

Quess Corp

BSE SENSEX 73,158
S&P CNX 22,217



Bloomberg	QUESS IN
Equity Shares (m)	148
M.Cap.(INRb)/(USDb)	79.8 / 1
52-Week Range (INR)	582 / 337
1, 6, 12 Rel. Per (%)	6/19/16
12M Avg Val (INR M)	220

Financials & Valuations (INR b)

Y/E Mar	2024E	2025E	2026E
Sales	192.3	222.7	262.8
EBITDA Margin (%)	3.6	4.4	4.7
Adj. PAT	3.1	5.0	6.9
Adj. EPS (INR)	20.6	33.6	46.4
EPS Gr. (%)	79.4	63.5	38.0
BV/Sh. (INR)	234.1	260.3	302.3

Ratios

RoE (%)	11.8	17.9	21.7
RoCE (%)	13.3	18.5	21.9
Payout (%)	77.8	47.6	34.5
Dividend Yield (%)	3.0	3.0	3.0

Valuations

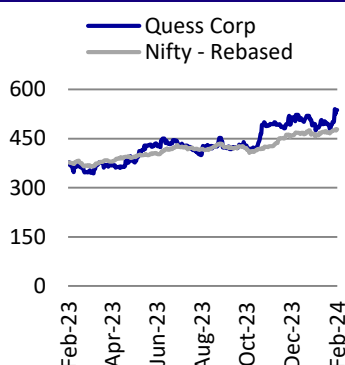
P/E (x)	26.2	16.0	11.6
P/BV (x)	2.3	2.1	1.8
EV/EBITDA (x)	11.7	8.2	6.3
EV/Sales (x)	0.4	0.4	0.3

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	56.7	56.7	51.9
DII	10.7	10.2	8.1
FII	16.3	16.9	21.8
Others	16.4	18.9	18.3

FII Includes depository receipts

Stock performance (one-year)



CMP: INR538 **TP: INR600 (+12%)** **Neutral**

Creation of three distinct entities likely to be value-accretive

The separation process will take time

We attended the Quess Corp (QUESS) investor meet. This was organized to provide more details about the plan to unlock value for investors by splitting the company into three independent and standalone entities – Remain Co (Quess Corp, including the Workforce Management segment), Resulting Co 1 (Digitide, including BPM and Customer Experience) and Resulting Co 2 (Bluspring, including FMS, Industrial Services and Investments). The management also formulated its targets for the three divisions, including improving return on equity (RoE), expanding international presence, and achieving market leadership in all segments. While we await more detailed data on the respective balance sheets, we see clear benefits for QUESS from this focused approach, which should help each division concentrate on its strengths and attract a suitable investor profile. We continue to monitor the progress of the demerger process (to be completed in 12-15 months), and reiterate our Neutral rating on the stock due to the near-term industry headwinds. Following are the key takeaways from the investor meet.

Value unlocking

- The management resource would be dedicated to derive incremental growth and efficiency, which would lead to value unlocking for each of the individual entities.
- The corporate structure would be more simplified and would allocate individual accounting responsibilities.
- Management believes that each of the standalone entities would create more value than the value that the company would generate as a combined entity.

Three-pillar architecture

- The three-way demerger of its diversified business segments would result in three listed entities with a dedicated presence. Each of these entities would have independent senior-level resources with an individual capital allocation policy.
- Management firmly believes that QUESS and Bluspring will derive sustainable organic growth without any meaningful investments, while Digitide will require investment for inorganic growth to achieve the USD1b revenue milestone.
- Foundit (under Bluspring) is treated from an investment perspective, where management expects the capital receipts to happen within the 3-5 year timeframe, while the other two are pure-play architecture entities.

Current valuation remains attractive

- Though QUESS should benefit from the medium-term tailwinds of formalization and labor reforms, the growth has already been factored into its valuations.
- We expect a gradual recovery in margins over FY24 and FY25, which should support earnings.
- We reiterate our Neutral rating on the stock due to its full valuations, taxation concerns, and weak macro. Our TP of INR600 implies 13x FY26E P/E.

Unlocking value through the demerger

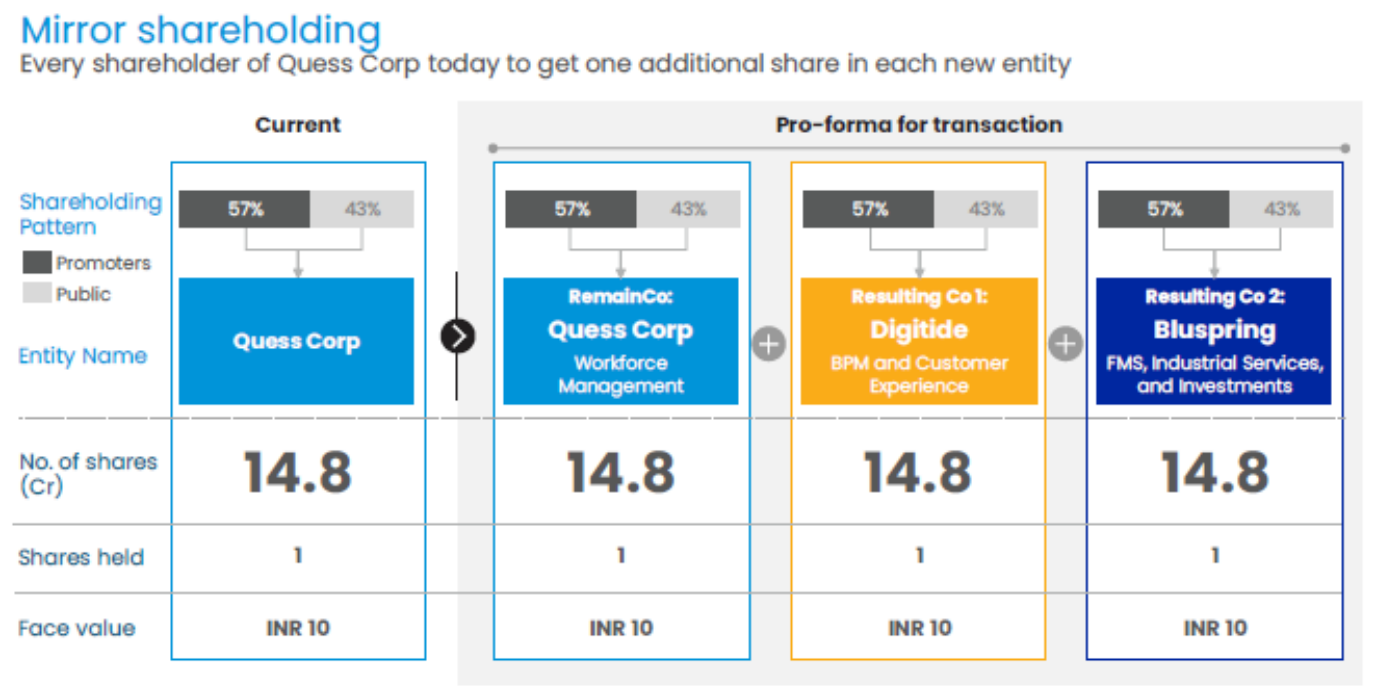
- Management believes that each of the standalone entities would create more value than the value that the company would generate as a combined entity.
- The corporate structure would be more simplified and would allocate individual accounting responsibilities.
- The management resource would be dedicated to derive incremental growth and efficiency, which would lead to value unlocking for each of the individual entities.
- Capital allocation would be at an individual entity level. Digitide would require more capital allocation than the other two entities, as its growth would be supported by bolt-on acquisitions to achieve its aspiration of USD1b revenue milestone. Additionally, the individual entities would have their own dividend payout policy.
- Lastly, the independent entities would provide more clarity to the investors with individual ground to compare on a like-for-like basis.

Exhibit 1: Sustainable long-term value creation

16

Source: MOSL, Company

Exhibit 2: Shareholding pattern

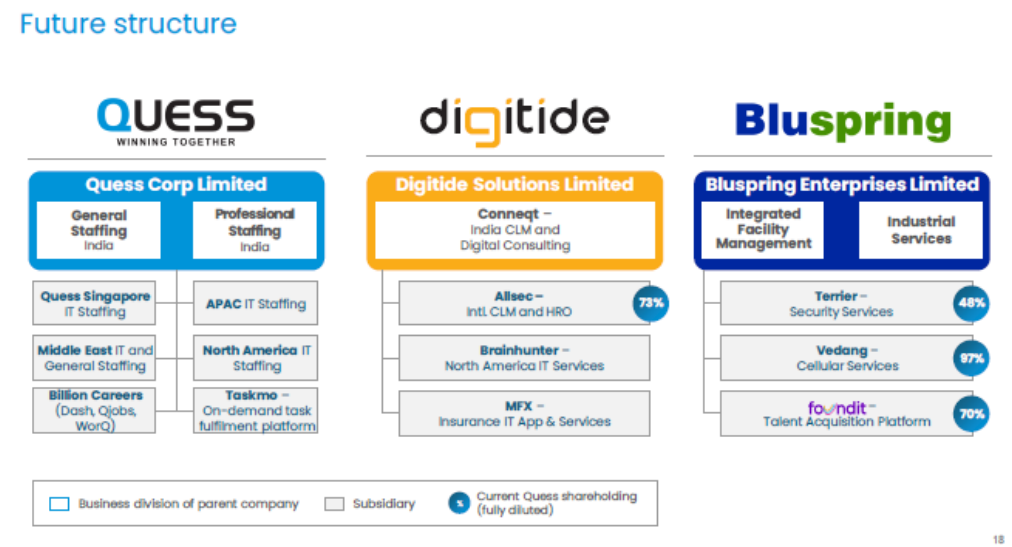


Source: MOSL, Company

Three independent entities with individual resurces

- The three-way demerger of QUESS’s diversified business segments would result in three listed entities with a dedicated presence. The three surviving entities will be Quess Corp Ltd (workforce management, 68% of consolidated FY23 revenue), Digitide Solutions (BPM solutions, Insurtech and HRO businesses, 14%) and Bluspring Enterprises (Facility Management, Industrial Services and Investments, 18%). QUESS expects the demerger to take 12-15 months more to receive regulatory clearance.

Exhibit 3: Future structure



Source: MOSL, Company

- Management aspires to become the largest staffing company globally by headcount and achieve a 30% EBITDA contribution from the international staffing business.
- QUESS aspires to grow its IT staffing business by 2x the growth of the IT services market. Management indicated that India has a strong potential to drive the IT staffing business, where BFSI, Retail, and Manufacturing are aiding the overall growth.
- The increase in urbanization, coupled with a significant movement of workforce from the unorganized to the organized sector, is also expected to support the staffing business.
- QUESS continues to invest in technologies to bring in automation and robotics and drive productivity and efficiency.

Exhibit 4: QUESS – aspiring to become the largest staffing company by headcount



Source: MOSL, Company

Exhibit 5: Digitide to become a USD1b BPM company by revenue



Source: MOSL, Company

- Digitide's business consists of BPM service lines. IT aspires to achieve a USD1b topline (including inorganic) in the long term, and it targets to expand the international revenue share to 20%.
- Despite the aggressive strategy to grow inorganically, the management has been confident of sustaining the EBITDA margin at the current level.
- The major focus is to drive exponential growth of its platform-based HRO services business to 30% annually.

Exhibit 6: Bluspring – aspiring to become a leading FMS company in India



Source: MOSL, Company

- It aspires to become a leading Indian FMS service provider with end-to-end facility management for the manufacturing and industrial sectors. It aims to improve the revenue concentration from these verticals to 25%.
- It expects to grow the FMS revenue by 3-4x of India's GDP growth rate, while improving its EBITDA by 100bp YoY through productivity enhancement and automation.
- The company is aiming to take the FMS revenue share to 20% from 5% currently, while focusing on robotics and automation solutions.

Analyst Meet: the key takeaways

- The staffing business growth is augmented by the shifting of workforce from the informal sector to the formal sector; the business grew 15% YoY in FY23 vs. 9% in FY22. Additionally, formalization and urbanization are equally driving incremental growth; ~9m people are moving from farm jobs to non-farm jobs.
- It aspires to reach USD100m+ ARR for the Foundit business while shifting its revenue model to “platform of outcomes” from “platform of discovery”. The platform has onboarded 90k job candidates, while 6k+ organizations are recruiting or hiring talent on this platform.
- QUESS has built a strong team by acquiring senior resources from digital companies. Foundit is completely AI-driven and provides significant efficiency. In 3QFY24, it has reached quarterly breakeven.
- The smaller GCC is hiring talent at a significant pace despite the structural slowdown, while IT services and internal recruitment have frozen with similar slowdown seen in the ecommerce-led business.
- Within IT staffing, ERP, web-based skills, enterprise, and SaaS skills have a sufficient talent pool in India, while there is a meaningful shortage of Cloud and AI-related skills. The shortage of IT talent is creating an opportunity for QUESS in training and working around institutions to address the scarcity.
- Manufacturing is creating a substantial opportunity, with significant PLI investments flowing into India. These plants are hiring a sizeable number of non-farm employees (5k-10k), and have the potential to scale up the resources to 50k within 10-15 years.
- The margin that is derived from the Staffing business is higher by 40-50bp than the industry average. This margin should continue to outpace the industry average even after the demerger. The digital business is generating 16-18% margin vs. industry average of 15-16%. Within Bluspring, management expects the margin to improve by 100bp YoY.

Financials and valuation

Consolidated Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Total Income from Operations	85,270	1,09,896	1,08,370	1,36,918	1,71,584	1,92,295	2,22,720	2,62,791
Change (%)	38.3	28.9	-1.4	26.3	25.3	12.1	15.8	18.0
Cost of services	2,624	2,671	2,007	2,787	4,794	5,373	6,223	7,343
Employees Cost	67,132	90,632	92,968	1,16,870	1,46,595	1,64,290	1,90,284	2,24,520
Other Expenses	10,868	10,027	7,617	10,743	14,336	15,657	16,413	18,577
Total Expenditure	80,624	1,03,329	1,02,593	1,30,400	1,65,726	1,85,320	2,12,920	2,50,440
As a percentage of Sales	94.6	94.0	94.7	95.2	96.6	96.4	95.6	95.3
EBITDA	4,646	6,567	5,777	6,518	5,858	6,975	9,800	12,351
Margin (%)	5.4	6.0	5.3	4.8	3.4	3.6	4.4	4.7
Depreciation	1,232	2,486	2,285	2,120	2,746	2,788	3,118	3,416
EBIT	3,414	4,081	3,491	4,397	3,112	4,186	6,682	8,935
Int. and Finance Charges	1,144	1,668	1,113	792	1,066	1,250	1,336	1,445
Other Income	712	511	451	198	263	481	557	657
PBT bef. EO Exp.	2,983	2,924	2,829	3,803	2,309	3,417	5,902	8,147
EO Items	0	6,641	1,388	0	-535	0	0	0
PBT after EO Exp.	2,983	-3,717	1,442	3,803	2,844	3,417	5,902	8,147
Total Tax	329	483	590	1,066	615	358	885	1,222
Tax Rate (%)	11.0	-13.0	40.9	28.0	21.6	10.5	15.0	15.0
Minority Interest	88	138	114	98	-16	-9	0	0
Adjusted PAT	2,565	2,609	2,125	2,640	1,710	3,068	5,017	6,925
Change (%)	-17.2	1.7	-18.5	24.2	-35.2	79.4	63.5	38.0
Margin (%)	3.0	2.4	2.0	1.9	1.0	1.6	2.3	2.6

Consolidated Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	1,461	1,475	1,477	1,480	1,482	1,482	1,482	1,482
Total Reserves	25,795	21,284	21,954	22,898	24,205	25,050	28,023	32,779
Net Worth	27,256	22,759	23,431	24,378	25,688	26,532	29,505	34,261
Minority Interest	31	769	939	1,310	1,621	1,611	1,611	1,611
Total Loans	7,502	9,976	4,514	5,877	5,311	5,301	5,293	5,285
Deferred Tax Liabilities	-5,046	-6,166	-4,061	-3,983	-5,275	-5,275	-5,275	-5,275
Capital Employed	29,742	27,339	24,823	27,582	27,343	28,169	31,134	35,882
Gross Block	8,152	9,295	10,857	13,806	16,160	18,360	21,560	24,760
Less: Accum. Deprn.	3,357	5,843	8,129	10,249	12,995	15,687	18,583	21,999
Net Fixed Assets	4,795	3,451	2,728	3,557	3,165	2,673	2,977	2,761
Goodwill on Consolidation	11,769	8,358	9,890	10,096	10,427	10,427	10,427	10,427
Capital WIP	147	46	309	153	181	200	220	240
Total Investments	820	725	41	17	17	17	17	17
Curr. Assets, Loans, and Adv.	27,540	34,439	30,173	35,904	41,429	48,911	56,150	67,325
Inventory	221	284	290	275	282	282	282	282
Account Receivables	9,132	9,982	8,945	23,323	26,886	34,244	39,662	46,798
Cash and Bank Balance	5,855	7,587	5,646	4,105	4,376	3,815	4,989	8,177
Loans and Advances	12,333	16,586	15,292	8,201	9,886	10,571	11,217	12,068
Curr. Liability and Prov.	15,328	19,681	18,317	22,145	27,876	34,059	38,658	44,888
Account Payables	1,729	1,633	1,212	1,154	1,249	4,570	5,250	6,175
Other Current Liabilities	12,351	16,494	14,983	18,258	23,546	25,930	29,289	33,855
Provisions	1,248	1,554	2,122	2,733	3,080	3,559	4,119	4,858
Net Current Assets	12,212	14,759	11,856	13,759	13,554	14,853	17,492	22,437
Appl. of Funds	29,742	27,339	24,823	27,582	27,343	28,169	31,134	35,882

Financials and valuation

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Basic (INR)								
EPS	17.5	18.3	14.9	17.7	11.5	20.6	33.6	46.4
Cash EPS	25.9	35.7	30.8	31.9	29.9	39.2	54.5	69.3
BV/Share	240.5	200.8	206.7	215.1	226.7	234.1	260.3	302.3
DPS	0.0	0.0	7.0	8.0	8.0	16.0	16.0	16.0
Payout (%)	0.0	0.0	135.7	45.2	53.2	77.8	47.6	34.5
Valuation (x)								
P/E	30.7	29.5	36.2	30.4	47.0	26.2	16.0	11.6
Cash P/E	20.8	15.1	17.4	16.8	18.0	13.7	9.9	7.8
P/BV	2.2	2.7	2.6	2.5	2.4	2.3	2.1	1.8
EV/Sales	0.9	0.7	0.7	0.6	0.5	0.4	0.4	0.3
EV/EBITDA	17.3	12.1	13.1	12.6	13.9	11.7	8.2	6.3
Dividend Yield (%)	0.0	0.0	1.3	1.5	1.5	3.0	3.0	3.0
FCF per share	7.2	21.3	45.7	31.6	24.6	16.0	27.3	40.2
Return Ratios (%)								
RoE	9.9	10.4	9.2	11.0	6.8	11.8	17.9	21.7
RoCE	10.6	15.4	7.7	11.4	8.6	13.3	18.5	21.9
RoIC	12.9	22.0	10.9	15.0	10.6	16.0	22.7	28.5
Working Capital Ratios								
Asset Turnover (x)	2.9	4.0	4.4	5.0	6.3	6.8	7.2	7.3
Debtor (Days)	39	33	30	62	57	65	65	65
Creditor (Days)	7	5	4	3	3	9	9	9
Leverage Ratio (x)								
Net Debt/Equity ratio	0.0	0.1	-0.1	0.1	0.0	0.1	0.0	-0.1

Consolidated Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	2,566	-4,319	737	2,510	2,229	3,741	6,397	8,516
Depreciation	3	2,486	2,285	2,120	2,746	2,692	2,895	3,416
Interest and Finance Charges	1,144	1,668	1,113	550	1,066	848	794	793
Direct Taxes Paid	-1,750	-1,449	1,648	-869	-1,994	-358	-885	-1,222
(Inc.)/Dec. in WC	-1,248	-1,933	-464	-307	-231	-1,859	-1,466	-1,757
CF from Operations	714	-3,547	5,319	4,004	3,816	5,064	7,735	9,746
Others	1,302	7,157	1,835	1,538	846	-456	-436	-524
CF from Operations incl. EO	2,016	3,611	7,154	5,542	4,663	4,608	7,299	9,222
(Inc.)/Dec. in FA	-957	-570	-613	-833	-987	-2,220	-3,220	-3,220
Free Cash Flow	1,058	3,041	6,540	4,709	3,676	2,388	4,079	6,002
(Pur.)/Sale of Investments	-117	732	-144	-390	485	0	0	0
Others	2,898	-1,865	-295	-653	543	0	0	0
CF from Investments	1,823	-1,703	-1,052	-1,876	41	-2,220	-3,220	-3,220
Issue of Shares	5	478	2	628	352	-9	0	0
Inc./(Dec.) in Debt	-74	2,197	-6,312	720	-567	-9	-9	-8
Interest Paid	-865	-1,158	-737	-553	-640	-848	-794	-793
Dividend Paid	0	-144	0	-1,868	-1,855	-2,388	-2,388	-2,388
Others	-2,706	-1,244	-997	-3,842	-2,530	-501	-521	-433
CF from Fin. Activity	-3,640	129	-8,045	-4,916	-5,239	-3,756	-3,712	-3,622
Inc./Dec. in Cash	199	2,037	-1,943	-1,250	-536	-1,368	367	2,381
Closing Balance	5,860	7,589	5,646	4,105	4,376	3,815	4,989	8,177

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 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 Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relatives may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst or their relatives may have 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. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may have any other potential conflict of interests at the time of publication of the research report or at the time of public appearance, 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.

In the past 12 months, MOFSL or any of its associates may have:

- received any compensation/other benefits from the subject company of this report
- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.

- MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.
- Subject Company may have been a client of MOFSL or its associates during twelve months preceding the date of distribution of the research report.
- Research Analyst may have served as director/officer/employee in the subject company.
- MOFSL and research analyst may engage in market making activity for the subject company.

MOFSL and its associate company(ies), and Research Analyst and their relatives from time to time may have:

- a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein.
- 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.

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.

To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the 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.

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.

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.

Disclosure of Interest Statement

Analyst ownership of the stock

Quess Corp

No

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 Financial Services Limited (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. 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 of Singapore. Accordingly, if a Singapore person is not, or ceases to be, such an investor, they must immediately discontinue any use of this Report and inform MOCMSPL.

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.

This report is meant for the clients of Motilal Oswal only.

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.