

April 18, 2024

**RESULT REPORT Q4 FY24** | Sector: Insurance (Life)

# HDFC Life Insurance

## Dual growth and margin pangs cap RoEV

### Our view – Management flags irrational pricing in the system

Margin performance has been soft and guidance in this regard has been cautious: VNB margin for FY24 was 26.3% compared with 27.6% for FY23. Of the 130 bps decline in annual VNB margin, 70 bps is explained by lower operating leverage due to upfronting of Rs 10bn worth of APE in the last quarter of FY23. Another 40 bps decline is explained by higher share of unit-linked products. In terms of margin guidance, the company would like VNB to grow at broadly the same pace as APE but is willing to allow margin to fluctuate to some extent in order to deliver growth. Management stated that there is pressure on pricing due to irrationality, especially from aggregators for protection business but, at some point, rationality in pricing would return.

**Management expects HDFL to at the upper end of industry growth expectation band or slightly better:** On an un-adjusted basis, the individual APE growth in FY24 was 1% YoY. Growth of large-ticket products was impacted due to tax rule changes with share of policies above Rs 0.5mn ticket size declining from 12% earlier to about 6-7% of APE. Policies with ticket size less than Rs 0.5mn are growing in the high teens. In terms of growth guidance, the industry would grow at 12-15% and HDFC Life would at the upper end of this band or somewhat better. The counter share on HDFC Bank was 63% in FY24 compared with 56% in FY23. The counter share on HDFC Bank would continue to improve going forward and hence, HDFC Bank would grow faster than the company.

**We maintain a less-than-bullish ‘ADD’ rating on HDFL with a revised price target of Rs 725:** We value HDFL at 2.4x FY26 P/EV for an FY25E/26E RoEV profile of 17.1%/17.2%.

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

### Result Highlights (See “Our View” above for elaboration and insight)

- **VNB margin:** Calculated post-merger VNB margin de-grew by -72bps QoQ (comparable) and -317bps YoY (comparable) to 26.1%
- **VNB:** The post-merger VNB growth was 44.2% QoQ (comparable), aided by growth in APE
- **APE:** The post-merger APE was Rs 47,270 mn up by 48.1% QoQ (comparable) but down -8.4% YoY (comparable)
- **Expense control:** Post-merger Expense ratio decreased -68bps QoQ to 19.1% as opex ratio decreased -305bps QoQ but comm. ratio increased by 238bps QoQ
- **Persistence:** Post-merger, 37<sup>th</sup> month ratio rose 220bps QoQ to 73.4% and 61<sup>st</sup> month ratio rose 90bps QoQ to 52.0% (comparable)

### Exhibit 1: Result table

Rs mn	Q4 FY24	Q4 FY23	% yoy	Q3 FY24	% qoq
NBP	95,316	103,720	-8.1%	71,297	33.7%
Renewal premium	114,060	92,542	23.3%	83,962	35.8%
Income from investments	72,514	11,895	509.6%	113,698	-36.2%
Surplus/(Deficit)	2,728	5,718	-52.3%	613	345.2%
PAT	4,117	3,587	14.8%	3,651	12.8%
Expense ratio	19.1%	20.8%	-161bps	19.8%	-68bps
37th mo. Persistence*	73.4%	71.5%	190bps	71.2%	220bps
Total APE	47,270	51,620	-8.4%	31,910	48.1%
Individual APE	42,380	45,270	-6.4%	27,930	51.7%
VNB	12,340	15,110	-18.3%	8,560	44.2%
VNB Margin	26.1%	29.3%	-317bps	26.8%	-72bps

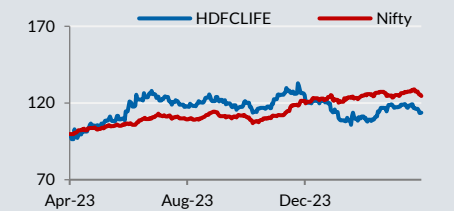
Source: Company, YES Sec-Research, \*N.B. Regular and Limited Pay, Both YoY and QoQ numbers are comparable

Recommendation	: ADD
Current Price	: Rs 606
Target Price	: Rs 725
Potential Return	: +19.7%

### Stock data (as on April 18, 2024)

Nifty	21,996
52 Week h/l (Rs)	711 / 511
Market cap (Rs/USD mn)	1300134 / 15559
Outstanding Shares (mn)	2,150
6m Avg t/o (Rs mn):	2,290
Div yield (%):	0.3
Bloomberg code:	HDFCLIFE IN
NSE code:	HDFCLIFE

### Stock performance



	1M	3M	1Y
Absolute return	-4.5%	-0.4%	13.8%

### Shareholding pattern (As of Dec'23 end)

Promoter	50.4%
FII+DII	37.9%
Others	11.8%

### Δ in stance

(1-Yr)	New	Old
Rating	ADD	ADD
Target Price	725	700

### Financial Summary

Rs mn	FY24	FY25E	FY26E
APE	132,910	154,532	179,735
% yoy	-0.3%	16.3%	16.3%
VNB	35,010	40,951	48,079
VNB Margin	26.3%	26.5%	26.8%
Reported PAT	15,689	17,289	19,147
% yoy	15.3%	10.2%	10.7%
EPS (Rs)	7.3	8.0	8.9
EV/Share (Rs)	220.7	256.3	298.3
RoEV	17.5%	17.1%	17.2%
P/EV (x)	2.7	2.4	2.0
P/VNB (x)	37.2	31.8	27.1

### Δ in earnings estimates

Rs bn	FY24	FY25E	FY26E
VNB (New)	NA	41.0	48.1
VNB (Old)	NA	45.8	53.8
% change	NA	-10.6%	-10.6%

### SHIVAJI THAPLIYAL

Head of Research  
& Lead Analyst

shivaji.thapliyal@ysil.in



SIDDHARTH RAJPUROHIT, Analyst

## COMPREHENSIVE CON-CALL HIGHLIGHTS

### VNB margin

- VNB Margin and VNB
  - VNB margin for FY24 was 26.3% compared with 27.6% for FY23.
  - VNB has declined 5% YoY to Rs 35bn for FY24.
- Reasons for decline
  - Of the 130 bps decline in annual VNB margin, 70 bps is explained by lower operating leverage due to upfront of Rs 10bn worth of APE in the last quarter of FY23.
  - Another 40 bps decline is explained by higher share of unit-linked products.
- Margin guidance
  - The company would like VNB to grow at broadly the same pace as APE but is willing to allow margin to fluctuate to some extent in order to deliver growth.
  - There is pressure on pricing due to irrationality, especially from aggregators for protection business.
  - Management believes that, at some point, rationality in pricing would return.

### Overall APE (revenue) growth

- APE growth in 4Q was 20% YoY, adjusting for the one-off (high base due to revenue upfront) in 4Q last year.
- The APE growth in FY24 amounted to 11% on normalized basis.
- On an un-adjusted basis, the individual APE growth in FY24 was 1% YoY.
- Ticket size aspects
  - Growth of large-ticket products was impacted due to tax rule changes with share of policies above Rs 0.5mn ticket size declining from 12% earlier to about 6-7% of APE.
  - Policies with ticket size less than Rs 0.5mn are growing in the high teens.
- Nature of customers
  - More than 70% of retail customers are new to HDFC Life.
  - Two thirds of new business in FY24 has come from outside Tier 1 centres.
- Growth guidance
  - The industry would grow at 12-15% and HDFC Life would at the upper end of this band or somewhat better.

### Product growth and mix

- Product mix
  - Linked – 35%
  - Non par savings – 30%
  - Par – 23%
  - Retail term – 5%
  - Annuities – 6%
- Non-par savings
  - Non-par savings was driven by the new Click2protect product.

(Con call takeaways continue on the next page)

- **Protection**
  - Annuity and protection contributed to more than half of new business premium.
  - Credit protect business was up 13% YoY despite slowdown in disbursement in 4Q (presumably for NBFC partners).
- **Sum assured**
  - Sum assured saw a growth of 47% YoY driven by pure term, ROP and high protection cover embedded in savings products and riders.

## Channel growth and mix

- **Bancassurance**
  - **HDFC Bank**
    - The counter share on HDFC Bank was 63% in FY24 compared with 56% in FY23.
    - The counter share on HDFC Bank would continue to improve going forward and hence, HDFC Bank would grow faster than the overall company.
    - HDFC Bank contributed 52-53% of retail individual business.
  - **Non-HDFC Bank**
    - Other banks grew 13-15%, driven by tier 2 and 3 centres.
    - The contribution of Non-HDFC Bank partners to overall business is about 12-13%.
- **Direct channel**
  - 75 branches were added during FY24.
  - The intention is to take touch points to more than 600 in FY25.
- **Agency**
  - Agency channel has been impacted since it used to sell a material amount of policies above Rs 0.5mn.
  - However, this rebasing process has played out management expects this channel to make a comeback.
  - The company has added 80,000 agents, of which 85-90% are in tier 2 and 3 centres.

## Embedded value

- **Embedded value**
  - EV has risen 20% YoY to Rs 474.68bn.
- **Return on embedded value**
  - The operating RoEV amounted to 17.5%.
  - **Guidance**
    - The RoEV would be in the 17-18% range.
- **Economic variance**
  - Of the total economic variance of Rs 13bn, more than Rs 12bn is due to equity markets.
  - The remaining is due to the impact of lower interest rates on the fixed income portfolio.

## Solvency

- The solvency ratio amounted to 187%.

## Persistency

- The 13th and 61st month persistency amounted to 87% and 53%, respectively.

(Con call takeaways continue on the next page)

## HDFC Pension

- AUM has crossed Rs 750bn, up 70% YoY.
- The market share is 43% (presumably among private sector players).

## IFRS

- Depending on the readiness of life insurers, IFRS could get implemented in 24-36 months.
- There will no material change in the way HDFC Life conducts its business due to IFRS.

## Regulation

- The final circular on surrender does not have any material impact on HDFC Life.

## New business strain

- The strain on unit linked products is actually on the higher side since the reserves are linked to the value of the fund.
- Linked products require more capital in the beginning but this comes down with time.

## Exhibit 2: Quarterly Actuals Vs Estimates

Q4FY24 (Rs. mn)	Actuals	Estimates	Diff, %
New Business Premium	95,316	88,299	7.9
Total APE	47,270	44,504	6.2
VNB	12,340	12,007	2.8

Source: Company, YES Sec – Research

## Exhibit 3: Other Business Parameters

	Q4 FY24	Q4 FY23	% yoy	Q3 FY24	% qoq
<b>APE by Product (Rs mn)</b>					
ULIP	17,652	7,081	149.3%	10,498	68.1%
Par	6,581	10,647	-38.2%	6,723	-2.1%
Non par saving	14,719	24,225	-39.2%	7,619	93.2%
Non par protection	1,493	1,783	-16.3%	1,633	-8.5%
Annuity	1,936	1,534	26.2%	1,457	32.9%
<b>Total Individual APE</b>	<b>42,380</b>	<b>45,270</b>	<b>-6.4%</b>	<b>27,930</b>	<b>51.7%</b>
Group	4,890	6,350	-23.0%	3,980	22.9%
<b>Total APE</b>	<b>47,270</b>	<b>51,620</b>	<b>-8.4%</b>	<b>31,910</b>	<b>48.1%</b>
<b>Product Mix (% in APE)</b>					
ULIP	37.3%	13.7%	2363bps	32.9%	444bps
Par	13.9%	20.6%	-670bps	21.1%	-715bps
Non par saving	31.1%	46.9%	-1579bps	23.9%	726bps
Non par protection	3.2%	3.5%	-30bps	5.1%	-196bps
Annuity	4.1%	3.0%	112bps	4.6%	-47bps
<b>Total individual</b>	<b>89.7%</b>	<b>87.7%</b>	<b>196bps</b>	<b>87.5%</b>	<b>213bps</b>
Group	10.3%	12.3%	-196bps	12.5%	-213bps
<b>APE by Channel (Individual APE, Rs mn)</b>					
Bancassurance	27,804	23,691	17.4%	18,186	52.9%
Brokers & others	2,499	6,416	-61.1%	1,303	91.8%
Agency	7,496	10,551	-29.0%	5,239	43.1%
Direct	4,581	4,612	-0.7%	3,202	43.1%
<b>Channel mix (% in APE)</b>					
Bancassurance	66%	52%	1327bps	65%	50bps
Brokers & others	6%	14%	-828bps	5%	123bps
Agency	18%	23%	-562bps	19%	-107bps
Direct	11%	10%	62bps	11%	-65bps
<b>Persistence*</b>					
13 month	86.2%	85.3%	90bps	83.4%	280bps
61 month	52.0%	52.5%	-50bps	51.1%	90bps
<b>Expense ratio</b>					
Commission ratio	10.6%	5.7%	483bps	8.2%	238bps
Opex ratio	8.6%	15.0%	-644bps	11.6%	-305bps
<b>Solvency</b>					
Solvency ratio	187.0%	203.0%	-1600bps	190.0%	-300bps

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	FY24	FY25E	FY26E
Net premium	453,965	567,640	619,592	705,231	806,955
Income from investments	192,159	125,975	383,543	458,667	535,843
Other income	1,765	4,644	3,357	3,692	4,061
Contri from shareholders A/C	5,694	8,795	1,251	1,376	1,514
<b>Total income</b>	<b>653,584</b>	<b>707,055</b>	<b>1,007,743</b>	<b>1,168,966</b>	<b>1,348,373</b>
Commission	19,403	28,869	52,563	59,828	68,458
Employee expenses	20,290	30,490	32,420	36,311	40,668
Other opex	35,835	53,884	36,590	66,945	76,601
Benefits paid	318,638	388,723	396,965	469,760	555,427
Change in valuation of liability	246,815	185,862	484,194	511,927	580,686
Others	1,162	4,047	3,183	4,668	5,342
Provision for Tax	1,845	1,591	-5,924	3,202	3,701
<b>Surplus/(Deficit)</b>	<b>9,597</b>	<b>13,589</b>	<b>7,751</b>	<b>16,325</b>	<b>17,490</b>
Transfer to shareholders A/C	10,093	14,689	7,991	9,227	10,667

Source: Company, YES Sec – Research

### Exhibit 5: Shareholder account

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Transfer from Policyholders' account	10,093	14,689	7,991	9,227	10,667
Income from Investments	7,894	7,197	10,022	10,978	11,690
<b>Total A</b>	<b>17,987</b>	<b>21,887</b>	<b>18,013</b>	<b>20,205</b>	<b>22,356</b>
Expenses (apart from insurance)	825	1,246	1,209	1,330	1,463
Contribution to Policyholders' Acc	5,694	8,795	1,251	1,376	1,514
Others	-333	-247	45	0	0
Total B	6,186	9,794	2,505	2,706	2,977
Profit/(Loss) before tax	11,801	12,724	15,638	17,642	19,538
Provision for Taxation	-276	-877	-50	353	391
<b>Profit/(Loss) after tax</b>	<b>12,077</b>	<b>13,601</b>	<b>15,689</b>	<b>17,289</b>	<b>19,147</b>

Source: Company, YES Sec – Research

## Exhibit 6: Balance sheet

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Shareholders' Funds:					
Share Capital	21,126	21,494	21,509	21,509	21,509
Reserve and surplus	133,733	108,374	125,008	137,953	152,755
Policyholders' Funds					
Policy Liabilities	1,065,122	1,452,455	1,813,745	2,207,909	2,667,929
Provision for Linked Liabilities	765,190	753,836	921,145	967,218	1,018,820
Discontinued policies	40,854	38,040	34,137	34,137	34,137
Funds for future appropriation	9,409	12,354	12,115	19,213	26,035
<b>Sources of Funds</b>	<b>2,041,605</b>	<b>2,396,192</b>	<b>2,937,293</b>	<b>3,397,573</b>	<b>3,930,819</b>
Investments - Shareholders	152,379	131,319	148,819	158,046	168,713
Investments Policyholders	1,889,325	2,256,500	2,773,382	3,241,688	3,785,489
Fixed Assets + Loans	9,856	19,655	23,131	23,131	23,131
Net Current Assets	-9,955	-11,283	-8,038	-25,292	-46,513
Misc. Expenditure	-	-	-	-	-
<b>Application of funds</b>	<b>2,041,605</b>	<b>2,396,192</b>	<b>2,937,293</b>	<b>3,397,573</b>	<b>3,930,819</b>

Source: Company, YES Sec – Research

## Exhibit 7: Embedded Value Walk

Y/e 31 Mar (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Opening EV	266,170	329,580	395,260	474,670	551,386
Unwind of Discount	22,960	26,240	32,400	37,974	44,111
Value of New Business	26,750	36,740	35,010	40,951	48,079
Operating Assumption Changes	(5,650)	1,900	1,800	2,136	2,481
Economic Variance	(520)	(15,940)	13,500	0	0
Dividend & ESOP	(9,230)	16,740	(3,300)	(4,345)	(4,345)
<b>Closing EV</b>	<b>300,480</b>	<b>395,260</b>	<b>474,670</b>	<b>551,386</b>	<b>641,712</b>

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	NA	154,532	179,735	NA	165,009	192,018	NA	(6.3)	(6.4)
Value of new business	NA	40,951	48,079	NA	45,790	53,765	NA	(10.6)	(10.6)

Source: Company, YES Sec – Research

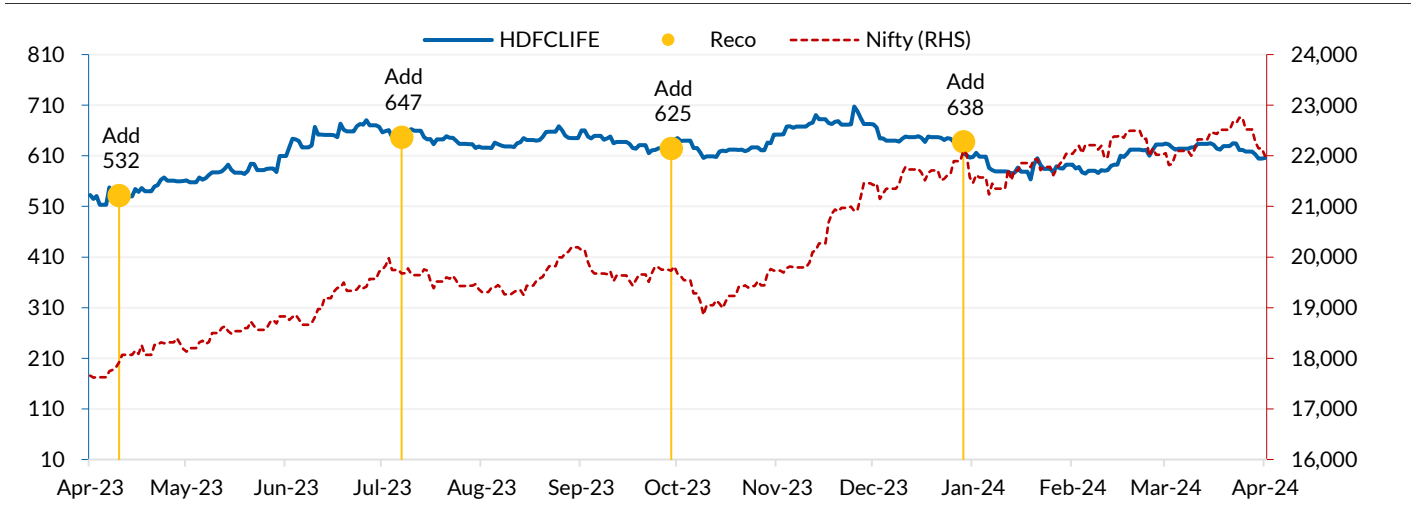
## Exhibit 9: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25E	FY26E
<b>Growth (%) - P&amp;L</b>					
New business premium	20.1%	20.4%	1.9%	16.3%	16.3%
Renewal premium	18.0%	30.4%	17.6%	12.0%	13.1%
Net premium	19.1%	25.0%	9.2%	13.8%	14.4%
PAT	-11.2%	12.6%	15.3%	10.2%	10.7%
VNB	22.4%	37.3%	-4.7%	17.0%	17.4%
<b>Growth (%) - Balance Sheet</b>					
Total AUM	17.4%	17.0%	22.4%	16.3%	16.3%
Total Assets	18.0%	17.4%	22.6%	15.7%	15.7%
Embedded value	12.9%	31.5%	20.1%	16.2%	16.4%
<b>Profitability ratios (%)</b>					
VNB Margins	27.4%	27.5%	26.3%	26.5%	26.8%
Commission ratio	4.3%	5.1%	8.5%	8.5%	8.5%
Opex ratio	12.4%	14.9%	11.1%	14.6%	14.5%
Expense ratio	16.6%	19.9%	19.6%	23.1%	23.0%
Conservation Ratio	86.1%	95.3%	84.1%	84.1%	84.1%
<b>Return ratios (%)</b>					
ROE	7.8%	10.5%	10.7%	10.8%	11.0%
RoEV	16.6%	19.7%	17.5%	17.1%	17.2%
RoA	0.6%	0.6%	0.6%	0.5%	0.5%
<b>Investment Return (%)</b>					
Invest. Yield - Sh.	6.6%	5.5%	7.2%	7.2%	7.3%
Invest. Yield - Ph.	10.8%	6.1%	15.3%	15.3%	15.3%
<b>Solvency</b>					
Solvency Ratio	176%	203%	187%	195%	195%
<b>Underwriting</b>					
Claims ratio	70.2%	68.5%	64.1%	66.6%	68.8%
Claims / AUM	15.6%	16.3%	13.6%	13.8%	14.0%
<b>Per share data (Rs)</b>					
EPS	5.7	6.3	7.3	8.0	8.9
VNBPS	12.66	17.09	16.28	19.04	22.35
BVPS	73.3	60.4	68.1	74.1	81.0
EVPS	142.2	183.9	220.7	256.3	298.3
<b>Valuation (x)</b>					
P/E	105.9	95.7	83.0	75.3	68.0
P/VNB	47.8	35.4	37.2	31.8	27.1
P/BV	8.3	10.0	8.9	8.2	7.5
P/EV	4.3	3.3	2.7	2.4	2.0

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:** 2<sup>nd</sup> Floor, North Side, YES BANK House,  
Off Western Express Highway, Santacruz East,  
Mumbai - 400 055, Maharashtra, India.

**Correspondence Address:** 7<sup>th</sup> 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.