

Life Insurance Corporation

Estimate change



TP change



Rating change



Bloomberg	LICI IN
Equity Shares (m)	6325
M.Cap.(INRb)/(USDb)	5597.6 / 63.8
52-Week Range (INR)	1160 / 715
1, 6, 12 Rel. Per (%)	-3/4/22
12M Avg Val (INR m)	1293

Financials & Valuations (INR b)

Y/E MARCH	FY25	FY26E	FY27E
Net Premiums	4,881	5,184	5,515
Surplus / Deficit	401.4	457.3	518.7
Sh. PAT	481.5	521.6	591.0
VNB margin (%)	17.6	18.0	18.5
RoEV (%)	6.8	11.7	11.5
Total AUM (INRt)	54.5	63.0	70.5
APE (INRb)	568.3	596.5	642.8
VNB (INRb)	100.1	107.4	118.9
EV per share	1,228	1,372	1,529

Valuations

P/EV (x)	0.7	0.6	0.6
P/EVOP (x)	6.8	7.2	6.5

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	96.5	96.5	96.5
DII	1.4	1.3	0.9
FII	0.1	0.1	0.2
Others	2.0	2.1	2.4

FII Includes depository receipts

CMP: INR 885

TP: INR 1,080 (+22%)

Buy

APE and VNB in line; VNB margin expands to 15.4%

- In 1QFY26, LIC reported net premium income of INR1.2t (in line), up 5% YoY. Renewal premium grew 6% YoY to INR599b, while first-year/single premium grew 1%/4% YoY to INR75b/INR519b.
- New business APE rose 9% YoY to INR127b (in line), with individual APE growing 9% YoY to INR70.6b and group APE rising 16% YoY to INR55.9b.
- Absolute VNB grew 21% YoY to INR19b (in line). VNB margin improved YoY to 15.4% from 13.9% in 1QFY25 but was slightly below our expectation of 16%.
- Management expects premium growth to recover in 2HFY26 and the focus remains on absolute VNB growth. VNB margin improvement will be driven by product mix shift toward non-par, cost optimization, higher contribution from high-ticket size products, and improvement in persistency.
- We have kept our FY26/FY27 estimates unchanged considering the in-line performance in 1QFY26. **Reiterate BUY with a TP of INR1,080 (premised on 0.7x FY27E EV).**

Product mix shift to non-par results in VNB margin expansion

- Individual APE growth of 9% YoY was driven by 33% YoY growth in non-par APE to INR21.4b, which was offset by a 4% YoY decline in par APE to INR49.2b.
- The strong growth in non-par business resulted in a rise in non-par contribution to 16.9% from 14% in 1QFY25 of the total APE. This led to a 150bp expansion in VNB margin for 1QFY26.
- Commission expenses declined 3% YoY to INR49.5b and operating expenses fell 10% YoY to INR75.5b, resulting in expense of management ratio of 10.5%, improving 140bp YoY.
- Income from investments in policyholders' accounts grew 7% YoY to INR1,029.3b, while it increased 52% YoY to INR17.8b in shareholders' accounts. Total AUM grew 6% YoY to INR57t (in line). Yield on investment for policyholders' accounts declined slightly to 8.45% from 8.54% in 1QFY25.
- On the distribution front, contribution from agency channel was at 92.3% in 1QFY26 (95.8% in 1QFY25), with individual NBP growing 2% YoY. Individual NBP from bancassurance grew strongly by 72% YoY, with contribution growing to 4.2% (2.6% in 1QFY25) with enhanced focus on building omni-channel distribution network.
- LIC maintains the highest agency force in the country with ~1.5m agents, of which 51.56% have a vintage of more than five years. This constitutes 47.1% of the industry agency force. The company now has tie-ups with 94 bancassurance partners, 295 brokers and 177 corporate agents, reflecting a massive distribution network spread across the country.
- The 13th/37th/61st month persistency stood at 70.9%/64.3%/58.3% in 1Q, witnessing a YoY decline across cohorts (except 49th month persistency).
- Solvency improved to 217% in 1QFY26 from 199% in 1QFY25.

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

Research Analyst: Kartikeya Mohata (Kartikeya.Mohata@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.

Highlights from the management commentary

- Several steps have been taken to improve margins: (1) rising proportion and demand of non-par products, which carry higher margins; (2) redesigning of non-par guaranteed products following IRDAI regulation changes, and (3) shift toward high-ticket products with stronger persistency and profitability.
- Across lines, VNB margins have either stabilized or improved, with the most notable gains in the individual non-par segment.
- While agency productivity in terms of number of policies has moderated, the average ticket size has risen 23% and sum assured has increased 15%. LIC expects policy count-based productivity to improve going forward.

Valuation and view

- LIC maintains its industry-leading position and focuses on achieving growth recovery through wider product offerings, higher ticket sizes, a shift in the product mix toward non-par, agency channel expansion, and a higher contribution from bancassurance and alternate channels. A shift toward higher-margin non-par products and improvement in persistency will boost VNB margin going forward. The company is also working on enhancing its digital capabilities for cost optimization. We have kept our FY26/FY27 estimates unchanged considering the in-line performance in 1QFY26. **Reiterate BUY with a TP of INR1,080 (premised on 0.7x FY27E EV).**

Qty Performance

Policy holder's A/c (INRb)	FY25				FY26				FY25	FY26	1Q FY26E	Actual vs est	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE					
First year premium	75	112	73	111	75	114	80	123	370	392	78.3	-4%	
Growth (%)	10%	12%	-14%	-20%	1%	1%	10%	11%	-5%	6%	4.9%		
Renewal premium	564	619	646	791	599	647	674	832	2,621	2,752	591.6	1%	
Growth (%)	5%	4%	3%	2%	6%	4%	4%	5%	4%	5%	4.8%		
Single premium	500	469	351	577	519	512	379	638	1,898	2,049	542.9	-4%	
Growth (%)	31%	24%	-24%	-6%	4%	9%	8%	11%	3%	8%	8.6%		
Net premium income	1,138	1,199	1,069	1,476	1,192	1,296	1,141	1,556	4,881	5,184	1,192.4	0%	
Growth (%)	16%	12%	-9%	-3%	5%	8%	7%	5%	3%	6%	4.8%		
PAT	105	76	111	190	110	83	125	203	482	522	109.5	0%	
Growth (%)	10%	-4%	17%	38%	5%	10%	13%	7%	19%	8%	4.7%		
Key metrics (INRb)													
New business APE	116	165	100	189	127	173	107	190	568	597	122.3	3%	
Growth (%)	21%	26%	-24%	-11%	9%	5%	8%	1%	0%	5%	5.8%		
VNB	16	29	19	35	19	31	20	37	100	107	19.6	-1%	
Growth (%)	23%	47%	-27%	-3%	21%	6%	3%	4%	4%	7%	21.5%		
AUM (INRt)	54	55	55	55	57	59	61	63	55	63	58.3	-2%	
Growth (%)	16%	17%	10%	6%	6%	6%	10%	16%	6%	16%	8.9%		
Key Ratios (%)													bps
VNB Margins (%)	13.9	17.9	19.4	18.7	15.4	18.0	18.5	19.5	17.6	18.0	16.0	-63	
Solvency ratio (%)	199.0	198.0	202.0	211.0	217.0	-	-	-	211	217.7			

	FY25				FY26		Change (%)	
	1Q	2Q	3Q	4Q	1Q	YoY	QoQ	
Net premium income	1,137.7	1,199.0	1,068.9	1,475.9	1,192.0	5	-19	
First year premium	74.7	112.0	72.8	110.7	75.3	1	-32	
Renewal premium	564.3	619.1	645.9	791.4	598.8	6	-24	
Single premium	500.0	469.4	351.4	576.8	519.2	4	-10	
Investment income	961.8	1,089.7	943.4	931.3	1,029.3	7	11	
Other income	1.5	1.4	1.5	2.2	1.3	-11	-42	
Trf from Shholder's a/c	8.1	6.0	6.2	6.8	6.0	-26	-12	
Total income (A)	2,109.1	2,296.2	2,019.9	2,416.3	2,228.6	6	-8	
Commission paid	50.9	65.4	59.7	77.1	49.5	-3	-36	
First year premium	20.2	27.5	19.6	27.9	17.4	-14	-38	
Renewal premium	29.2	32.2	33.5	46.5	30.8	6	-34	
Single premium	0.9	1.6	1.3	2.7	1.2	36	-53	
Operating expense	84.3	97.5	84.5	87.8	75.5	-10	-14	
Total commission & Opex	135.2	162.9	144.2	165.0	125.0	-8	-24	
Benefits paid	818.6	975.6	946.8	1,422.5	970.6	19	-32	
Change in actuarial liability	1,031.5	1,082.5	799.1	620.2	1,011.6	-2	63	
Total Expenses (B)	1,984.3	2,212.6	1,893.5	2,194.2	2,103.4	6	-4	
PBT	124.8	83.6	126.5	222.1	125.2	0	-44	
Tax	15.9	11.0	16.9	33.9	15.8	0	-53	
Surplus/(Deficit)	108.9	72.5	109.5	188.2	109.4	0	-42	
Shareholder A/c								
Trf from Policyholder a/c	107.8	72.4	109.0	184.0	107.9	0	-41	
Investment Income	11.8	14.6	16.0	17.6	17.9	52	1	
Total income	119.6	87.0	124.9	201.6	125.8	5	-38	
PBT	104.6	76.2	110.6	190.1	110.1	5	-42	
Tax	-	-	-	-	0.2			
PAT	104.6	76.2	110.6	190.1	109.9	5	-42	
New Business APE	124.7	159.0	108.0	168.4	126.5	9	-33	
Key Ratios (%)								
Operating ratios								
Commission (unwtd)	4.5	5.4	5.6	5.2	4.1	-32bp	-107bp	
Opex (unwtd)	7.4	8.1	7.9	5.9	6.3	-108bp	39bp	
Total Cost	11.9	13.6	13.5	11.2	10.5	-140bp	-68bp	
Solvency ratio	199.0	198.0	202.0	211.0	217.0	1800bp	600bp	
Profitability ratios								
VNB margin	13.9	17.9	19.4	18.7	15.4	147bp	-338bp	
Persistency ratios								
13th Month	72.4	68.2	68.6	68.6	70.9	-145bp	228bp	
25th Month	68.8	65.0	64.7	65.4	66.0	-283bp	63bp	
37th Month	66.4	60.5	60.9	59.6	64.3	-210bp	467bp	
49th Month	60.7	56.5	56.0	56.1	62.9	218bp	676bp	
61st Month	58.4	54.8	59.7	58.5	58.3	-10bp	-23bp	
Key Metrics (INR b)								
VNB	16.1	29.4	19.3	35.3	19.4	21	-45	
EV	NA	8,217.2	NA	7,768.8	NA			
AUM	53,590.0	55,395.2	54,776.5	54,523.0	57,050.0	6	5	



Highlights from the management commentary

Business highlights

- LIC's individual and group market shares stood at 38.76% and 76.54%, respectively (vs. 39.27% and 76.59% in 1QFY25).
- The number of policies sold declined 15% YoY, impacted by changes in surrender value regulations; however, this also led to a shift toward higher ticket-size products. Growth is expected to pick up meaningfully in 2HFY26.
- Policy sales via the Ananda app rose 39.4% YoY, reflecting progress in digital adoption.
- Several steps have been taken to improve margins: (1) rising proportion and demand of non-par products, which carry higher margins; (2) redesigning of non-par guaranteed products following IRDAI regulation changes, and (3) a shift toward high-ticket products with stronger persistency and profitability.
- The company's dividend payouts have increased consistently from INR1.5/share in FY22 to INR12/share in FY25 and this trajectory is expected to sustain. LIC aims to maintain solvency in the 1.8-2.0x range, balancing growth ambitions with potential regulatory changes that could impact solvency.
- Economic assumptions were impacted (50-75bp) by interest rate changes, while operating assumptions contributed positively owing to expense efficiencies and improved long-term persistency. Mortality experience remains stable, with a favorable effect from higher ticket-size products.
- Individual VNB margin improved to 23-24% in 1QFY26 from 21% in 4QFY25.
- Monthly premium mode accounts for 10-15% of policies.
- LIC is leveraging a combination of workforce rationalization and technology for cost optimization. The goal is expense optimization rather than outright reduction.
- Digital transformation is in focus, with AI/ML being integrated into the decision-making process across all departments. The company is also working with fintech partners to enable seamless digital services and it aims to remain competitive on the digital front.
- LIC is currently evaluating a health insurance foray through the acquisition of a stake in a standalone health insurer. However, this is contingent on further regulatory developments expected on the composite license proposal.
- The government's stake in LIC is targeted to come down to 90% by 2027, with dilution expected in tranches.

Product mix and VNB margin

- ULIP witnessed strong growth due to a low base, while savings and annuity had a higher base. While non-par product margins were the highest, par product margins improved due to repricing. Strong ULIP growth led to a robust increase in absolute VNB resulting in margin improvement.
- Management remains focused on scaling up the non-par business, which will support continued improvement in overall VNB margins. While margin improvement remains an objective, business growth and customer demand remain the key priorities. Improved longevity assumptions and a stronger focus on protection in the group business have also supported VNB margin improvement.

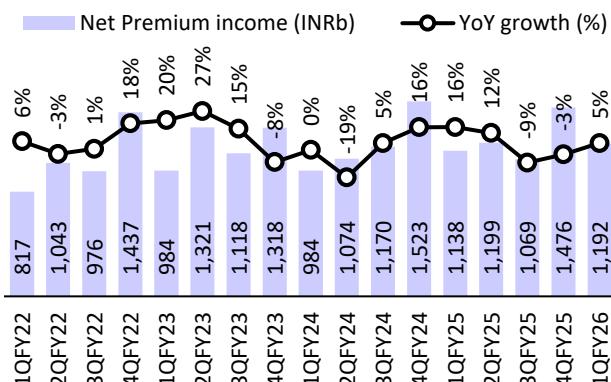
- Group business VNB margin varies by product but is higher in the assurance segment. Group business contributes ~30% of overall VNB and remains a strategic segment, especially on the assurance side.
- Annuity products are expected to gain relevance as the senior citizen population rises. Cross-selling and upselling opportunities remain strong, and the company's strategy is to sell customer-centric solutions.
- Across the lines, VNB margins have either stabilized or improved, with the most notable gains in the individual non-par segment.

Distribution

- LIC added 61,000 agents over the past year, maintaining its agent market share at 47.11% (vs 48.64% in 1QFY25).
- While agency productivity in terms of number of policies has moderated, the average ticket size has risen 23% and sum assured has increased 15%. The company expects policy count-based productivity to improve going forward.

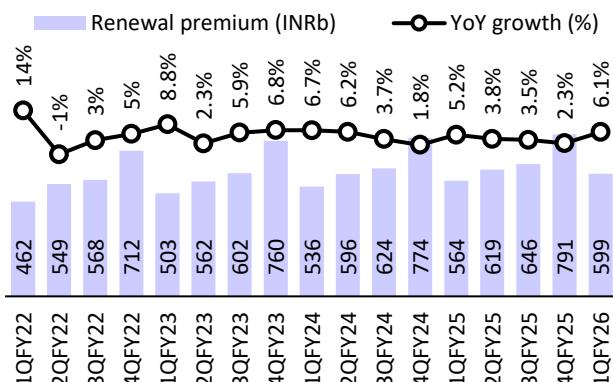
Key exhibits

Exhibit 1: Net premium income increased 5% YoY in 1QFY26



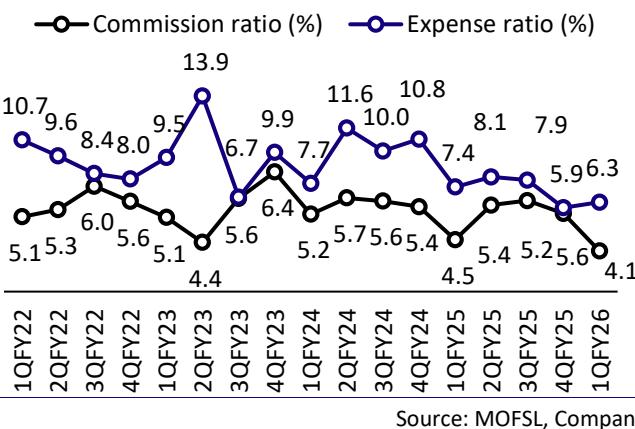
Source: MOFSL, Company

Exhibit 2: Renewal book grew 6% YoY in 1QFY26



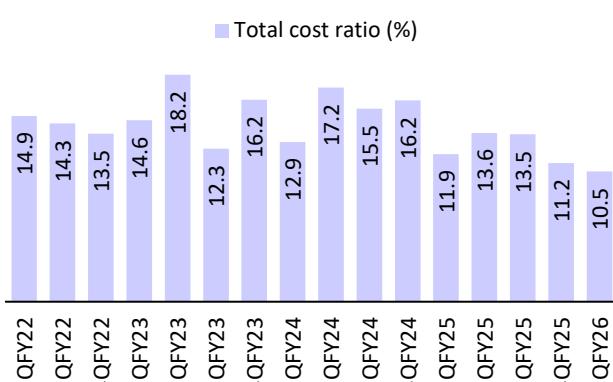
Source: MOFSL, Company

Exhibit 3: Trend in expense and commission ratio



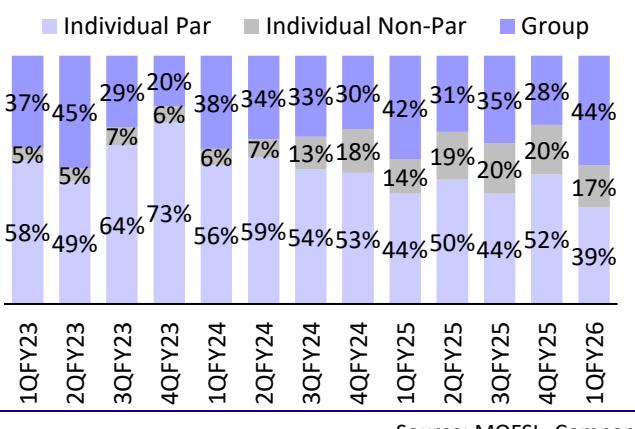
Source: MOFSL, Company

Exhibit 4: Total cost ratio declined YoY to 10.5%



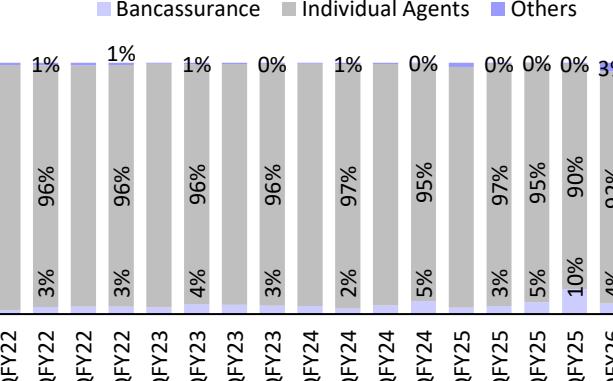
Source: MOFSL, Company

Exhibit 5: Share of non-par business grew YoY to 17% of total APE



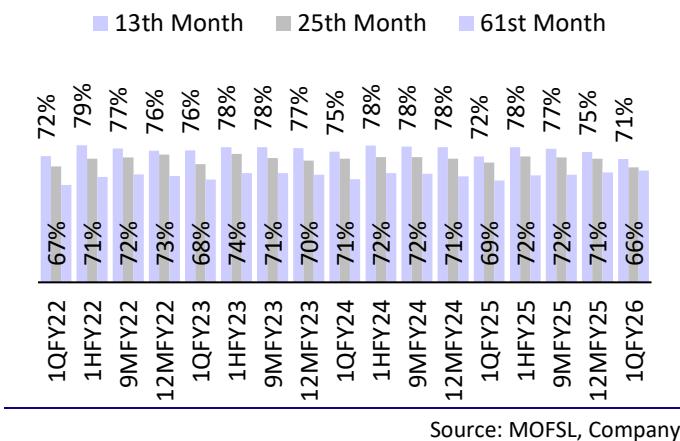
Source: MOFSL, Company

Exhibit 6: Non-agency contribution increasing YoY in the mix



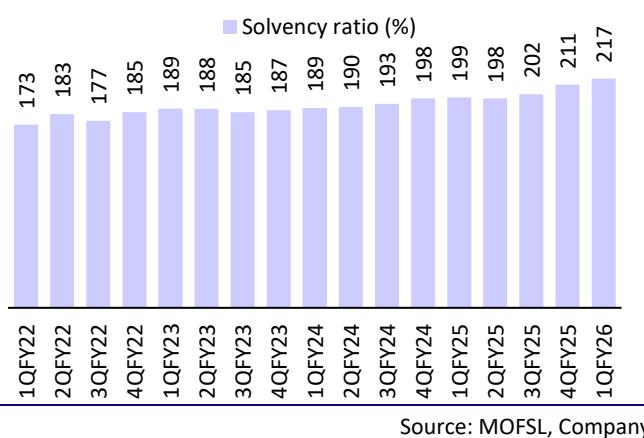
Source: MOFSL, Company

Exhibit 7: Persistency ratios across cohorts



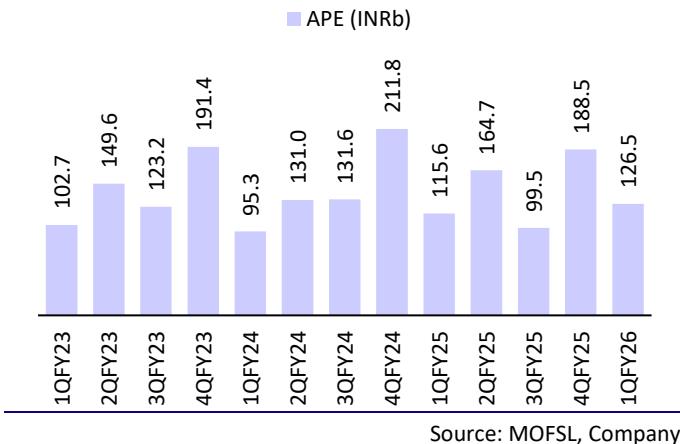
Source: MOFSL, Company

Exhibit 8: Solvency ratio improves YoY to 217% in 1QFY26



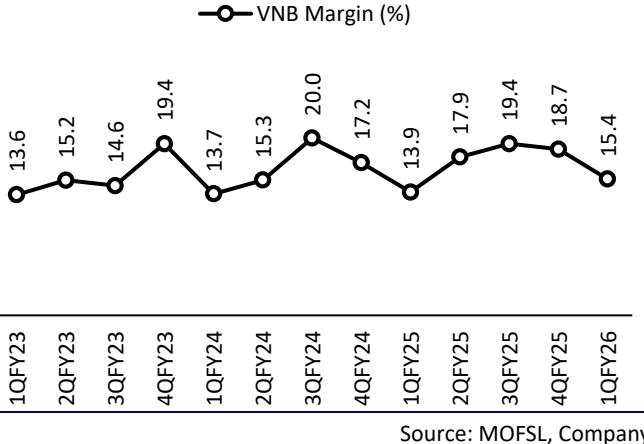
Source: MOFSL, Company

Exhibit 9: APE trend



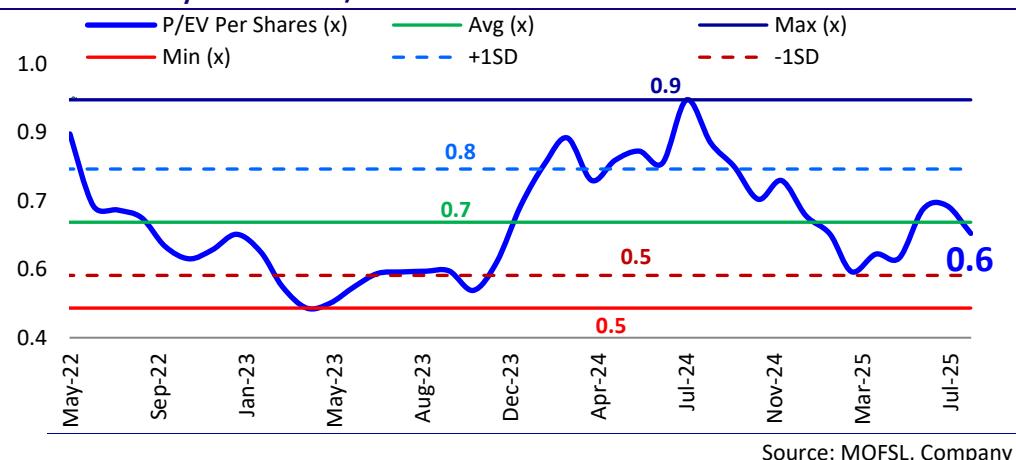
Source: MOFSL, Company

Exhibit 10: VNB margin expands YoY



Source: MOFSL, Company

Exhibit 11: One-year forward P/EV



Source: MOFSL, Company

Financials and valuations

Technical account (INR b)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Gross Premiums	4,058.5	4,280.2	4,746.7	4,757.5	4,888.5	5,191.8	5,523.2
Reinsurance Ceded	(4.5)	(6.1)	(6.6)	(6.8)	(7.0)	(7.4)	(7.9)
Net Premiums	4,054.0	4,274.2	4,740.0	4,750.7	4,881.5	5,184.4	5,515.3
Income from Investments	2,855.2	2,928.9	3,063.9	3,639.4	3,926.2	4,060.9	4,304.1
Other Income	127.9	7.9	76.6	146.9	33.8	35.5	37.2
Total income (A)	7,037.1	7,211.0	7,880.5	8,537.1	8,841.5	9,280.8	9,856.6
Commission	223.6	236.9	255.8	259.6	253.1	266.7	283.1
Operating expenses	351.6	383.7	481.5	481.2	354.2	376.1	400.1
Total commission and opex	575.2	620.6	737.3	740.8	607.2	642.9	683.2
Benefits Paid (Net)	2,907.2	3,574.6	3,425.8	3,916.7	4,194.3	4,440.6	4,725.2
Change in reserves	3,215.8	2,972.8	3,433.8	3,492.0	3,533.3	3,710.0	3,895.5
Prov for doubtful debts (inc other exp)	73.1	(93.8)	(148.5)	(29.2)	(21.7)	(35.0)	(40.0)
Total expenses (B)	6,771.3	7,074.3	7,448.4	8,120.3	8,313.2	8,758.5	9,263.9
(A) - (B)	265.8	136.7	432.1	416.7	528.3	522.3	592.6
Tax (incl GST)	92.6	79.7	53.5	59.6	80.0	65.0	73.9
Surplus / Deficit	173.2	57.0	378.6	347.4	401.4	457.3	518.7

Shareholder's a/c (INR b)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Transfer from technical a/c	29.6	121.9	360.5	374.6	473.2	503.0	570.6
Income From Investments	0.2	2.0	11.5	36.9	59.9	76.5	84.1
Total Income	29.9	123.9	372.0	411.5	533.2	579.5	654.7
Other expenses	0.0	0.0	0.0	2.5	6.4	7.1	7.8
Contribution to technical a/c	0.0	83.3	2.7	3.0	45.2	49.7	54.7
Total Expenses	0.1	83.3	7.4	5.4	51.6	56.8	62.5
PBT	29.8	40.7	364.6	406.1	481.5	522.7	592.2
Tax	0.1	0.2	0.6	0.8	-	1.0	1.2
PAT	29.7	40.4	364.0	406.9	481.5	521.6	591.0
Growth	10%	36%	800%	12%	19%	8%	13%

Balance Sheet	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Sources of Fund							
Share Capital	1.0	63.2	63.2	63.3	63.3	63.3	63.3
Reserves And Surplus	67.1	40.4	394.9	757.4	1,201.0	1,627.7	2,104.9
Shareholders' Fund	69.8	104.1	456.7	819.4	1,261.9	1,688.3	2,165.0
Policy Liabilities	34,207.3	37,100.4	40,512.5	43,953.3	47,355.8	52,968.0	59,269.4
Prov. for Linked Liab.	329.6	238.9	261.6	348.8	475.3	513.4	554.4
Funds For Future App.	0.5	0.8	1.8	4.1	8.0	9.3	10.6
Current liabilities & prov.	831.2	712.4	593.8	634.9	486.9	535.6	589.1
Total	38,295.2	42,305.9	45,505.1	52,855.3	56,238.4	62,847.3	70,240.6
Application of Funds							
Shareholders' Inv't	4.3	64.1	293.6	637.4	1,040.3	1,144.3	1,258.7
Policyholders' Inv't	34,984.4	38,956.9	41,891.8	48,765.1	51,362.8	57,526.3	64,429.5
Assets to cover linked liab.	329.7	239.4	263.1	352.6	483.1	555.6	638.9
Loans	1,087.6	1,098.8	1,155.6	1,202.6	1,274.8	1,338.5	1,405.5
Current assets	1,854.4	1,911.2	1,862.8	1,857.0	2,032.9	2,236.2	2,459.8
Total	38,295.2	42,305.9	46,698.9	54,098.5	56,238.4	62,847.3	70,240.6

Financials and valuations

Premium (INR b) and growth (%)	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
NBP - unweighted	1,855	1,989	2,321	2,227	2,268	2,440	2,634
NBP - wrp	495	529	584	574	560	597	643
Renewal premium	2,203	2,291	2,426	2,531	2,621	2,752	2,889
Total premium - unweighted	4,059	4,280	4,747	4,758	4,888	5,192	5,523
NBP growth - unweighted	2.9%	7.2%	16.6%	-4.0%	1.8%	7.6%	7.9%
NBP growth - wrp	-30.0%	6.9%	10.4%	-1.7%	-2.4%	6.5%	7.8%
Renewal premium growth	8.8%	4.0%	5.9%	4.3%	3.5%	5.0%	5.0%
Premium growth - unweighted	6.0%	5.5%	10.9%	0.2%	2.8%	6.2%	6.4%
Premium mix (%)	FY21	FY22E	FY23	FY24	FY25	FY26E	FY27E
New business - un weighted							
- Individual mix	30.9%	27.5%	25.4%	25.9%	27.5%	27.4%	27.4%
- Group mix	69.1%	72.5%	74.6%	74.1%	72.5%	72.6%	72.6%
Total premium mix - un weighted							
- Participating	57.3%	56.1%	55.1%	53.4%	52.0%	50.0%	48.0%
- Non-participating	42.3%	43.4%	44.4%	45.9%	47.1%	48.9%	50.7%
- ULIPs	0.4%	0.5%	0.5%	0.7%	0.9%	1.1%	1.3%
Indi premium sourcing mix (%)	FY21	FY22E	FY23	FY24	FY25	FY26E	FY27E
Individual agents	93.8%	96.2%	96.4%	96.0%	95.0%	94.5%	94.0%
Corporate agents-Banks	3.1%	2.6%	3.3%	3.6%	4.4%	4.9%	5.4%
Direct business	2.2%	0.3%	0.1%	0.2%	0.3%	0.3%	0.3%
Others	0.9%	0.8%	0.1%	0.2%	0.3%	0.3%	0.3%
Persistency ratios (%)							
13th Month	78.8%	75.6%	77.0%	77.7%	77.9%	78.0%	78.0%
25th Month	70.0%	73.5%	74.3%	71.0%	71.6%	72.0%	72.3%
37th Month	66.9%	66.6%	67.3%	65.5%	64.1%	63.7%	63.6%
49th Month	63.1%	63.9%	64.7%	66.3%	68.8%	70.3%	71.1%
61st Month	58.8%	61.0%	61.4%	60.9%	60.7%	61.0%	61.6%
Profitability ratios (%)							
VNB margin (%)	9.9%	15.1%	16.2%	16.8%	17.6%	18.0%	18.5%
RoE (%)	73.6%	46.5%	129.8%	63.8%	46.3%	35.4%	30.7%
Operating ROEV	36.9%	11.9%	10.9%	11.5%	11.4%	10.0%	10.0%
RoEV (%)	105.6%	466.4%	7.5%	24.9%	6.8%	11.7%	11.5%
Valuation & key data	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total AUMs (INRb)	36,762	40,850	43,970	51,219	54,523	63,036	70,492
- of which equity AUMs (%)	21%	21%	20%	21%	22%	22%	22%
Dividend %	-15%	0%	0%	-100%	21%	21%	21%
Dividend payout ratio (%)	0%	23%	5%	16%	16%	18%	19%
EPS, INR	4.7	6.4	57.5	64.1	76.1	82.5	93.4
VNB (INRb)	41.7	76.2	91.8	95.8	100.1	107.4	118.9
Embedded Value (INRb)	956.1	5,414.9	5,822.4	7,273.4	7,768.7	8,675.6	9,670.7
EV per share (INR)	151.2	856.1	920.5	1,149.9	1,228.3	1,371.6	1,529.0
VIF as % of EV	93%	98%	92%	90%	85%	81%	78%
P/VIF (%)	6.3	1.1	1.0	0.9	0.9	0.8	0.7
P/AUM (%)	15%	14%	13%	11%	10%	9%	8%
P/EV (x)	5.9	1.0	1.0	0.8	0.7	0.6	0.6
P/EPS (x)	188.2	138.4	15.4	13.8	11.6	10.7	9.5
P/EVOP (x)	32.6	10.0	9.5	8.4	6.8	7.2	6.5

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. 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/ListOf200f%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") (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.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does 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 an officer, director or employee of subject company(ies).
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(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or 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 warranty, 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 alterations 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 profit 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 dpgrivances@motilaloswal.com.