

Estimate change



TP change



Rating change



Bloomberg	INFOE IN
Equity Shares (m)	129
M.Cap.(INRb)/(USDb)	576 / 7
52-Week Range (INR)	4984 / 3310
1, 6, 12 Rel. Per (%)	1/8/-9
12M Avg Val (INR M)	1484

Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	21.6	23.3	25.9
EBITDA	7.8	8.6	9.7
Adj. PAT	7.1	7.5	8.5
Reported PAT	4.1	7.5	8.5
Adj. EPS	54.6	58.2	65.6
EPS (INR)	31.8	58.2	65.6
EPS Gr. (%)	(6.7)	83.1	12.7
BV/Sh. (INR)	849.3	907.9	974.0

Ratios

RoE (%)	4.9	6.2	13.2
RoCE (%)	5.3	6.3	6.7
Payout (%)	50.0	50.0	50.0

Valuations

P/E (x)	140.2	76.6	67.9
P/BV (x)	5.3	4.9	4.6

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	38.1	38.1	38.1
DII	18.2	17.4	16.4
FII	31.7	31.9	32.9
Others	12.1	12.7	12.6

FII Includes depository receipts

CMP: INR4,459

TP: INR4,200 (-6%)

Neutral

Naukri performance to drag FY24 growth

Limited scope for margin improvement; reiterate Neutral on valuations

- Info Edge (INFOE) delivered a weaker-than-expected revenue growth in 1QFY24, with standalone revenue rising 15% YoY (20.6% expected). EBITDA margin was better than expected at 38.8%, down 30bp QoQ (120bp beat). Overall Billings were muted and remained flat YoY at INR 5.2b, largely on account of lower billings in Recruitment solutions business (down 4.2% YoY).
- The management continues to see a slowdown in IT hiring activity, which remains a key risk, given its significantly high revenue contribution to the Naukri business. Though Non-IT has been doing well for the past couple of quarters, it has started witnessing a slowdown with delayed renewals, which would add to the drag on the billings. The management was surprised by the dip in hiring activity in July'23. While we see recovery in IT hiring in FY25, we expect Naukri billings to decline in FY24 on a high base, which will result in single-digit growth for FY24 and FY25.
- 99acres posted robust revenue growth in 1QFY24. The demand is projected to remain strong due to low inventory levels, a surge in demand for larger homes, higher digital adoption rates, and a shift in spending from offline to online platforms. The decrease in realization can be attributed to the significant influx of new users added in 1QFY24. The marketing spends, though reducing, are likely to result in continued losses for 99acres over the next few years, before it turns profitable.
- INFOE has delivered a sharp margin improvement over the last few quarters with lower dependency on advertisement and operating leverage. With slower growth in FY24 and FY25, we see limited upside on margins. We expect FY24/FY25 EBITDA margin at 37.1/37.4%.
- We forecast standalone revenue and APAT to clock a 10% CAGR each over FY23-25, driven by the Naukri business.
- We continue to see a healthy long-term growth opportunity in its operating entities. With margins improving, we expect scale benefits over the next few years. However, the current valuations fairly price in its growth outlook. We expect share price to remain under pressure in the near term due to weak 1QFY24 performance.
- We value the company's operating entities using DCF valuation. Our SoTP-based valuation indicates a TP of INR4,200. We **reiterate our Neutral stance on the stock**.

Miss on revenue; PAT in line on better margins and higher 'other income'

- Standalone revenue stood at INR5.84b, up 15% YoY, below our estimate of 20.6%.
- Its 1Q billings at ~INR5.2b (flat YoY) were slower due to the impact from IT hiring. Recruitment Solutions billings was down 4.2% YoY (vs. our est. of +7% YoY), 99acres grew 20.1% YoY (vs. +35% est.), and for other segments rose 1.9% YoY.

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

Research analyst: Raj Prakash Bhanushali (raj.bhanushali@motilaloswal.com) | **Pritesh Thakkar** (Pritesh.Thakkar@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.

- EBITDA margin (38.8%) was down 30bp QoQ, vs. our estimate of 37.6% (120bp beat).
- Margin was aided by lower advertisement spend (down 90bp QoQ).
- Naukri's EBITDA margin was down 300bp QoQ at 59% vs. our estimate of 60%, while 99acres' EBITDA loss percentage widened 190bp QoQ to 27.2%.
- Adj. PAT was up 25% YoY to INR1.99b (in line) despite lower revenue on margin beat and higher 'other income'.

Highlights from the management commentary

- **Recruitment:** The caution in hiring for IT Services continues and the hiring is expected to remain weak, given that IT companies have seen a slowdown in revenues and cut backs in discretionary spending, while they have a larger bench. The company is experiencing delays in renewals by clients. Non-IT demand slowed down in Jul'23. If there is an increase in infrastructure spending, promising opportunities can emerge in sectors such as cement, metals, oil and gas, and industrials. While currently a smaller segment for Naukri, the manufacturing sector has the potential to experience substantial growth in the next 5-7 years if its activity gains momentum.
- **Real Estate:** The real estate market remains strong with low inventory levels, more demand, bigger developers, RERA enforcement, higher income levels, more demand for bigger homes, and reasonable interest rates. Developers, builders, and brokers are becoming savvy to use online platforms. Ad spends are growing and there is a shift toward online spends. There was a strong growth in the number of enquiries and traffic despite heightened competition. The company also took some price hikes. Strong topline growth along with controlled cost helped to reduce burn in 99 Acers.

Valuations and view

- Though we see good recovery for IT services demand in FY25, the near-term growth in Recruitment is expected to be adversely impacted by lower IT demand, resulting in slow overall growth for INFOE.
- With the management investing prudently, some of its current investments should scale up over the medium-to-long term, thereby contributing to the group's valuation.
- We individually value INFOE's group entities using a DCF-based valuation. Our SoTP-based TP stands at INR4,200. **We reiterate our Neutral stance on the stock.**

Standalone quarterly performance

(INR m)

Y/E March	FY23				FY24				FY23	FY24E	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%/bp)
Revenues	5,077	5,318	5,552	5,640	5,843	5,797	5,801	5,850	21,586	23,290	6,121	-4.5
YoY (%)	58.8	51.2	33.4	23.8	15.1	9.0	4.5	3.7	39.9	7.9	20.6	-550bp
Salary costs	2,244	2,259	2,262	2,323	2,464	2,483	2,473	2,461	9,087	9,881	2,567	-4.0
Ad and Promotion costs	876	831	746	703	680	812	812	848	3,155	3,152	826	-17.7
Other Expenses	326	389	376	411	432	400	394	398	1,502	1,625	428	0.9
EBITDA	1,631	1,840	2,168	2,203	2,266	2,102	2,122	2,143	7,842	8,633	2,299	-1.4
EBITDA Margin (%)	32.1	34.6	39.1	39.1	38.8	36.3	36.6	36.6	36.3	37.1	37.6	120bp
Depreciation	99	105	115	129	153	116	116	117	447	502	122	25.3
EBIT Margin (%)	30.2	32.6	37.0	36.8	36.2	34.3	34.6	34.6	34.3	34.9	35.6	60bp
Other Income	419	499	396	437	578	435	435	439	1,751	1,886	459	25.9
-PBT bef. Extra-ordinary	1,942	2,225	2,440	2,500	2,667	2,410	2,429	2,453	9,107	9,958	2,624	1.7
Provision for Tax	457	544	523	524	668	578	583	589	2,047	2,418	630	6.1
ETR (%)	23.6	24.4	21.4	20.9	25.0	24.0	24.0	24.0	22.5	24.3	24.0	100bp
PAT bef. Extra-ordinary	1,484	1,681	1,917	1,977	1,999	1,831	1,846	1,864	7,059	7,541	1,994	0.3
EOI	0	0	-2,760	-187	0	0	0	0	-2,947	0	0	
Reported PAT	1,484	1,681	-843	1,789	1,999	1,831	1,846	1,864	4,112	7,541	1,994	0.3
QoQ (%)	23.0	13.3	NM	NM	11.7	-8.4	0.8	1.0			11.4	
YoY (%)	47.0	NM	NM	48.3	34.7	8.9	NM	4.2	NM	83.4	34.3	
EPS (INR)	11.5	13.1	14.9	13.8	15.5	14.2	14.3	14.4	31.8	58.2	15.5	0.2

Key performance indicators

Y/E March	FY23				FY24E				FY23
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	
Operating metrics									
Headcount	5,107	5,282	5,336	5,311	5,568				5,311
Naukri – Revenue per unique customer	51019	55627	59403	56336	56279				129735
99acres – Listings (k)	1,109	1,052	1,077	1,191	1,163				4,526
Revenue (YoY %)									
Recruitment	74%	63%	40%	27%	15%				48%
99acres	35%	44%	24%	23%	25%				31%



Highlights from the management commentary

Recruitment

- The caution in hiring for IT Services continues and the hiring is expected to remain weak given that IT companies have witnessed a slowdown in revenues and cut backs in discretionary spending, while they have a larger bench.
- The management is hopeful of a recovery in IT hiring. Further, it identifies opportunities for IT within GCCs, although this segment continues to constitute a smaller portion of the overall business.
- The demand for the Non-IT segment continues to remain good for BFSI, healthcare, manufacturing, and infrastructure.
- The company is experiencing delays in renewals by clients. Non-IT demand slowed down in Jul'23.
- If the economy grows at a healthy rate (6-7%), the company is confident of growing at 20%+ levels.
- Due to the skill demands, significant personnel mobility is anticipated in the field of Generative AI. This movement could be advantageous for the company, provided it does not adversely impact the traditional IT services business of companies.

- It currently operates only in 40-45 cities and plans to expand its offerings to smaller cities and expand to 60-70 cities in the next two years. This can generate a healthy contribution in the long term.
- The company will continue to invest in Job Hai for longer-term opportunities and to ensure that the market is not open to competitors.
- If there is an increase in infrastructure spending, promising opportunities can emerge in sectors such as cement, metals, oil and gas, and industrials. While currently a smaller segment for Naukri, the manufacturing sector has the potential to experience substantial growth in the next 5-7 years if its activity gains momentum.

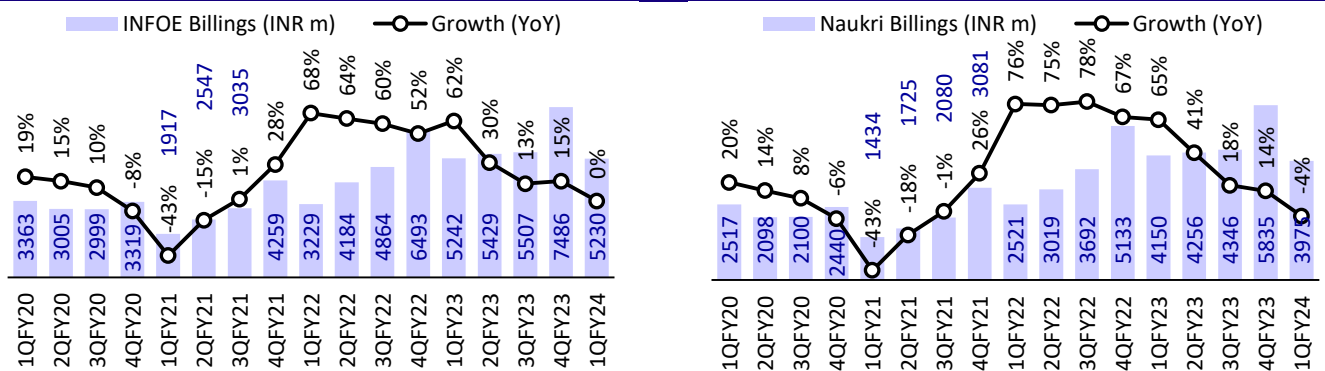
Real Estate

- The real estate market remains strong with low inventory levels, more demand, bigger developers, RERA enforcement, higher income levels, more demand for bigger homes, and reasonable interest rates.
- Developers, builders, and brokers are becoming savvy to using online platforms. Ad spends are growing and there is shift to online spends.
- There was a strong growth in the number of enquiries and traffic despite heightened competition. The company also took some price hikes.
- Strong topline growth along with controlled cost helped to reduce burn in 99 Acers.
- The moderation in realization was due to high user additions in 1Q. New users have lower monetization as they do not opt for longer duration and high-end products upfront. The realization improves with upselling to these customers.

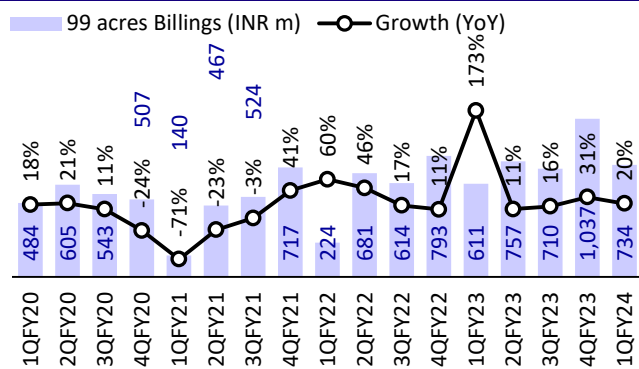
Other highlights

- INFOE experienced delays in renewal processes for its Shiksha business. Despite these delays, the company remains committed to making long-term investments in the Shiksha business.
- There was a significant reduction in ad spends in Jeevansathi. It recorded good engagement and high traffic as its chat feature became free. Competitive intensity remained high and competitors continued to spend aggressively.
- It is constantly working on finding ways to monetize improved traffic on the Jeevansathi platform.

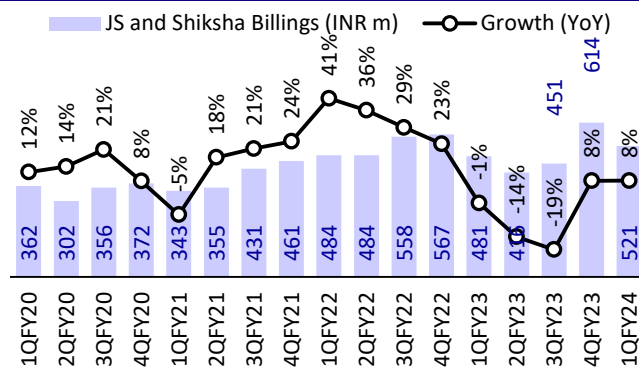
Exhibit 1: Overall/Recruitment post muted billings



Source: Company, MOFSL

Exhibit 2: 99acres billings were up 20% YoY

Source: MOFSL, Company

Exhibit 3: Billings from JS and Shiksha grew 8% YoY

Source: MOFSL, Company

Exhibit 4: SoTP-based TP at INR4,200

Segment	Methodology	Methodology description	Valuation toward INFOE (INR b)	Contribution (INR per share)
Naukri	DCF	❖ Estimate 10% revenue CAGR and 10% EBIT CAGR over FY23-34. Our WACC/terminal growth estimate stands at 11.5%/6%, respectively	262	2,025
99acres.com	DCF	❖ Estimate 18% revenue CAGR over FY23-34. Our WACC/terminal growth estimate stands at 12%/7%, respectively	30	233
Zomato.com	Market valuation	❖ As per our DCF based Target price of INR 110	145	1,117
Policybazaar.com	Market valuation	❖ Factoring in current market valuation	57	438
Jeevansathi.com and other	Multiples	❖ 7x FY24E EV/sales	16	121
Other investee companies			11	85
Cash on the books			23	178
Total (Rounded)				4,200

Source: MOFSL, Company

Exhibit 5: Revisions to our estimates

	Revised estimate		Earlier estimate		Change (%/bp)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Standalone business						
Revenue (INR m)	23.3	25.9	25.0	28.8	-6.7	-10.0
YoY (%)	7.9	11.2	15.6	15.3	-770bp	-410bp
EBITDA (%)	37.1	37.4	36.5	37.1	60bp	30bp
EBIT (%)	34.9	35.4	34.5	35.1	40bp	30bp
EPS (INR)	58.2	65.6	61.2	72.5	-4.8	-9.4

Source: MOFSL, Company

Valuation and view

- Though we see good recovery for IT services demand in FY25, the near-term growth in Recruitment is expected to be adversely impacted by lower IT demand, resulting in slow overall growth for INFOE.
- With the management investing prudently, some of its current investments should scale up over the medium-to-long term, thereby contributing to the group's valuation.
- We individually value INFOE's group entities using a DCF-based valuation. Our SoTP-based TP stands at INR4,200. **We reiterate our Neutral rating on the stock.**

Financials and valuations

Income Statement (INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Sales	9,155	10,983	12,727	11,091	15,430	21,586	23,290	25,910
Change (%)	14.1	20.0	15.9	-12.9	39.1	39.9	7.9	11.2
Employee expense	3,931	4,586	5,396	5,528	7,030	9,087	9,881	10,970
Advertising cost	1,164	1,757	2,044	1,819	2,849	3,155	3,152	3,498
Other expense	1,088	1,226	1,260	913	1,003	1,502	1,625	1,762
EBITDA	2,973	3,413	4,028	2,831	4,549	7,842	8,633	9,680
As a percentage of Net Sales	32.5	31.1	31.6	25.5	29.5	36.3	37.1	37.4
Depreciation	215	204	414	438	398	447	502	518
Interest	1	1	67	57	46	39	59	52
Other Income	971	1,112	876	1,188	1,699	1,751	1,886	2,073
PBT	3,728	4,320	4,423	3,524	5,804	9,107	9,958	11,183
Tax	991	1,169	1,133	753	1,387	2,047	2,418	2,684
Rate (%)	26.6	27.1	25.6	21.4	23.9	22.5	24.3	24.0
Adjusted PAT	2,737	3,151	3,290	2,771	4,417	7,059	7,541	8,499
Extraordinary Items	-913	-334	-1,233	-32	84,720	-2,947	0	0
Reported PAT	1,824	2,817	2,057	2,739	89,137	4,112	7,541	8,499
Change (%)	-10.8	54.5	-27.0	33.2	NM	NM	83.4	12.7

Balance Sheet

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Share Capital	1,216	1,220	1,223	1,285	1,287	1,290	1,290	1,290
Reserves	19,859	22,019	23,094	44,357	1,38,434	1,07,975	1,15,515	1,24,014
Net Worth	21,074	23,239	24,317	45,642	1,39,721	1,09,265	1,16,805	1,25,304
Loans	44.0	46.0	568.7	449.1	11,115.9	7,086.4	7,086.4	7,086.4
Capital Employed	21,118	23,285	24,885	46,091	1,50,837	1,16,351	1,23,892	1,32,391
Gross Block	1,866	2,109	3,279	3,462	3,788	4,108	4,428	4,748
Less: Depreciation	1,337	1,540	1,954	2,391	2,796	3,243	3,725	4,221
Net Block	529	569	1,325	1,072	992	865	703	527
CWIP	0	0	0	0	0	0	0	0
Investments	10,720	12,857	16,404	21,694	1,29,751	96,145	99,145	1,09,145
Curr. Assets	15,028	15,984	13,381	30,293	31,032	31,287	41,296	59,004
Current Investments	11,456	3,400	2,554	0	4,409	7,547	8,547	11,547
Debtors	44	60	70	54	79	90	134	235
Cash	1,458	1,052	4,275	6,351	1,323	2,242	-6,051	-6,815
Loans and Advances	0	0	0	0	0	230	0	0
Other Current Assets	2,070	11,472	6,482	23,888	25,220	21,178	38,666	54,037
Current Liab. and Prov.	5,159	6,125	6,225	6,968	10,854	12,791	17,252	36,285
Current Liabilities	4,703	5,628	5,676	6,306	10,061	11,947	16,408	35,441
Provisions	456	496	549	662	793	844	844	844
Net Current Assets	9,869	9,860	7,156	23,325	20,178	18,496	24,044	22,719
Application of Funds	21,118	23,285	24,885	46,091	1,50,921	1,15,506	1,23,892	1,32,391

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)								
EPS	14.9	22.9	16.7	21.5	34.1	31.8	58.2	65.6
Cash EPS	24.1	27.3	30.1	25.2	37.2	58.1	62.1	69.6
Book Value	173.4	190.8	199.4	361.6	1,086.0	849.3	907.9	974.0
DPS	5.5	6.0	6.0	8.0	21.0	15.9	29.1	32.8
Payout (%)	37.0	26.2	35.9	37.7	61.6	50.0	50.0	50.0
Valuation (x)								
P/E	299.9	194.3	266.9	207.0	130.8	140.2	76.6	67.9
Cash P/E	185.3	163.1	148.2	176.7	120.0	76.8	71.8	64.0
EV/EBITDA	193.9	169.0	142.5	202.0	129.2	74.3	68.4	61.1
EV/Sales	63.0	52.5	45.1	51.6	38.1	27.0	25.4	22.8
Price/Book Value	25.7	23.4	22.4	12.3	4.1	5.3	4.9	4.6
Dividend Yield (%)	0.1	0.1	0.1	0.2	0.5	0.4	0.7	0.7
Profitability Ratios (%)								
RoE	13.4	14.2	13.8	7.8	4.8	4.9	6.2	13.2
RoCE	13.4	14.2	13.9	7.9	4.5	5.3	6.3	6.7
RoIC	-91.1	135.3	70.5	18.8	18.9	44.5	37.7	34.2
Turnover Ratios								
Debtors (Days)	2	2	2	2	2	2	2	3
Fixed Asset Turnover (x)	17.3	19.3	9.6	10.4	15.6	24.9	33.1	49.2

Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
CF from Operations	1,901	2,097	1,735	2,092	3,427	6,187	9,810	8,224
Cash for Working Capital	1,166	860	752	756	3,820	1,688	-12,841	3,561
Net Operating CF	3,067	2,956	2,487	2,848	7,247	7,875	-3,030	11,784
Net Purchase of FA	-4,158	-2,276	-9,039	-391	-8,523	-10,880	-320	-320
Free Cash Flow	-1,091	680	-6,552	2,456	-1,276	-3,004	-3,350	11,464
Net Purchase of Invest.	-7,973	8,718	5,245	-18,438	-2,016	5,413	-1,114	-7,927
Net Cash from Invest.	-12,132	6,442	-3,794	-18,829	-10,539	-5,467	-1,434	-8,247
Proceeds from Equity	48	27	3	18,292	2	3	0	0
Proceeds from LTB/STB	-1	0	-204	-233	-186	-213	-59	-52
Dividend Payments	-803	-808	-1,176	0	-2,058	-1,932	-3,770	-4,250
Cash Flow from Fin.	-757	-781	-1,377	18,059	-2,242	-2,141	-3,829	-4,301
Net Cash Flow	-9,822	8,618	-2,684	2,077	-5,534	267	-8,293	-764
Opening Cash Bal.	11,280	1,458	1,053	4,275	6,351	1,323	2,242	-6,051
Add: Net Cash	-9,822	-405	3,222	2,076	-5,028	919	-8,293	-764
Closing Cash Bal.	1,458	1,053	4,275	6,351	1,323	2,242	-6,051	-6,815

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

NOTES

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

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

Disclosures

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

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

<http://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.

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.