

Ujjivan Small Finance Bank Ltd

SUBSCRIBE

Price Band: INR 36-37

ISSUE SUMMARY	
Issue Opens	2-Dec-19
Issue Closes	4-Dec-19
Offer Price (INR per share)	36-37
Face Value (INR)	10.0
Pre Issue Shares o/s (mn)	1,525.5
Offer for Sale (No of sh. mn)	0.0
^Fresh Issue (mn)	202.7
^Post Issue shares o/s (mn)	1728.2
^*Issue Size (INR bn)	7,500.0
QIB	=>75%
Non-institutional	<15%
Retail	<10%
^ Issue Size (@INR37)	
* Shareholder reservation of INR750mn	

POST ISSUE DETAILS	
M.Cap @INR37/sh. (INR bn)	63.9
Shareholding pattern	
Promoters	83.3%
Non-Promoters	16.7%

Ujjivan Small Finance Bank Ltd (USFBL), incorporated in 2017 and promoted by Ujjivan Financial Services Ltd (UFSL), is one of the leading small finance bank. USFBL is doing an IPO to meet the RBI regulation which requires the SFB to list within a period of 3 years post achieving a networth of INR5bn.

Serving mass market through pan-India presence: USFBL provides a variety of banking services to mass market customers who are financially unserved and underserved in India. It has a presence across 24 states/ union territories covering 232 districts with major focus in Tamil Nadu, Karnataka and West Bengal which contributed 46% of AUM. As of H1FY20, it operated 552 Banking Outlets including 141 in URCs (Unbanked Rural Centres), serving 4.9mn customers.

Growing with well-diversified product mix: USFBL has a well-diversified bouquet of asset and liability products/services. Its current AUM is INR129bn with Micro Finance share reduced to 79.2% in H1FY20. In the MFI portfolio, the growth has been 30%-35%, which the bank plans to moderate at 20%-25% to derisk its portfolio. USFBL has scaled up Affordable housing and MSE segments, both contributing 9.4% and 6.5% to the portfolio. Thus the proportion of secured loans has increased from 1.8% in FY17 to 19.4% in H1FY20. USFBL has also started focusing on the vehicle finance mainly on 2-Wheeler and electric 3-wheeler.

Strong Deposit base resulting in healthy asset liability position: USFBL has a deposit base of INR101bn which now forms 76% (3% in FY17) of the funding mix. CASA ratio stands at 11.9% (1.6% in FY17) while retail deposits forms 42% (3.2% in FY17) of the total deposits. USFBL has been able to maintain its GNPA/NNPA at 0.9%/0.3% (lowest among peers) while PCR stood at 61% (highest among peers) at H1FY20 end. Its return ratios are healthy with RoA/RoE of 2.5%/19.6% (H1FY20).

Object of Issue: The INR7.5bn IPO entirely consists of fresh issue which would result in 17% dilution. The funds raised would be utilized for augmenting the Bank's Tier – 1 capital base to meet future growth requirement. Post private placement and fresh issue in the IPO, the tier-1 ratio will improve to ~28.6% from 18.8% as on Q2FY20.

Valuation & View: The issue is priced at 2.0x FY20 BV (on fully diluted and annualized basis – including fresh issue and private placement). The valuations seems comfortable, given the improving financials, good asset quality and healthy return ratios. Hence, investors can **Subscribe to the IPO**.

Financials & Valuations (INR mn) :

Y/E March	FY17	FY18	FY19	1HFY20
NII	1,077	8,610	11,064	7,404
Growth (%)	NA	699.8	28.5	33.8
Net Profit	0	69	1,992	1,871
ROE	0.0%	0.4%	11.5%	19.6%
ROA	0.0%	0.1%	1.7%	2.5%
Adj. BV (INR)	9.5	9.2	10.4	11.6
P-ABV (x)	3.9	4.0	3.6	2.0

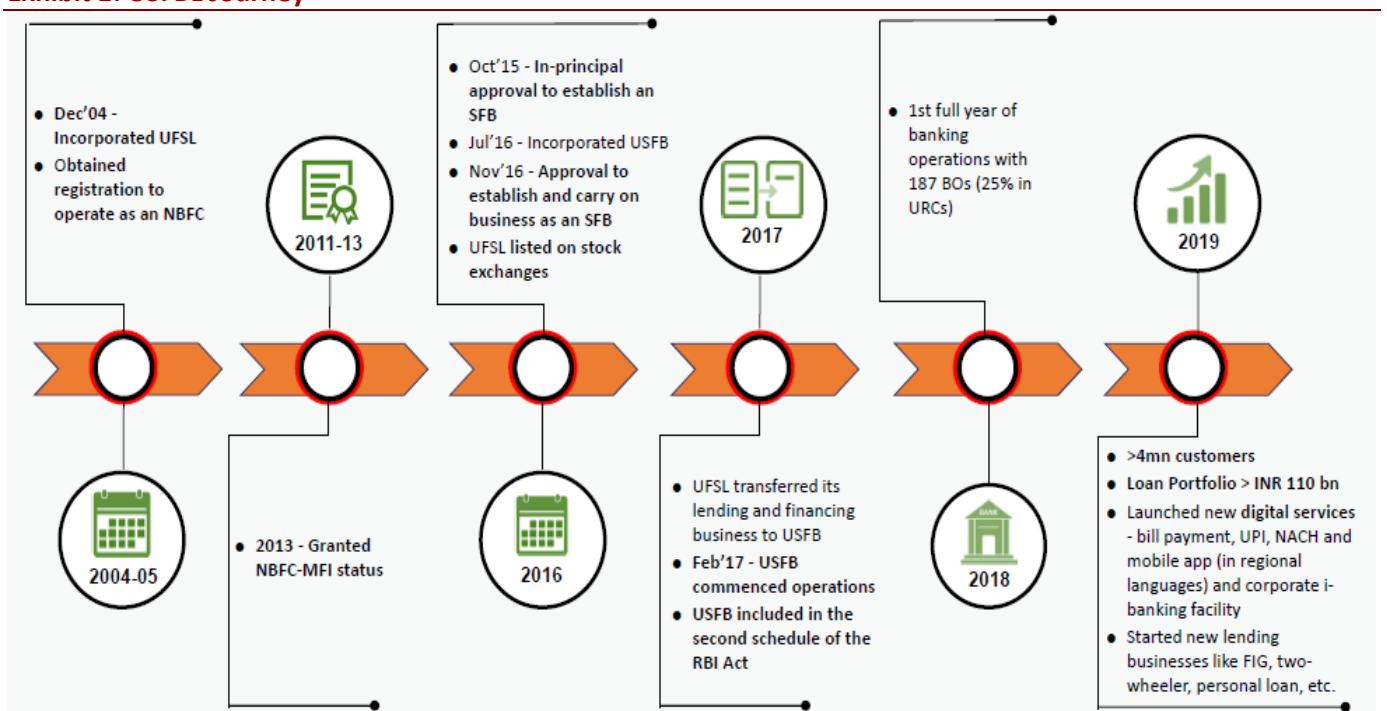
Source: Company RHP, MOFSL

Ratios are calculated on post issue and annualized basis, at the upper price band of INR37

About the Company

Ujjivan Small Finance Bank (USFBL), incorporated in 2017, is a mass market focused Small Finance Bank (SFB) in India, catering to unserved and underserved segments in India. It is promoted by Ujjivan Financial Services Ltd (UFSL) which is an NBFC (started operations in 2005), providing a full range of financial services to the economically active poor, who are not served by financial institutions. UFSL offers small size loan products to economically poor women, individual loans to Micro and Small Enterprises (MSEs). In Oct'15, UFSL received RBI In-Principle Approval to establish an SFB, following which it incorporated USFBL as a wholly-owned subsidiary. Subsequent to Final Approval in Nov'16, UFSL transferred its business comprising of its lending and financing business to USFBL, which commenced its operations from Feb'17.

Exhibit 1: USFBL Journey



Source: RHP, MOFSL

USFBL in short span of time has put up a wide presence with 552 branches spread across 24 states and union territories and a customer base of 4.9 million as of September 30, 2019. Apart from the network of branches, ATMs and Automated Cash Recyclers, the bank provides phone banking unit that services customers in nine languages, a mobile banking application that is accessible in five languages as well as internet banking facility for individual and corporate customers. Its focus is to use technology as an enabler for the customers that allows the bank to customize and deliver products and services to suit customer needs.

USFBL has built a diversified portfolio including various asset and liability products and services. The asset products comprise: (i) loans to micro banking customers that include group loans and individual loans, (ii) agriculture and allied loans, (iii) MSE loans, (iv) affordable housing loans, (v) financial institutions group loans, (vi) personal loans, and (vii) vehicle loans. On the liability side, the bank offers savings accounts, current accounts and a variety of deposit accounts.

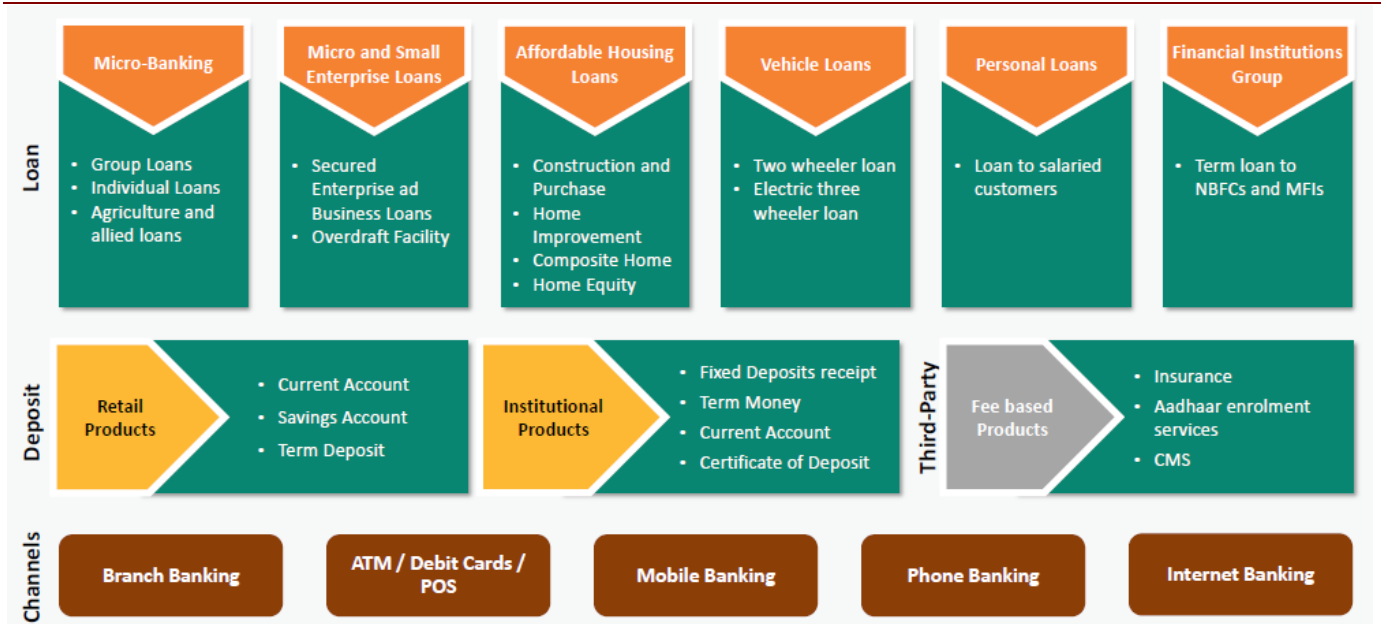
Exhibit 2: Business Overview

Operational	Asset Offerings	Liability Profile	Financials
<p>Sep-19</p> <ul style="list-style-type: none"> 24 States / UTs 232 Districts 552 Banking Outlets (including 141 URCs) 4 Asset Centers 441 ATMs (incl. 18 ACRs) 4.9mn total customers 16,776 employees 	<p>Sep-19</p> <ul style="list-style-type: none"> Gross Advances INR 128,636 mn Disbursements: 1H-FY20 / FY19 INR 65.8 bn / INR 111.1 bn Cashless – 94.6% / 86.3% Asset Quality: GNPA – 0.85% NNPA – 0.33% Customers: 4.3 mn 	<p>Sep-19</p> <ul style="list-style-type: none"> Deposits: INR 101,298 mn Retail Deposits: INR 42,476 mn 41.9% of Total Deposits % of deposits CA: 2.1% SA: 9.8% Customers: 3.3 mn 	<ul style="list-style-type: none"> PAT: 1H-FY20 – INR 1,871mn FY19 – INR 1,992mn As of Sep-19: Networth – INR 19,935 mn CAR – 18.8% NIM: 1H-FY20 – 10.6% FY19 – 10.9% 1H-FY20[#] / FY19 ROA: 2.5% / 1.7% ROE: 19.6% / 11.5%

Source: RHP, MOFSL

In addition, it also provide non-credit offerings comprising ATM-cum-debit cards, Aadhaar enrolment services, third party insurance products and point of sales terminals. USFB is focused on digital platform and provides bill payments, SMS banking, mobile banking, RuPay Platinum debit cards, internet banking, biometric ATMs services digitally. The bank also allows registering savings account on UPI based mobile applications. It has an automated tablet-based loan origination system, digitalized credit processing and automated receipt collection system to reduce the turnaround time of customers.

Exhibit 3: Bank’s Product and Services

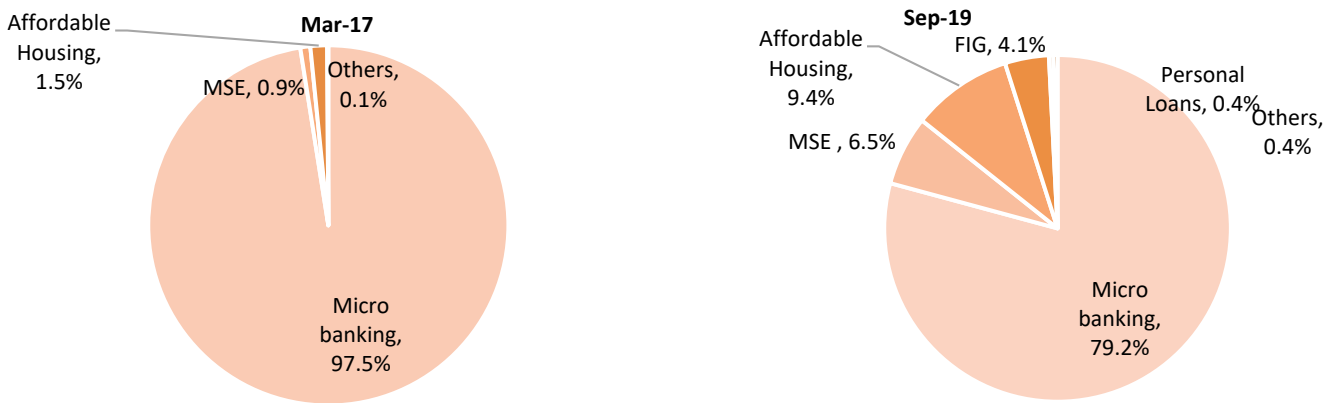


Source: RHP, MOFSL

Loan book

The bank has a total gross loan book of ~INR129bn as on Q2FY20 with Micro Financing forming 79.2% of the total advances. The bank is deliberately planning to grow Microfinance segment at 20-25% vis-à-vis 30-35% earlier, in order to de-risk its portfolio. It has also started focusing on the retail loan segment and thus built a decent Affordable Housing and MSE loans portfolio, constituting 9.4% and 6.5% of Advances respectively. This has led to share of secured loans rise to 19.4% in the portfolio but led to moderation in NIMs. NIMs is likely to continue moderating in short term till all the segments ramp up to a sizeable portfolio. To diversify the loan book further, it has recently started financing two- and three-wheeler purchases.

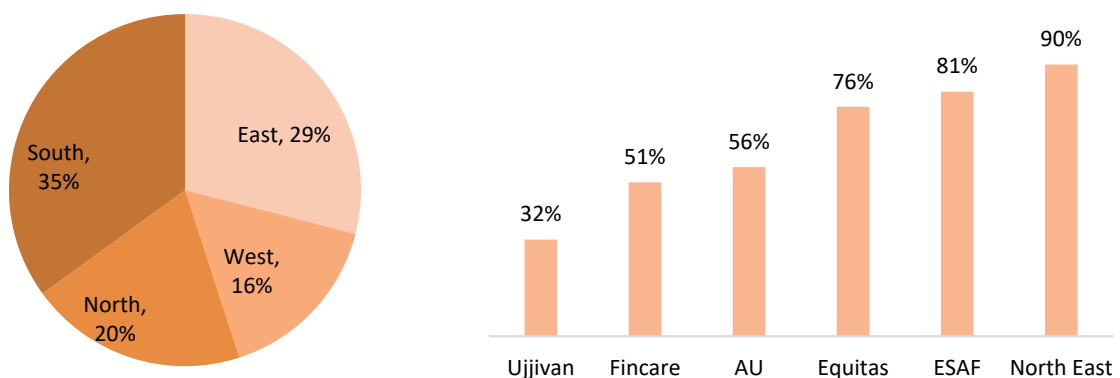
Exhibit 4: Gross Advances segment wise



Source: RHP, MOFSL

The portfolio is well diversified across regions with Tamil Nadu, Karnataka and West Bengal contributing 46%. However, Ujjivan has got the lowest two state concentration risk among its peers. Further metros, urban and semi-urban areas constitute 95% of the bank’s advances, leaving the bank’s exposure to rural areas to just 5%. Such low exposure to rural area shields bank from risk of monsoon and loan waivers.

Exhibit 5: Gross Advances well diversified across geography with three states contributing 46%

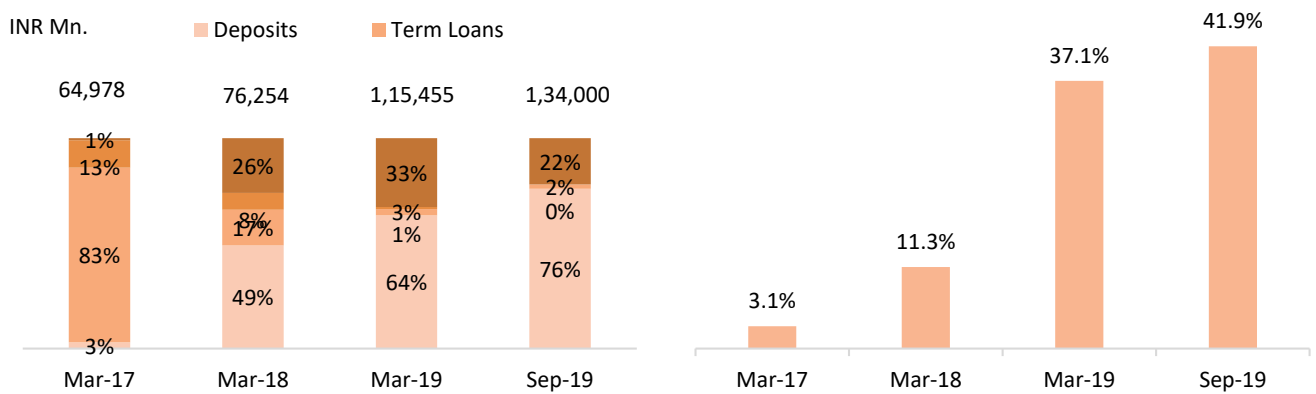


Source: RHP, MOFSL

Deposits

As on Q2FY20, USFBL deposit base stood at INR 101.3bn, forming 74.5% of the overall funding. The retail deposits constitutes 41.9% of the total deposits as of now. It plans to further strengthen the retail deposit base in order to ensure a stable and low cost of funding. The bank plans to expand its Banking Outlets and offer digital savings and deposit products through internet and mobile banking to acquire new customers and also providing its existing customers with a convenient banking experience. CASA currently stands at 11.9% which is much below its peers but USFBL is ramping it up gradually.

Exhibit 6: Funding Mix and Retail Deposits share in Total Deposits

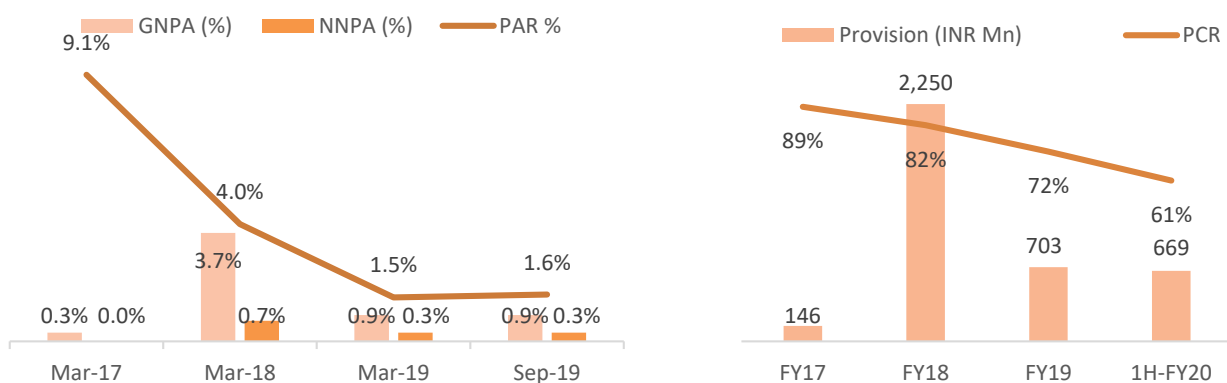


Source: RHP, MOFSL

Asset Quality

The GNPA ratio stood at 0.9% while NNPA stood at 0.3% which is lowest among its peers. It also enjoys highest PCR of 61.1% among its peers. However, USFBL's cost-income ratio at 67% is high, which is likely to reduce with improvement in CASA other new loan segments becoming profitable.

Exhibit 7: Asset Quality and Provisions



Source: RHP, MOFSL

Risk and concerns

- According to RBI guidelines, the promoter is required to reduce its shareholding in SFB to 40% within a period of five years from the date of commencement of business operations. Once the IPO process is completed, the bank will consult the RBI on the reverse merger process. If the RBI doesn't approve then the bank may go for offer for sale.
- Large number of its banking outlets are located in the southern and eastern states of India, particularly, Karnataka, Tamil Nadu and West Bengal (~45% of gross advances). Hence any adverse change in the economic, political, or geographical conditions of these states could impact its business.
- Deposits depend on a limited number of customers and a loss of such customers could adversely affect the bank's deposit portfolio (20 largest depositors account for 41.8% of total deposits in FY19).
- Micro finance loan constitutes 79% of total advances and are not supported by any collateral. Thus in the event of non-payment by a borrower, the bank may be unable to collect unpaid balance, and would be required to increase its provision for credit losses, which would decrease earnings.
- The bank has introduced several new products and services and has incurred substantial costs to build them. If these products and services does not pick up growth, it would impact its future growth.

Peer Comparison

Exhibit 8: Key Matrix as on Mar'19

FY19 (INR bn)	Advances	Deposits	NII	PAT	NIM (%)	CASA (%)
Bandhan Bank	396.4	432.3	45.0	19.5	9.4%	40.8%
AU SFB	228.2	194.2	13.4	3.8	5.2%	18.5%
Ujjivan SFB	105.5	73.8	11.1	2.0	10.9%	10.6%
Equitas Holdings	115.8	88.3	12.4	1.8	8.8%	25.8%

Source: Company RHP, MOFSL

FY19	M.Cap* (INR bn)	GNPA (%)	NNPA (%)	ROA (%)	ROE (%)	FY20E P/E (x)	FY20E P/BV(x)
Bandhan Bank	628	2.1%	0.6%	3.9%	19.0%	26.6	5.9
AU SFB	240	2.1%	1.3%	1.5%	14.0%	34.6	5.8
Ujjivan SFB	64	0.9%	0.3%	1.7%	11.5%	17.1^	2.0^
Equitas Holdings	30	2.5%	1.4%	1.2%	7.5%	12.5	1.2

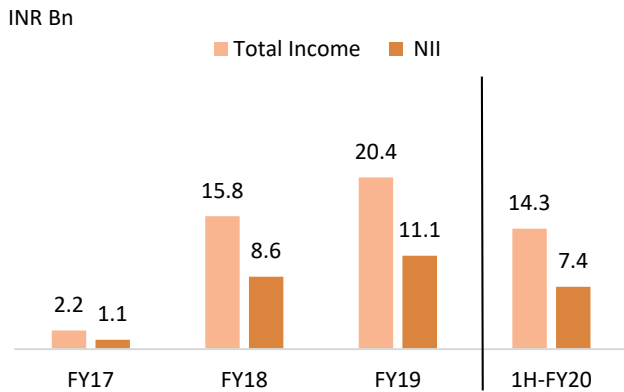
*Price Data as on 28th November, 2019

^Calculated on fully diluted and annualized basis at upper price band of INR37

Source: Company RHP, Bloomberg, MOFSL

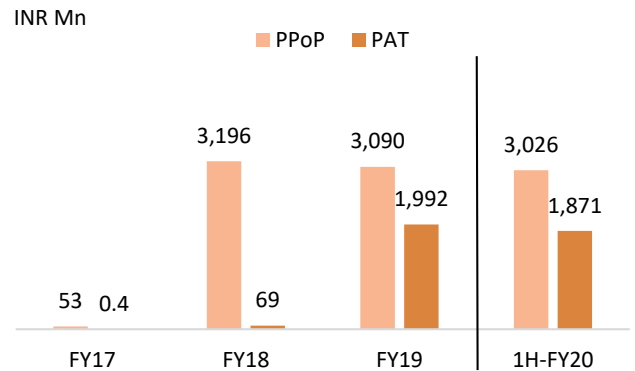
Story in Charts

Exhibit 9: Improving Total Income and NII



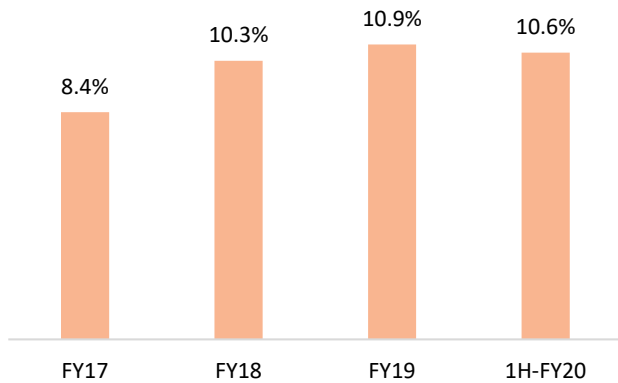
Source: RHP, MOFSL

Exhibit 10: Strong growth in PPOP and PAT



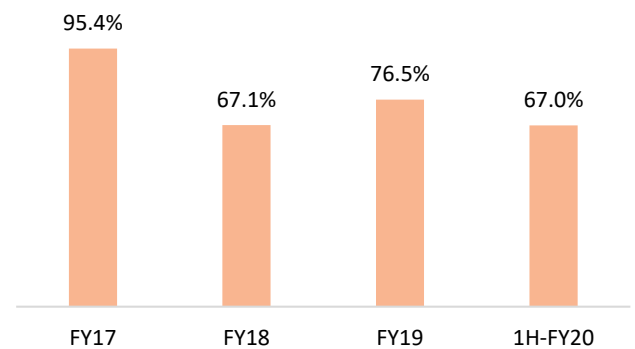
Source: RHP, MOFSL

Exhibit 11: NIM moderating with rising secured loans



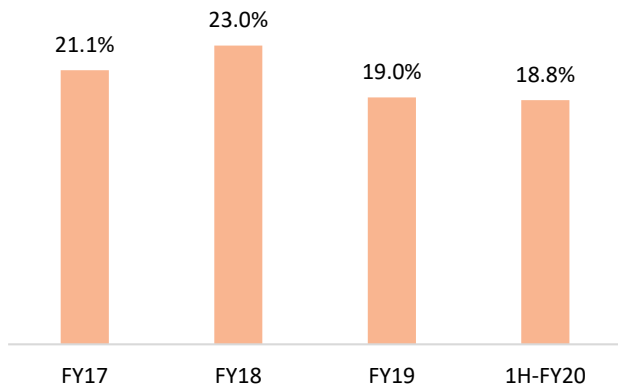
Source: RHP, MOFSL

Exhibit 12: Healthy Cost/Income ratio



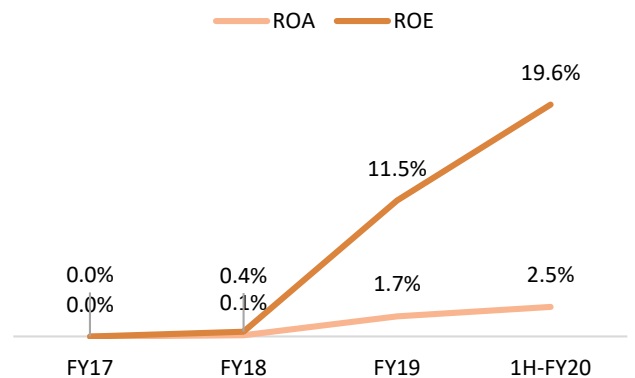
Source: RHP, MOFSL

Exhibit 13: CAR to improve to 28.6% post issue



Source: RHP, MOFSL

Exhibit 14: Healthy Return Ratio



Source: RHP, MOFSL

Management Profile

Samit Kumar Ghosh is the MD and CEO since July 27, 2016 and due for retirement on Nov 30, 2019. His prior associations are with leading banks incl. Citibank, HDFC Bank, Standard Chartered Bank and the Bank Muscat Al Ahli Al Omani. He has completed bachelor's degree in arts with honours in economics from Jadavpur University and MBA from the University of Pennsylvania. Previously he served as the president of Microfinance Institutions Network and the chairman of Association of Karnataka Microfinance Institutions.

Nitin Chugh assumed office as a President with effect from August 17, 2019 and will assume office of MD &CEO from December 01, 2019. He has experience across multiple associations including, HDFC Bank Ltd, Standard Chartered Bank, HCL Ltd. and Modi Xerox Ltd. He holds a bachelor's degree in technology (electrical engineering) from Kurukshetra University and a professional diploma in marketing management from All India Management Association.

Sunil Vinayak Patel is the Part-Time Chairman and Independent Director. He has completed his B.Com. from Bombay University, CA from ICAI, and MBA from University of Pennsylvania. He previously serves on the boards of L&T Investment Management Ltd. And UFSL.

Jayanta Kumar Basu is the Non-Executive Director. Previously, he worked as a Senior Vice President at CitiBank and serves as a partner at CX Advisors. He has completed his BA (Economics) from DU and a PGDM from IIM, Ahmedabad.

Mona Kach is the Non-Executive Director. She has completed her PGDM from XLRI, Jamshedpur and completed Private Equity Program from Oxford University. She has previously held positions with CitiBank N.A. and Capsian Impact Investment Advisors.

Upma Goel is the Chief Financial Officer. She had prior association with L&T Finance Holdings, Ujjivan Financial Services and Escorts Services. She is a Chartered Accountant.

Jaya Janardanan is the Chief Operating Officer. She has completed her M.Com. from Bombay University. She has prior associations with JP Morgan Chase, ICICI Bank, ING Vysya Bank and others.

Sanjay Kao is the Chief Business Officer. He has completed his B.Tech. from Benaras Hindu University and PGDM from IIM, Calcutta. He has prior associations with Lipton India Ltd., Dunia Finance LLC, CitiBank, and ABN AMRO Bank.

Sachin Bansal, Luis Miranda, Biswamohan Mahapatra, Prabal Kumar Sen, Nandlal Laxminarayan Sarada, Vandana Vishwanathan and Mahadev Lakshminarayanan are the Independent Directors.

Financials

Income Statement				(INR mn)
Y/E March	FY17	FY18	FY19	1HFY20
Interest Income	2,170	14,679	18,316	12,597.0
Interest Expense	1,094	6,069	7,252	5,192.8
Net Interest Income	1,077	8,610	11,064	7,404.2
Change (%)	NA	699.8	28.5	33.8
Non-Interest Income	69	1,115	2,060	1,751.6
Net Income	1,145	9,725	13,124	9,155.8
Change (%)	NA	749.2	34.9	39.5
Operating Expenses	1,092	6,529	10,034	6,129.6
Pre Provision Profits	53	3,196	3,090	3,026.2
Change (%)	NA	5,901.1	-3.3	95.9
Provisions (excl tax)	44	3,108	406	435.8
PBT	8.9	88	2,684	2,590.4
Tax	8.6	20	692	719.3
Tax Rate (%)	96%	22%	26%	28%
PAT	0.3	69	1,992	1,871.1
Change (%)	NA	19,508.6	2,802.8	87.8
Adj. PAT	0	69	1,992	1,871.1
Change (%)	NA	19,508.6	2,802.8	87.8

Source: Company RHP, MOFSL

Balance Sheet				(INR mn)
Y/E March	FY17	FY18	FY19	1HFY20
Equity Share Capital	14,400	14,400	14,400	14,400
Share Application Money Pending Allotment	-	-	-	359
ESOPs	-	-	-	107
Preference Shares	2,000	2,000	2,000	2,000
Reserves & Surplus	0	69	1,796	3,534
Net Worth	16,401	16,469	18,196	20,401
Deposits	2,064	37,725	73,794	1,01,298
Change (%)	NA	1,727.7	95.6	37.3
Borrowings	62,914	38,528	41,661	34,702
Other Liabilities & Prov.	2,980	2,006	3,771	4,678
Total Liabilities	84,359	94,729	1,37,422	1,61,079
Current Assets	7,628	4,948	10,945	7,093
Investments	14,467	12,325	15,266	20,184
Change (%)	NA	-14.8	23.9	32.2
Loans	58,610	73,362	1,05,525	1,27,804
Change (%)	NA	25.2	43.8	21.1
Fixed Assets	1,398	1,983	2,845	2,962
Other Assets	2,256	2,110	2,842	3,036
Total Assets	84,359	94,729	1,37,422	1,61,079

Source: Company RHP, MOFSL

Key Ratios

Y/E March	FY17	FY18	FY19	1HFY20
Asset Quality				
Gross AUM	58,610	73,362	1,05,525	1,27,804
Change (%)	-	25.2	43.8	-
Disbursements	9,330	80,724	1,11,110	65,826
Change (%)	-	765.2	37.6	-
GNPA (INR m)	164	2,759	979	1,094
NNPA (INR m)	18	509	275	425
GNPA Ratio	0.3%	3.7%	0.9%	0.9%
NNPA Ratio	0.0%	0.7%	0.3%	0.3%
Provision Coverage Ratio	89.0%	81.9%	71.9%	61.1%
Spreads Analysis (%)				
Avg. Yield on Loans	18.7%	19.7%	18.7%	19.9%
Avg. Cost of Funds	10.0%	9.0%	8.3%	8.4%
Interest Spread	8.7%	10.7%	10.3%	11.5%
Net Interest Margin	8.4%	10.3%	10.9%	10.6%
Profitability Ratios (%)*				
RoE	0.0%	0.4%	11.5%	19.6%
RoA	0.0%	0.1%	1.7%	2.5%
Efficiency Ratios (%)				
Cost to Income	95.4%	67.1%	76.5%	67.0%
CASA	1.6%	3.7%	10.6%	11.9%
Valuation				
Book Value (INR)	9.5	9.5	10.5	11.8
Change (%)	NA	0.4	10.5	-
Price-BV (x)*	3.9	3.9	3.5	2.0
Adjusted BV (INR)	9.5	9.2	10.4	11.6
Price-ABV (x)*	3.9	4.0	3.6	2.0
EPS (INR)	0.0	0.05	1.2	1.1
Change (%)	NA	-	2205.5	87.8
Price-Earnings (x)*	NA	740.0	32.1	17.1

Source: Company RHP, MOFSL

*Calculated on the upper price band of INR37 on fully diluted and annualized basis

Explanation of Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd., (PIMPL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx> MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company, MOFSL and/or its associates and/or Research Analyst or their relatives may have actual beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance.

In the past 12 months, MOFSL or any of its associates may have:

- a) received any compensation from the subject company of this report
- b) managed or co-managed public offering of securities from subject company of this research report,
- c) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- d) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

a) a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.

(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.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, it does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e. holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential 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 MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement Polycab India Ltd.

Analyst ownership of the stock No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

MOTILAL Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited, ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. NO. 2011294012) which is a holder of a capital markets services license and an exempt financial adviser in Singapore, as per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisers Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Disclaimer:

This report is intended for distribution to Retail Investors.

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. This report and information herein is solely for informational purpose and may 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. 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. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. 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 MOFSL 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. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimullah Sayani Road, Opposite Panel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-71881085.

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN.: 146822. Investment Adviser: INA000007100. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.