

MAX Financial Services

Estimate change



TP change



Rating change



Bloomberg	MAXF IN
Equity Shares (m)	345
M.Cap.(INRb)/(USDb)	305 / 3.7
52-Week Range (INR)	968 / 599
1, 6, 12 Rel. Per (%)	0/33/19
12M Avg Val (INR M)	900

Financials & Valuations (INR b)

Y/E MARCH	FY23	FY24E	FY25E
Gross Premiums	253.4	287.7	331.6
Sh. PAT	4.4	5.8	6.8
NBP gr - unwt'd (%)	13.3	11.0	16.0
NBP gr - APE (%)	11.3	11.9	16.0
Premium gr (%)	13.1	13.5	15.3
VNB margin (%)	31.2	27.1	28.1
Op. RoEV (%)	22.1	20.0	20.0
Total AUMs (INRb)	1,229	1,474	1,714
VNB(INRb)	19.5	18.8	22.6
EV per Share	377	455	545

Valuations

P/EV (x)	3.0	2.5	2.1
P/EVOP (x)	15.7	15.1	12.6

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	6.5	10.2	14.7
DII	35.1	34.4	31.7
FII	51.5	48.5	45.8
Others	6.8	7.1	7.8

FII Includes depository receipts

CMP: INR884

TP: INR900 (+2%)

Neutral

PAT beat of 36%; VNB margins contract 615bp YoY

RoEV to sustain at 20%

- MAX Financial Services (MAXLIFE) reported a healthy PAT of INR1.6b in 2QFY24 (36% beat) with APE/VNB growth of 39%/12% YoY.
- In 2QFY24, total APE grew 39% YoY to INR16.5b (in line). Absolute VNB grew 12% YoY to INR4.2b (16% miss) and VNB margins came in at 25.2% in 2QFY24 (declined 615bp YoY, our estimate of 30.1%).
- Margin pressure was seen in ULIPs, owing to the new product (index fund), which has lower margins. Annuity margins were lower due to the change in the mix within the segment.
- We have cut our absolute VNB estimate by 6.2%/3.8% for FY24/25, resulting in a VNB margin of 28.1% in FY25 (vs. 29.2% earlier). We reiterate our **Neutral rating on the stock with a TP of INR900, premised on 2.0x Mar'25E EV and a holding company discount of 20%.**

Margins declined due to higher share of par products and pressure on ULIP margins

- Gross written premium grew ~14% YoY (in line) in 2QFY24. New business premium increased 28% YoY, led by 38% YoY growth in first year premium. Renewal premium grew 8% YoY (in line). Shareholders PAT (pre-tax) surged 196% YoY to INR1.6b (36% beat).
- In 2QFY24, total APE grew 39% YoY to INR16.5b (in line). All products witnessed YoY growth, with par products reporting exponential growth of 93% YoY and 107% QoQ. Retail protection was up 92% YoY/80% QoQ. Group protection grew 52% YoY, but declined 19% QoQ. Total protection increased 72% YoY, while ULIP business grew 43% YoY. Non-par savings stood flat YoY, but rose 9% QoQ.
- On a YoY basis, the business mix moved in favor of par products with a 24% share (vs. 17%), while that of Non-par savings declined to 28% in 2QFY24 from 38% in 2QFY23.
- Absolute VNB grew 12% YoY to INR4.2b (16% miss) and VNB margins came in at 25.2% in 2QFY24 (declined 615bp YoY, our estimate of 30.1%). AUM grew ~18% YoY to INR1.34t.
- On the distribution side, Banca APE/Proprietary Channels grew 30%/57% YoY.
- On the cost front, the opex-to-GWP ratio increased 180bp YoY to 22.8%.

Highlights from the management commentary

- The company has maintained its guidance of 27-28% VNB Margins for FY24. Beyond FY24, margin should improve ~100-150bp. The increase in margins will occur due to introduction of new products, leading to a rise in the share of non-par products.

- Max Life also ventured into Health space by launching Max Life “Secure Earnings and Wellness Advantage Plan” (SEWA). This plan provides fixed benefits tailored to address the areas of Death, Health, and Savings. It marks an industry first, featuring a customized wellness ecosystem (Max Fit App) to meet the diverse needs of its customers.
- The counter share with Axis bank has been stable at ~70% (Axis channel grew 28% in 2QFY24 and 12% in 1HFY24), while with Yes bank it has been stable at ~58%.

Valuation and view

Valuation and view: MAXLIFE reported a healthy trend in total APE, driven by strong traction in all segments, except Non-par. Overall, the decline in the share of non-par was offset by higher share of par and protection. APE for Proprietary/Banca channels grew 50%/30% YoY in 2QFY24. The banca and proprietary channels maintained strong trends. VNB margin contracted to 25.2%, whereas Persistency trends were stable. We have cut our absolute VNB estimate by 6.2%/3.8% for FY24/25, resulting in a VNB margin of 28.1% in FY25 (vs. 29.2% earlier). We reiterate our **Neutral stance on the stock with a TP of INR900, premised on 2.0x Mar’25E EV and a holding company discount of 20%.**

Quarterly performance

Policy holder's A/c (INR b)	FY23				FY24				FY23	FY24E	FY24E 2QE	A v/s E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
First Year premium	9.2	11.1	14.6	24.1	9.9	15.3	17.2	23.7	59.0	66.1	15.5	-1%
Growth (%)	14.2%	-9.3%	-5.5%	38.3%	8.0%	37.7%	18.0%	-1.7%	10.9%	12.1%	39.0%	
Renewal premium	26.2	39.1	40.2	58.3	30.1	42.0	49.0	67.2	163.8	188.3	44.1	-5%
Growth (%)	16.7%	12.9%	17.5%	8.4%	15.1%	7.5%	21.7%	15.1%	12.9%	14.9%	12.8%	
Single premium	5.7	7.8	8.0	9.1	8.7	8.9	8.7	7.1	30.6	33.3	8.8	1%
Growth (%)	30.1%	21.3%	26.9%	4.0%	52.8%	14.2%	7.7%	-22.1%	18.3%	8.9%	12.9%	
Gross premium income	41.0	58.0	62.8	91.5	48.7	66.3	74.8	97.9	253.4	287.7	67.3	-2%
Growth (%)	17.8%	8.8%	12.2%	14.4%	18.7%	14.2%	19.0%	7.0%	13.1%	13.5%	16.1%	
PAT	0.9	0.5	2.9	0.7	1.0	1.6	1.7	2.0	4.4	5.8	1.2	36%
Growth (%)	18.2%	-25.4%	155.7%	-56.5%	13.2%	196.2%	-43.7%	191.5%	13.1%	28.8%	117.3%	
Key metrics (INRb)												
New Business APE	10.1	11.9	15.1	25.4	11.1	16.5	18.1	23.7	62.0	69.5	16.4	1%
Growth (%)	15.3	-7.2	-5.2	38.2	10.3	38.8	19.6	-6.5	11.3	11.9	37.3	
VNB	2.1	3.7	5.9	7.7	2.5	4.2	5.1	7.1	19.5	18.8	4.9	-16%
Growth (%)	23.8	-0.3	49.7	31.4	16.0	11.5	-14.7	-7.3	27.6	-3.4	32.0	
AUM (INRb)	1,071	1,134	1,184	1,229	1,291	1,342	1,398	1,474	1,229	1,474	1,348	0%
Growth (%)	14.3	13.3	15.5	14.3	20.5	18.4	18.1	20.0	14.3	20.0	18.9	
Key Ratios (%)												
VNB Margins (%)	21.1	31.3	39.3	30.3	22.2	25.2	28.0	30.1	31.2	27.1	30.1	-493
Solvency ratio (%)	196.0	196.0	200.0	190.0	188.0	184.0	189.0	184.6	192.7	184.6	191.0	-700

Exhibit 1: Quarterly snapshot

Policyholder A/c (INRb)	FY23				FY24		Change	
	1Q	2Q	3Q	4Q	1Q	2Q	YoY	QoQ
Gross premium	41.0	58.0	62.8	91.5	48.7	66.3	14	36
First year premium	9.2	11.1	14.6	24.1	9.9	15.3	38	55
Renewal premium	26.2	39.1	40.2	58.3	30.1	42.0	8	39
Single premium	5.7	7.8	8.0	9.1	8.7	8.9	14	3
Shareholders PAT	0.9	0.5	2.9	0.7	1.0	1.6	196	52
APE data (INRb)								
PAR	1.7	2.0	1.8	2.6	1.9	3.9	93	107
Individual Protection	0.7	0.8	1.1	1.2	0.9	1.6	92	80
Group Protection	1.1	0.7	0.5	0.9	1.2	1.0	52	-19
Non-PAR Savings	2.7	4.5	8.3	14.4	4.2	4.6	2	9
ULIP	3.8	3.9	3.4	6.4	2.8	5.5	43	98
APE (% of total)							Change (bp)	
PAR	17.0	17.0	12.1	10.1	17.0	23.7	669	669
Individual Protection	7.0	7.0	7.0	4.5	8.0	9.7	267	167
Group Protection	11.0	5.5	3.1	3.5	11.0	6.0	52	-502
Non-PAR Savings	27.0	38.1	55.1	56.8	38.0	28.0	-1,012	-1,004
ULIP	38.0	32.5	22.7	25.1	25.0	33.4	91	837
Distribution mix (%)								
Proprietary	34	36	33	41	39	41	483	167
Banca	65	63	66	58	59	59	-415	0
Others	1	1	1	1	2	0	-67	-167
Key Ratios (%)								
Operating ratios								
Opex to GWP ratio (%)	22.9	21.0	20.4	20.5	23.6	22.8	180	-80
Solvency Ratio	196.0	196.0	200.0	190.0	188.0	184.0	-1,200	-400
Profitability ratios								
VNB margins	21.1	31.3	39.3	30.3	22.2	25.2	-615	297
Key Metrics (INRb)								
VNB	2.1	3.7	5.9	7.7	2.5	4.2	12	68
EV	142	147	155	163	169	179	22	6
AUM	1071	1134	1184	1229	1291	1342	18	4
Equity Mix (%)	23.8	23.8	25.2	25.1	26.5	28.1	429	160

Sources: MOFSL, company reports

Highlights from the management commentary

Financials

- In Q2FY24, First Year Premium saw an increase of 32% YoY, compared to 16% YoY growth in the private sector. This growth was primarily driven by a 34% increase in the number of policies.
- The Retail Protection and Health segment (includes the SEWA product with comparable margins) grew 70% in in 2QFY24 and 55% in 1HFY24 YoY.
- The renewal premium income rose 11%YoY to INR 72b, taking the GWP to INR 115b, an increase of 16% YoY in 1HFY24.
- Max Life reported an Embedded Value of INR 179b, while the RoEV over 1HFY24 stood at 17.5%, improving 180 bp YoY.
- The cost is fairly stable. The allocation mix has changed to a certain extent. Post EOM change, the cost of acquisition has remained stable; however, commissions have increased.
- Max Life's AUM stood at INR 1.34t as on Sep'23, up 18% over the previous year.
- Max Life Pension Fund Management Limited AUM increased to INR 4.1b as of Sep'23 against INR 160m in Sep'22.
- Policies with less than INR 0.5m premium are growing at a faster pace (21%) compared with policies worth more than INR 0.5m (6%).

Distribution

- APE for Proprietary channels grew 50% YoY in 2QFY24 and 42% YoY in 1HFY24, driven by both online and offline distribution.
- Contribution of proprietary channels to the total new business premium increased to 40% in 1HFY24 from 35%.
- Last year, Max Life embarked on a project in collaboration with BCG to improve its agency channel, and the efforts have yielded significant results (growth well above industry standards). The increased recruitment of high-quality agents contributed to the expansion of the agency channel in 1HFY24.
- APE for Banca channels grew 30% in 2QFY24 and 15% in 1HFY24 on YoY.
- Direct channel witnessed efficiency.
- Max Life has expanded its distribution capability by signing distribution digital partnership with AU SFB along with 7 new partners in 1HFY24.
- The counter share with Axis bank has been stable at ~70% (Axis channel grew 28% in 2QFY24 and 12% in 1HFY24), while with Yes bank, it has been stable at ~58%.

New Product launches

- In Q2FY24, Max Life launched a few innovative product offerings to capture larger market share.
- It launched an industry-first index fund tailored for small-cap investments, linked to the Nifty Small cap 250 Quality 50 Index, specifically catering to E-commerce and Banca customers.
- Max Life also ventured into Health space by launching Max Life “Secure Earnings and Wellness Advantage Plan” (SEWA). This plan provides fixed benefits tailored to address the areas of Death, Health, and Savings. It marks an industry first, featuring a customized wellness ecosystem (Max Fit App) to meet the diverse needs of its customers.
- Max Life is focused on digital initiatives with a variety of features in the Max fit App.

VNB margins

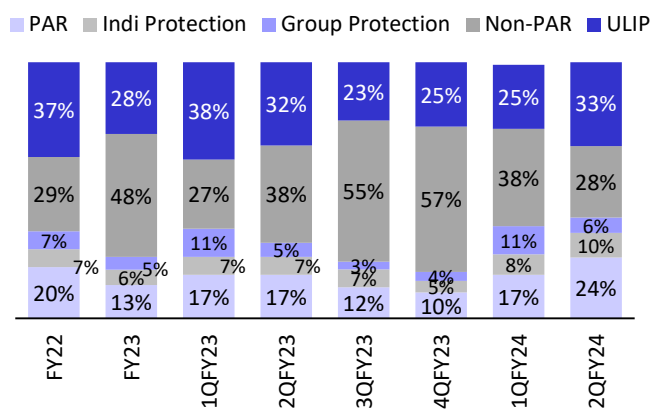
- VNB for Max Life grew 13% YoY to INR 6.6b in 1HFY24. VNB margin stands at 24% in 1HFY24.
- The margins were lower on account of focus toward ULIP and participating products in 1HFY24. Margin pressure seen ULIPs was owing to the new product which has lower margins. Annuity margins were lower due to the change in mix within the segment.
- The company has maintained its guidance of 27-28% VNB margins for FY24. Beyond FY24, margin should improve ~100-150bp.
- The increase in margins will occur due to introduction of new products, leading to a rise in the share of non-par products.

Annuity

- Max Life’s focus on retirement led to growth of 217% in the Annuity business in 1HFY24.
- The investment in team has supported the growth in the annuity business. The channel dedicated to annuity has helped to keep the momentum strong.
- The major part of the growth has come from group annuity products. It is witnessing some pressure on single premium annuity products.

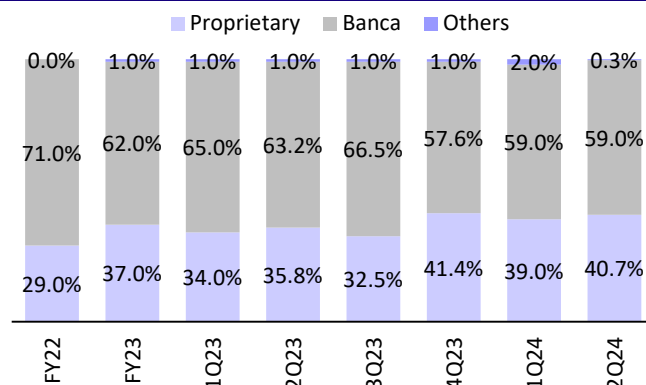
Key exhibits

Exhibit 2: Product mix improves in favor of Par & ULIPs on QoQ basis



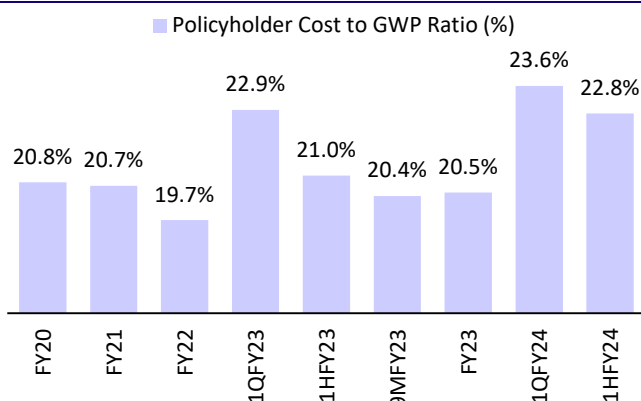
Sources: MOFSL, company reports

Exhibit 3: APE from Proprietary & Banca channel remains dominant



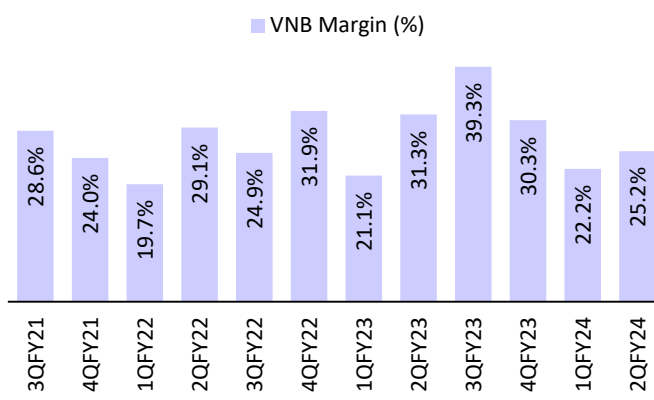
Sources: MOFSL, company reports

Exhibit 4: OPEX-to-GWP ratio stood at 22.8% in 1HFY24



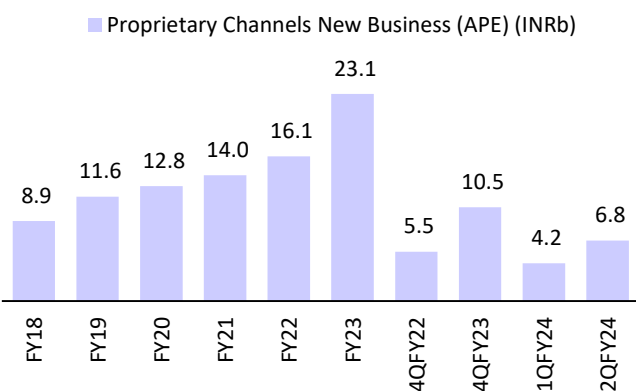
Sources: MOFSL, company reports

Exhibit 5: VNB margin moderates by 615bp YoY to 25.2%



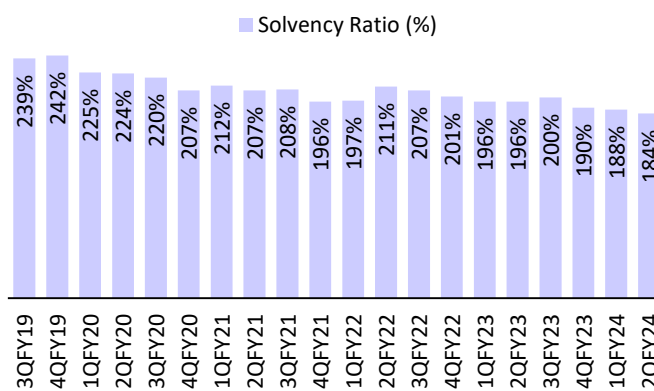
Sources: MOFSL, company reports

Exhibit 6: Proprietary channel APE rises 57% YoY in 2QFY24 as investments made in the past starts to pay off

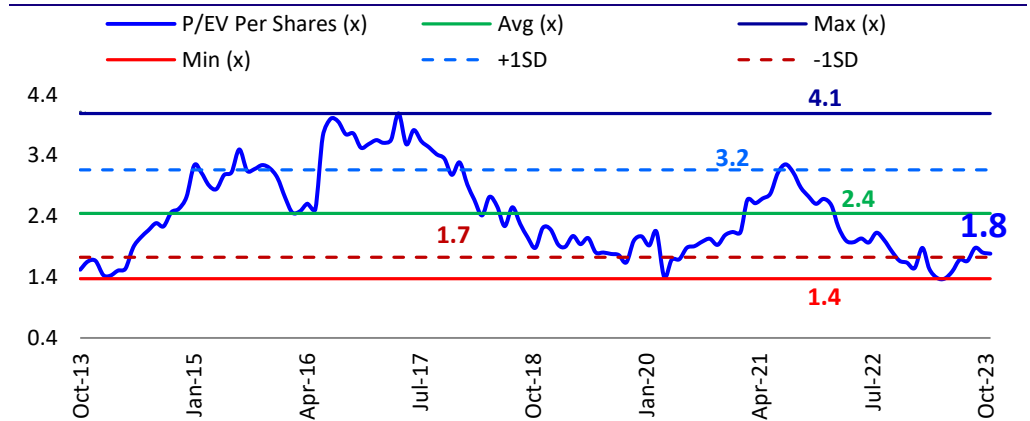


Sources: MOFSL, company reports

Exhibit 7: Solvency ratio stands at 184% as on 2QFY24



Sources: MOFSL, company reports

Exhibit 8: One-year forward P/EV

Source: MOFSL, Company

Exhibit 9: We value MAXLIFE at INR900 per share

Appraisal value method (INR b)	Mar'25E
Embedded value	235
New business profit	22.6
Appraisal value	480
MFS stake post deal	80%
MFS Value	384
MFS valuation per share (INR)	1,114
Appraisal value-to-embedded value (x)	2.0
Holding company discount	20%
Target price (INR)	900
Upside	-3%

Source: MOFSL

Financials and valuations

Technical account (INR m)	FY21	FY22	FY23E	FY24E	FY25E
Gross Premiums	1,90,179	2,24,141	2,53,419	2,87,714	3,31,592
Reinsurance Ceded	2,788	4,272	4,601	4,512	5,208
Net Premiums	1,87,391	2,19,870	2,48,818	2,83,202	3,26,384
Income from Investments	1,21,657	87,408	60,936	73,097	82,508
Other Income	730	878	792	922	1,073
Total income (A)	3,10,230	3,08,155	3,10,547	3,57,222	4,09,975
Commission	12,270	14,028	16,138	20,074	23,159
Operating expenses	27,008	30,192	35,808	41,482	47,857
Total commission and opex	39,277	44,220	51,947	61,556	71,016
Benefits Paid (Net)	70,149	92,772	99,792	1,19,876	1,37,865
Chg in reserves	1,96,686	1,64,581	1,50,603	1,66,772	1,91,314
Prov for doubtful debts	40	18	89	42	49
Total expenses (B)	3,06,153	3,01,592	3,02,430	3,48,229	4,00,228
(A) - (B)	4,077	6,564	8,117	8,993	9,747
Prov for Tax	1,857	2,402	2,120	2,833	3,248
Surplus / Deficit	2,220	4,162	5,997	6,160	6,499

Shareholder's a/c (INR m)	FY21	FY22	FY23E	FY24E	FY25E
Transfer from technical a/c	3,864	2,781	4,563	4,592	5,435
Income From Investments	2,360	3,212	3,143	2,231	2,532
Total Income	6,351	6,033	7,858	7,409	8,632
Other expenses	739	707	785	887	1,003
Contribution to technical a/c	502	1,168	1,999	-	-
Total Expenses	1,249	1,862	2,789	887	1,003
PBT	5,102	4,170	5,069	6,506	7,613
Prov for Tax	(131)	303	694	716	837
PAT	5,232	3,867	4,374	5,791	6,775
Growth	-3%	-26%	13%	29%	17%

Premium (INR m) & growth (%)	FY21	FY22	FY23E	FY24E	FY25E
New business prem - unwtd	68,262	79,049	89,586	99,440	1,15,351
New business prem - WRP	50,327	55,762	62,046	69,459	80,573
Renewal premium	1,21,917	1,45,092	1,63,823	1,88,274	2,16,241
Total premium - unwtd	1,90,179	2,24,142	2,53,409	2,87,714	3,31,592
New bus. growth - unwtd	22.3%	15.8%	13.3%	11.0%	16.0%
New business growth - wrp	18.8%	10.8%	11.3%	11.9%	16.0%
Renewal premium growth	15.0%	19.0%	12.9%	14.9%	14.9%
Total prem growth - unwtd	17.5%	17.9%	13.1%	13.5%	15.3%

Premium mix (%)	FY21	FY22	FY23E	FY24E	FY25E
New business - unwtd					
- Individual mix	91.2%	89.8%	90.2%	90.0%	90.0%
- Group mix	8.8%	10.2%	9.8%	10.0%	10.0%
New business mix - WRP					
- Participating	20.7%	22.6%	14.8%	32.0%	32.1%
- Non-participating	41.6%	38.5%	57.3%	30.5%	30.5%
- ULIPs	37.7%	39.0%	27.9%	37.5%	37.4%
Total premium mix - unwtd					
- Participating	41.3%	NA	32.6%	44.0%	44.1%
- Non-participating	27.7%	NA	41.7%	23.2%	23.2%
- ULIPs	30.9%	NA	25.7%	32.8%	32.7%

Individual prem sourcing mix (%)	FY21	FY22	FY23E	FY24E	FY25E
Individual agents	25.2%	23.0%	22.4%	23.4%	24.4%
Corporate Agents-Banks	63.5%	64.4%	58.9%	63.0%	63.0%
Direct Business	7.0%	8.4%	13.1%	11.6%	10.6%
Others	4.2%	4.2%	5.6%	2.0%	2.0%

Financials and valuations

Balance sheet (INR m)	FY21	FY22	FY23E	FY24E	FY25E
Sources of Fund					
Share Capital	19,188	19,188	19,188	19,188	19,188
Reserves And Surplus	10,589	12,760	16,208	21,320	26,922
Shareholders' Fund	30,079	31,959	35,467	40,522	46,125
Policy Liabilities	5,58,936	6,72,822	8,05,354	7,22,072	7,85,026
Prov. for Linked Liab.	2,54,703	2,94,035	3,03,656	6,04,547	7,23,881
Funds For Future App.	29,819	32,369	35,803	49	323
Current liabilities & prov.	28,853	37,214	38,656	42,521	46,774
Total	9,41,082	11,20,549	12,81,208	14,82,674	16,91,642
Application of Funds					
Shareholders' inv	38,484	51,477	55,042	74,307	1,00,315
Policyholders' inv	5,81,847	6,89,187	8,21,021	9,51,722	10,93,061
Assets to cover linked liab.	2,83,736	3,34,432	3,52,502	3,73,652	3,96,072
Loans	5,322	6,661	9,248	14,150	21,649
Fixed Assets	2,213	2,604	3,452	4,039	4,725
Current assets	29,480	36,189	39,942	43,138	46,589
Total	9,41,082	11,20,550	12,81,208	14,82,674	16,91,642
Operating ratios (%)					
Investment yield	15.3%	9.1%	5.9%	5.8%	5.9%
Commissions / GWP	6.5%	6.3%	6.3%	7.0%	7.0%
- first year premiums	17.5%	18.0%	18.7%	22.8%	22.7%
- renewal premiums	2.7%	2.5%	2.5%	2.5%	2.5%
- single premiums	1.4%	1.8%	1.6%	1.0%	1.0%
Operating expenses / GWP	14.2%	13.5%	14.2%	14.4%	14.4%
Total expense ratio	20.7%	19.7%	20.5%	21.4%	21.4%
Claims / NWP	37.4%	42.2%	40.1%	42.3%	42.2%
Solvency ratio	202%	201%	193%	185%	181%
Persistency ratios (%)					
13th Month	84.0%	85.0%	84.0%	85.0%	86.0%
25th Month	71.0%	68.0%	68.0%	69.0%	70.0%
37th Month	63.0%	61.0%	61.0%	61.5%	62.0%
49th Month	58.0%	56.0%	57.0%	57.5%	58.0%
61st Month	54.0%	50.0%	51.0%	51.5%	52.0%
Profitability ratios (%)					
New business margin (%)	25.2%	27.4%	31.2%	27.1%	28.1%
RoE (%)	18.7%	12.5%	13.0%	15.2%	15.6%
Operating RoEV	18.5%	19.2%	22.1%	20.0%	20.0%
RoEV (%)	18.6%	19.8%	14.7%	20.7%	19.9%
Valuation ratios					
Total AUMs (INR bn)	904	1,075	1,229	1,474	1,714
EPS (Rs)	11.0	8.1	9.2	13.4	15.7
Value of new business (INRb)	12.5	15.3	19.5	18.8	22.6
Embedded Value (INR bn)	118.4	141.8	162.6	196.2	235.3
EV Per share (INR)	274.3	328.6	377.0	454.9	545.4
P/EV (x) - after 20% holdco disc	4.2	3.5	3.0	2.5	2.1
P/EPS (x)	103.9	140.6	124.3	79.8	68.2
P/EVOP(x)	26.6	21.7	15.7	15.1	12.6
P/VNB(x)	39.5	32.3	25.3	26.2	21.8

Note: Valuation ratios adjusted for MFS stake (80%) and holding company discount of 20%

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

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.