RBI extends moratorium till Aug'20

Provides adequate time to borrowers; lenders to walk tightrope to avoid unintended damage

- **The Reserve Bank of India (RBI) has announced further set of measures to enable the banking system to bear the impact of the COVID-19 led disruptions. The RBI, thus, has extended the moratorium/standstill benefit by a further three months (up to 31st Aug'20).**
- **The RBI has also reduced the policy rate by 40bp, resulting in repo/reverse repo rate of 4.0%/3.35%, thereby driving further reduction in the borrowing cost.**
- **Further, the RBI has asked all lenders to convert the accumulated interest of six months on working capital loans into a Funded Interest Term Loan to be repaid by Mar'21. This comes as a big relief to borrowers, who otherwise would have been required to make a balloon payment, thus, causing undue financial distress.**
- **The RBI also announced certain other measures such as (a) increasing the group exposure limit of banks from 25% to 30% of eligible capital base, and (b) further extension of SIDBI's Special Refinance Facility of INR150b at the RBI's policy repo rate for a period of 90 days.**
- **We believe that the extension of moratorium is a step in the right direction as economic activity is still in a nascent stage of recovery and borrowers would need more time to recuperate from the COVID-19 crisis. However, banks need to work actively with borrowers and ensure that moratorium gets availed in deserving cases, and at the same time, prevent any moral hazard. The trend in collection efficiency would become an important barometer of banking health as the book under moratorium might remain elevated for the next few months.**
- **We prefer large private banks as they have strong coverage, contingent provisions and robust PPoP to provide for any potential credit losses. Top picks – HDFCB and ICICIBC.**

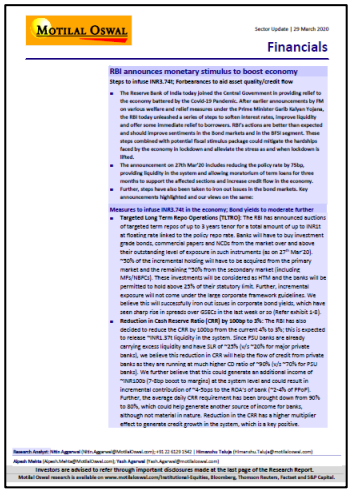
Moratorium extended by another 3 months; Additional provisioning to get some respite as NPA recognition defers

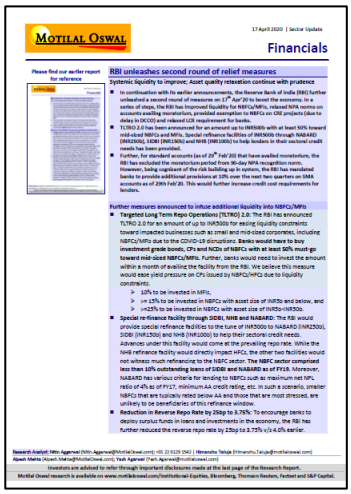
In continuation with its earlier announcements, the Reserve Bank of India (RBI) has extended the moratorium of term loans by a further three months till 31st Aug'20 to ease financial stress. Consequently, the payment of interest on working capital facilities too gets extended by three months along with the extended period getting excluded from the 90-day NPA norm and not resulting in asset classification downgrade. In addition to this, timeline for the resolution of large accounts also gets extended by another three months, which would extend the period for making additional provisioning of 20% on such delayed accounts and offering some respite on provisioning to the underlying banks.

Moratorium book at ~25-35% for large banks and higher for smaller banks; remain watchful of collection efficiency in near term

We believe that this measure would give some breathing space to borrowers facing cash flow strain to revive and reorganize their business over the next few months. However, this could further result in an increase in customers availing the moratorium. **As on 30th Apr'20, many large banks indicated that the proportion of customers availing the moratorium has been in the range of 25-35% (in value terms)**

Please refer our earlier report


MOTILAL OSWAL
Sector Update | 29 March 2020
Financials
RBI announces monetary stimulus to boost economy
Steps to infuse INR3.74t; Forbearances to aid asset quality/credit flow
Measures to infuse INR3.74t in the economy; Bond yields to moderate further
Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.


MOTILAL OSWAL
17 April 2020 | Sector Update
Financials
Please find our earlier report for reference
RBI unleashes second round of relief measures
Systemic liquidity to improve; Asset quality relaxation continue with prudence
Further measures announced to infuse additional liquidity into NBFCs/MFIs
Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Research Analyst: Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com); +91 22 6129 1542 | **Himanshu Taluja** (Himanshu.Taluja@MotilalOswal.com)
Alpesh Mehta (Alpesh.Mehta@MotilalOswal.com); **Yash Agarwal** (Yash.Agarwal@MotilalOswal.com)

while for small finance banks, the moratorium has been much higher. For instance, moratorium for Equitas/ Ujjivan stood at 93%/90% and for BANDHAN ~70-75% of total portfolio. Although incidence of moratorium is expected to increase, the trend in collection efficiency as the economy starts to recovery would be an important metric to assess the health of the banking system in the near term.

Accumulated interest on WC to get converted into term loan – positive for borrowers

Further, in order to ease the difficulties faced by borrowers due to the disruption caused by COVID-19, the RBI has asked all lenders to convert the accumulated interest of six months on working capital loans into a Funded Interest Term Loan, which is to be fully repaid by Mar'21. This comes as a big relief to borrowers, who otherwise would have been required to make balloon payment, thus, causing financial distress.

RBI cuts repo rate by 40bp to 4%; monetary easing to further drive reduction in lending rates

In its first monetary policy meeting of FY21, the RBI cut the policy rate by 40bp to 4.0% to manage the current dismal economic situation. Accordingly, the reverse repo now stands at 3.35%, against the earlier rate of 3.75%. The continued monetary easing would drive further reduction in lending yields under the external benchmark and a decline in the 1-year MCLR rates (20-50bp reduction since Jan'20) while banks have also been sharply cutting the retail and bulk deposit rates over the last few months (large banks have reduced TD rates by up to 150bp) to offset margin pressure. Overall, we believe that large banks with strong/granular liability franchise would be able to tackle the margin pressure v/s their mid-sized peers.

Other measures

The RBI also announced certain other measures such as:

- Increasing the group exposure limit of banks from existing 25% to 30% of eligible capital base. This is likely to help borrowers that are unable to access capital markets in these uncertain times and would facilitate the flow of resources.
- Further, SIDBI's Special Refinance Facility of INR150b has been extended at the RBI's policy repo rate for a period of 90 days to provide greater flexibility in operations. However, this is not expected to result in much refinancing to NBFCs as **the sector comprised less than 10% of SIDBI's outstanding loans as at FY19.**

View

We believe that the extension of the moratorium is a step in the right direction as economic activity is still in a nascent stage of recovery and borrowers would need more time to recuperate from the COVID-19 crisis. However, banks need to work actively with borrowers and ensure that moratorium gets availed in deserving cases, and at the same time, prevent any moral hazard. The trend in collection efficiency should become an important barometer of banking health as book under moratorium may remain elevated over the next few months. Further, many banks had indicated that several borrowers are cautious and opting for moratorium to preserve liquidity. Thus, it would be interesting to watch how these customers react to **Moratorium 2.0** as it would coincide with economic activity picking up. We prefer large private banks as they have strong coverage, contingent provisions and robust PPoP to provide for potential credit losses. Our t**op picks are HDFCB and ICICIBC.**

Snapshot of moratorium availed by customers across banks

- Most large banks (except HDFCB and IIB) have indicated that the proportion of customers (in terms of value) availing moratorium has been in the range of 25-35% – AXSB (25-28%), ICICIBC (~30%) and KMB (~26%).
- **In case of Equitas/Ujjivan**, the moratorium availed by the customer remains very high and stands at 93%/90% of the total value.
- Banks further indicated that **many borrowers have cited their cautious stance of opting for moratorium to preserve liquidity.**
- All banks have been pro-active and created additional provisions for COVID-19, which was higher than the RBI requirement (Refer exhibit 2).
- **Segmental moratorium:** MFI segment witnessed 100% moratorium while other segments, which witnessed higher number of borrowers availing the moratorium were Commercial Vehicles, 2-Wheeeler portfolio, MSMEs and small business loans.
- Further, sectors such as Airlines, Real Estate, Gems and Jewelry, Auto, Entertainment, Construction, Organized Retail, Textiles, and Small NBFCs have been severely impacted due to COVID-19 along with unsecured personal loans and credit cards, which could witness higher delinquencies.

Exhibit 1: Snapshot of moratorium availed by customers and COVID related provisions made by banks

		Moratorium availed				Provisions			
FY20 (INRb)	Advances	as a % of customers	as a % of loans	In value terms	COVID-19 related	Standard	Contingent	Floating	Total
AXSB	5,714.2	10%-12%	25%-28%	1,428.6	30.0	NA	29.8	NA	59.8
BANDHAN	666.3	NA	~71%	473.1	6.9	3.1	NA	NA	10.0
HDFCB	9,937.0	NA	NA	NA	15.5	28.6	30.0	14.5	88.6
ICICIBC	6,452.9	NA	~30%	1,935.9	27.3	52.2	NA	NA	79.4
IIB*	2,067.8	NA	~5%	57.7	2.8	NA	NA	NA	2.8
KMB	2,197.5	NA	~26%	571.3	6.5	NA	NA	NA	6.5
YES	1,714.4	15%-25%	35%-45%	685.8	2.4	NA	NA	NA	2.4
RBK	580.2	NA	~33%	191.5	1.2	NA	NA	NA	1.2
AUBANK	269.9	~29%	~25%	67.5	1.4	NA	NA	NA	1.4
Equitas	137.5	~98.3%	~93%	127.8	1.0	NA	NA	NA	1.0
UJJIVAN	140.4	NA	~90%	126.4	0.7	NA	NA	NA	0.7
SBI Cards	228.1	~20%	~17%	38.0	4.9	NA	NA	NA	4.9

Note: For IIB, the proportion of customers availing moratorium is as a proportion of vehicle financing, MFI and unsecured loans. The bank indicated that very few corporates have applied for the moratorium

Source: MOFSL, Company

Exhibit 2: Moratorium across segments disclosed by banks

Moratorium value (%)	BANDHAN	EQUITAS*	RBK**	YES
MFI/Micro-banking	100%	100%	100%	NA
Mortgage/Housing Finance	13%	72%	NA	NA
SME/Small Business Loans/MSME	35%	87%	NA	35%-40%
NBFC	59%	NA	NA	NA
Vehicle Finance	NA	90%	NA	NA
Working Capital	NA	93%	NA	NA
Corporate/Wholesale	NA	3%	22%	40%-45%
Retail Assets	NA	NA	NA	40%-45%
Credit Cards	NA	NA	24%	NA
Others	NA	92%	NA	NA
Total	71%	98%	33%	35%-45%

Note: * indicated Moratorium as number of loans;

** For retail assets, ~46% in terms of number of loans have availed the moratorium

Source: MOFSL, Company

Exhibit 3: Commentary by various banks

Banks	Commentary
AXSB	❖ Created additional provisions of INR30b toward COVID-19 crisis; total contingent provisions stood at INR59.8b. ❖ **Breakup of COVID-19 provisions:** INR730m was toward A/c for which asset classification dispensation was availed; while ~INR12b was toward overdue A/c that availed moratorium. The remaining were unallocated provisions.
Bandhan	❖ **Segmental moratorium:** MFI (100%), Mortgage (13%), SME (35%) and NBFC (59%).
HDFCB	❖ 9% of the SME portfolio seems vulnerable. ❖ GNPA impact of COVID-19 is expected at ~50bp. ❖ Slippages would have increased by ~40bp if not for dispensation by the RBI.
ICICIBC	❖ ~10-11% of those that availed moratorium were from CVs, 2Ws and rural book. ❖ Slippages would have increased by INR13.1b and GNPA by 18bp if not for dispensation by the RBI.
IIB	❖ GNPA impact of COVID-19 is expected at ~80bp while credit cost is expected at ~50bp. ❖ Credit cost guidance of 120-130bp.
KMB	❖ If not for moratorium, GNPA would have been higher by INR6.6b. ❖ Overdue accounts stands at ~INR65b. The bank made 10% provision on all overdue accounts.
YES	❖ **Segmental moratorium:** Corporate portfolio (40-45%), MSME (35-40%) and Retail (40-45%). ❖ Overdue A/c as on 29th Feb'20 had an o/s of INR149.6b of which NPA standstill is INR27.1b.
RBK	❖ **Segmental moratorium:** MFI (100%), Credit Cards (24%), Wholesale (22%). ❖ Credit cost for FY21E to be similar to FY20 levels. However, the proportion of credit cost to be higher toward non-wholesale assets (~60%). Overall, MSMEs/SMEs/Credit Cards are likely to witness higher credit cost trends. ❖ The impact of dispensation by the RBI stands at ~9bp on SMA-1 and ~44bp on SMA-2.
AUBANK	❖ ~71% of the customers have paid their EMIs, of which ~23% paid partially, while 47% paid in full. ❖ As at 1st Mar'20, total portfolio in 0–89dpd was INR36b, which reduced to INR27b by 31st Mar'20 (5% provision created).
EQUITAS	❖ **Segmental moratorium:** MFI (~100%), Small business loans (~87%), Housing Finance (71%), Vehicle (~90%), WC (~93%).
UJJIVAN	❖ Within MFI segment, 100% availed the moratorium while in other segments ~70% availed the moratorium.
SBI Cards	❖ ~0.8m customers (~20%) having a balance of ~INR38b have applied for the moratorium. ❖ Reduction in GNPA was due to the moratorium, else GNPA would have been flat at Dec'19 levels (~2.45%).

Source: MOFSL, Company

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 - MOFSL) 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.

* MOFSL 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.