

Refer to important disclosures at the end of this report

Ready for growth; well provisioned to manage asset quality risk

- Axis Bank reported a slight miss on PAT at Rs21.6bn (vs. est. Rs22.9bn) in Q1FY22 due to subdued margins and higher opex/provisions. Higher-than-expected gross slippages (84% retail) led to a 15bps rise in GNPA to 3.85%. However, the bank did not utilize the Covid-related buffer in Q1, which remains steady and healthy at 0.8% of loans.
- Credit growth was moderate at 12% yoy/-1% qoq, lagging large peers (14-17%). However, the bank expects a better growth trajectory as the economy opens up, led by retail and SME businesses. As per Axis, the changing portfolio mix toward high-margin retail and the reduction in RIDF should boost margins.
- Axis has significantly revamped its subsidiaries (mainly Axis Cap/Axis Sec/Axis Fin) in past 3 years and made strategic investments in insurance (Maxlife) and fintech (Freecharge) as part of its 'One Axis' strategy to become a financial super-store. We believe there is huge scope to scale up subsidiaries in line with peers and drive up value for shareholders.
- The bank has undergone a major transformational journey, fortified the balance sheet and revamped the digital banking platform. We believe it is now ready to accelerate growth and deliver better return ratios (RoA/RoE at 1.5-1.6%/15-16% in FY23-24E). Retain Buy with a TP of Rs960 (valuing core bank at 2x Sep'23E ABV and subs/investment at Rs75).

Stepping-up digi-play; favorable portfolio mix to drive up NIMs: Within the retail portfolio, Axis will incrementally focus on high-margin products like MFI and expects revival in cards/PL book as the asset quality risk recedes. Axis is also at the forefront of tech transformation, with nearly 50% apps now being on cloud. It is the first bank to launch BNPL (Buy Now Pay Later) product through its subsidiary Freecharge, which was turned around by Axis after takeover. Management believes that it is ready for accelerated growth with clear focus on RARoC (Risk-Adjusted Return on Capital)-based lending, mainly driven by margin accretive retail/SME. On the corporate front, the focus will be on building granular working capital and mid-corporate book, which should also accelerate transactional fees.

Asset quality slips due to stress in retail, but Axis remains well covered: Gross slippages were elevated at Rs65.2bn (4.6% of loans), with retail contributing 84% of slippages (secured: unsecured ratio of 55:45). Higher stress in retail was mainly due to mortgages, where customers delayed payments to preserve cash flow amid Covid-related uncertainty. However, the bank believes recovery rates in the secured portfolio should be strong and should see meaningful reverses. Fund-based BB & below corporate pool inched up qoq to Rs80bn (1.2% of loans), but including non-fund exposure and investment pool, it stood at Rs130bn (2.2% of loans). Restructured loans stood at 0.4% of loans, but Axis carries healthy PCR of 23%. Separately, the bank also carries healthy Covid-related provisions of Rs50bn - 0.8% of loans. We believe the bank will utilize the provisions once it has better visibility on asset quality.

Outlook and valuations: We expect the bank's RoA/RoE to improve from a low of 0.7%/7% in FY21 to 1.5-1.6%/16% by FY23-24E, mainly driven by better growth and moderate credit costs. Valuations look attractive at 1.5x FY24E ABV, post stripping-off subs valuation. Retain Buy with a TP of Rs960, valuing the core bank at 2x Sep'23E ABV and subs at Rs75. Key risks to our call include 1) slower growth and higher NPA formation due to Covid-induced disruption, and 2) any sign of management instability, which has moderated a bit recently.

Please see our sector model portfolio (Emkay Alpha Portfolio): [BFSI-Banks \(Page 8\)](#)

Financial Snapshot (Standalone)

(Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Net income	407,428	440,773	507,377	587,684	698,628
Net profit	16,272	65,886	133,644	181,904	230,187
EPS (Rs)	6.0	22.4	43.6	59.3	75.1
ABV (Rs)	306.1	353.3	374.5	438.1	517.1
RoA (%)	0.2	0.7	1.3	1.5	1.6
RoE (%)	2.2	7.1	12.3	14.5	15.7
PE (x)	125.3	33.8	17.3	12.7	10.1
P/ABV	2.3	2.0	1.9	1.6	1.4

Source: Company, Emkay Research

CMP	Target Price
Rs 756 as of (July 26, 2021)	Rs 960 (■) 12 months
Rating	Upside
BUY (■)	27.0 %

Change in Estimates

EPS Chg FY22E/FY23E (%)	-/
Target Price change (%)	-
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

EPS Estimates		
	FY22E	FY23E
Emkay	43.6	59.3
Consensus	45.3	58.7
Mean Consensus TP (12M)	Rs 859	

Stock Details

Bloomberg Code	AXSB IN
Face Value (Rs)	2
Shares outstanding (mn)	3,065
52 Week H/L	800 / 400
M Cap (Rs bn/USD bn)	2,318 / 31.15
Daily Avg Volume (nos.)	11,495,160
Daily Avg Turnover (US\$ mn)	112.0

Shareholding Pattern Jun '21

Promoters	11.4%
FIIIs	51.2%
DIIIs	23.7%
Public and Others	13.8%

Price Performance

(%)	1M	3M	6M	12M
Absolute	(1)	8	15	70
Rel. to Nifty	-	(1)	3	20

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

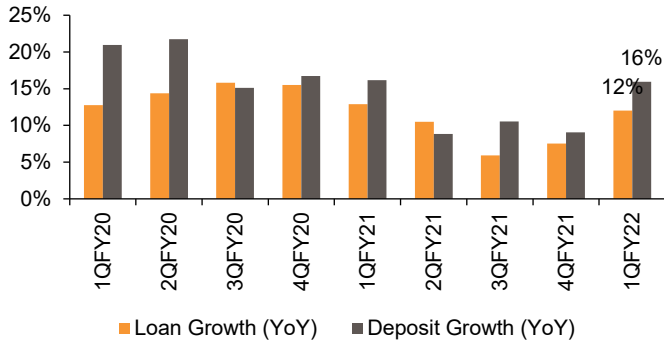
Anand Dama
anand.dama@emkayglobal.com
+91 22 6624 2480

Neelam Bhatia
neelam.bhatia@emkayglobal.com
+91 22 6612 1262

Mayank Agarwal
mayank.agarwal@emkayglobal.com
+91 22 6612 1244

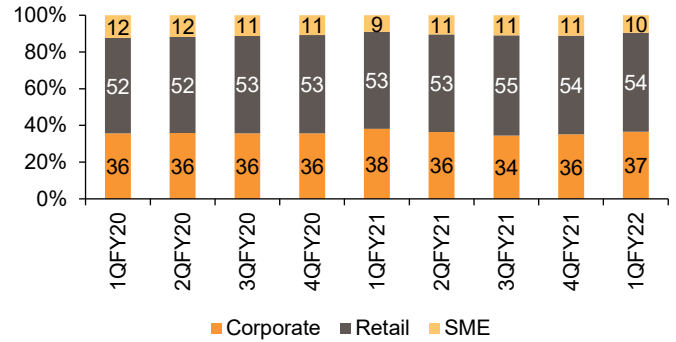
Story in charts

Exhibit 1: Growth set to accelerate as economy opens up



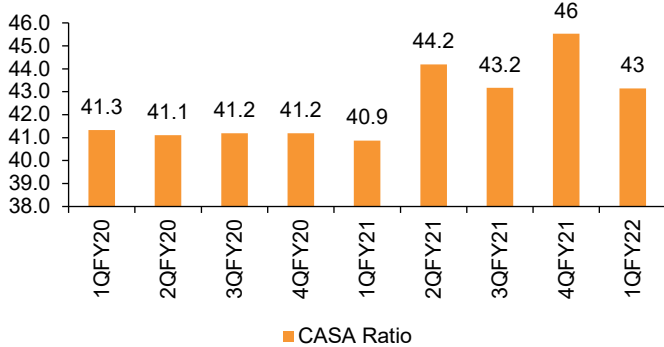
Source: Company, Emkay Research

Exhibit 2: Retail share remains healthy at 54%



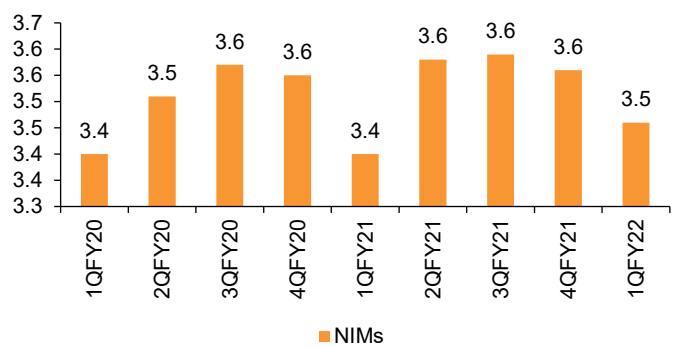
Source: Company, Emkay Research

Exhibit 3: CASA ratio remains healthy at 43%



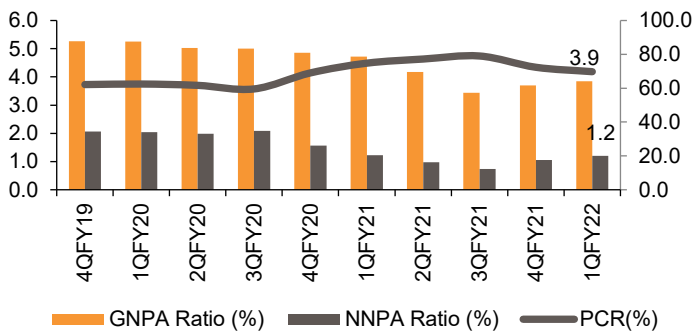
Source: Company, Emkay Research

Exhibit 4: NIM down qoq due to interest reversal and higher liquidity



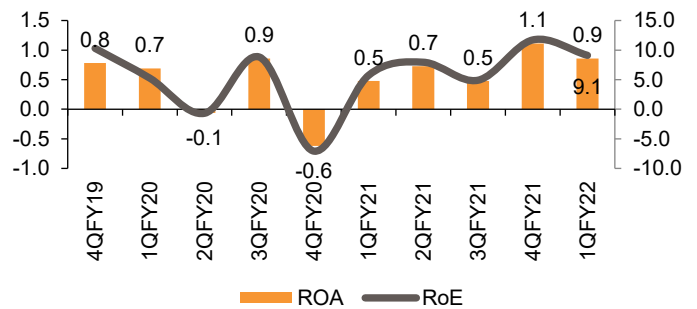
Source: Company, Emkay Research

Exhibit 5: NPA ratio inches up due to elevated stress in retail



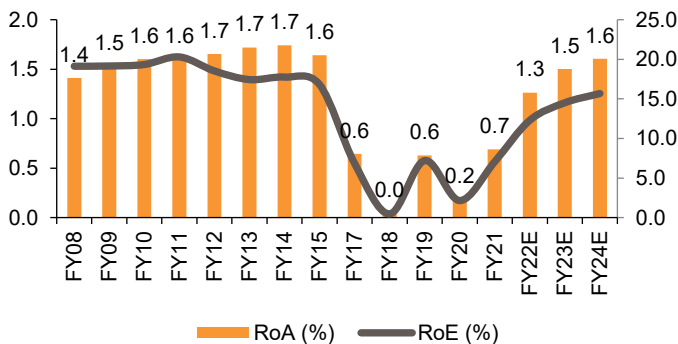
Source: Company, Emkay Research

Exhibit 6: Return ratios impacted due to higher opex and provisions



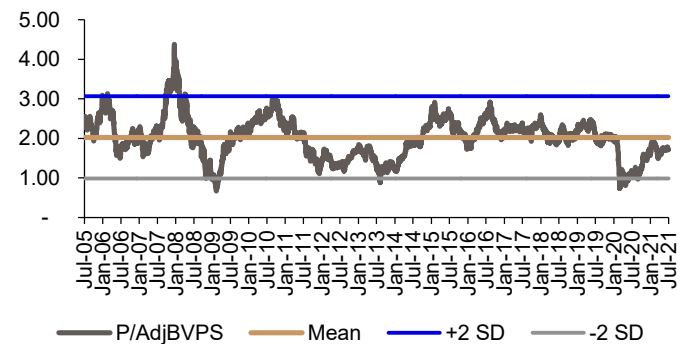
Source: Company, Emkay Research

Exhibit 7: We expect return ratios to meaningfully improve led by better growth and lower credit costs



Source: Emkay Research

Exhibit 8: The stock currently trades at 1.7x – 1-year forward ABV, adjusted for subsidiaries valuation



Source: Emkay Research

Exhibit 9: Actual vs. Estimates (Q1FY22)

Rs mn	Actual	Estimates		% Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	113,484	106,488	106,613	7%	6%	Higher other income leads to a beat
PPOP	64,160	62,636	62,762	2%	2%	Higher net income supported PPOP
PAT	21,602	22,916	24,423	-6%	-12%	Higher provisions led to a miss

Source: Company, Emkay Research

Exhibit 10: Quarterly Summary

Rs (mn)	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22	YoY (%)	QoQ (%)	FY21	FY22E	YoY (%)
Interest Earned	165,389	160,629	154,984	155,451	160,035	-3	3	636,452	689,460	8
Interest Exp	95,536	87,368	81,256	79,902	82,432	-14	3	344,061	351,635	2
Net Interest Income	69,853	73,261	73,728	75,549	77,603	11	3	292,391	337,825	16
Global NIMs (reported)	3.40	3.58	3.59	3.56	3.46	6bps	-10bps	3.40	3.50	11bps
Non-interest Income	25,867	38,072	37,760	46,683	35,882	39	-23	148,382	169,552	14
Operating Expenses	37,276	42,356	50,533	53,586	49,324	32	-8	183,751	210,894	15
Pre Provisioning Profit	58,444	68,977	60,955	68,646	64,160	10	-7	257,022	296,483	15
Provision & Contingencies	44,164	45,807	46,043	32,950	35,320	-20	7	168,963	117,887	-30
PBT	14,280	23,170	14,912	35,697	28,840	102	-19	88,059	178,596	103
Income Tax Expense (Gain)	3,158	6,343	3,746	8,926	7,239	129	-19	22,173	44,953	103
Net Profit/(Loss)	11,122	16,827	11,166	26,771	21,602	94	-19	65,886	133,644	103
Gross NPA (%)	4.72	4.18	3.44	3.70	3.85	-87bps	15bps	3.54	3.32	-22bps
Net NPA (%)	1.23	0.98	0.74	1.05	1.20	-3bps	15bps	1.00	0.95	-5bps
Deposits (Rs in bn)	6,157	6,355	6,541	6,980	7,139	16	2	7,073	8,139	15
Net Advances (Rs in bn)	5,488	5,764	5,828	6,144	6,149	12	0	6,237	7,188	15

Source: Company, Emkay Research

Exhibit 11: Revision in estimates

Y/E Mar (Rs mn)	FY22E			FY23E			FY24E		
	Earlier	Revised	% change	Earlier	Revised	% change	Earlier	Revised	
Net income	500,367	507,377	1.4%	581,578	587,684	1.0%	697,874	698,628	0.1%
PPOP	292,634	296,483	1.3%	344,445	344,445	0.0%	420,949	419,248	-0.4%
PAT	133,643	133,644	0.0%	181,904	181,904	0.0%	230,187	230,187	0.0%
EPS (Rs)	43.6	43.6	0.0%	59.4	59.3	0.0%	75.1	75.1	0.0%
BV (Rs)	378.2	378.1	0.0%	440.4	440.2	0.0%	518.3	518.1	0.0%

Source: Emkay Research

Exhibit 12: Key Assumptions

	FY21A	FY22E	FY23E	FY24E
Loan Growth %	9.2	15.2	20.4	22.5
Deposit Growth %	10.5	15.1	18.3	20.4
NIM %	3.4	3.5	3.6	3.6
GNPA %	3.5	3.3	2.9	2.6
Credit Cost %	2.5	1.6	1.2	1.1

Source: Emkay Research

Exhibit 13: Key trends and ratios

	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21	4QFY21	1QFY22
Loans (Rs mn)	4,972,760	5,215,937	5,501,377	5,714,242	5,488,455	5,763,725	5,827,539	6,143,994	6,148,737
growth YoY %	12.7	14.4	15.8	15.5	10.4	10.5	5.9	7.5	12.0
Composition %									
- Corporate	35.7	35.9	35.8	35.7	38.1	36.5	34.5	35.7	36.6
- SME/BB	12.4	11.8	11.2	10.8	9.0	10.5	11.0	11.4	9.5
- Retail	51.9	52.4	53.0	53.4	52.9	53.0	54.6	54.4	53.9
Liability Profile %									
Deposit (Rs mn)	5,406,777	5,839,585	5,916,755	6,401,049	6,156,550	6,354,543	6,541,403	6,979,853	7,138,620
growth YoY %	20.9	21.7	15.1	16.7	13.9	8.8	10.6	9.0	16.0
CASA	41.3	41.1	41.2	41.2	41.7	44.2	43.2	45.5	43.1
CA	13.2	13.6	13.2	14.1	13.1	15.8	14.2	16.2	13.6
SA	28.2	27.6	27.9	27.1	28.6	28.4	29.0	29.3	29.6
NIM %	3.4	3.5	3.6	3.6	3.4	3.6	3.6	3.6	3.5
NIM %- Domestic	3.6	3.6	3.7	3.7	3.6	3.7	3.7	3.7	3.6
Asset Quality									
GNPA %	5.7	5.4	5.3	5.1	5.2	4.5	3.7	4.0	4.1
NNPA %	2.0	2.0	2.1	1.6	1.2	1.0	0.7	1.1	1.2
PCR % - Specific	62.5	61.7	59.6	69.0	74.8	77.2	79.0	72.4	69.8
Slippages %	4.35	4.37	5.23	3.17	1.78	0.71	0.02	8.63	4.75
Capital Adequacy									
CAR %	16.1	18.2	18.2	17.5	17.5	19.4	18.7	19.1	19.0
Tier I %	12.9	15.0	15.0	14.5	14.6	16.5	15.9	16.5	16.5
ROE Decomposition % (on total assets)									
NII	3.4	3.5	3.7	3.8	3.8	3.9	3.8	3.8	3.7
Other Income (Ex Treasury)	1.8	1.8	1.9	2.1	1.1	1.6	1.8	1.9	1.5
Opex	2.2	2.3	2.6	2.8	2.0	2.3	2.6	2.7	2.4
PPOP	3.4	3.4	3.3	3.3	3.2	3.7	3.1	3.4	3.1
PBT	1.2	1.4	1.3	(1.0)	0.8	1.2	0.8	1.8	1.4
Tax	0.4	1.5	0.3	(0.3)	0.2	0.3	0.2	0.4	0.3
ROA	0.7	(0.1)	0.9	(0.6)	0.5	0.7	0.5	1.1	0.9
Leverage (x)	11.4	10.2	9.6	10.1	10.5	9.8	9.4	9.6	9.7
ROE	7.9	(0.6)	8.3	(7.1)	5.7	7.9	4.9	11.7	9.1

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Net interest income	252,062	292,391	337,825	395,172	475,381
Other income	155,366	148,382	169,552	192,512	223,247
Fee income	96,919	93,589	107,627	125,924	151,109
Net income	407,428	440,773	507,377	587,684	698,628
Operating expenses	173,046	183,751	210,894	243,239	279,381
Pre provision profit	234,382	257,022	296,483	344,445	419,248
PPP excl treasury	212,659	233,999	274,611	323,667	399,508
Provisions	185,339	168,963	117,887	101,356	111,634
Profit before tax	49,042	88,059	178,596	243,089	307,613
Tax	32,770	22,173	44,953	61,186	77,426
Tax rate	67	25	25	25	25
Profit after tax	16,272	65,886	133,644	181,904	230,187

Balance Sheet

Y/E Year End (Rs mn)	FY20	FY21	FY22E	FY23E	FY24E
Equity	5,643	6,128	6,130	6,130	6,130
Reserves	843,835	1,009,903	1,152,437	1,343,037	1,581,730
Net worth	849,478	1,016,030	1,158,567	1,349,167	1,587,860
Deposits	6,401,049	7,073,061	8,138,723	9,625,442	11,586,065
Borrowings	1,201,238	1,183,832	1,033,139	981,482	932,408
Total liabilities	9,151,648	9,961,183	11,193,049	13,047,730	15,653,856
Cash and bank	849,592	518,086	595,798	685,168	787,943
Investments	1,567,343	2,261,196	2,398,407	2,644,590	3,024,665
Loans	5,714,242	6,237,202	7,188,137	8,652,879	10,595,824
Others	854,252	803,037	852,667	943,164	1,086,872
Total assets	9,151,648	9,961,183	11,193,049	13,047,730	15,653,856

Key Ratios (%)

Y/E Year End	FY20	FY21	FY22E	FY23E	FY24E
NIM	3.3	3.4	3.5	3.6	3.6
Non-II/avg assets	1.8	1.6	1.6	1.6	1.6
Fee income/avg assets	1.1	1.0	1.0	1.0	1.1
Opex/avg assets	2.0	1.9	2.0	2.0	1.9
Provisions/avg assets	2.2	1.8	1.1	0.8	0.8
PBT/avg assets	0.6	0.9	1.7	2.0	2.1
Tax/avg assets	0.4	0.2	0.4	0.5	0.5
RoA	0.2	0.7	1.3	1.5	1.6
RoAE	2.2	7.1	12.3	14.5	15.7
GNPA (%)	4.5	3.5	3.3	2.9	2.6
NNPA (%)	1.6	1.0	1.0	0.8	0.8

Per Share Data (Rs)	FY20	FY21	FY22E	FY23E	FY24E
EPS	6.0	22.4	43.6	59.3	75.1
BVPS	315.0	345.3	378.1	440.2	518.1
ABVPS	306.1	353.3	374.5	438.1	517.1
DPS	0.2	0.0	8.0	12.0	16.0

Valuations (x)	FY20	FY21	FY22E	FY23E	FY24E
PER	125.3	33.8	17.3	12.7	10.1
P/BV	2.5	2.1	2.0	1.7	1.5
P/ABV	2.3	2.0	1.9	1.6	1.4
P/PPOP	8.5	8.4	7.3	6.3	5.2
Dividend Yield (%)	0.0	0.0	1.1	1.6	2.1

Source: Company, Emkay Research

Growth (%)	FY20	FY21	FY22E	FY23E	FY24E
NII	16.1	16.0	15.5	17.0	20.3
PPOP	23.3	9.7	15.4	16.2	21.7
PAT	(65.2)	304.9	102.8	36.1	26.5
Loans	15.5	9.2	15.2	20.4	22.5

Quarterly (Rs mn)	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22
NII	69,853	73,261	73,728	75,549	77,603
NIM(%)	3.4	3.6	3.6	3.6	-
PPOP	58,444	68,977	60,955	68,646	64,160
PAT	11,122	16,827	11,166	26,771	21,602
EPS (Rs)	3.94	5.50	3.65	8.74	7.05

Source: Company, Emkay Research

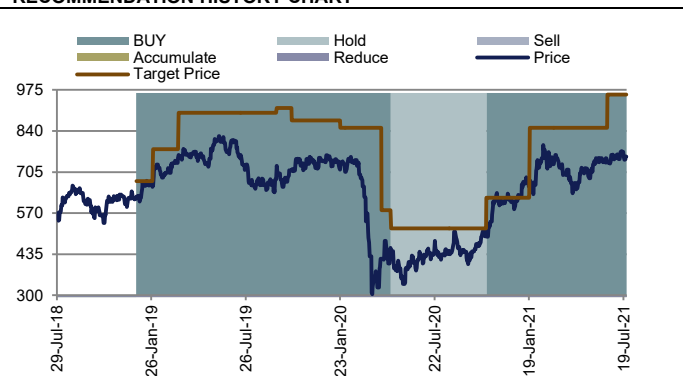
Shareholding Pattern (%)	Aug-20	Sep-20	Dec-20	Mar-21	Jun-21
Promoters	14.5	14.5	13.6	13.3	11.4
FIIIs	47.5	48.2	49.8	50.2	51.2
DIIIs	23.5	23.4	23.0	22.7	23.7
Public and Others	14.5	13.9	13.7	13.9	13.8

Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
18-Jun-21	736	960	12m	Buy	Anand Dama
28-Apr-21	708	850	12m	Buy	Anand Dama
28-Jan-21	671	850	12m	Buy	Anand Dama
20-Jan-21	676	850	12m	Buy	Anand Dama
29-Oct-20	494	620	12m	Buy	Anand Dama
22-Jul-20	479	520	12m	Hold	Anand Dama
29-Apr-20	439	520	12m	Hold	Anand Dama
11-Apr-20	420	580	12m	Buy	Anand Dama
23-Jan-20	723	850	12m	Buy	Anand Dama
22-Oct-19	713	875	12m	Buy	Anand Dama
9-Oct-19	686	915	12m	Buy	Anand Dama
23-Sep-19	726	915	12m	Buy	Anand Dama
31-Jul-19	674	900	12m	Buy	Anand Dama
25-Apr-19	741	900	12m	Buy	Anand Dama
20-Mar-19	756	900	12m	Buy	Anand Dama
19-Mar-19	761	900	12m	Buy	Anand Dama
29-Jan-19	661	780	12m	Buy	Anand Dama
28-Dec-18	625	675	12m	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART


Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – BFSI-Banks



Analyst: Anand Dama

Contact Details

anand.dama@emkayglobal.com
+91 22 6624 2480

Sector

Banks

Analyst bio

Anand Dama is a CA, CPM (ICFAI) with total 13 years of research experience, in addition to 3 years in the finance/rating industry. His team currently covers 21 banks and 15 stocks in the NBFC/Insurance space.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
BFSI-Banks	20.09	20.09	0.0%	0	100.00
Axis Bank	2.19	2.29	5%	11	11.42
AU Small Finance Bank	0.27	0.19	-29%	-8	0.96
Bandhan Bank	0.24	0.24	0%	0	1.21
Bank of Baroda	0.16	0.14	-14%	-2	0.70
Canara Bank	0.08	0.00	-100%	-8	0.00
City Union Bank	0.13	0.13	0%	0	0.63
DCB Bank	0.00	0.00	NA	0	0.00
Equitas Small Finance Bank	0.00	0.02	NA	2	0.11
Federal Bank	0.19	0.19	0%	0	0.93
HDFC Bank	6.47	6.57	1%	9	32.69
ICICI Bank	5.15	5.33	4%	19	26.54
Indian Bank	0.00	0.04	NA	4	0.20
Indusind Bank	0.63	0.75	18%	12	3.72
Karur Vysya Bank	0.00	0.00	NA	0	0.00
Kotak Mahindra Bank	2.48	2.13	-14%	-34	10.62
Punjab National Bank	0.13	0.00	-100%	-13	0.00
RBL Bank	0.11	0.08	-27%	-3	0.41
State Bank of India	1.81	1.98	9%	17	9.85
Ujjivan Small Finance Bank	0.00	0.00	NA	0	0.00
Union Bank of India	0.05	0.00	-100%	-5	0.00
Yes Bank	0.00	0.00	NA	0	0.00
Cash	0.00	0.00	NA	0	0.00

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

Sector portfolio NAV

	Base					Latest
	1-Apr-19	24-Jul-20	22-Jan-21	23-Apr-21	22-Jun-21	23-Jul-21
EAP - BFSI-Banks	100.0	78.9	107.1	109.0	118.6	119.8
BSE200 Neutral Weighted Portfolio (ETF)	100.0	77.8	105.3	106.9	116.2	117.2

*Performance measurement base date 1st April 2019

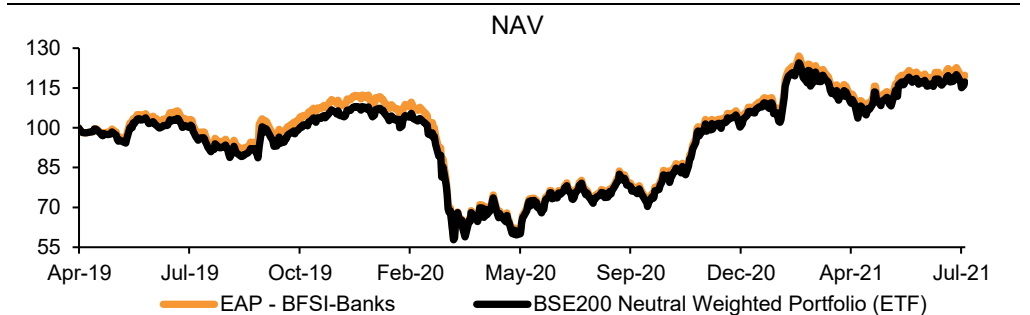
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - BFSI-Banks	1.0%	9.9%	11.9%	51.9%
BSE200 Neutral Weighted Portfolio (ETF)	0.9%	9.6%	11.3%	50.7%

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 27 Jul 2021 04:49:38 (SGT)

Dissemination Date: 27 Jul 2021 04:50:38 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be 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 including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, 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 or regulation or which would subject EGFSL or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.

- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

Disclaimer for U.S. persons only: This research report is a product of Emkay Global Financial Services Limited (Emkay), 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 Financial Institutions Regulatory Authority (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 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, which is not the Major Institutional Investor. 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.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of July 27, 2021
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
- Disclosure of previous investment recommendation produced:**
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of July 27, 2021.
5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the July 27, 2021
6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the July 27, 2021

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, 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 or regulation.
Australia	This report is not for distribution into Australia.
Hong Kong	This report is not for distribution into Hong Kong.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is not for distribution into Malaysia.
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom. In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com