

Multi Commodity Exchange

BUY

INDUSTRY EXCHANGES

CMP (as on 13 Oct 2017) Rs 1,134

Target Price Rs 1,342

Nifty	10,167
Sensex	32,433

KEY STOCK DATA

Bloomberg	MCX IN
No. of Shares (mn)	51
MCap (Rs bn) / (\$ mn)	58/890
6m avg traded value (Rs mn)	382

STOCK PERFORMANCE (%)

52 Week high / low	Rs 1,413/930		
	3M	6M	12M
Absolute (%)	5.1	(6.3)	(14.1)
Relative (%)	3.9	(16.4)	(31.5)

SHAREHOLDING PATTERN (%)

Promoters	0
FIs & Local MFs	33.55
FPIs	30.64
Public & Others	35.81

Source : BSE

Amit Chandra

amit.chandra@hdfcsec.com
+91-22-6171-7345

Apurva Prasad

apurva.prasad@hdfcsec.com
+91-22-6171-7327

Growth tailwinds visible

MCX delivered robust numbers in 2QFY18. Revenue was up 13.6% QoQ to Rs 673mn (our est. was Rs 688mn), led by 17% up-tick in ADTV, and offset by 1.2% fall in realisations. Bullion (29% of ADTV) recovered sharply (+17.5% QoQ), but is still down 40.7% in 1HFY18. Metals (39% of ADTV) recovered sharply (+31.9% QoQ) after GST implementation in July-17.

Options trading is going to commence from Oct-17-2017. Initially, only a single 1kg gold option contract will be traded. At first, options trading will be free. Eventually, it will be charged after volumes build up. We believe options will start contributing to the top-line from 1QFY19E. Also, institutional participation (banks, MFs, PMS) in commodities derivatives can be expected to commence in the next six months. If implemented, it will deepen the commodity market and boost ADTV significantly.

MCX has maintained its dominant position with ~90% market share. We see value in MCX based on

Financial Summary (Standalone)

YE March (Rs mn)	2QFY18	2QFY17	YoY (%)	1QFY17	QoQ (%)	FY16	FY17	FY18E	FY19E	FY20E
Net Revenues	673	652	3.1	592	13.6	2,349	2,594	2,864	3,559	4,440
EBITDA	211	252	-16.2	132	59.5	767	797	964	1,472	2,145
APAT	283	376	-24.8	263	7.9	1,085	1,263	1,279	1,688	2,230
Diluted EPS (Rs)	5.6	7.4	-24.8	5.1	7.9	21.3	24.8	25.1	33.1	43.7
P/B (x)						4.8	4.3	4.1	3.9	3.6
P/E (x)						53.3	45.8	45.2	34.2	25.9
EV / EBITDA (x)						61.1	60.7	49.6	32.1	21.7
RoE (%)						9.0	9.9	9.2	11.6	14.4

Source: Company, HDFC sec Inst Research

(1) Embedded non-linearity, (2) Favourable regulatory environment, and (3) Above normal growth prospects with the start of options trading, institutional participation and launch of indices. We estimate revenue/PAT CAGR of 20/21% over FY17-20E. Maintain BUY with a TP of Rs 1,342, implying a P/E of 35x Sep-19E EPS.

Highlights of the quarter

- MCX and Thomson Reuters launched Thomson Reuters - MCX India Commodity Indices (iCOMDEX, SEBI approval is still pending).
- EBITDA margin stood at 31.3%, up 901bps QoQ (vs our est. of 29.3%), led by top-line growth and non-linearity benefits.
- Near-term outlook:** ADTV is expected to rise in 2H, led by the launch of options and recovery in bullion, metals volumes. Margins will expand gradually, with growth in the top-line. Any regulatory boost will lead to a meaningful upside.

Total traded volume increased 17.0% to Rs 14.1tn, while blended realisation dropped 1.2% QoQ to Rs 22/mn

Software services expense is linked to volume growth

Pure transaction revenue was up 15.7% QoQ to Rs 624mn

PAT stood at Rs 283mn, up 7.9% QoQ (lower than our estimate of Rs 313mn) owing to lower other income (Rs 226mn -18.4% QoQ)

Quarterly Financials Snapshot

Rs mn	2QFY18	2QFY17	YoY (%)	1QFY17	QoQ (%)
Operating income	673	652	3.1	592	13.6
Software service expenses	127	107	18.1	114	11.2
Employee Expenses	178	144	24.2	178	0.5
Other Operating Expenses	157	150	4.6	168	(6.8)
EBITDA	211	252	(16.2)	132	59.5
Interest Cost	0	0	NM	0	NM
Depreciation	48	42	13.5	48	0.4
Other Income	226	302	(25.3)	277	(18.4)
PBT	388	511	(24.0)	361	7.6
Tax	105	134	(21.7)	98	6.8
APAT	283	376	(24.8)	263	7.9
E/o gains (adj for tax)	0	0	NM	0	NM
RPAT	283	376	(24.8)	263	7.9

Source: Company, HDFC Sec Inst Research

Margin Analysis

MARGIN ANALYSIS	2QFY18	2QFY17	YoY (bps)	1QFY17	QoQ (bps)
Software service expenses % of Net Sales	18.8	16.4	239	19.2	(42)
Employee Expenses % of Net Sales	26.5	22.0	450	30.0	(348)
Other Operating Expenses % of Net Sales	23.3	23.0	34	28.4	(511)
EBITDA Margin (%)	31.3	38.6	(723)	22.3	901
Tax Rate (%)	27.0	26.3	77	27.2	(20)
APAT Margin (%)	42.1	57.7	(1,558)	44.3	(223)

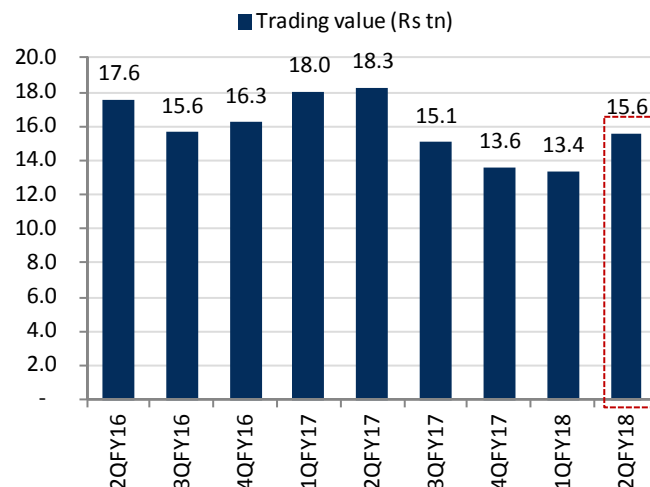
Source: Company, HDFC Sec Inst Research

The value of India's exchange traded commodity derivatives (ETCD) grew 16.7% QoQ, and was down 14.7% YoY to Rs 15.6tn

Bullions and Metals will drive ADTV growth

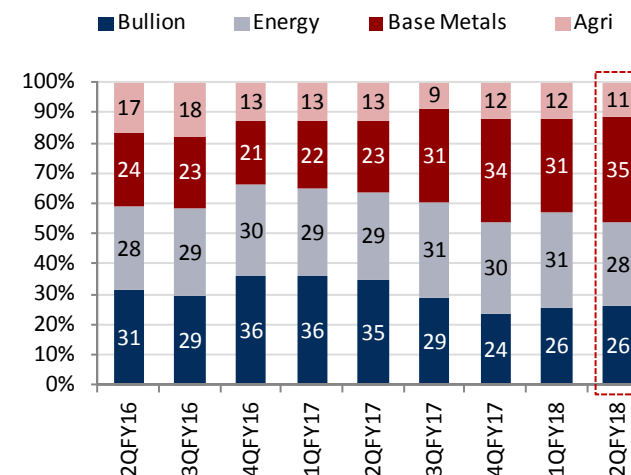
MCX has maintained a substantial market share of 90%

India's Exchange Traded Commodity Derivatives (ETCD)



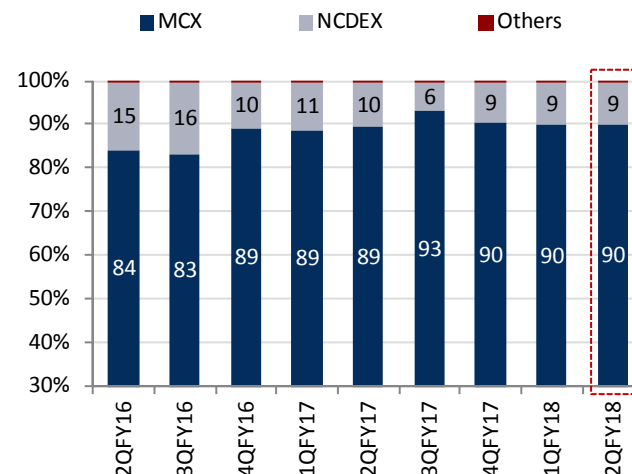
Source: Company, Industry, HDFC sec Inst Research

Composition Of India's ETCD



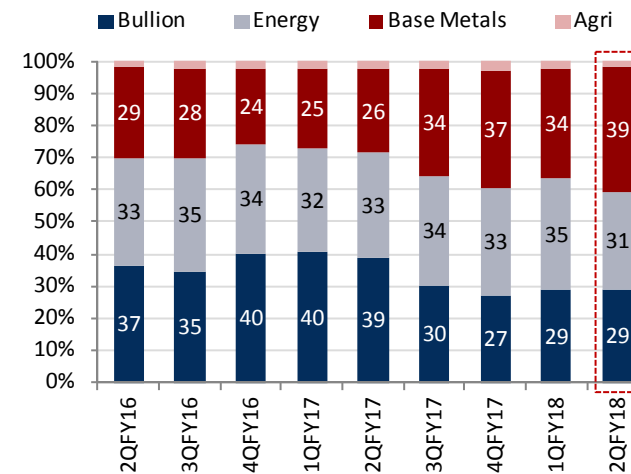
Source: Company, Industry, HDFC sec Inst Research

Market Share Of Key Commodity Exchanges



Source: Company, Industry, HDFC sec Inst Research

MCX's Traded Value: Sectoral Composition

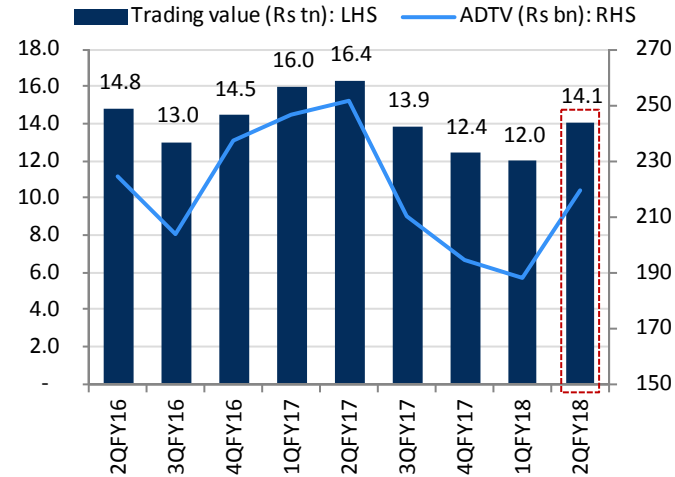


Source: Company, Industry, HDFC sec Inst Research

MCX's average daily trade value grew after three quarters of decline, and still is ~14% down from the pre-demonitisation level

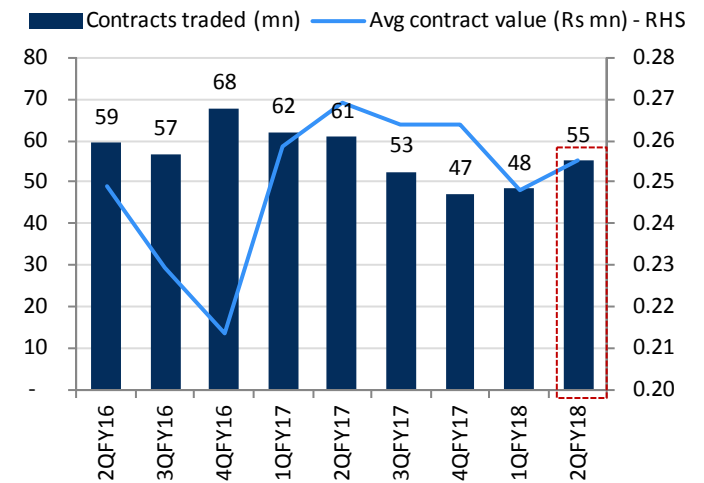
Number of traded contracts increased 13.8% QoQ to 55mn

MCX: Quarterly Trading Value Analysis



Source: Company, Industry, HDFC sec Inst Research

MCX: Detailed KPIs Of Contracts Traded



Source: Company, Industry, HDFC sec Inst Research

Valuation

- We expect MCX to post 39% EBITDA CAGR, driven by revenue CAGR of 20% and EBITDA margin expansion (48.1% in FY19E vs 30.7% in FY17) for FY17-20E. Considering the asset-light nature of the business, we expect RoE to expand to 14.3% in FY20E vs 9.9% in FY17
- MCX currently trades at 45.2x FY18E and 34.2x FY19E EPS (implying PEG 2.2x ~12% discount to EM average)
- We see significant value in MCX, considering (1) Its strong business franchise, (2) Start of options trading in Oct-17, (3) Embedded non-linearity in business, (4) Favourable regulatory environment and (5) Long-term growth prospects. We maintain a BUY rating with a TP of Rs 1,342, implying a P/E of 35x Sep-FY19 EPS. We downgrade the P/E multiple from 40x earlier to 35x, citing a delay in options launch and risk of increased competition after universal exchange licence comes into force.

MCX: Sensitivity Of Target Price To ADTV Assumptions

Target price (Rs)		PE (x)					% of peak ADTV in FY12
		25.0	30.0	35.0	40.0	45.0	
ADTV Assumption (Rs bn)	226	715	857	1,000	1,143	1,286	44.9%
	253	751	901	1,051	1,201	1,352	50.4%
	411	958	1,150	1,342	1,533	1,725	81.7%
	579	1,179	1,414	1,650	1,886	2,122	115.0%
	694	1,331	1,597	1,863	2,129	2,395	138.0%

Source: Company, HDFC sec Inst Research

Change In Estimates

Particulars	Earlier estimates	Revised estimates	% change
FY18E			
Revenue (Rs mn)	2,878	2,864	(0.5)
EBITDA (Rs mn)	959	964	0.5
EBITDA margin (%)	33.3%	33.7%	33
EPS (Rs)	27.2	25.1	(7.8)
FY19E			
Revenue (Rs mn)	3,444	3,559	3.3
EBITDA (Rs mn)	1,351	1,472	9.0
EBITDA margin (%)	39.2%	41.4%	215
EPS (Rs)	33.0	33.1	0.3

Source: Company, HDFC sec Inst Research

ADTV And Realisation Assumptions

Rs bn	FY15	FY16	FY17	FY18E	FY19E	FY20E
Futures ADTV	203	219	226	223	250	263
YoY %		7.9%	2.9%	-1.3%	12.3%	5.1%
Options ADTV				31	161	316
YoY %					425.4%	96.2%
Total ADTV	203	219	226	253	411	579
YoY %		7.9%	2.9%	12.2%	62.3%	40.8%
Realization Of Futures (Rs/mn)	19.6	19.1	20.3	22.2	22.2	22.2
YoY %		-2.8%	6.5%	9.4%	-0.3%	0.0%
Realization Of Options (Rs/mn)				0.0	4.4	4.4
YoY %					NM	0.0%
Blended Realization (Rs/mn)	18.4	18.1	20.3	19.6	15.2	12.5
YoY %		-1.6%	12.0%	-3.8%	-22.1%	-18.0%

Source: Company, HDFC sec Inst Research

Valuation: Global Exchanges

	Country	M-Cap (US\$ mn)	Forward P/E (x)		EPS growth (2-yr CAGR)	PEG (x)	Forward P/B (x)		EV/EBITDA (x)		ROE (%)	
			1-yr fwd	2-yr fwd			1-yr fwd	2-yr fwd	1-yr fwd	2-yr fwd	1-yr fwd	2-yr fwd
<u>Emerging markets</u>												
MCX (HDFC Sec estimates)	India	891	45.2	34.2	15.6	2.2	4.1	3.9	49.6	32.1	9.2	11.6
<u>Bloomberg Consensus estimates</u>												
BM&FBovespa SA	Brazil	15,574	22.6	19.8	14.9	1.3	2.0	2.0	15.9	14.1	8.2	9.5
Bursa Malaysia Bhd	Malaysia	1,268	23.2	22.4	3.7	6.1	5.9	6.3	10.5	10.2	27.2	27.9
Bolsa Mexicana	Mexico	965	15.6	14.4	8.6	1.7	3.3	2.9	9.3	8.7	31.0	19.3
Multi Commodity Exchange	India	891	38.0	26.8	30.5	0.9	4.2	3.5	48.9	26.6	10.5	14.0
EM average			24.8	20.9	14.4	2.5	3.9	3.7	21.2	14.9	19.2	17.7
<u>Developed markets</u>												
CME Group	USA	46,809	25.7	24.4	66.3	0.4	2.2	2.2	16.7	17.2	8.7	8.8
Hong Kong Exchanges	Hong Kong	34,871	34.3	30.9	12.0	2.6	7.7	7.7	17.5	15.6	23.1	24.9
Intercontinental Exchange	USA	41,142	21.1	19.5	10.0	1.9	2.6	2.5	14.3	13.3	12.1	13.1
Deutsche Boerse	Germany	21,794	18.5	16.6	12.3	1.3	4.0	3.4	11.7	10.7	20.0	20.3
Nasdaq OMX	USA	12,495	16.4	15.6	6.8	2.3	2.2	2.1	11.2	11.2	13.4	18.8
Japan Exchange Group	Japan	10,088	26.0	25.0	2.3	NM	4.5	4.0	15.2	14.5	15.8	15.3
Singapore Exchange	Singapore	6,026	20.8	20.7	3.5	5.9	7.9	7.0	14.1	14.2	34.3	31.7
ASX	Australia	8,160	22.1	21.1	4.9	4.3	2.7	2.6	14.6	14.0	11.8	12.2
CBOE Holdings	USA	12,408	27.6	25.3	8.3	3.0	4.4	4.0	17.3	16.0	19.3	20.2
Hellenic Exchanges	Greece	348	27.2	19.0	15.0	1.3	2.3	2.4	10.8	7.8	9.3	13.1
NZX Ltd	New Zealand	230	18.5	16.9	10.5	1.6	4.6	4.7	10.8	10.2	24.4	26.4
Developed markets average			23.5	21.4	13.8	2.5	4.1	3.9	14.0	13.2	17.5	18.6
Global average			23.8	21.2	14.0	2.5	4.0	3.8	15.9	13.6	17.9	18.4

Source: Bloomberg, HDFC sec Inst Research Note: 1-yr refers to FY18/CY17 & 2-yr FY19/CY18

Key risks

- Competition from other exchanges (universal exchange)
- Regulatory delays

Income Statement (Standalone)

YE March (Rs mn)	FY16	FY17	FY18E	FY19E	FY20E
Net Revenues (Rs mn)	2,349	2,594	2,864	3,559	4,440
Growth (%)	5.6	10.4	10.4	24.2	24.8
Software support charges	374	426	433	499	585
Employee Expenses	406	644	719	791	869
SG&A Expenses	307	199	203	213	229
Other Operating Expenses	497	527	546	583	622
EBITDA	767	797	964	1,472	2,134
EBITDA Margin (%)	32.6	30.7	33.7	41.4	48.1
EBITDA Growth (%)	(12.5)	4.0	20.9	52.7	44.9
Depreciation	246	186	197	213	233
EBIT	521	612	767	1,260	1,901
Other Income (Including EO Items)	311	1,164	1,023	1,103	1,208
Interest	0	2	2	2	2
PBT	831	1,774	1,789	2,361	3,107
Tax (Incl Deferred)	413	512	510	673	886
Minority Interest	0	0	0	0	0
RPAT	418	1,263	1,279	1,688	2,222
EO (Loss) / Profit (Net Of Tax)	(667)	0	0	0	0
APAT	1,085	1,263	1,279	1,688	2,222
APAT Growth (%)	(13.2)	16.4	1.3	32.0	31.6
Adjusted EPS (Rs)	21.3	24.8	25.1	33.1	43.6
EPS Growth (%)	(13.2)	16.4	1.3	32.0	31.6

Source: Company, HDFC sec Inst Research

Balance Sheet (Standalone)

YE March (Rs mn)	FY16	FY17	FY18E	FY19E	FY20E
SOURCES OF FUNDS					
Share Capital - Equity	510	510	510	510	510
Reserves	11,529	13,078	13,673	14,481	15,569
Total Shareholders' Funds	12,039	13,588	14,183	14,991	16,079
Settlement guarantee fund	1,879	1,705	1,790	1,880	1,974
Total Debt	0	0	0	0	0
Net Deferred Taxes (Net)	49	75	75	75	75
Long Term Provisions & Others	234	345	345	345	345
TOTAL SOURCES OF FUNDS	14,201	15,713	16,393	17,291	18,473
APPLICATION OF FUNDS					
Net Block	1,401	1,521	1,616	1,759	1,970
Investments	2,230	4,404	4,403	4,404	4,404
LT Loans & Advances	310	393	412	433	454
Total Non-current Assets	3,941	6,318	6,432	6,596	6,829
Debtors	42	28	39	49	61
Other Current Assets	737	943	928	1,137	1,403
Cash & Equivalents	13,448	11,368	12,259	13,425	14,916
Total Current Assets	14,227	12,340	13,226	14,612	16,380
Trading margin from members	2,473	2,000	2,273	2,875	3,642
Other Current Liabilities & Provns	1,495	945	991	1,042	1,094
Total Current Liabilities	3,967	2,945	3,265	3,916	4,735
Net Current Assets	10,260	9,395	9,962	10,695	11,644
TOTAL APPLICATION OF FUNDS	14,201	15,713	16,393	17,291	18,473

Source: Company, HDFC sec Inst Research

Cash Flow (Standalone)

YE March (Rs mn)	FY16	FY17	FY18E	FY19E	FY20E
Reported PBT	831	1,774	1,789	2,361	3,107
Non-operating & EO items	(927)	(1,164)	(1,023)	(1,103)	(1,208)
Interest expenses	0	2	2	2	2
Depreciation	246	186	197	213	233
Working Capital Change	518	(1,160)	300	412	520
Tax Paid	(290)	(512)	(510)	(673)	(886)
OPERATING CASH FLOW (a)	378	(874)	754	1,211	1,768
Capex	(202)	(311)	(286)	(356)	(444)
<i>Free cash flow (FCF)</i>	<i>175</i>	<i>(1,185)</i>	<i>468</i>	<i>855</i>	<i>1,324</i>
Investments	(2,098)	(2,174)	0	0	0
Non-operating Income	92	1,164	1,023	1,103	1,208
INVESTING CASH FLOW (b)	(2,209)	(1,320)	737	748	764
Debt Issuance/(Repaid)	0	0	0	0	0
Interest Expenses	(0)	(2)	(2)	(2)	(2)
<i>FCFE</i>	<i>175</i>	<i>(1,187)</i>	<i>466</i>	<i>853</i>	<i>1,322</i>
Share Capital Issuance	0	(0)	0	0	0
Dividend	(614)	(895)	(598)	(790)	(1,040)
FINANCING CASH FLOW (c)	(614)	(897)	(600)	(792)	(1,042)
NET CASH FLOW (a+b+c)	(2,445)	(3,091)	890	1,167	1,491
EO Items, Others	509	1,011	0	0	0
Closing Cash & Equivalents	13,448	11,368	12,259	13,425	14,916

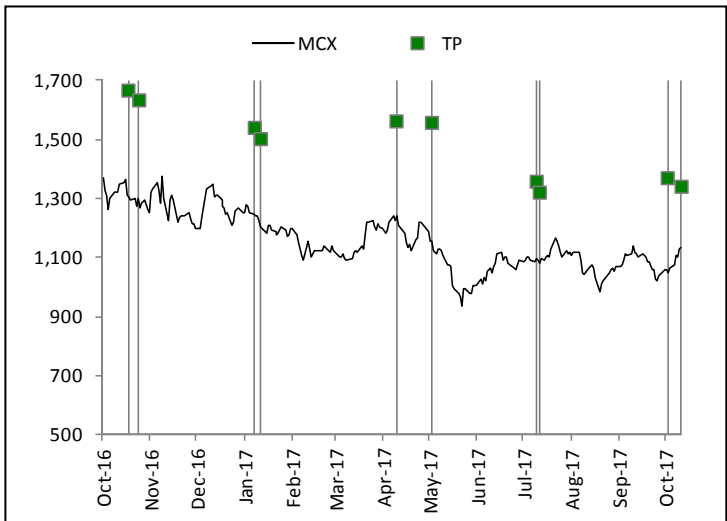
Source: Company, HDFC sec Inst Research

Key Ratios (Standalone)

	FY16	FY17	FY18E	FY19E	FY20E
PROFITABILITY (%)					
GPM	84.1	83.6	84.9	86.0	86.8
EBITDA Margin	32.6	30.7	33.7	41.4	48.1
APAT Margin	46.2	48.7	44.6	47.4	50.0
RoE	9.0	9.9	9.2	11.6	14.3
RoIC (or Core RoCE)	22.0	17.3	17.3	21.7	26.8
RoCE	6.0	6.9	6.7	8.3	10.0
EFFICIENCY					
Tax Rate (%)	30.8	28.8	28.5	28.5	28.5
Fixed Asset Turnover (x)	0.1	0.1	0.1	0.2	0.2
<i>Debtors (days)</i>	<i>7</i>	<i>4</i>	<i>5</i>	<i>5</i>	<i>5</i>
<i>Other Current Assets (days)</i>	<i>104</i>	<i>124</i>	<i>110</i>	<i>110</i>	<i>110</i>
<i>Other Current Liab & Provns (days)</i>	<i>463</i>	<i>299</i>	<i>306</i>	<i>293</i>	<i>278</i>
<i>Cash Conversion Cycle (days)</i>	<i>(353)</i>	<i>(172)</i>	<i>(191)</i>	<i>(178)</i>	<i>(163)</i>
Debt/EBITDA (x)	(14)	(12)	(10)	(7)	(5)
Net D/E (x)	(1)	(1)	(1)	(1)	(1)
Interest Coverage (x)	3,941	NM	NM	NM	NM
PER SHARE DATA (Rs)					
EPS	21.3	24.8	25.1	33.1	43.6
CEPS	26.1	28.4	28.9	37.3	48.1
Dividend	6.5	15.0	10.0	13.2	17.4
Book Value	236.1	266.4	278.1	294.0	315.3
VALUATION					
P/E (x)	53.3	45.8	45.2	34.2	26.0
P/BV (x)	4.8	4.3	4.1	3.9	3.6
EV/EBITDA (x)	61.1	60.7	49.6	32.1	21.8
OCF/EV (%)	2.2	(1.8)	1.6	2.6	3.8
FCF/EV (%)	1.8	(2.4)	1.0	1.8	2.8
FCFE/Mkt Cap (%)	(0.2)	(0.4)	0.3	0.3	0.4
Dividend Yield (%)	0.6	1.3	0.9	1.2	1.5

Source: Company, HDFC sec Inst Research

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
19-Oct-16	1,312	BUY	1,667
27-Oct-16	1,299	BUY	1,634
9-Jan-17	1,250	BUY	1,541
16-Jan-17	1,201	BUY	1,503
11-Apr-17	1,238	BUY	1,563
5-May-17	1,155	BUY	1,558
11-Jul-17	1,098	BUY	1,359
14-Jul-17	1,079	BUY	1,322
4-Oct-17	1,060	BUY	1,371
14-Oct-17	1,134	BUY	1,342

Rating Definitions

BUY : Where the stock is expected to deliver more than 10% returns over the next 12 month period
NEUTRAL : Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period
SELL : Where the stock is expected to deliver less than (-)10% returns over the next 12 month period

INSTITUTIONAL RESEARCH**Disclosure:**

We, **Amit Chandra, MBA & Apurva Prasad, MBA**, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. HSL has no material adverse disciplinary history as on the date of publication of this report. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. **does not have** any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate **does not have** any material conflict of interest.

Any holding in stock –No

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is meant for sole use by the recipient and not for circulation. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. This document is for information purposes only. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete and this document is not, and should not be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any individual in such country, especially, USA, the same may be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published for any purposes without prior written approval of HSL.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk.

It should not be considered to be taken as an offer to sell or a solicitation to buy any security. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Binkle R. Oza Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

HDFC Securities Limited, SEBI Reg. No.: NSE-INB/F/E 231109431, BSE-INB/F 011109437, AMFI Reg. No. ARN: 13549, PFRDA Reg. No. POP: 04102015, IRDA Corporate Agent License No.: HDF 2806925/HDF C000222657, SEBI Research Analyst Reg. No.: INH000002475, CIN - U67120MH2000PLC152193

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

