

Estimate change

TP change

Rating change



Motilal Oswal values your support in the Asiamoney Brokers Poll 2020 for India Research, Sales and Trading team. We [request your ballot.](#)



Bloomberg	ICICIB IN
Equity Shares (m)	6,474
M.Cap.(INRb)/(USDb)	2472.9 / 34
52-Week Range (INR)	552 / 269
1, 6, 12 Rel. Per (%)	0/-20/-7
12M Avg Val (INR M)	13344

Financials & Valuations (INR b)

Y/E March	FY20	FY21E	FY22E
NII	332.7	376.2	435.1
OP	281.0	357.1	361.0
NP	79.3	104.1	157.4
NIM (%)	3.7	3.6	3.6
EPS (INR)	12.3	16.1	24.3
EPS Gr (%)	135.0	31.0	51.2
ABV/Sh (INR)	151.3	160.4	183.0
Cons. BV/Sh (INR)	189.9	209.7	233.2

Ratios

RoE (%)	7.3	8.8	12.1
RoA (%)	0.8	0.9	1.2

Valuations

P/BV (x) (Cons)	2.0	1.8	1.6
P/ABV (x)	1.6	1.5	1.3
P/E (x)	20.0	15.3	10.1

*Adjusted for Investment in Subs

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	0.0	0.0	0.0
DII	37.8	36.4	34.8
FII	53.4	54.5	56.8
Others	8.9	9.1	8.4
FII Includes depository receipts			

CMP: INR382
TP: INR475 (+24%)
Buy

Steady operating performance; Provisioning prudent

Moratorium book declines; Remain watchful of progress in near term

- ICICI Bank's (ICICIB) 1QFY21 results were in line. The bank prudently used higher treasury/stake sale gains for higher provisions. This led the COVID-19 related provision buffer to 1.3% of loans. Also, provision coverage strengthened further to ~79%.
- Core operating performance (excluding treasury/stake sale gains) was strong, led by robust NII growth and controlled operating expenses. Moratorium book declined to 17.5% of loans while another ~2% of loans (outside moratorium) were overdue on their Jun'20 EMI. Maintain **Buy**.

Treasury gains prudently deployed to strengthen COVID provisioning

- PAT grew 36% YoY to INR26b (in-line), despite higher provisions. The bank prudently made provisions of INR55.5b due to COVID-19 (v/s INR27.25b in 4QFY20), taking the total COVID-19 provisions to INR82.8b.
- NII grew 20% YoY (4% QoQ) to INR92.8b. Margins dropped 18bp QoQ to ~3.7%, impacted by high liquidity and slowdown in credit demand.
- Other income increased 79% YoY to INR61.4b, supported by gains from the stake sale (INR30.36b) and treasury (INR7.3b). Core fee income declined 31% YoY, impacted by lower business volumes. Opex decreased 5% YoY (20% QoQ) to INR46.4b, resulting in 71% YoY PPOP growth (9% beat). Core PPOP was up 15% YoY (18% YoY adj. for interest on income-tax refunds).
- Advances grew 6.5% YoY (~2% QoQ) with domestic book growing 9.6% YoY (~11% YoY growth in retail), while overseas loan mix declined 7.5% YoY (8.4% in FY20). Deposit growth was robust at 21% YoY, led by term deposits that grew ~27% YoY. Average CASA mix stood at 41.0%.
- Fresh slippages came in at INR11.6b, which includes retail slippages of INR6b, led by 'Kisan Credit Card' portfolio (INR4.5b). Overall, GNPA/NNPA ratio improved by 7bp/18bp QoQ to ~5.5%/1.2%, while PCR improved to 78.5%. BB & below portfolio increased to INR171b (v/s INR167b in FY20).
- **Moratorium update:** It has declined to 17.5% of loans (v/s 30% in Apr'20) – and another 2% of loans – customers that have not 'opted in' for moratorium and did not pay Jun'20 EMI as well.

Highlights from management commentary

- About 90% of portfolio that have availed moratorium at end-Jun'20 comprise loans, which were under Moratorium 1.0. Higher moratorium was availed in builder, CV and dealer funding portfolio.
- Passenger vehicles are showing faster recovery trends and have reached ~65% of pre-COVID levels.
- **Unsecured portfolio:** 97% of customers that have availed moratorium are receiving full salary credits.

Valuation and view

ICICIB has reported a steady quarter amidst a tough macro environment. Earnings were in line despite the bank prudently making higher provisions toward COVID-19. Overall, the moratorium book has declined, but it is still higher v/s peers. The bank has built relatively higher provisioning buffer at 1.3% of loans to endure the COVID crisis. BB and below pool is likely to increase as effects of the pandemic plays out and the moratorium period ends. On the other hand, deposit growth remains strong with cost of deposits declining to 4.5% – the lowest amongst private players, which provides ICICIB a structural competitive advantage. We expect credit cost to remain elevated at 3.2%/2.0% for FY21/FY22E. **Maintain Buy** with an unchanged SOTP-based target price of INR475 (1.9x FY22E ABV for the bank).

Quarterly performance**(INRb)**

	FY20				FY21E				FY20	FY21E	FY21	v/s
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Est
Net Interest Income	77.4	80.6	85.5	89.3	92.8	92.5	94.4	96.4	332.7	376.2	87.2	6%
% Change (YoY)	26.8	25.6	24.3	17.1	19.9	14.8	10.5	8.0	23.1	13.1	12.7	
Other Income	34.3	41.9	45.7	42.5	61.4	45.8	47.9	58.7	164.5	213.8	68.8	-11%
Total Income	111.6	122.5	131.2	131.8	154.2	138.3	142.3	155.2	497.2	590.0	156.0	-1%
Operating Expenses	48.7	53.8	55.7	57.9	46.5	57.1	58.7	70.7	216.1	232.9	57.5	-19%
Operating Profit	62.9	68.7	75.5	73.9	107.8	81.2	83.6	84.5	281.0	357.1	98.5	9%
% Change (YoY)	8.3	30.9	22.8	18.6	71.4	18.2	10.8	14.3	19.9	27.1	56.6	
Provisions	35.0	25.1	20.8	59.7	75.9	48.4	50.6	45.1	140.5	220.1	63.5	20%
Profit before Tax	27.9	43.7	54.7	14.2	31.8	32.8	33.0	39.4	140.5	137.0	35.0	-9%
Tax	8.8	37.1	13.2	2.0	5.8	8.2	8.3	10.6	61.2	32.9	8.4	-31%
Net Profit	19.1	6.5	41.5	12.2	26.0	24.6	24.8	28.8	79.3	104.1	26.6	-2%
% Change (YoY)	NM	-27.9	158.4	26.0	36.2	275.8	-40.3	135.6	135.8	31.3	39.4	
Operating Parameters												
Deposit	6,607	6,963	7,163	7,710	8,016	8,352	8,611	9,020	7,710	9,020	7,918	1%
Loan	5,924	6,134	6,357	6,453	6,312	6,530	6,755	7,001	6,453	7,001	6,569	-4%
Deposit Growth (%)	20.8	24.6	18.1	18.1	21.3	20.0	20.2	17.0	18.1	17.0	19.8	149
Loan Growth (%)	14.7	12.6	12.6	10.0	6.5	6.5	6.3	8.5	10.0	8.5	10.9	(434)
Asset Quality												
Gross NPA (%)	7.3	7.0	6.5	6.1	5.5	6.2	6.5	7.1	6.1	7.1	6.2	(70)
Net NPA (%)	1.8	1.6	1.5	1.4	1.2	1.5	1.8	2.2	1.4	2.2	1.4	(19)
PCR (%)	74.1	76.1	76.1	75.6	78.5	77.0	74.0	70.0	75.7	70.0	78.0	52

E:MOFSL Estimates

Quarterly snapshot

Profit and Loss (INRb)	FY19				FY20				FY21	Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
Interest Income	147.2	151.1	162.8	172.9	179.8	185.7	190.6	191.9	199.2	11	4
Loans	109.8	115.1	125.2	129.3	136.2	143.0	148.0	148.4	145.8	7	-2
Investment	31.4	30.9	32.4	33.4	36.5	37.3	36.8	36.2	41.9	15	16
Others	6.0	5.1	5.2	10.3	7.2	5.4	5.9	7.3	11.6	61	58
Interest Expenses	86.2	86.9	94.1	96.7	102.4	105.1	105.2	102.6	106.4	4	4
Net Interest Income	61.0	64.2	68.8	76.2	77.4	80.6	85.5	89.3	92.8	20	4
Other Income	38.5	31.6	38.8	36.2	34.3	41.9	45.7	42.5	61.4	79	44
Trading profits	7.7	-0.4	4.8	1.6	1.8	3.4	5.3	2.4	37.6	2,002	1,455
Fee Income	27.5	30.0	30.6	31.8	30.4	34.8	36.0	36.0	21.0	-31	-42
Others	3.3	2.0	3.4	2.9	2.1	3.8	4.5	4.1	2.8	33	-34
Total Income	99.5	95.7	107.6	112.4	111.6	122.5	131.2	131.8	154.2	38	17
Operating Expenses	41.5	43.2	46.1	50.1	48.7	53.8	55.7	57.9	46.5	-5	-20
Employee	15.1	16.6	17.3	19.0	19.5	21.4	19.4	22.3	21.7	11	-3
Others	26.3	26.6	28.8	31.1	29.2	32.4	36.3	35.6	24.8	-15	-30
Operating Profits	58.1	52.5	61.5	62.3	62.9	68.7	75.5	73.9	107.8	71	46
Core Operating Profits	50.4	52.8	56.7	60.8	61.1	65.3	70.2	71.5	70.1	15	-2
Provisions	59.7	39.9	42.4	54.5	35.0	25.1	20.8	59.7	75.9	117	27
PBT	-1.6	12.6	19.0	7.8	27.9	43.7	54.7	14.2	31.8	14	124
Taxes	-0.4	3.5	3.0	-1.9	8.8	37.1	13.2	2.0	5.8	-34	190
PAT	-1.2	9.1	16.0	9.7	19.1	6.5	41.5	12.2	26.0	36	113
Balance Sheet (INR b)											
Loans	5,163	5,445	5,643	5,866	5,924	6,134	6,357	6,453	6,312	7	-2
Investments	1,864	1,875	1,977	2,077	2,200	2,234	2,275	2,495	3,019	37	21
Deposits	5,469	5,587	6,068	6,529	6,607	6,963	7,163	7,710	8,016	21	4
Borrowings	1,620	1,747	1,643	1,653	1,567	1,510	1,374	1,629	1,649	5	1
Total Assets	8,451	8,743	9,124	9,645	9,638	9,970	10,071	10,984	11,386	18	4
Asset Quality (INR b)											
GNPA	534.6	544.9	515.9	462.9	457.6	456.4	434.5	414.1	403.9	-12	-2
NNPA	241.7	220.9	162.5	135.8	118.6	109.2	103.9	101.1	86.7	-27	-14
Deposits Break Up											
CASA Deposits	2,763	2,835	2,994	3,239	2,989	3,250	3,364	3,478	3,406	14	-2
% of total Deposits	51	51	49	50	45	47	47	45	42		
Savings	1,996	2,075	2,108	2,277	2,185	2,306	2,354	2,456	2,448	12	0
% of total Deposits	36	37	35	35	33	33	33	32	31		
Current	767	761	886	963	804	944	1,010	1,022	958	19	-6
% of total Deposits	14	14	15	15	12	14	14	13	12		
Term Deposits	2,706	2,751	3,074	3,290	3,619	3,713	3,799	4,232	4,610	27	9
% of total Deposits	49	49	51	50	55	53	53	55	58		
Loan Break Up											
Agriculture											
SME Loans	239	147	162	179	177	191	216	226	208	18	-8
Corporate Loans	1,309	1,490	1,477	1,529	1,515	1,533	1,595	1,607	1,591	5	-1
Retail Loans	2,970	3,118	3,332	3,528	3,636	3,810	3,979	4,078	4,046	11	-1
of which											
- Housing	1,545	1,609	1,713	1,782	1,840	1,909	1,966	2,002	2,011	9	0
- Personal Loans	223	249	277	310	345	377	422	453	441	28	-3
- Credit Cards	104	106	113	123	138	149	163	155	146	5	-6
- Others	1,099	1,154	1,230	1,313	1,313	1,375	1,429	1,468	1,448	10	-1
International Loans	644	691	672	630	596	600	566	542	473	-21	-13
Loan Mix (%)											
SME Loans	4.6	2.7	2.9	3.1	3.0	3.1	3.4	3.5	3.3	31	-20
Corporate Loans	25.4	27.4	26.2	26.1	25.6	25.0	25.1	24.9	25.2	-37	30
Retails	57.5	57.3	59.0	60.1	61.4	62.1	62.6	63.2	64.1	272	90
International Loans	12.5	12.7	11.9	10.7	10.1	9.8	8.9	8.4	7.5	-257	-90

Quarterly snapshot contd.

Ratios	FY19				FY20				FY21	Change (bps)	
Asset Quality Ratios (%)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
GNPA	8.8	8.5	7.8	6.7	6.5	6.4	6.0	5.5	5.5	-103	-7
NNPA	4.2	3.7	2.6	2.1	1.8	1.6	1.5	1.4	1.2	-54	-18
PCR (Calculated)	54.8	59.5	68.5	70.7	74.1	76.1	76.1	75.6	78.5	443	294
Credit Cost	4.6	3.0	3.1	3.8	2.4	1.7	1.3	3.7	4.8	239	103
Business Ratios (%)											
Fees to Total Income	27.7	31.3	28.5	28.3	27.2	28.4	27.4	27.3	13.6	-1,358	-1,365
Cost to Core Income	45.1	45.0	44.9	45.2	44.4	45.1	44.3	44.8	39.8	-453	-491
Tax Rate	26.6	27.6	15.6	-23.9	31.7	85.0	24.1	14.1	18.3	-1,335	418
CASA	50.5	50.8	49.3	49.6	45.2	46.7	47.0	45.1	42.5	-270	-260
Dom. Loan/Deposit (Rep)	82.6	85.1	81.9	80.2	80.6	79.5	80.8	76.7	72.8	-780	-383
Loan / Deposit	94.4	97.5	93.0	89.8	89.7	88.1	88.7	83.7	78.7	-1,092	-496
Profitability Ratios (%)											
Yield on loans	8.7	8.8	9.0	9.3	9.4	9.5	9.5	9.4	9.3	-6	-11
Yield On Investments	6.4	6.6	6.7	6.6	6.8	6.7	6.5	6.1	6.1	-74	0
Yield on Funds	7.7	7.9	8.1	8.5	8.4	8.4	8.4	8.3	7.9	-47	-39
Cost of funds	5.0	5.0	5.1	5.2	5.2	5.2	5.1	4.9	4.6	-62	-31
Margins	3.2	3.3	3.4	3.7	3.6	3.6	3.8	3.9	3.7	8	-18
RoA (cal)	-0.1	0.4	0.7	0.4	0.8	0.3	1.7	0.5	1.0	14	46
RoE (Cal)	0.0	3.4	6.0	3.6	7.0	2.4	14.6	4.2	8.9	190	470
Other Details											
Branches	4,867	4,867	4,867	4,874	4,882	5,228	5,275	5,324	5,324	442	0
ATM	14,394	14,417	14,944	14,987	15,101	15,159	15,589	15,688	15,661	560	-27



Highlights from management commentary

Moratorium update

- The proportion of loans that have availed moratorium has declined to ~17.5% as at Jun'20 (v/s 30% as at Apr'20). Further, another ~2% of loans (not explicitly opted for the moratorium), have not paid Jun'20 EMIs. Thus, the proportion of moratorium could increase to ~20%.
- ~90% of the moratorium as at end-Jun'20 comprise loans that were under moratorium as at end-Apr'20.
- Builder loans, commercial vehicle and dealer funding have relatively higher proportion of moratorium.
- Builder loans and CV portfolio was already witnessing some challenges from pre-COVID times, and thus, the proportion of moratorium has been higher.

Balance sheet related

- Customer footfall has started improving from Jun'20. Some high frequency indicators such as toll collections, GST collection, tractor sales, sale of fertilizers, etc. have also improved in Jun'20.
- Retail portfolio is largely secured and is well priced.
- The bank has crossed ~1m users on Whatsapp banking platform.
- The bank has extended loans under the Credit Guarantee scheme with sanctions of INR50b (~19k customers), of which, INR38b has been disbursed.
- The bank has further reduced its international book, which includes 40% decline in non-India linked businesses.
- The bank does not have any loan growth targets and expects some incremental opportunity on the corporate side (preferably short-term lending). The bank expects some pick-up in the retail segment, while rural growth has picked up well.
- Deposit growth has been strong despite pruning of TD & SA rates.

Business segments

- **Retail loans:** Focus remains on existing customer base to cross-sell products. Incremental sourcing during the quarter was largely toward existing customers.
- **Home loans:** 70% of mortgage loans are to customers having existing liability relationship with the bank; Avg. LTV of 65%; LAP has an avg. LTV of 55%.
- **Commercial CV:** Utilization rate has started improving in Jun'20; Top-20 customers contribute 3% to the portfolio.
- **Auto loans:** Passenger vehicle is showing faster recovery; disbursement has reached 65% of pre-COVID levels.
- **Credit Cards and Personal Loans:** 85% is toward salaried customers. Of this, 75% is with well-rated entities (MNC and government entities). 70% is toward existing customer. 97% customers that have availed the moratorium are receiving salary credits.
- **Rural Portfolio:** Gold loans/Kisan Credit Card comprises 3% each of the total portfolio. Gold loans grew 32% YoY.
- **Business Banking:** Avg. ticket size stands at INR15m. ~85% of the portfolio has a collateral cover of more than 100%.
- **SME portfolio:** Focus remains on granularity and higher collateral cover. Disbursements were made through program-based lending.
- **Builder portfolio:** Real estate portfolio has been under stress even before COVID-19 pandemic due to funding issues, low sales volume and cash flow constraints. The bank's portfolio is quite granular with large exposure toward well established builders. ~12% of the builder portfolio is classified as unrated.

Operating metrics

- Significant decline in fee income was due to lower business volumes and slowdown in customer activity affected by the lockdown.
- On the cost front, the bank will continue to spend on technology at a reasonable level. Increased employee expenses were largely due to retiral provisions. Overall, the bank expects cost to pick up as loan volumes bounce back.
- Margins declined during the quarter, largely due to surplus liquidity. However, it expects margins to remain stable in the coming quarters as excess liquidity is deployed toward loan growth.

Asset Quality

- The bank carried additional provisions of ~INR144b (2.3% of loans), which is not part of the PCR (includes COVID provisions of INR82.75b). Thus, this cushioned the balance sheet from impact of the COVID-19 pandemic.
- The bank has not sold any NPA during the quarter.
- Increase in the BB & below book includes downgrades of INR14.7b.
- Other than the three accounts (Telecom, Power and Construction), the maximum exposure to the BB and below portfolio is less than INR6b.

Capital Raise

- Proposed capital raise of INR150b would be utilized to further strengthen capital ratios and improve competitive positioning.

Key Exhibits

Exhibit 1: Net stressed loans decline to 3.3% of total loans

INR b	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21
GNPA	535	545	516	463	458	456	435	414	404
Security Receipts	34	34	33	33	33	33	21	19	19
Others	84	73	-	-	-	-	-	-	0
BB and below (Fund based)	199	171	137	116	101	109	122	102	107
Stress loans	852	823	686	611	591	598	577	536	530
Less: Overlap	85	73	4	4	2	2	2	2	2
Gross stress loans	767	750	682	608	590	596	575	534	528
Specific Provisions	293	324	353	327	339	347	331	313	317
Net Stress loans	475	426	329	281	250	249	244	221	211
Gross stress loans (% of advances)	14.9	13.8	12.1	10.4	10.0	9.7	9.0	8.3	8.4
Net Stress Loans (% of advances)	9.2	7.8	5.8	4.8	4.2	4.1	3.8	3.4	3.3

Exhibit 2: A snapshot of subsidiaries' performance

Subs PAT (INR m)	FY19				FY20				FY21	Change (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	YoY	QoQ
I Sec	1,340	1,340	1,010	1,220	1,140	1,350	1,370	1,560	1,930	69	24
I Sec PD	-330	-430	1,190	240	690	1,400	970	260	3,460	401	1,231
I Venture	30	-40	20	690	220	-40	30	-70	260	18	-471
Pru AMC	760	1,960	1,960	2,170	2,190	3,050	3,050	2,170	2,570	17	18
ICICI Home Finance	230	110	90	-30	-60	-610	30	640	10	-117	-98
ICIC Life Insurance	2,820	3,010	2,970	2,610	2,850	3,020	3,020	1,790	2,880	1	61
ICICI Gen. Insurance	2,890	2,930	2,390	2,280	3,100	3,080	2,940	2,820	3,980	28	41
Consol. adjustment	-6,494	-5,919	-6,939	-7,171	-4,070	-6,490	-6,175	-8,874	-9,902	143	12
Subsidiaries PAT	1,246	2,961	2,691	2,009	6,060	4,760	5,235	296	5,188	-14	1,651
ICICI Bank	-1,196	9,089	16,049	9,691	19,080	6,550	41,465	12,214	25,992	36	113
Consol Profit	50	12,050	18,740	11,700	25,140	11,310	46,700	12,510	31,180	24	149

Deposits growth was led by
~27% YoY/ ~9% QoQ
growth in term deposits.

Deposits growth led by term deposits; Margins contract 18bp QoQ

- Deposits grew 21%/4% YoY/QoQ to INR8.0t, led by healthy growth in term deposits, which grew ~27%/~9% YoY/QoQ. CASA deposits grew ~14% YoY (2% QoQ decline). CASA mix declined 260bp QoQ to 42.5% v/s 45.1% in 4QFY20 (130bp decline on an average basis).
- NIMs contracted 18bp QoQ to 3.69%, led by moderation in cost of deposits, which stood at 4.5% (25bp QoQ). Domestic margin declined 23bp QoQ to 3.91% (v/s 4.14% in 4QFY20) while overseas NIMs improved to 0.33% (v/s 0.28% in 4QFY20).

Domestic loan growth came
in at ~10% YoY, led by ~11%
growth in retail book, which
now forms 64.1% of total
loans.

Loan growth moderated impacted by COVID-19; Retail loans grew 11% YoY

- Overall loan growth moderated to ~6.5% YoY (2% QoQ decline) to INR6.3t, which was driven by 11% YoY growth in retail loans. Domestic loans grew ~10% YoY while international loans were down ~21% YoY. Proportion of international loans (in overall loans) further declined to 7.5% (v/s 8.4% in 4QFY20).
- Retail loans grew ~11% YoY, within which, home loans grew ~9% YoY. Personal loans grew ~28% YoY while business banking grew ~34% YoY. Credit cards' book growth moderated to ~5% YoY while vehicle loan growth moderated to 2.6% YoY. All segments witnessed sequential decline, barring home loans (flat) with credit cards' book declining 6% QoQ. Personal loans declined 2.6% and vehicle loans dropped 1.5% YoY.
- SME loans grew 18% YoY (8% QoQ decline) and formed 3.3% of total loans.

- Overall corporate loans declined 21% YoY (13% QoQ decline) while performing domestic corporate loans grew 7.8% YoY.

BB & Below pool (incl. non-fund based) increased marginally to 2.7% of total loans; PCR increased to 78.5%

Quantum of BB and below exposure increased to INR171.1b (2.7% of loans).

- Total slippages were lower at INR11.6b due to dispensation provided by the RBI. Retail slippages came in at INR6.0b while corporate/SME slippages came in at INR5.6b.
- Absolute GNPA declined 2.5% QoQ to INR403.9b at 5.46% (7bp QoQ decline) of customer assets, while NNPA declined 14.2% QoQ to INR86.7b at 1.23% (-18bp QoQ) of customer assets. Calculated PCR increased ~290bp QoQ to 78.5%.
- In addition to the reported PCR, the bank is carrying an additional provision of INR143.7b (2.3% of loans), of which INR82.8b is toward COVID-19, while INR13.98b is toward non-fund based o/s to NPAs. INR41.85b is general provision on standard assets while other provision of INR5.1 is on standard assets.
- BB and below book increased 3% QoQ to INR171.1b (2.7% of loans) v/s INR166.7b (2.6% of loans) in 4QFY20. SR portfolio stood at INR18.9b.

Provision of INR13.98b was held against non-fund o/s to NPLs.

Exhibit 3: ICICIB's total exposure – BB and below stands at 2.7% of total loans

INR b	2Q FY19	3Q FY19	4Q FY19	1Q FY20	2Q FY20	3Q FY20	4Q FY20	1Q FY21
Gross restructured loans	14.4	3.9	3.5	1.5	2.2	2.0	1.8	1.7
Non-fund o/s to restructured loans	1.3	1.8	2.2	0.9				
Non-fund o/s to non-performing loans	30.5	34.1	42.2	36.3	33.7	39.2	50.6	48.3
Borrowers with o/s greater than INR1b	107.5	97.4	78.0	71.9	85.9	98.7	81.3	85.3
Borrowers with o/s <INR1b	64.3	51.0	49.4	43.0	38.9	34.2	32.9	35.8
BB and below outstanding	217.9	188.1	175.3	153.6	160.7	174	166.7	171.1

Of the other borrowers ~81% was rated A- and above (excluding exposure to State Electricity Boards)

Exhibit 4: Power sector exposure stands at INR355b

INRb	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	%
Gross restructured loans	112	110.4	92.2	92.3	86.8	24
Other borrowers*	279	223.7	229.9	288.0	267.6	76
Total Power sector exposure	391	334.1	322.1	380.3	354.5	100

Valuation view

- Liability franchise remains robust:** ICICIB continues to see strong growth in retail deposits and has succeeded in building robust liability franchise over the past few years. The bank's total deposits witnessed ~16% CAGR over FY15-20 with CASA at ~16% CAGR, thus, enabling the bank to have one of the highest CASA mix amongst peers. ICICIB has one of the lowest funding costs amongst private banks, which enables it to underwrite profitable business without taking undue balance sheet risks.
- Asset quality to remain under pressure:** The impact of COVID-19 would have a severe impact across multiple segments due to the contagion effect. We expect a potential increase in delinquencies in SME/business loans, Auto, builder portfolio, *Kisan credit card* and the unsecured retail segment, etc. We expect the BB and below pool to increase in the coming quarters, and thus, slippage trends should remain elevated. Though the bank carries a COVID-19 related provision of INR82.8b, moratorium book still remains high at 17.5%. Thus, we estimate credit cost to remain elevated at 3.2% for FY21E.

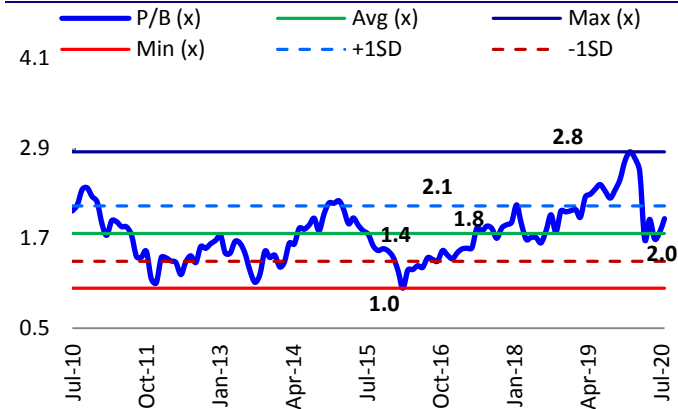
- Retail fees form ~75% of the bank's fees, signifying the granularity in fee income. However, due to slowdown in consumption spending in the near term, we expect fee growth trends to remain moderate and to gradually pick up as economic activity revives.
- **Buy with a target price of INR475:** ICICIB has reported a steady quarter amidst a tough macro environment. Earnings were in line despite the bank prudently making higher provisions toward COVID-19. Overall, the moratorium book has declined, but it is still higher v/s peers. The bank has built relatively higher provisioning buffer at 1.3% of loans to endure the COVID crisis. BB and below pool is likely to increase as effects of the pandemic plays out and the moratorium period ends. On the other hand, deposit growth remains strong with cost of deposits declining to 4.5% – the lowest amongst private players, which provides ICICIB a structural competitive advantage. We expect credit cost to remain elevated at 3.2%/2.0% for FY21/FY22E. **Maintain Buy** with an unchanged SOTP-based target price of INR475 (1.9x FY22E ABV for the bank).

Exhibit 5: SOTP-based pricing

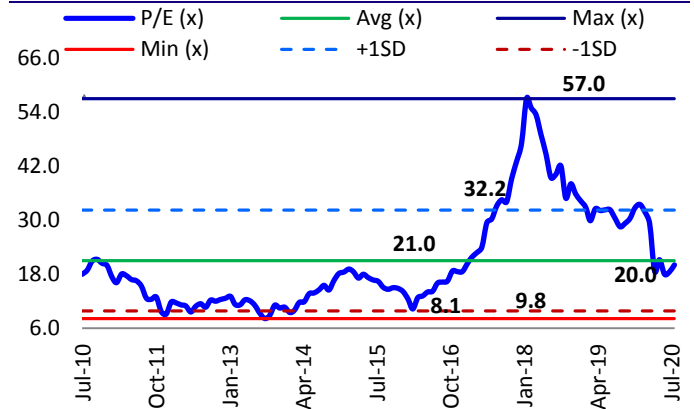
	Stake (%)	Total Value INR b	Value Per Share INR	% of Total Value	Rationale
ICICI Bank	100	2,194	339	71.3	1.9x FY22E ABV
ICICI Pru Life Insurance	51	376	58	12.2	2.4x FY22 Embedded Value
ICICI Lombard Gen. Ins	52	302	47	9.8	30x FY22E PAT
ICICI Pru AMC	51	149	23	4.9	22x FY22E PAT
ICICI Securities	79	159	25	5.2	24x FY22E PAT
ICICI Bank UK	100	27	4	0.9	0.8x FY22E Net-worth
ICICI Bank Canada	100	31	5	1.0	0.8x FY22E Net-worth
Others (Ventures, Home Finance, PD)	100	58	9	1.9	10% FY22E AUM for ventures, 0.6x/1.2x FY22E Network for Home finance/PD
Total Value of Ventures		1,103	170	35.9	
Less: 20% holding Discount		221	34	7.2	
Value of Ventures (Post Hold Co. Disc)		883	136	28.7	
Target Price Post 20% Holding Co. Disc.		3,077	475		

Exhibit 6: We cut our estimates for FY21 by 7% while largely maintaining it for FY22E

INR b	Old Est.		Revised Est.		Chg. (%) /bps	
	FY21	FY22	FY21	FY22	FY21	FY22
Net Interest Income	371.2	425.1	376.2	435.1	1.3	2.3
Other Income	208.9	192.2	213.8	186.0	2.4	-3.2
Total Income	580.1	617.3	590.0	621.1	1.7	0.6
Operating Expenses	239.6	265.9	232.9	260.1	-2.8	-2.2
Operating Profits	340.5	351.5	357.1	361.0	4.9	2.7
Provisions	192.4	147.4	220.1	153.8	14.4	4.4
PBT	148.0	204.1	137.0	207.2	-7.4	1.5
Tax	35.5	49.0	32.9	49.7	-7.4	1.5
PAT	112.5	155.1	104.1	157.4	-7.4	1.5
Loans	7,098	8,021	7,001	7,947	-1.4	-0.9
Deposits	8,866	10,285	9,020	10,644	1.7	3.5
Margins (%)	3.61	3.69	3.59	3.61	(2)	(7)
Credit Cost (%)	2.80	1.90	3.20	2.00	40	10
RoA (%)	0.97	1.20	0.89	1.18	(8)	(2)
RoE (%)	9.5	11.9	8.8	12.1	(67)	25
EPS	17.4	24.0	16.1	24.3	-7.4	1.5
BV	193.1	214.9	191.8	213.9	-0.7	-0.5
ABV	163.3	187.7	160.4	183.0	-1.8	-2.5

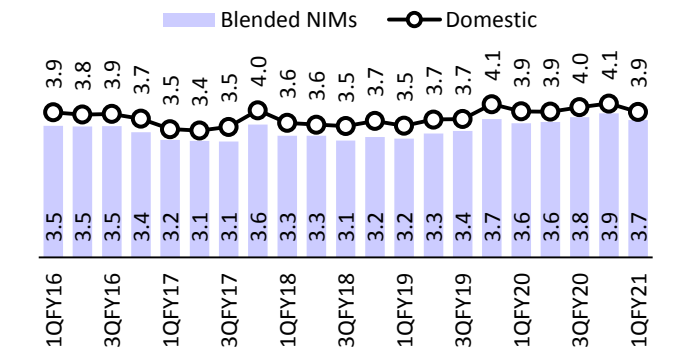
Exhibit 7: One-year forward P/B

Source: MOFSL, Company

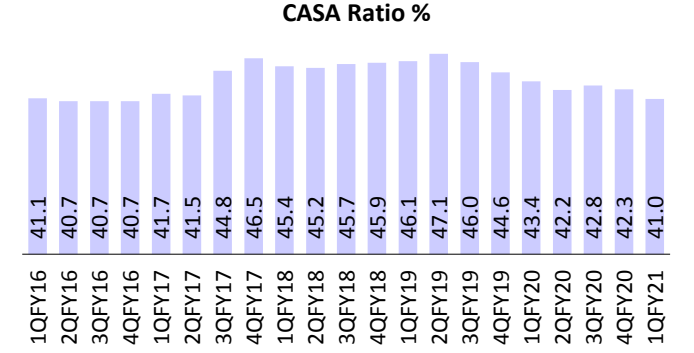
Exhibit 8: One-year forward P/E

Source: MOFSL, Company

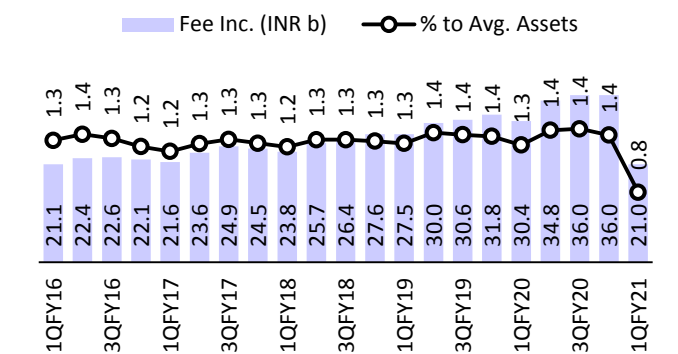
Story in Charts

Exhibit 9: Domestic NIMs declined 23bp QoQ to 3.91%

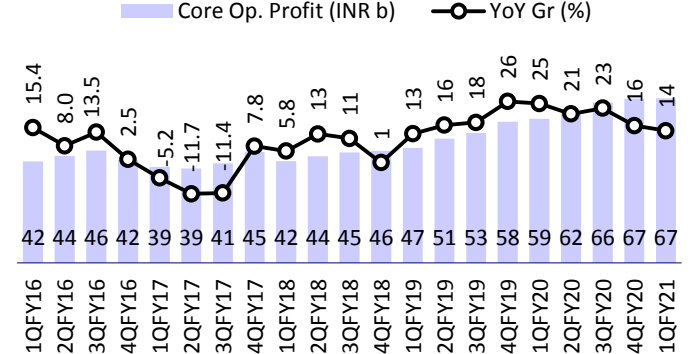
Source: MOFSL, Company

Exhibit 10: Average daily CASA ratio declined 130bp QoQ

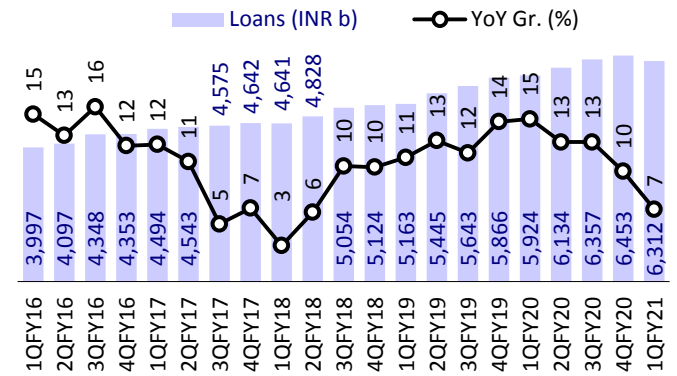
Source: MOFSL, Company

Exhibit 11: Fee income witnessed moderation due COVID-19

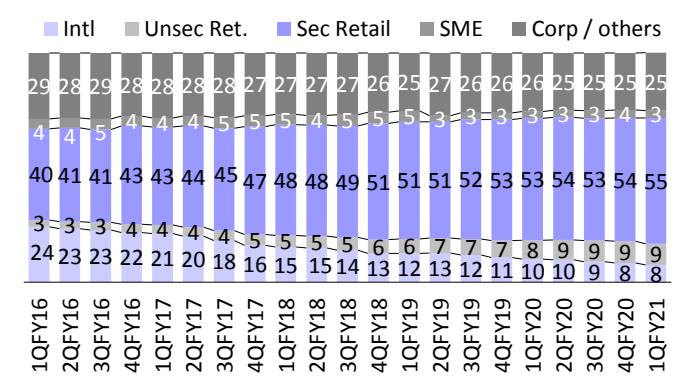
Source: MOFSL, Company

Exhibit 12: Core Op. profits grew 15% YoY

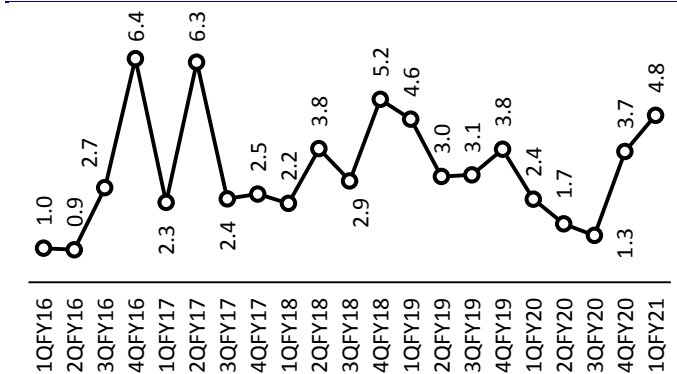
Source: MOFSL, Company

Exhibit 13: Overall loan growth moderated to 7% YoY

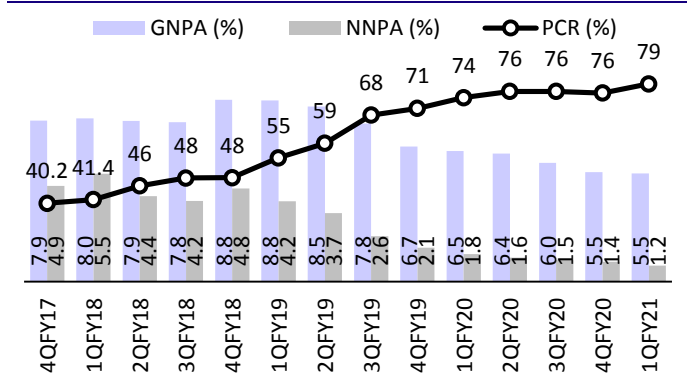
Source: MOFSL, Company

Exhibit 14: Retail loans continue to drive loan growth

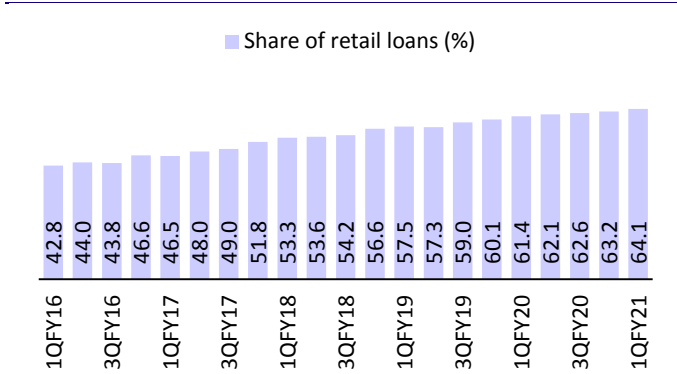
Source: MOFSL, Company

Exhibit 15: Credit cost elevated to 4.8% as bank created COVID-19 related provision

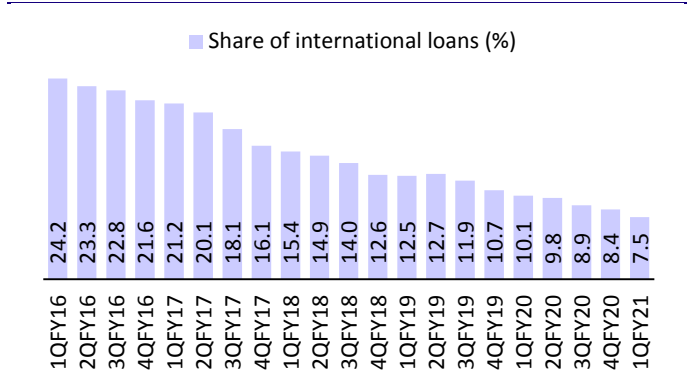
Source: MOFSL, Company

Exhibit 16: GNPA/NNPA ratio declined 7bp/18bp QoQ; PCR stood at 78.5%

Source: MOFSL, Company

Exhibit 17: Share of retail loans in overall loans increased to 64.1% of total loans

Source: MOFSL, Company

Exhibit 18: Share of International loans in overall loans declined to 7.5% of total loans

Source: MOFSL, Company

Exhibit 19: DuPont Analysis – Return ratios to remain under pressure in near term

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Interest Income	7.91	7.72	7.26	6.66	6.88	7.25	6.95	6.88
Interest Expense	4.84	4.61	4.34	3.87	3.95	4.03	3.74	3.62
Net Interest Income	3.07	3.11	2.91	2.79	2.93	3.23	3.21	3.26
Core Fee Income	1.56	1.56	1.54	1.32	1.26	1.28	1.27	1.47
Trading and others	0.41	0.69	1.07	0.79	0.31	0.32	0.56	-0.07
Non-Interest income	1.96	2.24	2.61	2.11	1.57	1.59	1.83	1.39
Total Income	5.03	5.35	5.53	4.90	4.50	4.82	5.04	4.65
Operating Expenses	1.85	1.86	1.98	1.90	1.96	2.10	1.99	1.95
Employee cost	0.77	0.73	0.77	0.72	0.74	0.80	0.76	0.75
Others	1.09	1.12	1.21	1.19	1.22	1.29	1.23	1.20
Operating Profits	3.18	3.49	3.55	3.00	2.54	2.72	3.05	2.70
Core operating Profits	2.77	2.80	2.48	2.21	2.23	2.41	2.49	2.78
Provisions	0.63	1.71	2.04	2.10	2.13	1.36	1.88	1.15
NPA	0.51	1.06	1.97	1.73	1.82	0.85	1.84	1.12
Others	0.12	0.65	0.07	0.37	0.31	0.51	0.04	0.03
PBT	2.55	1.78	1.51	0.90	0.41	1.36	1.17	1.55
Tax	0.75	0.36	0.20	0.08	0.04	0.59	0.28	0.37
RoA	1.80	1.42	1.31	0.82	0.36	0.77	0.89	1.18
Leverage	8.1	8.2	8.1	8.3	8.9	9.4	9.9	10.3
RoE	14.5	11.6	10.7	6.8	3.2	7.3	8.8	12.1
Core RoE	17.2	13.4	12.1	7.6	3.6	8.0	9.6	13.0

Financials and Valuations

Income Statement								(INR b)
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Interest Income	490.9	527.4	541.6	549.7	634.0	748.0	814.0	918.2
Interest Expended	300.5	315.2	324.2	319.4	363.9	415.3	437.9	483.1
Net Interest Income	190.4	212.2	217.4	230.3	270.1	332.7	376.2	435.1
Growth (%)	15.6	11.5	2.4	5.9	17.3	23.1	13.1	15.7
Other Income	121.8	153.2	195.0	174.2	145.1	164.5	213.8	186.0
Total Income	312.2	365.5	412.4	404.5	415.3	497.2	590.0	621.1
Growth (%)	16.0	17.1	12.8	-1.9	2.7	19.7	18.7	5.3
Operating Exp.	115.0	126.8	147.6	157.0	180.9	216.1	232.9	260.1
Operating Profits	197.2	238.6	264.9	247.4	234.4	281.0	357.1	361.0
Growth (%)	18.8	21.0	11.0	-6.6	-5.3	19.9	27.1	1.1
Core PPP	181.7	200.7	178.6	189.5	221.0	264.6	339.1	341.1
Growth (%)	14.8	10.4	-11.0	6.1	16.6	19.7	28.1	0.6
Provisions & Cont.	39.0	116.7	152.1	173.1	196.6	140.5	220.1	153.8
PBT	158.2	122.0	112.8	74.3	37.8	140.5	137.0	207.2
Tax	46.5	24.7	14.8	6.6	4.1	61.2	32.9	49.7
Tax Rate (%)	29.4	20.2	13.1	8.8	10.9	43.5	24.0	24.0
PAT	111.8	97.3	98.0	67.8	33.6	79.3	104.1	157.4
Growth (%)	13.9	-13.0	0.8	-30.9	-50.4	135.8	31.3	51.2

Balance Sheet								
Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Equity Share Capital	12.8	12.8	12.8	12.9	12.9	12.9	12.9	12.9
Reserves & Surplus	791.5	884.6	979.0	1,038.7	1,070.8	1,152.1	1,245.6	1,388.8
Net Worth	807.8	900.9	995.3	1,051.6	1,083.7	1,165.0	1,258.5	1,401.8
Deposits	3,615.6	4,214.3	4,900.4	5,609.8	6,529.2	7,709.7	9,020.3	10,644.0
Growth (%)	8.9	16.6	16.3	14.5	16.4	18.1	17.0	18.0
Of which CASA Deposits	1,643.8	1,931.0	2,468.2	2,899.3	3,239.4	3,478.2	4,095.2	4,885.6
Growth (%)	15.5	17.5	27.8	17.5	11.7	7.4	17.7	19.3
Borrowings	1,720.7	1,744.6	1,472.1	1,828.6	1,653.2	1,629.0	1,558.4	1,518.2
Other Liabilities & Prov.	317.2	347.3	350.1	302.0	378.5	479.9	590.3	696.6
Total Liabilities	6,461.3	7,207.0	7,717.9	8,791.9	9,644.6	10,983.6	12,427.6	14,260.6
Current Assets	423.0	598.7	757.1	841.7	803.0	1,191.6	1,278.4	1,261.5
Investments	1,581.3	1,604.1	1,615.1	2,029.9	2,077.3	2,495.3	3,268.9	4,118.8
Growth (%)	-10.7	1.4	0.7	25.7	2.3	20.1	31.0	26.0
Loans	3,875.2	4,352.6	4,642.3	5,124.0	5,866.5	6,452.9	7,001.4	7,946.6
Growth (%)	14.4	12.3	6.7	10.4	14.5	10.0	8.5	13.5
Net Fixed Assets	47.3	75.8	78.1	79.0	79.3	84.1	90.0	98.1
Other Assets	534.5	575.7	625.3	717.3	818.5	759.8	788.9	835.6
Total Assets	6,461.3	7,207.0	7,717.9	8,791.9	9,644.6	10,983.7	12,427.6	14,260.6

Asset Quality								
GNPA	150.9	262.2	425.5	540.6	462.9	414.5	523.4	550.2
NNPA	62.6	129.6	256.1	278.9	135.8	100.5	157.0	159.1
GNPA Ratio (%)	3.8	5.8	8.8	10.0	7.5	6.1	7.1	6.6
NNPA Ratio (%)	1.6	3.0	5.4	5.4	2.3	1.6	2.2	2.0
Slippage Ratio (%)	2.4	4.3	8.0	6.1	2.0	2.2	4.7	2.6
Credit Cost (%)	0.9	1.8	3.3	2.9	3.1	1.4	3.2	2.0
PCR (Excl. Technical write off) (%)	58.6	50.6	39.8	48.4	70.7	75.7	70.0	71.1

Financials and Valuations

Ratios

Y/E March	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Yield and Cost Ratios (%)								
Avg. Yield - Earning Assets	8.9	8.9	8.3	7.7	7.9	8.2	7.8	7.6
Avg. Yield on loans	9.8	9.5	8.8	8.4	8.7	9.3	9.0	8.9
Avg. Yield on Investments	6.3	6.7	7.1	6.3	6.2	6.4	6.1	6.0
Avg. Cost-Int. Bear. Liabilities	5.9	5.6	5.3	4.6	4.7	4.7	4.4	4.2
Avg. Cost of Deposits	5.9	5.5	5.0	4.5	4.4	4.6	4.2	4.1
Interest Spread	3.5	3.6	3.4	3.0	3.3	3.5	3.4	3.4
Net Interest Margin	3.5	3.6	3.3	3.2	3.4	3.7	3.6	3.6

Capitalization Ratios (%)

CAR	17.0	16.6	17.4	17.9	16.9	16.1	15.7	15.2
Tier I	12.8	13.1	14.4	15.6	15.1	14.7	14.3	14.0
Tier II	4.2	3.6	3.0	2.3	1.8	1.4	1.3	1.2

Business and Efficiency Ratios (%)

Loan/Deposit Ratio	107.2	103.3	94.7	91.3	89.8	83.7	77.6	74.7
CASA Ratio %	45.5	45.8	50.4	51.7	49.6	45.1	45.4	45.9
Cost/Assets	1.8	1.8	1.9	1.8	1.9	2.0	1.9	1.8
Cost/Total Income	36.8	34.7	35.8	38.8	43.6	43.5	39.5	41.9
Cost/Core Income	38.7	38.7	45.2	45.3	45.0	45.0	40.7	43.3
Int. Expended/Int. Earned	61.2	59.8	59.9	58.1	57.4	55.5	53.8	52.6
Other Inc./Net Income	39.0	41.9	47.3	43.1	34.9	33.1	36.2	30.0
Emp. Cost/Op. Exp.	41.3	39.4	38.9	37.7	37.6	38.3	38.0	38.4

Valuation	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
RoE (%)	14.5	11.6	10.7	6.8	3.2	7.3	8.8	12.1
Core RoE (%)	17.2	13.4	12.1	7.6	3.6	8.0	9.6	13.0
RoA (%)	1.8	1.4	1.3	0.8	0.4	0.8	0.9	1.2
RoRWA (%)	2.1	1.7	1.6	1.1	0.5	1.0	1.2	1.6
Standalone ABV	111.3	117.1	120.2	115.3	135.5	151.3	160.4	183.0
ABV Growth (%)	10.0	5.2	2.7	-4.0	17.5	11.6	6.0	14.1
Adjusted Price-ABV (x)	2.2	2.1	2.0	2.1	1.8	1.6	1.5	1.3
Consol Book Value (INR)	146.1	161.8	179.6	172.1	177.2	189.9	209.7	233.2
BV Growth (%)	10.4	10.8	11.0	-4.2	3.0	7.2	10.4	11.2
Price-Consol BV (x)	2.6	2.4	2.1	2.2	2.2	2.0	1.8	1.6
EPS (INR)	19.3	16.7	16.8	11.1	5.2	12.3	16.1	24.3
EPS Growth (%)	13.6	-13.3	0.5	-34.3	-52.8	135.0	31.0	51.2
Adj. Price-Earnings (x)	12.7	14.7	14.6	22.2	47.0	20.0	15.3	10.1

NOTES

Explanation of Investment Rating	
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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 Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

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

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. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

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. 201129401Z) 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 Advisors 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.

Specific Disclosures

1. MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
2. MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
3. MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
4. MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
5. Research Analyst has not served as director/officer/employee in the subject company
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
7. MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
8. MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
9. MOFSL has not received any compensation or other benefits from third party in connection with the research report
10. MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company
- received compensation/other benefits from the subject company in the past 12 months
- 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.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 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)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with 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.

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.

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.

Disclaimer:

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, not 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, any 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, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com CIN no.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)*: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.: 022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.