

Banking and Finance

January 15, 2007
 ICICIdirect Code: RELCAP

Reliance Capital Ltd.

OUTPERFORMER

CMP (Jan. 10) Rs 610	Target Price Rs 760
Potential upside 25%	Time Frame 12 - 15 mths

Reliance Capital Ltd (RCL), part of the Anil Dhirubhai Ambani Group, is one of the leading private sector financial services company in India. The company has interests in asset management and mutual funds, life and general insurance, private equity and proprietary investments, stock broking and other activities in financial services. RCL is expected to play an important role in the ambitious business plans of the group. We initiate coverage on the company with an OUTPERFORMER rating.

KEY TRIGGERS

❑ Rising net worth

Post demerger, RCL has seen a huge infusion of capital through a preferential allotment that saw its equity increase. Its net worth also surged to Rs 4,122 crore in FY06.

❑ Hefty unrealised gains

RCL is sitting on huge gains through its equity investments. Considering the current buoyancy in the capital markets, we believe RCL may start booking unrealised gains. The unrealised gains on its FY06 quoted equity portfolio amounted to Rs 2,599 crore, which translates into Rs 106 per share of RCL.

❑ Significant value accretion from subsidiaries

The company has a formidable presence in areas like asset management and insurance. It is also on the verge of an aggressive foray into retail stock broking. We believe there is tremendous value to be realized from these investments.

VALUATIONS

At the current price of Rs 610, the stock trades at 2.7x its FY08E BV and 26.5x its FY08E EPS of Rs 23.1. RCL's present business model is unique one, meaning that the parent entity is currently just a holding company for its subsidiaries and associates, and does no direct business except trading in equity markets. Considering this factor, RCL cannot be compared with banks like Kotak Mahindra Bank (trading at 3.4x FY08E BV) and ICICI Bank (trading at 2.9x FY08E BV), which have a similar holding structure wherein the parent company (Kotak Mahindra Bank and ICICI Bank) is a banker. With significant value to be realized from subsidiaries and associates, we expect the stock to be re-rated. Using a sum-of-the-parts (SOTP) valuation methodology, we arrive at a target price of Rs 760.

Exhibit 1: Key Financials (Standalone)

Year to March 31	FY05	FY06	FY07E	FY08E
Net Profit (Rs crore)	105.8	537.6	558.7	567.6
EPS (Rs)	8.3	24.1	22.7	23.1
% Growth		190.8	-5.7	1.6
P/E (x)	73.7	25.3	26.9	26.5
Price / Book (x)	5.4	3.3	3.0	2.7
Price / Adj Book (x)	5.4	3.3	3.0	2.7
GNPA (%)	0	0	0	0
NNPA (%)	0	0	0	0
RoNA (%)	3.7	15.1	11.7	10.4

Source: ICICIdirect Research

Company Profile

Registered Office
 H Block, 1st Floor,
 Dhirubhai Ambani Knowledge City,
 Navi Mumbai - 400 710,
 Maharashtra
 India.

Tel: +91-22-3032 7000

Fax: +91-22-3032 7202

Website: www.reliancecapital.co.in

Chairman: Anil Ambani

Business Group: Reliance-ADA Group

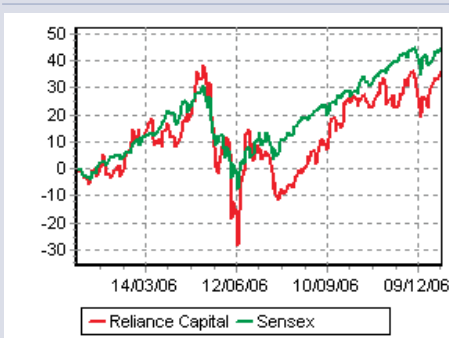
Shareholding Pattern as on 30/09/2006

Major Holders	%
Promoters	47.52
Institutional Investors	33.63
Other Investors	2.39
General Public	14.71

Stock Data

Market Cap (Rs crore)	13,664
Shares Outstanding (in crore)	22.4
52-week High (Rs)	670
52-week Low (Rs)	320
Average Volume	563,523
Absolute Return 3 mth (%)	6.4
Absolute Return 12 mth (%)	41.1
Sensex Return 3 mth (%)	15.78
Sensex Return 12 mth (%)	52.19

Performance Chart



Kajal Jain
 kajal.jain@icicidirect.com

ICICI Brokerage Services Limited,
 2nd Floor, Stanrose House,
 Appasaheb Marathe Road,
 Prabhadevi, Mumbai - 400 025.

COMPANY BACKGROUND

Reliance Capital Ltd (RCL) is one of India's leading and fastest growing private sector financial services companies. When the businesses of the Reliance group were divided between the two brothers in the sponsor family, Reliance Industries and IPCL went to Mukesh Ambani while Anil Ambani got Reliance Capital and Reliance Energy. The group was rechristened as the Reliance - Anil Dhirubhai Ambani Group.

In July 2005, RCL acquired AMP Sanmar Insurance Company and renamed it Reliance Life Insurance Company Ltd. Reliance Life offers 17 products, of which 13 are targeted to individuals and 4 to group business. Recently, RCL has also acquired controlling stake in Adlabs Films. The 51% stake is held by Reliance Land Private Ltd.

RCL has 6 subsidiaries and 6 associates as detailed below:

Subsidiaries:

*Reliance Capital Asset Management Ltd – 100%
Reliance General Insurance Company Ltd - 100%
Reliance Asset Management (Mauritius) Ltd – 100%
Reliance Asset Management (Singapore) Ltd – 100%
Reliance Capital Trustee Company Ltd – 100%
Reliance Gilts Ltd – 75%*

Associates:

*Reliance Share & Stock Brokers Private Ltd – 50%
Reliance Land Private Ltd – 50%
WorldTel Holding Ltd – 47%
Ammolite Holding Ltd – 50%
Viscount Management Services (Alpha) Ltd – 50%
Viscount Management Services Ltd – 50%*

Reliance Capital has complete ownership of all its businesses via investments through its associates or group companies. Its subsidiaries are also generating good profits and in FY06 contributed Rs 41 crore forming nearly 7.2% of consolidated net profit of Rs 571 crore. With acquisition of Adlabs and also Reliance Money business kicking in we expect associates to start contributing to bottomline in next couple of years.

The financial services sector is one of the key growth sectors of the economy. Globally, 5 of the top 20 Fortune 500 companies are financial services companies. Nearly 16% of total revenues and 28% of total profits of all Fortune 500 companies are generated by the financial services sector, the largest by any single sector. RCL intends to actively pursue growth opportunities in the fast growing financial services sector in the country, to become a full service financial services company with activities encompassing, inter alia, asset management and mutual funds, life and general insurance, stock broking, private equity and proprietary investments, and other financial services.

INVESTMENT RATIONALE

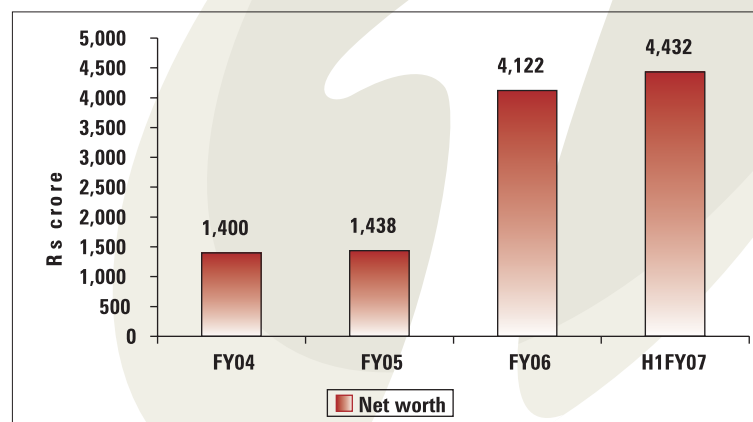
I) Post-demerger, net worth swells

RCL was formed when the businesses of the Reliance Group were divided between the two brothers in the sponsor family. As part of the agreement, RCL went to Anil Ambani. Apart from RCL, the Reliance- Anil Dhirubhai Ambani Group (ADAG) also includes Reliance Energy and Reliance Communications. The group has aggressively forayed into the entertainment and infrastructure sectors.

Prior to the demerger, RCL was widely regarded as a vehicle for financing ventures promoted by the Reliance Group. It is now expected to play an important role in the ambitious business plans of the ADAG. In 2006, the company raised over Rs 2,200 crores through a preferential issue of equity shares/warrants at a price of Rs 228 per share to strengthen its financial position and generate long-term resources for accelerating its future growth plans.

In July 2006, following the amalgamation of Reliance Capital Ventures with Reliance Capital, the latter's share capital increased by Rs 1.07 crore to Rs 224.46 crore. RCL's net worth has grown at a CAGR of 96% during FY04-FY06. In FY06, its net worth grew 186% y-o-y to Rs 4,122 crore from Rs 1,438 crore the previous year. The equity warrants issued with an exercise price of Rs 228 per share, outstanding as on March 31, 2006, are also due for conversion before the end of FY07. On conversion, the company's net worth will increase to Rs 4,927 crore.

Exhibit 2: Steep rise in network



Source: Company, ICICIdirect Research

(II) Massive unrealised gains on equity book

RCL is currently sitting on huge gains through its equity investments. Equity investments are a major source of income for the company. Considering the current buoyancy in the capital markets, we believe RCL may start booking unrealised gains. The unrealised gains on its FY06 quoted equity portfolio amounted to Rs 2,599 crore, which translates into Rs 106 per share of RCL. The total investment portfolio according to the company's H1FY07 results stood at Rs 2,553 crore.

In Nov 2006, the company has agreed to acquire 100% equity share capital of Travelmate Services (India) Private Ltd, subject to necessary regulatory approvals. The proposed acquisition will mark the immediate entry of the company into the exciting growth area of money changing and money transfer, in one the world's fastest growing and most under-served markets.

Exhibit 3 : Unrealised equity gains-value per RCL share

(Rs crore)

Company equity shares	Number of investment	Cost of value of investment	Price*	Current market value
Adlabs Films#	1,255,000	12.5	396.2	49.7
Celebrity Fashions	1,050,000	12.2	104.3	11.0
Inox Leisure	500,000	8.1	146.2	7.3
Kinetic Engineering	715,000	12.7	123.5	8.8
Reliance Communications	17,940,295	193.5	461.7	828.3
Reliance Energy	11,995,089	294.9	524.3	628.9
Reliance Industrial Infrastructure	160,100	0.5	495.8	7.9
Reliance Industries	13,460,295	165.0	1,261.3	1697.8
Reliance Natural Resources	16,471,295	2.7	21.3	35.0
Shri Lakshmi Cotsyn	1,300,000	16.8	98.4	12.8
Spanco Telesys	3,550,000	32.3	176.3	62.6
Total		751.3		3350.1
Unrealised gains				2598.8
Gains per share of RCL (Rs)				106.0

Source: Company, ICICIdirect Research

* Prices as on 21/12/06

Only 3.15% in RCL books and balance 51% is held by its associate Reliance Land Private Ltd.

(III) Significant value accretion from subsidiaries

The company has a formidable presence in areas like asset management and insurance. It is also on the verge of an aggressive foray into retail stock broking. We believe there is tremendous value to be realized from these investments.

(i) Reliance Capital Asset Management (RCAM)

At the end of FY06, Reliance Capital AMC had Rs 24,670 crore of assets under management (AUM), a growth of 158% over Rs 9,543 crore in FY05. As on Nov 30, 2006, the total AUM stood at Rs 34,637 crore, up 40% from March 2006. RCAM is the largest player in terms of AUM among private players and has overtaken Prudential- ICICI AMC as per Dec 2006 figures. Recently it also established two more AMCs overseas (one each in Mauritius and Singapore), which are expected to become operational once all regulatory approvals are received.

RCAM's net profit increased to Rs 30.04 crore in FY06 from Rs 12.55 crore in FY05. During H1FY07 itself, profit increased 169% y-o-y to Rs 35 crore. In fact, profit for H1FY07 is higher than the profit for the full year in FY06.

In the past, deals have been finalized at about 5-7% of AUM. For example, BNP Paribas acquired a 49.90% of Sundaram AMC's stake in October 2005 at 7% of AUM. We expect the RCAM AUM to reach Rs 46,199 crore by end FY08E. Assuming 5% of the AUM, we value the AMC business at Rs 94 per share of Reliance Capital.

Exhibit 4 : Reliance Capital AMC valuation

	FY08E	FY07E	Nov-06	FY06
AUM (Rs crore)	46,199	39,486	34,637	24,670
Value at 5% of AUM (Rs crore)	2,310	1,974	1,732	1,234
RCL's stake at 100%	2,310	1,974	1,732	1,234
Value per share of RCL (Rs)	94	80	70	55

Source: ICICIdirect Research

Exhibit 5 : Top four funds on basis of AUM (Rs crore)

Fund	Dec-06
UTI Asset Management Company	38,109
Reliance Capital Asset Management Co.	36,928
Prudential ICICI Asset Management Co.	33,305
HDFC Asset Management Co.	29,635

→ Highest AUM among private sector MF

Source: AMFI, ICICIdirect Research

(ii) Reliance General Insurance Company

RCL had a 75% stake in Reliance General Insurance Company. Following the amalgamation of Reliance Capital Ventures with Reliance Capital in H1FY07, Reliance General Insurance Company has become a 100% subsidiary of RCL. Reliance General Insurance's business is on high-growth trajectory with its gross written premium (GWP) rising to Rs 377 crore in H1FY07 against Rs 75 crore during the same period last year. Overall premium growth in the general insurance industry was about 30% till Nov 2006. Its GWP amounted at Rs 521 crore. Profit before tax for H1FY07 was Rs 5.74 crore. We expect profit to increase to Rs 10.9 crore by end FY07E and GWP to grow at 318% to Rs 678.6 crore during the same period as the outlook for insurance industry is very robust. It has 51 branches and 12 regional offices compared to just 15 branch offices last year. It has licenses to open 34 branch offices and these will be opened by the end of Dec 2006. Its employee strength substantially increased to 800 against 160 last year.

Exhibit 6 : Growth in premium collection among private non-life insurers

(Rs crore)

Insurer	Up to Nov-06	Up to Nov-05	% growth
ICICI-Lombard	2,079	1,094	90.01
Bajaj Allianz	1,159	857	35.30
IFFCO-Tokio	813	564	44.07
Reliance General	521	100	419.53
Tata-AIG	520	389	33.64
Royal Sundaram	389	291	33.41

→ Number 4 player among private sector insurers

Source: IRDA, ICICIdirect Research

Exhibit 7 : Reliance General Insurance Company Valuation

	FY07E	FY06	FY05
Gross Written Premium (Rs crore)	678.60	162.33	161.68
% Growth	318.03	0.40	
PAT (Rs crore)	10.86	14.37	5.83
Valuing at 12x FY07E earnings	130.29	172.43	70.00
RCL's stake at 100% in FY07	130.29	129.32	52.50
Value per share of RCL (Rs)	5.29	5.79	4.11

Source: ICICIdirect Research

Reliance General Insurance is among top 4 players as on November FY06 registering a y-o-y growth of 419% in premium collection. It is expected to achieve enhance its market share and rank among the top three players in next couple of years. We have valued general insurance business based on 12x its FY07E earnings, which translates into Rs 5.29 per share of RCL.

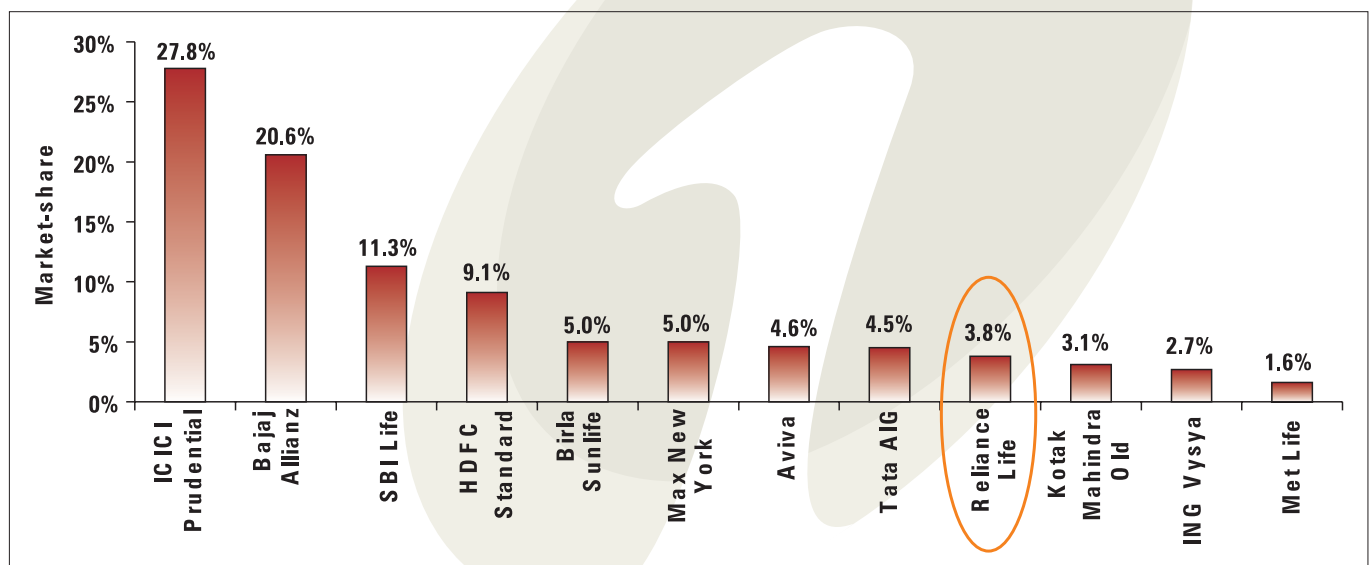
Foray into emerging businesses... the future growth drivers

(iii) Reliance Life Insurance Company

RCL recently forayed into fast-growing life insurance business by acquiring AMP Sanmar Life for Rs 97 crore. The life insurance business is expected to remain buoyant due to favourable income and age demographics and low penetration levels. Currently, the overall premium- to-GDP ratio in India is 3.2% against the world average of 7.5%. Out of this, life insurance premiums account for 2.6% and non-life premiums for 0.6%. The insurance industry has grown at a robust CAGR of 25% over the last 6 years. Private insurers have garnered around 30% share of the new premiums during this time. Most players are now undertaking major expansion in their distribution network and increasing branches as they move into Tier-II towns.

Reliance Life Insurance is still a minor player with market share of 3.8% as on Nov 2006. New business premium were Rs 193.4 crore against from Rs 91 crore in FY05. H1FY07 premium income rose at a whopping 206% to Rs 267 crore from Rs 87 crore during the same period last year. Industry growth averaged about 177% during the same period. We expect the insurance business to grow at a much faster pace and achieve GWP of Rs 688 crore by FY07E. Considering the fast penetration capability of the group, we expect it to rank among the top private sector insurance players in the next 3-5 years. It currently has 162 branches and 46,000 agents spread all over the country.

Exhibit 8 : Market share of private sector life insurance players



Source: IRDA, ICICIdirect Research
 Based on GWP up to Nov 2006

We have assumed 15% New Business Achieved Profit (NBAP) margin, which is at 28% discount to established players like ICICI Pru Life whose NBAP margins are 21%. We have valued the company at 16x its NBAP. A comparison with its peers shows the immense growth opportunity available in the sector. The table also gives the market capitalisation that insurance business holds in total market capitalization of the holding (sponsor) company.

Exhibit 9 : Reliance Life Insurance valuations (Rs crore)

Reliance Life Insurance	FY07E	FY06	FY05
GWP (Rs crore)	687.98	193.43	91.12
Growth (%)	255.67	112.29	
Annual premium (Rs crore)			
Single	240.79	120.19	64.22
Non-single	447.18	73.25	26.97
Annualized Premium Equivalent (APE)	471.26	85.27	33.39
Life Insurance valuation as per below table	1131.03		
Value per share of RCL (Rs) (100% stake taken)	45.95		

Source: ICICIdirect Research

Exhibit 10 : Sensitivity analysis for valuation at different margins and multiple values

(Rs crore)

NBAP margin	Valuation multiple	
		14x
15%	990	1131
17%	1122	1282

Source: ICICIdirect Research

Exhibit 11 : Comparison with other life Insurance players

(Rs crore)

Insurer (FY07E)	Insurance valuation (Rs cr)	Sponsor co. market cap (Listed)	Insurance as % of total market cap	Value per share of sponsor co. (Rs cr)	Number of branches
Bajaj Allianz	2,233	27,710	8.1	229	850
HDFC Standard Life	4,058	40,508	10.0	169	300
Max New York Life	1,887	3,132	60.3	545	150
Reliance Life	1131	13,664	8.3	46	170

Source: Consensus Estimate, ICICIdirect Research

RCL directly holds just 16% of Reliance Life Insurance Company. However 100% economic interest lies with Reliance Capital as the balance 84% is partially held by Viscount Management Services Ltd and Viscount Management Services(Alpha) Ltd, 50% associate companies of RCL. Currently, Reliance Life Insurance has no foreign partner. But it is likely that RCL may go in for a partial stake sale to meet its fresh capital requirements, which may become a value unlocking opportunity.

(iv) Reliance Share & Stock Brokers Private Ltd (RSSB)

RCL is expected to launch its stock broking business very soon under brand name "Reliance Money" in a big way. The margins in this business are very high but as of now no details have been disclosed. The stock broking businesses are valued at 15 – 20x their earnings and also there is huge potential to expand with continuously rising volumes (cash and derivatives) in Indian capital market. RCL currently has 50% stake in Reliance Share & Stock Brokers Private Ltd, which has a paid up capital of Rs 10 crore as on March 31, 2006. Just like Reliance Life, in RSSB also 100% economic interest lies with RCL. As its details are not available, we have not factored its earnings in our estimates.

Exhibit 12 : Comparison of various broking houses

Broking Houses	Price (Rs)	FY2007E		Market cap (Rs crore)
		EPS (Rs)	P/E (x)	
India Infoline	320	15.8	20.3	1,458
Investsmart	201	12.8	15.7	1,415
Indiabulls	308	16.5	18.7	5,149

Source: Consensus Estimate, ICICIdirect Research

Other businesses

RCL has big plans of entering consumer finance business and also distribution of financial products. However, we expect these businesses to start generating sizeable revenues only after FY09 only. As details of these businesses are not available, we have not factored earnings from them in our estimates.

(IV) Good credit rating

RCL is virtually debt-free and had a debt-equity ratio of 0.05 as on Sept 30, 2006. It enjoys the highest top-end ratings of 'A1+' and 'F1+' by ICRA and FITCH, respectively.

KEY RISKS

Performance of equity markets

In our estimates, RCL's profits on a stand-alone basis depend on realization of gains from equity book. In case of sudden change in stock market sentiments, profitability of the company may be affected.

Low margins in consumer finance in initial phases

RCL plans to launch its consumer finance business in FY08. However, increasing competition and rising cost of funds could result in low margins in the initial phase.

Intense competition in all business streams

The company expects to introduce fee-based financial services including equity broking, depository services, and distribution of financial products such as mutual funds and insurance. It is also well-established in the general insurance and asset management businesses. However, competition is very stiff and with detariffing in general insurance coming in, undercutting could hit its margins.

FINANCIALS

RCL's stand-alone net profit rose 408% to Rs 537 crore in FY06 from Rs 105 crore in FY05. During FY07-08, the parent company will not have any major business of its own except trading in equity. We have estimated very nominal net profit growth at 2% CAGR for FY06-FY08E. With revenues from Reliance Money business gaining traction and also other businesses continuing their uptrend, we expect consolidated revenues to be growing at a much higher pace. Consolidated net profit in FY06 increased substantially to Rs 571 crore from Rs.35 crore in FY05, a strong growth of 1486%.

H1FY07 net profit of RCL on standalone basis is Rs. 261.7 crore a rise of 40% as compared to H1FY06 profit of Rs.187 crore. Consolidated net profit rose 52% y-o-y to Rs.300.5 crore from Rs.208.3 crore.

Exhibit 13: H1FY07 Result update

(Rs crore)

	H1FY07	H1FY06	Var. y-o-y
Operating and other income	355.3	246.9	43.9
Operating expenses	42.1	54.5	-22.8
Employee costs	24.0	0.4	6397.3
PBT	289.2	192.0	50.6
Taxes	27.5	5.0	450.0
Net Profit	261.7	187.0	39.9

Source: Company, ICICIdirect Research

VALUATIONS

At current price of Rs 610, the stock trades at 2.7x its FY08E BV and 26.5x its FY08E EPS of Rs 23.1. RCL's present business model is unique one, as it is just a holding company for its subsidiaries and associates and does no direct business except trading in equity markets. Considering this factor, RCL cannot be compared with banks like Kotak Mahindra Bank (trading at 3.4x FY08E BV) and ICICI Bank (trading at 2.9x FY08E BV), which have a similar holding structure wherein the parent company (Kotak Mahindra Bank and ICICI Bank) is a banker.

RCL's RoA has increased significantly from 3.6% in FY05 to 15.11% in FY06. Also even with rising asset size, we expect it to remain between 10 - 11% during next couple of years, which is quite substantial for a NBFC.

Using a sum of the parts (SOTP) valuation methodology, we arrive at a target price of Rs 760.

Exhibit 14: Sum of the parts valuation

	Value per share of RCL (Rs)
Reliance Capital (Stand-alone)	493
Reliance General Insurance	5
Reliance Capital Asset Management	94
Reliance Life Insurance	46
Unrealised gains of quoted equity book	106
Adlabs Films value held by Reliance Land Pvt. Ltd.	17
	760

Source: ICICIdirect Research

In case of past leasing business, the asset quality is excellent with zero net NPAs and the leased assets are being cleared from gross block gradually. We believe that the stock is available at attractive valuations. We rate the stock an Outperformer at a target price of Rs 760, an upside of 25% over a 12-15 months time horizon.

FINANCIAL SUMMARY (Standalone)

Profit and Loss Account

(Rs crore)

The increase in the number of employees has led to a steep rise in employee costs

EPS has declined due to conversion of warrants to equity shares

Year to March 31	FY08E	FY07E	FY06	FY05
Operating Income	748.7	734.3	652.0	295.7
Employee Costs	47.6	40.0	10.3	1.4
Other operating Exp.	59.4	50.5	22.7	4.3
PBIDT	641.7	643.8	619.0	290.1
Interest	11.0	23.1	45.2	151.1
PBDT	630.7	620.8	573.8	139.0
Depreciation	6.9	6.8	23.2	27.8
PBT	623.8	614.0	550.6	111.2
Taxes	56.1	55.3	13.0	5.4
Net Profit	567.6	558.7	537.6	105.8
% growth	1.6	3.9	408.1	
EPS (Rs)	23.1	22.7	24.1	8.3

Balance Sheet

(Rs crore)

Warrants issued with exercise price of Rs 228 will be converted by end FY07

Year to March 31	FY08E	FY07E	FY06	FY05
Liabilities				
Equity Capital	246	246	223	128
Warrants			49	
Reserves and Surplus	5,244	4,787	3,850	1,310
Net worth	5,490	5,033	4,122	1,438
Loan Funds	254	121	242	1,314
Other Liabilities & Provisions	97	92	103	58
Total	5,841	5,247	4,467	2,810
Assets				
Fixed Assets	65	70	181	227
Investments	2,893	2,773	2,231	1,644
Advances	250	0	0	0
Current Assets, Loans & Advances	2,595	2,374	2,043	934
Cash	38	29	12	5
Total	5,841	5,247	4,467	2,810

Ratios

Year to March 31	FY08E	FY07E	FY06	FY05
Price	610	610	610	610
Number of equity shares (in cr)	24.6	24.6	22.3	12.8
EPS (Rs)	23.1	22.7	24.1	8.3
BV (Rs)	223.0	204.5	182.3	112.5
BV-Adj (Rs)	223.0	204.5	182.3	112.5
P/E (x)	26.5	26.9	25.3	73.7
P/BV (x)	2.7	3.0	3.3	5.4
P/adj BV (x)	2.7	3.0	3.3	5.4
Dividend Yield (%)	0.7	0.6	0.5	0.5
DPS (Rs)	4.0	3.4	3.2	3.0
Net Profit Margin (%)	75.8	76.1	82.5	35.8
RoNW (%)	10.8	12.3	19.3	7.5
RoNaA (%)	10.4	11.8	15.1	3.7
RoE (%)	10.8	12.3	19.3	7.5
Cost/Net Income	15.4	13.7	9.2	23.1
Cost/Average assets	2.1	2.0	1.6	1.2
Leverage	1.0	0.9	0.9	2.0

RATING RATIONALE

ICICIdirect endeavours to provide objective opinions and recommendations. ICICIdirect assigns ratings to its stocks according to their notional target price vs current market price and then categorises them as Outperformer, Performer, Hold, and Underperformer. The performance horizon is 2 years unless specified and the notional target price is defined as the analysts' valuation for a stock.

Outperformer: 20% or more;

Performer: Between 10% and 20%;

Hold: \pm 10% return;

Underperformer: -10% or more.

Harendra Kumar

Head - Research and Content

harendra.kumar@icicidirect.com

ICICIdirect Research Desk
ICICI Brokerage Services Limited,
2nd Floor, Stanrose House,
Appasaheb Marathe Road,
Prabhadevi, Mumbai - 400 025
research@icicidirect.com

Disclaimer

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Brokerage Services Limited (IBSL). The author of the report does not hold any investment in any of the companies mentioned in this report. IBSL may be holding a small number of shares/position in the above-referred companies as on date of release of this report. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This information may not be taken in substitution for the exercise of independent judgement by any recipient. The recipient should independently evaluate the investment risks. IBSL and affiliates will not accept any liabilities for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Actual results may differ materially from those set forth in projections. IBSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. 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 IBSL and its affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.