

Aiming for higher RoA backed by all-round improvements

Operating performance to recover steadily from 3QFY26

We met with the top management team of IDFC First Bank (IDFCFB), represented by Mr. V. Vaidyanathan, MD & CEO, and Mr. Saptarshi Bapari, Head – IR, to discuss the bank's growth outlook, asset quality trends, profitability pickup, and other key focus areas. Here are the key takeaways from the interaction:

Loan growth healthy; estimate ~20% CAGR over FY20-28E

IDFCFB remains committed to granular expansion, with a tilt toward Retail, MSME and secured portfolios, while consciously de-risking from the stressed microfinance book. Advances rose 21% YoY in 1QFY26, driven by steady momentum in mortgages, vehicles, business banking, and mid-sized corporate loans. Management highlighted that corporate disbursements are expected to remain healthy, albeit on a low base, and are important from the overall diversification perspective. The bank reiterated its medium-term loan growth target of ~20%, aided by product diversification and prudent underwriting. The focus remains on consistently lowering the CD ratio while maintaining healthy mix of retail deposits and CASA ratio. We estimate a loan CAGR of ~20% over FY25-28E, with the loan book surpassing ~INR3t by FY27E, supported by a diversified asset mix and disciplined growth.

Strong deposit franchise underpins healthy balance sheet growth; tech capabilities further augment overall positioning

IDFCFB has built a robust liability franchise, with retail deposits now making up ~80% of customer deposits vs. just 27% at the time of merger. Deposits grew 26% YoY in 1QFY26, with CASA deposits rising 30% YoY, leading to a healthy 48% CASA ratio. Importantly, management continues to prioritize granular, branch-led and digital deposits over bulk money, reflected in LCR retail deposits rising from 12% to ~61% over the past five years. IDFCFB's tech integration has been vital for driving customer acquisition and offering hyper-personalized services. Aided by robust tech capabilities, the bank's deposit franchise is likely to grow at a steady rate, which should drive a medium-term moderation in funding costs. With high-cost borrowings set to fully unwind by FY26 and strong brand positioning in urban centers, the bank is poised to sustain ~22% deposit CAGR over FY25-28E, comfortably supporting credit expansion and lowering the CD ratio to desired levels.

NIMs to bottom out in 2Q; FY26-exit margins guided at 5.8%

IDFCFB reported NIMs of 5.71% in 1QFY26, down 24bp QoQ, led by MFI shrinkage, repo pass-through, and a higher wholesale mix. Management has reiterated that NIMs will bottom out in 2Q, with a lower 10-15bp decline vs. 1Q compression, and recover to ~5.7% from 3QFY26 onward as repricing benefits start accruing. The bank indicates 4QFY26-exit margins of 5.8%.

CD ratio improvement to continue; legacy borrowing overhang to end

IDFCFB has realigned its liability mix in favor of deposits, thereby reducing the CD ratio from a peak of 137% in Dec'18 to 93.4% in 1QFY26. Management expects a CD ratio of ~90% by year-end and late 80s in the coming years, a key milestone for sustainable growth. This has been achieved through strong retail deposit mobilization, alongside steady repayment of legacy bonds and high-cost borrowings. Borrowings, which once formed nearly half of liabilities at the merger, now account for a small residual amount, that too maturing in FY26, which is likely to ease the cost drag in FY26. As funding costs normalize and capital buffers improve after the recent raise, the bank gains greater flexibility to expand loans without aggressively chasing deposit growth.

IDFC First Bank



Mr. V. Vaidyanathan, MD & CEO

Mr. Vaidyanathan has over three decades of experience in financial services. Prior to IDFCFB, he was with ICICI Bank, where he set up Retail Banking (during 2000-09), and built a large Retail business franchise alongside a healthy CASA base. Subsequently, he became MD & CEO of ICICI Prudential Life. In 2010, he quit the ICICI Group for an entrepreneurial opportunity to acquire an NBFC (Capital First), which later merged with IDFC Bank. He took over as MD & CEO of the merged entity in Dec'18. He is an alumnus of the Birla Institute of Technology and Advanced Management Program at Harvard Business School.

A long-awaited turnaround in C/I ratio is around the corner

Management aspires to bring the C/I ratio closer to ~65% by 4QFY27E, down from the sticky >70% level seen in recent years, aided by scale benefits and improving income as well as operating efficiency. In 1QFY26, expenses grew 11% YoY vs. 23% business growth, reflecting early signs of operating leverage and driving sequential core PPOp improvement. Fee income traction from credit cards (3.8m cards in force) and cash management services is set to accelerate, while deposit repricing benefits – estimated PBT impact of INR5b for every 1% shift – will further aid margins. The bank's digital-heavy deposit sourcing model, backed by state-of-the-art tech capabilities, will continue to enhance efficiency and enable cross-selling across wealth, payments, and retail segments. We expect cost ratios to steadily moderate, enabling a ~28% PPOp CAGR over FY25-28E as C/I moderates to 66%/63% over FY27/28E.

Asset quality outlook healthy; credit cost set to recede going further

Excluding the shrinking MFI portfolio, asset quality remains resilient with Retail, Rural, and MSME GNPA at 1.48% in 1QFY26, supported by disciplined cashflow-based underwriting. Overall GNPA stood at 1.97%, with the uptick driven mainly by MFI stress and a one-off corporate case. Importantly, the MFI book has reduced to 3.3% of total loans vs. 5.7% a year ago, with SMA ratios declining and collection efficiency improving to ~99%. Management reiterated that credit cost is expected to improve, with 2Q slippages likely to be sequentially lower, and the trend improving further in the coming quarters. PCR remains healthy at 72%, up 300bp YoY, ensuring adequate buffers. The bank has reaffirmed that its asset quality will improve, backed by better collections and controlled SMA pool. We model normalized credit costs (as a % of advances) of ~1.8-1.9% over FY27-28E with a steady improvement from 2HFY26.

Other highlights:

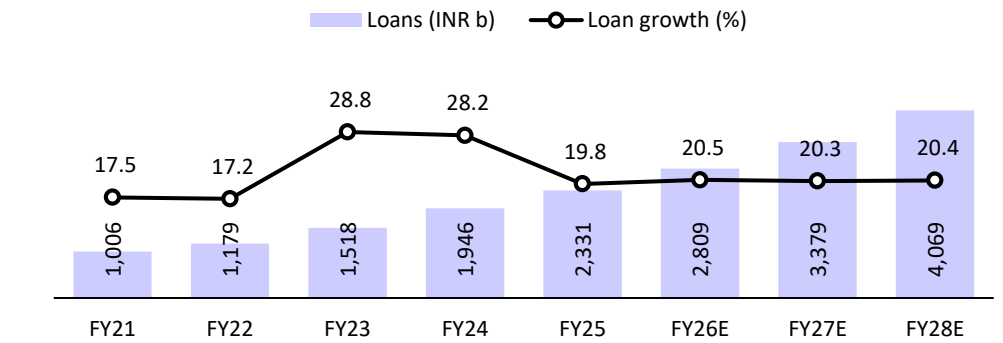
- The corporate environment appears to be healthy and the bank is focusing on mid-corporate segment. Currently, the base of its corporate book is lower at INR300b, and hence growth appears to be on the higher side.
- As there has been a capital infusion recently, the requirement to raise liabilities to support loan growth will be relatively lower, though the bank expects to grow the deposit base by 23% YoY. The CD ratio thus will be trending closer to ~90% this year and will reduce further in FY27E.

Valuation and view: Reiterate Neutral with a TP of INR80

- IDFCFB has delivered remarkable progress in deposit retailization while maintaining robust loan growth and steadily reducing balance sheet risks.
- With NIM guidance of ~5.8% in 4QFY26, continued deposit momentum, and strong capital buffers (CRAR 15% before capital raise; 17.6% after the raise), the bank is positioned to deliver improved profitability metrics in the coming years, though elevated cost ratios and the provisioning drag from MFI remain near-term constraints on earnings.
- We thus estimate PPOp/PAT CAGR of ~33%/71% over FY26-28E, translating into RoA/RoE of 1%/9.3% by FY27E. We maintain our Neutral rating with a TP of INR80. Execution on C/I reduction, sustained asset quality improvement, reduction in credit costs and steady NIMs are key upside catalysts.

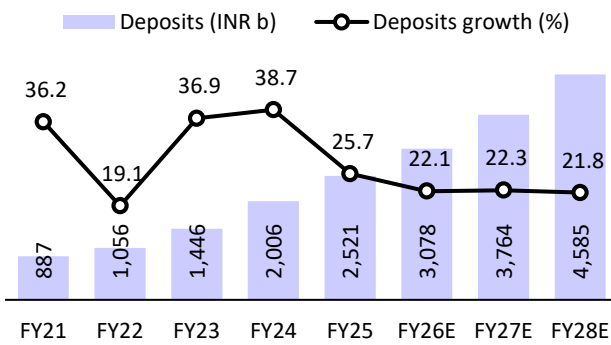
STORY IN CHARTS

Exhibit 1: Estimate loan growth to sustain at ~20% CAGR over FY25-28E



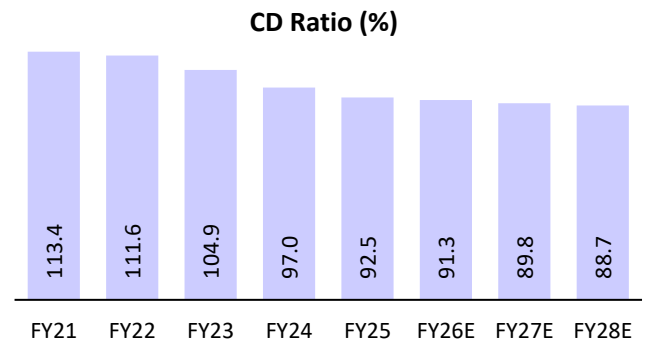
Source: MOFSL, Company

Exhibit 2: Estimate deposit CAGR at ~22% over FY25-28E



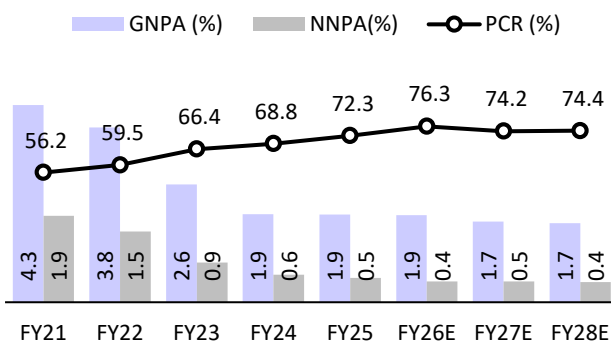
Source: MOFSL, Company

Exhibit 3: CD ratio has moderated to 92.5% in FY25, and is expected to trend down further to 88.7% in FY28E



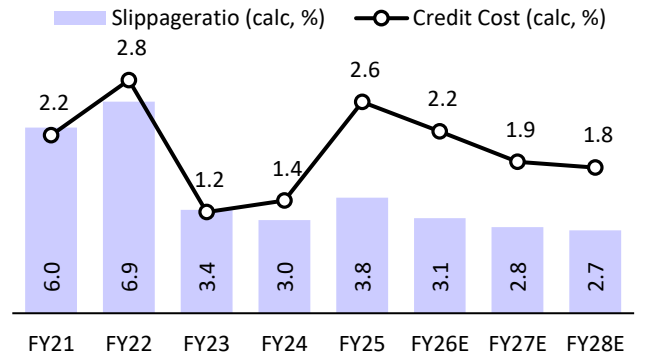
Source: MOFSL, Company

Exhibit 4: Est. GNPA/NNPA ratios at 1.7%/0.4% by FY28E



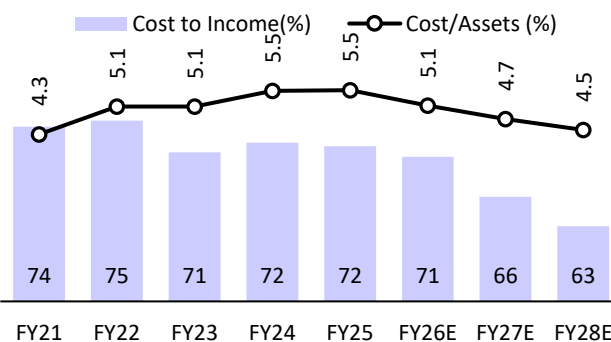
Source: MOFSL, Company

Exhibit 5: Credit cost to moderate to 1.8-1.9% by FY27-28E



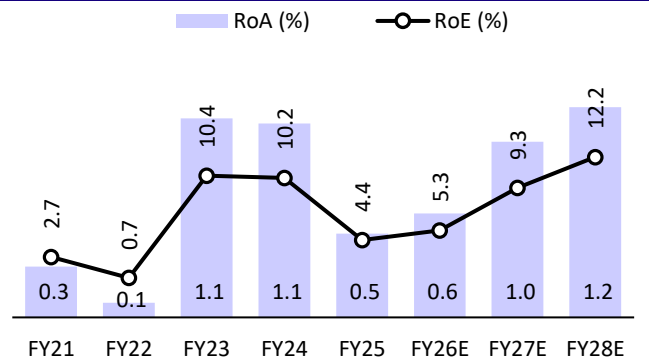
Source: MOFSL, Company

Exhibit 6: Estimate C/I ratio to moderate to ~63% by FY28E



Source: MOFSL, Company

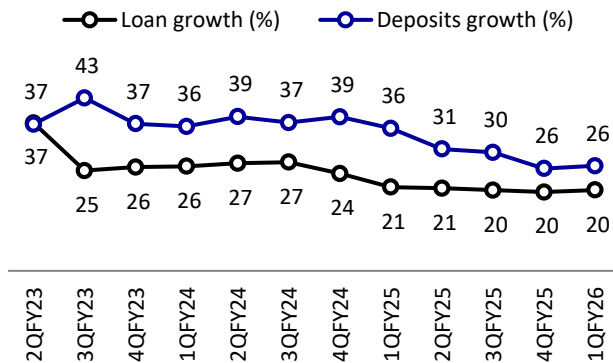
Exhibit 7: Enabling RoA to improve to 1.2% by FY28E



Source: MOFSL, Company

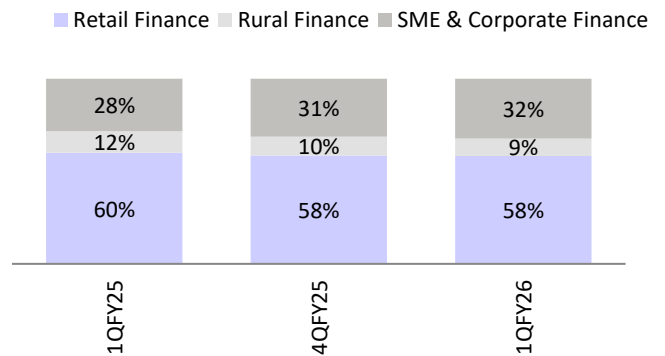
Story in charts

Exhibit 8: Loans/deposits grew 20.3%/26.4% YoY



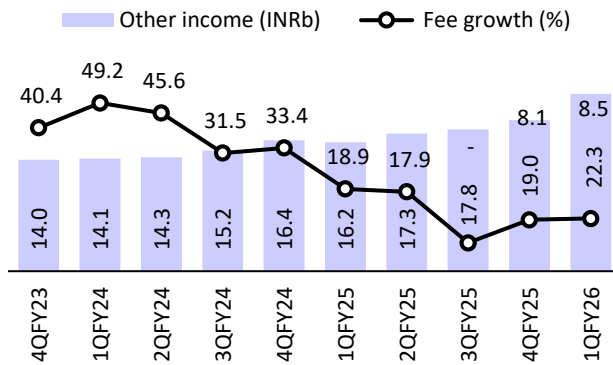
Source: MOFSL, Company

Exhibit 9: Consumer & Rural Finance formed ~68% of loans



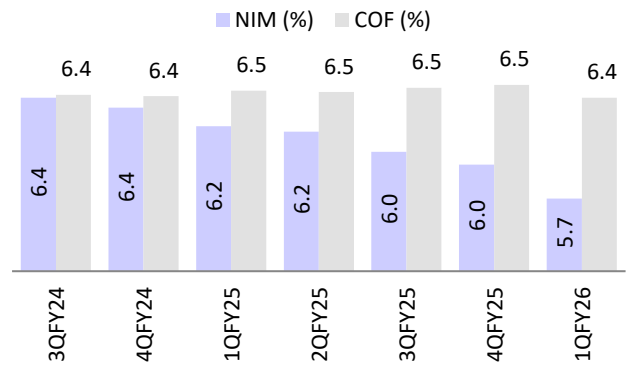
Source: MOFSL, Company

Exhibit 10: Fee income grew 8.5% YoY to INR17.3b in 1QFY26



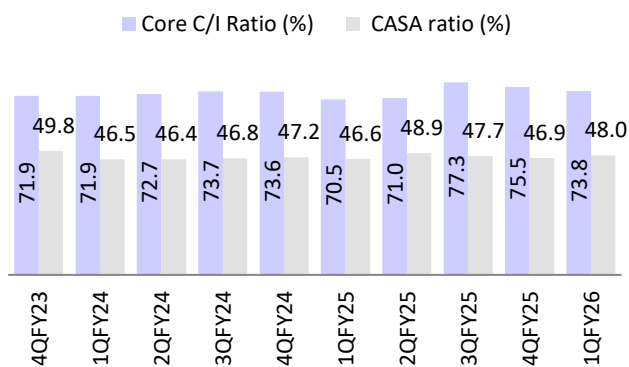
Source: MOFSL, Company

Exhibit 11: NIMs moderated 24bp QoQ to 5.71%



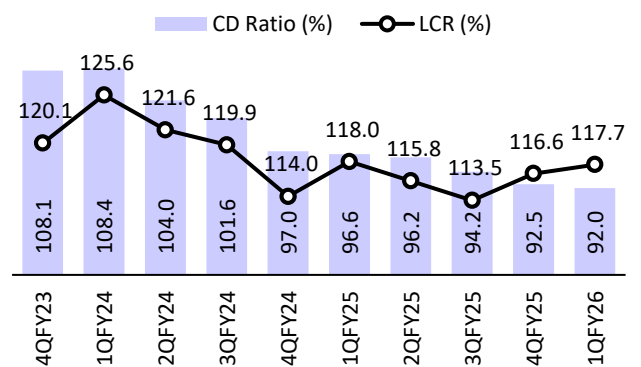
Source: MOFSL, Company

Exhibit 12: Core C/I ratio stood at 73.8%; CASA ratio at 48%



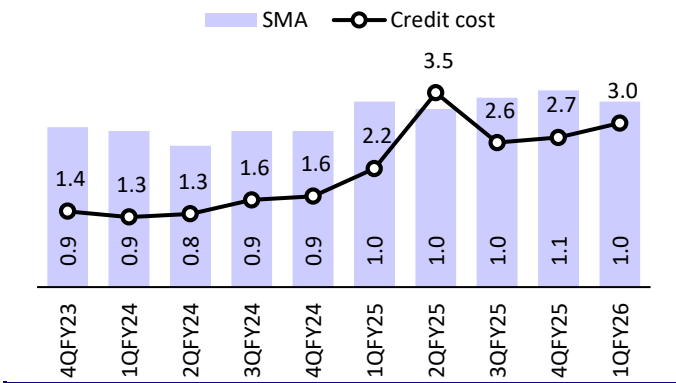
Source: MOFSL, Company

Exhibit 13: CD ratio declined to 92% in 1QFY26



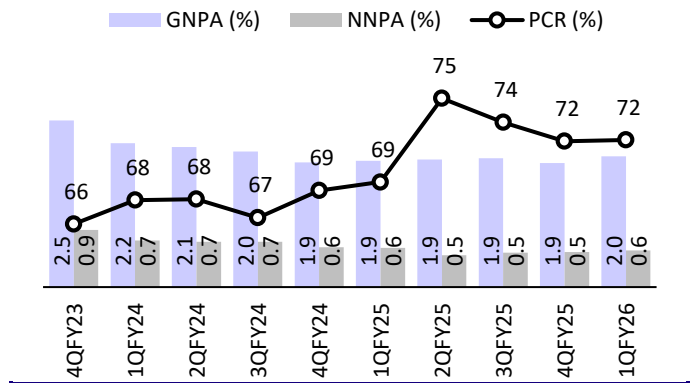
Source: MOFSL, Company

Exhibit 14: Credit costs stood high at 3%; expected to be 2.2% in FY26E and likely to decline to 1.8-1.9% in FY27-28E



Source: MOFSL, Company

Exhibit 15: GNPA/NNPA ratios stood at 2.0%/0.6%; PCR at 72%

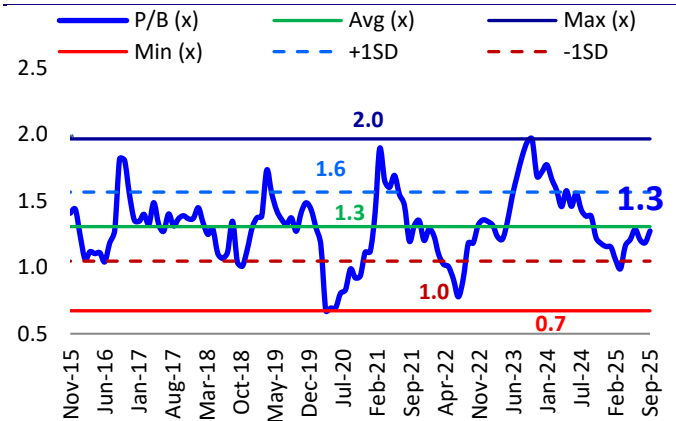


Source: MOFSL, Company

Exhibit 16: DuPont analysis

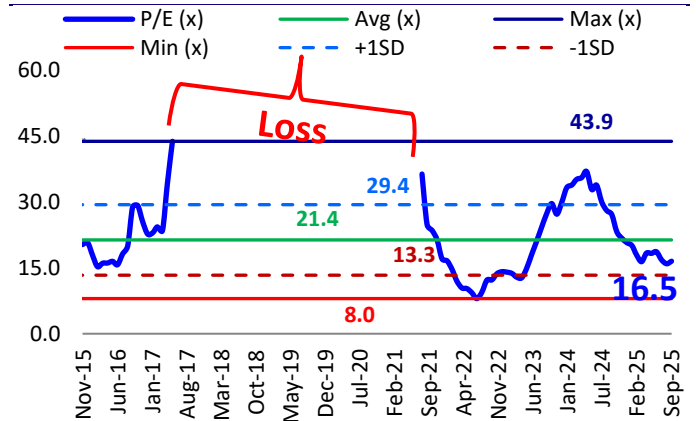
Y/E MARCH (%)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	9.7	10.6	11.3	11.4	11.1	10.9	10.8
Interest Expense	4.2	4.7	5.2	5.4	5.4	5.2	5.1
Net Interest Income	5.5	5.9	6.1	6.0	5.6	5.7	5.7
Fee income	-1.3	0.6	1.5	1.2	1.7	1.7	1.7
Trading and others	3.1	1.5	0.8	1.0	0.5	0.4	0.3
Non Interest income	1.8	2.1	2.2	2.2	2.2	2.1	2.0
Total Income	7.3	8.0	8.4	8.2	7.9	7.8	7.7
Operating Expenses	5.5	5.7	6.1	5.9	5.6	5.2	4.9
Employee cost	1.5	1.7	1.8	1.8	1.7	1.6	1.5
Others	3.9	3.9	4.2	4.1	3.9	3.6	3.4
Operating Profit	1.9	2.3	2.3	2.3	2.3	2.6	2.8
Core Operating Profit	-1.2	0.8	1.6	1.3	1.8	2.2	2.5
Provisions	1.8	0.8	0.9	1.7	1.5	1.3	1.3
PBT	0.1	1.5	1.4	0.6	0.8	1.3	1.6
Tax	0.0	0.4	0.3	0.1	0.2	0.3	0.4
RoA	0.1	1.1	1.1	0.5	0.6	1.0	1.2
Leverage (x)	9.1	9.2	9.3	9.1	8.9	9.3	10.2
RoE	0.7	10.4	10.2	4.4	5.3	9.3	12.2

Exhibit 17: One-year forward P/B ratio



Source: MOFSL, Company

Exhibit 18: One-year forward P/E ratio



Source: MOFSL, Company

Financials and valuations

Income Statement

	(INRb)						
Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Interest Income	171.7	227.3	303.2	365.0	419.9	495.9	589.6
Interest Expense	74.7	100.9	138.7	172.1	205.8	235.4	278.7
Net Interest Income	97.1	126.4	164.5	192.9	214.1	260.5	310.9
-growth (%)	31.5	30.2	30.2	17.3	11.0	21.7	19.3
Non Interest Income	32.2	44.7	60.0	70.2	84.6	94.8	110.9
Total Income	129.3	171.0	224.5	263.1	298.7	355.3	421.8
-growth (%)	34.8	32.3	31.3	17.2	13.5	18.9	18.7
Operating Expenses	96.4	121.7	162.2	189.0	211.1	235.7	266.3
Pre Provision Profits	32.8	49.3	62.4	74.1	87.6	119.5	155.5
-growth (%)	31.4	50.2	26.5	18.9	18.2	36.4	30.1
Core PPop	27.4	46.1	60.3	71.0	85.7	117.7	153.8
-growth (%)	44.0	68.6	30.8	17.6	20.8	37.3	30.6
Provisions (excl tax)	31.1	16.6	23.8	55.1	58.4	59.0	68.6
PBT	1.8	32.7	38.6	19.0	29.3	60.5	86.9
Tax	0.3	8.3	9.0	3.8	6.8	14.9	21.5
Tax Rate (%)	16.9	25.4	23.3	19.7	23.4	24.7	24.7
PAT	1.5	24.4	29.6	15.2	22.4	45.6	65.4
-growth (%)	-67.8	1,575.3	21.3	-48.4	46.9	103.3	43.6

Balance Sheet

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	62.2	66.2	70.7	73.2	85.7	85.7	85.7
Reserves & Surplus	147.7	190.7	250.3	306.1	386.4	422.0	477.5
Net Worth	209.9	256.8	321.0	379.3	472.1	507.7	563.2
Deposits	1,056.3	1,446.4	2,005.8	2,520.7	3,077.7	3,764.0	4,584.6
-growth (%)	19.1	36.9	38.7	25.7	22.1	22.3	21.8
-CASA Dep	511.7	719.8	947.7	1,182.4	1,486.5	1,825.6	2,223.5
-growth (%)	11.5	40.7	31.7	24.8	25.7	22.8	21.8
Borrowings	529.6	572.1	509.4	389.7	419.7	490.6	573.4
Other Liabilities & Prov.	105.8	123.7	124.4	147.0	173.5	204.7	241.5
Total Liabilities	1,901.7	2,399.0	2,960.6	3,436.7	4,143.0	4,967.0	5,962.8
Current Assets	157.6	139.0	124.8	151.0	179.1	200.0	221.8
Investments	461.4	611.2	747.1	807.2	979.9	1,175.9	1,411.0
-growth (%)	1.6	32.5	22.2	8.0	21.4	20.0	20.0
Loans	1,178.6	1,517.9	1,945.9	2,331.1	2,809.0	3,379.2	4,068.6
-growth (%)	17.2	28.8	28.2	19.8	20.5	20.3	20.4
Fixed Assets	13.6	20.9	26.2	26.6	33.0	37.0	41.4
Other Assets	90.6	110.4	117.1	122.3	142.0	175.0	220.0
Total Assets	1,901.8	2,399.4	2,961.2	3,438.2	4,143.0	4,967.0	5,962.8

Asset Quality

	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
GNPA	44.7	38.8	37.2	44.3	53.1	59.0	69.8
NNPA	18.1	13.0	11.6	12.3	12.6	15.2	17.9
GNPA Ratio (%)	3.8	2.6	1.9	1.9	1.9	1.7	1.7
NNPA Ratio (%)	1.5	0.9	0.6	0.5	0.4	0.5	0.4
Slippage Ratio (%)	6.9	3.4	3.0	3.8	3.1	2.8	2.7
Credit Cost (%)	2.8	1.2	1.4	2.6	2.2	1.9	1.8
PCR (Excl Tech. write off) (%)	59.5	66.4	68.8	72.3	76.3	74.2	74.4

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Yield and Cost Ratios (%)							
Avg. Yield-Earning Assets	10.4	11.2	11.9	12.0	11.6	11.4	11.3
Avg. Yield on loans	13.0	14.2	15.0	14.4	14.0	13.7	13.5
Avg. Yield on Investments	5.8	6.1	6.1	6.9	6.9	6.8	6.7
Avg. Cost-Int. Bear. Liab.	5.1	5.6	6.1	6.3	6.4	6.1	5.9
Avg. Cost of Deposits	4.4	5.0	5.9	6.2	6.1	6.0	5.9
Interest Spread	8.6	9.2	9.1	8.2	7.8	7.7	7.6
Net Interest Margin	6.1	6.5	6.8	6.6	6.2	6.2	6.2
Capitalisation Ratios (%)							
CAR	16.7	16.8	16.1	15.5	16.7	15.8	17.5
Tier I	14.9	14.2	13.4	13.2	14.6	13.8	15.5
-CET-1	14.9	14.2	13.4	13.2	14.6	13.8	15.5
Tier II	1.9	2.6	2.8	2.3	2.0	2.0	2.0
Business Ratios (%)							
Loans/Deposit Ratio	111.6	104.9	97.0	92.5	91.3	89.8	88.7
CASA Ratio	48.4	49.8	47.2	46.9	48.3	48.5	48.5
Cost/Assets	5.1	5.1	5.5	5.5	5.1	4.7	4.5
Cost/Total Income	74.6	71.2	72.2	71.8	70.7	66.4	63.1
Cost/Core Income	77.9	72.5	72.9	72.7	71.1	66.7	63.4
Int. Expense/Int.Income	43.5	44.4	45.7	47.1	49.0	47.5	47.3
Fee Income/Total Income	20.7	24.3	25.8	25.5	27.7	26.2	25.9
Non Int. Inc./Total Income	24.9	26.1	26.7	26.7	28.3	26.7	26.3
Empl. Cost/Total Expense	28.0	30.7	30.2	30.2	30.3	30.4	30.7
Efficiency Ratios (INRm)							
CASA per branch	798.3	889.8	1,003.9	1,180.0	2,477.6	3,042.6	3,705.9
Employee per branch (in nos)	43.4	43.7	43.6	42.1	84.4	94.5	105.8
Staff exp per employee	1.0	1.1	1.2	1.4	1.3	1.3	1.3
Busi. per Empl.	80.4	83.8	96.1	115.0	116.3	126.0	136.3
NP per Empl.	0.1	0.7	0.7	0.4	0.4	0.8	1.0

Profitability Ratios and Valuation

RoE	0.7	10.4	10.2	4.4	5.3	9.3	12.2
RoA	0.1	1.1	1.1	0.5	0.6	1.0	1.2
RoRWA	0.1	1.6	1.5	0.6	0.8	1.5	2.1
Book Value (INR)	34	39	45	52	55	59	66
-growth (%)	7.6	15.0	17.0	14.1	6.3	7.5	10.9
Price-BV (x)	2.1	1.8	1.5	1.4	1.3	1.2	1.1
Adjusted BV (INR)	31	37	44	50	53	57	63
Price-ABV (x)	2.3	1.9	1.6	1.4	1.3	1.2	1.1
EPS (INR)	0.2	3.8	4.3	2.1	2.8	5.3	7.6
-growth (%)	-71.6	1,452.3	13.8	-50.9	33.1	88.5	43.6
Price-Earnings (x)	NM	18.4	16.2	33.0	24.8	13.2	9.2

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.raiani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@motilaloswal.com.