

Profitability concerns remain

- IIB reported a healthy NII growth at 16% YoY. However, PPOP growth at 10% YoY was supported by high treasury gains, excluding which core PPOP de-grew by 10% YoY.
- Total COVID related provisions stood at 60 bps of advances or Rs12bn.
- Moratorium by value was at 16% (14% excluding MFI) for the bank, of which 90% is secured. Moratorium levels were at 50% in May-end.
- Management's conservative stance on growth and provisioning along with additional disclosures on 'BBB and below' (at over 30%) book provide some comfort. However, building a more sustainable franchise will have its medium term challenges.
- We build in ~300 bps of credit costs against management guidance of 185-200 bps. **We maintain our SELL recommendation on IIB with a TP of Rs460 based on 0.9x FY22E P/ABV.**

Slippages Remain Elevated

Slippages at 3.1% continue to remain high, 90% of which came from accelerated recognition of SMA-1,2 accounts from the bank's corporate portfolio. Consequently, SMA book declined to 35bps from 70 bps in 4QFY20. Segmental moratorium levels at 20% for vehicle, 15% for credit cards, and 9% for corporate do give confidence on asset quality. However, with high loan concentration in corporate book and over ~35% of loans in 'BBB and below' portfolio, we don't rule out asset quality surprises amidst a weak environment.

Building a granular liability profile have a bearing on CoF

IIB's share of retail deposits remains much below industry at 30% of total deposits. In its attempt to build a more sustainable granular liability profile, ability to cut SA and retail TD rates could remain limited over the medium term. CASA growth at 4% YoY (industry growth at ~12%) is also partly attributable to cannibalization led higher retail TD rates. Though NIM benefitted from better loan mix during 1QFY21, we see margin pressures coming from muted loan growth in higher yielding segments like MFI and increased risk aversion in the corporate book.

Q1FY21 Result (Rs Mn)

Particulars	Q1FY21	Q1FY20	YoY (%)	Q4FY20	QoQ (%)
Net interest income	33,092	28,440	16.4	32,312	2.4
Other income	15,192	16,633	(8.7)	17,720	(14.3)
Total Net Income	48,284	45,072	7.1	50,032	(3.5)
Operating expenses	19,671	19,163	2.6	21,670	(9.2)
Pre-provision profits	28,613	25,910	10.4	28,362	0.9
Provisions	22,589	4,306	424.6	24,403	(7.4)
Tax expense	1,418	7,278	(80.5)	940	50.8
Reported Net Profit	4,606	14,325	(67.8)	3,018	52.6
			(bps)		(bps)
Advances Growth (%)	2.4	28.4	(2068)	10.9	(859)
NIM (%)	4.3	4.1	23	4.3	3
RoA (%)	0.6	2.0	(142)	0.4	18
RoE (%)	5.4	19.5	(1416)	4.0	137
Gross NPA (%)	2.5	2.2	38	2.5	8

CMP	Rs 527
Target / Downside	Rs 460 / 13%
BSE Sensex	38,469
NSE Nifty	11,301

Scrip Details

Equity / FV	Rs 6,935mn / Rs 10
Market Cap	Rs 365bn
	US\$ 5bn
52-week High/Low	Rs 1,597/Rs 236
Avg. Volume (no)	29,406,300
NSE Symbol	INDUSINDBK
Bloomberg Code	IIB IN

Shareholding Pattern Jun'20(%)

Promoters	26.1
MF/Banks/FIs	14.9
FIs	42.2
Public / Others	16.9

Valuation (x)

	FY20A	FY21E	FY22E
P/E	8.3	25.6	8.9
P/ABV	1.2	1.2	1.0
ROAA	1.5	0.5	1.2
ROAE	14.6	4.3	11.2

Estimates (Rs mn)

	FY20A	FY21E	FY22E
NII	120,587	118,895	135,269
PPOP	107,741	90,968	98,276
PAT	44,188	15,518	44,808
Adj BV	453.4	457.8	510.5

VP Research: Mona Khetan

Tel: +91 22 40969762

E-mail: monak@dolatcapital.com

Associate: Shreesh Chandra

Tel: +91 22 40969714

E-mail: shreeshc@dolatcapital.com

Analyst: Prithvish Uppal

Tel: +91 22 40969700

E-mail: prithvish@dolatcapital.com

Other Important Highlights:

- Capital raise of Rs33bn will aid CET 1 ratio by 125 bps to ~14.4%
- The bank conducted another stress test factoring in the recent economic developments. The bank believes that the rural, MFI and vehicle finance segments will perform better than expectations. Based on this, slippage estimates due to COVID situation have been revised to 92bps vs 83bps as suggested by stress test 1. Incremental credit costs have similarly been revised to 65bps vs 53bps earlier
- Accelerated recognition of standard accounts reflect 90% of the slippages in the current quarter. SMA1 and SMA2 book has reduced to 35bps as a result.
- Cost of deposits fell by 32bps due to repricing of deposits and sharp reduction in corporate deposits rates. Repricing of bank borrowings helped in a 42bps reduction in cost of funds

Risks to our View: Lower than expected impact of COVID-19 on asset quality, growth, fee and recoveries, higher-than-expected recoveries from sub-standard assets.

Exhibit 1: Actual v/s estimates

(₹ mn)	Actual	Estimated	% Variance	Comments
NII	33,092	28,613	15.7	Lower than expected cost of deposits/funds
Operating Profit	28,613	23,613	21.2	Lower opex
PAT	4,606	1,970	133.8	

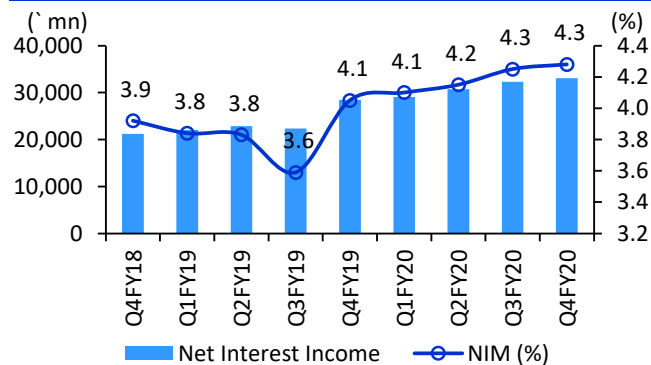
Source: Company, DART

Exhibit 2: Change in estimates

Particulars	Previous		Revised		Change %	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Net Operating Revenue	1,78,529	1,98,118	1,80,211	1,97,831	0.9	(0.1)
Pre Provision Profits	87,255	94,979	90,968	98,276	4.3	3.5
PAT	15,826	40,236	15,518	44,808	(1.9)	11.4

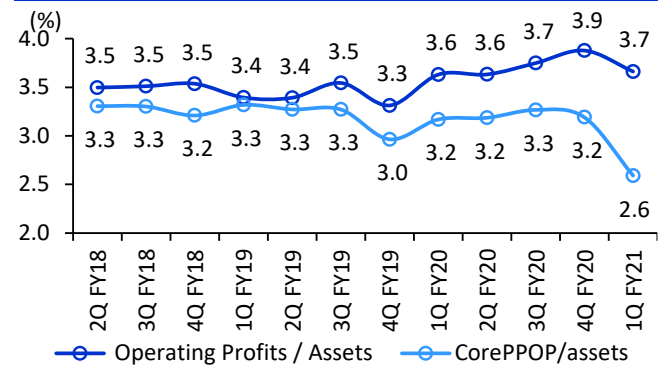
Source: Company, DART

Exhibit 3: Margins benefit due to a better loan mix despite a sharp decline in CD ratio



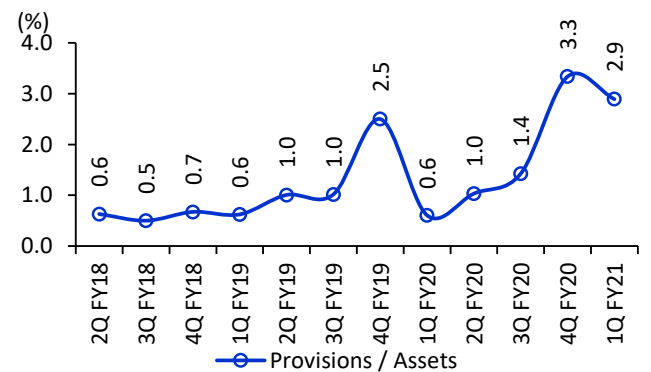
Source: Company, DART

Exhibit 4: Elevated treasury income supports PPOP



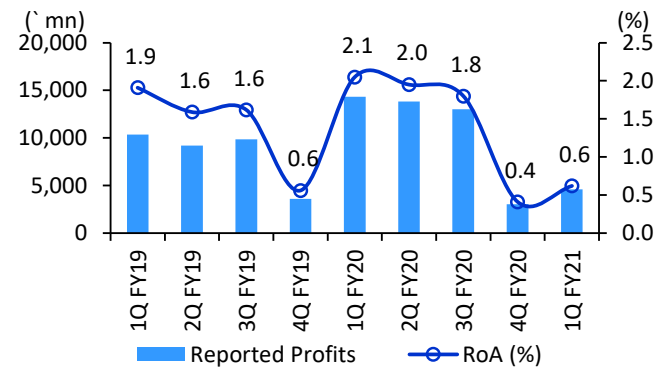
Source: Company, DART

Exhibit 5: Higher credit costs and additional COVID related provisions ...



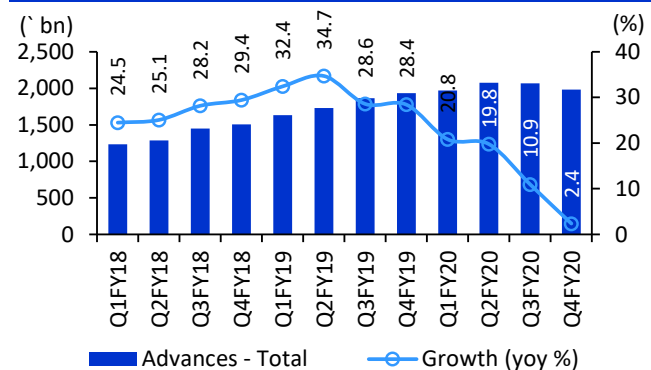
Source: Company, DART

Exhibit 6: ... keep return ratios depressed



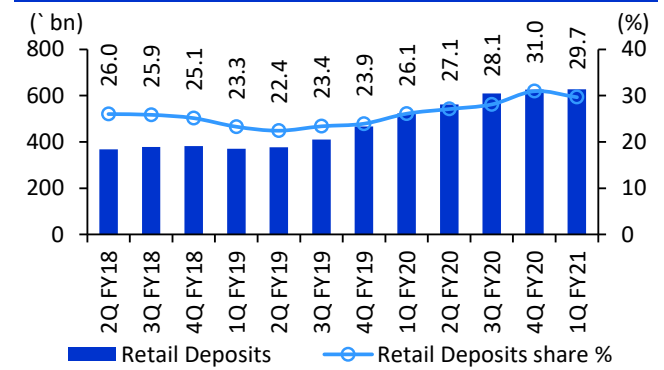
Source: Company, DART

Exhibit 7: Sharp decline in loan growth over the last few quarters



Source: Company, DART

Exhibit 8: Share of retail deposits remains low relative to peers



Source: Company, DART

Quarterly Financials

Profit and Loss (Rs mn)	Q1FY21	Q1FY20	% yoy / bps	Q4FY20	% qoq / bps
Interest Inc.	71,617	69,614	2.9	73,866	(3.0)
Yield on Advances (%)	11.9	11.3	60	11.9	(4)
Yield on Assets (%)	9.4	9.5	(13)	9.8	(39)
Interest Expenses	38,525	41,174	(6.4)	41,554	(7.3)
Cost of Dep. (%)	5.7	6.8	(107)	6.1	(32)
Cost of Fund (%)	5.1	5.9	(82)	5.5	(42)
Net Interest Income	33,092	28,440	16.4	32,312	2.4
NII to Net Operative Income	68.5	63.1	544	64.6	395
NIM (%)	4.28	4.1	23	4.3	3
Core Fee Income	6,820	14,210	(52.0)	13,900	(50.9)
Profit on Sale / Rev of Investments	8,380	2,410	247.7	3,828	118.9
Other Income - Total	15,192	16,633	(8.7)	17,720	(14.3)
Other Income to Net Operative Income	31.5	36.9	(544)	35.4	(395)
Net Operating Revenue	48,284	45,072	7.1	50,032	(3.5)
Employee Expenses	5,516	6,472	(14.8)	4,957	11.3
Empl. Cost/Oper. Exps.	11.4	14.4	(293)	9.9	152
Other Opex	14,154	12,691	11.5	16,713	(15.3)
Other Opex/ Assets	0.5	0.4	1	0.6	(12)
Total Opex	19,671	19,163	2.6	21,670	(9.2)
Cost to Income Ratio (%)	40.7	42.5	(178)	43.3	(257)
Pre Provision Profits	28,613	25,910	10.4	28,362	0.9
Provisions & Contingencies - Total	22,589	4,306	424.6	24,403	(7.4)
Credit Cost (%)	1.30	0.16	114	1.2	12
NPA Provisions as % Operating Income	78.9	16.6	6,233	86.0	(710)
Profit Before Tax	6,025	21,603	(72.1)	3,959	52.2
Tax	1,418	7,278	(80.5)	940	50.8
Effective Tax Rate (%)	23.5	33.7	(1,015)	23.7	(21.0)
Reported Profits	4,606	14,325	(67.8)	3,018	52.6
RoA (%)	0.6	2.1	(143)	0.4	21.0
RoE (%)	5.9	18.5	(1,259)	3.7	217
Basic EPS	6.6	20.7	(67.9)	4.4	52.6

Balance Sheet Analysis	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	QoQ % / bps	YoY % / bps
Net Worth	320,580	328,339	334,820	340,232	3,48,280	2.4	8.6
RoE (%)	18.5	17.3	15.6	3.7	5.9	217	(1,259)
CET1 (%)	13.0	12.8	12.1	13.2	13.2	(6)	20
Tier 1 (%)	14.5	14.3	13.5	14.6	14.5	(8)	2
Total CAR (%)	14.9	14.7	13.9	15.0	15.2	12	26
RWA - Total	2,310,940	2,372,230	2,458,520	2,586,050	26,17,220	1.2	13.3
Advances - Total	1,935,200	1,971,126	2,074,130	2,067,832	19,80,690	(4.2)	2.4
Investments	607,340	635,820	605,170	599,799	5,95,960	(0.6)	(1.9)
Total Assets	2,930,460	2,947,293	3,079,430	3,070,576	31,79,160	3.5	8.5
RoA (%)	2.05	1.95	1.80	0.41	0.62	21	(143)
Deposits	2,005,860	2,071,934	2,167,130	2,020,398	21,12,650	4.6	5.3
Saving Deposit	576,520	581,170	648,950	531,300	5,25,270	(1.1)	(8.9)
Current Deposit	288,870	277,210	269,700	284,270	3,19,460	12.4	10.6
CASA Deposits	865,390	858,380	918,650	815,570	8,44,730	3.6	(2.4)
CASA Ratio (%)	43.1	41.4	42.4	40.4	40.0	(38)	(312)
Term Deposits	1,140,470	1,213,554	1,248,480	1,204,828	12,67,920	5.2	11.2

Asset Quality (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	QoQ % / bps	YoY % / bps
Gross Advances	1,953,330	1,995,525	2,100,183	2,100,710	20,15,395	(4.1)	3.2
Gross NPA	41,997	43,702	45,784	51,467	50,990	(0.9)	21.4
Gross NPA Ratio (%)	2.15	2.19	2.18	2.45	2.53	8	38
PCR - Calculated (%)	43.3	49.6	52.5	63.3	66.6	325	2,328
Net Advances	1,935,374	1,966,580	2,069,800	2,073,165	19,80,663	(4.5)	2.3
Net NPA	23,805	22,026	21,733	18,866	17,034	(9.7)	(28.4)
Net NPAs Ratio (%)	1.23	1.12	1.05	0.91	0.86	(5)	(37)

Loan Book Analysis (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	QoQ % / bps	YoY % / bps
Corporate Banking	896,640	1,024,210	952,530	913,340	8,39,860	(8.0)	(6.3)
Large Corporates	502,120	521,660	512,840	477,420	4,38,190	(8.2)	(12.7)
Mid-size Corporates	352,210	333,690	396,770	395,590	3,66,490	(7.4)	4.1
Small Corporates	42,310	168,860	42,920	40,330	35,180	(12.8)	(16.9)
Consumer Finance	1,038,560	839,750	1,121,600	1,154,490	11,40,830	(1.2)	9.8
Comm. Vehicle Loans	248,530	244,440	249,770	239,480	2,37,370	(0.9)	(4.5)
Utility Vehicle Loans	38,460	35,970	42,640	43,770	43,600	(0.4)	13.4
Small CV	32,480	31,350	35,600	35,240	36,060	2.3	11.0
Two-Wheeler Loans	46,610	44,820	52,960	52,040	57,740	11.0	23.9
Car Loans	67,920	65,370	73,360	72,470	72,450	(0.0)	6.7
Tractor	37,700	35,200	44,000	46,700	46,730	0.1	24.0
Equipment Financing	78,760	75,690	82,380	80,830	81,110	0.3	3.0
Credit Card	39,110	43,820	45,760	47,620	47,750	0.3	22.1
Loan Against Property	86,780	89,250	95,390	94,480	94,690	0.2	9.1
BL, PL, GL, Others	69,920	60,950	77,570	83,110	79,710	(4.1)	14.0
MFI	182,450	-	207,570	242,320	2,34,660	(3.2)	28.6
BBG	109,840	112,890	114,600	116,430	1,08,960	(6.4)	(0.8)
Advances - Total	1,935,200	1,863,935	2,074,130	2,067,832	19,80,690	(4.2)	2.4

Conference Call Highlights

- Capital raising of Rs 3288crs approved by the board boosting CRAR by 125bps
- ECGL scheme – out of the eligible 3200crs, only 170rs or >2% of eligible customers have availed this facility
- The Bank's BBB exposures are granular / well collateralised with 5-year average slippages of 0.4% (excluding one large infra group NPA)

Asset Quality and Moratorium

- In moratorium 1.0, the bank had offered opt out for consumers and opt in for corporate customers. This approach has been changed in moratorium 2.0 to opt-in (ex-MFI)
- The current levels stand at 16% (11% by volume) for the overall bank and 14% excluding MFI (8% by volume) of which 90% is secured.
- ~92% of customers in moratorium 2.0 are from the moratorium 1.0 pool
- At the segment level, 19% (75% earlier) of the retail book while 9% (23% earlier) of the corporate book is under moratorium. Within the corporate book, share of BBB and below book is slightly higher in 9%
- In the retail book, ~10% of the customers from have not paid.
- Large number of customers have paid or moved out of the moratorium book (either interest or principle or both)
- **Vehicle financing:**
 - Moratorium levels stand at ~20% by value and ~10% by volume
 - Focus on small owner-operator segment has not been impacted as much as fleet operators who are facing a shortage of drivers
 - Slowdown in CV sales is also helping in higher capacity utilization of existing vehicles.
 - Bank has seen collection efficiencies improve to 75% levels from a low of 35% in April
 - Do not expect customer repayment behaviour to materially change due to moratorium (given 30yrs of experience of the bank in the segment)
- **MFI:**
 - Been in constant engagement with the customers and have seen rapid increase in collection efficiencies each week. Over 80% of customers have started paying; and over 90% of customers have paid at least one instalment due.
 - Diversified and low geographical concentration in the portfolio will help keep the bank ahead of industry
- **LAP and BB** are well secured typically with residential properties and have low LTVs.
- **Credit Cards** book is 3% of overall loans; 15% customers have opted for moratorium
- **PL and other unsecured** portfolios are relatively smaller

- **Corporate segment** moratorium is at ~9%, of which large corporates have a lower proportion while the smaller corporates have a higher share. Most borrowers opting for moratorium out of caution and to preserve liquidity and are spread across sectors.
 - 10 of the real estate book is under moratorium. Out of 98 projects, 92 have started construction activities while the balance are mobilizing resources to start construction
 - In NBFC/HFC, there are no overdues
 - Gems and Jewellery remains resilient and only one exposure of 5crs is under moratorium
 - Exposure to travel, education, and other stressed sectors is relatively low, however the bank continues to monitor the situation closely
- Rs 920crs of additional provisions made during the quarter in line with the outcomes of the stress tests, taking the total covid provisions to Rs 1203crs (or 90% of total provisioning levels indicated by stress test 2.0). Bank remains conservative on the provisioning approach.
- Rs 75crs of additional standard asset provisions have been made on the telecom exposures (in addition to the existing Rs 75crs standard provisions).
- Provision impact has been upfronted and bank did not avail dispensation benefit.
- Exposure to an infra group (IL&FS) was written off fully

Other Highlights

- NII was up despite lower loan growth due to lower cost of deposits. Fee lines were impacted by lower levels of economic activity. Additionally, treasury gains were utilized to shore up PCR levels
- Deposits traction was ramped up significantly. Deposit mix was improved further by reducing contribution of CDs to below 105 (from 15% earlier). Bulk of the traction came in end of June
- Cost of deposits fell by 32bps due to repricing and sharp reduction in corporate deposits rates. Repricing of borrowings helped in a 42bps reduction in cost of funds
- Proactively improved period end LCR to 139% and maintained an avg LCR of 124%
- Loan mix improving in favour of retail, thus reducing RWA density to 82% (from 85%).
- Costs improved largely due to lower levels of business activity and is expected to jump once activities resume.
- Externally rated share of BBB book has been slightly higher than internal benchmarks
- Fee lines have been well balanced. ~55% is from consumer segment; 28-30% from non-client-based transactions; and 20-25% is corporate fees. Mix is trending towards consumer and its share should improve as corporate activity remains muted. Once normal level of business activity resumes, fees should trend towards corporate again.
- Customer base split: MFI 8mn, VF 3mn, Liability customers 6mn, while the balance is split amongst other products like CC, LAP etc

Profit and Loss Account (Rs Mn)

Particulars	FY19A	FY20A	FY21E	FY22E
Interest Income	222,612	287,828	295,537	336,076
Interest expenses	134,150	167,241	176,643	200,807
Net interest income	88,462	120,587	118,895	135,269
Other incomes	56,467	69,528	61,317	62,562
Total expenses	64,047	82,373	89,244	99,555
- Employee cost	18,535	22,085	24,735	27,951
- Other	45,512	60,289	64,509	71,605
Pre provisioning profit	80,882	107,741	90,968	98,276
Provisions	31,077	46,526	70,229	38,396
Profit before taxes	49,806	61,215	20,738	59,880
Tax provision	16,797	17,027	5,220	15,072
Profit after tax	33,008	44,188	15,518	44,808
Adjusted profit	33,008	44,188	15,518	44,808

Balance Sheet (Rs Mn)

Particulars	FY19A	FY20A	FY21E	FY22E
Sources of Funds				
Equity Capital	6,027	6,935	7,550	7,550
Reserves & Surplus	260,833	340,130	381,695	418,853
Minority Interest	0	0	0	0
Net worth	266,860	347,065	389,246	426,403
Borrowings	473,211	607,536	593,192	582,916
- Deposits	1,948,679	2,020,398	2,372,767	2,846,002
- Other interest bearing liabilities	0	0	0	0
Current liabilities & provisions	89,444	95,577	83,227	100,056
Total Liabilities	2,778,194	3,070,575	3,438,431	3,955,378
Application of Funds				
Cash and balances with RBI	147,834	160,037	178,815	205,285
Investments	592,662	599,799	705,635	805,609
Advances	1,863,935	2,067,832	2,274,615	2,615,807
Fixed assets	17,100	18,201	20,954	23,750
Other current assets, loans and advances	156,664	224,707	258,413	304,927
Total Assets	2,778,194	3,070,575	3,438,431	3,955,378

E – Estimates

Important Ratios

Particulars	FY19A	FY20A	FY21E	FY22E
(A) Margins (%)				
Yield on advances	11.0	12.2	11.4	11.5
Yields on interest earning assets	9.5	10.6	9.9	9.9
Yield on investments	6.7	7.2	6.5	6.5
Costs of funds	6.2	6.6	6.3	6.3
Cost of deposits	6.4	6.7	6.5	6.4
NIMs	3.8	4.4	4.0	4.0
(B) Asset quality and capital ratios (%)				
GNPA	2.1	2.5	4.2	3.2
NNPA	1.2	0.9	1.2	1.0
PCR	43.0	63.3	70.0	70.0
Slippages	3.7	3.1	4.8	2.8
NNPA to NW	8.5	5.6	7.5	6.1
CASA	43.1	40.4	43.0	43.0
CAR	14.2	15.0	14.6	13.8
Tier 1	13.7	14.6	14.1	13.4
Credit - Deposit	95.7	102.3	95.9	91.9
(C) Dupont as a percentage of average assets				
Interest income	8.9	9.8	9.1	9.1
Interest expenses	5.4	5.7	5.4	5.4
Net interest income	3.5	4.1	3.7	3.7
Non interest Income	2.3	2.4	1.9	1.7
Total expenses	2.6	2.8	2.7	2.7
- cost to income	44.2	43.3	49.5	50.3
Provisions	1.2	1.6	2.2	1.0
Tax	0.7	0.6	0.2	0.4
RoA	1.3	1.5	0.5	1.2
Leverage	10.5	9.1	9.1	9.5
RoE	13.1	14.6	4.3	11.2
RoRwa	1.5	1.7	0.5	1.3
(D) Measures of Investments				
EPS - adjusted	54.8	63.8	20.6	59.3
BV	437.2	487.0	501.2	549.7
ABV	391.6	453.4	457.8	510.5
(E) Growth Ratios (%)				
Net interest income	18.0	36.3	(1.4)	13.8
PPoP	21.5	33.2	(15.6)	8.0
Adj PAT	(8.5)	33.9	(64.9)	188.7
Advances	28.6	10.9	10.0	15.0
Total borrowings	23.6	28.4	(2.4)	(1.7)
Total assets	25.4	10.5	12.0	15.0
(F) Valuation Ratios				
Market Cap (Rs. mn)	364,802	364,802	364,802	364,802
CMP (Rs.)	527	527	527	527
P/E (x)	9.6	8.3	25.6	8.9
P/BV (x)	1.2	1.1	1.1	1.0
P/ABV (x)	1.3	1.2	1.2	1.0

E – Estimates

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Oct-19	Accumulate	1,450	1,229
Jan-20	Accumulate	1,700	1,482
Mar-20	Reduce	474	312
Apr-20	Accumulate	410	407
Jul-20	Sell	410	495

*Price as on recommendation date

DART Team

Purvag Shah	Managing Director	purvag@dolatcapital.com	+9122 4096 9747
-------------	-------------------	-------------------------	-----------------

Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745
-------------------	------------------	-----------------------	-----------------

CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Yomika Agarwal	VP - Equity Sales	yomika@dolatcapital.com	+9122 4096 9772
Jubbin Shah	VP - Derivatives Sales	jubbins@dolatcapital.com	+9122 4096 9779
Ashwani Kandoi	AVP - Equity Sales	ashwanik@dolatcapital.com	+9122 4096 9725
Lekha Nahar	AVP - Equity Sales	lekhan@dolatcapital.com	+9122 4096 9740
Equity Trading	Designation	E-mail	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Dinesh Mehta	Co- Head Asia Derivatives	dinesh.mehta@dolatcapital.com	+9122 4096 9765
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Dolat Capital Market Private Limited.

Sunshine Tower, 28th Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400013

Analyst(s) Certification

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

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. 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 Dolat Capital Market Private Limited. and/or its affiliated company(ies) 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 a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

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

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

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited. has entered into an agreement with a U.S. registered broker-dealer Ltd Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer/Entity as informed by Dolat Capital Market Private Limited. from time to time.

Dolat Capital Market Private Limited.

Corporate Identity Number: U65990DD1993PTC009797

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INB010710052 & INF010710052, NSE - INB230710031& INF230710031, Research: INH000000685

Registered office: Office No. 141, Centre Point, Somnath, Daman – 396 210, Daman & Diu

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com
