

# Cholamandalam Investment HOLD

NIMs improved; AUM growth remain strong

## Summary

CIFC's AUM growth remained strong at 27% YoY led by 14% YoY (FY25) growth in disbursements and lower repayment ratio. Management guided for 20-25% AUM growth led by 17-20% disbursement growth for longer term. NIM improved by 30bps YoY led by increase in yield on advances. We expect benefit of lower interest rate environment on account of fixed rate VF book. Asset quality improved slightly with GS3 at 2.81% vs 2.91%. NII grew by 29% YoY led by improvement in NIMs YoY; however, PPOP grew by 43% YoY led by increase in other income (up 33% YoY). PAT grew by 20% YoY led by higher provisions (up 228% YoY). We have largely maintained our estimates and downgrade to "HOLD" with a new TP of Rs.1,630 (earlier Rs.1,590) based on P/BV of 4.1x FY27E as stock has run up by ~21% in last few months.

## Key Highlights and Investment Rationale

- **Robust AUM growth; disbursements up 14% YoY:** For FY25, AUM growth remained strong at 27% YoY. Disbursements grew by 14% YoY led by non vehicle portfolio. We expect AUM to grow at 19% CAGR (FY25-27E) compared to 32% CAGR (FY23-25) due to slowdown in disbursements.
- **NIMs improved QoQ:** NIMs improved by 30bps QoQ to 8.0% (up 20bps YoY) due to increase in yield on advances. Management guided for benefit of rate cut on fixed rate portfolio going forward.
- **Asset quality improved slightly:** GS3 stood at 2.81% vs 2.91% QoQ. In newer segment (others), NPA was key concern area; has slightly inched up; CSEL – 2.06% vs 1.83% QoQ & SBPL – 2.59% vs 1.85% QoQ.
- **Outlook:** We believe premium valuation should sustain backed by strong growth. With a diverse product portfolio and a widespread distribution network, CIFC is well-positioned to capitalize on the growth potential.

TP **Rs.1,630**

**CMP Rs.1,541**

Potential upside/downside **6%**

Previous Rating **BUY**

## Price Performance (%)

	-1m	-3m	-12m
Absolute	0.8	31.1	31.5
Rel to Sensex	(1.3)	26.0	24.0

## V/s Consensus

EPS (Rs)	FY26E	FY27E
IDBI Capital	63.0	77.9
Consensus	63.7	79.8
% difference	(1.2)	(2.4)

## Key Stock Data

Bloomberg / Reuters	CIFC IN /CHLA.BO
Sector	Finance
Shares o/s (mn)	841
Market cap. (Rs mn)	1,296,184
3-m daily avg Trd value (Rs mn)	35.3
52-week high / low	Rs1,683 / 1,151
Sensex / Nifty	79,213 / 24,039

## Shareholding Pattern (%)

Promoters	49.9
FII	28.2
DII	13.9
Public	8.0

## Financial snapshot

(Rs mn)

Year	FY2023	FY2024	FY2025	FY2026E	FY2027E
NII	63,334	83,831	1,32,607	1,62,633	1,94,556
Change (yoy, %)	20%	32%	58%	23%	20%
Net Profit	26,662	34,228	42,585	54,024	66,833
Change (yoy, %)	24%	28%	24%	27%	24%
EPS (Rs)	32.4	40.7	50.6	63.0	77.9
Change (yoy, %)	24%	26%	24%	24%	24%
ABV (Rs)	157.7	212.9	251.9	326.6	396.7
PER (x)	47.5	37.8	30.4	24.5	19.8
P/ABV (x)	9.8	7.2	6.1	4.7	3.9
ROE (%)	20.5	20.2	19.7	19.8	19.6
ROA (%)	2.7	2.5	2.4	2.5	2.6
GNPA (%)	3.0	2.5	2.8	2.8	2.8
NNPA (%)	1.7	1.4	1.6	1.6	1.6
CAR (%)	14.8	18.6	19.8	19.4	20.0

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

### Operational Aspects

- The company managed to get good deals with better rates to maintain the cost of foreign borrowings, including the cost of hedge.
- Around 20% of the borrowings are linked to Repo or T-bills, while 50% of the borrowings are from banks, which are linked to MCLR. The reduction in MCLR rate is yet to come through.
- The company has been able to negotiate the marginal borrowings both from the market as well as banks considering the reduction in rates.
- Opex have come down in Q4 as all the major costs pertaining to new businesses were completed. However, the company may see opex increasing due to the launch of gold business. The target is to keep opex in the range of 3.0-3.1% of the asset in FY26.
- Total headcount in sales – 30,700; collections – 22,000; credit operations – 10,000; business enabler – 1,600.
- Chola Home Finance was formed to move the home loan portfolio to the subsidiary. However, the regulatory gap between NBFC and HFC narrowed down. So the company decided to rename it to Chola Leasing to conduct leasing operations.

### Vehicle Finance Business

- The company expects disbursements in VF segment to improve further to 15-17% in FY26.
- The March quarter typically trends better in terms of higher income due to the improved asset quality and better collection efficiencies, and better recovery of assets.
- The company is depending on good performance and capacity utilisation of small CV and LCV to play out in the coming quarters.
- The company believes there is enough scope for business in the tractor and two wheeler segments.
- Non-starter and the early default of the VF segment has come down than last year.

- The company's presence in the tier-3 and tier-4 cities have helped in the market share growth of PV financing. The company was also able to increase the market share especially in the Maruti segment.

#### **Non-Vehicle Finance Business**

- Drop in disbursements in SME segment is due to the conscious decision to slow down on lower ROTA products such as supply chain finance.
- The company took a conscious stance to reduce supply chain financing in SME segment as it generates low ROA. However, the company will look for small term loan and equipment financing opportunities.
- Drop in CSEL disbursements is due to the company's decision progressively exit from some of the partnership-led volumes.
- De-growth in the fintech partnership led business will be compensated through the consumer durable, PL, BL and in-house digital lending business.
- CSEL segment is expected to catch up pace in the coming quarters.
- Disbursements in SME and LAP is expected to remain flat YoY, while AUM growth will be still be maintained at 30% in FY26.
- The company is targeting 15-20% growth in home loan disbursements for the next 2 years, and 30% AUM growth. Currently, around 60% of the disbursements are coming from the Southern region.
- The company expects 25-30% growth in disbursements of LAP portfolio in FY26, translating to 30% AUM growth as there are enough opportunities available to grow the business.
- The company will focus on improving the productivity across branches for LAP and HL segment rather than aggressively expanding branch network. However, in the subsequent years, the company will add around 100 branches.

#### **Asset Quality and Provisioning**

- While the run down in asset of fintech book is fast, the net credit costs in absolute value remains steady.
- The company expects the net credit costs will remain at the same level in H1FY26, and will trend downwards in H2FY26.

- The management expects the net credit loss of SME segment will reduce in FY26.
- The company made additional provision of Rs.350mn in CSEL segment during the quarter.
- Credit costs of vehicle finance segment can be reduced by 20 bps, which will eventually have a net benefit of 10 bps on the overall credit costs, as it forms 50-55% of the book.
- CSEL and SME portfolios typically sees higher credit costs in Q1 and Q2, and later decline during the year. However, the net benefit could be 5 bps reduction on the overall credit costs in FY26.
- SBPL, HL and LAP could see some increase in credit costs by around 10 bps. However, reduction in SME and CSEL credit costs can be adjusted against the increase in SBPL, LAP and HL credit costs.
- Overall, the company expects the net credit costs to come down to 1.3% in FY26 from 1.4% in FY25.
- Credit costs of Home Loan and LAP could be around 0.4-0.5% in FY26.

#### **Future Guidance**

- The company maintains its AUM growth guidance of 20-25% in FY26.
- The company expects 20% growth in vehicle financing business and 30% growth in non-vehicle finance business in FY26.
- Cost of funds is expected to improve by 10 bps in FY26, net of the benefit that needs to be passed on to the floating rate book.
- The company will be launching gold loan business in certain geographies. It will add 120 new gold loan branches in Southern and Eastern regions.
- The company is targeting gold loan AUM of Rs.20 bn in the next 1.5 years.
- The company has conservatively guided for 3.4% ROTA (PBT) in FY26 due to the launch of gold loan business. However, the company will eventually move towards 3.5% target in the medium term.
- The company may do 1-2 securitisation deals in FY26.

## Exhibit 1: Quarterly Snapshot

(Rs mn)

Year-end: March	Q4FY25	Q4FY24	Q3FY25	YoY (%)	QoQ (%)
Interest Income	70,251	54,202	67,092	29.6	4.7
Interest Expenses	33,623	25,793	32,718	30.4	2.8
<b>Net Interest Income</b>	<b>36,628</b>	<b>28,409</b>	<b>34,374</b>	<b>28.9</b>	<b>6.6</b>
<b>NIM (%)</b>	<b>8.0</b>	<b>7.8</b>	<b>7.7</b>	<b>20 bps</b>	<b>30 bps</b>
Fee & Other Income	956	718	1,031	33.1	-7.3
Operating Income	<b>37,584</b>	<b>29,127</b>	<b>35,406</b>	29.0	6.2
Staff Cost	9,218	7,658	8,807	20.4	4.7
Other Op Exp	5,051	5,192	5,323	-2.7	-5.1
Total Operating Expenses	14,269	12,850	14,130	11.0	1.0
Cost to Income (%)	38.0	44.1	39.9	-615 bps	-194 bps
Cost to AUM (%)	3.2	3.7	3.3	-50 bps	-16 bps
<b>Operating Profit</b>	<b>23,315</b>	<b>16,278</b>	<b>21,276</b>	<b>43.2</b>	<b>9.6</b>
Provisions	6,253	1,908	6,640	227.7	-5.8
Credit Cost (%)	0.3	0.1	0.4	21 bps	-4 bps
<b>PBT</b>	<b>17,062</b>	<b>14,369</b>	<b>14,636</b>	<b>18.7</b>	<b>16.6</b>
Tax	4,395	3,788	3,771	16.0	16.6
-effective tax rate	25.8	26.4	25.8	-60 bps	0 bps
<b>PAT</b>	<b>12,667</b>	<b>10,581</b>	<b>10,865</b>	<b>19.7</b>	<b>16.6</b>
EPS (Rs)	15.1	12.6	12.9	19.6	16.6
BV (Rs)	280.9	232.7	268.6	20.7	4.6
Loans	18,19,299	14,44,243	17,27,260	26.0	5.3
AUM	18,47,460	14,55,720	17,45,670	26.9	5.8
Disbursement	2,64,170	2,47,840	2,58,060	6.6	2.4

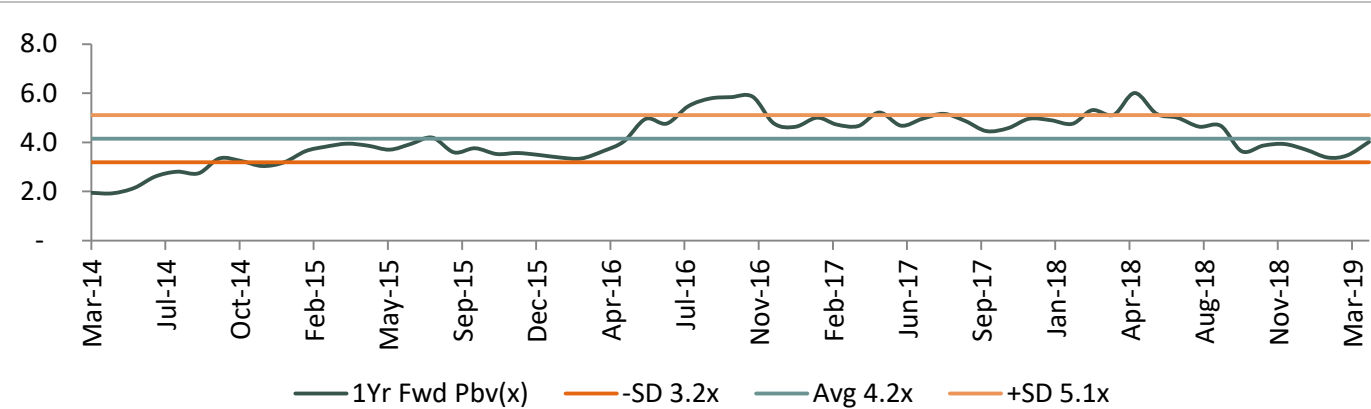
Source: Company; IDBI Capital Research

**Exhibit 2: ROE Decomposition**

(%)	FY23	FY24	FY25E	FY26E	FY27E
<b>NII</b>	<b>6.5</b>	<b>6.2</b>	<b>7.4</b>	<b>7.4</b>	<b>7.6</b>
Other Income	0.9	1.2	0.2	0.2	0.2
<b>Net Revenue</b>	<b>7.4</b>	<b>7.4</b>	<b>7.6</b>	<b>7.7</b>	<b>7.8</b>
Op.Exp	2.8	3.0	3.0	3.1	3.1
<b>Op.Profit</b>	<b>4.5</b>	<b>4.4</b>	<b>4.6</b>	<b>4.6</b>	<b>4.7</b>
Provisions	0.9	1.0	1.4	1.3	1.3
PBT	3.7	3.4	3.2	3.3	3.5
Tax	1.0	0.9	0.8	0.8	0.9
<b>PAT</b>	<b>2.7</b>	<b>2.5</b>	<b>2.4</b>	<b>2.5</b>	<b>2.6</b>
Leverage (x)	7.5	8.0	8.3	8.0	7.5
<b>ROE</b>	<b>20.5</b>	<b>20.2</b>	<b>19.7</b>	<b>19.8</b>	<b>19.6</b>

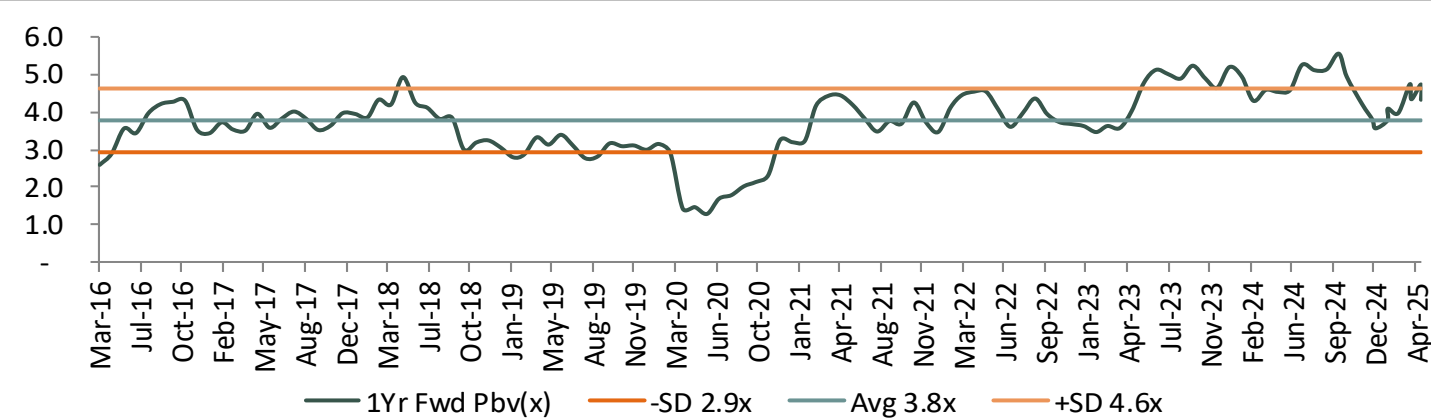
Source: Company; IDBI Capital Research

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



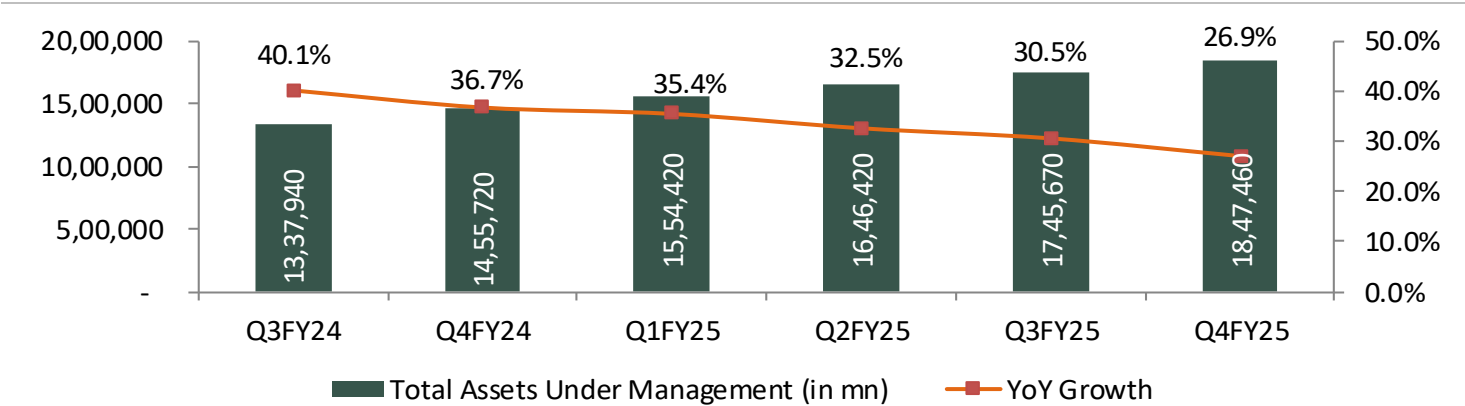
Source: Company; IDBI Capital Research

Exhibit 4: One-year forward P/ABV (FY16-25)



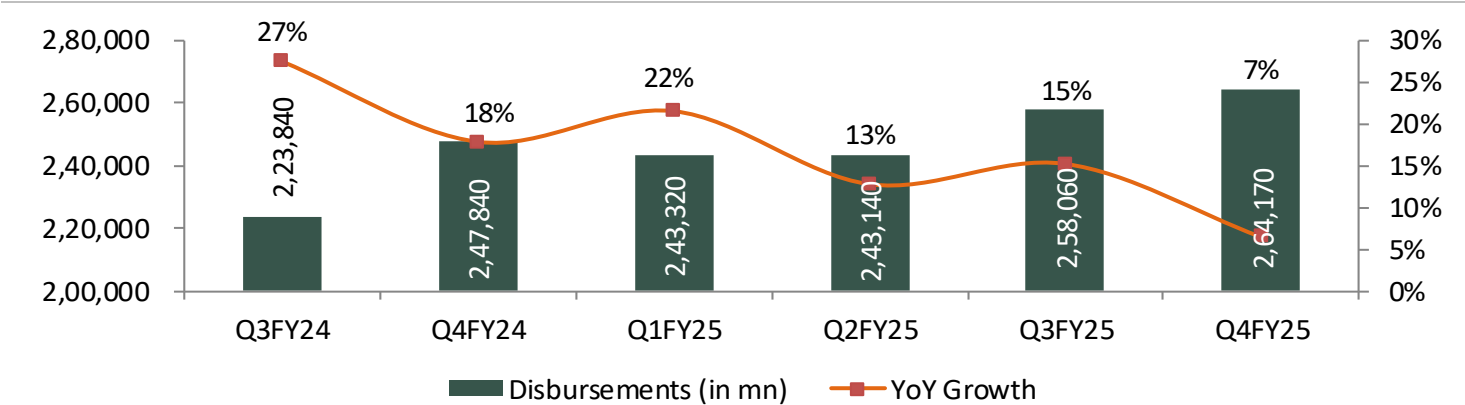
Source: Company; IDBI Capital Research

Exhibit 5: AUM showcased a slowdown in March quarter



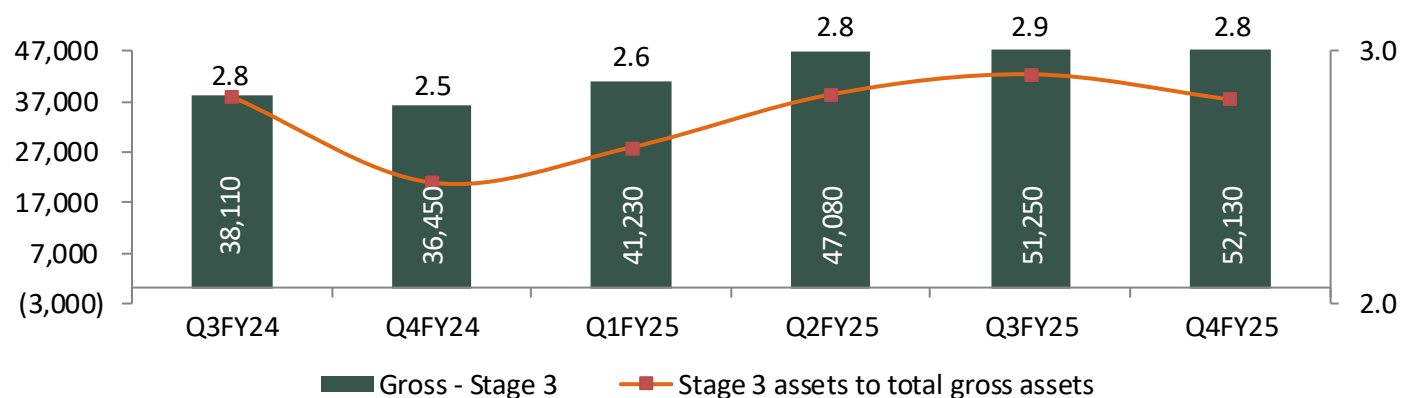
Source: Company; IDBI Capital Research

Exhibit 6: Disbursements growth (YoY) slowed down

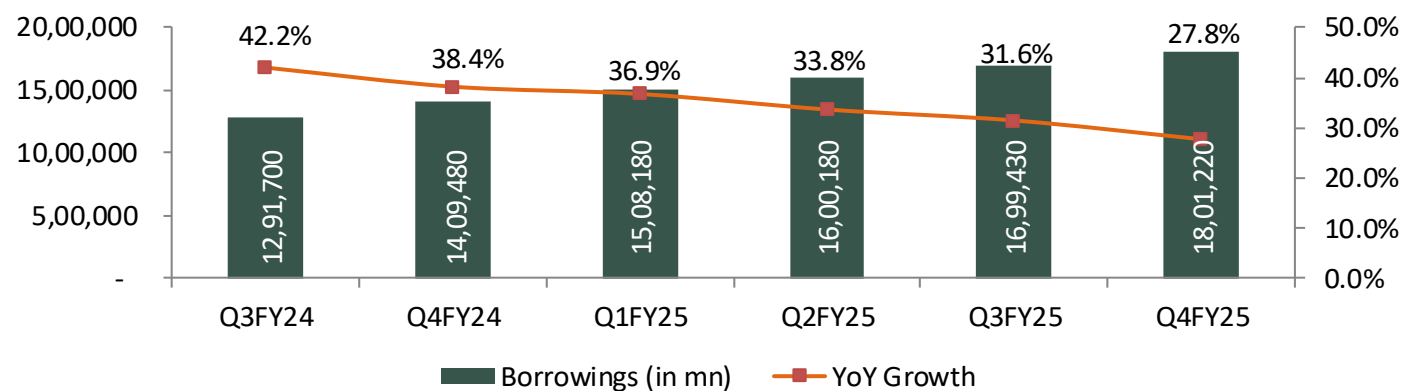


Source: Company; IDBI Capital Research



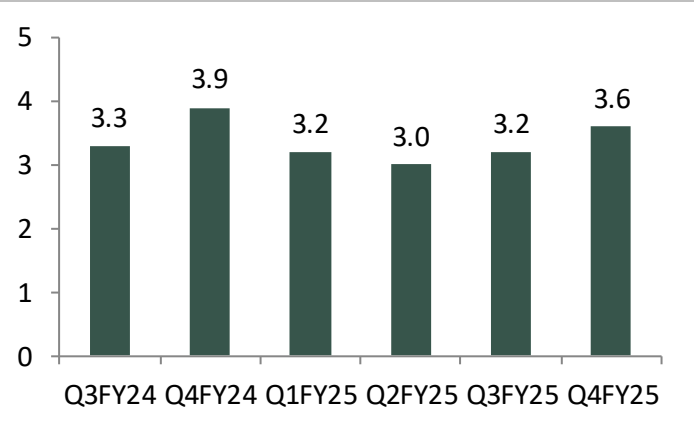
**Exhibit 7: Asset quality remained stable**

Source: Company; IDBI Capital Research

**Exhibit 8: Borrowings growth decreased sequentially**

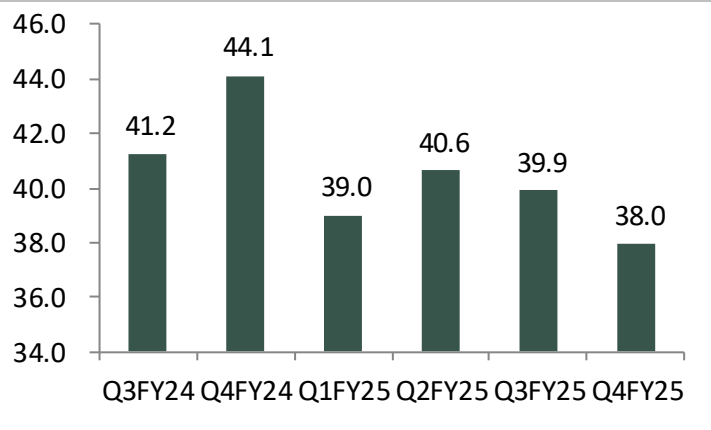
Source: Company; IDBI Capital Research

Exhibit 9: ROA (PBT) increased sequentially



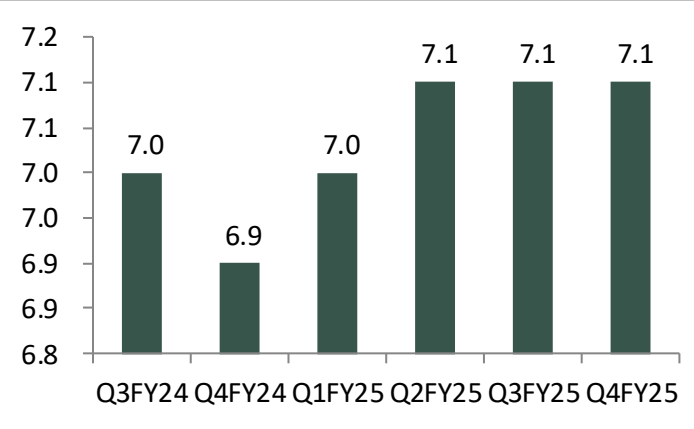
Source: Company; IDBI Capital Research

Exhibit 10: Cost to Income Ratio decreased QoQ



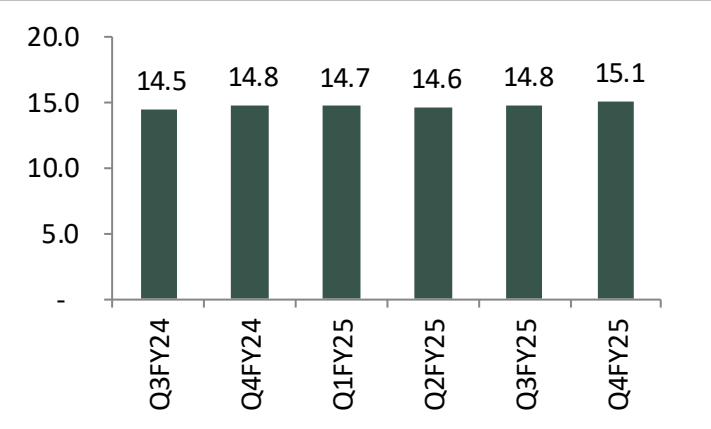
Source: Company; IDBI Capital Research

Exhibit 11: Cost of Funds were stable on QoQ basis

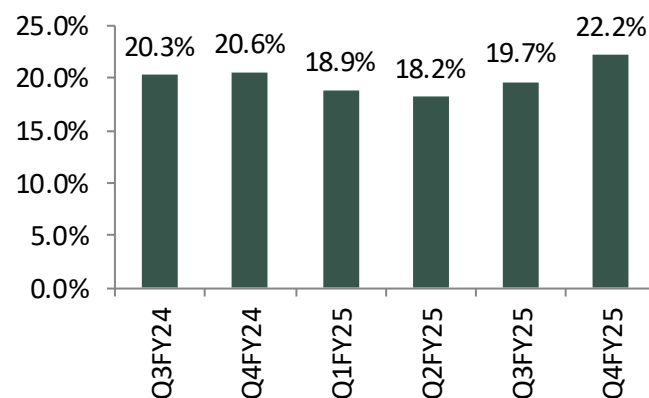


Source: Company; IDBI Capital Research

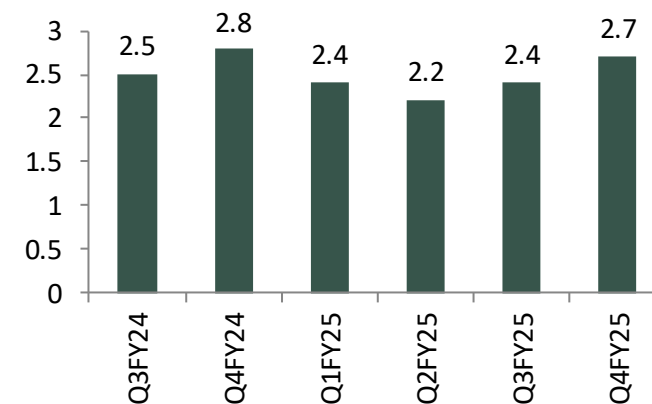
Exhibit 12: Yields increased sequentially



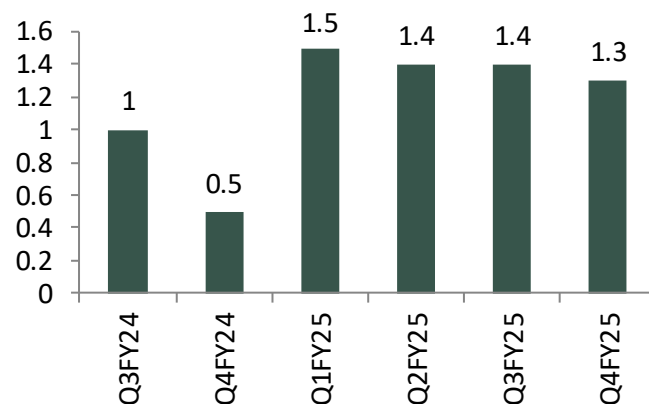
Source: Company; IDBI Capital Research

**Exhibit 13: Return on Equity increased QoQ**

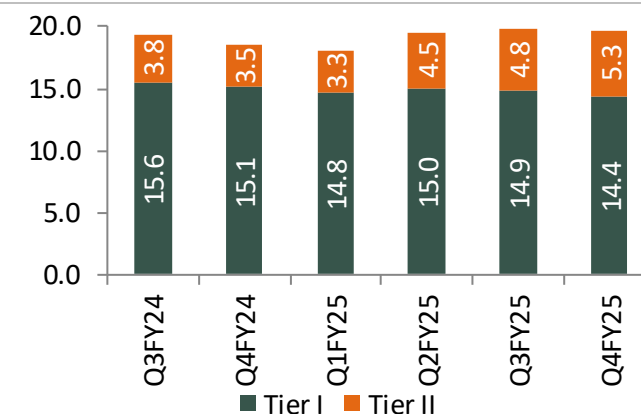
Source: Company; IDBI Capital Research

**Exhibit 14: ROTA-PAT increased sequentially**

Source: Company; IDBI Capital Research

**Exhibit 15: Losses and provisions - after additional provision**

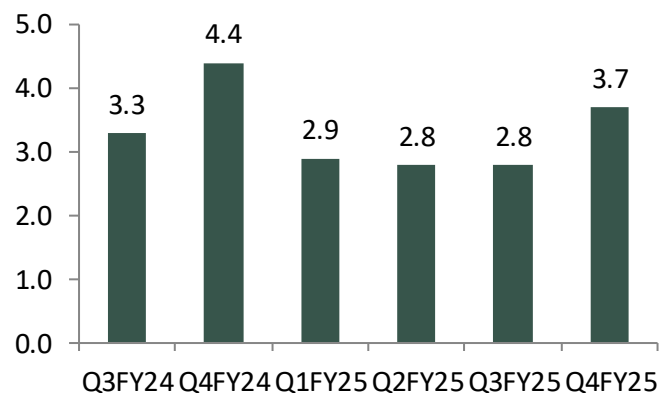
Source: Company; IDBI Capital Research

**Exhibit 16: CAR remains comfortable**

Source: Company; IDBI Capital Research

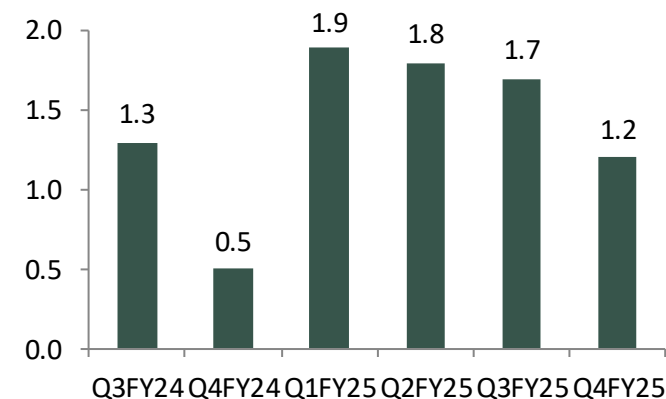
## Asset Ratios - Vehicle Finance PF

**Exhibit 17: ROTA–PBT improved sharply**



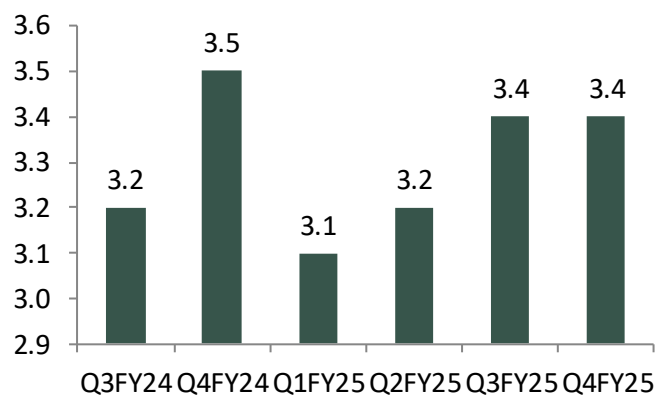
Source: Company; IDBI Capital Research

**Exhibit 18: Losses and provisions declined QoQ**



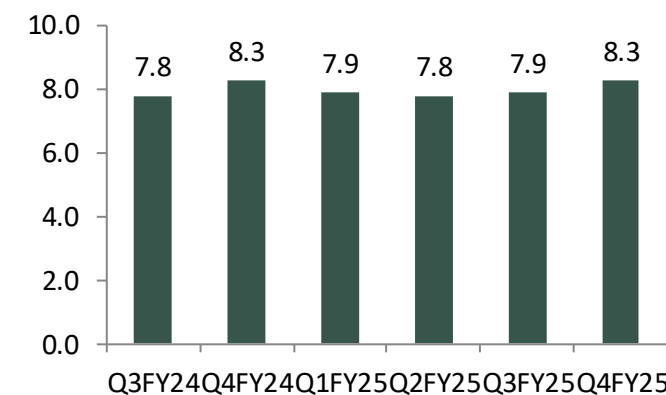
Source: Company; IDBI Capital Research

**Exhibit 19: Expenses Ratio remained stable sequentially**



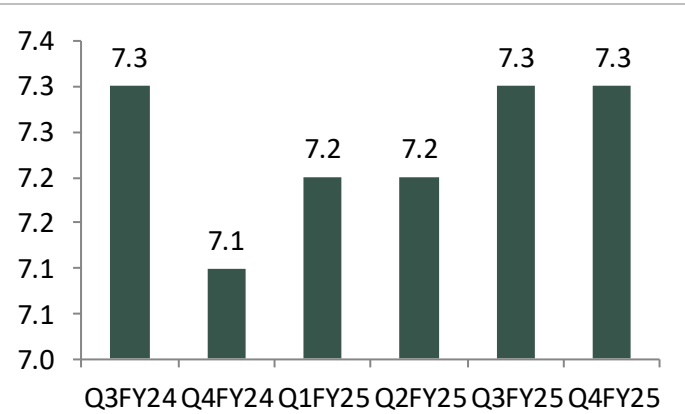
Source: Company; IDBI Capital Research

**Exhibit 20: Net Income Margin increased sequentially**



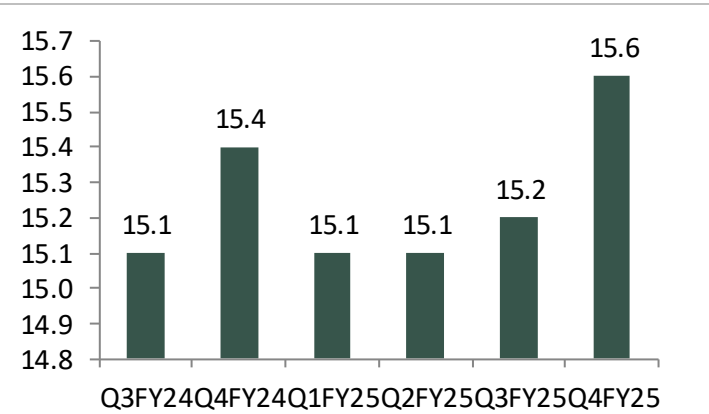
Source: Company; IDBI Capital Research

**Exhibit 21: Cost of Funds remained stable on a QoQ basis**



Source: Company; IDBI Capital Research

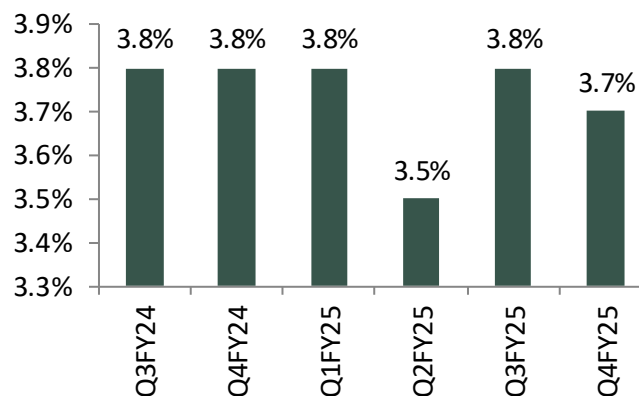
**Exhibit 22: Yields on AUM increased stable sequentially**



Source: Company; IDBI Capital Research

## Asset Ratios - Home Equity PF

**Exhibit 23: ROTA–PBT declined sequentially**



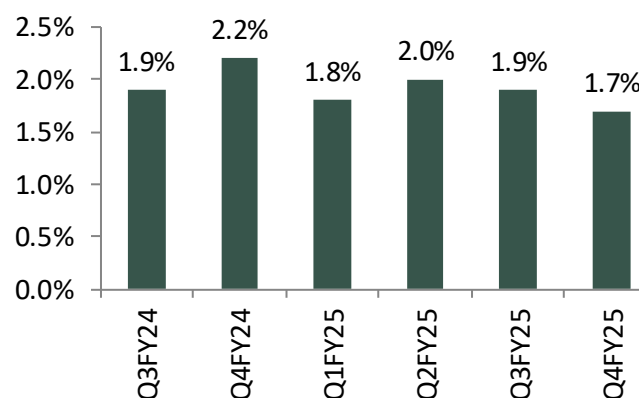
Source: Company; IDBI Capital Research

**Exhibit 24: Losses and provisions remained stable sequentially**



Source: Company; IDBI Capital Research

**Exhibit 25: Expenses Ratio improved QoQ**



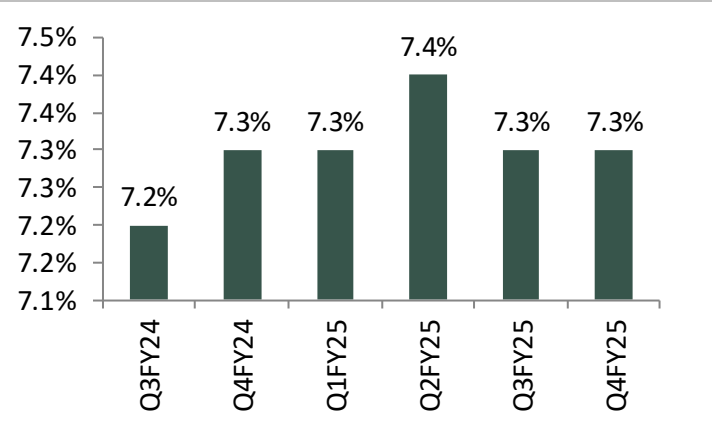
Source: Company; IDBI Capital Research

**Exhibit 26: Net Income Margin were stable sequentially**



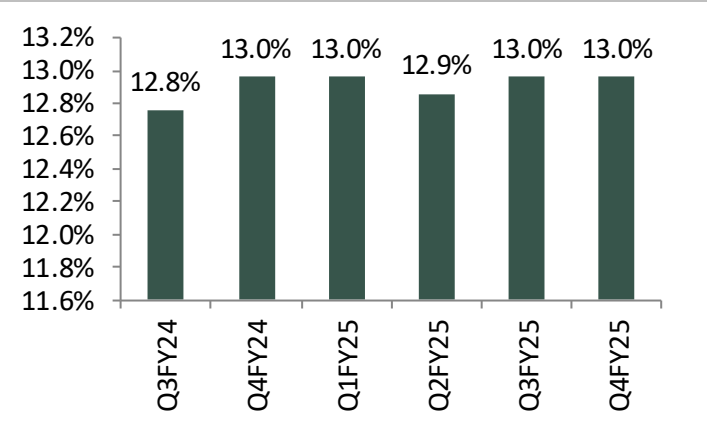
Source: Company; IDBI Capital Research

Exhibit 27: Cost of Funds were stable sequentially



Source: Company; IDBI Capital Research

Exhibit 28: Yields remained stable



Source: Company; IDBI Capital Research

## Financial Summary

### Profit & Loss Account

(Rs mn)

Year-end: March	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Net interest income</b>	<b>52,680</b>	<b>63,334</b>	<b>83,831</b>	<b>1,32,607</b>	<b>1,62,633</b>	<b>1,94,556</b>
<i>Change (yoy, %)</i>	<i>13%</i>	<i>20%</i>	<i>32%</i>	<i>58%</i>	<i>23%</i>	<i>20%</i>
Other Income	5,720	8,958	16,026	3,092	4,873	5,782
Net Revenue	58,400	72,292	99,857	1,35,699	1,67,506	2,00,339
Operating expenses	20,687	27,799	40,818	53,388	67,609	78,844
Employee expenses	8,945	12,657	23,306	32,805	38,010	43,999
Other expenses	11,742	15,142	17,512	20,583	29,599	34,845
<b>Pre-Provision Profit</b>	<b>37,712</b>	<b>44,494</b>	<b>59,039</b>	<b>82,311</b>	<b>99,897</b>	<b>1,21,494</b>
<i>Change (yoy, %)</i>	<i>10%</i>	<i>18%</i>	<i>33%</i>	<i>39%</i>	<i>21%</i>	<i>22%</i>
Provision	8,803	8,497	13,218	24,943	27,701	32,181
PBT	28,909	35,997	45,821	57,369	72,196	89,313
Taxes	7,442	9,335	11,593	14,783	18,172	22,480
<i>Effective tax rate (%)</i>	<i>26%</i>	<i>26%</i>	<i>25%</i>	<i>26%</i>	<i>25%</i>	<i>25%</i>
<b>Net profit</b>	<b>21,467</b>	<b>26,662</b>	<b>34,228</b>	<b>42,585</b>	<b>54,024</b>	<b>66,833</b>
<i>Change (yoy, %)</i>	<i>42%</i>	<i>24%</i>	<i>28%</i>	<i>24%</i>	<i>27%</i>	<i>24%</i>
EPS	26.1	32.4	40.7	50.6	63.0	77.9
<i>Return on Equity (%)</i>	<i>20.2</i>	<i>20.5</i>	<i>20.2</i>	<i>19.7</i>	<i>19.8</i>	<i>19.6</i>
<i>Return on Assets (%)</i>	<i>2.7</i>	<i>2.7</i>	<i>2.5</i>	<i>2.4</i>	<i>2.5</i>	<i>2.6</i>



**Balance Sheet**

(Rs mn)

Year-end: March	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Capital	1,643	1,644	1,681	1,683	1,716	1,716
Reserves & Surplus	1,15,434	1,41,315	1,93,884	2,34,592	3,07,295	3,72,840
<b>Shareholder's Funds</b>	<b>1,17,077</b>	<b>1,42,959</b>	<b>1,95,564</b>	<b>2,36,274</b>	<b>3,09,011</b>	<b>3,74,557</b>
Borrowings	6,53,256	9,28,686	12,93,239	16,82,515	19,66,724	23,11,374
Sub-ordinated debt	53,301	63,511	75,704	97,687	83,629	89,625
<b>Total liabilities</b>	<b>8,23,633</b>	<b>11,35,155</b>	<b>15,64,507</b>	<b>20,16,476</b>	<b>23,59,365</b>	<b>27,75,556</b>
Cash	42,200	29,614	43,202	94,007	90,798	88,408
Investments	20,762	36,200	41,002	63,904	70,294	77,324
Advances	7,41,492	10,47,483	14,44,243	18,19,299	21,53,663	25,59,134
Fixed Assets	2,916	4,591	15,695	17,718	19,829	22,194
Other Assets	16,264	17,267	20,365	21,548	24,780	28,497
<b>Total assets</b>	<b>8,23,633</b>	<b>11,35,155</b>	<b>15,64,507</b>	<b>20,16,476</b>	<b>23,59,365</b>	<b>27,75,556</b>

## Financial Ratios

(%)

Year-end: March	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Growth</b>						
Advances	12.6	41.3	37.9	26.0	18.4	18.8
NII	13.3	20.2	32.4	58.2	22.6	19.6
Pre-Provision Profit	10.4	18.0	32.7	39.4	21.4	21.6
Net Profit	41.7	24.2	28.4	24.4	26.9	23.7
<b>Spreads</b>						
Yield on Loans	13.3	13.2	13.8	15.6	15.6	15.6
Cost of Borrowings	6.5	6.9	8.0	8.1	8.0	8.0
NIM (on AAUM)	7.2	6.9	6.7	8.0	8.0	8.0
Spread	6.9	6.3	5.8	7.5	7.6	7.6
<b>Operating Efficiency</b>						
Cost-to-Income	35.4	38.5	40.9	39.3	40.4	39.4
Cost-to-AUM	2.8	3.0	3.2	3.2	3.3	3.3
<b>Asset Quality</b>						
GNPA	4.4	3.0	2.5	2.8	2.8	2.8
NNPA	2.7	1.7	1.4	1.6	1.6	1.6
Provision Coverage	39.7	46.0	46.4	45.3	46.0	46.0
Credit Cost	1.1	0.8	0.9	1.4	1.2	1.2
<b>Capital Adequacy</b>						
CAR	18.1	14.8	18.6	19.8	19.4	20.0
Tier I	15.1	12.8	15.1	14.4	15.4	16.0
<b>Valuation</b>						
EPS	26.1	32.4	40.7	50.6	63.0	77.9
BV	126.0	157.7	212.9	251.9	326.6	396.7
P/E	59.0	47.5	37.8	30.4	24.5	19.8
P/BV	12.2	9.8	7.2	6.1	4.7	3.9
ROE	20.2	20.5	20.2	19.7	19.8	19.6
ROA	2.7	2.7	2.5	2.4	2.5	2.6
ROAAUM	2.9	2.9	2.7	2.6	2.7	2.8

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.

**Most Important Terms and Conditions**

To refer the Most Important Terms and Conditions (MITC) click on the link; [https://idbidirect.in/Common\\_Controls/SEBI\\_MITC\\_RA.pdf](https://idbidirect.in/Common_Controls/SEBI_MITC_RA.pdf)

## 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](http://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](http://www.bseindia.com); [www.nseindia.com](http://www.nseindia.com) and [www.economicstimes.indiatimes.com/markets/stocks/stock-quotes](http://www.economicstimes.indiatimes.com/markets/stocks/stock-quotes).