PL Capital
PRABHUDAS LILLADHER

LIC Housing Finance (LICHF IN)

Rating: ACCUMULATE | CMP: Rs496 | TP: Rs525

February 2, 2026

Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ☑ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		BUY	
Target Price	525		645	
NII (Rs.)	85,762	84,565	97,254	1,06,326
% Chng.	*(11.8)*	*(20.5)*		
PPoP (Rs.)	78,933	78,290	88,726	96,997
% Chng.	*(11.0)*	*(19.3)*		
EPS (Rs.)	102.4	100.9	114.9	122.8
% Chng.	*(10.8)*	*(17.8)*		

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Int.Inc. (Rs m)	81,295	85,469	85,762	84,565
Growth (%)	*(6.0)*	*5.1*	*0.3*	*(1.4)*
Op. Profit (Rs m)	71,416	77,911	78,933	78,290
PAT (Rs m)	54,290	56,454	56,348	55,482
EPS (Rs.)	98.7	102.6	102.4	100.9
Gr. (%)	*13.9*	*4.0*	*(0.2)*	*(1.5)*
DPS (Rs.)	10.0	8.3	15.4	15.4
Yield (%)	*2.0*	*1.7*	*3.1*	*3.1*
Margin (%)	*2.8*	*2.7*	*2.6*	*2.4*
RoAE (%)	*16.0*	*14.6*	*13.0*	*11.5*
RoAA (%)	*1.8*	*1.7*	*1.6*	*1.5*
PE (x)	5.0	4.8	4.8	4.9
P/BV (x)	0.8	0.7	0.6	0.5
P/ABV (x)	0.8	0.7	0.7	0.6

Key Data	LICH.BO | LICHF IN
52-W High / Low	Rs.647 / Rs.484
Sensex / Nifty	81,666 / 25,088
Market Cap	Rs.273bn/ $ 2,983m
Shares Outstanding	550m
3M Avg. Daily Value	Rs.711.68m

Shareholding Pattern (%)

Promoter's	45.24
Foreign	20.67
Domestic Institution	24.23
Public & Others	9.86
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(9.0)	(13.0)	(15.1)
Relative	(4.5)	(14.1)	(19.4)

Shreya Khandelwal
shreyakhandelwal@plindia.com | 91-22-66322538

Dhanik Hegde
dhanikhegde@plindia.com |

Muted growth; NIM to moderate

Quick Pointers:

- Q3 disbursements muted; expect 7% loan growth in FY26 due to intense competition from banks
- Expect NIM to moderate due to BT-out pressure and PLR rate cut

Q3 disbursements were muted (+4% YoY) due to intense competition from banks. Consequently, the loan book grew 5% YoY, and we expect it to remain in a range of 6-7% in FY26/ FY27E. LICHF has taken a PLR cut in Dec-25 to curb BT-out pressure. We expect NIM (calc) to moderate to 2.4% by FY28E due to lower incremental yield. Headline asset quality saw an improvement, and we build in a credit cost of ~20bps over FY26-28E. We cut our FY26/ FY27E estimates factoring in lower growth and margins. We cut our Dec-27E P/ABV to 0.7x (vs. 0.8x earlier), resulting in TP of Rs 525. Downgrade to 'Accumulate'.

- **Expect muted growth in FY26/ FY27E:** Q3 disbursements were subdued at Rs161.0bn (+4% YoY, -1.3% QoQ). Consequently, the loan book grew by 5.1% YoY/ 2.4% QoQ to Rs3,142.7bn. Individual HL/Non-housing Individual/NHC-Project Loans/NHC-Other Loans contributed to 85%/ 11%/ 3%/ 1% of the portfolio. The AUM mix in terms of salaried/non-salaried borrowers remained stable at 86:14. While Q3 AUM growth was impacted by intense competition from banks due to rate cuts, LICHF expects to pick up the slack in Q4. It has taken a PLR cut in Dec-25 to curb BT-out pressure and is guiding for a disbursement run-rate of ~Rs 220bn in Q4. While we expect BT-out pressure to subside due to the rate cut, we build in disbursement growth of 6% YoY in Q4, translating into loan growth of 7% for FY26E. We expect loan growth to remain muted at ~6%-7% in FY27E and FY28E due to intense competition from banks.

- **NIM to moderate over FY26-28E:** Q3 yield contracted QoQ to 9.07% (vs. 9.13% in Q2), while cost of borrowing improved to 7.41% (vs. 7.51% in Q2). Consequently, reported spreads remained largely stable at 2.69% (vs. 2.62% in Q2). BT-out for the quarter stood at Rs33bn (vs. Rs40bn in Q2) and LICHF has taken a PLR rate cut in Dec-25. It expects to maintain reported NIM in the range of 2.6%-2.8% in FY26E with 5-7 bps reduction in CoF in Q4; we build in the same. However, we expect NIM to moderate to 2.4% by FY28E, factoring in a reduction in PLR. Cost/Income ratio increased to 15.5% vs. 13.9% in 2Q due to the impact of the new labor codes, and the company is planning to onboard an IIM/ a Big 4 partner to overhaul the group structure in Apr/May'26.

- **Headline asset quality improves:** Asset quality improved in Q3 with GNPA/NNPA at 2.45%/1.11% vs. 2.51%/1.16% in Q2. Stage 2 assets improved by 30bps QoQ to 3.08%. Commentary indicates delinquencies in retail loans to be in-line with expectations in Q4; however, the company is awaiting ARC sales from some accounts. We build in a credit cost of 21bps/20bps in FY26/ FY27E.

Exhibit 1: Q3FY26 Result Overview (Rs mn)

Y/e March	Q3FY26	Q3FY25	YoY gr. (%)	Q3FY26E	% Var	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr.(%)
NII	**21,017**	**20,001**	***5.1***	**22,508**	***(6.6)***	**20,385**	***3.1***	**62,060**	**59,631**	***4.1***
Spread (%) (calc)	*2.7*	*2.6*	*2bps*	*2.8*	*-17bps*	*2.6*	*7bps*	*2.7*	*2.7*	*-4bps*
Other income	1,431	1,057	*35.4*	1389	*3.0*	1,362	*5.1*	3,994	2,287	*74.7*
Net Revenue	**22,448**	**21,058**	***6.6***	**23,897**	***(6.1)***	**21,747**	***3.2***	**66,054**	**61,917**	***6.7***
Opex	3,488	3,564	*(2.1)*	3,346	*4.3*	3,018	*15.6*	9,444	9,291	*1.7*
PPOP	18,961	17,494	*8.4*	20,552	*(7.7)*	18,729	*1.2*	56,610	52,627	*7.6*
Provisions	1,536	-440	*(449.2)*	1,191	*29.0*	1,682	*(8.7)*	5,146	1,765	*191.6*
PBT	**17,425**	**17,934**	***(2.8)***	**19,361**	***(10.0)***	**17,047**	***2.2***	**51,464**	**50,862**	***1.2***
Tax	3,586	3,615	*(0.8)*	4,259	*(15.8)*	3,508	*2.2*	10,486	10,252	*2.3*
ETR (%)	*20.6*	*20.2*		*22.0*		*20.6*		*20.4*	*20.2*	
PAT	**13,839**	**14,319**	***(3.4)***	**15,102**	***(8.4)***	**13,539**	***2.2***	**40,977**	**40,610**	***0.9***
Business Metrics										
AUM	3,142,680	2,991,440	*5.1*	3,174,890	*(1.0)*	3,067,526	*2.4*	3,142,680	2,991,440	*5.1*
Borrowings	2,720,520	2,625,660	*3.6*	2,834,723	*(4.0)*	2,614,635	*4.0*	2,720,520	2,625,660	*3.6*
Asset Quality Metrics										
GNPA (%)	2.45	2.75	*30bps*	2.45	*0bps*	2.51	*6bps*	2.45	2.75	*30bps*
NNPA (%)	1.11	1.44	*33bps*	1.11	*0bps*	1.16	*4bps*	1.11	1.44	*33bps*
PCR (%)	54.0	48.0	*600bps*	54.5	*-50bps*	53.0	*100bps*	54.0	48.0	*600bps*

Source: Company, PL

Exhibit 2: Change in estimates

	Revised Estimates			Earlier Estimates			*% Revision*		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	*FY26E*	*FY27E*	*FY28E*
Net Interest income (Rs mn)	85,469	85,762	84,565	87,603	97,254	106,326	-2.4	-11.8	-20.5
Operating Profit (Rs mn)	77,911	78,933	78,290	80,046	88,726	96,997	-2.7	-11.0	-19.3
Profit after tax (Rs mn)	56,454	56,348	55,482	58,574	63,194	67,527	-3.6	-10.8	-17.8
ABV (Rs)	669	750	829	672	764	862	-0.5	-1.8	-3.8

Source: PL

Conference Call Highlights:

Growth

- Q3 disbursements were lower due to higher competition triggered by the recent rate cut.
- The management noted that ~30% of the business comes in Q4 and aims to increase it to 35–37%.
- The management highlighted its focus on shifting the business from individual HL to other HL. Other HL represents 15% of the portfolio with a target of increasing it to 17–18% in Q4.
- The management expects Q4 disbursements to reach Rs200bn in retail and Rs15-20bn in project financing.
- The company is in the process of onboarding a specialized organization (IIM/Big4) in Apr/May'26 to review and enhance its marketing strategies.
- The management is in discussions with LIC to create synergies with LIC agents, helping market the LICHF loan book.

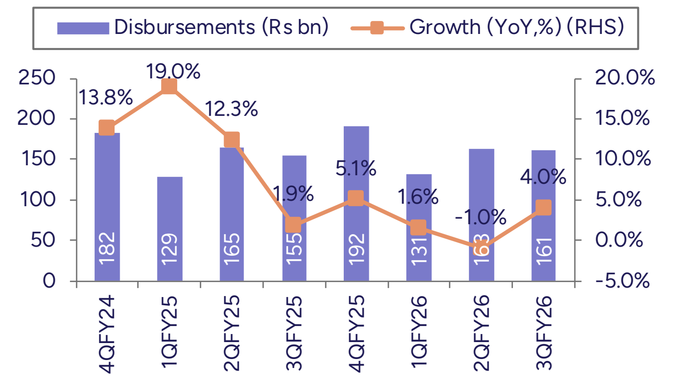
Operating profitability

- The management has reduced the lending rate on individual HL to 7.15% from Dec'25, with traction visible in Jan'26.
- The liability mix is 50:50 between fixed and repo-linked floating rates with fixed rates reducing by 5%; 99% of the loan book is in floating rate.
- The incremental CoF during the quarter was 6.59%
- Cost of funds is expected to reduce by 5–7bps in Q4.
- The management highlighted that reported NIM is expected to be in the 2.6%-2.8% range for FY26.
- 9MFY26 yield on advances stood at 9.33% (vs. 9.73% YoY) while CoF stood at 7.28% (vs. 7.78% YoY)
- Spreads for 9MFY26 saw an improvement of 10bps YoY at 2.05%

Asset quality

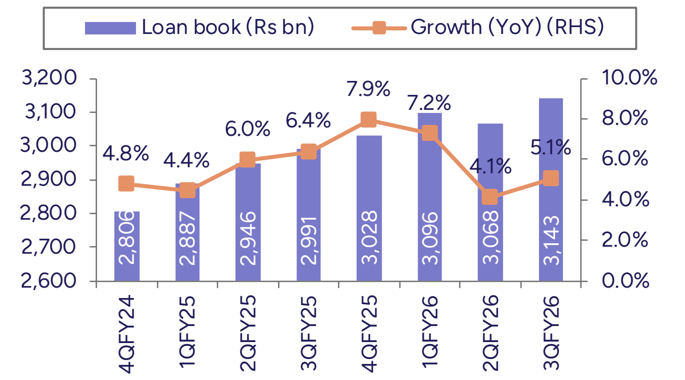
- The company started the rewriting process in Oct'25 and set the rewriting rate at incremental lending rate plus 50bps effective from Dec'25.
- The management expects Q4 BT-out rate to be in the range of Rs22-25bn compared to Rs33bn in Q3.
- Segment-wise Stage 3 loans stand at Rs29.8bn for individual HL, Rs13.1bn for non-home loans and Rs77bn for project and other loans.
- The prepayment rate for 9MFY26 stood at 11.7% compared to 9.4% in FY25

Exhibit 3: Disbursement sees tepid growth of 4%...



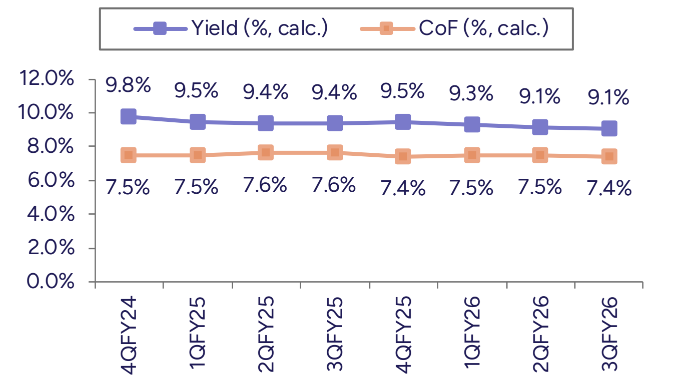
Source: Company, PL

Exhibit 4: ...while loan portfolio registers growth of 5%



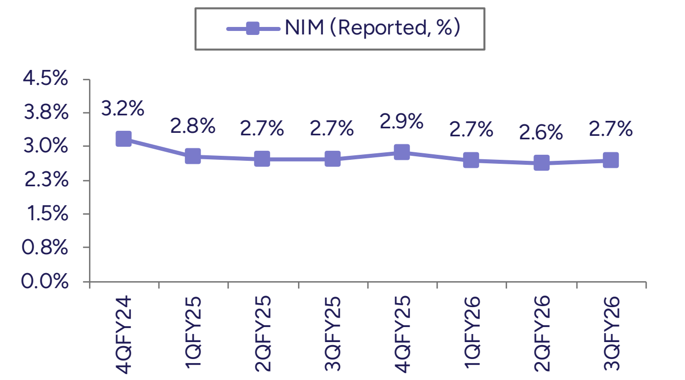
Source: Company, PL

Exhibit 5: Calc yield and CoF moderate sequentially ~10bps



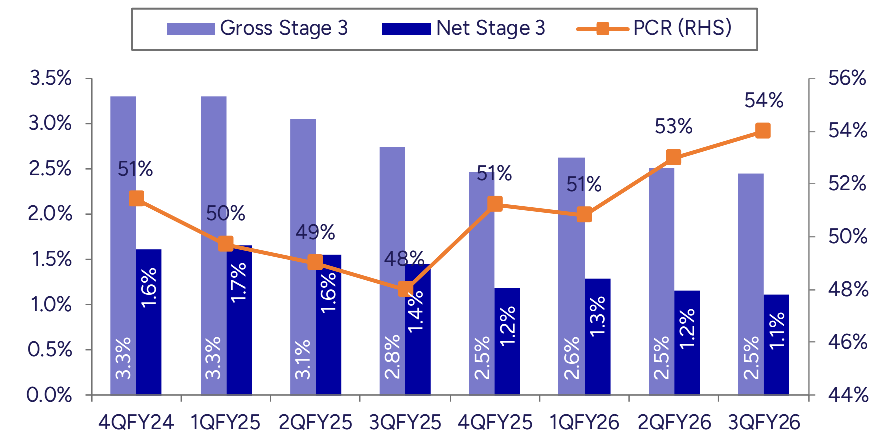
Source: Company, PL

Exhibit 6: Reported NIM expands by ~7bps



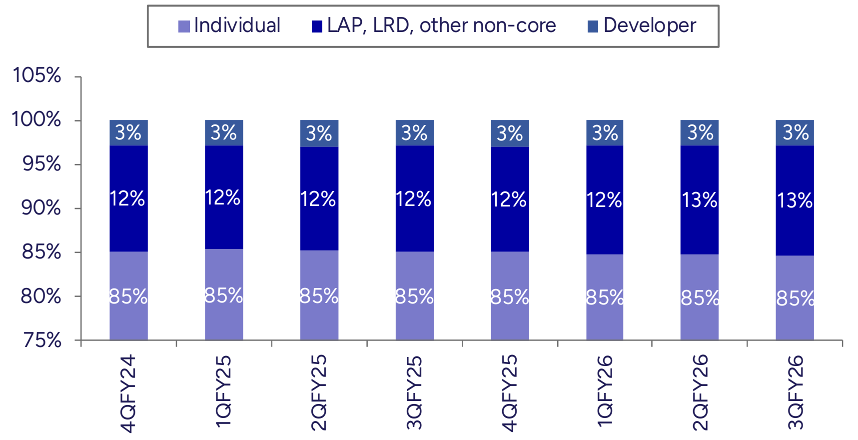
Source: Company, PL

Exhibit 7: Headline asset quality improves QoQ



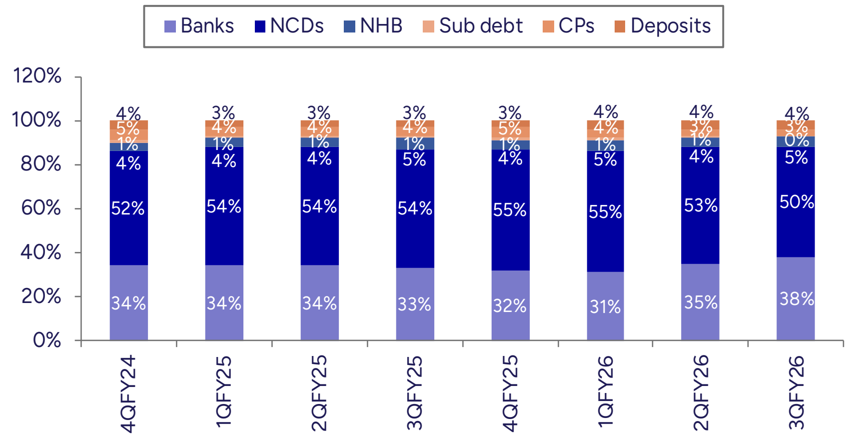
Source: Company, PL

Exhibit 8: Composition of loan book over the quarters



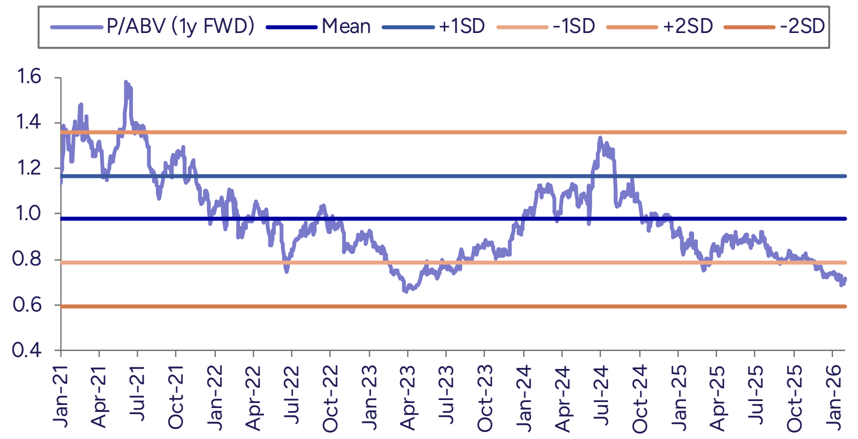
Source: Company, PL

Exhibit 9: Liability mix over the quarters; NCDs dominate the mix



Source: Company, PL

Exhibit 10: One-year forward P/ABV of LICHF trades at 0.7x



Source: Company, PL

Income Statement (Rs. m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Int. Inc. / Opt. Inc.	2,76,615	2,85,724	2,99,528	3,19,372
Interest Expenses	1,95,320	2,00,255	2,13,766	2,34,806
Net interest income	**81,295**	**85,469**	**85,762**	**84,565**
Growth(%)	*(6.0)*	*5.1*	*0.3*	*(1.4)*
Non-interest income	3,948	5,353	5,755	6,100
Growth(%)	*104.4*	*35.6*	*7.5*	*6.0*
Net operating income	85,243	90,822	91,517	90,665
Expenditures				
Employees	7,019	7,721	8,493	9,342
Other Expenses	5,868	4,158	2,954	1,783
Depreciation	939	1,033	1,137	1,250
Operating Expenses	13,826	12,912	12,584	12,376
PPP	**71,416**	**77,911**	**78,933**	**78,290**
Growth(%)	*(7.2)*	*9.1*	*1.3*	*(0.8)*
Provisions	2,858	6,605	6,692	7,160
Profit Before Tax	**68,558**	**71,306**	**72,241**	**71,130**
Tax	14,268	14,852	15,893	15,649
Effective Tax rate(%)	*20.8*	*20.8*	*22.0*	*22.0*
PAT	**54,290**	**56,454**	**56,348**	**55,482**
Growth(%)	*13.9*	*4.0*	*(0.2)*	*(1.5)*

Balance Sheet (Rs. m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Source of funds				
Equity	1,100	1,101	1,101	1,101
Reserves and Surplus	3,61,467	4,08,043	4,55,939	5,03,099
Networth	3,62,567	4,09,144	4,57,040	5,04,199
Growth (%)	*15.5*	*12.8*	*11.7*	*10.3*
Loan funds	27,05,972	28,94,352	30,85,228	33,08,118
Growth (%)	*7.2*	*7.0*	*6.6*	*7.2*
Deferred Tax Liability	-	-	-	-
Other Current Liabilities	-	-	-	-
Other Liabilities	70,726	65,375	49,269	38,640
Total Liabilities	**31,39,266**	**33,68,871**	**35,91,537**	**38,50,957**
Application of funds				
Net fixed assets	4,020	4,459	5,420	6,588
Advances	30,28,458	32,41,674	34,55,455	37,05,092
Growth (%)	*7.9*	*7.0*	*6.6*	*7.2*
Investments	71,421	51,848	52,893	53,958
Current Assets	-	-	-	-
Net current assets	**-**	**-**	**-**	**-**
Other Assets	35,366	70,890	77,770	85,319
Total Assets	**31,39,266**	**33,68,871**	**35,91,537**	**38,50,957**
Growth (%)	*7.8*	*7.3*	*6.6*	*7.2*
Business Mix				
AUM	30,77,320	33,11,295	36,00,922	39,49,982
Growth (%)	*7.9*	*7.0*	*6.6*	*7.2*
On Balance Sheet	30,28,458	32,41,674	34,55,455	37,05,092
% of AUM	*98.41*	*97.90*	*95.96*	*93.80*
Off Balance Sheet	48,862	69,620	1,45,467	2,44,891
% of AUM	*1.59*	*2.10*	*4.04*	*6.20*

Profitability & Capital (%)

Y/e Mar	FY25	FY26E	FY27E	FY28E
NIM	2.8	2.7	2.6	2.4
ROAA	1.8	1.7	1.6	1.5
ROAE	16.0	14.6	13.0	11.5

Source: Company Data, PL Research

Quarterly Financials (Rs. m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Int. Inc. / Operating Inc.	71,173	71,131	70,335	70,439
Income from securitization	-	-	-	-
Interest Expenses	49,508	50,473	49,951	49,421
Net Interest Income	**21,664**	**20,658**	**20,385**	**21,017**
Growth (%)	*(3.2)*	*3.9*	*3.3*	*5.1*
Non-Interest Income	1,661	1,201	1,362	1,431
Net Operating Income	**23,325**	**21,859**	**21,747**	**22,448**
Growth (%)	*2.0*	*7.5*	*6.0*	*6.6*
Operating expenditure	4,536	2,938	3,018	3,488
PPP	**18,790**	**18,920**	**18,729**	**18,961**
Growth (%)	-	-	-	-
Provision	1,094	1,929	1,682	1,536
Exchange Gain / (Loss)	-	-	-	-
Profit before tax	17,696	16,992	17,047	17,425
Tax	4,016	3,392	3,508	3,586
Prov. for deferred tax liability	-	-	-	-
Effective Tax Rate	22.7	20.0	20.6	20.6
PAT	**13,680**	**13,599**	**13,539**	**13,839**
Growth	*25*	*5*	*2*	*(3)*
AUM	30,28,458	30,95,870	30,67,526	31,42,680
YoY growth (%)	7.9	7.2	4.1	5.1
Borrowing	27,05,972	27,09,330	26,14,635	27,20,520
YoY growth (%)	*7.2*	*6.8*	*1.6*	*3.6*

Key Ratios

Y/e Mar	FY25	FY26E	FY27E	FY28E
CMP (Rs)	496	496	496	496
EPS (Rs)	98.7	102.6	102.4	100.9
Book value (Rs)	659.1	743.8	830.9	916.6
Adj. BV(Rs)	591.8	668.5	749.7	829.3
P/E(x)	5.0	4.8	4.8	4.9
P/BV(x)	0.8	0.7	0.6	0.5
P/ABV(x)	0.8	0.7	0.7	0.6
DPS (Rs)	10.0	8.3	15.4	15.4
Dividend Payout Ratio(%)	*10.1*	*8.1*	*15.0*	*15.2*
Dividend Yield(%)	*2.0*	*1.7*	*3.1*	*3.1*

Asset Quality

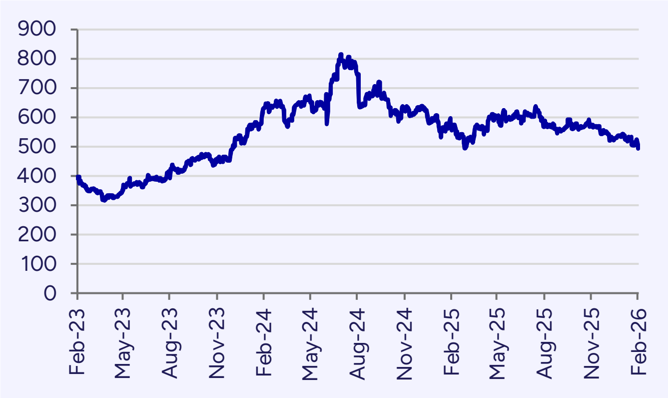
Y/e Mar	FY25	FY26E	FY27E	FY28E
Gross NPAs(Rs m)	75,984	81,986	88,445	95,078
Net NPA(Rs m)	37,043	41,403	44,665	48,014
Gross NPAs to Gross Adv.(%)	2.5	2.4	2.4	2.4
Net NPAs to net Adv.(%)	1.2	1.1	0.9	0.9
NPA coverage(%)	51.2	55.1	59.8	62.5

Du-Pont as a % of AUM

Y/e Mar	FY25	FY26E	FY27E	FY28E
NII	2.7	2.6	2.5	2.3
NII INCI. Securitization	2.7	2.6	2.5	2.3
Total income	9.3	8.9	8.8	8.7
Operating Expenses	0.5	0.4	**0.4**	0.3
PPOP	2.2	2.2	2.1	1.9
Total Provisions	0.1	0.2	0.2	0.2
RoAA	1.8	1.7	1.6	1.5
Avg. Assets/Avg. net worth	8.9	8.4	8.0	7.7
RoAE	16.0	14.6	13.0	11.5

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-26	BUY	645	538
2	31-Oct-25	Hold	690	570
3	08-Oct-25	BUY	725	567
4	04-Aug-25	BUY	725	591
5	09-Jul-25	BUY	725	605
6	16-May-25	BUY	725	621
7	08-Apr-25	BUY	650	566
8	04-Feb-25	BUY	650	558

Analyst Coverage Universe

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	AAVAS Financiers	BUY	1,700	1,470
2	Bajaj Finance	BUY	1,125	969
3	Can Fin Homes	Accumulate	1,015	938
4	Cholamandalam Investment and Finance Company	Accumulate	1,850	1,787
5	HDFC Life Insurance Company	BUY	900	761
6	ICICI Prudential Life Insurance Company	Accumulate	725	684
7	LIC Housing Finance	BUY	645	538
8	Mahindra & Mahindra Financial Services	Accumulate	395	371
9	Max Financial Services	BUY	1,925	1,672
10	SBI Life Insurance Company	Hold	2,125	2,053
11	Shriram Finance	BUY	1,175	1,004
12	Sundaram Finance	Hold	5,000	5,288

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, Ms. Shreya Khandelwal- MBA Finance, CFA, Mr. Dhanik Hegde- 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 Ms. Shreya Khandelwal- MBA Finance, CFA, Mr. Dhanik Hegde- CA Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

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

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

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

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

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

US Clients

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

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

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

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

Prabhudas Lilladher Pvt. Ltd.

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

www.plindia.com