

## Long term prospects intact...

Kotak Mahindra Bank reported a mixed set of numbers on the operating front while credit growth trajectory on a sequential basis was maintained.

Kotak Bank posted lower-than-expected NII growth at 8.0% YoY to ₹ 3842 crore, mainly on account of 34 bps YoY and 19 bps QoQ decline in net interest margins. **The bank took a hit of ~₹ 110 crore in NI line for relief on interest on interest.** Non-interest income (NII) reported a sharp jump of 31% YoY, 51% QoQ to ₹ 1949 crore, driven by 23% QoQ rise in fee income and treasury gains (PBT level) of ₹ 898 crore vs. ₹ 48 crore QoQ. Cost to income ratio declined ~258 bps YoY with 9.4% QoQ reduction in employee expenses due to lower retirement benefits due to improved interest rates. The bank made elevated provisions worth ₹ 1179 crore, up 181% QoQ. Thus, PAT came in at ₹ 1682 crore, slightly below our estimates.

Asset quality, on a reported basis, saw GNPA rise of 99 bps QoQ from 2.26% to 3.25% as Supreme Court quashed standstill asset classification norms. However, considering previous quarter proforma GNPA level of 3.27% there was a tad improvement. The bank has implemented total restructuring of ₹ 435 crore, 0.19% of loans. SMA 2 outstanding declined from ₹ 654 crore to ₹ 110 crore. **Kotak Bank has provisions worth ₹ 1279 crore for Covid-19 related stress while total provisions held were at 95% of GNPA.**

Loan growth maintained its previous quarter's trajectory as advances were up 4.5% QoQ, 1.8% YoY to ₹ 223689 crore, positive growth on yearly basis for last four quarters. Growth was largely driven by 9.5% QoQ jump in home loan portfolio, 9.1% QoQ rise in CV/CE segment and 7.7% uptick in agri finance. Corporate banking segment remained a drag as it was down 6.8% YoY and flattish QoQ. Deposit growth came in at 6.6% on a yearly basis was among the lowest in past many quarters but sequentially deposits were up 5.6% to ₹ 280100 crore. CASA deposits showed strong 8.5% QoQ growth and as a result CASA ratio increased from 58.8% to 60.4% QoQ.

Consolidated PAT came in at ₹ 2589 crore; up 36% YoY driven by healthy performances of subsidiaries as well as bank's YoY PAT growth of 33%. Overall performance of subsidiaries was decent with Kotak Securities positing healthy 48% YoY growth in earnings at ₹ 241 crore. Kotak Life posted 17% YoY growth in PAT at ₹ 193 crore. Kotak Prime, the non-banking arm, witness 14.3% YoY growth in earnings at ₹ 184 crore.

## Valuation & Outlook

KMB's long term focus continues on maintaining risk adjusted returns. Credit growth momentum has been maintained sequentially, which is positive. Recent RBI announcement of limiting MD & CEO term to 15 years may not impact the bank immediately as there is adequate time of over 2.5 years for a smooth transition. Comfortable provision provides comfort regarding volatility in asset quality and, thus, earnings. Consistent performance over a period of time, healthy return ratios ~2% RoA & 13% RoE with strong management are reasons for premium valuations. We maintain our **BUY** rating with an SOTP target price of ₹ 2040 (unchanged).



### Particulars

Particulars	Amount
Market Capitalisation	₹ 341727 crore
GNPA (Q4FY21)	₹ 7425 crore
NNPA (Q4FY21)	₹ 2705 crore
NIM (Q4FY21)	4.4%
52 week H/L	2049/1100
Net worth	₹ 63729 crore
Face value	₹ 5
DII holding (%)	13.5
FII holding (%)	44.2

### Key Highlights

- Sequential loan growth for quarter at 4.5%
- Total loan provisions at 95% of GNPA
- Maintain BUY with unchanged SOTP target price of ₹ 2040

### Risk to our call

- Impact of second wave of pandemic could impact asset quality especially in unsecured book
- RBI mandate for promoters holding management (MD&CEO) position, may warrant Uday Kotak to step down post December 2023

### Research Analyst

Kajal Gandhi  
kajal.gandhi@icicisecurities.com

Vishal Narnolia  
vishal.narnolia@icicisecurities.com

Sameer Sawant  
sameer.sawant@icicisecurities.com

### Key Financial Summary

₹ crore	FY19	FY20	FY21	FY22E	FY23E	CAGR (FY21-23E)
NII	11206	13500	15340	17295	19940	14%
PPP	8348	10021	12215	13222	15410	12%
PAT	4865	5947	6965	8553	10190	21%
ABV	217	248	308	350	403	
P/E	67.6	55.5	49.1	39.9	33.5	
P/ABV	7.9	6.9	5.5	4.9	4.3	
RoA	1.7	1.8	1.9	2.1	2.1	
RoE	12.1	12.9	12.4	12.6	13.2	

**Exhibit 1: Variance Analysis**

	Q4FY21	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	Comments
NII	3,842.8	4,154.6	3,559.7	8.0	3,875.6	-0.8	Decline due to fall in Margins
NIM (%)	4.39	4.60	4.73	-34 bps	4.58	-19 bps	NIMs contracted as bank took hit of ₹110 crore on interest on interest relief given
Other Income	1,949.5	1,310.9	1,489.4	30.9	1,285.2	51.7	Treasury gains aided profits
Net Total Income	5,792.3	5,465.5	5,049.0	14.7	5,160.8	12.2	
Staff cost	868.9	1,010.0	969.6	-10.4	959.3	-9.4	Employee cost declined due to lesser retirement benefits as a result of higher interest rates
Other Operating Expenses	1,516.0	1,285.5	1,354.2	11.9	1,298.6	16.7	
PPP	3,407.5	3,170.0	2,725.3	25.0	2,902.9	17.4	
Provision	1,179.4	674.4	1,047.5	12.6	418.6	181.8	Elevated provisions due to higher loan loss provisions
PBT	2,228.1	2,495.6	1,677.8	32.8	2,484.3	-10.3	
Tax Outgo	545.7	623.9	411.2	32.7	630.8	-13.5	
PAT	1,682.4	1,871.7	1,266.6	32.8	1,853.5	-9.2	
<b>Key Metrics</b>							
GNPA	7,425.5	6,968.9	5,026.9	47.7	4,928.0	50.7	Sequentially GNPA asset quality was steady based on proforma
NNPA	2,705.2	2,230.0	1,557.9	73.6	1,064.0	154.2	
Advances	2,23,689	2,24,802	2,19,748	1.8	2,14,103	4.5	Growth lead by Home loans, Agri and CV segment
Deposits	2,80,100	2,95,674	2,62,821	6.6	2,65,304	5.6	Driven by strong 8.5% QoQ CASA growth

Source: Company, ICICI Direct Research

**Exhibit 2: Change in estimates**

(₹ Crore)	FY22E			FY23E		
	Old	New	% Change	Old	New	% Change
Net Interest Income	15,457.2	17,294.6	11.9	18,917.1	19,940.0	5.4
Pre Provision Profit	12,122.4	13,221.5	9.1	15,603.5	15,409.7	-1.2
NIM (%)	4.4	4.7	37 bps	4.6	4.7	11 bps
PAT	7,875.1	8,552.7	8.6	10,024.4	10,189.5	1.6
ABV (₹)	360.0	350.4	-2.7	256.0	402.6	57.3

Source: Company, ICICI Direct Research

**Exhibit 3: Assumption**

	Current				Earlier		
	FY20	FY21	FY22E	FY23E	FY21	FY22E	FY23E
Credit growth (%)	6.8	1.8	14.2	15.1	4.2	15.1	15.1
Deposit growth (%)	16.4	6.6	20.0	14.9	11.3	14.9	14.9
NIM calculated (%)	4.5	4.7	4.7	4.7	4.8	4.6	4.6
Cost to income ratio (%)	46.9	41.3	42.6	41.9	41.4	42.4	39.4
Slippage ratio (%)	1.7	1.9	1.1	0.9	1.9	1.2	1.2
Credit cost (%)	1.01	1.30	0.68	0.59	1.1	0.7	0.7

Source: Company, ICICI Direct Research

**Exhibit 3: Valuation (₹)**

Company	Value / share
KMB	1585
Kotak Life (assumed 100% stake)	174
Kotak Mahindra Prime	101
Kotak Mahindra Capital & others	67
Kotak Securities	132
Kotak AMC	93
Total	568
20% holding company discount	114
<b>SOTP target (post discount)</b>	<b>2040</b>

Source: Company, ICICI Direct Research

## Conference call highlights

### Business

- Focus to bring mortgage product
- Ready to pedal growth as situation improves
- Unsecured lending now at 5.8% of balance sheet vs 7.5% last year
- Total ₹ 1100 crore worth ECLGS disbursement for full year FY21
- Disbursements were impacted in April
- Saving lives before livelihood

### Asset quality

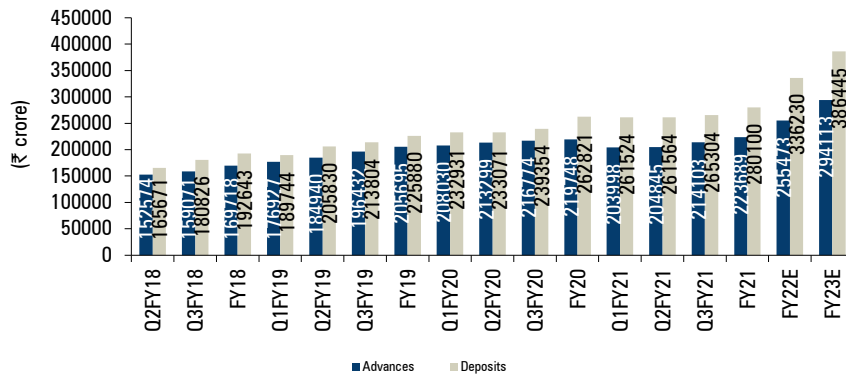
- H2FY21 slippages at ~₹ 4400 crore, mainly added in Q4
- Write-off for H2FY21 at ~₹ 540 crore mostly done in Q4, belongs to unsecured portfolio
- The bank provided 100% in the CV book in the past 180 days

### Others

- Significantly building up IT and technological capabilities
- Able to improve pricing on transaction based products

## Story in Charts

Exhibit 4: Loan growth to see gradual pick up



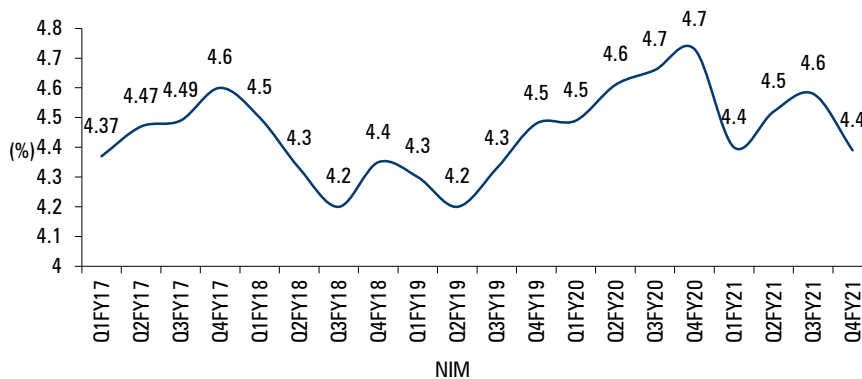
Source: Company, ICICI Direct Research

Exhibit 5: Loan book driven by home and agri loans

₹ crore	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Growth yoy (%)	Proportion (%)	Growth qoq (%)
CVs and construction eqmt.	19688	18993	19253	18442	18363	18685	20387	6	9.1	9.1
Personal Loans incl small business	34852	35636	34294	31671	32117	32633	32832	-4	14.7	0.6
Home loans	44371	46031	46881	47168	47732	49977	54749	17	24.5	9.5
Corporate banking	82374	83423	84855	76167	74237	78577	79084	-7	35.4	0.6
Agricultural finance	27068	27736	28757	27051	29077	30801	33159	15	14.8	7.7
Others	4946	4955	5708	3499	3319	3430	3478	-39	1.6	1.4
Total	213299	216774	219748	203998	204845	214103	223689	2	100.0	4.5

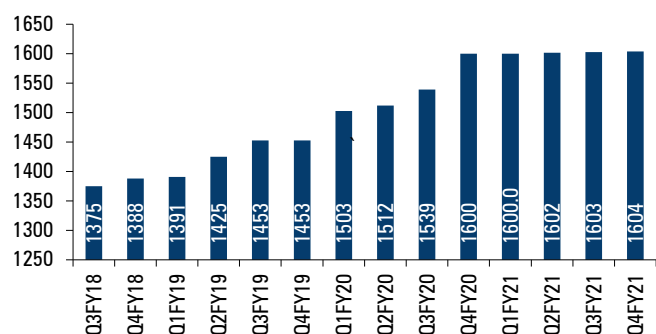
Source: Company, ICICI Direct Research

Exhibit 6: NIM trajectory



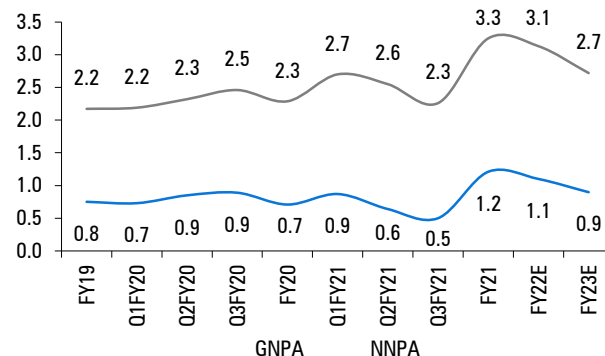
Source: Company, ICICI Direct Research

Exhibit 7: Branch addition remains muted



Source: Company, ICICI Direct Research

Exhibit 8: Asset quality to show improvement



Source: Company, ICICI Direct Research

Exhibit 9: Consolidated performance over quarters

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
Kotak Bank	1408	1360	1724	1596	1267	1244	2184	1854	1682
Kotak Securities	111	110	149	128	163	169	199	184	184
Kotak Mahindra Capital	21	45	1	40	-7	6	14	38	38
Kotak Prime	164	153	172	187	161	68	133	149	149
Kotak AMC & Trust	75	73	85	91	88	71	84	91	91
International Subsidiaries	32	29	34	26	30	54	45	5	5
Kotak Investment advisors/ others	15	17	22	42	8	35	28	31	31
Kotak Mahindra Investments	73	63	67	64	77	43	74	68	68
Kotak Mahindra Life Insurance	138	134	144	166	165	161	171	167	167
Total (net off affiliates/minority)	2038	1932	2407	2349	1906	1853	2947	2602	2430

Source: Company, ICICI Direct Research

Exhibit 10: Kotak Prime key financials

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21
PBT	240	235	234	250	203	93	179	201	248
PAT	164	153	172	187	161	68	133	149	184
Loans	28268	27749	27298	25855	24864	22834	22710	21033	21804
-car loans in same	20271	19554	19041	17998	17480	16143	16128	15656	15801
CAR	19.4	20.1	21	22.6	24.3	26.2	26.6	29.7	29.4
ROA	2.2	2	2.3	2.6	2.3	1	2.2	2.4	2.9
NET NPA	0.44%	0.54%	0.56%	0.61%	0.60%	1.07%	1.30%	0.90%	1.70%

Source: Company, ICICI Direct Research

Exhibit 11: Life insurance performance

Premium (₹ crore)	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Total Premium	2190.0	-1005.0	-2225.0	1207.0	2401.0	2623.0	4870
Indvl Regular	353.0	1564.0	2479.0	222.0	337	367	768
Group	659.0	852.0	769.0	283.0	582	608	1145
Single	165.0	229.0	352.0	133.0	256	270	593
Individual Renewal	1013.0	2645.0	3865.0	569.0	1226	1378	2364
APE	1028.5	2438.9	3283.2	518.3	944.6	1002.0	1972.3
Solvency Ratio (%)	3.1	3.0	2.9	3.0	3.0	3.0	2.9
PAT	144.0	166.0	165.0	161.0	171	167	193

Source: Company, ICICI Direct Research

**Exhibit 12: Du point analysis ( Standalone)**

	FY18	FY19	FY20	FY21	FY22E	FY23E
Net interest income/ avg. total assets	4.0	3.9	4.0	4.1	4.2	4.2
Non-interest income/ avg. total assets	1.7	1.6	1.6	1.5	1.4	1.4
Non-operating profit/ avg. total assets	5.7	5.5	5.6	5.6	5.6	5.6
Operating expenses/ avg. total assets	2.7	2.6	2.6	2.3	2.4	2.3
Operating profit/ avg. total assets	3.0	2.9	3.0	3.3	3.2	3.2
Provisions/ avg. total assets	0.4	0.3	0.7	0.8	0.4	0.4
Return on avg. total assets	1.7	1.7	1.8	1.9	2.1	2.1
Leverage	7.4	7.2	7.3	6.6	6.1	6.2
Return on equity	12.5	12.1	12.9	12.4	12.6	13.2

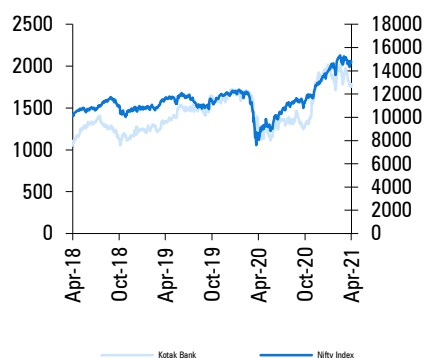
Source: Company, ICICI Direct Research

**Exhibit 13: Shareholding Pattern**

(in %)	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Promoter	30.0	29.9	26.1	26.1	26.0	26.0
FII	39.8	39.2	42.2	42.2	45.1	44.2
DII	12.4	12.6	15.3	14.9	12.9	13.5
Others	17.9	18.3	16.5	16.8	16.0	16.2

Source: Company, ICICI Direct Research

**Exhibit 14: Price Performance**



Source: Company, ICICI Direct Research

## Financial summary

Exhibit 15: Profit and loss statement					
	₹ crore				
(Year-end March)	FY19	FY20	FY21	FY22E	FY23E
Interest Earned	23890.1	26929.6	26840.3	30448.0	35538.3
Interest Expended	12684.2	13429.9	11500.6	13153.3	15598.3
Net Interest Income	11205.8	13499.7	15339.7	17294.6	19940.0
growth (%)	17.6	20.5	13.6	12.7	15.3
Non Interest Income	4657.2	5372.1	5459.2	5745.6	6582.9
Net Income	15863.0	18871.8	20798.9	23040.2	26522.9
Operating expense	7514.8	8850.9	8584.1	9818.7	11113.2
Gross profit	8348.2	10020.8	12214.7	13221.5	15409.7
Provisions	962.4	2216.2	2911.7	1741.4	1732.5
Taxes	2520.5	1857.5	2338.2	2927.4	3487.7
Net Profit	4865.3	5947.2	6964.8	8552.7	10189.5
growth (%)	19.1	22.2	17.1	22.8	19.1
EPS	25.5	31.1	35.1	43.2	51.4

Source: Company, ICICI Direct Research

Exhibit 16: Key Ratios					
(Year-end March)	FY19	FY20	FY21	FY22E	FY23E
Valuation					
No. of Equity Shares	190.9	191.3	198.2	198.2	198.2
EPS (₹)	25.5	31.1	35.1	43.2	51.4
BV (₹)	224.7	256.2	321.6	364.6	416.0
ABV (₹)	216.7	248.1	308.4	350.4	402.6
P/E	67.6	55.5	49.1	39.9	33.5
P/BV	8.0	6.9	5.6	4.9	4.3
P/ABV	7.9	6.9	5.5	4.9	4.3
Yields & Margins (%)					
Yield on avg earning assets	8.8	8.9	8.3	8.3	8.4
Avg. cost on funds	5.3	4.8	3.7	3.9	4.0
Net Interest Margins	4.1	4.5	4.7	4.7	4.7
Avg. Cost of Deposits	5.3	4.9	3.8	3.9	4.1
Yield on average advances	9.8	9.9	8.4	8.9	9.6
Quality and Efficiency (%)					
Cost / Total net income	47.4	46.9	41.3	42.6	41.9
Credit/Deposit ratio	91.1	83.6	79.9	76.0	76.1
GNPA	2.2	2.3	3.3	3.1	2.7
NNPA	0.8	0.7	1.2	1.1	0.9
ROE	12.1	12.9	12.4	12.6	13.2
ROA	1.7	1.8	1.9	2.1	2.1

Source: Company, ICICI Direct Research

Exhibit 17: Balance sheet					
	₹ crore				
(Year-end March)	FY19	FY20	FY21	FY22E	FY23E
Sources of Funds					
Capital (incl PCNPS)	1454	1457	1491	1491	1491
ESOPS	2	2	2	2	2
Reserves and Surplus	41444	47559	62236	70758	80948
Networth	42901	49017	63729	72251	82441
Deposits	225880	262821	280100	336230	386445
Borrowings	32248	37993	23651	25117	26925
Other Liabilities & Provision:	11143	10420	16009	11760	13035
Total	312172	360251	383489	445359	508846

Applications of Funds					
	FY19	FY20	FY21	FY22E	FY23E
Fixed Assets	1652	1623	1535	1790	2040
Investments	71189	75052	105099	123930	146824
Advances	205695	219748	223689	255473	294113
Cash with RBI & call mone	24676	53292	54111	55084	56250
Total	312172	360251	383489	445359	508846

Source: Company, ICICI Direct Research

Exhibit 18: Key ratios					
(Year-end March)	FY19	FY20	FY21	FY22E	FY23E
Total assets	17.8	15.4	6.5	16.1	14.3
Advances	21.2	6.8	1.8	14.2	15.1
Deposits	17.3	16.4	6.6	20.0	14.9
Total Income	19.9	13.2	0.0	12.1	16.4
Net interest income	17.6	20.5	13.6	12.7	15.3
Operating expenses	16.9	17.8	-3.0	14.4	13.2
Operating profit	16.6	20.0	21.9	8.2	16.6
Net profit	19.1	22.2	17.1	22.8	19.1
Book value	14.5	14.3	30.0	13.4	14.1
EPS	18.9	22.0	13.0	22.8	19.1

Source: Company, ICICI Direct Research

Exhibit 19: ICICI Direct coverage universe (BFSI)

Sector / Company	CMP		M Cap	EPS (₹)			P/E (x)			P/ABV (x)			RoA (%)			RoE (%)			
	(₹)	TP(₹)		Rating	(₹ Bn)	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E
SBI (STABAN)	350	410	Buy	3236	20.0	28.1	30.5	17	12.5	11.5	1.6	1.4	1.3	0.4	0.6	0.6	7.4	9.6	9.5
Indian Bank (INDIBA)	109	180	Buy	129	16.9	29.1	45.5	6.4	3.8	2.4	0.7	0.6	0.5	0.4	0.5	0.7	6.1	8.5	12.5
Axis Bank (AXIBAN)	703	900	Buy	2153	25.2	47.7	58.7	27.9	14.7	12.0	2.5	2.1	1.8	0.8	1.3	1.4	8.1	13.8	15.2
City Union (CITUNI)	170	200	Buy	125	10.0	10.0	10.0	17.0	17.0	17.0	2.5	2.2	2.2	1.2	1.3	1.3	11.2	11.9	11.9
DCB Bank (DCB)	90	130	Hold	28	11.0	14.0	16.0	8.2	6.4	5.6	0.9	0.8	0.7	0.9	1.1	1.1	10.4	11.8	12.0
Federal Bank (FEDBAN)	80	90	Buy	154	7.7	7.9	10.0	10.3	10.2	8.0	1.2	1.2	1.1	0.9	0.8	0.9	11.1	10.4	12.0
HDFC Bank (HDFBAN)	1,412	1,700	Buy	8085	56.4	66.4	77.8	25.0	21.3	18.2	3.9	3.5	3.2	1.9	1.9	2.0	16.6	17.0	17.9
IndusInd Bank (INDBA)	914	1,100	Buy	706	36.8	56.5	66.5	24.8	16.2	13.7	1.8	1.8	1.7	0.8	1.1	1.2	7.4	10.3	11.7
J&K (JAMKAS)	24	25	Hold	17	7.5	10.4	0.0	3.2	2.3		0.3	0.3	1.0	0.5	0.6	0.0	8.1	10.6	0.0
Kotak Bank (KOTMAH)	1,724	2,040	Buy	3417	35.1	43.2	51.4	49.1	39.9	33.5	5.6	4.9	4.3	1.8	1.9	2.0	12.4	12.0	13.1
Bandhan (BANBAN)	319	370	Hold	513	14.7	24.7	31.4	21.7	12.9	10.2	3.7	2.9	2.3	2.3	3.2	3.3	15.0	21.9	22.2
IDFC First (IDFBAN)	54	52	Buy	338	NA	100.5	103.2	NA	0.5	0.5	2.0	1.8	1.5	0.3	0.5	0.9	2.7	4.8	8.3

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](mailto: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](mailto:research@icicidirect.com)**

## ANALYST CERTIFICATION

I/We, Kajal Gandhi, CA, Vishal Narnolia, MBA and Sameer Sawant, MBA Research Analysts 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 is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst 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](http://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 and its analysts, persons reporting to analysts and their relatives are generally prohibited 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](http://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, and 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 and ICICI Securities as a entity 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.