

Asset Management Companies

Subdued but improvement expected

While increased volatility and active equity outflows of Rs 204.8bn in FY21TD have dented the performance of AMCs, we do expect a more benign environment as markets are near all-time high levels and 4QFY21 will see ELSS inflows. Performance at most listed fund houses except for UTIAMC continued to disappoint as a higher percentage of rated active equity AUM slipped to underperforming. Despite weak performance, HDFCAMC continues to be the largest active equity fund manager with a market share of 13.9%. We also note that ETF/Index funds continue to gain traction as individual folios have grown at an FY15-FY21TD (Sep-20) CAGR of 64.8% to 3.6mn while assets have increased to Rs 213bn (CAGR of 59.0%). Lastly, we observe that blended equity commissions for most fund houses have increased after 3QFY20. We expect AMC performance to improve from hereon as market conditions stabilise and inflows return.

- **Performance tracker.** Performance deteriorated for HDFCAMC as underperforming AUM (as % of rated AUM) increased 687bps (vs. Mar-20) to 96.2%. For NAM/UTIAMC, performance improved as outperforming AUM improved to 16.8/40.6% (+488/1,285bps vs. Mar-20). MOAMC recorded a large slip in performance as MO Multicap 35 scheme (66.3% of rated AUM) slipped down one notch to 3 stars, driving an increase of 7,338bps to 83.1% for the company.
- **Market-share.** In the equity segment, HDFCAMC continues to lead despite 233bps lower market share since Mar-18 to 13.9%. The company has done well in the liquid segment where it gained a market share of 780bps over FY18. UTIAMC's market share has improved marginally (+55bps) in the past six months to 7.6% after declining 49bps over FY18-FY20. Unlisted peers such as SBIAMC/AXISAMC continue to gain market share +597/103bps over FY18 to 14.5/6.1%.
- **Flows.** FY21TD ETF net inflows continue to be robust at Rs273.1bn, while active equity assets continued to witness outflows of Rs204.8bn. Gross SIP flows have declined 9.7% since Mar-20 to Rs 78.0bn (Oct-20) as uncertain markets tested investors' nerves. We expect flows to improve as markets stabilise and individuals invest in tax savings schemes over 4QFY21.
- **Passive (ETF + index funds) gaining traction.** Passive funds individual AUM has displayed phenomenal growth at FY15-FY21TD (Sep20) CAGR of 59.0% to Rs 213bn. Strong traction from individual investors has resulted in a robust folio growth (CAGR of 64.8%). We continue to keenly watch this space as any sustained growth in this segment can dent profitability.
- **Commissions tracker.** Most large asset managers have increased distributor commission payouts post 3QFY20. Equity commission payouts are highest for MOAMC at 101bps in Sep-20, while the same has risen sharply to 63bps (+6.1bps vs. Mar-20) for UTIAMC.

Company	MCap (Rs bn)	CMP (Rs)	Reco.	TP (Rs)
HDFCAMC	544	2,550	NR	NR
MOFS	90	609	ADD	700
NAM	182	290	REDUCE	295

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Companies:

- **NAM:** We retain our REDUCE rating on Nippon Life India Asset Management (NAM) with a target price of Rs 295 (36x Sep-22E NOPLAT + cash and investments). We appreciate the recent ownership change with Nippon Life buying out a stake, and believe that the current management team has the ability to regain market share, although the same is not easy. At CMP of Rs 290, the stock trades at an FY21E/22E P/E of 46.4/36.9x.
- **MOFS:** We retain our ADD rating on MOFS with TP of Rs 700. We like MOFS' differentiated business model and unique client franchise. There are headwinds in the near term in the form of a difficult fundraising environment due to regulatory changes and challenging market conditions. We are also concerned about changing regulations and increased competition in broking. Lastly, MOHL too needs to display scalability. Having said the above, we believe valuations are compelling- at CMP of Rs 609 MOFS (ex. MOHL) trades at FY21E/22E P/E of 12.0/17.1x.

Fund House Performance Tracker

- MOAMC reported the most massive slip as ~7,340bps (vs. Mar-20) of rated AUM slipped from outperforming to underperforming, resulting in only ~16.9% of AUM retaining position as outperforming. Slippage has been mainly the result of MO Multicap 35 scheme's (66.3% of rated AUM) rating slipping down one notch to 3 stars.
- NAM reported an improvement in market share of 490bps (vs. Mar-20), and now ~16.8% of AUM is rated as outperforming.
- HDFCAMC witnessed a drop in AUM rating as an additional 690bps (vs. Mar-20) of AUM slipped to underperforming; now only ~3.8% of rated AUM is categorised as outperforming.
- Performance improved for UTIAMC with 40.6% of AUM in outperforming, i.e. +1,290bps since Mar-20. Of the listed players, UTIAMC's performance has been the best. We expect the company to consolidate market share on the back of good performance.
- Value research indicates that with 50.1% of AUM in outperforming (4 stars plus rated) schemes, SBI MF ranks the highest amongst the large mutual funds in the country. Having said that, we believe that, for SBIAMC, ~10.9% of rated AUM slipped down to underperforming.
- ABSLAMC has displayed maximum improvement in performance as outperforming AUM at 35.8%, i.e. +2,090bps vs. Mar-20.

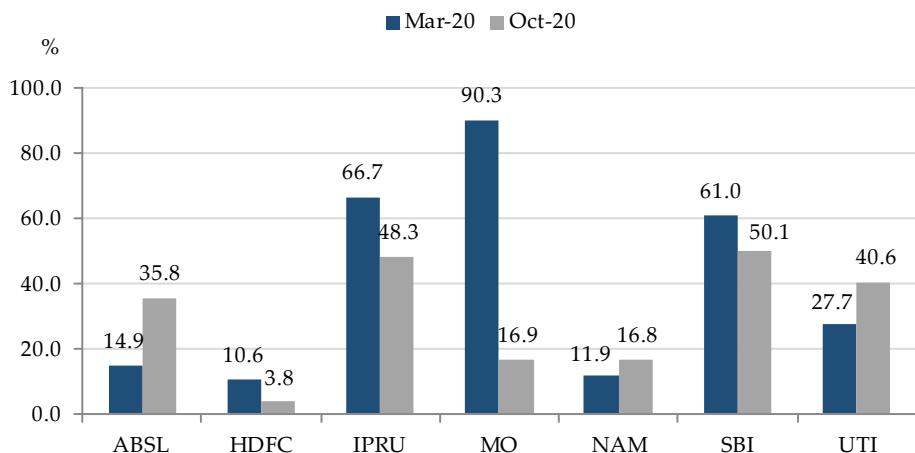
Performance comparison of top AMCs

Fund Houses / (%)	ABSL	HDFC	IPRU	MO	NAM	SBI	UTI
Total Equity AuM (Rs bn)	784	1,428	1,304	175	711	1,100	523
Rated AUM							
5 Star	-	-	-	-	-	17.8	-
4 Star	35.8	3.8	48.3	16.9	16.8	32.4	40.6
3 Star	14.7	54.5	49.0	73.1	21.9	37.3	33.5
2 Star	40.8	34.5	2.7	9.9	3.4	12.6	25.9
1 Star	8.8	7.3	-	-	57.8	-	-
Total	100						
As % of total equity AUM (%)							
- Rated AUM	87.2	72.6	80.4	95.3	87.3	90.5	74.1
- Unrated AUM	12.8	27.4	19.6	4.7	12.7	9.5	25.9
Oct-20							
Rated AuM (Rs bn)	684.1	1,037.1	1,048.8	166.5	620.7	995.5	387.4
Total rated AuM (%)	87.2	72.6	80.4	95.3	87.3	90.5	74.1
As a percentage of Rated AUM							
Outperforming Schemes- 4 star plus (%)	35.8	3.8	48.3	16.9	16.8	50.1	40.6
Underperforming Schemes- 1 to 3 star (%)	64.2	96.2	51.7	83.1	83.2	49.9	59.4
Mar-20*							
Rated AuM (Rs bn)	547.8	855.4	887.5	137.5	501.5	755.2	292.1
Total rated AuM (%)	87.4	69.6	80.8	95.7	89.5	90.8	72.2
As a percentage of Rated AUM							
Outperforming Schemes- 4 star plus (%)	14.9	10.6	66.7	90.3	11.9	61.0	27.7
Underperforming Schemes- 1 to 3 star (%)	85.1	89.4	33.3	9.7	88.1	39.0	72.3
Increase / (decrease) in outperforming AUM (%)							
	20.9	(6.9)	(18.3)	(73.4)	4.9	(10.9)	12.9

*Mar-20 has been restated to exclude arbitrage, ETF and index funds.

Source: NAV India, Value Research, HSIE Research

Outperforming AUM as a % of rated AUM



Source: NAV India, Value Research, HSIE Research

Market share Tracker

Equity schemes

- Overall top 5 fund houses have gained 41 bps market share since Mar-18. Top 10 fund houses have gained 247bps market share since Mar-18.
- HDFCAMC's market share dropped 329bps from 17.2% in Mar-15 to 13.9% in Sep-20. Since FY18 HDFCAMC has lost 233bps. The company, however, continues to remain the market leader. Having said this, we believe pressure on market share would continue, given weak performance.
- UTIAMC's market share dipped 15bps since Mar-18 to 4.4% in Mar-20. Since Mar-20, the company's market share has stabilised and improved to 4.7% in Sep-20. The performance of funds has improved, and the company is paying higher commissions (see commissions) – this should result in higher market share over time.
- NAM's market share continues to remain under pressure at 7.2% (-413bps vs. Mar-15) but the decline accelerated since FY18 where the fund house's share dropped 195bps.
- **The market shares of AXISAMC/SBIAMC improved significantly from 2.1/5.6% to 7.5/10.2% (+536/456bps) over Mar-15 to Sep-20.** Strong performance and banca partnership of respective parents has been a key for the companies gaining market share consistently.

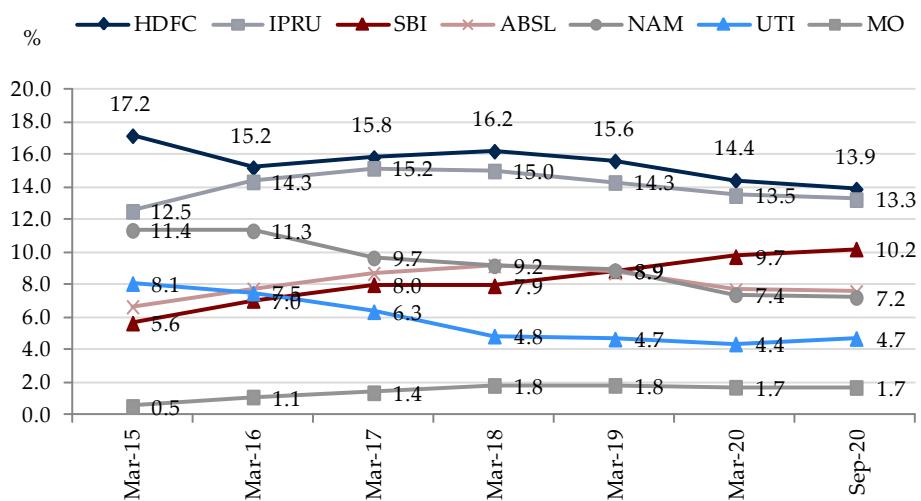
Equity market share across major AMCs

(%)	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Sep-20
HDFC	17.2	15.2	15.8	16.2	15.6	14.4	13.9
IPRU	12.5	14.3	15.2	15.0	14.3	13.5	13.3
SBI	5.6	7.0	8.0	7.9	8.9	9.7	10.2
ABSL	6.7	7.7	8.7	9.2	8.8	7.7	7.6
AXIS	2.1	3.1	3.3	3.6	4.6	6.8	7.5
NAM	11.4	11.3	9.7	9.2	8.9	7.4	7.2
Kotak	2.3	3.2	3.7	4.8	5.1	6.4	6.6
UTI	8.1	7.5	6.3	4.8	4.7	4.4	4.7
Mirae	0.4	0.7	1.2	1.5	2.2	3.5	4.2
DSP	11.3	3.8	4.4	4.4	3.9	3.9	4.0
MO	0.5	1.1	1.4	1.8	1.8	1.7	1.7

Note: Equity includes balanced, growth and arbitrage funds.

Source: NAV India, HSIE Research

Equity market share of major AMCs



Note: Equity includes balanced, growth and arbitrage funds.

Source: NAV India, HSIE Research

Debt schemes

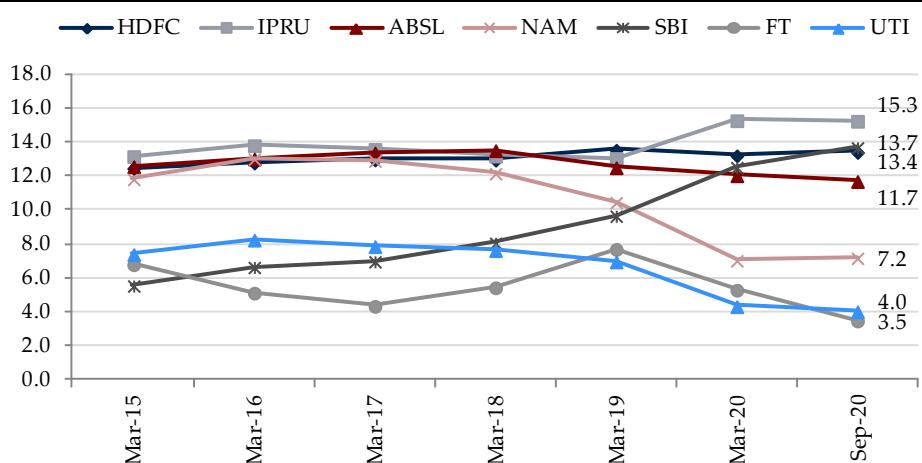
- HDFC AMC's market share has remained in the range 12.5-13.6% over Mar-15 to Sep-20.
- NAM and UTI AMC have ceded 465/337bps over Mar-15 to Sep-20 to now end up with market shares of 7.2/4.0%. These two asset managers have suffered due to investments in troubled corporates/groups. Gaining market share in this segment for UTI AMC and NAM will be difficult and most probably come at higher commission payouts or lower direct TERs.
- IPRU is the market leader with a 15.3% share as of Sep-20 (+208bps vs. Mar-15).
- SBI AMC's debt funds have gained significant traction resulting in its market-share improving to 13.7% as of Sep-20 vs. 5.6% as of Mar-15 (814bps over Mar-15-Sep-20).

Debt market share of major AMCs

(%)	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Sep-20
HDFC	12.5	12.8	13.0	13.0	13.6	13.2	13.4
IPRU	13.2	13.8	13.6	13.2	13.1	15.3	15.3
ABSL	12.6	13.0	13.4	13.5	12.5	12.1	11.7
NAM	11.8	13.0	12.9	12.2	10.5	7.0	7.2
SBI	5.6	6.6	7.0	8.1	9.7	12.5	13.7
FT	6.8	5.1	4.4	5.5	7.7	5.3	3.5
Kotak	4.2	4.8	5.2	5.8	7.1	7.8	8.1
UTI	7.4	8.3	7.9	7.6	7.0	4.3	4.0
IDFC	5.1	5.0	4.3	4.5	5.4	8.1	9.0
DSP	8.0	2.7	3.1	3.3	3.1	2.7	2.7
AXIS	2.2	2.3	2.6	2.3	2.3	4.2	4.8

Source: NAV India, HSIE Research

Debt market share of major AMCs



Source: NAV India, HSIE Research

Liquid Schemes

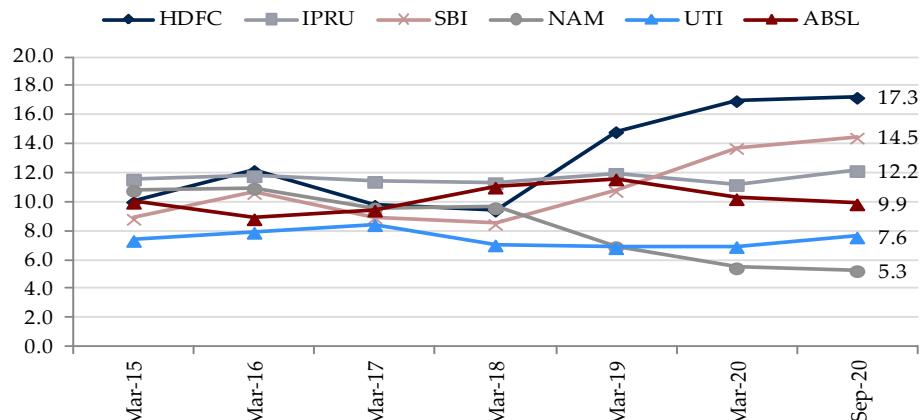
- An intense corporate default environment where HDFC AMC's funds have performed better meant that the company gained significant market share-improved 780bps (over Mar-18) to 17.3% (in Sep-20).
- NAM has lost 435bps since Mar-18 whereas UTI AMC's share improved marginally by 55bps, and their market shares now stand at 5.3/7.6% in Sep-20. These two asset managers have suffered due to investments in troubled corporates/groups.
- SBI AMC continues to see significant market share gain even in liquid assets. SBI AMC's market share improved to 14.5 in Sep-20 vs 8.5% in Mar-18.

Liquid market share across major AMCs

(%)	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Sep-20
HDFC	10.0	12.2	9.8	9.4	14.9	17.0	17.3
IPRU	11.6	11.8	11.4	11.4	12.0	11.2	12.2
ABSL	10.0	8.9	9.5	11.0	11.6	10.2	9.9
SBI	8.9	10.6	8.9	8.5	10.8	13.7	14.5
Kotak	4.0	5.3	6.8	5.9	7.1	7.4	7.7
NAM	10.8	11.0	9.6	9.6	6.9	5.5	5.3
UTI	7.4	7.9	8.4	7.1	6.9	6.9	7.6
AXIS	2.6	3.8	4.6	5.0	4.8	5.9	6.1
TATA	3.8	3.3	4.0	3.8	4.2	3.3	3.7
LT	2.2	2.3	2.6	3.1	2.7	2.1	1.6

Source: NAV India, HSIE Research

Liquid market share of major AMCs



Source: NAV India, HSIE Research

Flows

FY21TD (until Oct-20) active equity saw net outflows of Rs 204.8bn (-159.7% YoY). ETFs, on the other hand, have seen strong traction with net inflows of Rs 273.1bn (+17.0% YoY) in FY21TD.

Equity

- During FY21TD, active equity (ex. arbitrage and ETF) witnessed outflows of Rs 204.8bn (-159.7% YoY).
- Gross SIP inflows averaged a healthy Rs 79.5bn (until Oct-20). In Mar-20, the same was at highest ever level of Rs 86.4bn; however, SIP flows have been on a declining trend since then and have just stabilised in Oct-20 at Rs 78.0bn (+0.2% MoM).
- Low-cost AUM: In FY20, for the first time since FY16, ETF net inflows at Rs 664.4bn beat net equity inflows of Rs 582.9bn. We continue to witness a similar trend during FY21TD with ETFs attracting net inflows of Rs 273.1bn vs. active equity net outflows of Rs 204.8bn.
- While flows to ETFs and index funds have continued, we observe that most of the assets are still held by institutions and corporates. HNI and retail investor assets have grown, but the overall amounts are still relatively low.
- Additionally, on an AUM/folio basis, we do not see very material growth. Although given the growth in the number of folios ETFs and index funds are becoming part of investor allocations.
- FY21TD arbitrage inflows are at Rs 146.8bn vs. Rs 16.8bn in FY20.
- Total equity inflows (incl. arb and ETFs) for FY21TD was at Rs 215bn (-74.9% YoY).

Debt/Liquid

- After a redemption phase witnessed towards the end of FY20 (till Apr-20), post-Franklin Templeton MF debt crisis, debt schemes saw a return of flows. For FY21TD net inflows are at Rs 1.56tn vs. outflows of Rs 327bn in FY20.
- Inflows were primarily in safer schemes such as banking and PSU debt funds and short-duration funds. Credit risk funds continue to see outflows.
- Liquid schemes recorded net inflows of Rs 657bn.

Note: As AMFI has changed reporting, we have clubbed liquid, money market and overnight funds in liquid.

View

- Despite markets improving (Nifty50 index returning 41.1%) over Apr-Oct-20, outflows have continued. It seems that investors are not convinced of the macro and continue to redeem funds. This is also retail behaviour, given that category of investors have experienced a difficult 7-8 months.
- ETF flows gaining traction vs. active equity flows remains a key monitorable. Any significant and sustained shift towards ETFs will impact the business model of asset managers adversely. Having said this, we are not seeing any material shift in AUM/folio for retail and HNI customers.
- Amidst the current debt crisis and a series of defaults, investors continue to prefer high-quality short-duration fixed-income assets.

Net Inflows

(Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21TD	YoY (%)
Equity	937.7	1,027.8	2,608.3	1,187.2	582.9	(204.8)	(159.7)
Equity(arbitrage)	-	-	-	(38.9)	16.8	146.6	(47.9)
Debt	159.0	1,672.2	(87.9)	(1,244.1)	(327.3)	1,556.8	NM
Liquid	171.1	(18.4)	79.9	760.9	(75.6)	656.9	(38.6)
ETFs	78.2	202.7	231.2	429.4	664.4	273.1	17.0
Total	1,346.0	2,884.3	2,831.5	1,094.5	861.2	2,428.6	28.7

Note: Arbitrage funds inflows data is available beginning Apr-18. Before Apr-18, the same has been clubbed in equity. Source: AMFI, HSIE Research

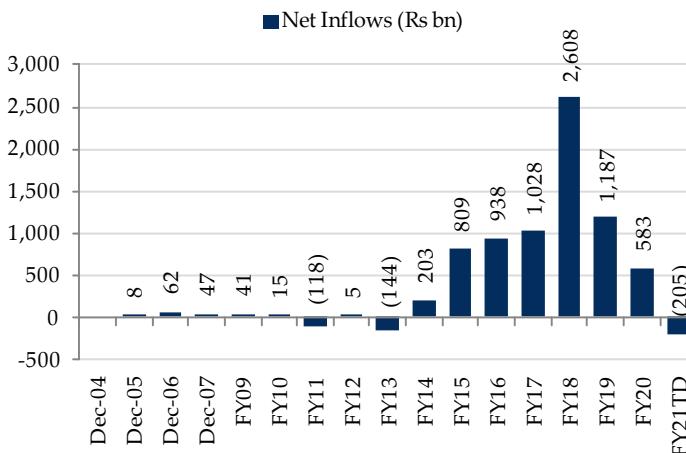
AUM

(Rs bn)	FY16	FY17	FY18	FY19	FY20	FY21TD	YoY (%)
Equity	4,255	6,283	9,219	10,207	8,286	10,564	27.5
Equity(arbitrage)	-	-	-	521	522	638	22.3
Debt	5,835	7,606	7,994	7,297	7,082	9,070	28.1
Liquid	1,994	3,141	3,355	4,362	4,719	5,515	16.9
ETFs/FoF	224	499	777	1,391	1,625	2,373	46.0
Total	12,309	17,529	21,346	23,778	22,235	28,162	26.7

Note: Arbitrage funds inflows data is available beginning Apr-18. Before Apr-18, the same has been clubbed in equity.

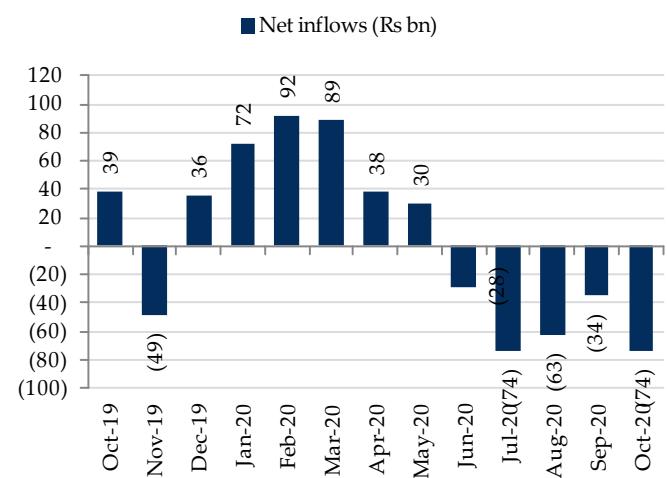
Source: AMFI, HSIE Research

FY21TD equity inflows are down 159.7% YoY.



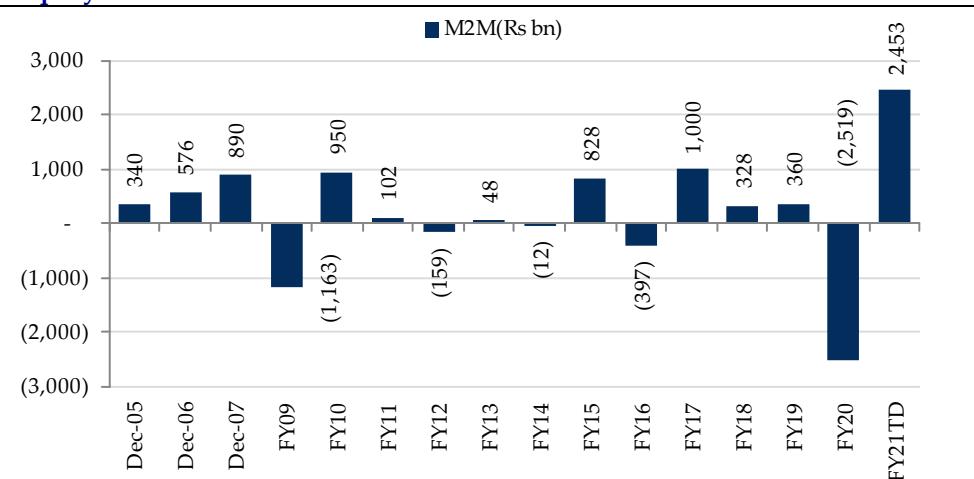
Source: AMFI, HSIE Research

Negative Equity inflows in the past 5 months



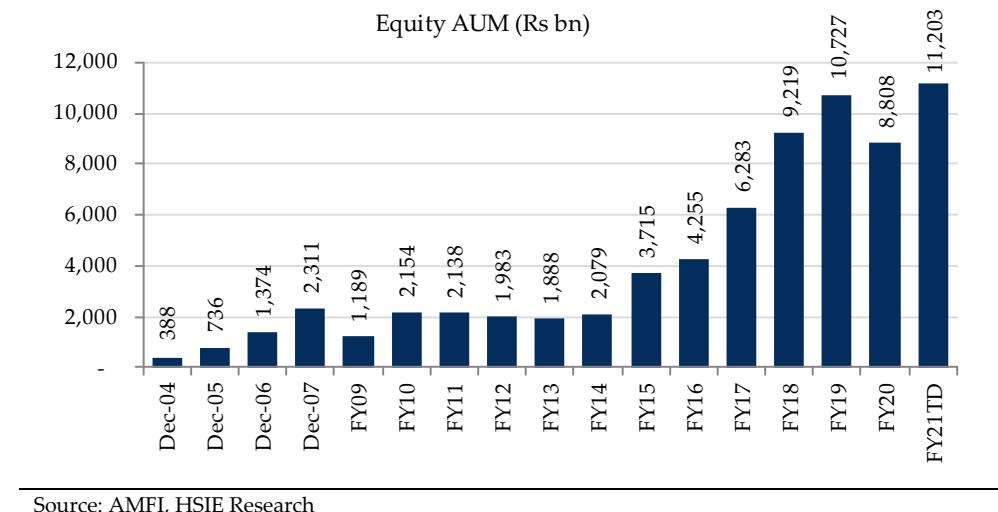
Source: AMFI, HSIE Research

Equity AUM MTM



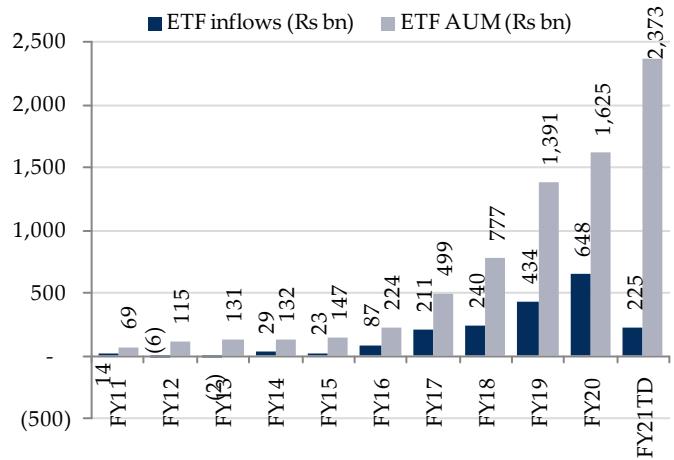
Source: AMFI, HSIE Research

Equity AUM



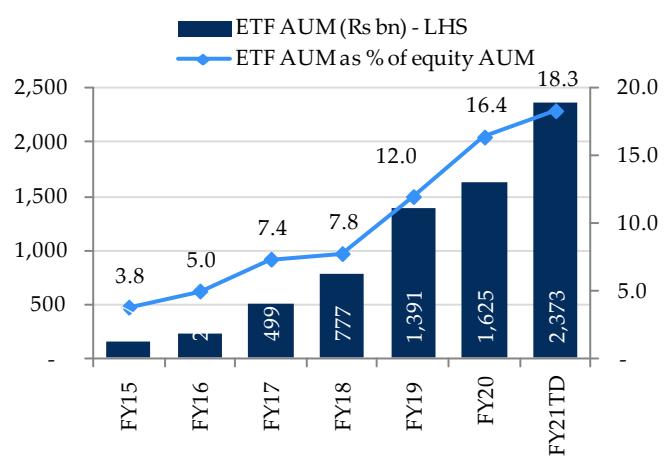
Source: AMFI, HSIE Research

ETFs attracting flows



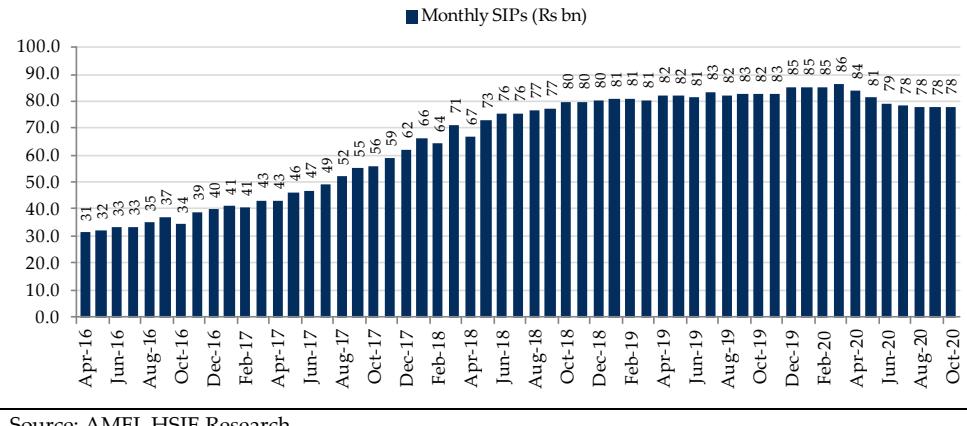
Source: AMFI, HSIE Research

ETF AUM as % of Equity AUM



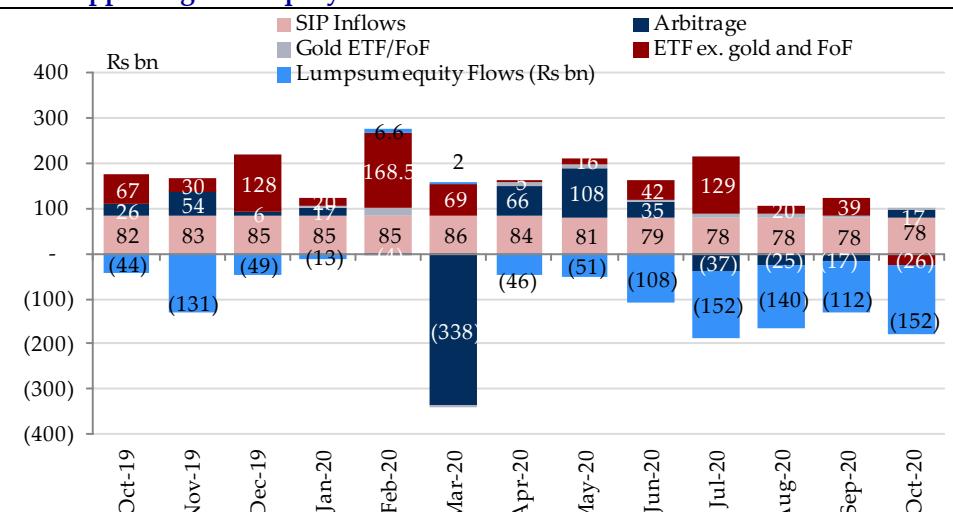
Source: AMFI, HSIE Research

Monthly SIPs remain strong



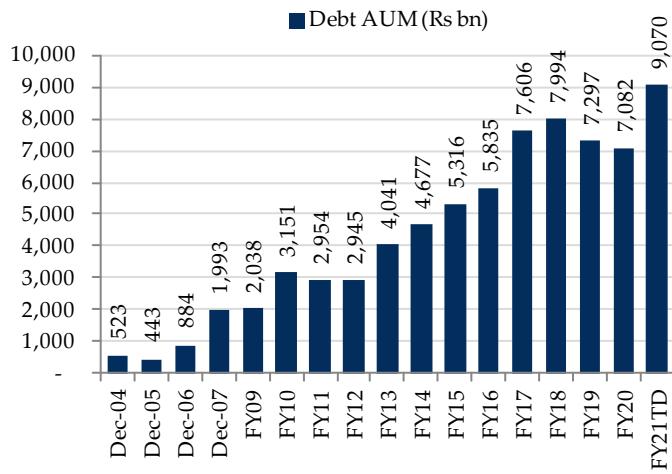
Source: AMFI, HSIE Research

SIP supporting total equity flows



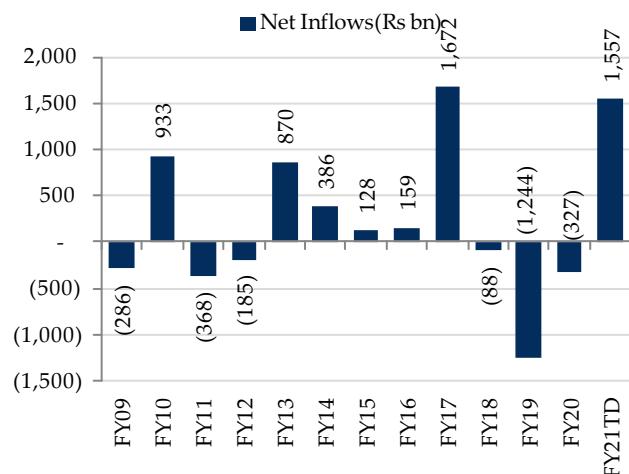
Source: AMFI, HSIE Research

Debt AUM



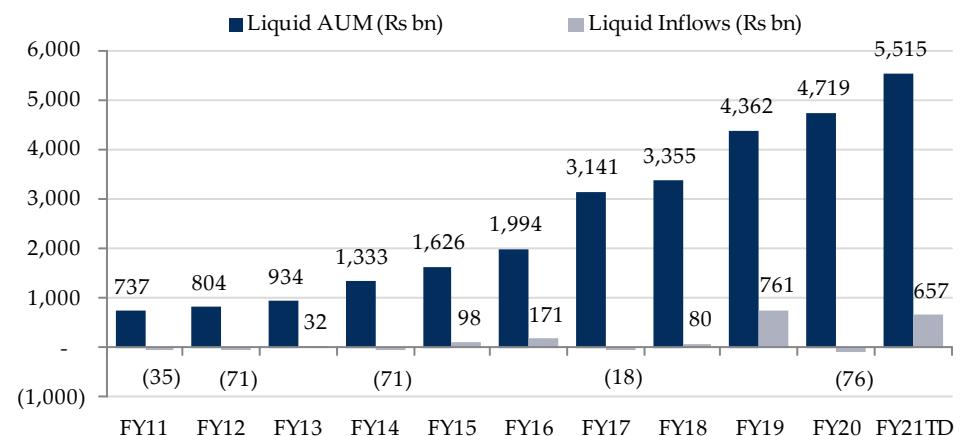
Source: AMFI, HSIE Research

Debt inflows continue to remain strong



Source: AMFI, HSIE Research

Liquid AUM sees healthy flows



Source: AMFI, HSIE Research

Passives: ETF and Index funds gaining ground

- Total Passive (ETF (excluding gold ETFs) and index fund) AUM has grown at an FY15-FY21TD (Sep-20) CAGR of 82.1% to touch Rs 2.2tn in AUM. The share of this asset class in total equity AUM has increased by 1,457bps (vs. FY15) to 16.7%.
- During this period, Individual passive AUM (Retail + HNI) has grown at an FY15-FY21TD (Sep-20) CAGR of 59.0% to touch Rs 213bn. This indicates that the category is fast gaining traction with retail investors. The number of individual folios has increased at a CAGR of 64.8% in this period to 3.6mn.
- The average assets per folio for individuals declined to ~Rs 0.06mn (-3.5% CAGR FY15-FY21TD {Sep-20}).
- **We continue to watch this segment as strong growth here could derail earnings of asset managers.**

Passive funds: Individual AUM and folios

	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Sep-20
AUM (Rs bn)								
HNI	6.1	9.8	10.0	16.5	19.7	46.6	105.1	148.2
Retail	4.9	6.8	8.5	27.0	29.8	81.2	60.6	64.3
Total Individual	11.0	16.6	18.5	43.5	49.5	127.8	165.7	212.5
Folios (in '000s)								
HNI	3	4	5	7	9	32	95	103
Retail	195	224	260	533	733	1,339	2,323	3,458
Total Individual	198	228	265	540	742	1,371	2,418	3,562
AUM/Folio (Rs mn)								
HNI	1.96	2.41	2.20	2.41	2.14	1.45	1.10	1.43
Retail	0.03	0.03	0.03	0.05	0.04	0.06	0.03	0.02
Total Individual	0.06	0.07	0.07	0.08	0.07	0.09	0.07	0.06

Note: ETFs exclude gold ETFs.

AUM = ETFs + Index funds.

Source: AMFI, HSIE Research

Commissions Tracker

- Our study on commissions reveals that, since 3QFY20, most asset managers have increased payouts to distributors.
- Commissions troughed around Jun-19 after the TER cut and asset managers passing on the TER reductions to distributors. However, as the proportion of new flows has increased, the proportion of commissions has gradually increased.
- Commission payout is highest for MOAMC at 101bps in Sep-20, while the same has risen sharply even for UTIAMC.
- Commission payouts have relatively been more stable for ABSLAMC and IPRUAMC.

Commission tracker

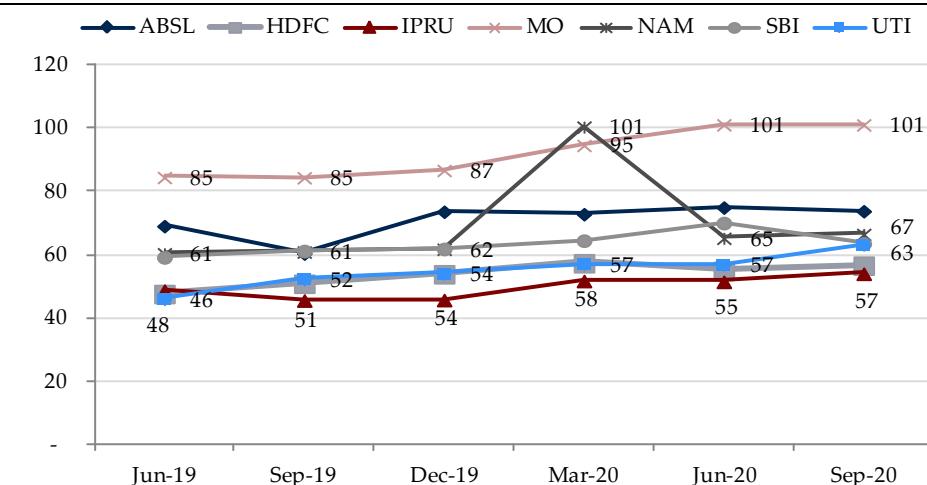
Fund House	Commissions (bps)						
	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
ABSL	86	69	61	74	73	75	74
HDFC	66	48	51	54	58	55	57
IPRU	77	49	46	46	52	52	54
MO	95	85	85	87	95	101	101
NAM	78	61	61	62	101	65	67
SBI	68	59	61	62	65	70	64
UTI	53	46	52	54	57	57	63

Note: Our derived commission rates are the difference between regular and direct TER charged.

Above numbers capture the TERs of the top 5 equity schemes of each fund house.

Source: Companies, HSIE Research

Commissions across AMCs



Note: Our derived commission rates are the difference between regular and direct TER charged.

Above numbers capture the TERs of the top 5 equity schemes of each fund house.

AMC Valuation Comps

Bloomberg Ticker		HDFC AMC				MOAMC				NAMC			
Rating		NR				NA				REDUCE			
Current market price	Rs	2,550				NA				290			
Market Capitalisation	(Rs bn)	544				NA				182			
Target price/FV	Rs	NR				298				295			
Upside/(Downside)	%	NR				NA				1.7			
		FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
Financials													
Revenue	(Rs bn)	20.0	17.5	20.5	23.3	5.6	4.5	5.6	6.2	12.0	10.2	11.7	12.8
Operating profit (PBT-OI)	(Rs bn)	15.1	13.5	16.2	18.8	2.1	1.6	2.0	2.3	5.7	4.5	5.5	6.1
NOPLAT	(Rs bn)	11.6	10.3	12.3	14.3	1.6	1.2	1.5	1.7	4.2	3.4	4.2	4.6
PBT	(Rs bn)	16.5	17.2	19.6	23.0	2.3	2.1	1.6	2.0	5.6	7.0	7.6	8.4
APAT	(Rs bn)	12.6	13.1	14.9	17.5	1.6	1.2	1.5	1.7	4.2	5.3	5.8	6.3
Growth													
Revenue	(%)	4.6	-12.6	17.3	13.4	-3.2	-19.1	24.3	10.4	-18.6	-15.0	14.3	9.5
Operating profit (PBT-OI)	(%)	22.7	-11.0	20.4	16.2	-10.2	-20.9	23.8	11.6	7.7	-21.4	23.9	9.6
NOPLAT	(%)	37.2	-11.3	20.1	16.2	6.8	-24.2	23.8	11.6	15.0	-20.2	23.9	9.6
PBT	(%)	16.8	4.0	13.9	17.5	36.6	-10.2	-20.9	23.8	-20.1	24.4	9.7	9.8
APAT	(%)	30.7	3.7	13.6	17.5	6.8	-24.2	23.8	11.6	-14.5	26.3	9.7	9.8
Margins													
Operating profit (PBT-OI)	(%)	75.5	76.8	78.9	80.8	37.2	36.4	36.3	36.7	47.3	43.8	47.4	47.4
NOPLAT	(%)	57.7	58.6	59.9	61.4	28.8	27.0	26.8	27.1	35.2	33.0	35.8	35.8
PBT	(%)	82.5	98.2	95.4	98.9	37.2	36.4	36.3	36.7	46.5	68.1	65.3	65.5
APAT	(%)	63.1	74.8	72.5	75.1	28.8	27.0	26.8	27.1	34.6	51.3	49.3	49.4
As a % of AAuM (bps)													
Revenue	bps	54.0	48.3	46.3	45.1	162.6	133.7	137.6	131.2	57.7	52.2	47.8	45.9
Total expenses	bps	13.0	10.9	9.6	8.4	101.3	84.2	87.0	82.5	28.5	27.0	23.4	22.7
EBITDA	bps	42.4	38.7	37.9	37.4	61.3	49.5	50.6	48.8	29.2	25.2	24.4	23.2
Operating profit (PBT-OI)	bps	40.8	37.1	36.5	36.5	60.6	48.7	49.9	48.1	27.3	22.9	22.7	21.8
NOPLAT	bps	31.2	28.3	27.7	27.7	46.8	36.1	36.9	35.6	20.3	17.2	17.1	16.4
PBT	bps	44.6	47.4	44.1	44.6	60.6	48.7	49.9	48.1	26.8	35.6	31.2	30.1
APAT	bps	34.1	36.1	33.6	33.9	46.8	36.1	36.9	35.6	19.9	26.8	23.6	22.7
Return Ratios													
RoE	(%)	35.6	29.9	29.2	29.6	27.5	NA	NA	NA	16.1	19.7	20.1	20.2
Core RoCE	(%)	1,428.4	1,155.0	1,048.3	1,180.8	240.3	NA	NA	NA	140.9	135.4	166.0	188.0
RoCE	(%)	35.0	29.1	28.5	28.9	27.5	NA	NA	NA	16.1	19.7	20.1	20.2
Closing AUM													
Equity	(Rs bn)	1,222	1,639	1,982	2,331	NA	NA	NA	NA	654	890	1,018	1,154
Debt	(Rs bn)	1,047	1,040	1,218	1,362	NA	NA	NA	NA	474	634	733	835
Liquid	(Rs bn)	868	1,288	1,502	1,672	NA	NA	NA	NA	278	453	504	561
ETFs	(Rs bn)	54	93	113	137	NA	NA	NA	NA	229	304	354	416
Total	(Rs bn)	3,191	4,059	4,816	5,502	160	203	253	303	1,635	2,281	2,609	2,966
Growth													
Equity	(%)	-26.1	34.1	21.0	17.6	NA	NA	NA	NA	-29.5	36.1	14.4	13.3
Debt	(%)	4.9	-0.6	17.2	11.8	NA	NA	NA	NA	-36.7	33.8	15.6	14.0
Liquid	(%)	16.8	48.4	16.6	11.3	NA	NA	NA	NA	-29.7	62.9	11.3	11.3
ETFs	(%)	21.3	70.8	22.1	21.0	NA	NA	NA	NA	6.7	32.7	16.6	17.6
Total	(%)	-7.2	27.2	18.6	14.3	-20.0	27.2	24.2	19.8	-28.2	39.5	24.9	14.0

Bloomberg Ticker		HDFCAMC				MOAMC				NAMC			
		FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E	FY20	FY21E	FY22E	FY23E
MF AAAUM													
Equity	(Rs bn)	1,636	1,430	1,811	2,157	296	377	436	505	891	772	954	1,086
Debt	(Rs bn)	1,058	1,043	1,129	1,290	NA	NA	NA	NA	603	554	684	784
Liquid	(Rs bn)	956	1,078	1,395	1,587	NA	NA	NA	NA	316	365	478	533
ETFs	(Rs bn)	60	73	103	125	NA	NA	NA	NA	276	266	329	385
Total	(Rs bn)	3,710	3,625	4,437	5,159	296	377	436	505	2,086	1,958	2,445	2,788
Growth													
Equity	(%)	4.5	-12.6	26.6	19.1	-11.1	129.9	15.6	15.8	-1.1	-13.4	23.6	13.8
Debt	(%)	8.9	-1.4	8.2	14.3	-83.5	NM	NM	NM	-24.1	-8.2	23.3	14.7
Liquid	(%)	55.9	12.8	29.4	13.7	NM	NM	NM	NM	-20.0	15.7	30.9	11.3
ETFs	(%)	263.6	21.6	40.1	21.5	276.5	NM	NM	NM	44.8	-3.4	23.5	17.1
Total	(%)	17.2	-2.3	22.4	16.3	-10.3	117.4	15.6	15.8	-8.6	-6.2	24.9	14.0
Share													
Equity	(%)	44.1	39.5	40.8	41.8	100.0	100.0	100.0	100.0	42.7	39.4	39.0	39.0
Debt	(%)	28.5	28.8	25.4	25.0	NA	NA	NA	NA	28.9	28.3	28.0	28.1
Liquid	(%)	25.8	29.7	31.4	30.8	NA	NA	NA	NA	15.1	18.7	19.6	19.1
ETFs	(%)	1.6	2.0	2.3	2.4	NA	NA	NA	NA	13.2	13.6	13.5	13.8
Total	(%)	100	100	100	100	100	100	100	100	100	100	100	100
Valuation													
At CMP													
EV/(PBT-OI)	x	33.4	37.0	30.3	25.6	NA	NA	NA	NA	27.8	35.0	27.8	24.9
EV/NOPLAT	x	43.6	48.6	39.9	33.7	NA	NA	NA	NA	37.4	46.4	36.9	33.0
P/E	x	43.1	41.5	36.6	31.1	NA	NA	NA	NA	43.7	34.6	31.5	28.7
P/BV (x)	x	13.5	11.5	10.0	8.6	NA	NA	NA	NA	7.0	6.6	6.1	5.5
P/Equity AUM	%	44.5	33.2	27.5	23.3	NA	NA	NA	NA	27.8	20.4	17.8	15.7
P/AUM (x)	%	17.1	13.4	11.3	9.9	NA	NA	NA	NA	11.1	8.0	6.4	5.6
At TP													
EV/(PBT-OI) (x)	x	NA	NA	NA	NA	21.3	26.9	21.8	19.5	28.3	35.7	28.4	25.4
EV/NOPLAT	x	NA	NA	NA	NA	27.6	36.4	29.4	26.4	38.1	47.4	37.6	33.7
P/E (x)	x	NA	NA	NA	NA	27.6	36.4	29.4	26.4	44.4	35.2	32.1	29.2
P/BV (x)	x	NA	NA	NA	NA	NA	NA	NA	NA	7.1	6.7	6.2	5.6
P/Equity AUM	%	NA	NA	NA	NA	14.9	11.7	10.1	8.7	28.2	20.8	18.1	16.0
P/AUM (x)	%	NA	NA	NA	NA	14.9	11.7	10.1	8.7	11.3	8.1	6.5	5.7

Source: Company financials and disclosures, NAV India, HSIE Research

AMC Operating Comps

Bloomberg Ticker		ABSLAMC					HDFCAMP					IDFC AMC				
Rating		NR					NR					NR				
Current market price	Rs	NA					2,550					NA				
Market Capitalisation	(Rs bn)	NA					544					NA				
Target price/FV	Rs	NR					NR					NR				
Upside/(Downside)	%	NA					NR					NA				
		FY17	FY18	FY19	FY20	FY21E*	FY17	FY18	FY19	FY20	FY21E*	FY17	FY18	FY19	FY20	FY21E*
AUM by investor wise																
Retail	(Rs bn)	286	440	530	414	494	546	735	844	608	716	70	97	112	87	104
HNIs	(Rs bn)	558	717	721	653	623	788	1,103	1,247	1,330	1,654	150	189	237	350	422
Institutions (Banks/FIs/FII/FPIs/Corporates)	(Rs bn)	1,136	1,296	1,227	1,189	1,294	1,065	1,154	1,370	1,446	1,329	370	391	373	543	630
Total AUM	(Rs bn)	1,980	2,453	2,478	2,256	2,411	2,399	2,993	3,461	3,384	3,698	591	677	722	981	1,155
MAAUM by geography																
B30	(Rs bn)	270.5	401.6	333.2	336.1	392.0	385.7	541.2	462.3	459.9	523.5	51.3	73.9	50.0	60.6	79.5
Growth in B30	(%)	55.5	48.5	-17.0	0.8	NA	41.3	40.3	-14.6	-0.5	NA	5.9	44.1	-32.4	21.2	NA
B30 share in total AUM	(%)	13.7	16.4	13.4	14.9	16.3	12.4	12.7	12.2	11.9	14.2	8.7	10.9	6.9	6.2	6.9
Total MF AUM share																
IFA	(%)	22.0	25.0	27.0	NA	NA	NA	27.6	27.5	23.4	24.8	NA	NA	NA	NA	NA
ND	(%)	13.0	13.0	11.0	NA	NA	NA	21.0	20.0	18.1	17.8	NA	NA	NA	NA	NA
Banks	(%)	23.0	19.0	17.0	NA	NA	NA	17.3	14.2	10.7	10.0	NA	NA	NA	NA	NA
Direct	(%)	42.0	43.0	45.0	NA	NA	NA	34.1	38.3	47.8	47.4	NA	NA	NA	NA	NA
Total	(%)	100	100	100	NA	NA	NA	100	100	100	100	NA	NA	NA	NA	NA
Equity MF AUM share																
IFA	(%)	40.0	42.0	45.0	47.0	50.0	NA	39.2	40.6	40.3	41.2	NA	NA	NA	NA	NA
ND	(%)	19.0	17.0	14.0	13.0	12.0	NA	24.2	24.6	24.8	24.4	NA	NA	NA	NA	NA
Banks	(%)	24.0	22.0	22.0	20.0	20.0	NA	19.1	16.6	15.7	14.9	NA	NA	NA	NA	NA
Direct	(%)	17.0	19.0	19.0	20.0	18.0	NA	17.5	18.2	19.2	19.5	NA	NA	NA	NA	NA
Total	(%)	100	100	100	100	100	NA	100	100	100	100	NA	NA	NA	NA	NA
Market share																
Total AUM	(%)	10.6	10.8	10.1	9.2	8.7	12.9	13.2	14.1	13.7	13.3	3.2	3.0	2.9	4.0	4.2
Equity AUM	(%)	8.7	9.2	8.8	7.7	7.6	15.8	16.2	15.6	14.5	13.9	2.2	2.0	2.2	2.6	2.3
Debt AUM	(%)	13.4	13.5	12.5	12.1	11.7	13.0	13.0	13.6	13.2	13.4	4.3	4.5	5.4	8.1	9.0
Liquid AUM	(%)	9.5	11.0	11.6	10.2	9.9	9.8	9.4	14.9	17.0	17.3	2.8	2.5	1.9	1.7	2.4
ETF AUM	(%)	1.1	0.6	0.4	0.3	0.5	1.6	1.0	0.6	0.9	1.4	0.5	0.3	0.2	0.1	0.1
Retail AUM	(%)	7.4	8.2	8.2	8.7	8.9	14.2	13.7	13.1	13.1	12.9	1.8	1.8	1.7	1.8	1.9
HNI AUM	(%)	11.8	11.3	10.1	8.3	7.0	16.7	17.4	17.5	16.1	15.0	3.2	3.0	3.3	4.2	4.8
Institutional AUM	(%)	11.3	11.7	11.1	10.0	9.7	10.6	10.5	12.4	12.3	12.4	3.7	3.5	3.4	4.6	4.7
B30 AUM	(%)	8.7	9.4	8.8	8.7	8.8	12.4	12.7	12.2	11.9	11.8	1.7	1.7	1.3	1.6	1.8
AUM composition																
Mutual Fund	(Rs bn)	1,980	2,453	2,478	2,256		2,306	2,920	3,439	3,191		591	666	722	979	
PMS	(Rs bn)	NA	NA	NA	NA		59	65	98	85		NA	NA	NA	NA	
Offshore	(Rs bn)	NA	NA	NA	NA		NA	NA	NA	NA		NA	NA	NA	NA	
Retirement Solutions	(Rs bn)	NA	NA	NA	NA		NA	NA	NA	NA		NA	NA	NA	NA	
Alternative Investment Funds	(Rs bn)	NA	NA	NA	NA		NA	NA	NA	NA		NA	NA	NA	NA	
Total	(Rs bn)	1,980	2,453	2,478	2,256		2,365	2,985	3,537	3,276		591	666	722	979	

*Refers to FY21TD (Sep-20).

Source: Company financials and disclosures, NAV India, HSIE Research

Bloomberg Ticker		LT AMC					MOAMC					NAMC				
Rating		NR					NA					REDUCE				
Current market price	Rs	NA					NA					290				
Market Capitalisation	(Rs bn)	NA					NA					182				
Target price/FV	Rs	NR					298					295				
Upside/(Downside)	%	NA					NA					1.7				
		FY17	FY18	FY19	FY20	FY21E*	FY17	FY18	FY19	FY20	FY21E*	FY17	FY18	FY19	FY20	FY21E*
AUM by investor wise																
Retail	(Rs bn)	84	165	211	156	189	26	56	75	69	86	527	736	903	450	528
HNI	(Rs bn)	115	241	259	234	237	39	81	83	72	86	365	393	364	465	470
Institutions (Banks/FIs/FIIs/FPIs/Corporates)	(Rs bn)	203	248	241	246	215	21	41	38	38	50	1,245	1,280	1,019	940	1,009
Total AUM	(Rs bn)	402	655	711	636	641	87	179	196	179	222	2,137	2,409	2,286	1,855	2,006
MAAUM by geography																
B30	(Rs bn)	43.3	84.3	74.1	69.8	79.5	9.8	22.8	22.9	18.7	26.0	413.8	515.2	452.5	323.1	365.7
Growth in B30	(%)	54.6	94.8	-12.2	-5.8	NA	123.6	131.7	0.5	-18.4	NA	29.1	24.5	-12.2	-28.6	NA
B30 share in total AUM	(%)	10.8	12.9	10.4	11.0	12.4	11.4	12.8	11.7	10.4	11.7	19.3	21.4	19.8	17.4	18.2
Total MF AUM share																
IFA	(%)	NA	NA	NA	NA	NA	13.0	24.5	26.5	26.0	25.0	NA	NA	NA	NA	25.4
ND	(%)	NA	NA	NA	NA	NA	23.0	19.0	18.0	18.0	23.0	NA	NA	NA	NA	9.4
Banks	(%)	NA	NA	NA	NA	NA	26.0	25.0	21.0	18.0	14.0	NA	NA	NA	NA	12.2
Direct	(%)	NA	NA	NA	NA	NA	38.0	31.5	34.5	38.0	38.0	NA	NA	NA	NA	53.0
Total	(%)	NA	NA	NA	NA	NA	100	100	100	100	100	NA	NA	NA	NA	100
Equity MF AUM share																
IFA	(%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
ND	(%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Banks	(%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Direct	(%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	(%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	
Market share																
Total AUM	(%)	2.2	2.9	2.9	2.6	2.3	0.5	0.8	0.8	0.7	0.8	11.5	10.6	9.3	7.5	7.2
Equity AUM	(%)	2.7	3.8	3.9	3.3	3.3	1.4	1.8	1.8	1.7	1.7	9.7	9.2	8.9	7.4	7.2
Debt AUM	(%)	1.7	1.9	2.1	2.6	2.2	0.0	0.1	0.0	0.0	0.0	12.9	12.2	10.5	7.0	7.2
Liquid AUM	(%)	2.6	3.1	2.7	2.1	1.6	0.0	0.0	0.1	0.1	0.1	9.6	9.6	6.9	5.5	5.3
ETF AUM	(%)	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.2	0.5	1.2	27.1	16.7	16.3	15.9	12.1
Retail AUM	(%)	2.2	3.1	3.3	3.3	3.4	0.7	1.0	1.2	1.5	1.5	13.8	13.7	14.0	9.5	9.5
HNI AUM	(%)	2.4	3.8	3.6	2.8	2.7	0.8	1.3	1.2	0.9	1.0	7.8	6.2	5.1	5.6	5.3
Institutional AUM	(%)	2.0	2.2	2.2	2.1	1.6	0.2	0.4	0.3	0.3	0.4	12.4	11.6	9.2	8.0	7.6
B30 AUM	(%)	1.4	2.0	1.9	1.8	1.8	0.3	0.5	0.6	0.5	0.6	13.3	12.1	11.9	8.3	8.2
AUM composition																
Mutual Fund	(Rs bn)	402	655	711	636		93	182	200	160		2,036	2,261	2,278	1,635	
PMS	(Rs bn)	NA	NA	NA	NA		105	150	160	117		26	32	35	39	
Offshore	(Rs bn)	NA	NA	NA	NA		NA	NA	NA	NA		19	28	31	89	
Retirement Solutions	(Rs bn)	NA	NA	NA	NA		NA	NA	NA	NA		1,425	1,643	1,878	830	
Alternative Investment Funds	(Rs bn)	NA	NA	NA	NA		24	28	19	23		0	0	0	0	
Total	(Rs bn)	402	655	711	636		222	359	379	300		3,506	3,964	4,222	2,593	

*Refers to FY21TD (Sep-20).

Source: Company financials and disclosures, NAV India, HSIE Research

Bloomberg Ticker		UTIAMC					IPRUAMC				
Rating		NR					NR				
Current market price	Rs	547					NA				
Market Capitalisation	(Rs bn)	69.4					NA				
Target price/FV	Rs	NR					NR				
Upside/(Downside)	%	NR					NA				
		FY17	FY18	FY19	FY20	FY21E*	FY17	FY18	FY19	FY20	FY21E*
AUM by investor wise											
Retail	(Rs bn)	460	553	647	377	441	404	548	637	456	558
HNI	(Rs bn)	181	155	145	245	257	845	1,155	1,221	1,341	1,415
Institutions (Banks/FIs/FIIs/FPIs/Corporates)	(Rs bn)	746	769	749	719	879	1,233	1,345	1,367	1,496	1,684
Total AUM	(Rs bn)	1,387	1,478	1,542	1,341	1,577	2,482	3,048	3,225	3,293	3,658
MAAUM by geography											
B30	(Rs bn)	386.5	437.1	403.2	346.6	386.1	387.4	532.2	415.1	446.8	519.2
Growth in B30	(%)	29.0	13.1	-7.7	-14.1	0.0	47.4	37.4	-22.0	7.6	NA
B30 share in total AUM	(%)	27.9	29.6	26.2	25.8	24.5	15.6	17.5	12.9	13.6	14.2
Total MF AUM share											
IFA	(%)	29.1	31.1	31.6	29.9	28.6	NA	NA	NA	NA	NA
ND	(%)	9.9	9.2	8.4	7.1	6.9	NA	NA	NA	NA	NA
Banks	(%)	6.6	5.3	5.5	4.0	3.3	NA	NA	NA	NA	NA
Direct	(%)	54.4	54.5	54.6	59.0	61.2	NA	NA	NA	NA	NA
Total	(%)	100	100	100	100	100	NA	NA	NA	NA	NA
Equity MF AUM share											
IFA	(%)	57.1	61.0	62.6	60.1	60.3	NA	NA	NA	NA	NA
ND	(%)	7.1	5.9	5.6	5.8	5.5	NA	NA	NA	NA	NA
Banks	(%)	4.3	3.6	4.5	4.5	4.3	NA	NA	NA	NA	NA
Direct	(%)	31.5	29.5	27.3	29.6	29.9	NA	NA	NA	NA	NA
Total	(%)	100	100	100	100	100	NA	NA	NA	NA	NA
Market share											
Total AUM	(%)	7.4	6.5	6.3	5.4	5.7	13.3	13.4	13.1	13.3	13.2
Equity AUM	(%)	6.3	4.8	4.7	4.4	4.7	15.2	15.0	14.3	13.5	13.3
Debt AUM	(%)	7.9	7.6	7.0	4.3	4.0	13.6	13.2	13.1	15.3	15.3
Liquid AUM	(%)	8.4	7.1	6.9	6.9	7.6	11.4	11.4	12.0	11.2	12.2
ETF AUM	(%)	5.8	11.0	12.5	11.2	11.4	2.6	8.5	8.4	9.4	8.1
Retail AUM	(%)	12.0	10.3	10.0	8.1	7.9	10.5	10.2	9.9	9.7	10.0
HNI AUM	(%)	3.8	2.4	2.0	3.0	2.9	17.9	18.2	17.2	16.2	16.0
Institutional AUM	(%)	7.4	7.0	6.8	6.1	6.6	12.3	12.2	12.4	12.7	12.7
B30 AUM	(%)	12.5	10.2	10.6	8.9	8.7	12.5	12.5	10.9	11.5	11.7
AUM composition											
Mutual Fund	(Rs bn)	1,282	1,360	1,423	1,178		2,482	3,048	3,225	3,293	
PMS	(Rs bn)	992	1,159	1,333	6,891		NA	NA	NA	NA	
Offshore	(Rs bn)	218	188	119	158		NA	NA	NA	NA	
Retirement Solutions	(Rs bn)	520	695	937	1,222		NA	NA	NA	NA	
Alternative Investment Funds	(Rs bn)	5	6	8	11		NA	NA	NA	NA	
Total	(Rs bn)	3,017	3,406	3,819	9,459		2,482	3,048	3,225	3,293	

*Refers to FY21TD (Sep-20).

Source: Company financials and disclosures, NAV India, HSIE Research

Rating Criteria

BUY:	>+15% return potential
ADD:	+5% to +15% return potential
REDUCE:	-10% to +5% return potential
SELL:	> 10% Downside return potential

Disclosure:

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