

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	INMART IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	139.2 / 1.7
52-Week Range (INR)	6450 / 3676
1, 6, 12 Rel. Per (%)	3/0/-30
12M Avg Val (INR M)	710

Financials & Valuations (INR b)

Y/E Mar	2023E	2024E	2025E
Sales	9.8	12.2	14.9
EBITDA	2.7	3.6	4.7
PAT	2.9	3.4	4.3
Adj. EPS (INR)	78.6	111.1	141.6
Adj. EPS Gr. (%)	-19%	41%	27%
BV/Sh. (INR)	706.1	792.4	888.0

Ratios

RoE (%)	11.9	14.8	16.9
RoCE (%)	14.1	15.1	17.1
Payout (%)	4.2	23.4	32.5

Valuations

P/E (x)	47.6	40.9	32.1
P/BV (x)	6.4	5.7	5.1

Shareholding pattern (%)

As On	Dec-22	Sep-22	Dec-21
Promoter	49.2	49.2	49.5
DII	5.8	5.2	5.3
FII	25.5	25.2	26.6
Others	19.4	20.3	18.6

FII Includes depository receipts

CMP: INR4,548 TP: INR5,500 (+21%) Buy

Strong collection growth to drive FY24 recovery

Catch-up on employee expenses largely behind; maintain Buy

- INMART delivered a strong performance in 3QFY23, with revenue up 33.7% YoY and 4.5% QoQ (in line). Collections registered strong growth of 27% YoY to INR2.8b, suggesting good visibility on FY23 and FY24 revenue growth. Deferred revenue rose 28% YoY to INR10.1b, which should support ~30%/25% revenue growth in FY23/FY24E. Paying subscriber additions (up 6.6k QoQ) were lower due to fewer working days. EBITDA margin remained flat QoQ, which was largely in line with our estimate.
- We expect INMART to deliver a 23% revenue CAGR over FY23-25, aided by sustained paying subscriber additions and strong growth in deferred revenue. The management indicated that it has largely completed the sales investment needed to sustain client additions and that employee growth should be commensurate with revenue growth going forward. We believe that INMART should benefit from operating leverage over FY23-25 and estimate EBITDA margin of 27.3%/29.8%/31.8% for FY23/FY24/FY25. This, in turn, should drive a 34% PAT CAGR (excluding one-time gain) over FY23-25E.
- With a healthy performance and growth visibility in BUSY on account of manpower investments, we continue to see expansion in its accounting software as a positive long-term driver for INMART's business. We remain watchful of the performance of its other investments. While BUSY remains synergistic to INMART's customer base and can drive long-term differentiation, it needs to scale up to be a meaningful value addition.
- INMART saw a significant de-rating due to margin concerns. We continue to see the company as a key beneficiary of the technology adoption by India's MSME universe, as well as of a shift to a formalized ecosystem. We believe that the company is poised to drive significant value owing to its industry-leading position in the segment.
- We largely maintain our estimates on a stable quarter. We value INMART on a DCF basis to arrive at a TP of INR5,500 (a potential upside of 21%), assuming 12% WACC and a 6% terminal growth rate, implying 49x FY24E EPS. **We reiterate our Buy rating.**

In-line quarter; PAT beat driven by gains from ProcMart sale

- 3QFY23 revenue grew 34% YoY, EBITDA declined 11% YoY and PAT declined 13% YoY.
- For 9MFY23, revenue rose 30%, whereas EBITDA/Adj. PAT declined 20%/27%.
- Revenue increased 33.7% YoY and 4.5% QoQ to INR2.5b (in line with our estimate). Collections remained strong at INR2.8b (+27% YoY), while deferred revenue rose 28% YoY to INR10.1b.
- The subscriber addition was low QoQ at +6.6k paying subscribers.
- EBITDA margin was flat QoQ at 27.9% (in line).
- Adj. PAT was down 13% YoY at INR 612m, below our estimate of INR810m after adjusting for one-time gain of INR670m from the valuation and sales of Investments.

Mukul Garg - Research analyst (Mukul.Garg@MotilalOswal.com)

Research analyst – Pritesh Thakkar (Pritesh.Thakkar@MotilalOswal.com) / Raj Prakash Bhanushali (Raj.Bhanushali@MotilalOswal.com)

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

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

Highlights from the management commentary

- Collections saw strong growth of 27% YoY in 3QFY23. INMART should maintain a 20% CAGR in collections in the long term.
- The company added 6.6k paid customers in 3QFY23. It expects customer additions to be in the upward of 8k going forward while maintaining the churn.
- The performance of BUSY is in line with the expectation and the company will evaluate integration plans in FY24.
- The management is nearing completion of the catch-up on employee hiring, which was not done in Covid (another 200 employees left; should be completed in 4QFY23). The employee addition should commensurate with growth going forward.

Strong collections to sustain; growth story intact

- Strong collections are testimony to the recovery in demand momentum. We anticipate the momentum in collections to remain intact in the near term.
- We are confident of strong fundamental growth in operations, propelled by: 1) higher growth in Digitization among SMEs (~25%), 2) the need for out-of-the-circle buyers, 3) a strong network effect, 4) over 70% market share in the underlying industry, 5) the ability to improve ARPU on low price sensitivity, and 6) higher operating leverage.
- We have arrived at our DCF-based TP of INR5,500, assuming 12% WACC and a terminal growth rate of 6%. Our TP implies a 21% upside on the CMP. **We reiterate our Buy rating.**

Consolidated quarterly earnings

(INR m)

Y/E March	FY22				FY23				FY22	FY23E	FY23E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%/bp)
Gross Sales	1,816	1,824	1,881	2,014	2,246	2,406	2,514	2,648	7,535	9,814	2,526	-0.5
Change (YoY %)	18.6	11.8	8.4	12.1	23.7	31.9	33.7	31.5	12.5	30.2	34.3	-60bp
Total Expenditure	930	992	1,093	1,442	1,604	1,734	1,812	1,988	4,457	7,138	1,814	-0.1
EBITDA	886	832	788	572	642	672	702	661	3,078	2,677	712	-1.4
Margin (%)	48.8	45.6	41.9	28.4	28.6	27.9	27.9	24.9	40.8	27.3	28.2	-30bp
Depreciation	32	28	30	29	63	76	86	76	119	301	75	15
Interest	14	14	13	13	12	26	22	22	54	82	26	-15
Other Income	294	314	219	295	10	466	352	299	1,122	1,127	447	-21
PBT before EO expense	1,134	1,104	964	825	577	1,036	946	862	4,027	3,421	1,059	-10.6
Extra-Ord. expense	0	0	0	0	0	0	-516	0	0	0	0	
PBT	1,134	1,104	964	825	577	1,036	1,462	862	4,027	3,421	1,059	38.1
Tax	240	264	231	193	40	243	240	218	928	741	248	-3
Rate (%)	21.2	23.9	24.0	23.4	6.9	23.5	16.4	25.4	23.0	21.7	23.5	-700bp
MI and P/L of Asso. Cos.	15	18	31	58	70	109	94	0	122	273	0	
Reported PAT	879	822	702	574	467	684	1,128	643	2,977	2,922	810	39.2
Adj. PAT	879	822	702	574	467	684	612	643	2,977	2,406	810	-24.5
Change (YoY %)	18.6	17.8	-12.5	-13.8	-46.9	-16.8	-12.8	12.0	2.4	-19.2	15.4	-2820bp
Margin (%)	48.4	45.1	37.3	28.5	20.8	28.4	24.3	24.3	39.5	24.5	32.1	-770bp

Key performance indicators

Y/E March	FY22				FY23				FY22	FY23E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Revenue indicators										
Paid suppliers ('000)	146.0	150.0	156.0	169.0	179.0	188.0	194.4	206.0	621.0	654
ARPU ('000)	49.7	48.4	48.0	47.4	47.6	48.7	49.0	50.2	44.6	46
Cost indicators										
Employees	2982	2959	3185	3672	3835	4088	4413		3672	
Other expenses (INR m)	250	252	273	278	359	484	482		1053	



Highlights from the management commentary

Collections and customer additions

- Collections saw strong growth of 27% YoY in 3QFY23. INMART should maintain a 20% CAGR in collections over the long term.
- The performance was driven by a recovery across industries. Traffic remained healthy. 90-day repeat buyers stood at 54% for 3QFY23.
- Deferred revenue rose 28% YoY to INR10.1b.
- The company added 6.6k paid customers in 3QFY23. It expects customer addition to be in the upward of 8k going forward while maintaining the churn.
- Other income was stronger on account of INR670m in realized and unrealized gains from the sale and re-measurement of investments. Out of this, INR500m was from the ProMart sale.

Accounting ecosystem

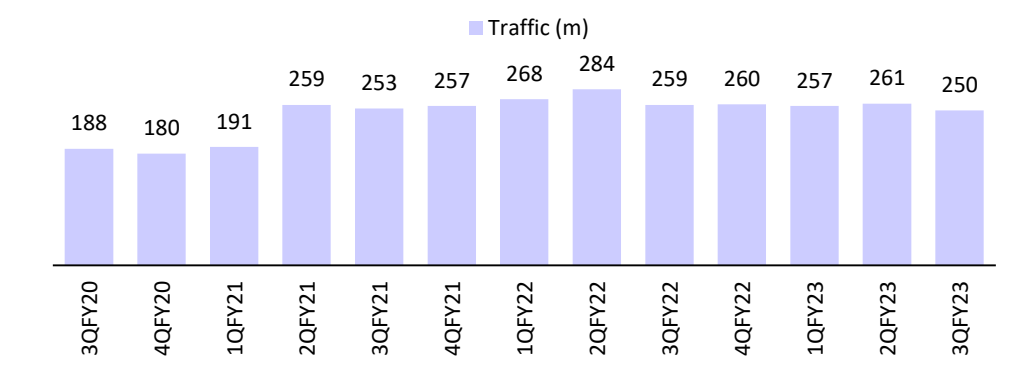
- Busy Infotech clocked INR124m in billing and INR104m in revenue for 3QFY23.
- EBITDA margin stood at 16% with INR20m in PAT as it continued to ramp up the headcount in BUSY.
- The company is nearing completion of its hiring plans for BUSY.
- It added 5k licenses, taking the total licenses to 323k.
- It is well on track to double the growth rate by the end of FY23.
- The performance is in line with the expectation and INMART will evaluate integration plans in FY24.
- The management expects double-digit growth with a strong ARPU increase in the account space in the next decade. This could become a USD1b opportunity over the next decade as compliance needs to increase.

Cost and margin

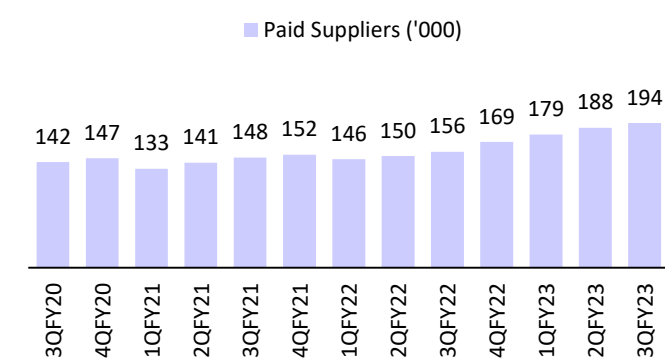
- The management is nearing completion of the catch-up on employee hiring, which was not done in Covid (another 200 employees left; should get completed in 4QFY23). The employee addition should be commensurate with growth going forward.
- On average INMART needs to add one employee for every 66 customer additions.
- The management indicated that slower growth in ARPU was due to a faster expansion of the base.

Other highlights

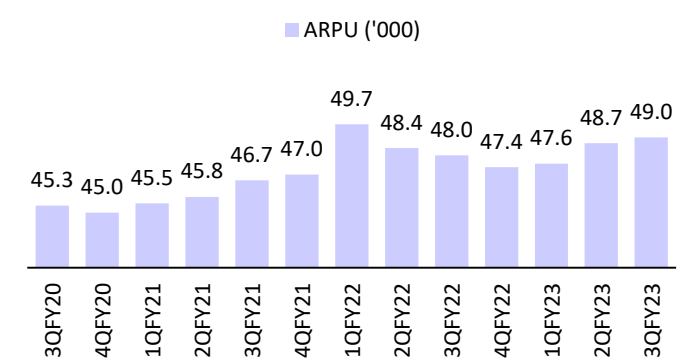
- The stagnation in traffic was due to the demand normalization for medical equipment, which had jumped during Covid. This is neutralizing traffic growth in other parts of the business.

Exhibit 1: Traffic moderated by 11m in 3QFY23

Source: Company, MOFSL

Exhibit 2: Paid suppliers addition was low

Source: Company, MOFSL

Exhibit 3: ARPU saw good improvement in 3QFY23

Source: Company, MOFSL

Strong collections to sustain; growth story intact

- Strong collections are testimony to the recovery in demand momentum. We anticipate the momentum in collections to remain intact in the near term.
- We are confident of strong fundamental growth in operations, propelled by: 1) higher growth in Digitization among SMEs (~25%), 2) the need for out-of-the-circle buyers, 3) a strong network effect, 4) over 70% market share in the underlying industry, 5) the ability to improve ARPU on low price sensitivity, and 6) higher operating leverage.
- We have arrived at our DCF-based TP of INR5,500, assuming 12% WACC and a terminal growth rate of 6%. Our TP implies a 21% upside on the CMP. **We reiterate our Buy rating.**

Exhibit 4: Revisions to our estimates

Standalone business	Revised estimate			Old estimate			Change (%/bp)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Revenue (INR m)	9814.2	12249.9	14899.8	9,886.2	12,267.2	14,756.7	-0.7	-0.1	1.0
YoY (%)	30.2	24.8	21.6	31.2	24.1	20.3	-100bp	70bp	130bp
EBITDA (%)	27.3	29.8	31.8	27.6	28.8	30.7	-30bp	100bp	110bp
EBIT (%)	24.2	27.1	29.1	24.7	26.1	28.0	-50bp	100bp	110bp
EPS (INR)	95.5	111.1	141.6	86.5	110.4	139.6	10.4	0.6	1.5

Source: MOFSL

Financials and valuations

Consolidated Income Statement							(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Total Income from Operations	5,070	6,386	6,696	7,535	9,814	12,250	14,900
Change (%)	23.4	26.0	4.9	12.5	30.2	24.8	21.6
Employees Cost	2,290	2,670	2,052	2,676	4,082	5,251	6,383
Outsourced sales cost	570	724	534	728	1,318	1,501	1,681
Other Expenses	1,370	1,310	828	1,053	1,737	1,849	2,096
Total Expenditure	4,230	4,704	3,414	4,457	7,138	8,602	10,160
As a percentage of Sales	83.4	73.7	51.0	59.2	72.7	70.2	68.2
EBITDA	840	1,682	3,282	3,078	2,677	3,648	4,740
Margin (%)	16.6	26.3	49.0	40.8	27.3	29.8	31.8
Depreciation	40	207	161	119	301	335	400
EBIT	800	1,475	3,121	2,959	2,375	3,314	4,340
Int. and Finance Charges	650	29	67	54	82	88	88
Other Income	410	683	866	1,122	1,127	1,321	1,546
PBT bef. EO Exp.	560	2,129	3,920	4,027	3,421	4,547	5,797
EO Items	0	229	-109	0	516	0	0
PBT after EO Exp.	560	2,358	3,811	4,027	3,936	4,547	5,797
Total Tax	350	872	986	928	741	1,153	1,470
Tax Rate (%)	62.5	37.0	25.9	23.0	18.8	25.4	25.4
Minority Interest	0.0	14.0	27.0	122.0	273.0	0.0	0.0
Reported PAT	210	1,472	2,798	2,977	2,922	3,394	4,327
Adjusted PAT	210	1,243	2,907	2,977	2,406	3,394	4,327
Change (%)	-61.8	491.9	133.9	2.4	-19.2	41.1	27.5
Margin (%)	4.1	19.5	43.4	39.5	24.5	27.7	29.0

Consolidated Balance Sheet							(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	286	289	303	306	306	306	306
Total Reserves	1,313	2,462	15,806	18,435	21,304	23,903	26,824
Net Worth	1,599	2,751	16,109	18,741	21,610	24,209	27,130
Other Liabilities	2,300	3,312	3,318	3,934	4,726	5,410	6,038
Total Loans	0	0	0	0	0	0	0
Deferred Tax Liabilities	-964	-536	-244	-234	-254	-274	-294
Capital Employed	2,935	5,527	19,183	22,441	26,082	29,344	32,874
Net Fixed Assets	85	52	22	31	51	71	91
Goodwill on Consolidation	6	5	3	2	2	2	2
Capital WIP	2	2	2	2	2	2	2
Other Assets	44	1,514	1,054	4,818	4,818	4,818	4,818
Total Investments	6,450	8,719	22,174	23,008	26,008	29,008	32,008
Curr. Assets, Loans, and Adv.	657	401	1,616	1,394	3,847	5,702	7,838
Inventory	0	0	0	0	0	0	0
Account Receivables	6	17	13	13	27	34	41
Cash and Bank Balance	402	169	401	495	2,874	4,663	6,732
Loans and Advances	250	215	1,202	886	946	1,006	1,066
Curr. Liability and Prov.	4,308	5,166	5,688	6,814	8,646	10,259	11,886
Account Payables	450	179	154	184	336	432	525
Other Current Liabilities	3,709	4,682	5,210	6,348	8,018	9,525	11,049
Provisions	149	305	324	282	292	302	312
Net Current Assets	-3,650	-4,765	-4,072	-5,420	-4,799	-4,557	-4,048
Misc. Expenditure	0	0	0	0	0	0	0
Appl. of Funds	2,936	5,527	19,183	22,441	26,082	29,344	32,873

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Basic (INR)							
EPS	7.7	51.8	96.6	97.1	95.5	111.1	141.6
Cash EPS	7.7	51.8	96.6	97.1	95.5	111.1	141.6
BV/Share	58.6	96.8	556.2	611.6	706.1	792.4	888.0
DPS	0.0	10.1	15.4	2.0	4.0	26.0	46.0
Payout (%)	0.0	22.7	16.0	2.1	4.2	23.4	32.5
Valuation (x)							
P/E ratio	590.6	87.8	47.1	46.8	47.6	40.9	32.1
Cash P/E ratio	590.6	87.8	47.1	46.8	47.6	40.9	32.1
P/BV ratio	77.6	47.0	8.2	7.4	6.4	5.7	5.1
EV/Sales ratio	24.4	20.2	19.6	18.4	13.9	11.0	8.9
EV/EBITDA ratio	147.2	76.8	40.0	45.1	50.9	36.8	27.9
Dividend Yield (%)	0.0	0.2	0.3	0.0	0.1	0.6	1.0
FCF per share	91.7	90.1	111.4	129.9	118.5	142.4	164.2
Return Ratios (%)							
RoE	-26.0	57.2	30.8	17.1	11.9	14.8	16.9
RoCE	-56.2	62.5	31.3	18.0	14.1	15.1	17.1
RoIC	-9.1	-25.5	-68.5	-102.2	-99.7	-69.4	-63.5
Working Capital Ratios							
Fixed Asset Turnover (x)	59.8	122.8	304.4	243.1	192.4	172.5	163.7
Asset Turnover (x)	1.7	1.2	0.3	0.3	0.4	0.4	0.5
Debtor (Days)	0	1	1	1	1	1	1
Creditor (Days)	32	10	8	9	12	13	13
Leverage Ratio (x)							
Current Ratio	0.2	0.1	0.3	0.2	0.4	0.6	0.7
Interest Coverage Ratio	1.2	50.9	46.6	54.8	29.0	37.7	49.3
Net Debt/Equity ratio	-4.3	-3.2	-1.4	-1.3	-1.3	-1.4	-1.4

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
OP/(Loss) before Tax	539	2,114	3,893	3,904	3,421	4,547	5,797
Depreciation	41	211	161	119	301	335	400
Interest and Finance Charges	-30	33	67	54	82	88	88
Direct Taxes Paid	-52	-186	-588	-971	-741	-1,153	-1,470
(Inc.)/Dec. in WC	1,684	1,022	471	1,800	2,530	2,210	2,168
CF from Operations	2,183	3,194	4,004	4,906	5,592	6,027	6,983
Others	368	-589	-779	-883	-1,643	-1,321	-1,546
CF from Operations incl. EO	2,551	2,605	3,225	4,023	3,949	4,706	5,438
(Inc.)/Dec. in FA	-51	-45	2	-42	-321	-355	-420
Free Cash Flow	2,500	2,560	3,227	3,981	3,628	4,351	5,017
(Pur.)/Sale of Investments	-2,591	-2,047	-13,379	-356	-3,000	-3,000	-3,000
Others	-116	-233	1	-2,956	1,956	1,321	1,546
CF from Investments	-2,758	-2,325	-13,376	-3,354	-1,365	-2,033	-1,875
Issue of Shares	144	19	10,520	5	0	0	0
Interest Paid	-3	-199	-122	-125	-82	-88	-88
Dividend Paid	0	-333	-15	-455	-123	-795	-1,406
CF from Fin. Activity	141	-513	10,383	-575	-205	-883	-1,494
Inc./Dec. in Cash	-65	-233	232	94	2,379	1,789	2,069
Opening Balance	467	402	169	401	495	2,874	4,663
Closing Balance	402	169	401	495	2,874	4,663	6,732

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, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980

4263; 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.:022-71881085.

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; 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.