

# HDFC Asset Management | BUY

## Strong quarter; market share gains persist

HDFCAMC reported strong quarter with an operating PBT of INR 4.7bn (+13% QoQ, +20% YoY) driven by a) +8% QoQ increase in QAAUM led by equity segment and b) expansion in top-line yields to 49bps (+2bps QoQ); despite slightly elevated opex (+9% QoQ, +13% YoY). MF QAAUM increased by +8% QoQ/+22% YoY driven by strong inflows in HDFCAMC's equity schemes as well as run-up in equity markets – Equity QAAUM was up +15% QoQ. Equity AUM market share improved to 12.6% (+20bps QoQ) on the back of improved scheme performance and increased distribution efforts. Top-line yields improved to 49bps (+2bps QoQ) driven by higher share of equity AUM in overall AUM. HDFCAMC's SIP flows increased to INR 22.4bn in Sep'23 (vs INR 18.9bn in Jun'23) and the SIP flow market share increased to 13.6% (+80bps QoQ). HDFC AMC stock has seen a sharp bounce back since the lows seen post SEBI discussion paper on proposed TER changes given that SEBI has indicated that a revised discussion paper is in works. While there is a broad expectation that the new discussion paper will be much more positive for AMCs, we remain watchful of the key changes. HDFC AMC is our top pick in the space and the stock can see a meaningful rerating driven by robust AUM growth and potential benefits from HDFC Bank parentage. Maintain BUY with a TP of INR 3,150.

- Equity market share gains continue:** MF QAAUM increased by +8% QoQ/+22% YoY driven by strong inflows in HDFCAMC's equity schemes as well as run-up in equity markets – Equity QAAUM was up +15% QoQ. Equity AUM market share improved to 12.6% (+20bps QoQ) on the back of improved scheme performance and increased distribution efforts. HDFCAMC's SIP flows increased to INR 22.4bn in Sep'23 (vs INR 18.9bn in Jun'23) and the SIP flow market share increased to 13.6% (+80bps QoQ). Management remains confident of maintaining the market share gain trajectory aided by its superior scheme performance and increased distribution impetus led by HDFC Bank channel – HDFC AMC has started a dedicated vertical to focus on HDFC Bank channel engagement.
- Strong operating performance:** Top-line yields improved to 49bps (+2bps QoQ) driven by higher share of equity AUM in overall AUM, despite incremental equity flows are coming in at lower yields. Opex was a tad higher at INR 1.76bn (+9% QoQ, +13% YoY) driven by slightly higher employee opex (+11% QoQ) on account of ESOP charge and hiring of front line staff. Other opex was also on a higher side led by general business related expenses, NFO expenses, CSR expenses and technology spends. However, operating PBT was strong at INR 4.7bn (+13% QoQ, +20% YoY) resulting in core PBT margins of 36bps (+2bps QoQ). Other income moderated back to normalised levels of INR 1.2bn (-23% QoQ).
- Valuation:** HDFC AMC stock has seen a sharp bounce back since the lows seen post SEBI discussion paper on proposed TER changes given that SEBI has indicated that a revised discussion paper is in works. While there is a broad expectation that the new discussion paper will be much more positive for AMCs, we remain watchful of the key changes. HDFC AMC is our top pick in the space and the stock can see a meaningful rerating driven by robust AUM growth and potential benefits from HDFC Bank parentage. Maintain BUY with a TP of INR 3,150.

| Financial Summary                       | (INR mn)     |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|
| Y/E March                               | FY21A        | FY22A        | FY23A        | FY24E        | FY25E        |
| Mutual Fund AUM (closing basis, INR bn) | 3,955        | 4,076        | 4,367        | 5,418        | 6,340        |
| YoY growth (%)                          | 24%          | 3%           | 7%           | 24%          | 17%          |
| % of equity MF AUM (closing basis)      | 44%          | 51%          | 55%          | 59%          | 60%          |
| Operating Revenues (INR mn)             | 18,525       | 21,154       | 21,668       | 25,435       | 30,380       |
| Total operating expenses (INR mn)       | 4,528        | 5,779        | 6,120        | 6,879        | 7,523        |
| PAT (INR mn)                            | 13,258       | 13,931       | 14,239       | 17,032       | 20,543       |
| YoY growth (%)                          | 5%           | 5%           | 2%           | 20%          | 21%          |
| <b>PAT / Avg. MF AUM (RoAUM) (%)</b>    | <b>0.37%</b> | <b>0.35%</b> | <b>0.34%</b> | <b>0.35%</b> | <b>0.35%</b> |
| RoE (%)                                 | 30.1%        | 27.0%        | 24.5%        | 26.8%        | 29.7%        |
| EPS (INR)                               | 62.3         | 65.3         | 66.7         | 79.8         | 96.3         |
| <b>P/E (x)</b>                          | <b>44.3</b>  | <b>42.2</b>  | <b>41.3</b>  | <b>34.5</b>  | <b>28.6</b>  |

Source: Company data, JM Financial. Note: Valuations as of 12/Oct/2023



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### Recommendation and Price Target

|                            |       |
|----------------------------|-------|
| Current Reco.              | BUY   |
| Previous Reco.             | BUY   |
| Current Price Target (12M) | 3,150 |
| Upside/(Downside)          | 14.3% |
| Previous Price Target      | 2,760 |
| Change                     | 14.1% |

### Key Data – HDFCAMC IN

|                          |                     |
|--------------------------|---------------------|
| Current Market Price     | INR2,755            |
| Market cap (bn)          | INR588.2/US\$7.1    |
| Free Float               | 47%                 |
| Shares in issue (mn)     | 213.0               |
| Diluted share (mn)       |                     |
| 3-mon avg daily val (mn) | INR2,196.5/US\$26.4 |
| 52-week range            | 2,800/1,590         |
| Sensex/Nifty             | 66,408/19,794       |
| INR/US\$                 | 83.2                |

### Price Performance

| %         | 1M  | 6M   | 12M  |
|-----------|-----|------|------|
| Absolute  | 4.7 | 54.4 | 43.1 |
| Relative* | 6.4 | 40.5 | 23.4 |

\* To the BSE Sensex

JM Financial Research is also available on:  
Bloomberg - JMFR <GO>,  
Thomson Publisher & Reuters,  
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

## Key Quarterly Trends

### Exhibit 1. HDFC AMC: Key quarterly highlights

| P&L (INR mn)                    | 2Q23         | 1Q24         | 2Q24         | QoQ (%)      | YoY (%)      |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|
| Revenue from operations         | 5,447        | 5,745        | 6,431        | 11.9%        | 18.1%        |
| Employee benefits expense       | 839          | 838          | 929          | 10.9%        | 10.8%        |
| Depreciation & Amortisation     | 132          | 129          | 130          | 0.6%         | -1.8%        |
| Business Development and Others | 587          | 645          | 702          | 8.8%         | 19.5%        |
| <b>Total expenses</b>           | <b>1,558</b> | <b>1,612</b> | <b>1,761</b> | <b>9.2%</b>  | <b>13.0%</b> |
| <b>Operating PBT</b>            | <b>3,889</b> | <b>4,133</b> | <b>4,670</b> | <b>13.0%</b> | <b>20.1%</b> |
| Other income                    | 1,042        | 1,580        | 1,221        | -22.7%       | 17.2%        |
| PBT                             | 4,931        | 5,714        | 5,891        | 3.1%         | 19.5%        |
| PAT                             | <b>3,641</b> | <b>4,775</b> | <b>4,376</b> | <b>-8.4%</b> | <b>20.2%</b> |
| Total comprehensive income      | <b>3,649</b> | <b>4,751</b> | <b>4,383</b> | <b>-7.8%</b> | <b>20.1%</b> |

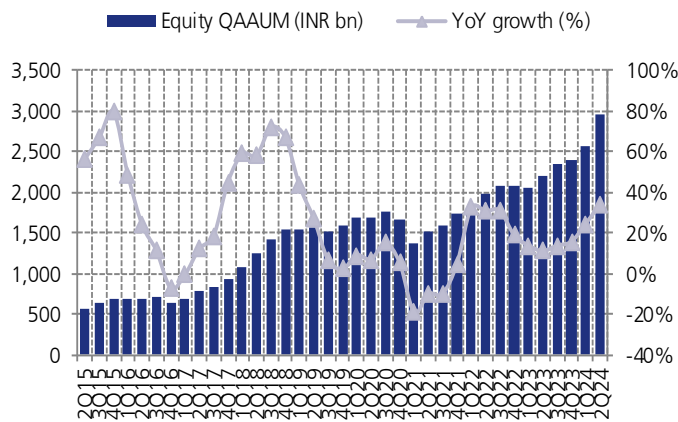
| Qtrly Avg AAUM (INR bn) | 2Q23         | 1Q24         | 2Q24         | QoQ (%)     | YoY (%)      |
|-------------------------|--------------|--------------|--------------|-------------|--------------|
| Equity                  | 2,204        | 2,572        | 2,954        | 14.9%       | 34.0%        |
| Debt                    | 877          | 916          | 942          | 2.8%        | 7.4%         |
| Liquid                  | 1,035        | 1,086        | 1,043        | -3.9%       | 0.8%         |
| Other                   | 176          | 283          | 308          | 8.8%        | 74.9%        |
| <b>Overall</b>          | <b>4,293</b> | <b>4,857</b> | <b>5,247</b> | <b>8.0%</b> | <b>22.2%</b> |

| Dupont analysis                                 | 2Q23         | 1Q24         | 2Q24         | QoQ (%)       | YoY (%)       |
|---|--------------|--------------|--------------|---------------|---------------|
| Revenue / QAAUM (%)                             | 0.51%        | 0.47%        | 0.49%        | 0.02%         | -0.02%        |
| Employee exp / QAAUM (%)                        | 0.08%        | 0.07%        | 0.07%        | 0.00%         | -0.01%        |
| Business Development and other opex / QAAUM (%) | 0.07%        | 0.06%        | 0.06%        | 0.00%         | 0.00%         |
| Total cost / QAAUM (%)                          | 0.15%        | 0.13%        | 0.13%        | 0.00%         | -0.01%        |
| <b>Operating PBT / QAAUM (%)</b>                | <b>0.36%</b> | <b>0.34%</b> | <b>0.36%</b> | <b>0.02%</b>  | <b>-0.01%</b> |
| Other income / QAAUM (%)                        | 0.10%        | 0.13%        | 0.09%        | -0.04%        | 0.00%         |
| PBT / QAAUM (%)                                 | 0.46%        | 0.47%        | 0.45%        | -0.02%        | -0.01%        |
| <b>PAT / QAAUM (%)</b>                          | <b>0.34%</b> | <b>0.39%</b> | <b>0.33%</b> | <b>-0.06%</b> | <b>-0.01%</b> |

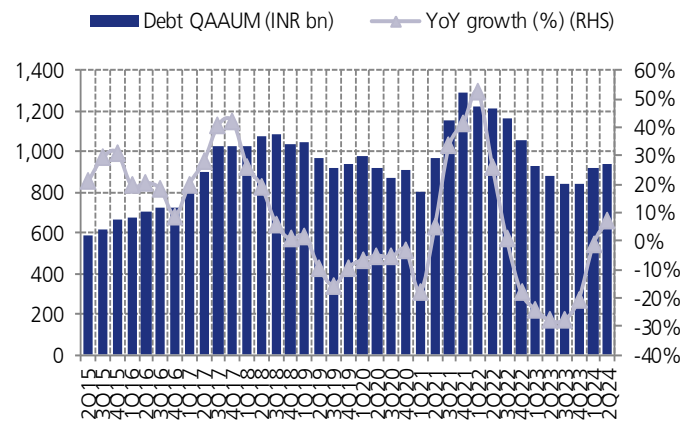
Source: Company, JM Financial

### Exhibit 2. HDFCAMC: Equity Qtrly Avg AUM and growth (%)



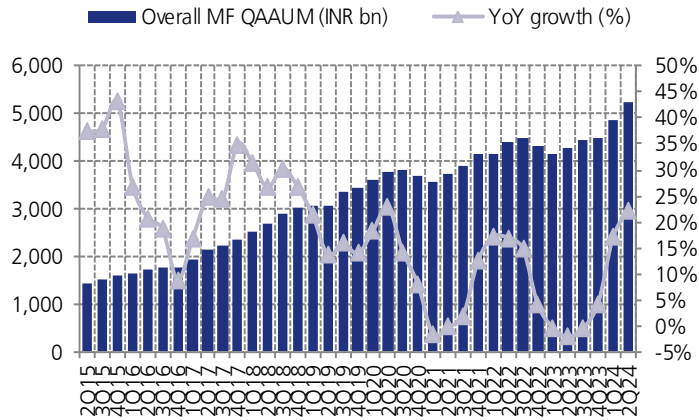
Source: Company, JM Financial

### Exhibit 3. HDFCAMC: Debt Qtrly Avg AUM and growth (%)



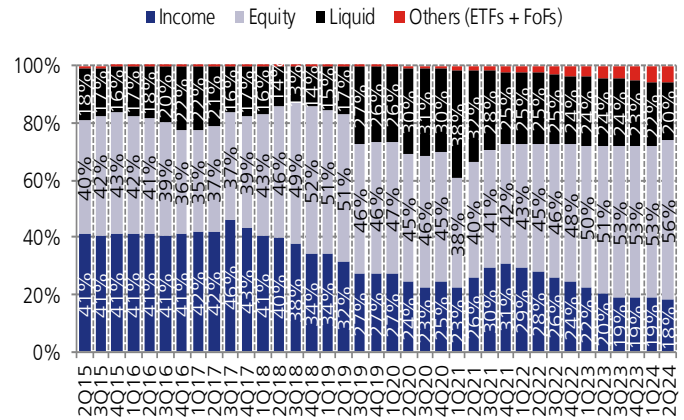
Source: Company, JM Financial

Exhibit 4. HDFCAMC: Overall MF Qtrly Avg AUM growth



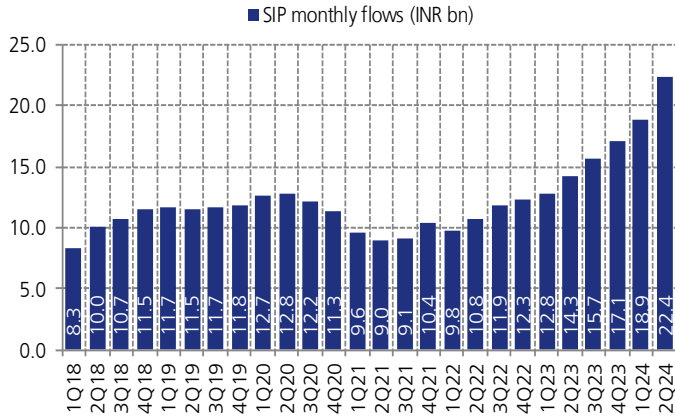
Source: Company, JM Financial

Exhibit 5. HDFCAMC: Overall MF Qtrly Avg AUM mix (%)



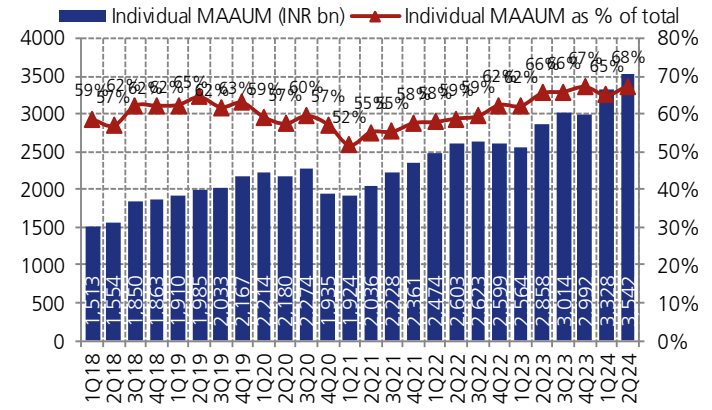
Source: Company, JM Financial

Exhibit 6. HDFCAMC: SIP monthly inflows



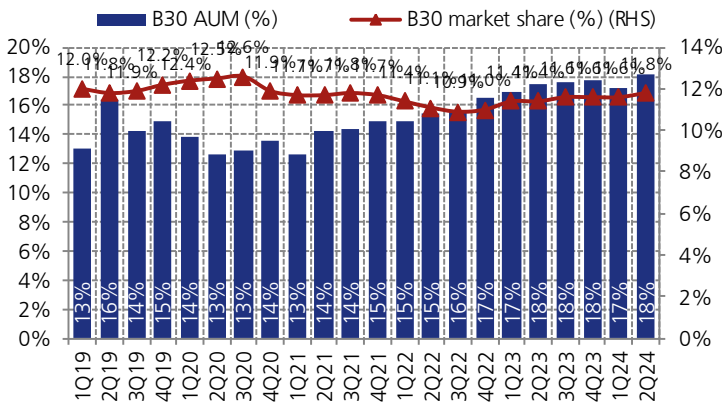
Source: Company, JM Financial

Exhibit 7. HDFCAMC: Individual MAAUM as % of total (%)



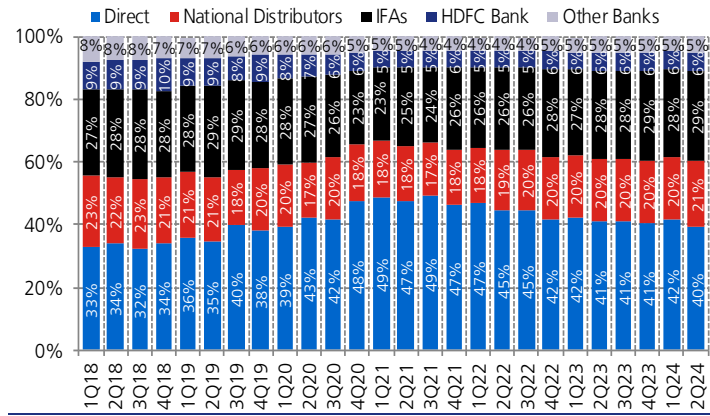
Source: Company, JM Financial

Exhibit 8. HDFCAMC: Trends in B30 AUM



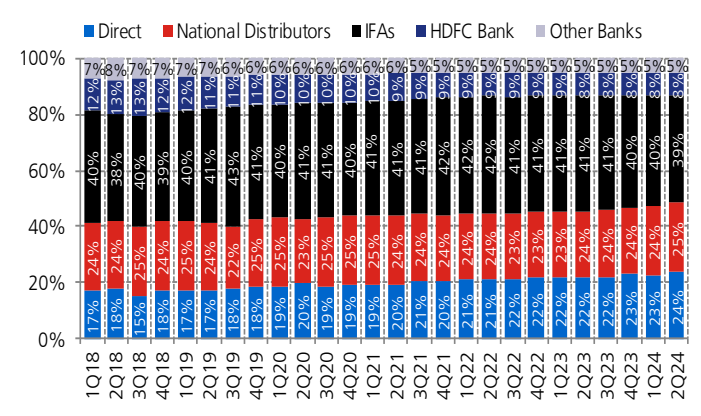
Source: Company, JM Financial

Exhibit 9. HDFCAMC: Distribution Mix (Overall AUM)



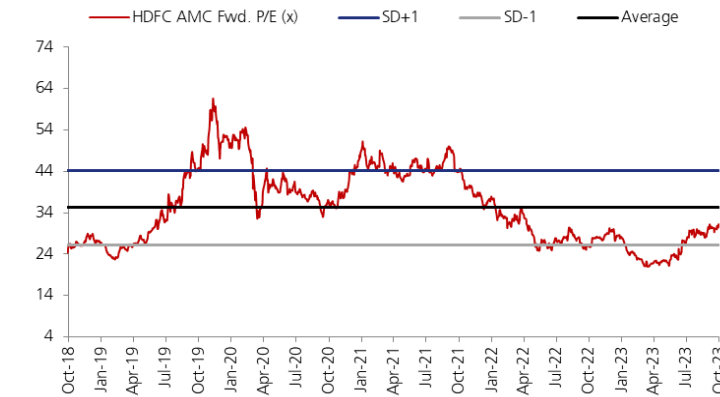
Source: Company, JM Financial

Exhibit 10. HDFCAMC: Distribution Mix (Equity AUM)



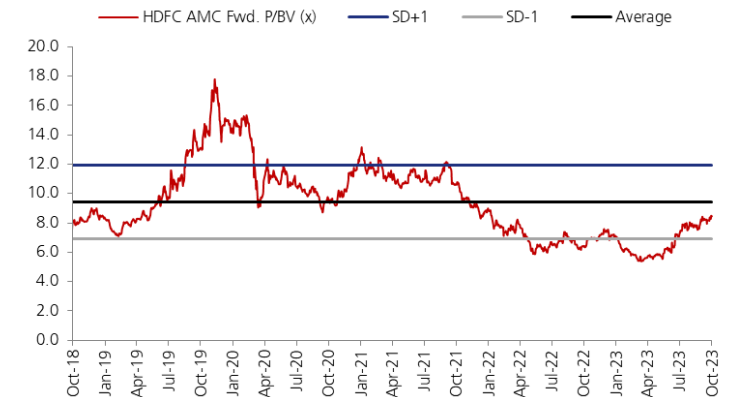
Source: Company, JM Financial

Exhibit 11. HDFCAMC: One year forward P/E chart



Source: Company, JM Financial, Bloomberg

Exhibit 12. HDFCAMC: One year forward P/B chart



Source: Company, JM Financial, Bloomberg

## Financial Tables

| Income Statement (INR mn)             |               |               |               |               |               |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                       | FY21          | FY22          | FY23          | FY24E         | FY25E         |
| MF Fees                               | 18,395        | 21,032        | 21,608        | 25,415        | 30,355        |
| PMS Fees                              | 130           | 121           | 60            | 20            | 26            |
| <b>Investment Management fees</b>     | <b>18,525</b> | <b>21,154</b> | <b>21,668</b> | <b>25,435</b> | <b>30,380</b> |
| Total Other income                    | 3,492         | 3,178         | 3,158         | 3,854         | 4,172         |
| <b>Total Revenue</b>                  | <b>22,017</b> | <b>24,332</b> | <b>24,826</b> | <b>29,289</b> | <b>34,553</b> |
| Employee costs                        | 2,268         | 3,122         | 3,127         | 3,564         | 3,850         |
| Admin & Other expenses                | 1,459         | 1,634         | 1,959         | 2,194         | 2,457         |
| Mktg & publicity expenses             | 247           | 484           | 501           | 561           | 628           |
| <b>Total Operating Expenses</b>       | <b>3,974</b>  | <b>5,241</b>  | <b>5,586</b>  | <b>6,319</b>  | <b>6,935</b>  |
| Depreciation/Diminution in LT invstmt | 554           | 539           | 533           | 560           | 588           |
| <b>Total Expenditure</b>              | <b>4,528</b>  | <b>5,779</b>  | <b>6,120</b>  | <b>6,879</b>  | <b>7,523</b>  |
| <b>PBT</b>                            | <b>17,490</b> | <b>18,553</b> | <b>18,706</b> | <b>22,410</b> | <b>27,030</b> |
| Tax                                   | (4,232)       | (4,622)       | (4,467)       | (5,378)       | (6,487)       |
| <b>Reported Profit (PAT)</b>          | <b>13,258</b> | <b>13,931</b> | <b>14,239</b> | <b>17,032</b> | <b>20,543</b> |
| Dividend                              | 7,244         | 8,959         | 10,244        | 11,922        | 14,380        |
| <b>Retained earnings</b>              | <b>6,013</b>  | <b>4,973</b>  | <b>3,995</b>  | <b>5,109</b>  | <b>6,163</b>  |

Source: Company, JM Financial

| Key Ratios                       |              |              |              |              |              |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|
| As a % of Avg AUM                | FY21         | FY22         | FY23         | FY24E        | FY25E        |
| Core Revenues / Avg. AUM         | 0.52%        | 0.53%        | 0.51%        | 0.52%        | 0.52%        |
| Other Revenues / Avg. AUM        | 0.10%        | 0.08%        | 0.07%        | 0.08%        | 0.07%        |
| <b>Total Revenues / Avg. AUM</b> | <b>0.62%</b> | <b>0.61%</b> | <b>0.59%</b> | <b>0.60%</b> | <b>0.59%</b> |
| Employee cost / Avg. AUM         | 0.06%        | 0.08%        | 0.07%        | 0.07%        | 0.07%        |
| Brokerage / Avg. AUM             | 0.00%        | 0.01%        | 0.00%        | 0.00%        | 0.00%        |
| Operating cost / Avg. AUM        | 0.13%        | 0.14%        | 0.14%        | 0.14%        | 0.13%        |
| PBT / Avg. AUM                   | 0.49%        | 0.46%        | 0.44%        | 0.46%        | 0.46%        |
| <b>PAT / Avg. AUM</b>            | <b>0.37%</b> | <b>0.35%</b> | <b>0.34%</b> | <b>0.35%</b> | <b>0.35%</b> |
| As a % of Balance sheet assets   |              |              |              |              |              |
| Core Revenues / Avg. Assets      | 39.5%        | 38.9%        | 35.4%        | 37.8%        | 41.3%        |
| Other Revenues / Avg. Assets     | 7.5%         | 5.8%         | 5.2%         | 5.7%         | 5.7%         |
| Total Revenues / Avg. Assets     | 47.0%        | 44.8%        | 40.6%        | 43.6%        | 47.0%        |
| Employee cost / Avg. Assets      | 4.8%         | 5.7%         | 5.1%         | 5.3%         | 5.2%         |
| Brokerage / Avg. Assets          | 0.2%         | 0.4%         | 0.2%         | 0.2%         | 0.2%         |
| Operating cost / Avg. Assets     | 9.7%         | 10.6%        | 10.0%        | 10.2%        | 10.2%        |
| PBT / Avg. Assets                | 37.3%        | 34.1%        | 30.6%        | 33.3%        | 36.7%        |
| RoA (%)                          | 28.3%        | 25.6%        | 23.3%        | 25.3%        | 27.9%        |
| Avg Assets/Equity (x)            | 1.06         | 1.05         | 1.05         | 1.06         | 1.06         |
| <b>RoE (%)</b>                   | <b>30.1%</b> | <b>27.0%</b> | <b>24.5%</b> | <b>26.8%</b> | <b>29.7%</b> |

Source: Company, JM Financial

| Balance Sheet (INR mn)          |               |               |               |               |               |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
|                                 | FY21          | FY22          | FY23          | FY24E         | FY25E         |
| Share capital                   | 1,065         | 1,066         | 1,067         | 1,067         | 1,067         |
| Reserves & Surplus              | 46,697        | 54,234        | 60,017        | 65,126        | 71,289        |
| <b>Net worth</b>                | <b>47,762</b> | <b>55,300</b> | <b>61,084</b> | <b>66,194</b> | <b>72,356</b> |
| Secured Loans                   | -             | -             | -             | -             | -             |
| Current Liabilities             | 2,785         | 2,632         | 3,148         | 3,777         | 4,533         |
| Provisions                      | 79            | 118           | 126           | 138           | 152           |
| <b>Total Liabilities</b>        | <b>50,626</b> | <b>58,050</b> | <b>64,358</b> | <b>70,109</b> | <b>77,041</b> |
| Net Fixed Assets                | 1,369         | 1,222         | 1,376         | 1,513         | 1,665         |
| Non-Current investments         | 47,533        | 55,702        | 60,792        | 65,550        | 71,345        |
| <b>Total Non-current assets</b> | <b>49,079</b> | <b>56,557</b> | <b>61,622</b> | <b>66,491</b> | <b>72,408</b> |
| Total Current investments       | -             | -             | -             | -             | -             |
| <b>Total Current Assets</b>     | <b>1,547</b>  | <b>1,494</b>  | <b>2,736</b>  | <b>3,619</b>  | <b>4,633</b>  |
| <b>Total Assets</b>             | <b>50,626</b> | <b>58,050</b> | <b>64,358</b> | <b>70,109</b> | <b>77,041</b> |

Source: Company, JM Financial

| Growth ratios (YoY %)     |              |              |              |              |              |
|---------------------------|--------------|--------------|--------------|--------------|--------------|
|                           | FY21         | FY22         | FY23         | FY24E        | FY25E        |
| Inv mgmt fees             | -6.4%        | 14.3%        | 2.7%         | 17.6%        | 19.4%        |
| PMS fees + Other income   | 103.3%       | -8.9%        | -2.5%        | 20.4%        | 8.4%         |
| <b>Revenue</b>            | <b>2.7%</b>  | <b>10.5%</b> | <b>2.0%</b>  | <b>18.0%</b> | <b>18.0%</b> |
| Employee cost             | 5.6%         | 37.7%        | 0.2%         | 14.0%        | 8.0%         |
| Admin & other exp         | -15.1%       | 12.0%        | 19.9%        | 12.0%        | 12.0%        |
| Marketing & publicity exp | -53.8%       | 96.0%        | 3.4%         | 12.0%        | 12.0%        |
| Total operating exp       | -9.7%        | 31.9%        | 6.6%         | 13.1%        | 9.7%         |
| <b>PBT</b>                | <b>5.8%</b>  | <b>6.1%</b>  | <b>0.8%</b>  | <b>19.8%</b> | <b>20.6%</b> |
| Tax                       | 8.3%         | 9.2%         | -3.3%        | 20.4%        | 20.6%        |
| <b>PAT</b>                | <b>5.0%</b>  | <b>5.1%</b>  | <b>2.2%</b>  | <b>19.6%</b> | <b>20.6%</b> |
| <b>Total Assets</b>       | <b>17.5%</b> | <b>14.7%</b> | <b>10.9%</b> | <b>8.9%</b>  | <b>9.9%</b>  |
| Equity AUM                | 37%          | 20%          | 15%          | 33%          | 20%          |
| Debt AUM                  | 42%          | -19%         | -11%         | 11%          | 10%          |
| Liquid AUM                | -11%         | -8%          | -2%          | 13%          | 13%          |
| Other AUM                 | 138%         | 96%          | 68%          | 26%          | 18%          |
| <b>Total AUM</b>          | <b>24%</b>   | <b>3%</b>    | <b>7%</b>    | <b>24%</b>   | <b>17%</b>   |

Source: Company, JM Financial

| Mutual Fund AUM (INR bn) |              |              |              |              |              |
|--------------------------|--------------|--------------|--------------|--------------|--------------|
| Closing AUM              | FY21         | FY22         | FY23         | FY24E        | FY25E        |
| Equity                   | 1,738        | 2,085        | 2,393        | 3,172        | 3,818        |
| Debt                     | 1,216        | 984          | 881          | 974          | 1,070        |
| Liquid                   | 921          | 848          | 827          | 935          | 1,055        |
| Others                   | 81           | 158          | 266          | 336          | 396          |
| <b>Total AUM</b>         | <b>3,955</b> | <b>4,076</b> | <b>4,367</b> | <b>5,418</b> | <b>6,340</b> |

Source: Company, JM Financial

| Valuation            |             |             |             |             |             |
|----------------------|-------------|-------------|-------------|-------------|-------------|
|                      | FY21        | FY22        | FY23        | FY24E       | FY25E       |
| Shares in issue (mn) | 213.0       | 213.3       | 213.4       | 213.4       | 213.4       |
| <b>EPS (INR)</b>     | <b>62.3</b> | <b>65.3</b> | <b>66.7</b> | <b>79.8</b> | <b>96.3</b> |
| EPS (YoY)(%)         | 5%          | 5%          | 2%          | 20%         | 21%         |
| <b>PER (x)</b>       | <b>44.3</b> | <b>42.2</b> | <b>41.3</b> | <b>34.5</b> | <b>28.6</b> |
| BV (INR)             | 224.3       | 259.3       | 286.2       | 310.2       | 339.0       |
| BV (YoY)             | 18.4%       | 15.6%       | 10.4%       | 8.4%        | 9.3%        |
| P/BV (x)             | 12.3        | 10.6        | 9.6         | 8.9         | 8.1         |
| DPS (INR)            | 34.0        | 42.0        | 48.0        | 55.9        | 67.4        |
| Div. yield (%)       | 1.2%        | 1.5%        | 1.7%        | 2.0%        | 2.4%        |

Source: Company, JM Financial

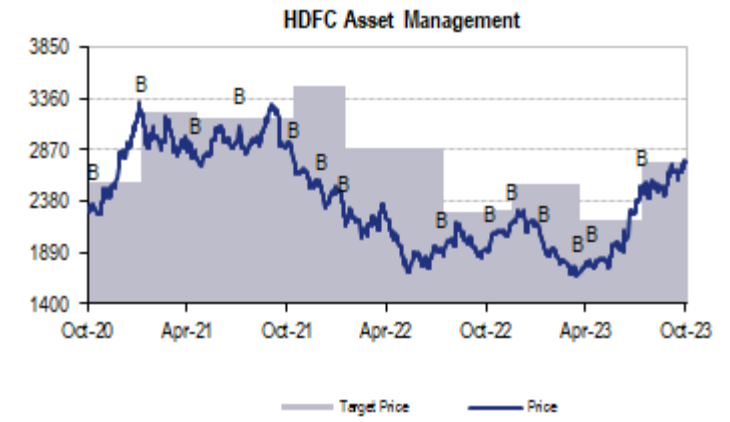
| Mutual Fund AUM Mix (%) |             |             |             |             |             |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Based on Closing AUM    | FY21        | FY22        | FY23        | FY24E       | FY25E       |
| Equity                  | 44%         | 51%         | 55%         | 59%         | 60%         |
| Debt                    | 31%         | 24%         | 20%         | 18%         | 17%         |
| Liquid                  | 23%         | 21%         | 19%         | 17%         | 17%         |
| Others                  | 2%          | 4%          | 6%          | 6%          | 6%          |
| <b>Total AUM</b>        | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |

Source: Company, JM Financial

**History of Recommendation and Target Price**

| Date      | Recommendation | Target Price | % Chg. |
|-----------|----------------|--------------|--------|
| 21-Jan-20 | Sell           | 3,175        |        |
| 24-Apr-20 | Sell           | 1,980        | -37.6  |
| 10-May-20 | Sell           | 1,980        | 0.0    |
| 23-Jul-20 | Sell           | 1,980        | 0.0    |
| 30-Sep-20 | Buy            | 2,565        | 29.5   |
| 22-Oct-20 | Buy            | 2,565        | 0.0    |
| 20-Jan-21 | Buy            | 3,235        | 26.1   |
| 28-Apr-21 | Buy            | 3,175        | -1.9   |
| 18-Jul-21 | Buy            | 3,175        | 0.0    |
| 25-Oct-21 | Buy            | 3,475        | 9.4    |
| 15-Dec-21 | Buy            | 3,475        | 0.0    |
| 24-Jan-22 | Buy            | 2,880        | -17.1  |
| 22-Jul-22 | Buy            | 2,275        | -21.0  |
| 19-Oct-22 | Buy            | 2,300        | 1.1    |
| 29-Nov-22 | Buy            | 2,550        | 10.9   |
| 24-Jan-23 | Buy            | 2,550        | 0.0    |
| 29-Mar-23 | Buy            | 2,200        | -13.7  |
| 25-Apr-23 | Buy            | 2,200        | 0.0    |
| 24-Jul-23 | Buy            | 2,760        | 25.5   |

**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

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Grievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: [instcompliance@jmfl.com](mailto: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.

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