

Repc Home Finance

BUY

Strong AUM growth; Margins improved

Summary

Repc Home Finance loan book growth improved to 5.9% YoY (vs 3.5% YoY Q3FY23) led by strong disbursements (up 39% YoY). Asset quality continued to witness improvement during the quarter with GNPA at 5.8% vs 6.2% QoQ and PCR (on stage 3) improving from 32% in FY22 to 50% in FY23. NII grew by 6.0% QoQ (up by 2.9% YoY) and was supported by improved NIMs (at 5.1% vs 4.7%QoQ); PPop grew by ~9% QoQ led by lower opex (down by 5% QoQ). PAT growth remained strong at ~95% YoY led by lower provisions (down 87% YoY) which resulted in improved RoA at 2.7% in Q4FY23 (vs. 1.4% in Q4FY22 and 2.7% in Q3FY23). We have revised our estimates (FY25BV up by 4%) and maintain our 'BUY' rating on the stock with a new TP of Rs.300 (earlier Rs.290), valuing it at 0.6x P/BV FY25E.

Key Highlights and Investment Rationale

- Loan book growth continued to improve:** Loan book grew by 5.9% YoY vs growth of 3.5% in Q3FY23 (and 0.5% in Q2FY23). Higher loan growth was supported by strong disbursements (up by 39% YoY and 20% QoQ). Loan Sanctions too witnessed strong growth traction during the qtr (up by 30% QoQ). Within loan book mix, LAP segment reported growth 14.8% YoY in Q4FY23 while individual home loan segment was up by 4% YoY.
- Asset quality improved:** Repco reported improved asset quality with Gross Stage 3 assets at 5.8% vs 6.2% QoQ as per new RBI norms. Coverage ratio on gross stage 3 assets too witnessed improvement from 31.9% in FY23 to 49.6% in FY23. The company is currently carrying provisions on ECL of around 519Cr in FY23 (around 4.2% of total loan assets). Management believes that the worst of restructured book is over and does not expect any major hit from the restructured book in future and aims at bringing down GNPA by another 100Cr in FY24.

TP	Rs.300
CMP	Rs.233
Potential upside/downside	29%
Previous Rating	BUY

Price Performance (%)

	-1m	-3m	-12m
Absolute	22.4	19.7	59.6
Rel to Sensex	19.6	13.9	45.1

V/s Consensus

EPS (Rs)	FY24E	FY25E
IDBI Capital	49.8	53.1
Consensus	49.8	54.6
% difference	(0.1)	(2.8)

Key Stock Data

Bloomberg/Reuters	REPCO IN / RHFL.BO
Sector	Housing Finance
Shares o/s (mn)	63
Market cap. (Rs mn)	14,558
3-m daily avg Trd value (Rs mn)	7.8
52-week high / low	Rs277 / 113
Sensex / Nifty	62,846 / 18,599

Shareholding Pattern (%)

Promoters	37.1
FII	14.6
DII	17.6
Public	30.7

Financial snapshot

Year	FY2021	FY2022	FY2023	FY2024E	FY2025E
NII	5,663	6,003	5,827	5,978	6,644
Change (yoy, %)	9%	6%	-3%	3%	11%
Net Profit	2,876	1,915	2,961	3,115	3,319
Change (yoy, %)	3%	-33%	55%	5%	7%
EPS (Rs)	46.0	30.6	47.3	49.8	53.1
Change (yoy, %)	3%	-33%	55%	5%	7%
BV (Rs)	329.2	357.4	402.2	449.5	500.0
PER (x)	5.1	7.6	4.9	4.7	4.4
P/BV (x)	0.7	0.7	0.6	0.5	0.5
ROE (%)	15.0	8.9	12.5	11.7	11.2
ROA (%)	2.4	1.6	2.4	2.4	2.3
GNPA (%)	3.7	7.0	5.8	6.0	5.0
NNPA (%)	2.3	4.9	3.0	3.3	2.8
CAR (%)	30.7	33.3	35.1	35.6	36.0

Source: IDBI Capital Research

- Strong NIMs supported by improved yield on portfolio:** NIMs for Q4FY23 stood at around 5.1% vs 4.7% QoQ supported by improved yields on advances (up by 30bps both QoQ). NIMs for FY23 moderated and stood at 4.8% vs 5.0% in FY22. Management expects NIMs in FY24 to be in the range of 4.8% (would be supported by change in periodicity of loan re-pricing from earlier 12 months to now ever qtr effective from Apr'23).
- Lower Provisions supported strong PAT growth:** Strong PAT growth at 82Cr (up by 95.3% YoY in Q4FY23) was supported by lower provision expenses (at 7.9Cr in Q4FY23 vs 61.3Cr in Q4FY22) which in turn supported RoA improvement from 1.4% in Q4FY22 to 2.7% in Q4FY23. Going forward, management has guided for credit cost to be around 25Cr for FY24 and expects cost to income ratio to trend downward in FY24 (as the company has already made major expenses such as addition of around 200 employees and technology up gradations, in FY23).
- Outlook:** Repco's loan growth has been witnessing signs of improvement post being impacted by the Covi'19 pandemic with loan growth improving to 5.9% YoY in Q4FY23 (vs. 3.5% on Q3FY23 and 0.5% in Q2FY23). Management believes that the worst of Covid'19 related challenges are over and guided for an AUM growth of 12% (on conservative basis) supported by disbursement growth of around 20% | FY24. We believe with some of the challenges easing out (asset quality/BT out etc.) and growth coming back, the company is in a position to deliver strong performance both in terms of growth and profitability in near future.

	NII (In Bn)		PPoP (In Bn)		PAT (In Bn)		Loan Book(In Bn)		NIMs		RoA (%)	
	FY22	FY23	FY22	FY23	FY22	FY23	FY22	FY23	FY22	FY23	FY22	FY23
Repco Home Finance	6.0	5.8	4.9	4.5	1.9	3.0	113	120	5.0	4.8	1.6	2.5

Conference Call Highlights

- BT out for FY23 stood at around 367Cr (around 3% of opening balance) while BT in was around 200Cr. Witnessing the BT in momentum continuing in last 2 qtrs.
- Competitive Interest rate (one of the cheapest in the industry) as well as scheme of lower interest rate for better credit rated customers has helped company witness improvement in BT ins. Expecting to maintain the interest rate in similar competitive levels.
- Average ticket size of the entire book is around 12 lakhs. ATS for loans disbursed during FY23 stood at around 17.8 lakhs (vs. 15.3 lakhs in FY22).
- NHB borrowings have come down by around 500Cr in FY23 (down from 2,000Cr to 1,500Cr).
- Out of around 700Cr of restructured book, around 200Cr has already slipped into NPA.
- Out of the standard restructured book, around 150-200Cr is in stage 2, where the company is witnessing some accelerated repayments.
- Expecting sanctions and disbursement to grow around 20% in FY24 (expecting new software implementation to support disbursement growth).
- Expecting AUM growth to be around 12% in FY24 (on a conservative basis despite of normal pre-payments).
- Expecting to bring down GNPA by around 100Cr in FY24.
- Expecting NIMs to be in the range of 4.8% in FY24 (supported by change in periodicity of loan re-pricing from earlier 12 months to now ever qtr effective from Apr'23).
- Expecting to open around 10 new branches and satellite centers in FY24 (excl. the satellite centers which would be converted to branches after reaching certain scale).
- Expecting credit cost to be around 25Cr in FY24.
- Expecting stage 2 to trend below 10% in FY24 (supported by formation of new collection team of 66 people with effect from Apr'23 who would completely focus on collection of current dues).

Exhibit 1: Quarterly Snapshot

(Rs mn)

Year-end: March	Q4FY23	Q4FY22	Q3FY23	YoY (%)	QoQ (%)
Interest Income	3,403	3,183	3,270	6.9	4.1
Interest Expenses	1,856	1,680	1,810	10.5	2.5
Net Interest Income	1,547	1,503	1,460	2.9	6.0
NIM (%)	5.1	5.1	4.7	0 bps	40 bps
Non-Interest Income	34	60	39	(42.6)	(11.4)
Operating Income	1,581	1,563	1,499	1.2	5.5
Staff Cost	237	231	228	2.9	4.0
Other Op Exp	141	137	170	2.7	(17.1)
Total Operating Expenses	378	368	398	2.8	(5.0)
Cost to Income (%)	23.9	23.5	26.6	37 bps	-264 bps
Cost to AUM (%)	1.3	1.3	1.3	-2 bps	-9 bps
Operating Profit	1,203	1,195	1,101	0.7	9.3
Provisions	79	613	12	(87.1)	589.6
Credit Cost (%)	0.3	2.1	0.0	-186 bps	22 bps
PBT	1,124	582	1,089	93.2	3.2
Tax	303	161	282	87.8	7.6
-effective tax rate	27.0	27.7	25.8	-78 bps	110 bps
PAT	821	420	808	95.3	1.7
EPS (Rs)	13.1	6.7	12.9	95.3	1.7
BV (Rs)	402.2	357.4	358.2	12.6	12.3
Loans	119,622	112,918	121,963	5.9	(1.9)

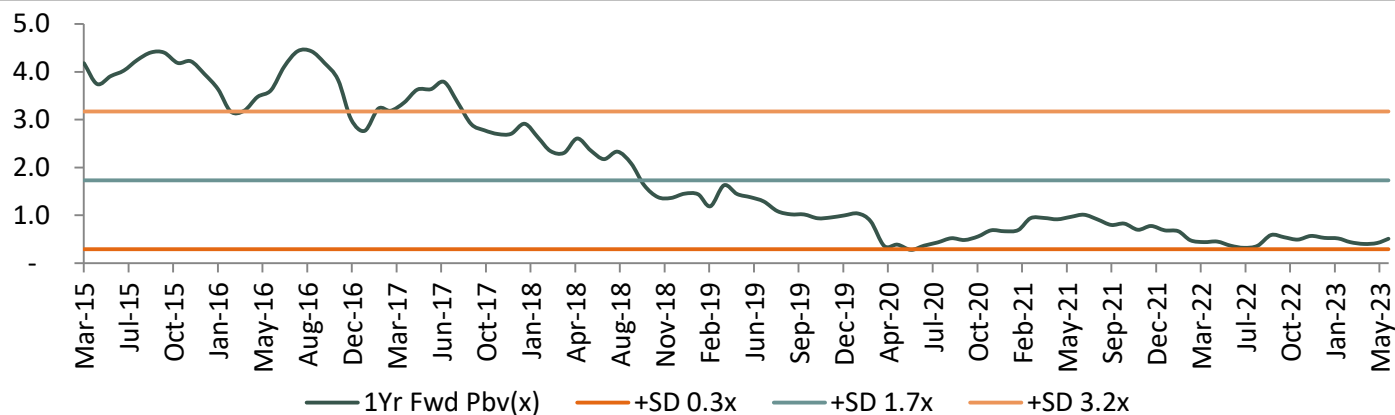
Source: Company; IDBI Capital Research

Exhibit 2: ROE Decomposition

(%)	FY21	FY22	FY23	FY24E	FY25E
NII	4.6	4.9	4.8	4.6	4.6
Fees	0.0	0.0	0.0	0.0	0.0
Other Income	0.2	0.1	0.1	0.1	0.1
Net Revenue	4.8	5.1	4.9	4.7	4.8
Op.Exp	0.9	1.0	1.2	1.2	1.2
Op.Profit	3.9	4.0	3.7	3.5	3.6
Provisions	0.7	1.9	0.4	0.3	0.5
PBT	3.2	2.1	3.3	3.2	3.1
Tax	0.8	0.6	0.9	0.8	0.8
PAT	2.4	1.6	2.4	2.4	2.3
Leverage (x)	6.3	5.7	5.2	4.9	4.8
ROE	15.0	8.9	12.5	11.7	11.2

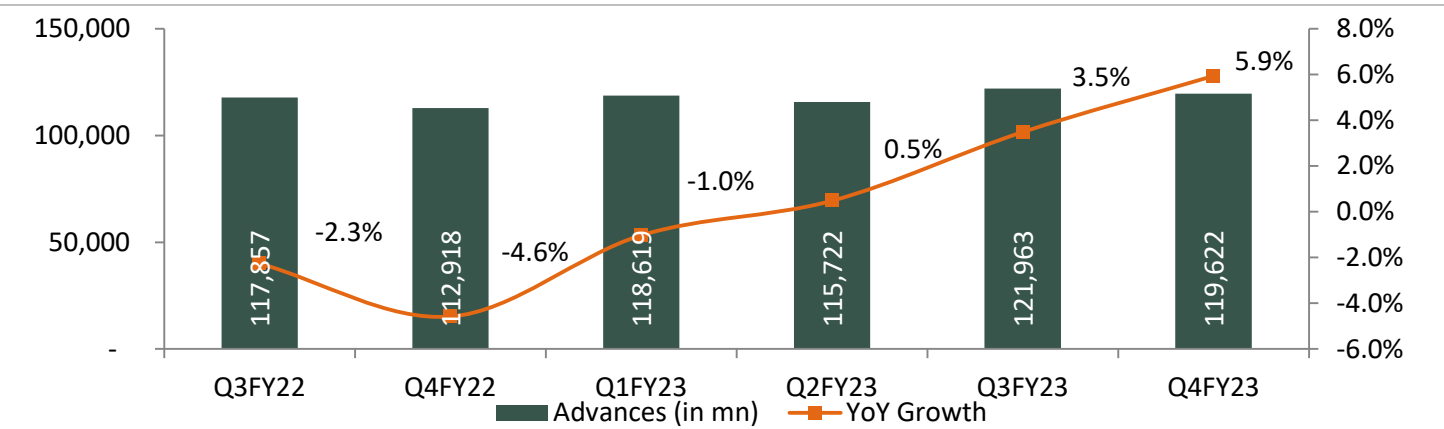
Source: Company; IDBI Capital Research

Exhibit 3: Figure: One-year forward P/BV



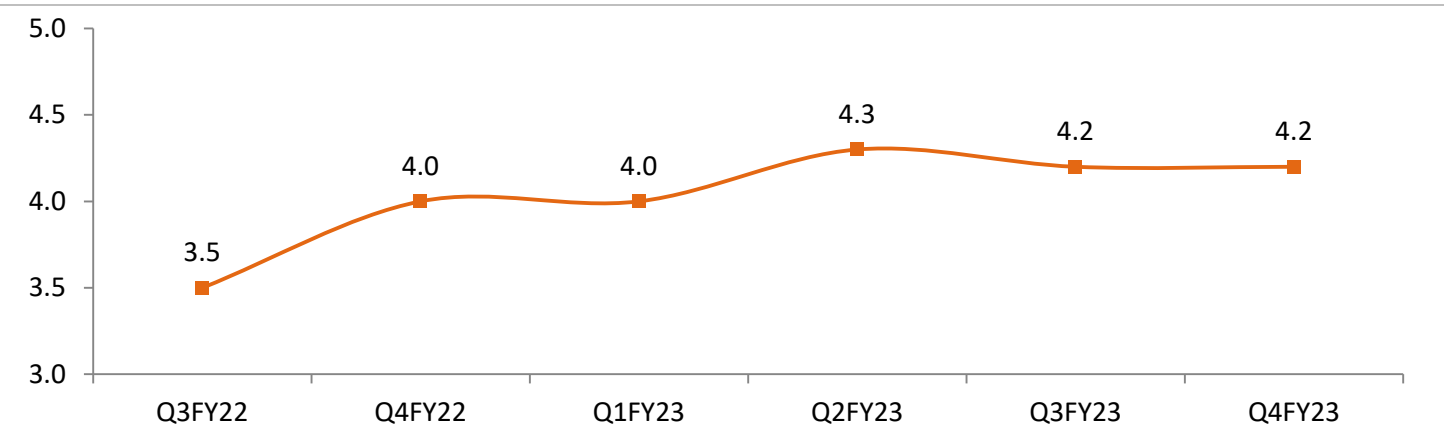
Source: Company; IDBI Capital Research

Exhibit 4: Advances growth (YoY) continued to remain strong during the qtr



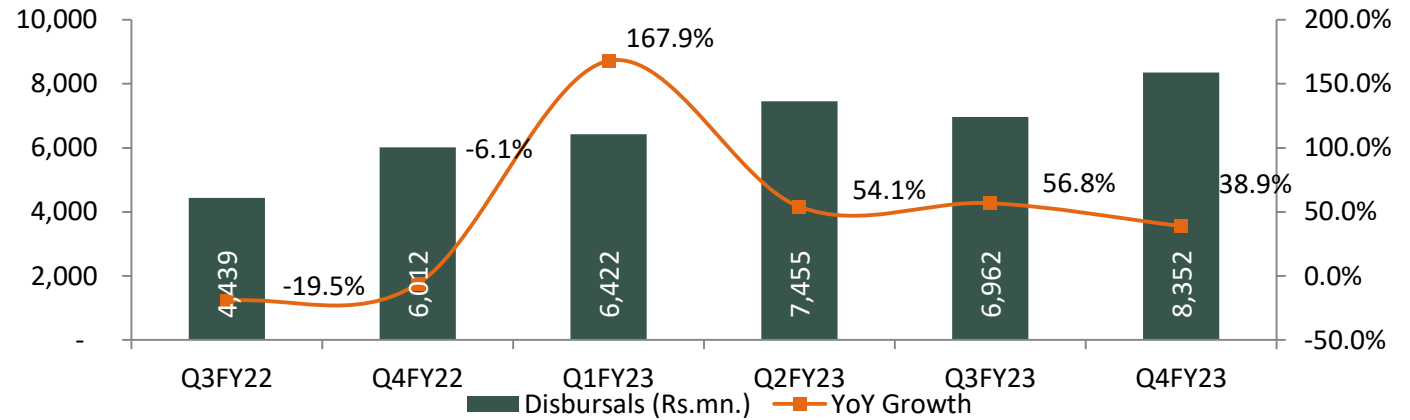
Source: Company; IDBI Capital Research

Exhibit 5: Expected Credit Loss (%)



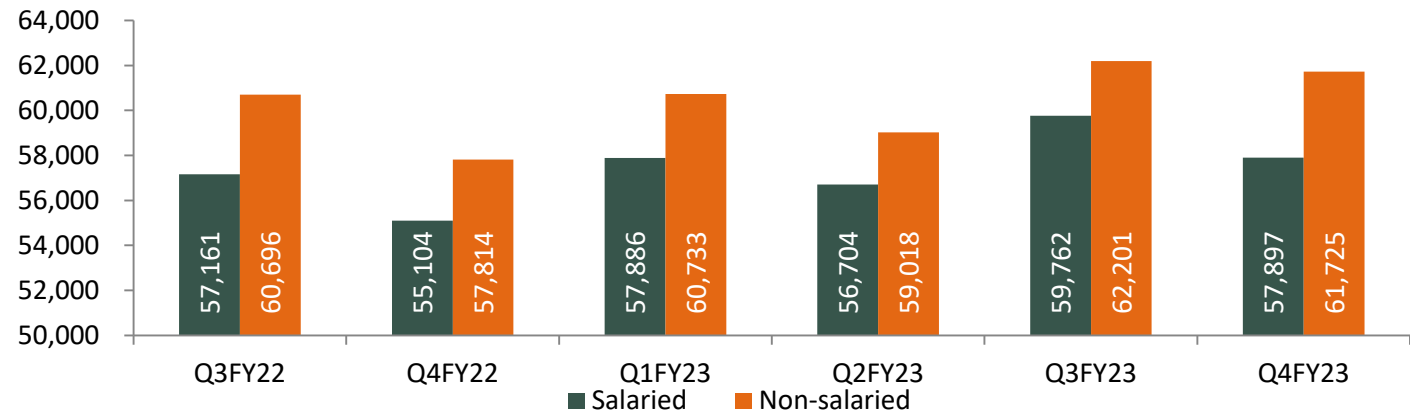
Source: Company; IDBI Capital Research

Exhibit 6: Disbursals growth moderated during the Quarter



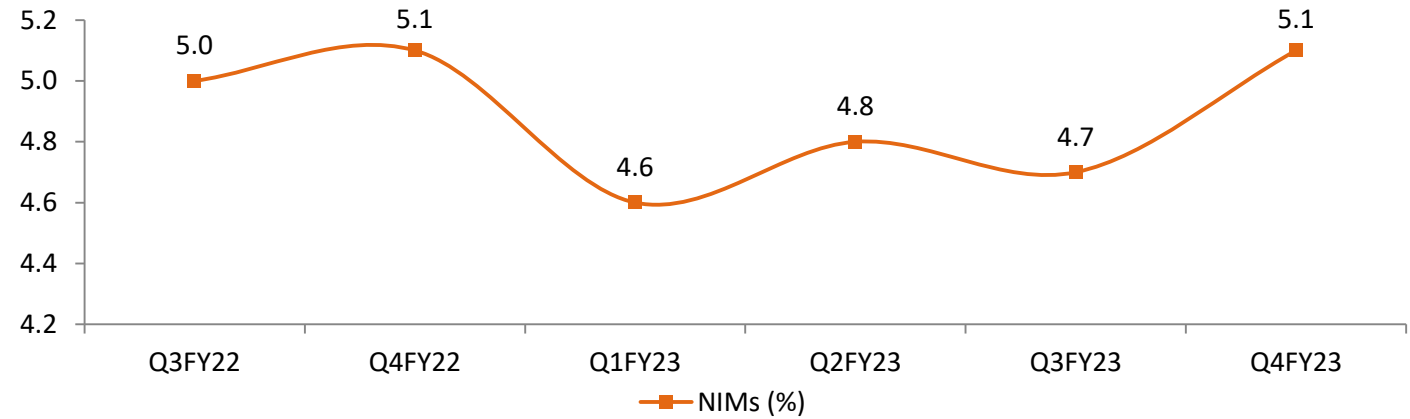
Source: Company; IDBI Capital Research

Exhibit 7: Loan Book Composition by Borrower Type



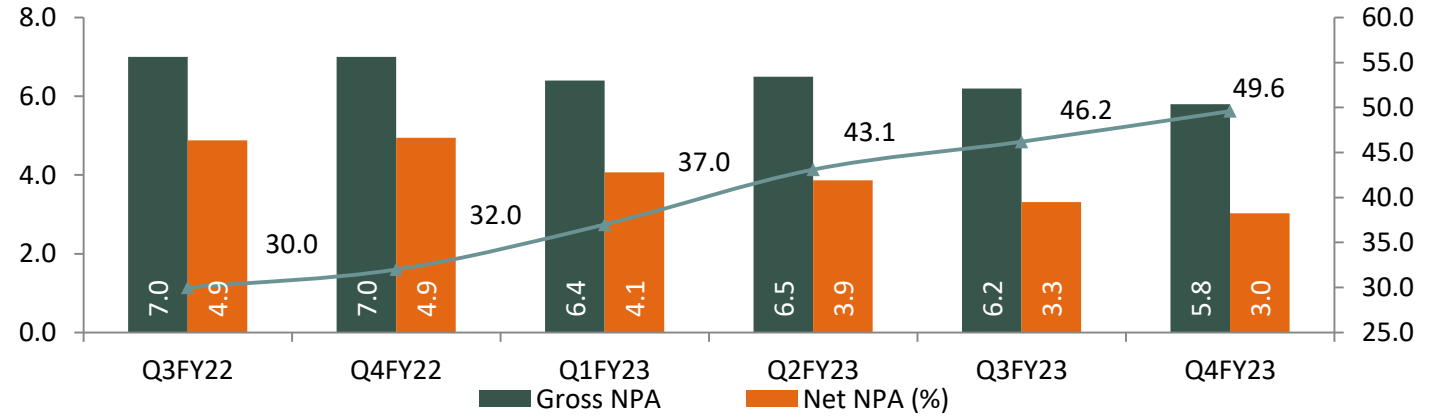
Source: Company; IDBI Capital Research

Exhibit 8: Net Interest margins witnessed sharp uptick QoQ led by higher yields



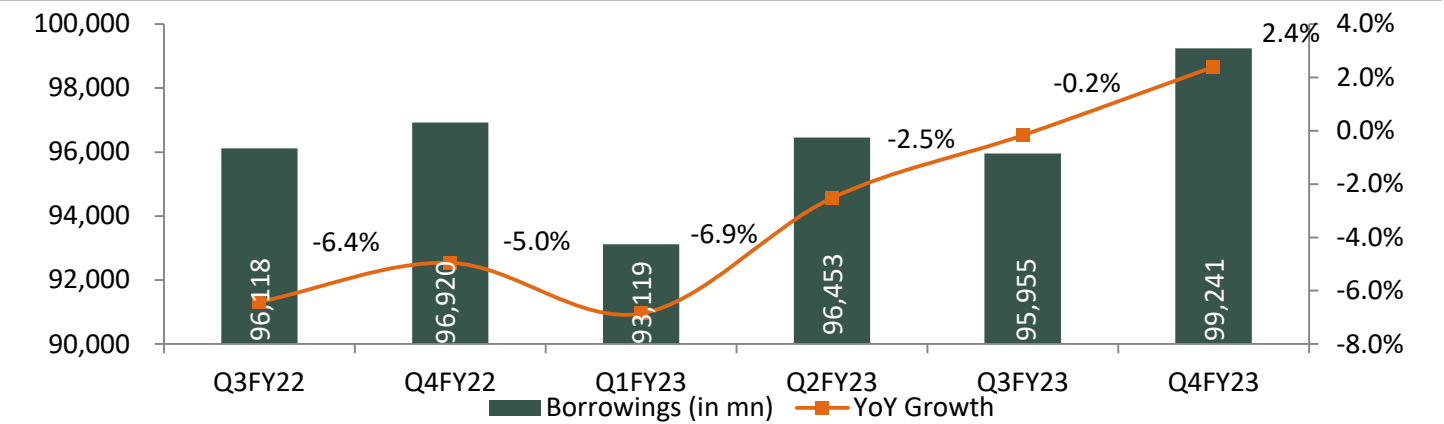
Source: Company; IDBI Capital Research

Exhibit 9: Asset quality witnessed improvement during the qtr



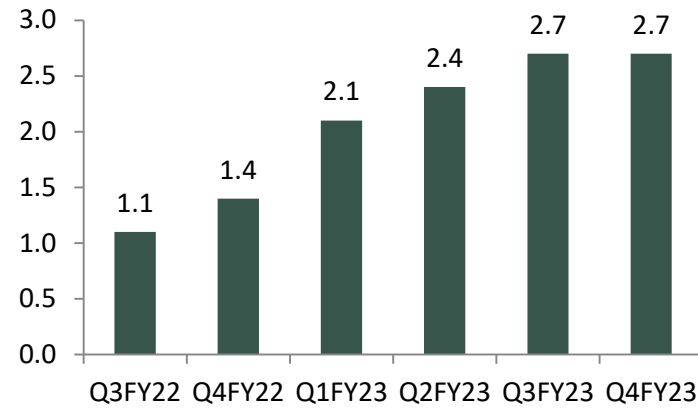
Source: Company; IDBI Capital Research

Exhibit 10: Borrowings book inched up sequentially (led by bank borrowings)



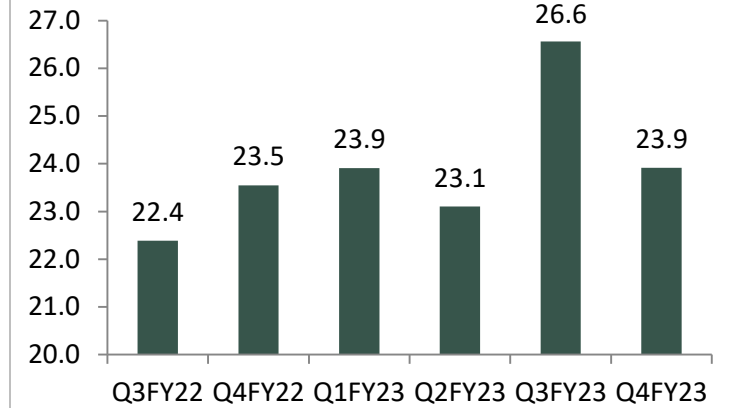
Source: Company; IDBI Capital Research

Exhibit 11: Return on Assets remained stable sequentially



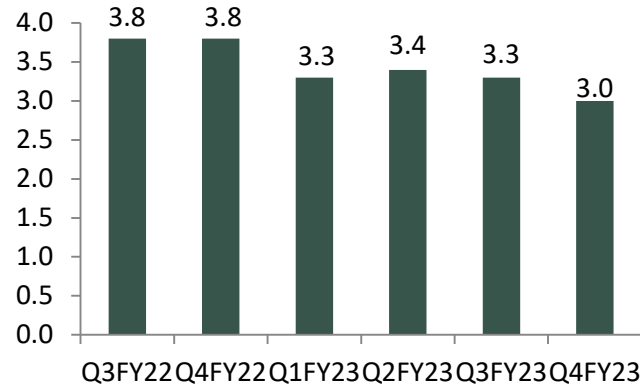
Source: Company; IDBI Capital Research

Exhibit 12: Cost to Income Ratio improved sequentially led by lower opex



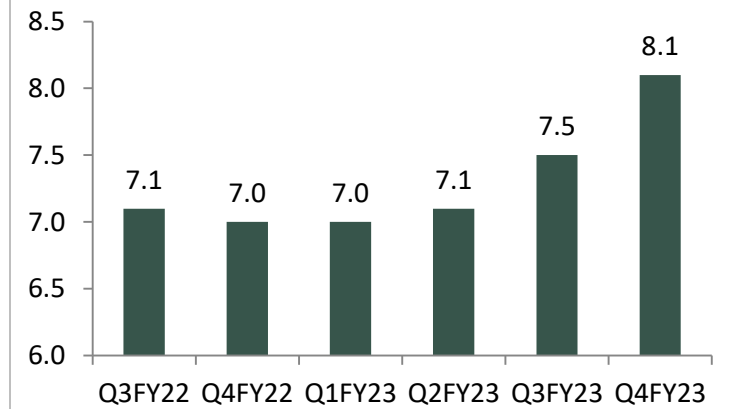
Source: Company; IDBI Capital Research

Exhibit 13: Spreads continued to moderate QoQ



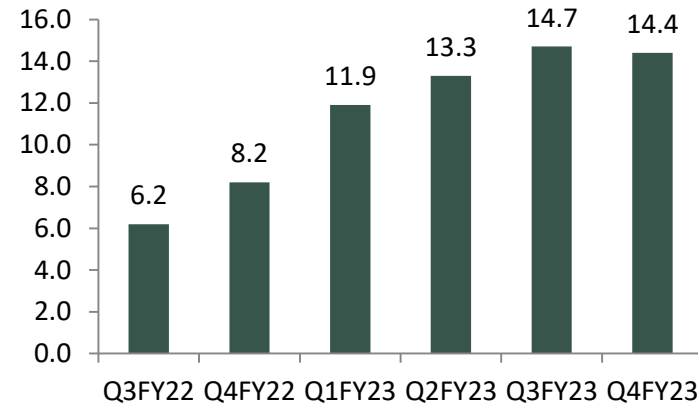
Source: Company; IDBI Capital Research

Exhibit 14: Cost of Debt inched up led by rise in MCLR rate by banks



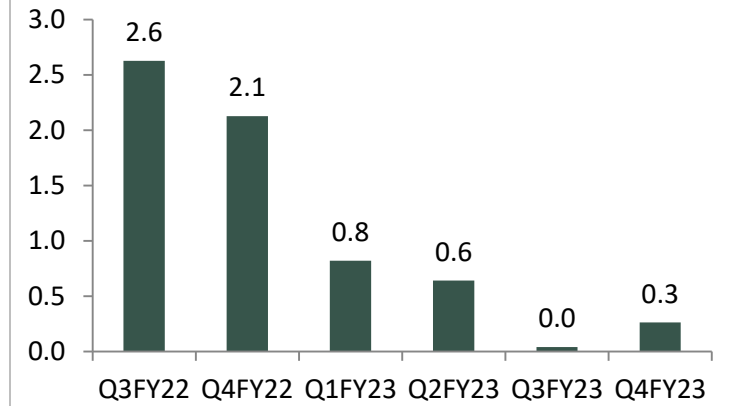
Source: Company; IDBI Capital Research

Exhibit 15: Return on Equity moderated during the quarter



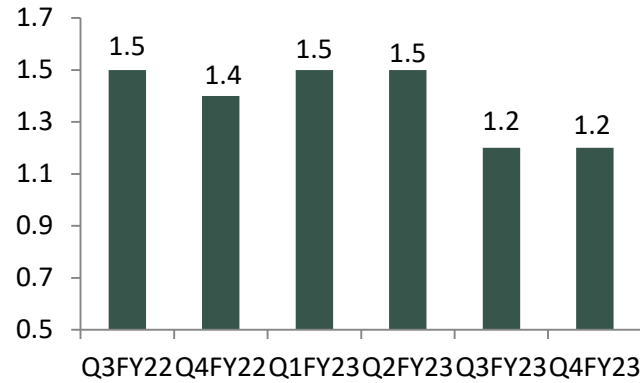
Source: Company; IDBI Capital Research

Exhibit 16: Credit Cost witnessed uptick sequentially



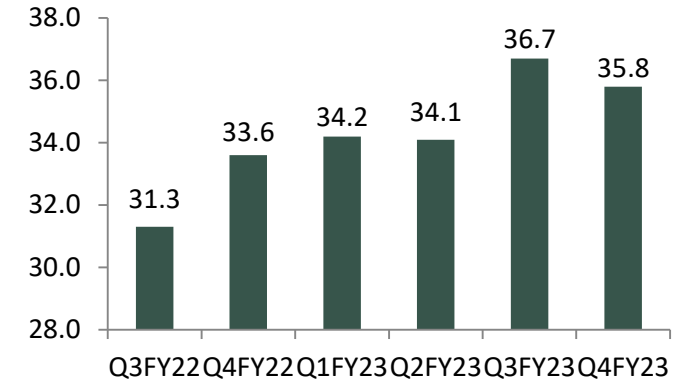
Source: Company; IDBI Capital Research

Exhibit 17: Average Ticket Size (In Mn) remained stable QoQ



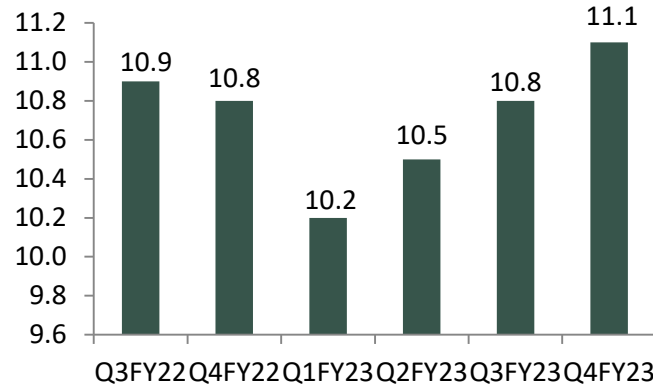
Source: Company; IDBI Capital Research

Exhibit 18: Tier-1 Capital Ratio remains comfortable



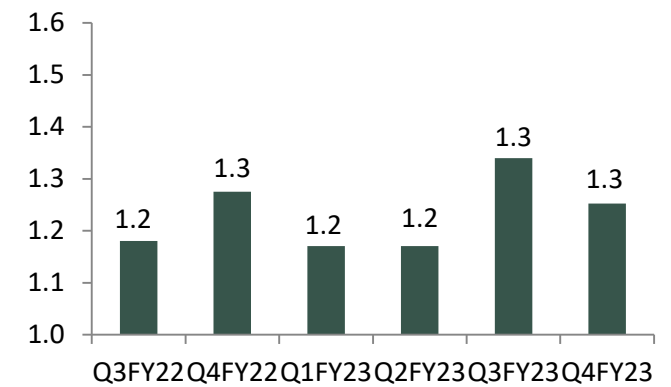
Source: Company; IDBI Capital Research

Exhibit 19: Yield on Advances witnessed uptick sequentially



Source: Company; IDBI Capital Research

Exhibit 20: Costs to AUM improved during the qtr led by lower opex



Source: Company; IDBI Capital Research

Financial Summary

Profit & Loss Account

(Rs mn)

Year-end: March	FY20	FY21	FY22	FY23	FY24E	FY25E
Net interest income	5,204	5,663	6,003	5,827	5,978	6,644
<i>Change (yoy, %)</i>	<i>11%</i>	<i>9%</i>	<i>6%</i>	<i>-3%</i>	<i>3%</i>	<i>11%</i>
Non-Interest Income	56	188	164	154	188	207
Operating Income	5,260	5,851	6,166	5,981	6,166	6,852
Operating expenses	1,064	1,145	1,241	1,458	1,575	1,732
Employee expenses	664	714	786	879	949	1,044
Other expenses	400	431	454	579	625	688
Pre-Provision Profit	4,196	4,706	4,926	4,523	4,592	5,119
<i>Change (yoy, %)</i>	<i>11%</i>	<i>12%</i>	<i>5%</i>	<i>-8%</i>	<i>2%</i>	<i>11%</i>
Provision	594	808	2,331	516	429	684
PBT	3,602	3,898	2,595	4,008	4,162	4,435
Taxes	798	1,022	680	1,047	1,048	1,116
<i>Effective tax rate (%)</i>	<i>22%</i>	<i>26%</i>	<i>26%</i>	<i>26%</i>	<i>25%</i>	<i>25%</i>
Net profit	2,804	2,876	1,915	2,961	3,115	3,319
<i>Change (yoy, %)</i>	<i>20%</i>	<i>3%</i>	<i>-33%</i>	<i>55%</i>	<i>5%</i>	<i>7%</i>
EPS	44.8	46.0	30.6	47.3	49.8	53.1
Return on Equity (%)	16.9	15.0	8.9	12.5	11.7	11.2
Return on Assets (%)	2.4	2.4	1.6	2.4	2.4	2.3

Balance Sheet

(Rs mn)

Year-end: March	FY20	FY21	FY22	FY23	FY24E	FY25E
Capital	626	626	626	626	626	626
Reserves	17,243	19,967	21,730	24,536	27,493	30,655
Networth	17,869	20,593	22,356	25,162	28,118	31,281
Borrowings	101,090	101,974	96,920	99,241	107,614	118,141
Other liabilities	980	1,078	698	832	923	848
Total Liab. & Equity	119,939	123,645	119,974	125,234	136,656	150,270
Cash	3,243	4,550	6,077	4,544	3,948	4,342
Advances	115,877	118,342	112,918	119,622	131,584	144,742
Investments	220	220	316	316	316	316
Fixed Assets	165	139	204	194	194	194
Other Assets	434	395	459	559	615	676
Total assets	119,939	123,645	119,974	125,234	136,656	150,270

Financial Ratios

(%)

Year-end: March	FY20	FY21	FY22	FY23	FY24E	FY25E
Growth						
Advances	6.9	2.1	(4.6)	5.9	10.0	10.0
NII	10.9	8.8	6.0	(2.9)	2.6	11.1
Pre-Provision Profit	11.4	12.2	4.7	(8.2)	1.5	11.5
Net Profit	19.5	2.6	(33.4)	54.6	5.2	6.6
Spreads						
Yield on Assets	12.0	11.7	11.2	11.0	11.1	11.1
Cost of Funds	8.5	8.0	6.9	7.1	7.7	7.7
NIM	4.6	4.8	5.2	5.0	4.8	4.8
Operating Efficiency						
Cost-to-Income	20.2	19.6	20.1	24.4	25.5	25.3
Cost-to-Assets	0.9	0.9	1.0	1.2	1.2	1.2
Asset Quality						
GNPA	4.3	3.7	7.0	5.8	6.0	5.0
NNPA	2.8	2.3	4.9	3.0	3.3	2.8
Provision Coverage	35.8	39.7	31.8	49.6	45.0	45.0
Credit Cost	0.5	0.7	2.0	0.4	0.3	0.5
Capital Adequacy						
CAR	25.9	30.7	33.3	35.1	35.6	36.0
Tier I	25.9	30.3	32.8	35.1	35.6	36.0
Valuation						
EPS	44.8	46.0	30.6	47.3	49.8	53.1
BV	285.4	329.2	357.4	402.2	449.5	500.0
P/E	5.2	5.1	7.6	4.9	4.7	4.4
P/BV	0.8	0.7	0.7	0.6	0.5	0.5
ROE	16.9	15.0	8.9	12.5	11.7	11.2
ROA	2.4	2.4	1.6	2.4	2.4	2.3
RORWA	4.2	4.2	2.8	4.2	4.1	4.0

Source: Company; IDBI Capital Research



Notes

Dealing (91-22) 6836 1111 dealing@idbicapital.com

Key to Ratings Stocks:

BUY: 15%+; **HOLD:** -5% to 15%; **SELL:** -5% and below.

IDBI Capital Markets & Securities Ltd.

Equity Research Desk

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai – 400 005. Phones: (91-22) 2217 1700; Fax: (91-22) 2215 1787; Email: info@idbicapital.com

SEBI Registration: BSE & NSE (Cash & FO) – INZ000007237, NSDL – IN-DP-NSDL-12-96, Research – INH000002459, CIN – U65990MH1993GOI075578

Compliance Officer: Christina D’souza; Email: compliance@idbicapital.com; Telephone: (91-22) 2217 1907

Disclaimer

This report has been published by IDBI Capital Markets & Securities Ltd.(hereinafter referred to as “IDBI Capital”) for private circulation. This report should not be reproduced or copied or made available to others. No person associated with IDBI Capital is obligated to call or initiate contact with you for the purposes of elaborating or following up on the information contained in this report. The information contained herein is strictly confidential and meant for 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 the prior written consent of IDBI Capital.

Recipients may not receive this report at the same time as other recipients. IDBI Capital will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is from the public domain or sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. While reasonable care has been taken to ensure that information given is at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the very nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. In so far as this report includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Opinions expressed are current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis, the information discussed in this material, IDBI Capital, its directors, employees are under no obligation to update or keep the information current. Further there may be regulatory, compliance, or other reasons that prevent us from doing so.

Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

IDBI Capital, its directors and employees and any person connected with it, will not in any way be responsible for the contents of this report or for any losses, costs, expenses, charges, including notional losses/lost opportunities incurred by a recipient as a result of acting or non-acting on any information/material contained in the report.

This is not an offer to sell or a solicitation to buy any securities or an attempt to influence the opinion or behavior of investors or recipients or provide any investment/tax advice.

This report is for information only and has not been prepared based on specific investment objectives. The securities discussed in this report may not be suitable for all investors. Investors must make their own investment decision based on their own investment objectives, goals and financial position and based on their own analysis.

Trading in stocks, stock derivatives, and other securities is inherently risky and the recipient agrees to assume complete and full responsibility for the outcomes of all trading decisions that the recipient makes, including but not limited to loss of capital.

Opinions, projections and estimates in this report solely constitute the current judgment of the author of this report as of the date of this report and do not in any way reflect the views of IDBI Capital, its directors, officers, or employees.

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 IDBI Capital and associates 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 report may come are required to inform themselves of and to observe such restriction.

E-mail is not a secure method of communication. IDBI Capital cannot accept responsibility for the accuracy or completeness of any e-mail message or any attachment(s).

This transmission could contain viruses, be corrupted, destroyed, incomplete, intercepted, lost or arrived late. IDBI Capital, its directors or employees or associates accept no liability for any damage caused, directly or indirectly, by this email.

Analyst Disclosures

We, Bunty Chawla and Debesh Agarwala hereby certify that the views expressed in this report accurately reflect our personal views about the subject companies and / or securities. We also certify that no part of our compensation were, are or would be directly or indirectly related to the specific recommendations or views expressed in this report. Principally, We will be responsible for the preparation of this research report and have taken reasonable care to achieve and maintain independence and objectivity in making any recommendations herein.

Other Disclosure

IDBI Capital Markets & Securities Ltd.(herein after referred to as “IDBI Capital”) was incorporated in the year 1993 under Companies Act, 1956 and is a wholly owned subsidiary of IDBI Bank Limited. IDBI Capital is one of India’s leading securities firm which offers a full suite of products and services to individual, institutional and corporate clients namely Stock broking (Institutional and Retail) , Distribution of financial products, Merchant Banking, Corporate Advisory Services, Debt Arranging & Underwriting, Portfolio Manager Services and providing Depository Services. IDBI Capital is a registered trading and clearing member of BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). IDBI Capital is also a SEBI registered Merchant Banker, Portfolio Manager and Research Analyst. IDBI Capital is also a SEBI registered depository participant with National Securities Depository Limited (NSDL) and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI).

IDBI Capital and its associates IDBI Bank Ltd. (Holding Company), IDBI Intech Ltd. (Fellow Subsidiary), IDBI Asset Management Ltd. (Fellow Subsidiary) and IDBI Trusteeship Services Ltd. (Fellow Subsidiary).

IDBI Group is a full-serviced banking, integrated investment banking, investment management, brokerage and financing group. Details in respect of which are available on www.idbicapital.com IDBI Capital along with its associates are leading underwriter of securities and participants in virtually all securities trading markets in India. We and our associates have investment banking and other business relationships with a significant percentage of the companies covered by our Research Department. Investors should assume that IDBI Capital and/or its associates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material. IDBI Capital generally prohibits its analysts, persons reporting to analysts, and their dependent family members having a financial conflict of interest in the securities or derivatives of any companies that the analysts cover. Additionally, IDBI Capital generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our sales people, traders, and other professionals 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. Directors of IDBI Capital or its associates may have interest in the Companies under recommendation in this report either as Director or shareholder. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of clients of IDBI Capital. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. We and our associates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have “long” or “short” positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. For the purpose of calculating whether IDBI Capital and its associates holds beneficially owns or controls, including the right to vote for directors, 1% of more of the equity shares of the subject issuer of a research report, the holdings does not include accounts managed by IDBI Asset Management Company/ IDBI Mutual Fund.

IDBI Capital hereby declares that our activities were neither suspended nor we have materially defaulted with any Stock Exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on IDBI Capital for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time. IDBI Capital, its directors or employees or associates, may from time to time, have positions in, or options on, and buy and sell securities referred to herein. IDBI Capital or its associates, during the normal course of business, from time to time, may solicit from or perform investment banking or other services for any company mentioned in this document or their connected persons or 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 their affiliate companies or act as advisor or lender / borrower to such company(ies)/associates companies or have other potential conflict of interest. This report may provide hyperlinks to other websites. Except to the extent to which the report refers to the website of IDBI Capital, IDBI Capital states that it has not reviewed the linked site and takes no responsibility for the content contained in such other websites. Accessing such websites shall be at recipient's own risk. IDBI Capital encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. Accordingly, neither IDBI Capital nor Research Analysts have any material conflict of interest at the time of publication of this report. We offer our research services to primarily institutional investors and their employees, directors, fund managers, advisors who are registered with us. The Research Analyst has not served as an officer, director or employee of Subject Company. We or our associates may have received compensation from the subject company in the past 12 months. We or our associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may 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 12 months. We or our associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research Analyst or his/her relative’s may have financial interest in the subject company. IDBI Capital or its associates may have financial interest in the subject company. Research Analyst or his/her relatives does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. IDBI Capital or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. The Subject Company may have been a client during twelve months preceding the date of distribution of the research report. Price history of the daily closing price of the securities covered in this note is available at www.bseindia.com; www.nseindia.com and www.economicstimes.indiatimes.com/markets/stocks/stock-quotes.