

January 29, 2024

RESULT REPORT Q3 FY24 | Sector: Banks

CSB Bank Ltd

Slight slowdown in loan growth does not alter bullish thesis

Our view – Relative caution on gold loans not a structural concern

Loan growth has slowed from 27% YoY in 2Q to 23% YoY in 3Q on account of a variety of factors: There was a relative slowdown in gold loans and wholesale loans, which have grown 23% YoY and 10% YoY, respectively, in 3Q compared with 32% YoY and 17% YoY in 2Q. Gold loan growth has slowed on account of multiple reasons. Furthermore, bank has brought down its loan to deposit ratio from 87.5% to 82.9% on sequential basis, indicating a concern for managing the ratio. Management stated that the bank will start to be a bit more flexible with regard to CD ratio in the fourth quarter. CD ratio can go back to 85-86% from current levels.

Margin expansion on sequential basis on the back of a healthy expansion in yield on advances: Yield on advances has risen 61 bps QoQ to 11.49%. Management has taken a conscious call to not do business at low yield. Some low-yield gold loan book has been run off and re-booked at a lower LTV and higher yield. Cost of deposits have risen 20 bps QoQ to 5.22%. Cost of deposits for the bank would take about 3 months to peak out.

CSB seems to be heading towards yet another year of near negligible credit cost: Provisions worth Rs 0.05bn were written back, up by 36% QoQ but down -70% YoY, translating to annualised credit cost of -10bps. The outstanding contingent provisions amount to Rs 1.06bn and management does not intend to utilise them unless the formula dictates it.

We maintain 'Buy' rating on CSB with a revised price target of Rs 480: We value the bank at 1.9x FY25 P/BV for an FY24E/25E/26E RoE profile of 15.6%/15.7%/15.9%.

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

Result Highlights (See "Our View" above for elaboration and insight)

- **Asset quality:** Gross slippages were under control at Rs 360mn (annualized slippage ratio of 0.65%) and recoveries and upgrades were healthy at Rs 340mn
- **Margin picture:** NIM was up 26bps QoQ to 5.1%, due to yield on advances moving up faster sequentially than cost of deposits
- **Asset growth:** Advances grew 1.8%/22.8% QoQ/YoY driven on YoY basis by SME, Gold loans and Retail loans
- **Opex control:** Total opex rose 0.2%/26.8% QoQ/YoY, employee expenses fell/rose -1.7%/13.9% QoQ/YoY and non-staff expenses rose 2.6%/47% QoQ/YoY
- **Fee income:** Fee income fell/rose -4.3%/38.6% QoQ/YoY where the sequential de-growth was driven by lower commission income and processing fees

Exhibit 1: Result table

(Rs mn)	Q3 FY24	Q2 FY24	% qoq	Q3 FY23	% yoy
Total Interest Income	7,618	6,873	10.8	5,921	28.7
Interest Expense	(3,792)	(3,437)	10.3	(2,423)	56.5
Net Interest Income	3,827	3,437	11.3	3,497	9.4
Other income	1,253	1,425	(12.1)	899	39.4
Total Income	5,080	4,862	4.5	4,396	15.6
Operating expenses	(3,121)	(3,116)	0.2	(2,462)	26.8
PPOP	1,959	1,746	12.2	1,934	1.3
Provisions	45	33	36.3	150	(69.7)
PBT	2,004	1,780	12.6	2,084	(3.8)
Tax	(504)	(448)	12.6	(525)	(3.8)
PAT	1,500	1,332	12.6	1,560	(3.8)

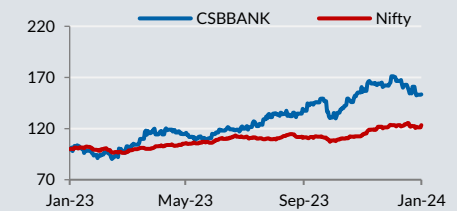
Source: Company, YES Sec-Research

Recommendation	: BUY
Current Price	: Rs 375
Target Price	: Rs 480
Potential Return	: +28%

Stock data (as on January 29, 2024)

Nifty	21,738
52 Week h/l (Rs)	422 / 218
Market cap (Rs/USD mn)	63063 / 759
Outstanding Shares (mn)	169
6m Avg t/o (Rs mn):	136
Div yield (%):	NA
Bloomberg code:	CSBBANK IN
NSE code:	CSBBANK

Stock performance



	1M	3M	1Y
Absolute return	-10.4%	17.2%	53.4%

Shareholding pattern (As of Dec'23 end)

Promoter	49.72%
FII+DII	20.7%
Others	29.5%

Δ in stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	480	495

Financial Summary

(Rs mn)	FY24E	FY25E	FY26E
NII	14,774	18,445	22,407
PPOP	7,525	9,710	11,864
Net Profit	5,428	6,394	7,560
Growth (%)	-0.8	17.8	18.2
EPS (Rs)	31.3	36.8	43.6
BVPS (Rs)	216	253	296
P/E (x)	12.0	10.2	8.6
P/BV (x)	1.7	1.5	1.3
ROE (%)	15.6	15.7	15.9
ROA (%)	1.7	1.6	1.6
Tier-1 (%)	24.3	22.9	21.3

Δ in earnings estimates

Rs.	FY24E	FY25E	FY26E
EPS (New)	31.3	36.8	43.6
EPS (Old)	31.1	38.8	45.9
% change	0.5%	-5.0%	-5.1%

SHIVAJI THAPLIYAL

Head of Research
& Lead Analyst

shivaji.thapliyal@ysil.in



SIDDHARTH RAJPUROHIT, Analyst

COMPREHENSIVE CON-CALL TAKEAWAYS

Loan growth

- **Overall loan growth**
 - Overall loan growth was relatively lower at 23% YoY as opposed to the usual 27-28% overall loan growth.
 - There was a relative slowdown in gold loans and wholesale loans, which have grown 23% YoY and 10% YoY, respectively, in 3Q compared with 32% YoY and 17% YoY in 2Q. Furthermore, bank has brought down its loan to deposit ratio from 87.5% to 82.9% on sequential basis.
- **More on Gold loans**
 - Gold loan disbursement was relatively muted during the quarter due to a variety of reasons.
 - Management consciously wanted to rebalance the portfolio away from gold loans, given its ~48% share in overall loan book.
 - The LTV for the bank's gold loan book is 74% and there were other players who were willing to lend at a higher LTV (which impacted the bank's growth).
 - Furthermore, global gold prices are still on the higher side, as per management, and they have chosen to remain cautious.
 - Some initiatives are being implemented for some sub-segments within gold loans, which also slowed down disbursement.
 - The pick up in other loans is allowing CSB to pick and choose lower risk gold loans.
 - However, for another 2 years, the bank will continue to focus on gold loans.
- **More on SME loans**
 - SME loans have been flattish on sequential basis.
 - SME loans are linked to the repo rate and management view is that, at some point, interest rates in the system will start to taper off.
 - At the same time, cost of deposits has not peaked for the bank yet.
 - Management wants to do business that makes sense from a NIM perspective and hence, the sequential slowdown in SME loans.
 - Furthermore, the old SME loan book is starting to run off.
- **More on other retail loans**
 - Other (non-gold) retail loans have grown 44% YoY.
 - Segments contributing to this growth were auto loans, inventory funding, CV/CE, LAP and credit cards.
 - Currently, the bank is focused on establishing tie-ups with manufacturers, which is reflecting in the segments which are doing well within other retail loans.
 - Credit cards have done well from a small base and the bank has 2 partners in this business.
 - However, the bank has slowed unsecured retail lending (on sequential basis) including personal loans after 2Q, given the environment, although there was no asset quality deterioration on this book for the bank.
 - Currently, total unsecured retail would be a small proportion of the overall loan book at less than 5% and closer to 2-3% share.
 - Overall share of non-gold retail loans is still about 9% and moves the needle less.
- **More on loan to deposit ratio**
 - Management was not comfortable with incremental CD ratio and while bringing it down, outstanding CD ratio also came down.
 - In a business-as-usual environment, the bank is comfortable with a CD ratio of 90%.
 - However, in an environment where system liquidity is in a deficit of ~Rs 3 trn, management is more careful.

(Con call takeaways continue on the next page)

- The bank will start to be a bit more flexible with regard to CD ratio in the fourth quarter.
- CD ratio can go back to 85-86% from current levels.

Net interest margin

- **NIM for the quarter**
 - NIM was at 5.1%, up by 26 bps QoQ but down -70bps YoY.
- **Cost of deposits**
 - Cost of deposits have risen 20 bps QoQ to 5.22%.
 - Cost of deposits for the bank would take about 3 more months to peak out.
- **Yield on advances**
 - Yield on advances has risen 61 bps QoQ to 11.49%.
 - Management has taken a conscious call to not do business at low yield.
 - Some low-yield gold loan book has been run off and re-booked at a lower LTV and higher yield.
 - **Segmental yield**
 - The bank plays in the 9-12% yield range, generally.
 - Gold loans are below 12% in yield.
 - Agri and microfinance can be higher than 12% but these have small proportions.
- **NIM guidance**
 - Management stated that NIM for FY24 will be 5% and would not fall below 4.5% in FY25.

Asset quality

- **Slippages**
 - Gross NPA additions amounted to Rs 0.36bn for 3QFY24, translating to an annualized slippage ratio of 0.65% for the quarter. (Gross NPA additions had amounted to Rs 0.54bn during 2QFY24.)
- **Recoveries and upgrades**
 - Recoveries and upgrades amounted to Rs 0.34bn for 3QFY24, implying net NPA addition of Rs 0.02bn for the quarter.
- **Provisions**
 - **P&L provisions**
 - Provisions worth Rs 0.05bn were written back, up by 36% QoQ but down -70% YoY, translating to annualised credit cost of -10bps.
 - **Outstanding provisions**
 - The outstanding contingent provisions amount to Rs 1.06bn and management does not intend to utilise them unless the formula dictates it.
- **Restructured book**
 - The standard restructured book stood at around Rs 0.12bn or 0.05% of gross advances.

Deposits growth

- The deposits were at Rs 273 bn, up by 7.5% QoQ and 20.7% YoY.
- The CASA growth has been about 6% YoY and it will take about 1 year before the bank is able to start to build its CASA franchise.
- Till then, the funding structure will have modest CASA proportion.
- The key term deposit bucket is 444 days at which the bank is offering 7.75% interest rate.

(Con call takeaways continue on the next page)

Fee income

- The core non-interest income to total interest income ratio is 14%, which was 5% at an earlier point in time.

Return on assets

- The RoA for FY24 will be 1.8-2.0% and in FY25, it will be 1.5-1.8%.

Operating expenses

- Total opex, at Rs. 3.12 bn, is up 0.2% QoQ and 26.8% YoY.
- Consequently, cost/income ratio came in at 61.4%, down by -264bps QoQ but up 544bps YoY.
- **Cost to income ratio guidance**
 - Cost to income ratio would be in the 65% ballpark for 1-1.5 years.
 - By FY25-26, it would decline below 60%.
 - By FY30, it would be below 50%.
- **Staff opex**
 - The staff opex is down by -1.7% QoQ but up 13.9% YoY.
- **Non-staff opex**
 - Non-staff opex in up by 2.6% QoQ and 47% YoY.
 - Tech spends are upfront and largely capex.
 - Tech capex would continue to remain elevated for 2 years and then there would be a move to tech opex till 4-5 years.
 - Tech expenses would start to taper from FY27-28.
 - Tech spends are currently in the ballpark of 9% of total opex.
 - **Branch expansion**
 - The bank will add about 75-100 branches per year.

Exhibit 2: Key quarterly balance sheet / business data

(Rs mn)	Q3FY24	Q2FY24^#	% qoq^	Q3FY23	% yoy	Q3FY24*	chg QoQ*	chg YoY*
Net Advances	226,582	222,560	1.8	184,570	22.8	100.0	NA	0bps
Corporate Loans	60,130	61,620	NA	54,420	10.5	26.5	NA	-295bps
SME	23,690	23,770	NA	18,460	28.3	10.5	NA	45bps
Gold Loans	108,170	106,190	NA	87,620	23.5	47.7	NA	27bps
Retail Loans	34,590	33,100	NA	24,070	43.7	15.3	NA	222bps
Total Deposits	273,448	254,384	7.5	226,640	20.7	100.0	0bps	0bps
CASA	75,426	74,480	1.3	71,257	5.9	27.6	-170bps	-386bps
Term	198,022	179,904	10.1	155,383	27.4	72.4	170bps	386bps
RWA	141,914	135,307	4.9	102,156	38.9	NA	NA	NA
Investments	71,529	66,920	6.9	54,918	30.2	NA	NA	NA
Investments/(Invest. + Net Adv.) (%)	24.0	23.1	88bps	22.9	106bps	NA	NA	NA
Borrowings	13,614	18,070	(24.7)	3,125	335.6	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	4.7	6.6	-189bps	1.4	338bps	NA	NA	NA

Source: Company, YES Sec - Research, *Share in Total and change in share, ^The 1QFY24 Gross Advances and its segment numbers have changed due to internal rearrangement and hence are not comparable, #Q2FY24 Advances segment break-up numbers are based on gross advances whereas for 3QFY24 and Q3FY23 numbers are based on net advances hence not comparable

Exhibit 3: Key quarterly ratios

(%)	Q3FY24	Q2FY24	chg QoQ	Q3FY23	chg YoY
Net interest margin	5.10	4.84	26bps	5.80	-70bps
Yield on advances	11.49	10.88	61bps	11.02	47bps
Cost of deposits	5.42	5.22	20bps	4.30	112bps
Loan to Deposit ratio	82.9	87.5	-463bps	81.4	142bps
Non-interest income/Total income	24.7	29.3	-464bps	20.4	422bps
Fee Income to Avg. Total Assets	0.9	1.0	-10bps	0.8	10bps
Cost to Income	61.4	64.1	-264bps	56.0	544bps
Opex to Avg. Total Assets	3.9	4.1	-23bps	3.8	11bps
RoE	17.9	16.7	122bps	22.6	-473bps
RoA	1.8	1.7	11bps	2.4	-53bps
Annualised Slippage Ratio	0.7	1.0	-37bps	0.6	5bps
Provision Coverage	91.9	91.8	10bps	91.9	-8bps
Gross NPA	1.2	1.3	-5bps	1.5	-23bps
Net NPA	0.3	0.3	-2bps	0.4	-11bps
Capital adequacy ratio	23.0	24.0	-97bps	25.8	-279bps
Tier I capital ratio	21.6	22.6	-96bps	24.3	-267bps

Source: Company, YES Sec - Research

Exhibit 4: Quarterly Actuals Vs Estimates

Q3 FY24 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	3,827	3,523	8.6
Pre-Prov. Operating Profit	1,959	1,786	9.7
Profit After Tax	1,500	1,280	17.2

Source: Company, YES Sec - Research

Exhibit 5: Operating Expense Break-up

(Rs mn)	Q3FY24	Q2FY24	% qoq	Q3FY23	% yoy
Employee Expense	1,728	1,757	(1.7)	1,517	13.9
Other Operating Expense	1,393	1,359	2.6	945	47.4
Total Operating Expense	3,121	3,116	0.2	2,462	26.8

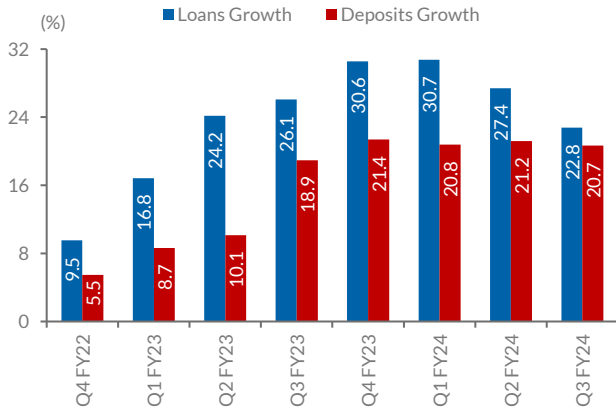
Source: Company, YES Sec – Research

Exhibit 6: Non-Interest Income Break-up

(Rs mn)	Q3FY24	Q2FY24	% qoq	Q3FY23	% yoy
Total Fee Income (A)	751	785	(4.3)	542	38.6
Commission Income	357	393	(9.2)	227	57.3
Processing Fees	332	392	(15.3)	279	19.0
PSLC Income	62	0	NA	36	72.2
Total Other Income (B)	502	640	(21.5)	357	40.7
Treasury Profit	126	58	117.2	62	103.2
Exchange Profit	34	36	(5.6)	24	41.7
Other Income	342	546	(37.3)	271	26.3
Total Non-Interest Income (A+B)	1,253	1,425	(12.1)	899	39.4

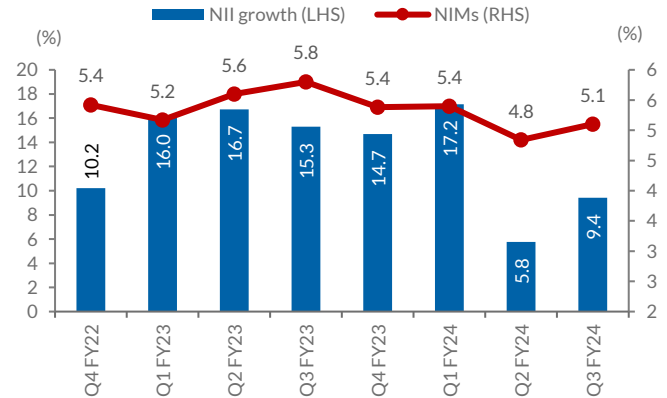
Source: Company, YES Sec – Research

Exhibit 7: Loans and Deposits growth (YoY %)



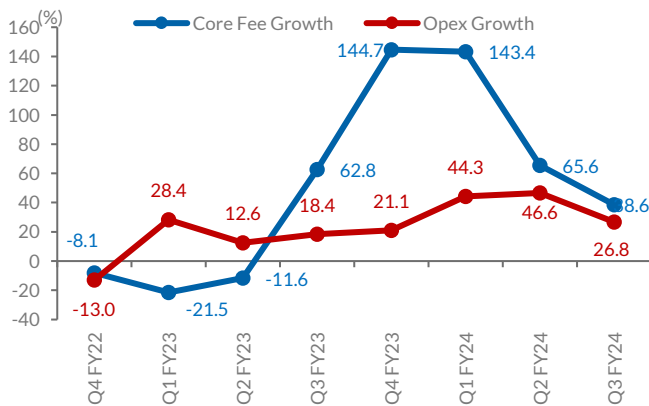
Source: Company, YES Sec – Research

Exhibit 8: NII growth (YoY %) and NIM (%)



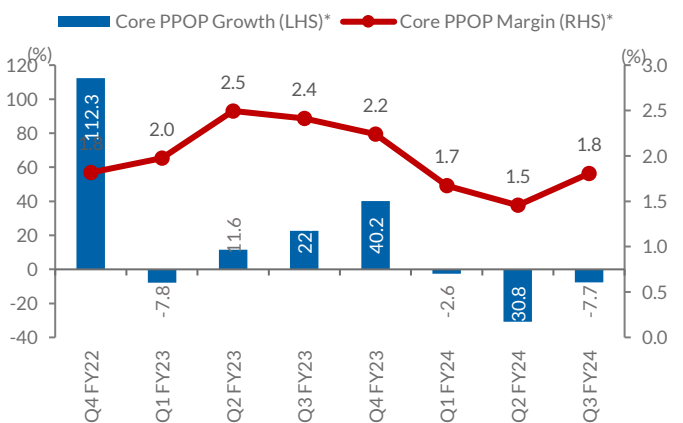
Source: Company, YES Sec – Research

Exhibit 9: Core Fee and Opex growth (YoY %)



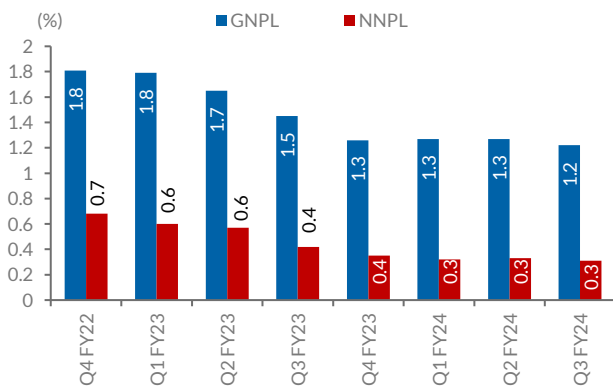
Source: Company, YES Sec – Research

Exhibit 10: Core PPOP growth (YoY %) and Core PPOP margin (%)



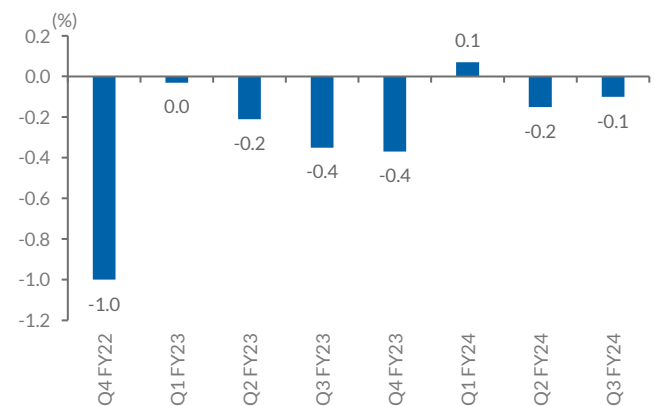
Source: Company, YES Sec – Research, * Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

Exhibit 11: Gross NPA and Net NPA (%)



Source: Company, YES Sec – Research

Exhibit 12: Credit Cost (%)



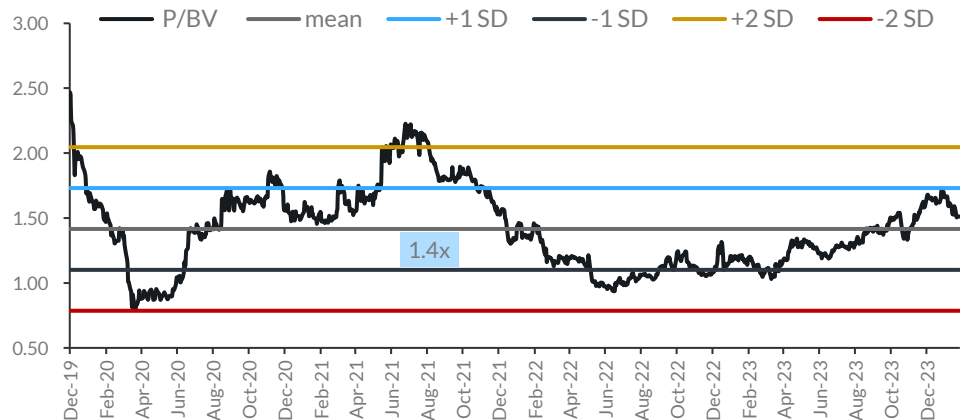
Source: Company, YES Sec – Research

Exhibit 13: 1-year rolling P/BV band



Source: Company, YES Sec – Research

Exhibit 14: 1-yr rolling P/BV vis-a-vis the mean and standard deviations



Source: Company, YES Sec – Research

ANNUAL FINANCIALS

Exhibit 15: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Total cash & equivalents	15,738	18,367	30,480	37,186	45,367
Investments	70,116	58,487	67,260	77,349	88,951
Advances	158,147	206,506	254,003	309,884	378,058
Fixed assets	2,879	3,194	3,513	3,864	4,251
Other assets	6,684	5,069	5,829	6,703	7,709
Total assets	253,563	291,623	361,085	434,986	524,336
Net worth	26,514	32,036	37,464	43,859	51,418
Deposits	201,883	245,058	294,070	352,884	430,518
Borrowings	20,072	7,830	9,787	11,745	14,093
Other liabilities	5,094	6,699	19,764	26,499	28,306
Total liabilities incl. Equity	253,563	291,623	361,085	434,986	524,336

Source: Company, YES Sec – Research

Exhibit 16: Income statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Interest income	20,383	23,197	28,819	35,303	42,746
Interest expense	(8,850)	(9,858)	(14,045)	(16,858)	(20,339)
Net interest income	11,533	13,338	14,774	18,445	22,407
Non-interest income	2,468	3,160	4,334	5,382	6,496
Total income	14,001	16,499	19,108	23,827	28,903
Operating expenses	(7,864)	(9,425)	(11,582)	(14,117)	(17,038)
PPoP	6,137	7,074	7,525	9,710	11,864
Provisions	5	262	(190)	(1,069)	(1,649)
Profit before tax	6,142	7,336	7,335	8,641	10,216
Taxes	(1,557)	(1,863)	(1,907)	(2,247)	(2,656)
Net profit	4,585	5,474	5,428	6,394	7,560

Source: Company, YES Sec – Research

Exhibit 17: Du Pont Analysis (RoA tree)

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Interest income	8.4	8.5	8.8	8.9	8.9
Interest expense	-3.6	-3.6	-4.3	-4.2	-4.2
Net interest income	4.7	4.9	4.5	4.6	4.7
Non-interest income	1.0	1.2	1.3	1.4	1.4
Total income	5.8	6.1	5.9	6.0	6.0
Operating expenses	-3.2	-3.5	-3.5	-3.5	-3.6
PPoP	2.5	2.6	2.3	2.4	2.5
Provisions	0.0	0.1	-0.1	-0.3	-0.3
Profit before tax	2.5	2.7	2.2	2.2	2.1
Taxes	-0.6	-0.7	-0.6	-0.6	-0.6
Net profit	1.9	2.0	1.7	1.6	1.6

Source: Company, YES Sec – Research

Exhibit 18: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Net Interest Income	14,774	18,445	22,407	14,998	18,944	23,016	(1.5)	(2.6)	(2.6)
Pre-Prov. Operating Profit	7,525	9,710	11,864	7,738	10,184	12,442	(2.7)	(4.7)	(4.6)
Profit after tax	5,428	6,394	7,560	5,401	6,732	7,967	0.5	(5.0)	(5.1)

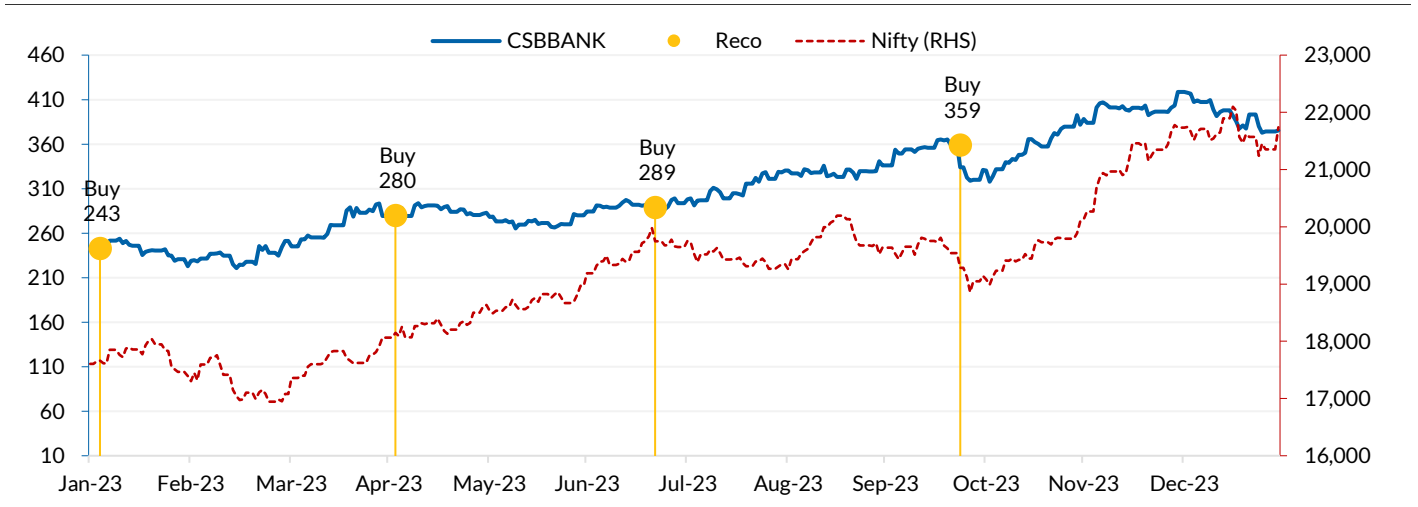
Source: Company, YES Sec – Research

Exhibit 19: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24E	FY25E	FY26E
Growth matrix (%)					
Net interest income	22.5	15.7	10.8	24.8	21.5
PPoP	0.1	15.3	6.4	29.0	22.2
Net profit	109.9	19.4	-0.8	17.8	18.2
Loans	9.5	30.6	23.0	22.0	22.0
Deposits	5.5	21.4	20.0	20.0	22.0
Profitability Ratios (%)					
Net interest margin	5.3	5.5	5.1	5.2	5.2
Return on Average Equity	19.0	18.7	15.6	15.7	15.9
Return on Average Assets	1.9	2.0	1.7	1.6	1.6
Per share figures (Rs)					
EPS	26.4	31.5	31.3	36.8	43.6
BVPS	152.8	184.6	215.9	252.7	296.3
ABVPS	147	180	203	234	275
Valuation multiples					
P/E	14	11.9	12.0	10.2	8.6
P/BV	2.5	2.0	1.7	1.5	1.3
P/ABV	2.6	2.1	1.9	1.6	1.4
NIM internals (%)					
Yield on loans	10.6	10.4	10.4	10.4	10.4
Cost of deposits	4.1	4.1	5.0	5.0	5.0
Loan-deposit ratio	78.3	84.3	86.4	87.8	87.8
CASA ratio	33.7	32.2	32.0	32.5	33.0
Opex control (%)					
Cost/Income ratio	56.2	57.1	60.6	59.2	59.0
Cost to average assets	3.2	3.5	3.5	3.5	3.6
Capital adequacy (%)					
Tier 1 capital ratio	24.4	25.9	24.3	22.9	21.3
Asset quality (%)					
Gross slippage ratio	0.8	0.4	1.0	1.0	1.0
Gross NPL ratio	1.8	1.3	1.5	1.7	1.8
Credit cost	-0.1	-0.2	0.0	0.3	0.4
Net NPL ratio	0.7	0.3	0.9	1.0	1.0

Source: Company, YES Sec – Research

Recommendation Tracker



DISCLAIMER

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The information and opinions in this report have been prepared by YSL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that each security's price or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Technical Analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. 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 YSL and associates 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.

YES Securities (India) Limited distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through SEC 15a-6 rules and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YES Securities (India) Limited analyst's truthful views about the subject securities and or issuers discussed herein. YES Securities (India) Limited is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

This Research Report is the product of YES Securities (India) Limited. YES Securities (India) Limited is the employer of the research analyst(s) who has prepared the research report. YES Securities (India) Limited is the employer of the YES Securities (India) Limited Representative who is responsible for the report, are responsible for the content of the YES Securities (India) Limited Research Report; any material conflicts of interest of YES Securities (India) Limited in relation to the issuer(s) or securities discussed in the YES Securities (India) Limited Research Report. This YES Securities (India) Limited Research Report is distributed in the United States through Brasil Plural Securities LLC (BPS). The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and is/ 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 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 by YES Securities (India) Limited only 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 or entity. Transactions in securities discussed in this research report should be effected through Brasil Plural Securities LLC (BPS) or another U.S. registered broker dealer/Entity as informed by YES Securities (India) Limited from time to time.

YES Securities (India) Limited

Registered Address: 2nd Floor, North Side, YES BANK House,
Off Western Express Highway, Santacruz East,
Mumbai - 400 055, Maharashtra, India.

Correspondence Address: 7th Floor, Urmi Estate Tower A, Ganpatrao
Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West),
Mumbai - 400 013, Maharashtra, India.

✉ research@ysil.in | Website: www.yesinvest.in

Registration Nos.: CIN: U74992MH2013PLC240971 | SEBI Single
Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member
Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL &
NSDL: IN-DP-653-2021 | MERCHANT BANKER: INM000012227 |
RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER:
INA000007331 | Sponsor and Investment Manager to YSL Alternates Alpha
Plus Fund (CAT III AIF) SEBI Registration No.: IN/AIF/20-21/0818 | AMFI
ARN Code - 94338.

Details of Compliance Officer: Name: Aditya Goenka,
Email id: compliance@ysil.in, **Contact No:** 022- 65078127 (Extn: 718127)

Grievances Redressal Cell: customer.service@ysil.in/igc@ysil.in

DISCLOSURE OF INTEREST

Name of the Research Analyst : Shivaji Thapliyal, Siddharth Rajpurohit

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSL's 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 the Research Report	No
3	Research Analyst or his/her relative or YSL has any other material conflict of interest at the time of publication of the Research Report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSL has received any compensation from the subject company in the past twelve months	No
6	YSL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSL has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
8	YSL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSL has been engaged in market making activity for the subject company(ies)	No

Since YSL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

Analyst Signature

Analyst Signature

RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

BUY: Upside greater than 20% over 12 months

ADD: Upside between 10% to 20% over 12 months

NEUTRAL: Upside between 0% to 10% over 12 months

REDUCE: Downside between 0% to -10% over 12 months

SELL: Downside greater than -10% over 12 months

NOT RATED / UNDER REVIEW

ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ("YSL") is a wholly owned subsidiary of YES BANK LIMITED. YSL is a Securities and Exchange Board of India (SEBI) registered Stock broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst. YSL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL. YSL offers, inter alia, trading/investment in equity and other financial products along with various value added services. We hereby declare that there are no disciplinary actions taken against YSL by SEBI/Stock Exchanges.