

Improvement in efficiency, provision to drive earnings

PAT growth came in higher at 50% YoY to ₹ 96.3 crore in Q4FY19 (I-direct estimate - ₹ 89.5 crore), led by steady provision and cost control. Slower branch addition and improved productivity led to an improvement of ~151 bps QoQ & 571 bps YoY in CI ratio at 53.7%. Higher recoveries of ₹ 106.3 crore & stable slippages at ₹ 100.7 crore led to ~8 bps QoQ decline in GNPA ratio to 1.84%. Advances growth remained slower at 15.9% YoY to ₹ 23568 crore, led by repayment in corporate book and slower traction in mortgage & SME book. Retail term deposit accretion remained robust at 31.4% YoY.

Improvement in CI ratio to enhance return ratios

In a bid to grow aggressively, DCB adopted an aggressive branch expansion drive in Q2FY16. The bank successfully doubled its branch count and further raised it to 333 as of FY19. The banks also invested in various customer facing technology to increase its reach. With bulk of these investments towards increasing scale & scope of reach behind us and moderation in incremental branch expansion, we expect cost-to-income ratio to moderate to 53.6% by FY21E (currently at 56.6%). This reduction in pace of opex is seen leading to a gradual improvement in RoA to 1.1% by FY21E.

Balance sheet growth to remain healthy; NIM to remain stable

DCB has a track record of doubling its book every three to four years. It has grown its book to ₹ 23568 as of FY19 from ₹ 3460 crore in FY09 implying a growth of 22% CAGR in the past 10 years. The bank has steadily shifted its focus from risky unsecured loan book to a more secured loan book, led by the mortgage book (secured), which constitutes 40% of total credit. The management has guided at doubling the bank's balance sheet in three to four years focusing on low capital consuming loans. We estimate credit book to grow at ~22.5% CAGR in FY19-21E to ₹ 35394 crore.

Valuation & Outlook

DCB Bank continued to report a healthy performance in terms of growth & asset quality. The management is focused on pedalling business growth with an eye on capital utilisation. This will entail better risk adjusted margins and stable asset quality ahead. We expect credit offtake to remain ahead of industry at ~22.5% CAGR to ₹ 35394 crore. Sweating of current infrastructure thereby improving productivity is seen supporting earnings. Focus on growth, steady margins and improvement in CI ratio are expected to lead to improvement in return ratios to ~1.1% and RoE to 15% by FY21E. Hence, we remain positive on the fundamental strength. Rolling our estimates to FY21E and maintaining our multiple at 2.1x ABV, we revise our target price upwards to ₹ 250 per share. Hence, we maintain our **BUY** rating.



Particulars

Particular	Amount
Market Capitalisation	₹ 6276 crore
GNPA (Q4FY19)	₹ 439 crore
NNPA (Q4FY19)	₹ 154 crore
NIM (Q4FY19)	3.8%
52 week H/L	209/140
Networth	₹ 3115.6 Crore
Face value	₹ 10
DII Holding (%)	24.2
FII Holding (%)	26.0

Key Highlights

- Improvement in CI ratio to drive earnings and propel return ratios
- DCB aims to double its loan book in next 3-3.5 years driven by retail segment
- Maintain our BUY recommendation with a revised target price of ₹ 250

Research Analyst

Kajal Gandhi
kajal.gandhi@icicisecurities.com

Vishal Namolia
vishal.namolia@icicisecurities.com

Harsh Shah
shah.harsh@icicisecurities.com

Key Financial Summary

₹ Crore	FY17	FY18	FY19	FY20E	FY21E	CAGR (FY19-21E)
NII	797.1	994.4	1149.2	1375.8	1664.2	20%
PPP	418.2	524.7	646.5	803.0	989.1	24%
PAT	199.7	242.4	325.4	417.2	523.4	27%
ABV (₹)	63.9	79.1	87.5	100.5	117.1	
P/E	29.3	26.1	19.5	15.2	12.1	
P/ABV	3.2	2.6	2.3	2.0	1.8	
RoA	0.9	0.9	1.0	1.1	1.1	
RoE	11.1	10.9	12.1	13.8	14.9	

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis

	Q4FY19	Q4FY19E	Q4FY18	YoY (%)	Q3FY19	loQ (%)	Comments
NII	301	304	264	14.1	294	2.5	Slower credit offtake led to moderation in NII growth
NIM (%)	3.8	3.8	4.1	-32 bps	3.8	-5 bps	Higher CoF and slower advance growth led to decline in margins
Other Income	99	96	85	17.1	94	5.2	Income from PSLC back loaded at ₹ 13 crore of ₹ 28 crore in FY19
Net Total Income	400	400	349	14.8	388	3.1	
Staff cost	105	112	102	3.2	110	-4.9	
Other Operating Expenses	110	106	105	4.5	104	5.8	CI ratio improved to ~53.71%, led by control on opex
PPP	185	181	142	30.9	174	6.6	
Provision	34.8	37.0	38.8	-10.4	40.1	-13.4	
PBT	151	144	103	46.4	134	12.6	
Tax Outgo	54.2	54.8	38.6	40.5	47.5	13.9	
PAT	96.3	89.5	64.2	50.0	86.1	11.9	Tight control on cost & steady provisions led to robust PAT growth

Key Metrics

GNPA	439.5	480.7	369.0	19.1	445.1	-1.3	Slippages remained stable at ₹ 100.7 crore. Moderation of 8 bps QoQ was seen in GNPA, on the back of higher recoveries of ₹ 106.3 crore
NNPA	153.8	170.3	146.7	4.8	163.4	-5.9	PCR remain healthy at 78.77%
Total Restructured assets	31.0	35.0	31.0	0.0	31.0	0.0	
Credit Book	23,568	25,408	20,337	15.9	22,888	3.0	De-growth in corporate book & slower growth in mortgage & SME impacted growth
Deposit Book	28,435	29,412	24,007	18.4	27,509	3.4	Retail term deposit growth robust at 31% YoY. CASA remained broadly stable at ~24%

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY20E		FY21E	
	Old	New	% Change	Introduced
Net Interest Income	1,443	1,376	-4.6	1,664
Pre Provision Profit	855.6	803.0	-6.1	989.1
NIM (%)	3.9	3.7	-18 bps	3.8
PAT	462.1	417.2	-9.7	523.4
ABV (₹)	103	101	-2.6	117
EPS	15.0	13.5	-10.0	16.9

Source: Company, ICICI Direct Research

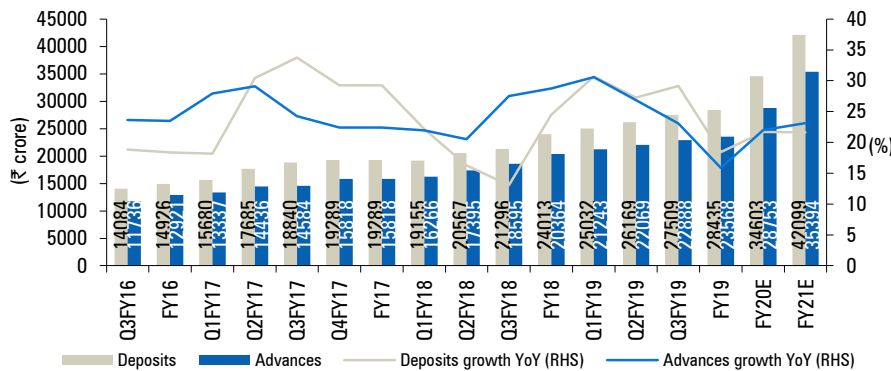
Exhibit 3: Assumption

	Current		Earlier	
	FY19	FY20E	FY21E	FY20E
Credit growth (%)	15.7	22.0	23.1	23.7
Deposit Growth (%)	18.4	21.7	21.7	22.5
CASA ratio (%)	23.9	23.7	23.7	24.8
NIM Calculated (%)	3.7	3.7	3.8	3.9
Cost to income ratio (%)	56.6	54.7	53.6	53.4
GNPA (₹ crore)	440	521	608	481
NNPA (₹ crore)	154	169	181	183
Slippage ratio (%)	2.1	1.7	1.6	1.2
Credit cost (%)	0.5	0.5	0.5	0.4

Source: Company, ICICI Direct Research

Story in Charts

Exhibit 4: Traction in advances to remain healthy with focus on retail and SME



We factor in 22.5% credit CAGR to ₹ 35394 crore in FY19-21E

Source: Company, ICICI Direct Research

Exhibit 5: Mortgage segment leads credit growth

(₹ crore)	Q2FY17	Q3FY17	FY17	Q1FY18	Q2FY18	Q3FY18	FY18	Q1FY19	Q2FY19	Q3FY19	FY19	Current Proportion
Agriculture	2454	2479	2847	2765	2957	3161	3661	3824	4193	4349	4714	20.0
SME	1588	1604	1898	1789	2087	2231	2440	2549	2648	2747	2828	12.0
Corporate	2310	2334	2531	2440	2957	3161	3457	3611	3310	3433	3064	13.0
Retail banking ex Mortgage	1877	1750	1740	2115	2087	2231	2644	2762	3090	3204	3535	15.0
Mortgage	6208	6417	6802	7157	7306	7810	8135	8497	8828	9155	9427	40.0
Total	14436	14584	15818	16266	17395	18595	20337	21243	22069	22888	23568	100.0

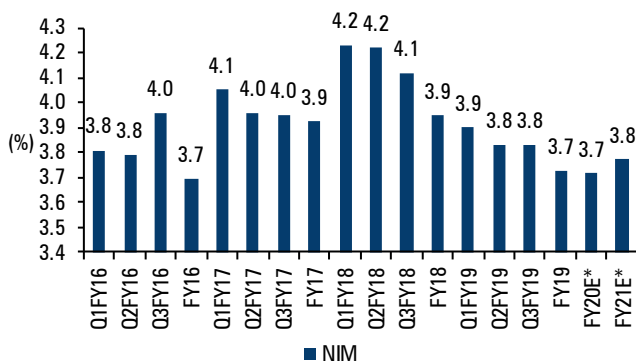
Source: Company, ICICI Direct Research

Exhibit 6: Retail deposit constitutes 80% of deposit

	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Total deposits	5610	6336	8364	10325	12609	14926	19289	24013	28435	34603	42099
Current account	886	839	899	959	1046	1177	1535	1918	2264	2649	3099
Saving deposits	1090	1195	1372	1622	1904	2313	3154	4101	4546	5546	6877
SA ratio	19.4	18.9	16.4	15.7	15.1	15.5	16.4	17.1	16.0	16.0	16.3
CASA ratio	35.2	32.1	27.2	25.0	23.4	23.4	24.3	25.1	23.9	23.7	23.7
Term deposits	3635	4301	6092	7744	9659	11436	14600	17994	21625	26408	32123
Retail deposits (RD)	4554	5348	6473	7944	10339	11941	15431	17770	22748	27682	33679
RD proportion	81.2	84.4	77.4	76.9	82.0	80.0	80.0	74.0	80.0	80.0	80.0

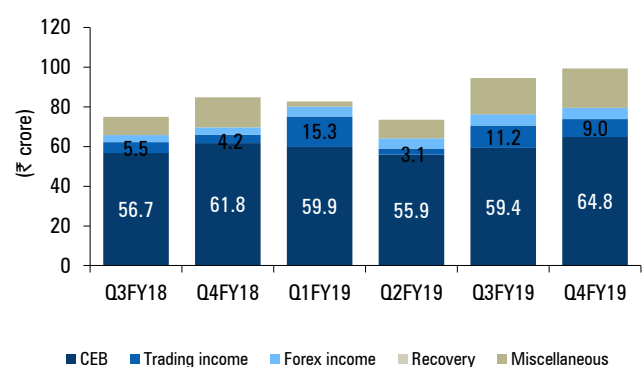
Source: Company, ICICI Direct Research

Exhibit 7: Steady margin seen ahead



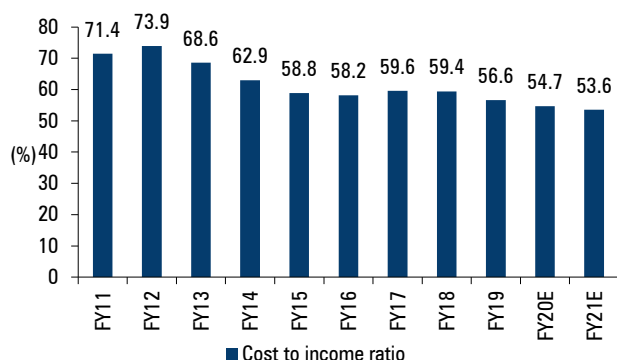
Source: Company, ICICI Direct Research

Exhibit 8: CEB income major contributor to other income



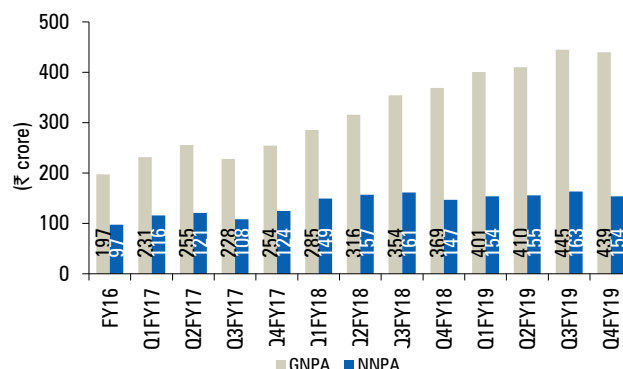
Source: Company, ICICI Direct Research

Exhibit 9: Cost to income ratio to improve in FY19-21E



Source: Company, ICICI Direct Research

Exhibit 10: GNPA to remain below 2% for FY19-21E



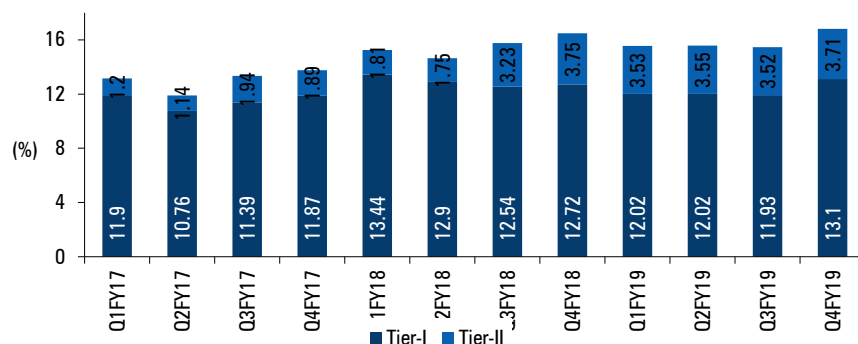
Source: Company, ICICI Direct Research

Exhibit 11: Sectoral break-up of GNPA

	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19
Personal Loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CV/CE	29.4	28.3	29.9	31.9	29.4	38.5	48.0
Corporate	67.5	84.0	84.0	90.2	93.0	77.9	61.9
SME & MSME	32.8	37.3	30.7	33.9	38.0	40.3	42.5
Mortgages	116.4	126.9	139.2	148.0	148.6	160.6	162.7
Others	69.7	78.0	85.2	96.6	101.0	127.8	124.4
Total GNPA	315.8	354.5	369.0	400.6	410.0	445.1	439.5
Total NNPA	157.0	161.5	146.7	153.9	155.3	163.4	153.8

Source: Company, ICICI Direct Research

Exhibit 12: CaR comfortable; capital raising seen in H2FY20E



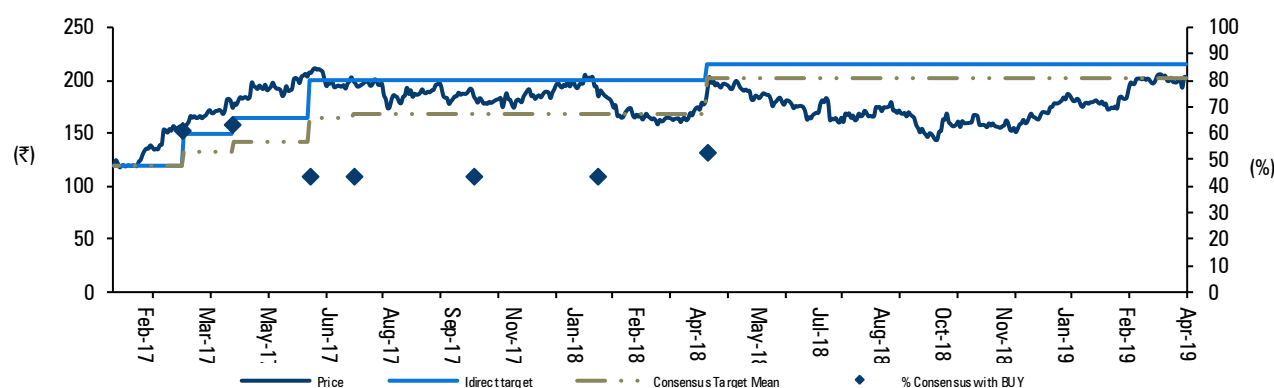
Source: Company, ICICI Direct Research

Exhibit 13: Valuation

(%)	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20E	FY21E
Net interest income/ avg. total assets	2.8	2.9	3.0	3.5	3.5	3.7	3.7	3.5	3.5	3.5
Non-interest income/ avg. total assets	1.3	1.2	1.1	1.1	1.3	1.2	1.2	1.1	1.1	1.0
Net total income/ avg. total assets	4.1	4.0	4.2	4.6	4.8	4.9	4.8	4.6	4.6	4.6
Operating expenses/ avg. total assets	3.0	2.8	2.6	2.7	2.8	2.9	2.9	2.6	2.5	2.4
Operating profit/ avg. total assets	1.1	1.3	1.6	1.9	2.0	2.0	2.0	2.0	2.1	2.1
Provisions/ Avg. total assets	0.4	0.2	0.3	0.5	0.5	0.5	0.5	0.4	0.4	0.4
Return on avg. total assets	0.7	1.0	1.3	1.3	1.1	0.9	0.9	1.0	1.1	1.1
Leverage -Avg. total assets/ average equity (x)	11.7	11.4	11.8	11.0	10.8	11.7	11.9	12.1	12.8	13.3
Return on equity	8.4	11.7	14.8	14.6	12.0	11.1	10.9	12.1	13.8	14.9

Source: Company, ICICI Direct Research

Exhibit 14: Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 15: Top 10 Shareholders

Rank	Name	Last Filing Date	% O/S	Position (m)	Change (m)
1	Aga Khan Development Network	31-12-2018	14.13%	43.75M	0
2	Matthews International Capital Management, L.L.C.	31-12-2018	4.43%	13.70M	+0.22M
3	ICICI Venture Funds Management Co. Ltd.	31-12-2018	4.03%	12.47M	0
4	Aditya Birla Sun Life AMC Limited	31-12-2018	3.72%	11.52M	+0.08M
5	Tano Mauritius India FVCI II	31-12-2018	3.18%	9.84M	0
6	Sundaram Asset Management Company Limited	31-03-2019	2.99%	9.25M	0
7	DSP Investment Managers Pvt. Ltd.	31-12-2018	2.93%	9.06M	-0.31M
8	Dimensional Fund Advisors, L.P.	28-02-2019	2.39%	7.39M	+0.14M
9	Prazim Trading & Investment Co. Pvt. Ltd.	31-12-2018	2.21%	6.85M	-0.35M
10	Templeton Investment Counsel, L.L.C.	31-03-2019	1.92%	5.96M	0

Source: Reuters, ICICI Direct Research

Exhibit 16: Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
The Vanguard Group, Inc.	+12.93M	+4.37M	Mirae Asset Global Investments (Hong Kong) Limited	-3.28M	-1.61M
ICICI Prudential Asset Management Co. Ltd.	+1.96M	+0.81M	Mirae Asset Global Investments Co., Ltd.	-1.69M	-0.83M
Steinberg Asset Management, LLC	+1.09M	+0.45M	Union Asset Management Company Private Limited	-0.90M	-0.42M
Kotak Mahindra Asset Management Company Ltd.	+1.15M	+0.39M	Prazim Trading & Investment Co. Pvt. Ltd.	-0.84M	-0.35M
Franklin Templeton Asset Management (India) Pvt. Ltd.	+0.73M	+0.30M	Samsung Asset Management Co., Ltd.	-0.66M	-0.33M

Source: Reuters, ICICI Direct Research

Exhibit 17: Shareholding Pattern

(in %)	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19
Promoter	15.0	15.0	15.0	14.9	14.9
FII	22.1	22.1	24.2	23.6	26.0
DII	26.1	26.1	24.5	25.4	24.2
Others	36.8	36.8	36.3	36.1	34.9

Source: Company, ICICI Direct Research

Financial summary

Exhibit 18: Profit and loss statement				
	₹ crore			
(Year-end March)	FY18	FY19	FY20E	FY21E
Interest Earned	2,524	3,041	3,640	4,383
Interest Expended	1,530	1,892	2,265	2,719
Net Interest Income	994	1,149	1,376	1,664
growth (%)	24.8	15.6	19.7	21.0
Non Interest Income	311	350	407	477
Net Income	1,305	1,499	1,783	2,141
Staff cost	380	427	480	556
Other Operating expense	400	426	500	596
Operating profit	525	647	803	989
Provisions	137	140	174	200
Taxes	145	181	212	266
Net Profit	242	325	417	523
growth (%)	21.4	34.2	28.2	25.4
EPS (₹)	7.8	10.5	13.5	16.9

Source: Company, ICICI Direct Research

Exhibit 19: Key Ratios				
(Year-end March)	FY18	FY19	FY20E	FY21E
Valuation				
No. of Equity Shares	30.9	30.9	30.9	30.9
EPS (₹)	7.8	10.5	13.5	16.9
BV (₹)	83.8	92.5	106.0	123.0
ABV (₹)	79.1	87.5	100.5	117.1
P/E (x)	26.1	19.5	15.2	12.1
P/BV (x)	2.4	2.2	1.9	1.7
P/ABV (x)	2.6	2.3	2.0	1.8
Yields & Margins (%)				
Net Interest Margins	3.9	3.7	3.7	3.8
Yield on assets	10.0	9.9	9.8	9.9
Avg. cost on funds	6.6	6.6	6.6	6.5
Yield on average advances	11.5	11.1	11.3	11.3
Avg. Cost of Deposits	6.6	6.6	6.6	6.5
Quality and Efficiency (%)				
Credit/Deposit ratio	84.8	82.9	83.1	84.1
GNPA	1.8	1.9	1.8	1.7
NNPA	0.7	0.7	0.6	0.5
Cost to income ratio	59.4	56.6	54.7	53.6
RoE	10.9	12.1	13.8	14.9
ROA	0.9	1.0	1.1	1.1

Source: Company, ICICI Direct Research

Exhibit 20: Balance sheet				
	₹ crore			
(Year-end March)	FY18	FY19	FY20E	FY21E
Sources of Funds				
Capital	309	309	309	309
Reserves and Surplus	2,537	2,805	3,222	3,746
Networth	2,846	3,114	3,531	4,055
Deposits	24,013	28,435	34,603	42,099
Borrowings	1,920	2,723	3,075	3,473
Other Liabilities & Provisions	1,340	1,518	1,594	1,673
Total	30,120	35,792	42,804	51,302
Applications of Funds				
Fixed Assets	497	526	552	577
Investments	6,218	7,844	8,630	9,666
Advances	20,364	23,568	28,753	35,394
Other Assets	1,678	1,060	1,763	2,201
Cash with RBI & call money	1,364	2,793	3,106	3,464
Total	30,120	35,792	42,804	51,302

Source: Company, ICICI Direct Research

Exhibit 21: Key ratios				
(Year-end March)	FY18	FY19	FY20E	FY21E
Total assets				
	25.3	18.8	19.6	19.9
Advances				
	28.7	15.7	22.0	23.1
Deposit				
	24.5	18.4	21.7	21.7
Total Income				
	21.8	19.6	19.3	20.0
Net interest income				
	24.8	15.6	19.7	21.0
Operating expenses				
	24.2	9.3	14.9	17.6
Operating profit				
	25.5	23.2	24.2	23.2
Net profit				
	21.4	34.2	28.2	25.4
Net worth				
	33.0	10.4	14.6	16.0
EPS				
	12.2	34.2	28.2	25.4

Source: Company, ICICI Direct Research

Exhibit 22: ICICI Direct coverage universe (IT)

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)	130	140	Buy	34,418	-9.2		19.6	-14.2		6.6	1.1		0.8	-0.3		0.6	-5.8		11.4	
State Bank of India (STABAN)	319	385	Buy	284,695	-7.3		17.3	-43.5		18.5	2.6		2.0	-0.2		0.4	-3.0		6.5	
Indian Bank (INDIBA)	277	300	Buy	13,321	26.2	16.9	30.6	10.6	16.4	9.1	1.1	1.3	1.2	0.5	0.3	0.5	7.1	4.4	7.7	
Axis Bank (AXIBAN)	781	825	Buy	200,748	-1.0		37.5	-762.6		20.8	4.3		3.1	0.0		1.1	0.0		1.1	
City Union Bank (CITUNI)	201	225	Buy	14,789	8.9		10.4	22.6		19.4	3.6		2.9	1.6		1.6	15.5		14.8	
DCB Bank (DCB)	205	250	Buy	6,341	7.8	10.5	13.5	26.1	19.5	15.2	2.6	2.3	2.0	0.9	1.0	1.1	10.9	12.1	13.8	
Federal Bank (FEDBAN)	94	110	Buy	18,588	4.5		8.0	21.0		11.7	1.7		1.4	0.7		0.9	8.2		11.2	
HDFC Bank (HDFBAN)	2,303	2,400	Buy	627,123	67.4		97.0	34.2		23.7	5.9		3.9	1.8		2.0	18.1		17.1	
IndusInd Bank (INDBA)	1,821	1,860	Buy	109,755	60.1		106.1	30.3		17.2	4.7		3.3	1.8		2.1	16.2		20.6	
Jammu & Kashmir Bk(JAMKAS)	54	52	Buy	2,985	3.6		8.9	14.7		6.0	1.0		0.9	0.2		0.5	3.4		7.5	
Kotak Mahindra Bank (KOTMAH)	1,341	1,400	Hold	255,820	21.4		33.0	62.6		40.6	7.1		5.9	1.7		1.8	12.5		14.4	
Yes Bank (YESBAN)	276	300	Buy	63,918																
Bandhan Bank (BANBAN)	522	575	Buy	62,321	11.3		21.9	24.5		12.6	3.6		2.5	3.6		4.0	19.5		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 Strong Buy, Buy, Hold 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: >10%/15% for large caps/midcaps, respectively;

Hold: Up to +/-10%;

Sell: -10% or more;



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 INZ00183631 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.