

Estimate change	↓
TP change	↓
Rating change	↔

**CMP: INR415**

**TP: INR520 (+25%)**

**Buy**

## Muted revenues and other income lead to 23% earnings miss

Bloomberg	360ONE IN
Equity Shares (m)	356
M.Cap.(INRb)/(USDb)	147.8 / 1.8
52-Week Range (INR)	507 / 306
1, 6, 12 Rel. Per (%)	-6/-9/-13
12M Avg Val (INR M)	156

### Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Net Revenues	15.6	17.3	19.4
Opex	7.2	7.8	8.4
Core PBT	8.5	9.5	11.0
PAT	6.6	7.5	8.8
EPS	18.5	21.2	24.7
EPS Grw (%)	13.5	14.7	16.4
BV	87.2	91.4	96.3

### Ratios

PBT margin (bp)	31.6	32.2	32.4
PAT margin (bp)	24.5	25.6	25.8
RoE (%)	21.6	23.7	26.3
Div. Payout (%)	67.2	80.0	80.0

### Valuations

P/E (x)	22.5	19.6	16.8
P/BV (x)	4.8	4.5	4.3
Div. Yield (%)	3.0	4.1	4.8

### Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	22.0	22.0	23.1
DII	54.3	31.9	3.6
FII	12.8	31.5	22.1
Others	11.0	14.6	51.2

FII Includes depository receipts

- 4QFY23 PAT stood at INR1.6b, lower than our estimate of INR2.0b owing to negative 78m other income v/s our expectation of positive INR289m.
- Opex declined 21% YoY to INR1.85b, which was 3% lower than our estimate. Employee costs declined 26% YoY. The cost-to-income ratio fell 849bp YoY to 47.1% (est. 44.6%).
- Total AUM rose 4.8% YoY to INR2.74t, with continued focus on scaling up ARR assets. ARR AUM grew 16% YoY to INR1.67t. ARR net flows stood at INR59b for the quarter, while total net flows came in at INR70b.
- FY23 revenue/PAT grew 12%/15% YoY to INR15.7b/INR6.7b.
- The board has approved an interim dividend of INR4 per share (first interim dividend of FY24).
- We have cut our EPS estimates largely to factor in lower retentions on 360ONE Plus (erstwhile IIFL One) and lower other income for FY24/FY25. **We retain our BUY rating with a one-year TP of INR520 (based on 21x Mar'25E EPS).**

### Gross AUM increased 5%YoY to INR2.74t; mix favors ARR assets

- Total AUM on a closing basis in 4QFY23 grew 5% YoY to INR2.74t, lower than our expectation of INR2.89t. ARR AUM grew 16% YoY to INR1.67t. TBR AUM fell 9% YoY to INR1.07t. The contribution of ARR assets to total AUM stood at 61% v/s 61%/55% in 3QFY23/4QFY22.
- AUM for 360ONE plus (IIFL-ONE) grew 4% QoQ to INR423b. The sequential growth was led by an 8%/5% increase in advisory assets/non-discretionary PMS. MTM loss on ARR/TBR assets stood at INR52.6b/INR24.95b.

### Pressure on yields

- Reported retentions in total revenue (including other income) stood at 59bp v/s 62bp/64bp in 3QFY23/4QFY22. ARR retentions stood at 67bp v/s 70bp/74bp in 3QFY23/4QFY22.
- Retentions in IIFL-ONE marginally declined QoQ to 26bp as the share of advisory and non-discretionary assets increased. NIM in the loan book fell 85bp QoQ to 5.5%. AMC retentions were down 8bp QoQ as retentions on AIF assets were flat and the share of PMS assets declined.

### Opex declines YoY on account of a decline in variable employee pay

- While the overall opex was flat QoQ, total Opex declined 16% YoY to INR1.86b (in line with estimates), led by 26% YoY decline in employee cost. This decline in employee cost was on account of 69% YoY decline in variable employee cost (linked to flows). However, the ESOP cost increased 29% YoY and 35% QoQ.
- Administrative costs also declined 8% YoY and 3% QoQ to INR526m.

**Highlights from the management commentary**

- Target of INR400b net flows into ARR assets is backed by 1) ~INR150b in 360ONE Plus (erstwhile IIFL One), 2) ~INR150b in AMC and 3) INR100-150b Distribution assets. This would be partially offset by some redemption (of which, 60% is expected to be retained). INR200-250bn will be in the form of new flows from existing/new customers, while rest would arise from transition of AUM from TBR to ARR.
- By 2QFY24, mid-market proposition is expected to be launched. In addition, 360ONE plans to expand into 10 new cities and establish offices in Dubai and Singapore by the end of FY24. Furthermore, the company aims to expand into 5 more cities by 1HFY25.

**Other highlights**

- Other income' stood at negative INR78m in 4QFY23 v/s negative INR54m in 3QFY23 and our estimate of positive INR289m.
- The NBFC loan book increased to INR54b during the quarter.

**Decent performance in 4QFY23; reiterate BUY**

Over the past decade, 360ONE has evolved into one of the best wealth management franchises in India. It has become one of the largest alternate asset managers with unique product offerings. With IIFL-ONE, the company is looking to change the way wealth management services are offered in India by focusing on recurring revenue rather than the traditional approach of transaction-based revenue. Inflows continued to show momentum in 4QFY23. However, the growth of AUM was impacted by MTM hit. We have cut our EPS estimates largely to factor in lower retentions on 360ONE Plus (erstwhile IIFL One) and lower 'other income' for FY24/FY25. **We retain our BUY rating with a one-year TP of INR520 (based on 21x Mar'25E EPS).**

**Quarterly performance**

Y/E March	FY22				FY23				FY22	FY23	4QFY23E	INR m Act. Vs Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Revenues</b>	<b>2,834</b>	<b>3,143</b>	<b>3,781</b>	<b>4,228</b>	<b>3,750</b>	<b>3,824</b>	<b>4,150</b>	<b>3,929</b>	<b>13,987</b>	<b>15,649</b>	<b>4,285</b>	<b>-8</b>
Change (%)	42.6	48.3	58.1	59.2	32.3	21.7	9.7	-7.1	52.8	11.9	1.3	
ARR Assets Income	1,936	2,222	2,451	2,524	2,560	2,605	2,757	2,659	9,133	10,495	3,013	-12
TBR Assets Income	898	921	1,330	1,704	1,190	1,219	1,393	1,271	4,854	5,154	1,272	0
<b>Operating Expenses</b>	<b>1,531</b>	<b>1,730</b>	<b>2,220</b>	<b>2,350</b>	<b>1,670</b>	<b>1,794</b>	<b>1,863</b>	<b>1,850</b>	<b>7,841</b>	<b>7,184</b>	<b>1,912</b>	<b>-3</b>
Change (%)	17.8	29.2	46.2	54.3	9.1	3.7	-16.1	-21.3	38.1	-8.4	-18.7	
Cost to Income Ratio (%)	54.0	55.0	58.7	55.6	44.5	46.9	44.9	47.1	56.1	45.9	44.6	248bps
<b>Operating Profits</b>	<b>1,304</b>	<b>1,413</b>	<b>1,561</b>	<b>1,878</b>	<b>2,080</b>	<b>2,031</b>	<b>2,286</b>	<b>2,079</b>	<b>6,146</b>	<b>8,465</b>	<b>2,373</b>	<b>-12</b>
Change (%)	89.3	80.9	78.8	65.8	59.5	43.7	46.4	10.7	76.9	37.7	26.4	
Other Income	206	480	420	265	-60	225	-54	-78	1,371	37	289	
<b>Profit Before Tax</b>	<b>1,510</b>	<b>1,893</b>	<b>1,981</b>	<b>2,143</b>	<b>2,020</b>	<b>2,255</b>	<b>2,232</b>	<b>2,001</b>	<b>7,517</b>	<b>8,502</b>	<b>2,663</b>	<b>-25</b>
Change (%)	38.1	67.8	54.9	59.0	33.8	19.1	12.7	-6.6	55.0	13.1	24.2	
Tax	341	458	449	487	449	512	517	447	1,735	1,924	632	-29
Tax Rate (%)	22.6	24.2	22.7	22.7	22.2	22.7	23.2	22.3	23.1	22.6	23.7	
<b>PAT</b>	<b>1,169</b>	<b>1,435</b>	<b>1,532</b>	<b>1,657</b>	<b>1,571</b>	<b>1,744</b>	<b>1,715</b>	<b>1,554</b>	<b>5,781</b>	<b>6,578</b>	<b>2,031</b>	<b>-23</b>
Change (%)	42.0	64.6	58.8	60.3	34.5	21.5	12.0	-6.2	56.6	13.8	22.6	
PAT Margins (%)	41.2	45.6	40.5	39.2	41.9	45.6	41.3	39.6	41.3	42.0	47.4	-784bps
<b>Key Operating Parameters (%)</b>												
<b>AUM (INR B)</b>	<b>2,352</b>	<b>2,566</b>	<b>2,628</b>	<b>2,617</b>	<b>2,520</b>	<b>2,682</b>	<b>2,751</b>	<b>2,743</b>	<b>2,617</b>	<b>2,743</b>	<b>2,892</b>	<b>-5</b>
Change (%)	33.1	37.1	31.1	26.4	7.2	4.5	4.7	4.8	26.4	4.8	10.5	
ARR Assets	1,175	1,320	1,389	1,444	1,429	1,550	1,665	1,672	1,444	1,672	1,759	-5
TBR Assets	1,178	1,246	1,238	1,173	1,092	1,132	1,086	1,072	1,173	1,072	1,133	-5
<b>Yield on AUM - Calculated (%)</b>	<b>0.51</b>	<b>0.51</b>	<b>0.58</b>	<b>0.64</b>	<b>0.58</b>	<b>0.59</b>	<b>0.61</b>	<b>0.57</b>	<b>0.64</b>	<b>0.57</b>		
ARR Assets	0.71	0.71	0.72	0.71	0.71	0.70	0.69	0.64	0.71	<b>0.64</b>		
TBR Assets	0.32	0.30	0.43	0.57	0.42	0.44	0.50	0.47	0.57	<b>0.47</b>		



## Highlights from the management commentary

### Financials

- ARR assets grew 15.7% YoY in FY23. The share of ARR AUM now stands at 61%. The ARR net flows for FY23 stood at INR 280b. ARR assets grew 2.5 times in the last three years.
- Recurring revenues now account for 67% of the total revenue. From 1QFY24, the carry revenue would be recognized as recurring revenue (recognition only on a very conservative basis).

### Business

- Carry income will not have much impact on retentions. 360ONE has maintained a retention rate of 80-90bp on managed accounts, 45-50bp on MF investments, and a retention rate of 90-100bp on PE investments. Over the last 2-3 years, a significant amount of capital was raised for PE investments, and replacing these investments could potentially impact the AUM for unlisted securities (~33% of total AUM).
- Total net worth stands at ~INR25b (excl. goodwill). Of this, ~INR 14-15b is deployed in lending business. ~INR 11b is invested in own AIF, which is causing aberrations in the 'other income'. 360ONE intends to decrease this to ~INR4.5-5b in the next 12-18 months. (initially, clients had expected 360ONE to invest significant amount of funds in new funds. This expectation has been lowered and the current investment amount per new fund is ~INR50m)
- Distribution asset trail fees have come down to ~37bp from ~40bp. This is because of 1) the higher share of debt in the last three months compared to equity has led to a decrease of ~0.7bp and 2) the distribution assets of private equity moving away has led to a decrease of ~2-2.5bp.
- The reason for lower NIMs on the loan book is due to the fact that only 40-50% of interest rate increase was passed on to customers while the remaining 50-60% was deferred until the end of Mar'23.

### Guidance

- The decline in earlier guidance from a PAT of INR8.4b to INR8b in FY24 is on account of a conservative 'other income' and a decrease in TBR income (INR 3b is conservative and can increase by INR 0.5b depending upon market).
- Target of INR400b net flows into ARR assets is backed by 1) ~INR150b in 360ONE Plus (erstwhile IIFL One), 2) ~INR150b in AMC and 3) INR100-150b Distribution assets. This would be partially offset by some redemption (of which, 60% is expected to be retained). INR200-250bn will be in the form of new flows from existing/new customers, while rest would arise from transition of AUM from TBR to ARR
- 360ONE plans to expand into 10 new cities and establish offices in Dubai and Singapore by the end of FY24. Furthermore, the company aims to expand into 5 more cities by 1HFY25. The recruitment for the same has been ongoing for the past 3-6months.

**360ONE Plus (erstwhile IIFL One)**

- The declining retentions for 360ONE Plus are expected to stabilize. The Advisory services, including non-discretionary PMS, should have a retention rate of approximately of ~35-40bp (with the exception of corporate treasury, which has a lower retention rate). With the change in debt taxation, direct mandates were shifted from equity to debt in Mar'23, and thus, impacted the retention rate.
- Advisory assets will outpace distribution assets especially for large clients (INR1b+ wallet share). For INR50-500m clients, the focus is on distribution assets.
- Discretionary works on three models, 1. All-in one fees 2. ~50-60bp for pure discretionary portfolio management fee and 3. Fees based on asset class, where 360One charges differently for equity and debt.

**Mid-Market Proposition**

- Distinctive features for mid-market proposition are 1. Set of differentiated curated as well as approved products on the platform and 2. to increase the span of control of RMs from 50 clients to 100 clients.
- This would have ~10-20bp higher retention rate than for advisory services. It would also have higher technology cost and then higher employee cost in the initial years. On reaching scale, CIR is expected to settle at ~35-36%.
- Over a period of time, advisory and discretionary PMS have become increasingly tailored to clients with a profile of ~INR 500m profile, making it challenging to maintain longer-term retentions of 40-45bp. On the flip side, client profiles with INR50-500m or INR100-500m have slightly higher retentions. 360ONE has worked hard over the last nine months to crack this segment.

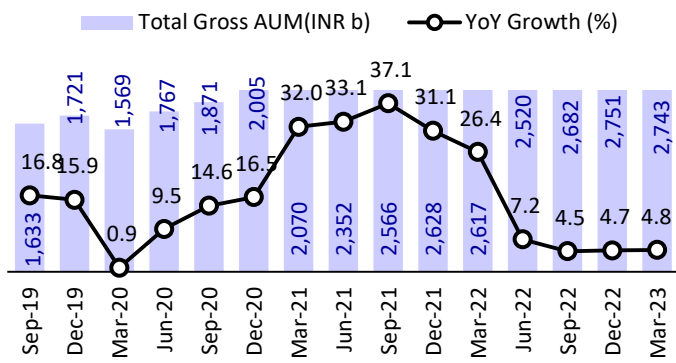
**Exhibit 1: Cut in estimates**

INR b	Old Est.		New Est.		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
ARR Revenue	12.8	14.8	12.2	14.3	-4.8	-3.5
TBR Revenue	5.0	5.0	5.0	5.1	1.0	2.0
<b>Total Income</b>	<b>17.8</b>	<b>19.8</b>	<b>17.3</b>	<b>19.4</b>	<b>-3.2</b>	<b>-2.1</b>
Operating Expenses	8.0	8.8	7.8	8.4	-2.6	-4.3
<b>Operating Profits</b>	<b>9.9</b>	<b>11.0</b>	<b>9.5</b>	<b>11.0</b>	<b>-3.7</b>	<b>-0.4</b>
Other Revenue	0.5	0.6	0.3	0.4	-40.0	-33.3
<b>PBT</b>	<b>10.4</b>	<b>11.6</b>	<b>9.8</b>	<b>11.4</b>	<b>-5.4</b>	<b>-2.1</b>
Tax	2.4	2.7	2.3	2.6	-5.4	-2.1
<b>PAT</b>	<b>8.0</b>	<b>9.0</b>	<b>7.5</b>	<b>8.8</b>	<b>-5.4</b>	<b>-2.1</b>
<b>Total AUM</b>	<b>3,268</b>	<b>3,687</b>	<b>3,156</b>	<b>3,642</b>	<b>-3.4</b>	<b>-1.2</b>
Cost-to-core income	44.7	44.2	45.0	43.2	0.6	-2.3
RoE	25.2	26.9	23.7	26.3	-5.9	-2.3
Dividend payout ratio	80.0	80.0	80.0	80.0	0.0	0.0

Source: MOFSL, Company

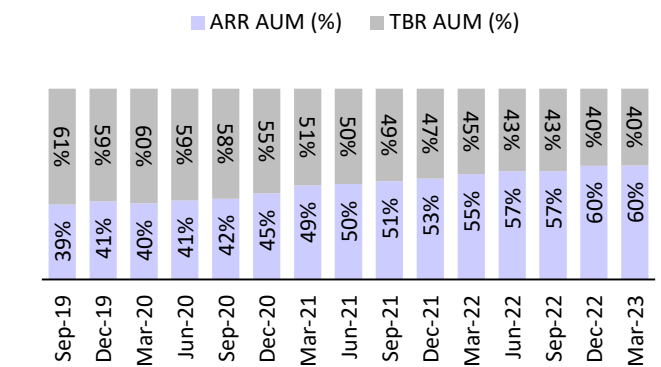
## Key exhibits

**Exhibit 2: Total AUM is flat sequentially**



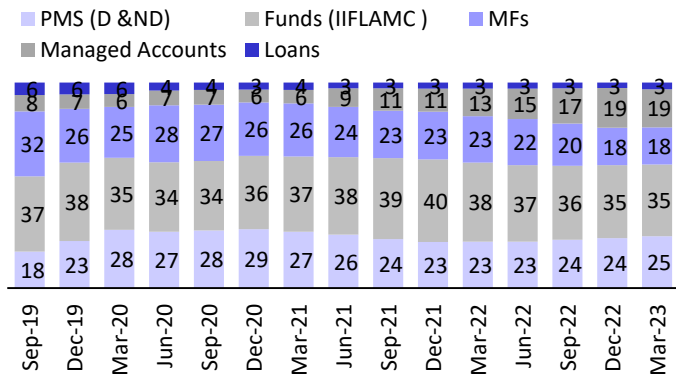
Source: MOFSL, Company

**Exhibit 3: ARR's share stable at ~60%**



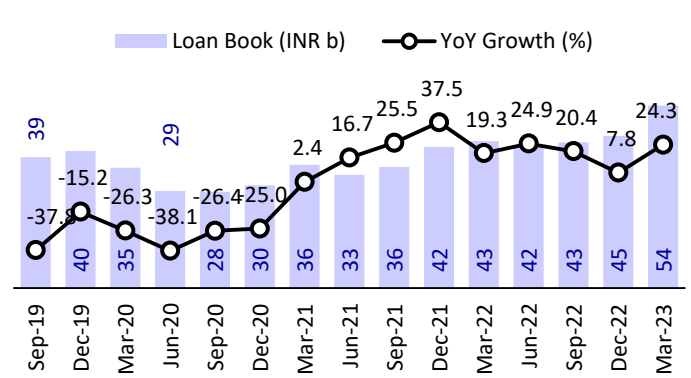
Source: MOFSL, Company

**Exhibit 4: ARR AUM mix (%)**



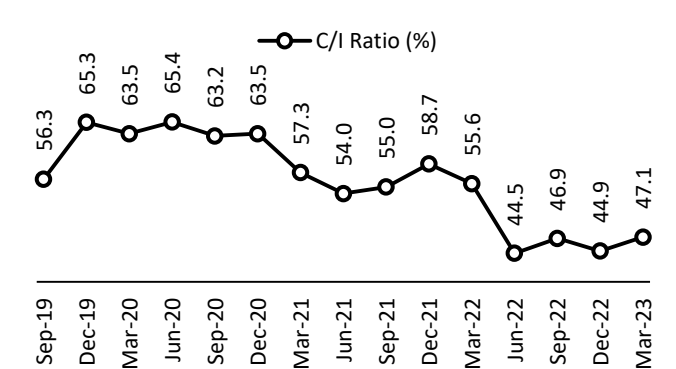
Source: MOFSL, Company

**Exhibit 5: On YoY basis, loan book improves**



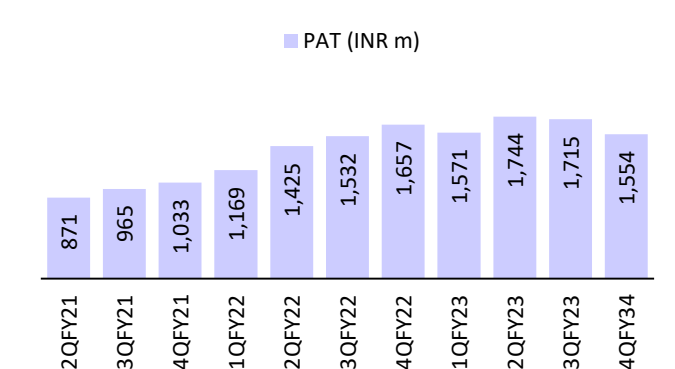
Source: MOFSL, Company

**Exhibit 6: ~220bp increase in cost-to-income ratio**



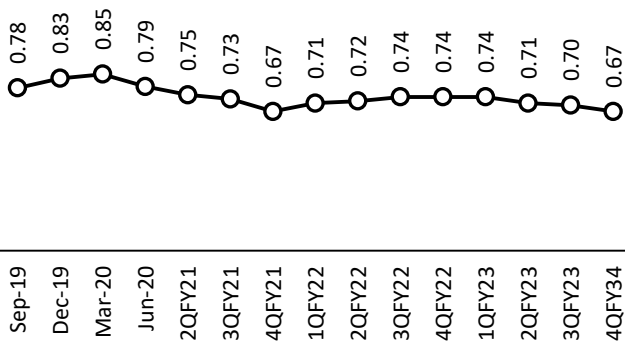
Source: MOFSL, Company

**Exhibit 7: Trend in consolidated PAT (INR m)**



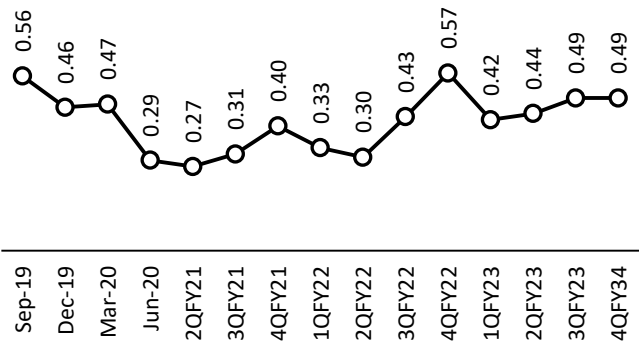
Source: MOFSL, Company

**Exhibit 8: Yields in ARR**



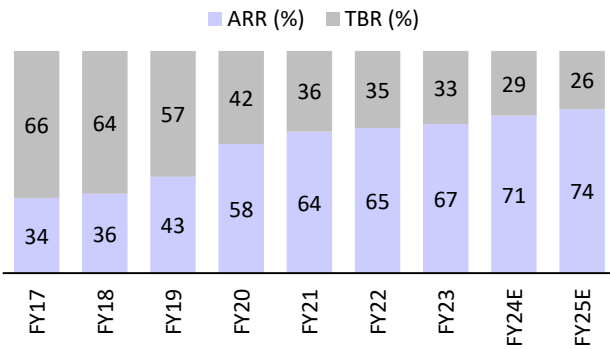
Source: MOFSL, Company

**Exhibit 9: Yields in TBR**



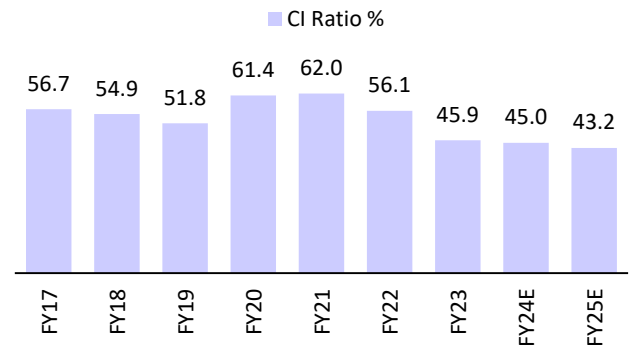
Source: MOFSL, Company

**Exhibit 10: Mix of revenues**



Source: MOFSL, Company

**Exhibit 11: Cost-to-income ratio**



Source: MOFSL, Company

## Financials and valuations

Income Statement								(INR m)	
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E	
Annual Recurring Revenues Assets	3,670	4,437	5,345	5,828	9,120	10,495	12,217	14,295	
Transactional/Broking Revenues Assets	6,618	5,794	3,855	3,325	4,862	5,154	5,037	5,087	
<b>Net Revenues</b>	<b>10,288</b>	<b>10,231</b>	<b>9,200</b>	<b>9,154</b>	<b>13,982</b>	<b>15,649</b>	<b>17,254</b>	<b>19,382</b>	
Change (%)	45.3	-0.5	-10.1	-0.5	52.8	11.9	10.3	12.3	
Operating Expenses	5,652	5,297	5,645	5,679	7,841	7,184	7,759	8,380	
<b>Core Profit Before Tax</b>	<b>4,636</b>	<b>4,934</b>	<b>3,555</b>	<b>3,474</b>	<b>6,141</b>	<b>8,465</b>	<b>9,495</b>	<b>11,002</b>	
Change (%)	51.2	6.4	-28.0	-2.3	76.8	37.8	12.2	15.9	
Other Income	140	445	-691	1,375	1,372	37	300	400	
<b>Profit Before Tax</b>	<b>4,775</b>	<b>5,380</b>	<b>2,864</b>	<b>4,849</b>	<b>7,513</b>	<b>8,502</b>	<b>9,795</b>	<b>11,402</b>	
Change (%)	24.2	12.7	-46.8	69.3	54.9	13.2	15.2	16.4	
Tax	1,099	1,634	853	1,157	1,736	1,924	2,253	2,622	
Tax Rate (%)	23.0	30.4	29.8	23.9	23.1	22.6	23.0	23.0	
<b>PAT</b>	<b>3,676</b>	<b>3,746</b>	<b>2,011</b>	<b>3,692</b>	<b>5,777</b>	<b>6,578</b>	<b>7,542</b>	<b>8,780</b>	
Change (%)	37.0	1.9	-46.3	83.5	56.5	13.9	14.7	16.4	
Proposed Dividend	785	848	2,018	6,150	4,858	4,418	6,034	7,024	

Balance Sheet								(INR m)	
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E	
Equity Share Capital	160	169	174	176	177	356	356	356	
Reserves & Surplus	18,469	28,935	29,741	28,102	29,798	30,685	32,194	33,950	
<b>Net Worth</b>	<b>18,629</b>	<b>29,104</b>	<b>29,915</b>	<b>28,278</b>	<b>29,976</b>	<b>31,041</b>	<b>32,550</b>	<b>34,306</b>	
Borrowings	69,663	61,145	88,381	47,116	58,075	67,473	73,752	73,752	
Other Liabilities	7,374	7,553	11,967	12,006	19,345	13,406	14,747	16,222	
<b>Total Liabilities</b>	<b>95,666</b>	<b>97,802</b>	<b>1,30,263</b>	<b>87,400</b>	<b>1,07,396</b>	<b>1,11,921</b>	<b>1,21,048</b>	<b>1,24,279</b>	
Cash and Investments	18,564	33,300	76,911	33,010	49,566	43,347	45,956	47,041	
Change (%)	-43.6	79.4	131.0	-57.1	50.2	-12.5	6.0	2.4	
<b>Loans</b>	<b>70,561</b>	<b>49,665</b>	<b>36,319</b>	<b>37,206</b>	<b>40,549</b>	<b>49,101</b>	<b>53,670</b>	<b>53,670</b>	
Net Fixed Assets	523	5,100	5,754	8,153	8,163	8,798	9,678	10,646	
Net Current Assets	6,017	9,737	11,278	9,030	9,117	10,675	11,745	12,922	
<b>Total Assets</b>	<b>95,666</b>	<b>97,802</b>	<b>1,30,263</b>	<b>87,400</b>	<b>1,07,396</b>	<b>1,11,921</b>	<b>1,21,048</b>	<b>1,24,279</b>	

E: MOFSL Estimates



## Financials and valuations

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
<b>AUM (Ex Custody assets) (INR B)</b>	<b>1,309</b>	<b>1,555</b>	<b>1,569</b>	<b>2,070</b>	<b>2,617</b>	<b>2,743</b>	<b>3,156</b>	<b>3,642</b>
Change (%)	33.1	18.7	0.9	32.0	26.4	4.8	15.0	15.4
Annual Recurring Revenue Assets	449	583	626	1,020	1,444	1,672	2,084	2,571
Transactional/Brokerage Assets	861	972	943	1,051	1,173	1,072	1,072	1,072

E: MOFSL Estimates

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
<b>As a percentage of Net Revenues</b>								
ARR Income	35.7	43.4	58.1	63.7	65.2	67.1	70.8	73.8
TRB Income	64.3	56.6	41.9	36.3	34.8	32.9	29.2	26.2
Total Cost (Cost to Income Ratio)	54.9	51.8	61.4	62.0	56.1	45.9	45.0	43.2
Employee Cost	37.9	32.4	40.5	44.7	43.0	33.3	32.6	31.3
PBT	45.1	48.2	38.6	38.0	43.9	54.1	55.0	56.8
<b>Profitability Ratios (%)</b>								
RoE	21.7	15.7	6.8	12.7	19.8	21.6	23.7	26.3
Dividend Payout Ratio	21.4	22.6	100.3	166.6	84.1	67.2	80.0	80.0

### Dupont Analysis (Bps of AAAUM)

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Operating Income	89.7	71.4	58.9	50.3	59.7	58.4	58.5	57.0
Operating Expenses	49.3	37.0	36.1	31.2	33.5	26.8	26.3	24.7
<b>Core Profit Before Tax</b>	<b>40.4</b>	<b>34.5</b>	<b>22.8</b>	<b>19.1</b>	<b>26.2</b>	<b>31.6</b>	<b>32.2</b>	<b>32.4</b>
Other Income	1.2	3.1	-4.4	7.6	5.9	0.1	1.0	1.2
<b>Profit Before Tax</b>	<b>41.6</b>	<b>37.6</b>	<b>18.3</b>	<b>26.6</b>	<b>32.1</b>	<b>31.7</b>	<b>33.2</b>	<b>33.5</b>
Tax	9.6	11.4	5.5	6.4	7.4	7.2	7.6	7.7
<b>ROAAAUM</b>	<b>32.1</b>	<b>26.2</b>	<b>12.9</b>	<b>20.3</b>	<b>24.6</b>	<b>24.5</b>	<b>25.6</b>	<b>25.8</b>

Valuations	2018	2019	2020	2021	2022	2023	2024E	2025E
BVPS (INR)	58	86	86	80	84	87	91	96
Change (%)	19.8	47.5	-0.4	-6.3	5.0	3.2	4.9	5.4
Price-BV (x)	<b>7.1</b>	<b>4.8</b>	<b>4.8</b>	<b>5.2</b>	<b>4.9</b>	<b>4.8</b>	<b>4.5</b>	<b>4.3</b>
EPS (INR)	12	11	6	11	16	18	21	25
Change (%)	33.9	-3.8	-47.9	82.0	55.0	13.5	14.7	16.4
Price-Earnings (x)	<b>36.0</b>	<b>37.4</b>	<b>71.9</b>	<b>39.5</b>	<b>25.5</b>	<b>22.5</b>	<b>19.6</b>	<b>16.8</b>
DPS (INR)	2	3	5	17	14	12	17	20
Dividend Yield (%)		<b>0.6</b>	<b>1.2</b>	<b>4.2</b>	<b>3.3</b>	<b>3.0</b>	<b>4.1</b>	<b>4.8</b>

E: MOFSL Estimates

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



Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at

<http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (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.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000.

Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.