

Rating: BUY | CMP: Rs285 | TP: Rs310

February 3, 2026

Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

Rating	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY	BUY	BUY	BUY
Target Price	310	265	310	265
NII (Rs. m)	33,830	39,595	32,474	38,030
% Chng.	4.2	4.1	4.2	4.1
Op. Profit (Rs. m)	22,999	27,468	20,499	24,595
% Chng.	12.2	11.7	12.2	11.7
EPS (Rs.)	20.8	24.8	18.4	22.0
% Chng.	13.0	12.6	13.0	12.6

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
NII (Rs m)	23,157	28,236	33,830	39,595
Op. Profit (Rs m)	16,786	19,545	22,999	27,468
PAT (Rs m)	11,236	13,204	15,459	18,376
EPS (Rs.)	15.2	17.8	20.8	24.8
Gr. (%)	10.6	17.4	17.1	18.9
DPS (Rs.)	2.0	2.3	2.7	3.2
Yield (%)	0.7	0.8	0.9	1.1
NIM (%)	3.2	3.5	3.5	3.5
RoAE (%)	12.6	13.2	13.7	14.4
RoAA (%)	1.5	1.6	1.5	1.6
P/BV (x)	2.2	2.0	1.8	1.6
P/ABV (x)	2.4	2.1	1.8	1.6
PE (x)	18.8	16.0	13.7	11.5
CAR (%)	23.8	23.7	24.4	25.2

Key Data

	CTBK.BO CUBK IN
52-W High / Low	Rs.305 / Rs.143
Sensex / Nifty	81,666 / 25,088
Market Cap	Rs.212bn/ \$ 2,315m
Shares Outstanding	742m
3M Avg. Daily Value	Rs.1029.22m

Shareholding Pattern (%)

Promoter's	-
Foreign	23.49
Domestic Institution	31.19
Public & Others	9.05
Promoter Pledge (Rs bn)	36.27

Stock Performance (%)

	1M	6M	12M
Absolute	(1.1)	33.5	66.5
Relative	3.9	31.7	58.1

Gaurav Jani

gauravjani@plindia.com | 91-22-66322235

Harshada Gite

harshadagite@plindia.com | 91-22-66322237

City Union Bank (CUBK IN)

Rating: BUY | CMP: Rs285 | TP: Rs310

Margins and loan growth surprise yet again

Quick Pointers:

- Core earnings higher due to beat on loan growth, NII and fees.
- Due to higher margins we upgrade core PAT for FY27/28E by avg. 7.3%.

CUB saw yet another strong quarter with a 15.2% beat on core PAT owing to better core revenue i.e. NII/NIM and fees. Credit growth at 21.5% YoY and 5.9% QoQ was also higher suggesting there was no compromise on NIM to achieve growth. Reported NIM increased by 29bps QoQ to 3.9% due to (1) better loan yields (led by robust growth in higher yielding gold loans, which are fixed rate) and (2) 16bps fall in deposit cost due to repricing. Bank expects NIM to remain stable as negative impact of Dec'25 repo cut would be offset by further deposit repricing while fixed rate loan exposure is at ~30%. Asset quality continues to remain benign as recoveries have surpassed slippages since past 10 quarters. Due to better NIM/growth, we upgrade core PAT for FY27/28E by avg. 7.3%. With core RoA for FY28E like to be 1.5%, we increase multiple to 1.7x from 1.6x and raise TP to Rs310 from Rs265 as we roll over to Mar'28 ABV. Retain 'BUY'.

- Strong quarter; core PAT aided by higher NII/fees:** NII was a beat at Rs7.5bn (PLe Rs6.9bn) due to better NIM (calc.) which was ahead at 3.89% (PLe 3.61%); reported NIM increased by 26bps QoQ to 3.89%. Credit growth was better at 21.5% YoY (PLe 20%); deposit growth was in-line at 21% YoY. CASA ratio fell to 27.3% (28.1% in Q2'26); LDR increased to 85% from 81.6% in Q2'26. Other income was higher at Rs2.45bn (PLe Rs2bn) due to higher fees, treasury and TWO recovery. Opex at Rs4.8bn was 2.8% above PLe led by higher other opex. Core PPoP at Rs4.9bn was 18.1% above PLe; PPoP was Rs5.1bn. Asset quality was a slight miss; GNPA was 2.17% (PLe 2.21%). Gross slippage was higher at Rs1.9bn (PLe Rs1.7bn); recoveries were in-line at Rs1.6bn. Provisions were a drag at Rs960bn (PLe Rs700mn) due to higher NPA and std. asset provisions. Core PAT was 15.2% above PLe at Rs3.2bn; PAT was Rs3.3bn (PLe Rs2.8bn).

- NIM surprised yet again; more upside risks:** Reported NIM increased by 29bps QoQ that was attributable to (1) 7bps increase in reported loan yields driven by robust growth in higher yielding gold loans, which are fixed rate, and secured retail and (2) 16bps fall in deposit cost as Rs142bn worth of deposits were repriced lower. Bank expects NIM to remain stable QoQ; negative impact of Dec'25 repo cut would be offset by (1) further repricing of deposits worth Rs108bn (2) fixed rate (gold) book at ~30% with a 1-2 year tenure.

- Loan growth surprises positively yet again:** Credit accretion was strong at 5.9% QoQ (PLe 4.6%) mainly driven non-agri gold (+12.8%), agri (+6.9%) and SME (+3.2%). Overall loan momentum is likely to sustain led by (1) gold, which offers favorable risk-reward and (2) retail secured lending; bank is well on track to achieve its guidance to reach ~5.0% by FY26 end and 8-9% by FY27 end. Management raised its loan growth guidance for FY27 from low-mid teens to mid-high teens while CD ratio is guided at 85-86%. We are factoring loan CAGR of 17% over FY26-28E. Focus is on CASA since there is a dedicated team coupled with branch focus.

Exhibit 1: PAT beat led by higher NII

P&L Statement (Rs m)	Q3FY26	Q3FY25	YoY gr. (%)	Q3FY26E	% Var.	Q2FY26	QoQ gr. (%)
Interest Income	17,557	14,787	18.7	16,888	4.0	16,531	6.2
Interest Expended	10,035	8,910	12.6	9,950	0.9	9,866	1.7
Net interest income (NII)	7,522	5,877	28.0	6,939	8.4	6,665	12.8
Other income	2,453	2,284	7.4	2,036	20.5	2,591	(5.3)
-Fee income	1,538	1,114	38.1	1,386	10.9	1,346	14.3
-Other non interest income	915	1,170	(21.7)	650	40.8	1,245	(26.5)
Total income	9,975	8,161	22.2	8,975	11.1	9,257	7.8
Operating expenses	4,844	3,801	27.4	4,711	2.8	4,551	6.4
-Staff expenses	2,302	1,785	29.0	2,288	0.6	2,244	2.6
-Other expenses	2,541	2,016	26.1	2,423	4.9	2,307	10.1
Operating profit	5,132	4,360	17.7	4,264	20.3	4,706	9.0
Core Operating Profit	4,919	4,182	17.6	4,164	18.1	4,490	9.6
Total provisions	960	750	28.0	700	37.1	570	68.4
Profit before tax	4,172	3,610	15.6	3,564	17.1	4,136	0.9
Tax	850	750	13.3	748	13.6	850	-
Profit after tax	3,322	2,860	16.1	2,815	18.0	3,286	1.1
Balance Sheet (Rs m)							
Deposits	7,05,159	5,82,713	21.0	7,04,972	0.0	6,94,860	1.5
Advances	6,00,413	4,94,178	21.5	5,92,882	1.3	5,66,809	5.9
Ratios (%)							
NIM	3.9	3.5	40	3.6	28	3.6	32.0
RoaA	1.6	1.6	2	1.4	24	1.7	(4)
RoaE	13.7	13.2	46	11.7	203	14.0	(30)
Asset Quality							
Gross NPL (Rs m)	13,200	16,930	(22.0)	13,304	(0.8)	13,932	(5.3)
Net NPL (Rs m)	4,693	7,015	(33.1)	4,989	(5.9)	5,129	(8.5)
Gross NPL ratio	2.17	3.36	(119.22)	2.2	(5)	2.42	(25)
Net NPL ratio	0.78	1.42	(63.83)	0.8	(6)	0.90	(12)
Coverage ratio (Calc)	64.4	58.6	588	62.5	194	63.2	126
Business & Other Ratios							
Low-cost deposit mix	27.3	27.7	(41)	28.4	(110)	28.1	(84)
Cost-income ratio	48.6	46.6	198	52.5	(393)	49.2	(61)
Non int. inc / total income	24.6	28.0	(339)	22.7	191	28.0	(340)
Credit deposit ratio	85.1	84.8	34	84.1	105	81.6	357
Capital Adequacy Ratio	20.1	22.3	(213)	-		21.7	(155)
Tier-I	19.2	21.3	(211)	-		20.7	(153)

Source: Company, PL

Q3FY26 Concall Highlights

Balance Sheet

- Bank targets to loan growth at mid-high teens which is 2-3% above industry growth.
- Loans by benchmark: EBLR 48%, MCLR 17%, Fixed 32%.
- Agri gold loan decline QoQ was on account of harvesting. LTV on gold stood at 72% including interest. Tenure of agriculture gold loans was 18-24 months and of non-agriculture was 12 months.
- Rs107.8bn of deposits repricing is expected to happen in next 2 quarters.
- Comfortable CD ratio guided at 85-86% by the management.
- Daily average CASA increased by 3% QoQ and 19% YoY.
- No observations received from RBI post the audit.
- The MD & CEO retires on 30th April after 15 years. The Board has sent candidate names to the RBI, the bank will announce the successor after approval from the RBI.
- RoA guided at 1.5%+.

Profit & Loss

- Yield on MSME maintained at 9.5% since last few quarters. Yield on LAP/home loans stood at 9.4-9.5%/8.8-9% respectively.
- NIMs expected to stable for Q4FY26 with +/- 10bps due to CRR and repricing impact. Assuming no rate cut margins are expected to be stable/better for FY27. Repricing is fully done for EBLR portion.
- Labour code impact was Rs20mn for bank on account of gratuity.
- Staff cost increase QoQ was due to Diwali bonus. Other opex increased QoQ due to depreciation (Rs40-50mn) and GST expenses (Rs80-90mn).
- Cost-income ratio is guided at 48-50%.
- Tax rate at same levels will be maintained for next 4-5 quarters.

Asset Quality

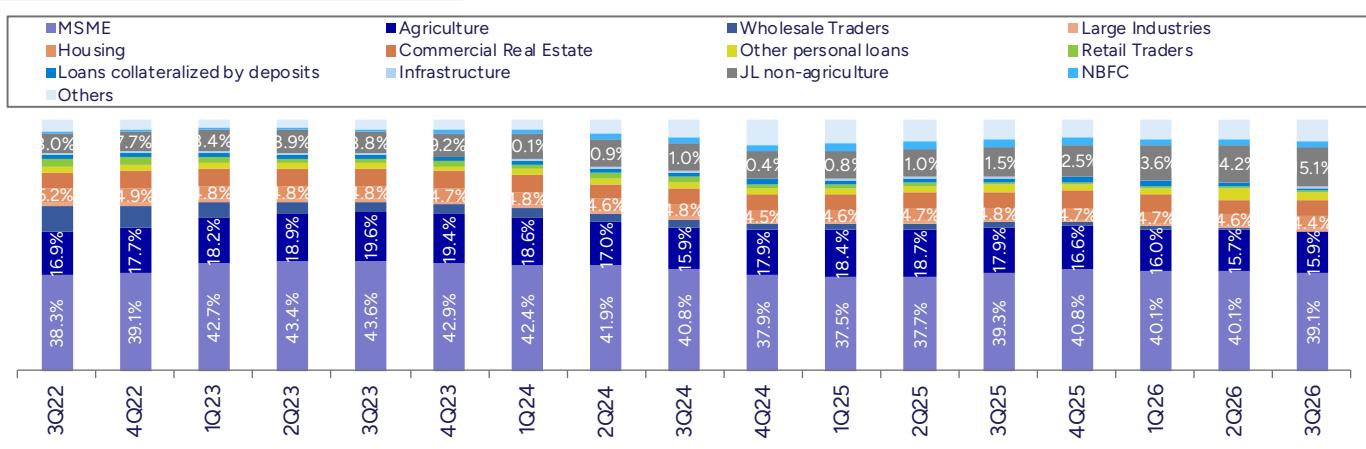
- No incremental provision made for ECL in Q3FY26.
- Standard assets provision increase QoQ was due to increase in BS.

Exhibit 2: Other personal loans growth increased 83.3%YoY, Retail traders loan fell 87%YoY & 81.5% QoQ

Advances break-up (Rs m)	Q3FY26	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)
MSME	2,38,363	1,98,113	20.3	2,30,876	3.2
Agriculture	96,623	90,080	7.3	90,374	6.9
Wholesale Traders	3,066	9,444	(67.5)	6,007	(49.0)
Large Industries	8,977	5,946	51.0	6,610	35.8
Housing	26,660	23,980	11.2	26,548	0.4
Commercial Real Estate	36,770	31,516	16.7	30,325	21.3
Other personal loans	23,489	12,813	83.3	26,036	(9.8)
Retail Traders	752	5,802	(87.0)	4,066	(81.5)
Loans collateralized by deposits	8,643	7,731	11.8	8,399	2.9
Infrastructure	3,269	2,975	9.9	3,045	7.4
JL non-agriculture	91,994	58,115	58.3	81,541	12.8
NBFC	14,315	15,854	(9.7)	14,412	(0.7)
Others	55,999	41,724	34.2	47,373	18.2
Total Advances	6,08,920	5,04,093	20.8	5,75,612	5.8

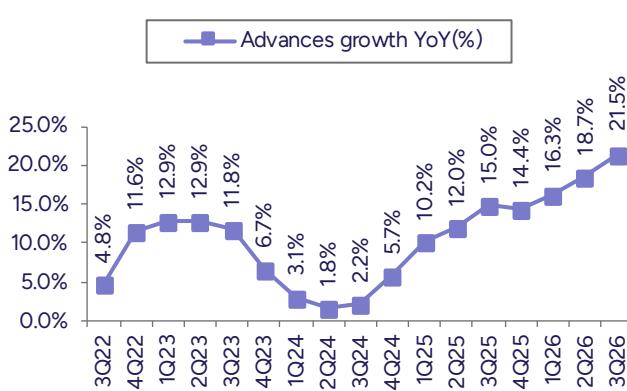
Source: Company, PL

Exhibit 3: MSME maintained dominant share at 39.1%, share of agri loans increased to 15.9%



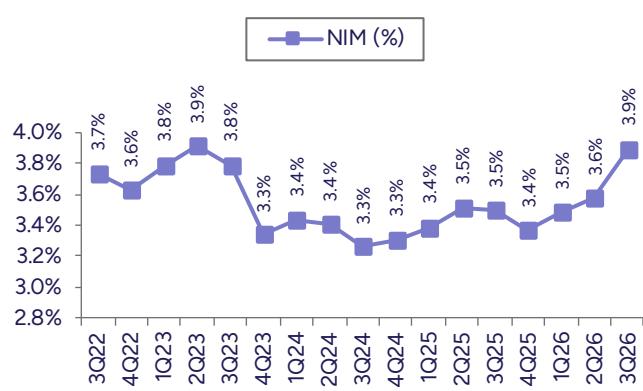
Source: Company, PL

Exhibit 4: Advances growth at 21.5% YoY



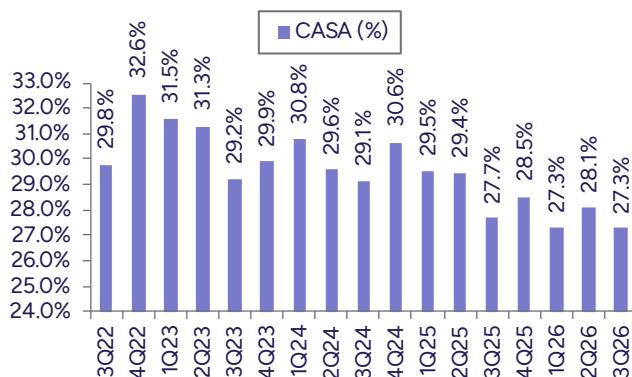
Source: Company, PL

Exhibit 5: NIMs increased to 3.9%



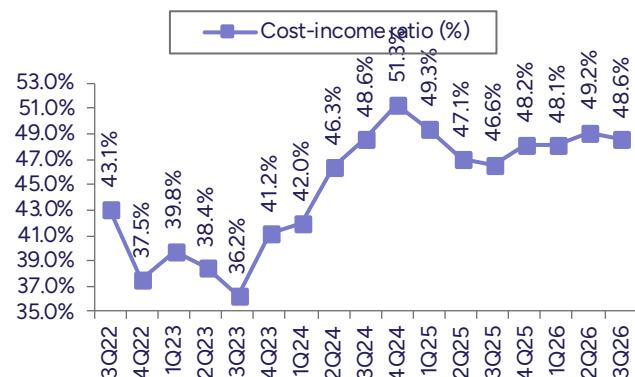
Source: Company, PL

Exhibit 6: CASA mix decreased to 27.3%



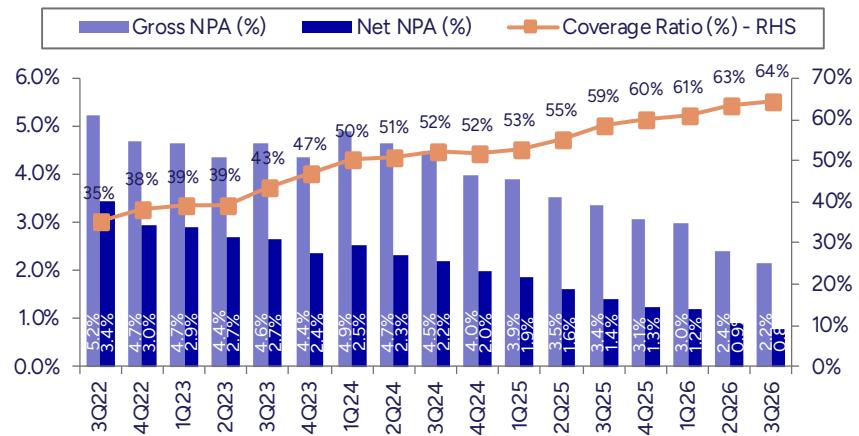
Source: Company, PL

Exhibit 7: C/I decreased to 48.6%



Source: Company, PL

Exhibit 8: GNPA fell QoQ to 2.17%, whiles PCR increased to 64.4%



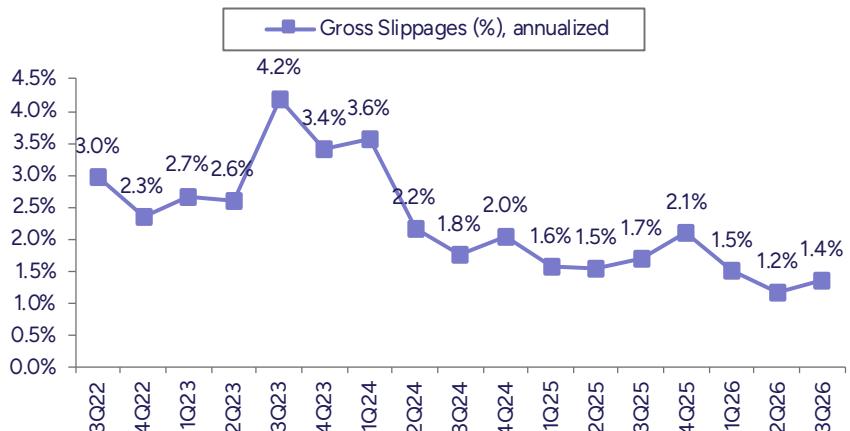
Source: Company, PL

Exhibit 9: Slippages increased sequentially to 1.58%

Movement of NPL	Q3FY26	Q3FY25	YoY gr. (%)	Q2FY26	QoQ gr. (%)
Opening	13,932	17,255	(19.3)	16,170	(13.8)
Additions	1,931	2,011	(4.0)	1,565	23.4
Reduction	2,663	2,336	14.0	3,803	(30.0)
Closing	13,200	16,930	(22.0)	13,932	(5.3)
Slippages (%)	1.58	1.82	(23)	1.28	30

Source: Company, PL

Exhibit 10: Gross slippages increased to 1.4% QoQ



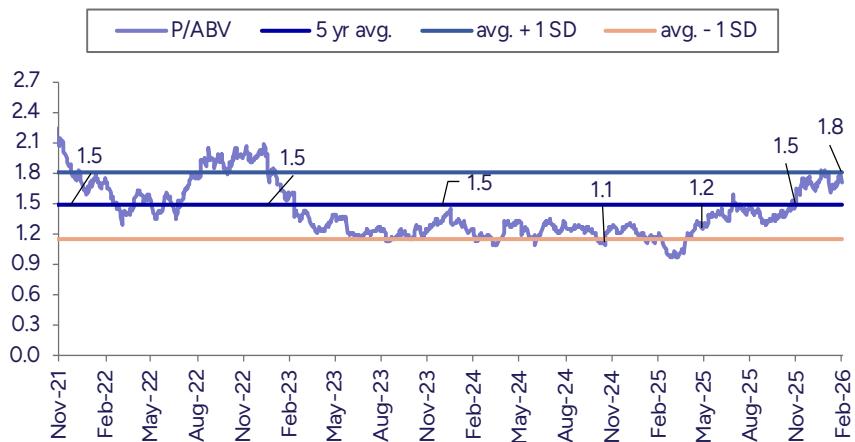
Source: Company, PL

Exhibit 11: Return ratios to range around 13-14%

Du-pont Analysis	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
NII/Assets	3.6	3.3	3.4	3.1	3.1	3.3	3.4	3.4
Other inc./Assets	1.3	1.3	1.3	1.1	1.2	1.2	1.1	1.1
Net revenues/Assets	4.9	4.7	4.6	4.2	4.3	4.5	4.5	4.6
Opex/Assets	2.0	1.9	1.8	2.0	2.1	2.2	2.2	2.2
Provisions/Assets	1.5	1.1	1.0	0.4	0.4	0.3	0.3	0.4
Taxes/Assets	0.2	0.4	0.4	0.3	0.4	0.4	0.4	0.4
ROA (%)	1.2	1.3	1.5	1.5	1.5	1.6	1.5	1.6
ROE (%)	10.6	12.2	13.4	12.8	12.6	13.2	13.7	14.4

Source: Company, PL

Exhibit 12: On one-year forward basis, CUBK trades at 1.8x



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Int. Earned from Adv.	46,721	55,554	64,994	75,459
Int. Earned from invt.	10,733	11,655	12,637	14,662
Others	886	1,179	1,215	1,239
Total Interest Income	58,340	68,388	78,846	91,359
Interest Expenses	35,183	40,152	45,016	51,764
Net Interest Income	23,157	28,236	33,830	39,595
Growth(%)	9.1	21.9	19.8	17.0
Non Interest Income	8,981	9,960	11,088	13,319
Net Total Income	32,138	38,196	44,918	52,914
Growth(%)	12.0	16.4	14.8	16.4
Employee Expenses	7,330	8,958	10,489	12,396
Other Expenses	7,206	9,693	11,431	13,050
Operating Expenses	15,351	18,651	21,919	25,446
Operating Profit	16,786	19,545	22,999	27,468
Growth(%)	10.7	16.4	17.7	19.4
NPA Provision	2,550	2,443	2,932	3,636
Total Provisions	2,620	2,951	3,430	4,208
PBT	14,166	16,594	19,569	23,260
Tax Provision	2,930	3,390	4,109	4,885
Effective tax rate (%)	20.7	20.4	21.0	21.0
PAT	11,236	13,204	15,459	18,376
Growth(%)	10.6	17.5	17.1	18.9

Quarterly Financials (Rs. m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Interest Income	15,327	16,053	16,531	17,557
Interest Expenses	9,324	9,800	9,866	10,035
Net Interest Income	6,003	6,253	6,665	7,522
YoY growth (%)	9.8	14.7	14.4	28.0
CEB	1,491	1,226	1,346	1,538
Treasury	-	-	-	-
Non Interest Income	2,512	2,439	2,591	2,453
Total Income	17,839	18,492	19,123	20,010
Employee Expenses	1,965	2,006	2,244	2,302
Other expenses	2,140	2,176	2,307	2,541
Operating Expenses	4,106	4,182	4,551	4,844
Operating Profit	4,410	4,509	4,706	5,132
YoY growth (%)	25.3	20.7	9.9	17.7
Core Operating Profits	3,389	3,296	3,461	4,217
NPA Provision	780	700	400	740
Others Provisions	780	700	570	960
Total Provisions	780	700	570	960
Profit Before Tax	3,630	3,809	4,136	4,172
Tax	750	750	850	850
PAT	2,880	3,059	3,286	3,322
YoY growth (%)	13.0	15.7	15.2	16.1
Deposits	6,35,260	6,57,344	6,94,860	7,05,159
YoY growth (%)	14.1	19.8	21.1	21.0
Advances	5,20,813	5,30,378	5,66,809	6,00,413
YoY growth (%)	14.4	16.3	18.7	21.5

Key Ratios

Y/e Mar	FY25	FY26E	FY27E	FY28E
CMP (Rs)	285	285	285	285
EPS (Rs)	15.2	17.8	20.8	24.8
Book Value (Rs)	127	143	161	183
Adj. BV (Rs)	119	136	155	177
P/E (x)	18.8	16.0	13.7	11.5
P/BV (x)	2.2	2.0	1.8	1.6
P/ABV (x)	2.4	2.1	1.8	1.6
DPS (Rs)	2.0	2.3	2.7	3.2
Dividend Payout Ratio (%)	19.5	20.0	20.8	-
Dividend Yield (%)	0.7	0.8	0.9	1.1

Efficiency

Y/e Mar	FY25	FY26E	FY27E	FY28E
Cost-Income Ratio (%)	47.8	48.8	48.8	48.1
C-D Ratio (%)	82.0	84.0	84.0	84.0
Business per Emp. (Rs m)	-	-	-	-
Profit per Emp. (Rs lacs)	-	-	-	-
Business per Branch (Rs m)	-	-	-	-
Profit per Branch (Rs m)	-	-	-	-

Du-Pont

Y/e Mar	FY25	FY26E	FY27E	FY28E
NII	3.12	3.32	3.38	3.41
Total Income	4.33	4.49	4.49	4.55
Operating Expenses	2.07	2.19	2.19	2.19
PPoP	2.26	2.30	2.30	2.36
Total provisions	0.35	0.35	0.34	0.36
RoAA	1.51	1.55	1.55	1.58
RoAE	12.58	13.18	13.73	14.38

Asset Quality

Y/e Mar	FY25	FY26E	FY27E	FY28E
Gross NPAs (Rs m)	16,382	12,310	11,972	14,216
Net NPAs (Rs m)	6,531	4,555	4,310	4,976
Gr. NPAs to Gross Adv. (%)	3.1	1.9	1.6	1.6
Net NPAs to Net Adv. (%)	1.3	0.7	0.6	0.6
NPA Coverage %	60.1	63.0	64.0	65.0

Profitability (%)

Y/e Mar	FY25	FY26E	FY27E	FY28E
NIM	3.2	3.5	3.5	3.5
RoAA	1.5	1.6	1.5	1.6
RoAE	12.6	13.2	13.7	14.4
Tier I	22.7	22.9	23.6	24.4
CRAR	23.8	23.7	24.4	25.2

Source: Company Data, PL Research

Source: Company Data, PL Research

Price Chart

Recommendation History



No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-26	BUY	265	291
2	04-Nov-25	BUY	265	236
3	07-Oct-25	BUY	245	219
4	01-Aug-25	BUY	245	214
5	07-Jul-25	BUY	210	219
6	23-Jun-25	BUY	210	191
7	05-May-25	BUY	210	174
8	08-Apr-25	BUY	200	160

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Axis Bank	BUY	1,500	1,258
2	Bank of Baroda	BUY	320	299
3	Canara Bank	Hold	160	150
4	Canara Robeco Asset Management Company	BUY	325	311
5	City Union Bank	BUY	265	291
6	DCB Bank	BUY	155	182
7	Federal Bank	BUY	275	270
8	HDFC Asset Management Company	BUY	2,950	2,554
9	HDFC Bank	BUY	1,150	931
10	ICICI Bank	BUY	1,800	1,411
11	ICICI Prudential Asset Management Company	BUY	3,300	2,736
12	IndusInd Bank	Accumulate	960	892
13	Kotak Mahindra Bank	BUY	500	423
14	Nippon Life India Asset Management	BUY	1,000	879
15	State Bank of India	BUY	1,100	1,007
16	Union Bank of India	BUY	200	179
17	UTI Asset Management Company	Accumulate	1,250	1,135

PL's Recommendation Nomenclature (Absolute Performance)

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

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Gaurav Jani- CA, Passed CFA Level II, Ms. Harshada Gite- CA Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

It is confirmed that Mr. Gaurav Jani- CA, Passed CFA Level II, Ms. Harshada Gite- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

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

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

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

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

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

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

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

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

www.plindia.com