

# IndusInd Bank

Refer to important disclosures at the end of this report

## Lower LLP drives earnings beat; All eyes now on MD's term extension

- For Q3FY23, IndusInd Bank reported a beat on PAT at Rs19.6bn (vs. our estimate of Rs18.7bn), up 58% YoY, led by slightly better margins (up 3bps QoQ to 3.27%) and mainly lower LLP, as the bank utilized contingent provision buffer worth Rs4.6bn. Despite some stress in VF/MFI book, headline GNPA ratio reduced by 5bps QoQ to 2.1%.
- Credit growth accelerated to 19% YoY/5% QoQ, led by strong traction in retail loans (barring MFI), SME/BB as well as corporate book. The bank has guided for better growth at 20-25% over FY23-24E, led by retail (including the recently launched mortgages business), while it expects NIM to remain range bound at 4.15-4.25%.
- We have slightly revised our earnings for FY23-25E by 2% and expect RoA/RoE to gradually improve over FY23-25E to 1.7-1.9%/15-17%, led by better growth and lower LLP. The bank remains well capitalized with Tier-I at 16.5%, removing any risk of dilution.
- We retain our BUY rating on the stock with a revised TP of Rs1,650 (earlier Rs1,500), valuing the bank at 2x Dec-24E ABV (vs. earlier 1.8x), given improving growth/RoA visibility. We believe RBI's approval for MD's term extension will be a key monitorable for the stock in the near term.

- Improving growth trajectory, asset re-pricing supports margin:** Credit growth improved to 19%YoY/5% QoQ, backed by strong growth in retail, SME/BB, and corporate book (including steel, services, and oil and gas). Within retail, vehicle financing portfolio reported strong disbursements (Rs127bn, up 44% QoQ), while cards have seen strong growth. However, net growth in MFI was lackluster due to higher repayments, in turn led by shorter duration book. Management has guided for accelerated growth at 20-25% over FY23-24E, mainly led by retail and back-ended support from corporate as well. Deposits growth was moderate at 14% YoY/3% QoQ, while CASA ratio moderated to 42% due to SA cannibalization. The bank has increased deposit rates and would tweak them further to accelerate deposit growth. That said, the bank believes improving credit growth, including retail and asset repricing, should help the bank sustain NIM at 4.15-4.25% and PPOp>5.5%.
- Headline asset quality stable:** Fresh slippages moderated to Rs14.6bn/2.6% of loans due to moderating stress flow from the RSA pool. However, NPAs in the MFI book have inched up due to the holiday season in eastern states, while duty-related issues have impacted the CV portfolio in Orissa. The restructured pool has moderated to 1.3% from 1.5% in Q2, while the bank estimates the RSA pool to wind up in the next two quarters. The bank has utilized contingency provision of Rs4.6bn in Q3, while the bank still continues to carry a healthy contingent provision buffer, including RSA and Vodafone (Rs9.5bn) of Rs21.9bn/0.8% of loans.
- Retain Buy:** We have revised our earnings by 2% over FY23-25E, factoring in better growth/lower LLP. We retain our BUY rating on the stock with a revised TP of Rs1,650 (earlier Rs1,500), valuing the bank at 2x Dec-24E ABV (vs. earlier 1.8x), given improving growth/RoA visibility. Key risk: Macroeconomic slowdown and senior management attrition.

### Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Net income	200,865	223,979	256,915	299,838	353,474
Net profit	28,364	46,111	73,657	91,041	111,703
EPS (Rs)	36.7	59.5	95.0	117.5	144.1
ABV (Rs)	538.6	584.8	661.3	757.1	874.6
RoA (%)	0.8	1.2	1.7	1.8	1.9
RoE (%)	7.3	10.2	14.6	15.8	16.9
PE (x)	33.3	20.5	12.9	10.4	8.5
P/ABV	2.3	2.1	1.8	1.6	1.4

Source: Company, Emkay Research

<b>CMP</b>	<b>Target Price</b>
Rs 1,223 as of (January 18, 2023)	Rs 1,650 (▲) 12 months
<b>Rating</b>	<b>Upside</b>
BUY (■)	34.9 %

### Change in Estimates

EPS Chg FY23E/FY24E (%)	2.1/ -0.5
Target Price change (%)	10.0
Target Period (Months)	12
Previous Reco	BUY

### Emkay vs Consensus

EPS Estimates		
	FY23E	FY24E
Emkay	95.0	117.5
Consensus	94.8	115.9
Mean Consensus TP (12M)	Rs 1,407	

### Stock Details

Bloomberg Code	IIB IN
Face Value (Rs)	10
Shares outstanding (mn)	775
52 Week H/L	1,276 / 763
M Cap (Rs bn/USD bn)	948 / 11.67
Daily Avg Volume (nos.)	3,014,648
Daily Avg Turnover (US\$ mn)	44.1

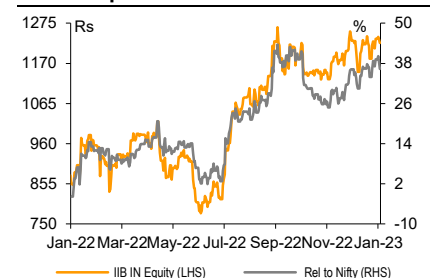
### Shareholding Pattern Sep '22

Promoters	15.2%
FIIs	43.1%
DIIIs	20.8%
Public and Others	21.0%

### Price Performance

(%)	1M	3M	6M	12M
<b>Absolute</b>	(1)	-	44	36
<b>Rel. to Nifty</b>	-	(4)	29	36

### 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:

#### Heet Khimawat

heet.khimawat@emkayglobal.com  
+91 22 6612 1275

#### Dixit Sankharva

dixit.sankharva@emkayglobal.com  
+91 22 6612 1281

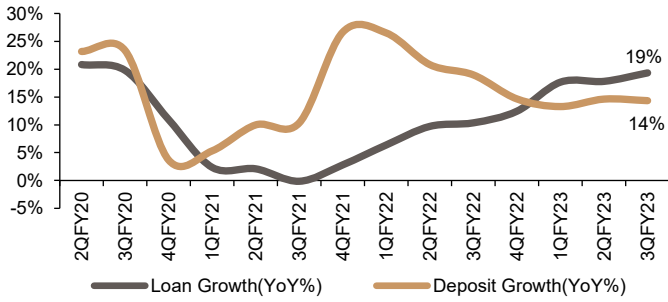
#### Soumya Jain

soumya.jain@emkayglobal.com

+91 22 6612 1262

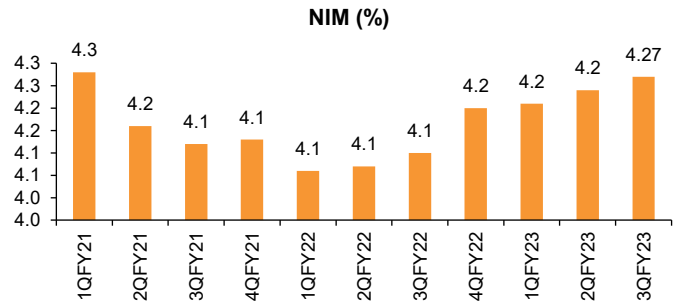
# Story in Charts

**Exhibit 1: Improving credit growth trajectory mainly led by retail**



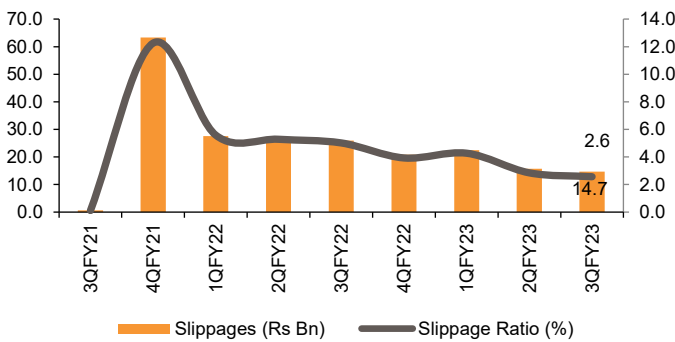
Source: Company, Emkay Research

**Exhibit 2: Margins improve led by better LDR/asset re-pricing**



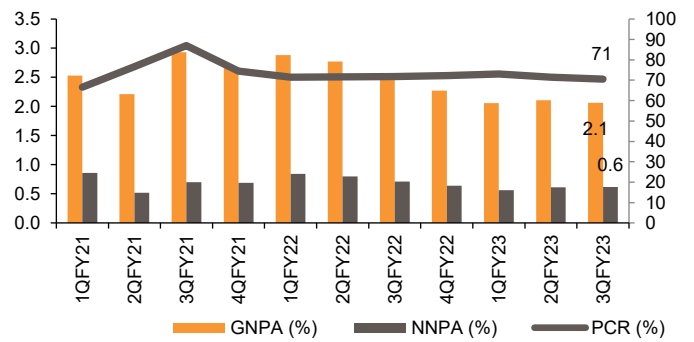
Source: Company, Emkay Research

**Exhibit 3: Despite some stress in MFI/CV book, slippages moderated**



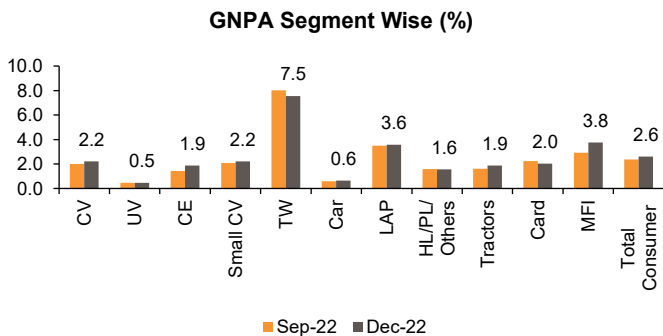
Source: Company, Emkay Research

**Exhibit 4: ...leading to continued moderation in GNPA ratio**



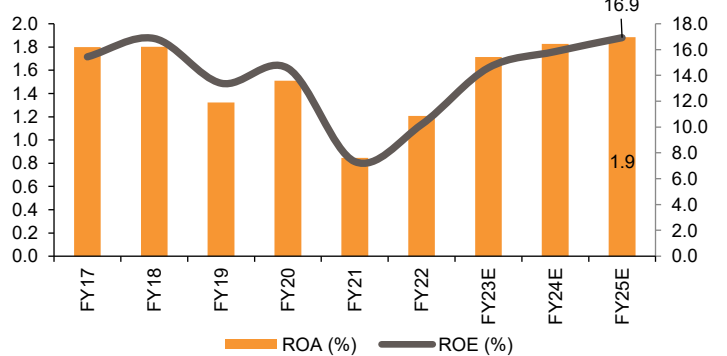
Source: Company, Emkay Research

**Exhibit 5: Stress increased mainly in CV/MFI, but will reverse as per management**



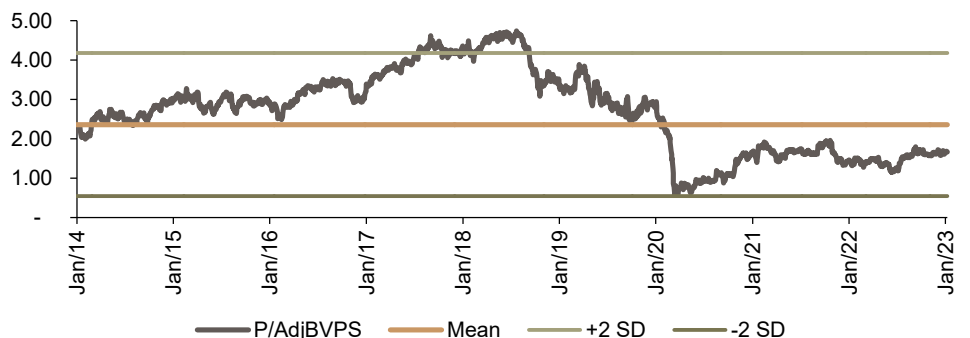
Source: Company, Emkay Research

**Exhibit 6: Accelerating growth and lower LLP to drive up return ratios**



Source: Company, Emkay Research

**Exhibit 7: : The stock currently trades at 1.7x – One-year forward ABV**



Source: Bloomberg, Emkay Research

**Exhibit 8: Actual vs. Estimates (Q3FY23)**

Rs mn	Actuals	Estimates		% Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	65,718	65,136	66,733	1%	-2%	Improved margins and higher other income led to beat
PPOP	36,864	36,451	37,714	1%	-2%	Higher net income partly offset by higher opex led to beat
PAT	19,635	18,728	18,913	5%	4%	Lower-than-expected provisions led to beat

Source: Company, Bloomberg, Emkay Research

**Exhibit 9: Quarterly Summary**

Rs (mn)	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	YoY (%)	QoQ (%)	FY22	FY23E	YoY (%)
Interest Earned	76,504	77,375	78,599	81,818	87,080	94,574	22	9	308,224	364,737	18
Interest Exp	39,920	39,439	38,747	40,565	44,060	49,621	26	13	158,216	188,760	19
Net Interest Income	36,584	37,936	39,852	41,253	43,021	44,954	18	4	150,008	175,977	17
Global NIMs (reported)	4.07	4.10	4.20	4.21	4.24	4.27	17bps	3bps	4.20	4.38	18bps
Non-interest Income	18,377	18,769	19,050	19,315	20,112	20,765	11	3	73,970	80,939	9
Operating Expenses	22,774	23,583	25,088	26,261	27,689	28,854	22	4	95,593	112,611	18
Pre Provisioning Profit	32,187	33,121	33,814	34,307	35,444	36,864	11	4	128,386	144,304	12
Provision & Contingencies	17,034	16,541	14,635	12,510	11,411	10,647	-36	-7	66,650	45,832	-31
PBT	15,154	16,581	19,179	21,797	24,033	26,217	58	9	61,736	98,472	60
Income Tax Expense	3,687	4,167	5,174	5,487	5,981	6,582	58	10	15,625	24,815	59
Net Profit/(Loss)	11,467	12,414	14,005	16,310	18,052	19,635	58	9	46,111	73,657	60
Gross NPA (%)	2.77	2.48	2.27	2.35	2.11	2.06	-42bps	-4bps	2.27	1.97	-30bps
Net NPA (%)	0.80	0.71	0.64	0.67	0.61	0.62	-9bps	1bps	0.64	0.60	-4bps
Deposits (Rs in bn)	2,753	2,845	2,933	3,027	3,155	3,253	14	3	2,937	3,376	15
Net Advances (Rs in bn)	2,208	2,286	2,391	2,480	2,601	2,728	19	5	2,391	2,859	20

Source: Company, Emkay Research

**Exhibit 10: Revision in estimates**

Y/E March (Rs mn)	FY23E			FY24E			FY25E		
	Earlier	Revised	% change	Earlier	Revised	% change	Earlier	Revised	% change
Net income	2,55,729	2,56,915	0.5%	2,97,298	2,99,838	0.9%	3,48,155	3,53,474	1.5%
PPOP	1,44,093	1,44,304	0.1%	1,67,719	1,67,626	-0.1%	1,96,864	1,98,326	0.7%
PAT	72,142	73,657	2.1%	91,484	91,041	-0.5%	1,09,536	1,11,703	2.0%
EPS (Rs)	93.1	95.0	2.1%	118.0	117.5	-0.5%	141.3	144.1	2.0%
BV (Rs)	675.6	677.5	0.3%	773.6	774.9	0.2%	890.0	894.1	0.5%

Source: Company, Emkay Research

**Exhibit 11: Key Assumptions**

	FY22A	FY23E	FY24E	FY25E
Loan Growth %	12.4	19.6	21.2	23.2
Deposit Growth %	14.6	15.0	18.4	20.2
NIM %	4.2	4.4	4.4	4.4
GNPA %	2.3	2.0	1.8	1.6
Credit Cost %	2.7	1.7	1.4	1.3

Source: Company, Emkay Research

**Exhibit 12: Key trends and ratios**

	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23
Loans (Rs bn)	2,071	2,126	2,107	2,208	2,286	2,391	2,480	2,601	2,728
growth YoY %	(0.1)	2.8	6.4	9.7	10.4	12.4	17.7	17.8	19.3
growth QoQ %	2.9	2.6	(0.9)	4.8	3.5	4.6	3.7	4.9	4.9
<b>Composition (%)</b>									
- Large Corporate	20.1	19.9	21.2	22.8	23.5	25.2	25.1	26.4	26.1
- SME/Business Banking	28.2	28.5	28.0	27.0	27.6	25.6	25.9	25.2	25.2
- Retail	51.7	51.6	50.8	50.1	48.9	49.2	48.9	48.4	48.7
<b>Liability Profile</b>									
Deposits (Rs bn)	2,391	2,559	2,672	2,753	2,845	2,933	3,027	3,155	3,253
growth YoY %	10.3	26.7	26.5	20.8	19.0	14.6	13.3	14.6	14.3
growth QoQ %	4.9	7.0	4.4	3.0	3.3	3.1	3.2	4.2	3.1
CASA %	40.4	41.7	42.0	42.1	42.1	42.7	43.1	42.3	41.9
CA %	13.5	14.0	12.1	11.8	11.7	12.4	11.6	14.0	15.4
SA %	26.9	27.8	29.9	30.3	30.4	30.3	31.5	28.3	26.6
Branches	1,915	2,015	2,015	2,015	2,103	2,265	2,286	2,320	2,384
Yield on Advances %	11.67	11.78	11.75	11.66	11.36	11.29	11.39	11.51	11.75
Cost of Deposits %	5.34	5.03	4.97	4.85	4.66	4.60	4.79	5.10	5.47
NIM %	4.12	4.13	4.06	4.07	4.10	4.20	4.21	4.24	4.27
<b>Asset Quality</b>									
GNPA %	1.8	2.7	2.9	2.8	2.5	2.3	2.4	2.1	2.1
NNPA %	0.2	0.7	0.8	0.8	0.7	0.6	0.7	0.6	0.6
PCR %	87.3	74.5	71.6	71.6	71.7	72.3	72.0	71.5	70.6
Slippages (Rs mn)	590	63,370	27,620	26,580	25,980	20,880	22,500	15,720	14,670
Corporate (Rs mn)	360	26,480	4,210	2,520	560	3,460	6,020	1,790	1,190
Consumer (Rs mn)	230	36,890	23,420	24,060	25,420	17,420	16,480	13,930	13,480
Slippages %	0.1	12.3	5.6	5.3	5.0	3.9	4.3	2.8	2.6
CAR %	16.3	17.4	17.6	17.4	18.1	18.4	18.1	18.0	18.0
Tier I %	15.6	16.8	16.9	16.7	16.4	16.8	16.6	16.4	16.5
<b>ROE Decomposition</b>									
NII	4.0	4.0	3.9	3.9	3.9	4.0	4.1	4.1	4.1
Other Income	1.6	1.7	1.4	1.6	1.6	1.7	1.8	1.8	1.8
Opex	2.5	2.5	2.4	2.4	2.4	2.5	2.6	2.6	2.7
PPOP	3.5	3.6	3.5	3.4	3.4	3.4	3.4	3.4	3.4
Provisioning Cost	2.2	2.1	2.0	1.8	1.7	1.5	1.2	1.1	1.0
PBT	1.3	1.4	1.5	1.6	1.7	1.9	2.1	2.3	2.4
Tax	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.6	0.6
ROA	1.0	1.1	1.1	1.2	1.3	1.4	1.6	1.7	1.8
Leverage (x)	8.4	8.4	8.4	8.4	8.4	8.4	8.3	8.3	8.4
ROE	8.3	8.8	9.2	10.2	10.8	11.8	13.4	14.4	15.1

Source: Company, Emkay Research

**Key Financials (Standalone)****Income Statement**

Y/E March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Net interest income</b>	<b>135,279</b>	<b>150,008</b>	<b>175,977</b>	<b>207,188</b>	<b>246,118</b>
<b>Other income</b>	<b>65,586</b>	<b>73,970</b>	<b>80,939</b>	<b>92,651</b>	<b>107,357</b>
Fee income	34,781	45,093	53,210	63,851	76,622
<b>Net income</b>	<b>200,865</b>	<b>223,979</b>	<b>256,915</b>	<b>299,838</b>	<b>353,474</b>
Operating expenses	83,598	95,593	112,611	132,212	155,148
<b>Pre provision profit</b>	<b>117,267</b>	<b>128,386</b>	<b>144,304</b>	<b>167,626</b>	<b>198,326</b>
<b>PPP excl treasury</b>	<b>102,405</b>	<b>122,454</b>	<b>140,745</b>	<b>163,711</b>	<b>194,020</b>
Provisions	79,425	66,650	45,832	45,914	48,991
<b>Profit before tax</b>	<b>37,841</b>	<b>61,736</b>	<b>98,472</b>	<b>121,712</b>	<b>149,335</b>
Tax	9,478	15,625	24,815	30,671	37,632
Tax rate	25	25	25	25	25
<b>Profit after tax</b>	<b>28,364</b>	<b>46,111</b>	<b>73,657</b>	<b>91,041</b>	<b>111,703</b>

**Balance Sheet**

Y/E – March (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity	7,734	7,747	7,750	7,750	7,750
Reserves	425,866	469,065	534,400	611,349	705,480
<b>Net worth</b>	<b>433,600</b>	<b>476,812</b>	<b>542,150</b>	<b>619,099</b>	<b>713,230</b>
Deposits	2,562,050	2,936,813	3,376,408	3,997,706	4,806,624
Borrowings	458,329	405,333	385,067	423,573	465,931
<b>Total liabilities</b>	<b>3,629,727</b>	<b>4,019,746</b>	<b>4,571,804</b>	<b>5,393,145</b>	<b>6,462,634</b>
Cash and bank	178,707	156,412	164,232	172,444	181,066
Investments	696,947	709,708	838,473	963,755	1,097,378
Loans	2,125,954	2,390,515	2,859,433	3,464,389	4,267,199
Others	225,461	218,291	262,674	316,406	381,045
<b>Total assets</b>	<b>3,629,727</b>	<b>4,019,746</b>	<b>4,571,804</b>	<b>5,393,145</b>	<b>6,462,634</b>

**Key Ratios (%)**

Y/E – March	FY21	FY22	FY23E	FY24E	FY25E
NIM	4.4	4.2	4.4	4.4	4.4
Non-ll/avg assets	2.0	1.9	1.9	1.9	1.8
Fee income/avg assets	1.0	1.2	1.2	1.3	1.3
Opex/avg assets	2.5	2.5	2.6	2.7	2.6
Provisions/avg assets	2.4	1.7	1.1	0.9	0.8
PBT/avg assets	1.1	1.6	2.3	2.4	2.5
Tax/avg assets	0.3	0.4	0.6	0.6	0.6
RoA	0.8	1.2	1.7	1.8	1.9
RoAE	7.3	10.2	14.6	15.8	16.9
GNPA (%)	2.7	2.3	2.0	1.8	1.6
NNPA (%)	0.7	0.6	0.6	0.5	0.5

Per Share Data (Rs)	FY21	FY22	FY23E	FY24E	FY25E
EPS	36.7	59.5	95.0	117.5	144.1
BVPS	552.8	599.3	677.5	774.9	894.1
ABVPS	538.6	584.8	661.3	757.1	874.6
DPS	0.0	8.5	15.0	18.0	22.5

Valuations (x)	FY21	FY22	FY23E	FY24E	FY25E
PER	33.3	20.5	12.9	10.4	8.5
P/BV	2.3	2.1	1.8	1.6	1.4
P/ABV	2.3	2.1	1.8	1.6	1.4
P/PPOP	8.1	7.4	6.6	5.6	4.8
Dividend Yield (%)	0.0	0.7	1.2	1.5	1.8

Source: Company, Emkay Research

This report is intended for team.emkay@whitemarquesolutions.com use and downloaded at 01/19/2023 01:46 PM

Emkay Research is also available on www.emkayglobal.com and Bloomberg EMKAY<GO>. Please refer to the last page of the report on Restrictions on Distribution. In Singapore, this research report or research analyses may only be distributed to Institutional Investors, Expert Investors or Accredited Investors as defined in the Securities and Futures Act, Chapter 289 of Singapore.

Growth (%)	FY21	FY22	FY23E	FY24E	FY25E
NII	12.2	10.9	17.3	17.7	18.8
PPOP	8.9	9.5	12.4	16.2	18.3
PAT	(35.8)	62.6	59.7	23.6	22.7
Loans	2.8	12.4	19.6	21.2	23.2

Quarterly (Rs mn)	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23
NII	37,936	39,852	41,253	43,021	44,954
NIM(%)	4.1	4.2	4.2	4.2	4.3
PPOP	33,121	33,814	34,307	35,444	36,864
PAT	12,414	14,005	16,310	18,052	19,635
EPS (Rs)	16.03	18.08	21.05	23.29	25.34

Source: Company, Emkay Research

Shareholding Pattern (%)	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
Promoters	15.2	15.2	15.2	15.2	15.2
FIIIs	47.2	43.8	42.5	42.1	43.1
DIIIs	17.4	18.6	20.1	19.3	20.8
Public and Others	20.2	22.5	22.2	23.5	21.0

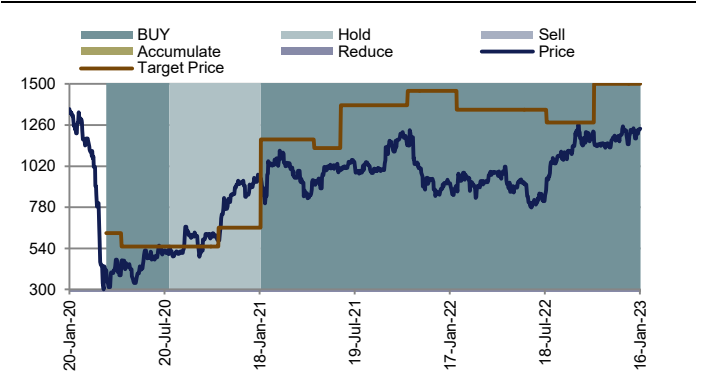
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
20-Oct-22	1,160	1,500	12m	Buy	Anand Dama
4-Oct-22	1,219	1,275	12m	Buy	Anand Dama
28-Jul-22	1,018	1,275	12m	Buy	Anand Dama
21-Jul-22	948	1,275	12m	Buy	Anand Dama
1-May-22	979	1,350	12m	Buy	Anand Dama
30-Jan-22	904	1,350	12m	Buy	Anand Dama
7-Nov-21	1,189	1,460	12m	Buy	Anand Dama
28-Oct-21	1,176	1,460	12m	Buy	Anand Dama
5-Oct-21	1,169	1,375	12m	Buy	Anand Dama
28-Jul-21	993	1,375	12m	Buy	Anand Dama
22-Jun-21	1,000	1,375	12m	Buy	Anand Dama
2-May-21	935	1,125	12m	Buy	Anand Dama
30-Jan-21	846	1,175	12m	Buy	Anand Dama
20-Jan-21	948	1,175	12m	Buy	Anand Dama
31-Oct-20	586	660	12m	Hold	Anand Dama
29-Sep-20	536	550	12m	Hold	Anand Dama
29-Jul-20	551	550	12m	Hold	Anand Dama
28-Apr-20	468	550	12m	Buy	Anand Dama
11-Apr-20	395	630	12m	Buy	Anand Dama
30-Mar-20	413	630	12m	Buy	Anand Dama

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

## 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: 19 Jan 2023 02:18:01 (SGT)

Dissemination Date: 19 Jan 2023 02:19:01 (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](http://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. Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit [www.emkayglobal.com](http://www.emkayglobal.com) to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest 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 distributed in Canada or 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 associate<sup>1</sup> 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 interests<sup>2</sup> 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.

<sup>1</sup> 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.

<sup>2</sup> 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 January 18, 2023
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 January 18, 2023.
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 January 18, 2023
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 services 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 January 18, 2023

**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 <sup>th</sup> 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