

Stable margin and asset quality, defying industry trend

BFSI - Banks ▶ Result Update ▶ October 20, 2024

TARGET PRICE (Rs): 2,000

HDFC Bank reported a 3% PAT beat at Rs168bn/1.9% RoA, primarily due to stable margins, contained opex, and provisions (due to reversal of Rs6.8bn AIF provisions). After an upset in 1Q, deposit growth returned – up 15% YoY/5% QoQ (Rs1.2trn), but credit growth fell to a low of 7% YoY as the bank focused on LDR management (down by 375bps QoQ to 100%) to allay regulatory concerns. However, the bank managed to maintain NIMs at 3.65% owing to better portfolio mix, defying the industry trend. Asset quality also held up well with GNPA ratio largely flat at 1.36% vs far more deterioration for peers, as the bank consciously contained growth in unsecured loans for the past few years. We retain BUY with TP of Rs2,000 based on 2.4x Sep-26E Standalone Bank ABV and subs valuations (Rs300/sh). Bank has received board approval to launch an IPO of its NBFC subsidiary – HDB Financial Services amounting to Rs125bn (incl OFS of Rs100bn) – to meet the regulatory guidelines and also unlock value.

HDFC Bank: Financial Snapshot (Standalone)

Y/E March (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profit	441,087	608,123	681,408	776,065	909,123
Loan growth (%)	16.9	55.2	7.4	10.0	12.0
NII growth (%)	20.6	25.0	13.8	11.7	15.2
NIM (%)	4.1	3.4	3.5	3.5	3.6
PPOP growth (%)	9.9	34.1	9.0	14.6	18.7
Adj. EPS (Rs)	79.1	80.0	89.3	101.7	119.1
Adj. EPS growth (%)	18.6	1.3	11.6	13.9	17.1
Adj. BV (Rs)	497.8	553.6	620.7	696.6	785.4
Adj. BVPS growth (%)	19.2	18.9	15.5	13.6	11.6
RoA (%)	1.9	1.8	1.8	1.9	1.9
RoE (%)	17.0	14.2	14.6	14.8	15.4
P/E (x)	19.2	17.3	15.5	13.6	11.6
P/ABV (x)	3.0	2.5	2.2	2.0	1.8

Source: Company, Emkay Research

Bank to calibrate credit growth to ease LDR and PSL pressure

HDFCB reported sub-system credit growth at ~7% YoY/1% QoQ as the bank continued shedding of eHDFCL's low yielding corporate book (down 3% QoQ) and also selling off the retail portfolio. However, the bank continues to grow its CRB book (32% of overall advances) at a faster pace to drive up yields and also help build organic PSL to meet the regulatory guidelines. Deposits grew at a strong pace of ~15% YoY/5% QoQ, allowing the LDR to further cool down by 375bps to ~100%; the bank plans to gradually move toward pre-merger LDR. The bank has guided that its credit growth for full year FY25 shall be lower than the system growth in order to reduce its higher LDR to pre-merger levels; for FY26, the bank's credit growth will be cloning the system growth, while the same shall outpace the system growth in FY27. It shall still manage margins at current levels, aided by improving portfolio mix and funding cost, by gradually retiring eHDFCL's high-cost debt. Separately, the LCR is currently higher at 128% due to one-off timing differences arising on account of raising granular, retail-driven deposits, but it is expected to remain range bound at 110-120%.

Asset quality remains largely stable vs higher deterioration for peers

Bank reported slippages of Rs78bn/1.3% of loans, leading to slight increase in the GNPA/NNPA ratio by 3bps/2bps QoQ to 1.4%/0.4%. Management indicates that its unsecured loan portfolio is exhibiting resilient outcomes as it did not grow over the past few years, but they remain watchful. The bank's specific PCR has fallen to 70%, whereas it has partly consumed contingent provision buffer (now stands at 1.1% of loans; Rs34/sh). We believe that HDFC Bank will shore up specific PCR or build contingent provision buffer as it realizes one-off gains from stake sale in HDB Financial Services.

Retain BUY with a TP of Rs2,000

We retain BUY with a TP of Rs2,000 based on 2.4x Sep-26E Standalone Bank ABV and subs valuations (Rs300/sh). Bank has taken board approval to launch IPO of its NBFC subsidiary – HDB Financial Services to the tune of Rs125bn (including OFS of Rs100bn) to meet the regulatory guidelines and also unlock value.

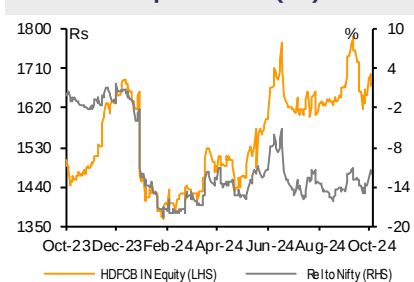
Target Price – 12M	Sep-25
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	18.9
CMP (18-Oct-24) (Rs)	1,681.9

Stock Data	Ticker
52-week High (Rs)	1,794
52-week Low (Rs)	1,363
Shares outstanding (mn)	7,630.8
Market-cap (Rs bn)	12,834
Market-cap (USD mn)	152,652
Net-debt, FY24E (Rs mn)	NA
ADTV-3M (mn shares)	21
ADTV-3M (Rs mn)	34,878.1
ADTV-3M (USD mn)	414.9
Free float (%)	99.0
Nifty-50	24,854
INR/USD	84.1
Shareholding, Sep-24	
Promoters (%)	-
FPIs/MFs (%)	41.5/30.6

Price Performance

(%)	1M	3M	12M
Absolute	(0.8)	4.2	10.7
Rel. to Nifty	1.3	3.9	(12.4)

1-Year share price trend (Rs)



Anand Dama

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

Nikhil Vaishnav

nikhil.vaishnav@emkayglobal.com
+91 22 6612 1485

Kunaal N

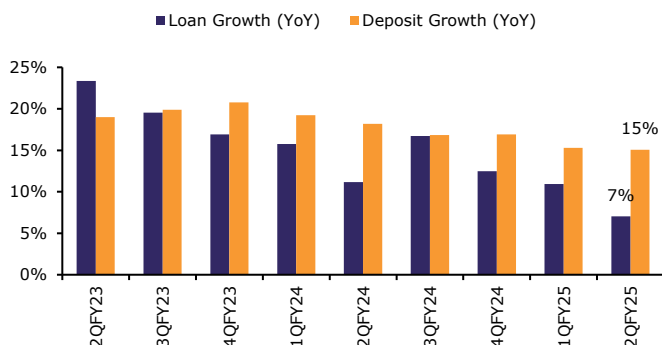
kunaal.n@emkayglobal.com
+91 22 6612 1275

Marazbaan Dastur

marazbaan.dastur@emkayglobal.com
+91 22 6612 1281

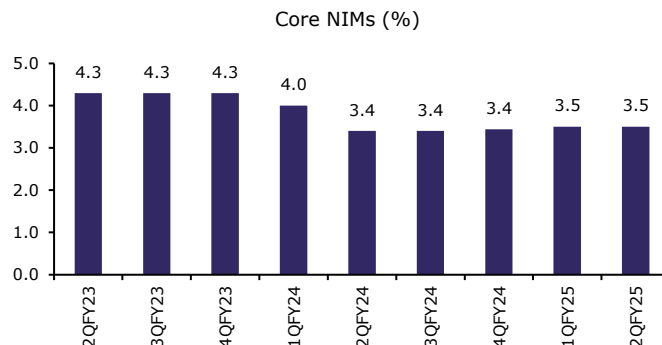
Story in Charts

Exhibit 1: Bank adopts calibrated credit growth strategy to ease LDR and PSL pressure



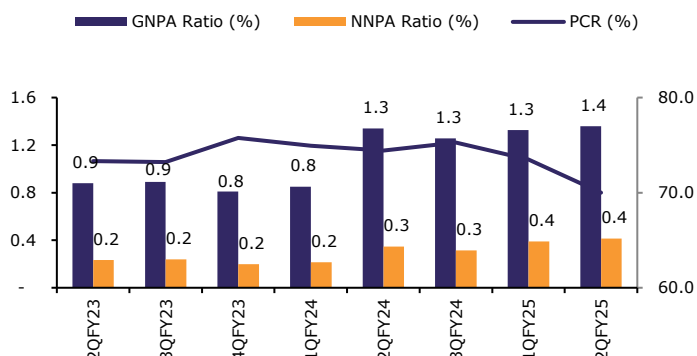
Source: Company, Emkay Research

Exhibit 2: NIM remains stable amid contraction seen across peers



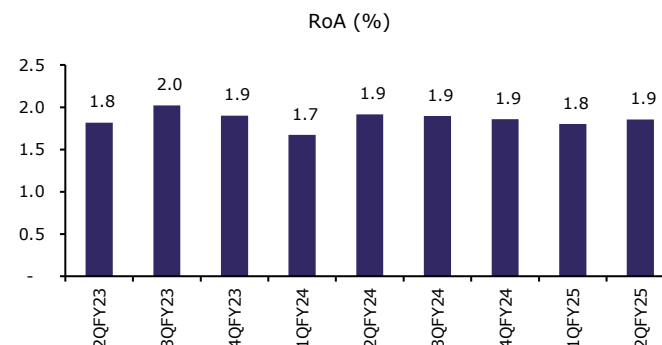
Source: Company, Emkay Research; Note: Figures from Q2FY24 represent NIMs on a merged basis and are therefore not comparable with the historical trend

Exhibit 3: Asset quality remains largely stable



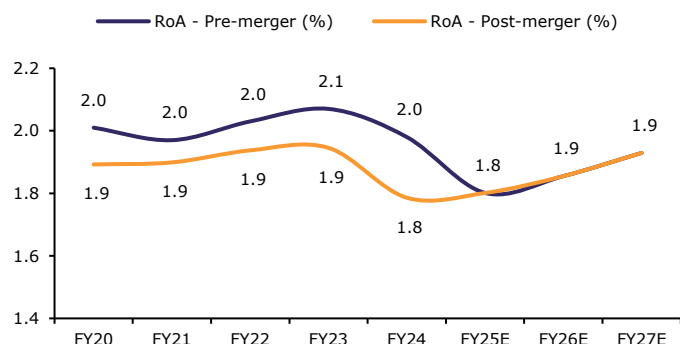
Source: Company, Emkay Research

Exhibit 4: RoA improves a bit QoQ due to stable margins, contained opex, and provisions



Source: Emkay Research

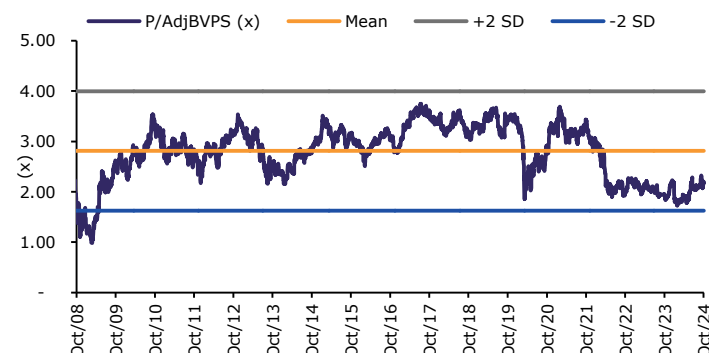
Exhibit 5: RoA of the bank reduced after the merger and is expected to improve going forward



Source: Company, Emkay Research

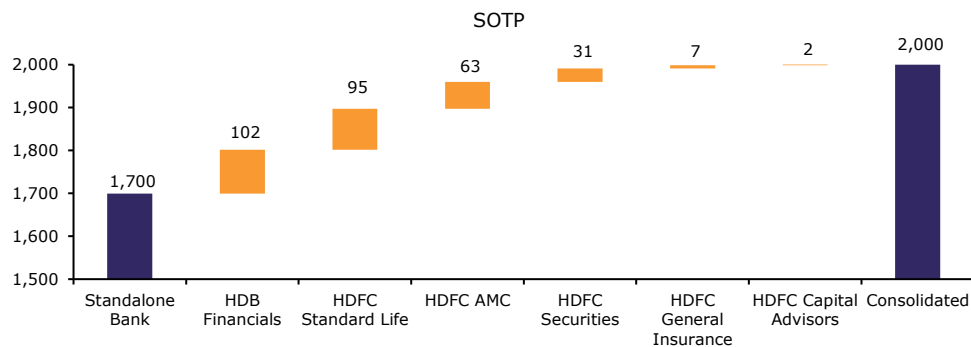
Note: Pre-merger FY24 RoA represent reported no., while post-merger FY24 RoA is on computed basis

Exhibit 6: HDFCB trades at 2.2x 1Y-forward ABV



Source: Bloomberg, Emkay Research

Exhibit 7: SOTP-based valuation



Source: Company, Emkay Research

Exhibit 8: Actuals vs Estimates (Q2FY25)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	415,966	416,632	418,246	0%	-1%	Stable NIMs lead to in-line net income
PPOP	247,057	241,576	248,053	2%	0%	Contained opex lead to a beat
PAT	168,210	163,458	162,543	3%	3%	PPOP beat and reversal of AIF provisions lead to a PAT beat

Source: Company, Emkay Research

Exhibit 9: Quarterly Summary

(Rs mn)	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	YoY (%)	QoQ (%)	FY24	FY25E	YoY (%)
Interest Earned	676,984	705,826	714,728	730,331	740,169	9.3	1.3	2,583,406	3,023,865	17.0
Interest Exp	403,132	421,113	423,959	431,960	439,030	8.9	1.6	1,498,081	1,788,413	19.4
Net Interest Income	273,852	284,713	290,768	298,371	301,139	10.0	0.9	1,085,325	1,235,452	13.8
Global NIMs (reported)	3.60	3.60	3.63	3.66	3.65	5bps	-1bps	3.38	3.48	-10bps
Non-interest Income	107,078	111,370	181,663	106,681	114,827	7.2	7.6	492,410	493,770	0.3
Operating Expenses	153,992	159,611	179,688	166,206	168,909	9.7	1.6	633,860	700,822	10.6
Pre Provisioning Profit	226,939	236,473	292,742	238,846	247,057	8.9	3.4	943,874	1,028,400	9.0
Provision & Contingencies	29,038	42,166	135,116	26,021	27,005	-7.0	3.8	234,921	137,671	-41.4
PBT	197,901	194,307	157,626	212,826	220,053	11.2	3.4	708,953	890,729	25.6
Income Tax Expense (Gain)	38,139	30,581	-7,493	51,078	51,843	35.9	1.5	100,830	209,321	107.6
Net Profit/(Loss)	159,761	163,725	165,119	161,748	168,210	5.3	4.0	608,123	681,408	12.1
Gross NPA (%)	1.34	1.26	1.24	1.33	1.36	2bps	3bps	1.24	1.30	-6bps
Net NPA (%)	0.35	0.31	0.33	0.39	0.41	7bps	2bps	0.33	0.37	-4bps
Deposits (Rs bn)	21,729	22,140	23,798	23,791	25,001	15.1	5.1	23,798	27,758	16.6
Net Advances (Rs bn)	23,312	24,461	24,849	24,635	24,951	7.0	1.3	24,849	26,683	7.4

Source: Company, Emkay Research

Exhibit 10: Revision in estimates

Y/E Mar (Rs mn)	FY25E			FY26E			FY27E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	1,710,644	1,729,222	1.1%	1,973,800	1,969,169	-0.2%	2,319,042	2,298,227	-0.9%
PPOP	998,964	1,028,400	2.9%	1,164,848	1,178,673	1.2%	1,402,294	1,399,060	-0.2%
PAT	679,553	681,408	0.3%	768,598	776,065	1.0%	910,067	909,123	-0.1%
EPS (Rs)	89.5	89.3	-0.2%	101.2	101.7	0.5%	119.8	119.1	-0.5%
BV (Rs)	650.9	648.2	-0.4%	728.1	725.9	-0.3%	819.9	817.0	-0.3%

Source: Company, Emkay Research

Exhibit 11: Key assumptions

(%)	FY24	FY25E	FY26E	FY27E
Loan Growth	55.2	7.4	10.0	12.0
Deposit Growth	26.4	16.6	18.3	18.1
NIM	3.4	3.5	3.5	3.6
GNPA	1.2	1.3	1.4	1.4
Credit Cost	0.6	0.5	0.5	0.6

Source: Emkay Research

Exhibit 12: Key ratios and trend

(Rs bn)	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
Loans*	14,799	15,068	16,006	16,157	23,312	24,461	24,849	24,635	24,951
YoY growth (%)	23.4	19.5	16.9	15.8	57.5	62.3	55.2	52.5	7.0
QoQ growth (%)	6.1	1.8	6.2	0.9	44.3	4.9	1.6	(0.9)	1.3
Composition (%)									
- Corporate	65.2	63.1	63.9	63.0	48.5	48.5	47.7	46.5	46.4
- Retail	31.7	34.1	33.5	34.4	51.5	49.8	50.8	52.0	52.7
- Overseas	3.1	2.8	2.6	2.6	-	1.7	1.5	1.5	1.5
Liability Profile and Margins									
Deposits*	16,734	17,332	18,834	19,131	21,729	22,140	23,798	23,791	25,001
YoY growth (%)	19.0	19.9	20.8	19.2	29.8	27.7	26.4	24.4	15.1
QoQ growth (%)	4.3	3.6	8.7	1.6	13.6	1.9	7.5	(0.0)	5.1
CA	2,300	2,277	2,735	2,524	2,477	2,558	3,100	2,673	2,754
SA	5,297	5,352	5,625	5,606	5,700	5,799	5,987	5,964	6,081
CASA (%)	45.4	44.0	44.4	42.5	37.6	37.7	38.2	36.3	35.3
CA (%)	13.7	13.1	14.5	13.2	11.4	11.6	13.0	11.2	11.0
SA (%)	31.7	30.9	29.9	29.3	26.2	26.2	25.2	25.1	24.3
NIM (%) (on IEA)	4.3	4.3	4.3	4.3	3.6	3.6	3.6	3.7	3.7
Branches (no. of)	6,499	7,183	7,821	7,860	7,945	8,091	8,738	8,851	9,092
Asset Quality and Capital Adequacy (%)									
GNPA	0.9	0.9	0.8	0.8	1.3	1.3	1.2	1.3	1.4
NNPA	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.4	0.4
PCR	73.5	73.0	75.6	74.7	74.2	75.0	73.4	70.7	69.6
CAR	18.0	19.4	19.3	18.9	19.5	18.4	18.8	19.3	19.8
Tier I	17.1	17.2	17.1	16.9	17.8	16.8	16.8	17.3	17.8
ROE Decomposition (%)									
NII	3.6	3.8	3.7	3.3	3.3	3.3	3.3	3.3	3.3
Other Income (Ex Treasury)	1.3	1.4	1.4	1.2	1.2	1.1	1.2	1.2	1.2
Opex	1.9	2.1	2.1	2.0	1.8	1.8	2.0	1.9	1.9
PPOP	3.0	3.1	2.9	2.6	2.7	2.7	3.3	2.7	2.7
Provisioning Cost	0.6	0.5	0.4	0.4	0.3	0.5	1.5	0.3	0.3
PBT	2.4	2.7	2.5	2.2	2.4	2.2	1.8	2.4	2.4
ROA	1.8	2.0	1.9	1.7	1.9	1.9	1.9	1.8	1.9
Leverage (x)	9.2	9.1	9.1	9.7	8.2	8.2	8.1	7.8	7.8
ROE	16.7	18.3	17.2	16.3	15.8	15.5	15.0	14.1	14.5

Source: Company, Emkay Research; Note: *Represents merged numbers of HDFCB and eHDFCL from Q2FY24

HDFC Bank: Standalone Financials and Valuations

Profit and Loss					
Y/E March (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	1,615,856	2,583,406	3,023,865	3,242,879	3,551,238
Interest Expense	747,433	1,498,081	1,788,413	1,863,109	1,961,548
Net interest income	868,422	1,085,325	1,235,452	1,379,770	1,589,690
NII growth (%)	20.6	25.0	13.8	11.7	15.2
Other income	312,148	492,410	493,770	589,399	708,537
Total Income	1,180,571	1,577,735	1,729,222	1,969,169	2,298,227
Operating expenses	476,521	633,860	700,822	790,497	899,167
PPOP	704,050	943,874	1,028,400	1,178,673	1,399,060
PPOP growth (%)	9.9	34.1	9.0	14.6	18.7
Core PPOP	715,361	828,613	981,912	1,122,888	1,337,696
Provisions & contingencies	119,197	234,921	137,671	150,772	183,655
PBT	584,853	708,953	890,729	1,027,901	1,215,405
Extraordinary items	0	0	0	0	0
Tax expense	143,766	100,830	209,321	251,836	306,282
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	441,087	608,123	681,408	776,065	909,123
PAT growth (%)	19.3	37.9	12.1	13.9	17.1
Adjusted PAT	441,087	608,123	681,408	776,065	909,123
Diluted EPS (Rs)	79.1	80.0	89.3	101.7	119.1
Diluted EPS growth (%)	18.6	1.3	11.6	13.9	17.1
DPS (Rs)	19.1	22.5	21.0	24.0	28.0
Dividend payout (%)	24.0	24.4	23.5	23.6	23.5
Effective tax rate (%)	24.6	14.2	23.5	24.5	25.2
Net interest margins (%)	4.1	3.4	3.5	3.5	3.6
Cost-income ratio (%)	40.4	40.2	40.5	40.1	39.1
Shares outstanding (mn)	5,579.7	7,596.9	7,630.8	7,630.8	7,630.8

Source: Company, Emkay Research

Asset Quality and Other Metrics					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Asset quality					
Gross NPLs	180,190.0	311,732.9	350,519.7	403,851.7	468,561.0
Net NPLs	43,684.2	80,917.3	98,145.5	117,117.0	140,568.3
GNPA ratio (%)	1.1	1.2	1.3	1.4	1.4
NNPA ratio (%)	0.3	0.3	0.4	0.4	0.4
Provision coverage (%)	75.8	74.0	72.0	71.0	70.0
Gross slippages	245,363.1	402,621.0	323,223.7	355,546.1	431,395.9
Gross slippage ratio (%)	1.5	1.6	1.2	1.2	1.3
LLP ratio (%)	0.8	0.6	0.5	0.5	0.6
NNPA to networth (%)	1.5	1.8	1.9	2.1	2.2
Capital adequacy					
Total CAR (%)	19.3	18.8	19.0	18.7	18.5
Tier-1 (%)	17.1	16.8	17.2	17.1	17.1
CET-1 (%)	16.4	17.5	17.8	18.2	18.2
RWA-to-Total Assets (%)	64.3	68.2	69.0	70.0	67.0
Miscellaneous					
Total income growth (%)	22.6	59.5	14.4	8.9	11.2
Opex growth (%)	27.3	33.0	10.6	12.8	13.7
Core PPOP growth (%)	15.8	15.8	18.5	14.4	19.1
PPOP margin (%)	36.5	30.7	29.2	30.8	32.8
PAT/PPOP (%)	62.7	64.4	66.3	65.8	65.0
LLP-to-Core PPOP (%)	16.7	28.4	14.0	13.4	13.7
Yield on advances (%)	8.6	10.2	9.5	9.3	9.1
Cost of funds (%)	3.9	5.8	5.6	5.3	4.9

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	5,580	7,597	7,631	7,631	7,631
Reserves & surplus	2,796,410	4,394,861	4,938,628	5,531,554	6,227,014
Net worth	2,801,990	4,402,458	4,946,259	5,539,184	6,234,645
Deposits	18,833,946	23,797,863	27,758,082	32,841,606	38,789,609
Borrowings	2,317,656	6,962,326	5,688,596	4,619,036	3,763,388
Interest bearing liab.	21,151,602	30,760,189	33,446,678	37,460,642	42,552,997
Other liabilities & prov.	707,222	1,013,584	1,090,239	1,187,488	1,271,748
Total liabilities & equity	24,660,815	36,176,231	39,483,176	44,187,315	50,059,390
Net advances	16,005,859	24,848,615	26,682,934	29,342,105	32,856,308
Investments	5,170,014	7,024,150	8,001,875	9,228,419	10,592,925
Cash, other balances	1,937,651	2,191,474	2,340,516	2,809,548	3,404,240
Interest earning assets	23,113,524	34,064,239	37,025,325	41,380,072	46,853,473
Fixed assets	80,165	113,990	124,876	133,916	143,543
Other assets	1,467,125	1,998,002	2,332,975	2,673,327	3,062,374
Total assets	24,660,815	36,176,231	39,483,176	44,187,315	50,059,390
BVPS (Rs)	503.7	579.5	648.2	725.9	817.0
Adj. BVPS (INR)	497.8	553.6	620.7	696.6	785.4
Gross advances	16,142,365	25,079,431	26,935,309	29,628,840	33,184,300
Credit to deposit (%)	85.0	104.4	96.1	89.3	84.7
CASA ratio (%)	44.4	38.2	34.8	33.3	33.4
Cost of deposits (%)	3.6	4.7	5.0	5.0	4.8
Loans-to-Assets (%)	64.9	68.7	67.6	66.4	65.6
Net advances growth (%)	16.9	55.2	7.4	10.0	12.0
Deposit growth (%)	20.8	26.4	16.6	18.3	18.1
Book value growth (%)	16.0	15.0	11.9	12.0	12.6

Source: Company, Emkay Research

Valuations and Key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	19.2	17.3	15.5	13.6	11.6
P/B (x)	3.0	2.4	2.1	1.9	1.7
P/ABV (x)	3.0	2.5	2.2	2.0	1.8
P/PPOP (x)	12.0	11.1	10.3	8.9	7.5
Dividend yield (%)	1.1	1.3	1.3	1.4	1.7
DuPont-RoE split (%)					
NII/avg assets	3.8	3.2	3.3	3.3	3.4
Other income	1.4	1.4	1.3	1.4	1.5
Fee income	1.4	1.1	1.1	1.12	1.3
Opex	2.1	1.9	1.9	1.9	1.9
PPOP	3.0	2.5	2.2	2.0	1.8
Core PPOP	3.2	2.7	2.6	2.7	2.8
Provisions	0.5	0.7	0.4	0.4	0.4
Tax expense	0.6	0.3	0.6	0.6	0.6
RoA (%)	1.9	1.8	1.8	1.9	1.9
Leverage ratio (x)	8.7	8.0	8.1	8.0	8.0
RoE (%)	17.0	14.2	14.6	14.8	15.4
Quarterly data					
Rs mn, Y/E Mar	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
NII	273,852	284,713	290,768	298,371	301,139
NIM (%)	3.6	3.6	3.6	3.7	3.7
PPOP	226,939	236,473	292,472	238,846	247,057
PAT	159,761	163,725	165,119	161,748	168,210
EPS (Rs)	21.0	21.6	21.7	21.2	22.0

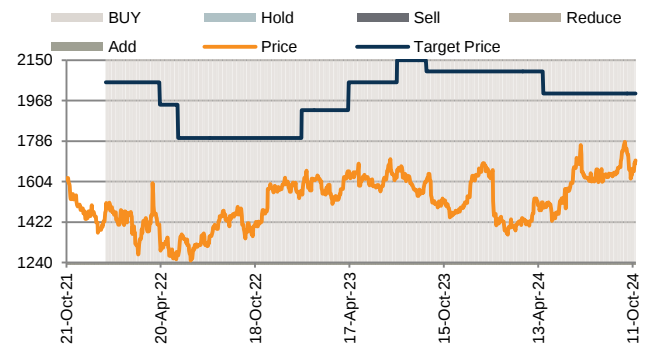
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
21-Jul-24	1,607	2,000	Buy	Anand Dama
22-Apr-24	1,492	2,000	Buy	Anand Dama
17-Jan-24	1,517	2,100	Buy	Anand Dama
30-Nov-23	1,538	2,100	Buy	Anand Dama
17-Oct-23	1,520	2,100	Buy	Anand Dama
19-Sep-23	1,607	2,100	Buy	Anand Dama
11-Sep-23	1,610	2,100	Buy	Anand Dama
17-Jul-23	1,656	2,150	Buy	Anand Dama
25-May-23	1,588	2,050	Buy	Anand Dama
24-Apr-23	1,647	2,050	Buy	Anand Dama
15-Apr-23	1,651	2,050	Buy	Anand Dama
09-Mar-23	1,590	1,925	Buy	Anand Dama
15-Jan-23	1,561	1,925	Buy	Anand Dama
04-Jan-23	1,570	1,800	Buy	Anand Dama
16-Oct-22	1,404	1,800	Buy	Anand Dama
04-Oct-22	1,417	1,800	Buy	Anand Dama
17-Jul-22	1,328	1,800	Buy	Anand Dama
01-Jun-22	1,360	1,800	Buy	Anand Dama
23-May-22	1,272	1,800	Buy	Anand Dama
18-Apr-22	1,345	1,950	Buy	Anand Dama
05-Apr-22	1,551	2,050	Buy	Anand Dama
04-Apr-22	1,597	2,050	Buy	Anand Dama
16-Jan-22	1,490	2,050	Buy	Anand Dama
04-Jan-22	1,474	2,050	Buy	Anand Dama

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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 BSE Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX), Multi Commodity Exchange of India Ltd (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) (hereinafter referred to be as "Stock Exchange(s)"). EGFSL along with its [affiliates] 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 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 the Securities and Exchange Board of India ("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. However, SEBI and Stock Exchanges had conducted their 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 its existing 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.

This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the clients simultaneously, not all clients may receive this report at the same time. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient.

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. EGFSL may have issued or may issue other reports (on technical or fundamental analysis basis) of the same subject company 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. Users of this report may visit www.emkayglobal.com to view all Research Reports of EGFSL. 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 EGFSL; 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. 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 affiliates. 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 report has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research report relating to any issuer/subject company.

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

Disclaimer for U.S. persons only: Research report is a product of Emkay Global Financial Services Ltd., under Marco Polo Securities 15a6 chaperone service, 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. Emkay Global Financial Services Ltd. has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

RESTRICTIONS ON DISTRIBUTION

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. Except 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. 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.

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 associated persons¹ may have served 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 may 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 associated person is defined as (i) who reports directly or indirectly to such a research analyst in connection with the preparation of the reports; or (ii) 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:-

- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her associate/relative's may have Financial Interest/proprietary positions in the securities recommended in this report as of October 20, 2024
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- 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.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of October 20, 2024
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the October 20, 2024
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received 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.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	<15% downside

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

OTHER DISCLAIMERS AND DISCLOSURES:**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) -:**

EGFSL or its associates may have financial interest in the subject company.

Research Analyst or his/her associate/relative's may have financial interest in the subject company.

EGFSL or its associates and Research Analyst or his/her associate/ relative's may have material conflict of interest in the subject company. The research Analyst or research entity (EGFSL) have not been engaged in market making activity for the subject company.

EGFSL or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst or his/her associate/relatives may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of public appearance or publication of Research Report.

Research Analyst may have served as an officer, director or employee of the subject company.

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . 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 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. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.