8 May 2023

4QFY23 Results Update | Sector: Financials

CAMS

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	CAMS IN
Equity Shares (m)	49
M.Cap.(INRb)/(USDb)	100.7 / 1.2
52-Week Range (INR)	2689 / 2002
1, 6, 12 Rel. Per (%)	-9/-16/-26
12M Avg Val (INR M)	361

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
AAUM (INR t)	27.3	31.3	36.0
Revenue	9.7	10.8	12.4
EBITDA	4.2	4.8	5.8
Margin (%)	43.3	44.4	46.6
PAT	2.8	3.2	4.0
PAT Margin (%)	29	30	32
EPS	58.1	66.0	81.5
EPS Grw. (%)	-0.8	13.6	23.5
BVPS	159.7	182.6	211.2
RoE (%)	39.8	38.5	41.4
Div. Payout (%)	65.0	65.0	65.0
Valuations			
P/E (x)	35.4	31.2	25.3
P/BV (x)	12.9	11.3	9.7
Div. Yield (%)	1.8	2.1	2.6

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	19.9	19.9	23.8
DII	12.9	13.7	14.7
FII	35.0	32.7	29.0
Others	32.2	33.7	32.6

FII Includes depository receipts

CMP: INR2,057 TP: INR2,600 (+26%) Buy

Traction in Non-MF business drives profitability

- CAMS posted a 4QFY23 net profit of INR744m (+1% YoY), 11% above estimate. Share of the Non-MF business rose in 4Q and is likely to grow further in FY24.
- Account Aggregator, AIF/PMS RTA and Insurance Repository are likely to be the revenue growth drivers in non-MF business. With most of the contracts being renegotiated, the company does not expect any large hit in case of any further cuts in TER by the regulator for AMCs.
- CAMS' FY23 revenue came in at INR9.7b (+6.8%), whereas EBITDA/PAT stood flat at INR4.2b/ INR2.85b.
- The Board has declared an interim dividend of INR12 per share.
- Our estimates broadly remain unchanged and **we reiterate our BUY rating with a TP of INR2,600 (premised on 32x P/E on FY25E earnings).**

Share of Non-MF business in revenue improves to 11%

- CAMS' QAAUM grew 5% YoY to INR28t. However, equity AUM declined 4.9% sequentially to INR 12.4t in 4QFY23.
- Operating revenue was marginally up 2.5% YoY at INR2.5b, 4% ahead of our estimate. The share of non-MF business in revenue rose to 11% in 4QFY23.
- Non-MF revenue improved 7% YoY to INR274m in 4QFY23. The Alternative Services segment maintained its high growth trajectory, recording ~19% YoY revenue growth during the quarter.
- Policy Genie Deep Contact Tracing Solution, uniquely offered by CAMS Insurance Repository, has processed INR8b unclaimed amount using deep contact tracing. On a sequential basis, the revenue share of insurance repository improved to 2% in 4QFY23.

EBITDA margin dips YoY owing to investments in non-MF businesses

- On the expenses front, employee expenses, operating expenses and other expenses increased 3%, 7% and 26% YoY, respectively, much higher than the 2% revenue growth. This was because of investments being made in the non-MF businesses that are yet to scale up.
- EBITDA stood at INR1,091m, 8.6% above our estimates. EBITDA margin was at 43.8% in 4QFY23 v/s 46.1% in 4QFY22/44.4% in 3QFY23.
- PAT stood at INR744m in 4QFY23, +1% YoY and QoQ each.

Key takeaways from the management commentary

- The company expects strong uptick in revenue from Non-MF businesses, such as Account Aggregator, Insurance repository and AIF/PMS RTA in FY24.
- CAMSRep is scaling new highs in eIA and epolicy. The potential policy market size is about 500m and its revenue potential is expected to be ~INR2-5b. CAMS has the necessary capacity is place to scale up the business as and when the mandate comes from IRDAI.

Prayesh Jain - Research Analyst (Prayesh.Jain@MotilalOswal.com)
Nitin Aggarwal - Research Analyst (Nitin.Aggarwal@MotilalOswal.com) | **Nemin Doshi- Research Analyst** (Nemin.Doshi@MotilalOswal.com)

Valuation and View

- Empirically, CAMS has traded at a premium to listed AMCs in terms of one-year forward P/E. This premium is well deserved, given: 1) the duopoly nature of the industry and high-entry barriers, 2) relatively low-risk of a market share loss, and 3) higher customer ownership than AMCs.
- The MF business-related stocks have seen a correction in valuations over the past few months. This has been led by the weak AMC industry environment, given the pressure on yields, outflows from the Debt segment, rising share of passives and impending regulations. We expect the first two factors to reverse, as the intensity of the fall in yields abates and debt inflows increase with the topping of bond yields.
- Our estimates broadly remain unchanged and **we reiterate our BUY rating with a TP of INR2,600 (premised on 32x P/E on FY25E earnings).**

Quarterly Performance (INR m)

Y/E March	FY22				FY23				FY22	FY23	4QFY23E	Act v/s Est. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue from Operations	2,012	2,276	2,377	2,432	2,366	2,424	2,436	2,492	9,097	9,718	2,402	3.8
Change YoY (%)	35.4	33.0	27.8	21.7	17.6	6.5	2.5	2.5	28.9	6.8	-1.2	
Employee expenses	724	809	832	853	933	901	871	876	3,218	3,581	899.1	-2.6
Operating expenses	192	221	228	274	267	274	282	294	905	1,123	289.8	1.3
Other Expenses	167	189	184	183	188	189	200	232	733	803	207.9	11.4
Total Operating Expenses	1,083	1,218	1,244	1,310	1,388	1,363	1,354	1,401	4,855	5,506	1,397	0.3
Change YoY (%)	11.4	25.2	19.6	18.3	28.2	11.9	8.8	7.0	18.6	13.4	6.6	
EBITDA	**929**	**1,057**	**1,133**	**1,122**	**979**	**1,061**	**1,082**	**1,091**	4,241	4,212	1,005	8.6
Other Income	45	44	41	43	44	74	71	79	173	268	73	8.0
Depreciation	106	119	134	157	136	147	155	164	516	603	154	6.5
Finance Cost	18	18	18	18	18	18	20	20	71	76	15	34.5
PBT	**850**	**965**	**1,023**	**989**	**869**	**970**	**978**	**985**	**3,827**	**3,802**	**909**	8.4
Change YoY (%)	63.5	45.9	35.2	22.3	2.3	0.5	-4.4	-0.4	39.4	-0.7	-8.1	
Tax Provisions	217	239	249	251	223	249	242	242	957	956	236	2.3
Net Profit	**633**	**726**	**773**	**738**	**646**	**721**	**736**	**744**	**2,870**	**2,846**	**672**	10.6
Change YoY (%)	58.6	48.2	37.0	22.7	2.2	-0.6	-4.9	0.7	39.8	-0.8	-8.9	
Key Operating Parameters (%)												
Revenue / AUM (bp)	3.5	3.6	3.6	3.6	3.6	3.6	3.5	3.6	3.6	3.6	3.4	0.2
Opex / AUM (bp)	1.9	1.9	1.9	2.0	2.1	2.0	1.9	2.0	1.90	2.02	2.0	0.0
PBT / AUM (bp)	1.5	1.5	1.5	1.5	1.3	1.4	1.4	1.4	1.50	1.39	1.3	0.1
PAT / AUM (bp)	1.1	1.1	1.2	1.1	1.0	1.1	1.1	1.1	1.13	1.04	0.9	0.1
Cost to Operating Income Ratio	53.8	53.5	52.3	53.9	58.6	56.2	55.6	56.2	53.4	56.7	58.2	-1.9
EBITDA Margin	46.2	46.5	47.7	46.1	41.4	43.8	44.4	43.8	46.6	43.3	41.8	1.9
PBT Margin	42.3	42.4	43.0	40.7	36.7	40.0	40.1	39.5	42.1	39.1	37.8	1.7
Tax Rate	25.6	24.8	24.4	25.4	25.6	25.6	24.8	24.5	25.0	25.1	26.0	-1.5
PAT Margin	31.4	31.9	32.5	30.4	27.3	29.8	30.2	29.8	31.6	29.3	28.0	1.8
Opex Mix (%)												
Employee expenses	66.9	66.4	66.9	65.1	67.2	66.1	64.4	62.5	66.3	65.0	64.4	1.8
Operating expenses	17.7	18.1	18.3	20.9	19.3	20.1	20.9	21.0	18.6	20.4	20.7	-0.2
Other Expenses	15.4	15.5	14.8	14.0	13.5	13.8	14.8	16.5	15.1	14.6	14.9	-1.6
Key Parameters												
QAUM (INR b)	23,078	25,500	26,700	26,700	26,200	27,100	27,800	28,000	25,500	27,300	28,356	-1.3
Share of Equity AUM (%)	36.0	39.0	40.8	41.4	43.1	45.0	46.4	44.3	39.6	45.4		

Key takeaways from the management commentary

MF business

- Overall AUM for 4QFY23 was at INR28t (marginal increase over 3QFY23). Equity AUM share of CAMS-serviced funds continues to grow with the share rising to 65.3% in 4QFY23 from 64.8% in 3QFY23. Share of equity net sales has improved 9.6% in 4QFY23 (73.3% market share). Equity AAUM grew 18% YoY to INR13t. Navi MF, one of the leading digital first MF, has fully migrated to CAMS platform.
- Strong growth in SIP registrations for the quarter with 4.03m new registrations has led to an improved market share of 62% (+5% QoQ). SIP inflows were strong in 4Q, reaching a historical high of INR246b for CAMS-serviced funds (+6% QoQ).
- With the new tax rule in debt segment, the segment has become unattractive for retail investors but the reality is counter intuitive as CAMS debt portfolio grew almost 8-9%. This was led by intense selling. For Apr'23, net sales rose INR90-100b, almost +2% in a month. The reasons for the same are: a) Debt segment had not witnessed intense selling pressure and b) expectations that the high interest rate regime is coming to an end.

Non-MF business

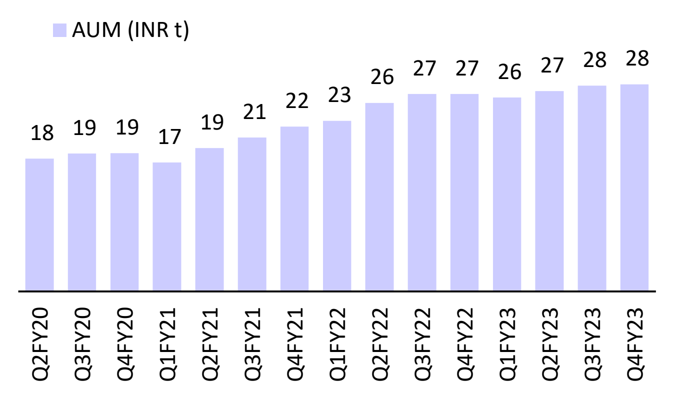
- **Alternatives:** Alternatives business has shown consistent financial performance. Annual revenue grew 26% YoY. Fintuple Technologies continues to make inroads with large ticket wins from marquee clients. CAMS GIFT City signed up with nine clients. Assets under service grew to INR1.5t. CAMS WealthServ is a digital onboarding platform that transforms client onboarding (75+ signups)
- **Account Aggregator:** CAMS to go live as FIP Gateway in 1QFY24. It has a leadership position in the industry on FIP integration. It is creating newer use cases – Bank account Validation through AA. It has 79 AA/TSP wins with ~20 win 4QFY23. The acquisition of Think360.ai will help enhance offering in the AA+TSP ecosystem. CAMS360 is processing SMS data to gain consumer insights that will continue to bolster the bank statement analyzer (four sign ups with CAMS).
- **NPS -** CAMS NPS continues to retain the no. 2 position with 9% market share in eNPS segment.
- CAMSPay delivered a stellar year with 27% growth in revenue driven by increase in transaction volumes and a slew of new product offerings. It has received the RBI's in-principle authorization to be a Payment Aggregator in Feb'23.
- myCAMS holds fort among the Top 2 fintech apps with close to 6m downloads. Daily API hits on MF Central crossed 20,000 a day (expect this to scale up 2x during FY24).
- **Insurance Repository -** CAMSRep is scaling new highs in eIA and epolicy and ramps up deep contact tracing services (~5m E-Insurance policies - growth of ~35% in FY23). The potential policy market size is about 500m and the revenue potential is expected to be ~INR2-5b (~25x growth). CAMS has the necessary capacity is place to scale the business as and when the mandate comes from IRDAI. In terms of pricing, currently it is not very competitive but as and when market opens up, price depletion will happen. If prices reduce 50% from current level, then the market size would be ~INR 2.0-2.5b. Even without the mandate, the growth in revenue and policies is likely to be strong in the current year.

Financials

- Payments services continued to grow on back on increased mandates and transactions processed. CAMS continues to remain bullish on KRA business. It is on course to achieve the target of 15% non-MF share with all businesses seeing strong traction and also acquisitions such as Think360.
- Yields were stable YoY in FY23. However, yields declined marginally in previous two quarters. Yields would decline due to: a) telescopic pricing, b) product mix changes and c) negotiations for price reductions. During the quarter, a couple of players got merged and thus telescopic pricing had impacted yields. Negotiations for most of the contracts are re-priced. The product mix had an impact of equity yields.
- Other expenses are generally fixed in nature. These include – legal & professional fees (~INR50m related to deal structuring – one-off in 4QFY23), compliance fees (various audit expenses – ~INR40-50m in 4Q), increase in admin infrastructure to support the business, and marketing and promotional spends for CRA and AA platforms (at ~INR 60m). These expenses have reached their higher limits and the increase going ahead would be inflation-related.
- ESOP cost for FY23 was INR267m. There are four ESOP plans ongoing and the ESOP cost for FY24E would be ~INR140m.

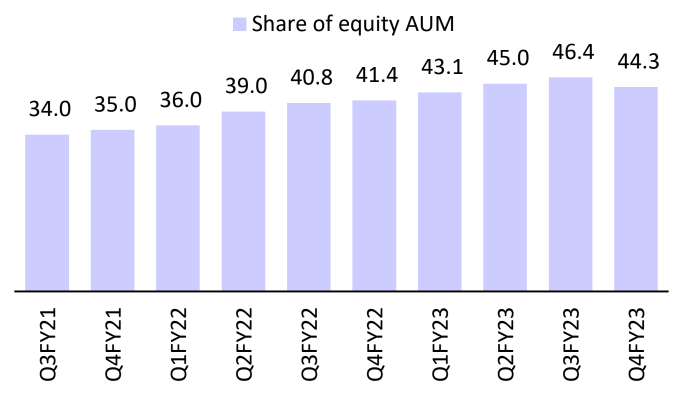
Story in charts

Exhibit 1: AUM was flat QoQ



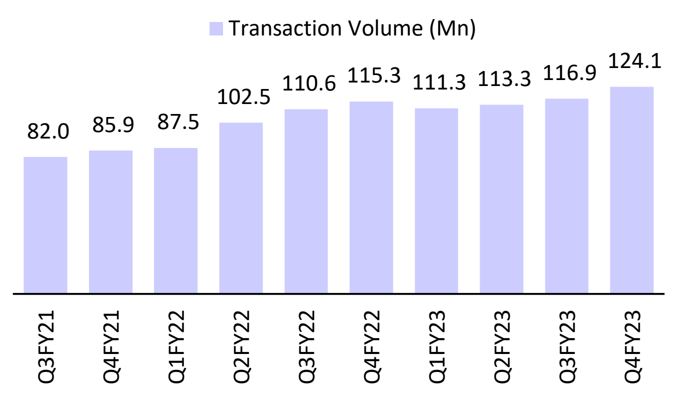
Source: Company, MOFSL

Exhibit 2: Share of equity AUM declined (%)



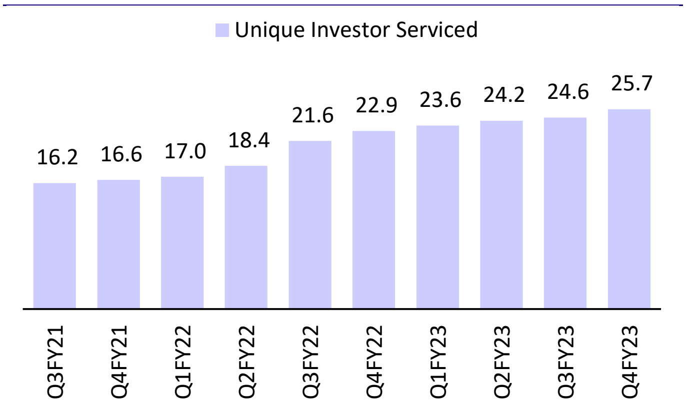
Source: Company, MOFSL

Exhibit 3: Strong traction in SIP transactions (m)



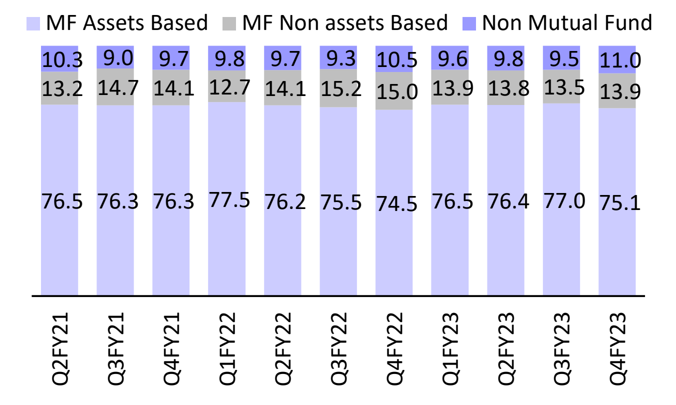
Source: Company, MOFSL

Exhibit 4: Trend in unique investor serviced (m)



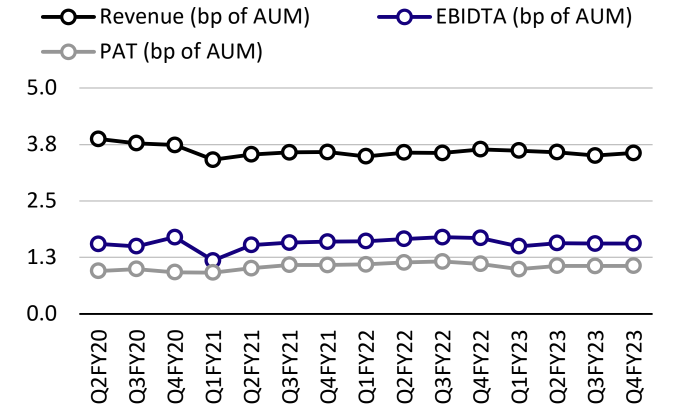
Source: Company, MOFSL

Exhibit 5: Share of MF non-asset businesses improved QoQ



Source: MOFSL, Company

Exhibit 6: Trend in key parameters



Source: MOFSL, Company

Exhibit 7: Broadly maintain our estimates

INR b	Old Est.		New Est.		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue from Operations	11,034	12,658	10,808	12,424	-2.1	-1.8
Change YoY (%)	15	15	11	15	-3.4	0.2
Employee expenses	4,036	4,520	3,867	4,254	-4.2	-5.9
Operating expenses	2,125	2,380	2,140	2,379	0.7	0.0
Total Operating Expenses	6,161	6,900	6,007	6,633	-2.5	-3.9
EBITDA	**4,873**	**5,758**	**4,801**	**5,791**	**-1.5**	**0.6**
Other Income	279	339	225	285	-19.2	-15.8
Depreciation/Finance Cost	700	738	716	754	2.3	2.3
PBT	**4,452**	**5,358**	**4,309**	**5,321**	**-3.2**	**-0.7**
Change YoY (%)	19	20	13	23	-6.1	3.1
Tax Provisions	1,113	1,340	1,077	1,330	**-3.2**	**-0.7**
Net Profit	**3,339**	**4,019**	**3,232**	**3,991**	**-3.2**	**-0.7**
AAUM (INR b)	**31,073**	**35,631**	**31,320**	**35,956**	**0.8**	**0.9**
Yields on revenue (bp)	4	4	3.5	3.5	-0.1	-0.1
RoE	41.6	43.1	38.5	41.4	-3.0	-1.8
Dividend payout ratio	65.0	65.0	65.0	65.0	0.0	0.0

Source: MOFSL, Company

Financials and valuations

Income Statement						INR m
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Revenue	6,996	7,055	9,097	9,718	10,808	12,424
Change (%)	1	1	29	7	11	15
Employee expense	2,580	2,624	3,218	3,581	3,867	4,254
Other expenses	1,544	1,471	1,638	1,925	2,140	2,379
Operating Expenses	4,124	4,094	4,855	5,506	6,007	6,633
EBITDA	**2,873**	**2,961**	**4,241**	**4,212**	**4,801**	**5,791**
Change (%)	18	3	43	-1	14.0	20.6
Dep/Interest/Provisions	582	513	587	679	715	752
Other Income	217	298	173	268	225	285
PBT	**2,508**	**2,745**	**3,827**	**3,802**	**4,310**	**5,324**
Change (%)	25	9	39	-1	13.4	23.5
Tax	773	692	957	956	1,078	1,331
Tax Rate (%)	31	25	25	25	25.0	25.0
PAT	**1,735**	**2,053**	**2,870**	**2,846**	**3,233**	**3,993**
Change (%)	33	18	40	-1	13.6	23.5
Dividend	594	2,488	1,895	1,850	2,101	2,595

Balance Sheet						INR m
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Equity Share Capital	488	488	489	490	490	490
Reserves & Surplus	5,001	4,671	5,987	7,335	8,459	9,856
Net Worth	**5,489**	**5,159**	**6,476**	**7,825**	**8,949**	**10,346**
Borrowings	0	0	0	0	0	0
Other Liabilities	2,542	3,260	3,094	3,151	3,472	3,845
Total Liabilities	**8,030**	**8,419**	**9,571**	**10,976**	**12,420**	**14,191**
Cash and Bank balance	504	1,803	1,510	164	234	611
Investments	3,056	2,355	3,170	3,298	4,498	5,698
Net Fixed Assets	3,090	2,840	3,141	3,413	3,174	2,898
Current Assets	1,380	1,421	1,750	4,100	4,514	4,983
Total Assets	**8,030**	**8,419**	**9,571**	**10,975**	**12,420**	**14,191**

E: MOFSL Estimates

Financials and valuations

Cashflow						INR m
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Profit after Tax	1,734	2,053	2,870	2,846	3,233	3,993
Adjustments	-126	199	729	754	490	467
Change in Working Capital	(237)	697	(129)	(17)	271	304
Cashflow from Operating activities	**1,371**	**2,950**	**3,470**	**3,583**	**3,994**	**4,764**
Other Income	217	298	173	268	225	285
Change in Current Investments	-751	701	-815	-128	-1,200	-1,200
Change in Fixed Asset	174	-63	-791	-875	-400	-400
Others	-128	-20	-365	-2,269	-372	-401
Cashflow from Investing activities	**-489**	**915**	**-1,798**	**-3,004**	**-1,747**	**-1,716**
Interest Expense	-97	-79	-71	-76	-76	-76
Dividend Expense	-716	-2,488	-1,895	-1,850	-2,101	-2,595
Cashflow from Financing activities	**-813**	**-2,567**	**-1,966**	**-1,926**	**-2,177**	**-2,671**
Net Cashflow	69	1,298	(293)	(1,347)	70	377
Opening Cashflow	435	504	1,803	1,510	164	234
Closing Cashflow	**504**	**1,803**	**1,510**	**164**	**234**	**611**

Y/E March	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
AAAUM (INR B)	**18,149**	**19,984**	**25,500**	**27,300**	**31,320**	**35,956**
Change (%)	14.6	10.1	27.6	7.1	14.7	14.8
Equity	6,706	6,806	10,100	12,400	14,632	17,266
Non-Equity	11,443	13,178	15,400	14,900	16,688	18,691

E: MOFSL Estimates

Y/E March	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Margins Analysis (%)						
Revenue Yield (bp)	3.85	3.53	3.57	3.56	3.45	3.46
Cost to Income Ratio	**58.9**	**58.0**	**53.4**	**56.7**	**55.6**	**53.4**
EBITDA Margins	41.1	42.0	46.6	43.3	44.4	46.6
PBT Margin	35.8	38.9	42.1	39.1	39.9	42.8
PAT Margin	24.8	29.1	31.6	29.3	29.9	32.1
Profitability Ratios (%)						
RoE	34.8	38.6	49.3	39.8	38.5	41.4
Dividend Payout Ratio	34.2	121.2	66.0	65.0	65.0	65.0

Dupont Analysis (Bp of AAAUM)						
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
Operating Income	3.9	3.5	3.6	3.6	3.5	3.5
Operating Expenses	2.3	2.0	1.9	2.0	1.9	1.8
EBITDA	**1.6**	**1.5**	**1.7**	**1.5**	**1.5**	**1.6**
Depreciation and Others	0.3	0.3	0.2	0.2	0.2	0.2
Other Income	0.1	0.1	0.1	0.1	0.1	0.1
PBT	**1.4**	**1.4**	**1.5**	**1.4**	**1.4**	**1.5**
Tax	0.4	0.3	0.4	0.4	0.3	0.4
ROAAAUM	**1.0**	**1.0**	**1.1**	**1.0**	**1.0**	**1.1**

Valuations	**2020**	**2021**	**2022**	**2023**	**2024E**	**2025E**
BVPS (INR)	112	105	132	160	183	211
Change (%)	22.1	-6.0	25.5	20.8	14.4	15.6
Price-BV (x)	**18.4**	**19.5**	**15.6**	**12.9**	**11.3**	**9.7**
EPS (INR)	35.4	41.9	58.6	58.1	66.0	81.5
Change (%)	32.5	18.4	39.8	-0.8	13.6	23.5
Price-Earnings (x)	**58.1**	**49.1**	**35.1**	**35.4**	**31.2**	**25.2**
DPS (INR)	12.1	50.8	38.7	37.8	42.9	53.0
Dividend Yield (%)	**0.6**	**2.5**	**1.9**	**1.8**	**2.1**	**2.6**

E: MOFSL Estimates

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

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

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

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