

July 25, 2024

RESULT REPORT Q1 FY25 | Sector: Asset Managers

Aditya Birla Sun Life AMC

Equity business improves, yield remains stable

Our view – SIP flows drive equity business, equity yield remains stable

Equity business - Equity business continues to improve even as management aspires for further improvement: The lump sum inflows into the recent NFO have been good. While lump sum flows are improving, SIPs have been the key driver of flows. The SIP flows for the quarter were Rs 37bn while the SIP AUM stood at Rs 770bn. Overall, a large component of the flows have gone into the thematic funds. Fund flows are improving outside thematic funds as well but the company is not yet satisfied with these flows.

Revenue Yield - Overall revenue yield has remained stable sequentially and so has equity segment yield: Overall revenue yield has remained stable sequentially at 44 bps. Notably, equity segment yield has remained stable sequentially on a standalone basis at 68 bps. While the company does not intend to pay too much distributor commission, it will also not completely rationalize commission and will follow the middle path.

We maintain 'ADD' rating on ABSL with a revised price target of Rs 800: We value ABSL at 24.0x FY26 P/E, at which the stock would trade at an FY26 P/B of 5.4x.

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

Other Aspects (See "Our View" above for elaboration and insight)

- **Revenue:** Revenue from operations at Rs 3,866mn was up 5.8%/24.3% QoQ/YoY, lagging/leading QAAUM growth of 6.3%/18.7% QoQ/YoY.
- **Share of Equity in AUM:** Share of Equity in AUM (including Hybrid funds) at 46.0% was up 16bps QoQ and 604bps YoY (calculated on rounded off figures)
- **Share of B-30 in AUM:** Share of B-30 in AUM at 17.7% was up 20bps QoQ and 170bps YoY
- **Channel mix:** Share of MFDs, Banks, NDs and Direct was 33%, 8%, 16% and 43%, respectively in overall AUM (Ex-ETF)
- **Operating profit margin:** Operating profit margin for the quarter, at 57.0%, was up 235bps QoQ and 93bps YoY

Exhibit 1: Result table

Rs mn	Q1FY25	Q1FY24	YoY	Q4FY24	QoQ
Revenue from operation	3,866	3,112	24.3%	3,656	5.8%
As % of QAUM [^]	0.44%	0.42%	2bps	0.44%	0bps
Fees and Commission Expenses	105	82	28.0%	99	5.4%
As % of revenue	2.7%	2.6%	8bps	2.7%	-1bps
Employee Benefit Expenses	892	774	15.3%	842	6.0%
As % of revenue	23.1%	24.9%	-178bps	23.0%	4bps
Other Expenses	667	557	19.8%	666	0.1%
As % of revenue	17.2%	17.9%	-65bps	18.2%	-97bps
Total Expense	1,664	1,412	17.8%	1,607	3.5%
Operating Profit	2,203	1,700	29.6%	2,049	7.5%
As % of QAUM [^]	0.2%	0.2%	2bps	0.2%	0bps
As % of revenue	57.0%	54.6%	235bps	56.0%	93bps
Other Income	948	778	21.9%	745	27.3%
Finance cost	14	8	81.0%	17	-15.4%
Depreciation	91	66	38.1%	101	-9.2%
Profit before Tax	3,045	2,403	26.7%	2,676	13.8%
Tax Expense	688	557	23.5%	592	16.2%
Profit After Tax	2,357	1,846	27.7%	2,084	13.1%
As % of QAUM [^]	0.3%	0.2%	2bps	0.3%	2bps
As % of revenue	61.0%	59.3%	165bps	57.0%	397bps

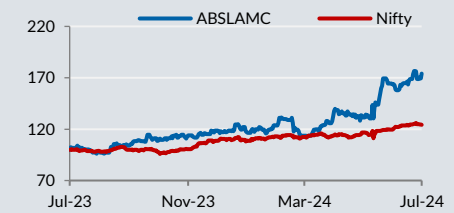
Source: Company, YES Sec-Research, [^]Annualised

Recommendation	: ADD
Current Price	: Rs 697
Target Price	: Rs 800
Potential Return	: +15%

Stock data (as on July 25, 2024)

Nifty	24,406
52 Week h/l (Rs)	732 / 382
Market cap (Rs/USD mn)	202534 / 2419
Outstanding Shares (mn)	288
6m Avg t/o (Rs mn):	157
Div yield (%)	2.1
Bloomberg code:	ABSLAMC IN
NSE code:	ABSLAMC

Stock performance



	1M	3M	1Y
Absolute return	6.2%	24.5%	70.1%

Shareholding pattern (As of Mar'24 end)

Promoter	75.3%
FII+DII	16.5%
Others	8.2%

Δ in stance

(1-Yr)	New	Old
Rating	ADD	ADD
Target Price	800	750

Financial Summary

Rs mn	FY24E	FY25E	FY26E
Net Revenue	13,532	15,570	17,685
YoY Growth	10.3%	15.1%	13.6%
EBIDTA Margin	56.2%	57.8%	59.1%
PAT	7,804	8,276	9,616
YoY Growth	30.8%	6.1%	16.2%
ROE	27.4%	24.2%	24.3%
EPS (Rs)	27.1	28.7	33.4
P/E (x)	25.7	24.3	20.9
BV (Rs)	110.0	127.2	147.3
P/BV (x)	6.3	5.5	4.7

Δ in earnings estimates

Rs.	FY24E	FY25E	FY26E
EPS (New)	NA	28.7	33.4
EPS (Old)	NA	28.0	32.5
% change	NA	2.7%	2.7%

SHIVAJI THAPLIYAL

Head of Research (Overall)
& Lead Sector Research Analyst
shivaji.thapliyal@ysil.in



SIDDHARTH RAJPUROHIT, Analyst

SURAJ SINGHANIA, Associate

COMPREHENSIVE CON-CALL TAKEAWAYS

Equity business

- **Equity inflows**
 - **SIP vs Lump Sum**
 - While lump sum flows are improving, SIPs have been the key driver of flows.
 - The majority of inflows in the SIP business emerge from mutual fund distributors and the digital channel.
 - The lump sum inflows into the recent NFO have been good.
 - **SIP flows**
 - The SIP flows for the quarter were Rs 37bn
 - They were Rs 13.67bn for the month (presumably for June).
 - **SIP AUM**
 - The SIP AUM stood at Rs 770bn.
 - **Fund category aspects**
 - For the existing funds, flows have been good in the largecap and thematic funds.
 - For existing diversified funds, the flows have been going into the key largecap and flexicap strategies.
 - Overall, a large component of the flows have gone into the thematic funds.
 - The thematic funds that have done well are Digital India, PSU, Banking and Gen Next (Consumer- focused).
 - Fund flows are improving outside thematic funds as well but the company is not yet satisfied with these flows.
 - **Budget aspects**
 - Management believes the increase in capital gains tax on equity mutual funds would not impact inflows since these come in for long-term investment needs.
- **Fund performance**
 - 65% of the company's funds are either in the first or the second quartile.
 - Now, the performance is looking good not only over a 1-year horizon but also longer-term.
- **Client segments**
 - **Retail**
 - Retail segment is under focus and the productivity of RMs is being monitored.
 - **Institutional**
 - For the institutional business, the company is reaching out to family offices and ultra-HNIs.
 - **NRI segment**
 - There is going to focus on the NRI segment via the GIFT City and Dubai offices and sharper focus on customer addition.

Fixed income business

- **Budget aspects**
 - For fixed income funds, there is status quo.
 - Some positive steps, which were expected, did not come through.
- **Product innovation**
 - The company is developing a product offering which is a fixed income-oriented scheme with higher return expectation.
 - This would include a credit opportunities fund and as well a related yield fund.
 - These products would be targeted to HNI and family office needs.

(Con call takeaways continue on the next page)

Yield aspects

- **Segmental book yields**
 - Equity – 68 bps
 - Debt – 25-26 bps
 - Liquid – 12-13 bps
- **Distribution commission**
 - While the company does not intend to pay too much distributor commission, it will also not completely rationalize commission and follow the middle path.

Operating expenses

- **Guidance**
 - Both employee expenses and non-employee expenses growth can be expected to be in the 10-12% range.
 - There would be continued employee addition and branch expansion but productivity gains would keep opex under control.
- **Expenses**
 - The total operating expenses stood at Rs. 1.66bn, up by 17.8% YoY and 3.5% QoQ.
 - **Employee expenses**
 - The employee expense for the quarter was up by 15.3% YoY.
 - 70 employees were added during the quarter, taking the employee count to 1520.
 - The ESOP cost for the quarter amounted to Rs 30mn.
 - **Other operating expenses**
 - Other operating expense was up by 20.8% YoY.

New fund pipeline

- The company has 2 approvals in place, one of which is an Innovation Fund and another being an index fund.
- The company has also taken some incremental approvals from its Board and will file these products with the SEBI.
- There is a pipeline for the GIFT City for both outward and inward remittance business.

Key AUM aspects

- **Total company AUM**
 - The total company level average AUM was Rs. 3,676bn, up 19% YoY
- **Total mutual fund AUM**
 - The mutual fund quarterly average AUM was Rs. 3,525bn, up 19% YoY.
- **Equity mutual fund AUM**
 - The equity mutual funds average AUM was Rs. 1,621bn for the quarter, comprising 46.0% of total mutual fund AUM.
- **Folios serviced**
 - The outstanding folio count serviced amounts to 9.40mn.
 - ABSL AMC has added 0.81mn folios in 1QFY25

(Con call takeaways continue on the next page)

- **SIP business**
 - Monthly SIP inflow was at Rs. 13.67bn.
 - Currently, 4.05mn live SIP accounts are being serviced.
 - The total SIP AUM is about Rs. 770bn.
- **B-30 AUM**
 - The share of B-30 AUM has risen to 17.7% of total mutual fund AUM.
- **Individual MAAUM**
 - The individual MAAUM was at Rs 1,857 bn and contributed 52.7% to the total AUM
- **Collection in NFO**
 - The collection in the Quant fund NFO launched during the quarter was Rs 24bn
 - The Company's Quant fund is now one of the largest fund in this category

Passive Fund business

- **AUM**
 - The total passive fund AUM was at Rs 299 bn as of June 2024, up 4.2% YoY.
- **Products offered**
 - ABSL AMC now has total of 44 products in the passive segment.
- **Folios**
 - Number of folios served are 0.75mn.

Alternative assets business

- **PMS / AIF**
 - The total QAAUM in the PMS and AIF segment was Rs. 34 bn.
 - Fund raising is currently underway in ABSL India Special Opportunities Fund (CAT III AIF)
 - **AIF pipeline**
 - ABSL Structured Opportunities Fund (CAT II AIF)
 - ABSL Money Manager Fund (CAT II AIF)
- **Offshore**
 - The total QAAUM in the Offshore segment was Rs. 112 bn.
 - Fund raising is currently underway for ABSL Global Emerging Market Equity Fund (IFSC) and the collection has reached around Rs 4bn and the company will be closing this fund soon.
 - Other schemes where fund raising is currently underway are ABSL index Linked Fund (IFSC) and ABSL India Opportunities Fund
 - **Product pipeline**
 - ABSL India ESG Engagement Fund (IFSC)
 - ABSL Flexi Cap Fund (IFSC)
 - ABSL Global Bluechip Fund (IFSC)

Overall profitability aspects

- **Operating Profit**
 - Operating profit for 1QFY25 was Rs. 2.10bn, up 29% YoY.
- **Profit After Tax**
 - PAT for 1QFY25 was Rs. 2.36 bn, up 28% YoY.

Exhibit 2: Other Business Parameters

Rs mn	Q1FY25	Q1FY24	YoY	Q4FY24	QoQ
MF QAAUM	3,525,000	2,969,371	18.7%	3,317,091	6.3%
Individual share	53%	51%	213bps	52%	47bps
Monthly SIP Book	13,670	9,870	39%	12,520	9%
AAUM Mix					
Alternate and Offshore - Others	9,000	9,000	0%	9,000	0%
Domestic - Liquid	546,000	571,000	-4%	497,000	10%
Domestic - Fixed Income	1,358,000	1,213,000	12%	1,300,000	4%
Alternate and Offshore - Equity	142,000	106,000	34%	132,000	8%
Domestic - Equity	1,621,000	1,186,000	37%	1,520,000	7%
QAAUM Mix (% proportion)					
Alternate and Offshore - Others	0.2%	0.3%	-5bps	0.3%	-2bps
Domestic - Liquid	14.9%	18.5%	-366bps	14.4%	48bps
Domestic - Fixed Income	36.9%	39.3%	-238bps	37.6%	-65bps
Alternate and Offshore - Equity	3.9%	3.4%	43bps	3.8%	5bps
Domestic - Equity	44.1%	38.4%	565bps	44.0%	14bps
Channel Mix - Ex-ETF (% proportion)					
Bank	8%	9%	-100bps	8%	0bps
National Distributor	16%	17%	-100bps	17%	-100bps
MFDs	33%	32%	100bps	34%	-100bps
Direct	43%	42%	100bps	41%	200bps
Geographical Spread					
T-30	82%	84%	-170bps	83%	-20bps
B-30	18%	16%	170bps	18%	20bps

Source: Company, YES Sec - Research

Exhibit 3: Quarterly Actuals Vs Estimates

Q1FY25 (Rs. mn)	Actuals	Estimates	Diff, %
Revenue	3,866	3,930	(1.6)
EBITDA	2,203	2,201	0.1
PAT	2,357	2,220	6.2

Source: Company, YES Sec - Research

ANNUAL CONSOLIDATED FINANCIALS

Exhibit 4: Balance sheet statement

(Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Share Capital	1,440	1,440	1,441	1,441	1,441
Share Warrants & Outstanding	0	0	0	0	0
Total Reserves	20,525	23,730	30,248	35,214	40,983
Shareholder's Funds	21,965	25,170	31,689	36,654	42,424
Minority Interest	0	0	0	0	0
Trade Payables	304	482	576	605	635
Lease liabilities	544	480	791	873	944
Other financial liabilities	659	506	667	700	735
Total Financial Liabilities	1,507	1,468	2,034	2,178	2,315
Current tax liabilities	0	107	35	36	38
Provisions	375	412	442	464	487
Deferred Tax Liabilities (net)	252	348	614	644	677
Other non-financial liabilities	249	377	206	216	227
Total Non-Financial Liabilities	876	1,243	1,296	1,360	1,428
TOTAL LIABILITIES	24,347	27,881	35,019	40,193	46,167
Cash and Bank	979	1,266	848	1,151	1,564
Trade receivables	262	245	407	428	449
Loans	0	0	0	0	0
Investments	21,210	23,592	31,222	35,905	41,291
Other Financial assets	183	598	140	147	155
Total Financial Assets	22,634	25,701	32,617	37,630	43,458
Current tax assets (net)	305	420	177	186	195
Property, plant and equipment	137	187	299	316	330
Right of use assets	485	427	701	783	854
Capital Work in Progress	15	10	6	7	7
Intangible assets under development	14	10	13	14	15
Other intangible assets	98	88	109	106	100
Other non-financial assets	659	1,038	1,097	1,151	1,209
Total Non-Financial Assets	1,714	2,180	2,401	2,562	2,709
TOTAL ASSETS	24,347	27,881	35,019	40,193	46,167

Source: Company, YES Sec - Research

Exhibit 5: Profit & Loss statement

(Rs mn)	FY22	FY23	FY24	FY25E	FY26E
Revenue excl. treasury income	12,930	12,266	13,532	15,570	17,685
Operating Expense					
Fees and Commission	198	229	351	436	498
Employee Expense	2,532	2,772	3,208	3,528	3,881
Other Expenses	2,003	2,215	2,364	2,600	2,860
Total Expenses	4,733	5,216	5,922	6,565	7,240
Operating Profit	8,196	7,050	7,610	9,005	10,445
Other Income	1,156	1,271	2,874	2,452	2,819
Depreciation	356	343	346	363	381
Finance Cost	49	39	56	59	62
Profit before Tax	8,947	7,939	10,082	11,034	12,821
Tax	2,219	1,975	2,278	2,759	3,205
Net Profit	6,728	5,964	7,804	8,276	9,616

Source: Company, YES Sec - Research

Exhibit 6: Cash flow statement

(Rs mn)	FY22	FY23	FY24	FY25E	FY26E
PBT	8,947	7,939	10,082	11,034	12,821
Depreciation	356	343	346	145	153
Change in working cap	(738)	(1,293)	812	8	9
Tax paid	(2,337)	(1,795)	(1,839)	(2,759)	(3,205)
Others	(596)	(820)	(2,552)	(2,392)	(2,757)
Cash flow from operations	5,632	4,373	6,848	6,037	7,020
Capex	(160)	(186)	(301)	(161)	(161)
Change in investments	(2,940)	(1,292)	(4,976)	(4,683)	(5,386)
Others	115	135	169	(71)	(74)
Cash flow from investments	(2,985)	(1,343)	(5,107)	(4,915)	(5,621)
Equity raised/(repaid)	0	0	1	0	0
Debt raised/(repaid)	0	0	0	0	0
Dividend (incl tax)	(2,318)	(3,125)	(1,512)	(3,310)	(3,846)
Others	(241)	(222)	(174)	2,491	2,860
Cash flow from financing	(2,560)	(3,347)	(1,686)	(820)	(986)
Net change in cash	87	(316)	55	302	413

Source: Company, YES Sec – Research

Exhibit 7: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Revenue	NA	15,570	17,685	NA	15,267	17,344	NA	2.0	2.0
Operating Profit	NA	9,005	10,445	NA	8,710	10,114	NA	3.4	3.3
Profit After Tax	NA	8,276	9,616	NA	8,055	9,367	NA	2.7	2.7

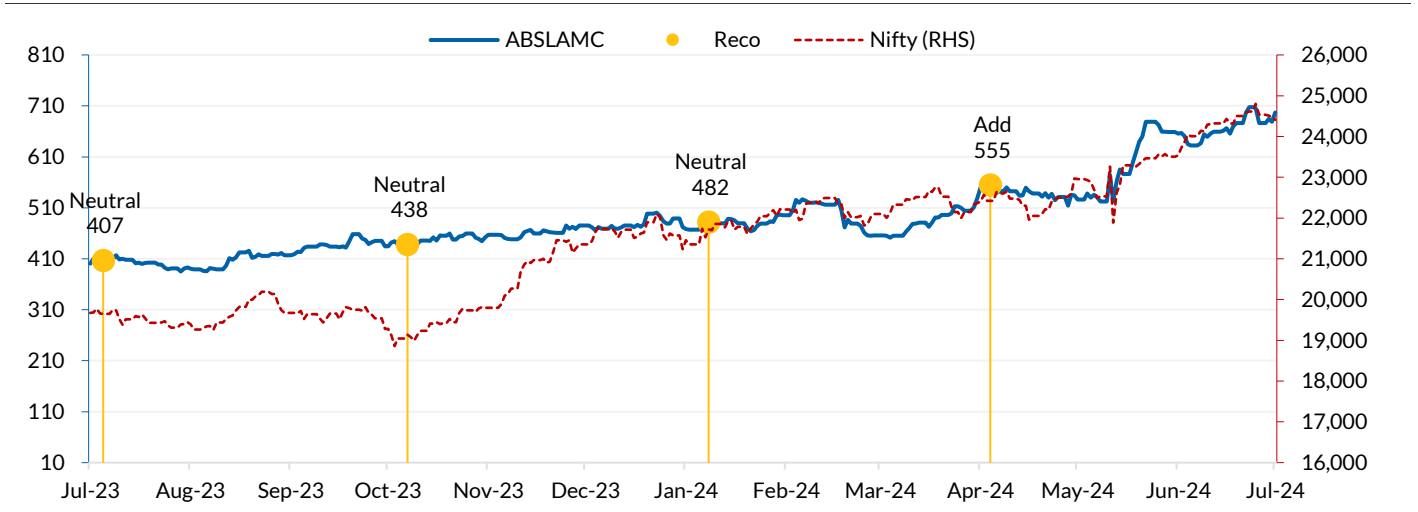
Source: Company, YES Sec – Research

Exhibit 8: Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25E	FY26E
Growth ratios (%)					
AAUM	5.2%	-10.3%	11.6%	16.3%	14.2%
Revenue excl. investment income	21.1%	-5.1%	10.3%	15.1%	13.6%
Total Expenses	1.4%	10.2%	13.5%	10.9%	10.3%
Operating Profit	36.4%	-14.0%	7.9%	18.3%	16.0%
Profit Before Tax	28.6%	-11.3%	27.0%	9.5%	16.2%
Net profit	27.8%	-11.4%	30.8%	6.1%	16.2%
As a % of Avg AUM					
Revenue excl. investment income	0.41%	0.44%	0.43%	0.43%	0.43%
Operating Expense	0.15%	0.19%	0.19%	0.18%	0.17%
Operating Profit	0.26%	0.25%	0.24%	0.25%	0.25%
PBT	0.29%	0.28%	0.32%	0.30%	0.31%
Net profit	0.22%	0.21%	0.25%	0.23%	0.23%
Operating Ratios					
Operating Profit Margin	63.4%	57.5%	56.2%	57.8%	59.1%
PBT Margin	69.2%	64.7%	74.5%	70.9%	72.5%
PAT Margin	52.0%	48.6%	57.7%	53.2%	54.4%
ROE	34.5%	25.3%	27.4%	24.2%	24.3%
Dividend Payout Ratio	49.0%	49.5%	49.8%	40.0%	40.0%
Per share					
EPS, Rs.	23.4	20.7	27.1	28.7	33.4
Book Value, Rs.	76.3	87.4	110.0	127.2	147.3
Valuation Ratios					
P/E, x	29.9	33.7	25.7	24.3	20.9
P/BV, x	9.1	8.0	6.3	5.5	4.7
Mcap to AUM, %	6.4%	7.2%	6.4%	5.5%	4.8%
Dividend Yield, %	1.6%	1.5%	1.9%	1.6%	1.9%

Source: Company, YES Sec – Research

Recommendation Tracker



STANDARD DISCLAIMER:

YES Securities (India) Limited, Registered Address: 2nd Floor, North Side, YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400055. Maharashtra, India | Correspondence Add: 7th Floor, Urmi Estate Tower A, Ganpatrao Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West), Mumbai - 400 013, Maharashtra, India. | Website: www.yesinvest.in | Email: customer.service@ysil.in

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

Details of Compliance Officer: Aditya Goenka | Email: compliance@ysil.in / Contact No.: 022-65078127 | Grievances Redressal Cell: customer.service@ysil.in / igc@ysil.in

Standard Disclaimer: Investment in securities market are subject to market risks; read all the related documents carefully before investing. Above representation provides an overview related to our past performance neither does it provide any guarantee of future performance, nor we are ensuring any guaranteed returns. Actual Client returns may vary depending upon time premium, volatility Index, intrinsic value of the script, open interest, other geopolitical conditions and choice of the customer to execute the recommendation in full or part. All recommendations are published under Research Analyst License of YES Securities (India) Limited (YSIL); execution of the recommendation is at complete discretion of customer without any intervention by the research publisher.

Contents which are exclusively for Non-Broking Products/Services e.g. Mutual Fund, Mutual Fund-SIP, Research reports, Insurance, etc. where the YSIL is just a distributor. These are not Exchange traded product and the YSIL is just acting as distributor. Kindly note that all disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

YSIL is a wholly owned subsidiary of YES Bank Limited. Savings, Current, PIS and Demat Account are offered by YES Bank Limited. Please note Brokerage would not exceed the SEBI prescribed limit. YSIL also acts in the capacity of distributor for Products such as IPOs, Mutual Funds, Mutual Fund-SIPs, NCD/Bonds, etc., All disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

Margin Trading Funding (MTF) is an exchange approved product offered to YSIL trading account holders, as per the regulation and guideline of SEBI Circular: CIR/MRD/DP/54/2017 dated June 13, 2017. For product specification, T&C, rights and obligations statement issued by the YSIL visit https://yesinvest.in/standard_documents_policies

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 YSIL 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 YSIL.

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 Price of each of the securities 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. YES Securities (India) Limited conforms with the rules and regulations enumerated in the Securities and Exchange Board of India (Research Analysts) Regulations, 2014 as amended from time to time.

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.

YSIL, 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 YSIL 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 Rule 15a-6 under the Securities Exchange Act of 1934 (the "Exchange Act")^[1] 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), the authors of this research report. YES Securities (India) Limited is the concerned representatives (employees) of YES Securities (India) Limited, are responsible for the content of this research report including but not limited to any material conflict of interest of YES Securities (India) Limited in relation to the issuer(s) or securities as listed in this 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. As per SEC Rule 15a-6, the U.S. broker-dealer must accompany any third party research report it distributes with, or provide a web address that directs a recipient to, disclosure of any material conflict of interest that can reasonably be expected to have influenced the choice of a third-party research report provider or the subject company of a third-party research.

FINRA Rules 2241 and 2242, which govern the conduct of research analysts and the content of equity and debt research reports, respectively, apply to all research distributed by a FINRA member firm, including research prepared by a foreign broker-dealer under Rule 15a-6.

- Research reports prepared by a foreign broker-dealer and distributed by a U.S. broker-dealer are deemed to be third party research reports, as reports produced by a person other than a FINRA member.
- Prior to distributing any third party research, a U.S. broker-dealer must assure that such report contains the required disclosures under FINRA Rule 2241(h) or 2242(g)(3), as applicable.

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). As per Rule 15a-6(b)(4) of the Exchange Act, 1934, "Major U.S. institutional investor" means a U.S. institutional investor with assets, or assets under management, in excess of US\$100 million, or a registered investment adviser with assets under management in excess of US\$100 million. 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.

^[1] Rule 15a-6 under the Securities Exchange Act of 1934 provides conditional exemptions from broker-dealer registration for foreign broker-dealers that engage in certain specified activities involving U.S. investors. These activities include:

- (a) Effecting unsolicited securities transactions;
- (b) Providing research reports to major U.S. institutional investors, and effecting transactions in the subject securities with or for those investors;
- (c) Soliciting and effecting transactions with or for U.S. institutional investors or major U.S. institutional investors through a "chaperone broker-dealer"; and
- (d) Soliciting and effecting transactions with or for registered broker-dealers, banks³ acting in a broker or dealer capacity, certain international organizations, foreign persons temporarily present in the U.S., U.S. citizens resident abroad, and foreign branches and agencies of U.S. persons.

In adopting Rule 15a-6, the SEC sought "to facilitate access to foreign markets by U.S. institutional investors through foreign broker-dealers and the research that they provide, consistent with maintaining the safeguards afforded by broker-dealer registration." [Rule 15a-6 Adopting Release at 54 FR 30013; see also Registration Requirements for Foreign Broker-Dealers, Exchange Act Release No. 25801 (June 14, 1988), 53 FR 23645 (June 23, 1988)].

DISCLOSURE OF INTEREST

Name of the Research Analyst : Shivaji Thapliyal, Siddharth Rajpurohit, Suraj Singhania

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 YSIL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSIL'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 YSIL 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	YSIL has received any compensation from the subject company in the past twelve months	No
6	YSIL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSIL 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	YSIL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSIL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSIL has been engaged in market making activity for the subject company(ies)	No

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

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

Lead Analyst signature

Analyst signature

Associate signature

ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ("YSIL") is a wholly owned subsidiary of YES BANK LIMITED. YSIL 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). YSIL is also a SEBI-registered Category I Merchant Banker, Investment Adviser and Research Analyst. YSIL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSIL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL. YSIL 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 YSIL by SEBI/Stock Exchanges.