

# ICICI Lombard

Estimate change



TP change



Rating change



Bloomberg	ICICIGI IN
Equity Shares (m)	491
M.Cap.(INRb)/(USD\$)	812.3 / 9.7
52-Week Range (INR)	1740 / 1055
1, 6, 12 Rel. Per (%)	-1/11/27
12M Avg Val (INR M)	1023

## Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
NEP	168.7	192.2	223.2
U/W Profit	-9.8	-9.1	-9.2
PBT	25.6	33.0	39.0
PAT	19.2	24.8	29.3
EPS (INR/share)	38.9	50.3	59.4
EPS Growth (%)	11.0	29.1	18.1
BVPS (INR/share)	242.8	276.8	319.9

## Ratios (%)

Claims	70.8	70.0	69.7
Commission	17.0	16.5	16.6
Expense	15.5	15.6	15.2
Combined	103.3	102.2	101.5
RoE	17.2	19.4	19.9

## Valuations

P/E (x)	42.3	32.8	27.8
P/BV (x)	6.8	6.0	5.2

## Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	47.9	48.0	48.0
DII	18.0	18.6	16.8
FII	23.0	22.4	23.4
Others	11.0	11.1	11.8

FII includes depository receipts

**CMP: INR1,649**

**TP: INR2,100 (+27%)**

**Buy**

## Strong show; better guidance for combined ratio

- ICICI Lombard's (ICICIGI) NEP came in line with our estimate at INR44b (up 17% YoY) in 4QFY24. Total investment income was in line with our expectations (3% beat on policyholders account and 5% miss on shareholders account).
- The claims ratio came in at 68.6% vs. 70.0% 3QFY24 (our est. 70.9%). The combined ratio stood at 102.2% vs. 103.6% in 3QFY24 (our est. ~104.3%).
- PAT grew 19% YoY to INR5.2b in 4Q, beating our estimate by 17%. For FY24, PAT came in at INR19.2b vs. INR16b in FY23 (20% growth YoY).
- The company has improved its combined ratio guidance to 101.5% as the exit rate for FY25 vs. 102 earlier.
- Management is upbeat about continued gains in market share in the motor segment and retail health segment. With favourable regulatory moves industry trends would be supportive. With FY24-26 PAT CAGR at 25%, RoE reaching 20% in FY26 and combined ratio expected to improve to 101.5% in FY26, we maintain BUY with a target of INR2,100 (35x FY26 EPS).

## Investment income came in line

- **Gross domestic premium** income grew 17% YoY in 4QFY24 to INR63b, in line with our estimates.
- NEP was broadly in line with our estimate at INR44b, up 17% YoY. NEP for Health business grew 36% YoY, led by 40% growth in group health and 22% growth in retail health. Motor segment was up 7% YoY, and Marine segment grew 26% YoY. NEP in Crop jumped 245% YoY, while it fell 14% YoY in Fire.
- **Underwriting loss** stood at INR2.3b vs. a loss of INR2.8b in 3QFY24.
- **Total investment income** was in line with our expectations (3% beat on policyholders account and 5% miss on shareholders account).

## Claims ratio broadly in line

- **Claims ratio** came in at 68.6% vs. 70.0% in 3QFY24 (our est. 70.9%). The loss ratio for the Motor OD segment declined to 58.4% from 69.4% in 4QFY23 and for the Motor TP, it declined to 73.4% from 86.5% in 4QFY23.
- Combined ratio stood at 102.2% vs. 103.6% in 3QFY24 and 104.2% in 4QFY23 (our est. 104.3%). Excluding the impact of CAT losses of INR1.37b, the combined ratio stood at 102.2% in FY24.
- On a sequential basis, **commission ratio** increased to 19.9% in 4QFY24 from 18% in 3QFY24 (our est. 17.8%).
- **Expense ratio** declined to 13.7% from 15.5% in 3QFY24 (our est. 15.6%).
- **Solvency ratio** was 2.62 vs. 2.57 in 3QFY24.

## Highlights from the management commentary

- By FY25 end, the combined ratio would be 101.5% vs. 102% guided earlier.
- The loss ratio in the OD segment is expected to range around 60-65% and in the TP segment, it is expected to range around 65-70%.

Research Analyst: Prayesh Jain (Prayesh.Jain@motilaloswal.com) | Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Nemin Doshi (Nemin.Doshi@MotilalOswal.com) | Muskan Chopra (Muskan.Chopra@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com](http://www.motilaloswal.com)/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Overall, the combined ratio for the industry was 112.2% in 9MFY24 vs. 116.2% in 9MFY23. For the Motor segment, the combined ratio was 118.2% in 9MFY24 vs. 121.9% in 9MFY23. Compared to 1HFY24, there was a 300bp improvement in 3QFY24 to 115.9%. This reflects some rationality in pricing in the industry.

**Valuation and view: Retain BUY**

Going ahead, growth in the Motor segment is likely to be back-ended, with the company waiting for the rationalization of pricing in the OD segment. In the Health segment, the benefits of price hikes and improving efficiency of the agency channel should translate into better profitability. Scale benefits, a favorable product mix (higher share of retail health), and improvements in efficiencies across channels should help ICICI Lombard improve its combined ratio and RoE over the next couple of years. The management continues to guide for better performance and also expects improvement in the combined ratio by FY25. We maintain a BUY rating on the stock with a TP of INR2,100 (35x FY26E EPS).

Quarterly Performance												(INR m)
Y/E March	FY23				FY24				FY23	FY24	4Q	Act v/s
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY24E	Est. (%)
Gross premium	55,298	53,026	55,997	53,397	66,221	62,723	64,366	62,631	2,10,251	2,55,942	61,819	1.3
Net written premium	36,233	37,059	41,630	40,473	44,676	42,401	46,907	47,672	1,55,395	1,81,656	45,051	5.8
Net earned premium	34,682	38,366	37,921	37,260	38,873	43,061	43,048	43,683	1,48,229	1,68,665	42,103	3.8
Investment income + Trf from SH A/C	5,101	6,625	5,700	15,296	6,507	7,431	6,983	7,935	32,721	28,856	7,696	3.1
<b>Total Income</b>	<b>39,783</b>	<b>44,990</b>	<b>43,620</b>	<b>52,556</b>	<b>45,380</b>	<b>50,492</b>	<b>50,031</b>	<b>51,617</b>	<b>1,80,949</b>	<b>1,97,521</b>	<b>49,799</b>	<b>3.7</b>
Change YoY (%)	3.8	18.1	13.2	13.4	14.1	12.2	14.7	-1.8	12.2	9.2	-5.2	
Incurred claims	24,999	27,933	26,663	27,662	28,815	30,451	30,141	29,987	1,07,256	1,19,395	29,851	0.5
Net commission	782	1,282	1,744	914	5,564	7,371	8,457	9,499	4,722	30,890	8,010	18.6
Opex	10,834	10,673	12,448	11,193	7,689	6,698	7,274	6,516	45,148	28,177	7,044	-7.5
Total operating expenses	36,615	39,888	40,855	39,768	42,068	44,521	45,871	46,002	1,57,126	1,78,462	44,905	2.4
Change YoY (%)	-3.1	19.0	14.1	9.7	14.9	11.6	12.3	15.7	9.6	13.6	12.9	
<b>Underwriting Profit</b>	<b>-1,933</b>	<b>-1,523</b>	<b>-2,935</b>	<b>-2,508</b>	<b>-3,195</b>	<b>-1,460</b>	<b>-2,823</b>	<b>-2,319</b>	<b>-8,898</b>	<b>-9,797</b>	<b>-2,802</b>	<b>N.A</b>
Operating profit	3,168	5,102	2,765	12,788	3,312	5,972	4,160	5,616	23,823	19,059	4,894	14.7
<b>Shareholder's P/L</b>												
Transfer from policyholder's	3,168	5,102	2,765	12,788	3,312	5,972	4,160	5,616	23,823	19,059	4,894	14.7
Investment income	1,711	2,055	2,081	1,910	1,856	2,219	2,088	2,337	7,757	8,500	2,457	-4.9
<b>Total Income</b>	<b>4,879</b>	<b>7,157</b>	<b>4,846</b>	<b>14,698</b>	<b>5,168</b>	<b>8,190</b>	<b>6,248</b>	<b>7,953</b>	<b>31,579</b>	<b>27,559</b>	<b>7,351</b>	<b>8.2</b>
Provisions other than taxation	30	890	9	-89	-182	410	371	800	838	1,399	381	109.9
Other expenses	198	171	185	9,062	150	144	140	175	9,616	608	200	-12.5
<b>Total Expenses</b>	<b>228</b>	<b>1,060</b>	<b>193</b>	<b>8,973</b>	<b>-32</b>	<b>554</b>	<b>511</b>	<b>975</b>	<b>10,454</b>	<b>2,007</b>	<b>581</b>	<b>67.8</b>
<b>PBT</b>	<b>4,651</b>	<b>6,097</b>	<b>4,653</b>	<b>5,725</b>	<b>5,200</b>	<b>7,637</b>	<b>5,737</b>	<b>6,978</b>	<b>21,125</b>	<b>25,552</b>	<b>6,770</b>	
Change YoY (%)	80.1	2.7	10.5	39.5	11.8	25.3	23.3	21.9	25.5	21.0	18.3	
Tax Provisions	1,161	1,471	1,127	1,356	1,297	1,864	1,423	1,783	5,115	6,365.9	1,549	15.1
<b>Adj. Net Profit</b>	<b>3,490</b>	<b>4,625</b>	<b>3,525</b>	<b>4,370</b>	<b>3,904</b>	<b>5,773</b>	<b>4,315</b>	<b>5,195</b>	<b>16,011</b>	<b>19,186</b>	<b>5,221</b>	<b>-0.5</b>
Change YoY (%)	79.6	3.6	11.0	39.8	11.8	24.8	22.4	18.9	26.0	19.8	19.5	
<b>Rep Net Profit</b>	<b>3,490</b>	<b>5,905</b>	<b>3,525</b>	<b>4,370</b>	<b>3,904</b>	<b>5,773</b>	<b>4,315</b>	<b>5,195</b>	<b>17,291</b>	<b>20,466</b>	<b>4,453</b>	<b>16.7</b>
<b>Key Parameters (%)</b>												
NEP mix (%)												
Fire	4.3	4.5	4.4	4.4	3.4	3.8	3.4	4.0	4.4	4.0		
Marine	3.0	2.8	2.9	3.2	3.0	2.9	3.1	3.4	3.0	2.9		
Health including (PA)	28.8	27.8	29.6	30.4	33.9	32.1	35.9	35.3	28.0	30.6		
Motor	58.7	55.1	56.5	56.4	54.1	50.4	50.8	51.3	56.6	53.8		
Others	5.1	9.9	6.6	5.6	5.7	10.8	6.8	6.0	8.0	8.8		
Claims ratio	72.1	72.8	70.3	74.2	74.1	70.7	70.0	68.6	72.4	70.8	70.9	-2.3
Commission ratio	2.2	3.5	4.2	2.3	12.5	17.4	18.0	19.9	3.0	17.0	17.8	2.1
Expense ratio	29.9	28.8	29.9	27.7	17.2	15.8	15.5	13.7	29.1	15.5	15.6	-2.0
Combined ratio	104.1	105.1	104.4	104.2	103.8	103.9	103.6	102.2	104.5	103.3	104.3	-2.1
Solvency	2.6	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.9	3.0	0.0	

**Exhibit 1: Changes in estimates**

Y/E March	New estimates		Old estimates		Change	
	2025E	2026E	2025E	2026E	2025E	2026E
NEP	192.2	223.2	193.2	224.3	-0.5	-0.5
U/W Profit	-9.1	-9.2	-10.3	-10.0	-11.7	-8.2
PBT	33.0	39.0	31.8	38.1	3.7	2.3
PAT	24.8	29.3	23.9	28.6	3.7	2.3
EPS (INR/share)	50.3	59.4	48.5	58.1	3.7	2.3
EPS Growth (%)	29.1	18.1	24.5	19.8		
BVPS (INR/share)	276.8	319.9	275.0	316.8		
<b>Ratios (%)</b>						
Claims	70.0	69.7	70.8	70.2	-0.8	-0.5
Commission	16.5	16.6	16.5	16.6	-	-
Expense	15.6	15.2	15.6	15.2	-	-
Combined	102.2	101.5	102.9	102.0	-0.8	-0.5
RoE	19.4	19.9	18.7	19.6	0.6	0.3

**Highlights from the management commentary****Industry**

- Overall, the combined ratio for the industry was 112.2% in 9MFY24 vs. 116.2% in 9MFY23. For the Motor segment, the combined ratio stood at 118.2% in 9MFY24 vs. 121.9% in 9MFY23. As compared to 1HFY24, there was a 300bp improvement in 3QFY24 to 115.9%. This reflects some rationality in pricing in the industry.
- During the year, ICICIGI gained market shares across segments such as fire, marine Cargo, engineering and liability.
- The industry is expected to see positive momentum ahead as the government is putting in more efforts on infrastructure development.

**Motor Segment**

- There has been a drastic shift in customer preferences, from entry-level cars to SUVs in the last two years i.e. from 37% to 49%.
- New private car segment grew 23% in 4Q and 28% in FY24. New two-wheeler segment growth was 11% in 4Q and 13% in FY24. The growth in both segments was better than in the industry.
- In the new CV segment, ICICIGI saw a decline of 2.1% in Q4 and 1.9% in FY24. The performance was weaker than industry trends.
- ICICIGI was able to service 70% of agency and direct claims through its preferred partner network, up from 54% in Q4FY23.
- For FY25, the company expects mid-single digit growth in private car sales and 8-10% growth in the two-wheeler segment. CV sales are expected to grow in double digits due to strong demand from infra sector.
- The price hike for Motor TP has not been announced yet.
- The loss ratio in the OD segment is expected to range around 60%-65% and in the TP segment, it is expected to range around 65%-70%.
- ICICIGI's share in OEM dealerships has increased to 65% currently from 50-55% at the time of listing.

**Health**

- Retail agency manager count has increased to 1,600 and is expected to rise further.
- The agency channel for retail health remains in focus as it has a lot of potential. The retail health agency vertical grew by 22.8% in FY24.
- The loss ratio in the retail health segment is expected to range around 65-70%. The loss ratio in the book was at 78.9% in FY24 vs. 77.3% in FY23.
- In group health, the loss ratio improved to 88.1% in 4QFY24 from 93.2% in 4QFY23. For FY24, it was at 93.7% vs. 95.2% in FY23.
- In retail health, the loss ratio was 64.6% in 4QFY24 vs. 61% in 4QFY23. For FY24, it was 65.4% vs. 64.1% in FY23.

**Distribution**

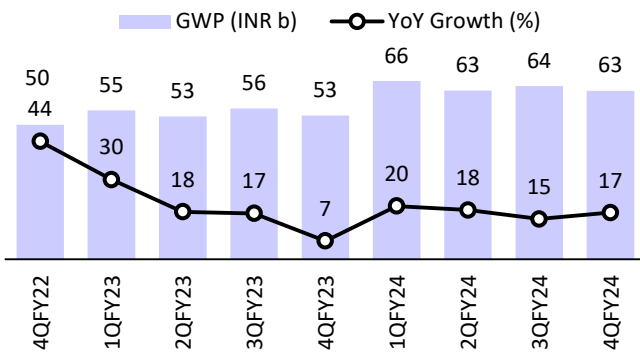
- Bankassurance and key relationship grew 16.7% in 4Q and 20.2% in FY24. Within the ICICI group, distribution grew by 39.4% in Q4 and 22.5% in FY24. During the year, 80 new banca partners were added.
- The digital initiative for the alliance partners contributes around 6-7% of total revenues and grew ~20% YoY.
- 9.3m+ ILTakeCare user downloads vs. 4.6m at the end of FY23. 99.3% of the policies were issued electronically vs. 96.7% in FY23.

**Financials**

- By FY25 end, the combined ratio is expected to be 101.5% vs. 102% guided earlier.
- ICICI Bank has increased its stake in the company to more than 50%, making ICICIGI a subsidiary company.
- IFRS adoption for FY25-26 is still in progress. The company is still waiting for guidelines and standards to be introduced and implemented.
- The synergies from “One IL, One Team” cannot be quantified, but overall contributed to performance improvement and cost reduction.
- About 29.5% of customer acquisition was done digitally.
- The tie-up with Policybazar would help in creating customer value preposition.
- The yield to maturity stood at ~7.4%, and its sustainability depends on the cycle rate ahead. Reductions are expected, but the company is well placed to adapt.
- The return on realized book has improved to ~7.98% in FY24 from ~7.5% in FY23; expects to maintain at 7-7.5%.

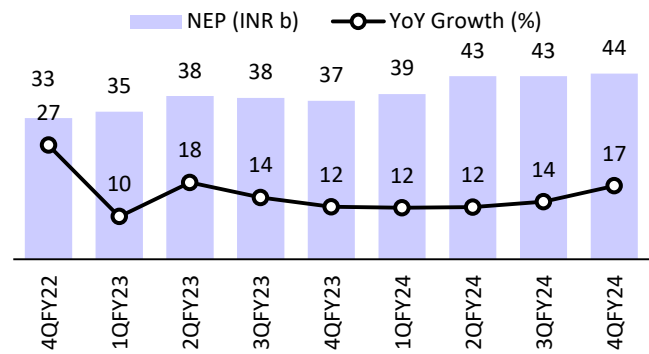
## Key exhibits

Exhibit 2: GWP up 17% YoY at INR63b



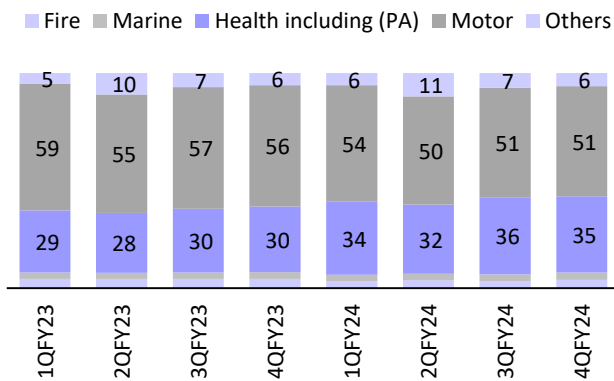
Source: MOFSL, Company

Exhibit 3: NEP growth improved to 17% YoY



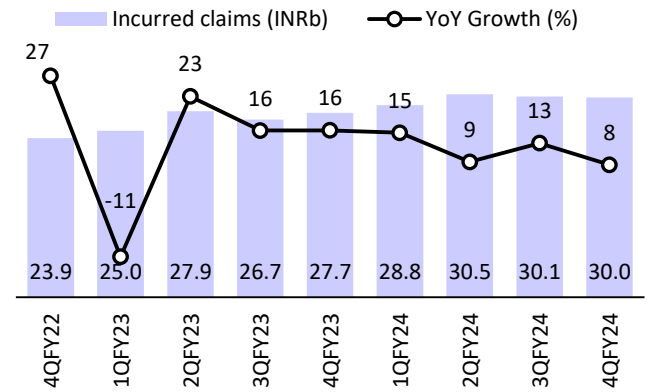
Source: MOFSL, Company

Exhibit 4: Product mix % segment-wise



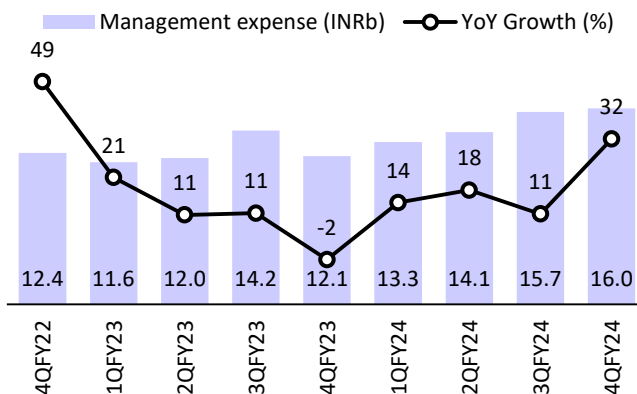
Source: MOFSL, Company

Exhibit 5: Incurred claims were flat QoQ



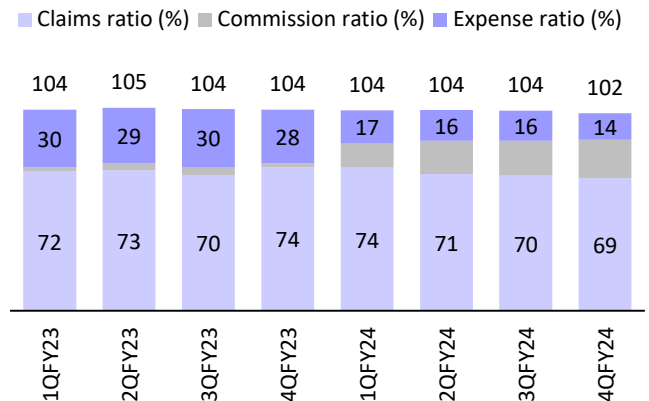
Source: MOFSL, Company

Exhibit 6: Total expense rose sequentially to INR16b



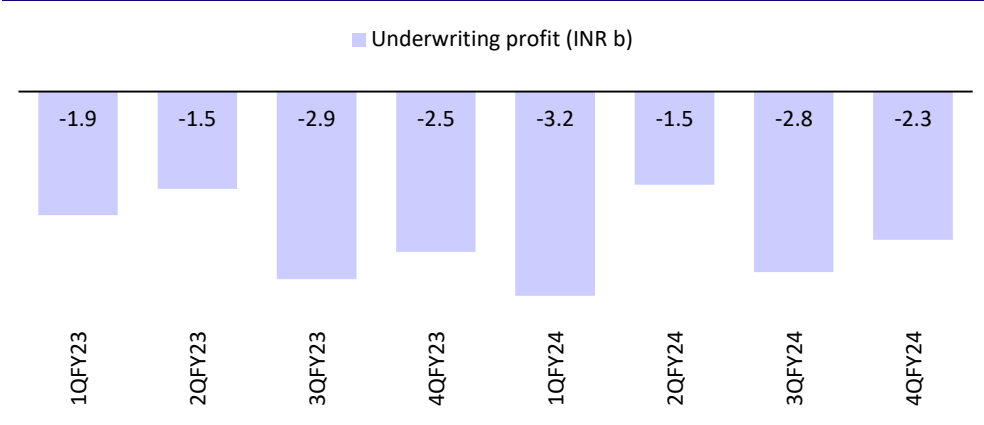
Source: MOFSL, Company

Exhibit 7: Claims ratio declined QoQ; commission ratio increased QoQ



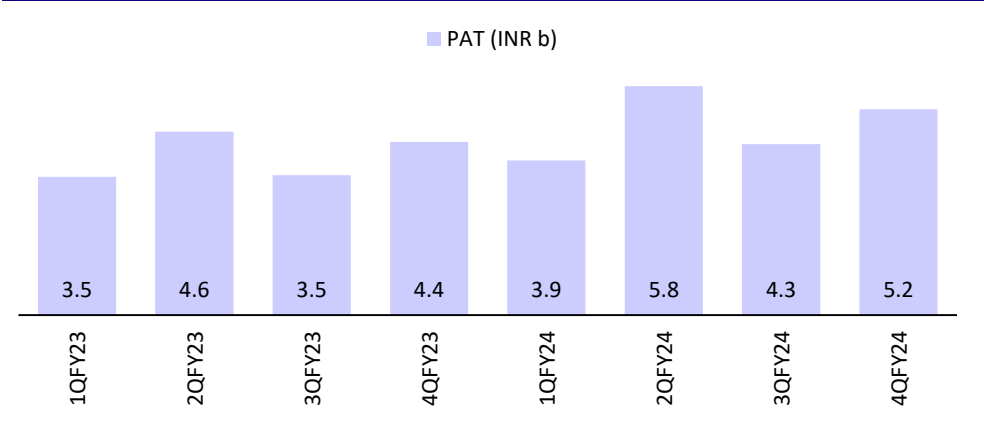
Source: MOFSL, Company

Exhibit 8: Trend in underwriting profit (INR b)



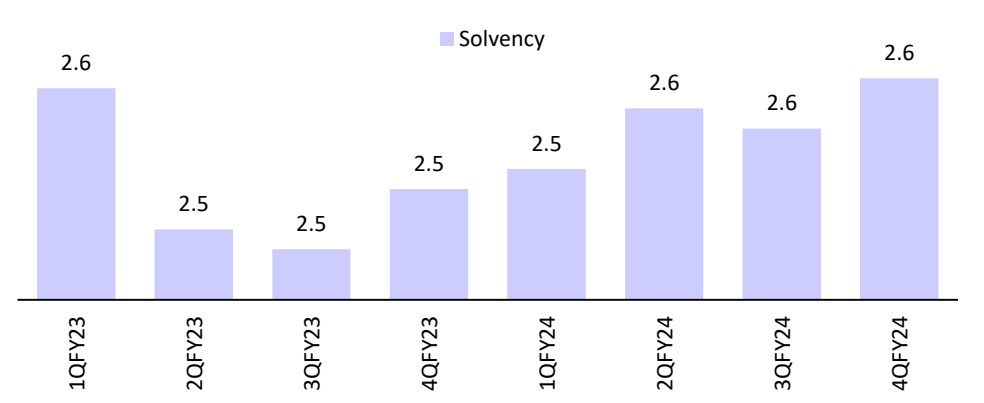
Source: MOFSL, Company

Exhibit 9: Trend in PAT (INR b)



Note: PAT for 2QFY23 is adjusted for tax reversal of INR1.3b, Source: MOFSL, Company

Exhibit 10: Solvency remained healthy



Source: MOFSL, Company

## Financials and valuations

Income Statement						(INR m)	
Y/E March	2020	2021	2022	2023	2024	2025E	2026E
GDP	1,33,128	1,40,031	1,79,769	2,10,251	2,55,942	2,84,497	3,30,331
Change (%)	-8.1	5.2	28.4	17.0	21.7	11.2	16.1
NWP	96,407	1,06,850	1,34,896	1,55,395	1,81,656	2,07,697	2,41,848
<b>NEP</b>	<b>94,036</b>	<b>1,00,140</b>	<b>1,30,321</b>	<b>1,48,229</b>	<b>1,68,665</b>	<b>1,92,217</b>	<b>2,23,205</b>
Change (%)	12.3	6.5	30.1	13.7	13.8	14.0	16.1
Net claims	68,515	68,708	97,819	1,07,256	1,19,395	1,34,638	1,55,503
Net commission	3,639	6,009	6,339	4,722	30,890	34,266	40,181
Expenses	22,931	27,342	39,201	45,148	28,177	32,416	36,725
<b>Underwriting Profit/(Loss)</b>	<b>-1,049</b>	<b>-1,919</b>	<b>-13,038</b>	<b>-8,898</b>	<b>-9,797</b>	<b>-9,103</b>	<b>-9,203</b>
Investment income (PH)	16,492	21,474	30,978	32,721	28,856	33,299	37,399
Operating profit	15,443	19,555	17,940	23,823	19,059	24,196	28,196
Investment income (SH)	4,800	5,170	7,061	7,757	8,500	11,007	13,170
Expenses	3,272	5,185	8,166	10,454	2,007	2,180	2,362
<b>PBT</b>	<b>16,971</b>	<b>19,540</b>	<b>16,835</b>	<b>21,125</b>	<b>25,552</b>	<b>33,022</b>	<b>39,004</b>
Tax	5,031	4,809	4,125	3,835	6,366	8,255	9,751
Tax rate (%)	29.6	24.6	24.5	18.2	24.9	25.0	25.0
<b>PAT</b>	<b>11,940</b>	<b>14,731</b>	<b>12,710</b>	<b>17,291</b>	<b>19,186</b>	<b>24,766</b>	<b>29,253</b>
Change (%)	13.8	23.4	-13.7	36.0	11.0	29.1	18.1

Balance sheet						(INR m)	
Y/E March	2020	2021	2022	2023	2024	2025E	2026E
Equity Share Capital	4,543	4,546	4,909	4,911	4,927	4,927	4,927
Reserves & Surplus	56,797	69,809	86,188	99,016	1,14,678	1,31,436	1,52,688
<b>Net Worth</b>	<b>61,340</b>	<b>74,355</b>	<b>91,097</b>	<b>1,03,928</b>	<b>1,19,605</b>	<b>1,36,363</b>	<b>1,57,615</b>
FV change - Shareholders	-948	1,630	831	512	2,445	2,567	2,696
FV change - Policyholders	-3,338	5,174	2,762	1,621	7,450	7,823	8,214
Borrowings	4,850	4,850	2,550	350	350	350	350
Claims Outstanding	1,80,074	1,82,845	2,49,752	2,69,166	3,09,541	3,56,664	4,11,090
Other liabilities	1,28,440	1,24,123	1,61,492	1,75,286	1,93,692	2,20,310	2,51,426
<b>Total Liabilities</b>	<b>3,70,418</b>	<b>3,92,977</b>	<b>5,08,483</b>	<b>5,50,862</b>	<b>6,33,083</b>	<b>7,24,077</b>	<b>8,31,390</b>
Investments (PH)	2,04,671	2,34,565	2,98,684	3,33,221	3,73,204	4,18,770	4,71,683
Investments (SH)	58,595	74,356	89,179	98,583	1,15,869	1,36,310	1,62,728
Net Fixed Assets	6,765	6,268	5,775	5,640	7,009	7,109	7,209
Def Tax Assets	3,063	3,498	3,456	2,653	2,926	2,634	2,370
Current Assets	96,998	72,013	1,08,463	1,08,734	1,30,730	1,43,803	1,58,183
Cash & Bank	326	2,277	2,926	2,031	3,346	15,452	29,218
<b>Total Assets</b>	<b>3,70,418</b>	<b>3,92,977</b>	<b>5,08,483</b>	<b>5,50,862</b>	<b>6,33,083</b>	<b>7,24,077</b>	<b>8,31,390</b>
E: MOFSL Estimates	-	-	-	-	-	-	-



## Financials and valuations

### Ratios

Y/E March	2020	2021	2022	2023	2024	2025E	2026E
GWP growth	-8.1	5.2	28.4	17.0	21.7	11.2	16.1
NWP growth	1.1	10.8	26.2	15.2	16.9	14.3	16.4
<b>NEP growth</b>	<b>12.3</b>	<b>6.5</b>	<b>30.1</b>	<b>13.7</b>	<b>13.8</b>	<b>14.0</b>	<b>16.1</b>
Claim ratio	72.9	68.6	75.1	72.4	70.8	70.0	69.7
Commission ratio	3.8	5.6	4.7	3.0	17.0	16.5	16.6
Expense ratio	23.8	25.6	29.1	29.1	15.5	15.6	15.2
<b>Combined ratio</b>	<b>100.4</b>	<b>99.8</b>	<b>108.8</b>	<b>104.5</b>	<b>103.3</b>	<b>102.2</b>	<b>101.5</b>

### Profitability Ratios (%)

RoE	20.8	21.7	15.4	17.7	17.2	19.4	19.9
-----	------	------	------	------	------	------	------

Valuations	2020	2021	2022	2023	2024	2025E	2026E
BVPS (INR)	124.5	150.9	184.9	210.9	242.8	276.8	319.9
Change (%)	15.3	21.2	22.5	14.1	15.1	14.0	15.6
<b>Price-BV (x)</b>	<b>13.2</b>	<b>10.9</b>	<b>8.9</b>	<b>7.8</b>	<b>6.8</b>	<b>6.0</b>	<b>5.2</b>
EPS (INR)	24.2	29.9	25.8	35.1	38.9	50.3	59.4
Change (%)	13.8	23.4	-13.7	36.0	11.0	29.1	18.1
<b>Price-Earnings (x)</b>	<b>68.0</b>	<b>55.2</b>	<b>63.9</b>	<b>47.0</b>	<b>42.3</b>	<b>32.8</b>	<b>27.8</b>

E: MOFSL Estimates

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

NOTES

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](http://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://onlinereports.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](http://www.nseindia.com), [www.bseindia.com](http://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") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### 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, not 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/NCDX); 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.