IDBI capital

IndusInd Bank (IIB) BUY

Collection efficiency in MFI portfolio improved

Summary

IndusInd Bank reported decline in NIMs led by interest reversal due to higher slippages from MFI portfolio. MFI portfolio remained flat QoQ as disbursement's picked up during Q3FY25 which resulted in a loan growth of 12% YoY vs 13% YoY (Q2FY25). We expect credit growth at 15% CAGR (FY25-27). Deposit growth remains slower at 11% YoY vs 15% YoY (Q2FY25). Management guided for improvement in credit growth as MFI portfolio disbursements increases. MFI portfolio which remains key concern area reported rise in GNPA (@7.05% vs 6.54% QoQ). Profitability was impacted by higher credit cost as NPA inch up due to MFI. Thus, we have revised downwards the estimates and rolled over to FY27E. Bank still has contingent provisions (Rs.13bn) which should provide cushion to P&L from MFI NPA. We maintain 'BUY' rating with a TP of Rs1,400 (earlier Rs1,650) at P/ABV of 1.4x FY27E.

Key Highlights and Investment Rationale

- **Slowdown in credit growth continues**: Credit growth slowed to 12% YoY vs 13% YoY (Q2FY25) due to lower disbursement in vehicle and MFI portfolio. Deposits growth declined to 11% YoY led by decline in bulk deposits.
- **Asset quality deteriorated**: GNPA at 2.25% vs 2.11% QoQ; NNPA at 0.68% vs 0.64% QoQ with PCR at 70% (vs 70% QoQ). MFI portfolio asset quality concerns remain with high fresh slippages. Bank maintains 2.4% loan related provisions which provided cushion from adverse impact on P&L.
- **NIMs declined QoQ**: NIMs declined to 3.93% vs 4.08% due to interest reversal and mix change. Cost to Income ratio increased to 52.5% vs 52% QoQ due to higher employee expenses (up 44% YoY).
- **Outlook:** MFI portfolio concerns have impacted the return ratios led by lower growth and higher credit cost. However, management guided for improvement in MFI next few months should bring back better parameters.

TP	Rs.1,400
CMP	**Rs.992**
Potential upside/downside	41%
Previous Rating	BUY

Price Performance (%)

	-1m	-3m	-12m
Absolute	3.3	(6.0)	(35.3)
Rel to Sensex	4.1	(3.6)	(43.3)

V/s Consensus

EPS (Rs)	FY25E	FY26E	FY27E
IDBI Capital	85.7	101.8	116.1
Consensus	95.9	122.7	146.4
% difference	*(10.6)*	*(17.0)*	*(20.7)*

Key Stock Data

Bloomberg/Reuters	IIB IN / INBK.BO
Sector	Banking
Shares o/s (mn)	779
Market cap. (Rs mn)	772,936
3-m daily avg Trd value (Rs mn)	111.6
52-week high / low	Rs1,576 / 923
Sensex / Nifty	77,501 / 23,508

Shareholding Pattern (%)

Promoters	16.3
FII	24.7
DII	39.8
Public	19.2

Financial snapshot (Rs mn)

Year	FY2023	FY2024	FY2025E	FY2026E	FY2027E
NII	1,75,921	2,06,159	2,13,055	2,40,999	2,70,873
Change (yoy, %)	*17%*	*17%*	*3%*	*13%*	*12%*
Net Profit	73,897	89,498	66,707	79,232	90,367
Change (yoy, %)	*60%*	*21%*	*-25%*	*19%*	*14%*
EPS (Rs)	95.2	115.0	85.7	101.8	116.1
Change (yoy, %)	*60%*	*21%*	*-25%*	*19%*	*14%*
ABV (Rs)	681.9	781.5	838.1	914.8	997.9
PER (x)	10.4	8.6	11.6	9.7	8.5
P/ABV (x)	1.5	1.3	1.2	1.1	1.0
ROE (%)	14.4	15.2	10.2	11.1	11.6
ROA (%)	1.7	1.8	1.2	1.3	1.3
GNPA (%)	2.0	1.9	2.3	2.5	2.7
NNPA (%)	0.6	0.6	0.7	0.7	0.8
CAR (%)	17.9	17.2	16.8	16.1	15.5

Source: IDBI Capital Research

Bunty Chawla
Bunty.chawla@idbicapital.com
+91-22-4069 1843

Shreejit Nair
Shreejit.nair@idbicapital.com
+91-22-4069 1819

Conference Call Highlights

Loans

- Around 80% of the new to bank customers are from granular less than Rs.20mn segments who are catered through a fully enabled digital lending platform specifically designed for MSME customers.
- Many of the corporate loans are linked to floating rate loans where the loans linked to external benchmarked got repriced, impacting the yields. However, the risk weights on corporate loans have come down.
- Unsecured business including personal loans are 6% of the total book.
- Expect growth rate of vehicles to be in similar number as in Q3, while commercial vehicle is expected to grow only with the GDP.

MFI Portfolio

- The segment witnessed sequential improvement in disbursement driven by pent-up demand as well as improving eligibility of centers as well as customers.
- The disbursement of Rs.92bn were largely in line with the repayment and thus arresting a stop drop in the loan book witnessed in since Mar’24. The disbursements are concentrated towards vintage customers and centers.
- The bank remains cautious on the growth with disbursement well below historical run rate as well as customer eligibility.
- Geographically amongst the key states, portfolio grew sequentially in Maharashtra and Odisha whereas de-grew in Karnataka and Uttar Pradesh.
- The 30-90 book was stable at 4% vs 4.1% QoQ. The incremental stress in microfinance seems to be peaking out with reduced forward flows from DPD customers.
- The bank slippages to remain elevated from MFI segment in Q4FY25. However, the customer base is showing early signs of stability.

Deposits

- The bank maintained momentum in retail deposit mobilisation during the quarter with 4% QoQ and 14% YoY growth. The share of retail deposit as per LCR improved to 46.1% vs 44.1% QoQ.
- The bank consciously let go of some of the non-LCR accretive wholesale deposit during the quarter and as a result overall deposit declined 1% QoQ.
- CASA ratio was lower QoQ due to outflow of some short term flows such as dividend mandates.

Asset Quality

- Gross slippages in the corporate book were at Rs.2.81bn mainly contributed by one restructured real estate account which passed the DCCO deadline.
- Contingent Provision stands at Rs.13.25bn vs Rs.15.25bn QoQ. The bank wrote MFI loans worth Rs.3.44bn vs Rs.730mn QoQ.
- Around Rs.1.6bn of contingency buffer were utilised towards MFI portfolio and Rs.0.4bn towards the corporate account.
- Collection efficiency in Karnataka is down by 1% as visible in the early stress.

Guidance

- The bank will continue to scale up retail assets at faster pace with focus on improving diversification of the overall loan book with increasing the retail secured mix.
- The bank expects reduction in forward flows from other retail book in the upcoming quarters.
- The bank would like to bring down the share of MFI to around 8-10% of the loan portfolio.
- The bank wants to bring the share of BFIL+2 lenders to 95-98% from 86% currently.
- The microfinance industry is expected to grow 15-16% in the medium term.
- Slippages from tractor may remain higher in the upcoming quarters. However, the bank operates on 15% interest + 2% other income on transactions which should offset the impact.
- Slippages in the PV segment is expected to moderate in Q4. Interest rate on PV loans is 18%.
- Expect vehicle finance disbursements to be around Rs.135bn in Q4.

Other Highlights

- The digital banking offering INDIE is now open to all customers of the bank as the upgraded digital application, and it is seeing positive trend among the early adopters.
- The lower NIMs were due to rundown in the microfinance book was offset by strong other income and cost control.
- The yield on advances was impacted due to lower average balance for Microfinance and EBLR repricing. The cost of fund was subsequently higher due to increase in cost of deposit and higher borrowings.

Exhibit 1: Quarterly Snapshot **(Rs mn)**

Year-end: March	Q3FY25	Q3FY24	Q2FY25	*YoY (%)*	*QoQ (%)*
Interest Income	1,28,008	1,15,723	1,26,869	*10.6*	*0.9*
Interest Expenses	75,727	62,766	73,390	*20.6*	*3.2*
Net Interest Income	**52,281**	**52,956**	**53,479**	***(1.3)***	***(2.2)***
NIM (%)	***3.93***	***4.29***	***4.08***	***-36 bps***	***-15 bps***
Non-Interest Income	23,550	23,959	21,850	*(1.7)*	*7.8*
Operating Income	**75,831**	**76,915**	**75,328**	***(1.4)***	***0.7***
Staff Cost	14,828	10,267	15,049	*44.4*	*(1.5)*
Other Op Exp	24,997	26,626	24,275	*(6.1)*	*3.0*
Total Operating Expenses	39,825	36,893	39,324	*7.9*	*1.3*
Cost to Income (%)	*52.5*	*48.0*	*52.2*	*455 bps*	*31 bps*
Operating Profit	**36,007**	**40,022**	**36,004**	***(10.0)***	***0.0***
Provisions	17,436	9,342	18,201	*86.6*	*(4.2)*
PBT	**18,570**	**30,680**	**17,803**	***(39.5)***	***4.3***
Tax	4,547	7,701	4,485	*(41.0)*	*1.4*
-effective tax rate	*24.5*	*25.1*	*25.2*	*-62 bps*	*-71 bps*
PAT	**14,024**	**22,979**	**13,319**	***(39.0)***	***5.3***
EPS (Rs)	18.0	29.5	17.1	*(39.1)*	*5.3*
BV (Rs)	606.5	781.5	843.4	*(22.4)*	*(28.1)*
Deposits	40,94,380	36,87,930	41,23,968	*11.0*	*(0.7)*
Advances	36,68,890	32,70,570	35,71,586	*12.2*	*2.7*

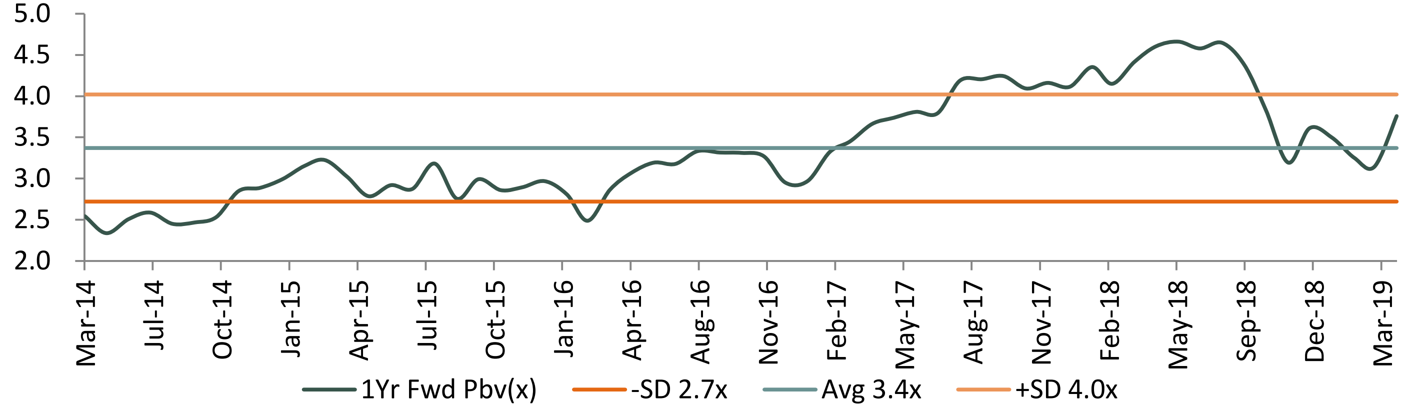
Source: Company; IDBI Capital Research

Exhibit 2: ROE Decomposition

(%)	FY23	FY24	FY25E	FY26E	FY27E
NII	4.1	4.2	3.9	4.0	3.9
Fees	1.9	1.8	1.7	1.7	1.7
Other Income	0.0	0.1	0.1	0.0	0.0
Net Revenue	6.0	6.2	5.7	5.7	5.7
Op.Exp	2.7	2.9	3.0	3.0	3.0
Op.Profit	3.3	3.2	2.7	2.8	2.7
Provisions	1.0	0.8	1.1	1.0	0.9
PBT	2.3	2.5	1.7	1.7	1.7
Tax	0.6	0.6	0.4	0.4	0.4
PAT	1.7	1.8	1.2	1.3	1.3
Leverage (x)	8.4	8.3	8.3	8.5	8.9
ROE	**14.4**	**15.2**	**10.2**	**11.1**	**11.6**

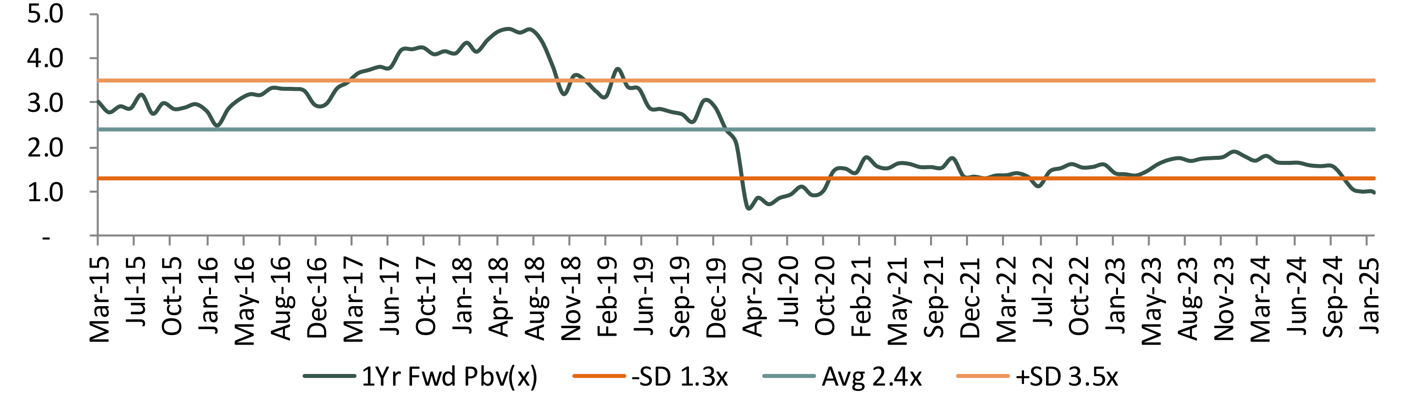
Source: Company; IDBI Capital Research

Exhibit 3: One-year forward P/ABV (FY14-19)



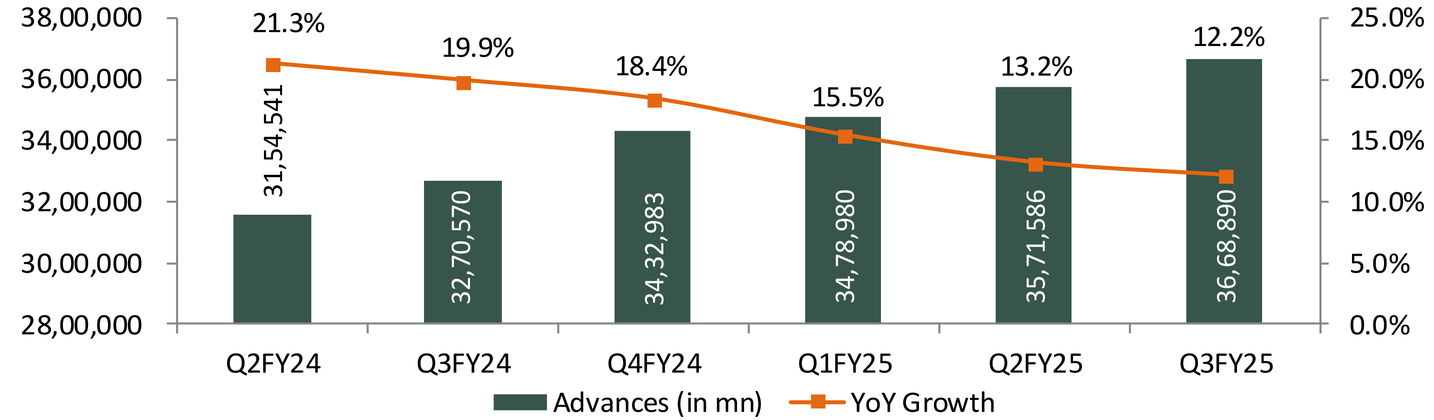
Source: Company; IDBI Capital Research

Exhibit 4: One-year forward P/ABV (15-25)



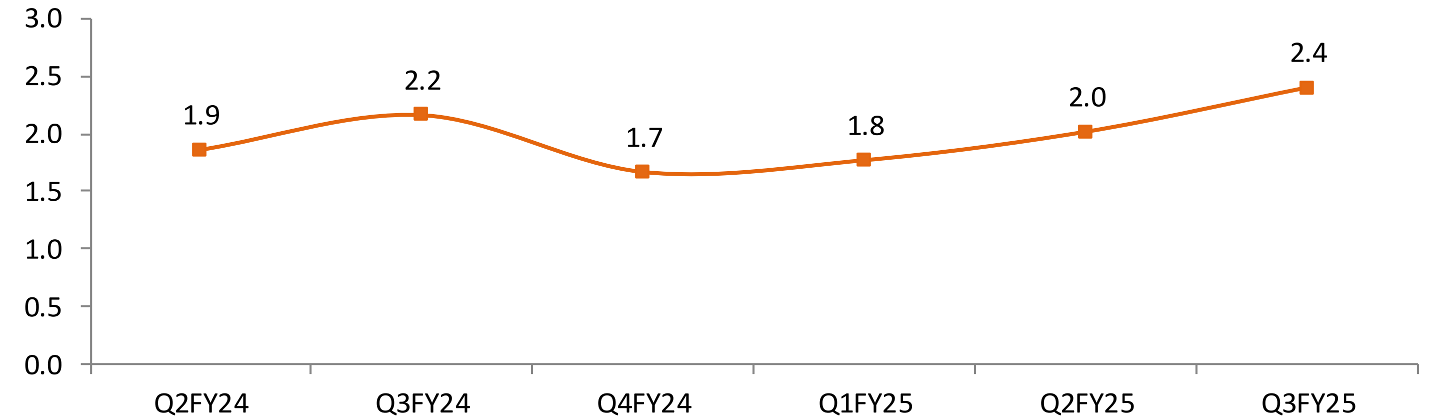
Source: Company; IDBI Capital Research

Exhibit 5: Advances growth slowed down due to lower MFI growth



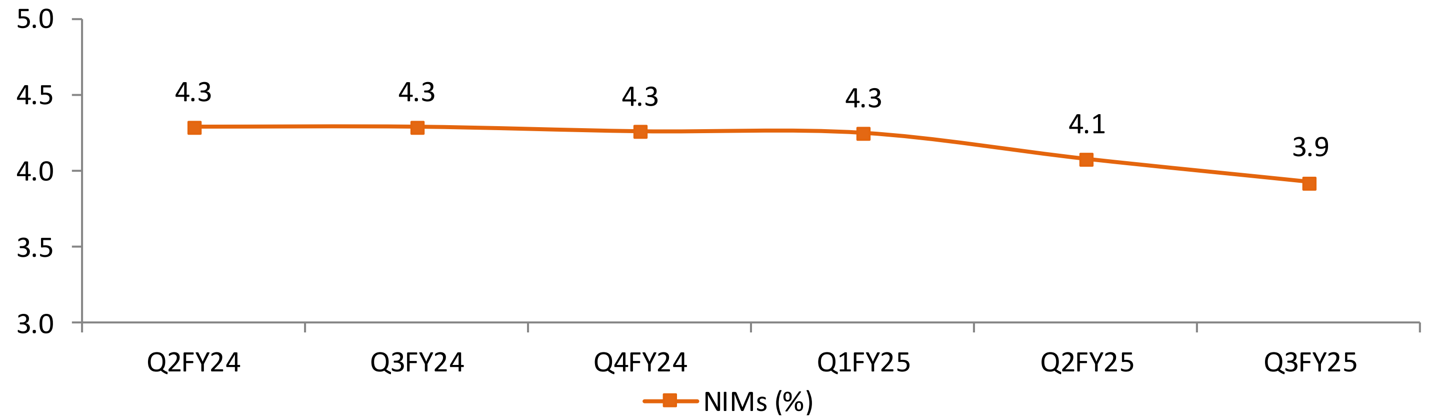
Source: Company; IDBI Capital Research

Exhibit 6: Slippage ratio increased QoQ.



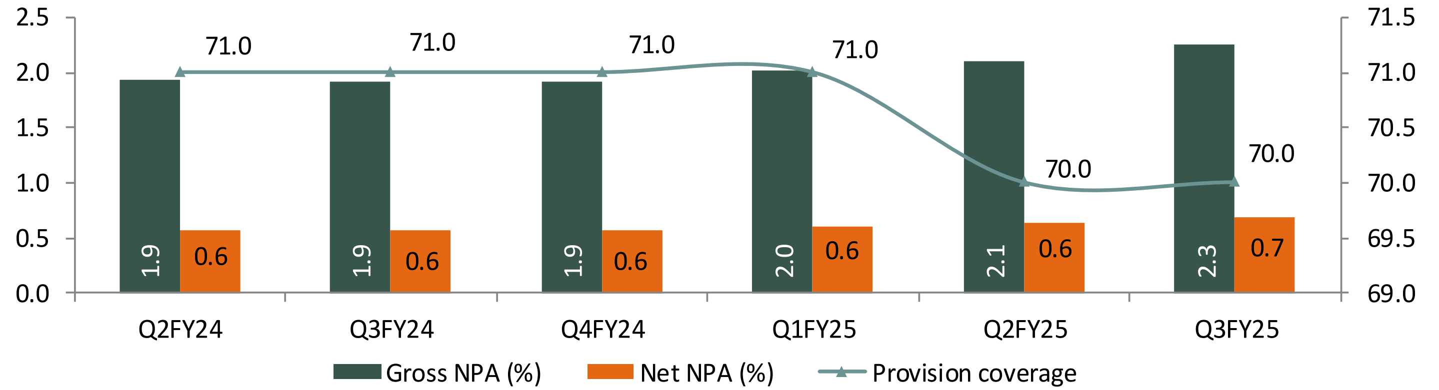
Source: Company; IDBI Capital Research

Exhibit 7: Net Interest margin declined on a QoQ basis



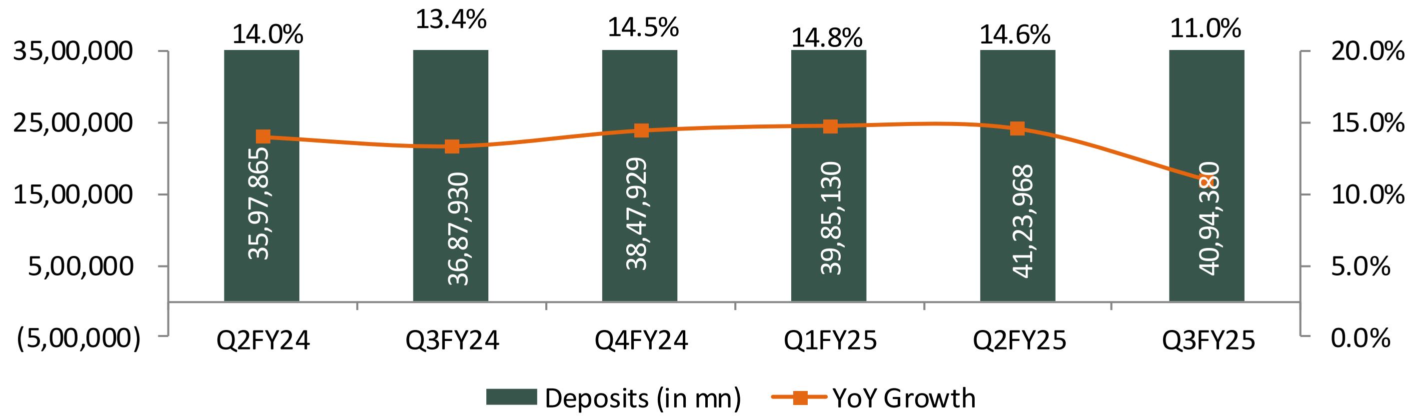
Source: Company; IDBI Capital Research

Exhibit 8: Asset quality deteriorated QoQ.



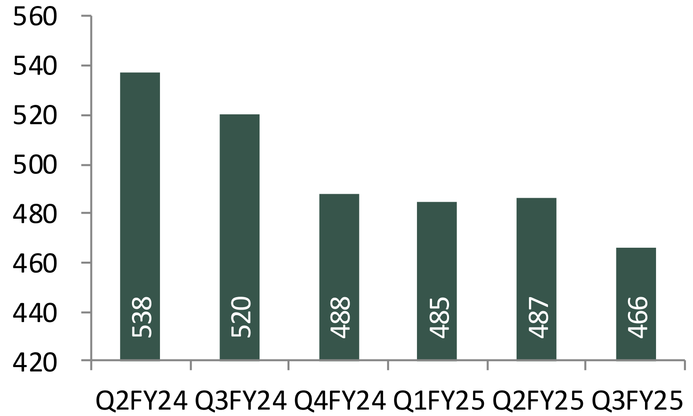
Source: Company; IDBI Capital Research

Exhibit 9: Deposits growth slowed down sequentially



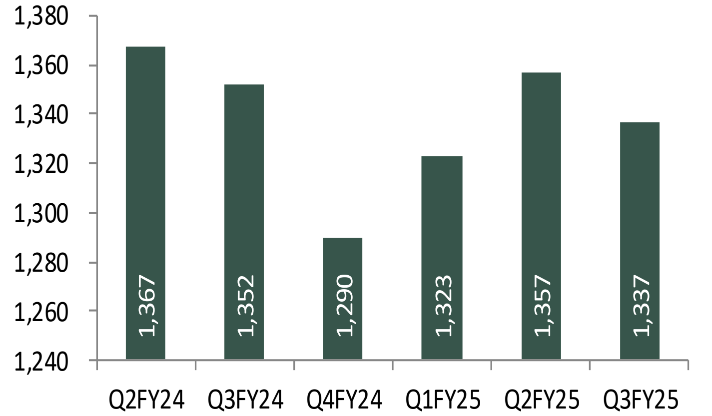
Source: Company; IDBI Capital Research

Exhibit 10: CASA per Branch



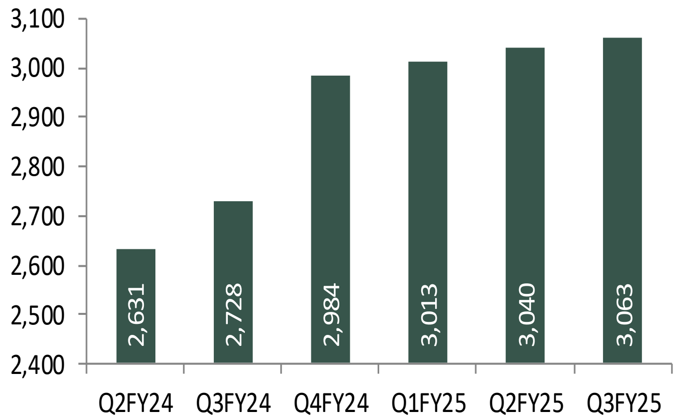
Source: Company; IDBI Capital Research

Exhibit 11: Deposit per Branch



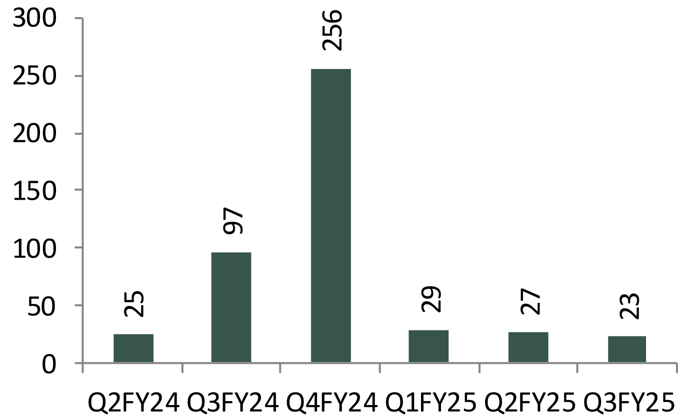
Source: Company; IDBI Capital Research

Exhibit 12: Branch addition trajectory



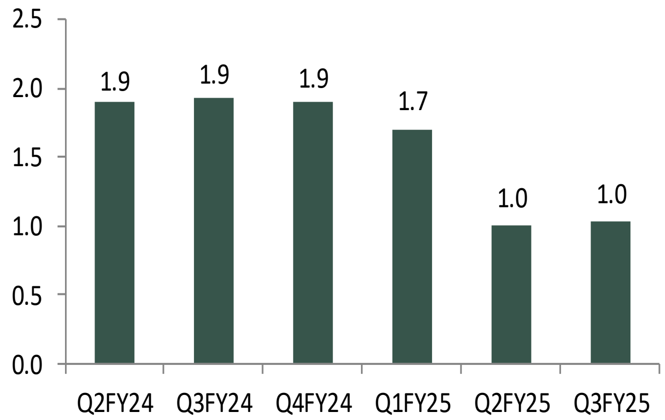
Source: Company; IDBI Capital Research

Exhibit 13: Branch addition declined during the qtr



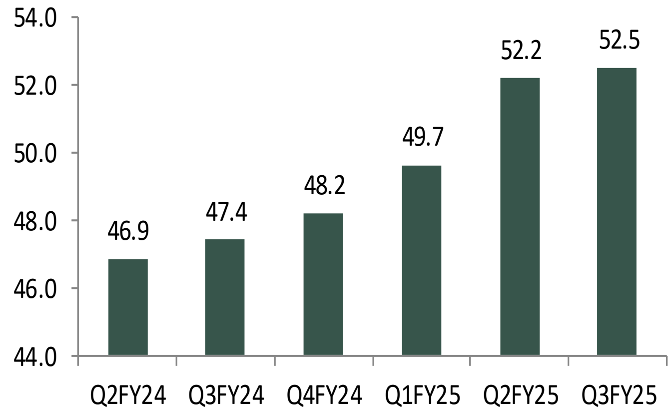
Source: Company; IDBI Capital Research

Exhibit 14: Return on Assets were stable on a sequential basis



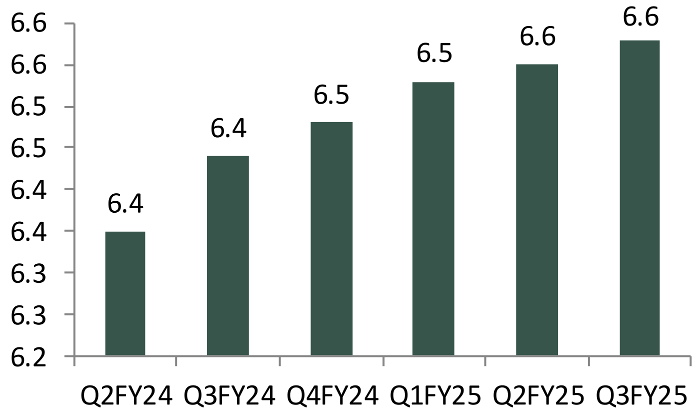
Source: Company; IDBI Capital Research

Exhibit 15: Cost to Income Ratio inched up QoQ



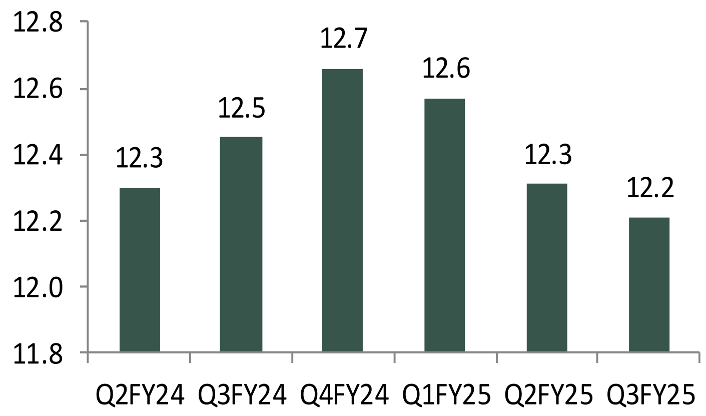
Source: Company; IDBI Capital Research

Exhibit 16: Cost of Deposits inched up sequentially



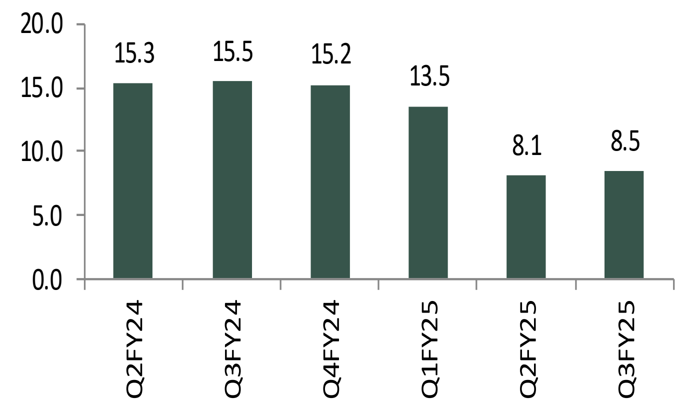
Source: Company; IDBI Capital Research

Exhibit 17: Yield on Advance declined during the quarter



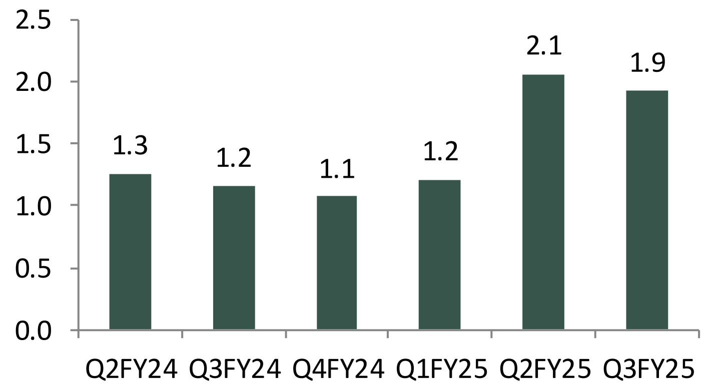
Source: Company; IDBI Capital Research

Exhibit 18: Return on Equity remained stable on a sequential basis in line with ROA



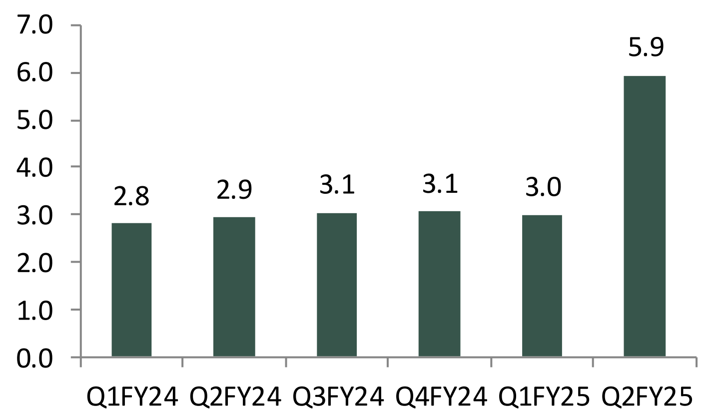
Source: Company; IDBI Capital Research

Exhibit 19: Credit cost inched up significantly on QoQ basis



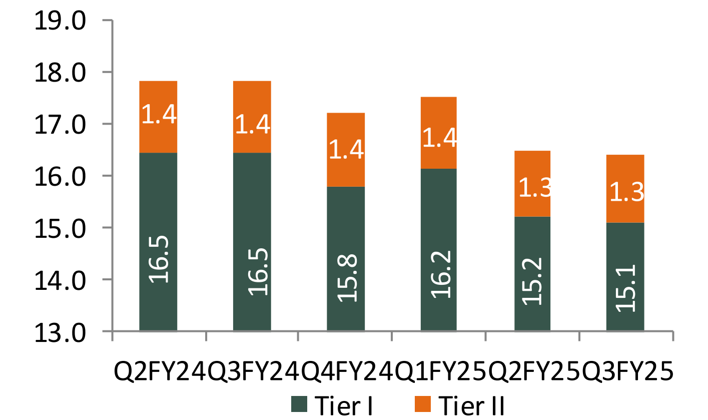
Source: Company; IDBI Capital Research

Exhibit 20: Cost to Assets increased sequentially



Source: Company; IDBI Capital Research

Exhibit 21: Capital adequacy ratio were stable



Source: Company; IDBI Capital Research

Exhibit 22: Composition of Advances-In Mn

Product Wise Advances (In Mn)	Q3FY25	Q3FY24	Q2FY25	*YoY (%)*	*QoQ (%)*
Commercial Vehicle Loans	3,48,190	3,18,630	3,41,830	*9.3*	*1.9*
Utility Vehicle Loans	2,87,880	2,46,220	2,74,380	*16.9*	*4.9*
Small CV	42,130	39,400	40,910	*6.9*	*3.0*
2Wheeler Loans	52,910	51,840	49,140	*2.1*	*7.7*
Tractor	79,770	94,460	81,560	*(15.6)*	*(2.2)*
Equipment Financing	1,24,980	1,10,370	1,18,370	*13.2*	*5.6*
Credit Cards	1,09,410	1,02,390	1,09,320	*6.9*	*0.1*
LAP	1,19,860	1,04,700	1,14,010	*14.5*	*5.1*
PL/MA/BL/AHL/Others	2,98,070	2,20,140	2,78,670	*35.4*	*7.0*
Business Banking	1,77,690	1,58,940	1,74,990	*11.8*	*1.5*
Micro Finance	3,25,640	3,57,610	3,27,230	*(8.9)*	*(0.5)*
Corporate Banking	17,02,360	14,65,870	16,61,180	*16.1*	*2.5*
Total	**36,68,890**	**32,70,570**	**35,71,590**	***12.2***	***2.7***

Source: Company; IDBI Capital Research

Exhibit 23: Composition of Advances (%)

Product Wise Advances (%)	Q3FY25	Q3FY24	Q2FY25	YoY (%)	QoQ (%)
Commercial vehicle loans	9.5	9.7	9.6	-25 bps	-8 bps
Utility vehicle loans	7.8	7.5	7.7	32 bps	16 bps
Small CV	1.1	1.2	1.1	-6 bps	0 bps
2Wheeler loans	1.4	1.6	1.4	-14 bps	7 bps
Tractor	2.2	2.9	2.3	-71 bps	-11 bps
Equipment financing	3.4	3.4	3.3	3 bps	9 bps
Credit Cards	3.0	3.1	3.1	-15 bps	-8 bps
LAP	3.3	3.2	3.2	7 bps	7 bps
PL/MA/BL/AHL/Others	8.1	6.7	7.8	139 bps	32 bps
Business Banking	4.8	4.9	4.9	-2 bps	-6 bps
Micro Finance	8.9	10.9	9.2	-206 bps	-29 bps
Corporate Banking	46.4	44.8	46.5	158 bps	-11 bps
Total	**100**	**100**	**100**		

Source: Company; IDBI Capital Research

Exhibit 24: Statement of Standard Assets & Other Provisions

Product Wise Advances (In Mn)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Specific Provision	42,800	44,320	46550	49620	52870	58090
Floating Provisions	700	700	700	700	700	700
Standard Contingent Provisions	15,200	13,000	10000	10000	15250	13250
Standard Asset Provisions	13,970	14,400	14850	15050	15300	15880
Loan Related Provisions	72,670	72,420	72100	75370	84120	87920
Provision Coverage Ratio (%)	*71*	*71*	*71*	71	70	70
Total loan related Provisions (% of GNPA)	*118*	*114*	108	106	110	105

Source: Company; IDBI Capital Research

Financial Summary

Profit & Loss Account

(Rs mn)

Year-end: March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Net interest income	**1,50,008**	**1,75,921**	**2,06,159**	**2,13,055**	**2,40,999**	**2,70,873**
Change (yoy, %)	*11%*	*17%*	*17%*	*3%*	*13%*	*12%*
Fees	68,049	81,858	88,853	90,545	1,02,410	1,17,772
Other Income	4,664	-195	5,025	2,748	3,013	3,402
Net Revenue	2,22,721	2,57,585	3,00,038	3,06,348	3,46,423	3,92,046
Operating expenses	95,593	1,14,120	1,42,635	1,60,004	1,78,934	2,05,835
Employee expenses	24,883	30,305	38,953	54,972	60,138	69,220
Other expenses	70,709	83,815	1,03,682	1,05,032	1,18,796	1,36,615
Pre-Provision Profit	**1,27,129**	**1,43,465**	**1,57,403**	**1,46,344**	**1,67,489**	**1,86,211**
Change (yoy, %)	*8%*	*13%*	*10%*	*-7%*	*14%*	*11%*
Provision	65,392	44,868	37,987	57,199	61,607	65,447
PBT	61,737	98,596	1,19,415	89,144	1,05,882	1,20,763
Taxes	15,625	24,699	29,918	22,438	26,651	30,396
Effective tax rate (%)	*25%*	*25%*	*25%*	*25%*	*25%*	*25%*
Net profit	**46,111**	**73,897**	**89,498**	**66,707**	**79,232**	**90,367**
Change (yoy, %)	*63%*	*60%*	*21%*	*-25%*	*19%*	*14%*
EPS	59.5	95.2	115.0	85.7	101.8	116.1
Return on Equity (%)	*10.1*	*14.4*	*15.2*	*10.2*	*11.1*	*11.6*
Return on Assets (%)	*1.2*	*1.7*	*1.8*	*1.2*	*1.3*	*1.3*

Balance Sheet

(Rs mn)

Year-end: March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Capital	7,747	7,759	7,783	7,783	7,783	7,783
Reserves	4,69,226	5,38,458	6,20,188	6,71,328	7,34,993	8,09,794
Networth	**4,76,972**	**5,46,217**	**6,27,971**	**6,79,111**	**7,42,777**	**8,17,577**
Deposits	**29,36,813**	**33,64,381**	**38,47,929**	**42,25,557**	**48,54,308**	**55,77,371**
Current deposits	3,68,389	5,09,179	4,71,966	6,33,834	7,28,146	8,36,606
Saving deposits	8,88,256	8,41,284	9,86,763	10,56,389	12,13,577	13,94,343
Term deposit	16,80,168	20,13,918	23,89,201	25,35,334	29,12,585	33,46,423
Borrowings	4,73,232	4,90,112	4,76,114	5,27,261	6,55,294	8,01,371
Other liabilities	1,32,728	1,77,330	1,97,337	2,22,907	2,07,359	1,87,584
Total Liab. & Equity	**40,19,746**	**45,78,042**	**51,49,351**	**56,54,836**	**64,59,738**	**73,83,904**
Cash	6,82,745	5,65,112	3,68,016	3,99,734	4,59,465	5,28,156
Advances	23,90,515	28,99,237	34,32,983	38,10,611	43,82,202	50,39,533
Investments	7,09,708	8,31,162	10,65,267	11,32,878	12,77,491	14,43,795
Fixed Assets	18,487	19,926	21,977	24,395	24,639	24,885
Other Assets	2,18,291	2,62,604	2,61,108	2,87,219	3,15,941	3,47,535
Total assets	**40,19,746**	**45,78,042**	**51,49,351**	**56,54,836**	**64,59,738**	**73,83,904**

Financial Ratios

(%)

Year-end: March	FY22	FY23	FY24	FY25E	FY26E	FY27E
Growth						
Deposits	14.6	14.6	14.4	9.8	14.9	14.9
Advances	12.4	21.3	18.4	11.0	15.0	15.0
NII	10.9	17.3	17.2	3.3	13.1	12.4
Pre-Provision Profit	8.4	12.9	9.7	(7.0)	14.4	11.2
Net Profit	62.6	60.3	21.1	(25.5)	18.8	14.1
Spreads						
Yield on Assets	8.9	9.3	10.4	10.4	10.4	10.4
Cost of Funds	4.7	5.0	5.9	6.3	6.2	6.3
NIM	4.2	4.4	4.5	4.2	4.2	4.1
CASA	42.8	40.1	37.9	40.0	40.0	40.0
Operating Efficiency						
Cost-to-Income	42.9	44.3	47.5	52.2	51.7	52.5
Cost-to-Assets	2.5	2.7	2.9	3.0	3.0	3.0
Asset Quality						
GNPA	2.3	2.0	1.9	2.3	2.5	2.7
NNPA	0.7	0.6	0.6	0.7	0.7	0.8
Provision Coverage	71.0	69.4	69.5	69.7	71.7	69.5
Credit Cost	2.9	1.7	1.2	1.6	1.5	1.4
Capital Adequacy						
CAR	18.4	17.9	17.2	16.8	16.1	15.5
Tier I	16.8	16.4	15.8	15.9	15.2	14.5
Valuation						
EPS	60	95	115	86	102	116
ABV	606	682	782	838	915	998
P/E	16.7	10.4	8.6	11.6	9.7	8.5
P/ABV	1.6	1.5	1.3	1.2	1.1	1.0
ROE	10.1	14.4	15.2	10.2	11.1	11.6
ROA	1.2	1.7	1.8	1.2	1.3	1.3
RORWA	1.6	2.3	2.5	1.6	1.6	1.6

Source: Company; IDBI Capital Research

Dealing (91-22) 6836 1111 dealing@idbicapital.com

Key to Ratings Stocks:

BUY: 15%+; **HOLD:** -5% to 15%; **SELL:** -5% and below.

IDBI Capital Markets & Securities Ltd.

Equity Research Desk

6th Floor, IDBI Tower, WTC Complex, Cuffe Parade, Colaba, Mumbai – 400 005. Phones: (91-22) 4069 1700; Fax: (91-22) 2215 1787; Email: info@idbicapital.com

SEBI Registration: BSE & NSE (Cash & FO) – INZ000007237, NSDL – IN-DP-NSDL-12-96, Research – INH000002459, CIN – U65990MH1993GOI075578

Compliance Officer: Pushkar Vartak; Email: compliance@idbicapital.com; Telephone: (91-22) 4069 1907

Disclaimer

This report has been published by IDBI Capital Markets & Securities Ltd.(hereinafter referred to as “IDBI Capital”) for private circulation. This report should not be reproduced or copied or made available to others. No person associated with IDBI Capital is obligated to call or initiate contact with you for the purposes of elaborating or following up on the information contained in this report. The information contained herein is strictly confidential and meant for 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 the prior written consent of IDBI Capital.

Recipients may not receive this report at the same time as other recipients. IDBI Capital will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is from the public domain or sources believed to be reliable, but we do not make any representation or warranty that it is accurate, complete or up-to-date and it should not be relied upon as such. While reasonable care has been taken to ensure that information given is at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the very nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. In so far as this report includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Opinions expressed are current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis, the information discussed in this material, IDBI Capital, its directors, employees are under no obligation to update or keep the information current. Further there may be regulatory, compliance, or other reasons that prevent us from doing so.

Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

IDBI Capital, its directors and employees and any person connected with it, will not in any way be responsible for the contents of this report or for any losses, costs, expenses, charges, including notional losses/lost opportunities incurred by a recipient as a result of acting or non-acting on any information/material contained in the report.

This is not an offer to sell or a solicitation to buy any securities or an attempt to influence the opinion or behavior of investors or recipients or provide any investment/tax advice.

This report is for information only and has not been prepared based on specific investment objectives. The securities discussed in this report may not be suitable for all investors. Investors must make their own investment decision based on their own investment objectives, goals and financial position and based on their own analysis.

Trading in stocks, stock derivatives, and other securities is inherently risky and the recipient agrees to assume complete and full responsibility for the outcomes of all trading decisions that the recipient makes, including but not limited to loss of capital.

Opinions, projections and estimates in this report solely constitute the current judgment of the author of this report as of the date of this report and do not in any way reflect the views of IDBI Capital, its directors, officers, or employees.

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 IDBI Capital 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 report may come are required to inform themselves of and to observe such restriction.

E-mail is not a secure method of communication. IDBI Capital cannot accept responsibility for the accuracy or completeness of any e-mail message or any attachment(s).

This transmission could contain viruses, be corrupted, destroyed, incomplete, intercepted, lost or arrived late. IDBI Capital, its directors or employees or associates accept no liability for any damage caused, directly or indirectly, by this email.

Analyst Disclosures

We, Bunty Chawla and Shreejit Nair, hereby certify that the views expressed in this report accurately reflect my personal views about the subject companies and / or securities. I also certify that no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report. Principally, I will be responsible for the preparation of this research report and have taken reasonable care to achieve and maintain independence and objectivity in making any recommendations herein.

Other Disclosure

IDBI Capital Markets & Securities Ltd.(herein after referred to as "IDBI Capital") was incorporated in the year 1993 under Companies Act, 1956 and is a wholly owned subsidiary of IDBI Bank Limited. IDBI Capital is one of India's leading securities firm which offers a full suite of products and services to individual, institutional and corporate clients namely Stock broking (Institutional and Retail) , Distribution of financial products, Merchant Banking, Corporate Advisory Services, Debt Arranging & Underwriting, Portfolio Manager Services and providing Depository Services. IDBI Capital is a registered trading and clearing member of BSE Ltd. (BSE) and National Stock Exchange of India Limited (NSE). IDBI Capital is also a SEBI registered Merchant Banker, Portfolio Manager and Research Analyst. IDBI Capital is also a SEBI registered depository participant with National Securities Depository Limited (NSDL) and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI).

IDBI Capital and its associates IDBI Bank Ltd. (Holding Company), IDBI Intech Ltd. (Fellow Subsidiary), IDBI Asset Management Ltd. (Fellow Subsidiary) and IDBI Trusteeship Services Ltd. (Fellow Subsidiary).

IDBI Group is a full-serviced banking, integrated investment banking, investment management, brokerage and financing group. Details in respect of which are available on www.idbicapital.com IDBI Capital along with its associates are leading underwriter of securities and participants in virtually all securities trading markets in India. We and our associates have investment banking and other business relationships with a significant percentage of the companies covered by our Research Department. Investors should assume that IDBI Capital and/or its associates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material. IDBI Capital generally prohibits its analysts, persons reporting to analysts, and their dependent family members having a financial conflict of interest in the securities or derivatives of any companies that the analysts cover. Additionally, IDBI Capital generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Directors of IDBI Capital or its associates may have interest in the Companies under recommendation in this report either as Director or shareholder. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of clients of IDBI Capital. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. We and our associates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. For the purpose of calculating whether IDBI Capital and its associates holds beneficially owns or controls, including the right to vote for directors, 1% of more of the equity shares of the subject issuer of a research report, the holdings does not include accounts managed by IDBI Asset Management Company/ IDBI Mutual Fund.

IDBI Capital hereby declares that our activities were neither suspended nor we have materially defaulted with any Stock Exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on IDBI Capital for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time. IDBI Capital, its directors or employees or associates, may from time to time, have positions in, or options on, and buy and sell securities referred to herein. IDBI Capital or its associates, during the normal course of business, from time to time, may solicit from or perform investment banking or other services for any company mentioned in this document or their connected persons or 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 their affiliate companies or act as advisor or lender / borrower to such company(ies)/associates companies or have other potential conflict of interest. This report may provide hyperlinks to other websites. Except to the extent to which the report refers to the website of IDBI Capital, IDBI Capital states that it has not reviewed the linked site and takes no responsibility for the content contained in such other websites. Accessing such websites shall be at recipient's own risk. IDBI Capital encourages the practice of giving independent opinion in research report preparation by the analyst and thus strives to minimize the conflict in preparation of research report. Accordingly, neither IDBI Capital nor Research Analysts have any material conflict of interest at the time of publication of this report. We offer our research services to primarily institutional investors and their employees, directors, fund managers, advisors who are registered with us. The Research Analyst has not served as an officer, director or employee of Subject Company. We or our associates may have received compensation from the subject company in the past 12 months. We or our associates may have managed or co-managed public offering of securities for the subject company in the past 12 months. We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months. We or our associates may have received any compensation or other benefits from the Subject Company or third party in connection with the research report. Research Analyst or his/her relative's may have financial interest in the subject company. IDBI Capital or its associates may have financial interest in the subject company. Research Analyst or his/her relatives does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. IDBI Capital or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. The Subject Company may have been a client during twelve months preceding the date of distribution of the research report. Price history of the daily closing price of the securities covered in this note is available at www.bseindia.com; www.nseindia.com and www.economictimes.indiatimes.com/markets/stocks/stock-quotes.