

Under new MD Manian (ex-Kotak), Federal has adopted a risk calibrated growth strategy from 3Q itself (down to 16% YoY from a high of 19-20%), and made accelerated provisions (Rs2.9bn) leading to a 10% miss on PAT at Rs9.6bn (1% RoA). The bank plans to re-orient its asset/liability profile and, in the initial phase, has already slowed down growth in unsecured loans (ex-Cards) and the low-yielding home loans, while shifting new auto loans to a fixed rate, trimming the LCR impacting deposits from FIs (EOP LCR up at 133%), and enhancing focus on building granular retail/CASA deposits. We like the new MD's strategy of focusing on sustainable growth/profitability (RaRoC) vs short-term optics, thus calling for management premium, unlike in the past. Factoring in the growth calibration and slightly higher LLP, we cut earnings by 6-11% and expect RoA to moderate to 1.2% in FY25-26E before rebounding to 1.3% in FY27E led by better risk adjusted margins. We trim TP by ~11% to Rs240 (based on 1.4x Dec-26E ABV and subs at Rs12/sh) from Rs270, but retain BUY.

Federal Bank: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profit	30,106	37,206	39,791	44,786	55,043
Loan growth (%)	20.4	20.0	12.6	13.1	15.1
NII growth (%)	21.3	14.7	15.0	12.0	18.0
NIM (%)	3.3	3.1	3.1	3.1	3.2
PPOP growth (%)	27.6	7.9	21.3	13.9	22.7
Adj. EPS (Rs)	14.2	15.3	16.2	18.2	22.4
Adj. EPS growth (%)	58.3	7.4	6.1	12.6	22.9
Adj. BV (INR)	96.3	114.4	131.3	147.2	167.2
Adj. BVPS growth (%)	16.6	18.7	14.8	12.2	13.6
RoA (%)	1.3	1.3	1.2	1.2	1.3
RoE (%)	15.2	14.9	12.9	12.7	13.9
P/E (x)	12.1	11.2	10.6	9.4	7.7
P/ABV (x)	1.8	1.5	1.3	1.2	1.0

Source: Company, Emkay Research

Growth slips, but margins and LCR well managed

Federal Bank's credit growth moderated to 15.7% YoY/flat QoQ – down from the 19-20% range, mainly led by moderation in unsecured loans and low-yielding home loans, as a part of its asset re-orientation strategy. Further, the MFI portfolio—which has grown at a fast pace since the last few years to build a scale and support margins—has seen flat growth QoQ (up 50% YoY) amid rising systemic stress, and forms ~2% of overall loans. The bank has moved new auto loans to a fixed rate vs floating rate loans earlier, to prepare for the eventual rate-cut cycle. Deposit growth too was relatively slower, at 11% YoY/-1% QoQ, but the bank managed a stable CASA ratio at 30% and improved EOP LCR to 133%. However, cost of fund inched-up a bit due to higher market borrowings and rising deposit cost, but the bank managed to keep margins stable at 3.1%, aided by better loan yields and LDR. The bank has unveiled its first phase of strategy in 3Q itself, while more will be unveiled gradually; this may lead to near-term growth disruption, but would result in better LCR (a concern amid expected new norms from 1QFY26E), better margins, and thus improved RaRoC in the long run.

Asset quality continues to hold up well, amid stress seen among peer banks

Gross slippages inched up a bit to Rs5bn/1.0% of loans, led by minor uptick seen in the agri, CV, and retail book; however, significantly higher write-offs led to a 14bps QoQ reduction in GNPA ratio to 1.95% vs most mid-size peers reporting flat/higher NPAs. The bank has tightened its provisioning policy and thus made accelerated provision of Rs2.9bn (13bps) in 3Q, in turn leading to higher specific PCR at 75%. The management guides to asset quality holding up well and staying at tolerable levels, but would continue making accelerated provision for plugging any gaps, if needed. That said, the bank guides to 0.4-0.45% LLP in FY25 which may increase to 0.5% in FY26.

We retain BUY on the stock

We like the new MD's stance of adopting a calibrated growth approach with focus on delivering healthy risk adjusted margins and thus an improved RaRoC – a long unresolved conundrum for the bank and, thus, calls for management premium at levels not seen in the past. Factoring in the growth calibration and slightly higher LLP, we cut earnings by 6-11% and expect the RoA to moderate to 1.2% over FY25-26E before improving back to 1.3% in FY27E, led by better risk adjusted margins. We cut TP by ~11% to Rs240 (on 1.4x Dec-26E ABV; subs at Rs12/sh) from Rs270, but retain BUY.

Key risks: Asset-quality risk amid rising macro/micro stress, and KMP attrition, given change in top management.

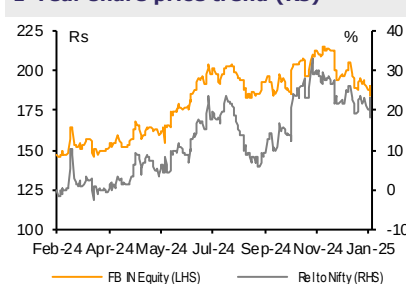
Target Price – 12M	Dec-25
Change in TP (%)	(11.1)
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	30.4
CMP (28-Jan-25) (Rs)	184.1

Stock Data	Ticker
52-week High (Rs)	217
52-week Low (Rs)	140
Shares outstanding (mn)	2,454.0
Market-cap (Rs bn)	452
Market-cap (US\$ mn)	5,221
Net-debt, FY25E (Rs mn)	NA
ADTV-3M (mn shares)	11
ADTV-3M (Rs mn)	2,220.4
ADTV-3M (US\$ mn)	25.7
Free float (%)	100.0
Nifty-50	22,957
INR/US\$	86.5
Shareholding, Dec-24	
Promoters (%)	-
FPIs/MFs (%)	26.1/48.4

Price Performance

(%)	1M	3M	12M
Absolute	(6.4)	(0.5)	29.8
Rel. to Nifty	(2.9)	5.5	20.8

1-Year share price trend (Rs)



Anand Dama

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

Nikhil Vaishnav

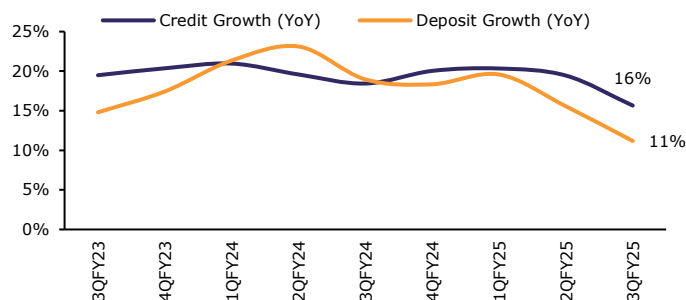
nikhil.vaishnav@emkayglobal.com
+91 22 6624 2485

Kunaal N

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

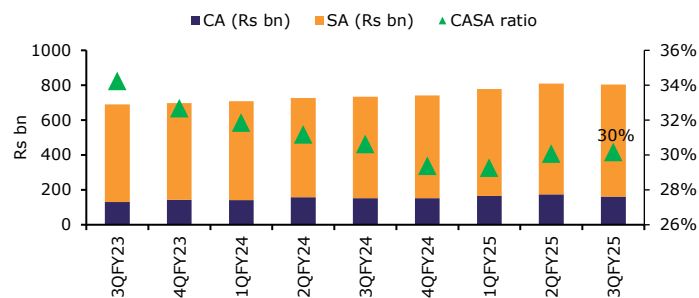
Story in Charts

Exhibit 1: Credit growth moderates as part of the new management's risk and LCR management strategy



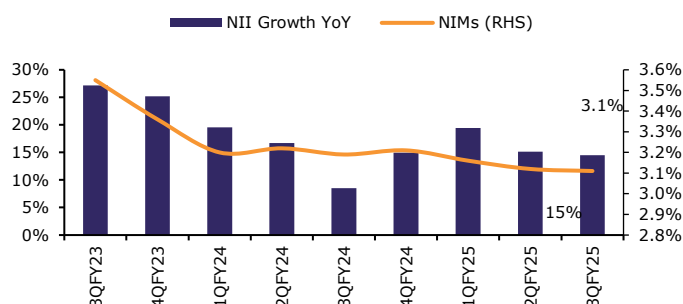
Source: Company, Emkay Research

Exhibit 2: CASA ratio remains stable, aided by better NRI SA flow



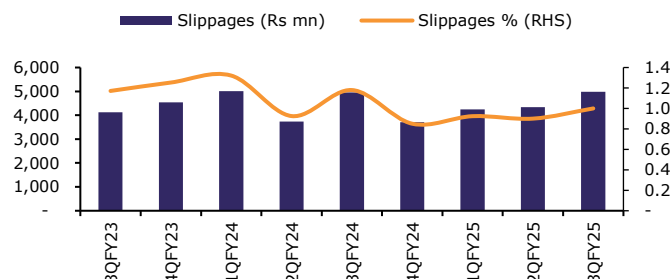
Source: Company, Emkay Research

Exhibit 3: NIM remains stable despite higher CoF, mainly due to higher loan yields and better LDR



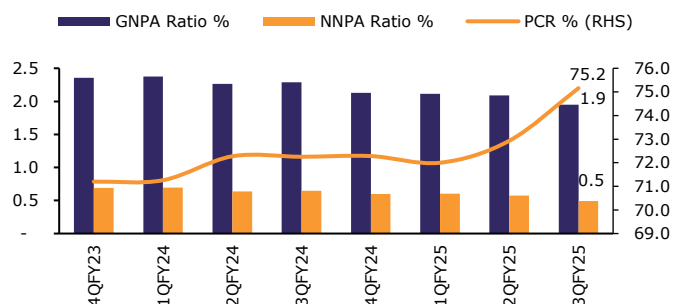
Source: Company, Emkay Research

Exhibit 4: Slippages inched up QoQ led by the agri and CV portfolio...



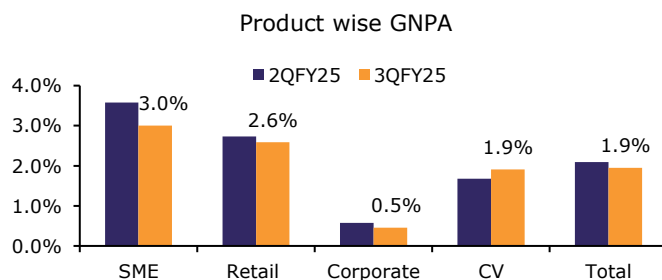
Source: Company, Emkay Research

Exhibit 5: ...however, higher write-offs led to decline in GNPA ratio



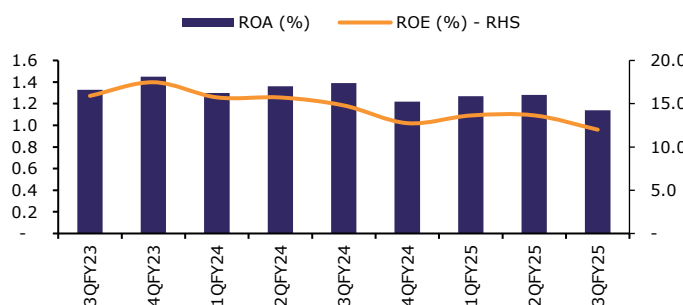
Source: Company, Emkay Research

Exhibit 6: Stress levels across segments are well contained, except in CVs



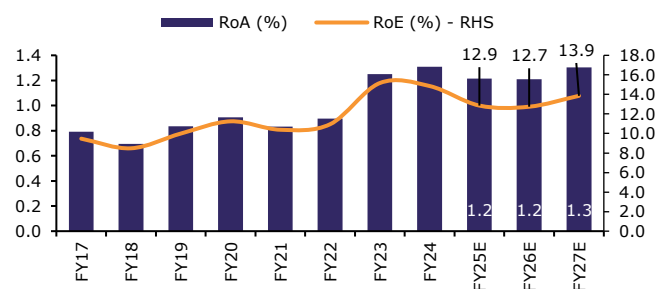
Source: Company, Emkay Research

Exhibit 7: Slower growth, higher provisions lead to some moderation in RoA during 3Q



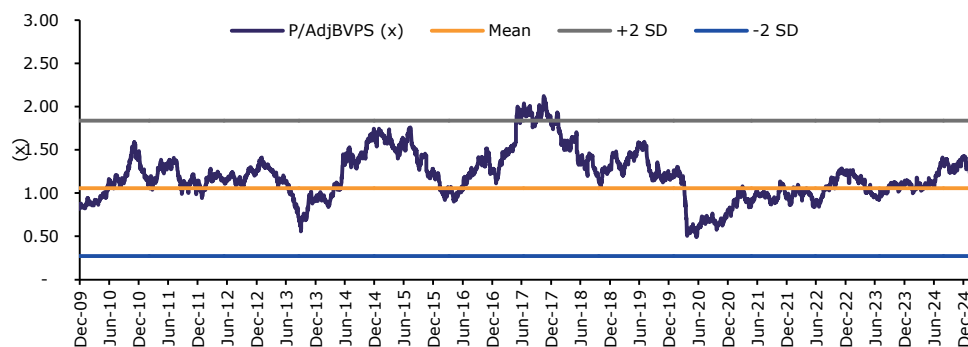
Source: Company, Emkay Research

Exhibit 8: We expect RoA/RoE to stay healthy, aided by better fee-cost ratio and contained credit cost



Source: Company, Emkay Research

Exhibit 9: The stock currently trades at reasonable valuations



Source: Bloomberg, Emkay Research

Exhibit 10: Actuals vs Estimates

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	33,475	33,709	34,026	-1%	-2%	Lower other income leads to a slight miss in net income
PPOP	15,695	15,798	15,801	-1%	-1%	Slight miss in net income and stable opex lead to a slight miss in PPOP
PAT	9,554	10,658	10,499	-10%	-9%	Higher provisions lead to miss in PAT

Source: Company, Emkay Research

Exhibit 11: Quarterly Summary

(Rs mn)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	YoY (%)	QoQ (%)	FY24	FY25E	YoY (%)
Interest Earned	57,301	59,784	63,309	65,773	68,087	18.8	3.5	221,883	266,388	20.1
Interest Expenses	36,067	37,832	40,389	42,101	43,774	21.4	4.0	138,948	170,981	23.1
Net Interest Income	21,234	21,951	22,920	23,672	24,313	14.5	2.7	82,935	95,407	15.0
Global NIMs (reported)	3.19	3.21	3.16	3.12	3.11	-8bps	-1bps	3.14	3.12	-2bps
Non-interest Income	8,626	7,539	9,152	9,640	9,162	6.2	-5.0	30,793	37,956	23.3
Operating Expenses	15,486	18,386	17,063	17,658	17,781	14.8	0.7	61,983	70,616	13.9
Pre Provisioning Profit	14,373	11,104	15,009	15,653	15,695	9.2	0.3	51,745	62,748	21.3
Provision & Contingencies	1,514	-670	1,440	1,680	3,430	126.5	104.2	1,961	9,587	388.9
PBT	13,461	12,054	13,566	14,070	12,771	-5.1	-9.2	49,784	53,160	6.8
Income Tax Expense (Gain)	3,394	2,987	3,471	3,503	3,217	-5.2	-8.2	12,578	13,370	6.3
Net Profit/(Loss)	10,067	9,067	10,095	10,567	9,554	-5.1	-9.6	37,206	39,791	6.9
Gross NPA (%)	2.29	2.13	2.11	2.09	1.95	-34bps	-14bps	2.13	1.97	-16bps
Net NPA (%)	0.64	0.60	0.60	0.57	0.49	-15bps	-8bps	0.60	0.50	-10bps
Deposits (Rs bn)	2,396	2,525	2,661	2,691	2,664	11.2	-1.0	2,525	2,753	9.0
Net Advances (Rs bn)	1,992	2,094	2,208	2,303	2,304	15.7	0.0	2,094	2,357	12.6

Source: Company, Emkay Research

Exhibit 12: Revision in Estimates

Y/E Mar (Rs mn)	FY25E			FY26E			FY27E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	133,682	133,364	-0.2%	156,187	149,348	-4.4%	185,628	174,965	-5.7%
PPOP	62,858	62,748	-0.2%	76,270	71,453	-6.3%	96,053	87,659	-8.7%
PAT	42,511	39,791	-6.4%	50,092	44,786	-10.6%	61,700	55,043	-10.8%
EPS (Rs)	17.3	16.2	-6.5%	20.4	18.2	-10.7%	25.2	22.4	-10.9%
BV (Rs)	135.2	134.9	-0.3%	154.1	151.5	-1.7%	177.2	172.1	-2.9%

Source: Emkay Research

Exhibit 13: Key Assumptions

(%)	FY24A	FY25E	FY26E	FY27E
Loan Growth	20.0	12.6	13.1	15.1
Deposit Growth	18.3	9.0	15.4	16.0
NIM	3.1	3.1	3.1	3.2
GNPA	2.1	2.0	1.9	1.9
Credit Cost	0.1	0.4	0.5	0.5
NIM	3.1	3.1	3.1	3.2

Source: Emkay Research

Exhibit 14: Key ratios and trends

(Rs mn)	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Loans	1,681,730	1,744,469	1,834,870	1,928,167	1,991,850	2,094,033	2,208,070	2,303,122	2,303,700
Growth YoY (%)	19.5	20.4	21.0	19.6	18.4	20.0	20.3	19.4	15.7
Growth QoQ (%)	4.3	3.7	5.2	5.1	3.3	5.1	5.4	4.3	0.0
Composition (%)									
- Corporate	36.3	36.2	36.0	34.7	35.5	34.6	34.2	33.3	33.1
- SME/BB	18.1	17.8	17.9	18.2	18.5	18.1	18.2	18.7	19.2
- Retail (incl agri)	44.4	44.8	44.8	44.5	45.3	44.9	29.0	32.3	32.6
Liability Profile and Margin									
Deposit	2,014,080	2,133,860	2,224,960	2,328,684	2,395,910	2,525,340	2,660,650	2,691,066	2,663,750
Growth YoY (%)	14.8	17.4	21.3	23.1	19.0	18.3	19.6	15.6	11.2
Growth QoQ (%)	6.5	5.9	4.3	4.7	2.9	5.4	5.4	1.1	(1.0)
CASA (%)	34.2	32.7	31.8	31.2	30.6	29.4	29.3	30.1	30.2
CA (%)	6.5	6.7	6.4	6.7	6.4	6.0	6.2	6.5	6.1
SA (%)	27.8	26.0	25.5	24.4	24.3	23.3	23.1	23.6	24.1
Branches (no of)	1,333	1,355	1,366	1,305	1,418	1,504	1,518	1,533	1,550
Asset Quality									
Gross NPA (Opening Balance)	40,308	41,478	41,838	44,348	44,360	46,288	45,289	44,360	48,845
Fresh Addition	4,120	4,540	5,010	3,730	4,960	3,710	4,240	4,340	4,980
Recovery	2,870	3,990	2,460	3,590	2,900	4,500	2,060	2,720	3,350
Write-off	80	190	50	130	130	210	90	160	4,940
Total Reduction	2,950	4,180	2,510	3,720	3,030	4,710	2,150	2,880	8,292
GNPA (Closing Balance)	41,479	41,838	44,348	44,360	46,288	45,289	44,360	48,845	45,533
NNPA	12,286	12,050	12,746	12,300	12,844	12,553	12,421	13,223	11,312
Restructured	37,350	34,730	34,050	33,310	31,010	28,540	31,550	29,590	26,910
Asset Quality (%)									
GNPA	2.4	2.4	2.4	2.3	2.3	2.1	2.1	2.1	1.9
NNPA	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	0.5
PCR	70.4	71.2	71.3	72.3	72.3	72.3	72.0	72.9	75.2
Slippages	4,120	4,540	5,010	3,730	4,960	3,710	4,240	4,340	4,980
Annualized Slippages	1.2	1.3	1.3	0.9	1.2	0.9	0.9	0.9	1.0
Restructured	2.2	2.0	1.9	1.7	1.6	1.4	1.4	1.3	1.2
Capital Adequacy (%)									
CAR	13.4	14.8	14.3	15.5	15.0	16.1	15.6	15.2	15.2
Tier I	12.1	13.0	12.5	13.8	13.5	14.6	14.2	13.8	13.8
ROE Decomposition (%)									
NII	3.2	3.0	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Other Income	0.9	0.8	0.8	0.9	0.9	0.8	0.8	0.9	0.9
Treasury	(0.0)	0.3	0.3	0.1	0.3	0.2	0.3	0.2	0.2
Net income	4.1	4.1	4.0	4.0	4.1	3.9	4.0	4.0	4.0
Opex	2.0	2.0	2.0	2.1	2.1	2.4	2.1	2.1	2.1
PPOP	2.1	2.1	1.9	1.9	2.0	1.5	1.9	1.9	1.9
Provisions	0.3	0.2	0.2	0.1	0.2	(0.1)	0.2	0.2	0.4
PBT	1.8	1.9	1.7	1.8	1.8	1.6	1.7	1.7	1.5
Tax	0.4	0.5	0.4	0.5	0.5	0.4	0.4	0.4	0.4
ROA	1.3	1.4	1.3	1.4	1.3	1.2	1.3	1.3	1.1
ROE	15.9	17.2	15.6	15.7	13.9	12.3	13.5	13.5	11.3

Source: Company, Emkay Research

Federal Bank: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	168,036	221,883	266,388	288,491	317,260
Interest Expense	95,715	138,948	170,981	181,640	191,182
Net interest income	72,322	82,935	95,407	106,851	126,078
NII growth (%)	21.3	14.7	15.0	12.0	18.0
Other income	23,300	30,793	37,956	42,497	48,887
Total Income	95,622	113,728	133,364	149,348	174,965
Operating expenses	47,678	61,983	70,616	77,895	87,307
PPOP	47,944	51,745	62,748	71,453	87,659
PPOP growth (%)	27.6	7.9	21.3	13.9	22.7
Core PPOP	47,647	48,989	56,135	64,179	79,657
Provisions & contingencies	7,499	1,961	9,587	11,579	14,071
PBT	40,445	49,784	53,160	59,874	73,587
Extraordinary items	0	0	0	0	0
Tax expense	10,339	12,578	13,370	15,088	18,544
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	30,106	37,206	39,791	44,786	55,043
PAT growth (%)	59.3	23.6	6.9	12.6	22.9
Adjusted PAT	30,106	37,206	39,791	44,786	55,043
Diluted EPS (Rs)	14.2	15.3	16.2	18.2	22.4
Diluted EPS growth (%)	58.3	7.4	6.1	12.6	22.9
DPS (Rs)	5.0	6.0	7.0	8.0	9.0
Dividend payout (%)	35.1	39.3	43.2	43.9	40.1
Effective tax rate (%)	25.6	25.3	25.2	25.2	25.2
Net interest margins (%)	3.3	3.1	3.1	3.1	3.2
Cost-income ratio (%)	49.9	54.5	52.9	52.2	49.9
Shares outstanding (mn)	2,116.2	2,435.4	2,455.0	2,455.0	2,455.0

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Asset quality					
Gross NPLs	41,837.2	45,288.2	47,202.3	52,068.9	57,665.4
Net NPLs	12,050.1	12,553.3	11,800.6	14,058.6	16,146.3
GNPA ratio (%)	2.4	2.1	2.0	1.9	1.9
NNPA ratio (%)	0.7	0.6	0.5	0.5	0.5
Provision coverage (%)	71.2	72.3	75.0	73.0	72.0
Gross slippages	17,191.3	17,415.3	19,140.9	24,332.9	27,982.8
Gross slippage ratio (%)	1.2	1.0	0.8	0.9	0.9
LLP ratio (%)	0.5	0.1	0.4	0.5	0.5
NNPA to networth (%)	5.3	4.2	3.4	3.6	3.7
Capital adequacy					
Total CAR (%)	14.8	16.1	16.2	16.0	15.7
Tier-1 (%)	13.0	14.6	14.9	14.8	14.7
CET-1 (%)	13.0	14.6	14.9	14.8	14.7
RWA-to-Total Assets (%)	60.3	61.5	62.0	62.0	62.0
Miscellaneous					
Total income growth (%)	21.5	32.1	20.4	8.8	10.6
Opex growth (%)	11.1	30.0	13.9	10.3	12.1
Core PPOP growth (%)	37.9	2.8	14.6	14.3	24.1
PPOP margin (%)	25.1	20.5	20.6	21.6	23.9
PAT/PPOP (%)	62.8	71.9	63.4	62.7	62.8
LLP-to-Core PPOP (%)	15.7	4.0	17.1	18.0	17.7
Yield on advances (%)	8.5	9.3	9.6	9.3	8.9
Cost of funds (%)	4.5	5.5	6.0	5.7	5.2

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	4,232	4,871	4,910	4,910	4,910
Reserves & surplus	208,714	283,151	326,226	367,083	417,708
Net worth	212,946	288,022	331,136	371,993	422,618
Deposits	2,133,860	2,525,340	2,753,186	3,177,293	3,685,115
Borrowings	193,193	180,264	236,374	225,553	215,273
Interest bearing liab.	2,327,053	2,705,604	2,989,560	3,402,846	3,900,388
Other liabilities & prov.	63,419	89,492	149,241	159,667	191,471
Total liabilities & equity	2,603,418	3,083,118	3,469,937	3,934,506	4,514,477
Net advances	1,744,469	2,094,033	2,357,213	2,665,644	3,067,683
Investments	489,833	608,595	675,592	770,184	884,793
Cash, other balances	176,887	189,629	209,269	238,199	273,027
Interest earning assets	2,411,189	2,892,258	3,242,074	3,674,027	4,225,503
Fixed assets	9,340	10,201	11,123	12,208	13,421
Other assets	182,889	180,660	216,740	248,271	275,552
Total assets	2,603,418	3,083,118	3,469,937	3,934,506	4,514,477
BVPS (Rs)	100.6	118.2	134.9	151.5	172.1
Adj. BVPS (INR)	96.3	114.4	131.3	147.2	167.2
Gross advances	1,774,256	2,126,768	2,392,614	2,703,654	3,109,202
Credit to deposit (%)	81.8	82.9	85.6	83.9	83.2
CASA ratio (%)	32.9	29.6	29.6	29.8	31.0
Cost of deposits (%)	4.4	5.5	6.0	5.7	5.2
Loans-to-Assets (%)	67.0	67.9	67.9	67.8	68.0
Net advances growth (%)	20.4	20.0	12.6	13.1	15.1
Deposit growth (%)	17.4	18.3	9.0	15.4	16.0
Book value growth (%)	14.9	17.5	14.1	12.3	13.6

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	12.1	11.2	10.6	9.4	7.7
P/B (x)	1.7	1.5	1.3	1.1	1.0
P/ABV (x)	1.8	1.5	1.3	1.2	1.0
P/PPOP (x)	8.1	8.7	7.2	6.3	5.2
Dividend yield (%)	0.5	0.7	0.8	0.9	1.0
DuPont-RoE split (%)					
NII/avg assets	3.0	2.9	2.9	2.9	3.0
Other income	1.0	1.1	1.2	1.1	1.2
Fee income	0.9	0.8	0.8	0.9	0.9
Opex	2.0	2.2	2.2	2.1	2.1
PPOP	2.0	1.8	1.9	1.9	2.1
Core PPOP	2.0	1.7	1.7	1.7	1.9
Provisions	0.3	0.1	0.3	0.3	0.3
Tax expense	0.4	0.4	0.4	0.4	0.4
RoA (%)	1.3	1.3	1.2	1.2	1.3
Leverage ratio (x)	12.1	11.4	10.6	10.5	10.6
RoE (%)	15.2	14.9	12.9	12.7	13.9
Quarterly data					
Rs mn, Y/E Mar	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
NII	21,234	21,951	22,920	23,672	24,313
NIM(%)	3.2	3.2	3.2	3.1	3.1
PPOP	14,373	11,104	15,009	15,653	15,695
PAT	10,067	9,067	10,095	10,567	9,554
EPS (Rs)	16.5	14.9	16.6	17.1	15.4

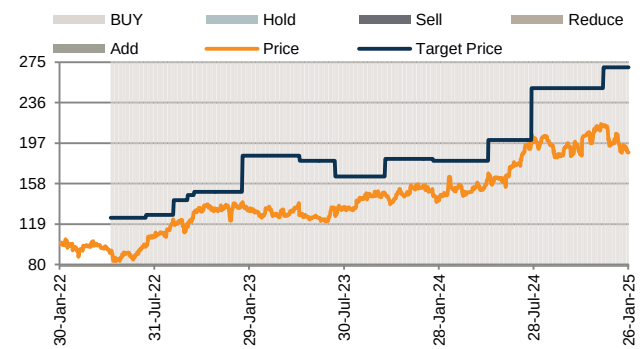
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
09-Dec-24	214	270	Buy	Anand Dama
29-Oct-24	201	250	Buy	Anand Dama
24-Jul-24	201	250	Buy	Anand Dama
02-May-24	168	200	Buy	Anand Dama
19-Feb-24	163	180	Buy	Anand Dama
17-Jan-24	146	180	Buy	Anand Dama
30-Nov-23	147	182	Buy	Anand Dama
17-Oct-23	148	182	Buy	Anand Dama
13-Jul-23	127	165	Buy	Anand Dama
06-May-23	128	180	Buy	Anand Dama
09-Mar-23	134	185	Buy	Anand Dama
01-Mar-23	134	185	Buy	Anand Dama
16-Jan-23	140	185	Buy	Anand Dama
15-Oct-22	130	150	Buy	Anand Dama
03-Oct-22	116	147	Buy	Anand Dama
06-Sep-22	121	142	Buy	Anand Dama
15-Jul-22	99	128	Buy	Anand Dama
08-May-22	91	125	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 29, 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 29, 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 29, 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.