

Kotak Mahindra Bank (KMB) reported a sharp decline in margins (vs stable for HDFCB), which coupled with higher LLP, led to a 4% miss on core PAT at Rs35bn. However, KMB reported higher PAT of Rs62.5bn, adjusted for net one-off gain from the stake sale in Kotak General Insurance (KGI) of Rs27.3bn. Despite the embargo on new card issuance, rising unsecured loan stress, and struggle on deposits with CASA shrinking to a low of 43%, the bank accelerated credit growth to 19% YoY. We believe, it needs to calibrate growth a bit and fix its slipping liability profile and asset quality, especially in light of RBI warnings. Bank has gained from new investment guidelines given its traditionally higher AFS book, leading to nearly Rs34bn addition to its NW, but further diluting RoE. Factoring margin pressure and bottoming of low LLP era, we expect KMB's core RoA/RoE declining from 2.5%/15% in FY24 to 2%-2.3%/12-14% over FY25-27E. We retain REDUCE with revised TP of Rs1,700/sh (earlier Rs1,625) rolling fwd on 1.8x Jun-26E SA ABV (revised upwards due to AFS reserve/KGI stake sale gains) and subs/Inv value at Rs540/sh.

Kotak Mahindra Bank: Financial Snapshot (Standalone)					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net profit	109,393	137,816	148,388	157,929	173,546
Loan growth (%)	17.9	17.6	16.0	16.0	17.0
NII growth (%)	28.1	20.6	12.8	11.3	12.0
NIM (%)	4.9	4.9	4.7	4.5	4.3
PPOP growth (%)	23.2	31.9	11.8	12.3	14.4
Adj. EPS (Rs)	55.1	69.3	74.6	79.4	87.3
Adj. EPS growth (%)	27.5	25.9	7.6	6.4	9.9
Adj. BV (Rs)	397.5	460.6	560.7	634.2	714.6
Adj. BVPS growth (%)	16.1	16.2	21.3	12.8	12.4
RoA (%)	2.4	2.5	2.3	2.1	2.0
RoE (%)	14.1	15.3	13.9	12.7	12.4
P/E (x)	23.3	18.5	17.2	16.1	14.7
P/ABV (x)	3.2	2.8	2.3	2.0	1.8

Source: Company, Emkay Research

Bank needs to calibrate growth amid rising systemic stress and funding pressure

Kotak Bank continues to report higher credit growth at 19% YoY/4% QoQ, mainly led by acceleration in low-yield corporate book. Despite the embargo on cards/digital banking, the bank continues to grow at a faster pace in PL/SBL, CV/CE, and other retail segments. On the other hand, deposit growth remains relatively moderate at 16% with LDR at 87% and CASA retreating at a faster pace to a low of 43%, reflecting the sharp rise in CoF. This, coupled with absence of one-off interest on IT refund (12bps) led to a sharp 26bps QoQ dip in margins to 5%. Management remains hopeful of early lifting of embargo on card/digital banking business, but external audit followed by undertaking corrective measures to the Regulator's satisfaction is a difficult task, as seen in the case of HDFCB.

Asset quality slips amid rising stress in unsecured loans; absence of contingent buffer, unlike large peers, could drive up credit cost in the medium term

Slippages remain elevated at Rs13.6bn/1.7% of loans, due to rising stress in unsecured loans and some impact of election-related dislocation. Specific PCR continues to slip down to 75% to support profitability, whereas the bank does not carry contingent provision buffer, unlike large peers. The new management believes that its book is well provided for the current risk, and therefore does not see any need for building buffers at this point in time. However, we believe systemic stress is on the rise and hence build in higher LLP (0.5-0.9%) for the bank over FY25-27E vs 0.4% in FY24.

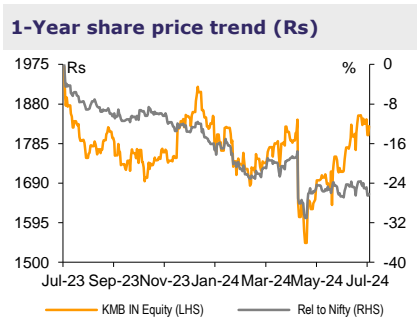
Retain REDUCE with revised TP of Rs1,700/share

We believe the bank needs to calibrate credit growth a bit and fix its slipping liability profile and asset quality; more so in the light of continued regulatory warnings. Bank is already under embargo from the RBI and friction with the regulator should be avoided. We retain REDUCE rating given our concerns around growth/asset quality and higher attrition in the recent past. However, we revise our TP upwards to Rs1,700/sh (earlier Rs1,625) rolling fwd now on 1.8x Jun-26E standalone ABV (revised upwards due to AFS reserve/KGI stake sale gains) and subs/Inv value at Rs540/share.

Target Price – 12M	Jun-25
Change in TP (%)	4.6
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	(6.7)
CMP (19-Jul-24) (Rs)	1,821.6

Stock Data	Ticker
52-week High (Rs)	1,988
52-week Low (Rs)	1,544
Shares outstanding (mn)	1,988.0
Market-cap (Rs bn)	3,621
Market-cap (USD mn)	43,285
Net-debt, FY25E (Rs mn)	NA
ADTV-3M (mn shares)	9
ADTV-3M (Rs mn)	15,820.3
ADTV-3M (USD mn)	189.1
Free float (%)	74.0
Nifty-50	24,531
INR/USD	83.7
Shareholding, Jun-24	
Promoters (%)	25.9
FPIs/MFs (%)	31.5/27.7

Price Performance			
(%)	1M	3M	12M
Absolute	4.3	1.6	(4.5)
Rel. to Nifty	-	(8.3)	(22.8)



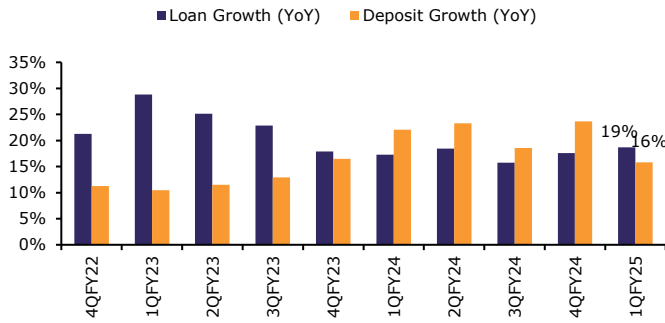
Anand Dama
 anand.dama@emkayglobal.com
 +91 22 6624 2480

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

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

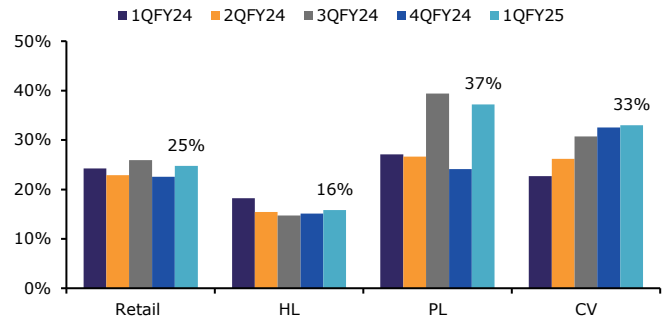
Story in Charts

Exhibit 1: Bank clocks higher credit growth amid rising delinquencies and regulatory warnings



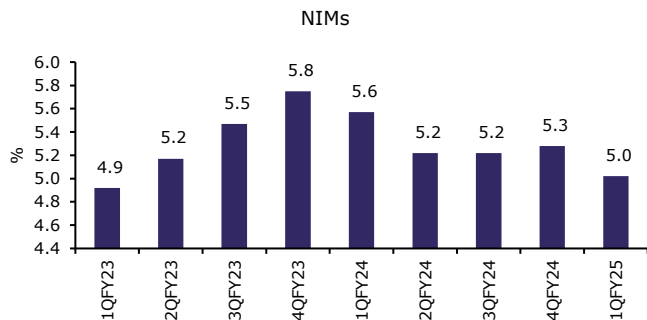
Source: Company, Emkay Research

Exhibit 2: Overall retail growth remains healthy despite embargo on cards business



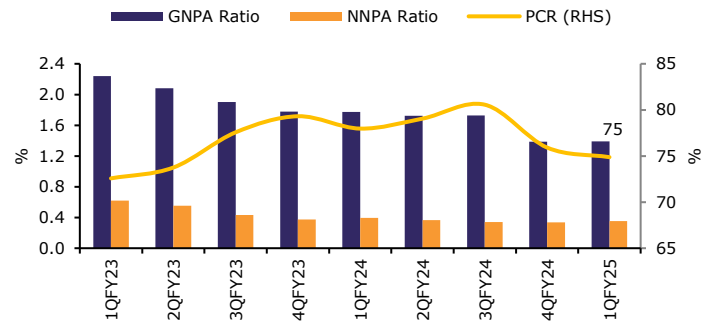
Source: Company, Emkay Research

Exhibit 3: Rising CoF plus absence of interest on IT refund led to sharp QoQ contraction in NIM



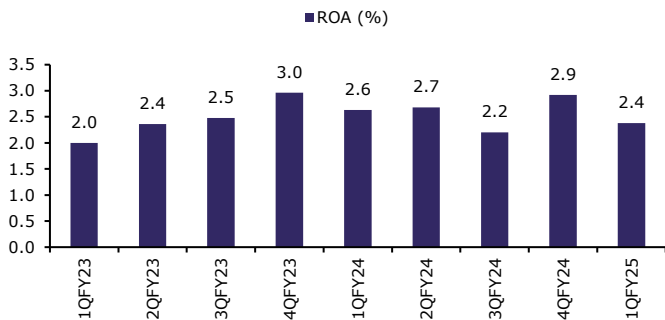
Source: Company, Emkay Research

Exhibit 4: Slippages rising, whereas PCR continues to fall



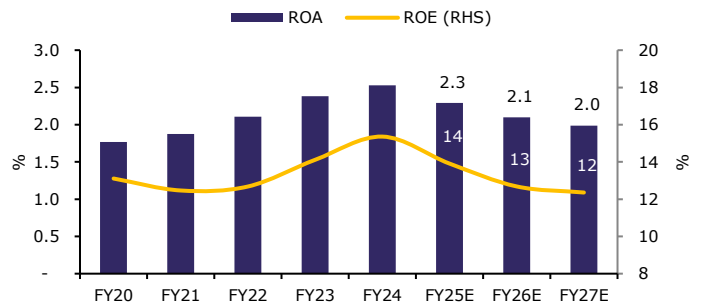
Source: Company, Emkay Research

Exhibit 5: RoA adj. for one-off gains from KGI stake sale was relatively moderate



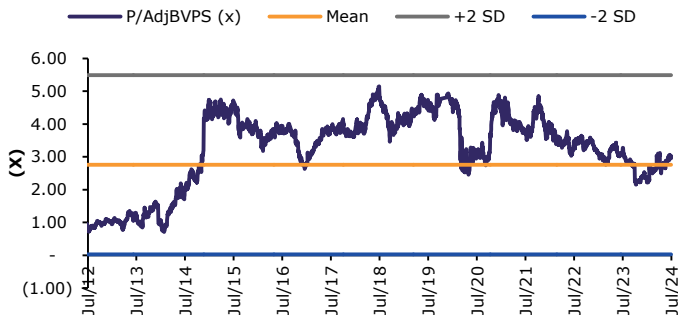
Source: Company, Emkay Research

Exhibit 6: RoA/RoE expected to normalize hereon due to moderation in margins and rising operational/credit cost



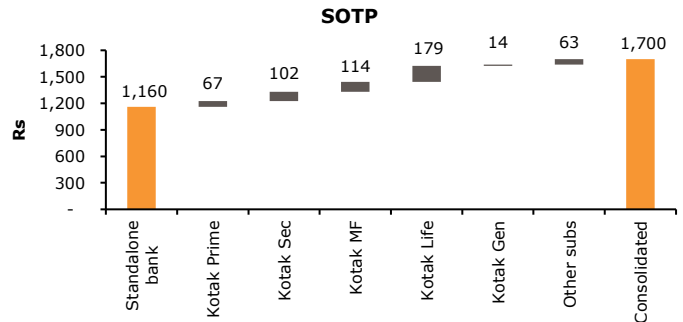
Source: Company, Emkay Research

Exhibit 7: The stock trades at 2.0x its one-year forward ABV



Source: Bloomberg, Emkay Research

Exhibit 8: SOTP-based valuation



Source: Emkay Research

Exhibit 9: Actuals vs Estimates (Q1FY25)

(Rs mn)	Actuals	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net income	97,714	100,162	91,507	-2%	7%	Higher margin contraction led to a miss
PPOP	52,541	53,975	50,626	-3%	4%	Lower net income led to a PPOP miss
PAT	35,196	36,731	37,590	-4%	-6%	PPOP miss along with higher LLP led to PAT miss

Source: Company, Emkay Research

Exhibit 10: Quarterly Summary

(Rs mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	YoY (%)	QoQ (%)	FY24A	FY25E	YoY (%)
Interest Earned	105,000	111,928	117,990	123,071	127,461	21.4	3.6	457,989	540,579	18.0
Interest Exp.	42,663	48,962	52,455	53,977	59,038	38.4	9.4	198,057	247,417	24.9
Net Interest Income	62,337	62,966	65,535	69,094	68,424	9.8	-1.0	259,932	293,162	12.8
Global NIMs (reported)	5.57	5.22	5.22	5.28	5.02	-55bps	-26bps	4.92	4.66	-26bps
Non-interest Income	26,833	23,145	22,970	29,783	29,290	9.2	-1.7	102,731	121,013	17.8
Operating Expenses	39,674	40,011	42,843	44,261	45,173	13.9	2.1	166,789	195,233	17.1
Pre-Provisioning Profit	49,496	46,101	45,662	54,616	52,541	6.2	-3.8	195,874	218,942	11.8
Provision and Contingencies	3,643	3,666	5,791	2,637	5,785	58.8	119.3	15,737	20,563	30.7
PBT	45,853	42,436	39,871	51,978	46,756	2.0	-10.0	180,137	198,379	10.1
Income Tax Expense (Gain)	11,330	10,526	9,821	10,645	11,560	2.0	8.6	42,321	49,992	18.1
Net Profit/(Loss)	34,523	31,910	30,050	41,333	35,196	2.0	-14.9	137,816	175,688	27.5
Gross NPA (%)	1.77	1.72	1.73	1.39	1.39	-38bps	0bps	1.39	1.39	0bps
Net NPA (%)	0.40	0.37	0.34	0.34	0.35	-4bps	2bps	0.34	0.35	1bps
Deposits (Rs bn)	3,863	4,010	4,086	4,490	4,474	15.8	-0.3	4,490	5,283	17.7
Net Advances (Rs bn)	3,286	3,483	3,596	3,761	3,900	18.7	3.7	3,761	4,363	16.0

Source: Company, Emkay Research; Note: Q1FY25 figures are excluding stake sale gain in KGI

Exhibit 11: Revision in estimates

Y/E Mar (Rs mn)	FY25E			FY26E			FY27E		
	Earlier	Revised	Change	Earlier	Revised	Change	Earlier	Revised	Change
Net income	413,402	414,175	0.2%	468,030	469,338	0.3%	535,520	536,501	0.2%
PPOP	216,724	218,942	1.0%	240,917	245,875	2.1%	274,327	281,214	2.5%
PAT	147,809	175,688	18.9%	154,588	157,929	2.2%	168,507	173,546	3.0%
EPS (Rs)	74.4	74.6	0.4%	77.8	79.4	2.2%	84.8	87.3	3.0%
BV (Rs)	556.9	588.1	5.6%	631.6	664.5	5.2%	712.9	748.3	5.0%

Source: Emkay Research

Exhibit 12: Key Assumptions

(%)	FY24A	FY25E	FY26E	FY27E
Loan Growth	17.2	16.0	16.0	17.0
Deposit Growth	23.6	17.7	19.8	17.8
NIM	4.9	4.7	4.5	4.3
GNPA	1.4	1.4	1.5	1.6
Credit Cost	0.4	0.5	0.7	0.9
Yield on Advances	10.3	10.3	10.1	10.0
Cost of Deposits	4.6	4.9	4.8	4.7

Source: Emkay Research

Exhibit 13: Key Ratios and Trend

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Loans (Rs bn)	2,802	2,940	3,107	3,199	3,286	3,483	3,596	3,761	3,900
YoY growth (%)	28.8	25.1	22.9	17.9	17.3	18.5	15.7	17.6	18.7
QoQ growth (%)	3.3	4.9	5.7	2.9	2.7	6.0	3.2	4.6	3.7
Composition (%)									
- Corporate	25.4	22.3	23.3	22.6	23.6	23.5	23.4	23.2	24.0
- Retail & Agri	67.1	68.3	68.3	71.9	70.7	70.4	73.0	73.7	72.9
Liability Profile & Margins									
CASA (%)	58.1	56.2	53.3	52.8	49.0	48.3	47.7	45.5	43.4
CA (%)	18.0	18.5	18.5	19.3	16.8	17.2	16.8	16.8	15.7
SA (%)	40.1	37.7	34.8	33.5	32.3	31.1	30.9	28.8	27.7
NIM (%)	4.9	5.2	5.5	5.8	5.6	5.2	5.2	5.3	5.0
Branches	1,702	1,710	1,752	1,780	1,788	1,850	1,869	1,948	1,965
Asset Quality (Rs mn)									
Gross NPA (Opening Balance)	64,697	63,786	62,102	59,946	57,683	59,092	60,870	63,020	52,748
GNPA	63,786	62,102	59,946	57,683	59,092	60,870	63,020	52,748	54,772
GNPA (%)	2.2	2.1	1.9	1.8	1.8	1.7	1.7	1.4	1.4
NPA	17,493	16,304	13,448	11,933	13,018	12,750	12,250	12,706	13,763
NNPA (%)	0.6	0.6	0.4	0.4	0.4	0.4	0.3	0.3	0.4
PCR (%)	72.3	73.3	77.2	79.0	77.7	78.8	80.3	75.7	74.6
Slippages (Rs mn)	14,350	9,830	7,480	8,230	12,050	13,140	11,770	13,050	13,580
Slippages (annualized)	2.0%	1.3%	1.0%	1.0%	1.5%	1.5%	1.3%	1.4%	1.4%
Capital Adequacy (%)									
CAR	22.8	22.6	21.7	21.8	22.0	21.7	21.2	20.5	22.4
Tier I	21.6	21.5	20.7	20.6	20.9	20.6	20.1	19.2	21.3
ROE Decomposition (%)									
NII	4.4	4.7	5.0	5.1	5.0	4.8	4.9	4.8	4.5
Other Income (ex-treasury)	2.0	1.8	1.5	1.6	1.9	1.7	1.8	2.0	1.9
Treasury	-0.8	0.0	0.3	0.2	0.2	0.1	-0.1	0.1	0.1
Opex	3.0	3.2	3.3	3.1	3.2	3.1	3.2	3.1	3.0
PPOP	2.6	3.3	3.4	3.9	3.9	3.5	3.4	3.8	3.5
Provisioning Cost	0.0	0.1	0.1	0.1	0.3	0.3	0.4	0.2	0.4
PBT	2.6	3.2	3.3	3.8	3.7	3.2	3.0	3.6	3.1
ROA	1.9	2.4	2.5	2.9	2.8	2.4	2.2	2.9	2.4
ROE	11.1	13.4	14.0	16.7	15.9	14.2	12.9	17.1	13.2

Source: Emkay Research4

Kotak Mahindra Bank: Standalone Financials and Valuations

Profit & Loss					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Interest Income	342,509	457,989	540,579	614,036	701,005
Interest Expense	126,989	198,057	247,417	287,704	335,384
Net interest income	215,519	259,932	293,162	326,333	365,621
NII growth (%)	28.1	20.6	12.8	11.3	12.0
Other income	70,830	102,731	121,013	143,005	170,880
Total Income	286,350	362,663	414,175	469,338	536,501
Operating expenses	137,870	166,789	195,233	223,463	255,287
PPOP	148,480	195,874	218,942	245,875	281,214
PPOP growth (%)	23.2	31.9	11.8	12.3	14.4
Core PPOP	156,037	192,274	213,542	239,935	274,977
Provisions & contingencies	4,570	15,737	20,563	34,740	49,200
PBT	143,910	180,137	198,379	211,135	232,014
Extraordinary items	0	0	0	0	0
Tax expense	34,517	42,321	49,992	53,206	58,467
Minority interest	0	0	0	0	0
Income from JV/Associates	0	0	0	0	0
Reported PAT	109,393	137,816	148,388	157,929	173,546
PAT growth (%)	27.6	26.0	7.7	6.4	9.9
Adjusted PAT	109,393	137,816	148,388	157,929	173,546
Diluted EPS (Rs)	55.1	69.3	88.3	79.4	87.3
Diluted EPS growth (%)	28.0	25.9	27.4	(10.1)	9.9
DPS (Rs)	1.5	2.0	2.5	3.0	3.5
Dividend payout (%)	2.7	2.9	3.3	3.8	4.0
Effective tax rate (%)	24.0	23.5	25.2	25.2	25.2
Net interest margins (%)	4.9	4.9	4.7	4.5	4.3
Cost-income ratio (%)	48.1	46.0	47.1	47.6	47.6
Shares outstanding (mn)	1,986.6	1,988.0	1,988.0	1,988.0	1,988.0

Source: Company, Emkay Research

Asset quality and other metrics					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Asset quality					
Gross NPLs	57,683.2	52,747.8	61,345.2	75,153.9	94,302.1
Net NPLs	11,933.0	12,705.7	15,336.3	20,291.6	26,404.6
GNPA ratio (%)	1.8	1.4	1.4	1.5	1.6
NNPA ratio (%)	0.4	0.3	0.4	0.4	0.4
Provision coverage (%)	79.3	75.9	75.0	73.0	72.0
Gross slippages	39,899.2	50,010.0	57,316.0	76,715.2	95,740.6
Gross slippage ratio (%)	1.2	1.3	1.3	1.5	1.6
LLP ratio (%)	0.2	0.4	0.5	0.7	0.9
NNPA to networth (%)	1.4	1.3	1.3	1.5	1.7
Capital adequacy					
Total CAR (%)	21.8	20.2	21.3	20.7	20.1
Tier-1 (%)	20.6	19.2	20.4	19.9	19.5
CET-1 (%)	19.0	18.0	19.3	19.0	18.6
RWA-to-Total Assets (%)	76.0	78.0	78.0	78.0	78.0
Miscellaneous					
Total income growth (%)	25.2	35.7	18.0	14.4	15.2
Opex growth (%)	28.2	21.0	17.1	14.5	14.2
Core PPOP growth (%)	29.5	23.2	11.1	12.4	14.6
PPOP margin (%)	35.9	34.9	33.1	32.5	32.3
PAT/PPOP (%)	73.7	70.4	67.8	64.2	61.7
LLP-to-Core PPOP (%)	2.9	8.2	9.6	14.5	17.9
Yield on advances (%)	9.2	10.3	10.3	10.1	10.0
Cost of funds (%)	3.5	4.6	4.8	4.7	4.7

Source: Company, Emkay Research

Balance Sheet					
Y/E Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	9,933	9,940	9,940	9,940	9,940
Reserves & surplus	820,270	957,248	1,162,007	1,313,832	1,480,287
Net worth	830,203	967,188	1,171,947	1,323,772	1,490,227
Deposits	3,630,961	4,489,538	5,282,903	6,326,714	7,454,971
Borrowings	234,163	284,681	299,865	285,972	272,823
Interest bearing liab.	3,865,123	4,774,219	5,582,769	6,612,686	7,727,795
Other liabilities & prov.	203,299	263,165	189,855	160,000	167,040
Total liabilities & equity	4,898,625	6,004,571	6,944,571	8,096,458	9,385,062
Net advances	3,198,612	3,760,753	4,362,913	5,059,487	5,915,891
Investments	1,214,037	1,554,038	1,816,886	2,141,404	2,470,943
Cash, other balances	325,423	527,884	586,191	694,332	772,779
Interest earning assets	4,738,072	5,842,674	6,765,990	7,895,223	9,159,614
Fixed assets	19,203	22,553	22,274	25,216	28,578
Other assets	141,349	139,343	156,307	176,019	196,869
Total assets	4,898,625	6,004,571	6,944,571	8,096,458	9,385,062
BVPS (Rs)	402.0	465.4	566.5	641.9	724.5
Adj. BVPS (INR)	397.5	460.6	560.7	634.2	714.6
Gross advances	3,244,362	3,800,795	4,408,922	5,114,349	5,983,789
Credit to deposit (%)	88.1	83.8	82.6	80.0	79.4
CASA ratio (%)	52.8	45.5	42.1	39.6	38.5
Cost of deposits (%)	3.5	4.6	4.9	4.8	4.7
Loans-to-Assets (%)	65.3	62.6	62.8	62.5	63.0
Net advances growth (%)	17.9	17.6	16.0	16.0	16.9
Deposit growth (%)	16.5	23.6	17.7	19.8	17.8
Book value growth (%)	10.7	15.8	21.7	13.3	12.9

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E Mar	FY23	FY24	FY25E	FY26E	FY27E
P/E (x)	23.3	18.5	17.2	16.1	14.7
P/B (x)	4.6	4.0	3.2	2.9	2.5
P/ABV (x)	3.2	2.8	2.3	2.0	1.8
P/PPOP (x)	24.3	18.5	16.5	14.7	12.9
Dividend yield (%)	0.1	0.1	0.1	0.2	0.2
DuPont-RoE split (%)					
NII/avg assets	4.7	4.8	4.5	4.3	4.2
Other income	1.5	1.9	1.9	1.9	2.0
Fee income	1.2	1.3	1.3	1.4	1.5
Opex	3.0	3.1	3.0	3.0	2.9
PPOP	3.2	3.6	3.4	3.3	3.2
Core PPOP	3.4	3.5	3.3	3.2	3.1
Provisions	0.1	0.3	0.3	0.5	0.6
Tax expense	0.8	0.8	0.8	0.7	0.7
RoA (%)	2.4	2.5	2.3	2.1	2.0
Leverage ratio (x)	5.9	6.1	6.1	6.0	6.2
RoE (%)	14.1	15.3	13.9	12.7	12.4
Quarterly data					
Rs mn, Y/E Mar	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
NII	62,337	62,966	65,535	69,094	68,424
NIM(%)	5.6	5.2	5.2	5.3	5.0
PPOP	49,496	46,101	45,662	54,616	52,541
PAT	34,523	31,910	30,050	41,333	35,196
EPS (Rs)	17.38	16.06	15.13	20.81	17.72

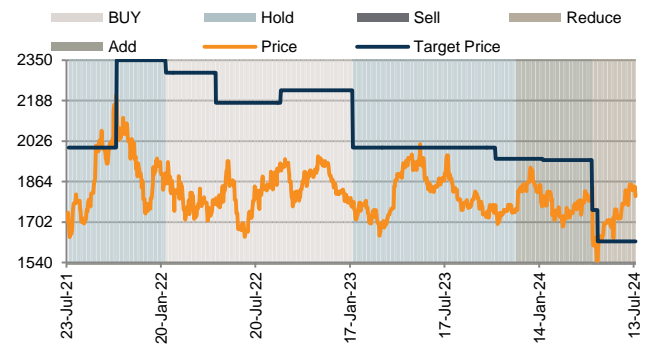
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
05-May-24	1,547	1,625	Reduce	Anand Dama
24-Apr-24	1,843	1,750	Reduce	Anand Dama
19-Feb-24	1,731	1,950	Add	Anand Dama
21-Jan-24	1,807	1,950	Add	Anand Dama
30-Nov-23	1,755	1,955	Add	Anand Dama
22-Oct-23	1,770	1,955	Hold	Anand Dama
23-Jul-23	1,970	2,000	Hold	Anand Dama
30-Apr-23	1,938	2,000	Hold	Anand Dama
09-Mar-23	1,717	2,000	Hold	Anand Dama
22-Jan-23	1,763	2,000	Hold	Anand Dama
24-Oct-22	1,896	2,230	Buy	Anand Dama
06-Sep-22	1,916	2,230	Buy	Anand Dama
23-Jul-22	1,827	2,180	Buy	Anand Dama
26-May-22	1,909	2,180	Buy	Anand Dama
05-May-22	1,798	2,180	Buy	Anand Dama
29-Jan-22	1,898	2,300	Buy	Anand Dama
27-Oct-21	2,188	2,350	Hold	Anand Dama
27-Jul-21	1,698	2,000	Hold	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 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 July 21, 2024
- EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Report
Disclosure of previous investment recommendation produced:
- EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
- EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's may have material conflict of interest in the securities recommended in this report as of July 21, 2024
- EGFSL, its affiliates and Research Analyst or his/her associate/relative's may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the July 21, 2024
- EGFSL or its associates may have managed or co-managed public offering of securities for the subject company in the past twelve months.
- EGFSL, its affiliates and Research Analyst or his/her associate may have received compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
- EGFSL, its affiliates and/or and Research Analyst or his/her associate may have received any compensation or other benefits from the subject company or third party in connection with this research report.

Emkay Rating Distribution

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

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India
Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com

OTHER DISCLAIMERS AND DISCLOSURES:**Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) :-**

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

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

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

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

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

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

EGFSL or its affiliates may have received any compensation including for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. . Emkay may have issued or may issue other reports that are inconsistent with and reach different conclusion from the information, recommendations or information presented in this report or are contrary to those contained in this report. Emkay Investors may visit www.emkayglobal.com to view all Research Reports. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the research published by any other analyst or by associate entities of Emkay; our proprietary trading, investment businesses or other associate entities may make investment decisions that are inconsistent with the recommendations expressed herein. EGFSL or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. EGFSL or its associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. EGFSL or its associates may have received compensation from the subject company in the past twelve months. Subject Company may have been client of EGFSL or its affiliates during twelve months preceding the date of distribution of the research report and EGFSL or its affiliates may have co-managed public offering of securities for the subject company in the past twelve months.