

**BUY****TP: Rs 801 | ▲ 20%****ICICI PRUDENTIAL LIFE**

| Insurance

| 16 July 2025

## Margin expansion a positive surprise

- **VNB margin expands to 24.5% YoY, up ~50 bps, aided by favourable product mix**
- **APE declined 5% YoY in Q1FY26; management maintains a positive outlook for FY26**
- **Maintain BUY with TP of Rs 801 (earlier Rs 674), 1.8x its June'27 P/EV, on stable performance in future**

**Vijiya Rao | Niraj Jalan**  
 research@bobcaps.in

**VNB margin expansion a surprise:** For Q1FY26, margin expanded by ~50bps YoY to 24.5% vs our estimate of 23.4%. This was primarily aided by a shift towards the high margin non-linked products in the mix, led by volatile equity markets and higher protection composition in the product mix (mix up 22% vs 18% in Q1FY25), coupled with ongoing cost optimisation measures. In line with expectations, VNB de-grew 3% YoY, on a higher base vs our expectations of decline of 6% YoY. The company continues to focus on absolute VNB growth.

**APE growth muted:** APE de-grew 5% YoY while group APE grew 19% YoY. However, individual APE de-grew by 9% YoY on a very high base (growth of 42% YoY). APE stood at Rs 18.6bn vs our estimate of Rs 19.1bn in Q1FY26. Q1FY25 witnessed a very strong overall APE growth of 34% YoY (with individual APE growth of 42% and group APE growth of 3% YoY), driven by strong linked business growth aided by buoyancy in the equity market and new product offering linked growth in the annuity segment. Management indicated APE growth to normalise in the 2H with linked products regaining popularity, coupled with guaranteed products and protection growth. Despite a moderate quarter in terms of APE growth, management maintained a positive outlook for FY26.

**Protection share gains traction:** Protection share in the mix increased significantly to 21.9% vs 18.1% in Q1FY25. Within protection, retail grew 24% YoY and group protection rose 11% YoY with mix increasing to 7.5%:14.5% vs 5.7%:12.4% in Q1FY25.

**Maintain BUY on IPRU:** The company witnessed pressure on business growth, owing to a higher base in the previous year, which is an industry-wide phenomenon this quarter. However, management anticipates a better 2H with linked products regaining popularity, coupled with guaranteed products and protection growth. IPRU is undergoing cost optimisation measures, which are likely to aid margins coupled with a favourable product mix. Further, it continues to focus on the absolute VNB growth over product mix. Hence, we maintain BUY on IPRU with TP of Rs 801 (earlier Rs 674), implying 1.8x its June'27 P/EV.

## Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	IPRU IN/Rs 670
Market cap	US\$ 11.2bn
Free float	27%
3M ADV	US\$ 9.3mn
52wk high/low	Rs 797/Rs 526
Promoter/FPI/DII	73%/15%/17%

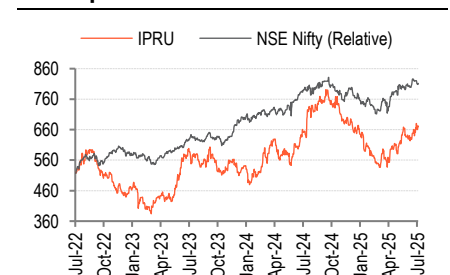
Source: NSE | Price as of 15 Jul 2025

## Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
NBP (Rs mn)	2,32,306	2,41,085	2,77,248
APE (Rs mn)	1,04,070	1,19,160	1,35,247
VNB (Rs mn)	23,700	28,479	32,459
Embedded Value (Rs mn)	4,79,510	5,46,437	6,22,831
VNB margin (%)	22.8	23.9	24.0
EVPS (Rs)	332.3	379.1	433.3
EPS (Rs)	8.2	11.0	14.2
Consensus EPS (Rs)	-	-	-
P/EV (x)	2.0	1.8	1.5

Source: Company, Bloomberg, BOBCAPS Research

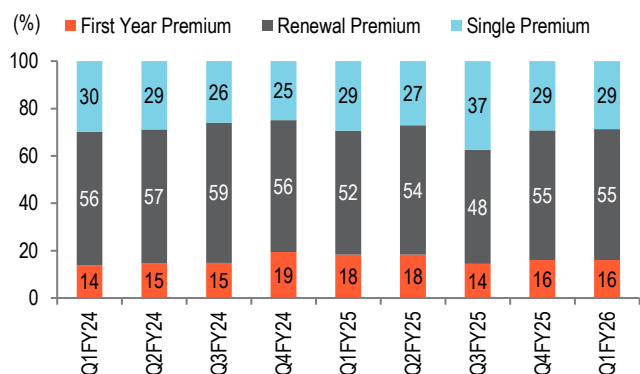
## Stock performance



Source: NSE

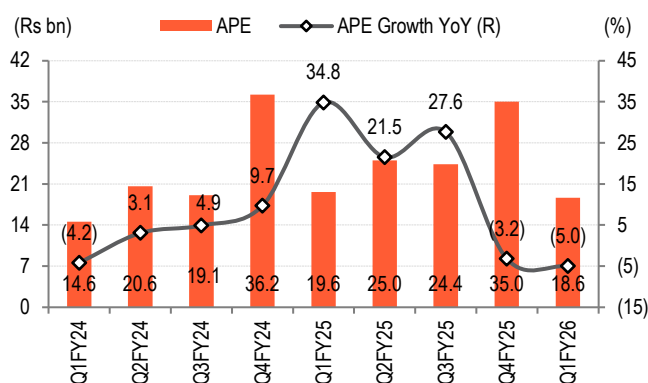


**Fig 1 – Renewal premium share at 55% in Q1**



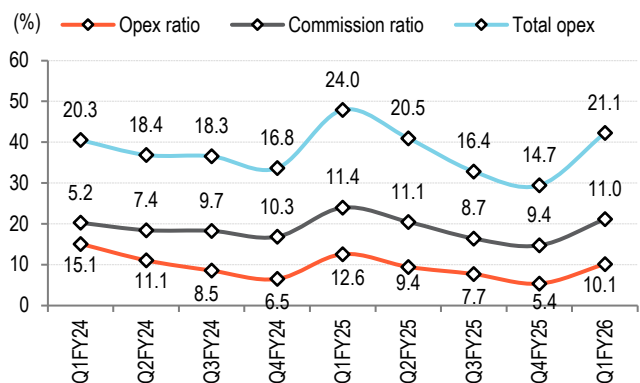
Source: Company, BOBCAPS Research

**Fig 2 – APE de-grew 5% YoY**



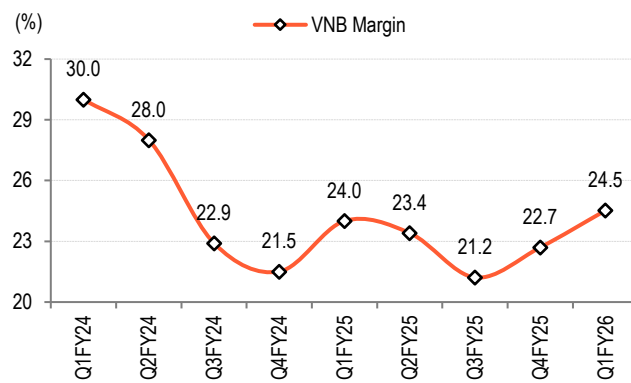
Source: Company, BOBCAPS Research

**Fig 3 – Total expense ratio improved owing to cost rationalisation measures taken in FY25**



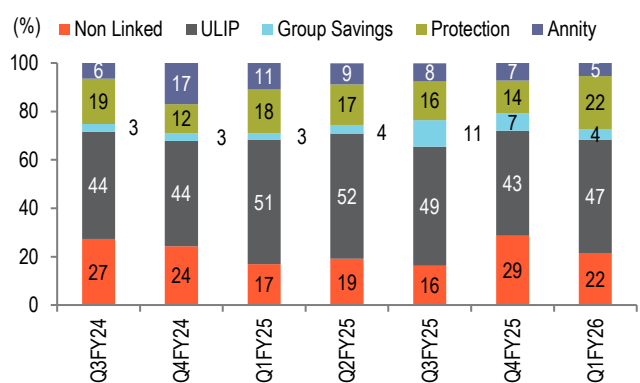
Source: Company, BOBCAPS Research

**Fig 4 – Shift in product mix led to the expansion in VNB margin**



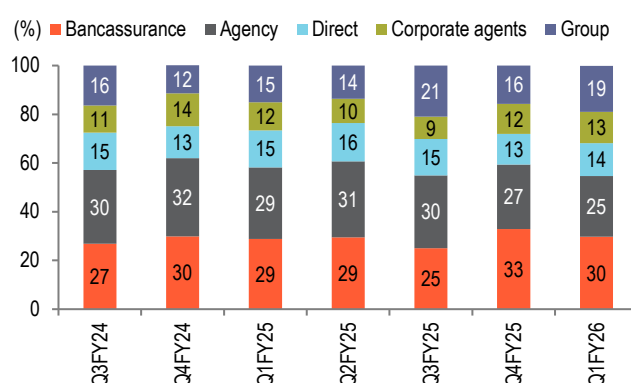
Source: Company, BOBCAPS Research

**Fig 5 – ULIP share came in at 47%**



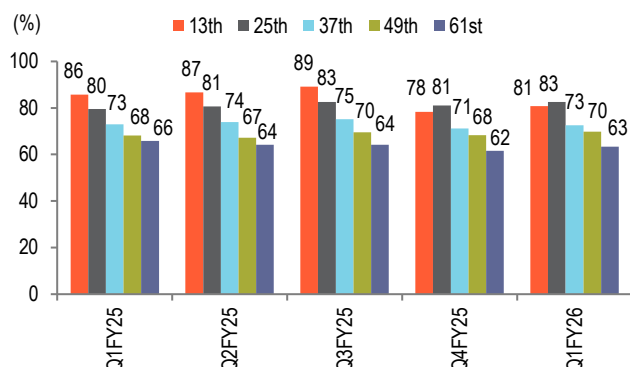
Source: Company, BOBCAPS Research

**Fig 6 – Bancassurance channel contributed 30% to APE**



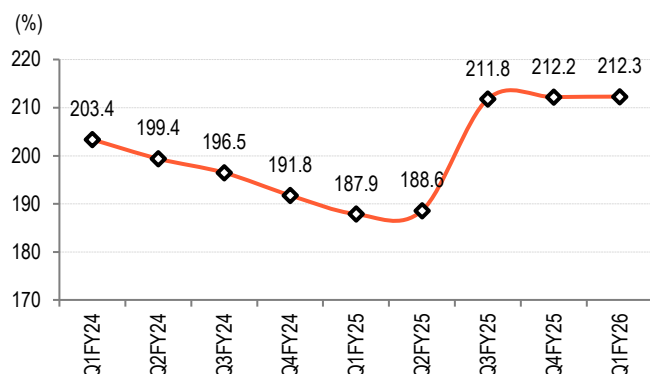
Source: Company, BOBCAPS Research

**Fig 7 – 61<sup>st</sup> month persistency came in at 63.4%**



Source: Company, BOBCAPS Research

**Fig 8 – Adequate solvency maintained as on date**



Source: Company, BOBCAPS Research

**Fig 9 – Policyholders' account**

(Rs mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
<b>Gross premium income</b>	89,540	82,837	8.1	1,68,316	(46.8)
First Year Premium	14,454	16,284	(11.2)	27,092	(46.6)
Renewal Premium	49,417	45,152	9.4	92,094	(46.3)
Single Premium	25,670	21,402	19.9	49,130	(47.8)
Reinsurance	4,509	4,091	10.2	4,625	(2.5)
<b>Net premium income</b>	<b>85,032</b>	<b>78,747</b>	<b>8.0</b>	<b>1,63,692</b>	<b>(48.1)</b>
Income from investments (Net)	1,66,486	1,73,533	(4.1)	(9,049)	(1939.9)
Other income	524	544	(3.6)	526	(0.3)
Contribution of funds from Shareholders' A/c	1,160	1,761	(34.2)	1,206	(3.9)
<b>Total</b>	<b>2,53,202</b>	<b>2,54,584</b>	<b>(0.5)</b>	<b>1,56,375</b>	<b>61.9</b>
<b>Commission on</b>					
First Year Premium	2,802	2,753	1.8	5,721	(51.0)
Renewal Premium	1,033	991	4.2	2,163	(52.2)
Single Premium	5,259	4,339	21.2	5,483	(4.1)
Rewards	755	1,373	(45.0)	2,385	(68.3)
<b>Net Commission</b>	<b>9,849</b>	<b>9,456</b>	<b>4.2</b>	<b>15,752</b>	<b>(37.5)</b>
Expenses of Management	18,915	19,853	(4.7)	24,777	(23.7)
Benefits Paid (Net)	97,620	95,226	2.5	1,23,271	(20.8)
Change in actuarial liability	1,30,724	1,34,891	(3.1)	1,620	7970.9
<b>Surplus/Deficit</b>	<b>3,762</b>	<b>2,843</b>	<b>32.4</b>	<b>2,937</b>	<b>28.1</b>

Source: Company, BOBCAPS Research

**Fig 10 – Shareholders' account**

(Rs mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
Transfer from Policyholders' Account	2,706	2,891	(6.4)	3,761	(28.1)
<b>Total income under Shareholders' Account</b>					
Investment Income	2,484	1,673	48.5	2,222	11.8
Other income	2	3	(38.7)	20	(90.4)
Expenses other than those related to insurance business	533	204	161.7	556	(4.2)
Transfer of funds to Policyholders' Account	1,160	1,761	(34.2)	1,206	(3.9)
<b>Profit before tax</b>	<b>3,448</b>	<b>2,603</b>	<b>32.5</b>	<b>4,141</b>	<b>(16.7)</b>
Provisions for tax	428	349	22.6	278	53.6
<b>Profit after tax and before extraordinary items</b>	<b>3,021</b>	<b>2,254</b>	<b>34.0</b>	<b>3,863</b>	<b>(21.8)</b>

Source: Company, BOBCAPS Research

**Fig 11 – Balance sheet**

(Rs mn)	Q1FY26	Q1FY25	YoY (%)	Q4FY25	QoQ (%)
<b>Sources of funds</b>					
Share Capital	14,462	14,419	0.3	14,453	0.1
Share application money received pending allotment of shares	1	1	0.0	0	-
Reserves and Surplus	1,07,794	94,229	14.4	1,05,626	2.1
Credit / (Debit) Fair Value Change Account	3,273	4,266	(23.3)	(666)	(591.2)
<b>Total Equity</b>	<b>1,25,529</b>	<b>1,12,914</b>	<b>11.2</b>	<b>1,19,413</b>	<b>5.1</b>
<b>Policyholders' Funds</b>	<b>30,07,420</b>	<b>28,73,402</b>	<b>4.7</b>	<b>28,74,403</b>	<b>4.6</b>
Borrowing	26,000	12,000	116.7	26,000	0.0
Policy Liabilities	29,56,594	28,17,341	4.9	28,29,936	4.5
- Insurance Reserves	13,00,494	11,38,435	14.2	12,73,360	2.1
- Provision for Linked Liabilities	16,56,100	16,78,906	(1.4)	15,56,577	6.4
Add: Fair value change	50,826	56,061	(9.3)	44,466	14.3
FFA	13,888	12,817	8.4	12,832	8.2
FFA - provision of lapsed policies	59,889	67,594	(11.4)	55,822	7.3
<b>Total Sources of funds</b>	<b>32,32,726</b>	<b>30,78,728</b>	<b>5.0</b>	<b>30,88,470</b>	<b>4.7</b>
<b>Application of Funds</b>					
<b>Investments</b>	<b>14,78,694</b>	<b>13,00,521</b>	<b>13.7</b>	<b>14,27,537</b>	<b>3.6</b>
- Shareholders'	1,55,091	1,01,636	52.6	1,40,550	10.3
- Policyholders'	13,23,603	11,98,885	10.4	12,86,988	2.8
<b>Assets held to cover Linked Liabilities</b>	<b>17,15,989</b>	<b>17,46,500</b>	<b>(1.7)</b>	<b>16,12,399</b>	<b>6.4</b>
Loans	25,665	18,857	36.1	24,191	6.1
Fixed Assets	8,354	7,400	12.9	8,451	(1.1)
<b>Net Current Assets</b>	<b>4,025</b>	<b>5,450</b>	<b>(26.2)</b>	<b>15,892</b>	<b>(74.7)</b>
<b>Total application of funds</b>	<b>32,32,726</b>	<b>30,78,728</b>	<b>5.0</b>	<b>30,88,470</b>	<b>4.7</b>

Source: Company, BOBCAPS Research

## Earnings call highlights

### Business Performance

- Gross premium increased 8% YoY, driven by strong growth in the single premium, up 20% YoY. This was partly driven by a fall in fixed deposit and interest rates. Going forward, management foresees increase in single premium growth. Renewal premium grew 9% YoY, while first year premium declined 11% YoY. Net premium income increased 8% YoY.
- PAT came in at Rs 3,021 mn, a YoY growth of 34.2%, primarily due to lower new business trends, coupled with higher investment income from shareholder investments.
- New business sum assured grew 36.3% YoY, led by strong growth in the protection business.
- ICICI Pru Life continues to witness slowdown in the credit life business on account of challenges in the MFI business. However, management anticipates a gradual recovery in this segment in the ensuing quarters.
- Cost to total premium ratio stood at 21.1% YoY vs 24% in 1QFY25, a decline of 280bps YoY, owing to cost rationalisation measures undertaken by the company in the previous year.

### APE

- APE declined 5% to stand at Rs 18,640 mn, with a 2Y CAGR of around 13%.
- ICICI Bank APE for the quarter stands approximately at Rs 1,000 mn per month.

### VNB Margins

- VNB margin came in at 24.5% in Q1FY26 against 22.8% in FY25. The improvement was supported by a shift in product mix towards non-linked from the linked business, as there was a shift in customer preferences towards guaranteed products.
- The company highlighted that focus remains on improving absolute VNB.

### Persistency

- 61st month persistency ratio came in at 63.4% in Q1FY26 against 65.8% in Q1FY25. The decline in the 61st month persistency was seen mainly due to regulatory changes.

### Product and Channel Mix

- In Q1FY26, demand shifted from unit-linked products to guaranteed products amid a volatile equity market, driven by an uncertain external environment. Consequently, linked business fell 14% YoY and non-linked grew 21% YoY in Q1FY26.
- Despite market volatility and contrary to expectations, ULIPs stay strong with an increase in the mix to 46.8% vs 43.4% in Q4FY25

- Annuity, which forms 5.4% of the product mix on an APE basis, continues to be a key focus area for the company (declined 53% YoY in Q1FY26 on a high base).
- With respect to the distribution channel, proprietary channels - agency and direct - declined 18% YoY with the mix currently being at 38.4% vs 44.6% in Q1FY25. This is primarily due to a high annuity base and shift in consumer demand for non-linked products, as the large component is of ULIPs. Bankassurance, too, saw a decline of 2% YoY and its share currently stands at 29.7%. Partnership channel grew 7% YoY.
- Bancassurance business declined 2.1% YoY, contributing 29.7% to APE.

#### **Others**

- ICICI Pru has 2,40,000+ agents across various geographies, 49 bank partnerships with access to 23,500+ bank branches and 1,350 non-bank partnerships.
- The company launched Smart Insurance Plan Plus, which offers affordable wealth creation with a minimum premium as low as Rs 1,000 per month in the linked category and iProtect Smart Plus, a protection plan to reap the benefits of increasing demand from these categories. Despite the company underwriting Rs 1,000mn of single premium annuity business solely during Q1FY26, the mix of annuity declined sharply by 53% YoY, largely on account of a very high base of in the past year.

## Valuation methodology

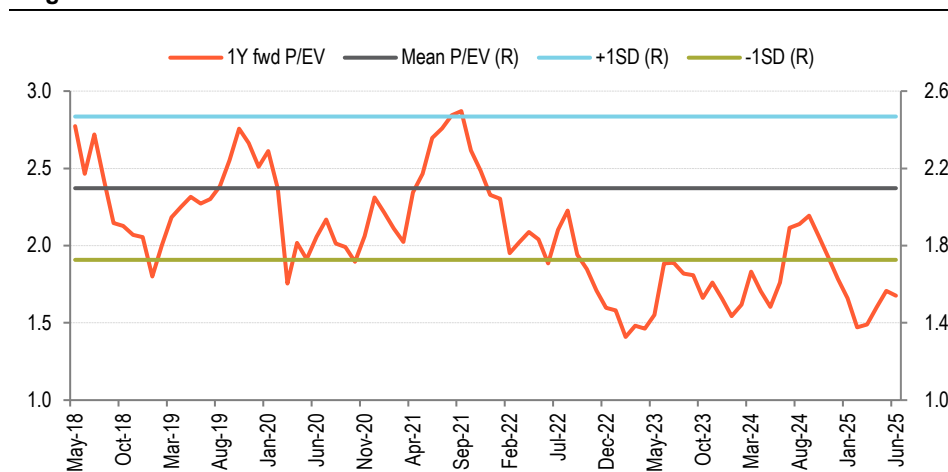
**Maintain BUY on IPRU:** IPRU witnessed pressure on business growth owing to a higher base in the previous year, which is an industry-wide phenomenon this quarter. However, management anticipates a better 2H with linked products regaining popularity, coupled with guaranteed products and protection growth. IPRU is undergoing cost optimisation measures, which are likely to aid margins going forward, coupled with a favourable product mix. Further, it continues to focus on the absolute VNB growth over product mix. Hence, we maintain BUY on IPRU with TP of Rs 801 (earlier Rs 674), implying 1.8x its June'27 P/EV.

**Fig 12 – Actual vs Estimates**

(Rs mn)	Q1FY26A	Q1FY26E	Actual vs Estimates (%)
Gross Premium	89,540	89,286	0.3
APE	18,640	19,066	(2.2)
VNB	4,570	4,452	2.6
VNB Margin	24.5	23.4	116bps

Source: Company, BOBCAPS Research

**Fig 13 – P/EV Band**



Source: Company, BOBCAPS Research

## Key risks

Key downside risks to our estimates:

- **Changes in regulatory framework:** Any unfavourable change in regulations can impact business growth. For example, currently, ULIP proceeds are taxed when the yearly premium exceeds Rs 0.25mn. Similarly, any change in the income tax rate of insurance companies can adversely impact profitability.
- **Losses from capital and bond markets:** Prolonged weakness in capital markets could hamper the growth of ULIPs. Although insurance companies are aiming for a balanced product mix, many of them have sizeable business coming from ULIPs. For IPRU, the sensitivity of a decline in equity on EV is comparatively higher than for private peers.

## Glossary

Glossary of Abbreviations			
<b>APE</b>	Annual Premium Equivalent	<b>KYC</b>	Know Your Customer
<b>EOM</b>	Expenses of Management	<b>NBP</b>	New Business Premium
<b>EV</b>	Embedded Value	<b>ROEV</b>	Return on Embedded Value
<b>EVOP</b>	Embedded Value Operating Profit	<b>RWRP</b>	Retail Weighted Received Premium
<b>HNI</b>	High Net Worth Individuals	<b>ULIP</b>	Unit Linked Insurance Plan
<b>IRDAI</b>	Insurance Regulatory and Development Authority	<b>VNB</b>	Value of New Business

Source: BOBCAPS Research



## Financials

### Revenue Account (Technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Gross premium income</b>	<b>4,32,356</b>	<b>4,89,507</b>	<b>5,58,038</b>	<b>6,41,744</b>	<b>7,38,005</b>
First year premium	70,315	81,146	90,756	1,04,369	1,20,024
Renewal premium	2,45,568	2,57,202	3,16,953	3,64,496	4,19,170
Single premium	1,16,473	1,51,160	1,50,330	1,72,879	1,98,811
<b>Net written premium</b>	<b>4,17,597</b>	<b>4,72,594</b>	<b>5,38,507</b>	<b>6,19,283</b>	<b>7,12,175</b>
Income from investments	4,65,503	2,28,195	2,70,411	3,09,823	3,52,768
Other Income	20,069	5,410	5,907	6,449	7,042
<b>Total income</b>	<b>9,03,169</b>	<b>7,06,199</b>	<b>8,14,825</b>	<b>9,35,555</b>	<b>10,71,986</b>
Commissions	37,220	48,594	55,804	64,174	73,801
Operating expenses	40,926	39,746	50,223	54,548	59,040
Benefits and bonuses paid	4,00,060	4,61,825	5,11,581	5,75,933	6,45,943
Change in liabilities (net)	4,06,391	1,35,714	1,72,900	2,10,938	2,57,345
Others	0	0	0	0	1
<b>Total expenses</b>	<b>8,84,596</b>	<b>6,85,879</b>	<b>7,90,509</b>	<b>9,05,594</b>	<b>10,36,129</b>
<b>Surplus before tax</b>	<b>18,573</b>	<b>20,321</b>	<b>24,316</b>	<b>29,961</b>	<b>35,856</b>
Provision for tax	7,681	9,424	10,811	12,459	14,324
<b>Surplus after tax</b>	<b>10,892</b>	<b>10,897</b>	<b>13,505</b>	<b>17,502</b>	<b>21,533</b>
Trf to shareholders' a/c	14,719	10,931	12,830	16,977	19,379
Balance being FFA	(3,827)	(34)	0	0	0

### Income Statement (Non-technical)

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Trf from policyholders' a/c	14,719	10,931	12,830	16,977	19,379
Income from investments	13,692	6,960	9,821	11,294	12,988
Contr. to policyholders' fund	18,022	3,178	3,496	3,846	4,230
Others	(1,156)	(1,348)	(1,472)	(1,575)	(1,685)
<b>PBT</b>	<b>9,232</b>	<b>13,364</b>	<b>17,683</b>	<b>22,850</b>	<b>26,452</b>
Provision for taxation	708	1,474	1,768	2,285	2,645
<b>PAT</b>	<b>8,524</b>	<b>11,891</b>	<b>15,914</b>	<b>20,565</b>	<b>23,807</b>
Dividend+Interim div.+DDT	867	1,236	872	873	873

### Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Equity	1,10,086	1,19,413	1,35,327	1,55,893	1,79,700
Policyholders' funds	27,31,066	28,74,403	33,11,627	38,28,552	44,27,446
FFA	12,866	12,832	12,798	12,764	12,730
Others	81,251	81,822	70,998	76,847	83,457
<b>Total liabilities</b>	<b>29,35,269</b>	<b>30,88,470</b>	<b>35,30,749</b>	<b>40,74,056</b>	<b>47,03,333</b>
Shareholders' funds	1,05,755	1,40,550	1,61,632	1,85,877	2,13,758
Policyholders' funds	11,43,182	12,86,988	13,38,467	15,25,852	17,39,472
Assets to cover linked liab.	16,48,424	16,12,399	19,83,251	24,39,398	30,00,460
Others	0	0	0	0	0
<b>Total assets</b>	<b>29,35,269</b>	<b>30,88,470</b>	<b>35,30,749</b>	<b>40,74,056</b>	<b>47,03,333</b>

### Key Metrics

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
AUM (Rs mn)	28,97,361	30,39,936	34,83,350	41,51,128	49,53,690
NBP (Rs mn)	1,86,788	2,32,306	2,41,085	2,77,248	3,18,835
APE (Rs mn)	90,460	1,04,070	1,19,160	1,35,247	1,48,771
VNB (Rs mn)	22,253	23,700	28,479	32,459	36,449
VNB margin (%)	24.6	22.8	23.9	24.0	24.5
Embedded value (Rs mn)	4,23,370	4,79,510	5,46,437	6,22,831	7,09,479
ROEV (%)	14.1	13.0	14.1	14.1	14.1
ROE (%)	8.1	10.4	12.5	14.1	14.2
Opex ratio (%)	9.5	8.1	9.0	8.5	8.0
Cost ratio (%)	18.1	18.0	19.0	18.5	18.0
Solvency ratio (%)	-	-	-	-	-
EPS (Rs)	5.9	8.2	11.0	14.2	16.5
BVPS (Rs)	76.5	82.8	93.9	108.5	125.0
EVPS (Rs)	294.1	332.3	379.1	433.3	493.6

Source: Company, BOBCAPS Research

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

## Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

CIN: **U65999MH1996GOI098009**



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

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

### Recommendation scale: Recommendations and Absolute returns (%) over 12 months

**BUY** – Expected return >+15%

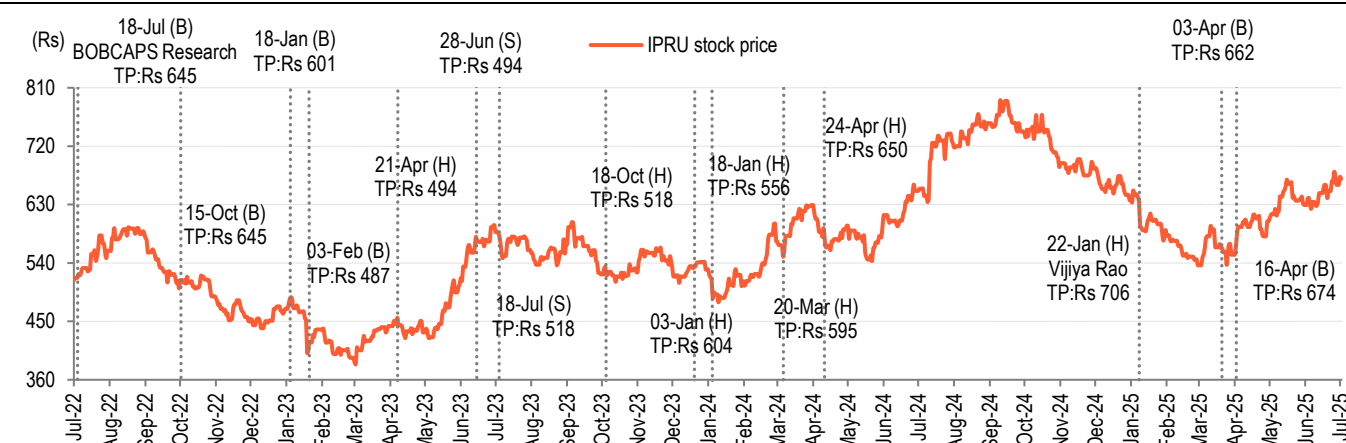
**HOLD** – Expected return from -6% to +15%

**SELL** – Expected return <-6%

**Note:** Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

### Ratings and Target Price (3-year history): ICICI PRUDENTIAL LIFE (IPRU IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

### Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

### General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS 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 salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions 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. 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. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. 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. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

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. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, 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 and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

#### **Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014**

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

#### **Other disclaimers**

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an “as is” basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the “Losses”) which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

#### **Distribution into the United Kingdom (“UK”):**

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd (“MSL”) who is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom (MSL and its affiliates are collectively referred to as “MAYBANK”). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the “Order”), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as “relevant persons”).

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

#### **No distribution into the US:**

This report will not be distributed in the US and no US person may rely on this communication.

#### **Other jurisdictions:**

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.