

Surprise on NIM continues; Opex elevated

- KMB reported a strong quarter with NII and PPOp growth of 30% and 43% YoY respectively. Reported NIM stood at 5.47%, up 30 bps QoQ, with RoA at 2.4%. Opex growth at 12% QoQ and 30% YoY was elevated.
- Slippages at ~1% were better than expectations. **Negative net slippages and write-back of contingent provisions (Rs0.4bn) aided credit costs of 20 bps for the quarter.** GNPA ratio moderated by 18 bps QoQ to 1.9%, with 400 bps sequential rise in PCR to 78%.
- Loans and Deposits grew by 6% QoQ each with broad based advances growth and 13% sequential growth in term deposits. **Calculated CoF at 3.8% remains industry best.**
- We tweak earnings factoring in slightly higher NIM, offset by rise in opex assumptions. **Maintain 'BUY' with a revised TP of Rs2200, valuing the standalone bank at 3.5x Sep-24E ABV and including value of subsidiaries. The bank's premium valuations are driven by its superior growth prospects, industry best NIM and credit costs.**

Margins continue to surprise

NIM expansion of 30 bps QoQ was driven by increased share of unsecured products and re-pricing of EBLR loans (55% share). With unsecured share expected to rise to mid-teens (from 9% currently) and likely increase in CASA ratio as the bank accrues benefits of agency business, NIM is expected to stabilize at higher levels vs long term averages even as it normalizes at lower levels over time. We factor in NIM of 5.3% in FY23E, which moderates to 5.1%/5% in FY24E/25E.

Opex likely to remain elevated in short run

The bank's run-rate in opex growth has been ~30% YoY led by higher promotional activity, costs incurred both on asset and liability side, branch expansion, and continuous upgradation of digital infra. Opex is likely to remain elevated in the short run. Management expects operating leverage to start playing out from sometime next fiscal as growth in manpower costs moderate with increased productivity. High opex growth may pose a hindrance to PPOp growth as NIMs normalize at lower levels.

Q3FY23 Result (Rs Mn)

Particulars	Q3FY23	Q3FY22	YoY (%)	Q2FY23	QoQ (%)
Net interest income	56,529	43,343	30.4	50,994	10.9
Other income	21,000	13,637	54.0	19,542	7.5
Total Net Income	77,529	56,980	36.1	70,536	9.9
Operating expenses	39,031	29,970	30.2	34,861	12.0
Pre-provision profits	38,498	27,010	42.5	35,675	7.9
Provisions	1,488	(1,317)	(213.0)	1,370	8.6
Tax expense	9,091	7,014	29.6	8,498	7.0
Reported Net Profit	27,919	21,314	31.0	25,807	8.2
			(bps)		(bps)
Advances Growth YoY (%)	22.9	18.1	471	25.1	(228)
NIM (%)	5.5	4.6	85	5.2	30
RoA	2.5	2.1	37	2.4	13
RoE	14.7	12.8	187	13.9	85
Gross NPA (%)	1.9	2.7	(81)	2.1	(18)

CMP	Rs 1,763
Target / Upside	Rs 2,200 / 25%
NIFTY	18,028

Scrip Details

Equity / FV	Rs 9,923mn / Rs 5
Market Cap	Rs 3,501bn
	USD 43.2bn
52-week High/Low	Rs 1,998/ 1,631
Avg. Volume (no)	2,753,450
Bloom Code	KMB IN

Price Performance	1M	3M	12M
Absolute (%)	(3)	(7)	(7)
Rel to NIFTY (%)	(2)	(10)	(10)

Shareholding Pattern

	Jun'22	Sep'22	Dec'22
Promoters	26.0	26.0	26.0
MF/Banks/FIs	17.3	20.0	20.1
FIs	40.6	40.9	40.9
Public / Others	16.2	13.2	13.1

Valuation (x)

	FY23E	FY24E	FY25E
P/E	33.5	31.2	26.7
P/ABV	4.3	3.8	3.4
ROAA	2.3	2.1	2.0
ROAE	13.5	12.7	13.0

Estimates (Rs bn)

	FY23E	FY24E	FY25E
NII	215.2	238.3	281.6
PPOp	144.2	163.6	196.2
PAT	104.6	112.2	131.1
Adj BV (Rs)	408.4	462.2	525.9

VP - Research: **Mona Khetan**

Tel: +91 22 40969762

E-mail: monak@dolatcapital.com

Associate: **Dolly Visaria**

Tel: +91 22 40969766

E-mail: dollyv@dolatcapital.com

Associate: **Gautam Rawtani**

Tel: +91 22 40969763

E-mail: gautam3@dolatcapital.com

Strong traction in deposits; rise in bulk share

Growth in TDs strengthened to 13% QoQ/30% YoY. However, the bank's share of deposits <5 cr has moderated over two quarters by 500 bps to 83% of deposits. Bank's agency business (GST, tax collection) has aided robust growth in CA balances (up 11% QoQ). Bank's ability to maintain its industry leading position on CoF remains a monitorable.

Risks to our view: Lower than expected growth and NIM, higher than expected rise in CoF and opex.

Exhibit 1: Actual v/s estimates

Particulars (Rs mn)	Actual	Estimated	% Variance
NII	56,529	54,625	3.5
Operating Profit	38,498	37,248	3.4
PAT	27,919	26,897	3.8

Source: Company, DART

Exhibit 2: Changes in estimates

Particulars (Rs mn)	Previous			Revised			Change %		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Net Op Rev	285,252	338,092	397,918	291,621	338,869	401,061	2.2	0.2	0.8
PPOP	148,817	175,243	203,350	144,170	163,604	196,212	(3.1)	(6.6)	(3.5)
PAT	107,930	115,756	130,414	104,561	112,192	131,137	(3.1)	(3.1)	0.6

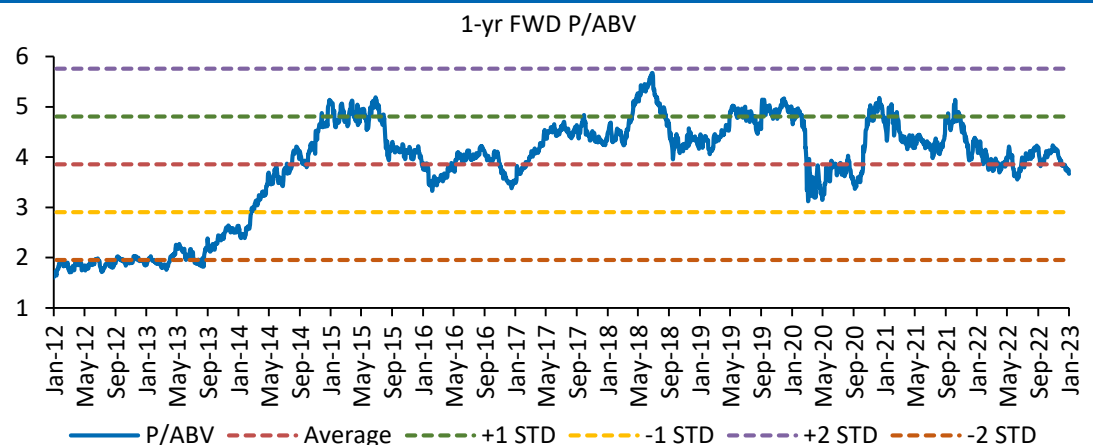
Source: DART, Company

Exhibit 3: Valuation

Entity	Stake %	Per Share Value	Methodology
Kotak Bank Standalone (A)*		1,710	3.5x Mar-24E P/ABV
Kotak Mahindra Prime	100	145	3.0x Net worth
Kotak Mahindra Life Insurance	100	182	2.8x EV
Kotak Securities	100	68	13x P/E
Kotak Mahindra Capital	100	21	15x P/E
Asset Management Business	100	113	8x of AUM
Kotak Mahindra Investments	100	49	3x Net worth
Value of Subsidiaries (B)		577	
Holdco. Discount	15		
Value of the bank (A+B)		2,200	
Contribution of subs to total (%)		26%	

Source: DART, Company; *adjusted for investment in subsidiaries

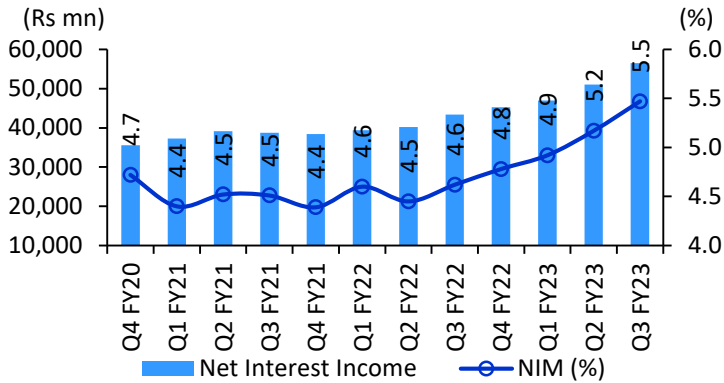
Exhibit 4: The stock currently trades at 3.8x 1-yr forward P/ABV



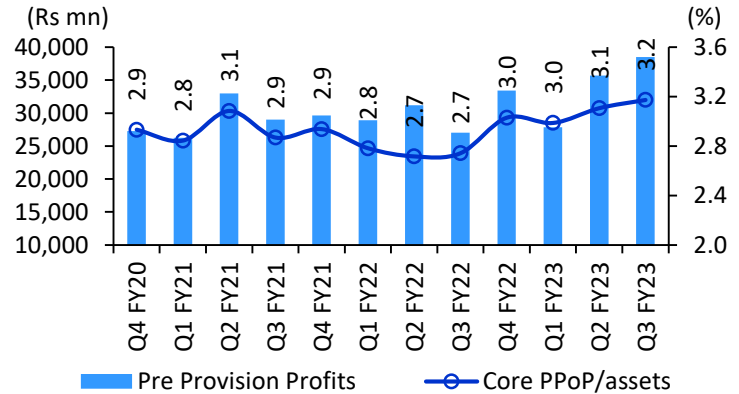
Source: Company, DART

Earnings Call KTAs

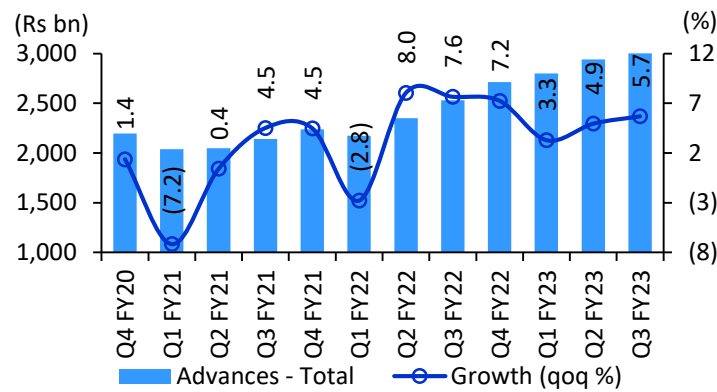
- **Strategy:** Things looking amazingly good for both banks and economy. Areas of focus include 1) Growth while managing risks 2) making significant investments for future 3) mix of assets moving towards unsecured (at 9.3% now) towards mid-teens by Q4FY24. 4) focus on granular liability franchise- holistic proposition for salaried. 5) Think of the franchise as a consolidated entity – alternate asset a key area of growth (all assets ex of equities), of the consolidated PAT, 30-33% from subsidiaries.
- **Advances:** 69% of the book is floating rate of which 55% is EBLR linked. Of the remaining fixed book, ~9% is maturing in the next 1 year. Growth to be focused in mid-market and SME segments (including NTB's) in the future quarters. Dec quarter rise in repo yet to reflect in NII, also MCLR portfolio yet to reflect rise in yields. In CC, rise in revolver has not been high but EMI portion has increased. Pre COVID, revolve rates were at 40%.
- **NIM-** Expect some pick up right now. However, product mix change in favor of unsecured and rise in CASA ratio (which has moderated in last few quarters) should protect NIMs even as asset re-repricing benefit fades. SA rates are still 50 bps higher vs peers.
- **Comfort on Unsecured:** The amount of data available is higher now. Bank's own analytics capability has improved and have invested significantly in our capability to assess risk.
- **Operating costs-** sharp rise led by higher promotional activity in festive season, costs incurred both on asset and liability side. Opex is likely to remain elevated in the short run. Plan to open 150 branches in next fiscal. Plus, one has to keep upgrading the backend infra in digital infrastructure. Man-power costs will hopefully come down progressively. Operating leverage could start playing out from next fiscal. Employee count at 73k at bank level vs 71k last quarter. Decision to front end opex was a very conscious decision.
- **Wholesale-** IBPC of 9.45bn in this quarter. Uptick in credit substitutes in well-rated names continue to be our strategy, also helps us manage PSL better. ECLGS in SME and overall portfolio continues to do very well. Fee income continues to grow well in wholesale. Good growth seen in forex, non-custody business. SME remains a focus area with structured lending, infra financing esp of completed assets in roads/renewables and securitization as a product. Remain focused on CRE (residential RE), though continue to be cautious in commercial RE mainly due to pricing. SME AQ continues to be excellent.
- **Commercial Banking:** CV saw growth of 46% YoY mainly from the bus segment. CE growth has recovered to pre-pandemic levels with disbursements at 2x relative to the industry. Construction equipment saw growth in Q3 in road equipment along with improvement in asset utilization which led to increase in market share. Tractor segment growth both in new and used vehicles is higher than industry levels. MFI business saw growth of 100%+ YoY with retail customer count crossing 1mn in Q3. MFI business has also been expanded to Gujarat, Rajasthan & UP. Agri/SME has seen an uptick in growth especially in the agri trader segments.
- **Consumer Banking:** Improved market share in both PL and CC products. Also saw strong growth in Mortgage loans in both HL & LAP. The bank launched co-branding CC with Indian oil in Q3. Business Banking saw growth across all customer segments. Revolving rate in CC is at 30-32% (lower than pre-covid levels).
- **Deposits:** Experienced movement of SA customers (especially HNIs) to Bulk deposits led by rate differential. SA growth was also impacted by non replenishment of govt money in some govt accounts. Bank has gone live with launch of end-to-end digital journey for saving account customers. Also, revamped the product offering to corporate customers to boost deposit growth.
- **Others:** LCR at 121%. FII limit capped at 55%, current FII investment at 42%. Not a hindrance to anyone intending to invest. Writeback of COVID provisions based on a process. Inflation is sticky and could come back in Q2-Q3 next year.

Exhibit 5: NIMs expand sharply led by several levers


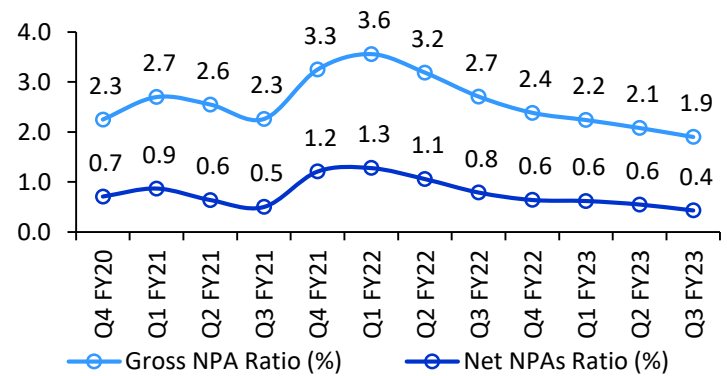
Source: Company, DART

Exhibit 6: Core/PPoP strengthens QoQ


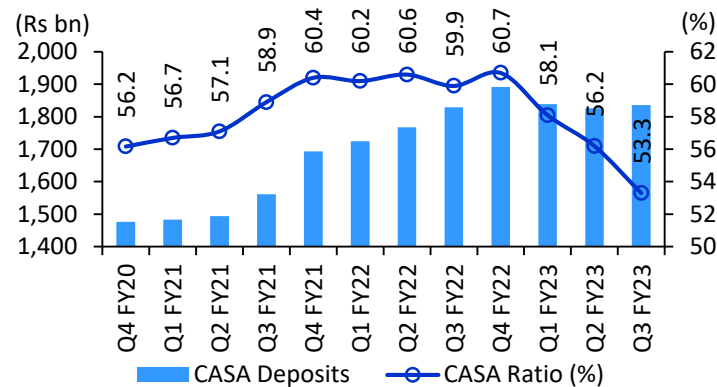
Source: Company, DART

Exhibit 7: Robust loan growth across segments


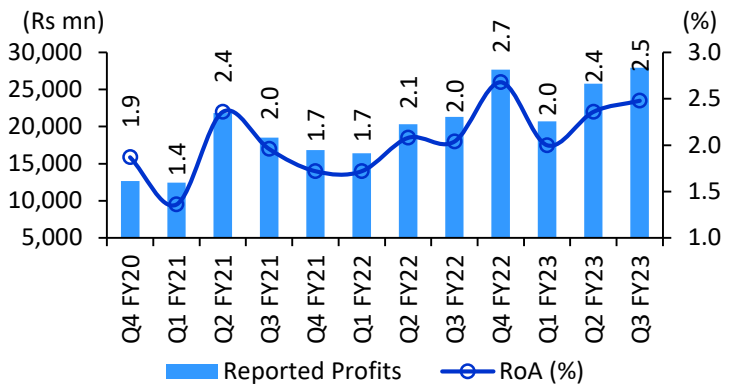
Source: Company, DART

Exhibit 8: Asset quality metrics moderate QoQ


Source: Company, DART

Exhibit 9: CASA ratio declines on higher TD accretion


Source: Company, DART

Exhibit 10: ROAs inch higher led by higher NIM


Source: Company, DART

Quarterly Financials

Profit and Loss (Rs mn)	Q3FY23	Q3FY22	% YoY / bps	Q2FY23	% QoQ / bps	9MFY23	9MY22	% YoY / bps
Interest Income	89,986	68,968	30.5	80,928	11.2	244,299	199,729	22.3
Interest Expenses	33,457	25,625	30.6	29,934	11.8	89,805	76,764	17.0
Net Interest Income	56,529	43,343	30.4	50,994	10.9	154,494	122,965	25.6
NII to Net Operative Income	72.9	76.1	(315)	72.3	62	74.5	73.1	138
NIM (%)	5.47	4.62	85	5.2	30	5.2	4.6	63
Commission, exchange and brokerage	18,470	14,960	23.5	17,600	4.9	52,630	40,840	28.9
Profit on Sale / Rev of Investments	2,530	(1,320)	N/A	1,950	29.7	358	4,440	(91.9)
Other Income - Total	21,000	13,637	54.0	19,542	7.5	52,979	45,280	17.0
Other Inc to Net Oper. Income (%)	27.1	23.9	315	27.7	(62)	25.5	26.9	(138)
Net Operating Revenue	77,529	56,980	36.1	70,536	9.9	207,473	168,245	23.3
Employee Expenses	14,778	11,998	23.2	14,147	4.5	40,653	34,596	17.5
Empl. Cost/Oper. Exps. (%)	19.1	21.1	(200)	20.1	(100)	19.6	20.6	(97)
Other Opex	24,253	17,971	35.0	20,714	17.1	64,814	46,540	39.3
Other Opex/ Assets (%)	0.5	0.4	9	0.5	7	1.4	1.2	29
Total Opex	39,031	29,970	30.2	34,861	12.0	105,467	81,136	30.0
Cost to Income Ratio (%)	50.3	52.6	(225)	49.4	92	50.8	48.2	261
Pre Provision Profits	38,498	27,010	42.5	35,675	7.9	102,006	87,110	17.1
Provisions & Contingencies - Total	1,488	(1,317)	N/A	1,370	8.6	3,094	9,958	(68.9)
NPA Provisions as % PPP	3.9	(4.9)	874	3.8	3	3.0	11.4	(840)
Profit Before Tax	37,010	28,327	30.7	34,305	7.9	98,931	77,169	28.2
Tax	9,091	7,014	29.6	8,498	7.0	24,475	19,099	28.1
Effective Tax Rate (%)	24.6	24.8	(20)	24.8	(20.8)	24.7	24.7	(1)
Reported Profits	27,919	21,314	31.0	25,807	8.2	74,456	58,070	28.2
RoA (%)	2.5	2.0	44	2.4	12.0	2.3	1.9	33
Basic EPS (Rs)	14.1	10.8	30.8	13.0	8.2	37.5	29.3	28.0

Balance Sheet Analysis	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	QoQ % / bps	YoY % / bps
Net Worth	673,762	696,170	724,565	746,520	770,760	799,360	3.7	14.8
Tier 1 (%)	20.8	20.4	21.7	21.0	20.1	18.6	(150)	(180)
Total CAR (%)	21.8	21.3	22.7	22.2	21.2	19.7	(158)	(164)
Advances - Total	2,349,650	2,529,350	2,712,536	2,801,710	2,940,232	3,107,340	5.7	22.9
Investments	1,108,979	1,058,440	1,005,802	891,830	988,624	1,122,190	13.5	6.0
Total Assets	4,084,316	4,181,470	4,294,284	4,247,680	4,419,951	4,647,840	5.2	11.2
RoA (%)	2.08	2.04	2.68	2.00	2.36	2.48	12	44
Deposits	2,917,111	3,052,860	3,116,841	3,164,830	3,252,032	3,446,660	6.0	12.9
CASA Deposits	1,767,590	1,829,190	1,891,340	1,838,910	1,826,100	1,835,790	0.5	0.4
CASA Ratio (%)	60.6	59.9	60.7	58.1	56.2	53.3	(290)	(660)
Term Deposits	1,149,521	1,223,670	1,225,501	1,325,920	1,425,932	1,610,870	13.0	31.6

Movement of NPA (Rs mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	QoQ % / bps	YoY % / bps
Gross Advances	2,400,614	2,576,679	2,712,536	2,847,576	2,985,688	3,155,037	5.7	22.4
Gross NPA	76,580	69,828	64,697	63,786	62,102	59,946	(3.5)	(14.2)
Gross NPA Ratio (%)	3.19	2.71	2.39	2.24	2.08	1.90	(18)	(81)
PCR - Calculated (%)	67.5	71.3	73.2	72.6	73.7	77.6	382	626
Net Advances	2,350,415	2,536,114	2,712,536	2,821,500	2,964,309	3,127,372	5.5	23.3
Net NPA	24,914	20,035	17,367	17,493	16,304	13,448	(17.5)	(32.9)
Net NPAs Ratio (%)	1.06	0.79	0.64	0.62	0.55	0.43	(12)	(36)

Loan Book Analysis (Rs mn)	Q2FY22	Q3FY22	Q4FY22	Q1FY23	Q2FY23	Q3FY23	QoQ % / bps	YoY % / bps
Home Loans and LAP	614,790	688,710	760,770	809,750	858,430	891,120	3.8	29.4
Consumer Bank WC	230,790	240,800	264,440	264,870	281,810	289,400	2.7	20.2
PL/BL/ Consumer Durab	72,610	85,540	100,710	116,160	131,970	145,420	10.2	70.0
Credit Cards	43,630	49,480	55,720	68,190	79,030	91,590	15.9	85.1
CV / CE	194,900	203,880	224,900	232,460	246,040	258,140	4.9	26.6
Agri*	230,750	250,000	282,590	282,540	294,460	314,660	6.9	39.2
Tractor	96,270	101,280	107,660	110,150	120,150	129,860	8.1	28.2
Corporate Banking	649,310	680,950	662,120	666,330	655,240	699,870	6.8	2.8
SME	182,050	189,940	209,060	205,290	223,100	231,540	3.8	21.9
Others	34,550	38,770	44,570	45,970	50,000	55,740	11.5	43.8
Total Advances	2,349,650	2,529,350	2,712,540	2,801,710	2,940,230	3,107,340	5.7	22.9
Credit Substitutes	213,880	216,340	212,270	234,580	273,010	285,790	4.7	32.1
Total Customer Assets	2,563,530	2,745,690	2,924,810	3,036,290	3,213,240	3,393,130	5.6	23.6

Financial Performance

Profit and Loss Account (Rs Mn)

Particulars	FY22A	FY23E	FY24E	FY25E
Interest Income	270,388	343,022	417,423	508,331
Interest expenses	102,209	127,856	179,098	226,752
Net interest income	168,179	215,167	238,325	281,579
Other incomes	63,544	76,455	100,543	119,483
Total expenses	111,214	147,451	175,264	204,850
- Employee cost	45,824	55,905	65,408	75,220
- Other	65,390	91,547	109,856	129,630
Pre provisioning profit	120,509	144,170	163,604	196,212
Provisions	6,896	4,439	13,675	20,965
Profit before taxes	113,613	139,732	149,929	175,247
Tax provision	27,886	35,170	37,737	44,110
Profit after tax	85,727	104,561	112,192	131,137
Adjusted profit	85,727	104,561	112,192	131,137

Balance Sheet (Rs Mn)

Particulars	FY22A	FY23E	FY24E	FY25E
Sources of Funds				
Equity Capital	9,923	9,923	9,923	9,923
Reserves & Surplus	709,955	814,516	926,708	1,057,845
Minority Interest	0	0	0	0
Net worth	724,878	829,439	941,631	1,072,768
Borrowings	259,671	232,535	336,101	415,022
- Deposits	3,116,841	3,643,049	4,465,348	5,513,863
- Other interest bearing liabilities	0	0	0	0
Current liabilities & provisions	192,894	183,790	184,904	182,263
Total Liabilities	4,294,284	4,888,813	5,927,984	7,183,916
Application of Funds				
Cash and balances with RBI	429,239	261,673	314,080	377,897
Investments	1,005,802	1,079,043	1,230,423	1,413,108
Advances	2,712,536	3,282,169	4,004,246	4,885,180
Fixed assets	16,437	18,418	20,343	23,227
Other current assets, loans and advances	130,269	247,511	358,892	484,504
Total Assets	4,294,284	4,888,813	5,927,984	7,183,916

E – Estimates

Important Ratios

Particulars	FY22A	FY23E	FY24E	FY25E
(A) Margins (%)				
Yield on advances	7.8	9.0	9.2	9.3
Yields on interest earning assets	6.9	7.8	8.2	8.3
Yield on investments	7.6	6.5	6.1	6.3
Costs of funds	3.2	3.5	4.1	4.2
Cost of deposits	3.7	3.1	3.5	4.1
NIMs	4.3	4.9	4.7	4.6
(B) Asset quality and capital ratios (%)				
GNPA	2.4	1.9	1.9	1.9
NNPA	0.6	0.4	0.5	0.5
PCR	73.2	78.0	75.0	75.0
Slippages	1.9	1.5	1.4	1.4
NNPA to NW	2.4	1.6	2.0	2.2
CASA	60.7	56.0	54.0	52.0
CAR	22.5	21.0	18.6	16.8
Tier 1	21.5	20.2	18.0	16.4
Credit - Deposit	87.0	90.1	89.7	88.6
(C) Dupont as a percentage of average assets				
Interest income	6.7	7.5	7.7	7.8
Interest expenses	2.5	2.8	3.3	3.5
Net interest income	4.1	4.7	4.4	4.3
Non interest Income	1.6	1.7	1.9	1.8
Total expenses	2.7	3.2	3.2	3.1
- cost to income	48.0	50.6	51.7	51.1
Provisions	0.2	0.1	0.3	0.3
Tax	0.7	0.8	0.7	0.7
RoA	2.1	2.3	2.1	2.0
Leverage	5.9	5.9	6.3	6.7
RoE	12.6	13.5	12.7	13.0
RoRwa	2.1	2.1	2.1	1.9
(D) Measures of Investments				
EPS - adjusted	43.2	52.7	56.5	66.1
BV	362.6	415.2	471.8	537.9
ABV	353.8	408.4	462.2	525.9
DPS	-	-	-	-
Dividend payout ratio	0.0	0.0	0.0	0.0
(E) Growth Ratios (%)				
Net interest income	9.6	27.9	10.8	18.1
PPoP	(1.3)	19.6	13.5	19.9
Adj PAT	22.1	22.0	7.3	16.9
Advances	21.3	21.0	22.0	22.0
Total borrowings	9.8	(10.5)	44.5	23.5
Total assets	12.0	13.8	21.3	21.2
(F) Valuation Ratios				
Market Cap (Rs. mn)	0	0	0	0
CMP (Rs.)	1763	1763	1763	1763
P/E (x)	40.8	33.5	31.2	26.7
P/BV (x)	4.9	4.2	3.7	3.3
P/ABV (x)	5.0	4.3	3.8	3.4
Div Yield (%)				

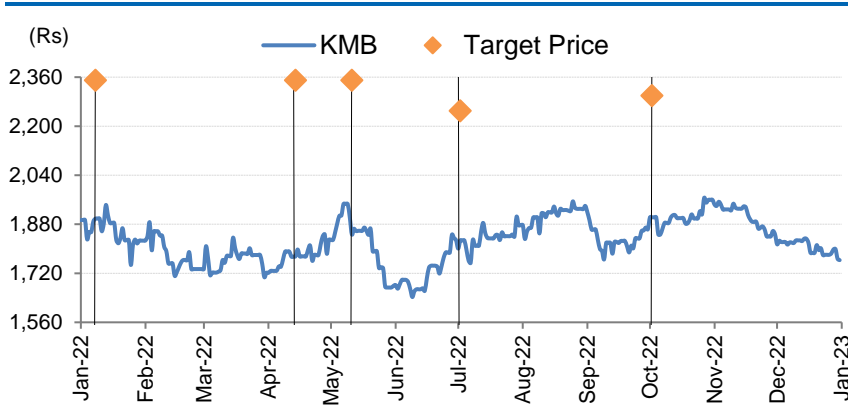
E – Estimates

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.)
Jan-22	BUY	2,350	1,898
May-22	BUY	2,350	1,776
May-22	BUY	2,350	1,847
Jul-22	BUY	2,250	1,827
Oct-22	BUY	2,300	1,903

**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
Jubbin Shah	VP - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	VP - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Anjana Jhaveri	VP - FII Sales	anjanaj@dolatcapital.com	+9122 4096 9758
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
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
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Dolat Capital Market Private Limited.

Naman Midtown, A-1203, 12th Floor, Senapati Bapat Marg, Prabhadevi, 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 Report is considered independent third-party research and was prepared by Dolat Capital Market Private Limited, with headquarters in India. The distribution of this Research is provided pursuant to the exemption under Rule 15a-6(a) (2) and is only intended for an audience of Major U.S. Institutional Investors (MUSIIs) as defined by Rule 15a-6(b)(4). This research is not a product of StoneX Financial Inc. Dolat Capital Market Private Limited has sole control over the contents of this research report. StoneX Financial Inc. does not exercise any control over the contents of, or the views expressed in, any research reports prepared by Dolat Capital Market Private Limited and under Rule 15a-6(a) (3), any U.S. recipient of this research report wishing to affect any transaction to buy or sell securities or related financial instruments based on the information provided in this research report should do so only through StoneX Financial Inc. Please contact Gene Turok at +1 (212) 379-5463 or email gene.turok@stonex.com. Under no circumstances should any U.S. recipient of this research report effect any transaction to buy or sell securities or related financial instruments through the Dolat Capital Market Private Limited."



Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741

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

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000000685

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

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