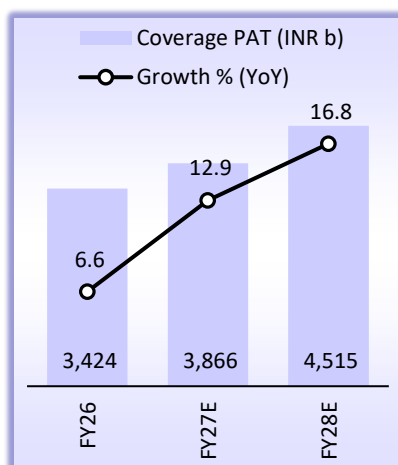


# Financials: Banks

## MOFSL PAT growth estimate % (YoY)

	Private	PSU	Coverage
FY25	3.8	24.0	12.5
FY26	4.2	9.1	6.6
FY27E	21.1	4.2	12.9
FY28E	20.4	12.4	16.8
<b>FY26-28E CAGR</b>	<b>20.8</b>	<b>8.2</b>	<b>14.8</b>

## Earnings growth to pick up to 15% CAGR over FY26-28E



## FY26-exit earnings growth recovered to double digits

Estimate ~15% EPS CAGR over F26-28E; private banks to take the lead over PSBs

- BFSI consensus earnings have started to pick up after tepid earnings growth of 6.6% YoY in FY26. We estimate banking sector earnings to clock a 15% CAGR over FY26-28, backed by steady loan growth, stable NIMs and easing credit costs (specially in unsecured segments).
- Over the past two years, consensus FY27-28 earnings estimates have been cut by ~8% over the past two years, largely driven by private banks. PSU banks have remained relatively resilient, though recent revisions indicate slight cuts.
- In the last three months, PSU banks have witnessed 3.5-5.0% reductions in FY27/FY28 earnings estimates, largely driven by sticky CoF amid rising deposit competition, NIM pressure, and higher projected credit costs due to the ECL transition. Private banks' earnings outlook remains relatively resilient.
- MOFSL's FY27/FY28 banking earnings estimates are broadly in line with the consensus (+1%/+2%), as we remain relatively constructive on select mid-sized private banks like RBK, DCB, Bandhan, AU, and IIB (+5% to +15%) amid expectations of better credit growth and NIM recovery. In PSU banks, our estimates for PNB, INBK and UNBK are ~2-27% above consensus but ~3% below consensus on SBI.
- We expect banking sector earnings to rebound to ~15% CAGR over FY26-28E (consensus: 14%), led by ~15% NII CAGR. Private banks with ~21% earnings CAGR are likely to outperform PSU banks with ~8% CAGR. Top ideas: ICICI, HDFCB, SBIN and AUBANK.

## Sector earnings to gain traction; Improvement visible in 4QFY26 growth

- Sector earnings growth has gained momentum, with earnings expected to grow at a 15% CAGR over FY26-28E after a relatively subdued FY26 (6.6% growth). Banks have witnessed a modest decline in NIMs during FY26, driven by lower CoF, while loan growth has remained steady at ~15% YoY. Additionally, easing asset quality stress in the unsecured segment has resulted in comparatively lower credit costs than earlier anticipated. (Exhibit 3)
- Amid this easing in headwinds, we remain watchful of the evolving situation in West Asia, which could potentially lead to some stress build-up in the MSME and CV segments. However, most banks have not indicated any such signs of stress emerging within their existing portfolios so far.
- As we move into FY27, we believe there are emerging risks to CoF amid intensifying competition for deposits. We note that select mid-sized private banks have increased deposit rates across certain buckets, reinforcing our view that CoF has likely bottomed out.

## Private banks to outperform; PSBs entering a slow earnings growth phase

- Over the past few years, PSU banks have delivered a strong earnings trajectory, with PAT compounding at a 16% CAGR, supported by healthy credit growth and comfortable CD ratios. Most PSU banks have witnessed robust profit accretion, driven by better loan growth and relatively resilient NIMs, aided by ample system liquidity. However, over the last two years, as surplus balance sheet liquidity has been largely utilized and CD ratios have moved closer to private banks' levels, PSU banks have increasingly entered the market to mobilize deposits. As a result, amid intensifying competition for both deposits and

Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Dixit Sankharva (Dixit.Sankharva@MotilalOswal.com) | Akshay Badlani (Akshay.Badlani@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

advances, the competitive edge of PSU banks appears to be increasingly reliant on pricing rather than structural advantages.

- Consequently, we have reduced our NII estimates for PSU banks by ~3%, with the sharpest cuts for BoB, PNB, and Canara Bank vs. flat for private banks. Management commentary and guidance have also turned relatively cautious, broadly aligning with this view. In contrast, estimate revisions for private banks have been relatively limited. From the NIM perspective, we expect private banks to witness relatively stable margins, with only a marginal downside risk despite a gradual rise in CoF.

### **Consensus earnings estimates have been cut by 8% over the past two years, led by private banks; three-month change indicates stable trends**

- Consensus earnings estimates for FY27-28E have witnessed broad-based revisions over the past two years, including across the last 12 months, 9 months, and 3 months, with private banks accounting for the bulk of the downgrades. For private banks, aggregate FY27 PAT estimates have been reduced by ~1%/4%/6% over the past 3/9/12 months.
- In contrast, PSU banks witnessed earnings upgrades of ~4.1% and ~3.7% over the past 9 months and 12 months, respectively, although FY27 earnings estimates have declined by ~4% over the last three months, reflecting a more cautious near-term outlook.
- Similarly, aggregate FY28 earnings estimates for private banks have been lowered by ~1%/2%/3% over the past 3/9/12. For PSU banks, FY28 estimates have revised by -3.0%/+8.7%/+10.4% over the same periods, indicating that while the longer-term earnings outlook remains relatively resilient, recent estimate revisions have turned negative.

### **PSU banks witnessed minor earnings cuts for FY27-28E amid sticky CoF and ECL transition overhang**

- The pace of earnings downgrades for FY27-28E has moderated in recent months. However, the latest round of earnings cuts for PSU banks has largely been driven by rising competition for deposits in FY27E, resulting in incremental pressure on NIMs. In addition, the transition to the ECL framework is expected to exert some pressure on credit costs, contributing to the downgrade cycle.
- Private banks, on the other hand, have witnessed relatively limited estimate cuts. Select mid-sized private banks are likely to report relatively better NIM resilience (exhibit 4), while most large private banks have not seen meaningful downward revisions to margin estimates. Further, credit cost assumptions across most private banks remain relatively stable, supported by adequate provision buffers and healthy PCR levels.
- In contrast, PSU banks have witnessed earnings cuts of ~3.5-5.0% across FY27-28E, primarily driven by lower NIM assumptions amid rising CoF, coupled with an increase in projected credit costs due to the transition toward the ECL regime.

### **Mid-sized private banks have witnessed few upgrades; large private banks stable**

- During the previous earnings cycle, the steepest earnings downgrades were witnessed in mid-sized private banks, largely due to their relatively higher exposure to unsecured retail and MFI segments. However, with the unsecured stress cycle now showing signs of improvement, select banks have witnessed

earnings upgrades over the last three months. **Bandhan Bank, IndusInd Bank, and AU Bank** have seen earnings upgrades of ~3%, ~10-16%, and ~1%, respectively. In contrast, **IDFC First Bank and RBL Bank** have witnessed earnings downgrades of ~14% and ~21-27%, respectively (refer Exhibit 2).

- Among larger private banks, earnings estimates have largely remained stable, with limited downward revisions. For instance, **ICICI Bank, HDFC Bank, Axis Bank, and Kotak Mahindra Bank** have broadly seen flat earnings estimates over the period. Notably, **Axis Bank** has witnessed earnings upgrades of ~2.8-6.0% for FY27-28, reflecting improving confidence in its earnings trajectory.

#### MOFSL vs. Consensus: How do our estimates compare with the Street?

- We compare our earnings estimates with consensus and find that, at an aggregate level, MOFSL's forecasts remain broadly aligned with Street expectations, with a modest deviation of +1%/+2% in aggregate FY27E/FY28E earnings. However, meaningful stock-level divergences persist.
- Within mid-sized private banks, we remain relatively more constructive than consensus on select names, including **RBL Bank (+15%), DCB Bank (+13%), Bandhan Bank (+12%), AU Bank (+9%), IndusInd Bank (+7%), and Federal Bank (+5%)** for FY28E. This reflects our expectation of an improving earnings cycle for mid-sized private banks, supported by better credit growth and a gradual recovery in NIMs.
- Among PSU banks, our earnings estimates for **PNB, INBK, and UNBK** remain ~2-27% higher than consensus, while we are ~3% below consensus on **SBI** for FY28E. At an aggregate PSU bank level, our earnings estimates are ~1.5% ahead of consensus. Overall, for the banking sector, our FY27-28 earnings estimates remain broadly ~1-2% higher than Street expectations (refer Exhibit 11).

#### BFSI sector earnings growth to rebound to 15% CAGR over FY26-28E

- Consensus estimates indicate a rebound in banking earnings in FY27, with expected growth of ~13% YoY to INR3.9t, supported by ~14% YoY growth in NII. We expect private banks to outperform PSU banks, with private bank earnings projected to grow ~21% in FY27E vs. ~4.2% growth for PSU banks. FY27 is likely to be a transition year, wherein PSU banks may witness further earnings moderation after nearly three years of relative outperformance.
- **Over FY26-28E, we expect private banks to materially outperform PSU banks, with earnings growing at a ~21% CAGR vs. ~8% CAGR for PSU banks. For our banking coverage universe, we estimate an earnings CAGR of ~15% over FY26-28E, modestly ahead of consensus expectations of ~14% CAGR over the same period.**
- This growth is expected to be driven primarily by a ~15% CAGR in NII, with private banks and PSU banks likely to deliver ~17% and ~13% CAGR, respectively. We also expect PPOP growth to remain healthy at ~15% CAGR over FY26-28E, led by ~17% CAGR for private banks and ~12% CAGR for PSU banks.
- Among private banks, we expect mid-sized players to outperform on earnings, supported by improving NIMs, easing stress in unsecured portfolios, and relatively stable credit costs, driven by better asset quality trends. Top picks: **ICICIB, HDFC, SBIN, and AUBANK.**

**Risk factors: What keeps us watchful on potential earnings trajectory**

- While earnings visibility continues to improve, we remain watchful of several emerging risks that could potentially impact the sector's earnings trajectory. We believe competition for deposits is intensifying, particularly as most PSU banks have largely utilized their balance sheet liquidity and optimized their CD ratios. Consequently, rising competition for deposits could keep CoF elevated, a trend that was also reflected in management commentary across PSU banks.
- Asset quality metrics have remained resilient so far, with the sector gradually emerging from the unsecured stress cycle. However, a prolonged geopolitical conflict in West Asia could create incremental stress in select segments, particularly MSME and CV portfolios, warranting close monitoring.
- In addition, the upcoming transition to the ECL framework could lead to some normalization in credit costs across select private and PSU banks. Early estimates suggest the impact could be up to ~120bp for certain banks. While this appears manageable at present, the transitional flow-through impact of ECL on reported credit costs remains a key monitorable.

**Exhibit 1: Aggregate MOFSL banking earnings estimates have been reduced slightly; Private banks to take the lead in FY27**

INRb	Earnings before preview			Earnings in 4QFY26 preview			Earnings after 4QFY26 results		
	FY26E	FY27E	FY28E	FY26A	FY27E	FY28E	FY26A	FY27E	FY28E
<b>Private Banks</b>									
AXSB	246.6	307.4	366.2	242.2	304.8	371.5	244.6	315.9	388.2
BANDHAN	12.8	28.2	37.5	11.0	27.8	37.3	12.2	29.1	38.7
DCBB	7.5	10.0	12.5	7.3	9.9	12.5	7.3	9.9	12.5
HDFCB	744.2	848.2	995.5	746.5	853.4	995.5	746.7	849.0	988.9
ICICIBC	496.5	569.1	669.5	496.8	566.9	666.1	501.5	565.9	659.4
IDFCFB	21.3	42.7	63.7	14.8	38.6	55.5	16.4	36.9	55.1
IIB	4.8	33.9	51.7	4.1	32.5	50.8	8.9	37.2	60.1
KMB	138.6	164.1	200.7	135.1	160.2	195.9	140.1	163.8	199.0
FB	39.7	52.0	67.0	39.5	51.6	66.3	41.2	53.2	65.9
RBK	8.9	27.7	41.7	7.8	23.5	34.5	8.2	20.3	32.9
AUBANK	26.1	36.8	48.1	26.0	37.1	47.8	26.4	37.4	48.7
EQUITASB	0.5	6.5	9.8	0.5	6.6	9.6	1.0	6.7	9.7
<b>Total Pvt</b>	<b>1,747.5</b>	<b>2,126.6</b>	<b>2,564.0</b>	<b>1,731.6</b>	<b>2,112.9</b>	<b>2,543.2</b>	<b>1,754.5</b>	<b>2,125.3</b>	<b>2,558.9</b>
<b>YoY growth</b>	<b>1.7%</b>	<b>21.7%</b>	<b>20.6%</b>	<b>1.0%</b>	<b>22.0%</b>	<b>20.4%</b>	<b>4.2%</b>	<b>21.1%</b>	<b>20.4%</b>
<b>PSU Banks</b>									
BOB	194.9	214.5	240.4	193.6	210.3	231.2	200.2	205.5	223.5
CBK	192.3	197.8	225.2	190.9	191.2	215.9	191.9	179.1	206.6
INBK	124.6	136.8	152.8	123.1	135.2	149.0	121.6	136.0	152.0
PNB	164.8	213.2	254.8	165.9	205.2	247.7	169.0	209.7	246.0
SBIN	815.0	858.8	980.6	803.8	856.0	975.3	800.3	829.3	927.5
UNBK	176.7	182.7	206.4	178.7	180.3	201.3	187.0	180.6	200.9
<b>Total PSU</b>	<b>1,668.2</b>	<b>1,803.7</b>	<b>2,060.2</b>	<b>1,656.0</b>	<b>1,778.2</b>	<b>2,020.5</b>	<b>1,670.0</b>	<b>1,740.2</b>	<b>1,956.6</b>
<b>YoY growth</b>	<b>9.0%</b>	<b>8.1%</b>	<b>14.2%</b>	<b>8.2%</b>	<b>7.4%</b>	<b>13.6%</b>	<b>9.1%</b>	<b>4.2%</b>	<b>12.4%</b>
<b>Total Banks</b>	<b>3,415.7</b>	<b>3,930.3</b>	<b>4,624.2</b>	<b>3,387.5</b>	<b>3,891.2</b>	<b>4,563.7</b>	<b>3,424.4</b>	<b>3,865.5</b>	<b>4,515.5</b>
<b>YoY growth</b>	<b>5.1%</b>	<b>15.1%</b>	<b>17.7%</b>	<b>4.3%</b>	<b>14.9%</b>	<b>17.3%</b>	<b>6.6%</b>	<b>12.9%</b>	<b>16.8%</b>
SBI Cards	21.3	30.4	39.0	21.4	28.9	36.8	21.7	29.5	36.4
Paytm	5.6	8.9	17.4	5.5	6.0	15.9	6.4	10.5	21.9

Source: MOFSL, Company

**Exhibit 2: Within the sector, PSU banks have seen a slightly bigger cut of 3.5-5.0% during 4QFY26 results**

INRb	% Change in preview			% Change in results			% Total change		
	FY26E	FY27E	FY28E	FY26A	FY27E	FY28E	FY26A	FY27E	FY28E
<b>Private Banks</b>									
AXSB	-1.8	-0.8	1.4	1.0	3.6	4.5	-0.8	2.8	6.0
BANDHAN	-14.6	-1.4	-0.6	11.7	4.6	3.7	-4.6	3.1	3.1
DCBB	-2.8	-0.4	-0.1	0.5	0.1	0.0	-2.4	-0.2	-0.1
HDFCB	0.3	0.6	0.0	0.0	-0.5	-0.7	0.3	0.1	-0.7
ICICIBC	0.1	-0.4	-0.5	0.9	-0.2	-1.0	1.0	-0.6	-1.5
IDFCFB	-30.5	-9.7	-12.9	10.7	-4.3	-0.7	-23.0	-13.6	-13.6
IIB	-13.9	-4.0	-1.8	114.6	14.4	18.4	84.7	9.8	16.2
KMB	-2.5	-2.4	-2.4	3.6	2.3	1.6	1.1	-0.2	-0.9
FB	-0.6	-0.6	-1.0	4.3	3.0	-0.6	3.7	2.4	-1.6
RBK	-12.1	-15.4	-17.3	5.1	-13.6	-4.8	-7.6	-26.9	-21.2
AUBANK	-0.1	0.8	-0.7	1.4	0.6	1.8	1.3	1.4	1.1
EQUITASB	1.6	1.7	-1.8	116.1	1.9	0.8	119.6	3.7	-1.0
<b>Total Pvt</b>	<b>-0.9</b>	<b>-0.6</b>	<b>-0.8</b>	<b>1.3</b>	<b>0.6</b>	<b>0.6</b>	<b>0.4</b>	<b>-0.1</b>	<b>-0.2</b>
<b>YoY growth</b>									
<b>PSU Banks</b>									
BOB	-0.7	-1.9	-3.8	3.4	-2.3	-3.3	2.7	-4.2	-7.0
CBK	-0.7	-3.3	-4.1	0.5	-6.3	-4.3	-0.2	-9.4	-8.3
INBK	-1.2	-1.2	-2.5	-1.3	0.6	2.0	-2.4	-0.6	-0.5
PNB	0.6	-3.7	-2.8	1.9	2.2	-0.7	2.6	-1.6	-3.4
SBIN	-1.4	-0.3	-0.5	-0.4	-3.1	-4.9	-1.8	-3.4	-5.4
UNBK	1.1	-1.3	-2.5	4.6	0.2	-0.2	5.8	-1.2	-2.7
<b>Total PSU</b>	<b>-0.7</b>	<b>-1.4</b>	<b>-1.9</b>	<b>0.8</b>	<b>-2.1</b>	<b>-3.2</b>	<b>0.1</b>	<b>-3.5</b>	<b>-5.0</b>
<b>YoY growth</b>									
<b>Total Banks</b>	<b>-0.8</b>	<b>-1.0</b>	<b>-1.3</b>	<b>1.1</b>	<b>-0.7</b>	<b>-1.1</b>	<b>0.3</b>	<b>-1.6</b>	<b>-2.4</b>
<b>YoY growth</b>									
SBI Cards	0.6	-4.9	-5.7	1.4	1.9	-1.0	2.0	-3.1	-6.6
Paytm	-1.6	-32.2	-8.2	15.7	73.7	37.3	13.8	17.8	26.1

**Exhibit 3: MOFSL Estimates: Earnings to clock 15% CAGR over FY26-28E, with private banks taking the lead**

INRb	MOFSL Earnings Estimates					
	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Private Banks</b>						
AXSB	92.2	248.6	263.7	244.6	315.9	388.2
BANDHAN	21.9	22.4	27.5	12.2	29.1	38.7
DCBB	4.7	5.4	6.2	7.3	9.9	12.5
HDFCB	441.1	608.1	673.5	746.7	849.0	988.9
ICICIBC	319.0	408.9	472.3	501.5	565.9	659.4
IDFCFB	24.4	29.6	15.2	16.4	36.9	55.1
IIB	74.4	89.8	25.8	8.9	37.2	60.1
KMB	109.4	137.8	129.3	140.1	163.8	199.0
FB	30.1	37.2	40.5	41.2	53.2	65.9
RBK	8.8	11.7	7.0	8.2	20.3	32.9
AUBANK	14.3	14.9	21.1	26.4	37.4	48.7
EQUITASB	5.7	8.0	1.5	1.0	6.7	9.7
<b>Total Pvt</b>	<b>1,146.0</b>	<b>1,622.2</b>	<b>1,683.4</b>	<b>1,754.5</b>	<b>2,125.3</b>	<b>2,558.9</b>
<b>YoY growth</b>	<b>26.6%</b>	<b>41.6%</b>	<b>3.8%</b>	<b>4.2%</b>	<b>21.1%</b>	<b>20.4%</b>
<b>PSU Banks</b>						
BOB	141.1	177.9	195.8	200.2	205.5	223.5
CBK	106.0	145.5	170.3	191.9	179.1	206.6
INBK	52.8	80.6	109.2	121.6	136.0	152.0
PNB	25.1	82.4	166.3	169.0	209.7	246.0
SBIN	502.3	610.8	709.0	800.3	829.3	927.5
UNBK	84.3	136.5	179.9	187.0	180.6	200.9
<b>Total PSU</b>	<b>911.7</b>	<b>1,233.8</b>	<b>1,530.4</b>	<b>1,670.0</b>	<b>1,740.2</b>	<b>1,956.6</b>
<b>YoY growth</b>	<b>59.2%</b>	<b>35.3%</b>	<b>24.0%</b>	<b>9.1%</b>	<b>4.2%</b>	<b>12.4%</b>
<b>Total Banks</b>	<b>2,057.7</b>	<b>2,856.0</b>	<b>3,213.8</b>	<b>3,424.4</b>	<b>3,865.5</b>	<b>4,515.5</b>
<b>YoY growth</b>	<b>39.3%</b>	<b>38.8%</b>	<b>12.5%</b>	<b>6.6%</b>	<b>12.9%</b>	<b>16.8%</b>

Source: MOFSL, Company

**Exhibit 4: MOFSL Estimates: Private banks likely to see NIM expansion; PSU banks to be largely flat to mild positive in FY27E**

NIM (%)	Reported numbers			MOFSL estimates			
	4QFY26	FY26	FY24	FY25	FY26	FY27E	FY28E
<b>Private Banks</b>							
AXSB	3.6	3.7	3.8	3.7	3.4	3.6	3.7
BANDHAN	6.2	6.1	5.9	5.7	4.9	5.0	5.1
DCBB	3.4	3.3	3.7	3.3	3.2	3.4	3.4
HDFCB	3.4	3.3*	3.4	3.5	3.3	3.4	3.6
ICICIBC	4.3	4.3	4.7	4.5	4.3	4.4	4.5
IDFCFB	5.9	5.8	6.8	6.6	6.2	6.2	6.1
IIB	3.4	3.2*	4.2	3.6	3.3	3.4	3.6
KMB	4.7	4.6	4.8	4.4	4.1	4.0	4.1
FB	3.2	3.2	3.3	3.2	3.2	3.3	3.5
RBK	4.4	4.5*	5.1	4.9	4.2	4.5	4.9
AUBANK	6.0	5.7	5.2	6.0	5.2	5.5	5.5
EQUITASB	7.3	6.7	8.5	7.5	6.8	7.1	7.0
<b>PSU Banks</b>							
BOB	2.9	2.9	3.1	2.9	2.6	2.6	2.6
CBK	2.5	2.5	2.7	2.4	2.2	2.2	2.3
INBK	3.2	3.2	3.2	3.1	3.0	3.0	3.1
PNB	2.5	2.6	2.8	2.7	2.3	2.4	2.5
SBIN	2.8	2.9	3.1	2.9	2.7	2.8	2.8
UNBK	2.6	2.7	2.9	2.7	2.5	2.6	2.7

\*represents average numbers for 4 quarters of FY27, Source: MOFSL, Company

**Exhibit 5: NIM decline has largely been arrested now; barring AU Bank, HDFC, ICICI and Federal, most have seen a double-digit decline**

NIM (%)	4Q24	4Q25	1Q26	2Q26	3Q26	4Q26	YoY	QoQ	2Y
							change (bp)	change (bp)	change (bp)
AXSB	4.06	3.97	3.80	3.73	3.64	3.62	-35.0	-2.0	-44.0
HDFCB	3.44	3.54	3.35	3.27	3.35	3.38	-16.0	3.0	-6.0
ICICIBC	4.40	4.41	4.34	4.30	4.30	4.32	-9.0	2.0	-8.0
IDFCFB	6.35	5.95	5.71	5.59	5.76	5.93	-2.0	17.0	-42.0
IIB	4.26	2.25	3.46	3.32	3.52	3.39	114.0	-13.0	-87.0
KMB	5.28	4.97	4.65	4.54	4.54	4.67	-30.0	13.0	-61.0
FB	3.21	3.12	2.94	3.06	3.18	3.20	8.0	2.0	-1.0
BoB	3.27	2.98	2.91	2.96	2.79	2.89	-9.0	10.0	-38.0
CBK	3.07	2.73	2.55	2.50	2.45	2.54	-19.0	9.0	-53.0
PNB	3.10	2.81	2.70	2.60	2.52	2.47	-34.0	-5.0	-63.0
SBIN	3.30	2.99	2.90	2.97	2.98	2.81	-18.0	-17.0	-49.0
UNBK	3.09	2.87	2.76	2.67	2.76	2.64	-23.0	-12.0	-45.0
INBK	3.44	3.37	3.23	3.23	3.28	3.23	-14.0	-5.0	-21.0
AUBANK	5.10	5.80	5.40	5.50	5.70	5.96	16.0	26.0	86.0
RBK	5.45	4.89	4.50	4.51	4.63	4.41	-48.0	-22.0	-104.0
BANDHAN	7.60	6.70	6.40	5.80	5.90	6.20	-50.0	30.0	-140.0
DCBB	3.62	3.29	3.20	3.23	3.27	3.39	10.0	12.0	-23.0
EQUITAS	8.17	7.13	6.55	6.29	6.72	7.29	16.0	57.0	-88.0

Source: MOFSL, Company

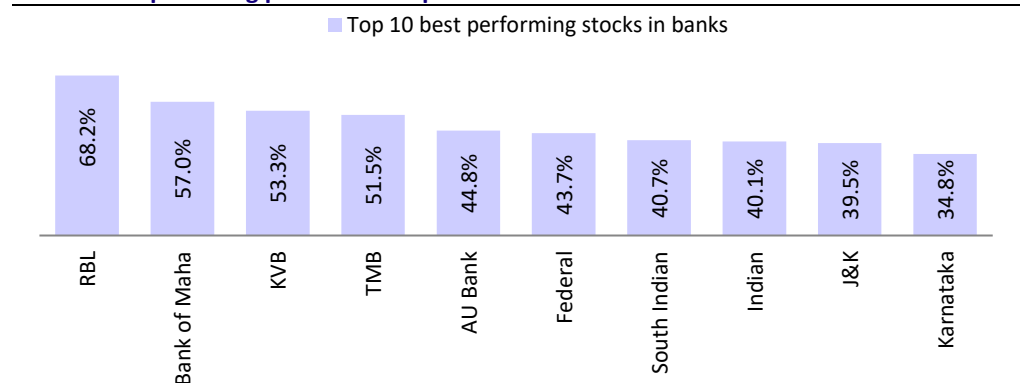
NIMs have declined sharply in line with moderation in repo rates

Most banks have seen double-digit NIM decline from the peak, barring ICICI, HDFC, AU and Federal Bank.

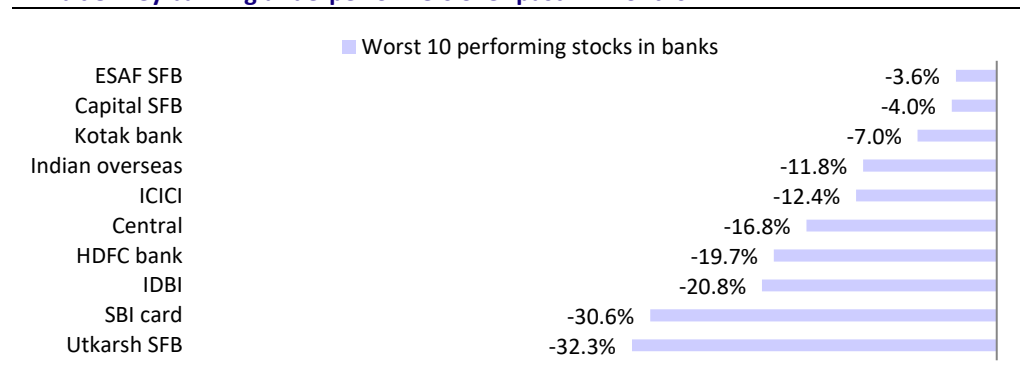
**Exhibit 6: Banking earnings have seen a recovery; MOFSL coverage universe exited 4QFY26 with double-digit earnings growth**

PAT growth (% YoY)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26
Axis Bank	4	18	4	0	-4	-26	3	-1
DCB Bank	3	23	20	14	20	18	22	16
HDFC Bank	35	5	2	7	12	11	11	9
ICICI Bank	15	14	15	18	15	5	-4	8
IndusInd Bank	2	-40	-39	-199	-72	-133	-91	-126
Kotak Mahindra Bank	81	5	10	-14	-47	-3	4	13
Federal Bank	18	11	-5	14	-15	-10	9	22
RBL Bank	29	-24	-86	-81	-46	-20	555	234
Bandhan Bank	47	30	-42	482	-65	-88	-52	68
AU SFB	30	42	41	36	16	-2	26	65
IDFC First Bank	-11	-73	-53	-58	-32	76	48	5
Equitas SFB	-87	-94	-67	-80	-969	87	36	405
<b>Total private</b>	<b>25</b>	<b>6</b>	<b>2</b>	<b>-6</b>	<b>-5</b>	<b>-5</b>	<b>2</b>	<b>17</b>
Bank of Baroda	10	23	6	3	2	-8	4	11
Canara Bank	10	11	12	33	22	19	26	-10
Indian Bank	41	36	35	32	24	12	7	5
Punjab National Bank	159	145	103	52	-48	14	13	14
State Bank of India	1	28	84	-10	12	10	24	6
Union Bank	14	34	28	51	12	-10	9	7
<b>Total PSBs</b>	<b>13</b>	<b>34</b>	<b>49</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>18</b>	<b>5</b>
<b>Total Banks</b>	<b>20</b>	<b>17</b>	<b>20</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>9</b>	<b>11</b>

Source: MOFSL, Company

**Exhibit 7: Top banking performers in past 12 months –mid-sized banks shine**


Source: Bloomberg, MOFSL

**Exhibit 8: Key banking underperformers over past 12 months**


Source: Bloomberg, MOFSL

**Exhibit 9: Private banks have seen a series of earnings cuts in past couple of years, while PSU banks have seen upgrades**

Change %	Consensus change over 2Y/ 1Y					
	Change 2Y			Change 1Y		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
<b>Private Banks</b>						
AXSB	-22.2	-15.6	-11.3	-12.7	-3.8	0.1
BANDHAN	-71.7	-44.2	-52.5	-60.8	-30.2	-22.2
DCBB	-3.9	1.4	-4.8	1.7	0.7	1.7
HDFCB	-8.0	-11.2	-11.9	0.9	-2.4	-1.2
ICICIBC	-1.4	-2.6	-5.8	-2.7	-3.7	-1.6
IDFCFB	-67.0	-47.4	-36.6	-46.8	-26.8	-25.6
IIB	-92.2	-74.5	-63.4	-84.1	-53.2	-31.1
KMB	-13.9	-9.7	-9.6	-10.0	-7.8	-5.4
FB	-14.5	-9.7	-5.3	-6.0	-2.9	3.8
RBK	-57.8	-21.9	12.9	-31.2	12.2	31.7
AUBANK	-4.3	-4.8	5.4	-1.4	1.4	4.3
EQUITAS	-91.5	-51.2	-6.6	-80.7	-20.2	-13.4
<b>Total Private Banks</b>	<b>-17.4</b>	<b>-15.1</b>	<b>-14.0</b>	<b>-8.0</b>	<b>-6.0</b>	<b>-3.0</b>
<b>PSU Banks</b>						
BOB	-1.1	-8.0	-11.2	7.3	-0.8	4.5
CBK	8.0	1.5	-7.8	16.3	3.5	14.0
INBK	13.1	7.7	8.1	10.3	11.4	14.4
PNB	5.6	2.0	1.3	4.1	3.2	2.5
SBIN	7.9	7.0	5.1	12.4	4.7	12.8
UNBK	7.8	1.9	10.0	9.4	-0.1	7.8
<b>Total PSU Banks</b>	<b>6.8</b>	<b>3.4</b>	<b>1.6</b>	<b>10.8</b>	<b>3.7</b>	<b>10.4</b>
<b>Total Banking sector</b>	<b>-7.1</b>	<b>-7.7</b>	<b>-7.8</b>	<b>0.3</b>	<b>-1.9</b>	<b>2.4</b>
Paytm	-203.9	128.5	35.7	70.7	-3.1	-6.3
SBI Cards	-38.4	-30.1	-21.0	-22.7	-20.9	-19.9

Source: MOFSL, Bloomberg

**Exhibit 10: However, over past 3 months, sector earnings have moved in a narrow band and witnessed minor cuts**

Change %	Consensus change in 3M		
	Change 3M		
	FY26E	FY27E	FY28E
<b>Private Banks</b>			
AXSB	-0.3	-0.5	-0.6
BANDHAN	1.1	5.6	2.6
DCBB	-1.5	-2.1	-2.7
HDFCB	0.6	-1.0	-1.4
ICICIBC	-0.5	-1.3	-1.1
IDFCFB	-15.5	-11.3	-8.0
IIB	27.7	-0.0	-0.1
KMB	1.0	-3.5	-4.5
FB	2.4	0.8	0.3
RBK	-11.4	0.3	6.1
AUBANK	2.7	1.8	1.2
EQUITAS	195.6	5.1	-1.2
<b>Total Private Banks</b>	<b>0.2</b>	<b>-1.2</b>	<b>-1.4</b>
<b>PSU Banks</b>			
BOB	4.1	-1.3	-1.4
CBK	0.7	-3.2	-2.4
INBK	0.2	-2.6	-3.4
PNB	2.7	-4.2	-5.6
SBIN	1.5	-5.2	-3.3
UNBK	4.9	-0.9	-1.3
<b>Total PSU Banks</b>	<b>2.1</b>	<b>-3.8</b>	<b>-3.0</b>
<b>Total Banking sector</b>	<b>1.1</b>	<b>-2.4</b>	<b>-2.1</b>
Paytm	-14.3	-2.2	-0.3
SBI Cards	-1.7	-5.9	-7.1

Source: MOFSL, Bloomberg

**Exhibit 11: MOFSL vs. consensus estimates**

PAT (INRb)	Consensus		MOFL Estimates		MOFL vs Consensus	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
<b>Private Banks</b>						
AXSB	311.4	370.1	315.9	388.2	1.4%	4.9%
BANDHAN	27.1	34.5	29.1	38.7	7.3%	12.2%
DCBB	9.1	11.1	9.9	12.5	9.0%	12.8%
HDFCB	838.2	972.4	849.0	988.9	1.3%	1.7%
ICICIBC	567.6	655.0	565.9	659.4	-0.3%	0.7%
IDFCFB	35.8	54.7	36.9	55.1	3.1%	0.8%
IIB	35.9	56.1	37.2	60.1	3.7%	7.1%
KMB	166.5	195.7	163.8	199.0	-1.6%	1.7%
FB	51.3	62.6	53.2	65.9	3.8%	5.2%
RBK	19.4	28.5	20.3	32.9	4.6%	15.3%
AUBANK	35.6	44.6	37.4	48.7	4.9%	9.1%
EQUITAS	7.0	9.7	6.7	9.7	-3.9%	-0.5%
<b>Total Private Banks</b>	<b>2,104.9</b>	<b>2,495.0</b>	<b>2,125.3</b>	<b>2,558.9</b>	<b>1.0%</b>	<b>2.6%</b>
<b>PSU Banks</b>						
BOB	201.7	227.4	205.5	223.5	1.9%	-1.7%
CBK	185.9	208.1	179.1	206.6	-3.6%	-0.7%
INBK	131.4	145.6	136.0	152.0	3.5%	4.4%
PNB	178.2	193.7	209.7	246.0	17.7%	27.0%
SBIN	834.6	955.3	829.3	927.5	-0.6%	-2.9%
UNBK	182.8	197.4	180.6	200.9	-1.2%	1.8%
<b>Total PSU Banks</b>	<b>1,714.6</b>	<b>1,927.4</b>	<b>1,740.2</b>	<b>1,956.6</b>	<b>1.5%</b>	<b>1.5%</b>
<b>Total Banking sector</b>	<b>3,819.5</b>	<b>4,422.4</b>	<b>3,865.5</b>	<b>4,515.5</b>	<b>1.2%</b>	<b>2.1%</b>
Paytm	12.2	21.0	8.3	17.9	-32.1%	-14.4%
SBI Cards	28.8	35.2	29.5	36.4	2.4%	3.4%

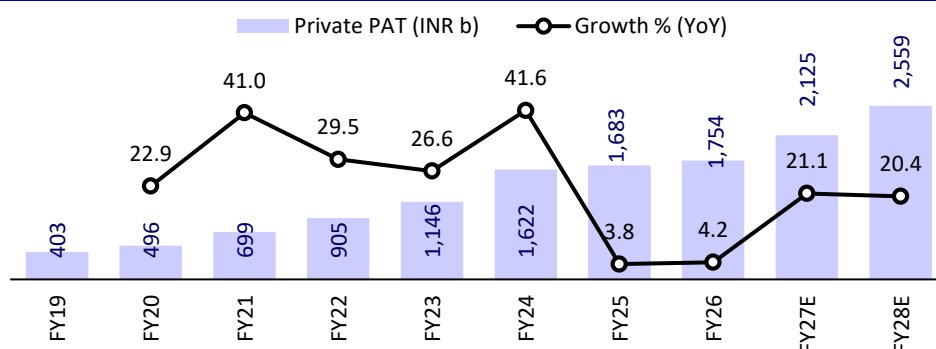
MOFSL aggregate earnings are broadly in line with consensus over FY27/28E.

However, at individual level, we are ahead of consensus on Bandhan, DCB, RBK, AUBANK and PNB, and lower than consensus on Paytm.

Source: Bloomberg, MOFSL

**Exhibit 12: Private banks' earnings growth to recover to ~21% in FY27E (~4% in FY26)**

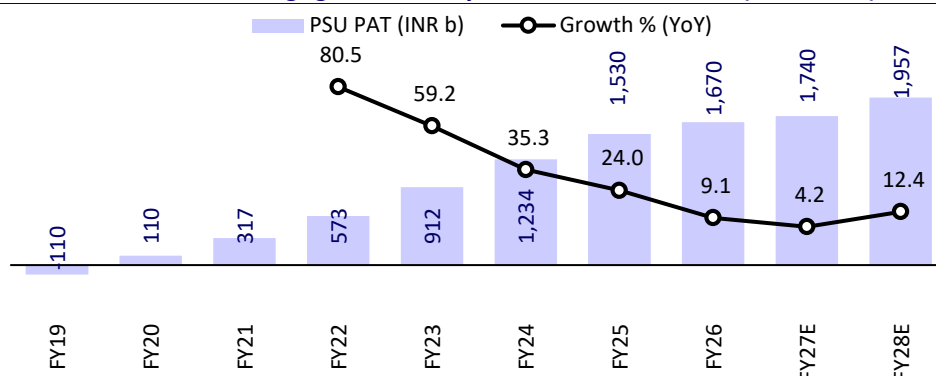
We estimate private banks' PAT to post ~20% CAGR over FY26-28E, with earnings rebounding from FY27E onward



Source: Company, MOFSL

**Exhibit 13: PSU banks' earnings growth to stay muted at ~4% in FY27E (9% in FY26)**

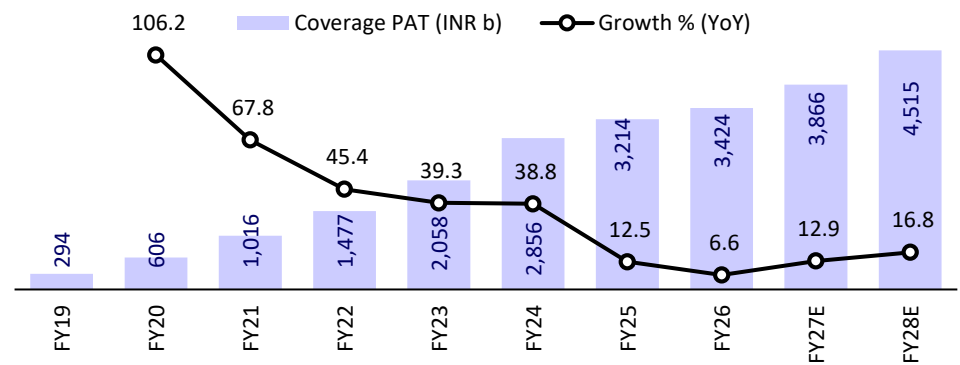
We estimate PSU banks' earnings growth to decelerate further to 4% YoY in FY27E, before recovering to 12% in FY28E



Source: Company, MOFSL

**Exhibit 14: Aggregate banking earnings to clock ~15% CAGR over FY27-28E**

We expect our banking coverage universe to see a recovery in earnings growth from FY27E, with a projected CAGR of 15% over FY26-28E



Source: Company, MOFSL

**Exhibit 15: Banking valuation matrix**

Val summary	Rating	CMP (INR)	EPS (INR)		RoA (%)		RoE (%)		P/E (x)		P/BV (x)		P/ABV (x)	
			FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
<b>Private Banks</b>														
ICICIB*	Buy	1,279	79.0	92.1	2.2	2.3	15.9	16.2	12.7	10.9	2.4	2.1	2.0	1.7
HDFCB*	Buy	779	55.2	64.2	1.8	1.9	14.4	14.9	11.7	10.0	1.9	1.7	1.7	1.5
AXSB*	Neutral	1,299	101.6	124.9	1.6	1.7	14.6	15.8	11.3	9.2	1.8	1.5	1.6	1.4
BANDHAN	Buy	201	18.1	24.0	1.3	1.5	11.1	13.5	11.1	8.4	1.2	1.1	1.2	1.1
KMB*	Buy	389	16.5	20.0	2.0	2.1	12.1	13.6	13.6	11.2	2.8	2.5	1.7	1.5
IIB	Neutral	932	47.7	77.1	0.7	0.9	5.6	8.6	19.5	12.1	1.1	1.0	1.1	1.0
FB	Buy	290	20.5	24.1	1.3	1.4	12.2	12.8	14.2	12.1	1.6	1.5	1.7	1.5
DCBB	Buy	180	30.9	38.9	1.0	1.1	15.1	16.6	5.8	4.6	0.8	0.7	0.9	0.7
IDFCFB	Neutral	70	4.3	6.4	0.8	1.0	7.6	10.6	16.4	11.0	1.2	1.1	1.3	1.1
EQUITASB	Buy	70	6.0	8.6	1.1	1.3	10.9	14.1	11.7	8.2	1.2	1.1	1.3	1.1
AUBANK	Buy	1,013	49.8	64.8	1.8	1.9	17.4	19.0	20.3	15.6	3.3	2.7	3.4	2.8
RBK	Buy	344	11.9	19.3	1.0	1.3	6.4	6.9	28.9	17.8	1.3	1.2	1.3	1.2
<b>PSU Banks</b>														
SBIN*	Buy	969	89.8	100.5	1.0	1.0	15.3	15.3	6.9	6.1	1.5	1.4	1.0	0.9
PNB	Buy	106	18.2	21.4	1.0	1.1	14.8	15.5	5.8	4.9	0.8	0.7	0.8	0.7
BOB	Neutral	271	39.7	43.2	1.0	1.0	13.8	13.9	6.8	6.3	0.9	0.8	0.9	0.9
CBK	Buy	133	19.8	22.8	0.9	1.0	16.2	17.5	6.7	5.8	1.0	1.0	1.0	0.9
UNBK	Neutral	168	23.7	26.3	1.1	1.1	13.9	13.9	7.1	6.4	0.9	0.8	1.0	0.9
INBK	Buy	834	100.9	112.9	1.3	1.3	17.6	17.3	8.3	7.4	1.3	1.2	1.3	1.2
<b>Payments &amp; Fintech</b>														
SBI Cards	Neutral	629	31.0	38.3	4.1	4.4	17.3	18.1	20.3	16.4	3.3	2.8	3.4	2.7
One 97 Comm.	Neutral	1,131	EPS (INR)		PAT (INRb)		RoA (%)		RoE (%)		P/E (x)		P/Sales (x)	
			12.5	26.8	8.3	17.9	3.4	6.9	5.1	10.6	90.4	42.2	7.4	6.0

\* Adjusted for subsidiaries, Source: MOFSL, Company

**Exhibit 16: Banking sector price performance**

Company Name	CMP (INR)	Price Perf (%)					CAGR (%)		
		1M	3M	6M	YTD	1 Year	3 Year	5 Year	10 Year
<b>Nifty 50</b>	<b>23,914</b>	<b>0.1</b>	<b>-6.2</b>	<b>-8.7</b>	<b>1.7</b>	<b>-4.3</b>	<b>8.9</b>	<b>9.3</b>	<b>11.5</b>
<b>Nifty BANK</b>	<b>55,093</b>	<b>-1.8</b>	<b>-10.0</b>	<b>-7.5</b>	<b>6.8</b>	<b>-0.9</b>	<b>7.8</b>	<b>9.7</b>	<b>12.2</b>
<b>Nifty PSU Bank</b>	<b>8,200</b>	<b>-6.9</b>	<b>-17.0</b>	<b>-4.1</b>	<b>30.9</b>	<b>22.1</b>	<b>26.9</b>	<b>28.3</b>	<b>13.6</b>
<b>Nifty Private Bank</b>	<b>26,761</b>	<b>0.2</b>	<b>-7.7</b>	<b>-6.7</b>	<b>4.0</b>	<b>-3.2</b>	<b>6.2</b>	<b>7.9</b>	<b>10.4</b>
<b>Nifty Financials</b>	<b>25,932</b>	<b>-0.8</b>	<b>-8.4</b>	<b>-6.7</b>	<b>3.4</b>	<b>-2.5</b>	<b>10.2</b>	<b>9.6</b>	<b>13.8</b>
<b>Private banks</b>		<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
RBL Bank Ltd	344	7.1	5.3	8.4	98.4	68.2	32.4	10.6	
Karur Vysya Bank Ltd	293	-0.7	-12.8	16.5	68.2	53.3	49.9	43.3	15.9
City Union Bank Ltd	254	-3.2	-12.6	-8.8	61.7	29.6	22.2	7.8	11.4
South Indian Bank Ltd	41	5.5	-2.4	2.4	76.6	40.7	37.8	33.1	10.0
DCB Bank Ltd	180	-7.0	-4.2	-3.2	60.6	26.8	16.1	11.3	6.9
Tamilnad Mercantile Bank Ltd	683	6.7	-1.0	33.6	66.2	51.5	18.4		
Federal Bank Ltd	290	-1.0	-3.1	13.2	50.6	43.7	32.3	27.2	18.6
Karnataka Bank Ltd	268	10.5	30.0	26.8	52.1	34.8	23.0	30.0	11.0
IndusInd Bank Ltd	932	9.9	-3.3	9.6	43.5	16.5	-9.7	-1.4	-1.7
CSB Bank Ltd	364	-5.0	-9.8	-14.2	20.3	-0.6	9.1	2.3	
IDFC First Bank Ltd	70	4.4	-3.6	-12.6	27.8	5.4	0.2	4.0	4.1
Axis Bank Ltd	1,299	-4.9	-6.9	0.7	17.9	6.9	11.9	12.1	9.6
Yes Bank Ltd	23	15.1	8.5	-0.4	35.2	8.8	13.5	11.2	-19.7
Bandhan Bank Ltd	200	14.7	7.7	32.6	37.0	21.0	-8.4	-7.3	
ICICI Bank Ltd	1,279	-3.6	-9.0	-7.0	-5.1	-12.4	10.4	14.4	19.3
HDFC Bank Ltd	779	-0.8	-13.3	-22.4	-14.8	-19.7	-1.2	1.1	10.2
Kotak Mahindra Bank Ltd	389	4.8	-8.5	-7.6	-10.5	-7.0	0.0	2.2	10.3
IDBI Bank Ltd	73	-4.2	-35.9	-28.5	-6.1	-20.8	10.1	13.5	1.1
Dhanlaxmi Bank Ltd	33	24.6	38.1	20.5	11.3	11.1	34.8	20.7	8.6
<b>PSU banks</b>		<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
Indian Bank	834	-8.4	-15.9	-6.0	54.0	40.1	44.3	42.3	25.0
Canara Bank	133	-5.5	-16.2	-11.3	49.6	23.9	29.5	34.8	13.1
Bank of Maharashtra	80	2.9	6.0	33.7	73.0	57.0	40.0	26.6	11.2
Union Bank of India	168	-5.3	-16.9	7.8	32.8	19.3	33.8	37.5	4.2
Bank of India	145	-1.7	-18.2	-2.6	35.4	23.6	24.8	13.5	5.5
State Bank of India	969	-12.0	-19.9	-1.6	25.5	21.9	18.2	18.6	18.1
Jammu and Kashmir Bank Ltd	140	11.2	15.6	31.7	51.9	39.5	36.5	37.1	9.2
Bank of Baroda	271	-1.3	-16.6	-6.2	18.4	12.0	13.8	27.4	7.2
Punjab National Bank	106	-6.3	-18.8	-15.3	10.2	4.9	28.1	22.0	3.6
Indian Overseas Bank	34	-3.9	-8.6	-14.9	-13.7	-11.8	11.4	15.0	1.8
Central Bank of India	31	-13.9	-23.3	-19.9	-27.5	-16.8	5.2	10.2	-9.3
UCO Bank	25	-4.0	-14.8	-18.3	-28.8	-18.1	-1.3	14.4	-2.9
Punjab & Sind Bank	24	-2.6	-7.6	-20.2	-44.5	-20.7	-9.5	3.0	-5.0
<b>Small Finance Banks</b>		<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
AU Small Finance Bank Ltd	1,012	-5.1	4.0	6.1	89.3	44.8	9.1	16.0	
Ujjivan Small Finance Bank Ltd	55	-2.4	-10.0	-0.9	61.0	24.8	17.6	13.1	
Suryoday Small Finance Bank Ltd	162	11.2	28.3	12.5	61.0	27.1	3.3	-7.4	
Equitas Small Finance Bank Ltd	70	7.6	6.2	6.9	27.6	9.7	-6.0	1.9	
Jana SFB	491	7.0	33.4	8.4	20.7	0.5			
ESAF	29	24.4	7.1	8.8	18.1	-3.6			
Capital SFB	282	8.9	9.0	1.2	8.7	-4.0			
Utkarsh SFB	14	-1.9	-8.9	-18.3	-27.8	-32.3			
<b>Payments &amp; Fintech</b>		<b>1M</b>	<b>3M</b>	<b>6M</b>	<b>YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>10 Year</b>
Paytm***	1,132	-1.4	0.8	-12.0	44.4	30.1	17.0		
PB Fintech	1,789	5.4	17.3	0.1	12.5	0.0	43.5		
SBICARD	629	-6.2	-18.9	-28.4	-28.6	-30.6	-11.3	-9.3	

Source: MOFSL, Bloomberg

**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	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % 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. INH000000412 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](http://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://online-reports.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>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://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. INH000000412) 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](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto: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: No.  
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 alternations 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: 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.