

Soaring provisioning dents earnings...

Bandhan Bank reported a steady performance with healthy operating profits. However, additional provision of ₹ 690 crore, related to Covid-19, impacted earnings.

On asset quality, absolute GNPA declined 16% QoQ to ₹ 993 crore (including ₹ 385 crore related to IL&FS). Accordingly, GNPA ratio dipped ~45 bps to 1.48% while NNPA ratio improved ~23 bps to 0.58%. Overall collection efficiency has been healthy at 98.5-99% as of March 2020. Given emergence of Covid-19, the bank parked contingent provision of ₹ 690 crore in Q4FY20 (includes ₹ 64 crore under regulatory requirement). Including ₹ 310 crore of outstanding standard asset provision, overall provision is at ₹ 1000 crore i.e. ~1.5% of AUM.

AUM growth of the merged entity was reported at 60.5% YoY to ₹ 71846 crore (₹ 65456 crore in Q3FY19). Excluding Gruh Finance, loan growth was at ~20% YoY, a tad lower compared to the previous run rate. Healthy traction continued in micro finance segment (~64% of merged AUM) at 19.6% YoY to ₹ 46189 crore while non-micro finance book growth came in at 22% YoY. Deposit accretion continued to remain healthy at 32% YoY to ₹ 57082 crore as of FY20 and ₹ 58030 crore as of April 30, 2020.

Margin witnessed an uptick of ~20 bps QoQ to 8.1%. Growth in NII came at 33.5% to ₹ 1680 crore, led by traction in advances and healthy margin. However, high provisions at ₹ 828 crore, including ₹ 690 crore related to Covid, dented earnings trajectory to ₹ 517 crore; down 21% YoY.

About 80% of book in resilient sector; normalcy to return gradually

Almost 76% of its customers have their business in the green/amber zones. Thus, the bank expects normalcy in operations to be restored within four to six weeks. Also, ~80% micro book is in resilient sector, enabling faster normalcy. The bank has got some relief on asset quality as 90% of its customers are repeat customers with usual tenor of five to six years. Also, relief package provided by the government should aid bankers contain NPA.

Valuation & Outlook

Given lockdown and 100% moratorium in micro finance, impact on collection efficiency is not ruled out. At this juncture, it is difficult to gauge repayment trend as the lockdown is lifted. However, higher exposure towards essential services in rural areas is expected to lead to higher pace of revival in disbursement and collection. Also, ~76% of micro finance exposure in green/amber zone, healthy liabilities franchise and strong capital adequacy provide cushion against any rise in delinquencies. Hence, we expect earnings trajectory at ~18% CAGR in FY21-22E to ₹ 3209 crore. Return ratios are expected to dip compared to earlier period but still remain healthy with RoA at 2.5% and RoE at ~18%. We revise our target price to ₹ 300 per share, valuing the stock (post merger) at ~11.7x FY22E EPS (~2.6x FY22E BV). We maintain **BUY** rating on the stock.

Key Financial Summary

	FY19	FY20	FY21E	FY22E	CAGR (FY19-22E)
NII	4496	6324	6608	7456	18%
PPP	3748	5447	5350	5824	16%
PAT	1951	3024	3031	3209	18%
ABV (₹)	91.8	90.0	99.3	114.5	
P/E	31.4	28.4	27.3	25.7	
P/ABV	5.6	5.7	5.2	4.5	
RoE (%)	19.0	22.1	18.8	17.4	
RoA (%)	3.9	3.9	2.9	2.5	



Particulars

Particulars	Values
Market Capitalisation	₹40095 crore
Networth	₹15195 crore
52 week H/L (₹)	650 / 152
Equity Capital	₹1610 crore
Face Value (₹)	10.0
DII Holding (%)	8.8
FII Holding (%)	13.1

Key Highlights

- Additional provisioning of ₹ 690 crore for Covid-19. Outstanding provision at ₹ 1000 crore
- Also, 80% of book is to resilient sector with normalcy expected within four to six weeks, post lifting of lockdown
- Maintain BUY recommendation with revised target price of ₹ 300

Research Analyst

Kajal Gandhi
kajal.gandhi@icicisecurities.com

Vishal Namolia
vishal.namolia@icicisecurities.com

Yash Batra
yash.batra@icicisecurities.com

Exhibit 1: Variance Analysis

	Q4FY20	Q4FY20E	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	Comments
NII	1,680	1,581	1,257	33.6	1,540	9.1	Sequentially lower NII growth attributable to margin contraction
NIM (%)	8.1	8.1	10.7	-256 bps	7.9	23 bps	
Other Income	500	411	388	29.0	358	39.8	Income from PSLC at ₹ 106 crore in Q3FY20
Net Total Income	2,180	1,992	1,645	32.5	1,898	14.9	
Staff cost	362	342	270	34.1	340	6.3	
Other Operating Expenses	297	311	222	33.9	294	1.3	
PPP	1,520.7	1,338.7	1,153.2	31.9	1,263.9	20.3	
Provision	827.4	234.0	153.3	439.8	294.9	180.6	Given recent unrest in Assam and decline in collection efficiency, the bank has parked additional provision of ₹ 200 crore
PBT	693.3	1,104.7	999.9	-30.7	969.0	-28.4	
Tax Outgo	176.0	287.2	349.1	-49.6	238.0	-26.0	
PAT	517.3	817.5	650.9	-20.5	731.0	-29.2	Higher provision impacted earnings trajectory
Key Metrics							
GNPA	993	1,300	820	21.1	1,182	-16.0	Addition from Gruh Finance book led to rise in GNPA
NNPA	389	531	228	70.6	491	-20.8	
Advances	66,630	66,856	39,643	68.1	65,456	1.8	Loan growth ex Gruh continued to remain healthy at 33% YoY
Deposits	57,082	57,653	43,232	32.0	54,908	4.0	Deposit accretion healthy across CASA & term deposit

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹Crore)	FY21E			FY22E		
	Old	New	% Change	Old	New	% Change
Net Interest Income	7,580	6,608	-12.8	9,450	7,456	-21.1
Pre Provision Profit	6,418	5,350	-16.7	8,047	5,824	-27.6
NIM (%)	7.9	7.2	-66 bps	7.9	6.9	-103 bps
PAT	3,753	3,031	-19.3	4,710	3,209	-31.9
ABV (₹)	104.3	99.3	-4.9	129.0	114.5	-11.2

Source: Company, ICICI Direct Research

Exhibit 3: Assumption

	Current				Earlier	
	FY19	FY20	FY21E	FY22E	FY21E	FY22E
Credit growth (%)	33.4	68.1	10.1	25.0	22.3	27.4
Deposit Growth (%)	27.6	32.0	30.0	28.7	30.0	28.7
CASA ratio (%)	40.8	36.8	36.8	37.2	36.2	36.6
NIM Calculated (%)	9.4	9.1	7.2	6.9	7.9	7.9
Cost to income ratio (%)	32.6	32.2	34.9	37.8	30.9	30.6
GNPA (₹crore)	819.5	1,417.7	1,865.5	2,509.3	1,865.5	2,523.3
NNPA (₹crore)	251.7	710.6	1,030.2	1,522.5	1,024.1	1,509.4
Slippage ratio (%)	763.0	1,196.5	895.5	1,287.7	895.5	1,315.6
Credit cost (%)	1.9	2.3	1.7	1.7	1.7	1.7

Source: Company, ICICI Direct Research

Story in Charts

The management has said that 100% of micro finance has been provided moratorium while 13% loan by value opted for moratorium in mortgage book. MSME exposure witnessed ~35% of advances under moratorium and ~59% of exposure to NBFC-MFI has opted for moratorium. With major exposure towards essential services and ~76% of exposure to region categorised under green/amber zone, the management expects to start with disbursement and collection activities. Overall, the management says it may take four to six weeks post lifting of lockdown for a return to normalcy.

Exhibit 4: Total ~100% micro finance exposure opt for moratorium

Loan Book	Advances Breakup	% of total advances	% under Moratorium	Moratorium by Value
Micro	46189	64.3%	100.0%	46,189
Mortgage	18578	25.9%	13.0%	2,415
NBFC-MFI	2476	3.4%	59.0%	1,461
NBFC-Others	1060	1.5%	0.0%	0
SME	2811	3.9%	35.0%	984
Total	71845	100.0%	71.1%	51,049

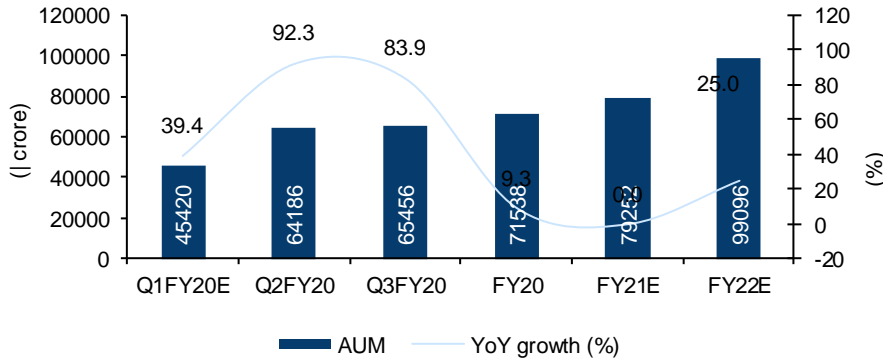
Source: Company, ICICI Direct Research

Exhibit 5: Customer segment wise exposure

Business Category	Micro Banking	Non- Micro Banking	Total Advances	% of Total Advances
Green Zone				
Agriculture & Allied Activities	20612	90.9	20702.9	28.8%
Affordable Housing	19.1	18500.2	18519.3	25.8%
Food Processing & Retail	13850.4	984.8	14835.2	20.6%
Personal & Healthcare	123.4	1743.2	1866.6	2.6%
Rural Transportation	1170.1	0	1170.1	1.6%
Pharma & Medical	90.9	126.7	217.6	0.3%
Computer, Cable /DTH Providers	37.9	2.1	40	0.1%
Education	0	33.5	33.5	0.0%
Chemicals	0	25.7	25.7	0.0%
Total	35903.8	21507.1	57410.9	79.9%
Orange Zone				
Manufacturing - Non Essential	6707.4	380.9	7088.3	9.9%
Financial Services	116	3543	3659	5.1%
Wood/Metal Furniture	911.1	0	911.1	1.3%
Total	7734.5	3923.9	11658.4	16.2%
Red Zone				
Other Transportation	1421.5	122.6	1544.1	2.1%
Wellness & Beauty Parlour	1097.1	51.1	1148.2	1.6%
Logistics & Courier	32.2	38.7	70.9	0.1%
Other Services	0	13.3	13.3	0.0%
Total	2550.8	225.7	2776.5	3.9%
Total Portfolio	46189.1	25656.7	71845.8	100.0%

Source: Company, ICICI Direct Research

Exhibit 6: Credit growth momentum to continue ahead



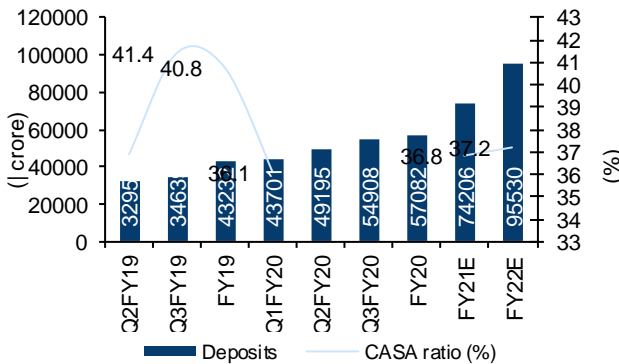
Source: Company, ICICI Direct Research

Exhibit 7: Focus on micro loan as well as non-micro loan

	FY19	Q1FY20	Q2FY20	Q3FY20	FY20	FY21E	FY22E
Gross advances (AUM)	44776	45420	64186	65456	66630	79252	99096
Net advances (O/s Loan Book)	39643	45420	64186	65456	66630	73363	91734
Micro loans	33399	39166	39197	40100	46189	45322	56653
Non micro loans	6244	6254	24989	25356	20441	28040	35081

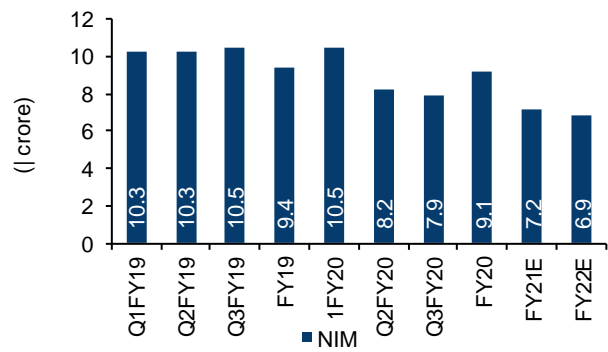
Source: Company, ICICI Direct Research

Exhibit 8: Continued focus on deposit accretion



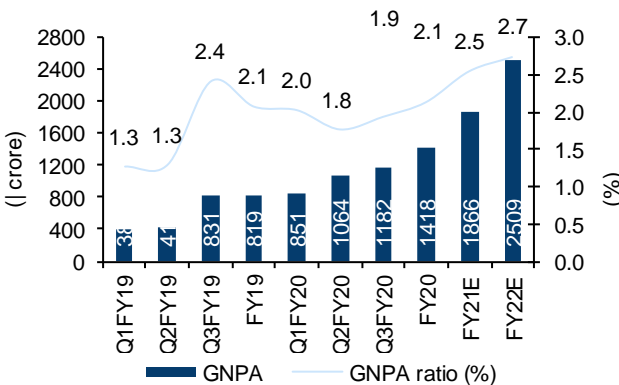
Source: Company, ICICI Direct Research

Exhibit 9: Moderation in margin at ~7% in FY20-22E



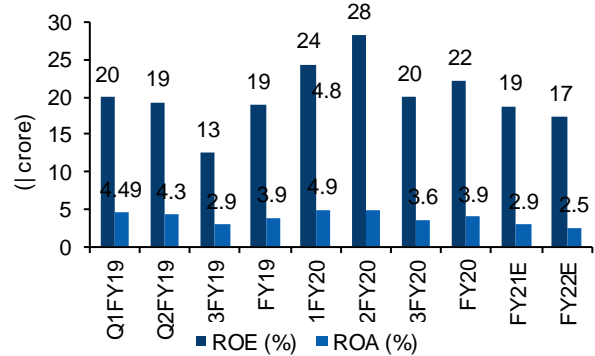
Source: Company, ICICI Direct Research

Exhibit 10: Asset quality to remain under watch



Source: Company, ICICI Direct Research

Exhibit 11: Return ratio to remain steady



Source: Company, ICICI Direct Research

Exhibit 12: CI ratio continues to remain better than peers

	FY19	Q1FY20	Q2FY20	Q3FY20	FY20	FY21E	FY22E
Operating expenses	1810.9	550.5	582.4	634.1	2537.2	2861.9	3542.6
YoY growth (%)		28.8	34.2	38.6	40.1	12.8	23.8
CI ratio (%)	32.6	29.9	30.8		32.2	34.9	37.8
Opex to AUM (%)	4.0	4.8	5.1	5.6	3.5	3.6	3.6
Employee cost to AUM (%)	2.3	2.8	2.1	2.1	1.9	2.0	2.0
Other opex to AUM (%)	1.8	1.7	1.6	1.6	1.6	1.6	1.6

Source: Company, ICICI Direct Research

Exhibit 13: Customer accretion continues to remain healthy

Lakh	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Borrowers	88	96.5	100	110	117.3	
Micro borrowers	87	95	98.4	101	105	111.4
Non micro borrowers	1.4	1.5	1.6	9.0	12.3	(111.4)

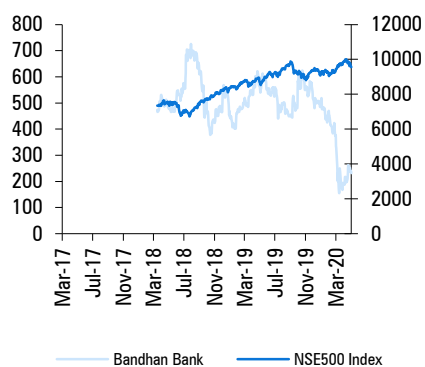
Source: Company, ICICI Direct Research

Exhibit 14: Shareholding pattern

(in %)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Promoter	82.3	82.3	82.3	61.0	61.0
FII	5.6	6.3	6.9	13.9	13.1
DII	10.0	9.5	8.8	8.2	8.8
Others	2.1	1.9	2.0	17.0	17.2

Source: Company, BSE, ICICI Direct Research

Exhibit 15: Price Chart



Source: Company, Company, ICICI Direct Research

Financial summary

Exhibit 16: Profit and loss statement				
	₹ crore			
(₹Crore)	FY19	FY20	FY21E	FY22E
Interest Earned	6644.1	10885.5	12317.6	14625.6
Interest Expended	2148.4	4561.6	5709.4	7169.4
Net Interest Income	4,495.7	6,323.9	6,608.2	7,456.2
growth (%)		40.7	4.5	12.8
Non Interest Income	1063.4	1549.2	1603.3	1910.2
Operating Income	5559.1	7873.1	8211.5	9366.4
Staff cost	1008.7	1367.0	1595.5	1948.2
Other Operating expense	802.2	1059.5	1266.4	1594.3
Operating profit	3748.1	5446.5	5349.6	5823.9
Provisions	735.1	1393.2	1281.7	1516.0
Exceptional items	0.0	0.0	0.0	0.0
PBT	3013.0	4053.4	4067.9	4307.9
Taxes	1061.6	1029.7	1037.3	1098.5
Net Profit	1951.5	3023.7	3030.6	3209.4
EPS (₹)	16.4	18.1	18.8	19.9

Source: Company, ICICI Direct Research

Exhibit 17: Key Ratios				
(Year-end March)	FY19	FY20	FY21E	FY22E
Valuation				
No. of Equity Shares	119.3	161.0	161.0	161.0
EPS (₹)	16.4	18.1	18.8	19.9
BV (₹)	93.9	94.4	105.7	124.0
ABV (₹)	91.8	90.0	99.3	114.5
P/E	31.4	28.4	27.3	25.7
P/BV	5.5	5.4	4.9	4.1
P/ABV	5.6	5.7	5.2	4.5
Yields & Margins (%)				
Net Interest Margins	9.4	9.1	7.2	6.9
Yields on Loans	15.4	17.0	14.8	14.8
Cost of funds	5.5	5.8	5.7	5.7
Quality and Efficiency (%)				
Cost to income ratio	32.6	32.2	34.9	37.8
GNPA	2.07	2.13	2.54	2.74
NNPA	0.63	1.07	1.40	1.66
ROE	19.0	22.1	18.8	17.4
ROA	3.9	3.9	2.9	2.5

Source: Company, ICICI Direct Research

Exhibit 18: Balance sheet				
	₹ crore			
(₹Crore)	FY19	FY20	FY21E	FY22E
Sources of Funds				
Capital	1193	1610	1610	1610
Reserves and Surplus	10009	13585	15405	18357
Net worth	11202	15195	17015	19967
Deposits	43232	57082	74206	95530
Borrowings	521	16379	19655	23586
Other Liabilities & Provisions	1487	3062	3827	4784
Total	56442	91718	114703	143867
Applications of Funds				
Fixed Assets	331	369	443	531
Investments	10038	15352	18422	22106
Advances	39643	66630	73363	91734
Other Assets	6430	9367	22476	29496
Total	56442	91718	114703	143867

Source: Company, ICICI Direct Research

Exhibit 19: Key ratios				
(Year-end March)	FY19	FY20	FY21E	FY22E
Total assets				
Total assets	27.4	62.5	25.1	25.4
Advances	33.4	68.1	10.1	25.0
Deposit	27.6	32.0	30.0	28.7
Total Income	97.5	41.6	4.3	14.1
Net interest income	87.0	40.7	4.5	12.8
Operating expenses	16.5	2.1	-3.4	0.0
Operating profit	219.7	45.3	-1.8	8.9
Net profit	296.9	54.9	0.2	5.9
Net worth	19.4	35.7	12.0	17.3
EPS	61.1	10.6	4.0	5.9

Source: Company, ICICI Direct Research

Exhibit 20: ICICI Direct coverage universe (BFSI)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			P/ABV (x)			RoA (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E
Bank of Baroda (BANBAR)	44	65	Hold	22,756.3	-0.4	-1.9	-4.3	NA	NA	NA	0.6	0.5	0.5	0.0	-0.1	-0.2	-0.3	-1.2	-2.5
State Bank of India (STABAN)	174	250	Buy	166,310	16.8	24.2	33.7	10.4	7.2	5.1	1.0	0.9	0.8	0.4	0.6	0.7	7.6	11.0	13.2
Indian Bank (INDIBA)	48	50	Hold	2,810	-27.2	8.5	13.0	-1.8	5.7	3.7	0.4	0.3	0.3	-0.8	0.2	0.3	-11.6	3.5	5.1
Axis Bank (UTIBAN)	404	500	Buy	110,439	5.8	17.4	27.9	70.0	23.2	14.5	1.6	1.6	1.4	0.2	0.5	0.7	2.2	5.6	8.5
City Union Bank (CITUNI)	131	171	Buy	8,711	8.7	10.1	11.4	15.1	13.0	11.4	2.1	1.8	1.6	1.4	1.4	1.4	12.6	13.0	13.0
Development Credit Bank (DCB)	70	92	Hold	2,524	13.0	13.5	15.0	5.4	5.2	4.7	0.7	0.7	0.6	1.1	1.0	1.0	13.3	12.2	12.0
Federal Bank (FEDBAN)	43	47	Hold	8,355	7.7	7.9	12.5	5.6	5.5	3.5	0.7	0.6	0.6	0.9	0.8	1.2	11.0	10.4	14.9
HDFC Bank (HDFBAN)	940	1,100	Buy	499,198	47.9	57.1	69.6	19.6	16.5	13.5	3.1	2.8	2.5	1.9	1.9	2.0	16.4	17.1	18.4
Indusind Bank (INDBA)	463	400	Hold	27,461	63.7	54.9	66.7	7.3	8.4	6.9	1.0	0.9	0.8	1.5	1.2	1.2	13.5	10.5	11.4
Jammu & Kashmir Bank (JAMKAS)	13	12	Sell	671	-12.7	-0.1	-6.1	-1.0	NA	NA	0.2	0.2	0.3	-0.7	0.0	-0.3	-10.1	-0.1	-4.9
Kotak Mahindra Bank (KOTMAH)	1,204	1,700	Buy	228,664	29.9	29.0	31.3	40.3	41.5	38.4	5.0	4.5	4.0	1.7	1.4	1.3	12.5	10.8	10.5
Bandhan Bank (BANBAN)	255	300	Buy	30,740	18.1	18.8	19.9	14.1	13.5	12.8	2.8	2.6	2.2	3.9	2.9	2.5	22.1	18.8	17.4
IDFC First (IDFBAN)	21	25	Buy	10,221	-4.8	1.0	2.1	NA	21.9	10.2	0.7	0.7	0.7	-1.6	0.3	0.6	-15.0	3.0	6.2

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, Akruvi 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 Yash Batra, 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.