![Prabhudas Lilladher — Powering your financial growth]

ICICI Prudential Life Insurance

Margins were a positive surprise

Q4FY18 Result Update

April 24, 2018

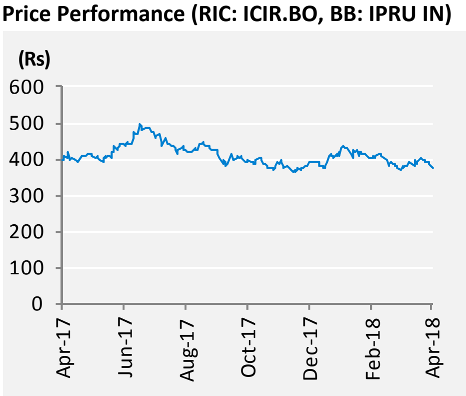
Vidhi Shah
vidhishah@plindia.com / +91-22-66322258
R Sreesankar
rsreesankar@plindia.com / +91-22-66322214
Pritesh Bumb
priteshbumb@plindia.com / +91-22-66322232
Shweta Daptardar
shwetadaptardar@plindia.com / +91-22-66322245

Rating	**Buy**
Price	Rs418
Target Price	Rs520
Implied Upside	24.0%
Sensex	34,491
Nifty	10,578

(Prices as on 24 April, 2018)

Trading data			
Market Cap. (Rs bn)			600.3
Shares o/s (m)			1,435
3M Avg. Daily value (Rs m)			588.1
Major shareholders			
Promoters			80.71%
Foreign			6.52%
Domestic Inst.			3.72%
Public & Other			9.05%
Stock Performance			
(%)	**1M**	**6M**	**12M**
Absolute	9.6	7.4	4.4
Relative	3.2	1.2	-10.6
How we differ from Consensus			
EPS (Rs)	**PL**	**Cons.**	***% Diff.***
2019	12.1	13.9	*(12.9)*
2020	14.1	15.6	*(9.6)*

Price Performance (RIC: ICIR.BO, BB: IPRU IN)



Source: Bloomberg

ICICI PruLife's margins were a beat from our expectations at 16.5% for FY18 (Ple: 13.9% for FY18) mainly on change in product mix and better operating efficiency. The company has shown strong improvement in operating performance (margins/persistency/cost) and increase in protection mix has led to change our stance to "BUY" from Accumulate and increased the TP to Rs520 (up from Rs464), valuing it at Rs746 bn (up from Rs666 bn) which translates to 3.0x FY20E EV.

- **Operating metrics continue to improve:** 13th month persistency (87.8% in FY18) continue to improve and is the best amongst the industry and the persistency has improved across the buckets. This has inherently improved the renewal premium growing at 23% YoY for FY18. Total expense ratio has also improved by 133bps at 13.7% on lower operating expenditure despite slightly higher commissions.

- **Margins were huge positive surprise; Return on Operating EV (Op. RoEV) includes one off:** VNB Margins improved significantly for the year to 16.5% FY18 (10.1% in FY17) which led to VNB growing by 93% YoY for FY18. Margins expanded mainly on newly launched high margin savings product and increase in protection mix. Increase in protection mix and better operating efficiency is expected to lead to expansion in margins going ahead. RoEV improved to 22.7% in FY18 (16.5% in FY17) including one-off of Rs7.6bn on adjustment of tax adjusting to which it would have been 18%.

- **APE growth slower on high base effect:** ICICI PruLife's APE growth for FY18 has slowed down to 17.6% YoY due to high base effect of demonetisation in FY17. However, protection segment grew by 71.5% on low base and now constitutes 5.7% of the mix (3.9% in FY17). Within protection, group credit life segment has grown faster than retail and group term. Savings segment grew by 15.4% YoY.

Key financials (Y/e March)	**2017**	**2018E**	**2019E**	**2020E**
Net Premiums (Rs m)	2,21,552	2,57,506	3,00,575	3,58,931
Growth (%)	*16.6*	*16.2*	*16.7*	*19.4*
Total Income (Rs m)	3,71,930	3,96,631	4,55,837	5,44,929
Surplus / Deficit (Rs m)	11,526	12,213	11,956	13,399
PAT (Rs m)	16,817	16,344	16,401	18,199
Growth (%)	*1.9*	*(2.8)*	*0.3*	*11.0*
EPS (Rs)	11.7	11.4	11.4	12.7
Embedded Value (Rs bn)	161.8	187.9	214.8	248.3

Profitability & Valuation	**2017**	**2018E**	**2019E**	**2020E**
NBP Margin Post overrun (%)	10.1	16.5	17.6	18.6
RoE (%)	28.7	24.6	22.3	21.7
Operating RoEV (%)	16.5	22.7	18.5	18.8
RoEV (%)	16.1	16.1	14.3	15.6
Dividend Yield (%)	0.9	1.6	1.1	1.0
Price / EV (x)	3.7	3.2	2.8	2.4

Source: Company Data; PL Research

Exhibit 1: Shareholders' Profit broadly remains the same for the year

(Rs m)	Q4FY18	Q4FY17	YoY gr. (%)	Q3FY18	QoQ gr. (%)
Policyholders' Account					
Gross Premium Income	87,289	75,795	*15.2*	68,556	*27.3*
Net Premium Income	86,558	75,264	*15.0*	67,951	*27.4*
Income from Investments (Net)	(16,134)	65,763	*(124.5)*	65,442	*(124.7)*
Total (A)	**71,369**	**1,41,171**	***(49.4)***	**1,33,568**	***(46.6)***
Net Commission	4,466	2,508	*78.1*	3,773	*18.4*
Opex related to Insurance	6,048	7,068	*(14.4)*	5,211	*16.0*
Benefits Paid (Net)	45,555	49,020	*(7.1)*	46,852	*(2.8)*
Change in actuarial liability	10,481	78,799	*(86.7)*	72,602	*(85.6)*
Total (B)	**68,628**	**1,38,787**	***(50.6)***	**1,30,196**	***(47.3)***
Surplus / (Deficit)	**2,741**	**2,384**	***15.0***	**3,372**	***(18.7)***
Shareholders' Account					
Trf from Policyholders A/c	1,967	2,391	*(17.8)*	2,742	*(28.3)*
Investment Income	2,473	1,753	*41.0*	2,160	*14.5*
Total	**4,482**	**4,424**	***1.3***	**4,904**	***-8.6***
Expenses other than related to insurance	115	129	*(10.4)*	93	*23.6*
Profit/(Loss) before Tax	**3,614**	**4,296**	***(15.9)***	**4,810**	***(24.9)***
Provision for Taxation	208	214	*(2.8)*	289	*(28.2)*
Profit/(Loss) after Tax	**3,406**	**4,082**	***(16.6)***	**4,521**	***(24.7)***
Ratios					
Expense Ratio	7.4	9.8	*(250)*	8.0	*(65)*
Commission Ratio	5.4	3.5	*194*	5.8	*(36)*
Total Cost / TWRP	12.8	13.3	*(56)*	13.8	*(102)*

Source: Company Data, PL Research

Exhibit 2: APE growth was lower than expectations whereas VNB grew strong on robust margins

	Q4FY18	Q4FY17	YoY gr. (%)	Q3FY18	QoQ gr. (%)	FY18	FY17	YoY gr. (%)
APE	***22,130***	***21,670***	***2.1***	***20,050***	***10.4***	***77,920***	***66,250***	***17.6***
Savings	19,960	20,800	*(4.0)*	19,260	*3.6*	73,450	63,640	*15.4*
Protection	2,170	870	*149.4*	790	*174.7*	4,470	2,610	*71.3*
%								
Savings	90.2	96.0	*(579)*	96.1	*(587)*	94.3	96.1	*(180)*
Protection	9.8	4.0	*579*	3.9	*587*	5.7	3.9	*180*
VNB	**5,190**	**2,450**	***111.8***	**3,500**	***48.3***	**12,860**	**6,660**	***93.1***
VNB Margin	23.5	11.3	*1,214.6*	17.5	*599.6*	16.5	10.1	*640.0*

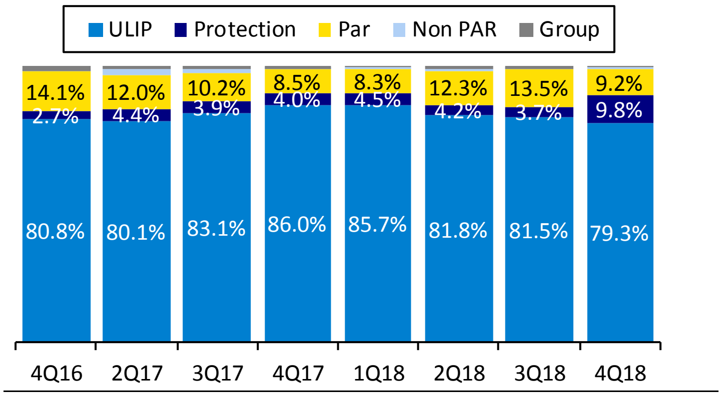
Source: Company Data, PL Research

Exhibit 3: Renewal Premium has been started picking up pace and growing better

(Rs m)	Q4FY18	Q4FY17	*YoY gr. (%)*	Q3FY18	*QoQ gr. (%)*	FY18	FY17	*YoY gr. (%)*
Retail renewal premium	60,080	49,500	*21.4*	44,570	*34.8*	1,74,970	1,42,190	*23.1*
Retail new business premium	24,050	23,250	*3.4*	21,810	*10.3*	84,020	70,660	*18.9*
Group Premium	3,160	3,050	*3.6*	2,180	*45.0*	11,700	10,690	*9.4*
Gross Written Premium (GWP)	**87,290**	**75,800**	***15.2***	**68,560**	***27.3***	**2,70,690**	**2,23,540**	***21.1***

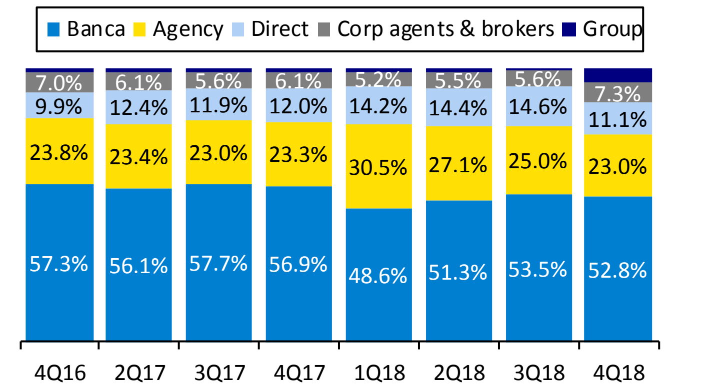
Source: Company Data, PL Research

Exhibit 4: Product Mix is largely dominated by ULIPs; Protection mix sees good improvement



Source: Company Data, PL Research

Exhibit 5: Indv. premium sourcing mix on APE basis



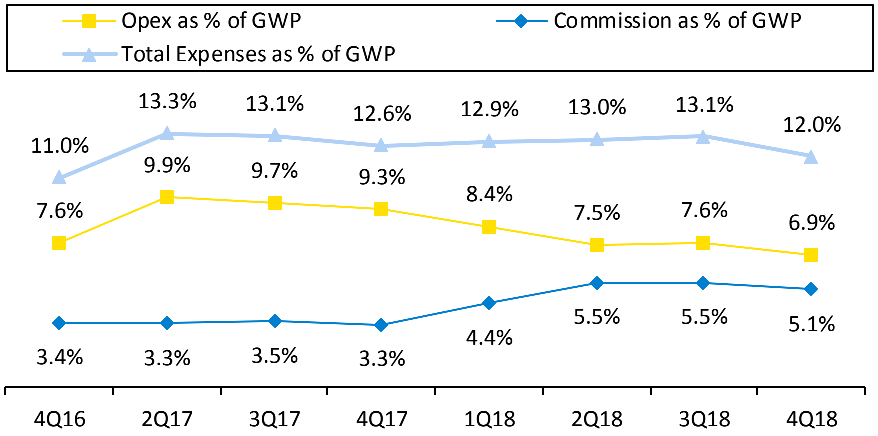
Source: Company Data, PL Research

Exhibit 6: Premium growth on product and sourcing basis

(Rs m)	Q4FY18	Q4FY17	*YoY gr. (%)*	Q3FY18	*QoQ gr. (%)*	FY18	FY17	*YoY gr. (%)*
Product Mix Breakup								
Savings								
ULIP	17,560	18,644	*(5.8)*	16,350	*7.4*	63,810	55,690	*14.6*
Par	2,030	1,833	*10.8*	2,716	*(25.2)*	8,460	6,380	*32.6*
Non PAR	190	96	*98.2*	50	*280.0*	400	720	*(44.4)*
Group	180	236	*(23.7)*	204	*(11.6)*	780	860	*(9.3)*
Protection	**2,160**	**861**	***150.8***	**748**	***188.8***	**4,460**	**2,600**	***71.5***
Sourcing Mix Breakup								
Banca	11,680	12,330	*(5.3)*	10,735	*8.8*	40,750	37,720	*8.0*
Agency	5,090	5,049	*0.8*	5,014	*1.5*	19,790	15,410	*28.4*
Direct	2,460	2,600	*(5.4)*	2,933	*(16.1)*	10,540	7,980	*32.1*
Corp Agent & Brokers	1,610	1,322	*21.8*	1,124	*43.2*	4,700	4,070	*15.5*
Group	1,280	347	*269.2*	207	*519.3*	2,130	1,070	*99.1*

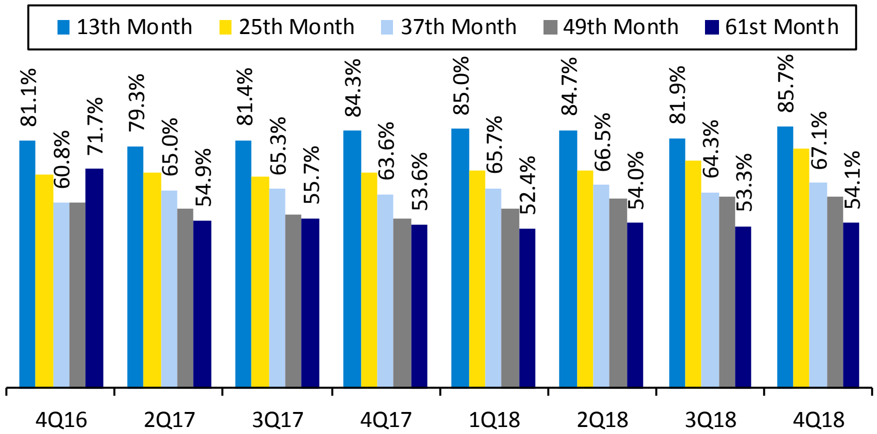
Source: Company Data, PL Research

Exhibit 7: Total Expense Ratios improves and to be sustainable



Source: Company Data, PL Research

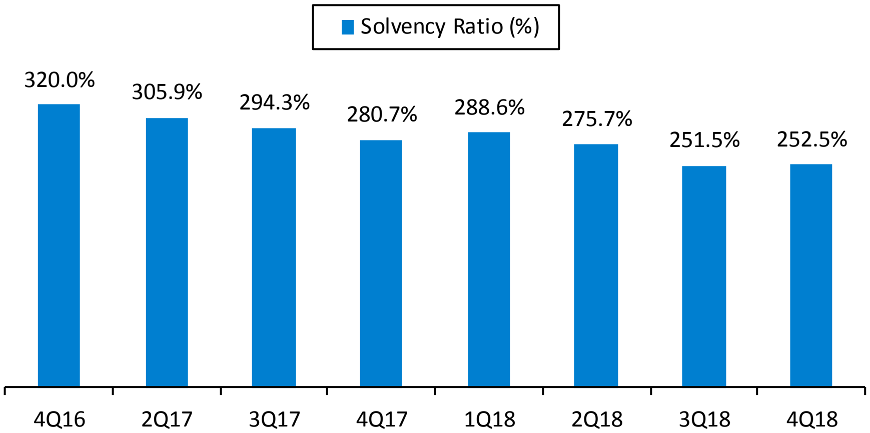
Exhibit 8: Persistency Ratio continues to improve & trickles further down to other buckets



Source: Company Data, PL Research

Exhibit 9: Solvency Ratio is stable despite high growth in protection

Company has announced huge dividend for the year despite growing strong in protection segment. However next year onwards, it may not give special dividend of 20%



Source: Company Data, PL Research

Exhibit 10: Estimates change table – We tweak our estimates on APE growth and increase VNB margins

	Old		Revised		% Change	
Rs Bn	**FY19E**	**FY20E**	**FY19E**	**FY20E**	**FY19E**	**FY20E**
APE	108.3	134.8	92.0	108.6	*(15.0)*	*(19.5)*
VNB	15.9	20.5	16.2	20.2	*1.9*	*(1.5)*
VNB Margin (%)	14.7	15.2	17.6	18.6	*2.9*	*3.4*
EV	215.8	247.5	214.8	248.3	*(0.5)*	*0.3*
Price target (Rs)	**464**		**520**		***12.0***	
Recommendation	**Accumulate**		**BUY**			

Source: Company Data, PL Research

Exhibit 11: We increase our TP to Rs520 (from Rs464) on 3.0x (from 2.7x) FY20E P/EV

PT calculation and upside	
Op RoEV	18.8%
CoE	12.7%
g	5.0%
Embedded value	**248**
Price / Embedded value	**3.0**
Appraisal Value	**746**
Number of shares, mn	1,435
Valuation per share	**520**
CMP	418
Upside (%)	*24%*

Source: Company Data, PL Research

Exhibit 12: Key Metrics and EV Movement

Rs bn	**FY15**	**FY16**	**FY17**	**FY18**	**FY19E**	**FY20E**
APE	**47.4**	**51.7**	**66.3**	**77.9**	**92.0**	**108.6**
YoY growth (%)		9.0	28.1	17.6	18.1	18.0
NBV	2.7	4.1	6.7	12.9	16.2	20.2
YoY growth (%)		52.7	61.5	93.1	26.0	24.6
EV Movement						
Opening IEV	117.8	138.2	139.4	161.8	187.9	214.8
EVOP	18.1	21.2	23.0	36.8	34.7	40.4
New Business Value	2.7	4.1	6.7	12.9	16.2	20.2
Dividend payout	9.8	14.4	6.3	11.9	7.8	6.9
Closing EV	**137.2**	**139.4**	**161.8**	**187.9**	**214.8**	**248.3**
Adjusted Net worth	*54.3*	*55.1*	*67.6*	*70.2*	*77.9*	*89.5*
Value in force (VIF)	*82.9*	*84.3*	*94.3*	*117.7*	*136.9*	*158.8*
Ratios (%)						
NBAP margins	**5.7**	**8.0**	**10.1**	**16.5**	**17.6**	**18.6**
RoEV	16.5	0.9	16.1	16.1	14.3	15.6
Operating RoEV	15.4	15.4	16.5	22.7	18.5	18.8

Source: Company Data, PL Research

Appendix

Exhibit 13: Policyholders' Account (Technical Account)

Technical account (Rs m)	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Net earned premium	1,39,279	1,34,172	1,22,827	1,51,604	1,89,987	2,21,552	2,57,506	3,00,575	3,58,931
Investment income	(1,418)	61,804	92,168	1,87,244	12,084	1,49,769	1,39,042	1,55,169	1,85,893
Other income	3,637	5,653	1,119	594	209	76	83	93	104
Total Revenue	**1,41,497**	**2,01,630**	**2,16,113**	**3,39,443**	**2,02,279**	**3,71,397**	**3,96,631**	**4,55,837**	**5,44,929**
Commission expense	6,055	7,654	6,275	5,532	6,200	7,589	8,327	7,893	9,589
Operating expense	20,035	20,386	16,169	16,520	18,883	23,572	25,631	27,399	32,599
Benefit Cost	1,01,599	1,58,784	1,77,451	3,02,135	1,59,429	3,24,954	3,50,315	4,08,423	4,89,152
Total expense	**1,27,742**	**1,86,895**	**2,03,076**	**3,27,318**	**1,88,155**	**3,60,404**	**3,84,418**	**4,43,882**	**5,31,530**
Surplus / Deficit	**13,755**	**14,735**	**13,037**	**12,124**	**14,124**	**10,994**	**12,213**	**11,956**	**13,399**

Source: Company Data, PL Research

Exhibit 14: Shareholders' Account (Revenue Account)

Shareholder's a/c (Rs m)	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Transfer from policholders' account	15,450	17,006	12,642	11,386	12,076	11,315	10,266	10,319	11,230
Investment income	2,197	4,173	3,897	5,358	6,019	6,670	7,332	7,460	8,454
Expenses	3,515	5,489	1,360	896	382	427	531	687	923
Profit before tax	**14,137**	**15,695**	**15,281**	**15,854**	**17,714**	**17,844**	**17,388**	**17,448**	**19,157**
Tax expenses	295	737	(374)	(490)	1,212	1,028	1,043	1,047	958
Profit after tax	**13,842**	**14,958**	**15,656**	**16,344**	**16,501**	**16,817**	**16,344**	**16,401**	**18,199**

Source: Company Data, PL Research

Exhibit 15: Balance Sheet

Balance sheet (Rs m)	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Sources of Fund									
Shareholders' Fund	49,520	51,292	49,817	52,655	53,233	64,060	69,049	77,882	89,486
Borrowings	-	-	-	-	-	-	-	-	-
Policyholders' Funds: Insurance reserves and provisions	6,61,139	6,87,344	7,46,243	9,32,657	9,65,784	11,48,941	13,22,055	15,10,884	17,15,502
Others	7,592	5,083	5,040	5,275	6,619	6,042	6,947	7,988	9,185
Total	**7,18,251**	**7,43,719**	**8,01,101**	**9,90,587**	**10,25,636**	**12,19,043**	**13,98,050**	**15,96,754**	**18,14,173**
Application of Funds									
Shareholders' inv	34,770	49,200	53,528	58,552	62,124	66,349	73,316	83,741	1,04,134
Policyholders' inv	91,108	1,12,870	1,44,567	1,88,580	2,15,156	2,70,674	3,10,634	3,36,938	3,38,720
Assets to cover linked liabilities	5,78,174	5,75,208	6,03,104	7,47,775	7,52,958	8,78,783	10,10,601	11,72,297	13,71,588
Net Current Assets	(8,219)	(7,090)	(8,140)	(6,661)	(7,240)	292	306	145	(4,399)
Other Assets	22,418	13,533	8,050	2,353	2,639	2,945	3,194	3,633	4,130
Total	**7,18,251**	**7,43,720**	**8,01,109**	**9,90,599**	**10,25,637**	**12,19,043**	**13,98,050**	**15,96,754**	**18,14,173**

Source: Company Data, PL Research

Exhibit 16: Embedded Value

Embedded Value (Rs m)	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Embedded Value			1,17,750	1,37,210	1,39,397	1,61,847	1,87,897	2,14,796	2,48,320
Annualised Premium Equivalent (APE)	31,180	35,320	34,440	47,440	51,700	66,250	77,920	92,024	1,08,555
New Business Value			2,280	2,700	4,123	6,660	12,860	16,198	20,184
New Business Margin (%)			6.62%	5.69%	7.97%	10.05%	16.5	17.6	18.6
EV Operating Profit				18,120	21,222	22,950	36,800	34,673	40,434
Operating RoEV (%)				15.39%	15.35%	16.46%	22.7	18.5	18.8

Source: Company Data, PL Research

Exhibit 17: Key Ratios

Key ratios	FY12	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E	FY20E
Commission expense/GWP (%)	4.3	5.7	5.0	3.6	3.2	3.4	3.2	2.6	2.6
Operating expense/GWP (%)	14.3	15.1	13.0	10.8	9.9	10.5	9.9	9.0	9.0
Total expense/GWP (%)	18.6	20.7	18.1	14.4	13.1	13.9	13.1	11.6	11.7

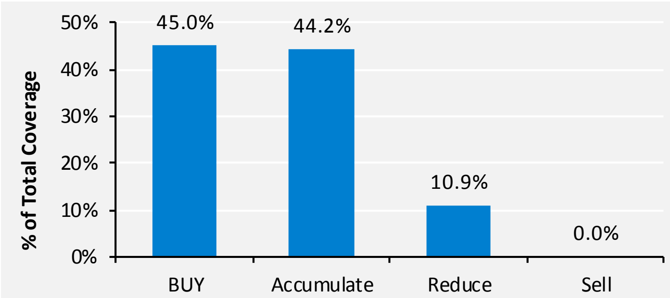
Source: Company Data, PL Research

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

Rating Distribution of Research Coverage



PL's Recommendation Nomenclature

BUY	:	Over 15% Outperformance to Sensex over 12-months
Accumulate	:	Outperformance to Sensex over 12-months
Reduce	:	Underperformance to Sensex over 12-months
Sell	:	Over 15% underperformance to Sensex over 12-months
Trading Buy	:	Over 10% absolute upside in 1-month
Trading Sell	:	Over 10% absolute decline in 1-month
Not Rated (NR)	:	No specific call on the stock
Under Review (UR)	:	Rating likely to change shortly

DISCLAIMER/DISCLOSURES

ANALYST CERTIFICATION

We/I, Ms. Vidhi Shah (CA), Mr. R Sreesankar (B.Sc), Mr. Pritesh Bumb (MBA, M.com), Ms. Shweta Daptardar (MBA-Finance), (Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Terms & conditions and other disclosures:

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is in the process of applying for certificate of registration as Research Analyst under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Ms. Vidhi Shah (CA), Mr. R Sreesankar (B.Sc), Mr. Pritesh Bumb (MBA, M.com), Ms. Shweta Daptardar (MBA-Finance), Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

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

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all o the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

DISCLAIMER/DISCLOSURES (FOR US CLIENTS)

ANALYST CERTIFICATION

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report

Terms & conditions and other disclosures:

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

SREESANKAR
RADHAKRISHNAN