FIRST LIGHT

29 July 2024

RESEARCH

INDRAPRASTHA GAS | TARGET: Rs 600 | +11% | HOLD

Getting back on track but needs time; downgrade to HOLD

MAHANAGAR GAS | TARGET: Rs 1,875 | +2% | HOLD

Recent run-up raises bar on growth, downgrade to HOLD

AMBER ENTERPRISES | TARGET: Rs 4,200 | -4% | HOLD

Strong quarter; margin expansion sustainable

ICICI BANK | TARGET: Rs 1,352 | +12% | HOLD

Modest business; other income increases aid PAT

AXIS BANK | TARGET: Rs 1,222 | +4% | HOLD

Moderate business growth; higher provision dragged PAT

INDUSIND BANK | TARGET: Rs 1,844 | +31% | BUY

Stable performance

ASHOK LEYLAND | TARGET: Rs 283 | +15% | BUY

Good show in a challenging quarter; retain BUY

FEDERAL BANK | TARGET: Rs 242 | +22% | BUY

Higher other income supports PAT growth

MPHASIS | NOT RATED

Weak quarter but bullish commentary

SUMMARY

INDRAPRASTHA GAS

- IGL's Q1 recovery was ahead of our forecasts with a sharper reduction in gas purchase costs partly due to opportune use of cheaper spot gas
- We note continuous improvement in focus on targeting volume growth and more commitment to expanding growth avenues
- We raise DCF-based TP to Rs 600 (from Rs 525), factoring in possibility to regain growth trajectory. Downgrade to HOLD given 11% upside

Click here **for the full report.**

BOBCAPS Research
research@bobcaps.in

MAHANAGAR GAS

- MAHGL breaks out of modest growth history, clocking 12% YoY volume growth over past six months
- We push up growth trajectory to 7.5% CAGR over FY24-27E and 6% over FY24-33E as well as factor in margin advantage for MAHGL
- Raise DCF-based TP to Rs 1,875 (from Rs 1,545); downgrade to HOLD with strong 46% rally in stock price pricing in new growth trajectory

Click here **for the full report.**

AMBER ENTERPRISES

- Q1 sees 41% YoY topline growth and 140bps EBITDA margin expansion from improved product mix
- Extreme summer fuels 45% surge in consumer durables and 46% rise in electronics through strong RAC demand
- We raise FY25/FY26 EPS estimates by 6%/5%. We roll over valuation to Jun'26E and raise TP to Rs 4,200. Upgrade to HOLD

Click here **for the full report.**

ICICI BANK

- Moderate business growth led to subdued NII (2%/7% QoQ/YoY), while PAT grew 3%/15% QoQ/YoY aided by higher other income (24% QoQ)
- Reported NIM declined 4bps QoQ to 4.36%, on account of higher interest reversal from KCC, while asset quality remained stable
- Increase estimates; raise TP to Rs 1,352 (from Rs 1,272) and continue to value at 2.7x FY26E (Jun'26) ABV on consistent performance. HOLD

Click here **for the full report.**

AXIS BANK

- Seasonally weak quarter with moderate business growth coupled with higher stress dragged profitability. PAT declined 15% QoQ, up 4% YoY
- Reported NIM was flat at 4.05%, other income remained muted on weak DCM and treasury gain. Employee cost led to higher opex
- Moderation in business growth with stable asset quality. We maintain HOLD on the stock with revised TP of Rs 1,222; 1.6x FY26E (Jun'26)

Click here **for the full report.**

INDUSIND BANK

- Business growth moderate on seasonality with credit/deposit growth of 15%16% YoY vs. target 18-23% (guidance intact) leading to flat QoQ NII
- Reported NIM flat 4.25% on growth slowing in MFI and CC book; expect improved performance on operational efficiency and stable asset quality
- Lower GGM-based TP to Rs 1,844, valued at 1.8x FY26E P/ABV, as we tweak growth estimates. Maintain BUY

Click here for the full report.

ASHOK LEYLAND

- Q1FY25 revenue grew 5% YoY to Rs 85.9bn, despite a challenging quarter, aided by 6% volume growth
- EBITDA margin grew by only 46bps YoY to 10.6% despite healthy gross margin, owing to higher other expenses
- We raise our earnings for FY25E/FY26E by 2%/3% and retain our BUY rating for a revised 1-year forward SOTP-based TP of Rs 283

Click here for the full report.

FEDERAL BANK

- Continued strong (20% YoY) business growth momentum; NII/PAT grew 20%/18% YoY on higher other income and lower opex
- NIM came in at 3.2% (-9bps QoQ); credit cost normalised at 27bps and FB guided for 30-35bps in FY25. Asset quality remained stable
- We raise FY26 PAT estimates by 3% for a new TP of Rs 242 (from Rs 207), set at 1.5x FY26E (Jun'26) ABV (1.4x earlier); retain BUY

Click here for the full report.

MPHASIS

- Weak quarter despite talk of BFSI bottoming out. Significant TCV uptick QoQ from a very weak base. Much discussion on expanded pipelines
- MPHL hints at industry leading growth for FY25 – implies ~2% CQGR for next three quarters driven by BFSI and top accounts
- CEO hints at likely market share shifts in industry in next 12-24 months depending on who brings in AI/Gen AI infused solutions to market

Click here for the full report.

RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 600 | ⮝ 11%

INDRAPRASTHA GAS | Oil & Gas | 27 July 2024

Getting back on track but needs time; downgrade to HOLD

- **IGL's Q1 recovery was ahead of our forecasts with a sharper reduction in gas purchase costs partly due to opportune use of cheaper spot gas**
- **We note continuous improvement in focus on targeting volume growth and more commitment to expanding growth avenues**
- **We raise DCF-based TP to Rs 600 (from Rs 525), factoring in possibility to regain growth trajectory. Downgrade to HOLD given 11% upside**

Kirtan Mehta, CFA
research@bobcaps.in

Q1 ahead: Q1 EBITDA at Rs 5.8bn was 7% above Bloomberg consensus and 16% above our forecast with a sharp Rs 0.8/scm recovery in EBITDA margin to Rs 7.4/scm. IGL was able to clock higher sequential savings of Rs 0.6/scm in gas purchase costs compared to MAHGL with the use of spot cargoes and cost-saving measures. Loss of DTC bus volume kept growth subdued at 5.3% YoY for IGL and 4.7% YoY for CNG. Excluding DTC volumes, CNG growth appears to be at 7% YoY. IGL guided for a pick-up in Q2 with higher CNG growth and EBITDA margin.

Improving growth focus: This is visible in improving granularity of volume growth tracking to offset decline/slowdown in Delhi. For the first time, the company shared its state-wise mix and growth. IGL is also allocating higher proportion of capex on GAs outside Delhi to support growth delivery.

Expanding growth avenues: IGL has firmed up plans for 5-6 LNG stations in FY25 and considering 100 stations pan-India including 7-8 LNG stations within its GAs. With each station's potential at 10k-20k kg/day (>6k average for CNG station in Delhi), 100 stations could contribute ~20% of current CNG volumes. It continues to engage with stakeholders to develop CNG usage in commercial vehicles, dumpers, long-haul state buses with type-4 cylinders. Recent launches of CNG 2-wheelers could open up a new segment over the next decade.

Push up growth over FY27-33E: While we maintain our FY25/FY26 forecasts, we again pencil in volume growth CAGR of 7.5% (from 6.8% CAGR) over FY24-33. With a well-established footprint and the right focus on expanding growth avenues, we now see a possibility of IGL regaining its growth trajectory.

Downgrade to HOLD: Factoring in higher volume growth and rolling forward to Sep'25, we raise DCF-based TP to Rs 600 (from Rs 525). Our TP implies an FY26 target multiple of 18.8x, higher than 5Y mean 1Y-fwd P/E of 18.1x. This is higher than the target multiple for MAHGL at 15.5x due to use of higher terminal growth rate of 4% (vs 2.5% for MAHGL) reflecting a larger footprint. With a 35% run-up since Mar and current 11% upside below our hurdle rate, downgrade to HOLD.

Key changes

Target	Rating
▲	▼

Ticker/Price	IGL IN/Rs 541
Market cap	US$ 4.5bn
Free float	55%
3M ADV	US$ 22.3mn
52wk high/low	Rs 553/Rs 376
Promoter/FPI/DII	45%/16%/25%

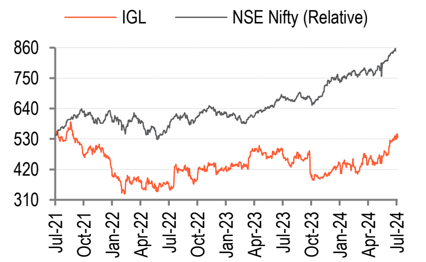
Source: NSE | Price as of 26 Jul 2024

Key financials

Y/E 31 Mar	FY24P	FY25E	FY26E
Total revenue (Rs mn)	1,40,000	1,46,974	1,60,276
EBITDA (Rs mn)	23,637	25,577	27,905
Adj. net profit (Rs mn)	19,834	20,736	22,345
Adj. EPS (Rs)	28.3	29.6	31.9
Consensus EPS (Rs)	28.3	29.3	31.1
Adj. ROAE (%)	22.6	20.0	18.8
Adj. P/E (x)	19.1	18.2	16.9
EV/EBITDA (x)	15.3	14.0	12.7
Adj. EPS growth (%)	21.0	4.5	7.8

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

RESULT REVIEW

HOLD
TP: Rs 1,875 | ⮝ 2%

MAHANAGAR GAS | Oil & Gas | 27 July 2024

Recent run-up raises bar on growth, downgrade to HOLD

- **MAHGL breaks out of modest growth history, clocking 12% YoY volume growth over past six months**
- **We push up growth trajectory to 7.5% CAGR over FY24-27E and 6% over FY24-33E as well as factor in margin advantage for MAHGL**
- **Raise DCF-based TP to Rs 1,875 (from Rs 1,545); downgrade to HOLD with strong 46% rally in stock price pricing in new growth trajectory**

Kirtan Mehta, CFA
research@bobcaps.in

Momentum continues: Q1FY25 EBITDA at Rs 4.2bn was 10% ahead of Bloomberg consensus and 13% ahead of ours. MAHGL delivered 13% YoY volume growth and Rs 0.5/scm sequential improvement in EBITDA margin to Rs 11.9/scm.

Pushing the growth envelope: MAHGL breached its historical modest growth trend of 4% over FY19-24 by clocking 12.6% YoY volume growth over the past six months, driving all three segments above 10% growth. As a result, we raise the volume growth trajectory to 8.9% (from 7.7%) for FY25E, 7.5% CAGR over FY24-27E, both above company guidance. With new avenues emerging like commercial vehicles, LNG for long-haul transport and two-wheelers, we raise growth over the next decade (FY24-33) to ~6% (from 5.3%) for the core operations at the upper end of guidance and 7.7% (7.4%) including UEPL over FY24-33E.

Building margin advantage: We factor in margin at the upper half of the company's guidance of Rs 10-12/scm, well above Rs 9.5/scm over FY19-23. This is supported by (i) favourable policy (allocation of HPHT gas, lower APM gas price and lower sales tax), (ii) lower gas costs (transportation, flexibility in contracts) and (iii) higher taxes on competing fuels within the state. Refer for comparison with IGL.

Raise estimates: On pick-up in momentum, we raise our FY25/FY26 EBITDA forecasts by 5% each. However, on normalisation of margin from high levels in FY24, we estimate flat EBITDA growth (-0.6% CAGR) over FY24-27.

Downgrade to HOLD: We raise our DCF-based TP to Rs 1,875 (from Rs 1,545) as MAHGL breaches its historical growth trend, and roll forward valuation to Sep'25 (from May'25). Our TP implies FY26E P/E of 15.5x after consolidating UEPL, above the 1Y fwd mean P/E of 11.7x/12.2x over the past 5Y/10Y. Our target multiple is still lower than IGL's (FY26E PE of 18.8x) due to lower terminal growth of 2.5% (vs 4% for IGL) reflecting smaller footprint. Given 2% returns, we downgrade to HOLD.

Catalysts: Traction in emerging segments and waiver of excise duty are upside catalysts. Withdrawal of exclusivity, acceleration in EVs/ hybrids are downside risks.

Key changes

Target	Rating
▲	▼

Ticker/Price	MAHGL IN/Rs 1,846
Market cap	US$ 2.2bn
Free float	58%
3M ADV	US$ 14.7mn
52wk high/low	Rs 1,858/Rs 971
Promoter/FPI/DII	33%/31%/17%

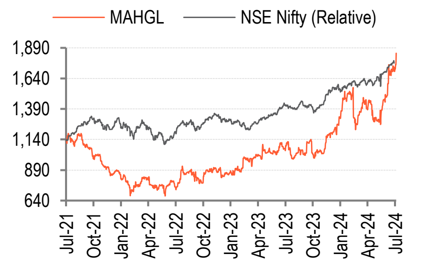
Source: NSE | Price as of 26 Jul 2024

Key financials

Y/E 31 Mar	FY24P	FY25E	FY26E
Total revenue (Rs mn)	62,445	66,420	72,774
EBITDA (Rs mn)	18,426	16,473	17,408
Adj. net profit (Rs mn)	12,891	11,097	11,658
Adj. EPS (Rs)	130.5	112.3	118.0
Consensus EPS (Rs)	130.5	113.2	118.1
Adj. ROAE (%)	27.8	20.2	18.8
Adj. P/E (x)	14.1	16.4	15.6
EV/EBITDA (x)	9.8	10.9	10.2
Adj. EPS growth (%)	63.2	(13.9)	5.1

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 4,200 | ⩔ 4%

AMBER ENTERPRISES | Consumer Durables | 27 July 2024

Strong quarter; margin expansion sustainable

- **Q1 sees 41% YoY topline growth and 140bps EBITDA margin expansion from improved product mix**
- **Extreme summer fuels 45% surge in consumer durables and 46% rise in electronics through strong RAC demand**
- **We raise FY25/FY26 EPS estimates by 6%/5%. We roll over valuation to Jun'26E and raise TP to Rs 4,200. Upgrade to HOLD**

Arshia Khosla
research@bobcaps.in

Strong quarter: AMBER's topline grew by 41% YoY to Rs 24bn in Q1FY25, driven by the nationwide heatwave and strong performance in the Consumer Durables segment. EBITDA surged to Rs 2.2bn, with margins expanding by 140bps due to a shift towards more margin-accretive products. Operating margin improved by 170bps to 6.9%, likely as a result of a favourable change in the product mix and increased contributions from components. APAT stood at Rs 747mn.

Strong growth in Consumer Durables and Electronics; mobility declines: AMBER's business segments showcased strong performance across the board. Consumer Durables segment did well, driven by a notable increase in room air conditioner (RAC) components, which benefited from the heatwave across the country, resulting in 46% YoY growth and revenues of Rs 19.4bn. The Electronics division's revenue grew 45% YoY to Rs 3.8bn, supported by robust growth in PCBA and PCB segments. However, Mobility division faced challenges, falling 9% to Rs 950mn due to project delays that impacted its performance during the quarter.

JVs and strategic partnerships to boost growth: The joint venture for washing machine Resojet is strengthening the company's position in consumer durables, with mass production set to begin in the second half of the year. Four customers have been onboarded, and trials are underway, with full production expected by Q3. The Electronics division also gained credibility through the acquisition of Ascent Circuits and an MoU with Courier Circuits, enhancing its capability to produce various PCBs and substrates. AMBER increased its stake in ILJIN from 70% to 90.2% this quarter.

Upgrade to HOLD: Following AMBER's strong Q1 performance and management's optimistic outlook on a robust order book and improved EBITDA margin, we raise our EPS estimates for FY25/FY26 by 6%/5%. Valuing the stock at a P/E of 31x (from 29x), a 20% discount to its 5Y average, we roll forward valuations to Jun'26 and raise our TP to Rs 4,200 from Rs 3,500. Upgrade to HOLD.

Key changes

Target	Rating
▲	▲

Ticker/Price	AMBER IN/Rs 4,380
Market cap	US$ 1.8bn
Free float	60%
3M ADV	US$ 8.7mn
52wk high/low	Rs 4,888/Rs 2,337
Promoter/FPI/DII	40%/24%/14%

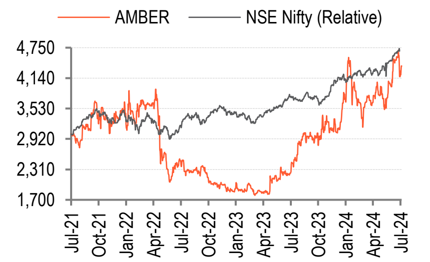
Source: NSE | Price as of 26 Jul 2024

Key financials

Y/E 31 Mar	FY24P	FY25E	FY26E
Total revenue (Rs mn)	67,293	87,837	122,769
EBITDA (Rs mn)	4,919	6,360	8,900
Adj. net profit (Rs mn)	1,329	2,342	4,204
Adj. EPS (Rs)	39.4	69.5	124.8
Consensus EPS (Rs)	39.4	74.0	120.0
Adj. ROAE (%)	6.7	10.8	16.9
Adj. P/E (x)	111.1	63.0	35.1
EV/EBITDA (x)	30.0	23.2	16.6
Adj. EPS growth (%)	(15.5)	76.3	79.5

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 1,352 | ▲ 12%

ICICI BANK | Banking | 29 July 2024

Modest business; other income increases aid PAT

- **Moderate business growth led to subdued NII (2%/7% QoQ/YoY), while PAT grew 3%/15% QoQ/YoY aided by higher other income (24% QoQ)**
- **Reported NIM declined 4bps QoQ to 4.36%, on account of higher interest reversal from KCC, while asset quality remained stable**
- **Increase estimates; raise TP to Rs 1,352 (from Rs 1,272) and continue to value at 2.7x FY26E (Jun'26) ABV on consistent performance. HOLD**

Ajit Agrawal
research@bobcaps.in

Broad-based growth: ICICIBC credit growth moderated to 16% YoY (+3% QoQ) due to slowdown in retail book (+2%QoQ). Corporate and SME grew +3%/+4% QoQ; bank witnessed competitive rate and weak retail which led to flat margin. However, Business Banking outpaced others with +9% QoQ growth. Within Retail, PL (25%), CC (31%) and auto (15%) saw traction YoY, while home (14%), CV (14%) and 2-wheeler (-25%) remained subdued. Deposits growth stayed modest at 15% YoY (+1% QoQ), led by TDs, leading to a 125bps drop in CASA ratio to 41%. Slowing deposits led to a 193bps rise in LDR to 86%, indicating better potential.

NIM dipped QoQ: NII grew 2% QoQ (7% YoY) mainly due to slowdown in credit offtake, while NIM declined 4bps QoQ to 4.36% on weak retail and higher interest reversal on KCC (yield decline 8bps QoQ). Management expects margin to improve as seasonality impact is behind it. Other income up 24% QoQ due to higher treasury (gain of Rs 6.1bn vs. loss of Rs 2.8bn in Q4) and dividend gain.

Higher provision and opex dragged PAT: Opex rose 8.5% QoQ due to higher staff cost on account of annual increment led to 44bps rise in C/I ratio of 39.7%. Further, provision normalised with higher stress from KCC and unsecured retail book and hampered PAT (grew 3%/15% QoQ/YoY). Credit costs increased 20bps QoQ to 45bps despite Rs 3.9bn of AIF provision reversal. We expect it to normalise over FY25/FY26 at 52bps/70bps vs. 33bps in FY24.

Asset quality steady: Despite higher slippages on seasonality and lower upgrades and recovery, GNPA/NNPA/PCR remained flat at 2.1%/0.4%/80%.Total provisions stood at 1.9% of loans and the bank sees no major asset quality concerns.

Maintain HOLD: We trimmed loan estimates by 1%/2%, deposits by 2%/4% for FY25/FY26, and raised PAT by 12%/6% mainly on lower provision factoring in ongoing business dynamics. Given ICICIBC's sturdy and improved performance, we raise our SOTP-based TP to Rs 1,352 from Rs 1,272 set at 2.7x FY26E (Jun'26) ABV using the GGM. We value subsidiaries at Rs 233/sh. With the recent price rise, we believe major positives have been priced in and we retain our HOLD rating.

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	ICICIBC IN/Rs 1,207
Market cap	US$ 101.5bn
Free float	100%
3M ADV	US$ 237.9mn
52wk high/low	Rs 1,258/Rs 899
Promoter/FPI/DII	0%/45%/44%

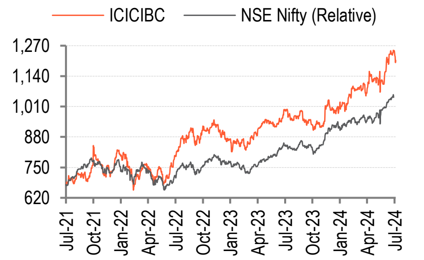
Source: NSE | Price as of 26 Jul 2024

Key financials

Y/E 31 Mar	FY24P	FY25E	FY26E
NII (Rs mn)	74,306	83,710	95,339
NII growth (%)	19.6	12.7	13.9
Adj. net profit (Rs mn)	40,888	46,751	51,337
EPS (Rs)	58.4	66.5	73.0
Consensus EPS (Rs)	58.4	68.0	74.5
P/E (x)	20.7	18.2	16.5
P/BV (x)	3.6	3.0	2.6
ROA (%)	2.4	2.3	2.2
ROE (%)	18.6	18.0	17.0

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

HOLD
TP: Rs 1,222 | ⮝ 4%

AXIS BANK | Banking | 26 July 2024

Moderate business growth; higher provision dragged PAT

- **Seasonally weak quarter with moderate business growth coupled with higher stress dragged profitability. PAT declined 15% QoQ, up 4% YoY**
- **Reported NIM was flat at 4.05%, other income remained muted on weak DCM and treasury gain. Employee cost led to higher opex**
- **Moderation in business growth with stable asset quality. We maintain HOLD on the stock with revised TP of Rs 1,222; 1.6x FY26E (Jun'26)**

Ajit Agrawal
research@bobcaps.in

Robust business growth: AXSB's advances grew 14% YoY (+2% QoQ) during Q1FY25 supported by wholesale book (5%/7% QoQ/YoY) while focus stayed on Retail (0.3%/18% QoQ/YoY) and SME (-0.7%/19% QoQ/YoY). Retail growth was mainly fuelled by personal loans (+29%), CC (+22%), SBB (+26%) and LAP (+29%), while home and auto loans remained muted. Deposits rose 13% YoY (-0.6% QoQ), driven by TDs leading to CASA decline of 116bps to 41.8%. Considering deposit constraints and competitive intensity, we trim our credit/deposit estimates by 3%/4% for FY25/FY26 and project a credit/deposit CAGR of 14%/15% over the same.

NIM up QoQ, opex rises: Reported NIM at 4.05% was flat, supported by income tax refund offsetting higher interest reversal due to increased slippages. Bank expects stable NIM with suitable product mix in both the asset and liability sides. Other income declined (-14%/14% QoQ/YoY) due to weak DCM and Treasury gain. Opex fell 2% QoQ while C/I ratio rose 51bps QoQ on higher staff cost (+7% QoQ).

Higher stress on seasonality: Q1 being seasonally weak, slippages rose (2.2% vs. 1.6% in Q4) from Agri, CC, PL and wholesale book, while 32% of the same was due to linking accounts where AXSB expected faster recovery in Q2-Q3. Increased slippages, lower upgrades and recovery GNPA/NNPA rose by 11bps/3bps QoQ to 1.54%/0.34%, while PCR stood at 78%. Increased stress led to higher credit cost of 85bps vs. 51bps in Q4. AXSB didn't utilise Covid-related provisions (Rs 50.1bn) and set it aside for the ECL implication. Cumulative Non NPA provision was Rs 117bn, which is 1.2% of Loan.

Adequately capitalised for growth: CET1 stood at 14.1% (CAR at 16.7%), and AXSB is confident of funding credit growth internally. It maintains its guidance of 300-400bps growth in business above industry in the midterm. Despite Q1 being modest, AXSB continues to deliver a healthy performance backed by a sustained focus on growth, healthy portfolio mix, stable asset quality while recent price rise factored in most of the positives. We revise our growth estimates on a competitive environment and expect return performance to stay stable. We roll over valuation at 1.6x FY26E (Jun'26) ABV using the Gordon Growth Model and maintain our SOTP-based TP at Rs 1,222, with Rs 145/sh as value of subsidiaries. We maintain our HOLD rating.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	AXSB IN/Rs 1,176
Market cap	US$ 43.4bn
Free float	92%
3M ADV	US$ 149.6mn
52wk high/low	Rs 1,340/Rs 927
Promoter/FPI/DII	8%/5%/32%

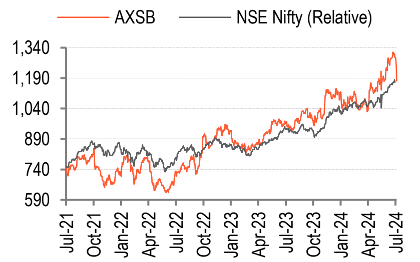
Source: NSE | Price as of 25 Jul 2024

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
NII (Rs mn)	498,945	562,235	643,672
NII growth (%)	16.2	12.7	14.5
Adj. net profit (Rs mn)	248,614	274,242	303,095
EPS (Rs)	80.7	88.8	98.1
Consensus EPS (Rs)	80.7	87.5	101.7
P/E (x)	14.6	13.2	12.0
P/BV (x)	2.4	2.1	1.8
ROA (%)	1.8	1.8	1.7
ROE (%)	18.0	17.0	16.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 1,844 | ⮝ 31%

INDUSIND BANK | Banking | 29 July 2024

Stable performance

- **Business growth moderate on seasonality with credit/deposit growth of 15%16% YoY vs. target 18-23% (guidance intact) leading to flat QoQ NII**
- **Reported NIM flat 4.25% on growth slowing in MFI and CC book; expect improved performance on operational efficiency and stable asset quality**
- **Lower GGM-based TP to Rs 1,844, valued at 1.8x FY26E P/ABV, as we tweak growth estimates. Maintain BUY**

Ajit Agrawal
research@bobcaps.in

Moderate business growth: IIB's business growth was moderate, with credit rising 15.5% YoY (+1.3% QoQ), while deposits rose 15% YoY (4% QoQ). Loan book was driven by the CFD book (+18% YoY), where IIB witnessed a slowdown in both Vehicle Finance and MFI due to seasonality, election-related issues and the heat wave. CCB growth was muted at 13% YoY, but rose 3% QoQ supported by Mid and Small Corporate (14%/22% YoY). Deposit growth accelerated to 15% YoY vs. 14% in Q4, driven by term deposits (TD) which led to 120bps fall in CASA ratio to 36.7%.

Flat NIM, PPoP decline QoQ on weak topline: NIM was flat at 4.25% vs. 4.26% in Q4 as CoF increased 3bps and yield on advances 2bps QoQ. Lower rise in yield was due to growth deceleration on high yielding Vehicle Finance and MFI book related to a strategic decision to avoid stress. IIB continues to guide for NIM of 4.2-4.3% in FY25. Both NII and other income remained subdued with 11% growth on YoY. Opex stayed elevated and grew 20%/2.5% YoY/QoQ leading to a 142bps QoQ rise in C/I ratio to 49.7% on weak topline. Hence, PPoP remained muted at +3%/-3% YoY/QoQ.

Asset quality stable: Slippages rose to Rs 15.4bn (45bps) vs. Rs 14.3bn (44bps) in Q4, where corporate slippages were Rs 0.5bn (vs. Rs 1.6bn) and CFD Rs 14.9bn (vs. Rs 12.7bn). Credit cost (calc.) stood at 122bps vs. 113bps in Q4, which is within the guided range of 110-130bps over FY23-FY26. Lower upgrades/recovery led to 10/3bps rise in GNPA/NNPA to 2%/0.6% while PCR was stable at 71%. IIB's restructured book continued to decline (to 34bps of loan vs. 40bps in Q4FY24), while SMA book was flat at 25bps. Total provisions of 2.2% (106% of GNPA) provide confidence on asset health.

Maintain BUY: Growth deceleration seems temporary as IIB has a cushion in terms of liquidity, and continues to guide for business growth of 18-23% over FY26. It maintained NIM guidance at 4.2%-4.3% with credit cost at 110-130bps, indicating its performance will likely fall in line with guidance. We expect IIB to deliver healthy return ratios (ROA/ROE to 1.9%/16% in FY26 vs. 1.7%/14% in FY23). We retain BUY and lower our TP to Rs 1,844 (from Rs 1,881) as we revise estimates (cut EPS by 7% each for FY25/FY26) and value it at 1.8x FY26E (Jun'26) using GGM Model.

Key changes

Target	Rating
▼	◄ ►

Ticker/Price	IIB IN/Rs 1,404
Market cap	US$ 13.1bn
Free float	84%
3M ADV	US$ 69.9mn
52wk high/low	Rs 1,695/Rs 1,354
Promoter/FPI/DII	16%/38%/30%

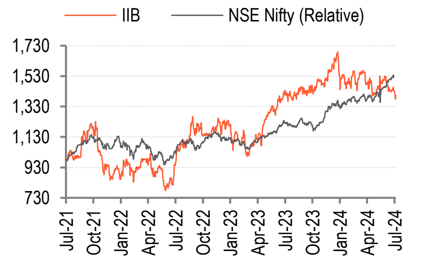
Source: NSE | Price as of 26 Jul 2024

Key financials

Y/E 31 Mar	FY24P	FY25E	FY26E
NII (Rs mn)	206,159	231,392	281,208
NII growth (%)	17.2	12.2	21.5
Adj. net profit (Rs mn)	89,770	94,382	121,434
EPS (Rs)	115.5	121.2	155.9
Consensus EPS (Rs)	115.6	125.0	158.0
P/E (x)	12.2	11.6	9.0
P/BV (x)	1.7	1.5	1.4
ROA (%)	1.8	1.7	1.9
ROE (%)	15.2	14.1	16.0

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

BUY
TP: Rs 283 | ▲ 15%

ASHOK LEYLAND | Automobiles | 27 July 2024

Good show in a challenging quarter; retain BUY

- **Q1FY25 revenue grew 5% YoY to Rs 85.9bn, despite a challenging quarter, aided by 6% volume growth**
- **EBITDA margin grew by only 46bps YoY to 10.6% despite healthy gross margin, owing to higher other expenses**
- **We raise our earnings for FY25E/FY26E by 2%/3% and retain our BUY rating for a revised 1-year forward SOTP-based TP of Rs 283**

Milind Raginwar
research@bobcaps.in

Topline shows ~5% growth despite challenging Q1: AL's Q1FY25 revenue increased 5% YoY to Rs 85.9bn as there was an uptick of 6% YoY (-22% QoQ) in volume growth from the domestic and exports sides as realisations stayed muted (-1% YoY). Volume from the bus segment grew 49% YoY to 6.8k units and LCV too showed signs of growth. Other business continued its healthy contribution to revenue.

Lower commodity cost aided margins gain: Raw material cost (adjusted for inventory) improved marginally to 72.4% in Q1FY25, down 140bps YoY (+40bps QoQ) of net sales to Rs 66.2bn, which aided gross margin expansion of 150bps/-30bps YoY/QoQ. However, other expenses grew 18% YoY to ~Rs 9.3bn on account of non-recurring expenses incurred for higher battery pack software charge and EV-related expenses especially in the bus segment. This restricted EBITDA growth to only 10% YoY to Rs 9.1bn and EBITDA margin rose only 46bps YoY. Adj. PAT rose to Rs 5.2bn from Rs 4.1bn in the year-ago quarter.

EV expansion on track: In the Electric segment, AL started delivery of its first eLCV, the LeV4, in Q1FY25 and launched LeV2 in the eLCV space recently. AL's subsidiary Switch Mobility too has a healthy order book. AL's e-Mass subsidiary OHM Global Mobility too has started managing electric bus operations.

Revise estimates: We raise our FY25E/FY26E earnings by 2%/3%, factoring in healthy growth momentum, better product mix and cost efficiencies. We forecast EBITDA/ PAT CAGR of 10%/13% for FY24-FY27 and introduce FY27 estimates of Rs 61.9 bn/Rs38 bn. We believe AL will deliver on new launches, beat industry growth in CVs, maintain its leadership in buses and improve on the MHCV space. LCV recovery and inroads into EVs add comfort and new dimensions to the portfolio.

Valuation outlook: We reiterate our BUY rating for a revised 1-year forward SOTP-based TP of Rs 283 (from Rs 247). We now assign 22x P/E (vs 20x) to the standalone business factoring in strong structural health and value the vehicle finance arm at Rs 12/sh.

Key changes

Target	Rating
▲	◄►

Ticker/Price	AL IN/Rs 246
Market cap	US$ 8.6bn
Free float	49%
3M ADV	US$ 47.2mn
52wk high/low	Rs 249/Rs 158
Promoter/FPI/DII	52%/17%/15%

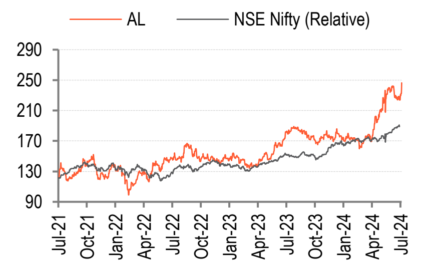
Source: NSE | Price as of 26 Jul 2024

Key financials

Y/E 31 Mar	FY24A	FY25E	FY26E
Total revenue (Rs mn)	3,83,670	4,20,141	4,65,981
EBITDA (Rs mn)	46,066	51,638	56,918
Adj. net profit (Rs mn)	27,116	30,953	34,645
Adj. EPS (Rs)	8.9	10.5	11.8
Consensus EPS (Rs)	8.9	10.2	11.2
Adj. ROAE (%)	30.8	32.5	32.8
Adj. P/E (x)	27.6	23.4	20.9
EV/EBITDA (x)	16.0	13.5	12.3
Adj. EPS growth (%)	109.3	14.1	11.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BUY
TP: Rs 242 | ↑ 22%

FEDERAL BANK | Banking | 26 July 2024

Higher other income supports PAT growth

- **Continued strong (20% YoY) business growth momentum; NII/PAT grew 20%/18% YoY on higher other income and lower opex**
- **NIM came in at 3.2% (-9bps QoQ); credit cost normalised at 27bps and FB guided for 30-35bps in FY25. Asset quality remained stable**
- **We raise FY26 PAT estimates by 3% for a new TP of Rs 242 (from Rs 207), set at 1.5x FY26E (Jun'26) ABV (1.4x earlier); retain BUY**

Ajit Agrawal
research@bobcaps.in

Strong business growth: FB's business growth held strong in Q1FY25, with credit /deposits growth of 20% each YoY. Strong growth in deposits was supported by TDs while NR deposits recovered (+1% QoQ) from their declining trend since last 1-2 quarters. CASA ratio remained flat at 29%. Loan growth was backed by a healthy rise in retail (+4% QoQ) wherein CV/CE grew 8% QoQ, agri grew +6%, even as MFI witnessed strong growth of 10% off a low base. Management maintained its business growth guidance of 18-20% for FY25 with a target LDR of 80%.

Healthy NII; NIM dips 9bps QoQ: FB posted healthy NII growth of 20% YoY (+4.4% QoQ), whereas other income increased 25% YoY (+21% QoQ) due to higher recovery in written-off accounts. Yield on advances fell 5bps QoQ offsetting the benefit of decline in cost of deposit by 6bps, while change in mix to more secured book led to 9bps decline in NIM to 3.2%. Management maintained NIM guidance at 3.2%-3.3% for FY25. Though operational cost declined QoQ (-7%) while other operating expenditure stayed elevated leading to C/I Ratio of 53.2%. However, FB expects C/I ratio to stabilise at 50% with 100bps declines every 1-2 quarters. Further, management aims to add 100 branches for FY25 (140 in FY24) and indicated no substantial cost reduction towards business volume. Hence, PPoP grew 35%/15% QoQ/YoY.

Slippages up QoQ but asset quality stable: Slippages rose to Rs 4.2bn from Rs 3.7bn in Q4 while upgrades and recovery remained subdued at Rs 2.1bn vs. Rs 4.7bn in Q4 as it is a seasonally weak quarter. GNPA/NNP/PCR were stable at 2.1%/0.6%/72% QoQ. Credit cost normalised to 27bps and management guided for it to stabilise at 30-35bps in FY25. Considering healthy growth with stable asset quality and potential for margin improvement, we increase our FY26 PAT estimate by 3%.

Maintain BUY: FB's conservative approach towards asset quality vs. asset pricing along with risk-adjusted growth over the past year is paying off. We expect strong growth with stable margins and a focus on risk-adjusted returns to raise ROE/ROA to 14%/1.3% by FY26, gradually narrowing the gap with its peers. Alongside estimates revisions, we now value the stock at 1.5x FY26E (Jun'26) ABV (1.4x earlier) based on the GGM, and raise TP to Rs 242 (from Rs 207). BUY.

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	FB IN/Rs 198
Market cap	US$ 5.8bn
Free float	100%
3M ADV	US$ 35.0mn
52wk high/low	Rs 205/Rs 131
Promoter/FPI/DII	0%/29%/45%

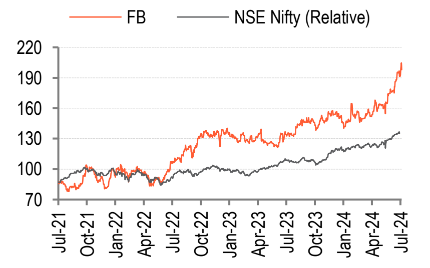
Source: NSE | Price as of 26 Jul 2024

Key financials

Y/E 31 Mar	FY24P	FY25E	FY26E
NII (Rs mn)	82,935	101,340	120,939
NII growth (%)	14.7	22.2	19.3
Adj. net profit (Rs mn)	37,206	42,460	50,549
EPS (Rs)	16.3	17.4	20.6
Consensus EPS (Rs)	16.3	17.4	20.1
P/E (x)	12.1	11.4	9.6
P/BV (x)	1.7	1.5	1.3
ROA (%)	1.3	1.3	1.3
ROE (%)	14.7	13.7	14.5

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

NOT RATED

MPHASIS | IT Services | 29 July 2024

Weak quarter but bullish commentary

- **Weak quarter despite talk of BFSI bottoming out. Significant TCV uptick QoQ from a very weak base. Much discussion on expanded pipelines**
- **MPHL hints at industry leading growth for FY25 – implies ~2% CQGR for next three quarters driven by BFSI and top accounts**
- **CEO hints at likely market share shifts in industry in next 12-24 months depending on who brings in AI/Gen AI infused solutions to market**

Girish Pai
research@bobcaps.in

2% CQGR required for the next three quarters: MPHL indicated it would lead industry growth in FY25. And it expects industry to grow in the low-mid single digits in FY25. To hit 5% growth in US$ terms in FY25 it will have to grow 2% CQGR. In the last two quarters since its organic growth moved into the positive territory, growth was 1% CQGR. Recovery in the mortgages business is not part of this view as MPHL says it is not clear about the trajectory of mortgage rates in the US.

EBIT margin in line:1QFY25 revenue was down on a QoQ basis by 0.1% in constant currency terms compared to our expectation of a 2% increase. The EBIT margin came in at 15% against our expectation of 15.2%. EBIT margin would have been 15.8% had it not been for the amortisation of Silverline acquisition (80bps impact in the quarter). It stuck to the EBIT margin band of 14.6% to 16% for FY25

Pipeline has grown well: MPHL's overall pipeline is up 22% YoY and 17% QoQ. Pipeline pickup is broad-based across sectors, top-10, non-top-10, banking and financial services (BFS), non-BFS, geographies, and large deals (>US$ 20m accounts). The top-10 pipeline grew by 31% QoQ, non-BFS pipeline by 25%. The BFS pipeline is up 7% QoQ. 78% of the pipeline emerged from proactive deals.

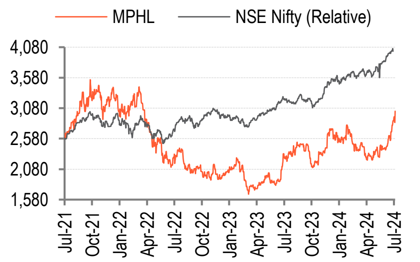
Top clients have grown ahead of company: MPHL's top 10 client accounts grew 1.2% QoQ, and 11 to 30 grew 3.4%. The banking, financial services and insurance (BFSI) vertical grew by ~1.6%.

Volume destruction in some services likely: MPHL's CEO Nitin Rakesh indicated that the industry is pivoting to IT services infused by AI/Gen AI and there is significant volume destruction across areas like IT operations, contact centres, etc. Pricing based on number of tickets solved or instances or widgets handled, etc, will be replaced by pricing based on a different outcome like availability or reduction in tickets.

Ticker/Price	MPHL IN/Rs 3,030
Market cap	US$ 6.8bn
Free float	40%
3M ADV	US$ 41.5mn
52wk high/low	Rs 3,081/Rs 2,069
Promoter/FPI/DII	52%/29%/14%

Source: NSE | Price as of 26 Jul 2024

Stock performance



Source: NSE

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**
Logo:

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

Each of the analysts mentioned in this research report certify, with respect to the sections of the report for which they are responsible, that (1) all of the views expressed in this 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).

Important disclosures

This product is a compilation of previously published research notes. To view the complete report along with the associated Analyst certifications and Company-specific disclosures, please click on the hyperlink accompanying each excerpt.

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.

Other disclosures

BOBCAPS does not have any financial interest in the subject company. BOBCAPS does 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.

BOBCAPS is not engaged in any market making activities for 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.