

BSE SENSEX 83,295 S&P CNX 25,713

CMP: INR70

TP: INR80 (+14%)

Neutral



Stock Info

	IDFCFB IN
Bloomberg	IDFCFB IN
Equity Shares (m)	7339
M.Cap.(INRb)/(USD\$)	602.3 / 6.6
52-Week Range (INR)	87 / 52
1, 6, 12 Rel. Per (%)	-18/-3/3
12M Avg Val (INR M)	2222
Free float (%)	100.0

Financials Snapshot (INR b)

Y/E March	FY25	FY26E	FY27E
NII	192.9	213.7	259.8
OP	74.1	85.6	115.4
NP	15.2	21.3	42.7
NIM (%)	6.0	5.6	5.7
EPS (INR)	2.1	2.7	5.0
BV/Sh. (INR)	52	55	59
ABV/Sh. (INR)	50	53	57

Ratios

RoA (%)	0.5	0.6	0.9
RoE (%)	4.4	5.0	8.8

Valuations

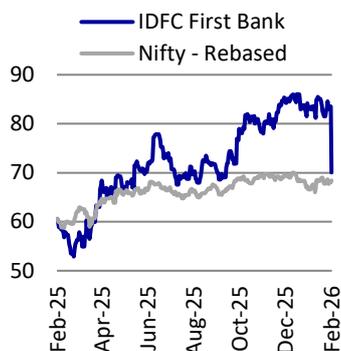
P/E(X)	33.0	26.2	14.0
P/BV (X)	1.4	1.3	1.2
P/ABV (X)	1.4	1.3	1.2

Shareholding pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter (%)	0.0	0.0	0.0
DII (%)	30.2	33.5	25.3
FII (%)	36.8	24.6	27.1
Others (%)	33.1	41.9	47.6

FII Includes depository receipts

Stock's performance (one-year)



Uncovers malafide transactions at Chandigarh branch

INR5.9b deposits at risk; could potentially dent 4QFY26 PBT by 56%

- IDFC First Bank (IDFCB) has reported certain fraudulent transactions in respect to unauthorized withdrawal of deposits amounting to INR5.9b from its branch in Chandigarh, Haryana.
- The bank mentioned that the fraud is confined to a single branch and pertains to a defined set of Haryana state government accounts. There appears to be a prima facie evidence of employee collusion, and this incident is not a reflection of systemic failure, the bank said.
- Government deposits (state + Central) account for ~8-10% of total deposits for IDFCB, while Haryana state government's balance stands at ~0.5% of total deposits.
- The bank has appointed KPMG as an auditor and the investigations are underway. Basis findings and following the due procedures, the bank will look to make necessary provisions in the coming quarter. We believe that in a worst-case scenario assuming negligible recovery, the provisioning requirement will impact 4QFY26 PBT by 56%.
- We look forward to get more clarity on these developments and potential recovery that may possibly happen as the authorities investigate the matter. We will review our numbers during the 4Q preview and in the interim, we maintain our Neutral rating on the stock with a revised PT of INR80 (1.3x Sep'27E ABV).

Bank reports fraudulent transactions amounting to INR5.9b

IDFCB has reported certain fraudulent transactions in respect to unauthorized and fraudulent activity at a single Chandigarh branch, involving a defined set of Haryana government-linked accounts. Based on a preliminary assessment, the aggregate amount under reconciliation is approximately INR5.9b, comprising INR4.9b identified initially and an additional ~INR1b conservatively recognized. The issue is confined to this branch and does not extend to other customers or branches, with prima facie evidence pointing to employee collusion with external parties, not a system failure.

Haryana state government dis-empanels IDFCB and AU Bank; State accounts for 0.5% of overall deposits

- Haryana state government has dis-empaneled IDFCB and AU Bank for government business.
- Government deposits (state + Central) account for ~8-10% of total deposits for IDFCB, while Haryana state government's balance stands at ~0.5% of total deposits.
- The post-incident outflow of approximately INR2bn is manageable and has not triggered broader stress across wholesale deposits.

Bank has made strong deposit franchise led by digital and branch strategy

- IDFCB has built a robust and granular liability franchise, with retail deposits now contributing ~79% of customer deposits, up sharply from ~27% at the time of merger. This has been supported by healthy deposit growth of ~24% YoY and a steadily improving CASA mix of ~51.6%, compared with 46.5% in 1QFY24.
- The bank continues to prioritize branch-led and digital deposit mobilization over bulk deposits, with deposits per branch rising to INR2.7b in 3QFY26 from INR1.5b in FY21. Consequently, the share of retail deposits qualifying as LCR has increased from 12% to ~63% over the past five years.
- Despite a CD ratio of ~93%, the bank remains well positioned to scale deposits, aided by a competitive rate strategy and ongoing network expansion. We expect IDFCB to sustain a ~22% deposit CAGR over FY26-28E, comfortably supporting loan growth.

Operating performance (NIMs, credit cost, C/I) recovering gradually

- IDFCB's operating performance is recovering gradually, with key profitability metrics turning supportive.
- NIMs, which faced near-term pressure from repo pass-through, MFI run-down and a higher wholesale mix, are close to a trough, with management guiding for margins to stabilize and exit FY26 at ~5.8% (3QFY26 NIMs at 5.76%), aided by improving asset mix and reduction in cost of funds.
- Credit costs are trending lower, supported by stabilization in unsecured portfolios, reduction in the MFI stress, improving collections and declining SMA levels, pointing to normalization over the medium term.
- While the C/I ratio remains elevated due to branch expansion and technology investments, early operating leverage is visible. We estimate C/I ratio to gradually recover to 64.4% by FY28E, driven by scale benefits, expansion of revenue due to better NIMs, and efficiency gains.

Looking forward to further clarity; worst case impact of 56% on 4Q PBT

With INR5.9b of deposits at risk, the actual financial impact will hinge on the quantum and timing of recoveries as determined by the findings of the ongoing forensic audit and subsequent legal recovery process. IDFCB has appointed KPMG as an auditor and the investigations are underway. Basis findings and following the due procedures, the bank will look to make necessary provisions in the coming quarter.

We believe that in a worst-case scenario assuming negligible recovery, the provisioning requirement will impact 4QFY26 PBT by 56%.

Valuation and view

IDFCB disclosed unauthorized withdrawals of INR5.9b from a single Chandigarh branch, involving a defined set of Haryana state government accounts, with prima facie evidence of employee collusion and no systemic failure. Government deposits form ~8-10% of total deposits, while Haryana balances make up only ~0.5%, limiting the balance sheet risk. KPMG has been appointed to conduct a forensic audit. In a worst-case scenario of negligible recoveries, provisioning could impact 4QFY26E PBT by ~56%. **We look forward to get more clarity on these developments and a potential recovery that may possibly happen as the authorities investigate the matter. We will review our numbers during the 4Q preview, and in the interim, we maintain our Neutral rating with a revised PT of INR80 (1.3x Sep'27E ABV).**



IDFC First Bank: Concall in respect to fraudulent transactions at bank's Chandigarh branch

Management remarks

- The matter is restricted to a single Chandigarh branch, with no involvement of any other branches.
- Employees from this branch were involved and have since been suspended.
- The bank has appointed KPMG to conduct an audit.
- Police complaints have already been filed in connection with the incident.
- Recovery efforts have commenced, and existing control mechanisms remain in place.
- The identified discrepancy stands at INR4.9b, with the bank conservatively recognizing an additional INR1b, taking the total estimated impact to INR5.9b. This figure is considered broadly accurate at present.
- The bank remains well-capitalized, with profitability continuing on a positive trajectory.
- This was an isolated branch-level group incident, where debit instructions originated from the client and funds were transferred to external parties, with involvement of branch employees.
- The incident occurred with the connivance of certain employees, and the bank has moved swiftly by initiating a forensic audit.
- Necessary corrective actions will be taken to contain the issue and prevent any recurrence.
- The board has taken cognizance of the matter and is acting in line with regulatory guidance.
- The bank operates over 1,000 branches and has not encountered a similar fraud in the past.
- The bank expects NIMs of approximately 5.8% for the current quarter.

No error on system generated statements

- The bank was first notified by the Haryana state government, with the issue gaining momentum after 18th Feb'26.
- One customer highlighted discrepancy in account statements, after which the bank reconciled other related accounts.
- There was no error in system-generated statements; alerts, SMS notifications and transaction statements were duly sent.
- No communication has been received from any other state governments regarding similar issues.

Nature of the incident

- The incident is limited to a single branch and involved multiple accounts.
- This was not a system failure but a case of employee collusion with third parties.
- The transactions were executed through the cheque-based system, not electronic channels.
- This is a one-off incident, given its otherwise strong operating track record.
- Decisive steps will be taken to address collusion-related risks.

Haryana deposits at 0.5% of bank deposits; Govt deposits at 8-10%

- Haryana-related deposits constitute ~0.5% of total bank deposits.
- The observed outflow from these accounts is approximately INR2b.

- Total exposure is estimated at ~INR5.9b, comprising INR4.9b identified initially and an additional ~INR1b identified subsequently.
- Management has clearly communicated the outer limit of the incident without delay.
- Government deposits (state + central) account for 8-10% of total deposits.

Recovery actions are underway

- The bank is analyzing the incident across Level 1, 2 and 3 scenarios to identify funds not legitimately disbursed.
- Recovery efforts are underway, including from other linked accounts.
- Funds were transferred to multiple other banks, and all of them have been cooperative.
- Certain recipient accounts required additional confirmations as part of the recovery process.
- The bank expects further recoveries from the identified accounts.

Controls, checks and preventive framework

- Transactions above INR0.5m are covered under a Positive Pay system, with customer cross-verification.
- Transactions above INR1m undergo additional verification layers.
- The bank has introduced a monthly balance monitoring system as part of fraud prevention.
- Going forward, it will introduce digitally verified stipulations for transaction authorization.
- Enhanced measures are being implemented specifically to prevent collusion risks.
- Government accounts continue to receive heightened sensitivity and oversight.

KMPG appointed as a forensic auditor

- A forensic audit has been initiated, covering the entire chain of events.
- KPMG has been appointed, with the process expected to take 4-5 weeks.
- The forensic review will verify facts, determine responsibility and assess intent, with a focus on fairness.
- The bank is engaging with employees and counterparties involved and will proceed strictly as per the law.

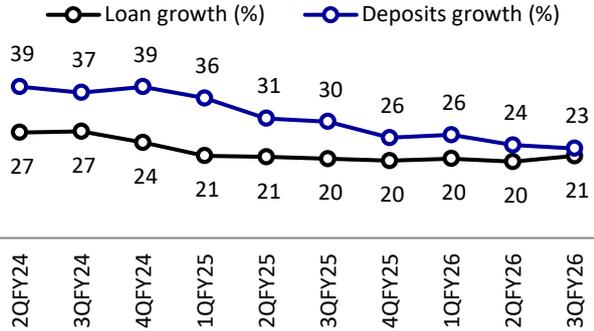
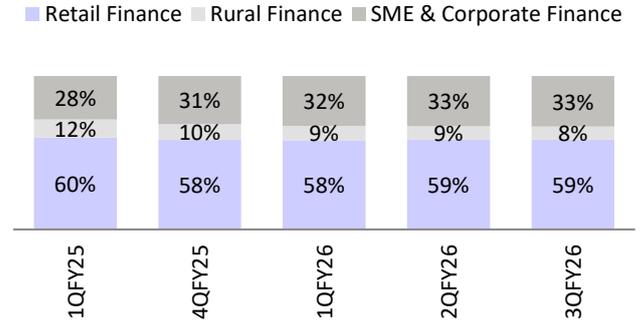
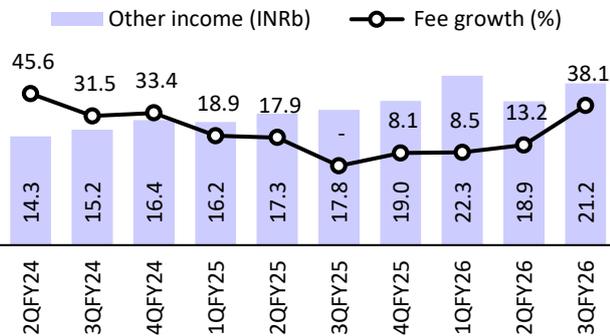
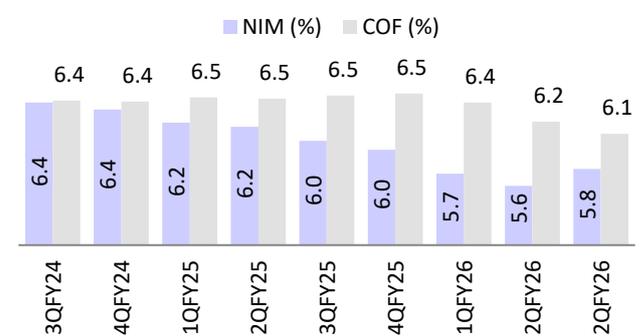
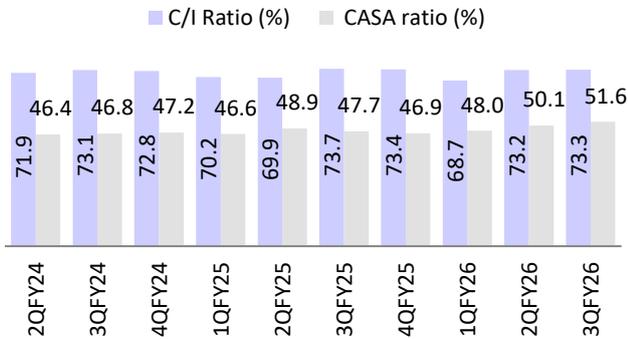
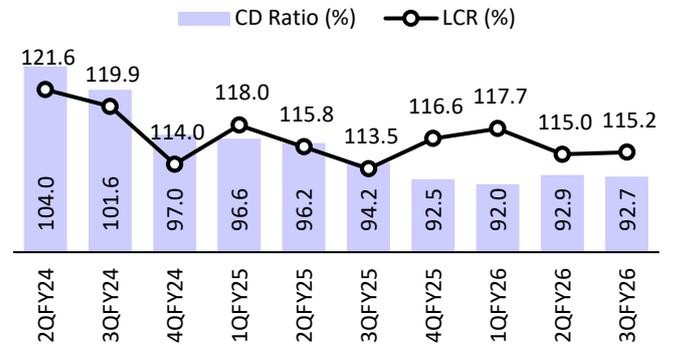
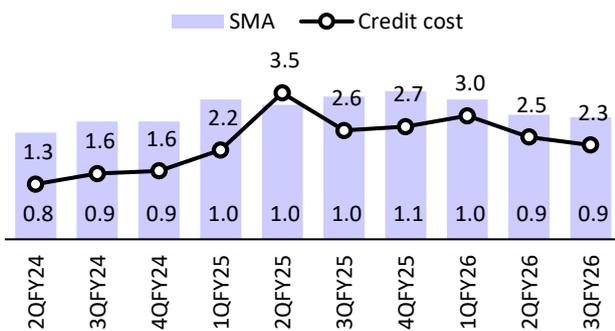
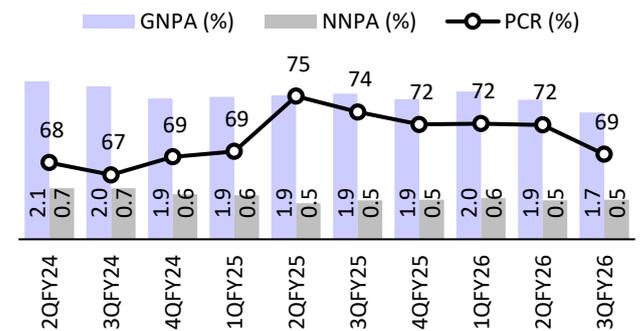
Bank holds INR350m in insurance

- IDFCB holds an employee dishonesty insurance policy of ~INR350m.
- The bank's LCR stands at ~115%, well above regulatory requirements.
- Capital adequacy remains comfortable and in excess of minimum norms.
- Core operations remain strong, though the bank may take appropriate provisions.

Business outlook

- The bank maintains a strong reputation in the market, despite recent interest rate reductions.
- Prior to the incident, the bank was expecting a strong quarter, supported by better NIMs and lower credit costs.
- Management has reiterated its confidence in the strength of core operations and long-term franchise stability.

STORY IN CHARTS: IDFC First Bank

Exhibit 1: Loans/deposits grew 21%/22.9% YoY

Exhibit 2: Consumer & Rural Finance formed 67% of loans

Exhibit 3: Fee income grew 38% YoY to INR20.3b

Exhibit 4: NIMs expanded 17bp QoQ to 5.76%

Exhibit 5: C/I ratio stood at 73.3%; CASA ratio at 51.6%

Exhibit 6: CD ratio stood at 92.7% in 3QFY26

Exhibit 7: Credit costs declined to 2.3%; SMA at 0.88%

Exhibit 8: GNPA/NNPA ratios fell to 1.69%/0.53%; PCR at 69%


Source: MOFSL, Company

Source: MOFSL, Company

Financials and valuations

Income Statement							(INRb)
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	171.7	227.3	303.2	365.0	412.6	485.2	572.8
Interest Expense	74.7	100.9	138.7	172.1	198.9	225.4	262.2
Net Interest Income	97.1	126.4	164.5	192.9	213.7	259.8	310.6
-growth (%)	31.5	30.2	30.2	17.3	10.8	21.6	19.5
Non-Interest Income	32.2	44.7	60.0	70.2	84.3	96.9	115.3
Total Income	129.3	171.0	224.5	263.1	298.0	356.7	425.9
-growth (%)	34.8	32.3	31.3	17.2	13.2	19.7	19.4
Operating Expenses	96.4	121.7	162.2	189.0	212.3	241.3	274.4
Pre Provision Profits	32.8	49.3	62.4	74.1	85.6	115.4	151.5
-growth (%)	31.4	50.2	26.5	18.9	15.5	34.7	31.3
Core PPop	27.4	46.1	60.3	71.0	83.8	113.6	149.8
-growth (%)	44.0	68.6	30.8	17.6	18.0	35.6	31.9
Provisions (excl tax)	31.1	16.6	23.8	55.1	58.6	58.6	66.9
PBT	1.8	32.7	38.6	19.0	27.0	56.8	84.6
Tax	0.3	8.3	9.0	3.8	5.8	14.0	20.9
Tax Rate (%)	16.9	25.4	23.3	19.7	21.3	24.7	24.7
PAT	1.5	24.4	29.6	15.2	21.3	42.7	63.7
-growth (%)	-67.8	1,575.3	21.3	-48.4	39.4	101.1	49.1

Balance Sheet

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	62.2	66.2	70.7	73.2	85.7	85.7	85.7
Reserves & Surplus	147.7	190.7	250.3	306.1	385.2	418.0	471.8
Net Worth	209.9	256.8	321.0	379.3	470.9	503.7	557.5
Deposits	1,056.3	1,446.4	2,005.8	2,520.7	3,070.2	3,733.3	4,536.0
-growth (%)	19.1	36.9	38.7	25.7	21.8	21.6	21.5
-CASA Dep	511.7	719.8	947.7	1,182.4	1,532.0	1,855.5	2,258.9
-growth (%)	11.5	40.7	31.7	24.8	29.6	21.1	21.7
Borrowings	529.6	572.1	509.4	389.7	419.7	490.6	573.4
Other Liabilities & Prov.	105.8	123.7	124.4	147.0	173.5	204.7	241.5
Total Liabilities	1,901.7	2,399.0	2,960.6	3,436.7	4,134.3	4,932.3	5,908.5
Current Assets	157.6	139.0	124.8	151.0	178.7	198.5	219.7
Investments	461.4	611.2	747.1	807.2	979.9	1,185.7	1,434.7
-growth (%)	1.6	32.5	22.2	8.0	21.4	21.0	21.0
Loans	1,178.6	1,517.9	1,945.9	2,331.1	2,792.7	3,354.0	4,031.5
-growth (%)	17.2	28.8	28.2	19.8	19.8	20.1	20.2
Fixed Assets	13.6	20.9	26.2	26.6	33.0	37.0	41.4
Other Assets	90.6	110.4	117.1	122.3	150.0	157.1	181.2
Total Assets	1,901.8	2,399.4	2,961.2	3,438.2	4,134.3	4,932.3	5,908.5

Asset Quality	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA	44.7	38.8	37.2	44.3	46.6	52.5	50.9
NNPA	18.1	13.0	11.6	12.3	13.8	15.7	14.4
GNPA Ratio (%)	3.8	2.6	1.9	1.9	1.7	1.6	1.3
NNPA Ratio (%)	1.5	0.9	0.6	0.5	0.5	0.5	0.4
Slippage Ratio (%)	6.9	3.4	3.0	3.8	3.6	3.3	2.8
Credit Cost (%)	2.8	1.2	1.4	2.6	2.2	1.9	1.8
PCR (Excl Tech. write off) (%)	59.5	66.4	68.8	72.3	70.3	70.2	71.7

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)							
Avg. Yield-Earning Assets	10.4	11.2	11.9	12.0	11.4	11.2	11.0
Avg. Yield on loans	13.0	14.2	15.0	14.4	13.7	13.4	13.1
Avg. Yield on Investments	5.8	6.1	6.1	6.9	6.8	6.7	6.7
Avg. Cost-Int. Bear. Liab.	5.1	5.6	6.1	6.3	6.2	5.8	5.6
Avg. Cost of Deposits	4.4	5.0	5.9	6.2	6.0	5.6	5.4
Interest Spread	8.6	9.2	9.1	8.2	7.7	7.7	7.7
Net Interest Margin	6.1	6.5	6.8	6.6	6.2	6.2	6.2

Capitalisation Ratios (%)

CAR	16.7	16.8	16.1	15.5	16.1	14.6	13.6
Tier I	14.9	14.2	13.4	13.2	14.1	12.9	12.2
-CET-1	14.9	14.2	13.4	13.2	14.1	12.9	12.2
Tier II	1.9	2.6	2.8	2.3	2.0	1.7	1.4

Business Ratios (%)

Loans/Deposit Ratio	111.6	104.9	97.0	92.5	91.0	89.8	88.9
CASA Ratio	48.4	49.8	47.2	46.9	49.9	49.7	49.8
Cost/Assets	5.1	5.1	5.5	5.5	5.1	4.9	4.6
Cost/Total Income	74.6	71.2	72.2	71.8	71.3	67.7	64.4
Cost/Core Income	77.9	72.5	72.9	72.7	71.7	68.0	64.7
Int. Expense/Int.Income	43.5	44.4	45.7	47.1	48.2	46.5	45.8
Fee Income/Total Income	20.7	24.3	25.8	25.5	27.6	26.7	26.7
Non Int. Inc./Total Income	24.9	26.1	26.7	26.7	28.3	27.2	27.1
Empl. Cost/Total Expense	28.0	30.7	30.2	30.2	30.7	30.7	30.8

Efficiency Ratios (INRm)

CASA per branch	798.3	889.8	1,003.9	1,180.0	2,553.3	3,092.4	3,764.9
Employee per branch (in nos)	43.4	43.7	43.6	42.1	84.4	94.5	105.8
Staff exp per employee	1.0	1.1	1.2	1.4	1.3	1.3	1.3
Busi. per Empl.	80.4	83.8	96.1	115.0	115.8	125.0	134.9
NP per Empl.	0.1	0.7	0.7	0.4	0.4	0.8	1.0

Profitability Ratios and Valuation

RoE	0.7	10.4	10.2	4.4	5.0	8.8	12.0
RoA	0.1	1.1	1.1	0.5	0.56	0.9	1.2
RoRWA	0.1	1.6	1.5	0.6	0.7	1.2	1.6
Book Value (INR)	34	39	45	52	55	59	65
-growth (%)	7.6	15.0	17.0	14.1	6.1	7.0	10.7
Price-BV (x)	2.1 (x)	1.8	1.5	1.4	1.3	1.2	1.1
Adjusted BV (INR)	31	37	44	50	53	57	63
Price-ABV (x)	2.3	1.9	1.6	1.4	1.3	1.2	1.1
EPS (INR)	0.2	3.8	4.3	2.1	2.7	5.0	7.4
-growth (%)	-71.6	1,452.3	13.8	-50.9	26.2	86.5	49.1
Price-Earnings (x)	NM	18.4	16.2	33.0	26.2	14.0	9.4

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	$\geq 15\%$
SELL	$< - 10\%$
NEUTRAL	$< - 10\% \text{ to } 15\%$
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH00000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH00000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, it does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may 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. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. 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. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.