

Margin upsets, but better asset quality supports RoA

BFSI - Banks ▶ Result Update ▶ January 30, 2025

TARGET PRICE (Rs): 300

Bank of Baroda (BoB) reported a sharp decline in NIM (down by 16bps QoQ) to 2.94% which we believe was mainly due to recent RBI guidelines on penal interest, lower NPA recoveries, and slightly aggressive pricing in select retail loans. However, asset quality continues to perform well, as reflected in contained slippages at ~1.1% and thus lower LLP, leading to a 5% beat on PAT at Rs48bn and healthy ~1.2% RoA. Credit growth during 3Q was ~12% YoY, while the bank maintains FY25 credit growth guidance of 11-13%, which we believe could keep NIM range-bound. On the retail front, the bank believes asset quality is well within tolerable levels and would thus remain a focus area for growth along with SME and agri. We cut FY25-27E earnings by 1-6% mainly due to a slower growth/margin trajectory and expect the bank to report RoA of 1-1.2%. After the recent stock correction, valuations are comforting at 0.7x Dec-26E ABV (excl subs value of Rs15/sh). We thus retain BUY, while revising our TP to Rs300 (down by 7.7%), based on 1x Dec-26E ABV (earlier 1.1x).

Bank of Baroda: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profit	141,084	177,888	194,603	203,738	207,384
Loan growth (%)	21.1	13.3	11.1	10.3	12.1
NII growth (%)	26.8	8.1	3.7	7.5	8.8
NIM (%)	3.2	3.1	2.9	2.8	2.7
PPOP growth (%)	20.0	15.3	3.9	6.9	7.0
Adj. EPS (Rs)	27.2	34.4	37.6	39.3	40.1
Adj. EPS growth (%)	94.0	26.1	9.4	4.7	1.8
Adj. BV (INR)	177.6	206.3	244.0	268.5	297.8
Adj. BVPS growth (%)	21.1	16.2	18.2	10.1	10.9
RoA (%)	1.0	1.2	1.2	1.1	1.0
RoE (%)	15.3	16.9	16.0	14.8	13.6
P/E (x)	7.6	6.0	5.5	5.3	5.2
P/ABV (x)	1.2	1.0	0.9	0.8	0.7

Source: Company, Emkay Research

In-line credit growth, but margin disappoints

BoB reported healthy broad-based credit growth of ~12% YoY/3% QoQ, led by the RAM segment, while corporate book growth remains subdued. Within Retail, the vehicle loan book continues to see a fast pace of growth, but we believe it is facing some pricing pressure. Further, the PL loan growth picked up pace to 24% YoY/7% QoQ, with incremental focus on salaried customers, while the low-base GL book continues to see good traction (~4% of overall retail book). However, NIM dipped sharply by 16bps QoQ to 2.94%, mainly due to impact of reversal of penal interest (by 5-6bps) and lower interest recognition on NPA recoveries from the written-off pool. For FY25, the management revised its margin guidance to 3.05% (+/-5bps), while maintaining guidance on credit growth at ~11-13% and on deposit growth at 9-11%.

Lower slippages offset by lower write-offs contain the pace of NPA moderation

Fresh slippages were contained at Rs29bn/1.1% of loans, mainly due to lower stress across business segments (especially the MSME and agri segments). However, lower write-offs during 3Q offset the pace of GNPA moderation – GNPA's are down by only 7bps QoQ to 2.4%. On the retail front, the bank believes that asset quality behavior is well within tolerable levels and thus guides to lower slippages of 1-1.25% and maintains its FY25 credit cost guidance at less than 0.75%.

We retain BUY, on BoB taking comfort from healthy RoAs, lower valuations

We cut FY25-27E earnings by 1-6%, mainly due to a slower growth/margin trajectory, and expect the bank to report RoA of around 1-1.2%. Following the recent stock correction, valuations are comforting at 0.7x Dec-26E ABV (excl subs valuation of Rs15/sh). Thus, we retain BUY on BoB, while revising down our TP by 7.7% to Rs300 (earlier Rs325), based on 1x Dec-26E ABV. **Key risks:** Macro slowdown leading to slower credit growth, margin contraction, and asset-quality disruption.

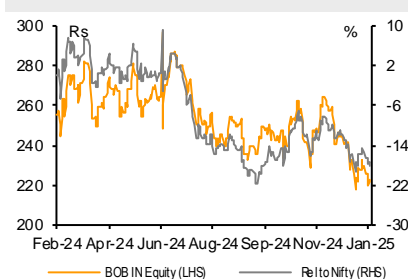
Target Price – 12M	Dec-25
Change in TP (%)	(7.7)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	34.9
CMP (30-Jan-25) (Rs)	222.4

Stock Data	Ticker
52-week High (Rs)	300
52-week Low (Rs)	216
Shares outstanding (mn)	5,171.4
Market-cap (Rs bn)	1,150
Market-cap (USD mn)	13,276
Net-debt, FY25E (Rs mn)	NA
ADTV-3M (mn shares)	12
ADTV-3M (Rs mn)	2,909.1
ADTV-3M (USD mn)	33.6
Free float (%)	36.0
Nifty-50	23,250
INR/USD	86.6
Shareholding, Dec-24	
Promoters (%)	64.0
FPIs/MFs (%)	8.9/18.1

Price Performance

(%)	1M	3M	12M
Absolute	(7.7)	(11.6)	(6.3)
Rel. to Nifty	(6.2)	(7.4)	(13.3)

1-Year share price trend (Rs)



Anand Dama

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

Nikhil Vaishnav

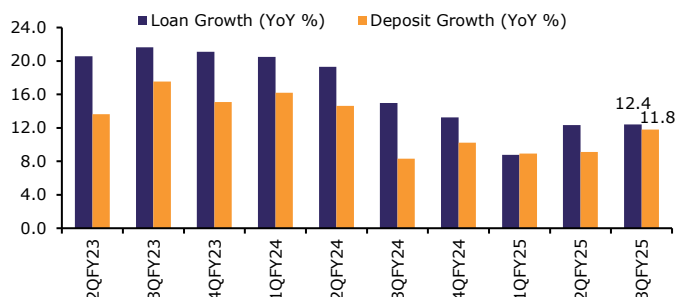
nikhil.vaishnav@emkayglobal.com
+91 22 6624 2485

Kunaal N

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

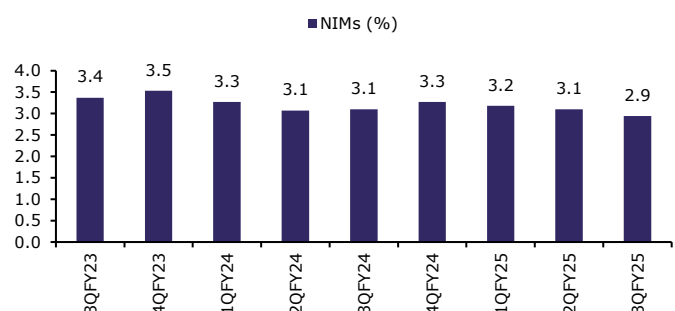
Story in Charts

Exhibit 1: Business growth remains range bound



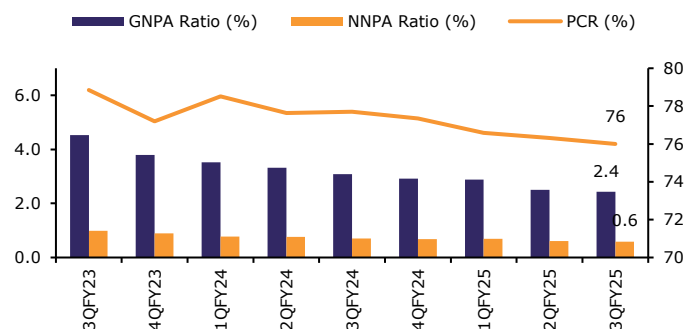
Source: Company, Emkay Research

Exhibit 3: Sharp compression in NIM owing to decline in loan yields in turn led by lower penal interest and interest on recovery from the write-off pool



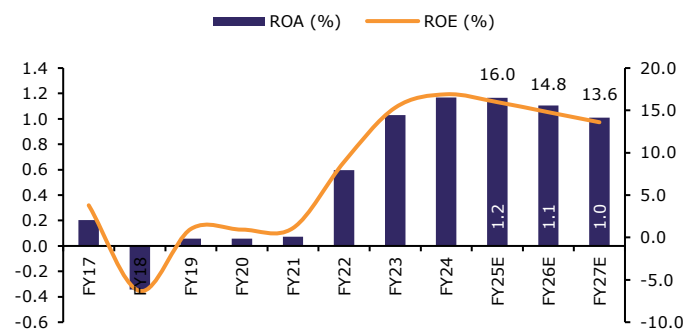
Source: Company, Emkay Research

Exhibit 5: Slippages were lower, but so were the write-offs; this led to only a 7bps fall in GNPA ratio



Source: Company, Emkay Research

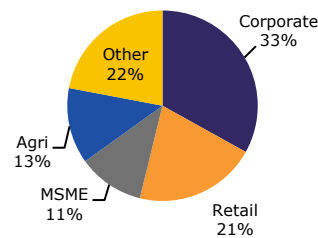
Exhibit 7: We expect BoB to log RoA at 1-1.2% over FY25-27E



Source: Company, Emkay Research

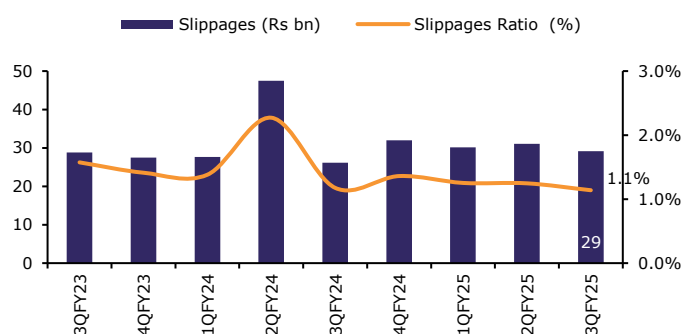
Exhibit 2: Loan mix is largely stable across segments, QoQ

% share in Gross Domestic Credit



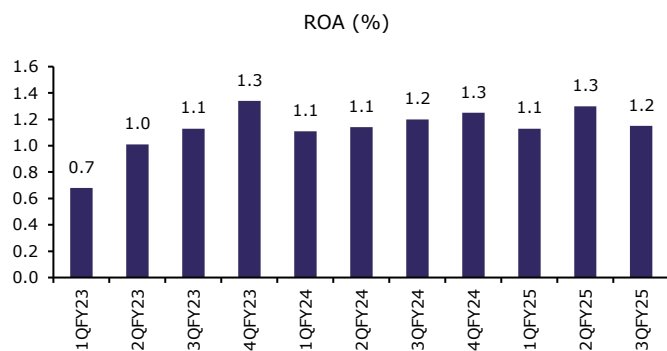
Source: Company, Emkay Research

Exhibit 4: Slippages were contained, led by lower stress across business segments, including Retail



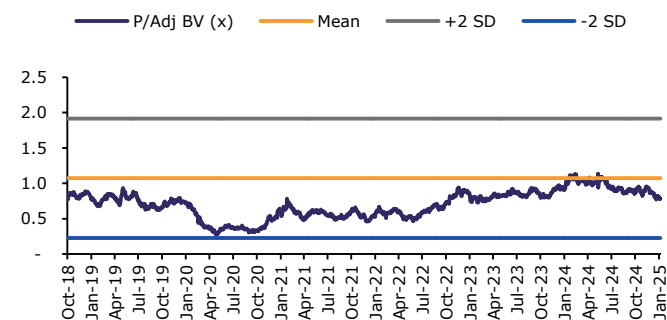
Source: Company, Emkay Research

Exhibit 6: RoA remains >1% over the last ten consecutive quarters



Source: Company, Emkay Research

Exhibit 8: The stock currently trades at 0.7x its 1YF ABV



Source: Bloomberg, Emkay Research

Exhibit 9: Actuals vs Estimates (Q3FY25)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	151,858	154,178	144,130	-2%	5%	Lower NII led to a miss
PPOP	76,642	77,387	76,494	-1%	0%	Miss on net-income and lower opex cost led to largely inline PPOP
PAT	48,373	46,273	43,796	5%	10%	Sharp decline in provisions led to the PAT beat

Source: Company, Emkay Research

Exhibit 10: Quarterly Summary

(Rs mn)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY (%)	QoQ (%)	FY24	FY25E	YoY (%)
Interest Earned	286,051	295,834	296,287	302,633	309,076	8	2	1,126,059	1,226,895	9
Interest Expenses	175,038	177,906	180,286	186,412	194,907	11	5	678,844	763,083	12
Net Interest Income	111,013	117,928	116,001	116,221	114,169	3	-2	447,215	463,812	4
Global NIM (reported)	3.10	3.27	3.18	3.10	2.94	-16bps	-16bps	3.07	2.89	-18bps
Non-interest Income	28,101	41,915	24,873	51,814	37,689	34	-27	144,954	154,016	6
Operating Expenses	68,967	78,782	69,261	73,265	75,215	9	3	282,517	295,947	5
Pre Provisioning Profit	70,147	81,061	71,613	94,770	76,642	9	-19	309,652	321,881	4
Provision and Contingencies	6,663	13,019	10,107	23,357	10,823	62	-54	60,756	55,301	-9
PBT	63,483	68,042	61,506	71,413	65,819	4	-8	248,896	266,580	7
Income Tax Expense (Gain)	17,694	19,177	16,924	19,034	17,446	-1	-8	71,008	71,977	1
Net Profit/(Loss)	45,789	48,865	44,582	52,379	48,373	6	-8	177,888	194,603	9
Gross NPA (%)	3.08	2.92	2.88	2.50	2.43	-65bps	-7bps	2.92	2.33	-59bps
Net NPA (%)	0.70	0.68	0.69	0.60	0.59	-11bps	-1bps	0.68	0.57	-11bps
Deposits (Rs bn)	12,453	13,270	13,070	13,635	13,925	12	2	13,270	14,666	11
Net Advances (Rs bn)	10,241	10,658	10,479	11,212	11,513	12	3	10,658	11,836	11

Source: Company, Emkay Research

Exhibit 11: Revision in estimates

Y/E Mar (Rs mn)	FY25E			FY26E			FY27E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	621,519	617,827	-0.6%	687,135	661,427	-3.7%	750,714	711,554	-5.22%
PPOP	322,898	321,881	-0.3%	364,076	344,118	-5.5%	401,182	368,278	-8.2%
PAT	192,161	194,603	1.3%	206,367	203,738	-1.3%	221,492	207,384	-6.4%
EPS (Rs)	37.1	37.6	1.3%	39.9	39.3	-1.3%	42.8	40.1	-6.4%
BV (Rs)	253.0	253.7	0.3%	278.1	278.5	0.1%	312.1	310.5	-0.5%

Source: Company, Emkay Research

Exhibit 12: Key Assumptions

	FY24	FY25E	FY26E	FY27E
Loan Growth (%)	13.3	11.1	10.3	12.1
Deposit Growth (%)	10.2	10.5	11.1	13.1
NIM (%)	3.1	2.9	2.8	2.7
GNPA (%)	2.9	2.3	2.0	2.0
Credit Cost (%)	0.6	0.5	0.6	0.7

Source: Emkay Research

Exhibit 13: Key ratios and trends

	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Loans (Rs bn)	9,237	9,694	9,908	10,245	10,494	10,904	10,716	11,430	11,716
- Growth — YoY (%)	19.7	18.5	18.0	17.3	13.6	12.5	8.2	11.6	11.6
- Growth — QoQ (%)	5.8	4.9	2.2	3.4	2.4	3.9	-1.7	6.7	2.5
Liability Profile									
Deposit (Rs bn)	11,495	12,037	11,999	12,496	12,453	13,270	13,070	13,635	13,925
- Growth YoY (%)	17.5	15.1	16.2	14.6	8.3	10.2	8.9	9.1	11.8
- Growth QoQ (%)	5.4	4.7	-0.3	4.1	-0.3	6.6	-1.5	4.3	2.1
CASA (%)	38.6	39.2	37.2	39.8	40.7	41.3	41.0	41.0	40.0
Capital Adequacy									
CAR (%)	14.9	16.2	15.8	15.3	14.7	16.1	16.8	16.3	16.0
Tier I (%)	12.6	14.0	13.6	13.2	12.7	14.5	14.7	14.2	13.4
Asset Quality									
GNPA (%)	4.5	3.8	3.5	3.3	3.1	2.9	2.9	2.5	2.4
NNPA (%)	1.0	0.9	0.8	0.8	0.7	0.7	0.7	0.6	0.6
PCR (%)	78.9	77.2	78.5	77.6	77.7	77.3	76.6	76.3	76.0
Slippages (%)	1.6	1.4	1.4	2.3	1.2	1.4	1.3	1.2	1.1
NIM – Global (%)	3.4	3.5	3.3	3.1	3.1	3.3	3.2	3.1	2.9
NIM – Domestic (%)	3.5	3.7	3.3	3.2	3.2	3.5	3.3	3.3	3.1
Cost/Income (%)	42.7	46.1	45.4	46.5	49.6	49.3	49.2	43.6	49.5
ROE Decomposition (%)									
NII	3.5	3.6	3.3	3.2	3.2	3.3	3.2	3.2	3.0
Other Income (Ex Treasury)	1.1	1.0	0.9	1.1	0.7	1.0	0.6	1.3	0.8
Treasury	0.1	0.1	0.1	0.1	0.1	0.2	0.0	0.1	0.2
Opex	2.0	2.2	2.0	2.1	2.0	2.2	1.9	2.0	2.0
PPOP	2.7	2.5	2.4	2.4	2.0	2.3	2.0	2.6	2.0
Provisioning Cost	0.8	0.4	0.6	0.6	0.2	0.4	0.3	0.6	0.3
PBT	1.9	2.1	1.8	1.7	1.8	1.9	1.7	1.9	1.7
Tax	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5
ROA	1.1	1.3	1.1	1.1	1.2	1.3	1.1	1.3	1.2
Leverage (x)	14.5	14.7	14.6	14.3	14.1	14.0	13.6	13.1	13.1
ROE	16.4	19.6	16.2	16.3	16.8	17.5	15.3	17.0	15.0

Source: Company, Emkay Research

Bank of Baroda: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	895,885	1,126,059	1,226,895	1,307,501	1,399,870
Interest Expense	482,325	678,844	763,083	809,132	857,548
Net interest income	413,560	447,215	463,812	498,369	542,322
NII growth (%)	26.8	8.1	3.7	7.5	8.8
Other income	100,258	144,954	154,016	163,058	169,232
Total Income	513,819	592,169	617,827	661,427	711,554
Operating expenses	245,195	282,517	295,947	317,309	343,276
PPOP	268,624	309,652	321,881	344,118	368,278
PPOP growth (%)	20.0	15.3	3.9	6.9	7.0
Core PPOP	267,884	289,751	302,486	321,814	343,743
Provisions & contingencies	71,369	60,756	55,301	68,796	91,027
PBT	197,255	248,896	266,580	275,322	277,251
Extraordinary items	0	0	0	0	0
Tax expense	56,170	71,008	71,977	71,584	69,867
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	141,084	177,888	194,603	203,738	207,384
PAT growth (%)	94.0	26.1	9.4	4.7	1.8
Adjusted PAT	141,084	177,888	194,603	203,738	207,384
Diluted EPS (Rs)	27.2	34.4	37.6	39.3	40.1
Diluted EPS growth (%)	94.0	26.1	9.4	4.7	1.8
DPS (Rs)	5.5	6.7	7.4	7.8	8.0
Dividend payout (%)	20.2	22.0	22.2	22.4	22.5
Effective tax rate (%)	28.5	28.5	27.0	26.0	25.2
Net interest margins (%)	3.2	3.1	2.9	2.8	2.7
Cost-income ratio (%)	47.7	47.7	47.9	48.0	48.2
Shares outstanding (mn)	5,177.7	5,177.7	5,177.7	5,177.7	5,177.7

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Asset quality					
Gross NPLs	367,636.6	318,336.1	280,381.9	265,140.0	292,973.1
Net NPLs	83,843.2	72,133.4	67,291.7	68,936.4	87,891.9
GNPA ratio (%)	3.8	2.9	2.3	2.0	2.0
NNPA ratio (%)	0.9	0.7	0.6	0.5	0.6
Provision coverage (%)	77.2	77.3	76.0	74.0	70.0
Gross slippages	111,503.9	103,965.3	126,513.9	152,419.1	185,553.7
Gross slippage ratio (%)	1.2	1.0	1.1	1.2	1.3
LLP ratio (%)	1.5	0.5	0.6	0.5	0.6
NNPA to networth (%)	7.9	6.1	4.9	4.5	5.2
Capital adequacy					
Total CAR (%)	16.2	16.8	17.5	17.0	16.9
Tier-1 (%)	14.0	14.5	15.3	14.8	14.8
CET-1 (%)	11.7	12.9	13.8	13.6	13.6
RWA-to-Total Assets (%)	47.8	48.6	49.0	50.0	50.0
Miscellaneous					
Total income growth (%)	22.4	27.6	8.6	6.5	6.7
Opex growth (%)	12.9	15.2	4.8	7.2	8.2
Core PPOP growth (%)	29.9	8.2	4.4	6.4	6.8
PPOP margin (%)	27.0	24.4	23.3	23.4	23.5
PAT/PPOP (%)	52.5	57.4	60.5	59.2	56.3
LLP-to-Core PPOP (%)	26.6	21.0	18.3	21.4	26.5
Yield on advances (%)	7.6	8.5	8.4	8.2	7.9
Cost of funds (%)	3.9	5.0	5.1	4.9	4.6

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	10,355	10,355	10,355	10,355	10,355
Reserves & surplus	971,874	1,112,132	1,303,169	1,431,522	1,597,484
Net worth	982,229	1,122,487	1,313,524	1,441,877	1,607,840
Deposits	12,036,878	13,269,578	14,666,184	16,291,649	18,430,979
Borrowings	1,019,105	944,023	1,051,501	1,104,076	1,159,280
Interest bearing liab.	13,055,983	14,213,601	15,717,685	17,395,725	19,590,259
Other liabilities & prov.	547,404	521,883	462,972	532,905	501,799
Total liabilities & equity	14,585,615	15,857,971	17,494,182	19,370,507	21,699,898
Net advances	9,409,983	10,657,817	11,835,852	13,057,633	14,639,215
Investments	3,624,854	3,698,168	3,984,627	4,392,398	4,891,912
Cash, other balances	957,032	951,241	1,099,831	1,218,087	1,410,499
Interest earning assets	13,991,869	15,307,227	16,920,309	18,668,117	20,941,626
Fixed assets	87,066	79,126	116,079	128,949	143,252
Other assets	506,681	471,618	457,794	573,440	615,019
Total assets	14,585,615	15,857,971	17,494,182	19,370,507	21,699,898
BVPS (Rs)	189.7	216.7	253.7	278.5	310.5
Adj. BVPS (INR)	177.6	206.3	244.0	268.5	297.8
Gross advances	9,693,776	10,904,020	12,048,942	13,253,836	14,844,297
Credit to deposit (%)	78.2	80.3	80.7	80.1	79.4
CASA ratio (%)	39.5	38.8	37.7	37.7	38.3
Cost of deposits (%)	3.7	4.7	4.9	4.7	4.5
Loans-to-Assets (%)	64.5	67.2	67.7	67.4	67.5
Net advances growth (%)	21.1	13.3	11.1	10.3	12.1
Deposit growth (%)	15.1	10.2	10.5	11.1	13.1
Book value growth (%)	14.3	14.3	17.0	9.8	11.5

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	7.6	6.0	5.5	5.3	5.2
P/B (x)	1.3	1.1	1.0	0.8	0.7
P/ABV (x)	1.2	1.0	0.9	0.8	0.7
P/PPOP (x)	4.3	3.7	3.6	3.3	3.1
Dividend yield (%)	2.5	3.0	3.3	3.5	3.6
DuPont-RoE split (%)					
NII/avg assets	3.0	2.9	2.8	2.7	2.6
Other income	0.7	1.0	0.9	0.9	0.8
Fee income	0.5	0.5	0.5	0.6	0.6
Opex	1.8	1.9	1.8	1.7	1.7
PPOP	2.0	2.0	1.9	1.9	1.8
Core PPOP	2.0	1.9	1.8	1.7	1.7
Provisions	0.5	0.4	0.3	0.4	0.4
Tax expense	0.4	0.5	0.4	0.4	0.3
RoA (%)	1.0	1.2	1.2	1.1	1.0
Leverage ratio (x)	14.9	14.5	13.7	13.4	13.5
RoE (%)	15.3	16.9	16.0	14.8	13.6
Quarterly data					
Rs mn, Y/E Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
NII	111,013	117,928	116,001	116,221	114,169
NIM(%)	3.1	3.3	3.2	3.1	2.9
PPOP	70,147	81,061	71,613	94,770	76,642
PAT	45,789	48,865	44,582	52,379	48,373
EPS (Rs)	8.84	9.44	8.61	10.12	9.34

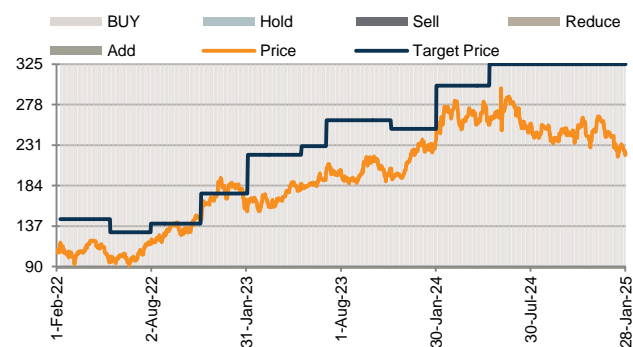
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
27-Oct-24	240	325	Buy	Anand Dama
01-Aug-24	251	325	Buy	Anand Dama
12-May-24	255	325	Buy	Anand Dama
31-Jan-24	248	300	Buy	Anand Dama
30-Nov-23	197	250	Buy	Anand Dama
05-Nov-23	204	250	Buy	Anand Dama
05-Aug-23	191	260	Buy	Anand Dama
04-Jul-23	202	260	Buy	Anand Dama
17-May-23	186	230	Buy	Anand Dama
09-Mar-23	172	220	Buy	Anand Dama
03-Feb-23	164	220	Buy	Anand Dama
05-Nov-22	145	175	Buy	Anand Dama
01-Aug-22	116	140	Buy	Anand Dama
15-May-22	95	130	Buy	Anand Dama
08-Feb-22	118	145	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 January 30, 2025
- 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 January 30, 2025
- 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 January 30, 2025
- 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.