

January 14, 2025

RESULT REPORT Q3 FY25 | Sector: Broking

Angel One Limited

Management expects a bounce back going ahead

Our view – Management revises revenue impact but calls it transient

Regulatory aspects – Management revises negative impact from regulatory changes from 13-14% of revenue to 18-20%: The impact of the True to Label Circular, net of product repricing, would be limited to 1-2% of revenue. Earlier, an impact of 13-14% of revenue was expected due to the introduction of new regulations pertaining to Equity Index Derivatives. However, due to the bunching up of monthly expiry, an additional impact of 3-4% of revenue is expected. Management regards the total revenue impact of 18% as a one-time impact and, as of now, they do not estimate any impact on the lifetime value of the customer. While they did not provide guidance per se, they stated that revenue can normalize in 2-3 quarters.

Traditional businesses – Some degree of underlying business traction has continued for Angel One: Total gross revenue was at Rs 12.64bn, up 19% YoY. Gross broking revenue at Rs 8.18bn was 65% of total revenue and was up 15.5% YoY. 2.1mn clients were acquired during the quarter, taking the client base to 29.5mn. The number of orders executed amounted to 422mn during the quarter, up 20.5% YoY but down -13.8% QoQ, the number of trading days being lower 4.7% QoQ. Average client funding book was Rs 40.53bn, up 4.2% QoQ and 118% YoY. Other operating expenses were down -9.9% QoQ to Rs 3.34bn due to lower client acquisition. Employee expense including ESOPs was at Rs 2.37bn, up by 3.1% QoQ and 68% YoY.

We maintain 'BUY' rating on Angel One with a revised price target of Rs 3000: We value the broker at 21x FY26 P/E for an FY24-27E EPS CAGR of 8.2%.

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

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

- **Revenue:** Net Revenue at Rs. 9,841mn was down/up -17.8%/19.2% QoQ/YoY, where the net fees and commission income has de-grown/grown -21.7%/9.8% QoQ/YoY
- **Client Base:** The total client base stood at 29.5mn up by 7.3%/51.4% QoQ/YoY and the NSE active client base was at 7.8mn up by 5.5%/46.3% QoQ/YoY
- **Volume:** The total order volume was 421.7mn, down/up by -13.8%/20.5% QoQ/YoY where the F&O volume was at 309mn, down/up by -11.5%/17.9% QoQ/YoY
- **Client Funding Book:** The average client funding book stood at Rs. 40,530mn, and have grown by 4.2% QoQ and 118% YoY
- **Operating profit margin:** Operating profit margin for the quarter, at 41.9%, was down -792 bps QoQ and -197 bps YoY

Exhibit 1: Result table

(Rs mn)	Q3FY25	Q2FY25	% qoq	Q3FY24	% yoy
Revenue from operations	12,622	15,147	(16.7)	10,590	19.2
Less: Fees and commission	1,946	2,422	(19.7)	1,976	(1.5)
Less: Finance Cost	835	754	10.8	356	134.6
Net Revenue	9,841	11,971	(17.8)	8,258	19.2
Operating Expenses					
Employee Cost	2,373	2,302	3.1	1,416	67.6
Other Expenses	3,344	3,704	(9.7)	3,219	3.9
Total Operating Expense	5,717	6,007	(4.8)	4,635	23.3
Operating Profit (Ex. Other Inc.)	4,124	5,964	(30.9)	3,623	13.8
Operating Profit Margin	41.9	49.8	-792bps	43.9	-197bps
Other Income	16	13	26.4	18	(11.7)
Depreciation	267	256	4.2	131	103.5
PBT	3,873	5,721	(32.3)	3,510	10.3
Tax	1,059	1,487	(28.8)	907	16.7
PAT	2,815	4,234	(33.5)	2,603	8.1

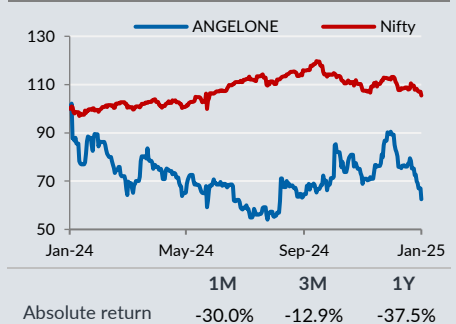
Source: Company, YES Sec-Research

Recommendation	: BUY
Current Price	: Rs 2371
Target Price	: Rs 3000
Potential Return	: +27%

Stock data (as on Jan 14, 2025)

Nifty	23,176
52 Week h/l (Rs)	3895 / 2025
Market cap (Rs/USD mn)	220803 / 2552
Outstanding Shares (mn)	90
6m Avg t/o (Rs mn):	3,997
Div yield (%):	1.3
Bloomberg code:	ANGELONE IN
NSE code:	ANGELONE

Stock performance



Shareholding pattern (As of Sep'24 end)

Promoter	35.6%
FII+DII	25.0%
Others	39.4%

Δ In stance

(1-Yr)	New	Old
Rating	BUY	BUY
Target Price	3000	3600

Financial Summary

(Rs mn)	FY25E	FY26E	FY27E
Net Revenue	42,621	45,303	52,707
YoY Growth	28%	6%	16%
Op. Profit	17,889	18,330	21,216
Op. Pft. Mgn.	42.0%	40.5%	40.3%
PAT	12,726	12,994	15,268
YoY Growth	13%	2%	18%
ROE, %	29.4	21.3	21.3
EPS, Rs.	141.6	144.6	169.9
P/E, x	16.7	16.4	14.0
BV, Rs.	625.3	733.7	861.2
P/BV, x	3.8	3.2	2.8

Δ in earnings estimates

Rs.	FY25E	FY26E	FY27E
EPS (New)	141.6	144.6	169.9
EPS (Old)	129.4	155.6	185.9
% change	9.4%	-7.1%	-8.6%

SHIVAJI THAPLIYAL
Head of Research (Overall)
& Lead Sector Research Analyst
☎ +91 22 6992 2932



SIDDHARTH RAJPUROHIT, Analyst
SURAJ SINGHANIA, Associate

COMPREHENSIVE CON-CALL TAKEAWAYS

Negative impact on revenue due to various factors

- **True to Label Circular net of pricing changes**
 - The product pricing changes introduced to offset the negative revenue impact of the True to Label Circular will recoup about 75-80% of the impact.
 - In other words, the net impact of the True to Label Circular would be limited to 1-2% of revenue.
 - The product pricing changes included an introduction of Rs 20 or 0.1% charge on cash delivery trades (per trade), with a minimum charge of Rs 2, with the average depending on client behaviour.
- **Equity Index Derivatives regulations**
 - Earlier, an impact of 13-14% of revenue was expected due to the introduction of new regulations pertaining to Equity Index Derivatives.
 - However, due to the bunching up of monthly expiry, an additional impact of 3-4% of revenue is expected.
- **Combined impact**
 - A combined impact of all factors pertaining to various regulatory changes would be about 18% of revenue.
- **Normalisation of revenue**
 - Management regards the total revenue impact of 18% as a one-time impact and, as of now, they do not estimate any impact on the lifetime value of the customer.
 - The company will continue to grow customers at the rate of 40-45% and these will eventually help offset the revenue impact.
 - The new customers will buy more products in their second and third years of relationship and now, there are more products to buy as well.
 - Furthermore, at some point, the market will also normalize.
 - While this is not guidance per se, revenue can normalize in 2-3 quarters.
- **Further price hike**
 - The company will wait for 1-2 more quarters to see if there is a further price hike needed to recoup any potential lifetime revenue loss (which is not the base case).
 - Price hikes, if required, will be aimed at achieving an operating profit margin or EBITDA margin of 50%, which is the level management is comfortable with.

Impact from Lot size changes

- Management stated that it is too early to comment on the impact from lot size changes as only 10-12 days of the new year have been observed (the impact kicking in from the new year as such).
- Management expects these customers to shift to the cash market, which would not be a problem as the company now charges for cash delivery trades.

Key revenue aspects

- **Impact of New Regulatory Changes**
 - Measures to strengthen the equity derivatives framework (regulatory changes) are expected to have an impact of around 13-14% on net revenue.
 - Additionally, the grouping of monthly expiry for each exchange would have an impact of 3-4% where the real impact to be seen by end of March 2025.

(Con call takeaways continue on the next page)

- **Key client traction metrics**
 - 2.1mn clients were acquired during the quarter, taking the client base to 29.5mn.
 - 88% of the new client acquisition was from Tier II and beyond.
 - The number of orders executed amounted to 422mn during the quarter, up 20.5% YoY but down -13.8% QoQ.
 - The QoQ de-growth has an impact of 4.7% lower number of trading days
 - There was a 11% YoY rise in ADTO (average daily turnover) to Rs 40 trn.
 - The company has market share of 19.7% in Retail Overall Equity Turnover and 15.5% in NSE Active Client Base.
- **Total gross revenue**
 - Total gross revenue was registered at Rs 12.64bn, up 19% YoY.
- **Broking revenue**
 - Gross broking revenue at Rs 8.18bn was 65% of total revenue and was up 15.5% YoY.
 - **Gross broking revenue split by product**
 - F&O – 81%
 - Cash – 12%
 - Commodity – 7%
 - **Net broking revenue split by channel**
 - Direct – 76.3%
 - Assisted – 23.7%
- **Interest Income and Client funding / MTF**
 - Average client funding book was Rs 40.53bn, up 4.2% QoQ and 118% YoY.
 - Period-end client funding book stood at Rs 43.34bn as of December 2024 up 2% QoQ.
 - Interest from client funding and other sources was at Rs 3.49bn, down -2.8% QoQ and formed 28% of total gross revenue.
 - **Reason for QoQ de-growth**
 - The Company has reduced interest on MTF from 18% P.A. earlier to 14.99% P.A. effective from 1st November 2024 which had an adverse impact of Rs 102mn in interest income for 3QFY25.
 - The interest income earned from fixed deposit was lower due to lower absolute level of fixed deposits and marginally lower yield.
- **Impact of True to Label Norms**
 - Ancillary transaction income linked to turnover was nil in 3QFY25.
 - The measures undertaken by the company from middle of November to mitigate the impact led to an income of Rs 238mn in 3QFY25.
- **SIPs**
 - The unique SIPs registered in 3QFY25 was 2.26bn, down -2.3% QoQ.
 - The company is the second largest player in terms on incremental SIPs registered.

New Businesses

- **Lending Products**
 - In the lending business, 3 partners are currently live and the company is in discussion with 3 more lending partners
 - The company has distributed around Rs 6bn of loan till date in 2 quarters.
 - **End use analysis**
 - The company has carried out surrogate analysis, which says that the proportion of customers using these personal loans to invest in the market is small.

(Con call takeaways continue on the next page)

- **Asset Management**
 - The company has received the mutual fund license during the quarter under Angel One Asset Management Limited and PMS license under Angel One Wealth Ltd.
 - The company would introduce passive products only under its Mutual Fund business
 - For the ETF segment the distribution of products will be through brokers
 - For the Index segment the company would offer both regular and direct products.
 - **Strategy**
 - The company feels passive funds are the right product for retail customers and will entail educating customers on the under-performance of active funds.
 - Asset management business may take longer than other new initiatives to break even.
- **Wealth Management**
 - The company has launched this business under the brand 'Ionic Wealth'
 - The App for this is now available both on Google and Apple playstore
 - The company now has its wealth management business offices in 7 cities and the total employees under this segment are 140.
 - **Strategy**
 - Management opined that conventional wealth management players have not been able to adequately cater to customers below the top end of customers.
 - The intention of the company is to leverage technology to reach a wider customer base by automating customer journeys outside high-touch services, among other things.
- **Insurance Distribution**
 - The company during the quarter has done a Beta launch of insurance distribution on its Super app.
- **New businesses – Philosophy**
 - Whichever area the company is entering, the intention is to be a market leader.

Mutual fund distribution

- **Monetisation**
 - The company is charging on B2B distribution but not on B2C as the latter helps in customer retention and engagement.

Operating expenses

- **Finance cost**
 - The finance cost was up 10.8% QoQ to Rs 835mn due to higher borrowings to fund the client funding book.
 - The average cost of funds has also gone up by 35-40bps QoQ.
- **Employee Expense**
 - Total employee expense including ESOPs was at Rs 2.37bn, up by 3.1% QoQ and 68% YoY
 - The key reason for increase in employee expense was onboarding of talent in wealth management business, tech, product and data analytics.
 - The company does not see major changes in fixed expenses as the major hiring has been carried out.

(Con call takeaways continue on the next page)

- **Other operating expenses**
 - Other operating expenses were down -9.9% QoQ to Rs 3.34bn.
 - The reason for the sequential decline was lower client acquisition but CSR contribution was higher by Rs 28mn and branding cost was also higher.
 - There has been some rise in cost of acquisition due to pressure from e-commerce players but there is no cause for concern.
- **Depreciation and amortization**
 - Depreciation and amortization was up 4.2% QoQ due to capitalization of Infra assets.

Channel diversification

- The company is actively targeting the 2mn POSPs (Point of Sale Partners) that exist in the industry.

EBDAT margin

- The consolidated EBDAT margin for the quarter was 42%, down by -787bps QoQ.
- On adjusting for the ancillary transaction income the EBDAT margin was lower by -257bps QoQ.
- **Guidance**
 - The management expects the margins to remain in the current range till the time the new regulations are fully implemented and client behavior normalizes.

Return on equity

- The networth was at Rs 56.3bn as of December 2024.
- The return on average equity amounted to 33.3% for 9MFY25.
- **Guidance**
 - The management expects that as the business normalize the RoEs will trend back to historical levels.

Exhibit 2: Key Business Parameters

Particulars	Q3FY25	Q2FY25	% qoq	Q3FY24	% yoy
Total Client Base, mn	29.5	27.5	7.3	19.5	51.4
Gross Client Acquisition, mn	2.1	3.0	(30.3)	2.5	(16.4)
NSE Active Client Base, mn	7.8	7.4	5.5	5.3	46.3
Share in NSE Active Client, %	15.5	15.4	10bps	14.8	70bps
Order Volume, mn	422	489	(13.8)	350	20.5
Average Daily Turnover, Rs. tn	40.0	45.4	(11.9)	36.0	11.1
Share in Retail Equity Turnover, %	19.7	19.3	40bps	17.3	243bps
Client Funding Book Size, Rs mn	43,343	42,628	1.7	19,742	119.5
Avg. Client Funding Book Size, Rs mn	40,530	38,890	4.2	18,590	118.0
Unique SIPs Registered, '000	2,260	2,314	(2.3)	955	136.6

Source: Company, YES Sec – Research

Exhibit 3: Revenue and Channel Mix

%	Q3FY25	Q2FY25	% qoq	Q3FY24	yoy
Gross Revenue Mix					
Gross Broking	65.0	62.0	300bps	67.0	-200bps
Interest	28.0	24.0	400bps	20.0	800bps
Depository	4.0	5.0	-100bps	4.0	0bps
Distribution	2.0	2.0	0bps	1.0	100bps
Ancillary Transaction Charges	0.0	8.0	-800bps	8.0	-800bps
Other Income	1.0	1.0	0bps	1.0	0bps
Gross Broking Revenue Mix					
F&O	81.0	81.0	0bps	84.0	-300bps
Cash	12.0	13.0	-100bps	11.0	100bps
Commodity	7.0	6.0	100bps	5.0	200bps
Net Broking Revenue Channel Mix					
Direct Channel	76.3	77.5	-112bps	76.4	-5bps
Assisted Business	23.7	22.5	112bps	23.6	5bps

Source: Company, YES Sec – Research

Exhibit 4: Quarterly Actuals Vs Estimates

Q3FY25 (Rs. mn)	Actuals	Estimates	Diff, %
Net Revenue	9,841	10,742	(8.4)
Operating Profit	4,124	4,365	(5.5)
Profit After Tax	2,815	3,037	(7.3)

Source: Company, YES Sec – Research

Exhibit 5: Order Volume Break-up

Mn	Q3FY25	Q2FY25	% qoq	Q3FY24	% yoy
F&O	309	349	(11.5)	262	17.9
Cash	89	117	(23.9)	74	20.3
Commodity	23	23	0.0	14	64.3
Total	422	489	(13.7)	350	20.6

Source: Company, YES Sec – Research

Exhibit 6: Revenue from Operation Break-up

(Rs mn)	Q3FY25	Q2FY25	% qoq	Q3FY24	% yoy
Interest Income	3,494	3,594	(2.8)	2,123	64.6
Fees and commission income	9,053	11,496	(21.3)	8,447	7.2
Net gain on fair value changes	76	57	32.4	20	277.8
Revenue from operations	12,622	15,147	(16.7)	10,590	19.2

Source: Company, YES Sec – Research

Exhibit 7: Net Broking Revenue by Business Channel

(Rs mn)	Q3FY25	Q2FY25	% qoq	Q3FY24	% yoy
Direct Channel	4,801	5,409	(11.2)	3,930	22.2
Assisted Business	1,488	1,574	(5.5)	1,215	22.5
Net Broking Revenue	6,289	6,983	(9.9)	5,145	22.2

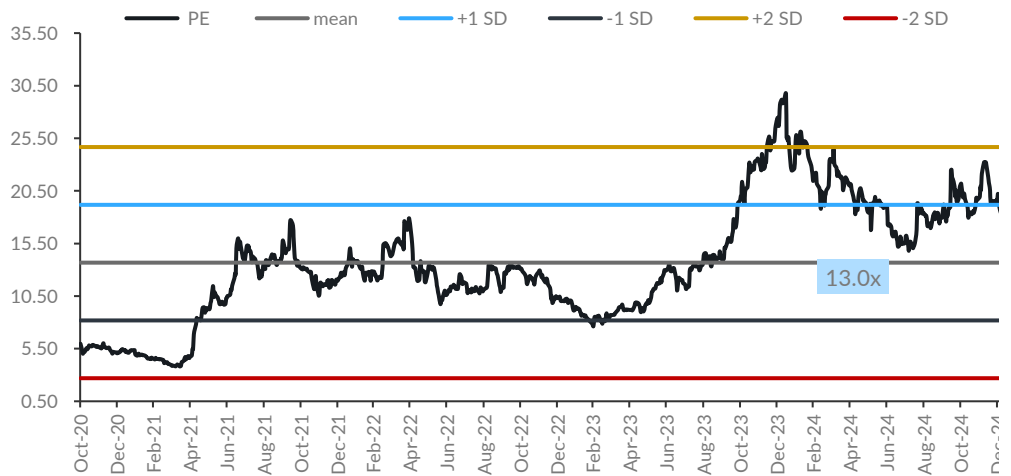
Source: Company, YES Sec – Research

Exhibit 8: 1-year rolling P/E band



Source: Company, YES Sec - Research

Exhibit 9: 1-yr rolling P/E vis-a-vis the mean and standard deviations



Source: Company, YES Sec - Research

ANNUAL CONSOLIDATED FINANCIALS

Exhibit 10: Income statement

Rs. Mn	FY23	FY24	FY25E	FY26E	FY27E
Net Brokerage Revenue	14,398	21,062	27,042	29,975	35,398
Net Interest Income	4,300	6,499	10,621	11,772	13,198
Other Operating Revenue	3,955	5,623	4,958	3,556	4,111
Net Operating Revenue	22,653	33,185	42,621	45,303	52,707
Operating Expenses					
Employee Expense	3,979	5,565	9,306	10,289	12,012
Other Operating Expense	6,673	12,130	15,426	16,685	19,479
Total Operating Expense	10,652	17,695	24,732	26,973	31,490
Operating Profit	12,001	15,490	17,889	18,330	21,216
Depreciation	303	499	1,022	1,130	1,001
Other Income	220	147	169	195	224
Profit Before Tax	11,918	15,138	17,036	17,394	20,439
Tax	3,016	3,881	4,310	4,401	5,171
Profit After Tax	8,902	11,257	12,726	12,994	15,268

Source: Company, YES Sec – Research

Exhibit 11: Balance sheet

Rs. Mn	FY23	FY24	FY25E	FY26E	FY27E
ASSETS					
Financial Assets					
(a) Cash and Bank balance	54,911	98,443	125,567	139,427	160,364
(b) Trade receivables	3,749	4,869	6,125	6,881	8,125
(c) Loans	10,052	14,841	35,997	40,316	47,573
(d) Investments	1,095	0	500	1,000	1,500
(e) Other financial assets	1,855	8,510	10,096	10,937	12,916
Non-financial Assets					
(a) Fixed Assets	2,449	4,062	3,740	3,310	3,009
(b) Other non-financial assets	667	1,813	1,908	2,130	2,497
Total Assets	74,777	132,537	183,931	204,001	235,983
LIABILITIES AND EQUITY					
LIABILITIES					
Financial Liabilities					
(a) Trade payables	40,715	71,970	94,862	103,460	120,785
(b) Debt securities	278	1,331	1,381	1,431	1,481
(c) Borrowings	7,594	24,023	25,023	26,023	28,023
(d) Other financial liabilities	3,879	4,063	5,399	6,001	7,028
Non-Financial Liabilities					
(a) Current & Deff. tax liabilities (Net)	115	228	228	228	228
(b) Provisions	163	160	160	160	160
(c) Other non-financial liabilities	417	377	675	750	879
EQUITY					
(a) Equity share capital	834	840	899	899	899
(b) Other equity	20,781	29,546	55,304	65,050	76,501
Net Worth	21,616	30,386	56,203	65,949	77,400
Total Liabilities and Equity	74,777	132,537	183,931	204,001	235,983

Source: Company, YES Sec – Research

Exhibit 12: Cashflow statement

Rs. Mn	FY23	FY24	FY25E	FY26E	FY27E
A. FROM OPERATING ACTIVITIES					
Profit before tax	11,915	15,137	17,036	17,394	20,439
Depreciation expense	305	500	1,022	1,130	1,001
Others	1,086	1,730	0	0	0
Profit before WC changes	13,307	17,366	18,058	18,524	21,440
Working Capital Changes	(2,385)	(16,788)	434	3,135	7,634
Cash generated from operations	10,922	578	18,493	21,660	29,075
Income tax paid	(2,889)	(3,877)	(4,310)	(4,401)	(5,171)
Net cash from operating activities (A)	8,032	(3,299)	14,183	17,259	23,904
B. FROM INVESTING ACTIVITIES					
Purchase/sale of assets	(1,004)	(2,071)	(700)	(700)	(700)
Others	0	0	0	0	0
Purchase/Sale of investments	(848)	1,161	(500)	(500)	(500)
Net cash from investing activities (B)	(1,851)	(910)	(1,200)	(1,200)	(1,200)
C. FROM FINANCING ACTIVITIES					
Increase/Decrease in Borrowings	(5,411)	16,434	1,050	1,050	2,050
Proceeds from issue of equity shares	114	144	15,000	0	0
Share issue expenses	0	(3)	0	0	0
Dividend Paid	(3,756)	(3,242)	(1,909)	(3,248)	(3,817)
Others	(19)	(24)	0	0	0
Net cash from financing activities (C)	(9,072)	13,309	14,141	(2,198)	(1,767)
Net change in cash and equivalents (A+B+C)	(2,890)	9,099	27,124	13,860	20,937

Source: Company, YES Sec – Research

Exhibit 13: Change in annual estimates

Y/e 31 Mar (Rs mn)	Revised Estimate			Earlier Estimate			% Revision		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net Revenue	42,621	45,303	52,707	42,279	50,000	59,657	0.8	(9.4)	(11.6)
Operating Profit	17,889	18,330	21,216	16,196	19,306	22,907	10.5	(5.1)	(7.4)
Profit After Tax	12,726	12,994	15,268	11,630	13,985	16,709	9.4	(7.1)	(8.6)

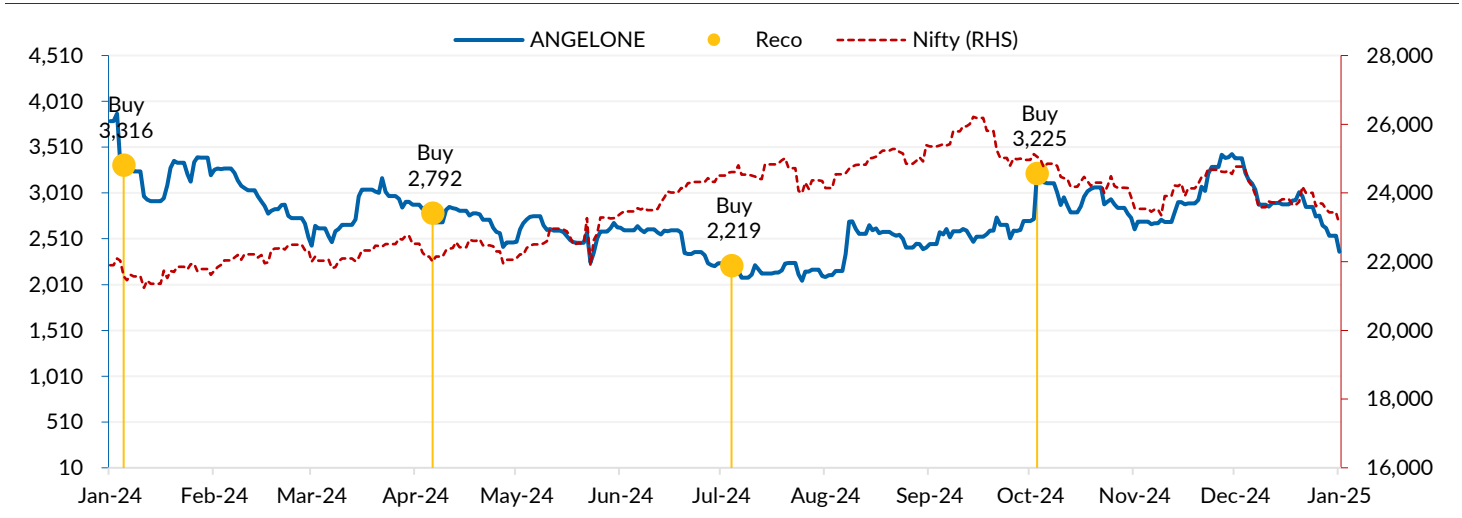
Source: Company, YES Sec – Research

Exhibit 14: Ratio analysis

Y/e 31 Mar	FY23	FY24	FY25E	FY26E	FY27E
Growth ratios (%)					
Revenue	38.2	46.5	28.4	6.3	16.3
Operating Profit	45.8	29.1	15.5	2.5	15.7
Net profit	42.4	26.5	13.1	2.1	17.5
Operating Ratios, %					
Operating Profit Margin	53.0	46.7	42.0	40.5	40.3
PBT Margin	52.6	45.6	40.0	38.4	38.8
PAT Margin	39.3	33.9	29.9	28.7	29.0
ROE	47.5	43.3	29.4	21.3	21.3
Dividend Payout Ratio	37.3	25.9	15.0	25.0	25.0
Per share, Rs.					
EPS	106.7	134.0	141.6	144.6	169.9
Book Value	259.1	361.7	625.3	733.7	861.2
Valuation Ratios, x					
PE	22.2	17.7	16.7	16.4	14.0
P/BV	9.1	6.6	3.8	3.2	2.8

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 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 "chaperoning 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 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 Investment Adviser and Research Analyst. YSIL 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.