

August 5, 2025

Q1FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

| | Current | | Previous | |
|--------------|---------|--------|----------|--------|
| | FY26E | FY27E | FY26E | FY27E |
| Rating | HOLD | | HOLD | |
| Target Price | 4,800 | | 5,000 | |
| NII (Rs.) | 28,438 | 33,215 | 28,587 | 33,212 |
| % Chng. | (0.5) | - | | |
| PPoP (Rs.) | 27,987 | 30,611 | 27,089 | 30,319 |
| % Chng. | 3.3 | 1.0 | | |
| EPS (Rs.) | 161.3 | 182.0 | 161.1 | 182.9 |
| % Chng. | 0.1 | (0.5) | | |

Key Financials - Consolidated

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|---------------------|--------|--------|--------|--------|
| Net Int.Inc. (Rs m) | 19,488 | 24,034 | 28,438 | 33,215 |
| Growth (%) | 15.2 | 23.3 | 18.3 | 16.8 |
| Op. Profit (Rs m) | 19,705 | 23,191 | 27,987 | 30,611 |
| PAT (Rs m) | 13,202 | 15,633 | 17,920 | 20,219 |
| EPS (Rs.) | 130.9 | 140.7 | 161.3 | 182.0 |
| Gr. (%) | 33.6 | 7.5 | 14.6 | 12.8 |
| DPS (Rs.) | 29.7 | 32.3 | 37.0 | 41.7 |
| Yield (%) | 0.6 | 0.7 | 0.8 | 0.9 |
| Margin (%) | 5.1 | 5.3 | 5.3 | 5.4 |
| RoAE (%) | 15.3 | 15.2 | 15.0 | 14.6 |
| RoAA (%) | 3.2 | 2.8 | 2.8 | 2.8 |
| PE (x) | 35.5 | 33.0 | 28.8 | 25.5 |
| P/BV (x) | 3.7 | 2.9 | 2.4 | 2.0 |
| P/ABV (x) | 3.8 | 3.0 | 2.5 | 2.0 |

Key Data

SNFN.BO | SUF IN

| | |
|---------------------|---------------------|
| 52-W High / Low | Rs.5,536 / Rs.3,733 |
| Sensex / Nifty | 80,710 / 24,650 |
| Market Cap | Rs.516bn/ \$ 5,879m |
| Shares Outstanding | 111m |
| 3M Avg. Daily Value | Rs.390.93m |

Shareholding Pattern (%)

| | |
|-------------------------|-------|
| Promoter's | 25.39 |
| Foreign | 52.62 |
| Domestic Institution | 16.33 |
| Public & Others | 5.65 |
| Promoter Pledge (Rs bn) | - |

Stock Performance (%)

| | 1M | 6M | 12M |
|----------|--------|-------|------|
| Absolute | (10.1) | 1.0 | 15.1 |
| Relative | (7.1) | (2.1) | 12.4 |

Shreya Khandelwal

shreyakhandelwal@plindia.com | 91-22-66322538

Tepid disbursements; asset quality weakens

Quick Pointers:

- Weak disbursement growth in the quarter (+6% YoY); expect a pick-up in H2
- Headline asset quality ratios see a spike

Q1 has seen soft disbursement growth (+6% YoY) due to low government spending/ general slowdown in economic activity. We build a growth of 15.5% in FY26, anticipating a pick-up in economic activity in H2. Calculated NIM stood largely stable at 5.2%; we expect a similar trend in FY26 supported by a lower CoF. Asset quality trends have deteriorated in the quarter (GS3/NS3 at 1.91%/ 1.08%) due to payment pressures in the MSME segment; however collection activity remains healthy. We marginally tweak our estimates and value SUF's standalone business at Rs 3,882 (3.1x Mar-27 ABV) and assign a value of Rs 918 to subsidiaries with a 20% holding company discount to arrive at a TP of Rs 4,800. Weak outlook on growth and higher credit costs are a drag. Maintain HOLD rating as the stock price captures all the positives.

- Weak disbursement growth; expect a pick-up in H2:** Q1 saw tepid disbursement growth (6% YoY) at Rs 73.1 bn. While industry sales were sluggish with low-single digit growth across MHCV/ CV segments, tractors and cars saw positive momentum. While the company has retained market share in almost all asset classes, disbursement growth continues to be weak on account of low government capex and a general slowdown in economic activity. We expect growth to recover in H2 with a strong monsoon and pick-up in government spend and private capex. Q1 AUM grew 17% YoY/3.5% QoQ to Rs 532.8 bn, driven by steady growth in CV, CE, tractors and Cars. We factor an improvement in H2 and build an AUM growth of 15.5% in FY26E.
- Expect NIM to be stable aided by lower CoF:** NII grew by 28% YoY/2% QoQ to Rs 6.8 bn. While CoF increased by 8 bps QoQ to 7.42%, it was offset by an improvement in yield (+5 bps QoQ to 12%). As a result, calculated NIM stood largely stable QoQ at 5.2% (vs. 5.26% in Q4FY25). Company is focusing on the right asset class/ customer mix to optimize margins; we expect a stable NIM in FY26 supported by a lower CoF. Opex grew 13% YoY/ 3% QoQ while C/I ratio stood at 27.7% (vs. 26.9% in 4QFY25). PBT saw a robust improvement (+38% YoY) boosted by higher dividend income in the quarter.
- Headline asset quality ratios see pressure:** Asset quality trends deteriorated in the quarter with Gross stage 3/Net stage 3 at 1.91%/ 1.08% vs. 1.44%/ 0.75% in 4QFY25. The company maintains a PCR of 44%. GNPA/NNPA (as per the RBI's new norms) stood at 2.66%/ 1.71% vs. 2.17%/ 1.38% in 4QFY25. Commentary indicated a spike in asset quality concerns with Q1 seeing cashflow pressures created by state govts and delays by large contractors. Despite system-wide asset quality concerns particularly in the MSME segment, collection activity remained healthy at 91%. Capital Adequacy Ratio stood at 20% as of 1QFY26.

- **Subsidiaries report healthy performance:** (1) Sundaram Home Finance – AUM grew by 24% YoY; while disbursements grew 10% YoY. The proportion of Non-housing loans stood at 42% from 40% in Q1FY25. Asset quality trend saw a spike (GNPA/NNPA at 1.6%/ 1.0% vs. 1.0%/ 0.5% in 4QFY25). Company continues to focus on the Self-employed segment and is growing its affordable lending portfolio as well. (2) Royal Sundaram – GWP grew 16% YoY to Rs 12.9 bn and the company reported a profit of Rs 1.3 bn. (3) Sundaram Asset Management – Average AUM remained largely flat YoY and stood at Rs 805 bn while PAT grew 55% YoY to Rs 450 mn. The proportion of equity-oriented schemes stood at 81%.

Exhibit 1: Q1FY26 Result Overview (Rs mn)

| Y/e March | Q1FY26 | Q1FY25 | YoY gr. (%) | Q1FY26E | % Var | Q4FY25 | QoQ gr. (%) | FY26E | FY25 | YoY gr. (%) |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|---------------|-------------|
| NII | 6,792 | 5,298 | 28.2 | 6,838 | (0.7) | 6,685 | 1.6 | 28,438 | 24,034 | 18.3 |
| <i>Spread (%) (calc)</i> | <i>5.4</i> | <i>4.9</i> | <i>47bps</i> | <i>5.3</i> | <i>7bps</i> | <i>5.5</i> | <i>-12bps</i> | <i>5.3</i> | <i>5.3</i> | <i>6bps</i> |
| Other income | 3,133 | 1,895 | 65.3 | 2,595 | 20.7 | 3,244 | (3.4) | 9,931 | 9,546 | 4.0 |
| Net Revenue | 9,925 | 7,193 | 38.0 | 9,433 | 5.2 | 9,929 | (0.0) | 38,369 | 33,580 | 14.3 |
| Opex | 2,754 | 2,438 | 13.0 | 2,924 | (5.8) | 2,671 | 3.1 | 10,382 | 10,389 | (0.1) |
| PPOP | 7,171 | 4,755 | 50.8 | 6,509 | 10.2 | 7,258 | (1.2) | 27,987 | 23,191 | 20.7 |
| Provisions | 1,574 | 734 | 114.5 | 785 | 100.5 | (11) | (14,028.3) | 4,948 | 2,368 | 109.0 |
| PBT | 5,597 | 4,022 | 39.2 | 5,724 | (2.2) | 7,269 | (23.0) | 23,039 | 20,823 | 10.6 |
| Tax | 1,310 | 945 | 38.6 | 1,426 | (8.1) | 1,811 | (27.7) | 5,118 | 5,190 | (1.4) |
| <i>ETR (%)</i> | <i>23.4</i> | <i>23.5</i> | | <i>24.9</i> | | <i>24.9</i> | | <i>22.2</i> | <i>24.9</i> | |
| PAT | 4,287 | 3,077 | 39.4 | 4,298 | (0.3) | 5,459 | (21.5) | 17,920 | 15,633 | 14.6 |
| Business Metrics | | | | | | | | | | |
| AUM | 5,32,780 | 4,56,710 | 16.7 | 5,31,678 | 0.2 | 5,14,760 | 3.5 | 5,94,760 | 5,14,760 | 15.5 |
| Borrowings | 4,88,090 | 4,37,070 | 11.7 | 4,89,859 | (0.4) | 4,73,620 | 3.1 | 5,47,980 | 4,73,201 | 15.8 |
| Asset Quality Metrics | | | | | | | | | | |
| GNPA (%) | 1.91 | 1.56 | 35bps | NA | NA | 1.44 | 47bps | 1.81 | 1.44 | 37bps |
| NNPA (%) | 1.07 | 0.84 | 23bps | NA | NA | 0.75 | 32bps | 1.00 | 0.75 | 25bps |
| PCR (%) | 44.0 | 46.2 | -215bps | NA | NA | 49.0 | -500bps | 44.8 | 47.9 | -317bps |

Source: Company, PL

Exhibit 2: Break-up of our SoTP of Rs. 5,000

| Entity | Valuation Method | Value per share (Rs) |
|--|---|----------------------|
| Sundaram Finance (Standalone) | 3.1x Mar-27 ABV, adjusted for subsidiaries cost of investment | 3,882 |
| Sundaram Home Finance (Subsidiary) | 1.5x FY25 Network | 283 |
| Sundaram Asset Management (Subsidiary) | 10% of last reported AUM | 725 |
| Royal Sundaram (General Insurance JV) | Valued on last transaction basis | 137 |
| Other subsidiaries & Associates | Net worth of other investments on FY25 basis | 3 |
| | 20% holding company discount | 229 |
| | Target Price | 4,800 |

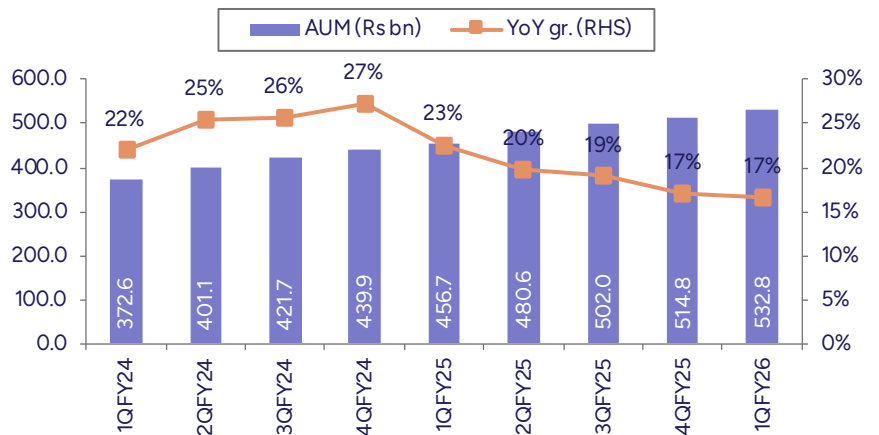
Source: PL

Exhibit 3: One-year forward P/ABV of SUF trades at 3.9x



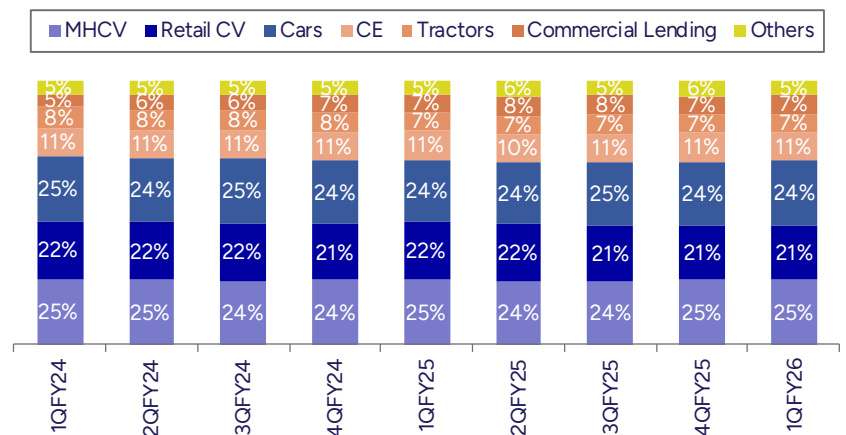
Source: Company, PL

Exhibit 4: AUM has grown 17% YoY to Rs 532.8 bn



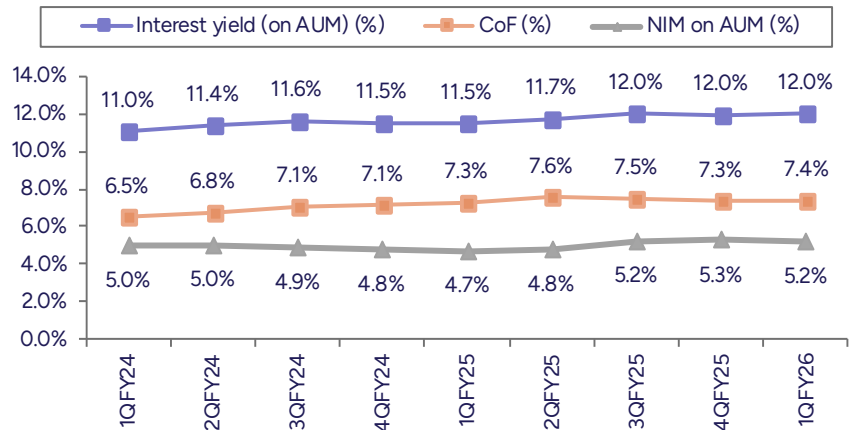
Source: Company, PL

Exhibit 5: ...with strong growth in MHCV, Cars and CE



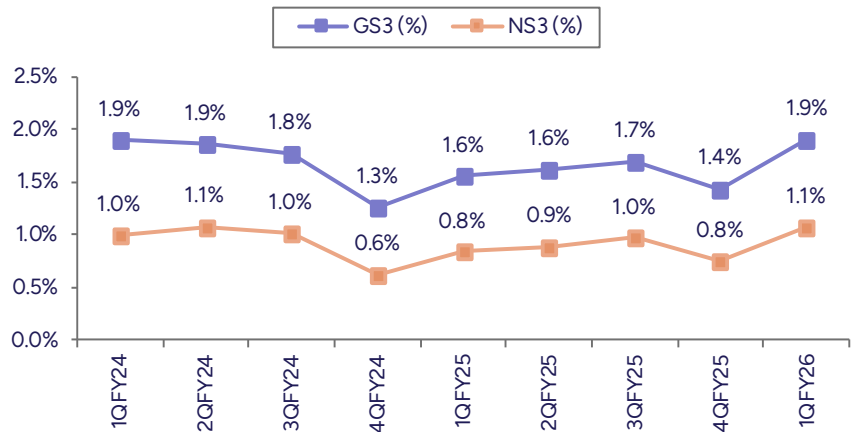
Source: Company, PL

Exhibit 6: NIM has been stable despite increase in CoF



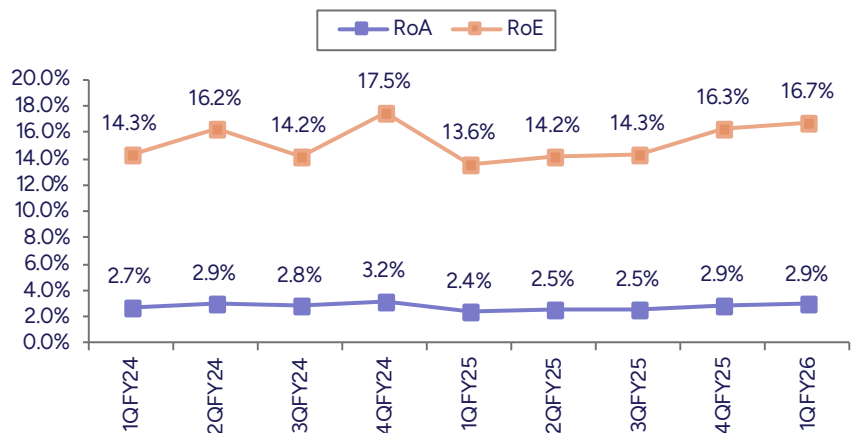
Source: Company, PL

Exhibit 7: Headline asset quality ratios have been deteriorated



Source: Company, PL

Exhibit 8: Return ratios have improved – RoA/ RoE (%)



Source: Company, PL


Income Statement (Rs. m)

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|----------------------------|---------------|---------------|---------------|---------------|
| Int. Inc. / Opt. Inc. | 45,246 | 56,574 | 65,783 | 75,085 |
| Interest Expenses | 25,758 | 32,540 | 37,345 | 41,871 |
| Net interest income | 19,488 | 24,034 | 28,438 | 33,215 |
| Growth(%) | 15.2 | 23.3 | 18.3 | 16.8 |
| Non-interest income | 9,698 | 9,546 | 9,931 | 10,114 |
| Growth(%) | 52.0 | (1.6) | 4.0 | 1.8 |
| Net operating income | 29,186 | 33,580 | 38,369 | 43,329 |
| Expenditures | | | | |
| Employees | 5,485 | 6,430 | 5,191 | 6,359 |
| Other Expenses | 2,678 | 3,959 | 5,191 | 6,359 |
| Depreciation | 1,318 | - | - | - |
| Operating Expenses | 9,481 | 10,389 | 10,382 | 12,717 |
| PPP | 19,705 | 23,191 | 27,987 | 30,611 |
| Growth(%) | 26.8 | 17.7 | 20.7 | 9.4 |
| Provisions | 2,738 | 2,368 | 4,948 | 4,274 |
| Profit Before Tax | 16,967 | 20,823 | 23,039 | 26,337 |
| Tax | 3,765 | 5,190 | 5,118 | 6,118 |
| Effective Tax rate(%) | 22.2 | 24.9 | 22.2 | 23.2 |
| PAT | 13,202 | 15,633 | 17,920 | 20,219 |
| Growth(%) | 21.3 | 18.4 | 14.6 | 12.8 |

Balance Sheet (Rs. m)

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| Source of funds | | | | |
| Equity | 1,111 | 1,111 | 1,111 | 1,111 |
| Reserves and Surplus | 93,606 | 1,10,280 | 1,27,034 | 1,47,061 |
| Networth | 94,717 | 1,11,391 | 1,28,145 | 1,48,172 |
| Growth (%) | 22.4 | 17.6 | 15.0 | 15.6 |
| Loan funds | 4,08,769 | 4,73,201 | 5,47,980 | 6,25,403 |
| Growth (%) | 24.8 | 15.8 | 15.8 | 14.1 |
| Deferred Tax Liability | - | - | - | - |
| Other Current Liabilities | - | - | - | - |
| Other Liabilities | 6,392 | 7,556 | (8,416) | (10,210) |
| Total Liabilities | 5,09,878 | 5,92,148 | 6,67,709 | 7,63,365 |
| Application of funds | | | | |
| Net fixed assets | 5,596 | 6,564 | 6,829 | 7,105 |
| Advances | 4,20,768 | 4,93,735 | 5,76,821 | 6,58,319 |
| Growth (%) | 24.7 | 17.3 | 16.8 | 14.1 |
| Investments | 63,829 | 68,626 | 81,055 | 94,822 |
| Current Assets | 14,184 | 19,745 | - | - |
| Net current assets | 14,184 | 19,745 | - | - |
| Other Assets | 5,501 | 3,478 | 3,004 | 3,118 |
| Total Assets | 5,09,878 | 5,92,148 | 6,67,709 | 7,63,365 |
| Growth (%) | 24.2 | 16.1 | 12.8 | 14.3 |
| Business Mix | | | | |
| AUM | 4,39,870 | 5,14,760 | 5,94,760 | 6,78,793 |
| Growth (%) | 27.3 | 17.0 | 15.5 | 14.1 |
| On Balance Sheet | 4,39,870 | 5,14,760 | 5,94,760 | 6,78,793 |
| % of AUM | 100.00 | 100.00 | 100.00 | 100.00 |
| Off Balance Sheet | - | - | - | - |
| % of AUM | - | - | - | - |

Profitability & Capital (%)

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|---------|------|------|-------|-------|
| NIM | 5.1 | 5.3 | 5.3 | 5.4 |
| ROAA | 3.2 | 2.8 | 2.8 | 2.8 |
| ROAE | 16.9 | 15.2 | 15.0 | 14.6 |

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

| Y/e Mar | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 |
|----------------------------------|--------------|--------------|--------------|--------------|
| Int. Inc. / Operating Inc. | 13,732 | 14,779 | 15,196 | 15,728 |
| Income from securitization | - | - | - | - |
| Interest Expenses | 8,108 | 8,352 | 8,511 | 8,936 |
| Net Interest Income | 5,625 | 6,427 | 6,685 | 6,792 |
| Growth (%) | 15.8 | 28.3 | 29.3 | 28.2 |
| Non-Interest Income | 2,389 | 1,859 | 3,244 | 3,133 |
| Net Operating Income | 8,013 | 8,286 | 9,929 | 9,925 |
| Growth (%) | 4.6 | 25.9 | 17.3 | 38.0 |
| Operating expenditure | 2,580 | 2,700 | 2,671 | 2,754 |
| PPP | 5,433 | 5,586 | 7,258 | 7,171 |
| Growth (%) | 3.1 | 35.9 | 20.2 | 50.8 |
| Provision | 734 | 912 | (11) | 1,574 |
| Exchange Gain / (Loss) | - | - | - | - |
| Profit before tax | 4,699 | 4,674 | 7,269 | 5,597 |
| Tax | 1,251 | 1,183 | 1,811 | 1,310 |
| Prov. for deferred tax liability | - | - | - | - |
| Effective Tax Rate | 26.6 | 25.3 | 24.9 | 23.4 |
| PAT | 3,448 | 3,491 | 5,459 | 4,287 |
| Growth | (6) | 16 | 47 | 39 |
| AUM | 4,80,580 | 5,01,990 | 5,14,760 | 5,32,780 |
| YoY growth (%) | 19.8 | 19.0 | 17.0 | 16.7 |
| Borrowing | 4,36,996 | 4,54,539 | 4,73,201 | 4,90,875 |
| YoY growth (%) | 15.5 | 12.7 | 15.8 | 16.7 |

Key Ratios

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|--------------------------|---------|---------|---------|---------|
| CMP (Rs) | 4,646 | 4,646 | 4,646 | 4,646 |
| EPS (Rs) | 130.9 | 140.7 | 161.3 | 182.0 |
| Book value (Rs) | 1,241.0 | 1,593.6 | 1,915.6 | 2,335.8 |
| Adj. BV(Rs) | 1,221.4 | 1,564.0 | 1,889.0 | 2,302.3 |
| P/E(x) | 35.5 | 33.0 | 28.8 | 25.5 |
| P/BV(x) | 3.7 | 2.9 | 2.4 | 2.0 |
| P/ABV(x) | 3.8 | 3.0 | 2.5 | 2.0 |
| DPS (Rs) | 29.7 | 32.3 | 37.0 | 41.7 |
| Dividend Payout Ratio(%) | - | - | - | - |
| Dividend Yield(%) | 0.6 | 0.7 | 0.8 | 0.9 |

Asset Quality

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|-----------------------------|-------|-------|--------|--------|
| Gross NPAs(Rs m) | 8,573 | 7,413 | 10,788 | 13,574 |
| Net NPA(Rs m) | 5,385 | 3,861 | 5,960 | 7,364 |
| Gross NPAs to Gross Adv.(%) | 1.3 | 1.4 | 1.8 | 2.0 |
| Net NPAs to net Adv.(%) | 0.6 | 0.8 | 1.0 | 1.1 |
| NPA coverage(%) | 37.2 | 47.9 | 44.8 | 45.8 |

Du-Pont as a % of AUM

| Y/e Mar | FY24 | FY25 | FY26E | FY27E |
|----------------------------|------|------|-------|-------|
| NII | 4.2 | 4.4 | 4.5 | 4.6 |
| NII INCI. Securitization | 4.2 | 4.4 | 4.5 | 4.6 |
| Total income | 11.9 | 12.0 | 12.0 | 11.9 |
| Operating Expenses | 2.1 | 1.9 | 1.6 | 1.8 |
| PPOP | 4.3 | 4.2 | 4.4 | 4.3 |
| Total Provisions | 0.6 | 0.4 | 0.8 | 0.6 |
| RoAA | 3.2 | 2.8 | 2.8 | 2.8 |
| Avg. Assets/Avg. net worth | 5.3 | 5.3 | 5.3 | 5.2 |
| RoAE | 15.3 | 15.2 | 15.0 | 14.6 |

Source: Company Data, PL Research

Price Chart



Recommendation History

| No. | Date | Rating | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|--------|----------|-------------------|
| 1 | 08-Jul-25 | Hold | 5,000 | 5,167 |
| 2 | 27-May-25 | Hold | 5,000 | 5,351 |

Analyst Coverage Universe

| Sr. No. | Company Name | Rating | TP (Rs) | Share Price (Rs) |
|---------|--|--------|---------|------------------|
| 1 | Bajaj Finance | Hold | 900 | 959 |
| 2 | Cholamandalam Investment and Finance Company | Hold | 1,500 | 1,423 |
| 3 | Mahindra & Mahindra Financial Services | Hold | 285 | 266 |
| 4 | Shriram Finance | Hold | 650 | 616 |
| 5 | Sundaram Finance | Hold | 5,000 | 5,167 |

PL's Recommendation Nomenclature (Absolute Performance)

| | |
|--------------------------|-----------------------------------|
| Buy | : > 15% |
| Accumulate | : 5% to 15% |
| Hold | : +5% to -5% |
| Reduce | : -5% to -15% |
| Sell | : < -15% |
| Not Rated (NR) | : No specific call on the stock |
| Under Review (UR) | : Rating likely to change shortly |

ANALYST CERTIFICATION

(Indian Clients)

We/I, Ms. Shreya Khandelwal- MBA Finance, CFA 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.

(US Clients)

The research analysts, 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 related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Ms. Shreya Khandelwal- MBA Finance, CFA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, 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 subject company 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 subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., 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 Prabhudas Lilladher Pvt. Ltd. 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, which is not the Major Institutional Investor.

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, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, 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.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com