Home First Finance Company | BUY

Strong and in-line

Home-First Finance Company (HFFC) reported yet another strong quarter with PAT beat of +3% on our estimates at INR 1bn (+25%/+8% YoY/QoQ) leading to healthy RoA/RoE of 3.5%/17%. AUM growth was healthy at +31%/+6% YoY/QoQ supported by strong disbursements growth of +16%/+7% YoY/QoQ. Margins moved up +20bps QoQ leading to strong NII growth of +26%/+6% YoY/QoQ. Steady opex and other income led to in-line operating profit of INR 1.46bn (+28%/+4% QoQ YoY/QoQ). GS3/NS3 was marginally down at 1.7%/1.3% (-6bps/-4bps QoQ). Management guidance for FY26E remains strong: i) ~26-30% AUM growth with aim to reach INR 200bn in FY27E, ii) margins improvement led by recent fund raise and ratings upgrade with spreads of 5%+, iii) Opex/assets at 2.7-2.8% (vs 2.7% in FY25) and iv) credit costs of 30-40bps. We believe that the guidance laid out by the management coupled with its history of consistently delivering exactly in-line performance, is sufficient to justify its premium valuations. We expect HFFC to outperform its peers during a favourable rate-cuts scenario and expect the company to deliver avg. RoA/RoE of 3.5%/14.2% over FY26E/FY27E (lower RoEs are on account of recent capital raise from QIP). Maintain BUY with a revised TP of INR 1,360 (valuing HFFC at 2.9x FY27E BVPS) against our previous TP of INR 1,200 based on 2.6x FY27E BVPS.

- **Sustained growth momentum:** AUM demonstrated healthy growth, reaching INR 127bn (+31% YoY, +6% QoQ) supported by strong disbursements of INR 12.7bn (+16% YoY, +7% QoQ). Growth was led by LAP (+50% YoY, +10% QoQ), followed by HL (+28% YoY, +6% QoQ). Shop loans were up +19% YoY, +7% QoQ. Mgmt. guided for 26-30% growth in FY26E led by disbursements growth of 20-25% and run-off rate of 17-18%. The growth will be largely supported by new branch expansion for which guidance was revised from earlier 25-30 branches per year to 30-35 branches. Management highlighted that 25% of the growth will be contributed by new branch additions and remaining to come from existing branches. Company remains confident to reach INR 200bn AUM by FY27E and INR 350bn by FY30E. We build in AUM CAGR of ~27% over FY25-27E.

- **In-line operating performance:** PAT stood healthy at INR 1bn (+25% YoY, +8% QoQ) which was +3% above our estimates. This was driven by strong NII growth of +26% YoY, +6% QoQ as NIMs moved up +20bps QoQ. Spreads were down -10bps QoQ led by -10bps decline in yield while CoFs were sequentially steady at 8.4% (vs its guidance of 8.5%). Steady opex and other income led to in-line operating profit of INR 1.46bn (+28% YoY, +4% QoQ) while continued lower credit costs of 25bps (vs 34bps QoQ) led to largely in-line PAT. Mgmt. remains confident in their ability to sustain spreads within 5-5.25% on a steady state and guided for NIMs to expand in the near-term due to its recent QIP fund raise. 60% of the borrowings of the company are bank borrowings (Pvt+PSU) out of which 18-19% is repo linked where company has started benefiting while T-bill rate cuts will start flowing in going forward. Company also expects credit rating upgrade from AA- to AA in next 6 months leading to further cost tailwinds. We expect EPS CAGR of ~28% over FY25-27E.

Ajit Kumar
ajit.k@jmfl.com | Tel: (91 22) 66303489
Mayank Mistry
mayank.mistry@jmfl.com | Tel: (91 22) 62241877
Raghvesh
raghvesh@jmfl.com | Tel: (91 22) 66303099
Shreyas Pimple
shreyas.pimple@jmfl.com | Tel: (91 22) 66301881
Gayathri Shivaram
gayathri.shivaram@jmfl.com | Tel: (91 22) 66301889
Shubham Karvande
Shubham.karvande@jmfl.com | Tel: (01 22) 6630 3696

Recommendation and Price Target	
Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	1,360
Upside/(Downside)	14.0%
Previous Price Target	1,200
Change	13.3%

Key Data – HOMEFIRS IN	
Current Market Price	INR1,193
Market cap (bn)	INR122.8/US$1.5
Free Float	66%
Shares in issue (mn)	103.2
Diluted share (mn)	
3-mon avg daily val (mn)	INR694.4/US$8.2
52-week range	1,383/777
Sensex/Nifty	80,502/24,347
INR/US$	84.5

Price Performance

%	1M	6M	12M
Absolute	16.4	0.1	32.4
Relative*	8.9	-1.1	21.5

* To the BSE Sensex

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26A	FY27E	FY28E
Net Profit	3,057	3,821	4,878	6,287	7,455
Net Profit (YoY) (%)	33.9%	25.0%	27.7%	28.9%	18.6%
Assets (YoY) (%)	41.5%	28.1%	34.3%	17.0%	20.7%
ROA (%)	3.8%	3.5%	3.4%	3.5%	3.5%
ROE (%)	15.5%	16.5%	14.5%	14.0%	14.5%
EPS	34.5	42.4	47.3	60.9	72.2
EPS (YoY) (%)	33.2%	22.8%	11.4%	28.9%	18.6%
P/E (x)	**34.5**	**28.1**	**25.2**	**19.6**	**16.5**
BV	240	280	408	464	530
BV (YoY) (%)	16.1%	16.8%	45.9%	13.6%	14.2%
P/BV (x)	**4.98**	**4.26**	**2.92**	**2.57**	**2.25**

Source: Company data, JM Financial. Note: Valuations as of 02/May/2025

- Marginal improvement in asset quality: Asset quality improved marginally GS3/NS3 at 1.7%/1.3% (-6bps/-4bps QoQ) with PCR at 25.2 (-29bps QoQ). Early delinquencies improved sequentially with 1+ DPD at 4.5% (-38bps QoQ) and 30+ DPD at 3% (-9bps QoQ) as Q3 was affected due to seasonality. However, given the product segment that HFFC operates in, we do not foresee any major asset quality headwinds in the near term. We build avg. credit costs of ~30bps over FY26-27E in line with management guidance.

- Valuation and view: We believe that the guidance laid out by the management coupled with its history of consistently delivering exactly in-line performance, is sufficient to justify its premium valuations. We expect HFFC to outperform its peers during a favourable rate-cuts scenario and expect the company to deliver avg. RoA/RoE of 3.5%/14.2% over FY26E/FY27E (lower RoEs are on account of recent capital raise from QIP). Maintain BUY with a revised TP of INR 1,360 (valuing HFFC at 2.9x FY27E BVPS) against our previous TP of INR 1,200 based on 2.6x FY27E BVPS.

HFFC – 4QFY25 key result highlights

Exhibit 1. HFFC: 4QFY25 Results Snapshot

Earnings Table (INR mn.)	Q4FY24	Q3FY25	Q4FY25	YoY (%)	QoQ (%)	Q4FY25E	A/E (%)
Net Interest Income	**1,368**	**1,631**	**1,726**	**26.2%**	**5.8%**	**1,751**	**-1.4%**
Total Non-Interest income	351	517	533	51.9%	3.1%	521	2.2%
Total Income	**1,719**	**2,148**	**2,259**	**31.4%**	**5.2%**	**2,272**	**-0.6%**
Employee Cost	366	508	518	41.7%	2.0%		
Other expenses & Depreciation	218	244	285	30.5%	16.7%		
Total Operating Expenses	**584**	**752**	**803**	**37.5%**	**6.7%**	**820**	**-2.1%**
Operating Profit (PPP)	**1,135**	**1,396**	**1,456**	**28.3%**	**4.3%**	**1,452**	**0.3%**
Total Provisions	27	98	77	180.6%	-21.3%	96	-19.5%
PBT	**1,107**	**1,298**	**1,379**	**24.5%**	**6.2%**	**1,357**	**1.6%**
Tax	273	324	332	21.7%	2.4%	335	-1.0%
Reported Profit	**835**	**974**	**1,047**	**25.4%**	**7.5%**	**1,021**	**2.5%**
Balance Sheet Data (INR bn)							
AUM	97.0	119.5	127.1	31.1%	6.4%	127.5	-0.3%
Disbursements	11.0	11.9	12.7	15.5%	6.7%	12.6	0.8%
Ratios Analysis (%)							
Cost to Income (%)	34.0%	35.0%	35.5%	157 bps	53 bps	36.1%	(55) bps
Yield on AUM (Calc.)	12.1%	12.3%	11.8%	(31) bps	(51) bps	12%	(45) bps
Cost of Funds (Calc)	8.2%	8.5%	8.1%	(13) bps	(41) bps	8.6%	(53) bps
NIM	5.8%	5.6%	5.6%	(25) bps	(3) bps	6%	(7) bps
Gross S3 (%)	1.70%	1.74%	1.68%	(1) bps	(6) bps	1%	73 bps
Net S3 (%)	1.19%	1.30%	1.26%	7 bps	(4) bps	1%	57 bps
Coverage	29.7%	25.5%	25.2%	(455) bps	(29) bps	28%	(281) bps
Capital Adequacy (%)				0 bps	0 bps		
Tier I (%)	39.1%	32.7%	32.4%	(670) bps	(30) bps		
CAR (%)	39.5%	33.1%	32.8%	(670) bps	(30) bps		
Return ratios (%)				0 bps	0 bps		
ROA (%)	3.6%	3.4%	3.5%	(11) bps	12 bps	3.4%	0.1%
ROE (%)	16.1%	16.6%	17.0%	91 bps	41 bps	16.6%	0.4%

Source: Company, JM Financial

HFFC- Key takeaways from concall:

Growth:

- Affordable Housing growth in FY26 to remain similar to that of FY25.
- LAP to be maintained 15-20% over next 5 years. Share of disbursal is 15-17% of total.
- Disbursements targeted at 20%+. 20-25% from new branches and remaining from existing branches. Run offs expected at 17-18% of which BT out ranges 7-8%. Company should be able to get 26-30% AUM growth in FY26.
- Company remains confident to reach INR 200bn AUM by FY27 and INR 350bn by FY30.
- Market share of company is ~2% and the ambition is to reach 4-5% in medium term in 3-5 yrs.
- ATS to grow 3-5% every year.
- Branches to expand at 30-35 per year from 25-30 previously.
- Tamil Nadu (TN) has 24 branches and the company is currently exploring options on where they can expand more here. It has not capped out on the state. The company is looking to invest in MP more as it has worked well so far.
- Company has 50-60 branches in smaller category with AUM per branch of <INR 250mn, 50 branches with age of 2+ years having AUM per branch of 250-500mn. And 50 branches with age of 3-4 yrs (Mid-size) with AUM per branch of >INR 750mn.

Asset quality:

- Credit cost guidance maintained at 30-40bps for medium-term.
- As per ECL model, PCR requirement is 25% on stage 3. Model refresh happens every year and last it was done in Mar'25.
- For stage 1, company uses 12month PD in its ECL model.
- Large part of customers pay immediately after bounce, hence the reported bounce rates are largely inflated due to payments which are captured during month end.
- Write off for FY25 was 170mn and recoveries from write-offs was 20mn leading to INR 15cr net write offs. Write-offs in Q4 was INR 50mn
- Company maintains ECL overlay of INR 130mn (0.1% of AUM).

Margins and opex:

- In the book stage, spreads is 5%+ while incremental spread is 4.7% during Q4. However, 5%+ spreads will be maintained. If the spread goes below 5%, company will pass the rates to customers and return back to ~5% spreads immediately.
- Asset origination yield is currently at 13-13.5%. Company has a fully floating rate book. Hence once CoFs go down, company has flexibility to move their yields down.
- CoFs were targeted at ~8.50% in Q4 end, while the company ended with 8.4%. Marginal CoBs are not re-priced and is currently ranging 8.4-8.5%. This is expected to go down from Q1FY26.
- NIMs will expand in next few quarters; currently it will remain lower due to QIP funds raised during the quarter. And as leverage moves above 6x, margins will fall again.
- 60% of the borrowings are bank borrowings (Pvt+PSU) out of which repo linked is 18-19% where company has started benefiting while Tbill rate cuts will start flowing from Q1FY26. 17% is assignment + colending, 16% NHB (will maintain 15-20% mix).
- Company expects credit rating upgrade from AA- to AA in next 6 months.

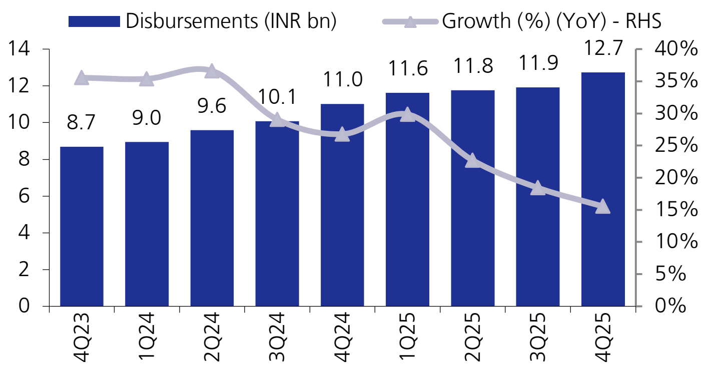
- Assuming 100bps rate cut, ~60% transmission takes around 12 months to flow (considering 10 years data). Currently no change is done in PLR rates.
- NIMs were up 20bps due to better liquidity management. NIMs are likely to expand on the back of capital raise.
- Opex/assets to be maintained at 270-280bps.
- Company manages avg 10-11 employees per branch at organization level.
- Not too much increase or decrease is expected in productivity going forward.

Other highlights:

- RoEs will return back to 15%+ levels in next 6-7 quarters.
- HFFC successfully raised INR 12.5bn by issuing 13mn of equity shares in a QIP transaction. It won't need to raise funds for next 4 years unless company growth faster than its guidance.
- Campus hiring is done majorly in Q1, hence largely the employee addition is lower in Q4. Attrition stands at 25-30% and has gone down 2-3% YoY. Will remain same going forward.
- Pvt banks are less competitive as compared to PSU banks in mortgage business while large SFBSs are also active here
- LAP LTV will always be maintained at <60% in all the cases.
- Active connectors are 3,800. And no of RMs are 1,200. Top 10 exposure is <4%.
- Connector commission in 40-50bps.
- Company is still awaiting clarity on CLM2 whether it is allowed or nit. CLM1 is tedious as disbursements have to be done by both entities at same time here. CLM2- entire loan is disbursed by HFFC and later is paid back by bank.
- Partnership acquisition inched up as it partnered with Phonepe a few quarters back.

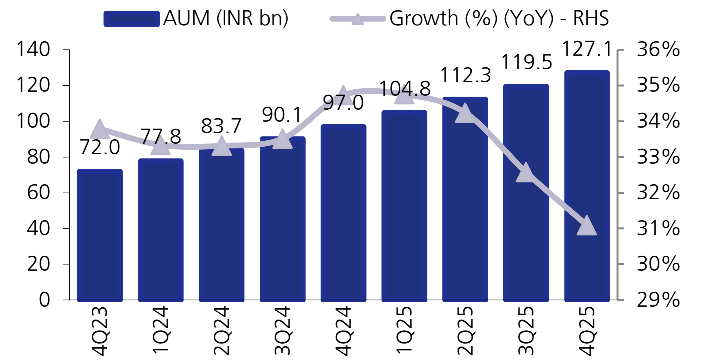
HFFC - Quarterly Trends

Exhibit 2. Strong disbursements trend



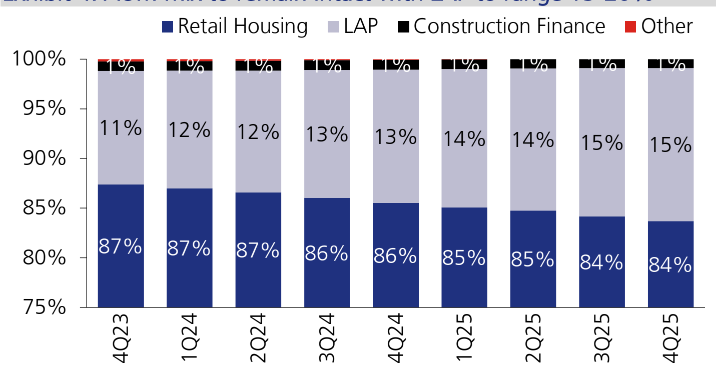
Source: Company, JM Financial

Exhibit 3. AUM growth normalizing with increase in base



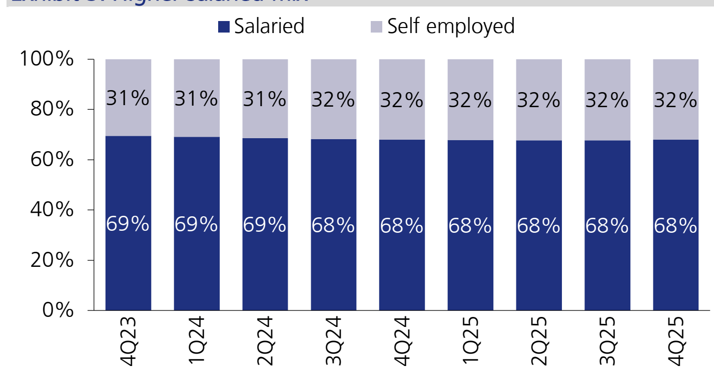
Source: Company, JM Financial

Exhibit 4. AUM Mix to remain intact with LAP to range 15-20%



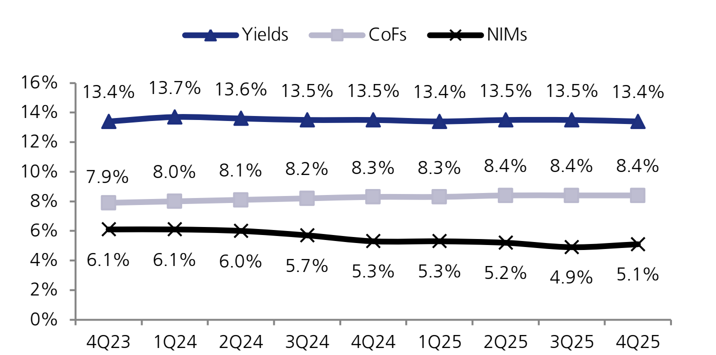
Source: Company, JM Financial

Exhibit 5. Higher salaried mix



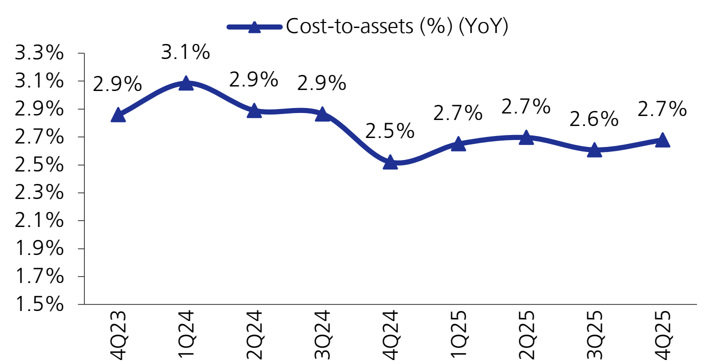
Source: Company, JM Financial

Exhibit 6. Margins improved sequentially



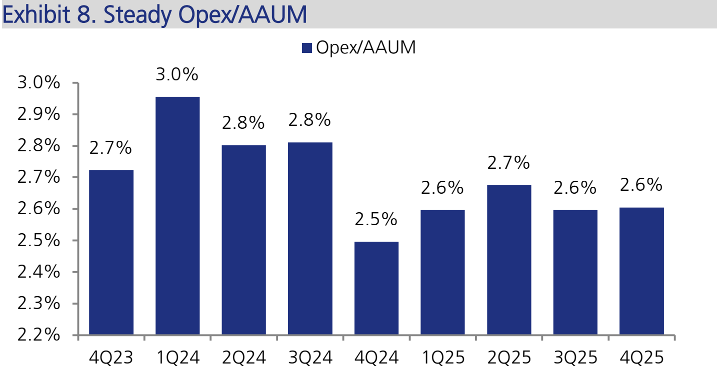
Source: Company, JM Financial

Exhibit 7. Cost-to-assets largely steady



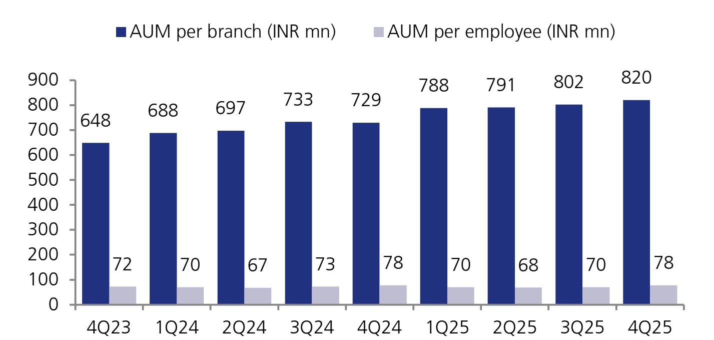
Source: Company, JM Financial

Exhibit 8. Steady Opex/AAUM



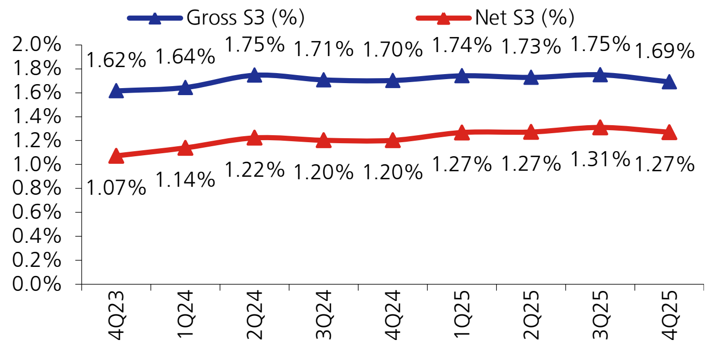
Source: Company, JM Financial

Exhibit 9. AUM/Branch and AUM/Employee best among peers



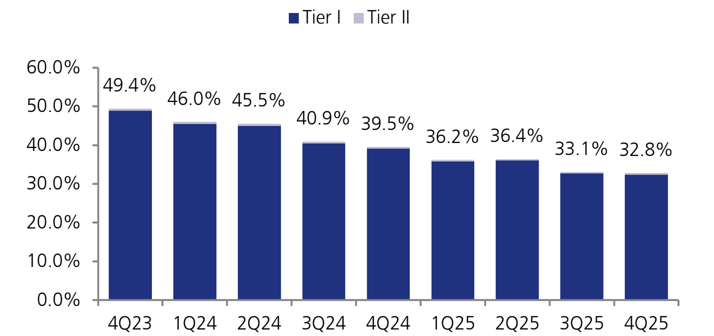
Source: Company, JM Financial

Exhibit 10. Asset Quality improved sequentially



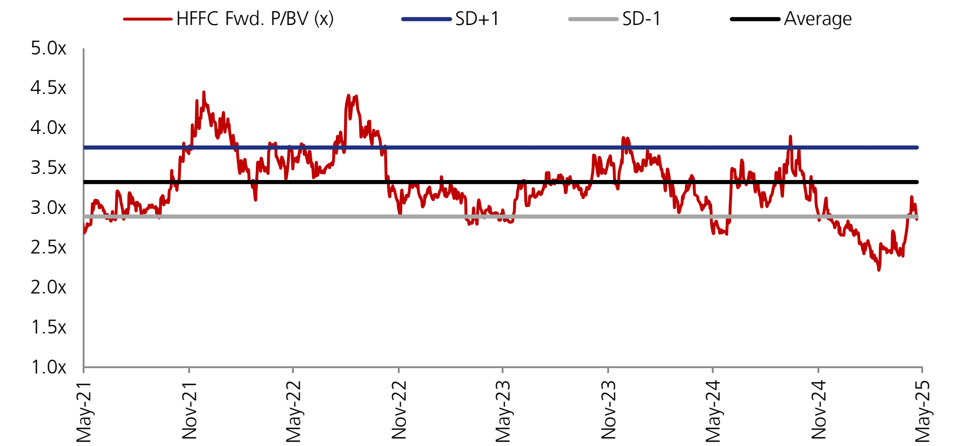
Source: Company, JM Financial

Exhibit 11. Comfortable Liquidity



Source: Company, JM Financial

Exhibit 12. HFFC: 1-yr fwd PB Chart



Source: Company, JM Financial

Exhibit 13. HFFC: Change in our estimates

Old vs. New Estimates	FY26E, Old	FY26E, New	Change	FY27E, Old	FY27E, New	Change	FY28E, New
Income Statement (Rs mn)							
Net Interest Income	**8,426**	**8,657**	**3%**	**11,263**	**11,143**	**-1%**	**13,453**
Fee & Other Income	120	548	356%	132	658	398%	789
Profit on sale of investments	1,406	1,401		1,542	1,561		1,748
Other Income	650	163		650	195		234
Non-Interest Income	**2,176**	**2,112**	**-3%**	**2,325**	**2,414**	**4%**	**2,771**
Total Income	**10,603**	**10,769**	**2%**	**13,588**	**13,556**	**-0%**	**16,224**
Operating Expenses	3,654	3,827	5%	4,536	4,647	2%	5,527
Pre-provisioning Profits	**6,949**	**6,942**	**-0%**	**9,051**	**8,909**	**-2%**	**10,697**
Total Provisions	380	438	15%	471	527	12%	757
PBT	**6,568**	**6,504**	**-1%**	**8,581**	**8,382**	**-2%**	**9,940**
Tax	1,642	1,626	-1%	2,145	2,096	-2%	2,485
PAT (Pre-Extra ordinaries)	**4,926**	**4,878**	**-1%**	**6,435**	**6,287**	**-2%**	**7,455**
Key Ratios (%)							
NIM (%)	5.90%	6.17%	0.3%	6.20%	6.37%	0.2%	6.50%
ROA (%)	3.34%	3.41%	0.1%	3.46%	3.53%	0.1%	3.52%
ROE (%)	14.8%	14.5%	-0.3%	14.4%	14.0%	-0.4%	14.5%
EPS (Rs.)	48.5	47.3	-2%	63.3	60.9	-4%	72.2
BV (Rs.)	410.5	408.4	-1%	468.7	463.8	-1%	529.6

Source: Company, JM Financial

Financial Tables (Standalone)

Income Statement (INR mn)

Y/E March	FY24A	FY25A	FY26A	FY27E	FY28E
Net Interest Income (NII)	5,290	6,388	8,657	11,143	13,453
Non Interest Income	1,289	1,852	2,112	2,414	2,771
Total Income	**6,579**	**8,239**	**10,769**	**13,556**	**16,224**
Operating Expenses	2,325	2,936	3,827	4,647	5,527
Pre-provisioning Profits	**4,254**	**5,304**	**6,942**	**8,909**	**10,697**
Loan-Loss Provisions	253	288	438	527	757
Others Provisions	0	0	0	0	0
Total Provisions	**254**	**288**	**438**	**527**	**757**
PBT	**4,000**	**5,016**	**6,504**	**8,382**	**9,940**
Tax	942	1,195	1,626	2,096	2,485
PAT (Pre-Extra ordinaries)	**3,057**	**3,821**	**4,878**	**6,287**	**7,455**
Extra ordinaries (Net of Tax)	0	0	0	0	0
Reported Profits	**3,057**	**3,821**	**4,878**	**6,287**	**7,455**
Dividend	301	333	439	566	671
Retained Profits	**2,756**	**3,488**	**4,439**	**5,721**	**6,784**

Source: Company, JM Financial

Balance Sheet (INR mn)

Y/E March	FY24A	FY25A	FY26A	FY27E	FY28E
Equity Capital	177	180	206	206	206
Reserves & Surplus	21,038	25,033	41,945	47,666	54,451
Borrowed Funds	73,021	95,507	1,13,653	1,37,521	1,69,150
Preference Shares	1,104	1,397	8,200	6,525	7,877
Total Liabilities	**95,340**	**1,22,117**	**1,64,005**	**1,91,918**	**2,31,685**
Net Advances	81,434	1,06,487	1,35,585	1,69,664	2,10,059
Investments	3,788	3,602	10,847	8,483	8,402
Cash & Bank Balances	8,215	9,382	14,914	10,180	7,352
Other Current Assets	1,573	2,197	2,057	2,888	5,021
Fixed Assets	298	448	602	704	850
Total Assets	**95,340**	**1,22,117**	**1,64,005**	**1,91,918**	**2,31,685**

Source: Company, JM Financial

Dupont Analysis

Y/E March	FY24A	FY25A	FY26A	FY27E	FY28E
NII / Assets	6.50%	5.87%	6.05%	6.26%	6.35%
Other Income / Assets	1.58%	1.70%	1.48%	1.36%	1.31%
Total Income / Assets	8.09%	7.58%	7.53%	7.62%	7.66%
Cost / Assets	2.86%	2.70%	2.67%	2.61%	2.61%
PPP / Assets	5.23%	4.88%	4.85%	5.01%	5.05%
Provisions / Assets	0.31%	0.26%	0.31%	0.30%	0.36%
PBT / Assets	4.92%	4.61%	4.55%	4.71%	4.69%
Tax rate	23.6%	23.8%	25.0%	25.0%	25.0%
ROA	3.76%	3.51%	3.41%	3.53%	3.52%
Leverage	4.5	4.8	3.9	4.0	4.2
ROE	15.5%	16.5%	14.5%	14.0%	14.5%

Source: Company, JM Financial

Key Ratios

Y/E March	FY24A	FY25A	FY26A	FY27E	FY28E
Growth (YoY) (%)					
Borrowed funds	51.7%	30.8%	19.0%	21.0%	23.0%
Advances	35.8%	30.8%	27.3%	25.1%	23.8%
Total Assets	41.5%	28.1%	34.3%	17.0%	20.7%
NII	26.3%	20.7%	35.5%	28.7%	20.7%
Non-interest Income	75.6%	43.7%	14.0%	14.3%	14.8%
Operating Expenses	32.4%	26.3%	30.3%	21.4%	18.9%
Operating Profits	34.3%	24.7%	30.9%	28.3%	20.1%
Core Operating profit	30.0%	21.2%	36.2%	32.1%	22.0%
Provisions	18.2%	13.1%	52.2%	20.2%	43.8%
Reported PAT	33.9%	25.0%	27.7%	28.9%	18.6%
Yields / Margins (%)					
Interest Spread	5.48%	5.04%	5.03%	4.99%	4.99%
NIM	6.65%	6.00%	6.17%	6.37%	6.50%
Profitability (%)					
ROA	3.76%	3.51%	3.41%	3.53%	3.52%
ROE	15.5%	16.5%	14.5%	14.0%	14.5%
Cost to Income	35.3%	35.6%	35.5%	34.3%	34.1%
Asset quality (%)					
Gross NPA	1.70%	1.69%	1.68%	1.70%	1.66%
LLP	0.36%	0.31%	0.36%	0.35%	0.40%
Capital Adequacy (%)					
Tier I	39.08%	32.40%	42.39%	41.46%	39.52%
CAR	39.48%	32.80%	42.68%	41.72%	39.73%

Source: Company, JM Financial

Valuations

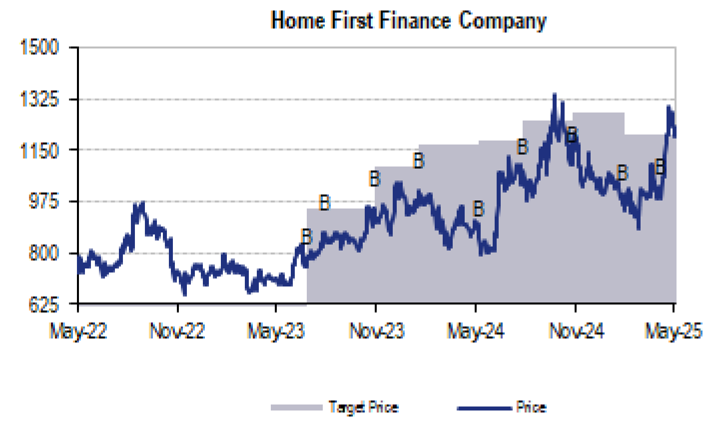
Y/E March	FY24A	FY25A	FY26A	FY27E	FY28E
Shares in Issue	88.5	90.1	103.2	103.2	103.2
EPS (INR)	34.5	42.4	47.3	60.9	72.2
EPS (YoY) (%)	33.2%	22.8%	11.4%	28.9%	18.6%
P/E (x)	34.5	28.1	25.2	19.6	16.5
BV (INR)	240	280	408	464	530
BV (YoY) (%)	16.1%	16.8%	45.9%	13.6%	14.2%
P/BV (x)	4.98	4.26	2.92	2.57	2.25
DPS (INR)	3.4	3.7	4.3	5.5	6.5
Div. yield (%)	0.3%	0.3%	0.4%	0.5%	0.5%

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
26-Jun-23	Buy	950	
31-Jul-23	Buy	950	0.0
29-Oct-23	Buy	1,095	15.3
19-Jan-24	Buy	1,170	6.8
9-May-24	Buy	1,180	0.9
28-Jul-24	Buy	1,250	5.9
27-Oct-24	Buy	1,275	2.0
29-Jan-25	Buy	1,200	-5.9
8-Apr-25	Buy	1,200	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081
Member of BSE Ltd. and National Stock Exchange of India Ltd.
SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610
Registered Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.
Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.com
Compliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.com
Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

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

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

Research Analyst(s) Certification

The Research Analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that:

All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and

No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

This research report has been prepared by JM Financial Institutional Securities Limited (JM Financial Institutional Securities) to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its associates solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of JM Financial Institutional Securities. This report has been prepared independent of the companies covered herein.

JM Financial Institutional Securities is registered with the Securities and Exchange Board of India (SEBI) as a Research Analyst and a Stock Broker having trading memberships of the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). No material disciplinary action has been taken by SEBI against JM Financial Institutional Securities in the past two financial years which may impact the investment decision making of the investor. Registration granted by SEBI and certification from the National Institute of Securities Market (NISM) in no way guarantee performance of JM Financial Institutional Securities or provide any assurance of returns to investors.

JM Financial Institutional Securities renders stock broking services primarily to institutional investors and provides the research services to its institutional clients/investors. JM Financial Institutional Securities and its associates are part of a multi-service, integrated investment banking, investment management, brokerage and financing group. JM Financial Institutional Securities and/or its associates might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, broking, financing or any other advisory services to the company(ies) covered herein. JM Financial Institutional Securities and/or its associates might have received during the past twelve months or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services.

JM Financial Institutional Securities and/or its associates, their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) covered under this report or (c) act as an advisor or lender/borrower to, or may have any financial interest in, such company(ies) or (d) considering the nature of business/activities that JM Financial Institutional Securities is engaged in, it may have potential conflict of interest at the time of publication of this report on the subject company(ies).

Neither JM Financial Institutional Securities nor its associates or the Research Analyst(s) named in this report or his/her relatives individually own one per cent or more securities of the company(ies) covered under this report, at the relevant date as specified in the SEBI (Research Analysts) Regulations, 2014.

The Research Analyst(s) principally responsible for the preparation of this research report and their immediate relatives are prohibited from buying or selling debt or equity securities, including but not limited to any option, right, warrant, future, long or short position issued by company(ies) covered under this report. The Research Analyst(s) principally responsible for the preparation of this research report or their immediate relatives (as defined under SEBI (Research Analysts) Regulations, 2014); (a) do not have any financial interest in the company(ies) covered under this report or (b) did not receive any compensation from the company(ies) covered under this report, or from any third party, in connection with this report or (c) do not have any other material conflict of interest at the time of publication of this report. Research Analyst(s) are not serving as an officer, director or employee of the company(ies) covered under this report.

While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and JM Financial Institutional Securities does not warrant its accuracy or completeness. JM Financial Institutional Securities may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision.

This research report is based on the fundamental research/analysis conducted by the Research Analyst(s) named herein. Accordingly, this report has been prepared by studying/focusing on the fundamentals of the company(ies) covered in this report and other macro-economic factors. JM Financial Institutional Securities may have also issued or may issue, research reports and/or recommendations based on the technical/quantitative analysis of the company(ies) covered in this report by studying and using charts of the stock's price movement, trading volume and/or other volatility parameters. As a result, the views/recommendations expressed in such technical research reports could be inconsistent or even contrary to the views contained in this report.

The investment discussed or views expressed or recommendations/opinions given herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and JM Financial Institutional Securities reserves the right to make modifications and alterations to this statement as they may deem fit from time to time.

This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction.

This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject JM Financial Institutional Securities and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

Additional disclosure only for U.S. persons: JM Financial Institutional Securities has entered into an agreement with JM Financial Securities, Inc. ("JM Financial Securities"), a U.S. registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") in order to conduct certain business in the United States in reliance on the exemption from U.S. broker-dealer registration provided by Rule 15a-6, promulgated under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"), as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission ("SEC") (together "Rule 15a-6").

This research report is distributed in the United States by JM Financial Securities in compliance with Rule 15a-6, and as a "third party research report" for purposes of FINRA Rule 2241. In compliance with Rule 15a-6(a)(3) this research report is distributed only to "major U.S. institutional investors" as defined in Rule 15a-6 and is not intended for use by any person or entity that is not a major U.S. institutional investor. If you have received a copy of this research report and are not a major U.S. institutional investor, you are instructed not to read, rely on, or reproduce the contents hereof, and to destroy this research or return it to JM Financial Institutional Securities or to JM Financial Securities.

This research report is a product of JM Financial Institutional Securities, which is the employer of the research analyst(s) solely responsible for its content. The research analyst(s) preparing this research report is/are resident outside the United States and are not associated persons or employees of any U.S. registered broker-dealer. Therefore, the analyst(s) are not subject to supervision by a U.S. broker-dealer, or otherwise required to satisfy the regulatory licensing requirements of FINRA and may not be subject to the Rule 2241 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account.

Any U.S. person who is recipient of this report that wishes further information regarding, or to effect any transaction in, any of the securities discussed in this report, must contact, and deal directly through a U.S. registered representative affiliated with a broker-dealer registered with the SEC and a member of FINRA. In the U.S., JM Financial Institutional Securities has an affiliate, JM Financial Securities, Inc. located at 1325 Avenue of the Americas, 28th Floor, Office No. 2821, New York, New York 10019. Telephone +1 (332) 900 4958 which is registered with the SEC and is a member of FINRA and SIPC.

Additional disclosure only for U.K. persons: Neither JM Financial Institutional Securities nor any of its affiliates is authorised in the United Kingdom (U.K.) by the Financial Conduct Authority. As a result, this report is for distribution only to persons who (i) 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, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the matters to which this report relates may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This report is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons.

Additional disclosure only for Canadian persons: This report is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities described herein in Canada or any province or territory thereof. Under no circumstances is this report to be construed as an offer to sell securities or as a solicitation of an offer to buy securities in any jurisdiction of Canada. Any offer or sale of the securities described herein in Canada will be made only under an exemption from the requirements to file a prospectus with the relevant Canadian securities regulators and only by a dealer properly registered under applicable securities laws or, alternatively, pursuant to an exemption from the registration requirement in the relevant province or territory of Canada in which such offer or sale is made. This report is not, and under no circumstances is it to be construed as, a prospectus or an offering memorandum. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon these materials, the information contained herein or the merits of the securities described herein and any representation to the contrary is an offence. If you are located in Canada, this report has been made available to you based on your representation that you are an “accredited investor” as such term is defined in National Instrument 45-106 Prospectus Exemptions and a “permitted client” as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Under no circumstances is the information contained herein to be construed as investment advice in any province or territory of Canada nor should it be construed as being tailored to the needs of the recipient. Canadian recipients are advised that JM Financial Securities, Inc., JM Financial Institutional Securities Limited, their affiliates and authorized agents are not responsible for, nor do they accept, any liability whatsoever for any direct or consequential loss arising from any use of this research report or the information contained herein.