

Business slowdown, rise in provisions...

HDFC Bank reported its performance above our estimates. Profit came in at ₹ 5568 crore in spite of lower credit growth of 17% YoY & higher provisions of ₹ 2614 crore. Operating profit came in at ₹ 11147 crore, up 29% YoY on the back of strong NII growth of ~23% YoY at ₹ 13294 crore & higher other income growth of 30% YoY at ₹ 4970 crore. Margins came in at 4.3%, up 10 bps YoY & down 10 bps QoQ. Provisions came in higher largely due to higher provisions for agri book & increased rate of provisions on unsecured book. The bank has also made contingent provisions of ₹ 165 crore & ₹ 86 crore towards NBFC/HFCs, respectively. Overall asset quality marginally deteriorated with GNPA ratio at 1.40%, up 4 bps QoQ.

Advances growth moderated to 17% YoY at ₹ 829730 crore, which was dragged by a slowdown in both retail (16% YoY) & corporate book (18% YoY), resulting in a decline in CD ratio (87% vs.89% in Q4FY19). Within retail, slowdown in auto book (8.5% YoY) & moderation of unsecured book (personal at 25% YoY & credit card at 29% YoY) impacted growth. Corporate growth moderated led by higher repayment & lower redeployment. Deposits growth continue to remain healthy at 18.5% YoY to ₹ 954554 crore led by strong growth of ~23% YoY in term deposit. CASA growth continued to moderate as CASA ratio declined 267 bps QoQ to 39.7%.

On large subsidiaries – For HDB Financial, pressure on growth and margins continues in Q1FY20, as earning growth sequentially de-grew 3% to ₹ 222 crore. AUM growth also moderated to 22.7% YoY at ₹ 58833 crore. Asset quality witnessed deterioration as GNPA increased 60 bps YoY to 2.3%.

Play on core earnings, rural expansion, operating leverage

The bank is well placed to harness both retail & expected corporate pick-up. However, on the back of cautious lending approach by the bank, we marginally cut our credit, deposit growth estimates to ~20%, 18% CAGR in FY19-21E to ₹ 1177815 crore, ₹ 1286122 crore, respectively. Accordingly, PAT is also expected to grow marginally lower at 20.2% CAGR in FY19-21E to ₹ 30455 crore. However, we expect NIM to be maintained at ~4.3-4.5% in FY19-21E.

Valuation & Outlook

The current performance shows a mild moderation in business growth and asset quality. Going ahead, a cautious rise in forward provision provides marginal discomfort. The expected leadership change may remain an overhang on the stock keeping valuation subdued. We marginally cut our estimates to ~19% CAGR in NII, ~20% in PAT in FY19-21E. Accordingly, we downgrade our rating from BUY to **HOLD** with a target price of ₹ 2400 (earlier ₹ 2700) valuing bank at ~20x FY21E EPS (~3.2x FY21E ABV) and include ₹ 150 per share for HDB Financial Services.



Particulars

Particulars	Amount
Market Capitalisation	₹ 631785 crore
GNPA (Q1FY20)	₹ 11768 crore
NNPA (Q1FY20)	₹ 3567 crore
NIM % (Q1FY20)	4.3
52 week H/L	2503/1884
Networth	₹ 155091 crore
Face value	₹ 2
DII holding (%)	16.9
FII holding (%)	38.6

Key Highlights

- Improvement in CI ratio to drive earnings and propel return ratios
- Bank stepped up rate of provisions on unsecured lending with full provisioning within 150 days vs. 180 days earlier
- Downgrade it to **HOLD** from BUY with target price of ₹ 2400 (₹ 2700 earlier)

Research Analyst

Kajal Gandhi
kajal.gandhi@icicisecurities.com

Vishal Narnolia
vishal.narnolia@icicisecurities.com

Harsh Shah
shah.harsh@icicisecurities.com

Key Financial Summary

₹ Crore	FY17	FY18	FY19	FY20E	FY21E	CAGR (FY19-21E)
NII	331,392	400,948	482,431	574,865	679,496	19%
PPP	257,324	326,301	397,496	478,222	561,780	19%
PAT	145,496	174,867	210,781	255,245	304,550	20%
ABV (₹)	341.9	399.6	534.1	606.3	694.8	
P/E	42.7	36.0	31.3	25.9	21.7	
P/ABV	7.1	6.1	4.5	4.0	3.5	
RoA	1.8	1.8	1.8	1.9	2.0	
RoE	17.9	17.9	16.5	16.0	16.8	

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis

	Q1FY20	Q1FY20E	Q1FY19	YoY (%)	Q4FY19	QoQ (%)	Comments
NII	13,294	12,501	10,814	22.9	13,089	1.6	NII growth maintained due to 10 bps improvement in margins on YoY basis
NIM (%)	4.3	4.3	4.2	10 bps	4.4	-10 bps	
Other Income	4,970	4,586	3,818	30.2	4,871	2.0	Healthy core fee income growth of 12% YoY to aid other income
Net Total Income	18,265	17,087	14,632	24.8	17,961	1.7	
Staff cost	2,217	2,100	1,811	22.5	2,074	6.9	
Other Operating Expenses	4,900	4,841	4,173	17.4	5,043	-2.8	
PPP	11,147.2	10,146.0	8,647.8	28.9	10,844	2.8	
Provision	2,613.7	1,824.9	1,629.4	60.4	1,889.2	38.3	Higher slippages QoQ & provisioning for agri book & increased rate of provisions on unsecured book led to higher provisions
PBT	8,533.6	8,321.1	7,018.4	21.6	8,954.4	-4.7	
Tax	2,965.4	2,895.8	2,416.9	22.7	3,069.3	-3.4	
PAT	5,568.2	5,425.4	4,601.5	21.0	5,885.1	-5.4	PAT trajectory maintained despite higher provisions

Key Metrics

GNPA	11,769.0	11,724.2	9,538.6	23.4	11,224.2	4.9	Slippages came in higher at ₹ 4225 crore vs. ₹ 3577 crore in previous quarter, largely led by seasonality in agri book
NNPA	3,567.2	3,334.5	2,907.1	22.7	3,214.5	11.0	
Total Restructured assets	796.5	786.6	680.2	17.1	786.6	1.3	
Advances	829,730	829,500	708,500	17.1	819,401	1.3	Advances growth moderates on back of slowdown in auto book & unsecured book. Corporate growth also witnessed marginal slowdown
Deposits	954,554	954,500	805,785	18.5	923,141	3.4	CASA ratio declined ~267 bps to 39.7% vs. 42.4% in Q4FY19

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY20E			FY21E		
	Old	New	% Change	Old	New	% Change
Net Interest Income	58,997.2	57,486.5	-2.6	70,871.2	67,949.6	-4.1
Pre Provision Profit	48,777.1	47,822.2	-2.0	58,446.0	56,178.0	-3.9
NIM Calculated (%)	4.5	4.5	-8 bps	4.6	4.5	-13 bps
PAT	26,674.4	25,524.5	-4.3	32,356.4	30,455.0	-5.9
ABV (₹)	610.9	606.3	-0.8	702.0	694.8	-1.0

Source: Company, ICICI Direct Research

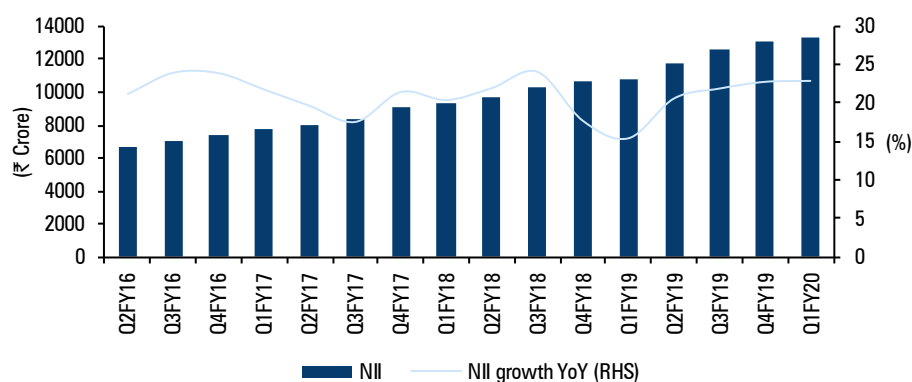
Exhibit 3: Assumption

	Current			Earlier		
	FY18	FY19	FY20E	FY21E	FY20E	FY21E
Credit growth (%)	18.7	24.5	19.0	20.8	21.4	20.8
Deposit Growth (%)	22.5	17.0	16.9	19.2	18.1	19.2
CASA ratio (%)	43.5	42.4	41.3	40.9	42.4	42.0
NIM Calculated (%)	4.4	4.4	4.5	4.5	4.5	4.6
Cost to income ratio (%)	41.0	39.7	38.4	38.3	38.4	37.8
GNPA (₹ crore)	8,611	11,479	13,820	15,587	12,673	14,474.8
NNPA (₹ crore)	2,602	3,745	4,510	4,763	4,171	5,254.7
Slippage ratio (%)	1.3	1.1	1.0	0.9	0.8	0.9
Credit cost (%)	0.9	0.9	0.9	0.8	0.8	0.7

Source: Company, ICICI Direct Research

Story in Charts

Exhibit 4: Momentum in NII growth continues



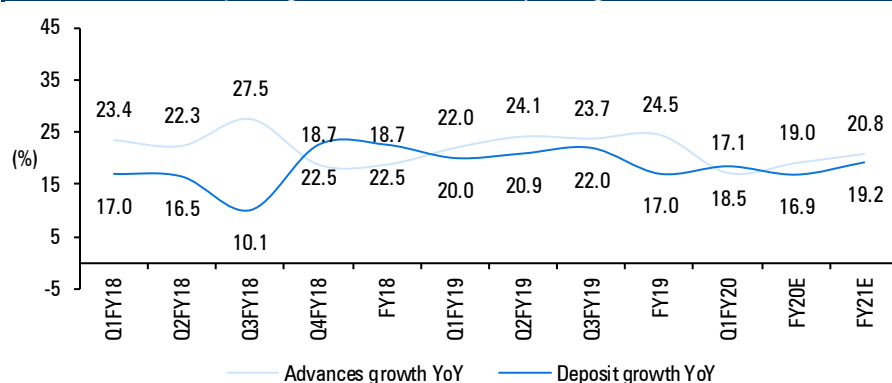
Source: Company, ICICI Direct Research

Exhibit 5: Break-up of retail credit

₹ crore	Q4FY17	Q1FY18	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20
Auto	62,052	66,011	69,053	73,057	76,427	77,659	80,336	83,012	80,675	81,913
CVCE	19,221	19,706	20,252	21,403	23,391	24,852	25,508	27,166	28,730	29,229
Two wheelers	6,290	6,532	6,883	7,691	8,672	9,227	9,689	10,095	10,047	10,070
Personal loans	50,067	55,539	60,692	66,817	71,876	77,868	83,426	88,803	92,978	97,148
Business Banking	36,235	40,446	45,528	46,989	54,126	52,050	54,180	55,706	57,035	57,720
Loans Against Security	1,461	1,447	1,604	1,671	1,816	1,748	1,824	1,788	1,881	1,780
Credit cards	25,995	29,101	30,831	33,622	36,115	38,458	40,535	44,839	46,630	49,523
Home loans	38,365	38,783	40,015	38,129	36,257	44,021	47,861	51,786	51,359	55,769
Others	39,180	40,274	44,422	44,929	48,744	49,473	52,947	52,544	56,836	54,769
Gold	4,800	4,987	5,068	5,057	5,065	5,116	5,193	5,161	5,187	5,232
Total	283,666	302,826	324,348	339,365	362,489	380,472	401,499	420,900	431,358	443,153

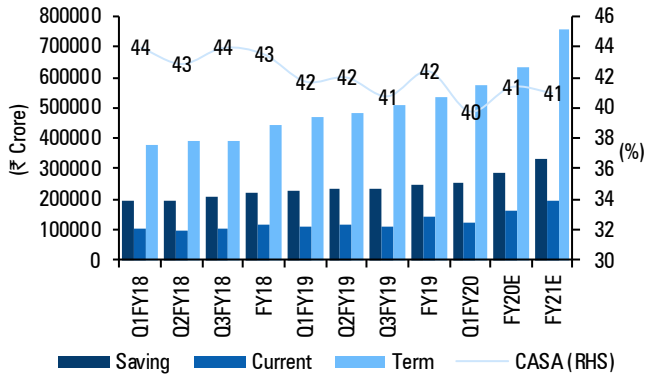
Source: Company, ICICI Direct Research

Exhibit 6: Credit, deposit growth above industry, marginal moderation witnessed



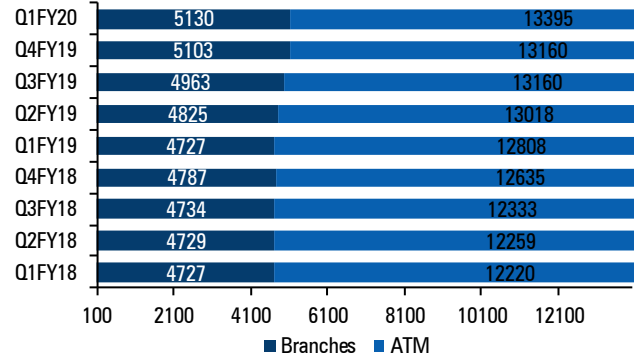
Source: Company, ICICI Direct Research

Exhibit 7: Moderation in CASA witnessed



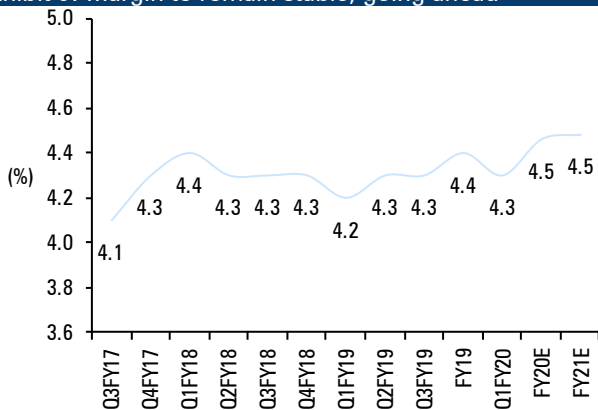
Source: Company, ICICI Direct Research

Exhibit 8: Branch expansion to keep CASA steady



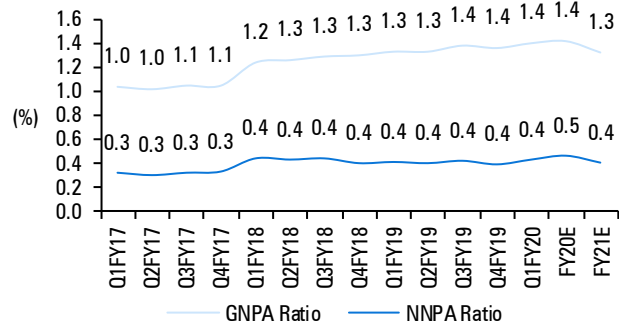
Source: Company, ICICI Direct Research

Exhibit 9: Margin to remain stable, going ahead



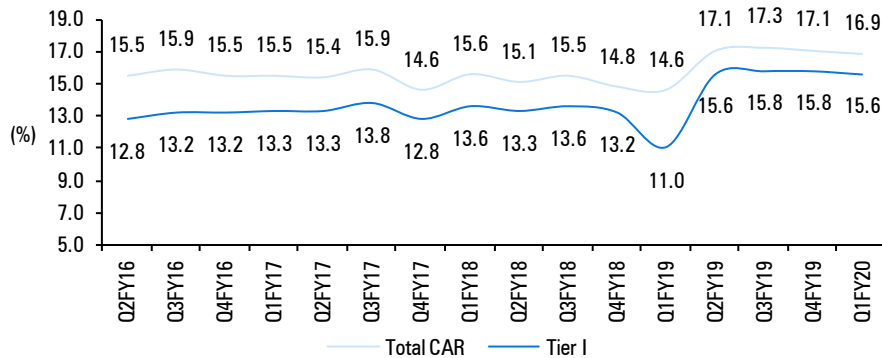
Source: Company, ICICI Direct Research

Exhibit 10: Maintains best in class asset quality



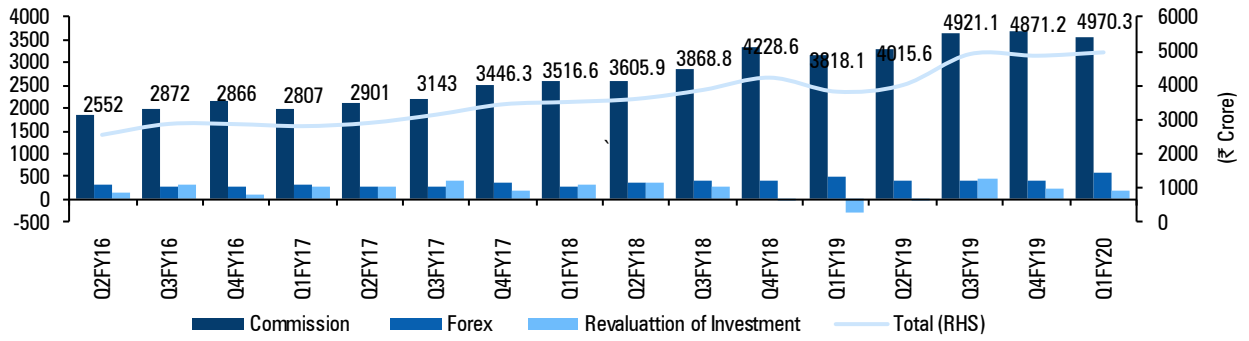
Source: Company, ICICI Direct Research

Exhibit 11: Adequately capitalised for future growth



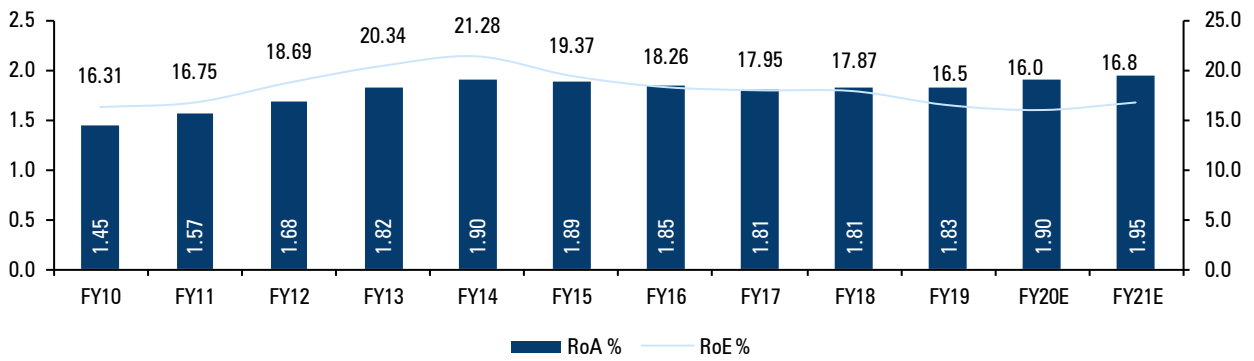
Source: Company, ICICI Direct Research

Exhibit 12: Non-interest income contributes ~27% of total income



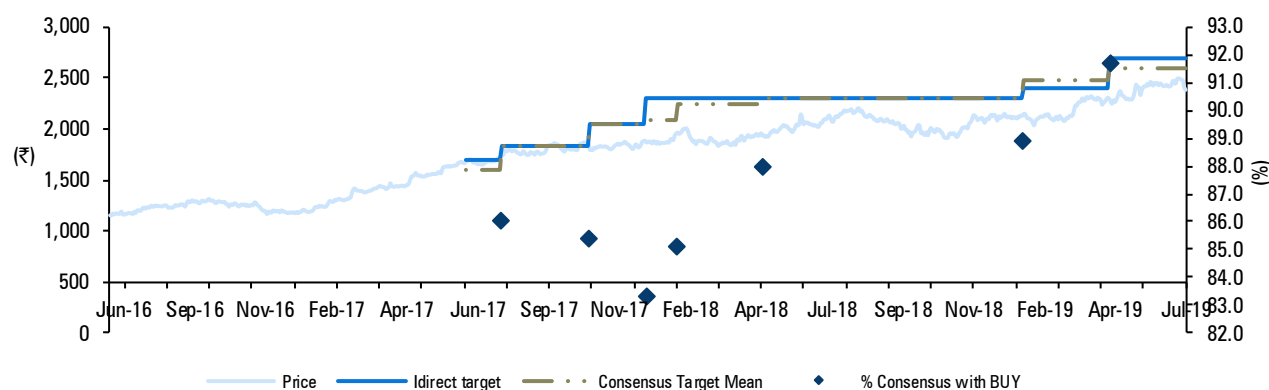
Source: Company, ICICI Direct Research

Exhibit 13: Return ratio to trend upwards



Source: Company, ICICI Direct Research

Exhibit 14: Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 15: Top 10 Shareholders

Rank	Latest Filing Date	% O/S	Position	Position Change	Change (m)
1	Housing Development Finance Corporation Ltd	31-03-2019	22.40%	612.09M	+29.78M
2	Capital Research Global Investors	31-05-2019	6.51%	177.83M	+1.56M
3	Capital World Investors	31-03-2019	4.10%	112.17M	+97.08M
4	SBI Funds Management Pvt. Ltd.	31-03-2019	2.21%	60.38M	+17.66M
5	Life Insurance Corporation of India	31-03-2019	2.04%	55.82M	+1.48M
6	ICICI Prudential Life Insurance Company Ltd.	31-03-2019	1.12%	30.50M	-0.25M
7	HDFC Asset Management Co., Ltd.	31-05-2019	1.06%	28.85M	-1.13M
8	GIC Private Limited	31-03-2019	1.01%	27.54M	-0.74M
9	Reliance Nippon Life Asset Management Limited	31-05-2019	0.98%	26.79M	-0.86M
10	Aditya Birla Sun Life AMC Limited	31-05-2019	0.98%	26.70M	-0.04M

Source: Reuters, ICICI Direct Research

Exhibit 16: Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Capital World Investors	+3,254.08M	+97.08M	Morgan Stanley Investment Management Ltd. (UK)	-177.96M	-5.31M
Housing Development Finance Corporation Ltd	+998.34M	+29.78M	Fidelity International	-156.25M	-4.48M
SBI Funds Management Pvt. Ltd.	+592.01M	+17.66M	FIL Investment Management (Hong Kong) Limited	-146.63M	-4.21M
ICICI Prudential Asset Management Co. Ltd.	+103.11M	+2.96M	CPP Investment Board	-79.14M	-2.36M
Capital Research Global Investors	+54.48M	+1.56M	Invesco Hong Kong Limited	-42.16M	-1.26M

Source: Reuters, ICICI Direct Research

Exhibit 17: Shareholding Pattern

(in %)	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Promoter	25.5	26.6	26.5	26.5	26.3
FII	40.9	39.2	38.7	38.7	38.6
DII	14.6	14.9	16.0	16.4	16.9
Others	19.1	19.4	18.8	18.4	18.3

Source: Company, ICICI Direct Research

Financial summary

Exhibit 18: Profit and loss statement				
	₹ crore			
(Year-end March)	FY18	FY19	FY20E	FY21E
Interest Earned	80241	98972	116112	136985
Interest Expended	40146	50729	58626	69035
NII	40095	48243	57487	67950
Growth (%)	21.0	20.3	19.2	18.2
Non Interest Income	15222	17626	20149	23049
Fees and advisory	11367	13806	15876	18258
Treasury Income	927	387	399	410
Other income	2927	3433	3874	4381
Total Income	55316	65869	77635	90999
Employee cost	6804	7762	8496	9991
Other operating Exp.	15883	18358	21317	24830
Gross Profit	32630	39750	47822	56178
Provisions	6026	7550	8854	9682
PBT	26604	32199	38969	46496
Taxes	9117	11121	13444	16041
Net Profit	17487	21078	25524	30455
Growth (%)	20.2	20.5	21.1	19.3
EPS	67.4	77.4	93.7	111.8

Source: Company, ICICI Direct Research

Exhibit 19: Key Ratios				
(Year-end March)	FY18	FY19	FY20E	FY21E
Valuation				
No. of Equity Shares	259.5	272.3	272.3	272.3
EPS (₹)	67.4	77.4	93.7	111.8
BV (₹)	409.6	547.9	622.9	712.3
ABV (₹)	399.6	534.1	606.3	694.8
P/E	36.0	31.3	25.9	21.7
P/BV	5.9	4.4	3.9	3.4
P/ABV	6.1	4.5	4.0	3.5
Yields & Margins (%)				
Net Interest Margins	4.4	4.4	4.5	4.5
Yield on avg earning assets	8.8	9.0	9.0	9.0
Avg. cost on funds	4.9	5.2	5.2	5.3
Avg. cost of deposits	4.8	5.1	5.1	5.2
Yield on average advances	10.3	10.5	10.4	10.3
Quality and Efficiency (%)				
Cost / Total net income	41.0	39.7	38.4	38.3
Credit/Deposit ratio	83.5	88.8	90.4	91.6
GNPA	1.3	1.4	1.4	1.3
NNPA	0.4	0.5	0.5	0.4
ROE	17.9	16.5	16.0	16.8
ROA	1.8	1.8	1.9	2.0

Source: Company, ICICI Direct Research

Exhibit 20: Balance sheet				
	₹ crore			
(Year-end March)	FY18	FY19	FY20E	FY21E
Sources of Funds				
Capital	519	545	545	545
Reserves and Surplus	105776	148662	169081	193445
Networth	106295	149206	169626	193990
Deposits	788771	923141	1078918	1286122
Borrowings	123105	117085	125887	135698
Other Liabilities & Provisions	45763	55108	62333	70700
Total	1063934	1244541	1436764	1686510
Applications of Funds				
Fixed Assets	3607	4030	4209	4414
Investments	242200	290588	330505	370860
Advances	658334	819401	975315	1177815
Other Assets	36878	49174	37528	35144
Cash with RBI & call money	122915	81348	89207	98277
Total	1063934	1244541	1436764	1686510

Source: Company, ICICI Direct Research

Exhibit 21: Key ratios				
(Year-end March)	FY18	FY19E	FY20E	FY21E
Total assets				
Total assets	23.2	17.0	15.4	17.4
Advances	18.7	24.5	19.0	20.8
Deposits	22.5	17.0	16.9	19.2
Total Income	17.0	22.1	16.9	17.4
Net interest income	21.0	20.3	19.2	18.2
Operating expenses	15.1	15.1	14.1	16.8
Operating profit	26.8	21.8	20.3	17.5
Net profit	20.2	20.5	21.1	19.3
Net worth	18.8	40.4	13.7	14.4
EPS	18.7	14.9	21.1	19.3

Source: Company, ICICI Direct Research

Exhibit 22: ICICI Direct coverage universe (BFSI)

Sector / Company	CMP			M Cap			EPS (₹)			P/E (x)			P/ABV (x)			RoA (%)			RoE (%)		
	(₹)	TP(₹)	Rating	(₹ Cr)	FY18	FY19	Y20E	FY18	FY19	Y20E	FY18	FY19	Y20E	FY18	FY19	Y20E	FY18	FY19	Y20E		
Bank of Baroda (BANBAR)	117	170	Buy	45,084	-9.2	7.7	18.5	-12.7	15.2	6.3	1.0	1.4	1.2	-0.3	0.4	0.6	-5.8		9.7		
State Bank of India (STABAN)	351	400	Buy	313,075	-7.3	1.0	27.2	-48.1	362	12.9	2.9	2.5	1.9	-0.2	0.0	0.7	-3.0	0.5	12.3		
Indian Bank (INDIBA)	217	300	Buy	10,642	26.2	6.7	25.2	8.3	32.3	8.6	0.9	1.0	0.8	0.5	0.1	0.4	7.1	1.7	6.1		
Axis Bank (AXIBAN)	727	880	Buy	190,446	-1.0	22.2	37.5	-710.2	32.8	19.4	4.0	3.3	2.8	0.0	0.8	1.1	0.0	0.8	1.1		
City Union Bank (CITUNI)	200	240	Buy	14,690	8.9	9.3	10.3	22.4	21.5	19.4	3.6	3.4	2.9	1.6	1.6	1.6	15.5	15.3	14.7		
DCB Bank (DCB)	190	250	Buy	5,886	7.8	10.5	12.6	24.2	18.0	15.1	2.4	2.2	1.9	0.9	1.0	1.0	10.9	12.1	12.9		
Federal Bank (FEDBAN)	96	125	Buy	18,966	4.5	6.3	7.7	21.4	15.2	12.4	1.8	1.6	1.5	0.7	0.8	0.9	8.2	9.8	11.1		
HDFC Bank (HDFBAN)	2,293	2,400	Hold	626,525	67.4	77.4	93.7	34.0	29.6	24.5	5.7	4.3	3.8	1.8	1.8	1.9	17.9	16.5	16.0		
IndusInd Bank (INDBA)	1,416	1,550	Hold	98,112	60.1	55.0	92.3	23.6	25.7	15.4	3.7	3.5	2.9	1.8	1.3	1.8	16.2	13.1	19.0		
Jammu & Kashmir Bk(JAMKAS)	39	53	Hold	2,149	3.6	8.3	14.7	10.6	4.6	2.6	0.6	0.6	0.6	0.2	0.5	0.7	3.4	7.3	11.8		
Kotak Mahindra Bank (KOTMAH)	1,463	1,500	Hold	279,281	21.4	25.5	30.4	68.2	57.4	48.1	7.8	6.8	6.0	1.7	1.7	1.7	12.5	12.1	12.7		
Yes Bank (YESBAN)	87	UR	UR	20,256	18.3	6.4	5.8	4.8	13.6	15.1	0.8	0.9	1.0	1.7	0.4	0.4	17.6	5.6	5.5		
Bandhan Bank (BANBAN)	513	650	Buy	61,158	11.3	16.4	22.0	7.7	5.3	4.0	1.1	1.0	0.8	3.6	3.9	4.0	19.5	19.0	21.1		

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavors to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

ANALYST CERTIFICATION

I/We, Kajal Gandhi, CA, Vishal Narnolia, MBA and Harsh Shah, MBA, 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. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. ICICI Securities Limited is a SEBI registered Research Analyst with SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities generally prohibits its analysts, persons reporting to analysts and their relatives from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Retail Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, target price of the Institutional Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

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

ICICI Securities or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

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

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities are engaged in various financial service businesses, they might have financial interests or beneficial ownership in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

This report is not directed 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, regulation or which would subject ICICI Securities and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.