

May 10, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	145		140	
NII (Rs. m)	3,93,287	4,45,038	3,86,516	4,28,119
% Chng.	1.8	4.0		
Op. Profit (Rs. m)	3,10,678	3,52,112	2,85,370	3,16,265
% Chng.	8.9	11.3		
EPS (Rs.)	22.2	25.3	19.7	21.9
% Chng.	13.0	15.7		

Key Financials - Standalone

Y/e Mar	FY24	FY25	FY26E	FY27E
NII (Rs m)	3,65,704	3,72,137	3,93,287	4,45,038
Op. Profit (Rs m)	2,82,106	3,10,900	3,10,678	3,52,112
PAT (Rs m)	1,36,483	1,79,871	1,69,838	1,93,275
EPS (Rs.)	17.9	23.6	22.2	25.3
Gr. (%)	44.9	31.8	(5.6)	13.8
DPS (Rs.)	3.6	4.8	4.4	5.1
Yield (%)	2.9	3.9	3.6	4.1
NIM (%)	2.9	2.7	2.6	2.6
RoAE (%)	16.7	18.1	14.9	15.0
RoAA (%)	1.0	1.2	1.1	1.1
P/BV (x)	1.0	0.9	0.8	0.7
P/ABV (x)	1.1	0.9	0.8	0.7
PE (x)	6.9	5.2	5.5	4.9
CAR (%)	17.0	18.1	23.3	24.0

Key Data

UNBK.BO | UNBK IN

52-W High / Low	Rs.173 / Rs.101
Sensex / Nifty	79,454 / 24,008
Market Cap	Rs.938bn / \$ 10,988m
Shares Outstanding	7,634m
3M Avg. Daily Value	Rs.1503.42m

Shareholding Pattern (%)

Promoter's	74.76
Foreign	7.11
Domestic Institution	11.64
Public & Others	6.49
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	5.3	4.6	(13.5)
Relative	(2.2)	4.6	(21.2)

Gaurav Jani

gauravjani@plindia.com | 91-22-66322235

Aditya Modani

adityamodani@plindia.com | 91-22-66322257

Harshada Gite

harshadagite@plindia.com | 91-22-66322237

Superior earnings with a strong balance sheet

Quick Pointers:

- Core PBT beat due to higher NII and fees; asset quality improved.
- For FY26/27E, due to increase in NII/fees we raise core PAT by avg. 6%.

UNBK saw a strong quarter owing to beat on all fronts i.e. NII, fees and asset quality resulting in core PBT being 9.4% above PLe. NII was 1.8% higher as NIM was cushioned due to (1) shedding of high cost bulk deposits in the last quarter and (2) avoiding disbursal of lower yielding loans. Loan growth was muted at 9.5% YoY; over FY25-27E we are factoring a loan CAGR slightly lower than the system at 10%. Asset quality was superior as net slippages were lower led by controlled gross slippages and healthy recoveries while provisioning for Q4'25 at 68bps was mainly driven by increase in PCR, which was a positive. UNBK has been reporting better quality earnings over the last few quarters; we increase core PAT for FY26/27E by avg. 6%. With core RoA of 0.9x in FY27, stock is valued at 0.7x on Mar'27 ABV suggesting a 24% discount to SBI. We keep multiple at 0.9x but raise TP to Rs145 from Rs140. Retain 'BUY.'

- Strong quarter led by better NII, fees and asset quality; tax rate was lower:** NII was higher at Rs95.1bn (PLe Rs93.5bn). NIM (calc.) was better at 2.75% (PLe2.71%). Reported NIM saw 4bps QoQ blip to 2.87%. Loan/deposit growth was in-line at 9.5%/7.2% YoY. LDR decreased to 72.8% (Q3'25-75.6%). CASA ratio was stable at 32.6%. Other income was a beat at Rs55.6bn (PLe Rs42.1bn) due to higher fees and MTM gains. SR provision reversal included in treasury was Rs7.9bn. Opex at Rs73.7bn was 2.3% above PLe led by higher other opex. Core PPOp at Rs49.1bn was 4.0% above PLe; PPOp was Rs77bn. Asset quality improved as GNPA fell by 25bps QoQ to 3.60% due to lower net slippages. Provisions were lesser at Rs15.4bn (PLe Rs16.9bn); PCR rose QoQ to 83% from 79%. Core PBT was a 9% beat; tax rate was lower at 19% (PLe 27%). Core PAT was 21.3% above PLe at Rs34.8bn while PAT was Rs49.8bn.
- Sequential loan growth was broad based:** Credit accretion at 3.65% QoQ was broad based led by retail (7.4%), corporate (4.5%) and SME (4.6%). Loan growth was muted as bank avoided disbursal of lower yielding loans. Within retail, growth was driven by home, auto education. Agri fell by 3.7% QoQ due to which overall loan accretion was soft. Bank avoided to give a loan/deposit guidance, however, we are factoring a loan/deposit CAGR of 10% over FY25-27E. UNBK is focused reducing share of higher cost deposits; bulk deposits make up 27% of total deposits. Focus on garnering CASA continues.
- NIM a key monitorable; asset quality improves:** NIM fall was contained due to 1) curtailed high-cost bulk deposits leading to fall in deposit cost and 2) change in risk profile to increase yield. 50% of TDs are expected to mature within 6 months and 28% of the loan book is repo-linked. Due to further rate cuts, we expect NIM for FY26 to decline by 11bps YoY to 2.58%; fall in deposit cost can be faster which may lead to NIM upgrade. Other opex in Q4FY25 was a miss and grew by 22.5% QoQ largely led by PSLC purchase and CSR spend. Implied tax rate was lower as bank shifted to new tax regime.

Exhibit 1: PAT beat at Rs50bn led by better margins/fee and lower provisions/taxes

Financial Statement (Rs m)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	Q4FY25E	% Var.
Interest income	276,952	263,501	5.1	269,579	2.7	278,492	(0.6)
Interest Expenses	181,812	169,135	7.5	177,177	2.6	185,034	(1.7)
Net interest income (NII)	95,140	94,366	0.8	92,403	3.0	93,458	1.8
Other income	55,591	47,074	18.1	44,166	25.9	42,068	32.1
-Fee Income	27,870	21,510	29.6	25,740	8.3	24,558	13.5
-Other non-interest income	27,721	25,564	8.4	18,426	50.4	17,510	58.3
Total income	150,731	141,441	6.6	136,568	10.4	135,526	11.2
Operating expenses	73,730	76,111	(3.1)	61,650	19.6	72,054	2.3
-Staff expenses	40,691	48,291	(15.7)	34,678	17.3	42,654	(4.6)
-Other expenses	33,039	27,820	18.8	26,972	22.5	29,400	12.4
Operating profit	77,001	65,329	17.9	74,918	2.8	63,472	21.3
Core operating profit	49,131	43,819	12.1	49,178	(0.1)	38,914	26.3
Total provisions	15,439	12,596	22.6	15,991	(3.4)	16,863	(8.4)
Profit before tax	61,562	52,734	16.7	58,928	4.5	46,609	32.1
Tax	11,713	19,628	(40.3)	12,891	(9.1)	12,584	(6.9)
Profit after tax	49,849	33,106	50.6	46,036	8.3	34,024	46.5
Balance Sheet (Rs bn)							
Deposits	13,097,495	12,215,284	7.2	12,165,621	7.7	13,097,500	(0.0)
Advances	9,535,133	8,707,761	9.5	9,201,782	3.6	9,528,598	0.1
Ratios (calc %)							
RoaA	1.4	1.0	39	1.3	4	0.9	43
RoaE	19.0	15.1	389	18.0	103	13.0	595
NIM	2.8	3.0	(22)	2.8	(5)	2.7	5
Yield on Advances	8.9	9.5	(61)	9.0	(4)	8.9	6
Cost of Funds	5.6	5.6	1	5.8	(14)	5.7	(11)
Asset Quality							
Gross NPL (Rs m)	353,504	430,977	(18.0)	365,543	(3.3)	348,317	1.5
Net NPL (Rs m)	59,693	89,899	(33.6)	75,684	(21.1)	69,663	(14.3)
Gross NPL ratio	3.6	4.8	(117)	3.9	(25)	3.6	4
Net NPL ratio	0.6	1.0	(41)	0.8	(19)	0.7	(11)
Coverage ratio	83.1	79.1	397	79.3	382	80.0	311
Business & Other Ratios							
Low-cost deposit mix	32.6	33.6	(103)	32.5	5		
Cost-income ratio	48.9	53.8	(490)	45.1	377	53.2	(425)
Non int. inc / total income	36.9	33.3	360	32.3	454	31.0	584
Credit deposit ratio	72.8	71.3	152	75.6	(284)	72.8	5
CAR	18.0	17.0	105	16.7	129		
Tier-I	16.2	15.0	125	14.9	135		

Source: Company, PL

Q4FY25 Concall Highlights

Balance Sheet

- Loan growth was muted as bank avoided disbursal of lower yielding loans. Sanctioned book stood at Rs370bn with an additional Rs300bn in the pipeline. Bank did not provide loan growth guidance for FY26.
- Over medium term, retail to corporate mix in deposits is guided at 75:25 and within loans it is guided at 55:45.

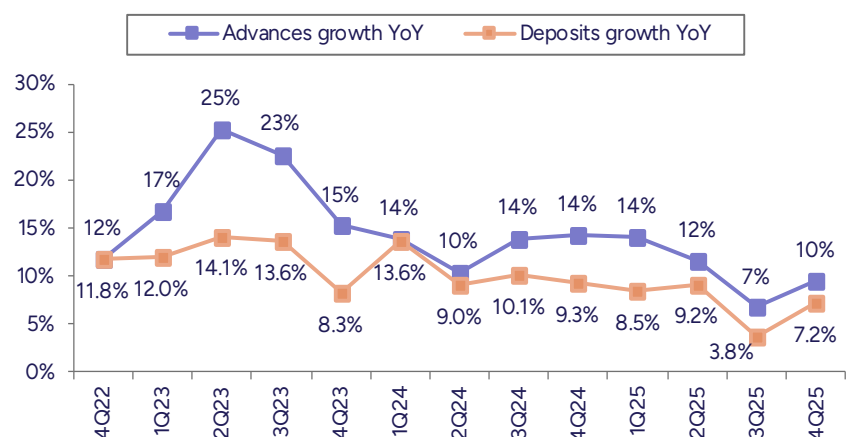
Profit & Loss

- Margin fall was contained due to 1) curtailed high-cost bulk deposit, 2) reduction in deposit rates and 3) change in risk profile to increase yield. 28% of loan book is repo-lined.
- Interest on RBI soared mainly due to excess liquidity and investment in GSec
- 50% term deposits are expected to be repriced in 6 months.
- Annual opex growth was 6%. However, sequential growth was largely led by PSLC purchase and CSR spend. PLI provision for FY25 was Rs2.5bn.
- Gratuity pension normalized at Rs25bn (Rs28.5bn in FY24 due to catchup).
- Implied tax rate was lower as bank shifted to new tax regime and there were higher provisions in the first 3 quarters.

Asset Quality

- Slippage (excluding one large account) was Rs87.2bn while overall SMA position has reduced
- Bump in agri slippages is due to repeated accounts being restructured while MSME slippages increased due to a fully automated system being implemented.
- Recovery on bad loans was expected to be higher in FY25 but a few cases were not concluded leading to lower recoveries. Overall portfolio is Rs1.1trn.

Exhibit 2: Advances growth improved to 10% YoY



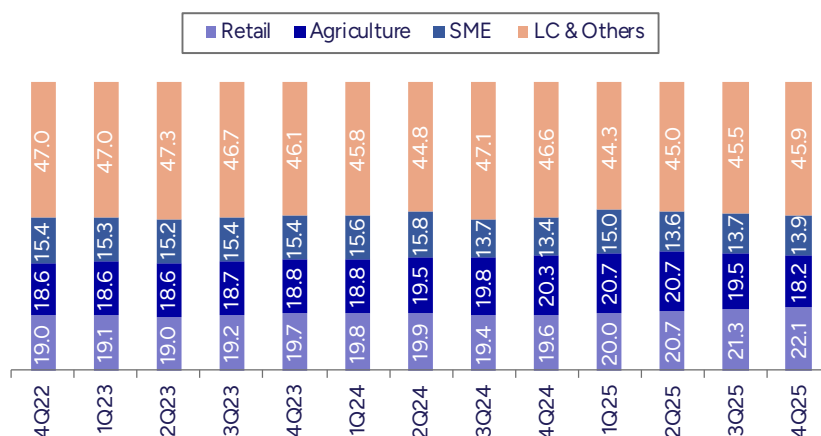
Source: Company, PL

Exhibit 3: Sequential growth of 3.6% led by retail, SME & corporate

Loan break up (Rs bn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)
Gross Advances	9,828,940	9,048,840	8.6	9,491,640	3.6
Large Corporates	4,512,150	4,219,060	6.9	4,316,310	4.5
SME	1,364,230	1,216,570	12.1	1,304,370	4.6
Agri	1,784,790	1,838,330	(2.9)	1,852,840	(3.7)
International	369,190	312,520	18.1	362,370	1.9
Retail	2,167,770	1,774,880	22.1	2,018,120	7.4
Home	1,109,770	1,011,220	10	1,085,970	2
Auto	224,620	203,400	10	218,210	3
Education	159,120	140,680	13	153,190	4
Other Retail	674,260	305,080	121	447,150	51

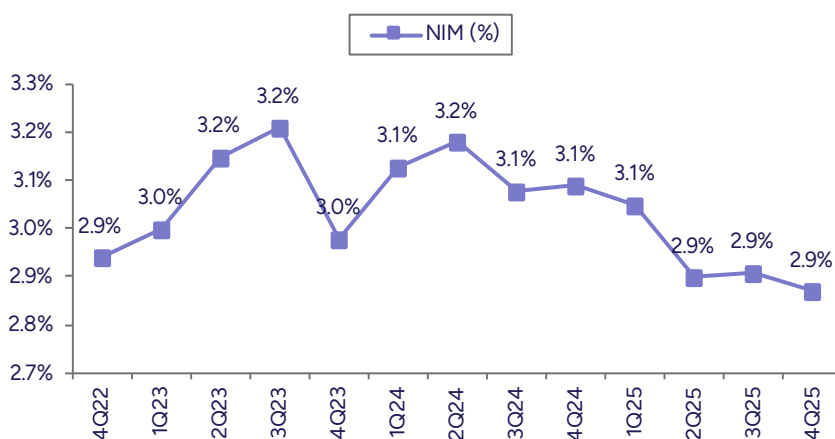
Source: Company, PL

Exhibit 4: Retail:corporate mix came in at 54:46

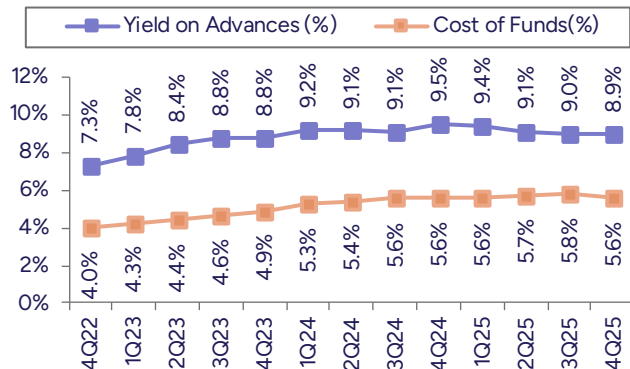


Source: PL, Company

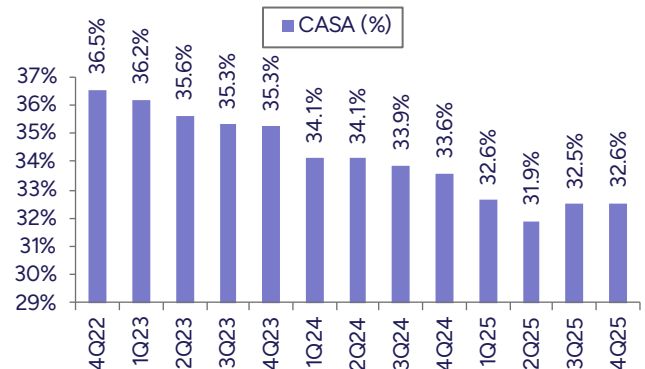
Exhibit 5: Fall in NIM was lower than expected. Reported NIM came in at 2.87%



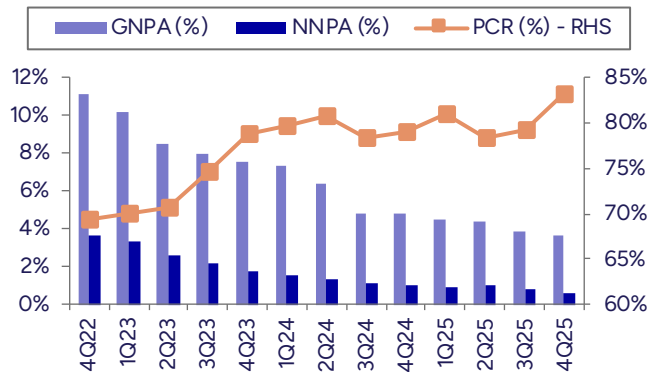
Source: Company, PL

Exhibit 6: Fall in CoFs outpaced fall yield on advances


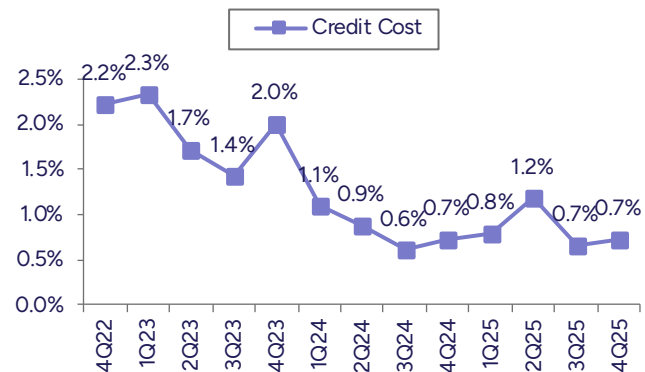
Source: Company, PL

Exhibit 7: CASA ratio stable at 32.6%


Source: Company, PL

Exhibit 8: GNPA/NNPA improved to 3.60%/0.63%


Source: Company, PL

Exhibit 9: Credit cost increased to 0.7%


Source: Company, PL

Exhibit 10: Slippages came in at Rs25.7bn, while overall asset quality has improved

(Rs mn)	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25
Additions	56,720	42,440	29,130	25,670	27,940	32,410	26,320	26,810	33,230	23,180	52,190	19,690	25,670
Slippages (%)	3.8%	2.7%	1.9%	1.6%	1.8%	1.8%	1.5%	1.5%	1.9%	1.1%	2.6%	1.0%	1.3%
Recovery	18,960	14,810	21,600	17,020	19,340	11,660	17,220	27,250	16,760	12,000	9,770	11,300	16,170
Upgradation	11,640	12,020	12,630	12,370	9,640	10,010	9,840	13,880	8,400	6,070	10,070	7,250	9,240
Write offs	8,120	66,480	85,990	12,490	26,787	19,576	60,175	93,184	9,712	21,858	41,590	40,590	12,300
Gross NPAs	795,871	745,000	653,909	637,702	609,873	601,037	540,123	432,619	430,977	414,229	404,989	365,543	353,504
Gross NPA Ratio	11.11	10.23	8.45	7.93	7.53	7.34	6.38	4.83	4.76	4.54	4.36	3.85	3.60
Net NPAs	243,033	223,920	191,926	161,951	129,274	121,379	104,210	93,512	89,899	79,020	87,586	75,684	59,693
Net NPA Ratio	3.68	3.31	2.64	2.14	1.70	1.58	1.30	1.08	1.03	0.90	0.98	0.82	0.63
PCR	69.5%	69.9%	70.6%	74.6%	78.8%	79.8%	80.7%	78.4%	79.1%	80.9%	78.4%	79.3%	83.1%
NPAs breakup													
MSME	212,080	215,100	202,110	191,310	166,040	156,520	154,890	140,950	111,990	115,020	115,620	102,490	57,640
Retail	49,710	49,720	48,210	46,940	48,480	46,930	48,800	46,880	39,300	41,640	43,910	37,880	31,460
Agriculture	157,230	154,070	160,590	160,990	161,920	156,070	152,450	147,930	151,250	156,450	153,510	148,730	143,580
Others	358,840	376,980	334,090	254,670	261,260	250,350	244,900	204,360	130,080	117,870	101,190	115,880	120,820

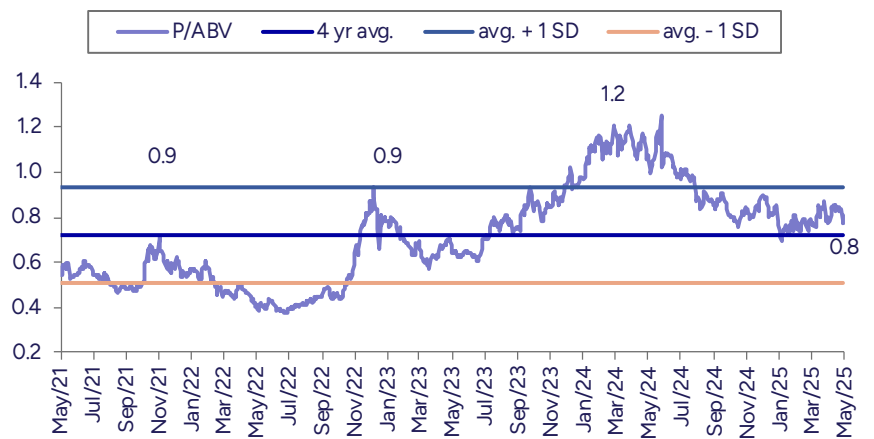
Source: Company, PL

Exhibit 11: Return ratios to remain at 14%-15%

RoA decomposition (%)	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net Interest Income/Assets	2.4	2.5	2.7	2.7	2.6	2.5	2.5
Other Income/Assets	1.1	1.1	1.2	1.2	1.4	1.3	1.3
Net revenues/Assets	3.5	3.6	3.8	3.9	3.9	3.8	3.8
Operating Expense/Assets	1.6	1.6	1.8	1.8	1.8	1.8	1.8
Provisions/Assets	1.6	1.2	1.1	0.5	0.5	0.5	0.5
Taxes/Assets	0.0	0.3	0.3	0.6	0.4	0.4	0.4
ROA	0.3	0.5	0.7	1.0	1.2	1.1	1.1
ROE	5.1	8.3	12.2	16.7	18.1	14.9	15.0

Source: Company Data, PL Research

Exhibit 12: One-year forward P/ABV trades at 0.8x



Source: Company, PL


Income Statement (Rs. m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Int. Earned from Adv.	7,19,710	7,90,669	8,29,655	9,02,525
Int. Earned from invt.	2,24,674	2,31,842	2,44,835	2,69,615
Others	4,846	3,865	4,400	4,400
Total Interest Income	9,97,780	10,77,260	11,37,156	12,44,370
Interest Expenses	6,32,076	7,05,123	7,43,870	7,99,332
Net Interest Income	3,65,704	3,72,137	3,93,287	4,45,038
Growth(%)	11.6	1.8	5.7	13.2
Non Interest Income	1,60,802	1,98,129	2,05,541	2,24,465
Net Total Income	5,26,506	5,70,266	5,98,828	6,69,503
Growth(%)	11.1	8.3	5.0	11.8
Employee Expenses	1,43,772	1,46,676	1,53,858	1,68,302
Other Expenses	1,00,628	1,12,689	1,34,292	1,49,090
Operating Expenses	2,44,400	2,59,366	2,88,150	3,17,392
Operating Profit	2,82,106	3,10,900	3,10,678	3,52,112
Growth(%)	10.8	10.2	(0.1)	13.3
NPA Provision	63,873	73,085	71,895	80,593
Total Provisions	67,802	76,110	78,023	87,351
PBT	2,14,304	2,34,791	2,32,655	2,64,761
Tax Provision	77,821	54,919	62,817	71,485
Effective tax rate (%)	36.3	23.4	27.0	27.0
PAT	1,36,483	1,79,871	1,69,838	1,93,275
Growth(%)	61.8	31.8	(5.6)	13.8

Balance Sheet (Rs. m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Face value	10	10	10	10
No. of equity shares	7,634	7,634	7,634	7,634
Equity	76,336	76,336	76,336	76,336
Networth	9,69,690	11,29,752	12,65,622	14,20,243
Growth(%)	23.8	16.5	12.0	12.2
Adj. Networth to NNPA's	89,899	59,693	63,844	62,340
Deposits	1,22,15,284	1,30,97,495	1,43,65,911	1,58,00,194
Growth(%)	9.3	7.2	9.7	10.0
CASA Deposits	41,01,337	42,63,250	46,89,953	51,59,498
% of total deposits	33.6	32.6	32.6	32.7
Total Liabilities	1,39,19,576	1,49,98,557	1,67,94,430	1,85,05,320
Net Advances	87,07,761	95,35,133	1,04,87,115	1,15,34,142
Growth(%)	14.3	9.5	10.0	10.0
Investments	33,79,035	35,43,814	41,66,114	45,82,056
Total Assets	1,39,19,576	1,49,98,557	1,67,94,430	1,85,05,320
Growth (%)	8.7	7.8	12.0	10.2

Asset Quality

Y/e Mar	FY24	FY25	FY26E	FY27E
Gross NPAs (Rs m)	4,30,979	3,53,501	3,19,644	3,11,327
Net NPAs (Rs m)	89,899	59,693	63,844	62,340
Gr. NPAs to Gross Adv.(%)	4.8	3.6	3.0	2.6
Net NPAs to Net Adv. (%)	1.0	0.6	0.6	0.5
NPA Coverage %	79.1	83.1	80.0	80.0

Profitability (%)

Y/e Mar	FY24	FY25	FY26E	FY27E
NIM	2.9	2.7	2.6	2.6
RoAA	1.0	1.2	1.1	1.1
RoAE	16.7	18.1	14.9	15.0
Tier I	15.0	16.3	16.9	17.5
CRAR	17.0	18.1	23.3	24.0

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Interest Income	2,63,644	2,67,084	2,69,579	2,76,952
Interest Expenses	1,69,523	1,76,612	1,77,177	1,81,812
Net Interest Income	94,121	90,473	92,403	95,140
YoY growth (%)	6.5	(0.9)	0.8	0.8
CEB	28,680	25,630	23,650	24,880
Treasury	-	-	-	-
Non Interest Income	45,092	53,280	44,166	55,591
Total Income	3,08,736	3,20,365	3,13,745	3,32,543
Employee Expenses	35,680	35,627	34,678	40,691
Other expenses	25,680	26,999	26,972	33,039
Operating Expenses	61,360	62,625	61,650	73,730
Operating Profit	77,853	81,128	74,918	77,001
YoY growth (%)	8.4	12.4	2.9	17.9
Core Operating Profits	72,951	69,697	66,703	58,441
NPA Provision	16,510	25,044	14,773	16,758
Others Provisions	27,558	17,122	15,991	15,439
Total Provisions	27,558	17,122	15,991	15,439
Profit Before Tax	50,295	64,006	58,928	61,562
Tax	13,507	16,808	12,891	11,713
PAT	36,789	47,197	46,036	49,849
YoY growth (%)	13.7	34.4	28.2	50.6
Deposits	1,22,41,914	1,24,19,474	1,21,65,621	1,30,97,495
YoY growth (%)	8.5	9.2	3.8	7.2
Advances	87,86,929	89,70,919	92,01,782	95,35,133
YoY growth (%)	14.0	11.6	6.7	9.5

Key Ratios

Y/e Mar	FY24	FY25	FY26E	FY27E
CMP (Rs)	123	123	123	123
EPS (Rs)	17.9	23.6	22.2	25.3
Book Value (Rs)	120	141	158	179
Adj. BV (Rs)	108	133	150	170
P/E (x)	6.9	5.2	5.5	4.9
P/BV (x)	1.0	0.9	0.8	0.7
P/ABV (x)	1.1	0.9	0.8	0.7
DPS (Rs)	3.6	4.8	4.4	5.1
Dividend Payout Ratio (%)	20.1	20.2	20.0	20.0
Dividend Yield (%)	2.9	3.9	3.6	4.1

Efficiency

Y/e Mar	FY24	FY25	FY26E	FY27E
Cost-Income Ratio (%)	46.4	45.5	48.1	47.4
C-D Ratio (%)	71.3	72.8	73.0	73.0
Business per Emp. (Rs m)	276	293	322	350
Profit per Emp. (Rs lacs)	18	23	22	25
Business per Branch (Rs m)	2,471	2,670	2,929	3,217
Profit per Branch (Rs m)	16	21	20	23

Du-Pont

Y/e Mar	FY24	FY25	FY26E	FY27E
NII	2.74	2.57	2.47	2.52
Total Income	3.94	3.94	3.77	3.79
Operating Expenses	1.83	1.79	1.81	1.80
PPoP	2.11	2.15	1.95	1.99
Total provisions	0.51	0.53	0.49	0.49
RoAA	1.02	1.24	1.07	1.10
RoAE	16.69	18.11	14.88	15.02

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	BUY	140	119
2	20-Mar-25	BUY	140	120

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	Accumulate	2,072	2,038
2	Axis Bank	BUY	1,500	1,207
3	Bank of Baroda	BUY	275	225
4	Can Fin Homes	BUY	860	723
5	City Union Bank	BUY	210	174
6	DCB Bank	BUY	155	113
7	Federal Bank	BUY	220	197
8	HDFC Asset Management Company	BUY	4,600	4,218
9	HDFC Bank	BUY	2,125	1,907
10	ICICI Bank	BUY	1,700	1,407
11	IndusInd Bank	Hold	860	676
12	Kotak Mahindra Bank	BUY	2,400	2,185
13	LIC Housing Finance	BUY	650	566
14	Nippon Life India Asset Management	BUY	700	638
15	State Bank of India	BUY	960	800
16	Union Bank of India	BUY	140	119
17	UTI Asset Management Company	BUY	1,300	1,019

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, Mr. Gaurav Jani- CA, Passed CFA Level II, Mr. Aditya Modani- CA, Passed CFA Level II, Ms. Harshada Gite- CA 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 Mr. Gaurav Jani- CA, Passed CFA Level II, Mr. Aditya Modani- CA, Passed CFA Level II, Ms. Harshada Gite- CA 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