



India: Budget review

OVERWEIGHT (Unchanged)

Government means business

- Maintain OVERWEIGHT & 2015 NIFTY target of 9,540 (+7%) at 17x one-year forward earnings. Catalysts from tax clarification on property & infrastructure assets, GST by Apr 2016 (simplifies tax structure and will add 100bp to GDP) & revival of stalled infrastructure projects. Top picks: LT, ILFT, BOB, PNB, SREI, SOTL, PVKP, OBER and MLIFE.
- Finance Minister confirmed capex of INR700b for rail, roads & other infrastructure. Clarified taxation for foreign investors. Raised tax concessions for savers by 18% YoY.
- Biggest beneficiaries should be beaten-down cyclicals: State-owned banks, contractors, property developers.

Pro-growth, capex revival

India's budget clearly spelt out measures to revive its capex cycle through: 1) spending on specific rail, road projects etc; 2) approval for five new mega-power projects; 3) a mechanism for single approval for new projects instead of several layers of approval; and 4) allowing railway, road and irrigation companies to issue tax-free infrastructure bonds for project financing. These will be supported by a 33% increase in capex to INR1.35t and a 9% decline in subsidies to INR2.4t. If the government succeeds in breaking bottlenecks in land acquisitions and resolving environmental disputes etc., we expect the private sector to jump onto the capex bandwagon.

Bullish on state-owned banks, contractors

Despite their run-up in the past one year, banking and contractor valuations remain much below their historical averages. We believe investors have yet to price in their earnings potential fully. Our top picks are **BOB**, **PNB** and **SREI** among the banks, **ILFT** in the road sector, **MLIFE**, **OBER** and **PVKP** among property stocks, and **LT** and **SOTL** among contractors. Expectations of better GDP growth of 8-8.5% for FY16 and a 16% increase in EPS for the corporate sector justify our new NIFTY target.

Analyst

Jigar Shah and Team
(91) 22 6623 2632
jigar@maybank-ke.co.in

India sector ratings

	Contractors, Financials, Media, Property,
OW	Consumer Disc, Industrials, Telecom
UW	Oil & Gas, Metals
Neutral	Technology

Top picks

Company	CMP (INR)	TP (INR)	Upside (%)
LT	1,768	1,967	11
BOB	185	215	16
PNB	166	210	27
OBER	322	370	15
ILFT	213	269	26
SOTL	65	90	38
SREI	46	70	53
PVKP	81	118	46
MLIFE	512	685	34

Budget at a glance

What was budgeted, what was spent

Amount in INR b	FY 14	FY 15BE	FY 15RE	FY 16BE	% ch
Revenue receipts	10,192	11,948	11,313	11,472	1
Gross tax revenue	11,387	13,645	12,513	14,494	16
Corporation Tax	3,946	4,510	4,261	4,706	10
Income Tax	2,428	2,842	2,786	3,237	16
Wealth Tax	10	10	10	0	-100
Customs	1,720	2,018	1,887	2,083	10
Excise Tax	1,701	2,071	1,854	2,298	24
Service Tax	1,547	2,160	1,681	2,098	25
Other Taxes	31	34	34	36	6
Less : State's share	3,182	3,822	3,378	5,239	55
Centre's net tax revenue	8,205	9,823	9,135	9,255	1
Non-Tax Revenue	1,987	2,125	2,178	2,217	2
a) interest receipts	218	198	222	236	6
b) dividend and profits	904	902	888	1,006	13
c) external grants	36	24	28	18	-36
d) other non tax revenue	814	990	1,028	944	-8
e) receipts of union territories	15	11	12	13	8
Capital Receipts	5,447	6,051	5,548	6,359	15
Total Receipts	15,639	17,999	16,861	17,831	6
Non-Plan Expenditure	11,061	12,198	12,132	13,122	8
Plan Expenditure	4,533	5,750	4,679	4,652	-1
Revenue Deficit	3,570	3,783	3,624	3,944	9
Fiscal Deficit	5,028	5,311	5,126	5,556	8
Fiscal Deficit as % of GDP			4.05	3.94	
Primary Deficit	1,286	1,041	1,012	995	-2

Source: Finance Ministry

Finance Minister Arun Jaitley's first full budget is sensible and has long-term implications. We find his assumptions quite credible. We believe the budget has ingredients to support a return to 8+% growth in FY16, because of its shift to capex from attempts at fiscal consolidation. Moreover, several proposals to rid bottlenecks for the private sector should engineer a new capex cycle for corporates and breathe new life into stalled projects.

Revenue target sensible, tax increases reasonable. Though the FM slightly increased excise (to 12.5% from 12.36%) and service taxes (to 14% from 12.36%), most sectors should be able to absorb the pain. The net increase in tax of INR160b is just 1% of gross tax receipts.

- **16% increase in tax revenue.** The FM has assumed an increase of 24% each in excise and service taxes, and a 10% increase for import taxes. Corporate income tax receipts target has been raised by 10% and personal income tax, 16%. With expected nominal GDP growth of 13%, such tax revenue seems achievable.

- **Cut subsidies by 9% to INR2.4t.** The biggest savings would come from the petroleum sector. The government has assumed a petroleum subsidy of INR300b, down from INR600b in FY15. Further, if it succeeds in its direct benefit transfer scheme through Aadhar, it will be able to direct subsidies to desired targets and eliminate leakage. We have not factored in these benefits yet.
- **Fiscal deficit target of 3.9% of GDP.** The FM assumes receipts of INR695b from stake sales in state-owned units. We reckon this is doable, given buoyant capital markets and low-hanging transactions such as stake sales in Tata Communications, Hindustan Zinc, BALCO and SUUTI. The FM's assumption of INR425b from the sale of spectrums is also conservative.

Clarity on tax policy. The FM wants to lower corporate tax rate to 25% over the next four years, from 30%. He also confirmed GST implementation from Apr 2016. He maintained his promise last year of deferring GAAR for foreigners to 2017, easing permanent establishment for offshore investors, merging FDI and FPI limits into one and completing tax exemptions to kick-start REIT and investment-trust listings.

Tax concessions for individual taxpayers; mild increases for others. Tax concessions for individual tax payers include: a) higher limits for contributions to the new pension scheme, NPS, from INR100K to INR150K; b) additional deductions under 80CCD of INR50K for contributions to NPS; c) higher health insurance premium deductions from INR15k to INR25K; and d) lower conveyance allowance deductions, by INR800 per month to INR1,600.

Tax proposals

Direct tax

- Corporates
 - Corporate tax reduced from 30% to 25% over next four years, starting FY16.
 - Rationalisation and removal of various incentives and tax exemptions.
 - Increase in surcharge rates from 10% to 12% for income exceeding INR10m.
 - Bill for a compressive new law on black money in the budget session.
 - Rationalisation of capital-gains regime for sponsors exiting at the time of listing of REITs.
 - General Anti Avoidance Rule (GAAR) to be deferred by two years.
 - Rate of income tax on royalties and fees for technical services reduced from 25% to 10% to facilitate technology inflows.
 - Abolition of wealth tax
- Individuals
 - Health insurance premium deductions increased from INR15k to INR25K.
 - Limit increased for contributions to NPS from INR100K to INR150K. Additional deduction under 80CCD of INR50K for contributions to NPS.
 - Conveyance allowance deductions increased by INR800 per month to INR1,600.

Indirect tax

- GST implementation from 1 Apr 2016
- Service tax plus education cess increased from 12.36% to 14%
- Education cess and secondary and higher education cess to be subsumed in Central Excise Duty. Excise duty increased from 12% to 12.5%.

Source: Ministry of Finance

Deductions for individual tax payers

(INR)	FY15	FY16	Increase
Deduction u/s 80C	150,000	150,000	0
Deduction u/s 80CCD	0	50,000	50,000
Deduction on account of interest on house property loan (self-occupied property)	200,000	200,000	0
Deduction u/s 80D on health insurance premium	15,000	25,000	10,000
Exemption of transport allowance	9,600	19,200	9,600
Total	374,600	444,200	69,600

Source: Ministry of Finance

Boost in infrastructure spending. Overall, the government has increased allocations for infrastructure projects by INR700b. The funds will be mostly invested in roads (+INR140b), rail (+INR100b), ports and airports. State-owned companies will also increase their capex by 30% to INR3.1t. We believe these steps could breathe new life into the stalled investment cycle.

For roads, there will be additional funding of INR400b [+140 above] as the government converts part of its excise duties on petrol and diesel into road cess. The FM wants to complete 100k km of roads under construction and build another 100k km over the next five years.

The government will be giving Indian Railways an additional INR100b to supplement its 5-year investment plan of INR8t. This is to increase passenger capacity by 42%, freight capacity by 50% and network by 21% to 1.4k km. Indian Railways plans to spend INR1t in FY16, up 50% from last year. It will rely heavily on public private projects (PPP) for its capex. It will invite private parties to bid and run identified railway stations and freight trains and build supporting infrastructure.

Power generation has received a major boost from five Ultra Mega Power Projects (UMPP). These could bump up power-generation capacity by 20GW or 10%. We estimate the projects would entail investments of INR1.4t from the private sector.

The Delhi Mumbai Industrial Corridor is making progress. The FM has allocated INR12b for basic infrastructure in two corridors, Ahmedabad-Dhule in Gujarat and Shendra-Bidkin in Maharashtra. These should start soon. Allocations could increase if the pace of construction picks up.

Other measures to enhance financing for infrastructure projects are:

- Permitting tax-free infrastructure bonds for the rail, road and irrigation sectors
- Creating a National Investment and Infrastructure Fund with annual inflows of INR200b
- Tax pass-through for alternative investment funds
- Rationalising capital gains for sponsors exiting at the time of the listing of infrastructure investment trusts.

The government recommitted itself to a national optic-fibre network of 750k km to cover 250k villages. It will hasten work on this project in FY16. States executing the network would be reimbursed by the central administration.

To encourage private investment in infrastructure projects, it has promised to revitalise PPP. It will bear most risks, which was not the case earlier. It will revisit projects stalled by the poor financials of many developers.

We believe its next step could be the enactment of a land acquisition law as projects can only take off if suitable land is available. Delays in this bill can jettison its investment/capex plans in FY16.

Mild boost for property sector. The government will rationalise capital gains for sponsors exiting at the time of the listing of REITs, subject to the payment of the Securities Transaction Tax. Rental income from REIT assets will have a pass-through facility. This is positive as developers will be able to raise funds by selling existing rental assets. The proceeds could be used to start new projects.

The government re-articulated its vision of 'Housing for All by 2022'. It plans to construct 20m homes in urban areas and 40m in rural areas in the next seven years.

In a positive move to curb domestic black money in the property sector, a new and more comprehensive Benami Transactions (Prohibition) Bill will be introduced. This will enable confiscation of Benami property and prosecution, blocking a major avenue for the generation of black money through Benami properties. A clampdown on such money should rationalise home prices in the long run, improving affordability and demand.

More money for state infrastructure, social spending. The FM will be giving 42% of budget receipts to the states, fulfilling its promise to strengthen their finances and cut their dependence on the central government. Their share of the tax revenue will increase by 55.1% in FY16 to INR5.2t from INR3.3t in FY15. This will enable them to pursue infrastructure projects and social-welfare schemes.

Continuity of rural social schemes and JAM to aid rural consumption. Rural markets, which contribute about 35% to FMCG demand in India, have been slowing down in the recent two years. This slowdown mirrors a drop in the income growth of rural consumers. Rural wage growth dwindled to 3.6% in Nov 2014 from over 20% earlier. This was one of its lowest rates since July 2005 and below the annual consumer price index in rural India of 4%.

The government will try to improve agricultural income by increasing irrigated areas, strengthening irrigation systems, and ensuring value addition and reasonable prices for farm produce. It has proposed to create a national agriculture market to increase farmers' income and introduce soil health cards to improve soil fertility. The budget has allocated INR53bn to Pradhan Mantri Krishi Sinchai Yojana for irrigation improvements. It has also set aside INR250b for the rural infrastructure development fund. These initiatives should spur rural job and income creation in the medium term.

The government has maintained its allocation for rural employment of INR347b under the MNREGA scheme, guaranteeing 100 days of employment in a financial year to every rural household. It will increase allocations by INR50b if its target is met. The budget continues to allocate INR143b and INR142b to Pradhan Mantri Gram Sadak Yojana and the Housing for All (Rural and Urban) Scheme to improve rural connectivity and housing infrastructure.

Direct transfer subsidies will now benefit 103m Jan Dhan Yojana, Aadhar and Mobile (JAM) consumers, up from 10m. The government to date has transferred INR63.35b of LPG subsidies to 115m LPG consumers. We believe reduced pilferage of subsidies will gradually improve the disposable income of the lower-income group and rural population. The estimated cost of the subsidies is INR3,780b or 4.2% of GDP. Kerosene reportedly has the highest leakage of 41%. Leakage for food articles like rice and wheat is 15% and 54% respectively. Most other leakages are concentrated in above-poverty-level segments. JAM could be a game changer by substantially eliminating

pilferages and improving the effectiveness of subsidies.

More clarity needed on funding of state-owned banks. The amount allocated for the recapitalisation of PSBs for FY16 appears low, at INR79b. However, the FM has proposed the creation of a bank board bureau and investment holding company structure. Non-operative holding companies can open up new sources of debt and equity funding. The budget announcement is part of a series of reforms already undertaken by the RBI. Capital infusions in FY15 were based on banks' past performances. Future allocations will also depend on their profitability. The government recently split the positions of chairman and MD to ensure better accountability and decentralisation. It followed this up with a proposal for fixed tenures and flexible compensation for the MDs and CEOs of large PSBs. We believe these changes will improve banks' functioning in the long run. The tier I capital requirement for PSBs under Basel III is INR2.4t by FY19. Large PSBs with better capital positions and access to markets should be better placed than PSBs with slim capital bases. We prefer SBIN, PNB and BOB among the public banks.

Continued thrust on capital markets. The FM highlighted various steps to sustain buoyancy in capital markets. Market buoyancy allows the government and private sector to raise resources which could be directly invested in the economy for growth. Proposals include:

- Raising INR695b (+300% YoY) through stake sales in state-owned companies from IPOs and placements in FY16.
- Capital-gains exemption for REITs and investment trusts to aid fund-raising by property/infrastructure companies.
- Modifying permanent-establishment norms for the taxation of offshore funds.
- Deferring GAAR by two years.
- Allowing foreign investments in alternate investment funds.
- Merging FPI and FDI limits as a single investment cap for foreigners.
- Merging SEBI and FMC to provide one solid regulator for investors.

Mild disappointments included a lack of merger announcements for state-owned banks, sale of loss-making PSUs and flexible labour laws.

Policy changes and sector impact

Sector	Policy changes	Expected gainers/losers
Automobiles and components	- Increase in excise duty on two wheelers	BJAUT, HMCL
	- Increase in custom duty on vehicles having 10 seats to 40% from 10%	TTMT, AL, EICHER
	- INR750m for electric vehicle subsidies	MM
	- Tax concessions for electric and hybrid vehicles extended by 1 year to Mar 2016	MM
	- INR400b for roads through cess of INR4/litre on petrol and diesel	TTMT, AL, EICHER, MM
Banks & NBFCs	- Market borrowing marginally ahead of expectations, bond yields unlikely to spike	All banks
	- Capital infusions in public-sector banks of INR79b vs INR70b done in FY15. Proposal to set up bank board bureau and holding investment companies. Setting up holding companies to raise capital would help PSBs tap newer sources of funding.	All PSBs
	- NBFCs registered with RBI with assets of INR5b and above may be considered for notification as 'financial institution' in terms of SARFAESI Act, positive for NBFCs	SHTF,BAF, CHOLA, SCUF, MMFS
	- Bankruptcy Code in the current budget session - positive for NPL recovery	All banks
	- Doing away with distinction between different types of foreign investments, and replacing them with composite caps	AXSB, YES, IIB, FB
	- Setting up a Micro Units Development Refinance Agency (MUDRA) Bank with corpus of INR200b.	MAX, RCAP, HDFC
	- Increase insurance penetration like death risk cover of INR200K. Options of choosing ESI or health insurance products	
Infrastructure	- Infrastructure spending to increase by INR700b in FY16 - Public-sector units' capex to increase by 34% to INR3.1t in FY16 - PPP to be revisited and revitalised - Sovereign to bear bulk of risk in PPP projects	All infra companies
Roads	- To increase budget allocation for roads by INR140b - Additional funding of INR400b for roads through road cess	ILFT, LT, IRB, SADE
Railways	- To increase budget allocation for railway infrastructure by INR100b	TXMRE, TWL, CCRI
Power	- To award five UMPPs of 4GW each, total capacity addition of 20GW - Total capex of INR1t in next five years - Could consider similar process for roads, ports, rail lines, airports	LT, BHEL, TMX
DMIC Progress	- Infrastructure development to begin at 2 corridors - Gujarat, Maharashtra - Proposed INR12b for development of these two corridors	TXMRE, TWL, CCRI
Broadband	- National optic-fibre network of 750k km covering 250k villages to be accelerated - States executing network to be reimbursed	SOTL
Infrastructure Financing	- Permission for tax-free infrastructure bonds for rail, road and irrigation sectors - Creation of National Investment and Infrastructure Fund with annual inflows of INR200b - Tax pass-through allowed for alternative investment funds - To rationalise capital gains for sponsors exiting at the time of listing of investment trusts	All infra companies
Others	- GIFT International Finance Centre to be launched in Mar 2015 - Ports under government ownership to be corporatised. Leverage land resources - Multiple prior permissions to be replaced by pre-existing regulatory mechanism	All infra companies
Property	- To rationalise capital gains for sponsors exiting at the time of listing of REITs - Rental income of REITs from their own assets to have pass-through facility	OBER, DLFU, MLIFE, PVKP
	- To introduce Benami Transactions Bill in Parliament to block generation and holding of black money in real-estate sector	All property companies
	- Reiterated Housing for All Vision by 2022	
	- Construction of 20m homes in urban areas, 40m in rural areas	
Cement	- Increase in excise duty	ACEM, ACC, UTCEM, JPA, PRSC
	- Major push for road sector; 100k km road creation	ACEM, ACC, UTCEM, JPA, PRSC
	- Tax concession for REITs and IIT to boost demand for cement	
	- Build 60m houses by 2022	

Defense	- Increased capex for FY16 to INR945b, +16% YoY	PIPV, LT, BHFC, MM, TPWR, BEL
Capital market	- Modification of permanent-establishment norms for taxation of offshore funds - Defer GAAR by 2 years. Prospective implementation on 1.4.2017 - FII's not subject to MAT - Merger of forward market commission with SEBI - To allow foreign investments in alternate investment funds - Merged FPI and FDI limits as single foreign limit for investments	
Telecom	- Increase in service tax to 14% from 12.36%	BHARTI, IDEA, TCOM
Renewables	- Increase clean energy cess to INR200/tonne from INR100/tonne - Increase in excise on polymer bags to 15% from 12% - Enabling provision to levy cess of 2% on all or certain services - Target of renewable energy of 175k MW till 2022; 100k MW solar, 60k MW wind	SUEL
Beverages	- Exempt additional excise duty of 5% for mineral water and colas	TGBL
Farm sector	- Increase in service tax to 14% from 12.36% is negative for quick service restaurants - INR53b support for micro-irrigation scheme - INR250b for RIDF; INR150b long-term rural credit fund; INR450b short-term rural credit fund; INR150b short-term RRB refinance fund - Target of INR8.5t farm credit, +10% YoY - To create unified national agriculture market	SRL, JUBI
Iron & Steel	- Import duty on steel and steel products increased to 15% from 10% - Met coke import duty increased to 5% from 2.5%	TATA, SAIL
Cigarette & Tobacco	- Increase in excise duty by 25% for 64mm segment and 15% for all other cigarette segments (16.5% effective increase in excise duties for ITC)	ITC
Gold	- Gold monetisation scheme to allow gold depositors to earn interest in their metal accounts. Could revive demand for gold coins. - Jewellers to obtain loans in their metal accounts. Ease of loans for consumers. Better availability of gold.	TTTAN

Source: Ministry of Finance, KESJ

Annex

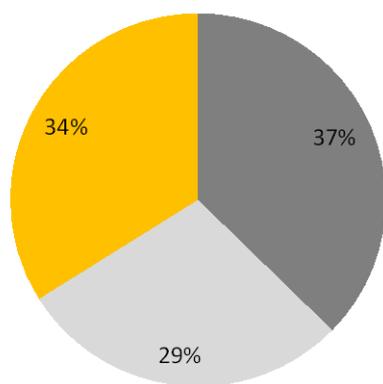
Tax revenue

(INRb)	FY14	FY14BE	YoY (%)	FY14RE	YoY (%)	FY15BE	YoY (%)	FY15RE	FY16BE	YoY (%)
Direct Tax	5,587	6,681	19.6%	6,363	13.9%	7,362	15.7%	7,057	7,943	12.6%
Indirect Tax	4,745	5,650	19.1%	5,195	9.5%	6,249	20.3%	5,422	6,479	19.5%
Other tax	31	28	-10.9%	31	-0.9%	34	10.9%	34	36	5.9%
Less States' Shares	-2,944	-3,518	19.5%	-3,229	9.7%	-3,873	19.9%	-3,378	-5,239	55.1%
Total	7,419	8,841	19.2%	8,360	12.7%	9,773	16.9%	9,135	9,219	0.9%

Source: Ministry of Finance

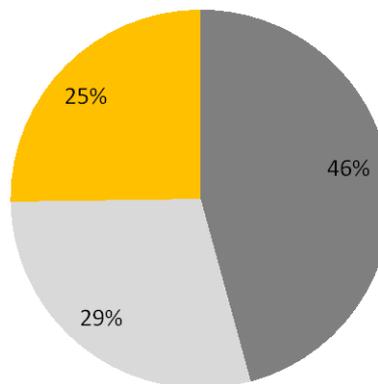
Share of subsidies

FY14RE



■ Food ■ Fertilizer ■ Petroleum

FY15BE



■ Food ■ Fertilizer ■ Petroleum

Source: Finance Ministry

Source: Finance Ministry

Personal income tax rates

Old Income Slab	New Income Slab	Tax Rate
Total income < INR 200K	Total income < INR 250K	Nil
Total income > INR 200K but < INR500K	Total income > INR 250K but < INR500K	10 % of the amount by which the total income > INR250K
Total income > INR 500K but < INR1,000K	Total income > INR 500K but < INR1,000K	INR25,000 plus 20%of the amount by which the total income > INR500K
Total income > INR1,000K	Total income > INR1,000K	INR125,000 plus 30% of the amount by which the total income > INR1,000K

Source: Ministry of Finance

Research Offices

REGIONAL

WONG Chew Hann, CA
Regional Head of Institutional Research
(603) 2297 8686 wchewh@maybank-ib.com

ONG Seng Yeow
Regional Head of Retail Research
(65) 6432 1453
ongsengyeow@maybank-ke.com.sg

Alexander GARTHOFF
Institutional Product Manager
(852) 2268 0638
alexgarthoff@kimeng.com.hk

ECONOMICS

Suhaimi ILIAS
Chief Economist
Singapore | Malaysia
(603) 2297 8682
suhaimi_ilias@maybank-ib.com

Luz LORENZO
Philippines
(63) 2 849 8836
luz_lorenzo@maybank-atrke.com

Tim LEELAHAPHAN
Thailand
(66) 2658 6300 ext 1420
tim.l@maybank-ke.co.th

JUNIMAN
Chief Economist, BII
Indonesia
(62) 21 29228888 ext 29682
Juniman@bankbii.com

STRATEGY

SadiqCurrimbhoy
Global Strategist
(65) 6231 5836 sadiq@maybank-ke.com.sg

Willie Chan
Hong Kong / Regional
(852) 2268 0631 williechan@kimeng.com.hk

MALAYSIA

WONG Chew Hann, CA Head of Research
(603) 2297 8686 wchewh@maybank-ib.com
• Strategy • Construction & Infrastructure

Desmond CH'NG, ACA
(603) 2297 8680
desmond.chng@maybank-ib.com
• Banking & Finance

LIAW Thong Jung
(603) 2297 8688 tjliaw@maybank-ib.com
• Oil & Gas - Regional • Shipping

ONG Chee Ting, CA
(603) 2297 8678 ct.ong@maybank-ib.com
• Plantations - Regional

Mohshin AZIZ
(603) 2297 8692 mohshin.aziz@maybank-ib.com
• Aviation - Regional • Petrochem

YIN Shao Yang, CPA
(603) 2297 8916 samuel.y@maybank-ib.com
• Gaming - Regional • Media

TAN Chi Wei, CFA
(603) 2297 8690 chiwei.t@maybank-ib.com
• Power • Telcos

WONG Wei Sum, CFA
(603) 2297 8679 weisum@maybank-ib.com
• Property & REITs

LEE Yen Ling
(603) 2297 8691 lee.yl@maybank-ib.com
• Building Materials • Glove Producers

CHAI Li Shin, CFA
(603) 2297 8684 lishin.c@maybank-ib.com
• Plantation • Construction & Infrastructure

Ivan YAP
(603) 2297 8612 ivan.yap@maybank-ib.com
• Automotive

Kevin WONG
(603) 2082 6824 kevin.wong@maybank-ib.com
• REITs

LEE Cheng Hooi Regional Chartist
(603) 2297 8694
chenghooi.lee@maybank-ib.com

Tee Sze Chiah Head of Retail Research
(603) 2297 6858 szechiah.t@maybank-ib.com

HONG KONG / CHINA

Howard WONG Head of Research
(852) 2268 0648
howardwong@kimeng.com.hk
• Oil & Gas - Regional

Alexander LATZER
(852) 2268 0647
alexanderlatzer@kimeng.com.hk
• Metals & Mining - Regional

Jacqueline KO, CFA
(852) 2268 0633 jacquelineko@kimeng.com.hk
• Consumer Staples & Durables

Ka Leong LO, CFA
(852) 2268 0630 kllo@kimeng.com.hk
• Consumer Discretionary & Auto

Benjamin HO
(852) 2268 0632 benjaminho@kimeng.com.hk
• Consumer & Auto

Karen KWAN
(852) 2268 0640 karenkwon@kimeng.com.hk
• Property & REITs

Osbert TANG, CFA
(86) 21 5096 8370
osberttang@kimeng.com.hk
• Transport & Industrials

Ricky WK NG, CFA
(852) 2268 0689 rickyng@kimeng.com.hk
• Utilities & Renewable Energy

Steven ST CHAN
(852) 2268 0645 stevenchan@kimeng.com.hk
• Banking & Financials - Regional

Warren Lau
(852) 2268 0644
warrenlau@kimeng.com.hk
• Technology - Regional

INDIA

Jigar SHAH Head of Research
(91) 22 6632 2632
jigar@maybank-ke.co.in
• Oil & Gas • Automobile • Cement

Anubhav GUPTA
(91) 22 6623 2605
anubhav@maybank-ke.co.in
• Metal & Mining • Capital Goods • Property

Urmil SHAH
(91) 22 6623 2606 urmil@maybank-ke.co.in
• Technology • Media

Vishal MODI
(91) 22 6623 2607 vishal@maybank-ke.co.in
• Banking & Financials

AbhijeetKundu
(91) 22 6623 2628 Abhijeet@maybank-ke.co.in
• Consumer

SINGAPORE

NG Wee Siang Head of Research
(65) 6231 5838 ngweesiang@maybank-ke.com.sg
• Banking & Finance

Gregory YAP
(65) 6231 5848 gyap@maybank-ke.com.sg
• SMID Caps - Regional
• Technology & Manufacturing • Telcos

YEAK Chee Keong, CFA
(65) 6231 5842
yeakcheekeong@maybank-ke.com.sg
• Offshore & Marine

Derrick HENG, CFA
(65) 6231 5843 derrickheng@maybank-ke.com.sg
• Transport (Land, Shipping & Aviation)

WEI Bin
(65) 6231 5844 weibin@maybank-ke.com.sg
• Commodity • Logistics • S-chips

John CHEONG
(65) 6231 5845 johncheong@maybank-ke.com.sg
• Small & Mid Caps • Healthcare

TRUONG Thanh Hang
(65) 6231 5847 hang.truong@maybank-ke.com.sg
• Small & Mid Caps

INDONESIA

WiliantoE Head of Research
(62) 21 2557 1125
wilianto.ie@maybank-ke.co.id
• Strategy

RahmiMARINA
(62) 21 2557 1128
rahmi.marina@maybank-ke.co.id
• Banking & Finance

AurelliaSETIABUDI
(62) 21 2953 0785
aurellia.setiabudi@maybank-ke.co.id
• Property

IsnaputraISKANDAR
(62) 21 2557 1129
isnaputra.iskandar@maybank-ke.co.id
• Metals & Mining • Cement

Pandu ANUGRAH
(62) 21 2557 1137
pandu.anugrah@maybank-ke.co.id
• Infra • Construction • Transport • Telcos

JanniASMAN
(62) 21 2953 0784
janni.asman@maybank-ke.co.id
• Cigarette • Healthcare • Retail

AdhiTasmin
(62) 21 2557 1209
adhi.tasmin@maybank-ke.co.id
• Plantations

PHILIPPINES

Luz LORENZO Head of Research
(63) 2 849 8836
luz_lorenzo@maybank-atrke.com
• Strategy
• Utilities • Conglomerates • Telcos

Lovell SARREAL
(63) 2 849 8841
lovell_sarreal@maybank-atrke.com
• Consumer • Media • Cement

Rommel RODRIGO
(63) 2 849 8839
rommel_rodrigo@maybank-atrke.com
• Conglomerates • Property • Gaming
• Ports/ Logistics

Katherine TAN
(63) 2 849 8843
kat_tan@maybank-atrke.com
• Banks • Construction

Ramon ADVIENTO
(63) 2 849 8845
ramon_adviento@maybank-atrke.com
• Mining

Michael Bengson
(63) 2 849 8840
michael_bengson@maybank-atrke.com
• Conglomerates

Jaclyn Jimenez
(63) 2 849 8842
michael_bengson@maybank-atrke.com
• Consumer

ArabelleMaghirang
(63) 2 849 8838
arabelle_maghirang@maybank-atrke.com
• Banks

THAILAND

Maria LAPIZ Head of Institutional Research
Dir (66) 2257 0250 | (66) 2658 6300 ext 1399
Maria.L@maybank-ke.co.th
• Consumer • Materials • Ind.Estates

JesadaTECHAHUSDIN, CFA
(66) 2658 6300 ext 1394
Jesada.T@maybank-ke.co.th
• Financial Services

KittisornPRUITIPAT, CFA, FRM
(66) 2658 6300 ext 1395
Kittisorn.P@maybank-ke.co.th
• Real Estate • Telcos

SittichaiDUANGRATTANACHAYA
(66) 2658 6300 ext 1393
Sittichai.D@maybank-ke.co.th
• Services Sector • Transport

SukitUDOMSIRIKUL Head of Retail Research
(66) 2658 6300 ext 5090
Sukit.u@maybank-ke.co.th

MayureeCHOWWIKRAN
(66) 2658 6300 ext 1440
mayuree.c@maybank-ke.co.th
• Strategy

PadonVANNARAT
(66) 2658 6300 ext 1450
Padon.v@maybank-ke.co.th
• Strategy

Surachai PRAMUALCHAROENKIT
(66) 2658 6300 ext 1470
Surachai.p@maybank-ke.co.th
• Auto • Conmat • Contractor • Steel

SuttatipPEERASUB
(66) 2658 6300 ext 1430
suttatip.p@maybank-ke.co.th
• Media • Commerce

SutthichaiKUMWORACHAI
(66) 2658 6300 ext 1400
sutthichai.k@maybank-ke.co.th
• Energy • Petrochem

TermpornTANTIVIVAT
(66) 2658 6300 ext 1520
termporn.t@maybank-ke.co.th
• Property

JaroonpanWATTANAWONG
(66) 2658 6300 ext 1404
jaroonpan.w@maybank-ke.co.th
• Transportation • Small cap

Chatchai JINDARAT
(66) 2658 6300 ext 1401
chatchai.j@maybank-ke.co.th
• Electronics

VIETNAM

LE Hong Lien, ACCA
Head of Institutional Research
(84) 8 44 555 888 x 8181
lien.le@maybank-kimeng.com.vn
• Strategy • Consumer • Diversified • Utilities

THAI QuangTrung, CFA, Deputy Manager,
Institutional Research
(84) 8 44 555 888 x 8180
trung.thai@maybank-kimeng.com.vn
• Real Estate • Construction • Materials

Le Nguyen NhatChuyen
(84) 8 44 555 888 x 8082
chuyen.le@maybank-kimeng.com.vn
• Oil & Gas

NGUYEN ThiNganTuyen, Head of Retail Research
(84) 8 44 555 888 x 8081
tuyen.nguyen@maybank-kimeng.com.vn
• Food & Beverage • Oil&Gas • Banking

TRINH Thi Ngoc Diep
(84) 4 44 555 888 x 8208
diep.trinh@maybank-kimeng.com.vn
• Technology • Utilities • Construction

TRUONG QuangBinh
(84) 4 44 555 888 x 8087
binh.truong@maybank-kimeng.com.vn
• Rubber plantation • Tyres and Tubes • Oil&Gas

PHAM NhatBich
(84) 8 44 555 888 x 8083
bich.pham@maybank-kimeng.com.vn
• Consumer • Manufacturing • Fishery

NGUYEN Thi Sony TraMi
(84) 8 44 555 888 x 8084
mi.nguyen@maybank-kimeng.com.vn
• Port operation • Pharmaceutical
• Food & Beverage

APPENDIX I: TERMS FOR PROVISION OF REPORT, DISCLAIMERS AND DISCLOSURES**DISCLAIMERS**

This research report is prepared for general circulation and for information purposes only and under no circumstances should it be considered or intended as an offer to sell or a solicitation of an offer to buy the securities referred to herein. Investors should note that values of such securities, if any, may fluctuate and that each security's price or value may rise or fall. Opinions or recommendations contained herein are in form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from the relevant jurisdiction's stock exchange in the equity analysis. Accordingly, investors' returns may be less than the original sum invested. Past performance is not necessarily a guide to future performance. This report is not intended to provide personal investment advice and does not take into account the specific investment objectives, the financial situation and the particular needs of persons who may receive or read this report. Investors should therefore seek financial, legal and other advice regarding the appropriateness of investing in any securities or the investment strategies discussed or recommended in this report.

The information contained herein has been obtained from sources believed to be reliable but such sources have not been independently verified by Maybank Investment Bank Berhad, its subsidiary and affiliates (collectively, "MKE") and consequently no representation is made as to the accuracy or completeness of this report by MKE and it should not be relied upon as such. Accordingly, MKE and its officers, directors, associates, connected parties and/or employees (collectively, "Representatives") shall not be liable for any direct, indirect or consequential losses or damages that may arise from the use or reliance of this report. Any information, opinions or recommendations contained herein are subject to change at any time, without prior notice.

This report may contain forward looking statements which are often but not always identified by the use of words such as "anticipate", "believe", "estimate", "intend", "plan", "expect", "forecast", "predict" and "project" and statements that an event or result "may", "will", "can", "should", "could" or "might" occur or be achieved and other similar expressions. Such forward looking statements are based on assumptions made and information currently available to us and are subject to certain risks and uncertainties that could cause the actual results to differ materially from those expressed in any forward looking statements. Readers are cautioned not to place undue relevance on these forward-looking statements. MKE expressly disclaims any obligation to update or revise any such forward looking statements to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

MKE and its officers, directors and employees, including persons involved in the preparation or issuance of this report, may, to the extent permitted by law, from time to time participate or invest in financing transactions with the issuer(s) of the securities mentioned in this report, perform services for or solicit business from such issuers, and/or have a position or holding, or other material interest, or effect transactions, in such securities or options thereon, or other investments related thereto. In addition, it may make markets in the securities mentioned in the material presented in this report. MKE may, to the extent permitted by law, act upon or use the information presented herein, or the research or analysis on which they are based, before the material is published. One or more directors, officers and/or employees of MKE may be a director of the issuers of the securities mentioned in this report.

This report is prepared for the use of MKE's clients and may not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior express written consent of MKE and MKE and its Representatives accepts no liability whatsoever for the actions of third parties in this respect.

This report is not directed to or intended for distribution to or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation. This report is for distribution only under such circumstances as may be permitted by applicable law. The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Without prejudice to the foregoing, the reader is to note that additional disclaimers, warnings or qualifications may apply based on geographical location of the person or entity receiving this report.

Malaysia

Opinions or recommendations contained herein are in the form of technical ratings and fundamental ratings. Technical ratings may differ from fundamental ratings as technical valuations apply different methodologies and are purely based on price and volume-related information extracted from Bursa Malaysia Securities Berhad in the equity analysis.

Singapore

This report has been produced as of the date hereof and the information herein may be subject to change. Maybank Kim Eng Research Pte. Ltd. ("Maybank KERPL") in Singapore has no obligation to update such information for any recipient. For distribution in Singapore, recipients of this report are to contact Maybank KERPL in Singapore in respect of any matters arising from, or in connection with, this report. If the recipient of this report is not an accredited investor, expert investor or institutional investor (as defined under Section 4A of the Singapore Securities and Futures Act), Maybank KERPL shall be legally liable for the contents of this report, with such liability being limited to the extent (if any) as permitted by law.

Thailand

The disclosure of the survey result of the Thai Institute of Directors Association ("IOD") regarding corporate governance is made pursuant to the policy of the Office of the Securities and Exchange Commission. The survey of the IOD is based on the information of a company listed on the Stock Exchange of Thailand and the market for Alternative Investment disclosed to the public and able to be accessed by a general public investor. The result, therefore, is from the perspective of a third party. It is not an evaluation of operation and is not based on inside information. The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey may be changed after that date. Maybank Kim Eng Securities (Thailand) Public Company Limited ("MBKET") does not confirm nor certify the accuracy of such survey result.

Except as specifically permitted, no part of this presentation may be reproduced or distributed in any manner without the prior written permission of MBKET. MBKET accepts no liability whatsoever for the actions of third parties in this respect.

US

This research report prepared by MKE is distributed in the United States ("US") to Major US Institutional Investors (as defined in Rule 15a-6 under the Securities Exchange Act of 1934, as amended) only by Maybank Kim Eng Securities USA Inc ("Maybank KESUSA"), a broker-dealer registered in the US (registered under Section 15 of the Securities Exchange Act of 1934, as amended). All responsibility for the distribution of this report by Maybank KESUSA in the US shall be borne by Maybank KESUSA. All resulting transactions by a US person or entity should be effected through a registered broker-dealer in the US. This report is not directed at you if MKE is prohibited or restricted by any legislation or regulation in any jurisdiction from making it available to you. You should satisfy yourself before reading it that Maybank KESUSA is permitted to provide research material concerning investments to you under relevant legislation and regulations.

UK

This document is being distributed by Maybank Kim Eng Securities (London) Ltd ("Maybank KESL") which is authorized and regulated, by the Financial Services Authority and is for Informational Purposes only. This document is not intended for distribution to anyone defined as a Retail Client under the Financial Services and Markets Act 2000 within the UK. Any inclusion of a third party link is for the recipients convenience only, and that the firm does not take any responsibility for its comments or accuracy, and that access to such links is at the individuals own risk. Nothing in this report should be considered as constituting legal, accounting or tax advice, and that for accurate guidance recipients should consult with their own independent tax advisers.

DISCLOSURES

Legal Entities Disclosures

Malaysia: This report is issued and distributed in Malaysia by Maybank Investment Bank Berhad (15938-H) which is a Participating Organization of Bursa Malaysia Berhad and a holder of Capital Markets and Services License issued by the Securities Commission in Malaysia. **Singapore:** This material is issued and distributed in Singapore by Maybank KERPL (Co. Reg No 197201256N) which is regulated by the Monetary Authority of Singapore. **Indonesia:** PT Kim Eng Securities (“PTKES”) (Reg. No. KEP-251/PM/1992) is a member of the Indonesia Stock Exchange and is regulated by the BAPEPAM LK. **Thailand:** MBKET (Reg. No.0107545000314) is a member of the Stock Exchange of Thailand and is regulated by the Ministry of Finance and the Securities and Exchange Commission. **Philippines:** Maybank ATRKES (Reg. No.01-2004-00019) is a member of the Philippines Stock Exchange and is regulated by the Securities and Exchange Commission. **Vietnam:** Maybank Kim Eng Securities JSC (License Number: 71/UBCK-GP) is licensed under the State Securities Commission of Vietnam. **Hong Kong:** KESHK (Central Entity No AAD284) is regulated by the Securities and Futures Commission. **India:** Kim Eng Securities India Private Limited (“KESI”) is a participant of the National Stock Exchange of India Limited (Reg No: INF/INB 231452435) and the Bombay Stock Exchange (Reg. No. INF/INB 011452431) and is regulated by Securities and Exchange Board of India. KESI is also registered with SEBI as Category 1 Merchant Banker (Reg. No. INM 000011708) **US:** Maybank KESUSA is a member of/ and is authorized and regulated by the FINRA - Broker ID 27861. **UK:** Maybank KESL (Reg No 2377538) is authorized and regulated by the Financial Services Authority.

Disclosure of Interest

Malaysia: MKE and its Representatives may from time to time have positions or be materially interested in the securities referred to herein and may further act as market maker or may have assumed an underwriting commitment or deal with such securities and may also perform or seek to perform investment banking services, advisory and other services for or relating to those companies.

Singapore: As of 2 Mar 2015, Maybank KERPL and the covering analyst do not have any interest in any companies recommended in this research report.

Thailand: MBKET may have a business relationship with or may possibly be an issuer of derivative warrants on the securities /companies mentioned in the research report. Therefore, Investors should exercise their own judgment before making any investment decisions. MBKET, its associates, directors, connected parties and/or employees may from time to time have interests and/or underwriting commitments in the securities mentioned in this report.

Hong Kong: KESHK may have financial interests in relation to an issuer or a new listing applicant referred to as defined by the requirements under Paragraph 16.5(a) of the Hong Kong Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

As of 2 Mar 2015, KESHK and the authoring analyst do not have any interest in any companies recommended in this research report.

MKE may have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned in this report or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment and may receive compensation for the services provided from the companies covered in this report.

OTHERS

Analyst Certification of Independence

The views expressed in this research report accurately reflect the analyst’s personal views about any and all of the subject securities or issuers; and no part of the research analyst’s compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

Reminder

Structured securities are complex instruments, typically involve a high degree of risk and are intended for sale only to sophisticated investors who are capable of understanding and assuming the risks involved. The market value of any structured security may be affected by changes in economic, financial and political factors (including, but not limited to, spot and forward interest and exchange rates), time to maturity, market conditions and volatility and the credit quality of any issuer or reference issuer. Any investor interested in purchasing a structured product should conduct its own analysis of the product and consult with its own professional advisers as to the risks involved in making such a purchase.

No part of this material may be copied, photocopied or duplicated in any form by any means or redistributed without the prior consent of MKE.

Definition of Ratings

Maybank Kim Eng Research uses the following rating system

BUY	Return is expected to be above 10% in the next 12 months (excluding dividends)
HOLD	Return is expected to be between - 10% to +10% in the next 12 months (excluding dividends)
SELL	Return is expected to be below -10% in the next 12 months (excluding dividends)

Applicability of Ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

□ **Malaysia**

Maybank Investment Bank Berhad
(A Participating Organisation of
Bursa Malaysia Securities Berhad)
33rd Floor, MenaraMaybank,
100 JalanTun Perak,
50050 Kuala Lumpur
Tel: (603) 2059 1888;
Fax: (603) 2078 4194

Stockbroking Business:
Level 8, Tower C, DataranMaybank,
No.1, JalanMaarof
59000 Kuala Lumpur
Tel: (603) 2297 8888
Fax: (603) 2282 5136

□ **Philippines**

Maybank ATR Kim Eng Securities Inc.
17/F, Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1200

Tel: (63) 2 849 8888
Fax: (63) 2 848 5738

□ **South Asia Sales Trading**

Kevin Foy
Regional Head Sales Trading
kevinfoy@maybank-ke.com.sg
Tel: (65) 6336-5157
US Toll Free: 1-866-406-7447

Malaysia

Rommel Jacob
rommeljacob@maybank-ib.com
Tel: (603) 2717 5152

Indonesia

HariantoLiong
harianto.liong@maybank-ke.co.id
Tel: (62) 21 2557 1177

New York

Andrew Dacey
adacey@maybank-keusa.com
Tel: (212) 688 2956

Vietnam

Tien Nguyen
thuytien.nguyen@maybank-kimeng.com.vn
Tel: (84) 44 555 888 x8079

□ **Singapore**

Maybank Kim Eng Securities Pte Ltd
Maybank Kim Eng Research Pte Ltd
50 North Canal Road
Singapore 059304

Tel: (65) 6336 9090

□ **Hong Kong**

Kim Eng Securities (HK) Ltd
Level 30,
Three Pacific Place,
1 Queen's Road East,
Hong Kong

Tel: (852) 2268 0800
Fax: (852) 2877 0104

□ **Thailand**

Maybank Kim Eng Securities
(Thailand) Public Company Limited
999/9 The Offices at Central World,
20th - 21st Floor,
Rama 1 Road Pathumwan,
Bangkok 10330, Thailand

Tel: (66) 2 658 6817 (sales)
Tel: (66) 2 658 6801 (research)

□ **North Asia Sales Trading**

Alex Tsun
alextsun@kimeng.com.hk
Tel: (852) 2268 0228
US Toll Free: 1 877 837 7635

Thailand

TanasakKrishnasreni
Tanasak.K@maybank-ke.co.th
Tel:(66)2 658 6820

India

Manish Modi
manish@maybank-ke.co.in
Tel:(91)-22-6623-2601

Philippines

Keith Roy
keith_roy@maybank-atrke.com
Tel:(63) 2 848-5288

□ **London**

Maybank Kim Eng Securities
(London) Ltd
5th Floor, Aldermay House
10-15 Queen Street
London EC4N 1TX, UK

Tel: (44) 20 7332 0221
Fax: (44) 20 7332 0302

□ **Indonesia**

PT Maybank Kim Eng Securities
Plaza Bapindo
Citibank Tower 17th Floor
JLJend.SudirmanKav. 54-55
Jakarta 12190, Indonesia

Tel: (62) 21 2557 1188
Fax: (62) 21 2557 1189

□ **Vietnam**

Maybank Kim Eng Securities Limited
4A-15+16 Floor VincomCenter Dong
Khoi, 72 Le Thanh Ton St. District 1
Ho Chi Minh City, Vietnam

Tel : (84) 844 555 888
Fax : (84) 8 38 271 030

□ **New York**

Maybank Kim Eng Securities USA
Inc
777 Third Avenue, 21st Floor
New York, NY 10017, U.S.A.

Tel: (212) 688 8886
Fax: (212) 688 3500

□ **India**

Kim Eng Securities India Pvt Ltd
2nd Floor, The International 16,
Maharishi Karve Road,
Churchgate Station,
Mumbai City - 400 020, India

Tel: (91) 22 6623 2600
Fax: (91) 22 6623 2604

□ **Saudi Arabia**

In association with
Anfaal Capital
Villa 47, Tujjar Jeddah
Prince Mohammed bin Abdulaziz
Street P.O. Box 126575
Jeddah 21352

Tel: (966) 2 6068686
Fax: (966) 26068787