

BANKING

Q1FY26 Review

22 August 2025

Credit growth moderation and higher CC impacted profitability

- Credit growth remains moderate; likely to be supported by retail and MSME segments
- Asset quality moderated; MFI stress likely to improve by H2FY26. Expect Pvt/PSU banks to report PAT CAGR of 16%/11% in FY25-FY28E
- Top picks: ICICIB, HDFCB, KMB, and SBIN in large caps, while FB and IDFCBK in midcaps

Niraj Jalan | Vijiya Rao
 research@bobcaps.in

Credit offtake remains moderate: Credit growth was moderate for our coverage banks (+10.2% YoY; +1.1% QoQ) in Q1FY26 but was marginally above the system growth (+9.5% YoY). Loan growth was largely led by retail and MSME segments, while corporate credit demand remains muted, along with calibrated growth in the unsecured segment given the stress in MFI, PL and the CC space. Further, deposit accretion remains a challenge for coverage banks with growth of 12.4% YoY and 1.2% QoQ. IIB was the only bank under coverage to witness degrowth in both advances and deposits as of Jun'25. Deposit growth was also aided by higher CDs outstanding of Rs 5.2trn (+26% YoY) as of Jun'25. As a result, LDR ratio for most banks declined on a YoY basis. System liquidity eased, driven by RBI infusion of ~Rs. 8.2trn of liquidity since December'24. We expect credit offtake to stay moderate at 11-12% YoY in FY26, largely supported by the retail and MSME segments.

Asset quality moderated; MFI stress likely to improve by H2FY26: AQ moderated with GNPA ratio increasing across most of the banks under coverage on a sequential basis. This was mainly driven by higher slippage across most of the banks due to agri seasonality and stress witness by few banks in MFI, small ticket LAP and retail CV segments. AQ was largely stable in corporate advances. Credit costs (CC) for PSU banks were lower at 0.5%-0.9% vs private banks (0.5%-6.8%) in our coverage. Slippage and credit costs for the sector are expected to improve from H2FY26, given the signs of improvement in SMA portfolio. Further, the implementation of MFIN guardrails will likely reduce stress in MFI book, particularly in newer vintages.

NIMs pressure, elevated credit cost weighed on profitability: NIMs declined sequentially across our coverage universe, driven by decline in yield on advances on account of bank's transmission policy in terms of periodicity, share of fixed vs. floating loans, and falling share of MFI advances. Although banks reduced their savings and term deposit rates, the deposit repricing happens with lag. Profitability was supported by higher treasury profits and contained cost-to-income ratio, partially offset by high CCs. We expect NIMs to remain under pressure and CCs to be elevated till H1FY26 and improve gradually thereafter.



Our view: We expect advance growth to stay moderate at 11-12% YoY in FY26, mainly driven by retail and MSME segments. Credit growth is expected to be supported by a probable credit demand from the festive period in 2H of the fiscal year, coupled with benign interest rates. Margins are likely to remain under pressure in FY26 but will be cushioned by CRR cut of 100bps (from Sep'25) and deposit repricing. Asset quality stress in unsecured segments is expected to improve in 2HFY26, which will result in lower CCs. We estimate private / PSU banks to report PAT CAGR of 16%/ 11% during FY25-FY28E. Our top picks in the large-cap space: ICICIB (BUY, TP Rs 1,683), HDFCB (BUY, TP Rs 2,298), KMB (BUY, TP Rs 2,550), and SBIN (BUY, TP Rs 1,013). In midcaps, our top picks are FB (BUY, TP Rs 242), and IDFCBK (BUY, TP Rs 83).

ICICIB: ICICIB is well on track for a robust performance, driven by healthy credit growth, stable credit costs and a sustainable business model. RoA is likely to be ~2.3% and RoE of 16.5-17.1% in FY26-FY28E. We value the bank at Rs 1,683 set at 2.8x Jun'27E ABV, which includes Rs 253/share for subsidiaries.

HDFCB: We believe HDFCB has managed to outperform major private peers previously, by effectively navigating business cycles, delivering stronger profitability and margins, coupled with better asset quality. Return ratios to stay healthy with ROA of 1.7-2.0% and ROE of 13.4-15.7% in FY26-FY28E. We have SOTP-based TP of Rs 2,298 set at 2.5x Jun'27E ABV, which includes a value of Rs 256/sh for the bank's subsidiaries.

KMB: With the removal of RBI's embargo, KMB's business growth is expected to improve. KMB is well capitalised with CAR at 23% (CET1 at 21.8% - Jun'25) to fund future business growth. We estimate the bank to deliver higher return ratios with RoA/RoE at 2.1-2.2%/12.6-13.4% over FY26E- FY28E. We have an SOTP-based TP of Rs 2,550 set at 2.4x Jun'27E ABV, which includes value of Rs 702/sh for the bank's subsidiaries.

SBIN: Healthy business growth, despite SBIN's size, along with steady return profile and asset quality augured well. We expect NIM at ~2.9% and ROA/ROE of 1.1%/15.2% by FY27E. Considering SBIN's healthy performance, we have a TP of Rs 1,013 assigning P/ABV of 1.3x Jun'27E ABV, which includes Rs 239/share for its subsidiaries.

FB: We expect FB's strategic initiatives' fruition to take time and would be watchful. We model advances growth of 15% CAGR over FY25-28E with RoA/RoE of 1.3%/14.1% in FY28E. We value the bank at 1.4x Jun'27E ABV and maintain BUY with TP of Rs 242.

IDFCBK: We expect credit growth at a CAGR of ~19% in FY25-FY28E, supported by expected capital infusion. Focus on operating efficiencies and early signs of AQ improvement would be the key to improving RoA to 0.7-1.2% in FY26- FY28E. We maintain BUY with TP of Rs 83, set at 1.4x Jun'27E ABV vs 5Y average of 1.4x.

Fig 1 – BOBCAPS Banking universe

Company	CMP	Mcap (Rs bn)	P/ABV (x)			ROA (%)			ROE (%)		
			FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
HDFCB	1,991	15,286	2.8	2.5	2.2	1.7	1.9	2.0	13.4	14.6	15.7
ICICIB	1,446	10,319	3.1	2.7	2.4	2.3	2.3	2.3	16.5	16.8	17.1
AXSB	1,079	3,347	1.7	1.5	1.3	1.5	1.7	1.7	12.9	14.1	14.6
KMB	2,018	4,012	3.1	2.7	2.4	2.1	2.2	2.2	12.6	13.3	13.4
IIB	767	598	0.9	0.8	0.7	1.2	1.3	1.4	9.8	10.8	11.3
FB	199	490	1.4	1.2	1.1	1.1	1.2	1.3	11.6	13.2	14.1
RBK	254	155	1.0	0.9	0.8	0.7	1.0	1.0	7.3	9.9	11.4
DCBB	122	38	0.7	0.6	0.5	0.8	0.9	1.0	11.6	12.7	15.2
BANDHAN	177	285	1.1	1.0	0.8	1.5	1.6	1.7	12.3	13.7	14.6
IDFCBK	70	514	1.3	1.2	1.1	0.7	1.0	1.2	6.1	9.1	11.4
SBIN	826	7,622	1.5	1.3	1.2	1.0	1.1	1.1	15.1	15.1	15.4
CBK	111	1,007	1.0	0.8	0.7	1.0	1.0	1.0	16.3	16.3	16.4
EQUITASB	44	85	1.3	1.1	1.0	0.3	1.1	1.3	2.8	11.7	14.3
AUBANK	55	63	1.1	1.0	0.8	1.5	1.8	1.9	14.3	17.4	18.9
UJJIVANS	752	561	3.0	2.5	2.1	1.5	1.7	1.8	12.2	14.5	15.5

Source: Company, BOBCAPS Research

Fig 2 – BOBCAPS Banking universe: Q1FY26

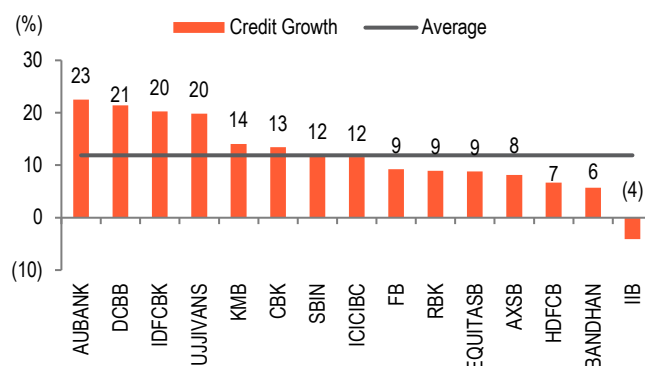
Banks	NII (Rs mn.)	YoY (%)	QoQ (%)	PPOP (Rs mn.)	YoY (%)	QoQ (%)	PAT (Rs mn.)	YoY (%)	QoQ (%)
HDFCB	3,14,380	5.4	(2.0)	3,57,340	49.6	34.7	1,81,552	12.2	3.1
ICICIB	2,16,345	10.6	2.1	1,87,458	17.0	6.1	1,27,682	15.5	1.1
AXSB	1,35,598	0.8	(1.8)	1,15,152	13.9	7.1	58,061	(3.8)	(18.4)
KMB	72,593	6.1	(0.3)	55,637	5.9	1.7	32,817	20.2	(7.6)
IIB	46,398	(14.2)	52.2	25,673	(35.0)	(623.0)	6,041	(72.2)	(125.9)
FB	23,368	2.0	(1.7)	15,563	3.7	6.2	8,618	(14.6)	(16.4)
RBK	14,807	(12.9)	(5.3)	7,030	(18.2)	(18.4)	2,003	(46.1)	191.6
DCBB	5,804	16.9	4.0	3,269	59.2	7.0	1,573	19.7	(11.2)
BANDHAN	27,572	(8.2)	0.0	16,684	(14.0)	6.2	3,720	(65.0)	17.0
IDFCBK	49,331	5.1	0.5	22,394	19.0	23.6	4,626	(32.0)	52.1
SBIN	4,10,725	(0.1)	(4.0)	3,05,445	15.5	(2.4)	1,91,604	12.5	2.8
CBK	90,088	(1.7)	(4.6)	85,536	12.3	3.3	47,520	21.7	(5.0)
EQUITASB	7,857	(2.0)	(5.3)	3,148	(7.5)	1.1	(2,238)	(968.7)	(631.4)
AUBANK	20,447	6.5	(2.4)	13,122	32.8	1.5	5,809	15.6	15.3
UJJIVANS	8,560	(9.1)	(1.0)	3,605	(29.3)	0.2	1,032	(65.7)	23.8

Source: Company, BOBCAPS Research

Fig 3 – Slowdown in credit offtake

Advances (YoY%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
AUBANK	42.6	47.8	49.2	46.4	22.5
DCBB	18.9	19.3	22.7	24.7	21.4
IDFCBK	21.0	23.0	20.3	19.8	20.3
UJJIVANS	22.3	20.0	15.6	16.8	19.9
KMB	18.7	14.7	15.1	13.5	14.1
CBK	10.7	10.3	11.2	12.6	13.4
SBIN	15.9	15.3	13.8	12.4	11.9
ICICIBC	15.7	15.0	13.9	13.3	11.5
FB	20.3	19.4	15.7	12.1	9.2
RBK	18.6	15.1	13.1	10.3	8.9
EQUITASB	16.0	18.1	21.1	16.9	8.8
AXSB	14.2	11.4	8.8	7.8	8.1
HDFCB	52.5	7.0	3.0	5.4	6.7
BANDHAN	23.8	23.6	15.6	9.0	5.7
IIB	15.5	13.2	12.2	0.5	(4.1)

Source: Company, BOBCAPS Research. Note: HDFCB includes merger

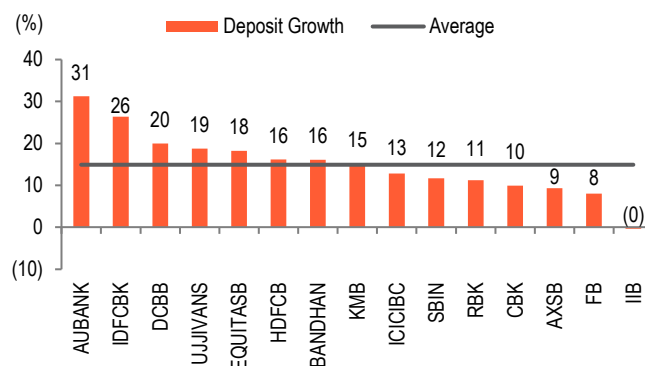
Fig 4 – Credit growth moderated for most banks QoQ

Source: Company, BOBCAPS Research

Fig 5 – Deposits mobilisation remained challenging; aided by CDs issuance

Deposits (YoY %)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
AUBANK	40.4	44.8	40.1	42.5	31.3
IDFCBK	35.8	30.6	29.8	25.7	26.4
DCBB	20.2	19.9	20.3	21.6	20.0
UJJIVANS	22.0	16.9	16.3	19.6	18.8
EQUITASB	35.4	29.2	25.8	19.3	18.3
HDFCB	24.4	15.1	15.8	14.1	16.2
BANDHAN	22.8	27.2	20.1	11.8	16.1
KMB	15.8	15.1	15.9	11.2	14.6
ICICIBC	15.1	15.7	14.1	14.0	12.8
SBIN	8.2	9.1	9.8	9.5	11.7
RBK	18.4	20.2	15.1	7.2	11.2
CBK	12.0	9.3	8.4	11.0	9.9
AXSB	12.8	13.7	9.1	9.8	9.3
FB	19.6	15.6	11.2	12.3	8.0
IIB	14.8	14.7	11.0	6.8	(0.3)

Source: Company, BOBCAPS Research. Note: HDFCB includes merger

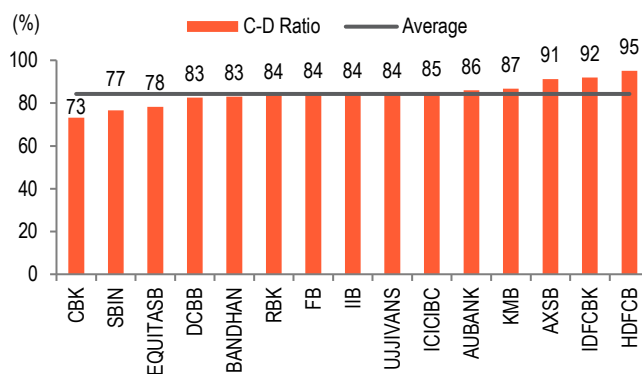
Fig 6 – Deposits accretion weak on QoQ basis for most banks

Source: Company, BOBCAPS Research

Fig 7 – C-D ratio largely declined on a sequential basis

C-D Ratio (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
HDFCB	103.5	99.8	98.2	96.5	95.1
IDFCBK	96.6	96.2	94.2	92.5	92.0
AXSB	92.2	92.0	92.6	88.7	91.2
KMB	87.2	86.6	87.4	85.5	86.7
AUBANK	92.1	86.5	88.7	86.2	86.0
ICICIBC	85.8	85.3	86.5	83.3	84.8
UJJIVANS	83.4	85.6	85.9	83.4	84.2
IIB	87.3	86.6	89.6	84.0	84.0
FB	83.0	85.6	86.5	82.8	83.9
RBK	85.5	81.4	84.7	83.5	83.8
BANDHAN	91.3	88.5	90.3	87.3	83.1
DCBB	81.6	81.5	84.3	85.0	82.6
EQUITASB	85.1	85.2	86.9	84.0	78.3
SBIN	76.5	75.4	76.6	77.4	76.7
CBK	70.9	73.0	74.8	72.0	73.1

Source: Company, BOBCAPS Research. Note: HDFCB includes merger

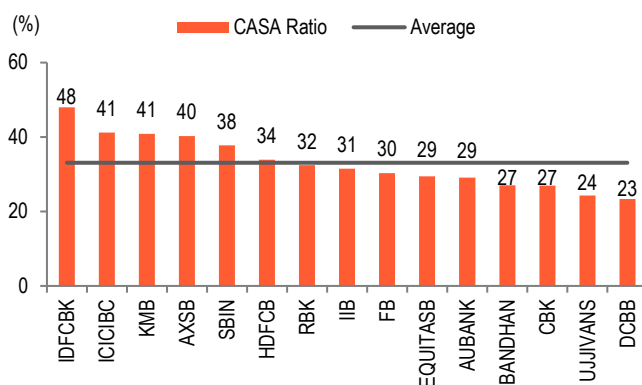
Fig 8 – C-D ratio declined moderately, due to muted advances growth in Q1FY26

Source: Company, BOBCAPS Research

Fig 9 – CASA ratio moderates for most banks

CASA Ratio (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
IDFCBK	46.6	48.9	47.7	46.9	48.0
ICICIBC	40.9	40.6	40.5	41.8	41.2
KMB	43.4	43.6	42.3	43.0	40.9
AXSB	41.8	40.6	39.5	40.8	40.3
SBIN	39.1	38.4	37.6	38.4	37.8
HDFCB	36.3	35.3	34.0	34.8	33.9
RBK	32.6	33.6	32.8	34.1	32.5
IIB	36.7	35.9	34.9	32.8	31.5
FB	29.3	30.1	30.2	30.2	30.3
EQUITASB	31.2	30.6	28.6	28.8	29.4
AUBANK	32.9	32.4	30.6	29.2	29.1
BANDHAN	33.4	33.2	31.7	31.4	27.1
CBK	28.6	28.7	27.5	28.5	27.0
UJJIVANS	25.6	25.9	25.1	25.5	24.3
DCBB	25.4	25.6	25.1	24.5	23.3

Source: Company, BOBCAPS Research. Note: HDFCB includes merger

Fig 10 – IDFC maintained its CASA position in Q1FY26

Source: Company, BOBCAPS Research

Fig 11 – NII growth moderated, mainly driven by slowdown in credit growth

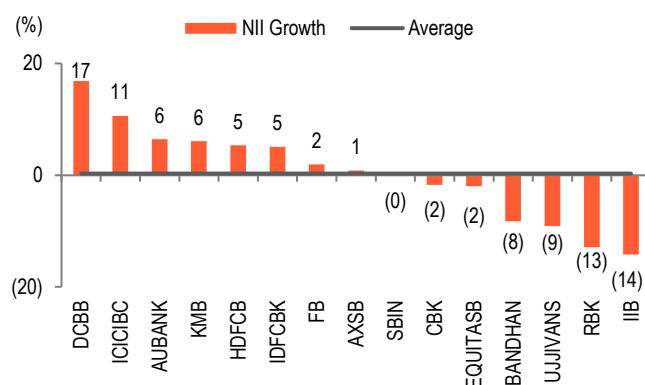
NII Growth (YoY %)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
DCBB	5.5	7.0	14.5	9.9	16.9
ICICIBC	7.3	9.5	9.1	11.0	10.6
AUBANK	54.1	58.1	52.7	56.6	6.5
KMB	9.8	11.5	9.8	5.4	6.1
HDFCB	26.4	10.0	7.7	10.3	5.4
IDFCBK	25.4	21.2	14.4	9.8	5.1
FB	19.5	15.1	14.5	8.3	2.0
AXSB	12.5	9.5	8.6	5.5	0.8
SBIN	5.7	5.4	4.1	2.7	(0.1)
CBK	5.8	4.6	(2.9)	(1.4)	(1.7)
EQUITASB	7.9	4.8	4.2	5.5	(2.0)
BANDHAN	20.7	20.7	12.1	(3.9)	(8.2)
UJJIVANS	18.8	14.6	3.1	(7.4)	(9.1)
RBK	19.5	9.5	2.5	(2.3)	(12.9)
IIB	11.1	5.3	(1.3)	(43.3)	(14.2)

Source: Company, BOBCAPS Research. Note: HDFCB includes merger

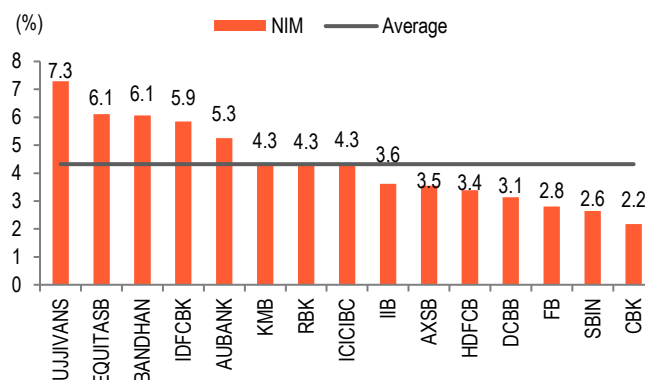
Fig 13 – NIMs expected to stay under pressure till H1FY26, as deposits lag the advances in repricing

NIM (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
UJJIVANS	9.4	9.1	8.2	7.7	7.3
EQUITASB	7.3	7.0	6.9	6.6	6.1
BANDHAN	7.3	7.1	6.7	6.2	6.1
IDFCBK	6.5	6.4	6.3	6.0	5.9
AUBANK	6.7	6.1	5.9	5.7	5.3
KMB	4.7	4.7	4.7	4.5	4.3
RBK	5.4	5.0	4.8	4.6	4.3
ICICIBC	4.4	4.3	4.3	4.3	4.3
IIB	4.4	4.2	4.1	2.4	3.6
AXSB	3.8	3.8	3.8	3.7	3.5
HDFCB	3.5	3.5	3.5	3.5	3.4
DCBB	3.3	3.2	3.2	3.1	3.1
FB	3.1	3.0	3.0	2.9	2.8
SBIN	2.9	2.9	2.8	2.8	2.6
CBK	2.5	2.5	2.4	2.4	2.2

Source: Company, BOBCAPS Research. Note: HDFCB includes merger

Fig 12 – NII witnessed degrowth largely for PSU and SFBs


Source: Company, BOBCAPS Research

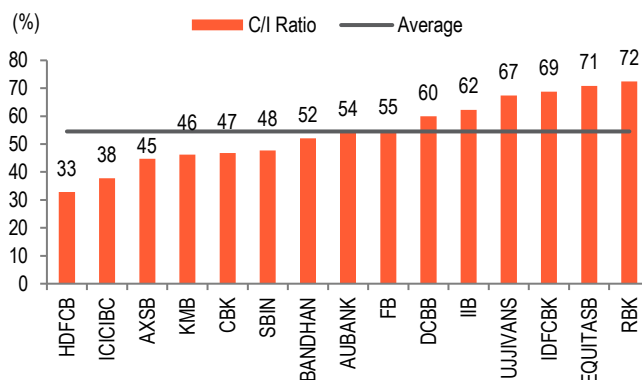
Fig 14 – NIMs declined on a sequential basis in Q1FY26


Source: Company, BOBCAPS Research

Fig 15 – C/I ratios largely remained contained with a slowdown in business growth

CIR (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
HDFCB	41.0	40.6	40.6	39.8	32.8
ICICIBC	39.7	38.6	38.5	37.9	37.8
AXSB	47.5	47.0	46.2	47.8	44.7
KMB	46.2	47.5	47.2	47.7	46.2
CBK	47.4	46.5	47.6	47.5	46.8
SBIN	49.4	48.5	55.1	53.3	47.7
BANDHAN	45.1	47.6	48.5	54.5	52.1
AUBANK	59.9	56.7	54.4	54.7	54.0
FB	53.2	53.0	53.1	56.7	54.9
DCBB	67.9	64.3	62.7	60.7	60.0
IIB	49.7	52.2	52.5	113.1	62.2
UJJIVANS	55.2	60.0	66.1	68.3	67.4
IDFCBK	70.2	69.9	73.7	73.4	68.7
EQUITASB	66.3	66.4	68.5	70.5	70.8
RBK	65.7	64.2	62.5	66.4	72.4

Source: Company, BOBCAPS Research. Note: HDFCB includes merger

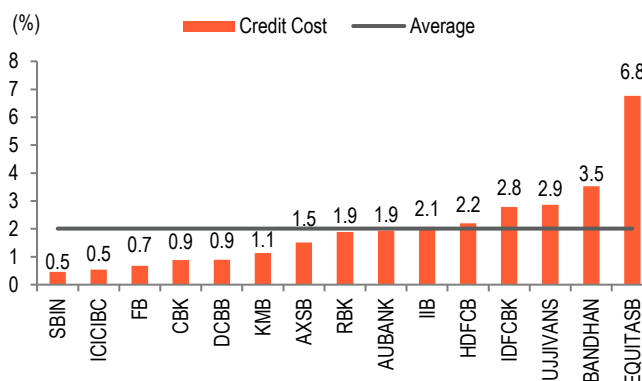
Fig 16 – C/I ratio remains elevated


Source: Company, BOBCAPS Research

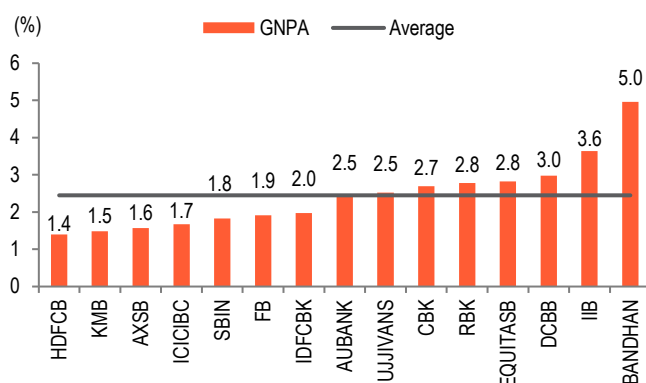
Fig 17 – Credit costs increased mainly driven by stress in unsecured portfolio

Credit Cost (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
SBIN	0.4	0.5	0.1	0.6	0.5
ICICIBC	0.4	0.4	0.4	0.3	0.5
FB	0.3	0.3	0.5	0.2	0.7
CBK	1.0	0.9	1.0	0.7	0.9
DCBB	0.3	0.4	0.6	0.5	0.9
KMB	0.6	0.7	0.8	0.9	1.1
AXSB	0.8	0.9	0.9	0.5	1.5
RBK	1.7	2.8	5.3	3.4	1.9
AUBANK	1.4	1.6	2.0	2.4	1.9
IIB	1.2	2.1	1.9	2.8	2.1
HDFCB	0.4	0.4	0.5	0.5	2.2
IDFCBK	2.0	3.3	2.4	2.5	2.8
UJJIVANS	1.6	2.2	3.1	3.6	2.9
BANDHAN	1.7	2.0	4.3	3.9	3.5
EQUITASB	3.9	4.1	2.9	2.9	6.8

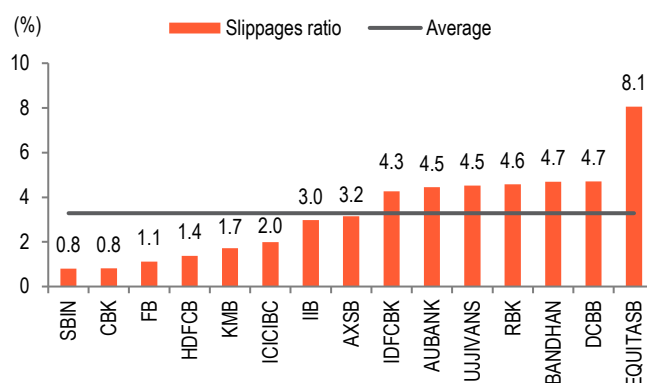
Source: Company, BOBCAPS Research. Note: HDFCB includes merger

Fig 18 – Credit costs remained elevated; EQUITASB reported higher one-off provisions


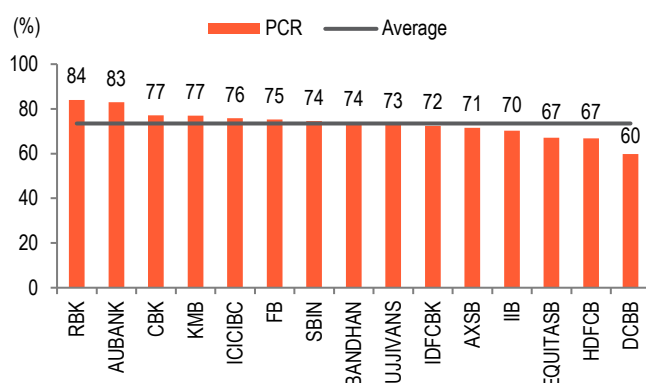
Source: Company, BOBCAPS Research

Fig 19 – GNPA ratios increased mainly on higher slippages


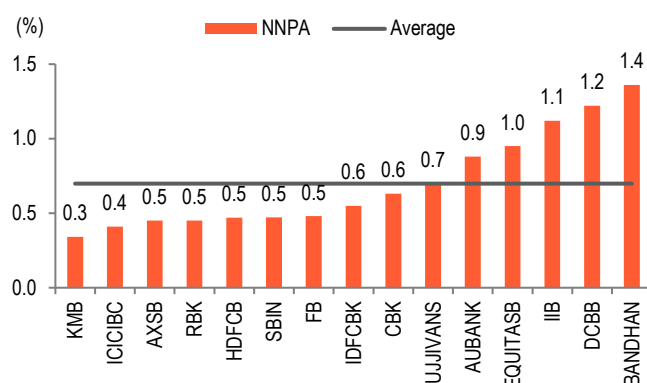
Source: Company, BOBCAPS Research

Fig 20 – EQUITASB's slippages largely from MFI book while AXSB saw technical impact on asset recognition


Source: Company, BOBCAPS Research

Fig 21 – PCR remains in the range of 60-84% across banks


Source: Company, BOBCAPS Research

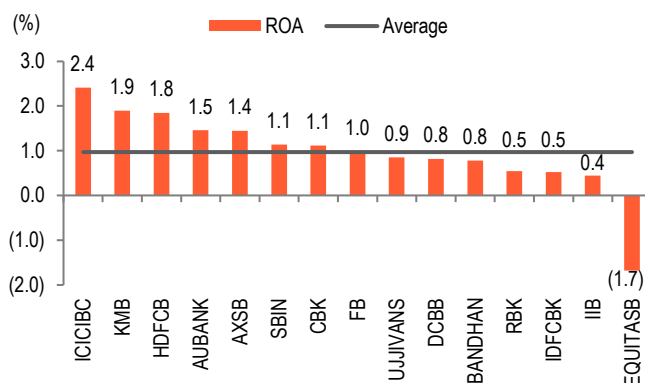
Fig 22 – NNPA ratios largely deteriorated QoQ


Source: Company, BOBCAPS Research

Fig 23 – RoA largely remained stable on QoQ

ROA (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
ICICIBC	2.4	2.4	2.4	2.4	2.4
KMB	4.1	2.2	2.1	2.1	1.9
HDFCB	1.8	1.9	1.8	1.8	1.8
AUBANK	1.7	1.7	1.5	1.3	1.5
AXSB	1.6	1.9	1.7	1.8	1.4
SBIN	1.1	1.2	1.0	1.1	1.1
CBK	1.0	1.0	1.0	1.2	1.1
FB	1.3	1.3	1.1	1.2	1.0
UJJIVANS	2.9	2.2	1.0	0.7	0.9
DCBB	0.8	0.9	0.9	1.0	0.8
BANDHAN	2.4	2.1	0.9	0.7	0.8
RBK	1.1	0.6	0.1	0.2	0.5
IDFCBK	0.9	0.3	0.4	0.4	0.5
IIB	1.7	1.0	1.0	(1.7)	0.4
EQUITASB	0.2	0.1	0.5	0.3	(1.7)

Source: Company, BOBCAPS Research. Note: HDFCB includes merger

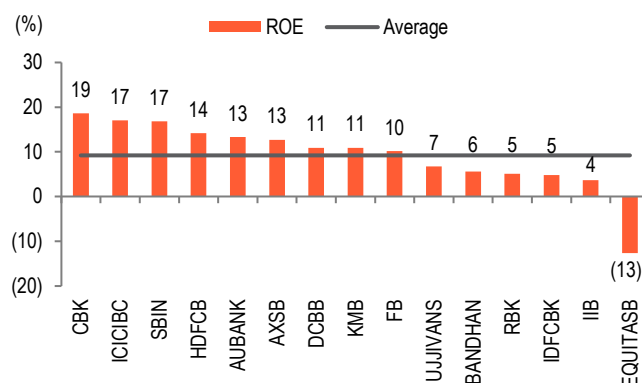
Fig 24 – RoA remains superior for ICICIBC, KMB and HDFCB


Source: Company, BOBCAPS Research

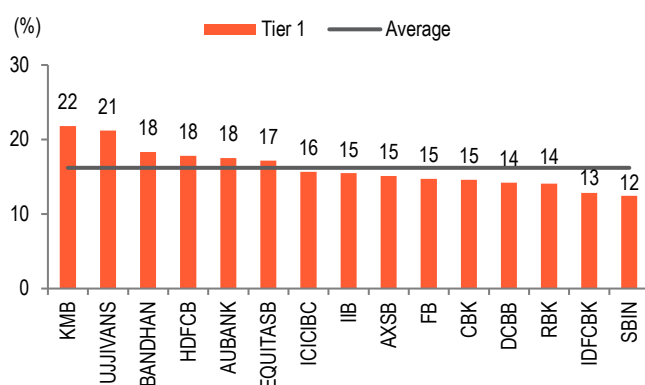
Fig 25 – RoE moderated mainly due to higher credit cost

ROE (%)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
CBK	17.4	16.9	16.8	20.2	18.6
ICICIBC	18.0	18.3	17.8	17.9	17.1
SBIN	17.6	18.0	15.8	17.0	16.8
HDFCB	14.4	14.6	14.1	14.3	14.2
AUBANK	14.3	14.5	13.0	11.9	13.3
AXSB	15.6	17.1	14.9	16.2	12.7
DCBB	10.2	11.8	11.2	12.7	10.9
KMB	24.6	12.3	11.7	12.2	10.9
FB	13.5	13.6	12.0	12.5	10.2
UJJIVANS	20.9	15.8	7.3	5.5	6.7
BANDHAN	17.8	15.0	6.7	4.9	5.6
RBK	9.9	5.8	0.8	1.8	5.1
IDFCBK	8.3	2.3	3.6	3.2	4.8
IIB	13.3	8.0	8.3	(14.0)	3.7
EQUITASB	1.7	0.8	3.7	2.3	(12.6)

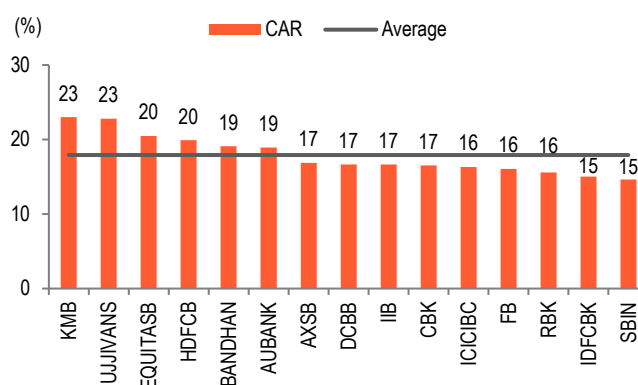
Source: Company, BOBCAPS Research. Note: HDFCB includes merger

Fig 26 – PSBs and ICICIBC top the chart, in terms of RoE

Source: Company, BOBCAPS Research

Fig 27 – Tier 1 capital remained adequate

Source: Company, BOBCAPS Research

Fig 28 – CAR remained adequate to support growth

Source: Company, BOBCAPS Research

Glossary

Glossary of Abbreviations

CASA	Current Account and Savings Account	NIM	Net Interest Margin
CAR	Capital Adequacy Ratio	NNPA	Net Non-Performing Assets
CET1	Common Equity Tier 1	PCR	Provision Coverage Ratio
C-D	Credit-Deposit Ratio	PSB	Public Sector Banks
C/I	Cost-Income Ratio	RBI	Reserve Bank of India
GNPA	Gross Non-Performing Assets	RWA	Risk-weighted Assets
LCR	Liquidity Coverage Ratio	SLR	Statutory Liquidity Ratio
MFI	Microfinance Institution	SMA	Special Mention Account
NII	Net Interest Income	SME	Small and Medium-sized Enterprises

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**

Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**

SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**

Brand Name: **BOBCAPS**

Trade Name: **www.barodaetrade.com**

CIN: **U65999MH1996GOI098009**



Investments 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.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS 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 salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions 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. 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. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. 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. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

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. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, 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 and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "Losses") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd ("MSL") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as "MAYBANK"). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.