

Axis Bank Ltd

Plugging the portfolio gaps while scaling up



Kyon ki bhaiya, sabse bada rupaiya.

TABLE OF CONTENTS

Summary	3
Valuation & Peer comparison	4
Bull and Bear case scenario	5
Peer valuation	6
Financial analysis & projections	8
Investment highlights	9
Valuation	14
Business Quality score	18
Annual report analysis	19
Key risks and concerns	21
Quarterly financials	21
Financial Statement Analysis & Projections	22
Disclaimer	23

BUY @ CMP INR 671.0
Target: INR 901.1 in 24 months
Upside Potential: 34.3%

Plugging the portfolio gaps while scaling up

Post-acquisition of Citi's consumer business and a stake in Max life, Axis Bank (Axis) is now gearing to scale up its business operations by filling the gap in its portfolio, given that most of the asset quality issues are now behind it and its provision coverage ratio (FY22 at >70%) has already been shored up. We initiate coverage on Axis with a BUY, with a PT of INR 901.1 (based on SoTP valuation) over a period of 24 months.

Our conviction stems from the following:

- 12.5% CAGR of net advances over FY21-24, with retail/SME/corporate growing at a CAGR of 14.9/15.8/7.4%, respectively.
- Asset quality is expected to improve with GNPA and NNPA forecast to fall by 138 and 52bps over FY21-24E to 2.3% and 0.5%, respectively, in FY24.
- NII is expected to grow at 16.1% CAGR with yields and cost of funds expected at 7.5% and 4.0%, respectively, in FY24.
- We have modeled the NIMs to grow by 12bps to 3.7% while other income is expected to grow at a 6.2% CAGR over the same period.
- PPOP is expected to grow at a 9.9% CAGR over FY21-24. Axis Bank is now expected to slow down provisioning, given the already high PCR and no major expectation of slippage in asset quality. This should lead to faster growth in PAT (36.0% CAGR) over FY21-24.
- Expected improvement in return ratios- RoAA to 1.2% (+50bps) & RoAE to 12.0% (+495bps).

We have valued the core domestic operations at 1.0 FY24 P/B while the other verticals, namely insurance, AMC, broking, institutional broking, investment banking, represent ~5.8% of our target price. We have applied a 20% holding discount while valuing the subsidiary businesses.

Industry	Bank
----------	------

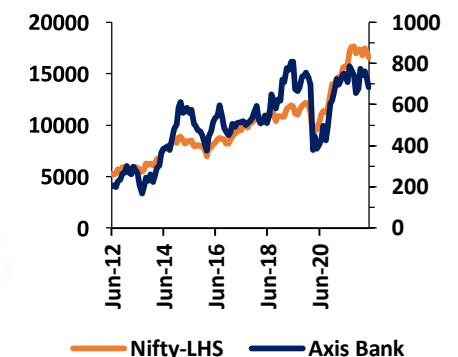
Scrip Details

Face Value (INR)	2.0
Market Cap (INR Cr)	2,06,353
Price (INR)	671
No of Shares O/S (Cr)	306.5
3M Avg Vol (000)	11,547.7
52W High/Low (INR)	866/631
Dividend Yield (%)	0.0

Shareholding (%) Mar,22

Promoter	9.7
Institution	77.4
Public/Others	12.9
TOTAL	100.0

Price Chart



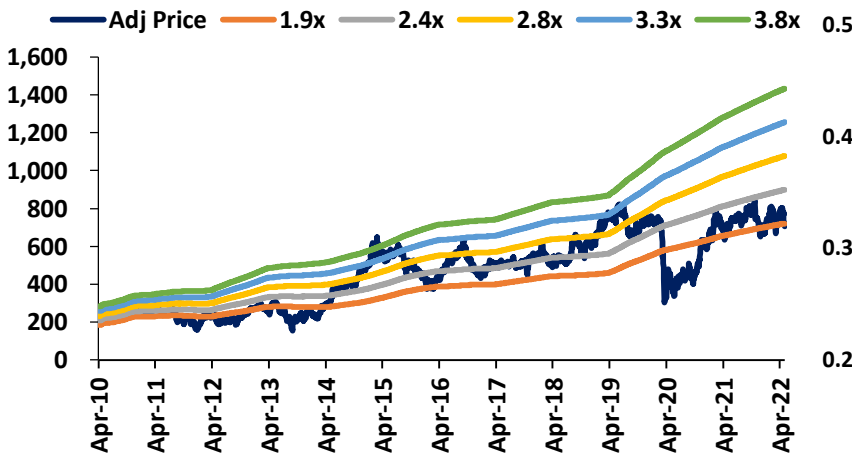
Key Financial Data (INR Cr, unless specified)

	Interest earned	NII	PPOP	Net Profit	NIM (%)	EPS (INR)	Ad BVPS (INR)	RoAA (%)	RoAE (%)	P/E (X)	P/BV (X)
FY20	62,635.2	25,206.2	23,438.1	1,627.2	3.3	5.8	267.9	0.2	2.1	116.4	2.2
FY21	63,645.3	29,239.1	25,702.2	6,588.5	3.6	21.5	308.8	0.7	7.1	31.2	2.0
FY22	67,376.8	33,132.2	24,971.7	13,025.5	3.5	42.5	357.8	1.2	12.0	15.8	1.8
FY23E	81,696.2	40,263.2	29,332.6	14,700.3	3.6	47.9	407.1	1.2	12.0	14.0	1.6
FY24E	93,101.3	45,773.9	34,088.3	16,573.7	3.7	54.0	462.1	1.2	12.0	12.4	1.4

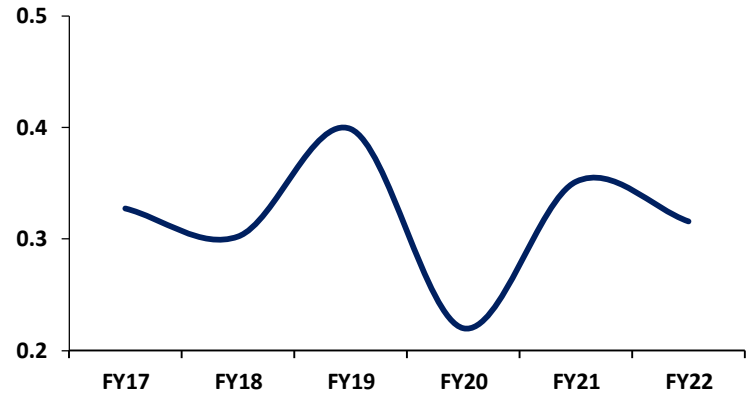
Axis valuation and price performance

SOTP	AUM/Book/ Earnings	Method	Multiple	Total Value INR cr	Stake	Value INR cr	VPS INR
Parent	141,743.1	P/adj B	1.9x	262,737.2	100.0%	262,737.2	856.5
Less: Investments in subs/JV	2,299.5						7.5
Core Book value							849.0
Value of Subsidiaries							
Axis AMC	540.0	P/E	20.0x	10,800.0	75.0%	8,100.0	26.4
Axis Finance	2,250.0	P/adj B	1.9x	4,170.6	100.0%	4,170.6	13.6
Axis Capital	243.0	P/E	15.0x	3,645.0	100.0%	3,645.0	11.9
Axis securities	270.0	P/E	15.0x	4,050.0	100.0%	4,050.0	13.2
Total Value of Subs						19,965.6	65.1
Less: Hold co. disc @ 20%						3,993.1	13.0
Disc. value of subs						15,972.5	52.1
Target value for Axis Bank						278,710	901.1

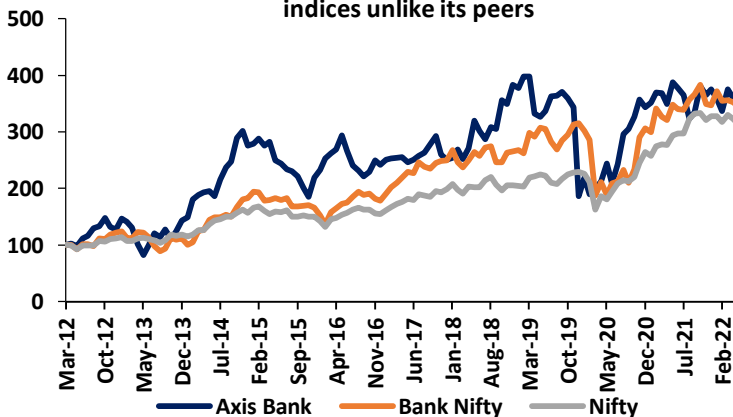
1 year forward P/BV band chart



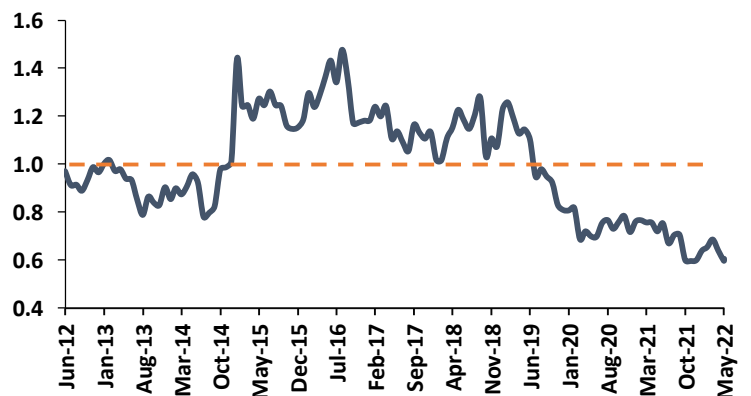
M.cap to advances (x) has fallen recently



Axis Bank price performance has been in line with indices unlike its peers



Discount to ICICI Bank

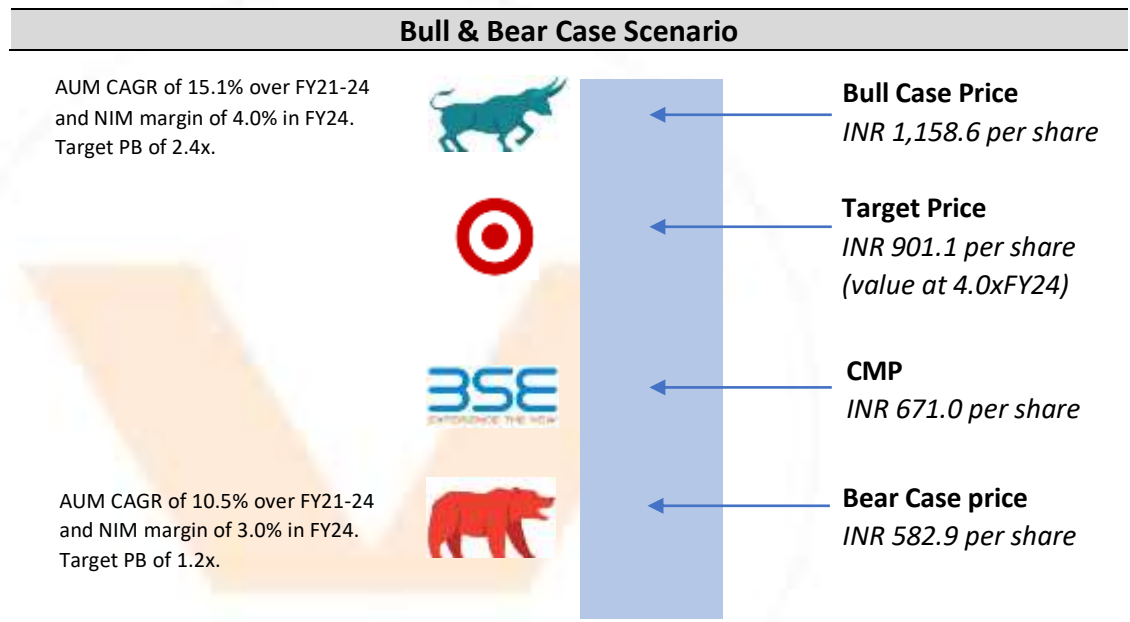


Source: Company, Ventura research

Our Bull and Bear Case Scenarios

We have prepared a Bull and Bear case scenario, with 3 variable sensitivity, based on FY24 AUM, NIM margins & target PB of the standalone entity.

- **Bull Case:** We have assumed an FY24 AUM of INR 9,52,204.9 cr in FY24 (CAGR of 15.1% over FY21-24) and NIM margins of ~4.0% (+40bps over FY21), which will result in a Bull Case price target of INR 1,158.6 per share (upside of 72.7% from CMP). We assign an FY24 target PB of 2.4x.
- **Bear Case:** We have assumed an FY24 AUM of INR 8,40,742.8 cr in FY24 (CAGR of 10.5%) and NIM margins of ~3.0% (-58bps over FY21), which will result in a Bear Case price target of INR 582.9 per share (downside of 13.1%). We assign an FY24 target PB of 1.2x.



Source: Company, Ventura research

Investment triggers

- **Healthy profit growth expectation:** Axis Bank is now expected to slow down provisioning, given already high PCR and no major expectation of slippage in asset quality leading to faster growth in PAT by 36.0% CAGR over FY21-24.
- **Superior return ratios:** We expect return ratios namely RoAA and RoAE to move by 50bps & 495bps from 0.7% & 7.1% in FY21 to 1.2% & 12.0% in FY24.

Catalysts

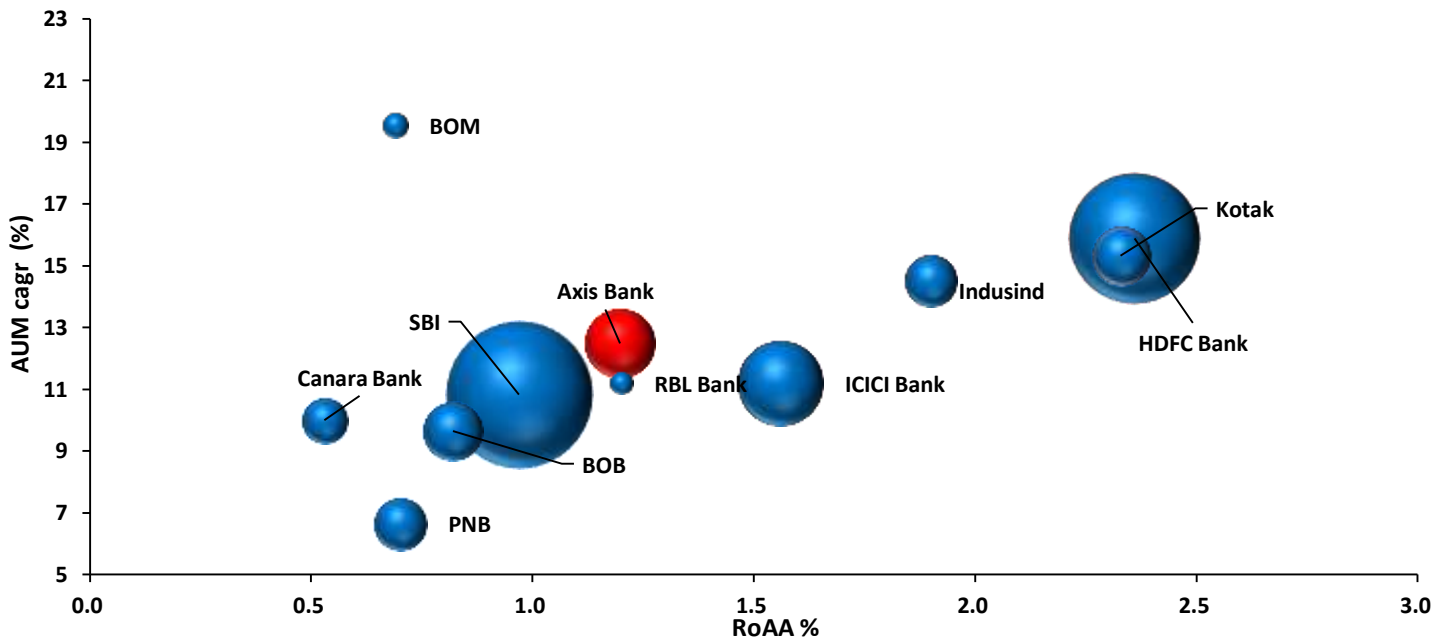
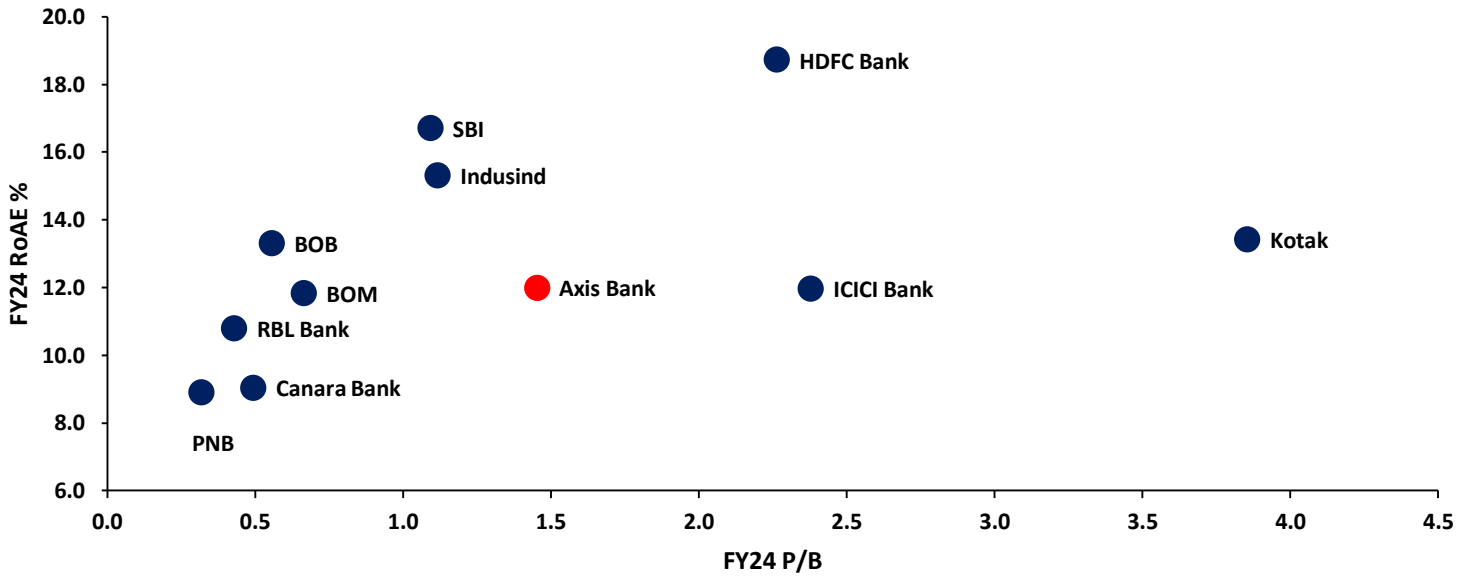
- **Faster growth in retail loans and life insurance:** Axis has recently acquired the credit card and retail business of Citi bank and become a promoter in Max life. While we expect both these businesses to be bottom-line accretive. A faster than expected ramp up of these businesses can lead to a re-rating of the stock.

Peer Valuation

All figures in bn INR bn	Mkt Cap	Price INR	P/B Ratio			P/E Ratio			RoAE (%)			RoAA (%)			NIM (%)			PPOP (%)			Net Profit (%)			GNPA (%)			NNPA (%)		
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Axis Bank	2,124	691	1.8	1.6	1.5	16.3	14.4	12.8	12.0	12.0	12.0	1.2	1.2	1.2	3.5	3.6	3.7	75.4	72.9	74.5	39.3	36.5	36.2	2.8	2.6	2.3	0.7	0.6	0.5
HDFC Bank	7,694	1,385	3.3	2.7	2.3	3.2	2.7	2.2	16.4	17.8	18.7	1.9	2.1	2.4	3.9	4.0	4.3	90.6	91.7	93.7	51.2	55.6	58.0	1.2	1.1	1.1	0.37	0.4	0.3
ICICI Bank	5,222	751	3.1	2.7	2.4	22.3	21.5	21.1	14.7	13.3	12.0	1.8	1.7	1.6	3.8	3.8	3.8	82.7	81.1	80.3	49.2	46.7	44.0	4.2	4.1	4.0	0.8	0.8	0.8
Kotak	3,688	1,857	5.1	4.4	3.9	43.0	33.0	30.7	12.6	14.3	13.4	2.1	2.4	2.3	4.3	4.9	4.9	71.7	80.9	79.8	51.0	53.4	52.5	2.3	2.2	2.1	0.6	0.6	0.6
Indusind	730	942	1.5	1.3	1.1	12.9	9.6	8.1	12.7	15.7	15.3	1.5	1.8	1.9	4.2	4.4	4.5	86.2	84.8	82.1	37.2	43.2	44.5	2.6	2.3	2.1	0.6	0.6	0.5
RBL Bank	66	109	0.5	0.5	0.4	36.0	5.4	4.2	1.5	9.2	10.8	0.2	1.0	1.2	4.0	4.1	4.2	78.8	78.0	78.5	4.5	26.5	29.7	5.3	5.0	4.8	1.8	1.6	1.5
BOM	118	18	0.8	0.7	0.7	10.2	7.4	6.0	8.7	10.6	11.8	0.5	0.6	0.7	3.0	3.1	3.3	63.7	68.6	68.7	19.1	21.8	23.2	3.9	4.0	3.8	1.0	0.9	0.9
SBI	4,192	469	1.5	1.3	1.1	9.2	7.0	5.6	13.6	15.6	16.7	0.7	0.9	1.0	2.9	3.0	3.1	63.3	65.6	67.7	37.4	44.1	48.5	4.2	3.8	3.2	1.3	1.3	1.1
Canara Bank	387	213	0.6	0.5	0.5	8.4	5.9	5.5	7.4	9.6	9.0	0.4	0.5	0.5	2.7	2.8	2.8	83.7	84.8	83.5	17.9	22.5	22.6	7.9	7.3	6.6	3.1	2.7	2.1
PNB	353	32	0.4	0.3	0.3	10.9	4.8	3.7	3.5	7.5	8.9	0.3	0.5	0.7	2.3	2.5	2.6	68.8	73.8	76.4	11.7	23.7	27.6	13.6	12.5	11.5	5.2	4.7	4.1
BOB	536	104	0.7	0.6	0.6	7.1	5.6	4.4	10.1	11.6	13.3	0.6	0.7	0.8	2.8	2.9	2.8	70.4	65.8	64.5	23.5	25.8	30.3	6.2	4.2	3.3	2.1	1.4	1.0

Source: Company Reports, Ventura Research, Bloomberg

Axis is available at a lucrative valuation given similar RoAE as compared to ICICI bank and Kotak



Source: Ventura Research, ACE Equity & Bloomberg, Size of bubble indicates NI in 2nd chart

Financial Analysis and Projections

Going forward, we expect Axis' total AUM and NII to grow at a CAGR of 12.5% & 16.1% to INR 8,87,733.8 cr & INR 45,773.9 cr, respectively, over FY21-24. Pre-provisioning operating profit is expected to grow at a CAGR of 9.9% to INR 34,088.3 cr. We have modeled the NIMs to grow by 12bps to 3.7% while other income is expected to grow at a 6.2% CAGR over the same period. PPOP is expected to grow at 9.9% CAGR over FY21-24. Axis Bank is now expected to slow down provisioning given the already high PCR and no major expectation of slippage in asset quality, leading to faster growth in PAT by 36.0% CAGR over FY21-24. Return ratios namely RoAA and RoAE are expected to grow by 50bps & 495bps over FY21-24 to 1.2% and 12%, respectively. We have modeled the increase in cost to income ratio by 465bps against 41.7% in FY21.

Financial Summary

Fig in INR Cr (unless specified)	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E
Advances	571,424.2	623,720.2	707,696.0	792,619.5	887,733.8	1,003,139.2	1,133,547.3	1,280,908.4	1,447,426.5	1,635,592.0	1,848,218.9
<i>YoY Growth (%)</i>	15.5	9.2	13.5	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Retail	302,854.8	336,808.9	403,386.7	453,774.6	510,446.9	579,312.9	657,457.4	746,129.2	846,744.5	960,910.3	1,090,449.2
<i>YoY Growth (%)</i>	22.4	11.2	19.8	12.5	12.5	13.5	13.5	13.5	13.5	13.5	13.5
SME	62,856.7	68,609.2	77,846.6	91,151.2	106,528.1	125,392.4	147,361.1	172,922.6	202,639.7	237,160.8	277,232.8
<i>YoY Growth (%)</i>	(2.3)	9.2	13.5	17.1	16.9	17.7	17.5	17.3	17.2	17.0	16.9
Corporate	205,712.7	218,302.1	226,462.7	247,693.6	270,758.8	298,433.9	328,728.7	361,856.6	398,042.3	437,520.9	480,536.9
<i>YoY Growth (%)</i>	12.4	6.1	3.7	9.4	9.3	10.2	10.2	10.1	10.0	9.9	9.8
Interest earned	62,635.2	63,645.3	67,376.8	81,696.2	93,101.3	102,738.2	116,074.2	131,307.6	148,588.7	168,205.3	190,473.2
<i>YoY Growth (%)</i>	13.9	1.6	5.9	21.3	14.0	10.4	13.0	13.1	13.2	13.2	13.2
<i>Avg Yield (%)</i>	8.3	7.8	7.1	8.1	7.5	7.4	7.4	7.4	7.4	7.4	7.4
Interest expended	37,429.0	34,406.2	34,244.6	41,433.0	47,327.4	54,430.7	59,925.5	66,869.3	74,605.8	82,143.0	91,600.2
<i>YoY Growth (%)</i>	12.5	(8.1)	(0.5)	21.0	14.2	15.0	10.1	11.6	11.6	10.1	11.5
<i>Avg cost of funds (%)</i>	5.0	4.2	3.7	3.9	4.0	4.1	4.0	4.0	3.9	3.8	3.8
NII	25,206.2	29,239.1	33,132.2	40,263.2	45,773.9	48,307.5	56,148.7	64,438.3	73,982.8	86,062.3	98,873.0
<i>NIM (%)</i>	3.3	3.6	3.5	3.6	3.7	3.5	3.6	3.6	3.7	3.8	3.8
Other income	15,536.6	14,838.2	15,450.3	15,059.8	17,754.7	20,062.8	22,670.9	25,618.2	28,948.5	32,711.8	36,964.4
<i>YoY Growth (%)</i>	18.3	(4.5)	4.1	(2.5)	17.9	13.0	13.0	13.0	13.0	13.0	13.0
Operating expenses	17,304.6	18,375.2	23,610.8	25,990.4	29,440.3	32,714.7	36,414.8	40,557.3	45,197.0	50,395.4	56,222.3
<i>YoY Growth (%)</i>	9.3	6.2	28.5	10.1	13.3	11.1	11.3	11.4	11.4	11.5	11.6
PPOP	23,438.1	25,702.2	24,971.7	29,332.6	34,088.3	35,655.6	42,404.8	49,499.2	57,734.4	68,378.7	79,615.1
<i>YoY Growth (%)</i>	23.3	9.7	(2.8)	17.5	16.2	4.6	18.9	16.7	16.6	18.4	16.4
<i>As a % of NII</i>	93.0	87.9	75.4	72.9	74.5	73.8	75.5	76.8	78.0	79.5	80.5
Provisions	18,533.9	16,896.3	7,589.2	9,679.7	11,930.9	12,122.9	13,993.6	15,839.7	17,897.7	20,513.6	23,088.4
<i>As a % of PPOP</i>	79.1	65.7	30.4	33.0	35.0	34.0	33.0	32.0	31.0	30.0	29.0
PBT	4,904.2	8,805.8	17,382.6	19,652.8	22,157.4	23,532.7	28,411.2	33,659.4	39,836.7	47,865.1	56,526.7
<i>YoY Growth (%)</i>	(29.7)	79.6	97.4	13.1	12.7	6.2	20.7	18.5	18.4	20.2	18.1
Tax	3,277.0	2,217.3	4,357.1	4,952.5	5,583.7	5,930.2	7,159.6	8,482.2	10,038.9	12,062.0	14,244.7
PAT	1,627.2	6,588.5	13,025.5	14,700.3	16,573.7	17,602.5	21,251.6	25,177.2	29,797.9	35,803.1	42,282.0
<i>YoY Growth (%)</i>	(65.2)	304.9	97.7	12.9	12.7	6.2	20.7	18.5	18.4	20.2	18.1
GNPA	30,233.8	25,314.8	21,822.3	19,769.0	18,626.8	17,076.9	17,053.1	16,734.4	16,044.8	14,893.0	13,170.6
NNPA	9,360.4	6,993.5	5,512.2	4,993.5	4,705.0	4,313.5	4,307.5	4,227.0	4,052.8	3,761.9	3,326.8
<i>GNPA %</i>	4.9	3.7	2.8	2.6	2.3	2.1	1.8	1.6	1.3	1.1	0.8
<i>NNPA %</i>	1.6	1.1	0.7	0.6	0.5	0.4	0.4	0.3	0.3	0.2	0.2
CAR	17.5	19.1	18.5	18.3	18.5	18.4	18.4	18.5	18.6	18.9	19.3
Tier I	14.5	15.4	15.2	15.1	15.2	15.1	15.1	15.2	15.3	15.5	15.8

Source: Company Reports & Ventura Research

Key Investment highlights

Acquisition of Citibank’s Indian consumer business to help fill profile gaps

Axis bank recently acquired Citibank N.A. (CBNA) and Citicorp Finance’s (CFIL) entire consumer business in India. Via the acquisition, Axis bank will get instant access to the affluent customer segment and hence, address a gap in Axis bank’s current customer positioning. For the acquisition, Axis Bank will pay INR 12,325 cr in cash while another INR 1,500 cr will be paid as integration cost over 2 years from the date of closing of the transaction.

The deal is expected to close in 9-12 months for regulatory approvals and customer consent. Post closure of the transaction in Q4FY23, it would take 18 months’ time for the transition, during which Citibank would provide various services to support normal business operations.

The transaction would give Axis Bank INR 18,500 cr in consumer loans, like mortgages, asset-backed finance and personal loans but more importantly, access to 2.55 million high-spending credit card customers. The deal will also strengthen Axis Bank’s status as the country’s third-largest private lender and help it compete with larger rivals, HDFC Bank and ICICI Bank, in lucrative segments. Citibank’s consumer business also includes wealth management and retail banking operations. Citi is also known for its superior customer support system, which Axis Bank wants to replicate.

Snapshot of acquired portfolio of Citi



Source: Company, Ventura research

Max life acquisition to help Axis plug gaps in financial product offerings

Axis Bank in its subsidiaries collectively acquired a 12.99% stake in Max Life Insurance Company Limited (Max Life), which was the 4th largest private life insurance firm in April,

21. The bank is likely to raise this stake to 20% in the next 6-9 months. The acquisition will be value accretive for Axis Bank from the first day itself, given that Axis Bank already had a successful relationship with Max Life for over a decade and was its largest distribution partner with ~ INR 40,000 of premium collected for Max Life before the acquisition. With the acquisition of Max life, Axis Bank will be able to plug in a long term portfolio gap by offering insurance products to its clients and generate volumes for Max Life by cross selling.

We expect deposits to form 82% of total liability mix					
	HDFC group	Kotak	ICICI	Axis	SBI
Banking operations	✓	✓	✓	✓	✓
AMC	✓	✓	✓	✓	✓
Brokerage	✓	✓	✓	✓	✓
Investment banking	✓	✓	✓	✓	✓
Institutional equities	✓	✓	✓	✓	✓
Credit cards	✓	✓	✓	✓	✓
Insurance	✓	✓	✓	✗	✓

Source: Company, Ventura research

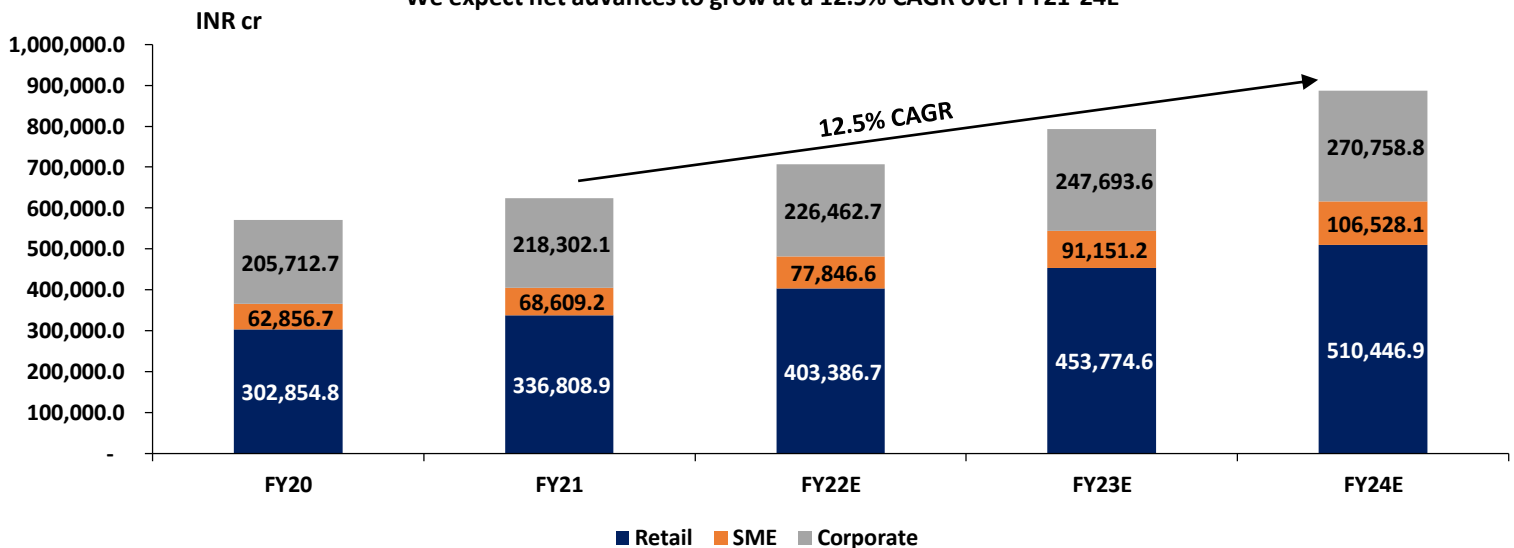
We expect loan growth at a 12.5% CAGR between FY21-FY24E

Axis' loan book has grown at a 12.4% CAGR between FY18-21. We have not modeled any acceleration in loan book growth over the historical rate, given expectation of calibrated lending. We expect the loan book to grow at a 12.5% CAGR over FY21-24E to INR 8,87,733.8 cr driven by:

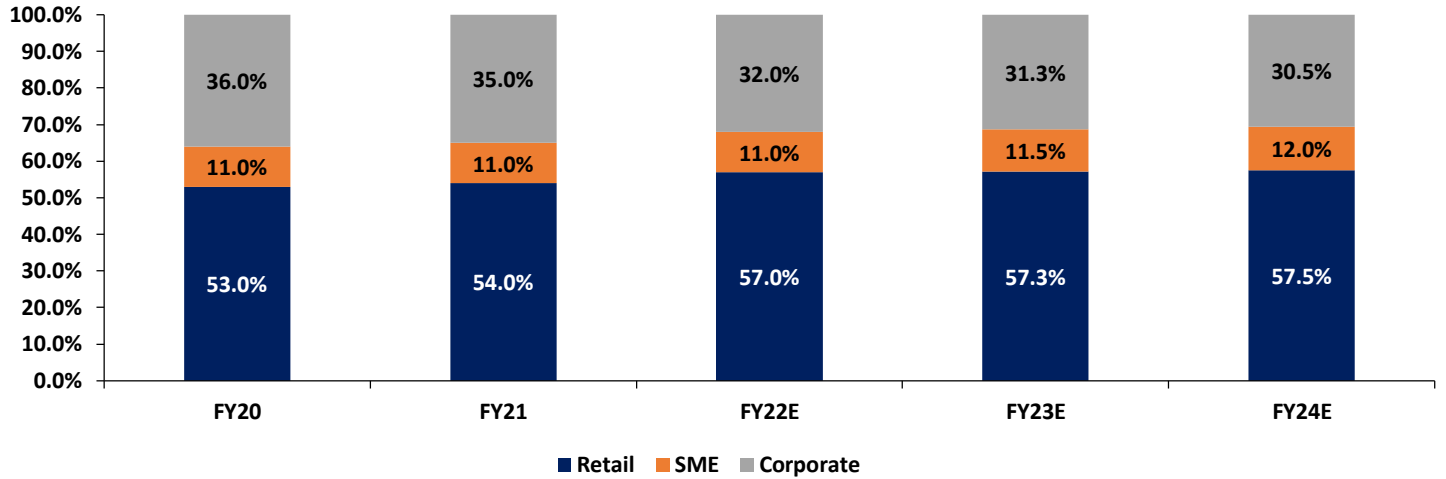
- 14.9% CAGR in Retail loans to INR 5,10,446.9 cr
- 15.8% CAGR in SME loans to INR 1,06,528.1 cr
- 7.4% CAGR in Corporate loans to INR 2,70,758.8 cr

We expect advances to grow at a 12.5% CAGR over FY21-24

We expect net advances to grow at a 12.5% CAGR over FY21-24E



We expect faster growth in retail loans resulting in an increase in its share over FY21-24E

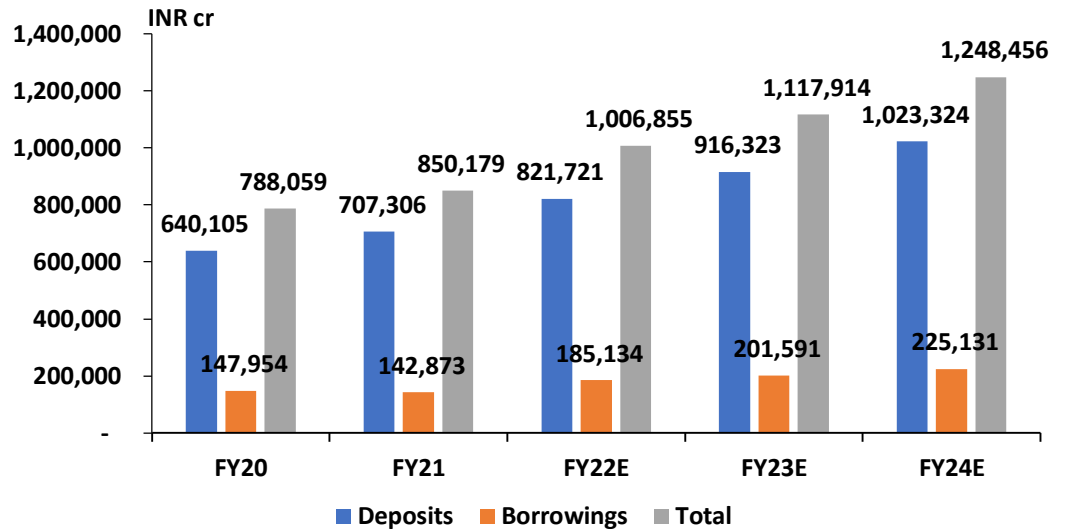


Source: Company, Ventura research

Credit to deposit ratio & CASA ratio are expected to stay at FY21 levels

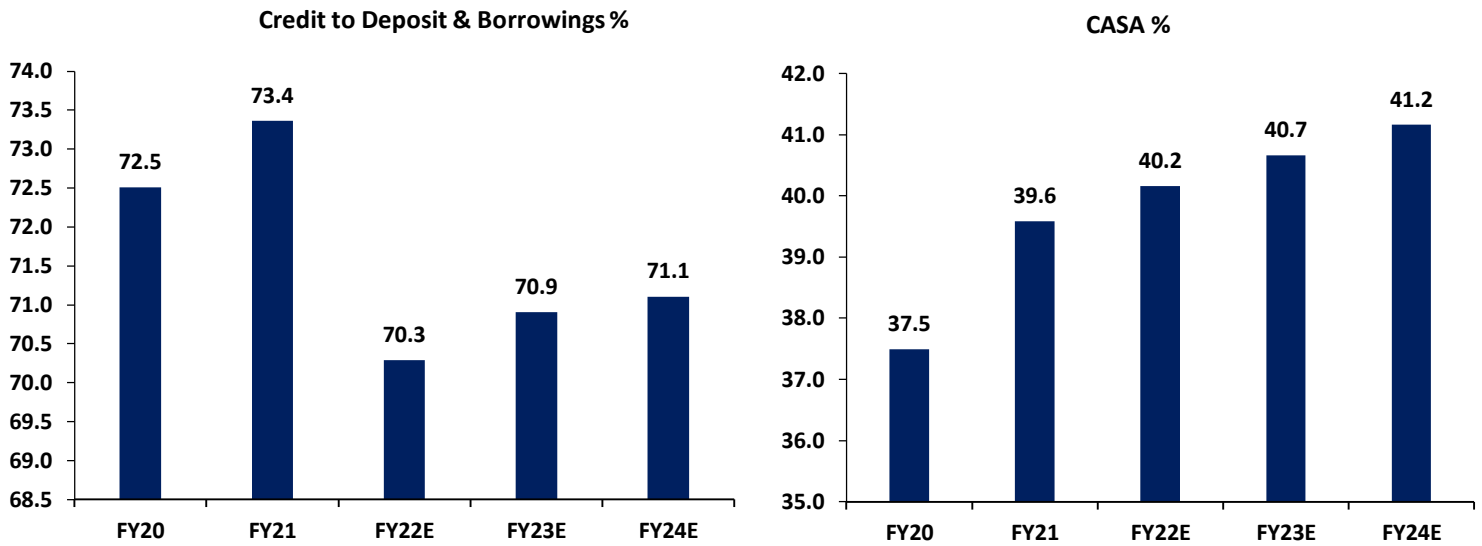
We expect the credit to total deposits ratio to stay at 70% with the overall share of CASA expected to touch 43.0% of total deposits in FY24. We expect a mix of customer deposits and borrowings to stay at ~81% (as against 83% seen in FY21).

We expect deposits to form 82% of the total liability mix



Source: Company, Ventura research

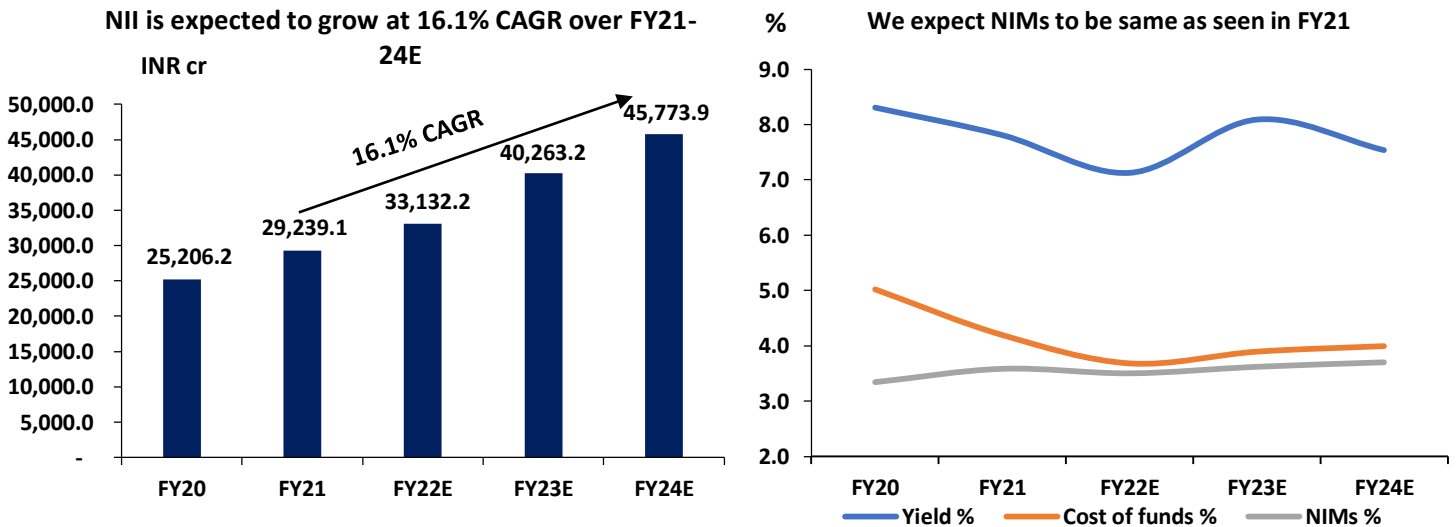
We have modeled credit to deposit & borrowings at ~71% in FY24 while CASA is expected to grow steadily to 41.2% in FY24



Source: Company, Ventura research

Further, with a rise in the loan book, we expect NII to grow at 16.1% CAGR over FY21-24. We have not baked in any major rise in NIMs and have kept yield and cost of borrowings at similar levels as in FY21.

We expect NIMs to remain the same over FY21-24E

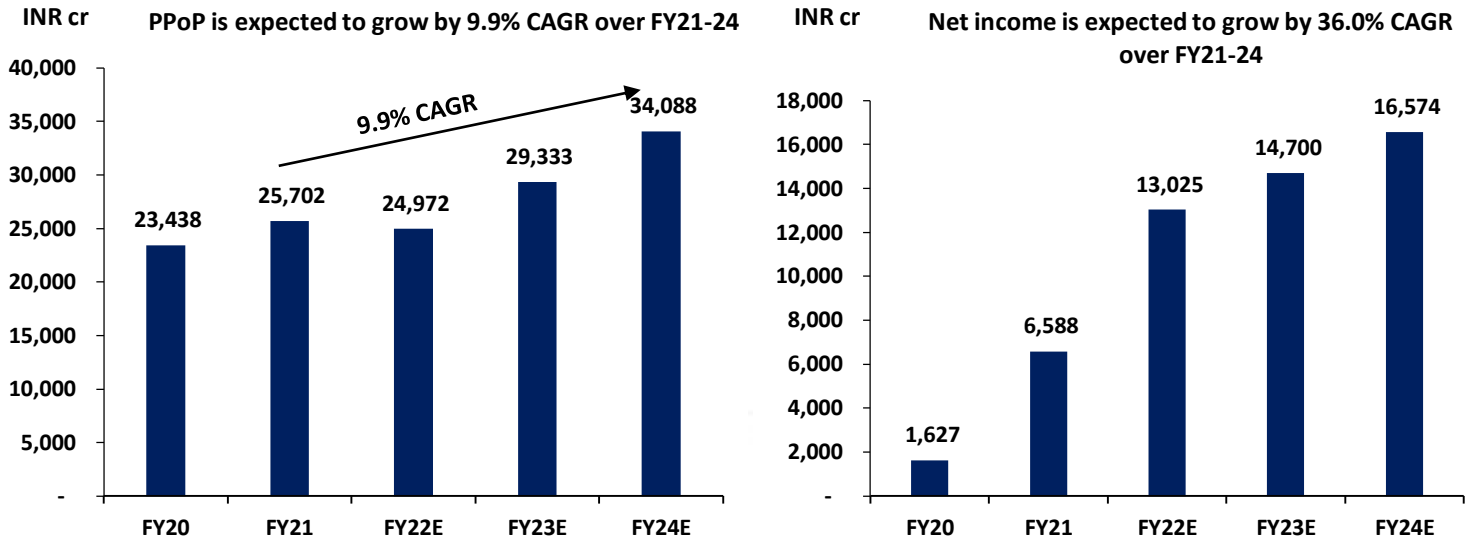


Source: Company, Ventura research

PPoP & net income are expected to grow by 9.9% & 36.0% CAGR between FY21-24E

We expect the PPoP to grow by 9.9% CAGR over FY21-24E. However, we expect slowdown in provisioning from hereon which should lead to a faster growth in net income by 36.0% CAGR over FY21-24E.

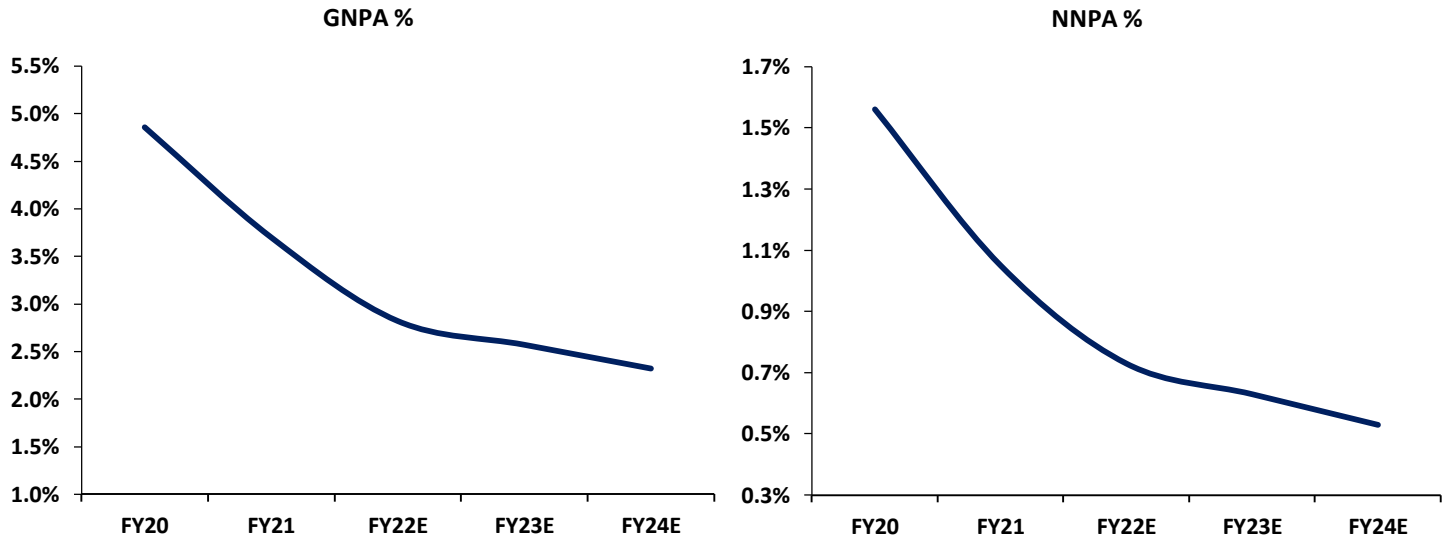
Net income is expected to grow faster for the bank as provisioning slows down from hereon



Source: Company, Ventura research

In terms of asset quality, we expect GNPA and NNPA to improve by 138bps and 52bps from 3.7% & 1.1% in FY21 to 2.3% & 0.5% in FY24.

We expect GNPA and NNPA to fall by 138 & 52bps over FY21-24 respectively

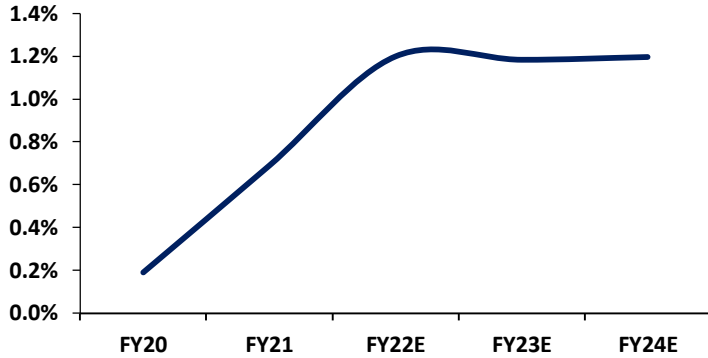


Source: Company, Ventura research

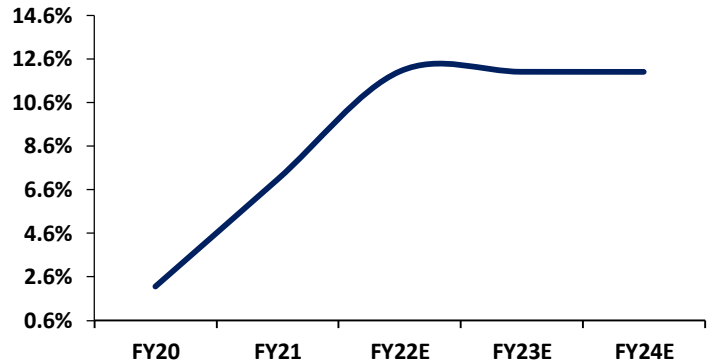
Return ratios, namely RoAA and RoAE, are expected to move by 50bps & 495bps from 0.7% & 7.1% in FY21 to 1.2% & 12.0% in FY24.

Return ratios are expected to improve drastically from FY21 levels

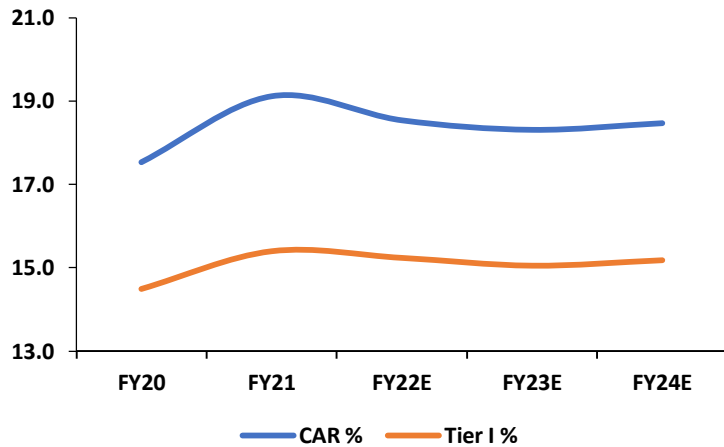
RoAA is expected to improve by 50bps over FY21-24E



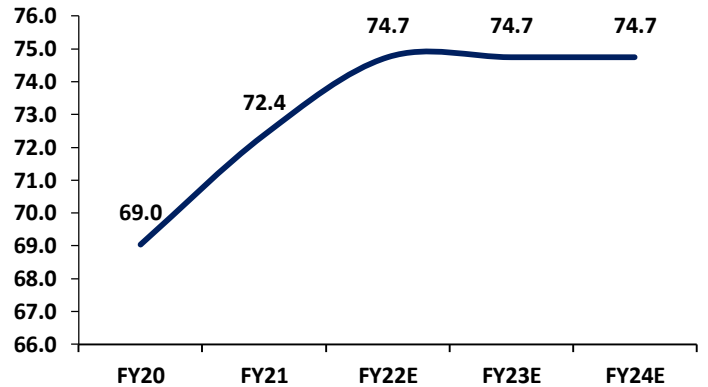
RoAE is expected to improve by 495bps over FY21-24E



CAR and Tier I



PCR %



Source: Company, Ventura research

Valuation

Axis Bank has historically performed in line with broader indices. However, this is due to the fact that the company had seen a major clean-up process in the past leading to subdued profits. However, we now expect Axis to report superior profitability. We initiate coverage on Axis with a PT of INR 901.1 (1.9x FY24 standalone P/B) representing an upside of 31.1% over the CMP of INR 691.0 over 24 months. We have used the SOTP method for the valuation. Our optimism stems from the following:

- Net advances are expected to grow at 12.5% CAGR over FY21-24E.
- NII is expected to grow at 16.1% CAGR over FY21-24E.
- PPOP & Net income is expected to grow at 9.9% & 36.0% CAGR over FY21-24E.

Valuation methodology

Sum of the parts valuation	AUM/Book/ Earnings/M.cap	Method	Multiple	Total Values INR cr	Stake	Value attributable to Axis INR cr	Value per share INR
Parent	141,743.1	P/adj B	1.9x	262,737.2	100.0%	262,737.2	856.5
Less: Investments in subs/JV as per FY21 annual report	2,299.5						7.5
Core Book value							849.0
<u>Value of Subsidiaries</u>							
Axis AMC	540.0	P/E	20.0x	10,800.0	75.0%	8,100.0	26.4
Axis Finance	2,250.0	P/adj B	1.9x	4,170.6	100.0%	4,170.6	13.6
Axis Capital	243.0	P/E	15.0x	3,645.0	100.0%	3,645.0	11.9
Axis securities	270.0	P/E	15.0x	4,050.0	100.0%	4,050.0	13.2
Total Value of Subsidiaries						19,965.6	65.1
Less: Hold co discount at 20%						3,993.1	13.0
Discounted value of Subsidiaries						15,972.5	52.1
Target value for Axis Bank						278,710	901.1

Source: Company, Ventura research

Axis' Key Management Personnel bring immense industry experience to the table

Key Person	Designation	Details
Amitabh Chaudhry	CEO & MD	Amitabh Chaudhry is an Engineer from Birla Institute of Technology and Science, Pilani and has done his Post Graduate in Business Management from IIM, Ahmedabad. He joined the Bank as its MD & CEO on 1st January 2019, after successfully leading HDFC Standard Life Insurance Company Limited (HDFC Life), for over nine years.
Rakesh Makhija	Non-Executive Independent Part-time Chairman	Rakesh Makhija is an Engineer from the Indian Institute of Technology, New Delhi. During his career spanning over four decades, he has been an active contributor to the Industrial and Technology sectors, both internationally and in India.
S Vishvanathan	Independent Non-Executive Director	S. Vishvanathan is an Independent Director of the Bank since 11th February 2015. He has done his M.Sc. in Physics and has completed MBA and CAIIB.
Ketaki Bhagwati	Independent Non-Executive Director	She is a former Chief Investment Officer in the Financial Institutions Group at the International Finance Corporation (IFC), the private sector financing arm of the World Bank Group.
Girish Paranjpe	Independent Non-Executive Director	Girish Paranjpe served as the Co-CEO of Wipro's IT Business from 2008-2011 and was a member of the Board of Directors Wipro Ltd.
Meena Ganesh	Independent Non-Executive Director	Meena Ganesh is a PGDM holder from IIM Calcutta and has a graduate degree in Physics from the Madras University.
Gopalaraman Padmanabhan	Independent Non-Executive Director	He holds extensive experience and expertise in bank regulation and supervision of foreign exchange/securities markets in India, information technology and payment systems.
Ashish Kotecha	Non-Executive (Nominee) Director	Ashish Kotecha joined Bain Capital Private Equity in 2010. He is a Managing Director and leads the Portfolio Group in Asia.
Vasantha Govindan	Nominee Director	Vasantha Govindan is currently the CEO of The Specified Undertaking of the Unit Trust of India (SUUTI), a Government of India entity.
Prof. S. Mahendra Dev	Independent Non-Executive Director	Prof. S. Mahendra Dev has been the Director and Vice Chancellor, Indira Gandhi Institute of Development Research (IGIDR) in Mumbai, India since 2010.
T.C. Suseel Kumar	Non-Executive (Nominee) Director	T.C. Suseel, Kumar has retired as Managing Director of Life Insurance Corporation of India in January 2021.

Rajiv Anand	Deputy Managing Director	Rajiv Anand, 55 years, with an illustrious career spanning more than 30 years has focused on various facets of the financial services industry.
Deepak Maheshwari	Group Executive and Chief Credit Officer	Deepak Maheshwari is the Group Executive and Chief Credit Officer of the Bank since January, 2019 and is responsible for credit underwriting, policy and monitoring. He joined Axis Bank after spending two decades in HDFC Bank where he was Group Head of the Wholesale Credit function, responsible for asset quality, sanctions, policy and monitoring of the entire Wholesale credit portfolio of that Bank.
Ganesh Sankaran	Group Executive - Wholesale Banking Coverage Group	Ganesh Sankaran is the Group Executive - Wholesale Banking Coverage Group at Axis Bank since March 2019. He has nearly 25 years of experience across coverage, credit and risk functions and has handled verticals like Corporate Credit, Financial Institutions, Business Banking, Mortgages, Commercial Transportation, Equipment Finance & Rural Lending.
Puneet Sharma	Chief Financial Officer	Puneet Sharma is the Chief Financial Officer of the Bank since March 2020. He has over two decades of experience in banks, financial institutions and consulting. In his previous stint, he was with Tata Capital Limited for 12 years, as a senior management functionary interacting extensively with the Board.
Sumit Bali	Group Executive and Head – Retail Lending	Sumit Bali is the Group Executive and Head – Retail Lending, Axis Bank. Sumit is a veteran in the banking industry with almost 3 decades of rich experience in Retail Banking.
Munish Sharda	Group Executive and Head - Bharat Banking	Munish Sharda is the Group Executive & Head – Bharat Banking, Axis Bank since September 2021. With a career spanning over 27 years, Munish brings in rich leadership experience with a successful track record of financial and operational turnarounds, leveraging digital and tech stack and enhancing people capabilities to transform business across the banking and insurance industries.
Ravi Narayanan	Group Executive – Retail Liabilities, Branch Banking & Products	Ravi Narayanan is the Group Executive – Retail Liabilities, Branch Banking & Products at Axis Bank since May 2021. He has more than 26 years of experience in the banking industry and leads all functions under Branch Banking (Liabilities, Sales & Operations), Alternate Channels, Third Party Products, Wealth Management, Axis Virtual Centre, Retail Forex & Remittances and UAE representative offices.
Subrat Mohanty	Group Executive – Banking Operations & Transformation	Subrat Mohanty is the Group Executive – Banking Operations & Transformation at Axis Bank since October, 2020. He leads all functions under Retail & Wholesale Banking Operations, Information Technology, Strategy and Business Intelligence Unit of the Bank.

Source: Company, Ventura Research

Business Quality Score

Key Criteria	Score	Risk	Comments
Management & Leadership			
Management Quality	7	Low	The management has full discretion in running operations like in HDFC Bank and ICICI Bank.
Promoters Holding Pledge	10	Low	There is no promoter pledge as on Dec, 21. Also, Axis Bank is promoted by government-backed entities like LIC and UTI.
Board of Directors Profile	8	Low	The board consists of directors with significant experience & industry knowledge.
Industry Consideration			
Industry Growth	6	Low	Credit growth is expected to be good in the near term due to high GDP growth expectations.
Regulatory Environment or Risk	4	High	Banks operate in a highly regulated environment under the supervision of RBI.
Entry Barriers / Competition	4	High	Entry barriers are high due to license requirements but currently private banks are facing fierce competition from fintech players.
Business Prospects			
New Business / Client Potential	6	Low	Axis Bank has historically lagged peers like Kotak, HDFC and ICICI Bank in scaling its nonbanking business. However, the bank has recently upped the ante on this account.
Market Share Potential	7	Low	Private banks are winning market share from PSUs.
Margin Expansion Potential	6	Low	NIMs are expected to stay more or less at the same levels as seen in FY21.
Earnings Growth	8	Low	We expect net income to grow at 37.5% CAGR over FY21-24.
Valuation and Risk			
Balance Sheet Strength	5	Medium	The balance sheet strength is not as high as Kotak Bank given comparatively low Tier I.
Total Score	71	Medium	The overall risk profile of the company is good and we consider it as a medium risk company for investments
Ventura score (%)	65		

Source: Company Reports & Ventura Research, Total score ≥ 75 = low risk, between 50-74 = medium risk, less than 50 = high risk

Annual Report Analysis

We analyzed the FY21 annual report of Axis Bank and our key observations are as follows:

Key takeaways

- **Technology:** Made significant investment in the 'Business Solutions Group' to drive innovative technology solutions and build a greater collaboration between business and technology. Axis adopted an agile methodology with multiple cross-functional squads working on over 220 high-priority, organisation-wide transformation projects.
- **Deposit side:** The focus on deepening existing liability relationships and acquiring quality customers as part of the premiumisation strategy continued to progress well. During the year, Axis acquired over 6.7 million new liability relationships, including over 2.8 million new savings account relationships that had higher average balances across retail savings and premium segment accounts. Emphasis on acquiring top corporate relationships in the salary segment resulted in 25% y-o-y growth in the salary deposits book.
- **Wealth management:** Wealth management business 'Burgundy' (Maintenance of a minimum Total Relationship Value (TRV) of INR 5 cr by 12 months of account/relationship initiation) continued to grow strongly with its AUM growing 45% YoY to cross the INR 2 trillion mark. Axis's team of relationship managers, wealth specialists and advisors along with strong product portfolio offerings helped to scale up 'Burgundy Private' proposition to cover over 1,660 families with assets to nearly INR 50,000 crores in just 15 months since its launch.
- **Digital banking:** 800-plus people fully dedicated to digital transformation of the Bank, including a strong in-house full stack technology team of 110 people, in roles across design, front-end and back-end development, DevOps, Quality Assurance, etc.
- **Digital product launches:** Launched a bouquet of digital products across deposits, loans, cards and investments, many of them being industry first, like a cloud-native loan management system built in-house and the full end-to-end digital forex card proposition. The products started making contributions to the Bank sourcing with close to 1.35 lakh digital SA accounts opened leveraging the video KYC while 71% of fixed deposits and over 40% of Mutual Funds were sourced digitally in FY21.
- **Corporate lending:** During the year, focused segments, like mid-Corporate and MNC delivered 31% and 49% YoY growth. The bank continued its focus on deepening relationships with better rated corporates with an aim of not just lending against the balance sheet to these clients but also growing the wallet share of non-credit business, like trade, forex and cash management.

Auditors' Qualifications & Significant Notes to Accounts

M/s Haribhakti & Co. LLP are the statutory auditors. The auditors have not expressed any major qualification in their report.

Contingent Liabilities

Due to the very nature of the industry, contingent liabilities as a percent of net worth is high.

Contingent Liabilities are reasonably high				
	FY18	FY19	FY20	FY21
Claims against the Bank	516.9	623.5	1,957.3	2,053.9
Partly paid investments	2.2	1.8	138.8	164.8
Liability of o/s contracts				
Forward Contracts	314,801.9	329,653.8	455,978.7	510,117.9
Swaps and futures	196,069.5	237,587.1	301,597.2	335,417.6
Foreign Currency Options	59,342.6	46,404.8	45,114.1	36,504.3
Total	570,733.0	614,271.0	804,786.1	884,258.4
Guarantees				
In India	76,293.4	68,052.9	66,479.7	72,965.2
Outside India	8,682.0	7,535.8	7,434.0	7,865.6
Acceptances, endorsements	32,410.1	32,439.5	25,165.0	37,805.8
Other item	47,159.8	33,466.1	19,103.9	49,763.7
Total	735,278.3	755,765.3	922,968.8	1,052,658.8
Networth	63,445.3	66,676.3	84,947.8	101,603.0
As a % of nethworth	1,158.9	1,133.5	1,086.5	1,036.1

Source: Company Reports & Ventura research

Key Risks & Concerns

- **Competition with Fintech firms:** Private sector banks are currently facing fierce competition from fintech players.
- **Asset quality pain in new loans:** Any unexpected change in the economic outlook can lead to big slippages even in new loans.

Quarterly and Annual Performance

Figures in INR Cr	FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	FY22	FY23E	FY24E
Interest Earned	62,635.2	16,538.9	16,062.9	15,498.4	15,545.2	63,645.3	16,003.5	16,336.0	17,261.1	17,776.2	67,376.8	81,696.2	93,101.3
<i>Growth %</i>						1.6%	-3.2%	1.7%	11.4%	14.4%	5.9%	21.3%	14.0%
Interest	48,303.0	12,587.4	12,189.0	11,544.3	11,598.2	47,918.9	11,881.5	11,986.7	12,679.0	13,069.4	49,616.6	58,512.3	67,214.1
<i>Growth %</i>						-0.8%	-5.6%	-1.7%	9.8%	12.7%	3.5%	17.9%	14.9%
Interest on bal with RBI	1,095.3	439.9	259.1	116.5	222.4	1,037.9	259.9	405.4	418.1	444.8	1,528.2	3,091.9	3,426.8
<i>Growth %</i>						-5.2%	-40.9%	56.5%	258.9%	100.0%	47.2%	102.3%	10.8%
Income from investments	11,246.0	2,973.0	3,101.9	3,189.8	3,293.5	12,558.2	3,428.2	3,521.6	3,766.8	3,902.3	14,618.9	18,490.1	20,634.8
<i>Growth %</i>						11.7%	15.3%	13.5%	18.1%	18.5%	16.4%	26.5%	11.6%
Others	1,990.9	538.6	512.9	647.8	431.1	2,130.3	433.9	422.3	397.3	359.8	1,315.3	1,601.9	1,825.5
<i>Growth %</i>						7.0%	-19.4%	-17.7%	-38.7%	-16.5%	-38.3%	21.8%	14.0%
Interest Expended	37,429.0	9,553.6	8,736.8	8,125.6	7,990.2	34,406.2	8,243.2	8,435.7	8,608.6	8,957.1	34,244.6	41,433.0	47,327.4
<i>Growth %</i>						-8.1%	-13.7%	-3.4%	5.9%	12.1%	-0.5%	21.0%	14.2%
Net Interest Income	25,206.2	6,985.3	7,326.1	7,372.8	7,555.0	29,239.1	7,760.3	7,900.3	8,652.5	8,819.1	33,132.2	40,263.2	45,773.9
<i>Growth %</i>						16.0%	11.1%	7.8%	17.4%	16.7%	13.3%	21.5%	13.7%
Other Income	15,536.6	2,586.7	3,807.2	3,776.0	4,668.3	14,838.2	3,588.2	3,798.4	3,840.4	4,223.3	15,450.3	15,059.8	17,754.7
<i>Growth %</i>						-4.5%	38.7%	-0.2%	1.7%	-9.5%	4.1%	-2.5%	17.9%
Net Operating Income	40,742.8	9,572.0	11,133.3	11,148.8	12,223.3	44,077.3	11,348.4	11,698.7	12,492.9	13,042.5	48,582.5	55,322.9	63,528.5
<i>Growth %</i>						8.2%	18.6%	5.1%	12.1%	6.7%	10.2%	13.9%	14.8%
Employee Cost	5,321.0	1,406.1	1,412.9	1,677.4	1,667.6	6,164.0	1,851.9	1,935.5	1,938.6	1,886.5	7,612.6	8,046.5	8,609.7
<i>Growth %</i>						15.8%	31.7%	37.0%	15.6%	13.1%	23.5%	5.7%	7.0%
Other Operating Exp	11,983.6	2,321.5	2,822.7	3,375.9	3,691.0	12,211.1	3,080.5	3,835.0	4,392.8	4,690.0	15,998.2	17,943.9	20,830.5
<i>Growth %</i>						1.9%	32.7%	35.9%	30.1%	27.1%	31.0%	12.2%	16.1%
<i>Cost to income ratio</i>	42.5%	38.9%	38.0%	45.3%	43.8%	41.7%	43.5%	49.3%	50.7%	50.4%	48.6%	47.0%	46.3%
Operating Profit	23,438.1	5,844.4	6,897.6	6,095.5	6,864.7	25,702.2	6,416.0	5,928.2	6,161.5	6,466.0	24,971.7	29,332.6	34,088.3
<i>Growth %</i>						9.7%	9.8%	-14.1%	1.1%	-5.8%	-2.8%	17.5%	16.2%
Provisions	18,533.9	4,416.4	4,580.7	4,604.3	3,295.0	16,896.3	3,532.0	1,735.1	1,334.8	987.2	7,589.2	9,679.7	11,930.9
<i>Growth %</i>						-8.8%	-20.0%	-62.1%	-71.0%	-70.0%	-55.1%	27.5%	23.3%
PBT	4,904.2	1,428.0	2,317.0	1,491.2	3,569.7	8,805.8	2,884.0	4,193.1	4,826.7	5,478.8	17,382.6	19,652.8	22,157.4
<i>Growth %</i>						79.6%	102.0%	81.0%	223.7%	53.5%	97.4%	13.1%	12.7%
Taxes	3,277.0	315.8	634.3	374.6	892.6	2,217.3	723.9	1,059.8	1,212.5	1,361.0	4,357.1	4,952.5	5,583.7
<i>Tax Rate</i>	66.8%	22.1%	27.4%	25.1%	25.0%	25.2%	25.1%	25.3%	25.1%	24.8%	25.1%	25.2%	25.2%
PAT	1,627.2	1,112.2	1,682.7	1,116.6	2,677.1	6,588.5	2,160.2	3,133.3	3,614.2	4,117.8	13,025.5	14,700.3	16,573.7
<i>Growth %</i>						304.9%	94.2%	86.2%	223.7%	53.8%	97.7%	12.9%	12.7%
Gross NPA	30,233.8	29,560.0	26,832.0	21,998.0	25,314.8	25,314.8	25,949.0	24,149.0	23,301.0	21,822.0	21,822.3	19,769.0	18,626.8
Gross NPA %	4.9%	4.7%	4.2%	3.4%	3.7%	3.7%	3.9%	3.5%	3.2%	2.8%	2.8%	2.6%	2.3%
Net NPA	9,360.4	7,448.0	6,108.0	4,610.0	6,994.0	6,994.0	7,846.0	7,200.0	6,513.0	5,512.0	5,512.2	4,993.5	4,705.0
Net NPA %	1.6%	1.2%	1.0%	0.7%	1.1%	1.1%	1.2%	1.1%	0.9%	0.7%	0.7%	0.6%	0.5%
PCR	69.0%	74.8%	77.2%	79.0%	72.4%	72.4%	69.8%	70.2%	72.0%	74.7%	74.7%	74.7%	74.7%

Source: Company Reports & Ventura Research

Financial Analysis & Projections

Y/E March (INR cr)	FY20	FY21	FY22	FY23E	FY24E	Y/E March (INR crore)	FY20	FY21	FY22	FY23E	FY24E
Income Statement						Ratio Analysis					
Interest Income	62,635.2	63,645.3	67,376.8	81,696.2	93,101.3	Efficiency Ratio (%)					
Interest Expense	37,429.0	34,406.2	34,244.6	41,433.0	47,327.4	Int Expended / Int Earned	59.8	54.1	50.8	50.7	50.8
Net Interest Income	25,206.2	29,239.1	33,132.2	40,263.2	45,773.9	Int Income / Total Funds	6.8	6.4	5.7	6.2	6.4
YoY change (%)	16.1	16.0	13.3	21.5	13.7	NII / Total Income	32.2	37.3	40.0	41.6	41.3
Non Interest Income	15,536.6	14,838.2	15,450.3	15,059.8	17,754.7	Other Inc. / Total Income	19.9	18.9	18.7	15.6	16.0
Total Net Income	40,742.8	44,077.3	48,582.5	55,322.9	63,528.5	Ope. Exp. / Total Income	22.1	23.4	28.5	26.9	26.6
Total Operating Expenses	17,304.6	18,375.2	23,610.8	25,990.4	29,440.3	Net Profit / Total Funds	0.2	0.7	1.1	1.1	1.1
Pre Provision profit	23,438.1	25,702.2	24,971.7	29,332.6	34,088.3	Credit / Deposit	89.3	88.2	86.1	86.5	86.8
YoY change (%)	23.3	9.7	-2.8	17.5	16.2	Investment / Deposit	24.5	32.0	33.5	32.0	32.0
Provisions	18,533.9	16,896.3	7,589.2	9,679.7	11,930.9	NIM	3.3	3.6	3.5	3.6	3.7
Profit Before Tax	4,904.2	8,805.8	17,382.6	19,652.8	22,157.4	Solvency					
YoY change (%)	-29.7	79.6	97.4	13.1	12.7	Gross NPA (Rs. Cr)	30,233.8	25,314.8	21,822.3	19,769.0	18,626.8
Taxes	3,277.0	2,217.3	4,357.1	4,952.5	5,583.7	Net NPA (Rs. Cr)	9,360.4	6,993.5	5,512.2	4,993.5	4,705.0
Net profit	1,627.2	6,588.5	13,025.5	14,700.3	16,573.7	Gross NPA (%)	4.9	3.7	2.8	2.6	2.3
YoY change (%)	-65.2	304.9	97.7	12.9	12.7	Net NPA (%)	1.6	1.1	0.7	0.6	0.5
Balance Sheet						Capital Adequacy Ratio (%)					
Cash & Balances with RBI	97,268.3	61,729.8	110,987.1	121,821.0	136,804.5	Tier I Capital (%)	14.5	15.4	15.2	15.1	15.2
Fixed assets	4,312.9	4,245.0	4,572.4	6,835.8	7,644.2	Tier II Capital (%)	3.0	3.7	3.3	3.3	3.3
Investments	156,734.3	226,119.6	275,597.2	292,940.5	327,147.9	Per Share Data					
Loan and Advances	571,424.2	623,720.2	707,696.0	792,619.5	887,733.8	EPS	5.8	22.2	42.5	47.9	54.0
Other Assets	85,425.2	80,303.8	76,325.5	93,132.8	102,089.4	Book Value	301.1	331.6	375.8	423.4	477.4
Total Assets	915,164.8	996,118.4	1,175,178.1	1,307,349.5	1,461,419.8	Adj Book Value of Share	267.9	308.8	357.8	407.1	462.1
Deposits	640,104.9	707,306.1	821,720.9	916,323.1	1,023,324.3	Valuation Ratio					
Borrowings	147,954.1	142,873.2	185,133.9	201,591.1	225,131.3	Price/Earnings (x)	116.4	30.3	15.8	14.0	12.4
Other Liability	42,157.9	44,336.2	53,149.3	59,561.0	66,516.1	Price/Book Value (x)	2.2	2.0	1.8	1.6	1.4
Equity	564.3	612.8	614.0	614.0	614.0	Price/Adj.Book Value (x)	2.5	2.2	1.9	1.6	1.5
Reserves	84,383.5	100,990.3	114,411.5	129,111.8	145,685.6	Return Ratio					
Share warrant O/s	0.0	0.0	148.6	148.6	148.6	RoAA (%)	0.2	0.7	1.2	1.2	1.2
Total Liabilities	915,164.8	996,118.4	1,175,178.1	1,307,349.5	1,461,419.8	RoAE (%)	2.1	7.1	12.0	12.0	12.0
Dupont Analysis						Growth Ratio (%)					
% of Average Assets						Interest Income	13.9	1.6	5.9	21.3	14.0
Net Interest Income	2.9	3.1	3.1	3.2	3.3	Interest Expenses	12.5	-8.1	-0.5	21.0	14.2
Non Interest Income	1.8	1.6	1.4	1.2	1.3	Other Income	18.3	-4.5	4.1	-2.5	17.9
Net Income	4.7	4.6	4.5	4.5	4.6	Total Income	14.8	0.4	5.5	16.8	14.6
Operating Expenses	2.0	1.9	2.2	2.1	2.1	Net profit	-65.2	304.9	97.7	12.9	12.7
Operating Profit	2.7	2.7	2.3	2.4	2.5	Deposits	16.7	10.5	16.2	11.5	11.7
Provisions & Contingencies	2.2	1.8	0.7	0.8	0.9	Advances	15.5	9.2	13.5	12.0	12.0
Taxes	0.4	0.2	0.4	0.4	0.4						
ROAA	0.2	0.7	1.2	1.2	1.2						

Source: Company Reports & Ventura Research

Disclosures and Disclaimer

Ventura Securities Limited (VSL) is a SEBI registered intermediary offering broking, depository and portfolio management services to clients. VSL is member of BSE, NSE and MCX-SX. VSL is a depository participant of NSDL. VSL states that no disciplinary action whatsoever has been taken by SEBI against it in last five years except administrative warning issued in connection with technical and venial lapses observed while inspection of books of accounts and records. Ventura Commodities Limited, Ventura Guaranty Limited, Ventura Insurance Brokers Limited and Ventura Allied Services Private Limited are associates of VSL. Research Analyst (RA) involved in the preparation of this research report and VSL disclose that neither RA nor VSL nor its associates (i) have any financial interest in the company which is the subject matter of this research report (ii) holds ownership of one percent or more in the securities of subject company (iii) have any material conflict of interest at the time of publication of this research report (iv) have received any compensation from the subject company in the past twelve months (v) have managed or co-managed public offering of securities for the subject company in past twelve months (vi) have received any compensation for investment banking merchant banking or brokerage services from the subject company in the past twelve months (vii) have received any compensation for product or services from the subject company in the past twelve months (viii) have received any compensation or other benefits from the subject company or third party in connection with the research report. RA involved in the preparation of this research report discloses that he / she has not served as an officer, director or employee of the subject company. RA involved in the preparation of this research report and VSL discloses that they have not been engaged in the market making activity for the subject company. Our sales people, dealers, traders and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. We may have earlier issued or may issue in future reports on the companies covered herein with recommendations/ information inconsistent or different those made in this report. In reviewing this document, you should be aware that any or all of the foregoing, among other things, may give rise to or potential conflicts of interest. We may rely on information barriers, such as "Chinese Walls" to control the flow of information contained in one or more areas within us, or other areas, units, groups or affiliates of VSL. This report is for information purposes only and this document/material should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities, and neither this document nor anything contained herein shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This document does not solicit any action based on the material contained herein. It is for the general information of the clients / prospective clients of VSL. VSL will not treat recipients as clients by virtue of their receiving this report. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of clients / prospective clients. Similarly, this document does not have regard to the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The securities discussed in this report may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Persons who may receive this document should consider and independently evaluate whether it is suitable for his/ her/their particular circumstances and, if necessary, seek professional/financial advice. And such person shall be responsible for conducting his/her/their own investigation and analysis of the information contained or referred to in this document and of evaluating the merits and risks involved in the securities forming the subject matter of this document. The projections and forecasts described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. Projections and forecasts are necessarily speculative in nature, and it can be expected that one or more of the estimates on which the projections and forecasts were based will not materialize or will vary significantly from actual results, and such variances will likely increase over time. All projections and forecasts described in this report have been prepared solely by the authors of this report independently of the Company. These projections and forecasts were not prepared with a view toward compliance with published guidelines or generally accepted accounting principles. No independent accountants have expressed an opinion or any other form of assurance on these projections or forecasts. You should not regard the inclusion of the projections and forecasts described herein as a representation or warranty by VSL, its associates, the authors of this report or any other person that these projections or forecasts or their underlying assumptions will be achieved. For these reasons, you should only consider the projections and forecasts described in this report after carefully evaluating all of the information in this report, including the assumptions underlying such projections and forecasts. The price and value of the investments referred to in this document/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. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice. We do not provide tax advice to our clients, and all investors are strongly advised to consult regarding any potential investment. VSL, the RA involved in the preparation of this research report and its associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. This report/document has been prepared by VSL, based upon information available to the public and sources, believed to be reliable. No representation or warranty, express or implied is made that it is accurate or complete. VSL has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed. The opinions expressed in this document/material are subject to change without notice and have no obligation to tell you when opinions or information in this report change. This report or recommendations or information contained herein do/does not constitute or purport to constitute investment advice in publicly accessible media and should not be reproduced, transmitted or published by the recipient. The report is for the use and consumption of the recipient only. This publication may not be distributed to the public used by the public media without the express written consent of VSL. This report or any portion hereof may not be printed, sold or distributed without the written consent of VSL. This document does not constitute an offer or invitation to subscribe for or purchase or deal in any securities and neither this document nor anything contained herein shall form the basis of any contract or commitment whatsoever. This document is strictly confidential and is being furnished to you solely for your information, may not be distributed to the press or other media and may not be reproduced or redistributed to any other person. The opinions and projections expressed herein are entirely those of the author and are given as part of the normal research activity of VSL and are given as of this date and are subject to change without notice. Any opinion estimate or projection herein constitutes a view as of the date of this report and there can be no assurance that future results or events will be consistent with any such opinions, estimate or projection. This document has not been prepared by or in conjunction with or on behalf of or at the instigation of, or by arrangement with the company or any of its directors or any other person. Information in this document must not be relied upon as having been authorized or approved by the company or its directors or any other person. Any opinions and projections contained herein are entirely those of the authors. None of the company or its directors or any other person accepts any liability whatsoever for any loss arising from any use of this document or its contents or otherwise arising in connection therewith. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Securities Market.

Ventura Securities Limited - SEBI Registration No.: INH000001634

Corporate Office: I-Think Techno Campus, 8th Floor, 'B' Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) – 400608