

January 24, 2024

RESULT REPORT Q3 FY24 | Sector: Banks

DCB Bank

Nothing particularly inspiring to change stance

Our view – Asset quality, margin and opex outcomes not satisfactory

While gold loan slippages, which are less concerning, made the gross slippage ratio look much worse, the number isn't great excluding gold loans either: Gross slippage ratio excluding gold loan slippage was at 2.55%. Recoveries and upgrades amounted to Rs 3.39bn for 3QFY24, implying net NPA addition of Rs 0.89bn for the quarter. Total non-tax provisions were Rs 0.41bn, up by 3.3% QoQ and 0.8% YoY, translating to calculated annualised credit cost of 43bps on all-inclusive basis.

Sequential margin decline was particularly material even in the context of the rate environment: Cost of deposits has gone up on sequential basis by 18 bps. Management expects this rise to play out over the next 4-5 months and then stabilize. Yield on advances have declined by -12bps QoQ to 11.4%, largely due to change in loan mix.

Loan growth remains reasonably healthy, sequential deposits traction improves while opex remains sticky at elevated levels: The intention is to increase loan growth to above 20% and double the balance sheet in 3-4 years. Savings deposits have grown by 10.6% QoQ and 14.8% YoY. The savings deposit growth was driven by launch of new products, adoption of technology, effective fintech tie-ups and increased focus at branch level for saving deposits. Cost to assets was at 2.6%.

We maintain a less-than-bullish 'ADD' rating on DCB with a revised price target of Rs 170: DCB was among the *bottom 2* names in our [Sector Initiation Report dated June 2021](#). We value the bank at 1.0x FY25 P/BV for an FY24E/25E/26E RoE profile of 10.4/11.1/12.2%.

(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 NPA addition amounted to Rs 4.28bn (annualised slippage ratio of 4.4%) while recoveries and upgrades amounted to at Rs 3.39bn
- **Margin picture:** NIM at 3.48% was down -21bps/-54bps QoQ/YoY, sequentially lower due to rise in cost of deposits as against fall in yield on advances.
- **Asset growth:** Advances grew 4.5%/18.2% QoQ/YoY, driven sequentially by AIB, Mortgages, Co-lending and 'Others' segments
- **Opex control:** Total opex rose 3.7%/11.2% QoQ/YoY, employee expenses rose 5%/10.5% QoQ/YoY and other expenses rose 2.3%/11.9% QoQ/YoY
- **Fee income:** Core fee income rose 1%/40% QoQ/YoY, driven by underline growth in business.

Exhibit 1: Result table

(Rs mn)	Q3 FY24	Q2 FY24	% qoq	Q3 FY23	% yoy
Total Interest Income	13,741	13,056	5.2	10,717	28.2
Interest Expense	(9,001)	(8,299)	8.5	(6,257)	43.9
Net Interest Income	4,740	4,757	(0.4)	4,460	6.3
Other income	1,237	1,074	15.2	954	29.7
Total Income	5,977	5,831	2.5	5,414	10.4
Operating expenses	(3,862)	(3,725)	3.7	(3,473)	11.2
PPOP	2,115	2,105	0.5	1,941	9.0
Provisions	(410)	(397)	3.3	(407)	0.8
PBT	1,705	1,708	(0.2)	1,534	11.1
Tax	(439)	(441)	(0.3)	(396)	11.0
PAT	1,266	1,268	(0.2)	1,139	11.2

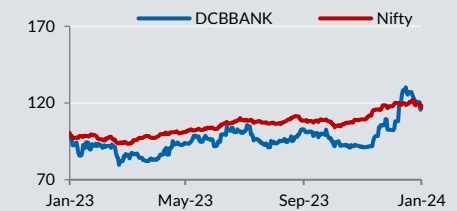
Source: Company, YES Sec-Research

Recommendation	: ADD
Current Price	: Rs 144
Target Price	: Rs 170
Potential Return	: +18%

Stock data (as on January 24, 2024)

Nifty	21,454
52 Week h/l (Rs)	163 / 97
Market cap (Rs/USD mn)	44358 / 534
Outstanding Shares (mn)	312
6m Avg t/o (Rs mn):	314
Div yield (%):	0.8
Bloomberg code:	DCBB IN
NSE code:	DCBBANK

Stock performance



	1M	3M	1Y
Absolute return	14.3%	23.4%	16.5%

Shareholding pattern (As of Sept'23 end)

Promoter	14.8%
FII+DII	51.7%
Others	33.5%

Δ in stance

(1-Yr)	New	Old
Rating	ADD	ADD
Target Price	170	175

Financial Summary

(Rs mn)	FY24E	FY25E	FY26E
NII	18,764	21,774	25,693
PPOP	8,926	10,855	13,438
Net Profit	5,104	6,097	7,468
Growth (%)	9.6	19.4	22.5
EPS (Rs)	15.6	18.6	22.8
BVPS (Rs)	160	177	197
P/E (x)	9.2	7.7	6.3
P/BV (x)	0.9	0.8	0.7
ROE (%)	10.4	11.1	12.2
ROA (%)	0.9	0.9	1.0
Tier-1 (%)	14.3	13.2	12.4

Δ in earnings estimates

Rs.	FY24E	FY25E	FY26E
EPS (New)	15.6	18.6	22.8
EPS (Old)	16.8	20.2	24.6
% change	-7.1%	-7.7%	-7.2%

SHIVAJI THAPLIYAL

Head of Research
& Lead Analyst

shivaji.thapliyal@ysil.in



SIDDHARTH RAJPUROHIT, Analyst

COMPREHENSIVE CON-CALL TAKEAWAYS

Asset quality

- **Slippages**
 - Gross NPA additions amounted to Rs 4.28bn for 3QFY24, translating to an annualized slippage ratio of 4.4% for the quarter.
 - **Gold loan slippages**
 - Gross slippage ratio excluding gold loan slippage was at 2.55% down by -14bps QoQ
 - The proportionate contribution to gold loan slippages is similar across organic bank sourced gold loan book and co-lending book.
 - **Co-lending**
 - There is no FLDG arrangements in co-lending at the bank.
- **Recoveries and upgrades**
 - Recoveries and upgrades amounted to Rs 3.39bn for 3QFY24, implying net NPA addition of Rs 0.89bn for the quarter.
- **Provisions**
 - **P&L provisions**
 - Total non-tax provisions were Rs 0.41bn, up by 3.3% QoQ and 0.8% YoY, translating to calculated annualised credit cost of 43bps (on fully-loaded basis).
 - NPA provisions alone amounted to a credit cost of 28 bps.
 - **Balance sheet provisions**
 - Provisions excluding NPA Provision were 1.21% of performing advances.
- **Restructured book**
 - The standard restructured loans stood at Rs 13.37bn or 3.36% of gross advances.

Net interest margin

- **NIM for the quarter**
 - NIM was at 3.48%, down -21bps QoQ and -54bps YoY.
- **Cost of deposits**
 - Cost of deposits has gone up on sequential basis by 18 bps.
 - Management expects this rise to play out over the next 4-5 months and then stabilize.
- **Yield on advances**
 - Yield on advances have declined by -12bps QoQ to 11.4%, largely due to change in loan mix.
- **Margin guidance**
 - The management has maintained its guidance that its business model remains geared towards a NIM of 365-375 bps.

Loan growth

- The advances for the bank stood at Rs 390 bn, up 4.5% QoQ and 18.2% YoY.
- **Mortgages**
 - Mortgages have grown 5.9% QoQ and 24.5% YoY.
 - The bank is working towards increasing the share of LAP in mortgages.
 - The bank sees further scope for improving mortgages growth.

(Con call takeaways continue on the next page)

- **Corporate Loans**
 - Corporate loan book has de-grown sequentially by -3%.
 - The bank does not intend to focus on growing its corporate book.
- **AIB loans**
 - AIB loans are growing at 28-30% YoY and would continue to grow at current levels.
- **Co-lending**
 - Co-lending has grown 12% QoQ and 59% YoY.
 - Co-lending will grow at 25-30% going forward.
 - The share of Gold loans in the co-lending will go down.
- **SME and MSME**
 - SME and MSME has de-grown -5% QoQ and -22% YoY due to no disbursement under TReDs.
 - SME and MSME portfolio has now bottomed out.
- **Guidance**
 - The intention is to increase loan growth to above 20%.
 - The intention is to double the balance sheet in 3-4 years.

Deposits growth

- The deposits were at Rs 471bn, up by 3.6% QoQ and 19.3% YoY.
- The share of top 20 depositors has sequentially come down to 6.75% from 7.06%.
- **CASA**
 - CASA has grown by 8.1% QoQ and 12.8% YoY.
 - **Saving Deposits**
 - Savings deposits have grown by 10.6% QoQ and 14.8% YoY.
 - The savings deposit growth was driven by launch of new products, adoption of technology, effective fintech tie-ups and increased focus at branch level for saving deposits.
 - The bank has launched new savings account product 'DCB Happy' which gives cashback on UPI.

Operating expenses

- **Total opex**
 - Opex, at Rs. 3.86bn, is up 3.7% QoQ and 11.2% YoY.
 - Consequently, cost/income ratio came in at 64.6%, up by 72bps QoQ and 46bps YoY.
 - Cost to assets was at 2.6%.
 - **Guidance**
 - The bank intends to operate at cost to assets of 2.45% to 2.5%, but it will not be linear.
- **Staff opex**
 - The staff opex is up by 5% QoQ and 10.5% YoY.
 - Total employees were at 10,539, up by around 500 employees sequentially.
- **Non-staff opex**
 - Other opex is up 2.3% QoQ and 11.9% YoY.
 - **Branch expansion**
 - The bank plans to add 25-30 branches per year.

(Con call takeaways continue on the next page)

Capital Adequacy

- **CET 1**
 - CET 1 is at 13.7%, without considering profits for 9 months.
- **Capital infusion**
 - The bank doesn't see any need for a capital raise for the next 12 months.
 - The bank is positive that it will get approval from RBI for the promoter's planned capital infusion of USD 10mn in the bank.
- **RWA impact**
 - The impact due to the RBI's circular on change in risk weights was around 20bps.

Exhibit 2: Key quarterly balance sheet / business data

(Rs mn)	Q3FY24	Q2FY24	% qoq	Q3FY23	% yoy	Q3FY24*	chg qoq*	chg yoy*
Advances	389,510	372,760	4.5	329,660	18.2	100.0	0bps	0bps
Corporate banking	30,382	31,312	(3.0)	32,966	(7.8)	7.8	-60bps	-220bps
AIB	93,093	87,599	6.3	72,525	28.4	23.9	40bps	190bps
CV	2,337	2,982	(21.6)	5,604	(58.3)	0.6	-20bps	-110bps
Gold Loans	12,075	12,674	(4.7)	13,846	(12.8)	3.1	-30bps	-110bps
Mortgage	175,280	165,505	5.9	140,765	24.5	45.0	60bps	230bps
SME and MSME	23,371	24,602	(5.0)	29,999	(22.1)	6.0	-60bps	-310bps
Co-Lending	33,498	29,821	12.3	21,098	58.8	8.6	60bps	220bps
Other Loans	19,476	18,265	6.6	12,857	51.5	5.0	10bps	110bps
Total Deposits	471,200	454,963	3.6	395,060	19.3	100.0	0bps	0bps
CASA	123,110	113,910	8.1	109,110	12.8	26.1	109bps	-149bps
Term	348,090	341,053	2.1	285,950	21.7	73.9	-109bps	149bps
RWA	313,660	301,080	4.2	268,600	16.8	NA	NA	NA
Investments	154,430	146,761	5.2	108,540	42.3	NA	NA	NA
Investments/(Invest. + Net Adv.) (%)	28.4	28.2	14bps	24.8	362bps	NA	NA	NA
Borrowings	53,720	51,898	3.5	38,250	40.4	NA	NA	NA
Borrowings/(Borr. + Deposits) (%)	10.2	10.2	-1bps	8.8	141bps	NA	NA	NA

Source: Company, YES Sec – Research, * Share in Total and change in share

Exhibit 3: Key quarterly ratios

(%)	Q3FY24	Q2FY24	chg qoq	Q3FY23	chg yoy
Net interest margin	3.48	3.69	-21bps	4.02	-54bps
Yield on advances	11.44	11.56	-12bps	10.99	45bps
Cost of Deposits	6.95	6.77	18bps	5.98	97bps
Loan to Deposit ratio	82.7	81.9	73bps	83.4	-78bps
Non-interest income/Total income	20.7	18.4	229bps	17.6	308bps
Fee Income to Avg. Total Assets	0.7	0.7	-2bps	0.6	9bps
Cost to Income	64.6	63.9	72bps	64.1	46bps
Opex to Avg. Total Assets	2.6	2.6	-2bps	2.9	-25bps
RoE^	11.3	11.6	-27bps	11.3	-4bps
RoA^	0.9	0.9	-4bps	0.9	-8bps
Annualised Slippage Ratio*	4.4	4.3	14bps	4.9	-51bps
Provision Coverage	76.4	75.5	93bps	74.7	174bps
Gross NPA	3.4	3.4	7bps	3.6	-19bps
Net NPA	1.2	1.3	-6bps	1.4	-15bps
Capital adequacy ratio	15.7	16.6	-83bps	16.3	-54bps
Tier I capital ratio	13.7	14.3	-59bps	14.5	-78bps

Source: Company, YES Sec – Research, ^ Annualised, * Annualised Gross NPA Addition Ratio

Exhibit 4: Quarterly Actuals Vs Estimates

Q3FY24 (Rs. mn)	Actuals	Estimates	Diff, %
Net Interest Income	4,740	4,930	(3.8)
Pre-Prov. Operating Profit	2,115	2,186	(3.3)
Profit After Tax	1,266	1,299	(2.5)

Source: Company, YES Sec – Research

Exhibit 5: Operating Expense Break-up

(Rs mn)	Q3FY24	Q2FY24	% qoq	Q3FY23	% yoy
Employee Expense	1,984	1,889	5.0	1,796	10.5
Other Operating Expense	1,878	1,836	2.3	1,677	11.9
Total Operating Expense	3,862	3,725	3.7	3,473	11.2

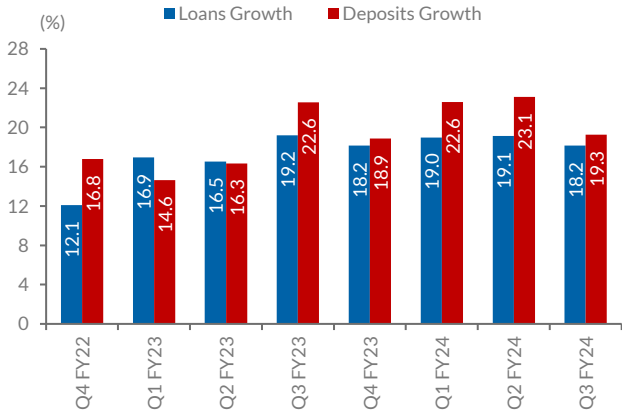
Source: Company, YES Sec – Research

Exhibit 6: Non-Interest Income Break-up

(Rs mn)	Q3FY24	Q2FY24	% qoq	Q3FY23	% yoy
Fee Income (A)	980	970	1.0	700	40.0
Other Income (B)	257	104	148.5	254	1.2
Total Non-Interest Income (A+B)	1,237	1,074	15.2	954	29.7

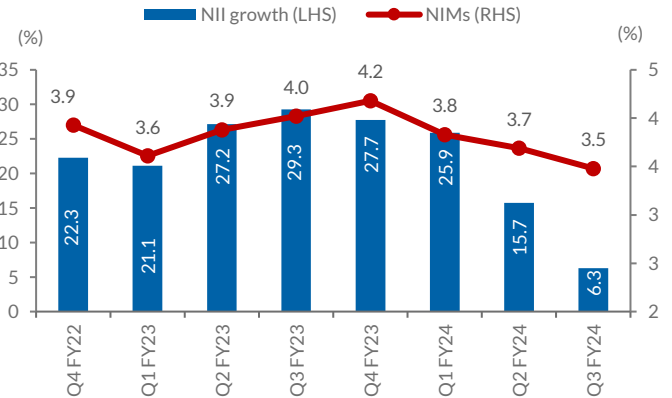
Source: Company, YES Sec – Research

Exhibit 7: Loans and Deposits growth (YoY %)



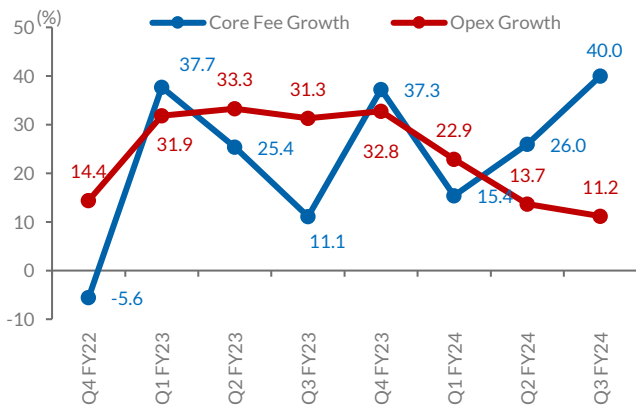
Source: Company, YES Sec - Research

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



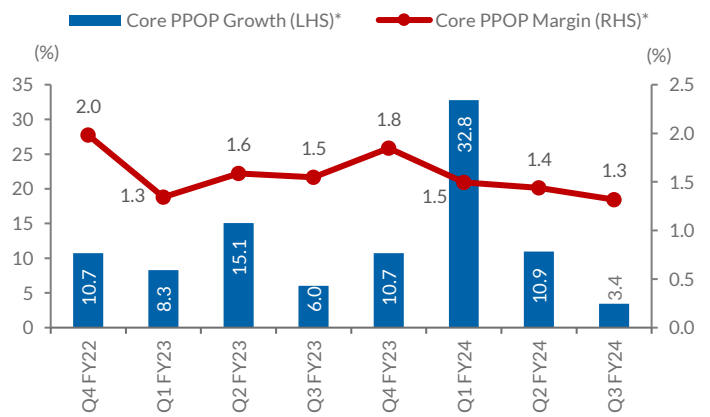
Source: Company, YES Sec - Research

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



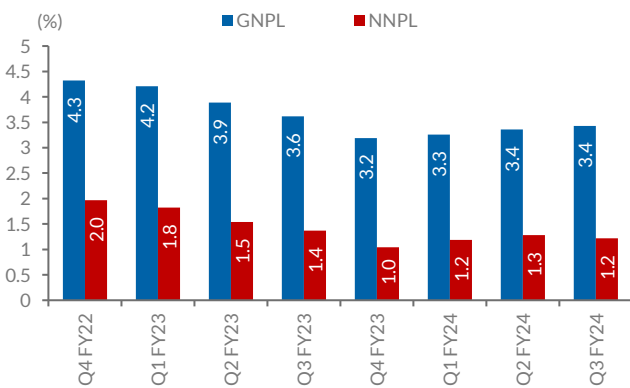
Source: Company, YES Sec - Research

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



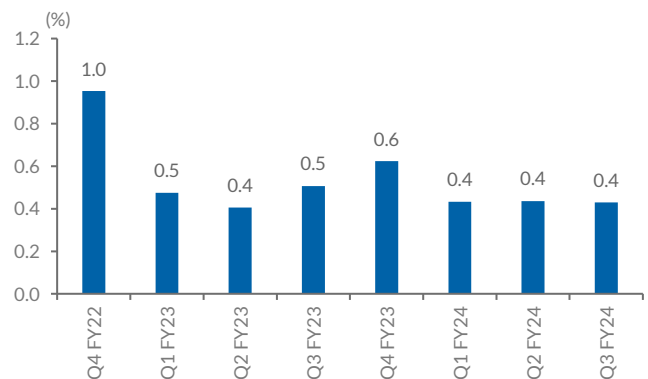
Source: Company, YES Sec - Research. * Core PPOP is derived by adjusting PPOP for gain/loss on sale of investments and misc. income

Exhibit 11: Gross NPA and Net NPA (%)



Source: Company, YES Sec - Research

Exhibit 12: Provisions/Average Advances (%)



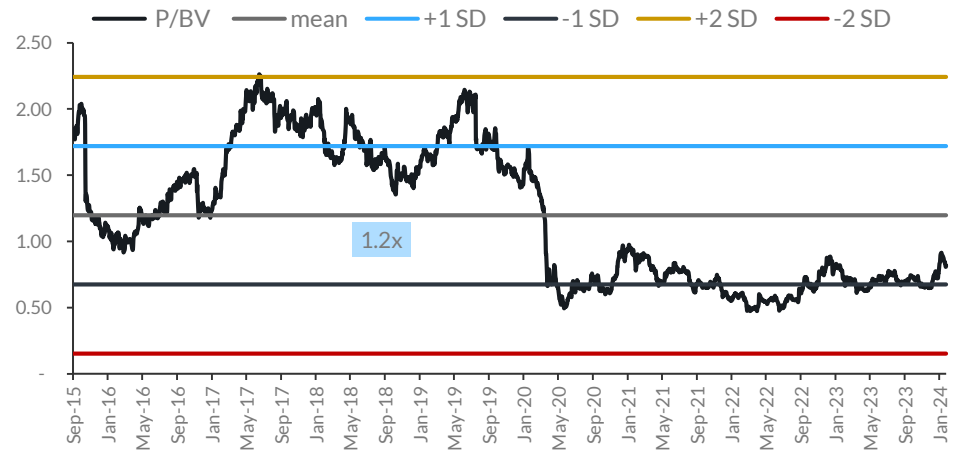
Source: Company, YES Sec - Research

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	40,908	23,684	28,398	33,510	39,542
Investments	90,982	125,825	136,943	159,945	186,853
Advances	290,958	343,807	405,693	478,717	564,887
Fixed assets	6,612	8,263	9,089	9,998	10,998
Other assets	18,942	22,080	22,521	22,972	23,431
Total assets	448,401	523,659	602,645	705,142	825,711
Net worth	40,488	45,661	52,305	57,822	64,581
Deposits	346,917	412,389	489,746	581,027	688,738
Borrowings	40,818	41,181	44,275	47,927	52,235
Other liabilities	20,178	24,427	16,319	18,367	20,157
Total liabilities incl. Equity	448,401	523,659	602,645	705,142	825,711

Source: Company, YES Sec – Research

Exhibit 16: Income statement

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Interest income	35,128	42,003	50,284	58,866	69,348
Interest expense	(21,553)	(24,833)	(31,520)	(37,093)	(43,654)
Net interest income	13,575	17,170	18,764	21,774	25,693
Non-interest income	4,520	4,094	5,324	6,352	7,646
Total income	18,095	21,264	24,088	28,125	33,339
Operating expenses	(10,126)	(13,397)	(15,162)	(17,271)	(19,901)
PPoP	7,970	7,867	8,926	10,855	13,438
Provisions	(4,074)	(1,592)	(2,038)	(2,627)	(3,360)
Profit before tax	3,895	6,276	6,888	8,228	10,078
Taxes	(1,020)	(1,620)	(1,784)	(2,131)	(2,610)
Net profit	2,875	4,656	5,104	6,097	7,468

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	8.3	8.6	8.9	9.0	9.1
Interest expense	-5.1	-5.1	-5.6	-5.7	-5.7
Net interest income	3.2	3.5	3.3	3.3	3.4
Non-interest income	1.1	0.8	0.9	1.0	1.0
Total income	4.3	4.4	4.3	4.3	4.4
Operating expenses	-2.4	-2.8	-2.7	-2.6	-2.6
PPoP	1.9	1.6	1.6	1.7	1.8
Provisions	-1.0	-0.3	-0.4	-0.4	-0.4
Profit before tax	0.9	1.3	1.2	1.3	1.3
Taxes	-0.2	-0.3	-0.3	-0.3	-0.3
Net profit	0.7	1.0	0.9	0.9	1.0

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	18,764	21,774	25,693	19,007	22,268	26,423	(1.3)	(2.2)	(2.8)
Pre-Prov. Operating Profit	8,926	10,855	13,438	9,456	11,545	14,215	(5.6)	(6.0)	(5.5)
Profit after tax	5,104	6,097	7,468	5,496	6,608	8,044	(7.1)	(7.7)	(7.2)

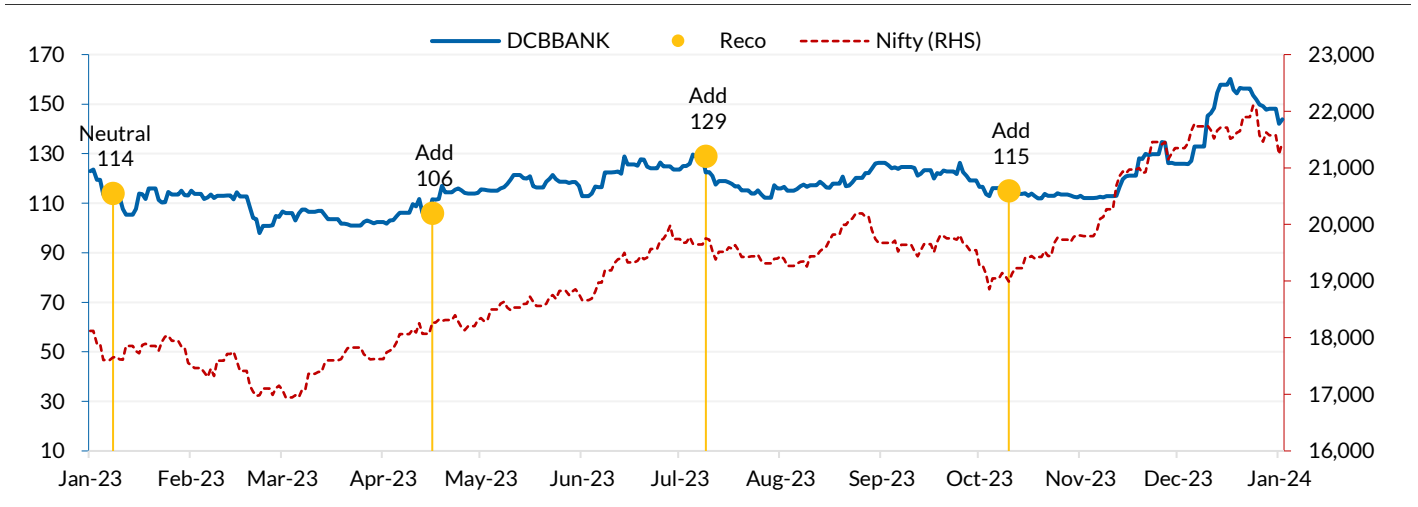
Source: Company, YES Sec – Research

Exhibit 19: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24E	FY25E	FY26E
Growth matrix (%)					
Net interest income	5.5	26.5	9.3	16.0	18.0
PPoP	-11.3	-1.3	13.5	21.6	23.8
Net profit	-14.4	61.9	9.6	19.4	22.5
Loans	12.1	18.2	18.0	18.0	18.0
Deposits	16.8	18.9	18.8	18.6	18.5
Profitability Ratios (%)					
Net interest margin	3.6	3.9	3.7	3.7	3.7
Return on Average Equity	7.4	10.8	10.4	11.1	12.2
Return on Average Assets	0.7	1.0	0.9	0.9	1.0
Per share figures (Rs)					
EPS	9.2	14.9	15.6	18.6	22.8
BVPS	130	147	160	177	197
ABVPS	112	135	153	164	179
Valuation multiples					
P/E	16	9.6	9.2	7.7	6.3
P/BV	1.1	1.0	0.9	0.8	0.7
P/ABV	1.3	1.1	0.9	0.9	0.8
NIM internals (%)					
Yield on loans	10.3	10.7	11.0	11.0	11.0
Cost of deposits	5.9	5.9	6.3	6.3	6.3
Loan-deposit ratio	83.9	83.4	82.8	82.4	82.0
CASA ratio	26.8	26.4	26.5	26.8	26.8
Opex control (%)					
Cost/Income ratio	56.0	63.0	62.9	61.4	59.7
Cost to average assets	2.4	2.8	2.7	2.6	2.6
Capital adequacy (%)					
Tier 1 capital ratio	15.8	15.2	14.3	13.2	12.4
Asset quality (%)					
Slippage ratio	6.4	5.4	3.0	2.5	2.5
Gross NPL ratio	4.3	3.2	2.3	2.4	2.4
Credit cost	1.0	0.5	0.5	0.6	0.6
Net NPL ratio	2.0	1.0	0.5	0.9	1.1

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/AIF3/20-21/0818 | 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.