price of INR 732 and tendering at the buyback price of INR 850 due to lower probability (1.9%) of a successful tendering. Currently, DAGRI has an EV of INR 36.7 billion and trades at 26.2x FY16 EBITDA of INR 1.4 billion. In comparison, the median trading EV/EBITDA multiple of Indian Pesticides & Agrochemicals companies is 16.4x.

Vardhman Textile (INR 1,110 – VTEX IN) November 28, 2016

On November 28, 2016, VTEX announced a buyback plan to repurchase 6.3 million shares (9.8% of 63.7 million shares outstanding) through a tender process for INR 1,150 per share. At the buyback price, VTEX is valued at an EV of INR 101.6 billion or 7.7x FY16 EBITDA of INR 13.2 billion. The buyback will commence on January 4, 2017 and close on January 17, 2017. We do not recommend buying VTEX at the current share price of INR 1,110 and tendering at the buyback price of INR 1,150 due to lower probability (9.8%) of a successful tendering. Currently, VTEX has an EV of INR 99.1 billion and trades at 7.5x FY16 EBITDA of INR 13.2 billion. In comparison, the median trading EV/EBITDA multiple of comparable textile companies is 7.2x.

Bayer CropScience (INR 4,211 – BYRCS IN) June 3, 2015

On June 3, 2015, BYRCS announced that the Board of Directors of the company approved a buyback offer for 1.3 million shares (3.5% of 36.6 million shares outstanding) to be bought through a tender offer. At the buyback price of INR 4,000 per share, BYRCS was valued at an EV of INR 146.4 billion or 23.3x FY16 EBITDA of INR 6.3 billion (CapitalIQ estimate). On October 29, 2015, BYRCS announced that they completed the acquisition of 1.3 million shares and that 21.9 million shares (17.3x of tender offer size) were tendered. On completion of the buyback the stake held by Bayer AG (BAYN GR), majority shareholder, of BYRCS declined from 69% (September 2015) to 68.6%.

Bayer AG (BAYRY US), the majority shareholder of BYRCS, is in a process to acquire Monsanto (MON US), the majority shareholder of Monsanto India (MCHM IN). On December 13, 2016, Shareholders of MON approved the acquisition. Post completion of the deal, BAYRY will be required to make a tender offer to acquire a 26% stake in MCHM as per the Indian Takeover code.

Currently, BYRCS has an EV of INR 141.2 billion and trades at 33.7x FY16 EBITDA of INR 4.2 billion. In comparison, MCHM IN trades at 37.1x FY16 EBITDA of INR 1.0 billion and the median trading EV/EBITDA multiple of Indian Pesticides & Agrochemicals companies is 16.4x.

EVENT DRIVEN UNIVERSE: INDIA MARKETS...Cont'd

Span Diagnostics (INR 65 – SPD IN) May 30, 2015

On May 30, 2015, span Diagnostics (SPD IN) announced that the Board of Directors of the company approved a buyback offer for 1.8 million shares (25% of 7.3 million shares outstanding) to be bought through a tender offer. At the buyback price of INR 65 per share, SPD was valued at an equity value of INR 472.3 million. On October 23, 2015, SPD announced that they completed the acquisition of 1.8 million shares and that 1.8 million shares were tendered. On completion of the buyback the stake held by the majority shareholders in SPD increased from 44.2% (September 2015) to 58.9%.

Sasken Communication (INR 403 – SACT IN) April 23, 2015

On April 23, 2015, Sasken Communication (SACT IN) announced that the Board of Directors of SACT approved a buyback offer for 4.2 million shares (20.2% of 21.3 million shares outstanding) to be bought through a tender offer. At the buyback price of INR 260 per share, SACT was valued at an EV of INR 3.1 billion or 9.9x FY15 EBITDA of INR 314.2 million. On September 07, 2015, SACT announced that they completed the acquisition of 3.7 million shares and that 3.7 million shares were tendered. On completion of the buyback the stake held by the majority shareholders in SACT increased from 41.1% (June 2015) to 45.8% post buyback. Currently, SACT has an EV of INR 6.9 billion and trades at 14.7x FY16 EBITDA of INR 471.7 million.

IN THE NEWS, AND MORE...

RUMOURS AND RUMBLINGS

Aditya Birla Nuvo (INR 1,287 – ABNL IN) October 20, 2016

On October 20, 2016, Livemint reported that Aditya Birla Group was looking to sell their fertilizer business and began preliminary talks with Indian Farmers Fertiliser Cooperative (IFFCO). Aditya Birla Group manages their fertilizer business under Indo Gulf Fertilisers, a subsidiary of Aditya Birla Nuvo (ABNL IN). The Aditya Birla Group has been trying to sell the fertilizer business for several years as part of a broader strategy to exit low-margin businesses in government regulated sectors. ABNL has an EV of INR 532.1 billion and trades at 8.2x FY16 EBITDA of INR 64.9 billion.

Procter & Gamble Hygiene & Healthcare (INR 7,077 – PG IN) October 6, 2016

On October 6, 2016, CNBC-TV18 reported that Procter & Gamble (PG US) was looking to increase their stake in PG IN from a 70.6% (September 2016) to a 75.0%. PG IN has an EV of INR 219.0 billion and trades at 36.2x FY16 EBITDA of INR 6.0 billion. In comparison, the median trading EV/EBITDA multiple of Indian household and personal product manufacturing companies is 32.9x.

Lovable Lingerie (INR 235 – LLL IN)

On August 3, 2016, Vccircle reported that the majority shareholders (Shobha Jaipal Reddy, Vinay Reddy and others) of LLL are looking to sell their stake in the company. LLL has an EV of INR 4.0 billion and trades at 12.9x FY16 EBITDA of INR 306.2 million. In comparison, the median trading EV/EBITDA multiple of comparable Indian textile companies is 20.0x.

Reliance Defence and Offshore (INR 55 – RDEL IN)

On July 1, 2016, CNBC TV18 reported that RDEL received approval from the Reserve Bank of India to exit from the corporate debt restructuring (equivalent to bankruptcy court). Currently, RDEL has an EV of INR 122.1 billion and trades at 39.1x FY16 revenues of INR 3.1 billion. RDEL's FY16 EBITDA was –INR 1.9 billion.

IN THE NEWS, AND MORE... Cont'd

Talwalkars Better Value Fitness (INR 247 – TALW IN) October 23, 2015

On November 24, 2016, TALW announced that they would spinoff their gym business, which accounts for 86.2% of total revenue, to shareholders. On June 23, 2015, TALW had raised INR 1.1 billion through a placement of 3.5 million shares (11.8% of 29.7 million shares outstanding) at INR 305 a share (implied EV: INR 11.6 billion; forward EV/EBITDA: 7.9x). TALW had raised funds for acquiring regional fitness chains and infusing capital in the JV with David Lloyd Leisure. On October 23, 2015, TALW acquired a 49.5% stake in Power World Gyms (PWG) for an undisclosed amount. PWG operates and manages the largest chain of gyms with 8,100 members in Sri Lanka under the brand “Power World”.

July 30, 2014, the Economic Times had reported that David Lloyd Leisure was likely to acquire a 20% stake in TALW for ~INR 1,500 million (implied EV: INR 9.4 billion, implied forward EV/EBITDA: 7.5x). David Lloyd Leisure had signed a partnership with TALW in 2012 and currently offers TALW consulting service for leisure and sports clubs in high end residential developments.

Currently, TALW has an EV of INR 9.7 billion and trades at 6.7x FY16 EBITDA of INR 1.4 billion. In comparison, the median EV/EBITDA multiple of global fitness centre operating companies is 11.3x. There is no other listed fitness centre operating company in India. At the current share price of INR 247 TALW trades at a 28% discount to our FY17 PMV of INR 342. To estimate TALW's PMV we have applied an EV/EBITDA multiple 6.5x that TALW pays to acquire any company.

IL&FS Transportation Networks (INR 102 – ILFT IN) September 7, 2015

On February 11, 2016, ILFT announced that they sold 49% stake in Rapid MetroRail Gurgaon for INR 5.1 billion. No further details were announced. On September 7, 2015, Mint reported that ILFT was likely to sell most of their operational annuity road projects to repay their debt. ILFT's total debt stood at INR 276.4 billion as of March 2016 and was 9.9x FY16 EBITDA of INR 27.8 billion. ILFT does not report their revenues from operational annuity projects separately. Currently, ILFT has an EV of INR 305.9 billion and trades at 11.0x FY16 EBITDA of INR 27.8 billion. In comparison, the median forward trading EV/EBITDA multiple of engineering construction companies in India is 8.0x.

Ultratech Cement (INR 3,246 – UTCEM IN) August 26, 2015

On February 28, 2016, UTCEM announced that they entered a binding memorandum of understanding to acquire Jaiprakash Associates' (JPA IN) cement plants in Madhya Pradesh, Uttar Pradesh, Himachal Pradesh, Uttarakhand, Andhra Pradesh and Karnataka with an annual capacity of 22.4 mtpa for an EV of INR 165 billion (implied EV/tonne: ~USD 110 per tonne).

On August 26, 2015, Bloomberg had reported that UTCEM was likely to acquire Jaiprakash Associates' (JPA IN) cement plant in Chhattisgarh with an annual production capacity of 2.2 million tonnes for an equity value of USD 106 million (implied equity value: USD 48 per tonne). UTCEM and JPA are waiting for a nod from Steel Authority of India (SAIL IN), which owns a 26% stake in the plant. Currently, UTCEM has an EV of INR 968.5 billion and trades at 19.8x FY16 EBITDA of INR 48.9 billion.

IN THE NEWS, AND MORE... Cont'd

Mukta Arts (INR 91 – MKTA IN) August 9, 2015

On August 9, 2015, Livemint reported that Foxconn Technology (FXCOF US) might pick up a stake either in MKTA or one of its subsidiaries. Foxconn tied up with Mukta Arts' subsidiary WhistlingWoods International (WWI) for co-creation of content. Subhash Ghai, majority shareholder of MKTA, told reporters of Press Trust of India (PTI) that *"there are many possibilities for the tie-up, and FXCOF may look at taking stakes in either MKTA or WWI, which is engaged in teaching film making."* On November 10, 2016, MKTA announced that they would transfer their cinema business to a wholly owned subsidiary in order to streamline their business. Currently, MKTA has an EV of INR 2.9 billion and trades at 21.6x FY16 EBITDA of INR 132.9 million.

ICICI Bank (INR 255 – ICICIB IN) July 10, 2015

On July 10, 2015, The Economic Times reported that ICICIB was looking to sell their home finance subsidiary (an NBFC), ICICI Home Finance, to investors such as private equity funds for ~USD 700 million. ICICI Home Finance accounted for 1.8% (INR 14.9 billion) of total assets (INR 804.3 billion) of ICICIB. ICICIB has a market capitalization of INR 1,485.6 billion and trades at 1.6x FY16 book value of INR 912.9 billion. In comparison, the median trading price to book value per share of Indian private sector banking industry is 1.6x.

L&T Finance (INR 87 – LTFH IN) July 7, 2015

On July 7, 2015, The Economic Times reported that Warburg Pincus was negotiating to acquire a ~25% stake in LTFH. LTFH is a non-banking financing company (a lending institution without a banking license) and offers home loans, personal and commercial vehicle loans, construction equipment loans, etc. On July 14, 2015, LTFH acquired a 26% stake in Gramin Capital India, a social impact focused investment advisory firm, for an undisclosed amount. Currently, LTFH has a market capitalization of INR 153.4 billion and trades at 2.2x FY16 book value of INR 70.7 billion. In comparison, the median trading price to book value per share of non-banking financial services companies in India is 0.7x.

IN THE NEWS, AND MORE... Cont'd

Kesoram Industries (INR 125 – KSI IN) September 12, 2015

On March 26, 2016, KSI announced that they would transfer their rayon and transparent paper business to Cygnet Industries by way of slump sale for at least INR 4.8 billion. Later, Cygnet Industries will be converted into a wholly owned subsidiary of KSI. No further details were announced. Rayon and transparent paper business had sales of INR 2.6 billion and was 4.7% of KSI's consolidated sales of INR 54.9 billion.

Earlier on September 12, 2015, KSI announced that they entered into an agreement to sell their subsidiary, Cavendish Industries which manufactures a range of tyres, tubes and flaps, to JK Tyre (JKI IN) for 22.0 billion. The entire amount would be utilized to reduce the debt which stood at INR 54.1 billion as of March 2015. The transaction between JKI and KSI was completed on April 13, 2016. Debt on the balance sheet was INR 52.6 billion as of March 2016.

JKI has an EV of INR 53.4 billion and trades at 4.7x FY16 EBITDA of INR 11.4 billion. KSI has an EV of INR 62.8 billion and trades at 1.4x FY16 sales of INR 43.9 billion. KSI's FY16 EBITDA was –INR 3.2 billion. In comparison, the median trading EV/sales and EV/EBITDA multiple of tyre companies in India is 0.9x and 6.5x, respectively.

At the current share price of INR 125, KSI trades at a 50% discount to our FY15 PMV of INR 251. Segment value per share:

- Cement: INR 533 (cement capacity: 7.5 million tonne; assuming EV/tonne of cement manufacturing capacity of USD 120² & INR/USD: 65)
- Net cash from sale of tyres: INR 134 (based on what JKI offered to pay)
- Net Debt: INR 416

Mahanagar Telephone Nigam (INR 20 – MTNL IN) June 26, 2015

On July 3, 2015, The Economic Times reported that the Government of India (GOI) was planning to buy in the minority shareholding and take MTNL private before merging it with Bharat Sanchar Nigam (BSNL). The Economic Times also quoted Telecom Secretary saying that BSNL and MTNL merger decision would be taken in 4-5 months. Both BSNL and MTNL are telecom companies and are majority owned by the GOI. BSNL is a private company. MTNL has an EV of INR 190.3 billion and trades at 5.8x FY16 revenues of INR 33.0 billion. In comparison the median trading EV/sales and EV/EBITDA multiple of telecom companies in India is 2.2x and 7.8x, respectively.

² http://www.business-standard.com/article/markets/cement-makers-valuations-near-replacement-cost-109051200012_1.html

IN THE NEWS, AND MORE... Cont'd

Jet Airways (INR 347 – JETIN IN) June 23, 2015

On June 23, 2015, Bloomberg TV reported that Etihad Airways might increase their stake in JETIN. Currently, Etihad Airways owns 27.3 million shares (24% of 113.6 million shares outstanding) of JETIN. On April 24, 2013, Etihad Airways had acquired these shares for INR 20.6 billion (INR 754.7 per share) valuing JETIN at an EV of INR 166.5 billion or 17.7x FY13 EBITDA of INR 9.4 billion and 0.9x FY13 sales of INR 188.4 billion.

Currently, JETIN has an EV of INR 132.7 billion and trades at 5.9x FY16 EBITDA of INR 22.4 billion. Globally airline companies trade at an average EV/EBITDA multiple of 7.2x.

O.P. Jindal group of companies June 9, 2015

On June 9, 2015, Livemint reported that Jindal family has initiated a process of simplifying the cross-holdings between different firms promoted by the family. The Jindal family has mandated Ernst and Young to create a transparent and tax-friendly structure. The process of restructuring is likely to take around 18 months.

After the death of father O.P. Jindal in a helicopter crash in 2005, his four sons took over the management responsibilities of various companies. Sajjan Jindal took management control of JSW Steel (JSTL IN) and JSW Energy (JSW IN), Prithviraj Jindal took management control of Jindal Saw (JSAW IN), Ratan Jindal took management control of Jindal Stainless (JDSL IN) and Naveen Jindal took management control of Jindal Steel and Power (JSP IN). While management control of individual companies was split, the companies continue to hold shares in other group firms. In additions to above operating companies, there are three listed investment holding companies—Nalwa Sons Investments (NINV IN), JSW Holdings (SWH IN) and Hexa Tradex (HEXA IN), which hold shares of different group companies. Untangling of cross holding between different group companies may require each brother to buy out the stakes of others in the companies they control in phases which may trigger a tender offer or a series of tender offers. We do not recommend buying any of the group companies in the absence of an official announcement of the restructuring.

Infosys (INR 1,011 – INFO IN) May 12, 2015

On October 19, 2015, INFO announced that they entered into a definitive agreement to acquire Noah Consulting, LLC for USD 70 million. Noah Consulting offers information management services to oil & gas industry. On May 12, 2015, Livemint had reported INFO's plans to step up acquisition and venture capital investments to reach a target of USD 20 billion in revenue by 2020. INFO reported revenues of INR 554.1 billion (USD 8.7 billion at INR/USD: 64) for FY15. INFO estimates that ~USD 1.5 billion of the projected USD 20 billion revenue in 2020 will come through acquisitions, while the rest from organic growth.

INFO is looking to acquire companies with majority of revenues coming from Japan, Latin America and Europe. INFO acquired the automation technology company Panaya (an Israel based co) for USD 200 million on February 16, 2015 and mobile and social media technology & services company Skava, Inc. (a San Francisco based co) for USD 120 million. Currently, INFO has an EV of INR 1,994.6 billion and trades at 11.6x FY16 EBITDA of INR 171.3 billion. In comparison, the median trading EV/EBITDA multiple of Indian IT companies is 12.8x.

IN THE NEWS, AND MORE... Cont'd

Gammon India (INR 12 – GMON IN) November 21, 2014

On November 21, 2014, DealCurry.com reported that GMON intended to sell their entire 58.7% stake in their listed subsidiary, Gammon Infrastructure Projects (GISP IN) for ~INR 12 billion. The expected selling price valued GISP at an EV of INR 58.7 billion or 12.6x FY13 EBITDA of INR 4.7 billion. GMON's consolidated net debt stood at INR 107.5 billion and was 31.9x consolidated EBITDA of INR 3.4 billion in FY15.

The Board of Directors of GMON, at their meeting held on June 3, 2014, approved an issue of 37.0 million shares (21.3% of 173.5 million shares outstanding post issue) on a preferential basis to GMON's majority shareholders. At the issue price of INR 27.1, GMON was valued at an EV of INR 99.5 billion or 22.1x FY13 EBITDA of INR 4.5 billion. The preferential issue is a part of their corporate debt restructuring scheme. GISP's net debt stood at INR 107.5 billion (31.6x EBITDA of INR 3.4 billion) in 2014. Currently, GISP has an EV of INR 28.1 billion and trades at 3.8x FY16 EBITDA (financial year ends in September) of INR 7.4 billion.

GMR Infrastructure (INR 12 – GMRI IN) July 28, 2014

On December 25, 2015, GMRI announced that they exercised the call option on the Compulsorily Convertible Preference Shares (CCPS) held by the private equity investors of GMR Airports (GAL). Thereafter, GMRI, GAL and the private equity investors discussed restructuring of the terms of their investment in GAL and executed agreements, which will be effective only upon completion of conditions precedent in these agreements, including the receipt of necessary regulatory approvals. The transaction is expected to be completed by June 5, 2017. No further details were announced.

On July 28, 2014, The Economic Times quoted Madhu Terdal, Chief Financial Officer of GMRI saying that GMRI intends to raise ~USD 250 million through an initial public offering of their airport segment in 2014. The airport segment accounted for INR 60,230 million (or 54%) of GMRI's total sales of INR 105,670 million in FY14.

On August 28, 2015, GMRI announced that they had started the process to sell their entire stake in GMR Hotels and Resorts (GHRL) that owns and manages the Novotel Hyderabad Airport Hotel in FY14 but that as of now no deal has been signed. On August 25, 2015, GMRI vide a newspaper advertisement invited interested parties to submit their expression of interest. The bidding process would be as per swiss challenge method under which GMR Airports Limited (GAL), majority shareholder of GMRI, will have first right of refusal.

Currently, GMRI has an EV of INR 549.8 billion and trades at 13.0x FY16 EBITDA of INR 42.4 billion. In comparison, the median EV/EBITDA multiple of Indian infrastructure companies is 8.0x. GMRI's debt to EBITDA ratio stood at 11.6x for FY16.

IN THE NEWS, AND MORE... Cont'd

Suzlon Energy (INR 14 – SUEL IN) March 31, 2014

On April 29, 2015, Centerbridge Partners, L.P announced that they acquired Senvion SE, a subsidiary of SUEL. No further details were announced. On February 14, 2015, SUEL had raised INR 18 billion by issuing 1 billion shares on a preferential basis to Dilip Sanghvi family and associates. SUEL is in the corporate debt restructuring (CDR) cell (equivalent to a bankruptcy court). SUEL had a total debt of ~ INR 114.3 billion as of March 2016 and is 11.8x FY16 EBITDA of INR 9.7 billion.

Geometric (INR 250 – GEO IN) March 20, 2014

GEO is an information technology company, which specialises in engineering solutions, services and technologies. On March 20, 2014, CNBC TV18 reported that Apax Partners, a private equity company, was looking to acquire a controlling stake in GEO. The Godrej group, one of the majority shareholders, increased their holding in GEO by ~2% from 37% in June 2013 to 39% in September 2013. Godrej had purchased GEO at an average share price of INR 73 valuing GEO at an EV of INR 4.5 billion and 2.3x FY13 EBITDA of INR 2 billion.

Currently, GEO has an EV of INR 17.0 billion and trades at 9.6x FY16 EBITDA of INR 1.8 billion. In comparison median trading EV/EBITDA multiple of comparable global IT companies is 17x. Globally transactions in this segment has taken place at a median EV/EBITDA multiple of 9.9x. At the current share price of INR 250, GEO trades at 63% premium to our FY16 PMV of INR 153 (PMV is based on a DCF valuation).

United Bank of India (INR 20 – UNTDB IN) February 23, 2014

On February 23, 2014, DNA reported that UNTDB, with bad debts of ~ INR 85 billion, is likely to be rescued through a merger with Union Bank of India (UNBK IN). Gross non-performing assets (NPAs) of UNTDB increased from ~ INR 29.6 billion in FY13 to ~ INR 65.5 billion in FY15. Gross NPAs is about 9.8% of UNTDB's loan book of INR 667.6 billion in FY15. Adjusted book value (adjusted for net NPAs of ~ INR 40.8 billion) of UNTDB comes to INR 17.5 billion or INR 21 per share.

IN THE NEWS, AND MORE... Cont'd

HCL Technologies (INR 827 – HCLT IN) February 21, 2014

On February 21, 2014, Business Standard reported that the majority shareholders (Shiv Nadar and family) of HCLT, planned to sell their entire stake in HCLT. Business Standard identified the disinclination of Shiv Nadar's only child Roshni Nadar towards managing HCLT as a reason for the family's intention to sell their stake.

In the recent past, HCLT made several acquisitions. On October 21, 2016, HCLT signed an agreement to acquire Butler America Aerospace, LLC for USD 85 million (1x CY15 revenues of USD 85.4 million. Butler America Aerospace, LLC provides engineering, design services and aftermarket engineering services to US Aerospace and Defense customers and is a wholly owned subsidiary of Butler America LLC. It had an EBIT margin of 12.2% for CY15.

On October 29, 2015, HCLT announced that they acquired PowerObjects, a North American provider of Microsoft Dynamics customer relationship management for USD 46 million.

On October 20, 2015, HCLT announced that they acquired external IT business of Volvo Group for USD 138 million or 0.7x LTM segment revenue of USD 190 million. No further details were disclosed.

Currently, HCLT has an EV of INR 1,088.6 billion and trades at 16.6x FY16 EBITDA of INR 65.4 billion. In comparison the median trading EV/EBITDA multiple of Indian IT companies is 12.6x.

Financial Technologies (INR 72 – FTECH IN) February 19, 2014

On June 26, 2015, VCCircle reported that FTECH began the process of selling their 23% stake in MCX-SX Clearing Corporation. On February 19, 2014, the Economic Times reported that Tech Mahindra (TECHM IN) plans to acquire a sizable equity share in FTECH. FTECH announced dividend per share of INR 5 for FY14 and INR 10 for FY15. However, on September 30, 2015, Bombay High Court directed FTECH not to distribute any dividend. Currently, FTECH has an EV of –INR 12.0 billion (Market capitalization: INR 3.3 billion; Net cash: INR 15.3 billion).

IN THE NEWS, AND MORE... Cont'd

Hotel Leela Ventures (INR 16 – LELA IN) February 14, 2014

On September 21, 2015, Live Mint quoted Vivek Nair, CMD of LELA, saying that they are in discussion with four international investors for selling at least 24% stake in LELA. Sale consideration will be utilized to partly repay their debt. No further details were disclosed. On October 1, 2014, LELA announced that the majority shareholder was issued ~15 million shares (3.2% of 466.6 mn shares outstanding) for INR 350 mn (Per share: INR 23.3). On September 19, 2014, LELA defaulted on all the interest payments due between June 19, 2014 and September 19, 2014 and on a payment of INR 225 million towards first installment of a loan due on March 31, 2014. On July 2, 2014, LELA had announced that their lenders sold loan worth ~INR 40 billion (of total debt of 50 billion on June 2014) to JM Financial Asset Reconstruction.

On March 10, 2014, the Economic Times reported that Kohlberg Kravis Roberts & Co (KKR) plans to lend ~INR 20 billion to LELA against 2 of their unknown properties. On February 14, 2014, the Times of India reported that LELA plans to sell a 74% stake each in 2 of their hotels located in Delhi and Chennai for INR 20 billion translating into an EV/room of INR 46 million. In comparison Intercontinental sold their hotel in San Francisco for USD 120 million translating into an EV/room of USD 0.3133 million or ~INR 19.4 million (INR/USD 62) in February 2014. LELA had sold The Leela Kovalam Beach, Kerala (183 rooms) for INR 5 billion translating into an EV/room of INR 27.3 million in FY12. As of March 31, 2015, LELA had a debt of ~INR 50.0 billion (52.9x FY15 EBITDA of INR 945.7 million).

Raj Television Network (INR 59 – RAJT IN) February 10, 2014

On February 10, 2014, CNBC TV 18 reported that RAJT intended to raise ~8-10 billion for capex through sale of stake in the company and identified Sony and Star as possible acquirers. Currently, RAJT has an EV of INR 3.4 billion and trades at 64.3x FY16 EBITDA of INR 52.4 million.

Standard Chartered Plc (INR 53 – STAN IN) January 21, 2014

Standard Chartered Plc (STAN LN) is an emerging markets focused bank that operates principally in Asia, Africa and the Middle East. STAN IN represents the India Depository Receipts (IDR) of Standard Chartered Plc (STAN LN) and trade on the NSE and BSE. On January 21, 2014, The Financial Times reported that STAN LN is a likely takeover target and mentioned Australia and New Zealand Bank Group (ANZ AU), Banco Santander (SAN SM) and Wells Fargo (WFC US) as possible acquirers. An acquisition of STAN LN will trigger a tender offer and STAN IN holders will also be able to tender all outstanding IDRs of STAN LN. STAN IN has a market capitalization of GBP 22.4 billion and trades at 0.5x 2015 book value of GBP 48.2 billion. In comparison, the median transaction price to book value multiple of banks in Asia Pacific, Africa and Middle East region is 1.4x. STAN LN had issued 240 million IDRs in June 2010. Of the 240 million IDRs, 60 million IDRs had been converted into STAN LN shares in June 2013. On February 21, 2014, STAN IN had announced the conversion period (03/21/2014 to 03/28/2014) for converting an additional 60 million STAN IN into STAN LN. Additional 60 million STAN IN shares were converted into STAN LN in March 2015. The remaining 60 million IDRs (60 million³ every fiscal year) were available for conversion into STAN LN shares in March 2016. Currently, STAN IN trades at a ~8.9% discount to STAN LN.

³ As per SEBI guidelines on fungibility of IDRs, only 25% of the originally issued 240 million IDRs can be converted into STAN LN in a fiscal year

IN THE NEWS, AND MORE... Cont'd

Kaveri Seeds (INR 411 – KSCL IN) October 9, 2013

On October 9, 2013, The Economic Times reported that Bayer CropScience (BYRCS IN) is in preliminary talks to acquire a stake (lower than the 26% threshold that would trigger a compulsory tender offer to minority shareholders) in KSCL. KSCL plans to induct a foreign partner to gain access to technology. Currently, KSCL has an EV of INR 28.3 billion and trades at 15.0x FY16 EBITDA of INR 1.9 billion. In comparison the median trading EV/EBITDA multiple of comparable agri companies in India is 19x.

Bombay Dyeing (INR 47 – BD IN) October 6, 2013

On August 27, 2015, Nusli Wadia, majority shareholder of BD, sold 1.9 million shares (0.9% of 206.5 million shares outstanding) of BD. On October 6, 2013, The Economic Times had reported that BD intended to sell a 24% stake in the company to private equity firms. BD has an EV of INR 33.8 billion and trades at 18.0x FY16 EBITDA of INR 1.9 billion.

Apollo Hospitals (INR 1,180 – APHS IN) September 23, 2013

On September 23, 2013, the Economic Times had reported that APHS plans to raise around \$400 million by selling between 51% and 75% stake in a business trust to overseas investors and list the trust on the Singapore Stock Exchange. The sale proceeds will be utilized to repay debt and build new hospitals. Overseas investors are likely to be offered annuity income backed by a few hospital assets of APHS. Currently, APHS has an EV of INR 188.3 billion and trades at 24.1x FY16 EBITDA of INR 7.8 billion.

Exide Industries (INR 180 – EXID IN) August 23, 2013

On August 23, 2013, The Economic Times reported that Manulife Financial Services (MFC CN) plans to acquire 26% stake in Exide Life Insurance Company (ELIC). EXID has been scouting for a partner for their wholly owned subsidiary ELIC. EXID may issue fresh equity to the new partner. Initially, EXID had a 50% stake in ELIC but on March 22, 2013, EXID had acquired remaining 50% of the equity capital of ELIC from ING Group (26%), Hemendra Kothari Group (16.3%) and Enam Group (7.7%) for INR 5,500 million valuing ELIC at INR 11.0 billion or 47.7x FY13 net income of INR 230.7 million or 1.6x FY13 embedded value of INR 6.9 billion⁴. EXID has an EV of INR 151.3 billion and trades at 15.8x FY16 EBITDA of INR 9.6 billion. In comparison the median trading EV/EBITDA multiple of battery manufacturing companies in India is 12.9x.

⁴ http://www.business-standard.com/article/companies/exide-s-100-stake-in-ing-vysya-to-strain-core-ops-edelweiss-securities-113012400149_1.html

IN THE NEWS, AND MORE... Cont'd

Sandur Manganese & Iron Ore (INR 772 – SMIO IN) July 16, 2013

SMIO is a manganese and iron ore miner. On July 16, 2013, the Economic Times reported that JSW Steel (JSTL IN) was looking at acquiring a stake in SMIO in order to secure supply of iron ore for their steel manufacturing plants. Subsequently, SMIO's management announced that SMIO was open to selling a stake in the company if the acquirer is also interested in buying the company's iron ore. SMIO and JSTL are currently developing an alloy steel plant with an investment of INR 9 – INR 10 billion and JSTL buys a part of their current iron ore requirements from SMIO. A takeover of SMIO will act as a long term catalyst that will assist in surfacing the underlying value of SMIO. Currently, SMIO has an EV of INR 6.8 billion and trades at 254.9x 2016 EBITDA of INR 26.6 million.

Aban Offshore (INR 230 – ABAN IN) August 25, 2015

On October 7, 2015, ABAN announced that the shareholders in the AGM held on September 23, 2015, approved raising USD 400 million through ADRs, GDRs, etc and an additional INR 25 billion through institutional placement. ABAN has a debt of ~ INR 142 billion (March 31, 2015). ABAN has an EV of INR 158.0 billion and trades at 8.4x FY16 EBITDA of INR 18.9 billion.

Jubilant Life Sciences (INR 631 – JUBILANT IN) May 29, 2013

On February 6, 2014, the Economic Times reported that JOL plans to sell their chemical segment to reduce their debt. On May 29, 2013, JOL had announced that they would spinoff their pharma segment into a separate listed company. Currently, JUBILANT has an EV of INR 142.2 billion and trades at 11.0x FY16 EBITDA of INR 12.9 billion. In comparison the median trading EV/EBITDA multiple of Indian pharmaceutical companies is 12.5x.

National Stock Exchange (NSE) December 28, 2016

On December 28, 2016, NSE filed a draft prospectus with SEBI for an initial public offering.

S.Kumars Nationwide (NA – SKNL IN) March 25, 2013

SKNL plans to sell a controlling stake in their unlisted subsidiary Reid & Taylor. SKNL had earlier (Sep 2011) attempted to list Reid & Taylor through an INR 10 billion IPO. In 2008, GIC Special Investment, an affiliate of the sovereign wealth fund Government of Singapore Investment Corporation (GIC) acquired 25.6% stake in Reid & Taylor for INR 9 billion. The majority shareholder holding declined from 48.59% in Mar 2012 to 3.6% (81.3% is pledged) in March 2015. On May 13, 2015, SKNL shares were suspended from trading for non-compliance of listing agreement clauses relating to shareholding disclosures.

IFCI (INR 27 – IFCI IN) March 20, 2013

The Ministry of Finance plans to sell a controlling stake in IFCI. The GOI currently holds 923 million shares aggregating to 55.5% of the total 1,662.0 million shares outstanding. Currently, IFCI has a market capitalization of INR 45.2 billion and trades at 0.7x FY16 book value of INR 64.9 billion.

IN THE NEWS, AND MORE... Cont'd

Kaya (INR 705 –KAYA IN) February 10, 2013

KAYA is a skin care solution provider and offers skin care products and services. Marico Kaya Enterprises was spun off from Marico (MRCO IN) and later merged with KAYA, earlier a 100% subsidiary of Marico Kaya Enterprises. According to our discussions with companies from the salon industry, there has been a rising interest among the private equity players for salons. Firms such as JM Financial India, Helion Venture, Everstone Capital and CLSA have invested in salons such as YLG, Enrich, and VLCC. On February 10, 2013, Business Standard quoted Harsh Mariwala, Chairman at Marico Kaya Enterprises, saying that “we are open to inputs, financial or strategic, for growing Kaya business.” Currently, KAYA has an EV of INR 8.9 billion and trades at 2.4x 2016 sales of INR 3.7 billion. At the current share price of INR 705 KAYA trades at a 11% premium to our FY16 PMV of INR 636. We applied an EV/sales multiple of 1.4x to estimate MAKAs PMV and is based on following recent transactions (Table 12).

Table 12: Recent transactions in salon industry globally

Announced Date	Target	Transaction Value (USD Mn)	Implied EV/sales multiple
07/28/2014	La Parler Co Ltd	13	0.5x
10/17/2011	Ideal Image Development, Inc.	175	2.7x
02/01/2011	Provalliance SAS	58	1.2x
03/31/2010	Dessange International	23	1.5x

Source: CapitalIQ

Multiples Alternate Asset Management

On August 6, 2015, Renuka Ramnath, Founder of Multiples Alternate Asset Management , told the Business Standard that they will raise USD 650 million (already raised USD 490 million) by end of 2015. She wants to focus on companies going for financial engineering. She said that “*My strategy for our second fund is around products and not around industries. I want to invest 50-60 per cent of our fund into solving shareholders’ problems and facilitating corporate action plans for companies. I also want to invest 20 per cent of our new fund into emerging companies such as Delhivery, Livpure and Mogae. And the rest of the fund will be utilised to back growth stories such as Cholamandalam Finance.*”

“A big application that I see on the horizon is to effect de-mergers. Most of corporate India are conglomerates. For instance, I am amazed at the number of companies I come across that have an embedded technology business. These were originally set up as homegrown units to solve the corporates technology needs in the absence of external solution providers. Today, these businesses have attained size and require to be separated from the parent to create a future of their own. PE players are ideally positioned to help the conglomerates spin out these businesses and set the ideal valuation benchmark.”

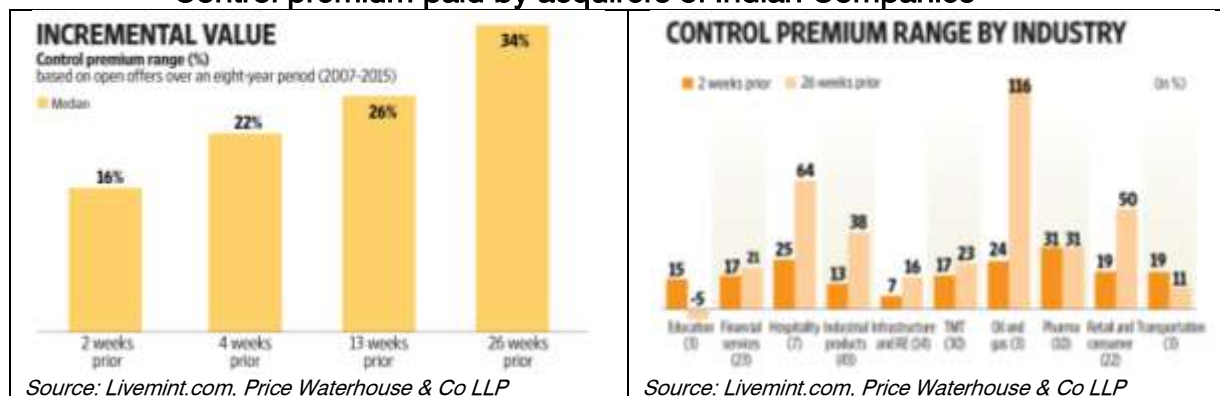
IN THE NEWS, AND MORE... Cont'd

Control premium paid to acquire Indian Companies

According to a study by Price Waterhouse & Co LLP, acquirers of Indian companies have paid a median 34% premium to the then prevailing market price to gain control. The control premium varies from industry to industry (Table 13)

Table 13:

Control premium paid by acquirers of Indian Companies



IN THE NEWS, AND MORE... Cont'd

REGULATORY ANNOUNCEMENTS

Demonetisation November 8, 2016

On November 8, 2016, the Government of India demonetized INR 500 and INR 1,000 notes.

Foreign Direct Investment (FDI) June 19, 2016

On June 19, 2016, the Government of India liberalized FDI policy for sectors such as defence, broadcasting, pharmaceuticals, aviation, private security agencies, retail, etc.

Tax treaty between India and Mauritius May 2016

In May 2016, India and Mauritius amended their tax treaty and under the revised agreement, India has the right to tax capital gains arising from sale/transfer of shares of an Indian company acquired by a Mauritian tax resident from April 1, 2017.

SEBI: listing norms for start-ups June 23, 2015

On June 23, 2015, SEBI announced listing norms for start-ups. Below are the key highlights:

- Startups will be able to list on the alternative institutional trading platform
- In the case of tech companies, 25% of the pre-issue capital has to be with qualified institutional buyers (QIBs) and this will be 50% for non-tech companies
- Companies have been allowed to disclose just the broad objects of the issue and there is no cap on amount raised for general corporate purposes. SEBI rules stipulate no more than 25% of the funds raised can be used for general corporate purposes.
- SEBI has allowed discretionary allotment of up to 10% of the issue size to institutional investors.
- The minimum application size as well as trading lot for such issues would be INR 1 million
- The current method of applying for a public issue takes at least 12-day period from issue closure to listing and trading of shares. This has been reduced to 6 days.
- Application Supported by Blocked Amount (ASBA) system is mandatory for retail investors which ensures the money needed to pay for shares will remain in the buyer's account until these are allotted

Foreign Direct Investment (FDI) in insurance June 16, 2015

On June 16, 2015, Insurance Regulatory and Development Authority (IRDA) and insurance companies asked for clarity on FDI norms in the insurance sector related to the definition of “ownership and control”. The Insurance Bill was revised on March 12, 2015 that raised FDI cap in Indian insurance companies from a 26% to a 49%. The revised Insurance Bill mandates that “ownership and control” of the insurance company must remain with “resident Indian entities” which restricts companies such as ICICI Bank (ICICIB IN) and Housing Development Finance Corporation (HDFC IN) to raise FDI to a 49% in their insurance subsidiaries as foreign holding in ICICIB and HDFC is 70% and 79.7% (March 2015), respectively.

IN THE NEWS, AND MORE... Cont'd

MBI norms February 4, 2014

On November 19, 2014, SEBI introduced following new set of rules to the MBI process:

- An MBI shall be considered successful only when (A) the shareholding of the acquirer together with the shares tendered by public shareholders reaches 90% of the total share capital of the company and (B) if at least 25% of the number of public shareholders, holding shares in dematerialised mode as on the date of the Board meeting which approves the MBI proposal, tender their shares.
- The offer price determined through reverse book building shall be the price at which holding of the majority shareholder, after including shares tendered by public shareholders, reaches 90%.
- Timelines for completing an MBI process has been reduced from 117 working days to 76 working days. SEBI has not announced any further details.
- In a tender offer, public shareholders can use stock exchange platform for tendering their shares. Unlike in the past, now no tax is applicable on long-term capital gains arising from the sale of shares through tender offer.

The Companies Act 2013 August 30, 2013

The Companies Act 2013 has been partially notified.

Buyback norms June 26, 2013

SEBI made it mandatory for companies to purchase at least 50% of the buyback offer size and upon failing to do so 2.5% of the funds set aside for buyback of shares will be forfeited. Companies planning for a buyback of share will have to keep 25% of the amount earmarked for buyback in an escrow account and to complete the buyback plan within 6 months (earlier 12 months).

Penalties for failing to comply with the minimum public float norm June 4, 2013

SEBI banned majority shareholders of companies, which are yet to comply with the minimum public float norm, from accessing capital markets for other than reducing their stake. Majority shareholders of these companies will lose their rights to dividend, bonus and voting partially. The majority shareholders' rights will be limited to 3x the public shareholding. For instance, if public shareholding is 15%, the majority shareholder will be entitled to get 45% of the total dividend instead of 85%. The directors of these companies will not be allowed to take up a new position. On June 4, 2010, the GOI had announced that publicly traded companies with a majority shareholder stake greater than 75% (90% for those companies in which the GOI is the majority shareholder) are mandated to decrease their stake below 75% (90%) before June 3, 2013 (August 9, 2013).

Norms related to schemes of arrangement April 3, 2013

Majority shareholders cannot vote on any special resolution to approve schemes of arrangement under Section 391-94 and 101 of the Companies Act. Special resolutions to approve such schemes can be approved "only if the votes cast by public shareholders in favour of the proposal amount to at least two times the number of votes cast by public shareholders against it." The company has to seek SEBI approval twice on any such deal — first, before submitting a scheme to the high court and again before executing the court order.

IN THE NEWS, AND MORE... Cont'd

SEBI norm on IDR fungibility March 1, 2013

On March 1, 2013, SEBI announced a detailed framework for conversion of Indian Depository Receipts (IDR) into equity shares. IDRs cannot be converted into underlying equity shares for a period of one year from the date of their listing. The issuer would provide two-way fungibility for IDRs on a continuous basis and at the time of conversion 20% would be reserved for retail investors. The IDR fungibility would be available at least once every quarter and the window would be open for at least 7 days. Existing IDR issuers can follow the new framework and have to provide the option of redemption/conversion within 3 months from the date of completing a year of listing. The total number of IDRs available for fungibility would be fixed before the opening of the window.

APPENDIX 1: UNIVERSE OF RECOMMENDATIONS

Company	Symbol	Call	Recommendation		Share price on (INR) 12/30/2016	IRR	Absolute return
			Date	Share price (INR)			
Wipro	WPRO IN		15-Apr-13		474	56%	7%
Wipro (cash market)	NSE:WIPRO	Buy					
Wipro (future market)	NSE:WIPRO	Sell					
Binani Industries	BZL IN	Buy	15-Jan-13	133	69	-98%	-53%
Biocon	BIOS IN	Buy	15-Jan-13	285	951	24%	13%
CESC	CESC IN	Buy	15-Jan-13	319	637	5%	3%
DLF	DLFU IN	Buy	15-Jan-13	253	111	139%	8%
Pioneer Distilleries	PND IN	Buy	15-Jan-13	56	185	22%	11%
Hindustan Zinc	HZ IN	Buy	15-Jan-13	136	255	-45%	-24%
Ricoh India	RPGR IN	Buy	15-Jan-13	56	193	-92%	-27%
AstraZeneca Pharma	ASTR IN	Buy	15-Jan-13	1,417	925	-328%	-47%
Thomas Cook India	TC IN	Buy	15-Jan-13	59	188	-161%	-9.3%
Marico	MRCO IN	Buy	15-Jan-13	227	260	-4%	-3%
FDC	FDCLT IN	Buy	15-Jan-13	94	221	-11%	-8%
Claris Lifesciences	CLAR IN	BUY	25-Mar-13	203	320	-18%	-20%
Strides Arcolab	STR IN	BUY	25-Mar-13	827	1,061	5%	4%
Polaris Financial Technology	POL IN	BUY	10-Jul-13	121	151	9%	32%
Mahindra Forgings	MACA IN	BUY	10-Jul-13	61	184	38%	11%
Mahindra Ugine Steel Co.	MUS IN	Buy	30-Aug-13	70		208%	70%
Balkrishna Industries	BIL IN	BUY	31-Jul-13	213	1,102	185%	50%
Cooper & Tire company (USD)	CTB US	BUY	31-Jul-13	34	39	-90%	-23%
Mangalore Chemicals	MCF IN	BUY	31-Jul-13	53	44	24%	81%
Gateway Distriparks	GDPL IN	Buy	30-Sep-13	104	245	20%	65%
Marico	MRCO IN	Buy	31-Oct-13	212	260	25%	2%
Sandur Manganese & Iron Ore	SMIO IN	Buy	31-Oct-13	682	772	-10%	-11%
Mahindra CIE Automotive	MACA IN	BUY	29-Nov-13	46	184	74%	7%
Elder Pharma	ELDP IN	BUY	29-Nov-13	297		-146%	-7%
Man Industries	MAN IN	Buy	1-Jan-14	59	45	2%	7%
GlaxoSmithKline Pharma	GLXO IN	Buy	1-Jan-14	2,993	2,730	1%	3%
Standard Chartered Plc	STAN IN	Buy	28-Feb-14	122	53	-1%	-3%
MCX	MCX IN	Buy	31-Mar-14	490	1,267	28%	76%
Marico Kaya	MAKA IN	Received	1-Jul-14		705	NA	NA
Marico Kaya	MAKA IN	Buy	27-Aug-14	564	705	5%	12%

Note: Cooper & Tire Company share price is in USD

APPENDIX 1: UNIVERSE OF RECOMMENDATIONS... Cont'd

Company	Symbol	Call	Recommendation		Share price	IRR	Absolute return
			Date	Share price (INR)	on (INR) 12/30/2016		
Strides Arcolab	STR IN	Buy	30-Oct-14	670	1,061	12%	26%
Indian Hotel Company	IH IN	Buy	28-Feb-14	69	98	29%	82%
Geometric	GEO IN	Buy	5-May-14	106	250	9%	23%
United Breweries	UBBL IN	Buy	5-May-14	776	782	3%	8%
Jaiprakash Power Venture	JPVL IN	Buy	14-Oct-14	12	4	-1%	-3%
Ballarpur Industries	BILT IN	Buy	28-Nov-14	17	16		-7%
Radico Khaitan	RDCK IN	Buy	1-Jan-14	143	112	-12%	-36%
Max Financial Services	MAXF IN	Buy	1-Jan-15	392	549	-2%	-5%
Mphasis	MPHL IN	Buy	1-Jan-15	392	566	14%	28%
Tata Steel	TATA IN	Buy	2-Feb-15	384	391	-4%	-7%
Crompton Greaves	CRG IN	Buy	5-Mar-15	181	59	-38%	-69%
South Indian Bank	SIB IN	Buy	22-Jul-15	24	20	-17%	-24%
Hindustan Zinc	HZ IN	Buy	1-Jan-14	133	255	40%	120%
Jyothy Laboratories	JYL IN	Buy	27-Aug-14	227	337	22%	53%
Cairn India	CAIR IN	Buy	28-Nov-14	260	242	-2%	-4%
Den Networks	DEN IN	Buy	7-Jan-15	133	67	-25%	-50%
Heritage Foods	HTFL IN	Buy	13-Jan-15	391	884	65%	128%
McLeod Russel	MCLR IN	Buy	2-Feb-15	209	139	-16%	-31%
EIH	EIH IN	Buy	5-Mar-15	106	95	-5%	-9%
Jain Irrigation	JI IN	Buy	21-May-15	39	58	31%	51%
Just Dial	JUST IN	Buy	26-Aug-15	770	339	-41%	-56%
NOIDA Toll Bridge	NTB IN	Buy	31-Aug-15	24	13	-21%	-29%
HT Media	HTML IN	Buy	30-Oct-15	83	72	-11%	-12%
Crompton Greaves Consumer	NA	Spin off	16-Mar-16		145		
Max India	NA	Spin off	28-Jan-16		140		
Max Ventures and Industries	NA	Spin off	28-Jan-16		62		
Current recommendations							
Glaxosmithkline Consumer	SKB IN	Buy	30-Dec-16	4,997	4,997		
Claris Lifesciences	CLAR IN	Buy	30-Dec-16	320	320		
Radico Khaitan	RDCK IN	Buy	30-Dec-16	112	112		
Chambal Fertilisers &	CHMB IN	Buy	30-Dec-16	71	71		
United Breweries	UBBL IN	Buy	30-Dec-16	782	782		
Jagran Prakashan	JAGP IN	Buy	30-Dec-16	180	180		
KPIT Technologies	KPIT IN	Buy	30-Dec-16	134	134		
Total						7.5%	29.6%

Source: Horizon Research, BSE

APPENDIX 2: ANNOUNCED FUND RAISE (LTM)

Date of Announcement	Target/Issuer & Exchange Ticker	BB Code	Instrument	Transaction Value (USD Mn)
07/17/2015	Housing Development Finance Corp	HDFC IN	Several	14,062.5
07/25/2015	Axis Bank	AXSB IN	NCD/bond	5,468.8
07/15/2015	DLF	DLFU IN	NCD	2,656.3
07/27/2015	JSW Steel	JSTL IN	NCD/equity	2,187.5
07/21/2015	Tata Steel	TATA IN	NA	1,562.5
07/25/2015	Lupin	LPC IN	NA	1,171.9
07/28/2015	Adani Enterprises	ADE IN	NA	937.5
07/10/2015	Mahindra & Mahindra	MM IN	NA	781.3
07/01/2015	Videocon Industries	VCLF IN	FCCB	781.0
07/16/2015	Tata Motors	TTMT IN	NCD	687.5
07/04/2015	Lanco Infratech	LANCI IN	IPO of Subs.	625.0
06/27/2015	Union Bank of India	UNBK IN	Equity	580.0
08/18/2015	Snapdeal	NA	Equity	500.0
06/26/2015	Housing Development Finance Corp	HDFC IN	ECB	500.0
10/16/2015	Hindustan Power Projects	NA	Equity	483.5
06/26/2015	Jet Airways	JETIN IN	NCD	400.0
07/15/2015	SRF	SRF IN	NCD	312.5
07/01/2015	Punj Lloyd	PUNJ IN	Term loan	234.0
07/01/2015	Srei Infrastructure Finance	SREI IN	NCD	187.5
08/17/2015	Piramal Realty	NA	Equity	150.0
07/23/2015	PVR	PVRL IN	NA	132.8
08/26/2015	IL&FS Transportation Networks	ILFT IN	Equity	115.0
07/17/2015	Karnataka Bank	KBL IN	Equity	78.1
07/09/2015	Ceat	CEAT IN	NCD	78.1
08/19/2015	Matrimony.com	NA	Equity	53.6

Source: Different publications

APPENDIX 3: ANNOUNCED IPOs AND PRIVATE PLACEMENTS (LTM)

Date of Announcement	Target/Issuer & Exchange Ticker	Transaction Types	Transaction Status	Transaction Value (USD Mn)
11/19/2014	NTPC (NSEI:NTPC)	Public Offering	Announced	498.6
02/10/2015	State Bank of India (NSEI:SBIN)	Private Placement	Announced	476.6
12/11/2014	Aurobindo Pharma (BSE:524804)	Private Placement	Announced	350.0
04/07/2015	Aurobindo Pharma (BSE:524804)	Private Placement	Announced	347.7
08/19/2015	IDBI Bank (BSE:500116)	Private Placement	Announced	341.5
08/22/2015	Indian Overseas Bank (BSE:532388)	Private Placement	Announced	305.0
02/10/2015	United Bank of India (BSE:533171)	Private Placement	Announced	160.5
01/06/2015	Dena Bank (BSE:532121)	Private Placement	Announced	157.7
09/28/2015	Network18 Media (BSE:532798)	Private Placement	Announced	151.1
09/29/2015	Jindal Poly Films (BSE:500227)	Private Placement	Announced	121.2
09/25/2015	IL&FS Transportation (BSE:533177)	Public Offering	Announced	111.9
07/02/2015	ABB India (BSE:500002)	Private Placement	Announced	94.6
05/06/2015	L&T Finance Holdings (BSE:533519)	Private Placement	Announced	94.5
07/31/2015	JBF Industries (BSE:514034)	Private Placement	Announced	76.6
01/22/2015	Zuari Agro Chemicals (BSE:534742)	Private Placement	Announced	65.2
01/29/2015	SpiceJet (BSE:500285)	Private Placement	Announced	60.6
09/21/2015	L&T Finance Holdings (BSE:533519)	Private Placement	Announced	53.8
05/23/2015	J.K. Cement (BSE:532644)	Private Placement	Announced	47.2
01/28/2015	Granules India (BSE:532482)	Private Placement	Announced	40.7
08/15/2015	Orient Green Power (NSEI:GREENPOWER)	Private Placement	Announced	38.5
09/15/2015	Sun Pharma Advanced (BSE:532872)	Public Offering	Announced	37.6
08/05/2015	Fortune Financial (BSE:530023)	Public Offering	Announced	33.0
01/22/2015	Deepak Nitrite (BSE:506401)	Private Placement	Announced	32.6
09/23/2015	JMC Projects (India) (BSE:522263)	Public Offering	Announced	22.7
09/14/2015	Corp Bank (BSE:532179)	Private Placement	Announced	21.6
05/05/2015	Hikal (BSE:524735)	Private Placement	Announced	19.7
12/11/2014	WPIL (BSE:505872)	Public Offering	Announced	19.2
09/29/2015	Panoramic Universal (BSE:531816)	Private Placement	Announced	18.9
01/20/2015	Supreme Infrastructure India (BSE:532904)	Public Offering	Announced	16.2
05/14/2015	Trend Electronics (BSE:517228)	Private Placement	Announced	15.7
02/02/2015	McNally Bharat (BSE:532629)	Private Placement	Announced	15.4
06/06/2015	eDynamics Solutions (BSE:535694)	Private Placement	Announced	15.1
06/26/2015	Ashima (NSEI:ASHIMASYN)	Public Offering	Announced	12.6
01/21/2015	Indian Terrain Fashions (BSE:533329)	Public Offering	Announced	12.2
11/24/2014	Castex Technologies (BSE:532282)	Private Placement	Announced	12.1
12/05/2014	SPML Infra (BSE:500402)	Private Placement	Announced	12.1

Source: CapitalIQ

APPENDIX 3: ANNOUNCED IPOs AND PRIVATE PLACEMENTS (LTM)... Cont'd

Date of Announcement	Target/Issuer & Exchange Ticker	Transaction Types	Transaction Status	Transaction Value (USD Mn)
02/06/2015	TCPL Packaging (BSE:523301)	Private Placement	Announced	10.2
03/05/2015	Filatex Fashions (BSE:532022)	Private Placement	Announced	9.6
12/17/2014	ARSS Infrastructure Projects (BSE:533163)	Private Placement	Announced	9.4
11/06/2015	Aadhaar Ventures India (BSE:531611)	Private Placement	Announced	9.2
04/06/2015	Deccan Gold Mines (BSE:512068)	Public Offering	Announced	8.1
05/28/2015	NRB Industrial Bearings (BSE:535458)	Private Placement	Announced	7.8
11/05/2015	Sanwaria Agro Oils (BSE:519260)	Private Placement	Announced	7.6
12/17/2014	Zicom Electronic (BSE:531404)	Private Placement	Announced	7.2
09/26/2015	Energy Development Co. (BSE:532219)	Private Placement	Announced	6.7
11/24/2014	Metalyt Forgings (BSE:513335)	Private Placement	Announced	6.5
04/16/2015	CMI (BSE:517330)	Private Placement	Announced	6.3
09/23/2015	Gujarat Foils (BSE:531410)	Private Placement	Announced	6.1
07/03/2015	Scan Steels (BSE:511672)	Private Placement	Announced	6.1
11/03/2015	Adani Power (BSE:533096)	Private Placement	Announced	6.1
02/17/2015	KDDL (BSE:532054)	Private Placement	Announced	5.8
05/21/2015	Shree Rama Newsprint (NSEI:RAMANEWS)	Private Placement	Announced	5.7
08/26/2015	High Ground Enterprise (BSE:517080)	Private Placement	Announced	5.6
06/03/2015	Rohit Ferro-Tech (BSE:532731)	Private Placement	Announced	5.6
01/02/2015	Nutraplus India (BSE:524764)	Private Placement	Announced	5.5
12/29/2014	Lanco Infratech (BSE:532778)	Private Placement	Announced	5.3
01/20/2015	SVP Global Ventures (BSE:505590)	Private Placement	Announced	5.2
03/16/2015	Usha Martin (BSE:517146)	Private Placement	Announced	4.8
09/19/2015	Dwarikesh Sugar Industries (BSE:532610)	Private Placement	Announced	4.6
10/19/2015	Nutraplus India (BSE:524764)	Private Placement	Announced	4.5
12/11/2014	Filmcity Media (BSE:531486)	Private Placement	Announced	4.0
01/20/2015	Kirloskar Electric (BSE:533193)	Private Placement	Announced	3.9
04/23/2015	Blue Blends (India) (BSE:502761)	Private Placement	Announced	3.6
02/21/2015	Moser-Baer India (BSE:517140)	Private Placement	Announced	3.5
09/30/2015	Shilpi Cable Technologies (BSE:533389)	Private Placement	Announced	3.4
12/04/2014	Luminaire Technologies (BSE:526045)	Private Placement	Announced	3.2
05/30/2015	Bodhtree Consulting (BSE:539122)	Private Placement	Announced	2.8
09/01/2015	RattanIndia Infrastructure (BSE:534597)	Private Placement	Announced	2.8
12/11/2014	Nimbus Foods Industries (BSE:531598)	Private Placement	Announced	2.8
02/13/2015	Krebs Biochemicals (BSE:524518)	Private Placement	Announced	2.7
03/21/2015	Parrys Sugar Industries (BSE:500162)	Private Placement	Announced	2.1
09/21/2015	Steel Strips Wheels (BSE:513262)	Private Placement	Announced	2.0
Source: CapitalIQ				

APPENDIX 3: ANNOUNCED IPOs AND PRIVATE PLACEMENTS (LTM)... Cont'd

Date of Announcement	Target/Issuer & Exchange Ticker	Transaction Types	Transaction Status	Transaction Value (USD Mn)
01/09/2015	PS IT Infrastructure (BSE:505502)	Private Placement	Announced	1.8
02/25/2015	Digjam (BSE:503796)	Private Placement	Announced	1.6
11/09/2015	Bhartiya International (BSE:526666)	Private Placement	Announced	1.6
12/19/2014	Astec LifeSciences (NSE:ASTEC)	Private Placement	Announced	1.6
05/09/2015	Amsons Apparels (BSE:538861)	Private Placement	Announced	1.6
04/27/2015	RTS Power Corp (BSE:531215)	Private Placement	Announced	1.6
08/13/2015	Dharani Sugars & Chemicals (BSE:507442)	Private Placement	Announced	1.5
08/31/2015	Scan Steels (BSE:511672)	Private Placement	Announced	1.5
08/27/2015	Viaan Industries (BSE:537524)	Private Placement	Announced	1.5
07/25/2015	Ashapura Intimates Fashion (BSE:535467)	Private Placement	Announced	1.3
02/13/2015	Lincoln Pharmaceuticals (BSE:531633)	Private Placement	Announced	1.2
12/18/2014	Asya Infosoft (BSE:511144)	Private Placement	Announced	1.1
11/22/2014	JHS Svendgaard Lab (BSE:532771)	Private Placement	Announced	1.0
03/28/2015	Autoline Industries (BSE:532797)	Private Placement	Announced	1.0
12/01/2014	Indo Asia Finance (BSE:530747)	Private Placement	Announced	1.0
04/24/2015	MIRC Electronics (BSE:500279)	Private Placement	Announced	0.9
01/28/2015	Jaihind Synthetics (BSE:514312)	Private Placement	Announced	0.8
02/03/2015	TANFAC Industries (BSE:506854)	Private Placement	Announced	0.8
03/30/2015	Lokesh Machines (BSE:532740)	Private Placement	Announced	0.8
11/06/2015	Minda Finance (BSE:539303)	Private Placement	Announced	0.8
05/12/2015	Burnpur Cement (BSE:532931)	Private Placement	Announced	0.6
05/07/2015	Tricom India (BSE:531675)	Private Placement	Announced	0.6
09/21/2015	BN Rath Securities (BSE:523019)	Public Offering	Announced	0.6
01/15/2015	Everlon Synthetics (BSE:514358)	Public Offering	Announced	0.5
01/03/2015	Birdhi Chand Pannalal (BSE:538364)	Private Placement	Announced	0.5
03/12/2015	Pioneer Embroideries (BSE:514300)	Private Placement	Announced	0.5
05/14/2015	Signet Industries (BSE:512131)	Private Placement	Announced	0.5
09/30/2015	Vijay Textiles (BSE:530151)	Private Placement	Announced	0.4
02/14/2015	Sujana Metal Products (BSE:513414)	Private Placement	Announced	0.4
12/17/2014	Garware Synthetics (BSE:514400)	Private Placement	Announced	0.4
11/22/2014	Ultracab (India) (BSE:538706)	Private Placement	Announced	0.4
09/08/2015	Capital Trade Links (BSE:538476)	Private Placement	Announced	0.3
12/01/2014	Tricom Fruit Products (BSE:531716)	Private Placement	Announced	0.3
09/30/2015	Dera Paints and Chemicals (BSE:523782)	Private Placement	Announced	0.3
05/22/2015	Munoth Financial Services (BSE:531821)	Private Placement	Announced	0.2
05/13/2015	Sphere Global Services (BSE:532172)	Private Placement	Announced	0.2
Source: CapitalIQ				

APPENDIX 3: ANNOUNCED IPOs AND PRIVATE PLACEMENTS (LTM)... Cont'd

Date of Announcement	Target/Issuer & Exchange Ticker	Transaction Types	Transaction Status	Transaction Value (USD Mn)
08/28/2015	Maestros Electronics (BSE:538401)	Private Placement	Announced	0.2
02/09/2015	KJMC Financial Services (BSE:530235)	Private Placement	Announced	0.2
07/02/2015	Lactose (India) (BSE:524202)	Private Placement	Announced	0.1
08/14/2015	Shiva Cement (BSE:532323)	Private Placement	Announced	0.1
08/31/2015	KLK Electrical (BSE:517170)	Private Placement	Announced	0.1
03/20/2015	Money Masters Leasing (BSE:535910)	Private Placement	Announced	0.0
09/30/2015	Vivid Global Industries (BSE:524576)	Private Placement	Announced	0.0
04/29/2015	Nandan Denim (BSE:532641)	Private Placement	Announced	0.0
11/09/2015	Khaitan Electricals (BSE:504269)	Private Placement	Announced	NA
11/02/2015	PMC Fincorp (BSE:534060)	Private Placement	Announced	NA
10/24/2015	Thomas Cook (India) (BSE:500413)	Private Placement	Announced	NA
10/22/2015	Celestial Biolabs (BSE:532871)	Private Placement	Announced	NA
10/21/2015	Rural Electrification Corp (NSEI:REC)	Public Offering	Announced	NA
10/20/2015	SSK Lifestyles (BSE:514336)	Private Placement	Announced	NA
10/15/2015	Palred Technologies (BSE:532521)	Private Placement	Announced	NA
10/13/2015	Alphageo (India) (BSE:526397)	Private Placement	Announced	NA
09/30/2015	BS (BSE:533276)	Private Placement	Announced	NA
09/30/2015	Parenteral Drugs (India) (BSE:524689)	Private Placement	Announced	NA
09/29/2015	GTN Industries (BSE:500170)	Private Placement	Announced	NA
09/28/2015	Aishwarya Technologies (BSE:532975)	Private Placement	Announced	NA
09/26/2015	Brady & Morris Engineering (BSE:505690)	Private Placement	Announced	NA
09/26/2015	Sat Industries (BSE:511076)	Private Placement	Announced	NA
09/25/2015	Bedmutha Industries (BSE:533270)	Private Placement	Announced	NA
09/22/2015	Power Finance Corp (NSEI:PFC)	Public Offering	Announced	NA
09/21/2015	Suryalata Spinning Mills (BSE:514138)	Private Placement	Announced	NA
09/15/2015	Rishi Techtex (BSE:523021)	Private Placement	Announced	NA
09/09/2015	NTPC (NSEI:NTPC)	Public Offering	Announced	NA
09/07/2015	Gradiente Infotainment (BSE:590126)	Private Placement	Announced	NA
09/01/2015	Meglon Infra-Real (India) (BSE:511367)	Private Placement	Announced	NA
08/31/2015	MosChip Semiconductor (BSE:532407)	Private Placement	Announced	NA
08/31/2015	Tirupati Industries (India) (BSE:531547)	Private Placement	Announced	NA
08/28/2015	Olympia Industries (BSE:521105)	Private Placement	Announced	NA
08/27/2015	Nihar Info Global (BSE:531083)	Private Placement	Announced	NA
08/25/2015	Tirupati Starch & Chemicals (BSE:524582)	Private Placement	Announced	NA
08/21/2015	Muthoot Finance (BSE:533398)	Public Offering	Announced	NA
08/14/2015	Kwality (BSE:531882)	Private Placement	Announced	NA

Source: CapitalIQ

APPENDIX 3: ANNOUNCED IPOs AND PRIVATE PLACEMENTS (LTM)... Cont'd

Date of Announcement	Target/Issuer & Exchange Ticker	Transaction Types	Transaction Status	Transaction Value (USD Mn)
08/13/2015	Spentex Industries (BSE:521082)	Private Placement	Announced	NA
07/31/2015	Shriram Transport Finance (BSE:511218)	Private Placement	Announced	NA
07/28/2015	Amtek Auto (BSE:520077)	Private Placement	Announced	NA
07/24/2015	DCW (NSEI:DCW)	Private Placement	Announced	NA
07/23/2015	Granules India (BSE:532482)	Private Placement	Announced	NA
07/21/2015	Sujana Towers (BSE:532887)	Private Placement	Announced	NA
07/20/2015	Cipla (NSEI:CIPLA)	Private Placement	Announced	NA
07/13/2015	Salzer Electronics (BSE:517059)	Private Placement	Announced	NA
07/10/2015	Neelkanth Rockminerals (BSE:531049)	Private Placement	Announced	NA
06/30/2015	Venus Remedies (BSE:526953)	Private Placement	Announced	NA
06/26/2015	SREI Infrastructure Finance (BSE:523756)	Public Offering	Announced	NA
06/15/2015	Surana Corp (BSE:531102)	Private Placement	Announced	NA
06/04/2015	Dhanada Corp (BSE:531198)	Private Placement	Announced	NA
05/30/2015	Cigniti Technologies (BSE:534758)	Private Placement	Announced	NA
05/05/2015	Sita Shree Food Products (BSE:532961)	Private Placement	Announced	NA
05/02/2015	Filatex Fashions (BSE:532022)	Private Placement	Announced	NA
04/06/2015	PVV Infra (BSE:536659)	Private Placement	Announced	NA
03/30/2015	Reliance Chemotex Industries (BSE:503162)	Private Placement	Announced	NA
03/24/2015	S H Kelkar and (BSE:539450)	Public Offering	Announced	NA
03/02/2015	Sequent Scientific (BSE:512529)	Private Placement	Announced	NA
02/27/2015	Trilogic Digital Media (BSE:531712)	Private Placement	Announced	NA
02/14/2015	Pochiraju Industries (BSE:532803)	Private Placement	Announced	NA
02/13/2015	Brahmaputra Infrastructure (BSE:535693)	Private Placement	Announced	NA
02/11/2015	Kiri Industries (BSE:532967)	Private Placement	Announced	NA
01/30/2015	Choice International (BSE:531358)	Private Placement	Announced	NA
01/22/2015	Unity Infraprojects (BSE:532746)	Private Placement	Announced	NA
12/25/2014	Maxwell Industries (BSE:532613)	Private Placement	Announced	NA
12/19/2014	Rishi Laser (BSE:526861)	Private Placement	Announced	NA
12/12/2014	Farmax India (BSE:590094)	Private Placement	Announced	NA
12/04/2014	Omega Ag-Seeds (Punjab) (BSE:519479)	Private Placement	Announced	NA
12/02/2014	Radha Madhav Corp. (BSE:532692)	Private Placement	Announced	NA
11/21/2014	Sunil Hitech Engineers (BSE:532711)	Private Placement	Announced	NA
Source: CapitalIQ				

APPENDIX 4: RAISED EQUITY CAPITAL (LTM)

Date	Issuer	BSE Code	Transaction		
			Type	Status	Value (USD Mn)
9/19/2016	ICICI Prudential	540133	IPO	Closed	890.7
10/25/2016	PNB Housing Finance	540173	IPO	Closed	455.9
4/5/2016	Equitas Holdings	539844	IPO	Closed	225.2
7/11/2016	L&T Infotech	540005	IPO	Closed	182.7
10/5/2016	Endurance Tech	540153	IPO	Closed	170.8
10/26/2016	Varun Beverages Ltd.	540180	IPO	Closed	163.6
6/21/2016	Mahanagar Gas	539957	IPO	Closed	152.9
12/6/2016	Laurus Labs	540222	IPO	Closed	137.9
9/12/2016	L&T Technology Serv.	540115	IPO	Closed	131.5
4/28/2016	Ujjivan Financial	539874	IPO	Closed	130.5
8/19/2016	RBL Bank	540065	IPO	Closed	125.4
5/4/2016	Parag Milk Foods	539889	IPO	Closed	108.4
8/1/2016	Dilip Buildcon	540047	IPO	Closed	97.7
3/21/2016	Infibeam Incorporpn.	539807	IPO	Closed	79.4
4/27/2016	Thyrocare Technologies	539871	IPO	Closed	70.5
2/2/2016	TeamLease Services	539658	IPO	Closed	64.1
1/27/2016	Precision Camshafts	539636	IPO	Closed	61.5
9/22/2016	HPL Electric	540136	IPO	Closed	61.3
6/29/2016	Quess Corp	539978	IPO	Closed	60.2
11/29/2016	Sheela Foam	540203	IPO	Closed	56.4
3/16/2016	HealthcareGlobal	539787	IPO	Closed	52.5
2/8/2016	Quick Heal Tech	539678	IPO	Closed	47.9
7/20/2016	Advanced Enzyme	540025	IPO	Closed	42.6
8/2/2016	SP Apparels	540048	IPO	Closed	25.8
9/14/2016	GNA Axles	540124	IPO	Closed	19.2
11/9/2016	Greensignal Bio Phar	NA	IPO	Closed	16.3
3/18/2016	Bharat Wire Ropes	539799	IPO	Closed	11.6
9/14/2016	Radhika Jewel	540125	IPO	Closed	7.3
6/1/2016	Shanti Educational	539921	IPO	Closed	5.8
4/27/2016	Bajaj Healthcare	539872	IPO	Closed	4.5
9/29/2016	Valiant Organics	540145	IPO	Closed	3.1
9/29/2016	Diksat Transworld	540151	IPO	Closed	2.7
3/16/2016	Khemani Distributors	539788	IPO	Closed	2.3
9/30/2016	Sakar Healthcare	NA	IPO	Closed	2.2
6/27/2016	Zeal Aqua	539963	IPO	Closed	2.2
8/31/2016	Madhya Bharat Agro Products	NA	IPO	Closed	2.0
2/15/2016	Hi-Tech Pipes	NA	IPO	Closed	2.0

Source: Horizon Research, Aceequity

APPENDIX 4: RAISED EQUITY CAPITAL (LTM)... Cont'd

Date	Issuer	BSE Code	Transaction		
			Type	Status	Value (USD Mn)
12/27/2016	Libas Designs	NA	IPO	Closed	2.0
10/27/2016	Agro Phos	NA	IPO	Closed	1.9
9/1/2016	Narayani Steels	540080	IPO	Closed	1.7
7/22/2016	Prabhat Telecoms	540027	IPO	Closed	1.7
11/28/2016	Majestic Res. Serv.	539229	IPO	Closed	1.6
9/30/2016	India Green Reality	540152	IPO	Closed	1.5
9/30/2016	Pansari Developers	NA	IPO	Closed	1.5
3/30/2016	Ruby Cables	539836	IPO	Closed	1.5
8/26/2016	Mitsu Chem Plast	540078	IPO	Closed	1.4
9/2/2016	Riddhi Steel & Tube	540082	IPO	Closed	1.3
12/30/2015	Fourth Dimension	NA	IPO	Closed	1.3
3/10/2016	Wealth First Port	NA	IPO	Closed	1.2
9/30/2016	Aurangabad Distille	NA	IPO	Closed	1.1
6/30/2016	Commercial Synbags	539986	IPO	Closed	1.1
5/25/2016	United Polyfab Guj.	NA	IPO	Closed	1.1
5/2/2016	Darshan Orna	539884	IPO	Closed	1.1
3/31/2016	Raghav Ramming	539837	IPO	Closed	1.1
1/21/2016	Blueblood Ventures	539637	IPO	Closed	1.0
9/9/2016	Crown Lifters	NA	IPO	Closed	1.0
2/15/2016	KP Energy	539686	IPO	Closed	0.9
3/30/2016	Franklin Lsg.&Fin.	539839	IPO	Closed	0.9
6/30/2016	Kwality Pharma	539997	IPO	Closed	0.9
9/29/2016	Aditya Consumer	540146	IPO	Closed	0.9
5/4/2016	Sagardeep Alloys	NA	IPO	Closed	0.9
11/28/2016	Aditya Vision	540205	IPO	Closed	0.8
3/10/2016	HEC Infra Projects	NA	IPO	Closed	0.8
9/15/2016	AVSL Industries	NA	IPO	Closed	0.8
9/30/2016	Globe International	NA	IPO	Closed	0.8
12/23/2016	Veeram Ornaments	540252	IPO	Closed	0.8
8/23/2016	Shiva Granito Export	540072	IPO	Closed	0.7
9/30/2016	Art Nirman	NA	IPO	Closed	0.7
9/1/2016	Spicy Entertainment	540084	IPO	Closed	0.7
2/10/2016	Sylph Education	539682	IPO	Closed	0.7
9/30/2016	Dhanuka Realty	NA	IPO	Closed	0.6
9/27/2016	Jet Knit	NA	IPO	Closed	0.6
12/27/2016	Prolife Industries	NA	IPO	Closed	0.6

Source: Horizon Research, Aceequity

APPENDIX 4: RAISED EQUITY CAPITAL (LTM)... Cont'd

Date	Issuer	BSE Code	Transaction		
			Type	Status	Value (USD Mn)
9/9/2016	Husys Consulting	NA	IPO	Closed	0.6
11/24/2016	Jet Freight Logistic	NA	IPO	Closed	0.6
9/28/2016	Nandani Creation	NA	IPO	Closed	0.6
6/30/2016	KKV Agro Powers	NA	IPO	Closed	0.5
9/30/2016	Shashijit Infra	540147	IPO	Closed	0.5
3/9/2016	Relicab Cable	539760	IPO	Closed	0.5
9/30/2016	DRA Consultants	540144	IPO	Closed	0.4
6/30/2016	Titaanium Ten Ente	539985	IPO	Closed	0.4
4/25/2016	Ghushine Fintrade	539864	IPO	Closed	0.4
6/30/2016	Advance Syntex	539982	IPO	Closed	0.4
6/7/2016	Yash Chemex	539939	IPO	Closed	0.4
9/30/2016	Mewar Hi-Tech	540150	IPO	Closed	0.3
3/21/2016	CHD Chemicals	539800	IPO	Closed	0.3
3/31/2016	Sysco Industries	539842	IPO	Closed	0.3
3/18/2016	Umiya Tube	539798	IPO	Closed	0.3
9/30/2016	Bindal Exports	540148	IPO	Closed	0.3
3/29/2016	Nintec Systems	539843	IPO	Closed	0.3
8/31/2016	Sprayking Agro	540079	IPO	Closed	0.3
3/31/2016	Lancer Containers	539841	IPO	Closed	0.3
1/29/2016	Ganga Pharma.	539680	IPO	Closed	0.2
2/3/2016	Vidli Restaurants	539659	IPO	Closed	0.2
9/30/2016	Gretex Ind	NA	IPO	Closed	0.0

Source: Horizon Research, Aceequity

APPENDIX 5: SPECIAL SITUATIONS TRACKER – LEXICON

I. Minority Buy In: Delisting, a mechanism popularly known as “Minority Buy In” (MBI) globally, has remained the flavour of the Indian equity markets for the last two years pushing up the stock prices of selective foreign Majority shareholder owned companies. The catalyst, the announcement by the Government of India (GOI) on June 4, 2010 for attaining minimum public holding of 25% before June 2013, leaves Majority shareholders with the regulator mandated decision to either “buy in” minority shareholders to own 100% of the shares outstanding, or sell down their ownership stake to below 75%. The process to delist requires approximately 60 days. We expect a wave of Majority shareholders decisions beginning in the next 90-120 days, with the final wave of delisting decisions occurring in 220 days, roughly by March 2013.

Opportunities continue to exist, but investors must be selective as the related universe of 149 companies offers more disappointment than returns. Companies owned by well capitalized foreign Majority shareholders offer the best probability of an MBI announcement followed by a successful completion. In continuation to our report ‘Regulator Mandated Minimum Public Float’ issued in July 2012, we introduce a weekly MBI tracker.

II. Mergers and Acquisitions: Announced M&A deals are tracked here. In India, SEBI rules require an acquirer to make a tender offer to acquire shares to shareholders of the target company if the acquirer acquires over 25% of the shares outstanding of the target company. Any substantial acquisition (as per SEBI guidelines an acquisition above 25% of the total shares outstanding is considered as substantial acquisition) provides not only an exit opportunity to existing shareholders but also a possibility of arbitrage opportunity to other investors. For details on SEBI rules refer to our report on ‘Thomas Cook India’.

III. Restructurings and Spinoffs: Announcements pertaining to restructuring and spinoffs.

IV. Share buybacks: All the corporate announcements relating to share buybacks with information such as maximum buyback price, period of buyback, funds allocated by a company for the buyback.

V. Rights issue: All the corporate announcements relating to right issue.

VI. Rumours and Rumblings: Currently circulating stories/articles/reports about specific corporate actions or events.

VII. Miscellaneous/Industry: All the announcements/developments not falling part of any of the above mentioned categories but affect a particular or a set of companies/industries.

DISCLOSURES

Anand Rawani, the Research Analyst who prepared this report, hereby certify that the views expressed in this report accurately reflect the analyst's personal views about the subject companies and their securities. The Research Analyst has not been, is not and will not be receiving direct or indirect compensation for expressing the specific recommendation or view in this report.

Anand Rawani, Analyst

Horizon Research 2017

Manjit Singh Kalha, Managing Partner

Marc Gabelli, Managing Partner

Important Disclosures

A 34 Mohan Cooperative, Mathura Road New Delhi 110044

Horizon Research TEL (+91 11) 4056 2508
www.horizonresearchpartners.com

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Ratings

Analysts' ratings are largely (but not always) determined by our "private market value," or PMV methodology. Our basic goal is to understand in absolute terms what a rational, strategic buyer would pay for an asset in an open, arms-length transaction. At the same time, analysts also look for underlying catalysts that could encourage those private market values to surface.

A **Buy** rated stock is one that in our view trades at a meaningful discount to our estimated PMV. We could expect a more modest private market value to increase at an accelerated pace, the discount of the public stock price to PMV to narrow through the emergence of a catalyst, or some combination of the two to occur.

A **Hold** is a stock that may be trading at or near our estimated private market value. We may not anticipate a large increase in the PMV, or see some other factors at work.

A **Sell** is a stock that may be trading at or above our estimated PMV. There may be little upside to the value, or limited opportunity to realize the value. Economic or sector risk could also be increasing.

We prepared this report as a matter of general information. We do not intend for this report to be a complete description of any security or company and it is not an offer or solicitation to buy or sell any security. All facts and statistics are from sources we believe to be reliable, but we do not guarantee their accuracy. We do not undertake to advise you of changes in our opinion or information. Unless otherwise noted, all stock prices reflect the closing price on the business day immediately prior to the date of this report. We do not use "price targets" predicting future stock performance. We do refer to "private market value" or PMV, which is what an informed industrialist would pay for a business. There is no assurance that there are any willing buyers of a company at this price and we do not intend to suggest that any acquisition is likely. Additional information is available on request.