

### Prudent provisioning provides significant comfort

- ICICI bank reported a better than expected operating performance with NII and PPOP growth of 20% and 71% respectively. PPOP grew by 24% YoY excluding one-time gain from stake sale in insurance subsidiaries (Rs30bn).
- Moratorium levels at 17.5% are based on opt-in from the month of June. The Bank has made additional Covid related provisions of Rs55.5 bn in 1QFY21, with standard provision buffers (ex- general provisions) at 1.6% of loans and 9% of moratorium book as of June-20.
- ICICI Bank's prudent provisioning, healthy liability profile, strong digital capabilities and market leading subsidiaries remain its key strength. We nonetheless remain watchful of tail risks post moratorium, particularly from the bank's corporate portfolio.
- We maintain our BUY recommendation on the stock with a SOTP-based Target Price of Rs500**, valuing the standalone bank at 1.7x FY22E book, which including the value of subsidiaries implies 2.3x of FY22 P/ABV. ICICI Bank remains amongst our preferred picks in the sector.

### Prudent provisioning provides comfort

With Rs82.75 bn of provisions made over last two quarters, the bank's COVID provisioning buffers at 1.3% of loans is amongst the highest in industry. These provisions are based on the bank's 'BB and below' book and loan moratorium in segments like the CV, builder, dealer funding where moratorium levels have been higher than average. Additionally, PCR has been further increased by 300 bps to 78.6% in June-20. Factoring in drawdown from existing buffers, we expect incremental credit costs for the rest of FY21E to decline materially.

### Tail risks not altered materially; Corporate downgrades remain elevated

Moratorium 2.0 is based on opt-in by customers every month and decline in moratorium levels does not imply that borrowers have cleared their past dues. Therefore, while moratorium levels have declined, a commensurate reduction in tail risks looks uncertain at this point. Downgrades during the quarter to 'BB and below' book remained high at Rs14.73bn, though they were granular in nature and spread across sectors. Risks from unsecured PL/CC portfolio are likely to be lower for large private banks given exposure to prime salaried borrowers. We, however, expect delayed normalization of the bank's corporate stress pool.

### Q1FY21 Result (Rs Mn)

Particulars	Q1FY21	Q1FY20	YoY (%)	Q4FY20	QoQ (%)
Net interest income	92,798	77,374	19.9	89,269	4.0
Other income	61,426	34,254	79.3	42,550	44.4
Total Net Income	154,224	111,629	38.2	131,819	17.0
Operating expenses	46,459	48,744	(4.7)	57,918	(19.8)
Pre-provision profits	107,765	62,885	71.4	73,901	45.8
Provisions	75,940	34,957	117.2	59,674	27.3
Tax expense	5,834	8,847	(34.1)	2,013	189.8
Reported Net Profit	25,992	19,080	36.2	12,214	112.8
			(bps)		(bps)
Advances Growth (%)	6.5	14.7	(820)	10.0	(345)
NIM (%)	3.7	3.6	8	3.9	(18)
RoA (%)	0.9	0.8	14	0.5	46
RoE (%)	8.8	7.1	176	4.4	444
Gross NPA (%)	5.5	6.5	(103)	5.5	(7)

CMP	Rs 382
Target / Upside	Rs 500 / 31%
BSE Sensex	38,154
NSE Nifty	11,216

### Script Details

Equity / FV	Rs 12,948mn / Rs 2
Market Cap	Rs 2,472bn
	USD 33bn
52-week High/Low	Rs 552/Rs 268
Avg. Volume (no)	46,053,000
NSE Symbol	ICICIBANK
Bloomberg Code	ICICIBC IN

### Shareholding Pattern Jun'20(%)

Promoters	0.0
MF/Banks/FIs	45.0
FII	43.7
Public / Others	11.3

### Valuation (x)

	FY20A	FY21E	FY22E
P/E	31.2	17.0	14.7
P/ABV	2.5	2.0	1.8
ROAA	0.8	1.3	1.4
ROAE	7.2	11.8	11.7

### Estimates (Rs mn)

	FY20A	FY21E	FY22E
NII	332,671	381,158	426,443
PPOP	281,012	365,798	344,951
PAT	79,308	124,340	179,242
Adj BV	154.1	190.8	215.4

VP Research: **Mona Khetan**

Tel: +91 22 40969762

E-mail: monak@dolatcapital.com

Associate: **Shreesh Chandra**

Tel: +91 22 40969714

E-mail: shreeshc@dolatcapital.com

Analyst: **Prithvish Uppal**

Tel: +91 22 40969714

E-mail: prithvish@dolatcapital.com

### Other Important Highlights:

- From a base case perspective, provisions should suffice for the expected risks as per management.
- ~90% of customers in moratorium 2.0 are common to moratorium 1 bucket. Moratorium levels could rise by a few % points as a few customers from moratorium 1.0 who did not opt for morat 2.0 have not cleared their June instalments. June collection efficiency was at 80% of pre-COVID levels. 97% of PL/CC who have availed moratorium continue to receive salary credits.
- NIM decline of 18bps QoQ to 3.69% was mainly on the back of higher liquidity and lower CD ratio. Margin pressures owing to above reasons could continue over the near term.
- Under the emergency credit guarantee scheme the bank sanctioned ~50bn of loans to 19mn borrowers of which 38bn has been disbursed.
- Loan growth at 6.5% YoY was impacted decline in retail growth and reduction in non-India linked corporate portfolio, in line with management's stated strategy. Domestic growth was higher at 10% YoY.
- Growth in the performing domestic corporate portfolio was about 8% YoY, lower than other large peers led by preference for shorter term lending and a good share of repayments.
- Rural disbursements are now close to pre-COVID levels, with gold loan book up 32% YoY

**Risks to our View:** Higher than expected impact of COVID-19 on asset quality and growth, fee and recoveries, higher-than-expected slippages from corporate portfolio.

#### Exhibit 1: Actual v/s estimates

(₹ mn)	Actual	Estimated	% Variance	Comments
NII	92,798	87,955	5.5	
Operating Profit	1,07,765	99,264	8.6	Lower opex and better NII growth
PAT	25,992	34,883	(25.5)	Higher provisions COVID related

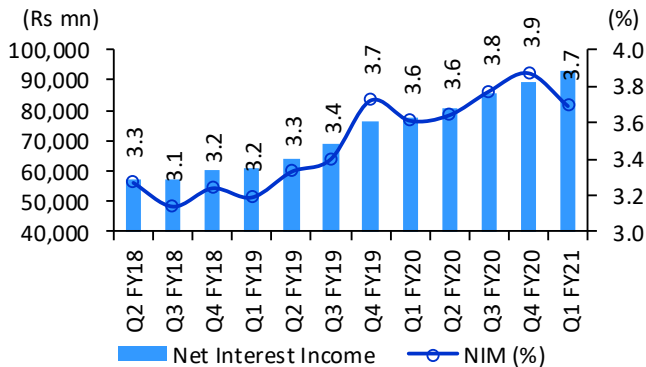
Source: Company, DART

#### Exhibit 2: Change in estimates

Particulars	Previous		Revised		Change %	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Net Operating Revenue	5,89,974	5,91,977	5,96,565	5,94,700	1.1	0.5
Pre-Provision Profits	3,60,204	3,37,865	3,65,798	3,44,951	1.6	2.1
PAT	1,49,888	1,71,580	1,54,340	1,79,242	3.0	4.5

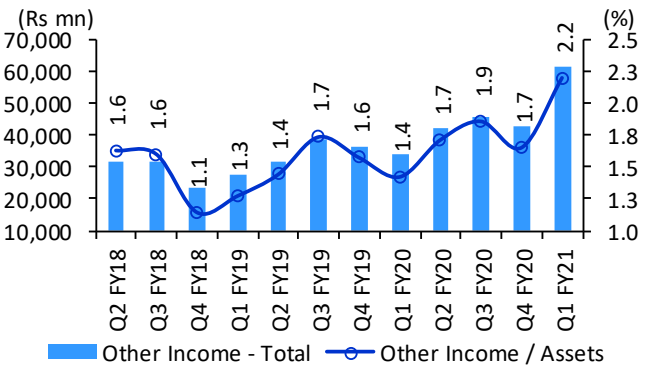
Source: Company, DART

**Exhibit 3: Margins impacted by surplus liquidity and lower CD ratio**



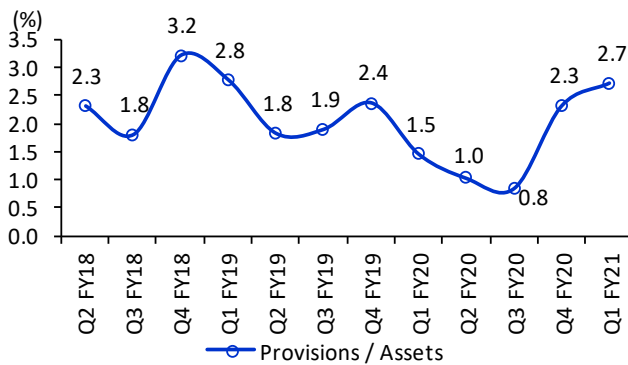
Source: Company, DART

**Exhibit 4: Higher other income from subsidiary stake sale, core fee impacted by decline in loan originations**



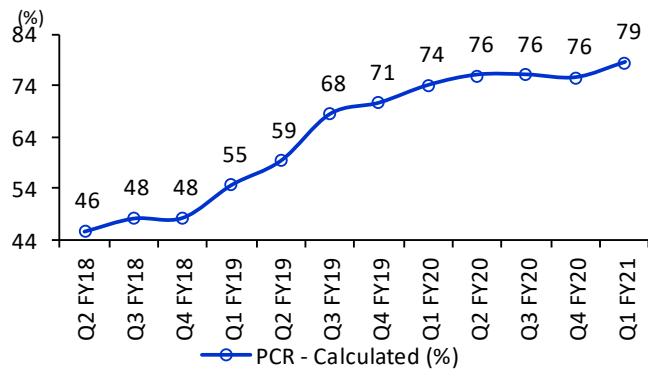
Source: Company, DART

**Exhibit 5: Elevated provisions due to COVID related provisions of Rs 55bn**



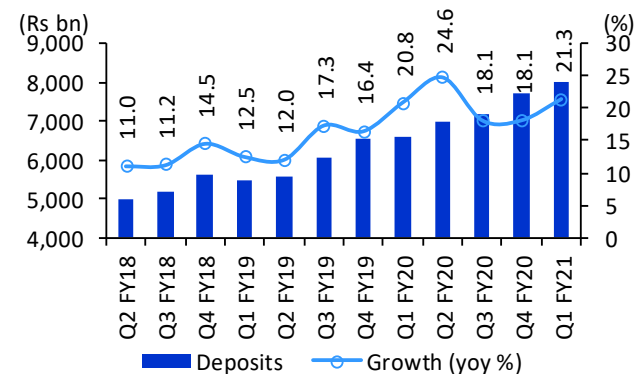
Source: Company, DART

**Exhibit 6: PCR amongst the best in industry**



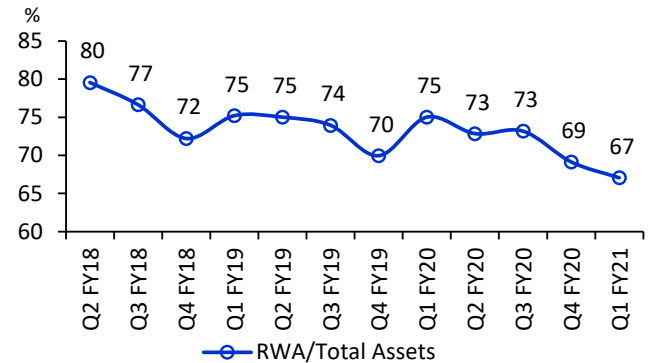
Source: Company, DART

**Exhibit 7: Higher growth in deposits vs loans impacts NIM**



Source: Company, DART

**Exhibit 8: Improving Capital Consumption**



Source: Company, DART

**Exhibit 9: Exposure to Stressed Sectors- Higher NBFC/HFC disbursements driven by TLTRO**

(Rs bn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	QoQ % / bps	YoY % / bps
NBFCs	265	266	268	273	301	10.1	13.5
% of loans	4.5	4.3	4.2	4.2	4.8	53	29
HFCs	155	141	140	124	141	13.3	(9.1)
% of loans	2.6	2.3	2.2	1.9	2.2	30	(39)
Builder Loans	202	225	231	223	218	(2.1)	7.9
% of loans	3.4	3.7	3.6	3.5	3.5	0	4
Power	391	334	322	380	354	(6.8)	(9.4)
% of loans	6.6	5.4	5.1	5.9	5.6	(28)	(99)

Source: Company, DART

**Exhibit 10: SOTP Valuation**

Entity	Stake	Per Share Value	Methodology
<b>ICICI Standalone (A)</b>		<b>365</b>	<b>1.7x FY22E ABV</b>
Foreign Banking Subsidiaries		11	1x Net Worth
ICICI Home Finance	100%	3	1x Net Worth
ICICI Prudential Life Insurance	53%	52	Mcap
ICICI Lombard General Insurance	56%	51	Mcap
ICICI AMC	51%	28	10% of AUM
ICICI Securities	79%	21	Mcap
Other Subsidiaries		3	
<b>Value of Subsidiaries (B)</b>		<b>169</b>	
Holdco. Discount	15%		
<b>Value of the bank (A+B)</b>		<b>500</b>	<b>(rounded off)</b>
Contribution of subs to total (%)		28%	

Source: Company, DART

## Quarterly Financials

Profit and Loss (Rs mn)	Q1FY21	Q1FY20	% yoy / bps	Q4FY20	% qoq / bps
<b>Interest Income</b>	<b>1,99,244</b>	<b>1,79,801</b>	<b>10.8</b>	<b>1,91,887</b>	<b>3.8</b>
Yield on Advances (%)	9.30	9.36	(6)	9.41	(11)
Yield on Assets (%)	7.93	8.40	(47)	8.32	(39)
<b>Interest Expenses</b>	<b>1,06,446</b>	<b>1,02,426</b>	<b>3.9</b>	<b>1,02,618</b>	<b>3.7</b>
Cost of Dep. (%)	4.53	5.08	(55)	4.78	(25)
Cost of Fund (%)	4.61	5.23	(62)	4.92	(31)
<b>Net Interest Income</b>	<b>92,798</b>	<b>77,374</b>	<b>19.9</b>	<b>89,269</b>	<b>4.0</b>
NII to Net Operative Income	60.2	69.3	(914)	67.7	(755)
NIM (%)	3.69	3.61	8	3.87	(18)
Dom. NIM (%)	3.91	3.93	(2)	4.14	(23)
Int. NIM (%)	0.33	0.33	-	0.28	5
Fee income	21,040	30,390	(30.8)	35,980	(41.52)
Profit on Sale / Rev of Investments	37,630	1,790	2,002.2	2,420	1,455.0
<b>Other Income - Total</b>	<b>61,426</b>	<b>34,254</b>	<b>79.3</b>	<b>42,550</b>	<b>44.4</b>
Other Inc to Net Oper. Income (%)	39.8	30.7	914	32.3	755
<b>Net Operating Revenue</b>	<b>1,54,224</b>	<b>1,11,629</b>	<b>38.2</b>	<b>1,31,819</b>	<b>17.0</b>
Employee Expenses	21,661	19,533	10.9	22,345	(3.1)
Empl. Cost/Oper. Exps. (%)	14.0	17.5	(345)	17.0	(291)
Other Opex	24,798	29,211	(15.1)	35,573	(30.3)
Other Opex/ Assets (%)	0.2	0.3	(8)	0.3	(12)
<b>Total Opex</b>	<b>46,459</b>	<b>48,744</b>	<b>(4.7)</b>	<b>57,918</b>	<b>(19.8)</b>
Cost to Income Ratio (%)	30.1	43.7	(1,354)	43.9	(1,381)
<b>Pre-Provision Profits</b>	<b>1,07,765</b>	<b>62,885</b>	<b>71.4</b>	<b>73,901</b>	<b>45.8</b>
<b>PPP incl Except. Items</b>	<b>1,07,765</b>	<b>62,885</b>	<b>71.4</b>	<b>73,901</b>	<b>45.8</b>
<b>Provisions &amp; Contingencies - Total</b>	<b>75,940</b>	<b>34,957</b>	<b>117.2</b>	<b>59,674</b>	<b>27.3</b>
NPA Provisions as % PPP	70.5	55.6	1,488	80.7	(1,028)
<b>Profit Before Tax</b>	<b>31,825</b>	<b>27,927</b>	<b>14.0</b>	<b>14,227</b>	<b>123.7</b>
<b>Tax</b>	<b>5,834</b>	<b>8,847</b>	<b>(34.1)</b>	<b>2,013</b>	<b>189.8</b>
Effective Tax Rate (%)	18.3	31.7	(1,335)	14.1	418.1
<b>Reported Profits</b>	<b>25,992</b>	<b>19,080</b>	<b>36.2</b>	<b>12,214</b>	<b>112.8</b>
RoA (%)	0.95	0.81	14	0.49	46.0
Basic EPS	4.01	2.96	35.5	1.89	112.2
Diluted EPS	3.98	2.91	36.8	1.86	114.0

Balance Sheet Analysis	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	QoQ % / bps	YoY % / bps
Net Worth	11,03,950	11,06,060	11,49,976	11,65,009	11,86,160	1.8	7.4
CET1 (%)	13.2	13.2	13.6	13.4	13.3	(10)	8
Tier 1 (%)	14.6	14.6	15.0	14.7	14.6	(11)	1
Total CAR (%)	16.2	16.1	16.5	16.1	16.0	(11)	(19)
RWA - Total	72,29,240	72,63,560	73,69,730	75,94,900	76,35,830	0.5	5.6
Advances - Total	59,24,154	61,33,587	63,56,543	64,52,900	63,12,146	(2.2)	6.5
Investments	21,99,962	22,33,756	22,74,800	24,95,315	30,18,511	21.0	37.2
Total Assets	96,37,525	99,70,109	1,00,70,680	1,09,83,652	1,13,86,127	3.7	18.1
RoA (%)	0.81	0.27	1.68	0.49	0.95	46	14
Deposits	66,07,318	69,62,730	71,63,451	77,09,690	80,16,223	4.0	21.3
Saving Deposit	21,84,760	23,05,690	23,54,200	24,55,910	24,48,360	(0.3)	12.1
Current Deposit	8,04,010	9,44,310	10,09,890	10,22,270	9,57,800	(6.3)	19.1
CASA Deposits	29,88,770	32,50,000	33,64,091	34,78,180	34,06,153	(2.1)	14.0
CASA Ratio (%)	45.2	46.7	47.0	45.1	42.5	(261)	(270)
Term Deposits	36,18,548	37,12,730	37,99,360	42,31,510	46,10,070	8.9	27.4

Movement of NPA (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	QoQ % / bps	YoY % / bps
Gross Advances	7,051,322	7,164,645	7,303,170	7,488,094	73,96,747	(1.2)	4.9
Gross NPA	457,631	456,388	434,539	414,092	4,03,862	(2.5)	(11.7)
Gross NPA Ratio (%)	6.49	6.37	5.95	5.53	5.46	(7)	(103)
PCR - Calculated (%)	74.1	76.1	76.1	75.6	78.5	294	443
Net Advances	6,698,610	6,822,750	6,972,148	7,172,950	70,52,561	(1.7)	5.3
Net NPA	118,565	109,164	103,885	101,139	86,747	(14.2)	(26.8)
Net NPAs Ratio (%)	1.77	1.60	1.49	1.41	1.23	(18)	(54)

Loan Book Analysis (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	QoQ % / bps	YoY % / bps
Home	1,839,300	1,907,760	1,963,710	2,002,240	20,11,110	0.4	9.3
Rural & Other	500,330	519,200	540,660	568,500	5,71,770	0.6	14.3
Business Banking	193,450	227,430	251,100	265,630	2,58,720	(2.6)	33.7
Personal Loans	344,420	377,560	420,410	452,880	4,39,800	(2.9)	27.7
Vehicle Loans	560,580	569,120	584,060	583,310	5,75,320	(1.4)	2.6
Credit Cards	136,940	146,960	163,070	156,540	1,47,290	(5.9)	7.6
Retails - Other	60,940	61,630	53,450	50,930	41,750	(18.0)	(31.5)
SME	295,240	190,640	217,440	228,510	2,08,570	(8.7)	(29.4)
Domestic corporate	1,396,550	1,532,940	1,596,770	1,604,700	15,87,540	(1.1)	13.7
Overseas	596,400	600,350	565,870	536,970	4,70,270	(12.4)	(21.1)
Advances - Total	5,924,154	6,133,587	6,356,543	6,452,900	63,12,146	(2.2)	6.5



---

## Conference Call Highlights

- The bank is enhancing its deposit franchise with robust deposit flows in the quarter. CASA growth has been healthy, with ~190bn overall increase in average daily balances.
- The bank's CoD is amongst lowest in industry. During the quarter deposits rates were slashed by 50bps.
- Loan origination impacted due to lockdown. Overseas loans declined YoY and QoQ. Overseas portfolio coming down in line with guidance given earlier.
- Under the emergency credit guarantee scheme the bank sanctioned ~50bn of loans to 19mn borrowers of which 38bn has been disbursed.
- Ratings downgrades during the quarter were ~14.73bn, largely granular in nature and spread across sectors
- Lower margins due to higher liquidity, deposits inflows and lack of loan growth. 4bps impact on margins due to income tax refunds
- Fee income also declined due to lower transaction related activities

## Loan portfolio

- The bank is incrementally using analytics and have reviewed and tightened underwriting standards
- Incremental sourcing was primarily to existing customers of the bank
- **Mortgage book** breakup: 70% home loans, 8% top up, 5% office premises, 17% LAP. 17% of customers are ETB with liability profiles with the bank.
  - LTVs: Home loans 65%; LAP 55% (based on cash flows and not on collateral values)
- **CV** utilizations have been up. Ecommerce seeing 100% logistics utilizations
- **Auto loans** – PV has started showing recovery with promising trends in June. Disbursement volumes have reached 65% of pre-COVID levels. 15% of portfolio is used vehicles.
- **PL/CC** – 85% is to salaried. 75% of salaried employed with well rated entities. Delinquencies are lower than industry and PVBs. 97% of PL/CC who have availed moratorium continue to receive salary credits.
- **Rural** disbursements are close to pre COVID levels
- **Business Banking** – ~4% of loans. Well diversified across sectors and geographies. OD utilizations have reached pre COVID levels. 80% hit rate of analytics-based recognition system.
- **SME** – ATS of incremental loans ~0.1bn. All incremental sanctions were to program based lending. Largely to ETB wealth and liability customers of the bank.
- **Corporate** – the bank is reducing concentration risks. Focus on providing full suite of products to customers
- **Builder** portfolio stands at ~3%, largely to well established corporates, 12% rated BB and below.
- **NBFC/HFC** rated BB and below and classified as NPA stands at ~1%

### Moratorium

- Moratorium levels have come down from 30% to 17.5% of total loans, in line with expectations. The bank does not see this as a conclusive indicator of outcomes. ~90% of customers who were in moratorium 2.0 are common to moratorium 1 bucket.
- From June onwards, no opt out facility is available.
- Moratorium number could go up by couple of percentage points as some customers who were in moratorium 1 and not availed moratorium are still overdue (and not in moratorium 2).
- Many customers have opted for moratorium from a liquidity/cash preservation view.
- The moratorium levels for CV/CE, builder loans and dealer funding portfolios are higher than average.

### Cards portfolio:

- Maintaining a balance between revolve and transaction-based customers. Cards is an integral part of the bank's personal banking portfolio. Focused on providing customers full range of services.
- **Amazon Pay cards** pickup has been good, and focus is to move customers towards using the same for transactions on both Amazon as well as other channels. Revolve rates are low for the cards and hence a lucrative option for customers; however, the bank would like to avoid chronic revolve customers.
- Bank is also moving to digital cards that can be issued immediately and can be used on e-commerce platforms (where cards volumes have been moving much faster than physical channels.)

### Opex:

- Large part of the costs is business linked which have been lower due to lower business activities. Some of the variable costs like printing, travel and rent have trended down during the lockdown, but should go up once business activity picks up.
- Employee retiral provisions have been higher during the quarter due to decline in yields.
- Technology related expenses will rise as the bank continues to invest in digital infrastructure.



**Profit and Loss Account (Rs Mn)**

Particulars	FY19A	FY20A	FY21E	FY22E
Interest Income	634,012	747,983	814,745	893,069
Interest expenses	363,864	415,313	433,587	466,626
<b>Net interest income</b>	<b>270,148</b>	<b>332,671</b>	<b>381,158</b>	<b>426,443</b>
Other incomes	134,026	164,485	215,407	168,257
Total expenses	180,891	216,144	230,767	249,749
- Employee cost	68,082	82,712	89,329	95,582
- Other	112,808	133,432	141,438	154,167
<b>Pre provisioning profit</b>	<b>223,283</b>	<b>281,012</b>	<b>365,798</b>	<b>344,951</b>
Provisions	196,611	140,532	189,544	105,418
Profit before taxes	26,672	140,479	176,254	239,532
Tax provision	4,135	61,171	51,914	60,290
Profit after tax	22,538	79,308	124,340	179,242
<b>Adjusted profit</b>	<b>22,538</b>	<b>79,308</b>	<b>124,340</b>	<b>179,242</b>

**Balance Sheet (Rs Mn)**

Particulars	FY19A	FY20A	FY21E	FY22E
<b>Sources of Funds</b>				
Equity Capital	12,895	12,948	13,758	13,758
Reserves & Surplus	1,039,136	1,152,097	1,440,347	1,602,800
Minority Interest	0	0	0	0
Net worth	1,052,030	1,165,044	1,454,105	1,616,558
Borrowings	1,653,200	1,628,968	1,439,282	1,549,359
- Deposits	6,529,197	7,709,690	8,841,304	9,517,492
- Other interest bearing liabilities	0	0	0	0
Current liabilities & provisions	378,580	479,950	319,588	295,843
<b>Total Liabilities</b>	<b>9,613,007</b>	<b>10,983,652</b>	<b>12,054,279</b>	<b>12,979,252</b>
<b>Application of Funds</b>				
Cash and balances with RBI	802,963	1,191,557	1,192,637	1,083,413
Investments	2,077,327	2,495,315	3,034,036	2,962,881
Advances	5,866,466	6,452,900	6,904,603	7,871,247
Fixed assets	79,314	84,103	87,211	92,195
Other current assets, loans and advances	818,522	759,777	835,754	969,475
<b>Total Assets</b>	<b>9,644,592</b>	<b>10,983,652</b>	<b>12,054,241</b>	<b>12,979,211</b>

E – Estimates

**Important Ratios**

Particulars	FY19A	FY20A	FY21E	FY22E
<b>(A) Margins (%)</b>				
Yield on advances	8.7	9.3	9.1	9.1
Yields on interest earning assets	7.6	7.9	7.7	7.7
Yield on investments	6.2	6.4	6.4	6.3
Costs of funds	4.7	4.7	4.4	4.4
Cost of deposits	4.4	4.6	4.3	4.3
NIMs	3.2	3.5	3.6	3.7
<b>(B) Asset quality and capital ratios (%)</b>				
GNPA	6.7	5.5	6.3	4.9
NNPA	2.1	1.6	1.6	1.3
PCR	70.7	75.6	78.0	78.0
Slippages	2.5	2.4	4.3	2.5
NNPA to NW	13.3	8.9	7.7	6.4
CASA	50.0	45.5	45.0	45.0
CAR	16.9	16.1	16.9	17.2
Tier 1	15.1	14.7	15.8	16.3
Credit - Deposit	89.8	83.7	78.1	82.7
<b>(C) Dupont as a percentage of average assets</b>				
Interest income	6.9	7.3	7.1	7.1
Interest expenses	3.9	4.0	3.8	3.7
Net interest income	2.9	3.2	3.3	3.4
Non interest Income	1.5	1.6	1.9	1.3
Total expenses	2.0	2.1	2.0	2.0
- cost to income	44.8	43.5	38.7	42.0
Provisions	2.1	1.4	1.6	0.8
Tax	0.0	0.6	0.5	0.5
RoA	0.4	0.8	1.3	1.4
Leverage	9.4	9.7	8.5	8.2
RoE	3.2	7.2	11.8	11.7
RoRwa	0.5	1.0	1.8	1.9
<b>(D) Measures of Investments</b>				
EPS - adjusted	5.2	12.3	22.4	26.1
BV	158.4	175.1	206.7	230.0
ABV	131.9	154.1	190.8	215.4
DPS	1.8	2.0	2.3	2.3
Dividend payout ratio	0.0	0.0	0.0	0.0
<b>(E) Growth Ratios (%)</b>				
Net interest income	17.3	23.1	14.6	11.9
PPoP	15.0	25.9	30.2	(5.7)
Adj PAT	55.9	251.9	56.8	44.2
Advances	14.5	10.0	7.0	14.0
Total borrowings	(9.6)	(1.5)	(11.6)	7.6
Total assets	9.7	13.9	9.7	7.7
<b>(F) Valuation Ratios</b>				
Market Cap (Rs. mn)	2,471,697	2,471,697	2,471,697	2,471,697
CMP (Rs.)	382	382	382	382
P/E (x)	73.2	31.2	17.0	14.7
P/BV (x)	2.4	2.2	1.8	1.7
P/ABV (x)	2.9	2.5	2.0	1.8
Div Yield (%)	0.5	0.5	0.6	0.6

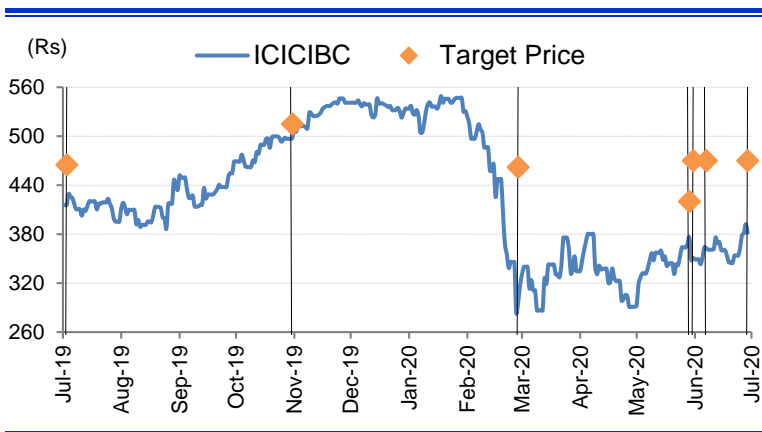
E – Estimates

### DART RATING MATRIX

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

### Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Jul-19	Accumulate	465	416
Nov-19	Accumulate	515	498
Mar-20	Buy	462	297
Jun-20	BUY	420	376
Jun-20	BUY	470	351
Jul-20	Buy	470	363
Jul-20	BUY	470	382

\*Price as on recommendation date

### DART Team

<b>Purvag Shah</b>	<b>Managing Director</b>	<b>purvag@dolatcapital.com</b>	<b>+9122 4096 9747</b>
--------------------	--------------------------	--------------------------------	------------------------

<b>Amit Khurana, CFA</b>	<b>Head of Equities</b>	<b>amit@dolatcapital.com</b>	<b>+9122 4096 9745</b>
--------------------------	-------------------------	------------------------------	------------------------

### CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Yomika Agarwal	VP - Equity Sales	yomika@dolatcapital.com	+9122 4096 9772
Jubbin Shah	VP - Derivatives Sales	jubbins@dolatcapital.com	+9122 4096 9779
Ashwani Kandoi	AVP - Equity Sales	ashwanik@dolatcapital.com	+9122 4096 9725
Lekha Nahar	AVP - Equity Sales	lekhan@dolatcapital.com	+9122 4096 9740
Equity Trading	Designation	E-mail	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Dinesh Mehta	Co- Head Asia Derivatives	dinesh.mehta@dolatcapital.com	+9122 4096 9765
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

**Dolat Capital Market Private Limited.**

Sunshine Tower, 28th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400013

---

**Analyst(s) Certification**

The research analyst(s), 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 or indirectly related to the specific recommendations or views expressed in this research report.

---

**I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)****II. Disclaimer:**

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), 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 company(ies) mentioned herein 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 company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. 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 Dolat Capital Market Private Limited. and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

**For U.S. Entity/ persons only:** This research report is a product of Dolat Capital Market Private Limited., 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 Dolat Capital Market Private Limited. 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 or entity.

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, Dolat Capital Market Private Limited. has entered into an agreement with a U.S. registered broker-dealer Ltd 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/Entity as informed by Dolat Capital Market Private Limited. from time to time.

---

**Dolat Capital Market Private Limited.**

Corporate Identity Number: U65990DD1993PTC009797

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INB010710052 & INF010710052, NSE - INB230710031& INF230710031, Research: INH000000685

Registered office: Office No. 141, Centre Point, Somnath, Daman – 396 210, Daman & Diu

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com

---