

January 12, 2024

RESULT REPORT Q3 FY24 | Sector: Insurance (Life)

HDFC Life Insurance

Higher market share on HDFC Bank sustains but still does not move the growth needle

Result Highlights (See "Our View" below for elaboration and insight)

- **VNB margin:** Calculated post-merger VNB margin grew by 52bps QoQ (comparable) but de-grew -2bps YoY (comparable) to 26.8%
- **VNB:** The post-merger VNB growth was 6.9% QoQ (comparable), aided by both growth in APE and margin expansion
- **APE:** The post-merger APE was Rs 31,910 mn up by 4.8% QoQ (comparable) but down -2.1% YoY (comparable)
- **Expense control:** Post-merger Expense ratio decreased -2bps QoQ to 19.8% as opex ratio decreased -15bps QoQ but comm. ratio increased by 13bps QoQ
- **Persistency:** Post-merger, 37th month ratio fell -30bps QoQ to 71.2% and 61st month ratio fell -30bps QoQ to 51.1% (comparable)

Our view - Slow growth with marginal neutrality does not make for significant upside

HDFL seems to be hit fairly hard by the taking away of tax advantages for large-ticket policies: Business below Rs 0.5mn ticket size has grown at about 3x the company growth on YoY basis, implying large-ticket policies have de-grown materially. The share of policies above Rs 0.5mn has declined from 12% last year to 6% currently. Management stated that peers have grown faster since they have dropped VNB margin whereas the company has maintained margin. The company is aiming for 10% YoY growth in 4Q, excluding the Rs 10bn upfronted business done in March last year.

HDFL has benefited from HDFC Bank becoming its parent but that does not seem to be enough to shore up overall growth: The bancassurance channel individual APE has grown 17% YoY in 9M. The counter share on HDFC Bank channel has been maintained at mid 60s compared with pre-merger levels of mid 50s. The company has expanded personnel count in the branches of the bank. The agency channel has been relatively sluggish, growing 7.9% YoY. Direct channel has de-grown -20.9% YoY whereas Brokers and Others have de-grown -28.1% YoY.

We maintain a less-than-bullish 'ADD' rating on HDFL with a revised price target of Rs 720: We value HDFL at 3.1x FY25 P/EV for an FY24E/25E/26E RoEV profile of 18.4%/18.9%/19.3%.

(See Comprehensive con call takeaways on page 2 for significant incremental colour.)

Exhibit 1: Result table

Rs mn	Q3 FY24	Q3 FY23	% yoy	Q2 FY24	% qoq
NBP	71,297	73,880	-3.5%	71,013	0.4%
Renewal premium	83,962	71,870	16.8%	78,389	7.1%
Income from investments	113,698	49,280	130.7%	81,044	40.3%
Surplus/(Deficit)	613	3,300	-81.4%	2,293	-73.3%
PAT	3,651	3,152	15.8%	3,768	-3.1%
Expense ratio	19.8%	19.6%	26bps	19.8%	-2bps
37th mo. Persistency*	71.2%	67.9%	330bps	71.5%	-30bps
Total APE	31,910	32,600	-2.1%	30,450	4.8%
Individual APE	27,930	27,630	1.1%	25,960	7.6%
VNB	8,560	8,750	-2.2%	8,010	6.9%
VNB Margin	26.8%	26.8%	-2bps	26.3%	52bps

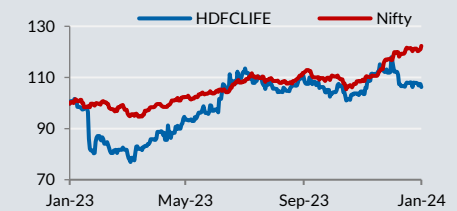
Source: Company, YES Sec-Research, *N.B. Regular and Limited Pay, Both YoY and QoQ numbers are comparable

Recommendation	: ADD
Current Price	: Rs 638
Target Price	: Rs 720
Potential Return	: +13%

Stock data (as on January 12, 2024)

Nifty	21,895
52 Week h/l (Rs)	711 / 458
Market cap (Rs/USD mn)	1384677 / 16702
Outstanding Shares (mn)	2,150
6m Avg t/o (Rs mn):	2,273
Div yield (%):	0.3
Bloomberg code:	HDFCLIFE IN
NSE code:	HDFCLIFE

Stock performance



	1M	3M	1Y
Absolute return	-9.9%	2.1%	6.6%

Shareholding pattern (As of Sept'23 end)

Promoter	50.4%
FII+DII	37.4%
Others	12.2%

Δ in stance

(1-Yr)	New	Old
Rating	ADD	ADD
Target Price	720	725

Financial Summary

Rs mn	FY24E	FY25E	FY26E
APE	141,851	165,009	192,018
% yoy	6.4%	16.3%	16.4%
VNB	39,009	45,790	53,765
VNB Margin	27.5%	27.8%	28.0%
Reported PAT	13,411	15,872	18,796
% yoy	-1.4%	18.4%	18.4%
EPS (Rs)	6.2	7.4	8.7
EV/Share (Rs)	206.9	233.9	265.7
RoEV	18.4%	18.9%	19.3%
P/EV (x)	3.1	2.7	2.4
P/VNB (x)	35.1	29.9	25.5

Δ in earnings estimates

Rs bn	FY24E	FY25E	FY26E
VNB (New)	39.0	45.8	53.8
VNB (Old)	40.9	48.1	56.5
% change	-4.6%	-4.7%	-4.8%

SHIVAJI THAPLIYAL

Head of Research
& Lead Analyst

shivaji.thapliyal@ysil.in



SIDDHARTH RAJPUROHIT, Analyst

COMPREHENSIVE CON-CALL HIGHLIGHTS

Overall revenue / APE growth

- **Above Rs 0.5mn ticket size**
 - Individual APE growth was 8% QoQ but this is lower than management expectation since the recovery in ticket sizes above Rs 0.5mn has been slow.
 - There has been some resurgence in the larger ticket segment for the recently introduced products.
 - Business below Rs 0.5mn ticket size has grown at about 3x the company growth on YoY basis.
 - The share of policies above Rs 0.5mn has declined from 12% last year, before upfront buying, to 6% currently.
- **Outside Tier 1**
 - Growth of business outside of Tier 1 centres is 2x of company growth and contributed 65% to topline.
- **Peer growth**
 - Peers have grown faster since they have dropped VNB margin whereas the company has maintained margin.
- **Guidance**
 - The company is aiming for 10% YoY growth in 4Q, excluding the Rs 10bn upfronted business done in March last year.

Channel growth and mix

- **Bancassurance**
 - The bancassurance channel APE has grown 17% YoY in 9M.
 - The growth for 3Q is slower due to large base.
 - If policies above Rs 0.5mn are excluded, the banca channel growth is 20% YoY in 9M.
 - **HDFC Bank**
 - The counter share on HDFC Bank channel has been maintained at mid 60s compared with pre-merger levels of mid 50s.
 - The company has expanded personnel count in the branches of the bank.
 - **Other banks**
 - The company has added new bank partners in the form of Karnataka Bank, Karur Vysya Bank and NKGSB Bank.
 - In the past it has been seen that the company's counter share in newly added banks rises to 30% in about 15 months.
- **Agency**
 - The company has added more than 50,000 agents in 9M.
 - However, there has been a drop in agent count on sequential basis as there are a lot of factors under consideration.
- **Direct channel**
 - 75 new branches are being added.

Product growth and mix

- **Protection**
 - Retail protection has grown 36% YoY on individual APE basis.

(Con call takeaways continue on the next page)

- Credit protect has grown 21% YoY.
- **More on credit life**
 - Group protection has been soft on sequential basis due to the credit life segment.
 - Credit life has slowed due to slower disbursement in the auto and personal loan segments.
 - NBFCs have slowed down but banks are doing better.
- **Group term life**
 - Group term life business is a lot smaller than credit life (and, hence, moves the needle less).
- **Guidance**
 - Protection growth will outpace overall company growth over the next 3 years.
 - There can be 20-25% growth in individual protection on a normalized basis.
- **Product mix – Individual APE**
 - Unit linked – 32%
 - Non-Par savings – 28%
 - Annuity – 7%
 - Protection – 6%
 - Par – 28%
- **Group savings**
 - There has been reduction in group savings business.
 - There was a large one-off last year.
 - Furthermore, there is slowdown in some corporates.

VNB margin

- **Margin level**
 - The VNB margin for 9M has remained stable at 26.5%.
- **Guidance**
 - The company has maintained its margin neutrality guidance for FY24.
- **Product level margin**
 - Product level margin has improved on account of 2 reasons.
 - Protection cover attached to ULIP products has gone up.
 - Persistency has improved across channels.
 - These factors have led to a 70 bps positive impact on new business margin.
- **Expense impact**
 - The expense ratio of 19.5% implies that operating leverage is negative right now.
 - The delivery growth is currently short of the planned level of 17%.
 - Fixed cost absorption has led to a negative impact of 80 bps on VNB margin.

Surrender circular

- The company is engaging with the regulator and explaining the matter and they are receptive.
- There is allowance for shorter tenure products and for no GST on certain products.
- There can be a discontinued policy fund like one has for ULIPs.
- There are 5-6 different ideas of product construct that are being mulled.

(Con call takeaways continue on the next page)

Embedded value

- VNB
 - Value of new business has grown 5% YoY to Rs 22.67bn for 9M.
- EV
 - The Indian EV has grown 20% YoY to Rs 451.73bn.
- RoEV
 - The operating RoEV has been 16.5% for 9M.
 - VNB is lower than capacity which is dragging down the EVOP, impacting RoEV by 50 bps.
 - A further 50 bps impact is due to the preferential capital raise.
 - RoEV can expand to 17% by the year-end as VNB contribution stabilizes.
- Unwind
 - Unwind is upwards of 8%.

Exhibit 2: Quarterly Actuals Vs Estimates

Q3FY24 (Rs. mn)	Actuals	Estimates	Diff, %
New Business Premium	71,297	65,405	9.0
Total APE	31,910	28,540	11.8
VNB	8,560	7,709	11.0

Source: Company, YES Sec – Research

Exhibit 3: Other Business Parameters

	Q3 FY24	Q3 FY23	% yoy	Q2 FY24	% qoq
APE by Product (Rs mn)					
ULIP	10,498	5,861	79.1%	7,786	34.8%
Par	6,723	7,263	-7.4%	8,491	-20.8%
Non par saving	7,619	11,715	-35.0%	6,265	21.6%
Non par protection	1,633	1,116	46.2%	1,546	5.6%
Annuity	1,457	1,675	-13.0%	1,871	-22.2%
Total Individual APE	27,930	27,630	1.1%	25,960	7.6%
Group	3,980	4,970	-19.9%	4,490	-11.4%
Total APE	31,910	32,600	-2.1%	30,450	4.8%

Product Mix (% in APE)					
ULIP	32.9%	18.0%	1492bps	25.6%	733bps
Par	21.1%	22.3%	-121bps	27.9%	-682bps
Non par saving	23.9%	35.9%	-1206bps	20.6%	330bps
Non par protection	5.1%	3.4%	169bps	5.1%	4bps
Annuity	4.6%	5.1%	-57bps	6.1%	-158bps
Total individual	87.5%	84.8%	277bps	85.3%	227bps
Group	12.5%	15.2%	-277bps	14.7%	-227bps

APE by Channel (Individual APE, Rs mn)					
Bancassurance	18,186	16,722	8.8%	17,452	4.2%
Brokers & others	1,303	2,837	-54.1%	1,613	-19.2%
Agency	5,239	4,851	8.0%	4,254	23.2%
Direct	3,202	3,220	-0.6%	2,641	21.2%

Channel mix (% in APE)					
Bancassurance	65%	61%	459bps	67%	-212bps
Brokers & others	5%	10%	-560bps	6%	-155bps
Agency	19%	18%	120bps	16%	237bps
Direct	11%	12%	-19bps	10%	129bps

Persistency*					
13 month	83.4%	84.1%	-70bps	84.0%	-60bps
61 month	51.1%	49.1%	200bps	51.4%	-30bps

Expense ratio					
Commission ratio	8.2%	4.8%	336bps	8.0%	13bps
Opex ratio	11.6%	14.7%	-310bps	11.8%	-15bps

Solvency					
Solvency ratio	190.0%	209.0%	-1900bps	194.0%	-400bps

Source: Company, YES Sec – Research, *N.B. Regular and Limited Pay, Both YoY and QoQ numbers are comparable

ANNUAL FINANCIALS

Exhibit 4: Policyholder account

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Net premium	453,965	567,640	678,640	823,547	990,399
Income from investments	192,159	125,975	149,907	177,519	209,593
Other income	1,765	4,644	5,109	5,620	6,182
Contri from shareholders A/C	5,694	8,795	9,674	10,642	11,706
Total income	653,584	707,055	843,330	1,017,327	1,217,880
Commission	19,403	28,869	34,514	41,883	50,369
Employee expenses	20,290	30,490	34,149	38,246	42,836
Other opex	35,835	53,884	64,421	78,176	94,015
Benefits paid	318,638	388,723	314,041	379,291	455,222
Change in valuation of liability	246,815	185,862	376,875	458,559	549,268
Others	1,162	4,047	4,492	5,451	6,556
Provision for Tax	1,845	1,591	2,257	2,730	3,275
Surplus/(Deficit)	9,597	13,589	12,581	12,990	16,339
Transfer to shareholders A/C	10,093	14,689	16,942	19,562	22,615

Source: Company, YES Sec – Research

Exhibit 5: Shareholder account

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Transfer from Policyholders' account	10,093	14,689	16,942	19,562	22,615
Income from Investments	7,894	7,197	7,093	8,019	9,089
Total A	17,987	21,887	24,035	27,581	31,704
Expenses (apart from insurance)	825	1,246	1,371	1,508	1,659
Contribution to Policyholders' Acc	5,694	8,795	9,674	10,642	11,706
Others	-333	-247	0	0	0
Total B	6,186	9,794	11,045	12,150	13,365
Profit/(Loss) before tax	11,801	12,724	13,684	16,196	19,180
Provision for Taxation	-276	-877	274	324	384
Profit/(Loss) after tax	12,077	13,601	13,411	15,872	18,796

Source: Company, YES Sec – Research

Exhibit 6: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Shareholders' Funds:					
Share Capital	21,126	21,494	21,494	21,494	21,494
Reserve and surplus	133,733	108,374	117,411	128,942	143,396
Policyholders' Funds					
Policy Liabilities	1,065,122	1,452,455	1,849,087	2,312,052	2,852,581
Provision for Linked Liabilities	765,190	753,836	788,051	826,373	869,294
Discontinued policies	40,854	38,040	38,040	38,040	38,040
Funds for future appropriation	9,409	12,354	7,994	1,422	-4,854
Sources of Funds	2,041,605	2,396,192	2,831,716	3,337,962	3,929,590
Investments - Shareholders	152,379	131,319	148,261	167,823	190,438
Investments Policyholders	1,889,325	2,256,500	2,676,922	3,165,193	3,732,493
Fixed Assets + Loans	9,856	19,655	19,655	19,655	19,655
Net Current Assets	-9,955	-11,283	-13,121	-14,710	-12,996
Misc. Expenditure	-	-	-	-	-
Application of funds	2,041,605	2,396,192	2,831,716	3,337,962	3,929,590

Source: Company, YES Sec – Research

Exhibit 7: Embedded Value Walk

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24E	FY25E	FY26E
Opening EV	266,170	329,580	395,260	444,710	502,791
Unwind of Discount	22,960	26,240	31,621	35,577	40,223
Value of New Business	26,750	36,740	39,009	45,790	53,765
Operating Assumption Changes	(5,650)	1,900	2,279	2,564	2,899
Economic Variance	(520)	(15,940)	(19,117)	(21,508)	(24,317)
Dividend & ESOP	(9,230)	16,740	(4,342)	(4,342)	(4,342)
Closing EV	300,480	395,260	444,710	502,791	571,018

Source: Company, YES Sec – Research

Exhibit 8: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Annual Premium Equivalent	141,851	165,009	192,018	148,748	173,158	201,649	(4.6)	(4.7)	(4.8)
Value of new business	39,009	45,790	53,765	40,906	48,051	56,462	(4.6)	(4.7)	(4.8)
Embedded Value	444,710	502,791	571,018	446,607	507,020	578,102	(0.4)	(0.8)	(1.2)

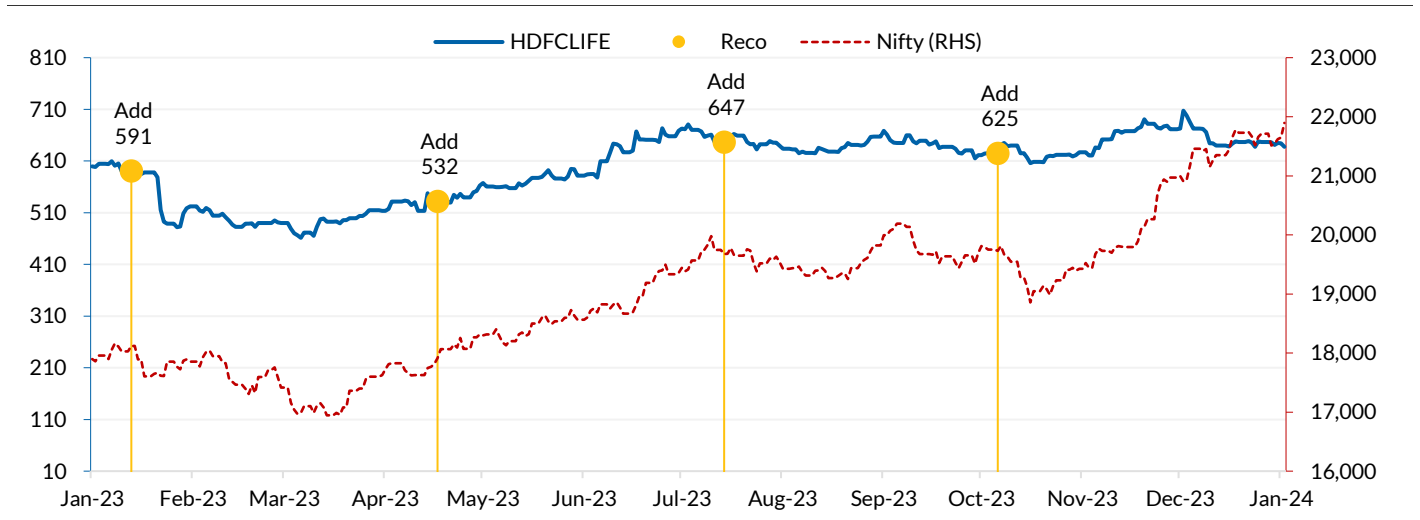
Source: Company, YES Sec – Research

Exhibit 9: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24E	FY25E	FY26E
Growth (%) - P&L					
New business premium	20.1%	20.4%	6.4%	16.3%	16.4%
Renewal premium	18.0%	30.4%	33.2%	25.5%	23.3%
Net premium	19.1%	25.0%	19.6%	21.4%	20.3%
PAT	-11.2%	12.6%	-1.4%	18.4%	18.4%
VNB	22.4%	37.3%	6.2%	17.4%	17.4%
Growth (%) - Balance Sheet					
Total AUM	17.4%	17.0%	18.3%	18.0%	17.7%
Total Assets	18.0%	17.4%	18.2%	17.9%	17.7%
Embedded value	12.9%	31.5%	12.5%	13.1%	13.6%
Profitability ratios (%)					
VNB Margins	27.4%	27.5%	27.5%	27.8%	28.0%
Commission ratio	4.3%	5.1%	5.1%	5.1%	5.1%
Opex ratio	12.4%	14.9%	14.5%	14.1%	13.8%
Expense ratio	16.6%	19.9%	19.6%	19.2%	18.9%
Conservation Ratio	86.1%	95.3%	95.3%	95.3%	95.3%
Return ratios (%)					
ROE	7.8%	10.5%	9.7%	10.6%	11.4%
RoEV	16.6%	19.7%	18.4%	18.9%	19.3%
RoA	0.6%	0.6%	0.5%	0.5%	0.5%
Investment Return (%)					
Invest. Yield - Sh.	6.6%	5.5%	5.6%	5.6%	5.5%
Invest. Yield - Ph.	10.8%	6.1%	6.1%	6.1%	6.1%
Solvency					
Solvency Ratio	176%	203%	199%	195%	195%
Underwriting					
Claims ratio	70.2%	68.5%	46.3%	46.1%	46.0%
Claims / AUM	15.6%	16.3%	11.1%	11.4%	11.6%
Per share data (Rs)					
EPS	5.7	6.3	6.2	7.4	8.7
VNBPS	12.66	17.09	18.15	21.30	25.01
BVPS	73.3	60.4	64.6	70.0	76.7
EVPS	142.2	183.9	206.9	233.9	265.7
Valuation (x)					
P/E	111.5	100.8	102.2	86.3	72.9
P/VNB	50.4	37.3	35.1	29.9	25.5
P/BV	8.7	10.6	9.9	9.1	8.3
P/EV	4.5	3.5	3.1	2.7	2.4

Source: Company, YES Sec – Research

Recommendation Tracker



DISCLAIMER

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The information and opinions in this report have been prepared by YSL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that each security's price or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Technical Analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. 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 YSL and associates 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 certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

YES Securities (India) Limited distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through SEC 15a-6 rules and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YES Securities (India) Limited analyst's truthful views about the subject securities and or issuers discussed herein. YES Securities (India) Limited is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

This Research Report is the product of YES Securities (India) Limited. YES Securities (India) Limited is the employer of the research analyst(s) who has prepared the research report. YES Securities (India) Limited is the employer of the YES Securities (India) Limited Representative who is responsible for the report, are responsible for the content of the YES Securities (India) Limited Research Report; any material conflicts of interest of YES Securities (India) Limited in relation to the issuer(s) or securities discussed in the YES Securities (India) Limited Research Report. This YES Securities (India) Limited Research Report is distributed in the United States through Brasil Plural Securities LLC (BPS). The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and is/ are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution by YES Securities (India) Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person or entity. Transactions in securities discussed in this research report should be effected through Brasil Plural Securities LLC (BPS) or another U.S. registered broker dealer/Entity as informed by YES Securities (India) Limited from time to time.

YES Securities (India) Limited

Registered Address: 2nd Floor, North Side, YES BANK House,
Off Western Express Highway, Santacruz East,
Mumbai - 400 055, Maharashtra, India.

Correspondence Address: 7th Floor, Urmi Estate Tower A, Ganpatrao
Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West),
Mumbai - 400 013, Maharashtra, India.

✉ research@ysil.in | Website: www.yesinvest.in

Registration Nos.: CIN: U74992MH2013PLC240971 | SEBI Single
Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member
Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL &
NSDL: IN-DP-653-2021 | MERCHANT BANKER: INM000012227 |
RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER:
INA000007331 | Sponsor and Investment Manager to YSL Alternates Alpha
Plus Fund (CAT III AIF) SEBI Registration No.: IN/AIF3/20-21/0818 | AMFI
ARN Code - 94338.

Details of Compliance Officer: Name: Aditya Goenka,
Email id: compliance@ysil.in, **Contact No:** 022- 65078127 (Extn: 718127)

Grievances Redressal Cell: customer.service@ysil.in/igc@ysil.in

DISCLOSURE OF INTEREST

Name of the Research Analyst : Shivaji Thapliyal, Siddharth Rajpurohit

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSL's actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the Research Report	No
3	Research Analyst or his/her relative or YSL has any other material conflict of interest at the time of publication of the Research Report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSL has received any compensation from the subject company in the past twelve months	No
6	YSL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSL has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
8	YSL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSL has been engaged in market making activity for the subject company(ies)	No

Since YSL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

Analyst Signature

Analyst Signature

RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

BUY: Upside greater than 20% over 12 months

ADD: Upside between 10% to 20% over 12 months

NEUTRAL: Upside between 0% to 10% over 12 months

REDUCE: Downside between 0% to -10% over 12 months

SELL: Downside greater than -10% over 12 months

NOT RATED / UNDER REVIEW

ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ("YSL") is a wholly owned subsidiary of YES BANK LIMITED. YSL is a Securities and Exchange Board of India (SEBI) registered Stock broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst. YSL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL. YSL offers, inter alia, trading/investment in equity and other financial products along with various value added services. We hereby declare that there are no disciplinary actions taken against YSL by SEBI/Stock Exchanges.