HDFC Bank

BUY

BFSI | Q1FY24 Result Update

DART
DOLAT ANALYSIS & RESEARCH THEMES
IN-DEPTH•PRECISE•ACTIONABLE

Result Update

Steady quarter

- **Healthy quarter with NII growth of 21% YoY & stable NIM QoQ. MTM reversals and low CC aided PPoP/PAT growth of 22%/30% YoY. The bank is using a benign credit environment to invest in capacity build-up.**
- **Despite muted sequential growth, management remains confident of healthy growth for merged entity (17-18% for core book, ex of IBPC, non-individual HDFC ltd book).**
- **Bank stands out for its execution capabilities. Maintain BUY with unrevised TP of Rs.2030, valuing bank at 2.9x FY25E (trades at 2.4x).**

Core PPoP/assets moderate

Core PPoP metrics moderated by 20 bps QoQ to 2.9% led by lower NIM (calculated NIM down 12 bps) and elevated opex. Opex is likely to remain high in the interim as the bank uses current benign credit environment to invest in capacity build up. On a merged basis, PPoP will benefit from lower CoF (as HDFC borrowings re-price lower) and opex efficiencies, but these should take a while to accrue. We build in Opex growth of 20%/14% for the merged bank in FY24/25E vs 24% in FY23.

Credit costs continue to remain below long term averages

Despite Q1 marked by seasonally higher agri slippages, credit cost at 70 bps were below long term averages (~90 bps), aiding profitability. Asset quality continues to hold steady with stable GNPA across segments, excluding agri. We build in credit costs of 70 bps for the merged bank over FY24/25E vs 56 bps in FY23.

Growth trends to strengthen

On a merged basis, Advances growth at 13% YoY were impacted by weak corporate growth and run down in HDFC's non-individual book. Management remains confident of healthy growth for merged entity (17-18% ex of IBPC, non-individual HDFC Ltd). We build in loan and deposit growth of 14%/22% over FY24E. Market share gains in deposits should continue in our view led by significant network expansion.

Q1FY24 Result (Rs Mn)

Particulars	Q1FY24	Q1FY23	YoY (%)	Q4FY23	QoQ (%)
Net interest income	235,991	194,814	21.1	233,518	1.1
Other income	92,299	63,882	44.5	87,312	5.7
Total Net Income	328,289	258,697	26.9	320,830	2.3
Operating expenses	140,569	105,018	33.9	134,621	4.4
Pre-provision profits	187,720	153,678	22.2	186,209	0.8
Provisions	28,600	31,877	(10.3)	26,854	6.5
Tax expense	39,602	29,841	32.7	38,881	1.9
Reported Net Profit	119,518	91,960	30.0	120,475	(0.8)
			(bps)		(bps)
Advances Growth YoY (%)	15.8	21.6	(575)	16.9	(112)
NIM (%)	4.1	3.9	14	4.2	(13)
RoA (%)	1.9	1.8	16	2.1	(20)
RoE (%)	16.7	15.0	165	18.5	(187)
Gross NPA (%)	1.2	1.3	(11)	1.1	5

CMP	Rs 1,679
Target / Upside	Rs 2,030 / 21%
NIFTY	19,712

Scrip Details

Equity / FV	Rs 7,497mn / Rs 1
Market Cap	Rs 9,363bn
	USD 113.9bn
52-week High/Low	Rs 1,758/ 1,337
Avg. Volume (no)	17,617,500
Bloom Code	HDFCB IN

Price Performance	1M	3M	12M
Absolute (%)	4	1	23
Rel to NIFTY (%)		(3)	8

Shareholding Pattern

	Dec'22	Mar'23	Jun'23
Promoters	25.6	25.6	25.5
MF/Banks/FIs	28.3	28.3	26.8
FIIs	32.1	32.2	33.4
Public / Others	14.0	13.9	14.4

Valuation (x)

	FY23A	FY24E*	FY25E*
P/E	21.2	19.1	16.6
P/ABV	3.3	2.7	2.4
ROAA	1.9	1.9	1.9
ROAE	17.0	17.7	15.5

Estimates (Rs bn)

	FY23A	FY24E*	FY25E*
NII	868.4	1,217.3	1,399.3
PPOP	704.0	1,050.5	1,227.5
PAT	441.1	658.9	758.0
Adj BV (Rs)	502.2	617.1	690.3

**Proforma merged financials*

VP - Research: Mona Khetan
Tel: +91 22 40969762
E-mail: monak@dolatcapital.com

Associate: Gautam Rawtani
Tel: +9122 40969766
E-mail: gautamr@dolatcapital.com

Associate: Aman Mehta
Tel: +912240969766
E-mail: amanm@dolatcapital.com

Valuations and view

RoA/RoE expected at 1.9-2% and 15% respectively immediately post-merger. Earnings profile to gradually strengthen led by benefits on CoF and operating efficiencies. We value the standalone merged bank at 2.8x FY25E, and add value of subsidiaries, arriving at TP of 2030. Subsidiaries form 8% of bank's valuation.

Risks to our view: Weaker than anticipated macro-economic trends could adversely impact growth and asset quality, lower than expected NIM and growth could hurt profitability metrics.

Exhibit 1: Actual v/s estimates

Particulars (Rs mn)	Actual	Estimated	% Variance
NII	235,991	242,859	(2.8)
Operating Profit	187,720	189,350	(0.9)
PAT	119,518	119,081	0.4

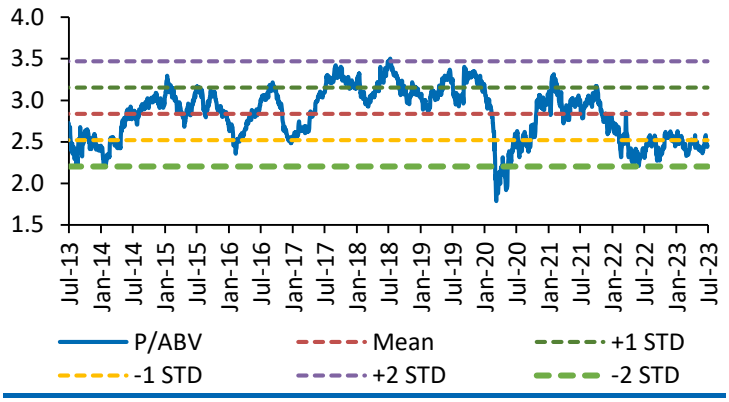
Source: Company, DART

Exhibit 2: Changes in estimates

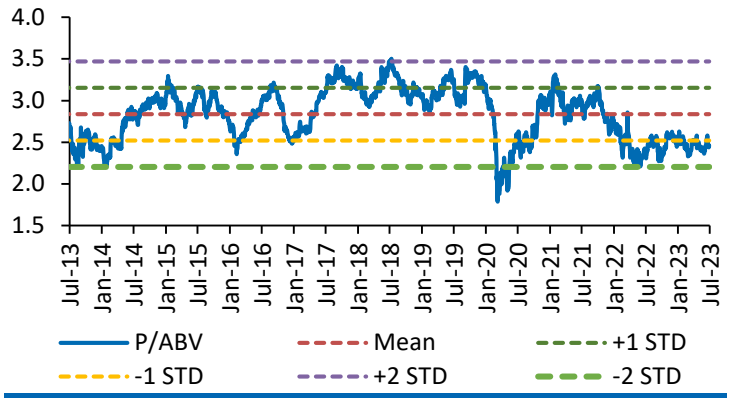
Particulars (Rs mn)	Previous		Revised		Change %	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Net Op Rev	1,662,305	1,922,724	1,662,305	1,922,724	-	-
PPOP	1,050,472	1,227,538	1,050,472	1,227,538	-	-
PAT	658,946	758,029	658,946	758,029	-	-

Source: DART, Company

Exhibit 3: The bank trades at 2.5x 1-yr forward P/ABV and 16x 1-yr forward P/E



Source: Company, DART



Source: Company, DART

Exhibit 4: SOTP Valuation

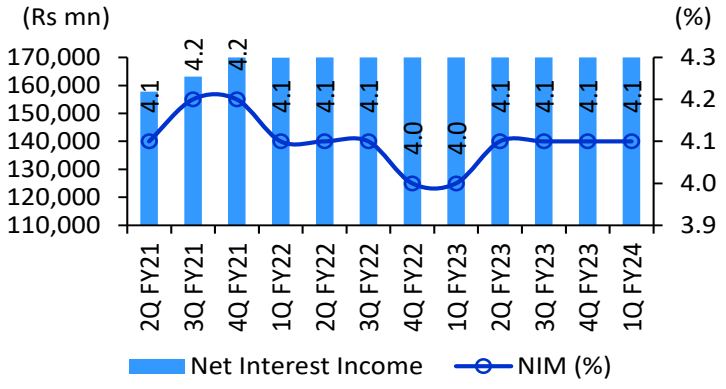
Particulars	Per Share Value(Rs)	Methodology
HFDC Bank*	1872	2.8x FY25E P/ABV
HDFC Life	80	2.4x FY25E EV
HDFC AMC	28	9% of AUM
HDFC ERGO	25	Based on HDFC bank's 5% stake
HDB Financial	39	2.5x FY25E P/ABV
HDFC Securities	20	15x FY25E P/E
Value of Subs. & Investments	192	
Holdco. Discount	15%	
Value of Bank	2030	

*Source: Company, DART: *adjusted for investment in subsidiary*

Earnings Call KTAs

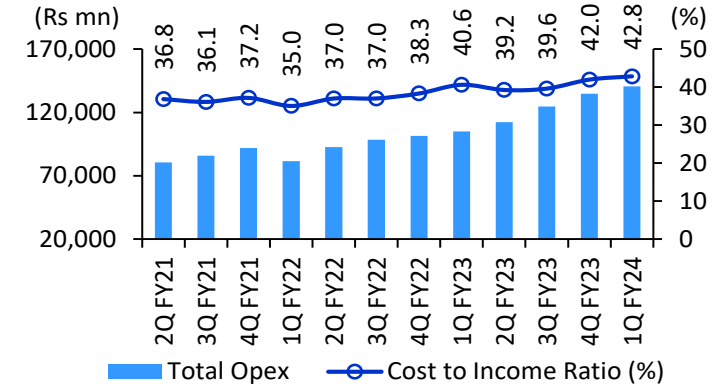
- **Advances:** Wholesale book de-grew by 1.2% sequentially as bank did not participate due to pricing issues. IBPC loans are viewed opportunistically to meet PSL or liquidity requirements. Management is positive to achieve a loan growth of 17-18% on merged entity basis. PL loan growth at 20% YoY v/s broader system growth is due to personal choice of the bank supported by risk management mechanisms. At aggregate level bank is ahead on the PSL and RIDF requirements.
- **Deposits:** Bank believes that the slow deposit growth is due to seasonality and high base as of March'23, and will pick up going forward. Saving accounts moderated due to 30% increase in card spends. SA deposit rates have remained constant. Deposit growth continue to be branch led. Deposit pricing is below or almost at par to that of peers; bank's focus is to ensure better engagement and higher duration on deposits.
- **Profitability:** On a merged entity basis the bank is confident to deliver an ROA in the range of 1.9-2.1%. Cost/income ratio stood at 42.8% mainly due to branch expansions, to moderate and revert to previous levels. Bank took advantage of benign credit environment and started expanding it's branches which led to increase in cost to income ratio over the year, there is sufficient visibility for FY24 that credit cost compensate for investment in capacity to build up. Merger integration costs to be incurred, however management believes it to be not substantial.
- **Asset Quality:** Slippages for the quarter stood at Rs58bn, recoveries at Rs26.5bn and write-offs amounted to Rs21bn. No sale of NPA accounts to ARCs. Restructured book stands at Rs.42.65bn. Certain facilities at same borrowers which are not restructured stood at Rs.8bn. Contingent and floating provision at the end of quarter stood at Rs.111.5bn (same as Q4). General provisions stood at Rs.71.5bn.
- **Pro-forma book:** On pro-forma merged basis, retail deposits grew by 19% YoY. LCR on pro-forma basis over 120%. HDFC non-individual loan de-grew 18% YoY driven by management actions, sustainable level to be evaluated in next two quarters before the bank starts building the book again. Rs 50-100 bn of the book could be further run down. Management is confident to meet the CRR and LCR regulatory requirements keeping in mind the LCR levels. HDFC mortgage book to move to EBLR pricing, however bank to price the book competitively with no difference to customer. Crystalized liabilities of HDFC Ltd stands at Rs.6.36trn that includes deposits. On merged basis the loan to deposit ratio stands at 109% which is to be normalized in three to four years. Last year, incremental CD ratio was ~72% and the bank will operate at incremental CD ratio of 80% in the interim.
- **Branches:** Added 39 branches during the quarter and 1,482 during the year. 4.6mn acceptance points of which 2.8mn merchants accepts through smart-Stop app. Gold loan now accepted at 4,336 branches, two-fold increase over Jun'22.
- **Others:** Added 2.4mn liability relationships. Express car loan volume contributes 30% of new car loan volume, vs 20% a quarter ago. LCR at 126% V/s 116% last quarter. Issued 1.5mn cards during the quarter taking the total to 18.4mn.

Exhibit 5: Core reported NIMs were stable QoQ



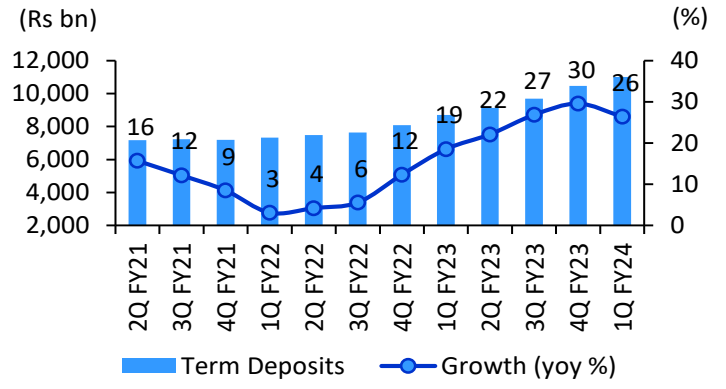
Source: Company, DART

Exhibit 6: Bank continue to invest in capacity build-up



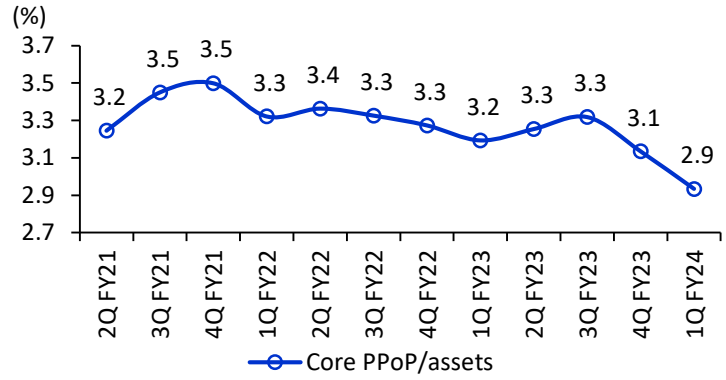
Source: Company, DART

Exhibit 7: Helathy traction in term deposits



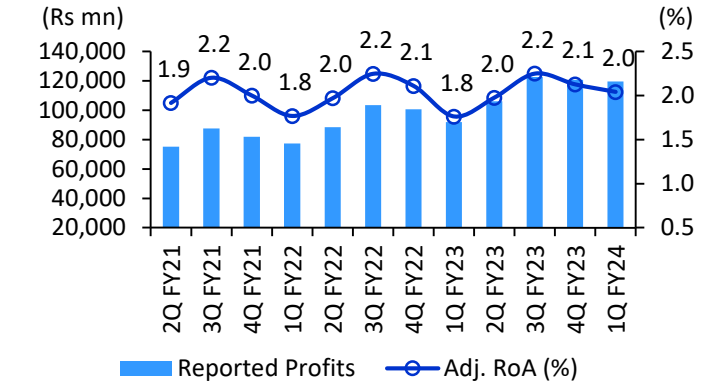
Source: Company, DART

Exhibit 8: Core/PPoP impacted by high opex



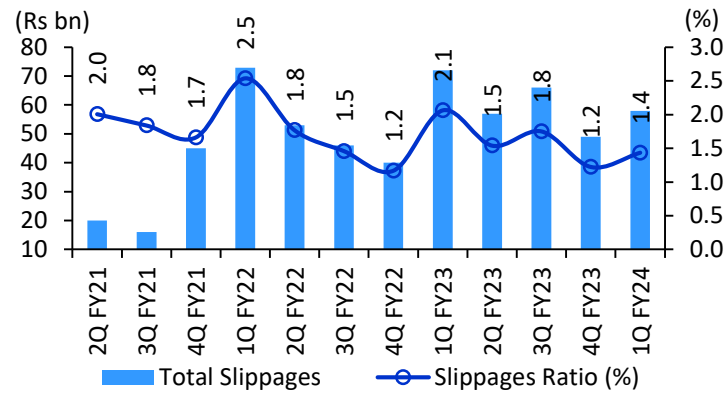
Source: Company, DART

Exhibit 9: RoA largely steady; low CC come to aid



Source: Company, DART

Exhibit 10: Contained slippages aid credit costs



Source: Company, DART

Quarterly Financials

Profit and Loss (Rs mn)	Q1FY24	Q1FY23	% YoY / bps	Q4FY23	% QoQ / bps	FY23	FY22	% YoY / bps
Interest Income	485,868	351,720	38.1	451,194	7.7	1,615,856	1,277,531	26.5
Interest Expenses	249,877	156,906	59.3	217,675	14.8	747,433	557,435	34.1
Net Interest Income	**235,991**	**194,814**	**21.1**	**233,518**	**1.1**	**868,422**	**720,096**	**20.6**
NII to Net Operative Income	71.9	75.3	(342)	72.8	(90)	73.6	70.9	263
NIM (%)	4.1	4.0	10	4.1	-	4.1	4.1	-
Fees & commissions	62,900	53,604	17.3	66,281	(5.1)	238,440	195,367	22.0
FX & Derivatives	13,090	12,593	3.9	10,105	29.5	42,917	39,080	9.8
Profit on Sale / Rev of Investments	5,520	(13,117)	(142.1)	(377)	(1,564.2)	(13,411)	22,827	N/A
Miscellaneous income	10,790	10,802	(0.1)	11,302	(4.5)	44,201	37,828	16.8
Other Income - Total	**92,299**	**63,882**	**44.5**	**87,312**	**5.7**	**312,148**	**295,099**	**5.8**
Other Income to Net Operative Income	28.1	24.7	342	27.2	90	26.4	29.1	(263)
Net Operating Revenue	**328,289**	**258,697**	**26.9**	**320,830**	**2.3**	**1,180,571**	**1,015,195**	**16.3**
Employee Expenses	47,821	35,002	36.6	43,621	9.6	155,124	120,317	28.9
Empl. Cost/Oper. Exps.	14.6	13.5	104	13.6	97	13.1	11.9	129
Other Opex	92,748	70,016	32.5	91,001	1.9	321,397	254,105	26.5
Other Opex/ Assets	0.4	0.3	4	0.4	(3)	1.4	1.3	9
Total Opex	**140,569**	**105,018**	**33.9**	**134,621**	**4.4**	**476,521**	**374,422**	**27.3**
Cost to Income Ratio (%)	42.8	40.6	222	42.0	86	40.4	36.9	348
Pre-Provision Profits	**187,720**	**153,678**	**22.2**	**186,209**	**0.8**	**704,050**	**640,773**	**9.9**
Provisions & Contingencies - Total	**28,600**	**31,877**	**(10.3)**	**26,854**	**6.5**	**119,197**	**150,618**	**(20.9)**
NPA Provisions as % Oper. Income	15.2	20.7	(551)	14.4	81	16.9	23.5	(658)
Profit Before Tax	**159,120**	**121,807**	**30.6**	**159,355**	**(0.1)**	**584,853**	**490,155**	**19.3**
Tax	**39,602**	**29,841**	**32.7**	**38,881**	**1.9**	**143,766**	**120,541**	**19.3**
Effective Tax Rate (%)	24.9	24.5	39	24.4	48.9	24.6	24.6	(1)
Reported Profits	**119,518**	**91,966**	**30.0**	**120,475**	**(0.8)**	**441,087**	**369,613**	**19.3**
RoA (%)	2.0	1.8	20	2.1	(8.0)	1.9	2.0	(13)
Basic EPS	21.4	16.6	28.9	21.6	(0.9)	79.3	66.8	18.6

Balance Sheet Analysis	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	QoQ % / bps	YoY % / bps
Net Worth	**2,400,929**	**2,502,849**	**2,541,114**	**2,675,424**	**2,801,990**	**2,938,146**	**4.9**	**17.4**
CET1 (%)	16.7	16.5	16.3	16.4	16.4	16.2	(20)	(30)
Tier 1 (%)	17.9	17.1	17.1	17.2	17.1	16.9	(20)	(20)
Total CAR (%)	18.9	18.1	18.0	19.4	19.3	18.9	(33)	83
RWA - Total	13,535,110	13,984,420	1,477,855	15,362,720	15,866,350	16,708,990	5.3	19.5
Advances - Total	**13,688,209**	**13,950,677**	**14,798,732**	**15,068,093**	**16,005,859**	**16,156,720**	**0.9**	**15.8**
Investments	4,555,357	4,961,567	5,191,159	5,272,767	5,170,014	5,657,776	9.4	14.0
Total Assets	**20,685,351**	**21,097,715**	**22,278,934**	**22,953,053**	**24,660,815**	**25,016,930**	**1.4**	**18.6**
RoA (%)	2.08	1.84	2.04	2.24	2.12	2.04	(8)	20
Deposits	15,592,174	16,047,600	16,734,080	17,332,040	18,833,947	19,130,958	1.6	19.2
Saving Deposit	5,117,390	5,140,630	5,297,450	5,352,060	5,624,930	5,606,040	(0.3)	9.1
Current Deposit	2,393,110	2,205,840	2,299,510	2,277,450	2,734,960	2,523,500	(7.7)	14.4
CASA Deposits	**7,510,500**	**7,345,000**	**7,595,000**	**7,629,510**	**8,359,890**	**8,129,540**	**(2.8)**	**10.7**
CASA Ratio (%)	48.0	45.8	45.4	44.0	44.4	42.5	(190)	(330)
Term Deposits	**8,081,680**	**8,701,130**	**9,137,120**	**9,702,530**	**10,474,057**	**11,001,418**	**5.0**	**26.4**

Movement of NPA (Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	QoQ % / bps	YoY % / bps
Gross Advances	13,688,237	14,088,805	14,878,862	15,255,203	16,088,420	16,294,120	1.3	15.7
Gross NPA	161,410	180,337	183,010	187,639	180,190	190,641	5.8	5.7
Gross NPA Ratio (%)	*1.18*	*1.28*	*1.23*	1.23	1.12	1.17	5	(11)
PCR - Calculated (%)	*72.7*	*72.9*	*73.3*	73.2	75.8	74.9	(81)	205
Net Advances	13,774,000	13,964,943	14,795,970	15,225,061	16,179,370	15,922,900	(1.6)	14.0
Net NPA	44,077	48,877	48,827	50,243	43,684	47,769	9.3	(2.3)
Net NPAs Ratio (%)	*0.32*	*0.35*	*0.33*	0.33	0.27	0.30	3	(5)
Reported Profits	**100,552**	**91,966**	**106,058**	**122,595**	**120,475**	**119,518**	**(0.8)**	**30.0**
RoA (%)	*2.08*	*1.84*	*2.04*	2.24	2.12	2.04	(8)	20

Loan Book Analysis (Rs mn)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	QoQ % / bps	YoY % / bps
Personal Loans	1,401,270	1,479,280	1,548,200	1,646,410	1,716,760	1,767,340	2.9	19.5
Auto	1,004,630	1,040,030	1,087,880	1,124,420	1,174,290	1,217,320	3.7	17.0
Home Loans	830,560	882,490	930,500	975,930	1,020,670	1,084,730	6.3	22.9
PL/ Credit Card	767,570	801,420	819,660	833,140	861,040	904,360	5.0	12.8
Loan against Property	622,480	651,160	693,130	724,360	767,730	788,690	2.7	21.1
Two Wheelers	92,880	91,950	95,970	97,590	99,330	103,670	4.4	12.7
Gold Loans	83,500	88,080	94,340	100,420	108,420	116,910	7.8	32.7
other retail Loans	514,790	544,400	535,800	563,740	597,540	594,980	(0.4)	9.3
CRB (Ex Agri)	4,201,910	4,364,850	4,744,620	5,023,560	5,474,330	5,631,910	2.9	29.0
Agriculture	645,450	615,790	702,780	709,120	817,190	796,370	(2.5)	29.3
Wholesale Banking	3,640,110	3,639,390	3,967,790	3,922,540	4,097,120	4,046,370	(1.2)	11.2
Total	**13,805,150**	**14,081,740**	**14,932,520**	**15,205,020**	**16,142,290**	**16,299,530**	**1.0**	**15.7**

Financial Performance

Profit and Loss Account (Rs Mn)

Particulars	FY22A	FY23A	FY24E*	FY25E*
Interest Income	1,277,531	1,615,856	2,493,826	3,013,659
Interest expenses	557,435	747,433	1,276,547	1,614,326
Net interest income	**720,096**	**868,422**	**1,217,279**	**1,399,333**
Other incomes	295,099	312,147	445,025	523,391
Total expenses	374,422	476,521	611,832	695,187
- Employee cost	120,317	155,124	190,802	219,422
- Other	254,105	321,397	421,030	475,764
Pre provisioning profit	**640,773**	**704,049**	**1,050,472**	**1,227,538**
Provisions	150,618	119,197	169,999	214,672
Profit before taxes	490,155	584,852	880,473	1,012,866
Tax provision	120,541	143,766	221,527	254,837
Profit after tax	369,613	441,086	658,946	758,029
Adjusted profit	**369,613**	**441,086**	**658,946**	**758,029**

Balance Sheet (Rs Mn)

Particulars	FY22A	FY23A	FY24E	FY25E
Sources of Funds				
Equity Capital	5,546	5,580	7,497	7,497
Reserves & Surplus	2,395,384	2,796,411	4,618,619	5,167,327
Minority Interest	0	0	0	0
Net worth	2,400,929	2,801,990	4,626,115	5,174,824
Borrowings	1,848,172	2,067,656	6,259,699	5,391,320
- Deposits	15,592,174	18,833,947	25,038,794	30,550,815
- Other interest bearing liabilities	2	3	4	5
Current liabilities & provisions	844,075	957,223	1,099,367	1,501,998
Total Liabilities	**20,685,350**	**24,660,815**	**37,023,975**	**42,618,957**
Application of Funds				
Cash and balances with RBI	1,523,269	1,937,651	1,915,017	2,185,994
Investments	4,555,357	5,170,014	6,734,937	7,473,918
Advances	13,688,209	16,005,859	25,182,014	28,959,316
Fixed assets	60,837	80,166	111,044	148,525
Other current assets, loans and advances	857,678	1,467,125	3,080,963	3,851,204
Total Assets	**20,685,350**	**24,660,815**	**37,023,975**	**42,618,957**

E – Estimates, *Proforma merged financials

Important Ratios

Particulars	FY22A	FY23A	FY24E*	FY25E*
(A) Margins (%)				
Yield on advances	7.9	8.6	9.9	9.2
Yields on interest earning assets	7.0	7.5	7.8	8.3
Yield on investments	5.8	6.4	6.9	6.7
Costs of funds	3.5	3.9	4.9	4.8
Cost of deposits	3.4	3.8	4.4	4.4
NIMs	3.9	4.1	3.8	3.9
(B) Asset quality and capital ratios (%)				
GNPA	1.2	1.1	0.7	0.8
NNPA	0.3	0.3	0.2	0.2
PCR	72.7	75.8	73.0	70.0
Slippages	2.4	1.8	1.5	1.4
NNPA to NW	1.8	1.6	1.0	1.3
CASA	48.2	44.4	40.0	40.0
CAR	18.9	19.3	17.9	17.2
Tier 1	17.9	17.1	16.6	16.0
Credit - Deposit	87.8	85.0	100.6	94.8
(C) Dupont as a percentage of average assets				
Interest income	6.7	7.1	8.1	7.6
Interest expenses	2.9	3.3	4.1	4.1
Net interest income	3.8	3.8	3.9	3.5
Non interest Income	1.5	1.4	1.4	1.3
Total expenses	2.0	2.1	2.0	1.7
- cost to income	36.9	40.4	36.8	36.2
Provisions	0.8	0.5	0.6	0.5
Tax	0.6	0.6	0.7	0.6
RoA	1.9	1.9	1.9	1.9
Leverage	8.6	8.8	8.0	8.2
RoE	16.7	17.0	17.7	15.5
RoRwa	2.7	2.8	2.4	2.4
(D) Measures of Investments				
EPS - adjusted	66.7	79.1	87.9	101.1
BV	432.9	502.2	617.1	690.3
ABV	432.9	502.2	617.1	690.3
DPS	15.5	19.0	19.0	23.0
Dividend payout ratio	2.0	3.0	4.0	5.0
(E) Growth Ratios (%)				
Net interest income	11.0	20.6	40.2	15.0
PPoP	11.7	9.9	49.2	16.9
Adj PAT	32.1	19.3	49.4	15.0
Advances	20.8	16.9	57.3	15.0
Total borrowings	36.4	11.9	202.7	(13.9)
Total assets	18.4	19.2	50.1	15.1
(F) Valuation Ratios				
Market Cap (Rs. mn)	9,362,890	9,362,890	9,362,890	9,362,890
CMP (Rs.)	1679	1679	1679	1679
P/E (x)	25.2	21.2	19.1	16.6
P/BV (x)	3.9	3.3	2.7	2.4
P/ABV (x)	3.9	3.3	2.7	2.4
Div Yield (%)	0.9	1.1	1.1	1.4

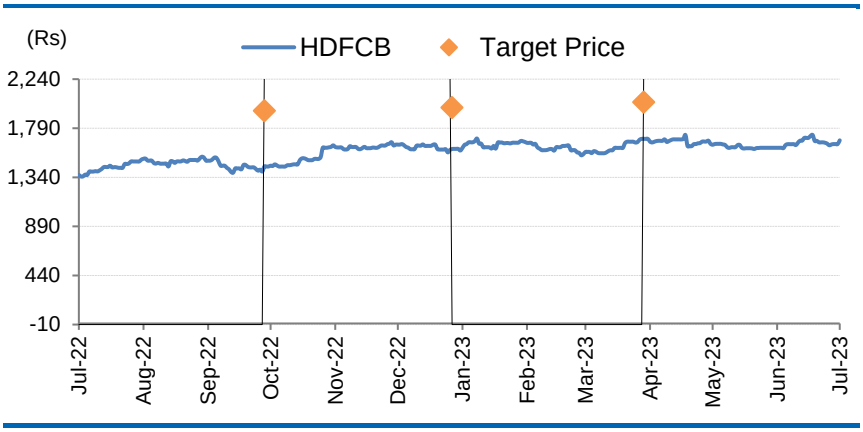
E – Estimates, *Proforma merged financials

DART RATING MATRIX

Total Return Expectation (12 Months)

Buy	**> 20%**
Accumulate	**10 to 20%**
Reduce	**0 to 10%**
Sell	**< 0%**

Rating and Target Price History



Month	Rating	TP (Rs.)	Price (Rs.)
Oct-22	BUY	1,950	1,439
Jan-23	BUY	1,980	1,599
Apr-23	BUY	2,030	1,692

**Price as on recommendation date*

DART Team

Purvag Shah	**Managing Director**	**purvag@dolatcapital.com**	**+9122 4096 9747**
Amit Khurana, CFA	**Head of Equities**	**amit@dolatcapital.com**	**+9122 4096 9745**

CONTACT DETAILS

Equity Sales	**Designation**	**E-mail**	**Direct Lines**
Dinesh Bajaj	VP - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	VP - Equity Sales	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	VP - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	VP - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Equity Trading	**Designation**	**E-mail**	
P. Sridhar	SVP and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	VP - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	VP - Head Domestic Derivatives Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Asia Head Derivatives	kartikm@dolatcapital.com	+9122 4096 9715
Bhavin Mehta	VP - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Analyst(s) Certification

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

This research report has been prepared by Dolat Capital Market Private Limited. to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited. and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited. and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited. may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited. does not warrant its accuracy or completeness. Dolat Capital Market Private Limited. may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited. reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited. and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Dolat Capital Market Private Limited. and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741
Member: BSE Limited and National Stock Exchange of India Limited.
SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000000685
Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.
Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com