

Financials – Non Lending

Result Preview



Company

Angel One

BSE

CAMS

ICICI Lombard

ICICI Securities

360ONE WAM

MCX

Star Health

Capital markets-linked companies to deliver strong performance

Price hike to benefit health segment loss ratios

- In 2QFY24, Nifty surpassed the milestone of 20,000, translating into healthy trends in key parameters (volumes, orders, client additions, etc.) for capital markets-related companies. Both equity and commodity segments continued to witness better-than-expected trends in option volumes. ANGELONE and BSE would be the biggest beneficiaries of these trends.
- In the AMC sector, net equity inflows in Jul'23 and Aug'23 were the highest in the past 15 months. The growth in equity AUM was primarily backed by strong SIP flows (SIP flows reaching all-time high in Aug'23) and MTM gains (in Jul'23), resulting in MoM growth of 3.2%/1.4% in MF AUM for the industry in Jul'23/Aug'23. Increase in AUM would lead to improved performance for both CAMS and 360ONE.
- Ex-crop, the general insurance sector registered strong growth in Aug and Sep'23, with GWP growth of 18% YoY. The health segment reported a strong growth for 33%/15% YoY in Jul/Aug'23. The cut-throat pricing environment in the motor industry is beginning to ease. Thus, in Jul'23 and Aug'23, the Motor segment (supported by the Motor OD segment) maintained its growth momentum of 15% and 16% YoY. Amidst the ongoing price hikes, the claims ratio is expected to show improvement on a YoY basis. We expect STARHEAL and ICICIGI to report improvement in profitability.
- We remain positive on the long-term growth potential of the non-lending financials, given their broader themes of financialization and digitization of savings. Our top picks in this space are ANGELONE and STARHEAL.

Incremental demat account additions improves; momentum continued in cash volumes, whereas F&O volumes remained healthy in 2QFY24

- The retail segment cash ADTO at NSE grew 19% MoM in Jul'23, but it moderated in Aug'23 with 4% MoM growth. Compared to 1QFY24, the growth momentum of F&O ADTO was buoyant in 2QFY24 (retail F&O ADTO grew 17% MoM in Jul'23, whereas it remained flat in Aug'23).
- Incremental demat account additions improved to 3.0m in Jul'23 and 3.1m in Aug'23. For ANGELONE, the average customer additions inched up and Aug'23 recorded the highest ever increase since May'22 at 0.73m. The number of orders per day showed an increasing trend in Jul'23 and Aug'23. We expect a healthy increase in revenue and profitability for ANGELONE.
- BSE should also witness improvement in volumes sequentially. The introduction of derivatives on BSE has gained popularity and experienced an increase in volumes (on a lower base) in 2QFY24.
- MCX has seen strong traction in option volumes, although this has been partially offset by lower volumes in Futures. However, during the quarter, the payment of INR1.2b to 63moons will result in only marginal profits for 2QFY24.

Strong premium (ex-crop) growth for general insurance sector, Price hike to help reduce health segment loss ratios

- Ex-crop, the general insurance sector experienced strong growth in Jul and Aug'23, with a total GWP growth of 18% YoY. The health segment reported a strong cumulative growth for 33%/15% YoY over Jul/Aug'23, whereas the Motor segment maintained its growth momentum of 15% /16% YoY in Jul/Aug'23.
- For ICICIGI, the premium growth in Jul'23/Aug'23 stood at 22%/16% YoY. The GWP growth for ICICIGI was primarily led by strong YoY expansion in the health segment, with 21%/26% YoY growth in Jul/Aug'23.

Top of Form

- For Jul/Aug'23, STARHEAL saw a premium growth of 17%/19% YoY, driven by retail growth of 16%/18% and group health business of 35%/37% (given lower base).
- The cutthroat pricing environment in the motor industry is beginning to ease. Opex ratios are expected to benefit from operating leverage. Health segment loss ratios are expected to improve YoY, due to the implemented price hikes.

Strong SIP flows, positive net inflows and equity MTM gains drive Mutual fund AUM growth

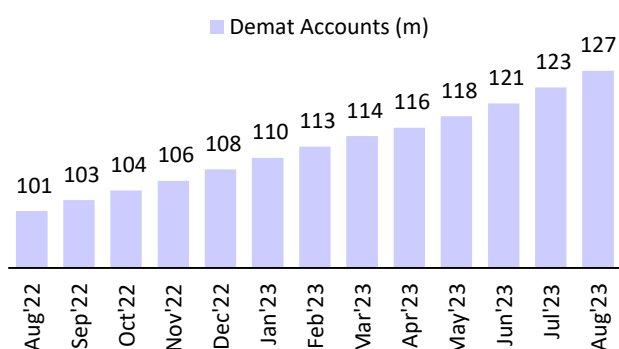
- The mutual fund AUM grew 3.2% and 1.4% MoM in Jul'23 and Aug'23, respectively. Net equity inflows were the highest in the past 15 months for Jul'23 and Aug'23. The growth in equity AUM was primarily backed by strong SIP flows and MTM gains (higher in Jul'23), resulting in MoM growth of 4.6%/2.6% in Jul'23/Aug'23.
- The share of equity AUM improved ~60bp each month in Jul'23 & Aug'23. The SIP flows were strong for Jul'23 and Aug'23 (SIP flows reached its all-time high in Aug'23). The share of equity in overall industry AUM stood at 51.2% in Aug'23 vs. 49.8% for 1QFY24.
- This would translate into healthy operating performance for both CAMS and 360 ONE in 2QFY24.

Exhibit 1: Quarterly performance

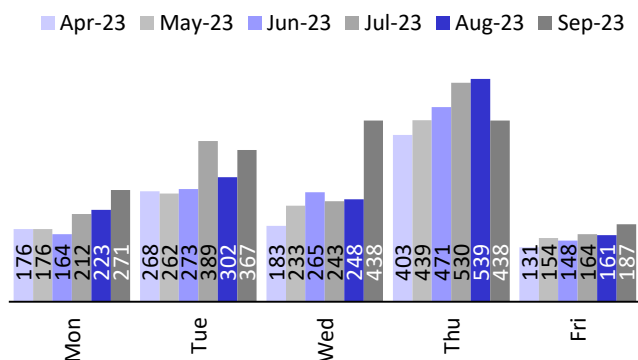
Sector	CMP (INR)	Rating	Revenue/NEP (INR m)			EBITDA/PBT/UP (INR m)			Net profit (INR m)		
			Sep-23	Variance YoY (%)	Variance QoQ (%)	Sep-23	Variance YoY (%)	Variance QoQ (%)	Sep-23	Variance YoY (%)	Variance QoQ (%)
Angel One	1,851	BUY	6,689	47	29	3,776	32	27	2,832	33	28
BSE	1,298	Neutral	2,237	13	4	815	38	13	745	154	-83
CAMS	2,511	BUY	2,787	15.0	6.7	1,223	15.3	11.2	847	17.4	11.9
ICICI Lombard	1,308	BUY	40,975	7	5	-2378	N.A	N.A	3,271	-29	-16
ICICI Securities	621	Under review	9,787	13	5	4,090	1	12	3,076	2	14
360ONE WAM	502	BUY	4,306	13	6	2,301	13	17	1,811	4	-2
MCX	2049	Neutral	1,619	27.1	11.1	-141	N.A	N.A	16	-97.6	-92.0
Star Health	601	BUY	32,480	16	7	-39	N.A	N.A	1,841	98	36
Non-Lending NBFC			100,880	13.3	7.2	9,649	0.7	10.2	14,376	2.4	-5

Exhibit 2: Changes to our estimates

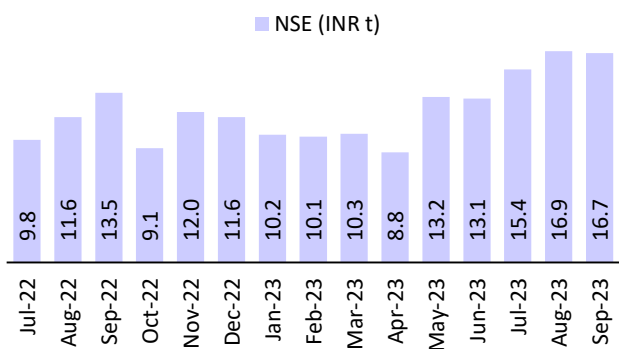
Company	Old estimates (INR)		New estimates (INR)		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Angel One	122.2	146.4	126.4	148.9	3.4%	1.7%
BSE	20.8	27.4	22.2	51.1	26	313.8
CAMS	66.0	81.5	68.8	84.9	4.3	4.1
ICICI Lombard	40.1	48.8	40.1	48.8	0	0
ICICI Securities	39.4	44.3	39.4	43.6	-0.2	-1.5
IIFL Wealth	20.7	24.5	21.4	25.5	3.4	4.1
MCX	14.6	61.5	24.6	76.4	68.2	24.1
Star Health	18.6	22.9	18.6	22.9	0	0

Exhibit 3: Demat accounts surpass 127m mark in Aug'23

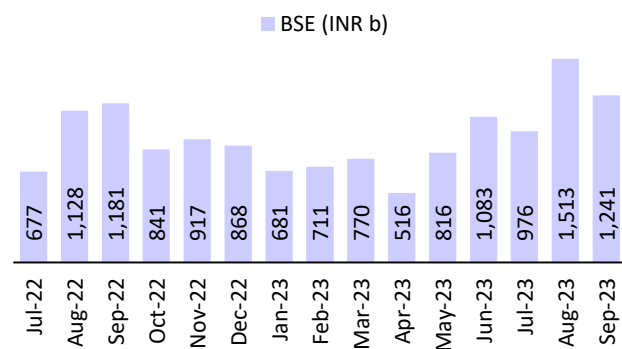
Source: NSDL, CDSL MOFSL

Exhibit 4: NSE F&O volumes surge majority days (INR t)

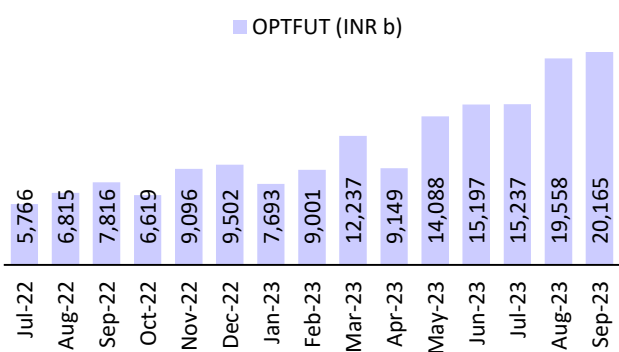
Source: NSE, MOFSL

Exhibit 5: Momentum in NSE cash volumes continued

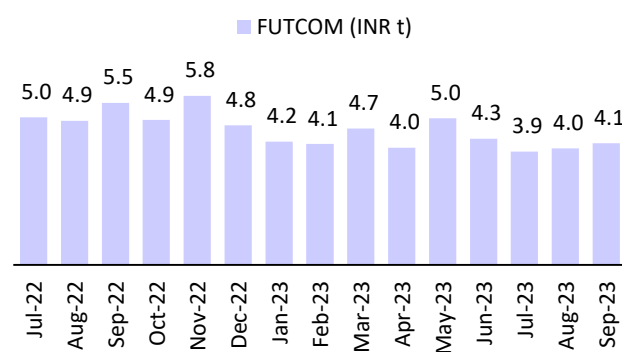
Source: NSE, MOFSL

Exhibit 6: BSE Cash volumes picking up pace

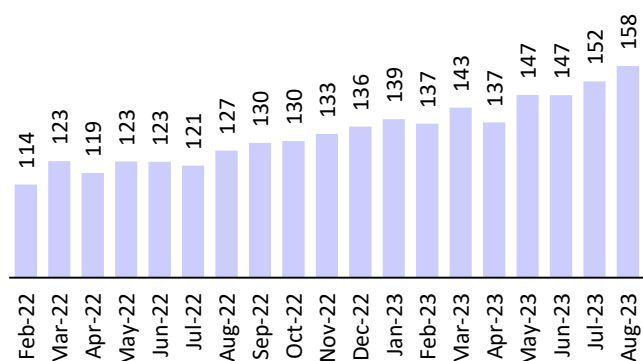
Source: BSE, MOFSL

Exhibit 7: MCX Option volumes surge

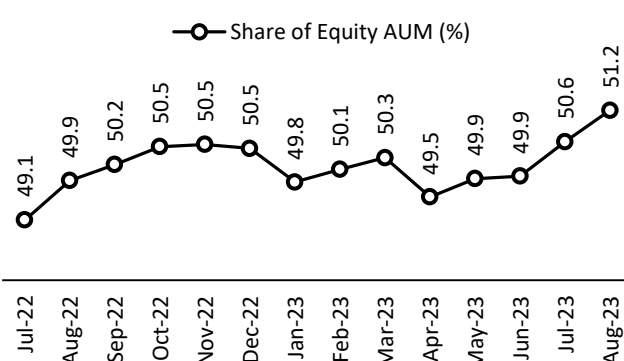
Source: MCX, MOFSL

Exhibit 8: MCX Futures volumes moderated

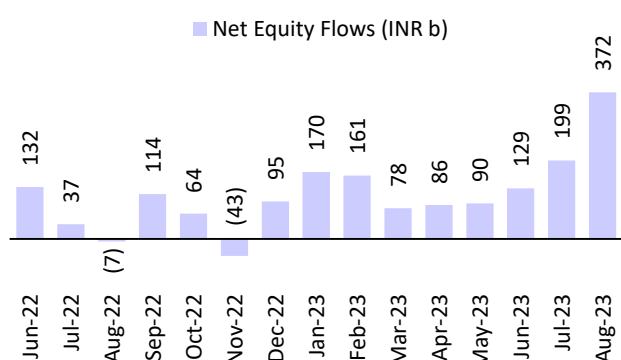
Source: MCX, MOFSL

Exhibit 9: SIP flows remain strong (INR b)

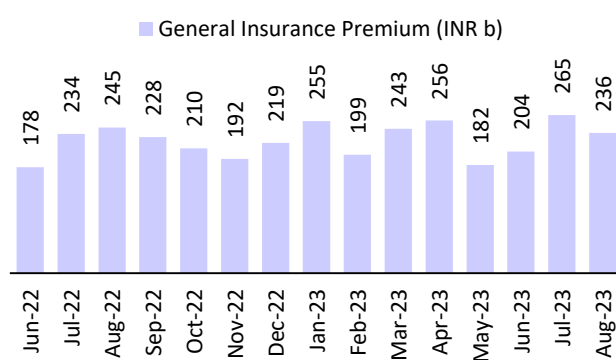
Source: AMFI, MOFSL

Exhibit 10: Share of equity AUM improved

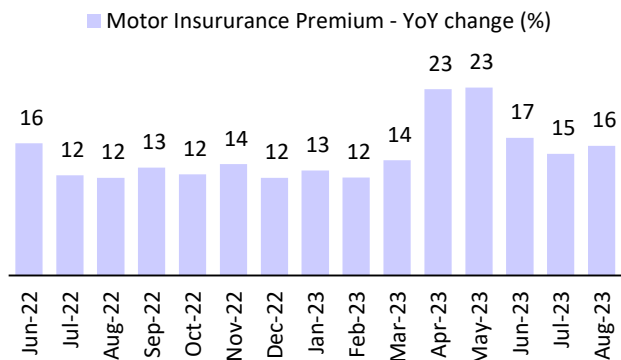
Source: MCX, MOFSL

Exhibit 11: Net equity flows improved

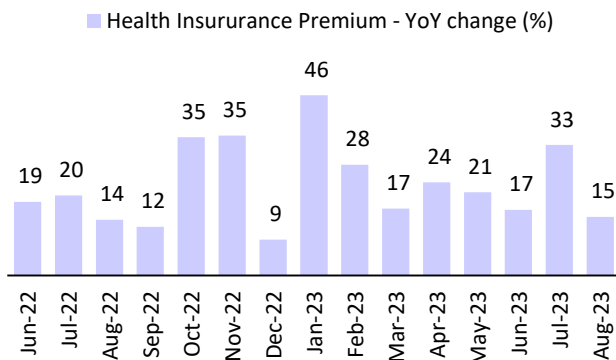
Source: AMFI, MOFSL

Exhibit 12: Strong recovery in general insurance premium

Source: GIC, MOFSL

Exhibit 13: Motor premium growth remains healthy

Source: GIC, MOFSL

Exhibit 14: Steady Health segment growth

Source: GIC, MOFSL

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Angel One

Buy
CMP INR1,851 | TP: INR2,250 (22%)
EPS CHANGE (%): FY24|25: +3.4|+1.7

- Gross client additions improved during the quarter
- The number of orders per day improved during the quarter; F&O volumes continue to trend higher
- With recovery in cash volumes, we expect an increase in MTF book
- Cost-to-income ratio is likely to be flattish during the quarter

Quarterly Performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue from Operations	4,203	4,559	4,625	5,313	5,198	6,689	6,402	6,508	18,700	24,797
Other Income	948	1,029	1,126	1,129	1,088	1,338	1,408	1,508	4,232	5,341
Total Income	5,151	5,588	5,751	6,442	6,286	8,027	7,810	8,016	22,932	30,139
Change YoY (%)	51.2	44.0	29.3	26.4	22.0	43.6	35.8	24.4	36.3	31.4
Operating Expenses	2,660	2,662	2,648	2,736	3,230	4,162	4,167	4,282	10,705	15,841
Change YoY (%)	52.5	30.5	20.9	19.0	21.4	56.4	57.4	56.5	29.4	48.0
Depreciation	65	69	80	89	89	89	89	90	303	355
PBT	2,427	2,857	3,023	3,616	2,967	3,776	3,554	3,645	11,924	13,943
Change YoY (%)	49.6	59.2	36.9	31.8	22.3	32.2	17.6	0.8	42.5	16.9
Tax Provisions	611	721	739	946	759	944	889	899	3,016	3,490
Net Profit	1,816	2,137	2,284	2,670	2,208	2,832	2,666	2,746	8,907	10,452
Change YoY (%)	49.6	59.0	38.7	30.3	21.6	32.6	16.7	2.9	42.5	17.3

BSE

Neutral
CMP INR 1,298 | TP: INR1,380 (6%)
EPS CHANGE (%) FY24|25: +26|+313.8

- Transaction revenue likely to improve as volumes in the cash segment recovered.
- Traction in the derivative segment visible, which will increase option volumes for BSE.
- MF transaction income is likely to improve, driven by a spike in BSE STAR MF transactions
- Withdrawal of Liquidity Enhancement Scheme (LES) will improve profitability

Cons. Quarterly perf.

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue from operations	1,869	1,977	2,040	2,270	2,156	2,237	2,385	2,622	8,154	9,532
YoY Change (%)	19.0	4.8	5.9	10.9	15.4	13.1	16.9	15.5	9.7	16.9
Total Expenditure	1,256	1,386	1,392	1,234	1,437	1,422	1,469	1,562	5,818	5,889
EBITDA	613	591	648	1,036	719	815	916	1,061	2,336	3,643
Margins (%)	32.8	29.9	31.8	45.6	33.4	36.4	38.4	40.4	28.7	38.2
Depreciation	104	122	170	207	214	216	218	229	603	878
Interest	76	74	65	60	65	68	72	70	275	275
Investment income	109	421	410	445	556	470	480	379	1,384	1,885
PBT before EO expense	542	815	823	1,214	996	1,000	1,106	1,141	2,842	4,375
Exceptional items	-116	-457	-258	-84	4,048	0	0	0	-363	0
PBT	426	359	566	1,131	5,044	1,000	1,106	1,141	2,479	4,375
Tax	135	215	230	336	762	350	387	400	916	1,899
Rate (%)	32	60	41	30	15	35	35	35	37	43
P/L of Asso. Cos.	109	150	141	92	119	95	100	111	492	425
Reported PAT	400	294	477	886	4,401	745	819	851	2,055	2,900
Adj PAT	326	234	393	822	625	683	754	779	2,365	3,140
YoY Change (%)	-23	-48	-19	24	1,000	154	72	-4	-16	41
Margins (%)	17.4	11.8	19.3	36.2	29.0	30.6	31.6	29.7	25.2	30.4

CAMS**Buy****CMP INR2,511 | TP: INR2,950 (+17%)****EPS CHANGE (%): FY24|25: +4.3|+4.5**

- While flows were decent during the quarter, MTM gains were high with Nifty reaching its all-time high.
- The share of equities continued to improve, which would be favorable for yields
- Operating leverage to improve profitability
- Growth in non-MF businesses will be keenly tracked, especially, AIF/PMS RTA and Insurance Repository

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue from Operations	2,366	2,424	2,436	2,492	2,613	2,787	2,860	2,909	9,718	11,169
Change YoY (%)	17.6	6.5	2.5	2.5	10.4	15.0	17.4	16.7	6.8	14.9
Employee expenses	933	901	871	876	950	1,000	1,024	1,037	3,581	4,010
Operating expenses	267	274	282	294	327	329	338	343	1,123	1,336
Other Expenses	188	189	200	232	236	234	235	242	803	947
Total Operating Expenses	1,388	1,363	1,354	1,401	1,512	1,563	1,596	1,622	5,506	6,293
Change YoY (%)	28.2	11.9	8.8	7.0	9.0	14.7	17.9	15.7	13.4	14.3
EBITDA	979	1,061	1,082	1,091	1,101	1,223	1,264	1,288	4,212	4,876
Other Income	44	74	71	79	97	95	95	104	268	391
Depreciation	136	147	155	164	165	170	177	183	603	694
Finance Cost	18	18	20	20	20	19	19	18	76	76
PBT	869	970	978	985	1,012	1,129	1,163	1,191	3,802	4,496
Change YoY (%)	2.3	0.5	-4.4	-0.4	16.4	16.5	19.0	20.9	-0.7	18.3
Tax Provisions	223	249	242	242	255	282	291	296	956	1,124
Net Profit	646	721	736	744	757	847	873	896	2,846	3,372
Change YoY (%)	2.2	-0.6	-4.9	0.7	17.1	17.4	18.6	20.4	-0.8	18.5

ICICI Lombard**Buy****CMP INR1,308 | TP: INR1,550 (+19%)****EPS CHANGE (%) FY24|25: 0|0**

- Premium growth to be strong, driven by the health segment (more so the Group segment)
- Claim ratios are expected to moderate, whereas expense ratio is expected to inch up sequentially
- Management change and further traction with ICICI Bank will be vital
- Combined ratio to be under pressure, on the back of higher loss and expense ratio

Quarterly Performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net earned premium	34,682	38,366	37,921	37,260	38,873	40,975	42,862	45,338	1,48,229	1,68,048
Total Income	39,783	44,990	43,620	52,556	45,380	47,820	50,371	53,111	1,80,949	1,96,683
Change YoY (%)	3.8	18.1	13.2	13.4	14.1	6.3	15.5	1.1	12.2	305.3
Incurred claims	24,999	27,933	26,663	27,662	28,815	29,911	30,004	31,826	1,07,256	1,20,556
Total Operating Expenses	36,615	39,888	40,855	39,768	42,068	43,353	45,541	46,443	1,57,126	1,77,405
Change YoY (%)	-3.1	19.0	14.1	9.7	14.9	8.7	11.5	16.8	9.6	300.9
Underwriting profit	-1,933	-1,523	-2,935	-2,508	-3,195	-2,378	-2,679	-1,104	-8,898	-9,357
Adj Net Profit	3,490	4,625	3,525	4,370	3,903	3,271	4,972	6,921	16,011	18,436
Change YoY (%)	79.6	3.6	11.0	39.8	11.8	-29.3	41.1	58.4	26.0	308.6
Rep Net Profit	3,490	5,905	3,525	4,370	3,903	4,551	4,972	6,290	17,291	19,716
Claims ratio	72.1	72.8	70.3	74.2	74.1	73.0	70.0	70.2	72.4	71.7
Commission ratio	2.2	3.5	4.2	2.3	12.5	12.0	11.9	11.8	3.0	12.0
Expense ratio	29.9	28.8	29.9	27.7	17.2	19.0	20.0	20.5	29.1	19.2
Combined ratio	104.1	105.1	104.4	104.2	103.8	104.0	101.9	102.5	104.5	103.0

ICICI Securities

Under review

CMP INR621 | Under Review

EPS CHANGE (%): FY24|25: -0.2|-1.5

- Recovery in cash volumes and growth in the derivative segment to drive retail revenue
- Increase in primary market activities would lead to increase in IE & IB allied revenues.
- MTM gains on mutual funds to drive improvement distribution income
- Operating leverage would lead to moderation in cost-to-income ratio

Quarterly Performance

Y/E March	FY23				FY24E				FY23	FY24
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Revenue from Operations	7,948	8,656	8,799	8,852	9,344	9,787	10,047	10,873	34,255	40,052
Other Income	0	0	0	0	0	0	0	0	0	0
Total Income	7,948	8,656	8,799	8,852	9,344	9,787	10,047	10,873	34,255	40,052
Change YoY (%)	6.3	1.1	-6.6	-0.8	17.6	13.1	14.2	22.8	-0.4	16.9
Operating Expenses	4,277	4,621	5,025	5,320	5,701	5,697	5,823	5,899	19,243	23,120
Change YoY (%)	29.2	19.8	16.3	21.7	33.3	23.3	15.9	10.9	21.3	20.1
PBT	3,670	4,036	3,774	3,532	3,644	4,090	4,224	4,974	15,013	16,932
Change YoY (%)	-11.9	-14.3	-26.0	-22.4	-0.7	1.4	11.9	40.8	-19.0	12.8
Tax Provisions	936	1,032	964	905	935	1,014	1,047	1,236	3,836	4,233
Net Profit	2,735	3,004	2,810	2,627	2,708	3,076	3,176	3,739	11,176	12,699
Change YoY (%)	-12.0	-14.5	-26.1	-22.8	-1.0	2.4	13.0	42.3	-19.2	13.6

360ONE WAM

Buy

CMP INR502 | | TP: INR650 (+25%)

EPS CHANGE (%): FY24|25: +3.4|+4.1

- Improvement in revenue trajectory led by positive MTM gains and TBR income
- Overall yields likely to remain steady as we expect stable product mix QoQ
- Cost-to-income ratio is forecasted to improve due to scale benefits
- Outlook on the new business ventures in terms of mass-affluent segment and entry into new geographies will be keenly monitored.

Quarterly performance

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Revenues	3,747	3,825	4,150	3,929	4,050	4,306	4,485	4,817	15,649	17,658
Change (%)	32.2	21.7	9.7	-7.1	8.1	12.6	8.1	22.6	11.9	12.8
ARR Assets Income	3,017	2,843	3,053	2,797	3,230	3,456	3,560	3,836	10,495	14,082
TBR Assets Income	730	982	1,097	1,132	820	850	925	980	5,154	3,575
Operating Expenses	1,670	1,794	1,863	1,850	2,090	2,005	2,044	2,074	7,184	8,212
Change (%)	9.1	3.7	-16.1	-21.3	25.1	11.8	9.7	12.1	-8.4	14.3
Cost to Income Ratio (%)	44.6	46.9	44.9	47.1	51.6	46.6	45.6	43.1	45.9	46.5
Operating Profits	2,077	2,031	2,286	2,079	1,960	2,301	2,441	2,743	8,465	9,445
Change (%)	59.3	43.7	46.4	10.7	-5.6	13.3	6.8	31.9	37.7	11.6
Other Income	-60	225	-54	-78	290	50	50	60	37	450
Profit Before Tax	2,017	2,255	2,232	2,001	2,250	2,351	2,491	2,803	8,502	9,895
Change (%)	33.6	19.1	12.7	-6.6	11.6	4.3	11.6	40.1	13.1	16.4
Tax	449	512	517	447	401	541	573	645	1,924	2,276
Tax Rate (%)	22.2	22.7	23.2	22.3	17.8	23.0	23.0	23.0	22.6	23.0
PAT	1,568	1,744	1,715	1,554	1,850	1,811	1,918	2,158	6,578	7,619
Change (%)	34.2	21.5	12.0	-6.2	17.9	3.8	11.8	38.9	13.8	15.8
PAT Margins (%)	41.9	45.6	41.3	39.6	45.7	42.0	42.8	44.8	42.0	43.2

MCX**Neutral****CMP INR2,049 | TP: INR1,830 (-11%)****EPS CHANGE (%): FY24| 25: +68.2| +24.1**

- Futures ADTO has remained relatively flat during the quarter despite the launch of mini contracts
- Options volumes continued to surge, led by high volatility in commodity prices
- The payment to 63moons will be at INR1.2b, which lead to marginal profits during the quarter
- Guidance on software transition will be the key monitorable

Quarterly Performance

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	1,088	1,274	1,436	1,338	1,458	1,619	1,683	1,779	5,135	6,538
Yo-Y Gr. (%)	24.2	53.1	60.3	25.6	34.0	27.1	17.2	33.0	40.0	27.3
EBITDA	493	656	327	21	107	-141	-100	1,115	1,497	980
PBT bef. Exceptional items	527	781	485	163	267	20	61	1,173	1,955	1,521
Tax	106	135	90	86	58	4	13	278	416	353
Rate (%)	20.1	17.2	18.5	52.6	21.6	22.0	22.0	23.7	21.3	23.2
Profit from associate	-6	-5	-7	-23	-13	0	0	0	-50	-13
PAT	415	641	388	55	197	16	47	895	1,490	1,155
Y-o-Y Gr. (%)	4	96	13	-85	-53	-98	-88	1,542	4	-22
EPS (INR)	8.2	12.6	7.6	1.1	3.9	0.3	0.9	17.6	29.2	22.6
Total volumes (INR t)	28.7	35.9	40.7	42.0	51.8	67.0	71.7	76.0	147.3	266.5
Y-o-Y Gr. (%)	49.6	71.2	89.0	60.7	80.7	86.3	76.0	81.2	67.7	80.9

Star Health**Buy****CMP INR601 | TP: INR760 (26%)****EPS CHANGE (%): FY24| 25: 0|0**

- Retail health premium growth likely to be strong at 15%+ YoY
- Expense ratio to decline YoY as the share of retail business continues to rise
- With an absolute increase in claims, claims ratio to see a sequential increase.
- Combined ratio to see a slight moderation as expense ratio declines

Quarterly Performance

Y/E March	FY23				FY24E				FY23	FY24E	1QFY24E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Net earned premium	26,871	27,948	28,672	29,125	30,438	32,480	34,339	37,247	1,12,616	1,34,504	31,147
Total Income	28,090	29,181	29,829	30,530	31,898	33,984	35,889	38,874	1,17,630	1,40,644	32,594
Change YoY (%)	20.6	16.1	13.9	11.4	13.6	16.5	20.3	27.3	14.3	19.6	16.0
Incurred claims	17,811	19,060	18,278	18,054	19,909	21,762	21,290	22,487	73,204	85,448	19,934
Total Operating Expenses	25,303	28,079	27,415	29,780	28,983	32,519	32,177	35,804	1,10,570	1,29,483	28,587
Change YoY (%)	-4.8	-4.3	-20.3	4.9	14.5	15.8	17.4	20.2	-6.9	17.1	13.0
Underwriting profit	1,568	-131	1,258	-654	1,454	-39	2,162	1,443	2,046	5,021	2,560
Net Profit	2,132	931	2,105	1,018	2,879	1,841	3,572	2,530	6,186	10,821	3,542
Claims ratio	66.3	68.2	63.7	62.0	65.4	67.0	62.0	60.4	65.0	63.5	64.0
Commission ratio	13.7	13.0	13.7	14.1	13.1	13.7	13.7	14.0	13.7	13.7	13.7
Expense ratio	18.2	16.6	17.4	15.3	19.3	16.3	17.1	13.8	16.7	16.3	17.6
Combined ratio	98.2	97.9	94.8	91.4	97.8	97.0	92.8	88.2	95.3	93.5	95.3

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at

<http://online.reports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (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.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 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)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other 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. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. 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 MOFSL 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. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000.

Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.