

Oracle Financial | BUY

Risk-reward becomes attractive

We upgrade Oracle Financial Services Software (OFSS) to BUY on a 19% upside. The stock's participation in the broader IT sector rally over the last two months has been restricted by muted 3QFY18 results; it has also under-performed global peers over this period. However, given management's commentary of a robust deal pipeline + a seasonally stronger period ahead, we find current levels attractive to play to its structural strengths. We also raise our FY19/FY20E EPS by 6.6%/6.8% on superior margin management. Our revised INR 4,480 TP (INR 4,020 earlier) is on a 20x implied target PER (unchanged).

- **Global core banking software market growing well.** TTM license sales growth for OFSS and Temenos [TEMN SW;NR], the two key core-banking players, was 20% YoY combined (vs. 18% CAGR over 2015-17). Spends on third-party software (license + maintenance) by global banks grew 14% in CY17 vs. 13% in CY16 (exhibit 1) underpinning the structural revival in the global core software market after a continued slide over 2009-13. We expect this to sustain; CY18 guidance/outlook from major players including TEMN and FiServ [FISV US;NR] has been strong. OFSS too, indicated a robust deal pipeline with significant opportunities. Most banking software vendors expect regulatory reforms and rising interest rates in the US to drive banks to increase their technology spends, especially in digital channels, analytics and compliance.
- **We expect a healthy 11% CAGR for the product business over FY18-20.** Reported new license order bookings (USD 16mn) in 3QFY18 missed our estimates (USD 26mn) likely on the push-out of deal closures; the Oracle channel sale was down 5% YoY (JMFe). The staggered revenue recognition in the Westpac Bank-OBP deal announced in 3QFY17 contributed USD 20.5mn (JMFe) over 9MFY18 but we expect the incremental impact to be low. That said, license sales should recover in the seasonally stronger 4QFY18/1QFY19, in our view. The demand for compliance/analytics solutions is strong + we also expect a pick-up in deal conversion for the Oracle Banking Platform (OBP). We have marginally raised our FY17-20 license sales forecasts to 14% (13% earlier).
- **Margin defence has been better than expected.** Potential margin pressure due to higher onsite-centric implementation revenues from the Westpac deal was one of the reasons for our June 2017 downgrade ([Time for a breather?](#)). However, OFSS has managed margins well; EBIT margin is up 123bps over the last four quarters despite the c.5% INR appreciation over the period. Consequently, we lower our margin caution. Cash-conversion also recovered in 3QFY18 after the slip in 2QFY18. Thus, our FY19/FY20 EPS estimates are raised by 7% each.
- **Upgrade to BUY.** The stock has underperformed the BSE IT Index by 19% YTD and the PER gap vs. global peers such as Temenos has widened (43% vs. 3-year median of 11%). Valuations are also inexpensive compared with its Indian IT services peers; OFSS trades at c.4% PER discount to TCS (TCS IN; HOLD) vs. the 3-year median premium of 28%. With seasonally stronger quarters ahead, recovery in license sales growth should be easy to achieve – a potential trigger for rerating – in our view.



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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	HOLD
Current Price Target (12M)	4,480
Upside/(Downside)	19.2%
Previous Price Target	4,020
Change	11.4%

Key Data – OFSS IN

Current Market Price	INR3,759
Market cap (bn)	INR321.0/US\$4.9
Free Float	25%
Shares in issue (mn)	85.1
Diluted share (mn)	85.5
3-mon avg daily val (mn)	INR181.9/US\$2.8
52-week range	4,379/3,300
Sensex/Nifty	33,747/10,359
INR/US\$	65.1

Price Performance

%	1M	6M	12M
Absolute	-11.2	7.2	0.7
Relative*	-7.7	1.3	-14.0

* To the BSE Sensex

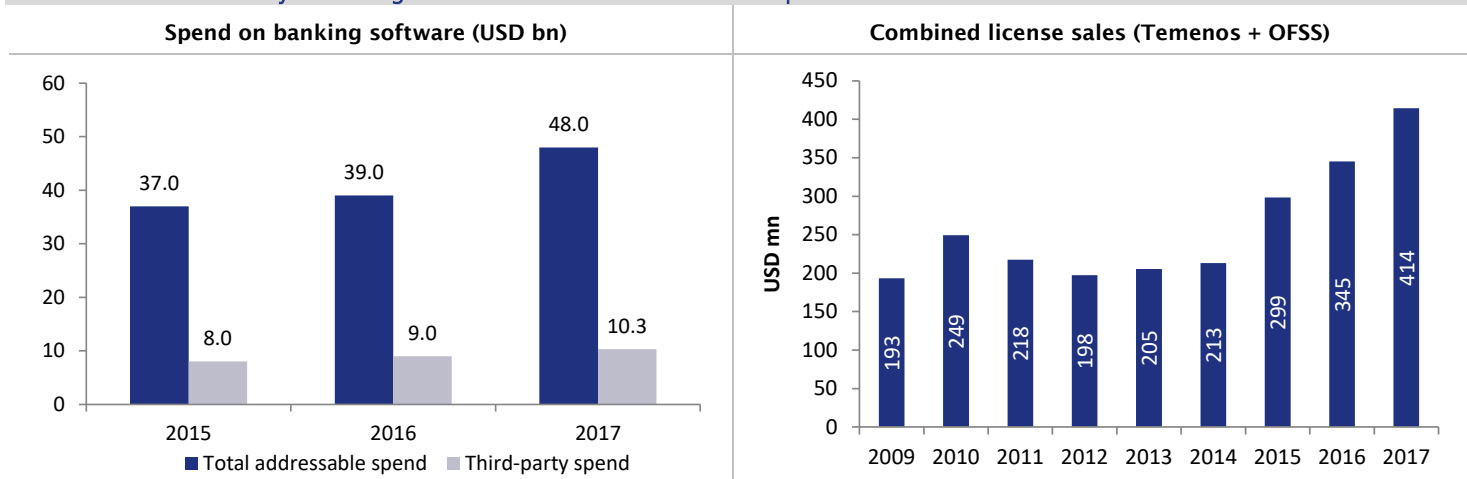
JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
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Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

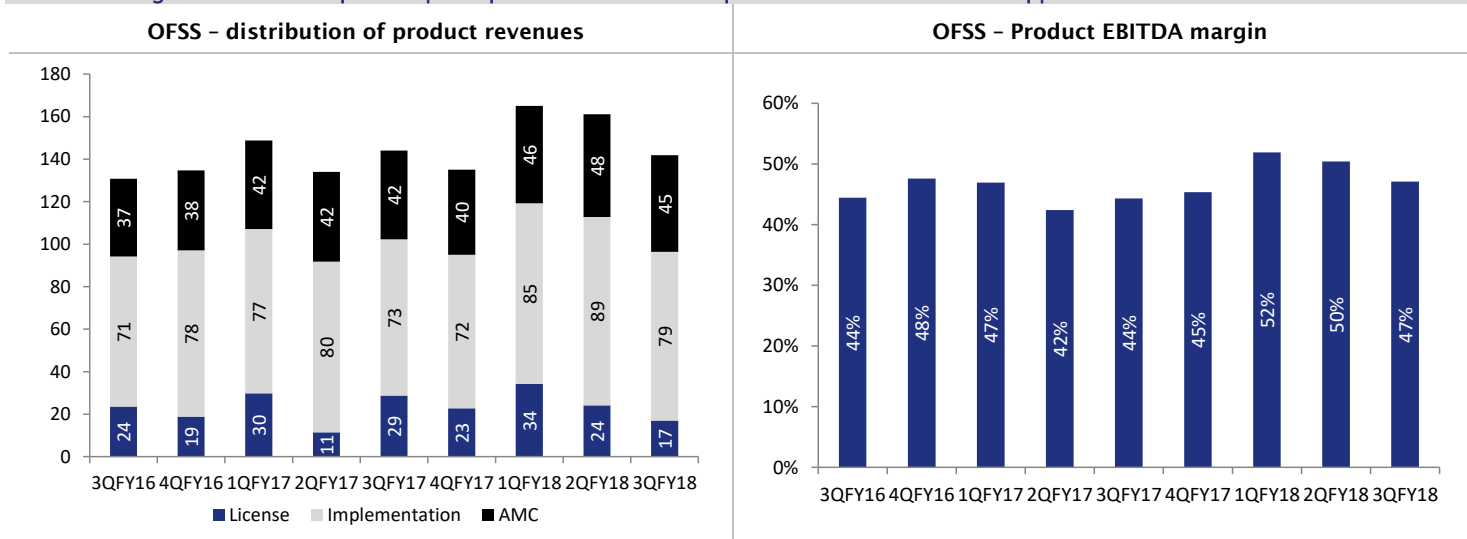
Financial Summary

Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E
Net Sales	41,312	44,265	46,430	51,301	57,012
Sales Growth (%)	5.8	7.1	4.9	10.5	11.1
EBITDA	15,898	16,711	19,336	21,606	24,301
EBITDA Margin (%)	38.5	37.8	41.6	42.1	42.6
Adjusted Net Profit	10,489	11,858	13,616	15,859	17,659
Diluted EPS (INR)	123.1	139.3	159.3	185.6	206.6
Diluted EPS Growth (%)	-12.6	13.2	14.4	16.5	11.3
ROIC (%)	104.3	101.8	622.3	1,274.4	0.0
ROE (%)	25.8	29.9	41.1	46.9	51.6
P/E (x)	30.5	27.0	23.6	20.3	18.2
P/B (x)	6.8	9.8	9.5	9.4	9.3
EV/EBITDA (x)	18.3	17.3	14.9	13.2	11.7
Dividend Yield (%)	2.7	4.5	3.5	4.0	4.5

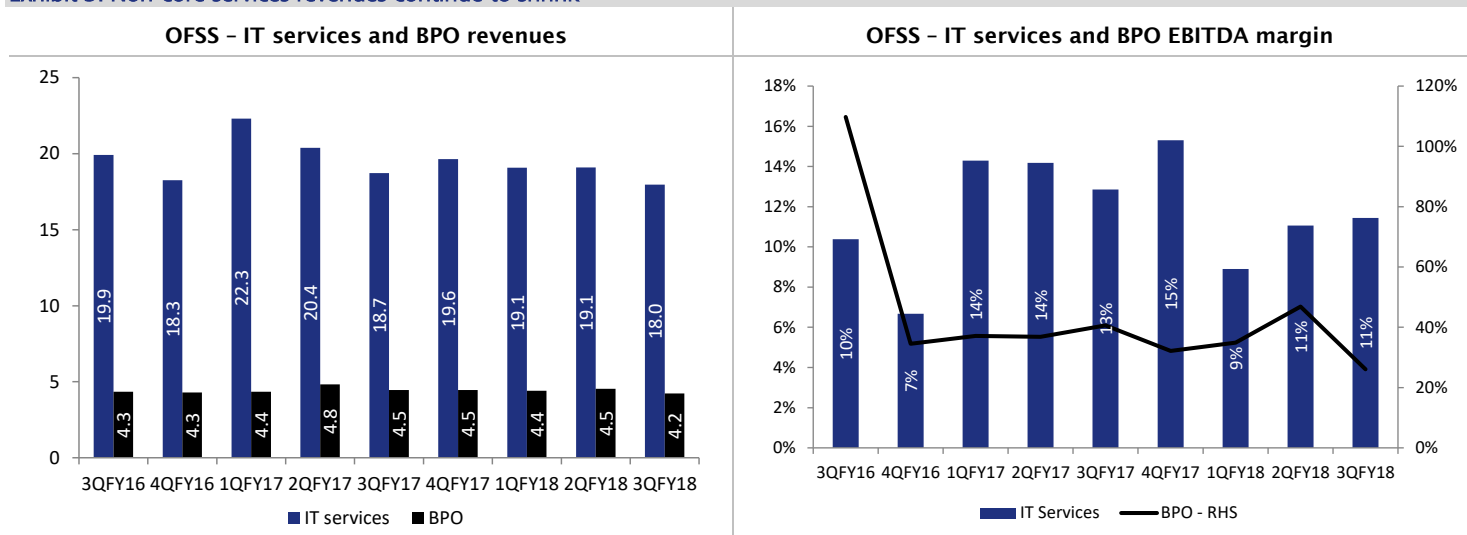
Source: Company data, JM Financial. Note: Valuations as of 05/Mar/2018

Exhibit 1. Demand recovery in banking software market continues to hold up well

Source: Company, JM Financial

Exhibit 2. Margins have held despite the pick-up in onsite intensive implementation services + INR appreciation

Source: Company, JM Financial

Exhibit 3. Non-core services revenues continue to shrink

Source: Company, JM Financial

Exhibit 4. OFSS' discount to Temenos continues to expand...



Source: Bloomberg, JM Financial

OFSS is trading at a 43% PER discount to Temenos and 7% PER discount to Fiserv

Exhibit 5. ...And the valuation gap vs. Indian IT services players has widened



Source: Bloomberg, JM Financial

OFSS trades at c.4% discount to TCS at present vs. the 3-year median of a 28% premium

Exhibit 6. OFSS – 12-month forward PER band



Source: Bloomberg, JM Financial

OFSS currently trades at 21x 12-month forward EPS; at a 15% discount to the 52-week high of 25x

3QFY18 results analysis

Exhibit 7. Key financials

	3QFY17	4QFY17	FY17	1QFY18	2QFY18	3QFY18	Comments
(INR mn)							
Consolidated revenues (USD mn)	167.2	157.8	659.7	186.9	184.7	164.0	<ul style="list-style-type: none"> USD revenue were down 11%/2% QoQ/YoY to USD 164mn; INR revenue decreased 11%/6.5% QoQ/YoY to INR 10,591mn
Change (QoQ/YoY)	5.0%	-5.6%	4.8%	18.4%	-1.2%	-11.2%	
Consolidated revenues (INR mn)	11,323	10,518	44,265	12,038	11,895	10,591	
Change (QoQ/YoY)	6.3%	-7.1%	7.1%	14.5%	-1.2%	-11.0%	
Employee cost	5,090	4,948	20,703	5,327	5,249	4,821	<ul style="list-style-type: none"> Decline in revenues was led by the 12%/2% QoQ/YoY drop in product revenue which was impacted by a decline in license fees (-30%/-41% QoQ/YoY to USD 17mn)
Gross profit	6,233	5,570	23,562	6,711	6,647	5,770	
Gross margin	55.0%	53.0%	53.2%	55.7%	55.9%	54.5%	
Operating expenses	1,870	1,806	6,851	1,460	1,511	1,568	
Operating profit (EBITDA)	4,364	3,764	16,711	5,251	5,136	4,202	
EBITDA margin	38.5%	35.8%	37.8%	43.6%	43.2%	39.7%	<ul style="list-style-type: none"> Consol. EBIT margin rose 123bps YoY primarily due to a 291bps YoY expansion in the margin of the products business, also due to lowered employee costs
Depreciation & amortization	165	164	702	163	158	144	
EBIT	4,199	3,600	16,009	5,087	4,978	4,058	
EBIT margin	37.1%	34.2%	36.2%	42.3%	41.8%	38.3%	
Other income	643	100	1,564	168	85	165	
Profit before tax	4,842	3,700	17,573	5,255	5,062	4,222	<ul style="list-style-type: none"> Forex loss stood at INR 77mn vs. a gain of INR 240mn in 3QFY17
Income tax expense	1,650	1,420	5,716	1,559	1,644	1,325	
Net Income from continuing operations	3,193	2,281	11,857	3,696	3,418	2,897	
Change (QoQ/YoY)	20.8%	1.6%	13.0%	6.8%	17.1%	-9.3%	
Exceptional item	-628	0	-628	0	0	0	<ul style="list-style-type: none"> PAT (ex-extraordinary income) for the quarter stood at INR 2,897mn (-15.3%/-9.3% QoQ/YoY)
Net Income after extraordinary income	3,821	2,281	12,485	3,696	3,418	2,897	
PAT margin	33.7%	21.7%	28.2%	30.7%	28.7%	27.4%	
Diluted EPS	37.5	26.8	139.3	43.3	40.0	33.8	
Change (QoQ/YoY)	9.3%	-28.7%	13.2%	61.7%	-71.3%	-21.8%	

Source: Company, JM Financial

Exhibit 8. Segment performance

	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	Comments
Products						
Product revenues (INR m)	9,753	8,912	10,525	10,373	9,158	
Change (YoY)	13%	-2%	5%	16%	-6%	
Share of Consol. revenues	86%	85%	87%	87%	86%	▪ License revenues dropped 41% YoY to USD 17mn while implementation fees and AMC revenues rose 8.1% and 8.6% YoY to USD 79.4mn and USD 45.4mn respectively
Revenue composition						
- License fees	20%	17%	21%	15%	12%	
- Implementation fees	51%	54%	52%	55%	56%	
- AMC revenues	29%	30%	28%	30%	32%	
EBITDA	4,322	4,042	5,460	5,228	4,310	▪ IT services revenue declined 6%/4% QoQ/YoY to USD 18mn
EBITDA margin	44.3%	45.4%	51.9%	50.4%	47.1%	
IT Services						
Revenues (INR mn)	1,268	1,309	1,229	1,229	1,160	
Change (YoY)	-4%	6%	-18%	-10%	-9%	▪ BPO revenue declined 7%/5% QoQ/YoY to USD 4.2mn
Share of Consol. revenues	11%	12%	10%	10%	11%	
EBITDA	163	200	109	136	133	
EBITDA margin	12.9%	15.3%	8.9%	11.1%	11.4%	▪ 16 customers went live during the quarter
BPO						
Revenues (INR mn)	302	297	284	293	274	
Change (YoY)	5%	2%	-3%	-9%	-9%	
EBITDA	123	95	99	137	71	
EBITDA margin	40.7%	32.1%	34.9%	46.9%	26.1%	

Source: Company, JM Financial

Exhibit 9. Key revenue metrics

	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	Comments
Revenues by geography						
Products						▪ North America's products/services revenue declined 21%/11% YoY
North America	36%	35%	24%	34%	29%	
JAPAC	31%	37%	46%	33%	35%	
EMEA	34%	29%	30%	33%	36%	▪ JAPAC's products/services revenue improved 11%/37% YoY
Services						
North America	75%	72%	71%	67%	70%	
JAPAC	7%	7%	9%	10%	10%	▪ EMEA's products/services revenue increased 4%/6% YoY
EMEA	18%	21%	20%	23%	20%	
Total Company						
North America	41%	40%	30%	38%	34%	▪ On a combined basis, NAMER/JAPAC/EMEA revenues increased/decreased by -19%/16%/8% YoY
JAPAC	27%	32%	41%	30%	32%	
EMEA	31%	28%	29%	32%	34%	
Revenues by project type (services)						
Fixed Price	27%	26%	26%	25%	23%	▪ While the share of revenues from Fixed-price projects in services declined by 200bps QoQ, share of on-site revenues increased by 100bps QoQ
Time & Material Basis	73%	74%	74%	75%	77%	
Revenues by location (services)						
Onsite	38%	40%	39%	39%	40%	
Offshore	62%	60%	61%	61%	60%	

Source: Company, JM Financial

Exhibit 10. Key client and manpower metrics

Exhibit 10: Key client and manpower metrics						
	3QFY17	4QFY17	1QFY18	2QFY18	3QFY18	Comments
Revenue concentration						
Products						
Top Customer	51%	48%	55%	56%	49%	
Top 5 Customers	61%	59%	63%	64%	59%	
Top 10 Customers	67%	64%	67%	69%	65%	
Consolidated						
Top Customer	45%	43%	49%	50%	44%	▪ Top client's revenue decreased by 22% QoQ while 2-5/6-10 clients' revenue increased by -1%/+18% QoQ
Top 5 Customers	57%	54%	58%	59%	54%	
Top 10 Customers	62%	60%	64%	65%	62%	
Revenue growth (QoQ)						
Products						
Top client	13%	-14%	35%	0%	-23%	▪ During the quarter, the company signed customers in Australia, Canada, China, Ghana, Nigeria, Saudi Arabia, U.K., Thailand, U.S. and Vietnam
Top-2 to 5 clients	9%	1%	-14%	-1%	10%	
Top-5 clients	12%	-12%	26%	0%	-19%	
Top-6 to 10 clients	31%	-24%	-6%	23%	6%	
Top-10 clients	14%	-13%	24%	2%	-17%	
Non-top-10 clients	0%	0%	8%	-7%	0%	▪ In the products segment, top/2-5/6-10 clients' revenue increased by -23%/+10%/+6% QoQ, while changing -6%/ 2%/-19% QoQ in the services segment
Consolidated						
Top client	14%	-11%	30%	1%	-22%	▪ Total headcount decreased by 60 to 9,064 (8,851 delivery employees and 213 support staff)
Top-2 to 5 clients	6%	-15%	-6%	-1%	-1%	
Top-5 clients	12%	-12%	23%	1%	-19%	
Top-6 to 10 clients	-11%	11%	14%	-1%	19%	▪ TTM attrition rate remained flat QoQ to 15%
Top-10 clients	10%	-10%	22%	0%	-15%	
Non-top-10 clients	1%	-2%	3%	-4%	-3%	
Manpower base						
Total	8,872	8,818	8,705	9,124	9,064	
Products	6,359	6,317	6,231	6,685	6,660	
Services	1,556	1,529	1,517	1,487	1,470	
BPO	740	754	739	738	721	
Support	217	218	218	214	213	
Net addition- Total	-60	-54	-113	419	-60	
As % of opening base	-0.7%	-0.6%	-1.3%	4.8%	-0.7%	
LTM attrition	19%	19%	17%	15%	15%	

Source: Company, JM Financial

Exhibit 11. What has changed in our forecasts and assumptions?

	Old			New			Change		
	FY18F	FY19F	FY20F	FY18F	FY19F	FY20F	FY18F	FY19F	FY20F
Exchange rate (INR/USD)	65.0	66.0	67.0	64.3	65.0	66.0	-1.0%	-1.5%	-1.5%
Consolidated revenue (USD mn)	730.4	807.9	888.8	721.5	789.3	863.8	-1.2%	-2.3%	-2.8%
Growth in USD revenues (YoY)	10.7%	10.6%	10.0%	9.4%	9.4%	9.4%	-134bp	-124bp	-56bp
Consolidated revenue (INR mn)	47,473	53,324	59,549	46,430	51,301	57,012	-2.2%	-3.8%	-4.3%
EBITDA margin	37.7%	38.4%	39.0%	41.6%	42.1%	42.6%	392bp	373bp	363bp
EBIT margin	36.3%	37.1%	37.8%	40.3%	40.9%	41.4%	398bp	380bp	366bp
PAT (INR mn)	13,015	14,871	16,533	13,616	15,859	17,659	4.6%	6.6%	6.8%
EPS	152.3	174.1	193.5	159.3	185.6	206.6	4.6%	6.6%	6.8%

Source: Company, JM Financial

Exhibit 12. How we differ from consensus

	Consensus			JMFe			Difference		
	FY18	FY19	FY20	FY18	FY19	FY20	FY18	FY19	FY20
Sales (INR m)	45,663	49,128	52,991	46,430	51,301	57,012	1.7%	4.4%	7.6%
EBITDA (INR m)	18,750	20,389	22,020	19,336	21,606	24,301	3.1%	6.0%	10.4%
EBITDA margin	41%	42%	42%	42%	42%	43%	58bp	61bp	107bp
Net Income (INR m)	12,902	14,783	16,378	13,616	15,859	17,659	5.5%	7.3%	7.8%
EPS (INR)	151.9	174.0	192.8	159.3	185.6	206.6	4.9%	6.7%	7.2%

Source: Bloomberg, JM Financial

Key Risks

- Key downside risks to our price target are: (1) elongation in the decision-making cycle, which could have a lag effect on product license sales; (2) a shift in client preferences for zero license/co-creation contract models; and (3) uncertainties in the services business that could keep attrition high, thus affecting the business' profitability. Other generic risks include: (1) INR appreciation beyond the levels we assume and/or adverse cross-currency movements; (2) a slower-than-anticipated pricing recovery; and (3) strong regulatory action against outsourcing in OFSS' key geographical markets.
- Upside risk could come from: (1) faster-than-anticipated growth in product license sales; (2) a higher AMC revenue share; (3) better growth in the services business; (4) stronger traction in the OBP; (5) INR depreciation beyond the current levels; and (6) acquisitions/large deal wins that are not built into our model.

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E
Net Sales	41,312	44,265	46,430	51,301	57,012
Sales Growth	5.8%	7.1%	4.9%	10.5%	11.1%
Other Operating Income	0	0	0	0	0
Total Revenue	41,312	44,265	46,430	51,301	57,012
Cost of Goods Sold/Op. Exp	19,496	20,703	20,682	22,642	24,426
Personnel Cost	0	0	0	0	0
Other Expenses	5,918	6,851	6,412	7,053	8,285
EBITDA	15,898	16,711	19,336	21,606	24,301
EBITDA Margin	38.5%	37.8%	41.6%	42.1%	42.6%
EBITDA Growth	2.5%	5.1%	15.7%	11.7%	12.5%
Depn. & Amort.	529	702	617	631	676
EBIT	15,369	16,009	18,720	20,975	23,625
Other Income	2,107	1,564	872	1,844	1,968
Finance Cost	0	0	0	0	0
PBT before Excep. & Forex	17,476	17,573	19,592	22,819	25,593
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	17,476	17,573	19,592	22,819	25,593
Taxes	6,987	5,716	5,976	6,960	7,934
Extraordinary Inc./Loss(-)	219	-628	0	0	0
Assoc. Profit/Min. Int.(-)	0	-2	0	0	0
Reported Net Profit	10,708	11,230	13,616	15,859	17,659
Adjusted Net Profit	10,489	11,858	13,616	15,859	17,659
Net Margin	25.4%	26.8%	29.3%	30.9%	31.0%
Diluted Share Cap. (mn)	85.2	85.1	85.5	85.5	85.5
Diluted EPS (INR)	123.1	139.3	159.3	185.6	206.6
Diluted EPS Growth	-12.6%	13.2%	14.4%	16.5%	11.3%
Total Dividend + Tax	9,915	17,375	13,324	15,374	17,424
Dividend Per Share (INR)	100.0	170.1	130.0	150.0	170.0

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E
Shareholders' Fund	46,739	32,646	33,603	34,088	34,323
Share Capital	423	425	426	426	426
Reserves & Surplus	46,315	32,221	33,177	33,662	33,897
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	0	0	0	0	0
Def. Tax Liab. / Assets (-)	-971	-1,346	-1,347	-1,347	-1,347
Total - Equity & Liab.	45,768	31,300	32,256	32,742	32,976
Net Fixed Assets	2,610	2,517	2,336	2,457	2,548
Gross Fixed Assets	2,610	2,517	2,336	2,457	2,548
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	0	0	0	0	0
Capital WIP	0	0	0	0	0
Investments	0	0	0	0	0
Current Assets	53,276	56,345	58,744	61,996	65,525
Inventories	0	0	0	0	0
Sundry Debtors	8,311	7,180	7,632	8,433	9,372
Cash & Bank Balances	27,855	30,317	31,751	33,653	35,600
Loans & Advances	723	514	695	695	694
Other Current Assets	16,388	18,334	18,665	19,215	19,860
Current Liab. & Prov.	10,118	27,563	28,823	31,711	35,097
Current Liabilities	1,365	1,321	1,298	1,298	1,298
Provisions & Others	8,753	26,242	27,525	30,413	33,799
Net Current Assets	43,158	28,782	29,921	30,285	30,428
Total - Assets	45,768	31,300	32,256	32,742	32,976

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E
Profit before Tax	17,476	17,573	19,592	22,819	25,593
Depn. & Amort.	529	702	617	631	676
Net Interest Exp. / Inc. (-)	-1,888	-2,192	-872	-1,844	-1,968
Inc (-) / Dec in WCap.	-20,921	18,150	406	1,538	1,803
Others	0	0	0	0	0
Taxes Paid	-6,952	-6,091	-5,976	-6,960	-7,934
Operating Cash Flow	-11,755	28,142	13,766	16,184	18,170
Capex	-111	-609	-435	-752	-767
Free Cash Flow	-11,867	27,532	13,331	15,432	17,403
Inc (-) / Dec in Investments	0	0	0	0	0
Others	2,494	251	762	1,844	1,968
Investing Cash Flow	2,383	-358	327	1,092	1,201
Inc / Dec (-) in Capital	0	1	2	0	0
Dividend + Tax thereon	1,589	-25,324	-12,661	-15,374	-17,424
Inc / Dec (-) in Loans	0	0	0	0	0
Others	0	2	0	0	0
Financing Cash Flow	1,589	-25,321	-12,659	-15,374	-17,424
Inc / Dec (-) in Cash	-7,783	2,462	1,434	1,902	1,947
Opening Cash Balance	35,638	27,855	30,317	31,751	33,653
Closing Cash Balance	27,855	30,317	31,751	33,653	35,600

Source: Company, JM Financial

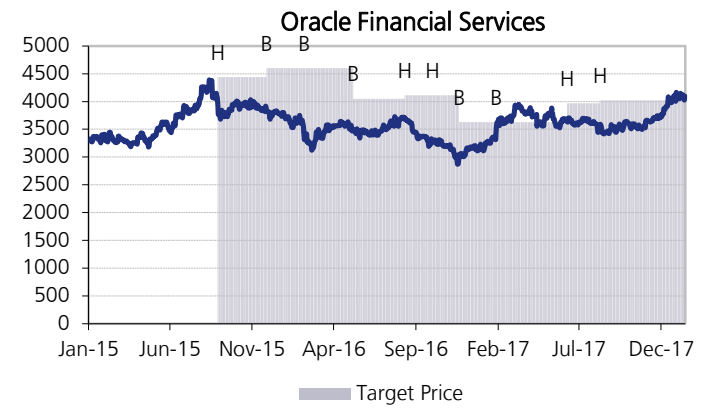
Dupont Analysis					
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E
Net Margin	25.4%	26.8%	29.3%	30.9%	31.0%
Asset Turnover (x)	1.0	1.1	1.3	1.5	1.6
Leverage Factor (x)	1.0	1.0	1.0	1.0	1.0
RoE	25.8%	29.9%	41.1%	46.9%	51.6%
Key Ratios					
Y/E March	FY16A	FY17A	FY18E	FY19E	FY20E
BV/Share (INR)	551.6	384.7	394.6	400.3	403.0
ROIC	104.3%	101.8%	622.3%	1,274.4%	0.0%
ROE	25.8%	29.9%	41.1%	46.9%	51.6%
Net Debt/Equity (x)	-0.6	-0.9	-0.9	-1.0	-1.0
P/E (x)	30.5	27.0	23.6	20.3	18.2
P/B (x)	6.8	9.8	9.5	9.4	9.3
EV/EBITDA (x)	18.3	17.3	14.9	13.2	11.7
EV/Sales (x)	7.1	6.5	6.2	5.6	5.0
Debtor days	73	59	60	60	60
Inventory days	0	0	0	0	0
Creditor days	0	0	0	0	0

Source: Company, JM Financial

History of Earnings Estimate and Target Price

Date	FY18E EPS (INR)	% Chg.	FY19E EPS (INR)	% Chg.	Target Price	% Chg.
3-Sep-15	200.5				4,440	
3-Dec-15	203.7	1.6			4,600	3.6
11-Feb-16	203.7	0.0			4,600	0.0
12-May-16	181.1	-11.1	207.6		4,050	-12.0
16-Aug-16	183.7	1.4	209.7	1.0	4,110	1.5
6-Oct-16	183.7	0.0			4,110	0.0
25-Nov-16	176.7	-3.8	201.6		3,630	-11.7
2-Feb-17	176.7	0.0			3,630	0.0
14-Jun-17	159.7	-9.6	176.0		3,970	9.4
14-Aug-17	152.3	-4.6	174.1	-1.1	4,020	1.3

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

(formerly known as JM Financial Securities Limited)

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd., National Stock Exchange of India Ltd. and Metropolitan Stock Exchange of India Ltd.

SEBI Registration Nos.: –Stock Broker - INZ000163434, Research Analyst – INH000000610

Registered Office: 7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

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Compliance Officer: Mr. Sunny Shah | Tel: +91 22 6630 3383 | Email: sunny.shah@jmfl.com

Definition of ratings	
Rating	Meaning
Buy	Total expected returns of more than 15%. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 15% upside from the current market price.
Sell	Price expected to move downwards by more than 10%

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