AU Small Finance Bank

BSE Sensex	S&P CNX
80,623	24,596

Bloomberg	AUBANK IN
Equity Shares (m)	745
M.Cap.(INRb)/(USDb)	554 / 6.3
52-Week Range (INR)	841 / 478
1, 6, 12 Rel. Per (%)	-5/21/17
12M Avg Val (INR M)	2093

Financials & Valuations (INR b)

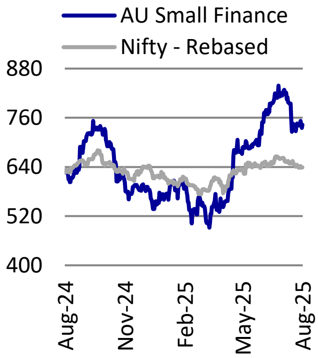
Y/E March	FY25	FY26E	FY27E
NII	80.1	88.3	112.5
PPoP	45.8	51.5	66.0
PAT	21.1	26.5	36.1
NIM (%)	6.0	5.1	5.3
EPS (INR)	29.8	35.5	48.3
EPS Gr. (%)	33.9	19.2	35.9
BV/Sh. (INR)	229	243	283
ABV/Sh. (INR)	223	235	274
Ratios			
RoA (%)	1.6	1.5	1.7
RoE (%)	14.3	15.0	18.3
Valuations			
P/E(X)	25.0	20.9	15.4
P/BV (X)	3.3	3.1	2.6
P/ABV (X)	3.3	3.2	2.7

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	22.9	22.9	22.9
DII	28.9	27.2	18.4
FII	37.7	35.6	39.6
Others	10.6	14.4	19.1

FII Includes depository receipts

Stock Performance (one-year)



CMP: INR743 | TP: INR875 (+18%) | Buy

RBI grants in-principle approval for transition to Universal Bank

Endorses franchise credentials; transition unlocks key to long-term growth

RBI has granted in-principle approval to AU SFB (AUBANK) for its transition into a Universal Bank, marking a significant milestone in the bank's journey. This approval follows the revised guidelines issued in Apr'24, which established a voluntary transition framework for eligible SFBs that meet capital norms, demonstrate five years of consistent operational performance, and successfully meet RBI's due diligence criteria. Having started operations in 2017, AUBANK became the first SFB to formally apply under this route. This transition underscores the regulator's confidence in AU's governance, execution track record, and institutional maturity.

- **The universal bank license enhances brand positioning and is expected to help narrow the gap in deposit rates that AUBANK offers vs peers, thereby reducing the cost of funds and improving CASA mobilization over time.**
- **The license removes limitations on loan ticket sizes and borrower exposure, opening new avenues of growth. However, the bank does not consider this a near-term focus area. In the medium term, this will enable AUBANK to scale up its presence in larger-ticket retail, SME, and mid-corporate segments, thereby enhancing portfolio diversification and boosting capital efficiency.**

Reiterate BUY with a TP of INR875; the RBI approval serves as a strong re-rating catalyst, improving growth visibility and investor appeal. Earnings recovery in earnings over 2H as credit cost subsides along with industry leading loan growth, a potential capital raise to support robust growth, and the RBI's approval of CEO's (Sanjay Agarwal) term renewal—due in Apr'26—are additional near-term catalysts that reinforce confidence in the bank's operational capablities and long-term growth outlook.

Strengthening liability profile through better brand positioning

- One of the most powerful benefits of AUBANK obtaining a full license will be the strengthening and transformation of its liability franchise. As an SFB, AUBANK has consistently delivered strong balance sheet growth but has faced higher deposit rate burdens to attract growth, especially while competing with established private banks.
- As AU transitions into a Universal Bank, its perception among customers, corporates, and depositors is expected to shift meaningfully.
- Key benefits for the bank include: 1) Lower cost of funds, 2) Improved CASA ratio, 3) Better access to affluent and urban customers, 4) Broader liability product bundling, and 5) Improved cross-sell opportunities.

Granularity restrictions removed; credit growth to remain resilient

The universal banking license removes key regulatory constraints that earlier limited AUBANK's ability to scale its advances book—particularly the requirement to maintain at least 50% of loans below INR2.5m and caps on exposure to individual/group borrowers. While AUBANK does not intend to make material near-term changes to its credit strategy, the license offers significant long-term flexibility

Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com)
Research Analyst: Dixit Sankharva (Dixit.sankharva@MotilalOswal.com) | **Disha Singhal** (Disha Singhal@MotilalOswal.com)

to tap into larger-ticket secured retail, SME, and mid-corporate lending. This shift opens avenues to diversify the portfolio, improve capital allocation, and enhance risk-adjusted returns. Importantly, AUBANK can now selectively target higher-rated borrowers without regulatory caps, allowing for more efficient credit growth. The change does not impact FY26 plans but acts as a strategic lever for future scalability and product expansion.

Transition to Universal Bank enables improved operational flexibility and offers long-term scalability

As a Universal Bank, AUBANK will benefit from significantly reduced regulatory constraints, thereby unlocking substantial headroom for growth, profitability, and franchise deepening.

Other key benefits include:

1). **Lower PSL mandate** – PSL requirements decrease to 40% from the existing 60%. The bank can now reallocate capital towards more RoA-accretive segments like secured SME, mid-corporate, and higher ticket retail loans.

2). **No restrictions on loan disbursement** – With SFB-specific granularity and ticket size restrictions removed, AU can now target larger, better-rated borrowers within the overall exposure limits applicable to all commercial banks, enabling it to scale in segments like mid-market and supply chain finance.

3). **Unlocking of Para banking** – While AU was already offering third-party products like insurance and mutual funds, the universal bank status now allows broader participation in para-banking activities, including wealth management, structured products, and forex services, enabling stronger fee income growth.

Valuation and view: Reiterate BUY with TP of INR875

- **The in-principle approval to transition into a Universal Bank catapults AUBANK into the big league and underscores RBI's confidence in the bank's business operations and governance standards. This transition will be critical in shaping the bank's long-term trajectory, providing regulatory advantages over private banks and offering new avenues for growth through reduced requirements on regulatory compliance.**
- **The recovery in earnings over 2H as credit cost subsides along with industry leading loan growth, a potential capital raise to support robust growth, and the RBI's approval for the CEO's (Mr. Sanjay Agarwal) term renewal—due in Apr'26—are additional near-term catalysts that reinforce confidence in the bank's operational capabilities and long-term growth outlook.**
- **During the 1Q results note, we reiterated our BUY rating on the stock with a TP of INR875, even as the bank delivered a 60% return over the prior quarter, as we awaited this approval and anticipated the franchise gaining strength in the coming years. We expect this transition to support overall growth and profitability outlook while significantly enhancing the bank's profile with this coveted upgrade.**

Story in charts

Exhibit 1: Key regulatory differences between SFBs and Universal Banks

Regulation	SFBs	Universal banks
Capital adequacy	❖ Minimum CRAR of 15% of its RWA, with Tier 1 of 7.5% and CET-1 of 6%.	❖ Minimum CRAR of 9%, with 2.5% additional CCB as a conservative buffer, CET 1 of 8%.
Calculation of RWAs	❖ SFBs are required to calculate RWAs based on only credit risk; market risks and operational risks are excluded from RWA calculations.	❖ Banks are required to calculate RWAs based on all three (credit, market, and operational risks).
Para banking activities	❖ They offer basic banking services like savings accounts, fixed deposits, recurring deposits, digital banking, debit cards, and so on. SFB loans include microfinance loans, small personal loans, micro-business loans, and loans to marginal farmers and industries.	❖ Apart from basic banking services, commercial banks offer a wide range of financial services, including credit cards, wealth management, corporate banking services, etc. A broader range of loan products can be accessed, including large corporate loans, housing loans, personal loans, etc.
PSL requirements	❖ 60% of ANBC or CEOBE, whichever is higher (from FY26). SFBs shall continue to allocate 40% of their ANBC or CEOBE, whichever is higher, to different sub-sectors under PSL as per the existing guidelines, while the balance 20% shall be allocated to any one or more PSL sub-sectors, where the bank holds a competitive advantage.	❖ This limit is 40% of ANBC for universal banks.
Restrictions on loan disbursement %	❖ The maximum loan size and investment limit exposure to a single and group obligor would be restricted to 10% and 15% of its capital funds, respectively. Further, in order to ensure that the bank extends loans primarily to small borrowers, at least 50% of its loans portfolio should constitute loans and advances of up to INR2.5m.	❖ No such restrictions on loan disbursements.
Branch presence requirement	❖ At least 25% of branches in unbanked rural areas.	❖ No such mandatory distribution norm.
Listing	❖ Must be listed within 3 years of reaching a net worth of INR5b.	❖ Governed by general SEBI/RBI norms.
Eligible customer base	❖ Primarily underbanked /unbanked segments; focus on small borrowers.	❖ Entire population, including large corporates, HNIs, urban mass market.
Regulatory oversight	❖ Subject to tighter scrutiny due to the financial inclusion mandate.	❖ Broader compliance, but with more operational freedom.

Source: RBI, MOFSL

Exhibit 2: Key comparison of AUBANK's SA rates vs a large private peer

AU Bank	
Savings Account Incremental amount slab	**Rate of Interest applicable (per annum)**
Less than INR 0.3mn	2.75%
INR 0.3mn to Less than INR 0.5mn	3.00%
INR 0.5mn to less than INR 1mn	4.00%
INR 1mn to less than INR 2.5mn	6.50%
INR 2.5mn to less than INR 100mn	6.75%
INR 100mn to less than INR 250mn	6.50%
Large private banks	
On Balances (in INR)	**Rate of Interest applicable (per annum)**
Across all account balances	2.50%

Source: MOFSL, Company

Exhibit 3: Key comparison of AUBANK's TD rates vs a large private peer

AU Bank	
Fixed Deposits rate (less than INR30mn)	**Interest Rates (Per annum)**
7 Days to 1 Month 15 Days	3.50%
1 Month 16 Days to 3 Months	4.75%
3 Months 1 Day to 6 Months	5.25%
6 Months 1 Day to 12 Months	6.35%
12 Months 1 Day to 24 Months	6.90%
24 Months 1 Day to 36 Months	7.10%
36 Months 1 Day to 45 Months	7.00%
45 Months 1 Day to 120 Months	6.75%
ICICI Bank	
Fixed Deposits rate (less than INR30mn)	**Interest Rates (Per annum)**
7 to 45 Days	2.75%
46 to 90 Days	4.00%
91 to 184 Days	4.50%
185 to < 1 Year	5.50%
1 Year to < 18 Months	6.25%
18 Months to 2 Years	6.40%
2 Years 1 Day to 10 Years	6.60%
5Y (Tax Saver FD)	6.60%

Source: MOFSL, Company

Financials and valuations

Income Statement							(INRb)
Y/E MARCH	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Interest Income	59.2	82.1	105.5	160.6	193.7	239.0	290.8
Interest Expense	26.9	37.8	54.0	80.5	105.3	126.5	150.2
Net Interest income	**32.3**	**44.3**	**51.6**	**80.1**	**88.3**	**112.5**	**140.6**
- growth (%)	36.7	36.8	16.5	55.4	10.3	27.3	25.0
Other Income	9.9	10.3	17.0	25.3	31.1	37.0	45.1
Total Income	**42.3**	**54.6**	**68.5**	**105.4**	**119.4**	**149.4**	**185.7**
- growth (%)	11.7	29.1	25.5	53.7	13.3	25.1	24.3
Operating Expenses	**24.1**	**34.4**	**44.6**	**59.6**	**67.9**	**83.5**	**102.5**
- growth (%)	45.5	42.6	29.8	33.4	14.1	22.9	22.8
Operating Profits	**18.2**	**20.2**	**23.9**	**45.8**	**51.5**	**66.0**	**83.1**
- growth (%)	-14.7	11.3	18.3	91.7	12.3	28.2	26.1
Core Operating Profits	**16.7**	**20.6**	**23.4**	**43.5**	**47.6**	**61.2**	**77.2**
- growth (%)	31.3	23.4	13.3	85.9	9.5	28.5	26.2
Total Provisions	3.6	1.5	4.4	17.9	17.9	17.9	19.6
% to operating income	*19.9*	*7.7*	*18.4*	*39.1*	*34.9*	*27.1*	*23.6*
PBT	**14.5**	**18.6**	**19.5**	**27.9**	**33.5**	**48.1**	**63.5**
Tax	3.2	4.4	4.6	6.8	7.0	12.0	15.9
Tax Rate (%)	*22.3*	*23.4*	*23.8*	*24.5*	*21.0*	*25.0*	*25.0*
PAT	**11.3**	**14.3**	**14.9**	**21.1**	**26.5**	**36.1**	**47.6**
- growth (%)	-3.5	26.4	4.1	41.7	25.7	36.3	32.0

Balance Sheet							
Y/E MARCH	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Equity Share Capital	6.3	6.7	6.7	7.4	7.5	7.5	7.5
Reserves & Surplus	68.4	102.7	118.3	163.0	174.0	204.5	251.4
Equity Networth	**74.7**	**109.3**	**125.0**	**170.4**	**181.5**	**212.0**	**258.9**
Deposits	**525.8**	**693.6**	**871.8**	**1,242.7**	**1,519.8**	**1,884.6**	**2,338.7**
- growth (%)	46.2	31.9	25.7	42.5	22.3	24.0	24.1
of which CASA Dep	**196.1**	**266.6**	**291.3**	**362.5**	**462.0**	**597.4**	**755.4**
- growth (%)	136.9	36.0	9.3	24.5	27.4	29.3	26.4
Borrowings	59.9	63.0	54.8	116.6	138.2	171.3	212.4
Other liabilities	29.9	35.8	42.0	47.5	58.4	71.3	87.0
- growth (%)	29.5	19.6	17.6	13.0	23.0	22.0	22.0
Total Liabilities	**690.8**	**902.2**	**1,094.3**	**1,578.5**	**1,899.2**	**2,340.4**	**2,898.3**
Current Assets	59.3	94.3	63.8	94.7	100.2	113.7	129.0
Investments	**153.1**	**200.7**	**271.3**	**378.5**	**454.2**	**560.4**	**696.1**
- growth (%)	41.5	31.1	35.2	39.5	20.0	23.4	24.2
Loans	**461.0**	**584.2**	**731.6**	**1,070.9**	**1,318.3**	**1,642.6**	**2,045.1**
- growth (%)	33.2	26.7	25.2	46.4	23.1	24.6	24.5
Net Fixed Assets	6.2	7.4	8.5	9.1	10.0	10.8	11.7
Other assets	11.2	15.6	19.0	25.3	16.5	12.8	16.5
Total Assets	**690.8**	**902.2**	**1,094.3**	**1,578.5**	**1,899.2**	**2,340.4**	**2,898.3**
Total Assets (incl. off BS)	**708.1**	**909.5**	**1,192.1**	**1,669.5**	**1,999.8**	**2,450.0**	**2,898.3**

Asset Quality	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
GNPA (INR b)	9.2	9.8	12.4	24.8	29.8	36.4	44.6
NNPA (INR b)	2.3	2.9	4.4	8.3	10.2	11.7	13.3
Slippages (INR b)	14.4	12.4	17.0	40.0	31.1	35.5	44.3
GNPA Ratio (%)	2.0	1.7	1.7	2.3	2.26	2.22	2.18
NNPA Ratio (%)	0.5	0.5	0.6	0.8	0.77	0.71	0.65
Slippage Ratio (%)	3.6	2.4	2.6	4.4	2.6	2.4	2.4
Credit Cost (%)	0.7	0.3	0.6	1.9	1.4	1.1	1.0
PCR (Excl Tech. write off)	75.0	70.8	64.3	66.4	66.0	67.9	70.2

E: MOFSL Estimates

Financials and valuations

Ratios							
Y/E MARCH	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Yield and Cost Ratios (%)							
Avg. Yield - on IEA	**10.7**	**11.7**	**11.7**	**13.0**	12.0	12.0	11.7
Avg. Yield on loans	11.4	12.8	11.9	13.4	12.5	12.6	12.8
Avg. Cost of funds	5.3	5.6	6.4	7.0	7.0	6.8	6.5
Spreads	**6.1**	**7.2**	**5.5**	**6.4**	5.5	5.8	6.3
NIM (On total assets)	**5.4**	**5.6**	**5.2**	**6.0**	5.1	5.3	5.4
NIM (On IEA)	**5.9**	**6.3**	**5.7**	**6.5**	**5.5**	**5.6**	**5.7**
Capitalization Ratios (%)							
CAR	21.0	23.6	20.1	20.1	18.3	17.2	16.5
Tier I	19.7	21.8	18.8	18.1	16.9	16.2	15.8
CET 1	19.7	21.8	18.8	18.1	16.9	16.2	15.8
Tier II	1.3	1.8	1.3	1.9	1.4	1.0	0.7
Business Ratios (%)							
Loan/Deposit Ratio	87.7	84.2	83.9	86.2	86.7	87.2	87.4
CASA Ratio	37.3	38.4	33.4	29.2	30.4	31.7	32.3
Cost/Assets	4.0	4.3	4.5	4.5	3.9	3.9	3.9
Cost/Total Income	57.1	63.0	65.1	56.5	56.9	55.9	55.2
Cost/Core Income	59.1	62.5	65.6	57.8	58.8	57.7	57.0
Int. Expense/Int. Income	45.4	46.1	51.1	50.1	54.4	52.9	51.7
Fee Income/Total Income	20.1	19.8	24.0	21.4	22.8	21.6	21.1
Other Inc./Total Income	23.5	18.9	24.8	24.0	26.0	24.7	24.3
Efficiency Ratios (%)							
Employee per branch (in nos)	40.2	51.5	47.3	65.9	51.9	47.0	42.5
Staff cost per employee (INR m)	0.5	0.6	0.7	0.6	0.7	0.8	1.0
CASA per branch (INR m)	283	485	463	469	460	526	589
Deposits per branch (INR m)	760	1,261	1,386	1,608	1,512	1,660	1,823
Bus. Per Employee (INR m)	35	45	54	45	54	66	80
Profit per Employee (INR m)	0.4	0.5	0.5	0.4	0.5	0.7	0.9

Profitability and Valuations	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
RoE	16.6	15.5	12.7	14.3	15.0	18.3	20.2
RoA (On bal Sheet)	1.9	1.8	1.5	1.6	1.5	1.7	1.8
RoRWA	3.1	2.9	2.3	2.3	2.4	2.6	2.8
Book Value (INR)	118.7	164.0	186.8	228.9	243.1	283.2	345.0
- growth (%)	20.0	38.2	13.9	22.6	6.2	16.5	21.8
Price-BV (x)	**6.3**	**4.5**	**4.0**	**3.3**	**3.1**	**2.6**	**2.2**
Adjusted BV (INR)	116.7	161.6	183.1	222.7	235.3	274.0	334.2
- growth (%)	26.9	38.5	13.3	21.7	5.6	16.4	22.0
Price-ABV (x)	**6.4**	**4.6**	**4.1**	**3.3**	**3.2**	**2.7**	**2.2**
EPS (INR)	18.0	22.0	22.2	29.8	35.5	48.3	63.5
- growth (%)	-5.1	22.3	1.0	33.9	19.2	35.9	31.7
Price-Earnings (x)	**41.3**	**33.8**	**33.4**	**25.0**	**20.9**	**15.4**	**11.7**

E: MOFSL Estimates

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 be 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, Depository participant services & distribution of various financial products. 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 at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- 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.
- 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.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

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.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.