

1 November 2020

IndusInd Bank

Decent quarter, asset quality stable; maintaining a Buy

Rating: **Buy**

Target Price: Rs682

Share Price: Rs586

Higher provisions (Rs9.5bn Covid-related) led to subdued Q2 earnings for IIB. Asset quality and PCR improved sequentially. The key positives for the quarter were 1) strong retail deposit growth, 2) strong collection efficiency, 3) management commentary of expected growth pick-up in H2 FY21 and 4) strong liquidity, PCR and capitalisation to withstand Covid-related stress. We maintain our positive view on the bank with a TP of Rs682, valuing it at 1.1x P/ABV on its FY22e book.

Asset quality improves. The bank's overall collection efficiency for Sep'20 was 94.7% (currently: ~96%). Collection was above 90% for each segment. GNPA sequentially improved 32bps (if standstill accounts included, 21bps). The bank expects restructuring of loans to be in low single-digits. Management said secured retail loans and parts of vehicle finance (cars, two-wheelers, tractors, construction equipments) are now normal and expects M&H CVs and MFI to normalise next quarter. With the ~Rs32.8bn capital raise, Rs400bn excess liquidity and its current provisions at 132% of its GNPA, the bank is well set to withstand expected Covid-related stress in the near term.

Profitability to be subdued once moratorium lifted. With an expected higher slippage rate in H2 FY21, we have built in 2.3% credit costs for FY21, which would keep the bank's earnings subdued in FY21. We estimate a 1.2% RoA for FY21 and 1.6% for FY22.

Valuation. Our Aug'21 Rs682 target is based on the two-stage DDM model. This implies a ~1.1x P/BV multiple on its FY22e book. **Risks:** Lumpy slippage from the corporate book; volatility in asset quality from the MFI book.

| Key financials (YE Mar) | FY18 | FY19 | FY20 | FY21e | FY22e |
|--------------------------------|--------|--------|---------|---------|---------|
| Net interest income (Rs m) | 74,974 | 88,462 | 120,587 | 138,547 | 153,548 |
| Pre-provisioning profit (Rs m) | 66,561 | 80,882 | 107,727 | 122,192 | 139,039 |
| Provisions (Rs m) | 11,754 | 31,077 | 46,521 | 64,693 | 59,518 |
| PAT (Rs m) | 36,060 | 33,011 | 44,179 | 43,009 | 59,482 |
| EPS (Rs) | 60 | 55 | 64 | 57 | 79 |
| NIM (%) | 4.0 | 3.8 | 4.5 | 4.4 | 4.2 |
| Cost-income (%) | 46 | 44 | 43 | 40 | 40 |
| RoE (%) | 16.2 | 13.1 | 14.6 | 11.4 | 13.6 |
| RoA (%) | 1.8 | 1.3 | 1.5 | 1.2 | 1.6 |
| Advances growth (%) | 28.2 | 28.6 | 10.9 | 10.0 | 12.0 |
| GNPA (%) | 1.2 | 2.1 | 2.5 | 4.7 | 4.2 |
| CAR (%) | 15.0 | 14.2 | 15.0 | 16.2 | 16.4 |
| P / E (x) | 9.7 | 10.7 | 9.2 | 10.3 | 7.4 |
| P / BV (x) | 1.5 | 1.3 | 1.2 | 1.1 | 1.0 |
| P / ABV (x) | 1.5 | 1.4 | 1.2 | 1.1 | 1.0 |

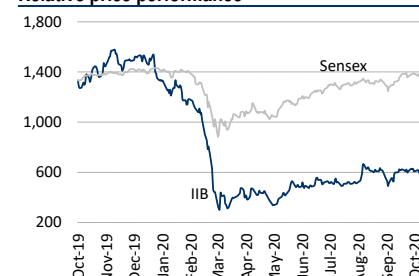
Source: Company, Anand Rath Research

| Key data | IIB IN / INBK.BO |
|--------------------|---------------------|
| 52-week high / low | Rs1597 / 236 |
| Sensex / Nifty | 39614 / 11642 |
| 3-m average volume | \$154.4m |
| Market cap | Rs443bn / \$5978.5m |
| Shares outstanding | 756m |

| Shareholding pattern (%) | Sep'20 | Jun'20 | Mar'20 |
|--------------------------|--------|--------|--------|
| Promoters | 14.7 | 14.7 | 14.3 |
| - of which, Pledged | - | - | 26.3 |
| Free float | 85.3 | 85.4 | 85.7 |
| - Foreign institutions | 52.8 | 52.1 | 53.6 |
| - Domestic institutions | 11.4 | 14.7 | 15.5 |
| - Public | 22.1 | 18.6 | 16.6 |

| Estimates revision (%) | FY21e | FY22e |
|-------------------------|-------|-------|
| NII | 5.5 | 3.1 |
| Pre-provisioning profit | 12.8 | 10.1 |
| PAT | 5.0 | 13.8 |

Relative price performance



Source: Bloomberg

Yuvraj Choudhary, CFA

Research Analyst

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Quick Glance – Financials and Valuations

Fig 1 – Income statement (Rs m)

| Year-end: Mar | FY18 | FY19 | FY20 | FY21e | FY22e |
|---------------------|---------|---------|---------|---------|---------|
| Net interest income | 74,974 | 88,462 | 120,587 | 138,547 | 153,548 |
| NII growth (%) | 23.7 | 18.0 | 36.3 | 14.9 | 10.8 |
| Non-interest income | 47,501 | 56,467 | 69,513 | 66,768 | 79,409 |
| Income | 122,475 | 144,929 | 190,101 | 205,315 | 232,957 |
| Income growth (%) | 19.7 | 18.3 | 31.2 | 8.0 | 13.5 |
| Operating expenses | 55,914 | 64,047 | 82,373 | 83,124 | 93,918 |
| PPOP | 66,561 | 80,882 | 107,727 | 122,192 | 139,039 |
| PPOP growth (%) | 22.1 | 21.5 | 33.2 | 13.4 | 13.8 |
| Provisions | 11,754 | 31,077 | 46,521 | 64,693 | 59,518 |
| PBT | 54,807 | 49,806 | 61,206 | 57,498 | 79,521 |
| Tax | 18,747 | 16,795 | 17,027 | 14,490 | 20,039 |
| PAT | 36,060 | 33,011 | 44,179 | 43,009 | 59,482 |
| PAT growth (%) | 25.7 | -8.5 | 33.8 | -2.6 | 38.3 |
| FDEPS (Rs / sh) | 60.1 | 54.8 | 63.7 | 56.9 | 78.6 |
| DPS (Rs / sh) | 7.5 | 9.0 | 0.0 | 7.1 | 9.8 |

Source: Company, Anand Rathi Research

Fig 2 – Balance sheet (Rs m)

| Year-end: Mar | FY18 | FY19 | FY20 | FY21e | FY22e |
|----------------------|-----------|-----------|-----------|-----------|-----------|
| Share capital | 6,002 | 6,027 | 6,935 | 7,565 | 7,565 |
| Reserves & surplus | 232,268 | 260,721 | 333,297 | 403,809 | 455,856 |
| Deposits | 1,516,392 | 1,948,679 | 2,020,398 | 2,384,070 | 2,765,521 |
| Borrowings | 382,891 | 473,211 | 607,535 | 577,159 | 519,443 |
| | 0 | 0 | 0 | 0 | 0 |
| Total liabilities | 2,216,262 | 2,778,194 | 3,070,576 | 3,479,443 | 3,841,753 |
| Advances | 1,449,537 | 1,863,935 | 2,067,832 | 2,274,615 | 2,547,569 |
| Investments | 500,767 | 592,662 | 599,799 | 683,771 | 765,824 |
| Cash & bank bal | 109,624 | 99,612 | 136,753 | 198,291 | 208,206 |
| Fixed & other assets | 13,398 | 17,100 | 18,201 | 18,565 | 19,493 |
| Total assets | 2,216,272 | 2,778,194 | 3,070,576 | 3,479,443 | 3,841,753 |
| No. of shares (m) | 600 | 603 | 694 | 756 | 756 |
| Deposits growth (%) | 19.8 | 28.5 | 3.7 | 18.0 | 16.0 |
| Advances growth (%) | 28.2 | 28.6 | 10.9 | 10.0 | 12.0 |

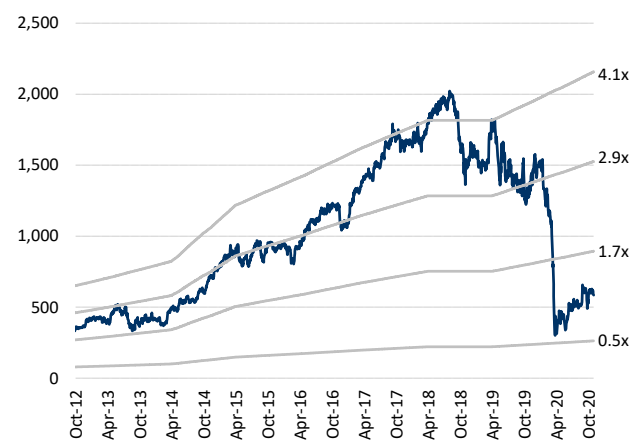
Source: Company, Anand Rathi Research

Fig 3 – Ratio analysis

| Year-end: Mar | FY18 | FY19 | FY20e | FY21e | FY22e |
|-----------------------------|-------|-------|-------|-------|-------|
| NIM | 4.0 | 3.8 | 4.5 | 4.4 | 4.2 |
| Other income / Total income | 38.8 | 39.0 | 36.6 | 32.5 | 34.1 |
| Cost-Income | 45.7 | 44.2 | 43.3 | 40.5 | 40.3 |
| Provision coverage | 56.3 | 43.0 | 63.3 | 74.1 | 76.7 |
| Dividend payout | 12.5 | 16.5 | 0.0 | 12.5 | 12.5 |
| Credit-deposit | 95.6 | 95.7 | 102.3 | 95.4 | 92.1 |
| Investment-deposit | 33.0 | 30.4 | 29.7 | 28.7 | 27.7 |
| Gross NPA | 1.2 | 2.1 | 2.5 | 4.7 | 4.2 |
| Net NPA | 0.5 | 1.2 | 0.9 | 1.2 | 1.0 |
| BV (Rs) | 397.0 | 442.6 | 490.6 | 543.8 | 612.6 |
| Adj. BV (Rs) | 388.3 | 416.5 | 471.5 | 517.7 | 589.1 |
| CAR | 15.0 | 14.2 | 15.0 | 16.2 | 16.4 |
| - Tier 1 | 14.6 | 13.7 | 14.6 | 15.5 | 15.7 |
| RoE | 16.2 | 13.1 | 14.6 | 11.4 | 13.6 |
| RoA | 1.8 | 1.3 | 1.5 | 1.2 | 1.6 |

Source: Company, Anand Rathi Research

Fig 4 – Price-to-Book band



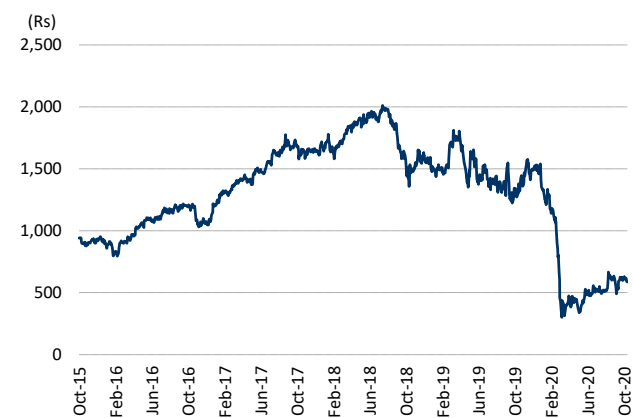
Source: Bloomberg

Fig 5 – One-year-forward price-to-book value



Source: Company, Anand Rathi Research

Fig 6 – Price movement



Source: Bloomberg

Key Highlights

Key conference-call takeaways

Loans

- Expects growth to pick up in H2 FY21, driven by secured retail, vehicle finance, MFI and mid-corporate portfolios.
- Two-wheelers, cars, construction equipment, secured retail loans, tractors are back to normal.
- M&H CVs and MFI are expected to show cyclical recovery in H2.
- Disbursed Rs16bn to MSME under the government-guaranteed scheme.

NIM

- Expected at 4.15%– 4.25%
- Carrying Rs400bn excess liquidity. It has 10bp impact on NIM.

Capital

- Rs32.88bn came in Sep'20.
- CRAR 16.56% with capital infusion.

Deposits

- CASA acquisition has been Rs100,000 a month (reaching pre-Covid levels)
- Would focus on scaling up deposit franchise with focus on retail deposits.
- CD is now 5% of deposits (10% in Jun'20, 15% in Mar'20).
- Would be reducing TD rates in Q3.
- 91% of CASA/FDs were sourced digitally.
- Could see a decline in current accounts due to the RBI circular on CA accounts.

Slippages / restructuring

- Rs3.99bn slippages for the quarter.
- Rs2.19bn NPAs at a standstill.
- Corporate slippages: zero.
- GNPA would have been 2.32% including standstill accounts (vs. 2.26% reported).
- Expect restructuring to be in low single-digits. Till now the bank has received a few enquiries. The sectors which could be restructured are luxury buses, hotels and education institutes.
- Management said two projects in its real estate portfolio, amounting to Rs5bn, are on the watchlist.

Provisions held as of Sep20

- Rs26.46bn (NPA)
- Rs21.55bn (Covid'19-related)

- Rs700m (floating)
- Rs9.72bn (standard assets)
- Rs1.5bn (other)
- Provisions are 132% of GNPA.

Collection efficiency (Sep)

- 94.7% - overall book (~96% currently)
- 94.3% - VF book
- 91.0% - MFI
- ~90% - Other retail assets (with secured portfolio, ie, business banking/LAP have 95% collection efficiency)
- ~100% - large corporate

Collection efficiency - VF for Sep

- 98.7% - cars
- 98.4% - construction equipment
- 95.6% - LCVs
- 95.4% - M&H CVs
- 92.1% - tractors
- 89.2% - two-wheelers
- 82.4% - SCVs
- Disbursements: 80% (as of Sep'19).

MFI

- Collection efficiency – 93% in Oct vs. 91% in Sep. Expects it to be 95% in the near term.
- 99.2% of customers have resumed payments since the lockdown.
- 99.9% cumulative collection efficiency for 2.7m new loan (May-Oct).
- 0.8% of customers have made no payments since May.
- Disbursements: 85% (as of Sep19).

PCR

- Would aim to keep it above 70%.

SMA

- SMA-1 – 23bps of loans.
- SMA-2 – 10bps of loans.

Fig 7 – Asset quality

| Break-up of GNPA (Rs m) | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | Q1 FY21 | Q2 FY21 |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Opening balance | 39,470 | 42,000 | 43,700 | 45,780 | 51,450 | 50,970 |
| Slippages | 7,250 | 11,020 | 19,450 | 20,570 | 15,370 | 3,990 |
| Gross-slippage ratio (%) | 1.50 | 2.24 | 3.75 | 3.98 | 3.10 | 0.79 |
| Reductions | 4,720 | 9,320 | 17,370 | 14,900 | 15,850 | 9,660 |
| Closing balance | 42,000 | 43,700 | 45,780 | 51,450 | 50,970 | 45,300 |
| Total GNPA | 41,997 | 43,702 | 45,784 | 51,467 | 50,990 | 45,322 |
| GNPA (%) | 2.15 | 2.19 | 2.18 | 2.45 | 2.53 | 2.21 |
| NNPA (%) | 1.23 | 1.95 | 1.05 | 0.91 | 0.86 | 0.52 |

Source: Company, Anand Rath Research

Fig 8 – Gross NPA – segment-wise - consumer finance, %

| | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | Q1 FY21 | Q2 FY21 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Commercial vehicles | 1.30 | 1.43 | 1.65 | 1.94 | 2.19 | 1.82 |
| Utility vehicles | 1.23 | 1.20 | 1.08 | 1.03 | 1.16 | 1.17 |
| Construction equipment | 0.84 | 0.97 | 1.00 | 1.05 | 1.11 | 0.90 |
| Small CVs | 1.38 | 1.72 | 1.66 | 1.78 | 1.82 | 1.78 |
| Two-wheelers | 3.56 | 3.16 | 2.88 | 3.14 | 2.62 | 3.80 |
| Cars | 0.76 | 0.73 | 0.70 | 0.71 | 0.80 | 0.87 |
| BBG / LAP | 1.35 | 1.27 | 1.03 | 1.21 | 1.23 | 0.89 |
| HL / PL / others | 1.02 | 1.04 | 1.12 | 0.93 | 0.54 | 0.40 |
| LAP / HL / PL | - | - | - | - | - | - |
| Tractors | 1.49 | 1.57 | 1.56 | 1.23 | 1.43 | 1.27 |
| Cards | 2.22 | 2.40 | 2.57 | 1.93 | 0.79 | 0.57 |
| MFI | 0.61 | 0.94 | 1.08 | 1.51 | 1.55 | 1.58 |
| Total | 1.24 | 1.34 | 1.35 | 1.49 | 1.48 | 1.36 |

Source: Company

Fig 9 – NPA – Corporate, %

| | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | Q1 FY21 | Q2 FY21 |
|-------------|---------|---------|---------|---------|---------|---------|
| GNPA | 2.88 | 2.90 | 2.86 | 3.32 | 3.57 | 3.02 |
| Slippages | 0.70 | 1.90 | 4.64 | 4.85 | 5.16 | 0.05 |
| Credit cost | 0.27 | 0.40 | 1.06 | 5.60 | 3.82 | 1.73 |

Source: Company, Anand Rath Research

Fig 10 – Segment-wise results

| Fee income (Rs m) | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | Q1 FY21 | Q2 FY21 |
|----------------------|---------------|---------------|---------------|---------------|--------------|---------------|
| General banking fees | 900 | 900 | 850 | 800 | 700 | 1,230 |
| Processing fees | 3,370 | 3,600 | 3,880 | 3,560 | 990 | 2,120 |
| FX | 2,500 | 2,770 | 2,410 | 2,480 | 1,550 | 2,280 |
| Insurance | 3,020 | 3,220 | 3,470 | 3,670 | 1,740 | 3,230 |
| Investment banking | 2,350 | 2,010 | 2,090 | 1,430 | 290 | 230 |
| Trade & remittances | 1,640 | 1,820 | 1,850 | 1,890 | 1,160 | 1,520 |
| Total | 13,780 | 14,320 | 14,550 | 13,830 | 6,430 | 10,610 |

Source: Company

Fig 11 – Break-up of advances

| (%) | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | Q1 FY21 | Q2 FY21 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Corporate and commercial banking (CCB) | 52.0 | 51.3 | 51.4 | 49.8 | 47.9 | 49.0 |
| Corporate banking | 44.1 | 43.4 | 43.9 | 42.2 | 40.6 | 41.3 |
| Small business | 7.9 | 7.9 | 7.6 | 7.6 | 7.3 | 7.6 |
| Consumer finance division (CFD) | 48.0 | 48.7 | 48.6 | 50.2 | 52.1 | 52.7 |
| Commercial vehicles | 12.8 | 12.7 | 12.0 | 11.6 | 12.0 | 12.1 |
| Equipment financing | 4.1 | 4.1 | 4.0 | 3.9 | 4.1 | 4.2 |
| Two-wheelers | 2.4 | 2.4 | 2.6 | 2.5 | 2.9 | 2.9 |
| Car loans | 3.5 | 3.6 | 3.5 | 3.5 | 3.7 | 3.8 |
| Utility vehicles + 3W | 5.6 | 5.8 | 5.9 | 6.1 | 6.4 | 6.9 |
| Home loans + LAP | 4.5 | 4.5 | 4.6 | 4.6 | 4.8 | 4.8 |
| Personal loans + credit cards | 5.6 | 6.1 | 5.9 | 6.3 | 6.4 | 6.6 |
| MFI | 9.4 | 9.6 | 10.0 | 11.7 | 11.8 | 11.3 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Company, Anand Rathi Research

Quarterly snapshot**Fig 12 – Income statement**

| (Rs m) | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | Q1 FY21 | Q2 FY21 |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Interest income | 69,614 | 71,504 | 72,845 | 73,866 | 71,617 | 71,772 |
| Interest expense | 41,174 | 42,408 | 42,105 | 41,554 | 38,525 | 38,992 |
| NII | 28,440 | 29,095 | 30,740 | 32,312 | 33,092 | 32,780 |
| Y/Y growth (%) | 34.0 | 32.1 | 34.3 | 44.7 | 16.4 | 12.7 |
| Non-interest income | 16,633 | 17,267 | 17,894 | 17,722 | 15,204 | 15,543 |
| Trading profits | 2,410 | 2,590 | 2,840 | 3,830 | 8,380 | 4,930 |
| Total Income | 45,072 | 46,362 | 48,634 | 50,034 | 48,296 | 48,323 |
| Y/Y growth (%) | 31.6 | 31.7 | 29.5 | 32.0 | 7.2 | 4.2 |
| Operating expenses | 19,163 | 20,363 | 21,178 | 21,467 | 19,019 | 19,803 |
| Of which, staff costs | 6,472 | 5,155 | 5,501 | 7,155 | 7,429 | 7,248 |
| PPOP | 25,910 | 25,999 | 27,456 | 28,567 | 29,277 | 28,520 |
| Y/Y growth (%) | 35.6 | 30.5 | 29.7 | 38.2 | 13.0 | 9.7 |
| Total provisions | 4,306 | 7,377 | 10,435 | 24,403 | 22,589 | 19,644 |
| PBT | 21,603 | 18,622 | 17,022 | 4,164 | 6,689 | 8,875 |
| Tax | 7,278 | 4,789 | 4,020 | 1,012 | 1,585 | 2,245 |
| PAT | 14,325 | 13,834 | 13,002 | 3,152 | 5,103 | 6,631 |
| Y/Y growth (%) | 38.3 | 50.3 | 32.0 | (12.5) | (64.4) | (52.1) |

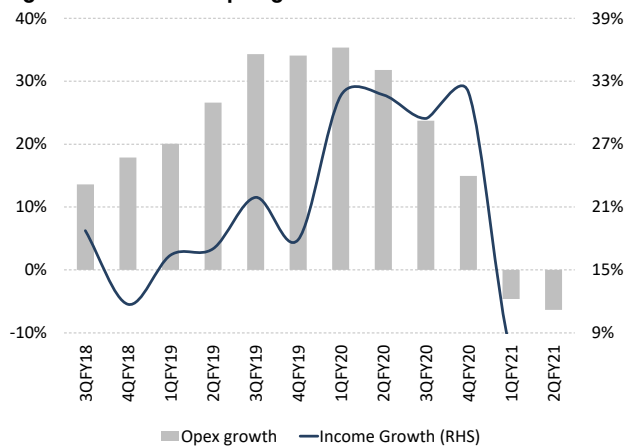
Source: Company, Anand Rathi Research

Fig 13 – Balance sheet

| (Rs m) | Q1 FY20 | Q2 FY20 | Q3 FY20 | Q4 FY20 | Q1 FY21 | Q2 FY21 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Equity capital | 6,930 | 6,930 | 6,930 | 6,935 | 6,940 | 7,565 |
| Reserves & Surplus | 313,650 | 328,262 | 334,630 | 340,130 | 348,080 | 389,176 |
| Deposits | 2,005,860 | 2,071,934 | 2,167,130 | 2,020,398 | 2,112,650 | 2,278,842 |
| Borrowings | 497,640 | 445,578 | 468,130 | 607,536 | 591,960 | 523,851 |
| Other Liabilities | 106,380 | 94,589 | 102,610 | 95,577 | 119,530 | 120,531 |
| Equity and Liabilities | 2,930,460 | 2,947,293 | 3,079,430 | 3,070,576 | 3,179,160 | 3,319,963 |
| Deposits y/y growth (%) | 26.3 | 23.2 | 23.3 | 3.7 | 5.3 | 10.0 |
| Deposits q/q growth (%) | 2.9 | 3.3 | 4.6 | (6.8) | 4.6 | 7.9 |
| Assets | | | | | | |
| Cash and cash balances | 214,420 | 146,482 | 207,880 | 160,037 | 361,180 | 458,446 |
| Advances | 1,935,200 | 1,971,126 | 2,074,130 | 2,067,832 | 1,980,690 | 2,012,468 |
| Investments | 607,340 | 635,820 | 605,170 | 599,799 | 595,960 | 629,527 |
| Other assets | 173,500 | 193,865 | 192,250 | 242,908 | 241,330 | 219,521 |
| Total Assets | 2,930,460 | 2,947,293 | 3,079,430 | 3,070,576 | 3,179,160 | 3,319,963 |
| Advances y/y growth (%) | 28.4 | 20.8 | 19.8 | 10.9 | 2.4 | 2.1 |
| Advances q/q growth (%) | 3.8 | 1.9 | 5.2 | (0.3) | (4.2) | 1.6 |

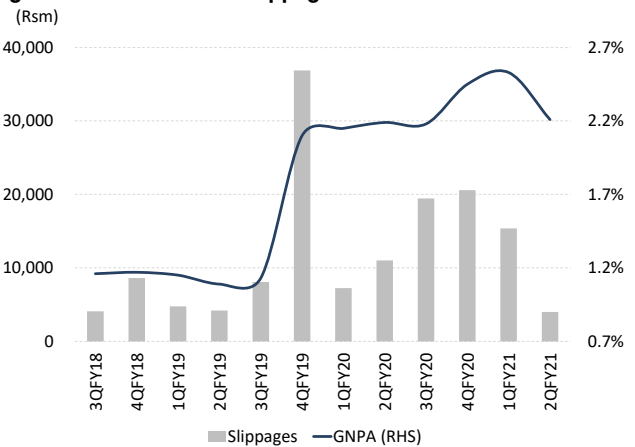
Source: Company, Anand Rathi Research

Fig 14 – Income vs. Opex growth



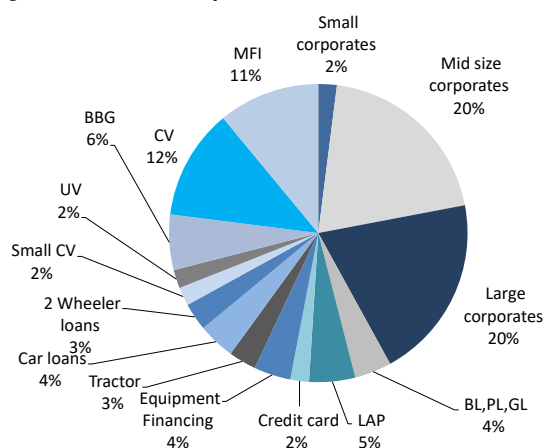
Source: Company, Anand Rathi Research

Fig 15 – Gross NPA and slippages



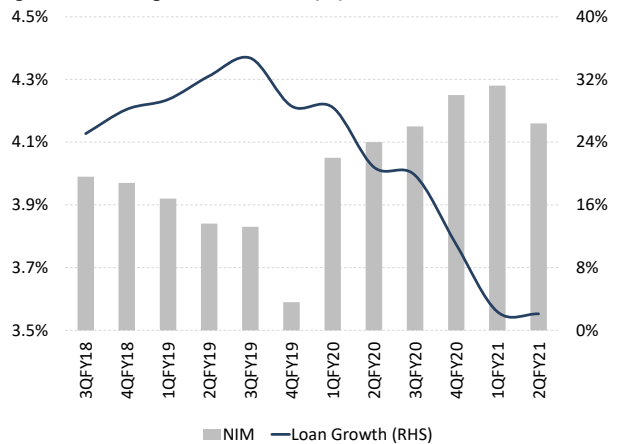
Source: Company, Anand Rathi Research

Fig 16 – Loan break-up



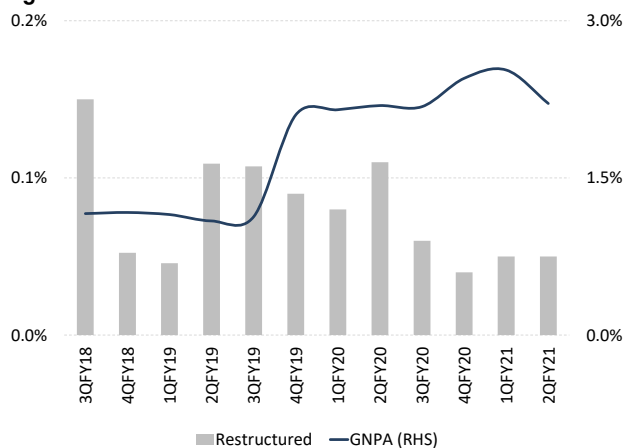
Source: Company, Anand Rathi Research

Fig 17 – Credit growth vs. NIM (%)



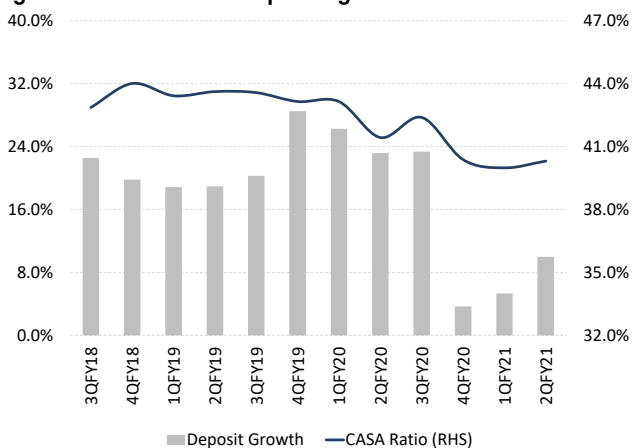
Source: Company, Anand Rathi Research

Fig 18 – Restructured assets vs. GNPA



Source: Company, Anand Rathi Research

Fig 19 – CASA ratio vs. Deposits growth



Source: Company, Anand Rathi Research

Valuation

Our Aug'21 target of Rs682 is based on the two-stage DDM model. This implies a ~1.1x P/BV multiple on its FY22e book.

Fig 20 – Change in estimates

| (Rs m) | FY21 | | | FY22 | | |
|-------------------------|---------|---------|-------|---------|---------|-------|
| | New | Old | Chg % | New | Old | Chg % |
| Net interest income | 138,547 | 131,292 | 5.5 | 153,548 | 148,926 | 3.1 |
| Pre-provisioning profit | 122,192 | 108,347 | 12.8 | 139,039 | 126,312 | 10.1 |
| PAT | 43,009 | 40,970 | 5.0 | 59,482 | 52,285 | 13.8 |

Source: Anand Rathi Research

Risks

- Lumpy slippages from the corporate book. Though unexpected, these would mar our forecasts.
- Any significant negative surprises on asset quality from the micro-finance book.

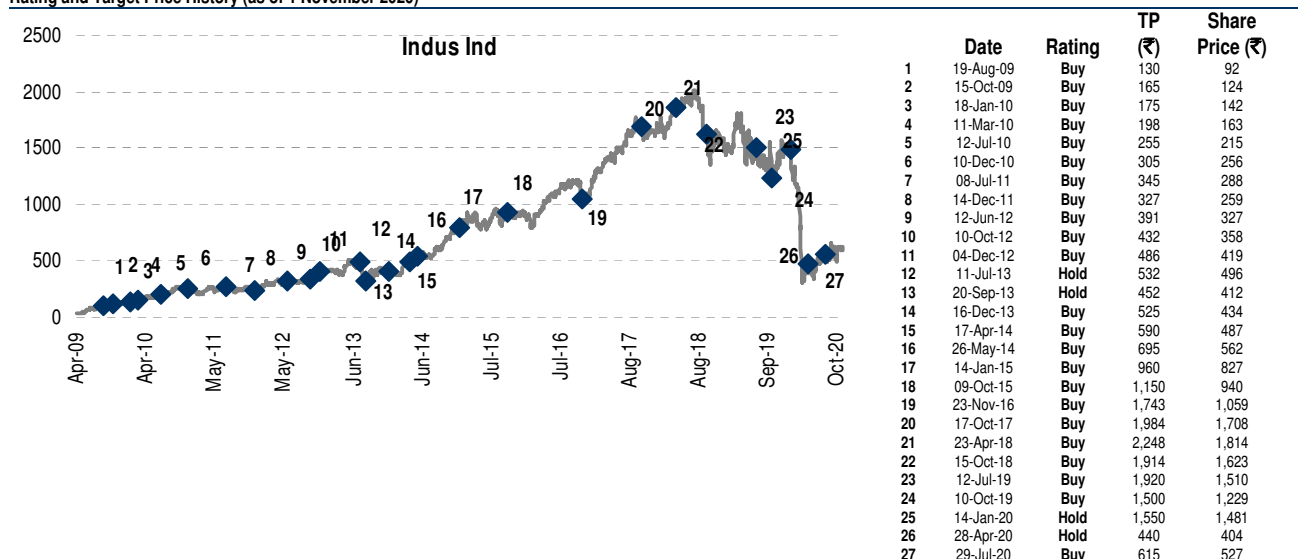
Appendix

Analyst Certification

The views expressed in this Research Report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the research analyst(s) in this report. The research analysts are bound by stringent internal regulations and also legal and statutory requirements of the Securities and Exchange Board of India (hereinafter "SEBI") and the analysts' compensation are completely delinked from all the other companies and/or entities of Anand Rathi, and have no bearing whatsoever on any recommendation that they have given in the Research Report.

Important Disclosures on subject companies

Rating and Target Price History (as of 1 November 2020)



Anand Rathi Ratings Definitions

Analysts' ratings and the corresponding expected returns take into account our definitions of Large Caps (>US\$1bn) and Mid/Small Caps (<US\$1bn) as described in the Ratings Table below:

Ratings Guide (12 months)

| | Buy | Hold | Sell |
|---------------------------|------|-------|------|
| Large Caps (>US\$1bn) | >15% | 5-15% | <5% |
| Mid/Small Caps (<US\$1bn) | >25% | 5-25% | <5% |

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